



SAVE WITH CONFIDENCE

YMCA RETIREMENT FUND / 2011 ANNUAL REPORT





ANNUAL HIGHLIGHTS

The YMCA Retirement Fund is a 501(c)(3) not-for-profit corporation, organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States. The Fund is an independent corporation, not owned or controlled by the YMCA of the USA or any individual YMCA. The Fund sponsors the Retirement Plan, which is a defined contribution, money purchase, church pension plan. The Fund also sponsors the Tax-Deferred Savings Plan, which is a church retirement income account plan.

JUNE 30 SUMMARY FINANCIAL DATA (DOLLAR AMOUNTS IN THOUSANDS)

	2011	2010	2009
RECEIPTS			
Contributions from YMCAs and participants	\$ 204,949	\$ 197,984	\$ 200,499
Interest and dividends	73,729	78,871	93,584
Total	<u>278,678</u>	<u>276,855</u>	<u>294,083</u>
DISBURSEMENTS			
Benefit and lump-sum distributions	257,839	246,641	237,688
Investment and administrative expenses	31,831	31,369	30,778
Total	<u>289,670</u>	<u>278,010</u>	<u>268,466</u>
NET RECEIPTS	\$ <u>(10,992)</u>	\$ <u>(1,155)</u>	\$ <u>25,617</u>
RESERVE ANALYSIS			
Available assets	\$ 4,919,685	\$ 4,115,598	\$ 3,673,594
Required actuarial reserves	<u>5,123,608</u>	<u>4,938,723</u>	<u>4,766,834</u>
Reserve deficit	\$ (203,923)	\$ (823,125)	\$ (1,093,240)
Assets as a % of required reserves	96%	83%	77%

INVESTMENT PERFORMANCE (NET OF FEES)	2011	2010	2009
Total Fund return	21.61%	14.03%	(22.02%)
Composite benchmark	20.04%	11.65%	(14.85%)

JUNE 30 SUMMARY OF PARTICIPANT STATISTICS

(DOLLAR AMOUNTS ACTUAL)	2011	2010	2009
Active participants	51,455	49,924	47,454
Inactive participants	24,288	23,508	22,076
Retirees and beneficiaries	10,901	10,465	10,091
Total participants	<u>86,644</u>	<u>83,897</u>	<u>79,621</u>
Average annual compensation of active participants	\$ 28,122	\$ 27,925	\$ 28,640
Average annual retirement benefit	\$ 15,981	\$ 15,481	\$ 14,783
Average age of active participants	43	42	43
Participating YMCAs	866	877	904



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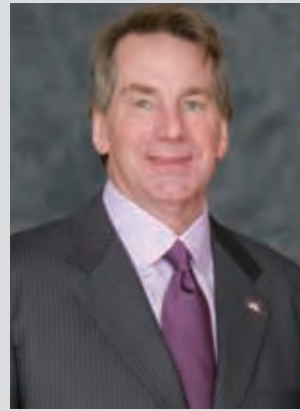
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FROM THE CEO



JOHN M. PREIS
President and CEO

Dear YMCA Colleagues:

Your YMCA Retirement Fund made good progress toward restoring our funding level to above 100%. We reached 96% as of June 30, 2011, up from 83% at June 30, 2010.

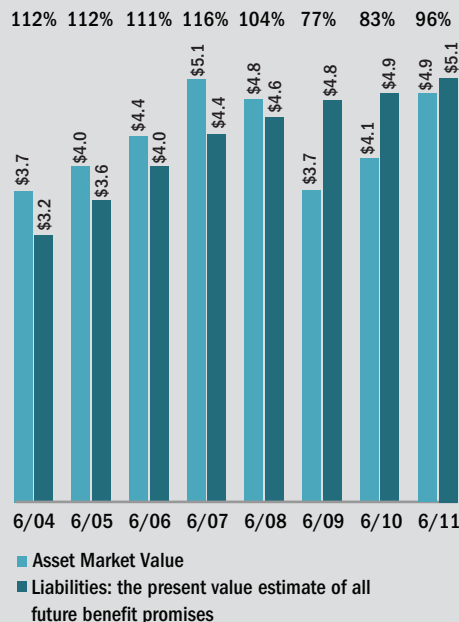
Our net of fees return for the year was 21.61%, beating our composite benchmark of 20.04%, an outperformance of 157 basis points.

AMERICA'S NEW NORMAL

Still, we continue to navigate volatile economic and investment market conditions. America is adjusting to a “new normal” of slow growth, punctuated by significant ups and downs along the way. The signposts are everywhere we turn when we watch the news and read our daily papers:

- *Persistently high unemployment*
- *A still significantly damaged housing market*
- *Rapidly rising energy and food prices*
- *Stunningly high federal deficit and staggering national debt*
- *Several European countries struggling with sovereign debt*

ASSETS AND LIABILITIES IN BILLIONS ASSETS AS A % OF LIABILITIES



DELIVERING ON THE MISSION

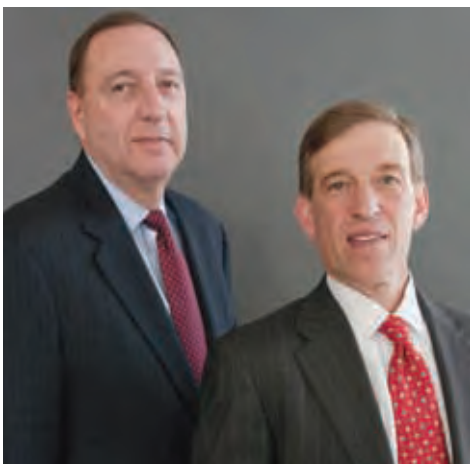
Nearly 90,000 people count on the Fund to deliver on its mission “to empower YMCA employees to achieve economic security, resulting in loyalty to the YMCA Movement.” Ultimately this translates to two primary goals: Protecting YMCA people from volatility as they save for retirement, and then providing them an uninterrupted stream of income for the rest of their lives once they do retire.

Successfully satisfying these two goals is all the more dramatic when we consider the fact that Americans, in general, just do not save enough, and most are not even confident that they will ever be able to retire comfortably.

AMERICANS NOT CONFIDENT IN THEIR ABILITY TO RETIRE

A 2011 retirement confidence survey from an industry expert reported that we are a nation of worried savers:

- 45% of those surveyed were not confident they and their spouse would be able to save as much as they thought they needed
- 70% said they were behind schedule in saving for retirement



CHIEF INVESTMENT OFFICER SUCCESSION

This year, we celebrated the retirement of the Fund’s longtime Chief Investment Officer, Vic Raskin, a consummate Wall Street professional. Vic spent the last decade of his 42-year career delivering outstanding leadership to the Fund’s investment operations.

During that tremendously challenging decade, Vic and his staff worked closely with the Board of Trustees Investment Committee to carefully evaluate all asset classes and determine the implications for the Fund’s portfolio. This led to our portfolio becoming significantly more diversified.

Following a detailed and thorough national search, the Fund welcomed Vic’s successor, Hunter Reisner. Hunter comes to the CIO position with outstanding credentials. He holds a BA in economics and mathematics from Yale and an MBA from Stanford. Throughout his 28-year investment career, Hunter developed invaluable experience investing across a wide range of public and private market asset classes. He worked with such Citigroup entities as Citigroup Private Equity, Travelers Investment Group, Salomon Brothers and Smith Barney, and has sat on several fund and university-related investment committees.

Victor J. Raskin, Retired Chief Investment Officer; and Hunter S. Reisner, Chief Investment Officer

“Nearly 90,000 people count on the Fund to deliver on its mission to empower YMCA employees to achieve economic security, resulting in loyalty to the YMCA Movement.”

SOCIAL SECURITY ISN'T ENOUGH

It's not just the inadequate savers who are nervous. Nearly every week there is another news story focused on underfunded municipal and state government pension plans, and the Social Security Board of Trustees themselves have projected that the Trust Funds will be exhausted by the year 2036. With baby-boomers turning age 65 at the rate of 8,000 per day (every day for the next 18 years), the Social Security program needs to be overhauled. High unemployment and low payroll-tax collections have only compounded the troubles of the already stressed program.

Social Security's designers never intended it to be a retiree's sole source of income, yet a reported 35% of all Social Security recipients use it for 90% of their total monthly income today. President Franklin D. Roosevelt, signer of the Social Security Act in 1935, even said:

We shall make the most lasting progress if we recognize that Social Security can furnish only a base upon which each one of our citizens may build his individual security through his own individual efforts.

Building this 'individual security' has never seemed so difficult. With the current rising cost of health care, lower investment returns, and longer life expectancies, when it comes to a financially secure retirement, there is just not a lot of confidence out there.

SAVE AND RETIRE WITH CONFIDENCE

Nonetheless, you can continue to *Save with Confidence* at the YMCA Retirement Fund, knowing that your savings will not only be protected from volatility, but steadily grow. Over the life of the Fund, participant account balances have never gone down. You can *Save with Confidence* knowing that, when you reach retirement, you will have the option of converting your savings into a stream of retirement income that will last your lifetime, and the lifetime of one other person if you so choose.

THE BEAUTY OF AN ANNUITY

As participants in the YMCA Retirement Fund's plans, you have access to lifetime retirement income in the form of an annuity. Thanks to our church plan status, we can offer annuities directly to our participants, eliminating the fees associated with buying one on

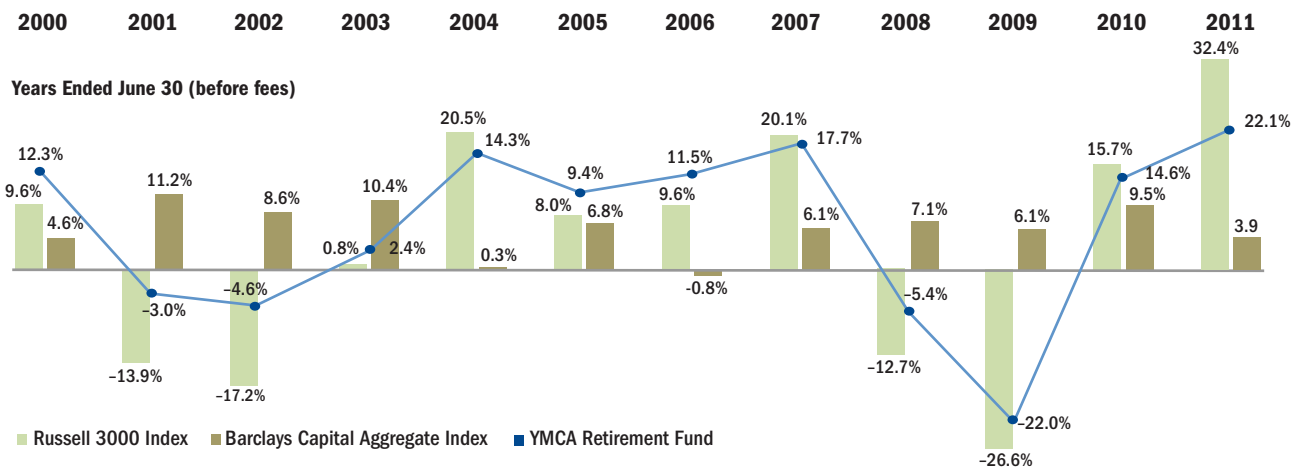
their own. At retirement, the Fund annuitizes account balances at an annuity conversion rate that is currently considerably higher than most commercial market offerings.

TRUST THE FUND

This marks my eleventh year as the Fund's CEO, and I am proud that the Fund's perfect record issuing annuity payments remains unblemished. Since the origins of the Fund in 1922, we have issued more than 3.5 million monthly annuity payments to our retirees, and not one payment has ever been missed—through wars, terrorist attacks, market downturns and even the violent weather patterns that have affected much of the country in the past year.

One of the keys to the Fund's long-term success has been the dedication of its Board of Trustees. Just like your YMCA, the Fund is a nonprofit organization, guided by a volunteer board. These outstanding individuals are deeply engaged in the YMCA Movement nationwide. They commit over two weeks of their time every year to participate in quarterly meetings and provide ongoing counsel to the Fund's Senior Management.

HISTORY OF STOCK, BOND AND YMCA RETIREMENT FUND RETURNS



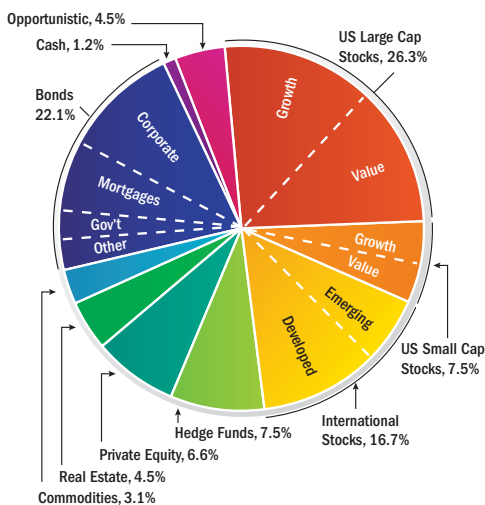
PROFESSIONAL MANAGEMENT

Your Fund Management is an impressive group, bringing a wide range of specialties and expertise to bear on the Fund's mission. With knowledge and experience gained both inside and outside the YMCA, they are the best in the business, another reason that you can *Save with Confidence*.

UNIQUE FUND STRUCTURE

A team of deeply engaged professionals manages the Fund's diverse, high-quality portfolio. You can view the details of our portfolio on our website, updated after the close of each quarter. As we are long-term players, our portfolio is designed to capture upside market returns and provide protection against the down drafts. It would be nearly impossible for an individual to replicate a portfolio of this quality, diversification and cost-efficiency.

ASSET DIVERSIFICATION (ACTUAL 6/30/11)



KEEPING YOU INFORMED

Participants who understand the value and importance of their retirement benefit and are confident in the Fund are more likely to save additional money. We publish all of our quarterly performance results on our website. Here you will also find our annual actuarial valuation performed by Buck Consultants, the Fund's independent actuary, as well as our audited financial statements and other reports required by the Department of Labor. Our internal control and excellent finance and accounting staff work hard to make this information available as soon as possible.

TAKE CHARGE OF YOUR SAVINGS

Planning for your retirement is your personal responsibility, and now is the time to do it. If you save approximately 15% of your annual salary every year throughout your career, you will build a solid foundation for retirement. Until then, the Fund is here to keep your savings safe, and to deliver those monthly annuity payments to YMCA retirees and their beneficiaries without fail.

Thanks for your continuing confidence in the YMCA Retirement Fund.

John M. Preis
President & CEO

REFLECTIONS IN (AND ON) RETIREMENT



In the eleven years since my retirement as CEO & CIO of the YMCA Retirement Fund, I have been proud to see the Fund negotiate very difficult economic circumstances as well as it has. This is a tribute to the basic concept of the Fund, as well as its staff and Board leadership.

In these troubled times, the Fund is a model, a fact confirmed when the U.S. Congress passed a seminal act clarifying its tax status. This is one of the greatest achievements of John Preis and his administration, one that eluded four of his predecessors, including me.

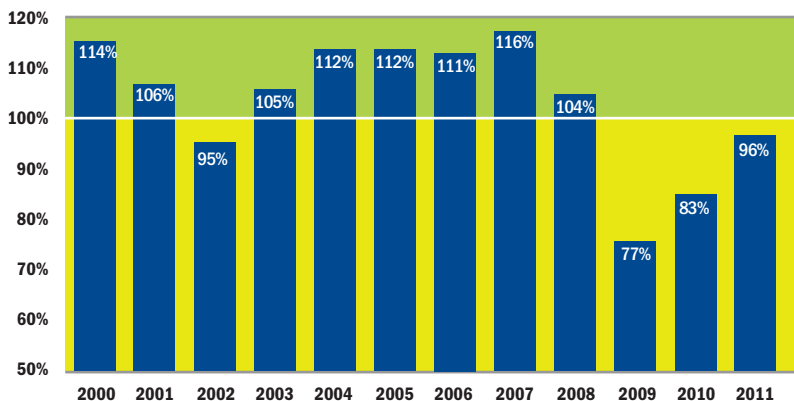
The basic concept of the Fund has provided me and thousands of YMCA retirees with a comfortable retirement. Mine has been rich and full, thanks to the Fund. I manage some money for some institutions and private clients. I chair the Springfield College Investment Committee, as well as that of Ursinus College. I serve on the Investment Committee of the UCC Foundation and have been on their Pension Board.

I have had interim pastorates and preaching assignments in New York, New Jersey and Connecticut. To the surprise of many, I have discovered the gym and dropped 100 pounds—the objective being to continue to enjoy retirement and outlive my actuarial expectation!

I recommend and salute the Fund and all of its people. It is a great organization with a great concept and heritage — keep it prosperous!

Harold C. Smith
Retired CEO & CIO

FUNDING LEVELS AT JUNE 30



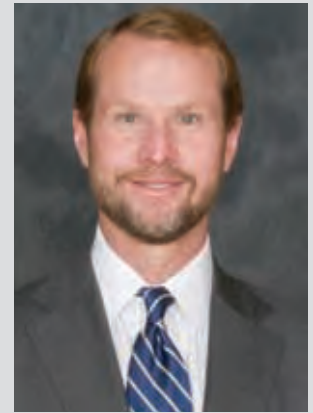
FUNDING LEVEL AND INTEREST CREDIT DECISIONS

The Fund's asset / liability ratio continues to recover and was 96% at June 30, 2011, as shown at left.

The Fund's Board sets the interest credits every six months. During the depths of the Great Recession, the interest credit decisions were made at three-month intervals.

Once we exceed 100% funding, greater than 3% interest credits will again be considered.

MESSAGE FROM THE CHAIRMAN



G. RAINEY WILLIAMS, JR.
Chairman

Dear YMCA Colleagues:

I am delighted to serve my first fiscal year as chairman of this Board of Trustees. And what a year it was!

The Fund's asset/liability ratio has continued to recover, now within close sight of 100%. We are confident that the Fund's long-term portfolio, the result of a thoughtful investment policy and excellent Management, will lead to full recovery in due course. As we had forecast last year, our path to recovery has not been in a straight line, but this was anticipated and is consistent with historical precedent.

We recognize that Fund participants and retirees are counting on us to make the right decisions with their best interests in mind. At the root of the word trustee is 'trust.' You have entrusted us to administer the Fund and direct its policies with expertise, commitment and vigilance. We will not disappoint you.

The trustees willingly devote more than ten days each year without compensation—two days each quarter to attend our meetings, preparation and travel time beforehand, and telephone conferences and numerous email communications throughout the year. I am grateful to the entire Board for their service and for the value they bring to each meeting.

This Board and Fund Management have made my transition to chairman a smooth one, and I would especially like to recognize my predecessor, Eric Mullins. Eric guided the Board through what was arguably the most difficult period in the Fund's 90-year history, and by far the most difficult in any of our personal experience. From a prosperous 2007, to the massive economic devastation of 2008 and 2009, and towards recovery in 2010, Eric handled the unforeseen challenges with the vision and levelheadedness of the expert that he is. The Board couldn't have asked for a better chairman.

This year brings some more changes to the Board's Committee leadership. I would like to commend my colleagues in their new assignments: John Clymer, Chairman of the Investment Committee; Peter Ziegler, Chairman of the Audit Committee; and Eric Mullins, Chairman of the Compensation Committee. Like me, these gentlemen have spent the past decade in service to this Board, and we are committed to its work.

Betty Frank, who served as chairman of the Investment Committee since 2000, stepped down from this position after an extraordinary decade that started with the dot-com bust and ended with the Great Recession. Her outstanding, capable leadership was deservedly recognized with the 2010 Harold C. Smith Award for distinguished service to the YMCA.

In February, we welcomed a new trustee, Kristianne Blake. A past chairman of the board of directors of the YMCA of Inland Northwest (Spokane, WA), Kristi has a deep understanding and appreciation of the Y. Her expertise in the fields of accounting and auditing, as well as her professionalism and good spirit, has further strengthened this remarkable Board.

The Fund is a unique organization, and we want all YMCAs employees nationwide to take full advantage of the savings opportunities it provides. Our work on the Fund's Board throughout the year is testimony of our commitment to help YMCA staff *Save with Confidence*.

On behalf of the Board of Trustees,

G. Rainey Williams, Jr., Chairman



**THE BOARD – YMCA RETIREE CONNECTION
RICHARD A. COLLATO, OUR NEW AYR LIAISON**

At the February 2011 meeting of the Fund's Board of Trustees, the Board appointed Richard A. Collato as Liaison to the Association of YMCA Retirees (AYR).

The AYR liaison provides a direct line of communications between the boards of the Fund and AYR, and more broadly, with all YMCA retirees. These are valuable relationships for the Fund's CEO, chairman and vice chairman.

Having recently entered retirement after an amazing 44-year career, Mr. Collato was an obvious choice to fill this role. He had served as a Fund trustee from 1999 to 2010.

Half of Mr. Collato's Y career was spent as CEO of the YMCA of San Diego County, a position he held from 1981 until his retirement. He previously worked for the YMCA of Metropolitan Los Angeles and the YMCA of Greater New York. YMCA Retirees can look forward to AYR Liaison Rich Collato's quarterly reports following each Board of Trustees meeting.

BOARD OF TRUSTEES

Dedicated to Helping YMCA Staff Save with Confidence

"I believe the retirement benefit is important to the YMCA and to the employees, in order to reward them for a lifetime of service to the Y, particularly in times of economic concern."



G. RAINEY WILLIAMS, JR.

A trustee since 1999, Mr. Williams is chairman of the Board of Trustees and the Executive Committee. He also serves on the Governance and Investment Committees. He is president of Marco Holding

Corp. Mr. Williams is a life member of the board of directors of the YMCA of Greater Oklahoma City and previously served as its chairman. He earned a BBA in finance from Southern Methodist University and a JD from the University of Oklahoma College of Law.

"It's important to attract and retain talented professionals for the YMCA. The Retirement Fund helps accomplish that goal."



REID S. THEBAULT

A trustee since 2002, Mr. Thebault is vice chairman of the Board of Trustees and also serves on the Audit, Benefits & Operations and Governance Committees. He is the president and CEO of the

YMCA of Metropolitan Detroit. Previously, Mr. Thebault worked for YMCAs in Dayton, Houston, Oklahoma City and St. Louis. He earned an Executive MBA from Pepperdine University and a JD from South Texas College of Law, and he is a member of the Texas Bar.

"The professional management and oversight of the YMCA Retirement Fund creates the stability to provide the retirement income YMCA staff need. As they continue to serve the families in their communities, they can feel confident that their retirement savings are in good hands."

"One of the benefits of the Retirement Fund is that it provides employees a benefit that most employers don't provide. It is an important competitive advantage when you're recruiting employees."



JOHN A. CLYMER

A trustee since 2001, Mr. Clymer is chairman of the Investment Committee and also serves on the Audit and Compensation Committees. He works in the Office of Strategy Management of the

Marvin Companies. Formerly, he was a senior investment officer with U.S. Trust Company. Mr. Clymer served on the endowment committee of the YMCA of Greater St. Paul. He earned a BS in engineering and an MBA from the University of Wisconsin.

"The YMCA is the premier human service organization in the world. If staff can deliver that service without worrying about retirement, they will do a better job."



HAROLD DAVIS

A trustee since 1997, Mr. Davis is chairman of the Benefits & Operations Committee. He is the executive director emeritus of the City of Oakland Housing Authority.

Previously, Mr. Davis served on the board of the Berkeley, California YMCA, and as chairman of the national board of Y-USA. He earned a BA in political science and economics at Southern University, an MA in public administration at UC Berkeley, and an LLD from the American Baptist Seminary of the West.

"The Retirement Fund's Board is a group of fifteen individuals who come together to make the very best investment and benefit decisions for YMCA people. Everybody is mission-driven; it is the most unique group of individuals that I've ever been associated with."



ELIZABETH T. FRANK

A trustee since 1999, Ms. Frank serves on the Investment Committee. She was senior vice president for Lazard Freres Asset Management of New York.

Previously, Ms. Frank served on the board of the YMCA of Philadelphia and Vicinity. She earned a BA in political science and history from Vassar College.

"We have thousands of YMCA employees across this country who are part time, who really are the ones that change lives every day in communities, with children, with families, with seniors and my goodness, that service should be acknowledged."



CARMELITA GALLO

A trustee since 2009, Ms. Gallo serves on the Benefits & Operations Committee. She is senior vice president and COO of the YMCA of Metropolitan Dallas.

Previously, Ms. Gallo worked for Y-USA and the YMCA of Metropolitan Chicago. She earned a BA in philosophy from the University of Illinois.

Meet our Newest Trustee



KRISTIANNE BLAKE

Ms. Blake was elected to the Board in February 2011. She serves on the Investment, Audit, and Governance Committees. Since 1987, she has been president of her own accounting firm. She is former chairman of the board of directors of the YMCA of Inland Northwest in Spokane, WA. Currently, Ms. Blake is chairman of the board at Russell Investment Company. She serves on the boards at Principal Funds, Laird Norton Tyee Trust Co., Avista Corporation, and Advantage IQ, Inc., where she also chairs the Audit Committee. Ms. Blake serves on various community-based boards. She is vice chairman of the Board of Regents at her alma mater, the University of Washington, where she earned a BA in business administration.

“Retirement benefits are important to the YMCA because their employees work hard for many years serving the community and they deserve the proper standard of living during their retirement.”



CARLOS GONZALEZ

A trustee since 2003, Mr. Gonzalez is vice chairman of the Investment Committee and also serves on the Audit Committee. He is the director of Client Asset Management at the Oriental Group of Puerto Rico. Mr. Gonzalez earned a BA and an MBA from Harvard University. He is a chartered financial analyst.

“I wish I could put my money with the YMCA Retirement Fund. When I come to board meetings and look around the room, I see the quality of the board and staff who are managing this money — it’s an extraordinary wealth of talent.”



WILLIAM A. HOLBY

A trustee since 2004, Mr. Holby is chairman of the Governance Committee, vice chairman of the Benefits & Operations Committee, and also serves on the Audit Committee. He is a partner at the prestigious law firm of King & Spalding LLP. Previously, Mr. Holby served as chairman of the board for the Metro Atlanta YMCA. He earned a BA cum laude in psychology and a JD from Vanderbilt University.

prestigious law firm of King & Spalding LLP. Previously, Mr. Holby served as chairman of the board for the Metro Atlanta YMCA. He earned a BA cum laude in psychology and a JD from Vanderbilt University.

“Recruiting and maintaining mission-driven leaders is key to the continued success of the YMCA Movement, and the Retirement Fund is one of the most incredible benefits of Y employment.”



JOURNEY JOHNSON

A trustee since 2010, Mr. Johnson serves on the Benefits & Operations and Governance Committees. He is president and CEO of the YMCA of Middle Tennessee. Previously, Mr. Johnson worked

for the YMCA of Greater Richmond, Bedford Area Family YMCA, and Altavista Area YMCA. He earned a BS in education and an M.Ed. from Lynchburg College and an MBA from the University of Richmond.

“YMCAs succeed because of leadership, and the Retirement Fund provides the opportunity for us to recruit and retain strong leaders, thereby being able to serve our communities the best way that we can.”



ERIC K. MANN

A trustee since 2007, Mr. Mann serves on the Benefits & Operations Committee. He is the president and CEO of the YMCA of Florida’s First Coast. Previously, Mr. Mann worked for the YMCA

of Greater Pittsburgh, the YMCA of Greater Charlotte, YMCA of Greater Cincinnati, the YMCA of Asheville, Central Connecticut Coast YMCA, and the YMCA of Metropolitan Los Angeles. He earned a BS in recreation from Mars Hill College.

“I believe the retirement benefit is important at a Y because of the employees and their constituents. I’ve seen firsthand how hard the YMCA employees work.”



ERIC D. MULLINS

A trustee since 2002, Mr. Mullins serves on the Governance and Investment Committees. He is co-chief executive officer of Lime Rock Resources in Houston. Previously, Mr. Mullins served as chairman of the board of the YMCA of Greater Houston. He earned a BA in human biology from Stanford University and an MBA from the Wharton School.

“The unique structure of the YMCA Retirement Fund provides staff with the best of all worlds in reaching a retirement that is financially secure.”



GEORGANNE F. PERKINS

A trustee since 2006, Ms. Perkins serves on the Governance and Investment Committees. She is a managing director of Fisher Lynch Capital. Previously, Ms. Perkins was the director of Private Equity for the Stanford Management Company, the endowment management arm of Stanford University. She earned a BA in fine arts from the University of California.

the endowment management arm of Stanford University. She earned a BA in fine arts from the University of California.

“The retirement benefit is really important to YMCA professionals. It helps to recruit great employees and retain them. It also gives long-term security to the women and men who have dedicated their lives in service to the YMCA.”



SANDRA BERLIN WALKER

A trustee since 2008, Ms. Walker serves on the Benefits & Operations Committee. She is president and CEO of the YMCA of Greater Cincinnati. Previously, Ms. Walker worked for the

YMCA of Metropolitan Washington, the YMCA of Philadelphia and Vicinity, and the YMCA of Greater Boston. She earned a BA in psychology from Gettysburg College.

“The retirees and beneficiaries of the Retirement Fund were asked “what are the ten most important events in the 150-year history of the YMCA,” and the number one item that came up in that survey was the establishment of an independent retirement fund.”



PETER D. ZIEGLER

A trustee since 2001, Mr. Ziegler is chairman of the Audit Committee and also serves on the Governance and Investment Committees. From 2003 to 2006 he served as chairman of the

Board of Trustees of the YMCA Retirement Fund. He is the former chairman, president and CEO of the Ziegler Companies, Inc. Previously, Mr. Ziegler served on the board of the Kettle Moraine YMCA, and as trustee and vice-chairman of the National YMCA Fund, Inc. He earned a BA in economics from Ripon College and an MBA from Northwestern University.

RETIREMENT SAVINGS FOR LIFE



“How much should I be saving for my retirement?”

This is one of the questions that we are frequently asked at the Fund. But before we look at how much you should be saving, let's first consider how much money you might need in retirement.

YOUR RETIREMENT EXPENSES

You might think you will need income in retirement that is equivalent to your salary just before you retired. However, keep in mind that, in retirement, many of your expenses will change:

- Income taxes are likely to go down
- FICA ends
- Saving for retirement is no longer needed
- Your employer stops paying for your health insurance
- Expenses may increase on travel, hobbies, or a new business venture

SAVE FOR THE RETIREMENT YOU WANT

To estimate how much income you will need, you must first envision the retirement you want and work backwards. Set goals and priorities; consider when you want to retire, where and

how you want to live, and what you wish to leave for loved ones. Remember that you only get the retirement that you save for now!

So, back to our original question: How much should you save for retirement? Unless you are a late starter and need to catch up, experts suggest you save approximately 15% of your annual salary every year throughout your career.

YMCA STAFF ARE AHEAD OF THE GAME

When you are enrolled in the Retirement Plan, your YMCA contributes an amount equal to anywhere from 5% to 12% of your salary to your retirement savings, but it's important that you make up the difference.

The best way to do this is through voluntary contributions to a 403(b) Smart Account. Any YMCA employee can open a 403(b) Smart Account, as early as their first day of employment. Saving this way is easy—you just agree to have a percentage or dollar amount withheld from your paycheck and deposited tax deferred into your 403(b) Smart Account.

START SAVING

Thousands of YMCA employees are voluntarily saving their own tax-deferred dollars with

the Fund. This year alone, over 2,000 YMCA staff opened new 403(b) Smart Accounts.

Talk to your human resource department or supervisor about getting started.

YRF YMCA RETIREMENT FUND SAVINGS FOR LIFE

Are You Saving Enough?

Start Saving Now...
It's easy to open a 403(b) Smart Account!

1 800-RET-YMCA • info@ymcaret.org • www.yretirement.org

YRF YMCA RETIREMENT FUND SAVINGS FOR LIFE



What YMCA Staff Have Said...

“I can confidently say that I would have moved on if the Fund (and my YMCA’s 12% contribution) was not part of my benefit package.”

“The Fund provided for stability that traditional markets weren’t able to provide through the Great Recession. Thanks for the way you have managed the Fund and the peace of mind you have provided YMCA employees.”

HELPING YOU SAVE ENOUGH

The Fund is dedicated to helping you understand the important role you must play in order to have a great retirement—that is, saving for it.

In addition to our Customer Service Department, which is available with prompt and courteous service, the Fund offers several resources that explain your benefits. First, we

have promoted three outstanding Fund staff members to the newly-created position of Client Relationship Manager. Their role is to support the Fund’s strategy of proactive outreach to participants and YMCAs.

Second, our website is an excellent source of information that includes several new videos,

which bring our presentations on demand to the widest possible audience, and the *Annuity Estimate Calculator*, an interactive tool to show you what your future annuity might be.

RETIREMENT PLANNING STRATEGIES VIDEO SERIES

This year, our own staff filmed three short videos designed to explain different aspects of the Fund and strategies to plan for retirement.

These videos can be viewed directly on the Fund’s website under the *Featured Videos* tab.



The Basics

Brandon helps new YMCA employees understand the basics of how the Fund works.

403(b) Smart Account

Christina highlights tax-deferred savings opportunities available to all YMCA employees.

Choosing an Annuity

Bob provides guidance for staff who are seriously considering their retirement annuity options.

ANNUITY ESTIMATE CALCULATOR

Among the most frequently used tools by individual participants on the Fund’s website is the *Annuity Estimate Calculator*. Here, participants can run their own calculations to estimate their future annuity, based on the variables they enter. (See pages 10 and 11 to learn more about annuities.)

Since you access the calculator by logging onto the website, the starting point contains information that is unique to you, such as your age, your current account balances, and—if you participate in the Retirement Plan—your YMCA’s contribution rate.

YRF YMCA RETIREMENT FUND SAVINGS FOR LIFE		
Annuity Estimate Calculator		
Step 1 Your Details	Step 2 Your Death Benefit	Step 3 Your Results
Your birth date	8/2/1973	
Your planned retirement date	10/1/2035	
Your stop work month	9/1/2035	
Your retirement age will be	62 years	
Your current annual salary	\$35,000.00	
Your estimated future annual salary increase	2%	
Your current Retirement Plan Account Balances	\$156,398.02	
Your current Savings Plan Account Balances	\$ 87,232.53	
Your estimated future annual interest credits	3%	
Projected monthly contributions to a 403(b) Smart Account	\$200.00	

In the past year, we enhanced the calculator to allow you to run your annuity calculations with the following options:

- Estimate annuities from one plan at a time (Retirement Plan or Savings Plan) or both together
- Increase your annuity projection using a percentage of the Retirement Plan’s Retired Death Benefit
- Select a different retirement date from your last date worked

BRINGING THE FUND TO YOU

We have heard your feedback and requests for more face-to-face interaction with representatives from the Fund. Our Y-Relations Team has doubled in size since last year, and is committed to visiting more YMCAs across the country. Over the past year, our representatives presented to over 5,000 people. This momentum will continue throughout the coming year. Contact the Fund to learn more about local Y presentations.



The Y-Relations/Client Relationship Management (CRM) Team
 Back: Kristina Lee, Marcela Deitrich, Laura Lombard, Miriam Paulin, Christina Bruno
 Front: Robert Hastedt, Vanessa Boulous, Nancy Ross

RETIREMENT INCOME FOR LIFE



INCOME FOR LIFE

Annuities provide a reliable stream of income for life. The Fund provides annuities directly to YMCA retirees, so they can count on a trusted and familiar source.

We offer various annuity choices—both single life and joint & survivor. Since the Retirement Plan and the Savings Plan can be annuitized separately, a person with savings in both plans can choose different annuity options for each, or choose to take one as an annuity and the other as a distribution. The plans can also be annuitized at different times.

As you approach retirement, you will have important decisions to make concerning your life annuity. The Fund is here to help guide you, so please don't hesitate to contact us.

We also offer a one-day course, *Financial Planning for Retirement*, for YMCA employees at least age 50 who wish to retire within five to ten years. This course can be taken for leadership competency credit through the Y-USA Regional Training. A YMCA may also sponsor and host the course for local Y staff.

CALCULATING YOUR LIFETIME ANNUITY

While the Fund provides you with a lifetime annuity and many different choices, the factor that determines how much that future annuity will be is you. Build your savings now, and you can confidently look forward to a secure retirement.

HOW IS YOUR ANNUITY CALCULATED?

These Factors Determine the Amount of Your Annuity:

- Account Balances
- Retirement Age
- Annuity Option
- Annuity Interest Rate



RETIREMENT CONFIDENCE

In the 2011 Retirement Confidence Survey, conducted by the Employee Benefits Research Institute, 27% of workers surveyed reported being “not at all confident” about having enough money for a comfortable retirement. This is the highest level the survey has ever measured in its 21 years.

This lack of confidence makes sense considering that many workers do not even have access to a retirement plan through their employer. Only 45% of employers with fewer than 100 employees offer a retirement plan, according to a 2011 report from the U.S. Government Accountability Office. The same report cites that 75% of employers with greater than 100 employees offer a retirement plan.

The YMCA is different. Whether yours is a YMCA with less than ten employees, or a large metropolitan YMCA with hundreds, all employees have the same opportunity to save in the YMCA Retirement Fund's plans. Currently, the Fund serves 866 YMCAs, of which, more than three-fourths have under 100 employees.



What Y Retirees Have Said...

“I retired seven years ago. With the economy in such turmoil in recent years, I am so grateful for the steady income from the Retirement Fund. Without it, I'm not sure how my wife and I could have survived. Thank you for your diligence.”

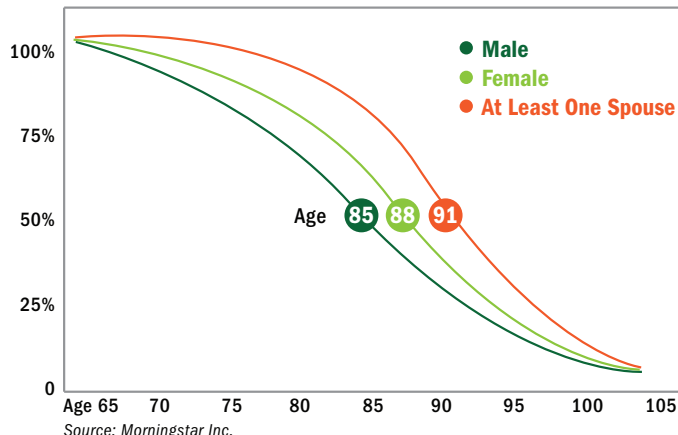
PLAN FOR A LONG RETIREMENT

Having an annuity that provides income for life is important since many of us will look forward to spending as many (if not more) years retired as we worked during our YMCA careers. Experts call this “longevity risk.”

As the chart to the right shows, there is a 50% chance that a 65-year-old male will live to age 85, a woman to age 88 and at least one spouse in a married couple to age 91.

More than 50% of current YMCA retirees are age 70 and older, with 18% already age 80 and older.

PROBABILITY OF A 65-YEAR-OLD LIVING TO VARIOUS AGES



HOW THE FUND COMPARES

In June 2011, *Barron's*, one of America's premier financial magazines, produced a special report highlighting the best annuities on the market. Published by Dow Jones & Company since 1921, *Barron's* reaches an influential audience of senior corporate executives, institutional investors, individual investors and financial professionals.

Barron's evaluated annuities by costs, returns, and strength of the insurance companies behind the products. When we calculate an immediate, fixed, single life annuity, using the same criteria as *Barron's*, an annuity from the Fund is better than *Barron's* five best picks.

FOR NEARLY NINETY YEARS

Since 1922, the Fund has delivered 3.5 million monthly annuity payments and has never missed a payment to its retirees and beneficiaries. The Fund is not in the business of making a profit from its annuities, and that is why we can offer them without the administrative fees, expenses and hidden costs associated with commercial annuities, and at higher annuity conversion rate.

	Company	Monthly Annuity	Annual Annuity	Fund is Better by
Fixed lifetime annuity— \$200,000 investment by a 60-year-old male	YMCA Retirement Fund	\$1,488	\$17,861	
	Pacific Life & Annuity	\$1,124	\$13,488	32%
	First MetLife Investors Insurance	\$1,109	\$13,317	34%
	Nationwide Life Insurance	\$1,094	\$13,138	36%
	The Hartford	\$1,086	\$13,041	37%
	American National Life Insurance	\$1,083	\$13,005	37%

Source: *Barron's*, June 20, 2011



“I am happy that I have such a great fund, that during the financial crisis I did not lose half of my savings, like most of my friends. Many of my friends that were planning to retire have now had to keep working.”

INVESTMENT STRATEGY AND RESULTS



HUNTER S. REISNER
Chief Investment Officer

STRONG RETURNS AND CONTINUED IMPROVEMENT IN FUNDING LEVELS

Fiscal Year 2011 was a strong one for the Fund. Financial markets around the globe advanced meaningfully, and the Fund performed even better. In the fiscal year ended June 30, 2011 (FY 2011), your Fund earned a 21.6% rate of return, net of fees. The Fund's investments now total \$4.9 billion, up from \$3.7 billion two years ago. This \$1.2 billion increase—up 34% since mid-2009 and up 52% since the market bottom—has raised our funded status to 96%. This puts us in a sound position from which to grow and take prudent risks.

THE YEAR IN REVIEW

Much of FY 2011's strong returns—both for financial markets and the Fund—were generated from July 2010 through April 2011, with only occasional brief, fear-induced reversals in August and November. These pauses served to allow the gains to be consolidated before most asset classes resumed their ascent.

Throughout these 10 months, “risk-on” was the watchword. Investors flowed to so-called “risk-on” securities—which include domestic and international stocks, commodities, private equities, and real estate—and their returns soared. Investors felt encouraged to do so due

to the remarkably large amounts of stimulus that governments, particularly in the developed world, were providing to help support their otherwise-lackluster economies.

Closest to home, this could be seen in U.S. fiscal policy and monetary policy, each of which aimed to support the domestic economy and particularly the personal consumption component of economic growth. Consumption was restrained by two persistent and difficult areas: the weak housing markets in most of the country and the nation's stubborn unemployment and under-employment troubles. (Please see the *Economic and Market Indicators* on pages 16 and 17.)

The large amounts of fiscal stimulus took shape in the forms of abundant government spending, public sector assumption of certain private debts, and various forms of tax relief. Meanwhile, the accommodative monetary policy was most prominently evidenced in the Fed's zero-interest-rate policy and second round of quantitative easing (QE2).

With governments globally set to support financial markets and the low returns to be earned by “risk-free” assets, investors felt emboldened to bid up “risky” assets. Domestic stocks, as measured by the S&P 500 grew 28%

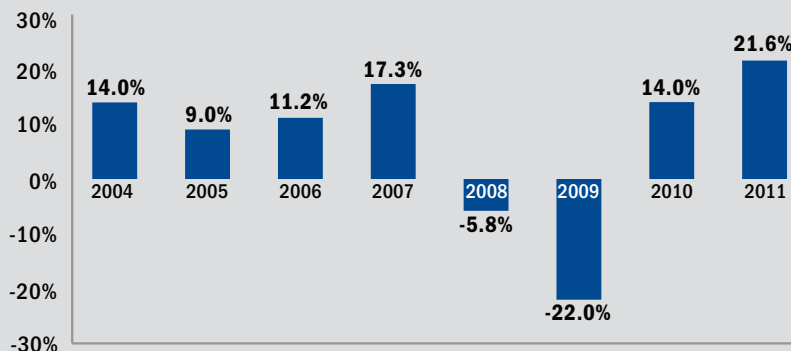
on the year, while the broader Russell 3000 Index gained 32%. Non-U.S. equities rose an average of approximately 30%. Commodities soared over 25% while various indices of the real estate and private equity asset classes gained approximately 15% and 20%, respectively.

In contrast to the brief, intermittent pauses earlier in FY 2011, the retracement during the May-June period this year was more pronounced and extended seven weeks. Investors demonstrated concern over troubles in the U.S. that echoed similar difficulties in Japan, England and many of the peripheral Eurozone countries such as Greece and Portugal. The interplay of slowing economic growth, rising oil and food prices, bulging fiscal deficits, and excessive levels of government debt contributed to multiple fears. These include fears of sovereign government defaults, a double-dip recession, and economic problems spiraling out of control.

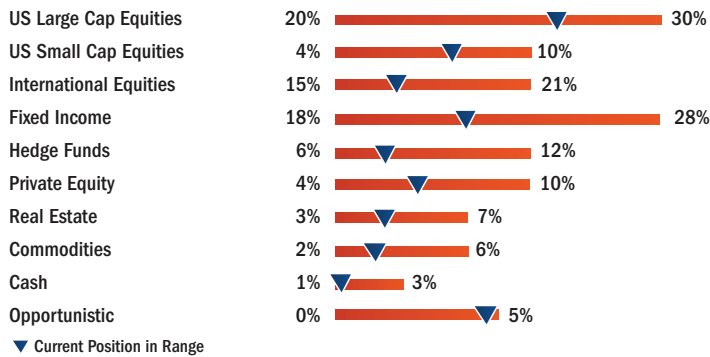
“Risk-off” then became the watchword. Typically this would have resulted in a rally in securities backed by the U.S. government. This occurred this past spring as the yield on the bellwether 10-year U.S. Treasury fell to a low of 2.86%, more than 80 basis points lower than where it traded during the “risk-on” period in January and February. In June, however, Treasuries and mortgages backed by agencies of the U.S. government suffered negative returns, albeit less negative than equities and commodities. For a while it became unclear as to which financial assets did not entail appreciable risk.

A relief rally in late June, which continued into early July, removed the pressure for a time. Management is mindful that the world's economic and financial problems have not been solved, and that several are likely to resurface again, with negative implications for many financial instruments. This will be embedded in our asset allocation thinking. We will comment on developments in these areas in future reports.

PERFORMANCE RESULTS: NET OF FEES (FISCAL YEARS ENDED JUNE 30)



ASSET CLASS RANGES (AT JUNE 30, 2011)



PERFORMANCE REVIEW

The Fund's 21.6% gain in FY 2011 is impressive not only in an absolute sense, but also relative to our Composite Benchmark. The Fund outperformed its benchmark by a notable 157 basis points, extending the Fund's significant outperformance for a second consecutive fiscal year. (Throughout this report, all returns are presented after all investment-related fees and costs; that is, "net of fees.")

Throughout the year, our investments in large and small cap domestic equities, commodities, real estate and private equity performed exceptionally well on an absolute basis. The most significant contributors to our outperformance of the benchmark were commodities and large cap equities, each of which was aided by so-called portable alpha investments. Other significant relative performers included small cap value stocks and fixed income, which was helped by the continued recovery in mortgage-backed securities.

ASSET CLASS REVIEW

DOMESTIC LARGE CAP EQUITIES

The Fund's domestic large cap equities soared by nearly 33.5%, besting the Russell 1000 bench-

mark, which advanced nearly 32.0%. Approximately 75% of this asset class consists of pure indices and thus matches the benchmark return. The other 25%, in two portable alpha products, outperformed the Russell benchmark by over 500 basis points, enabling approximately 150

PERFORMANCE RESULTS: NET OF FEES (FISCAL YEAR ENDED JUNE 30, 2011)

Asset Class	Fund	Benchmark	Name	Performance Out (Under)
US Large Cap Equity	33.47%	31.96%	Russell 1000 Growth/Value	1.51%
US Small Cap Equity	36.85%	37.26%	Russell 2000	(0.41%)
International Equity	29.54%	30.07%	MSCI ACWI Free ex US	(0.53%)
Hedge Funds	7.76%	6.29%	HFRI Index	1.47%
Private Equity	18.36%	18.84%	CA Vintage Year	(0.48%)
Real Estate	17.32%	19.32%	NAREIT/NCREIF	(2.00%)
Commodities	33.00%	25.56%	Dow/UBS Commodities Index	7.44%
Fixed Income	6.38%	3.78%	Barclays Capital U.S. Aggregate	2.60%
Opportunistic	18.64%	20.04%	Composite Benchmark	(1.40%)
Cash	0.12%	0.13%	90-Day Treasury Bill	(0.01%)
Total Fund	21.61%	20.04%	Composite Benchmark	1.57%

basis points of outperformance. On top of the gain in the prior fiscal year, we are now close to recovering the losses on domestic large cap equities suffered during the financial crisis. Relative to our policy portfolio, we are overweight this asset class.

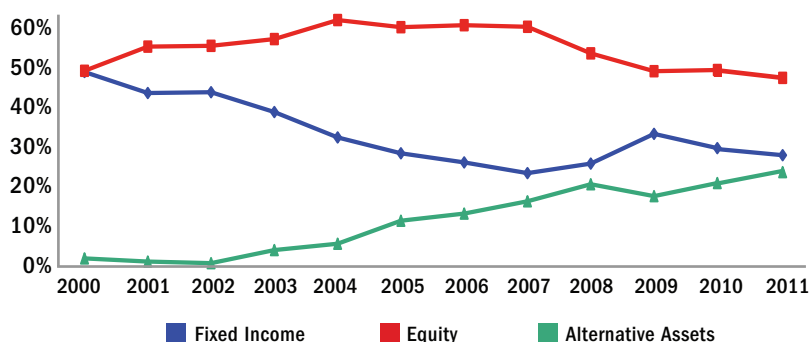
DOMESTIC SMALL CAP EQUITIES

Domestic small cap equities grew extraordinarily well in FY 2011. The Fund's small cap portfolio rose 36.9%, just shy of the Russell 2000 benchmark, which returned 37.3%. As in the prior fiscal year, this was the top performing asset class. We have been modestly overweight the asset class and have been slightly overweight the higher performing "growth" component. This has helped the Fund in an absolute sense as "growth" has gained more than "value" has. Relative to our benchmark, however, this has

hurt. Our small cap growth managers have underperformed their benchmark while our small cap value managers have outperformed theirs.

We will be examining our weightings and our managers to see if we think these relative performance results are likely to endure.

HISTORY OF ASSET ALLOCATION (AT JUNE 30)



A DECADE OF CHANGE

The Fund's portfolio has changed dramatically over the past decade. While equities still represent about 50% of the total assets, the mix within equities has changed significantly, with sharp increases in international and emerging market stocks representing most of the change. The increase in alternative assets was offset by a reduction in bonds. But within bonds, high-yield, international and emerging market debt, as well as other fixed income securities, have been added. The combination of greater diversification and the non-correlated alternative assets has helped reduce the Fund's overall risk. This will continue as we move toward our long-term policy allocation.



John M. Preis, President and CEO; Hunter S. Reisner, Chief Investment Officer; John A. Clymer, Investment Committee Chairman

INTERNATIONAL EQUITIES

Our international equities rallied to grow 29.5% in FY 2011. Although impressive in an absolute sense, this was slightly below the 30.1% return of the benchmark index for two reasons.

First, we have been overweight emerging markets relative to developed markets. While this has helped us over time, it hurt us last year as the latter outperformed the former by about 200 basis points. Several factors hurt the performance of emerging markets equities. These include: (a) fears that growth would suffer by efforts to slow the economies in order to fight rising inflation; (b) further pressure on corporate profit margins from rising input costs of labor and commodities; and (c) concerns about diminished economic growth in the developed nations, which constitute the primary end-markets for their equities.

Second, while we have invested with three high performing managers, two of whom performed well last year, we also have two managers that have consistently under-performed. Overall, the Fund's international equities portfolio still

performed well, however, because we have allocated more capital to the higher-performing managers. Looking ahead, we will be evaluating different ways of composing our exposure to non-U.S. equity markets. Relative to our policy portfolio, we are underweight international equities.

FIXED INCOME

The Fund's fixed income allocation performed well in FY 2011, gaining 6.4%, a notable 260 basis points better than the Barclays U.S. Aggregate Bond Index. As of the end of FY 2011, the Fund's fixed income holdings, relative to that of the Index, were more weighted to corporate debt and mortgages with a corresponding underweighting of treasuries. This is not an unusual positioning for the Fund. As a result of this positioning, the Fund generally outperforms the Index in improving bond markets, when interest rates fall and spreads tighten. This year's results were consistent with that. In fact, our overweight position to mortgages, which was the top-performing fixed in-

come sector, was the largest contributor to the Fund's outperformance. In the fixed income asset class, we continue to be modestly underweight our policy portfolio. More specifically, we are underweight U.S. agencies and treasuries and overweight corporate credit. We are evaluating modifying our fixed income exposures due to the uncertain status of many developed country government credits.

ALTERNATIVE ASSETS

The Fund invests in many categories of alternative assets. Each performed remarkably well in an absolute sense in FY 2011, with commodities and hedge funds performing particularly well on a relative basis.

Hedge funds, our largest allocation to alternatives and the category of alternatives with the lowest risk level, gained 7.8%. Each of our managers in this asset class outperformed the HFRI Fund of Funds Composite Index, two of them notably so.

Private equity returned 18.4% and we received substantial distributions of capital. Our private equity composite benchmark index gained a slightly greater 18.8%. (Please see the last segment of this report in which private equity is discussed more fully.)

The Fund's real estate investments returned an impressive 17.3%, but fell short of their composite benchmark, which grew 19.3%. Our private real estate funds continued to rebound from the lows of prior years, but underperformed their benchmark. The outperformance of our public real estate investments (REITs) offset some of

TARGET POLICY PORTFOLIO

WEIGHTINGS VS. POLICY

Asset Class	6/30/11 Actual	6/30/11 Policy	Long-Term Policy
Stocks	50.5%	50.0%	45.0%
US Equities	33.8%	32.0%	25.0%
Global ex US (Dev)	12.1%	14.0%	15.0%
Emerging Markets	4.6%	4.0%	5.0%
Alternative Assets	21.7%	25.0%	31.0%
Hedge Funds	7.5%	9.0%	12.0%
Private Equity	6.6%	7.0%	7.5%
Real Estate	4.5%	5.0%	7.5%
Commodities	3.1%	4.0%	4.0%
Fixed Income	22.1%	23.0%	23.0%
Cash	1.2%	2.0%	1.0%
Opportunistic	4.5%	—	—
Total	100.0%	100.0%	100.0%

WEIGHTINGS AS OF 6/30/11

INTERNATIONAL EQUITIES

Region	YMCA Retirement Fund	MSCI ACWI Ex US Benchmark
Europe & UK	46.6%	45.1%
Japan	11.4%	13.7%
Far East (excl Japan)	6.3%	9.0%
Canada & Other	7.1%	8.5%
Emerging Markets	27.0%	23.7%
Cash	1.6%	0.0%

SMALL CAP/RUSSELL 2000

	Policy	+/-	Actual
Value	50.0%	10.0%	48.2%
Growth	50.0%	10.0%	51.8%

FIXED INCOME

Sector	YMCA Retirement Fund	Barclays Aggregate Benchmark
US Treasuries	7.4%	32.8%
Corporate	39.3%	25.0%
Investment Grade	32.7%	25.0%
High Yield	6.6%	0.0%
Mortgages	39.0%	33.3%
US Agencies	7.4%	6.3%
Asset Backed	3.4%	0.3%
CMBS	2.8%	2.3%
Cash & Equivalents	0.7%	0.0%

this. We are cautious about the valuations of REITs in the U.S. and are reallocating more towards international REITs.

The Fund's commodities investments generated 33.0% returns in FY 2011, with both our private investments and our enhanced index contributing to a highly significant 744 basis point outperformance versus the Dow Jones / UBS Commodities Index, which gained 25.6%. Our portable alpha product contributed mightily to our outperformance.

In each of these alternative asset classes, the Fund is underweight relative to our policy portfolio. We are working on growing and enhancing how we participate in each of these. In private equity and real estate, the funding of our commitments over time will move us closer to policy weight. In hedge funds and commodities, we are working on ways to increase our exposures.

OPPORTUNISTIC INVESTMENTS

Each of the Fund's three opportunistic investments continued to perform as intended. In aggregate, opportunistic investments returned 18.6%. This trailed the Fund's overall benchmark return of 20.0%, which we would expect to happen in a period of exceedingly strong financial returns. Nonetheless, these opportunistic investments have performed quite well for us.

Opportunistic investments are those made in niche areas or ones made to take advantage of investment propositions that are fleeting or have a time-sensitivity to their execution. Such investments can enable the Fund to take advantage of timely and attractive investments that otherwise would be missed. In the aggregate, the amount invested in opportunistic investments can comprise no more than 5% at cost of the Fund's assets, and each individual such investment cannot exceed 1.5% at cost of the Fund's assets.

We are continually evaluating changes to this segment of the Fund as new opportunities arise in the ever-changing economic and investment landscape. Certain of the Fund's opportunistic investments will be evaluated for being transferred into the other asset classes of the Fund's main portfolio.

FOCUS ON THE PRIVATE EQUITY ASSET CLASS

Private equity has been the Fund's top returning asset class over the last five years and since inception. As can be seen in the table at the bottom of this page, the private equity asset class has consistently outperformed the broad U.S. public market, as measured by the Russell 3000 Index. Over the five years ended December 2010, for instance, the private equity asset class, as measured by Cambridge Associates, generated annual returns that have been approximately 600 basis points higher than that of public equity. This is a primary motivation for our Fund's investing in private equity as an asset class.

Further, during this same period, the Fund's private equity returns have outdistanced our asset class composite benchmark by over 120 basis points. Outgaining the top performing asset class is a notable accomplishment of the Fund's. It is a record on which we intend to build. We plan to continue to invest with many of the industry's leading players, building upon our reputation with many private equity managers as being an important and attractive partner.

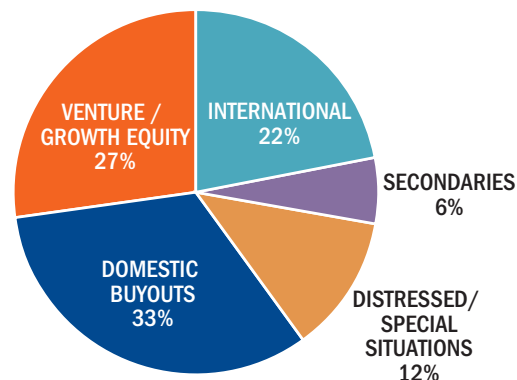
Last year, the private equity industry began to emerge from the darkness of the prior few years. Major industry measures—such as investment returns, new investment activity, liquidity and fundraising—began to recover from the depressed levels of 2009. They still remain, however, below the record levels of previous years.

We continued to make good progress moving toward our allocation target for private equity of 7.5%. By the end of FY 2011, the net asset value of our private equity portfolio represented 6.6% of the Fund's overall portfolio. We continued to seek out the best managers and stuck with our policy of having a portfolio that is well diversified by geography, industry sector and stage of

investment – such as buyout, venture capital, growth equity, secondary and distressed.

At present we have relationships with 33 underlying managers. While the majority of the

PRIVATE EQUITY PORTFOLIO (AT JUNE 30, 2011)



new commitments made during the year were with existing managers, we continue to identify, seek out and approach top-tier managers across the full spectrum of the asset class.

We would note that the pace of distributions from our private equity funds picked up notably during FY 2011. The sources of these distributions included sales of companies, IPOs, and dividend recapitalizations. In fact, for the first sustained period, our private equity capital flows have been net-positive in recent quarters. We have been receiving more capital from our private equity funds than we have been contributing to meet capital calls.

ASSET CLASS ANNUALIZED RETURNS: NET OF FEES (AS OF DECEMBER 31, 2010)

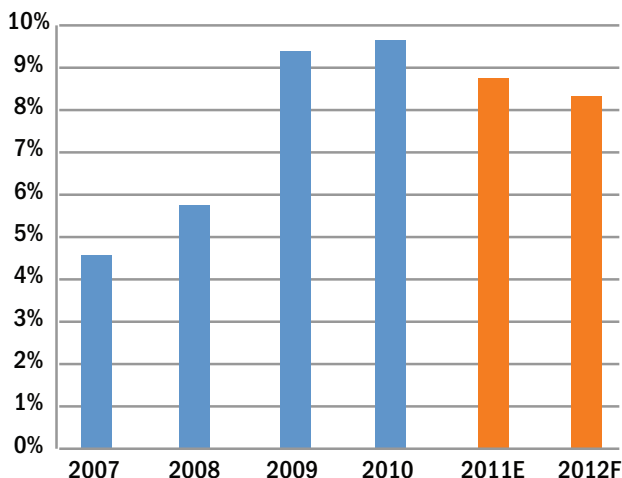
	1-Year	3-Year	5-Year
Private Equity (Cambridge Associates Index)	18.6%	2.2%	8.7%
Public Equity (Russell 3000 Index)	16.9%	-2.0%	2.7%
Private Equity Outperformance	1.7%	4.2%	6.0%

ECONOMIC AND MARKET INDICATORS

Many indicators inform our thinking about how to invest the Fund's assets. These include certain economic statistics and price-change patterns in many markets. On this and the following page we present some of these indicators in graphical form along with related commentary. All data on these pages are calendar year, with years up to and including 2010 being actual. 2011 is estimated (E) and 2012 is forecasted (F).

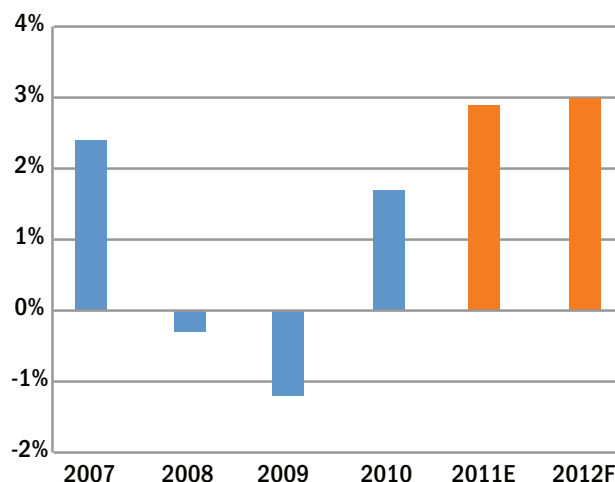
Sources: Bloomberg, IMF World Economic Outlook, and Consensus Economics

U.S. UNEMPLOYMENT



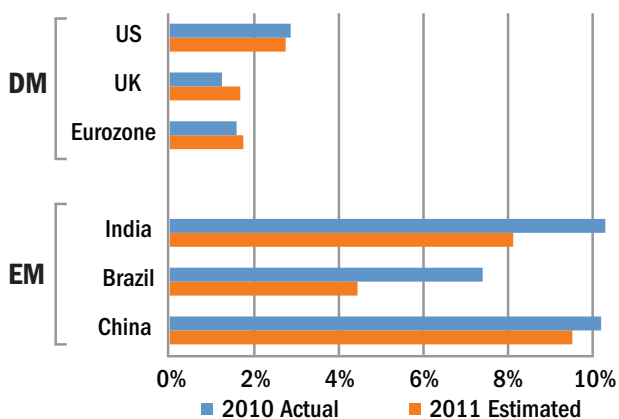
Unemployment remains stubbornly high in the U.S. and is expected to decrease only modestly. This reflects weak economic growth and uncertainty by potential employers, which serve to restrain consumer spending and future growth.

GROWTH IN PERSONAL CONSUMPTION IN THE U.S.



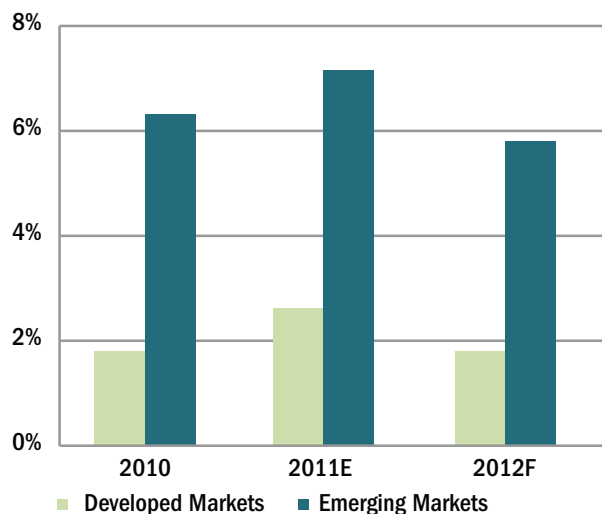
Slow economic growth and high unemployment in the U.S. has constrained growth in personal consumption, which has suppressed economic growth. Consumption is likely to grow but only at modest levels moving forward.

ANNUAL GDP GROWTH RATES



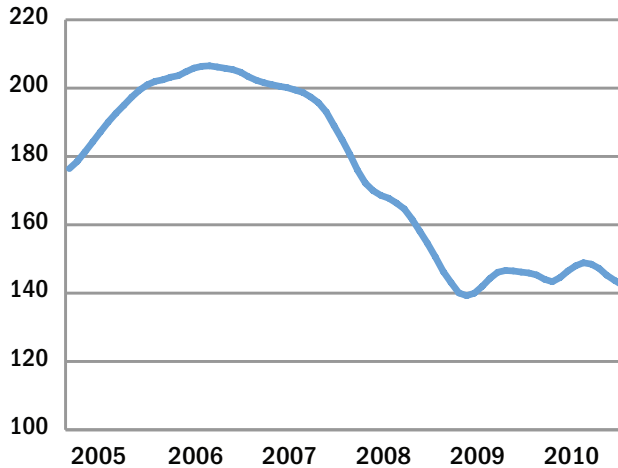
Gross Domestic Product (GDP) represents the market value of all finished goods and services made within the borders of a nation. During 2010, the global economy, as measured by GDP grew 3.8%. Developed market (DM) economies grew slower. The large emerging market (EM) economies have been able to increase domestic demand to compensate for decreased exports, and continue to be the primary driver of the global economic expansion. Even the EM countries, however, are expected to grow at a slower rate in 2011.

GROWTH IN CONSUMER PRICES



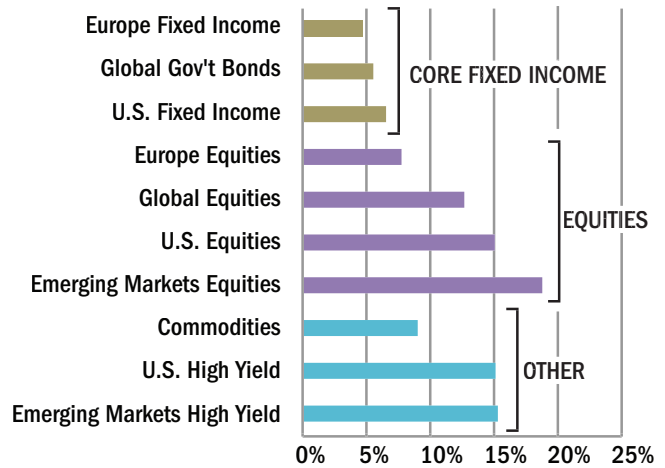
Consumer prices rose only modestly in developed economies in 2010. The rise in consumer prices globally has been driven by high inflation rates in emerging markets (EM). This is evidenced by their robust economic growth and increased spending power. This is bound to moderate moving forward, however, as central banks in EM have been raising interest rates to counter inflation.

S&P HOUSING MARKET INDEX



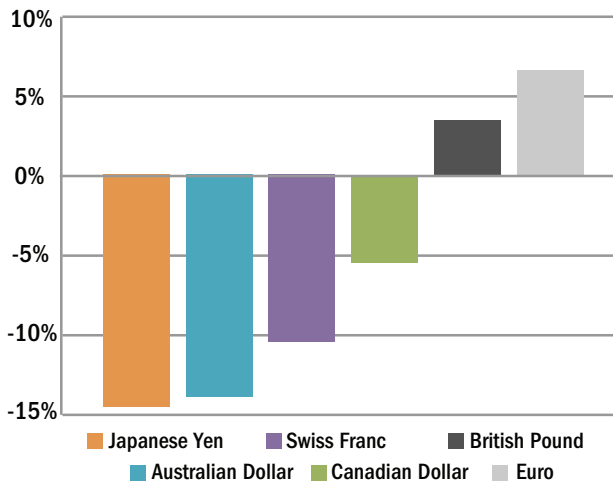
After showing improvement during the first two quarters of 2010, the S&P Case-Shiller U.S. National Home Price Index slipped in the third quarter, partially due to the expiration of the homebuyer tax credit. On a year-on-year basis, the index dropped approximately 1.6%. It remains 55% below its peak in 2006.

ASSET CLASS PERFORMANCE IN 2010



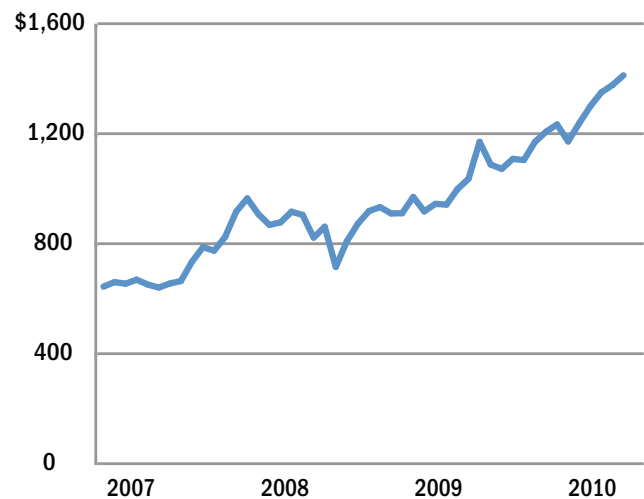
Calendar year 2010 was a choppy one, but ended with all the major asset classes generating positive returns. The world economy grew by approximately 3.8%, with performance driven by emerging markets (EM). Equities and High Yield in EM performed the best, followed by these same asset classes in the U.S.

CHANGE IN VALUE OF THE U.S. DOLLAR RELATIVE TO OTHER CURRENCIES



During 2010, the U.S. Dollar depreciated relative to 75% of the various currencies worldwide, continuing a multi-decade trend. For instance, the U.S. Dollar fell nearly 15% versus each of the Australian Dollar and Japanese Yen. As poorly as the Dollar performed, however, the Euro and the Pound fared even worse due to the ongoing debt crisis and the surrounding monetary and fiscal policies adopted.

GOLD PRICE PER OUNCE



During 2010, the Fed maintained a historically low target federal funds rate of 0.00% to 0.25%. Gold hit an all-time high as investors fled the U.S. Dollar. Gold finished the year above \$1,400 per ounce.

INDEPENDENT ACTUARY'S LETTER



A Xerox Company

July 25, 2011

Board of Trustees
Young Men's Christian Association Retirement Fund
140 Broadway, 28th Floor
New York, NY 10005-1197

Members of the Board of Trustees:

This valuation indicates that at June 30, 2011 the Fund's net assets aggregated \$4,919,685,295 while required reserves at that date totaled \$5,123,608,666. Therefore, at June 30, 2011 there was an actuarial deficit of \$203,923,371, which is the amount of the excess of required reserves over the assets. The actuarial deficit has decreased approximately 75% since June 30, 2010.

The Fund's investment and benefits horizons are long-term, and its investment approach, based on reasonable asset allocation strategies, should produce future investment returns to maintain the Fund over a long period of time.

Consistent with our expectation from our asset / liability modeling and consistent with improvement in the capital markets, the funded status has significantly improved from the prior valuation. We continue to work closely with the management team at the Fund to monitor the funded status and the Fund's overall financial health.

In preparing this valuation, the Fund provided detailed information on all participants (actives, inactive, retirees and beneficiaries). This data was combined with historical information compiled over the years, and was compared for reasonability and consistency. The assumptions used in the valuation are reviewed annually and, in our opinion, are reasonable and appropriate. The Fund's valuation reflects all provisions through the June 30, 2011 valuation date.

I am an Associate of the Society of Actuaries, an Enrolled Actuary, and a member of the American Academy of Actuaries and I meet the qualification standards of the Academy to render this actuarial opinion contained herein.

As in prior years, our full report is on the Fund's website at <http://www.yretirement.org>.

Very truly yours,

Robert W. Jones, ASA, EA, MAAA
Principal, Retirement Consulting Actuary

INDEPENDENT AUDITORS' REPORT



The Board of Trustees
Young Men's Christian Association Retirement Fund
140 Broadway
New York, New York

We have audited the accompanying balance sheets of the Young Men's Christian Association Retirement Fund (the Fund) as of June 30, 2011 and 2010 and the related statements of operations and changes in fund (deficit) surplus and cash flows for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Young Men's Christian Association Retirement Fund as of June 30, 2011 and 2010, and the results of its operations, changes in fund (deficit) surplus and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

July 29, 2011
New York, New York



BALANCE SHEETS

at June 30, 2011 and 2010 (dollar amounts in thousands)

	2011	2010
ASSETS:		
Investments and cash at fair value:		
Cash and cash equivalents	\$ 307,893	203,711
Assets held under securities lending agreement (note 6)	356,690	392,961
Domestic equities	394,457	299,141
Foreign equities	698,403	551,920
Government and agency bonds	510,038	480,242
Corporate bonds	643,808	719,482
Common/collective trusts (note 5)	1,201,815	925,651
Alternative investments (note 5)	1,287,208	1,041,630
Other investment assets	6,026	3,186
Total investments and cash	5,406,338	4,617,924
Amounts due from brokers	290,010	119,062
Investment income receivable	12,402	12,719
Other assets	9,233	8,494
Total assets	\$ 5,717,983	4,758,199
LIABILITIES AND FUND DEFICIT:		
Investment liabilities:		
Payable under securities lending agreement (note 6)	\$ 365,565	401,836
Amounts due to brokers	421,245	223,150
Other investment liabilities	3,252	7,828
Total investment liabilities	790,062	632,814
Accumulated account balances and reserves (note 4):		
Accumulated account balances of the Retirement Plan	3,016,653	2,972,061
Accumulated account balances of the Tax-Deferred Savings Plan	463,771	433,781
Liabilities for future annuity benefits	1,379,305	1,275,464
Death and disability benefits reserves	263,879	256,956
Account balance forfeitures payable	-	462
Total accumulated account balances and reserves	5,123,608	4,938,724
Other operating liabilities	8,236	9,786
Total liabilities	5,921,906	5,581,324
Fund deficit	(203,923)	(823,125)
Total liabilities and fund deficit	\$ 5,717,983	4,758,199

See accompanying notes to financial statements.



STATEMENTS OF OPERATIONS AND CHANGES IN FUND DEFICIT

Years ended June 30, 2011 and 2010 (dollar amounts in thousands)

	2011	2010
REVENUES:		
Consideration given to purchase life annuities	\$ 155,274	160,021
Net investment income:		
Interest and dividends	73,729	78,871
Investment expenses (note 8)	(15,080)	(14,340)
Net investment income	58,649	64,531
Net realized gain on investments	141,835	14,208
Net unrealized gain on investments	676,300	432,708
Total revenues	1,032,058	671,468
BENEFITS AND EXPENSES:		
Interest credited to accumulated account balances of plan participants	224,616	195,868
Death and disability benefits	8,109	6,888
Future annuity benefits incurred	163,255	181,459
Forfeitures reserved for future distribution	125	109
Administrative expenses (note 8)	16,751	17,029
Total benefits and expenses	412,856	401,353
Net income	619,202	270,115
FUND DEFICIT:		
Fund deficit, beginning of year	(823,125)	(1,093,240)
Fund deficit, end of year	\$ (203,923)	(823,125)

See accompanying notes to financial statements.



STATEMENTS OF CASH FLOWS

June 30, 2011 and 2010 (dollar amounts in thousands)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 619,202	270,115
Adjustments to reconcile net income to net cash used in operating activities:		
Noncash revenues, expenses, gains and losses included in income:		
Net unrealized gain on investments classified as trading	(676,300)	(432,708)
Net realized gain on investments	(141,835)	(14,208)
Net bond amortization	5	284
Interest credited to accumulated account balances	224,616	195,868
Increase/(decrease) in actuarial change in future annuity benefits incurred	(1,649)	10,931
Increase in actuarial change in death and disability benefits	17,739	17,396
Depreciation and amortization	528	564
Change in assets and liabilities net of effects from:		
Proceeds from sale of investments sold, redeemed, or matured classified as trading:		
Fixed maturities	2,368,532	1,876,826
Equities	600,994	911,694
Alternative investments	86,008	68,120
Gain on sale of derivatives	33,261	26,177
Maturities of securities	35,933	37,355
Cost of investments purchased classified as trading:		
Fixed maturities	(2,322,809)	(1,847,105)
Equities	(578,172)	(818,645)
Alternative investments	(133,715)	(270,387)
(Increase)/decrease in amounts due from brokers	(170,948)	69,356
Increase/(decrease) in amounts due to brokers	198,095	(85,246)
Decrease in investment income receivable	317	1,933
Annuity benefits paid	(169,189)	(157,431)
Decrease in forfeitures reserve	(462)	(2,836)
Death benefits paid	(5,451)	(4,968)
Decrease in account balances due to forfeitures	(2,140)	(575)
Net participant loan activity	(1,497)	(1,404)
Other	1,368	443
Net cash used in operating activities	(17,569)	(148,451)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net fixed asset purchases	-	(274)
Net cash used in investing activities	-	(274)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions from retirement plans	204,949	197,984
Lump-sum distributions	(83,198)	(84,242)
Net cash provided by financing activities	121,751	113,742
Net (decrease)/increase in cash and cash equivalents	104,182	(34,983)
Cash and cash equivalents, beginning of year	203,711	238,694
Cash and cash equivalents, end of year	\$ 307,893	203,711

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010 (dollar amounts in thousands)

(1) ORGANIZATION AND DESCRIPTION OF THE FUND

The Young Men's Christian Association (YMCA) Retirement Fund (Fund) was incorporated in New York in 1921. The Fund is a not-for-profit corporation that is exempt from Federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (Code). As a church pension fund under Section 414(e)(3)(A) of the Code, the Fund is organized and operated for the purpose of providing retirement and other benefits for employees of participating YMCAs throughout the United States. The Fund sponsors the YMCA Retirement Fund Retirement Plan (Retirement Plan), which is a defined contribution, money purchase, church pension plan that is intended to satisfy the qualification requirements of Section 401(a) of the Code. The Retirement Plan is subject to the Employee Retirement Income Security Act of 1974 pursuant to section 410(d) of the Code. The Fund also sponsors the YMCA Retirement Fund Tax-Deferred Savings Plan (Tax-Deferred Savings Plan), which is a church retirement income account plan as defined in Section 403(b)(9) of the Code. These plans are multiple employer plans under which Young Men's Christian Associations have elected to participate in order to provide retirement benefits for their employees (YMCAs).

The Fund is registered with the New York State Charities Bureau with respect to the solicitation and receipt of contributions for YMCA related initiatives. During fiscal year 2011, the Fund raised \$195, which was recorded along with \$115 of related program and fund raising disbursements in administrative expenses. The residual amount of \$80 is reflected in other operating liabilities on the Balance Sheets.

The Fund is domiciled in the State of New York and is examined every five years by the New York State Insurance Department. The examination of the five-year period ended June 30, 2009 is currently under review.

(2) DESCRIPTION OF PLANS

The following brief description of the plans is provided for general information purposes only. Participants should refer to the plan documents for complete information.

Participants do not direct the investment of their accounts. The Fund's Investment Committee and management to the extent delegated by the Board of Trustees of the Fund (Board of Trustees) are responsible for directing the investments of all assets of the plans sponsored by the Fund. Assets are commingled to achieve economies of scale and diversification. All contributions are received by the Fund and recorded in the accounts of participants. These amounts are reflected on the Balance Sheets of the Fund as accumulated account balances and reserves. Participant accounts earn interest credits as declared by the Board of Trustees in its sole discretion. The Fund also serves as plan administrator of the plans. However, YMCAs are responsible for timely enrollment of eligible employees and remittance of contributions.

At June 30, 2011 and 2010, the Fund's liabilities exceed assets by \$203,923 and \$823,125, respectively. The deficit position is the result of the economic downturn and decline in the investment markets experienced during the 2009 fiscal year. The Fund's liabilities will be paid out over an extended period providing adequate time for the asset base to recover. Management is closely monitoring cash flow and reserve requirements for benefit payments as well as investment market activity and believes that the Fund's assets will be sufficient over time to pay all obligations as they become due.

YMCAs have the option of selecting contribution rates which are based on a percentage of compensation for the Retirement Plan. The options range from 12% to 8%. A YMCA may also elect for its employees to participate on a noncontributory basis by remitting the total contribution or on a contributory basis by requiring mandatory payroll deduction.

The Board of Trustees set the interest credit rates twice a year. During the period July 1, 2009 through June 30, 2010, the Board of Trustees, in its sole discretion, decided to change the frequency of interest declarations to quarterly in response to economic conditions. At the May 2010 Board Meeting, it was decided to return to semi-annual interest declarations effective July 1, 2010. When declared, such amounts are reported as interest credited to accumulated account balances of Plan participants in the Statements of Operations and Changes in Fund Deficit. Interest is credited to participant accounts daily. Account balance interest credits declared for the periods beginning July 2009 were as follows:

DECLARATION PERIOD	RATE*
July 2009 - September 2009	1%
October 2009 - December 2009	2
January 2010 - March 2010	3
April 2010 - June 2010	3
July 2010 - December 2010	3
January 2011 - June 2011	3
July 2011 - December 2011	3

**Interest rates are stated in annual terms.*

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010 (dollar amounts in thousands)

A participant's contributions and interest thereon are maintained in the participant's Personal Account. In addition, each participant has an account attributable to YMCA contributions made on the participant's behalf, referred to as the YMCA Account. Effective July 1, 2009, contributions and interest thereon are maintained in accounts based upon the source of the contribution. Mandatory participant contributions and interest thereon are maintained in the participant's Personal Account. All employer contributions and interest thereon are maintained in the YMCA Account. Prior to January 1, 2011 participants could elect to establish an additional account for the purpose of making voluntary after-tax contributions to the Retirement Plan. Effective January 1, 2011 the Retirement Plan no longer accepts after-tax contributions. For calendar years 2011 and 2010, federal law limits total contributions to all Plan accounts to the lesser of \$49 or 100%, of participants' annual compensation.

Participants are immediately vested in contributions to all accounts made on or after July 1, 2006. Forfeited amounts with respect to contributions prior to July 1, 2006 attributable to participants who do not become vested in their YMCA Account are applied as credits to future YMCA employer contribution payments for the YMCAs that employed such participants. These credits were determined in the second fiscal quarter and totaled \$2,605 in 2011 and \$3,486 in 2010.

Normal retirement occurs when participants retire at age 60 or older. Early retirement occurs on or after age 55 but before age 60. Retirement benefits are based on the participant's Personal and YMCA Account balances plus any additional voluntary accounts. At retirement, the account balances (except for certain small balances which may be paid in a lump-sum) are converted into a life annuity using annuity purchase tables then in effect.

The Board of Trustees, in its sole discretion, may authorize additional special dividends to retirees and interest credits to participants based on portfolio performance. When declared, such amounts are recorded as interest credited to accumulated account balances of Plan participants in the Statement of Operations and Changes in Fund Deficit.

In addition, the Retirement Plan provides a permanent disability retirement benefit for participants under the age of 60 with five or more years of Plan participation who become permanently and totally disabled. The pre-retirement permanent disability benefit is based on projections of contributions to age 60, with compensation fixed at the average of the five years immediately preceding the disability. Interest credits during this projected period are deemed to be at the regular rate, which is set at 3% per annum.

The Retirement Plan also provides death benefits. This benefit provides the greater of \$10 or the sum of the basic Personal and YMCA accounts at the time of death. The post retirement death benefit is an additional amount based on the maximum annual retirement benefit derived from basic Personal Account and YMCA Account balances as determined at retirement. The Retirement Plan permits participants at retirement to use up to 90% of their post-retirement death benefit to permanently increase their retirement annuity. The remaining balance is payable as a death benefit.

The Tax-Deferred Savings Plan permits YMCA employees to make pre-tax elective deferrals and rollover contributions. The Fund has a loan program permitting participants in the Tax-Deferred Savings Plan to borrow from their accounts a minimum of \$1 up to a maximum equal to the lesser of \$50 or 50% of their Tax-Deferred Savings Account balances. The loans are secured by the balances in participants' accounts. Principal and interest is paid ratably through payroll deductions. Participants in the Tax-Deferred Savings Plan can elect separate benefit distributions with respect to their account balances under the Retirement Plan and the Tax-Deferred Savings Plan.

Participants who have severed employment from YMCAs may request a distribution of their account balances subject to conditions and circumstances described in the Plan documents.

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are prepared using the accrual method of accounting and in accordance with U.S. generally accepted accounting principles (GAAP). Certain reclassification and format changes have been made to prior year amounts to conform to the current year presentation.

(A) USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and that affect the reported amounts of revenues and benefits and expenses during the reporting period. Current market conditions increase the risk and complexity of the judgments in these estimates. Actual results could differ from those estimates.

(B) INVESTMENT AND DERIVATIVE VALUATION AND INCOME RECOGNITION

Investments and derivatives are classified as trading and are stated at fair value in accordance with the provisions of Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. See note 5 for further information on fair value.

Alternative investments that are not readily marketable primarily consist of limited partnerships, limited liability companies, private equity investments, diversified investment companies, and offshore funds whose portfolios comprise domestic and foreign, publicly and

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010 (dollar amounts in thousands)

non-publicly traded equity and debt securities, real estate, options, and commodities. The fair value of alternative investments that are not readily marketable are reported at net asset value, as a “practical expedient,” in conformity with the provision of the Financial Accounting Standards Board (FASB) Accounting Standards Update No. 2009-12, *Fair Value Measurements and Disclosures (Topic 820): Investment in Certain Entities That Calculate Net Assets per Share (or Its Equivalent)*. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

Liquidity of individual hedge funds vary based upon a number of factors and may include “gates,” “holdbacks” and “side pockets” imposed by the manager of the hedge fund. The Fund does not consider redemption rights, including any restrictions on redemptions, in its determination of fair value.

Costs of equity securities sold are determined on the basis of average cost. Costs of fixed maturities are based on amortized value. Purchases and sales of investments are recorded on a trade date basis. Amortization of discount or premium for fixed maturities is calculated on a straight-line basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

(C) CASH AND CASH EQUIVALENTS

Cash equivalents consist of short-term investments such as commercial paper, U.S. Treasury Bills and U.S. Agencies with a maturity of three months or less.

(D) ASSETS HELD UNDER SECURITIES LENDING

The Fund participates in a securities lending program with its custodian bank which requires the custodian bank to hold collateral for securities loaned. The collateral is held in the form of cash, cash equivalents, fixed maturities and equities. In accordance with the accounting standards on, *Transfers and Servicing*, the Fund’s share of collateral within the custodian bank’s securities lending activities is recorded as an asset with a corresponding liability in the Balance Sheets.

(E) FIXED ASSETS

Purchases of office furniture and fixtures, computer equipment and leasehold improvements in excess of \$10 are recorded at cost in the other asset line of the Balance Sheets. Depreciation and amortization are provided on the straight-line method based on the estimated useful lives of the related assets or, in the case of leasehold improvements, the term of the lease, if shorter.

(F) ACCUMULATED ACCOUNT BALANCES

Accumulated account balances are equal to contributions received and allocated to participant accounts plus interest credited on those accounts less lump-sum distributions. At retirement, participants elect a form of annuity benefit, the consideration for which is provided from the respective accumulated account balances. Such amounts increase the liability for future annuity benefits.

(G) ACTUARIAL ASSUMPTIONS

Liabilities for future annuity benefits represents the present value of annuities adjusted for interest credits and morbidity. The following interest rates are used when determining the present value of the estimated future benefits:

Composite interest rate discount for pre- and post-retirement	5.8%
<i>Interest rate discount is used by the actuary to quantify the plan liabilities.</i>	
Interest crediting rate for pre '96 account balance and subsequent interest	5.0%
Interest crediting rate for post '95 contribution and subsequent interest	3.0%
<i>Interest crediting rate is the regular interest rate goal account balances will receive in the future periods.</i>	
Annuity conversion rate for pre '96 account balance and subsequent interest	8.0%
Annuity conversion rate for post '95 contribution and subsequent interest	7.0%
<i>Annuity conversion rate is the interest factor component used to calculate life annuities at the time of retirement.</i>	

When determining the actuarial liabilities, the Fund’s actuary employs a composite discount rate of 5.8%. Account balances are projected to grow by the regular interest crediting rates of 5% and 3%. Consideration given to purchase life annuities is accepted from participants after reaching retirement age and is converted to a life annuity based on mortality tables and interest rates in effect. Participant dividends are recorded on the Balance Sheets when declared by the Board of Trustees.

(H) DEATH AND DISABILITY

Death and disability benefit reserves are determined by estimating benefits using mortality, morbidity and interest rate assumptions based on actual experience.

(I) TAX STATUS

The Fund is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Retirement Plan received a favorable determination letter from the Internal Revenue Service (IRS) on March 24, 2009 indicating that it meets all of the requirements of a qualified pension plan under the Internal Revenue Code. GAAP requires the Fund’s management to evaluate tax positions taken by the

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010 (dollar amounts in thousands)

Fund and recognize a tax liability (or asset) if the Fund has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the Fund's tax positions, and has concluded that as of June 30, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the Fund's financial statements. The IRS generally has the ability to examine an organization's activity for up to three years.

(J) SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 29, 2011, the date the financial statements were available to be issued.

(4) ACCUMULATED ACCOUNT BALANCES AND RESERVES

(A) CHANGES IN FUTURE ANNUITY BENEFITS

The following table represents changes to the liabilities for future annuity benefits:

	2011	2010
Balance, beginning of period	\$ 1,275,464	1,149,828
Interest credit allocations	109,775	101,607
Annuity benefits paid	(169,189)	(157,431)
Consideration given to purchase life annuities	155,274	160,021
Death benefits converted to life annuities	9,630	10,508
Actuarial adjustments:		
Annuity reserves ⁽¹⁾	24,903	22,434
Annuity purchase rate differential ⁽²⁾	6,220	(1,680)
Account valuation discount ⁽³⁾	(32,772)	(9,823)
Balance, end of period	\$ 1,379,305	1,275,464

⁽¹⁾The Annuity Reserve is the actuarially estimated cost to provide life annuities to current retirees based upon mortality and monthly annuity amount. At June 30, 2011 and 2010, the balance in this reserve was \$1,772,538 and \$1,642,144, respectively.

⁽²⁾The Annuity Purchase Rate Differential is a provision for the difference between the annuity conversion rate and discount rate at the time of annuity conversion. This reserve is for participants who are not currently retired. At June 30, 2011 and 2010, the balance in this reserve was \$386,556 and \$380,337, respectively.

⁽³⁾The Account Valuation Discount represents the combined effect of the interest rate discount and the interest crediting rate assumptions. Since the interest crediting rate is lower than the interest rate discount, the combined effect reduces the reserve requirement needed to support benefit payments. Both of these interest rates are discussed in note 3. At June 30, 2011 and 2010, the balance in this was (\$779,789) and (\$747,017), respectively.

(B) CHANGES IN ACCUMULATED ACCOUNT BALANCES FOR THE RETIREMENT PLAN AND THE TAX-DEFERRED SAVINGS PLAN

The following table reflects the changes in the accumulated account balances of the Plans sponsored by the Fund:

	2011		2010	
	Retirement Plan ⁽¹⁾	Tax-Deferred Savings Plan ⁽²⁾	Retirement Plan ⁽¹⁾	Tax-Deferred Savings Plan ⁽²⁾
Balance, beginning of period	\$ 2,972,061	433,781	2,953,830	409,178
Interest credit allocations	101,255	13,586	84,389	9,872
Contributions to participant accounts	158,002	46,947	154,033	43,951
Consideration given to purchase life annuities	(136,821)	(18,453)	(141,340)	(18,681)
Lump-sum distributions	(71,984)	(11,215)	(74,149)	(10,093)
Account balances transferred to the death benefit reserves	(3,720)	(545)	(4,127)	(209)
Participant loan defaults	-	(579)	-	(468)
Net participant loan interest and fees	-	249	-	231
Non-vested account forfeitures	(2,140)	-	(575)	-
Balance, end of period	\$ 3,016,653	463,771	2,972,061	433,781

⁽¹⁾The Retirement Plan is a defined contribution, money purchase, church pension plan which is the primary vehicle used during the savings period of participants prior to retirement.

⁽²⁾The Tax-Deferred Savings Plan is a church retirement income account plan providing additional opportunities for participants to save tax-deferred for retirement through elective, pre-tax contributions and rollover contributions.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010 (dollar amounts in thousands)

(C) CHANGES IN DEATH AND DISABILITY BENEFIT RESERVES

The following table represents changes to the death and disability benefit reserves:

	2011	2010
Balance, beginning of period	\$ 256,956	250,700
Death benefit payments	(5,451)	(4,968)
Account balances transferred to the death benefit reserve	4,265	4,336
Death benefits converted to life annuities	(9,630)	(10,508)
Actuarial adjustments:		
Death benefits reserve	18,854	18,346
Disability benefits reserve	(1,115)	(950)
Balance, end of period	\$ 263,879	256,956

This reserve is the actuarial estimate of the amounts required to pay future death and disability benefits.

(5) INVESTMENTS

(A) GENERAL

The Fund invests in a variety of investment asset classes. These include domestic equities, foreign equities, fixed maturity securities, alternative investments, futures, options, and swaps. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investment securities, it is reasonable to expect that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment assets and liabilities of the Fund. The Fund's exposure to a concentration of risk is mitigated by the diversification of investments and limits on sector and individual company holdings.

(B) FAIR VALUE MEASUREMENT

The Fund adopted FASB ASC 820 as of July 1, 2008. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements). The three levels of the fair value hierarchy are as follows:

Level I – Investments that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date. The types of investments generally included in this category are exchange traded equities or debt, short-term money market instruments or actively traded U.S. Government or corporate obligations and exchange traded derivatives. The fair value of these securities is generally based on quotations obtained from national securities exchanges.

Level II – Investments valued using observable inputs such as quoted prices for identical securities in inactive markets or quoted prices for similar securities in active markets. Where securities are not listed on an exchange, quotations are obtained from brokerage firms. Level II investments generally included in this category are bonds, cash invested in short-term investment funds, common/collective trusts and certain over-the-counter derivatives. Common/collective trusts are valued at estimated fair value based on the fair values of the underlying assets of the trusts.

Level III – Investments valued using pricing inputs which are both unobservable and significant to the valuation. Level III investments generally included limited partnership interests, limited liability corporations and hedge funds.

Alternative assets classified in Levels II and III consist of shares or units in investment funds as opposed to direct interests in the fund's underlying holdings, which may be marketable. Because the net asset value reported by each fund is used as a practical expedient to estimate fair value of the Fund's interest therein, its classification in Level II or III is based on the Fund's ability to redeem its interest at or near June 30, 2011. If the interest can be redeemed in the near term, the investment is classified as Level II. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010 (dollar amounts in thousands)

The following table summarizes the valuation of the Fund's portfolio investments based on the provisions of FASB ASC 820 fair value hierarchy levels as of June 30, 2011:

2011	TOTAL	LEVEL I	LEVEL II	LEVEL III
Assets				
Cash equivalents	\$ 276,476	-	276,476	-
Assets held under securities lending agreement	356,690	330,604	26,086	-
Domestic equities	394,457	394,457	-	-
Foreign equities	698,403	684,061	14,342	-
Government and agency bonds	510,038	-	510,038	-
Corporate bonds	643,808	-	643,808	-
Common/collective trusts:				
Domestic equities	1,030,268	-	1,030,268	-
Foreign equities	123,296	-	123,296	-
Fixed maturities	48,251	-	48,251	-
Derivative contracts	8,561	3,209	5,352	-
Alternative investments:				
Hedge fund of funds	587,995	-	104,182	483,813
Private equity	322,355	-	-	322,355
Real estate	167,393	-	-	167,393
Private energy	49,740	-	-	49,740
Distressed debt	76,756	-	-	76,756
Commodity fund	82,969	-	82,969	-
Total	\$ 5,377,456	1,412,331	2,865,068	1,100,057
Liabilities				
Derivative contract liabilities	\$ (5,088)	(2,072)	(3,016)	-

The following table represents a reconciliation of Level III assets measured at fair value for the year ended June 30, 2011 and the unrealized gains/(losses) at the end of the period for the instruments still held:

2011	BEGINNING BALANCE	CHANGE IN UNREALIZED GAINS	REALIZED GAINS/(LOSSES)	NET PURCHASES/(SALES)	TRANSFERRED TO LEVEL II	ENDING BALANCE	UNREALIZED GAINS/(LOSSES) AT END OF PERIOD	UNFUNDED COMMITMENTS AT END OF PERIOD
Hedge fund of funds	\$ 505,950	89,947	(3,733)	(4,169)	(104,182)	483,813	50,580	-
Limited partnerships:								
Private equity	269,387	41,480	10,304	1,184	-	322,355	78,826	234,596
Real estate	103,305	16,671	(1,351)	48,768	-	167,393	(56,757)	125,630
Private energy	35,979	13,545	(1,596)	1,812	-	49,740	11,151	62,762
Distressed debt	64,645	12,111	-	-	-	76,756	26,756	-
Commodity fund	62,364	20,605	-	-	(82,969)	-	-	-
Total	\$1,041,630	194,359	3,624	47,595	(187,151)	1,100,057	110,553	422,988

⁽¹⁾Funds are redeemable in less than 90 days.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010 (dollar amounts in thousands)

The following table summarizes the valuation of the Fund's portfolio investments based on the provisions of FASB ASC 820 fair value hierarchy levels as of June 30, 2010:

2010	TOTAL	LEVEL I	LEVEL II	LEVEL III
Assets				
Cash equivalents	\$ 174,499	-	174,499	-
Assets held under securities lending agreement	392,961	264,100	128,861	-
Domestic equities	299,141	296,430	2,711	-
Foreign equities	551,920	543,756	8,164	-
Government and agency bonds	480,242	-	480,242	-
Corporate bonds	719,482	-	719,482	-
Common/collective trusts:				
Domestic equities	791,277	-	791,277	-
Foreign equities	95,937	-	95,937	-
Fixed maturities	38,437	-	38,437	-
Derivative contracts	1,355	927	428	-
Alternative investments:				
Hedge fund of funds	505,950	-	-	505,950
Private equity	269,387	-	-	269,387
Real estate	103,305	-	-	103,305
Private energy	35,979	-	-	35,979
Distressed debt	64,645	-	-	64,645
Commodity fund	62,364	-	-	62,364
Total	\$4,586,881	1,105,213	2,440,038	1,041,630
Liabilities				
Derivative contract liabilities	\$ (9,424)	(3,428)	(5,996)	-

The following table represents a reconciliation of Level III assets measured at fair value for the year ended June 30, 2010 and the unrealized gains/(losses) at the end of the period for the instruments still held:

2010	BEGINNING BALANCE	CHANGE IN UNREALIZED GAINS/(LOSSES)	REALIZED GAINS/(LOSSES)	NET PURCHASES	ENDING BALANCES	UNREALIZED GAINS/(LOSSES) AT END OF PERIOD	UNFUNDED COMMITMENTS AT END OF PERIOD
Hedge fund of funds	\$ 369,258	34,208	7,719	94,765	505,950	(25,189)	-
Limited partnerships:							
Private equity	213,107	33,680	(7,108)	29,708	269,387	37,346	211,904
Real estate	102,210	(25,308)	(3,095)	29,498	103,305	(73,428)	138,181
Private energy	18,542	2,081	(7,853)	23,209	35,979	(2,394)	40,621
Distressed debt	26,398	13,247	-	25,000	64,645	14,645	-
Commodity fund	50,769	11,595	(87)	87	62,364	(12,636)	-
Total	\$ 780,284	69,503	(10,424)	202,267	1,041,630	(61,656)	390,706

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010 (dollar amounts in thousands)

(C) ALTERNATIVE INVESTMENTS

The Fund's alternative investments are diversified across a number of investment strategies and consist of limited partnerships and limited liability companies. The strategies employed by these investments are detailed below:

Hedge Fund of Funds

The Fund invests in several Hedge Fund of Funds which have over 350 individual underlying hedge fund investments. The major strategies are:

Long/Short Equity – invests primarily in funds that, in turn, invest in liquid, marketable securities, attempting to realize gains through the identification of mispriced securities.

Global Macro – a strategy that bases its holdings, such as long and short positions in various equity, fixed income, currency, and futures markets, primarily on overall economic and political views of various countries.

Credit – strategies include directional and hedged investments in debt securities, credit derivatives and related instruments. The investment approaches include directional credit, both long and short, and credit arbitrage. Long Directional Credit includes fundamental long credit positions, distressed investing, direct lending, structured credit, and equity restructurings. Short Directional Credit involves shorting individual investment grade or high yield credits either through short sales or derivative instruments that exhibit either perceived anomalous pricing relative to similar credits or perceived weakening fundamentals with a high probability of credit deterioration. Credit Long/Short includes long/short credit, intra- and inter-credit arbitrage, correlation trades and credit volatility arbitrage.

Event Driven - a hedge fund strategy in which the manager takes significant positions in a certain number of companies with “special situations.” These “special situations” could include distressed stocks, mergers, takeovers, and big news stories.

Other strategies – include Emerging Markets, Convertible Arbitrage, Relative Value Arbitrage, Equity Hedge, Natural Resources, Multi- Strategy, Distressed Debt and Fixed Income Arbitrage.

Private Equity

Private equity consists of two major strategies, Buyout and Venture Capital. Buyout funds purchase significant equity stakes in established companies with the goal of increasing value through financial, operational, and strategic changes. Venture Capital funds provide capital and professional expertise to early stage businesses in exchange for equity ownership with the potential for significant growth and value creation.

Real Estate

Real estate consists of two major strategies, Core/Core Plus and Value Added/Oppportunistic. Core/Core Plus invests in buildings that are in excellent condition, in desirable locations and occupied by responsible tenants. Value Added/Oppportunistic invests in a broad range of property types that are undervalued often with some existing cash flow. The objective of this strategy is to maximize value through repositioning and/or enhancing properties.

Private Energy

Private energy consists of two major strategies, Resource based and Energy Private Equity. Resource based funds invest in mature oil and gas well fields, and attempt to improve production based on modern mining techniques. Energy Private Equity funds invests in companies throughout the energy spectrum with the intent of improving value through management and process improvements, and accretive acquisitions.

Distressed Debt

This strategy involves purchasing debt of companies in financial distress and holding that debt until settlement with the belief that the final value will be greater than the existing market value at the time of purchase.

Commodity Fund and Futures

These investments provide exposure to the U.S. commodity markets through the Dow Jones AIG Commodity Total Return and Dow Jones UBS Commodity Indices providing additional diversification to the portfolio and some protection against inflation.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010 (dollar amounts in thousands)

(D) REDEMPTION PERIODS FOR ALTERNATIVES ASSETS AND COMMON/COLLECTIVE TRUSTS

The following table summarizes the investments at fair value by the various redemption and lock-up periods as of June 30:

REDEMPTION PERIOD	2011	2010
Daily	\$ 1,284,782	988,015
Quarterly	104,182	94,587
Annual	483,814	411,361
Lock-up ^(a)	616,245	473,318
Total	\$ 2,489,023	1,967,281

^(a) The amount subject to redemption lock-up is set to expire as follows:

FISCAL YEAR ENDING	2011	2010
2011	\$ -	13,012
2012	6,544	8,887
2013	12,339	13,459
2014	45,337	53,942
2015 and thereafter	552,025	384,018
Total	\$ 616,245	473,318

(E) INVESTMENTS EXCEEDING 5% OF THE NET ASSETS OF THE FUND

The following investments in common/collective trusts exceeded 5% of net investment assets of the Fund as of June 30:

	2011	2010
Blackrock Russell 1000 Value Index Fund	\$ 319,857	247,857
Blackrock Russell 1000 Growth Index Fund	377,160	279,137
Bank of NY Mellon Large Cap Index Fund	252,662	-

(6) SECURITIES LENDING

The Fund's investment activities include participation in the security lending program of its custodian bank. This program involves the lending of securities to institutional investors in exchange for collateral in the form of cash, securities and letters of credit of at least 102% of the fair market value of the loaned instruments. While these financial instrument lending transactions may expose the Fund to credit and market risks in the event that the borrower is unable to fulfill its contractual obligations, the collateral held and the nature of the bank's program of oversight and controls provide risk management features. The collateral held is invested during the period securities are on loan. In the fiscal year ended June 30, 2009, the Fund experienced a loss related to a Lehman Bond in the amount of \$8,875 that was part of the invested collateral. As a result, the Fund has reduced the value of the collateral held to reflect this loss. At June 30, 2011 and 2010, the value of the collateral held, and the value of the collateral to be repaid, as well as the fair market values of loaned securities were as follows:

	2011	2010
Collateral held	\$ 356,690	392,961
Value of collateral to be repaid	365,565	401,836
Fair market value of loaned securities:		
Domestic equities	\$ 128,651	154,996
Foreign equities	76,751	52,646
Government and agency bonds	84,712	81,859
Corporate bonds	65,042	101,803
Total fair market value of loaned securities	\$ 355,156	391,304

At June 30, 2011 and 2010, collateral held was reinvested in the following: Bank Deposits 32.2% and 38.6%, respectively; Corporate Bonds and Asset Backed Securities 35.7% and 47.6%, respectively; Government and Agency Bonds 32.1% and 13.8%, respectively.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010 (dollar amounts in thousands)

(7) DERIVATIVES

Derivatives are financial arrangements among two or more parties with returns linked to or “derived” from some underlying equity, debt, commodity or other asset, liability, or index. Derivative payments may be based on interest rates and exchange rates and/or prices of certain securities, commodities, or financial or commodity indices or other variables.

The Fund holds investments in futures, options, swaps and foreign currency contracts. These instruments are acquired and held to add incremental value and to hedge or reduce investment risk. Although the contract or notional amounts of these instruments are not recorded on the financial statements, these instruments are recognized as either an asset or a liability depending on the rights or obligations of the contract measured at fair value.

These instruments may involve, to varying degrees, elements of credit and market risk in excess of amounts recognized in the financial statements. The Fund minimizes the credit (or repayment) risk in these instruments by entering into transactions with high-quality counterparties. The Fund manages market risk by establishing and monitoring limits as to the type and degree of risk that may be undertaken.

The Fund uses forward foreign currency contracts to facilitate transactions in foreign securities, and as a hedge against specific transactions. Such contracts are valued based upon the applicable foreign exchange rates and any resulting unrealized gains or losses are recorded in the Fund’s financial statements. Realized gains or losses are recorded at the time the forward contract is closed or the currency is delivered. Risks in foreign currency contracts are managed through careful selection of counterparties.

Financial Accounting Standards Board Codification Topic 815 (formerly, Statement of Financial Accounting Standards No. 161) (“ASC Topic 815”) requires enhanced disclosure about an entity’s derivative and hedging activities.

The following is a summary of the fair value, realized gains and losses and changes in unrealized gains and losses of the derivative instruments utilized by the Fund, categorized by risk exposure as of June 30, 2011 and 2010.

2011	RISK	ASSET ⁽¹⁾	LIABILITY ⁽¹⁾	NET	REALIZED GAINS/(LOSSES)	CHANGE IN UNREALIZED GAINS/(LOSSES)
Futures Contracts ⁽²⁾	Interest rate	\$ 602	(669)	(67)	(3,547)	(249)
Futures Contracts ⁽²⁾	Equity markets	2,241	-	2,241	15,574	4,770
Futures Contracts ⁽²⁾	Commodity	172	(1,138)	(966)	-	(966)
Written Option Contracts	Interest rate	191	(263)	(72)	691	872
Swaps	Interest rate	3,810	(1,190)	2,620	12,139	4,179
Swaps	Credit default	427	(201)	226	8,404	2,365
Total Derivative Instruments		\$ 7,443	(3,461)	3,982	33,261	10,971

2010	RISK	ASSET ⁽¹⁾	LIABILITY ⁽¹⁾	NET	REALIZED GAINS/(LOSSES)	CHANGE IN UNREALIZED GAINS/(LOSSES)
Futures Contracts ⁽²⁾	Interest rate	\$ 839	(657)	182	4,986	(400)
Futures Contracts ⁽²⁾	Equity markets	-	(2,529)	(2,529)	10,038	(1,041)
Written Option Contracts	Interest rate	197	(1,141)	(944)	1,672	(137)
Swaps	Interest rate	-	(1,559)	(1,559)	577	(1,568)
Swaps	Credit default	1,298	(3,437)	(2,139)	8,907	2,541
Total Derivative Instruments		\$ 2,334	(9,323)	(6,989)	26,180	(605)

⁽¹⁾ Generally, the Balance Sheet location for asset derivatives is other investment assets and for liability derivatives is other investment liabilities.

⁽²⁾ Includes cumulative gains and losses of futures contracts as reported in the footnotes. Only current day’s variation margin is reported within other investment assets and/or other investment liabilities on the Balance Sheets.

A majority of the Fund’s future contracts mature on September 30, 2011. The options contracts expire on March 31, 2012 and the Fund’s swaps mature between 2011 and 2046.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010 (dollar amounts in thousands)

(8) INVESTMENT AND ADMINISTRATIVE EXPENSES

(A) INVESTMENT EXPENSES

During the year, the Fund continued its program of asset class diversification and the use of external investment management teams. A summary of the investment expenses is as follows:

	2011	2010
External management fees	\$ 10,081	9,671
Internal investment expenses	4,999	4,669
Total	\$ 15,080	14,340

(B) ADMINISTRATIVE EXPENSES

A summary of the administrative expenses is as follows:

	2011	2010
Technology	\$ 3,646	3,481
Occupancy	2,229	2,252
Administration	10,348	10,732
Depreciation and amortization	528	564
Total	\$ 16,751	17,029

Basis Points

When measured by the average net investment asset values (calculated as total assets less investment and operating liabilities) for the year, these expenses are expressed in basis points (100 basis points equals 1%) as follows:

	2011	2010
Administrative expenses	36	41
Investment expenses	33	35
Total	69	76

(9) FIXED ASSETS

Office furniture and fixtures, computer equipment and leasehold improvements at June 30, 2011 and 2010 consist of the following:

	2011	2010	ESTIMATED USEFUL LIVES
Furniture and fixtures	\$ 200	200	5 to 10 years
Computer equipment	374	430	3 to 5 years
Leasehold improvements	5,037	5,037	Life of lease
	5,611	5,667	
Less: accumulated depreciation and amortization	4,184	3,712	
Total net fixed assets	\$ 1,427	1,955	

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010 (dollar amounts in thousands)

(10) EMPLOYEE PENSIONS

The Fund's employees participate in the Retirement Plan and the Tax-Deferred Savings Plan. Fund contributions to the Retirement Plan are a percentage of the participating employees' compensation. Participating employees can also contribute to the Tax-Deferred Savings Plan with pre-tax contributions. All contributions are credited to the employees' accounts semi monthly. Total Fund contributions for all eligible employees for the years ended June 30, 2011 and 2010 aggregated \$843 and \$806, respectively.

(11) COMMITMENTS AND CONTINGENCIES

(A) LEASES

Effective November 1, 1998, the Fund entered into a noncancelable operating lease agreement for office space at 140 Broadway, New York, NY. The Fund moved into these facilities in October 1999. Lease payments commenced in August 1999 and the lease expires in August 2014. On January 9, 2007, the Fund entered into a noncancelable operating lease agreement for office space at 200 Metroplex Drive, Edison, NJ. The Metroplex facility was developed as a continuity site to insure uninterrupted operation in the event the New York office becomes inaccessible. Lease payments commenced in April 2007 and the lease expires in April 2015. Future annual rent commitments are as follows:

YEAR ENDING JUNE 30,	MINIMUM LEASE PAYMENTS	
	140 BROADWAY NEW YORK, NY	200 METROPLEX DRIVE EDISON, NJ
2012	\$ 2,208	78
2013	2,208	84
2014	2,208	84
2015	368	63
Total	\$ 6,992	309

Total rental expenses amounted to \$2,626 in 2011 and \$2,705 in 2010. During the period November 1998 to August 1999 no rent was charged for the Fund's office space while construction for the Fund's configuration was completed. The rent attributable to this period was recorded as rent expense and a corresponding deferred credit was established. This credit is being amortized to rent expense at the rate of \$99 per year over the life of the lease.

(B) LETTER OF CREDIT

Under the terms of the New York lease agreement, the Fund secured a letter of credit for \$286 in favor of the landlord. This letter of credit expires in August 2014. The annual fee for this letter of credit is 1/2 of 1%.

SUMMARY OF MATERIAL MODIFICATIONS

Changes to the Retirement Plan and Tax-Deferred Savings Plan

The following is a Summary of Material Modification (SMM) to the YMCA Retirement Fund Retirement Plan (Retirement Plan) and the YMCA Retirement Fund Tax-Deferred Savings Plan (Savings Plan) (collectively, the Plans) and to the information provided in the Summary Plan Description (SPD) for the Plans. While every effort has been made to make this SMM as complete and as accurate as possible, it does not restate the existing terms and provisions of the Plans other than the specific terms and provisions it is modifying. If there is a discrepancy between the Plans' documents and this SMM, the language of the official Plans' documents shall govern. You should read the SMM and retain it for future reference. The Board of Trustees of the YMCA Retirement Fund or its duly authorized designee reserves the right, in its sole and absolute discretion, to interpret and decide all matters under the Plans.

VOLUNTARY AFTER-TAX CONTRIBUTIONS

(Effective 1/1/11)

Participants can no longer make voluntary after-tax contributions to the Retirement Plan. Any voluntary after-tax contributions made to the Retirement Plan prior to January 1, 2011 will continue to accrue interest credits as long as the participant leaves these contributions in the Retirement Fund.

BENEFIT OPTIONS TO ALTERNATE PAYEES

(Effective 5/18/11)

A participant's spouse, former spouse, child, or other dependent (known as an "Alternate Payee"), who has a right to receive all or a portion of the participant's retirement benefits under the Plan(s) pursuant to a Qualified Domestic Relations Order (QDRO), may elect to receive a lump sum distribution as soon as reasonably practicable after the QDRO has been approved by the Retirement Fund regardless of the age

or employment status of the participant. However, Alternate Payees may elect to receive a distribution in the form of an annuity once the participant has attained age 55.

PARTIAL WITHDRAWALS

(Effective 10/1/11)

Terminated participants may withdraw a portion of their balances from the Plans if:

- *They are eligible to take a full withdrawal from either Plan,*
- *They have a total balance in one or both Plans of \$10,000 or more, and*
- *The withdrawal does not result in a balance of less than \$5,000 under either Plan.*

However, the minimum partial withdrawal is \$5,000 and no more than one partial withdrawal per Plan is allowed in a six-month period. The provisions that limited partial withdrawals to requests received by the Retirement Fund prior to October 1, 2011 were eliminated from both Plans.

SUMMARY ANNUAL REPORT

The following is a summary of the Annual Return/Report (Form 5500) for the Young Men's Christian Association Retirement Fund Retirement Plan ("Plan"), EIN#13-5562401, Plan No. 001, for the plan year beginning July 1, 2010 and ending June 30, 2011. The Annual Return/Report (Form 5500) is filed with the U.S. Department of Labor's Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 ("ERISA").

BASIC FINANCIAL STATEMENT

Benefits under the Plan are provided by employer and employee contributions. Plan expenses were \$212,525,000. These expenses included \$136,821,000 paid to the YMCA Retirement Fund for the purchase of life annuities and \$75,704,000 in benefits paid to participants and beneficiaries. A total of 75,743 persons were participants or beneficiaries of the Plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of Plan assets, after subtracting liabilities of the Plan, was \$3,023,053,000 as of June 30, 2011, compared to \$2,978,661,000

as of June 30, 2010. During the plan year, the Plan experienced an increase in its net assets of \$44,392,000. The Plan had total income of \$256,917,000, including employer contributions of \$145,089,000 and employee contributions of \$10,573,000 and interest credited to account balances of \$101,255,000.

MINIMUM FUNDING STANDARDS

Enough money was contributed to the Plan to keep it funded in accordance with the minimum funding standards of ERISA. This means that YMCA employer contributions were made in accordance with applicable law and the terms of the Plan.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full Annual Return/Report (Form 5500), or any part thereof, on request, or access it on our website: yretirement.org, or you may write or call: YMCA Retirement Fund, 140 Broadway, New York, NY 10005, 1-800-RET-YMCA. The following items are included in the annual return: accountant's report and audited financial statements and notes; financial information; assets held for investment; fiduciary information, and

transactions in excess of 5% of the Plan assets.

You also have the right to receive from the Plan administrator, on request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, or a statement of income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Return/Report (Form 5500) from the Plan Administrator, these two statements and accompanying notes will be included as part of that report.

You also have the legally protected right to examine the full Annual Return/Report (Form 5500) at the YMCA Retirement Fund, 140 Broadway, New York, NY 10005, and at the U.S. Department of Labor in Washington, D.C. or obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the U.S. Department of Labor should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

SENIOR MANAGEMENT

June 30, 2011



L to R: James G. Kirschner, John Quiñones, Hunter S. Reisner, John M. Preis, Vanessa A. Boulous, Vincent M. De Sio, Elliott C. Buchholz

FUND OFFICERS

John M. Preis <i>President and CEO</i>	Vincent M. De Sio <i>Chief Financial Officer</i>
Hunter S. Reisner <i>Chief Investment Officer</i>	James G. Kirschner <i>Senior Vice President, Strategic Development</i>
Vanessa A. Boulous <i>Senior Vice President, YMCA Relations</i>	John Quiñones <i>General Counsel</i>
Elliott C. Buchholz <i>Chief Information Officer</i>	

INDEPENDENT CONSULTANTS

Actuary Robert W. Jones, Jr. <i>Buck Consultants, an ACS Company</i>	Investment Advisor Heather Meyers Martin A. Jaugietis <i>Russell Investments</i>
Auditor John Hubbe <i>KPMG LLP</i>	Legal Counsel Bernard F. O'Hare <i>Patterson, Belknap, Webb & Tyler LLP</i>

THE NATIONAL SEPTEMBER 11 MEMORIAL



Aerial view of the 9/11 Memorial, artist rendering

September 2011 marks the first time in 10 years that the general public can visit the World Trade Center site. Located 600 yards from the Fund's office in lower Manhattan, the National September 11 Memorial allows visitors to remember and pay respect to those we lost on this site, at the Pentagon, and near Shanksville, Pennsylvania on September 11, 2001, as well as those lost in the World Trade Center bombing of February 26, 1993.

Architect Michael Arad and landscape architect Peter Walker's beautiful design features a quiet grove of oak trees, and two square reflecting pools, nearly an acre in size and 30 feet deep, footprints where the Twin Towers once stood. The names of the 2,981 victims are inscribed on bronze panels surrounding the pools, and waterfalls flow into the pools from every side.

The Memorial is a powerful reminder of all the precious lives cut short by the terrorist acts of those days.



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