This newsletter is published by Compensation & Capital Incorporated, the independent investment advisor who helped the Plans' Trustees select (and continues to monitor and potentially replace as necessary) the mutual funds made available to you under the Plans. It is distributed in conjunction with release of quarterly Alliance Benefit Group account statements. The newsletter strives to: 1) keep you abreast of the funds' raw performances and rankings compared to their peers, 2) provide timely highlights on individual fund operations, 3) give you a snapshot of performance to date of major financial markets, and 4) share our thoughts on issues relevant to long-term investing for retirement. Your thoughts and questions are appreciated. Please submit any feedback or questions you would like us to explore to us through Gerry Ginter – (630) 858-2600.

High Stakes Hot Potato:

When was the last time you played Hot Potato? For any of you inexperienced in this staple of kids' birthday parties the game goes like this: 1)Party guests sit in a circle. 2)Host starts some music. 3)Partiers pass a hot potato until the music is unexpectedly stopped. 4)The person holding the hot potato is given a free pass from the game. 5)Loop back to Step 2. 6) Last person holding the hot potato loses. Simple and lots of fun when your guests are in it just for laughs. But what happens if we ramp up the stakes? Something a bit more painful than first degree burns on the loser's palms?

Picture this: The loser (the President of Greece, for example) has the unenviable opportunity of informing his riotous electorate that their cost of living will increase by 50% over the next year or two, their government services and pensions will be cut in half, and the Acropolis may be auctioned to the highest bidder – most likely Chinese or Middle Eastern investors. Or, the loser (the political leaders of France and Germany) must convince their electorate as well as wealthy and powerful bank executives that taking a huge loss to their banks' values and absorbing the Greeks' reckless financial ways (and possibly the Italians and Portuguese too) will be in their best interests over the long term. Or, the loser (in this case, just about everyone else in the world) accepts all the adverse effects of a protracted global recession that spills across the oceans from a Europe that can't seem to accept the fact that they decided to play Hot Potato 20 years ago to celebrate their creation of the Euro. We could stretch this list of losers to several pages but clearly don't need to. You probably get the idea.

The party that created the Euro (and the "post-party" 10 years later that opened the club's doors to further B-List guests) was a bash to behold. Its party favors were, well, to good to true. But the cost of those gifts, even if contemplated at the kick-off toast, were certainly avoided like those overly-inebriated revelers no one ever recalls inviting. Like that first cocktail of the evening, it all felt nothing but "good" at the time. The Euro integrated the financial futures of countries with very different cultures, politics, human value structures, and financial strengths and legacies. It did so by creating a European Central Bank (ECB) whose legally-mandated job it is to maintain price and interest rate stability - read "control inflation." This is sort of like hiring burly bouncers to crowd control then hand-cuffing them. And though it took a relatively long 15+ years to realize the downside of an ECB mandate with no teeth, many of the very guests that partied like it was 1999 during that next 15 years have now turned on their hosts with harsh threats and even violence.

To complicate matters, the neighbors to this party, that is investors the world over including many of you who appropriately diversify your 401(k) plan accounts with international stock and bond funds, are becoming not-so-subtly annoyed with the over-served guests, not to mention their hosts. Witness to this reaction is the crazy recent daily volatility being experienced by financial markets that oversee just about any security or commodity traded on the global stage. Thing is, the partiers that remain in the Hot Potato game as well as their hosts realize that anything they can do to confound the perception of the situation in the eyes of their fellow players and outside investors keeps the music playing and their options open. The more fluid the situation appears to be, the more it can be impacted by rumors. And the more rumors are released, the more strength their posturing affords.

Meanwhile, those of us without official invitations – including the U.S. Federal Reserve - can do little to influence the outcome of the party without being drawn in as collateral damage if the cops (that is, the bond markets) show up to shut it down. Best to maintain an appropriately diversified portfolio including a very broad range of stocks, bonds and commodities from the world over, pull the pillow over your ears and try to get some sleep. We just don't know who will be left holding the potato.

Chicago Blower Profit Sharing & 401(k) Plans – Mutual Funds
Participant Quarterly Report – September 30, 2011
Prepared by Compensation & Capital Incorporated

CBC Plans' Fund Performance Statistics *(periods ended September 30, 2011)*

Fund Name	Morningstar™ Category: Symbol[1]	10 Yr % Rank[2]	Actual Total Return for: 1 Qtr	YTD	1 Year	Average Annualized for Past: 3 Yrs	5 Yrs	10 Yrs	15 Yrs
Morley CM Stable Value	n/a	n/a	0.3%	1.3%	1.9%	2.3%	3.0%	3.5%	n/a
PIMCO Total Return Fund	(Interm Bond)	10th	-1.1%	1.7%	0.7%	9.6%	7.5%	6.3%	7.1%
Pennsylvania Mutual Fund	SB	15th	-21.1%	-15.5%	-2.8%	.18%	0.8%	8.4%	9.5%
Fidelity U.S. Equity S&P 500	LB	39th	-13.9%	-8.7%	1.1%	1.2%	-1.2%	2.7%	5.1%
American Euro-Pacific R3 Fund	I-LB	11th	-21.0%	-17.5%	-12.9%	0.2%	-1.0%	6.7%	6.6%
T.R.Price Mid-Cap Value Fund	MV	9th	-17.5%	-12.8%	-3.9%	4.2%	1.1%	8.5%	9.6%
Vanguard Windsor II Fund	LV	32nd	-14.8%	-9.0%	0.1%	0.1%	-2.5%	3.5%	6.0%
Marsico Growth Fund	LG	29th	-15.5%	-10.0%	2.3%	1.8%	-0.4%	3.7%	n/a
Baron Growth Fund	MG	14th	-18.0%	-9.9%	4.1%	3.5%	1.6%	7.6%	9.2%
Calamos Growth Fund	LG	9th	-19.1%	-14.9%	-4.3%	3.7%	0.0%	5.3%	11.6%

[1] Stock fund categories for example: LV=Large Company Value, SG=Small Company Growth, I-LB=International Large Blend etc.
[2] 1st percentile is best, 100th percentile is worst of all funds *in that particular* Morningstar Category for the 10-year time period.

What's an Investor To Do? Weapons of Volatility Destruction to the Rescue:

The Third Quarter was a wild one for just about any "risk" investment with huge swings in trading activity and unprecedented market gyrations almost daily. As if we wanted our market's 15% loss to be the "silver lining" to this depressing quarter's cloud, emerging market stocks fared far worse with their benchmark index shedding over 23% of its value. The index of large foreign stocks excluding the U.S., lost over 19%. All these downside fear-motivated moves pushed the U.S. bond market benchmark in the opposite direction, up almost 4% for the quarter lead by U.S. government bonds seen, at least relatively speaking, as a safe haven from the surrounding storms.

The new quarter has, somewhat inexplicably, brought a return of traders' appetites for risk. As of this writing (October 21) U.S. stocks have rallied almost 9% off their Q311 closing level. Whether stocks had simply become so attractively undervalued that they were unavoidable "buys" or investors were simply weary of analyzing daily remarks from German and French officials for a valid indication of any resolution, the issues that caused Q311's dramatic volatility and stocks sell-off are not resolved.

If all of this uncontrollable craziness gives you nothing but helpless feelings, step back from the mayhem and grab the bigger picture. The U.S. stock market as measured by the S&P 500 Index is now down only 2.5% from its start on January 1st of this year. Granted the interim 10+ months have been a roller coaster. But the combination of those two points is the takeaway. To be sure, our world is far more volatile than it has been over most of our lifetimes. But long term retirement plan investors have the luxury of employing broad-based diversification, strategic asset allocation, and dollar-cost averaging (frequent investment purchases in small amounts at many different price levels) over many decades to combat these wild gyrations. Check out our past quarter's *Action Points* for details on how you can use these weapons against our volatile investing landscape.

CBC Plans' Sample Portfolios Update:

Cumulative performance statistics for the three Compensation & Capital *Sample Portfolios* incorporating the CBC Plans' ABG mutual fund alternatives beginning July 1999 – 12¼ years ago – are shown here. Our Long-Term Portfolio's total 12¼ year cumulative 52.8% *gain* compares very favorably to the 15.2% *gain* produced by the overall stock market, as measured by the Wilshire 5000 for the same period. These two 'portfolios' invest in a comparable range of stocks, but the Sample Portfolio limits risk by diversifying across many different kinds of stocks and some bonds, whereas, the Wilshire 5000 contains only the 5000 largest U.S. corporations' stocks and over-weights the largest corporations. The cumulative statistics shown in the table above assume only an initial investment at the July 1, 1999 start date with no further purchases ongoing. NOTE: These Sample Portfolios have been replaced beginning October 1, 2011. See www.planspecs.com/cbc for details on the Plans' new investments, Sample Portfolios, and much more.

CBC Sample Portfolios Performance thru Sept 30, 2011

(by Investor Time Horizon)	1 Quarter	1 Year	5 Yrs	12¼ Yrs
Short-Term (3 to 5 years)	-5.4%	0.4%	21.8%	87.3%
Medium-Term (5 to 12 years)	-10.7%	-1.6%	13.6%	66.4%
Long-Term (12+ Years)	-15.1%	-1.9%	5.6%	52.8%