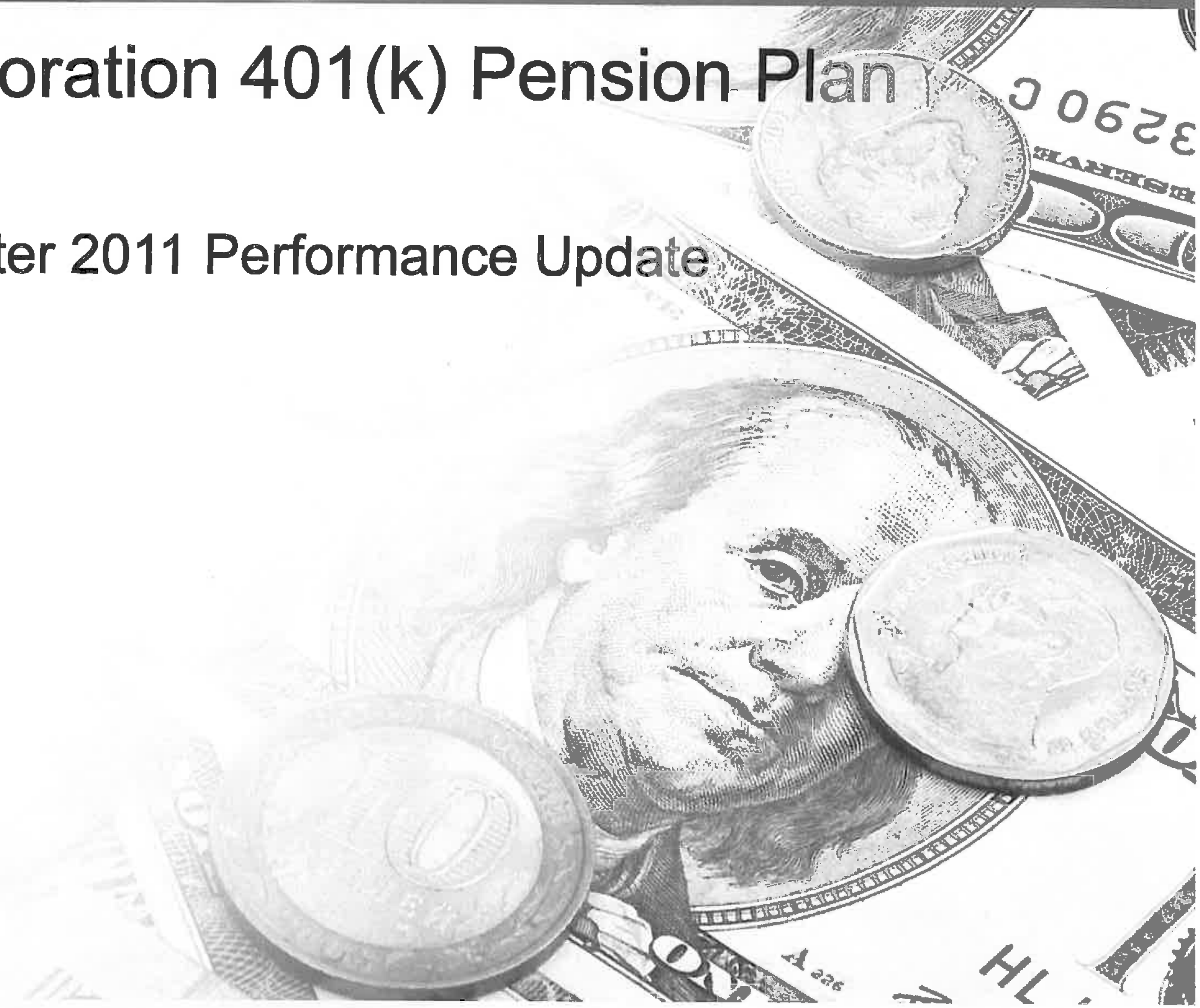
ABC Corporation 401(k) Pension Plan

Second Quarter 2011 Performance Update



Presented by
Client Consultant
Telephone Number

SECTION ONE: 401(K) PLAN PERFORMANCE REVIEW

Executive Summary -- Fund Comments

- **Overall Plan Comments**
  - Overall, the line up is in good shape from a performance perspective.
  - The Committee voted to terminate Wells Fargo due to substantial manager turnover on the fund. We continue to show performance for this fund but are no longer providing fund commentary.
  - The Committee voted to add the Vanguard Small Cap Index fund to the line up.
- **Stable Value**
  - The stable value fund continues to perform well with a market to book ratio was 104.1% and the book yield was 3.7% (before fees). The fund has a duration of 3.0 years.
  - We continue to believe that T Rowe is well positioned in the stable value market. However, there remain a number of issues in the marketplace that we continue to monitor. These include the narrowing of the wrap community, availability of wrap capacity, changing nature of wrap structures, potential treatment of wraps as swaps, tighter guidelines, stricter client underwriting by providers, closing of certain bank commingled pools, changing contract terms, and the potential for longer put periods beyond 12 months.
  - Stable value providers are dealing with most or all of these issues to some degree and the long-term status of what a stable value fund will look like in the future is not clear. There is certainly a scenario where stable value becomes less appealing (tight guidelines, long put periods, more restraints on competing funds, unattractive wrap contract terms around the book value protection) such that plan sponsors begin to look at alternatives. We have spoken with two leading providers recently: one discussed the possibility of a partially floating NAV structure down the road, something they have been doing for two large clients for nearly 20 years, while the other is developing a low volatility short-term bond fund. The key distinction between either of these structures and the current stable value model is a trade-off of liquidity for market value protection. We do not believe we are at a tipping point by any means, but we do believe it is prudent to maintain a cautionary outlook. For now, we believe that any progression away from stable value, should it occur, will be a slow one and will consist of lower risk, lower yielding portfolios combined with less liquidity for plan sponsor events. We will continue to keep you informed.

Executive Summary – Fund Comments

- **Fixed Income**
  - PIMCO's year-to-date results are slightly ahead of the index and longer term results remain strong.
  - The manager sees a slowing U.S. economy over the next year and a Federal Reserve that is unlikely to raise interest rate until sometime in 2013.
  - PIMCO has increased duration closer to the index (4.4 years to 5.2 years) and has diversified the rate exposure by across countries like Germany, Canada, Brazil and Mexico.
  - Emerging and international developed markets are 26% of the portfolio and 29% is in cash.
- **Balanced**
  - T. Rowe Price Balanced continues to provide strong results over time.
- **Equity**
  - All of the equity funds have performed well relative to their objectives over the long-term.
  - Capital World Growth & Income is the only one to lag its benchmark and peer median for one year.
    - Dividend paying stocks have not performed well recently, as growth has outperformed.
    - Longer-term results remain solid.
  - The strategies and teams on all the funds that generated the solid long-term results remain in place.

Policy Objectives

- Buck Consultants (Buck) developed this performance evaluation using Morningstar and T. Rowe Price data for the funds offered in the ABC Corporation Plan. It is Buck's opinion that the fund offerings provide a broad spectrum of risk and return such that participants can have a material effect on the investment profile of their individual accounts, depending on how they allocate their assets.
- We have included a summary Policy Objectives table for the Committee to consider as a top-level look at the Plans' funds. The summary includes the following categories: primary and secondary, if applicable, index comparisons, peer universe ranking, stability of the portfolio management team (we use a three year tenure as a key criteria), consistency of the investment style and the strength of the overall organization. The latter three criteria are based on our qualitative assessments.
- For information on the specific benchmark and universe objectives, see page 44.
- While we believe that this information is useful and informative, we see this summary as one step in a review process. We have concerns about any scoring system that appears to "lock in" a decision (for example, a change of manager can be positive for a fund) but as a monitoring tool, we believe that this is a reasonable approach.

Policy Objectives

Fund	Relative to Primary Index (1, 3, 5 Years)	Relative to Peer Universe (1, 3, 5 Years)	Relative to Secondary Index (1, 3, 5 Years)	Management Consistency	Investment Style Consistency	Org Stability	Status W (Watch list) T (Terminate)
T. Rowe Price Stable Value A	+, +, +	+, +, +	+, +, +	+	+	+	
PIMCO Total Return Inst	+, +, +	+, +, +	NA	+	+	+	
T. Rowe Price Balanced Fund	+, +, +	+, =, +	NA	+	+	+	
Vanguard Windsor II Adm	+, +, +	=, =, =	NA	+	+	+	
T. Rowe Price Equity Index Trust	=, =, =	-, =, -	NA	+	+	+	
Harbor Cap Appreciation Inst	+, +, +	=, +, +	NA	+	+	+	
TRP Small Cap Value	+, +, +	-, -, =	NA	+	+	+	
WF Adv Small Cap Growth I	-, +, +	-, +, +	NA	-	=	+	T
Am. Fund Capital World G&I R5	-, +, +	-, -, +	NA	+	+	+	
Dodge & Cox Intl Stock	+, +, +	=, +, +	NA	+	+	+	

Key to table:

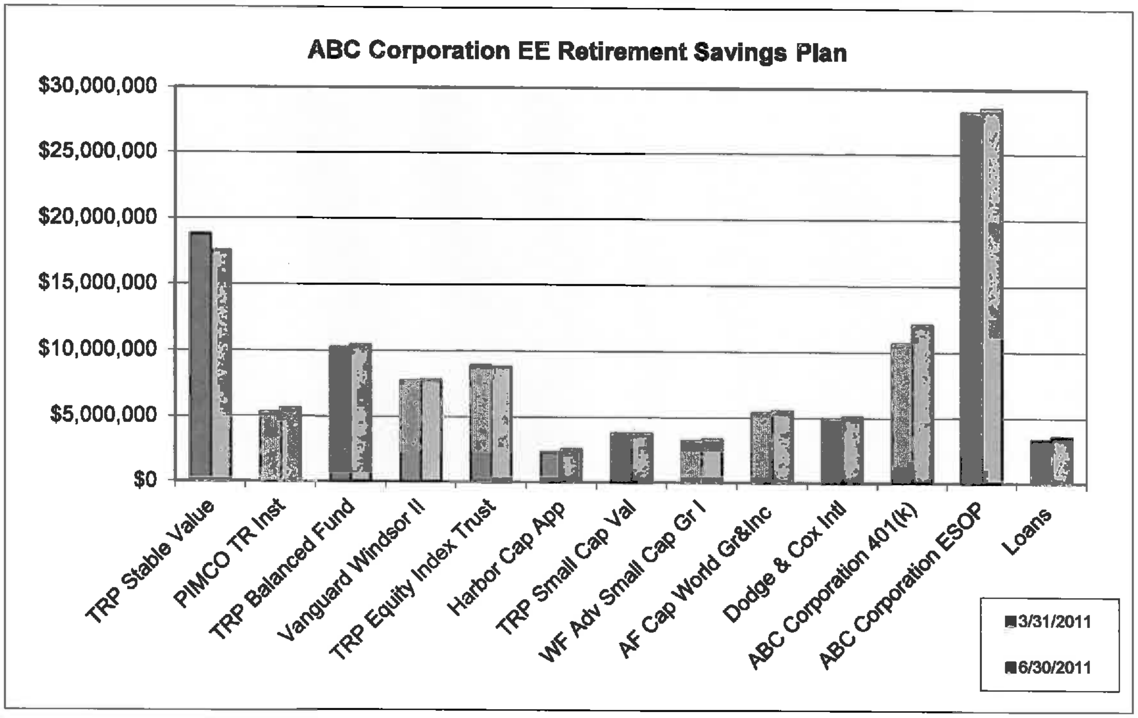
Relative to Benchmark:
+ Beat Index
= Matched Index
- Underperfomed Index

Relative to Peer Group:
+ Top Third Ranking
= Top Half Ranking
- Bottom Half Ranking

Note: For information on the specific benchmark and universe objectives, see the Appendix on page 44.

Assets Allocation

Assets as of June 30, 2011: $114,206,234
Assets as of March 31, 2011: $112,397,594



Asset Class	%
Stable Value	15%
Fixed Income	5%
Balanced	9%
US Large Equity	17%
US SMall Equity	6%
Global/International Equity	9%
Company Stock	36%
Loans	3%
Total	100%

Annualized Returns For June 30, 2011

Fund Name	Inception Date	Quarter	Year to Date	One Year	Two Years[1]	Three Years[1]	Four Years[1]	Five Years[1]	Since Inception
T. Rowe Price Stable Value A	7/31/2010	0.85	1.72	3.77	3.95	4.02	4.18	4.23	3.41
90 Day T-bills		0.02	0.06	0.14	0.13	0.35	1.08	1.87	0.12
Three Year Treasury		0.24	0.53	0.93	1.19	1.36	1.79	2.37	0.84
PIMCO Total Return Inst	11/30/2008	1.87	2.99	5.94	9.56	9.46	9.80	8.87	11.51
BC Aggregate Bond Index		2.29	2.72	3.90	6.66	6.46	6.62	6.52	7.40
T. Rowe Price Balanced Fund	7/31/2010	1.00	5.09	22.77	17.65	4.98	2.42	5.22	16.30
T. Rowe Price Balanced Index[2]		1.15	4.80	21.02	16.35	4.30	1.70	4.48	14.92
Vanguard Windsor II Adm	12/31/1998	0.39	6.93	29.59	21.13	3.55	-2.84	2.06	4.29
Russell 1000 Value Index		-0.50	5.92	28.94	22.78	2.28	-3.45	1.15	4.22
T. Rowe Price Equity Index Trust	7/31/2010	0.08	5.96	30.51	22.13	3.27	-1.12	2.85	21.97
S&P 500 Index		0.10	6.02	30.69	22.29	3.34	-1.05	2.94	22.13
Harbor Capital Appreciation Inst	5/31/2006	3.64	8.44	35.45	22.41	5.84	3.68	5.73	5.49
Russell 1000 Growth		0.76	6.83	35.01	23.85	5.01	2.16	5.33	5.16
T. Rowe Price Small Cap Value	5/31/2002	-2.26	5.31	32.95	27.41	7.30	2.44	4.71	9.37
Russell 2000 Value		-2.65	3.77	31.35	28.17	7.09	-0.95	2.24	7.08
Wells Fargo Adv Small Cap Gr I	11/30/2008	0.95	5.17	35.55	29.11	12.80	4.75	8.88	35.12
Russell 2000 Growth		-0.59	8.59	43.50	30.10	8.35	3.20	5.79	30.45
AF Capital World Growth & Income R5	11/30/2003	1.77	5.51	29.80	18.75	1.22	-0.36	4.80	9.35
MS World Index		0.68	5.62	31.19	20.55	1.04	-1.89	2.85	6.83
Dodge & Cox International Stock	5/31/2006	0.47	3.00	31.37	21.97	1.34	-2.10	3.43	3.29
MS EAFE Index		1.83	5.35	30.93	18.01	-1.30	-3.59	1.96	1.93

All returns are shown net of investment management fees. See disclosure page in the back of the report for additional information.

[1] Returns for periods greater than one year are annualized.

[2] 50% S&P 500, 15% MSCI EAFE, 35% Barclays Aggregate

Calendar Returns

Fund Name	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
T. Rowe Price Stable Value A	4.03	4.04	4.52	4.61	4.33	4.11	4.07	4.40	5.30	5.99	6.15
90 Day T-bills	*0.13*	*0.16*	*1.80*	*4.74*	*4.76*	*3.00*	*1.24*	*1.07*	*1.70*	*4.09*	*5.96*
Three Year Treasury	*1.11*	*1.44*	*2.20*	*4.26*	*4.76*	*3.95*	*2.81*	*2.11*	*3.02*	*4.00*	*6.16*
PIMCO Total Return Inst	8.83	13.83	4.82	9.07	4.00	2.89	5.15	5.56	10.20	9.50	12.09
BC Aggregate Bond Index	*6.54*	*5.93*	*5.24*	*6.97*	*4.33*	*2.43*	*4.34*	*4.10*	*10.25*	*8.44*	*11.63*
T. Rowe Price Balanced Fund	12.51	28.28	-28.43	7.18	13.73	5.52	10.32	21.71	-8.54	-3.98	2.09
T. Rowe Price Balanced Index	*12.23*	*22.85*	*-32.09*	*6.84*	*15.83*	*5.93*	*11.15*	*24.86*	*-16.08*	*-10.56*	*-7.59*
Vanguard Windsor II Adm	10.69	27.17	-36.63	2.32	18.38	7.15	18.44	30.22	-16.79	-3.37	16.86
Russell 1000 Value Index	*15.51*	*19.69*	*-36.85*	*-0.17*	*22.25*	*7.05*	*16.49*	*30.03*	*-15.52*	*-5.59*	*7.01*
T. Rowe Price Equity Index Trust	14.89	26.55	-37.10	5.42	15.61	4.80	10.73	28.51	-22.12	-11.98	-9.10
S&P 500 Index	*15.06*	*26.46*	*-37.00*	*5.49*	*15.79*	*4.91*	*10.88*	*28.68*	*-22.10*	*-11.89*	*-9.10*
HarborCapital Appreciation Inst	11.61	41.88	-37.13	12.25	2.33	14.02	9.34	30.47	-30.73	-17.74	-17.00
Russell 1000 Growth	*16.71*	*37.21*	*-38.44*	*11.81*	*9.07*	*5.26*	*6.30*	*29.75*	*-27.88*	*-20.42*	*-22.42*
T. Rowe Price Small Cap Value	25.25	26.88	-28.61	-0.13	16.24	8.74	25.69	36.43	-1.76	21.94	19.77
Russell 2000 Value	*24.50*	*20.58*	*-28.92*	*-9.78*	*23.48*	*4.71*	*22.25*	*46.03*	*-11.43*	*14.03*	*22.83*
Wells Fargo Adv Small Cap Gr I	27.12	51.56	-39.56	13.98	22.96	6.42	13.63	47.88	-29.51	-12.65	-25.14
Russell 2000 Growth	*29.09*	*34.47*	*-38.54*	*7.05*	*13.35*	*4.15*	*14.31*	*48.54*	*-30.26*	*-9.23*	*-22.43*
AF Capital World Growth & Income R5	8.05	32.65	-38.21	17.78	22.59	15.00	19.69	39.47	-7.07	-4.96	1.38
MS World Index	*12.34*	*30.79*	*-40.33*	*9.57*	*20.65*	*10.02*	*15.25*	*33.76*	*-19.54*	*-16.52*	*-12.92*
Dodge & Cox International Stock	13.69	47.46	-46.68	11.71	28.01	16.74	32.46	49.42	-13.11	—	—
MS EAFE Index	*8.21*	*32.46*	*-43.06*	*11.63*	*26.86*	*14.02*	*20.70*	*39.17*	*-15.66*	—	—

All returns are shown net of investment management fees. See disclosure page in the back of the report for additional information.

Annualized Returns For June 30, 2011 - Company Stock

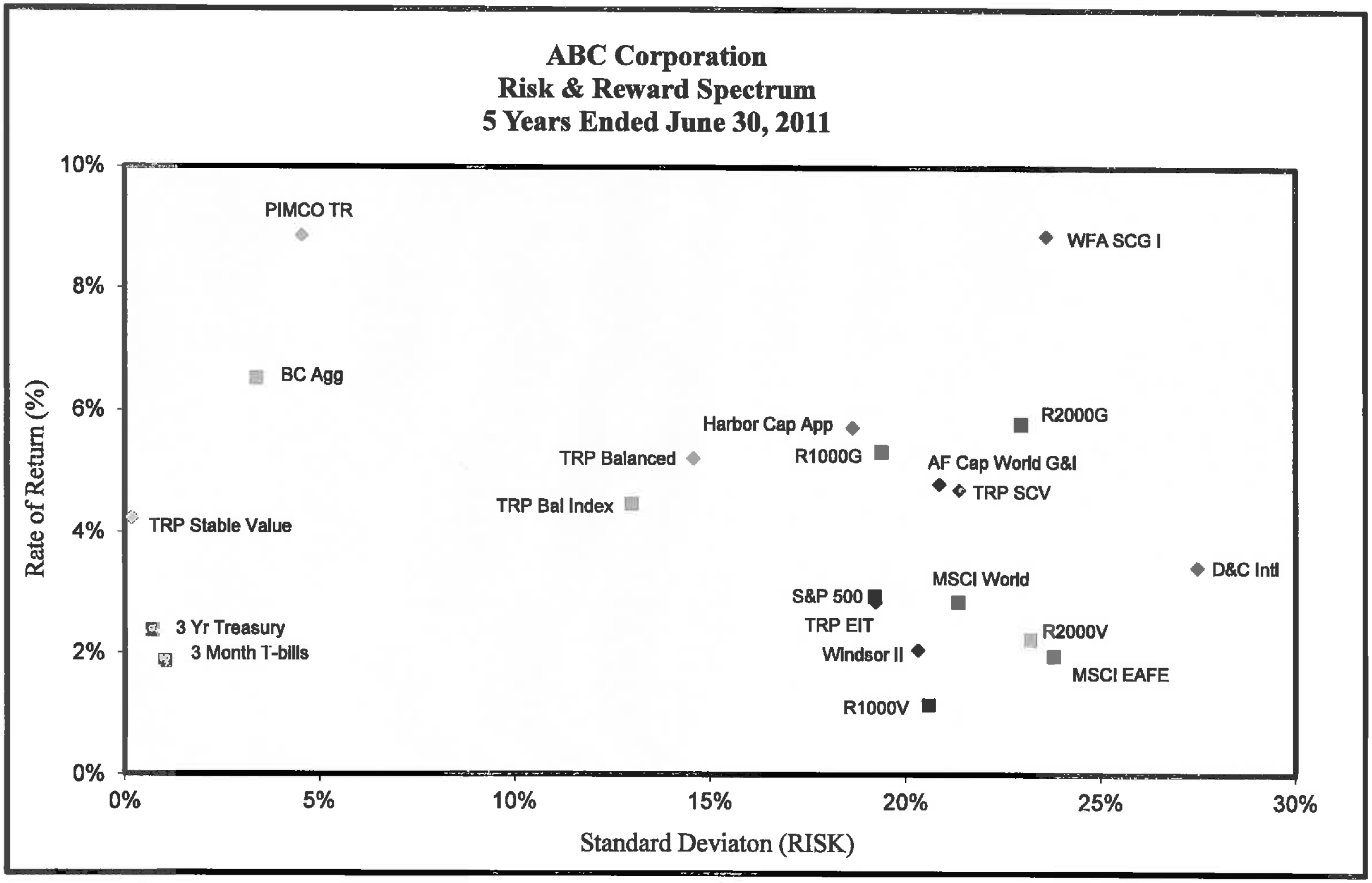
	Quarter	Year to Date	One Year	Two Years[1]	Three Years[1]	Four Years[1]	Five Years[1]
Company Stock							
ABC Corporation	4.73	5.24	31.12	13.69	14.95	10.81	11.12
S&P 600	-0.17	7.53	37.03	30.16	8.16	1.94	4.61
S&P 600 Utility	4.58	9.97	31.26	22.74	10.83	7.85	9.42
S&P 600 Gas Utility	0.47	5.67	25.34	20.38	9.74	7.99	10.26

[1]Returns greater than one year are annualized

Employer Securities

- Buck provides basic performance information with respect to employer securities held by the plan. However, this basic performance information is not intended to serve as a primary basis for the Committee's investment decisions with respect to these employer securities. Nor does Buck render individualized investment advice with respect to employer securities held by the plan. The Committee must assess the prudence, and assess the merits, of offering employer securities as an investment option under the plan.
- Buck is not acting as a fiduciary (as defined in section 3(21) of ERISA and section 2510.3-21(c) of the DOL regulations promulgated thereunder) when providing such basic performance information with respect to employer securities held by the plan. Buck does act as a fiduciary (as defined in ERISA) when it provides advice and recommendations with respect to the other investment options under the plan.
- Buck is an investment adviser (as defined in the Investment Advisers Act of 1940) when it provides basic performance information with respect to employer securities held by the plan. However, its investment advice, for purposes of the Act, is limited to reporting the employer securities' performance, which has been gathered from public sources believed to be reliable.

Five Year Risk/Return Chart



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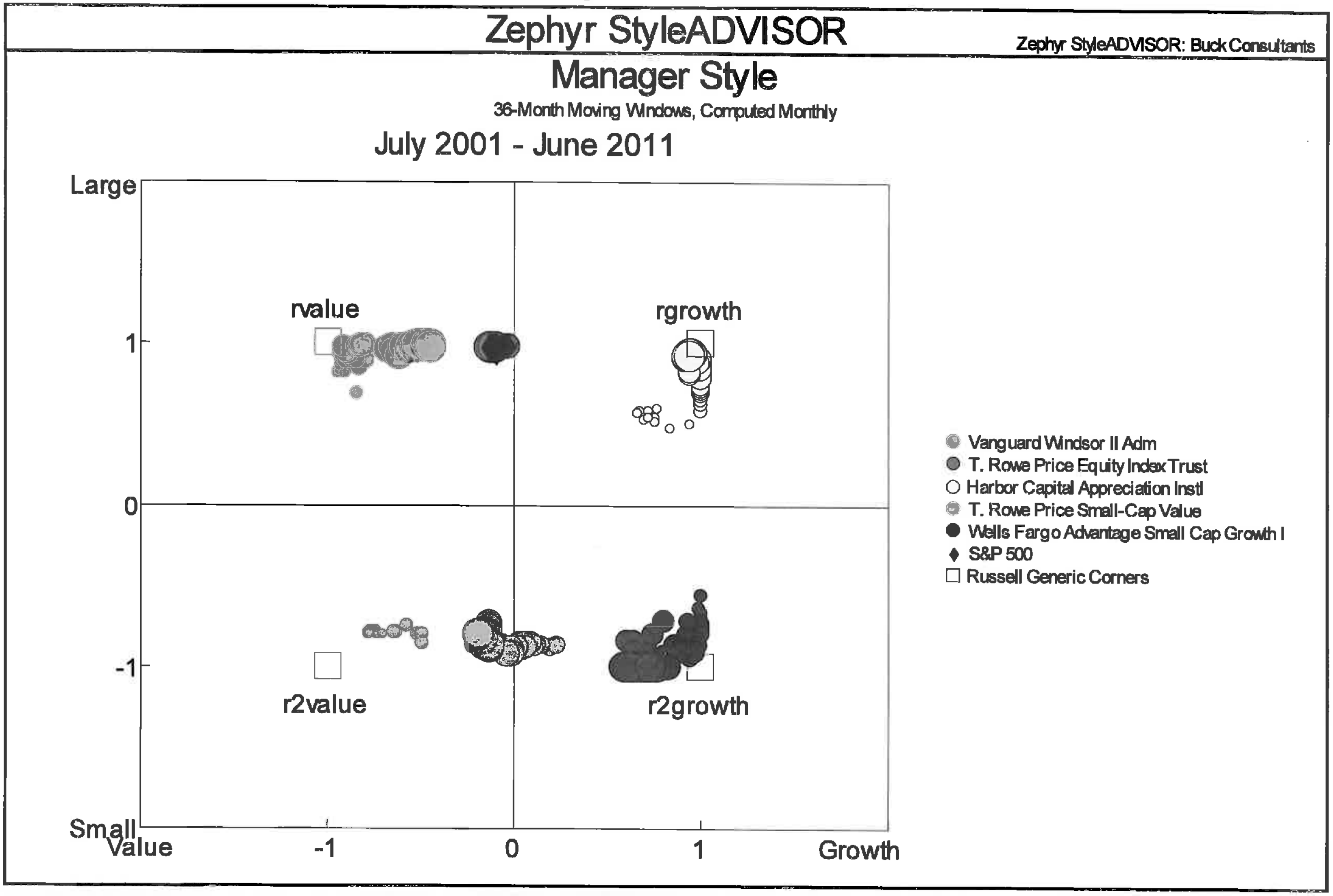
401(k) US Equity Funds Style Chart



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T Rowe Price Stable Value Common Trust Fund

- T. Rowe Price (TRP) manages a total of $17.4 billion in assets with about $6 billion in separate account assets and $11.4 billion in the T. Rowe Price Stable Value Fund, an open-ended, pooled GIC Fund.
- The TRP stable value philosophy attempts to leverage its broad research resources to focus on delivering diversified sources of yield. The strategy is designed to reduce risk and opportunistically taking advantage of relative value while generating an attractive fund crediting rate.
- For the quarter ending June 30, 2011, the fund posted a gross return of 0.92%. The fund's rolling annual gross return ending June 30, 2011 was 4.07%. As of June 30, 2011, the average gross yield is 3.70%, the current duration is 3.03%, and the MV/BV ratio is 104.1%. The fund seeks to maintain a minimum average credit quality of AA- or better.
- The portfolio allocation as of June 30, 2011 was 82.6% in synthetic investment contracts, 7.3% in traditional investment contracts and 10.1% in cash. The asset allocation of the portfolio as of June 30, 2011 is as follows:

Portfolio Asset Type*	% of Fund	Portfolio Asset Type*	% of Fund
ABS	5.05%	Treasuries	5.31%
Agencies	4.21%	GICs**	21.06%
Corporates	25.15%	Other	2.88%
MBS	17.88%	Cash/STIF	11.96%
CMBS	3.49%		

- To protect the value of the non-GIC assets, a contractual "wrap" around the underlying securities is purchased to protect the principal value of the participant's investments from changes in interest rates. As interest rates rise, a bond loses principal value, so this provides book value protection as rates rise. The fund manager has an investment policy that limits the amount of investment with any one insurance company or wrap provider. The manager ensures all the providers are rated highly and puts policies in place to monitor and report such. The top providers of this protection to the fund as well as the traditional GIC providers are as follows:

T Rowe Price Stable Value Common Trust Fund

Synthetic Providers	% of Fund	Traditional Insurers	% of Fund
Pacific Life	16.3%	Principal Life	2.9%
Metropolitan Life	13.8%	New York Life	2.3%
Bank of America	12.5%	Monumental Life	1.1%
Monumental Life	12.1%	Metropolitan Life	0.9%
State Street Bank	11.9%	ING USA Life	0.1%
Natixis Financial	8.0%	Cash	10.1%
Rabobank	8.0%		

- TRP continues to have a 12-month put on this fund. This means that TRP allows the participating Plan Sponsor to terminate at book value at any time subject to a potential twelve-month notice. This may be waived if sufficient liquidity exists within the fund. Participant withdrawals and transfers to non-competing options are unrestricted, permitted daily and will be processed as quickly as possible. A 90-day "equity wash" is required before a transfer to a competing fund option is allowed. Competing funds include money market funds and short-term fixed income options that have a duration of < 3 years.
- At the beginning of 2010, Mike Wyatt, head of the TRP stable value team, announced his plans to retire from the firm as of December 2010. After Wyatt's announcement, TRP hired Edward Wiese who joined the team as co-head portfolio manager. Wiese succeeded Wyatt as head of the stable value team in January 2011. In addition, TRP hired Whitney Reid as Portfolio Specialist who will be responsible for taking over some of client servicing responsibilities from the portfolio managers.
- TRP stated that wrap capacity continues to remain a challenge. Because of their relatively conservative strategy and the fund's strong performance during the crises, TRP believe they are in a different position relative to their competitors and that wrap providers view them as a solid counterparty.
- Although Rabobank has announced it is exiting the stable value business, it has not exercised its right to terminate yet. Even when Rabobank chooses to terminate, TRP will have up to three years to unload the portfolio. Despite this, TRP is searching for new wrap capacity and is in earnest discussions with three wrap providers.

T Rowe Price Stable Value Common Trust Fund

- TRP renegotiated the Monumental wrap with a shorter duration, from 3.7 years to 2.6 years. This was a direct result of Monumental saying they did not want to wrap anything over three years. Nevertheless, TRP is managing the portfolio with global exposure and is currently running the overall duration at 3 years. Considering this may be a longer-term trend of wrappers forcing shorter durations, TRP believes this may be a natural way to shorten the portfolio and they may inevitably shorten the strategy given their yield curve projections.
- State Street Bank is one of the many US banks seeking to decrease the size of its wrap book. In addition to reducing other portfolios, TRP reduced the SSB portfolio by 5% at the same time it incepted the MetLife contract in the fourth quarter 2009.
- TRP has been stringent in allowing new investment only clients. The firm will consider a new client if they can port over at least 75% of the assets wrapped. TRP has not observed any significant put activity thus far. Cash has ranged between 8% and 12% in the last 3 years, and TRP stated that more liquidity is not necessarily a negative factor since its clients like the liquidity and it protects its wraps.
- TRP has not detected any wrap fee increases in a while stating that the average wrap fee of the fund is about 19 bps. Although this is higher than the average from 2 or 3 years ago, it is still lower than the market average.
- TRP believes that the premium that stable value receives relative to money market funds over a full market cycle is attractive, even when you take into account the increase in fees. The firm believes that the dispersion of returns across managers will decrease over the coming years as a result of the mv/bv ratios being appropriated over time. Instead of the 50 bps spread between the top and bottom managers, TRP believes the market will return to the 20 bps spread observed during the 2006 and 2007 markets.
- Buck continues to believe that the TRP Stable Value Trust represents an excellent value and is a solid choice for a DC plan offering. In addition, we believe the fund is well positioned within the stable value market. However, there remain a number of issues in the marketplace that we continue to monitor, as outlined in the executive summary.

Stable Value Peer Universe

Fund	Quarter	Year to Date	1 Year	2 Years	3 Years	5 Years
T. Rowe Price (net)	0.85	1.72	3.77	3.95	4.02	4.23
T. Rowe Price (gross)	0.92	1.86	4.07	4.25	4.33	4.54
Hueler Universe (gross):						
First Quartile	0.83	1.65	3.32	3.44	3.57	4.09
Median	0.65	1.31	3.04	3.00	3.35	3.96
Third Quartile	0.60	1.20	2.61	2.88	3.05	3.77
Number of Funds	18	18	18	18	18	18

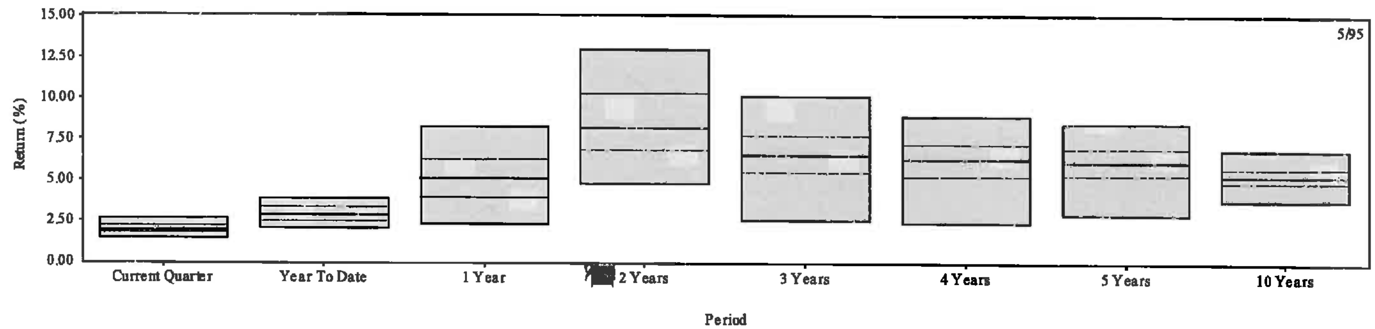
The investment fee on the T. Rowe Price fund is 32 bps. According to Hueler data on stable value funds, the average investment fee on a $25 million account is 29.4 bps.

PIMCO Total Return Inst

- PIMCO returned 1.9% for the quarter, compared to 2.3% for the Barclays Aggregate index, and placed at the 64th percentile of the intermediate fixed income universe. The fund leads the index over the first six months, retuning 3.0% versus 2.7% and placing above the median manager. Over longer time periods, the fund is well ahead of benchmark and ranks in the top 15% or better of its peer universe.
- For the quarter, PIMCO lagged the index due to a shorter duration, as interest rates fell across the yield curve. The fund's overweight to bonds of financial companies within the corporate bond sector also detracted from relative results. Of the corporate bond sectors, only utilities kept pace with Treasuries, as industrials and financials, especially banks and insurance, lagged. Within the MBS sector, the manager's exposure to Non-Agency MBS was a slight drag, as the European sovereign debt concerns resulted in risk aversion across the commercial and residential mortgage sectors.
- Several positives, like exposure to emerging markets, especially to Brazilian debt and to EM currencies, plus Build America Bonds and exposure to non-US developed market interest rates helped performance during the quarter.
- Looking ahead, PIMCO sees a slowing U.S. economy over the next year and a Federal Reserve that is unlikely to raise interest rate until sometime in 2013. With that in mind they will be moving the fund's target duration closer to the index and will diversify the rate exposure by diversifying across countries like Germany, Canada, Brazil and Mexico. Emerging markets and international developed markets are 26% of the portfolio while 29% of the assets are held in cash. Interest rate sensitivity increased as the manager raised the fund's duration to 4.4 years from the low of 3.6 years in the first quarter. The index has a duration of 5.2 years.

PIMCO Total Return Institutional

INTERMEDIATE FIXED INCOME MUTUAL FUNDS
Ending June 30, 2011
Quartile



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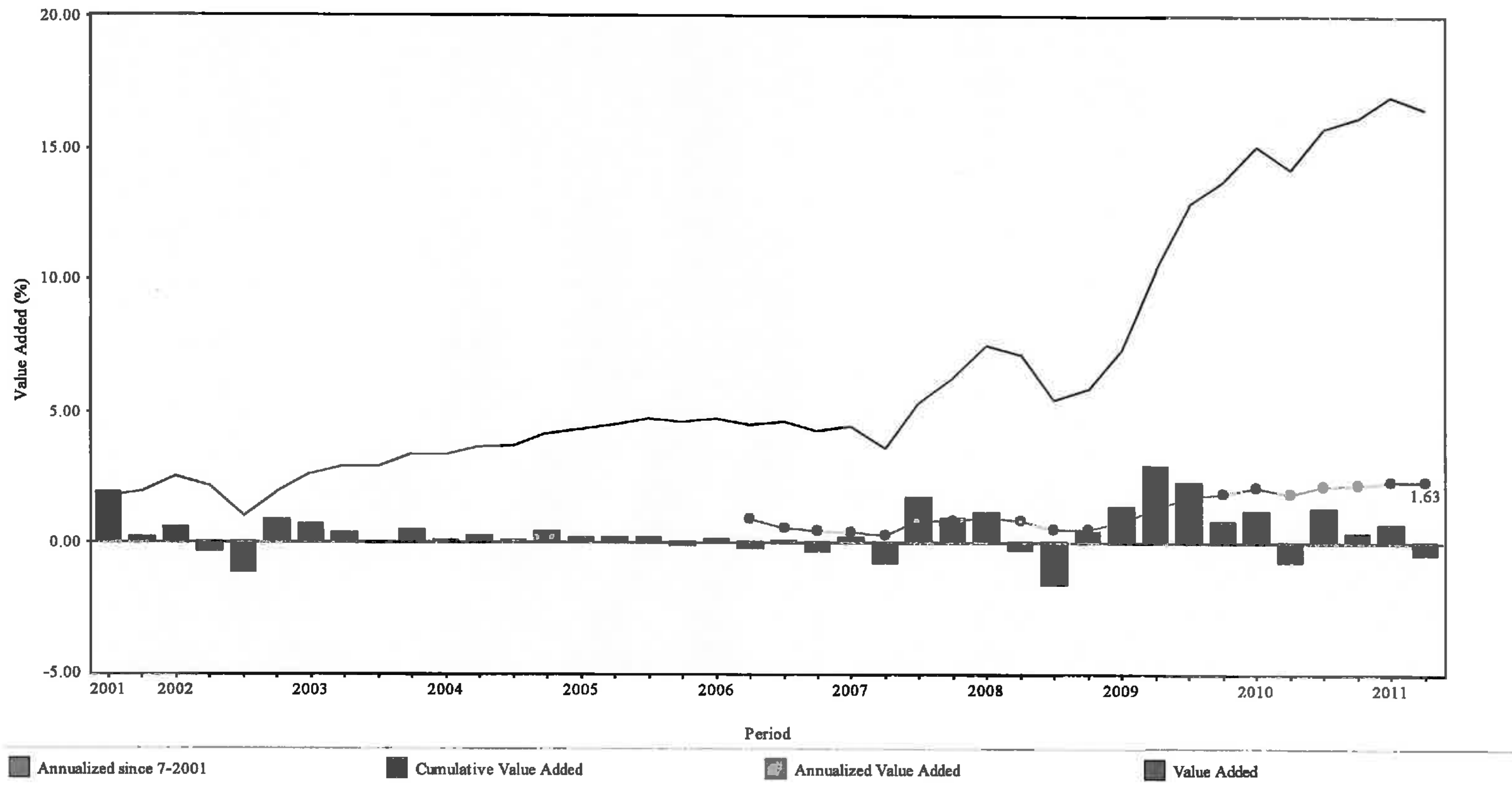
5th Percentile	2.66		3.81		8.27		12.97		10.10		8.89		8.47		6.83	
25th Percentile	2.18		3.29		6.22		10.31		7.73		7.18		6.93		5.75	
Median	1.98		2.93		5.11		8.22		6.63		6.29		6.14		5.32	
75th Percentile	1.76		2.42		3.90		6.87		5.44		5.24		5.32		4.89	
95th Percentile	1.37		1.92		2.16		4.71		2.41		2.26		2.78		3.69	
# of Portfolios	86		86		86		86		86		86		86		86	
PIMCO Total Ret Instl	1.87	64	2.99	49	5.94	32	9.56	33	9.46	11	9.80	4	8.87	4	7.38	3
BC AGGREGATE	2.29	18	2.72	65	3.90	76	6.66	78	6.46	55	6.62	40	6.52	42	5.74	28

Universe Source: (c) BNY Mellon Asset Servicing

PIMCO Total Return Institutional

July 01, 2001 through June 30, 2011
Value Added
PIMCO Total Ret Instl vs. BC AGGREGATE



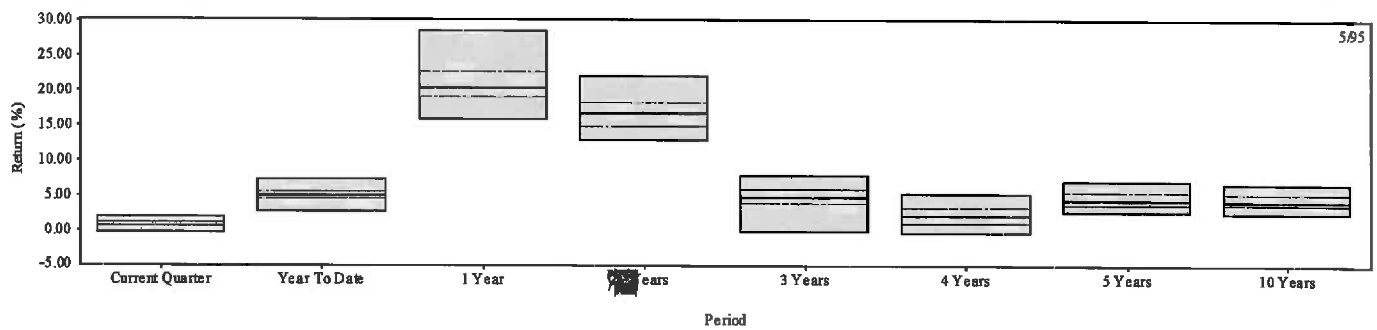
Market Proxy: BC AGGREGATE

T Rowe Price Balanced

- The fund lagged the blended index for the quarter, returning 1.0% to 1.2%, but ranked in the 25th percentile of the balanced mutual fund universe. The fund returned 22.8% for the past year, ahead of the index return of 21.0%, and ranked in the 23rd percentile of the peer group. Three and five year returns are ahead of the index, placing in the 49th and 30th percentiles of the peer universe.
- The fund benefited from good stock selection and an overweight in the consumer discretionary sector plus good stock selection in the health care sector. An overweight in the weak financial sector detracted, as did the fund's overweight to large banks. The energy sector was another area of weakness, as lower oil prices hurt stocks in the sector. Within the fixed income allocation, high yield exposure was a relative detractor as high yield lagged investment grade bonds.
- In the U.S, TRP favors growth stocks over value, believing that growth stocks are more attractively priced. As for bonds, TRP will continue to hold an allocation in high yield, as they feel that low interest rates, a slowly improving economy and low expectations of corporate default have created a supportive environment. From a sector perspective, the fund's largest overweight positions are in the consumer discretionary and financial sectors. The underweighted sectors were consumer staples and information technology.
- The fund's asset allocation ended the quarter in line with its target of 65% equities. The portfolio has approximately 50% in US equities, 16% in international equities, 28% in investment grade fixed income, 5% in high yield and 1% in cash. The 16% allocation to international is up from about 13% last quarter. This result is in keeping with the goal of the fund to move toward a new international equity target that is 30% of total equity versus 20% previously.

T Rowe Priced Balanced

BALANCED MUTUAL FUNDS
Ending June 30, 2011
Quartile

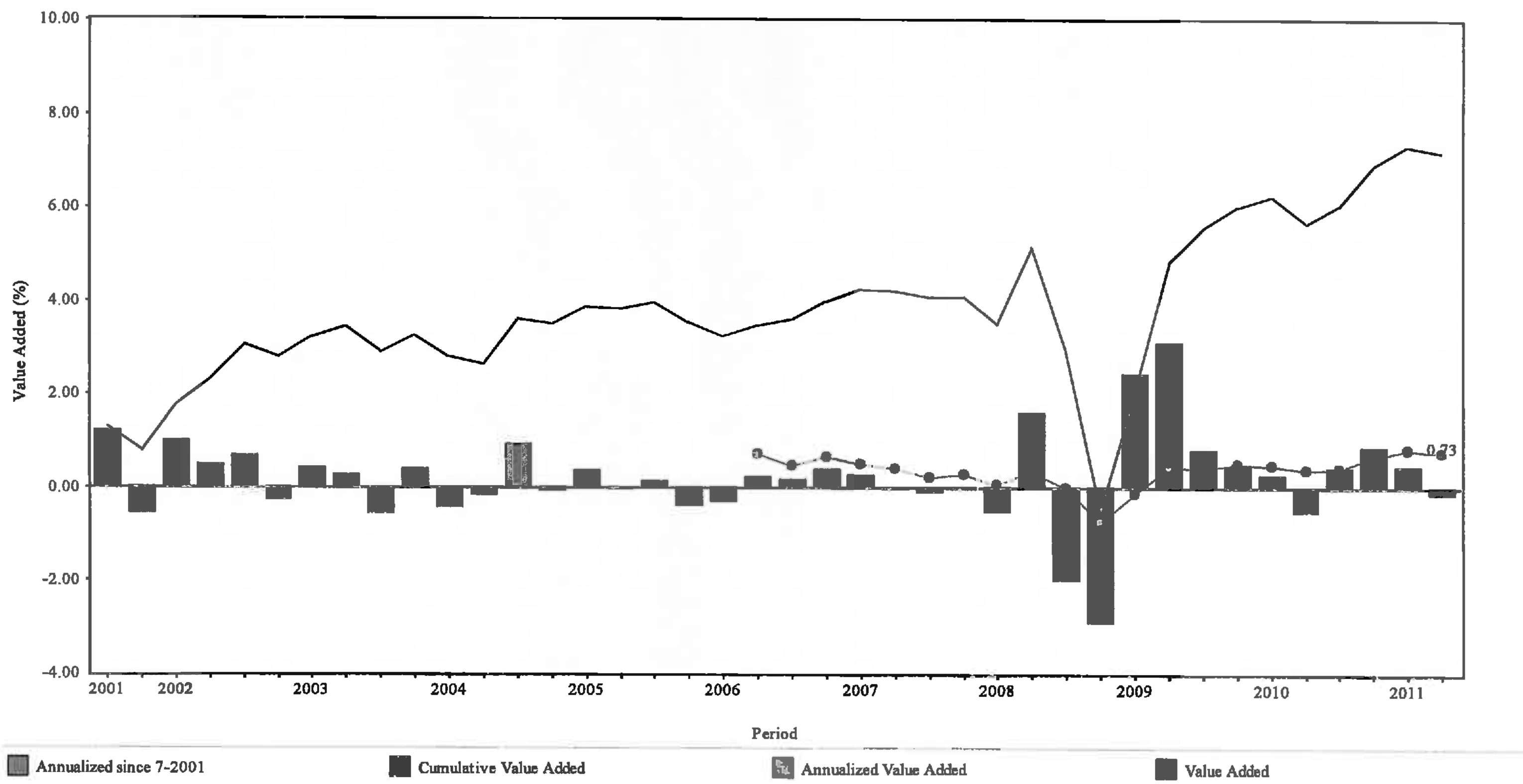


	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)
5th Percentile	1.80		7.09		28.42		22.11		7.81		5.24		6.90		6.52	
25th Percentile	0.98		5.45		22.69		18.15		5.82		3.10		5.27		5.22	
Median	0.62		4.86		20.52		16.77		4.77		2.21		4.41		4.23	
75th Percentile	0.37		4.26		19.14		14.85		3.70		0.88		3.56		3.53	
95th Percentile	-0.71		2.35		15.67		12.65		-0.46		-0.69		2.34		2.23	
# of Portfolios	78		78		78		78		78		78		78		78	
TRP Balanced	1.00	25	5.09	44	22.77	23	17.65	35	4.98	49	2.42	46	5.22	30	5.39	21
TRP Balanced Index	1.15	21	4.80	54	21.02	46	16.35	59	4.30	63	1.70	65	4.48	50	4.66	37

Universe Source: (c) BNY Mellon Asset Servicing

T Rowe Price Balanced

July 01, 2001 through June 30, 2011
Value Added
T. Rowe Price Balanced vs. T. Rowe Price Balanced Index



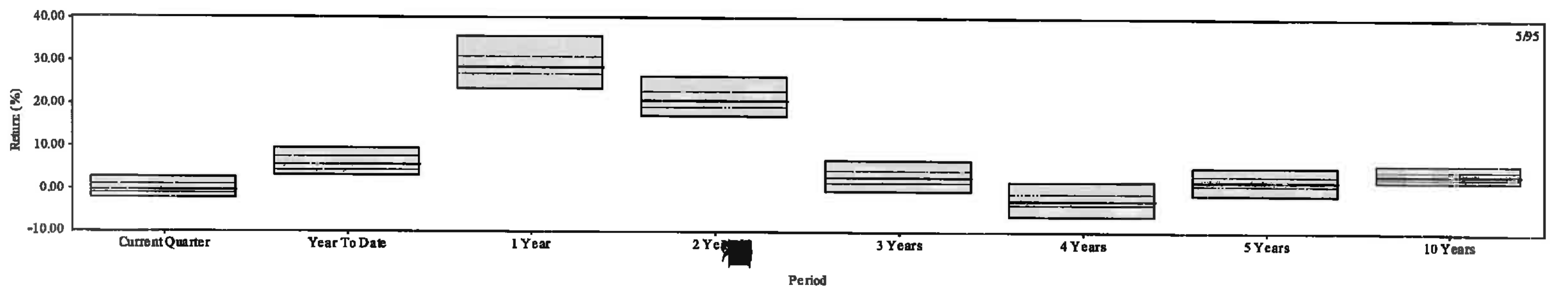
Market Proxy: T. Rowe Price Balanced Index

Vanguard Windsor II Admiral

- Windsor II returned 0.4% during the quarter, outperforming the -0.5% return of its the Russell 1000 Value Index benchmark, and ranked in the 29th percentile of its large-cap value universe. Year-to-date, the fund is ahead of its benchmark (6.9% versus 5.9%) and ranks in the 29th percentile. Trailing three- and five-year returns are ahead of the benchmark, and the fund is also ahead of its median peer over those time periods.
- Financial sector positioning was again the primary contribution to relative performance, where an underweight added to return (average 20% during the quarter versus 26% for the benchmark), but the fund's allocation to such securities also outperformed (-4.8% versus -6.1%). American Express, which accounted for 2% of assets and returned 15% during the quarter, is an example of an outperforming financial-sector holding. Security selection in the energy sector also added to relative return. Gains were partially offset by health care and telecom investments, where minor underweights in these two defensive sectors hurt relative return, as did underperformance among such holdings.
- With respect to sub advisor performance, most of the fund's relative return can be attributed to Barrow Hanley, who was the only manager to generate a meaningfully positive return (approximately 1% for the quarter). The second best performing sub-advisor was Sanders Capital, and their allocation of the fund finished roughly flat.

Vanguard Windsor II Admiral

VALUE EQUITY MUTUAL FUNDS
Ending June 30, 2011
Quartile

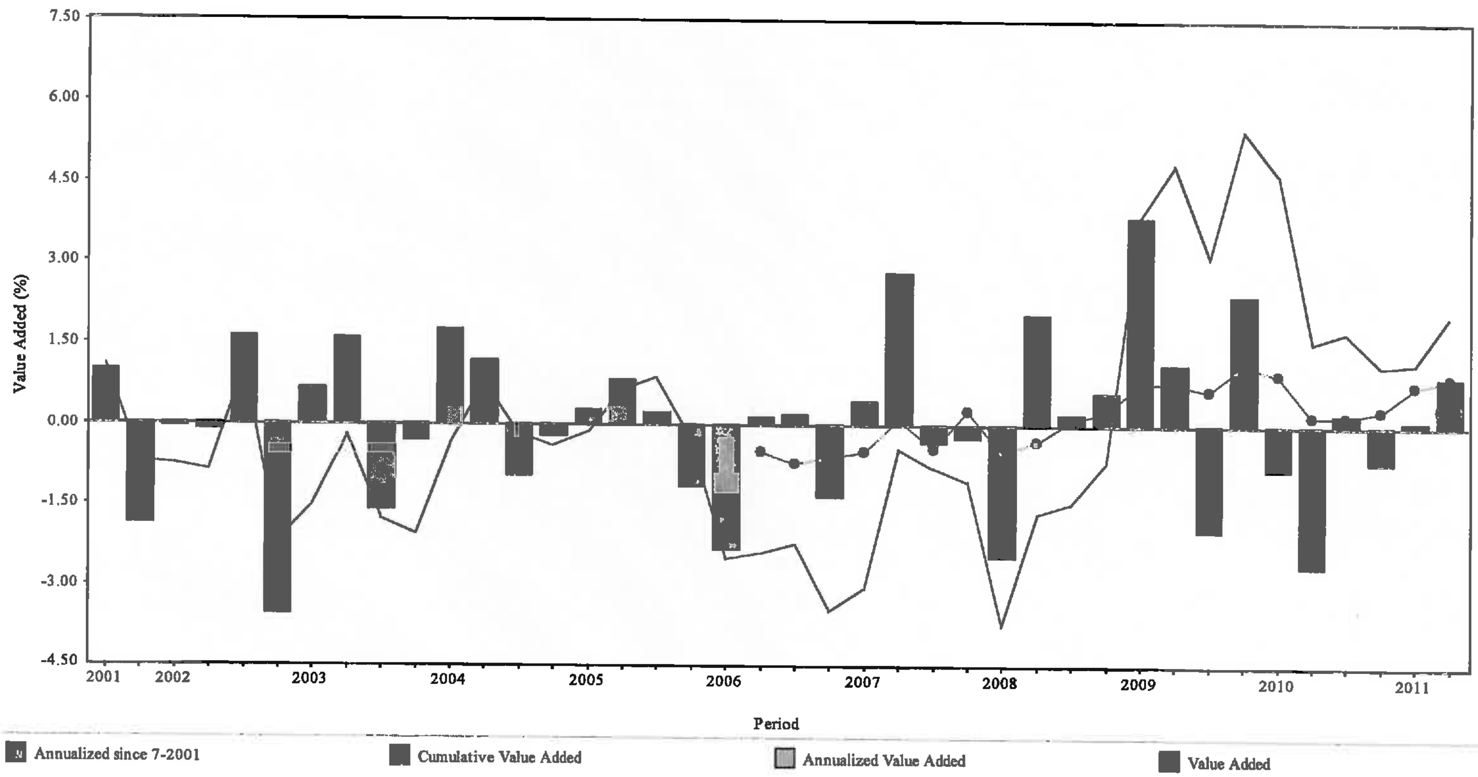


	Current Quarter Return	(% tile)	Year To Date Return	(% tile)	1 Year Return	(% tile)	2 Years Return	(% tile)	3 Years Return	(% tile)	4 Years Return	(% tile)	5 Years Return	(% tile)	10 Years Return	(% tile)
5th Percentile	2.47		9.27		35.77		26.30		6.64		1.71		5.01		5.81	
25th Percentile	0.64		7.27		30.87		22.92		4.29		- 1.15		3.11		4.47	
Median	- 0.48		5.56		28.66		21.03		2.74		- 2.58		1.81		3.56	
75th Percentile	- 1.23		4.26		27.02		19.18		1.24		- 3.76		0.66		2.74	
95th Percentile	- 2.72		2.65		23.18		16.80		- 0.99		- 6.75		- 1.93		1.63	
# of Portfolios	163		163		163		163		163		163		163		160	
Van Win II Ad	0.39	29	6.93	29	29.59	41	21.13	47	3.55	38	- 2.84	58	2.06	46	4.20	33
R1000V	- 0.50	52	5.92	43	28.94	49	22.78	27	2.28	57	- 3.45	69	1.15	66	3.98	41

Universe Source: (c) BNY Mellon Asset Servicing

Vanguard Windsor II Admiral

July 01, 2001 through June 30, 2011
Value Added
Vanguard Windsor II Adm vs. R1000 VALUE



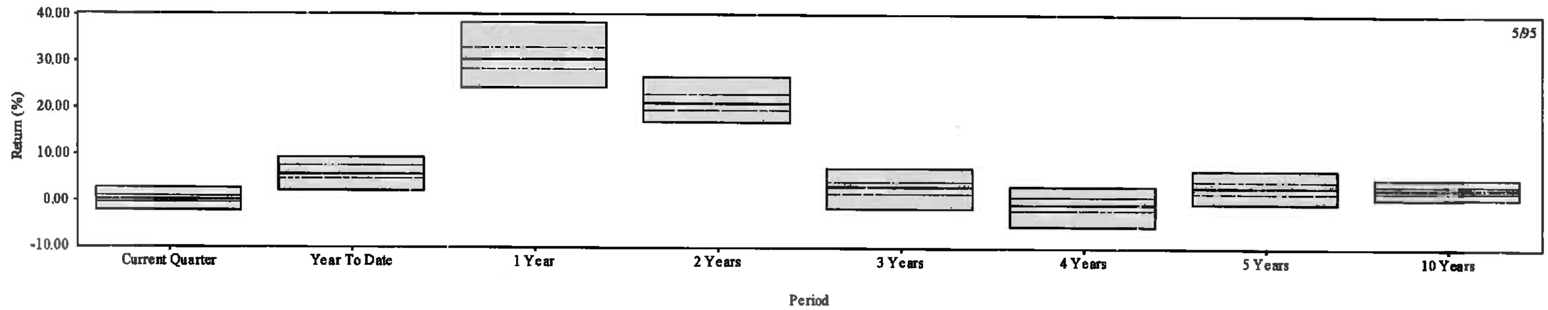
Market Proxy: R1000 VALUE

T Rowe Price Equity Index Trust

- The fund seeks to replicate the total return performance of the S&P 500 Index, investing substantially all assets in common stocks listed on the index. The fund attempts, when practical, to hold securities in all 500 issuers and invests in securities proportionally to their weighting in the index. Buck expects an index fund to match the returns of its index, before fees, over three to five-year periods and provide returns in line with the benchmark on a quarterly basis.
- The fund returned 0.1% for the quarter, trailing the index by 2 basis points. The fund has performed in line with the benchmark over time, adjusted for fees.
- Large-cap growth stocks outperformed large-cap value stocks for the quarter. Within the S&P, value stocks posted a negative return while growth stocks were positive.
- Five of the ten market sectors recorded positive returns during the period. The top contributors were health care (+7.8%), consumer staples (+5.3%), and consumer discretionary (+3.5%). They combined to add 1.7 percentage points to the index's three-month result. Two smaller sectors, utilities (+6.1%) and telecommunications (+2.1%) added roughly 0.30% to the index.
- The biggest detractors were financials (-5.9%), energy (-4.6%) and technology (-1.3%). These sectors detracted 1.8% from the index's return for the period.

T Rowe Price Equity Index Trust

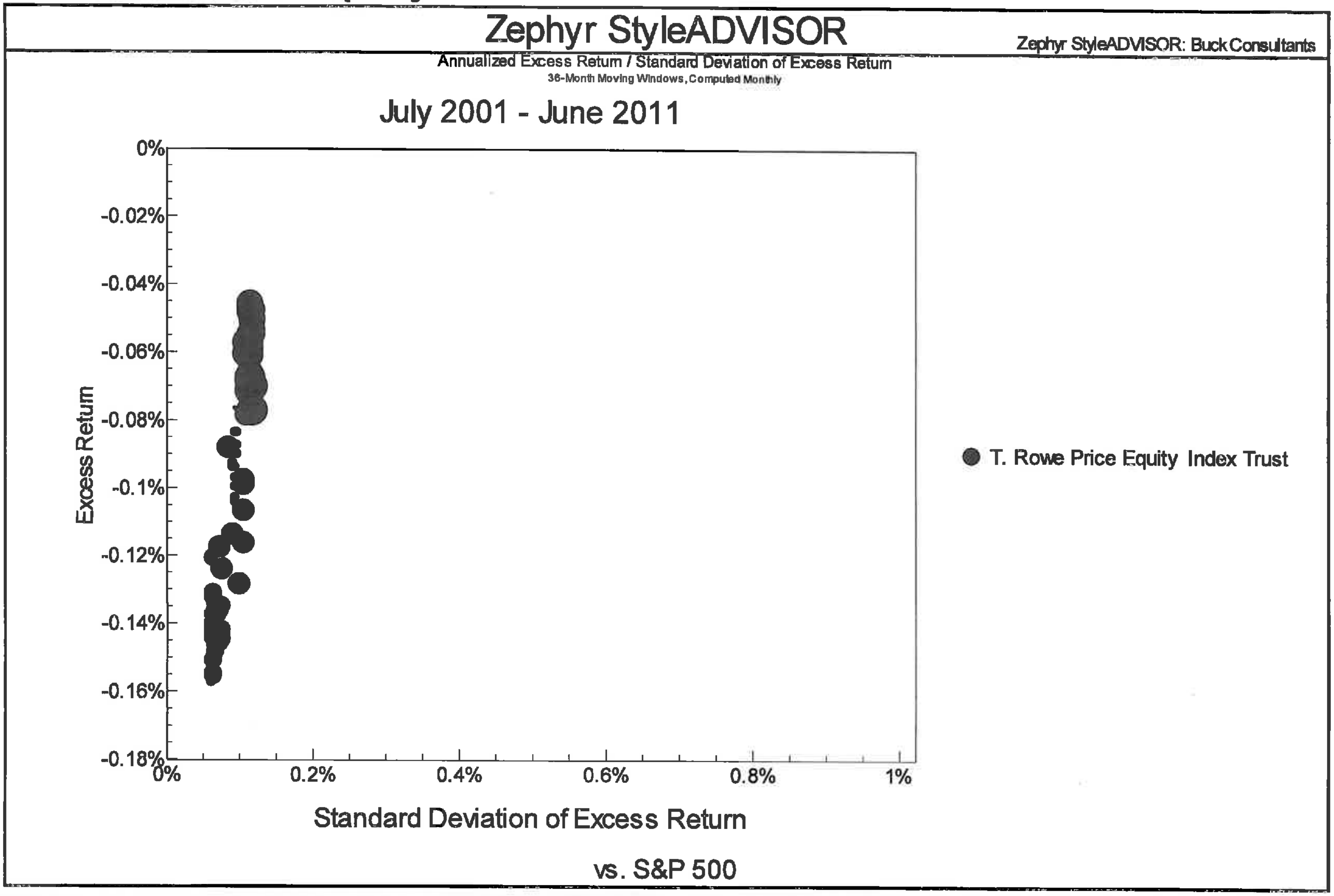
MARKET-ORIENTED MUTUAL FUNDS
Ending June 30, 2011
Quartile



	Current Quarter Return	(%tile)	Year To Date Return	(%tile)	1 Year Return	(%tile)	2 Years Return	(%tile)	3 Years Return	(%tile)	4 Years Return	(%tile)	5 Years Return	(%tile)	10 Years Return	(%tile)
5th Percentile	2.62		9.24		38.39		26.68		6.90		3.01		6.48		4.67	
25th Percentile	0.73		7.31		32.90		22.97		3.85		0.71		4.19		3.42	
Median	0.09		5.64		30.68		21.13		2.97		-0.76		3.06		2.71	
75th Percentile	-0.66		4.62		28.35		19.45		1.47		-2.22		1.78		2.00	
95th Percentile	-2.60		1.62		24.13		16.69		-2.01		-5.79		-1.08		0.24	
# of Portfolios	157		157		157		157		157		157		157		155	
TRP Eq Idx Tr	0.08	52	5.96	45	30.51	52	22.13	34	3.27	40	-1.12	57	2.85	56	2.62	53
S&P 500	0.10	50	6.02	44	30.69	50	22.29	32	3.34	38	-1.05	56	2.94	54	2.72	50

Universe Source: (c) BNY Mellon Asset Servicing

T Rowe Price Equity Index Trust

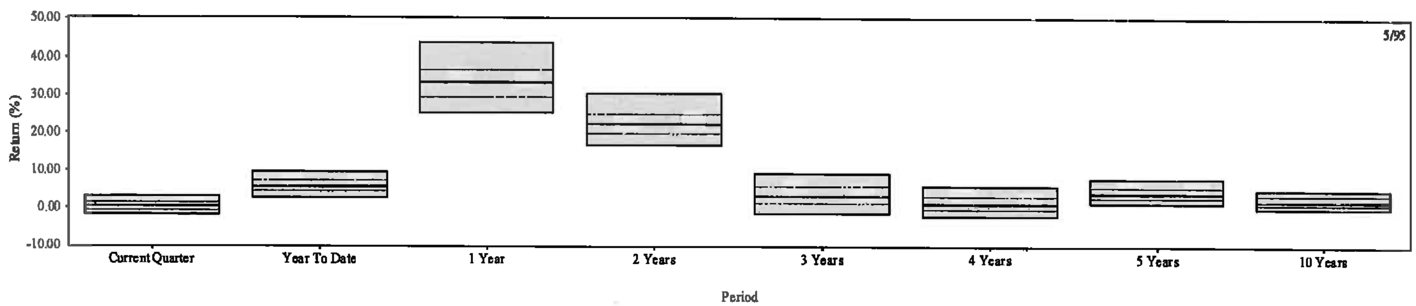


Harbor Capital Appreciation

- Harbor Capital Appreciation returned 3.6% for the quarter, beating the 0.8% return of the Russell 1000 Growth Index. This placed the fund at the 2nd percentile of its large cap growth peer group. The fund is ahead year to date, 8.4% to 6.8%, ranking in the 9th percentile of the universe. The fund is ahead of the index over three and five years and places in the top quartile of the peer universe for both periods.
- The primary sources of outperformance came from an overweight and positive selection in the consumer discretionary sector. Amazon.com was a contributor, as revenue beat expectations and guidance was strong, while Nike helped relative performance on high earnings due to increased product orders. Selection in information technology boosted relative results, as did an overweight and selection in health care. An underweight in energy was beneficial, as this was the benchmark's worst performing sector, though these gains were offset by poor selection, including holding oil services company Schlumberger.
- Selection in financials hurt the fund, specifically Goldman Sachs. The firm's stock fell on concerns over potential litigation related to allegations that it misled clients by not disclosing its proprietary interest in certain collateralized debt obligations. Although technology selection was positive in aggregate, certain stocks such as Juniper Networks and Google weighed on results. Juniper lagged on below expectation guidance, while Google was hurt by increased costs. In addition, a Federal Trade Commission inquiry into whether the firm's search results and advertising constitute anticompetitive behavior depressed the shares.

Harbor Capital Appreciation

GROWTH EQUITY MUTUAL FUNDS
Ending June 30, 2011
Quartile

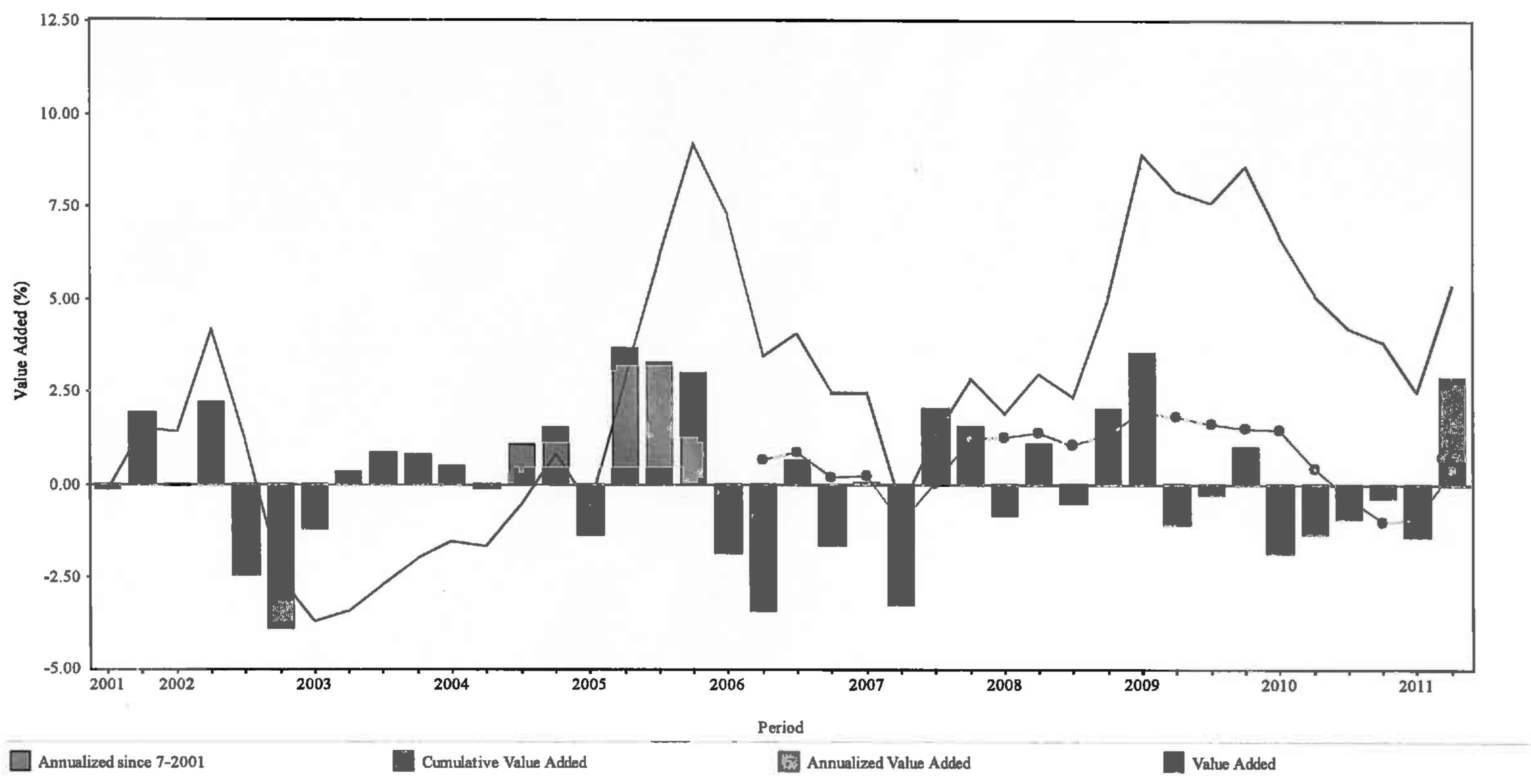


	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)
5th Percentile	2.72		9.23		43.60		30.12		9.12		5.52		7.58		4.59	
25th Percentile	1.14		6.80		36.51		24.89		5.64		2.83		5.42		3.03	
Median	0.29		5.60		33.22		22.30		3.17		1.07		3.81		1.93	
75th Percentile	-0.75		4.19		29.34		19.49		1.16		-0.56		2.59		0.91	
95th Percentile	-2.31		2.18		24.94		16.09		-1.89		-2.78		0.80		-0.43	
# of Portfolios	160		160		160		160		160		160		160		154	
Harbor Cap App Inst	3.64	2	8.44	9	35.45	35	22.41	50	5.84	23	3.68	17	5.73	19	2.78	32
R1000 GROWTH	0.76	38	6.83	26	35.01	37	23.85	34	5.01	32	2.16	32	5.33	27	2.24	43

Universe Source: (c) BNY Mellon Asset Servicing

Harbor Capital Appreciation

July 01, 2001 through June 30, 2011
Value Added
Harbor Capital App Instl vs. R1000 GROWTH



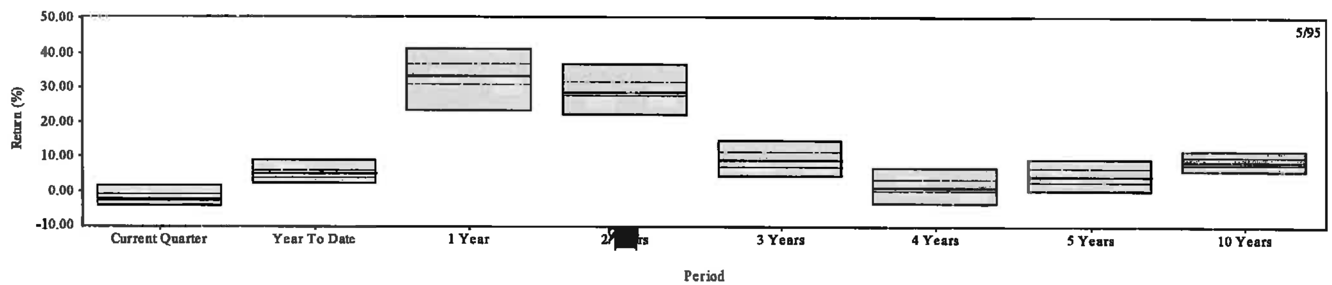
Market Proxy: R1000 GROWTH

T Rowe Price Small Cap Value

- The fund returned -2.3% in the quarter versus -2.7% for the Russell 2000 Value Index, but ranked in the 59th percentile of the small value universe. For the year-to-date, the fund is ahead of benchmark, 5.3% versus 3.8%, and placed in the 48th percentile. Three and five year results remain ahead of the index, but only the five year return is ahead of the median peer.
- Security selection was the main driver of outperformance, and positive returns from the fund's allocation to consumer discretionary and materials sector stocks outperformed the negative showing from the benchmark allocation to those sectors. Within consumer discretionary, retailers such as Hibbett Sports added to return, while in the materials sector, metals and mining company Carpenter Technology was a positive contributor.
- With respect to equity style, a core bias also served as a tailwind to performance. Portfolio valuation characteristics are more consistent with a core-style portfolio, rather than value, and this is partially attributable to a significant overweight in industrials (25% versus 15%) and underweight in financials (22% versus 34%). All other sector allocation are +/-4% of benchmark allocation.
- The fund's financial-sector underweight is driven by management's reluctance to allocate 34% to any sector, not just financials. Financial-sector investments are seeing a gradual accumulation of REITs, while commercial banks are being trimmed. The materials sector overweight is primarily a result of bottom-up security selection, but they also believe industrial demand is likely to remain more resilient than consumer demand going forward, which in an environment where materials stocks are seen as positioned to benefit.

T Rowe Price Small Cap Value

SMALL CAPITALIZATION VALUE EQUITY MUTUAL FUNDS
Ending June 30, 2011
Quartile

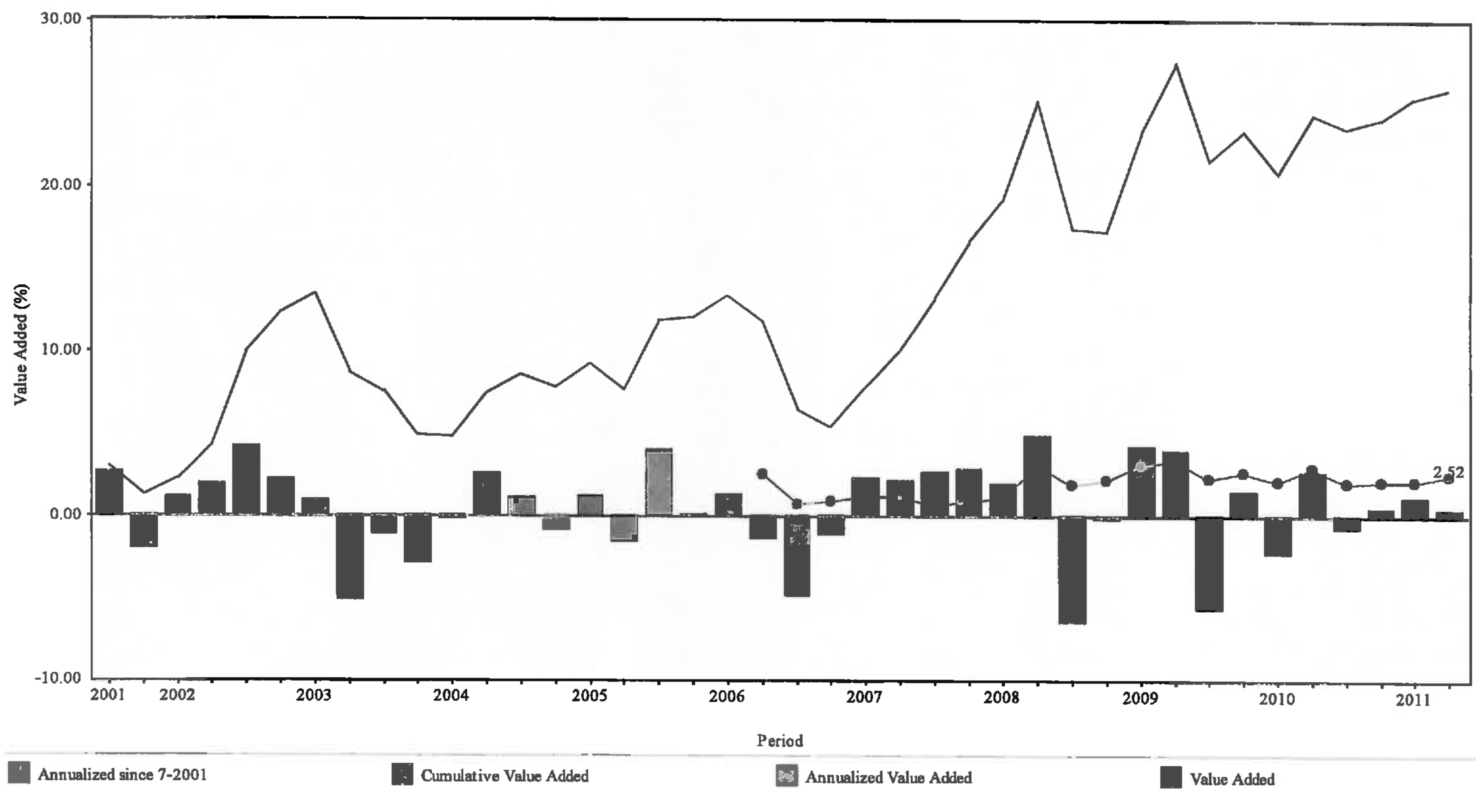


	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)
5th Percentile	1.47		8.77		41.03		36.24		14.38		6.53		9.24		11.76	
25th Percentile	- 1.14		5.81		36.61		31.69		11.19		3.42		6.66		9.92	
Median	- 2.03		5.09		33.58		28.90		9.21		1.23		4.43		8.74	
75th Percentile	- 3.05		3.72		30.91		27.55		6.75		- 0.05		2.69		7.55	
95th Percentile	- 4.77		1.92		23.00		21.85		4.17		- 4.17		- 0.48		5.40	
# of Portfolios	45		45		45		45		45		45		45		44	
T. Rowe Price Sm Val	- 2.26	59	5.31	48	32.95	59	27.41	83	7.30	74	2.44	44	4.71	42	10.04	23
R2000 VALUE	- 2.65	70	3.77	77	31.35	72	28.17	66	7.09	74	- 0.95	87	2.24	81	7.53	78

Universe Source: (c) BNY Mellon Asset Servicing

T Rowe Price Small Cap Value

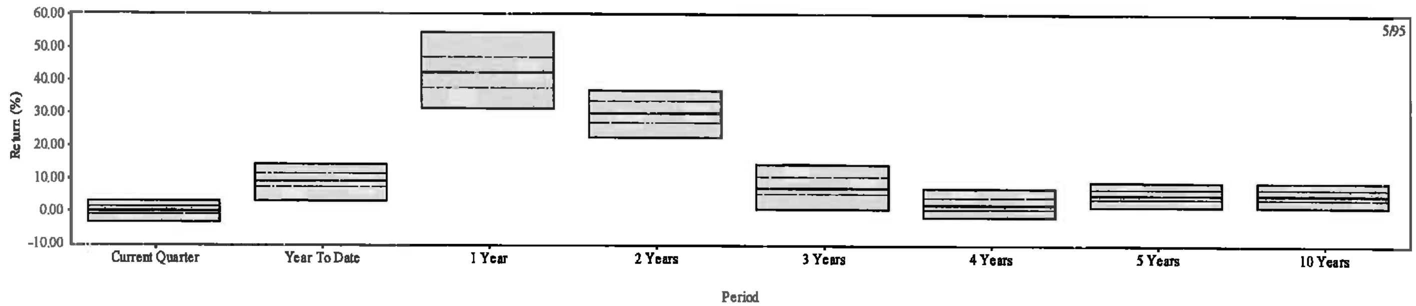
July 01, 2001 through June 30, 2011
Value Added
T. Rowe Price Sm Val vs. R2000 VALUE



Market Proxy: R2000 VALUE

Wells Fargo Advantage Small Cap Growth I

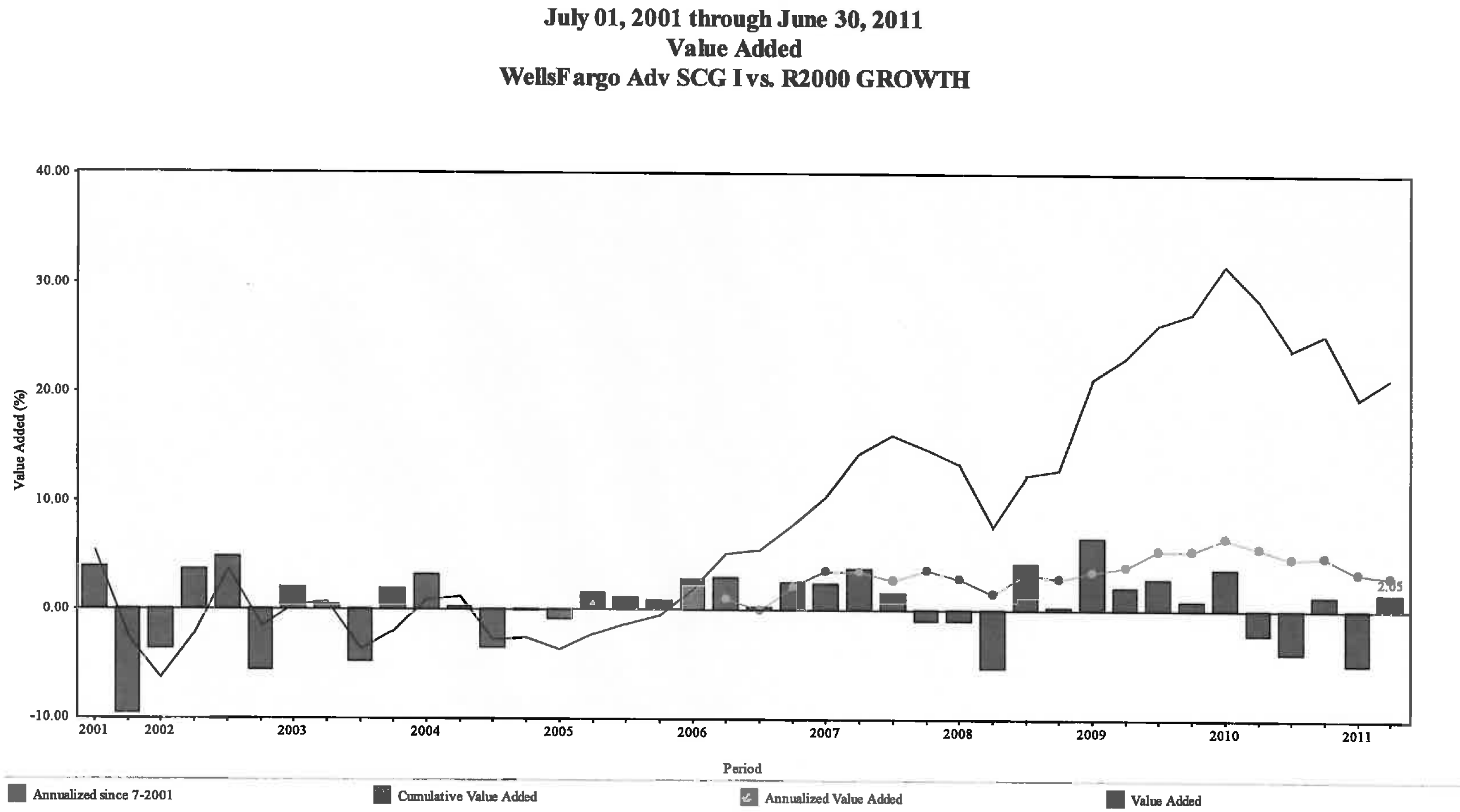
SMALL CAPITALIZATION GROWTH EQUITY MUTUAL FUNDS
Ending June 30, 2011
Quartile



	Current Quarter Return	(% tile)	Year To Date Return	(% tile)	1 Year Return	(% tile)	2 Years Return	(% tile)	3 Years Return	(% tile)	4 Years Return	(% tile)	5 Years Return	(% tile)	10 Years Return	(% tile)
5th Percentile	3.07		14.09		54.43		37.04		14.16		6.86		9.13		9.02	
25th Percentile	1.25		11.47		46.97		34.00		10.47		4.35		7.07		7.09	
Median	0.22		9.48		42.45		30.19		7.55		2.32		5.33		5.23	
75th Percentile	- 1.13		7.33		37.76		27.03		5.44		0.49		3.78		3.80	
95th Percentile	- 3.80		2.60		30.83		22.29		0.20		- 2.36		0.90		0.99	
# of Portfolios	122		122		122		122		122		122		122		122	
WellsFargo Adv SCG I	0.95	31	5.17	88	35.55	83	29.11	61	12.80	10	4.75	19	8.88	6	6.69	30
R2000GR	- 0.59	64	8.59	62	43.50	45	30.10	53	8.35	42	3.20	36	5.79	44	4.63	66

Universe Source: (c) BNY Mellon Asset Servicing

Wells Fargo Advantage Small Cap Growth I



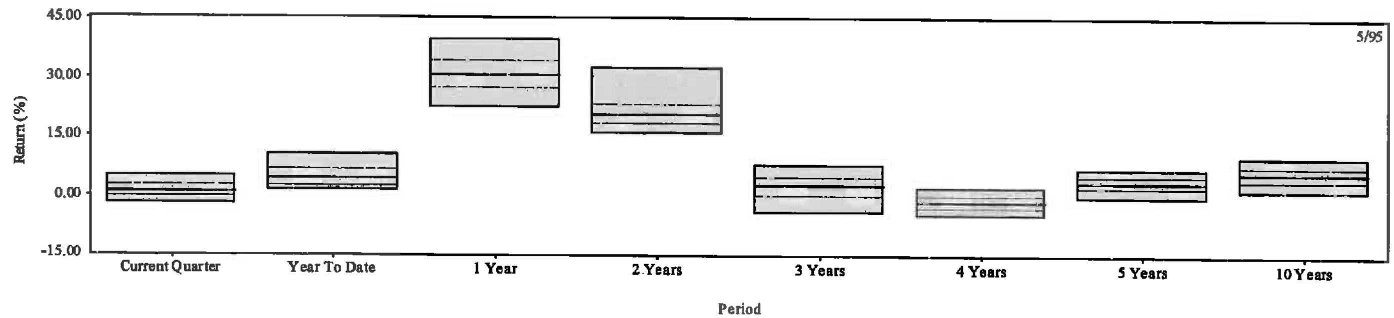
Market Proxy: R2000 GROWTH

American Funds Capital World Growth & Income R5

- The fund returned 1.7% in the quarter versus 0.7% for the MSCI World Index, ranking in the 35th percentile of the global equity fund universe. For the year-to-date, Capital World Growth & Income slightly trailed the index, 5.5% versus 5.6%, but placed ahead of its median peer with a 40th percentile rank. Despite recent difficulties, the fund is still well ahead of its performance objectives over the past five years and has added meaningful value since it was added to the Plan.
- Energy-sector positioning was the largest contributor to relative performance during the quarter, where an underweight, combined with favorable security selection, added about 35 basis points in relative return. There were no single stand-out contributor, and outperformance was spread across a number of a names. The second-best notable contributor was security selection in industrials, which added about 30 basis points in relative return. Half of that came from industrials company Jardine Matheson.
- The fund has historically been overweight Europe (40% versus 35% as of quarter end) given its dividend focus and the increased emphasis by European companies on dividend payouts, such positioning hurt performance last year. An overweight in Europe was a contributor this quarter, however, given currency appreciation. The two largest overweight sectors in the fund are defensive and higher income components. They include telecom (10% allocation versus 4% for the benchmark) and utilities (6% versus 4%). The largest underweights are financials (14% versus 20%) and energy (7% versus 11%).
- At quarter-end, the fund was 31% US, 65% Non-US, and 4% cash. The US/non-US allocation is in line with the 10-year average of approximately 1/3 US and 2/3 non US, while cash is at historically low levels.

American Funds Capital World Growth & Income R5

WORLD EQUITY MUTUAL FUNDS
Ending June 30, 2011
Quartile

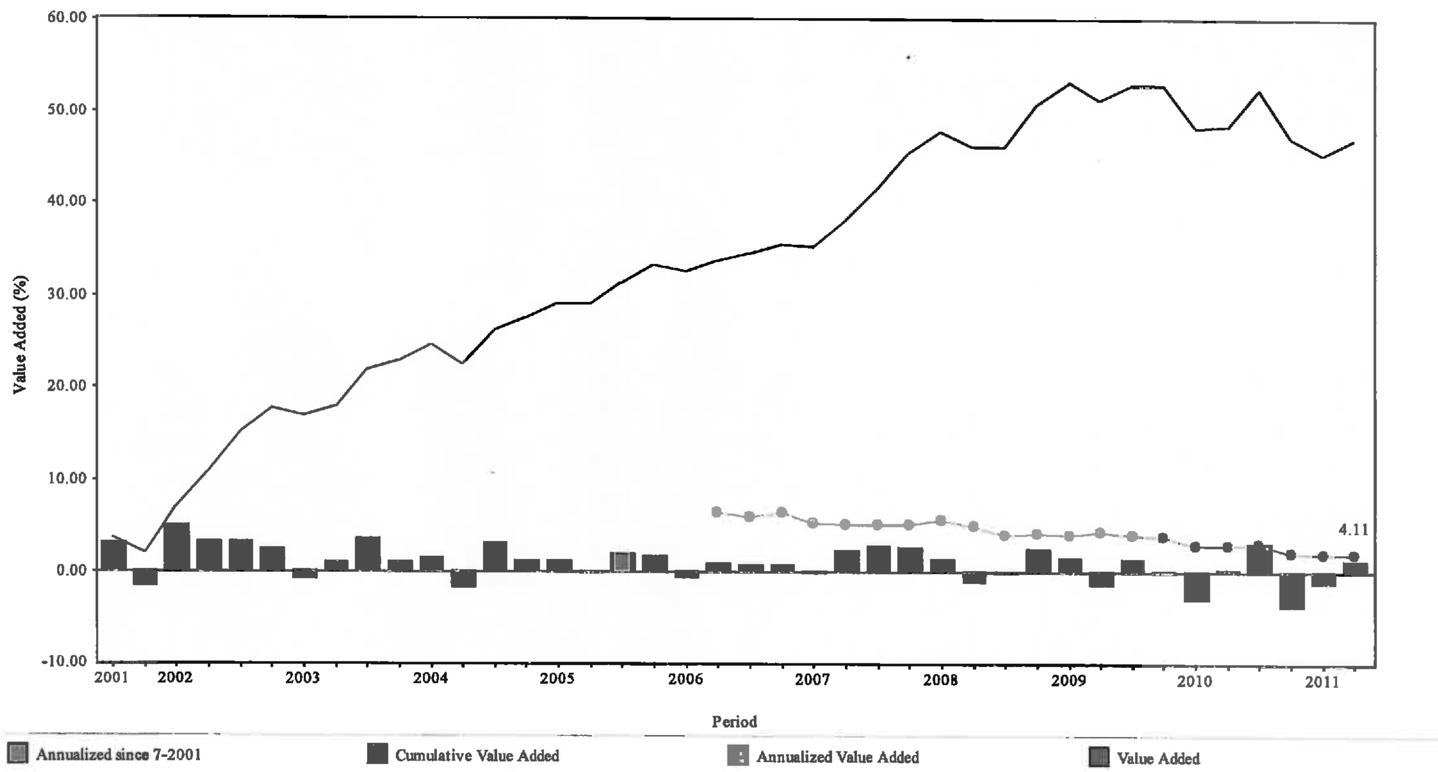


	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)	Return	%tile)
5th Percentile	4.75		10.45		39.58		32.40		7.71		2.14		6.45		9.75	
25th Percentile	2.52		6.47		34.09		22.98		4.38		- 0.00		4.80		7.39	
Median	0.94		4.42		30.76		20.62		2.84		- 1.45		3.52		5.73	
75th Percentile	- 0.47		2.38		27.37		18.38		0.10		- 3.16		2.13		3.63	
95th Percentile	- 2.44		1.16		22.00		15.63		- 4.47		- 5.14		- 0.52		0.87	
# of Portfolios	42		42		42		42		42		42		42		41	
AF CapWrldGI R5	1.77	35	5.51	40	29.80	59	18.75	75	1.22	63	- 0.36	33	4.80	26	8.62	10
MSCI WORLD	0.68	59	5.62	38	31.19	40	20.55	52	1.04	63	- 1.89	68	2.85	63	4.52	62

Universe Source: (c) BNY Mellon Asset Servicing

American Funds Capital World Growth & Income R5

July 01, 2001 through June 30, 2011
Value Added
Amer Funds CapWrldGI R5 vs. MSCI WORLD



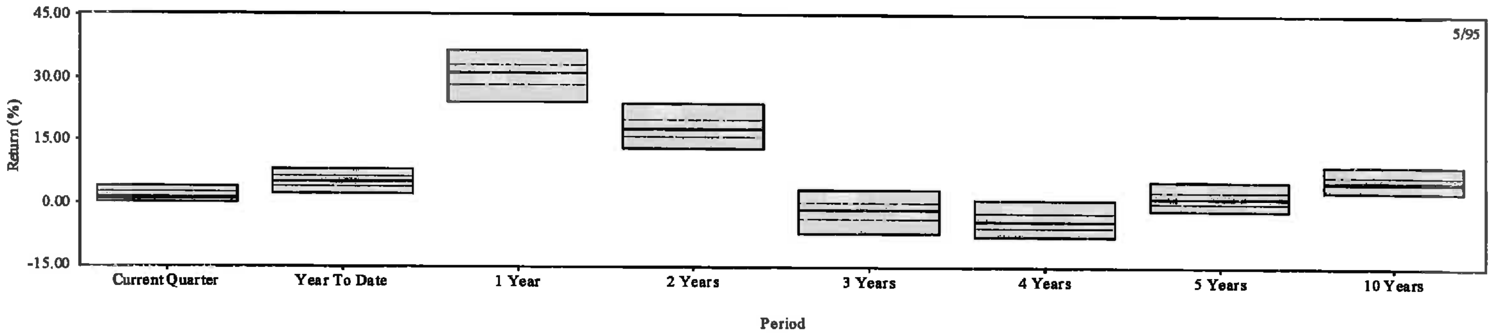
Market Proxy: MSCI WORLD

Dodge & Cox International Stock

- Dodge & Cox International lagged the index 0.5% versus 1.8% during the second quarter. This result ranked in the 84th percentile of the international peer universe. Year-to-date, the fund lags the index 3.0% versus 5.4% and ranks in the 83rd percentile. For the full year, the fund led the index 31.4% versus 30.9% and placed in the 48th percentile of the peer group. The fund also leads the index in all longer term annualized time periods shown and ranks at or above the top quartile of the peer group over each annualized time period.
- For the quarter, the fund lagged the index due to stock, sector and country selection.
- An overweight coupled with poor stock selection in the technology sector was the biggest detractor from performance for the period. The portfolio held more than two times the index weight and the stocks in the sector returned -5% versus -2% for the index. The consumer staples sector was another detractor due to an underweight in the sector. The fund's exposure to emerging markets also detracted from performance, as investors preferred less risk during the period. The fund's emerging market holdings declined 4% and accounted for roughly 20% of the portfolio.
- One bright spot for the fund was its allocation to the health care sector. The overweight in the strong performing sector added value, as the fund 's holdings returned 13% versus 9% for the index.
- Management's largest weighting in the portfolio is in the financial sector, but this weight is still roughly 4% under the index weight. The largest sector overweights are in health care, consumer discretionary and technology. For a country perspective, the fund remains underweight in Japan and the UK, while holding an overweight in emerging markets.

Dodge & Cox International Stock

NON-US EQUITY MUTUAL FUNDS
Ending June 30, 2011
Quartile

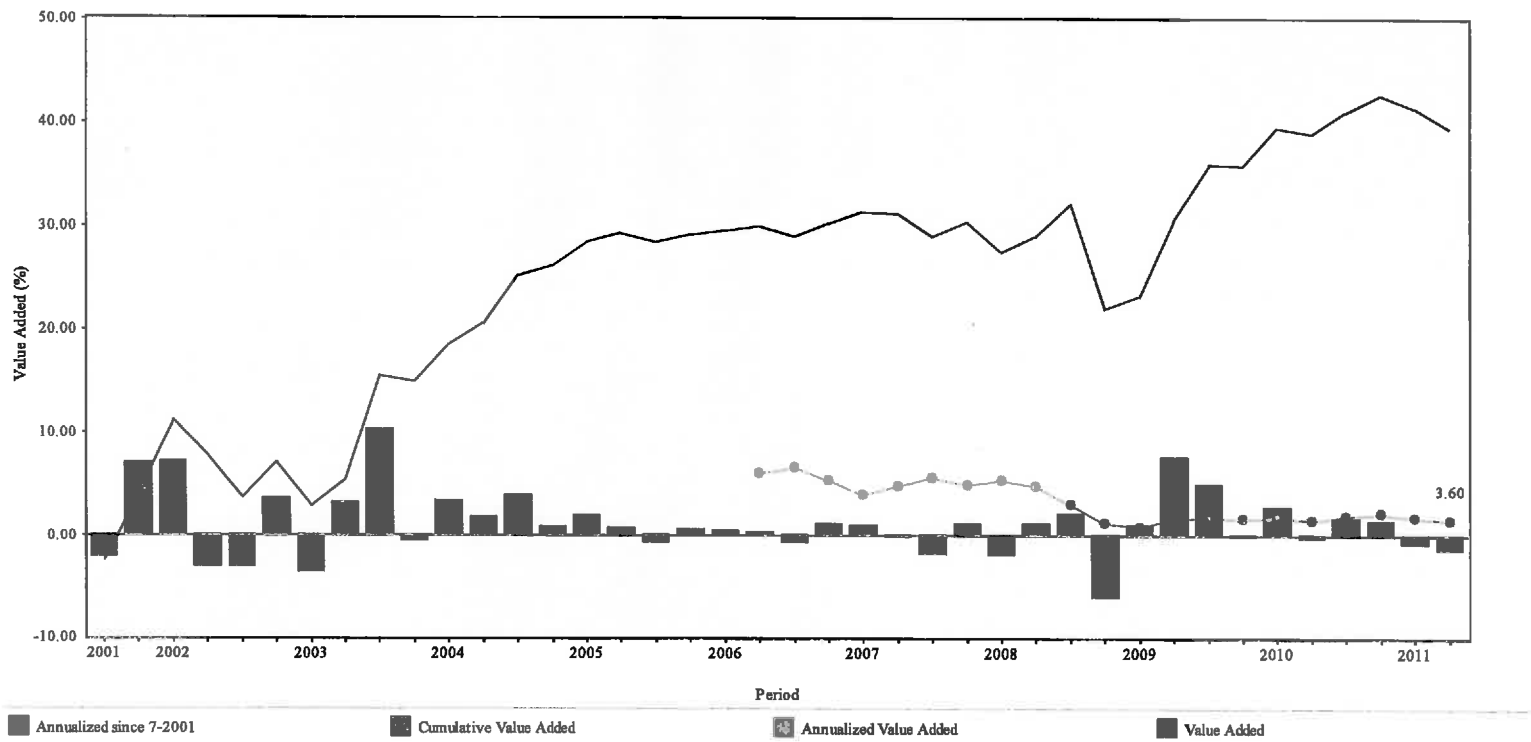


	Current Quarter Return	(% tile)	Year To Date Return	(% tile)	1 Year Return	(% tile)	2 Years Return	(% tile)	3 Years Return	(% tile)	4 Years Return	(% tile)	5 Years Return	(% tile)	10 Years Return	(% tile)
5th Percentile	3.89		8.00		36.58		23.95		3.08		0.57		5.18		8.93	
25th Percentile	2.26		6.34		33.02		20.13		0.03		-2.48		2.64		6.66	
Median	1.29		5.04		31.22		18.02		-1.42		-4.14		1.51		5.46	
75th Percentile	0.58		3.79		28.25		15.91		-3.75		-5.91		-0.07		4.68	
95th Percentile	-0.49		1.84		23.70		12.67		-7.68		-8.44		-1.96		2.55	
# of Portfolios	67		67		67		67		67		67		67		65	
D&C Intl Stock	0.47	84	3.00	83	31.37	48	21.97	18	1.34	12	-2.10	20	3.43	15	9.72	4
MSCI EAFE	1.83	31	5.35	45	30.93	53	18.01	52	-1.30	50	-3.59	43	1.96	46	6.12	34

Universe Source: (c) BNY Mellon Asset Servicing

Dodge & Cox International Stock

July 01, 2001 through June 30, 2011
Value Added
Dodge & Cox Intl Stock vs. MSCI EAFE



Market Proxy: MSCI EAFE

Five Year Risk Characteristics as of June 30, 2011

	Universe	Alpha	Info Ratio	Sharpe Ratio	Beta	Std. Deviation	Track Error	R^2
PIMCO Total Return Inst		0.97	1.06	1.50	1.20	4.67	2.23	0.79
Universe Rank	Intermed Bond	41	1	6	8	53	73	21
T. Rowe Price Balanced Fund		0.40	0.36	0.22	1.11	14.95	2.25	0.99
Universe Rank	Balanced	14	8	12	53	54	84	11
Vanguard Windsor II		0.93	0.27	0.01	0.97	20.84	3.40	0.97
Universe Rank	Large Value	31	22	30	40	44	69	35
T. Rowe Price Equity Index Trust		-0.09	-0.91	0.05	1.00	19.73	0.10	1.00
Universe Rank	Large Blend	46	92	41	37	49	100	1
Harbor Cap Appreciation Inst		0.61	0.11	0.20	0.95	19.12	3.49	0.97
Universe Rank	Large Growth	20	18	17	76	82	73	35
TRP Sm Cap Value		2.57	0.38	0.13	0.89	21.92	6.44	0.93
Universe Rank	Small Value	28	23	20	85	85	59	49
WF Adv Small Cap Gr I		3.16	0.49	0.29	0.99	24.21	6.30	0.93
Universe Rank	Small Growth	8	9	10	45	41	33	68
AF Cap World Gr & Inc R5		1.98	0.52	0.14	0.96	21.40	3.75	0.97
Universe Rank	Global	21	15	22	57	57	64	52
Dodge & Cox Intl Stock		1.64	0.27	0.05	1.14	28.20	5.48	0.98
Universe Rank	Int'l	21	26	24	3	4	24	55

Alpha, Info Ratio, Sharpe R-Squared – Universe ranking on a scale of 1-100, with 1 being the highest (best score)
Beta, Standard Deviation, Tracking error – Universe ranking on a scale of 1-100, with 100 being the lowest risk

Policy Objectives

Fund	Primary Index	Peer Universe	Secondary Index
T. Rowe Price Stable Value	90 Day T Bills	Stable Value	3 Year Treasury
PIMCO TR Inst	BC Aggregate	Fixed Income	NA
T. Rowe Price Balanced	50% S&P 500/ 15%MSCI EAFE/ 35% BC Aggregate	Balanced	NA
Vanguard Windsor II Adm	Russell 1000 Value	Large Value	NA
T. Rowe Price Eq Index Trust	S&P 500	Large Blend	NA
Harbor Cap Appreciation Inst	Russell 1000 Growth	Large Growth	NA
TRP Small Cap Value	Russell 2000 Value	Small Value	NA
WF Adv Small Cap Gr I	Russell 2000 Growth	Small Growth	NA
Capital World G&I R5	MSCI World	World Equity	NA
Dodge & Cox Intl Stock	MSCI EAFE	International Equity	NA

Fees

Fund	Category	Fund Expense Ratio	Category Average	Morningstar No Load Category Average[1]
T. Rowe Price Stable Value A	Stable Value	0.32%	N/A	0.29%
PIMCO Total Return Inst	Fixed Income	0.46%	0.96%	0.60%
T. Rowe Price Balanced Fund	Balanced	0.71%	1.36%	0.93%
Vanguard Windsor II Admiral	Large Value	0.27%	1.26%	0.85%
T. Rowe Price Equity Index Trust	Large Blend	0.20%	1.25%	0.81%
Harbor Capital Appreciation Inst	Large Growth	0.67%	1.34%	0.91%
TRP Small Cap Value	Small Value	0.97%	1.51%	1.08%
WF Adv Small Cap Growth I	Small Growth	0.91%	1.54%	1.15%
AF Capital World Growth & Inc R5	Global	0.50%	1.56%	1.16%
Dodge & Cox International Stock	Foreign Large Value	0.65%	1.42%	1.02%

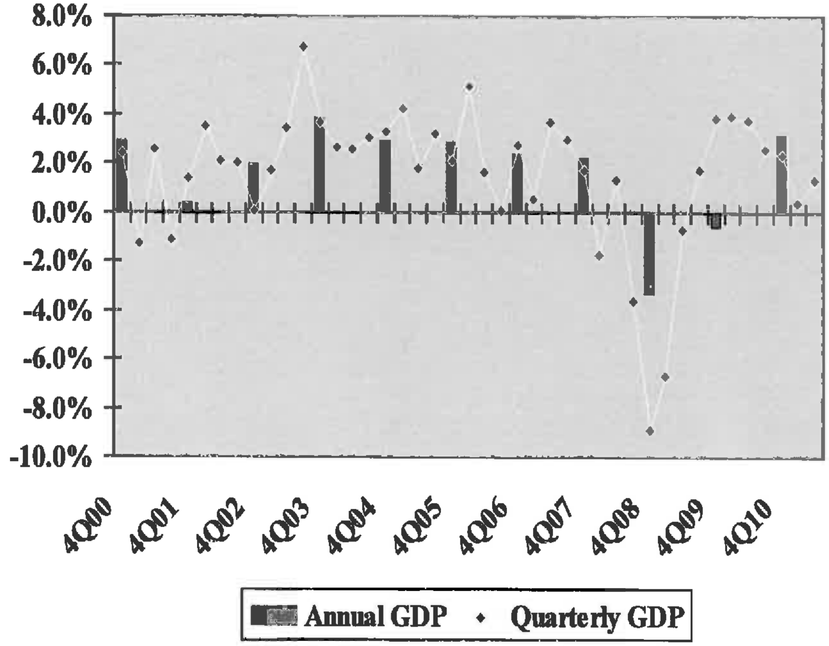
[1] Morningstar data for all but stable value, which is based on Hueler data for an investment size of $25 million.

Performance Disclosures

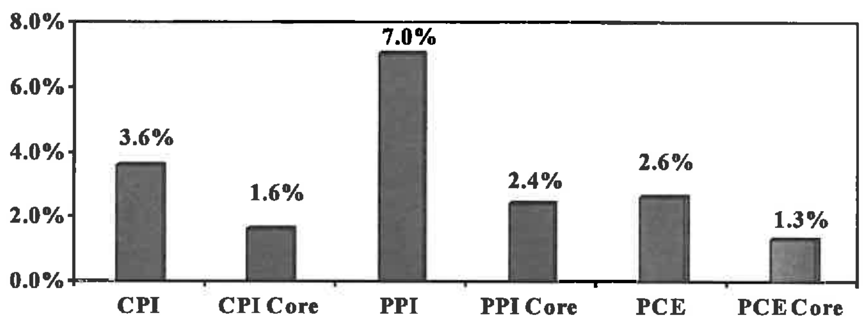
- In July, 2010, ABC Corporation hired T. Rowe Price as its record keeper, replacing Wachovia. Balances were transferred on July 15. As part of the transition, two new funds were added: T. Rowe Price Balanced and T. Rowe Price Equity Index. For performance monitoring purposes, we use July 31 as the inception date, representing the first full month of performance in the funds.
- Effective with the move to T. Rowe Price from Wachovia, Harbor Capital Appreciation moved to the Institutional from Administrative shares. For performance reporting, we maintain the original inception date of the fund in the Plan but show the Institutional returns for all periods.
- Effective with the move to T. Rowe Price from Wachovia in July, 2010, T. Rowe Price Small Cap Value moved to the regular shares from the Advisor shares. For performance reporting, we maintain the original inception date of the fund in the Plan but show the Institutional returns for all periods.
- The T. Rowe Price Balanced Fund blended benchmark is comprised of 50% S&P 500 + 15% MSCI EAFE + 35% Barclays Capital Aggregate.

SECTION TWO: MARKET COMMENTARY

Capital Market Commentary - Economy



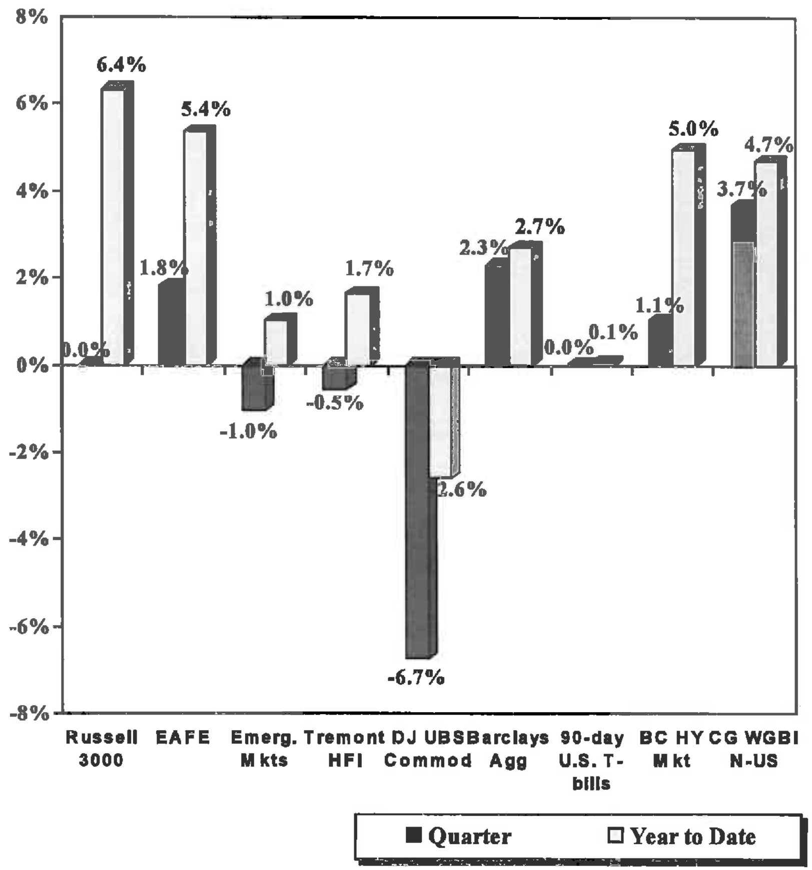
Inflation YOY% Change as of June 30, 2011



- The Bureau of Economic Analysis' initial estimate of 2Q2011 GDP growth was 1.3%, weighed down by declining consumer and government spending. GDP estimates for periods going back to 2003 also were revised, including 1Q2011 (revised to 0.4% from 1.9%). The first half of 2011 represents the weakest 2-quarter growth period since 2009.
- The Institute of Supply Management (ISM) Index fell to 55.3 in June 2011, compared to 61.2 in March. A reading above 50 indicates an expansion in the manufacturing industry, but the trend is showing a deceleration.
- During 2Q2011, the job market (as defined by non-farm payrolls) gained just 260,000 jobs, compared to 497,000 in 1Q2011. Within the quarter, April saw a surprise gain of 217,000, followed by disappointing growth of 25,000 and 18,000 in May and June, respectively. It is estimated that approximately 100,000 to 150,000 new jobs are required each month to maintain a stable unemployment rate (individual economist estimates will vary).
- At the end of June 2011, the unemployment rate was 9.2% (or 14.1 million people), compared to 8.8% in March. The rolling four-week moving average of initial unemployment claims climbed back above 400,000. Unemployment claims above that level are widely believed to indicate deterioration in labor market conditions, while claims below that level indicate improvement.
- CPI rose 3.6% over the past 12 months with food and energy indices up 3.7% and 20.1%, respectively, over the past 12 months. Core CPI (excluding food and energy) increased to 1.6% versus 1.2% as of March 2011, which is the highest level since January 2010.
- The Federal Reserve left the Fed Funds target at a 0% to 0.25% range and maintained statement language that low interest rates were warranted for an "extended period." Chairman Bernanke hinted that a third round of quantitative easing was unlikely given a less attractive tradeoff between the stimulative effects of new purchases and potential inflationary risks.

Indicator	*6/11*	*3/11*
Leading Indicators	0.3%	0.4%
Personal Spending	0.0%	0.2%
Consumer Confidence	59.5	63.4
ISM Manufacturing	55.3	61.2
Industrial Production	0.2%	0.7%
Unemployment Rate	9.2%	8.8%

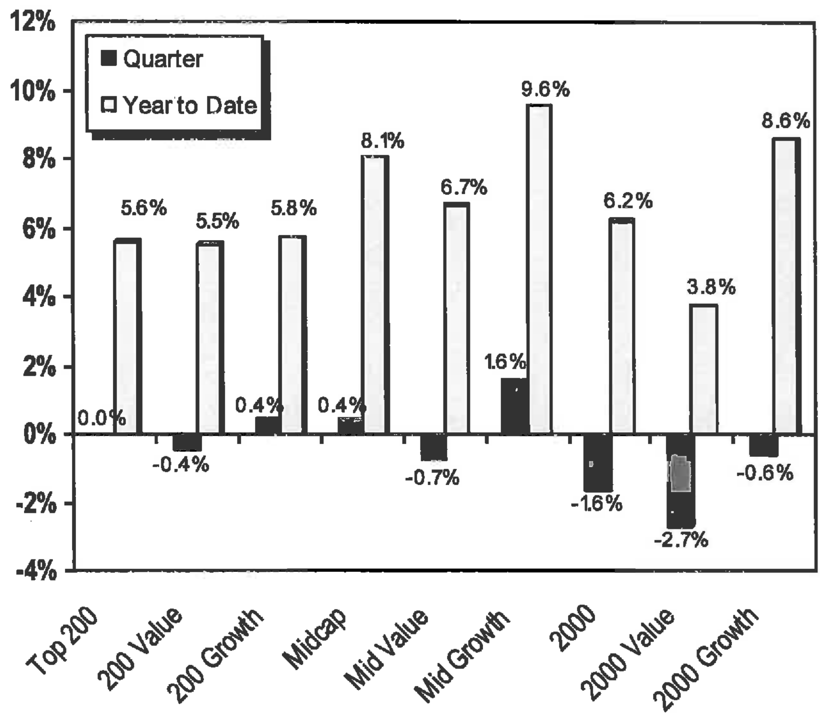
Capital Market Performance



*The Credit Suisse/Tremont Hedge Fund Index is an asset-weighted hedge fund index and includes only funds, as opposed to separate accounts. The Index uses the Credit Suisse/Tremont database, which track over 5000 funds, and consists only of funds with a minimum of US$50 million under management, a 12-month track record, and audited financial statements. It is calculated and rebalanced on a monthly basis and shown **net of all performance fees and expenses**. It is the exclusive property of Credit Suisse Tremont Index LLC.

- Markets continued to gyrate during the quarter, advancing in April but pulling back in May and June. Fears of a Greek debt default and the potential fallout weighed on investor sentiment. The likely resolution of the near-term liquidity issues, however, allowed markets to rally during the last days of the quarter.
- US equities, as represented by the Russell 3000 Index, were flat for the quarter and returned 6.4% year-to-date.
- In the international markets, the MSCI EAFE Index returned 1.8% for the quarter (-0.5% in local currency terms) and 5.4% year-to-date (0.5% local), while emerging-market equities returned -1.0% (-2.6% local) for the quarter and 1.0% (-1.9% local) year-to-date.
- Foreign equities generated positive returns over the quarter, bolstered by a weakening US dollar. An offsetting factor to foreign-equity market performance was the feared contagion effect from a potential default by Greece that would ripple through the euro zone.
- The Tremont Hedge Fund Index returned -0.5% for the quarter, compared to 0.1% for the S&P 500, and 1.7% year-to-date, compared to 6.0% for the S&P 500. Equity Market Neutral was the top performing strategy for the quarter (2.0%) followed by Fixed Income Arbitrage (1.2%). The worst performing index was the Event Driven Multi-Strategy Index, returning -2.9%. Of the 14 indices monitored, 8 had positive returns and six had negative.
- Commodity prices as a whole have fallen in 2011 as evidenced by the -2.6% return year-to-date for the DJ-UBS Commodity Index (the index was -6.7% for the quarter). Gold ended the quarter at $1,500 per ounce (from $1,432 per ounce a year ago).
- In fixed income, safer assets led, as indicated by the 2.3% return of the Barclays Aggregate Bond Index, compared to 1.1% for the Barclays Corporate High Yield Index. High Yield, however, remains the top performing fixed income sector year-to-date.
- Though the economic recovery has wavered, corporate earnings have rebounded strongly from their 2009 bottom. The substantial earnings growth has not gone unnoticed by investors, as the S&P 500 Index is trading at approximately twice the level of its 2009 low.

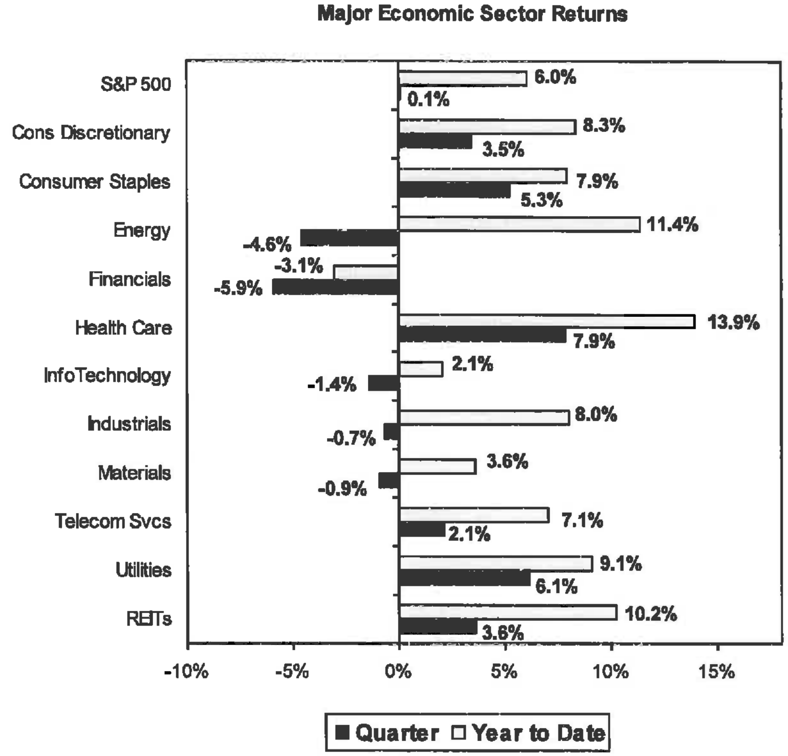
Equity Market Performance - By Capitalization and Style



*Russell Indices

- Equities rose and then fell over the course of the quarter, finally surging toward the end of the period to end relatively flat.
- Over the quarter, mid-cap stocks (+0.4%) outperformed large-cap (0.0%) and small-cap (-1.6%). A partial driver behind relative core index performance was the allocation to defensive sectors, such as health care, consumer staples, and utilities. Those sectors performed relatively well given increased risk aversion, and the larger market-capitalization indices possess larger allocations to those sectors.
- In terms of style, growth stocks outperformed value across the market capitalization ranges, and this was most pronounced in smaller stocks. In large-, mid-, and small-cap, growth outperformed value by 0.8%, 2.3%, and 2.1%, respectively.
- The underperformance of value versus growth is partly attributable to the sizable representation of the poorly performing financial-sector in the former. In the large-, mid-,and small-cap value indices, financial sector exposure subtracted -1.6%, -0.5%, and -1.1% from quarterly total return, respectively.
- According to the Investment Company Institute, total equity flows into long-term mutual funds declined sharply during the May-June period. May saw an outflow of $5.0 billion, while June saw outflows of $19.9 billion (estimated). Flows into foreign equity funds were actually positive over this period (+$6.8 billion) which shows investors moving out of the US into other markets. Total equity flows for the quarter were a net outflow of $39.1 billion as investors moved into hybrid funds and bond funds (though municipals saw an outflow of approximately $5.4 billion).

Equity Market Performance - By Economic Sector



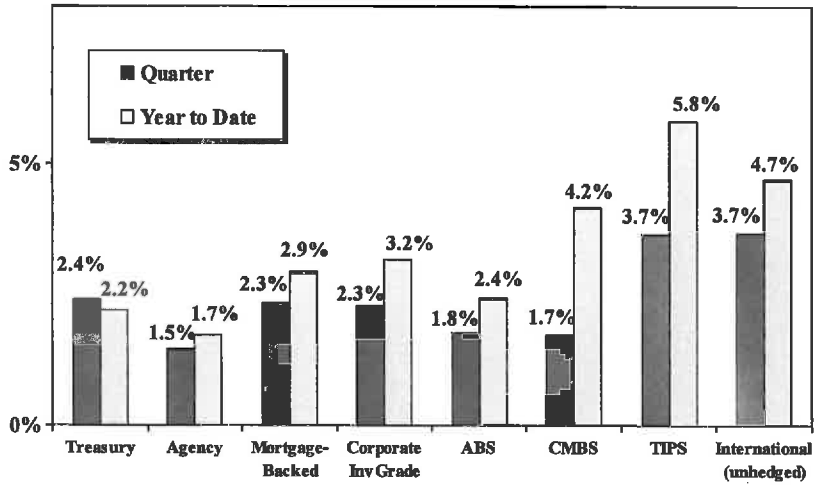
Phase	Description	Top Performers
Early Cycle Phase	Investors anticipate recovery near end of recession	Financials, Consumer Discretionary, Info. Tech, Industrials
Mid-Cycle Phase	Prior to Fed's initial rate increase as economy expands	Info. Tech, Industrials, Energy, Materials
Late-Cycle Phase	Prior to recession, market anticipates a slowdown	Energy, Materials, Consumer Staples, Health Care
Recession Phase	Economic contraction	Consumer Staples, Health Care, Utilities, Telecom.

Note: The top performers are general expectations.
It is not guaranteed that these sectors will perform as presented

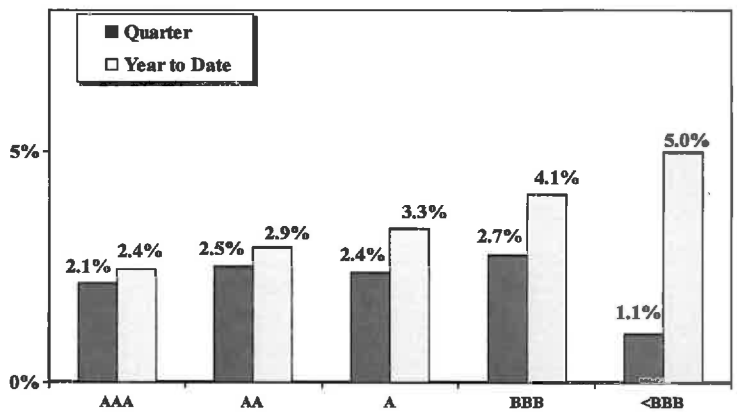
- The S&P 500 returned 0.1% in the quarter, as 6 of the 11 sectors posted gains. This comes after three consecutive quarters where none of the sectors produced losses. All sectors were positive year-to-date, except for financials which returned -3.1%.
- Year-to-date, health care (13.9%), energy (11.4%), and REITs (10.2%), were the top performing sectors. Financials (-3.1%), information technology (2.1%), and materials (3.6%) were all laggards.
- In health care, providers and service companies were strong performers, helping propel the sector for the quarter. Whether or not health care remains a leader has to do substantially with the performance of the pharmaceuticals industry, which is 49% of the sector's market value. Such stocks have historically performed relatively well in difficult market environments.
- Energy had a poor quarter, though it still remains the second best performer in the year-to-date period. Oil prices (ICE Brent futures) dropped 4% during the quarter to $112.48, as a decelerating economy took precedence over tension in the Middle East and North Africa. Natural gas prices were flat but edged 2% higher in the first quarter.
- Financials continue to underperform, and US exposure to peripheral Europe was a concern. According to the Bank for International Settlements, as of 2010, US banks had exposure to Italy ($269.1 billions), Spain ($178.9 billion), Ireland ($105.0 billion), Portugal ($46.5 billion), and Greece ($41.5 billion). Increased regulation and weak economic and loan growth are also concerns.

Bond Market Performance - By Sector and Quality

By Sector

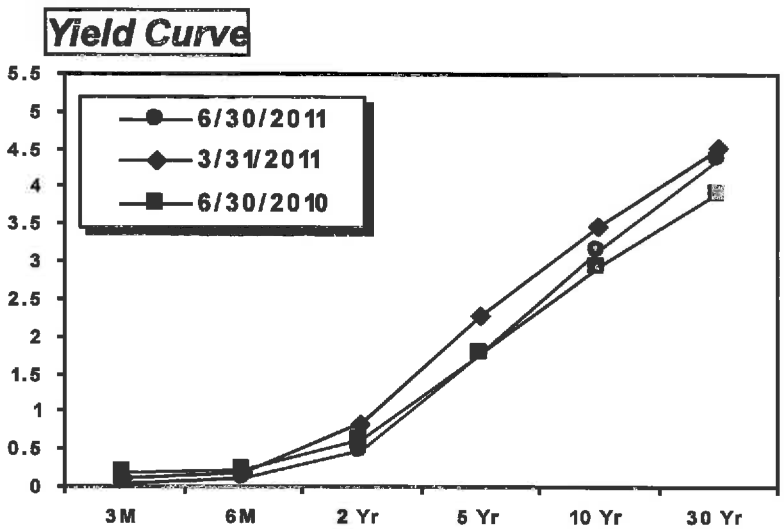


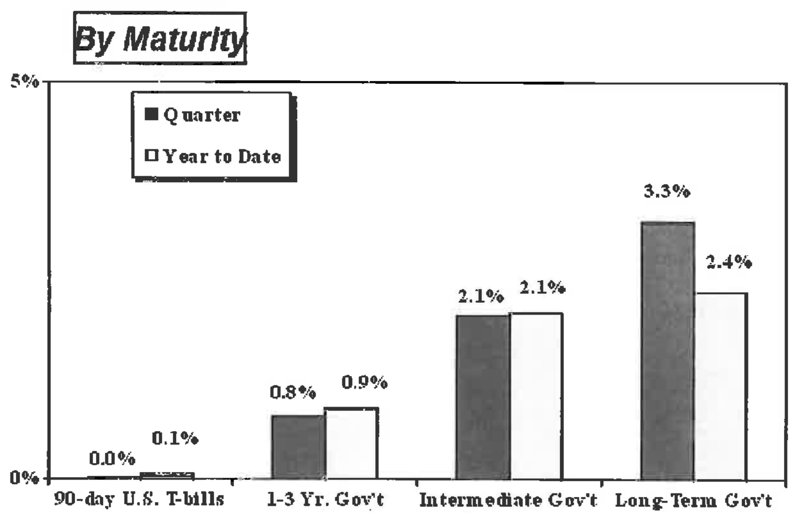
By Quality



- The Barclays Capital US Aggregate Index returned 2.3% for the quarter, led by Treasuries.
- Treasuries (+2.4%) performed relatively well during the quarter. A "risk-off" sentiment pervaded, brought about by signs of slowing growth in the US and renewed concerns of a Greek default. Longer maturities (+3.4%) did particularly well. Agency securities (+1.5%) trailed Treasuries during the quarter, as spreads widened. Year-to-date, Treasuries lagged given the previous dominance of spread product.
- MBS (+2.3%) mostly kept pace with Treasuries in the quarter. Lower coupon issues performed best, as they were better shielded from declining interest rates.
- Corporate bonds returned 2.3% for the quarter and 3.2% year-to-date. Issues from defensive industries, such as consumer non-cyclicals, performed better given the increased risk aversion.
- Asset-backed securities (ABS) returned 1.8% and 2.4% for the quarter and year-to-date, respectively. Although the sector failed to keep pace with Treasuries during the quarter, AAA-rated credit-card and auto paper did well.
- Commercial mortgage-backed securities (CMBS) returned 1.7% for the quarter and 4.2% year-to-date. Although the sector has been among the strongest year-to-date, flight-to-quality weighed on relative performance during the quarter.
- TIPS outperformed Treasuries over the quarter (+3.7%) and year-to-date (+5.8%). Although breakeven inflation (the difference between nominal and real yields) narrowed 5 bps in the quarter to 2.5%, inflation accruals from rising commodity prices added to return.
- Non-US sovereign bonds (unhedged) returned 3.7% for the quarter and 4.7% year-to-date, supported by further weakening of the US dollar brought about by interest-rate hikes outside of the US. The ECB began to raise rates early in the quarter, while dollar-bloc countries such as Australia and Canada already have tighter monetary policy underway.
- High yield was the lowest performing sector during the quarter (+1.1%), as the sector bore the brunt of the flight to quality and saw its worst quarter since early 2010. Issues rated B and CCC fared the worst with returns under 0.8% for the quarter, while BB-rated returned 1.6%.

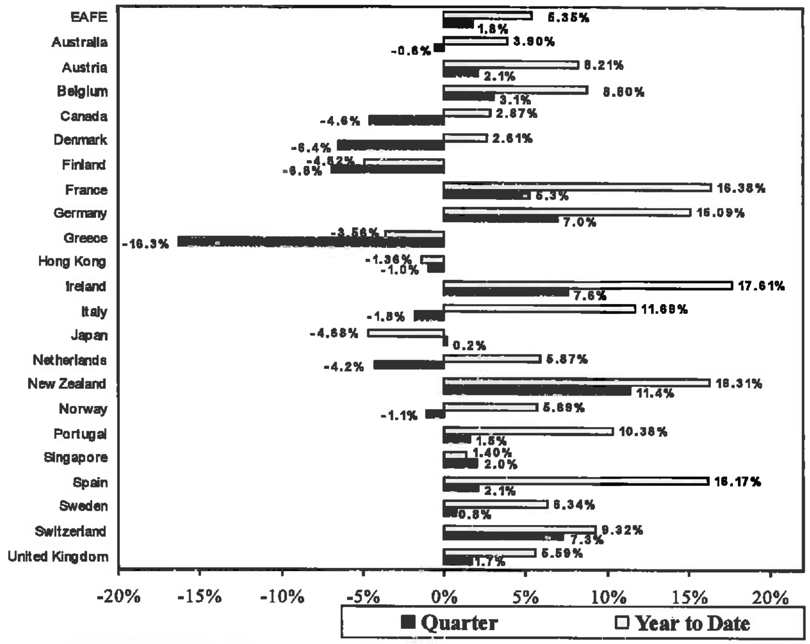
Bond Market Performance



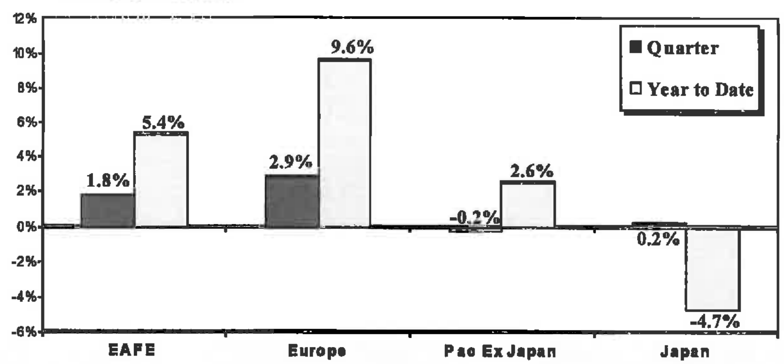


- 10-year Treasury yields fell from 3.5% to 3.2% during the quarter amid signs of decelerating economic growth in the US and renewed concerns over a potential Greek default. The quarterly change, however, masked greater intra-period volatility, as the yield rose to 3.6% in early April on what proved to be short-lived optimism on the US recovery, and fell to 2.9% just days before quarter end. Greek approval of austerity measures in the final days of the quarter pushed yields back up. Another support to Treasuries, though counterintuitive, was the approaching August 2 deadline by which the US debt ceiling would have to be raised to avert default.
- The most pronounced decline in yields was in the intermediate portion of the curve. Overall, the curve steepened slightly, with the 2 to 10 year spread widening from 265 bps to 270 bps. Over the quarter, yields for the 3- and 6-month Treasury bills fell 8 basis points. For the 2-, 5-, 10-year notes, and the 30-year bond, rates fell 37, 52, 31, and 14 basis points, respectively.
- The Federal Reserve left the Fed Funds target at a range between 0% to 0.25% and maintained language in their official statements that low interest rates were warranted for an "extended period." Quarter end also saw the formal end of the Fed's second round of quantitative easing with Chairman Bernanke hinting that a third round was unlikely given a less attractive tradeoff between the stimulative effects of new purchases and potential inflationary risks. Permanent Open Market Operations, or the reinvestment of principal/income from existing MBS holdings into Treasuries, would continue.

International Equity Market Performance - By Country And Region (in US Dollars)

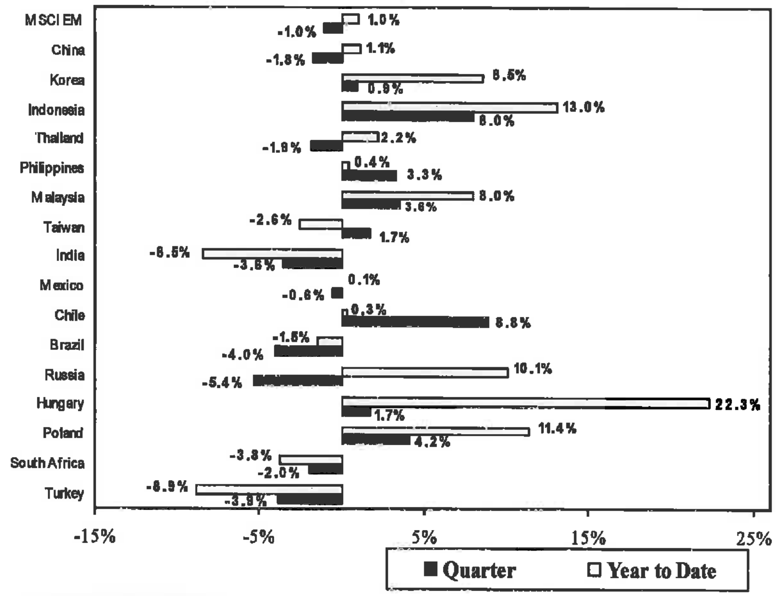


By Region

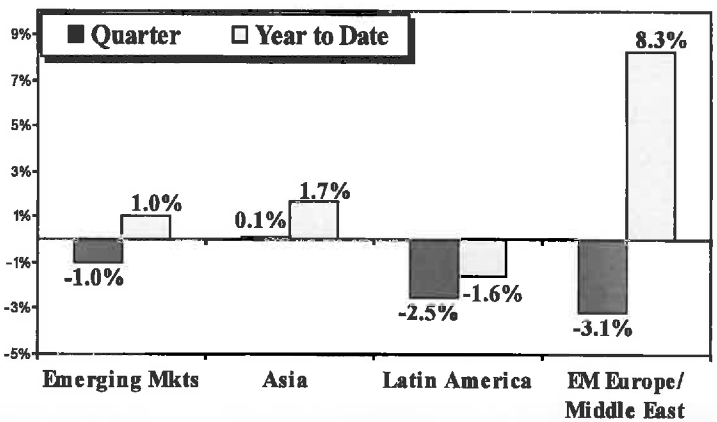


- Although developed international market equities outperformed U.S. equities during the quarter, it was mostly due to U.S. dollar weakening rather than local market gains. In Japan, decreased demand and production following the earthquake and tsunami were factors. The financial crisis in Europe intensified, with Portugal joining Greece and Ireland in requesting aid to avert default, while Greece found itself again in precarious positioning given the need for additional aid to continue receipt of the €110 billion IMF rescue package from last year. Growth in energy and commodity costs also served as a weight.
- The EAFE Index returned 1.8% for the quarter and 5.4% year-to-date. The U.S. dollar depreciated versus major currencies in the quarter. The Euro, British pound, and Canadian dollar gained 2.4%, 0.2%, and 0.8%, respectively. An exception was the Swedish krona, which depreciated 0.1%. Year-to-date, all G10 currencies strengthened against the dollar ranging from an 11.3% gain (Swiss franc) to a 0.7% gain (Japanese Yen).
- At the regional level, MSCI Europe returned 2.9% in USD terms for the quarter (0.6% in local terms) and 9.6% year-to-date (2.9% local). New Zealand rose 11.4% for the quarter, making it the top developed market performer in USD terms. This was largely due to the strengthening New Zealand dollar, as the local return was 2.9%. Greece posted the worst quarterly returns (-16.3% USD, -18.0% local).
- Half of the sectors in the MSCI EAFE Index advanced, led by such defensive sectors as health care (+8.9%) and consumer staples (+7.6%). Energy was the worst performing sector, returning -2.8%.
- Growth outperformed Value over the quarter, as the MSCI EAFE Growth Index returned 2.3% versus 1.3% for the MSCI EAFE Value Index. Year-to-date, Value is ahead of Growth, 6.0% versus 4.7%. Despite the outperformance of Growth in six of the last seven quarters, Value is still ahead over the trailing ten years, 6.5% versus 5.6%.
- Most G10 countries saw an increase in consumer-price growth compared to last quarter (the exceptions were Norway, Australia, and Switzerland). Countries reported annualized inflation ranging from 0.5% (Japan, up from 0.0% last quarter) to 5.3% (New Zealand, up from 4.5%). Unemployment remains high with an average rate of 6.9% and a median rate of 7.3% (includes forecasts where actual data is not yet available). Both the average and median are down from last quarter.

Emerging Markets Performance - By Country And Region (in US Dollars)



By Region



- Emerging market equities underperformed developed markets, suffering from the risk aversion that took hold and also due to restrictive monetary policies that were in place. The MSCI Emerging Markets Index posted a -1.0% return for the quarter and a 1.0% gain year-to-date.
- The goal of a restrictive monetary policy is to control inflation, which continues to be a problem in many emerging economies. In China, the central bank has raised reserve requirements eight times and interest rates four times since October of last year to combat inflation (5.7%). Inflation also continues to be a problem in India (8.2%) and Brazil (6.6%, well ahead of the central bank's 4.5% target).
- In the second quarter of 2011, Chile (8.8% USD, 6.4% Local), was the top performer in USD terms, followed by Indonesia (8.0% USD, 6.3% Local). Russia was the worst performer, returning -5.4% in USD terms, -6.8% Local.
- Year-to-date, the Czech Republic (23.7% USD, 11.0% Local), Hungary (22.3% USD, 7.9% Local), and Indonesia (13.0% USD, 7.6% Local) were the top performers in USD terms. The worst performers year-to-date were Peru (-26.7% USD, -26.7% Local) and Egypt (-24.1% USD, -22.1% Local).
- Most emerging market currencies that free float appreciated against the US dollar during the quarter. These currencies were pushed higher as investors sought higher yields from these currencies but also felt they were adequately compensated for the additional risk. Among the top performers versus the dollar were the Colombian peso (+5.7%) and the Brazilian real (+4.4%).
- As of June 30, 2011, the JP Morgan Emerging Market Bond Index spread over US Treasuries was 288 bps, down from 299 bps at March 31, 2011 and 358 bps at June 30, 2010. The decrease indicates that emerging market bond investors are demanding less of a premium to take on the risks of emerging market issues.

Market Indices - For Periods Ended June 30, 2011

	3 Months Return	6 Months Return	9 Months Return	1 Year Return	2 Years *Return	3 Years *Return	4 Years *Return	5 Years *Return	10 Years *Return
S&P 500 Index	0.10	6.02	17.43	30.69	22.29	3.34	-1.05	2.94	2.72
Wilshire 5000 Index	-0.08	6.09	18.39	32.00	23.57	3.96	-0.43	3.44	3.73
Wilshire 4500 Index	-0.76	7.03	23.42	38.99	31.11	7.60	2.50	5.74	7.31
NASDAQ	-0.04	5.00	17.94	32.73	24.09	7.59	2.55	5.95	3.26
MSCI EAFE Index	1.83	5.35	12.36	30.93	18.01	-1.30	-3.59	1.96	6.12
MSCI Emerging Markets Index	-1.04	1.03	8.47	28.17	25.80	4.53	4.62	11.75	16.54
MSCI World	0.68	5.62	15.19	31.19	20.55	1.04	-1.89	2.85	4.52
Russell 1000 Index	0.12	6.37	18.27	31.93	23.30	3.68	-0.59	3.30	3.21
Russell Midcap Index	0.42	8.08	22.21	38.47	31.63	6.46	1.74	5.30	7.59
Russell 2000 Index	-1.61	6.21	23.47	37.41	29.20	7.77	1.20	4.08	6.27
Russell 3000 Index	-0.03	6.35	18.68	32.37	23.76	4.00	-0.45	3.35	3.44
Russell 1000 Growth Index	0.76	6.83	19.47	35.01	23.85	5.01	2.16	5.33	2.24
Russell 1000 Value Index	-0.50	5.92	17.08	28.94	22.78	2.28	-3.45	1.15	3.98
Russell Midcap Growth Index	1.61	9.59	24.94	43.25	31.82	6.58	3.17	6.28	5.52
Russell Midcap Value Index	-0.69	6.69	19.75	34.28	31.57	6.35	-0.07	4.01	8.42
Russell 2000 Growth Index	-0.59	8.59	27.18	43.50	30.10	8.35	3.20	5.79	4.63
Russell 2000 Value Index	-2.65	3.77	19.71	31.35	28.17	7.09	-0.95	2.24	7.53
NAREIT Equity REITs	3.63	10.20	18.40	33.59	43.37	5.24	0.17	2.53	10.64
Barclays Capital Intermediate G/C Bond Index	2.12	2.47	0.99	3.77	6.01	5.76	6.16	6.08	5.35
Barclays Capital Long Term G/C Bond Index	3.30	3.28	-2.51	3.20	9.64	8.19	7.84	7.67	7.24
Barclays Capital Mortgage-Backed Securities	2.28	2.87	3.12	3.77	5.61	6.85	7.10	6.95	5.80
Barclays Capital Aggregate Bond Index	2.29	2.72	1.39	3.90	6.66	6.46	6.62	6.52	5.74
Barclays Capital U.S. TIPS	3.66	5.81	5.13	7.74	8.63	5.28	7.65	6.91	6.95
Barclays Capital U.S. Government	2.22	2.14	-0.25	2.26	4.34	5.10	6.22	6.09	5.41
Barclays Capital U.S. Corporate Inv Grade	2.28	3.16	1.51	6.29	11.00	8.56	7.13	7.04	6.33
Barclays Capital U.S. Corporate High Yield	1.05	4.97	8.36	15.63	21.07	12.68	8.74	9.30	8.99
Citigroup Non-US WGBI USD	3.68	4.69	3.17	13.94	7.55	6.20	9.20	7.76	8.68
Citigroup 90-Day Treasury Bills	0.02	0.06	0.10	0.14	0.13	0.35	1.08	1.87	2.01

* Returns greater than one year are annualized.

Market Indices - Annual Returns

	2001 Return	2002 Return	2003 Return	2004 Return	2005 Return	2006 Return	2007 Return	2008 Return	2009 Return	2010 Return
S&P 500 Index	-11.89	-22.10	28.68	10.88	4.91	15.79	5.49	-37.00	26.46	15.06
Wilshire 5000 Index	-10.97	-20.86	31.64	12.48	6.38	15.77	5.62	-37.23	28.30	17.16
Wilshire 4500 Index	-9.31	-17.80	43.85	18.08	10.03	15.29	5.39	-39.03	36.99	28.42
NASDAQ	-20.80	-31.23	50.69	9.15	2.12	10.38	10.65	-39.98	45.36	18.02
MSCI EAFE Index	-21.21	-15.66	39.17	20.70	14.02	26.86	11.63	-43.06	32.46	8.21
MSCI Emerging Markets Index	-2.37	-6.00	56.28	25.95	34.54	32.59	39.78	-53.18	79.02	19.20
MSCI World	-16.52	-19.54	33.76	15.25	10.02	20.65	9.57	-40.33	30.79	12.34
Russell 1000 Index	-12.45	-21.65	29.89	11.40	6.27	15.46	5.77	-37.60	28.43	16.10
Russell Midcap Index	-5.62	-16.18	40.06	20.22	12.65	15.26	5.60	-41.46	40.48	25.47
Russell 2000 Index	2.49	-20.48	47.25	18.33	4.55	18.37	-1.57	-33.79	27.17	26.85
Russell 3000 Index	-11.46	-21.54	31.06	11.95	6.12	15.72	5.14	-37.31	28.34	16.93
Russell 1000 Growth Index	-20.42	-27.88	29.75	6.30	5.26	9.07	11.81	-38.44	37.21	16.71
Russell 1000 Value Index	-5.59	-15.52	30.03	16.49	7.05	22.25	-0.17	-36.85	19.69	15.51
Russell Midcap Growth Index	-20.15	-27.41	42.71	15.48	12.10	10.66	11.43	-44.32	46.29	26.38
Russell Midcap Value Index	2.33	-9.65	38.07	23.71	12.65	20.22	-1.42	-38.44	34.21	24.75
Russell 2000 Growth Index	-9.23	-30.26	48.54	14.31	4.15	13.35	7.05	-38.54	34.47	29.09
Russell 2000 Value Index	14.03	-11.43	46.03	22.25	4.71	23.48	-9.78	-28.92	20.58	24.50
NAREIT Equity REITs	13.93	3.81	37.14	31.59	12.17	35.03	-15.69	-37.73	27.99	27.93
Barclays Capital Intermediate G/C Bond Index	8.96	9.84	4.31	3.04	1.58	4.08	7.39	5.08	5.24	5.89
Barclays Capital Long Term G/C Bond Index	7.28	14.81	5.87	8.56	5.33	2.71	6.60	8.44	1.92	10.16
Barclays Capital Mortgage-Backed Securities	8.22	8.75	3.07	4.70	2.61	5.22	6.90	8.34	5.89	5.37
Barclays Capital Aggregate Bond Index	8.44	10.25	4.10	4.34	2.43	4.33	6.97	5.24	5.93	6.54
Barclays Capital U.S. TIPS	7.89	16.57	8.40	8.46	2.84	0.41	11.64	-2.35	11.41	6.31
Barclays Capital U.S. Government	7.23	11.50	2.36	3.48	2.65	3.48	8.66	12.39	-2.20	5.52
Barclays Capital U.S. Corporate Inv Grade	10.31	10.12	8.24	5.39	1.68	4.30	4.56	-4.94	18.68	9.00
Barclays Capital U.S. Corporate High Yield	5.28	-1.41	28.97	11.13	2.74	11.85	1.87	-26.16	58.21	15.12
Citigroup Non-US WGBI USD	-3.54	21.99	18.52	12.14	-9.20	6.94	11.45	10.11	4.39	5.21
Citigroup 90-Day Treasury Bills	4.09	1.70	1.07	1.24	3.00	4.76	4.74	1.80	0.16	0.13

Definitions

- Alpha - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical returns not explained by movements of the index. A positive (negative) alpha indicates the portfolio has performed better (worse) than it's beta would predict.
- Batting Average - The ratio between the number of periods where the manager outperforms the benchmark and the total number of periods.
- Beta - A measure of the sensitivity of a portfolio to movements in the market. It is a measure of a portfolio's non-diversifiable risk or systematic risk. The beta of a benchmark is 1. Portfolios are thought of as more risky than the market if their beta is larger than 1 and less risky if their beta is smaller than 1. Beta is a statistical estimate of the average change in rate of return corresponding to a 1% change in the market.
- Correlation - A measure of the interdependence of performance for two products, or for a product and a index. A correlation ranges between +1 and -1. The closer to +1, the more closely the performance of a product resembles that of the index. The higher the correlation to the index, the more meaningful the alpha and beta becomes. A low correlation between two funds is valuable because the overall standard deviation of a portfolio of funds can be reduced.
- Downside Risk - May also see this referred to as downside or semi-standard deviation. Essentially, it represents the standard deviation of all returns falling below the mean. The semi-variance of the returns below the mean (to the left of the distribution) is calculated. The semi-standard deviation is the square root of the semi-variance. The downside risk shows the average size of the deviations from the mean when the return is negative.
- Excess Return - The incremental return earned by a portfolio relative to its benchmark index. The excess return in this report is calculated using quarterly data. The average quarterly excess over any time period multiplied by the number of measurement periods in one year (4 in this case) provides the average annual excess generated by the portfolio. The higher the number, the better.
- Information ratio - A similar measure to the Sharpe ratio, but it focuses on the relative rate of return per one relative unit of risk (where Sharpe ratio focuses on the absolute). It is measured by dividing excess return by tracking error. The higher the information ratio, the more value added a manager has contributed to the portfolio's performance.
- R-Squared - The square of the correlation. The percentage of a product portfolio's performance explained by the behavior of the assigned index. The higher the percentage, the closer the correlation of the product's performance pattern to that of the index and alpha and beta factors become more significant.
- Return Based Style Map - The Manager Style Graph creates a "map" using the Style Basis as the coordinates. The managers are placed on the map as a visual representation of the style of the manager. It shows the best combination of indices that explain a portfolio's return. This mix minimizes the difference between the return on the fund and that of a passive portfolio of indices. The data points for each manager get larger over time, allowing you to evaluate the consistency of a manager's style and to track changes in style.

Definitions

- Rolling Excess Return/Excess Risk - The Annualized Excess Return/Excess Standard Deviation graph provides a visual analysis of the consistency of excess returns. The Annualized Excess Return over the market benchmark is plotted on the vertical axis and the standard deviation of excess return (tracking error) is plotted on the horizontal axis. These are the components of the Information Ratio, a risk-adjusted measure of performance that is very useful for comparing managers. This graph gives a quick visual of a manager's consistency. A tight grouping of symbols indicates the manager has achieved consistent excess returns versus their benchmark. When comparing managers, up and/or to the left is better.
- Sharpe Ratio - The Sharpe Ratio, developed by Professor William F. Sharpe, is a measure of reward per unit of risk - the higher the Sharpe Ratio, the better. It is a portfolio's excess return over the risk-free rate divided by the portfolio's standard deviation. The portfolio's excess return is its geometric mean return minus the geometric mean return of the risk-free instrument (by default, t-bills).
- Significance Level - The significance level is a confidence measurement based on the consistency of the information ratio and the time over which it was achieved (a modified P-value). This measurement ranges from 50% (chance) to 100%. A manager with consistent under or over performance compared to their benchmark, over a long period of time, would have a high significance level. The significance level of a manager series vs. a benchmark series indicates the level of confidence with which the statement "the manager's annualized excess return over the benchmark is positive" or "the manager's annualized excess return over the benchmark is negative," as the case may be, holds true. The significance level is calculated from the T-Statistic using a numerical approximation known as the incomplete beta function.
- Sortino Ratio - An analog to the Sharpe Ratio, with the standard deviation replaced by the downside deviation. Accordingly, there are two versions: one uses the downside deviation with a constant minimum acceptable return (MAR), the other uses the downside deviation with cash as the MAR.
- Standard deviation - A statistical measure of the range of a portfolio's performance, the variability of a return around its average return over a specified time period. Approximately 68% of the time, returns of a portfolio are expected to differ from its mean return by no more than plus or minus the standard deviation figure.
- Tracking error - A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate benchmark. Tracking error calculates the standard deviation of the excess returns.
- T-Statistic - The t-Statistic is related to the information ratio and tells how significant the information ratio is. It takes into account the time over which the information ratio was achieved. Generally, a t-statistic of 2.0 or greater is considered significant. The t-Statistic of a manager series vs. a benchmark series is the information ratio multiplied by the square root of the number of periods in a year. The T-Statistic is used to calculate the significance level.