



---

## **California Steel Industries FIDUCIARY INVESTMENT REVIEW™**

September 28, 2011

**CONFIDENTIAL**

# FIDUCIARY INVESTMENT REVIEW™

## California Steel Industries

*presented by:*

Test  
title

### **401(k) Advisors**

Calle Siempre Viva

Phone: (888) 111-1111  
[www.streamsol.com](http://www.streamsol.com)

September 28, 2011

**CONFIDENTIAL**

Test

# Table Of Contents

---



|                                | <u>Section</u> |
|--------------------------------|----------------|
| COMPANY PROFILE                | I              |
| SERVICE PLAN                   | II             |
| MARKET REVIEW                  | III            |
| SCORECARD                      | IV             |
| FUND HISTORY                   | V              |
| INVESTMENT ANALYSIS AND REVIEW | VI             |
| APPENDIX                       | VII            |

# Market Review – 1<sup>st</sup> Quarter 2009

## Executive Summary

The 1<sup>st</sup> quarter ended with capital markets rallying sharply in the final month (and, in fact, weeks) of March. The U.S. equity market was up almost 9% (Russell 3000) for the month, posting gains of over 20% in the last 3 weeks alone. Now, well over 20% from our bear market lows of last year, we have well exceeded the commonly used criteria that signifies a new bull market. Unfortunately, the latest rally only helped limit the severe losses posted earlier in the quarter, as U.S. equity finished the quarter down a negative 10.8% (Russell 3000). Volatility was still a prominent theme, and we experienced a similar run-up in equity markets at the end of last year (which, subsequently faded in the beginning of the 1<sup>st</sup> quarter). International markets fared much worse than their U.S. equity counterparts, posting a loss of 13.85% (MSCI EAFE Index) for the quarter. High quality bonds and cash started to lose their luster near the end of the quarter, as investors gravitated towards riskier asset classes. Clearly, the opportunity for performance in high quality bonds and cash was diminished in the current (and historical) low interest rate environment.

While the positive rally at the end of the quarter was refreshing, the 20+% increase from our bear market low of last year does not necessarily mean we're in a new bull market (yet). As of March, unemployment in the U.S. stood at 8.5%, its highest level since 1983. While unemployment is a lagging indicator, it is still too early to tell if the current economic situation is going to get worse before it gets better. The financial system, and consumer, is still in a process of deleveraging, a process that takes some time to play out. In past recessions, the market has gotten ahead of itself before (in multiple instances), and that could be the case this time. However, there are some positive developments that give us hope that this recovery will be a bit more lasting. Many measures indicate that the markets are undervalued when compared to their historical measures. In addition, news that the Federal Reserve is committing hundreds of billions of dollars to purchase government securities and mortgage debt (in an effort to keep long-term rates low) has reinforced to investors the great lengths the Government will go to in order to support the economy. The fact that many financial institutions came out with good news regarding their expected 1<sup>st</sup> quarter (positive) earnings was also another positive indicator, giving some investors confidence that things were (and are) getting better.

### ► U.S. Equity

The broad U.S. equity market, as measured by the Russell 3000, was down 10.8% for the 1<sup>st</sup> quarter. Value significantly underperformed growth for the quarter. The best performing U.S. equity asset class for the quarter was Midcap Growth, returning a negative 3.4% (Russell Midcap Growth). The worst performing asset class for the quarter was small cap value, returning a negative 19.6% (Russell 2000 Value).

### ► International

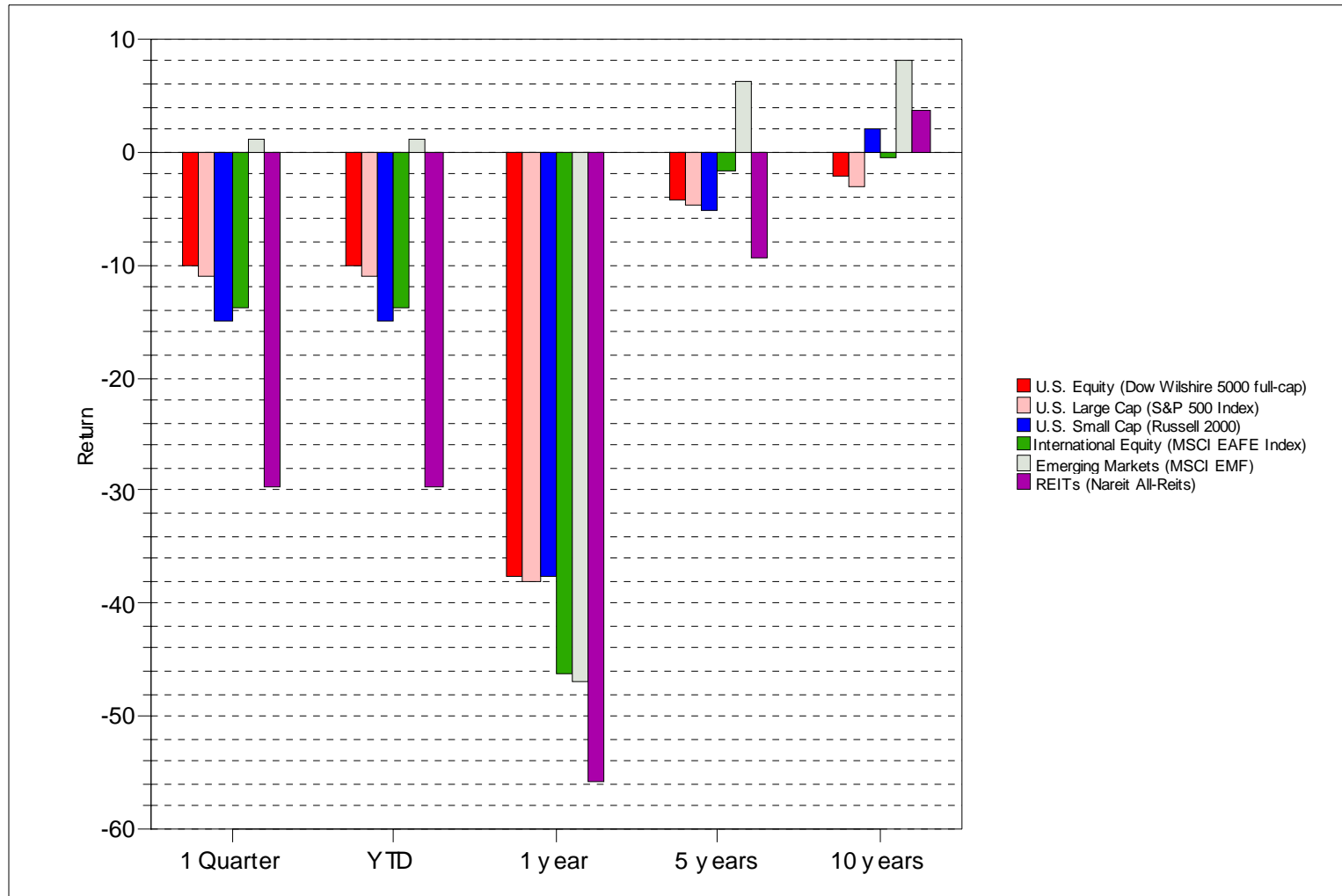
International equity underperformed U.S. equity by over 3% for the quarter, returning a negative 13.9% (MSCI EAFE). Emerging market equity, a riskier asset class focused in undeveloped countries/markets, was one of the bright spots for the quarter, rallying to post a positive return of 1.0%, as measured by the MSCI Emerging Markets Free index. This asset class, however, continues to remain one of the worst performing asset classes for the latest one year period, down a negative 46.9%.

### ► Fixed Income

Fixed income markets supplied positive returns for the quarter, however at very low rates of return. The broad U.S. fixed income market returned a positive .1% (Barclays Capital U.S. Aggregate) for the quarter. Government bonds eased off of their highs, and in some cases, posted negative returns for the quarter. Mortgage Backed Securities posted nice gains, up 2.25% for the quarter (Citigroup Mortgage Master). Global fixed income markets were slightly higher, posting a positive .2% return for the quarter (Citigroup WorldBIG Index).

## Equity Market Overview

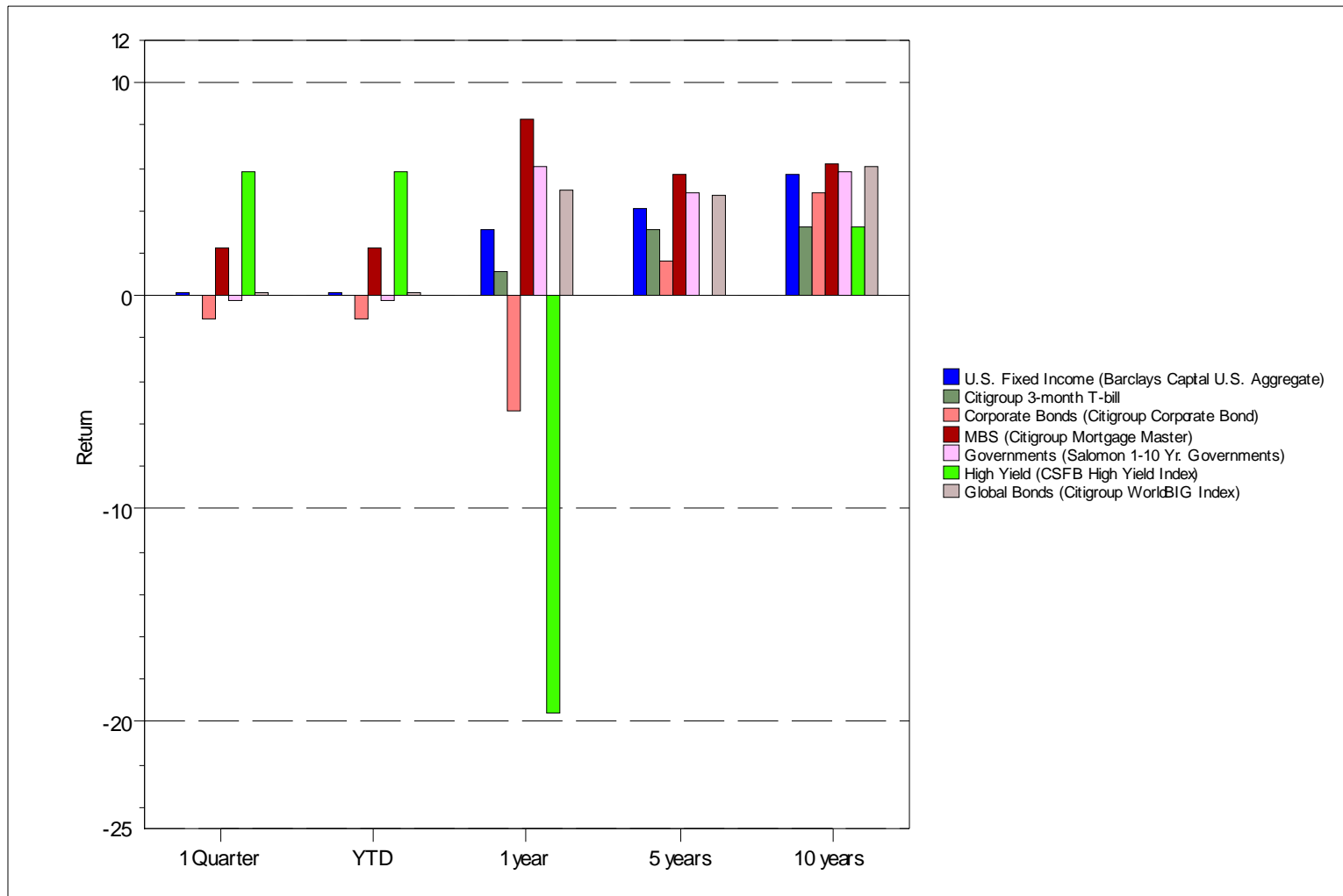
The end of the quarter rally in equity markets across the globe was not enough to limit the double digit losses posted over the quarter in the U.S. and abroad. Emerging markets equity actually posted positive returns as investors looked for a rebound in some of the hardest hit sectors of the market. REITs, however, posted large losses over the quarter, as concerns in the commercial real estate market began to surface. Over the latest 10 years, the riskiest asset classes (U.S. Small Cap, Emerging Markets, and REITs) continue to maintain single digit positive annualized returns.



Performance as of 3/31/09  
Source: Zephyr StyleAdvisor

## Fixed Income Market Overview

The High Yield sector of the fixed income market was the best performing sector for the quarter, as investors gravitated toward some of the hardest hit sectors in 2008. High Yield, however, is still down approximately 20% over the latest one year period. Interestingly, Corporate bonds continued to decline in light of High Yield's rally (investors favored lower rated credits more than their higher rated counterparts). The Mortgage Backed Securities sector was the other bright spot in the fixed income markets for the quarter.



Performance as of 3/31/09  
Source: Zephyr StyleAdvisor

## Annualized Style Box Performance

| 1 Year (%)   |               |                   |                |
|--------------|---------------|-------------------|----------------|
| Value        | Blend         | Growth            |                |
| -42.23       | -37.27        | -32.21            | Large          |
| -42.51       | -40.81        | -39.58            | Mid            |
| -38.89       | -37.50        | -36.36            | Small          |
|              |               |                   |                |
| Int'l Equity | Global Equity | Core Fixed Income | 3-Month T-Bill |
| -46.20       | -42.19        | 3.13              | 1.13           |

| 5 Year (Annualized %) |               |                   |                |
|-----------------------|---------------|-------------------|----------------|
| Value                 | Blend         | Growth            |                |
| -5.45                 | -4.94         | -4.45             | Large          |
| -3.81                 | -3.53         | -3.91             | Mid            |
| -5.30                 | -5.24         | -5.37             | Small          |
|                       |               |                   |                |
| Int'l Equity          | Global Equity | Core Fixed Income | 3-Month T-Bill |
| -1.75                 | -3.00         | 4.13              | 3.06           |

| 3 Year (Annualized %) |               |                   |                |
|-----------------------|---------------|-------------------|----------------|
| Value                 | Blend         | Growth            |                |
| -14.83                | -12.30        | -9.78             | Large          |
| -16.68                | -15.53        | -14.89            | Mid            |
| -17.54                | -16.80        | -16.20            | Small          |
|                       |               |                   |                |
| Int'l Equity          | Global Equity | Core Fixed Income | 3-Month T-Bill |
| -14.07                | -13.28        | 5.77              | 3.42           |

| 10 Year (Annualized %) |               |                   |                |
|------------------------|---------------|-------------------|----------------|
| Value                  | Blend         | Growth            |                |
| -2.21                  | -4.11         | -6.21             | Large          |
| 3.13                   | 2.27          | -0.86             | Mid            |
| 4.87                   | 1.93          | -1.60             | Small          |
|                        |               |                   |                |
| Int'l Equity           | Global Equity | Core Fixed Income | 3-Month T-Bill |
| -0.47                  | -1.79         | 5.70              | 3.19           |

Source: Zephyr StyleAdvisor

Performance as of 1/31/09. Data is for informational purposes only and cannot be guaranteed. Past performance does not guarantee future results. Russell Top 200, Top 200 Growth, and Top 200 Value used for Large Blend, Large Growth and Large Value categories. Russell Mid-cap, Mid-cap Growth and Mid-Cap Value used for Mid Blend, Mid Value and Mid Growth categories. Russell 2000, 2000 Growth and 2000 Value used for Small Blend, Small Growth and Small Value categories. MSCI EAFE used for International Equity category. MSCI Global used for World equity category. Barclays Capital U.S. Aggregate used for Core Fixed Income style performance. Citigroup 3-month T-bill used for 3-Month T-Bill.

## Asset Class Kaleidoscope: Changing Leadership

The following chart exhibits the volatility of asset class returns from year to year by ranking certain key indices in order of performance. Also included in the chart is a balanced index, which represents a mix of U.S. equity, international equity and fixed income indices. The chart graphically displays the volatility of asset class returns from year to year, highlighting the importance of diversification. Top-performing asset classes in a given year do not tend to repeat their stellar performance in subsequent years. Accordingly, the worst performing asset classes in a given year often tend to outperform in future years. Said differently, past performance is not a good indicator of future performance. Diversification, demonstrated by the balanced index, helps reduce return volatility and the uncertainty that accompanies trying to pick the best asset class (or avoid the worst) in any given year.

| YTD 2009                  | 2008                       | 2007                      | 2006                      | 2005                     | 2004                      | 2003                      | 2002                       | 2001                       | 2000                       | 1999                      | 1998                      | 1997                      | 1996                      | 1995                      | 1994                      | 1993                      | 1992                     | 1991                      | 1990                       | 1989                      |
|---------------------------|----------------------------|---------------------------|---------------------------|--------------------------|---------------------------|---------------------------|----------------------------|----------------------------|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------|---------------------------|----------------------------|---------------------------|
| Barclays Cap US Agg .1%   | Barclays Cap US Agg 5.2%   | Russell 1000 Growth 11.8% | MSCI EAFE 26.9%           | Russell 1000 Value 22.3% | Russell 2000 Value 22.3%  | Russell 2000 Growth 48.5% | Lehman US Agg 10.3%        | Russell 2000 Value 14.0%   | Russell 2000 Value 22.8%   | Russell 2000 Growth 43.1% | Russell 1000 Growth 38.7% | Russell 1000 Value 35.2%  | Russell 1000 Growth 23.1% | Russell 1000 Value 38.4%  | MSCI EAFE 8.1%            | MSCI EAFE 32.9%           | Russell 2000 Value 29.1% | Russell 2000 Growth 51.2% | Lehman US Agg 9.0%         | Russell 1000 Growth 35.9% |
| Russell 1000 Growth -4.1% | Russell 2000 Value -28.9%  | MSCI EAFE 11.6%           | Russell 2000 Value 23.5%  | MSCI EAFE 14.0%          | MSCI EAFE 20.7%           | Russell 2000 Value 46.0%  | Balanced Index* -8.5%      | Lehman US Agg 8.4%         | Lehman US Agg 11.6%        | Russell 1000 Growth 33.1% | MSCI EAFE 20.3%           | Russell 2000 Value 31.8%  | Russell 1000 Value 21.6%  | Russell 1000 Growth 37.2% | Russell 1000 Growth 2.7%  | Russell 2000 Value 23.8%  | Russell 1000 Value 13.8% | Russell 2000 Value 41.7%  | Russell 1000 Growth -0.3%  | Russell 1000 Value 25.2%  |
| Balanced Index* -8.3%     | Balanced Index* -30.7%     | Russell 2000 Growth 7.1%  | Russell 1000 Value 22.3%  | Balanced Index* 5.5%     | Russell 1000 Value 16.5%  | MSCI EAFE 39.2%           | Russell 2000 Value -11.4%  | Balanced Index* -4.1%      | Russell 1000 Value 7.0%    | MSCI EAFE 27.3%           | Balanced Index* 18.4%     | Russell 1000 Growth 30.5% | Russell 2000 Value 21.4%  | Russell 2000 Growth 31.0% | Balanced Index* -0.3%     | Russell 1000 Value 18.1%  | Russell 2000 Growth 7.8% | Russell 1000 Growth 41.2% | Balanced Index* -1.2%      | Balanced Index* 21.6%     |
| Russell 2000 Growth -9.7% | Russell 1000 Value -36.9%  | Lehman US Agg 7.0%        | Russell 2000 Growth 13.4% | Russell 1000 Growth 5.3% | Russell 2000 Growth 14.3% | Russell 1000 Value 30.0%  | Russell 1000 Value -15.5%  | Russell 1000 Value -5.6%   | Balanced Index* -0.7%      | Balanced Index* 12.8%     | Russell 1000 Value 15.6%  | Balanced Index* 19.7%     | Balanced Index* 12.8%     | Balanced Index* 26.7%     | Russell 2000 Value -1.6%  | Russell 2000 Growth 13.5% | Lehman US Agg 7.4%       | Russell 1000 Value 24.6%  | Russell 1000 Value -8.1%   | Russell 2000 Growth 20.2% |
| MSCI EAFE -13.9%          | Russell 1000 Growth -38.4% | Balanced Index* 6.6%      | Balanced Index* 12.2%     | Russell 2000 Value 4.7%  | Balanced Index* 9.8%      | Russell 1000 Growth 29.8% | MSCI EAFE -15.6%           | Russell 2000 Growth -9.2%  | MSCI EAFE -14.0%           | Russell 1000 Value 7.3%   | Lehman US Agg 8.7%        | Russell 2000 Growth 13.0% | Russell 2000 Growth 11.3% | Russell 2000 Value 25.8%  | Russell 1000 Value -2.0%  | Balanced Index* 12.5%     | Balanced Index* 6.6%     | Balanced Index* 24.4%     | Russell 2000 Growth -17.4% | Lehman US Agg 14.5%       |
| Russell 1000 Value -16.8% | Russell 2000 Growth -38.5% | Russell 1000 Value -0.2%  | Russell 1000 Growth 9.1%  | Russell 2000 Growth 4.2% | Russell 1000 Growth 6.3%  | Balanced Index* 20.8%     | Russell 1000 Growth -27.9% | Russell 1000 Growth -20.4% | Russell 1000 Growth -22.4% | Lehman US Agg -0.8%       | Russell 2000 Growth 1.2%  | Lehman US Agg 9.7%        | MSCI EAFE 6.3%            | Lehman US Agg 18.5%       | Russell 2000 Growth -2.4% | Lehman US Agg 9.8%        | Russell 1000 Growth 5.0% | Lehman US Agg 16.0%       | Russell 2000 Value -21.8%  | Russell 2000 Value 12.4%  |
| Russell 2000 Value -19.6% | MSCI EAFE -43.1%           | Russell 2000 Value -9.8%  | Lehman US Agg 4.3%        | Lehman US Agg 2.4%       | Lehman US Agg 4.3%        | Lehman US Agg 4.1%        | Russell 2000 Growth -30.3% | MSCI EAFE -21.2%           | Russell 2000 Growth -22.4% | Russell 2000 Value -1.5%  | Russell 2000 Value -6.5%  | MSCI EAFE 2.1%            | Lehman US Agg 3.6%        | MSCI EAFE 11.6%           | Lehman US Agg -2.9%       | Russell 1000 Growth 2.9%  | MSCI EAFE -11.9%         | MSCI EAFE 12.5%           | MSCI EAFE -23.2%           | MSCI EAFE 10.8%           |

\*Balanced Index comprised of 50% Russell 3000, 10% MSCI EAFE and 40% Barclays Capital U.S. Aggregate, rebalanced quarterly.



## Quarterly Chart: Current vs. Historical Market Valuations

### Current P/E vs. 20-year average P/E

Current U.S. equity market valuations appear attractive versus their historical 20-year averages when looking at their P/E ratios (Price to Earnings).

The chart on the right shows the current P/E ratio in the top left hand part of the box and the 20-year historical P/E ratio in the lower right hand part of the box for all nine U.S. equity style boxes. A lower relative P/E ratio means stocks are cheaper when compared to earnings.

|       | Value       | Blend       | Growth      |
|-------|-------------|-------------|-------------|
| Large | 12.5 / 17.0 | 12.0 / 20.2 | 11.7 / 25.4 |
| Mid   | 14.2 / 17.3 | 13.1 / 20.4 | 12.4 / 28.8 |
| Small | 15.9 / 19.6 | 17.0 / 24.4 | 18.3 / 34.7 |

### Current P/E as a % of the 20-year average P/E

The chart on the right shows current P/E ratios as a % of their historical 20-year averages. Current P/E ratios in every style box are under 100%, meaning they are all cheaper relative to their historical averages.

For an example, in the large cap blend category, stocks in this style are 40.4% (100% - 59.6%) cheaper than their historical averages.

|       | Value | Blend | Growth |
|-------|-------|-------|--------|
| Large | 73.3% | 59.6% | 45.9%  |
| Mid   | 81.6% | 64.4% | 43.1%  |
| Small | 81.2% | 69.7% | 52.6%  |

Source: Russell Investment Group, FactSet, JPMorgan Asset Management.

P/E ratios are calculated and provided by Russell based on operating earnings for the last twelve months. \*Represents the Russell 1000 Growth Index P/E ratio divided by the Russell 1000 Value Index P/E ratio, multiplied by 100 (top) and Russell 2000 Index P/E ratio divided by the Russell 1000 Index P/E ratio, multiplied by 100 (bottom). Data reflects P/E's as provided by Russell as of 02/28/09.

## Disclosures

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

Citigroup Corporate Bond is an index which serves as a benchmark for corporate bond performance.

Citigroup Mortgage Master is an index which serves as a benchmark for U.S. mortgage-backed securities performance.

Citigroup WorldBIG Index is an index which serves as a benchmark for global bond performance, including 22 different government bond markets.

Credit Suisse High Yield Index is an unmanaged, trader priced index constructed to mirror the characteristics of the high yield bond market.

Barclays Capital U.S. Aggregate represents securities that are U. S., domestic, taxable, and dollar denominated. The index covers the U. S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

MSCI – FI Emerging Markets is a rules-based index which serves as a benchmark for emerging country fixed income performance.

MSCI – FI EAFE International is a rules-based index which serves as a benchmark for developed international country fixed income performance.

MSCI – EAFE Index is listed for foreign stock funds (EAFE refers to Europe, Australia, and Far East). Widely accepted as a benchmark for international stock performance, it is an aggregate of 21 individual country indexes.

MSCI – Emerging Markets Index, formerly known as MSCI Emerging Markets Global, serves as a benchmark for each emerging country. The average size of these companies is (U.S.) \$400 million, as compared with \$300 billion for those companies in the World index.

MSCI – World Index is a rules-based index that serves as a benchmark for the developed global equity markets.

Nareit All Reit – Index includes all tax-qualified REITs with common shares that trade on the New York Stock Exchange, the American Stock Exchange or the NASDAQ *National Market List*.

3-Month T-bills (90 Day T-Bill Index) are government-backed short-term investments considered to be risk-free and as good as cash because the maturity is only three months.

Russell 1000 Growth Index is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

Russell Top 200 Growth Index is a market-capitalization weighted index of those firms in the Russell Top 200 with higher price-to-book ratios and higher forecasted growth values.

Russell Top 200 Value Index is a market-capitalization weighted index of those firms in the Russell Top 200 with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Growth Index is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratio and higher forecasted growth values.

Russell 2000 Index consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization.

Russell 2000 Value Index is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values.

Russell MidCap Growth Index is a market-weighted total return index that measures the performance of companies within the Russell MidCap Index having higher price-to-book ratios and higher forecasted growth values.

Russell Mid-Cap Index includes firms 201 through 1000, based on market capitalization, from the Russell 3000 Index.

Russell MidCap Value Index is a market-weighted total return index that measures the performance of companies within the Russell MidCap index having lower price-to-book ratios and lower forecasted growth values.

Russell Top 200 Index consists of the 200 largest securities in the Russell 3000 Index.

Russell 3000 Index is a market-capitalization weighted index, consisting of 3,000 U.S. common equity securities, reflective of the broad U.S. equity market.

Salomon 1-10 Yr. Governments is an index which serves as a benchmark for U.S. Government bonds with maturities ranging from 1 to 10 years.

Wilshire 5000 Index measures the performance of all U.S. common equity securities, and serves as an index of all stock trades in the United States.

401(k) Advisors is an independent consulting firm whose mission is to create successful retirement plan experiences for employers and employees. The information presented within this market commentary is intended for informational purposes only and cannot be guaranteed. Please direct all questions and comments concerning this report to: 401(k) Advisors \* 800-959-0071 \* help@401kadvisors.com or write us at 120 Vantis, Suite 400, Aliso Viejo, CA 92656.

# The Scorecard<sup>SM</sup> System

## Methodology:

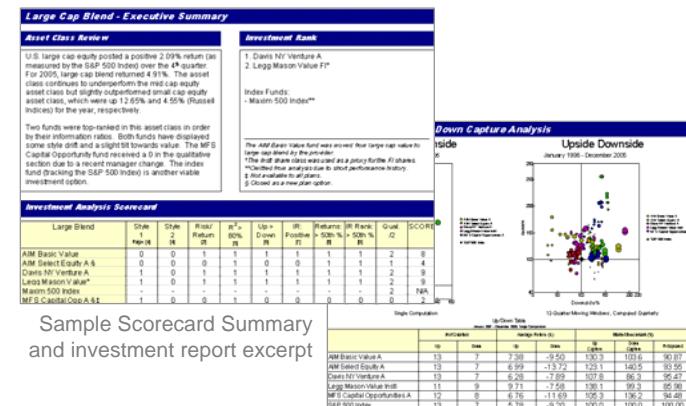
The *Scorecard<sup>SM</sup>* System methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies. The scoring system is built around pass/fail criteria, on a scale of 0 to 10 (with 10 being the best).

Eighty percent of the fund's score is quantitative, incorporating modern portfolio theory statistics, quadratic optimization analysis, and peer group rankings (among a few of the quantitative factors). There are eight factors, which are explained on the next page (titled "Quantitative Factors"). Funds are evaluated over a 5 year period unless a fund option in that asset class has less than 5 years but greater than 3 years of performance, in which case the fund with under 5 years of history may be evaluated. Funds with less than 3 years of performance history are omitted from the analysis and removed from consideration.

The other 20% of the score is qualitative, taking into account manager tenure, the fund's expense ratio relative to the average fund expense ratio in that asset class category, and the fund's strength of statistics (statistical significance). Other criteria that may be considered in the qualitative score includes the viability of the firm managing the assets, management or personnel issues at the firm, and/or whether there has been a change in direction of the fund's stated investment strategy.

Combined, these factors are a way of measuring the relative performance, characteristics, behavior and overall appropriateness of a fund for inclusion into a plan as an investment option. General fund guidelines are shown in the "Scorecard Point System" table below.

| Scorecard Point System |             |
|------------------------|-------------|
| Good:                  | 9-10 Points |
| Acceptable:            | 7-8 Points  |
| Watch List:            | 5-6 Points  |
| Poor:                  | 0-4 Points  |



# Evaluation Criteria

## Quantitative Factors (1-8):

- |     |  |                           |
|-----|--|---------------------------|
| 1)* | <b>Style Analysis:</b> Returns-based analysis to determine the style characteristics of a fund over a period of time. Fund passes if it reflects the appropriate style characteristics. Style analysis helps ensure proper diversification in the plan.  | Style Factors – 30%       |
| 2)* | <b>Style Drift:</b> Returns-based analysis to determine the behavior of the fund/manager over multiple (rolling) time periods. Fund passes if the fund exhibits a consistent style pattern. Style consistency is desired so that funds can be effectively monitored within their designated asset class. |                           |
| 3)* | <b>R-Squared:</b> Measures the % of a fund's returns that are explained by the benchmark. Fund passes with an R2 > 80%. This statistic measures whether the benchmark used in the analysis is appropriate.   |                           |
| 4)  | <b>Risk/Return:</b> Fund passes if its risk is less than the benchmark or its return is greater than the benchmark. Favorable risk/return characteristics are desired.   | Risk/Return Factors – 30% |
| 5)  | <b>Up/Down Capture Analysis:</b> Measures the behavior of a fund in up and down markets. Fund passes with an up capture > its down capture. This analysis measures the relative value by the manager in up and down markets.   |                           |
| 6)  | <b>Information Ratio:</b> Measures a funds relative risk and return. Fund passes if ratio is > 0. This statistic measures the value added above the benchmark, adjusted for risk.  |                           |
| 7)  | <b>Returns Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile.  | Peer Group Rankings – 20% |
| 8)* | <b>Information Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile. This ranking ranks risk adjusted excess return.  |                           |

### \* Asset Allocation Portfolios

*The evaluation criteria utilizes the same metrics as the Core Asset Classes, with the following exceptions. For example, 1) Risk Level, below, replaces 1) Style Analysis, left.*

1) **Risk Level:** The fund's standard deviation is measured against the category it is being analyzed in. The fund passes if it falls within the range for that category.

2) **Style Diversity:** Fund passes if it reflects appropriate style diversity (returns-based) among the four major asset classes (Cash, Fixed Income, U.S. & International Equity) for the given category.

3) **R-Squared:** Measures the % of a fund's returns that are explained by the benchmark. Fund passes with an R2 > 90%.

8) **Sharpe Ratio Peer Group Ranking:** Fund passes if its median rank is above the 50<sup>th</sup> percentile. This ranking ranks risk adjusted return.

## Qualitative Factors (9-10):

- |       |  |                           |
|-------|--|---------------------------|
| 9-10) | Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered.<br><br>It is important to take into account non-quantitative factors, which may impact future performance. | Qualitative Factors – 20% |
|       |  |                           |

# Disclosures and Notes

- Some funds, accounts, or share classes used in the enclosed analysis may not be available for investment. Performance history prior to inception (if applicable) reflects another share class or account reflecting the advisor's historical performance record.
- Investment objectives and strategies vary among fund, and may not be similar for funds included in the same asset class.
- *Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.*
- The performance data quoted may not reflect the deduction of additional fees, if applicable. If reflected, additional fees would reduce the performance quoted.
- Performance data is subject to change without prior notice.
- Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.
- The information used in the analysis has been taken from sources deemed to be reliable, including, third-party providers such as *Zephyr*, *Morningstar*, firms who manage the investments, and/or the retirement plan providers who offer the funds.
- Every reasonable effort has been made to insure completeness and accuracy; however, the final accuracy of the numbers and information is the responsibility of the investment manager(s) of each fund and/or the retirement plan providers offering these funds. Discrepancies between the figures reported in this analysis, and those reported by the actual investment managers and/or retirement plan providers, may be caused by a variety of factors, including: Inaccurate reporting by the manager/provider; Changes in reporting by the manager/provider from the time this report was prepared to a subsequent retro-active audit and corrected reporting; Differences in fees and share-classes impacting net investment return; and, Scriveners error by 401(k) Advisors preparing this report.
- Fund scores will change as the performance of the funds change and as certain factors measured in the qualitative category change (e.g., manager tenure). Fund scores are not expected to change dramatically from each measured period, however, there is no guarantee this will be the case. Scores will change depending on the changes in the underlying pre-specified Scorecard factors.
- Neither past performance or statistics calculated using past performance are a guarantee of a fund's future performance. Likewise, a fund's score using 401(k) Advisor's *Scorecard*<sup>SM</sup> System does not guarantee the future performance or style consistency of a fund.
- The purpose of this report is to assist fiduciaries in selecting and monitoring investment options. A fund's score is meant to be used by the plan sponsor and/or fiduciaries as a tool for selecting the most appropriate fund.
- 401(k) Advisors, a registered investment advisor, prepared this report and believes that this information is relevant to the plan sponsor as the plan sponsor makes investment selections.
- Fund selection is at the discretion of the investment fiduciaries, which are either the plan sponsor or the committee appointed to perform that function.
- Index funds and select Specialty funds are not scored by the *Scorecard*<sup>SM</sup> System.
- The enclosed Investment Due Diligence report, including the *Scorecard*<sup>SM</sup> System, is intended for plan sponsor and/or institutional use only. The materials are not intended for participant use.
- The enclosed Investment Due Diligence report and Scorecard is not an offer to sell mutual funds. An offer to sell may be made only after the client has received and read the appropriate prospectus.
- For a copy of the most recent prospectus, please contact your Investment Advisor/Consultant.
- For the most current month-end performance, please contact 401(k) Advisors at (800) 959-0071.

# Scorecard

## California Steel Industries

test 6

| Active Strategies            | Ticker | Style |                |                | Risk/Return      |              |               | Peer Group     |                    | Qual.<br>(2pt max) | Score<br>6/30/2011 | Score<br>3/31/2011 | Score<br>12/31/2010 | Score<br>9/30/2010 |
|------------------------------|--------|-------|----------------|----------------|------------------|--------------|---------------|----------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
|                              |        | Style | Style<br>Drift | R <sup>2</sup> | Risk /<br>Return | Up /<br>Down | Info<br>Ratio | Return<br>Rank | Info Ratio<br>Rank |                    |                    |                    |                     |                    |
| Large Cap Value              |        |       |                |                |                  |              |               |                |                    |                    |                    |                    |                     |                    |
| 0 test 2                     |        | -     | -              | -              | -                | -            | -             | -              | -                  | -                  | -                  | -                  | -                   | -                  |
| Large Cap Growth             |        |       |                |                |                  |              |               |                |                    |                    |                    |                    |                     |                    |
| Alger Capital Appreciation A | ACAAX  | 1     | 1              | 1              | 1                | 1            | 1             | 1              | 1                  | 2                  | 10                 | 10                 | 10                  | 10                 |
|                              |        |       |                |                |                  |              |               |                |                    |                    | LCG                | LCG                | LCG                 | LCG                |
| Mid Cap Growth               |        |       |                |                |                  |              |               |                |                    |                    |                    |                    |                     |                    |
| Alger Mid Cap Growth A       | AMGAX  | 1     | 1              | 1              | 0                | 0            | 0             | 0              | 0                  | 2                  | 5                  | 5                  | 5                   | 5                  |
|                              |        |       |                |                |                  |              |               |                |                    |                    | MCG                | MCG                | MCG                 | MCG                |
| Small Cap Growth             |        |       |                |                |                  |              |               |                |                    |                    |                    |                    |                     |                    |
| Alger Small Cap Growth A     | ALSAX  | 1     | 1              | 1              | 1                | 1            | 1             | 1              | 1                  | 2                  | 10                 | 10                 | 9                   | 10                 |
|                              |        |       |                |                |                  |              |               |                |                    |                    | SCG                | SCG                | SCG                 | SCG                |

# Fund History

| Active Strategies            | Score<br>6/30/2011 | Score<br>3/31/2011 | Score<br>12/31/2010 | Score<br>9/30/2010 | Score<br>6/30/2010 | Score<br>3/31/2010 | Score<br>12/31/2009 | Score<br>9/30/2009 |
|------------------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| Large Cap Value              |                    |                    |                     |                    |                    |                    |                     |                    |
| 0 test 2                     | -                  | -                  | -                   | -                  | -                  | -                  | -                   | -                  |
| Large Cap Growth             |                    |                    |                     |                    |                    |                    |                     |                    |
| Alger Capital Appreciation A | 10                 | 10                 | 10                  | 10                 | 10                 | 10                 | 10                  | 9                  |
|                              | LCG                | LCG                | LCG                 | LCG                | LCG                | LCG                | LCG                 | LCG                |
| Mid Cap Growth               |                    |                    |                     |                    |                    |                    |                     |                    |
| Alger Mid Cap Growth A       | 5                  | 5                  | 5                   | 5                  | 5                  | 5                  | 5                   | 5                  |
|                              | MCG                | MCG                | MCG                 | MCG                | MCG                | MCG                | MCG                 | MCG                |
| Small Cap Growth             |                    |                    |                     |                    |                    |                    |                     |                    |
| Alger Small Cap Growth A     | 10                 | 10                 | 9                   | 10                 | 10                 | 10                 | 10                  | 9                  |
|                              | SCG                | SCG                | SCG                 | SCG                | SCG                | SCG                | SCG                 | SCG                |

# Style Box Analysis

| Value    | Blend | Growth                            |       |
|----------|-------|-----------------------------------|-------|
| 0 test 2 |       | Alger Capital Appreciation A (10) | Large |
|          |       | Alger Mid Cap Growth A (5)        | Mid   |
|          |       | Alger Small Cap Growth A (10)     | Small |

Green: Funds to add  
Yellow: Funds to watch list  
Red: Funds to delete



[illegible]

|  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

| <div> <div>Low</div> <div>High</div> </div> |                       |          |                     |            |
|---|-----------------------|----------|---------------------|------------|
| Conservative                                | Moderate Conservative | Moderate | Moderate Aggressive | Aggressive |
|   |                       |          |                     |            |

Green: Funds to add  
Yellow: Funds to watch list  
Red: Funds to delete

## **Alpha**

Alpha is a measure used to quantify a fund manager's value added. Alpha measures the difference between a portfolio's actual returns and what it might be expected to deliver based on its level of risk. A positive alpha means the fund has beaten expectations and implies a skillful manager. A negative alpha means that the manager failed to match performance with the given risk level.

## **Beta**

Beta is a measure of risk that gauges the sensitivity of a manager to movements in the benchmark (market). If the market returns change by some amount  $x$ , then the manager returns can be expected to change by Beta times  $x$ . A Beta of 1 implies that you can expect the movement of a fund's return series to match that of the benchmark. A portfolio with a beta of 2 would move approximately twice as much as the benchmark.

## **Downside Deviation**

The downside standard deviation is also referred to as downside risk. The downside standard deviation shows the average size of the deviations (from the mean) when the return is negative.

## **Excess Return**

The difference between the returns of a mutual fund and its benchmark.

## **Explained Variance**

The explained variance measures the variance of the fund that is explained by the benchmark (similar to the R-squared statistic).

## **Information Ratio**

The information ratio is a measure of the consistency of excess return. The ratio is calculated by taking the annualized excess return over a benchmark (numerator) and dividing it by the standard deviation of excess return (denominator). The result is a measure of the portfolio management's performance against risk and return relative to a benchmark. This is a straightforward way to evaluate the return a fund manager achieves, given the risk they take on.

## **Median Rank**

Median rank refers to the midpoint of the range numbers that are arranged in order of value (lowest to highest).

## **R-squared**

R-squared measures (on a scale of 0 to 100) the amount of movement of a fund's return that can be explained by that fund's benchmark. An R-squared of 100 means that all movements of a fund are completely explained by movements in the associated index (benchmark).

## **Returns Based Style Analysis**

Returns based style analysis uses a fund's return series to help identify the style of the fund. This is done by comparing those returns across a specific time period to a series of index returns of various styles (Large Cap Growth, Small Cap Value, etc.) over the same period. Through quadratic optimization, the best fit style is calculated. Once the best fit is found, the fund's style can then be analyzed and weightings toward each asset class can be made.

# Glossary (continued)

---

## **Sharpe Ratio**

A ratio developed by Bill Sharpe to measure risk-adjusted performance. It is calculated by subtracting the risk free rate from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns to measure reward on a per unit of risk basis. For example if a bond fund returns 6% and has a standard deviation of 4% and the risk free rate is 2% then the Sharpe Ratio for this fund will be 1.  $(6-2)/4 = 1$ .

## **Significance Level**

The significance level indicates the level of confidence (on a percentage basis) 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.

## **Standard Deviation**

Standard deviation of return measures the average deviations of a return series from its mean (average) return. A large standard deviation implies that there have been large swings in the return series of the manager. The larger the swing, the more volatile the fund’s returns and hence more implied risk. For smaller swings the opposite is true. Standard deviation helps us analyze risk by revealing how much the return on the fund is deviating.

## **Style Drift**

The tendency of a fund to deviate from its investment style over time is style drift. This generally occurs because of a change in the fund’s strategy, the manager’s philosophy or even a portfolio manager change. During the 1990’s dotcom boom, for example, many managers – regardless of the strategies they were initially bound by – were able to justify buying tech stocks for their portfolio, in hopes of capitalizing on the tech boom in the market at that time. Consequently, their styles “drifted” from their original strategy.

## **Tracking Error**

Tracking error refers to the standard deviation of excess returns or the divergence between the return behavior of a portfolio and the return behavior of a benchmark. Tracking error is reported as a “standard deviation percentage” difference that accounts for the volatility between the return of a fund versus its benchmark.

## **Volatility of Rank**

Volatility of rank is measured by taking the median of a series of numbers, or taking the absolute value of the distance of each individual number to that median, then finding the median of those distances. Volatility is used because it makes a better companion to the median than the standard deviation. Standard deviation is commonly used when measuring volatility around the mean (average), while volatility of rank is used for medians.

## **Up/Down Capture**

The up/down capture is a measure of how well a manager was able to replicate or improve on periods of positive benchmark returns, and how badly the manager was affected by periods of negative benchmark returns. For example, if a fund has an up capture of 120 that means that the fund goes up 12% when the benchmark moves up 10%. The same fund has a down capture of 90 so that means the fund returns a -9% when the benchmark returns a -10%.

# Asset Class Definitions

---

## Large Cap Value (LCV)

- Category typically represents large capitalization companies who have lower prices in relation to their earnings or book value.

## Large Cap Growth (LCG)

- Category typically represents large capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher forecasted or expected growth rate.

## Large Cap Blend (LCB)

- Category typically represents large capitalization companies who display both value and growth-like characteristics.

## Mid Cap Value (MCV)

- Category typically represents mid-capitalization companies who have lower prices in relation to their earnings or book value.

## Mid Cap Growth (MCG)

- Category typically represents mid-capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher forecasted or expected growth rate.

## Mid Cap Blend (MCB)

- Category typically represents mid-capitalization companies who display both value and growth-like characteristics.

# Asset Class Definitions

---

## **Small Cap Value (SCV)**

- Category typically represents small capitalization companies who have lower prices in relation to their earnings or book value.

## **Small Cap Growth (SCG)**

- Category typically represents small capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher forecasted or expected growth rate.

## **Small Cap Blend (SCB)**

- Category typically represents small capitalization companies who display both value and growth-like characteristics.

## **International Equity (IE)**

- Category typically represents primarily large capitalization foreign companies displaying both value and growth-like characteristics.

## **Emerging Market Equity (EME)**

- Category typically represents foreign companies in countries that are not considered to have fully developed markets or economies.

## **Global Equity (GE)**

- Category typically represents primarily large capitalization domestic and foreign companies displaying both value and growth-like characteristics.

# Asset Class Definitions

---

## **Core Fixed Income (CFI)**

- Category typically represents domestic fixed income securities representing a broad array of fixed income securities including government, credit and mortgage backed securities.

## **Global Fixed Income (GFI)**

- Category typically represents a broad array of fixed income securities across many different countries.

## **Intermediate Government (IG)**

- Category typically represents domestic Government or Government-backed fixed income securities.

## **U.S. Government TIPS (UGT)**

- Category typically represents treasury inflation protected securities which are Government securities designed to offer inflation protection by adjusting the principal based on changes in the Consumer Price Index.

## **High Yield (HY)**

- Category typically represents below investment grade domestic fixed income securities, which have a higher likelihood of default.

## **REIT (RE)**

- Category typically represents real estate securities traded on a stock exchange.

# Asset Class Definitions

---

## **Technology (TEC)**

- Category typically represents a particular segment of the stock market focused on technology related companies.

## **Natural Resources (NR)**

- Category typically represents a particular segment of the stock market focused on natural resource related companies.

## **HealthCare (HC)**

- Category typically represents a particular segment of the stock market focused on healthcare related companies.

## **Communication (COM)**

- Category typically represents a particular segment of the stock market focused on communications related companies.

## **Financial Services (FS)**

- Category typically represents a particular segment of the stock market focused on financial services companies.

## **Utilities (UTI)**

- Category typically represents a particular segment of the stock market focused on utility companies.

# Conclusion

---



**Watchlist**

**Eliminate**

**Add**

**Next Step: Implementing fund changes**

**Redemption Fees**



# Returns Analysis

Performance as of 6/30/2011

| Active Strategies            | QTR   | YTD  | 1 Yr. | 3 Yr. Ann. | 5 Yr. Ann. | 10 Yr. Ann. | Since Inception | Fund Incep Date | Share Class Incep Date |
|------------------------------|-------|------|-------|------------|------------|-------------|-----------------|-----------------|------------------------|
| Large Cap Value              |       |      |       |            |            |             |                 |                 |                        |
| 0 test 2                     | -     | -    | -     | -          | -          | -           | -               | -               | -                      |
| Russell 1000 Value Index     | -0.50 | 5.92 | 28.94 | 2.28       | 1.15       | 3.98        | -               | -               | -                      |
| Large Cap Growth             |       |      |       |            |            |             |                 |                 |                        |
| Alger Capital Appreciation A | -0.13 | 6.83 | 34.26 | 4.67       | 8.98       | 4.80        | 7.75            | 10/29/1993      | 12/31/1996             |
| Russell 1000 Growth Index    | 0.76  | 6.83 | 35.01 | 5.01       | 5.33       | 2.24        | -               | -               | -                      |
| Mid Cap Growth               |       |      |       |            |            |             |                 |                 |                        |
| Alger Mid Cap Growth A       | -1.06 | 8.10 | 38.33 | -1.35      | 2.97       | 3.38        | 8.25            | 5/24/1993       | 12/31/1996             |
| Russell Mid-Cap Growth Index | 1.61  | 9.59 | 43.25 | 6.58       | 6.28       | 5.52        | -               | -               | -                      |
| Small Cap Growth             |       |      |       |            |            |             |                 |                 |                        |
| Alger Small Cap Growth A     | -1.11 | 8.67 | 38.28 | 8.04       | 6.01       | 6.04        | 3.36            | 11/11/1986      | 12/31/1996             |
| Russell 2000 Growth Index    | -0.59 | 8.59 | 43.50 | 8.35       | 5.79       | 4.63        | -               | -               | -                      |

## Disclosure

- Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.
- The performance data quoted may not reflect the deduction of additional fees, if applicable. Additional fees would reduce the performance quoted.
- Performance data is subject to change without prior notice.
- Some funds, accounts, or share classes may not be available for investment. Performance history prior to inception (if applicable) reflects another share class or account reflecting the manager's historical performance record.
- Fund Incep Date - the date on which a fund commenced operations.
- Share Class Incep Date - the date on which a fund's share class was introduced.

Contact Retirement Plan Advisory Group with any questions about this report or for the most current month-end performance at (800) 959-0071

# Alger Capital Appreciation A

## Category: Large Cap Growth

ACAAX  
6/30/2011

### Fund Strategy

The investment seeks long-term capital appreciation. The fund invests normally at least 85% of net assets plus any borrowings for investment purposes in the equity securities of companies of any market capitalization that demonstrate promising growth potential. It can leverage, that is, borrow money to buy additional securities.

### Fund Information

|                             |               |
|-----------------------------|---------------|
| Strategy Asset (\$ mm):     | 954.19        |
| Share Class Assets (\$ mm): | 776.62        |
| Manager:                    | Patrick Kelly |
| Manager Tenure:             | 7 Years       |

### Portfolio Statistics

|                      |       |                      |        |
|----------------------|-------|----------------------|--------|
| Alpha*:              | 1.35  | P/E:                 | 18.10  |
| Beta*:               | 1.00  | P/B:                 | 2.65   |
| Std Dev:             | 23.25 | SEC Yield (%):       | 0.00   |
| R2*:                 | 96.12 | Turnover:            | 211.96 |
| as of date 6/30/2011 |       | as of date 3/31/2011 |        |

\*Best fit index: Morningstar US Growth TR USD

\*3-year statistic: Morningstar US Growth TR USD

### Top 10 Holdings (%)

as of 3/31/2011

|                                     |       |
|-------------------------------------|-------|
| Apple, Inc. / AAP                   | 5.40  |
| Oracle Corporation / ORC            | 2.83  |
| ConocoPhillips / CO                 | 2.38  |
| Google, Inc. / GOO                  | 2.28  |
| Hewlett-Packard Company / HP        | 2.21  |
| Royal Dutch Shell PLC ADR A / RDS.  | 2.04  |
| Focus Media Holding, Ltd. ADR / FMC | 1.86  |
| United Parcel Service, Inc. / UP    | 1.84  |
| Baker Hughes Inc. / BH              | 1.76  |
| Thermo Fisher Scientific, Inc. / TM | 1.76  |
| % in Top 10 Holdings                | 24.36 |
| # of Holdings                       | 117   |

### Scorecard System

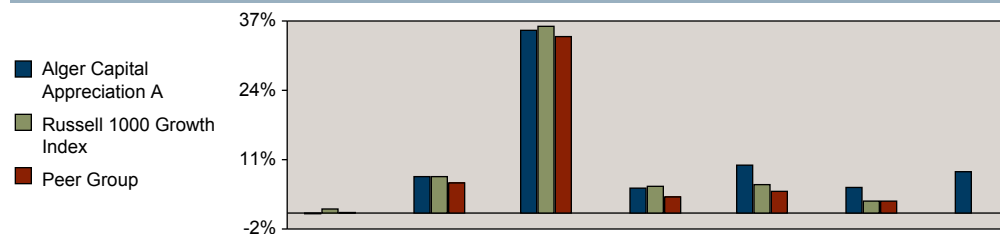
| Active Strategies            | Ticker | Style        |             |                | Risk/Return   |               |            | Peer Group  |                 | Qual. (2pt max) | Score 6/30/201 |
|------------------------------|--------|--------------|-------------|----------------|---------------|---------------|------------|-------------|-----------------|-----------------|----------------|
|                              |        | Style        | Style Drift | R <sup>2</sup> | Risk / Return | Up / Down     | Info Ratio | Return Rank | Info Ratio Rank |                 |                |
| Large Cap Growth             |        |              |             |                |               |               |            |             |                 |                 |                |
| Alger Capital Appreciation A | ACAAX  | 1            | 1           | 1              | 1             | 1             | 1          | 1           | 1               | 2               | 10             |
|                              |        | 100.00/86.16 | 6.37        | 93.71          | 20.29/8.98    | 122.35/107.19 | 0.69       | 13.50       | 14.50           |                 | LCG            |

| Active Strategies            | Score<br>6/30/2011 | Score<br>3/31/2011 | Score<br>12/31/2010 | Score<br>9/30/2010 | Score<br>6/30/2010 | Score<br>3/31/2010 | Score<br>12/31/2009 | Score<br>9/30/2009 |
|------------------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| Alger Capital Appreciation A | 10                 | 10                 | 10                  | 10                 | 10                 | 10                 | 10                  | 9                  |
|                              | LCG                | LCG                | LCG                 | LCG                | LCG                | LCG                | LCG                 | LCG                |

The Scorecard System methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies. To be scored, there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best). 80% of the score is quantitative and 20% is qualitative. For Active and Asset Allocation Strategies, the scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors (manager tenure, expense ratio relative to category average and strength of statistics). For Passive Strategies the scorecard factors are weighted 40% to style, 40% to peer group rankings and 20% to qualitative factors (expense ratio relative to category average, strength of statistics). For active, asset allocation and passive strategies, other significant factors may be considered into a fund's qualitative score. For further explanation of the Scorecard System, please refer to the Scorecard Tutorial.

### Performance Analysis

as of 6/30/2011



|                              | Qtr    | YTD   | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------|--------|-------|--------|--------|--------|---------|-----------------|
| Alger Capital Appreciation A | -0.13% | 6.83% | 34.26% | 4.67%  | 8.98%  | 4.80%   | 7.75%           |
| Russell 1000 Growth Index    | 0.76%  | 6.83% | 35.01% | 5.01%  | 5.33%  | 2.24%   | -               |
| Peer Group Performance*      | 0.10%  | 5.65% | 33.08% | 3.02%  | 4.07%  | 2.24%   | -               |
| Peer Group Rank*             | 59     | 27    | 37     | 29     | 2      | 8       | -               |
| Peer Group Size (funds)*     | -      | -     | 1657   | 1476   | 1276   | 803     | -               |

\*Morningstar Peer Group: Large Growth

The performance analysis displayed is reflective of past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate over time. Current performance may differ from the performance displayed. Investing includes risk, including potential loss of principal. Carefully consider any and all investment objectives, risk factors and charges and expenses before investing. Contact your financial advisor or consultant for fund's current performance and a copy of the most recent prospectus. Contact (800) 959-0071 for most recent month end performance.

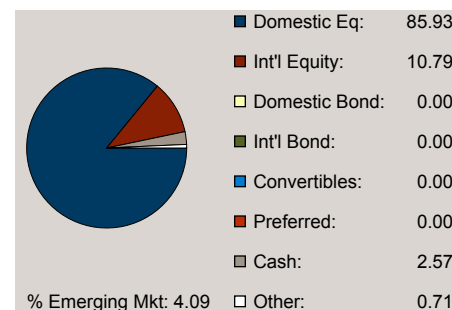
### Sector Allocation

as of 3/31/2011

|                     |       |
|---------------------|-------|
| Real Estate:        | 0.00  |
| Utilities:          | 0.00  |
| Comm:               | 0.61  |
| Cons Defensive:     | 4.52  |
| Basic Materials:    | 6.29  |
| Financial Services: | 7.30  |
| Healthcare:         | 10.08 |
| Energy:             | 11.06 |
| Cons Cyclical:      | 14.77 |
| Industrials:        | 17.16 |
| Technology:         | 28.22 |

### Asset Allocation (%)

as of 3/31/2011



### Additional Information

|                                |            |
|--------------------------------|------------|
| Net Exp Ratio (%):             | 1.32       |
| Gross Exp Ratio (%):           | 1.32       |
| Oper Exp Ratio (%):            | 1.32       |
| Avg Exp Ratio Morningstar (%): | 1.31       |
| 12b-1 fees (%):                | 0.25       |
| Closed - New Inv:              | No         |
| Closed - All Inv:              | No         |
| Min Investment:                | \$500      |
| Waiver Amt:                    | -          |
| Waiver Exp Date:               | -          |
| Strategy Inception:            | 10/29/1993 |
| Share Class Inception:         | 12/31/1996 |

# Alger Mid Cap Growth A

## Category: Mid Cap Growth

AMGAX  
6/30/2011

### Fund Strategy

The investment seeks long-term capital appreciation. The fund normally invests at least 80% of net assets, plus any borrowings for investment purposes, in equity securities of companies that, at the time of purchase of the securities, have total market capitalization within the range of companies included in the Russell Mid-cap Growth Index or the S&P Mid-Cap 400 Index®, as reported by the indexes as of the most recent quarter-end.

### Fund Information

|                             |              |
|-----------------------------|--------------|
| Strategy Asset (\$ mm):     | 305.92       |
| Share Class Assets (\$ mm): | 211.20       |
| Manager:                    | Dan C. Chung |
| Manager Tenure:             | 10 Years     |

### Portfolio Statistics

|                      |       |                      |        |
|----------------------|-------|----------------------|--------|
| Alpha*:              | -7.77 | P/E:                 | 21.66  |
| Beta*:               | 1.10  | P/B:                 | 3.16   |
| Std Dev:             | 28.49 | SEC Yield (%):       | 0.00   |
| R2*:                 | 97.26 | Turnover:            | 195.64 |
| as of date 6/30/2011 |       | as of date 3/31/2011 |        |

\*Best fit index: Russell Mid Cap Growth TR USD  
\*3-year statistic: Russell Mid Cap Growth TR USD

### Top 10 Holdings (%)

as of 3/31/2011

|                                    |       |
|------------------------------------|-------|
| Opentable, Inc. / OPE              | 3.01  |
| Cliffs Natural Resources Inc. / CL | 2.58  |
| SPX Corporation / SP               | 1.83  |
| Altera Corp. / ALT                 | 1.76  |
| Ametek, Inc. / AM                  | 1.75  |
| Nexen, Inc. / NX                   | 1.74  |
| Flowserve Corporation / FL         | 1.72  |
| Salesforce.com, Inc. / CR          | 1.68  |
| Informatica Corporation / INF      | 1.68  |
| Dollar General Corporation / D     | 1.66  |
| % in Top 10 Holdings               | 19.40 |
| # of Holdings                      | 109   |

### Scorecard System

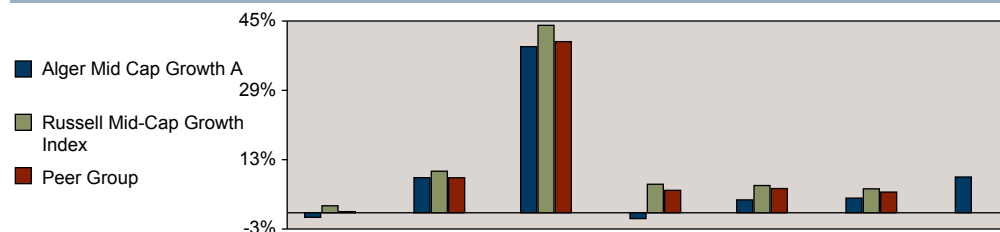
| Active Strategies      | Ticker | Style           |                |                | Risk/Return      |                   |               | Peer Group     |                    | Qual.<br>(2pt max) | Score<br>6/30/201 |
|------------------------|--------|-----------------|----------------|----------------|------------------|-------------------|---------------|----------------|--------------------|--------------------|-------------------|
|                        |        | Style           | Style<br>Drift | R <sup>2</sup> | Risk /<br>Return | Up /<br>Down      | Info<br>Ratio | Return<br>Rank | Info Ratio<br>Rank |                    |                   |
| Mid Cap Growth         |        |                 |                |                |                  |                   |               |                |                    |                    |                   |
| Alger Mid Cap Growth A | AMGAX  | 1               | 1              | 1              | 0                | 0                 | 0             | 0              | 0                  | 2                  | 5                 |
|                        |        | 99.96/<br>-0.61 | 5.51           | 93.76          | 24.44/<br>2.97   | 105.18/<br>115.15 | -0.51         | 93.50          | 91.00              |                    | MCG               |

| Active Strategies      | Score<br>6/30/2011 | Score<br>3/31/2011 | Score<br>12/31/2010 | Score<br>9/30/2010 | Score<br>6/30/2010 | Score<br>3/31/2010 | Score<br>12/31/2009 | Score<br>9/30/2009 |
|------------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| Alger Mid Cap Growth A | 5                  | 5                  | 5                   | 5                  | 5                  | 5                  | 5                   | 5                  |
|                        | MCG                | MCG                | MCG                 | MCG                | MCG                | MCG                | MCG                 | MCG                |

The Scorecard System methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies. To be scored, there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best). 80% of the score is quantitative and 20% is qualitative. For Active and Asset Allocation Strategies, the scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors (manager tenure, expense ratio relative to category average and strength of statistics). For Passive Strategies the scorecard factors are weighted 40% to style, 40% to peer group rankings and 20% to qualitative factors (expense ratio relative to category average, strength of statistics). For active, asset allocation and passive strategies, other significant factors may be considered into a fund's qualitative score. For further explanation of the Scorecard System, please refer to the Scorecard Tutorial.

### Performance Analysis

as of 6/30/2011



|                              | Qtr    | YTD   | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------|--------|-------|--------|--------|--------|---------|-----------------|
| Alger Mid Cap Growth A       | -1.06% | 8.10% | 38.33% | -1.35% | 2.97%  | 3.38%   | 8.25%           |
| Russell Mid-Cap Growth Index | 1.61%  | 9.59% | 43.25% | 6.58%  | 6.28%  | 5.52%   | -               |
| Peer Group Performance*      | 0.26%  | 8.08% | 39.49% | 5.18%  | 5.59%  | 4.77%   | -               |
| Peer Group Rank*             | 82     | 54    | 58     | 92     | 81     | 74      | -               |
| Peer Group Size (funds)*     | -      | -     | 768    | 681    | 609    | 404     | -               |

\*Morningstar Peer Group: Mid-Cap Growth

The performance analysis displayed is reflective of past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate over time. Current performance may differ from the performance displayed. Investing includes risk, including potential loss of principal. Carefully consider any and all investment objectives, risk factors and charges and expenses before investing. Contact your financial advisor or consultant for fund's current performance and a copy of the most recent prospectus. Contact (800) 959-0071 for most recent month end performance.

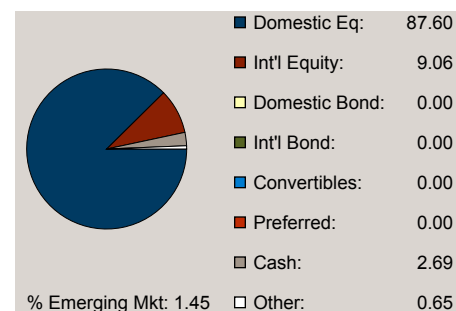
### Sector Allocation

as of 3/31/2011

|                     |       |
|---------------------|-------|
| Comm:               | 0.00  |
| Utilities:          | 0.00  |
| Real Estate:        | 1.50  |
| Cons Defensive:     | 2.25  |
| Financial Services: | 5.89  |
| Basic Materials:    | 8.96  |
| Energy:             | 9.84  |
| Healthcare:         | 10.43 |
| Cons Cyclical:      | 12.38 |
| Industrials:        | 22.10 |
| Technology:         | 26.65 |

### Asset Allocation (%)

as of 3/31/2011



### Additional Information

|                                |            |
|--------------------------------|------------|
| Net Exp Ratio (%):             | 1.38       |
| Gross Exp Ratio (%):           | 1.38       |
| Oper Exp Ratio (%):            | 1.38       |
| Avg Exp Ratio Morningstar (%): | 1.41       |
| 12b-1 fees (%):                | 0.25       |
| Closed - New Inv:              | No         |
| Closed - All Inv:              | No         |
| Min Investment:                | \$500      |
| Waiver Amt:                    | -          |
| Waiver Exp Date:               | -          |
| Strategy Inception:            | 5/24/1993  |
| Share Class Inception:         | 12/31/1996 |

# Alger Small Cap Growth A

## Category: Small Cap Growth

ALSAX  
6/30/2011

### Fund Strategy

The investment seeks long-term capital appreciation. The fund focuses on small, fast-growing companies that the manager believes offer innovative products, services or technologies to a rapidly-expanding marketplace. It normally invests at least 80% of net assets, plus any borrowings for investment purposes, in equity securities of companies that, at the time of purchase of the securities, have total market capitalization within the range of companies included in the Russell 2000 Growth Index® or the S&P SmallCap 600 Index®, as reported by the indexes as of the most recent quarter-end.

### Fund Information

|                             |                |
|-----------------------------|----------------|
| Strategy Asset (\$ mm):     | 315.46         |
| Share Class Assets (\$ mm): | 242.95         |
| Manager:                    | Jill Greenwald |
| Manager Tenure:             | 10 Years       |

### Portfolio Statistics

|                      |       |                      |       |
|----------------------|-------|----------------------|-------|
| Alpha*:              | -0.52 | P/E:                 | 21.66 |
| Beta*:               | 0.96  | P/B:                 | 3.27  |
| Std Dev:             | 25.98 | SEC Yield (%):       | 0.00  |
| R <sup>2</sup> :     | 96.99 | Turnover:            | 48.45 |
| as of date 6/30/2011 |       | as of date 3/31/2011 |       |

\*Best fit index: Morningstar Small Growth TR USD

\*3-year statistic: Morningstar Small Growth TR USD

### Top 10 Holdings (%)

as of 3/31/2011

|   |       |
|---|-------|
| Shutterfly, Inc. / SFL                        | 1.27  |
| Ulta Salon Cosmetics & Fragrances, Inc. / ULT | 1.22  |
| Wright Express Corp / WX                      | 1.20  |
| Tupperware Brands Corporation / TU            | 1.19  |
| RBC Bearings, Inc. / ROL                      | 1.16  |
| Actuant Corporation A / AT                    | 1.16  |
| Rockwood Holdings, Inc. / RO                  | 1.14  |
| NICE-Systems, Ltd. ADR / NIC                  | 1.14  |
| Ann, Inc. / AN                                | 1.13  |
| Esterline Technologies / ES                   | 1.12  |
| % in Top 10 Holdings                          | 11.73 |
| # of Holdings                                 | 125   |

### Scorecard System

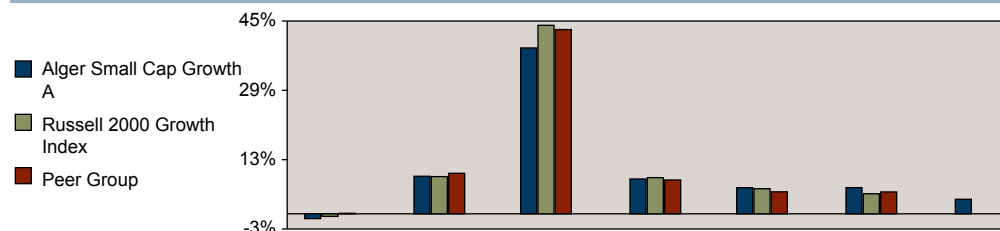
| Active Strategies        | Ticker | Style        |             |                | Risk/Return   |             |            | Peer Group  |                 | Qual. (2pt max) | Score 6/30/201 |
|--------------------------|--------|--------------|-------------|----------------|---------------|-------------|------------|-------------|-----------------|-----------------|----------------|
|                          |        | Style        | Style Drift | R <sup>2</sup> | Risk / Return | Up / Down   | Info Ratio | Return Rank | Info Ratio Rank |                 |                |
| Small Cap Growth         |        |              |             |                |               |             |            |             |                 |                 |                |
| Alger Small Cap Growth A | ALSAX  | 1            | 1           | 1              | 1             | 1           | 1          | 1           | 1               | 2               | 10             |
|                          |        | 98.02/-52.03 | 13.90       | 95.38          | 22.29/6.01    | 95.85/95.72 | 0.04       | 43.00       | 43.00           |                 | SCG            |

| Active Strategies        | Score<br>6/30/2011 | Score<br>3/31/2011 | Score<br>12/31/2010 | Score<br>9/30/2010 | Score<br>6/30/2010 | Score<br>3/31/2010 | Score<br>12/31/2009 | Score<br>9/30/2009 |
|--------------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| Alger Small Cap Growth A | 10                 | 10                 | 9                   | 10                 | 10                 | 10                 | 10                  | 9                  |
|                          | SCG                | SCG                | SCG                 | SCG                | SCG                | SCG                | SCG                 | SCG                |

The Scorecard System methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies. To be scored, there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best). 80% of the score is quantitative and 20% is qualitative. For Active and Asset Allocation Strategies, the scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors (manager tenure, expense ratio relative to category average and strength of statistics). For Passive Strategies the scorecard factors are weighted 40% to style, 40% to peer group rankings and 20% to qualitative factors (expense ratio relative to category average, strength of statistics). For active, asset allocation and passive strategies, other significant factors may be considered into a fund's qualitative score. For further explanation of the Scorecard System, please refer to the Scorecard Tutorial.

### Performance Analysis

as of 6/30/2011



|                           | Qtr    | YTD   | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|---------------------------|--------|-------|--------|--------|--------|---------|-----------------|
| Alger Small Cap Growth A  | -1.11% | 8.67% | 38.28% | 8.04%  | 6.01%  | 6.04%   | 3.36%           |
| Russell 2000 Growth Index | -0.59% | 8.59% | 43.50% | 8.35%  | 5.79%  | 4.63%   | -               |
| Peer Group Performance*   | 0.12%  | 9.35% | 42.52% | 7.81%  | 5.08%  | 5.05%   | -               |
| Peer Group Rank*          | 76     | 65    | 76     | 49     | 38     | 33      | -               |
| Peer Group Size (funds)*  | -      | -     | 746    | 666    | 565    | 358     | -               |

\*Morningstar Peer Group: Small Growth

The performance analysis displayed is reflective of past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate over time. Current performance may differ from the performance displayed. Investing includes risk, including potential loss of principal. Carefully consider any and all investment objectives, risk factors and charges and expenses before investing. Contact your financial advisor or consultant for fund's current performance and a copy of the most recent prospectus. Contact (800) 959-0071 for most recent month end performance.

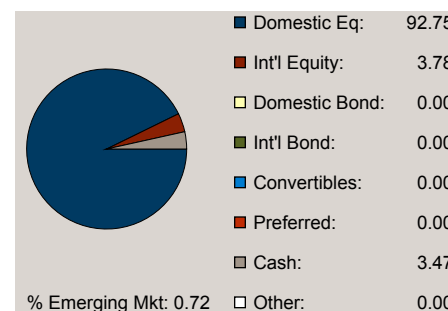
### Sector Allocation

as of 3/31/2011

|                     |       |
|---------------------|-------|
| Comm:               | 0.00  |
| Real Estate:        | 0.00  |
| Utilities:          | 1.14  |
| Cons Defensive:     | 3.95  |
| Financial Services: | 4.27  |
| Basic Materials:    | 4.99  |
| Energy:             | 5.39  |
| Healthcare:         | 14.83 |
| Cons Cyclical:      | 18.77 |
| Industrials:        | 21.53 |
| Technology:         | 25.13 |

### Asset Allocation (%)

as of 3/31/2011



### Additional Information

|                                |            |
|--------------------------------|------------|
| Net Exp Ratio (%):             | 1.40       |
| Gross Exp Ratio (%):           | 1.40       |
| Oper Exp Ratio (%):            | 1.40       |
| Avg Exp Ratio Morningstar (%): | 1.52       |
| 12b-1 fees (%):                | 0.25       |
| Closed - New Inv:              | Yes        |
| Closed - All Inv:              | No         |
| Min Investment:                | \$500      |
| Waiver Amt:                    | -          |
| Waiver Exp Date:               | -          |
| Strategy Inception:            | 11/11/1986 |
| Share Class Inception:         | 12/31/1996 |

## Disclosures

### Fund Fact Sheets

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current Performance may be lower or higher than the performance data quoted.

The performance data quoted may not reflect the deduction of additional fees, if applicable. Additional fees would reduce the performance quoted.

Performance data is subject to change without prior notice.

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

The information used in the analysis has been taken from sources deemed to be reliable, including, third-party providers such as Markov Processes International, Morningstar, firms who manage the investments, and/or the retirement plan providers who offer the funds.

Every reasonable effort has been made to insure completeness and accuracy; however, the final accuracy of the numbers and information is the responsibility of the investment manager(s) of each fund and/or the retirement plan providers offering these funds. Discrepancies between the figures reported in this analysis, and those reported by the actual investment managers and/or retirement plan providers, may be caused by a variety of factors, including: Inaccurate reporting by the manager/provider; Changes in reporting by the manager/provider from the time this report was prepared to a subsequent retro-active audit and corrected reporting; Differences in fees and share-classes impacting net investment return; and, Scriveners error by 401(k) Advisors preparing this report.

Fund scores will change as the performance of the funds change and as certain factors measured in the qualitative category change (e.g., manager tenure). Fund scores are not expected to change dramatically from each measured period, however, there is no guarantee this will be the case. Scores will change depending on the changes in the underlying pre-specified Scorecard factors.

Neither past performance or statistics calculated using past performance are a guarantee of a fund's future performance. Likewise, a fund's score using 401(k) Advisor's Scorecard<sup>SM</sup> System does not guarantee the future performance or style consistency of a fund.

The purpose of this report is to assist fiduciaries in selecting and monitoring investment options. A fund's score is meant to be used by the plan sponsor and/or fiduciaries as a tool for selecting the most appropriate fund.

Fund selection is at the discretion of the investment fiduciaries, which are either the plan sponsor or the committee appointed to perform that function.

This report is provided solely for information purposes only and therefore not an offer to buy or sell a security. An offer to buy or sell a security may be made only after the client has received and read the appropriate prospectus.

For a copy of the most recent prospectus, please contact your Investment Advisor/Consultant.

This report is provided solely for informational purposes only and therefore not an offer to buy or sell a security.

Contact Retirement Plan Advisory Group with any questions about this report or for the most current month-end performance at (800) 959-0071.

# Disclosures

## Fund Fact Sheets

---

### Asset Class Definitions

#### Large Cap Value (LCV)

Category typically represents large capitalization companies who have lower prices in relation to their earnings or book value.

#### Large Cap Growth (LCG)

Category typically represents large capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher forecasted or expected growth rate.

#### Large Cap Blend (LCB)

Category typically represents large capitalization companies who display both value and growth-like characteristics.

#### Mid Cap Value (MCV)

Category typically represents mid-capitalization companies who have lower prices in relation to their earnings or book value.

#### Mid Cap Growth (MCG)

Category typically represents mid-capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher forecasted or expected growth rate.

#### Mid Cap Blend (MCB)

Category typically represents mid-capitalization companies who display both value and growth-like characteristics.

#### Small Cap Value (SCV)

Category typically represents small capitalization companies who have lower prices in relation to their earnings or book value.

#### Small Cap Growth (SCG)

Category typically represents small capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher forecasted or expected growth rate.

#### Small Cap Blend (SCB)

Category typically represents small capitalization companies who display both value and growth-like characteristics.

#### International Equity (IE)

Category typically represents primarily large capitalization foreign companies displaying both value and growth-like characteristics.

#### Emerging Market Equity (EME)

Category typically represents foreign companies in countries that are not considered to have fully developed markets or economies.

#### Global Equity (GE)

Category typically represents primarily large capitalization domestic and foreign companies displaying both value and growth-like characteristics.

# Disclosures

## Fund Fact Sheets

---

### Asset Class Definitions

#### Core Fixed Income (CFI)

Category typically represents domestic fixed income securities representing a broad array of fixed income securities including government, credit and mortgage backed securities.

#### Global Fixed Income (GFI)

Category typically represents a broad array of fixed income securities across many different countries.

#### Intermediate Government (IG)

Category typically represents domestic Government or Government-backed fixed income securities.

#### U.S. Government TIPS (UGT)

Category typically represents treasury inflation protected securities which are Government securities designed to offer inflation protection by adjusting the principal based on changes in the Consumer Price Index.

#### High Yield (HY)

Category typically represents below investment grade domestic fixed income securities, which have a higher likelihood of default.

#### REIT (RE)

Category typically represents real estate securities traded on a stock exchange.

#### Technology (TEC)

Category typically represents a particular segment of the stock market focused on technology related companies.

#### Natural Resources (NR)

Category typically represents a particular segment of the stock market focused on natural resource related companies.

#### HealthCare (HC)

Category typically represents a particular segment of the stock market focused on healthcare related companies.

#### Communication (COM)

Category typically represents a particular segment of the stock market focused on communications related companies.

#### Financial Services (FS)

Category typically represents a particular segment of the stock market focused on financial services companies.

#### Utilities (UTI)

Category typically represents a particular segment of the stock market focused on utility companies.



## Disclosures

### Fund Fact Sheets

***Consider the investment objectives, risks, and charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. Please contact your advisor for the most recent prospectus. Prospectus should be read carefully before investing.***

#### **Investment Risks:**

**International/Emerging Markets:** The investor should note that funds that invest in international securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

**Sector Funds:** The investor should note that funds that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

**Non-Diversified Funds:** The investor should note that funds that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

**Small-Cap Stocks:** The investor should note that funds that invest in stocks of small cap companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

**Mid-Cap Stocks:** The investor should note that funds that invest in companies with market capitalization below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

**High-Yield Bonds:** The investor should note that funds that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

**Bond/Fixed Income Funds:** The investor should note that funds that invest in bonds (fixed income securities), including government, corporate and mortgage-backed securities, involve additional risks. Interest rate risk may cause bonds to lose their value. The investor should be aware that it is possible in a rising rate environment for investment grade bond strategies to lose value and experience negative returns over certain time periods.

**Stable Value Funds:** The investor should note that these funds invest in short to intermediate term securities that can and may lose value. These funds, while managed to protect principal, do not guarantee the investor's principal, nor are they insured or guaranteed by the FDIC or any other government agency.

**Money Market Funds:** The investor should note that these funds invest in short term securities that can and may lose value. These funds, while managed to protect principal, do not guarantee the investor's principal, nor are they insured or guaranteed by the FDIC or any other government agency.

---

Data provided by Morningstar, Inc. The information in this report is (1) proprietary to MPI, Retirement Plan Advisory Group, and/or its content providers; (2) may not be copied or redistributed; and (3) is not warranted to be accurate, complete or timely.