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QUARTERLY CONSIDERATIONS

GENERAL

- ▲ **Solid Start** – U.S. equities continued their strong recovery in the first quarter despite political crises and natural disasters. The S&P 500 Index returned 6%, the MSCI EAFE Index rose 3% and the Barclays Aggregate Bond Index was relatively flat at 0.4%.
- ▲ **Challenges Remain** – Risks to the U.S. economy remain despite the strong market performance. European sovereign debt problems, the sustainability of rapid growth in China and other emerging markets, uncertainty of U.S. employment gains, and volatile commodity prices present potential headwinds for economic growth.
- ▲ **Healthy High Yield** – The U.S. high yield par default rate plunged to 1.3% in 2010, the lowest level since 2007 and a fraction of 2009's 13.7%, according to Fitch Ratings. The weighted average recovery rate on the year's defaulted bonds was 56.7% of par, well above 2009's 34.1% of par.
- ▲ **Save the Date** – Join us at our annual Investor Conference on Wednesday, September 14th at the Embassy Suites in downtown Chicago. Last year, nearly 250 attendees enjoyed industry expert insights and educational breakout sessions.

PLAN SPONSORS

- ▲ **Who Recovered Fastest?** – Investors who continuously saved in the same 401(k) plan between 2005 and 2010 saw their median balance increase by 77% over the 5-year period, compared to an increase of just 13% among all 401(k) participants, according to Vanguard analysis of 3.1 million participants.
- ▲ **Lending Rules** – A Senate committee and the GAO are proposing new disclosure rules in an effort to help 401(k) plan sponsors and participants better understand the risks of securities lending. We'll keep you informed of developments.
- ▲ **Pension Status** – 2010 marked a record year for pension contributions at nearly \$60 billion, almost double the beginning year projections. Despite the eventful year, asset allocation remained relatively unchanged, according to a Milliman study of the largest 100 DB plans.

NON-PROFIT ORGANIZATIONS

- ▲ **403(b) Seminar** – Join us on Wednesday, May 4th for a luncheon seminar, **403(b) Plans: Beyond the Regulations**. We'll share best practices, fiduciary roles and optimizing participant outcomes. Look for invites shortly or contact your Consultant to confirm attendance.
- ▲ **CIOutsource** – Outsourcing endowment oversight may lower costs, generate greater efficiencies and free-up resources. Ask us about our CIOutsource service.

THE WEALTH OFFICE™

- ▲ **Forecasting Error** – Most experts agree it is unlikely Meredith Whitney's prediction of "50 to 100 sizeable muni defaults, totaling about \$100 billion, in 2011," will come to fruition. According to Standard & Poor's, just 8 bond deals totaling about \$222 million have entered default this year, compared with 16 totaling more than \$329 million during the same period of 2010. The Wealth Office™ can help you navigate, understand, and mitigate risks associated with your fixed income portfolio.
- ▲ **Fiduciary vs. Suitability** – An important distinction exists between banks/brokerages and registered investment advisors [RIAs] such as DiMeo Schneider & Associates, LLC. Whereas RIAs bear fiduciary responsibility with respect to investment advice, banks/brokerages are held to the less rigorous 'suitability standard'. A bank/brokerage's recommendation may be 'suitable' without being the best available option in the marketplace. Contact The Wealth Office™ with questions about this important distinction.
- ▲ **Sticker Shock** – Were you surprised by the amount of your income tax bill for 2010? Contact The Wealth Office™ to discuss best practices for improving the 'after-tax' efficiency of your investment portfolio.



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ECONOMY

- ▲ The Federal Reserve continues to keep interest rates on hold at the 0% to 0.25% range. However, **the most recent statement released by the FOMC following its March meeting expressed a slightly more hawkish tone** in regards to monetary policy, leaving investors to wonder if rates will rise earlier than expected. The next FOMC meeting is scheduled for April 26th-27th, 2011.
- ▲ U.S. GDP advanced 3.1% in the fourth quarter. The advance primarily reflected positive contributions from personal consumption expenditures, nonresidential fixed investment and exports that were partly offset by negative contributions from private inventory investment and state and local government spending. Most analysts expect positive growth to continue in 2011. The first quarter GDP advance estimate is due out on April 28th, 2011.
- ▲ According to consulting firm Challenger, Gray & Christmas, **job cuts were at the lowest level since 1995** during the quarter. Meanwhile, the unemployment rate fell to 8.8% in March compared to 9.8% as recently as November. The full percentage point decline in four months is the steepest reduction over such a period since January 1984. Although the downward trend in unemployment has been measurable, it remains well above its historical average.
- ▲ The housing market continues to struggle and **home prices are now down more than 30% from their April 2006 peak**. Meanwhile, sales of previously owned homes dropped more than forecast and the median purchase price declined to the lowest level since 2002. Of all purchases, 33% were cash transactions. In areas such as Miami and Las Vegas, nearly 50% were all-cash deals.
- ▲ On the political front, events in Washington will be closely watched as a contentious budget battle is expected to continue until there is a credible plan to reduce the deficit and stabilize the debt. **The government is operating under continuing resolutions ahead of a vote on the \$14.3 trillion debt ceiling**, which must be raised to prevent the U.S. from defaulting on its loans.

Broad Equity Market Index Returns Ending 3/31/11



U.S. EQUITY MARKETS

- ▲ U.S. equity markets ended higher as the combination of solid earnings news and improving economic data kept investor sentiment upbeat despite the many global challenges during the quarter. After climbing sharply in the first half of the quarter the markets pulled back on two separate occasions, first due to unrest in the Middle East and North Africa and then on the turmoil following the earthquake and tsunami in Japan. On both occasions, stocks managed to hold critical support levels.
- ▲ The **DJIA gained 7%**, to end at **12,319** - its best first quarter performance in over a dozen years. The **NASDAQ Composite rose 5%**, and **now hovers near its 2007 peak**. In the coming weeks, investors will get their initial look at first quarter profits as businesses are expected to face growing margin pressures due to rising fuel and input costs. In addition, their year-over-year profit comparisons may become more difficult as companies transition their income statements from the purely cost cutting mechanisms of the profit recovery to revenue growth.
- ▲ The **S&P 500 Index rose 6%** to end the quarter at 1,325. **This marked the best performance for the Index during the initial quarter of the year since 1998**. Within the S&P 500 Index, only the energy and industrials sectors managed gains bigger than the Index, but all sectors posted positive returns. For 2011, the Wall Street analyst consensus is optimistic, with operating earnings growth of approximately +15% for companies in the S&P 500 Index.
- ▲ On the corporate front, many companies reported rising profits. **Balance sheets remain strong for many companies and corporate cash levels are near or above pre-recession levels**. Additionally, the return of capital to shareholders through dividend increases and share repurchases accelerated during the quarter, and M&A activity remained robust.
- ▲ Across market capitalizations, small- and mid-cap issues outperformed larger companies despite several major global macroeconomic events that typically cause a flight to quality. No investment style emerged as a favorite during the quarter as value fared best among large-caps, but trailed among small- and mid-caps.
- ▲ **Hedge funds posted modest gains** with broad single and multi-strategy hedge funds outperforming funds of hedge funds. Credit-oriented strategies continued to be profitable and event driven managers outperformed thanks to an increase in deal activity and further spread tightening. Short-biased managers were negative, lagging the sharply rising equity markets. Tactical trading funds also declined moderately led by losses from trend following and short-term strategies.
- ▲ **MLPs posted strong gains due to surging oil prices** and an investor focus on higher yielding securities. Riskier assets and commodity sensitive sectors like coal and exploration & production outperformed, while large caps and propane lagged.



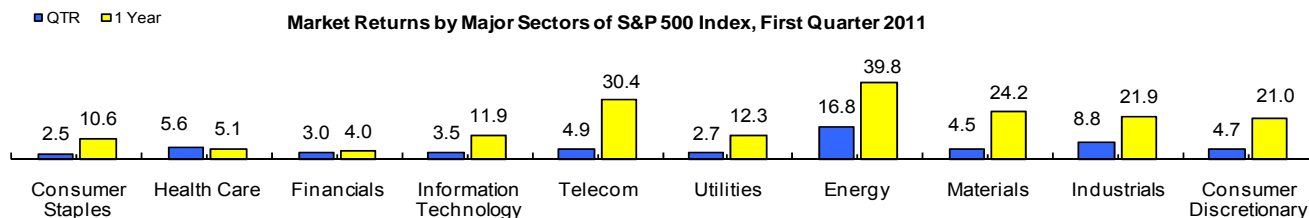
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QUARTERLY CONSIDERATIONS

U.S. EQUITY SECTORS

- ▲ **Energy was the top performing area amid rising oil prices and solid earnings reports.** In response to unrest overseas, oil prices have moved to the highest level since September 2008. Meanwhile, the Japanese nuclear plant crisis prompted a reevaluation of nuclear power metrics and a revival of interest in coal and gas assets sending names such as exploration & production company Marathon Oil up over 40%.
- ▲ The industrials sector was another area of strength, benefiting from rising global trade. Caterpillar, the world's largest manufacturer of heavy machinery, was a notable outperformer. Airlines and transport stocks, which can be vulnerable to higher fuel costs, trailed the overall sector. Delta Airlines fell more than 20% during the quarter on rising jet fuel costs.
- ▲ The **consumer discretionary sector also posted gains** as shoppers shrugged off worries about the economy, sending retail sales above their pre-recession levels. Both the apparel retailers and home furnishings sub-sectors posted solid returns. **Consumer spending, which makes up approximately 70% of the U.S. economy, is up sharply from one year ago levels** indicating a recovery may be under way.
- ▲ Healthcare moved higher as uncertainty surrounding the new reform legislation decreased. Medical equipment & services companies, providers and biotechnology stocks performed particularly well. Gaining steam was a new trend in drug development where large pharmaceuticals acquire biotechnology firms with the announcement of France's Sanofi-Aventis acquiring Genzyme in a \$20 billion deal.
- ▲ **Activity in the financial services sector captured headlines.** Several of the largest U.S. banks received approval from the Fed to increase dividends. Meanwhile, officials proposed options for phasing out Fannie Mae and Freddie Mac that would eventually limit government involvement in housing. Among M&A activity, NYSE Euronext, the parent company of the NYSE, agreed to be acquired by Deutsche Borse. If approved, the deal will create the world's largest exchange operator.

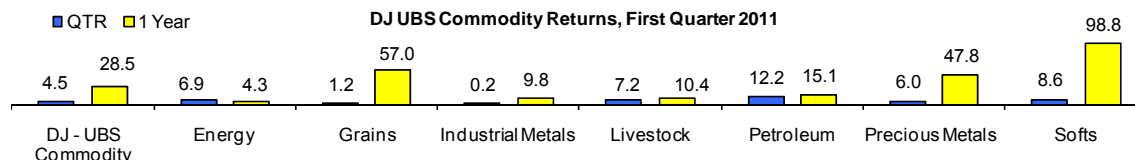


REAL ESTATE

- ▲ **Domestic REITs rose 7%, driven largely by strong equity markets.** Investors continue to find the sector attractive as they search for yield and inflation protection. Industrials and self-storage outperformed while weak guidance within lodging led to underperformance in the sector. Commercial real estate fundamentals improved as limited new supply has tempered the impact of weak tenant demand. Additionally, REITs were active in the acquisitions market where the focus has shifted away from distressed assets. The healthcare and hotel sectors saw the most purchase activity during the quarter.
- ▲ Results for international REITs were regionally diverse, but overall marginally positive for the quarter. Europe and the United Kingdom outperformed, while broader Asia and Japan lagged. Property values rose in the UK, specifically for the London office market, but remained flat for most of continental Europe. **Japan REOCs were the worst performers for the quarter, declining 13.4%** because of concerns over the recovery in the office and residential sectors following the major earthquake. Meanwhile, Australia outperformed thanks to M&A speculation and stronger earnings prospects.

COMMODITIES

- ▲ **Commodity prices surged broadly during the quarter** as several macroeconomic events and favorable supply/demand dynamics, particularly rapid growth in the emerging markets of China, India and Brazil, continued to drive commodity demand. Higher oil prices and improving natural gas fundamentals led to gains in the energy sector, while gold's safe haven status drove positive results within precious metals. The softs and grains sectors also posted positive returns for the quarter. Industrial metals underperformed due to concerns over the strength of the global economic recovery.



FIXED INCOME MARKETS

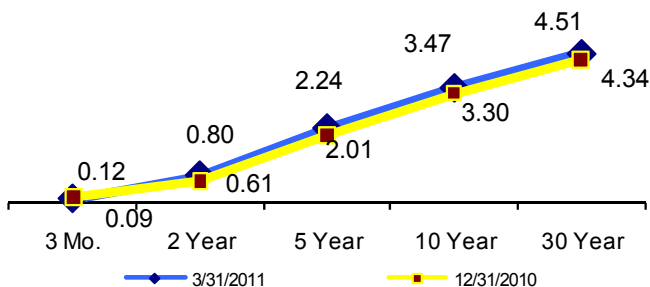
- ▲ Improving economic indicators combined with signals of inflation pushed Treasury yields 15-25 basis points higher in the first quarter. **The yield curve remained at historically steep levels with the 2-year at 0.80% and the 30-year at 4.51%.** Overall, Treasuries declined 0.2% with longer maturities underperforming short and intermediate. TIPS delivered positive returns for the quarter and the 10-year breakeven widened from 2.33% to 2.48%. An uptick in inflation and the expiration of QE2 next quarter may result in a turning point in monetary policy and is the subject of debate among market participants.



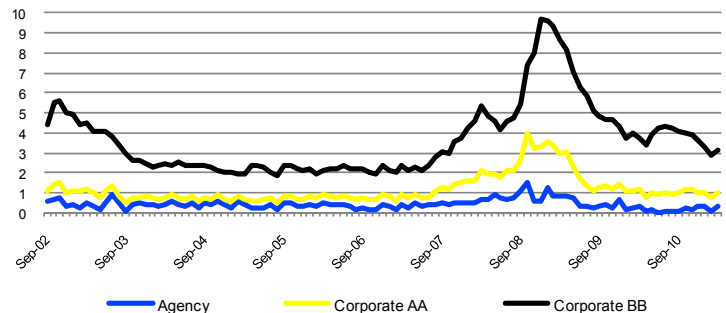
QUARTERLY CONSIDERATIONS

FIXED INCOME MARKETS (continued)

Yield Curve Ending 3/31/11



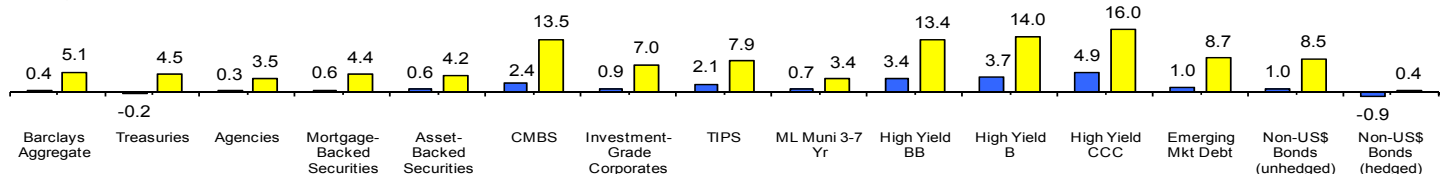
Historical Yield Spreads vs 10-Year Notes Ending 3/31/11



- ▲ Corporate bonds were positive across all sub-sectors in the first quarter as spreads continued to tighten. Lower quality and longer maturity issues outperformed their counterparts and financial-related issues continued to lead the investment grade corporate sector. **High yield corporate bonds returned 4%, making it the best performing sector for the quarter.** Lower quality, higher yielding issues outperformed with CCC-rated issues posting a gain of nearly 5%, bringing the one-year return to 16%.
- ▲ Agency MBS returned 0.6% in the first quarter as the sector benefited from slower prepayments. The sector came under minor pressure in March when the Treasury announced it would sell MBS over the next 12 months. CMBS spreads tightened significantly as property markets continued to heal during the quarter. **CMBS was the best performing investment grade sector with a return of 2.4%.** ABS posted minor gains as delinquencies and charge-offs declined during the quarter to less elevated levels.
- ▲ **Municipals rebounded** as the pace of outflows slowed and new issuance remained low. Record levels of new issuance in late 2010 due to the cessation of the Build America Bond program led to a slowdown in new issuance during the first quarter. The drop off in new issues and the outflows within the market drove muni prices down and yields up, attracting crossover buyers (or buyers that typically buy taxable bonds), which helped to boost returns. Investor concerns surrounding rising interest rates and the financial condition of municipal bond issuers continued to weigh on the market, which resulted in higher quality bonds outperforming.
- ▲ Foreign bonds provided mixed results. **Hedged portfolios suffered a loss of 0.9% while unhedged and emerging markets portfolios both rose 1.0%** as the U.S. dollar fell against most major currencies. The ECB continues to deal with divergence in the region as the recovery in Germany and France strengthens and peripheral countries continue to struggle. Overall, inflation has become a concern for the ECB and they raised rates shortly after quarter end. Rising food and energy prices prompted many emerging markets governments to tighten during the quarter. Brazil and Indonesia raised rates, while China and Russia used other means to tighten to avoid impact on their currencies.

■ QTR ■ 1 Year

Fixed Income Returns by Major Sectors First Quarter 2011

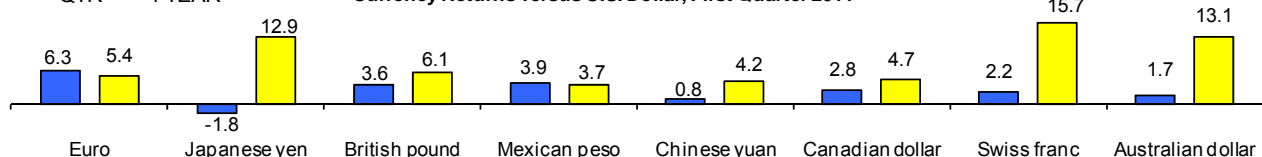


INTERNATIONAL DEVELOPED MARKETS

- ▲ International developed markets posted mostly positive results, with the **MSCI EAFE Index** rising 3%. Sectors such as industrials, energy and telecom were among the top performers, while consumer discretionary, information technology and utilities underperformed.
- ▲ International value stocks outperformed international growth stocks with the **MSCI EAFE Value Index** rising 5% and the **MSCI EAFE Growth Index** gaining 2%. Across market capitalizations, international small caps slightly outperformed international large caps.
- ▲ During the quarter, the U.S. dollar appreciated against the Japanese yen. Meanwhile, **the U.S. dollar declined against most major currencies** including the Euro, British pound, Mexican peso, Chinese yuan, Canadian dollar, Swiss franc and Australian dollar.

■ QTR ■ 1 YEAR

Currency Returns versus U.S. Dollar, First Quarter 2011



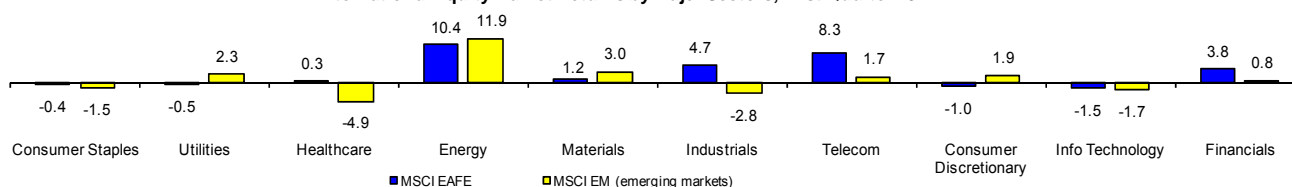


QUARTERLY CONSIDERATIONS

INTERNATIONAL DEVELOPED MARKETS (continued)

- ▲ The **MSCI Canada Index** ended up 8% on soaring commodity prices and improving economic data in the U.S., which is the country's largest trading partner. **The Canadian dollar hit a three-year high against the U.S. dollar** amid a massive influx of foreign capital into the country and a surge in the price of oil, the nation's biggest export. The Bank of Canada left rates on hold at 1%. Despite global inflationary trends, price pressures have been relatively muted in Canada.
- ▲ The **MSCI Europe Index** advanced 7%. Following quarter end, **the ECB raised rates by 25 basis points to 1.25%**, in its first hike since July 2008 to counter firming inflationary pressures in the 17-country Eurozone. Germany gained 8% as industrial production rose three times higher than forecasted. France advanced 11% despite investor anxiety as President Sarkozy's military took the early lead in the U.N.-mandated military strike against Libya. The highly indebted countries of Spain and Italy each rallied 14% on optimistic expectations of a quick, favorable resolution of sovereign debt concerns.
- ▲ For the quarter, the **MSCI United Kingdom Index** rose 4% as economic data was mixed. While measures of business activity were strong, GDP contracted 0.5% amid a steep decline in retail sales as heavy snows deterred shoppers. The Bank of England kept rates on hold at 0.5% and left its asset purchase program unchanged. Policymakers continue to judge the economy too fragile to withstand higher rates despite a surge in inflation, which now stands at nearly double its target of 2%.
- ▲ The **MSCI Japan Index fell 5% as an earthquake and tsunami sent stocks sharply lower**. While the extent of the damage to the Japanese economy has yet to be fully understood, lost economic growth and steep government costs are expected at least in the near term. On the political front, support for Prime Minister Naoto Kan's government continues to be low, although it has seen some strength since the disaster. Kan, who has been unable to pass a budget amid ongoing political gridlock, will now feel pressure to get Japan's fiscal situation in order as the rebuilding effort begins.
- ▲ The **MSCI Pacific ex-Japan Index** ended up 3%. Australia advanced 5% despite devastating flooding that ravaged the country. Driven by rising commodity prices and higher rates, the **Australian dollar rallied to the highest level against the U.S. dollar since the currency was first floated in 1983**. New Zealand rose 4% as the central bank cut rates by 50 basis points to 2.5% in an effort to limit the short-term impact of the devastating earthquake in Christchurch on the country's South Island. Singapore fell 1% on weakness in real estate stocks.

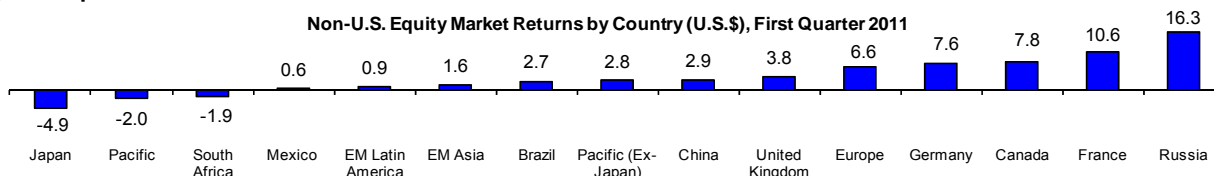
International Equity Market Returns by Major Sectors, First Quarter 2011



INTERNATIONAL EMERGING MARKETS

- ▲ The **MSCI EM Index** advanced 2% during the quarter. Utilities, energy and materials were among the top performing sectors, while information technology, industrials and healthcare underperformed.
- ▲ The **MSCI EM Latin America Index** gained 1%. Mexico rose 1% as the market found support from improving economic data in the U.S. Brazil advanced 3% amid rising industrial production as the country continues to build up its infrastructure ahead of the 2014 World Cup and 2016 Summer Olympics. **The Brazilian central bank raised rates to 11.75%, which is among the highest worldwide** as the economy grapples with inflationary pressures. Chile declined 8% as the government intervened in the foreign exchange market over concerns about the impact of emerging markets' sharply appreciating currencies on global trade.
- ▲ The **MSCI EM Asia Index** ended up 2%. China rose 3% on gains from select energy and financial services stocks. India declined 5% as the country's heavy reliance on imported oil has weighed on the market as have rising interest rates to combat its 9% inflation rate. South Korea advanced 8% on gains from oil refiners and petrochemical companies amid speculation they would step into the breach created by the challenges Japanese firms were facing in the wake of the country's natural disaster. Taiwan declined 4% as shares of technology stocks came under pressure.
- ▲ The **EMEA (Eastern Europe, Middle East and Africa) Index** rose 5%. South Africa ended down 2% as the central bank intervened in the rand in a bid to protect exporters. In the Middle East, Egypt plunged 23%. The Egyptian stock exchange reopened on March 23rd after trading was halted for weeks following widespread demonstrations that eventually led to the ouster of the country's president. Within Eastern Europe, Hungary rallied 20% and was among the world's top performing markets as sovereign debt woes eased. **Russia soared 16% largely due to the surge in oil prices.**

Non-U.S. Equity Market Returns by Country (U.S.\$), First Quarter 2011



QUARTERLY CONSIDERATIONS

Financial Markets Performance Ending March 31, 2011

Returns for Periods Exceeding One-Year are Annualized.

U.S. Equity	QTR	YTD	1YR	2YR	3YR	4YR	5YR	10YR
S&P 500 Composite Index	5.9	5.9	15.6	31.6	2.4	0.4	2.6	3.3
Dow Jones Industrial Average	7.1	7.1	16.5	30.8	3.1	2.7	4.9	4.7
Russell 1000 Growth	6.0	6.0	18.3	33.1	5.2	3.7	4.3	3.0
Russell 1000 Value	6.5	6.5	15.2	33.0	0.6	-2.2	1.4	4.5
Russell Mid Cap	7.6	7.6	24.3	44.4	7.3	3.0	4.7	8.5
Russell 2000	7.9	7.9	25.8	43.1	8.6	2.7	3.3	7.9
Russell 2000 Growth	9.2	9.2	31.0	44.9	10.2	5.0	4.3	6.4
Russell 2000 Value	6.6	6.6	20.6	41.1	6.8	0.3	2.2	9.0
NASDAQ	5.0	5.0	16.8	36.1	7.8	4.4	4.4	5.0
Russell 3000	6.4	6.4	17.4	33.8	3.4	1.0	2.9	4.1
NAREIT Equity REIT	6.6	6.6	24.0	60.1	2.4	-3.0	1.5	11.4
Fixed Income & Cash Equivalents	QTR	YTD	1YR	2YR	3YR	4YR	5YR	10YR
Barclays Cap US Aggregate	0.4	0.4	5.1	6.4	5.3	5.9	6.0	5.6
Citigroup High Yield Market	4.0	4.0	14.3	32.6	12.1	8.0	8.7	8.5
Barclays Capital US TIPS	2.1	2.1	7.9	7.0	3.9	6.5	6.2	6.7
Merrill Lynch Muni 3-7 Years	0.7	0.7	3.4	4.6	5.1	5.4	5.2	4.7
Citigroup Hedged Non-U.S. Dollar Bond	-0.9	-0.9	0.4	1.9	3.2	3.9	4.2	4.3
Citigroup Unhedged Non-U.S. Dollar Bond	1.0	1.0	8.5	8.5	3.3	7.7	7.8	8.1
Citigroup Treasury Bill-3 Month	0.0	0.0	0.1	0.1	0.5	1.4	2.1	2.1
Ryan Labs 3 Yr GIC	0.7	0.7	3.2	3.7	4.1	4.2	4.1	4.4
International Equity	QTR	YTD	1YR	2YR	3YR	4YR	5YR	10YR
MSCI EAFE	3.4	3.4	10.9	31.2	-2.5	-2.5	1.8	5.8
S&P Large/Mid Value World x U.S.	4.2	4.2	12.5	34.0	-1.5	-1.3	2.8	7.6
S&P Large/Mid Growth World x U.S.	3.7	3.7	13.3	33.0	-0.6	-0.2	3.0	5.7
S&P Small Cap World x U.S.	4.5	4.5	22.1	43.9	1.3	-0.7	3.7	11.0
MSCI Emerging Markets	2.1	2.1	18.8	46.9	4.6	8.6	11.0	17.1
S&P Developed World Property x U.S.	0.7	0.7	18.1	42.3	-3.1	-7.1	0.7	10.8
Miscellaneous	QTR	YTD	1YR	2YR	3YR	4YR	5YR	10YR
Consumer Price Index	2.0	2.0	2.7	2.5	1.5	2.1	2.3	2.4
DJ UBS Commodity Index	4.4	4.4	28.5	24.4	-5.2	0.9	2.6	7.1
HFRI Fund Weighted Composite Index	1.4	1.4	9.2	15.7	4.0	3.8	4.9	7.1
HFRI Fund of Funds Composite Index	0.8	0.8	5.1	8.8	-0.8	-0.0	1.6	4.2
Alerian MLP	6.0	6.0	33.0	51.1	20.0	12.4	16.6	17.3

*All indices are unmanaged and investors can not invest directly into an index. Past performance is not indicative of future results.

QUARTERLY CONSIDERATIONS

The S&P 500 is based on the average performance of the 500 industrial stocks monitored by Standard & Poor's.

The Dow Jones Industrial Index is based on the average performance of the 30 blue-chip stocks monitored.

Russell 1000 Growth measures the performance of the Russell 1000 companies with higher P/B ratios and higher forecasted growth values.

Russell 1000 Value measures the performance of those Russell 1000 companies with lower P/B ratios and lower forecasted growth values.

Russell Mid Cap measures the performance of the 800 smallest companies in the Russell 1000 Index.

Russell 2000 measures the performance of the small-cap stocks.

Russell 2000 Growth measures the performance of the Russell 2000 companies with higher P/B ratios and higher forecasted growth values.

Russell 2000 Value measures the performance of those Russell 2000 companies with lower P/B ratios and lower forecasted growth values.

The NASDAQ measures all domestic and non-U.S. based common stocks listed on The NASDAQ Stock Market.

Russell 3000 is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. As such, it represents nearly 98% of the investable U.S. equity market.

NAREIT Equity REITs measures equity REITs. The index contains health care REITs, but no mortgage and hybrid REITs.

The Barclays Aggregate Index is an unmanaged market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed and mortgage-backed securities, with maturities of at least one year.

Citigroup High Yield Market is a market-cap weighted index, which measures the performance of below investment grade, Cash-Pay, Zero-to-Full, Pay-in-Kind, step-coupon bonds, and Rule 144A bonds issued by corporations domiciled in the United States or Canada, with remaining maturities of at least one year. All bonds must have a maximum quality rating of BB+/Ba1 by either S&P or Moody's and the minimum amount outstanding at entry/exit must be \$100 million.

Barclays Capital US Treasury Inflation Protected Securities Index measures bonds with fixed rate coupon payments that adjust for inflation as measured by the Consumer Price Index. All bonds must be publicly traded, investment grade and have a minimum maturity of one year and a minimum amount outstanding of \$250 million of face value. It currently is comprised of only US Treasury issued securities.

Merrill Lynch Muni 3-7 Years measures municipal bonds with maturities between 3 and 6.99 year.

Citigroup Non-\$US Government Bond is a market-cap weighted index, that measures the performance in U.S. dollar terms of major non-U.S. bond markets. The index includes all investment grade fixed-rate bonds with a remaining maturity of one-year or longer.

Citigroup Treasury Bill-3 Month represents the monthly return equivalents of yield averages which are not marked to market; this index is an average of the last three three-month Treasury bill issues.

Ryan Labs 3 Yr GIC is an arithmetic mean of the market rates of 3 year GIC contracts. All rates are held for the full term of the contract.

MSCI EAFE is a market-cap weighted index representing 21 of the developed markets outside North America. These 20 countries include 14 European countries and 6 Pacific countries.

S&P/Large/Mid Value World x U.S. and S&P Large/Mid Growth World x US Indices measure the performance of the largest 80% of developed country's available market capitalization, adjusted for float. Three growth and four value variables are used to assign stocks to a specific style index. These include, 5-year historical EPS growth rate, 5-year historical sales per growth rate, 5-year average annual internal growth rate, book to value per share, sales per share price, cash flow per share price and dividend yield. Each style index constitutes 50% of the total float of the S&P Large/Mid World x U.S. Index.

S&P Small Cap World x U.S. represents small cap companies across developed markets. Eligible companies' full market capitalization range from USD 200 ~1,500 million and free float adjusted the market capitalization of the index constituents.

MSCI Emerging Markets is a market-cap weighted index representing the major emerging countries in the world.

S&P Developed World Property x U.S. measures the investable universe of publicly traded property companies in developed foreign countries.

Consumer Price Index is the United States Headline Consumer Price Index, which excludes energy and food.

Dow Jones UBS Commodity Index is composed of futures contracts on 19 physical commodities. No related group of commodities (e.g., energy, precious metals, livestock, grains, etc.) may constitute more than 33% of the index. **Livestock** = live cattle and lean hogs. **Softs** = sugar, cotton and coffee. **Industrial Metals** = aluminum, copper, zinc and nickel. **Precious Metals** = gold and silver. **Grains** = wheat, corn, soybeans. **Energy** = natural gas, crude oil, unleaded gas and heating oil.

HFRI Fund Weighted Composite Index - Fund of Funds invest with multiple managers through funds or managed accounts. The strategy designs a diversified portfolio of managers with the objective of significantly lowering the risk (volatility) of investing with an individual manager. The Fund of Funds manager has discretion in choosing which strategies to invest in for the portfolio. A manager may allocate funds to numerous managers within a single strategy, or with numerous managers in multiple strategies. The minimum investment in a Fund of Funds may be lower than an investment in an individual hedge fund or managed account. The investor has the advantage of diversification among managers and styles with significantly less capital than investing with separate managers. PLEASE NOTE: The HFRI Fund of Funds Index is not included in the HFRI Fund Weighted Composite Index.

The Alerian MLP Index is a composite of the 50 most prominent energy master limited partnerships and will be calculated by Standard & Poor's using a float-adjusted, market capitalization-weighted methodology.