

QUARTERLY CONSIDERATIONS

GENERAL

- ▲ **September Surprise** – September produced history-making returns with the S&P 500 Index rising 9%, its best performance since 1939. For the third quarter, the S&P 500 Index returned 11%, the EAFE Index jumped 17% and the Barclays Aggregate Bond Index returned 3%.
- ▲ **A Winning Vote** – Since 1950, midterm elections have typically kicked-off a period of strong returns for U.S. investors. During the year after midterm elections, average returns for large caps of 23% and small caps of 31% have been significantly better than the long-term average annual returns since 1950 of 11% and 14%, respectively.
- ▲ **Definite Deficit** – With the CBO projected FY2010 budget deficit of \$1.34 trillion, the last 2 years will have created \$2.75 trillion of debt. The 17 fiscal years from 1992 through 2008 created \$2.62 trillion.
- ▲ **On The Horizon** – As announced at our 2010 Investor Conference, we are excited to soon rollout our new performance evaluation reports. Based on your feedback, the reports will be even more concise, timely and customizable.
- ▲ **Roller Coaster** – 1 day S&P 500 movements of 2% or more (gain/loss)
Past 50 Years: every 21 days on average
Since September 2008: every 4 days on average
Source: BTN Research

PLAN SPONSORS

- ▲ **Conversion Decision** – The Small Business Jobs Act of 2010 allows participants eligible for a distribution to roll their pretax account balances into a designated Roth account within the plan. Sponsors need to amend their plan to allow for the rollovers and may want to expand distribution options.
- ▲ **Need to Educate** – On average, families have saved about \$28,000 to pay for college. About 12% of that money is in 529 plans, but 23%, the largest portion, is in retirement savings. Plan sponsors may want to add college expense planning to participant retirement education programs.
- ▲ **A Move Abroad** – Since 1999, the average U.S. pension fund's equity allocation to international markets has grown by nearly half, from 23% to 38.5%, according to *Pensions and Investments*.

NON-PROFIT ORGANIZATIONS

- ▲ **Lower Prices** – The Higher Education Price Index (HEPI) rose 0.9%, less than half the 2.3% rate for FY2009 and continuing a decelerating trend that began in 2008. The biggest decline was in supplies & materials and utilities and the highest increase in fringe benefits and administrative salaries.
- ▲ **Free Resource** – The SPARK Institute issued the "Best Practices for Multiple Vendor 403(b) Plans Form 5500 Data Aggregation" to assist plans that use multiple vendors and must gather and aggregate data from their vendors. Contact us for the report or for assistance with your defined contribution plan.

THE WEALTH OFFICE™

- ▲ **IRA RMD** – Despite the moratorium on IRA Required Minimum Distributions (RMDs) for 2009 as a result of the financial crisis, IRA holders age 70.5 and older are required to complete an RMD during 2010. The Wealth Office will soon be contacting its clients with IRAs who have yet to complete an RMD for this year.
- ▲ **Are You Withholding Something?** – Even though the Making Work Pay Tax Credit lowered tax withholding rates in 2009 and 2010 for millions of American households, some workers and retirees who receive pension payments may need to check their Federal withholding to be sure enough tax is being taken out of their checks. The IRS withholding calculator on www.irs.gov can help a taxpayer compute the proper withholding amount.
- ▲ **Bad Press** – Apocalyptic predictions regarding the municipal bond markets have been in vogue with the financial press lately. While many municipalities are experiencing a financial squeeze, the imminent implosion of the muni bond market as predicted by some press seems a stretch. The Wealth Office can help you ascertain the quality and risks with respect to your municipal bond holdings.
- ▲ **Who's Makin' the Sausage?** – Upcoming mid-term elections should add some clarity to estate planning and tax projections. While it is extremely unlikely that either party will gain a majority of seats sufficient to enact their agenda over the objections of the other party, the resulting composition of the House and Senate should offer some insight into the direction any compromise is likely to take.

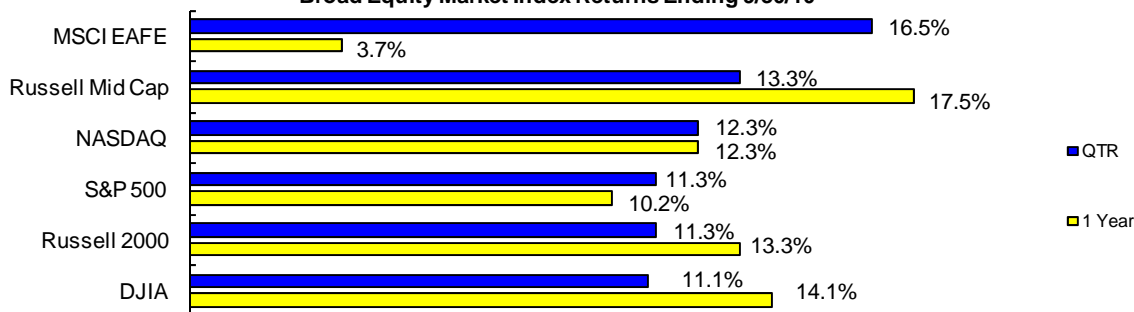


QUARTERLY CONSIDERATIONS

ECONOMY

- ▲ The **Federal Reserve continues to keep interest rates on hold at the 0% to 0.25% range**. The central bank also announced that it would not allow its balance sheet to shrink as securities reached maturity, signaling that risks of an economic downturn have increased enough for the central bank to delay exiting from the massive liquidity and stimulus programs. The next FOMC meeting is scheduled for November 2nd-3rd, 2010.
- ▲ **U.S. GDP advanced 1.7% in the second quarter**. The advance primarily reflected positive contributions from personal consumption expenditures, nonresidential fixed investment, exports, private inventory investment, federal government spending and residential fixed investment. Analysts estimate that growth will continue through year-end 2010, although at a very modest pace. The third quarter GDP advance estimate is due out on October 29th, 2010.
- ▲ According to the U.S. Bureau of Labor Statistics, **unemployment rose to 9.6% to end the quarter**. The jobless rate has now topped 9.5% for **14 straight months**, the longest stretch since the 1930s. Private payrolls added an average of 91,000 jobs a month during the quarter, a pace economists view as too slow to bring the jobless rate down.
- ▲ As year-end approaches, investors are growing increasingly preoccupied with U.S. government policy, both on the monetary and fiscal front. The **Fed has recently communicated that it is prepared to provide additional monetary stimulus if necessary**, likely via a new program of quantitative easing. Meanwhile, investors still lack clarification about income, capital gains, dividend and estate tax rates for 2011 or future years.
- ▲ On the political front, the **November mid-term elections are quickly approaching**. 435 House of Representatives seats and 37 of the 100 Senate seats are up for grabs. Meanwhile, governor races will be held in 37 U.S. states. Currently, Democrats control both the House and the Senate, but Republicans hope to win at least one chamber of the U.S. Congress in the approaching mid terms, a move that could have far-reaching political implications.

Broad Equity Market Index Returns Ending 9/30/10



U.S. EQUITY MARKETS

- ▲ Third quarter **equity markets were influenced by policymakers, regulators and legislators**. Optimism returned again in September, as investors began to embrace the idea of a second round of economic stimulus aimed at shoring up the weak consumer outlook. Easing worries over sovereign debt along with reassuring economic data from China and a rebounding Euro further improved confidence. **Favorable corporate earnings reports** continued to highlight improving operating leverage driven by cost discipline.
- ▲ Despite mixed economic data and wavering consumer confidence, strong corporate profits and an accommodative Fed drove the **S&P 500 Index** to its best September return since 1939. The Index **gained 11% for the quarter, to end at 1,141**. Over 80% of S&P 500 companies **beat their earnings estimates** for the second quarter and total revenues were up 9% versus a year ago. The S&P 500 closed the quarter at a multiple of 13.8 times 2010 earnings estimates. The current low level of inflation suggests valuations on the S&P 500 index have room to expand. **175 of the 500 stocks in the S&P 500 rose 15% or more** over the past three months.
- ▲ The **DJIA gained 11% for the quarter, to end at 10,788**. Caterpillar was the top performer in the Index, rising 31% as investor fears of a double-dip recession eased and a weak U.S. dollar aided the company's sizable market position in six continents. Bank of America was the worst performer in the Index, losing nearly 9% on weak investor sentiment and concerns regarding the mortgage foreclosure mess.
- ▲ **Companies are hoarding cash**. While dividends have risen over the past few quarters, they remain far below their 2007 peaks. Shareholders are beginning to pressure companies to deploy some of their cash. The result: **M&A activity has picked up** materially during the third quarter. A number of large, high profile mergers have been announced, with the value of global activity hitting its highest level in two years. **IPO's started to bounce back** as falling volatility boosted investors' comfort level with new issues. The fourth quarter could be pivotal as several government-backed IPOs such as GM and AIG are set to price in excess of \$10 billion each.
- ▲ **Growth outperformed value and small-cap trumped large-cap** for the quarter and year. Increased M&A activity bodes well for small caps as investors speculate on the next acquisition candidate. The low interest rate environment improved the attractiveness of large cap stocks. Large companies with strong credit profiles were able to issue cheap debt to fund dividends, share buybacks, acquisitions or expansions.
- ▲ **Hedge funds rebounded** in the third quarter averaging 3% gains as a reduction in correlations across securities helped stock pickers. **All major strategies posted gains** with the strongest results from long/short strategies. In an environment dominated by caution, the biggest funds continued to receive the bulk of new cash inflows. **MLP's yield of 6.3% continued to attract investors**.



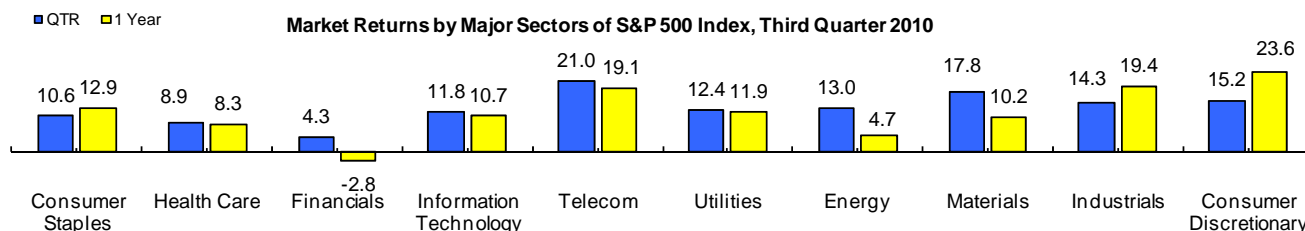
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QUARTERLY CONSIDERATIONS

U.S. EQUITY SECTORS

- ▲ **Telecom posted solid gains** on prospects of a more profitable tiered pricing system, rather than the current all-inclusive plans. Investors were further lured by their attractive yields, as many of these companies offer dividend yields that exceed the yields on their bonds.
- ▲ **Fears that financial reform would limit gains on future profitability of banks sparked volatility.** The constrained housing market, the potential for net interest margin compression and still-high mortgage delinquency rates also hurt. **Life insurers with large annuity businesses lagged** due to pro-cyclical market exposure in a fragile economic recovery. **Credit card processors trailed** due to new regulations restricting transaction fees.
- ▲ **Healthcare stocks continued to be penalized for uncertainty** regarding the implementation of legislation passed earlier in the year, which could pressure their pricing models, as well as upcoming patent expirations. A host of companies reported lower profits.
- ▲ **Capital spending trends continued to buoy prospects for technology.** In addition, acquisitions heated up during the quarter, including Dell and HP's bidding war for 3Par and Intel's acquiring McAfee.
- ▲ **Cyclical sectors such as materials and industrials were aided** by reports of record demand for steel, potential shortages in copper, which hit a high for the year, record high gold prices and increased M&A activity. Loose monetary policies and the competitive devaluation of paper currencies further aided these areas. **Defense companies lagged** due to concerns over new defense department's initiative to cut costs.

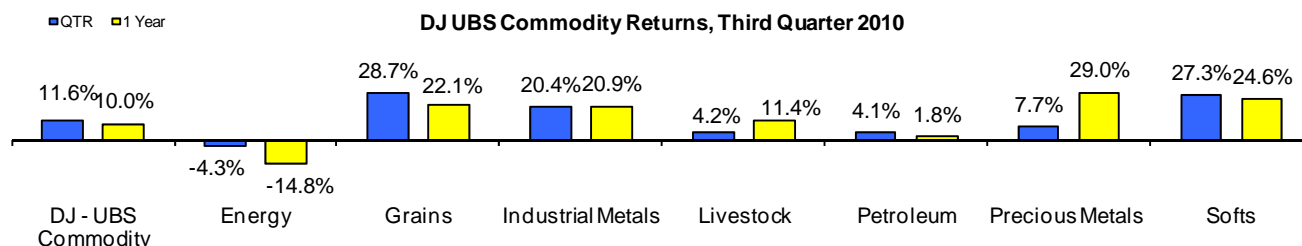


REAL ESTATE

- ▲ **Domestic REITs gained 13%** for the quarter. REITs' bond-like income stream coupled with improving operating fundamentals continued to provide price support. **All sectors posted gains**, led by class A regional malls and self storage, both of which benefited from low cost to capital and desirable real estate. Hotels lagged as revenue per available rooms has not yet recovered. **REITs raised nearly \$33 billion during 2010**, using the proceeds to pay down debt and begin to make strategic acquisitions of properties. REITs debt ratio currently stands at 44%, down nearly one-third from 66% at the REIT market's trough in March 2009. **REITs ended the quarter yielding 3.8%.**
- ▲ International REITs rallied 22% for the quarter, sparked by positive economic data from Germany and signs that China and Australia may moderate their tightening bias. Japan's real estate market was boosted by the prospects of further monetary easing measures.

COMMODITIES

- ▲ **Commodities were direct beneficiaries of the improved economic outlook**, rising on the Fed's announcement of additional quantitative easing as well as a declining U.S. dollar. **Energy shed 4%**, weighed down by heavy losses in natural gas. **Natural gas was driven lower** by reduced cooling demand with summer coming to a close in addition to ample storage amounts. **Grains gained 29%** driven by lowered global production estimates due to a severe drought in Russia and Eastern Europe. **Corn and soybeans rose** in sympathy given the potential for wheat to gain acreage on these crops. **Industrial metals also surged 20%**, helped by the weaker dollar and the potential growth implications from additional quantitative easing. **Softs rallied 27%** with sugar prices driving most of the gains as adverse weather conditions in Brazil caused export delays.



FIXED INCOME MARKETS

- ▲ **Yields continued to fall sharply through the third quarter**, driven by concerns over the slowing economic growth, a consensus among market participants that the Fed Fund's rate is anchored through 2011, and the **prospects for quantitative easing**. The **yield curve continued to flatten** with the 2-year Treasury falling 19 bps and the 10-year falling 44 bps. Interestingly, the 2-year Treasury yield ended the quarter at 0.42%, a full 20 bps below the low in yields that followed the collapse of Lehman in 2008. **TIPS gained** despite disinflationary pressures as expectations of slower growth and additional quantitative easing by the Federal Reserve helped drive real yields lower. 10-year breakevens ended September at 1.80%. **Agencies gained** on steady demand and continued net negative supply to support the market.



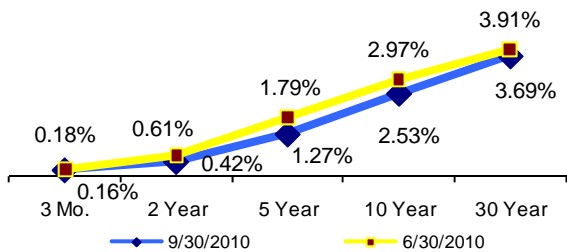
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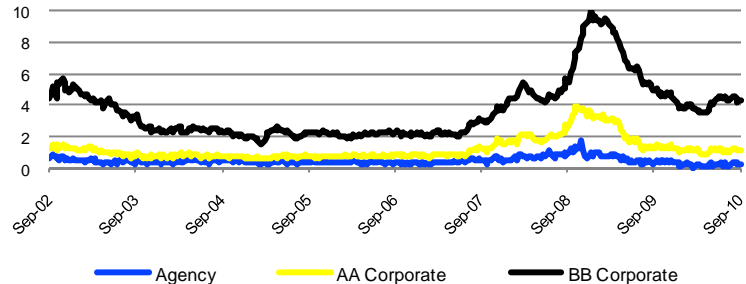
QUARTERLY CONSIDERATIONS

FIXED INCOME MARKETS (continued)

Yield Curve Ending 9/30/10



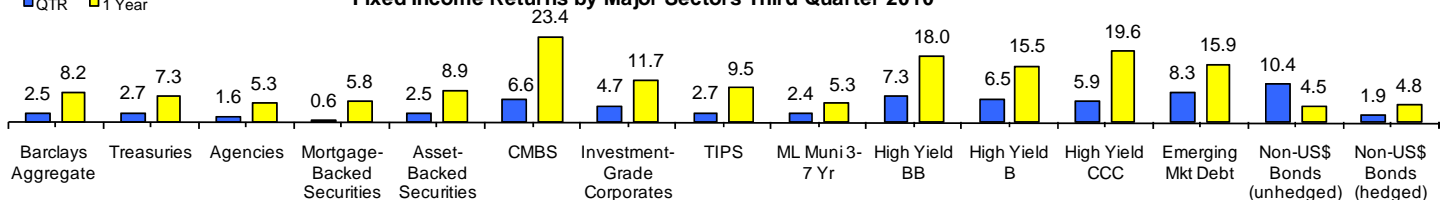
Historical Yield Spreads vs 10-Year Notes Ending 9/30/10



- ▲ **Corporate bonds, both investment grade and high yield, posted gains for the quarter.** As corporations continue to show improving fundamentals, lower leverage and implement cost-cutting measures, investors appear to find the additional yield offered by corporate debt relatively attractive despite the credit risk. **Financials fared best** as the long-awaited Basel III accord provided banks with a longer implementation timetable to comply with new capital requirements. Blue chip companies took advantage of strong demand to **issue debt at record low yields**. Microsoft issued 3-year bonds with a record-breaking yield of just 0.875%. In the first nine months of the year, companies sold more high-yield debt versus 2009. Caution on the overall economy drove **higher quality issues to outperform lower quality**.
- ▲ **Agency MBS lagged** on a combination of unappealing valuations and low demand as lower rates and ongoing rumors of mass refinancing initiatives lead to renewed prepayment and supply fears. Structured finance debt posted solid gains as investors continued to reach for yield in a low-yield environment. **CMBS extended their gains** on very limited new issuance as well as stabilized fundamentals. **Auto and credit card ABS spreads tightened** nearly back to pre-Lehman levels amid strong investor demand and limited supply. Declining industry charge-off rates and lower customer delinquencies foreshadow further improvements in 2011.
- ▲ **Munis rose 2%** during the quarter. While structural budget imbalances continued to be the big story for a number of large states, these headline credit concerns were not powerful enough to derail other positive technical factors, leading to **lower-rated issues performing best**. As the yield curve flattened, longer-dated bonds fared best. **BABs continued to be supported** by strong demand from pension, endowment and non-U.S. investors. Municipal ratios were mixed relative to Treasuries, with no strong trend evident.
- ▲ The **unhedged U.S. investor in sovereign debt enjoyed solid gains** in the quarter amid lower yields and a declining U.S. dollar. In Germany, the U.K. and Japan, government bond yields fell across the curve as investors gravitated towards slow growth and low inflation expectations. Emerging market debt was strong as economic data was supportive of continued global growth. Concerns China would aggressively restrict growth proved unfounded, supporting emerging market valuations, as did investor inflows.

■ QTR ■ 1 Year

Fixed Income Returns by Major Sectors Third Quarter 2010

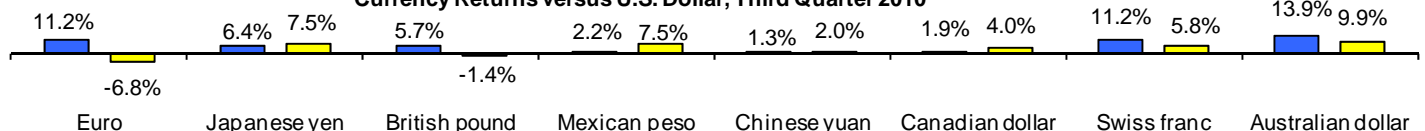


INTERNATIONAL DEVELOPED MARKETS

- ▲ **International developed markets posted positive results** in the third quarter, with the **MSCI EAFE Index** advancing 17%. Sectors such as energy, materials and consumer discretionary were among the top performers, while technology, healthcare and utilities underperformed.
- ▲ **International growth stocks marginally outperformed international value** stocks with the **MSCI EAFE Growth Index** rising 17% and the **MSCI EAFE Value Index** gaining 16%. Across market capitalizations, international small caps generally outperformed international large caps.
- ▲ During the quarter, the **U.S. dollar declined against most major currencies**. Even as the focus of Europe's debt problems shifted, the Euro advanced sharply against the U.S. dollar as the crisis appeared to be contained. As the **yen hit a multi-year high** against the U.S. dollar, the Japanese government stepped into the currency markets to intervene for the first time since 2004.

■ QTR ■ 1 YEAR

Currency Returns versus U.S. Dollar, Third Quarter 2010



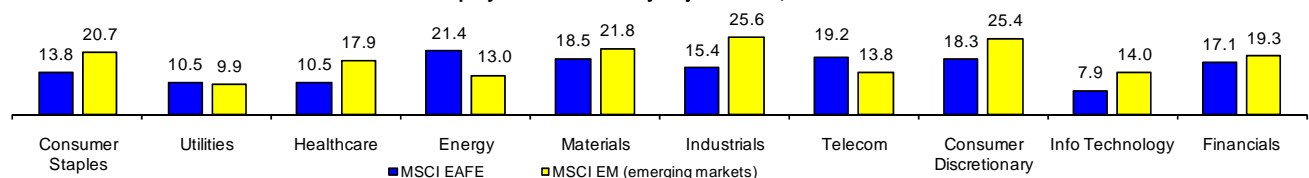


QUARTERLY CONSIDERATIONS

INTERNATIONAL DEVELOPED MARKETS (continued)

- ▲ **The MSCI Canada Index ended up 13%.** The Bank of Canada raised rates in two separate 25 basis point hikes to 1%. The central bank said that while rate increases mean financial conditions have tightened modestly, they are still exceptionally accommodative. Meanwhile, GDP growth came in at a lower-than-expected 2% amid weakness in the manufacturing, construction and retail sectors, making it unlikely the central bank will take further action in the near-term. At the same time, the jobless rate remains high and workers are running out of unemployment benefits while they look for new jobs.
- ▲ **The MSCI Europe Index advanced 19%. Germany rose 17% as consumer sentiment improved and unemployment fell. France gained 21%** despite growing opposition to a number of proposed austerity measures designed to slash state spending. Most recently, the French have rallied against pension reform and President Nicolas Sarkozy's plan to raise the retirement age from 60 to 62. The **European Central Bank left interest rates unchanged** at a record low of 1% during the quarter as the central bank remains in a holding pattern as questions surrounding a sustainable Eurozone recovery loom.
- ▲ For the quarter, the **MSCI United Kingdom Index gained 20%** as the Bank of England left rates unchanged at a historic low of 0.5%. U.K. GDP was revised upward to 1.2%, the highest quarterly rate since 2001. The revision was largely due to a pick-up in the construction industry and strong household spending. On the political front, Prime Minister David Cameron began to tackle the country's ballooning deficit insisting his government has no option but to eliminate expensive programs, trim welfare payments and hold down departmental budgets.
- ▲ The **MSCI Japan Index rose 6%** as officials intervened in the foreign exchange markets in a bid to halt the yen's advance. Export-reliant businesses cheered the Japanese government's efforts to weaken the yen, which followed a 15-year high for the currency versus the U.S. dollar. Political turmoil persisted as newly-elected Prime Minister Naoto Kan survived a takeover attempt from within his own party. Kan defeated Ichiro Ozawa, sparing the nation the upheaval of having its third new prime minister in just 12 months.
- ▲ The **MSCI Pacific ex-Japan Index advanced 22%. Australia rallied 24%** after newly-elected Prime Minister Julia Gillard formally revised plans for a new tax on mining companies. **Singapore gained 16%** as GDP grew at a stronger-than-expected pace of 24% and exports soared. **Hong Kong rose 22%** and was bolstered by improved economies in China and Southeast Asia, which are major trading hubs for the country. **New Zealand advanced 14%** as the central bank raised interest rates by 25 basis points to 3%.

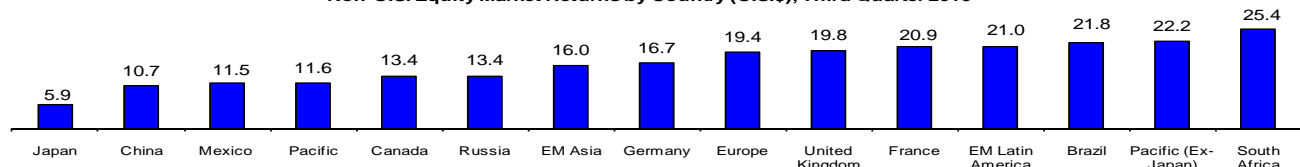
International Equity Market Returns by Major Sectors, Third Quarter 2010



INTERNATIONAL EMERGING MARKETS

- ▲ The **MSCI EM Index advanced 18%** during the quarter, benefiting from strong corporate earnings and robust consumption in many emerging economies. Consumer discretionary, industrials and materials were among the top performing sectors, while energy, utilities and telecommunications services underperformed.
- ▲ The **MSCI EM Latin America Index gained 21%. Brazil rose 22%** on strength in financial services and industrial-related stocks. On the political front, Dilma Rousseff is favored to become Brazil's first female leader, following a presidential run-off election at the end of October. Rousseff has promised to continue many of the successful programs put in place by President Lula da Silva. **Mexico advanced 12%**, although investors remained cautious as the country's drug-related violence continued to escalate. Meanwhile, the smaller markets of **Peru, Colombia and Chile gained 25%, 32% and 33%, respectively.**
- ▲ The **MSCI EM Asia Index ended up 16%. China gained 11%** as the country surpassed Japan as the world's second largest economy during the quarter. Gains in information technology shares sent the markets of **South Korea and Taiwan up 17% and 20%, respectively. India advanced 15%.** However, high single-digit inflation remained a concern among India's policymakers, prompting the fifth hike in interest rates so far in 2010. The smaller Asian markets of the **Philippines and Thailand were notable standouts, rising 30% and 33%, respectively.**
- ▲ The **EMEA (Eastern Europe, Middle East and Africa) Index rose 22%. South Africa soared 25%** despite concerns about nationwide labor strikes. Within Eastern Europe, **Hungary and Poland rallied 27% and 36%, respectively,** as stress tests on European banks helped alleviate concerns about weakness in the region's financial system. **Russia advanced 13%,** spurred by gains among commodity producers. In the Middle East, **Turkey rallied 32%** as voters approved constitutional amendments in a referendum that could shift the country from governance by a deeply entrenched secular establishment to a more democratic state.

Non-U.S. Equity Market Returns by Country (U.S.\$), Third Quarter 2010





QUARTERLY CONSIDERATIONS

Financial Markets Performance Ending September 30, 2010

Returns for Periods Exceeding One-Year are Annualized.

U.S. Equity	QTR	YTD	1YR	2YR	3YR	4YR	5YR	10YR
S&P 500 Composite Index	11.3	3.9	10.2	1.3	-7.2	-1.8	0.6	-0.4
Dow Jones Industrial Average	11.1	5.6	14.1	2.8	-5.4	0.8	3.1	2.5
Russell 1000 Growth	13.0	4.4	12.7	5.1	-4.4	1.1	2.1	-3.4
Russell 1000 Value	10.1	4.5	8.9	-1.3	-9.4	-3.9	-0.5	2.6
Russell Mid Cap	13.3	11.0	17.5	6.5	-4.2	0.9	2.6	4.9
Russell 2000	11.3	9.1	13.3	1.3	-4.3	-0.4	1.6	4.0
Russell 2000 Growth	12.8	10.2	14.8	3.7	-3.7	1.5	2.3	-0.1
Russell 2000 Value	9.7	7.9	11.8	-1.1	-5.0	-2.3	0.7	7.7
NASDAQ	12.3	4.8	12.3	7.5	-3.5	2.0	2.8	-3.6
Russell 3000	11.5	4.8	11.0	1.9	-6.6	-1.3	0.9	0.1
NAREIT Equity REIT	12.8	19.1	30.3	-3.4	-6.1	-3.3	1.9	10.4
Fixed Income & Cash Equivalents	QTR	YTD	1YR	2YR	3YR	4YR	5YR	10YR
Barclays Cap US Aggregate	2.5	8.0	8.2	9.4	7.4	6.8	6.2	6.4
Citigroup High Yield Market	6.3	10.7	17.5	19.3	8.0	7.9	7.8	7.8
Citigroup Inflation-Linked Securities	2.7	7.3	9.5	7.4	7.0	6.5	5.5	7.5
Merrill Lynch Muni 3-7 Years	2.4	4.9	5.3	8.3	6.7	6.0	5.4	5.4
Citigroup Hedged Non-U.S. Dollar Bond	1.9	4.6	4.8	6.3	5.7	5.1	4.8	5.2
Citigroup Unhedged Non-U.S. Dollar Bond	10.4	6.8	4.5	10.1	8.4	8.7	7.3	8.0
Citigroup Treasury Bill-3 Month	0.0	0.1	0.1	0.3	1.0	2.0	2.5	2.4
Ryan Labs 3 Yr GIC	0.8	2.7	3.7	4.2	4.4	4.4	4.2	4.5
International Equity	QTR	YTD	1YR	2YR	3YR	4YR	5YR	10YR
MSCI EAFE	16.5	1.5	3.7	3.8	-9.1	-1.5	2.4	3.0
S&P Large/Mid Value World x U.S.	16.5	2.9	3.4	4.2	-8.5	-0.7	3.4	5.2
S&P Large/Mid Growth World x U.S.	16.1	2.3	7.2	5.6	-7.4	-0.0	3.1	1.8
S&P Small Cap World x U.S.	17.4	9.4	9.9	10.0	-7.5	0.1	4.2	7.5
MSCI Emerging Markets	18.2	11.0	20.5	20.0	-1.2	11.2	13.1	13.8
S&P Developed World Property x U.S.	21.7	10.7	12.3	8.7	-11.3	-3.2	2.9	9.4
Miscellaneous	QTR	YTD	1YR	2YR	3YR	4YR	5YR	10YR
Consumer Price Index	0.2	1.1	1.1	-0.1	1.5	1.9	1.9	2.4
DJ UBS Commodity Index	11.6	0.9	10.0	-8.4	-6.8	-1.4	-2.3	5.2
HFN Fund of Funds – Multi Strategy Avg.	3.0	1.4	2.5	0.1	-3.3	0.6	1.7	4.3
Alerian MLP	11.2	24.3	45.0	32.2	12.6	14.8	12.8	17.9

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



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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.

Citigroup Inflation-Linked Securities measures bonds with fixed rate coupon payments that adjust for inflation as measured by Consumer Price Index. All bonds must have a minimum maturity of one year and a minimum amount outstanding of \$1 billion for both entry and exit. It currently comprises only Treasury 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.

HFN Fund of Funds – Multi Strategy Average is the equal-weighted average performance of thousands of hedge fund of funds that are classified as multi-strategy, as reported by the managers to the HFN database.

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.

