

Hewitt Investment Group LLC | First Quarter 2010

Performance Review and
Investment Manager Evaluation

Texas Hospital Association Retirement Plan

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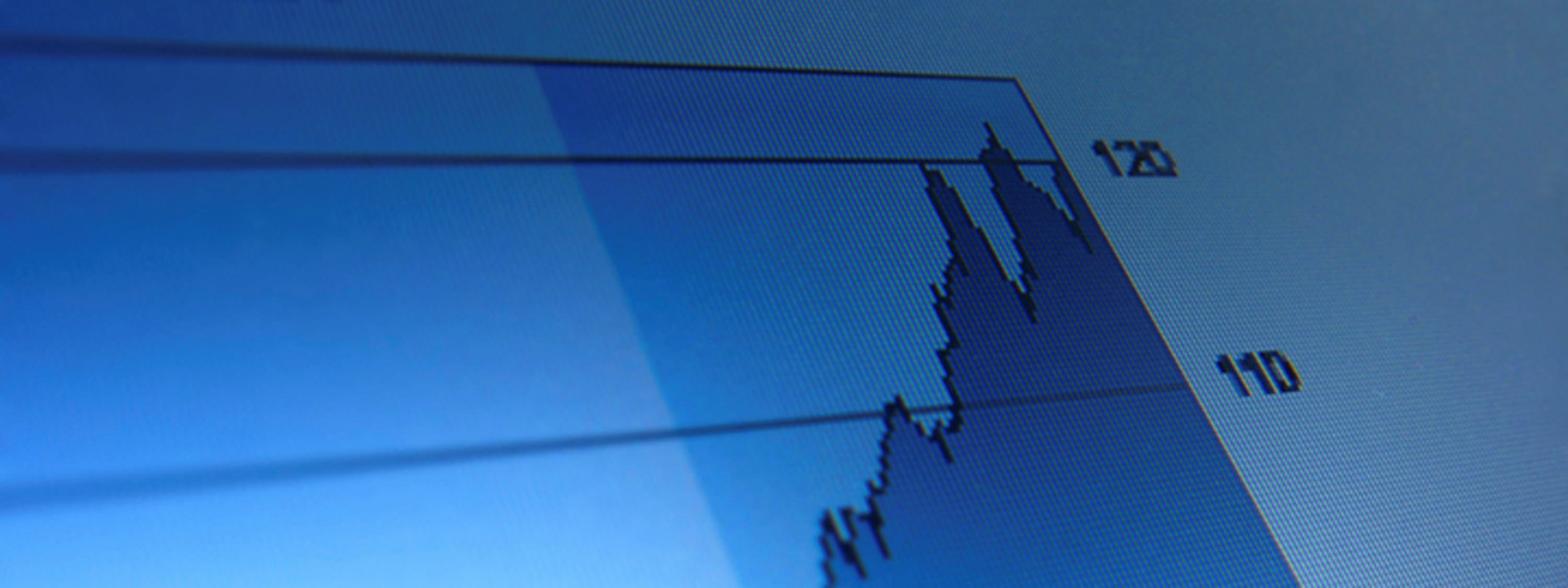
Hewitt

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The rates of return contained in this report are geometric and time-weighted; returns for periods longer than one year are annualized. Pension fund returns are shown on a before fees basis; 401(k) returns are shown on an after fees basis. [Universe percentiles are based upon an ordering system in which 1 is the best ranking and 99 is the worst ranking.](#)



Executive Summary

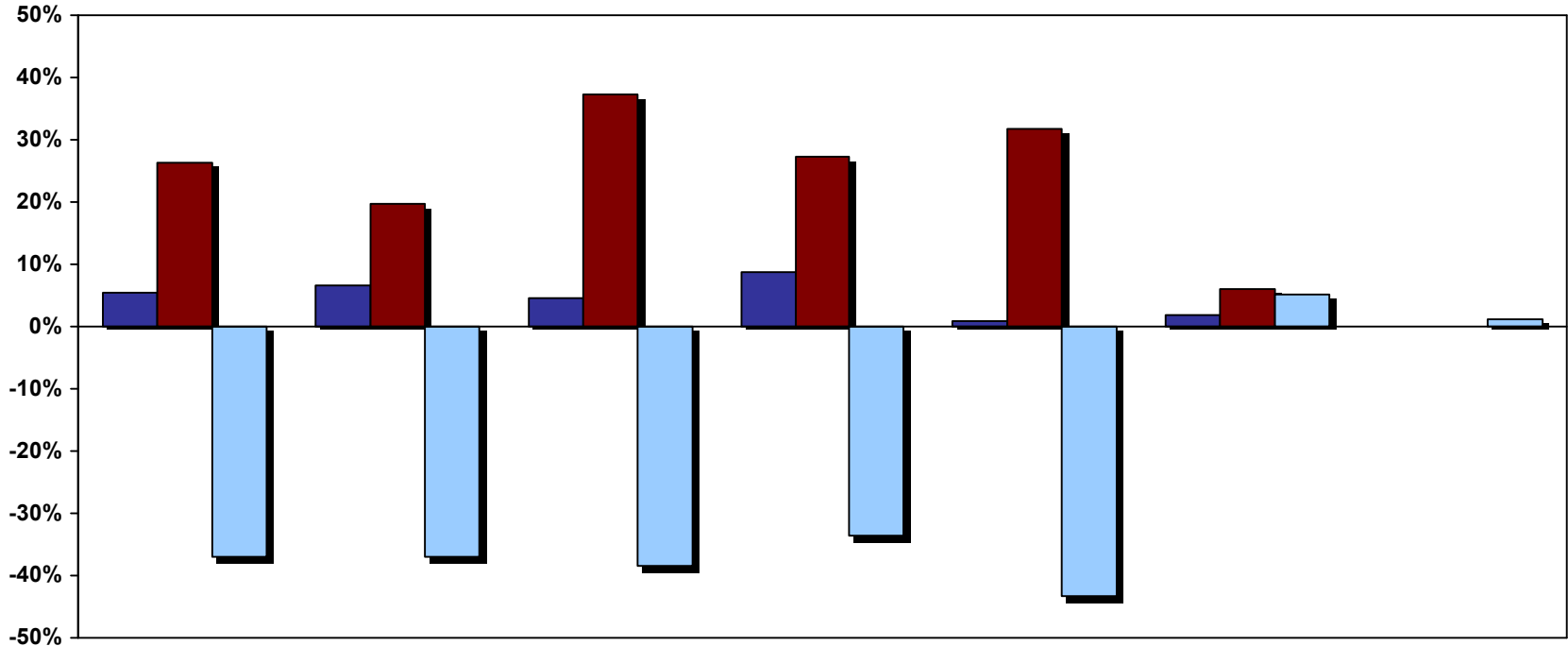
Capital Market Overview

March 31, 2010

U.S. Equity

Int'l Equity

U.S. Fixed Income



	S&P 500	Russell 1000 Value	Russell 1000 Growth	Russell 2000	MSCI EAFE	BC Aggregate Bond	90-Day U.S. T-Bills
■ 1st Quarter	5.39%	6.78%	4.65%	8.85%	0.87%	1.78%	0.03%
■ Year 2009	26.46%	19.69%	37.21%	27.17%	31.78%	5.93%	0.15%
■ Year 2008	-37.00%	-36.85%	-38.44%	-33.79%	-43.38%	5.24%	1.36%

Capital Market Commentary

U.S. Equity Market

- ▶ Capital markets posted positive results in the first quarter, with the exception of non-U.S. bonds, which posted a slight loss (-0.5%). During the first quarter, the markets passed the one-year anniversary of the March 9, 2009 market low. The robust returns for the trailing 12-month period across capital markets reflect both increased investor confidence that the worst of the economic crisis has passed and an overall increase in liquidity.
- ▶ Small cap stocks (+8.9%) outperformed large and mid cap stocks in the first quarter, benefiting from a change in investor sentiment toward risk. Mid cap stocks also had a strong quarter, posting 8.7%, and led the way over the trailing 12-month period, returning an impressive 67.7%. While growth stocks dominated value stocks throughout 2009, the strong performance of value stocks during the first quarter contributed to the substantial outperformance of value over growth across all capitalizations during the trailing 12-month period. Returns for value stocks were driven by gains in the financials sector.
- ▶ Results for the U.S. equity economic sectors were mixed in the first quarter and trailing 12 months. Strong results for industrials and the volatile financials sector contrasted with weak returns for less economically sensitive sectors such as utilities and telecomm services.

Non-U.S. Equity Market

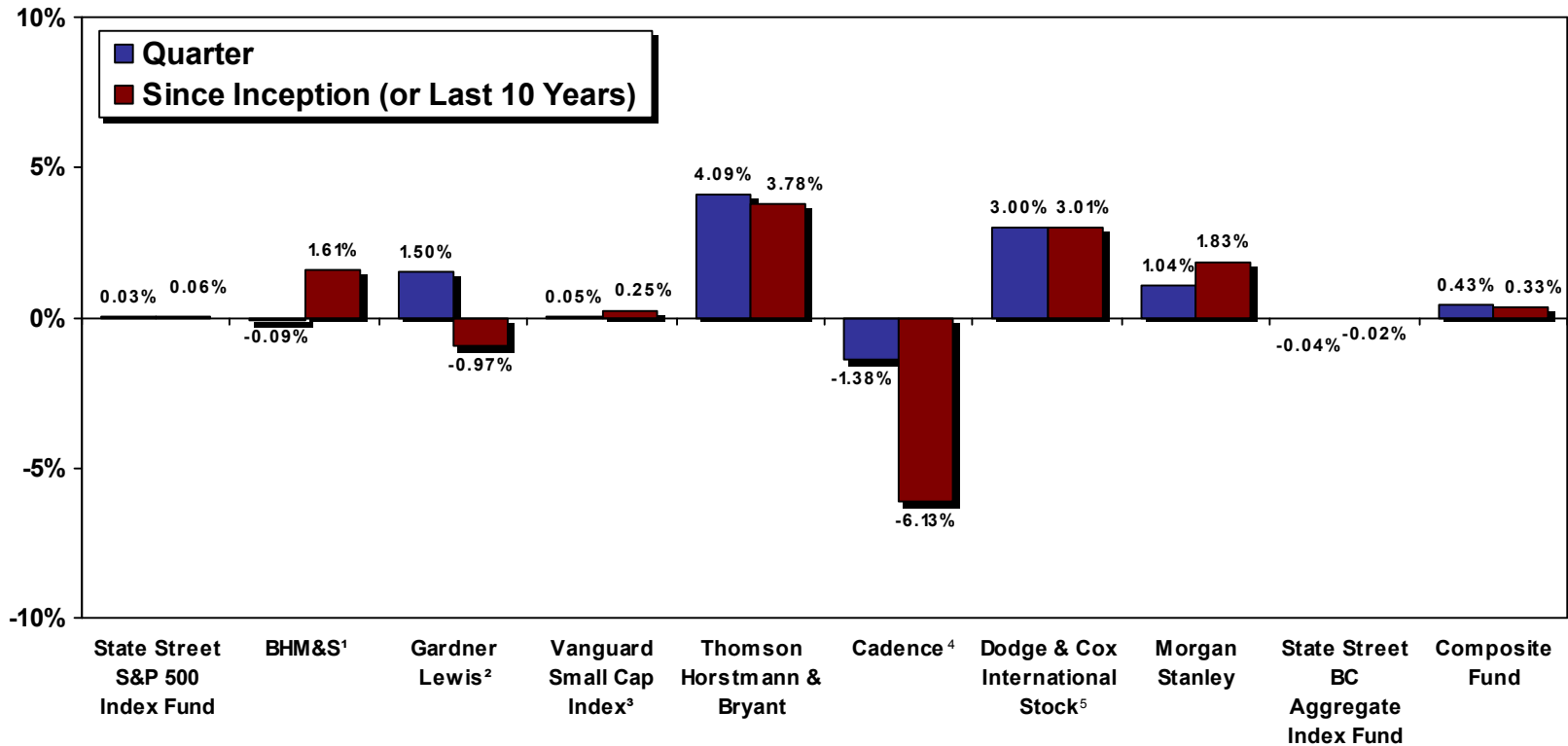
- ▶ U.S. equities outpaced developed non-U.S. equities in the first quarter in both U.S. dollar and local market terms. However, for the trailing 12-month period, developed non-U.S. stocks outperformed U.S. large cap stocks by 460 basis points.
- ▶ The U.S. dollar gained against developed market currencies, but retreated against emerging market currencies during the first quarter. The strength in the U.S. dollar subtracted 340 basis points from U.S.-based investors' returns in developed markets, while dollar depreciation added 100 basis points to U.S.-based investors' returns in emerging markets during the quarter.
- ▶ Emerging market equities returned 2.4% in the first quarter and performed the strongest of any of the broad equity markets for the trailing 12-month period (+81.1%).

Fixed Income Market

- ▶ The U.S. Federal Reserve ("Fed") met twice during the first quarter. The Fed Funds target rate was left unchanged at 0%-0.25%. The Fed justified its decision to hold the rate steady by citing continued concerns of risk to growth.
- ▶ The yield curve was relatively unchanged during the first quarter. The yield on the 30-year bond increased by 8 basis points, while the yield on the three-month note increased by 10 basis points. The spread between three-month and 30-year maturities remained steady at 4.6%.
- ▶ Bond markets posted modest gains in the first quarter, with the exception of non-U.S. bonds, which lost 0.5%. Credit bonds outperformed other bond categories, returning 2.3% during the quarter, and an impressive 20.8% for the trailing 12-month period.

Value Added Relative to Market Benchmarks

March 31, 2010



Benchmarks:

State Street S&P 500 Index Fund: S&P 500 Index
 BHM&S¹: Russell 1000 Value Index
 Gardner Lewis²: Russell 1000 Growth Index
 Vanguard Small Cap Index³: MSCI U.S. Small Cap 1750 Index
 Thomson Horstmann & Bryant: Russell 2000 Index

Cadence⁴: Russell 2000 Growth Index
 Dodge & Cox International Stock⁵: MSCI EAFE Index
 Morgan Stanley: MSCI EAFE Index
 State Street BC Aggregate Index Fund: BC Aggregate Bond Index
 Composite Fund: Custom Benchmark⁶

Performance Relative to Peer Groups and Market Benchmarks

March 31, 2010

Portfolio	Qtr.		1 Year		Inception (or Last 10 Years)		Inception Time Period
	Return	Percentile	Return	Percentile	Return	Percentile	
U.S. Equity							
State Street S&P 500 Index Fund	5.42%	46	49.86%	48	-0.59%	73	10 Years
<i>S&P 500 Index</i>	5.39%	47	49.77%	48	-0.65%	73	
BHM&S ¹	6.69%	29	52.51%	46	2.62%	44	5-1/4 Years
<i>Russell 1000 Value Index</i>	6.78%	26	53.56%	42	1.01%	78	
Gardner Lewis ²	6.14%	15	52.90%	24	3.54%	88	6-1/2 Years
<i>Russell 1000 Growth Index</i>	4.64%	50	49.75%	39	4.51%	74	
Vanguard Small Cap Index ³	9.71%	27	73.04%	23	2.87%	46	4-1/4 Years
<i>MSCI U.S. Small Cap 1750 Index</i>	9.66%	28	72.65%	24	2.62%	50	
Thomson Horstmann & Bryant	12.94%	4	78.77%	15	7.46%	48	10 Years
<i>Russell 2000 Index</i>	8.85%	41	62.76%	51	3.68%	70	
Cadence ⁴	6.23%	74	41.45%	95	-11.21%	83	2-1/4 Years
<i>Russell 2000 Growth Index</i>	7.61%	49	60.32%	47	-5.08%	42	
International Equity							
Dodge & Cox International Stock ⁵	3.87%	17	76.79%	5	1.92%	30	3-3/4 Years
<i>MSCI EAFE Index</i>	0.87%	77	54.44%	57	-1.09%	73	
Morgan Stanley	1.91%	48	43.39%	97	8.98%	50	8-1/2 Years
<i>MSCI EAFE Index</i>	0.87%	77	54.44%	57	7.15%	85	
U.S. Fixed Income							
State Street BC Aggregate Index Fund	1.74%	65	7.73%	70	6.27%	56	10 Years
<i>BC Aggregate Bond Index</i>	1.78%	63	7.69%	70	6.29%	55	
Composite Fund	5.04%	12	37.45%	37	2.60%	85	10 Years
<i>Custom Benchmark⁶</i>	4.61%	27	40.61%	18	2.27%	88	

¹ Barrow, Hanley, Mewhinney & Strauss took over management of the portfolio from ICAP on 12/31/2004.

² Gardner Lewis took over management of the portfolio from Janus Capital on 08/25/2003.

³ THA's inception in Vanguard Small Cap Index was 12/02/2005.

⁴ THA's inception in Cadence was 12/03/2007.

⁵ THA's inception in Dodge & Cox International Stock was 06/06/2006.

⁶ See Appendix A for explanation.

Texas Hospital Association Retirement Plan

Performance Overview

State Street S&P 500 Index

- ▣ The S&P 500 Index Fund return slightly exceeded its benchmark for the first quarter.
- ▣ The Fund's tracking of the S&P 500 Index continues to be very satisfactory.

Barrow, Hanley, Mewhinney & Strauss

- ▣ Barrow Hanley trailed the index by 9 basis points over the quarter. Performance benefited from an overweight to and strong stock selection in industrials, while the portfolio's health care and information technology holdings detracted from relative performance.

Gardner Lewis

- ▣ The fund beat the index by 1.50% during the first quarter. The fund's overweight in financials and stock selection in health care aided results for the quarter.

Vanguard Small Cap Index

- ▣ A small cap fund designed to track the MSCI Small Cap 1750 Index – a slightly broader index in terms of capitalization than the Russell 2000 Index.
- ▣ This fund slightly exceeded its benchmark over the first quarter.

Thomson Horstmann & Bryant

- ▣ TH&B greatly exceeded the benchmark over the quarter, returning 12.94% versus the index's 8.85%. Financials were the strongest performing sector for the fund.

Cadence

- ▣ Cadence lagged the index by 1.38% for the quarter. An overweight to consumer discretionary aided returns while the fund's lack of lower quality, non-earning companies detracted from relative results.

Texas Hospital Association Retirement Plan

Performance Overview

Dodge & Cox

- ▣ Dodge & Cox beat its benchmark by 3% for the quarter. The fund's holdings and overweight position in information technology and consumer electronics significantly boosted performance. The portfolio's financial holdings also contributed.

Morgan Stanley

- ▣ Morgan Stanley beat the MSCI EAFE Index by 1.04% for the quarter. Outperformance was driven by positive stock selection in financials, industrials, consumer staples, consumer discretionary and technology. The portfolio's large overweight to consumer staples and underweight to financials was also a positive factor.

State Street Barclays Capital Aggregate Index Fund

- ▣ The fixed income index fund seeks to track the performance of the Barclays Capital Aggregate Bond Index.
- ▣ The fund slightly lagged its benchmark for the quarter.

THARP Composite Fund

- ▣ The THARP Composite Fund exceeded its custom benchmark by 43 basis points in the first quarter.



THA Retirement Plan Investment Policies and Objectives

Performance Relative to Investment Policy Objectives

March 31, 2010

Performance vs. Market Index Benchmark

Manager	5-Year ROR	Market Index	5-Year Objective	Relative Performance	4Q2009 Achieved	1Q2010 Achieved
State Street S&P 500 Index Fund	1.99%	S&P 500 Index	1.92%	0.07%	✓	✓
BHM&S	2.60%	Russell 1000 Value Index	1.04%	1.56%	✓	✓
Gardner Lewis	0.77%	Russell 1000 Growth Index	3.43%	-2.66%		
Vanguard Small Cap Index	4.73%	MSCI U.S. Small Cap 1750 Index	4.50%	0.23%	✓	✓
Thomson Horstmann & Bryant	4.92%	Russell 2000 Index	3.36%	1.56%	✓	✓
Cadence	3.92%	Russell 2000 Growth Index	3.82%	0.10%	✓	✓
Dodge & Cox International Stock	6.70%	MSCI EAFE Index	3.76%	2.94%	✓	✓
Morgan Stanley	4.30%	MSCI EAFE Index	3.76%	0.54%	✓	✓
State Street BC Aggregate Index Fund	5.45%	BC Aggregate Bond Index	5.44%	0.01%	✓	✓

Performance vs. Universe of Managers

Manager	5-Year Rank	Universe	5-Year Objective	Relative Universe Rank	4Q2009 Achieved	1Q2010 Achieved
State Street S&P 500 Index Fund	73	Large Cap Equity Funds Universe	50	-23	N/A	N/A
BHM&S	48	Large Cap Value Funds Universe	50	2	✓	✓
Gardner Lewis	94	Large Cap Growth Funds Universe	50	-44		
Vanguard Small Cap Index	48	Small Cap Equity Funds Universe	50	2	N/A	N/A
Thomson Horstmann & Bryant	46	Small Cap Equity Funds Universe	50	4		✓
Cadence	55	Small Cap Growth Equity Funds Universe	50	-5	✓	
Dodge & Cox International Stock	28	International Equity Funds Universe	50	22	✓	✓
Morgan Stanley	73	International Equity Funds Universe	50	-23		
State Street BC Aggregate Index Fund	56	Fixed Income Funds Universe	50	-6	N/A	N/A

Investment Policies and Objectives

Asset Mix Policy

	Target
Total Fund	
Large Cap U.S. Equity	50%
Small Cap U.S. Equity	15%
International Equity	<u>10%</u>
Total Equity	75%
Fixed Income	<u>25%</u>
Total Plan	100%

Investment Policies and Objectives

Performance Objectives (five year horizon)

Total Fund

- ▣ Inflation + 5%
- ▣ Customized index¹

Large Cap U.S. Equity Index: State Street Global Advisors

- ▣ Standard & Poor's 500 Stock Index

Large Cap Value Equity: Barrow, Hanley, Mewhinney & Strauss²

- ▣ Russell 1000 Value
- ▣ Upper 35% of peer group

Large Cap Growth: Gardner Lewis³

- ▣ Russell 1000 Growth Index
- ▣ Upper 35% of peer group

Small Cap U.S. Equity Index: Vanguard⁴

- ▣ MSCI U.S. Small Cap 1750 Index

Small Cap Value Equity: Thomson Horstmann & Bryant

- ▣ Russell 2000 Index
- ▣ Upper 35% of peer group

Small Cap Growth Equity: Cadence⁵

- ▣ Russell 2000 Growth Index
- ▣ Upper 35% of peer group

¹ S&P 500 Index (50%), Russell 2000 (15%), EAFE Index (10%), BC Aggregate Bond Index (25%).

² THA's inception was 12/31/2004.

³ Gardner Lewis inception was 08/25/2003.

⁴ THA's inception was 12/02/2005.

⁵ THA's inception was 12/03/2007.

Investment Policies and Objectives

Performance Objectives (five year horizon)

International Equity: Dodge & Cox¹

- ▣ EAFE Index
- ▣ Upper 35% of peer group

International Equity: Morgan Stanley

- ▣ EAFE Index
- ▣ Upper 35% of peer group

Fixed Income Index: State Street Global Advisors

- ▣ Barclays Capital Aggregate Bond Index

¹ Dodge & Cox began managing assets transferred from Morgan Stanley on June 9, 2006.

Investment Policies and Objectives

Investment Guidelines

Large Cap U.S. Equity: State Street Global Advisors

- ▣ The fund should be invested to fully replicate the Standard & Poor's 500 Stock Index.

Large Cap Value Equity: Barrow, Hanley, Mewhinney & Strauss

- ▣ Equity holdings in any one industry should not exceed 25% of the manager's portfolio.
- ▣ Equity holdings in a single company should not exceed 7% of the equity portion of the portfolio.
- ▣ A minimum of 20 stocks should be held in the equity portfolio.

Large Cap Growth Equity: Gardner Lewis

- ▣ Equity holdings in any one industry should not exceed 25% of the manager's portfolio.
- ▣ Equity holdings in a single company should not exceed 7% of the equity portion of the portfolio.
- ▣ A minimum of 20 stocks should be held in the equity portfolio.

Small Cap U.S. Equity Index: Vanguard

- ▣ The fund should be invested to fully replicate the MSCI U.S. Small Cap 1750 Index.

Small Cap Equity: Thomson Horstmann & Bryant

- ▣ Equity holdings in any one industry should not exceed 25% of the manager's portfolio.
- ▣ Equity holdings in a single company should not exceed 7% of the equity portion of the portfolio.
- ▣ A minimum of 20 stocks should be held in the equity portfolio.

Small Cap Growth Equity: Cadence

- ▣ Equity holdings in any one industry should not exceed 25% of the manager's portfolio.
- ▣ Equity holdings in a single company should not exceed 7% of the equity portion of the portfolio.
- ▣ A minimum of 20 stocks should be held in the equity portfolio.

Investment Policies and Objectives

Investment Guidelines

International Equity: Dodge & Cox

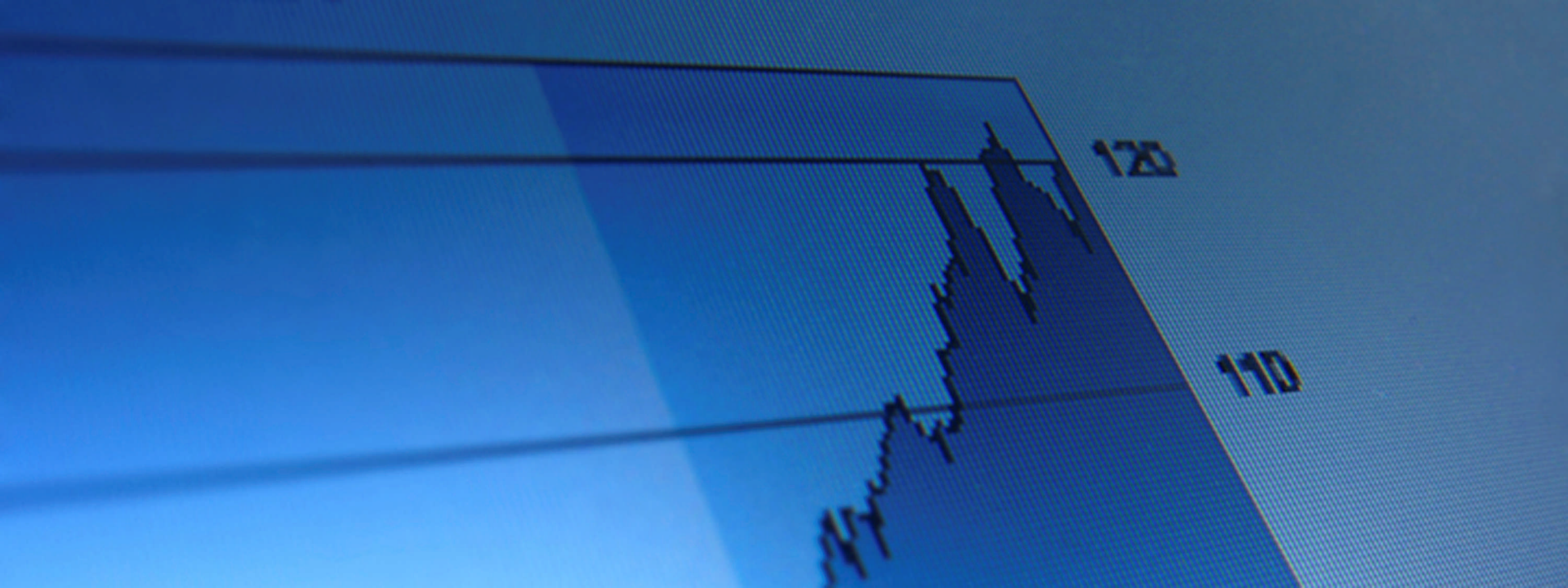
- ▣ The assets are invested in Dodge & Cox's International Stock mutual fund. The guidelines prescribe a diversified portfolio of non-U.S. stocks including emerging markets. These guidelines have been accepted THA.

International Equity: Morgan Stanley

- ▣ The assets are invested in the Morgan Stanley Pooled International Equity Trust; the guidelines of that fund have been accepted by THA.

Fixed Income Index: State Street Global Advisors

- ▣ The fund should be structured to closely track the performance of the Barclays Capital Aggregate Bond Index.

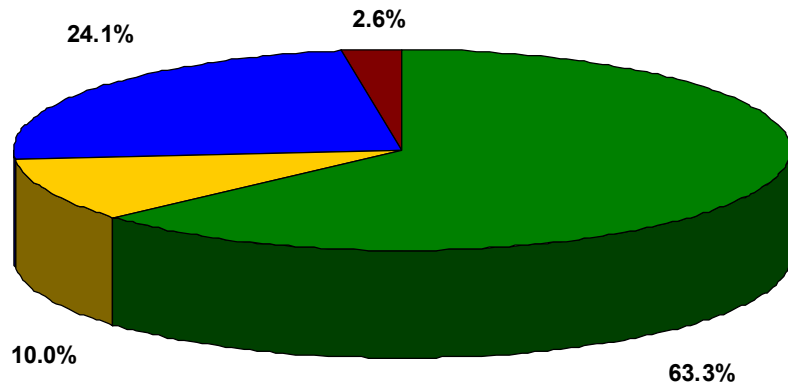


Fund Structure

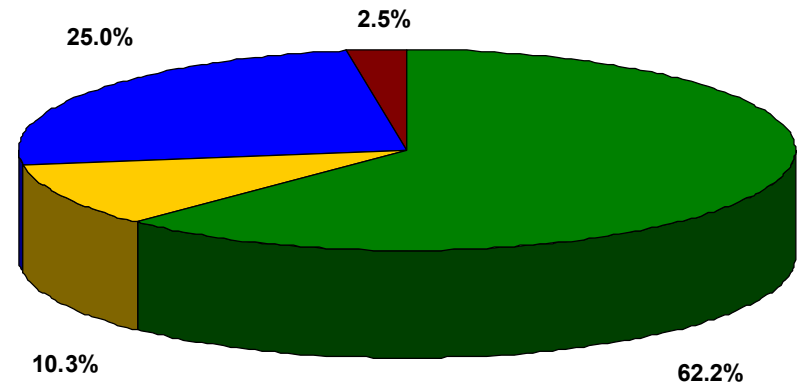
Asset Mix

Texas Hospital Association

March 31, 2010



December 31, 2009



■ Domestic Equity ■ International Equity ■ Fixed Income ■ Cash Equivalents

Asset Mix

Texas Hospital Association

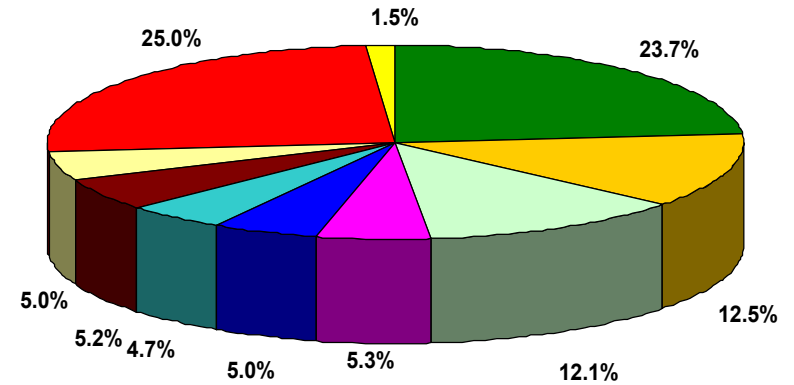
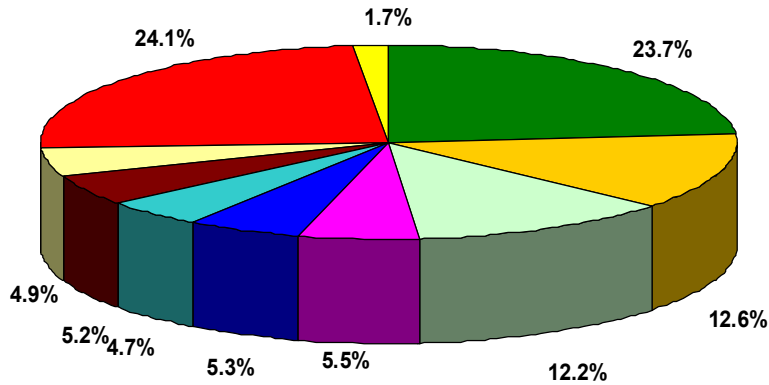
Asset Class	Target	March 31, 2010		December 31, 2009	
		Assets (\$ MM)	Percent of Portfolio	Assets (\$ MM)	Percent of Portfolio
Domestic Equity ¹	65.0%	\$263.8	63.3%	\$246.0	62.2%
International Equity	10.0%	41.7	10.0%	40.6	10.3%
Fixed Income	} 25.0%	100.4	24.1%	98.7	25.0%
Cash Equivalents		<u>10.8</u>	<u>2.6%</u>	<u>10.1</u>	<u>2.5%</u>
Total Plan		\$416.7	100.0%	\$395.3	100.0%

¹ Target composed of 50% Large Cap and 15% Small Cap.

Investment Manager Structure Texas Hospital Association

March 31, 2010

December 31, 2009



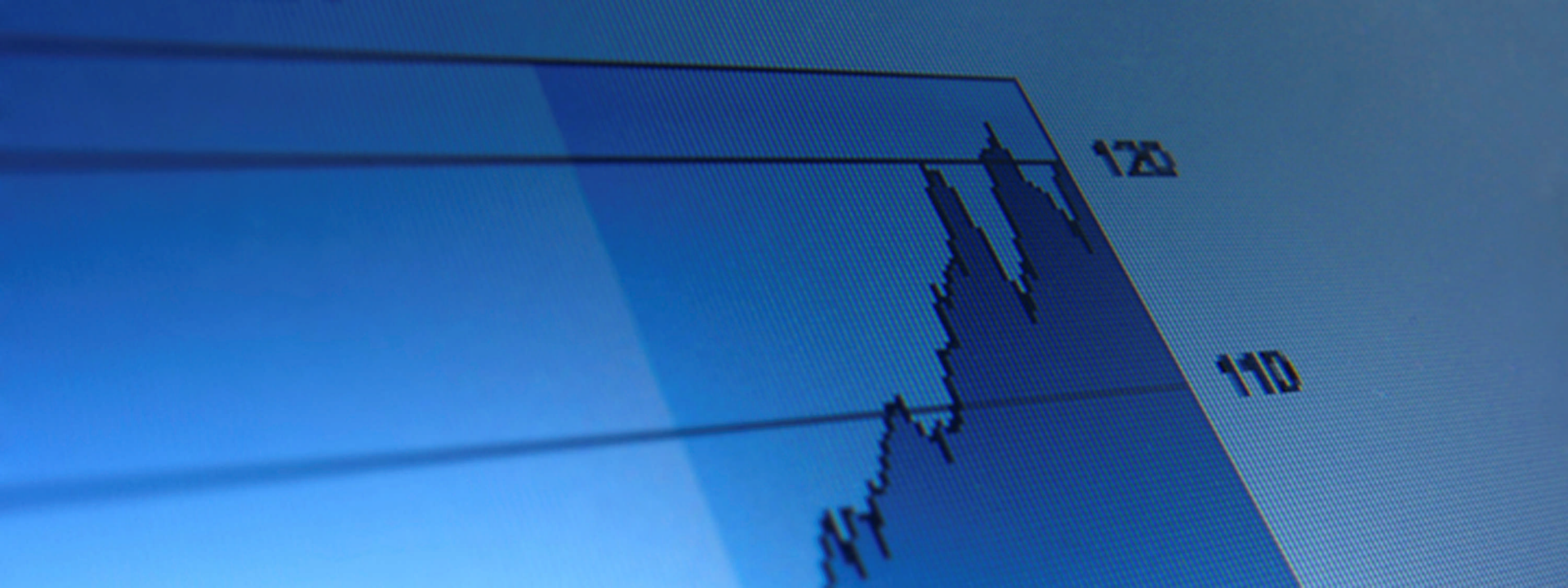
Investment Manager Structure

Texas Hospital Association

Investment Manager	Target	March 31, 2010		December 31, 2009	
		Assets (\$ MM)	Percent of Portfolio	Assets (\$ MM)	Percent of Portfolio
U.S. Equity					
State Street S&P 500 Index Fund ¹	25.00%	\$98.7	23.7%	\$93.6	23.7%
BHM&S	12.50%	52.6	12.6%	49.3	12.5%
Gardner Lewis	12.50%	51.0	12.2%	48.0	12.1%
Vanguard Small Cap Index	5.00%	23.1	5.5%	21.1	5.3%
Thomson Horstmann & Bryant	5.00%	22.2	5.3%	19.6	5.0%
Cadence	<u>5.00%</u>	<u>19.7</u>	<u>4.7%</u>	<u>18.6</u>	<u>4.7%</u>
Total U.S. Equity	65.00%	\$267.4	64.2%	\$250.3	63.3%
International Equity					
Dodge & Cox International Stock	5.00%	\$21.5	5.2%	\$20.7	5.2%
Morgan Stanley Int'l Equity Trust	<u>5.00%</u>	<u>20.3</u>	<u>4.9%</u>	<u>19.9</u>	<u>5.0%</u>
Total International Equity	10.00%	\$41.7	10.0%	\$40.6	10.3%
U.S. Fixed Income					
State Street BC Aggregate Index Fund ²	}	\$100.4	24.1%	\$98.7	25.0%
Cash Account		<u>7.2</u>	<u>1.7%</u>	<u>5.8</u>	<u>1.5%</u>
Total U.S. Fixed Income		\$107.6	25.8%	\$104.5	26.4%
Total Plan	100.00%	\$416.7	100.0%	\$395.3	100.0%

¹ As of March 31, 2010, approximately 53.4% of the assets were invested in the securities lending vehicle, 46.6% were invested in non-securities lending.

² As of March 31, 2010, approximately 66.4% of the assets were invested in the securities lending vehicle, 33.6% were invested in non-securities lending.



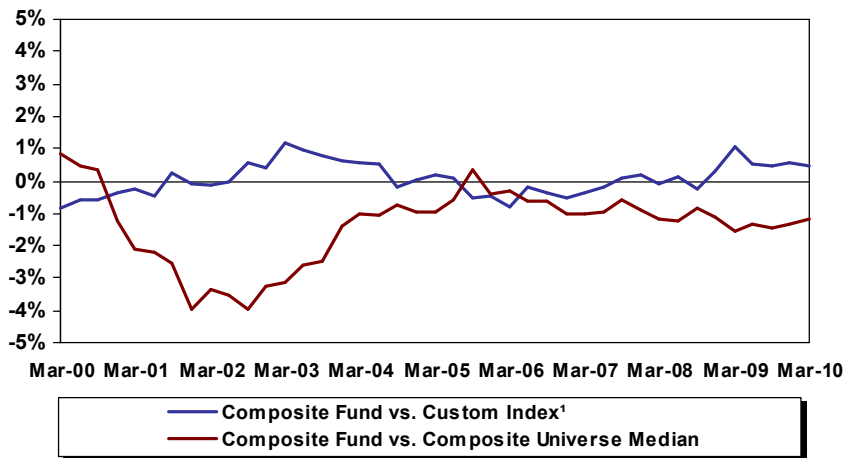
Performance Review and Portfolio Diagnostics

Comparative Investment Performance Results

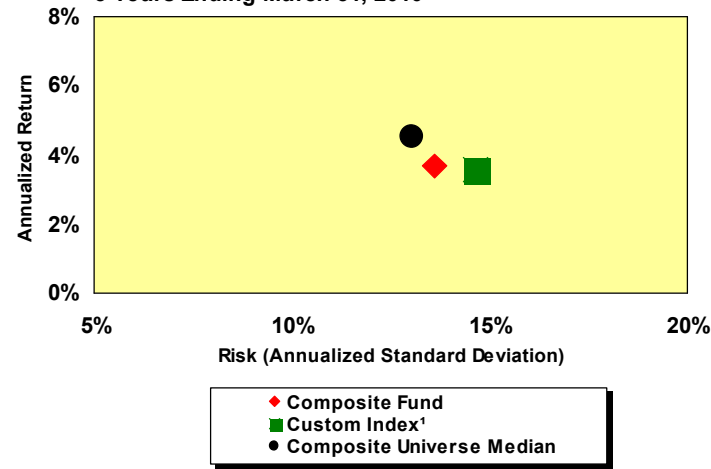
Composite Fund vs. Composite Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Composite Fund Before Fees	-4.56%	-4.21%	-12.47%	24.82%	10.99%	5.15%	13.16%	7.23%	-27.81%	22.01%	5.04%	-0.99%	3.67%	2.60%
Percentile	87	59	77	24	60	85	59	59	70	53	12	70	77	85
Composite Fund After Fees	-5.39%	-4.25%	-13.07%	24.14%	10.04%	4.33%	11.84%	6.36%	-28.50%	20.93%	4.84%	-1.86%	2.73%	1.82%
Percentile	90	59	81	30	75	90	81	74	77	60	17	84	92	92
CPI+5%	8.61%	6.71%	7.56%	7.05%	8.47%	8.64%	7.73%	9.33%	5.19%	7.92%	2.03%	7.12%	7.59%	7.62%
Percentile	14	8	1	99	90	15	97	20	1	99	98	1	3	1
Custom Index ¹	-3.29%	-5.62%	-13.51%	25.80%	11.32%	5.22%	14.32%	5.48%	-28.03%	22.25%	4.61%	-1.44%	3.57%	2.27%
Percentile	83	72	84	17	51	84	37	81	72	49	27	78	79	88
Composite Funds Universe:														
25th Percentile	5.60%	1.30%	-6.96%	24.75%	12.83%	8.02%	14.86%	8.94%	-23.10%	25.24%	4.72%	1.54%	5.45%	5.10%
35th Percentile	3.58%	-1.47%	-7.56%	23.91%	12.17%	7.66%	14.43%	8.41%	-24.59%	24.02%	4.40%	1.15%	5.21%	4.67%
50th Percentile	1.59%	-3.32%	-8.49%	22.72%	11.34%	7.01%	13.54%	7.69%	-25.69%	22.17%	4.25%	0.16%	4.51%	4.15%
75th Percentile	-2.28%	-5.93%	-12.14%	20.30%	10.03%	5.89%	12.14%	6.32%	-28.36%	18.78%	3.60%	-1.20%	3.77%	3.39%

Rolling 3-Year Value Added



Risk-Return Analysis
5 Years Ending March 31, 2010



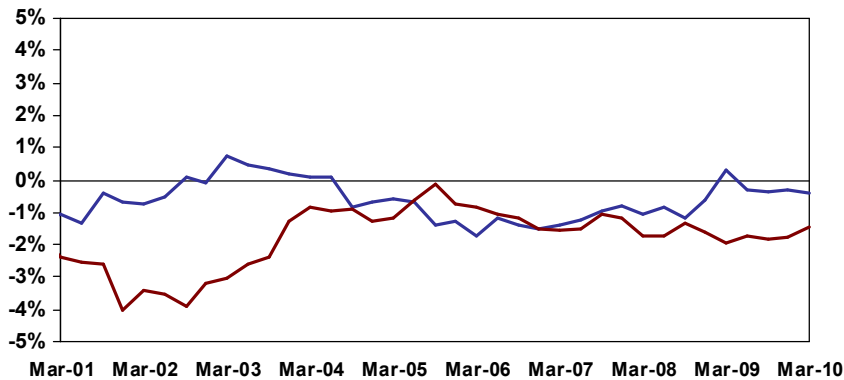
¹ See Appendix A for explanation.

Comparative Investment Performance Results

Composite Fund After Fees vs. Composite Funds After Fees Universe

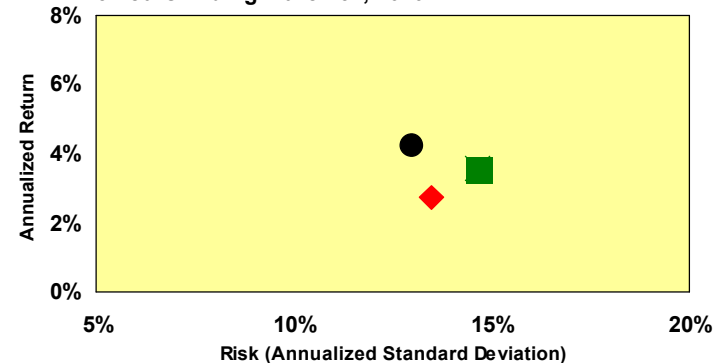
	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Composite Fund After Fees	-5.39%	-4.25%	-13.07%	24.14%	10.04%	4.33%	11.84%	6.36%	-28.50%	20.93%	4.84%	-1.86%	2.73%	1.82%
Percentile	88	53	77	27	71	89	75	67	73	57	13	78	88	88
CPI+5%	8.61%	6.71%	7.56%	7.05%	8.47%	8.64%	7.73%	9.33%	5.19%	7.92%	2.03%	7.12%	7.59%	7.62%
Percentile	10	8	1	99	88	11	97	16	1	98	99	1	1	1
Custom Index ¹	-3.29%	-5.62%	-13.51%	25.80%	11.32%	5.22%	14.32%	5.48%	-28.03%	22.25%	4.61%	-1.44%	3.57%	2.27%
Percentile	80	68	80	13	46	79	24	81	70	45	26	73	67	84
Composite Funds After Fees Universe:														
25th Percentile	5.05%	0.75%	-7.51%	24.48%	12.38%	7.74%	14.25%	8.49%	-23.49%	24.73%	4.64%	1.14%	5.12%	4.76%
35th Percentile	3.03%	-2.02%	-8.11%	23.32%	11.72%	7.24%	13.84%	7.90%	-25.02%	23.63%	4.26%	0.63%	4.69%	4.37%
50th Percentile	1.04%	-3.87%	-9.04%	21.89%	10.98%	6.60%	13.16%	7.22%	-26.42%	21.61%	4.09%	-0.40%	4.22%	3.82%
75th Percentile	-2.83%	-6.48%	-12.69%	19.62%	9.63%	5.47%	11.84%	5.95%	-28.70%	17.87%	3.49%	-1.61%	3.19%	3.03%

Rolling 3-Year Value Added



— Composite Fund After Fees vs. Custom Index¹
— Composite Fund After Fees vs. Composite Funds After Fees Universe Median

Risk-Return Analysis
5 Years Ending March 31, 2010



◆ Composite Fund After Fees
■ Custom Index¹
● Composite Funds After Fees Universe Median

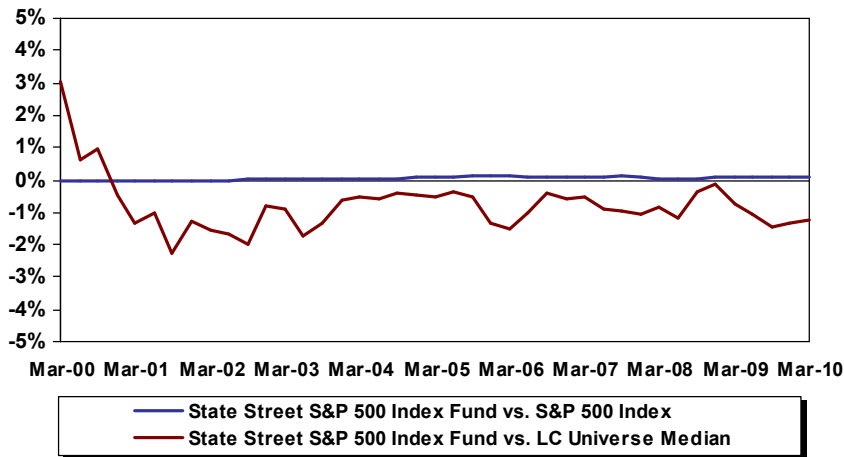
¹ See Appendix A for explanation.

Comparative Investment Performance Results

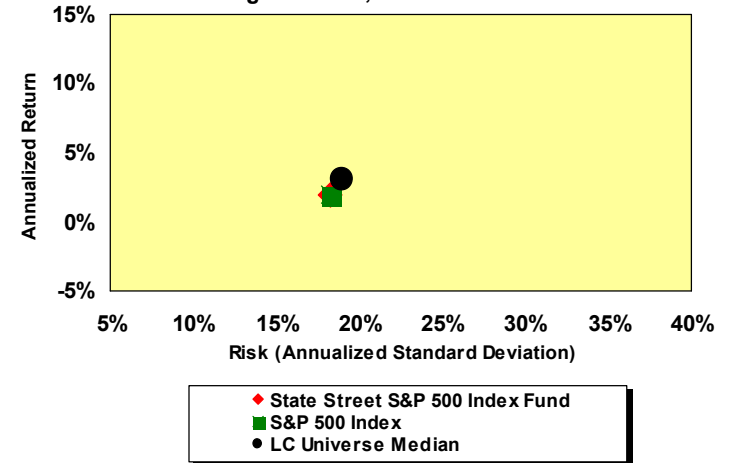
State Street S&P 500 Index Fund vs. Large Cap Equity Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
State Street S&P 500 Index Fund Before Fees	-9.06%	-11.95%	-22.04%	28.75%	10.93%	5.12%	15.82%	5.55%	-36.93%	26.57%	5.42%	-4.08%	1.99%	-0.59%
<i>Percentile</i>	69	51	47	49	55	71	43	62	48	64	46	68	73	73
State Street S&P 500 Index Fund After Fees	-9.08%	-12.00%	-22.06%	28.71%	10.87%	5.07%	15.77%	5.49%	-36.93%	26.52%	5.41%	-4.11%	1.95%	-0.63%
<i>Percentile</i>	69	52	47	50	56	71	43	63	48	64	46	68	74	73
S&P 500 Index	-9.10%	-11.88%	-22.10%	28.69%	10.88%	4.92%	15.79%	5.49%	-37.00%	26.46%	5.39%	-4.16%	1.92%	-0.65%
<i>Percentile</i>	70	49	48	50	56	73	43	63	49	64	47	69	75	73
Large Cap Equity Funds Universe:														
25th Percentile	7.71%	-5.99%	-18.82%	32.10%	14.55%	10.03%	18.35%	13.57%	-34.31%	36.37%	6.20%	-0.54%	4.28%	3.98%
50th Percentile	-3.22%	-11.90%	-22.17%	28.69%	11.42%	7.10%	14.78%	7.64%	-37.10%	29.85%	5.26%	-2.85%	3.04%	1.54%
75th Percentile	-10.42%	-18.04%	-26.08%	25.85%	8.22%	4.77%	9.38%	3.48%	-40.52%	23.98%	4.39%	-4.75%	1.93%	-0.85%

Rolling 3-Year Value Added



Risk-Return Analysis
5 Years Ending March 31, 2010



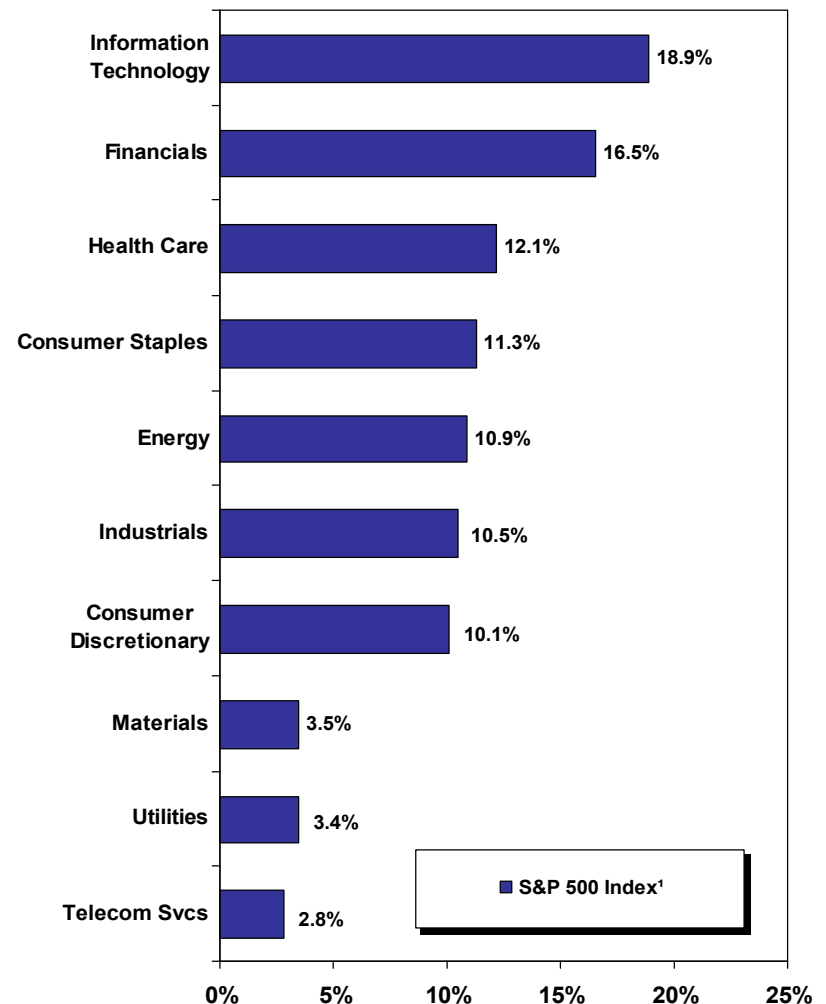
State Street S&P 500 Index Fund Portfolio Information¹

March 31, 2010

Portfolio Characteristics	S&P 500 Index
Price/Earnings Ratio	22.27x
Price/Book Ratio	3.44x
Price/Sales Ratio	2.39x
Dividend Yield	1.88%
Earnings Growth Past 5 Years	6.55%
Return on Equity	15.99%
Market Cap Weighted Average	\$82.05 BB
Market Cap Median	\$9.61 BB
Debt/Total Assets Ratio	0.52x
Quality Code	B+
Total Number of Stocks	500

Top Ten Equity Holdings	% of Equity Portfolio
Exxon Mobil Corp	2.99%
Microsoft Corp	2.11%
Apple Inc	2.02%
General Electric Co	1.84%
Procter & Gamble Co	1.74%
Johnson & Johnson	1.70%
Bank of America Corp	1.70%
JPMorgan Chase & Co	1.68%
IBM	1.58%
Wells Fargo & Co	1.53%
Total	18.89%

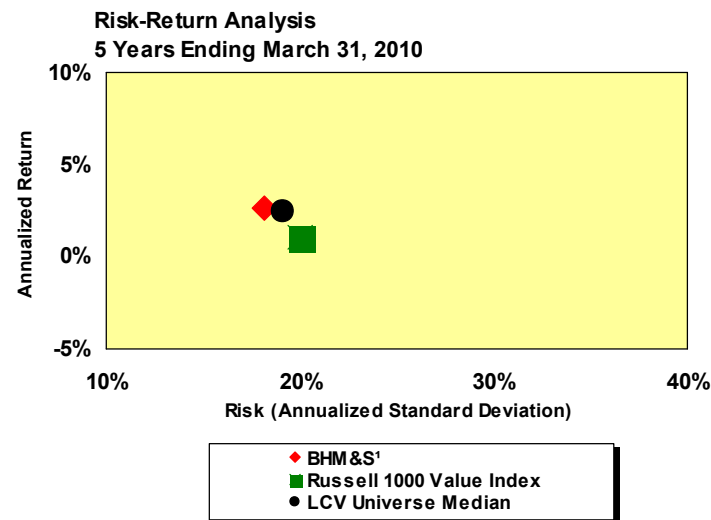
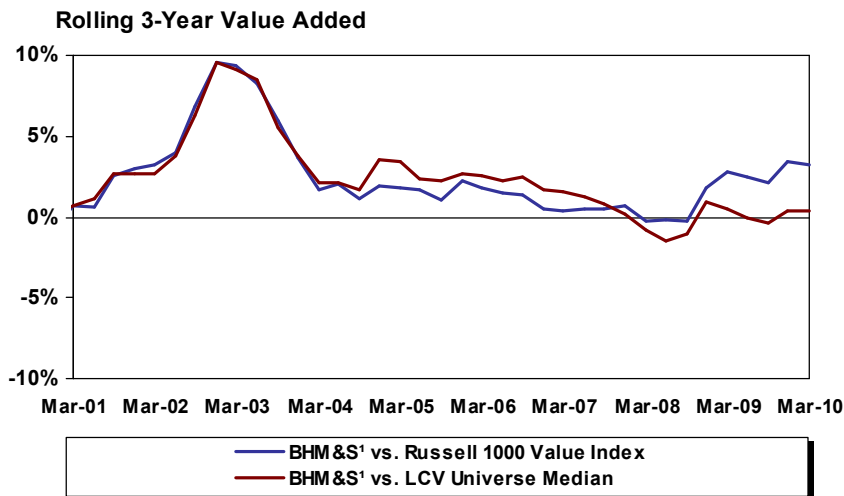
Economic Sector Weights



¹ The S&P 500 Stock Index is being used as a proxy for the State Street S&P 500 Index Fund.

Comparative Investment Performance Results BHM&S vs. Large Cap Value Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	5-1/4 Yrs.
BHM&S ¹ Before Fees	30.18%	3.51%	-15.52%	31.82%	21.04%	7.68%	18.29%	4.52%	-33.94%	22.08%	6.69%	-4.06%	2.60%	2.62%
<i>Percentile</i>	7	11	25	31	4	44	62	39	30	65	29	44	48	44
BHM&S ¹ After Fees	29.66%	3.06%	-15.90%	31.29%	20.54%	7.20%	17.82%	4.12%	-34.24%	21.50%	6.57%	-4.48%	2.16%	2.18%
<i>Percentile</i>	8	12	26	34	5	50	69	44	33	69	31	50	59	55
Russell 1000 Value Index	7.02%	-5.59%	-15.53%	30.03%	16.49%	7.06%	22.21%	-0.17%	-36.85%	19.69%	6.78%	-7.33%	1.04%	1.01%
<i>Percentile</i>	59	61	25	44	25	52	14	73	62	79	26	84	79	78
Large Cap Value Funds Universe:														
25th Percentile	14.19%	-0.22%	-15.47%	32.96%	16.45%	10.07%	21.07%	6.12%	-33.33%	30.25%	6.82%	-2.99%	3.93%	3.71%
35th Percentile	11.17%	-1.95%	-16.75%	31.05%	15.59%	8.71%	20.37%	4.76%	-34.41%	28.23%	6.46%	-3.55%	3.21%	3.03%
50th Percentile	8.64%	-3.71%	-18.60%	29.53%	14.38%	7.28%	19.47%	3.40%	-35.76%	25.43%	6.00%	-4.45%	2.45%	2.44%
75th Percentile	3.09%	-8.16%	-22.30%	26.75%	12.02%	5.19%	17.25%	-0.41%	-39.07%	20.46%	4.96%	-6.49%	1.26%	1.18%



¹ BHM&S took over management of the portfolio on 12/31/2004. Performance prior to that date reflects returns for the BHM&S Large Cap Value Composite.

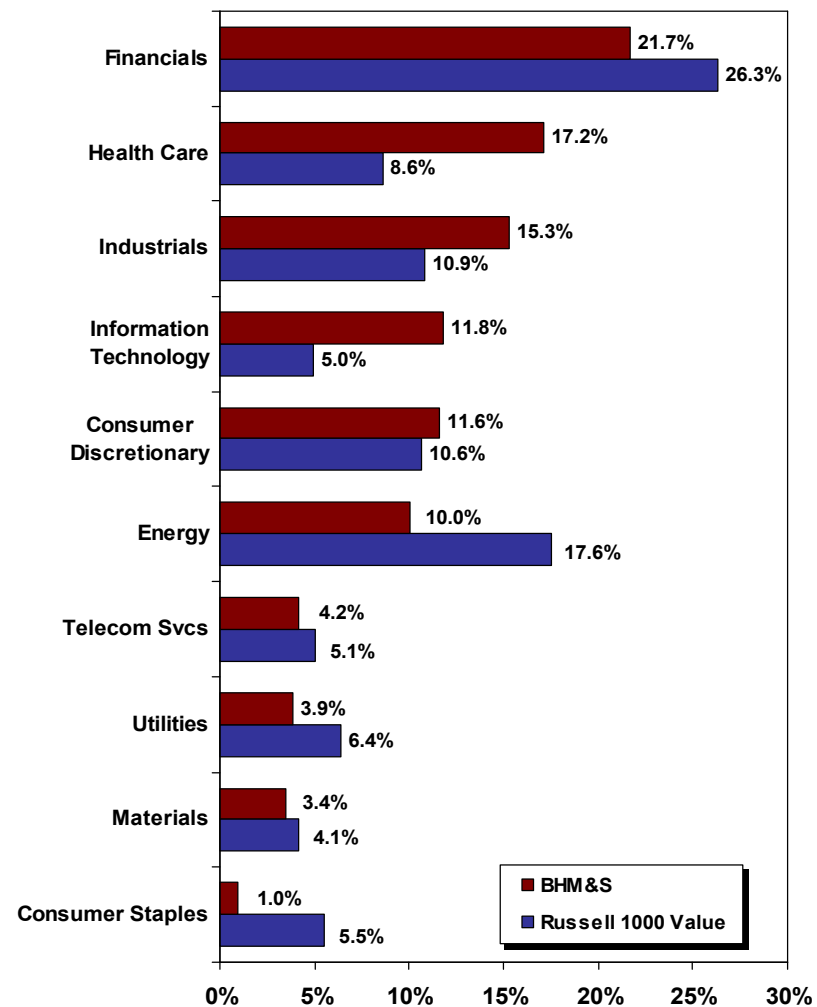
BHM&S Portfolio Information

March 31, 2010

Portfolio Characteristics	BHM&S	Russell 1000 Value
Price/Earnings Ratio	18.26x	22.01x
Price/Book Ratio	2.57x	2.09x
Price/Sales Ratio	1.72x	1.78x
Dividend Yield	2.45%	2.13%
Earnings Growth Past 5 Years	-0.45%	-0.53%
Return on Equity	12.07%	6.47%
Market Cap Weighted Average	\$70.73 BB	\$71.87 BB
Market Cap Median	\$35.30 BB	\$4.10 BB
Debt/Total Assets Ratio	0.58x	0.57x
Quality Code	B+	B+
Total Number of Stocks	52	676

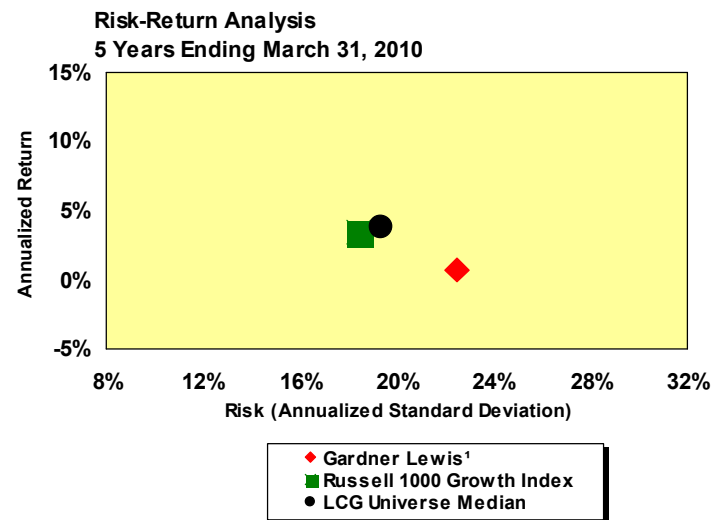
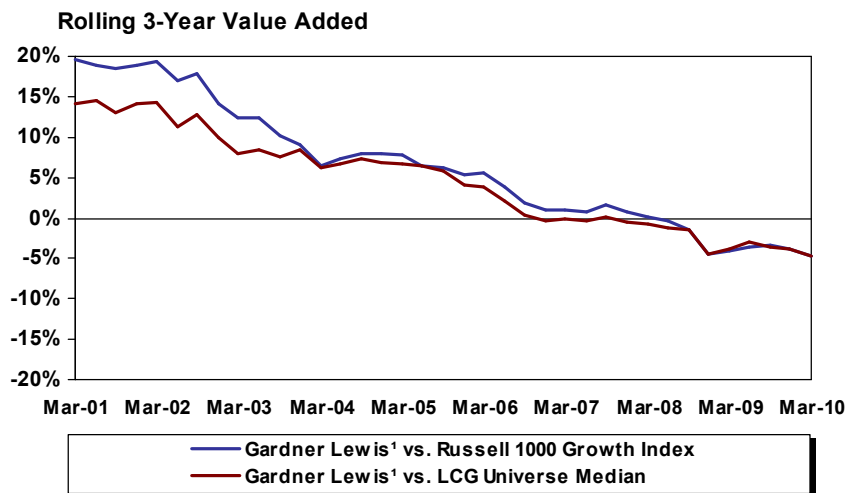
Top Ten Equity Holdings	% of Equity Portfolio
Bristol Myers Squibb	4.00%
Pfizer Inc	3.59%
Wellpoint Inc.	3.40%
Honeywell Intl Inc	3.22%
Occidental Pete Corp	3.11%
Stanley Black & Decker	2.91%
IBM	2.91%
JPMorgan Chase & Co	2.89%
Carnival Corp	2.86%
Capital One Finl Corp	2.86%
Total	31.76%

Economic Sector Weights



Comparative Investment Performance Results Gardner Lewis¹ vs. Large Cap Growth Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010			
	2001	2002	2003	2004	2005	2006	2007	2008	2009	3 Yrs.		5 Yrs.	6-1/2 Yrs.	7 Yrs.	
Gardner Lewis Before Fees ¹	-10.96%	-22.82%	44.57%	12.30%	2.90%	8.66%	17.64%	-49.46%	41.31%		6.14%	-5.50%	0.77%	3.54%	7.12%
Percentile	11	26	5	22	85	45	33	95	26		15	94	94	88	65
Gardner Lewis After Fees ¹	-11.74%	-23.51%	43.43%	11.36%	2.06%	7.79%	16.70%	-49.94%	40.10%		5.91%	-6.32%	-0.08%	2.66%	6.22%
Percentile	14	30	6	27	90	53	38	96	30		19	96	97	95	81
Russell 1000 Growth Index	-20.42%	-27.89%	29.76%	6.30%	5.27%	9.09%	11.82%	-38.44%	37.21%		4.64%	-0.78%	3.43%	4.51%	6.78%
Percentile	54	59	42	73	68	41	65	43	43		50	49	59	74	72
Large Cap Growth Funds Universe:															
25th Percentile	-14.10%	-22.63%	32.58%	11.81%	10.82%	10.69%	19.63%	-36.12%	41.57%		5.59%	1.18%	5.04%	6.59%	8.89%
35th Percentile	-15.92%	-24.37%	30.81%	10.28%	8.88%	9.70%	17.36%	-37.24%	38.92%		5.14%	0.32%	4.37%	6.15%	8.36%
50th Percentile	-19.10%	-26.20%	28.32%	8.41%	7.34%	8.04%	14.55%	-39.44%	35.52%		4.64%	-0.83%	3.81%	5.48%	7.75%
75th Percentile	-24.99%	-29.83%	25.45%	6.07%	4.62%	5.13%	9.59%	-42.84%	30.63%		3.83%	-2.67%	2.52%	4.45%	6.61%



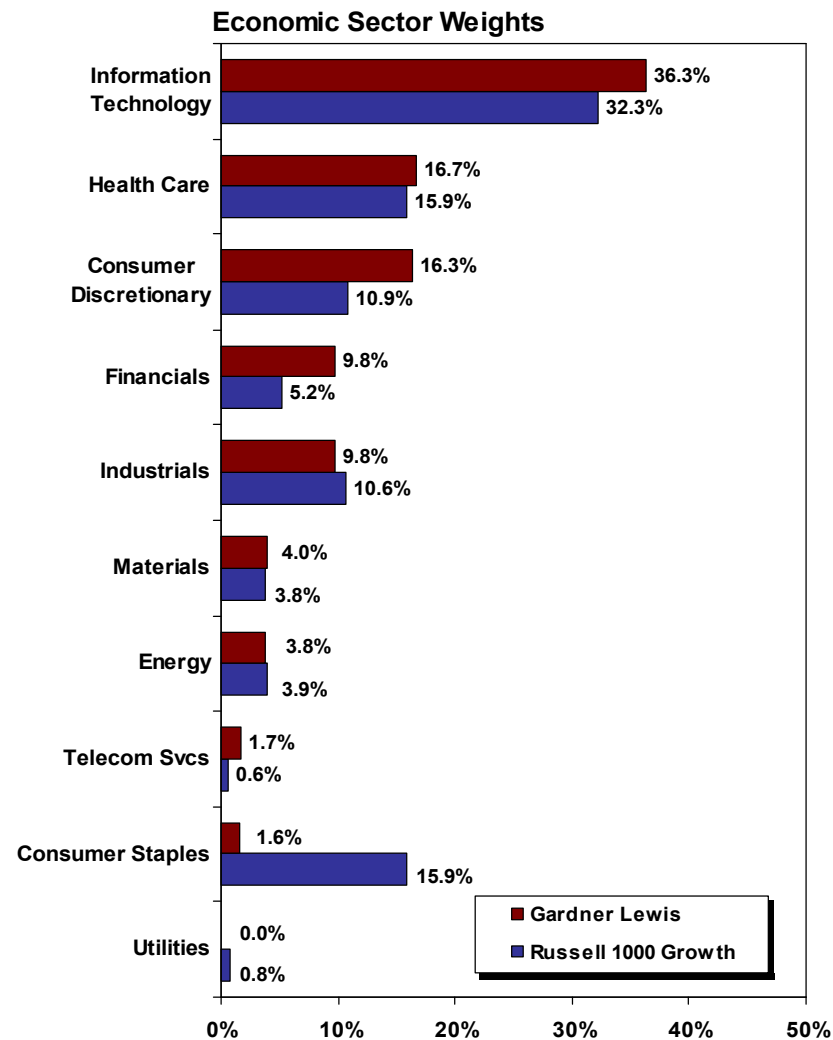
¹ Gardner Lewis took over management of the portfolio from Janus Capital on 08/25/2003. Performance prior to that date reflects returns for the Gardner Lewis Large Cap Growth composite.

Gardner Lewis Portfolio Information

March 31, 2010

Portfolio Characteristics	Gardner Lewis	Russell 1000 Growth
Price/Earnings Ratio	30.44x	24.08x
Price/Book Ratio	4.31x	4.74x
Price/Sales Ratio	3.36x	3.11x
Dividend Yield	0.59%	1.53%
Earnings Growth Past 5 Years	21.43%	14.41%
Return on Equity	17.18%	22.65%
Market Cap Weighted Average	\$54.84 BB	\$76.35 BB
Market Cap Median	\$28.58 BB	\$4.82 BB
Debt/Total Assets Ratio	0.45x	0.47x
Quality Code	B	A-
Total Number of Stocks	49	625

Top Ten Equity Holdings	% of Equity Portfolio
Bank of America Corp	4.30%
Apple Inc	3.82%
Humana Inc	3.73%
Mastercard Inc	3.26%
Teva Pharmaceutical Inc	2.72%
Express Scripts Inc	2.69%
Directv	2.69%
Equinix Inc	2.68%
Urban Outfitters Inc	2.64%
Fedex Corp	2.64%
Total	31.17%

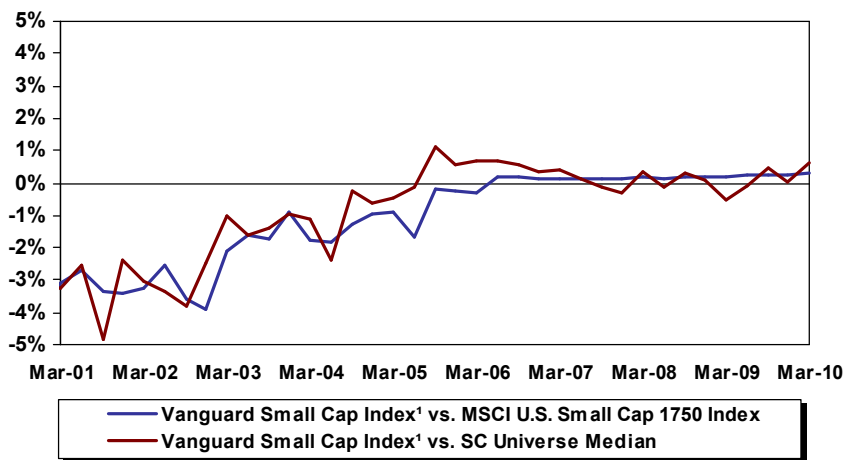


Comparative Investment Performance Results

Vanguard Small Cap Index vs. Small Cap Equity Funds Universe

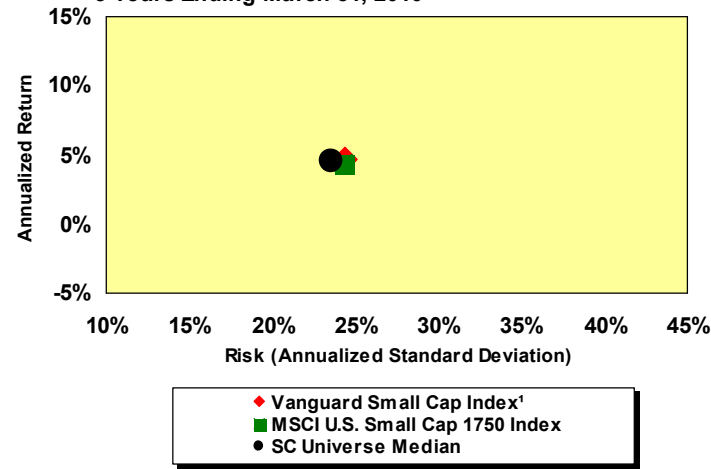
	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010			
	2001	2002	2003	2004	2005	2006	2007	2008	2009	3 Yrs.		4-1/4 Yrs.	5 Yrs.	10 Yrs.	
Vanguard Small Cap Index Before Fees ¹	3.40%	-19.80%	46.03%	20.18%	7.64%	15.91%	1.37%	-35.93%	36.49%		9.71%	-2.07%	2.87%	4.73%	4.89%
<i>Percentile</i>	43	53	45	41	54	43	53	45	40		27	45	46	48	63
Vanguard Small Cap Index After Fees ¹	3.27%	-19.89%	45.88%	20.06%	7.56%	15.82%	1.29%	-35.98%	36.40%		9.69%	-2.14%	2.78%	4.65%	4.79%
<i>Percentile</i>	44	53	45	41	55	44	53	46	40		27	46	48	49	64
MSCI U.S. Small Cap 1750 Index ²	3.22%	-18.35%	47.36%	20.01%	7.48%	15.79%	1.20%	-36.20%	36.15%		9.66%	-2.35%	2.62%	4.50%	5.59%
<i>Percentile</i>	44	49	38	41	56	44	54	47	41		28	47	50	50	59
Russell 2000 Index	2.49%	-20.48%	47.25%	18.32%	4.56%	18.35%	-1.56%	-33.79%	27.17%		8.85%	-3.99%	1.55%	3.36%	3.68%
<i>Percentile</i>	45	55	39	50	77	28	66	34	74		41	63	59	62	70
Small Cap Equity Funds Universe:															
25th Percentile	13.42%	-11.94%	51.52%	23.05%	11.40%	18.97%	10.74%	-31.86%	43.06%		9.83%	0.03%	4.65%	6.55%	10.44%
50th Percentile	-1.14%	-18.84%	45.09%	18.38%	8.12%	14.92%	2.02%	-36.97%	33.99%		8.29%	-2.72%	2.60%	4.51%	6.99%
75th Percentile	-15.39%	-27.82%	39.46%	12.81%	4.79%	10.57%	-3.57%	-41.67%	26.96%		6.80%	-5.50%	-0.16%	2.20%	2.19%

Rolling 3-Year Value Added



Risk-Return Analysis

5 Years Ending March 31, 2010



¹ THA's inception was 12/02/2005. Performance prior to that date reflects returns for the actual mutual fund.

² Performance benchmark changed from the Russell 2000 Index to MSCI U.S. Small Cap 1750 Index on 05/16/2003.

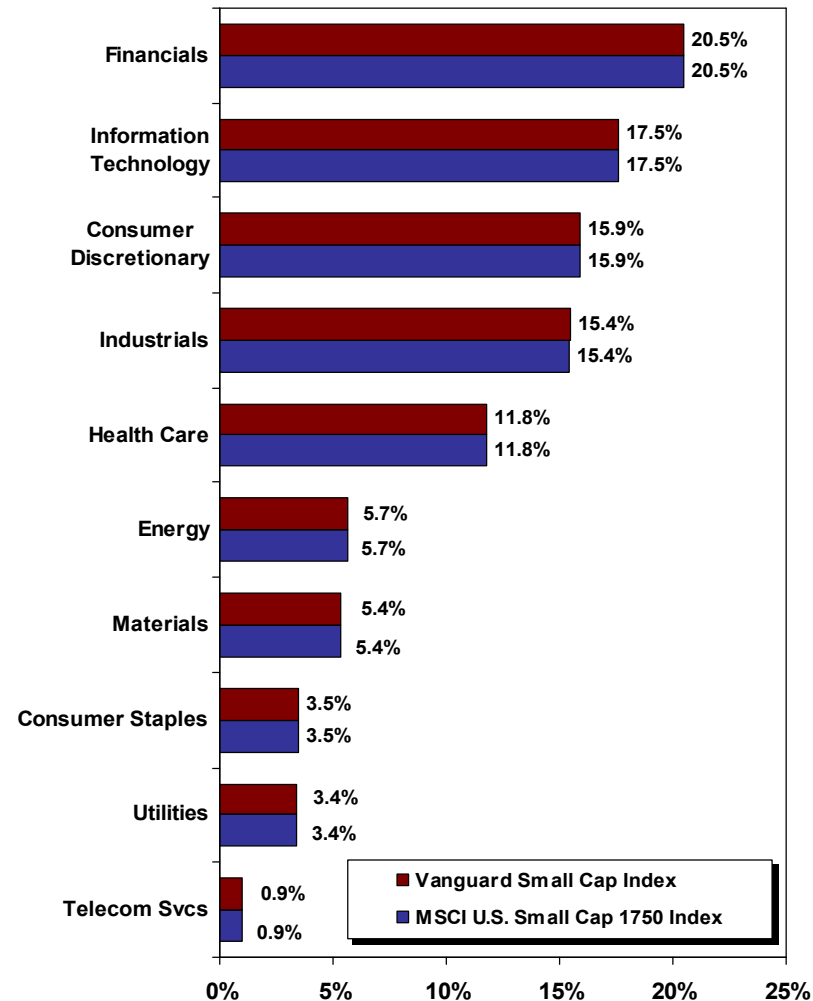
Vanguard Small Cap Index Fund Portfolio Information

March 31, 2010

Portfolio Characteristics	Vanguard Small Cap Index Fund	MSCI U.S. Small Cap 1750 Index
Price/Earnings Ratio	31.06x	31.06x
Price/Book Ratio	2.83x	2.83x
Price/Sales Ratio	2.54x	2.54x
Dividend Yield	1.18%	1.18%
Earnings Growth Past 5 Years	8.40%	8.39%
Return on Equity	-2.69%	-2.70%
Market Cap Weighted Average	\$1.54 BB	\$1.54 BB
Market Cap Median	\$0.66 BB	\$0.66 BB
Debt/Total Assets Ratio	0.48x	0.48x
Quality Code	B	B
Total Number of Stocks	1,736	1,734

Top Ten Equity Holdings	% of Equity Portfolio
Whiting Pete Corp	0.29%
Rovi Corp	0.27%
Ashland Inc	0.27%
MSCI Inc	0.27%
Oshkosh Corp	0.26%
OSI Pharmaceuticals Inc	0.25%
Green Mtn Coffee Roast	0.24%
Sirius Xm Radio Inc	0.24%
Valeant Pharmaceutical	0.24%
Liberty Media Hldg Corp	0.23%
Total	2.55%

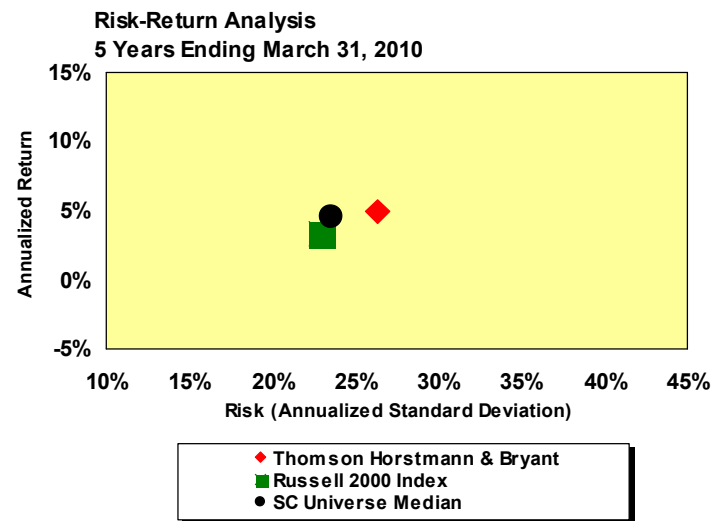
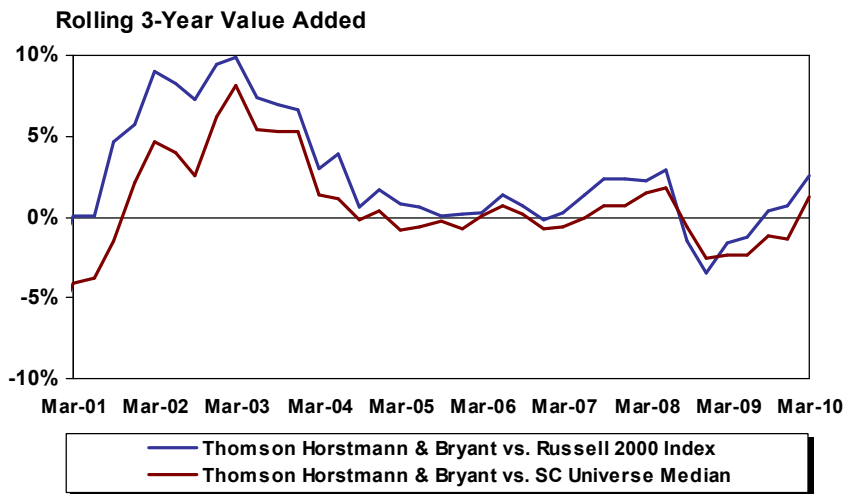
Economic Sector Weights



Comparative Investment Performance Results

Thomson Horstmann & Bryant vs. Small Cap Equity Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Thomson Horstmann & Bryant Before Fees	6.28%	13.24%	-12.05%	44.50%	13.93%	11.16%	15.25%	1.60%	-41.15%	41.99%	12.94%	-1.47%	4.92%	7.46%
<i>Percentile</i>	49	26	25	52	71	27	48	52	73	27	4	40	46	48
Thomson Horstmann & Bryant After Fees	5.25%	12.17%	-12.97%	43.23%	12.80%	10.09%	14.15%	0.86%	-42.10%	40.99%	12.69%	-2.46%	3.89%	6.41%
<i>Percentile</i>	50	28	28	58	75	32	55	56	76	29	5	48	57	54
Russell 2000 Index	-3.03%	2.49%	-20.48%	47.25%	18.32%	4.56%	18.35%	-1.56%	-33.79%	27.17%	8.85%	-3.99%	3.36%	3.68%
<i>Percentile</i>	65	45	55	39	50	77	28	66	34	74	41	63	62	70
Small Cap Equity Funds Universe:														
25th Percentile	16.75%	13.42%	-11.94%	51.52%	23.05%	11.40%	18.97%	10.74%	-31.86%	43.06%	9.83%	0.03%	6.55%	10.44%
35th Percentile	13.65%	7.20%	-14.67%	48.45%	21.01%	9.74%	17.20%	6.82%	-34.03%	38.29%	9.26%	-1.00%	5.64%	9.23%
50th Percentile	5.20%	-1.14%	-18.84%	45.09%	18.38%	8.12%	14.92%	2.02%	-36.97%	33.99%	8.29%	-2.72%	4.51%	6.99%
75th Percentile	-8.90%	-15.39%	-27.82%	39.46%	12.81%	4.79%	10.57%	-3.57%	-41.67%	26.96%	6.80%	-5.50%	2.20%	2.19%

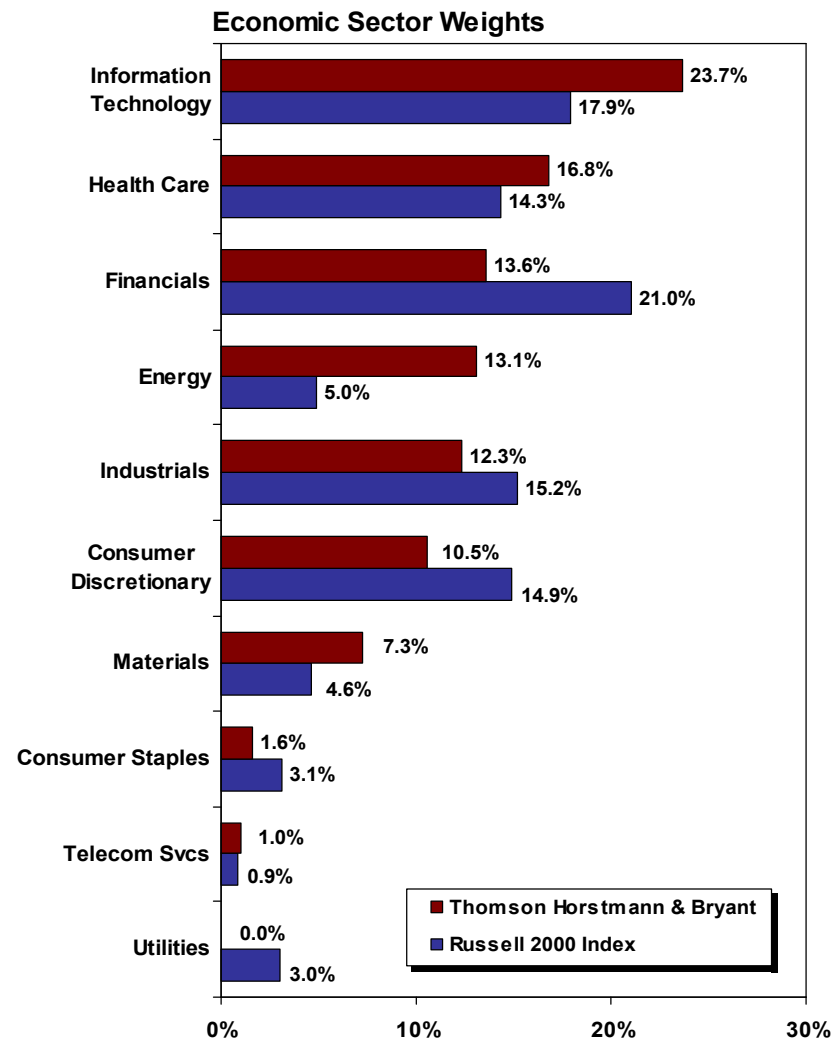


Thomson Horstmann & Bryant Portfolio Information

March 31, 2010

Portfolio Characteristics	Thomson Horstmann & Bryant	Russell 2000 Index
Price/Earnings Ratio	33.58x	32.33x
Price/Book Ratio	2.60x	2.80x
Price/Sales Ratio	1.95x	2.73x
Dividend Yield	0.43%	1.13%
Earnings Growth Past 5 Years	5.27%	8.20%
Return on Equity	-25.69%	-3.77%
Market Cap Weighted Average	\$1.40 BB	\$1.11 BB
Market Cap Median	\$1.18 BB	\$0.43 BB
Debt/Total Assets Ratio	0.51x	0.48x
Quality Code	B-	B
Total Number of Stocks	102	2,005

Top Ten Equity Holdings	% of Equity Portfolio
Swift Energy Co	2.00%
McMoRan Exploration Co	1.99%
Sirona Dental Systems	1.86%
Eagle Materials Inc	1.82%
Zions Bancorporation	1.80%
Ryland Group Inc	1.78%
Brunswick Corp	1.76%
Darling Intl Inc	1.63%
Savvis Inc	1.62%
Be Aerospace Inc	1.62%
Total	17.89%

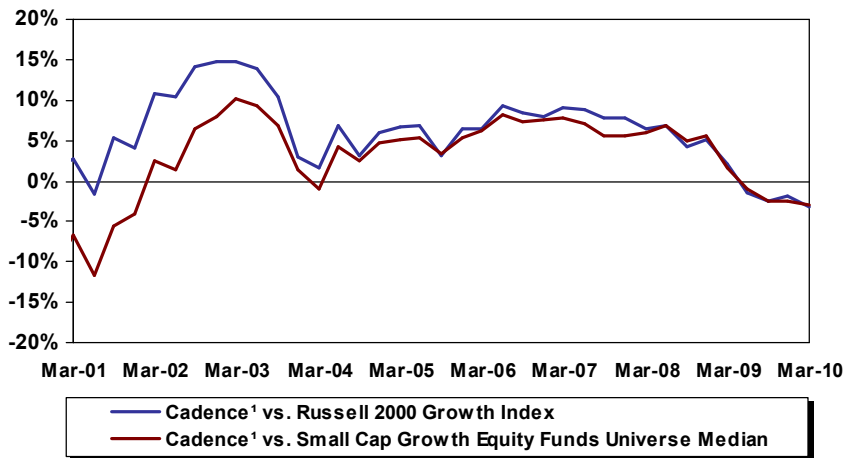


Comparative Investment Performance Results

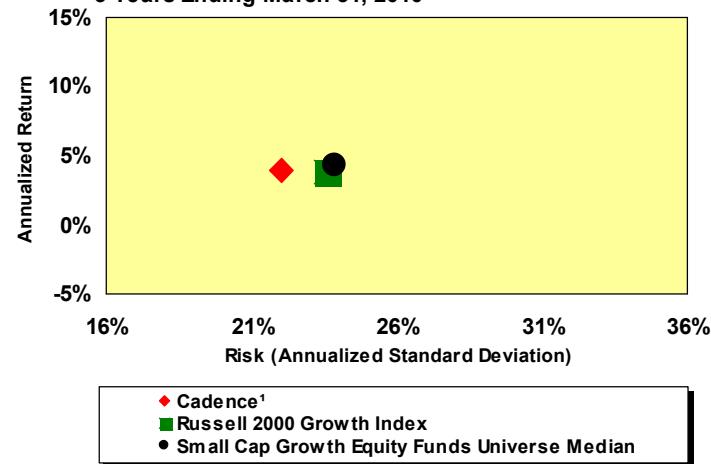
Cadence vs. Small Cap Growth Equity Funds Universe

	Annual Returns									Qtr.	Annualized Returns as of 03/31/2010			
	2001	2002	2003	2004	2005	2006	2007	2008	2009		2-1/4 Yrs.	3 Yrs.	5 Yrs.	10 Yrs.
Cadence Before Fees ¹	-9.38%	-22.94%	47.32%	23.36%	13.66%	18.74%	15.43%	-35.72%	12.09%	6.23%	-11.21%	-5.69%	3.92%	4.93%
<i>Percentile</i>	36	29	43	11	15	13	26	15	97	74	83	76	55	23
Cadence After Fees	-10.30%	-23.76%	45.99%	22.20%	12.57%	17.60%	14.32%	-36.31%	10.99%	5.96%	-12.05%	-6.59%	2.93%	3.91%
<i>Percentile</i>	37	33	51	13	20	16	32	18	97	77	87	82	68	32
Russell 2000 Growth Index	-9.23%	-30.27%	48.53%	14.31%	4.15%	13.35%	7.05%	-38.54%	34.47%	7.61%	-5.08%	-2.42%	3.82%	-1.53%
<i>Percentile</i>	36	63	39	45	77	39	62	30	57	49	42	48	57	77
Small Cap Growth Equity Funds Universe:														
25th Percentile	-4.43%	-21.72%	52.16%	17.44%	11.50%	15.77%	15.68%	-37.91%	44.43%	9.14%	-2.80%	0.24%	6.56%	4.73%
35th Percentile	-8.62%	-24.01%	49.91%	15.80%	9.51%	13.85%	13.73%	-39.25%	40.53%	8.51%	-4.16%	-0.74%	5.54%	3.39%
50th Percentile	-13.31%	-26.77%	46.22%	13.29%	7.61%	11.44%	10.68%	-40.98%	36.00%	7.57%	-6.33%	-2.66%	4.30%	1.44%
75th Percentile	-21.93%	-32.47%	40.05%	8.36%	4.52%	8.20%	4.11%	-44.53%	28.54%	6.14%	-9.31%	-5.53%	2.14%	-1.27%

Rolling 3-Year Value Added



Risk-Return Analysis
5 Years Ending March 31, 2010



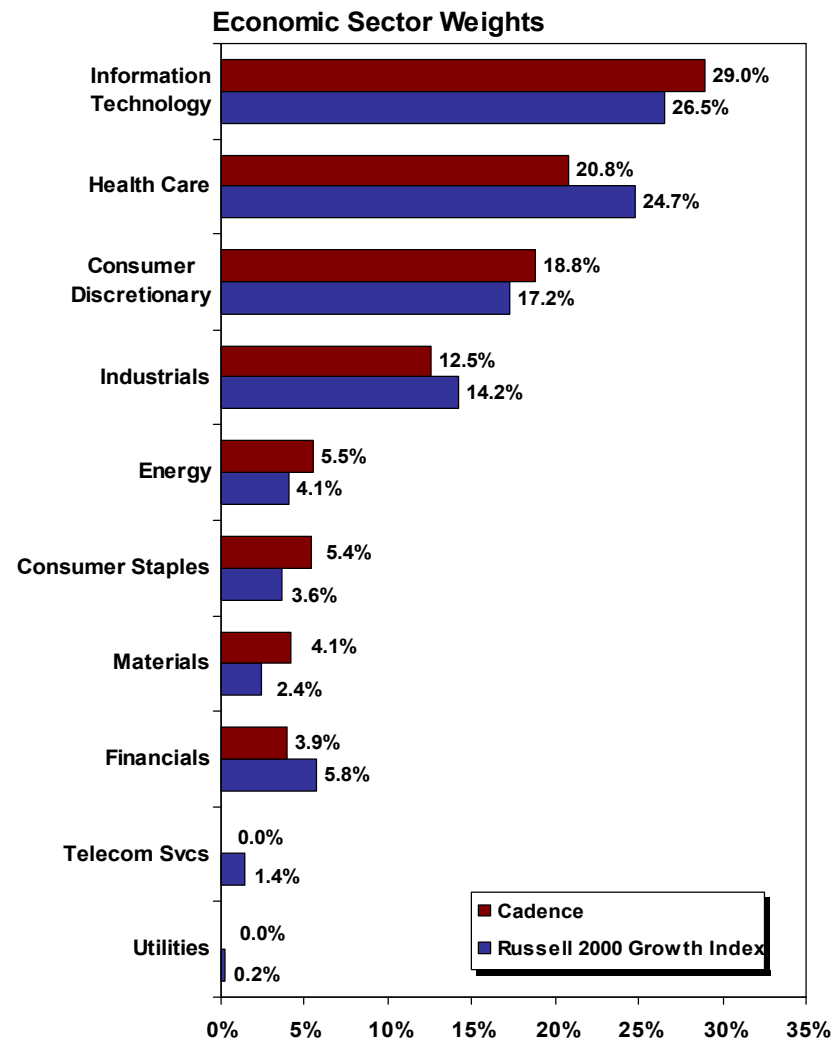
¹ Prior to first quarter 2008, performance represents the Cadence Small Cap Growth composite.

Cadence Portfolio Information

March 31, 2010

Portfolio Characteristics	Cadence	Russell 2000 Growth Index
Price/Earnings Ratio	37.07x	36.57x
Price/Book Ratio	3.39x	4.11x
Price/Sales Ratio	2.51x	3.61x
Dividend Yield	0.41%	0.49%
Earnings Growth Past 5 Years	16.99%	16.65%
Return on Equity	5.90%	-0.97%
Market Cap Weighted Average	\$1.18 BB	\$1.19 BB
Market Cap Median	\$1.13 BB	\$0.45 BB
Debt/Total Assets Ratio	0.41x	0.42x
Quality Code	B	B
Total Number of Stocks	100	1,278

Top Ten Equity Holdings	% of Equity Portfolio
Aruba Networks Inc	1.37%
Finish Line Inc	1.36%
Watsco Inc	1.31%
Nu Skin Enterprises Inc	1.30%
Insituform Technologies	1.29%
Diodes Inc	1.28%
Align Technology Inc	1.26%
Successfactors Inc	1.24%
Middleby Corp	1.24%
Wright Express Corp	1.22%
Total	12.88%

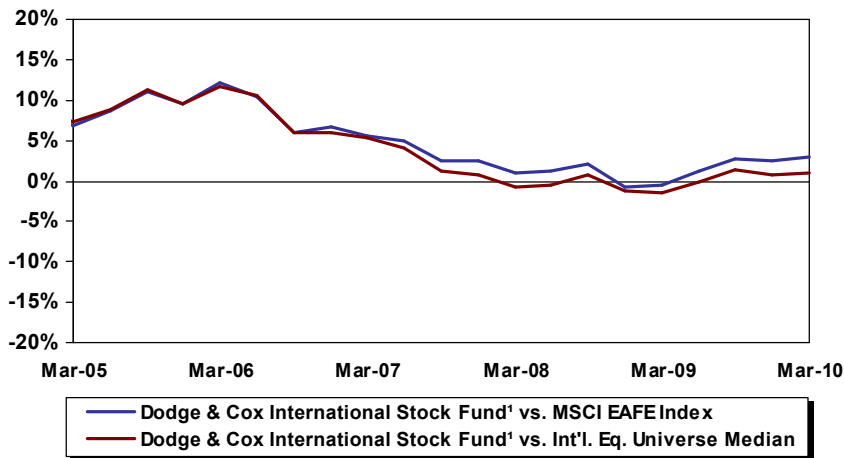


Comparative Investment Performance Results

Dodge & Cox International Stock Fund¹ vs. International Equity Funds Universe

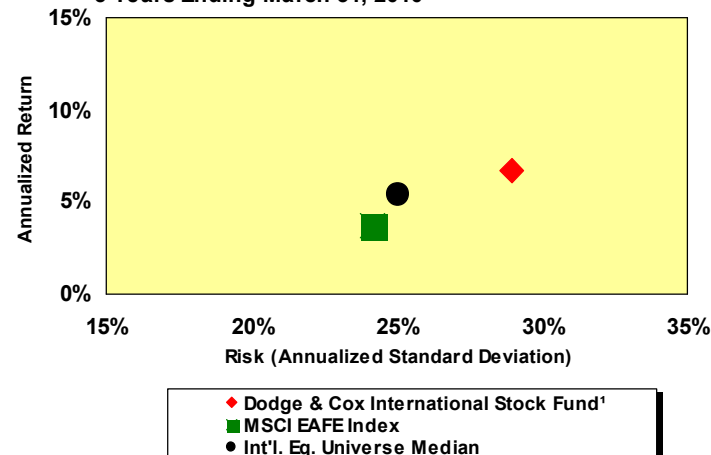
	Annual Returns									Qtr.	Annualized Returns as of 03/31/2010			
	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	3-3/4 Yrs.	5 Yrs.	10 Yrs.
Dodge & Cox International Stock Fund ¹ Before Fees	-	-12.32%	50.72%	33.54%	17.63%	28.87%	12.44%	-46.32%	48.38%	3.87%	-4.01%	1.92%	6.70%	-
<i>Percentile</i>	-	28	10	2	32	27	54	67	13	17	37	30	28	-
Dodge & Cox International Stock Fund ¹ After Fees	-	-13.11%	49.42%	32.46%	16.75%	28.01%	11.71%	-46.69%	47.46%	3.70%	-4.64%	1.26%	5.98%	-
<i>Percentile</i>	-	35	13	2	39	32	58	70	15	20	46	38	42	-
MSCI EAFE Index	-21.45%	-15.94%	38.59%	20.24%	13.54%	26.36%	11.17%	-43.38%	31.78%	0.87%	-7.02%	-1.09%	3.76%	1.28%
<i>Percentile</i>	59	53	45	40	72	49	62	48	61	77	72	73	81	74
International Equity Funds Universe:														
25th Percentile	-15.34%	-11.42%	43.53%	22.60%	18.50%	29.00%	17.65%	-40.20%	41.03%	3.19%	-3.14%	2.27%	6.92%	5.06%
35th Percentile	-17.34%	-13.13%	40.96%	20.87%	17.36%	27.49%	15.58%	-41.71%	38.33%	2.40%	-3.86%	1.67%	6.23%	4.18%
50th Percentile	-20.41%	-15.50%	36.80%	19.31%	15.48%	26.27%	13.07%	-43.99%	34.38%	1.79%	-5.01%	0.61%	5.45%	3.17%
75th Percentile	-23.86%	-18.60%	32.61%	16.70%	13.09%	23.95%	9.23%	-47.60%	29.01%	0.97%	-7.38%	-1.28%	4.16%	1.24%

Rolling 3-Year Value Added



Risk-Return Analysis

5 Years Ending March 31, 2010

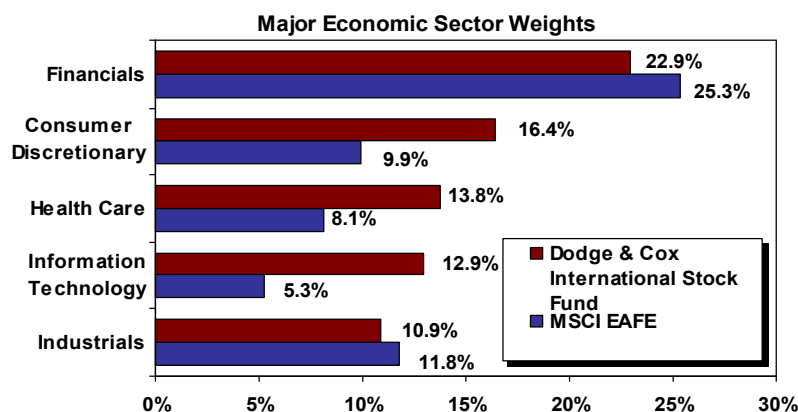


¹ Dodge & Cox began managing assets transferred from Morgan Stanley June 6, 2006.

Dodge & Cox International Stock Fund Portfolio Information

March 31, 2010

Portfolio Characteristics	Dodge & Cox International Stock Fund	MSCI EAFE
Price/Earnings Ratio	31.39x	26.72x
Price/Book Ratio	2.50x	2.54x
Dividend Yield	2.38%	2.92%
Market Cap Weighted Average	\$46.01 BB	\$50.55 BB
Total Number of Stocks	94	952



Top Ten Equity Holdings	% of Portfolio
Naspers	3.76%
Novartis A G	3.21%
Vodafone Group Plc	3.13%
Glaxosmithkline Plc	2.80%
Nokia Oyj	2.70%
HSBC Hldgs	2.58%
Standard Chartered	2.49%
Schneider Electric	2.45%
Mitsubishi Elec	2.34%
Bayer AG	<u>2.34%</u>
Total	27.80%

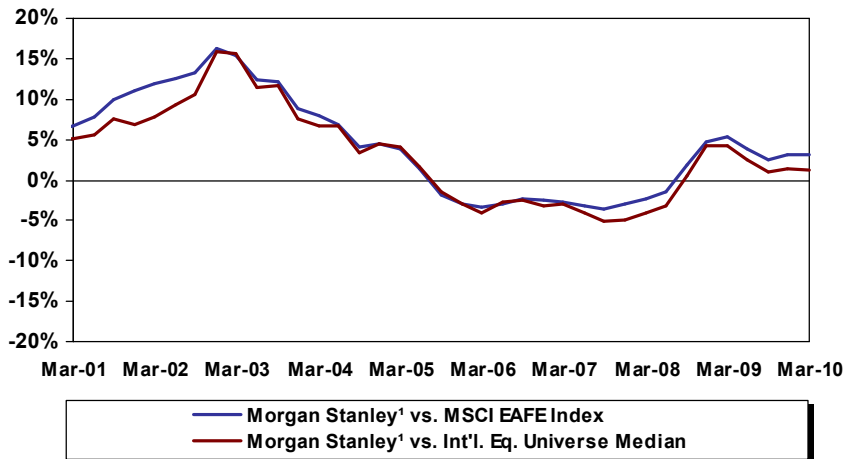
Country	Dodge & Cox International Stock Fund	MSCI EAFE
Austria	1.1%	0.3%
Belgium	0.0%	1.0%
Denmark	0.0%	0.9%
Finland	2.7%	1.2%
France	10.2%	10.6%
Germany	6.5%	7.9%
Greece	0.0%	0.4%
Ireland	0.0%	0.3%
Italy	2.0%	3.2%
Netherlands	4.8%	2.6%
Norway	1.1%	0.7%
Portugal	0.0%	0.3%
Spain	1.5%	3.9%
Sweden	2.1%	2.8%
Switzerland	9.1%	7.9%
U.K.	<u>15.5%</u>	<u>21.0%</u>
Total Europe	56.7%	65.2%
Australia	0.3%	8.7%
Hong Kong	2.3%	2.4%
Japan	14.2%	22.2%
New Zealand	0.0%	0.1%
Singapore	<u>0.0%</u>	<u>1.5%</u>
Total Asia & Pacific Basin	16.7%	34.8%
Canada	0.0%	0.0%
Emerging Markets	20.6%	0.0%
U.S.	<u>6.0%</u>	<u>0.0%</u>
Total	100.0%	100.0%

Comparative Investment Performance Results

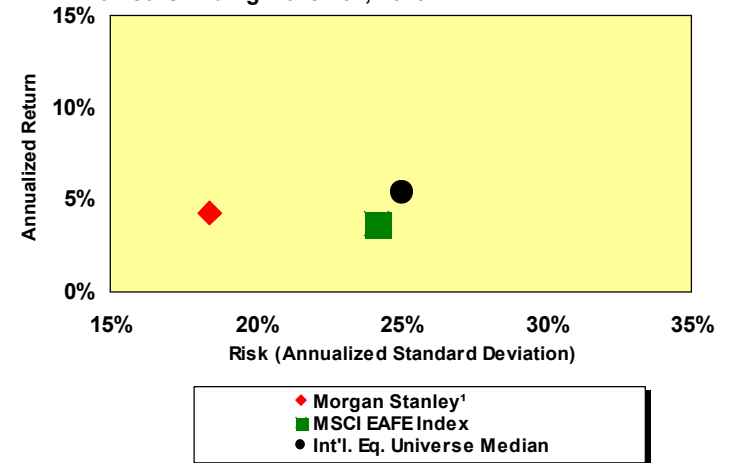
Morgan Stanley International Equity Fund¹ vs. International Equity Funds Universe

	Annual Returns									Qtr.	Annualized Returns as of 03/31/2010			
	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	8-1/2 Yrs.	10 Yrs.
Morgan Stanley Before Fees ¹	-8.70%	-3.30%	34.67%	21.28%	7.81%	23.60%	10.62%	-32.35%	22.40%	1.91%	-3.74%	4.30%	8.98%	6.98%
Percentile	6	6	62	33	98	79	66	4	96	48	32	73	50	12
Morgan Stanley After Fees ¹	-9.53%	-4.18%	33.55%	20.25%	6.91%	22.35%	9.68%	-33.05%	21.36%	1.67%	-4.63%	3.34%	8.01%	6.02%
Percentile	7	7	70	40	99	85	73	5	97	52	46	85	70	17
MSCI EAFE Index	-21.45%	-15.94%	38.59%	20.24%	13.54%	26.36%	11.17%	-43.38%	31.78%	0.87%	-7.02%	3.76%	7.15%	1.28%
Percentile	59	53	45	40	72	49	62	48	61	77	72	81	85	74
International Equity Funds Universe:														
25th Percentile	-15.34%	-11.42%	43.53%	22.60%	18.50%	29.00%	17.65%	-40.20%	41.03%	3.19%	-3.14%	6.92%	10.78%	5.06%
35th Percentile	-17.34%	-13.13%	40.96%	20.87%	17.36%	27.49%	15.58%	-41.71%	38.33%	2.40%	-3.86%	6.23%	9.99%	4.18%
50th Percentile	-20.41%	-15.50%	36.80%	19.31%	15.48%	26.27%	13.07%	-43.99%	34.38%	1.79%	-5.01%	5.45%	8.98%	3.17%
75th Percentile	-23.86%	-18.60%	32.61%	16.70%	13.09%	23.95%	9.23%	-47.60%	29.01%	0.97%	-7.38%	4.16%	7.75%	1.24%

Rolling 3-Year Value Added



Risk-Return Analysis
5 Years Ending March 31, 2010

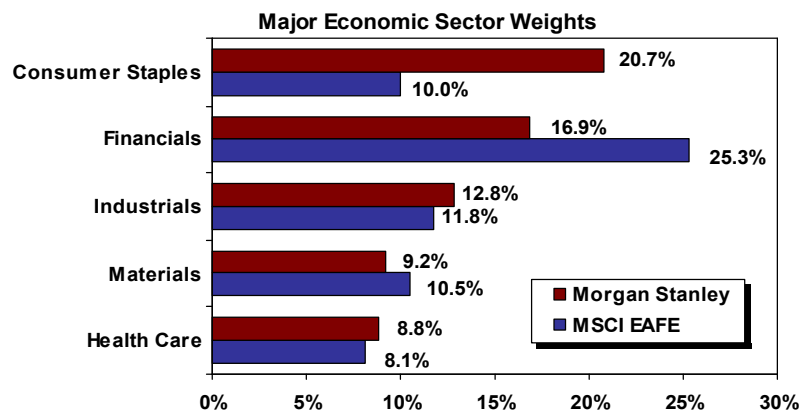


¹ THARP's inception in the fund was fourth quarter of 2001. Performance prior to that date reflects returns for the actual commingled fund.

Morgan Stanley International Equity Fund Portfolio Information

March 31, 2010

Portfolio Characteristics	Morgan Stanley	MSCI EAFE
Price/Earnings Ratio	31.06x	26.72x
Price/Book Ratio	3.13x	2.54x
Dividend Yield	3.06%	2.92%
Market Cap Weighted Average	\$51.01 BB	\$50.55 BB
Total Number of Stocks	77	952



Top Ten Equity Holdings	% of Portfolio
Brit Amer Tobacco	3.95%
Imperial Tobacco	3.73%
Nestle SA	3.57%
Reckitt Benck Grp	3.23%
Unilever NV	2.96%
Vodafone Group	2.62%
Novartis AG	2.52%
Bayer AG	2.43%
Roche Hldgs AG	2.28%
Vallourec	2.17%
Total	29.46%

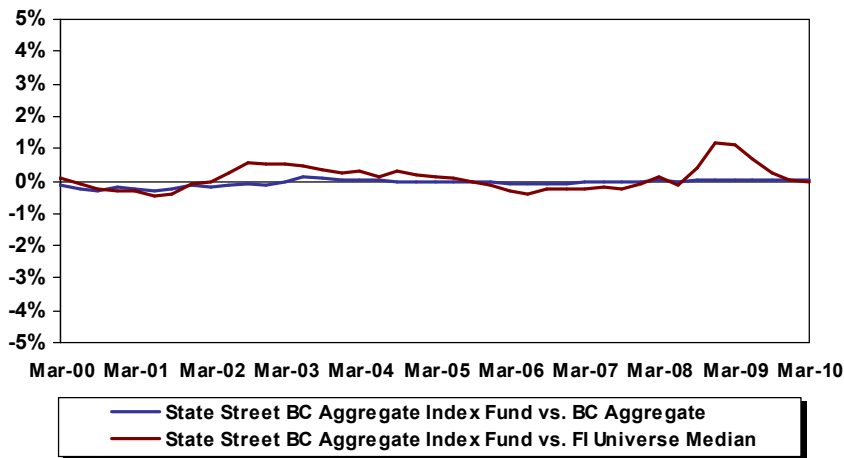
Country	Morgan Stanley	MSCI EAFE
Austria	0.5%	0.3%
Belgium	0.0%	1.0%
Denmark	0.0%	0.9%
Finland	0.0%	1.2%
France	7.9%	10.6%
Germany	4.9%	7.9%
Greece	0.0%	0.4%
Ireland	1.7%	0.3%
Italy	1.2%	3.2%
Netherlands	3.9%	2.6%
Norway	0.0%	0.7%
Portugal	0.0%	0.3%
Spain	2.1%	3.9%
Sweden	0.0%	2.8%
Switzerland	9.4%	7.9%
U.K.	34.7%	21.0%
Total Europe	66.3%	65.2%
Australia	3.9%	8.7%
Hong Kong	0.7%	2.4%
Japan	27.8%	22.2%
New Zealand	0.0%	0.1%
Singapore	0.0%	1.5%
Total Asia & Pacific Basin	32.4%	34.8%
Canada	1.0%	0.0%
Emerging Markets	0.2%	0.0%
U.S.	0.0%	0.0%
Total	100.0%	100.0%

Comparative Investment Performance Results

State Street BC Aggregate Bond Index Fund vs. Fixed Income Funds Universe

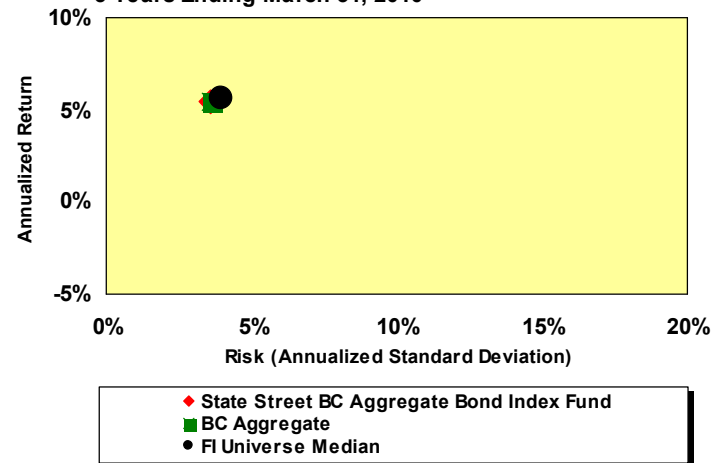
	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
State Street BC Aggregate Index Fund Before Fees	11.08%	8.43%	10.39%	4.12%	4.19%	2.40%	4.31%	6.94%	5.32%	6.00%	1.74%	6.17%	5.45%	6.27%
Percentile	50	43	30	52	51	63	78	39	26	75	65	51	56	56
State Street BC Aggregate Index Fund After Fees	10.99%	8.33%	10.32%	4.08%	4.16%	2.36%	4.26%	6.91%	5.27%	5.96%	1.73%	6.13%	5.41%	6.22%
Percentile	52	47	31	53	52	65	81	40	27	75	66	53	58	58
BC Aggregate Bond Index	11.63%	8.43%	10.27%	4.11%	4.34%	2.43%	4.33%	6.96%	5.24%	5.93%	1.78%	6.14%	5.44%	6.29%
Percentile	35	43	32	52	47	62	77	38	27	75	63	52	56	55
Fixed Income Funds Universe:														
25th Percentile	11.88%	8.97%	10.61%	5.50%	5.06%	3.05%	5.13%	7.39%	5.51%	14.47%	2.68%	7.22%	6.18%	6.84%
50th Percentile	11.06%	8.28%	9.19%	4.22%	4.25%	2.62%	4.71%	6.65%	1.52%	9.88%	2.04%	6.21%	5.58%	6.37%
75th Percentile	10.29%	7.51%	6.97%	2.80%	2.96%	2.19%	4.37%	5.65%	-3.75%	5.96%	1.46%	5.05%	4.87%	5.46%

Rolling 3-Year Value Added



Risk-Return Analysis

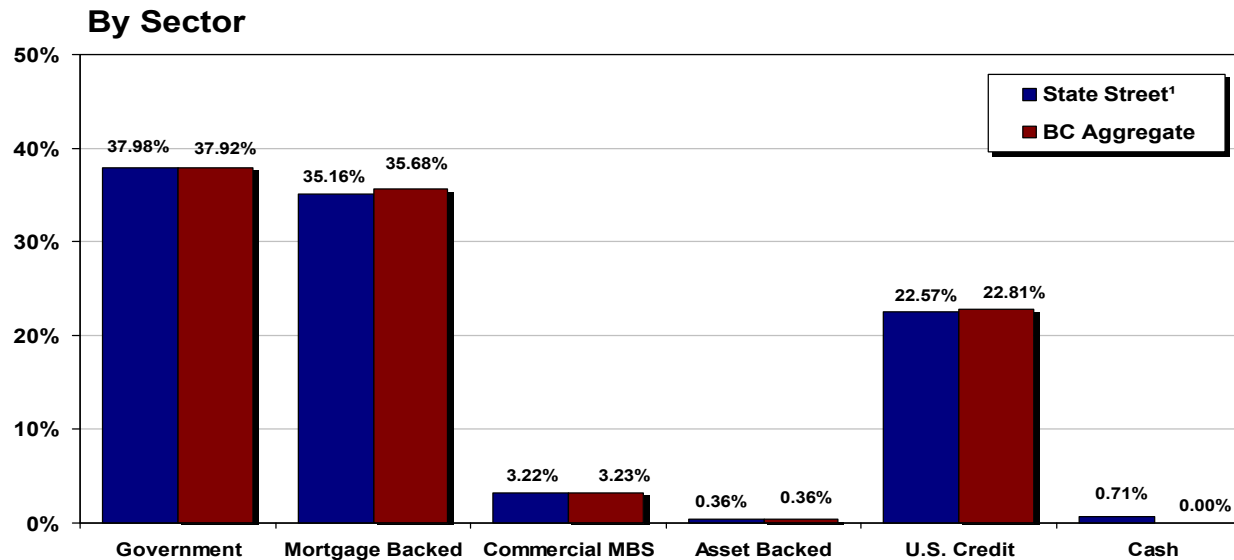
5 Years Ending March 31, 2010



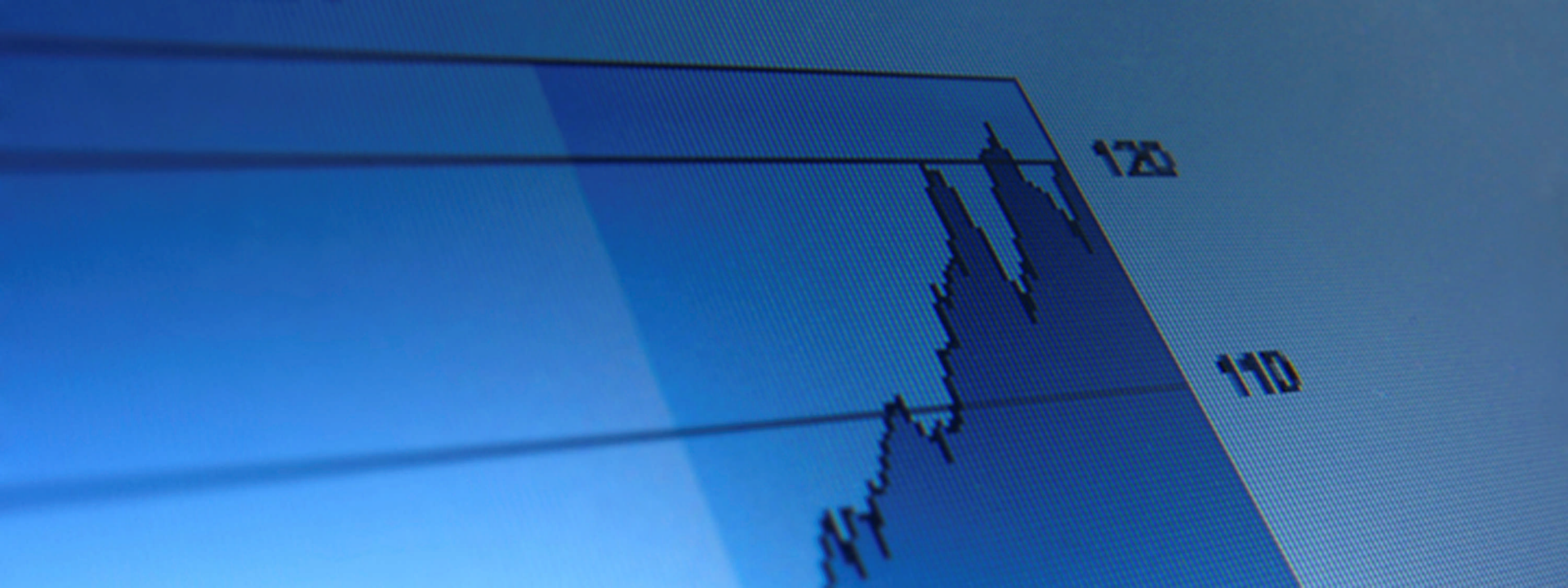
Fixed Income Portfolio Information

March 31, 2010

Fixed Income Portfolio Characteristics	State Street BC Aggregate Bond Index Fund ¹	Barclays Capital Aggregate Bond Index
Quality Rating	Aa2	AA+/AA
Duration	4.63 Years	4.68 Years
Yield to Maturity	3.43%	3.47%
Convexity	-0.27	-0.28



¹ Fixed income characteristics for the State Street BC Aggregate Index Fund are provided by the manager.



THA Participant-Directed Plan Investment Policies and Objectives

Investment Policies and Objectives

Performance Objectives (five year horizon)

Core Investment Options

Money Market Fund

- ▣ 90-Day Treasury Bill Index
- ▣ Upper 40% of peer group

Stable Value Fund/Fixed Interest Account

- ▣ Five-Year Constant Maturity Treasury Index
- ▣ Upper 40% of peer group

Intermediate Core Bond Fund

- ▣ Barclays Capital Aggregate Bond Index
- ▣ Upper 40% of peer group

Inflation-Protected Bond Fund

- ▣ Barclays Capital U.S. Treasury Inflation Notice Index

Balanced Fund

- ▣ 60% S&P 500 Index/40% Barclays Capital Aggregate Bond Index
- ▣ Upper 40% of peer group

Large Cap Index Equity Fund

- ▣ S&P 500 Index

Large Cap Value Equity Fund

- ▣ Russell 1000 Value Index
- ▣ Upper 40% of peer group

Investment Policies and Objectives

Performance Objectives (five year horizon)

Large Cap Blend Equity Fund

- ▣ S&P 500 Index
- ▣ Upper 40% of peer group

Large Cap Growth Equity Fund

- ▣ Russell 1000 Growth Index
- ▣ Upper 40% of peer group

Mid Cap Value Equity Fund

- ▣ Russell Mid Cap Value Index
- ▣ Upper 40% of peer group

Mid Cap Growth Equity Fund

- ▣ Russell 2500 Growth Index
- ▣ Upper 40% of peer group

Small Cap Growth Equity Fund

- ▣ Russell 2000 Growth Index
- ▣ Upper 40% of peer group

International Equity Fund

- ▣ MSCI EAFE Index
- ▣ Upper 40% of peer group

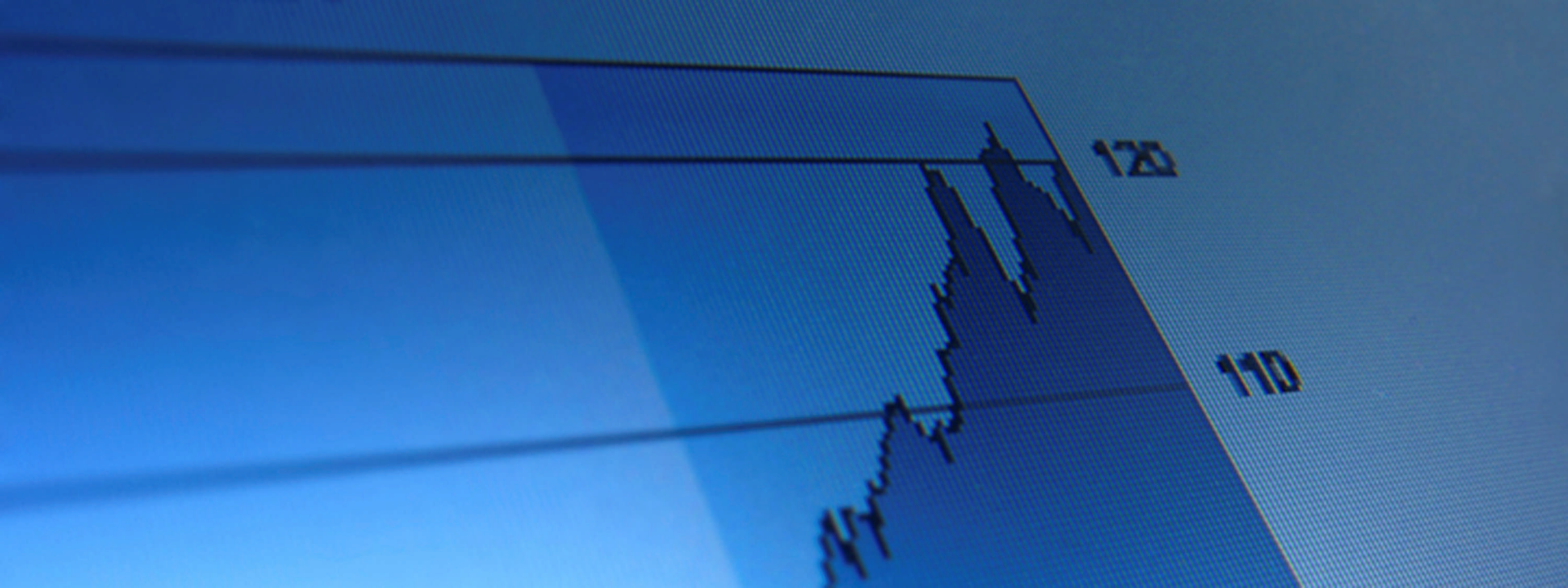
Emerging Markets Equity Fund

- ▣ Exceed the annualized total return of the MSCI Emerging Markets Index

Target Date Funds

Lifestyle Funds

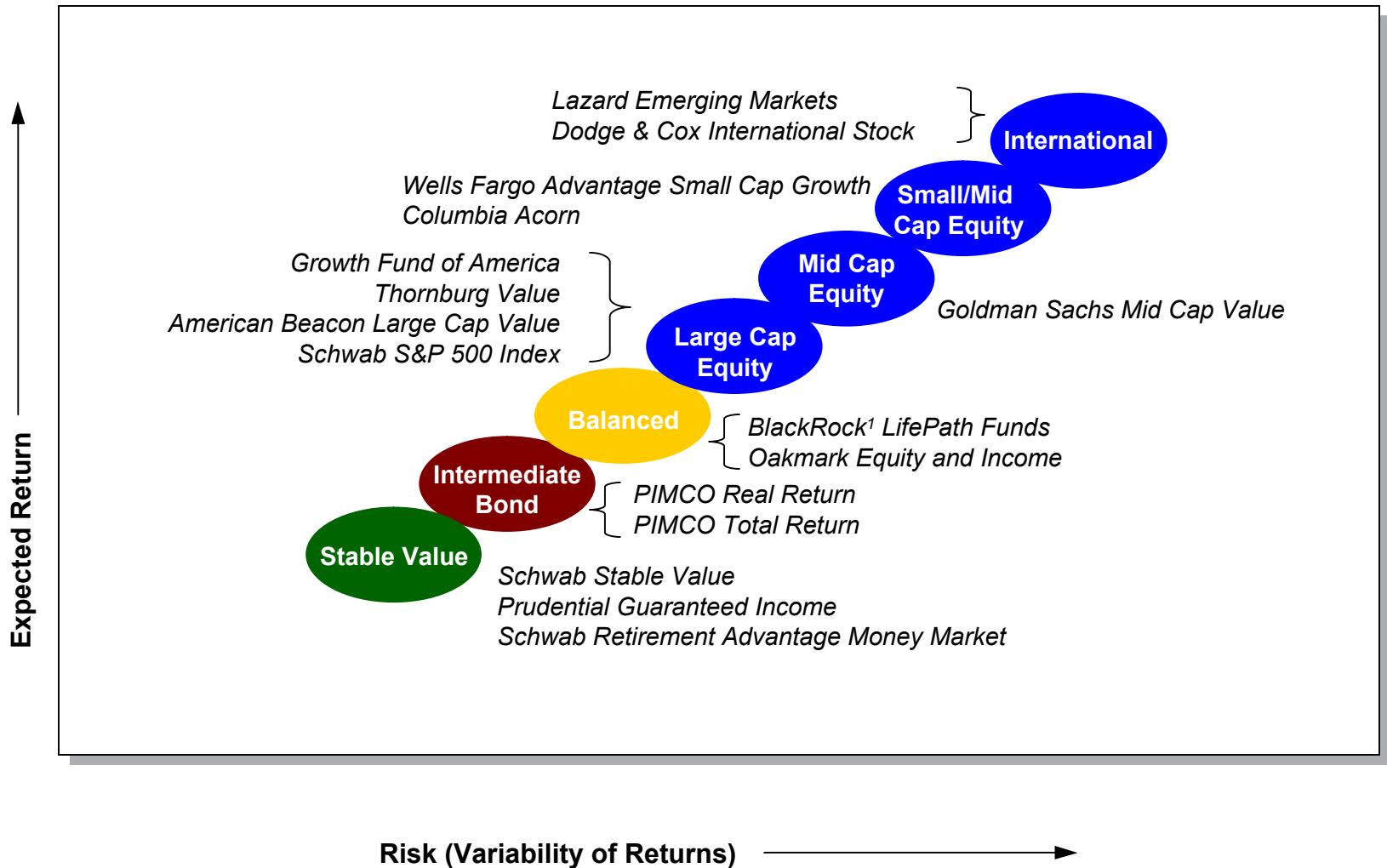
- ▣ Custom Indices



Fund Structure

THA Participant-Directed Plan Options

Risk/Return Spectrum



¹ On 12/31/2009, BlackRock merged with Barclays Global Investors.

THA Participant-Directed Funds/Managers

- ▶ **Schwab Retirement Advantage Money Market Fund** – This fund invests in high quality short-term investments issued by U.S. and foreign issuers; however, all investments are denominated in U.S. dollars. The fund’s goal is to seek current income consistent with capital stability and liquidity.
- ▶ **Prudential Guaranteed Income Fund** – This fund is a group annuity contract issued by the Prudential Retirement and Annuity Company and is backed by the creditworthiness of the issuer’s general account. Prudential declares an annual interest rate which is subject to change on July 1 and December 31 of each year.
- ▶ **Schwab Stable Value Fund** – This is a capital preservation fund managed by Dwight Asset Management. This fund invests primarily in high credit quality fixed income securities that are supported by financial contracts designed to protect the investor from the price fluctuation of the underlying securities. The fund’s goal is to provide safety of principal and a stable credited rate of interest with minimal volatility.
- ▶ **PIMCO Total Return Fund** – This fund invest in a broad range of bonds including government bonds, corporate bonds, mortgaged-backed bonds, foreign bonds, and short-term instruments. It invests primarily in investment grade debt securities but may invest up to 10% in high yield securities. The goal of this fund is to seek a total return that exceeds short-term rates but it will experience greater price variability in the underlying portfolio holdings.
- ▶ **PIMCO Real Return Fund** – This fund invests primarily in inflation-indexed bonds of varying maturities issued by the U.S. and non-U.S. governments, their agencies, and corporations. The goal of this fund is to provide a long-term total return that will exceed inflation. The return may reflect more variability- especially over shorter measurement periods – than money market or stable value funds.
- ▶ **Oakmark Equity & Income Fund** – This balanced fund is managed by Harris Associates and invests in stocks, bonds, and short term instruments. The equity portion may range between 50% and 70% in predominantly U.S. stocks and the fixed income allocation tends to favor short to intermediate high credit quality bonds.
- ▶ **Schwab S&P 500 Fund** – This fund invests in the stocks included in the S&P 500 Index and seeks to closely track the investment return of this index.
- ▶ **American Beacon Large Cap Value Fund** – This fund utilizes four independent sub-advisors to manage a portfolio of stocks that exhibit “value” characteristics such as below market price-to-earnings ratios, low market price to book ratios and above average dividend yields. The companies in the fund generally have market capitalizations similar to the Russell 1000 Large Cap Value Index.

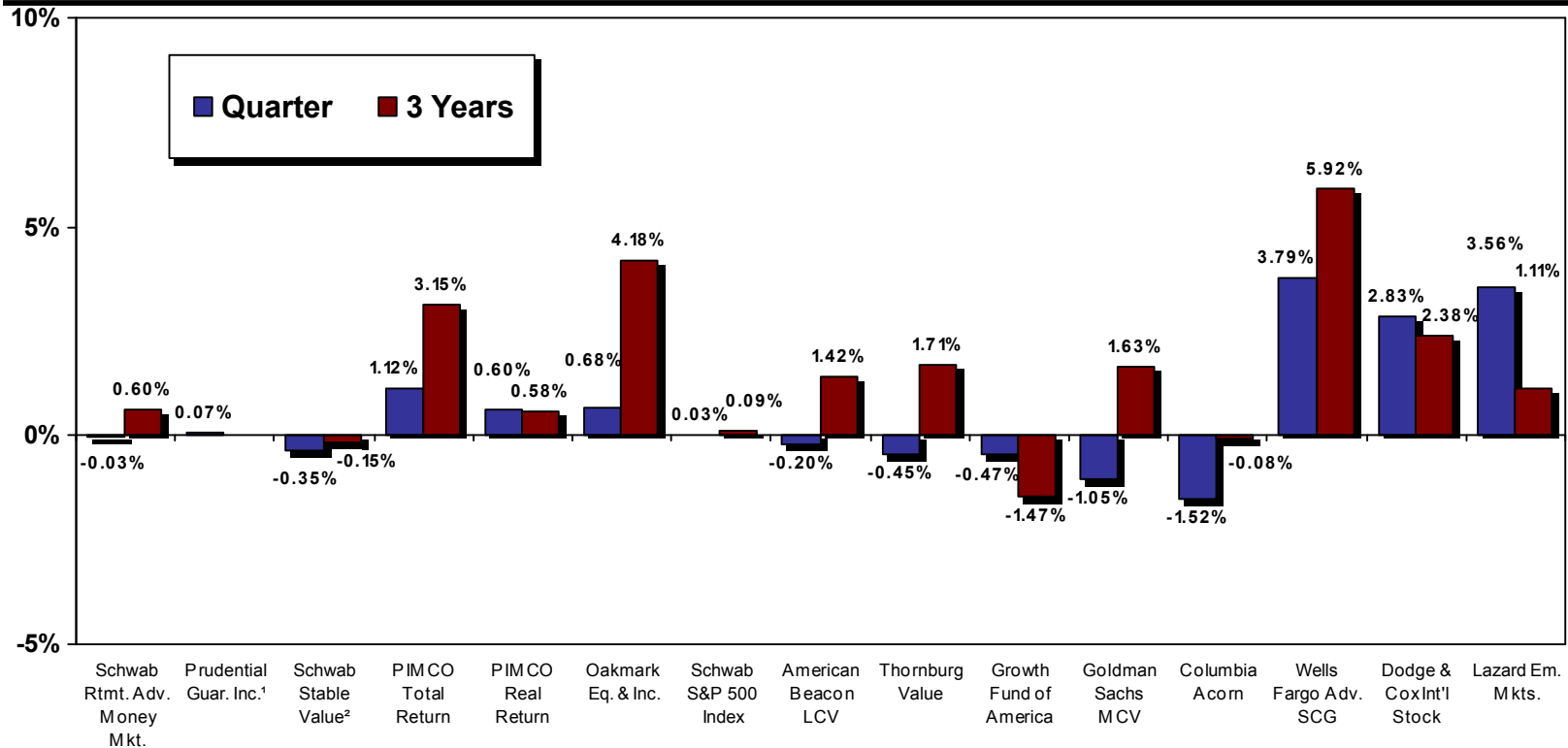
THA Participant-Directed Funds/Managers

- ▶ **Thornburg Value Fund** – This is a core equity fund that invests primarily in domestic, larger cap stocks. However, the fund tends to be more concentrated in fewer stock holdings (i.e. around 50 stocks) than the other equity fund plan options, and yet still may hold a modest allocation in small cap and international equities.
- ▶ **Growth Fund of America** – This fund is managed by Capital Management & Research and invests primarily in stocks that exhibit “growth” characteristics such as above average earnings, growth in sales, and above average price multiples. It primarily invests in large cap domestic stocks but may hold 20% in non-US stocks.
- ▶ **Goldman Sachs Mid Cap Value Fund** – This fund is managed by a team of sector specialists that focuses on U.S. value stock opportunities across companies generally ranging in size between \$2 billion and \$12 billion in capitalization. The management team seeks to find stocks that are trading cheaply relative to peers yet represent companies with longer term competitive advantages.
- ▶ **Columbia Acorn Fund** – This fund is managed by the subsidiary firm Columbia – Wanger Asset Management and invests primarily in small and mid cap growth stocks (i.e., small cap stocks represent about 40% of the portfolio). The fund seeks to find companies that will benefit from economic, social, or technological trends that create superior earnings growth potential. This may include a material investment in non-US stocks.
- ▶ **Wells Fargo Advantage Small Cap Growth Fund** – This fund invests principally in equity securities of small cap companies believed to have above-average growth potential. The manager focuses on identifying rapidly growing small cap companies that are in an early or transitional stage of their development. The strategy may employ futures, options, or swap agreements, as well as other derivatives, to manage risk or enhance return.
- ▶ **Dodge & Cox International Stock Fund** – This fund applies a value oriented philosophy to invest in a well diversified portfolio of international stocks primarily listed across developed country markets. The primary focus is on mid and large cap stocks and the portfolio will include allocations to emerging market stocks.
- ▶ **Lazard Emerging Markets Fund** – This fund invests 80% of the assets in emerging market equity securities – with a focus on companies in Latin America, the Pacific Basin, and Eastern Europe. The investment process has a value bias with a preference for buying companies with lower price to earnings ratios.
- ▶ **BlackRock¹ LifePath Funds** – Each of these funds represents an asset allocation portfolio (i.e., diversified among broad asset classes) that is targeted to a specific retirement date. As the retirement date approaches, the allocation across the asset classes becomes more conservative. The underlying asset class funds include an actively managed domestic equity segment, five other equity index segments, a REIT index, two bond market segments, and a money market segment.

¹ On 12/31/2009, BlackRock merged with Barclays Global Investors.

Value Added Relative to Market Benchmarks

March 31, 2010



Benchmarks:

Schwab Rtmt. Adv. Money Mkt.: 90-Day U.S. Tsy Bills
 Prudential Guar. Inc.¹: 5-Year Constant Mat. Tsy
 Schwab Stable Value²: 5-Year Constant Mat. Tsy
 PIMCO Total Return: BC Aggregate Bond Index
 PIMCO Real Return: BC TIPS Index
 Oakmark Eq. & Inc.: 60% S&P 500/40% BC Agg. Bond
 Schwab S&P 500 Index: S&P 500 Index
 American Beacon LCV: Russell 1000 Value Index

Thornburg Value: S&P 500 Index
 Growth Fund of America: Russell 1000 Growth Index
 Goldman Sachs MCV: Russell Mid Cap Value Index
 Columbia Acorn: Russell 2500 Growth Index
 Wells Fargo Adv. SCG: Russell 2000 Growth Index
 Dodge & Cox Int'l Stock: MSCI EAFE Index
 Lazard Em. Mkts.: MSCI Emerging Markets Index

¹ Investment contract return specific to the THA account established in 4th quarter 2007.

² Invesco has been the primary sub-advisor for the Schwab Stable Value Fund since December 2001. In August 2007, Schwab appointed Dwight as the lead sub-advisor. Performance is shown net of 0.50% annual fee.

Performance Relative to Peer Groups and Market Benchmarks

March 31, 2010

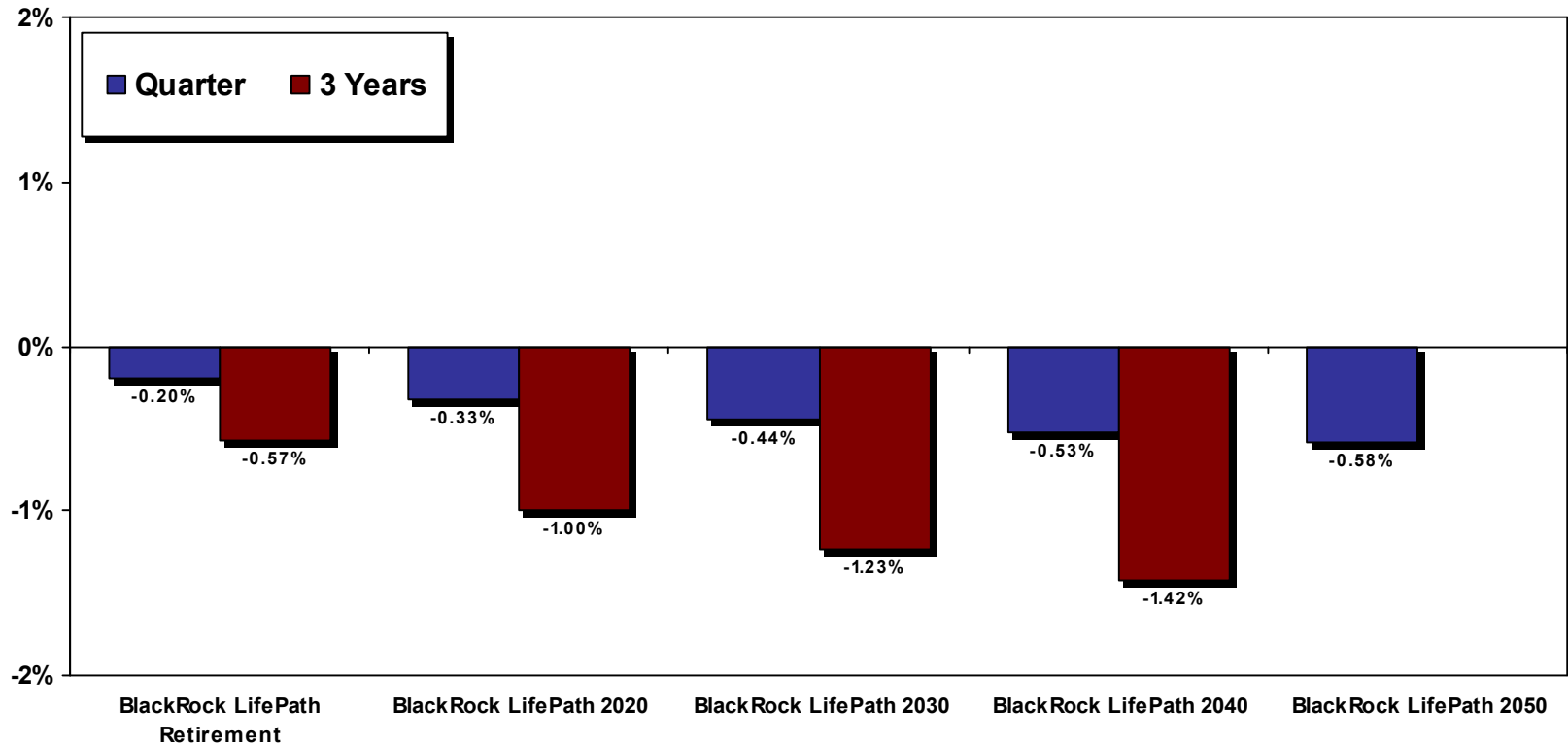
Portfolio	Qtr.		1 Year		3 Years	
	Return	Percentile	Return	Percentile	Return	Percentile
U.S. Fixed Income						
Schwab Retirement Advantage Money Market	0.00%	28	0.05%	42	2.14%	20
<i>90-Day U.S. Treasury Bills</i>	0.03%	5	0.12%	24	1.54%	75
Prudential Guaranteed Income ¹	0.95%	1	4.04%	1	-	-
<i>5-Year Constant Maturity Treasury</i>	0.88%	12	3.66%	7	3.80%	22
Schwab Stable Value ²	0.53%	59	2.62%	49	3.65%	41
<i>5-Year Constant Maturity Treasury</i>	0.88%	12	3.66%	7	3.80%	22
PIMCO Total Return	2.90%	17	15.16%	35	9.29%	3
<i>BC Aggregate Bond Index</i>	1.78%	57	7.69%	67	6.14%	30
PIMCO Real Return	1.16%	15	13.05%	4	6.59%	9
<i>BC Treasury Inflation-Protected Index</i>	0.56%	42	6.17%	51	6.01%	26
Balanced						
Oakmark Equity & Income	4.70%	17	33.52%	55	4.49%	3
<i>60% S&P 500/40% BC Aggregate Bond</i>	4.02%	41	31.65%	68	0.31%	37
U.S. Equity						
Schwab S&P 500 Index	5.42%	39	49.52%	45	-4.07%	55
<i>S&P 500 Index</i>	5.39%	40	49.77%	44	-4.16%	56
American Beacon Large Cap Value	6.58%	25	56.68%	22	-5.91%	57
<i>Russell 1000 Value Index</i>	6.78%	18	53.56%	35	-7.33%	76
Thornburg Value	4.94%	53	66.53%	7	-2.45%	35
<i>S&P 500 Index</i>	5.39%	40	49.77%	44	-4.16%	56
Growth Fund of America	4.17%	60	45.96%	65	-2.25%	57
<i>Russell 1000 Growth Index</i>	4.64%	45	49.75%	37	-0.78%	37
Goldman Sachs Mid Cap Value	8.56%	31	58.89%	50	-3.60%	47
<i>Russell Mid Cap Value Index</i>	9.61%	19	72.41%	23	-5.23%	69
Columbia Acorn	7.29%	35	65.02%	16	-1.75%	49
<i>Russell 2500 Growth Index</i>	8.81%	11	63.92%	18	-1.67%	48
Wells Fargo Advantage Small Cap Growth	11.40%	2	74.26%	7	3.50%	3
<i>Russell 2000 Growth Index</i>	7.61%	40	60.32%	34	-2.42%	43
International Equity						
Dodge & Cox International Stock	3.70%	12	75.71%	4	-4.64%	27
<i>MSCI EAFE Index</i>	0.87%	65	54.44%	46	-7.02%	58
Lazard Emerging Markets	5.96%	1	83.38%	33	6.27%	10
<i>MSCI Emerging Markets Index</i>	2.40%	50	81.08%	41	5.16%	23

¹ Investment contract return specific to the THA account established in 4th quarter 2007.

² Invesco has been the primary sub-advisor for the Schwab Stable Value Fund since December 2001. In August 2007, Schwab appointed Dwight as the lead sub-advisor. Performance is shown net of 0.50% annual fee.

Value Added Relative to Market Benchmarks - LifePath Funds¹

March 31, 2010



Benchmarks:

BlackRock LifePath Retirement: LifePath Retirement Custom Benchmark

BlackRock LifePath 2020: LifePath 2020 Custom Benchmark

BlackRock LifePath 2030: LifePath 2030 Custom Benchmark

BlackRock LifePath 2040: LifePath 2040 Custom Benchmark

BlackRock LifePath 2050: LifePath 2050 Custom Benchmark

¹ See Appendix C for custom benchmark construction. In December 2009, BlackRock merged with Barclays Global Investors (BGI).

Performance Relative to Peer Groups and Market Benchmarks - LifePath Funds¹

March 31, 2010

Portfolio	Qtr.		1 Year		3 Years	
	Return	Percentile	Return	Percentile	Return	Percentile
Balanced						
BlackRock LifePath Retirement	2.79%	54	26.71%	52	1.98%	42
<i>LifePath Retirement Custom Benchmark</i>	2.99%	31	24.84%	67	2.55%	11
BlackRock LifePath 2020	3.30%	71	36.84%	72	-1.33%	40
<i>LifePath 2020 Custom Benchmark</i>	3.63%	61	36.52%	74	-0.33%	6
BlackRock LifePath 2030	3.62%	83	43.88%	75	-3.20%	47
<i>LifePath 2030 Custom Benchmark</i>	4.06%	72	44.87%	68	-1.97%	23
BlackRock LifePath 2040	3.88%	80	49.96%	57	-4.82%	76
<i>LifePath 2040 Custom Benchmark</i>	4.41%	55	52.08%	39	-3.40%	37
BlackRock LifePath 2050	4.14%	75	55.60%	35	-	-
<i>LifePath 2050 Custom Benchmark</i>	4.72%	38	58.38%	3	-	-

¹ See Appendix C for custom benchmark construction. In December 2009, BlackRock merged with Barclays Global Investors (BGI).

Investment Manager Structure

Texas Hospital Association

Investment Manager	March 31, 2010		December 31, 2009	
	Assets (\$ MM)	Percent of Portfolio	Assets (\$ MM)	Percent of Portfolio
U.S. Fixed Income				
Schwab Retirement Advantage Money Market	\$0.0	0.0%	\$0.0	0.0%
Prudential Guaranteed Income	5.1	9.8%	4.1	8.8%
Schwab Stable Value	0.0	0.0%	0.0	0.0%
PIMCO Total Return	3.3	6.3%	2.9	6.3%
PIMCO Real Return	<u>1.0</u>	<u>1.9%</u>	<u>0.8</u>	<u>1.8%</u>
Total U.S. Fixed Income	\$9.4	18.0%	\$7.8	16.9%
Balanced				
Oakmark Equity and Income	\$12.6	24.1%	\$11.9	25.4%
U.S. Equity				
Schwab S&P 500 Index	\$1.2	2.3%	\$1.1	2.4%
American Beacon Large Cap Value	1.4	2.7%	1.3	2.7%
Thornburg Value	1.2	2.3%	1.2	2.5%
Growth Fund of America	2.4	4.5%	2.1	4.5%
Goldman Sachs Mid Cap Value	1.2	2.3%	1.0	2.2%
Columbia Acorn	1.4	2.7%	1.3	2.8%
Wells Fargo Advantage Small Cap Growth	<u>0.2</u>	<u>0.4%</u>	<u>0.2</u>	<u>0.3%</u>
Total U.S. Equity	\$9.0	17.1%	\$8.1	17.3%
International Equity				
Dodge & Cox International Stock	\$2.1	4.0%	\$1.8	3.9%
Lazard Emerging Markets	<u>1.1</u>	<u>2.1%</u>	<u>1.0</u>	<u>2.1%</u>
Total International Equity	\$3.2	6.1%	\$2.8	6.0%
Target Date				
BlackRock LifePath Retirement	\$3.1	5.8%	\$2.6	5.6%
BlackRock LifePath 2020	7.4	14.0%	6.5	14.0%
BlackRock LifePath 2030	4.5	8.6%	3.9	8.3%
BlackRock LifePath 2040	2.5	4.7%	2.1	4.4%
BlackRock LifePath 2050	<u>0.0</u> ¹	<u>0.0%</u>	<u>0.0</u> ¹	<u>0.0%</u>
Total Target Date	\$17.4	33.1%	\$15.1	32.3%
Loan Fund	\$0.8	1.4%	\$0.6	1.3%
Cash	<u>0.1</u>	<u>0.2%</u>	<u>0.4</u>	<u>0.8%</u>
Total Plan	\$52.5	100.0%	\$46.8	100.0%

¹ Less than \$50,000.

Performance Relative to Investment Policy Objectives

March 31, 2010

Performance vs. Market Index Benchmark

Manager	5-Year ROR	Market Index	5-Year Objective	Relative Performance	4Q2009 Achieved	1Q2010 Achieved
PIMCO Total Return	7.20%	BC Aggregate Bond Index	5.44%	1.76%	✓	✓
PIMCO Real Return	4.90%	BC Treasury Inflation-Protected Index	4.83%	0.07%		✓
Oakmark Equity & Income	7.36%	60% S&P 500/40% BC Aggregate Bond	3.64%	3.72%	✓	✓
Schwab S&P 500 Index	1.93%	S&P 500 Index	1.92%	0.01%	✓	✓
American Beacon Large Cap Value	1.77%	Russell 1000 Value Index	1.04%	0.73%	✓	✓
Thornburg Value	5.49%	S&P 500 Index	1.92%	3.57%	✓	✓
Growth Fund of America	4.08%	Russell 1000 Growth Index	3.43%	0.65%	✓	✓
Goldman Sachs Mid Cap Value	3.63%	Russell Mid Cap Value Index	3.70%	-0.07%	✓	
Columbia Acorn	5.39%	Russell 2500 Growth Index	4.65%	0.74%	✓	✓
Wells Fargo Advantage Small Cap Growth	N/A	Russell 2000 Growth Index	3.82%	N/A	N/A	N/A
Dodge & Cox International Stock	5.98%	MSCI EAFE Index	3.76%	2.22%	✓	✓
Lazard Emerging Markets	16.91%	MSCI Emerging Markets Index	15.65%	1.26%	✓	✓

Performance vs. Universe of Managers

Manager	5-Year Rank	Universe	5-Year Objective	Relative Universe Rank	4Q2009 Achieved	1Q2010 Achieved
PIMCO Total Return	4	Fixed Income Mutual Funds Universe	50	46	✓	✓
PIMCO Real Return	16	TIPS Mutual Funds Universe	50	34	✓	✓
Oakmark Equity & Income	3	Balanced Mutual Funds Universe	50	47	✓	✓
Schwab S&P 500 Index	55	Large Cap Equity Mutual Funds Universe	50	-5	N/A	N/A
American Beacon Large Cap Value	48	Large Cap Value Mutual Funds Universe	50	2	✓	✓
Thornburg Value	7	Large Cap Equity Mutual Funds Universe	50	43	✓	✓
Growth Fund of America	24	Large Cap Growth Mutual Funds Universe	50	26	✓	✓
Goldman Sachs Mid Cap Value	40	Mid Cap Value Mutual Funds Universe	50	10	✓	✓
Columbia Acorn	34	Mid Cap Growth Mutual Funds Universe	50	16	✓	✓
Wells Fargo Advantage Small Cap Growth	N/A	Small Cap Growth Mutual Funds Universe	50	N/A	N/A	N/A
Dodge & Cox International Stock	20	International Equity Mutual Funds Universe	50	30	✓	✓
Lazard Emerging Markets	13	Emerging Markets Mutual Funds Universe	50	37	✓	✓

¹ Wells Fargo Advantage Small Cap Growth does not yet have five years of performance history.

Performance Relative to Investment Policy Objectives (LifePath)

March 31, 2010

Performance vs. Market Index Benchmark

Manager	5-Year ROR	Market Index	5-Year Objective	Relative Performance	4Q2009 Achieved	1Q2010 Achieved
BlackRock LifePath Retirement	4.31%	LifePath Retirement Custom Benchmark ¹	4.86%	-0.55%		
BlackRock LifePath 2020	3.51%	LifePath 2020 Custom Benchmark ¹	4.26%	-0.75%		
BlackRock LifePath 2030	2.92%	LifePath 2030 Custom Benchmark ¹	3.80%	-0.88%		
BlackRock LifePath 2040	2.35%	LifePath 2040 Custom Benchmark ¹	3.35%	-1.00%		
BlackRock LifePath 2050 ²	N/A	LifePath 2050 Custom Benchmark ¹	N/A	N/A	N/A	N/A

Performance vs. Universe of Managers

Manager	5-Year Rank	Universe	5-Year Objective	Relative Universe Rank	4Q2009 Achieved	1Q2010 Achieved
BlackRock LifePath Retirement	20	Target Income Mutual Funds Universe	50	30	✓	✓
BlackRock LifePath 2020	38	Target 2020 Mutual Funds Universe	50	12	✓	✓
BlackRock LifePath 2030	41	Target 2030 Mutual Funds Universe	50	9	✓	✓
BlackRock LifePath 2040	60	Target 2040 Mutual Funds Universe	50	-10	✓	
BlackRock LifePath 2050 ²	N/A	Target 2045+ Mutual Funds Universe	50	N/A	N/A	N/A

¹ See Appendix C for custom benchmark construction.

² BlackRock LifePath 2050 does not yet have five years of performance history.



Performance Review and Portfolio Diagnostics

Comparative Investment Performance Results

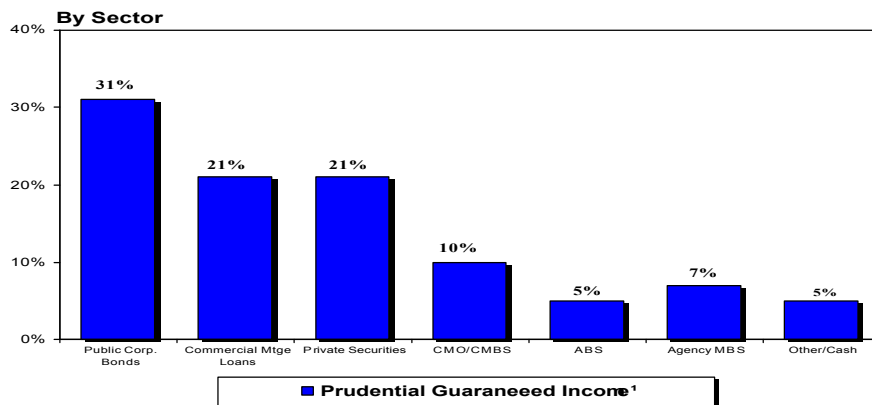
Schwab Retirement Advantage Money Market vs. Money Market Mutual Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Schwab Retirement Advantage Money Market	6.16%	3.96%	1.56%	0.74%	0.95%	2.81%	4.66%	4.96%	2.56%	0.20%	0.00%	2.14%	2.92%	2.70%
<i>Percentile</i>	<i>18</i>	<i>19</i>	<i>18</i>	<i>34</i>	<i>35</i>	<i>29</i>	<i>31</i>	<i>23</i>	<i>14</i>	<i>31</i>	<i>28</i>	<i>20</i>	<i>25</i>	<i>22</i>
90-Day U.S. Treasury Bills	5.84%	3.38%	1.60%	1.01%	1.37%	3.15%	4.73%	4.35%	1.36%	0.15%	0.03%	1.54%	2.61%	2.54%
<i>Percentile</i>	<i>56</i>	<i>78</i>	<i>15</i>	<i>9</i>	<i>1</i>	<i>3</i>	<i>26</i>	<i>74</i>	<i>77</i>	<i>39</i>	<i>5</i>	<i>75</i>	<i>58</i>	<i>43</i>
Money Market Mutual Funds Universe:														
25th Percentile	6.10%	3.89%	1.49%	0.82%	1.06%	2.85%	4.74%	4.94%	2.34%	0.25%	0.01%	2.10%	2.92%	2.68%
40th Percentile	5.96%	3.76%	1.36%	0.70%	0.92%	2.72%	4.58%	4.78%	2.05%	0.14%	0.00%	1.92%	2.76%	2.58%
50th Percentile	5.88%	3.69%	1.28%	0.63%	0.83%	2.62%	4.49%	4.64%	1.83%	0.08%	0.00%	1.78%	2.69%	2.49%
75th Percentile	5.58%	3.43%	1.03%	0.41%	0.59%	2.39%	4.22%	4.34%	1.41%	0.02%	0.00%	1.53%	2.42%	2.29%

Comparative Investment Performance Results

Prudential Guaranteed Income¹ vs. Stable Value Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Prudential Guaranteed Income ¹	-	-	-	-	-	-	-	-	4.86%	4.22%	0.95%	-	-	-
<i>Percentile</i>	-	-	-	-	-	-	-	-	1	1	1	-	-	-
5-Year Constant Maturity Treasury	5.84%	5.66%	5.23%	4.70%	4.32%	3.85%	3.72%	3.82%	3.90%	3.73%	0.88%	3.80%	3.78%	4.42%
<i>Percentile</i>	83	59	34	10	6	52	99	96	61	6	12	22	56	46
Stable Value Funds Universe:														
25th Percentile	6.11%	5.95%	5.27%	4.48%	4.02%	4.05%	4.45%	4.69%	4.32%	3.04%	0.74%	3.79%	3.99%	4.47%
40th Percentile	6.08%	5.83%	5.13%	4.43%	3.98%	3.98%	4.39%	4.51%	4.27%	2.76%	0.69%	3.69%	3.90%	4.43%
50th Percentile	6.07%	5.73%	5.02%	4.38%	3.89%	3.88%	4.31%	4.44%	4.05%	2.49%	0.65%	3.59%	3.85%	4.40%
75th Percentile	5.89%	5.54%	4.84%	4.04%	3.31%	3.74%	4.16%	4.28%	3.69%	1.92%	0.42%	3.21%	3.47%	4.20%



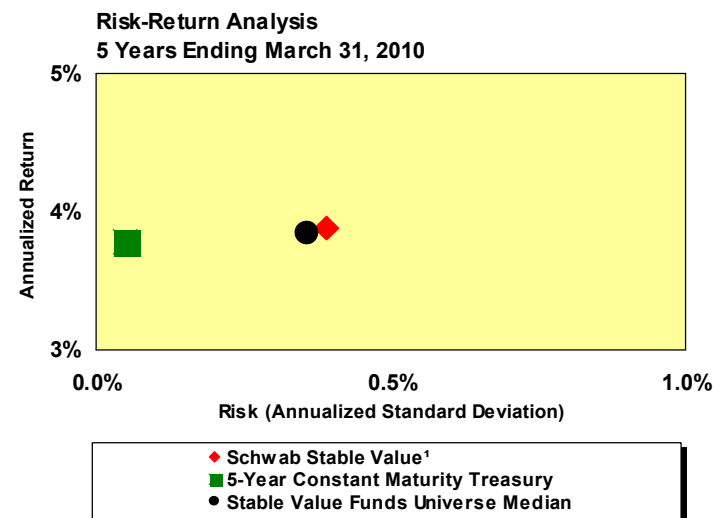
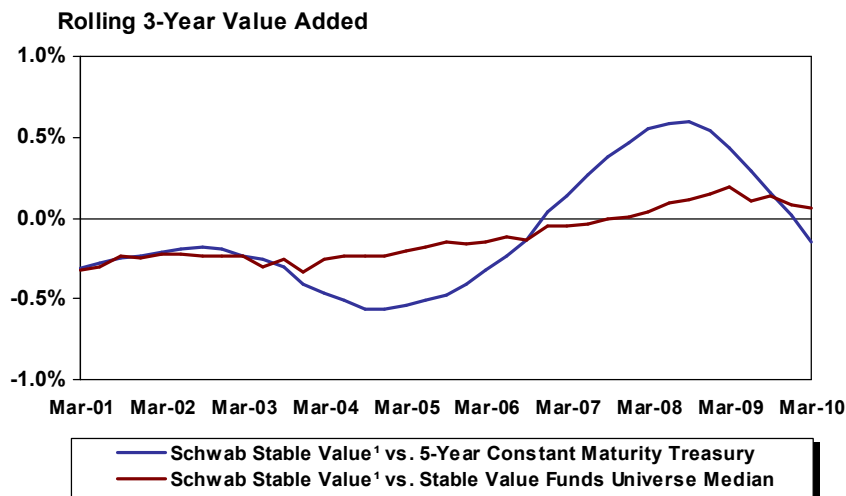
Average Quality	A-
Average Duration	3.2 Years
Total High Yield Exposure	6.13%

¹ Investment contract return specific to the THA account established in 4th quarter 2007. The net crediting rate in effect for January through June 2010 is set at 3.85%. Portfolio information was provided by Prudential.

Comparative Investment Performance Results

Schwab Stable Value¹ vs. Stable Value Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Schwab Stable Value ¹	5.78%	5.51%	4.88%	3.97%	3.72%	3.95%	4.33%	4.47%	4.26%	2.80%	0.53%	3.65%	3.88%	4.28%
<i>Percentile</i>	84	80	74	78	56	41	45	48	41	39	59	41	47	66
5-Year Constant Maturity Treasury	5.84%	5.66%	5.23%	4.70%	4.32%	3.85%	3.72%	3.82%	3.90%	3.73%	0.88%	3.80%	3.78%	4.42%
<i>Percentile</i>	83	59	34	10	6	52	99	96	61	6	12	22	56	46
Stable Value Funds Universe:														
25th Percentile	6.11%	5.95%	5.27%	4.48%	4.02%	4.05%	4.45%	4.69%	4.32%	3.04%	0.74%	3.79%	3.99%	4.47%
40th Percentile	6.08%	5.83%	5.13%	4.43%	3.98%	3.98%	4.39%	4.51%	4.27%	2.76%	0.69%	3.69%	3.90%	4.43%
50th Percentile	6.07%	5.73%	5.02%	4.38%	3.89%	3.88%	4.31%	4.44%	4.05%	2.49%	0.65%	3.59%	3.85%	4.40%
75th Percentile	5.89%	5.54%	4.84%	4.04%	3.31%	3.74%	4.16%	4.28%	3.69%	1.92%	0.42%	3.21%	3.47%	4.20%



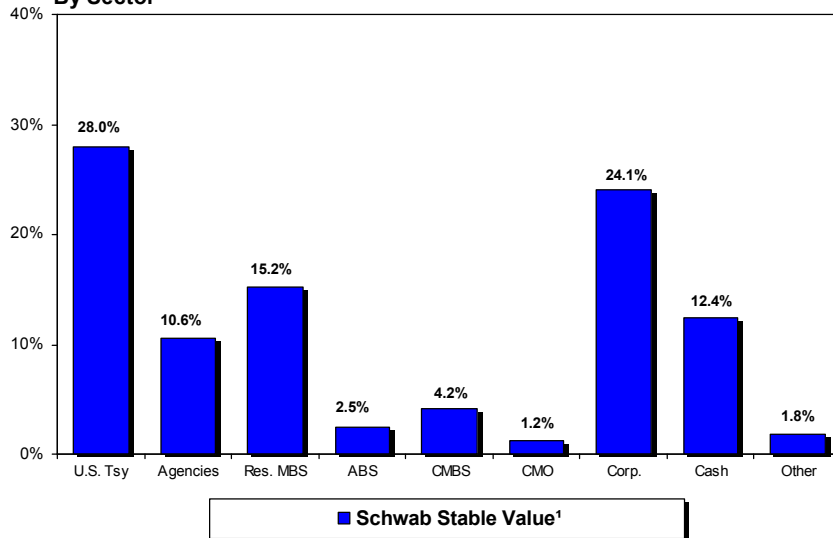
¹ Invesco has been the primary sub-advisor for the Schwab Stable Value Fund since December 2001. In August 2007, Schwab appointed Dwight as the lead sub-advisor. Performance is shown net of 0.50% annual fee.

Schwab Stable Value Portfolio Information¹

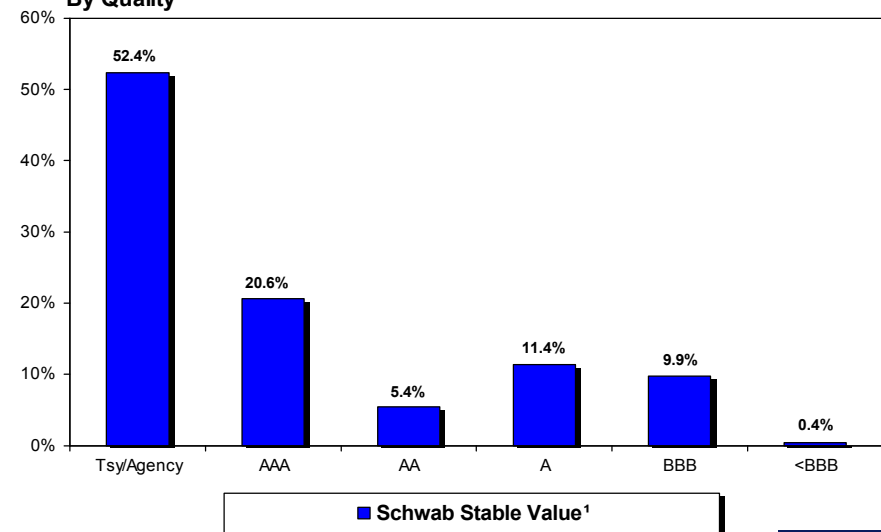
March 31, 2010

Wrap Issuers	% of Portfolio
Pacific Life	13.8%
AEGON	13.8%
Bank of America	13.8%
NATIXIS Financial	13.8%
State Street Bank	13.8%
JPMorgan	13.8%
Prudential	10.1%
Total	92.9%

By Sector



By Quality



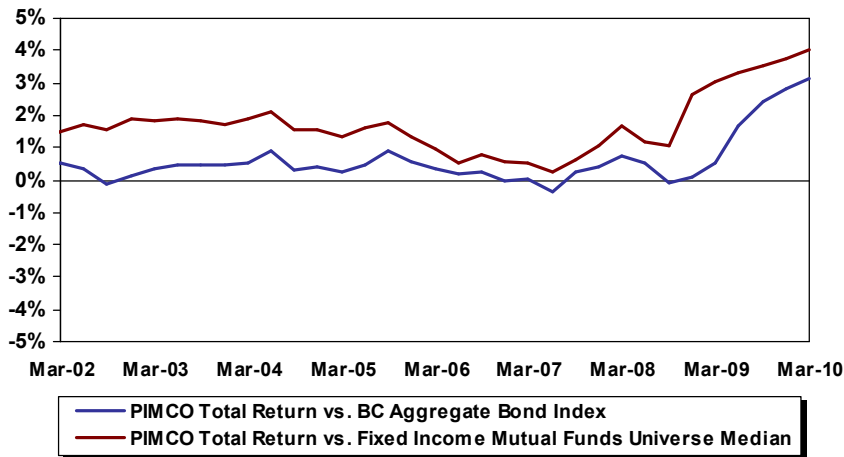
¹ Portfolio information was provided by Charles Schwab.

Comparative Investment Performance Results

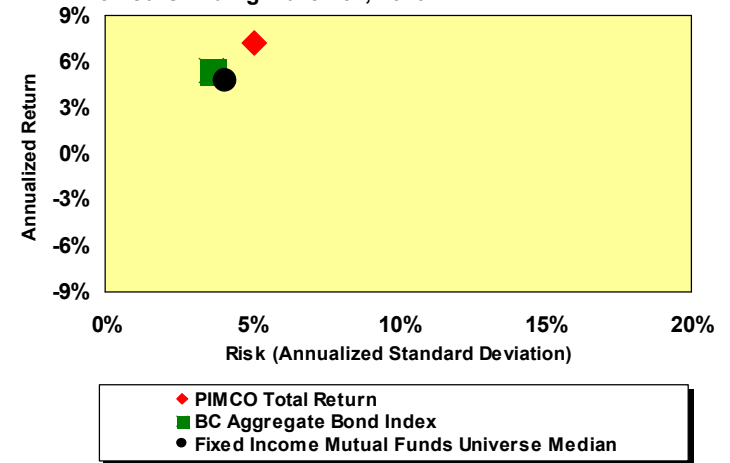
PIMCO Total Return vs. Fixed Income Mutual Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
PIMCO Total Return	11.73%	9.14%	9.85%	5.19%	4.81%	2.56%	3.66%	8.73%	4.48%	13.50%	2.90%	9.29%	7.20%	7.39%
Percentile	14	8	17	18	15	18	73	6	24	33	17	3	4	6
BC Aggregate Bond Index	11.63%	8.43%	10.27%	4.11%	4.34%	2.43%	4.33%	6.96%	5.24%	5.93%	1.78%	6.14%	5.44%	6.29%
Percentile	16	15	12	33	25	22	29	17	20	72	57	30	27	20
Fixed Income Mutual Funds Universe:														
25th Percentile	11.04%	7.99%	9.37%	4.60%	4.33%	2.35%	4.39%	6.50%	4.32%	15.66%	2.66%	6.39%	5.49%	6.16%
40th Percentile	10.28%	7.51%	8.53%	3.61%	3.83%	2.03%	4.13%	6.04%	1.10%	12.14%	2.27%	5.70%	5.03%	5.78%
50th Percentile	9.74%	7.22%	7.95%	2.97%	3.43%	1.89%	3.99%	5.74%	-0.96%	10.13%	1.93%	5.29%	4.72%	5.48%
75th Percentile	7.77%	6.34%	6.03%	1.86%	2.07%	1.48%	3.59%	4.74%	-6.60%	5.37%	1.26%	4.11%	4.02%	4.56%

Rolling 3-Year Value Added



Risk-Return Analysis
5 Years Ending March 31, 2010

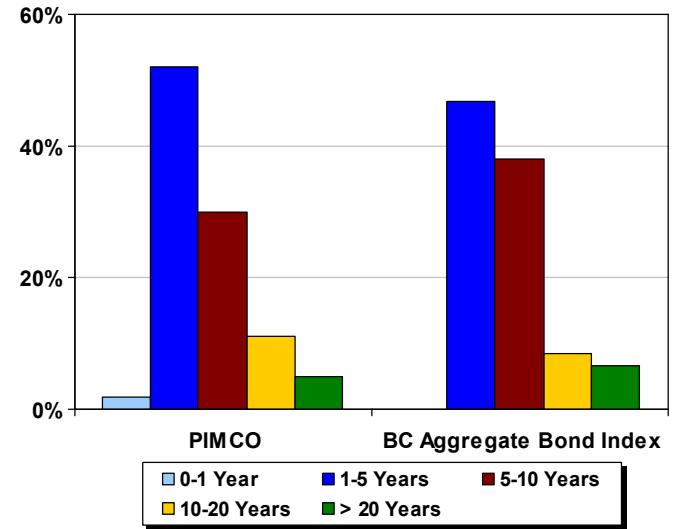


PIMCO Total Return Fund Portfolio Information¹

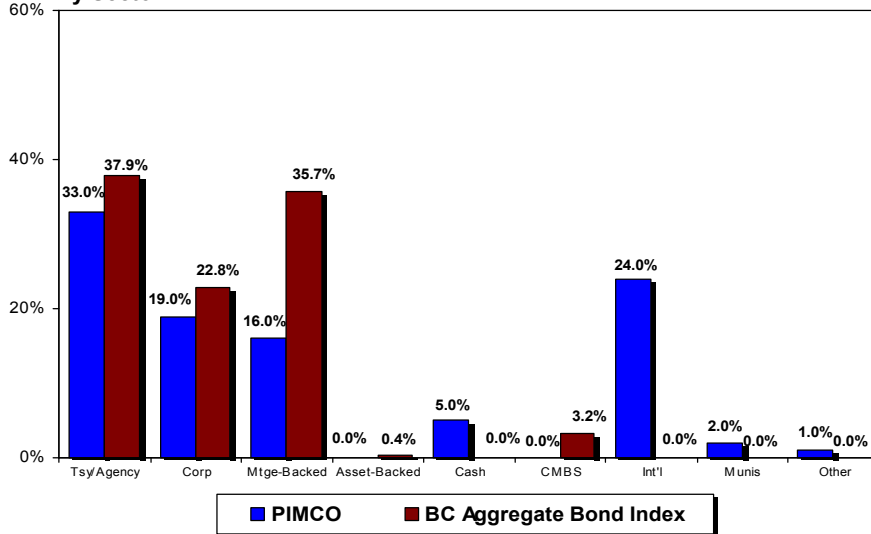
March 31, 2010

Fixed Income Portfolio Characteristics	PIMCO Total Return	BC Aggregate Bond Index
Quality Rating	AA	AA/AA+
Average Maturity	6.55 Years	6.95 Years
Yield to Maturity	2.37%	3.47%
Effective Duration	4.81 Years	4.68 Years
Total Number of Issues	5,756	8,253

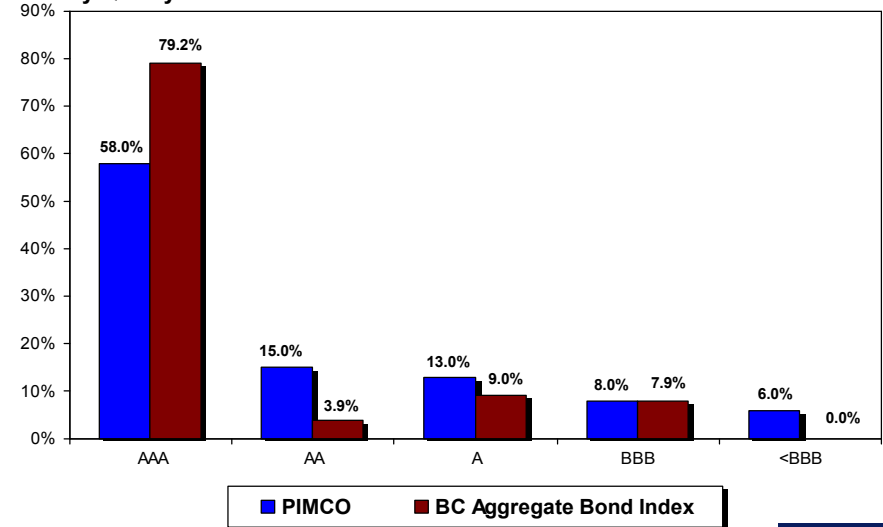
By Maturity



By Sector



By Quality



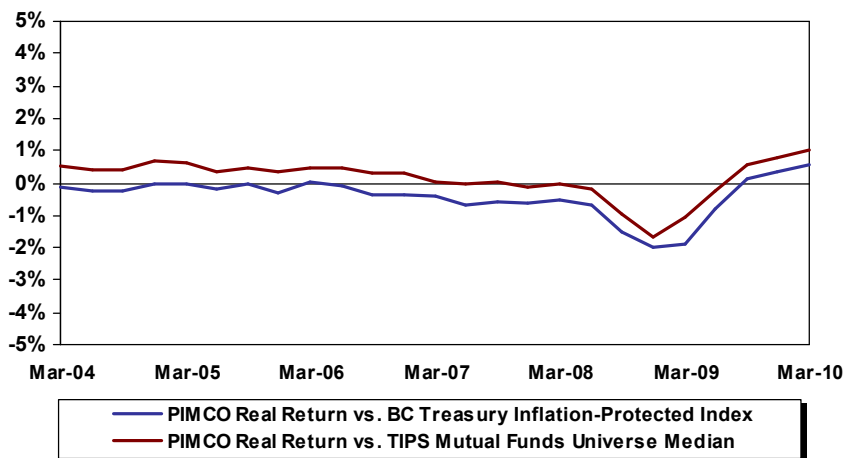
¹ Data was provided by the manager.

Comparative Investment Performance Results

PIMCO Real Return vs. TIPS Mutual Funds Universe

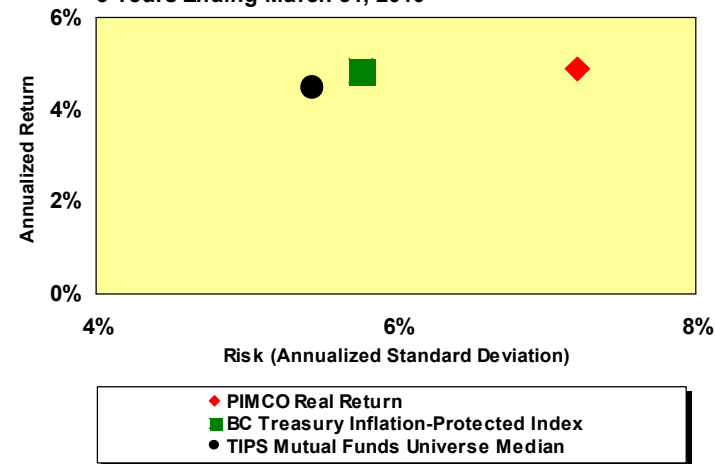
	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
PIMCO Real Return	13.02%	8.24%	16.54%	8.02%	8.70%	2.17%	-0.17%	11.09%	-6.83%	18.49%	1.16%	6.59%	4.90%	7.34%
<i>Percentile</i>	-	-	14	26	13	60	78	36	95	5	15	9	16	-
BC Treasury Inflation-Protected Index	13.17%	7.89%	16.57%	8.39%	8.47%	2.85%	0.49%	11.63%	-2.36%	11.40%	0.56%	6.01%	4.83%	7.31%
<i>Percentile</i>	-	-	13	16	16	14	30	5	53	24	42	26	19	-
TIPS Mutual Funds Universe:														
25th Percentile	-	-	16.24%	8.04%	8.31%	2.71%	0.66%	11.26%	-1.35%	11.38%	0.97%	6.14%	4.75%	-
40th Percentile	-	-	16.16%	7.74%	8.24%	2.43%	0.35%	10.96%	-1.82%	10.90%	0.65%	5.83%	4.55%	-
50th Percentile	-	-	15.65%	7.49%	7.95%	2.40%	0.22%	10.90%	-2.32%	10.43%	0.51%	5.59%	4.46%	-
75th Percentile	-	-	9.87%	5.46%	6.88%	1.98%	-0.14%	9.70%	-4.18%	9.57%	0.35%	4.96%	4.13%	-

Rolling 3-Year Value Added



Risk-Return Analysis

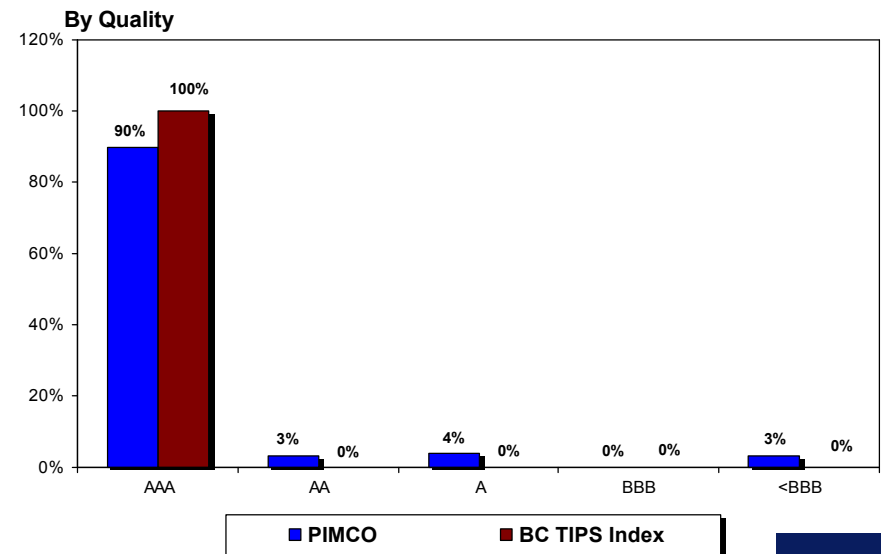
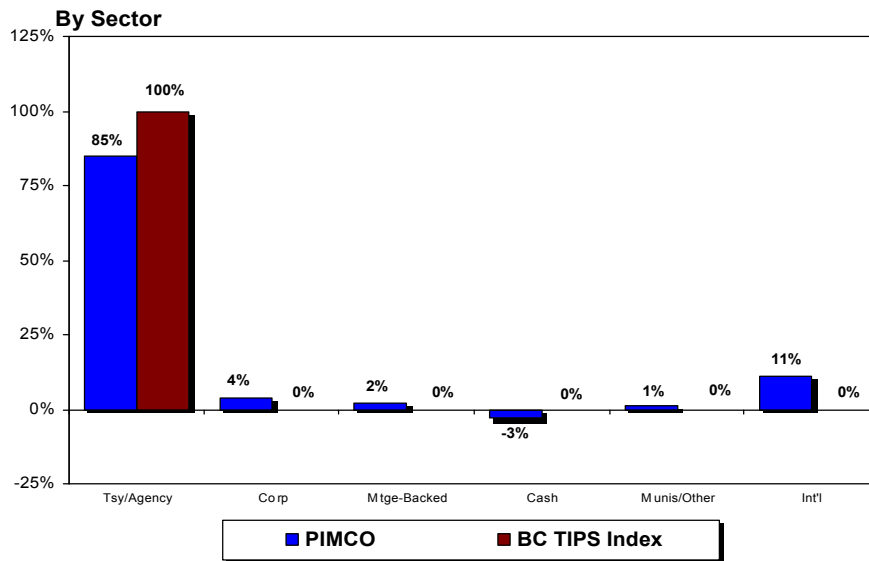
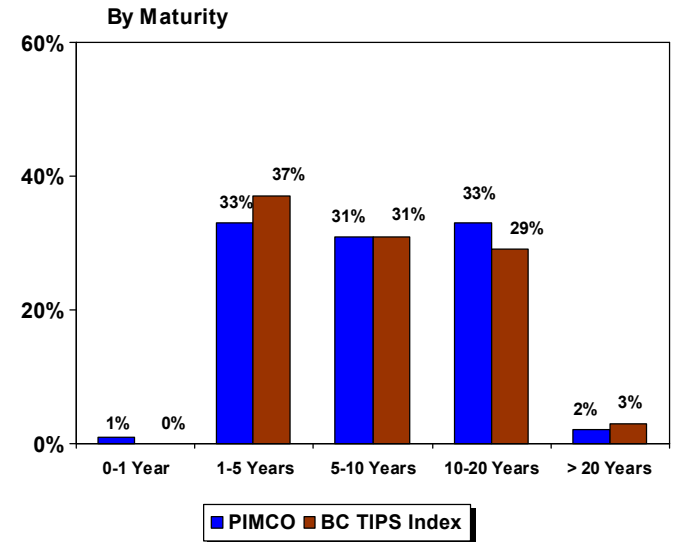
5 Years Ending March 31, 2010



PIMCO Real Return Fund Portfolio Information¹

March 31, 2010

Fixed Income Portfolio Characteristics	PIMCO Real Return	BC TIPS Index
Quality Rating	AA+	AAA
Average Maturity	9.52 Years	9.04 Years
Yield to Maturity	4.64%	3.20%
Effective Duration	6.68 Years	6.34 Years
Total Number of Issues	724	29



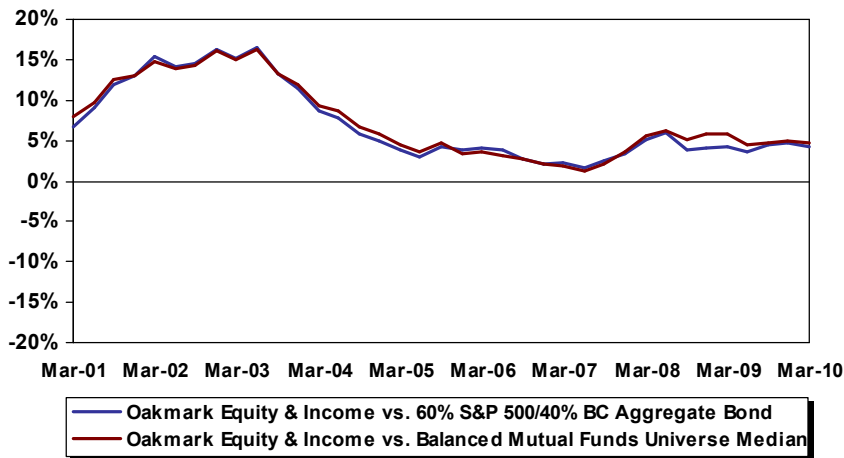
¹ Data was provided by the manager.

Comparative Investment Performance Results

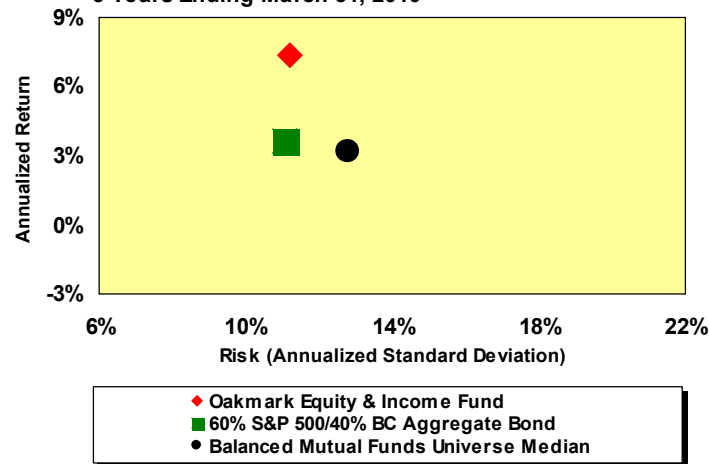
Oakmark Equity & Income vs. Balanced Mutual Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Oakmark Equity & Income	19.89%	18.01%	-2.14%	23.21%	10.36%	8.60%	10.82%	11.97%	-16.18%	19.84%	4.70%	4.49%	7.36%	9.84%
<i>Percentile</i>	1	2	8	14	16	5	45	8	10	70	17	3	3	2
60% S&P 500/40% BC Aggregate Bond	-0.99%	-3.71%	-9.82%	18.49%	8.30%	4.01%	11.12%	6.22%	-22.06%	18.39%	4.02%	0.31%	3.64%	2.42%
<i>Percentile</i>	63	49	40	46	41	65	40	47	26	78	41	37	42	64
Balanced Mutual Funds Universe:														
25th Percentile	7.98%	0.64%	-7.77%	21.28%	9.27%	5.77%	11.99%	8.17%	-21.54%	27.32%	4.38%	1.24%	4.52%	4.29%
40th Percentile	2.10%	-3.00%	-9.74%	19.33%	8.31%	5.18%	11.10%	6.48%	-24.77%	23.94%	4.04%	0.10%	3.70%	3.44%
50th Percentile	0.35%	-3.97%	-11.04%	18.21%	7.64%	4.76%	10.61%	5.88%	-25.72%	22.52%	3.76%	-0.18%	3.20%	2.92%
75th Percentile	-3.09%	-7.26%	-14.49%	15.80%	5.82%	3.32%	8.79%	4.25%	-29.14%	18.98%	3.26%	-1.80%	2.33%	1.64%

Rolling 3-Year Value Added



Risk-Return Analysis
5 Years Ending March 31, 2010

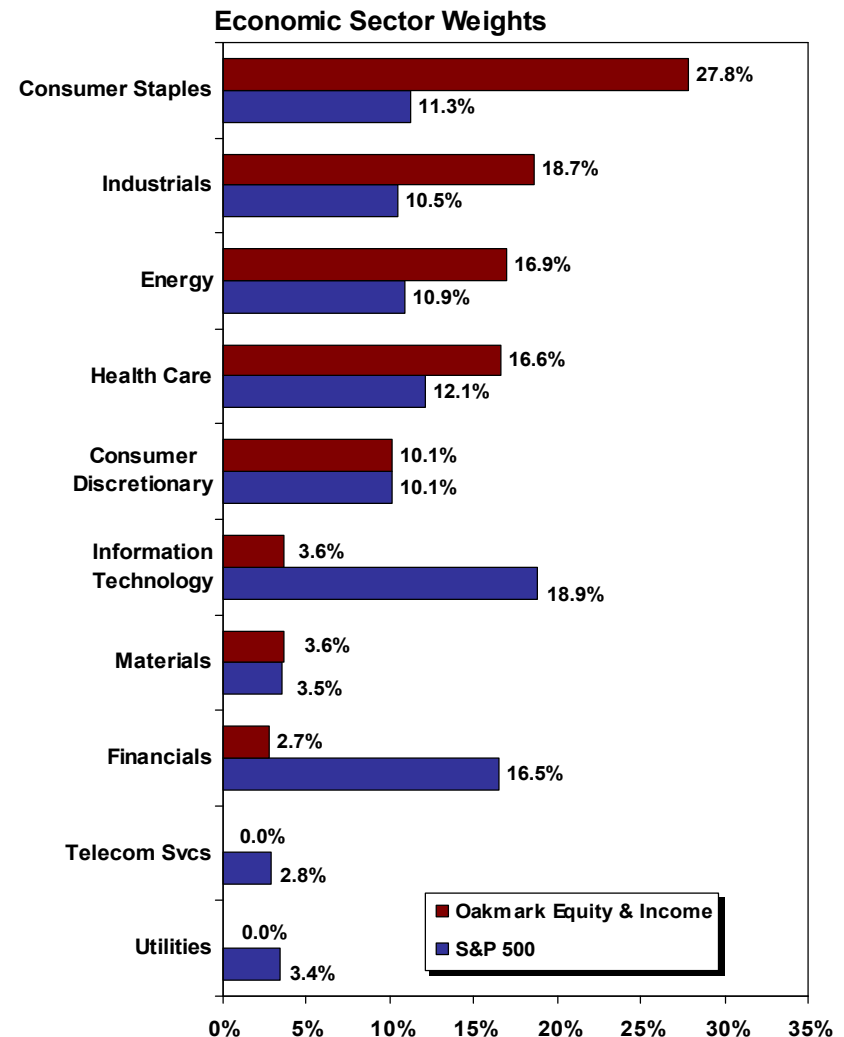


Oakmark Equity & Income Portfolio Information (Equity Segment)

March 31, 2010

Portfolio Characteristics	Oakmark Equity & Income	S&P 500
Price/Earnings Ratio	19.32x	22.27x
Price/Book Ratio	3.77x	3.44x
Price/Sales Ratio	1.82x	2.39x
Dividend Yield	1.67%	1.88%
Earnings Growth Past 5 Years	12.58%	6.55%
Return on Equity	20.34%	15.99%
Market Cap Weighted Average	\$34.44 BB	\$82.05 BB
Market Cap Median	\$7.99 BB	\$9.61 BB
Debt/Total Assets Ratio	0.48x	0.52x
Quality Code	A-	B+
Total Number of Stocks	50	500

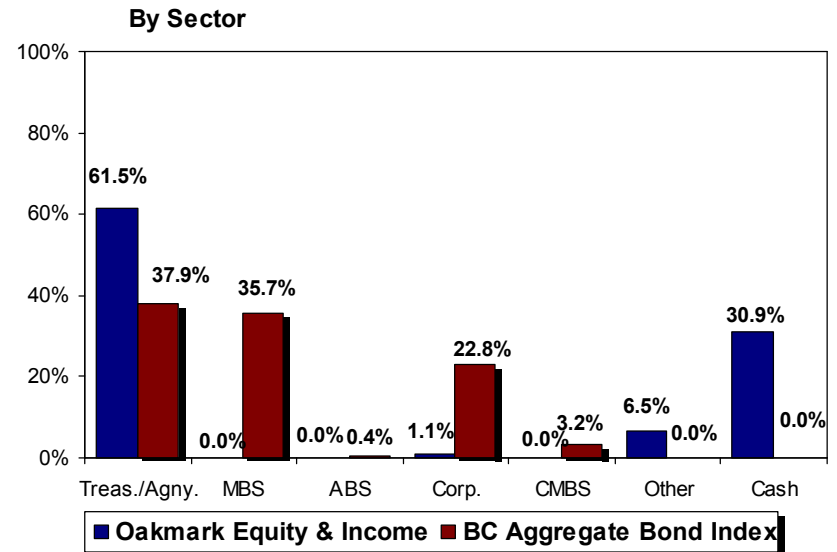
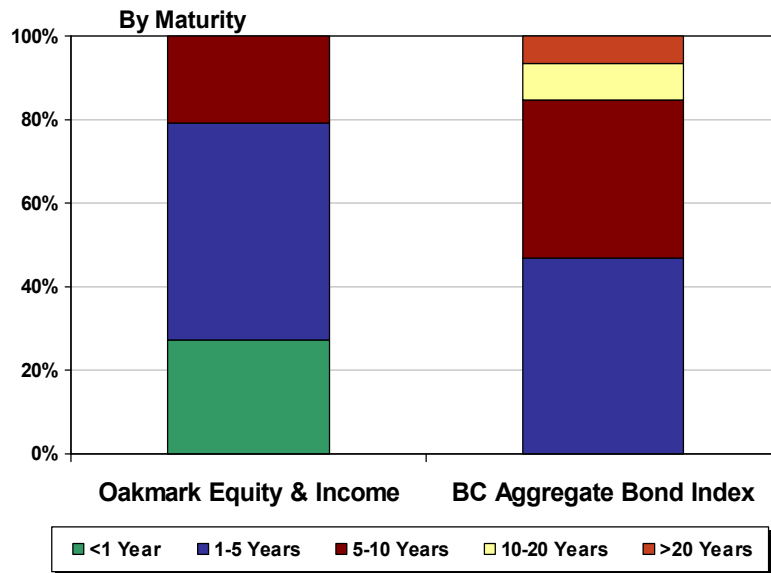
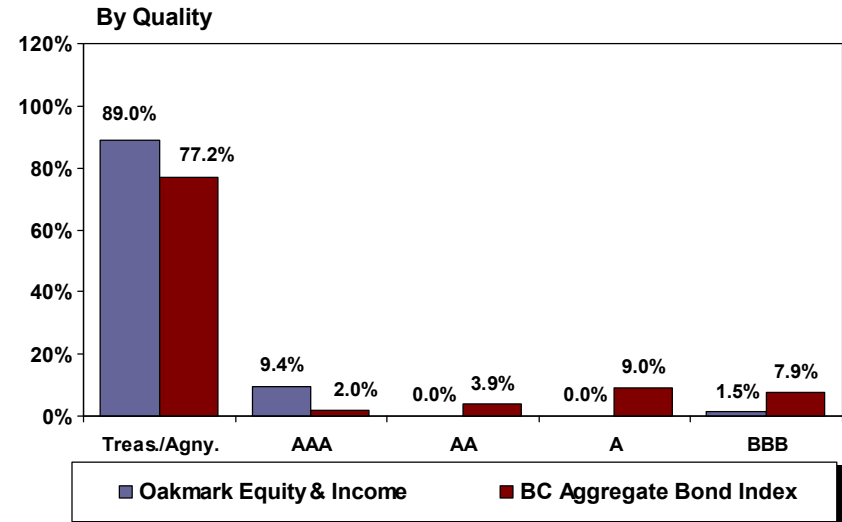
Top Ten Equity Holdings	% of Equity Portfolio
General Dynamics Corp	5.08%
Wal Mart Stores Inc	4.58%
Covidien Plc	4.39%
Avon Prods Inc	4.32%
Cenovus Energy Inc	3.99%
XTO Energy Inc	3.88%
Nestle S A	3.86%
Conagra Foods Inc	3.61%
Hospira Inc	3.60%
Apache Corp	3.34%
Total	40.65%



Oakmark Equity & Income Portfolio Information (Fixed Income Segment)¹

March 31, 2010

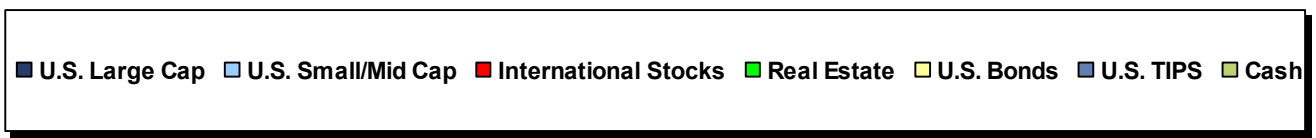
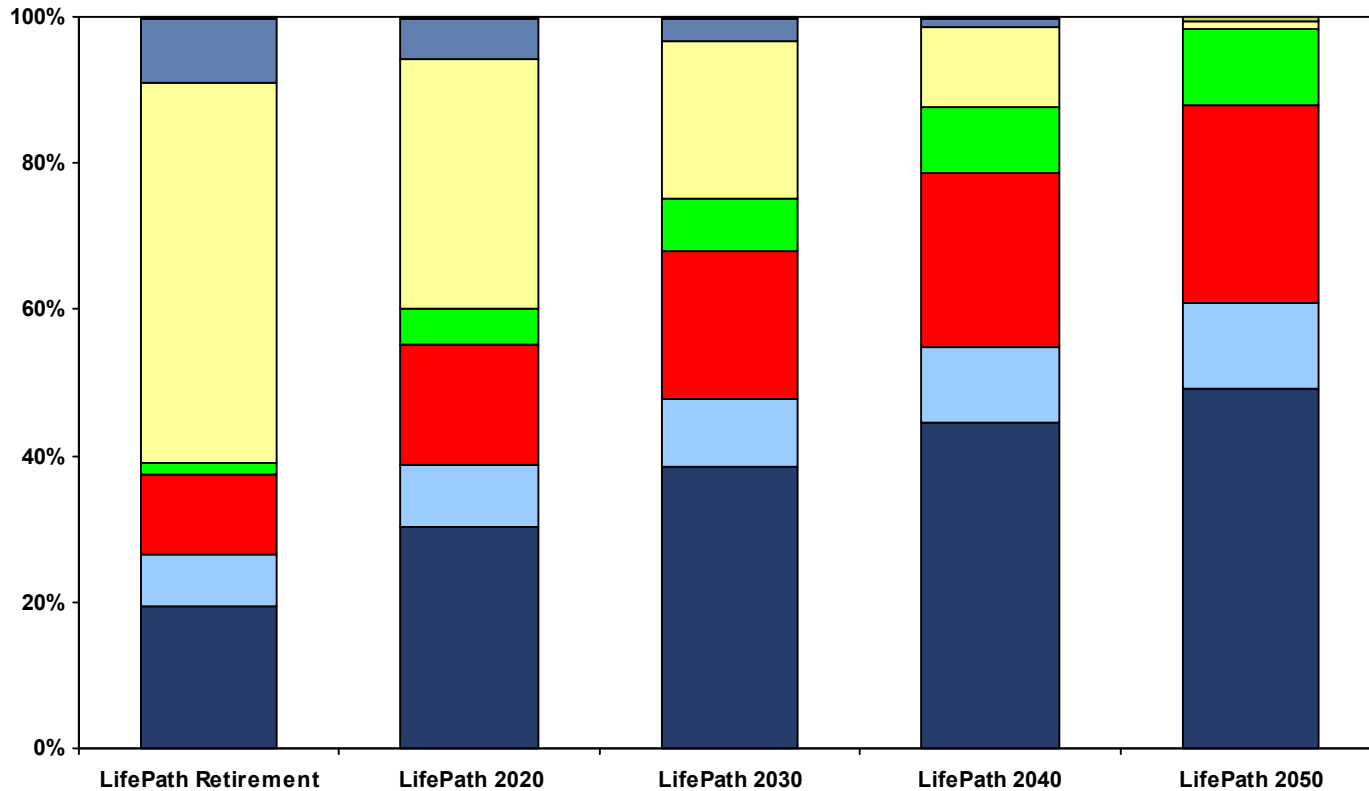
Fixed Income Portfolio Characteristics	Oakmark Equity & Income	BC Aggregate Bond Index
Quality Rating	Aa1/AA+	AA+/AA
Average Maturity	2.8 Years	7.0 Years
Yield to Maturity	1.3%	3.5%
Effective Duration	2.3 Years	4.7 Years
Number of Securities	108	8,253



¹ Fixed income characteristics are provided by the manager.

BlackRock¹ LifePath

Asset Allocation as of March 31, 2010



¹ In December 2009, BlackRock merged with Barclays Global Investors (BGI). Allocation data supplied by the manager.

BlackRock¹ LifePath

Asset Allocation as of March 31, 2010

	LifePath Retirement	LifePath 2020	LifePath 2030	LifePath 2040	LifePath 2050
U.S. Equity	26.56%	38.90%	47.82%	54.94%	60.82%
Active Stock	19.45%	30.45%	38.39%	44.64%	49.18%
S&P MidCap 400 Index	4.93%	5.87%	6.54%	7.14%	8.10%
S&P SmallCap 600 Index	2.18%	2.58%	2.89%	3.16%	3.54%
Non-U.S. Equity	10.77%	16.28%	20.27%	23.74%	27.12%
MSCI EAFE Index	6.74%	10.08%	12.60%	14.73%	17.01%
MSCI EAFE Small Cap	0.81%	1.25%	1.47%	1.72%	2.00%
MSCI Emerging Markets Index	2.40%	3.70%	4.66%	5.47%	6.09%
Canada Index	0.82%	1.25%	1.54%	1.82%	2.02%
Other	1.61%	4.86%	7.16%	9.12%	10.41%
Cohen & Steers Realty Majors Index	0.62%	1.87%	2.73%	3.50%	4.01%
Global Real Estate ex-U.S.	0.99%	2.99%	4.43%	5.62%	6.40%
Total Equity	38.94%	60.04%	75.25%	87.80%	98.35%
Fixed Income	61.06%	39.96%	24.75%	12.20%	1.65%
Core Alpha Bond	51.96%	34.27%	21.48%	10.89%	0.99%
Barclays TIPs Bond Fund	8.87%	5.49%	3.08%	1.08%	0.00%
BlackRock Institutional Cash Funds	<u>0.23%</u>	<u>0.20%</u>	<u>0.19%</u>	<u>0.23%</u>	<u>0.66%</u>
Total	100.00%	100.00%	100.00%	100.00%	100.00%

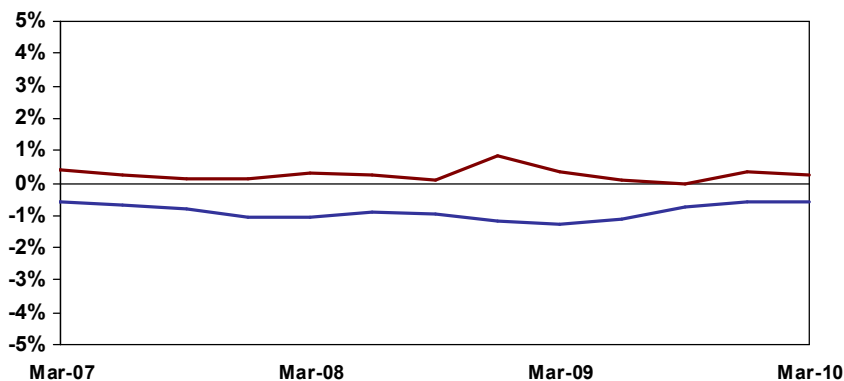
¹ In December 2009, BlackRock merged with Barclays Global Investors (BGI). Allocation data supplied by the manager.

Comparative Investment Performance Results

BlackRock LifePath Retirement¹

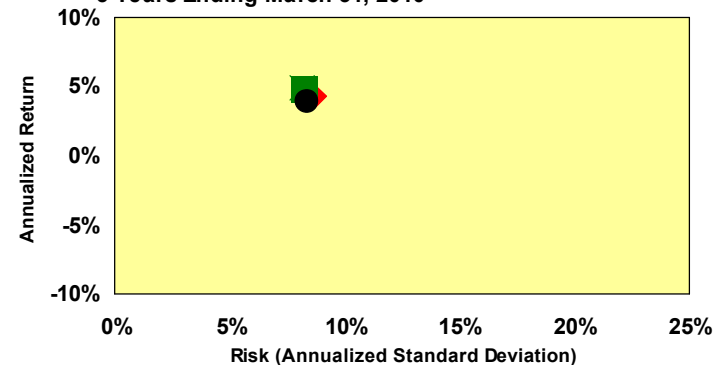
	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
BlackRock LifePath Retirement	4.73%	3.60%	-2.70%	11.94%	6.36%	4.32%	8.80%	4.50%	-15.04%	18.24%	2.79%	1.98%	4.31%	4.24%
Percentile	-	-	-	-	50	27	43	82	21	54	54	42	20	-
LifePath Retirement Custom Benchmark	6.72%	3.83%	-0.64%	13.39%	7.80%	4.42%	9.47%	6.99%	-14.53%	16.74%	2.99%	2.55%	4.86%	5.17%
Percentile	-	-	-	-	9	26	23	23	19	69	31	11	8	-
Target Income Mutual Funds Universe:														
25th Percentile	-	-	-	-	6.98%	4.49%	9.26%	6.73%	-15.42%	22.28%	3.07%	2.38%	4.25%	-
50th Percentile	-	-	-	-	6.35%	3.81%	8.25%	5.46%	-17.90%	18.54%	2.80%	1.71%	3.92%	-
75th Percentile	-	-	-	-	5.06%	3.26%	6.37%	5.13%	-24.44%	16.47%	2.29%	0.01%	3.74%	-

Rolling 3-Year Value Added



— BlackRock LifePath Retirement vs. LifePath Retirement Custom Benchmark
 — BlackRock LifePath Retirement vs. Target Income Mutual Funds Universe Median

Risk-Return Analysis
 5 Years Ending March 31, 2010



◆ BlackRock LifePath Retirement
 ■ LifePath Retirement Custom Benchmark
 ● Target Income Mutual Funds Universe Median

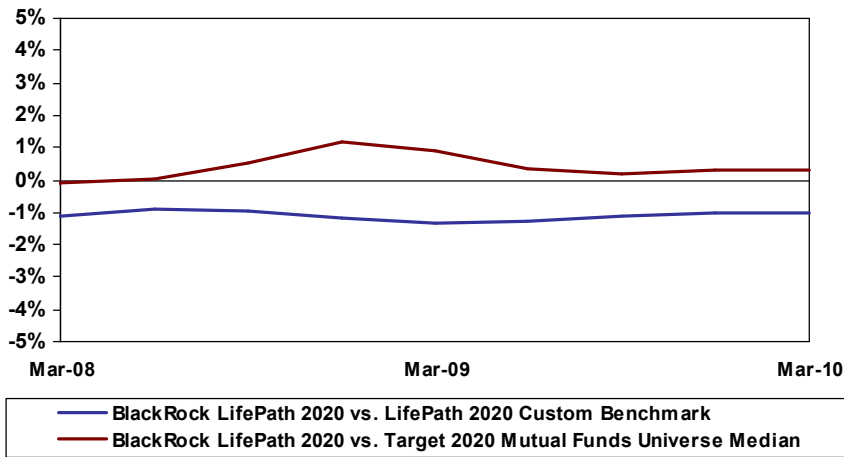
¹ See Appendix C for custom benchmark construction. In December 2009, BlackRock merged with Barclays Global Investors (BGI).

Comparative Investment Performance Results

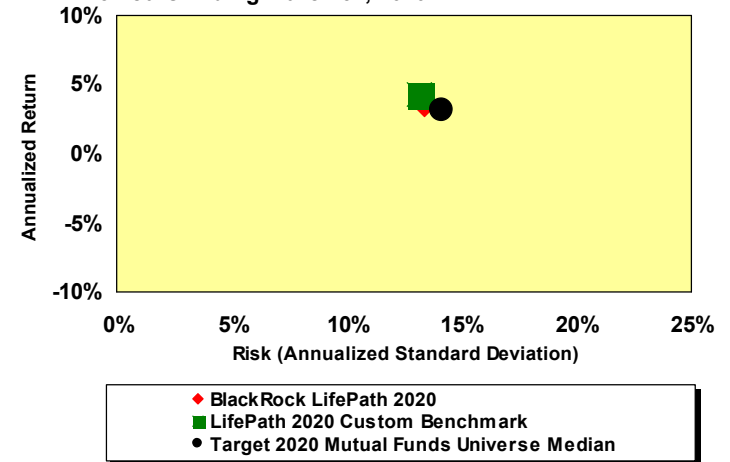
BlackRock LifePath 2020¹

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
BlackRock LifePath 2020	-3.74%	-6.42%	-12.59%	20.60%	9.26%	6.53%	13.01%	3.34%	-25.42%	22.71%	3.30%	-1.33%	3.51%	1.79%
Percentile	-	-	-	-	-	33	24	90	10	72	71	40	38	-
LifePath 2020 Custom Benchmark	-1.46%	-5.38%	-10.29%	21.01%	10.63%	5.83%	13.84%	6.37%	-25.39%	22.83%	3.63%	-0.33%	4.26%	2.90%
Percentile	-	-	-	-	-	67	15	55	10	70	61	6	4	-
Target 2020 Mutual Funds Universe:														
25th Percentile	-	-	-	-	-	6.64%	12.94%	8.42%	-26.97%	29.69%	4.21%	-0.76%	3.67%	-
50th Percentile	-	-	-	-	-	6.19%	11.77%	6.73%	-30.54%	26.40%	4.00%	-1.61%	3.15%	-
75th Percentile	-	-	-	-	-	5.46%	10.31%	5.27%	-33.08%	22.58%	3.24%	-2.86%	2.46%	-

Rolling 3-Year Value Added



Risk-Return Analysis
5 Years Ending March 31, 2010



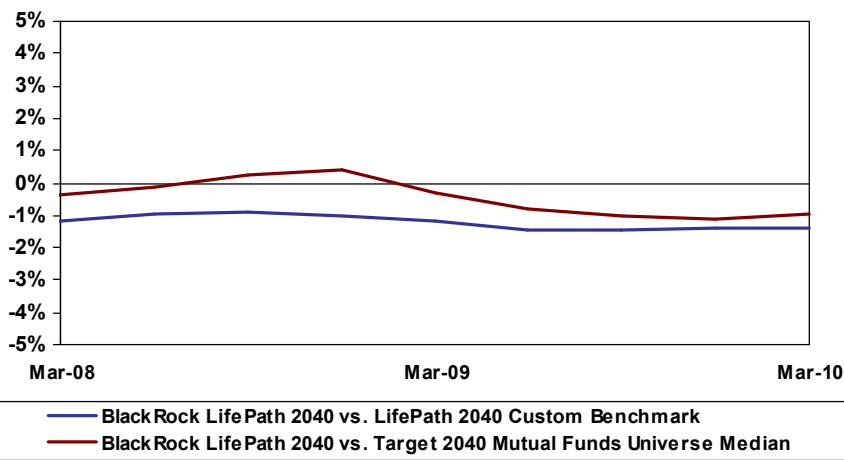
¹ See Appendix C for custom benchmark construction. In December 2009, BlackRock merged with Barclays Global Investors (BGI).

Comparative Investment Performance Results

BlackRock LifePath 2040¹

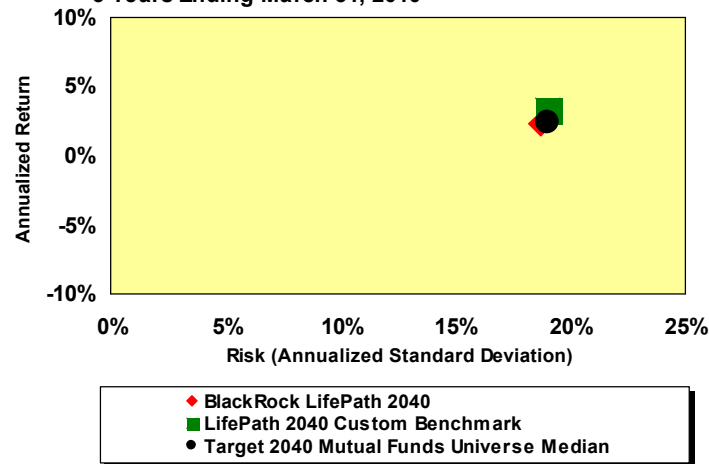
	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
BlackRock LifePath 2040	-9.71%	-13.41%	-18.73%	27.64%	11.43%	8.24%	16.97%	2.03%	-35.40%	28.08%	3.88%	-4.82%	2.35%	-0.22%
Percentile	-	-	-	-	-	19	8	94	20	76	80	76	60	-
LifePath 2040 Custom Benchmark	-7.16%	-11.71%	-16.85%	27.69%	12.72%	6.88%	18.00%	5.60%	-36.03%	30.52%	4.41%	-3.40%	3.35%	1.07%
Percentile	-	-	-	-	-	76	1	78	40	49	55	37	19	-
Target 2040 Mutual Funds Universe:														
25th Percentile	-	-	-	-	-	8.17%	16.25%	8.96%	-35.58%	32.89%	4.81%	-2.59%	3.10%	-
50th Percentile	-	-	-	-	-	7.78%	14.55%	6.86%	-36.92%	30.34%	4.49%	-3.88%	2.38%	-
75th Percentile	-	-	-	-	-	6.99%	13.27%	5.82%	-39.58%	28.10%	4.01%	-4.74%	2.17%	-

Rolling 3-Year Value Added



Risk-Return Analysis

5 Years Ending March 31, 2010



¹ See Appendix C for custom benchmark construction. In December 2009, BlackRock merged with Barclays Global Investors (BGI).

Comparative Investment Performance Results

BlackRock LifePath 2050¹

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010			
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.	
BlackRock LifePath 2050	-	-	-	-	-	-	-	-	-	-	30.35%	4.14%	-	-	-
<i>Percentile</i>	-	-	-	-	-	-	-	-	-	-	63	75	-	-	-
LifePath 2050 Custom Benchmark	-	-	-	-	-	-	-	-	-	-	34.10%	4.72%	-	-	-
<i>Percentile</i>	-	-	-	-	-	-	-	-	-	-	25	38	-	-	-
Target 2045+ Mutual Funds Universe:															
25th Percentile	-	-	-	-	-	-	-	9.41%	-36.46%	34.15%		4.87%	-2.31%	-	-
50th Percentile	-	-	-	-	-	-	-	7.13%	-38.88%	31.54%		4.50%	-3.60%	-	-
75th Percentile	-	-	-	-	-	-	-	6.31%	-40.24%	28.91%		4.14%	-5.17%	-	-

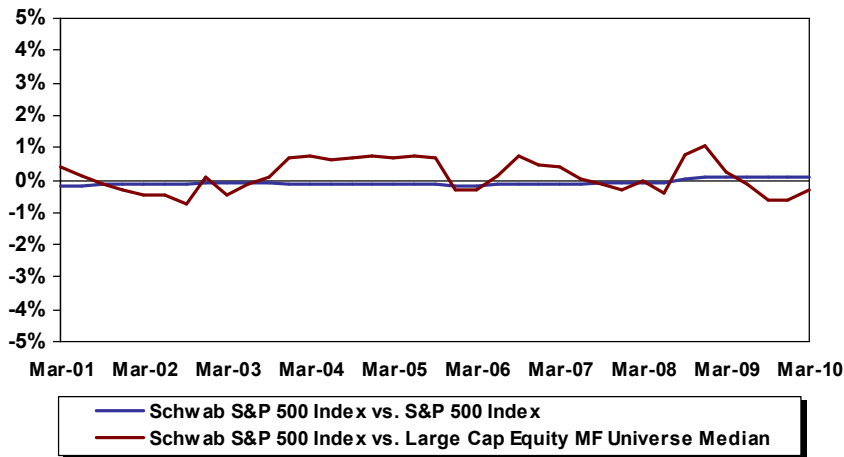
¹ See Appendix C for custom benchmark construction. In December 2009, BlackRock merged with Barclays Global Investors (BGI).

Comparative Investment Performance Results

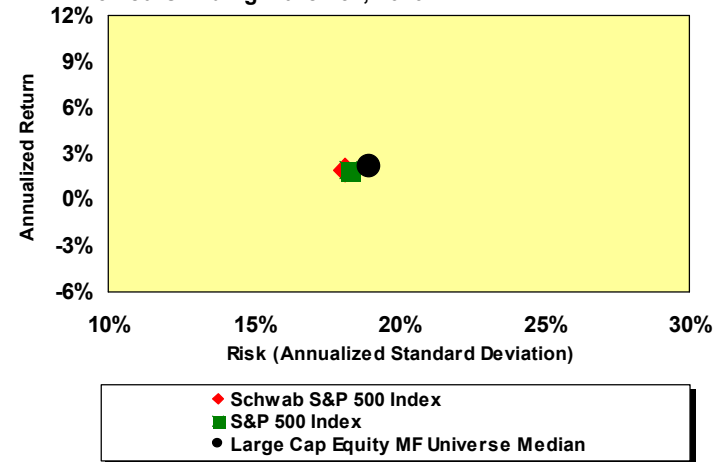
Schwab S&P 500 Index vs. Large Cap Equity Mutual Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Schwab S&P 500 Index	-9.17%	-12.04%	-22.17%	28.47%	10.70%	4.79%	15.67%	5.50%	-36.72%	26.25%	5.42%	-4.07%	1.93%	-0.71%
<i>Percentile</i>	59	43	37	37	43	65	35	58	36	65	39	55	55	60
S&P 500 Index	-9.10%	-11.88%	-22.10%	28.69%	10.88%	4.92%	15.79%	5.49%	-37.00%	26.46%	5.39%	-4.16%	1.92%	-0.65%
<i>Percentile</i>	59	41	36	35	41	63	34	58	39	64	40	56	55	59
Large Cap Equity Mutual Funds Universe:														
25th Percentile	3.31%	-7.56%	-19.91%	30.26%	12.91%	8.82%	17.14%	12.73%	-35.47%	36.15%	5.94%	-1.32%	3.36%	2.74%
50th Percentile	-6.51%	-12.75%	-23.27%	26.96%	9.90%	6.07%	13.19%	7.07%	-38.16%	29.37%	5.04%	-3.77%	2.20%	0.39%
75th Percentile	-12.38%	-19.31%	-27.36%	23.93%	6.91%	3.75%	7.83%	2.43%	-41.62%	23.59%	4.16%	-5.58%	0.99%	-2.14%

Rolling 3-Year Value Added



Risk-Return Analysis
5 Years Ending March 31, 2010

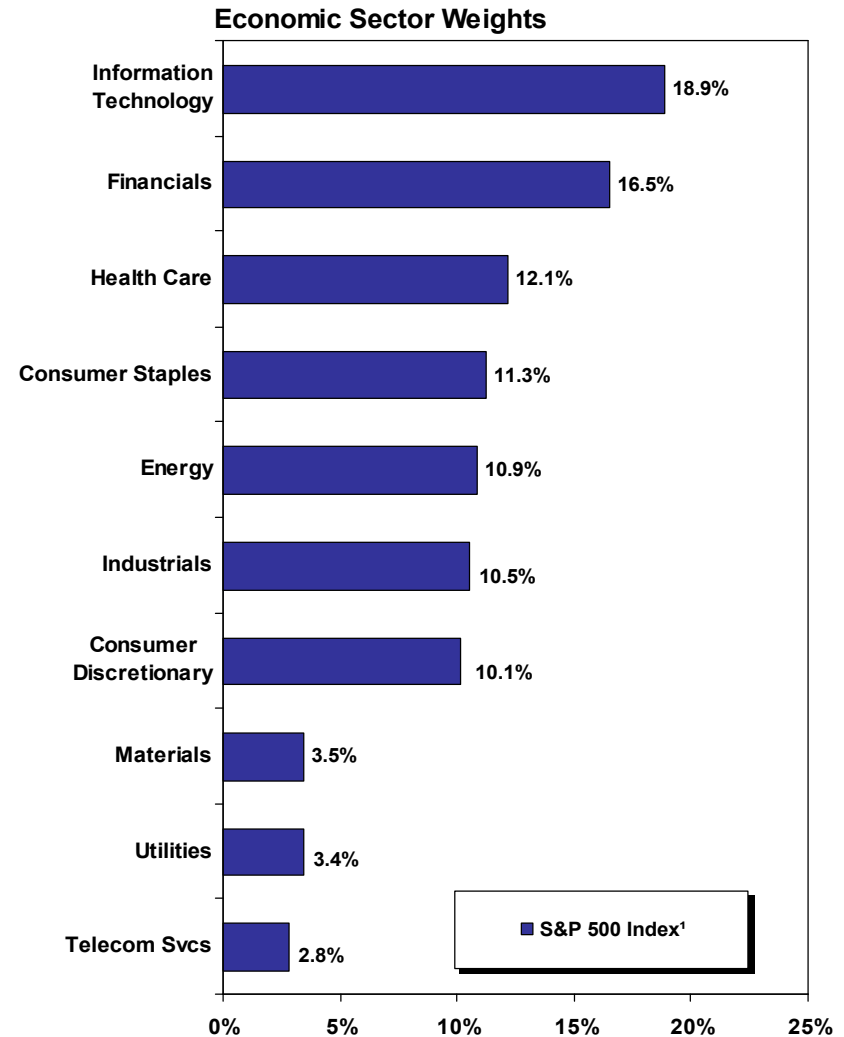


Schwab S&P 500 Index¹ Portfolio Information

March 31, 2010

Portfolio Characteristics	S&P 500 Index ¹
Price/Earnings Ratio	22.27x
Price/Book Ratio	3.44x
Price/Sales Ratio	2.39x
Dividend Yield	1.88%
Earnings Growth Past 5 Years	6.55%
Return on Equity	15.99%
Market Cap Weighted Average	\$82.05 BB
Market Cap Median	\$9.61 BB
Debt/Total Assets Ratio	0.52x
Quality Code	B+
Total Number of Stocks	500

Top Ten Equity Holdings	% of Equity Portfolio
Exxon Mobil Corp	2.99%
Microsoft Corp	2.11%
Apple Inc	2.02%
General Electric Co	1.84%
Procter & Gamble Co	1.74%
Johnson & Johnson	1.70%
Bank of America Corp	1.70%
JPMorgan Chase & Co	1.68%
IBM	1.58%
Wells Fargo & Co	1.53%
Total	18.89%



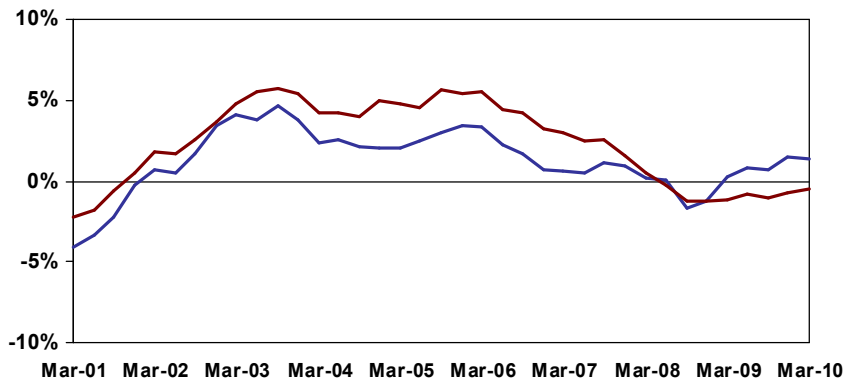
¹ The S&P 500 Index is used as a proxy for the Schwab S&P 500 Index fund.

Comparative Investment Performance Results

American Beacon Large Cap Value¹ vs. Large Cap Value Mutual Funds Universe

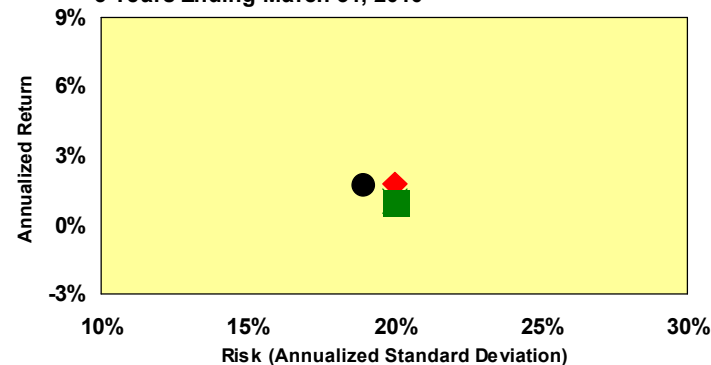
	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
American Beacon Large Cap Value	11.22%	1.88%	-16.18%	35.35%	19.12%	9.67%	18.71%	2.95%	-39.58%	27.16%	6.58%	-5.91%	1.77%	5.59%
Percentile	29	12	33	6	4	19	45	44	74	32	25	57	48	15
Russell 1000 Value Index	7.02%	-5.59%	-15.53%	30.03%	16.49%	7.06%	22.21%	-0.17%	-36.85%	19.69%	6.78%	-7.33%	1.04%	3.09%
Percentile	47	52	27	28	14	34	6	68	57	68	18	76	63	56
Large Cap Value Mutual Funds Universe:														
25th Percentile	12.09%	-1.63%	-15.26%	31.08%	15.05%	8.39%	19.98%	5.08%	-33.93%	28.94%	6.59%	-3.94%	2.89%	4.94%
40th Percentile	8.73%	-4.06%	-17.15%	28.30%	13.64%	6.62%	19.01%	3.31%	-35.56%	25.60%	5.98%	-4.86%	2.00%	3.99%
50th Percentile	6.04%	-5.29%	-18.43%	27.37%	12.91%	5.90%	18.42%	2.31%	-36.32%	24.13%	5.69%	-5.47%	1.71%	3.46%
75th Percentile	0.06%	-9.45%	-22.41%	25.02%	10.47%	4.10%	16.16%	-1.66%	-39.83%	18.85%	4.59%	-7.16%	0.51%	1.89%

Rolling 3-Year Value Added



— American Beacon Large Cap Value vs. Russell 1000 Value Index
 — American Beacon Large Cap Value vs. Large Cap Value MF Universe Median

Risk-Return Analysis
 5 Years Ending March 31, 2010



◆ American Beacon Large Cap Value
 ■ Russell 1000 Value Index
 ● Large Cap Value MF Universe Median

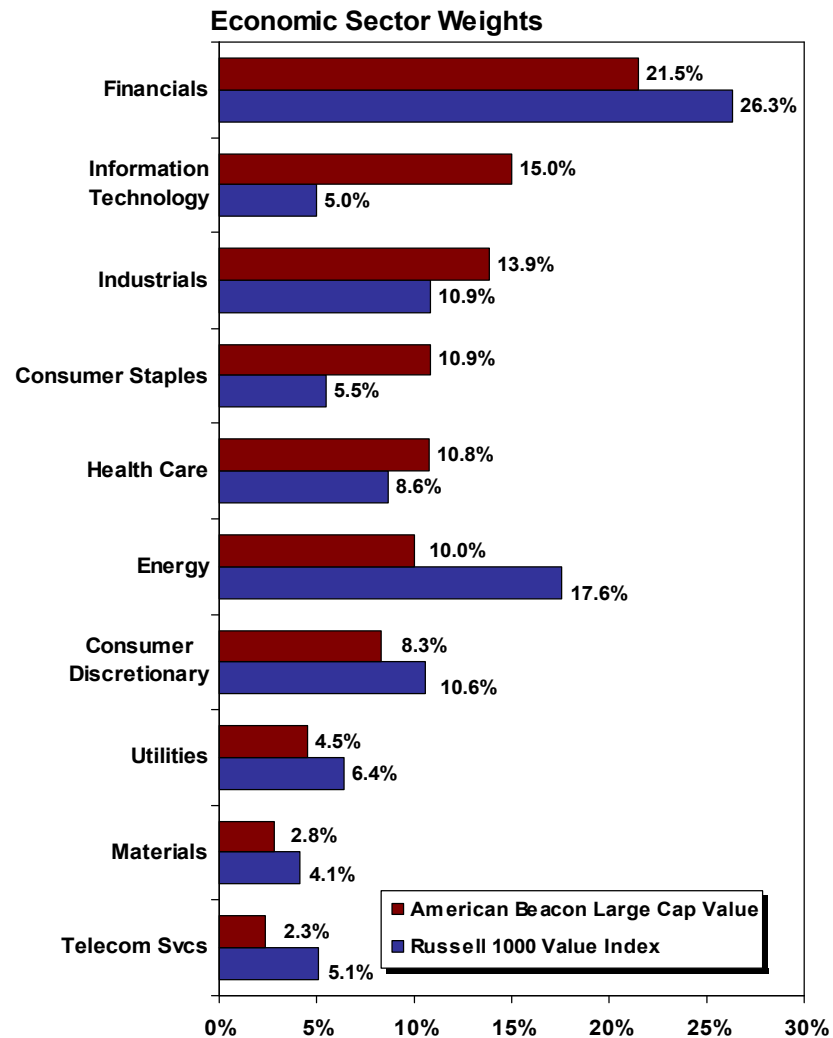
¹ American Beacon Large Cap Value is subadvised by Metropolitan West Capital Management; Brandywine Global Investment Management; Barrow, Hanley, Mewhinney & Strauss; and Hotchkis & Wiley Capital Management.

American Beacon Large Cap Value Portfolio Information

March 31, 2010

Portfolio Characteristics	American Beacon Large Cap Value	Russell 1000 Value Index
Price/Earnings Ratio	21.79x	22.01x
Price/Book Ratio	3.19x	2.09x
Price/Sales Ratio	1.75x	1.78x
Dividend Yield	2.30%	2.13%
Earnings Growth Past 5 Years	2.50%	-0.53%
Return on Equity	15.00%	6.47%
Market Cap Weighted Average	\$75.07 BB	\$71.87 BB
Market Cap Median	\$28.68 BB	\$4.10 BB
Debt/Total Assets Ratio	0.60x	0.57x
Quality Code	B+	B+
Total Number of Stocks	140	676

Top Ten Equity Holdings	% of Equity Portfolio
JPMorgan Chase & Co	3.26%
IBM	3.17%
Conocophillips	3.04%
Bank of America Corp	2.75%
Hewlett Packard Co	1.98%
Boeing Co	1.94%
Wells Fargo & Co	1.82%
Raytheon Co	1.78%
BP Plc	1.64%
Pfizer Inc	1.63%
Total	23.00%

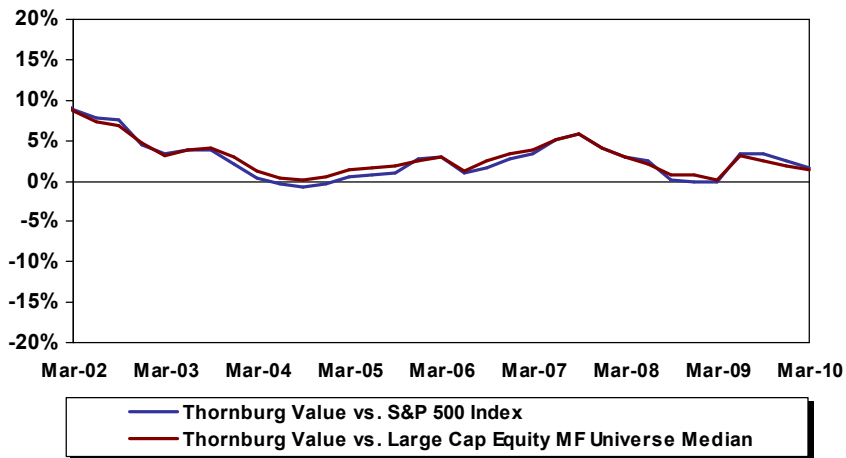


Comparative Investment Performance Results

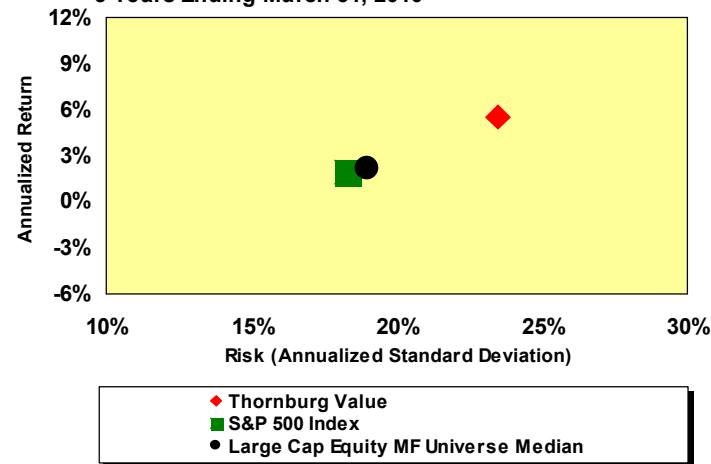
Thornburg Value vs. Large Cap Equity Mutual Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Thornburg Value	4.33%	-7.75%	-24.48%	35.58%	7.64%	9.98%	22.39%	6.54%	-41.33%	45.69%	4.94%	-2.45%	5.49%	2.41%
Percentile	23	26	59	8	69	18	3	52	73	8	53	35	7	28
S&P 500 Index	-9.10%	-11.88%	-22.10%	28.69%	10.88%	4.92%	15.79%	5.49%	-37.00%	26.46%	5.39%	-4.16%	1.92%	-0.65%
Percentile	59	41	36	35	41	63	34	58	39	64	40	56	55	59
Large Cap Equity Mutual Funds Universe:														
25th Percentile	3.31%	-7.56%	-19.91%	30.26%	12.91%	8.82%	17.14%	12.73%	-35.47%	36.15%	5.94%	-1.32%	3.36%	2.74%
40th Percentile	-2.64%	-11.72%	-22.40%	28.06%	11.07%	6.83%	14.69%	8.73%	-37.17%	31.75%	5.39%	-2.81%	2.64%	1.27%
50th Percentile	-6.51%	-12.75%	-23.27%	26.96%	9.90%	6.07%	13.19%	7.07%	-38.16%	29.37%	5.04%	-3.77%	2.20%	0.39%
75th Percentile	-12.38%	-19.31%	-27.36%	23.93%	6.91%	3.75%	7.83%	2.43%	-41.62%	23.59%	4.16%	-5.58%	0.99%	-2.14%

Rolling 3-Year Value Added



Risk-Return Analysis
5 Years Ending March 31, 2010



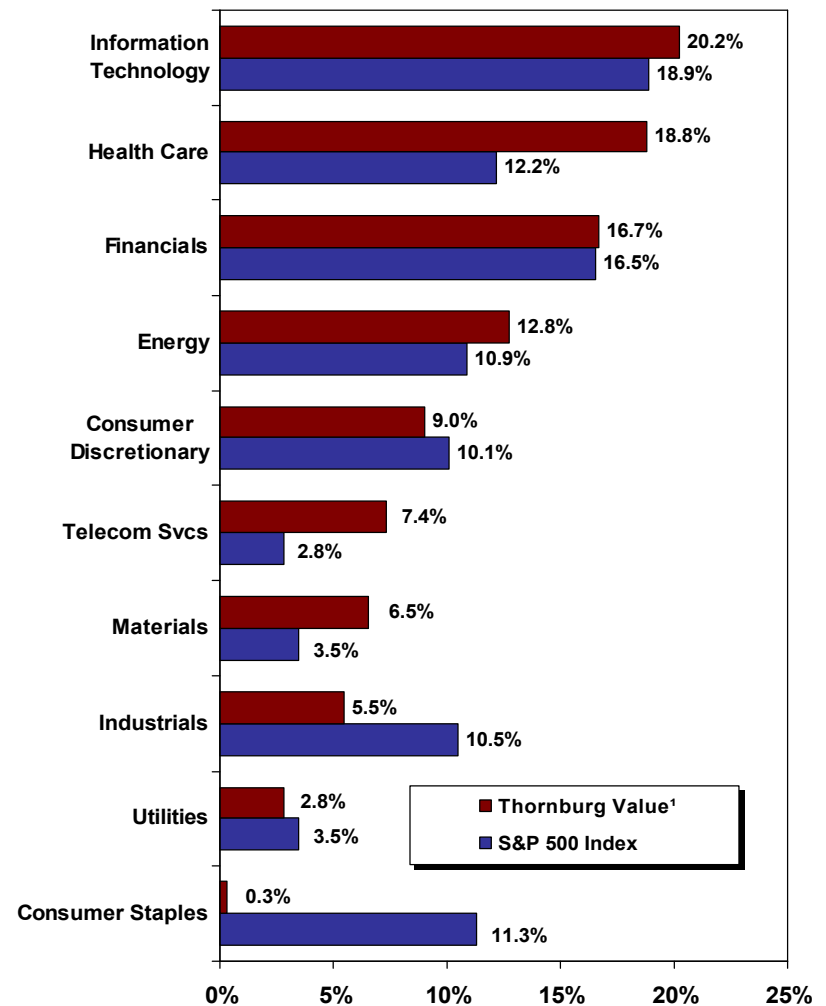
Thornburg Value Portfolio Information¹

March 31, 2010

Portfolio Characteristics	Thornburg Value ¹	S&P 500 Index
Price/Earnings Ratio	16.31x	22.27x
Price/Book Ratio	1.88x	3.44x
Price/Sales Ratio	N/A	2.39x
Dividend Yield	1.46%	1.88%
Earnings Growth Past 5 Years	14.39%	6.55%
Return on Equity	16.61%	15.99%
Market Cap Weighted Average	\$56.22 BB	\$82.05 BB
Market Cap Median	\$13.43 BB	\$9.61 BB
Debt/Total Assets Ratio	0.36x	0.52x
Quality Code	N/A	B+
Total Number of Stocks	56	500

Top Ten Equity Holdings	% of Equity Portfolio
Comcast Corp	3.5%
Dell Inc	3.5%
Eli Lilly	3.5%
Fiserv Inc	3.2%
ConocoPhillips	3.1%
Exxon Mobil	3.1%
ACE Ltd	3.1%
JPMorgan Chase	3.1%
Thermo Fisher	3.1%
Gilead Sciences	3.0%
Total	32.2%

Economic Sector Weights

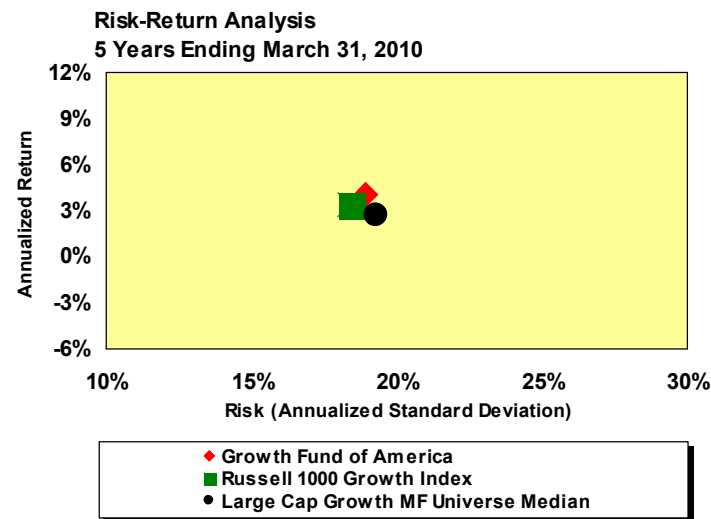
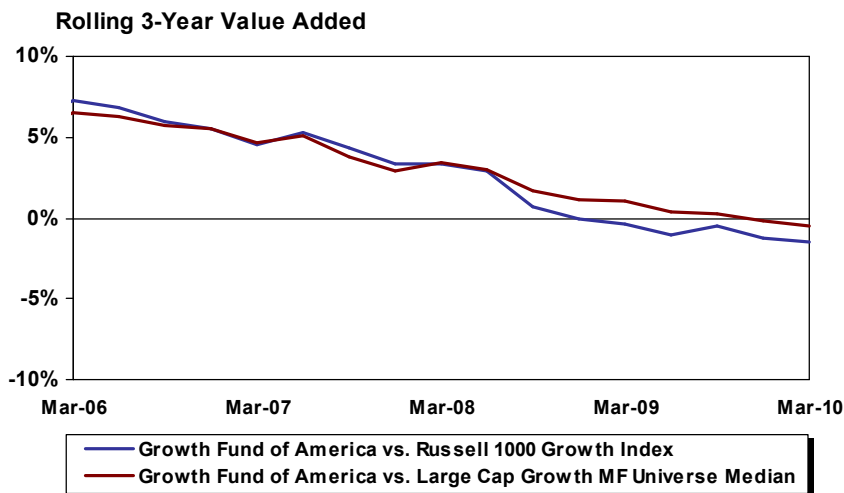


¹ Portfolio diagnostics were provided by Thornburg. The manager does not release all portfolio holdings.

Comparative Investment Performance Results

Growth Fund of America vs. Large Cap Growth Mutual Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Growth Fund of America	-	-	-	32.83%	11.93%	14.22%	10.91%	10.87%	-39.07%	34.54%	4.17%	-2.25%	4.08%	-
Percentile	-	-	-	18	18	9	16	67	38	54	60	57	24	-
Russell 1000 Growth Index	-22.43%	-20.42%	-27.89%	29.76%	6.30%	5.27%	9.09%	11.82%	-38.44%	37.21%	4.64%	-0.78%	3.43%	-4.21%
Percentile	85	50	39	33	61	63	29	62	35	41	45	37	34	74
Large Cap Growth Mutual Funds Universe:														
25th Percentile	-7.47%	-15.27%	-25.42%	31.39%	10.67%	9.58%	9.44%	18.53%	-37.56%	41.23%	5.50%	0.18%	3.98%	-0.87%
40th Percentile	-11.63%	-18.38%	-28.06%	28.58%	8.64%	7.48%	7.94%	15.18%	-39.37%	37.34%	4.77%	-1.03%	3.12%	-2.00%
50th Percentile	-13.44%	-20.40%	-29.30%	26.83%	7.45%	6.43%	6.84%	13.18%	-40.49%	35.47%	4.45%	-1.73%	2.72%	-2.55%
75th Percentile	-19.38%	-26.20%	-30.96%	23.52%	4.79%	3.90%	4.19%	8.67%	-43.89%	30.28%	3.64%	-3.82%	1.53%	-4.39%

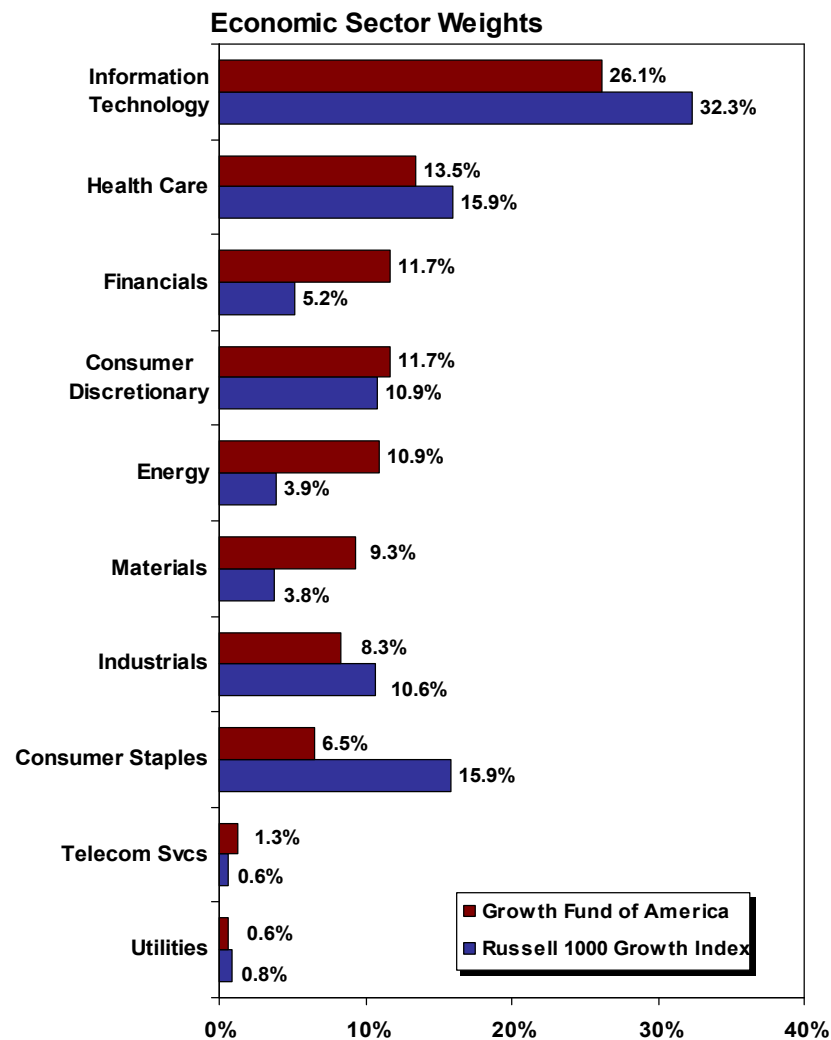


Growth Fund of America Portfolio Information

March 31, 2010

Portfolio Characteristics	Growth Fund of America	Russell 1000 Growth Index
Price/Earnings Ratio	24.09x	24.08x
Price/Book Ratio	4.06x	4.74x
Price/Sales Ratio	3.26x	3.11x
Dividend Yield	1.39%	1.53%
Earnings Growth Past 5 Years	11.78%	14.41%
Return On Equity	16.60%	22.65%
Market Cap Weighted Average	\$69.28 BB	\$76.35 BB
Market Cap Median	\$17.87 BB	\$4.82 BB
Debt/Total Assets Ratio	0.47x	0.47x
Total Number of Stocks	286	625

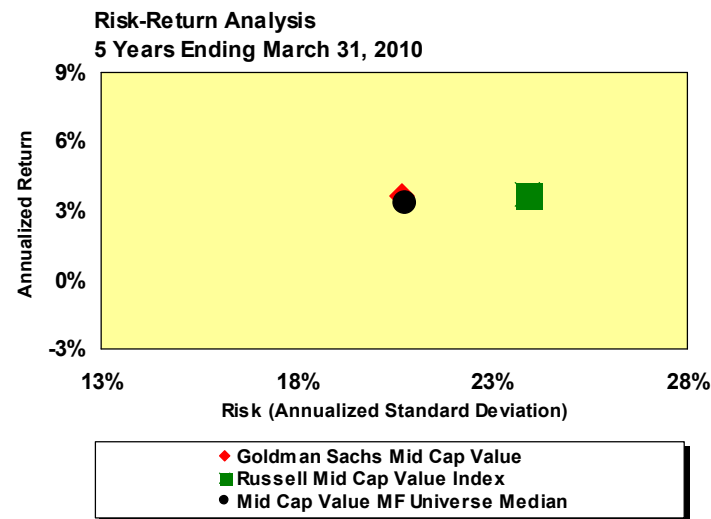
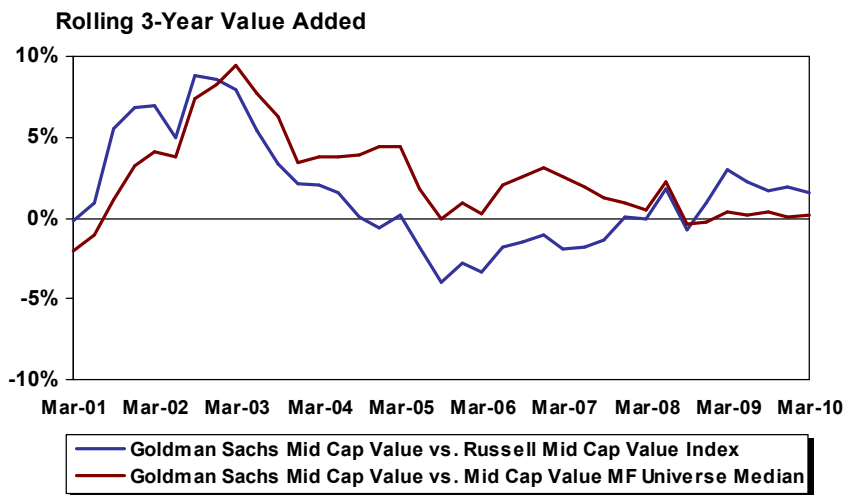
Top Ten Equity Holdings	% of Portfolio
Microsoft Corp	3.81%
Oracle Corp	3.33%
Google Inc	3.24%
Apple Inc	2.30%
Cisco Sys Inc	1.98%
Medtronic Inc	1.47%
JPMorgan Chase & Co	1.42%
Barrick Gold Corp	1.34%
Wells Fargo & Co	1.32%
Bank of America Corp	1.31%
Total	21.52%



Comparative Investment Performance Results

Goldman Sachs Mid Cap Value vs. Mid Cap Value Mutual Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Goldman Sachs Mid Cap Value	31.76%	11.94%	-5.11%	27.52%	25.37%	12.44%	15.61%	2.91%	-36.73%	32.70%	8.56%	-3.60%	3.63%	10.34%
<i>Percentile</i>	8	33	8	83	2	23	59	42	47	51	31	47	40	21
Russell Mid Cap Value Index	19.19%	2.34%	-9.66%	38.06%	23.70%	12.64%	20.21%	-1.42%	-38.44%	34.21%	9.61%	-5.23%	3.70%	8.46%
<i>Percentile</i>	35	64	22	16	8	21	16	71	59	46	19	69	39	31
Mid Cap Value Mutual Funds Universe:														
25th Percentile	24.97%	14.36%	-9.90%	36.11%	21.00%	12.16%	19.40%	6.94%	-32.95%	38.98%	8.95%	-1.85%	4.48%	9.28%
40th Percentile	17.65%	8.17%	-12.06%	34.56%	18.28%	10.35%	17.31%	3.41%	-35.72%	35.36%	8.14%	-3.15%	3.64%	7.82%
50th Percentile	15.24%	5.78%	-13.73%	33.32%	15.81%	9.57%	16.68%	2.07%	-36.96%	32.92%	7.74%	-3.72%	3.33%	7.21%
75th Percentile	11.80%	-0.43%	-16.74%	29.13%	13.51%	5.99%	14.10%	-1.81%	-40.76%	27.60%	5.76%	-5.71%	2.10%	5.76%

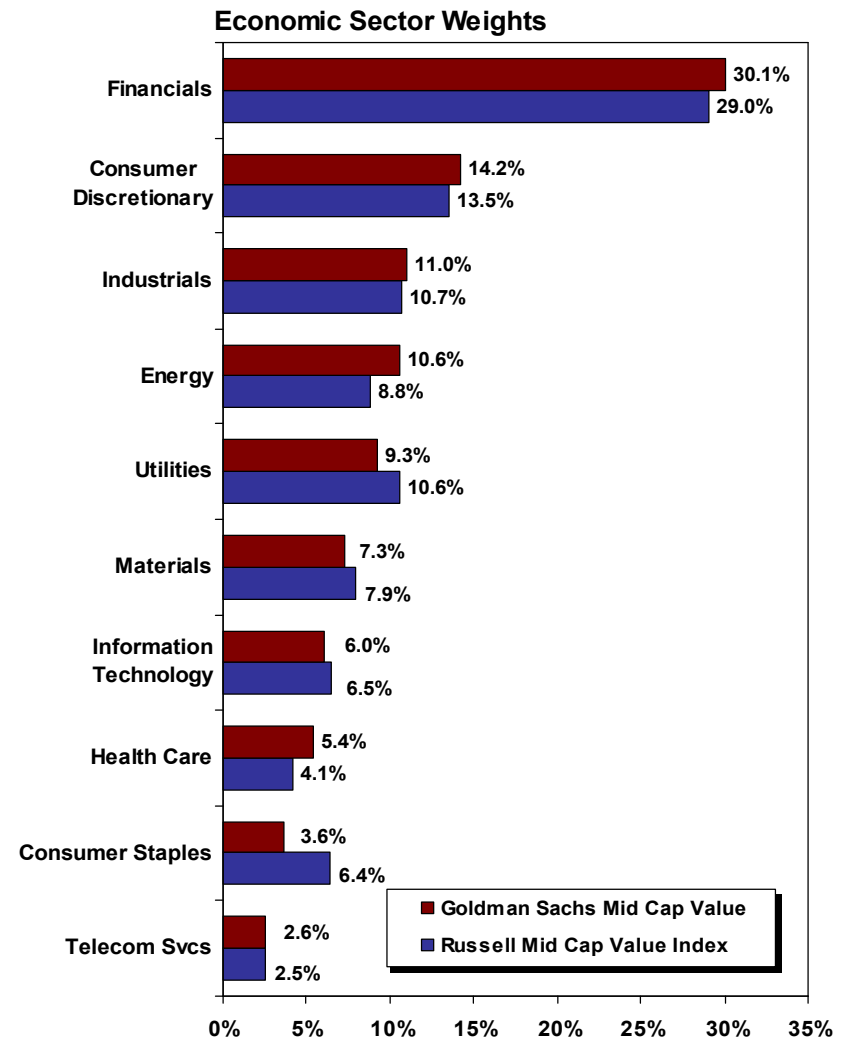


Goldman Sachs Mid Cap Value Portfolio Information

March 31, 2010

Portfolio Characteristics	Goldman Sachs Mid Cap Value	Russell Mid Cap Value Index
Price/Earnings Ratio	29.10x	29.07x
Price/Book Ratio	2.02x	2.04x
Price/Sales Ratio	2.12x	1.91x
Dividend Yield	1.32%	1.99%
Earnings Growth Past 5 Years	0.83%	0.94%
Return on Equity	1.93%	0.72%
Market Cap Weighted Average	\$7.15 BB	\$6.53 BB
Market Cap Median	\$4.83 BB	\$3.44 BB
Debt/Total Assets Ratio	0.52x	0.55x
Quality Code	B	B
Total Number of Stocks	104	551

Top Ten Equity Holdings	% of Equity Portfolio
Newfield Expl Co	2.37%
Dish Network Corp	2.08%
W R Berkley Corp	2.04%
Whiting Pete Corp	2.01%
CBS Corp	1.91%
Principal Financial	1.88%
Invesco Ltd	1.84%
Hartford Finl Svcs	1.83%
Eaton Corp	1.79%
Range Res Corp	1.74%
Total	19.48%

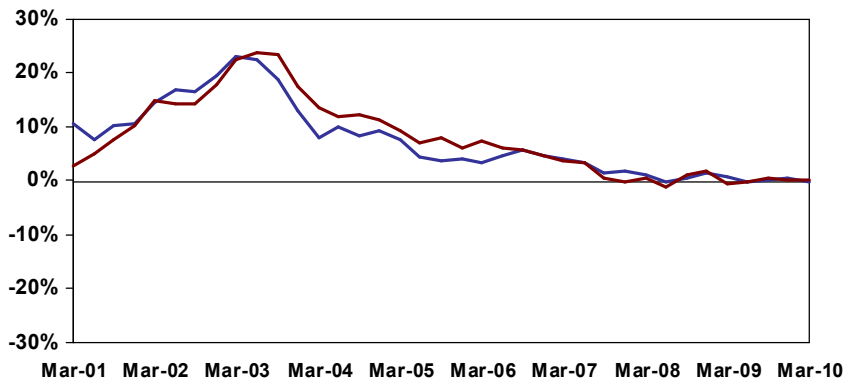


Comparative Investment Performance Results

Columbia Acorn vs. Mid Cap Growth Mutual Funds Universe

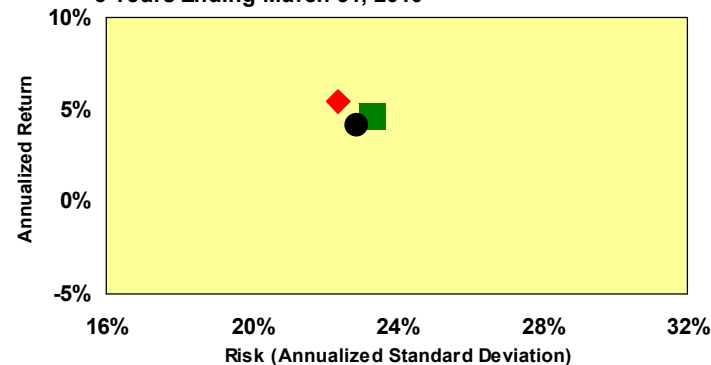
	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Columbia Acorn	10.06%	6.14%	-13.31%	45.68%	21.51%	13.11%	14.45%	7.69%	-38.55%	39.65%	7.29%	-1.75%	5.39%	8.64%
<i>Percentile</i>	22	2	3	11	4	29	14	86	17	50	35	49	34	1
Russell 2500 Growth Index	-16.09%	-10.82%	-29.10%	46.31%	14.59%	8.18%	12.27%	9.68%	-41.50%	41.65%	8.81%	-1.67%	4.65%	-0.74%
<i>Percentile</i>	88	18	61	10	39	69	28	79	37	42	11	48	41	55
Russell 2500 Index	4.26%	1.22%	-17.79%	45.50%	18.30%	8.09%	16.17%	1.38%	-36.79%	34.39%	9.21%	-3.16%	4.05%	4.83%
<i>Percentile</i>	35	3	12	12	14	70	9	96	10	65	6	65	52	12
Mid Cap Growth Mutual Funds Universe:														
25th Percentile	9.20%	-12.94%	-21.55%	41.37%	16.33%	14.31%	12.79%	21.48%	-40.15%	46.47%	7.84%	0.35%	6.11%	2.44%
40th Percentile	1.05%	-17.82%	-25.10%	37.30%	14.46%	11.81%	10.40%	18.58%	-41.84%	42.87%	7.00%	-0.98%	4.81%	0.80%
50th Percentile	-4.37%	-20.33%	-27.28%	34.63%	12.93%	10.68%	9.03%	16.14%	-43.67%	39.54%	6.59%	-1.86%	4.17%	-0.38%
75th Percentile	-11.82%	-28.80%	-31.15%	31.03%	9.40%	7.04%	6.13%	10.58%	-46.89%	30.63%	5.34%	-5.08%	1.87%	-2.84%

Rolling 3-Year Value Added



— Columbia Acorn Fund vs. Russell 2500 Growth Index
 — Columbia Acorn Fund vs. Mid Cap Growth Mutual Funds Universe Median

Risk-Return Analysis
 5 Years Ending March 31, 2010



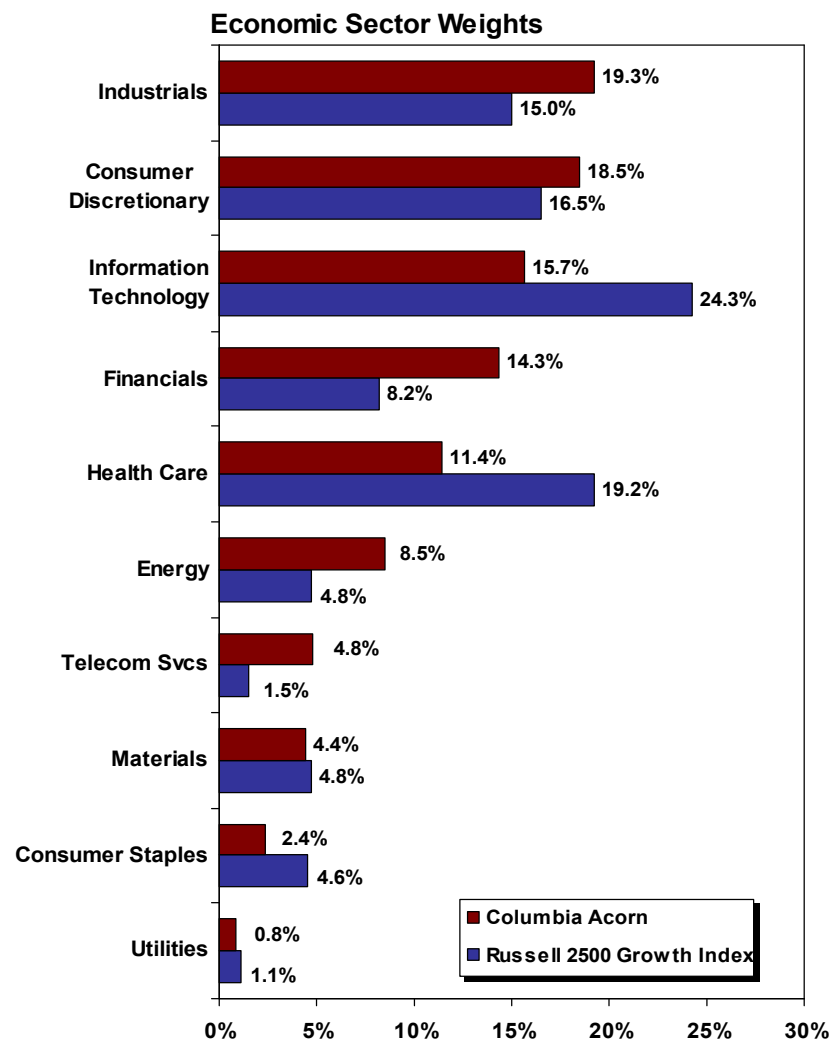
◆ Columbia Acorn Fund
 ■ Russell 2500 Growth Index
 ● Mid Cap Growth Mutual Funds Universe Median

Columbia Acorn Portfolio Information

December 31, 2009¹

Portfolio Characteristics	Columbia Acorn	Russell 2500 Growth Index
Price/Earnings Ratio	37.34x	33.23x
Price/Book Ratio	3.96x	4.10x
Price/Sales Ratio	3.31x	3.12x
Dividend Yield	0.82%	0.68%
Earnings Growth Past 5 Years	13.79%	15.24%
Return On Equity	4.65%	0.46%
Market Cap Weighted Average	\$3.43 BB	\$2.33 BB
Market Cap Median	\$1.42 BB	\$0.56 BB
Debt/Total Assets Ratio	0.46x	0.45x
Total Number of Stocks	352	1,580

Top Ten Equity Holdings	% of Portfolio
Crown Castle Intl Corp	1.80%
Coach Inc	1.52%
Informatica Corp	1.27%
FMC Technologies Inc	1.25%
Donaldson Inc	1.25%
Amphenol Corp	1.23%
Ametek Inc New	1.20%
Bally Technologies Inc	1.16%
TW Telecom Inc	1.14%
Fugro NV	1.14%
Total	12.96%

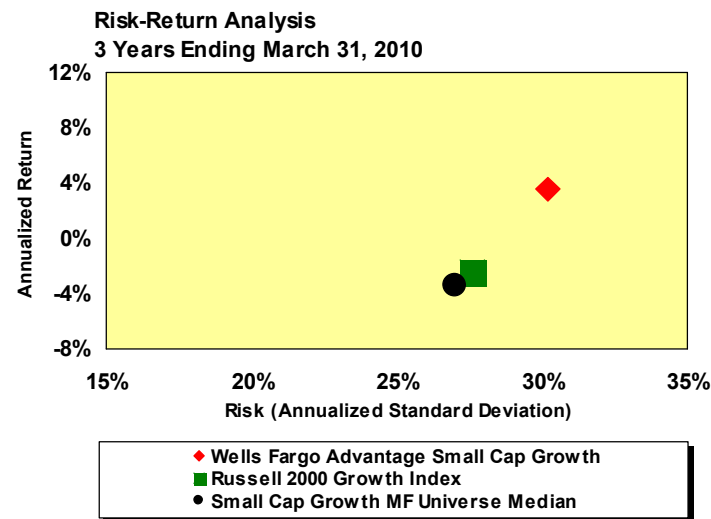
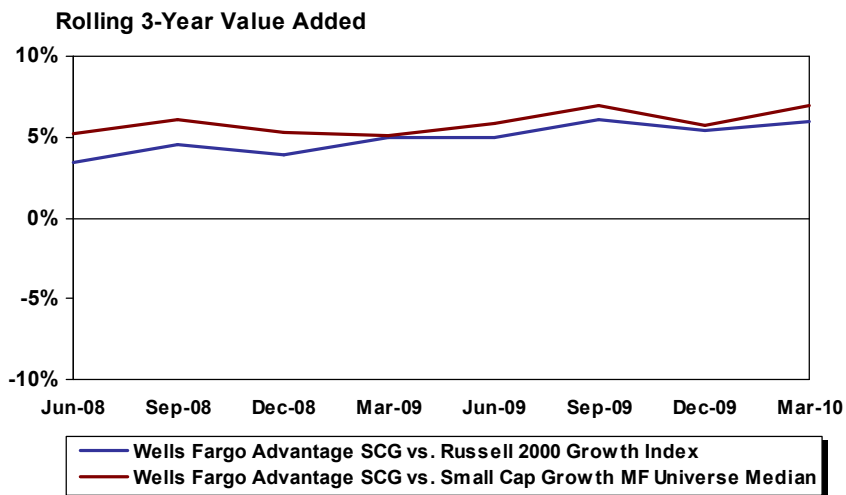


¹ March 31, 2010 characteristics were not available as the time of this report.

Comparative Investment Performance Results

Wells Fargo Advantage Small Cap Growth vs. Small Cap Growth Mutual Funds Universe

	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Wells Fargo Advantage Small Cap Growth	-	-	-	-	-	-	22.96%	13.98%	-39.56%	51.56%	11.40%	3.50%	-	-
Percentile	-	-	-	-	-	-	3	20	38	7	2	3	-	-
Russell 2000 Growth Index	-22.44%	-9.23%	-30.27%	48.53%	14.31%	4.15%	13.35%	7.05%	-38.54%	34.47%	7.61%	-2.42%	3.82%	-1.53%
Percentile	82	33	58	28	38	72	32	55	30	50	40	43	43	67
Small Cap Growth Mutual Funds Universe:														
25th Percentile	-0.40%	-6.09%	-22.75%	49.27%	16.66%	9.58%	14.53%	13.14%	-37.51%	42.14%	8.52%	-1.10%	5.10%	3.38%
40th Percentile	-7.38%	-12.56%	-26.50%	45.38%	13.94%	7.62%	12.04%	10.17%	-39.80%	36.67%	7.54%	-2.22%	4.16%	1.57%
50th Percentile	-10.90%	-14.72%	-28.30%	43.53%	12.60%	6.38%	10.38%	8.31%	-40.80%	34.44%	7.24%	-3.40%	3.34%	0.21%
75th Percentile	-18.31%	-26.00%	-33.15%	37.53%	8.16%	3.57%	6.86%	2.26%	-43.98%	27.43%	5.74%	-5.25%	1.30%	-2.34%

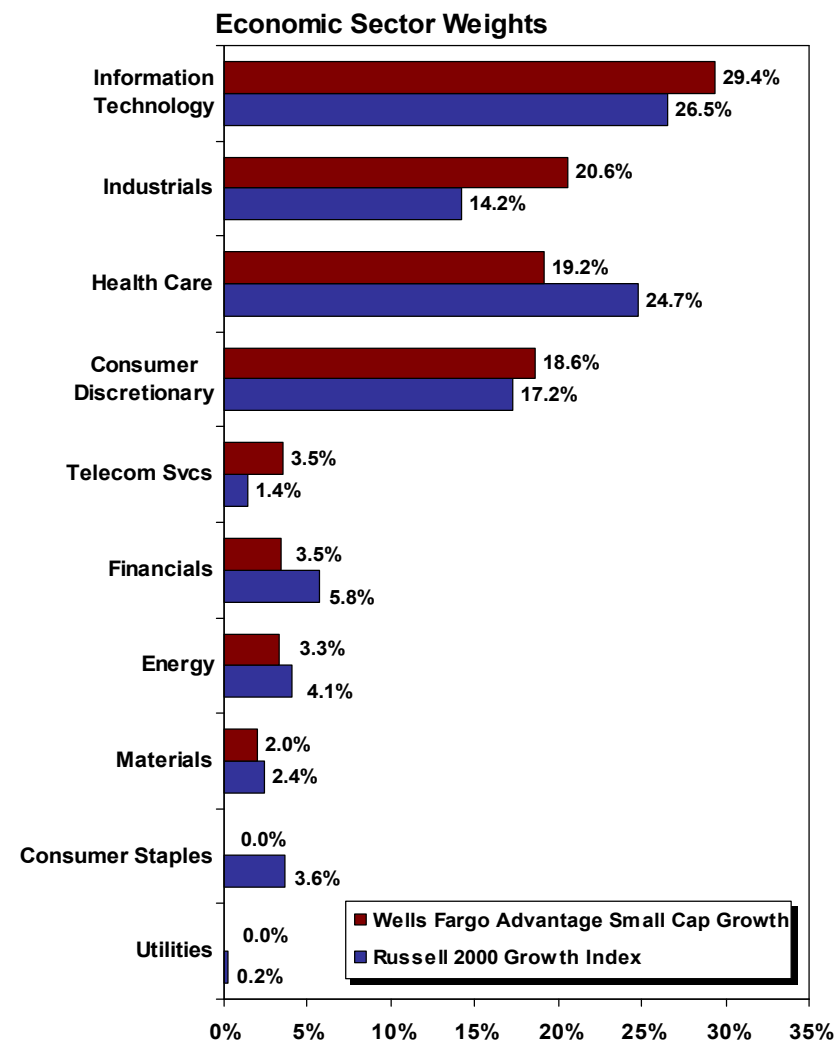


Wells Fargo Advantage Small Cap Growth Portfolio Information

March 31, 2010

Portfolio Characteristics	Wells Fargo Advantage Small Cap Growth	Russell 2000 Growth Index
Price/Earnings Ratio	39.34x	36.57x
Price/Book Ratio	4.06x	4.11x
Price/Sales Ratio	2.90x	3.61x
Dividend Yield	0.29%	0.49%
Earnings Growth Past 5 Years	10.92%	16.65%
Return on Equity	-1.96%	-0.97%
Market Cap Weighted Average	\$1.17 BB	\$1.19 BB
Market Cap Median	\$0.95 BB	\$0.45 BB
Debt/Total Assets Ratio	0.44x	0.42x
Quality Code	B-	B
Total Number of Stocks	100	1,278

Top Ten Equity Holdings	% of Equity Portfolio
GSI Commerce Inc	3.02%
Sykes Enterprises Inc	2.88%
Scientific Games Corp	2.49%
Gartner Inc	2.18%
Tivo Inc	2.05%
PMC-Sierra Inc	2.04%
Live Nation Entertainment	2.01%
Global Cash Access Hld	1.99%
Bridgepoint Ed Inc	1.94%
National Cinemedia Inc	1.90%
Total	22.50%

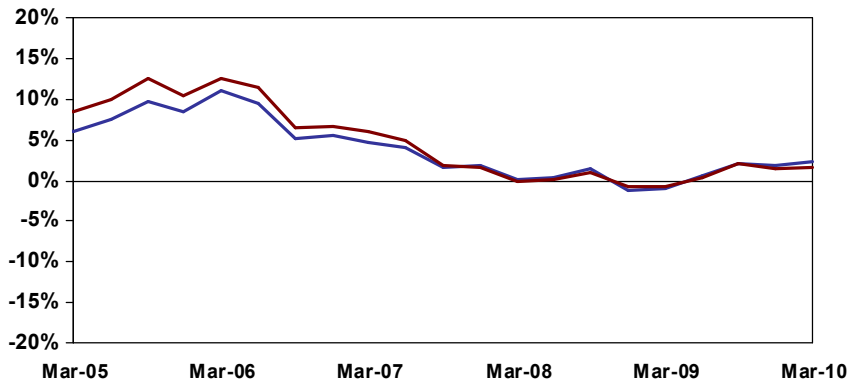


Comparative Investment Performance Results

Dodge & Cox International Stock vs. International Equity Mutual Funds Universe

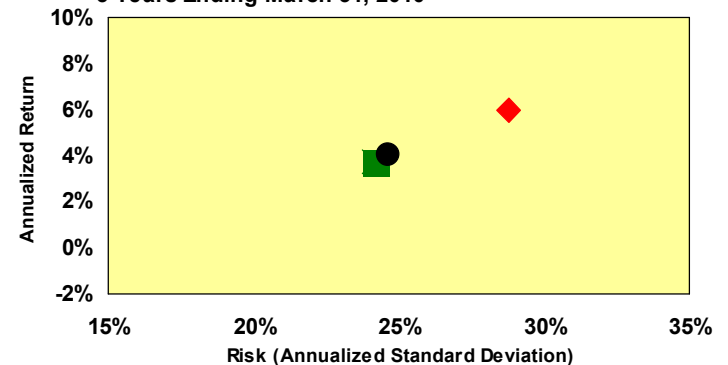
	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Dodge & Cox International Stock	-	-	-13.11%	49.42%	32.46%	16.75%	28.01%	11.71%	-46.69%	47.46%	3.70%	-4.64%	5.98%	-
<i>Percentile</i>	-	-	27	10	1	24	19	50	68	10	12	27	20	-
MSCI EAFE Index	-14.16%	-21.45%	-15.94%	38.59%	20.24%	13.54%	26.36%	11.17%	-43.38%	31.78%	0.87%	-7.02%	3.76%	1.28%
<i>Percentile</i>	36	49	47	39	27	58	32	53	43	52	65	58	55	56
International Equity Mutual Funds Universe:														
25th Percentile	-10.08%	-17.29%	-12.85%	42.03%	20.55%	16.64%	27.42%	16.15%	-41.46%	38.25%	2.53%	-4.54%	5.60%	3.34%
40th Percentile	-15.11%	-19.89%	-14.94%	38.32%	18.58%	14.84%	25.65%	13.15%	-43.12%	34.35%	1.89%	-5.60%	4.66%	2.32%
50th Percentile	-17.14%	-21.58%	-16.49%	36.01%	17.53%	14.08%	24.85%	11.71%	-44.54%	32.38%	1.43%	-6.24%	4.06%	1.75%
75th Percentile	-21.53%	-24.96%	-19.75%	30.53%	15.24%	11.79%	22.29%	8.51%	-47.63%	27.00%	0.61%	-8.50%	2.72%	-0.62%

Rolling 3-Year Value Added



— Dodge & Cox International Stock vs. MSCI EAFE Index
— Dodge & Cox International Stock vs. International Equity MF Universe Median

Risk-Return Analysis
5 Years Ending March 31, 2010

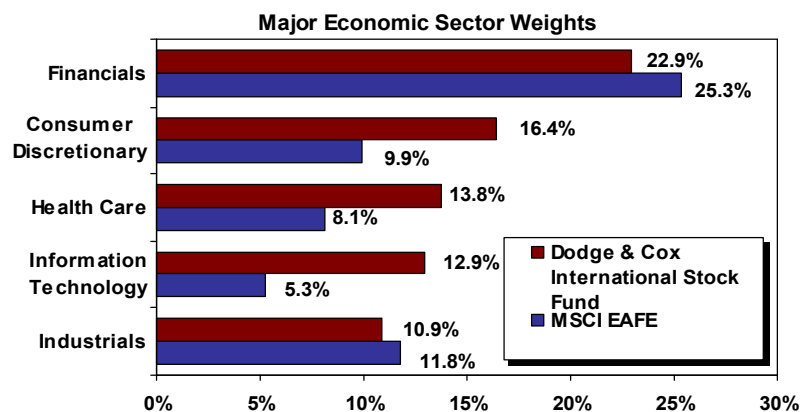


◆ Dodge & Cox International Stock
■ MSCI EAFE Index
● International Equity MF Universe Median

Dodge & Cox International Stock Fund Portfolio Information

March 31, 2010

Portfolio Characteristics	Dodge & Cox International Stock Fund	MSCI EAFE
Price/Earnings Ratio	31.39x	26.72x
Price/Book Ratio	2.50x	2.54x
Dividend Yield	2.38%	2.92%
Market Cap Weighted Average	\$46.01 BB	\$50.55 BB
Total Number of Stocks	94	952



Top Ten Equity Holdings	% of Portfolio
Naspers	3.76%
Novartis A G	3.21%
Vodafone Group Plc	3.13%
Glaxosmithkline Plc	2.80%
Nokia Oyj	2.70%
HSBC Hldgs	2.58%
Standard Chartered	2.49%
Schneider Electric	2.45%
Mitsubishi Elec Cp	2.34%
Bayer AG	<u>2.34%</u>
Total	27.80%

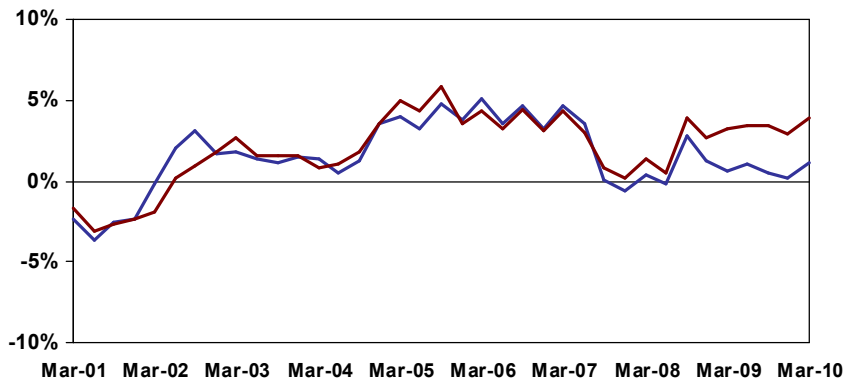
Country	Dodge & Cox International Stock Fund	MSCI EAFE
Austria	1.1%	0.3%
Belgium	0.0%	1.0%
Denmark	0.0%	0.9%
Finland	2.7%	1.2%
France	10.2%	10.6%
Germany	6.5%	7.9%
Greece	0.0%	0.4%
Ireland	0.0%	0.3%
Italy	2.0%	3.2%
Netherlands	4.8%	2.6%
Norway	1.1%	0.7%
Portugal	0.0%	0.3%
Spain	1.5%	3.9%
Sweden	2.1%	2.8%
Switzerland	9.1%	7.9%
U.K.	<u>15.5%</u>	<u>21.0%</u>
Total Europe	56.7%	65.2%
Australia	0.3%	8.7%
Hong Kong	2.3%	2.4%
Japan	14.2%	22.2%
New Zealand	0.0%	0.1%
Singapore	<u>0.0%</u>	<u>1.5%</u>
Total Asia & Pacific Basin	16.7%	34.8%
Canada	0.0%	0.0%
Emerging Markets	20.6%	0.0%
U.S.	<u>6.0%</u>	<u>0.0%</u>
Total	100.0%	100.0%

Comparative Investment Performance Results

Lazard Emerging Markets vs. Emerging Markets Mutual Funds Universe

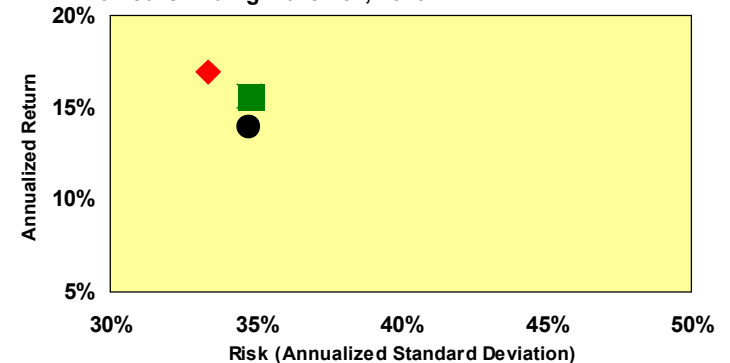
	Annual Returns										Qtr.	Annualized Returns as of 03/31/2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		3 Yrs.	5 Yrs.	10 Yrs.
Lazard Emerging Markets	-29.80%	-3.54%	-0.65%	54.58%	30.19%	41.31%	29.93%	32.71%	-48.09%	69.14%	5.96%	6.27%	16.91%	12.05%
Percentile	39	45	17	54	15	4	61	72	8	75	1	10	13	19
MSCI Emerging Markets Index	-30.62%	-2.61%	-6.18%	55.82%	25.56%	34.00%	32.16%	39.39%	-53.33%	78.51%	2.40%	5.16%	15.65%	9.81%
Percentile	53	41	48	45	45	41	44	35	37	19	50	23	18	41
Emerging Markets Mutual Funds Universe:														
25th Percentile	-26.88%	-0.63%	-2.26%	63.02%	27.49%	37.51%	34.79%	41.36%	-51.64%	76.90%	3.17%	4.68%	14.91%	11.29%
40th Percentile	-29.88%	-2.57%	-4.98%	56.56%	25.97%	34.05%	32.71%	38.47%	-54.03%	74.78%	2.62%	2.74%	14.09%	9.98%
50th Percentile	-30.36%	-3.85%	-6.48%	54.92%	24.88%	32.70%	31.24%	37.04%	-54.69%	73.24%	2.43%	2.44%	13.91%	9.21%
75th Percentile	-35.00%	-5.79%	-8.97%	51.92%	21.12%	28.54%	28.93%	30.93%	-56.90%	69.04%	1.53%	0.81%	12.58%	7.84%

Rolling 3-Year Value Added



— Lazard Funds Emerging Markets vs. MSCI Emerging Markets Index
 — Lazard Funds Emerging Markets vs. Emerging Markets MF Universe Median

Risk-Return Analysis
 5 Years Ending March 31, 2010

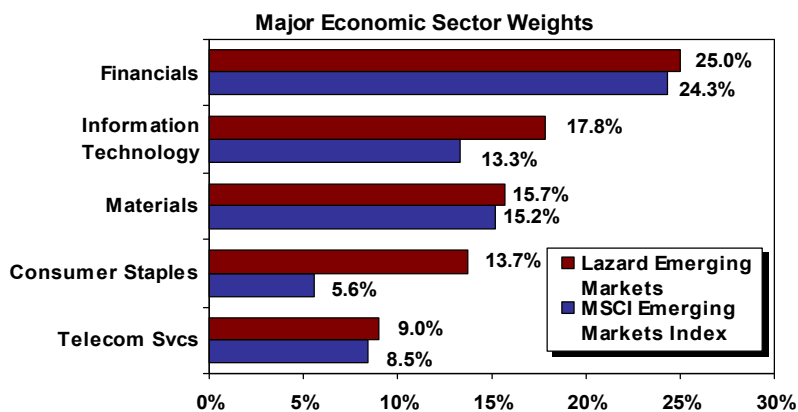


◆ Lazard Funds Emerging Markets
 ■ MSCI Emerging Markets Index
 ● Emerging Markets MF Universe Median

Lazard Emerging Markets Portfolio Information

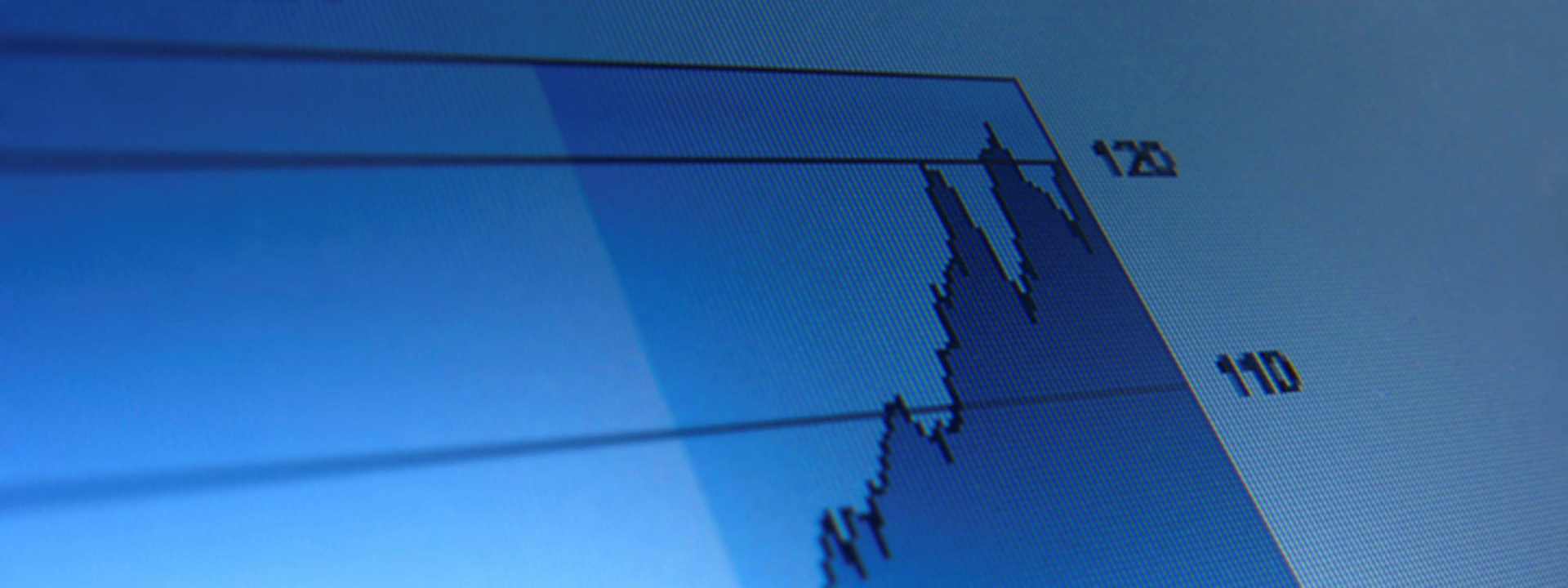
March 31, 2010

Portfolio Characteristics	Lazard Emerging Markets	MSCI Emerging Markets Index
Price/Earnings Ratio	29.05x	37.50x
Price/Book Ratio	4.79x	3.32x
Dividend Yield	2.88%	1.94%
Market Cap Weighted Average	\$17.81 BB	\$32.37 BB
Total Number of Stocks	78	771



Top Ten Equity Holdings	% of Portfolio
Redecard SA	3.42%
BCO DO Brasil SA	3.34%
Cielo SA	3.17%
Usiminas Usi SD Mg	2.99%
Shinhan Fin Group	2.68%
Sanlam	2.48%
Lukoil Oil Company	2.47%
Punjab Natl Bank	2.30%
Nedbank Limited	2.29%
T Is Bankasi	2.14%
Total	27.28%

Country	Lazard Emerging Markets	MSCI Emerging Markets Index
Brazil	20.3%	16.3%
Canada	1.3%	0.0%
Chile	0.0%	1.4%
China	2.0%	17.5%
Colombia	0.0%	0.7%
Czech Republic	0.0%	0.4%
Egypt	3.8%	0.5%
France	0.7%	0.0%
Hungary	0.0%	0.6%
India	4.8%	7.7%
Indonesia	5.8%	2.0%
Israel	2.3%	3.0%
Malaysia	0.6%	2.8%
Mexico	6.8%	4.5%
Morocco	0.0%	0.2%
Pakistan	0.8%	0.0%
Peru	0.0%	0.6%
Philippines	2.0%	0.4%
Poland	0.0%	1.3%
Russia	6.4%	6.6%
South Africa	14.6%	7.0%
South Korea	10.9%	12.8%
Sweden	0.7%	0.0%
Taiwan	5.2%	10.7%
Thailand	1.9%	1.5%
Turkey	7.2%	1.5%
Cash	1.7%	0.0%
Total	100.0%	100.0%

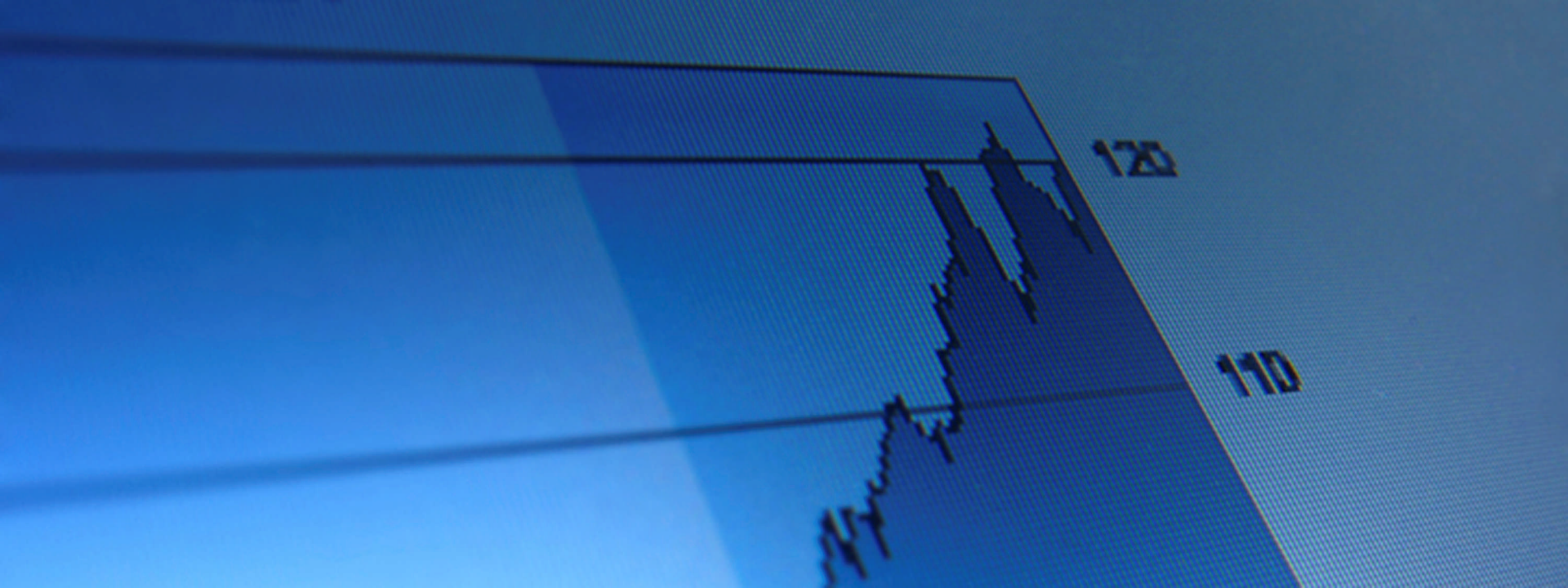


Appendix A: Custom Index Construction

Custom Index Construction

The custom index has been constructed as follows:

	Inception to 1994-Q3	1994-Q4 to 1996-Q2	1996-Q3 to 1997-Q2	1997-Q3 to 2004-Q3	2004-Q3 to Present
S&P 500 Index	55%	45%	50%	50%	50%
Russell 2000 Index	0%	10%	15%	15%	15%
EAFE Index	0%	5%	10%	10%	10%
BCGC Bond Index	45%	40%	25%	0%	0%
BC Aggregate Bond Index	0%	0%	0%	25%	25%



Appendix B: THA Participant-Directed Plan Fund Expense Ratio

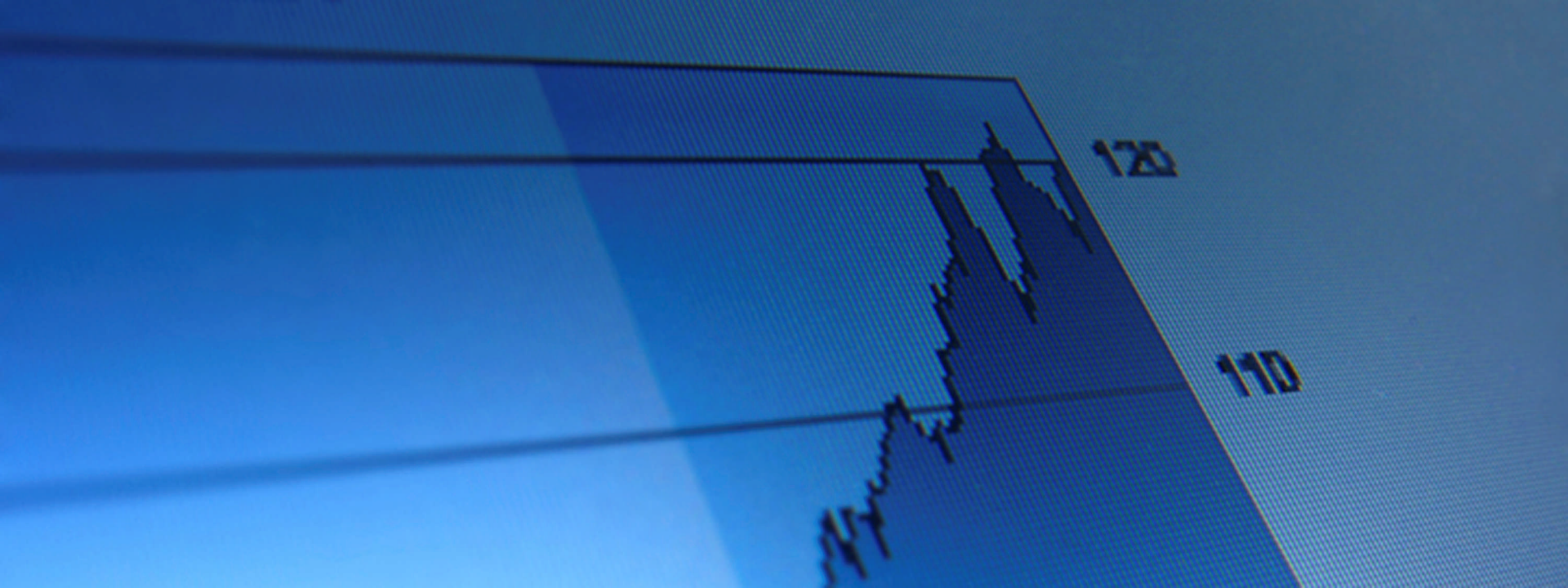
THA Participant-Directed Plan Fund Expense Ratios¹

Fund Expense Ratio	Ticker Symbol	Annual Expense Ratio	Median Institutional Expense Ratio ¹	Median Retail Expense Ratio ¹
Schwab Retirement Advantage Money Markey	SWIXX	0.44%	0.30%	0.60%
Prudential Guaranteed Income	N/A	0.40%	0.35% ²	N/A
Schwab Stable Value	N/A	0.50%	0.35% ²	N/A
PIMCO Total Return	PTTDX	0.75%	0.55%	0.76%
PIMCO Real Return	PRRDX	0.88%	0.49%	0.69%
Oakmark Equity & Income	OAKBX	0.85%	0.90%	1.05%
BlackRock ³ LifePath Retirement	STLAX	0.85%	0.70%	0.92%
BlackRock ³ LifePath 2020	STLCX	0.85%	0.85%	1.02%
BlackRock ³ LifePath 2030	STLDX	0.85%	0.85%	1.10%
BlackRock ³ LifePath 2040	STLEX	0.85%	0.86%	1.11%
BlackRock ³ LifePath 2050	STLFX	0.85%	0.86%	1.14%
Schwab S&P 500 Index	SWPPX	0.13%	0.26%	0.49%
American Beacon Large Cap Value	AAGPX	0.93%	0.88%	1.03%
Thornburg Value	TVIFX	0.97%	0.84%	1.07%
Growth Fund of America	RGAEX	0.69%	0.90%	1.09%
Goldman Sachs Mid Cap Value	GCMAX	1.19%	1.00%	1.22%
Columbia Acorn	ACRNX	0.77%	1.02%	1.22%
Wells Fargo Advantage Small Cap Growth	WFSIX	0.90%	1.11%	1.34%
Dodge & Cox International Stock	DODFX	0.65%	1.08%	1.27%
Lazard Emerging Markets	LZOEX	1.55%	1.33%	1.52%

¹ The median institutional and retail mutual fund expense ratios have been calculated using analysis of December 31, 2009 Morningstar mutual fund data.

² The stable value median inst'l expense ratio was calculated using separate account and commingled fund fees based on a \$20MM account. Fund data from eVestmentAlliance.com was used for the calculation.

³ In December 2009, BlackRock merged with Barclays Global Investors (BGI).

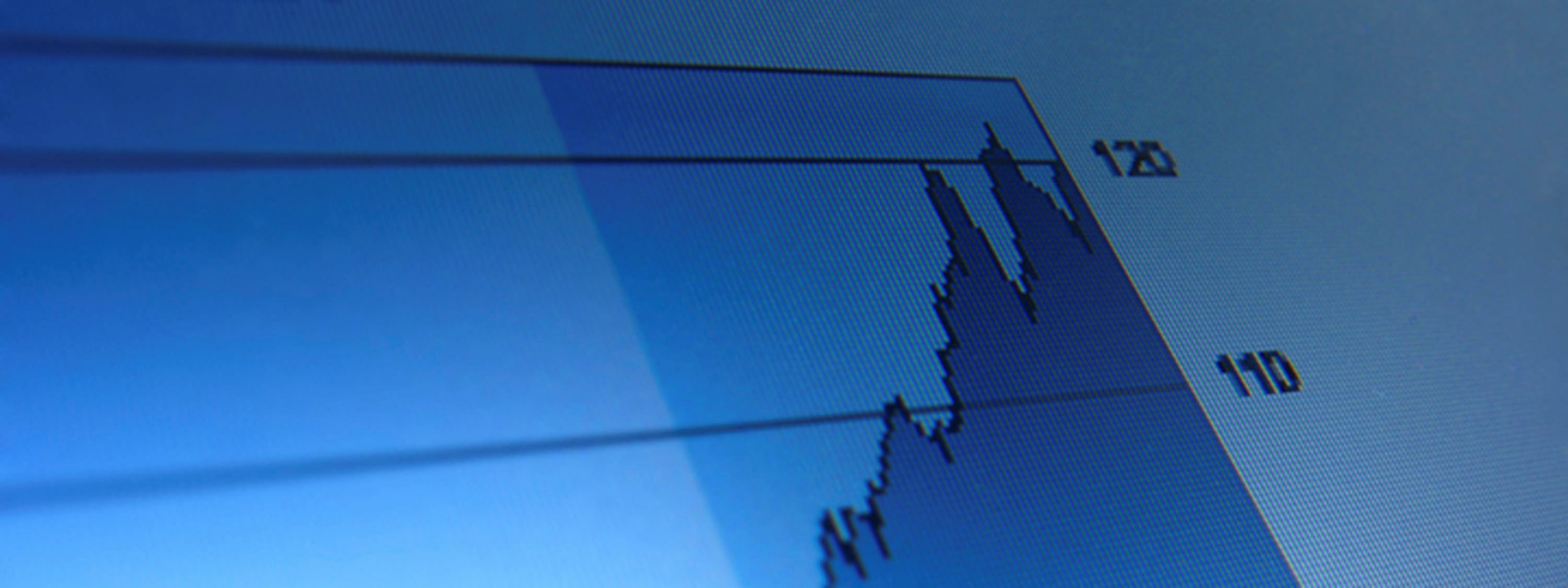


Appendix C: BlackRock Custom Index Construction

BlackRock LifePath Custom Index Construction

The LifePath custom benchmarks are hypothetical representations of the performance of the respective LifePath portfolio's asset classes according to their weightings as of the most recent quarter end. The weighting of the various indices that are included in the LifePath portfolios' custom benchmarks are adjusted quarterly to reflect the funds' changing asset allocations over time. The following indices are used to calculate the LifePath portfolios' custom benchmarks:

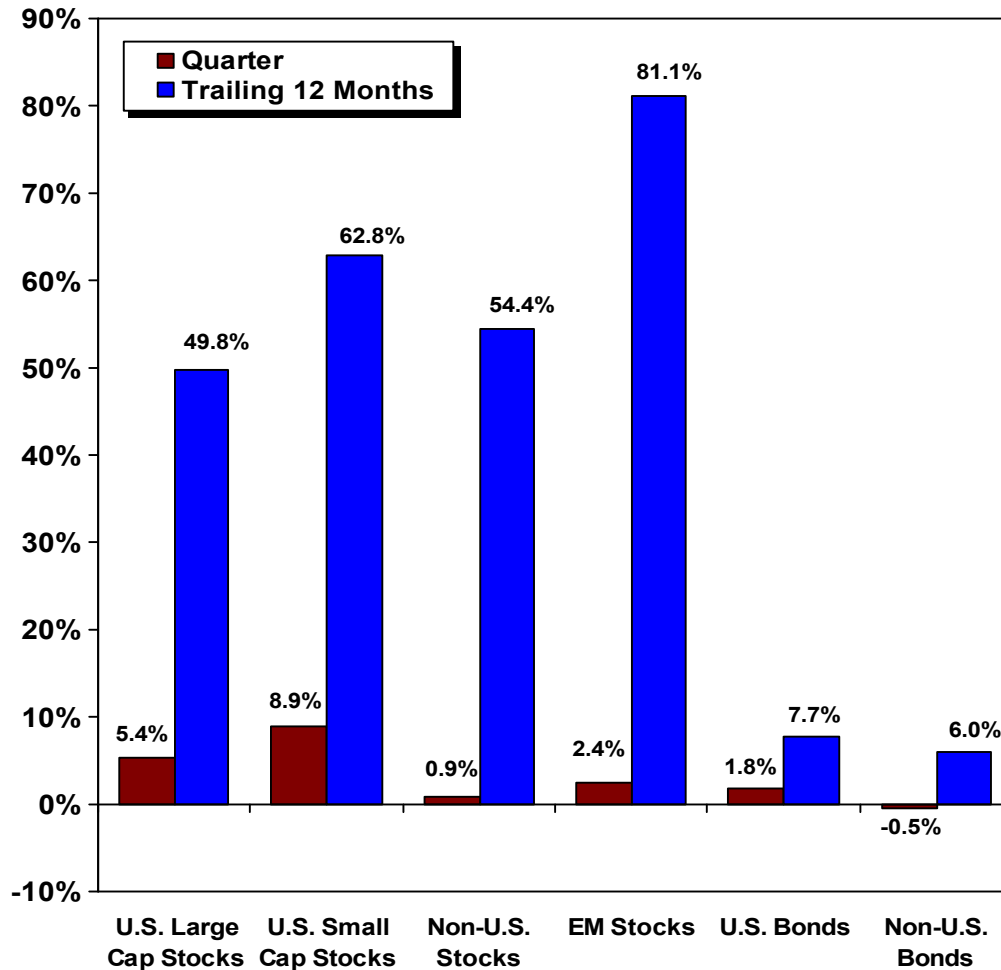
- S&P 500 Index, S&P 400 Index, S&P 600 Index, MSCI ACWI ex-U.S. IMI Index, Barclays Capital U.S. Aggregate Bond Index, Citigroup 3-Month T-Bill Index, Barclays Capital TIPs Index and FTSE EPRA/NAREIT Developed Real Estate Index.



Appendix D: Capital Market Environment

Capital Market Performance

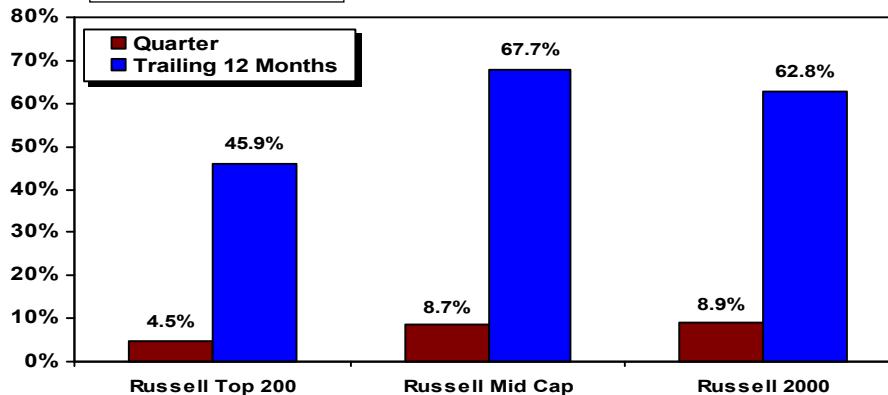
First Quarter 2010



- Capital markets posted positive results in the first quarter, with the exception of non-U.S. bonds, which posted a slight loss (-0.5%). During the first quarter, the markets passed the one-year anniversary of the March 9, 2009 market low. The robust returns for the trailing 12-month period across capital markets reflect both increased investor confidence that the worst of the economic crisis has passed and an overall increase in liquidity.
- U.S. equities outpaced developed non-U.S. equities in the first quarter in both U.S. dollar and local market terms. However, for the trailing 12-month period, developed non-U.S. stocks outperformed U.S. large cap stocks by 460 basis points.
- Emerging market equities returned 2.4% in the first quarter and performed the strongest of any of the broad equity markets for the trailing 12-month period (+81.1%).
- Similar to the equity markets, U.S. bonds led non-U.S. bonds in the first quarter. U.S. bonds posted a return of 1.8%, while non-U.S. bonds returned -0.5%. During the trailing 12-month period, U.S. bonds outperformed non-U.S. bonds by 170 basis points.

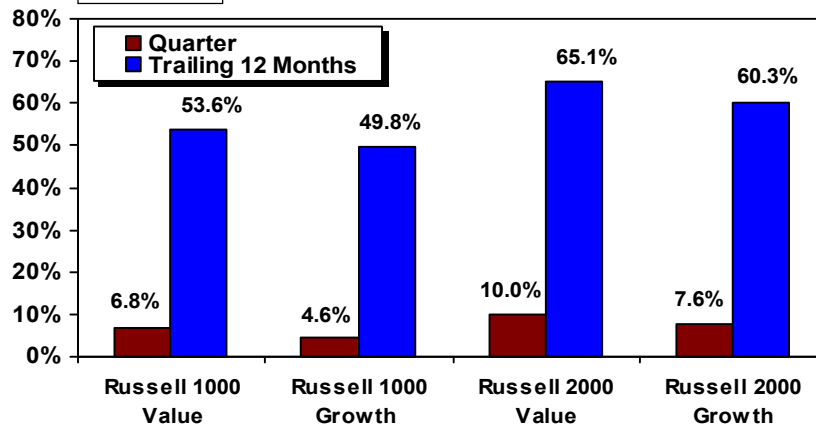
U.S. Equity Market Performance By Capitalization and Style

By Capitalization



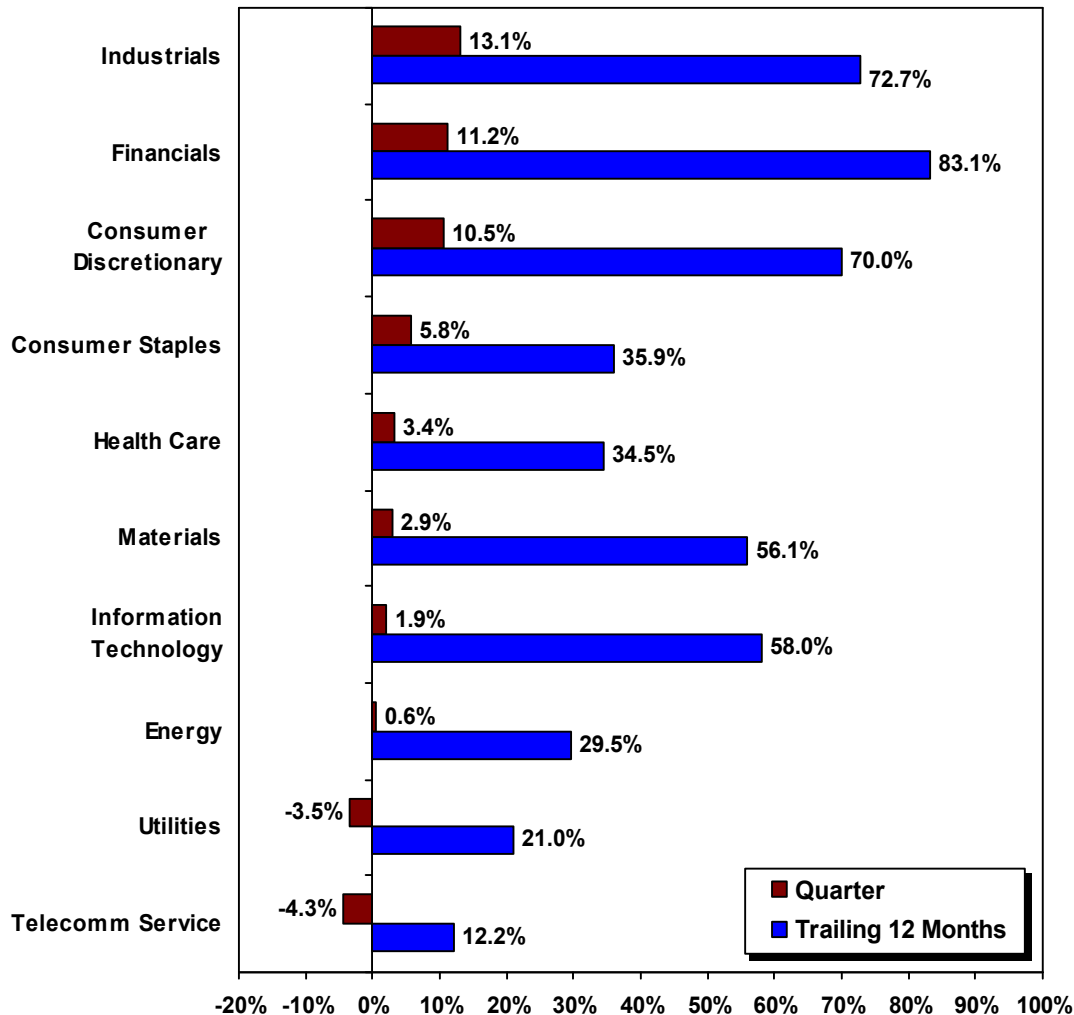
- Small cap stocks (+8.9%) outperformed large and mid cap stocks in the first quarter, benefiting from a change in investor sentiment toward risk. Mid cap stocks also had a strong quarter, posting 8.7%, and led the way over the trailing 12-month period, returning an impressive 67.7%.
- Large cap stocks lagged during the first quarter, trailing both small and mid cap stocks by 440 and 420 basis points, respectively.

By Style



- During the first quarter, growth stocks trailed value stocks across all capitalizations. Large cap value outperformed large cap growth by 220 basis points, while small cap value outpaced small cap growth by 240 basis points.
- While growth stocks dominated value stocks throughout 2009, the strong performance of value stocks during the first quarter contributed to the substantial outperformance of value over growth across all capitalizations during the trailing 12-month period. Returns for value stocks were driven by gains in the financials sector.

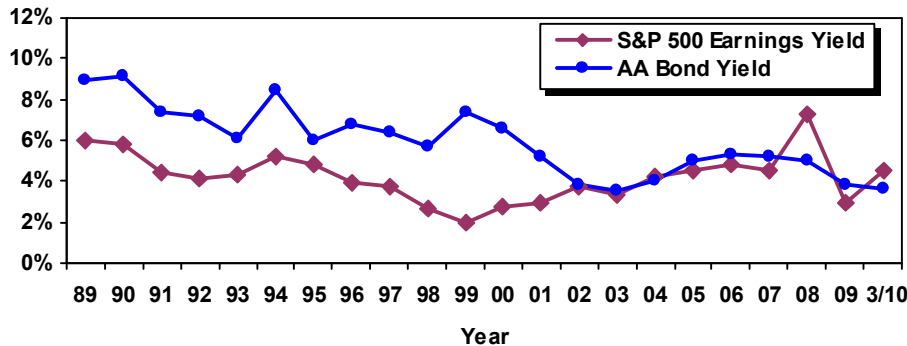
U.S. Equity Market Performance By Economic Sector



- Results for the U.S. equity economic sectors were mixed in the first quarter and trailing 12 months. Strong results for industrials and the volatile financials sector contrasted with weak returns for less economically sensitive sectors such as utilities and telecomm services.
- Industrials was the top performing U.S. equity sector during the first quarter (+13.1%), contributing to strong results for the trailing 12-month period (+72.7%). During the quarter, several top contributors to performance for the S&P 500 Index were industrials stocks: General Electric, Boeing, UPS, and Emerson Electric.
- The financials sector rebounded from being the worst performing sector during the final three months of 2009 and gained 11.2% in the first quarter. Bank of America, Wells Fargo, and Citigroup were among the top five contributors to performance for the S&P 500 Index. Financials also led peers over the trailing 12 months (+83.1%).
- Telecomm services was the worst performing sector in 2009, and continued to lag peers in the first quarter (-4.3%) and over the trailing 12-month period (+12.2%). The relatively weak performance reflected investors' continued transition away from defensive stocks.

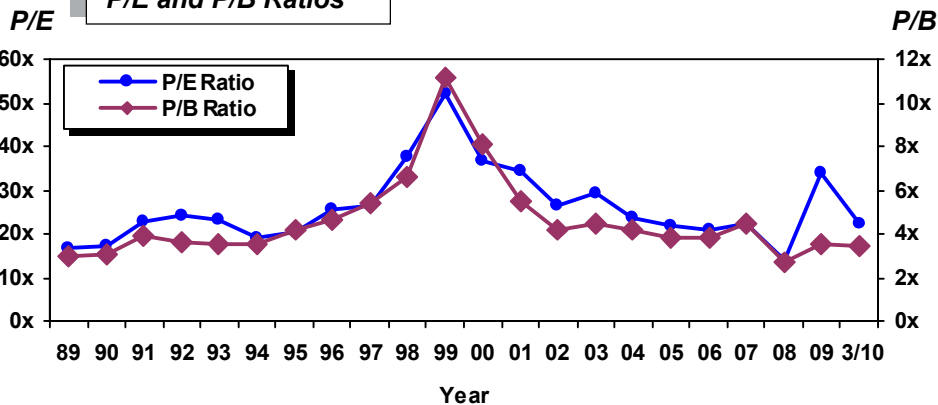
U.S. Capital Market Valuations

Stock and Bond Yields



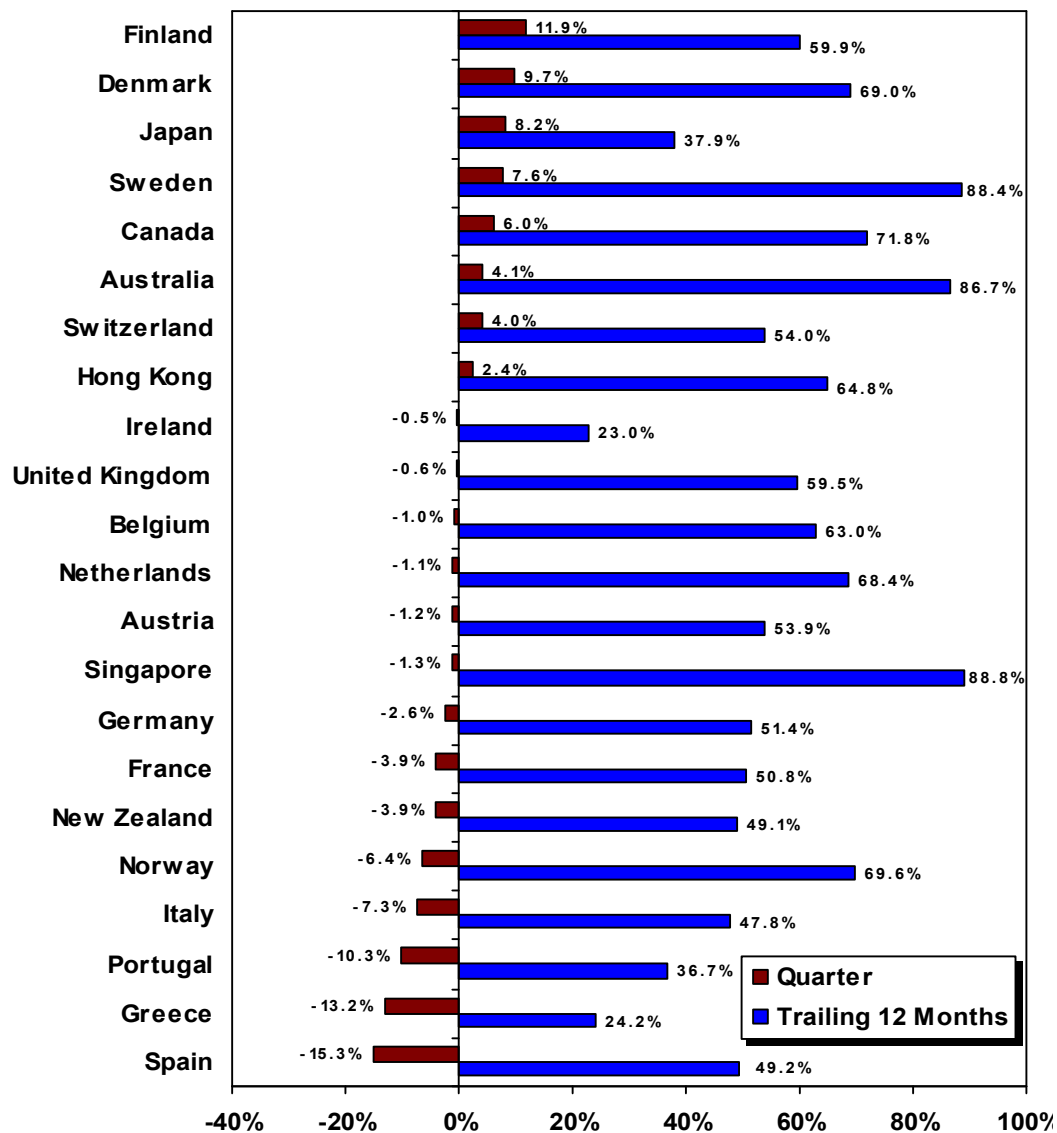
- Stock yields spiked 154 basis points in the first quarter, rebounding from 2.95% to 4.49%. Corporate bond yields decreased by 18 basis points during the quarter, and fell from 5.55% to 3.62% during the trailing 12-month period.
- The gap between stock and bond yields widened slightly during the first quarter. Stock yields exceeded bond yields by 87 basis points as of March 31, 2010. In contrast, stock yields lagged bond yields by 85 basis points as of December 31, 2009.

P/E and P/B Ratios



- P/E ratios dropped from 33.9x to 22.3x during the first quarter as earnings have rebounded from market bottoms. P/B ratios decreased slightly from 3.5x to 3.4x.
- Both P/E and P/B ratios are nearing their respective pre-recession levels, but earnings are still well below near-term peaks seen in the second quarter of 2007.

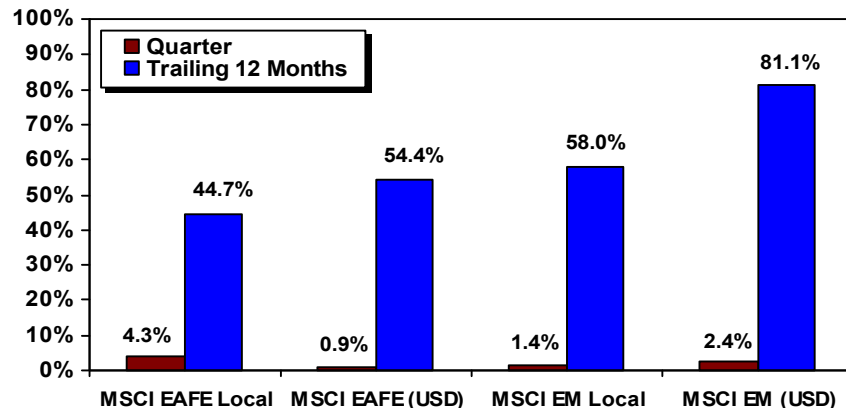
International Equity Market Performance By Country (in U.S. Dollars)



- Results were mixed in the non-U.S. equity markets during the first quarter; however, all developed markets posted positive returns for the trailing 12-month period. During the quarter, returns ranged between +11.9% and -15.3% for developed market countries.
- Finland led developed market peers during the first quarter, gaining 11.9%. Strong results from Nokia have helped the market, as well as the rebounding Finnish capital goods industry. Finland also posted relatively strong results for the trailing 12-month period, returning 59.9%.
- Despite losing 1.3% in the first quarter, Singapore was the top performing developed market country during the trailing 12-month period (+88.8%). Singapore's economy benefited from improved manufacturing as well as the opening of the country's first casino. A widespread expectation of monetary tightening served as a sign of an entrenched broad-based recovery.
- Italy, Portugal, Greece, and Spain lagged developed market peers during the first quarter. The heavy debt loads carried by these Eurozone countries have sparked fear among investors regarding the stability of the Euro currency.

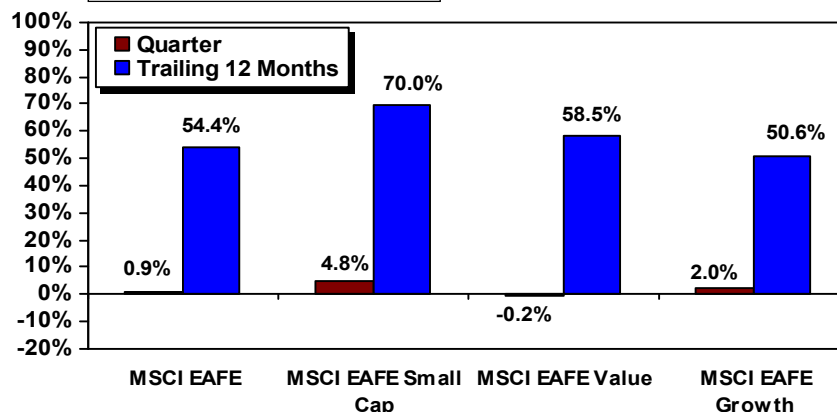
International Equity Market Performance By Currency and Capitalization

By Currency



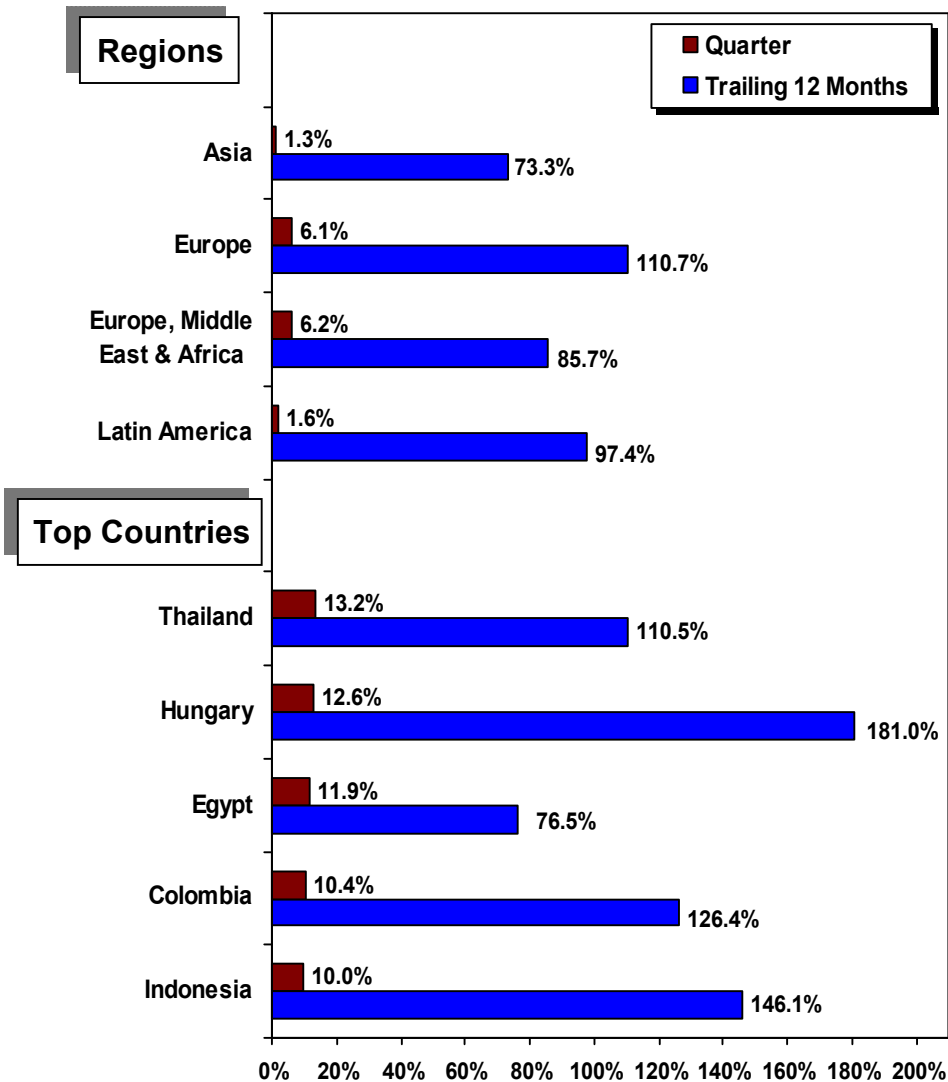
- The U.S. dollar gained against developed market currencies, but retreated against emerging market currencies during the first quarter. The strength in the U.S. dollar subtracted 340 basis points from U.S.-based investors' returns in developed markets, while dollar depreciation added 100 basis points to U.S.-based investors' returns in emerging markets during the quarter.
- During the trailing 12-month period, dollar depreciation added 970 basis points to U.S.-based investors' returns on developed non-U.S. stocks, and 2,310 basis points to emerging market stock returns.

By Capitalization & Style



- The strength in non-U.S. small caps in 2009 continued as non-U.S. small cap stocks led non-U.S. large caps by 390 basis points in the first quarter, and 1,560 basis points over the trailing 12 months.
- Despite non-U.S. growth stocks leading non-U.S. value stocks by 220 basis points in the first quarter, non-U.S. value stocks still remained ahead of non-U.S. growth stocks by 790 basis points for the trailing 12-month period.

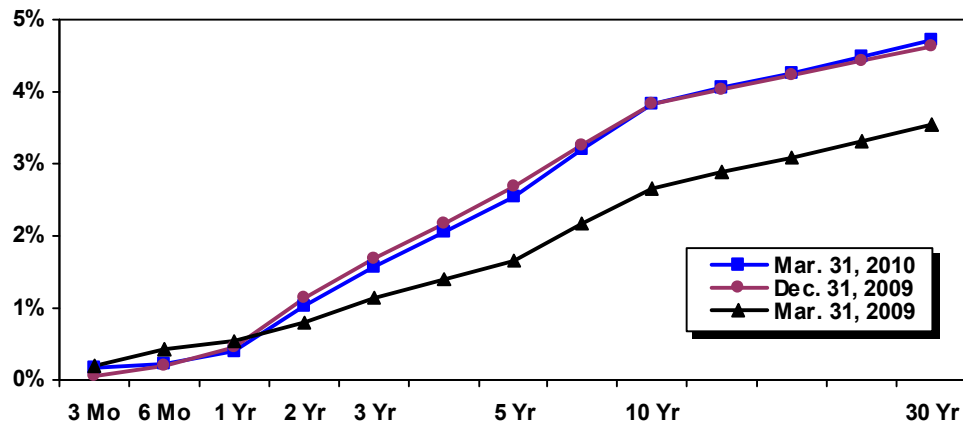
Emerging Markets Equity Performance By Region and Country (in U.S. Dollars)



- Europe, Middle East, and Africa was the best performing emerging market region in the first quarter (+6.2%). Europe was a close second at 6.1%, and also led emerging market peers over the trailing 12 months with an impressive 110.7% return. Both regions benefited from the strong returns of the Hungarian market.
- Asia was the worst performing emerging markets region in the first quarter and the trailing 12-month period, returning 1.3% and 73.3%, respectively. The export dependent region has been acutely affected by the global recession.
- Latin American stocks lagged peers during the first quarter (+1.6%), despite strong results from Colombia. The Latin American market was hampered by several major earthquakes during the quarter. Strong performance in the second half of 2009 contributed to a trailing 12-month return of 97.4%.
- Thailand led emerging market nations in the first quarter with a return of 13.2%. Thailand's economic recovery gained momentum during the first quarter, driven by improved consumer spending and a rebound in manufacturing.
- The Hungarian market returned 12.6% during the first quarter, contributing to a staggering 181.0% return for the trailing 12-month period. Hungary had to take a \$25 billion loan from the International Monetary Fund (IMF) in late 2008, but has since rebounded sharply due to decreased government spending and stabilization of its financials sector.

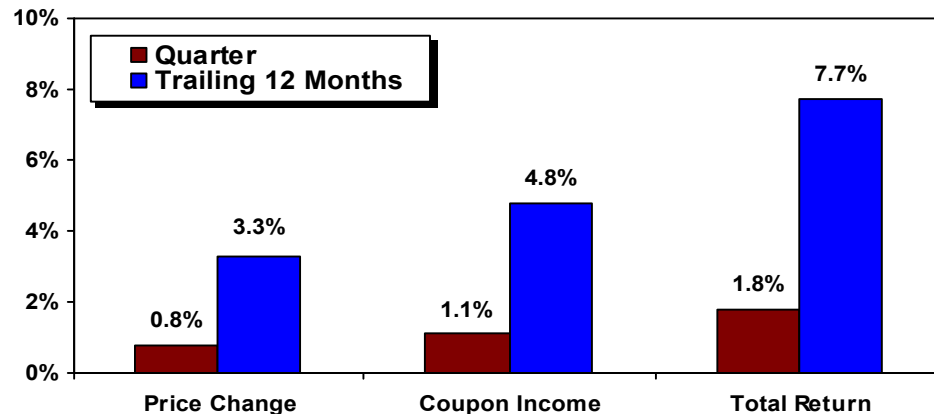
U.S. Bond Market Performance

Yield Curve



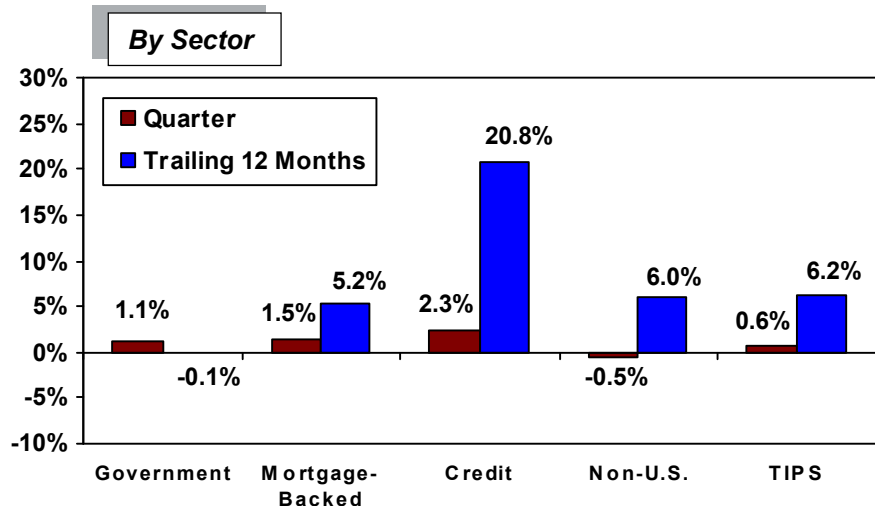
- The U.S. Federal Reserve (“Fed”) met twice during the first quarter. The Fed Funds target rate was left unchanged at 0%-0.25%. The Fed justified its decision to hold the rate steady by citing continued concerns of risk to growth.
- The yield curve was relatively unchanged during the first quarter. The yield on the 30-year bond increased by 8 basis points, while the yield on the three-month note increased by 10 basis points. The spread between three-month and 30-year maturities remained steady at 4.6%.

Bond Market Performance

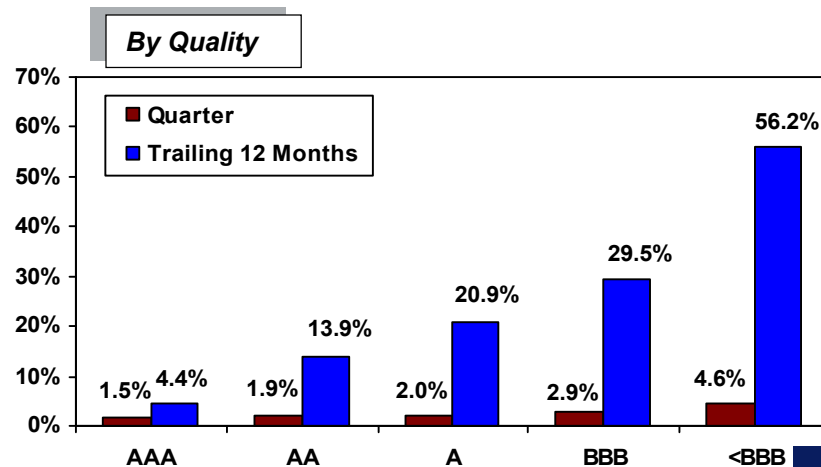
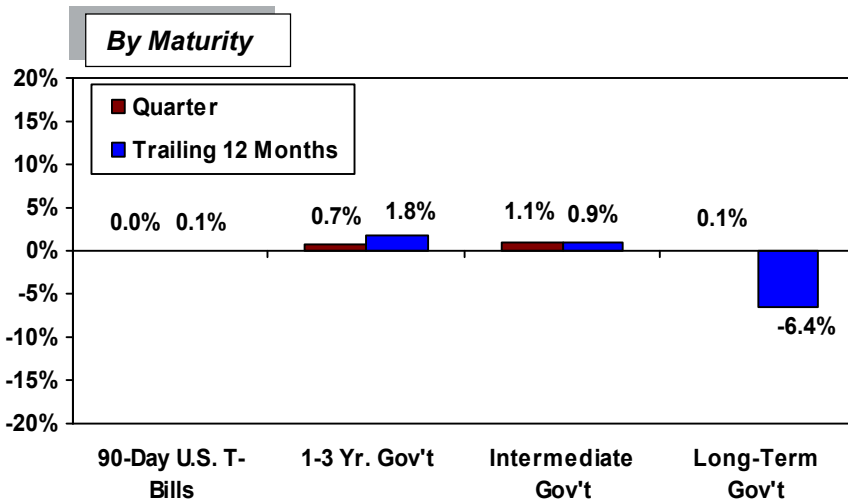


- Broad market bond returns were positive during the first quarter (+1.8%), contributing to a return of 7.7% for the trailing 12-month period.
- Bond prices rose during the first quarter (+0.8%), coupled with gains from coupon income (+1.1%). For the trailing 12-month period, both bond price changes and coupon income were positive, providing bond holders with competitive total returns.

Bond Market Performance By Sector, Maturity, and Quality



- Bond markets posted modest gains in the first quarter, with the exception of non-U.S. bonds, which lost 0.5%. Credit bonds outperformed other bond categories, returning 2.3% during the quarter, and an impressive 20.8% for the trailing 12-month period.
- Mortgage-backed securities (MBS) posted relatively strong results during the first quarter (+1.5%), despite investor uncertainty about the stability of the mortgage-backed market. The U.S. government ended its MBS purchase program at the end of March 2010.
- The relatively stable yield curve during the first quarter led to little variation in performance by government bond maturity. Intermediate bonds led peers with a return of 1.1% for the quarter. Long-term bonds lagged during the trailing 12-month period, reflecting consumer demand for liquidity.
- Continuing the trend from 2009, high yield bonds and lower rated investment-grade securities (BBB) significantly outperformed higher quality bonds in the first quarter and trailing 12-month period.



Active Management Report Card¹

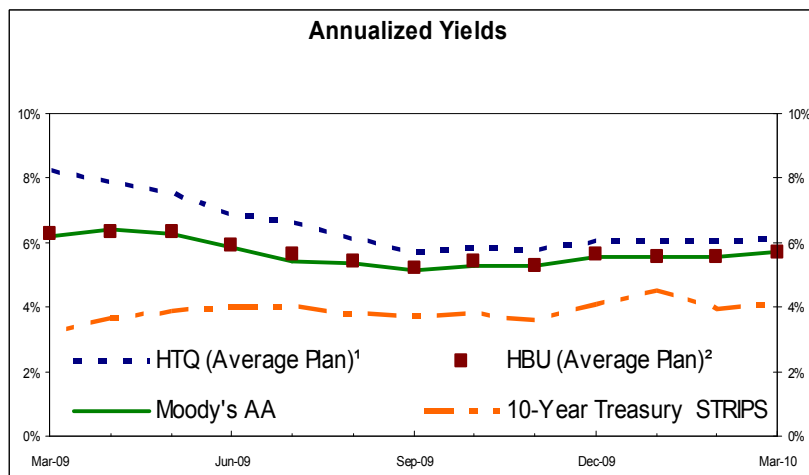
Peer Group/Index	Median Return ²		Index Return		Index Rank ²	
	Trailing 12		Trailing 12		Qtr	Trailing 12 Months
	Qtr	Months	Qtr	Months		
Large Cap Core/S&P 500	5.0%	46.2%	5.4%	49.8%	35 th Percentile	30 th Percentile
Large Cap Value/Russell 1000 Value	6.0%	50.7%	6.8%	53.6%	26 th Percentile	37 th Percentile
Large Cap Growth/Russell 1000 Growth	4.5%	47.1%	4.7%	49.8%	46 th Percentile	31 st Percentile
Small Cap Value/Russell 2000 Value	9.4%	68.5%	10.0%	65.1%	37 th Percentile	58 th Percentile
Small Cap Growth/Russell 2000 Growth	7.5%	58.7%	7.6%	60.3%	45 th Percentile	43 rd Percentile
Non-U.S. Equity/MSCI EAFE	1.8%	57.0%	0.9%	54.4%	76 th Percentile	61 st Percentile
Core Fixed Income/Barclays Aggregate	2.1%	10.6%	1.8%	7.7%	71 st Percentile	76 th Percentile

- ▶ Passive management outpaced active management in all U.S. equity asset classes during the first quarter, while active management outperformed passive management in non-U.S. equity and core fixed income. Results for the trailing 12-month period were mixed, with active management leading in small cap value, non-U.S. equity, and core fixed income.
- ▶ Active non-U.S. equity managers produced the strongest relative performance during the first quarter. The MSCI EAFE Index ranked at the 76th percentile for the quarter and the 61st percentile for the trailing 12-month period.
- ▶ Active core fixed income managers posted strong relative performance, with the Barclays Aggregate Bond Index ranking at the 71st percentile. Active core fixed income managers also recorded the strongest relative performance for the trailing 12-month period.
- ▶ Large cap value was the weakest asset class for active equity managers. The Russell 1000 Value Index ranked at the 26th percentile during the first quarter and the 37th percentile for the trailing 12-month period. The Russell 1000 Value Index was difficult to beat in the first quarter with significant positions in leading financials stocks such as Bank of America, Wells Fargo, JPMorgan, and Citigroup.

¹ Actual peer group performance reported in client reports may vary based on constituent peer group utilized (e.g., mutual fund universe, separate account universe) and fee treatment (i.e., net or gross). Percentile rankings are based on a system in which 1=best and 99=worst.

² Based on preliminary peer group information as of March 31, 2010, provided by eVestment Alliance. Information is presented gross of fees.

Hewitt Asset-Liability Index (HALI)



Source: Moody's Investors Service, Ryan Labs, Hewitt

¹Hewitt Top Quartile

²Hewitt Bond Universe

Projected Change in PBO Funded Status Ending March 31, 2010

	40% Equity	60% Equity	80% Equity
MATURE (LIABILITY DURATION < 12 YEARS)			
1Q	1.6%	2.4%	3.3%
YTD ³	1.6%	2.4%	3.3%
TTM ⁴	8.1%	15.4%	22.7%
AVERAGE (LIABILITY DURATION 12 TO 16 YEARS)			
1Q	2.3%	3.1%	3.9%
YTD ³	2.3%	3.1%	3.9%
TTM ⁴	7.1%	13.9%	20.8%
YOUNG (LIABILITY DURATION > 16 YEARS)			
1Q	3.0%	3.7%	4.4%
YTD ³	3.0%	3.7%	4.4%
TTM ⁴	6.1%	12.5%	19.0%

³Year-to-date

⁴Trailing 12 months

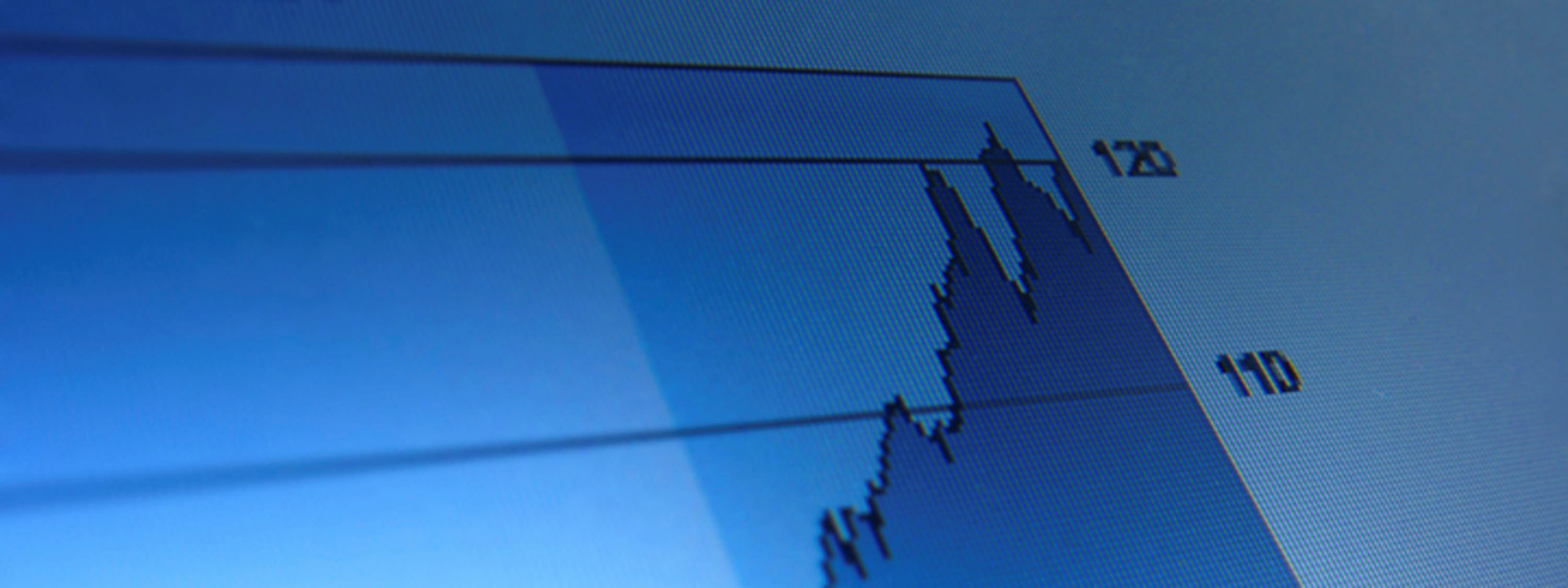
- Overall, the aggregate PBO was approximately flat during the first quarter, as the shape and level of the yield curve used to discount liabilities was fairly stable.
- Asset values increased due to continued positive capital market performance during the first quarter, particularly within the equity markets.
- The flat PBO values combined with the continued positive asset returns increased PBO funded ratios during the quarter.
- Over the past twelve months, PBO funded ratios have increased significantly. Strong capital market performance during the past four quarters, particularly during the middle two quarters of 2009, more than offset the increase in PBO values caused by the decline in discount rates used to discount pension liabilities, and have increased PBO funded ratios to their maximum levels in over a year.

Hewitt Asset-Liability Index (HALI)

About The Hewitt Asset/Liability Index

- ▶ **Purpose of HALI:** To help you estimate the combined impact of changes in bond yields and trust investment experience on your pension plan's PBO Funded Ratio (Fair Value of Assets ÷ PBO).
- ▶ **How to use the HALI table:** There are nine sets of results within the table, one for each combination of (a) three different trust asset mixes (reflecting equity exposures of 40%, 60%, and 80%), and (b) three different plan demographic profiles (Mature, Average, and Young¹). Once you have determined the combination that best matches your plan, the percentages within that grouping will help you estimate the changes in PBO Funded Ratio that you could expect over the respective time periods.
- ▶ **An example:** Assume that your pension trust has an equity exposure of about 60% and that you have an Average demographic profile. The HALI table shows that you could expect your plan's PBO funded ratio to have increased about 3.1% over the first quarter of 2010. For the trailing 12-month period, the funded ratio increased by approximately 13.9%.
- ▶ **HALI assumptions:** The HALI percentages are based on (1) an assumed PBO Funded Ratio of 85% as of December 31, 2004, (2) ongoing contributions equal to the plan's Service Cost (paid quarterly), and (3) annual rebalancing of the investment portfolio.

¹A plan with a "Mature" demographic profile is one in which the PBO of the retired participant population is significantly greater than that of the active participant population. A plan with an "Average" demographic profile is one in which the PBO of the retired participant population is approximately the same as that of the active participant population. Finally, a plan with a "Young" demographic profile is one in which the PBO of the retired participant population is significantly less than that of the active participant population.



Appendix E: Investment Manager Updates

Investment Manager Update

Gardner Lewis Asset Management – Large Cap Core Growth

Mtg. Loc./Date	Manager's Office (Chadds Ford, PA) / April 13, 2010	Firm Ownership	100% employee-owned
Mgr. Attendee(s)	Whit Gardner (Portfolio Manager), Bernard Diggins (Portfolio Manager), Andy Podolsky (Chief Operating Officer), Mark Vazquez (Analyst), Amish Desai (Analyst), John Larson (Client Service), Pat Torrey (Client Service)	Firm Assets	\$3.2 B as of March 31, 2010
		Strategy Assets	\$3.1 B as of March 31, 2010 – open to new investors
Hewitt Attendee(s)	Nate Krogman, Chad Wubbena	Portfolio Mgr(s)	Whit Gardner, John Lewis, Bernard Diggins
Strategy Summary	Bottom-up process focused on finding companies with earnings growth exceeding 15% where the company is undergoing a positive change from new products, technologies, management, or distribution strategies. Valuation is strongly considered as the team tries to find companies where the market has underappreciated the longer-term growth potential.		

Overall Product Rating: *Moderately Favorable*

- Our rating of the product is *Moderately Favorable* based on a continued positive view of the portfolio management team and its' ability to find companies with attractive growth prospects.
- Trailing performance remains weak due to very poor results in 2008. Prospectively, however, we believe the firm still has the ability to outperform, and lessons learned in 2008 should result in better portfolio construction methods going forward.

Organization Sub-Rating: *Moderately Favorable* Team Sub-Rating: *Moderately Favorable*

- Firm continues to be employee-owned by the three portfolio managers. While analysts do not have ownership, the firm follows a profit sharing model which filters down to analysts based on merit.
- The demands on analysts are high as the portfolio managers expect them to deliver value added ideas to the portfolio as opposed to simply carrying out due diligence at their request. This has resulted in some turnover historically due to both lack of performance and to cultural fit. We feel comfortable with the team overall under the guidance of three very talented portfolio managers.
- The firm lost 25 clients in 2009, totaling nearly \$600 MM in assets, due to the weak results in 2008. Outflows have continued in 2010 due to one particularly large global client loss exceeding \$700 MM. Given the firm's size, profitability has not been an issue and the firm has made no cuts to staffing or travel.

Investment Process Sub-Rating: *Moderately Favorable*

- No changes to the process which continues to deliver strong research and demonstrated knowledge of companies in the portfolio. Mr. Gardner explained that they have reflected on the issues of 2008 and have made two changes to portfolio construction/decision making without touching the research function which he feels is still very healthy.
- First, they plan to build positions in "tail" holdings more slowly going forward. These include more aggressive growth or controversial positions (e.g. Bank of America). They recognize that, given the liquidity in large cap, one does not need to be the first into a position since the price moves tend to be more gradual than in small cap. Secondly, they have instituted an automatic reassignment of a name if it is significantly underperforming peers. The intention is not to force a sale of a name, but rather take a completely fresh look at it. This has resulted in adding on weakness and full selling of positions in the past six months.

Performance Sub-Rating: *Neutral*

- Medium-term performance numbers are in the bottom quartile of the peer group and well behind the Russell 1000 Growth Index. The driver of the weak relative results is mostly 2008 and performance has rebounded nicely since then. Gardner Lewis understands the need for better prospective returns.

Investment Manager Update

Cadence Capital Management – Small Cap Growth

Mtg. Loc./Date	Manager Office (Boston, MA) / February 24, 2010	Firm Ownership	51% by employees, 49% by Rosemont Partners
Mgr. Attendee(s)	Mike Skillman (CEO), Bill Bannick (CIO), Robert Fitzpatrick (Portfolio Manager), Kevin Sea (Director of Quantitative Strategy), Leanne Moore (Analyst), Todd Smith (Analyst), Peter McManus (Consultant Relations)	Firm Assets	\$5.9 B (as of Dec 31, 2009)
		Strategy Assets	\$1.3 B (as of Dec 31, 2009); open to new investors
Hewitt Attendee(s)	Nate Krogman, Rishi Delvadia	Portfolio Mgr(s)	Bill Bannick, Robert Fitzpatrick

Strategy Summary Process seeks companies with positive business momentum and improving fundamentals that trade at reasonable prices relative to their growth rates. The process uses a quantitative scoring model on the front end to identify companies with improving business momentum and earnings surprise but that are reasonably priced to assure that not all positive earnings are reflected in price. Analysts then conduct fundamental research to verify models findings and analyze competitive landscape and companies balance sheet.

Overall Product Rating: *Moderately Favorable*

- We maintain a *Moderately Favorable* view on the small cap growth product despite the extremely disappointing relative returns in 2009. The team made some mistakes in stock selection, however, the sharp inflection in the markets was not picked up by the model making the strategy somewhat ineffective in a short time frame. As the market broadens out again, the process should be in a better position to add value again.

Organization Sub-Rating: *Moderately Favorable* **Team Sub-Rating:** *Moderately Favorable*

- The firm manages \$5.9 B down from a peak of \$8.4 B in 2007. The firm believes break even is around \$4 B resulting in a healthy cushion before any major changes to the team would need to be made. That said, they believe they may have \$1 B at risk due to the relative performance, so we will maintain a close eye on the health of the business. The firm made no cuts to staff during the downturn.
- The investment team is led by Bill Bannick and Robert Fitzpatrick, both of whom are long-time veterans of Cadence. Mike Skillman remains a strong leader in our eyes and the firm is in good shape from a personnel perspective.

Investment Process Sub-Rating: *Moderately Favorable*

- Process focuses on companies experiencing positive momentum and earnings surprise. The dramatic change in market sentiment beginning on March 9th was not picked up by their models and resulted in poor relative results. This is not uncommon for Cadence or this type of strategy.
- There have been no changes to the process since our last visit. However, we challenged them on risk models and why they are unwilling to add/remove risk in a contrarian manner at market extremes. Mr. Skillman stated that they continue to look at ways to build this thinking into the model, but believes it is very hard to get right. They continue to research the idea, but do not want to make substantial changes to a model that has shown efficacy long-term, particularly after a period of significant stress.
- While we would like to see some better use of risk models, we would still expect this type of strategy to lag at extreme inflection points in the market. Over the long-term, however, the process has proven successful and we are happy to see the firm undertaking new research to improve where it can.

Performance Sub-Rating: *Moderately Favorable*

- 2009 returns were nearly 23% behind the Russell 2000 Growth. While much of this difference was due to the strong performing smaller cap and non-earning companies that Cadence did not own, the team made some significant stock selection mistakes as well, holding on to winners from 2008 too long.
- The trailing three year results are now behind the benchmark, however, longer-term results remain very good.



Investment Manager Update

American Beacon Advisors – Large Cap Value

Mtg. Loc./Date	Manager's Office (Fort Worth, TX) / March 8, 2010	Firm Ownership	60% owned by Pharos Capital Group, 27% owned by Texas Pacific Group, 10% owned by AMR Corp., 3% owned by employees
Mgr. Attendee(s)	Wyatt Crumpler (Portfolio Manager), Chaketa Jackson (Analyst), Edward Wenzel (Consultant Relations)	Firm Assets	\$41.8 B (as of December 31, 2009)
Hewitt Attendee(s)	Adam Newton, Louis Kahl	Strategy Assets	\$7.1 B (as of December 31, 2009) – Open to new investment
		Portfolio Mgr(s)	Adriana Posada, Wyatt Crumpler

Strategy Summary The large cap value strategy is a fund of funds. The portfolio consists of institutional-quality large cap value investment strategies. New sub-advisors are first identified through database screening and questionnaires. Due diligence is performed on-site at the offices of sub-advisors and at American Beacon's office. Portfolios are evaluated for having low P/E stocks that are expected to grow faster than the index (based on the sub-advisors' proprietary estimates).

Overall Product Rating: *Moderately Favorable*

- We are upgrading our rating on the American Beacon Large Cap Value Fund ("the Fund") to *Moderately Favorable* from *Neutral*. Collectively, we have strong conviction in the underlying managers of the Fund and their aggregation has translated into the Fund adding value over a long-term period.

Organization Sub-Rating: *Neutral* Team Sub-Rating: *Moderately Favorable*

- Organizational issues with the majority ownership of American Beacon ("the Firm") by two private equity groups, Pharos Capital Group ("Pharos") and Texas Pacific Group ("TPG"), continue to cause us some concern. The most likely exit strategy in 5 to 7 years by Pharos and TPG is an initial public offering of the Firm which could substantially change the structure and culture of American Beacon. We will continue to monitor the Firm and actions by Pharos and TPG.
- Every employee received options at the sale to Pharos and TPG in 2008 with the opportunity to purchase more options. Although the current employee ownership of American Beacon is small at 3%, a change in ownership structure will trigger employee's stock options to vest and employees will own approximately 10% of the economics of the Firm. We would like to see more employee ownership of the Firm in order for long-term incentives to remain.
- The Firm's Chief Executive Officer, Gene Needles, is responsible for the day-to-day management of American Beacon. Bill Quinn, the Firm's founder, remains the Executive Chairman of the Firm's board. He is a year and a half into his five-year employment contract. Should Mr. Quinn decide to leave when his employment contract expires, we believe Mr. Needle's current role with the Firm mitigates the overall organizational risk resulting from Mr. Quinn's departure.
- There have been no changes to the investment professionals monitoring the sub-advisors of the Fund.

Investment Process Sub-Rating: *Neutral*

- Our rating for the investment process has been downgraded to *Neutral* due to the fact that the Fund does not have a well-defined manager selection or monitoring process; however, we view the strength of the underlying managers' stock selection abilities and their tenure within the Fund as a positive attribute.
- There have been no changes to the list of sub-advisors since our last update. As of December 31, 2009, the assets are invested across four investment managers: MetWest (31.3%); Barrow, Hanley, Mewhinney & Strauss (30.5%); Brandywine (29.4%); and Hotchkis & Wiley (8.8%).

Performance Sub-Rating: *Moderately Favorable*

- We have upgraded our performance rating from *Neutral* to *Moderately Favorable* due to our conviction of the Fund's underlying managers to add value over a full market cycle.
- The Fund, with an expense ratio of 0.59%, offers clients relatively cheaper access to the underlying managers' strategies than utilizing these managers' own mutual fund vehicles. The expense ratio is also very competitive relative to large cap value mutual fund peers.

Investment Manager Update

Wells Capital Management – Montgomery Small Cap Growth

Mtg. Loc./Date	Manager's Office (Denver, CO) / April 22, 2010	Firm Ownership	Wholly-owned subsidiary of Wells Fargo & Company
Mgr. Attendee(s)	Cam Philpott (Portfolio Manager), Sean McGinnis (Analyst), David Hand (Analyst), Hiren Patel (Analyst), Lance Marx (Analyst), Brian Mulligan (Client Service), Annie Weasler (Consultant Relations)	Firm Assets	\$3.9 B as of March 31, 2010 (Wells Montgomery Denver team)
Hewitt Attendee(s)	Nate Krogman, Chad Wubbena	Strategy Assets	\$3.4 B as of March 31, 2010 (closed to new investors)
		Portfolio Mgr(s)	Cam Philpott, Stu Roberts

Strategy Summary Team tries to identify growth companies early in a transitional stage of growth and sells as expectations for a company gets lofty and risk/reward tradeoff changes. Team performs strong fundamental research on companies looking at management's ability to sustain growth over a two to three year period which will result in a revaluation of the company. Portfolio construction is two tiered, with seasoned, higher conviction ideas representing nearly half of the portfolio and higher risk or lower conviction ideas representing the other. Total holdings range from 70-100 and the portfolio is quite diversified across sectors.

Overall Product Rating: *Favorable*

- Our rating of the product is *Favorable* based on continued strong conviction in the team approach to identifying solid growth companies and strong portfolio construction disciplines. The risk controlled-nature of construction has kept the portfolio in good standing through a variety of environments.
- Key monitoring area remains the affiliation with Wells Fargo. This is not a large concern today given the solid and long-standing relationship that has been in place. Wells Fargo states that it continues to be very committed and supportive of asset management teams, which we saw through the downturn.

Organization Sub-Rating: *Moderately Favorable* **Team Sub-Rating:** *Favorable*

- Wells Montgomery is one of several "boutique" teams under the Wells Capital umbrella. The team is fairly isolated in Denver, CO and has full autonomy in managing the day to day business. The team seems pleased with its revenue sharing agreement with the parent organization.
- Wells Fargo acquired Wachovia last year including its mutual fund business, Evergreen Investments. The consolidation of teams/products is nearly final and the impact on the Montgomery team is minimal. The team will take on about \$40 MM in a small/mid mutual fund, a strategy they are already managing.
- The team is led by portfolio managers Cam Philpott and Stu Roberts, who have been together over 20 years including predecessor organizations. They have built out a solid team in the past decade and have created a culture that encourages professional challenging of ideas and collaboration to provide the best results for clients. The team dynamic here is a key strength of the firm.

Investment Process Sub-Rating: *Favorable*

- No changes since our last visit. Focus on companies that have sustainable growth characteristics over the next several years. However, they tend to look at stock's price appreciation potential in twelve month increments, so that they can begin to benefit from market recognition and multiple appreciation.
- Portfolio construction is a strength. Team is very focused on "tiering" the portfolio by highest conviction ideas to ensure that those names with the most upside and highest confidence levels represent the largest active weights. The lower tier companies are those that they purchase early and are waiting for more validation of their thesis to play out.
- Sell discipline is conservative, and they are quick to sell when their view of risk/reward potential changes. Any stock down 20% receives an automatic full review and a full challenge by all team members.

Performance Sub-Rating: *Favorable*

- Trailing performance has been outstanding with excess returns and above median performance delivered over all long-term periods.
- Process lends itself well to most environments, but can be challenged in periods of trending P/E expansion because of the team's valuation discipline.