

**PROPOSAL TO PROVIDE
INVESTMENT CONSULTING
SERVICES TO THE**



**Nevada Public Employees'
Deferred Compensation Program**

January 7, 2013, 4:00 P.M. Pacific Time

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December 30, 2012

Ms. Reba Coombs
Program Coordinator
Nevada Public Employees Deferred Compensation Program
100 North Stewart Street, Suite 210
Carson City, Nevada 89701-4213

Via E-mail: rebacoombs@defcomp.nv.gov

Re: Proposal to Provide Investment Consulting Services

Dear Ms. Coombs:

We are pleased to submit our proposal to provide investment consulting services for the *Nevada Public Employees' Deferred Compensation Program* (the "Program"). As a comprehensive national consulting firm, Segal Rogerscasey is fully capable of providing the entire scope of consulting services described in your Request for Proposal ("RFP").

Since its inception, Segal Rogerscasey has assisted clients in 1) measuring and evaluating investment performance, 2) selecting investment managers, 3) formulating practical investment and administrative policies, 4) selecting and monitoring deferred compensation service providers. The resources, Segal Rogerscasey brings to your Program includes a highly qualified and experienced professional staff. Segal Rogerscasey believes that its experience in providing similar services to both State and local public sector deferred compensation plans gives us a unique position, including knowledge of the appropriate investment structure, best administrative practices, industry trends and regulatory support that are all required for a successful and fully transparent deferred compensation program.

Having had the opportunity to serve as the State's Deferred Compensation consultant in the past, has given us a first hand knowledge of the goals and objectives of the State's Deferred Compensation Program. We have conducted two comprehensive and successful vendor search and evaluation projects in 2002 and 2007 to select a service provider(s) to provide all of the required deferred compensation services for the Plan and its participants. Each of the two vendor search projects has enhanced overall fees, credit allowances, stable value rates, investments and administration services. Our understanding of your reporting and monitoring requirements, vendor service contracts, and stable value investment products makes us uniquely qualified to continue our relationship with the State.

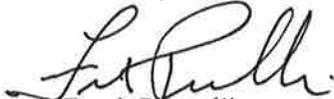
We have carefully reviewed your contract requirements and this is to certify that we fully comply with all the terms and conditions of your contract requirements.

Segal Rogerscasey meets your minimum qualification requirements as we provide similar services to 23 public sector deferred compensation programs, with over \$20 billion in plan assets, with average client size of \$300 million to over \$3 billion in plan assets.

I, *Frank Picarelli*, Vice President, will be the lead consultant assigned to your account and will serve as your primary contact. My contact information can be found in the letterhead above. I am authorized to bind our firm to the terms and conditions of our proposal response.

We appreciate your consideration and look forward to continuing our relationship with the State. Upon review, if there are any questions or if you need any additional information regarding our proposed services and related fees, please feel free to contact me.

Sincerely,



Frank Picarelli

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Overview of Segal Rogerscasey

Company Background

Segal Rogerscasey, a wholly owned subsidiary of The Segal Group, was established in 1969 by the firm's parent (The Segal Company) when the company saw a need to provide independent and unbiased investment consulting advice.



The Segal Company is a privately held corporation owned entirely by its active senior employees, including employees of Segal Rogerscasey. Segal Rogerscasey is not affiliated with any other companies or joint ventures. Segal Rogerscasey does not offer investment management or securities brokerage services. We have no involvement in brokerage commission arrangements.

Our Approach

We differ from most organizations providing similar services in our ability to combine funding expertise, knowledge of investment issues and practical experience in organizing and monitoring investment programs. These capabilities enable us to better monitor the critical relationship between plan financial requirements and investment strategy. In addition, we also utilize our knowledge and expertise to provide in-depth training and understanding to our client base.

We view our consulting role as one providing the necessary professional and technical information to our clients so that well defined investment policies can be formulated, implemented and evaluated. First and foremost, we see ourselves as an extension of your Committee. Our role is to advise you on how you can better achieve your goals and objectives. Through industry knowledge, experience, and research, we will help you make informed decisions. We understand the importance of developing and maintaining effective investment programs and helping you fulfill your responsibilities.

February, 2012, Segal Advisors, Inc. acquired the business of Rogerscasey, a global investment solutions firm that has served institutional asset owners and others for more than 40 years. Together, our expanded investment consulting business, which we have named Segal Rogerscasey, has about 350 clients with worldwide advisory

assets approaching \$400 billion. We are extremely excited about these changes. The acquisition of Rogerscasey is the next step to ensure that our clients receive the highest quality of research into the future. In short, this demonstrates a commitment to the investment consulting business and more importantly, a commitment to providing our clients with the best service in the industry.

Our strengths and distinguishing characteristics afford Segal Rogerscasey to confidently provide the following ideals in our approach to provide the services requested by the Program:

- ***Our consulting team*** – which is made up of nationally known experts in the defined contribution consulting market place

- ***An integrated consulting approach*** – which believes that your Program can be best served only by taking into account:
 - The mission, goals and objectives of the plan
 - The relationship of the program to other retirement and tax-deferred savings programs
 - The size and resources of the plan
 - The nature and composition of the eligible employee group
 - The nature and scope of fiduciary duties of the plan sponsor

And, incorporating these and other factors to help you develop an integrated program that addresses the plan benefits, administration, governance, participant education and communication, investment policies and objectives that have been established.

- ***Cutting Edge Consulting*** – which helps you address the best methods and plan designs for achieving the Program’s goals and addressing emerging issues and trends, including examining in depth issues facing the industry, such as:
 - Participant fee disclosure
 - Participant investment advisory services
 - Stable Value Funds for both separate and general account products
 - Participant financial planning and retirement advisory services
 - Committee education
 - Annual Plan reviews
 - Custom designed options for core funds and lifecycle options
 - Guaranteed lifetime income options
 - Participant usage analysis
 - Due diligence processes for performance analysis that fit the public sector including compliance and regulatory support.

- ***Independent and Objective Consulting*** – Segal Rogerscasey is independent of any investment, financial or insurance institution. We are:
 - 100% Employee owned
 - Our only business is consulting to retirement and deferred compensation plans. We do not provide consulting services to insurance companies or other vendors or plan service providers.
 - Our compensation is fee-based only – no soft-dollar compensation arrangements that may affect our objectivity

Our Staff

Segal Rogerscasey currently has a staff of 114 located in Atlanta, Boston, Chicago, Cleveland, Darien, Los Angeles, New York, Toronto, Ontario and Dublin, Ireland:

- 63 consulting professionals
- 31 research professionals
- 20 infrastructure professionals

Each office has consulting responsibilities. In addition, our New York office maintains our Performance Group, and our Boston, Darien and New York offices maintain members of our Research and ALM Practices. The Ireland office is research focused with an emphasis on United Kingdom and Europe based investment managers.

Experience and Qualifications

For over 40 years, we have assisted many clients in:

- Formulating practical investment policies
- Developing the appropriate investment structure
- Selecting investment managers
- Measuring and evaluating investment performance

As one of the largest providers of consulting services to employee benefit plans in the country, Segal Rogerscasey is staffed with a highly trained and experienced professional staff. Our consultants have a unique combination of “real world” experience as plan sponsors and investment bankers, along with distinguished academic credentials

We view our consulting role as one providing the necessary professional and technical information to our clients so that well defined investment policies can be formulated, implemented and evaluated. Our role is to advise you on how you can better achieve your goals and objectives. Through industry knowledge, experience, and research, we will help you make informed decisions. We understand the importance of developing and maintaining effective investment programs and helping you fulfill your responsibilities. The organizational structure of Segal Rogerscasey also lends itself well to providing objective, client-focused advice. We are an independent, 100% employee owned firm.

Segal Rogerscasey provides independent investment consulting services designed to assist clients with the information they need to organize and implement effective investment programs including:

1. Investment Guidelines and Objectives
2. Performance Evaluation / Monitoring
3. Investment Manager/Fund Searches
4. Defined Contribution Vendor Searches
5. Defined Contribution Plan Assessment Reviews/Fee Analysis
6. Investment Management Fee Analysis
7. Special Studies

Segal Rogerscasey has been registered with the Securities and Exchange Commission as an investment advisory firm since its inception. It files an annual disclosure statement (Form ADV) with the SEC containing information about the services it renders and key people in its organization.

In addition, Segal Rogerscasey acknowledges that it is a fiduciary within the meaning of Section 3(21) of ERISA to the extent that it is responsible for monitoring the performance of the Plans' investment guidelines and that it renders advice to the Program. In this role, we work closely with the Deferred Compensation Committee and sponsor's legal counsel to enable all parties to prudently fulfill their fiduciary responsibilities. In summary, we accept fiduciary responsibility for our role as an investment consultant for the Program.

We have completed work on similar projects for all types of defined contribution and deferred compensation plans in the public sector marketplace. We currently provide ongoing monitoring services to 23 public sector clients with over \$20 billion in plan assets. This experience has made our company highly efficient in the area of plan design, investment structure, and in vendor selection, evaluation and management, thereby enhancing our ability to provide the required services in the most cost effective and timely manner.

Through industry knowledge, experience, and research, Segal Rogerscasey will help you make informed decisions.

Dedicated Defined Contribution Consulting Practice

DC-Connect® consulting services are provided through Segal Rogerscasey. The term “DC-Connect” was chosen to convey that the success of a defined contribution plan requires an effective connection among the vendor's investment offerings, participant communications materials and ongoing recordkeeping capabilities. DC-Connect's services focus on assisting plan sponsors in the evaluation of each provider's services and plan design. Key components of this service are negotiating to obtain the most favorable fee structure available and assisting plan sponsors through the implementation and transition process.

Segal Rogerscasey is in a select group of firms that has a dedicated team of experienced defined contribution professionals. These professionals use their extensive knowledge in the areas of fee and contract negotiations, plan design, compliance, RFP development, vendor evaluation, in their approach for crafting investment policy statements and in providing ongoing monitoring services.

Public Sector Clients

We currently provide similar consulting services to the following Deferred Compensation Programs which include **9 State Deferred Compensation Plans:**

State Plans:

- District of Columbia Deferred Compensation Plan
- South Carolina Deferred Compensation 401(k) and 457 Plans
- State of Maryland Deferred Compensation Plan
- State of New Hampshire Deferred Compensation Plan
- State of West Virginia Deferred Compensation Plan
- State of Michigan Deferred Compensation Plan
- State of New Jersey Deferred Contribution Plan
- State of Delaware Deferred Compensation & Match Plan
- State of North Dakota 457 and 401(a) Plans

Local Government Plans:

- City of Virginia Beach Deferred Compensation Plan
- Lancaster County 457(b) Plan

- City of Hollywood Deferred Compensation Plan
- Metropolitan Washington Airports Authority Deferred Compensation Plan
- Metropolitan Water Reclamation District of Greater Chicago Deferred Compensation Plan and Trust
- City of Tallahassee RSVP Plan
- Clark County (NV) Deferred Compensation Plan
- Nassau County Deferred Compensation Plan
- City of Baltimore Deferred Compensation Plan
- City of Chicago Deferred Compensation Plan
- Cook County IL Deferred Compensation Plan
- Montgomery County Union Employees Deferred Compensation Plan
- Clark County (NV) 457 Plan
- City of Rockville Maryland Defined Contribution Plan

Scope of Services

As outlined in your RFP, Segal Rogerscasey is capable of providing the following Scope of Services to the Nevada Public Employees' Deferred Compensation Program ("Program"):

Investment Selection, Measurement, Monitoring and Reporting

1. Provide an annual review of the Statement of Investment Policy
2. Ensure well defined procedures in the Investment Policy Statement are in place for the review, maintenance, and monitoring of investment funds.
3. Measure, monitor and report quarterly performance of investments against industry benchmarks and peer group indices. Present quarterly investment reports to the Committee and staff.
4. Recommend elimination/addition of investment options as appropriate.
5. Recommend elimination/addition of Program providers as appropriate.
6. Keep staff/Committee abreast of current investment trends.
7. Monitor and provide independent alerts to impending risks that may impact providers, fund manager and fund performance.
8. Evaluate new investment opportunities upon request.
9. Attend quarterly State of Nevada Deferred Compensation Committee meetings and its annual strategic planning session.
10. Conduct fund searches.
11. Analyze, summarize and communicate general market trends.

General Plan Consulting

1. Conduct a compliance review of the plan documents/procedures every other year, beginning in 2013.
2. Provide general advice and assistance regarding the current communication and enrollment materials.
3. Assist with an action plan to resolve any administrative issues or deficiencies that may require a solution.
4. Provide recommendations to ensure fulfilling fiduciary responsibilities.

Vendor Search Services

1. Assist Program will all aspects of provider search, including but not limited to appropriate plan design, creation of RFP, evaluation of third party administration, if appropriate, bid evaluation and contract negotiation.
2. Transition support services related to any service provider changes and in the assistance of consolidating service providers if so decided upon by the Committee.

3. Other non-routine items as requested by staff and play an active role in the annual Committee Education Day and strategic annual planning sessions with the Committee.

Our Approach

Our consulting services are designed to provide concrete evidence of the Committee's attention to their fiduciary responsibilities to the participants in the plan and the State Deferred Compensation Program's overall mission, goals and objectives. We view our role as helping ensure that the diligence process for the Plan is designed and conducted in a manner that focuses on helping ensure the establishment and operation of the best possible program for the program participants.

Our approach to developing plan-appropriate spectrum of investment offerings, an investment policy and ongoing performance measurement and monitoring has several elements and is influenced by a number of factors, which require knowledge of the following:

- The overall mission, goals and objectives of the plan and related plan design in terms of benefits, administration, and participant communication and education.
- The role of the program as a primary or supplemental benefits program.
- The relationship the program may have with other retirement programs (e.g., purchase of service credit with defined benefit plans).
- The size of the plan and the available financial resources for participant investment and financial education.
- The appropriate investment line-up and related fee structure can also be substantially impacted by the composition of the eligible employee group. The investment structure should be tailored to address the range of investment and financial sophistication of the eligible employee group and the demographics of both the active and terminated employee participants. We will assist the Committee in developing an investment line to support the vendor consolidation process from a dual service configuration to a single vendor service arrangement based on Committee final decisions related to the vendor search and evaluation process. Our goal in the initial year of the contract is to work with the Committee in evaluating the optimal number and types of investment products to ensure participant diversification and how the investment structure compliments the new and improved participant advisors services that are going to be introduced under the terms of the recently negotiated vendor service contracts.

Our philosophy requires us to make available an investment consulting team that is solidly grounded in a thorough understanding of retirement and deferred compensation plan dynamics, i.e., plan design, and administration, marketing, communication in addition to investments and how each of these factors influence the needs of the Program and its participants.

Investment Policy Statement Development and Review

One of the most important responsibilities of plan sponsors, particularly those offering participants investment choice, is to thoroughly document the rationale for the options offered, the selection process of those options, and thus, the investment performance and risk parameters of those selected compared to those not. A well written investment policy, would provide a clear understanding of the selection process and parameters for ongoing assessment.

We typically begin with a review of the existing plan structure, i.e., the number and types of options available and rationale for these. In this stage of the process, we are seeking to classify the current investment lineup in terms of asset class, objective, maturity, style, and consistency with other options being offered. We will

identify the strengths and weaknesses of the investment program. In general, our review will answer the following questions:

- What strategy or rationale has been utilized by the Committee to make investment option selections?
- Are there duplications of investment strategies?
- Are there certain asset classes or investment objectives, which are not being met by the options in the program?
- How have the options been monitored?
- Evaluation of investments offered by the two service providers, identify opportunities to streamline the offerings

The objective is not to redesign the Program, but to work with the Committee to identify areas where improvements can be made to the overall structure.

During the initial year of our contract, we will update the current investment policy statement to reflect any fund changes that were made in 2012. Through this process we will also make any required benchmark changes which resulted from style changes or prospectus updates. This document will serve as a working guide, which will be carefully monitored and modified as part of our ongoing review services. In addition as part of the annual Committee Education Day, we will provide an education session, to update the Committee on the policy statement, and addresses any questions and explain how the policy statement conforms to the ongoing monitoring process and related quarterly reporting.

Performance Monitoring Services

Our ongoing monitoring services and reports are designed to address the need for and provide evidence of the Plan's efforts to comply with their fiduciary responsibilities. This objective is achieved through our reporting capabilities, which include the following:

- Executive Summary of plan highlights and activity;
- Provide an overview of economic and general market conditions over the relevant time periods;
- Compare each investment option's results to appropriate market indices and universes of similarly managed vehicles;
- Verify investment style of each option;
- Measure the risk characteristics of each investment option;
- Historical performance with a focus on consistency;
- Morningstar ratings and Segal Scoring Evaluation;
- Comment on manager tenure;
- Monitor fund expense ratios and eligibility for lower share class opportunities;
- Monitor fund companies involved in SEC investigations;
- Monitor underlying holding, sector allocations, ratings, book to market differentials of the Stable Value Options
- Popularity of funds among participants;
- Review expenses and returns of each fund options;
- Identify funds that are to be placed on watch list and provide recommendations related to any required action;
- Vendor overall ratings and financial standings
- Inform the Committee of industry and deferred compensation plan trends, as well as new investment products or program enhancement opportunities;
- Analyze the extent to which investment policies have been carried out and how they have affected the actual results;

- Recommend alternatives for dealing with any of the issues noted above;
- Identify funds to be placed on watchlist along with recommended action.

Administrative Monitoring Services

Our administrative review service would include the following:

- Ensuring that there exists adequate controls over financial reporting, recordkeeping, compliance and providers performance and quality.
- Providing general advice and assistance regarding the current communication and enrollment materials.
- Reviewing service standards and ensure vendors compliance to contract terms and conditions.
- Reviewing stable value products rates and minimum guarantees and oversee the discontinuance process related to the transition to alternative products.
- Evaluate ongoing revenue sharing arrangements including, Hartford and ING allocation to the administration credit account for plan expenses. We will also provide assistance related to any allocations of excess revenue for the benefit of the plan participants.
- Assisting the Plan with an action plan to resolve any administrative issues or deficiencies that may require solution.
- Advising the Committee of key trends and recent developments in fiduciary responsibilities and plan administration
- Provide administrative reports by vendor on all plan financial activity by fund , provide guidance in interpreting fund utilization.
- Provide consulting support pertaining to advice and guidance in interpreting any new federal regulations related to deferred contribution programs including the implementation of a loan provision or a Roth IRA feature.
- Compliance and regulatory support as required
- Design an administration report card to monitor vendors performance
- Participate in annual Committee education and training day
- Conduct a compliance review of the Program, plan document, forms and procedures once every two to three years

Finally, we will produce a report, which will communicate our findings and recommendations. We will determine the individual funds' strengths and/or weaknesses in the plan. Our investment reviews reports are typically prepared within 30 to 45 days after the end of calendar quarter. Timeliness of report preparation is dependent upon receipt of plan financial data from the service providers and availability of performance data related to the universes used for comparison in the evaluation. Each year we will work with the Committee to establish a schedule to present our performance reports and on sight meetings.

In addition, our ongoing investment monitoring services include conducting fund searches to either replace or add options as may be required during the year.

Investment Option/Manager Search

SRC has a dedicated research team located in our Darien, New York and Boston offices. The research team is broken into three teams of U.S. specialists broken out as follows:

Alpha Investment Research: Headed by Alan Kosan, formerly the Head of Non-Traditional Research, this group of specialists will identify best-in-class managers capable of generating alpha, regardless of investment style. The Alpha Group is divided by equity-like strategies, fixed-income-like, real asset-based, and opportunistic. Their responsibilities include:

- Defining coverage of the investment manager universe
- Generating and documenting research notes, opinions, and ranking of investment managers
- Sourcing and monitoring best-in-class investment strategies for each one of the strategic asset classes defined by Beta Research
- Seeking new alpha sources.

Global Portfolio Solutions Group: Headed by Timothy Barron, Chief Investment Officer, this group of professionals is charged with assisting with the implementation of Segal Rogerscasey’s beta and alpha outlooks into specific client portfolios. Members of the global portfolio solutions team will primarily interface with clients, prospects, and field consultants and will be responsible for:

- Devising portfolio implementation
- Synthesizing top-down strategic research from Beta Research and bottom-up investment research from Alpha Investment research to generate optimal portfolios for SRC clients
- Serving as a liaison between the consulting and research groups
- Serving as a liaison between the marketing and research groups
- Communicating optimal portfolios to Rogerscasey clients.

Beta Research: Headed by John Ross, Chief Research Strategist, this group of specialists is dedicated to identifying, assessing, and recommending Beta exposure for all client portfolios. They will focus on asset allocation, asset/liability analysis, and capital markets and are specifically responsible for managing the following items:

- Defining strategic asset classes
- Formulating long, intermediate, and short-term views on strategic asset classes
- Anticipating macro investment themes
- Formulating capital markets assumptions
- Developing annual research agenda

The validity of the managers’ performance records is verified by combining and comparing information on the quality of composites submitted and actual performance on client accounts with information contained in our database and in managers’ marketing materials. In addition, we spot check the managers’ actual clients to determine their similarity to reported composites. We also review SEC Form ADV and look for compliance and audit statements.

Overview

Consistent with our philosophy, past performance is not a good indicator of future success, we do not rely on quantitative screens to narrow the universe of investment strategies; instead, we conduct bottom-up grassroots research to construct a universe of investment strategies that we recommend to our clients. Given the bottom-up nature of our manager evaluation process, we begin the research with a face-to-face meeting with asset managers.

Data Collection

We supplement manager-provided information with other publically available information, historical portfolio holdings (typically, we collect five years worth of monthly portfolio holdings), historical return strings, backtest data, and information provided by the manager such as SAS 70 reports, audited financial statements, GIPS compliance verification letters and recent SEC audit letters.

Interviews

An initial face-to-face meeting in our office is typically followed by an onsite due diligence meeting in the asset manager's office. It is not unusual at all for us to conduct multiple face-to-face meetings in our office before moving onto the next stage of our research process. During onsite due diligence meetings we conduct an in-depth review of the investment processes through interviews with portfolio managers, research analysts and traders; in addition, we conduct an operational review by interviewing compliance officers and middle and back office personnel; finally, we meet with chief investment officers and chief executive officers to assess the overall investment and firm culture at asset management organizations.

The research analysts are responsible for setting up the initial face-to-face meetings as well as the follow-up due diligence meetings. We have Alpha Investment Research analysts who conduct primary manager evaluations. They draw research support from four additional research analysts from the Global Portfolio Solutions Group to monitor Buy and Qualified rated managers in our client programs. It should be noted that onsite due diligence analyses are conducted only on those firms that look promising and have passed our initial qualitative review. Like the initial face-to-face meetings, we may conduct multiple onsite due diligence meetings before forming an opinion on an asset manager and his investment strategy. We do not mandate the length of time necessary to complete the manager evaluation process. We rely on the research analysts' investment experience and professional judgment to discern the appropriate level of due diligence and analysis to support a final rating on an investment strategy. Notwithstanding, research analysts cannot assign a final rating solely based on face-to-face meetings in our office. Onsite due diligence must have been conducted prior to arriving at a final rating for an investment strategy.

Our research analysts rely on our proprietary Manager Research & Ranking, MR², process in their evaluation of investment strategies. We institutionalized MR² ten years ago to ensure consistency in manager evaluation across asset classes and research analysts. It forms the foundation of our manager research process. MR² defines 50 success and risk factors within ten categories. Four of these categories relate to the firm's organization, and six to the investment process.

Each manager/fund will be evaluated and scored based on these factors:

<u>Organizational Issues</u>	<u>Investment Process</u>
Organizational	Investment Philosophy
Structure/Culture	People
Business Management	Collecting and Refining Information
Stability	Portfolio Construction
Business Risk Management	Trading
	Validation

Segal Rogerscasey's staff of internal analysts conducts the financial analysis, verifies guideline compliance, prepares the written analysis and executive summary, supplies quality control standards and finalizes the report before distribution to the client.

Compliance / Oversight

Segal reviews all legal, legislative and administrative changes and trends related to all types of defined contribution and defined benefit plans. More than any other consulting firm, Segal is directly involved in federal legislative and regulatory arenas for all types of employee benefit plans.

We actively bring issues to our clients before the opportunity for change has passed. Our involvement at the highest levels of the legislative and regulatory process allows us to identify emerging issues to our clients when there is still time to influence the outcome.

Additionally, our parent, The Segal Company, maintains a dedicated Compliance unit, staffed by attorneys, and other experts in regulatory matters. The Compliance Department provides ongoing analysis of evolving issues in regulatory compliance. We frequently provide advisory bulletins for our clients, as well as seminars and webinars on topics of interest.

Segal Rogerscasey offers superior resources and experience with respect to providing expert advice on Plan design issues affecting defined contribution/deferred compensation plans. The professionals who will support the Plan are not only experts on investment issues, but also are experts on retirement plan design. This significantly differentiates us from the capabilities of our competitors. In this regard, we are able to advise the Plan on a variety of plan design issues including such basic concerns as:

- Eligibility and participation
- Loan administration
- Roth contributions
- Employer non-elective and matching contributions and the use of 401(a) qualified plans
- Distribution rules – death, disability, termination, retirement, unforeseeable withdrawals, small benefit cashouts
- Distribution forms – lump sum, annuities, periodic payments, etc.
- Retirement income products
- QDROs
- Joinder Agreements, for political subdivisions

We are also equally able to consult on unique and special plan design issues surrounding §457 and related defined contribution plans, including:

- Use of 401(a) defined contribution plans to avoid FICA tax on cashed out leave benefits.
- Leave conversion plans to fund retiree health benefits under §401(h) medical accounts, §501(c)(9) VEBA trusts, and §115 integral governmental health benefit trusts.
- Transfers from §457 plans to purchase service credits under governmental defined benefit plans.
- Using §457 plans as FICA alternative arrangements for employers not participating in Federal Social Security.
- Ancillary benefits – life insurance, disability contribution protection
- Deemed IRAs

Vendor Search and Evaluation Services

We have completed work on similar projects for all types of defined contribution and deferred compensation plans in the public sector marketplace. We currently provide ongoing monitoring services to 23 public sector clients with over \$20 billion in plan assets. The public sector deferred compensation plans that we service average between 1,000 to 50,000 plan participants. This experience has made our company highly efficient in the area of plan design, investment structure, and in vendor selection, evaluation and management, thereby enhancing our ability to provide the required services in the most cost effective and timely manner.

We have recently completed similar studies for several public sector defined compensation plans. These studies include:

- Conducted a plan comparison study to other deferred compensation program.

- Completed Plan evaluation and assessment analysis of both the administrative services and overall investment structure.
- Evaluation of revenue sharing; share class analysis and its impact on overall case pricing and profitability including a review on the pros and cons associated with establishing a directed plan sponsor relationship with individual fund companies through the service provider.
- Conducted a study on pros and cons associated with bundled and unbundled service relationships, single versus multiple service arrangements.
- Trends in deferred compensation plans related to new services and investment products.
- Audit of all plan and participant level expenses.
- Revenue sharing analysis of all plan, profitability from investment management fees, revenue sharing, fixed income, profit margins.
- Crafted investment policy and administrative guidelines.
- Renegotiate contract with favorable fees and interest rates.

Through industry knowledge, experience, and research, Segal Rogerscasey will help you make informed decisions.

The following is a detailed description of the vendor search and evaluation service that we would provide to identify a turnkey service provider(s) to provide all of the core services for the Program.

Phase I

Preliminary Work

Our goal for this phase of the project is to determine the exact needs of the Program regarding its overall provision of retirement benefits and identification of key issues surrounding administration and asset management preferences.

We will work with the Committee to:

- Review the Plan's current plan design and structure
- Review the current state of administration through information gathering from staff responsible for the administration of the plan.
- Identify the State's procurement requirements and procedures to ensure a successful bid process and scoring methods, and best and final negotiations
- Identify the Plan's strengths and weaknesses and recommend any changes that should be accounted for in the Request for Proposal (RFP)
- Determine goals and objectives, develop a time line of events, and assign responsibilities
- Determine investment strategy, types and number of fund options to be offered and or retained
- Review current Stable Value contract and exit provisions
- Meeting with the Committee/ Program Director to obtain the necessary background information for inclusion in the RFP
- Identify the vendors to be included in the RFP process and work with the State's procurement, related to the bid solicitation process.

Phase II

Development of Request For Proposal (RFP)

- Develop a comprehensive RFP based on the Plan Sponsor's goals and objectives
- Develop a summary of the Plan's significant provisions, retirement plan objectives, employee demographics, employee participation, assets, eligibility and any other unique plan features

- Define the expected investment strategy, funds to be either retained or replaced, fund design under a single vendor service relationship and the related mapping strategy
- Review the draft RFP with the Committee, Program Director; make revisions based on input and dialogue
- Mail RFP to selected vendors
- Respond and answer all prospective providers questions regarding the RFP

Phase III

Evaluation of Proposals

- Establish evaluation criteria and response rating system
- Create an evaluation matrix to assist in analyzing the RFP responses per procurement requirements
- Provide an administrative analysis of vendor responses, review providers investment advisory services and provide a summary of our analysis for the Committee's review.

As described above, SRC will assist in determining the future investment strategy of the program (i.e., the number and type of investment options to be offered). As a result, the plan could be designed so it meets the requirements of ERISA Section 404(c) on a voluntary basis with respect to the selection of investment options. This will help limit any potential fiduciary liability of the Plan.

The analysis of the potential investment options will focus on:

- The variety of investment choices
- Return analysis, particularly consistency
- The degree of risk (*i.e.*, return volatility) associated with each option
- Fund characteristics
- Tenure of the Portfolio Manager; and
- Investment expenses.

Phase IV

Selection of New Provider

- Contact finalists and coordinate presentation dates/schedules
- Assist in the selection of the final fund investment options
- Attend finalists presentations
- Contact finalist references to review past experiences
- Participate in fee negotiations with selected vendor
- Coordinate and participate in vendor site visits if so required

Phase V

Contract Negotiations

Once a vendor has been selected, it is essential that all service contracts and agreements be in accordance with the terms of the proposal. During this phase we would :

- Review service contracts, trust agreements, service standards and final fee negotiations
- Negotiate specific contract terms with selected vendor(s) in collaboration with legal counsel
- Finalize the investment options

Phase VI

Implementation/Conversion

When the service provider is retained, SRC will act as primary liaison to ensure a smooth and accurate plan installation, implementation, and enrollment process. Furthermore we will help to ensure an accurate transition from the current administrative system with two providers to a single vendor approach. During the implementation/conversion period, we will discuss procedures and review communications regarding enrollments and plan education. In summary, our role would be to fully monitor the implementation and conversion process.

Specifically, we would:

- Review each aspect of the operational procedures required by the Committee / Program Director in connection with the processing of all related plan level activity necessary to support the Plan
- Define the roles of all responsible parties, (*i.e.*, the Plan Sponsor, Recordkeeper, Investment Manager and Custodial Trustees)
- Coordinate the conversion from the current two recordkeepers to new recordkeeping system/format
- Coordinate weekly conference calls with the new service provider, and the Program Director / Committee
- Work with the selected provider to develop a detailed project schedule identifying all required tasks with corresponding due dates for completion
- Monitor the schedule throughout the course of the implementation and make appropriate recommendations as needed;
- Develop a conversion methodology to support the transition and consolidation of plan assets and determine if any blackout periods are required to accommodate the timing of participant elections and voice response availability
- Review and evaluate the communication and education programs

Our role in this process is to become an extension of the Program, working with the Committee, Program Director and the service provider to ensure a sound and successful plan implementation and conversion. The procedures that we employ in this process will help to establish a well designed administrative environment to ensure that the new service provider is fully accountable for their role in the overall administration of the plan.

Compliance Review Services

Summary of Similar Work

The following is a sample listing of similar compliance review services provided by *THE SEGAL COMPANY* for public employee retirement systems:

- ***City of Baltimore §457 Plan*** – *Ongoing compliance consulting and document drafting*
- ***Kansas Board of Regents*** – *Federal law compliance review of §403(b) tax-sheltered annuity program*
- ***Minnesota Public Employees Retirement Association*** – *Federal law compliance review of §401(a) defined benefit plan*
- ***Minnesota Teachers Retirement Association*** – *Federal law compliance review of §401(a) defined benefit plan*
- ***University of Missouri*** – *Federal law compliance review of §403(b) plan; ongoing compliance consulting for defined benefit plan, supplemental defined contribution plan and §403(b) plan*
- ***Nashville §457 Plan*** – *Ongoing compliance consulting and document drafting of §457plan*

- **Nebraska Public Employee Retirement Systems** – Federal law compliance review of two §401(a) defined benefit plans, two §401(a) defined contribution plans and the State §457 Plan
- **Nevada Public Employees Retirement System** - Federal law compliance review and amendment of State statutes for §401(a) defined benefit plans; ongoing compliance consulting
- **State of Nevada Employees Deferred Compensation Plan** – Federal law compliance review of two §457 plans
- **North Dakota Public Employees Retirement System** - Federal law compliance review and ongoing compliance consulting and document drafting for defined benefit plan, §401(a) defined contribution plan and two §457 plans
- **City of St. Louis Employees Retirement System** - Federal law compliance review and amendment of plan documents for §401(a) defined benefit plan
- **Texas Municipal Retirement System** - Federal law compliance review for §401(a) cash balance plan
- **Virginia Retirement System** – Federal law compliance review for six §401(a) defined benefit plans, two §401(a) defined contribution plans and §457 plan

SCOPE OF SERVICES

The Nevada Public Employees’ Deferred Compensation Program is seeking a qualified contractor to conduct a compliance review on its §457 plan. The scope and purpose of the review will include:

- Review all documentary materials governing the plans. This will include an examination of governing plan documents, applicable State of Nevada statutes, administrative policies and procedure manuals, forms and participant communication materials, and opinions from the Attorney General and legal counsel.
- Interview Committee, Program Director, and Service Providers seeking information regarding administrative compliance practices and clarification on any of the written materials provided.
- Review plan activities and provisions for compliance with various legal and compliance standards.
- Present draft report with preliminary findings and recommendations to legal counsel and executive staff followed by corrections and updates to the final document.
- Present final report to the Deferred Compensation Committee.

Our proposed services will be provided in two phases, as briefly described below:

PHASE I – PLAN REVIEW AND ANALYSIS

Phase I services will include three distinct steps: a review of plan documents, a review of actual plan operations relative to each major compliance area and report writing and presentation. The engagement will begin with a project planning meeting, which may be handled via conference call. At this meeting we will review the project in its entirety with appropriate representatives of the Program. The purpose of this initial meeting will be to agree on the specific scope of the project, discuss the approach, discuss the materials and other resources we will need to conduct our work, target certain administrative issues that may be of specific concern for review and develop agreements with the Deferred Compensation Program representatives regarding procedures, project timing, and interim reporting and communications. Based on these discussions, a proposed detailed work plan will be prepared containing all functions to be performed, key deliverables under the project, and the timing of all major portions of the project.

The actual review of plan operational compliance will be using *SEGAL'S Crosscheck* methodology, which includes a substantial educational component for plan staff. System external and internal staff will need to be available for the following aspects of the engagement:

- *Provide plan documents*
- *Respond to questions regarding plan documents, operations, procedures and policies.*
- *Participate in on-site interviews*
- *Review and comment on draft reports*

Following the initial discussions, we will perform a familiarity review of plan documents, employee communications and all related administrative materials, including explanatory letters and election forms to plan participants and beneficiaries. We will also examine any written procedures for addressing various reporting requirements under federal law. We will compile notes based on our research of this information to guide us during the next stage of the review project.

In the next stage of the review, we will make an on-site visit to the Program's administrative office to interview individuals who are responsible for the day-to-day administrative operation of the plan. We will conduct the interviews with the appropriate staff. This conference is structured to be comfortably conversational and "free form" in nature. Frequently, our interview questions lead to others as the inquiry proceeds to different levels. Following the interview, we will evaluate the actual procedures involving processing participant requests and applications and other related administrative processes, as described below.

- Review of consistency of documents with processes:
 - *Review amendments for current compliance changes*
 - *"Fit" of employee communications with governing documents, including status of recent modifications*
 - *Consistency of administrative agreements, forms and other written material with governing documents*
 - *Consistency of administrative actions with policies and procedures and governing documents*
- Phase I will include an extensive review of federal laws and regulations applicable to IRC §457 eligible deferred compensation plans, including the following areas:
 - *Consistency of administrative actions with policies and procedures and governing documents*
 - *Written plan requirements*
 - *Trust and exclusive benefit requirements*
 - *Eligible employer*
 - *Eligible employee*
 - *Deferral agreement formalities*
 - *Normal retirement age*
 - *Deferral limits (including aggregation of plan rules) and catch-up contributions*
 - *§401(a)(9) minimum required distributions*
 - *In-service distribution rules*

- *Re-employed retiree rules*
- *IRC withholding, reporting and notice requirements*
- *IRC rollover and direct rollover rules*
- *Plan-to-plan direct transfers*
- *Permitted distribution rules*
- *Small benefit cashouts*
- *Unforeseeable emergency distributions (hardships)*
- *Plan loan provisions*
- *Special IRC §457 requirements*
- *Anti-alienation provisions and qualified domestic relations orders*
- *Age Discrimination in Employment Age (ADEA)*
- *Veterans Reemployment Rights (including USERRA)*
- *Family and Medical Leave Act (FMLA)*
- *Americans with Disabilities Act (ADA)*
- *Roth Accounts*
- *IRC §101 death benefits and taxation rules*
- *Leave of absence requirements*

The final stage of the review is the compilation and presentation of a written report. Based upon our compilation of information obtained during the review, we will prepare a report on our findings and analysis. The report will identify areas of administration that we feel deserve further attention, and present options for resolving potential problems or inefficiencies. Our analysis will be based on conclusions drawn from information gathered throughout the review, relying on our experience, judgment, and acceptable industry practices.

Upon completion of the final report, we would be available to present the findings to the Committee.

PHASE II – REVIEW OF PARTICIPANT FILES FOR UNFORESEEABLE EMERGENCY DISTRIBUTIONS

In Phase II, we will examine a sampling of participant files reviewing processed requests for unforeseeable emergency distributions, which will include, as follows:

- Review of §457 plan document provisions and administrative forms, procedures and other written material regarding unforeseeable emergency distributions;
- Review of a sampling of unforeseeable emergency distributions processed by the plan for compliance with Internal Revenue Code rules and regulations, as well as for consistency of documents with processes; sample size to be determined based on total number and frequency of requests during current contract period, and samples selected with input from the Program staff.

Our findings upon review of unforeseeable emergency distributions will be included in the written report to the Committee.

The following tables summarize our proposed work plan and methodology on how the Phase I and Phase II services will be provided:

NEVADA PUBLIC EMPLOYEES' DEFERRED COMPENSATION PROGRAM		
SUMMARY OF SERVICES AND WORK PLAN		
<i>Service Element</i>	<i>Time Frame</i>	<i>Methodology</i>
Initial Meeting	To be determined	Conference call with Committee members and/or staff as scheduled to initiate engagement and establish initial work parameters and expectations for services.
Data/Document Request	1-2 weeks following initial meeting	Provide plan with data request (including plan documents, booklets, governing statutes, actuarial and financial reports, forms, policies and procedures etc.).
Identification and Formulation of Issues	At initial meeting	Meet with Committee members and/or staff to identify and formulate issues to be addressed and priority of objectives, issues and concerns of the Committee, the executive staff and legal counsel for the plan.
Crosscheck On-site Interviews	4 weeks after data received	We anticipate 1-2 days of on-site interviews with appropriate staff members, vendors and legal counsel.
Review of participant files for unforeseeable emergency distributions	4 weeks following on-site interviews	This step can be completed after data on selected sample of participants is received from the Program's administrative offices.
Presentation of Working Draft Report	4-6 weeks following review of participant files	We anticipate that presentation of an initial draft may be done via electronic correspondence.
Follow-up work period after Working Draft Report	2-4 weeks following presentation of initial draft	This will be a period of further research by staff and legal counsel as necessary on issues identified in the Working Draft Report.
Delivery of Final Report and Presentation to Committee	To be determined	We will deliver a final report to the staff and then present the findings to the Committee in person.

Response to Questionnaire

FIRM ORGANIZATION

1. Provide the name of the organization and its address, telephone and fax number. Provide the name and a biography on all key staff persons who will work on the Program's account.

Segal Rogerscasey has offices across the United States and Canada. Our headquarters are located in New York City.

333 West 34th Street
New York, New York 10001
(212) 251-5900 / (212) 251-5290, fax
www.segalrc.com

SRC employs a team approach to servicing. Under this approach, each client is assigned at least one primary consultant and a back-up consultant who are, in turn, supported by an associate and the rest of our support staff. We feel that this approach allows us to best utilize the knowledge and practical experience of our staff, while providing each client with the high level of service that they expect and deserve. Therefore, several individuals are involved in the relationship and possess the necessary knowledge of the Plan's investment program.

Members of your team are as follows:

Frank Picarelli, Vice President, located in our New York office, will be Project Manager and lead consultant and the day-to-day contact throughout all phases of the contract.

Glenn Ezard, Senior Consultant, located in our Los Angeles office, will be back-up investment consultant and senior research analyst. Glenn has extensive experience with stable value products and alternative investments and will assist the team in the evaluation of the investment options and play a major role in conducting fund searches and educating the Committee on investment related issues.

Catherine (Casey) Hoffman, Associate, located in our New York office, will assist the team in providing administrative support, she will coordinate the production of performance reports and be actively engaged in the vendor search and evaluation process.

Melanie Beth Walker, JD, Vice President, West Region Compliance Practice Leader, our National Director of Government Compliance, located in the Segal Denver Office, is an expert in the federal laws governing public employee benefit plans, including §457 arrangements and will assist the team in all regulatory and compliance issues related to any new potential regulation changes. Melanie, has extensive experience with the State's Program and will be the lead consultant in conducting the compliance audit which is a part of our turnkey consulting services for the Program.

Biographies of our dedicated team assigned to the Program:

Mr. Frank Picarelli, Vice President and Senior Consultant, in Segal Rogerscasey's New York office. He has more than 35 years of experience in all aspects of defined contribution consulting and plan administration from a banking, insurance, mutual fund and consulting firm's perspective. Mr. Picarelli specializes in providing both investment and administration ongoing monitoring services to a diverse client base. In addition, Mr Picarelli is the Practice Leader of our defined contribution vendor search and evaluation consulting practice having managed numerous public sector 457 deferred compensation vendor search projects.

Mr. Picarelli's responsibilities include assisting clients with:

- Providing ongoing investment monitoring services
- Selecting and evaluating defined contribution services providers
- Assisting in plan design, administrative and regulatory compliance for all types of defined contribution programs
- Acting as project manager for plan implementations and conversions

Prior to joining Segal Rogerscasey, Mr. Picarelli, managed several defined contribution recordkeeping operations and has been influential in assisting organizations in entering the defined contribution service industry. Mr Picarelli is a frequent speaker at industry related events and has been has been quoted in numerous business and trade publications.

Mr. Picarelli is lead consultant to similar ongoing and vendor search and evaluation projects encompassing the scope of services requested in RFP including plan assessment studies fee/revenue sharing analysis, contract and fee negotiations:

- City of Chicago Deferred Compensation Plan
- Clark County Deferred Compensation Plan
- Lancaster County 457 Deferred Compensation Plan
- Nassau County Deferred Compensation Plan
- State of New Hampshire Deferred Compensation Plan
- State of New Jersey Deferred Compensation Plan
- State of West Virginia Deferred Compensation Plan

Glenn Ezard is a Senior Consultant in Segal Rogerscasey's Los Angeles office. He has 25 years of experience in investment management and consulting. Mr. Ezard works directly with clients on all aspects of investment policy and portfolio construction, including the development of asset allocation strategies, investment manager selection and investment performance review and analysis. In addition to client consulting, Mr. Ezard also works with the firm's Investment Solutions Group, with responsibility for review and recommendation of investment managers assigned to Segal Rogerscasey's full fiduciary client relationships. Mr. Ezard serves on the Editorial Board for Segal Rogerscasey, a group charged with providing thought leadership in the analysis of capital markets and investment portfolio solutions.

Mr. Ezard has direct portfolio management experience in both fixed income and equity securities. Prior to joining the firm in 2003, he served as Lead Portfolio Manager and Director of fixed income investments at Amalgamated Bank, where he was responsible for more than \$1 billion in fixed income portfolios. Mr. Ezard was also responsible for Amalgamated Bank's quantitative equity strategies. Prior to joining Amalgamated Bank, he served as Portfolio Manager and Analyst for corporate and municipal bonds at W.R. Berkley, a property & casualty insurance company. Mr. Ezard began his career in 1987 as a Municipal Securities Analyst with J.P. Morgan.

Mr. Ezard graduated *magna cum laude*, earning a BA, with honors in Political Science, from Temple University. He also holds a Master's in Public Administration with a concentration in Public Finance from New York University's Wagner School for Public Service. While in graduate school, Mr. Ezard served as an Analyst for the New York State Financial Control Board, which had oversight authority for the New York City budget process.

Mr. Ezard is a frequent speaker at industry conferences, where he addresses a wide range of issues including asset allocation and asset-liability strategies, portfolio management analysis, and the role of private market investments in institutional portfolios.

Ms. Catherine Hoffman, Senior Associate, in Segal Rogerscasey's New York office with five years of experience in investment consulting. Her responsibilities include the production and analysis of performance measurement and evaluation reports, assisting in the manager search process, conducting asset allocation studies, and defined contribution plan analysis. Ms. Hoffman also works on various special projects.

Ms. Hoffman graduated from Providence College with a BA in History and a minor in Italian. She is a Level I candidate in the Chartered Financial Analyst (CFA) Program.

Ms. Melanie Beth Walker, JD, Vice President, West Region Compliance Practice Leader, is employed with The Segal Company in our Denver office. Ms. Walker is a licensed attorney in the State of Colorado. Ms. Walker provides ongoing and special project compliance services for employee benefit plans to clients in Segal's three primary market divisions (public sector, private sector and multiemployer/collective bargaining). Her primary area of expertise is with public sector retirement plans and she serves as a national resource for Segal in this area. Ms. Walker is an active member of the National Association of Public Pension Attorneys. Ms. Walker frequently writes internal Segal publications for distribution to Segal's public sector retirement plan clients. She also has written articles for the NAPPA and NAGDCA newsletters. Ms. Walker is a speaker on public sector retirement and benefits issues, including speaking for the International Foundation of Employee Benefit Plans and for the American Society of Pension Actuaries. Before joining Segal, Ms. Walker worked in employment law at a law firm in Denver, Colorado.

Ms. Walker received her Bachelor of Arts degree in Political Science and International Affairs with an area of concentration in the Former Soviet Union at the University of Colorado at Boulder. She received her Juris Doctor from the University of Colorado School of Law.

2. Describe any citations your firm has received within the last ten years by federal or state regulators for violations of any state or federal law or regulation.

Over the last ten years, Segal Rogerscasey has not received or been threatened to receive citations by federal or state regulators for violations of any state or federal law or regulation.

3. Describe any litigation involving the business of your firm with relation to its deferred compensation or defined contribution services in the past ten years. Exclude routine matters involving participants and beneficiaries that do not reflect on the performance of your agreement.

Over the last ten years, there have been no litigation involving the business of our firm with relation to our deferred compensation or defined contribution services.

4. Provide a copy of the organization's Nevada business license or acknowledge that a Nevada business license (and foreign corporation registration, if required) must be obtained prior to or at the time of Contract execution.

We have included a copy of our Nevada business license in the Exhibit section.

5. Provide three references of public sector clients of comparable size to the Program which your firm provides 457(b) investment and compliance consulting. Include a contact name, title, and phone number.

State Clients	Local Governments
<p>Mr. Craig Downing State Director / Hearings Officer <i>State of New Hampshire</i> 95 Pleasant Street Concord, NH 03301 cdowning@labor.state.nh.us (603) 271-3176</p>	<p>Mr. Kenny Eagan Chief Administration Officer <i>Lancaster County</i> 555 South 10th Street Lincoln, NE 68508 kegan@lancaster.gov (402) 441-7447</p>
<p>Mr. John Fisher Program Director <i>State of West Virginia</i> <i>Deferred Compensation Plan</i> One Players Club Drive Charleston West Virginia 25311 John.fisher@wvtown.com (304) 340-5022</p>	<p>Mr. Steve Conklin Office of the Treasurer <i>Nassau County</i> One West Street, 5th Floor Mineola, NY 11501 sconkling@nassaucountyny.gov (516) 571-2090</p>
<p>Mr. Michael Halpin Secretary / Executive Director <i>Maryland Supplemental Retirement Plans</i> 6 Saint Paul Street, Suite 200 Baltimore, MD 21202 mhalpin@msrp.state.md.us (410) 767-8733</p>	<p>Ms. Jessica Colvin Comptroller <i>Clark County Nevada</i> 500 S. Grand Central Parkway Las Vegas, NV 89155 jessica.colvin@clarkcountynv.gov (702) 455-3324</p>

Fees

1. Describe the fees associated with the services requested.

As an independent consulting firm, we have no affiliation with brokerage organizations and investment management firms. We receive no brokerage commissions from and we do not sell services to investment management firms. All of our revenues are generated by our consulting services to client funds. We believe that this philosophy avoids any possible conflicts of interest.

Many investment performance advisors have agreements with brokerage houses to have portions of the commissions on stock trades rebated to them to pay for their investment performance consulting services. The rebates are known as “soft dollars”. In keeping with our philosophy to have no affiliations with brokerage organizations or investment management firms, Segal Rogerscasey has no “soft dollar” arrangement. We are compensated solely on a “hard dollar” basis.

Our fee for the services described in this proposal have been based upon our hourly time charges for similarly related projects along with the assignment of related staff members that will be assigned to the engagement at their appropriate billing levels.

Investment Consulting Services

Our annual fee to provide the ongoing monitoring services described in the RFP is **\$82,500** per year. This fee includes conducting fund searches as maybe required over the course of the contract, investment policy maintenance, Committee education training to assist in their oversight of the Program. Our fee includes all travel related costs and expenses to attend required meeting.

This fee is guaranteed for a two- year contract period beginning April 1, 2013 and ending March 31, 2015. Once the transition to a sole source service provider is accomplished our fees will be reduced to account for the reduction in work associated with two investment platforms and dual administrative reporting.

Compliance Audit Services

The fee to provide a comprehensive compliance audit is **\$28,000 per audit**. The Compliance Audit includes a review of the plan documents, administration forms, procedures, all types of benefit distributions, Hardship and /QDRO administration. In addition, our services will reconcile the administration process of both service providers to ensure that both organizations are providing accurate services per regulatory and plan design requirements.

Vendor Search Services

Our cost to perform a vendor search and analysis project for the Program is **\$65,000**. This fee includes all transition support and the finalization of the Program’s investment structure and final fund selections.

Our professional fees to conduct a vendor search is as follows:

	Professional Fees
PHASE I: Preliminary Work	
PHASE II: Development of Request for Proposal	
PHASE III: Evaluation of Vendors	
<ul style="list-style-type: none"> ▪ Develop vendor comparison matrix and selection criteria ▪ Evaluate up to ten proposals for both administrative and investment management services ▪ Fee to evaluate additional vendors in excess of ten: per vendor \$8,000. 	
PHASE IV: Selection of Finalist	
<ul style="list-style-type: none"> ▪ Interview, negotiate and participate in finalists presentations ▪ Vendor site visits (Optional) 	Time & Expenses
PHASE V: Contract Negotiations	
<ul style="list-style-type: none"> ▪ Review service contracts, service standards and final fee negotiations 	
Phase VI: Implementation/Conversion Project Management	
<ul style="list-style-type: none"> ▪ Final fund design to support Program changes 	
TOTAL VENDOR SEARCH SERVICES	\$65,000

2. Describe any relationship with mutual fund vendors and any revenue reimbursements received from the mutual fund vendors.

We have no such relationships. Segal Rogerscasey is not affiliated with any financial organization. We have no involvement in brokerage commission, revenue sharing arrangements, we do not enter into soft dollar arrangements with any organization for payment. All of our fees are payable in hard dollars directly from plan sponsors.

Other

1. Provide a sample of a quarterly performance report.

We have included a sample quarterly performance report in the Exhibit Section.

2. Provide the scoring/evaluation criteria used to monitor, add or remove investment options.

Grading System

In 2009, SRC developed a proprietary and dynamic mutual fund grading system that serves as a guide for analyzing mutual funds using qualitative and quantitative data. The firm conducted extensive research including studying papers, reviewing case studies, and back-testing data to develop this capability. S³ Rating has several practical applications for our defined contribution clients including vendor searches; performance monitoring; mutual fund searches and investment policy guidelines.

The grading system evaluates several metrics, all of which are equally weighted, in the following five categories:

- Style/Characteristics
- Manager Tenure
- Fees (Expense Ratios);
- Investment Performance;
- Risk Statistics

Style/Portfolio Characteristics – The objective is to reward a manager for style consistency through the review of the following characteristics:

- a. ***Geometric Average Market Capitalization*** – The capitalization is compared to the universe median to determine consistency with a manager’s peer group. While it is important for a manager to have flexibility with regard to portfolio construction, we do not want managers to be outliers.
- b. ***Total Assets Under Management*** – This measure looks to avoid funds with low assets under management in terms of size constraining a manager from implementing their mandate. There is also a concern on the percent a client represents of the total fund.
- c. ***Credit Quality*** – Core fixed income managers should be limited to investment grade securities. High yield managers should focus on below investment grade. The scoring penalizes managers for investing in securities outside of the stated credit quality range for that particular product.

Manager Tenure – The length of the portfolio manager tenure is an important evaluation measure. A manager with long tenure receives a favorable score because there is likely more consistency in style and philosophy. It is also more likely that the fund will be managed in a similar fashion in the future minimizing style drift.

Fees/Expense Ratios –The relationship between fees and performance is important in evaluating funds. Funds with lower fees have a lower performance hurdle. In addition, fees are one of the few constants with a fund; a low fee fund today likely equals a low fee fund in the future, and vice versa.

Investment Performance – The objective is to reward consistency of performance by focusing on calendar year results. Annualized returns provide a point in time analysis and may skew data in either direction after an extremely good or bad period. Since top quartile performance is difficult to achieve year after year, the evaluation rewards above median performance. If the fund can be in the top half its peer group year after year, the fund will tend to achieve top quartile results on a longer-term annualized basis. In addition to reviewing the results relative to peers, we also compare and score against the stated benchmark. Year-to-date performance is also utilized to gauge the fund’s performance within the current market environment and to monitor if the fund is performing in-line with its philosophy and process. The final grade for performance is an equal weighted combination of the two subsections.

Risk Statistics – The risk statistics seek to reward downside protection and risk adjusted performance. The primary measure of risk is standard deviation, which is combined with batting average, downside protection, and information ratio. Standard deviation serves as the absolute risk measure. Batting average mirrors the overall objective of consistency, as it measures the percentage of quarters the fund outperformed its benchmark. Downside protection stays consistent with Segal’s conservative qualitative nature while evaluating fund performance. Information ratio captures the fund’s risk adjusted returns, as the fund must be rewarded for the risk. These metrics are scored over three-, five-, and ten-year annualized periods.

Conclusions for each grade:

A – Above Average	No Action
B – Above Average	No Action
C – Average	Consultant Review
D – Watchlist	Fund Alert*
F – Terminate	Terminate
NA – < than 3 years of history	Check share class and inception date

For Index Funds:

A, B, C	Satisfactory/No Action
D, F	Replace

*Funds receiving a “D” will automatically be placed on Watchlist and will require additional research and due diligence. The Research Team will provide a “Fund Alert”, highlighting concerns and recommendations.

Future enhancements include Lifecycle funds, Variable Annuity, and Collective Investment Trust scoring; continued monitoring of the accuracy of S³ Rating operations; and the on-going back-testing of risk factors.

We envision S³ Rating scores being incorporated into the Plans’ investment policy statement and included in our quarterly reporting to the Committee.

In all mutual fund and investment manager evaluations, we focus on measures of absolute performance, relative performance, risk-adjusted performance, absolute risk measures, and consistency. Examples of statistical criteria would be Sharpe Ratio, Information Ratio, Tracking Error, Standard Deviation, Batting Average and Upside/Downside Capture Ratio. The criteria would normally be evaluated over a business cycle and measured relative to a passive benchmark or an absolute value, where appropriate.

It should be noted that Segal Rogerscasey places a significant emphasis on its qualitative assessment of an investment management firm. In addition, we believe it is very important to review quantitative data in light of current economic environment.

We have provided an overview and sample report of our Scoring System in the Exhibit Section.

3. Provide any other reports that may be beneficial to the Plan and its participants.

Our firm provides its clients with a steady flow of quantitative and qualitative information on emerging trends and issues in all market areas, holding seminars, providing client-specific educational training sessions, and preparing research papers on subjects of current interest. We have established a continual, high quality research pipeline to our clients, which is comprised of:

- *Investment Brief* (Monthly) – publication highlighting newsworthy items including current macroeconomic events and relevant investment consulting issues
- *Investment Insight* (Periodically) – which provides in-depth analysis of current investment and regulatory issues concerning our clients
- *Investment Focus* (Periodically) – in-depth discussion of a topic based on existing research
- *Investment Synopsis* (Quarterly) – an overview of the previous quarter market period
- *Position Paper (Annual)* – detailed annual view of where markets are headed

We will also provide updates should unique market conditions warrant and are able to respond to any ad hoc requests.

4. Describe any ad hoc reporting capabilities.

SRC's reporting system allows for a high degree of flexibility in performance report production. This allows us to add or modify various charts and tables to tailor our reports to meet the individual client needs and levels of sophistication. Clearly, certain core tables are necessary in all reports to accurately convey information necessary to the investment decision making process. However, we have the ability to add various additional analyses to highlight more complex areas of concern. Examples include detailed exhibits of fund characteristics, performance attribution and index relative fund statistics. In addition to our investment reports, we can provide customized administration reports to reflect participant and fund level activity by each of the plan service providers.

We utilize the PARis performance measurement system to produce our performance reports. The PARis system is used to conduct high-level performance measurement, risk attribution, and the creation of informative, reader-friendly client reports.

The PARis system is populated with manager data from the InvestWorks database. The database has information on over 20,000 mutual funds and is updated monthly.

Our in-house Client Management System (CMS) is used to store all meeting notes (e.g. conference calls, on-site meetings, news events) on investment managers. Storing updates in CMS provides our personnel quick access to updates on the investment managers that serve our clients. Through CMS, we are able to run reports that show us total exposure to a specific manager, how often/recent we meet, etc.

5. Describe the resources used to monitor investment performance.

Our ongoing monitoring services and reports are designed to address the need for and provide evidence of the State's efforts to comply with their fiduciary responsibilities. This objective is achieved through our reporting capabilities, which includes the following:

- Provide an overview of economic and general market conditions over the relevant time periods;
- Compare each investment option's results to appropriate market indices and universes of similarly managed vehicles;
- Verify investment style of each option;
- Measure the risk characteristics of each investment option;
- Historical performance with a focus on consistency;
- Morningstar ratings;
- Comment on manager tenure;
- Monitor fund expense ratios and eligibility for lower share class opportunities;
- Monitor fund companies involved in SEC investigations;
- Popularity of funds among participants;
- Review expenses and returns of each fund options;
- Analyze the extent to which investment policies have been carried out and how they have affected the actual results;
- Recommend alternatives for dealing with any of the issues noted above.

Actual investment returns relative to pre-established benchmarks are obviously important. Additionally, the level of risk associated with achieving results is equally important. In summary, the following factors are critical in reporting performance reviews for mutual funds:

- 3 and 5 year Sharpe Ratio
- 3 and 5 year Absolute Return
- Consistency vs. Benchmark
- Consistency vs. Universe
- Expense Ratios

We reconcile our mutual fund absolute performance to consistency and reasonableness to its benchmarks and indices. In addition, we also reconcile plan level accounting reports provided by the service provider to audit beginning balances, contributions, cash flow activity from one reporting period to the next period as part of due diligence process associated with our performance monitoring services.

Segal Rogerscasey uses a variety of databases for our consulting services. This includes AIM (asset allocation/indices), Morningstar (mutual funds), eVestment Alliance (manager data) and

Wilshire and Informa Solutions (universe data). Each of these software packages provide different information which is used to generate analysis and comparative statistics.

In addition to the internal research effort, we subscribe to eVestment Alliance, a web-based investment manager database. The database provides monthly and quarterly returns on over 1,100 managers representing more than 6,400 investment products. The system provides the names and biographies of all team members, a full description of a product's investment philosophy, process (buy/sell discipline), and risk controls, firm information (e.g., assets, clients, litigation issues, AIMR compliance, etc.) as well as portfolio holdings and other portfolio characteristics. We utilize the database as a screening tool and to identify promising managers on which to perform additional due diligence. The information contained in the database is instrumental in obtaining the most up to date information on a manager and enables us to have a more productive meeting with portfolio managers when we interview them either in our office or theirs. We supplement this research by sending our own proprietary due diligence questionnaire. Lastly, after interviewing an investment manager, we write and post our meeting notes and observations into the eVestment Alliance database in order for the rest of our practice to access our research notes on a manager. This enables us to integrate and share research insights throughout the practice on a real time basis.

In addition to subscribing to numerous economic and investment related publications produced by investment banks, boutiques and news sources, Segal Rogerscasey subscribes to many investment related databases provided by external vendors. These external sources provide up-to-date quantitative and qualitative information on thousands of investment firms, portfolios, and market indices (domestic and foreign). This external material supplements and complements the material we compile internally, including the actual experience of our universe of client funds. We also maintain profiles of over one thousand investment firms, banks and insurance companies.

6. Describe average consultant-to-client ratio for clients of our size.

In general, consultants service between 10 to 12 relationships. The caseload may vary based on the size and complexity of each client's account.

**ATTACHMENT A
CERTIFICATION OF COMPLIANCE WITH
TERMS AND CONDITIONS OF RFP**

By signing below, I understand it is my responsibility as the vendor to act in protection of the labeled information and agree to defend and indemnify the State of Nevada for honoring such designation. I duly realize failure to so act will constitute a complete waiver and all submitted information will become public information; additionally, failure to label any information that is released by the State shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

I have read, understand and agree to comply with the terms and conditions specified in this Request for Proposal.

Checking "YES" indicates acceptance of all terms and conditions, while checking "NO" denotes non-acceptance and vendor's exceptions should be detailed below. In order for any exceptions to be considered they **MUST** be documented.

YES I agree. NO Exceptions below:

Date JAN 3 2013

SIGNATURE *Frank Picarelli VP.*
Primary Vendor

PRINT NAME FRANK Picarelli Vice President
Primary Vendor

EXCEPTION SUMMARY FORM

RFP SECTION NUMBER	RFP PAGE NUMBER	EXCEPTION (PROVIDE A DETAILED EXPLANATION)

Attach additional sheets if necessary. Please use this format.

Brian Sandoval
Governor



Reba Coombs
Program Coordinator

COMMITTEE
Scott Sisco, Chair
NDOT
Carlos Romo, Vice Chair
Retired
Brian L. Davie
LCB
Karen Oliver
GCB
Steve C. Woodbury
DTCA

Shane Chesney
Senior Deputy Attorney General

**Nevada Public Employees'
Deferred Compensation Program**

SUBJECT: Amendment No. 1 to Request for Proposal for Investment Consulting Services

DATE OF AMENDMENT: December 19, 2012

DATE OF RFP RELEASE: November 30, 2012

DATE AND TIME OF OPENING: Monday, January 7, 2013, 3:00 p.m.

AGENCY CONTACT: Reba Coombs, Program Coordinator

The following shall be a part of the RFP for Investment Consulting Services. If a vendor has already returned a proposal and any of the information provided below changes that proposal, please submit the changes along with this amendment. You need not re-submit an entire proposal prior to the opening date and time.

6. SCOPE OF SERVICES

The Consultant is expected to provide the following:

A. Investment selection, measurement, monitoring, and reporting.

1. Does your firm accept fiduciary responsibility for its role as an investment consultant for the Program? Explain your role as a fiduciary.
2. Is your firm registered as an investment advisor with the Securities and Exchange Commission under the Investment Advisors Act of 1940?

7. SUBMISSION CONDITIONS

13. SUBMISSION REQUIREMENTS

Each bidder must submit a total of **seven (7)** bound copies and **one (1)** electronic version (can be submitted on a compact disk, flash drive, or other similar medium) by **3:00 p.m. Pacific Daylight Time Monday, January 7, 2013** in accordance with the following:

One original copy marked "Master" and six (6) identical copies to:

Reba Coombs, Program Coordinator
Nevada Public Employees Deferred Compensation Program
100 North Stewart Street, Suite 210
Carson City, Nevada 89701-4213
rebacoombs@defcomp.nv.gov
T: (775) 684-3397 F: (775) 684-3399

ALL ELSE REMAINS THE SAME

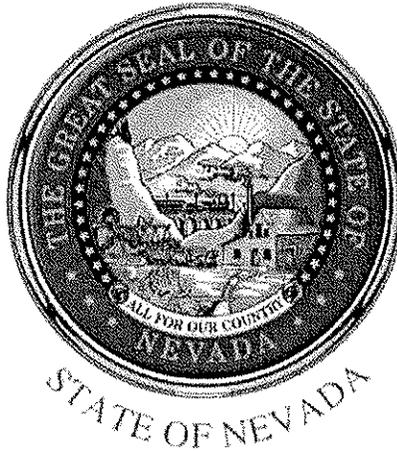
Vendor shall sign and return this amendment with proposal submitted.

NAME OF VENDOR Segal Rosen Casely

AUTHORIZED SIGNATURE [Signature]

TITLE Vice President DATE 11/3/2013

SECRETARY OF STATE



NEVADA STATE BUSINESS LICENSE

SEGAL ADVISORS, INC.

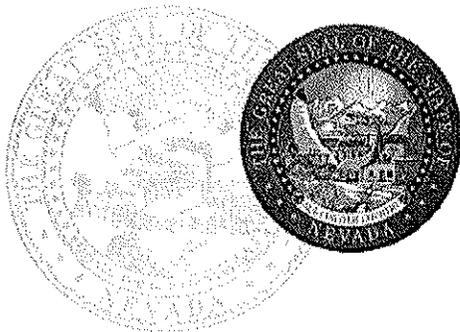
Nevada Business Identification # NV20121521837

Expiration Date: August 31, 2013

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

This license shall be considered valid until the expiration date listed above unless suspended or revoked in accordance with Title 7 of Nevada Revised Statutes.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on October 10, 2012



ROSS MILLER
Secretary of State

This document is not transferable and is not issued in lieu of any locally-required business license, permit or registration.

Please Post in a Conspicuous Location

**You may verify this Nevada State Business License
online at www.nvsos.gov under the Nevada Business Search.**

Nevada Public Employees' Association

ANALYSIS OF INVESTMENT PERFORMANCE

Performance Review - September 30, 2012

Francis Picarelli
Vice President



Segal Rogers Casey



333 West 34th Street New York, NY 10001-2402
T 212.251.5452 F 212.251.5290 www.segalrc.com

Frank Picarelli
Vice President
fpicarelli@segalrc.com

December 4, 2012

Deferred Compensation Committee
Nevada Public Employees Deferred Compensation Plan
c/o Scott K. Sisco
The Department of Transportation
1263 S. Stewart Street
Carson City, NV 89712

Dear Deferred Compensation Committee:

We have prepared this report to review the experience of the Deferred Compensation Plan investment options through various time periods ended September 30, 2012. We believe this report will help the Deferred Compensation Committee to better understand how the investment options of the Plan have performed and will aid in evaluating any strengths or weakness of the investment program.

It should be noted that the information set forth in this report is gathered through research from various mutual fund databases and the fund families.

We look forward to meeting with you to discuss the performance results of the funds and answer any question regarding our analysis.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Frank Picarelli".

Frank Picarelli

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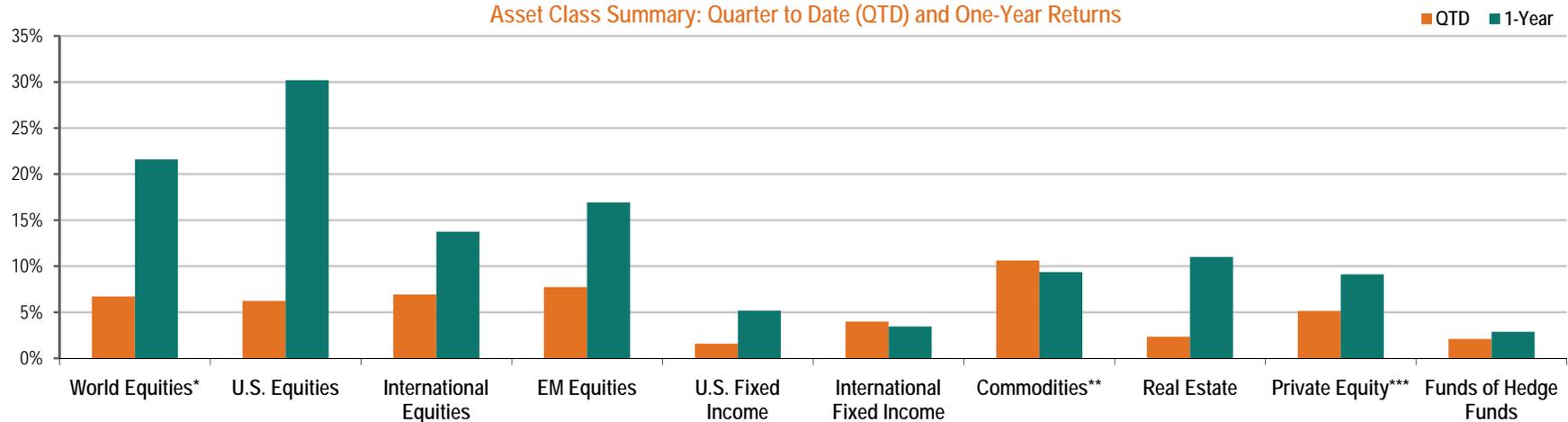
This performance report ("Report") is based upon information obtained by Segal RogersCasey, ("SRC") from third parties over which SRC does not exercise any control. Although the information collected by SRC is believed to be reliable, SRC cannot verify or guarantee the accuracy or validity of such information or the uniformity of the manner in which such information was prepared. The rates of return reflected herein are time weighted and geometrically linked on a monthly basis using a modified Dietz method. Monthly valuations and returns are calculated based on the assumptions that all transactions and prices are accurate from the custodian and/or investment manager. The client to whom Segal RogersCasey delivers this Report ("Client") agrees and acknowledges that this Report has been prepared solely for the benefit of Client. SRC disclaims any and all liability that may arise in connection with Client's conveyance (whether or not consented to by SRC) of the this Report (in whole or in part) to any third party. Client further agrees and acknowledges that SRC shall have no liability, whatsoever, resulting from, or with respect to, errors in or incompleteness of, the information obtained from third parties. Client understands that the prior performance of an investment and/or investment manager is not indicative of such investment's and/or investment manager's future performance. This Report does not constitute an offer or a solicitation of an offer for the purchase or sale of any security nor is it an endorsement of any custodian, investment and/or investment manager.

Financial Market Conditions: Review of Third Quarter (Q3) 2012

Investment Performance: Summary by Asset Class

This section provides data on investment performance for select market indices mostly for Q3 2012, as well as Segal Rogerscasey's commentary.

Asset Class Summary: Quarter to Date (QTD) and One-Year Returns



Asset Class	Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
Equities	MSCI World (Net of dividends)*	6.71	13.01	21.59	7.48	-2.15	8.04
	Russell 3000	6.23	16.13	30.20	13.26	1.30	8.49
	MSCI EAFE (Net of dividends)	6.92	10.08	13.75	2.12	-5.24	8.20
	MSCI EM (Net of dividends)	7.74	11.98	16.93	5.63	-1.28	17.00
Fixed Income	Barclays Capital Aggregate	1.59	3.99	5.16	6.19	6.53	5.32
	Citigroup Non-U.S. WGBI (Unhedged)	3.98	3.96	3.46	4.02	6.56	7.27
Other	Commodity Splice**	10.62	4.55	9.37	5.89	-4.24	4.31
	NCREIF NPI	2.34	7.80	11.00	10.90	2.27	8.35
	Thomson Reuters Private Equity***	5.14	5.14	9.12	17.39	6.09	11.03
	HFN HFOF Multi-Strategy	2.11	3.31	2.88	1.10	-1.84	3.39

All equity markets posted solid returns in Q3 2012, as the Federal Reserve's (the Fed's) Federal Open Market Committee (FOMC) announced further quantitative easing* and the European Central Bank (ECB) lowered its key policy rate and launched a bond-buying program. In addition, the Bank of Japan (BoJ) continued to increase its asset purchase program and the U.S. labor market showed signs of growth. Emerging market equities benefited from the risk-on** environment.

After a weak Q2, commodities gained over 10 percent during Q3 due, in large part, to the actions of the Fed and the ECB.

While investors gravitated toward equity markets and riskier assets, fixed-income markets also experienced modest gains in Q3. On a one-year basis, fixed-income markets underperformed equity markets, as is generally the case.

* World equities includes U.S. and international (non-U.S.) equities.

** Commodity Splice, a Segal Rogerscasey Index, blends the DJ-UBS Commodity Index (50%) and the S&P GSCI Index (50%), rebalanced monthly.

*** Performance is as of Q1 2012 because Q2 2012 and Q3 2012 performance data is not yet available.

* Quantitative easing is a government monetary policy that increases the money supply to stimulate the economy.

** A risk-on environment is one in which investors generally favor riskier securities over safer securities.

World Economy: Key Indicators

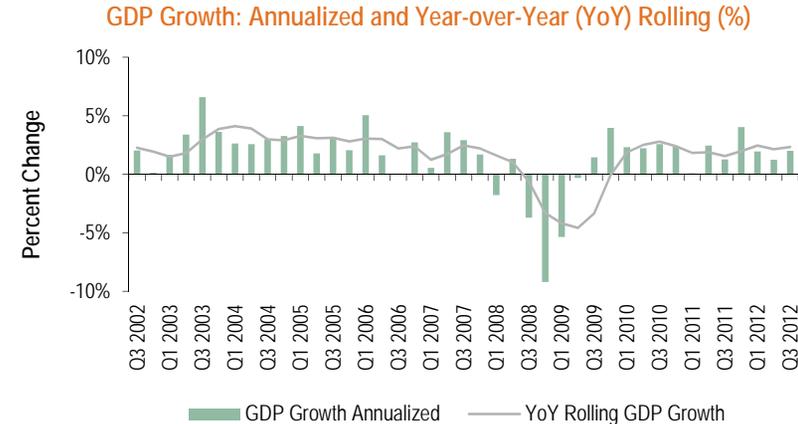
This section provides data on select United States and global economic indicators for Q3 2012 along with Segal Rogerscasey's commentary.

GDP Growth

During Q3 2012, gross domestic product (GDP) grew at an annualized rate of 2.0 percent, which is up from approximately 1.3 percent in Q2. GDP ended Q3 above the 1.8 percent rate economists expected. The adjacent graph shows annualized GDP growth, along with the year-over-year (YoY) rolling percentage change in GDP growth.

Much of Q3's growth can be attributed to accelerated consumption, increased government spending, and a downturn in imports. After experiencing negative growth in Q2, durable goods increased by 8.5 percent in Q3. The rise in government spending was primarily driven by defense spending, which increased from -0.2 percent in Q2 to 13.0 percent in Q3.

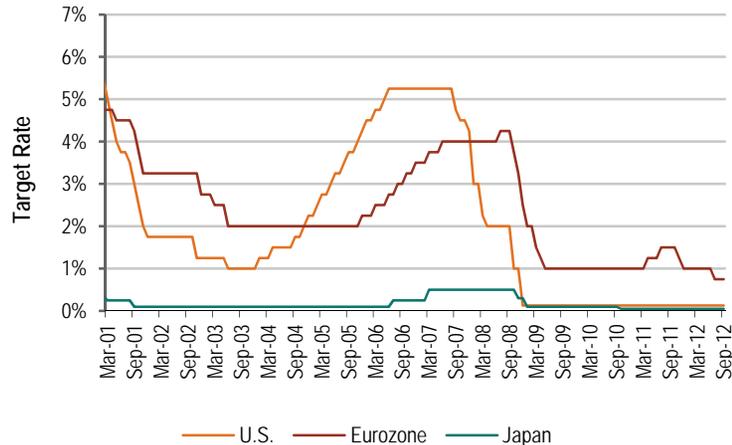
While this marks the thirteenth consecutive quarter of growth, the Bureau of Economic Analysis emphasized that Q3 data are incomplete and will be subject to revisions. Revised data will be released on November 29.



Source: Bureau of Economic Analysis

Monetary Policy

Target Rates: U.S., Eurozone and Japan



Sources: Segal Rogerscasey using data from the Federal Reserve Board, the European Central Bank and the Bank of Japan

As noted on page 1, at its September meeting, the FOMC announced a third round of quantitative easing intended to improve current economic conditions and the labor market. The open-ended plan will purchase \$40 billion per month in additional agency mortgage-backed securities. The FOMC also maintained its exceptionally low target interest rate of 0.0 to 0.25 percent, and it is likely to do so through mid-2015. Over the medium term, inflation is expected to be at or below the FOMC's target of 2 percent.

The FOMC plans to maintain its existing policy of reinvesting principal payments from its securities holdings. In addition, there were no changes to its June announcement to extend Operation Twist* to the end of 2012. Combined, these policies will increase the FOMC's holdings of longer-term securities by \$85 billion per month through the end of the year.

In July, the ECB cut its target rate by 25 basis points** (bps) to 0.75 percent, and maintained the rate at this level for the remainder of the quarter. In early September, the ECB announced a potentially unlimited bond-purchasing plan that would lower borrowing costs for struggling eurozone countries, with the stipulation that the purchases would be tied explicitly to reform measures.

The BoJ continued its low interest rate policy, maintaining rates at 0.0 to 0.1 percent. During Q3, the BoJ extended its asset purchase program through December 2013 and increased its total quantitative easing program by ¥10 trillion to ¥80 trillion (\$1 trillion) in an effort to rejuvenate the Japanese economy.

* Operation Twist is a Federal Reserve policy action that involves selling short-term treasuries in exchange for an equal amount of longer-term bonds in order to drive down long-term interest rates.

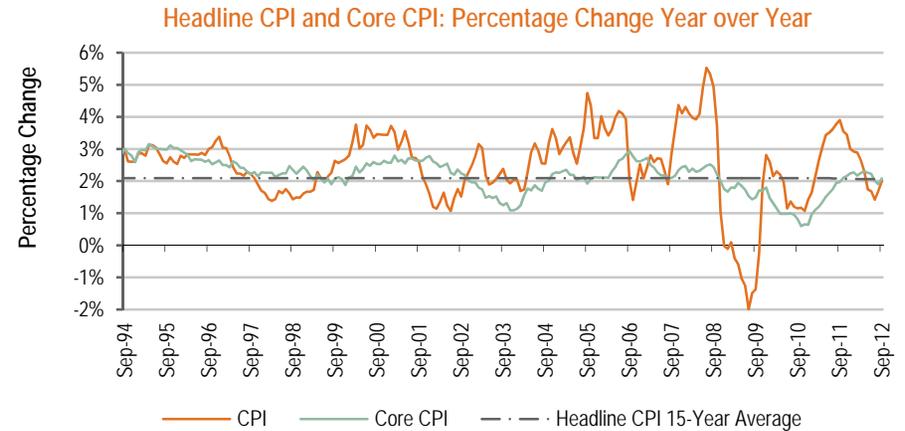
** As a reminder, 10 bps equal 0.1 percent.

Inflation

The headline Consumer Price Index (CPI)* was up 0.6 percent at the end of Q3 and advanced 2.0 percent on a year-over-year basis. The energy index was the main driver of Q3's increase; after falling 0.3 percent in July, the index rose 5.6 percent in August and 4.5 percent in September. Fuel oil, motor fuel and gasoline prices rose considerably during Q3. Since Q3 2011, food and energy prices rose 1.6 percent and 2.4 percent, respectively.

Core CPI, which excludes both food and energy prices, rose 0.1 percent in September, bringing the year-over-year core CPI to 2.0 percent. Large contributors included medical care services and medical care commodities, which increased 4.4 percent and 3.3 percent, respectively, due to strong demand. The Fed, after adopting a formal inflation target of 2.0 percent for the first time in January 2012, expects inflation over the medium term to be at or below 2 percent. The Fed acknowledges that inflation has moderated and describes it as stable.

* Headline CPI is the CPI-U, the CPI for all urban consumers.



Source: Moody's Economy.com using data from the Bureau of Labor Statistics

Break-Even Inflation

10-Year Break-Even Inflation Rate



Source: Bloomberg

The adjacent graph shows the 10-year break-even inflation rate, which measures the difference in yield between a nominal 10-year Treasury bond and a comparable 10-year Treasury inflation-protected security bond (TIPS). The break-even inflation rate is an indicator of the market's inflation expectations over the horizon of the bond.

During Q3, the 10-year break-even rate increased 32 bps to 2.4 percent. As noted on page 2 (see "Monetary Policy"), the FOMC announced a third round of quantitative easing due to concerns over the slow growth in the labor market and the overall economy. The announcement will put additional downward pressure on interest rates. The FOMC noted that longer-term inflation expectations have remained stable and it expects medium-term inflation to be at or below its target of 2 percent.

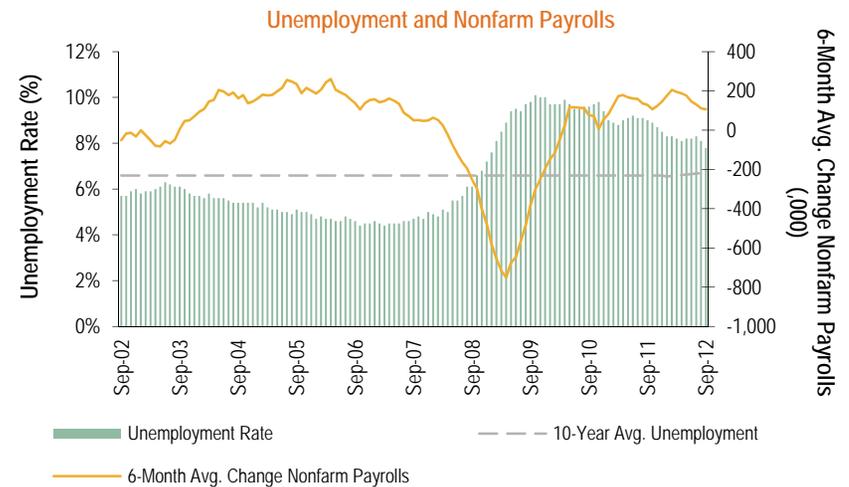
Labor Market and the Unemployment Rate

After slow growth in Q2, the U.S. labor market picked up during Q3. The unemployment rate, which is represented by the green area in the adjacent graph, fell from 8.2 percent to 7.8 percent and nonfarm payrolls increased by 437,000 jobs. Nonfarm payrolls increased by 114,000 in September, below economists' expectations of 120,000. However, both July and August payroll data were revised upward: July figures rose by 40,000 to 181,000 and August data increased by 46,000 to 142,000. The 6-month average change in nonfarm payrolls is shown in the adjacent graph as an orange line.

The private sector added 104,000 jobs during September, while the government sector added just 10,000 jobs. The biggest contributor for the month was Healthcare with 44,500 jobs.

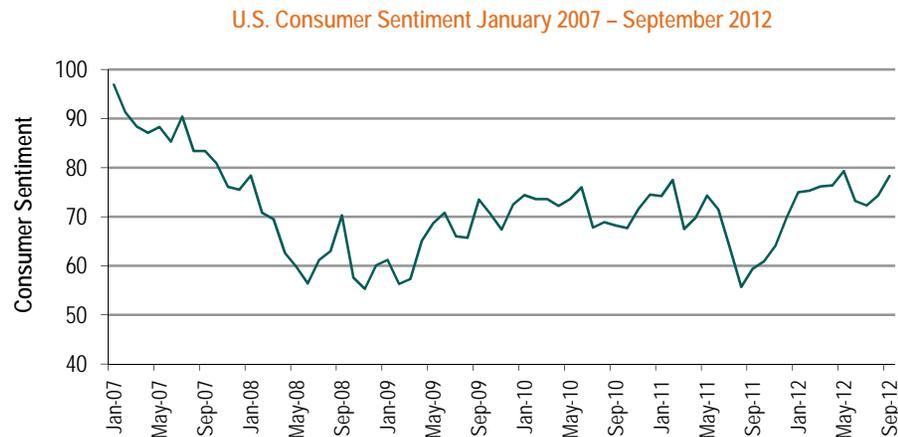
Leisure/Hospitality added only 11,000 jobs, down from over 38,000 jobs in August. Manufacturing experienced the most job losses in September with 16,000.

More people were employed at the end of Q3 than at the end of Q2, which brought the employment-to-population ratio up slightly from 58.6 percent in Q2 to 58.7 percent in Q3. In addition, the participation rate fell slightly to 63.6 percent in Q3, which coincided with a decrease in the civilian labor force. The average workweek remained unchanged and average hourly earnings increased 0.3 percent.



Source: Bureau of Labor Statistics

Consumer Sentiment



The University of Michigan Index of U.S. Consumer Sentiment is an economic indicator that measures how confident individuals are about the stability of their incomes as well as the state of the economy. After falling during Q2, consumer confidence rose during Q3 by 5.1 points to 78.3. The increase was due to a more favorable view of present conditions and expectations for future conditions.

Source: Moody's Economy.com using data from the Thomson Reuters/University of Michigan Consumer Sentiment Index

Investor Sentiment: Mutual Fund Flows

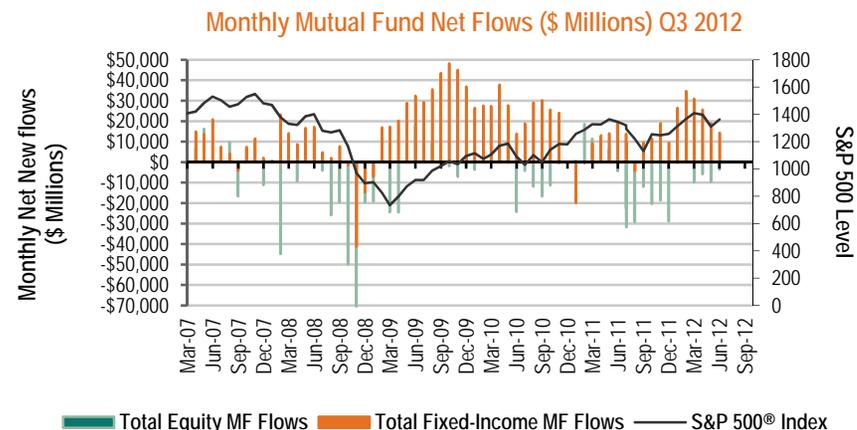
This page presents mutual fund flows across equity and fixed-income funds. Flow estimates are derived from data collected covering more than 95 percent of industry assets and are adjusted to represent industry totals. The graphs illustrate flows as of the end of Q3 2012.

Net Mutual Fund Flows

The adjacent graph shows net flows into equity and fixed-income mutual funds.

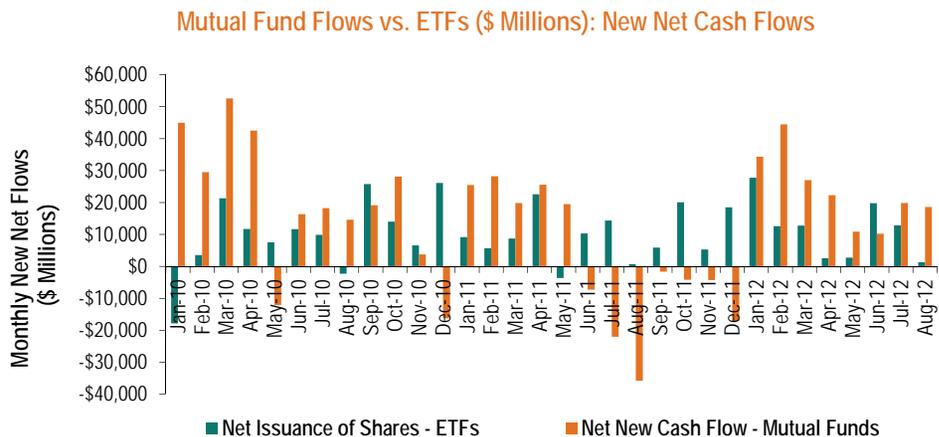
In Q3, equity and fixed-income mutual funds experienced net inflows of approximately \$51.8 billion, mainly due to over \$85.6 billion in inflows to fixed-income mutual funds. Equity mutual funds experienced net outflows of approximately \$48.1 billion, while hybrid funds experienced inflows of approximately \$14.3 billion.

Fixed-income mutual funds have experienced over 12 months of consecutive inflows, while equity mutual funds have experienced net outflows every month since May 2011, with the exception of February 2012 when \$1.4 billion flowed into equity mutual funds. In the first half of 2012, the magnitude of outflows for equity mutual funds had been decreasing, but this sharply reversed in Q3 as equity funds experienced outflows of over \$19 billion in both August and September. Most of these outflows came from domestic equity mutual funds.



Source: Investment Company Institute <http://www.ici.org>

Mutual Fund Flows vs. Exchange-Traded Funds



Source: Investment Company Institute <http://www.ici.org>

The theme of 2012 has been new net inflows into mutual funds and exchange-traded funds (ETFs). During Q3, all mutual funds* experienced net inflows of \$51.8 billion. ETFs experienced net inflows of \$14.1 billion in July and August. (September numbers have not yet been reported.)

Q3 marked the third consecutive quarter of positive new net inflows into mutual funds since a two-quarter lull in the second half of 2011. Fixed-income and hybrid mutual funds experienced new net inflows of \$85.6 and \$14.3 billion while equity mutual funds saw a net outflow of \$48.1 billion during the quarter.

ETFs have seen positive net inflows, on a month-by-month basis, since June 2011. July was the fourteenth consecutive month to experience new net inflows into ETFs with \$12.9 billion, and August was the fifteenth consecutive month with \$1.3 billion in new net inflows.

* Includes domestic equity, foreign equity, taxable bond, municipal bond and hybrid mutual funds.

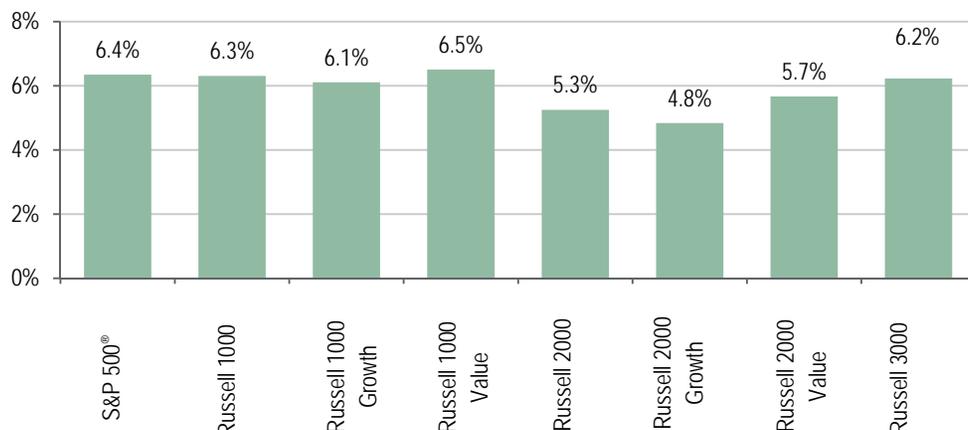
Investment Performance: U.S. Equities

This section presents data and Segal Rogerscasey's commentary on United States equity index returns and sector performance for Q3 2012.

U.S. Equity Index Returns

The graph below illustrates Q3 2012 rates of return for selected U.S. equity indices. The table shows returns for the latest quarter, one-, three-, five- and 10-year annualized timeframes. All data in the table are percentages.

U.S. Equity Index Returns: Q3 2012



Equity Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
S&P 500®	6.35	16.44	30.20	13.20	1.05	8.01
Russell 1000	6.31	16.28	30.06	13.27	1.22	8.35
Russell 1000 Growth	6.11	16.80	29.19	14.73	3.24	8.41
Russell 1000 Value	6.51	15.75	30.92	11.83	-0.90	8.17
Russell 2000	5.25	14.23	31.91	12.98	2.21	10.17
Russell 2000 Growth	4.84	14.08	31.18	14.19	2.95	10.55
Russell 2000 Value	5.67	14.37	32.63	11.72	1.35	9.68
Russell 3000	6.23	16.13	30.20	13.25	1.30	8.49

Sources: Standard & Poor's and Russell Investments

Index and Sector Performance

S&P 500 Index® Sector Performance – Q3 2012

	QTD (%)	YTD (%)
Consumer Discretionary	7.5	21.4
Consumer Staples	3.8	12.4
Energy	10.1	7.6
Financials	6.9	21.6
Healthcare	6.2	17.8
Industrials	3.6	11.2
Information Technology	7.4	21.8
Materials	5.1	12.0
Telecommunications Services	8.1	25.9
Utilities	-0.5	4.3

This table shows quarter-to-date and year-to-date total returns for each sector.
Source: Standard & Poor's

After posting negative returns during Q2, all U.S. equity indices increased in Q3. The S&P 500 Index® and Russell 3000 Index gained 6.4 percent and 6.2 percent, respectively. Large-cap stocks outperformed small-cap stocks while value outpaced growth.

As shown in the adjacent table, all sectors of the S&P 500 Index® except Utilities (-0.5 percent) posted gains during Q3. Energy (10.1 percent) performed the best as crude oil prices rebounded sharply. Telecommunications Services (8.1 percent) saw another positive quarterly increase and has posted an Index-leading sector return of 25.9 percent year-to-date.

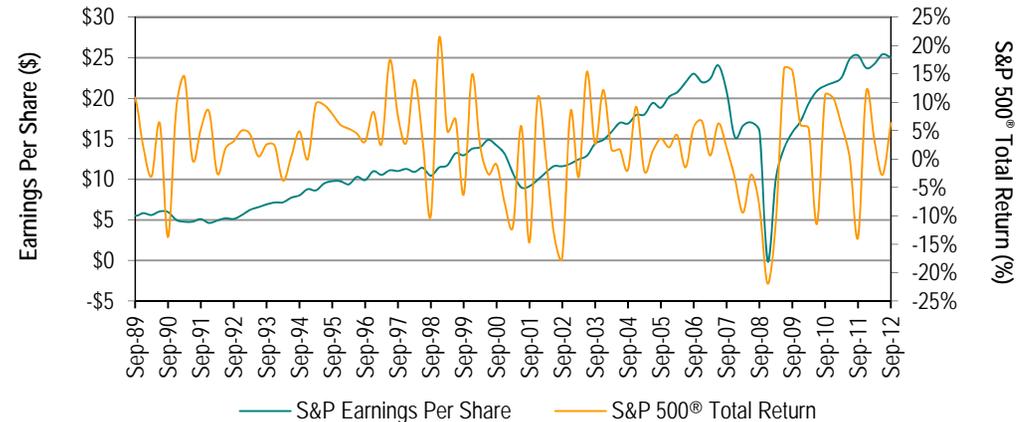
Falling natural gas and power prices led to the Utilities sector's underperformance in Q3. In addition, the risks of regulatory rate cuts, higher interest rates and dividend tax hikes muted returns for the year to date. However, due to the sector's small weight within the Index, its drag on the Index's overall return was minimal.

Equity Market Earnings and Volatility

The adjacent graph compares the total return and the earnings per share of companies in the S&P 500 Index® since June 1989. With the exception of a slight drop during Q4 2011, earnings per share of companies in the S&P 500 Index® have been trending upward since 2008, ending Q3 2012 at \$25.00. Q2 earnings were revised upward to \$25.43, establishing a new 10-year high. Better-than-expected earnings boosted equity returns and remain well above Q4 2008 earnings, which bottomed at \$-0.09.

Earnings are perhaps the single most studied metric in a company's financial statements because they show a company's profitability. A company's quarterly and annual earnings are typically compared to analysts' estimates and guidance provided by the company itself. In most situations, when earnings do not meet either of those estimates, a company's stock price will tend to drop. On the other hand, when actual earnings beat estimates by a significant amount, the share price will likely surge.

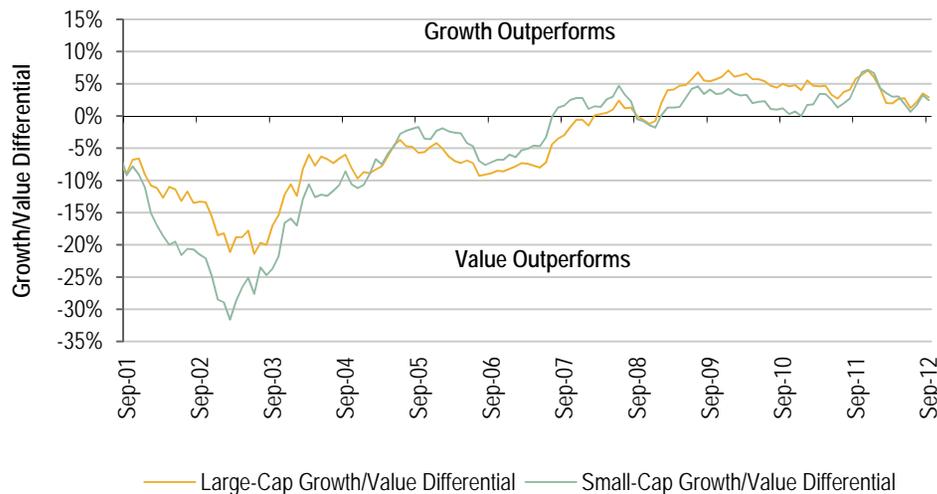
S&P 500®: Total Return and Earnings Per Share (Quarterly)



Source: Standard & Poor's

Growth vs. Value

Growth Stocks vs. Value Stocks (Rolling 3-Year)



Source: Russell Investments

The adjacent graph depicts the growth versus value differential for both large- and small-cap stocks. The large-cap differential is composed of the Russell 1000 Growth (R1000G) versus the Russell 1000 Value (R1000V) and the small-cap differential is composed of the Russell 2000 Growth (R2000G) versus the Russell 2000 Value (R2000V).

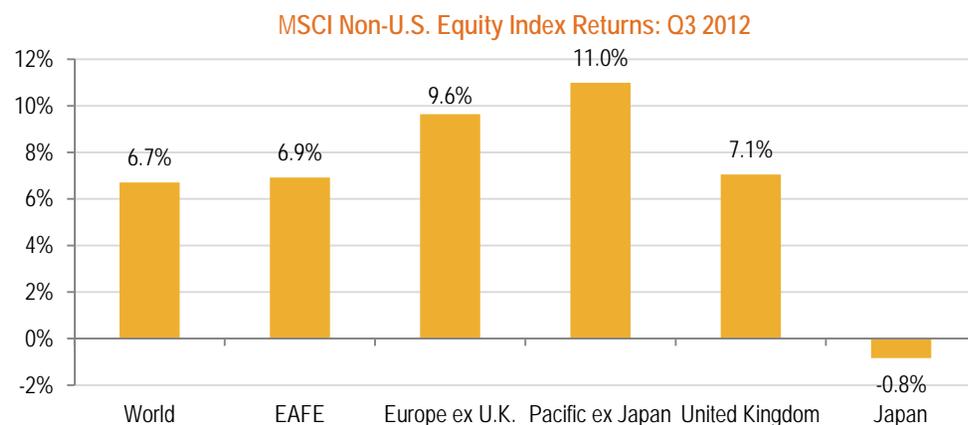
The R1000G outpaced the R1000V for each rolling three-year period over the last 45 months. In addition, the R1000G outperformed the R1000V on a trailing three-year (291 bps), five-year (414 bps) and 10-year (13 bps) basis. As a sign of a possible change in this pattern, the R1000V outperformed the R1000G on a trailing one-year (25 bps) basis. Similar to large-cap stocks, the R2000G outpaced the R2000V for each rolling three-year period over the last 45 months. Although the R2000V outperformed the R2000G over the one-year period (145 bps), the R2000G outpaced the R2000V on a trailing, three-year (246 bps), five-year (160 bps) and 10-year (87 bps) basis.

Investment Performance: Non-U.S. Equities

This section presents data and Segal Rogerscasey's commentary on international equity returns and analyzes sector performance for Q3 2012.

International Equity Returns

The graph below illustrates Q3 2012 rates of return for selected international equity indices. The table shows returns for the latest quarter, one-, three-, five- and 10-year annualized timeframes. All data in the table are percentages, and all are shown from the USD perspective.



MSCI Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
World	6.71	13.01	21.59	7.48	-2.15	8.04
EAFE	6.92	10.08	13.75	2.12	-5.24	8.20
Europe ex U.K.	9.64	11.69	15.49	-0.79	-6.96	8.97
Pacific ex Japan	10.99	17.45	24.51	7.99	0.15	14.71
United Kingdom	7.05	10.64	20.71	7.84	-3.26	8.51
Japan	-0.84	2.27	-1.68	-0.56	-6.50	3.73

Source: Morgan Stanley Capital International

Index and Sector Performance

MSCI EAFE Sector Performance – Q3 2012

	QTD (%)	YTD (%)
Consumer Discretionary	2.1	9.1
Consumer Staples	6.3	10.8
Energy	5.4	-2.3
Financials	10.3	15.7
Healthcare	8.3	11.8
Industrials	5.2	5.2
Information Technology	0.9	-3.1
Materials	6.1	1.2
Telecommunication Services	4.0	-1.1
Utilities	1.2	-2.2

This table shows quarter-to-date and year-to-date price changes for each sector.
Source: Morgan Stanley Capital International

The Morgan Stanley Capital International (MSCI) EAFE Index experienced a steady improvement in returns during Q3: 1.2 percent in July, 2.7 percent in August and 3.0 percent in September. September also marked the Index's fourth consecutive monthly increase, following the markets' sharp declines in May. Year to date since December 2011, the Index has risen more than 10 percent.

The majority of countries that comprise the MSCI EAFE Index posted positive gains throughout Q3, on a month-by-month and quarterly basis. The eurozone periphery* fared poorly at the beginning of Q3. Spain, Ireland and Italy posted -6.8 percent, -6.2 percent and -5.4 percent declines in July 2012. Declines reversed in August on the back of the ECB's comment that it would do whatever it takes to support the euro. The ECB later softened that statement, but markets held on to gains for the month and continued to appreciate across the board in September. Ireland (-1.6 percent) and Japan (-0.8 percent) were the only Index countries to post losses in Q3.

Small caps outperformed their mid- and large-cap peers and growth outperformed value, with the exception of large-cap value outperforming large-cap growth stocks. All sectors gained during Q3, and only three sectors, Information Technology (-3.1 percent), Energy (-2.3 percent) and Telecommunication Services (-1.1 percent), are in negative territory year-to-date.

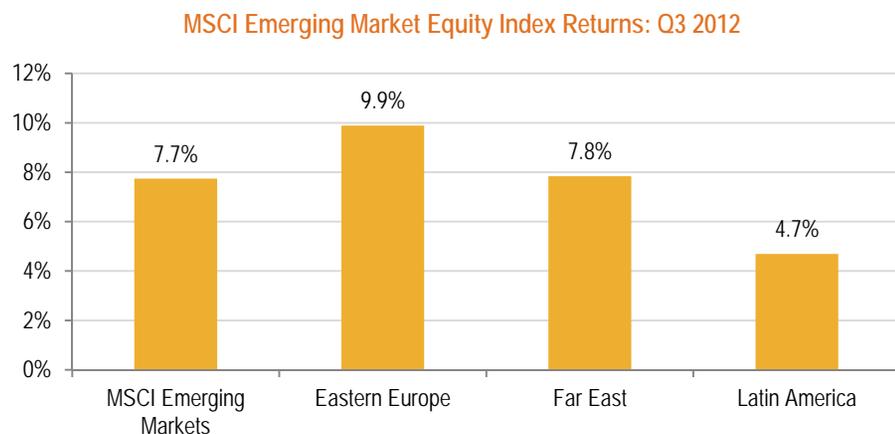
* The eurozone periphery includes Greece, Cyprus, Spain, Portugal, Italy and Ireland.

Investment Performance: Emerging Market Equities

This section presents data and Segal Rogerscasey's commentary on emerging market (EM) equity returns and analyzes sector performance for Q3 2012.

Emerging Market Equity Returns

The graph below illustrates Q3 2012 rates of return for selected emerging market equity indices. The table shows returns for the latest quarter, one-, three-, five- and 10-year annualized timeframes. All data in the table are percentages, and all are shown from the USD perspective.



MSCI Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
EM (All)	7.74	11.98	16.93	5.63	-1.28	17.00
EM Eastern Europe	9.89	13.46	17.21	4.07	-7.88	14.36
EM Far East	7.84	12.74	19.28	6.92	-1.45	14.16
EM Latin America	4.69	4.19	13.27	2.70	0.40	24.54

Source: Morgan Stanley Capital International

Index and Sector Performance

MSCI EM Index Sector Performance – Q3 2012

	QTD (%)	YTD (%)
Consumer Discretionary	10.5	11.9
Consumer Staples	7.0	16.6
Energy	10.8	4.9
Financials	7.2	14.1
Healthcare	11.1	27.0
Industrials	4.6	11.0
Information Technology	10.7	22.0
Materials	5.3	6.8
Telecommunication Services	7.7	13.2
Utilities	-0.5	4.8

This table shows quarter-to-date and year-to-date price changes for each sector.

Source: Morgan Stanley Capital International

Following the sharp selloff in Q2, emerging equity markets rebounded significantly in Q3. The MSCI EM Index gained 7.7 percent. The Index rose a more subdued 5.9 percent in local currency terms.

All regions within the emerging markets posted strong gains during Q3, led by Eastern Europe (9.9 percent) and the Far East (7.8 percent). The best-performing countries within those regions were Poland (12.3 percent) and Thailand (11.1 percent). Egypt (22.6 percent) was the best-performing country of the Index. Latin America increased marginally less than Eastern Europe and the Far East. Morocco (-3.4 percent) posted Q3's only loss; Chile (1.2 percent), Colombia (2.3 percent) and Peru (2.9 percent) gained the least.

Continuing the positive trend seen in rest of the emerging markets, investors favored both cyclical and defensive sectors* in Q3. The best-performing sectors were Healthcare (11.1 percent), Energy (10.8 percent) and Information Technology (10.7 percent). Utilities (-0.5 percent) was the only sector to decline during Q3.

* Cyclical sectors include industries that tend to be heavily impacted by economic shifts. These industries, such as Information Technology and Financials, provide non-essential products and services to consumers and see increased sales in stronger economies and decreased sales in weaker economies. Defensive sectors include industries that tend to remain relatively stable during economic shifts, such as Healthcare and Utilities, because consumers need the products and services these industries provide regardless of market conditions.

Investment Performance: U.S. Fixed Income

This section focuses on selected United States fixed-income asset class data along with Segal Rogerscasey's commentary on option-adjusted spreads (OAS), the yield curve and credit spreads during Q3 2012.

Fixed-Income Index Returns

The graph below illustrates Q3 2012 rates of return for selected fixed-income indices. The table shows returns for the latest quarter, one-, three-, five- and 10-year annualized timeframes. All data in the table are percentages.



* "BarCap" is an abbreviation for Barclays Capital

** "WGBI" stands for World Government Bond Index

Sources: Barclays, eVestment Alliance and Hueler Analytics

Fixed Income Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
BarCap* Aggregate	1.59	3.99	5.16	6.19	6.53	5.32
BarCap* Govt/Credit	1.73	4.43	5.66	6.50	6.63	5.39
BarCap* Intermediate Govt/Credit	1.40	3.53	4.40	5.18	5.71	4.76
BarCap* L/T Govt/Credit	3.10	8.30	11.08	12.47	10.90	8.11
BarCap* Government	0.60	2.08	2.95	5.15	6.01	4.74
BarCap* Credit	3.54	8.25	10.09	8.73	7.90	6.45
BarCap* Inv Grade CMBS	3.83	8.35	11.67	12.39	7.62	5.79
BarCap* Mortgage	1.13	2.80	3.71	4.99	6.35	5.24
BofA ML US High Yield Master II	4.61	12.02	18.94	12.62	9.07	10.78
Citigroup Non-U.S. WGBI** (Unhedged)	3.98	3.96	3.46	4.02	6.56	7.27
Citigroup 3-Month T-Bill	0.02	0.05	0.05	0.09	0.64	1.73
Hueler Stable Value	0.55	1.73	2.36	2.78	3.29	3.97

Option-Adjusted Spreads

OAS* in Bps

	3/31/12	6/30/12	9/30/12	10-Year Average
U.S. Aggregate Index	64	77	49	71
U.S. Agency (Non-mortgage) Sector	20	21	16	37
Mortgage and Asset-Backed Securities Sectors:				
U.S. Agency Pass-Throughs	52	76	24	56
Asset-Backed Securities	65	59	44	150
Commercial Mortgage-Backed Securities	221	235	155	243
Credit Sectors:				
U.S. Investment Grade	176	199	156	175
Industrial	148	172	143	162
Utility	159	180	152	167
Financial Institutions	227	253	179	198
U.S. High Yield	576	615	551	589

* OAS is the yield spread of bonds versus Treasury yields taking into consideration differing bond options.

Source: Pacific Investment Management Company using Barclays Capital data

The Fed's quantitative easing actions and positive economic data at the end of Q3 encouraged investors to take risks at the end of the quarter. U.S. fixed income spreads tightened across the board in Q3. Spread sectors all posted positive absolute returns and positive returns relative to Treasuries of the same duration.

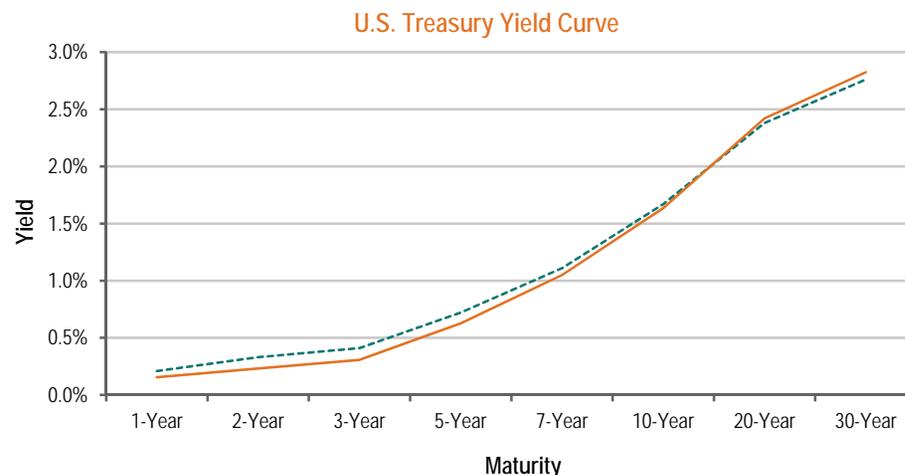
U.S. mortgage-backed securities (MBS) was the direct beneficiary of the Fed's new round of quantitative easing. According to Freddie Mac, the 30-year fixed-rate mortgage rate dropped in September to a new historic low of 3.4 percent.

Commercial mortgage-backed securities (CMBS) was the best-performing BarCap Aggregate sector in Q3 and remains the top-performing sector over the twelve months that ended in September. It has posted year-to-date performance of 8.4 percent.

Yield Curve

The FOMC announced its third round of quantitative easing, nicknamed "QE3," in an effort to provide continued support to the U.S. economy amid stagnant growth and a weak labor market. The indefinite time frame of this monetary policy is unprecedented and notable: the Fed will buy roughly \$40 billion of agency MBS on an open-ended, monthly basis until it sees improvement in the labor market. The Fed also extended its commitment to keep short-term interest rates near zero until 2015.

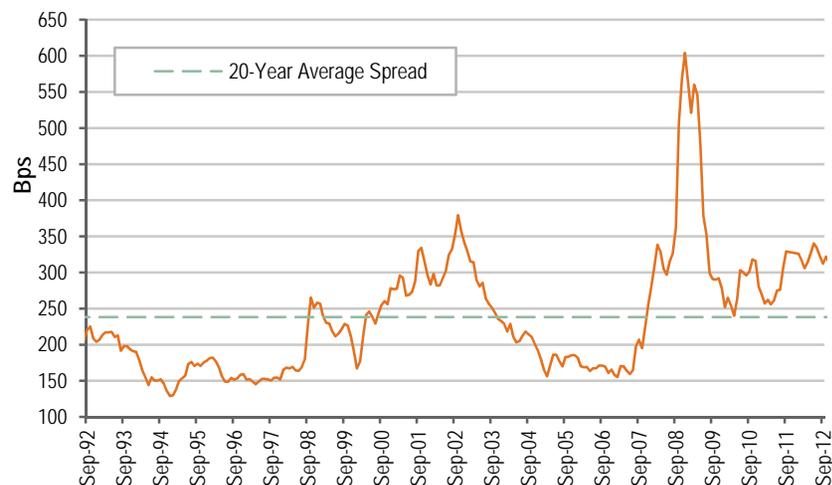
These policy actions led to a slight rise in the level of Treasury rates as they encouraged "risk-on" investor behavior. However, they did not have a significant effect on the yield curve because investors were anticipating them and to some extent were skeptical over the impact another stimulus package would have on the economy. The spread between 2- and 30-year yields widened by 16 bps and stood at 2.59 percent at the end of Q3. Overall, the minor change in the yield curve over Q3 masks its intra-quarter volatility. The 10-year yield hit a record low of 1.38 percent in July, but ended the quarter at 1.6 percent in September.



Source: Treasury Department

Credit Spreads Narrow

Moody's Corporate-Treasury Bond Spread Baa 10-Year Constant Maturities



Source: Moody's Economy.com

Investment-grade credit spreads narrowed by 28 bps during Q3 2012, ending the quarter 312 bps over Treasuries, as shown in the adjacent graph. Spreads continue to remain higher than their 20-year average of 238 bps. Although issuance for investment-grade corporate bonds was strong, it was met with robust demand due to investor optimism and preference for risk assets. This led to spread tightening. Financials outpaced industrials and utilities.

High yield bonds continued to post solid returns. The Bank of America Merrill Lynch High Yield Master II Index gained 4.6 percent in Q3, outperforming all U.S. fixed-income spread sectors. CCC bonds outperformed higher quality bonds as investors moved further along the risk spectrum because of the supportive monetary policy. Continued strong corporate fundamentals and investor thirst for yield also supported the sector's strong returns.

Investment Performance: Non-U.S. Fixed Income

This page focuses on international fixed-income asset class data and information on emerging markets debt for Q3 2012.

International Fixed Income

In Q3, global sovereign bonds, as measured by the Citigroup World Government Bond Index (WGBI), gained 1.4 percent in local currency terms and 3.0 percent on an unhedged basis.

Non-U.S. government bonds, as measured by the Citigroup Non-U.S. WGBI, outperformed U.S. government bonds by 122 bps in local currency terms and by 343 bps in unhedged currency terms. (For information on how major world currencies fared in Q3, see page 13.)

The BarCap Global Aggregate Index, which includes spread sectors, returned 3.3 percent, outperforming the sovereign-only Citigroup WGBI Index by 28 bps on an unhedged basis.

Troubles in the eurozone periphery continued to drive market risk, but sovereign yield spreads were supported by aggressive ECB actions. The ECB cut its benchmark policy rate by 25 bps, the president of the ECB promised to do “whatever it takes” to preserve the euro, and the ECB approved a measure to allow the purchase of unlimited amounts of the sovereign bonds of struggling eurozone countries. Spanish yields were highly volatile and the yield on the 10-year bonds reached a record high of 7.7 percent until the ECB actions pushed them down to the 6 percent range. Both Italian and German 10-year yields also tightened during the quarter, closing at 5.1 percent and 1.4 percent, respectively.

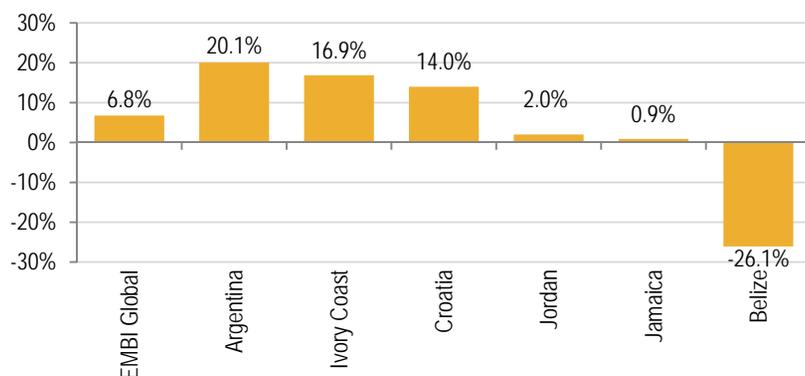
Citigroup WGBI: Returns of Major Constituents (%)

Country	Local Currency Return (Qtr)	Currency Effect	Unhedged Total Return (Qtr)
United States	0.6	-	0.6
Canada	0.4	3.6	4.0
Australia	1.1	1.5	2.6
Japan	0.5	2.6	3.1
Austria	3.4	1.4	4.8
Belgium	4.9	1.3	6.3
France	3.6	1.4	5.0
Germany	1.3	1.4	2.7
Italy	5.7	1.3	7.1
Netherlands	2.5	1.4	3.9
Spain	3.8	1.3	5.2
United Kingdom	1.1	3.0	4.1
Non-U.S. Govt.	1.8	2.2	4.0
World Govt. Bond	1.4	1.6	3.0

Sources: Citigroup and Barclays Capital

Emerging Markets Debt

J.P. Morgan EMBI Global Index Best and Worst-Performing Markets



Source: J.P. Morgan

In Q3, emerging markets debt (EMD), as measured by the J.P. Morgan EMBI Global Index, rose 6.8 percent. Emerging market sovereign yield spreads narrowed by 66 bps to finish Q3 at 308 bps.

Mexico, Russia and Venezuela, the three largest components of the J.P. Morgan EMBI Global Index, returned 4.2 percent, 6.9 percent and 13.6 percent, respectively. Venezuela's bonds rallied on higher oil prices and hopes that Hugo Chavez would lose October's presidential election to opponent Henrique Capriles. The three best-performing and three worst-performing countries within the same index are shown in the chart at left.

The J.P. Morgan GBI-EM Global Diversified (Unhedged) Index, the local currency debt benchmark, rose 4.8 percent. Local currency bonds underperformed their dollar-denominated counterparts as emerging market currencies continued to show weakness against the USD. As was the case in Q2, many emerging market central banks enacted further monetary easing in light of developed market troubles and signs of slowdown in China and other emerging market economies.

Investment Performance: Commodities and Currencies

This page presents performance information about commodities and major world currencies as of Q3 2012.

Commodities

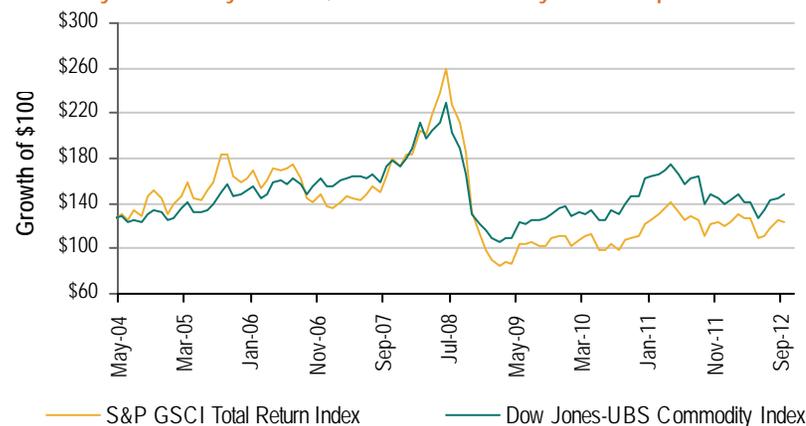
Commodities	Q3 Level	QTD (%)	YTD (%)	12-Month Low	12-Month High	5-Year Average
Copper (USD/tonne)	8,205	6.8	8.0	6,735	8,740	7,262
Corn (USc)	756	12.5	17.0	552	831	523
Gold (USD/oz)	1,772.1	10.9	13.3	1,539.6	1,795.1	1,218.7
Wheat (USc)	903	22.1	38.3	574	943	674
WTI Crude (/barrel)	92.19	8.5	-6.7	75.67	109.77	86.3

Q3 was a positive quarter for commodities, driven largely by the significant actions of the Fed and the ECB to support growth and reduce systemic risk. Although precious metal prices displayed strong gains, industrial metals, such as copper, lagged behind due to European sovereign risk, the U.S. fiscal cliff* and the slowdown in Chinese manufacturing. Agricultural commodities continued their stellar run with wheat having another strong quarter due to supply and demand imbalances. Oil also performed strongly, but continues to lag behind other commodities on a year-to-date basis due to the ongoing economic turmoil in Europe and lower global growth expectations.

The adjacent graph shows the major commodity indices, the S&P GSCI** Index and the Dow Jones-UBS Commodity*** Index. Overall, commodity performance was strong during Q3, which was in line with other volatile securities, as investors added risk to their portfolios.

*The U.S. fiscal cliff refers to the end of a variety of tax cut provisions plus the beginning of certain federal government spending reductions agreed to as part of 2011's debt ceiling compromise. The tax increases and spending cuts written into current law may lead to a recession if Congress does not act upon them by January 1, 2013.

Monthly Commodity Returns, Growth of \$100: May 2004 – September 2012



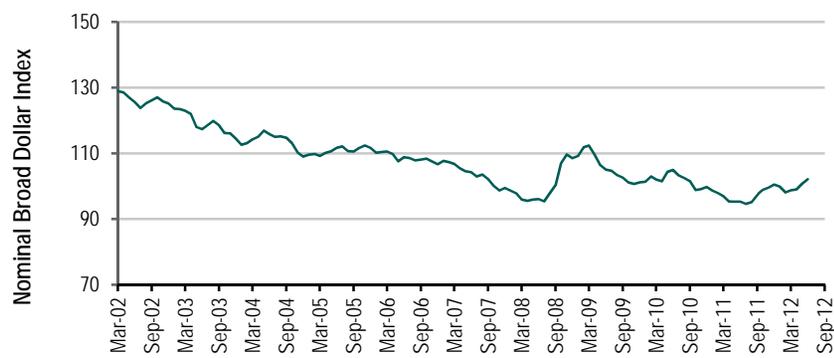
** The S&P GSCI Index is calculated primarily on a world production-weighted basis and is composed of the principal physical commodities that are the subject of active, liquid futures markets.

*** The DJ-UBSCI is composed of futures contracts on physical commodities, with weighting restrictions on individual commodities and commodity groups to promote diversification.

Sources: eVestment Alliance and Deutsche Bank

Currencies

Nominal Broad Dollar Index: USD vs. Basket of Major Trading Partners



Sources: Federal Reserve and Bloomberg

USD Major Trading Partners	Pairs	Q3 Level	YTD (%)	5-Year Average
Canada	USD/CAD	0.984	-3.65	1.048
Eurozone	USD/EUR	0.778	0.73	0.729
Japan	USD/JPY	77.96	1.37	91.845
Switzerland	USD/CHF	1.064	-0.18	1.057
U.K.	USD/GBP	0.619	-3.81	0.606

The adjacent graph shows the USD against a basket of 16 major market currencies, including those listed in the table above: the Canadian dollar (CAD), the Swiss franc (CHF), the British pound-sterling (GBP), the Japanese yen (JPY) and the euro (EUR).

In Q3, the CAD, EUR, JPY, and GBP appreciated against the USD due to the announcement of latest round of quantitative easing by the Fed. The EUR also strengthened due to the policy action of the ECB, which allayed investors' concerns that the eurozone might eventually break up.

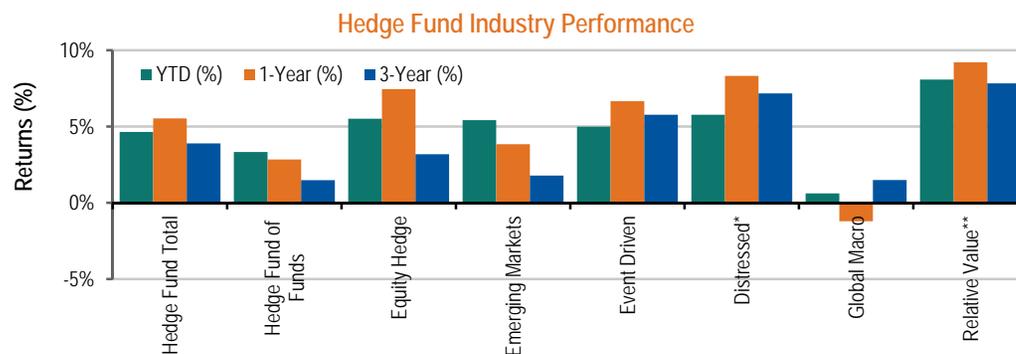
Investment Performance: Hedge Funds

This section provides an overview of hedge fund results along with an analysis of strategy performance during Q3 2012.

Hedge Fund Overview

The Hedge Fund Research, Inc. (HFRI) Fund Weighted Composite Index returned 2.9 percent in Q3 2012 and increased 4.7 percent year-to-date. After a disappointing Q2, hedge funds rebounded in Q3, with much of the outperformance coming in September, hedge funds' strongest month this year since February. All major strategies are in positive territory year-to-date, except for short-biased funds, which were hurt amidst the equity market rally.

Hedge funds of funds also posted gains in Q3, as represented by the HFRI Fund of Funds (FOF) Composite Index's 2.3 percent increase. The HFRI FOF: Conservative Index and the HFRI FOF: Market Defensive Index slightly underperformed this broader index, each with approximately 1.7 percent returns due to their more conservative positioning.



* Distressed funds focus on companies that are close to or in bankruptcy.

** Relative-value funds focus on arbitrage opportunities between equity and fixed income securities.

Source: Hedge Fund Research, Inc.

Strategy Analysis

HFRI Index Returns – Q3 2012 (%)

	July	Aug	Sep	QTD	YTD
Fund of Funds Composite	0.8	0.8	0.8	2.3	3.3
FOF: Conservative	0.6	0.7	0.3	1.7	2.4
FOF: Diversified	0.9	0.7	0.6	2.1	3.3
Fund Weighted Composite	0.9	0.9	1.1	2.9	4.7
Equity Hedge (Total)	0.3	1.2	1.9	3.5	5.5
Equity Market Neutral	0.6	0.5	0.1	1.2	2.1
Short Bias	0.0	-4.1	-3.7	-7.8	-13.7
Event-Driven (Total)	0.5	1.1	1.1	2.7	5.0
Distressed/Restructuring	0.6	1.3	1.2	3.1	5.8
Merger Arbitrage	0.1	0.4	0.1	0.5	1.6
Relative Value (Total)	1.2	1.1	1.3	3.7	8.1
FI-Convertible Arbitrage	0.8	1.1	1.1	3.0	7.2
Global Macro (Total)	2.0	-0.2	-0.3	1.6	0.6
Emerging Markets (Total)	0.6	0.8	3.1	4.6	5.4

Source: Hedge Fund Research, Inc.

As investor sentiment improved due to additional U.S. stimulus efforts and improvements in Europe, equity-sensitive hedge fund strategies outperformed, led by emerging markets strategies. The HFRI Emerging Markets Index gained 4.6 percent, making it the top-performing strategy in Q3. The HFRI Equity Hedge Index returned 3.5 percent. Equity hedge managers began the quarter with more conservative net exposures, but were able to increase exposures slightly in September to catch some of the market upside. Year-to-date performance of Equity Hedge and Emerging Markets is positive: 5.5 percent and 5.4 percent, respectively.

Relative value funds remained the top-performer year to date with an 8.1 percent gain. In Q3, the HFRI Relative Value Index increased 3.7 percent as strong equity, credit and M&A activity provided a favorable market backdrop. Within relative value, managers with asset-backed exposures posted the strongest gains throughout the period, returning 5.8 percent. Convertible arbitrage managers benefited from declining equity market volatility and tightening credit spreads, returning 3.0 percent in Q3.

The HFRI Macro Index rose 1.6 percent during Q3, largely driven by gains in July. August and September were challenging months for macro strategies as commodities weakened and equity markets strengthened in the U.S. and Europe. Discretionary managers* may not have been positioned for the strong market rally following the FOMC's quantitative easing announcement, while systematic macro** managers suffered slightly more as trends weakened and commodities prices dropped.

The HFRI Event-Driven Index gained 2.7 percent as volatility fell throughout the quarter. Performance was broadly distributed across each month. Sub-strategies within event-driven, including distressed, activist and special situations, all posted positive returns.

* Discretionary macro managers rely on fundamental research to select individual investments.

** Systematic macro managers use quantitative models to determine trends in asset classes and make investment decisions.

Investment Performance: Private Equity

This section provides data on private equity industry performance, fundraising, buyout funds, initial public offering (IPO) activity and venture capital. The information shown below reflects the most recent private equity data available.

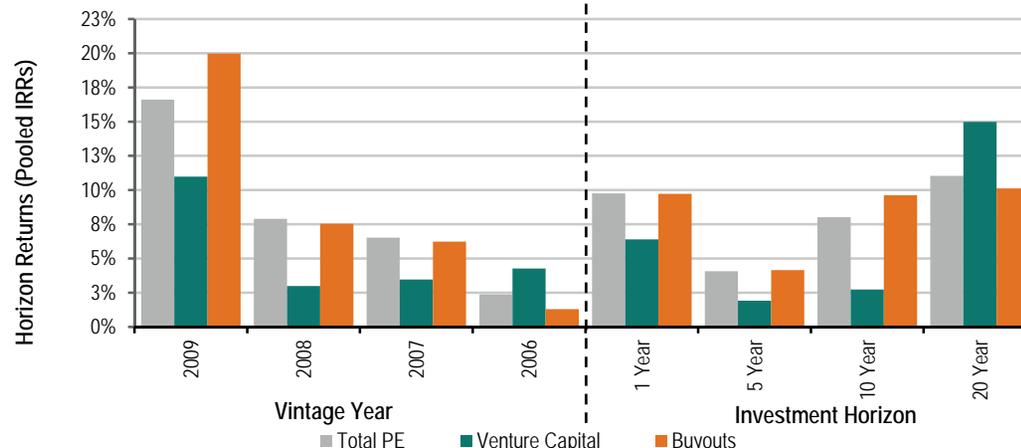
Private Equity Industry Performance

The adjacent graph shows private equity fund performance as of Q1 2012 (the most recent data available), calculated as pooled internal rates of return (IRR) of funds reporting to Thomson One. Performance for 2006 through 2009 vintage-year funds, as well as one-, five-, 10-, and 20-year returns are calculated for funds in the following categories: venture capital, buyout funds and all private equity. All strategies have pulled out of negative territory for each vintage year.

Private equity funds for all regions returned approximately 5.1 percent in Q1. This includes performance across all venture capital (seed/early, later and balanced stages) and buyout funds (small, medium, large, mega and generalist). Over a 20-year period, all private equity, buyouts and venture capital funds outperformed most major asset classes, returning 11.0 percent, 10.1 percent, and 15.0 percent, respectively.

* "Vintage year" refers to the first year capital was committed in a particular fund.

Private Equity Performance by Vintage Year and Investment Horizon: All Regions

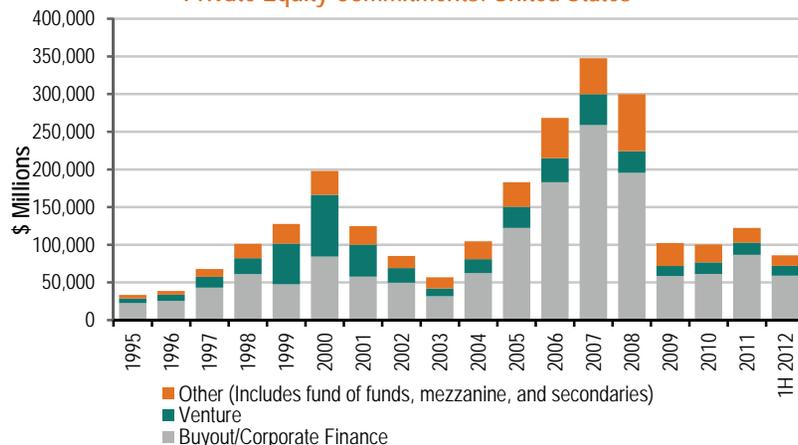


* Vintage-year performance is calculated as the median percentile returns of all funds reporting as pooled IRRs.

Source: Thomson Reuters

Private Equity Overview

Private Equity Commitments: United States



Source: *The Private Equity Analyst*

According to *The Private Equity Analyst*, private equity firms in the U.S. raised \$86.0 billion across 235 funds during the first half of 2012, which reflected a 27 percent increase in dollars raised when compared to the \$67.6 billion raised by 245 funds during the first half of the prior year. However, fundraising is still substantially lower than the pre-financial crisis levels, which peaked at \$350 billion in 2007, as shown in the adjacent graph.

Buyout funds gathered the most assets during the first six months of 2012, representing a 30 percent increase over the same period in 2011. Venture capital and other private equity firms also raised more during the period, representing a 24 percent and 12 percent increase, respectively, over the equivalent period one year earlier.

Venture-backed IPO activity marked its strongest quarter on record by amount of dollars raised: \$17.1 billion. However, by the number of deals, volume fell 17 percent compared to the first half of 2011. Buyout exit activity was mixed in the first half of 2012, with only 23 IPOs and 193 M&A transactions completed compared to the 15 IPOs and 214 M&A transactions completed during the first half of 2011. Venture capital firms invested \$13.0 billion in 1,707 deals during the first half of 2012, while buyout firms completed 506 transactions, representing the same activity levels compared to the first half of 2011 for both strategies.

Investment Performance: Real Estate

This section presents data and Segal Rogercasey's commentary on private, public, value-added and opportunistic real estate. The information shown below reflects the most recent data available.

Private Real Estate

The National Council of Real Estate Investment Fiduciaries (NCREIF) Property Index (NPI) gained 2.3 percent during Q3. The total return is composed of 1.4 percent income and 0.9 percent property-level appreciation. Over the trailing one-year period, the Index gained 11.0 percent, composed of 4.9 percent property-level appreciation and 5.9 percent income.

In the U.S., the West performed the best during Q3 and over the last 12 months.

Most Western markets' operating fundamentals continue to improve slowly, as rents and occupancy levels have been recovering gradually; however, significant risks remain, such as the slow pace of the recovery and the potential for a recession in Europe. Shorter-lease-term sectors such as apartments, hotels, storage and high-end malls in the U.S. have generated the strongest operating performance. Investor demand for high-quality assets with secure income streams remained strong while secondary assets continued to experience wide bid-ask spreads*.

* A "bid" is the offer price from a buyer and an "ask" is the requested price from a seller. Currently, the bid-ask spread, or the difference between the two, is large enough that few secondary asset transactions have been taking place.

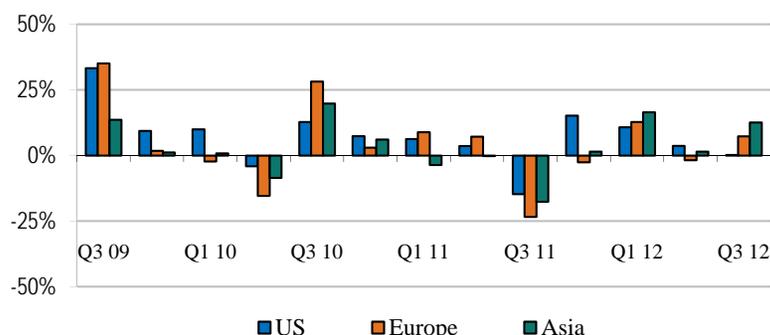
National Property Index Sector and Region Performance

	Ending Weight (%)	Returns as of Q3 2012	
		QTD (%)	1 Year (%)
NCREIF NPI Total Return	100.0	2.3	11.0
Sector			
Apartment	25.2	2.4	12.0
Hotel	2.6	2.1	8.1
Industrial	14.2	2.3	11.1
Office	35.1	2.3	9.9
Retail	22.8	2.3	12.1
NCREIF Region			
East	33.5	2.1	9.8
Midwest	10.0	2.3	10.3
South	22.0	2.3	11.3
West	34.5	2.7	12.2

Source: National Council of Real Estate Investment Fiduciaries

Public Real Estate

Regional Real Estate Securities Performance



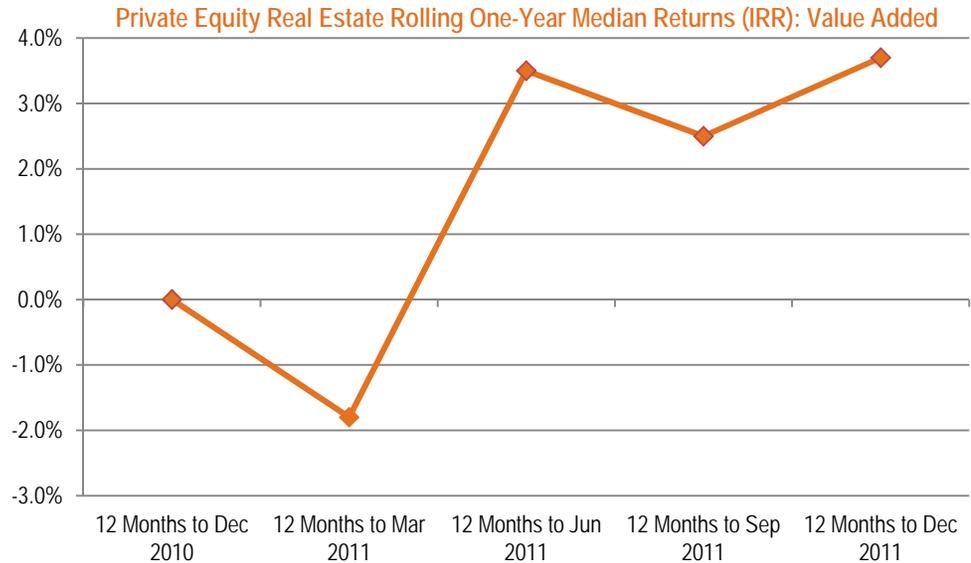
Source: National Association of Real Estate Investment Trusts

Property stocks generally reflected the broader equity market movements in Q3, rising 5.5 percent on a global basis. Asia (12.6 percent) outperformed Europe (7.3 percent) and the U.S. (0.2 percent), as measured by the FTSE EPRA/NAREIT indices. Sector performance in the U.S. was mostly positive: Industrial (5.5 percent), Shopping Centers (4.5 percent), Mixed Office and Industrial (1.3 percent) and Health Care (0.8 percent) outperformed the broader index, while Apartments (-3.9 percent), Diversified (-1.7 percent) and Lodging (-0.2 percent) underperformed. Nevertheless, the performance of U.S. REITs lagged broader equities due, in part, to significant equity issuance during the quarter.

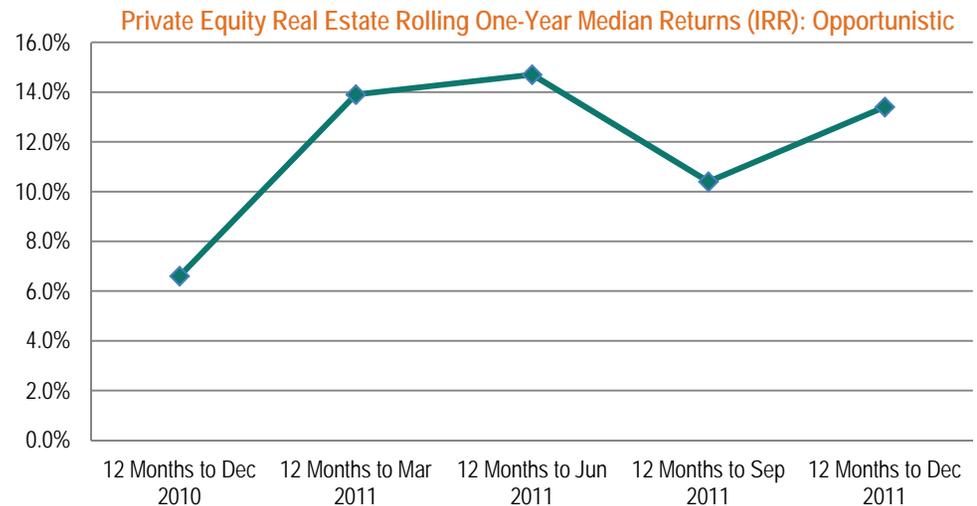
In Europe, Italy (19.0 percent), Sweden (15.0 percent), Norway (11.8 percent) and Finland (9.0 percent) posted strong gains in Q3 while the Netherlands (-1.0 percent), Belgium (0.2 percent) and Switzerland (0.5 percent) lagged behind. In Asia, Hong Kong (17.7 percent) and Singapore (17.0 percent) increased sharply. Japan (8.7 percent) and Australia (8.2 percent) performed well but trailed the region as a whole.

Value-added funds focus on buying properties that require some level of operational or physical improvements. Opportunistic funds focus on buying properties that require a significant level of operational or physical improvements. Opportunistic funds typically utilize high leverage, take on more market risk and may invest domestically and/or internationally. Value-added funds generally fall somewhere between core funds, which utilize low leverage and invest domestically in stabilized assets, and opportunistic funds.

The adjacent charts show performance of all U.S. value-added and opportunistic real estate funds reporting to Preqin Real Estate and performance numbers reflect the most up-to-date performance information available (Q4 2011). Overall, the performance of opportunistic funds has exceeded that of value-added funds for some time due to their relative risk/return characteristics as well as the sizable market opportunity for opportunistic strategies that resulted from the global financial crisis and subsequent market dislocation. Recent performance data for value-added and opportunistic funds from NCREIF and the Townsend Group shows the performance spread narrowing to less than 1 percent between value-added (i.e., 6.4 percent) and opportunistic funds (i.e., 5.5 percent) in the first half of 2012, as stabilizing property markets have begun to offer value-added funds more attractive investment opportunities.



Source: Preqin Real Estate



Source: Preqin Real Estate

Noteworthy Developments

Segal Rogerscasey finds the following developments to be noteworthy for institutional investors.

Average Annual Change in Mean Family Income

The adjacent graph illustrates the average annual change in mean income by quintile and for the top 5 percent of American families from 1950 to 2010. The following commentary offers a decade-by-decade analysis of this data.

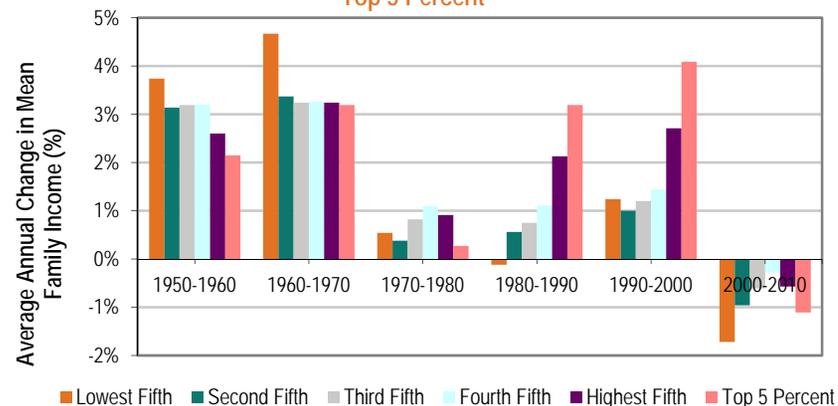
The U.S. experienced rapid growth during the postwar periods of the 1950s and 1960s, which benefited the middle and lower classes. In particular, the lowest (poorest) fifth of all households experienced the highest income growth during these periods.

During the 1970s and 1980s, overseas competition cut into blue-collar wages and jobs.

Financial markets started to roar during the 1980s and the top 20 percent saw an increase in pay when domestic growth returned. Most specifically, the top 5 percent experienced exceptional income growth during the 1980s and 1990s, while the lowest fifth saw a decrease in income during the 1980s. This income gap remains today.

For the most part, each decade through the 1990s ended with family incomes that were higher than they were at the start, but after two recessions and years of slow growth, this is no longer the case. Families in the U.S. had lower incomes and less wealth in 2010 than they did in 2000, with the bottom fifth and top 5 percent taking the biggest hits during this period.

Average Annual Change in Mean Family Income, 1950-2010 by Quintile and for the Top 5 Percent



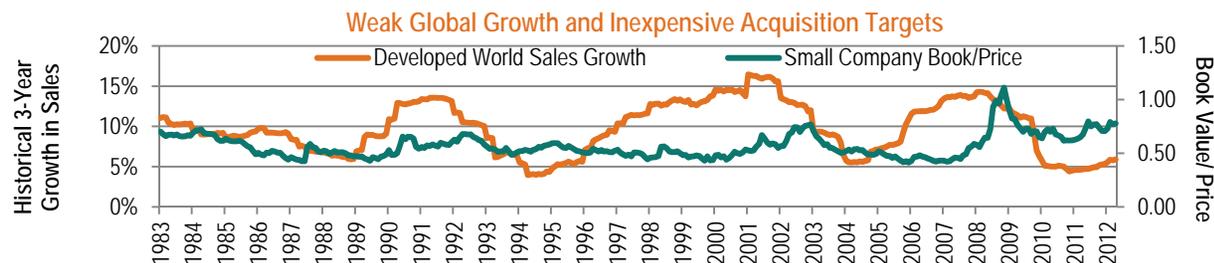
Source: U.S. Census Bureau

Potential for a New Cycle of M&A Activity

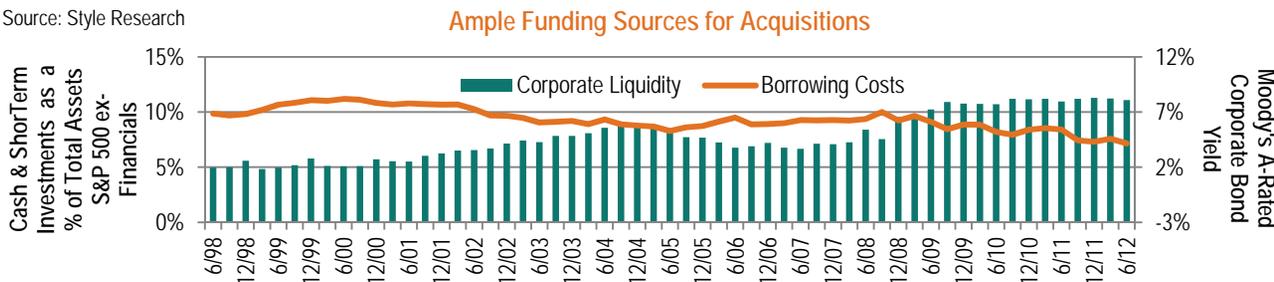
The adjacent graphs demonstrate a potentially ripe market for M&A activity, yet a significant increase in acquisitions has not taken place. Possible factors include aversion to risk, especially liquidity risk, globalization/cultural issues and/or general uncertainty in the marketplace.

It is possible this pent-up demand could be a boon for small-cap shares (often the acquisition targets). Segal Rogerscasey's August 2012 *Investment Focus*, "Expanding Investment Horizons through Global Equities,"** noted that the small-stock premium is typically much more robust in periods of economic expansion than in periods of economic contraction. Consequently, one conclusion of Segal Rogerscasey's 2012 position paper, "European Condition: Implications for 2012 and Beyond,"** still holds: "Rebalance back to strategic weights for small caps by end of 2012."

* That paper is available on the following page of the Segal Rogerscasey website: www.segalrc.com/pubs/focus/geq82012.pdf
 ** That paper is available on the following page of the Segal Rogerscasey website: <http://www.segalrc.com/publications-and-resources/archives/dmdocuments/2012position.pdf>



Source: Style Research

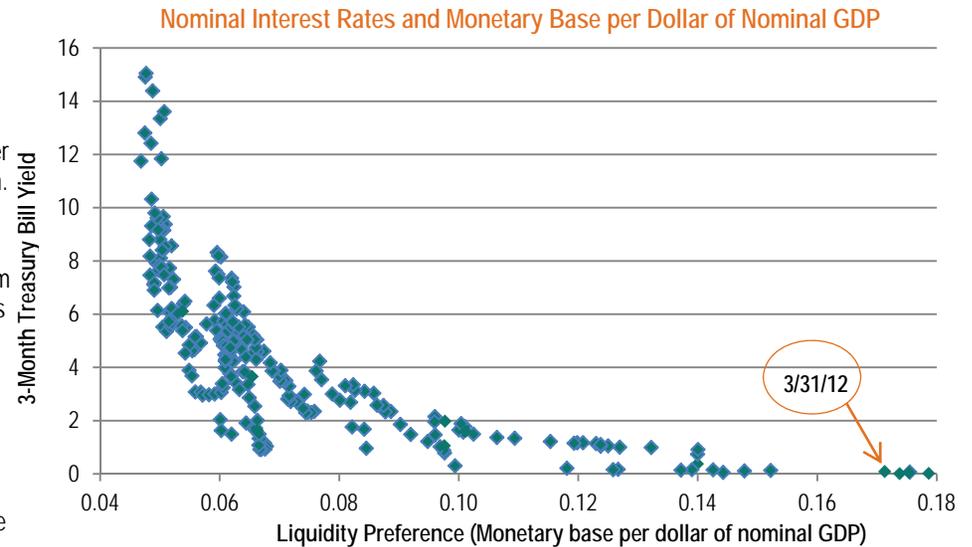


Source: FactSet

The Limits of Monetary Policy

The liquidity preference represents the amount of money people are willing to hold. It has a reasonably predictable relationship to short-term interest rates because the opportunity cost of holding cash is essentially the interest foregone. The lower interest rates become, the more cash people tend to hold, and, conversely, the more the velocity of money tends to slow. The liquidity preference has been at extreme levels since the financial crisis. The monetary base per dollar of nominal GDP stood at \$0.17 on March 31, 2012, the date circled in the adjacent graph. All the readings above \$0.14 have been since the crisis. Prior to the crisis, the last time the monetary base per dollar of nominal GDP exceeded \$0.10 was in mid-1954.

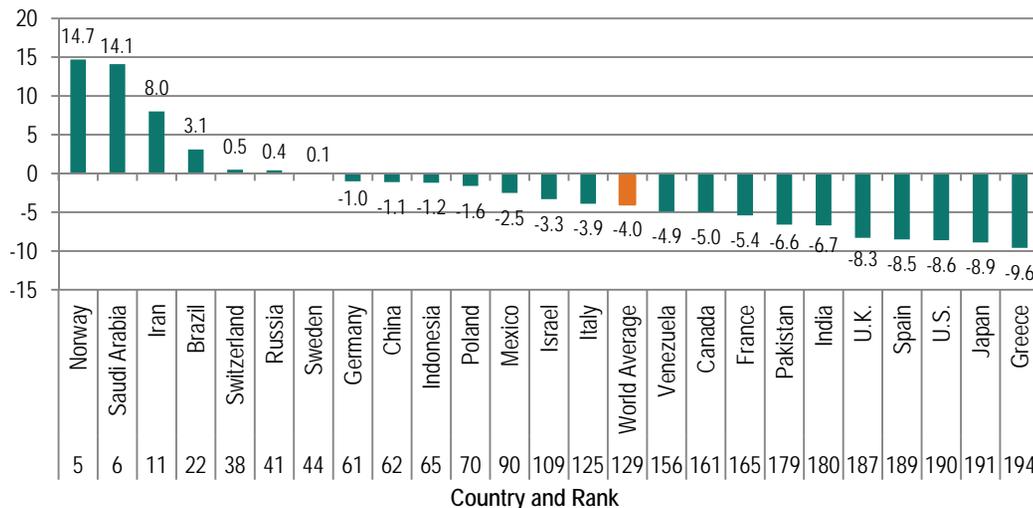
The acceptance of near-zero interest rates has allowed the monetary base to almost triple (from \$893 billion on July 1, 2008 to \$2,651 billion on April 1, 2012) without any inflationary pressures developing. This passive acceptance contrasts with periods of hyperinflation when the velocity of money increases to such an extent that prices rise faster than the money supply. Returning to a more normal liquidity preference level requires either a substantial reduction in the monetary base, sufficient GDP growth to match a tripling of the monetary base, or inflation. A relatively small increase in interest rates would require a massive contraction in the monetary base to avoid strong inflationary pressures developing. Should the acceptance of near-zero interest rates wane, the only non-inflationary response for the Fed will be to contract its balance sheet rapidly to mop up the excess money supply.



Sources: Bureau of Economic Analysis and the St. Louis Federal Reserve

Country Balance Sheets

Country Comparison: Budget Surplus or Deficit (as % of GDP)*



The adjacent graph compares selected countries' surpluses or deficits, which are presented as a percentage of each country's GDP. The numbers below the country names in the graph show how the countries' budgets rank.

Out of 211 countries, the United States' budget ranks 190, and has a worse deficit than some of the eurozone countries that are famous for their recent financial troubles: Italy (ranked 125), France (165) and Spain (189). Even Greece (194), arguably the developed world's worst financial offender, is not too far behind the U.S.

The U.S. and the eurozone are not the only developed regions in the red. The United Kingdom and Japan are also having difficulty balancing their budgets. Conversely, emerging markets are doing well versus the world average: Brazil (22), Russia (41), China (62) and Poland (70).

European countries outside of the eurozone have some of the better balance sheets versus the world: Norway (5), Switzerland (38) and Sweden (44).

*Data as of 2011

Source: Central Intelligence Agency's *The World Factbook*

Executive Summary as of September 30, 2012

Combined Providers – Total Assets

- The Total Plan assets totaled \$472 million as of September 30, 2012. This represented an increase of \$14.3 million (3%) during the third quarter of 2012.
- The majority of Plan assets were invested 45% in the Hartford General Account, 6% in the ING Stable Value Account, 6% in the Hartford Mid Cap HLS fund, 5% in the INVESCO Van Kampen Equity and Index Fund (Balanced Option), and 4% in the Vanguard Institutional Index Fund (S&P Index Option). The other investment options each held less than 5% of the Plan's total assets.
- Target date funds' assets totaled \$43 million and accounted for 10% of Total Plan assets.

Deferred Compensation - Hartford

- The Hartford Plan assets totaled \$364.3 million as of September 30, 2012. This represented an increase of \$9.5 million (2.6%) during the third quarter of 2012.
- Total Hartford Plan assets at 9/30/2008 were \$292 million, which represented a net increase of \$72 million over four years.
- The majority of Plan assets were invested 58% in the Hartford General Account. Only 3% of the total Plan assets are invested in the lifecycle funds.

Deferred Compensation - ING

- The ING Plan assets totaled \$108 million as of September 30, 2012. This represented an increase of \$4.8 million (4.5%) during the third quarter of 2012.
- Total ING Plan assets at 9/30/2008 were \$66 million, which represented a net increase of \$42 million over four years.
- The majority of Plan assets were invested 33% in lifecycle funds and 28% in the ING Stable Value Fund.

- At the August Committee meeting a decision was made to terminate the Lazard U.S. Mid Cap Equity Fund under ING and map the assets to the Hartford Mid Cap HLS Fund; thus offering the same mid cap core option for both providers.

Nevada Public Employees' Deferred Compensation Plan Current Investment Structure

Hartford & ING

STYLE

		Value	Blend	Growth
CAPITALIZATION	Large	American Beacon Large Cap Value Inv Allianz NFJ Dividend Value	Vanguard Institutional Index (passive) Victory Diversified Stock I	T. Rowe Price Growth Stock American Funds Growth Fund of America R3 Fidelity Contrafund
	Medium		Hartford Mid Cap HLS Lazard US Mid Cap Equity Open	Munder Mid Cap Core Growth Baron Growth Retail
	SMID		Vanguard Extended Market Index (passive) Lord Abbett Value Opportunities I Oppenheimer Main St Small & Mid Cap Y	Columbia Acorn Fund A
	Small		Keeley Small Cap Value A	Hartford Small Company HLS

Additional Asset Categories within Investment Line-up

Fixed Income/Stable Value

Hartford General Fund
ING Stable Value Fund

Fixed Income/Bond

SSgA US Bond Market INLS
Vanguard Total Bond Market Index

Balanced

Invesco Van Kampen Equity & Income Y
ING T. Rowe Price Capital Appreciation Port I

Socially Responsive Equity

Neuberger Berman Socially Responsible
Parnassus Equity Income

International Equity

American Beacon Intl Equity Index Instl (passive)
Vanguard Developed Markets Index Adm (passive)

International Eq (w/ Emerging Markets exposure)

Dodge & Cox International Stock

Global Equity

Mutual Global Discovery A
American Funds Capital World Growth & Income

Target Date/Lifecycle Funds

Vanguard Target Retirement Income Inv
Vanguard Target Retirement 2015 Inv
Vanguard Target Retirement 2025 Inv
Vanguard Target Retirement 2035 Inv
Vanguard Target Retirement 2045 Inv

Self Directed Brokerage

Schwab SDBA / TD Ameritrade SDBA

Watch List as of September 30, 2012

<u>Fund</u>	<u>Date Put on Watch List</u>	<u>Prior Action</u>	<u>Current Recommendation</u>
American Funds Growth Fund of America (ING)	February 1, 2011	Placed on Watch List due to underperformance.	Fund has improved third quarter (7.3% vs. 6.1%) and year-to-date (17.6% vs. 16.8%) performance. In addition, Fund ranked 22nd and 32nd in its peer universe, respectively. Recommended to remain on Watch List to monitor performance over longer periods.
Hartford MidCap HLS (Hartford)	February 1, 2011	Placed on Watch List due to a change in portfolio management leadership.	Remain on Watch List pending 12/31/2012 review.
Lazard US Mid Cap Equity Fund (ING)	May 1, 2008	Fund terminated at the 6/30/2012 review period. Assets were mapped to the Hartford Mid Cap HLS Fund.	Terminated at 6/30/2012 review.
Munder Mid Cap Core Growth Fund (Hartford)	November 1, 2010	Placed on Watch List due to underperformance.	Remain on Watch List for underperformance of benchmark over all periods.
Oppenheimer Main Street Small & Mid Cap Fund (Hartford)	-	Removed from the Watch List following the 1st quarter of 2012.	
Keeley Small Cap Value Fund (ING)	November 1, 2010	Placed on the Watch List due to underperformance and the level of volatility associated with this fund.	Remain on Watch List due to 5-year performance.
Mutual Global Discovery (Hartford)	February 1, 2010	Placed on the Watch List due to investment team's departure.	Remain on Watch List pending 12/31/2012 review.
Hartford General Account	March 1, 2012	Placed on the Watch List due to the announcement of a pending sale by the Hartford of its retirement business.	

American Funds Growth Fund of America

- The American Funds Growth Fund of America outperformed the Russell 1000 Growth Index over the third quarter of 2012 (7.3% vs. 6.1%) and over the year-to-date period ended September 30, 2012 (17.6% vs. 16.8%).
- Stock selection was beneficial across most sectors, with holdings of industrial firms the only notable detractor, as transportation companies struggled. The fund's holdings in health care companies produced particularly strong results, especially smaller pharmaceutical firms such as Gilead Sciences, although this was partly offset by weaker returns from Allergan and Intuitive Surgical.
- Elsewhere, exploration and production companies like EOG Resources boosted results within the energy company holdings. Stock selection in the telecommunication services sector was also strong, with Sprint Nextel among the top contributors.
- While the fund's holdings of information technology companies also contributed to returns, Groupon, which lost half of its value, was among the top detractors.

Hartford Mid Cap HLS Fund

- The Hartford Mid Cap HLS Fund underperformed the Russell Mid Cap Index over the third quarter of 2012 (4.9% vs. 5.4%); yet, the Fund significantly outperformed its benchmark over the year-to-date period ended September 30, 2012 (16.8% vs. 14.0%).
- The fund underperformed the benchmark as weak security selection in the industrials, consumer discretionary, and information technology sectors more than offset positive security selection in the financials and consumer staples sectors. Sector allocation, a result of the Fund's bottom up stock selection process, contributed positively to relative returns due to over weights in health care and energy.

Munder Mid Cap Core Growth Fund

- The Munder Mid Cap Core Growth Fund underperformed the Russell Mid Cap Growth Index over the third quarter of 2012 (4.3% vs. 5.4%) and over the year-to-date period ended September 30, 2012 (13.5% vs. 13.9%).
- Stock selection was negative and the primary driver of the return in comparison to the benchmark. Growth stocks underperformed value stocks slightly during the quarter, which represented a headwind to the strategy due to its emphasis upon companies with stronger than average earnings growth.
- The biggest detracting sectors from the strategy's relative performance for the quarter were in the information technology, health care, consumer staples, and telecommunications services sectors.

Keeley Small Cap Value Fund

- The Keeley Small Cap Value Fund significantly outperformed the Russell 2000 Index over the third quarter of 2012 (9.1% vs. 5.3%) and continued to outpace the index over the year-to-date period ended September 30, 2012 (16.7% vs. 14.2%).
- The portfolio has remained fully-invested, and overweight positions in more economically sensitive areas, such as consumer discretionary and industrials, had a positive impact on our results in the third quarter.
- Holdings in the consumer discretionary sector were especially strong.

Mutual Discovery Fund

- The Mutual Discovery Fund underperformed the MSCI ACWI (net) Index over the third quarter of 2012 (5.7% vs. 6.8%) and continued to lag the index over the year-to-date period ended September 30, 2012 (10.7% vs. 12.9%).
- The portfolio was hurt by an overweight to Utilities, the worst performing sector in the benchmark. In addition, a slight underweight to Energy, the index's best performing sector, dampened performance.

Nevada Public Employees' Deferred Compensation Program

Revenue Sharing Analysis for Hartford Funds

As of September 30, 2012

Fund Name	Ticker	Asset Class	Plan Assets 9/30/12	Mutual Fund Expense Ratio	Mutual Fund Total \$ Expense	Revenue Sharing	Revenue Sharing \$
General Fund	n/a	Stable Value	\$ 210,446,472	n/a	-	n/a	-
SSgA US Bond Market INLS	n/a	Core Fixed Income	\$ 7,037,560	0.15%	\$ 10,556	0.00%	\$ -
Invesco Equity and Income Y	ACETX	Balanced	\$ 23,598,186	0.56%	\$ 132,150	0.25%	\$ 58,995
American Beacon Lg Cap Value Inv	AAGPX	Large Cap Value	\$ 7,311,691	0.83%	\$ 60,687	0.25%	\$ 18,279
Vanguard Institutional Index I	VINIX	Large Cap Core	\$ 12,616,875	0.04%	\$ 5,047	0.00%	\$ -
Victory Diversified Stock I	VDSIX	Large Cap Core	\$ 16,770,061	0.81%	\$ 135,837	0.15%	\$ 25,155
Neuberger Berman Socially Resp Inv	NBSRX	Socially Responsive	\$ 2,293,057	0.90%	\$ 20,638	0.10%	\$ 2,293
T. Rowe Price Growth Stock	PRGFX	Large Cap Growth	\$ 16,097,224	0.70%	\$ 112,681	0.15%	\$ 24,146
Hartford MidCap HLS IA	HIMCX	Mid Cap Core	\$ 27,308,962	0.70%	\$ 191,163	0.25%	\$ 68,272
Munder Mid-Cap Core Growth Y	MGOYX	Mid Cap Growth	\$ 1,566,855	1.08%	\$ 16,922	0.25%	\$ 3,917
Vanguard Extended Market Idx I	VIEIX	Smid Core	\$ 2,782,334	0.12%	\$ 3,339	0.00%	\$ -
Lord Abbett Value Opportunities I	LVOYX	Smid Core	\$ 6,133,711	0.96%	\$ 58,884	0.10%	\$ 6,134
Oppenheimer Main Street Sm & Mid Cap Y	OPMYX	Smid Core	\$ 5,545,974	0.83%	\$ 46,032	0.30%	\$ 16,638
Hartford Small Company HLS IA	HIASX	Small Cap Growth	\$ 2,333,690	0.71%	\$ 16,569	0.25%	\$ 5,834
American Beacon Intl Eq Index Inst	AIIX	International Equity	\$ 5,712,679	0.24%	\$ 13,710	0.00%	\$ -
Mutual Global Discovery A ¹	TEDIX	Global Equity	\$ 6,169,876	1.31%	\$ 80,825	0.35% + \$12 PP	\$ 31,423
Vanguard Target Retirement Income Inv	VTINX	Lifecycle	\$ 1,535,852	0.32%	\$ 4,915	0.15%	\$ 2,304
Vanguard Target Retirement 2015 Inv	VTXVX	Lifecycle	\$ 2,518,932	0.32%	\$ 8,061	0.15%	\$ 3,778
Vanguard Target Retirement 2025 Inv	VTTVX	Lifecycle	\$ 2,651,556	0.33%	\$ 8,750	0.15%	\$ 3,977
Vanguard Target Retirement 2035 Inv	VTTHX	Lifecycle	\$ 1,392,353	0.34%	\$ 4,734	0.15%	\$ 2,089
Vanguard Target Retirement 2045 Inv	VTIVX	Lifecycle	\$ 1,134,391	0.34%	\$ 3,857	0.15%	\$ 1,702
Schwab SDBA	n/a	Brokerage account	\$ 1,330,231	-	\$ -	-	-
TOTALS			\$ 364,288,520		\$ 935,356		\$274,936

¹Revenue sharing based on 819 participants.

All Funds	
Average Expense Ratio ¹	0.58%
Weighted Average Variable Expense Ratio ¹	0.61%
Weighted Average Variable Revenue Share ¹	0.18%

¹Does not include Stable Value or Brokerage Account.

Hartford Contract Requirements:

Total Revenue Sharing on Variable Funds: 11 bps

Nevada Public Employees' Deferred Compensation Program

Revenue Sharing Analysis for ING Funds
As of September 30, 2012

Fund Name	Ticker	Asset Class	Plan Assets 9/30/12	Mutual Fund		Revenue Sharing	Revenue Sharing \$
				Expense Ratio	Mutual Fund Total \$ Expense		
ING Stable Value Fund	n/a	Stable Value	\$ 29,928,517	0.75%	\$ 224,464	0.55%	\$ 164,607
Vanguard Total Bond Market Index I	VBTIX	Core Fixed Income	\$ 5,265,976	0.26%	\$ 13,692	0.19%	\$ 10,005
ING T. Rowe Price Cap Apprec Port I	ITRIX	Balanced	\$ 3,772,707	0.65%	\$ 24,523	0.28%	\$ 10,564
Allianz NFJ Dividend Value Instl	NFJEX	Large Cap Value	\$ 3,822,921	0.71%	\$ 27,143	0.10%	\$ 3,823
Vanguard Institutional Index I	VINIX	Large Cap Core	\$ 5,122,669	0.23%	\$ 11,782	0.19%	\$ 9,733
Parnassus Equity Income - Inv	PRBLX	Socially Responsive	\$ 438,140	0.94%	\$ 4,119	0.40%	\$ 1,753
American Funds Growth Fund of Amer R3	RGACX	Large Cap Growth	\$ 5,243,755	0.97%	\$ 50,864	0.65%	\$ 34,084
Fidelity Contrafund	FCNTX	Large Cap Growth	\$ 2,010,353	0.81%	\$ 16,284	0.25%	\$ 5,026
Lazard US Mid Cap Equity Open	LZMOX	Mid Cap Core	\$ 1,081,318	1.19%	\$ 12,868	0.40%	\$ 4,325
Baron Growth Retail	BGRFX	Mid Cap Growth	\$ 1,564,725	1.32%	\$ 20,654	0.40%	\$ 6,259
Lord Abbett Value Opportunities I	LVOYX	Smid Core	\$ 3,215,932	0.96%	\$ 30,873	0.10%	\$ 3,216
Vanguard Extended Market Idx I	VIEIX	Smid Core	\$ 2,706,583	0.31%	\$ 8,390	0.19%	\$ 5,143
Columbia Acorn A	LACAX	Smid Growth	\$ 1,802,368	1.11%	\$ 20,006	0.50%	\$ 9,012
Keeley Small Cap Value A	KSCVX	Small Cap Core	\$ 403,865	1.35%	\$ 5,452	0.35%	\$ 1,414
Vanguard Developed Markets Index Admiral	VDMAX	International Equity	\$ 407,619	0.31%	\$ 1,264	0.19%	\$ 774
Dodge & Cox International Stock	DODFX	International Equity	\$ 3,322,327	0.64%	\$ 21,263	0.10%	\$ 21,456
American Funds Capital World G/I R3	RWICX	Global Equity	\$ 1,399,563	1.10%	\$ 15,395	0.65%	\$ 9,097
Vanguard Target Retirement Income Inv	VTINX	Lifecycle	\$ 3,836,017	0.36%	\$ 13,810	0.19%	\$ 7,288
Vanguard Target Retirement 2015 Inv	VTTVX	Lifecycle	\$ 16,308,317	0.36%	\$ 58,710	0.19%	\$ 30,986
Vanguard Target Retirement 2025 Inv	VTTVX	Lifecycle	\$ 2,160,026	0.37%	\$ 7,992	0.19%	\$ 4,104
Vanguard Target Retirement 2035 Inv	VTTHX	Lifecycle	\$ 13,123,659	0.38%	\$ 49,870	0.19%	\$ 24,935
Vanguard Target Retirement 2045 Inv	VTIVX	Lifecycle	\$ 299,876	0.38%	\$ 1,140	0.19%	\$ 570
TD Ameritrade SDBA	n/a	Brokerage account	\$ 423,265	-	\$ -	0.08%	\$ 339
TOTALS			\$ 107,660,498		\$ 640,556		\$ 368,512

All Funds	
Average Expense Ratio ¹	0.70%
Weighted Average Variable Expense Ratio ¹	0.54%
Weighted Average Variable Revenue Share (w/brokerage)	0.26%
Weighted Average Stable Value Revenue Sharing	0.55%
Weighted Average Total Revenue Sharing	0.34%

¹ Does not include Stable Value or Brokerage Account

ING Contract Requirements:

Total Revenue Sharing All Funds: 35 bps
Total Revenue Sharing on Variable: 26 bps
Total Revenue Sharing on Stable Value: 55 bps

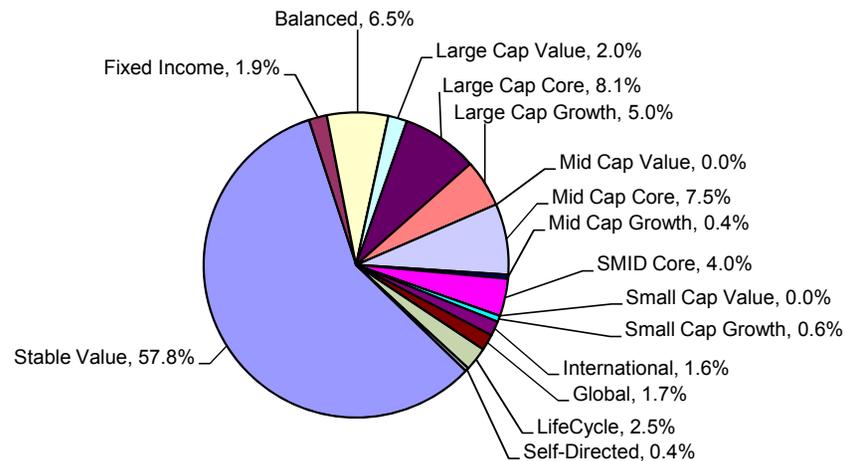
Plan Activity: Hartford
July 1, 2012 through September 30, 2012

Funds	Beginning Balance July 1, 2012	Contributions	Withdrawals	Transfers	Investment Gain/Loss (incl. Dividends)	Ending Balance September 30, 2012
General Fund	\$ 206,016,297	\$ 2,905,585	\$ (3,752,566)	\$ 3,225,443	\$ 2,051,713	\$ 210,446,472
SSgA US Bond Market INLS	\$ 7,047,376	\$ 118,200	\$ (130,753)	\$ (105,474)	\$ 108,211	\$ 7,037,560
Invesco Equity and Income Y	\$ 22,753,140	\$ 236,929	\$ (352,402)	\$ (218,945)	\$ 1,179,464	\$ 23,598,186
American Beacon Lg Cap Value Inv	\$ 7,032,732	\$ 139,227	\$ (122,519)	\$ (165,482)	\$ 427,733	\$ 7,311,691
Vanguard Institutional Index I	\$ 11,828,085	\$ 160,362	\$ (98,861)	\$ (28,522)	\$ 755,811	\$ 12,616,875
Victory Diversified Stock I	\$ 15,731,886	\$ 216,832	\$ (157,795)	\$ (221,116)	\$ 1,200,254	\$ 16,770,061
Neuberger Berman Socially Resp Inv	\$ 2,201,384	\$ 43,282	\$ (13,220)	\$ (54,484)	\$ 116,095	\$ 2,293,057
T. Rowe Price Growth Stock	\$ 15,478,255	\$ 234,082	\$ (283,849)	\$ (255,394)	\$ 924,130	\$ 16,097,224
CRM Mid Cap Value	\$ 1,749,030	\$ 499	\$ -	\$ (1,739,192)	\$ (10,337)	\$ -
Hartford MidCap HLS IA	\$ 26,370,014	\$ 323,479	\$ (247,181)	\$ (434,517)	\$ 1,297,167	\$ 27,308,962
Munder Mid-Cap Core Growth Y	\$ 1,576,400	\$ 29,241	\$ (10,192)	\$ (96,487)	\$ 67,893	\$ 1,566,855
SSgA MC Ind NL Ser	\$ 1,351,822	\$ 1,907	\$ (40)	\$ (1,362,042)	\$ 8,353	\$ -
Vanguard Extended Market Idx I	\$ -	\$ 62,813	\$ (39,122)	\$ 2,631,182	\$ 127,461	\$ 2,782,334
Lord Abbett Value Opportunities I	\$ -	\$ 127,688	\$ (116,677)	\$ 5,859,056	\$ 263,643	\$ 6,133,711
Oppenheimer Main Street Sm & Mid Cap Y	\$ 5,338,917	\$ 101,033	\$ (65,590)	\$ (28,616)	\$ 200,230	\$ 5,545,974
Columbia Small Cap Value II Z	\$ 4,929,947	\$ 1,052	\$ (1,283)	\$ (5,002,343)	\$ 72,627	\$ -
Hartford Small Company HLS IA	\$ 2,445,596	\$ 43,746	\$ (23,560)	\$ (235,807)	\$ 103,715	\$ 2,333,690
Vanguard Small Cap Index Signal	\$ 1,449,253	\$ 2,314	\$ (38)	\$ (1,466,339)	\$ 14,811	\$ -
American Beacon Intl Eq Index Inst	\$ 5,421,260	\$ 138,353	\$ (114,450)	\$ (73,954)	\$ 341,470	\$ 5,712,679
Mutual Global Discovery A	\$ 5,950,586	\$ 96,642	\$ (78,521)	\$ (130,112)	\$ 331,281	\$ 6,169,876
Vanguard Target Retirement Income Inv	\$ 1,668,166	\$ 31,708	\$ (194,339)	\$ (16,739)	\$ 47,056	\$ 1,535,852
Vanguard Target Retirement 2015 Inv	\$ 2,286,030	\$ 81,076	\$ (5,702)	\$ 56,842	\$ 100,686	\$ 2,518,932
Vanguard Target Retirement 2025 Inv	\$ 2,284,107	\$ 95,112	\$ (2,591)	\$ 146,941	\$ 127,987	\$ 2,651,556
Vanguard Target Retirement 2035 Inv	\$ 1,319,776	\$ 77,413	\$ (13,351)	\$ (67,458)	\$ 75,973	\$ 1,392,353
Vanguard Target Retirement 2045 Inv	\$ 1,255,213	\$ 37,917	\$ (8,156)	\$ (222,887)	\$ 72,304	\$ 1,134,391
Schwab SDBA	\$ 1,279,712	\$ -	\$ -	\$ 8,363	\$ 42,157	\$ 1,330,231
Total	\$ 354,764,980	\$ 5,306,489	\$ (5,832,755)	\$ 1,918	\$ 10,047,889	\$ 364,288,520

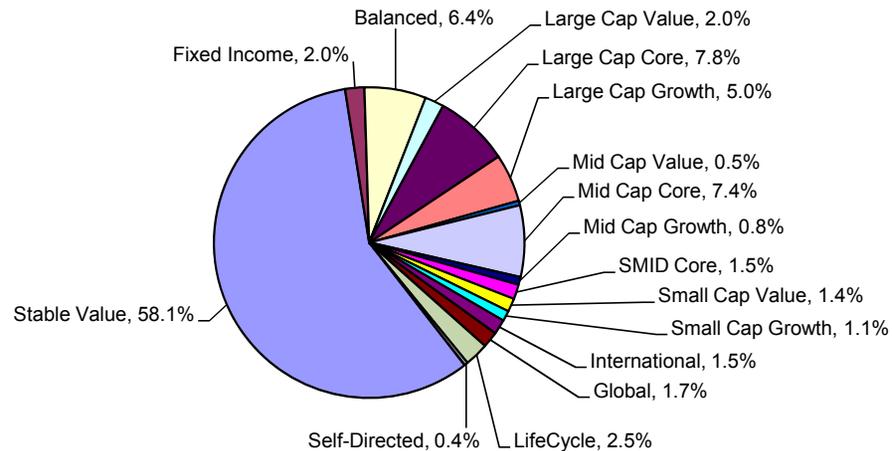
Asset Allocation Summary: Hartford

Fund	September 30, 2012		July 1, 2012	
	Assets	% of Total Assets	Assets	% of Total Assets
General Fund	\$ 210,446,472	57.8%	\$ 206,016,297	58.1%
SSgA US Bond Market INLS	\$ 7,037,560	1.9%	\$ 7,047,376	2.0%
Invesco Equity and Income Y	\$ 23,598,186	6.5%	\$ 22,753,140	6.4%
American Beacon Lg Cap Value Inv	\$ 7,311,691	2.0%	\$ 7,032,732	2.0%
Vanguard Institutional Index I	\$ 12,616,875	3.5%	\$ 11,828,085	3.3%
Victory Diversified Stock I	\$ 16,770,061	4.6%	\$ 15,731,886	4.4%
Neuberger Berman Socially Resp Inv	\$ 2,293,057	0.6%	\$ 2,201,384	0.6%
T. Rowe Price Growth Stock	\$ 16,097,224	4.4%	\$ 15,478,255	4.4%
CRM Mid Cap Value	\$ -	0.0%	\$ 1,749,030	0.5%
Hartford MidCap HLS IA	\$ 27,308,962	7.5%	\$ 26,370,014	7.4%
Munder Mid-Cap Core Growth Y	\$ 1,566,855	0.4%	\$ 1,576,400	0.4%
SSgA MC Ind NL Ser	\$ -	0.0%	\$ 1,351,822	0.4%
Vanguard Extended Market Idx I	\$ 2,782,334	0.8%	\$ -	0.0%
Lord Abbett Value Opportunities I	\$ 6,133,711	1.7%	\$ -	0.0%
Oppenheimer Main Street Sm & Mid Cap Y	\$ 5,545,974	1.5%	\$ 5,338,917	1.5%
Columbia Small Cap Value II Z	\$ -	0.0%	\$ 4,929,947	1.4%
Hartford Small Company HLS IA	\$ 2,333,690	0.6%	\$ 2,445,596	0.7%
Vanguard Small Cap Index Signal	\$ -	0.0%	\$ 1,449,253	0.4%
American Beacon Intl Eq Index Inst	\$ 5,712,679	1.6%	\$ 5,421,260	1.5%
Mutual Global Discovery A	\$ 6,169,876	1.7%	\$ 5,950,586	1.7%
Vanguard Target Retirement Income Inv	\$ 1,535,852	0.4%	\$ 1,668,166	0.5%
Vanguard Target Retirement 2015 Inv	\$ 2,518,932	0.7%	\$ 2,286,030	0.6%
Vanguard Target Retirement 2025 Inv	\$ 2,651,556	0.7%	\$ 2,284,107	0.6%
Vanguard Target Retirement 2035 Inv	\$ 1,392,353	0.4%	\$ 1,319,776	0.4%
Vanguard Target Retirement 2045 Inv	\$ 1,134,391	0.3%	\$ 1,255,213	0.4%
Schwab SDBA	\$ 1,330,231	0.4%	\$ 1,279,712	0.4%
Total	\$ 364,288,520	100.0%	\$ 354,764,980	100.0%

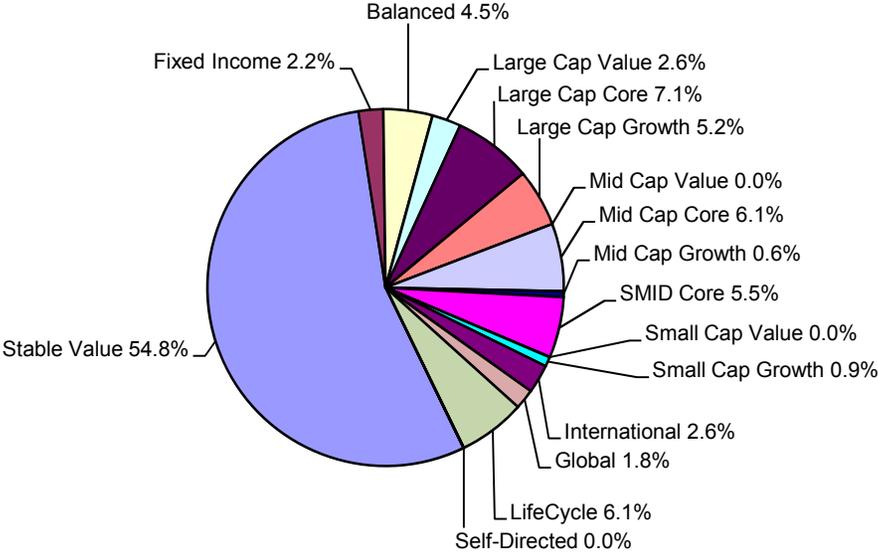
Asset Allocation as of September 30, 2012



Asset Allocation as of July 1, 2012



Plan Contributions - 3rd Quarter 2012



Number of Participants Invested by Fund: Hartford
As of September 30, 2012

Fund	# of Participants	# of One-Funders
General Fund	4,505	2,142
SSgA US Bond Market INLS	618	18
Invesco Equity and Income Y	1,658	108
American Beacon Lg Cap Value Inv	1,055	6
Vanguard Institutional Index I	852	36
Victory Diversified Stock I	1,795	39
Neuberger Berman Socially Resp Inv	329	3
T. Rowe Price Growth Stock	1,598	64
Hartford MidCap HLS IA	2,393	31
Munder Mid-Cap Core Growth Y	223	1
Vanguard Extended Market Idx I	244	3
Lord Abbett Value Opportunities I	1,105	7
Oppenheimer Main Street Sm & Mid Cap Y	986	1
Hartford Small Company HLS IA	367	2
American Beacon Intl Eq Index Inst	1,303	9
Mutual Global Discovery A	819	7
Vanguard Target Retirement Income Inv	88	11
Vanguard Target Retirement 2015 Inv	168	62
Vanguard Target Retirement 2025 Inv	216	98
Vanguard Target Retirement 2035 Inv	218	115
Vanguard Target Retirement 2045 Inv	185	93
Schwab SDBA	30	0

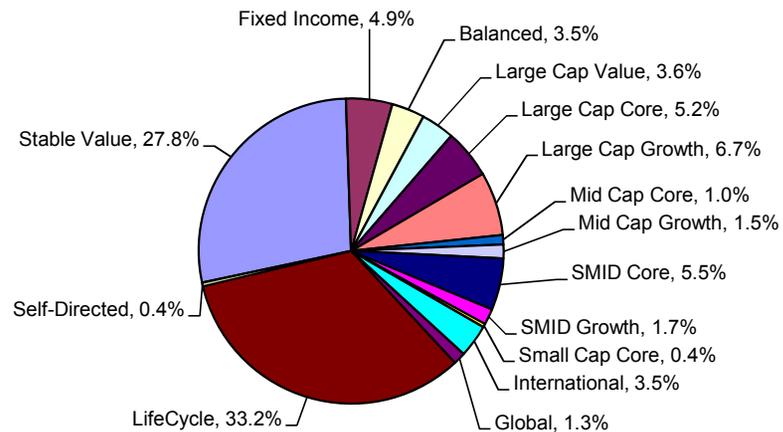
Plan Activity: ING
July 1, 2012 through September 30, 2012

Funds	Beginning Balance July 1, 2012	Contributions	Withdrawals	Transfers	Misc	Investment Gain/Loss (incl. Dividends)	Ending Balance September 30, 2012
ING Stable Value Fund	\$ 30,067,822	\$ 526,259	\$ (1,252,240)	\$ 162,189	\$ 279,751	\$ 144,736	\$ 29,928,517
Vanguard Total Bond Market Index I	\$ 4,646,832	\$ 132,583	\$ (53,339)	\$ 415,176	\$ 51,902	\$ 72,822	\$ 5,265,976
ING T. Rowe Price Cap Apprec Port I	\$ 3,451,749	\$ 88,950	\$ (83,074)	\$ 124,463	\$ -	\$ 190,619	\$ 3,772,707
Allianz NFJ Dividend Value Instl	\$ 3,046,988	\$ 57,312	\$ (63,068)	\$ 514,549	\$ -	\$ 267,140	\$ 3,822,921
Vanguard Institutional Index I	\$ 4,224,651	\$ 114,955	\$ (33,430)	\$ 540,133	\$ -	\$ 276,360	\$ 5,122,669
Parnassus Equity Income - Inv	\$ 339,449	\$ 18,299	\$ (833)	\$ 57,432	\$ -	\$ 23,793	\$ 438,140
American Funds Growth Fund of Amer R3	\$ 4,946,678	\$ 88,780	\$ (93,923)	\$ (55,835)	\$ -	\$ 358,055	\$ 5,243,755
Fidelity Contrafund	\$ 1,858,787	\$ 53,660	\$ (13,483)	\$ (11,999)	\$ 159	\$ 123,229	\$ 2,010,353
Lazard US Mid Cap Equity Open	\$ 1,074,777	\$ 22,874	\$ (27,792)	\$ (8,350)	\$ 128	\$ 19,681	\$ 1,081,318
Baron Growth Retail	\$ 1,546,319	\$ 31,892	\$ (44,132)	\$ (60,129)	\$ -	\$ 90,775	\$ 1,564,725
Lord Abbett Value Opportunities I	\$ 3,197,511	\$ 75,027	\$ (34,892)	\$ (170,689)	\$ -	\$ 148,975	\$ 3,215,932
Vanguard Extended Market Idx I	\$ 3,703,805	\$ 81,737	\$ (3,176)	\$ (1,246,725)	\$ 159	\$ 170,783	\$ 2,706,583
Columbia Acorn A	\$ 1,728,708	\$ 38,804	\$ (8,628)	\$ (38,372)	\$ -	\$ 81,856	\$ 1,802,368
Keeley Small Cap Value A	\$ 376,046	\$ 13,375	\$ (1,741)	\$ (16,121)	\$ -	\$ 32,306	\$ 403,865
Vanguard Developed Markets Index Admiral	\$ 368,045	\$ 26,245	\$ (1,260)	\$ (9,109)	\$ -	\$ 23,698	\$ 407,619
Dodge & Cox International Stock	\$ 3,159,239	\$ 95,406	\$ (23,460)	\$ (145,149)	\$ 32	\$ 236,259	\$ 3,322,327
American Funds Capital World G/I R3	\$ 1,311,100	\$ 39,193	\$ (24,967)	\$ (15,535)	\$ -	\$ 89,772	\$ 1,399,563
Vanguard Target Retirement Income Inv	\$ 3,565,245	\$ 93,462	\$ (45,640)	\$ 111,746	\$ -	\$ 111,204	\$ 3,836,017
Vanguard Target Retirement 2015 Inv	\$ 15,547,710	\$ 440,412	\$ (401,597)	\$ (107,175)	\$ 161,428	\$ 667,539	\$ 16,308,317
Vanguard Target Retirement 2025 Inv	\$ 1,806,745	\$ 106,969	\$ (13,440)	\$ 93,193	\$ 68,001	\$ 98,558	\$ 2,160,026
Vanguard Target Retirement 2035 Inv	\$ 12,294,422	\$ 388,464	\$ (179,025)	\$ (139,056)	\$ 49,646	\$ 709,208	\$ 13,123,659
Vanguard Target Retirement 2045 Inv	\$ 233,062	\$ 40,976	\$ (5,804)	\$ 5,384	\$ 12,778	\$ 13,480	\$ 299,876
TD Ameritrade SDBA	\$ 406,588	\$ -	\$ -	\$ (21)	\$ -	\$ 16,698	\$ 423,265
Total	\$ 102,902,278	\$ 2,575,634	\$ (2,408,944)	\$ -	\$ 623,984	\$ 3,967,546	\$ 107,660,498

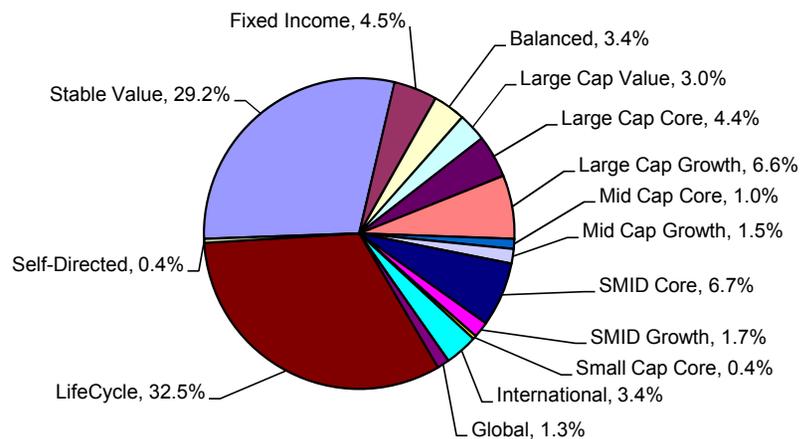
Asset Allocation Summary: ING

Fund	September 30, 2012		July 1, 2012	
	Assets	% of Total Assets	Assets	% of Total Assets
ING Stable Value Fund	\$ 29,928,517	27.8%	\$ 30,067,822	29.2%
Vanguard Total Bond Market Index I	\$ 5,265,976	4.9%	\$ 4,646,832	4.5%
ING T. Rowe Price Cap Apprec Port I	\$ 3,772,707	3.5%	\$ 3,451,749	3.4%
Allianz NFJ Dividend Value Instl	\$ 3,822,921	3.6%	\$ 3,046,988	3.0%
Vanguard Institutional Index I	\$ 5,122,669	4.8%	\$ 4,224,651	4.1%
Parnassus Equity Income - Inv	\$ 438,140	0.4%	\$ 339,449	0.3%
American Funds Growth Fund of Amer R3	\$ 5,243,755	4.9%	\$ 4,946,678	4.8%
Fidelity Contrafund	\$ 2,010,353	1.9%	\$ 1,858,787	1.8%
Lazard US Mid Cap Equity Open	\$ 1,081,318	1.0%	\$ 1,074,777	1.0%
Baron Growth Retail	\$ 1,564,725	1.5%	\$ 1,546,319	1.5%
Lord Abbett Value Opportunities I	\$ 3,215,932	3.0%	\$ 3,197,511	3.1%
Vanguard Extended Market Idx I	\$ 2,706,583	2.5%	\$ 3,703,805	3.6%
Columbia Acorn A	\$ 1,802,368	1.7%	\$ 1,728,708	1.7%
Keeley Small Cap Value A	\$ 403,865	0.4%	\$ 376,046	0.4%
Vanguard Developed Markets Index Admiral	\$ 407,619	0.4%	\$ 368,045	0.4%
Dodge & Cox International Stock	\$ 3,322,327	3.1%	\$ 3,159,239	3.1%
American Funds Capital World G/I R3	\$ 1,399,563	1.3%	\$ 1,311,100	1.3%
Vanguard Target Retirement Income Inv	\$ 3,836,017	3.6%	\$ 3,565,245	3.5%
Vanguard Target Retirement 2015 Inv	\$ 16,308,317	15.1%	\$ 15,547,710	15.1%
Vanguard Target Retirement 2025 Inv	\$ 2,160,026	2.0%	\$ 1,806,745	1.8%
Vanguard Target Retirement 2035 Inv	\$ 13,123,659	12.2%	\$ 12,294,422	11.9%
Vanguard Target Retirement 2045 Inv	\$ 299,876	0.3%	\$ 233,062	0.2%
TD Ameritrade SDBA	\$ 423,265	0.4%	\$ 406,588	0.4%
Total	\$ 107,660,498	100.0%	\$ 102,902,278	100.0%

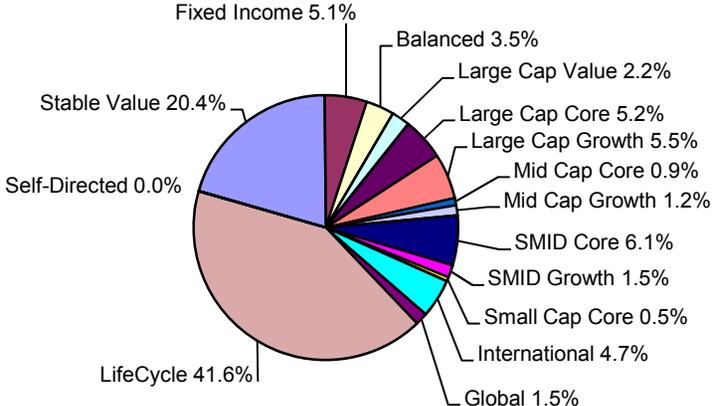
Asset Allocation as of September 30, 2012



Asset Allocation as of July 1, 2012



Plan Contributions - 3rd Quarter 2012



**Number of Participants Invested by Fund: ING
As of September 30, 2012**

Fund	# of Participants	# of One-Funders
ING Stable Value Fund	1,189	519
Vanguard Total Bond Market Index I	504	22
ING T. Rowe Price Cap Apprec Port I	358	16
Allianz NFJ Dividend Value Instl	447	7
Vanguard Institutional Index I	353	16
Parnassus Equity Income - Inv	80	2
American Funds Growth Fund of Amer R3	582	12
Fidelity Contrafund	263	4
Lazard US Mid Cap Equity Open	210	2
Baron Growth Retail	244	3
Lord Abbett Value Opportunities I	414	4
Vanguard Extended Market Idx I	286	3
Columbia Acorn A	289	4
Keeley Small Cap Value A	86	1
Vanguard Developed Markets Index Admiral	62	1
Dodge & Cox International Stock	552	16
American Funds Capital World G/I R3	297	1
Vanguard Target Retirement Income Inv	243	91
Vanguard Target Retirement 2015 Inv	1,055	709
Vanguard Target Retirement 2025 Inv	201	163
Vanguard Target Retirement 2035 Inv	1,004	655
Vanguard Target Retirement 2045 Inv	94	73
TD Ameritrade SDBA	13	0

Hartford General Account As of September 30, 2012

	US Gov/Agency	Mortgage-Backed Securities	Corporate Bonds	Asset-Backed Securities	CMBS	Cash / Equivalents	Other	Total
General Account	11.0%	10.0%	60.5%	3.4%	7.8%	0.0%	7.3%	100%

*Other for Hartford includes CDOs and Foreign.

	AAA	AA	A	BBB	Below Investment Grade
General Account	23.0%	15.6%	27.8%	28.1%	5.5%

	2002	2003	2004	2005	2006	2007
Annualized Credit Rate	4.75%	5.00%	4.25%	4.03%	4.20%	4.50%
	2008	2009	2010	2011	2012	
	5.30%	5.00%	4.75%	4.50%	4.00%	

**ING Stable Value Fund
As of September 30, 2012**

	US Gov/Agency	Mortgage-Backed Securities	Corporate Bonds	Asset-Backed Securities	CMBS	Cash / Equivalents	Other*	Total
Stable Value	27.2%	22.2%	17.4%	4.8%	3.6%	23.5%	1.3%	100%
Barclays Aggregate Bond Index	43.9%	30.4%	20.8%	0.3%	1.9%	0.0%	2.7%	100%

*Other for ING includes GICs. Other for BC Agg includes Sovereign and Supranational.

	Effective Duration Years	Average Quality
Stable Value	2.22	AA+
Barclays Aggregate Bond Index	4.85	AA1/AA2

MV to BV Ratios	09/30/2011	12/31/2011	03/31/2012	06/30/2012	09/30/2012
Stable Value	103.64%	103.49%	103.49%	103.85%	104.35%

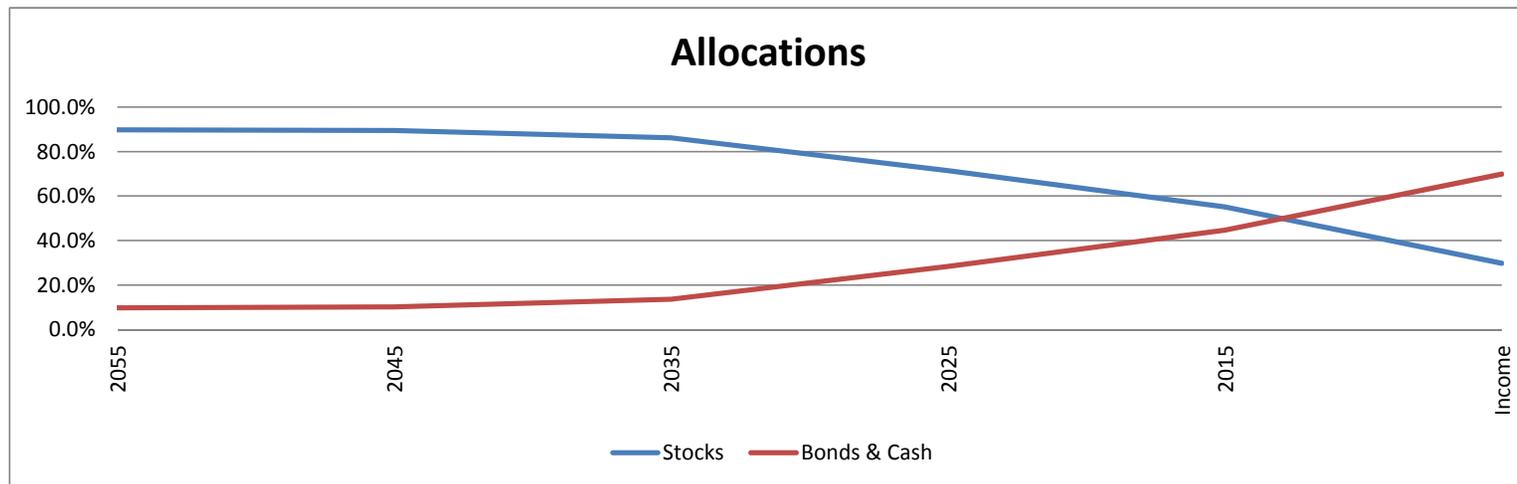
	12/31/2009	03/31/2010	06/30/2010	09/30/2010	12/31/2010	03/31/2011
Annualized Credit Rate	3.93%	3.63%	3.70%	3.61%	3.34%	3.07%
	06/30/2011	09/30/2011	12/31/2011	03/31/2012	06/30/2012	09/30/2012
	2.88%	2.75%	2.60%	2.42%	2.31%	2.31%

Vanguard Target Date Retirement Funds

Actual allocations as of September 30, 2012

Fund	Total Stock Market Index Fund	Total International Stock Index Fund	Total Bond Market Index II Fund	Inflation-Protected Securities Fund	Prime Money Market Fund	Stocks	Bonds & Cash
2055	63.4%	26.4%	9.8%	0.0%	0.0%	89.8%	9.8%
2045	62.6%	26.9%	10.2%	0.0%	0.0%	89.5%	10.2%
2035	60.2%	26.0%	13.6%	0.0%	0.0%	86.2%	13.6%
2025	50.0%	21.5%	28.4%	0.0%	0.0%	71.5%	28.4%
2015	38.7%	16.5%	40.1%	4.6%	0.0%	55.2%	44.7%
Income	20.9%	9.0%	45.1%	19.9%	4.9%	29.9%	69.9%

* Allocations may not add to 100% due to a small holding in the Market Liquidity Fund (CMT)



Nevada Public Employees' Deferred Compensation Program

As of September 30, 2012

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Expense Ratio
Hartford						
General Fund	0.99	2.98	4.12	4.50	4.73	N/A
Hueler Stable Value	0.55	1.74	2.38	2.78	3.30	
ING						
ING Stable Value Fund	0.38	1.19	1.65	2.30	N/A	0.75
Hueler Stable Value	0.55	1.74	2.38	2.78	3.30	
Hartford						
SSgA US Bond Market INLS	1.58	4.00	5.17	6.24	6.67	0.15
Barclays Aggregate	1.58	3.99	5.16	6.19	6.53	
IM U.S. Broad Market Core Fixed Income (MF) Median	2.43	5.97	7.41	7.11	6.39	
SSgA US Bond Market INLS Rank	90	88	87	78	40	
ING						
Vanguard Total Bond Market Index	1.56	4.04	5.05	6.14	6.57	0.26
Barclays Aggregate	1.58	3.99	5.16	6.19	6.53	
IM U.S. Broad Market Core Fixed Income (MF) Median	2.43	5.97	7.41	7.11	6.39	
Vanguard Total Bond Market Index Rank	91	87	88	79	43	
Hartford						
Invesco Van Kampen Equity & Income Y	5.23	12.42	22.45	8.91	2.76	0.56
60 S&P 500 / 40 Barclays Agg	4.43	11.46	19.87	10.71	3.67	
IM All Balanced (MF) Median	4.68	10.21	16.82	8.38	1.53	
Invesco Van Kampen Equity & Income Y Rank	33	19	13	37	27	
ING						
ING T Rowe Price Cap App Port I	5.34	12.71	23.81	11.80	4.89	0.65
60 S&P 500 / 40 Barclays Agg	4.43	11.46	19.87	10.71	3.67	
IM All Balanced (MF) Median	4.68	10.21	16.82	8.38	1.53	
ING T Rowe Price Cap App Port I Rank	29	16	6	3	6	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Nevada Public Employees' Deferred Compensation Program

As of September 30, 2012

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Expense Ratio	
Hartford							
American Beacon Lg Cap Value Inv	6.11	16.10	30.15	10.88	-1.20	0.83	
Russell 1000 Value Index	6.51	15.75	30.92	11.84	-0.90		
IM U.S. Large Cap Value Equity (MF) Median	6.35	14.03	28.28	9.75	-1.20		
American Beacon Lg Cap Value Inv Rank	60	14	23	29	50		
ING							
Allianz NFJ Dividend Value	8.59	15.13	29.83	13.36	-1.07	0.71	
Russell 1000 Value Index	6.51	15.75	30.92	11.84	-0.90		
IM U.S. Large Cap Value Equity (MF) Median	6.35	14.03	28.28	9.75	-1.20		
Allianz NFJ Dividend Value Rank	1	29	29	3	47		
Hartford/ING							
Vanguard Institutional Index	6.35	16.43	30.18	13.19	1.08	0.04	0.23
S&P 500	6.35	16.44	30.20	13.20	1.05		
IM U.S. Large Cap Core Equity (MF) Median	6.30	14.76	27.77	10.82	0.20		
Vanguard Institutional Index Rank	48	28	22	14	28		
Hartford							
Victory Diversified Stock I	7.68	15.38	31.26	8.45	-0.59	0.81	
S&P 500	6.35	16.44	30.20	13.20	1.05		
IM U.S. Large Cap Core Equity (MF) Median	6.30	14.76	27.77	10.82	0.20		
Victory Diversified Stock I Rank	12	44	13	86	68		
Hartford							
Neuberger Berman Socially Responsive	5.34	9.02	20.69	11.04	0.37	0.90	
S&P 500	6.35	16.44	30.20	13.20	1.05		
Russell 1000 Growth Index	6.11	16.80	29.19	14.73	3.24		
IM U.S. Large Cap Core Equity (MF) Median	6.30	14.76	27.77	10.82	0.20		
Neuberger Berman Socially Responsive Rank	78	98	96	46	47		

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Nevada Public Employees' Deferred Compensation Program

As of September 30, 2012

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Expense Ratio
ING						
Parnassus Equity Income	7.01	14.06	26.61	11.93	5.33	0.94
S&P 500	6.35	16.44	30.20	13.20	1.05	
IM U.S. Large Cap Core Equity (MF) Median	6.30	14.76	27.77	10.82	0.20	
Parnassus Equity Income Rank	22	60	61	33	1	
Hartford						
T.Rowe Price Growth Stock	6.07	20.17	32.20	14.95	2.50	0.70
Russell 1000 Growth Index	6.11	16.80	29.19	14.73	3.24	
IM U.S. Large Cap Growth Equity (MF) Median	6.26	16.36	26.97	12.00	1.57	
T.Rowe Price Growth Stock Rank	57	11	8	10	31	
ING						
American Funds Growth Fund R3	7.28	17.61	27.56	9.72	-0.21	0.97
Russell 1000 Growth Index	6.11	16.80	29.19	14.73	3.24	
IM U.S. Large Cap Growth Equity (MF) Median	6.26	16.36	26.97	12.00	1.57	
American Funds Growth Fund R3 Rank	22	32	45	82	79	
ING						
Fidelity Contrafund	6.51	18.11	27.91	13.98	2.81	0.81
Russell 1000 Growth Index	6.11	16.80	29.19	14.73	3.24	
IM U.S. Large Cap Growth Equity (MF) Median	6.26	16.36	26.97	12.00	1.57	
Fidelity Contrafund Rank	41	28	43	18	24	
Hartford						
Hartford Mid Cap HLS	4.87	16.83	30.61	12.05	1.95	0.70
Russell Midcap Index	5.59	14.00	28.03	14.26	2.24	
IM U.S. Mid Cap Core Equity (MF) Median	4.87	12.80	25.92	11.50	0.64	
Hartford Mid Cap HLS Rank	51	6	10	38	20	
ING						
Lazard US Mid Cap Equity Open	1.96	5.01	17.12	8.98	-1.11	1.19
Russell Midcap Index	5.59	14.00	28.03	14.26	2.24	
IM U.S. Mid Cap Core Equity (MF) Median	4.87	12.80	25.92	11.50	0.64	
Lazard US Mid Cap Equity Open Rank	100	100	97	79	74	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Nevada Public Employees' Deferred Compensation Program

As of September 30, 2012

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Expense Ratio	
Hartford							
Munder Mid Cap Core Growth	4.30	13.46	25.66	14.25	1.17	1.08	
Russell Midcap Growth Index	5.35	13.88	26.69	14.73	2.54		
IM U.S. Mid Cap Growth Equity (MF) Median	4.43	12.52	23.48	12.89	1.01		
Munder Mid Cap Core Growth Rank	56	41	26	23	48		
ING							
Baron Growth Retail	5.99	14.08	28.12	14.90	2.65	1.32	
Russell Midcap Growth Index	5.35	13.88	26.69	14.73	2.54		
IM U.S. Mid Cap Growth Equity (MF) Median	4.43	12.52	23.48	12.89	1.01		
Baron Growth Retail Rank	7	29	13	18	27		
Hartford/ING							
Vanguard Extended Market Idx I	5.56	14.87	30.43	14.10	2.77	0.12	0.31
S&P Completion Index TR	5.59	14.88	30.37	13.96	2.60		
IM U.S. SMID Cap Core Equity (MF) Median	5.27	11.75	27.55	12.04	2.18		
Vanguard Extended Market Idx I Rank	40	12	17	16	34		
Hartford/ING							
Lord Abbett Value Opportunities I	4.71	6.14	21.66	10.00	3.78	0.96	
Russell 2500 Index	5.57	14.33	30.93	14.06	2.80		
Russell Midcap Index	5.59	14.00	28.03	14.26	2.24		
IM U.S. Mid Cap Core Equity (MF) Median	4.87	12.80	25.92	11.50	0.64		
Lord Abbett Value Opportunities I Rank	60	97	88	72	9		
Hartford							
Oppenheimer Main St Sm & Mid Cap Y	3.76	14.02	31.65	12.82	2.12	0.83	
Russell 2500 Index	5.57	14.33	30.93	14.06	2.80		
Russell 2000 Index	5.25	14.23	31.91	12.99	2.21		
IM U.S. SMID Cap Core Equity (SA+CF) Median	5.87	14.28	30.15	15.08	4.08		
Oppenheimer Main St Sm & Mid Cap Y Rank	82	57	40	79	83		

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Nevada Public Employees' Deferred Compensation Program

As of September 30, 2012

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Expense Ratio
ING						
Columbia Acorn Fund A	4.74	14.28	26.44	12.99	2.41	1.11
Russell 2500 Growth Index	5.22	14.10	29.52	15.17	3.26	
Russell Midcap Growth Index	5.35	13.88	26.69	14.73	2.54	
IM U.S. Mid Cap Growth Equity (MF) Median	4.43	12.52	23.48	12.89	1.01	
Columbia Acorn Fund A Rank	38	25	21	47	30	
ING						
Keeley Small Cap Value A	9.09	16.67	33.12	12.27	-0.86	1.35
Russell 2000 Index	5.25	14.23	31.91	12.99	2.21	
IM U.S. Small Cap Core Equity (MF) Median	5.16	12.56	30.36	12.58	1.54	
Keeley Small Cap Value A Rank	1	10	26	56	89	
Hartford						
Hartford Small Company HLS	4.43	16.02	27.10	13.66	1.28	0.71
Russell 2000 Growth Index	4.84	14.08	31.18	14.19	2.96	
IM U.S. Small Cap Growth Equity (MF) Median	5.22	13.28	30.86	14.24	1.80	
Hartford Small Company HLS Rank	72	19	73	60	58	
Hartford						
American Beacon Intl Eq Index Inst	6.35	10.43	14.76	1.94	-5.37	0.24
MSCI EAFE (net)	6.92	10.08	13.75	2.12	-5.24	
IM International Core Equity (MF) Median	6.40	10.42	14.75	2.40	-5.21	
American Beacon Intl Eq Index Inst Rank	54	50	50	63	54	
ING						
Vanguard Developed Markets Index Admiral	6.46	10.60	15.06	N/A	N/A	0.31
MSCI EAFE (net)	6.92	10.08	13.75	2.12	-5.24	
IM International Core Equity (MF) Median	6.40	10.42	14.75	2.40	-5.21	
Vanguard Developed Markets Index Admiral Rank	47	46	46	N/A	N/A	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Nevada Public Employees' Deferred Compensation Program

As of September 30, 2012

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Expense Ratio	
ING							
Dodge & Cox International Stock	7.41	10.98	15.67	2.69	-3.70	0.64	
MSCI AC World ex USA (Net)	7.40	10.38	14.49	3.17	-4.12		
MSCI EAFE (net)	6.92	10.08	13.75	2.12	-5.24		
IM International Core Equity (MF) Median	6.40	10.42	14.75	2.40	-5.21		
Dodge & Cox International Stock Rank	23	40	37	44	25		
Hartford							
Mutual Global Discovery A	5.65	10.67	21.09	7.01	0.95	1.31	
MSCI AC World Index (Net)	6.84	12.88	20.99	7.23	-2.07		
IM Global Core Equity (MF)	6.25	12.09	20.49	7.09	-1.86		
Mutual Global Discovery A Rank	73	70	46	52	10		
ING							
American Funds Cap Wrld G&I	6.77	14.29	22.03	5.56	-1.70	1.10	
MSCI AC World Index (Net)	6.84	12.88	20.99	7.23	-2.07		
IM Global Core Equity (MF)	6.25	12.09	20.49	7.09	-1.86		
American Funds Cap Wrld G&I Rank	34	18	34	80	47		
Hartford/ING							
Vanguard Target Retirement Income Inv	3.06	7.45	11.74	8.09	5.06	0.32	0.36
Vanguard Target Income Composite Index	3.12	7.54	11.78	8.16	4.99		
IM Mixed-Asset Target 2010 (MF) Median	3.95	8.70	13.98	7.78	2.01		
Vanguard Target Retirement Income Inv Rank	92	76	72	43	4		
Hartford/ING							
Vanguard Target Retirement 2015 Inv	4.31	10.08	16.76	9.18	2.88	0.32	0.36
Vanguard Target 2015 Composite Index	4.42	10.22	16.86	9.21	2.79		
IM Mixed-Asset Target 2015 (MF) Median	4.20	9.34	15.32	8.21	1.41		
Vanguard Target Retirement 2015 Inv Rank	45	31	28	13	20		

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Nevada Public Employees' Deferred Compensation Program

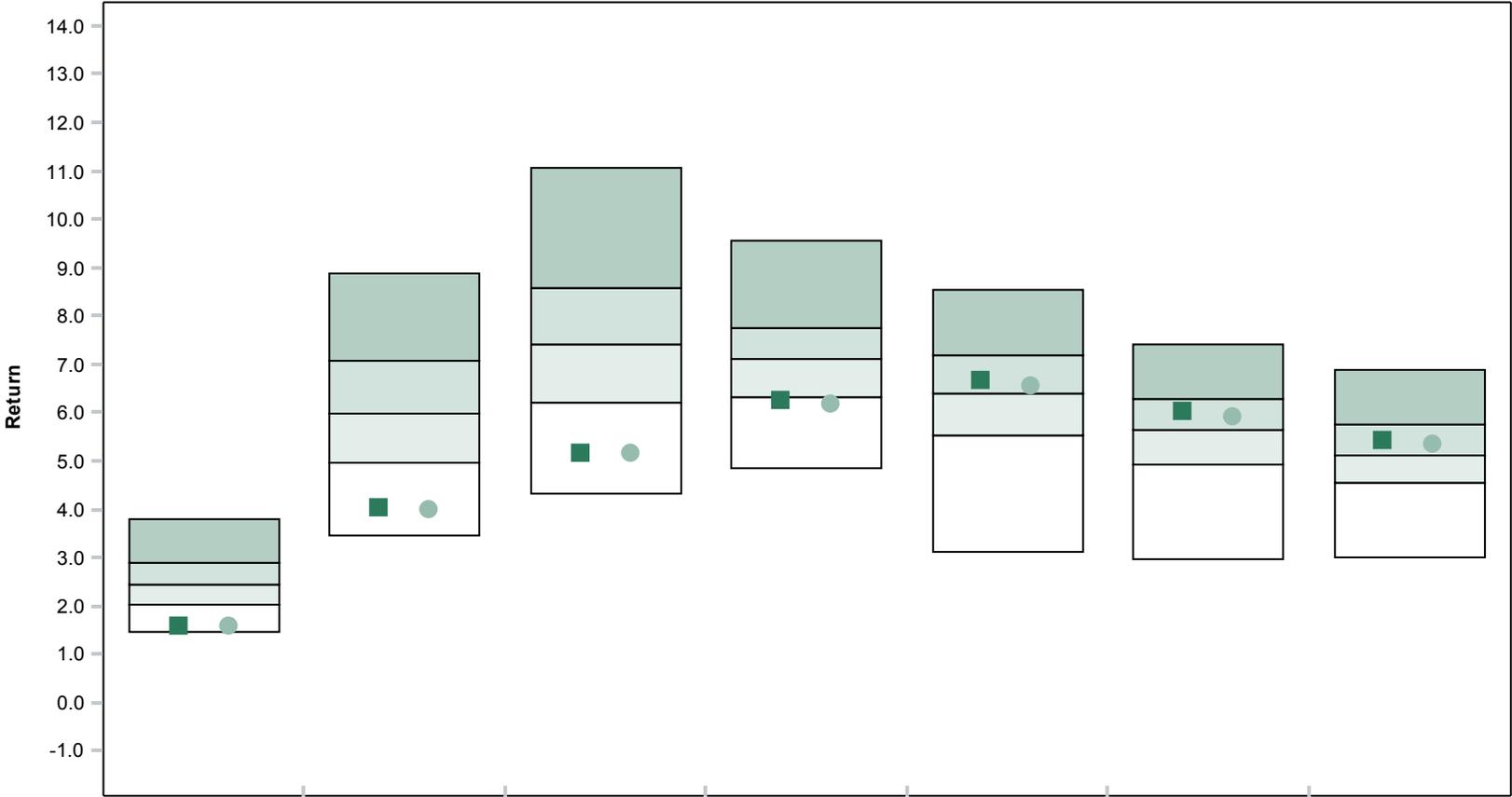
As of September 30, 2012

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Expense Ratio	
Hartford/ING							
Vanguard Target Retirement 2025 Inv	5.06	11.65	19.89	9.66	1.70	0.33	0.37
Vanguard Target 2025 Composite Index	5.27	11.83	20.13	9.95	1.80		
IM Mixed-Asset Target 2025 (MF) Median	5.05	11.15	18.61	9.04	0.79		
Vanguard Target Retirement 2025 Inv Rank	50	38	34	18	21		
Hartford/ING							
Vanguard Target Retirement 2035 Inv	5.75	13.11	22.98	10.10	0.83	0.34	0.38
Vanguard Target 2035 Composite Index	6.01	13.38	23.14	10.40	0.92		
IM Mixed-Asset Target 2035 (MF) Median	5.62	12.51	21.96	9.28	-0.01		
Vanguard Target Retirement 2035 Inv Rank	29	32	24	11	21		
Hartford/ING							
Vanguard Target Retirement 2045 Inv	5.95	13.52	23.47	10.14	0.88	0.34	0.38
Vanguard Target 2045 Composite Index	6.16	13.60	23.55	10.41	0.92		
IM Mixed-Asset Target 2045 (MF) Median	5.81	13.07	23.00	9.25	-0.23		
Vanguard Target Retirement 2045 Inv Rank	38	30	36	12	23		

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

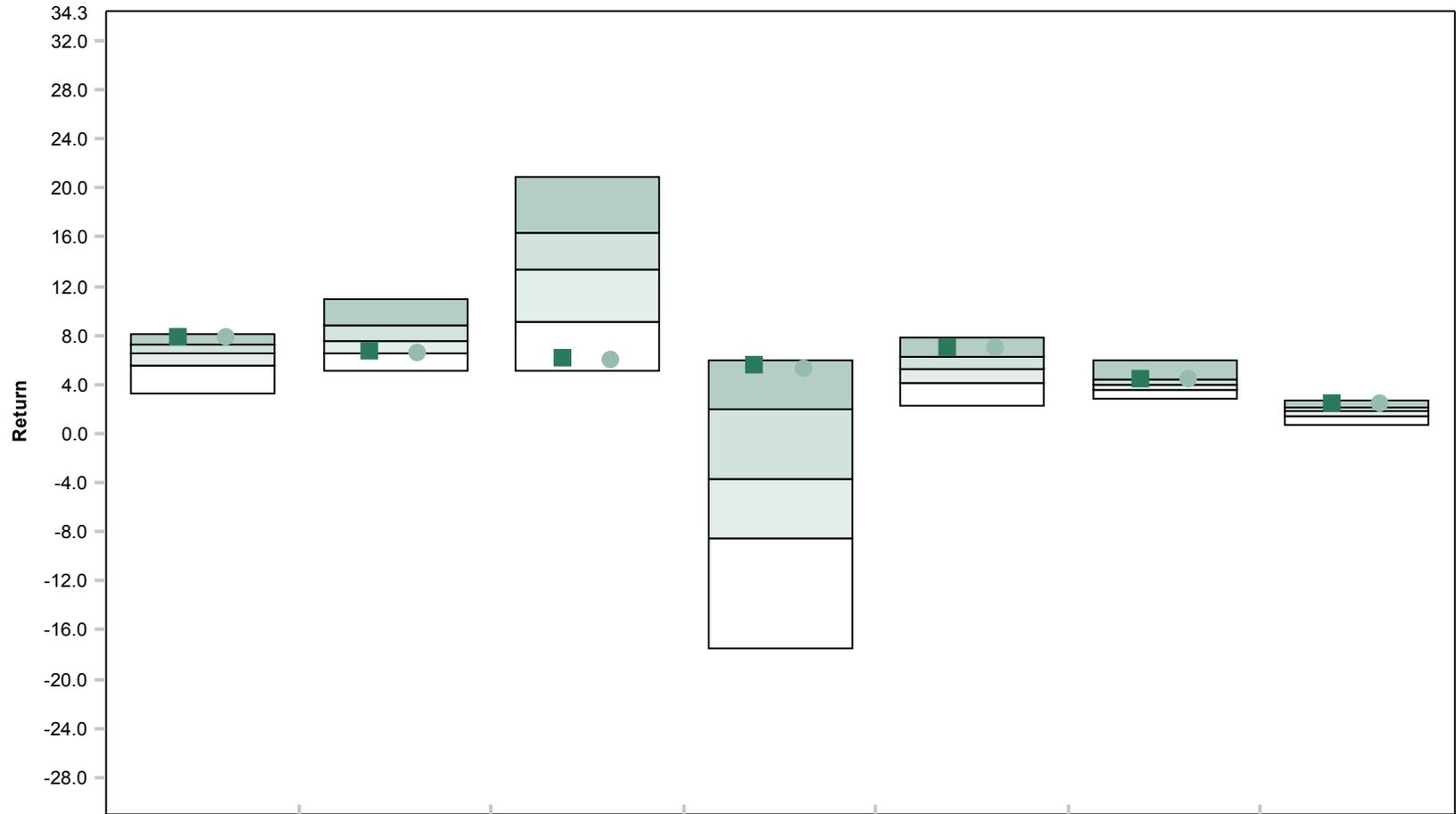
SSgA US Bond Market INLS

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ SSgA US Bond Market INLS	1.58 (90)	4.00 (88)	5.17 (87)	6.24 (78)	6.67 (40)	6.02 (33)	5.41 (39)
● Barclays Aggregate	1.58 (90)	3.99 (88)	5.16 (87)	6.19 (79)	6.53 (45)	5.92 (40)	5.33 (41)
5th Percentile	3.81	8.89	11.08	9.55	8.55	7.41	6.88
1st Quartile	2.90	7.07	8.57	7.76	7.20	6.27	5.77
Median	2.43	5.97	7.41	7.11	6.39	5.65	5.12
3rd Quartile	2.03	4.96	6.19	6.32	5.52	4.93	4.54
95th Percentile	1.45	3.45	4.30	4.84	3.14	2.96	3.00

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)

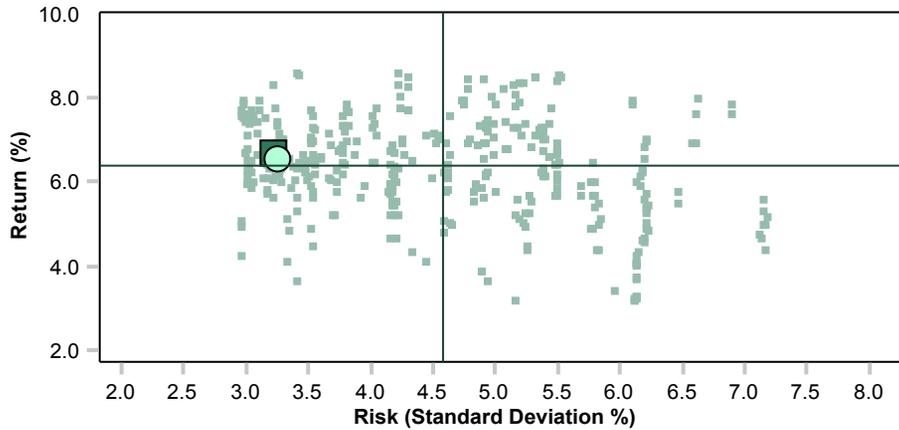


	2011	2010	2009	2008	2007	2006	2005
■ SSgA US Bond Market INLS	7.86 (10)	6.63 (74)	6.15 (90)	5.58 (8)	7.02 (10)	4.35 (30)	2.46 (14)
● Barclays Aggregate	7.84 (10)	6.54 (76)	5.93 (92)	5.24 (9)	6.97 (11)	4.34 (31)	2.43 (15)
5th Percentile	8.14	10.89	20.83	5.91	7.78	5.92	2.73
1st Quartile	7.28	8.80	16.39	2.03	6.24	4.46	2.19
Median	6.54	7.50	13.31	-3.68	5.25	3.94	1.82
3rd Quartile	5.57	6.58	9.14	-8.58	4.12	3.52	1.35
95th Percentile	3.25	5.16	5.12	-17.58	2.26	2.84	0.67

Historical Statistics (10/01/07 - 09/30/12) *

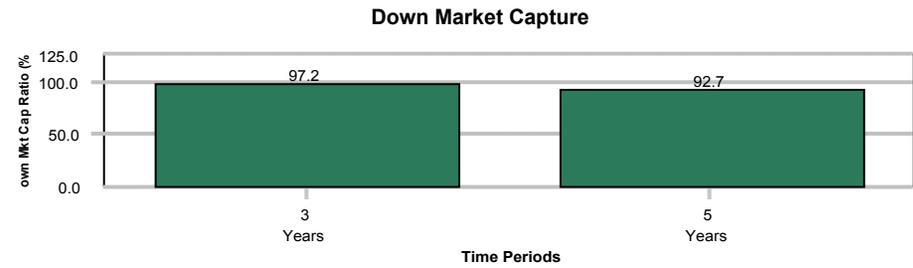
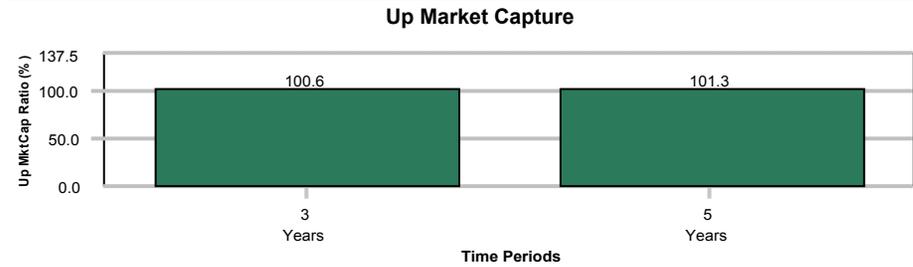
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
SSgA US Bond Market INLS	6.67	3.22	1.81	0.19	0.99	1.00	0.09	1.44	3.23	10/01/1997
Barclays Aggregate	6.53	3.25	1.75	0.00	1.00	1.00	0.00	N/A	3.27	10/01/1997
90 Day U.S. Treasury Bill	0.70	0.59	N/A	0.63	0.01	0.00	3.27	-1.75	0.00	10/01/1997

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ SSgA US Bond Market INLS	6.67	3.22
● Barclays Aggregate	6.53	3.25
— Median	6.39	4.58

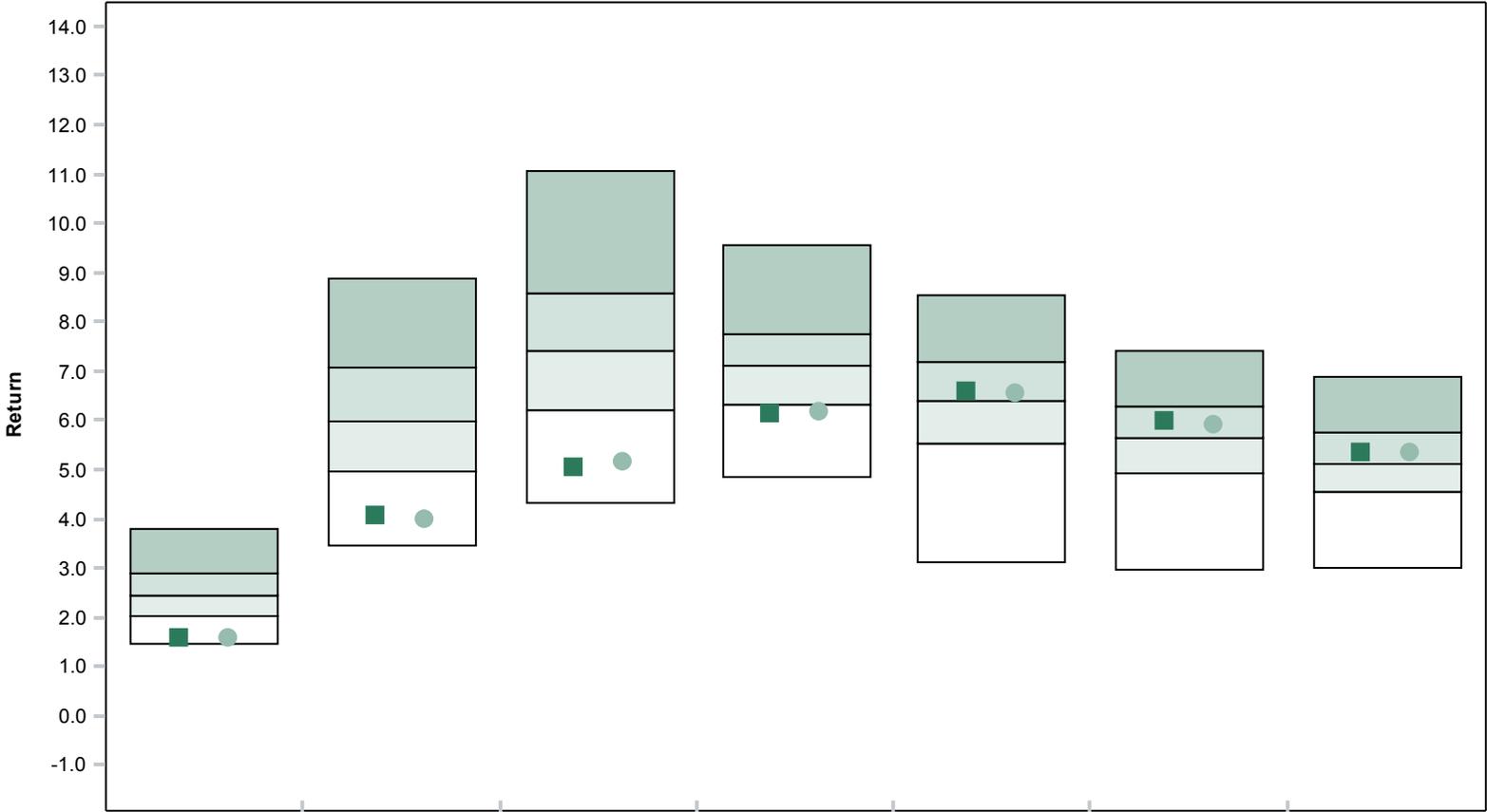
Up Down Market Capture



* Quarterly periodicity used.

Vanguard Total Bond Market Index

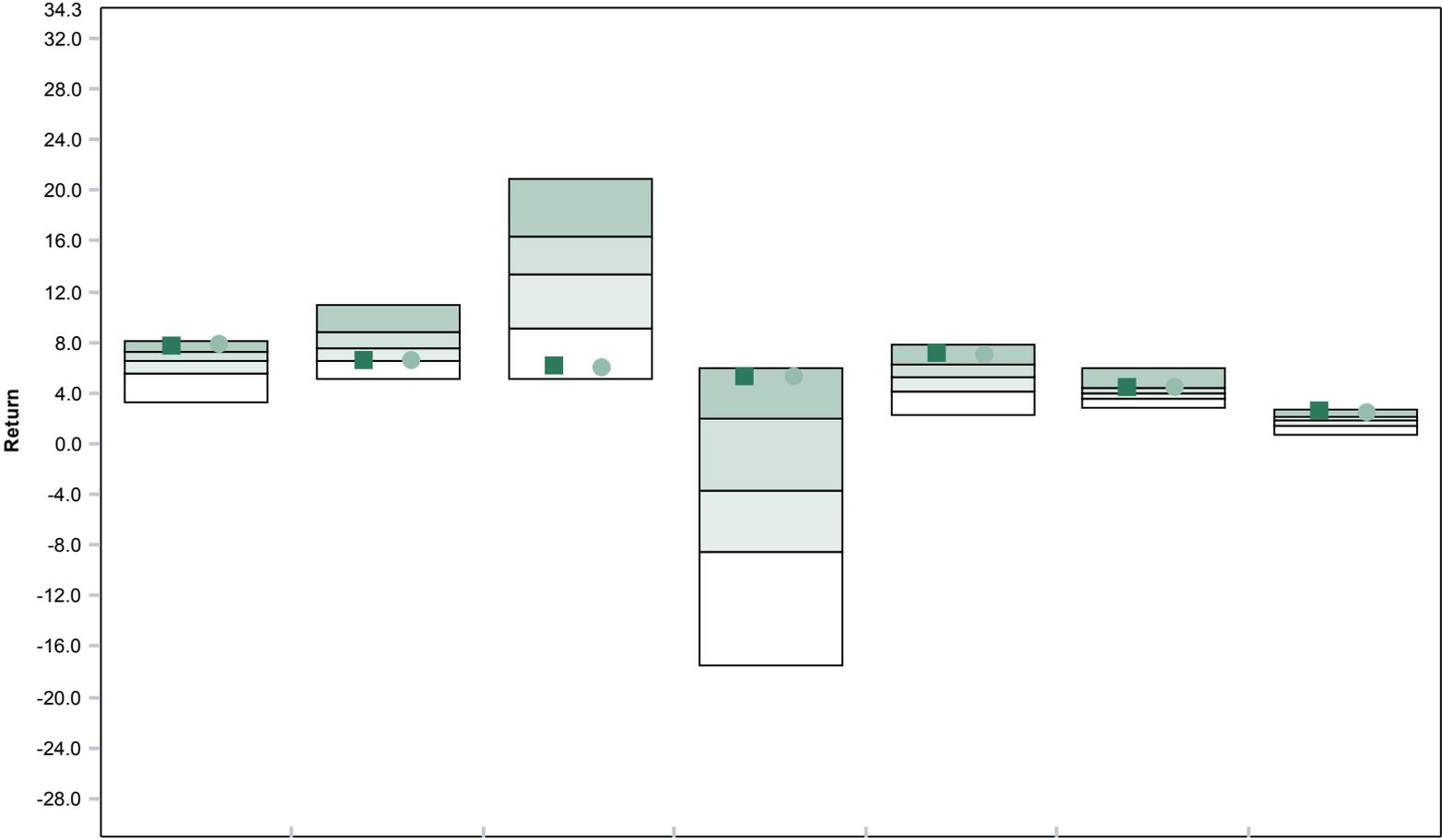
Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Total Bond Market Index	1.56 (91)	4.04 (87)	5.05 (88)	6.14 (79)	6.57 (43)	5.96 (37)	5.35 (39)
● Barclays Aggregate	1.58 (90)	3.99 (88)	5.16 (87)	6.19 (79)	6.53 (45)	5.92 (40)	5.33 (41)
5th Percentile	3.81	8.89	11.08	9.55	8.55	7.41	6.88
1st Quartile	2.90	7.07	8.57	7.76	7.20	6.27	5.77
Median	2.43	5.97	7.41	7.11	6.39	5.65	5.12
3rd Quartile	2.03	4.96	6.19	6.32	5.52	4.93	4.54
95th Percentile	1.45	3.45	4.30	4.84	3.14	2.96	3.00

Vanguard Total Bond Market Index

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Vanguard Total Bond Market Index	7.72 (13)	6.58 (75)	6.09 (90)	5.19 (10)	7.05 (10)	4.40 (27)	2.53 (11)
● Barclays Aggregate	7.84 (10)	6.54 (76)	5.93 (92)	5.24 (9)	6.97 (11)	4.34 (31)	2.43 (15)
5th Percentile	8.14	10.89	20.83	5.91	7.78	5.92	2.73
1st Quartile	7.28	8.80	16.39	2.03	6.24	4.46	2.19
Median	6.54	7.50	13.31	-3.68	5.25	3.94	1.82
3rd Quartile	5.57	6.58	9.14	-8.58	4.12	3.52	1.35
95th Percentile	3.25	5.16	5.12	-17.58	2.26	2.84	0.67

Vanguard Total Bond Market Index

Fund Information

Fund Name :	Vanguard Bond Index Funds: Vanguard Total Bond Market Index Fund; Institutional Shares	Portfolio Assets :	\$110,086 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Volpert/Davis
Ticker :	VBPIX	PM Tenure :	1995--2008
Inception Date :	09/18/1995	Fund Style :	IM U.S. Broad Market Core Fixed Income (MF)
Fund Assets :	\$23,127 Million	Style Benchmark :	Barclays Aggregate

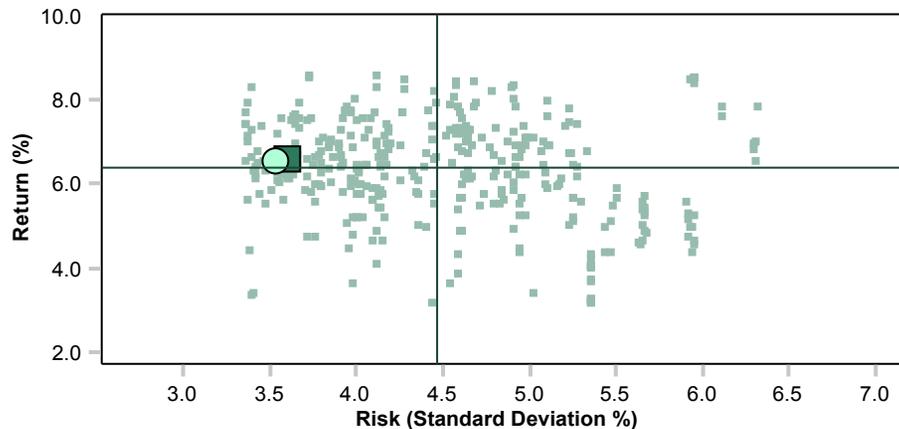
Fund Investment Policy

The Fund seeks to generate returns that track the performance of the Barclays Capital Aggregate Bond Index, and will maintain a dollar-weighted average maturity consistent with that of the index. The Index measures investment-grade, taxable fixed income securities in the U.S.

Historical Statistics (10/01/07 - 09/30/12) *

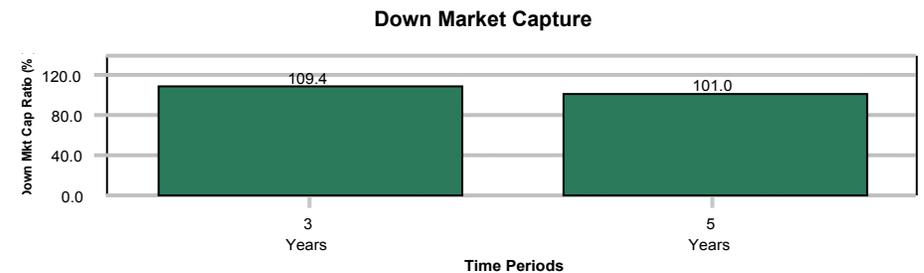
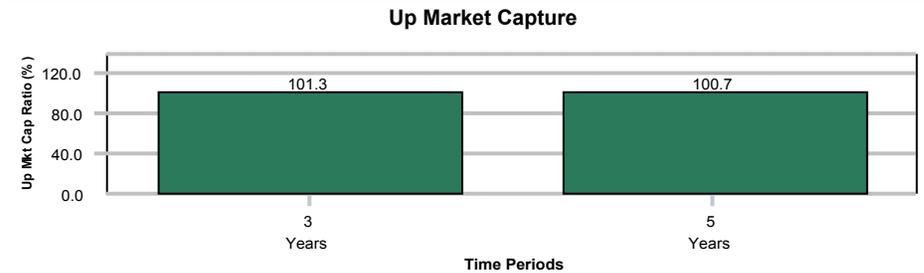
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Total Bond Market Index	6.57	3.60	1.59	-0.04	1.01	0.99	0.42	0.09	3.61	10/01/1995
Barclays Aggregate	6.53	3.54	1.61	0.00	1.00	1.00	0.00	N/A	3.55	10/01/1995
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.69	0.00	0.00	3.55	-1.61	0.00	10/01/1995

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Vanguard Total Bond Market Index	6.57	3.60
● Barclays Aggregate	6.53	3.54
— Median	6.39	4.46

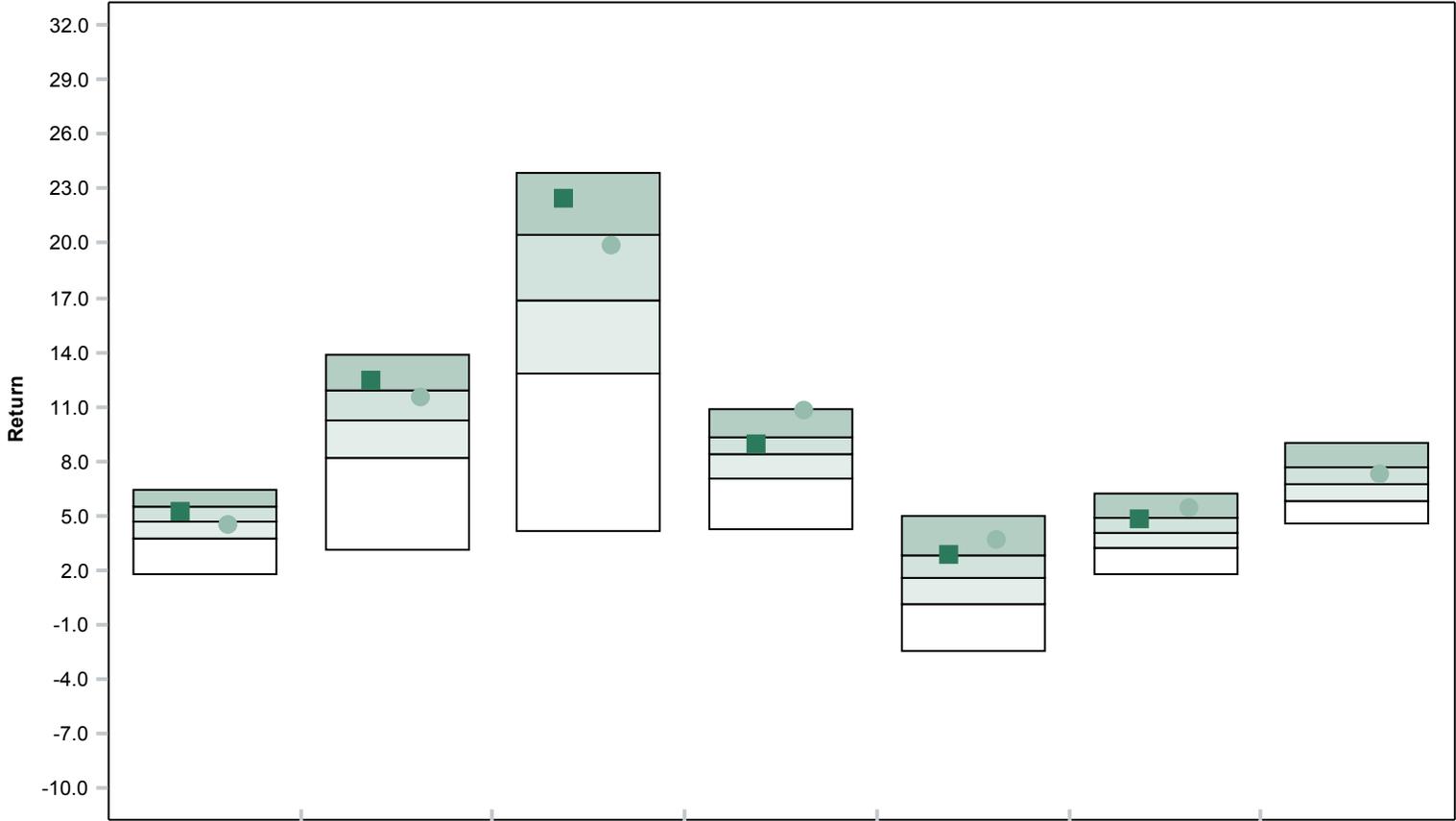
Up Down Market Capture



* Monthly periodicity used.

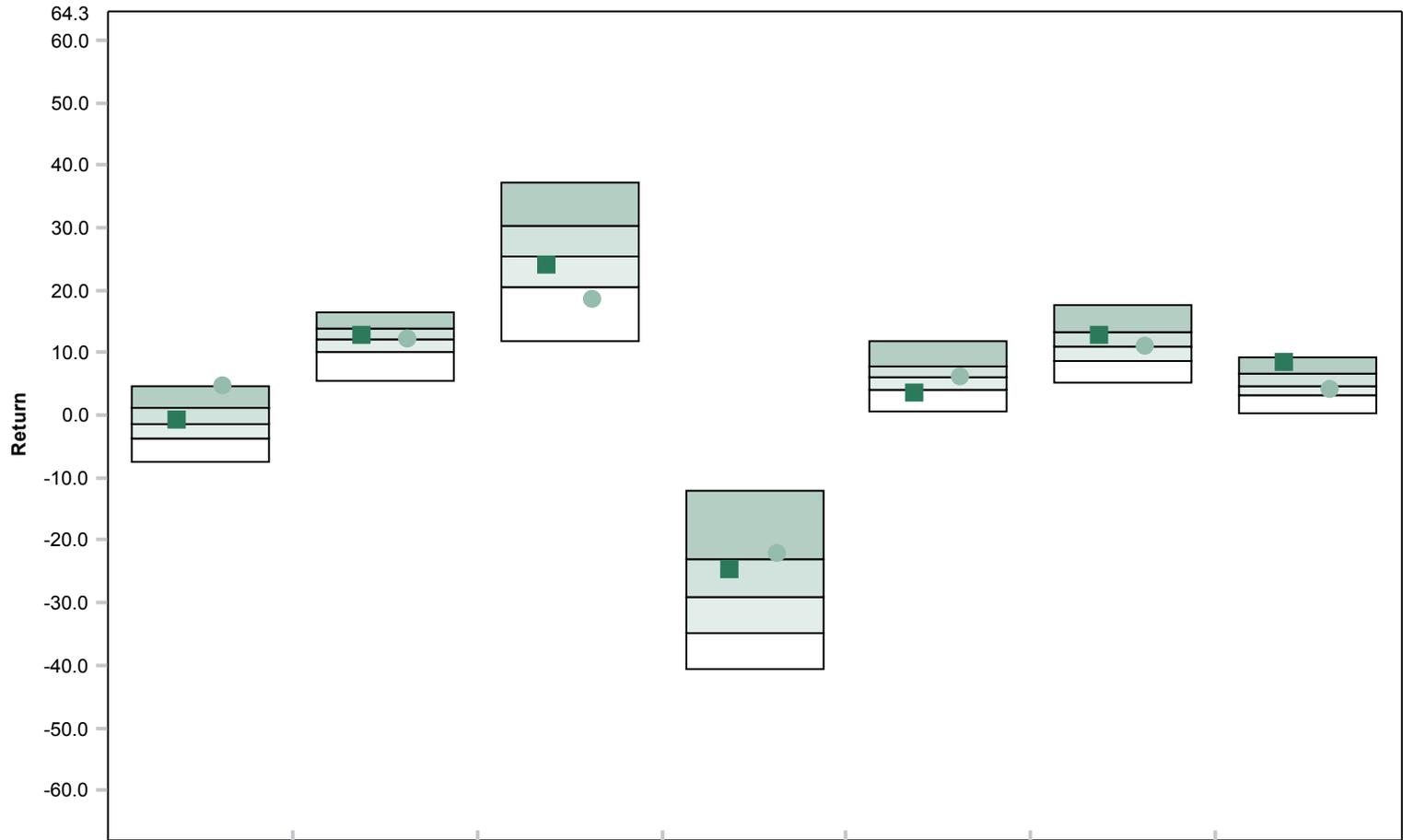
Invesco Van Kampen Equity & Income Y

Peer Group Analysis - IM All Balanced (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Invesco Van Kampen Equity & Income Y	5.23 (33)	12.42 (19)	22.45 (13)	8.91 (37)	2.76 (27)	4.73 (30)	N/A
● 60 S&P 500 / 40 Barclays Agg	4.43 (58)	11.46 (32)	19.87 (30)	10.71 (7)	3.67 (15)	5.41 (14)	7.25 (36)
5th Percentile	6.44	13.90	23.91	10.91	5.02	6.27	9.01
1st Quartile	5.46	11.90	20.44	9.33	2.87	4.88	7.61
Median	4.68	10.21	16.82	8.38	1.53	4.09	6.73
3rd Quartile	3.74	8.14	12.79	7.08	0.12	3.20	5.81
95th Percentile	1.77	3.10	4.20	4.22	-2.49	1.73	4.62

Peer Group Analysis - IM All Balanced (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Invesco Van Kampen Equity & Income Y	-0.97 (47)	12.67 (42)	23.82 (58)	-24.69 (32)	3.52 (81)	12.68 (31)	8.33 (9)
● 60 S&P 500 / 40 Barclays Agg	4.69 (5)	12.13 (51)	18.40 (84)	-22.06 (23)	6.22 (47)	11.12 (49)	4.01 (62)
5th Percentile	4.64	16.41	37.08	-11.94	11.91	17.65	9.35
1st Quartile	1.24	13.86	30.21	-22.94	7.87	13.35	6.62
Median	-1.31	12.13	25.42	-29.03	5.99	10.98	4.70
3rd Quartile	-3.66	10.23	20.54	-34.91	4.14	8.66	3.16
95th Percentile	-7.59	5.46	11.78	-40.76	0.52	5.35	0.37

Invesco Van Kampen Equity & Income Y

Fund Information

Fund Name : AIM Counselor Series Trust (Invesco Counselor Series Trust): Invesco Portfolio Assets : \$10,529 Million
Van Kampen Equity & Income Fund; CI Y Shs

Fund Family : Invesco Funds Portfolio Manager : Thomas B. Bastian

Ticker : ACETX PM Tenure : 2004

Inception Date : 12/22/2004 Fund Style : IM All Balanced (MF)

Fund Assets : \$389 Million Style Benchmark : 60 S&P 500 / 40 Barclays Agg

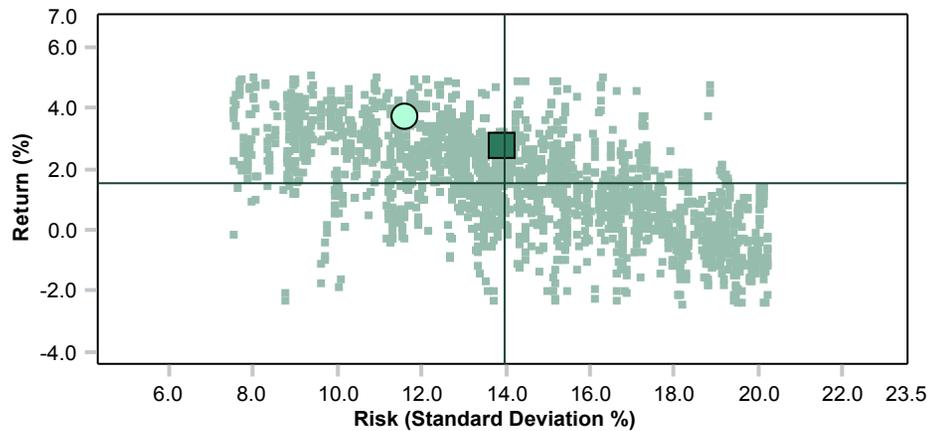
Fund Investment Policy

The Fund seeks the highest possible income consistent with safety of principal. Long-term growth of capital is an important secondary objective. The Fund seeks to achieve its investment objective by investing primarily in income-producing equity securities and investment grade quality debt securities.

Historical Statistics (10/01/07 - 09/30/12) *

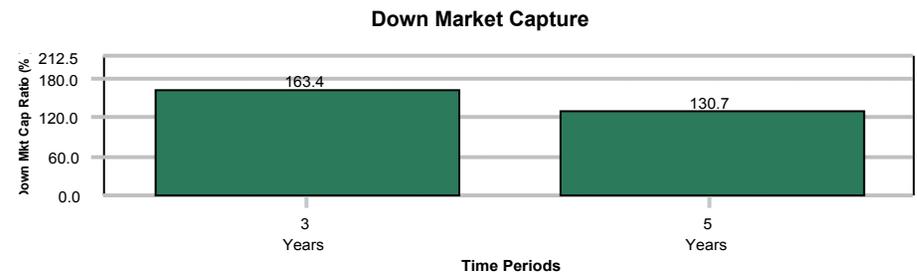
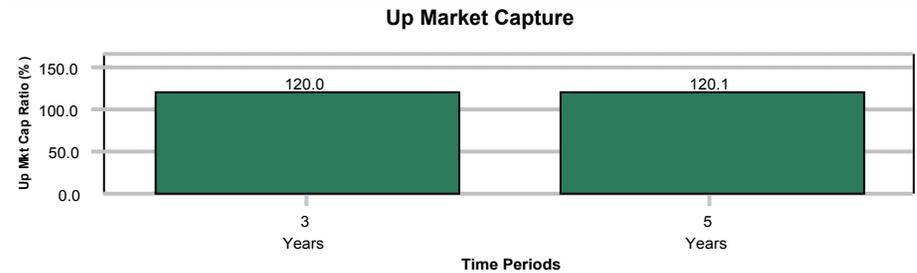
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Invesco Van Kampen Equity & Income Y	2.76	13.94	0.21	-1.32	1.17	0.96	3.57	-0.16	14.05	01/01/2005
60 S&P 500 / 40 Barclays Agg	3.67	11.60	0.31	0.00	1.00	1.00	0.00	N/A	11.72	01/01/2005
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.74	-0.01	0.10	11.72	-0.31	0.00	01/01/2005

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Invesco Van Kampen Equity & Income Y	2.76	13.94
○ 60 S&P 500 / 40 Barclays Agg	3.67	11.60
— Median	1.53	13.95

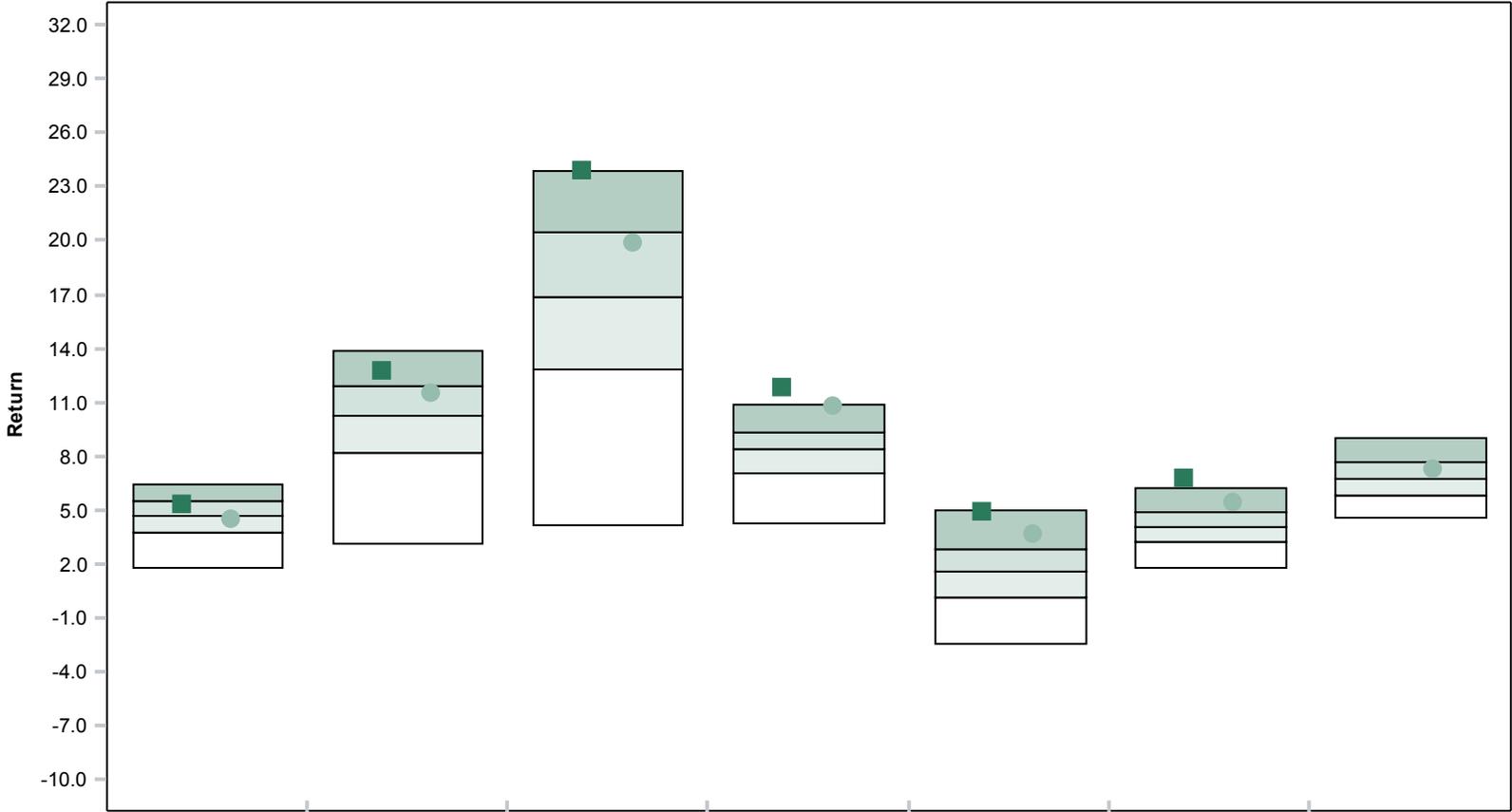
Up Down Market Capture



* Monthly periodicity used.

ING T Rowe Price Cap App Instl

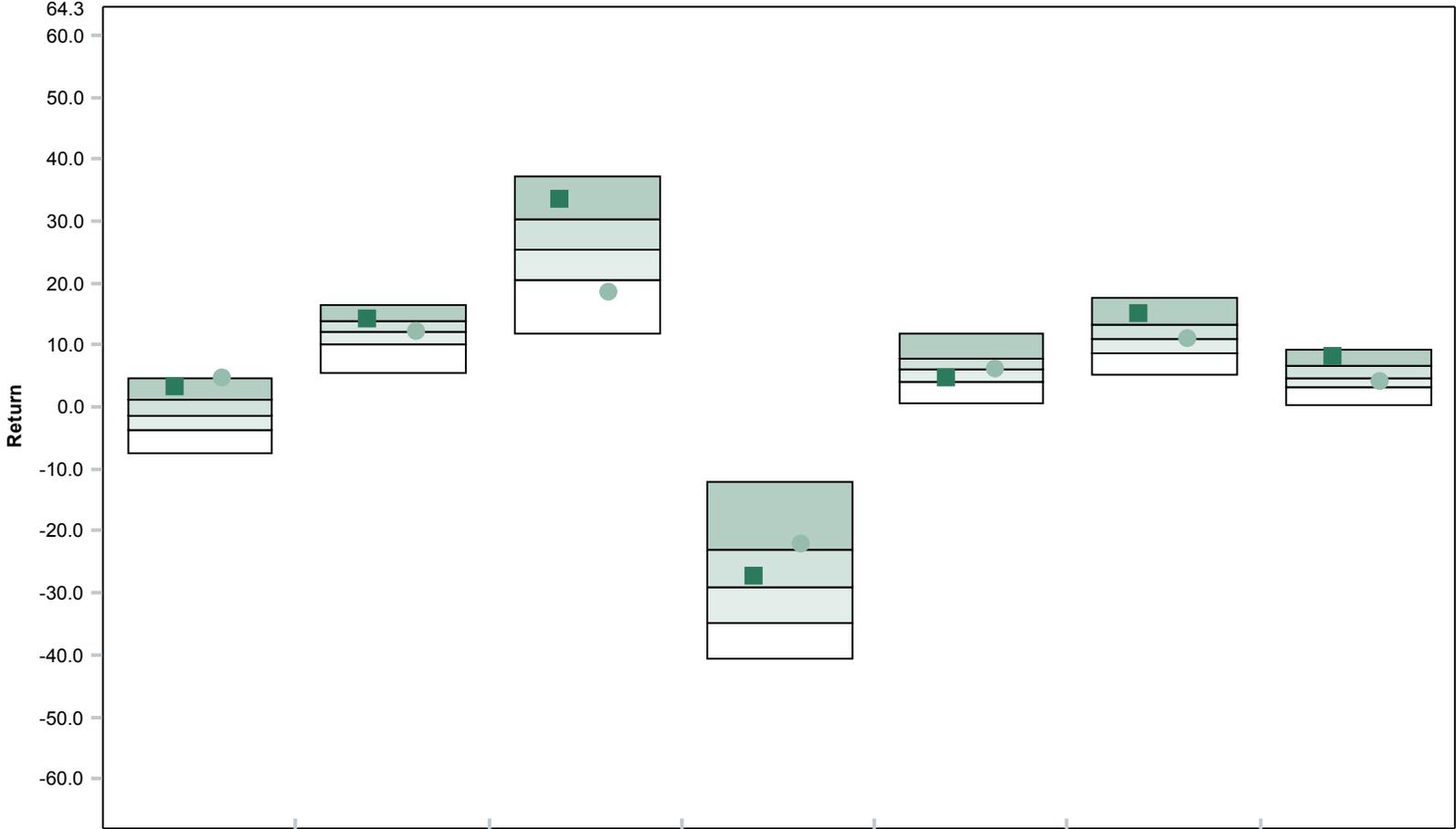
Peer Group Analysis - IM All Balanced (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ ING T Rowe Price Cap App Instl	5.34 (29)	12.71 (16)	23.81 (6)	11.80 (3)	4.89 (6)	6.78 (3)	N/A
● 60 S&P 500 / 40 Barclays Agg	4.43 (58)	11.46 (32)	19.87 (30)	10.71 (7)	3.67 (15)	5.41 (14)	7.25 (36)
5th Percentile	6.44	13.90	23.91	10.91	5.02	6.27	9.01
1st Quartile	5.46	11.90	20.44	9.33	2.87	4.88	7.61
Median	4.68	10.21	16.82	8.38	1.53	4.09	6.73
3rd Quartile	3.74	8.14	12.79	7.08	0.12	3.20	5.81
95th Percentile	1.77	3.10	4.20	4.22	-2.49	1.73	4.62

ING T Rowe Price Cap App Instl

Peer Group Analysis - IM All Balanced (MF)



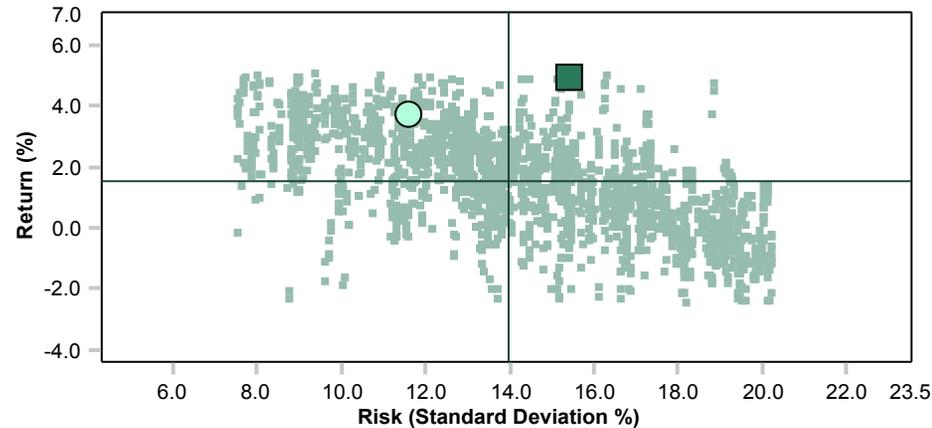
	2011	2010	2009	2008	2007	2006	2005
■ ING T Rowe Price Cap App Instl	3.16 (10)	14.30 (21)	33.56 (13)	-27.34 (43)	4.71 (70)	14.91 (15)	8.02 (11)
● 60 S&P 500 / 40 Barclays Agg	4.69 (5)	12.13 (51)	18.40 (84)	-22.06 (23)	6.22 (47)	11.12 (49)	4.01 (62)
5th Percentile	4.64	16.41	37.08	-11.94	11.91	17.65	9.35
1st Quartile	1.24	13.86	30.21	-22.94	7.87	13.35	6.62
Median	-1.31	12.13	25.42	-29.03	5.99	10.98	4.70
3rd Quartile	-3.66	10.23	20.54	-34.91	4.14	8.66	3.16
95th Percentile	-7.59	5.46	11.78	-40.76	0.52	5.35	0.37

ING T Rowe Price Cap App Instl

Historical Statistics (10/01/07 - 09/30/12) *

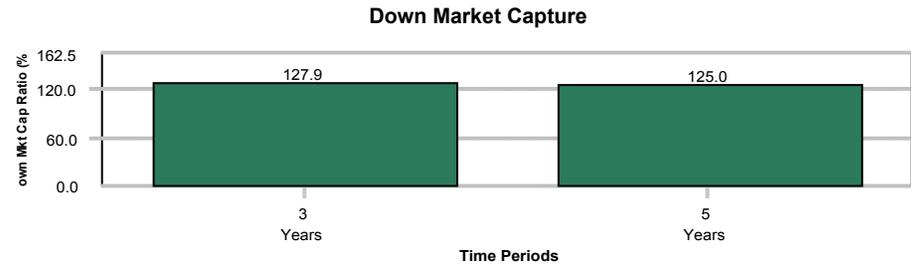
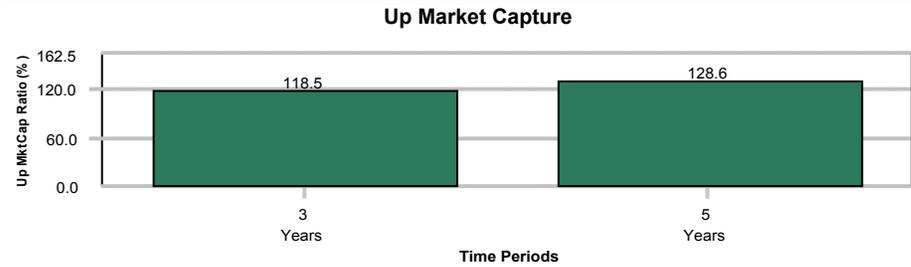
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
ING T Rowe Price Cap App Instl	4.89	15.45	0.34	0.47	1.29	0.94	5.04	0.34	15.56	01/01/2004
60 S&P 500 / 40 Barclays Agg	3.67	11.60	0.31	0.00	1.00	1.00	0.00	N/A	11.72	01/01/2004
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.74	-0.01	0.10	11.72	-0.31	0.00	01/01/2004

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ ING T Rowe Price Cap App Instl	4.89	15.45
● 60 S&P 500 / 40 Barclays Agg	3.67	11.60
— Median	1.53	13.95

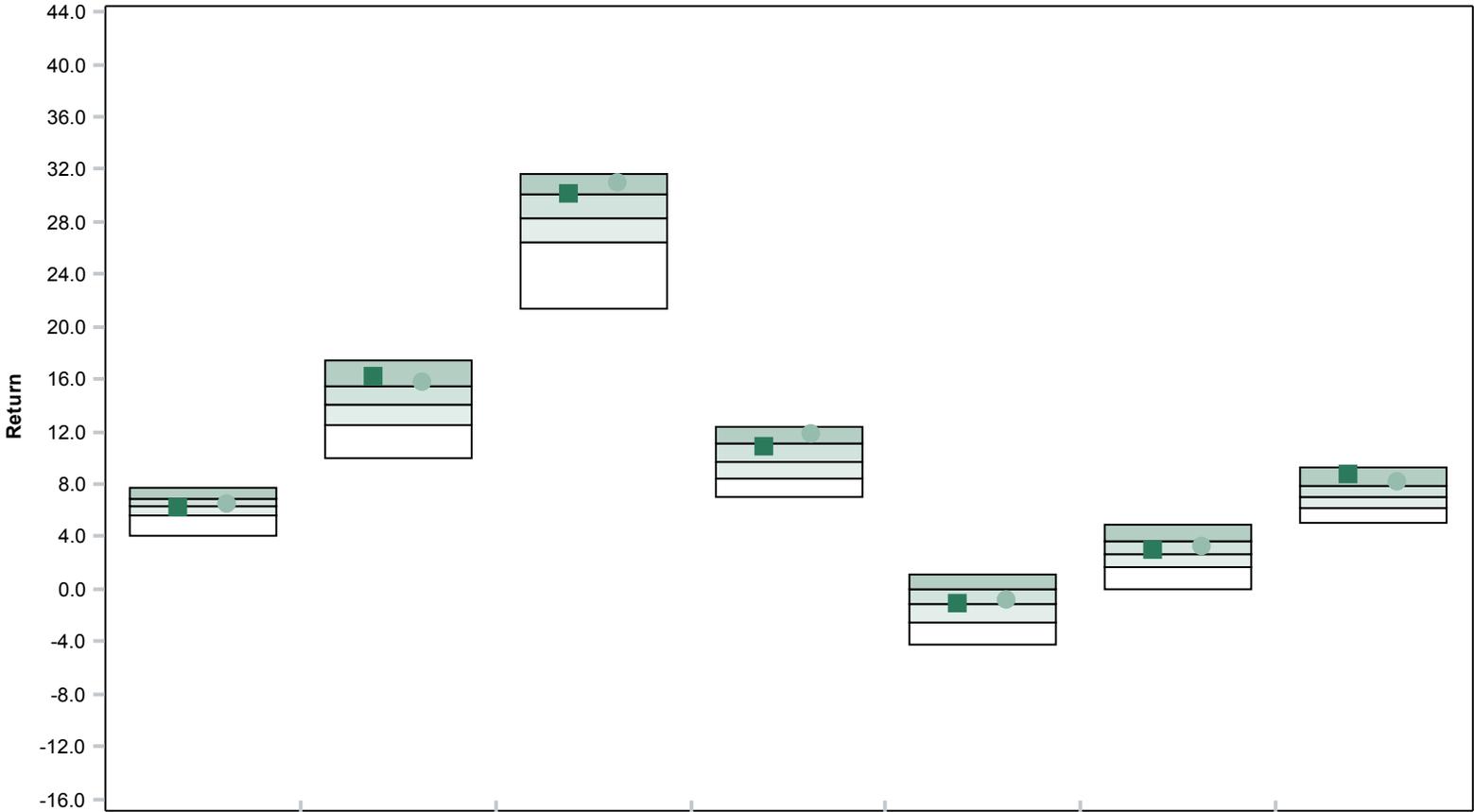
Up Down Market Capture



* Monthly periodicity used.

American Beacon Lg Cap Value Inv

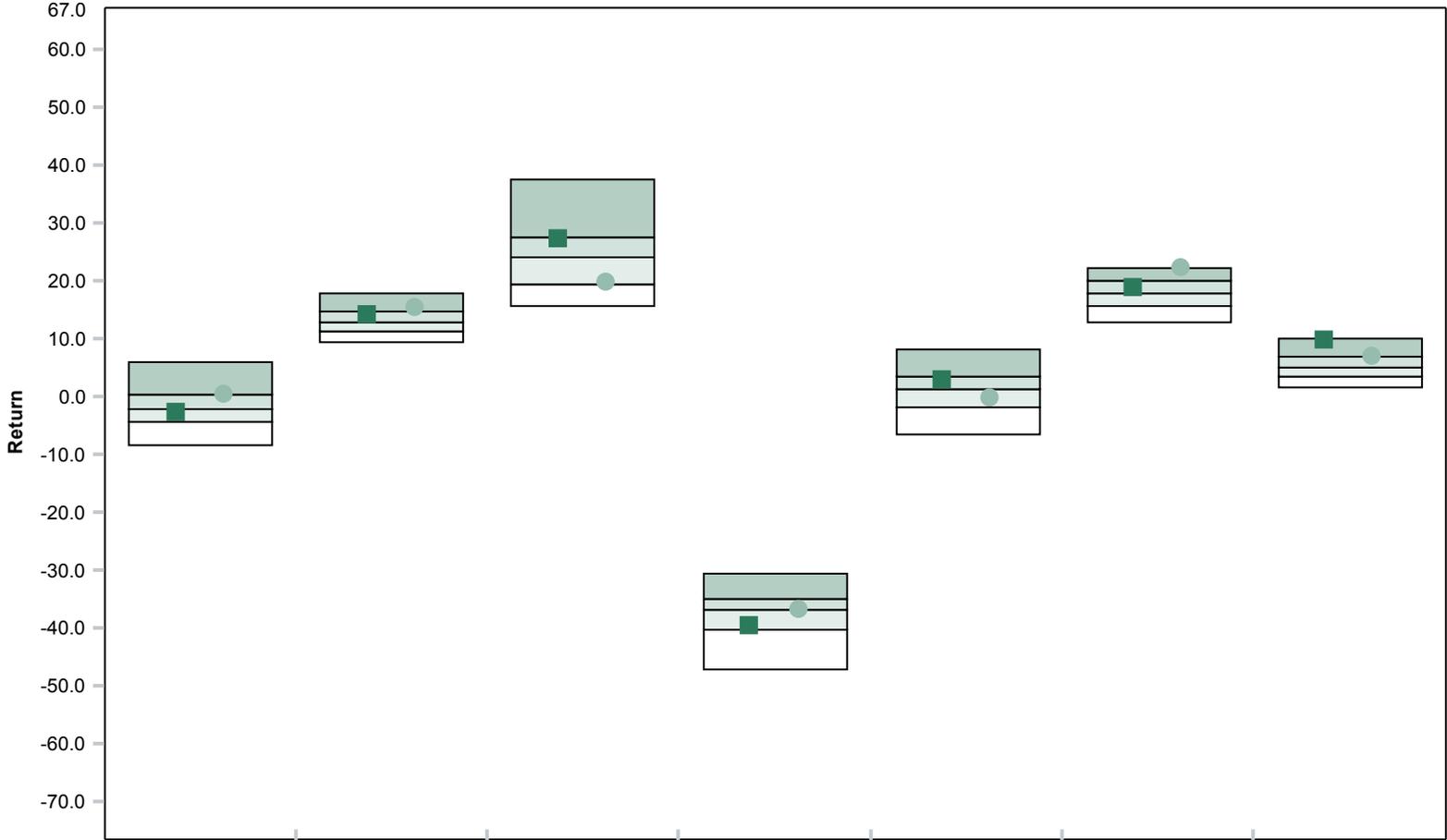
Peer Group Analysis - IM U.S. Large Cap Value Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ American Beacon Lg Cap Value Inv	6.11 (60)	16.10 (14)	30.15 (23)	10.88 (29)	-1.20 (50)	2.95 (42)	8.73 (7)
● Russell 1000 Value Index	6.51 (43)	15.75 (20)	30.92 (11)	11.84 (11)	-0.90 (40)	3.28 (34)	8.17 (19)
5th Percentile	7.74	17.39	31.70	12.37	1.13	4.97	9.28
1st Quartile	6.87	15.40	30.03	11.04	0.02	3.65	7.85
Median	6.35	14.03	28.28	9.75	-1.20	2.71	7.04
3rd Quartile	5.64	12.54	26.38	8.39	-2.52	1.72	6.22
95th Percentile	4.12	9.99	21.37	6.99	-4.30	-0.06	5.08

American Beacon Lg Cap Value Inv

Peer Group Analysis - IM U.S. Large Cap Value Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ American Beacon Lg Cap Value Inv	-2.72 (61)	14.11 (32)	27.16 (28)	-39.58 (71)	2.95 (33)	18.71 (42)	9.67 (10)
● Russell 1000 Value Index	0.39 (26)	15.51 (18)	19.69 (73)	-36.85 (49)	-0.17 (63)	22.25 (6)	7.05 (26)
5th Percentile	5.91	18.02	37.45	-30.65	8.30	22.28	10.20
1st Quartile	0.40	14.74	27.56	-34.80	3.53	20.05	7.11
Median	-2.05	12.78	24.10	-36.92	1.32	17.97	5.03
3rd Quartile	-4.28	11.40	19.49	-40.27	-1.77	15.81	3.61
95th Percentile	-8.31	9.59	15.76	-46.94	-6.54	13.00	1.76

American Beacon Lg Cap Value Inv

Fund Information

Fund Name :	American Beacon Funds: American Beacon Large Cap Value Fund; Investor Class Shares	Portfolio Assets :	\$8,132 Million
Fund Family :	American Beacon Advisors Inc	Portfolio Manager :	Crumpler/Posada
Ticker :	AAGPX	PM Tenure :	2007--1994
Inception Date :	08/01/1994	Fund Style :	IM U.S. Large Cap Value Equity (MF)
Fund Assets :	\$3,619 Million	Style Benchmark :	Russell 1000 Value Index

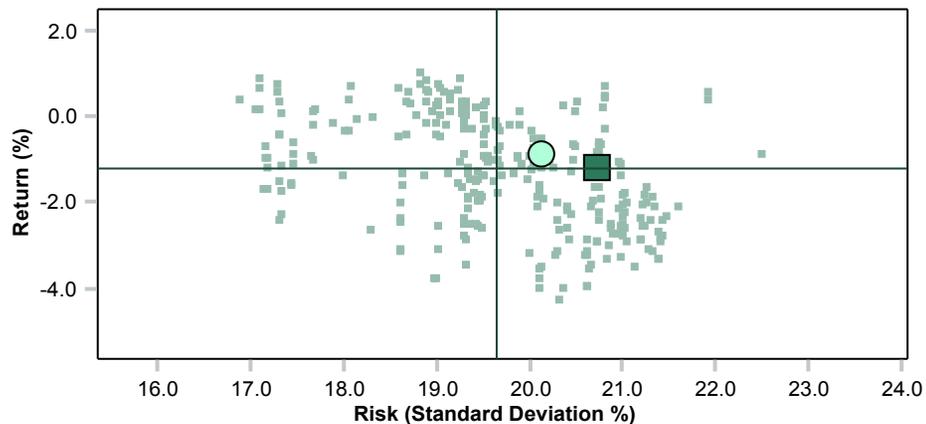
Fund Investment Policy

The Fund seeks long-term capital appreciation and current income by typically investing in equity securities of U.S. companies with market capitalizations of \$5 billion or more at the time of investment.

Historical Statistics (10/01/07 - 09/30/12) *

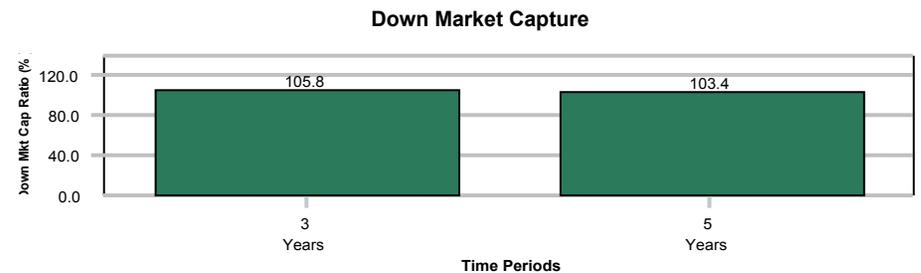
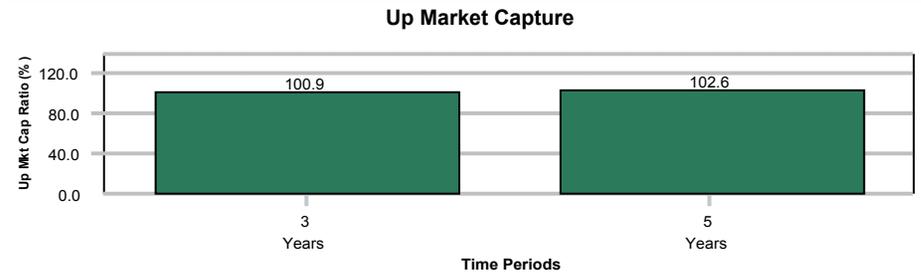
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
American Beacon Lg Cap Value Inv	-1.20	20.73	0.01	-0.21	1.02	0.98	2.76	-0.07	20.85	09/01/1994
Russell 1000 Value Index	-0.90	20.13	0.02	0.00	1.00	1.00	0.00	N/A	20.24	09/01/1994
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.71	-0.01	0.08	20.24	-0.02	0.00	09/01/1994

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ American Beacon Lg Cap Value Inv	-1.20	20.73
○ Russell 1000 Value Index	-0.90	20.13
— Median	-1.20	19.64

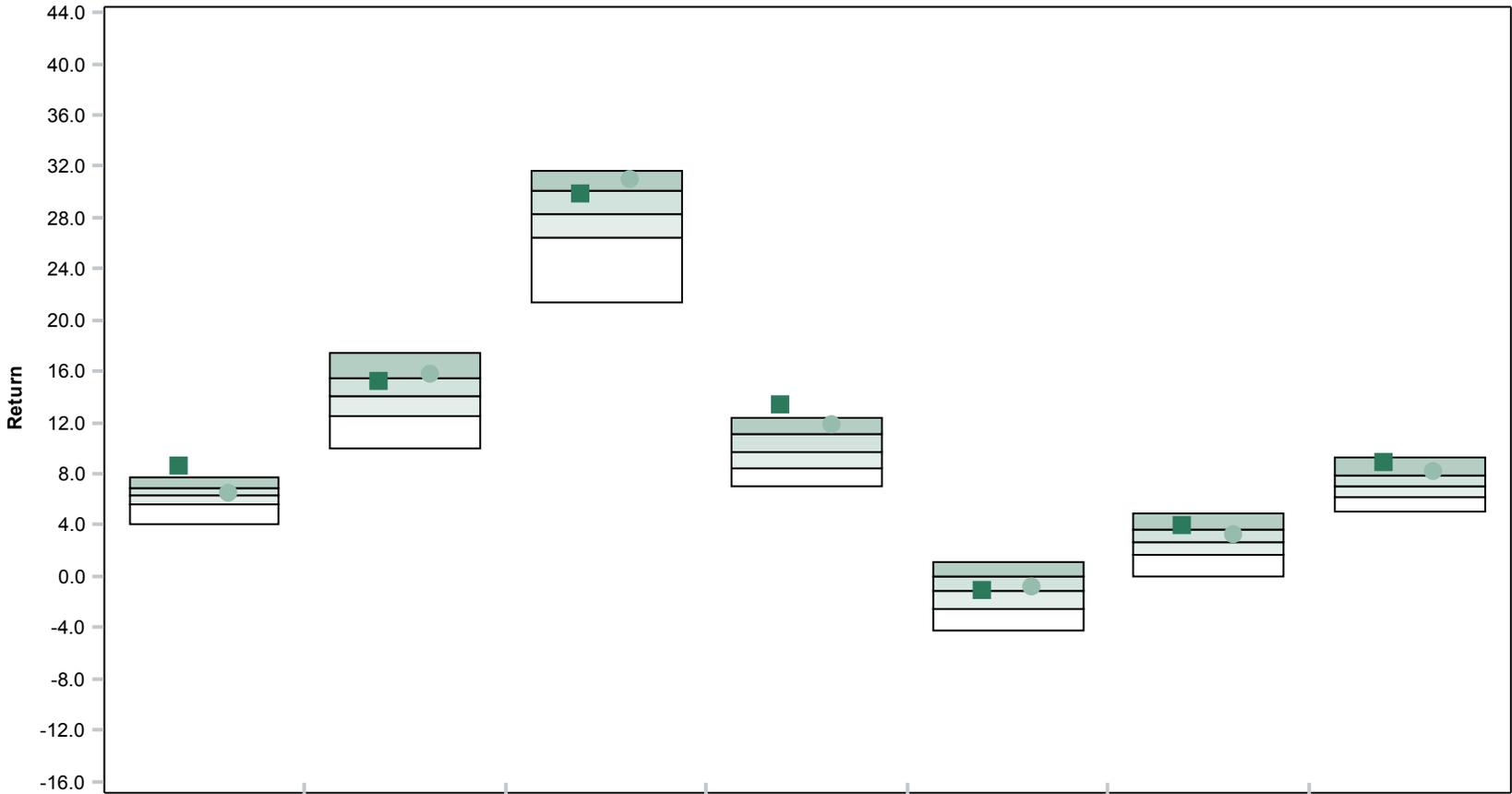
Up Down Market Capture



* Monthly periodicity used.

Allianz NFJ Dividend Value

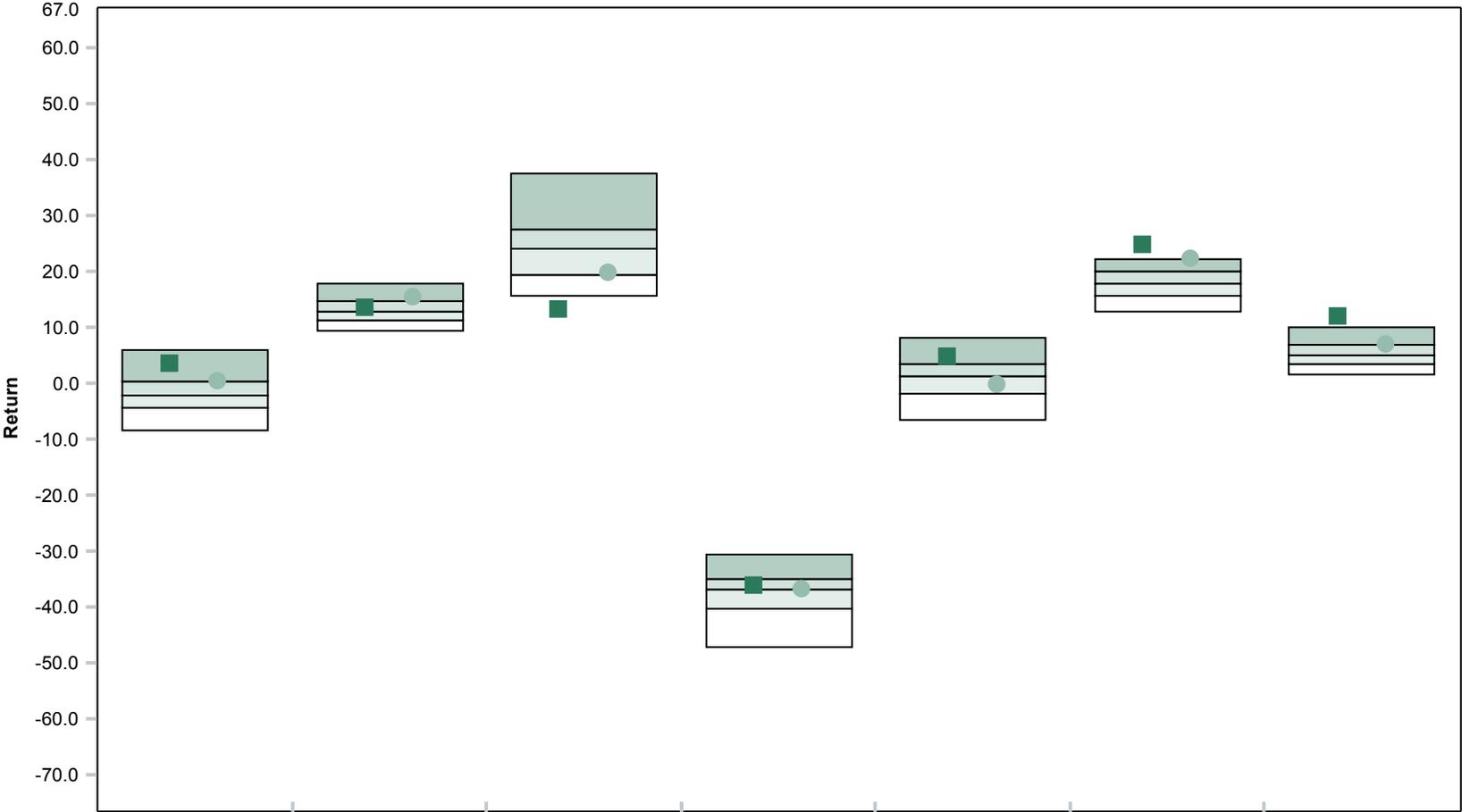
Peer Group Analysis - IM U.S. Large Cap Value Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Allianz NFJ Dividend Value	8.59 (1)	15.13 (29)	29.83 (29)	13.36 (3)	-1.07 (47)	3.92 (21)	8.90 (7)
● Russell 1000 Value Index	6.51 (43)	15.75 (20)	30.92 (11)	11.84 (11)	-0.90 (40)	3.28 (34)	8.17 (19)
5th Percentile	7.74	17.39	31.70	12.37	1.13	4.97	9.28
1st Quartile	6.87	15.40	30.03	11.04	0.02	3.65	7.85
Median	6.35	14.03	28.28	9.75	-1.20	2.71	7.04
3rd Quartile	5.64	12.54	26.38	8.39	-2.52	1.72	6.22
95th Percentile	4.12	9.99	21.37	6.99	-4.30	-0.06	5.08

Allianz NFJ Dividend Value

Peer Group Analysis - IM U.S. Large Cap Value Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Allianz NFJ Dividend Value	3.44 (12)	13.57 (39)	13.33 (98)	-36.06 (36)	4.65 (20)	24.64 (1)	11.86 (2)
● Russell 1000 Value Index	0.39 (26)	15.51 (18)	19.69 (73)	-36.85 (49)	-0.17 (63)	22.25 (6)	7.05 (26)
5th Percentile	5.91	18.02	37.45	-30.65	8.30	22.28	10.20
1st Quartile	0.40	14.74	27.56	-34.80	3.53	20.05	7.11
Median	-2.05	12.78	24.10	-36.92	1.32	17.97	5.03
3rd Quartile	-4.28	11.40	19.49	-40.27	-1.77	15.81	3.61
95th Percentile	-8.31	9.59	15.76	-46.94	-6.54	13.00	1.76

Allianz NFJ Dividend Value

Fund Information

Fund Name : Allianz Funds: NFJ Dividend Value Fund; Institutional Class Shares
 Fund Family : Allianz Global Investors
 Ticker : NFJEX
 Inception Date : 05/08/2000
 Fund Assets : \$3,052 Million
 Portfolio Turnover : 38%

Portfolio Assets : \$7,748 Million
 Portfolio Manager : Benno J. Fischer
 PM Tenure : 2000
 Fund Style : IM U.S. Large Cap Value Equity (MF)
 Style Benchmark : Russell 1000 Value Index

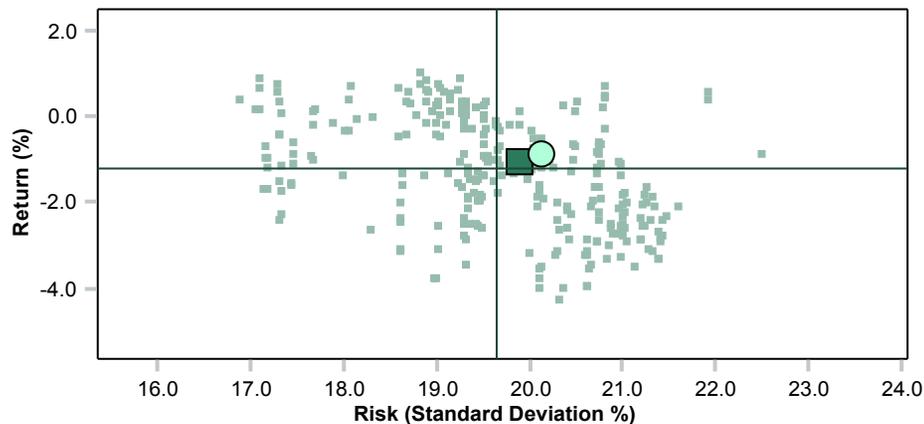
Fund Investment Policy

The Fund seeks current income as a primary objective, and long-term growth of capital as a secondary objective. Focus is on income-producing common stocks with the potential for capital appreciation.

Historical Statistics (10/01/07 - 09/30/12) *

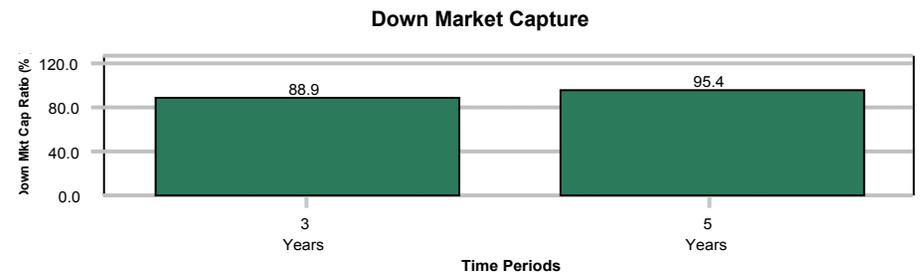
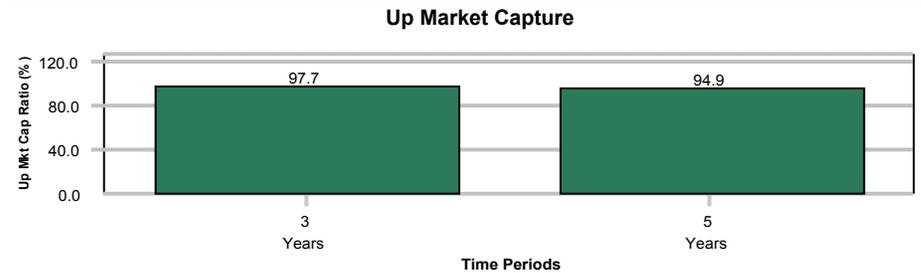
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Allianz NFJ Dividend Value	-1.07	19.91	0.01	-0.15	0.97	0.95	4.31	-0.04	20.02	06/01/2000
Russell 1000 Value Index	-0.90	20.13	0.02	0.00	1.00	1.00	0.00	N/A	20.24	06/01/2000
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.71	-0.01	0.08	20.24	-0.02	0.00	06/01/2000

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
Allianz NFJ Dividend Value	-1.07	19.91
Russell 1000 Value Index	-0.90	20.13
Median	-1.20	19.64

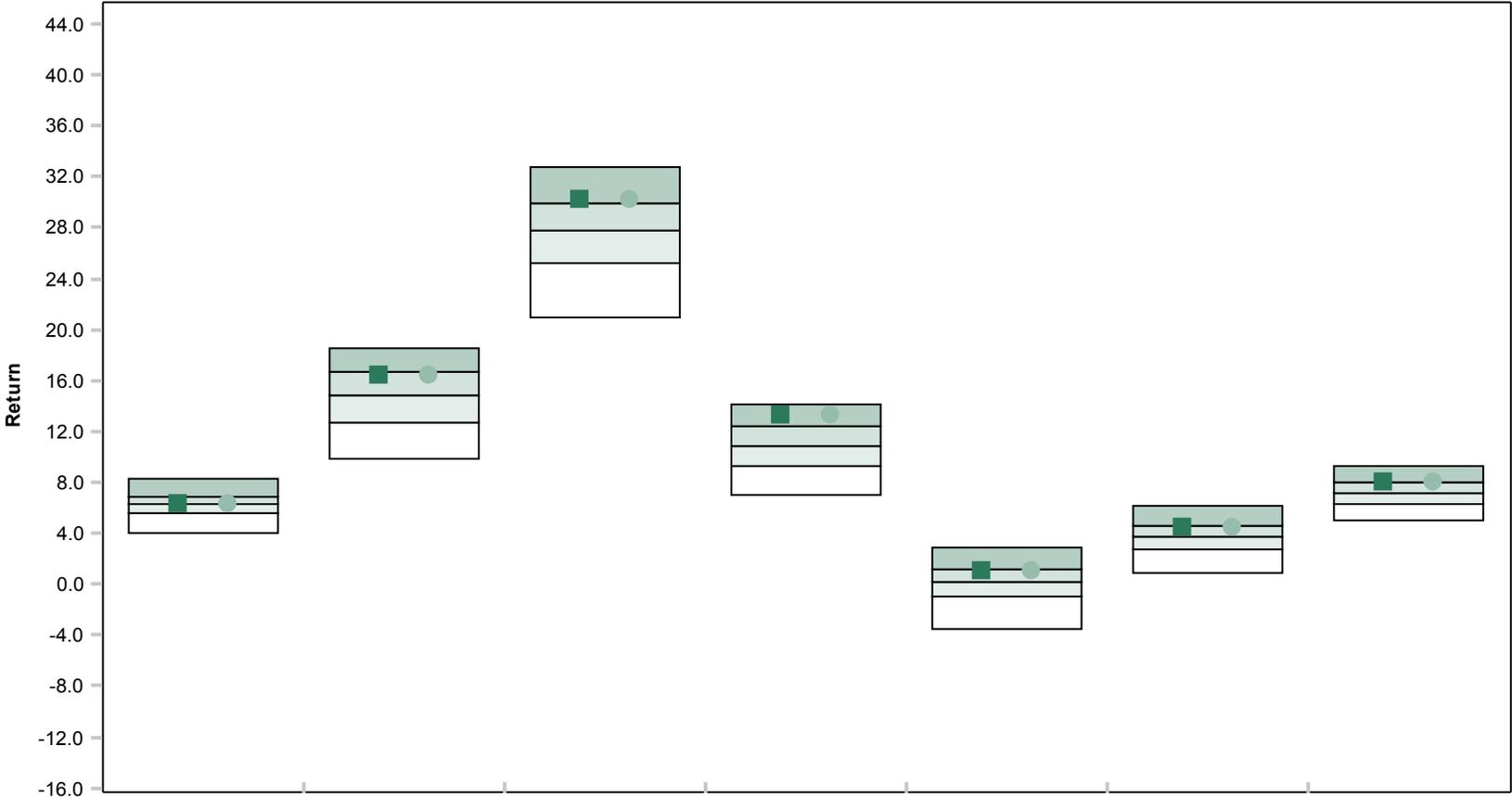
Up Down Market Capture



* Monthly periodicity used.

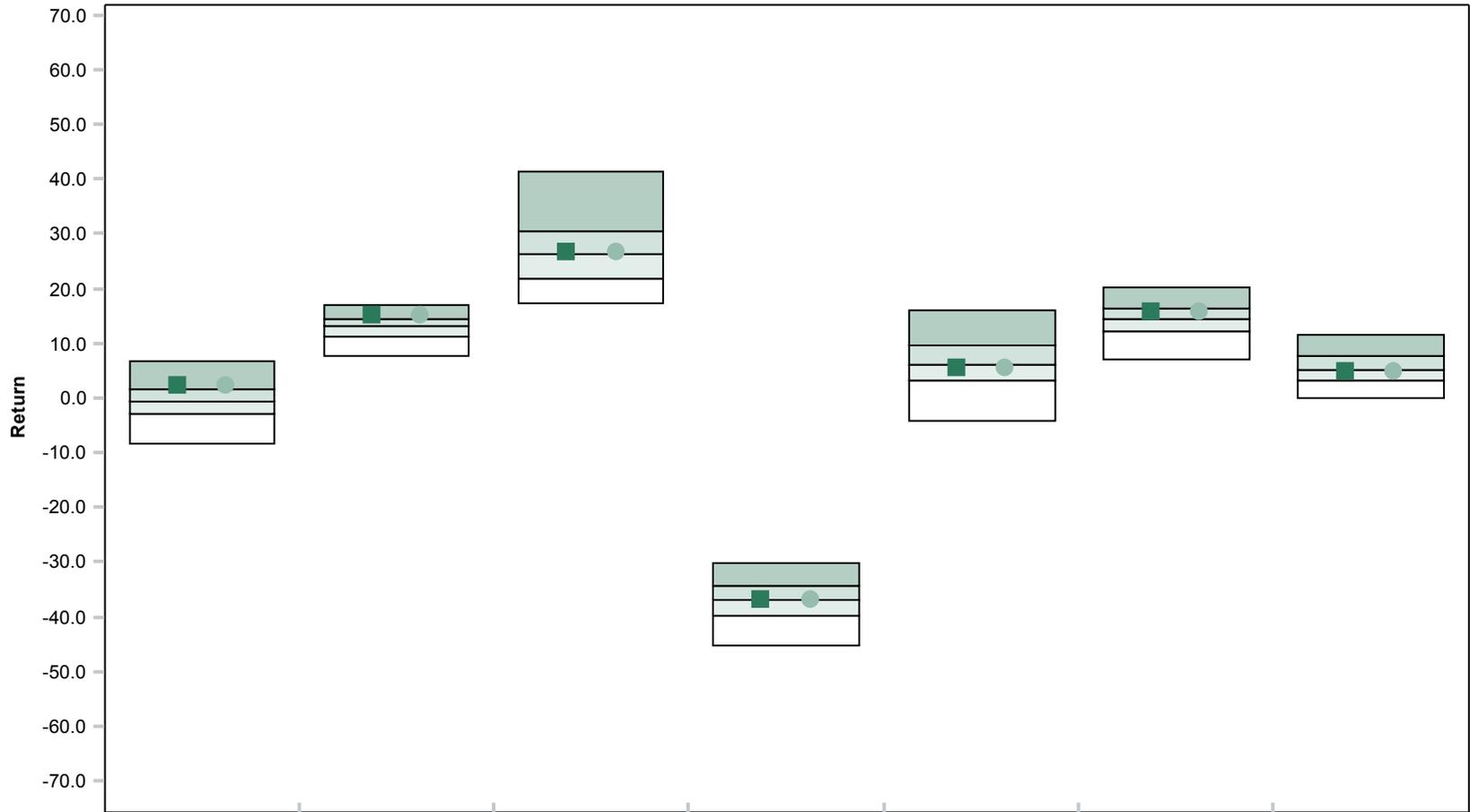
Vanguard Institutional Index

Peer Group Analysis - IM U.S. Large Cap Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Institutional Index	6.35 (48)	16.43 (28)	30.18 (22)	13.19 (14)	1.08 (28)	4.50 (27)	8.02 (24)
● S&P 500	6.35 (48)	16.44 (28)	30.20 (22)	13.20 (13)	1.05 (29)	4.48 (28)	8.01 (24)
5th Percentile	8.28	18.46	32.81	14.12	2.84	6.08	9.31
1st Quartile	6.92	16.61	29.92	12.45	1.17	4.55	7.95
Median	6.30	14.76	27.77	10.82	0.20	3.74	7.19
3rd Quartile	5.52	12.66	25.17	9.31	-1.03	2.75	6.36
95th Percentile	3.99	9.82	20.92	6.94	-3.58	0.86	5.02

Peer Group Analysis - IM U.S. Large Cap Core Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Vanguard Institutional Index	2.09 (22)	15.05 (18)	26.63 (49)	-36.95 (51)	5.47 (55)	15.78 (32)	4.91 (55)
● S&P 500	2.11 (22)	15.06 (18)	26.46 (50)	-37.00 (52)	5.49 (55)	15.79 (32)	4.91 (55)
5th Percentile	6.60	17.02	41.18	-30.13	16.15	20.22	11.59
1st Quartile	1.61	14.42	30.52	-34.26	9.62	16.32	7.61
Median	-0.66	12.98	26.36	-36.92	5.90	14.37	5.23
3rd Quartile	-2.99	11.20	21.83	-39.82	3.14	12.16	3.29
95th Percentile	-8.46	7.70	17.41	-45.42	-4.32	7.11	0.07

Vanguard Institutional Index

Fund Information

Fund Name :	Vanguard Institutional Index Fund: Vanguard Institutional Index Fund; Institutional Shares	Portfolio Assets :	\$104,799 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Donald M. Butler
Ticker :	VINIX	PM Tenure :	2000
Inception Date :	07/31/1990	Fund Style :	IM U.S. Large Cap Core Equity (MF)
Fund Assets :	\$62,537 Million	Style Benchmark :	S&P 500

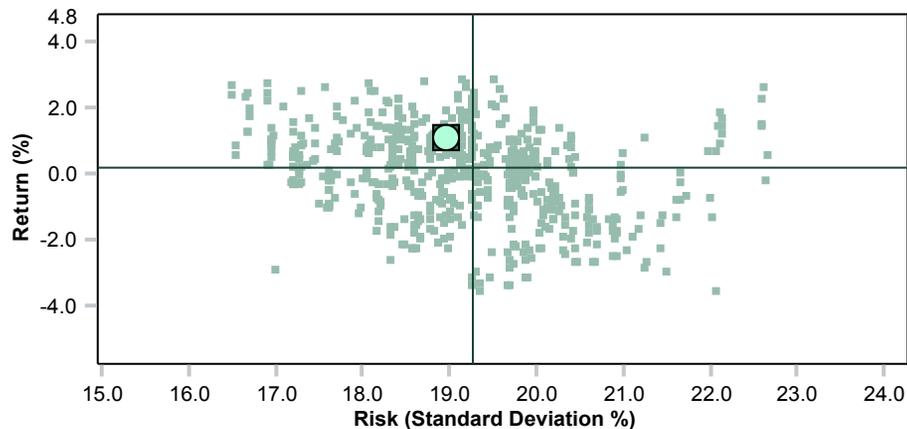
Fund Investment Policy

The Fund seeks to match the investment performance of the Standard & Poor's 500 Composite Stock Price Index.

Historical Statistics (10/01/07 - 09/30/12) *

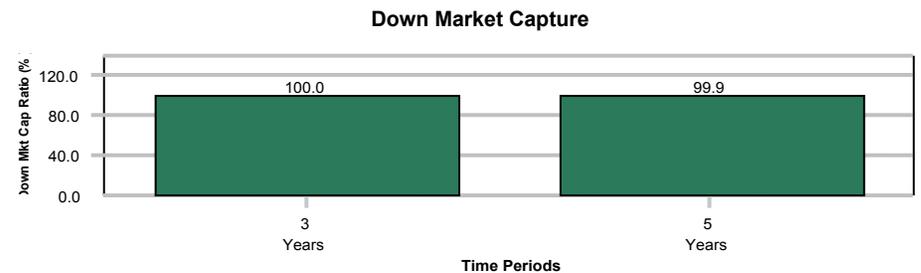
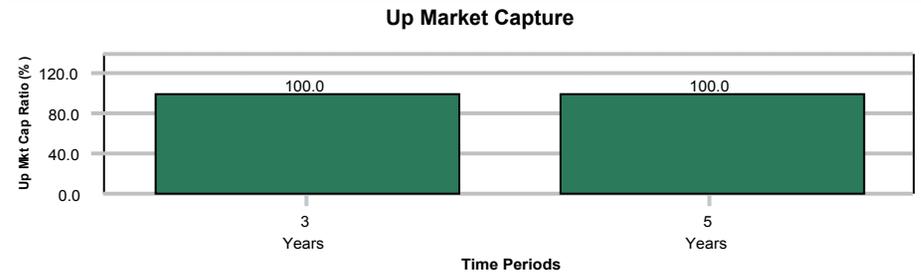
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Institutional Index	1.08	18.97	0.12	0.03	1.00	1.00	0.04	0.74	19.09	08/01/1990
S&P 500	1.05	18.97	0.11	0.00	1.00	1.00	0.00	N/A	19.10	08/01/1990
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.72	-0.01	0.10	19.10	-0.11	0.00	08/01/1990

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Vanguard Institutional Index	1.08	18.97
● S&P 500	1.05	18.97
— Median	0.20	19.26

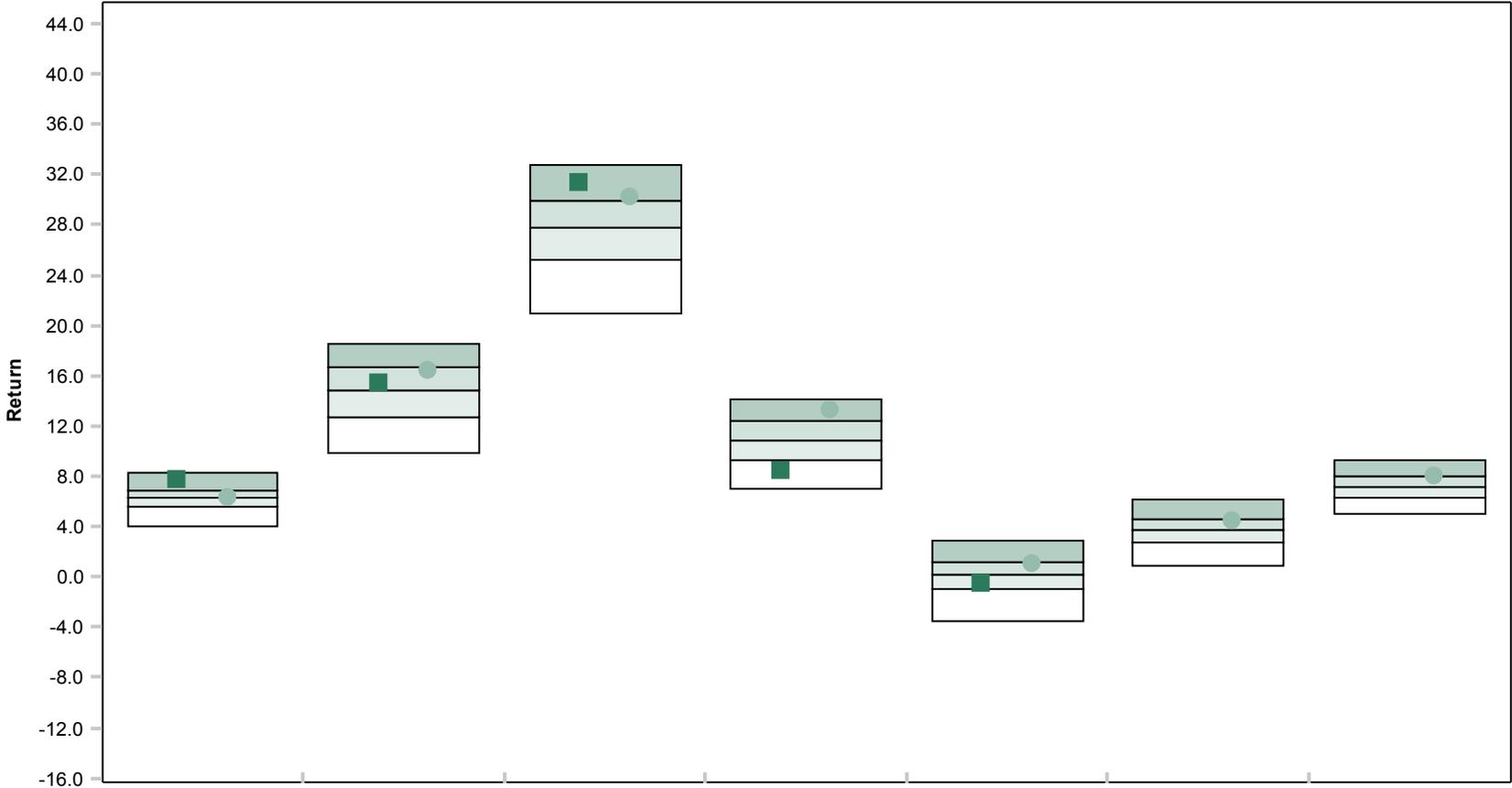
Up Down Market Capture



* Monthly periodicity used.

Victory Diversified Stock I

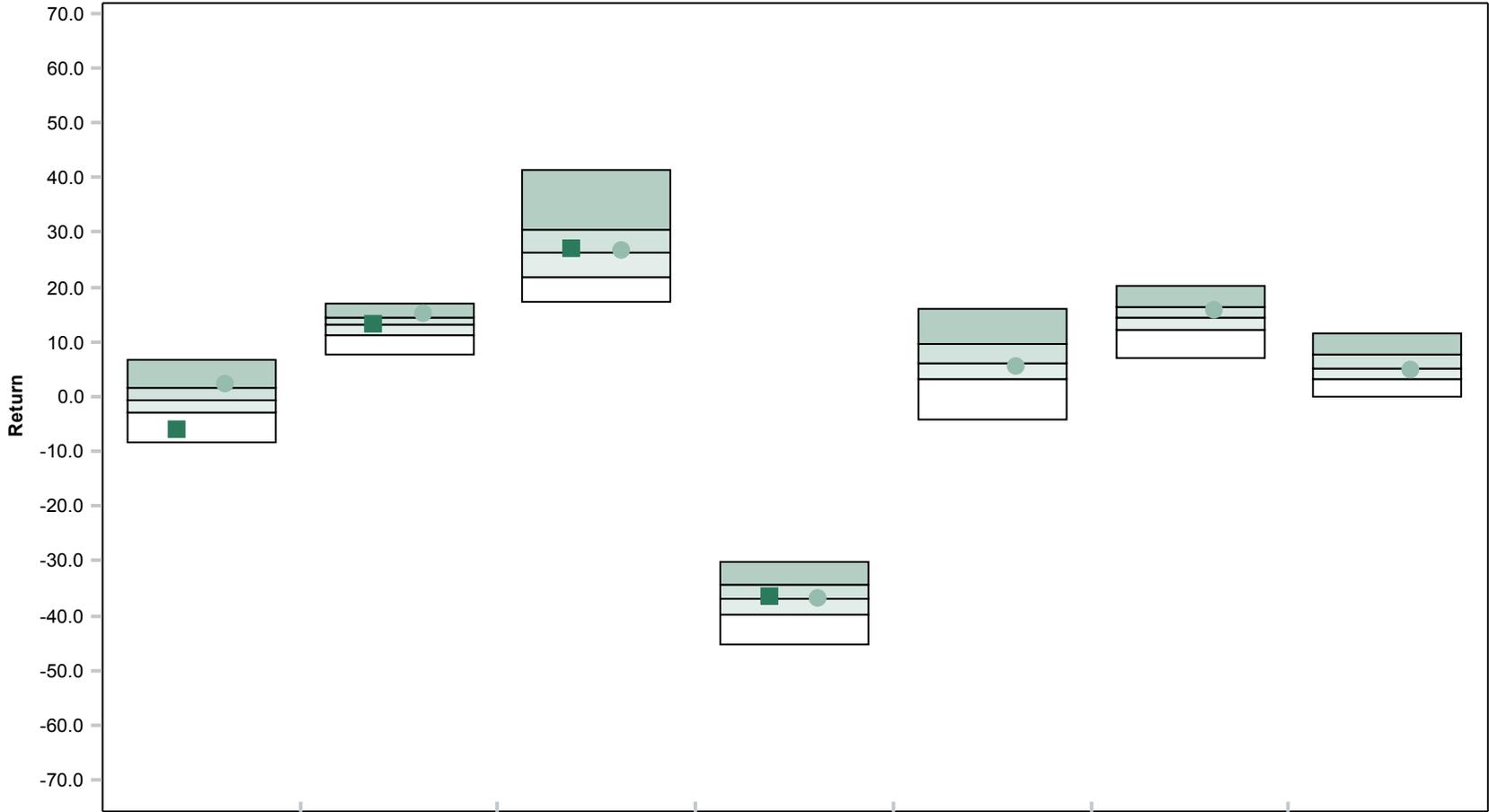
Peer Group Analysis - IM U.S. Large Cap Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Victory Diversified Stock I	7.68 (12)	15.38 (44)	31.26 (13)	8.45 (86)	-0.59 (68)	N/A	N/A
● S&P 500	6.35 (48)	16.44 (28)	30.20 (22)	13.20 (13)	1.05 (29)	4.48 (28)	8.01 (24)
5th Percentile	8.28	18.46	32.81	14.12	2.84	6.08	9.31
1st Quartile	6.92	16.61	29.92	12.45	1.17	4.55	7.95
Median	6.30	14.76	27.77	10.82	0.20	3.74	7.19
3rd Quartile	5.52	12.66	25.17	9.31	-1.03	2.75	6.36
95th Percentile	3.99	9.82	20.92	6.94	-3.58	0.86	5.02

Victory Diversified Stock I

Peer Group Analysis - IM U.S. Large Cap Core Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Victory Diversified Stock I	-6.29 (91)	13.11 (48)	27.02 (46)	-36.51 (46)	N/A	N/A	N/A
● S&P 500	2.11 (22)	15.06 (18)	26.46 (50)	-37.00 (52)	5.49 (55)	15.79 (32)	4.91 (55)
5th Percentile	6.60	17.02	41.18	-30.13	16.15	20.22	11.59
1st Quartile	1.61	14.42	30.52	-34.26	9.62	16.32	7.61
Median	-0.66	12.98	26.36	-36.92	5.90	14.37	5.23
3rd Quartile	-2.99	11.20	21.83	-39.82	3.14	12.16	3.29
95th Percentile	-8.46	7.70	17.41	-45.42	-4.32	7.11	0.07

Victory Diversified Stock I

Fund Information

Fund Name : Victory Portfolios: Diversified Stock Fund; Class I Shares
 Fund Family : Victory Capital Management Inc
 Ticker : VDSIX
 Inception Date : 08/31/2007
 Fund Assets : \$531 Million
 Portfolio Turnover : 84%

Portfolio Assets : \$2,019 Million
 Portfolio Manager : Babin/Danes/Rains
 PM Tenure : 2007--2007--2007
 Fund Style : IM U.S. Large Cap Core Equity (MF)
 Style Benchmark : S&P 500

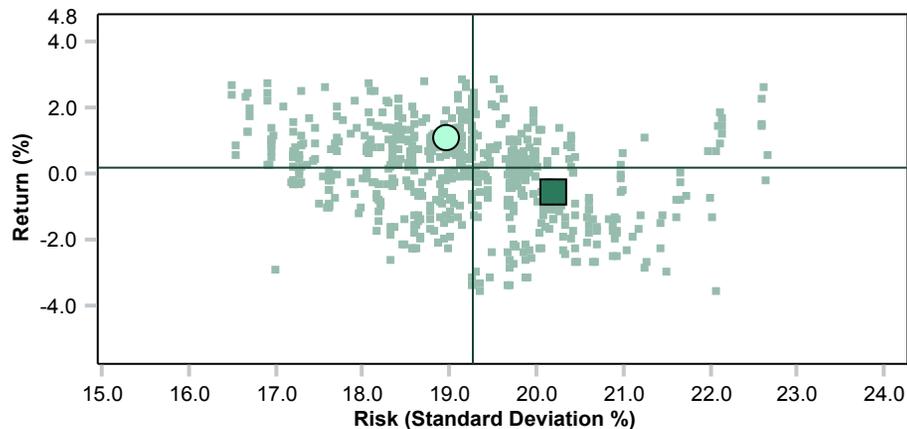
Fund Investment Policy

The Fund seeks long-term growth of capital by investing in primarily in equity securities and securities convertible into common stocks traded on U.S. exchanges and issued by large, established companies.

Historical Statistics (10/01/07 - 09/30/12) *

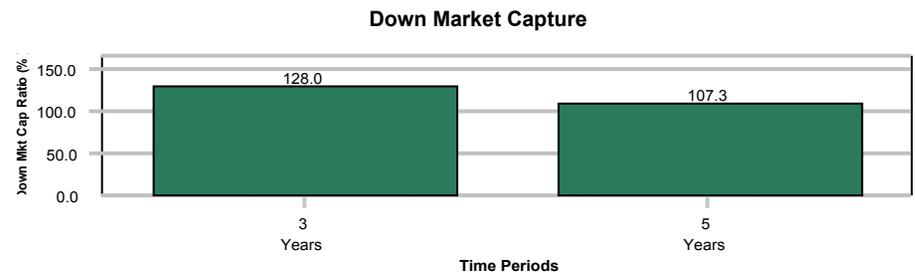
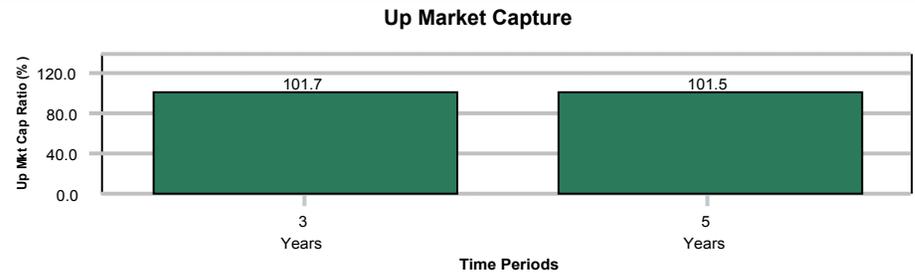
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Victory Diversified Stock I	-0.59	20.20	0.04	-1.48	1.04	0.95	4.71	-0.29	20.32	09/01/2007
S&P 500	1.05	18.97	0.11	0.00	1.00	1.00	0.00	N/A	19.10	09/01/2007
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.72	-0.01	0.10	19.10	-0.11	0.00	09/01/2007

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Victory Diversified Stock I	-0.59	20.20
● S&P 500	1.05	18.97
— Median	0.20	19.26

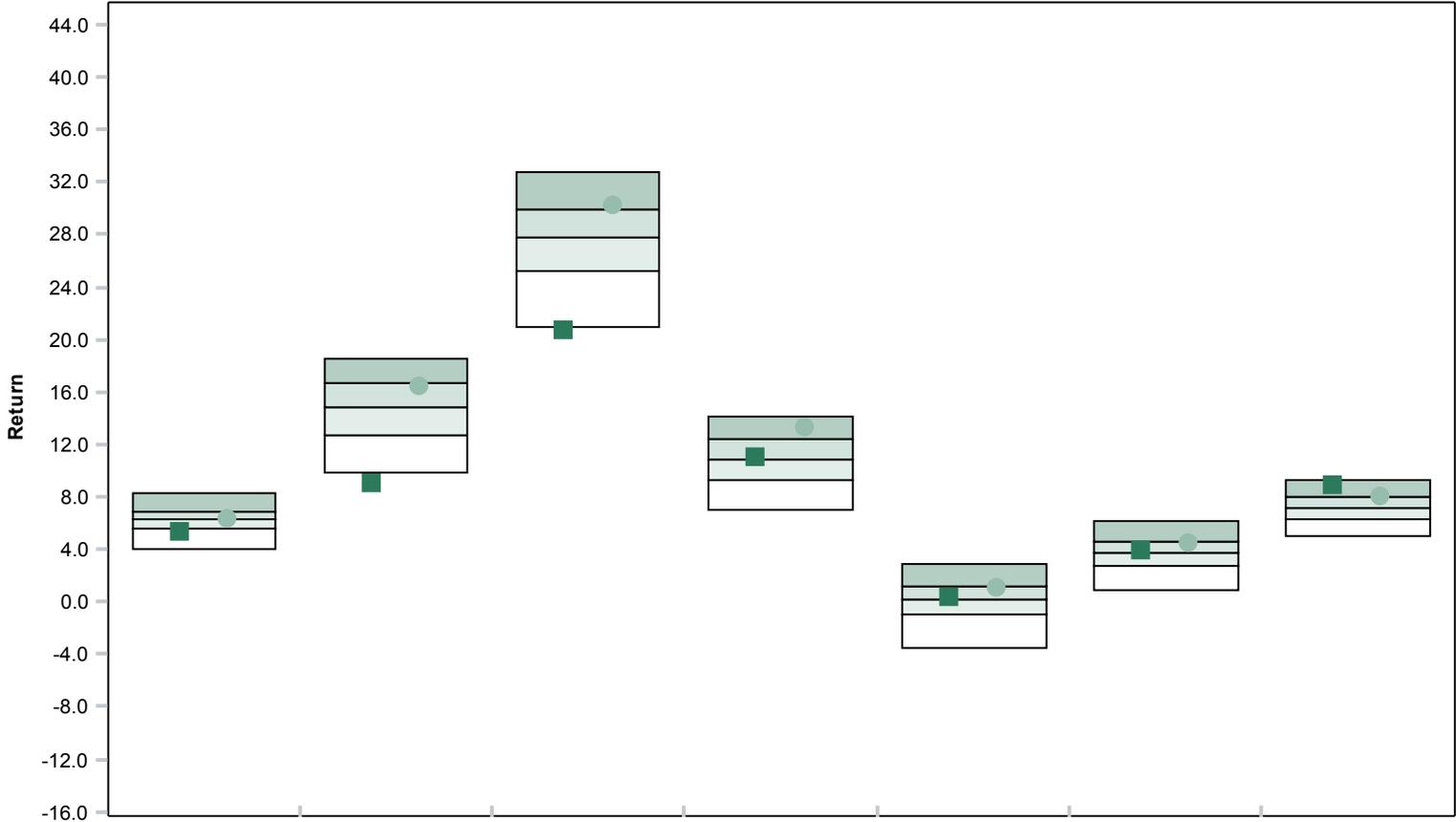
Up Down Market Capture



* Monthly periodicity used.

Neuberger Berman Socially Responsive

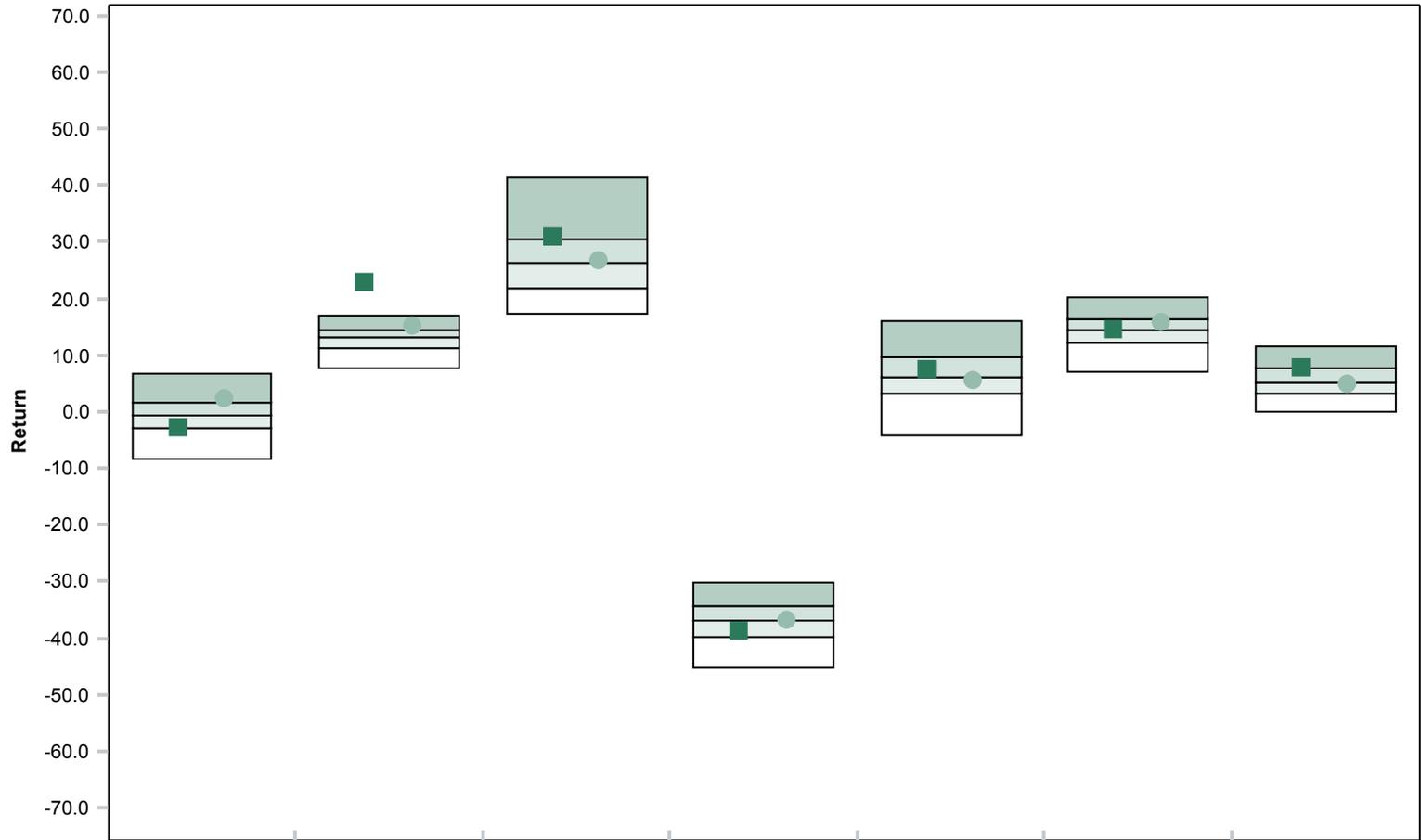
Peer Group Analysis - IM U.S. Large Cap Core Equity (MF)



■ Neuberger Berman Socially Responsive
● S&P 500

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
Neuberger Berman Socially Responsive	5.34 (78)	9.02 (98)	20.69 (96)	11.04 (46)	0.37 (47)	3.91 (45)	8.82 (10)
S&P 500	6.35 (48)	16.44 (28)	30.20 (22)	13.20 (13)	1.05 (29)	4.48 (28)	8.01 (24)
5th Percentile	8.28	18.46	32.81	14.12	2.84	6.08	9.31
1st Quartile	6.92	16.61	29.92	12.45	1.17	4.55	7.95
Median	6.30	14.76	27.77	10.82	0.20	3.74	7.19
3rd Quartile	5.52	12.66	25.17	9.31	-1.03	2.75	6.36
95th Percentile	3.99	9.82	20.92	6.94	-3.58	0.86	5.02

Peer Group Analysis - IM U.S. Large Cap Core Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Neuberger Berman Socially Responsive	-2.90 (74)	22.79 (1)	30.61 (25)	-38.77 (68)	7.48 (38)	14.44 (50)	7.58 (26)
● S&P 500	2.11 (22)	15.06 (18)	26.46 (50)	-37.00 (52)	5.49 (55)	15.79 (32)	4.91 (55)
5th Percentile	6.60	17.02	41.18	-30.13	16.15	20.22	11.59
1st Quartile	1.61	14.42	30.52	-34.26	9.62	16.32	7.61
Median	-0.66	12.98	26.36	-36.92	5.90	14.37	5.23
3rd Quartile	-2.99	11.20	21.83	-39.82	3.14	12.16	3.29
95th Percentile	-8.46	7.70	17.41	-45.42	-4.32	7.11	0.07

Neuberger Berman Socially Responsive

Fund Information

Fund Name : Neuberger Berman Equity Funds: Neuberger Berman Socially Responsive Fund; Investor Class Shares
 Fund Family : Neuberger Berman Management LLC
 Ticker : NBSRX
 Inception Date : 03/16/1994
 Fund Assets : \$720 Million

Portfolio Assets : \$1,800 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM U.S. Large Cap Core Equity (MF)
 Style Benchmark : S&P 500

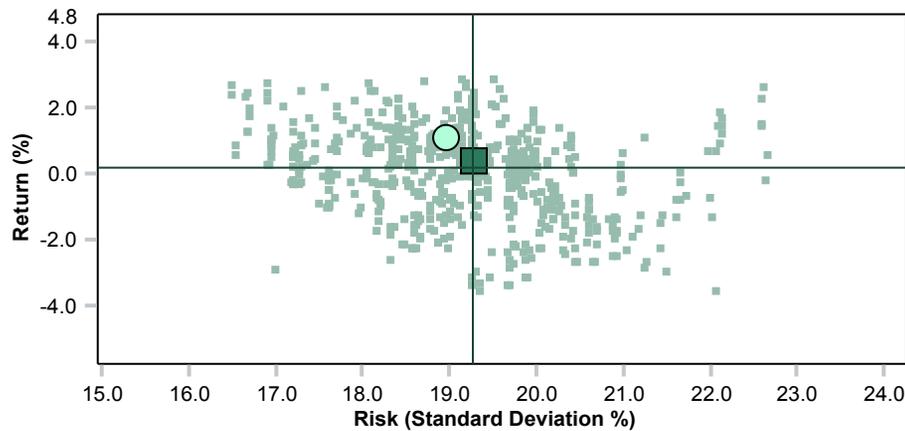
Fund Investment Policy

The Fund seeks long-term growth of capital by investing primarily in securities of companies that meet the fund's financial criteria and social policy. The Fund invests primarily in common stocks of mid- to large-capitalization companies that show leadership in socially progressive areas.

Historical Statistics (10/01/07 - 09/30/12) *

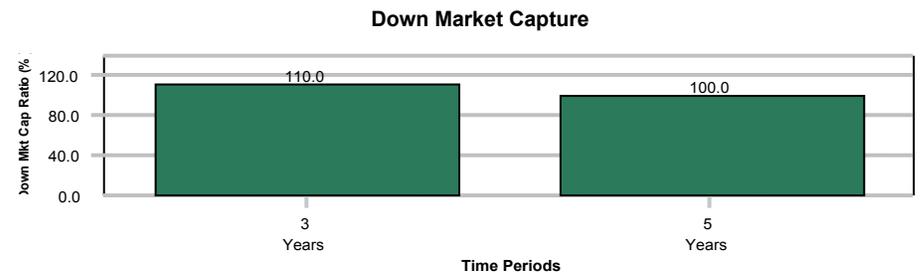
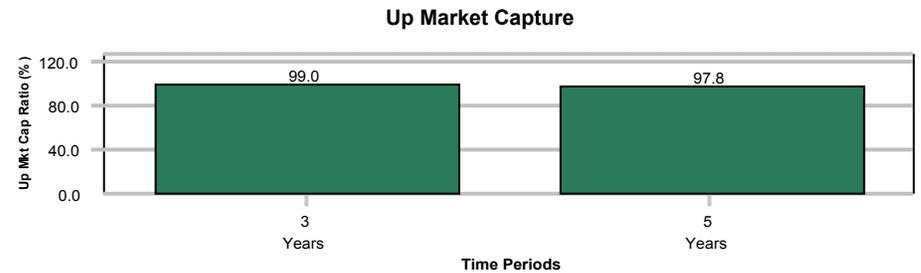
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Neuberger Berman Socially Responsive	0.37	19.30	0.08	-0.55	0.98	0.93	5.02	-0.12	19.41	04/01/1994
S&P 500	1.05	18.97	0.11	0.00	1.00	1.00	0.00	N/A	19.10	04/01/1994
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.72	-0.01	0.10	19.10	-0.11	0.00	04/01/1994

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Neuberger Berman Socially Responsive	0.37	19.30
● S&P 500	1.05	18.97
— Median	0.20	19.26

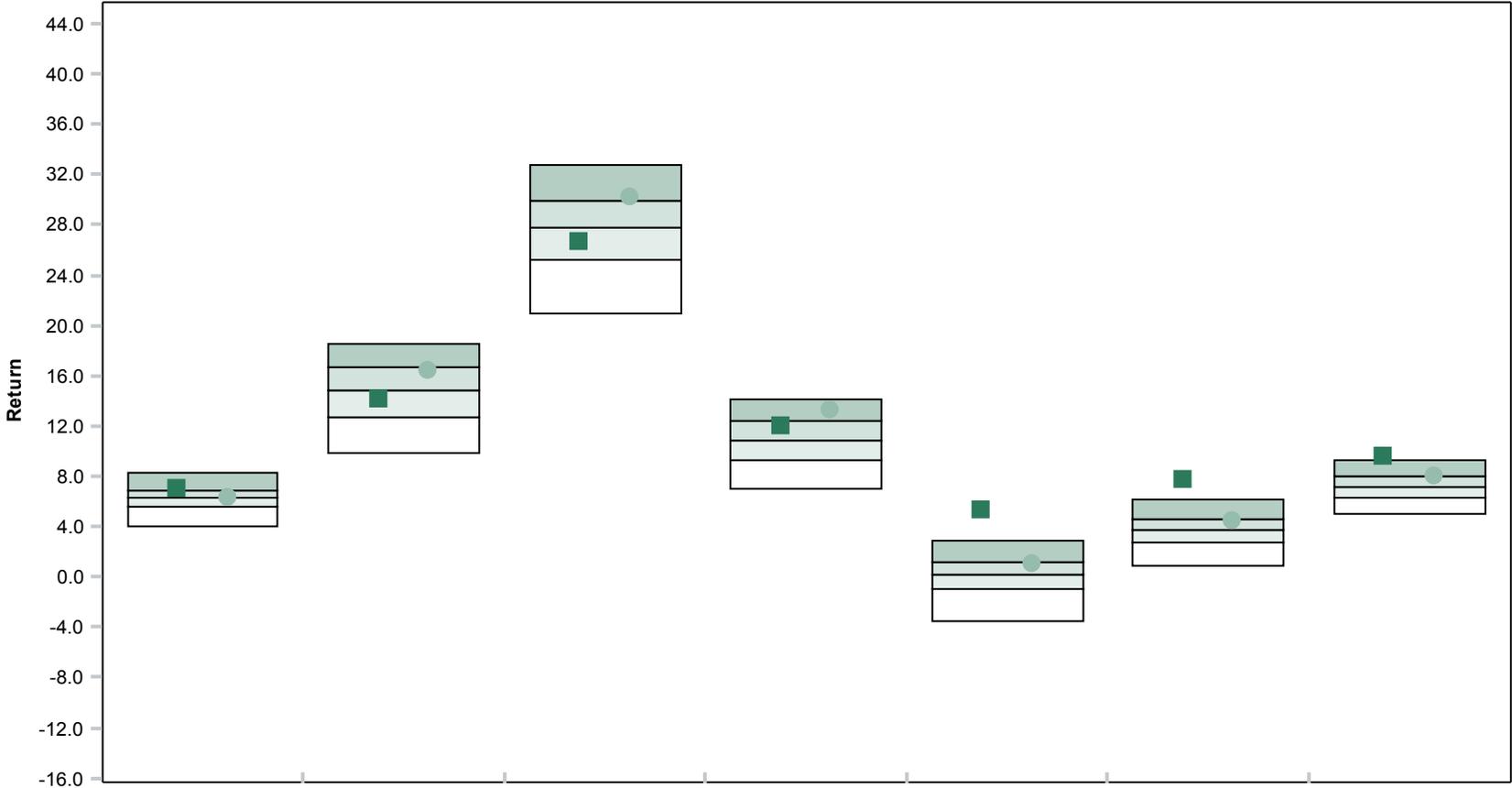
Up Down Market Capture



* Monthly periodicity used.

Parnassus Equity Income

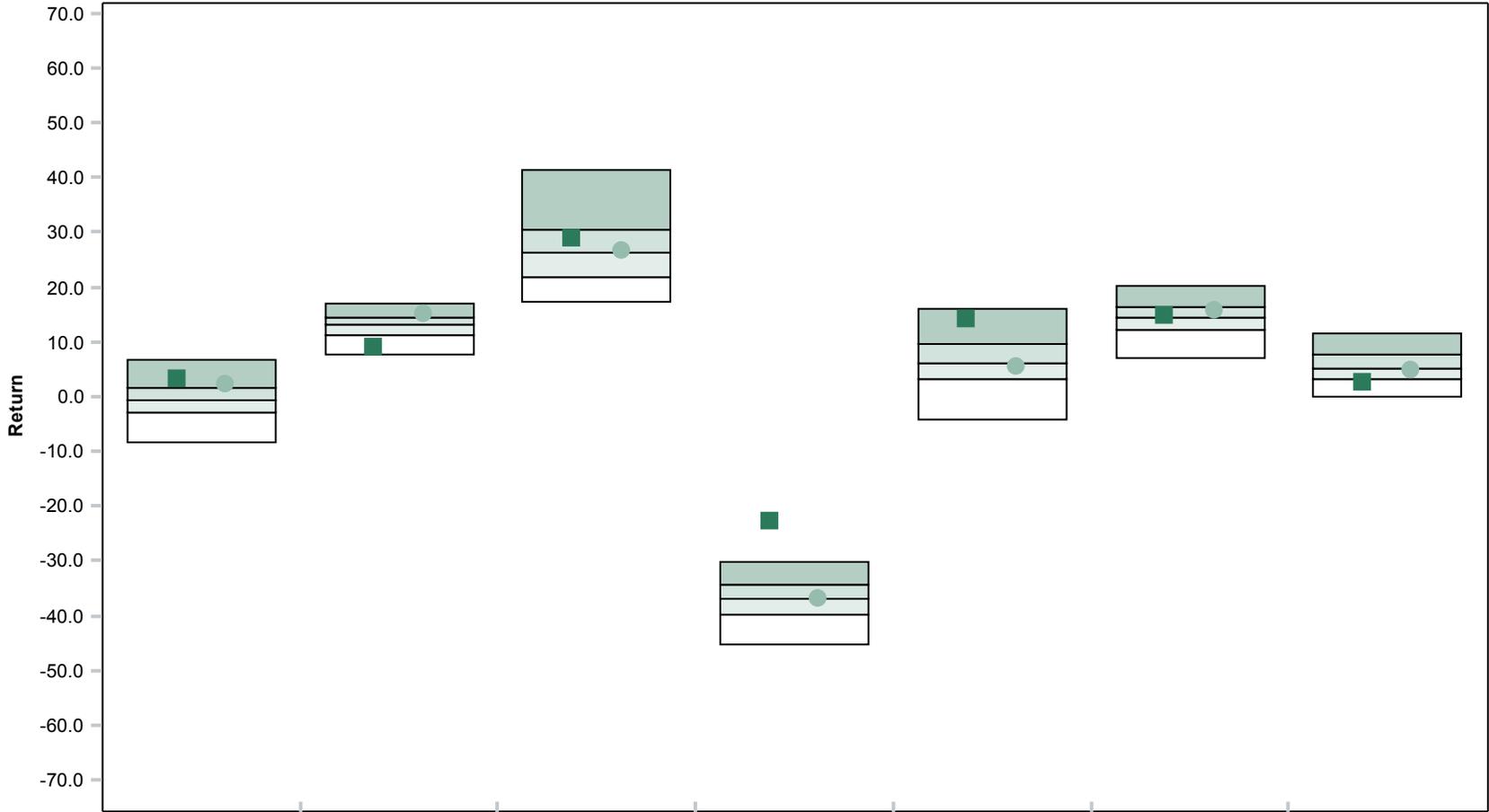
Peer Group Analysis - IM U.S. Large Cap Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Parnassus Equity Income	7.01 (22)	14.06 (60)	26.61 (61)	11.93 (33)	5.33 (1)	7.78 (2)	9.60 (4)
● S&P 500	6.35 (48)	16.44 (28)	30.20 (22)	13.20 (13)	1.05 (29)	4.48 (28)	8.01 (24)
5th Percentile	8.28	18.46	32.81	14.12	2.84	6.08	9.31
1st Quartile	6.92	16.61	29.92	12.45	1.17	4.55	7.95
Median	6.30	14.76	27.77	10.82	0.20	3.74	7.19
3rd Quartile	5.52	12.66	25.17	9.31	-1.03	2.75	6.36
95th Percentile	3.99	9.82	20.92	6.94	-3.58	0.86	5.02

Parnassus Equity Income

Peer Group Analysis - IM U.S. Large Cap Core Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Parnassus Equity Income	3.13 (16)	8.89 (91)	28.73 (36)	-22.95 (1)	14.13 (7)	14.70 (47)	2.62 (83)
● S&P 500	2.11 (22)	15.06 (18)	26.46 (50)	-37.00 (52)	5.49 (55)	15.79 (32)	4.91 (55)
5th Percentile	6.60	17.02	41.18	-30.13	16.15	20.22	11.59
1st Quartile	1.61	14.42	30.52	-34.26	9.62	16.32	7.61
Median	-0.66	12.98	26.36	-36.92	5.90	14.37	5.23
3rd Quartile	-2.99	11.20	21.83	-39.82	3.14	12.16	3.29
95th Percentile	-8.46	7.70	17.41	-45.42	-4.32	7.11	0.07

Parnassus Equity Income

Fund Information

Fund Name : Parnassus Income Funds: Equity Income Fund; Investor Shares
 Fund Family : Parnassus Investments
 Ticker : PRBLX
 Inception Date : 08/31/1992
 Fund Assets : \$3,686 Million
 Portfolio Turnover : 63%

Portfolio Assets : \$4,534 Million
 Portfolio Manager : Todd Ahlsten
 PM Tenure : 2001
 Fund Style : IM U.S. Large Cap Core Equity (MF)
 Style Benchmark : S&P 500

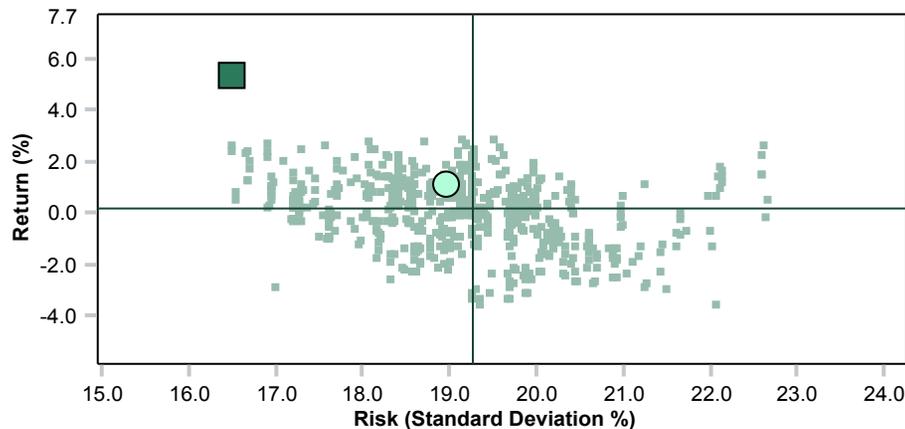
Fund Investment Policy

The Fund seeks current income and capital appreciation. The Fund also screens all investments using social responsibility criteria.

Historical Statistics (10/01/07 - 09/30/12) *

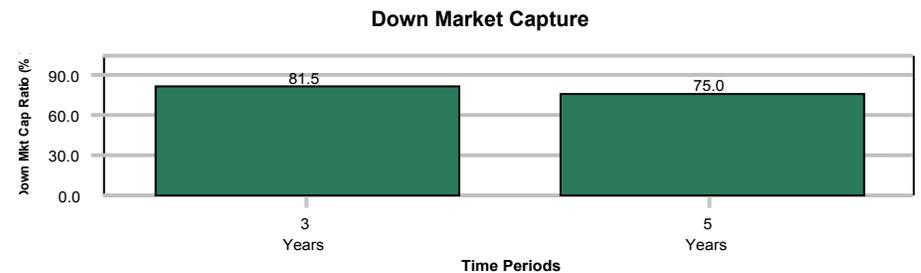
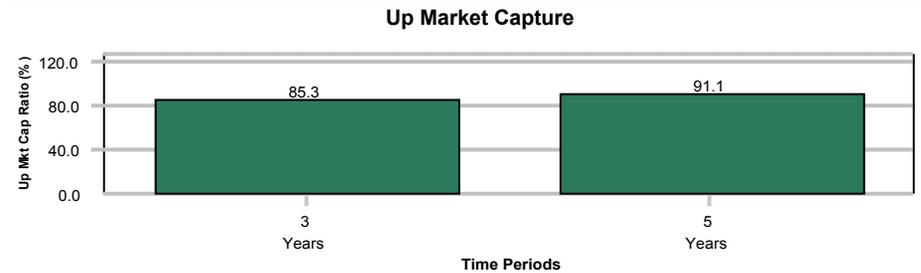
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Parnassus Equity Income	5.33	16.51	0.36	4.26	0.84	0.93	5.42	0.68	16.61	09/01/1992
S&P 500	1.05	18.97	0.11	0.00	1.00	1.00	0.00	N/A	19.10	09/01/1992
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.72	-0.01	0.10	19.10	-0.11	0.00	09/01/1992

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Parnassus Equity Income	5.33	16.51
○ S&P 500	1.05	18.97
— Median	0.20	19.26

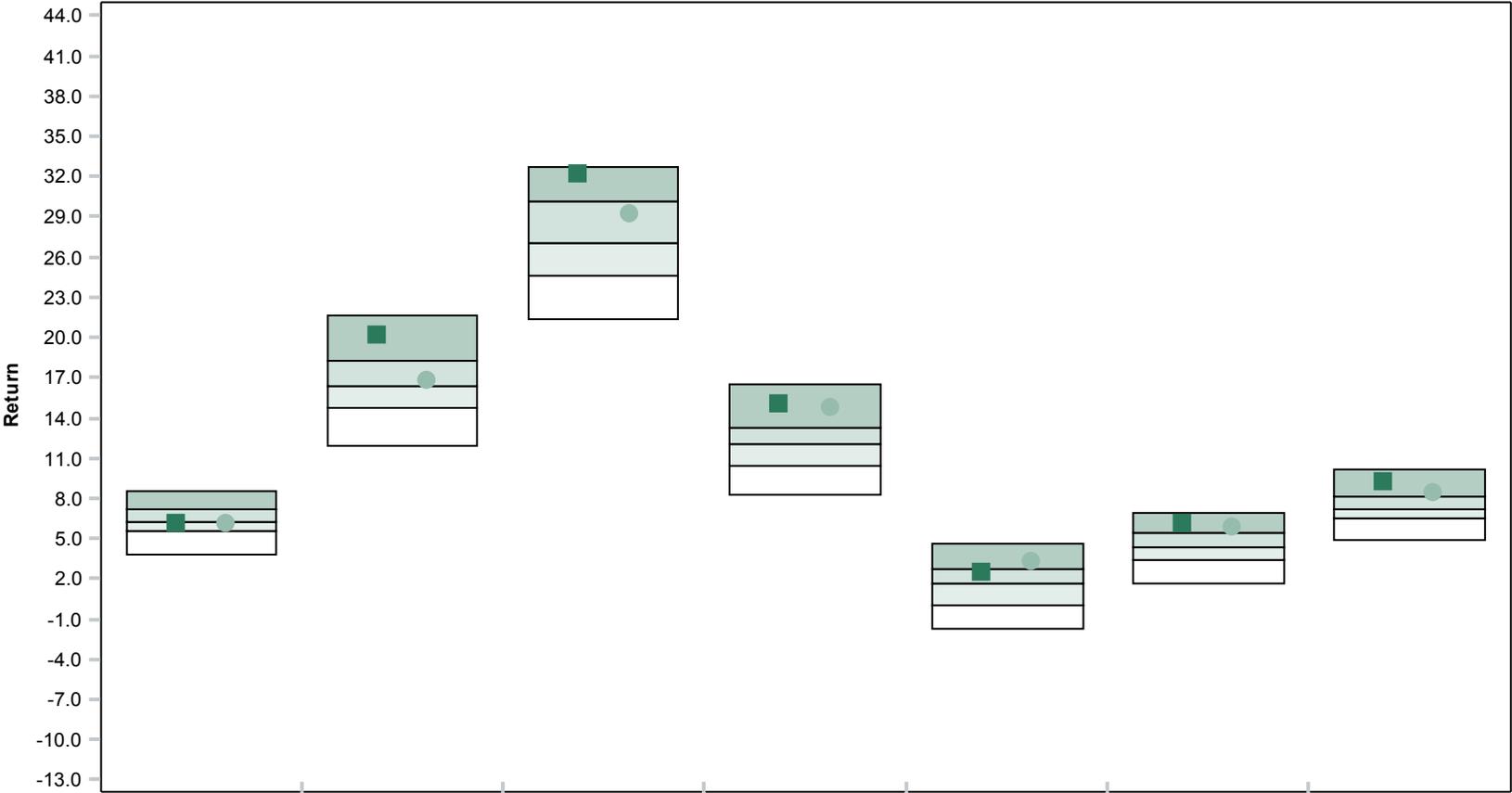
Up Down Market Capture



* Monthly periodicity used.

T.Rowe Price Growth Stock

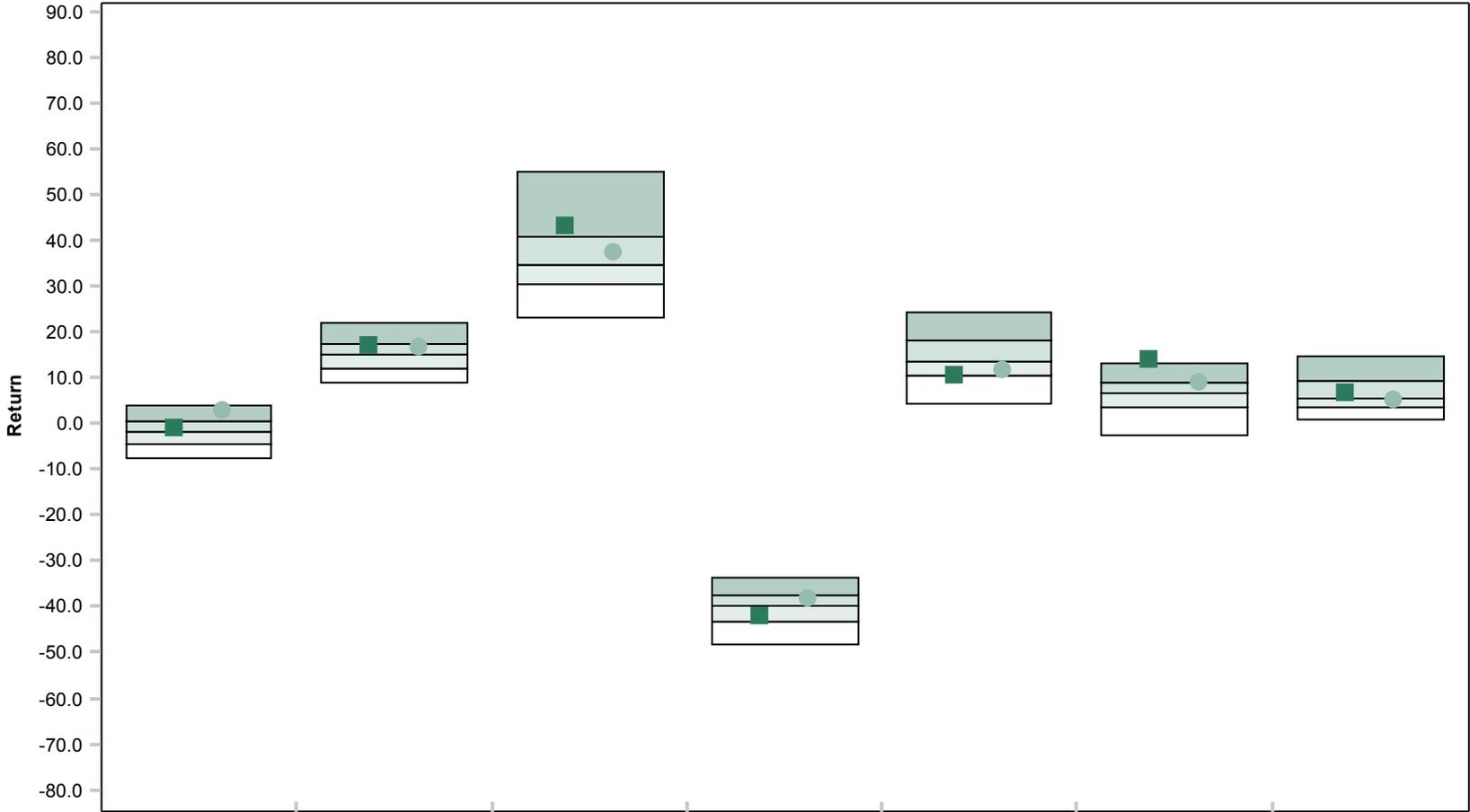
Peer Group Analysis - IM U.S. Large Cap Growth Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ T.Rowe Price Growth Stock	6.07 (57)	20.17 (11)	32.20 (8)	14.95 (10)	2.50 (31)	6.06 (14)	9.23 (10)
● Russell 1000 Growth Index	6.11 (55)	16.80 (43)	29.19 (33)	14.73 (11)	3.24 (17)	5.80 (19)	8.41 (20)
5th Percentile	8.56	21.64	32.77	16.45	4.63	6.87	10.12
1st Quartile	7.18	18.31	30.09	13.31	2.75	5.42	8.14
Median	6.26	16.36	26.97	12.00	1.57	4.38	7.22
3rd Quartile	5.51	14.68	24.59	10.36	0.03	3.41	6.45
95th Percentile	3.74	11.94	21.34	8.25	-1.80	1.65	4.91

T.Rowe Price Growth Stock

Peer Group Analysis - IM U.S. Large Cap Growth Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ T.Rowe Price Growth Stock	-0.97 (39)	16.93 (29)	43.25 (16)	-42.26 (69)	10.37 (76)	14.05 (4)	6.56 (42)
● Russell 1000 Growth Index	2.64 (11)	16.71 (31)	37.21 (38)	-38.44 (39)	11.81 (66)	9.07 (23)	5.26 (55)
5th Percentile	4.07	21.90	55.21	-33.51	24.22	13.19	14.67
1st Quartile	0.62	17.21	40.67	-37.35	18.25	8.78	9.31
Median	-1.77	15.04	34.73	-39.73	13.58	6.57	5.66
3rd Quartile	-4.52	11.88	30.54	-43.11	10.42	3.55	3.40
95th Percentile	-7.63	8.77	23.06	-48.48	4.27	-2.75	0.71

T.Rowe Price Growth Stock

Fund Information

Fund Name : T Rowe Price Growth Stock Fund, Inc
 Fund Family : T Rowe Price Associates Inc
 Ticker : PRGFX
 Inception Date : 04/11/1950
 Fund Assets : \$24,988 Million
 Portfolio Turnover : 30%

Portfolio Assets : \$27,742 Million
 Portfolio Manager : P. Robert Bartolo
 PM Tenure : 2007
 Fund Style : IM U.S. Large Cap Growth Equity (MF)
 Style Benchmark : Russell 1000 Growth Index

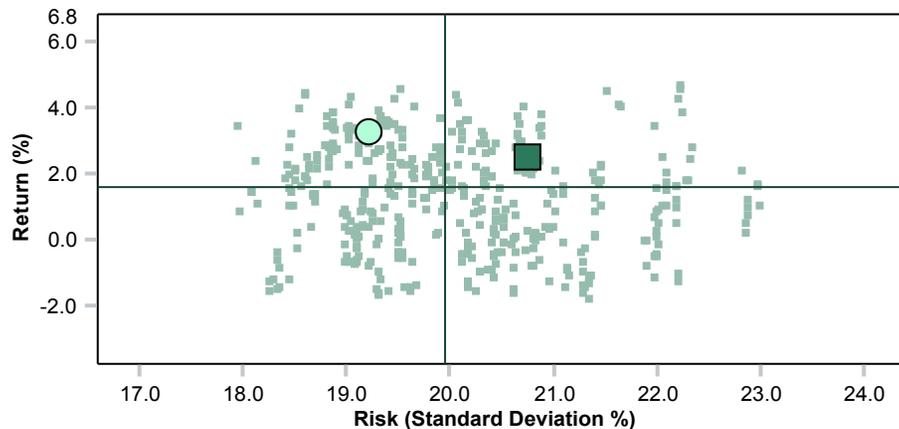
Fund Investment Policy

The Fund seeks to provide long-term capital growth and, secondarily, increasing dividend income through investments in the common stocks of well-established growth companies. The Fund will normally invest at least 80% of net assets in the common stocks of a diversified group of growth companies.

Historical Statistics (10/01/07 - 09/30/12) *

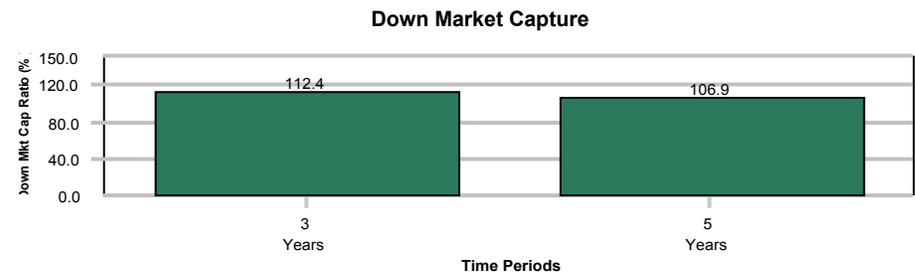
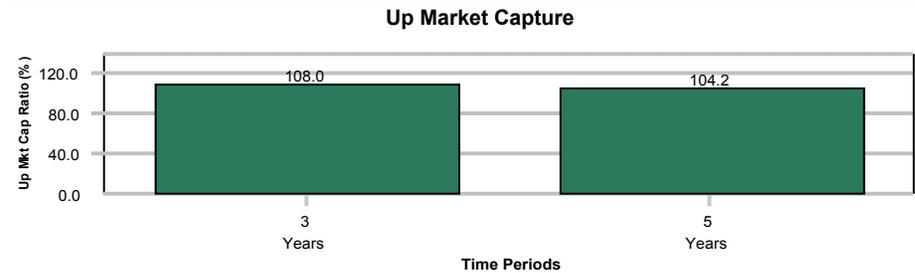
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
T.Rowe Price Growth Stock	2.50	20.76	0.19	-0.75	1.07	0.98	3.43	-0.12	20.91	01/01/1960
Russell 1000 Growth Index	3.24	19.22	0.23	0.00	1.00	1.00	0.00	N/A	19.36	01/01/1960
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.74	-0.01	0.13	19.36	-0.23	0.00	01/01/1960

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ T.Rowe Price Growth Stock	2.50	20.76
○ Russell 1000 Growth Index	3.24	19.22
— Median	1.57	19.96

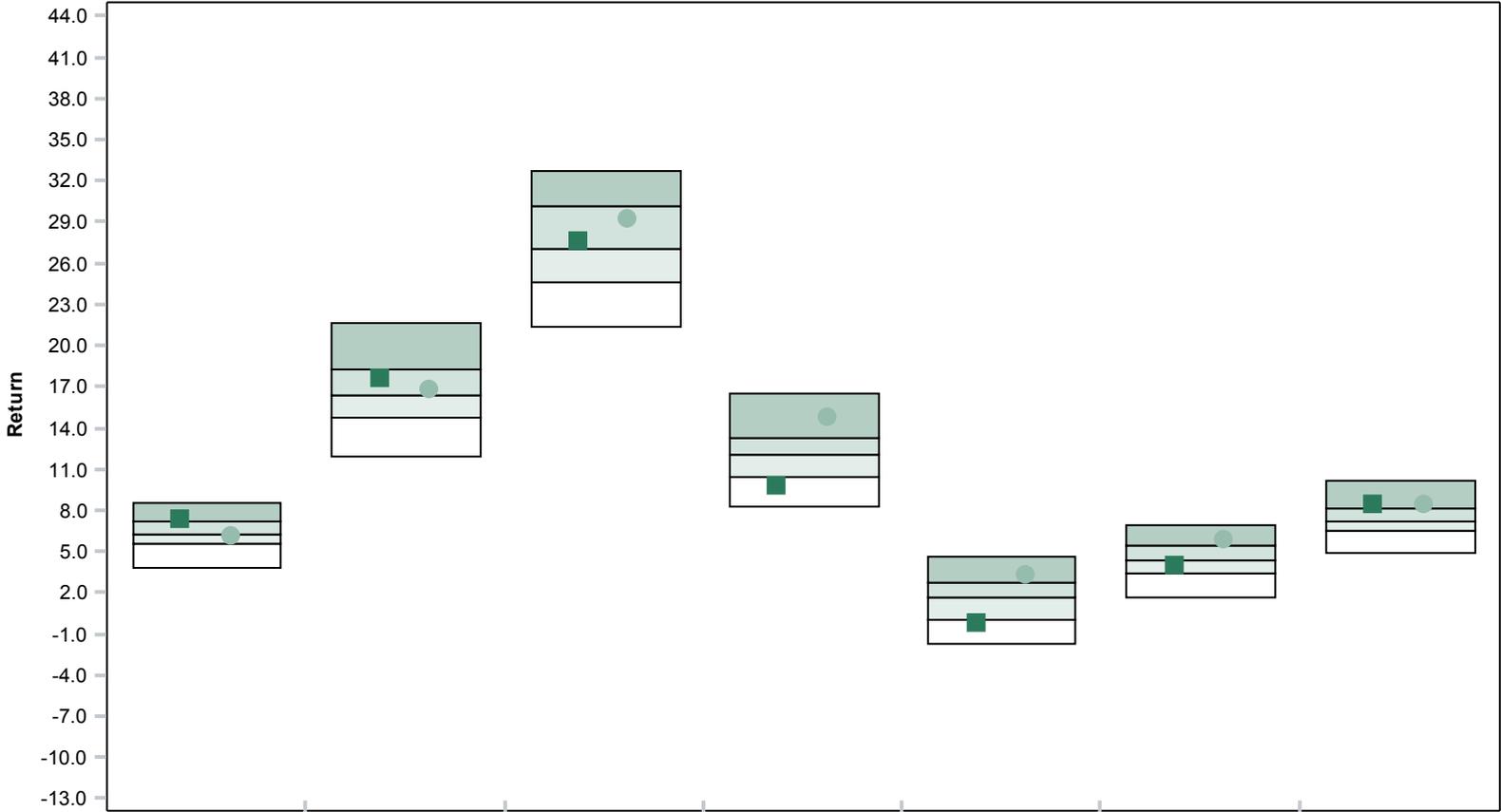
Up Down Market Capture



* Monthly periodicity used.

American Funds Growth Fund R3

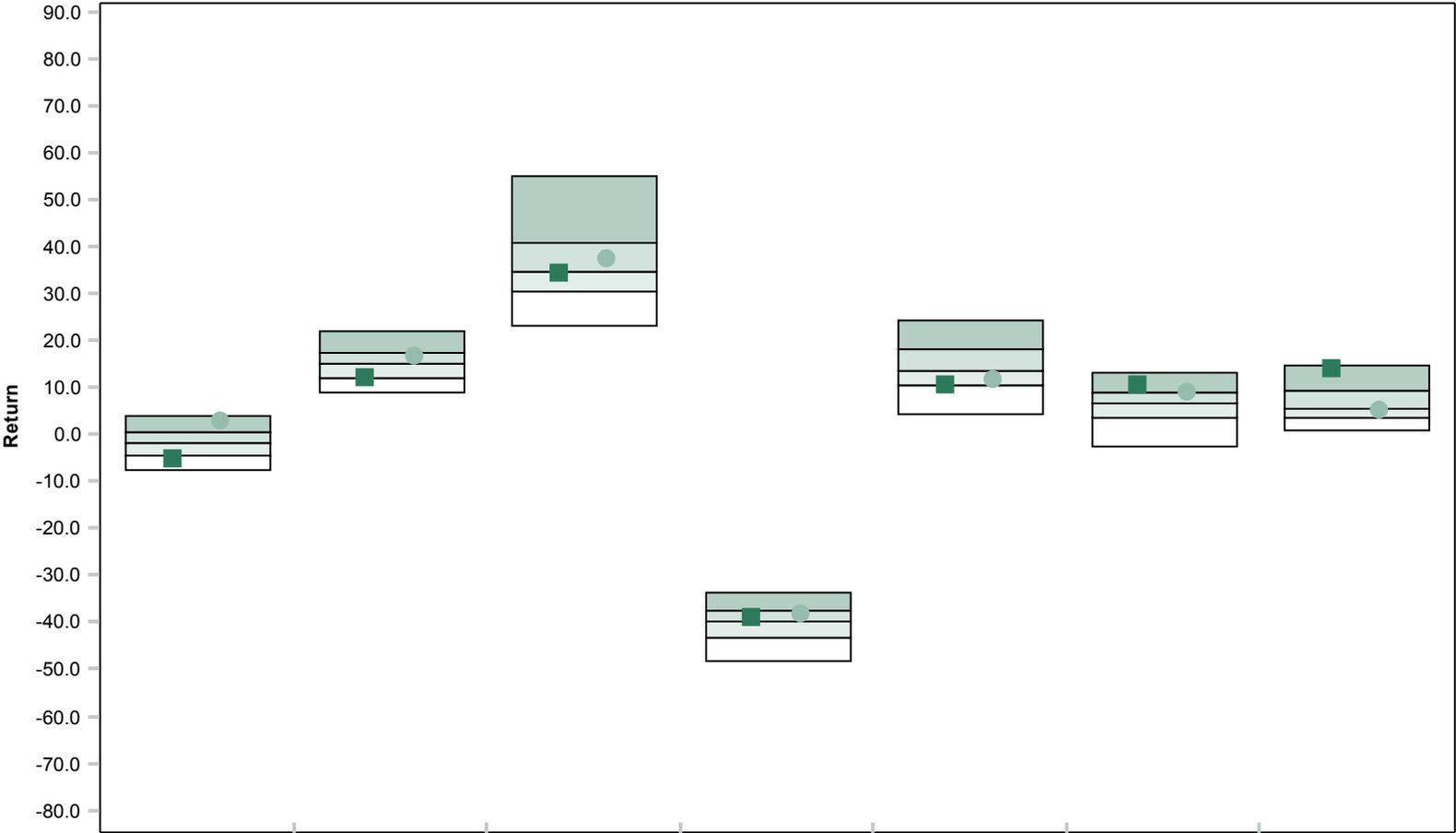
Peer Group Analysis - IM U.S. Large Cap Growth Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ American Funds Growth Fund R3	7.28 (22)	17.61 (32)	27.56 (45)	9.72 (82)	-0.21 (79)	3.90 (63)	8.39 (20)
● Russell 1000 Growth Index	6.11 (55)	16.80 (43)	29.19 (33)	14.73 (11)	3.24 (17)	5.80 (19)	8.41 (20)
5th Percentile	8.56	21.64	32.77	16.45	4.63	6.87	10.12
1st Quartile	7.18	18.31	30.09	13.31	2.75	5.42	8.14
Median	6.26	16.36	26.97	12.00	1.57	4.38	7.22
3rd Quartile	5.51	14.68	24.59	10.36	0.03	3.41	6.45
95th Percentile	3.74	11.94	21.34	8.25	-1.80	1.65	4.91

American Funds Growth Fund R3

Peer Group Analysis - IM U.S. Large Cap Growth Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ American Funds Growth Fund R3	-5.14 (82)	11.95 (75)	34.12 (54)	-39.24 (46)	10.59 (75)	10.62 (11)	13.87 (10)
● Russell 1000 Growth Index	2.64 (11)	16.71 (31)	37.21 (38)	-38.44 (39)	11.81 (66)	9.07 (23)	5.26 (55)
5th Percentile	4.07	21.90	55.21	-33.51	24.22	13.19	14.67
1st Quartile	0.62	17.21	40.67	-37.35	18.25	8.78	9.31
Median	-1.77	15.04	34.73	-39.73	13.58	6.57	5.66
3rd Quartile	-4.52	11.88	30.54	-43.11	10.42	3.55	3.40
95th Percentile	-7.63	8.77	23.06	-48.48	4.27	-2.75	0.71

American Funds Growth Fund R3

Fund Information

Fund Name : Growth Fund of America, Inc; Class R-3 Shares
 Fund Family : American Funds
 Ticker : RGACX
 Inception Date : 05/21/2002
 Fund Assets : \$8,180 Million
 Portfolio Turnover : 34%

Portfolio Assets : \$114,390 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM U.S. Large Cap Growth Equity (MF)
 Style Benchmark : Russell 1000 Growth Index

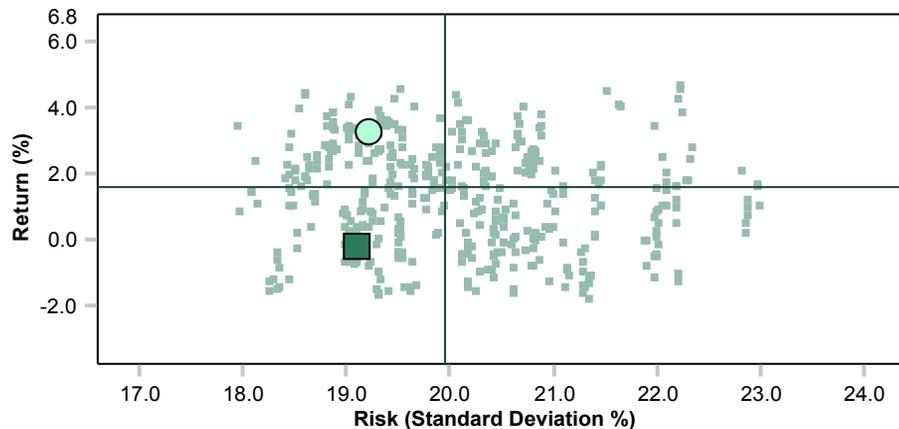
Fund Investment Policy

The Fund seeks to provide growth of capital. The Fund invests primarily in common stocks in companies that appear to offer superior opportunities for growth of capital. The Fund seeks to invest in attractively valued companies that, in the Adviser's opinion, represent good, long-term investment opportunities.

Historical Statistics (10/01/07 - 09/30/12) *

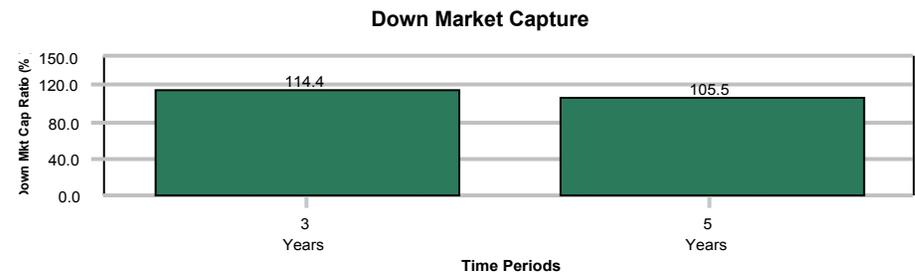
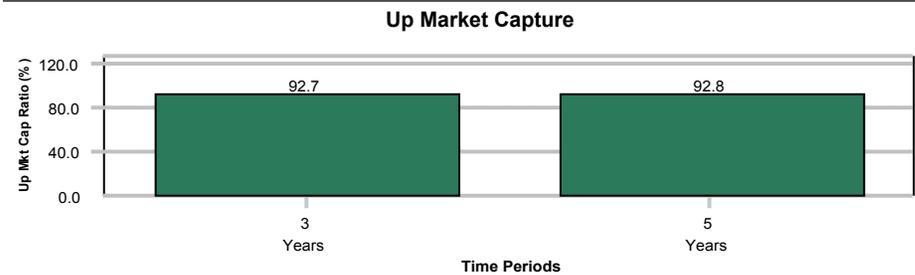
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
American Funds Growth Fund R3	-0.21	19.11	0.05	-3.29	0.98	0.98	2.74	-1.25	19.24	06/01/2002
Russell 1000 Growth Index	3.24	19.22	0.23	0.00	1.00	1.00	0.00	N/A	19.36	06/01/2002
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.74	-0.01	0.13	19.36	-0.23	0.00	06/01/2002

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
American Funds Growth Fund R3	-0.21	19.11
Russell 1000 Growth Index	3.24	19.22
Median	1.57	19.96

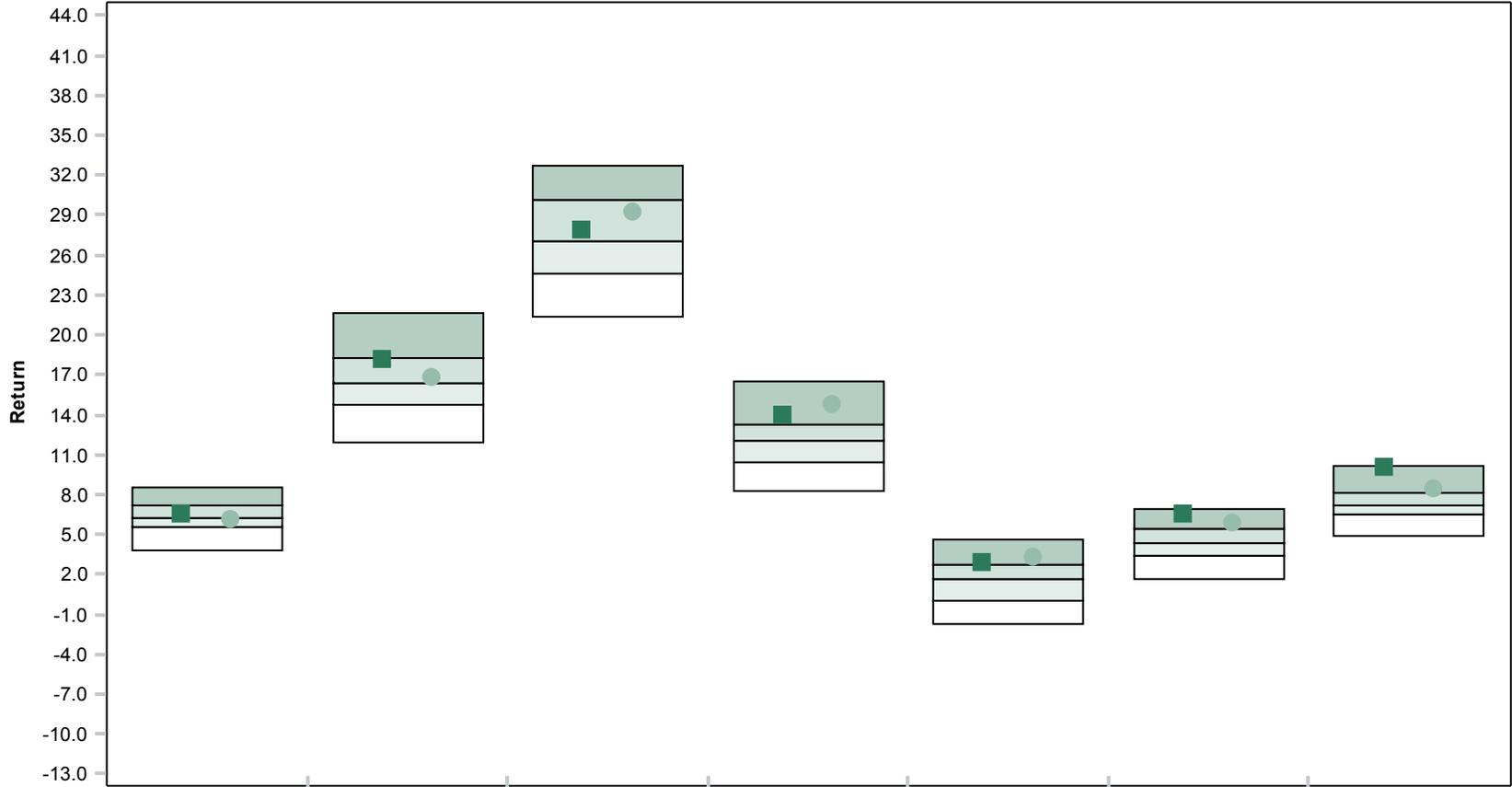
Up Down Market Capture



* Monthly periodicity used.

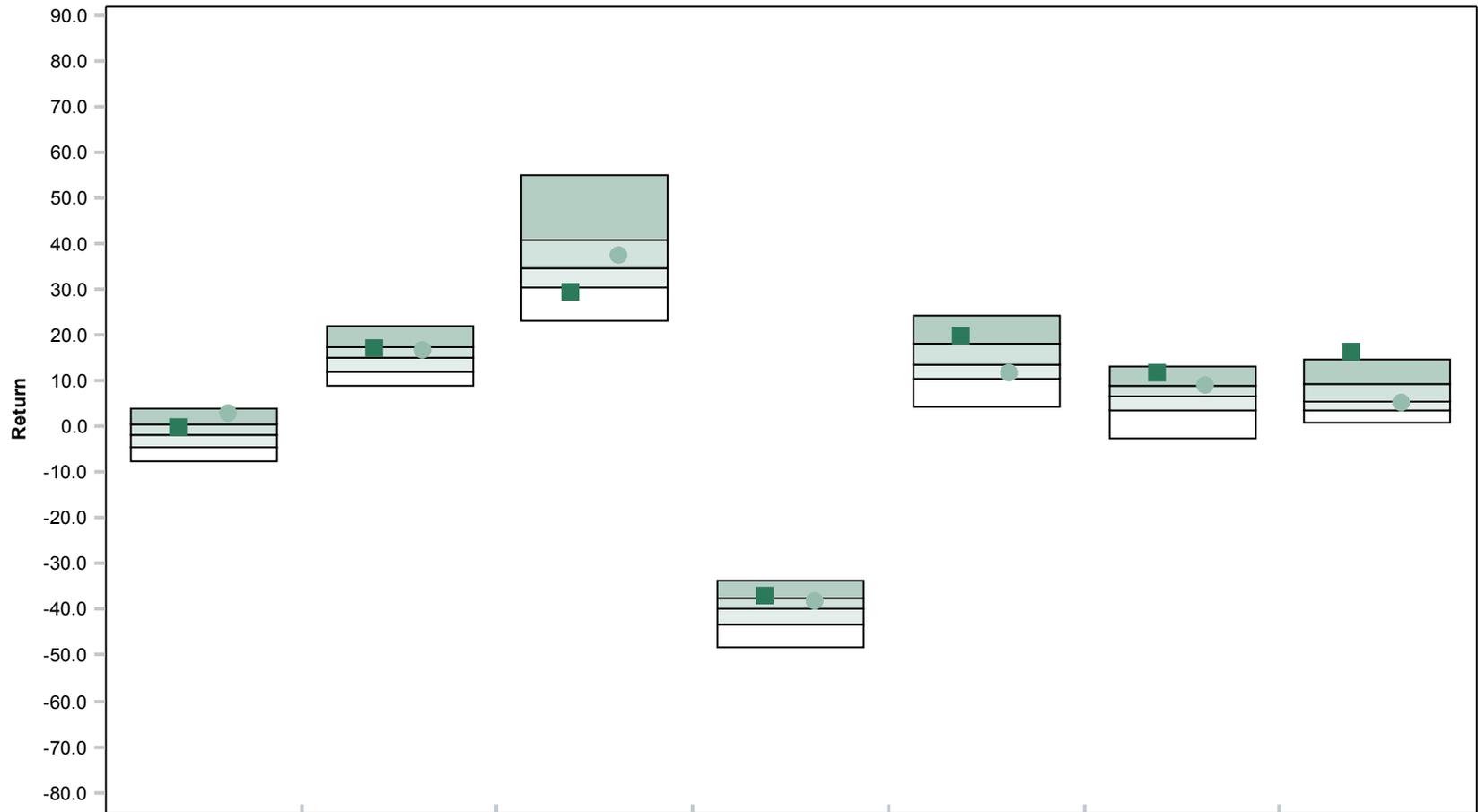
Fidelity Contrafund

Peer Group Analysis - IM U.S. Large Cap Growth Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Fidelity Contrafund	6.51 (41)	18.11 (28)	27.91 (43)	13.98 (18)	2.81 (24)	6.49 (7)	9.99 (6)
● Russell 1000 Growth Index	6.11 (55)	16.80 (43)	29.19 (33)	14.73 (11)	3.24 (17)	5.80 (19)	8.41 (20)
5th Percentile	8.56	21.64	32.77	16.45	4.63	6.87	10.12
1st Quartile	7.18	18.31	30.09	13.31	2.75	5.42	8.14
Median	6.26	16.36	26.97	12.00	1.57	4.38	7.22
3rd Quartile	5.51	14.68	24.59	10.36	0.03	3.41	6.45
95th Percentile	3.74	11.94	21.34	8.25	-1.80	1.65	4.91

Peer Group Analysis - IM U.S. Large Cap Growth Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Fidelity Contrafund	-0.12 (31)	16.93 (29)	29.23 (79)	-37.16 (23)	19.78 (19)	11.54 (8)	16.23 (3)
● Russell 1000 Growth Index	2.64 (11)	16.71 (31)	37.21 (38)	-38.44 (39)	11.81 (66)	9.07 (23)	5.26 (55)
5th Percentile	4.07	21.90	55.21	-33.51	24.22	13.19	14.67
1st Quartile	0.62	17.21	40.67	-37.35	18.25	8.78	9.31
Median	-1.77	15.04	34.73	-39.73	13.58	6.57	5.66
3rd Quartile	-4.52	11.88	30.54	-43.11	10.42	3.55	3.40
95th Percentile	-7.63	8.77	23.06	-48.48	4.27	-2.75	0.71

Fidelity Contrafund

Fund Information

Fund Name : Fidelity Contrafund
 Fund Family : Fidelity Management & Research Company
 Ticker : FCNTX
 Inception Date : 05/17/1967
 Fund Assets : \$57,865 Million
 Portfolio Turnover : 55%

Portfolio Assets : \$81,266 Million
 Portfolio Manager : Will Danoff
 PM Tenure : 1990
 Fund Style : IM U.S. Large Cap Growth Equity (MF)
 Style Benchmark : Russell 1000 Growth Index

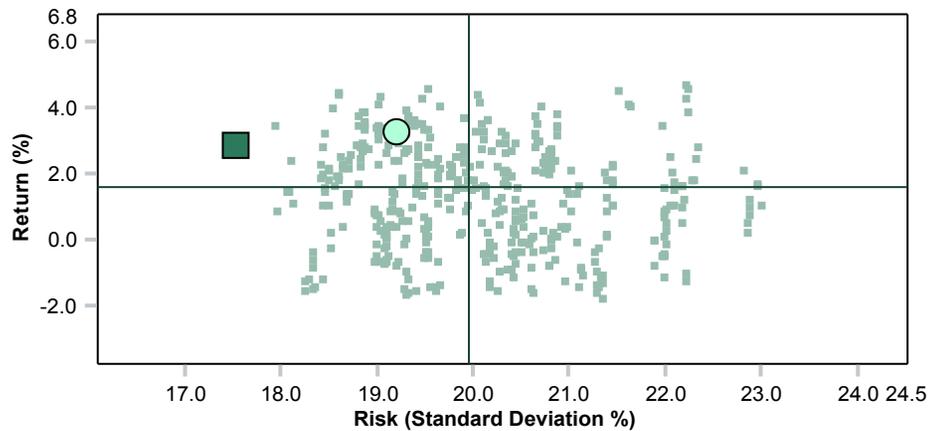
Fund Investment Policy

The Fund seeks capital appreciation. The Fund seeks to achieve its investment objective by investing in securities of companies whose value it believes is not fully recognized by the public. The Fund normally invests primarily in common stocks and may invest in both domestic and foreign issuers.

Historical Statistics (10/01/07 - 09/30/12) *

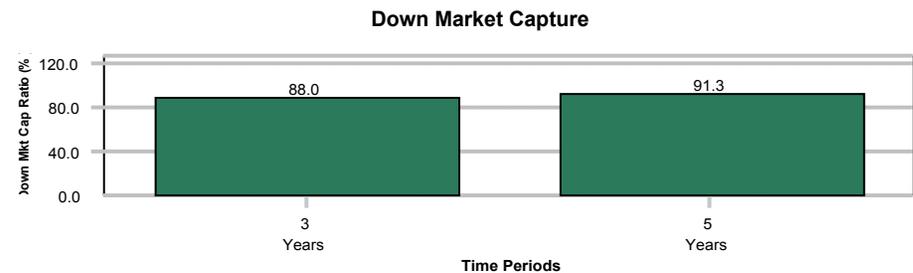
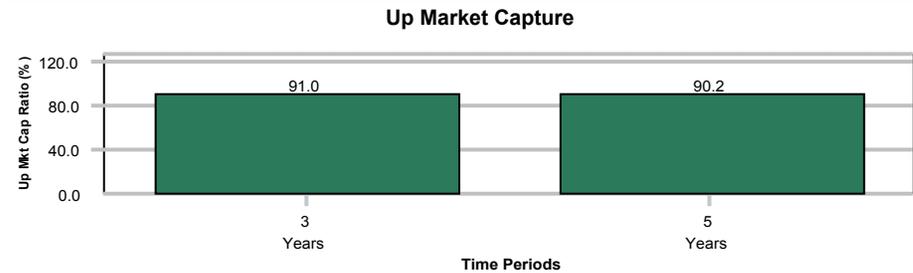
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Fidelity Contrafund	2.81	17.54	0.21	-0.20	0.89	0.96	4.15	-0.18	17.68	06/01/1967
Russell 1000 Growth Index	3.24	19.22	0.23	0.00	1.00	1.00	0.00	N/A	19.36	06/01/1967
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.74	-0.01	0.13	19.36	-0.23	0.00	06/01/1967

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Fidelity Contrafund	2.81	17.54
○ Russell 1000 Growth Index	3.24	19.22
— Median	1.57	19.96

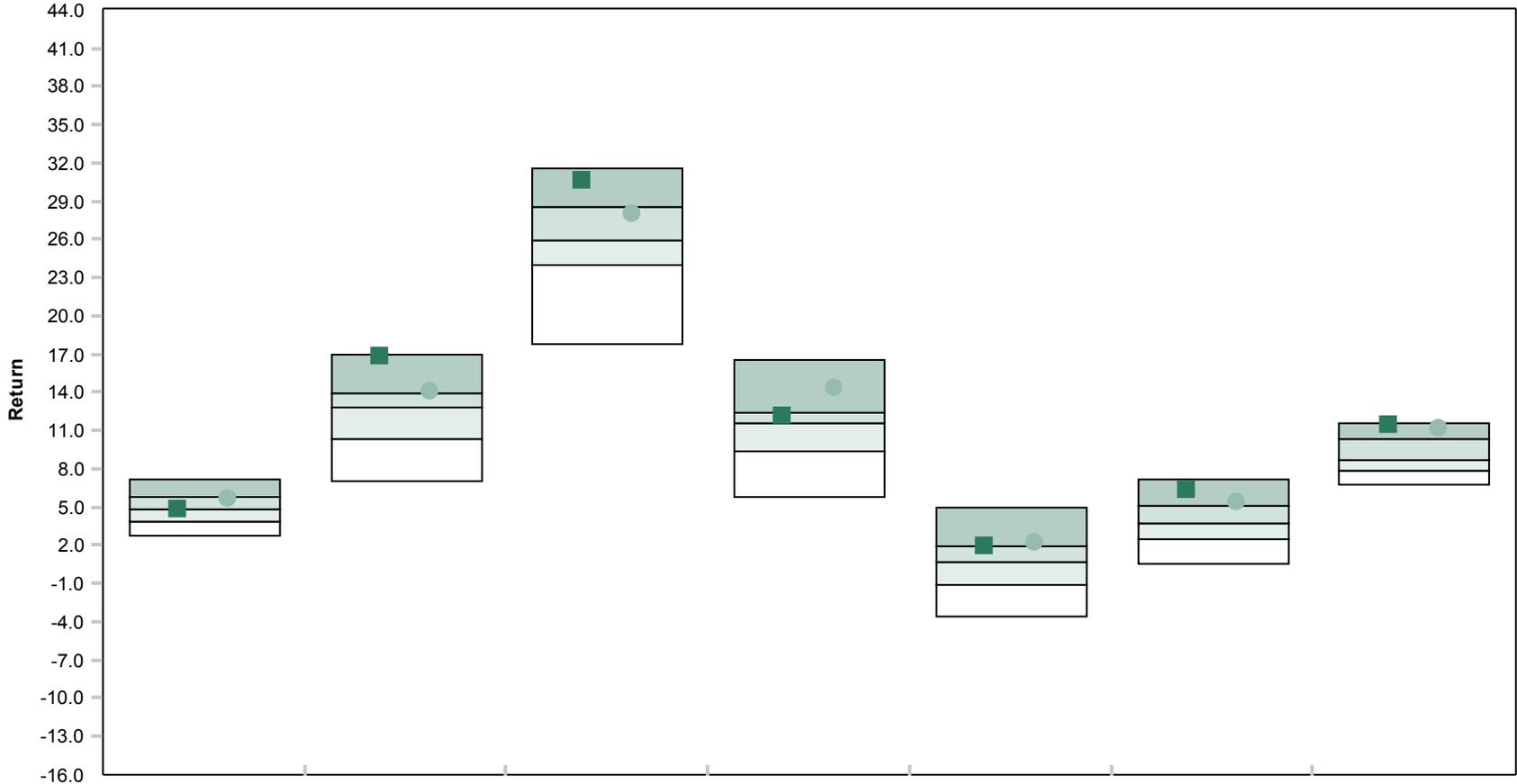
Up Down Market Capture



* Monthly periodicity used.

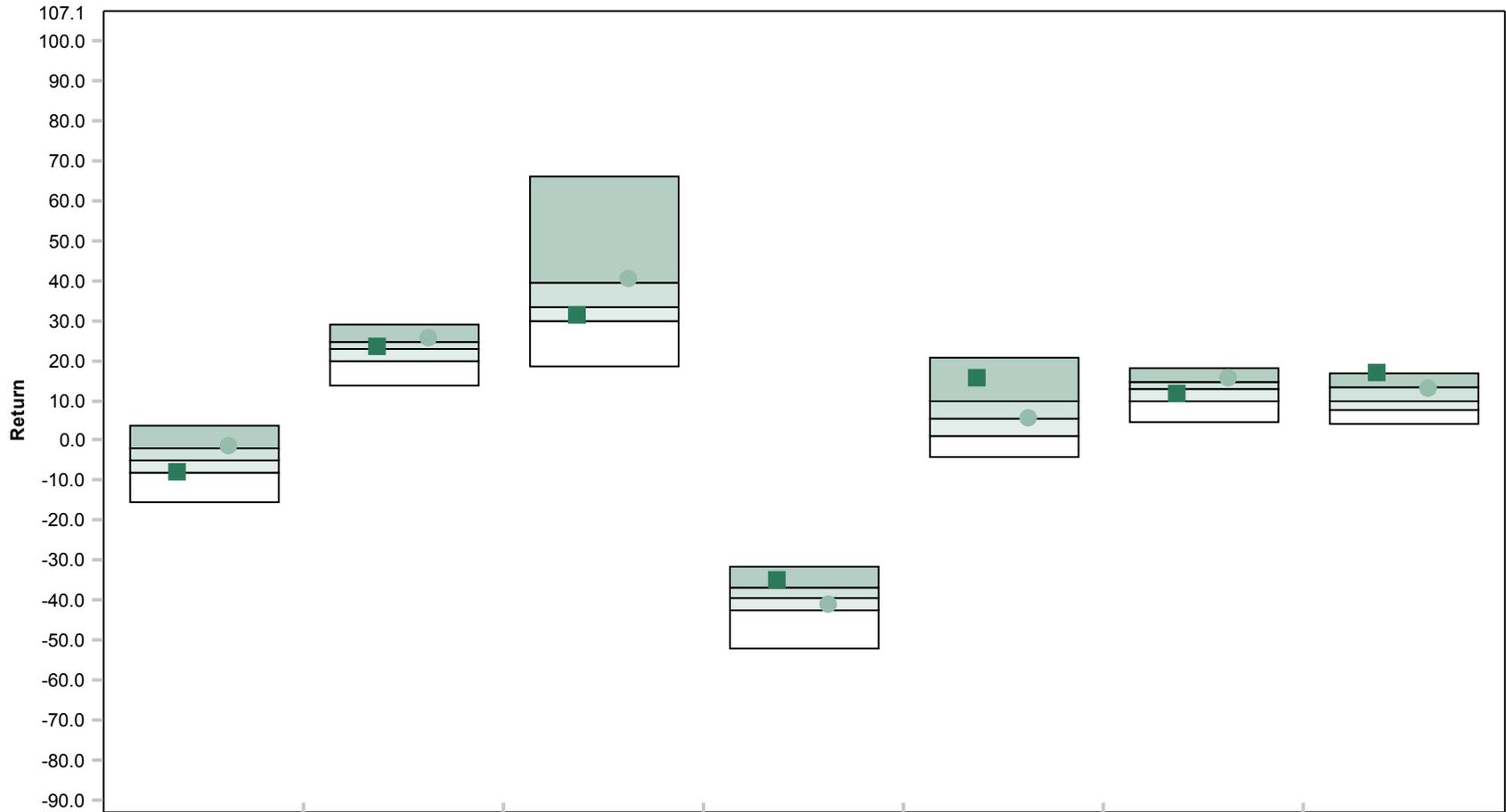
Hartford Mid Cap HLS

Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Hartford Mid Cap HLS	4.87 (51)	16.83 (6)	30.61 (10)	12.05 (38)	1.95 (20)	6.36 (9)	11.36 (7)
● Russell Midcap Index	5.59 (30)	14.00 (25)	28.03 (28)	14.26 (10)	2.24 (16)	5.38 (21)	11.18 (10)
5th Percentile	7.08	16.91	31.62	16.53	4.90	7.11	11.57
1st Quartile	5.75	13.93	28.55	12.45	1.86	5.05	10.28
Median	4.87	12.80	25.92	11.50	0.64	3.68	8.71
3rd Quartile	3.89	10.33	23.93	9.40	-1.12	2.44	7.89
95th Percentile	2.74	7.06	17.72	5.81	-3.67	0.56	6.74

Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Hartford Mid Cap HLS	-7.92 (74)	23.45 (40)	30.96 (69)	-35.32 (15)	15.30 (8)	11.74 (60)	16.79 (6)
● Russell Midcap Index	-1.55 (20)	25.47 (19)	40.48 (19)	-41.46 (66)	5.60 (50)	15.26 (20)	12.65 (30)
5th Percentile	3.73	28.82	65.86	-31.76	20.62	17.99	16.80
1st Quartile	-1.91	24.77	39.31	-36.76	9.88	14.58	13.24
Median	-4.94	23.03	33.34	-39.44	5.59	12.73	9.91
3rd Quartile	-7.94	19.69	29.96	-42.60	0.89	9.67	7.79
95th Percentile	-15.62	13.86	18.40	-51.95	-3.98	4.40	3.95

Hartford Mid Cap HLS

Fund Information

Fund Name : Hartford Series Fund, Inc: Hartford MidCap HLS Fund; Class IA
 Fund Family : Hartford Life Investment Advisors LLC
 Ticker :
 Inception Date : 07/14/1997
 Fund Assets : -
 Portfolio Turnover : 69%

Portfolio Assets : -
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM U.S. Mid Cap Core Equity (MF)
 Style Benchmark : Russell Midcap Index

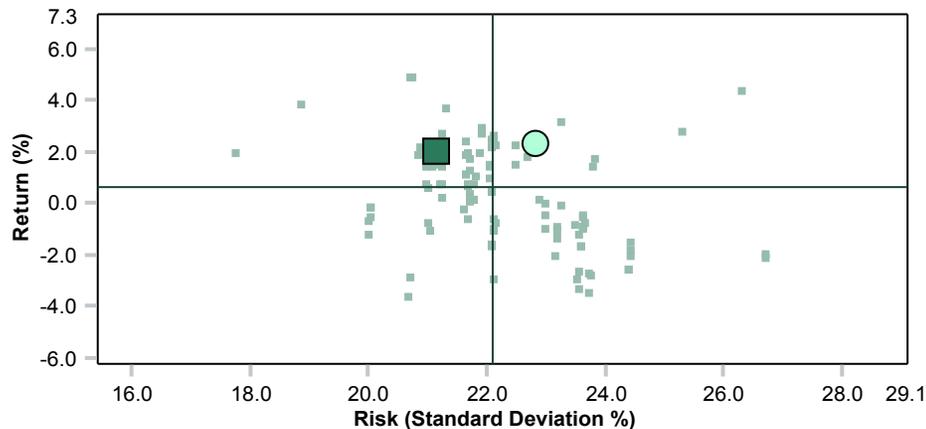
Fund Investment Policy

The Fund seeks long-term growth of capital. The Fund invests at least 80% of its assets in common stocks of mid-capitalization companies. The Fund may invest up to 20% of its total assets in securities of foreign issuers and non-dollar securities.

Historical Statistics (10/01/07 - 09/30/12) *

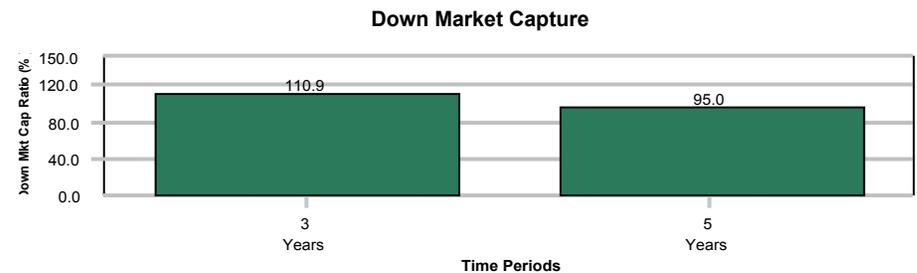
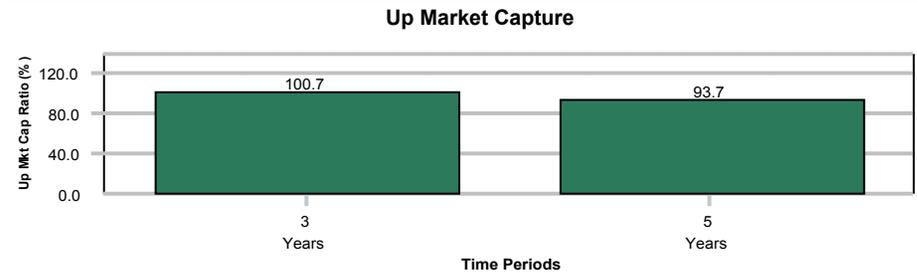
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Hartford Mid Cap HLS	1.95	21.16	0.17	-0.23	0.91	0.96	4.70	-0.14	21.28	08/01/1997
Russell Midcap Index	2.24	22.83	0.18	0.00	1.00	1.00	0.00	N/A	22.96	08/01/1997
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.73	-0.01	0.11	22.96	-0.18	0.00	08/01/1997

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Hartford Mid Cap HLS	1.95	21.16
○ Russell Midcap Index	2.24	22.83
— Median	0.64	22.09

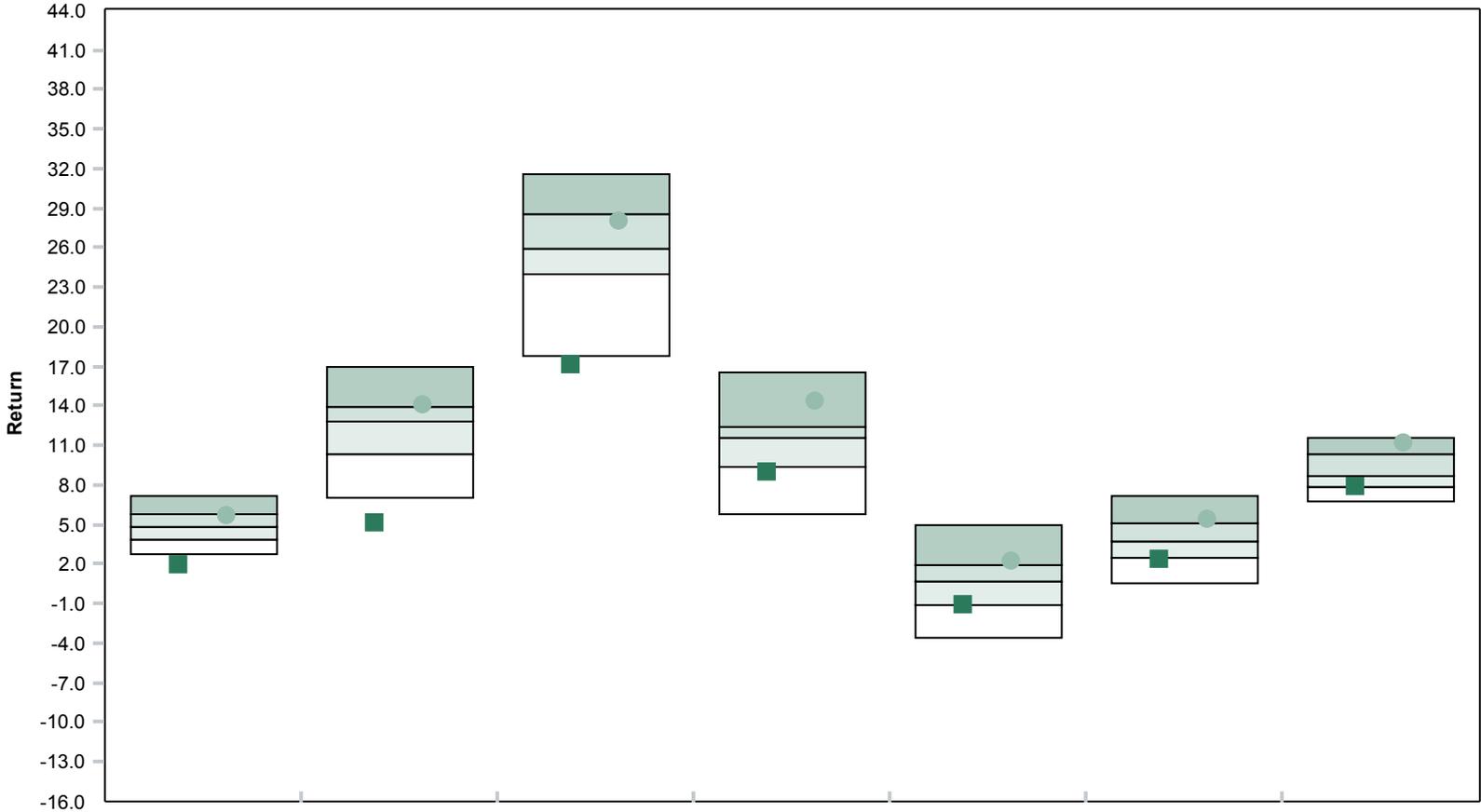
Up Down Market Capture



* Monthly periodicity used.

Lazard US Mid Cap Equity Open

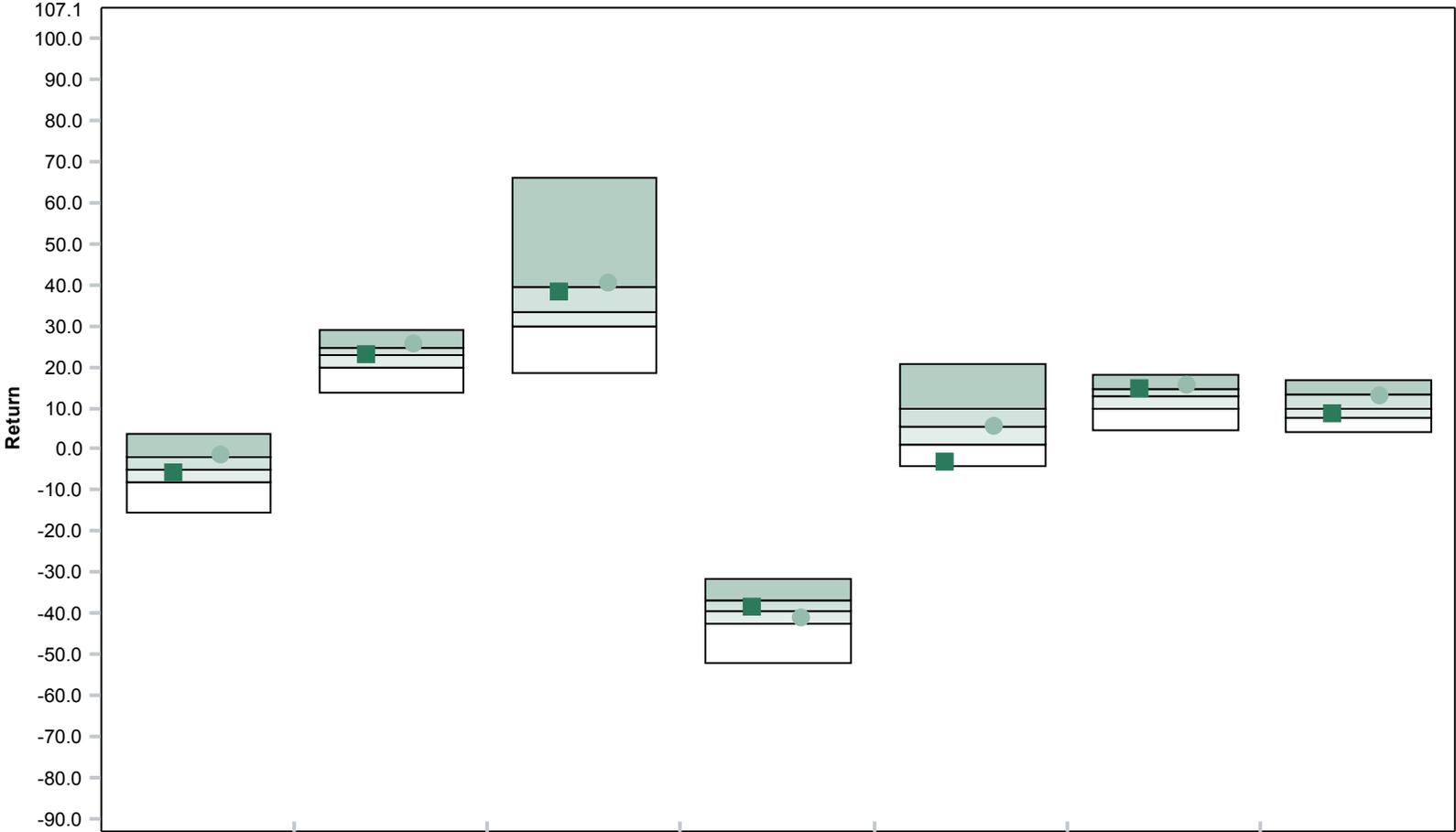
Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Lazard US Mid Cap Equity Open	1.96 (100)	5.01 (100)	17.12 (97)	8.98 (79)	-1.11 (74)	2.34 (76)	7.83 (78)
● Russell Midcap Index	5.59 (30)	14.00 (25)	28.03 (28)	14.26 (10)	2.24 (16)	5.38 (21)	11.18 (10)
5th Percentile	7.08	16.91	31.62	16.53	4.90	7.11	11.57
1st Quartile	5.75	13.93	28.55	12.45	1.86	5.05	10.28
Median	4.87	12.80	25.92	11.50	0.64	3.68	8.71
3rd Quartile	3.89	10.33	23.93	9.40	-1.12	2.44	7.89
95th Percentile	2.74	7.06	17.72	5.81	-3.67	0.56	6.74

Lazard US Mid Cap Equity Open

Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Lazard US Mid Cap Equity Open	-5.84 (60)	23.09 (48)	38.26 (30)	-38.53 (42)	-3.17 (92)	14.57 (26)	8.53 (65)
● Russell Midcap Index	-1.55 (20)	25.47 (19)	40.48 (19)	-41.46 (66)	5.60 (50)	15.26 (20)	12.65 (30)
5th Percentile	3.73	28.82	65.86	-31.76	20.62	17.99	16.80
1st Quartile	-1.91	24.77	39.31	-36.76	9.88	14.58	13.24
Median	-4.94	23.03	33.34	-39.44	5.59	12.73	9.91
3rd Quartile	-7.94	19.69	29.96	-42.60	0.89	9.67	7.79
95th Percentile	-15.62	13.86	18.40	-51.95	-3.98	4.40	3.95

Lazard US Mid Cap Equity Open

Fund Information

Fund Name :	Lazard Funds, Inc: Lazard US Mid Cap Equity Portfolio; Open Shares	Portfolio Assets :	\$98 Million
Fund Family :	Lazard Asset Management LLC	Portfolio Manager :	Andrew D. Lacey
Ticker :	LZMOX	PM Tenure :	2001
Inception Date :	11/04/1997	Fund Style :	IM U.S. Mid Cap Core Equity (MF)
Fund Assets :	\$44 Million	Style Benchmark :	Russell Midcap Index
Portfolio Turnover :	83%		

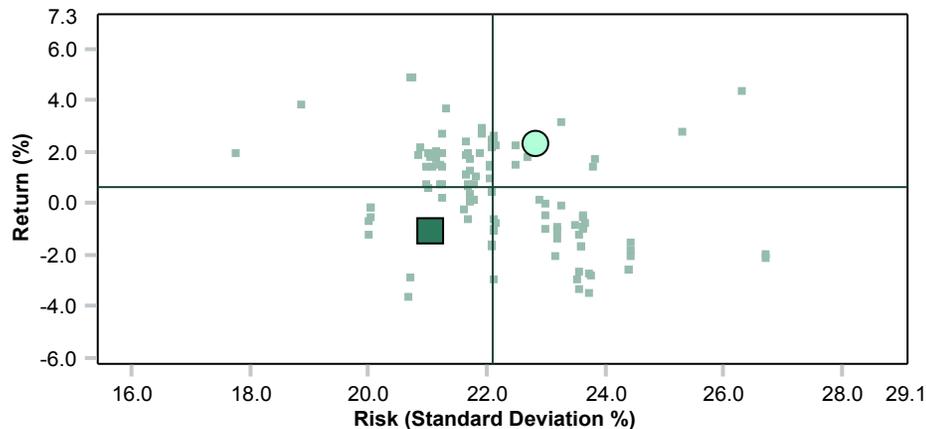
Fund Investment Policy

The Fund seeks long-term capital appreciation. The Fund invests primarily in equity securities, principally common stocks; of mid cap U.S. companies that the Investment Manager believes are undervalued based on their earnings, cash flow or asset values.

Historical Statistics (10/01/07 - 09/30/12) *

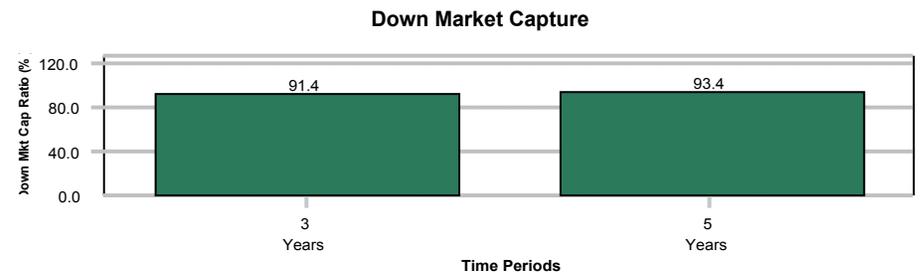
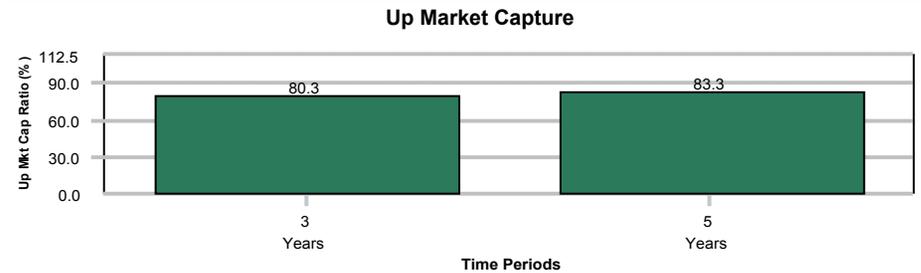
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Lazard US Mid Cap Equity Open	-1.11	21.05	0.02	-3.22	0.91	0.96	4.50	-0.83	21.17	12/01/1997
Russell Midcap Index	2.24	22.83	0.18	0.00	1.00	1.00	0.00	N/A	22.96	12/01/1997
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.73	-0.01	0.11	22.96	-0.18	0.00	12/01/1997

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Lazard US Mid Cap Equity Open	-1.11	21.05
○ Russell Midcap Index	2.24	22.83
— Median	0.64	22.09

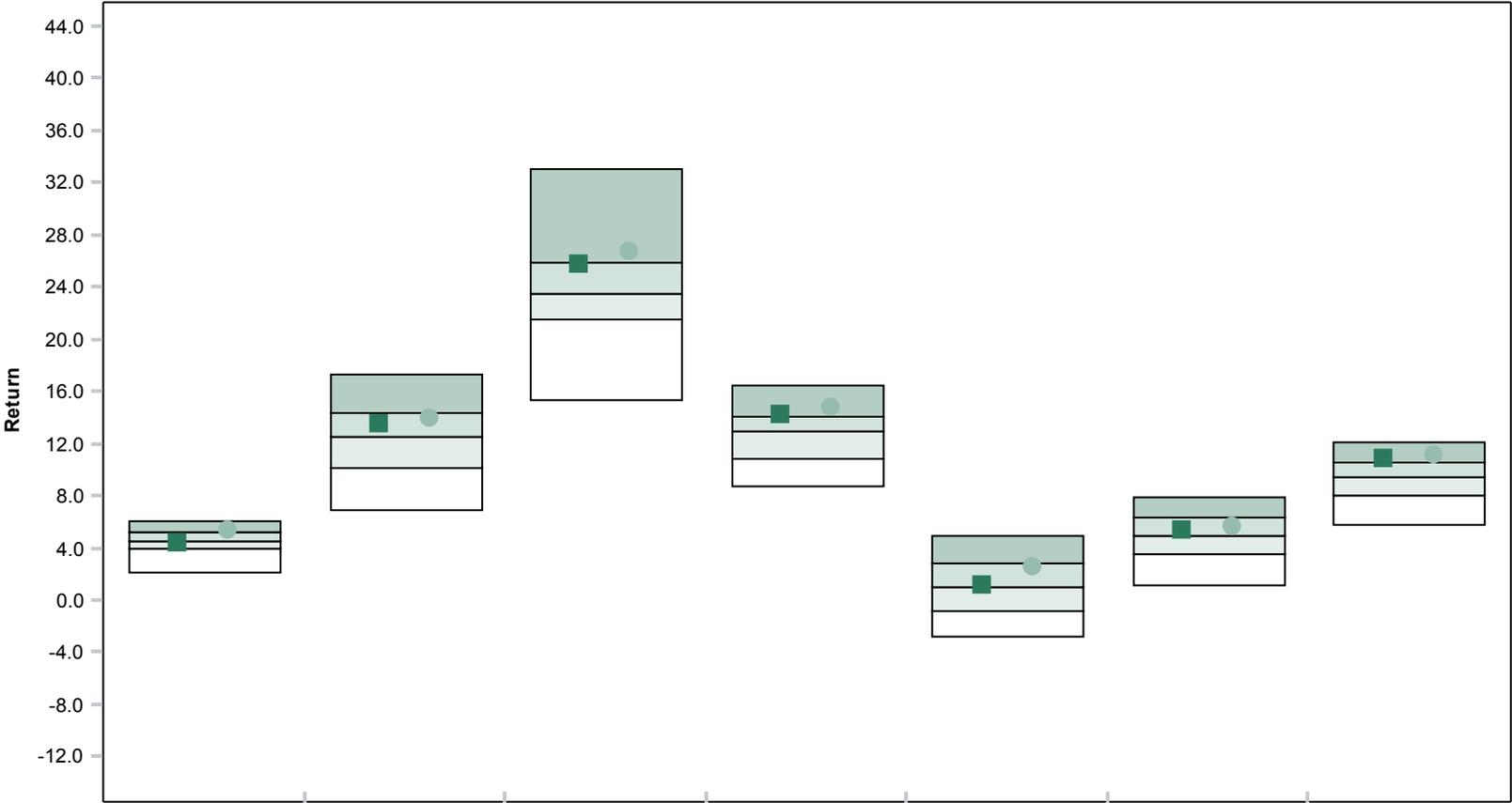
Up Down Market Capture



* Monthly periodicity used.

Munder Mid Cap Core Growth

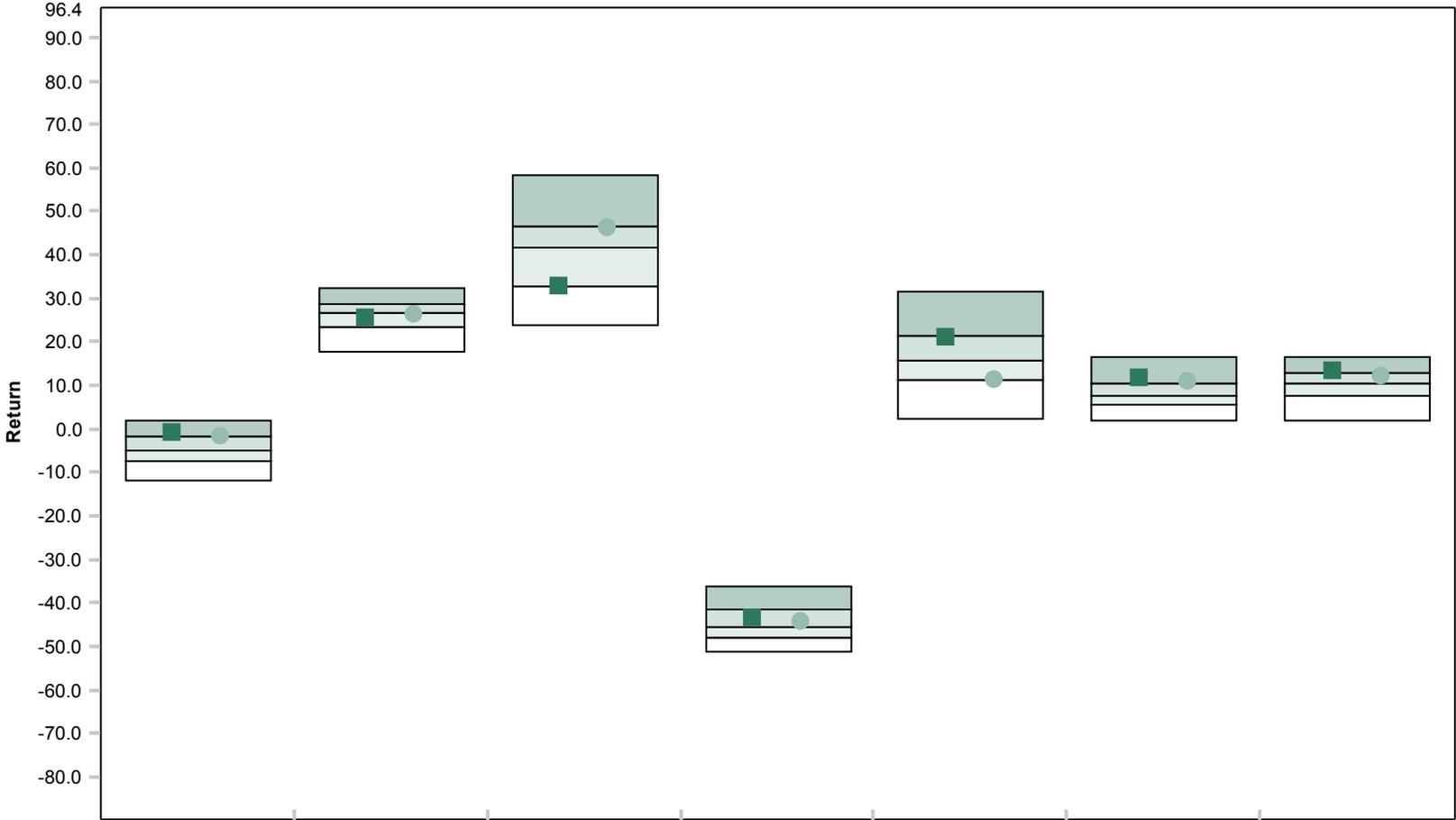
Peer Group Analysis - IM U.S. Mid Cap Growth Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Munder Mid Cap Core Growth	4.30 (56)	13.46 (41)	25.66 (26)	14.25 (23)	1.17 (48)	5.39 (41)	10.81 (22)
● Russell Midcap Growth Index	5.35 (22)	13.88 (33)	26.69 (20)	14.73 (19)	2.54 (28)	5.66 (37)	11.11 (16)
5th Percentile	6.09	17.28	33.07	16.47	4.85	7.93	12.10
1st Quartile	5.18	14.27	25.88	14.07	2.78	6.32	10.54
Median	4.43	12.52	23.48	12.89	1.01	4.89	9.37
3rd Quartile	3.94	10.18	21.50	10.81	-0.80	3.45	8.00
95th Percentile	2.13	6.82	15.34	8.72	-2.87	1.10	5.76

Munder Mid Cap Core Growth

Peer Group Analysis - IM U.S. Mid Cap Growth Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Munder Mid Cap Core Growth	-0.77 (18)	25.48 (60)	32.80 (75)	-43.45 (35)	20.97 (28)	11.82 (18)	13.11 (21)
● Russell Midcap Growth Index	-1.65 (24)	26.38 (54)	46.29 (28)	-44.32 (41)	11.43 (74)	10.66 (24)	12.10 (32)
5th Percentile	1.97	32.19	58.10	-36.40	31.66	16.70	16.66
1st Quartile	-1.74	28.80	46.67	-41.52	21.28	10.31	12.69
Median	-5.11	26.73	41.58	-45.46	15.89	7.73	10.47
3rd Quartile	-7.46	23.43	32.66	-47.90	11.21	5.59	7.47
95th Percentile	-12.04	17.73	23.85	-51.44	2.49	1.74	1.99

Munder Mid Cap Core Growth

Fund Information

Fund Name : Munder Series Trust: Munder Mid-Cap Core Growth Fund; Class Y Shares
 Fund Family : Munder Capital Management
 Ticker : MGOYX
 Inception Date : 06/24/1998
 Fund Assets : \$3,022 Million

Portfolio Assets : \$4,544 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM U.S. Mid Cap Growth Equity (MF)
 Style Benchmark : Russell Midcap Growth Index

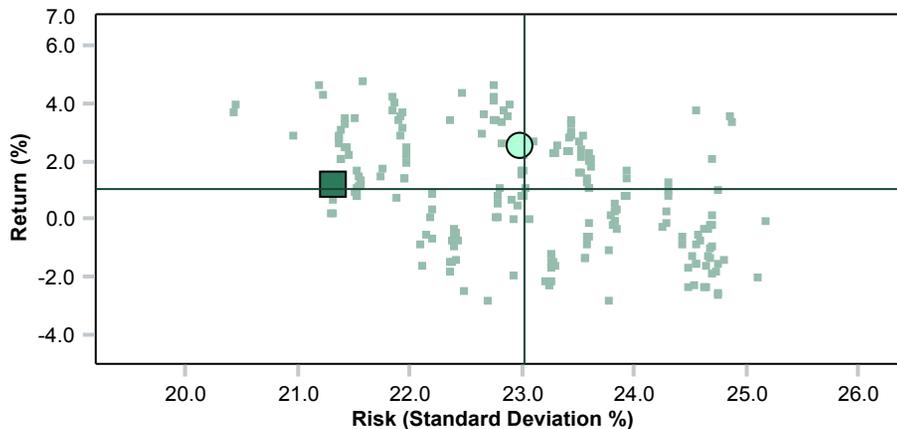
Fund Investment Policy

The Fund seeks to provide long-term capital appreciation. The Fund pursues its goal by investing, under normal circumstances, at least 80% of its assets in the equity securities (i.e., common stock, preferred stock, convertible securities and rights and warrants) of mid-capitalization companies.

Historical Statistics (10/01/07 - 09/30/12) *

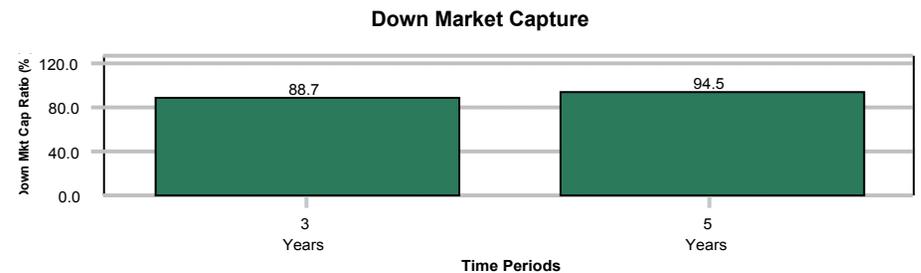
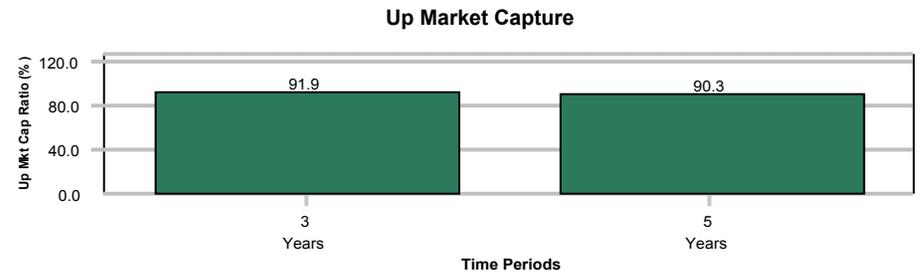
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Munder Mid Cap Core Growth	1.17	21.32	0.13	-1.26	0.91	0.97	4.07	-0.42	21.45	07/01/1998
Russell Midcap Growth Index	2.54	22.98	0.20	0.00	1.00	1.00	0.00	N/A	23.12	07/01/1998
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.73	-0.01	0.13	23.12	-0.20	0.00	07/01/1998

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Munder Mid Cap Core Growth	1.17	21.32
○ Russell Midcap Growth Index	2.54	22.98
— Median	1.01	23.01

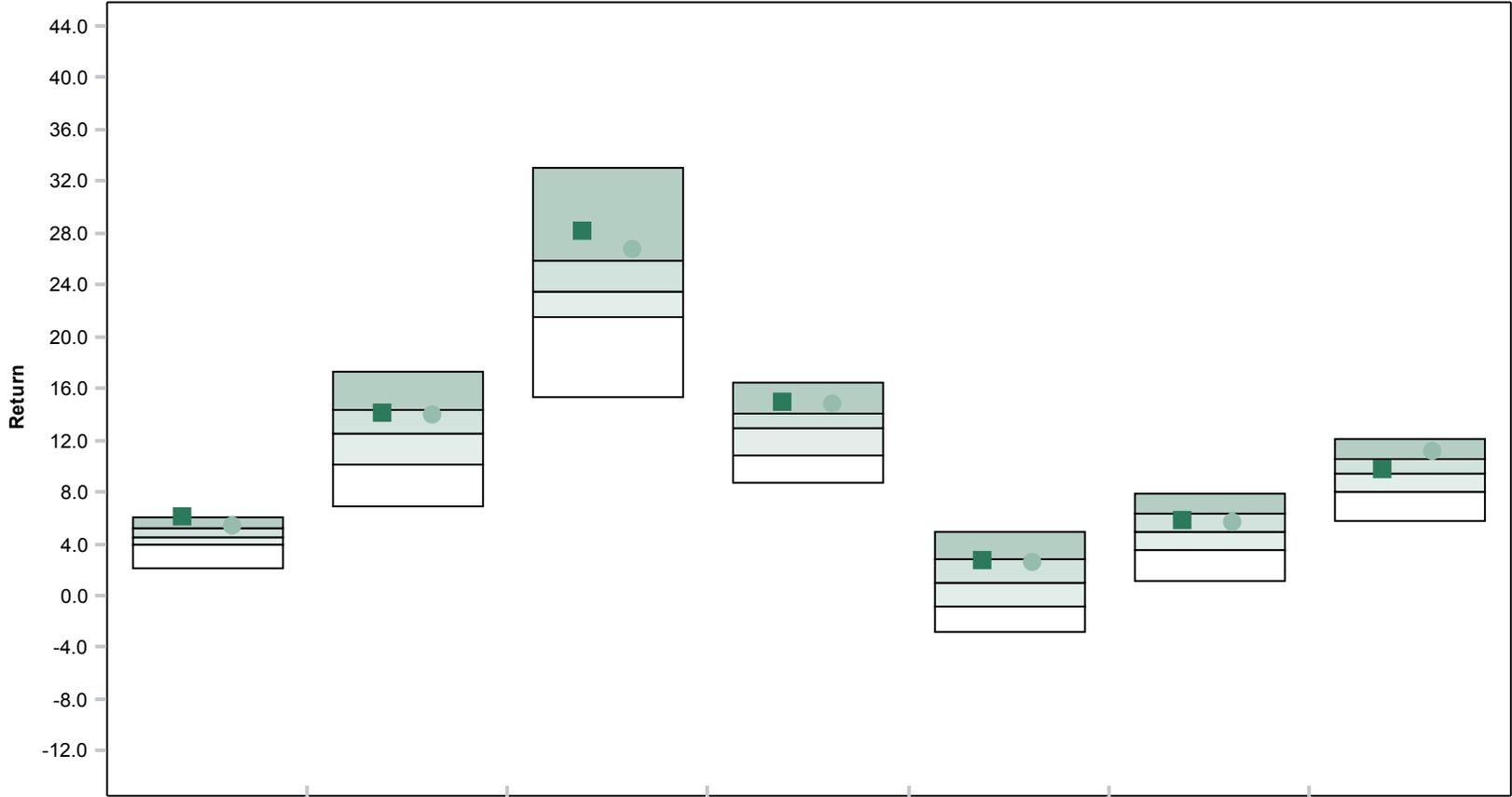
Up Down Market Capture



* Monthly periodicity used.

Baron Growth Retail

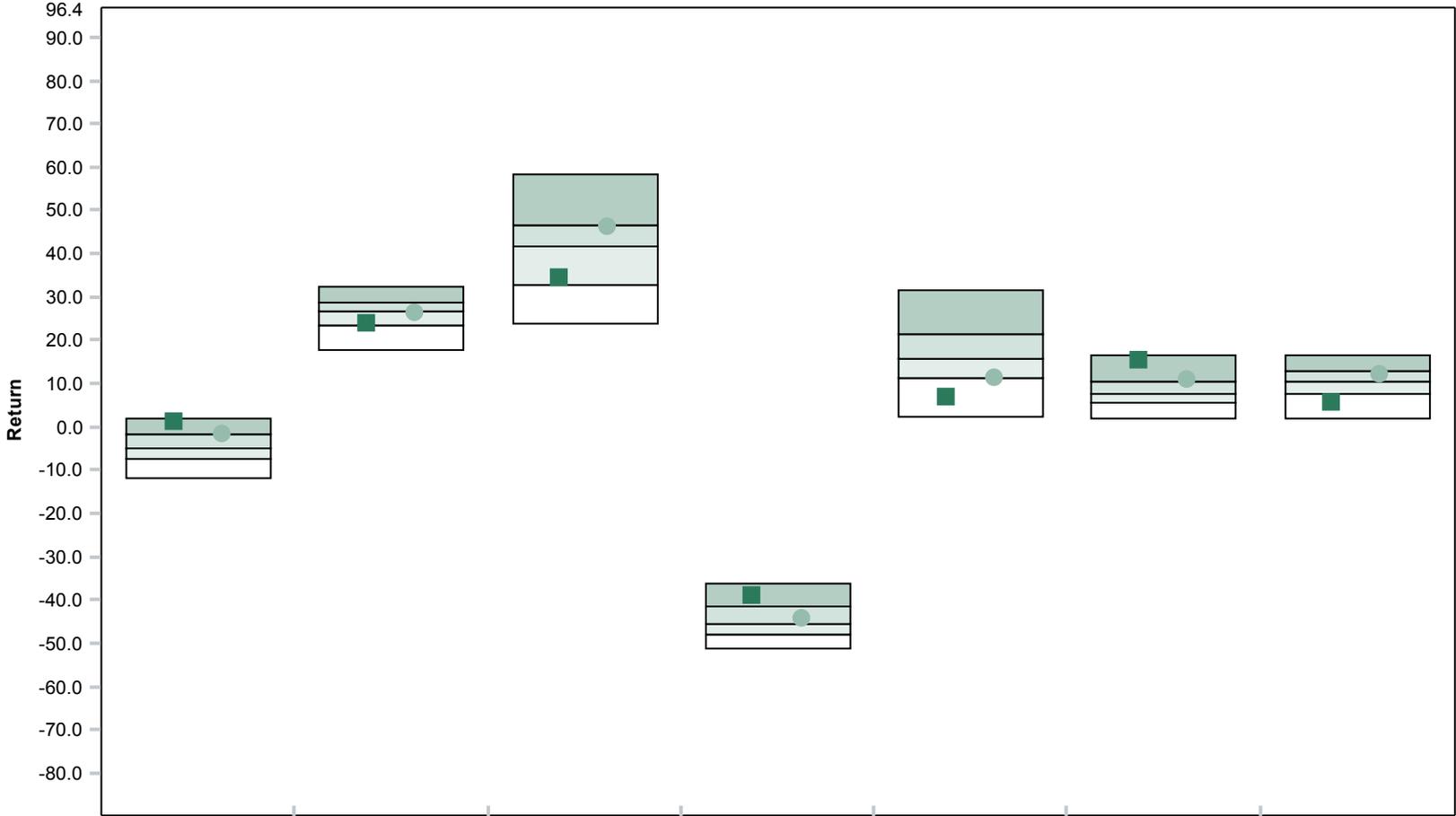
Peer Group Analysis - IM U.S. Mid Cap Growth Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Baron Growth Retail	5.99 (7)	14.08 (29)	28.12 (13)	14.90 (18)	2.65 (27)	5.82 (33)	9.74 (42)
● Russell Midcap Growth Index	5.35 (22)	13.88 (33)	26.69 (20)	14.73 (19)	2.54 (28)	5.66 (37)	11.11 (16)
5th Percentile	6.09	17.28	33.07	16.47	4.85	7.93	12.10
1st Quartile	5.18	14.27	25.88	14.07	2.78	6.32	10.54
Median	4.43	12.52	23.48	12.89	1.01	4.89	9.37
3rd Quartile	3.94	10.18	21.50	10.81	-0.80	3.45	8.00
95th Percentile	2.13	6.82	15.34	8.72	-2.87	1.10	5.76

Baron Growth Retail

Peer Group Analysis - IM U.S. Mid Cap Growth Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Baron Growth Retail	1.24 (8)	24.01 (71)	34.24 (72)	-39.18 (12)	6.59 (91)	15.50 (8)	5.71 (81)
● Russell Midcap Growth Index	-1.65 (24)	26.38 (54)	46.29 (28)	-44.32 (41)	11.43 (74)	10.66 (24)	12.10 (32)
5th Percentile	1.97	32.19	58.10	-36.40	31.66	16.70	16.66
1st Quartile	-1.74	28.80	46.67	-41.52	21.28	10.31	12.69
Median	-5.11	26.73	41.58	-45.46	15.89	7.73	10.47
3rd Quartile	-7.46	23.43	32.66	-47.90	11.21	5.59	7.47
95th Percentile	-12.04	17.73	23.85	-51.44	2.49	1.74	1.99

Baron Growth Retail

Fund Information

Fund Name : Baron Investment Funds Trust: Baron Growth Fund; Retail Shares
 Fund Family : BAMCO Inc
 Ticker : BGRFX
 Inception Date : 12/31/1994
 Fund Assets : \$4,251 Million
 Portfolio Turnover : 14%

Portfolio Assets : \$5,944 Million
 Portfolio Manager : Ronald Baron
 PM Tenure : 1994
 Fund Style : IM U.S. Mid Cap Growth Equity (MF)
 Style Benchmark : Russell Midcap Growth Index

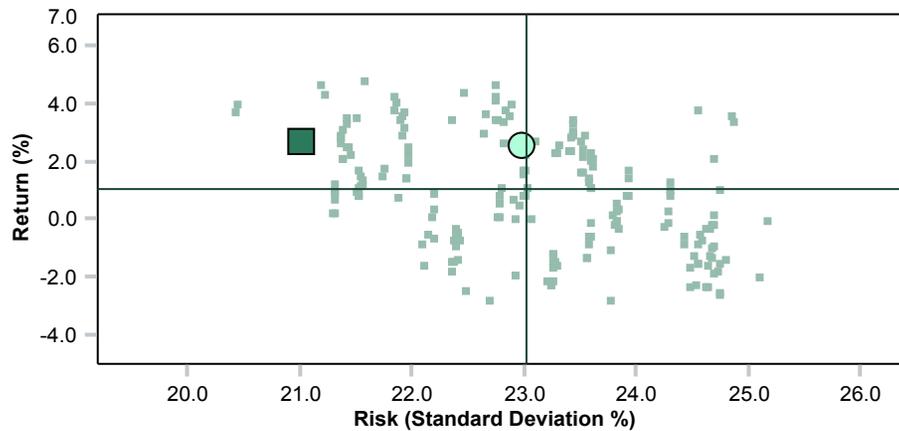
Fund Investment Policy

The Fund seeks capital appreciation. The Advisor seeks investments that are supported by long term demographic, economic and societal "megatrends." The Advisor looks to the ability of a company to grow its business substantially within a four to five year period.

Historical Statistics (10/01/07 - 09/30/12) *

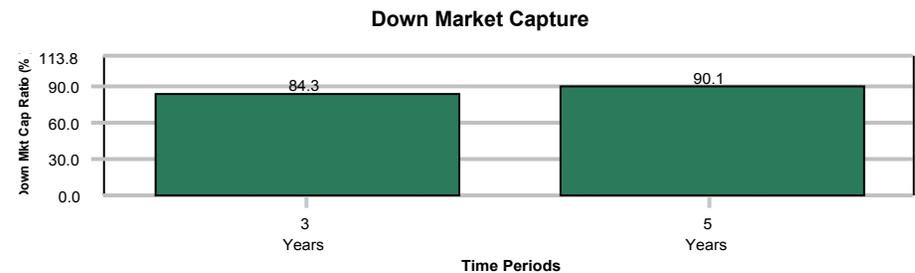
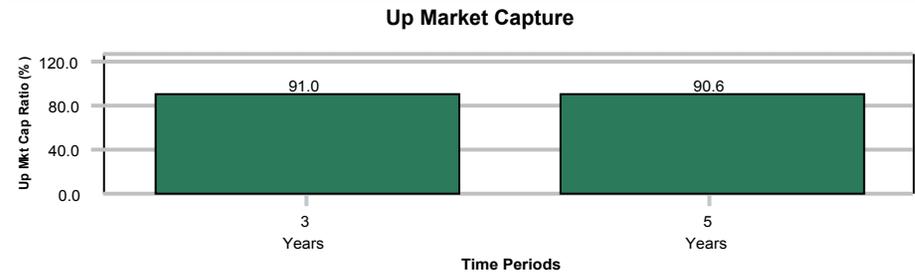
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Baron Growth Retail	2.65	21.03	0.20	0.25	0.88	0.94	5.96	-0.06	21.15	02/01/1995
Russell Midcap Growth Index	2.54	22.98	0.20	0.00	1.00	1.00	0.00	N/A	23.12	02/01/1995
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.73	-0.01	0.13	23.12	-0.20	0.00	02/01/1995

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Baron Growth Retail	2.65	21.03
○ Russell Midcap Growth Index	2.54	22.98
— Median	1.01	23.01

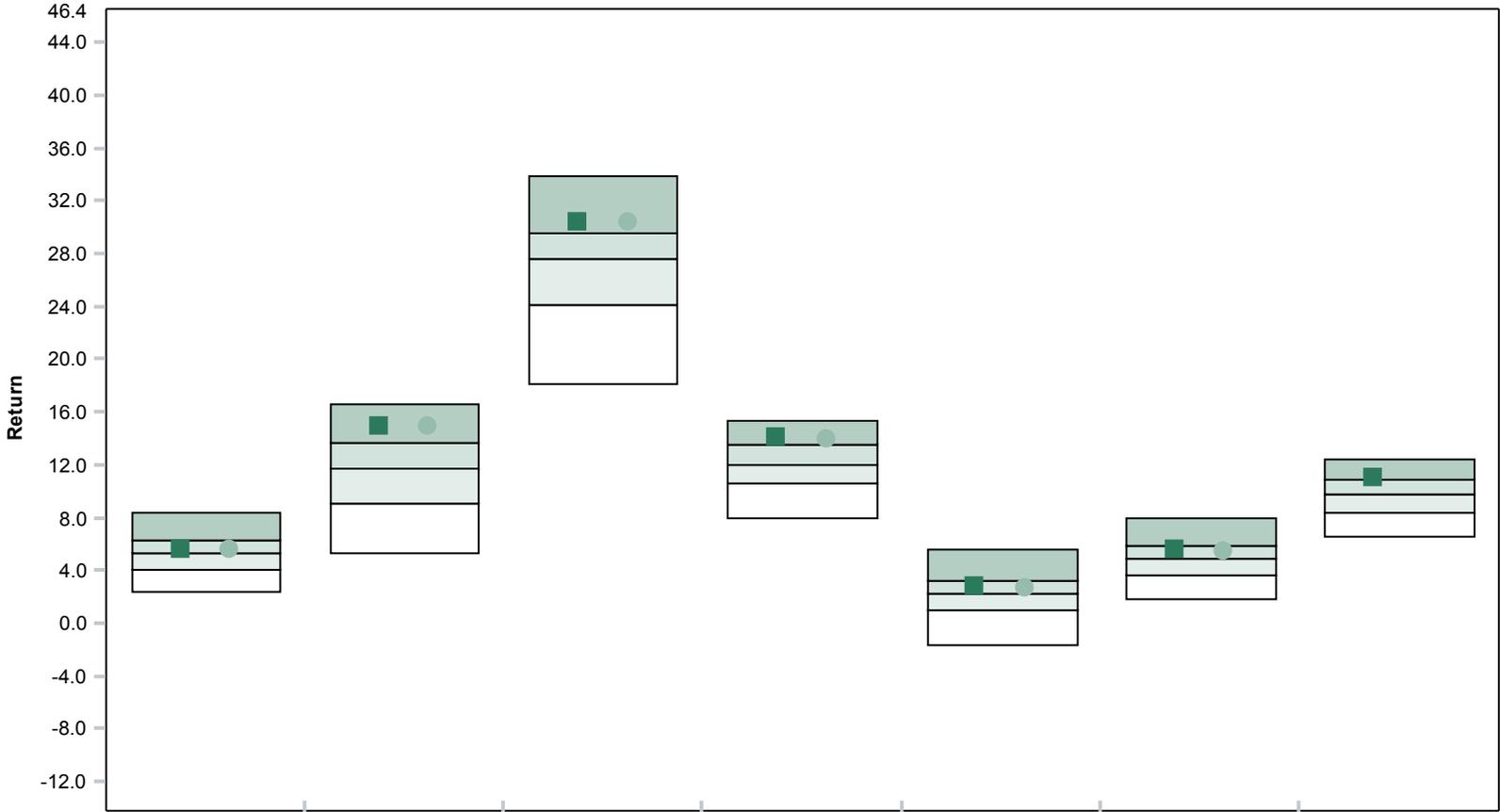
Up Down Market Capture



* Monthly periodicity used.

Vanguard Extended Market Idx I

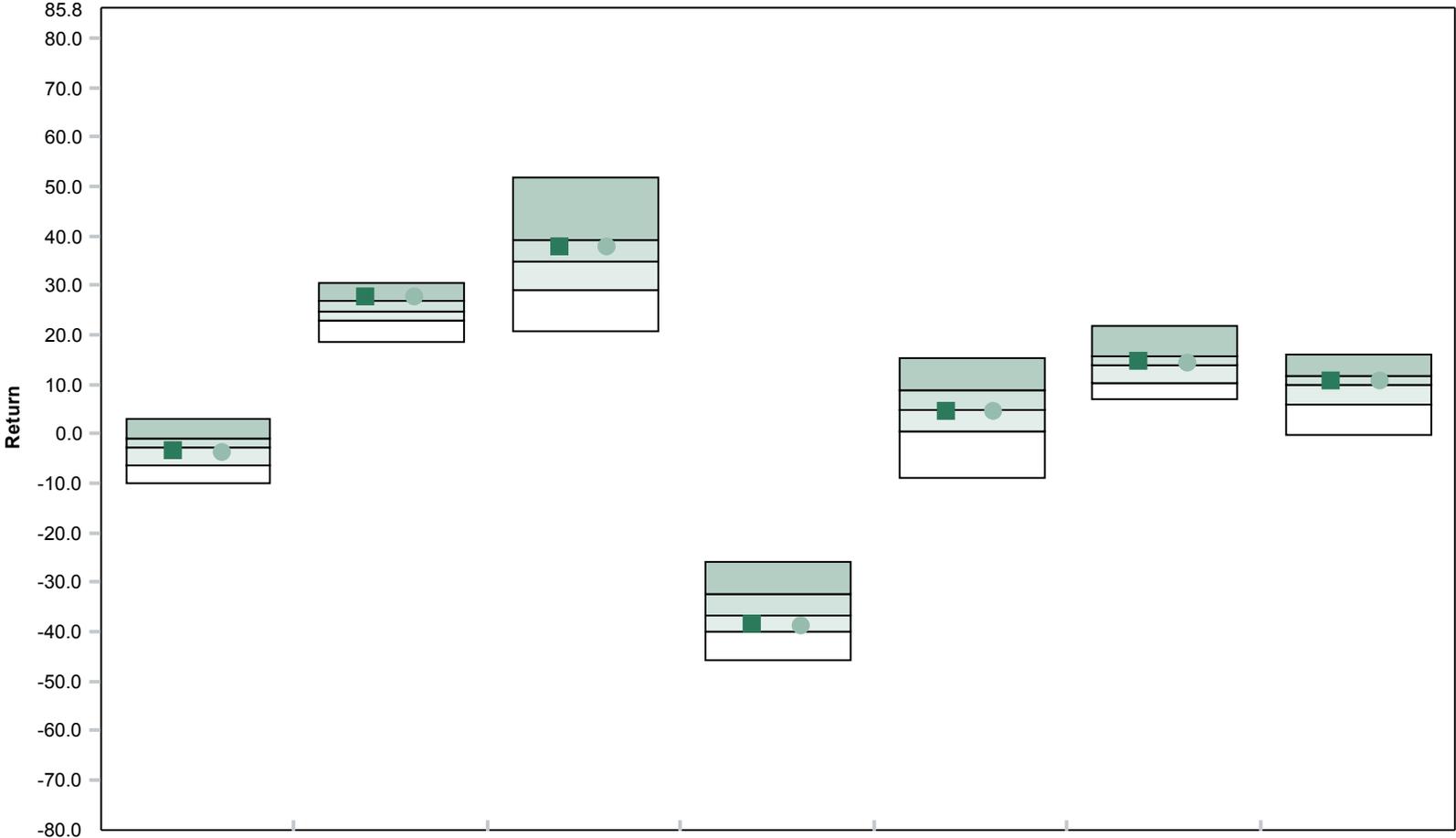
Peer Group Analysis - IM U.S. SMID Cap Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Extended Market Idx I	5.56 (40)	14.87 (12)	30.43 (17)	14.10 (16)	2.77 (34)	5.63 (31)	11.07 (19)
● S&P Completion Index TR	5.59 (39)	14.88 (12)	30.37 (18)	13.96 (20)	2.60 (40)	5.47 (34)	N/A
5th Percentile	8.40	16.59	33.93	15.32	5.51	7.97	12.44
1st Quartile	6.22	13.68	29.49	13.51	3.16	5.82	10.86
Median	5.27	11.75	27.55	12.04	2.18	4.83	9.72
3rd Quartile	4.02	9.08	24.07	10.53	0.93	3.65	8.42
95th Percentile	2.40	5.28	18.07	7.97	-1.74	1.87	6.60

Vanguard Extended Market Idx I

Peer Group Analysis - IM U.S. SMID Cap Core Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Vanguard Extended Market Idx I	-3.57 (58)	27.59 (17)	37.69 (30)	-38.58 (68)	4.51 (54)	14.46 (42)	10.50 (40)
● S&P Completion Index TR	-3.71 (60)	27.46 (20)	37.65 (30)	-38.94 (73)	4.49 (54)	14.27 (47)	10.77 (37)
5th Percentile	2.88	30.41	51.63	-26.07	15.27	21.67	16.13
1st Quartile	-0.93	26.71	39.26	-32.27	8.93	15.69	11.82
Median	-2.71	24.82	34.69	-36.78	4.90	13.82	9.83
3rd Quartile	-6.24	22.72	29.00	-40.03	0.55	10.25	5.80
95th Percentile	-10.13	18.44	20.82	-45.98	-8.86	7.08	-0.23

Vanguard Extended Market Idx I

Fund Information

Fund Name : Vanguard Index Funds: Vanguard Extended Market Index Fund; Institutional Shares
 Fund Family : Vanguard Group Inc
 Ticker : VIEIX
 Inception Date : 07/07/1997
 Fund Assets : \$5,319 Million

Portfolio Assets : \$21,291 Million
 Portfolio Manager : Donald M. Butler
 PM Tenure : 1997
 Fund Style : IM U.S. SMID Cap Core Equity (MF)
 Style Benchmark : S&P Completion Index TR

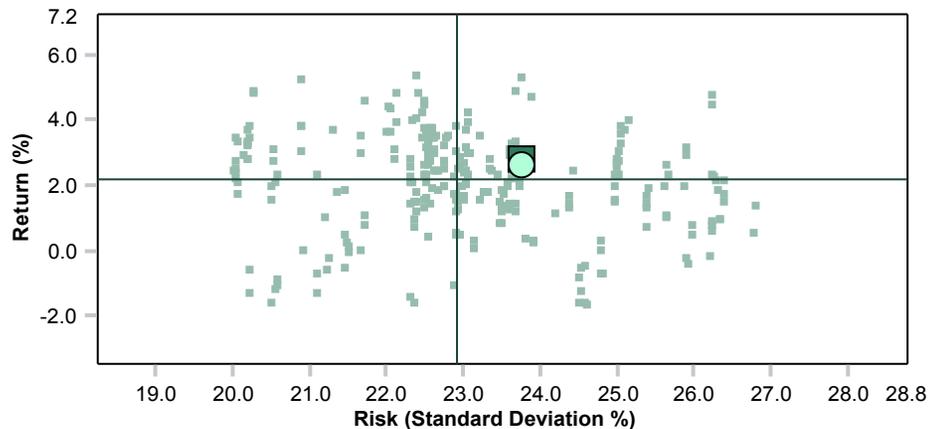
Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of small and mid capitalization stocks. The Fund employs a passive management or indexing investment approach designed to track the performance of the Standard & Poors Completion Index.

Historical Statistics (10/01/07 - 09/30/12) *

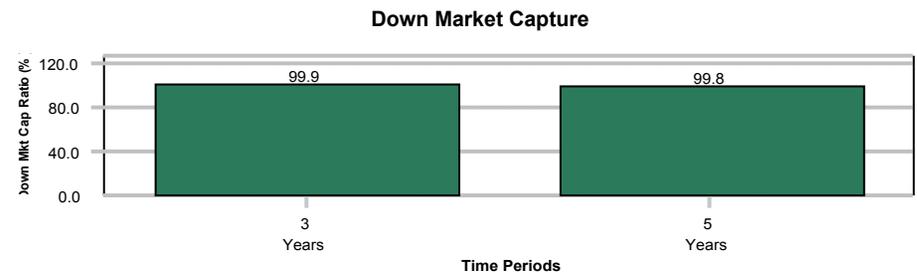
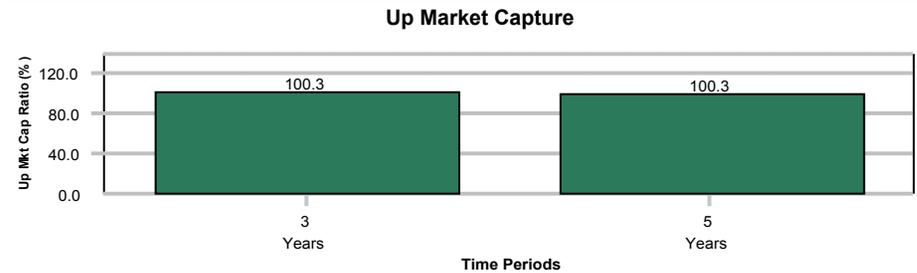
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Extended Market Idx I	2.77	23.76	0.21	0.16	1.00	1.00	0.13	1.24	23.88	08/01/1997
S&P Completion Index TR	2.60	23.76	0.20	0.00	1.00	1.00	0.00	N/A	23.88	08/01/1997
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.73	0.00	0.10	23.88	-0.20	0.00	08/01/1997

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Vanguard Extended Market Idx I	2.77	23.76
● S&P Completion Index TR	2.60	23.76
— Median	2.18	22.92

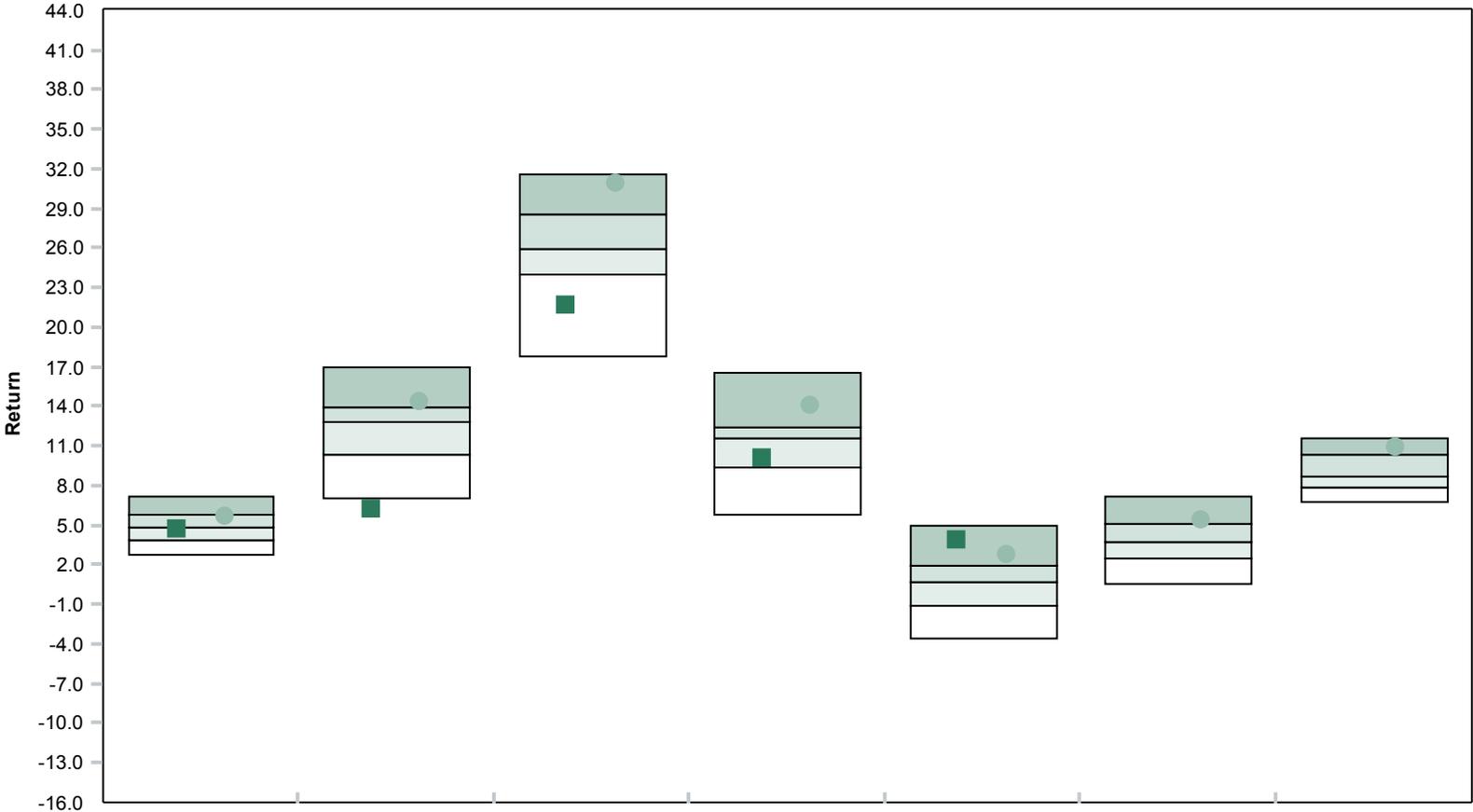
Up Down Market Capture



* Monthly periodicity used.

Lord Abbett Value Opportunities I

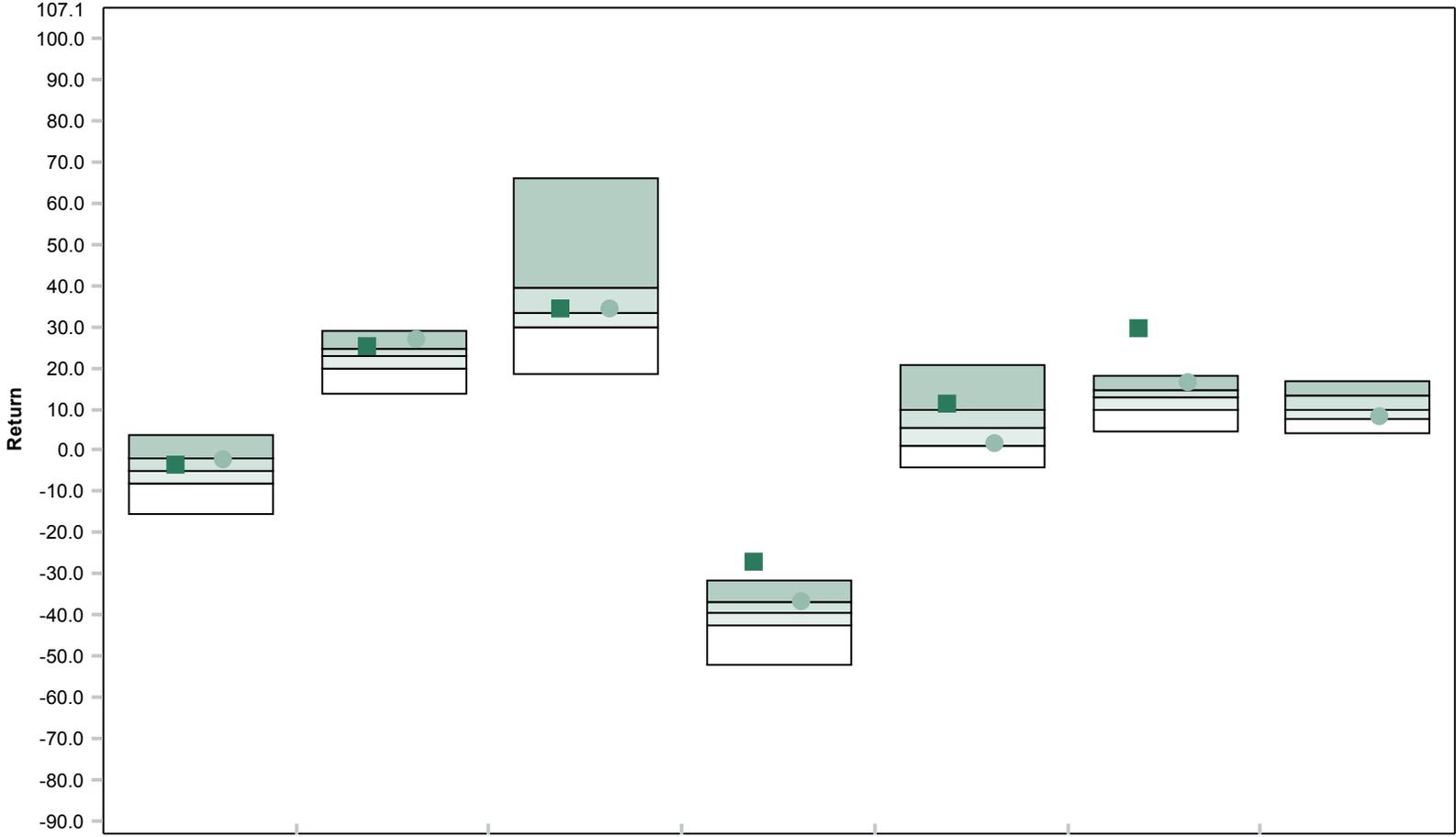
Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Lord Abbett Value Opportunities I	4.71 (60)	6.14 (97)	21.66 (88)	10.00 (72)	3.78 (9)	N/A	N/A
● Russell 2500 Index	5.57 (31)	14.33 (21)	30.93 (8)	14.06 (11)	2.80 (11)	5.33 (21)	10.86 (16)
5th Percentile	7.08	16.91	31.62	16.53	4.90	7.11	11.57
1st Quartile	5.75	13.93	28.55	12.45	1.86	5.05	10.28
Median	4.87	12.80	25.92	11.50	0.64	3.68	8.71
3rd Quartile	3.89	10.33	23.93	9.40	-1.12	2.44	7.89
95th Percentile	2.74	7.06	17.72	5.81	-3.67	0.56	6.74

Lord Abbett Value Opportunities I

Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Lord Abbett Value Opportunities I	-3.83 (40)	24.91 (25)	34.27 (46)	-27.49 (1)	11.28 (19)	29.41 (1)	N/A
● Russell 2500 Index	-2.51 (32)	26.71 (10)	34.39 (45)	-36.79 (26)	1.38 (72)	16.17 (14)	8.11 (70)
5th Percentile	3.73	28.82	65.86	-31.76	20.62	17.99	16.80
1st Quartile	-1.91	24.77	39.31	-36.76	9.88	14.58	13.24
Median	-4.94	23.03	33.34	-39.44	5.59	12.73	9.91
3rd Quartile	-7.94	19.69	29.96	-42.60	0.89	9.67	7.79
95th Percentile	-15.62	13.86	18.40	-51.95	-3.98	4.40	3.95

Lord Abbett Value Opportunities I

Fund Information

Fund Name :	Lord Abbett Securities Trust: Lord Abbett Value Opportunities Fund; Class I Shares	Portfolio Assets :	\$2,077 Million
Fund Family :	Lord Abbett & Co LLC	Portfolio Manager :	Maher/Maurer
Ticker :	LVOYX	PM Tenure :	2008--2008
Inception Date :	12/20/2005	Fund Style :	IM U.S. Mid Cap Core Equity (MF)
Fund Assets :	\$396 Million	Style Benchmark :	Russell 2500 Index

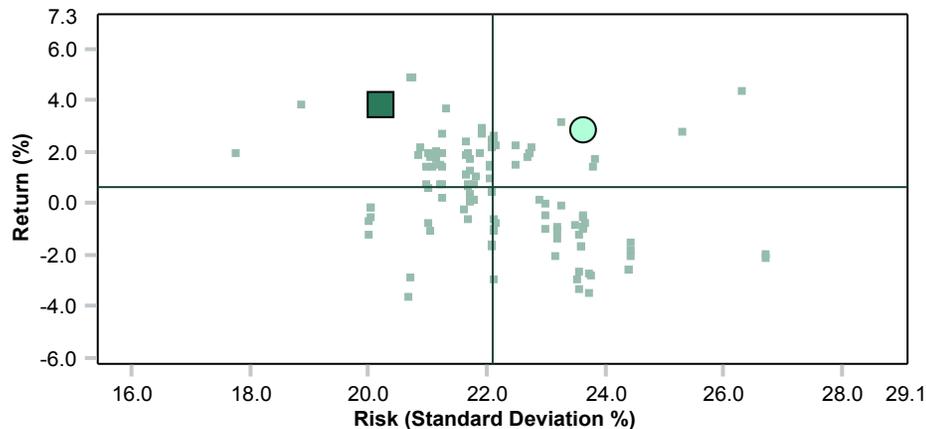
Fund Investment Policy

The Fund seeks long-term capital appreciation. To pursue this goal, the Fund normally invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities of small and mid-sized companies.

Historical Statistics (10/01/07 - 09/30/12) *

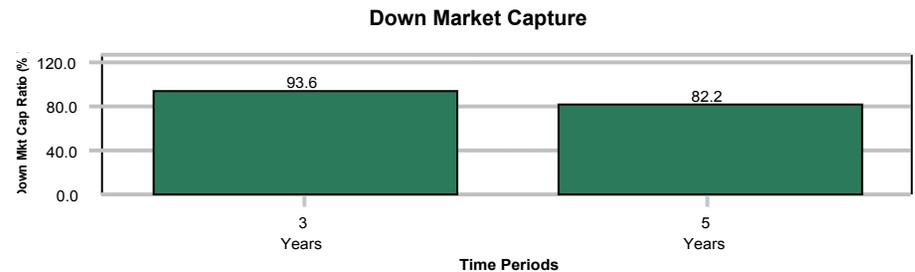
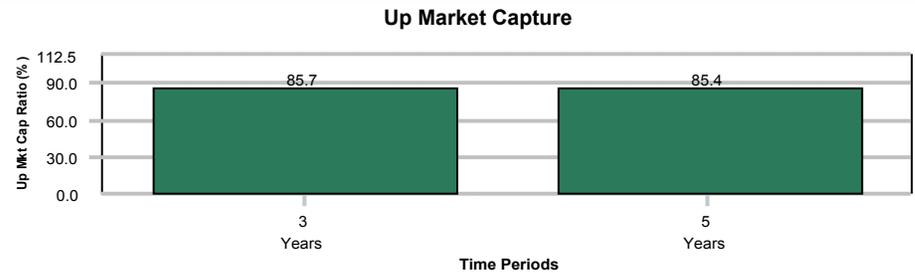
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Lord Abbett Value Opportunities I	3.78	20.23	0.25	1.06	0.84	0.96	5.38	0.03	20.34	01/01/2006
Russell 2500 Index	2.80	23.65	0.21	0.00	1.00	1.00	0.00	N/A	23.77	01/01/2006
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.73	0.00	0.09	23.77	-0.21	0.00	01/01/2006

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Lord Abbett Value Opportunities I	3.78	20.23
○ Russell 2500 Index	2.80	23.65
— Median	0.64	22.09

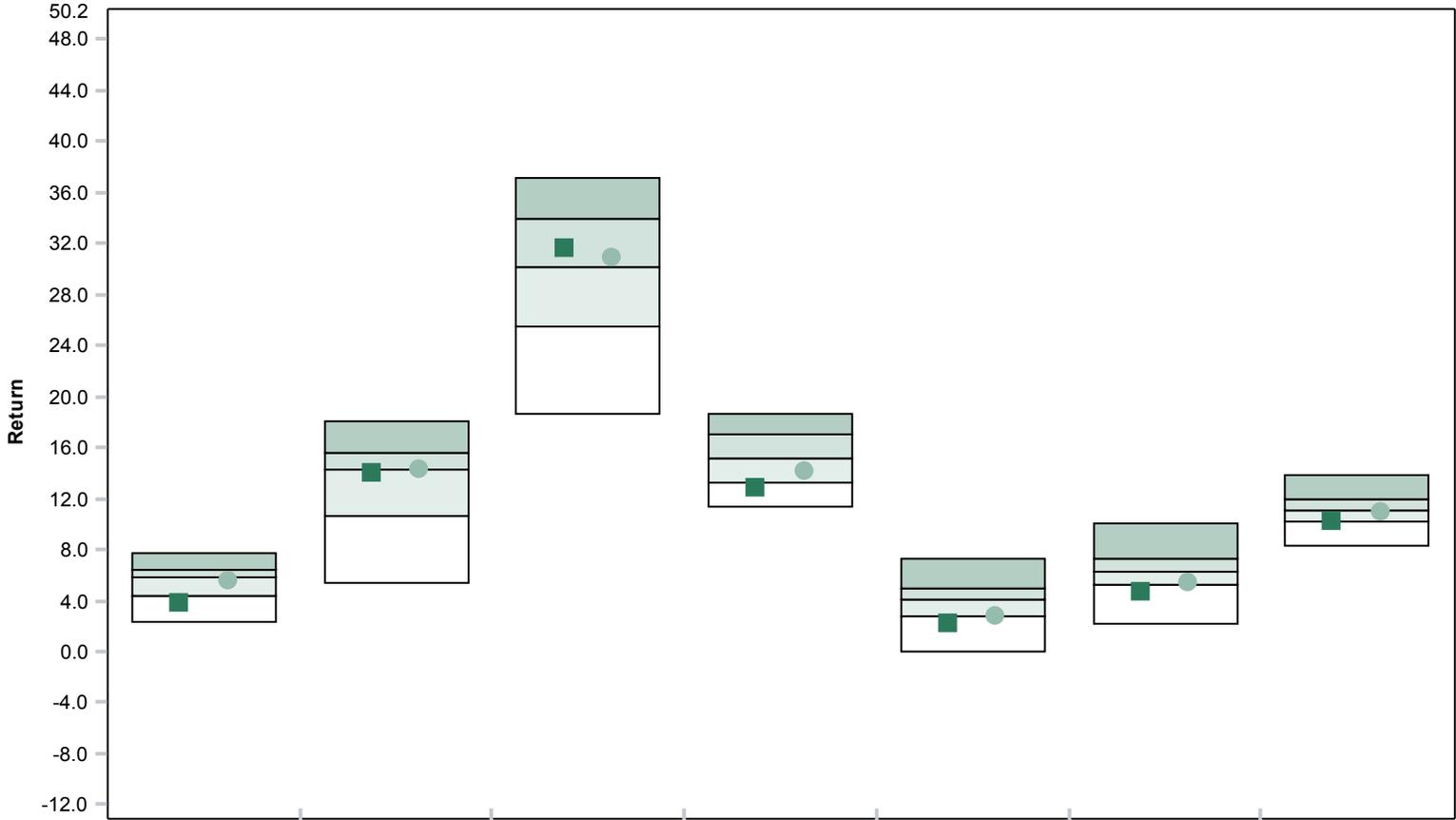
Up Down Market Capture



* Monthly periodicity used.

Oppenheimer Main St Sm & Mid Cap Y

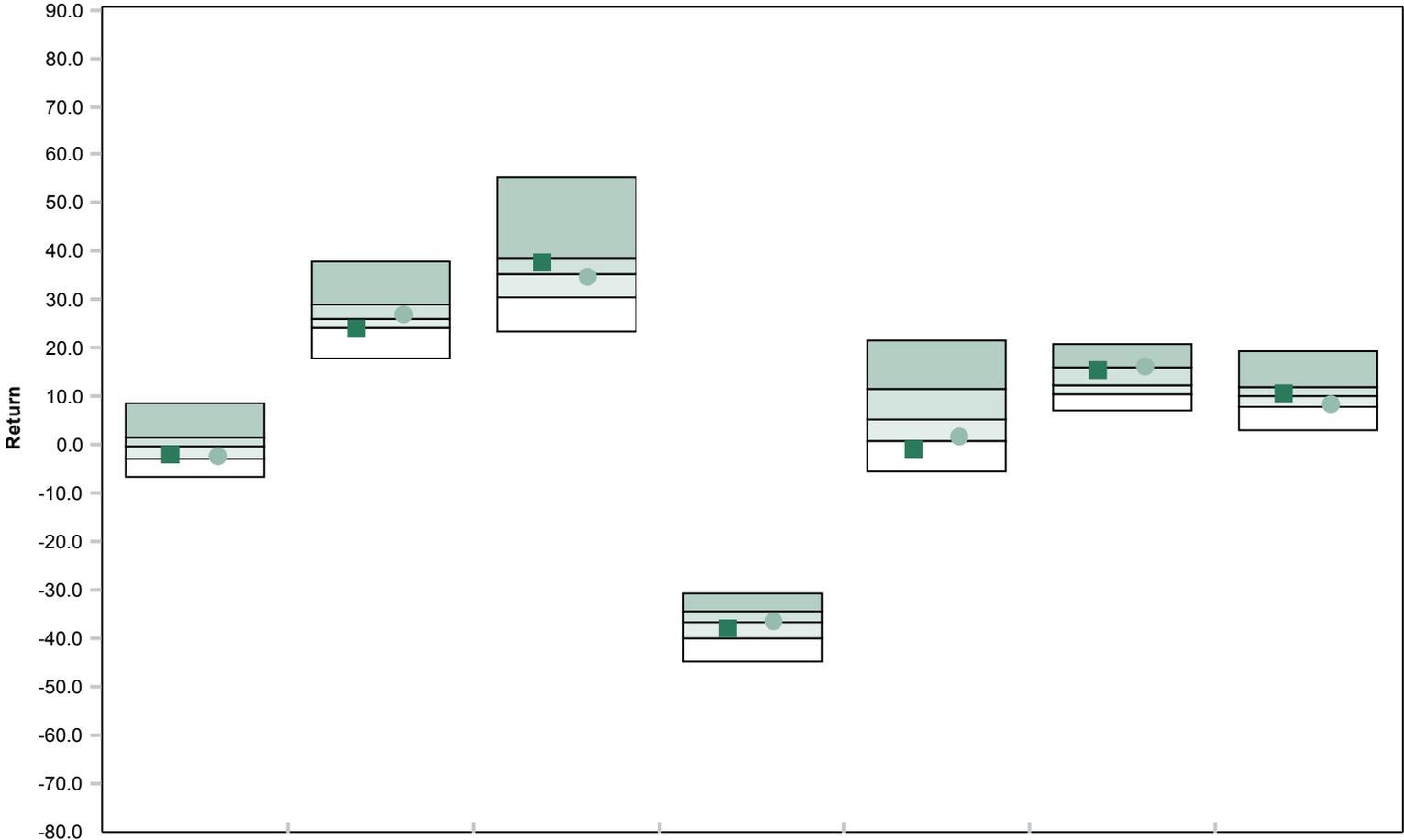
Peer Group Analysis - IM U.S. SMID Cap Core Equity (SA+CF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Oppenheimer Main St Sm & Mid Cap Y	3.76 (82)	14.02 (57)	31.65 (40)	12.82 (79)	2.12 (83)	4.73 (84)	10.15 (77)
● Russell 2500 Index	5.57 (55)	14.33 (49)	30.93 (42)	14.06 (63)	2.80 (73)	5.33 (74)	10.86 (64)
5th Percentile	7.75	18.11	37.20	18.64	7.31	10.08	13.76
1st Quartile	6.45	15.60	34.00	17.02	5.02	7.27	11.93
Median	5.87	14.28	30.15	15.08	4.08	6.24	11.07
3rd Quartile	4.38	10.57	25.43	13.30	2.77	5.27	10.17
95th Percentile	2.37	5.46	18.69	11.32	-0.06	2.15	8.34

Oppenheimer Main St Sm & Mid Cap Y

Peer Group Analysis - IM U.S. SMID Cap Core Equity (SA+CF)



	2011	2010	2009	2008	2007	2006	2005
■ Oppenheimer Main St Sm & Mid Cap Y	-2.31 (72)	23.72 (77)	37.37 (35)	-38.02 (60)	-1.10 (85)	15.20 (34)	10.52 (44)
● Russell 2500 Index	-2.51 (73)	26.71 (43)	34.39 (63)	-36.79 (51)	1.38 (74)	16.17 (26)	8.11 (70)
5th Percentile	8.63	37.87	55.17	-30.69	21.74	20.87	19.18
1st Quartile	1.69	29.05	38.58	-34.34	11.37	16.18	12.06
Median	-0.16	26.19	35.37	-36.59	5.41	12.41	10.10
3rd Quartile	-3.00	24.07	30.57	-40.09	0.87	10.49	7.67
95th Percentile	-6.59	17.99	23.31	-45.07	-5.46	7.01	2.90

Oppenheimer Main St Sm & Mid Cap Y

Fund Information

Fund Name :	Oppenheimer Main Street Small- & Mid-Cap Fund; Class Y Shares	Portfolio Assets :	\$3,191 Million
Fund Family :	OppenheimerFunds Inc	Portfolio Manager :	Ziehl/Anello/Vardharaj
Ticker :	OPMYX	PM Tenure :	2009--2011--2009
Inception Date :	08/02/1999	Fund Style :	IM U.S. SMID Cap Core Equity (SA+CF)
Fund Assets :	\$909 Million	Style Benchmark :	Russell 2500 Index
Portfolio Turnover :	86%		

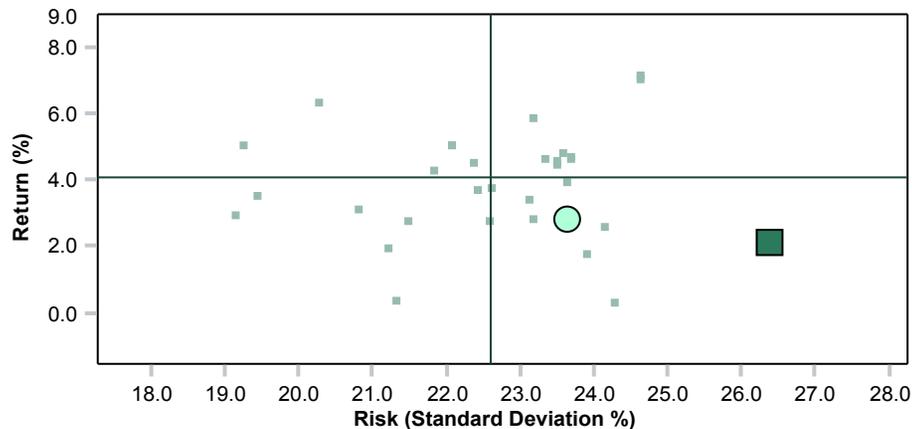
Fund Investment Policy

The Fund seeks capital appreciation. The Fund mainly invests in common stocks of small and mid-cap companies. Under normal market conditions, the Fund will invest at least 80% of its net assets in securities of companies having a market capitalization in the range of the Russell 2500 Index.

Historical Statistics (10/01/07 - 09/30/12) *

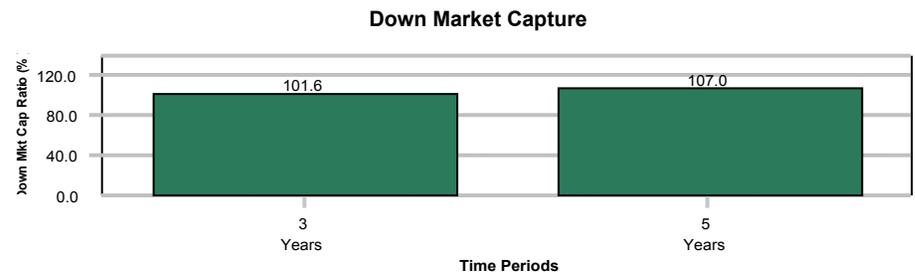
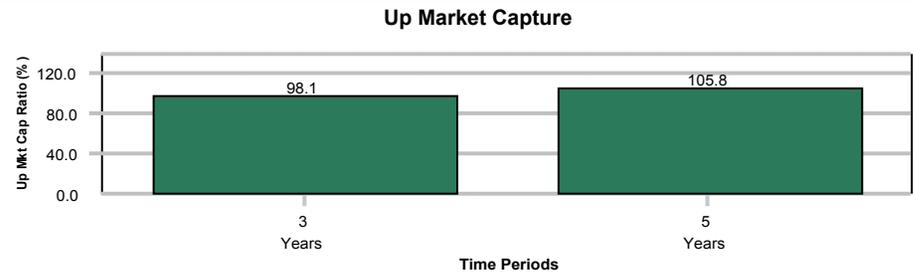
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Oppenheimer Main St Sm & Mid Cap Y	2.12	26.39	0.18	-0.57	1.09	0.96	5.63	-0.01	26.51	09/01/1999
Russell 2500 Index	2.80	23.65	0.21	0.00	1.00	1.00	0.00	N/A	23.77	09/01/1999
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.73	0.00	0.09	23.77	-0.21	0.00	09/01/1999

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Oppenheimer Main St Sm & Mid Cap Y	2.12	26.39
○ Russell 2500 Index	2.80	23.65
— Median	4.08	22.61

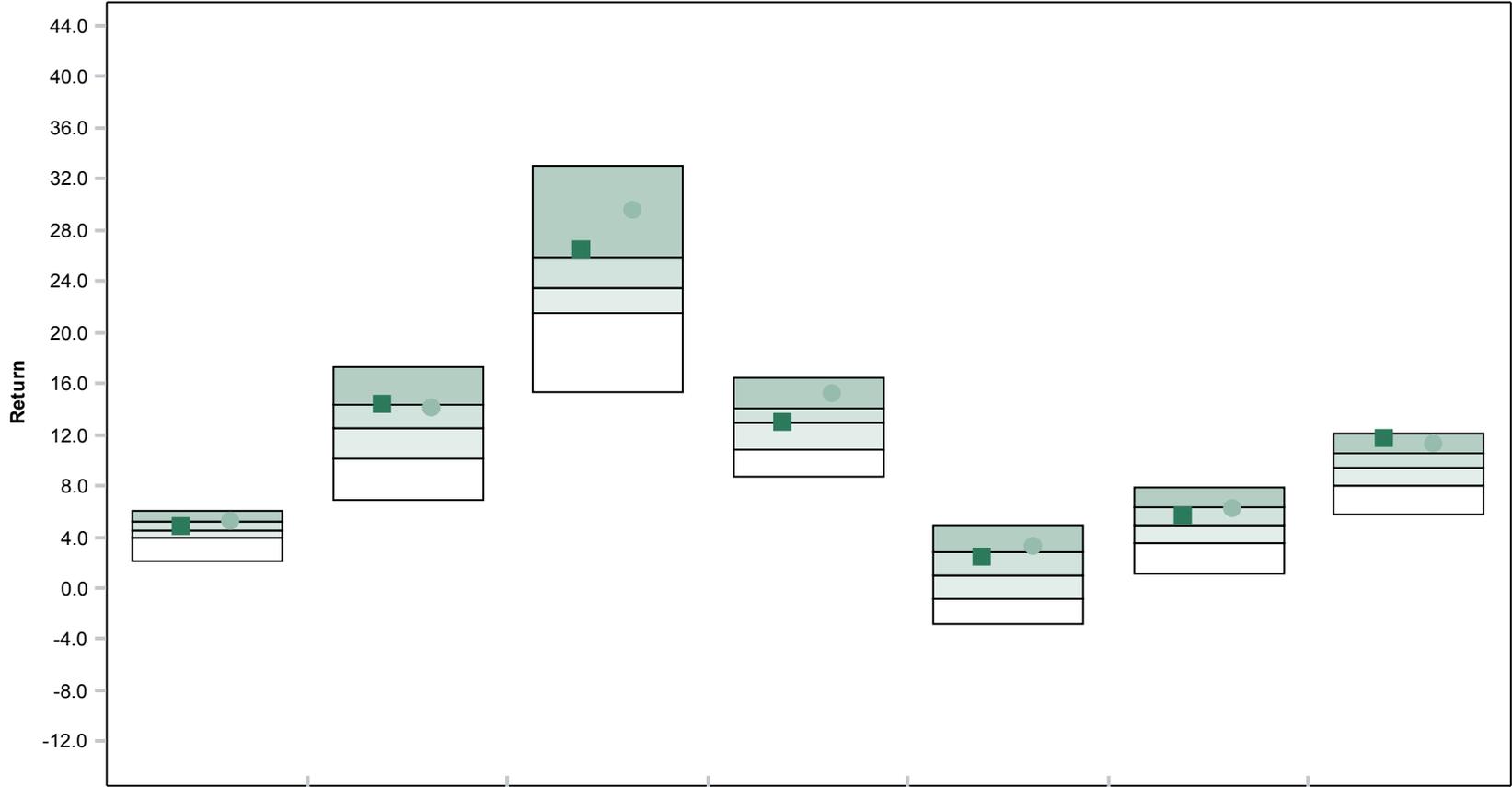
Up Down Market Capture



* Monthly periodicity used.

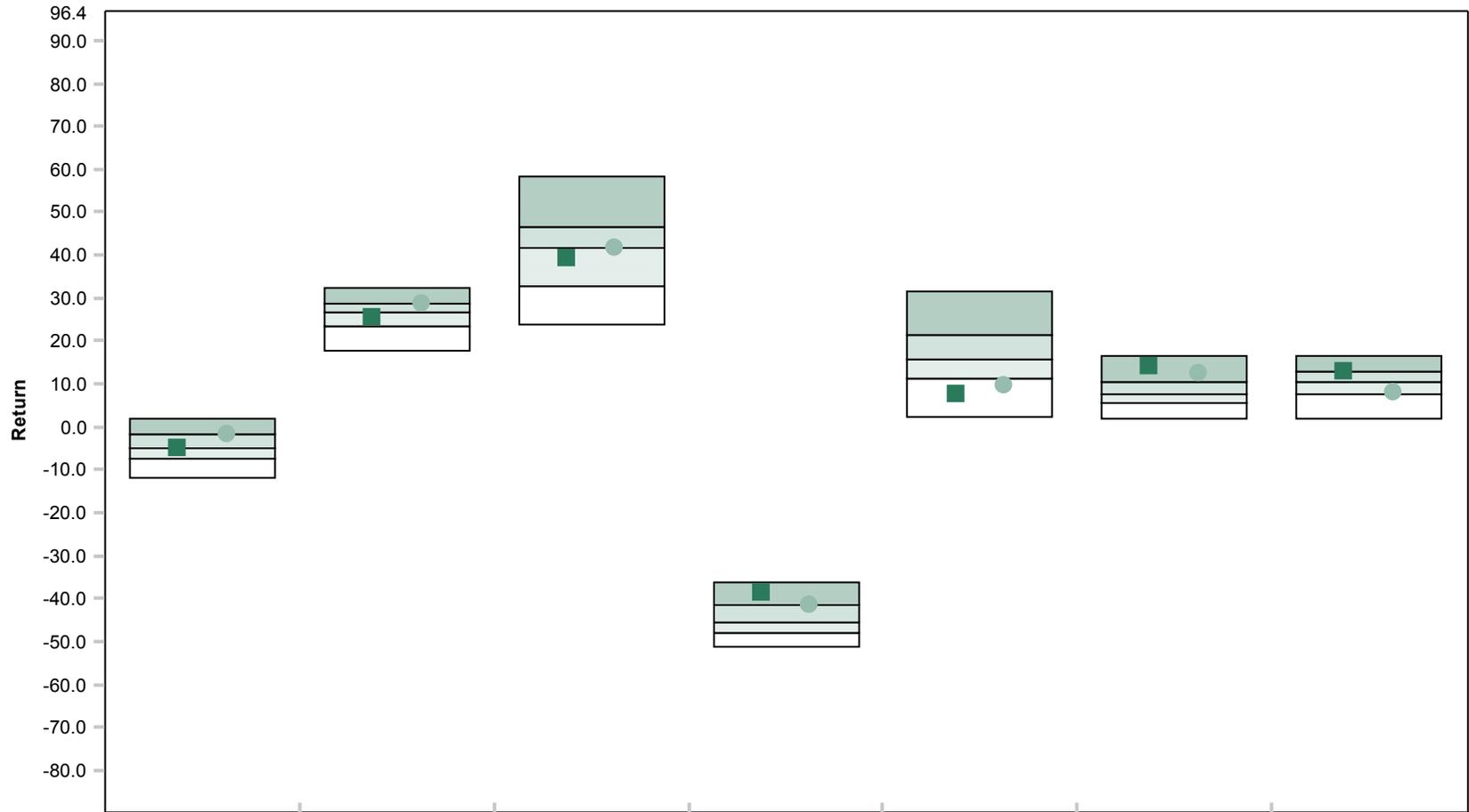
Columbia Acorn Fund A

Peer Group Analysis - IM U.S. Mid Cap Growth Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Columbia Acorn Fund A	4.74 (38)	14.28 (25)	26.44 (21)	12.99 (47)	2.41 (30)	5.66 (37)	11.72 (9)
● Russell 2500 Growth Index	5.22 (24)	14.10 (28)	29.52 (9)	15.17 (14)	3.26 (20)	6.13 (28)	11.24 (15)
5th Percentile	6.09	17.28	33.07	16.47	4.85	7.93	12.10
1st Quartile	5.18	14.27	25.88	14.07	2.78	6.32	10.54
Median	4.43	12.52	23.48	12.89	1.01	4.89	9.37
3rd Quartile	3.94	10.18	21.50	10.81	-0.80	3.45	8.00
95th Percentile	2.13	6.82	15.34	8.72	-2.87	1.10	5.76

Peer Group Analysis - IM U.S. Mid Cap Growth Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Columbia Acorn Fund A	-4.91 (49)	25.61 (59)	39.26 (60)	-38.72 (11)	7.39 (90)	14.13 (10)	12.76 (24)
● Russell 2500 Growth Index	-1.57 (23)	28.86 (25)	41.65 (50)	-41.50 (25)	9.69 (83)	12.26 (16)	8.17 (73)
5th Percentile	1.97	32.19	58.10	-36.40	31.66	16.70	16.66
1st Quartile	-1.74	28.80	46.67	-41.52	21.28	10.31	12.69
Median	-5.11	26.73	41.58	-45.46	15.89	7.73	10.47
3rd Quartile	-7.46	23.43	32.66	-47.90	11.21	5.59	7.47
95th Percentile	-12.04	17.73	23.85	-51.44	2.49	1.74	1.99

Columbia Acorn Fund A

Fund Information

Fund Name : Columbia Acorn Trust: Columbia Acorn Fund; Class A Shares
 Fund Family : Columbia Funds
 Ticker : LACAX
 Inception Date : 10/16/2000
 Fund Assets : \$3,296 Million
 Portfolio Turnover : 18%

Portfolio Assets : \$17,180 Million
 Portfolio Manager : McQuaid/Mohn
 PM Tenure : 2000--2000
 Fund Style : IM U.S. Mid Cap Growth Equity (MF)
 Style Benchmark : Russell 2500 Growth Index

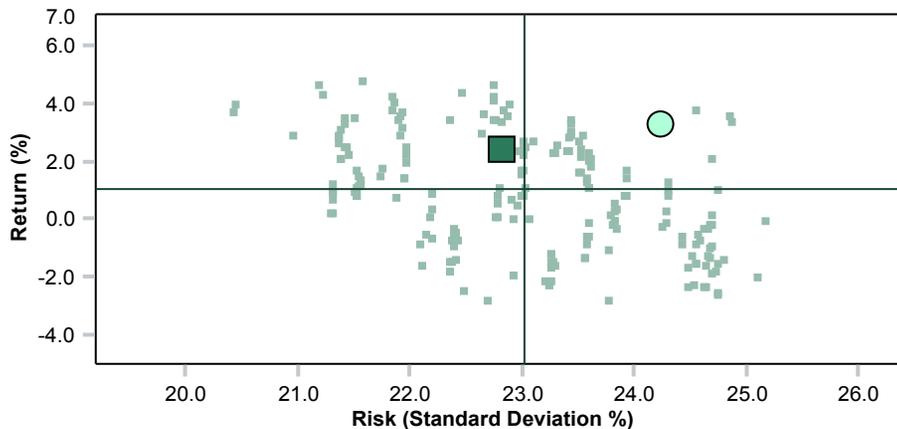
Fund Investment Policy

The Fund seeks long-term capital appreciation. The Fund invests a majority of its net assets in the common stock of small- and mid-sized companies with market capitalizations under \$5 billion at the time of investment. The Fund invests the majority of its assets in U.S. companies.

Historical Statistics (10/01/07 - 09/30/12) *

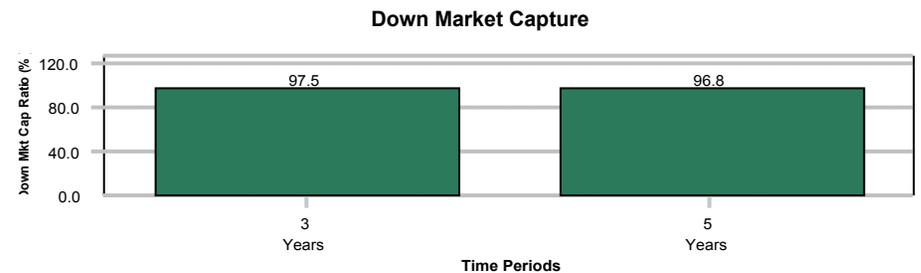
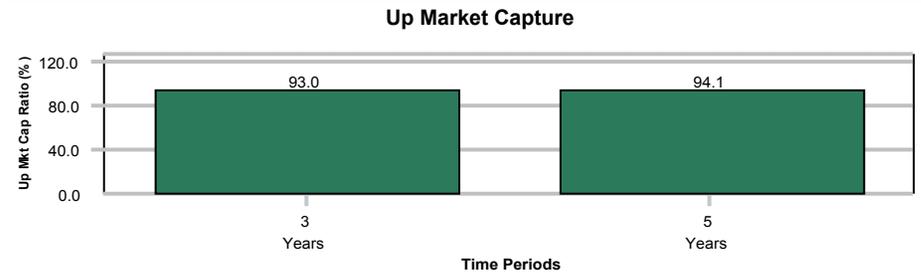
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Columbia Acorn Fund A	2.41	22.83	0.19	-0.77	0.93	0.98	3.65	-0.33	22.95	11/01/2000
Russell 2500 Growth Index	3.26	24.24	0.23	0.00	1.00	1.00	0.00	N/A	24.36	11/01/2000
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.73	-0.01	0.11	24.36	-0.23	0.00	11/01/2000

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Columbia Acorn Fund A	2.41	22.83
○ Russell 2500 Growth Index	3.26	24.24
— Median	1.01	23.01

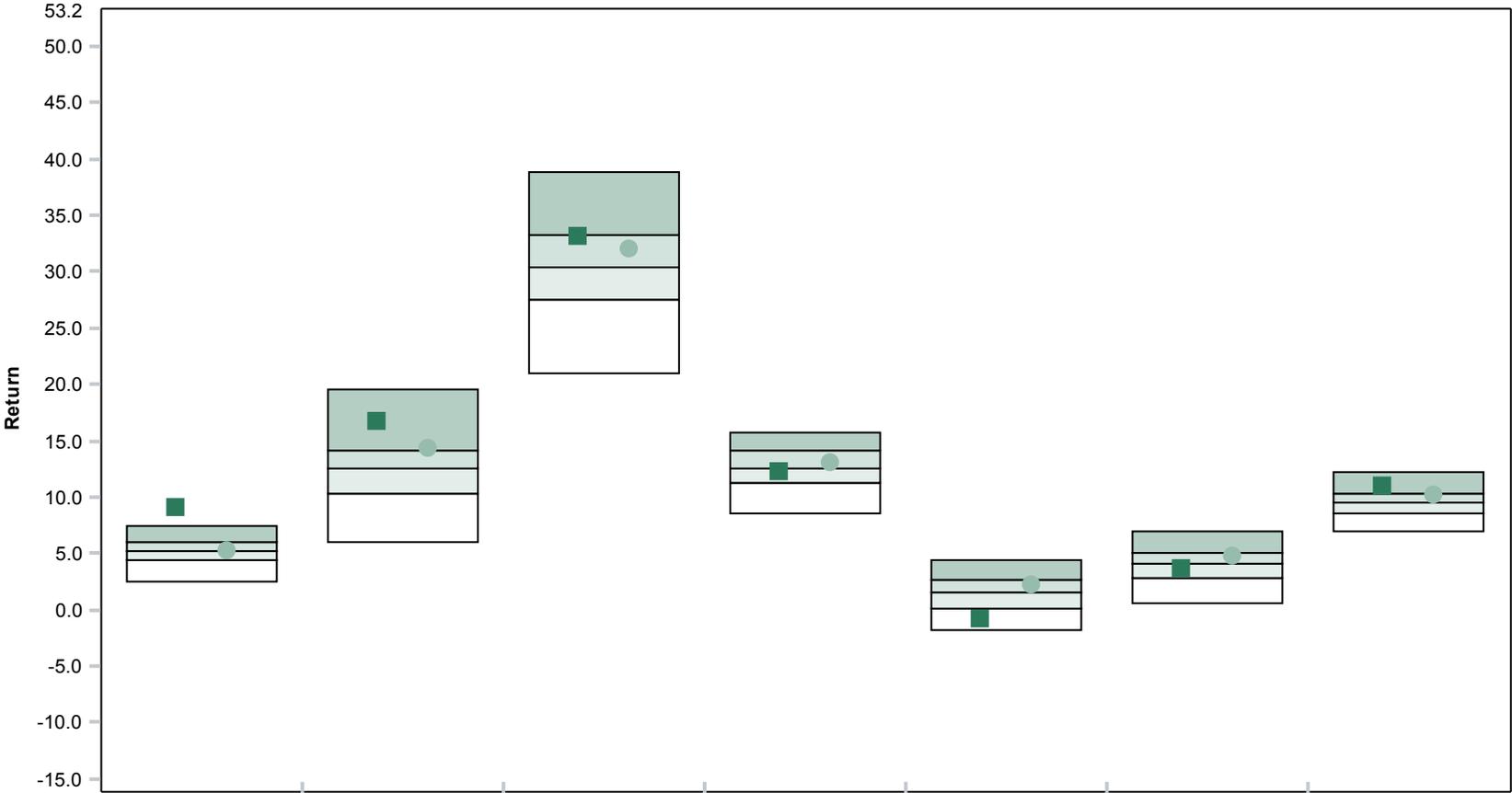
Up Down Market Capture



* Monthly periodicity used.

Keeley Small Cap Value A

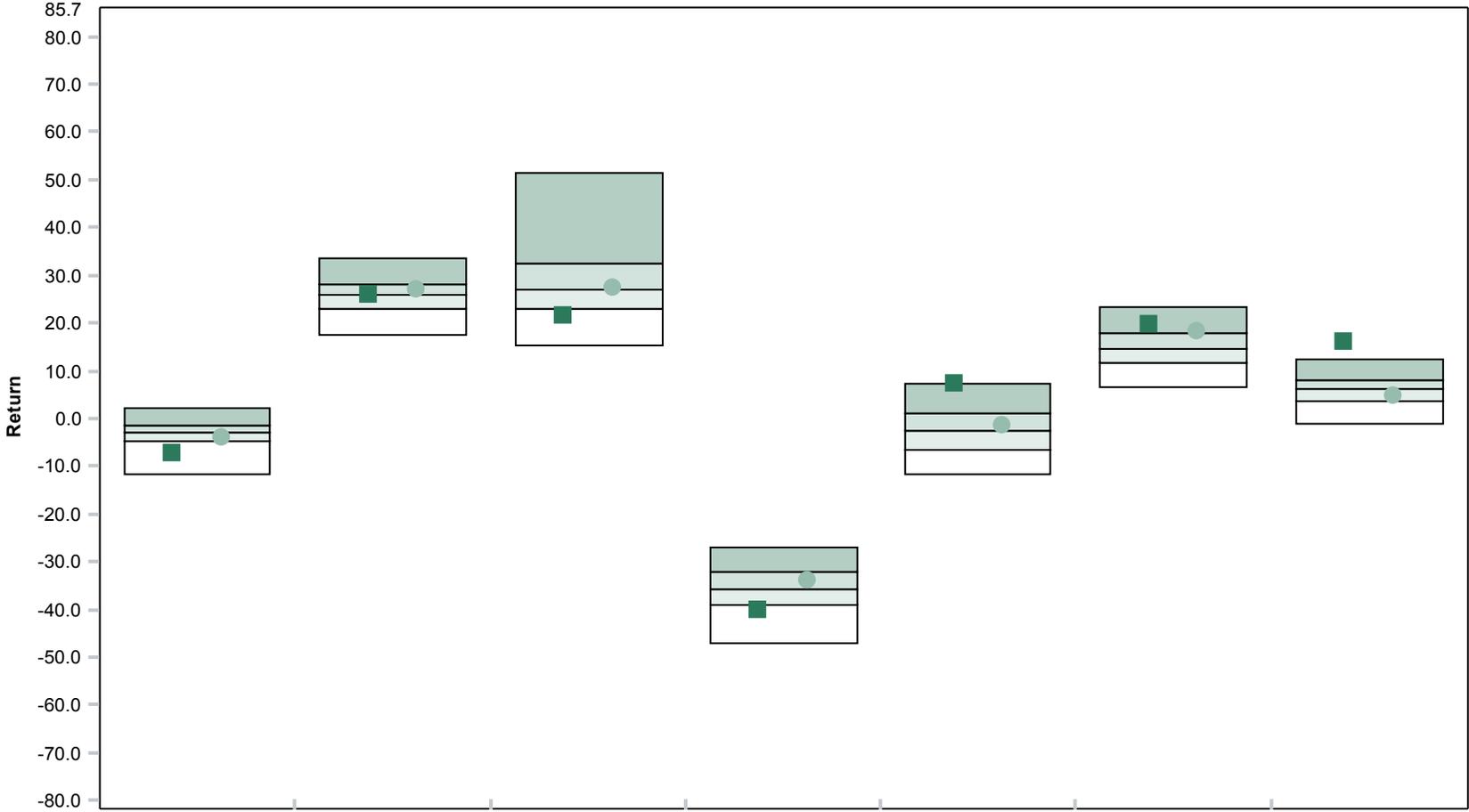
Peer Group Analysis - IM U.S. Small Cap Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Keeley Small Cap Value A	9.09 (1)	16.67 (10)	33.12 (26)	12.27 (56)	-0.86 (89)	3.69 (58)	10.87 (16)
● Russell 2000 Index	5.25 (45)	14.23 (23)	31.91 (36)	12.99 (43)	2.21 (37)	4.68 (34)	10.17 (31)
5th Percentile	7.42	19.47	38.90	15.79	4.39	7.04	12.17
1st Quartile	6.02	14.08	33.19	14.10	2.67	5.06	10.38
Median	5.16	12.56	30.36	12.58	1.54	4.04	9.58
3rd Quartile	4.38	10.36	27.57	11.20	0.17	2.86	8.55
95th Percentile	2.53	6.07	20.92	8.57	-1.87	0.52	7.00

Keeley Small Cap Value A

Peer Group Analysis - IM U.S. Small Cap Core Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Keeley Small Cap Value A	-7.29 (90)	25.98 (50)	21.67 (80)	-40.18 (81)	7.17 (6)	19.55 (15)	16.12 (3)
● Russell 2000 Index	-4.18 (65)	26.85 (40)	27.17 (48)	-33.79 (38)	-1.57 (42)	18.37 (20)	4.55 (65)
5th Percentile	2.24	33.71	51.24	-26.98	7.29	23.35	12.45
1st Quartile	-1.36	28.12	32.60	-31.92	1.08	17.79	8.13
Median	-2.86	25.93	26.93	-35.57	-2.70	14.61	6.22
3rd Quartile	-4.92	22.94	23.07	-39.13	-6.72	11.67	3.57
95th Percentile	-11.55	17.61	15.24	-47.24	-11.82	6.50	-1.04

Keeley Small Cap Value A

Fund Information

Fund Name :	KEELEY Funds, Inc: KEELEY Small Cap Value Fund; Class A Shares	Portfolio Assets :	\$2,602 Million
Fund Family :	Keeley Asset Management Corporation	Portfolio Manager :	Keeley/Leonard
Ticker :	KSCVX	PM Tenure :	1993--2011
Inception Date :	10/01/1993	Fund Style :	IM U.S. Small Cap Core Equity (MF)
Fund Assets :	\$1,778 Million	Style Benchmark :	Russell 2000 Index
Portfolio Turnover :	19%		

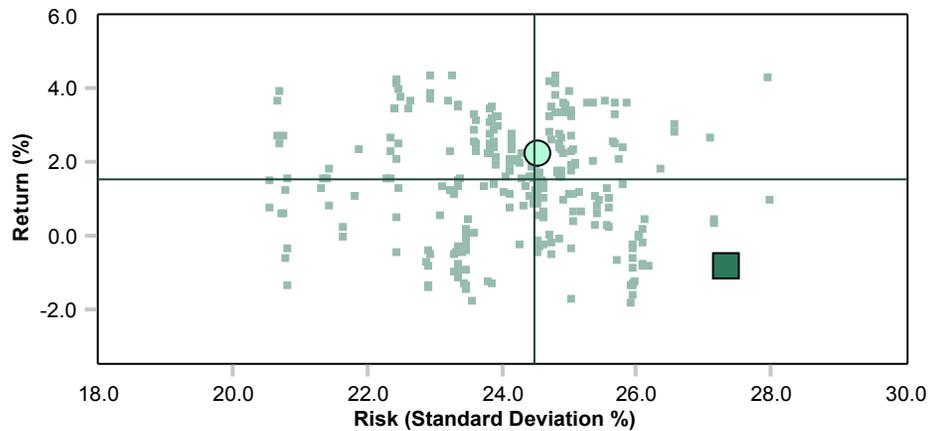
Fund Investment Policy

The Fund seeks capital appreciation by investing in companies with relatively small market capitalization, emphasizing companies undergoing substantial changes such as: emerging from bankruptcy, spin-offs and recapitalizations.

Historical Statistics (10/01/07 - 09/30/12) *

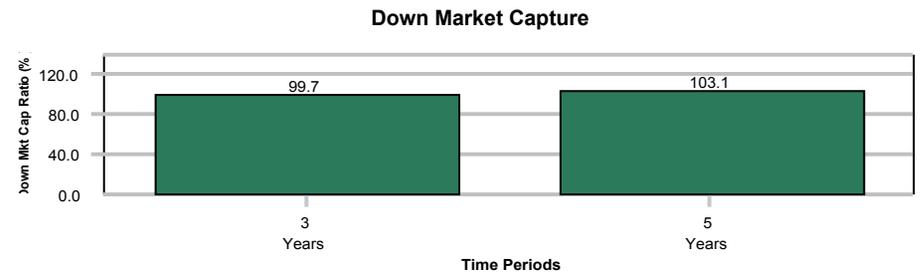
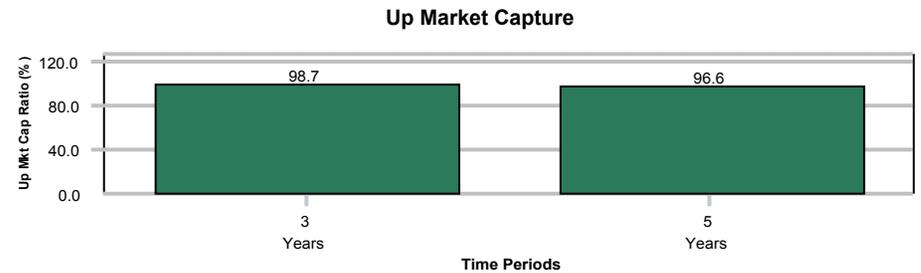
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Keeley Small Cap Value A	-0.86	27.34	0.09	-2.52	1.06	0.90	8.58	-0.26	27.45	11/01/1993
Russell 2000 Index	2.21	24.54	0.19	0.00	1.00	1.00	0.00	N/A	24.65	11/01/1993
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.72	0.00	0.08	24.65	-0.19	0.00	11/01/1993

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Keeley Small Cap Value A	-0.86	27.34
○ Russell 2000 Index	2.21	24.54
— Median	1.54	24.49

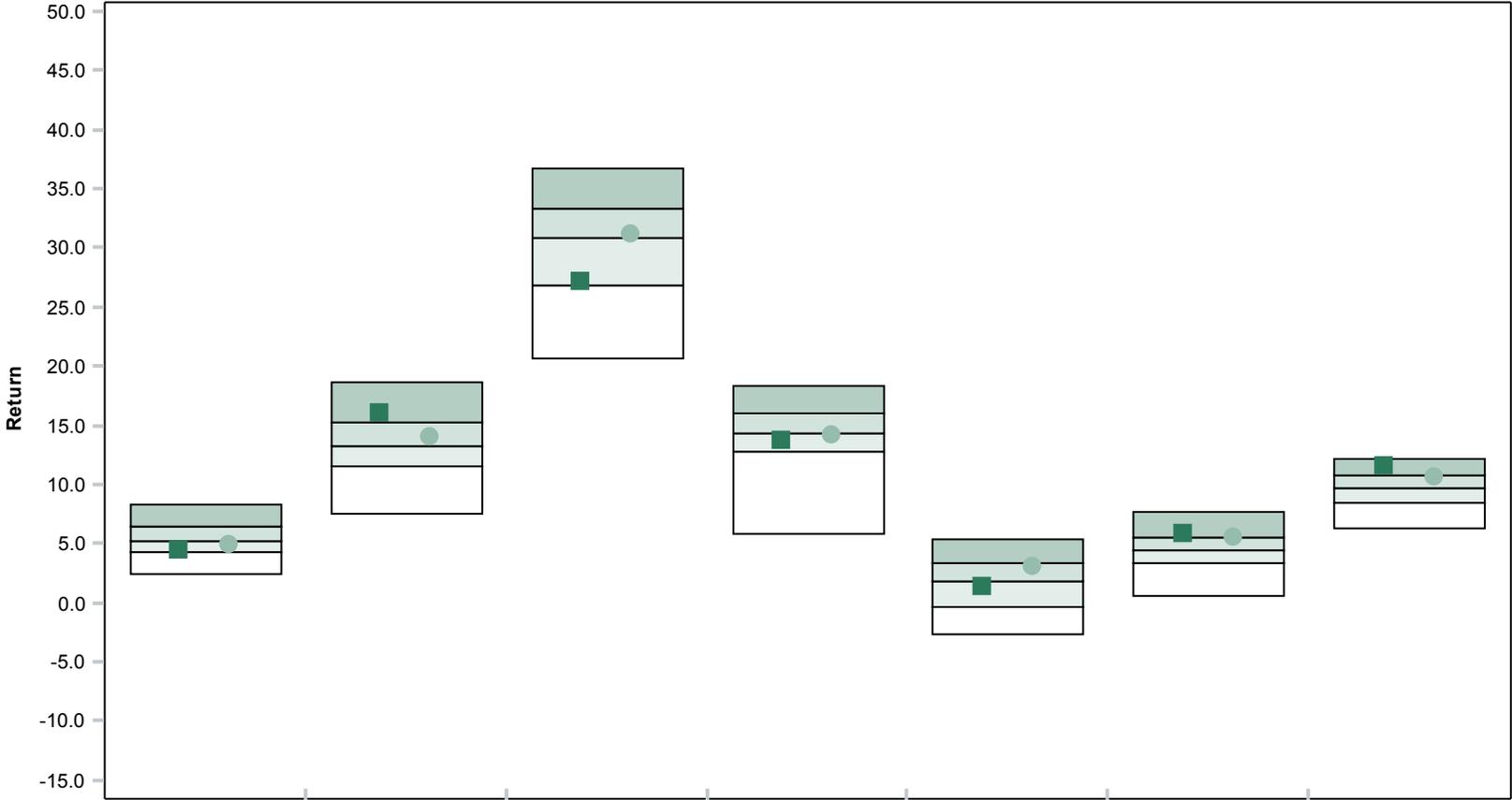
Up Down Market Capture



* Monthly periodicity used.

Hartford Small Company HLS

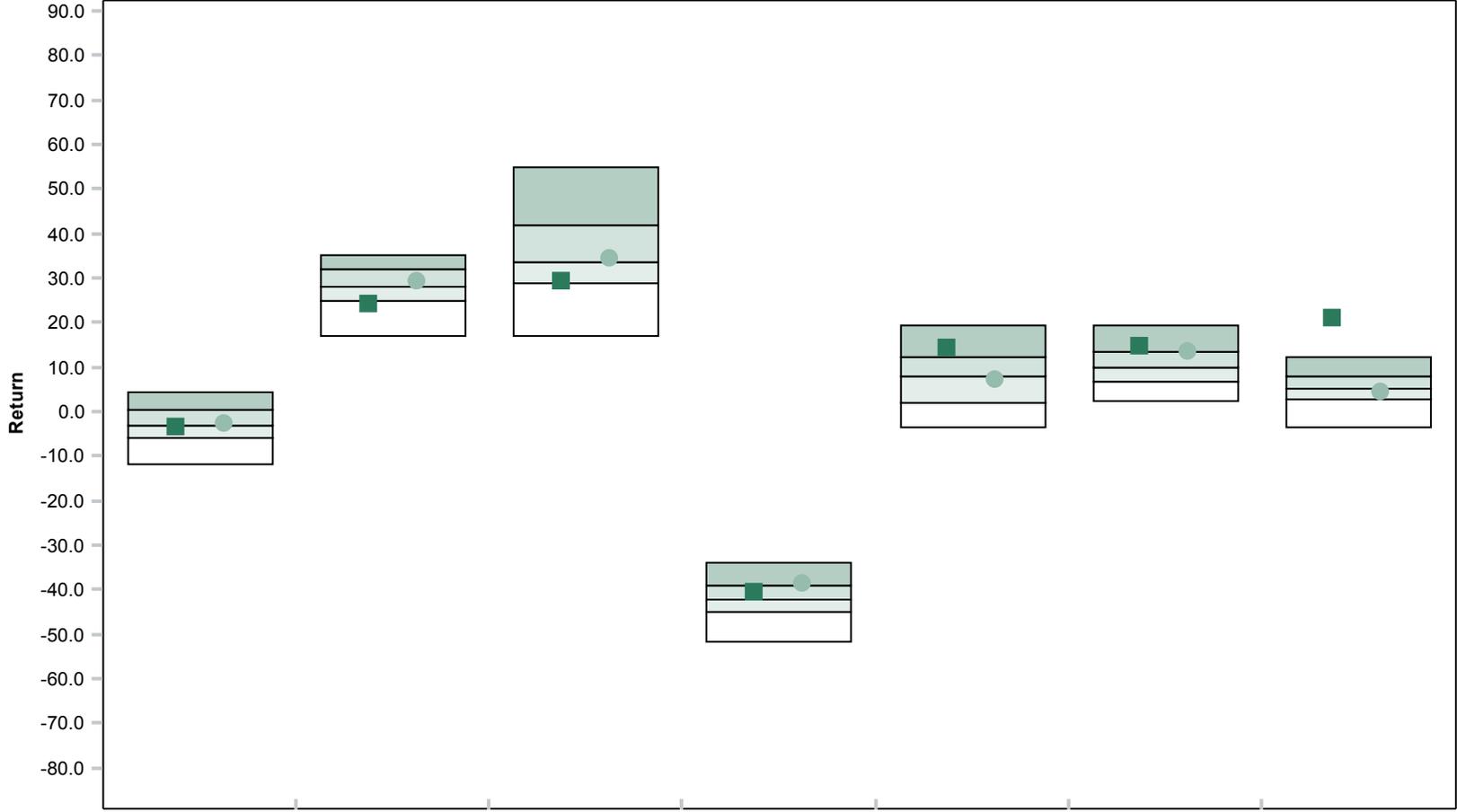
Peer Group Analysis - IM U.S. Small Cap Growth Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Hartford Small Company HLS	4.43 (72)	16.02 (19)	27.10 (73)	13.66 (60)	1.28 (58)	5.78 (21)	11.50 (13)
● Russell 2000 Growth Index	4.84 (61)	14.08 (38)	31.18 (45)	14.19 (52)	2.96 (31)	5.52 (26)	10.55 (28)
5th Percentile	8.26	18.57	36.79	18.31	5.33	7.74	12.19
1st Quartile	6.48	15.22	33.39	16.05	3.29	5.53	10.69
Median	5.22	13.28	30.86	14.24	1.80	4.41	9.70
3rd Quartile	4.21	11.60	26.78	12.77	-0.31	3.28	8.49
95th Percentile	2.42	7.50	20.70	5.84	-2.76	0.63	6.35

Hartford Small Company HLS

Peer Group Analysis - IM U.S. Small Cap Growth Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Hartford Small Company HLS	-3.36 (52)	24.13 (78)	29.29 (73)	-40.60 (37)	14.23 (16)	14.43 (22)	21.01 (1)
● Russell 2000 Growth Index	-2.91 (47)	29.09 (46)	34.47 (46)	-38.54 (20)	7.05 (53)	13.35 (27)	4.15 (65)
5th Percentile	4.43	35.24	54.67	-33.79	19.44	19.42	12.43
1st Quartile	0.53	31.83	41.72	-39.15	12.39	13.59	7.93
Median	-3.23	28.20	33.47	-42.22	7.82	9.98	5.31
3rd Quartile	-5.75	24.71	28.85	-45.16	2.03	6.63	2.78
95th Percentile	-11.91	17.07	16.95	-51.91	-3.51	2.18	-3.44

Hartford Small Company HLS

Fund Information

Fund Name : Hartford Series Fund, Inc: Hartford Small Company HLS Fund; Class IA Portfolio Assets : -
 Fund Family : Hartford Life Investment Advisors LLC Portfolio Manager : Team Managed
 Ticker : PM Tenure :
 Inception Date : 08/09/1996 Fund Style : IM U.S. Small Cap Growth Equity (MF)
 Fund Assets : - Style Benchmark : Russell 2000 Growth Index

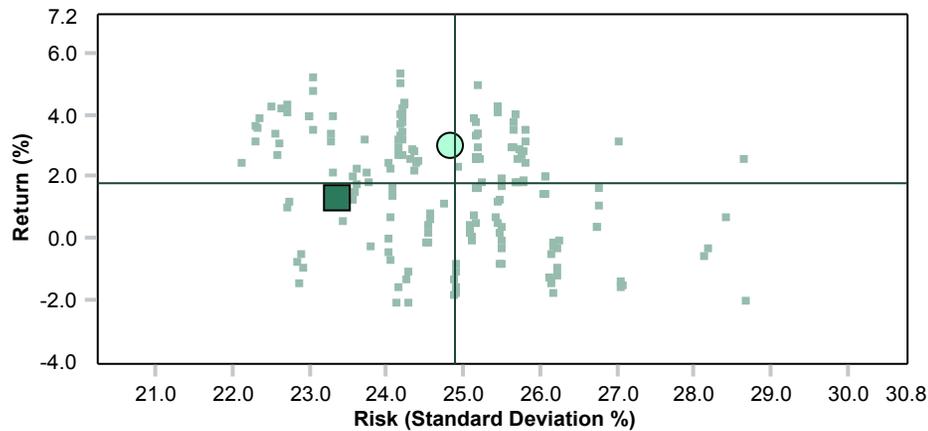
Fund Investment Policy

The Fund seeks growth of capital by investing primarily in common stocks selected on the basis of potential for capital appreciation. Under normal circumstances, the Fund will invest at least 80% of its assets in common stocks of small capitalization companies.

Historical Statistics (10/01/07 - 09/30/12) *

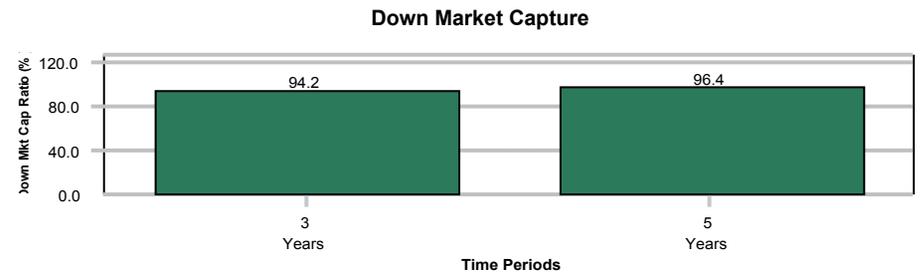
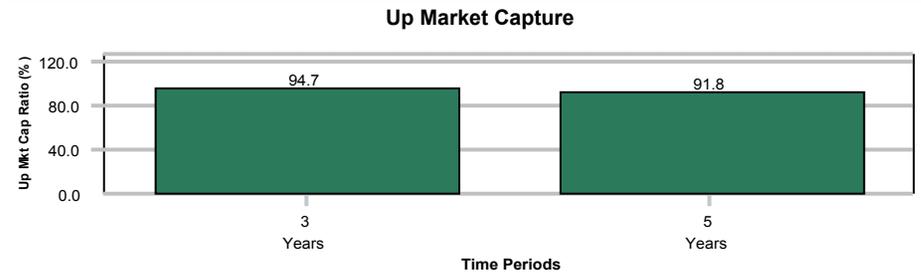
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Hartford Small Company HLS	1.28	23.37	0.14	-1.55	0.93	0.97	4.20	-0.47	23.50	09/01/1996
Russell 2000 Growth Index	2.96	24.83	0.22	0.00	1.00	1.00	0.00	N/A	24.95	09/01/1996
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.73	0.00	0.10	24.95	-0.22	0.00	09/01/1996

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Hartford Small Company HLS	1.28	23.37
○ Russell 2000 Growth Index	2.96	24.83
— Median	1.80	24.90

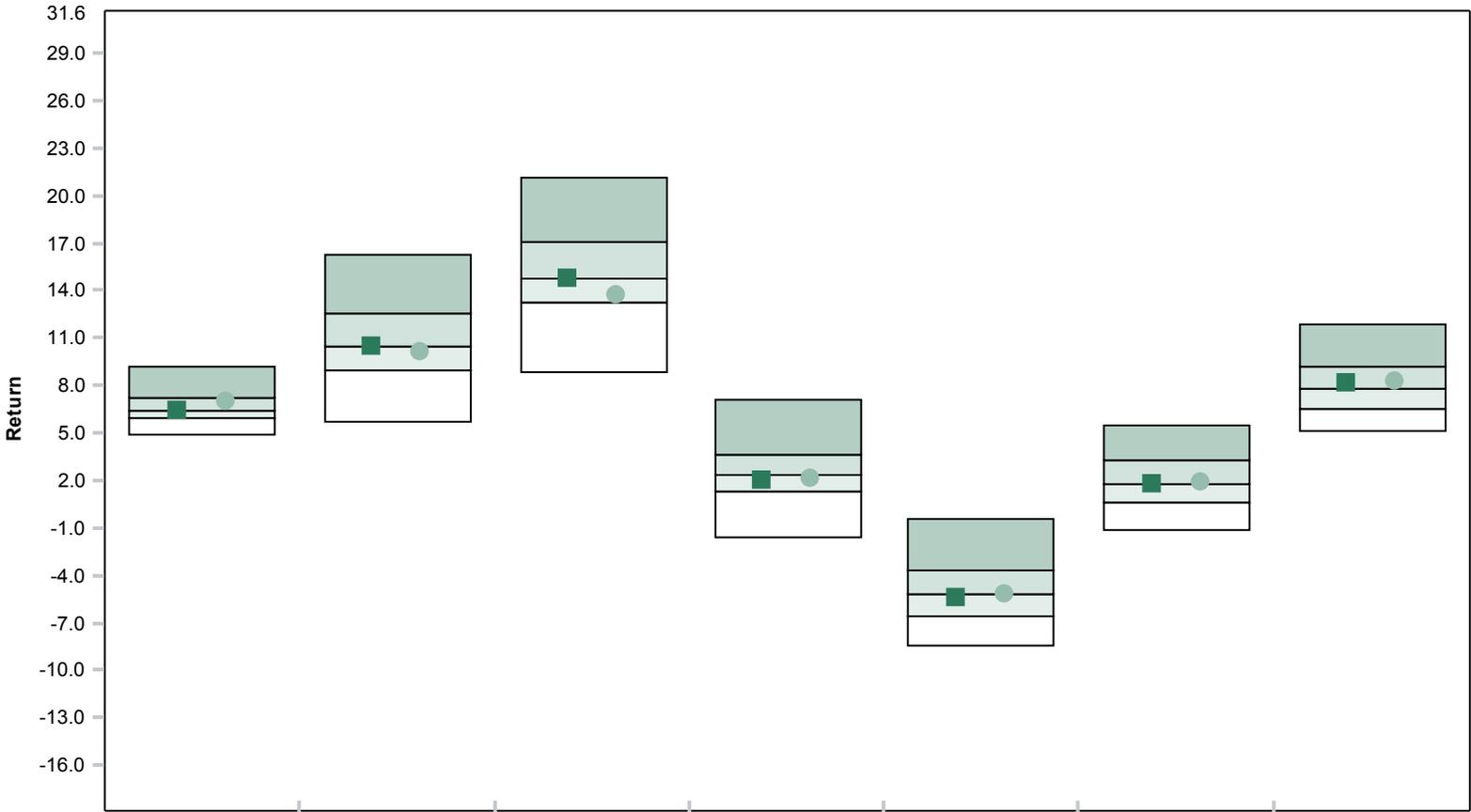
Up Down Market Capture



* Monthly periodicity used.

American Beacon Intl Eq Index Inst

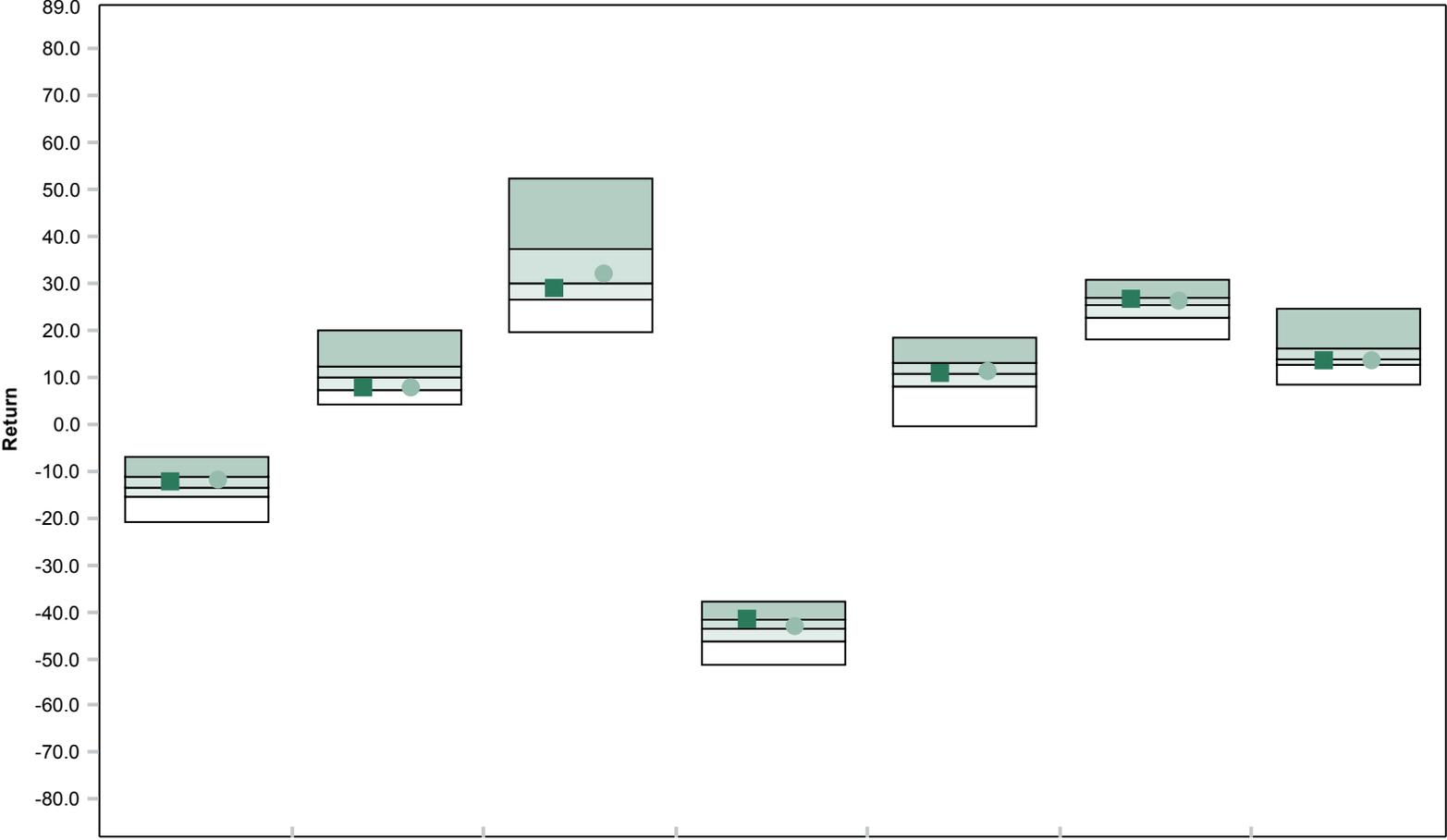
Peer Group Analysis - IM International Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ American Beacon Intl Eq Index Inst	6.35 (54)	10.43 (50)	14.76 (50)	1.94 (63)	-5.37 (54)	1.81 (50)	8.16 (40)
● MSCI EAFE (net)	6.92 (32)	10.08 (57)	13.75 (67)	2.12 (58)	-5.24 (51)	1.85 (50)	8.20 (39)
5th Percentile	9.13	16.25	21.17	7.06	-0.44	5.48	11.86
1st Quartile	7.16	12.50	17.12	3.65	-3.71	3.22	9.17
Median	6.40	10.42	14.75	2.40	-5.21	1.80	7.77
3rd Quartile	5.97	8.92	13.22	1.31	-6.61	0.59	6.50
95th Percentile	4.90	5.71	8.78	-1.56	-8.49	-1.16	5.07

American Beacon Intl Eq Index Inst

Peer Group Analysis - IM International Core Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ American Beacon Intl Eq Index Inst	-12.50 (40)	7.56 (73)	28.72 (59)	-41.85 (28)	10.68 (50)	26.52 (31)	13.58 (54)
● MSCI EAFE (net)	-12.14 (34)	7.75 (71)	31.78 (43)	-43.38 (47)	11.17 (44)	26.34 (33)	13.54 (55)
5th Percentile	-6.92	20.09	52.59	-37.77	18.46	30.80	24.77
1st Quartile	-11.40	12.42	37.32	-41.56	13.18	27.09	16.05
Median	-13.37	10.00	30.09	-43.82	10.66	25.27	13.74
3rd Quartile	-15.58	7.40	26.70	-46.28	8.15	22.87	12.51
95th Percentile	-20.88	4.31	19.52	-51.54	-0.51	18.21	8.50

American Beacon Intl Eq Index Inst

Fund Information

Fund Name :	American Beacon Funds: American Beacon International Equity Index Fund; Institutional Class Shares	Portfolio Assets :	\$574 Million
Fund Family :	American Beacon Advisors Inc	Portfolio Manager :	Corallo/Bliss/Savage
Ticker :	AIIX	PM Tenure :	2010--2011--2012
Inception Date :	07/31/2000	Fund Style :	IM International Core Equity (MF)
Fund Assets :	\$342 Million	Style Benchmark :	MSCI EAFE (net)

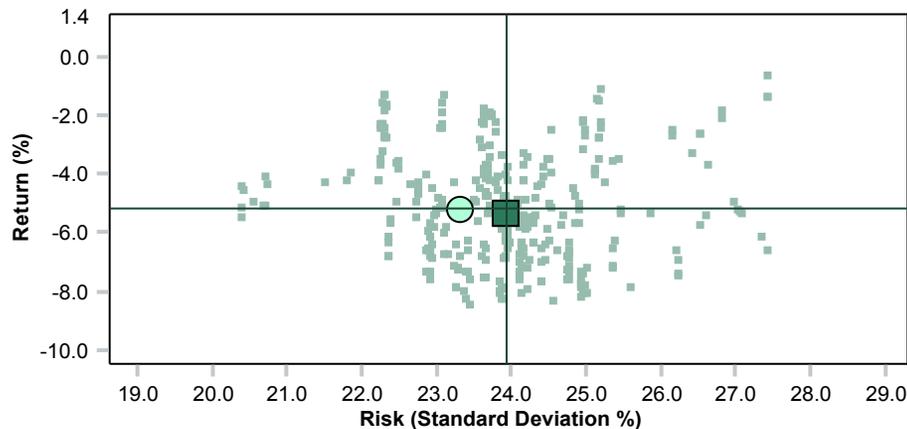
Fund Investment Policy

The Fund seeks to match the performance of the Morgan Stanley Capital International Europe, Asia and Far East Capitalization Weighted Index as closely as possible before the deduction of Fund expenses.

Historical Statistics (10/01/07 - 09/30/12) *

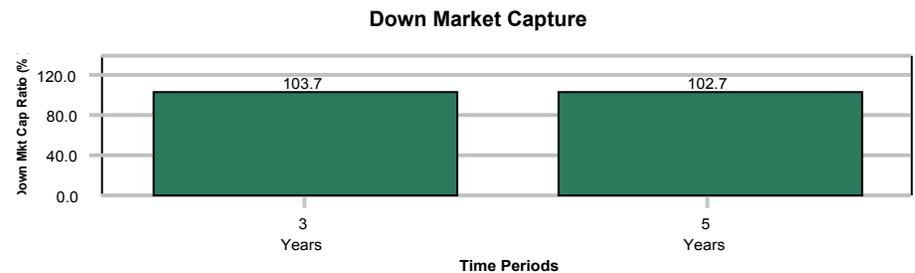
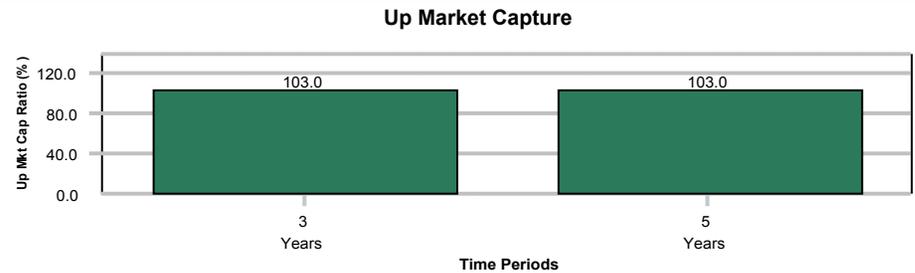
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
American Beacon Intl Eq Index Inst	-5.37	23.92	-0.14	0.05	1.02	0.98	3.07	0.00	24.03	08/01/2000
MSCI EAFE (net)	-5.24	23.32	-0.14	0.00	1.00	1.00	0.00	N/A	23.44	08/01/2000
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.69	0.00	0.09	23.44	0.14	0.00	08/01/2000

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
American Beacon Intl Eq Index Inst	-5.37	23.92
MSCI EAFE (net)	-5.24	23.32
Median	-5.21	23.92

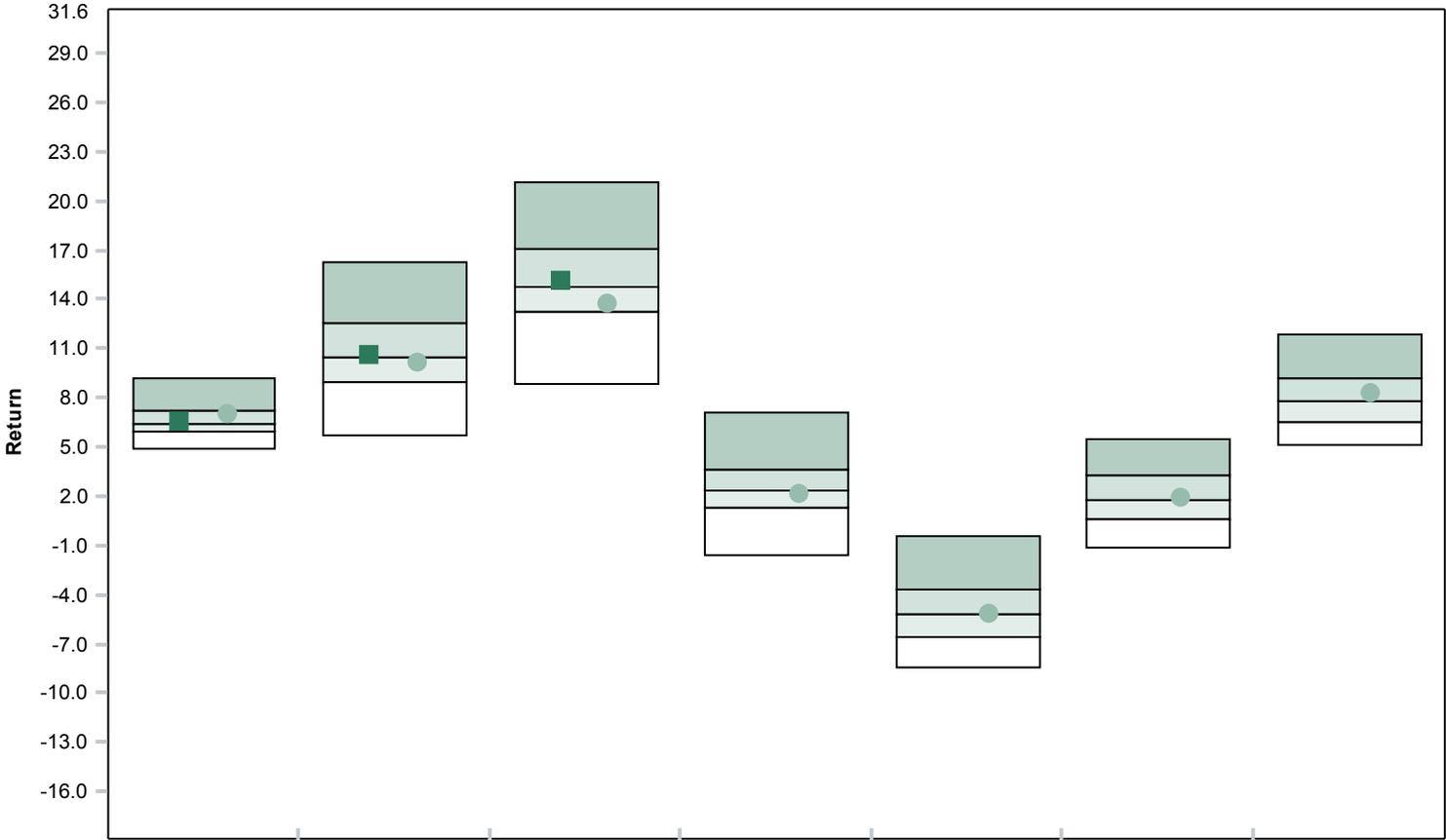
Up Down Market Capture



* Monthly periodicity used.

Vanguard Developed Markets Index Admiral

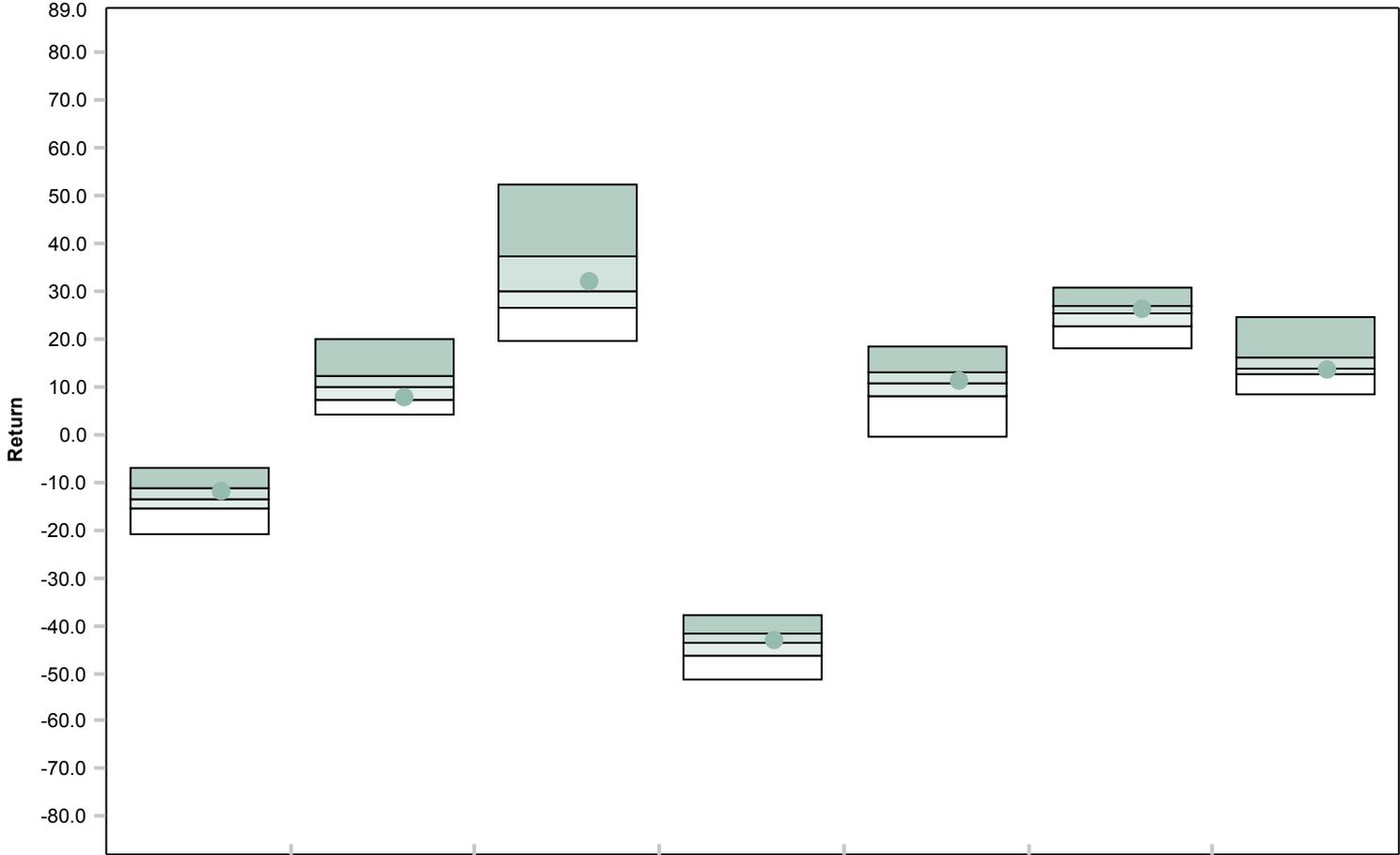
Peer Group Analysis - IM International Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Developed Markets Index Admiral	6.46 (47)	10.60 (46)	15.06 (46)	N/A	N/A	N/A	N/A
● MSCI EAFE (net)	6.92 (32)	10.08 (57)	13.75 (67)	2.12 (58)	-5.24 (51)	1.85 (50)	8.20 (39)
5th Percentile	9.13	16.25	21.17	7.06	-0.44	5.48	11.86
1st Quartile	7.16	12.50	17.12	3.65	-3.71	3.22	9.17
Median	6.40	10.42	14.75	2.40	-5.21	1.80	7.77
3rd Quartile	5.97	8.92	13.22	1.31	-6.61	0.59	6.50
95th Percentile	4.90	5.71	8.78	-1.56	-8.49	-1.16	5.07

Vanguard Developed Markets Index Admiral

Peer Group Analysis - IM International Core Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Vanguard Developed Markets Index Admiral	N/A	N/A	N/A	N/A	N/A	N/A	N/A
● MSCI EAFE (net)	-12.14 (34)	7.75 (71)	31.78 (43)	-43.38 (47)	11.17 (44)	26.34 (33)	13.54 (55)
5th Percentile	-6.92	20.09	52.59	-37.77	18.46	30.80	24.77
1st Quartile	-11.40	12.42	37.32	-41.56	13.18	27.09	16.05
Median	-13.37	10.00	30.09	-43.82	10.66	25.27	13.74
3rd Quartile	-15.58	7.40	26.70	-46.28	8.15	22.87	12.51
95th Percentile	-20.88	4.31	19.52	-51.54	-0.51	18.21	8.50

Vanguard Developed Markets Index Admiral

Fund Information

Fund Name :	Vanguard STAR Funds: Vanguard Developed Markets Index Fund; Admiral Class Shares	Portfolio Assets :	\$10,428 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Donald Butler
Ticker :	VDMAX	PM Tenure :	2011
Inception Date :	09/27/2011	Fund Style :	IM International Core Equity (MF)
Fund Assets :	\$1,099 Million	Style Benchmark :	MSCI EAFE (net)

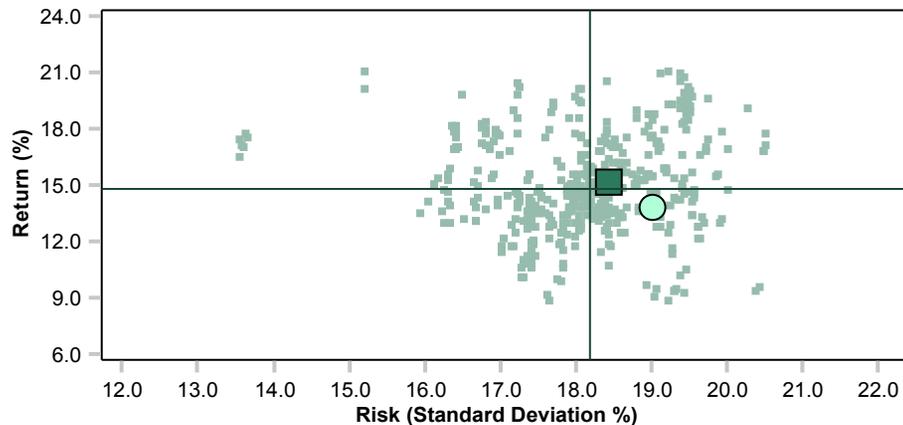
Fund Investment Policy

The Fund seeks to track the performance of the MSCI Europe, Australia, and Far East (EAFE) Index. The Fund seeks to achieve its investment objective by investing in other Vanguard mutual Funds and/or directly in securities included in the Index.

Historical Statistics (10/01/11 - 09/30/12) *

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Developed Markets Index Admiral	15.06	18.46	0.86	1.69	0.96	0.97	3.12	0.33	18.47	10/01/2011
MSCI EAFE (net)	13.75	19.05	0.77	0.00	1.00	1.00	0.00	N/A	19.05	10/01/2011
90 Day U.S. Treasury Bill	0.05	0.01	N/A	0.05	0.00	0.12	19.05	-0.77	0.00	10/01/2011

Peer Group Scattergram (10/01/11 to 09/30/12)



	Return	Standard Deviation
■ Vanguard Developed Markets Index Admiral	15.06	18.46
○ MSCI EAFE (net)	13.75	19.05
— Median	14.75	18.20

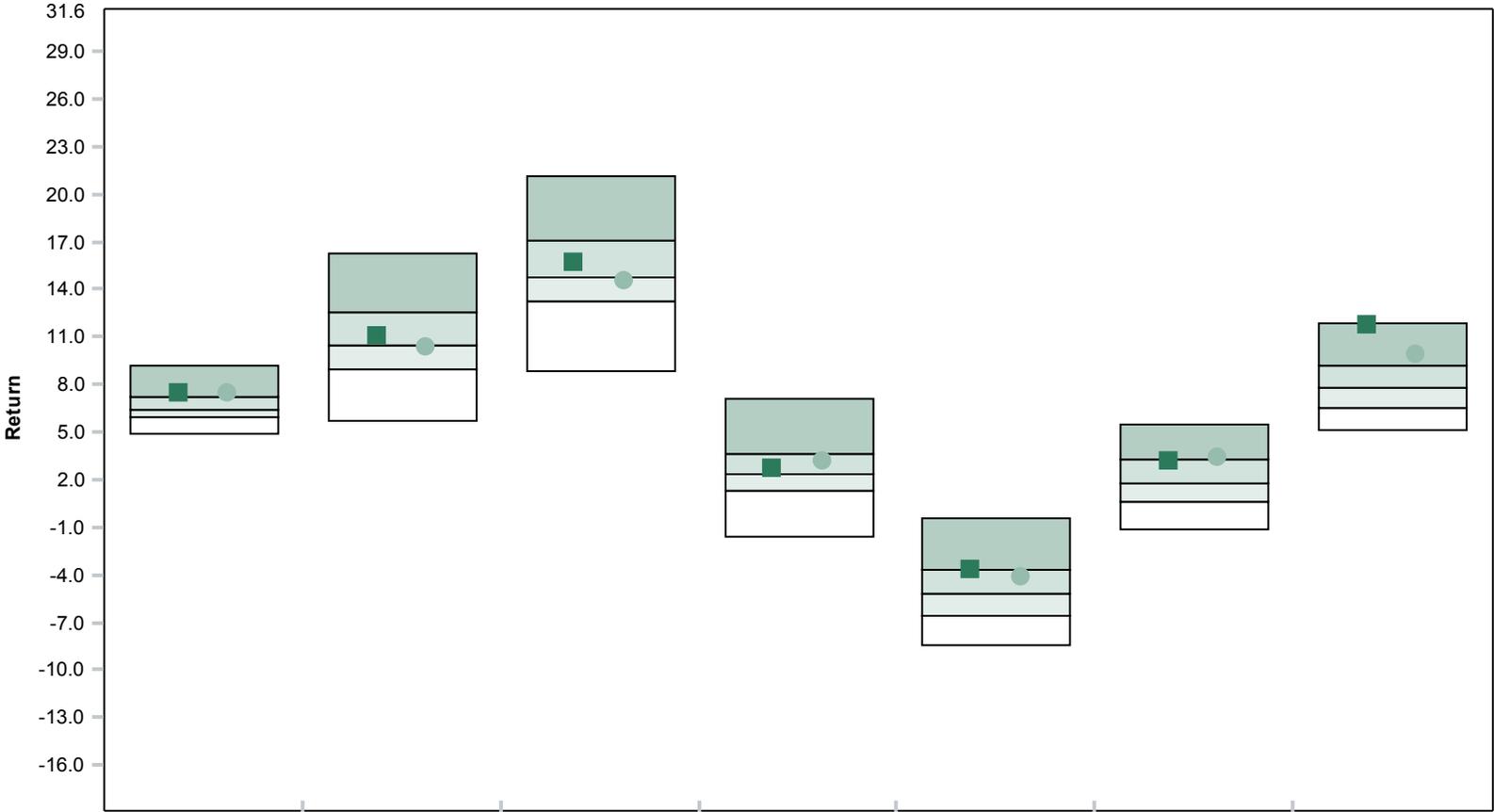
Up Down Market Capture

No data found.

* Monthly periodicity used.

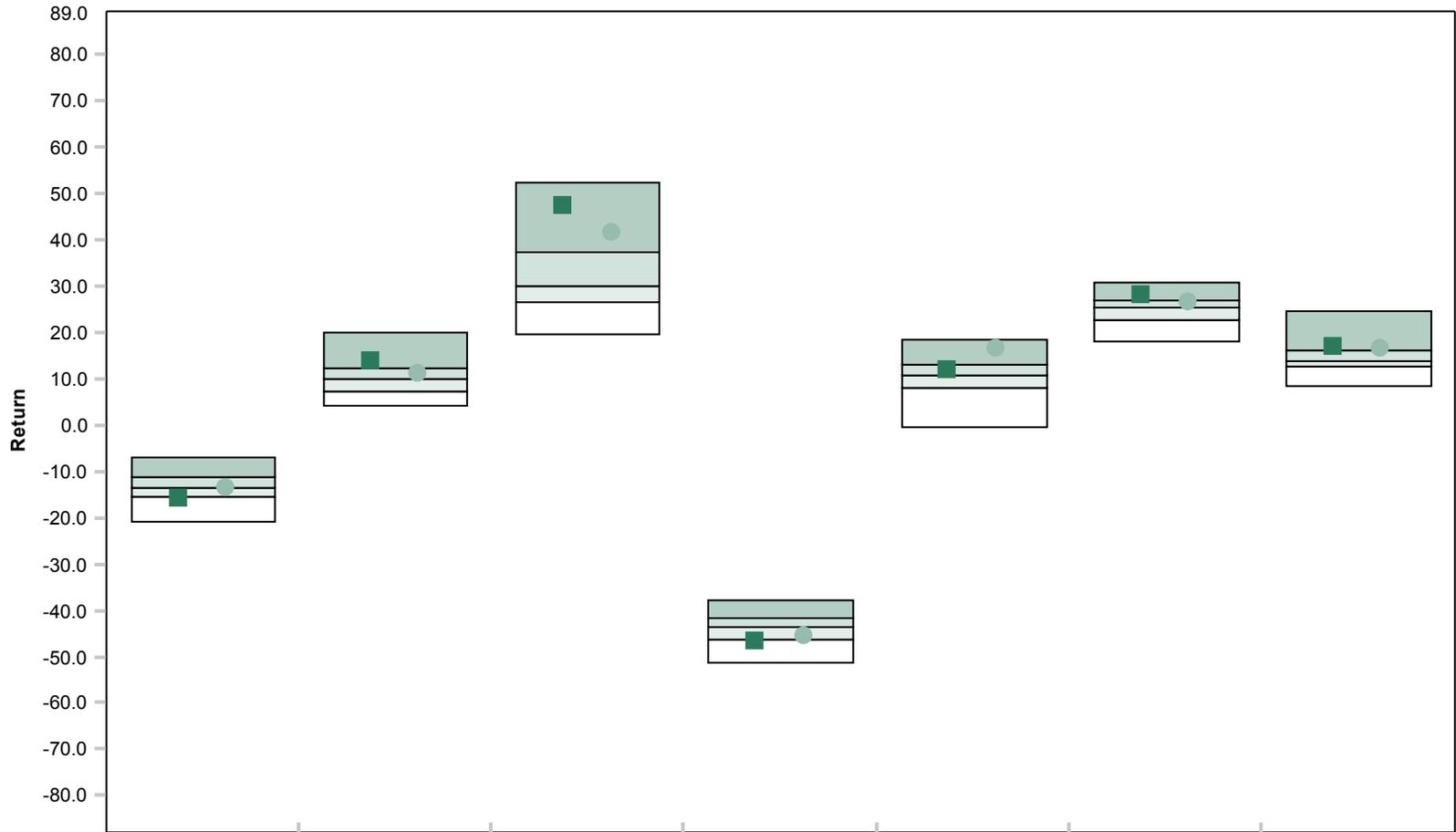
Dodge & Cox International Stock

Peer Group Analysis - IM International Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Dodge & Cox International Stock	7.41 (23)	10.98 (40)	15.67 (37)	2.69 (44)	-3.70 (25)	3.20 (26)	11.72 (6)
● MSCI AC World ex USA (Net)	7.40 (23)	10.38 (51)	14.49 (56)	3.17 (30)	-4.12 (31)	3.33 (25)	9.84 (17)
5th Percentile	9.13	16.25	21.17	7.06	-0.44	5.48	11.86
1st Quartile	7.16	12.50	17.12	3.65	-3.71	3.22	9.17
Median	6.40	10.42	14.75	2.40	-5.21	1.80	7.77
3rd Quartile	5.97	8.92	13.22	1.31	-6.61	0.59	6.50
95th Percentile	4.90	5.71	8.78	-1.56	-8.49	-1.16	5.07

Peer Group Analysis - IM International Core Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Dodge & Cox International Stock	-15.97 (81)	13.69 (17)	47.46 (9)	-46.69 (78)	11.71 (39)	28.01 (18)	16.75 (20)
● MSCI AC World ex USA (Net)	-13.71 (55)	11.15 (36)	41.45 (18)	-45.53 (67)	16.65 (9)	26.65 (30)	16.62 (21)
5th Percentile	-6.92	20.09	52.59	-37.77	18.46	30.80	24.77
1st Quartile	-11.40	12.42	37.32	-41.56	13.18	27.09	16.05
Median	-13.37	10.00	30.09	-43.82	10.66	25.27	13.74
3rd Quartile	-15.58	7.40	26.70	-46.28	8.15	22.87	12.51
95th Percentile	-20.88	4.31	19.52	-51.54	-0.51	18.21	8.50

Dodge & Cox International Stock

Fund Information

Fund Name : Dodge & Cox Funds: Dodge & Cox International Stock Fund
 Fund Family : Dodge & Cox
 Ticker : DODFX
 Inception Date : 05/01/2001
 Fund Assets : \$34,242 Million
 Portfolio Turnover : 16%

Portfolio Assets : \$34,242 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM International Core Equity (MF)
 Style Benchmark : MSCI AC World ex USA (Net)

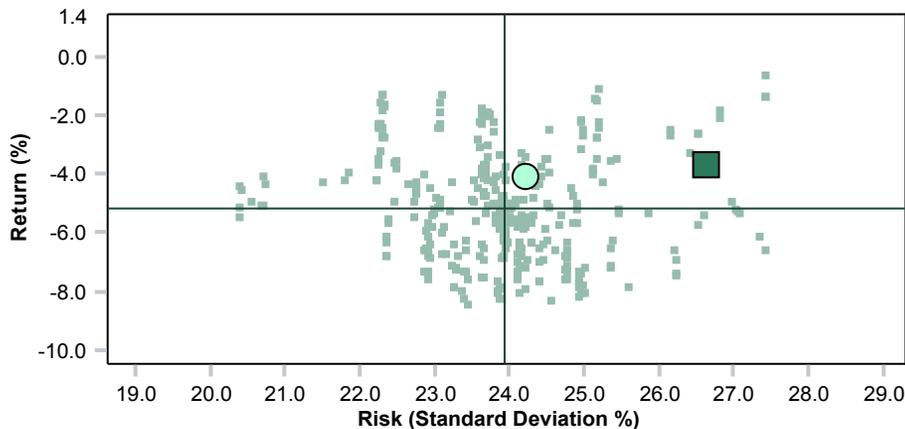
Fund Investment Policy

The Fund seeks long-term growth of principal and income by investing primarily in a diversified portfolio of equity securities issued by non-U.S. companies from at least three different foreign countries, including emerging markets.

Historical Statistics (10/01/07 - 09/30/12) *

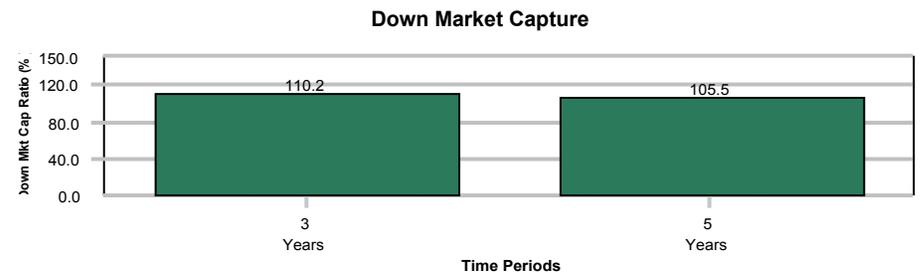
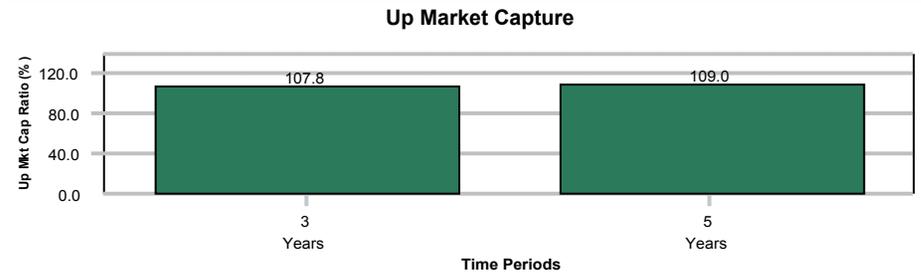
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Dodge & Cox International Stock	-3.70	26.64	-0.03	1.16	1.08	0.97	4.98	0.21	26.74	06/01/2001
MSCI AC World ex USA (Net)	-4.12	24.22	-0.08	0.00	1.00	1.00	0.00	N/A	24.34	06/01/2001
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.69	0.00	0.10	24.34	0.08	0.00	06/01/2001

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Dodge & Cox International Stock	-3.70	26.64
○ MSCI AC World ex USA (Net)	-4.12	24.22
— Median	-5.21	23.92

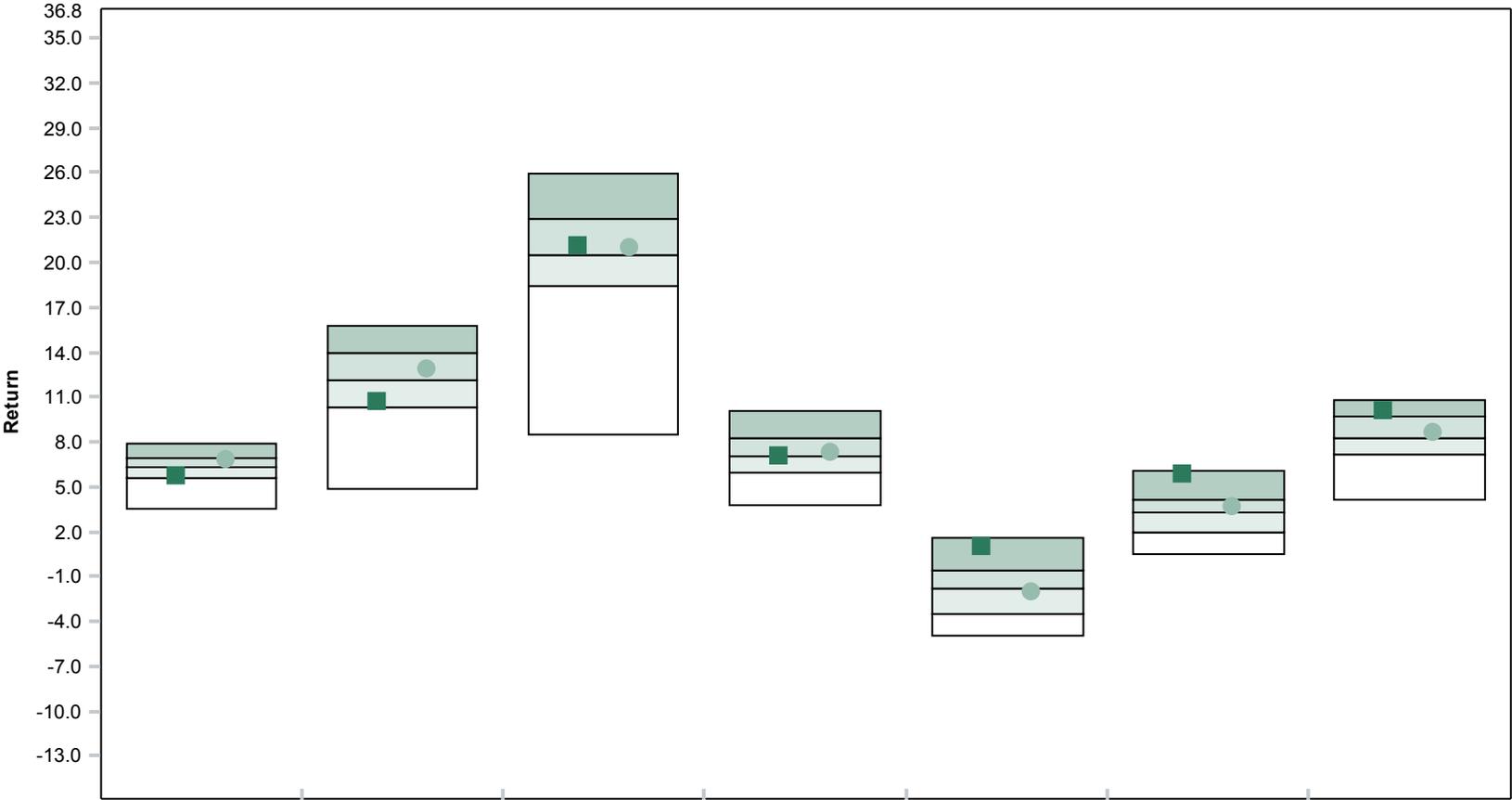
Up Down Market Capture



* Monthly periodicity used.

Mutual Global Discovery A

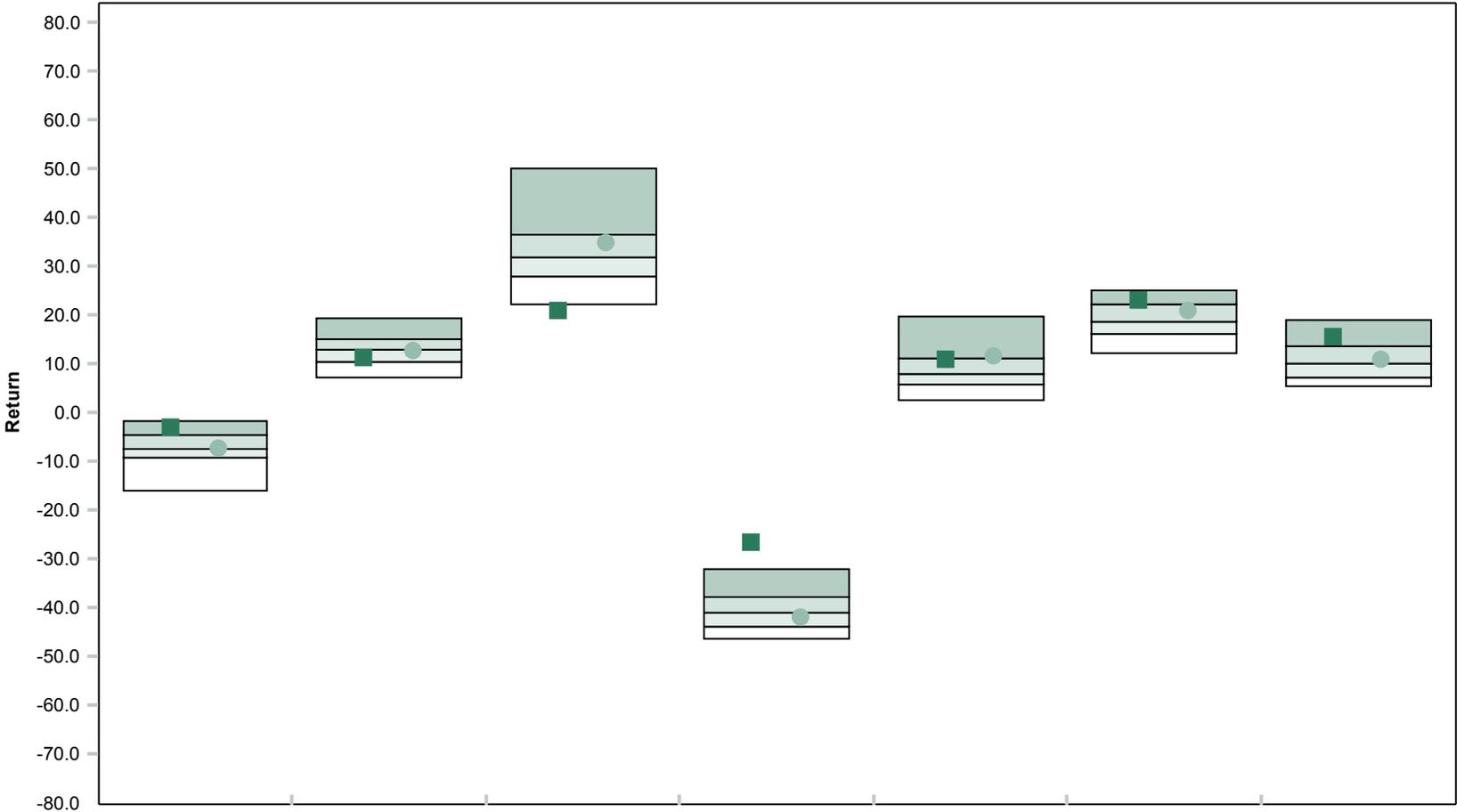
Peer Group Analysis - IM Global Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Mutual Global Discovery A	5.65 (73)	10.67 (70)	21.09 (46)	7.01 (52)	0.95 (10)	5.88 (7)	10.10 (13)
● MSCI AC World Index (Net)	6.84 (30)	12.88 (38)	20.99 (47)	7.23 (47)	-2.07 (54)	3.59 (41)	8.61 (42)
5th Percentile	7.84	15.78	25.99	10.04	1.53	6.03	10.84
1st Quartile	6.92	13.90	22.91	8.22	-0.57	4.13	9.65
Median	6.25	12.09	20.49	7.09	-1.86	3.24	8.25
3rd Quartile	5.59	10.32	18.42	5.90	-3.48	1.91	7.14
95th Percentile	3.49	4.87	8.52	3.78	-5.01	0.54	4.09

Mutual Global Discovery A

Peer Group Analysis - IM Global Core Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Mutual Global Discovery A	-2.99 (13)	11.08 (68)	20.89 (96)	-26.73 (3)	10.96 (26)	23.02 (18)	15.29 (11)
● MSCI AC World Index (Net)	-7.35 (51)	12.67 (53)	34.63 (35)	-42.19 (68)	11.66 (25)	20.95 (39)	10.83 (43)
5th Percentile	-1.72	19.26	49.86	-31.94	19.79	25.01	18.99
1st Quartile	-4.56	15.17	36.48	-37.58	11.00	22.13	13.71
Median	-7.33	12.90	31.73	-40.88	8.04	18.79	10.05
3rd Quartile	-9.04	10.41	28.10	-43.81	5.66	16.20	7.32
95th Percentile	-16.07	7.16	22.24	-46.48	2.44	12.34	5.39

Mutual Global Discovery A

Fund Information

Fund Name : Franklin Mutual Series Funds: Mutual Global Discovery Fund; Class A Shares Portfolio Assets : \$17,207 Million
 Fund Family : Franklin Templeton Investments Portfolio Manager : Langerman/Brugere-Trelat
 Ticker : TEDIX PM Tenure : 2005--2009
 Inception Date : 11/01/1996 Fund Style : IM Global Core Equity (MF)
 Fund Assets : \$7,406 Million Style Benchmark : MSCI AC World Index (Net)

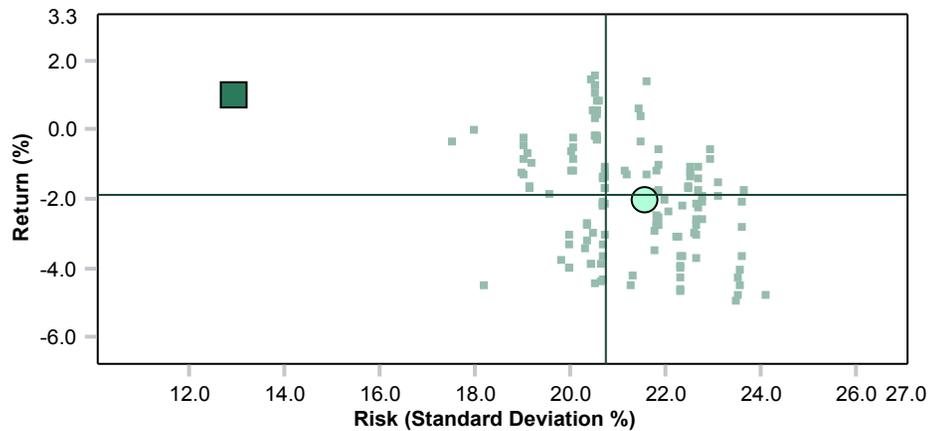
Fund Investment Policy

The Fund seeks capital appreciation. Under normal market conditions, the Fund invests mainly in equity securities of companies that the Manager believes are available at market prices less than their value based on certain recognized criteria. The fund generally invests a majority of its assets in foreign securities.

Historical Statistics (10/01/07 - 09/30/12) *

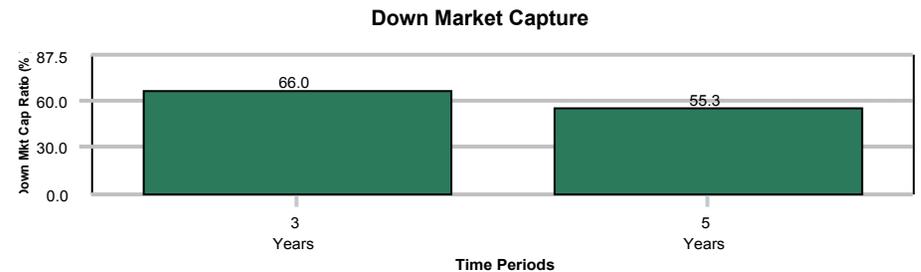
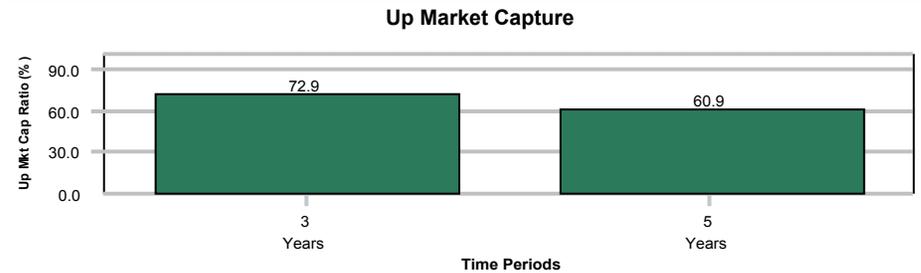
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Mutual Global Discovery A	0.95	12.95	0.08	1.65	0.56	0.88	10.40	0.14	13.09	12/01/1996
MSCI AC World Index (Net)	-2.07	21.55	-0.02	0.00	1.00	1.00	0.00	N/A	21.67	12/01/1996
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.70	-0.01	0.10	21.67	0.02	0.00	12/01/1996

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Mutual Global Discovery A	0.95	12.95
○ MSCI AC World Index (Net)	-2.07	21.55
— Median	-1.86	20.73

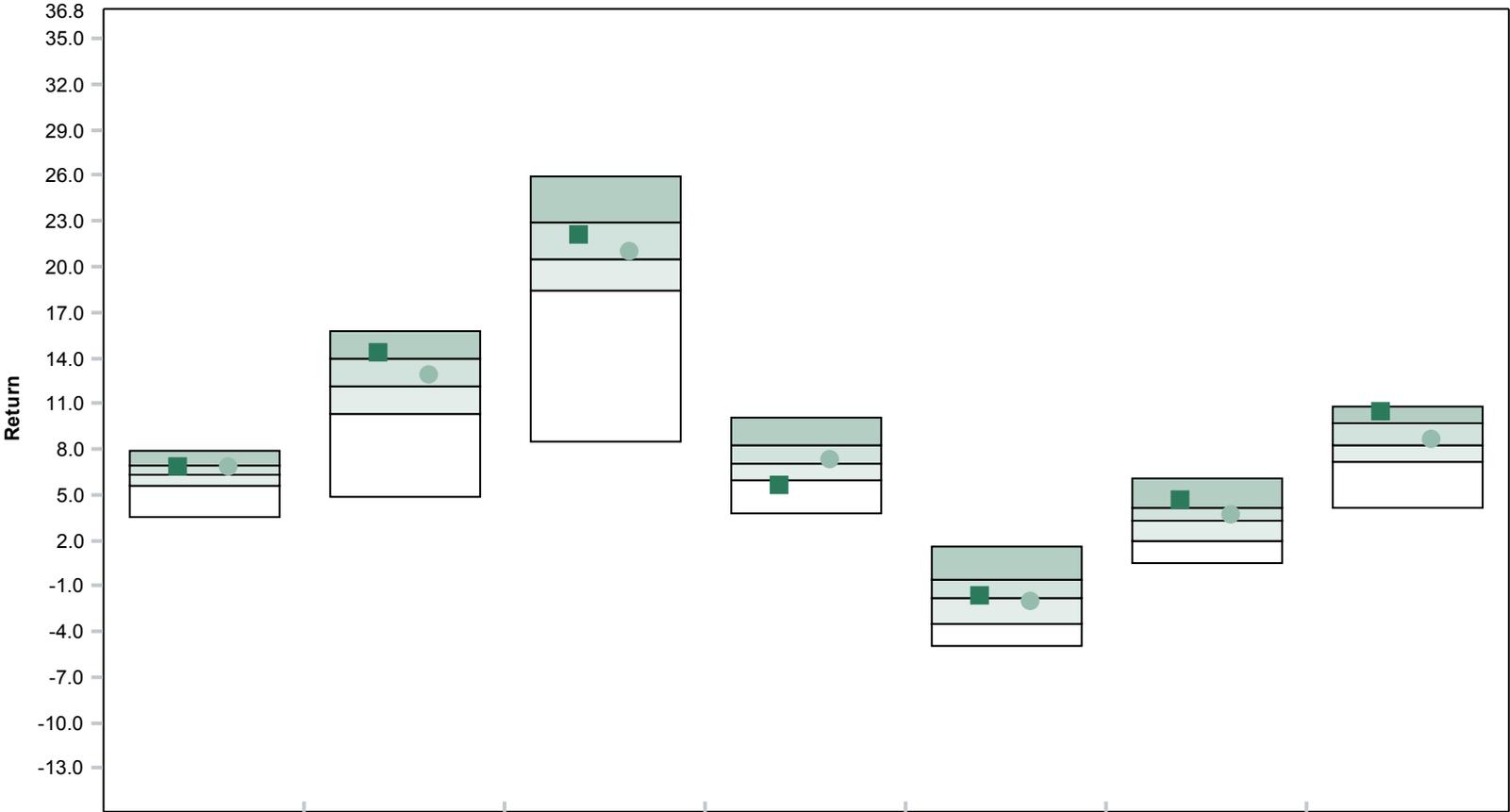
Up Down Market Capture



* Monthly periodicity used.

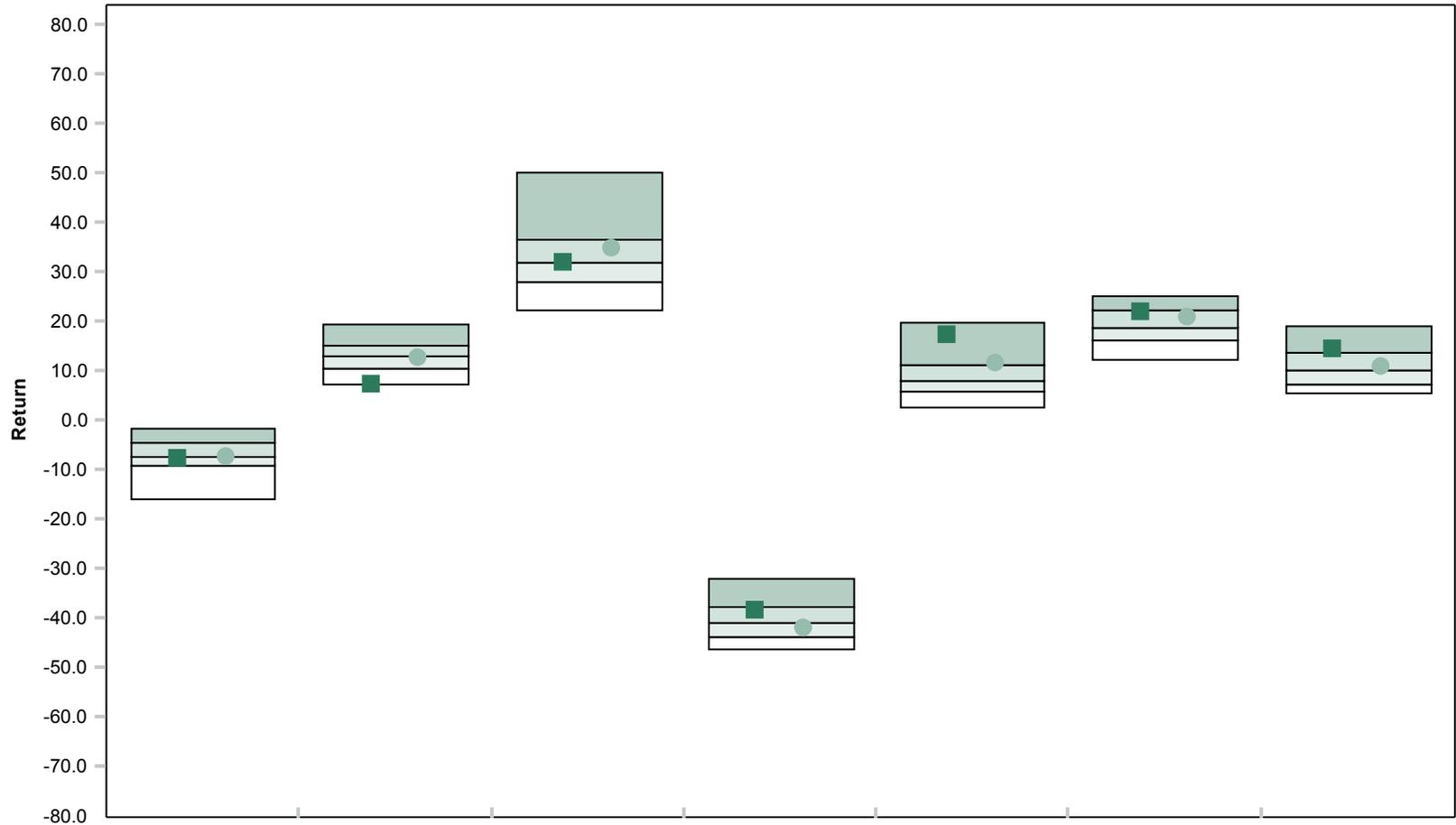
American Funds Cap Wrld G&I

Peer Group Analysis - IM Global Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ American Funds Cap Wrld G&I	6.77 (34)	14.29 (18)	22.03 (34)	5.56 (80)	-1.70 (47)	4.56 (17)	10.47 (11)
● MSCI AC World Index (Net)	6.84 (30)	12.88 (38)	20.99 (47)	7.23 (47)	-2.07 (54)	3.59 (41)	8.61 (42)
5th Percentile	7.84	15.78	25.99	10.04	1.53	6.03	10.84
1st Quartile	6.92	13.90	22.91	8.22	-0.57	4.13	9.65
Median	6.25	12.09	20.49	7.09	-1.86	3.24	8.25
3rd Quartile	5.59	10.32	18.42	5.90	-3.48	1.91	7.14
95th Percentile	3.49	4.87	8.52	3.78	-5.01	0.54	4.09

Peer Group Analysis - IM Global Core Equity (MF)



	2011	2010	2009	2008	2007	2006	2005
■ American Funds Cap Wrld G&I	-7.84 (57)	7.40 (94)	31.88 (48)	-38.60 (33)	17.09 (13)	21.85 (29)	14.28 (18)
● MSCI AC World Index (Net)	-7.35 (51)	12.67 (53)	34.63 (35)	-42.19 (68)	11.66 (25)	20.95 (39)	10.83 (43)
5th Percentile	-1.72	19.26	49.86	-31.94	19.79	25.01	18.99
1st Quartile	-4.56	15.17	36.48	-37.58	11.00	22.13	13.71
Median	-7.33	12.90	31.73	-40.88	8.04	18.79	10.05
3rd Quartile	-9.04	10.41	28.10	-43.81	5.66	16.20	7.32
95th Percentile	-16.07	7.16	22.24	-46.48	2.44	12.34	5.39

American Funds Cap Wrld G&I

Fund Information

Fund Name : Capital World Growth & Income Fund, Inc; Class R-3 Shares
 Fund Family : American Funds
 Ticker : RWICX
 Inception Date : 06/06/2002
 Fund Assets : \$2,112 Million
 Portfolio Turnover : 27%

Portfolio Assets : \$64,919 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM Global Core Equity (MF)
 Style Benchmark : MSCI AC World Index (Net)

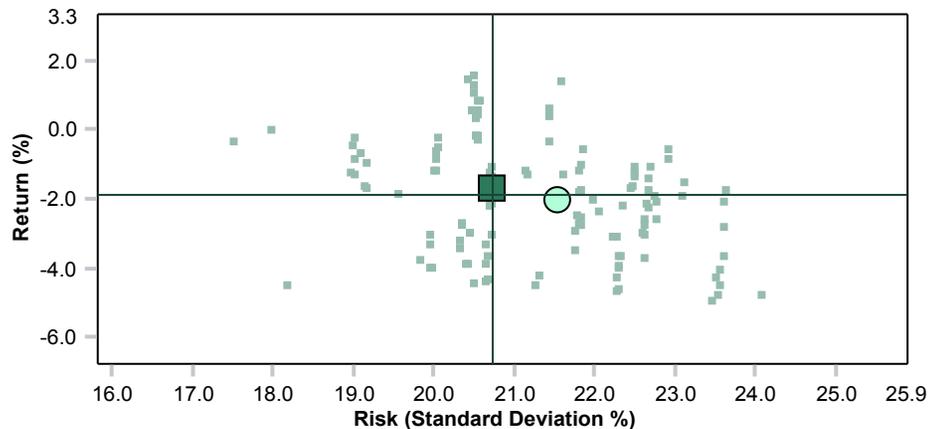
Fund Investment Policy

The Fund seeks long-term growth of capital while providing current income. The Fund invests primarily in stocks of well-established companies located around the world and that the investment adviser believes to be relatively resilient to market declines.

Historical Statistics (10/01/07 - 09/30/12) *

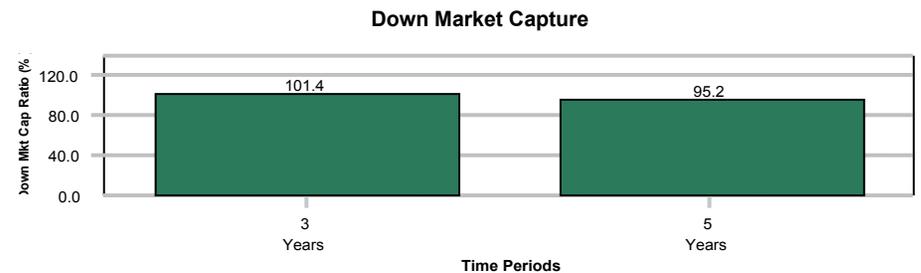
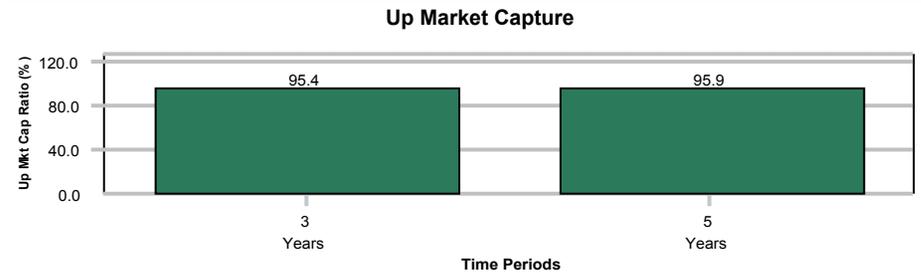
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
American Funds Cap Wrld G&I	-1.70	20.73	-0.01	0.21	0.95	0.98	3.45	0.06	20.84	07/01/2002
MSCI AC World Index (Net)	-2.07	21.55	-0.02	0.00	1.00	1.00	0.00	N/A	21.67	07/01/2002
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.70	-0.01	0.10	21.67	0.02	0.00	07/01/2002

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
American Funds Cap Wrld G&I	-1.70	20.73
MSCI AC World Index (Net)	-2.07	21.55
— Median	-1.86	20.73

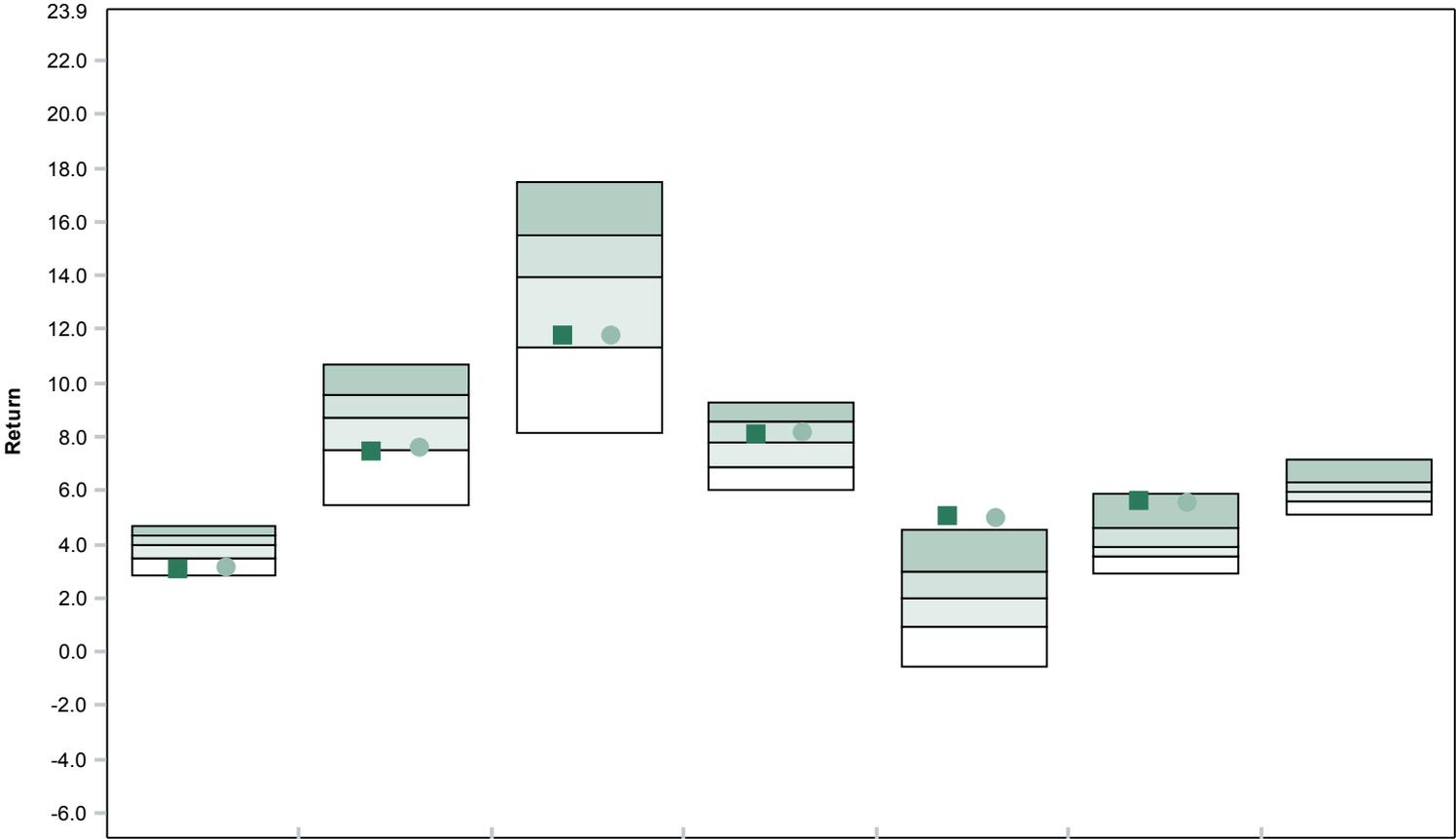
Up Down Market Capture



* Monthly periodicity used.

Vanguard Target Retirement Income Inv

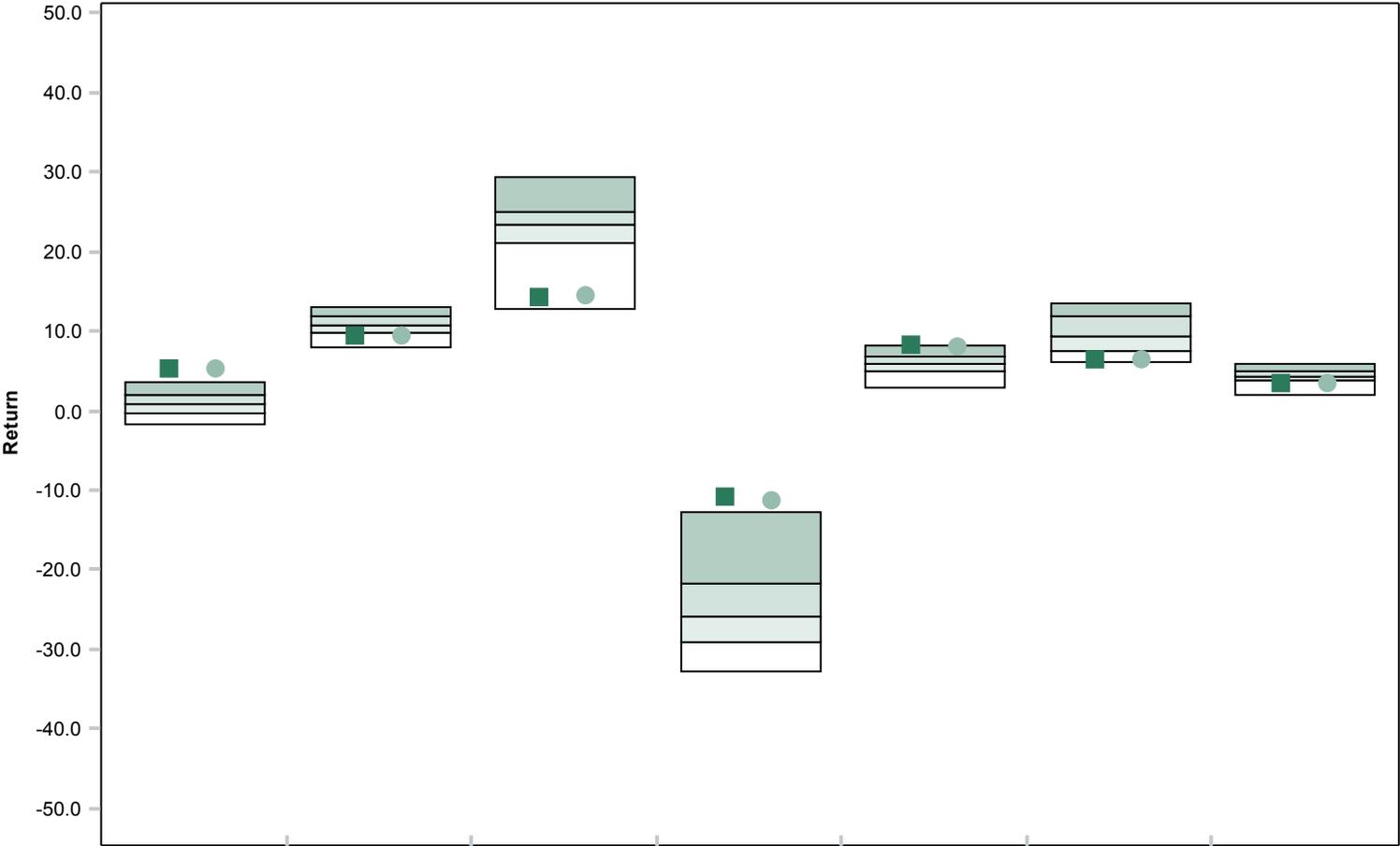
Peer Group Analysis - IM Mixed-Asset Target 2010 (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Target Retirement Income Inv	3.06 (92)	7.45 (76)	11.74 (72)	8.09 (43)	5.06 (4)	5.56 (8)	N/A
● Vanguard Target Income Composite Index	3.12 (91)	7.54 (75)	11.78 (71)	8.16 (39)	4.99 (4)	5.52 (9)	N/A
5th Percentile	4.69	10.70	17.52	9.25	4.51	5.90	7.12
1st Quartile	4.29	9.59	15.49	8.57	2.96	4.57	6.31
Median	3.95	8.70	13.98	7.78	2.01	3.92	5.97
3rd Quartile	3.49	7.47	11.32	6.86	0.95	3.56	5.58
95th Percentile	2.80	5.47	8.17	6.00	-0.60	2.93	5.07

Vanguard Target Retirement Income Inv

Peer Group Analysis - IM Mixed-Asset Target 2010 (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Vanguard Target Retirement Income Inv	5.25 (1)	9.39 (85)	14.28 (95)	-10.93 (3)	8.17 (4)	6.38 (91)	3.33 (85)
● Vanguard Target Income Composite Index	5.31 (1)	9.42 (85)	14.32 (95)	-11.35 (4)	8.08 (6)	6.45 (90)	3.36 (84)
5th Percentile	3.52	13.11	29.27	-12.76	8.11	13.39	5.83
1st Quartile	1.95	11.81	25.11	-21.67	6.74	11.79	5.04
Median	0.75	10.80	23.34	-25.97	5.86	9.44	4.32
3rd Quartile	-0.41	9.92	21.06	-29.01	4.99	7.52	3.82
95th Percentile	-1.71	7.89	12.85	-32.90	2.89	6.14	2.09

Vanguard Target Retirement Income Inv

Fund Information

Fund Name :	Vanguard Chester Funds: Vanguard Target Retirement Income Fund; Investor Class Shares	Portfolio Assets :	\$8,499 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Duane F. Kelly
Ticker :	VTINX	PM Tenure :	2003
Inception Date :	10/27/2003	Fund Style :	IM Mixed-Asset Target 2010 (MF)
Fund Assets :	\$8,499 Million	Style Benchmark :	Vanguard Target Income Composite Index

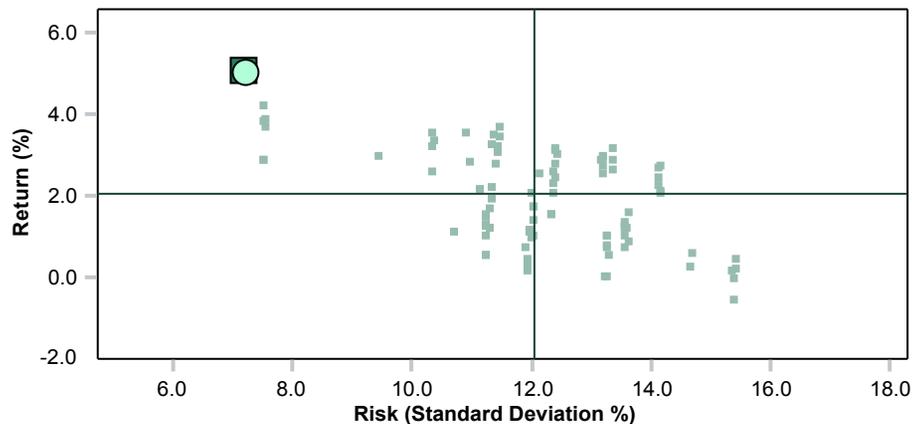
Fund Investment Policy

The Fund seeks to provide current income and some capital appreciation by investing 50% in the Vanguard Total Bond Market Index Fund 50%, 25% in the Vanguard Inflation-Protected Securities Fund, 20% in the Vanguard Total Stock Market Index Fund and 5% in the Vanguard Prime Money Market Fund.

Historical Statistics (10/01/07 - 09/30/12) *

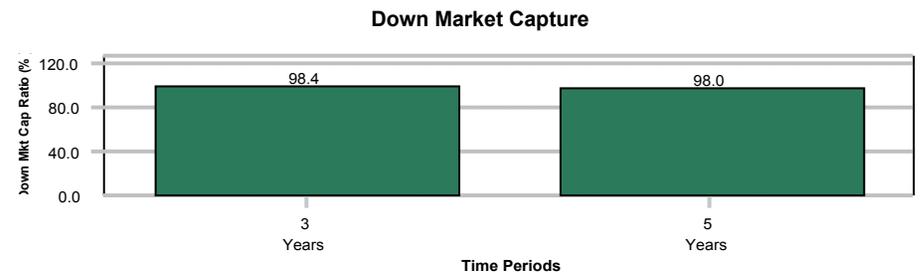
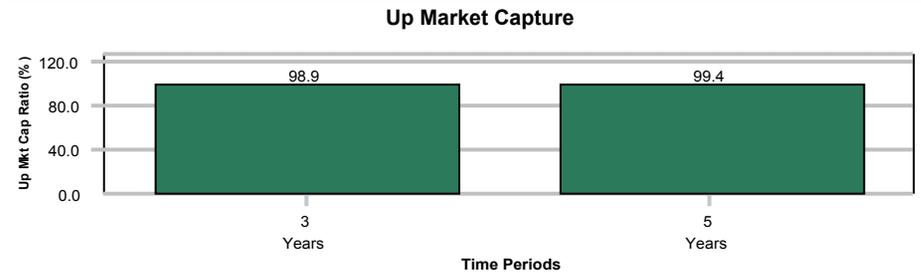
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Target Retirement Income Inv	5.06	7.22	0.62	0.09	1.00	1.00	0.31	0.22	7.32	11/01/2003
Vanguard Target Income Composite Index	4.99	7.25	0.60	0.00	1.00	1.00	0.00	N/A	7.35	11/01/2003
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.77	-0.01	0.07	7.35	-0.60	0.00	11/01/2003

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
Vanguard Target Retirement Income Inv	5.06	7.22
Vanguard Target Income Composite Index	4.99	7.25
Median	2.01	12.06

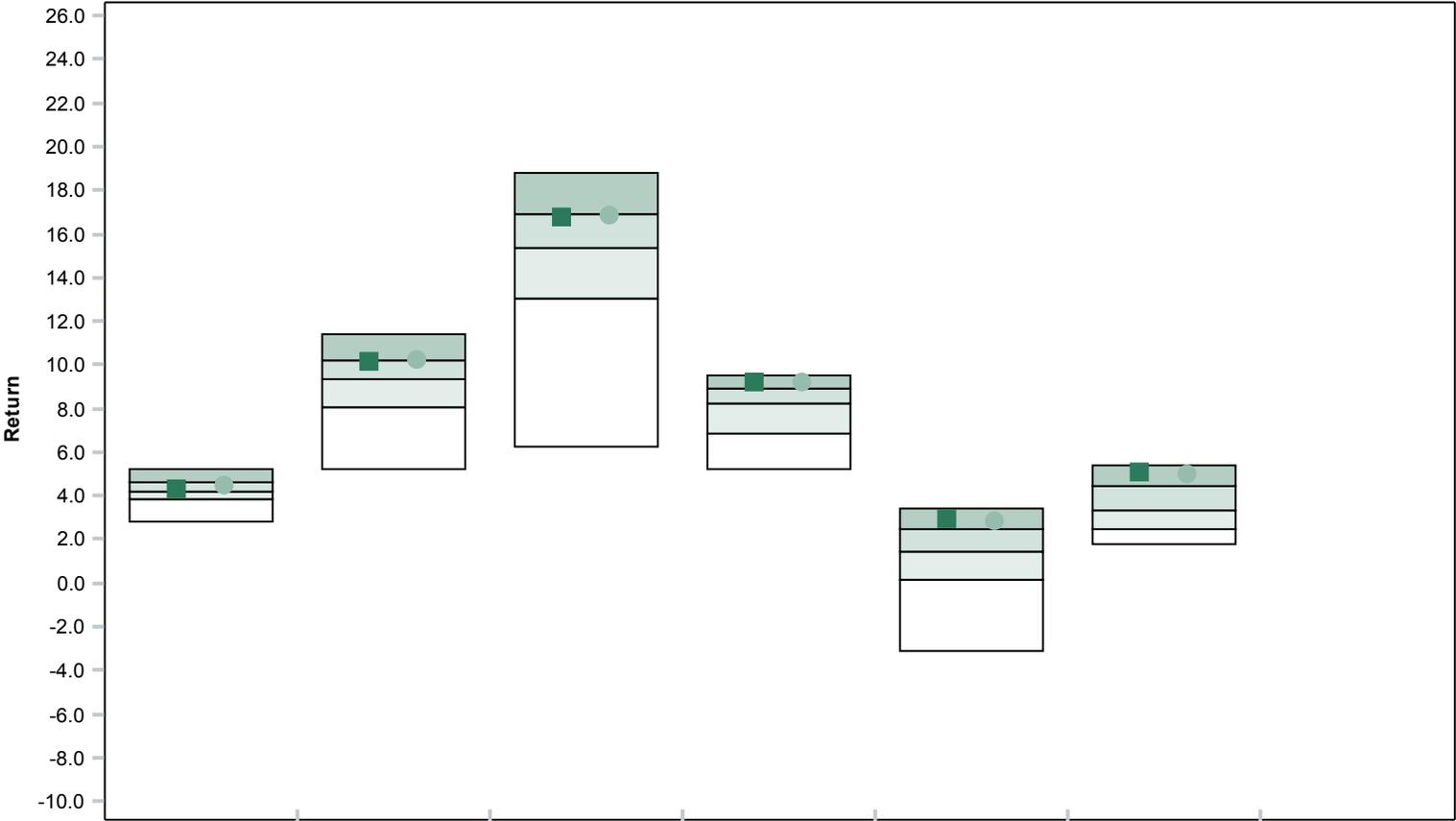
Up Down Market Capture



* Monthly periodicity used.

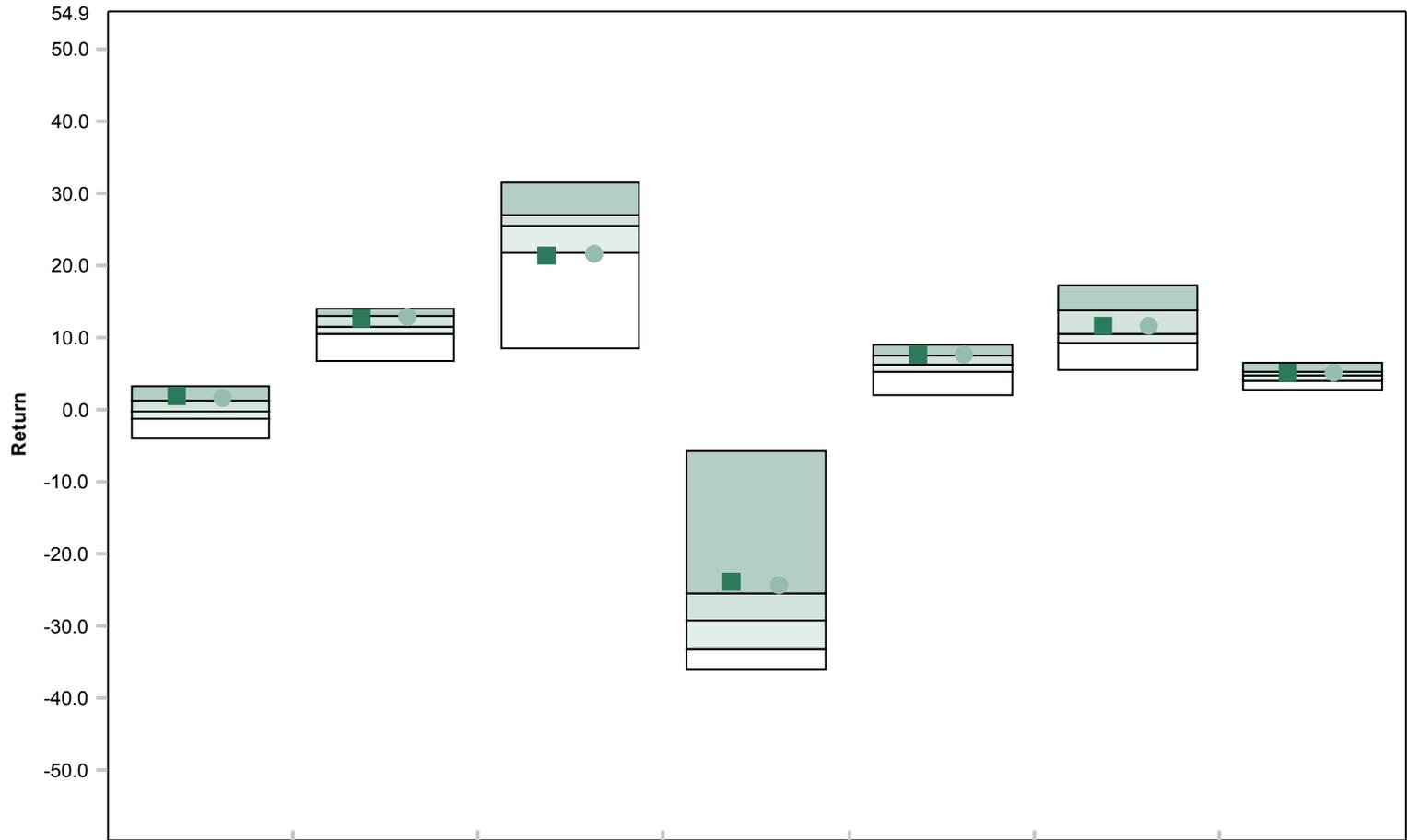
Vanguard Target Retirement 2015 Inv

Peer Group Analysis - IM Mixed-Asset Target 2015 (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Target Retirement 2015 Inv	4.31 (45)	10.08 (31)	16.76 (28)	9.18 (13)	2.88 (20)	5.05 (12)	N/A
● Vanguard Target 2015 Composite Index	4.42 (40)	10.22 (26)	16.86 (26)	9.21 (13)	2.79 (21)	4.99 (13)	N/A
5th Percentile	5.25	11.44	18.84	9.48	3.39	5.41	N/A
1st Quartile	4.64	10.24	16.95	8.91	2.44	4.45	N/A
Median	4.20	9.34	15.32	8.21	1.41	3.34	N/A
3rd Quartile	3.85	8.02	13.00	6.82	0.12	2.49	N/A
95th Percentile	2.79	5.20	6.22	5.18	-3.15	1.80	N/A

Peer Group Analysis - IM Mixed-Asset Target 2015 (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Vanguard Target Retirement 2015 Inv	1.71 (22)	12.47 (36)	21.30 (78)	-24.06 (16)	7.55 (25)	11.42 (32)	4.94 (41)
● Vanguard Target 2015 Composite Index	1.50 (24)	12.60 (32)	21.37 (77)	-24.45 (18)	7.51 (25)	11.50 (30)	4.97 (39)
5th Percentile	3.12	13.89	31.29	-5.72	8.99	17.17	6.51
1st Quartile	1.30	12.83	26.95	-25.42	7.42	13.73	5.29
Median	-0.33	11.53	25.34	-29.25	6.12	10.36	4.70
3rd Quartile	-1.27	10.54	21.76	-33.20	5.30	9.21	3.84
95th Percentile	-3.96	6.59	8.48	-36.10	1.89	5.35	2.68

Vanguard Target Retirement 2015 Inv

Fund Information

Fund Name :	Vanguard Chester Funds: Vanguard Target Retirement 2015 Fund; Investor Class Shares	Portfolio Assets :	\$15,226 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Duane F. Kelly
Ticker :	VTXVX	PM Tenure :	2003
Inception Date :	10/27/2003	Fund Style :	IM Mixed-Asset Target 2015 (MF)
Fund Assets :	\$15,226 Million	Style Benchmark :	Vanguard Target 2015 Composite Index

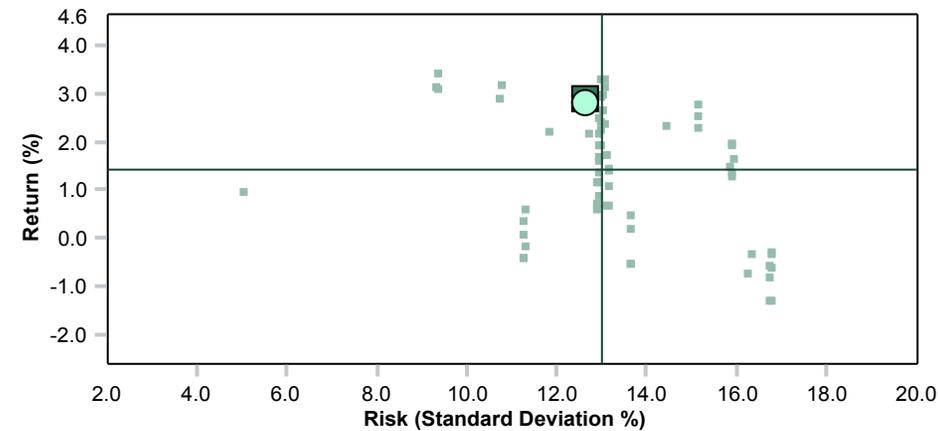
Fund Investment Policy

The Fund seeks to provide growth of capital and current income, consistent with its current asset allocation, by investing 50% in the Vanguard Total Bond Market Index Fund, 40% in the Vanguard Total Stock Market Index Fund 7% in the Vanguard European Stock Index Fund and 3% in the Vanguard Pacific Stock Index Fund.

Historical Statistics (10/01/07 - 09/30/12) *

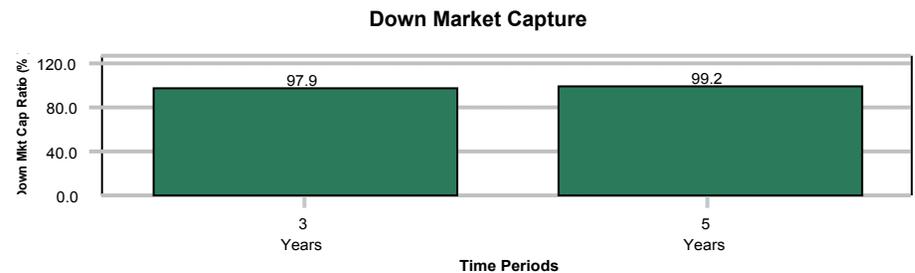
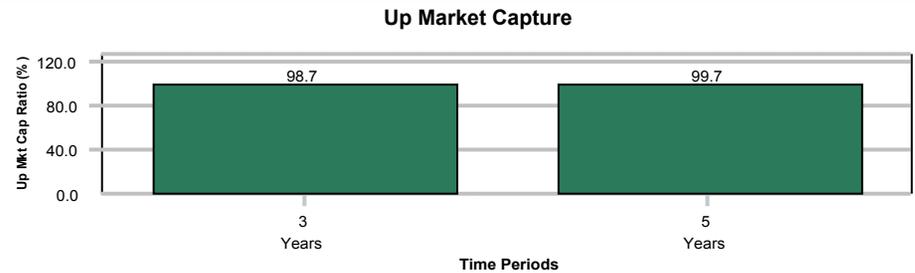
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Target Retirement 2015 Inv	2.88	12.65	0.23	0.09	1.00	1.00	0.50	0.16	12.77	11/01/2003
Vanguard Target 2015 Composite Index	2.79	12.67	0.22	0.00	1.00	1.00	0.00	N/A	12.79	11/01/2003
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.73	-0.01	0.10	12.79	-0.22	0.00	11/01/2003

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Vanguard Target Retirement 2015 Inv	2.88	12.65
○ Vanguard Target 2015 Composite Index	2.79	12.67
— Median	1.41	13.03

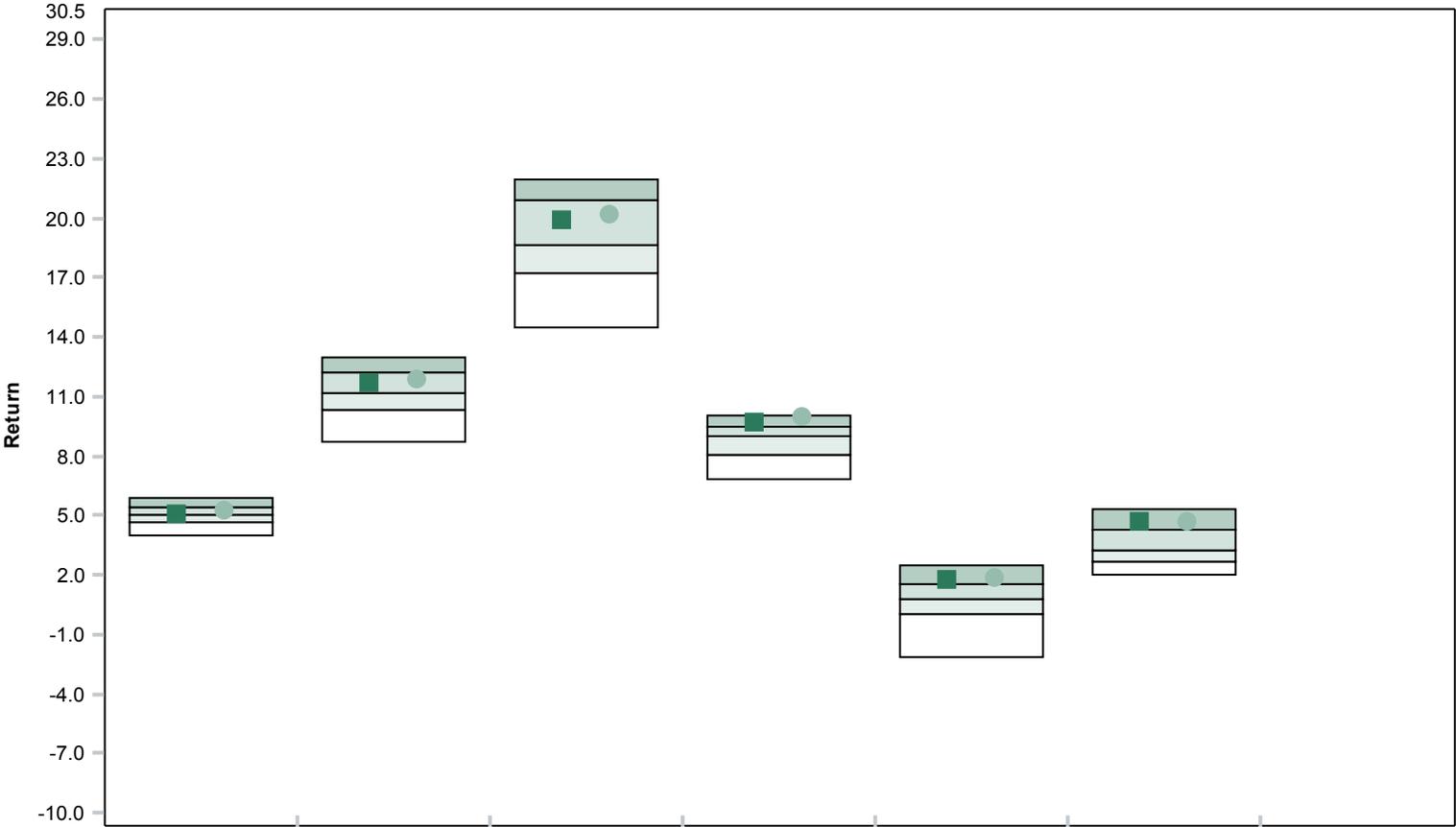
Up Down Market Capture



* Monthly periodicity used.

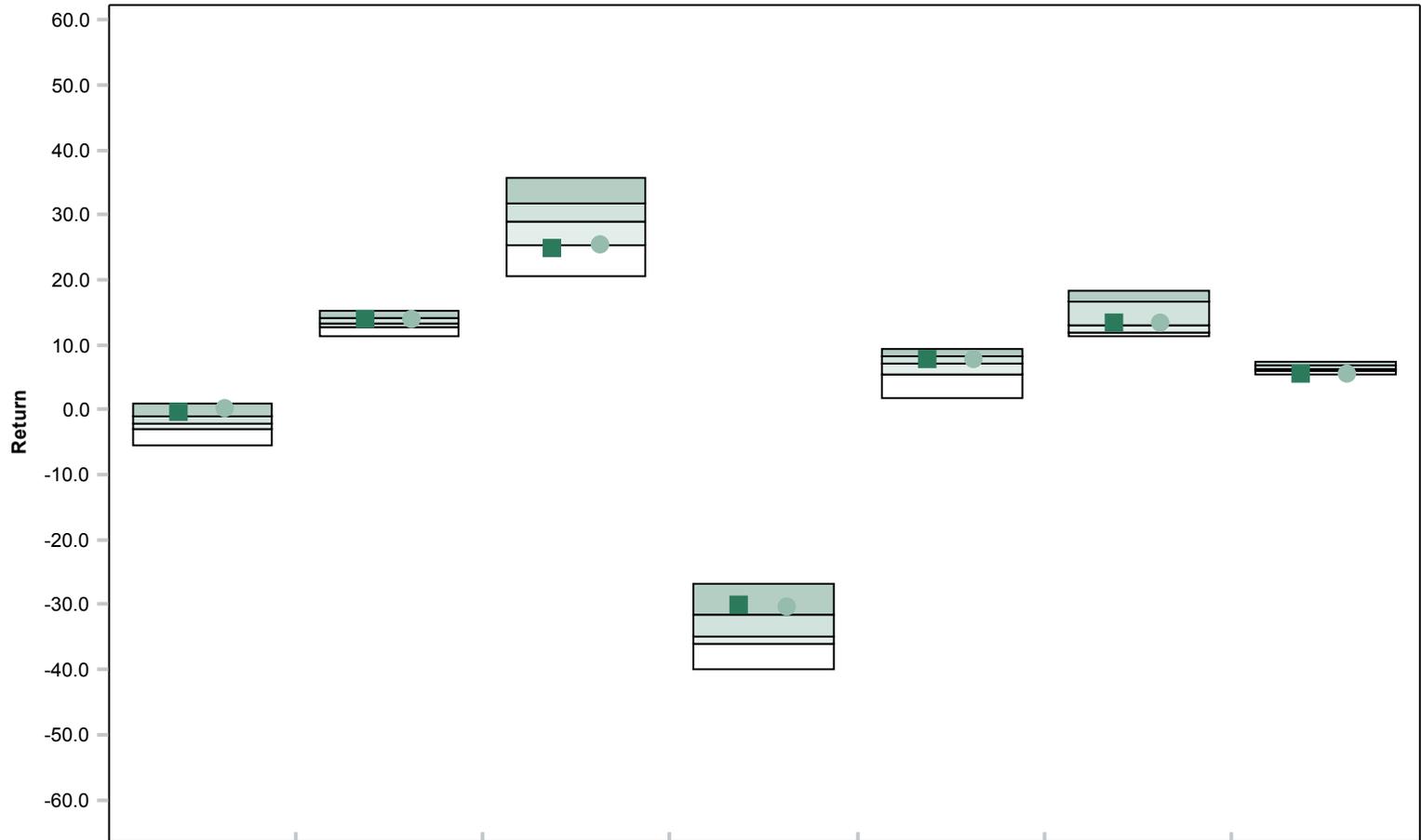
Vanguard Target Retirement 2025 Inv

Peer Group Analysis - IM Mixed-Asset Target 2025 (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Target Retirement 2025 Inv	5.06 (50)	11.65 (38)	19.89 (34)	9.66 (18)	1.70 (21)	4.61 (20)	N/A
● Vanguard Target 2025 Composite Index	5.27 (35)	11.83 (34)	20.13 (32)	9.95 (7)	1.80 (19)	4.68 (19)	N/A
5th Percentile	5.92	13.00	22.00	10.01	2.51	5.34	N/A
1st Quartile	5.42	12.21	20.87	9.44	1.55	4.32	N/A
Median	5.05	11.15	18.61	9.04	0.79	3.27	N/A
3rd Quartile	4.66	10.30	17.18	8.10	0.03	2.65	N/A
95th Percentile	3.97	8.68	14.50	6.87	-2.19	2.00	N/A

Peer Group Analysis - IM Mixed-Asset Target 2025 (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Vanguard Target Retirement 2025 Inv	-0.37 (17)	13.84 (40)	24.81 (80)	-30.05 (16)	7.59 (45)	13.24 (49)	5.45 (95)
● Vanguard Target 2025 Composite Index	0.03 (13)	13.97 (34)	25.27 (76)	-30.52 (18)	7.59 (45)	13.36 (45)	5.52 (94)
5th Percentile	0.85	15.15	35.57	-26.67	9.43	18.46	7.50
1st Quartile	-0.97	14.21	31.80	-31.48	8.35	16.78	6.96
Median	-2.06	13.43	28.95	-35.04	7.17	13.12	6.42
3rd Quartile	-2.89	12.68	25.40	-36.15	5.32	11.88	6.12
95th Percentile	-5.49	11.31	20.62	-40.09	1.86	11.20	5.41

Vanguard Target Retirement 2025 Inv

Fund Information

Fund Name :	Vanguard Chester Funds: Vanguard Target Retirement 2025 Fund; Investor Class Shares	Portfolio Assets :	\$17,625 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Duane F. Kelly
Ticker :	VTTVX	PM Tenure :	2003
Inception Date :	10/27/2003	Fund Style :	IM Mixed-Asset Target 2025 (MF)
Fund Assets :	\$17,625 Million	Style Benchmark :	Vanguard Target 2025 Composite Index

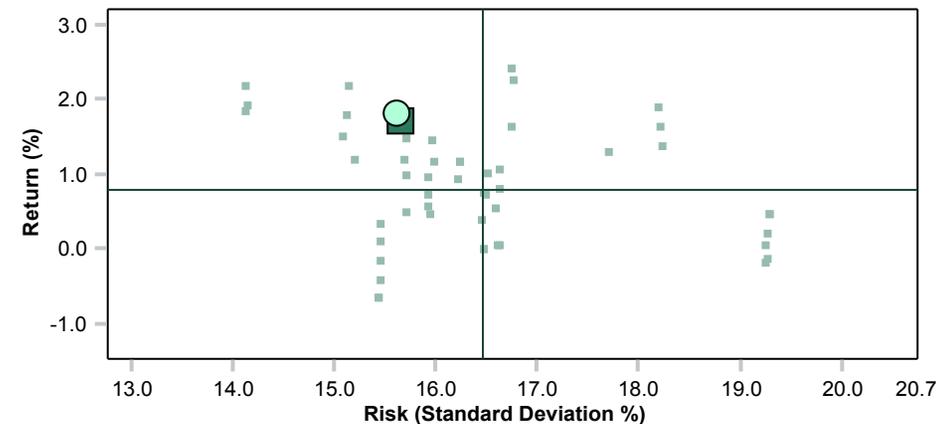
Fund Investment Policy

The Fund seeks to provide growth of capital and current income consistent with its current asset allocation by investing 48% in the Vanguard Total Stock Market Index Fund 40% in the Vanguard Total Bond Market Index Fund, 8% in the Vanguard European Stock Index Fund and 4% in the Vanguard Pacific Stock Index Fund.

Historical Statistics (10/01/07 - 09/30/12) *

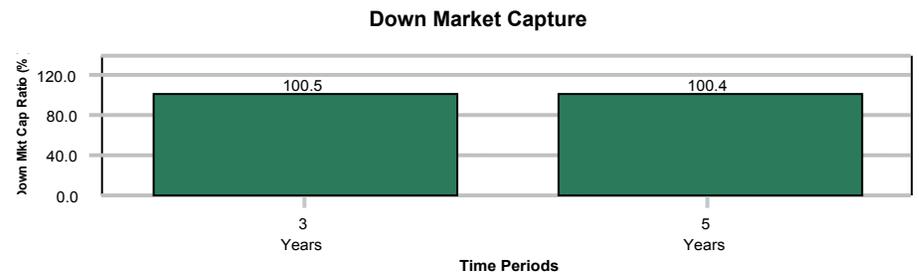
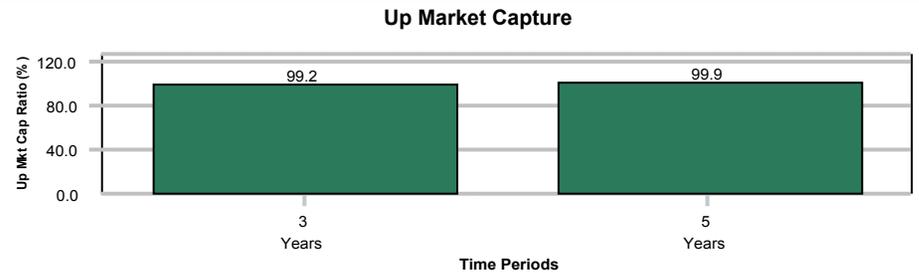
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Target Retirement 2025 Inv	1.70	15.67	0.14	-0.10	1.00	1.00	0.53	-0.17	15.79	11/01/2003
Vanguard Target 2025 Composite Index	1.80	15.62	0.15	0.00	1.00	1.00	0.00	N/A	15.75	11/01/2003
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.72	-0.01	0.11	15.75	-0.15	0.00	11/01/2003

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Vanguard Target Retirement 2025 Inv	1.70	15.67
○ Vanguard Target 2025 Composite Index	1.80	15.62
— Median	0.79	16.47

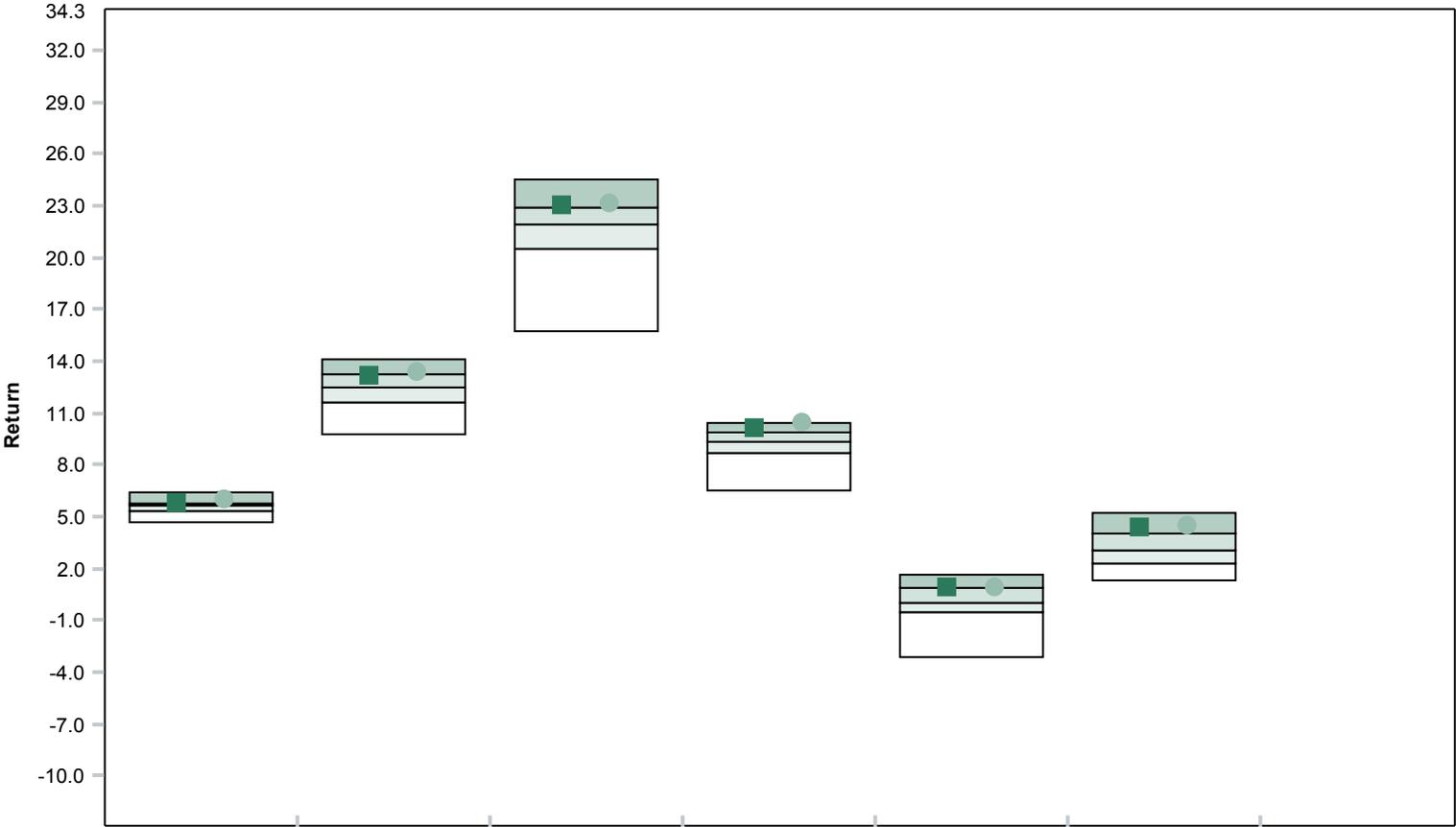
Up Down Market Capture



* Monthly periodicity used.

Vanguard Target Retirement 2035 Inv

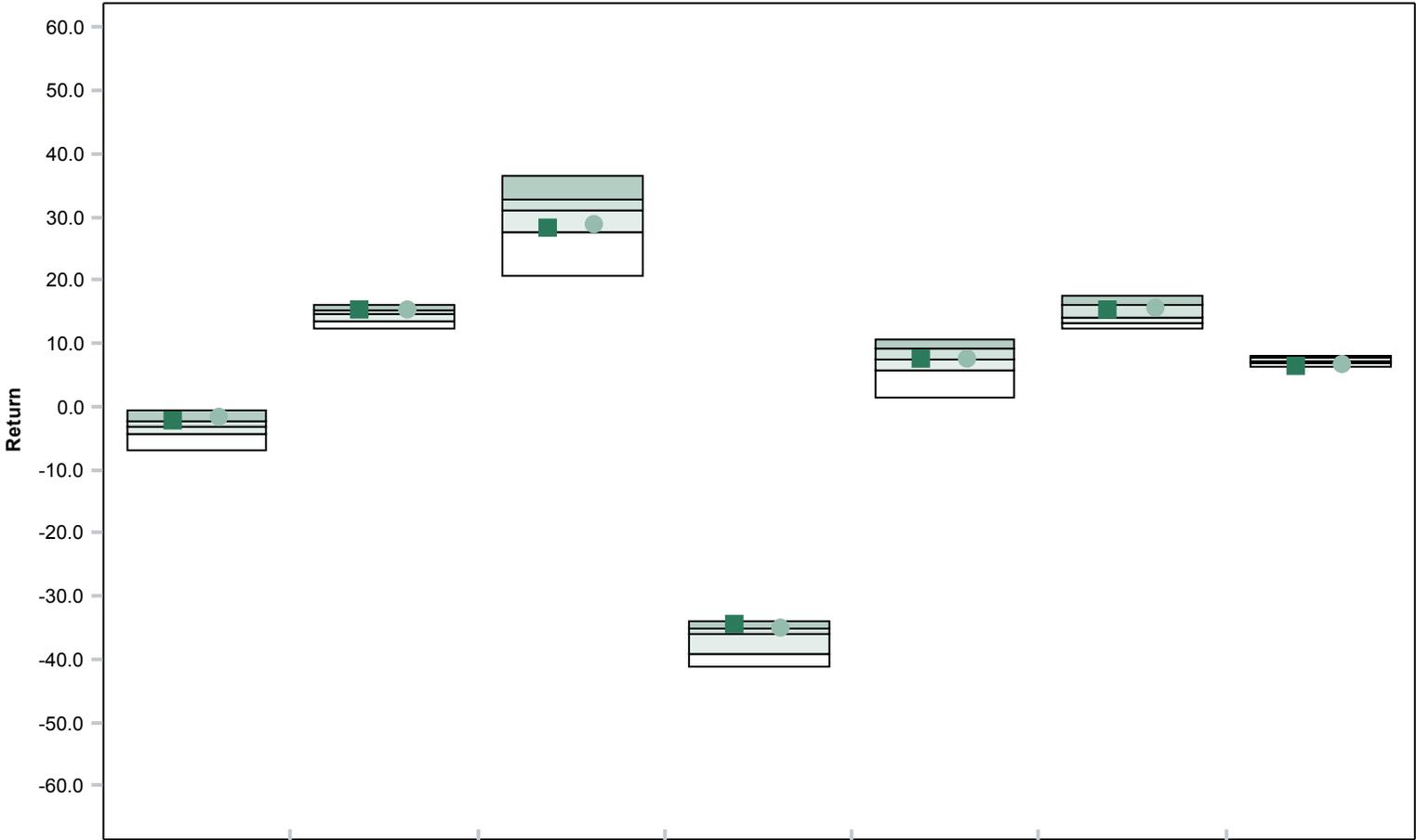
Peer Group Analysis - IM Mixed-Asset Target 2035 (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Target Retirement 2035 Inv	5.75 (29)	13.11 (32)	22.98 (24)	10.10 (11)	0.83 (21)	4.36 (20)	N/A
● Vanguard Target 2035 Composite Index	6.01 (19)	13.38 (23)	23.14 (21)	10.40 (5)	0.92 (18)	4.45 (19)	N/A
5th Percentile	6.38	14.15	24.57	10.38	1.65	5.17	N/A
1st Quartile	5.79	13.27	22.94	9.82	0.82	3.97	N/A
Median	5.62	12.51	21.96	9.28	-0.01	3.01	N/A
3rd Quartile	5.28	11.60	20.54	8.67	-0.54	2.23	N/A
95th Percentile	4.65	9.75	15.74	6.49	-3.19	1.33	N/A

Vanguard Target Retirement 2035 Inv

Peer Group Analysis - IM Mixed-Asset Target 2035 (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Vanguard Target Retirement 2035 Inv	-2.24 (21)	15.14 (31)	28.17 (67)	-34.66 (13)	7.49 (51)	15.24 (28)	6.30 (95)
● Vanguard Target 2035 Composite Index	-1.91 (17)	15.28 (25)	28.64 (63)	-35.10 (24)	7.51 (50)	15.43 (27)	6.46 (93)
5th Percentile	-0.73	16.10	36.34	-34.05	10.47	17.37	8.15
1st Quartile	-2.41	15.26	32.84	-35.25	9.04	15.95	7.70
Median	-3.35	14.59	30.99	-36.09	7.49	13.96	7.22
3rd Quartile	-4.49	13.46	27.65	-39.32	5.72	13.13	6.91
95th Percentile	-7.02	12.32	20.80	-41.34	1.50	12.40	6.19

Vanguard Target Retirement 2035 Inv

Fund Information

Fund Name :	Vanguard Chester Funds: Vanguard Target Retirement 2035 Fund; Investor Class Shares	Portfolio Assets :	\$12,283 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Duane F. Kelly
Ticker :	VTTHX	PM Tenure :	2003
Inception Date :	10/27/2003	Fund Style :	IM Mixed-Asset Target 2035 (MF)
Fund Assets :	\$12,283 Million	Style Benchmark :	Vanguard Target 2035 Composite Index

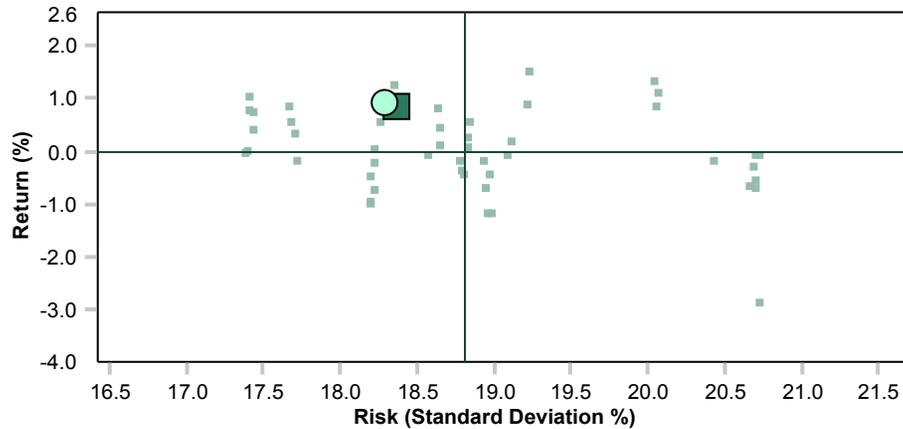
Fund Investment Policy

The Fund seeks to provide growth of capital and current income, consistent with its current asset allocation by investing 64% in the Vanguard Total Stock Market Index Fund, 20% in the Vanguard Total Bond Market Index Fund, 11% in the Vanguard European Stock Index Fund and 5% in the Vanguard Pacific Stock Index Fund.

Historical Statistics (10/01/07 - 09/30/12) *

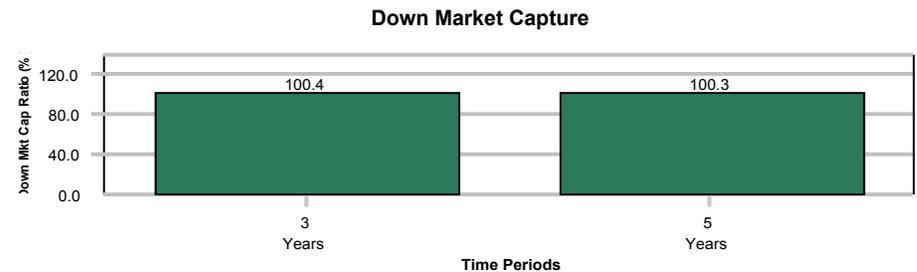
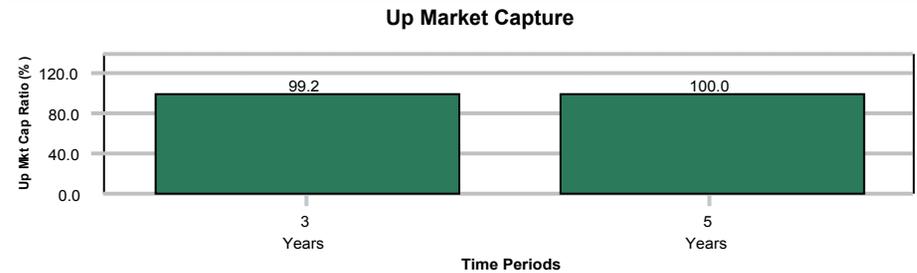
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Target Retirement 2035 Inv	0.83	18.37	0.10	-0.08	1.00	1.00	0.65	-0.11	18.49	11/01/2003
Vanguard Target 2035 Composite Index	0.92	18.30	0.10	0.00	1.00	1.00	0.00	N/A	18.42	11/01/2003
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.72	-0.01	0.10	18.42	-0.10	0.00	11/01/2003

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Vanguard Target Retirement 2035 Inv	0.83	18.37
○ Vanguard Target 2035 Composite Index	0.92	18.30
— Median	-0.01	18.81

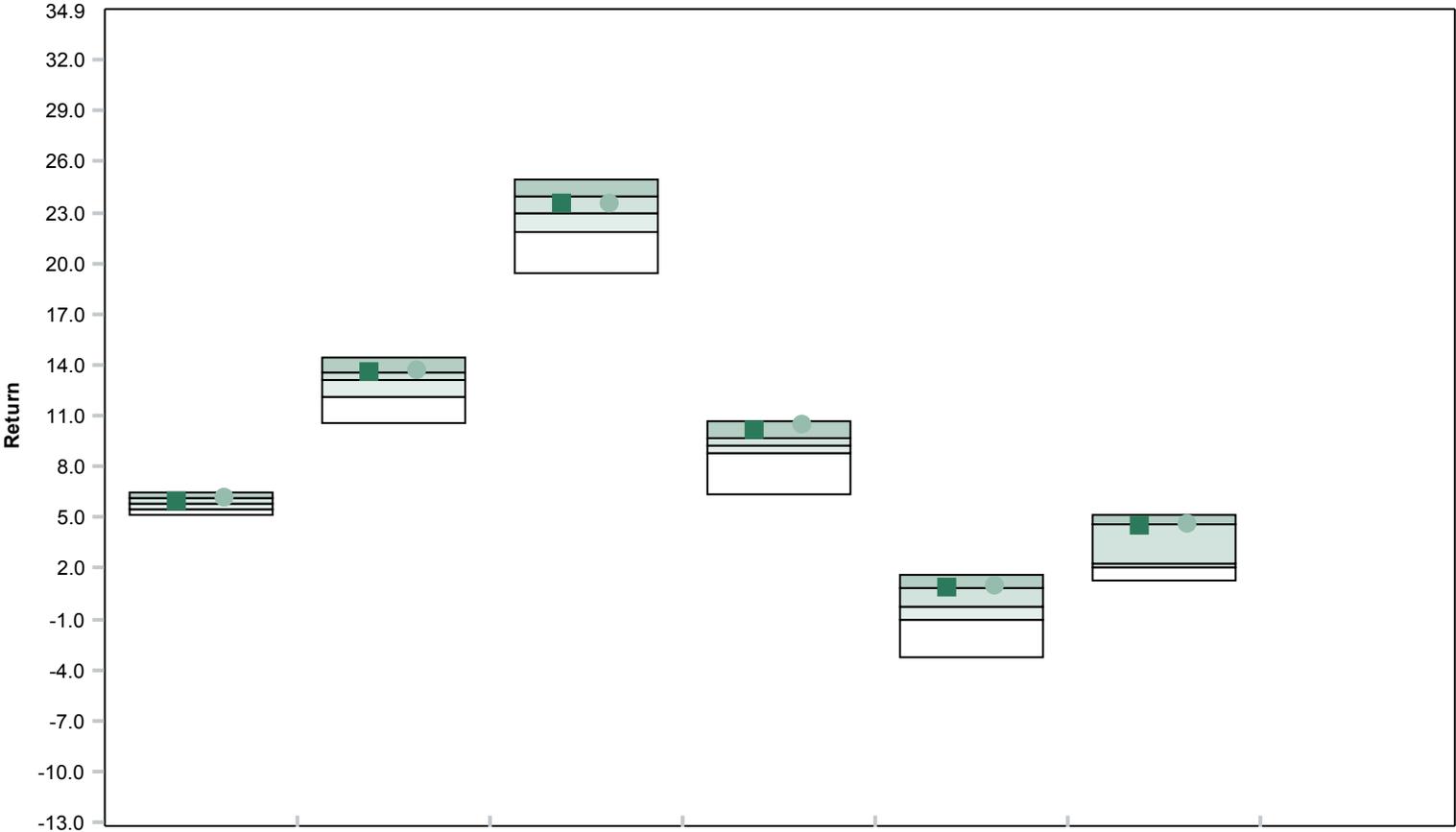
Up Down Market Capture



* Monthly periodicity used.

Vanguard Target Retirement 2045 Inv

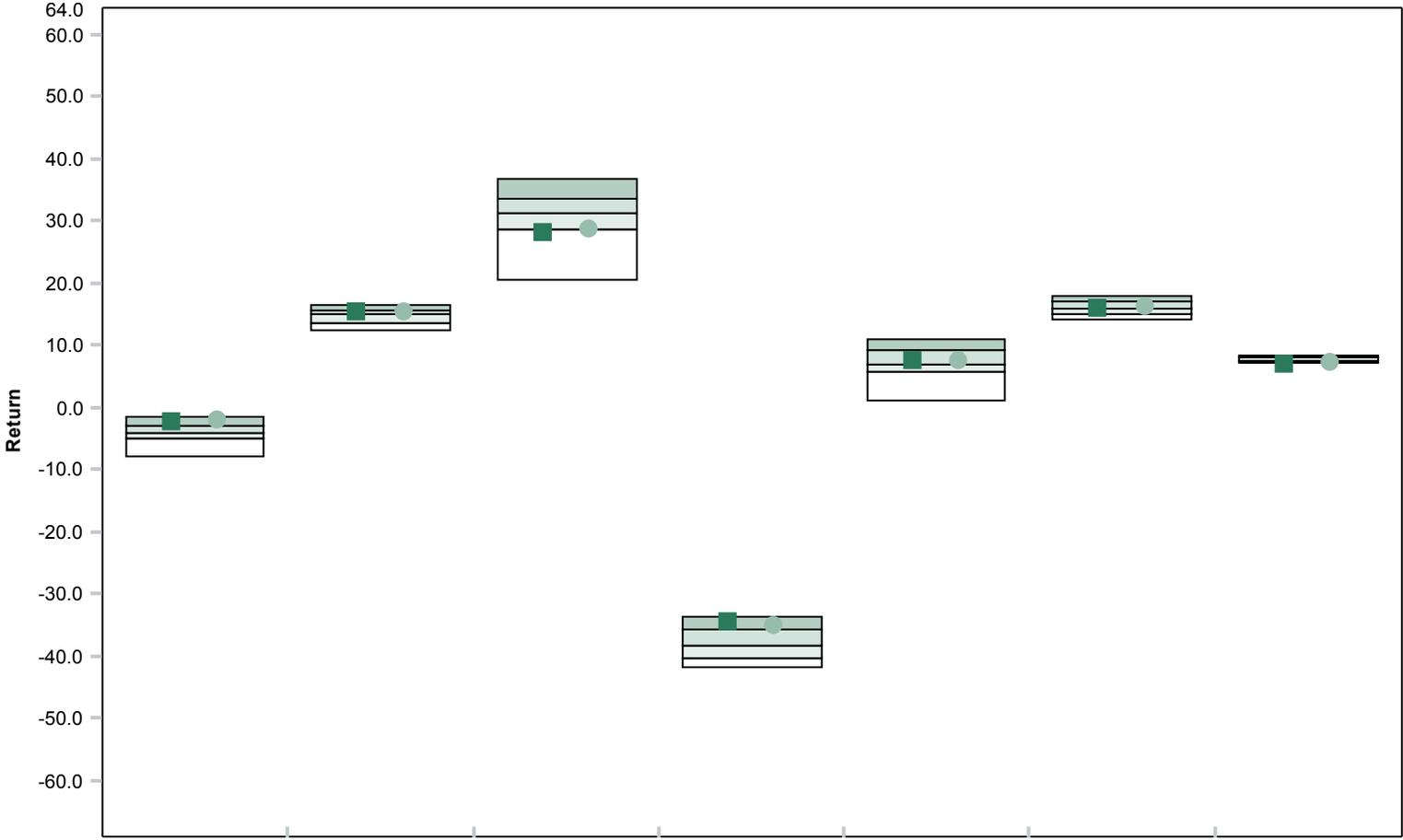
Peer Group Analysis - IM Mixed-Asset Target 2045 (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Target Retirement 2045 Inv	5.95 (38)	13.52 (30)	23.47 (36)	10.14 (12)	0.88 (23)	4.53 (28)	N/A
● Vanguard Target 2045 Composite Index	6.16 (24)	13.60 (24)	23.55 (32)	10.41 (7)	0.92 (20)	4.58 (25)	N/A
5th Percentile	6.49	14.41	24.99	10.62	1.63	5.14	N/A
1st Quartile	6.13	13.57	23.96	9.71	0.81	4.57	N/A
Median	5.81	13.07	23.00	9.25	-0.23	2.31	N/A
3rd Quartile	5.49	12.07	21.85	8.80	-1.09	2.01	N/A
95th Percentile	5.16	10.56	19.44	6.32	-3.32	1.22	N/A

Vanguard Target Retirement 2045 Inv

Peer Group Analysis - IM Mixed-Asset Target 2045 (MF)



	2011	2010	2009	2008	2007	2006	2005
■ Vanguard Target Retirement 2045 Inv	-2.51 (17)	15.19 (45)	28.15 (87)	-34.56 (11)	7.47 (49)	15.98 (56)	6.95 (100)
● Vanguard Target 2045 Composite Index	-2.11 (10)	15.31 (39)	28.64 (76)	-35.10 (13)	7.51 (48)	16.15 (45)	7.04 (96)
5th Percentile	-1.44	16.48	36.60	-33.77	11.04	17.92	8.18
1st Quartile	-2.89	15.67	33.57	-35.64	9.27	17.01	7.94
Median	-4.03	15.10	31.12	-38.51	6.84	16.00	7.48
3rd Quartile	-5.02	13.44	28.74	-40.43	5.58	15.14	7.21
95th Percentile	-7.81	12.24	20.64	-41.71	1.19	14.22	7.06

Vanguard Target Retirement 2045 Inv

Fund Information

Fund Name :	Vanguard Chester Funds: Vanguard Target Retirement 2045 Fund; Investor Class Shares	Portfolio Assets :	\$6,961 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Duane F. Kelly
Ticker :	VTIVX	PM Tenure :	2003
Inception Date :	10/27/2003	Fund Style :	IM Mixed-Asset Target 2045 (MF)
Fund Assets :	\$6,961 Million	Style Benchmark :	Vanguard Target 2045 Composite Index

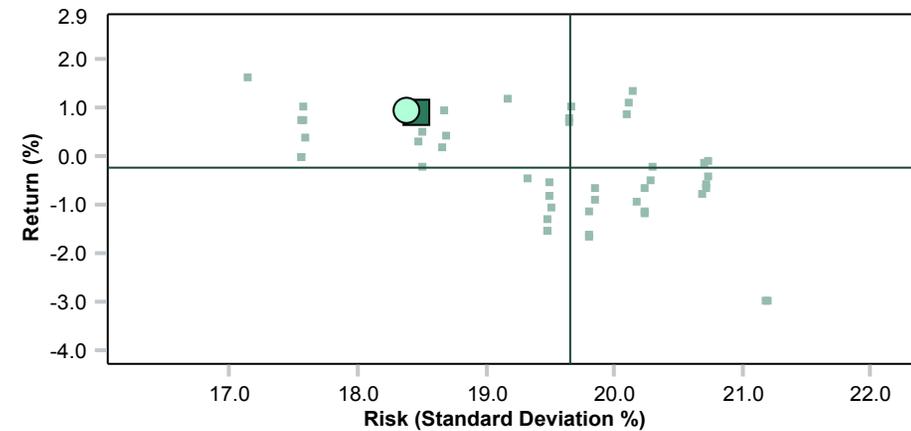
Fund Investment Policy

The Fund seeks to provide growth of capital and current income, consistent with its current asset allocation, by investing 72% in the Vanguard Total Stock Market Index Fund, 10% in the Vanguard Total Bond Market Index Fund, 13% in the Vanguard European Stock Index Fund and 5% in the Vanguard Pacific Stock Index Fund.

Historical Statistics (10/01/07 - 09/30/12) *

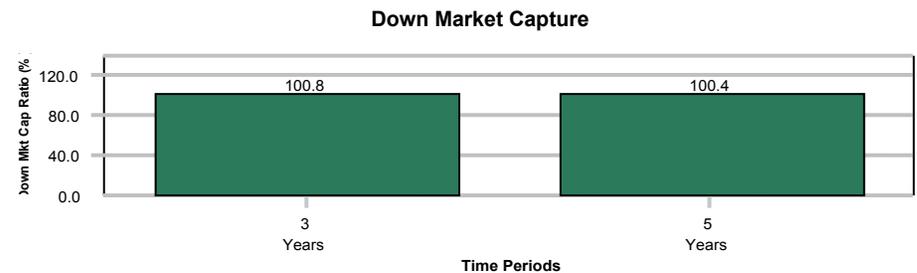
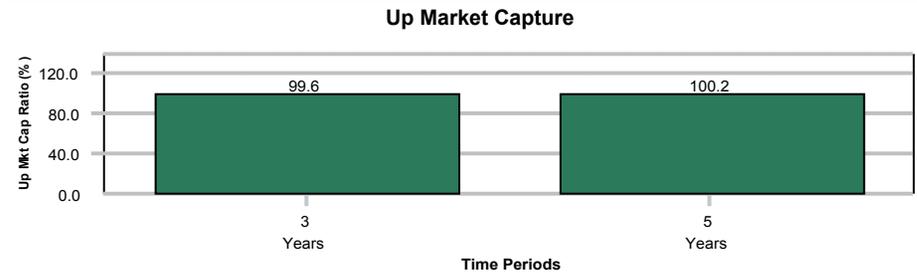
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Target Retirement 2045 Inv	0.88	18.47	0.10	-0.04	1.00	1.00	0.65	-0.05	18.59	11/01/2003
Vanguard Target 2045 Composite Index	0.92	18.39	0.11	0.00	1.00	1.00	0.00	N/A	18.51	11/01/2003
90 Day U.S. Treasury Bill	0.70	0.38	N/A	0.72	-0.01	0.10	18.51	-0.11	0.00	11/01/2003

Peer Group Scattergram (10/01/07 to 09/30/12)



	Return	Standard Deviation
■ Vanguard Target Retirement 2045 Inv	0.88	18.47
○ Vanguard Target 2045 Composite Index	0.92	18.39
— Median	-0.23	19.66

Up Down Market Capture



* Monthly periodicity used.



Small Cap Growth Equity Search

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 Segal Rogerscasey



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Search Parameters

- **Mandate**
 - Small cap growth portfolio targeted at approximately \$30 million.
- **Benchmark**
 - Russell 2000 Growth Index
- **Purpose**
 - Search to add a dedicated small cap growth manager to the plan as a possible replacement for the PineBridge US Micro Cap Growth I Fund (PBMBX), the current micro cap growth manager.
- **Candidates**
 - AllianceBernstein, L.P. – US Small Cap Growth Fund (QUAIX)
 - Conestoga Capital Advisors – Small Cap Growth Fund* (CCASX)
- **Basic Requirements**
 - Qualified and willing to serve as an investment manager as that term is used in ERISA.
 - Registered investment advisor under the Investment Advisors Act of 1940.
 - Willing to assume discretionary investment responsibility in accordance with Fund guidelines.
 - Provide periodic written reports and meetings with respect to their operations.
 - The firm must fully disclose any arrangements maintained whereby the firm or any individual within the firm pays referral fees, finder's fees, soft dollars or other similar consideration or benefits to consultants, brokers or any other third party.

* Please note that the strategy would need to be added to the Great-West platform.

Asset Class Overview — Small Cap Growth Equity

- **Growth Investing:** Concentrates on companies with prospects for above average future growth.
- **Growth Manager Classifications:**
 - Aggressive Growth; Growth at a Reasonable Price (GARP); Traditional Growth
- **Small Cap Growth Managers:** Typically aim to outperform the Russell 2000 Growth Index over a full market cycle.
 - The Russell 2000 Growth Index measures the performance of the small cap growth segment of the US equity universe. The Index includes Russell small capitalization companies that have higher price-to-book ratios and higher forecasted growth values with market capitalizations between approximately \$53 million and \$3.8 billion.
 - The Russell 2000 Growth Index is constructed to provide a comprehensive and unbiased barometer of the mid cap growth market. The Index is completely reconstituted annually because markets continually change and Russell believes indexes should represent the full representation of their investable opportunity set. Russell Indexes are also reconstituted annually to strike a reasonable balance between the accuracy and cost of reconstitution, and to ensure larger stocks do not distort the performance and characteristics of the true small cap growth market.
- **Characteristics of the Russell 2000 Growth Index:**
 - Market Capitalization: Smallest Company (\$0.1B); Largest Company (\$3.8B); Average (\$1.4B); Median (\$0.6B)
 - Price/Book: 3.2x
 - Dividend Yield: 0.73%*
 - Price/Earnings: 20.0x
 - Earnings Per Share (5-year growth): 8.7%*
 - Top Five Sectors by Weight: Healthcare, Technology, Consumer Discretionary, Producer Durables, and Financial Services

*As of July 31, 2012

Search Process

- The manager selection process combines quantitative analysis with a thorough qualitative assessment, which Segal Rogerscasey has developed over years of due diligence and monitoring experience. Segal Rogerscasey does not utilize a manager rating system or a manager approved list. Due to client-specific goals, we believe that every search is unique.
- Quantitative analysis is primarily utilized during an initial screening of a broad universe in order to develop a focused list of potential candidates for further review. The quantitative screens are broad and geared to identify managers that fall within the client and Plan’s risk tolerance, consistently meet or exceed performance expectations, exhibit style purity, and demonstrate desired risk-adjusted performance attributes. Analysts examine the results of the quantitative screens in order to develop a comprehensive focus list of investment managers.
- Qualitative analysis includes an assessment of each organization’s stability, investment style, and product characteristics based upon existing experiences. At this point in the process, the focus list is narrowed down to managers that will receive Segal Rogerscasey’s proprietary Request For Proposal (RFP).
- Completed RFPs are assigned to an action team, consisting of a research analyst supported by a back-up team member. This team thoroughly reviews the response and arranges conference calls, meetings, and/or on-site due diligence to analyze and review the following areas:

Organization	Investment Philosophy and Process	Professional Staff
<ul style="list-style-type: none"> • Ownership structure and changes in ownership • Resources • Legal/Regulatory • Compliance and risk management • Assets under management 	<ul style="list-style-type: none"> • Investment philosophy • Differentiating characteristics • Consistency of process • Universe • Portfolio structure • Buy/Sell disciplines • Risk controls • Correlation between process and performance 	<ul style="list-style-type: none"> • History and stability of the investment team • Credentials • Tenure with the firm and specific strategy • Incentives alignment • Turnover

- Detailed notes and observations are compiled and stored in Segal Rogerscasey’s internet-accessible proprietary database, CMS.
- The action team meets with other members of the Research and Consulting Groups to discuss each manager in order to select the group of finalists to be included in the client search book. From there, the assigned research analyst will compile the information to complete the executive summary and quantitative portion of the search report, which goes through a final review by senior members of the Research Group.
- All information throughout this report is as of June 30, 2012, unless otherwise indicated.

Firm Summary

Firm	Year Founded	Headquarters	Primary Ownership	Total Firm Assets/Tax-exempt (Billions)	Small Cap Growth Assets (Billions)	Litigation (Current)*
AllianceBernstein, L.P.	1971	New York, NY	63% owned by AXA Financial, Inc., 24% Publicly owned, 13% employee-owned	\$407.3/148.0	\$2.9	Yes
Conestoga Capitol Advisors	2001	Radnor, PA	100% employee-owned	\$0.8/0.3	\$0.8	No

*Please refer to the Appendix for details regarding all Litigation.

AllianceBernstein – US Small Cap Growth

➤ Organization:

- **Ownership/Evolution:** AllianceBernstein L.P., (AB) formerly Alliance Capital Management Corp., was founded in 1971. In 1985, Alliance Capital was acquired by The Equitable Life Assurance Society, which is now owned by AXA Financial. Alliance Capital went public in 1988 and in 2002, Alliance Capital acquired Sanford C. Bernstein & Co. to provide investment research and manage assets for both private and institutional investors. Currently, 24% of the firm is owned by AllianceBernstein Holding LP, a publicly traded entity, 63% by AXA Financial, Inc., and 13% by the firm's employees.
- **Firm focus:** Diversified global asset management firm that manages traditional equity and fixed income, multi-asset class, and alternative investments.
- **Unique attribute:** A global financial organization with long standing expertise in value and growth active equities. More recently the firm has moved into alternative fixed income strategies and launched a private real estate asset management business.

➤ People:

- **Team history:** PMs Bruce Aronow, Samantha Lau, and Kumar Kirpalani started managing the strategy in 1994, at Chancellor Capital Management. The trio have been managing the strategy at AB since 1999.
- **Key decision maker(s):** Mr. Aronow.
- **Analyst support/division on responsibilities:** The team is supported by a quantitative analyst and may leverage the AB Fundamental Research Group for industry and company specific insights.

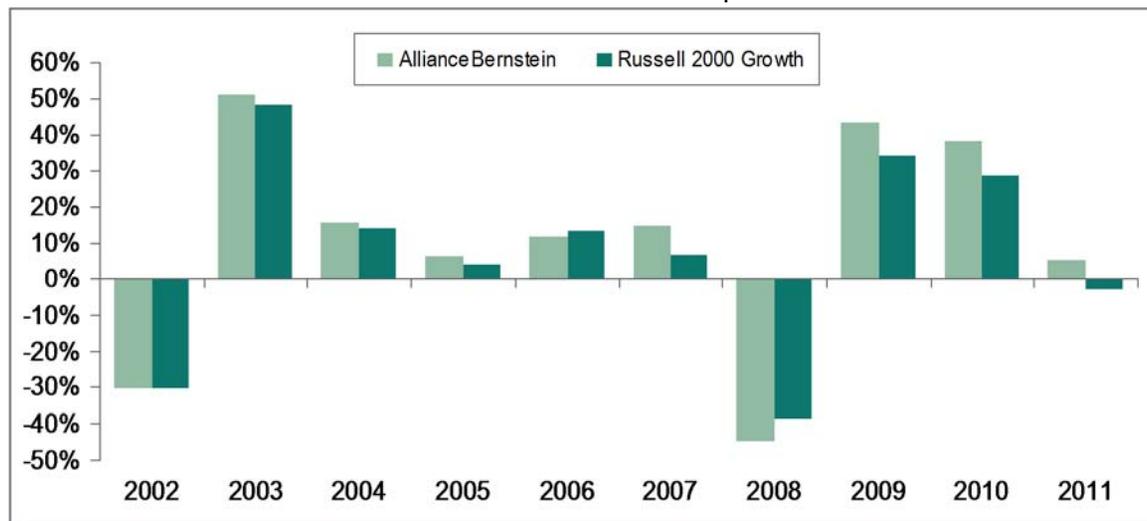
- **Compensation structure:** Base salary and incentive compensation. The bonus pool is a function of the firm's pre-tax, pre-bonus profitability and is allocated by the firm's Compensation Committee.
- **Personnel turnover:** In the past five years, the team has lost one member, a client service portfolio manager.

➤ Investment Strategy:

- **Philosophy/Process:** The US Small Cap Growth team focuses on underestimated, long-term earnings-growth potential. The team combines a quantitative and qualitative scoring system to identify potential investment candidates. The quantitative score is a quintile ranking of the eligible investment universe based on the following factors: earnings revisions (40% of score), earnings momentum and acceleration (30%), and earnings surprise and relative price momentum (30%). Analysts also rank each stock in their respective sector universe based on fundamental analysis utilizing a scale of one to five. The qualitative score is a numerical representation of the team's conviction in a company's ability to deliver earnings greater than the consensus view and takes into consideration strength of team management, competitive landscape, and how the market is generating its consensus view. The portfolio managers purchase stocks from the top 30% of the combined quantitative (40% of the total score) and qualitative (60%) score.
- **Investable universe:** All public companies with a market capitalization greater than \$100 million in the Russell 2000 Index and all public companies in the Russell 2000 Growth Index.

AllianceBernstein – US Small Cap Growth *continued*

- **Sell criteria:** A stock is typically sold if it falls into the bottom 30% of the ranking universe. It may also be sold if fundamentals deteriorate, market capitalization becomes too high, or the industry and/or stock weighting becomes too large.
 - **Differentiators:** The US Small Cap Growth strategy blends quantitative and qualitative research. Although the target tracking error is high, the team does not make large sector bets.
- **Risk Controls:**
- **Number of positions:** 100-125 securities.
 - **Stock and sector limits:** Individual positions and cash are limited to 5% of the portfolio. Sector weights are generally held within +/- 8% of the corresponding sector weights of the Russell 2000 Growth Index.
- **Turnover:** 85-125%.
- **Strengths:**
- Mr. Aronow is an effective leader who has implemented a consistent investment philosophy and process since the inception of the strategy.
 - Three of the four PMs have been on the strategy for over 15 years. The team is very stable - no investment professional has left the team in the past five years.
- **Points to Consider:**
- This team also manages a similar Smid Growth product.
 - Although this team has done well, AB has lost approximately half of its assets since the firm's September 2007 peak. The firm has also significantly reduced the number of investment professionals at the firm, including the firm's entire US Large Cap Growth team.



Conestoga – Small Cap Growth

➤ Organization:

- **Ownership/Evolution:** Conestoga Capital Advisors (Conestoga) is a Registered Investment Advisor based in Radnor, PA. The firm began operations in July 2001 but traces its roots back to Martindale Andres & Company in 1989. The firm was purchased by Keystone Bank in 1995, which was in turn purchased by M&T Bank in 2000. In 2001, Bill Martindale and Bob Mitchell founded Conestoga after they negotiated the purchase of certain assets from M&T Bank, as well as the portability of their small cap performance record. Currently, the firm is 100% owned by eight partners. Martindale and Mitchell have a combined stake of 65%.
- **Firm focus:** The firm focuses on small and mid cap growth investing, catering to a broad client base including public plans, Taft-Hartley plans, corporate pension funds, endowments, foundations, retail, and high net worth individuals.
- **Unique attribute:** Over 90% of the firm's assets are in its flagship Small Cap Growth strategy.

➤ People:

- **Team history:** Bill Martindale and Bob Mitchell have managed the strategy since its inception in 1999. Messrs. Martindale and Mitchell are assisted by Joseph Monahan and David Lawson, who both joined Conestoga in December 2008.
- **Key decision maker(s):** Messrs. Martindale and Mitchell.
- **Analyst support/division of responsibilities:** As previously stated, Messrs. Mitchell and Martindale are supported by Messrs. Monahan and Lawson. All four investment professionals are responsible for small and mid cap research.

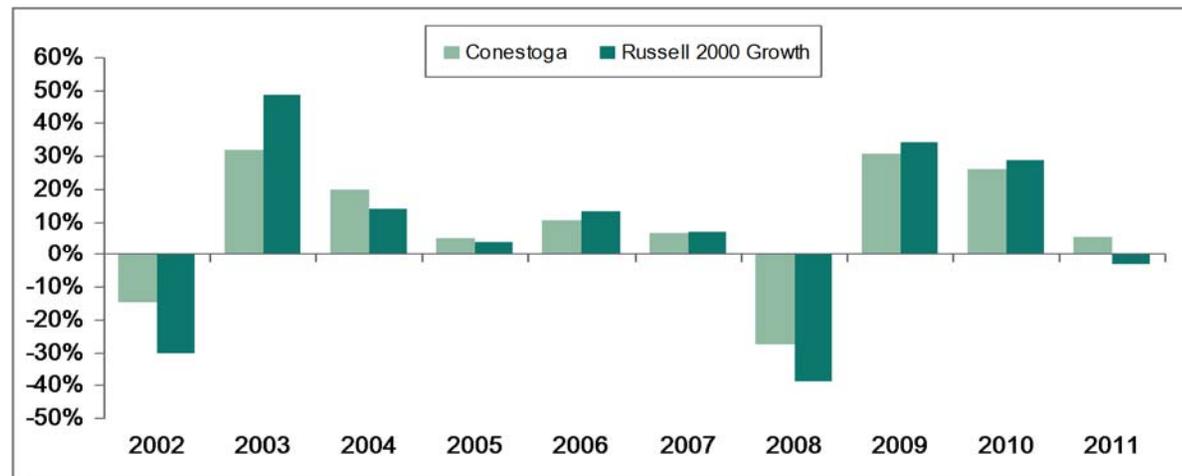
- **Compensation structure:** The investment team is compensated through a combination of base salary, bonus, and equity participation. Bonuses are determined by the managing partners on a mix of performance, contribution, and ownership.
- **Personnel turnover:** The only significant change in personnel over the past five years was the retirement of co-founder Chris Maxwell, who managed the firm's non-small cap accounts.

➤ Investment Strategy:

- **Philosophy/Process:** The investment team believes that a focus on high-quality companies capable of growing through multiple business cycles should lead to positive excess returns. The team seeks to take advantage of the inefficient discovery process for small companies and other investors' focus on near-term earnings. The portfolio managers generate investment ideas from a variety of sources, including quantitative screens, industry conferences, and sell-side research contacts. They seek to identify companies that meet the following criteria: the ability to generate at least 15% earnings growth over the next three years, a strong market position that will enable the company to generate a return on equity greater than 15%, a strong balance sheet and conservative accounting policies, and management teams whose interests are aligned with shareholders. A valuation estimate is determined based on the most appropriate parameters for each company, typically discounted cash flow or price-to-earnings.
- **Investable universe:** The universe includes all actively traded stocks on US domestic exchanges with market capitalizations between \$100 million and \$2 billion.

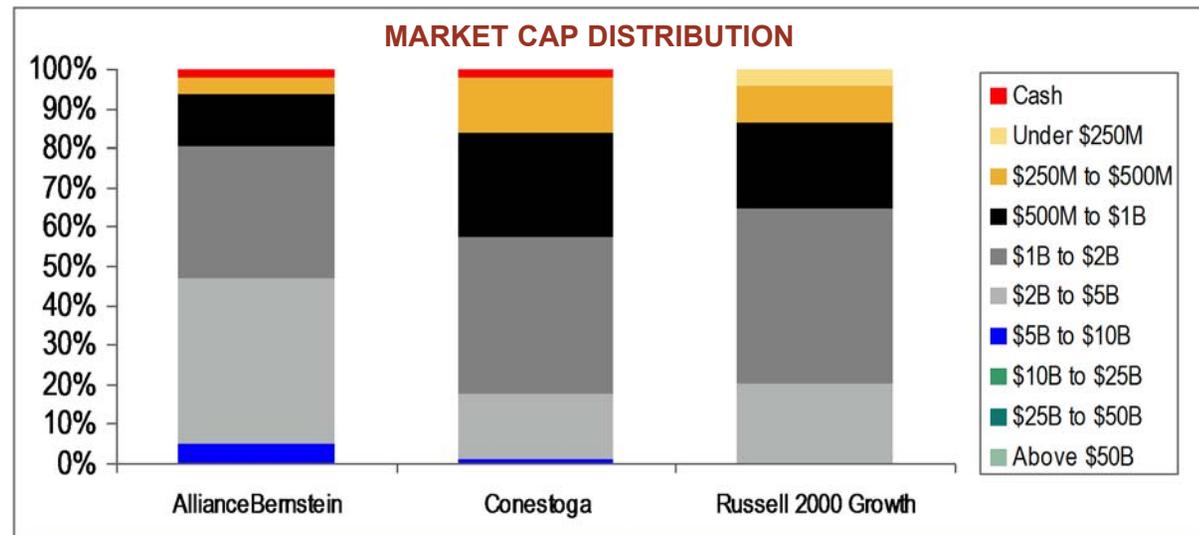
Conestoga – Small Cap Growth *continued*

- **Sell criteria:** A security may be sold due to valuation, fundamental deterioration, or when a better investment opportunity is uncovered.
 - **Differentiators:** The quality of fundamental research performed by the team differentiates Conestoga from other small cap growth managers. The depth and thoroughness of Conestoga's research effort is evident during stock-specific discussions with the portfolio managers.
- **Risk Controls:**
- **Number of positions:** 45-50 securities.
 - **Stock and sector limits:** Individual positions are generally constrained to 5% of the portfolio but may be as high as 8%. Sector weights are constrained to 25% or twice the corresponding benchmark sector weight, whichever is smaller. Cash is limited to 5%.
- **Turnover:** 30%.
- **Strengths:**
- Messrs. Martindale and Mitchell have been managing the strategy since its inception in 1999. There has been no significant employee turnover at the firm as the investment team has remained intact throughout the history of the firm.
 - Conestoga is a tight-knit firm with a strong organizational culture. Nearly all of the employees participate in the ownership of the firm and the distribution of the ownership appears reasonable.
- **Points to Consider:**
- Bill Martindale is in his late-sixties. While Mr. Martindale made no retirement plans, we will be monitoring the issue of succession closely given his age. We view co-portfolio manager Bob Mitchell as a capable successor.



Comparative Equity

	Portfolio Characteristics	
	AllianceBernstein	Conestoga
Number of Securities		
Universe	3,400	350-500
Closely Followed	700	100-120
Typical Portfolio	100-125	45-50
Typical Annual Turnover Rate	85-125%	30%
Market Capitalization Range (\$M)		
Minimum	\$263	\$259
Weighted Average	\$2,275	\$1,389
Maximum	\$8,022	\$5,511
Style Classification	Aggressive Growth	High Quality Growth
P/E (1 year forward)	22.4x	24.0x
P/B (1 year forward)	3.2x	4.1x



Comparative Equity

	Sector Allocation		
	AllianceBernstein	Conestoga	Russell 2000 Growth
Consumer Staples	1%	0%	4%
Consumer Discretionary	19%	4%	16%
Materials	1%	2%	5%
Industrials	24%	23%	17%
Telecom	0%	0%	1%
Energy	7%	6%	5%
Information Technology	23%	38%	21%
Utilities	0%	0%	1%
Financials	4%	3%	8%
Healthcare	19%	22%	22%
Cash	2%	2%	0%

Overweight - Relative to Benchmark

Underweight - Relative to Benchmark

	Risk Controls	
	AllianceBernstein	Conestoga
Initial Security Weighting	<5%	1-2%
Maximum Security Weighting	5%	8%
Sector Weighting	+/- 8%	Lesser of 2x benchmark or 25%
Industry Weighting	+/- 8%	N/A
Cash Allocation	5%	5%
Maximum ADR Allocation	5%	5%
Target Tracking Error	6-10%	No target

Fee Summary

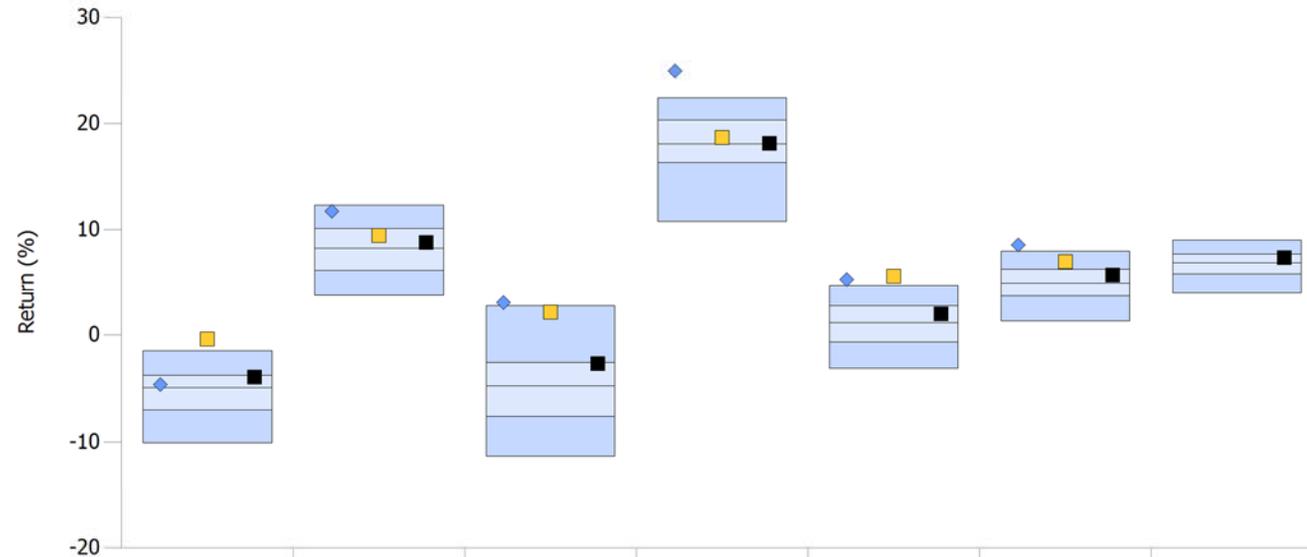
Firm	Product	Fund Size/Share Class (\$ Millions)	Annual Mutual Fund Expense Ratio Basis Points (bps)	Minimum Initial Investment (\$)	Revenue Sharing (bps)
AllianceBernstein, L.P.	QUAIX	\$2,913.0/230.0	100.0	N/A	0.15
Conestoga Capitol Advisors	CCASX	\$788.0/259.0	110.0	N/A*	N/A*

* The fund is currently not available on the platform; therefore, there is no stated minimum initial investment or revenue sharing agreement in place.

Returns: Annualized MRQ, YTD, 1, 3, 5, 7 & 10 Years

- ◆ AllianceBernstein LP: AllianBer Sm Cp Gr;I
- Conestoga Capital Advisors LLC: Conestoga Small Cap
- Russell 2000 Growth

Universe Ranking Analysis
MRQ, YTD, 1, 3, 5, 7 & 10 Years
Returns as Of: June 30, 2012

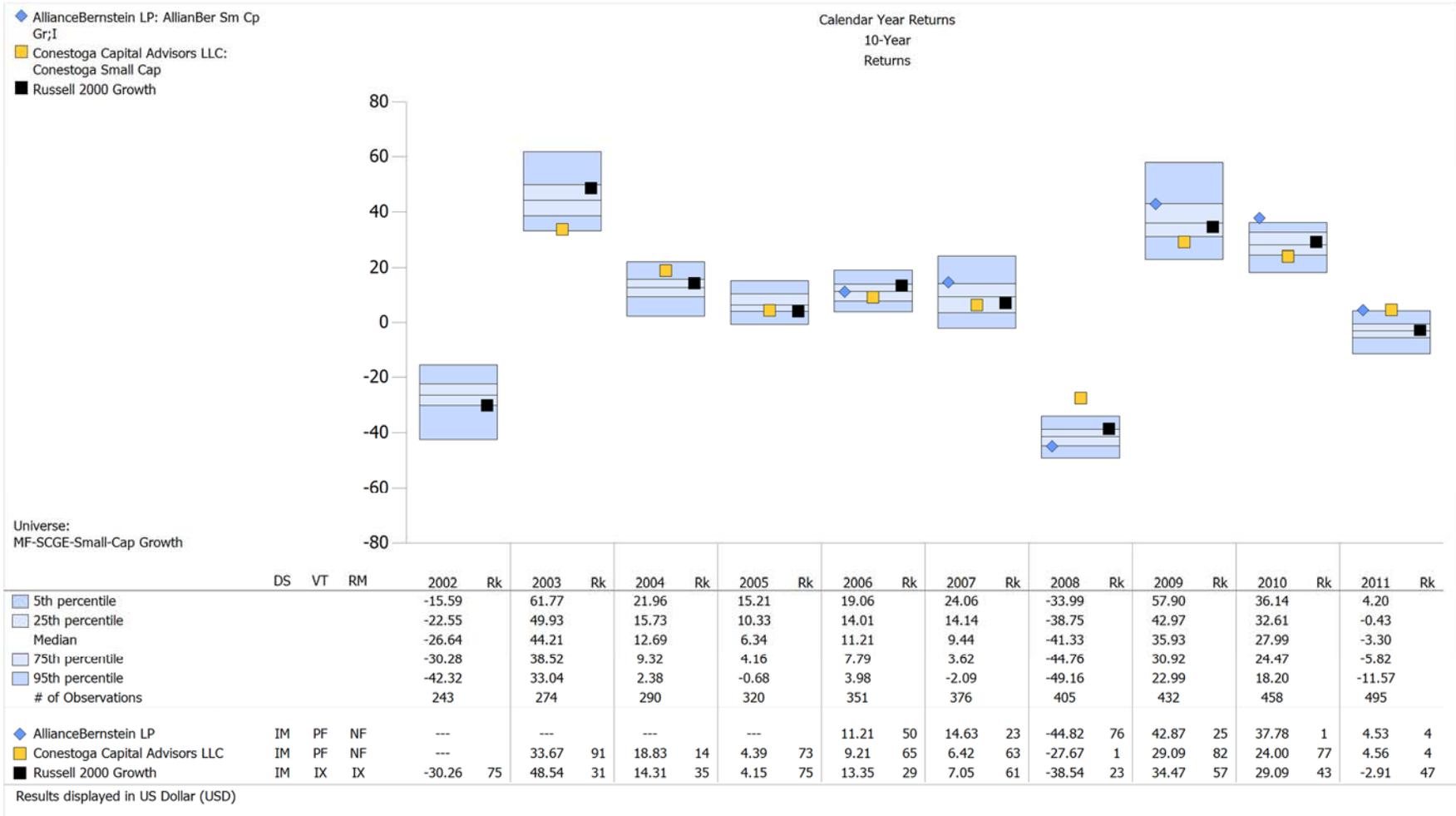


Universe:
MF-SCGE-Small-Cap Growth

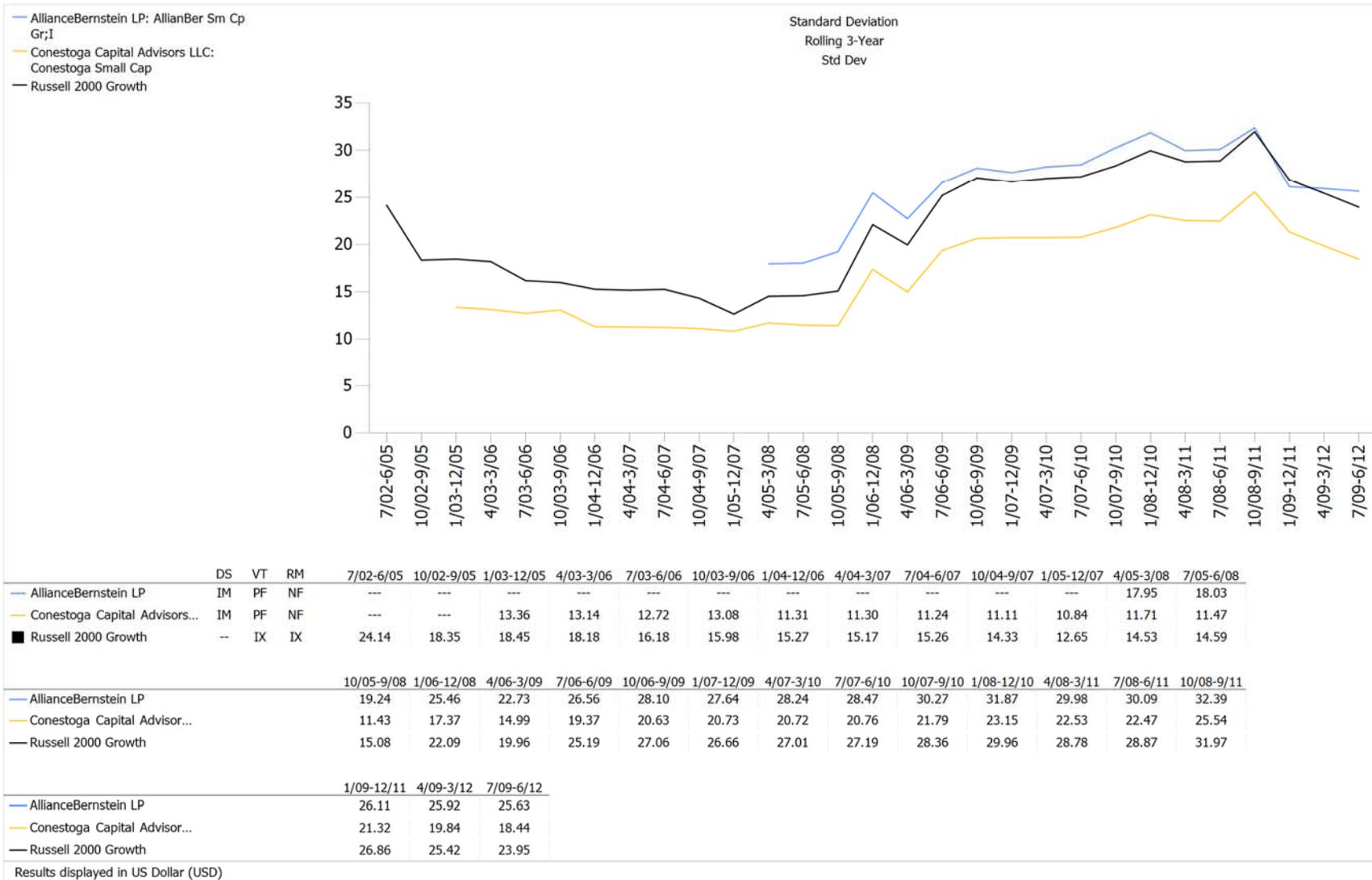
	DS	VT	RM	MRQ	Rk	YTD	Rk	1 Yr	Rk	3 Years	Rk	5 Years	Rk	7 Years	Rk	10 Years	Rk
5th percentile				-1.51		12.32		2.73		22.37		4.73		8.00		9.00	
25th percentile				-3.77		10.12		-2.59		20.29		2.78		6.26		7.69	
Median				-4.95		8.25		-4.79		18.04		1.16		4.95		6.85	
75th percentile				-6.97		6.18		-7.60		16.28		-0.67		3.70		5.83	
95th percentile				-10.07		3.75		-11.32		10.79		-3.12		1.32		3.94	
# of Observations				535		526		513		447		394		335		258	
◆ AllianceBernstein LP		IM	PF	NF	-4.65	41	11.76	9	3.06	3	24.94	1	5.31	2	8.58	3	---
■ Conestoga Capital Advisors LLC		IM	PF	NF	-0.40	1	9.46	30	2.13	6	18.67	42	5.64	1	7.01	13	---
■ Russell 2000 Growth		IM	IX	IX	-3.94	28	8.82	41	-2.71	25	18.09	49	1.99	38	5.73	34	7.39

Results displayed in US Dollar (USD)

Returns: Last 10 Calendar Years



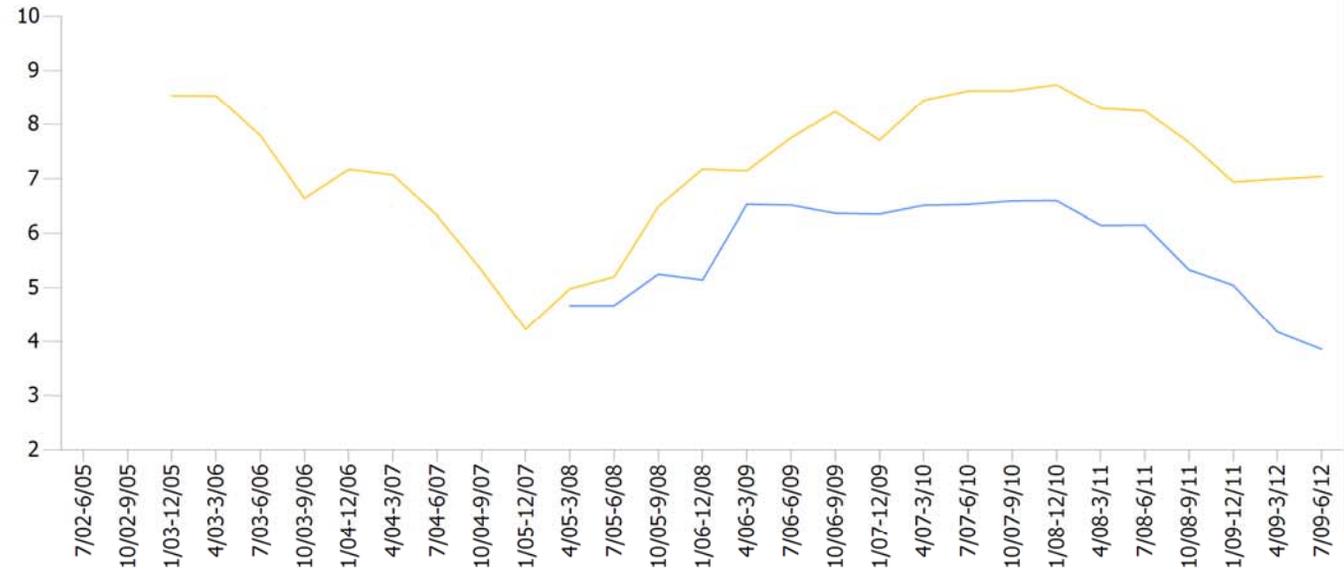
Standard Deviation: 3-Year Rolling



Tracking Error: 3-Year Rolling

— AllianceBernstein LP: AllianBer Sm Cp Gr;I
 — Conestoga Capital Advisors LLC: Conestoga Small Cap

Tracking Error
 Rolling 3-Year
 TE

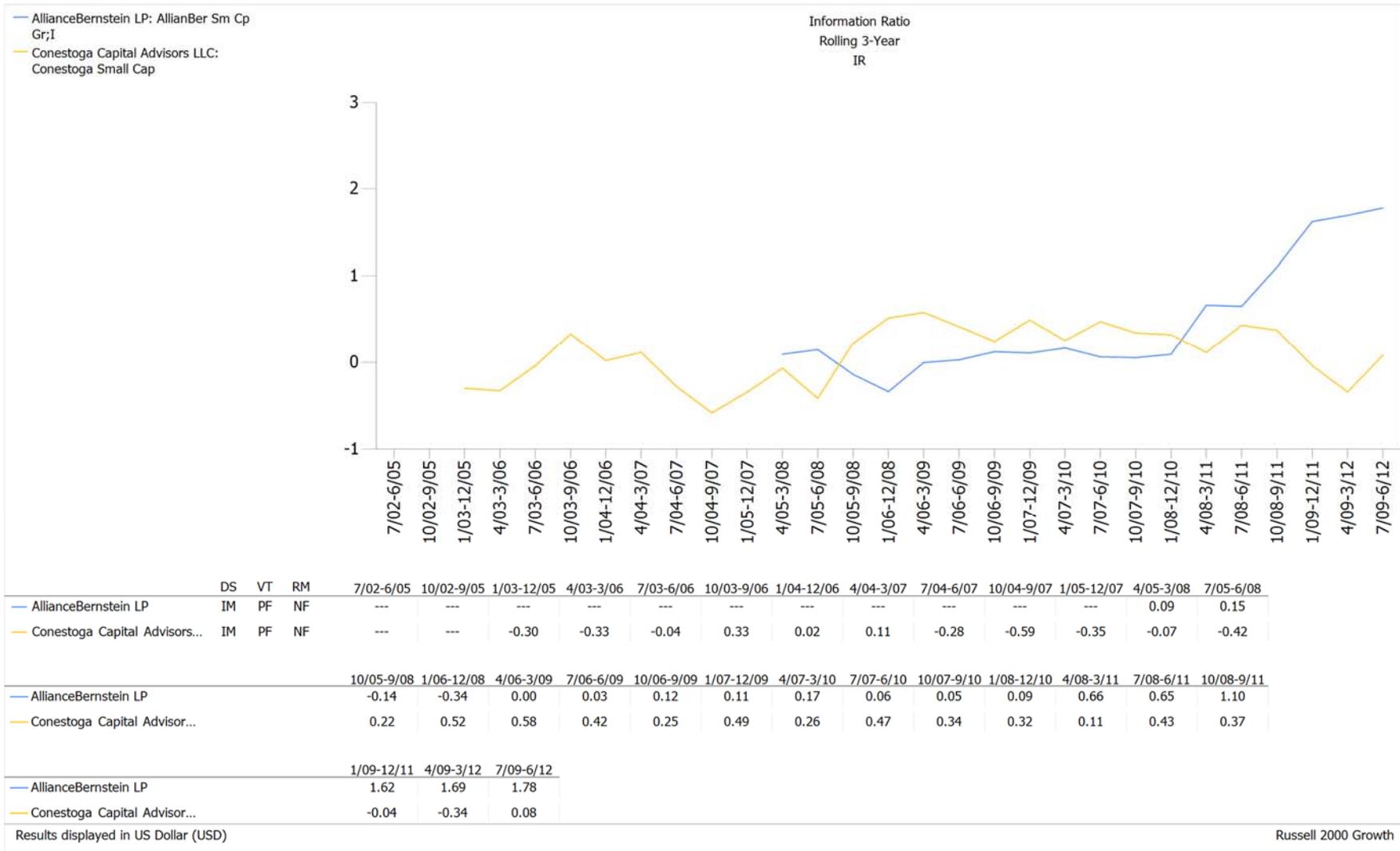


	DS	VT	RM	7/02-6/05	10/02-9/05	1/03-12/05	4/03-3/06	7/03-6/06	10/03-9/06	1/04-12/06	4/04-3/07	7/04-6/07	10/04-9/07	1/05-12/07	4/05-3/08	7/05-6/08
— AllianceBernstein LP	IM	PF	NF	---	---	---	---	---	---	---	---	---	---	---	4.67	4.67
— Conestoga Capital Advisors...	IM	PF	NF	---	---	8.53	8.53	7.79	6.63	7.17	7.06	6.32	5.33	4.23	4.98	5.20
				10/05-9/08	1/06-12/08	4/06-3/09	7/06-6/09	10/06-9/09	1/07-12/09	4/07-3/10	7/07-6/10	10/07-9/10	1/08-12/10	4/08-3/11	7/08-6/11	10/08-9/11
— AllianceBernstein LP				5.25	5.14	6.53	6.51	6.36	6.35	6.51	6.52	6.59	6.59	6.15	6.15	5.33
— Conestoga Capital Advisor...				6.48	7.17	7.14	7.75	8.23	7.70	8.45	8.62	8.63	8.74	8.29	8.24	7.66
				1/09-12/11	4/09-3/12	7/09-6/12										
— AllianceBernstein LP				5.05	4.17	3.85										
— Conestoga Capital Advisor...				6.93	6.99	7.03										

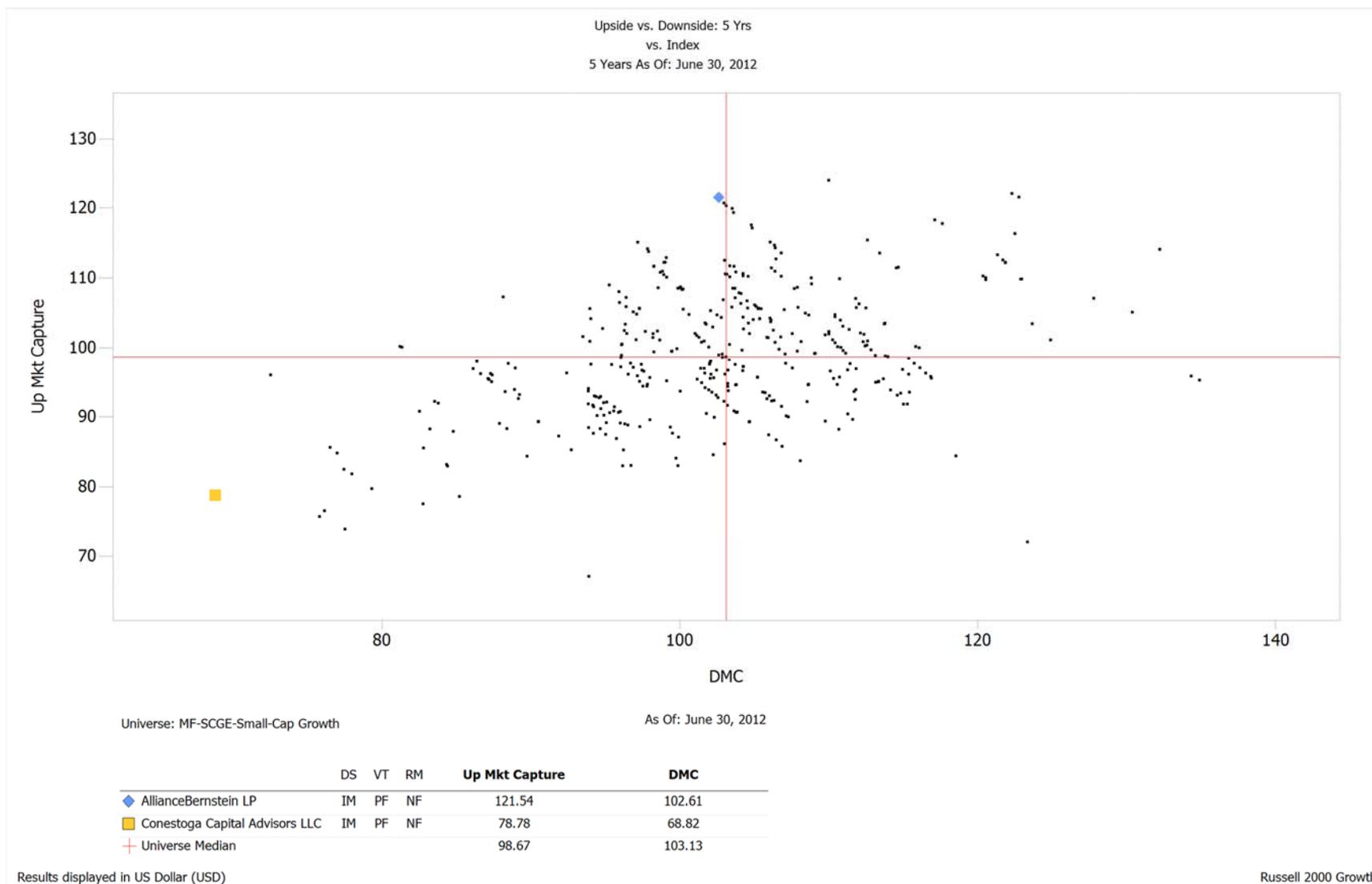
Results displayed in US Dollar (USD)

Russell 2000 Growth

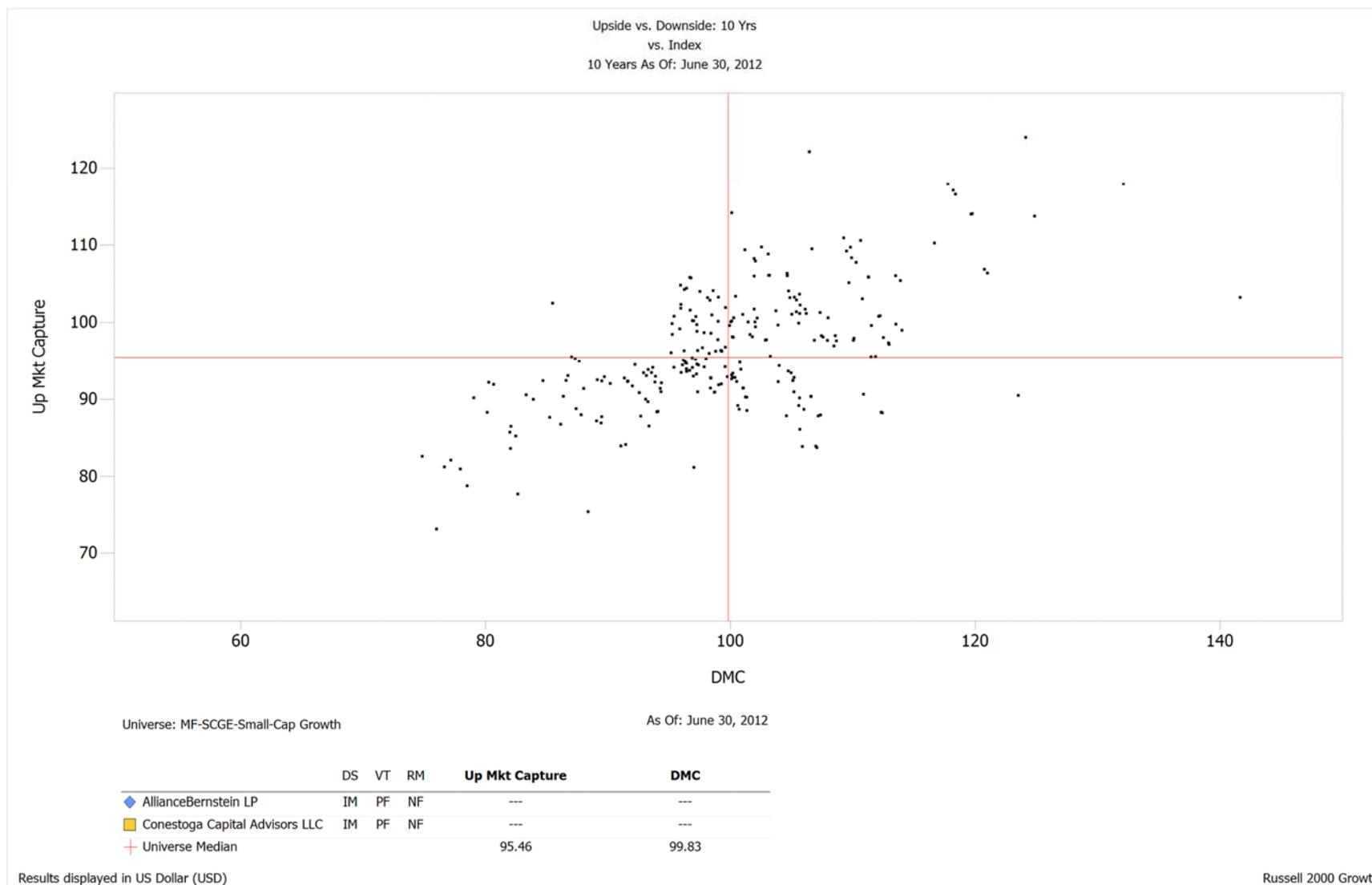
Information Ratio: 3-Year Rolling



Upside vs. Downside: 5 Years

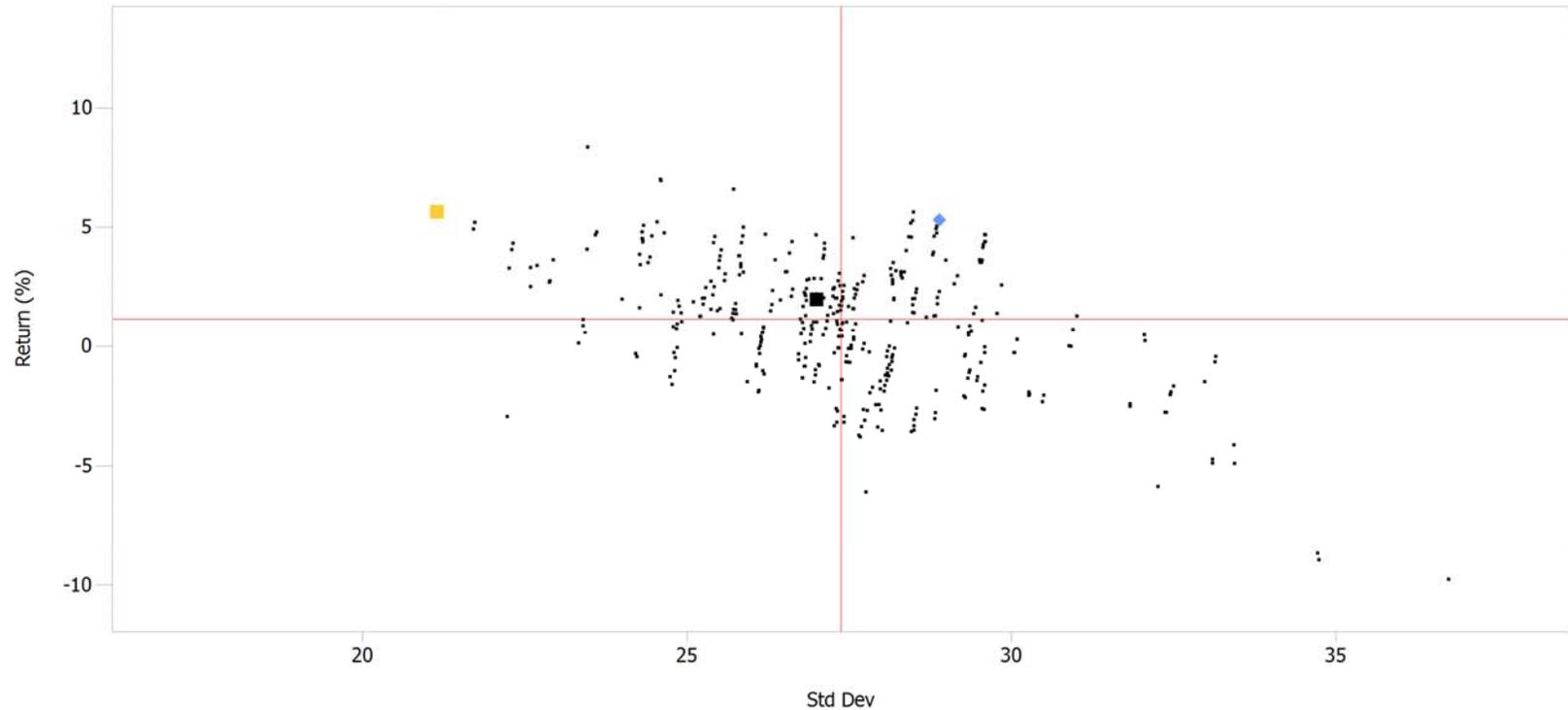


Upside vs. Downside: 10 Years



Risk vs. Reward: 5 Years

Risk vs. Return Analysis
Annualized Five Year Periods
5 Years As Of: June 30, 2012



Universe: MF-SCGE-Small-Cap Growth

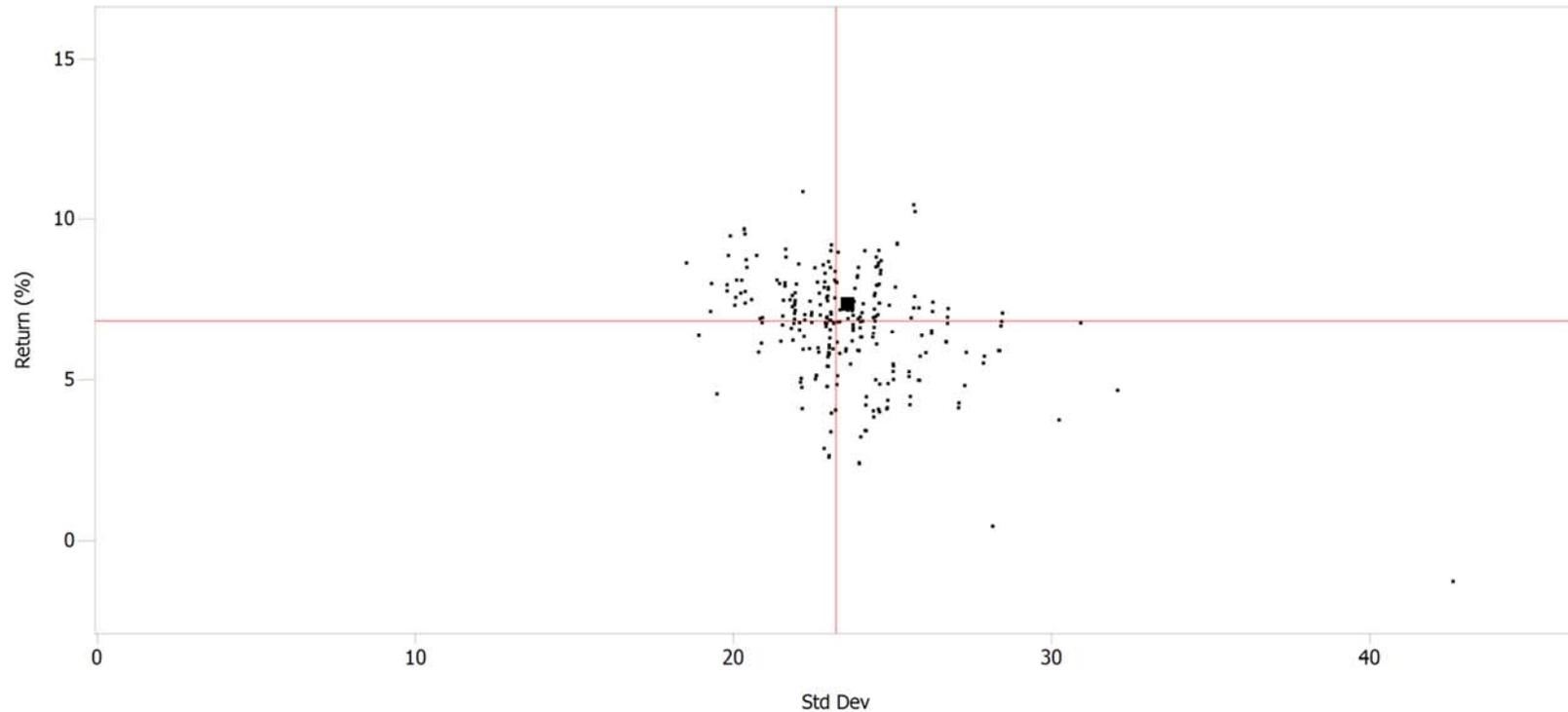
As Of: June 30, 2012

	DS	VT	RM	Return (%)	Std Dev
◆ AllianceBernstein LP	IM	PF	NF	5.31	28.89
■ Conestoga Capital Advisors LLC	IM	PF	NF	5.64	21.15
■ Russell 2000 Growth	--	IX	IX	1.99	27.00
+ Universe Median				1.16	27.38

Results displayed in US Dollar (USD)

Risk vs. Reward: 10 Years

Risk vs. Return Analysis
 Annualized Ten Year Periods
 10 Years As Of: June 30, 2012



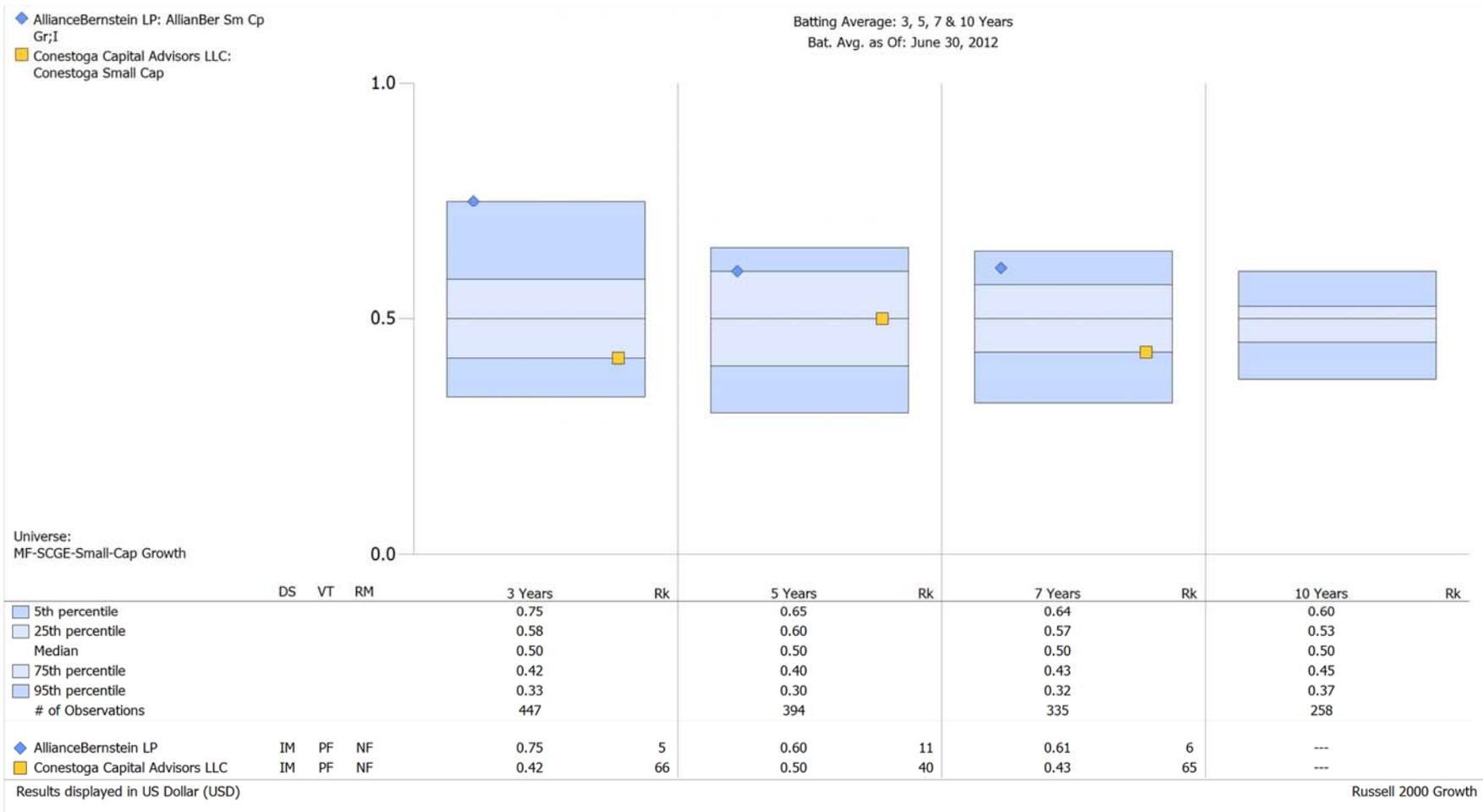
Universe: MF-SCGE-Small-Cap Growth

As Of: June 30, 2012

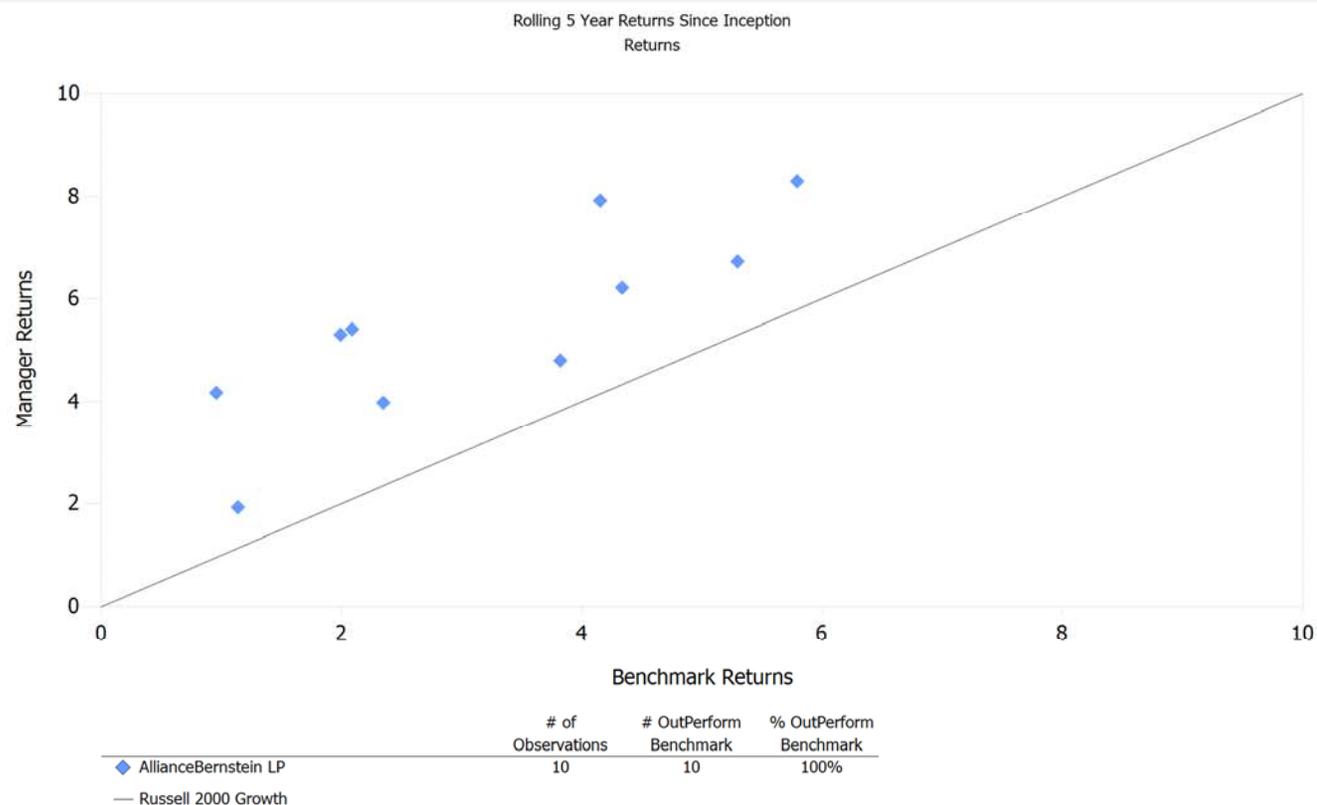
	DS	VT	RM	Return (%)	Std Dev
◆ AllianceBernstein LP	IM	PF	NF	---	---
■ Conestoga Capital Advisors LLC	IM	PF	NF	---	---
■ Russell 2000 Growth	--	IX	IX	7.39	23.59
+ Universe Median				6.85	23.22

Results displayed in US Dollar (USD)

Batting Average: 3, 5, 7 & 10 Years

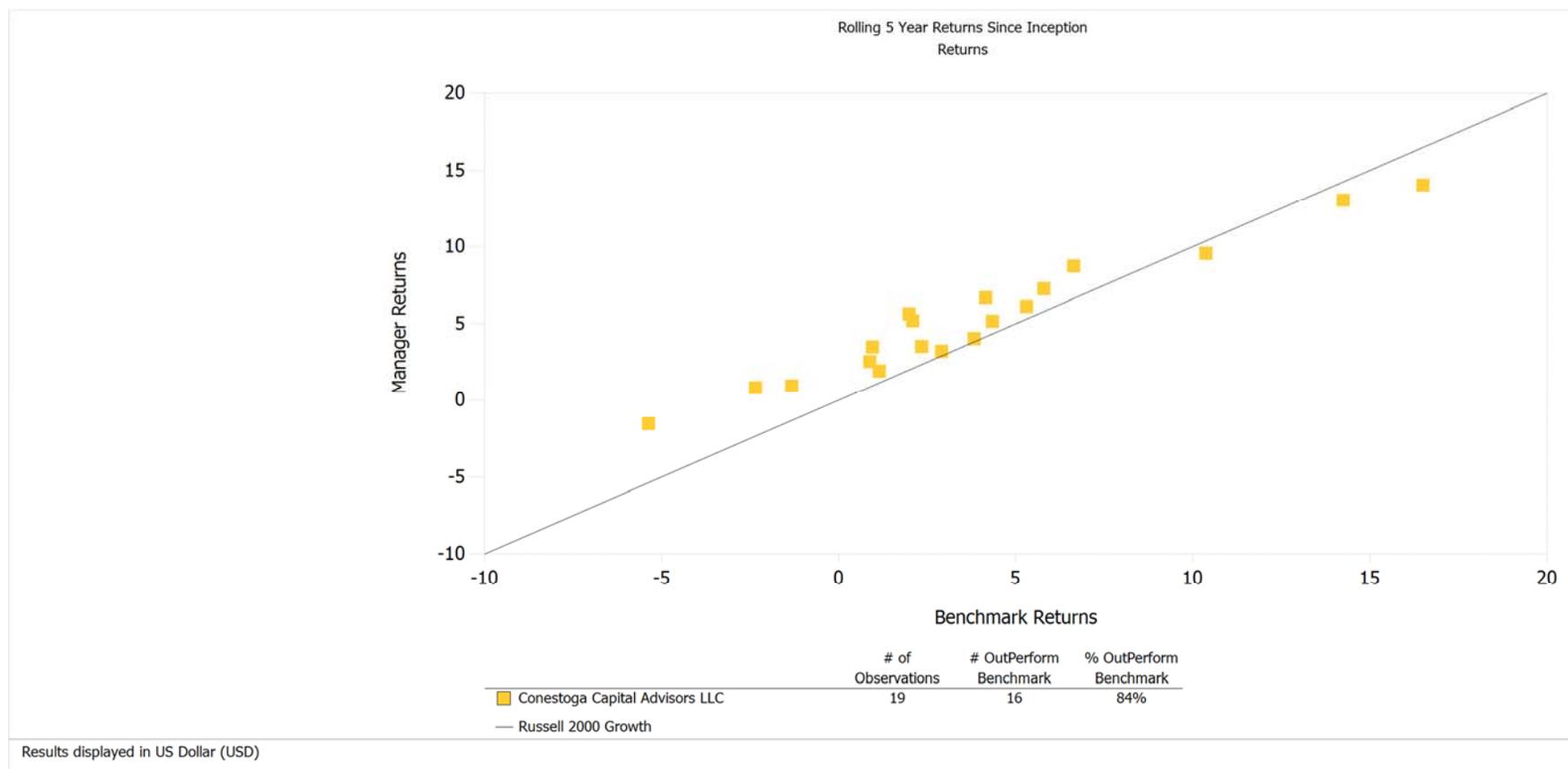


Rolling 3 Years Returns Since Inception: AllianceBernstein



Results displayed in US Dollar (USD)

Rolling 3 Years Returns Since Inception: Conestoga



AllianceBern Small Cap Growth I

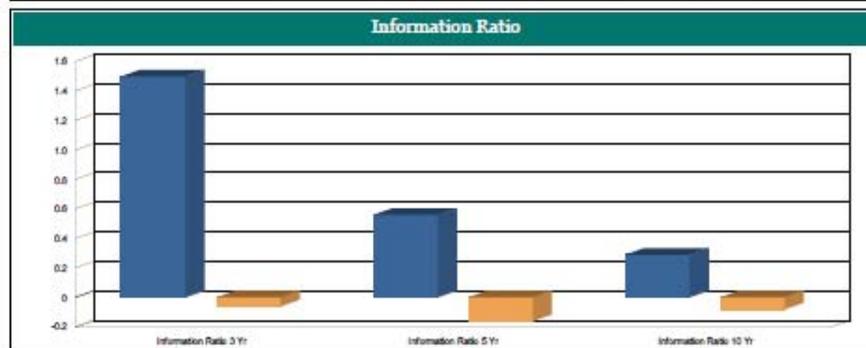
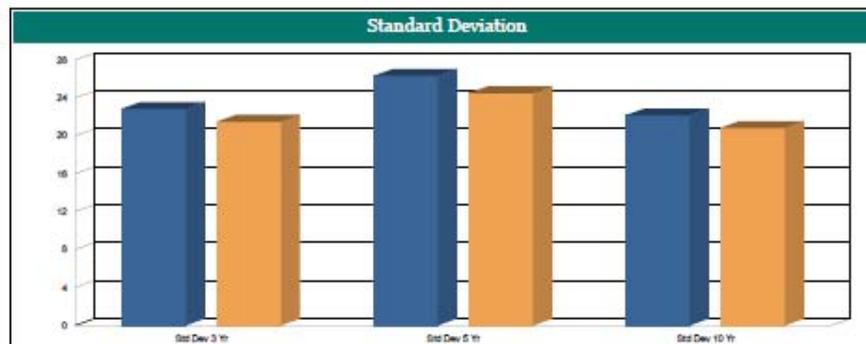
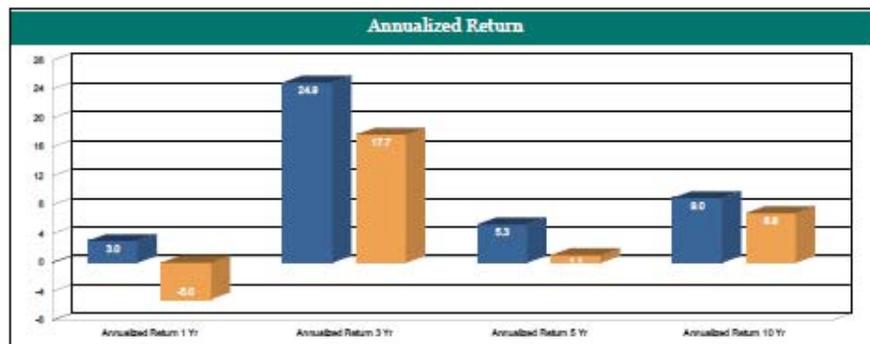
Segal Score
A

Ticker: QUAIX
Min. Invest: 2,000,000.00

Category: Small Growth
Benchmark: Russell 2000 Growth TR USD

Subcategory: Small High Growth
Inception Date: 03/01/2005

Portfolio Characteristics	Returns/Performance	Risk																																																																																							
<p>% US Stocks: 93.19</p> <p>Geo Avg Market Cap \$MM: 1,860</p> <p>Total Assets \$MM: 247.13</p>	<table border="1"> <thead> <tr> <th></th> <th>Actual</th> <th>Benchmark</th> <th>Median</th> </tr> </thead> <tbody> <tr> <td>YTD Return:</td> <td>11.75</td> <td>8.81</td> <td>7.81</td> </tr> <tr> <td>Annual Return 2011:</td> <td>4.53</td> <td>-2.91</td> <td>-3.21</td> </tr> <tr> <td>Annual Return 2010:</td> <td>37.77</td> <td>29.09</td> <td>27.32</td> </tr> <tr> <td>Annual Return 2009:</td> <td>42.87</td> <td>34.47</td> <td>35.74</td> </tr> <tr> <td>Annual Return 2008:</td> <td>-44.82</td> <td>-38.54</td> <td>-40.68</td> </tr> <tr> <td>Annual Return 2007:</td> <td>14.61</td> <td>7.05</td> <td>9.48</td> </tr> <tr> <td>Annual Return 2006:</td> <td>11.21</td> <td>13.35</td> <td>12.11</td> </tr> <tr> <td>Annual Return 2005:</td> <td>5.21</td> <td>4.15</td> <td>7.11</td> </tr> <tr> <td>Annual Return 2004:</td> <td>13.94</td> <td>14.31</td> <td>13.68</td> </tr> <tr> <td>Annual Return 2003:</td> <td>48.09</td> <td>48.54</td> <td>43.32</td> </tr> <tr> <td>Annual Return 2002:</td> <td>-31.84</td> <td>-30.26</td> <td>-26.57</td> </tr> </tbody> </table>		Actual	Benchmark	Median	YTD Return:	11.75	8.81	7.81	Annual Return 2011:	4.53	-2.91	-3.21	Annual Return 2010:	37.77	29.09	27.32	Annual Return 2009:	42.87	34.47	35.74	Annual Return 2008:	-44.82	-38.54	-40.68	Annual Return 2007:	14.61	7.05	9.48	Annual Return 2006:	11.21	13.35	12.11	Annual Return 2005:	5.21	4.15	7.11	Annual Return 2004:	13.94	14.31	13.68	Annual Return 2003:	48.09	48.54	43.32	Annual Return 2002:	-31.84	-30.26	-26.57	<table border="1"> <thead> <tr> <th></th> <th>Actual</th> <th>Median</th> </tr> </thead> <tbody> <tr> <td>Batting Average 3 Yr:</td> <td>75.00</td> <td>50.00</td> </tr> <tr> <td>Batting Average 5 Yr:</td> <td>60.00</td> <td>50.00</td> </tr> <tr> <td>Batting Average 10 Yr:</td> <td>52.50</td> <td>50.00</td> </tr> <tr> <td>Std Dev 3 Yr:</td> <td>22.84</td> <td>21.47</td> </tr> <tr> <td>Std Dev 5 Yr:</td> <td>26.31</td> <td>24.48</td> </tr> <tr> <td>Std Dev 10 Yr:</td> <td>22.14</td> <td>20.81</td> </tr> <tr> <td>Downside Capture 3 Yr:</td> <td>98.65</td> <td>100.88</td> </tr> <tr> <td>Downside Capture 5 Yr:</td> <td>103.16</td> <td>102.93</td> </tr> <tr> <td>Downside Capture 10 Yr:</td> <td>102.75</td> <td>98.36</td> </tr> <tr> <td>Information Ratio 3 Yr:</td> <td>1.50</td> <td>-0.06</td> </tr> <tr> <td>Information Ratio 5 Yr:</td> <td>0.56</td> <td>-0.16</td> </tr> <tr> <td>Information Ratio 10 Yr:</td> <td>0.29</td> <td>-0.08</td> </tr> </tbody> </table>		Actual	Median	Batting Average 3 Yr:	75.00	50.00	Batting Average 5 Yr:	60.00	50.00	Batting Average 10 Yr:	52.50	50.00	Std Dev 3 Yr:	22.84	21.47	Std Dev 5 Yr:	26.31	24.48	Std Dev 10 Yr:	22.14	20.81	Downside Capture 3 Yr:	98.65	100.88	Downside Capture 5 Yr:	103.16	102.93	Downside Capture 10 Yr:	102.75	98.36	Information Ratio 3 Yr:	1.50	-0.06	Information Ratio 5 Yr:	0.56	-0.16	Information Ratio 10 Yr:	0.29	-0.08
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<p>Actual Median</p>																																																																																									



Conestoga Small Cap

Segal Score

B

Ticker: CCASX

Category: Small Growth

Subcategory: Small High Growth

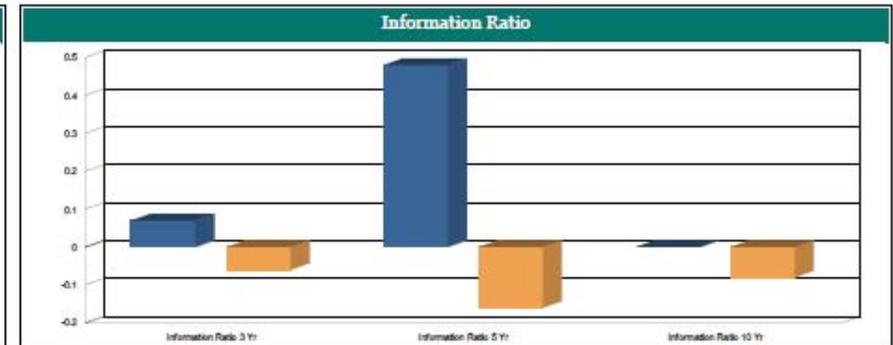
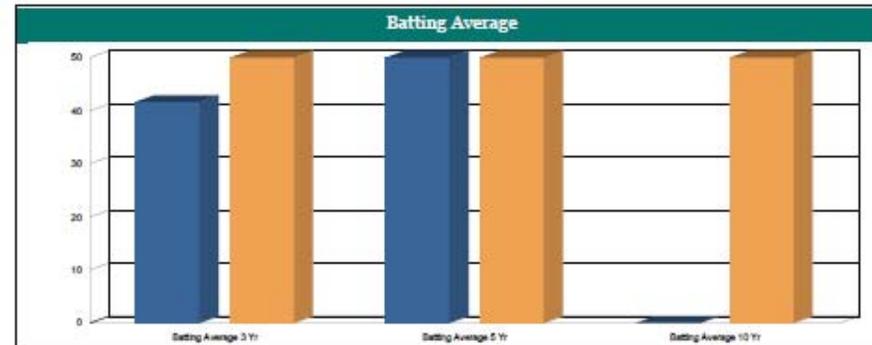
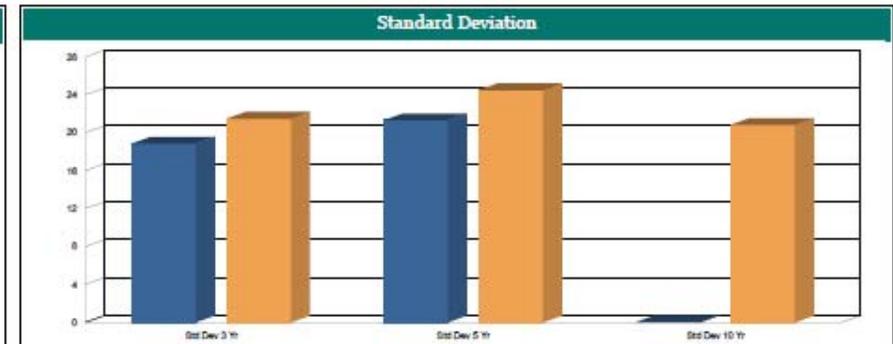
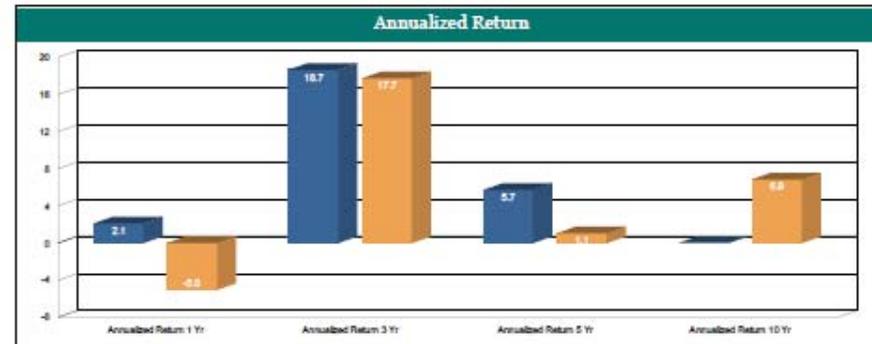
Min. Invest: 2,500.00

Benchmark: Russell 2000 Growth TR USD

Inception Date: 10/01/2002

Portfolio Characteristics	Returns/Performance			Risk		
% US Stocks: 94.76	Actual	Benchmark	Median	Actual	Median	
Geo Avg Market Cap \$MM: 1,092	YTD Return: 9.46	8.81	7.81	Batting Average 3 Yr: 41.67	50.00	
Total Assets \$MM: 137.66	Annual Return 2011: 4.55	-2.91	-3.21	Batting Average 5 Yr: 50.00	50.00	
	Annual Return 2010: 23.99	29.09	27.32	Batting Average 10 Yr: -	50.00	
	Annual Return 2009: 29.09	34.47	35.74	Std Dev 3 Yr: 18.84	21.47	
	Annual Return 2008: -27.38	-38.54	-40.68	Std Dev 5 Yr: 21.30	24.48	
	Annual Return 2007: 6.43	7.05	9.48	Std Dev 10 Yr: -	20.81	
	Annual Return 2006: 9.45	13.35	12.11	Downside Capture 3 Yr: 56.81	100.88	
	Annual Return 2005: 4.39	4.15	7.11	Downside Capture 5 Yr: 64.52	102.93	
	Annual Return 2004: 18.83	14.31	13.68	Downside Capture 10 Yr: -	98.36	
	Annual Return 2003: 33.60	48.54	43.32	Information Ratio 3 Yr: 0.07	-0.06	
	Annual Return 2002: 0.00	-30.26	-26.57	Information Ratio 5 Yr: 0.48	-0.16	
				Information Ratio 10 Yr: -	-0.08	

Actual Median



Litigation

➤ The information found below comes directly from the RFP response that Segal Rogerscasey received from each of the prospective investment managers. The specific questions asked were:

- 1) “Has the firm, its parent organization, subsidiaries, affiliates or any key personnel been subject to any litigation or legal proceedings related to investment operations during the past five years? If yes, please explain.”
- 2) “Has the firm or any senior member of the firm been reported to or investigated by any regulatory authority within the past ten years? If yes, provide full, detailed explanation, including outcome, and a copy of regulatory body report.”

➤ **AllianceBernstein, L.P.**

- 1) On July 2, 2008, the Netherlands Authority for the Financial Markets (AFM) imposed an administrative fine of € 120,000 on the general partner of AllianceBernstein L.P. The fine concerned the untimely submission of five beneficial ownership reports under Article 5:38, Section 1, of the Netherlands’ Financial Supervision Act. The firm’s payment of the fine resolved the AFM’s inquiry.

On September 16, 2005, the SEC issued a Wells notice to the firm claiming that it aided and abetted violations of Section 19(a) of the Investment Company Act of 1940 by the Alliance All-Market Advantage Fund and the Spain Fund. The notice alleged that the funds did not, under Section 19(a), provide the required disclosure of the character of dividend distributions. The funds revised their dividend disclosures in 2004 in response to the SEC’s review of this matter and the firm believes that the disclosures now fully comply with Section 19(a). The matter has been settled.

On August 30, 2005, the deputy commissioner of securities of the West Virginia Securities Commission signed a “Summary Order to Cease and Desist, and Notice of Right to Hearing” addressed to Alliance Capital Management L.P. and Alliance Capital Management Holding L.P.. The Summary Order claimed that the firms violated the West Virginia Uniform Securities Act, and made factual allegations generally similar to those in the Hindo Complaint set forth above. (A complaint making similar allegations filed by the West Virginia Attorney General was dismissed on April 14, 2006 after being transferred to the Maryland federal district court overseeing the consolidated market timing civil litigation.) On January 25, 2006, we and other unaffiliated firms filed a Petition for Writ of Prohibition and Order Suspending Proceedings in West Virginia state court, seeking to vacate the Summary Order and for other relief. The court denied the writ and in September 2006 the Supreme Court of Appeals declined our petition for appeal. On September 22, 2006, we filed an answer and motion to dismiss the Summary Order with the Securities Commissioner. The Summary Order was vacated with prejudice in November 2007, pursuant to a settlement.

On May 24, 2006, the enforcement staff of the National Association of Securities Dealers, Inc. (“NASD”) issued a Wells notice to AllianceBernstein Investments, Inc. (“ABI”), a wholly owned subsidiary of AllianceBernstein. The NASD is considering taking action alleging that ABI failed to comply with NASD Rule 2830 in connection with certain meals, entertainment and investment forums provided by ABI to brokers and other financial intermediaries that distributed AllianceBernstein - sponsored mutual funds during 2001-2003. ABI revised its policies and procedures in 2004 and ABI believes it fully complies with the requirements of NASD Rule 2830. On December 27, 2006, ABI and the NASD signed a Letter of Acceptance Waiver and Consent resolving any claims in this matter, and imposing a censure and a fine of \$100,000 against ABI.

Litigation

➤ **AllianceBernstein, L.P.** *continued*

On July 26, 2005, the New York Stock Exchange, Inc. ("NYSE") issued a Wells Notice to each of approximately 20 member firms, including SCB, claiming that the firms violated NYSE rules by failing to properly identify certain short sale transactions as short sales in Electronic Blue Sheet submissions. For SCB, this issue was the result of a coding problem in an electronic reporting system. That problem was corrected in 2003. On September 26, 2005, SCB entered into a stipulation of facts and consent to penalty with the NYSE. On January 3, 2006, an NYSE hearing panel approved the stipulation and consent. The firm recorded a \$150,000 earnings charge in connection with the settlement of this matter.

On March 31, 2004, the firm and approximately twelve other investment management firms were publicly mentioned in connection with the settlement by the SEC of charges that Morgan Stanley violated federal securities laws relating to its receipt of compensation for selling specific mutual funds and the disclosure of such compensation. The SEC had indicated publicly that, among other things, it was considering enforcement action in connection with mutual funds' disclosure of such arrangements and in connection with the practice of considering mutual fund sales in the direction of brokerage commissions from fund portfolio transactions. The SEC and NASD issued subpoenas to the firm in connection with this matter. We cooperated fully with their inquiry. On June 8, 2005, the NASD announced that the firm's mutual fund distributor had paid \$4 million to settle the inquiry, without admitting or denying liability, resolving both investigations.

In 2003, regulatory authorities including the SEC and the Office of the New York State Attorney General ("NYAG"), investigated practices in the mutual fund industry identified as "market timing" and "late trading" of mutual fund shares and have requested that the firm provide information to them. Our firm cooperated with this investigation. On December 18, 2003, the firm reached terms with the SEC for the resolution of regulatory claims against Alliance Capital Management L.P. with respect to market timing. The SEC Order reflecting the agreement found that the firm maintained relationships with certain investors who were permitted to engage in market timing trades in certain domestic mutual funds sponsored by the firm in return for or in connection with making investments (which were not actively traded) in other firm products, including hedge funds and mutual funds, for which it receives advisory fees ("Market Timing Relationships"). The Order also stated that the SEC determined to accept an Offer of Settlement submitted by Alliance Capital Management L.P. The firm concurrently reached an agreement in principle with the NYAG which was subject to final, definitive documentation. That documentation, titled the Assurance of Discontinuance, is dated September 1, 2004. Under both the SEC Order and the NYAG agreement, the firm must establish a \$250 million fund to compensate fund shareholders for the adverse effect of market timing. Of the \$250 million fund, the Agreements characterize \$150 million as disgorgement and \$100 million as a penalty. The Agreement with the NYAG requires a weighted average reduction in fees of 20% with respect to investment advisory agreements with AllianceBernstein-sponsored US long-term open-end retail mutual funds for a minimum of five years, which commenced January 1, 2004. The terms of the agreements also call for the formation of certain compliance and ethics committees and the election of independent chairman to mutual fund boards. Those undertakings have been honored by the firm.

Litigation

➤ **AllianceBernstein, L.P.** *continued*

- 2) On July 26, 2005, the National Association of Securities Dealers, Inc. ("NASD") notified our broker dealer subsidiary Sanford C. Bernstein & Co., LLC ("SCB") and an SCB research analyst that the NASD enforcement staff was recommending that enforcement actions be commenced against SCB and the analyst (this notification typically is called a "Wells Notice"). The analyst had written research reports that announced the suspension of SCB's and the analyst's coverage of certain securities, and the analyst subsequently sold personal holdings in the same securities. Prior to joining SCB, the analyst received the securities as compensation while employed by the issuers of those securities. The NASD claims that SCB and the analyst violated NASD rules that restrict personal trading by research analysts. On January 3, 2006, SCB and the analyst signed a Letter of Acceptance, Waiver and Consent (the "AWC") resolving any claims involving SCB and the analyst, Charles B. ("Brad") Hintz, and imposing a fine of \$350,000 against SCB and of \$200,000 against Mr. Hintz. The NASD has approved the AWC. The firm recorded an earnings charge of \$350,000 in connection therewith.

➤ **Conestoga Capital Advisors**

- 1) No.
- 2) No.

Securities Lending

- The information found below comes directly from the RFP response that Segal Advisors received from each of the prospective investment managers. The specific question asked was:
 - *Does the commingled fund or mutual fund participate in securities lending?*
- **AllianceBernstein, L.P.**
 - Currently, some of our registered US mutual funds do lend securities and certain Delaware Business Trust commingled vehicles lend securities through programs administered by Northern Trust.
- **Conestoga Capital Advisors**
 - No, the mutual fund does not participate in securities lending at this time.

Investment Terminology

- **Alpha** The excess return of a portfolio generally attributable to active manager skill. It is the extra risk-adjusted return over the benchmark. This risk-adjusted factor takes into account both the performance of the benchmark and the volatility of the portfolio. Positive alpha indicates that a manager has produced returns above expectations at that risk level. Negative alpha indicates that a manager has produced negative relative returns at that risk level. When selecting between active investment managers, a higher alpha is generally preferred. In contrast, a pure passive strategy would have an alpha of 0.
- **Batting Average** A measurement of a manager's ability to consistently match or exceed the benchmark. It is the number of periods of matching or excess performance as compared to the benchmark over the selected time horizon. A batting average of .750 indicates that the manager matched or exceeded the benchmark exactly three-quarters of the time (i.e., three out of four calendar quarters). Batting average does not quantify the magnitude of any excess performance.
- **Beta** is the systematic risk of the portfolio. Measured by the slope of the least squares regression, beta is the measure of portfolio risk which cannot be removed through diversification. Beta is also known as market risk. Beta is a statistical estimate of the average change in the portfolio's performance with a corresponding 1.0 percent change in the risk index. A beta of 1.0 indicates that the portfolio moves, on average, lock step with the risk index. A beta in excess of 1.0 indicates that the portfolio is highly sensitive to movements in the risk index. A beta of 1.5, for example, indicates that the portfolio tends to move 1.5 percent with every 1.0 percent movement in the risk index. A beta of less than 1.0 indicates that the portfolio is not as sensitive to movements in the risk index. A beta of 0.5, for example, indicates that the portfolio moves only 0.5 percent for every 1.0 percent movement in the risk index.
- **Correlation Coefficient (R)** The correlation coefficient measures the extent of linear association between 2 variables. The range of possible correlation coefficients is -1.0 to $+1.0$. A correlation coefficient of 0.0 indicates that the 2 variables are not correlated. Zero correlation would imply that the 2 variables move completely independently of each other over time. The correlation coefficients -1.0 and $+1.0$ indicates perfect correlation. Negative correlation coefficients imply that the 2 variables move in opposite directions and positive correlation coefficients imply causality. The fact that 2 variables are highly correlated does not imply that one variable caused the other to behave in a particular fashion.
- **Coefficient of Determination (R²)** R squared, the coefficient of determination, measures the strength of the least squares regression relationship between the portfolio (the dependent variable) and the risk index (the independent variable). The statistic reveals the extent to which the variability in the dependent variable can be explained by the variability in the independent variable. The strength of the R-squared statistic will reflect on the strength of alpha and beta. A weak R-squared, for example, would indicate that alpha and beta cannot be strictly interpreted. For example, with regard to an investment manager's product being regressed against an index, a R-squared of 0.75 implies that 75% of that manager's returns can be explained by the index.

Investment Terminology *continued*

- **Diversification** Minimizing of non-systematic portfolio risk by investing assets in several securities and investment categories with low correlation between each other.
- **Downside/UpSide Market Capture** A measurement of portfolio performance as compared to the benchmark. Market capture indicates how much, on average, a portfolio captures in performance terms relative to its benchmark. A downside market capture of 90% indicates that, on average, if the benchmark is down 10% for a given period, the portfolio would only be down 9%. An upside market capture of 110% indicates that, on average, if the benchmark is up 10% for a given period, the portfolio would be up 11%. Market capture quantifies the average magnitude of any excess performance (or shortfall) as compared to the benchmark. All other factors being equal, an upside market capture of over 100% and a downside market capture of less than 100% is generally preferred, although the market capture can be an indication of overall portfolio volatility as compared to the benchmark.
- **Information Ratio** A measurement of portfolio efficiency. It quantifies the excess return earned per unit of active risk assumed. The information ratio is the excess return divided by the tracking error. A relatively higher information ratio is indicative of excess positive, risk-adjusted performance. When comparing portfolios, the highest absolute information ratio is generally preferred.
- **Sharpe Ratio** A measurement of reward per unit of risk, with risk being defined as a portfolio's standard deviation. It is the risk-adjusted excess performance while taking into account the risk-free return (i.e. T-Bill or similar proxy) and the portfolio standard deviation. When comparing portfolios, the highest absolute Sharpe ratio is generally preferred.
- **Standard Deviation** A statistical measure of relative dispersion as compared to the expected (average) return. Calculating the standard deviation is a method of quantifying the total risk of a portfolio, or the given benchmark. In general terms, the standard deviation of a portfolio will help to define a range of expected returns. In percentage terms, one standard deviation will encompass 68% of the expected returns, two standard deviations will encompass 95% of the expected returns and three standard deviations will encompass 99% of the expected returns. For example, if a portfolio has an expected return of 5% and a standard deviation of 2.5%, 68% of the time the portfolio expected return should be between 2.5 to 7.5%, 95% of the time between 0.0 to 10.0% and 99% of the time between 2.5 to 12.5%.
- **Tracking Error** Tracking error is the standard deviation of the excess returns and is used as a measure to quantify active risk. The excess returns as compared to the benchmark can be positive or negative. Conceptually, tracking error is identical to standard deviation, although calculated from a different array of data. For example, if a portfolio has a tracking error of 2%, 68% of the time the portfolio expected return should be between +/- 2% of the benchmark return, 95% of the time between +/- 4% and 99% of the time between +/- 6%.
- **Volatility** A measure of the size and frequency of the fluctuations in the value of a stock, bond or a portfolio. The greater the volatility, the higher the risk involved in holding the investment.

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★ Segal Rogerscasey
Scoring System

December 2012

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★ Segal Rogerscasey

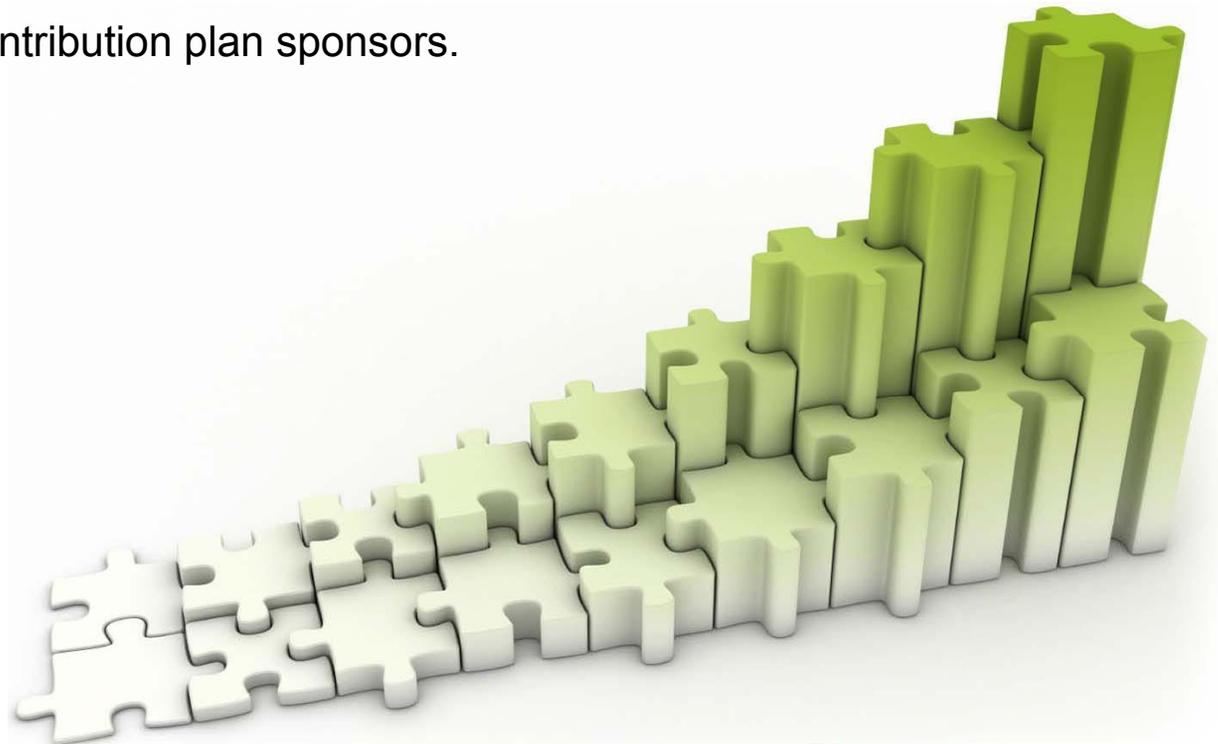
Agenda

- Overview
- Methodology
- Research & Technology
- Back-Testing
- Grading
- Distribution
- Scorecard
- Application



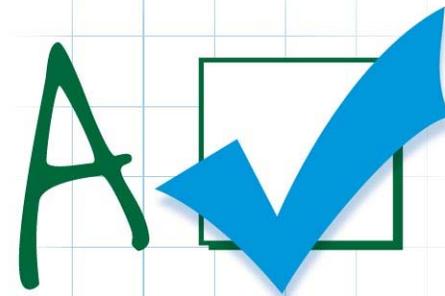
Overview

- The Segal Scoring System (SSS) is a proprietary and dynamic grading system, developed by Segal Advisors.
- SSS utilizes qualitative and quantitative information to measure the performance of investment products.
- SSS is based on the firm's philosophical views on the critical factors required to analyze and evaluate investments.
- SSS is designed for defined contribution plan sponsors.



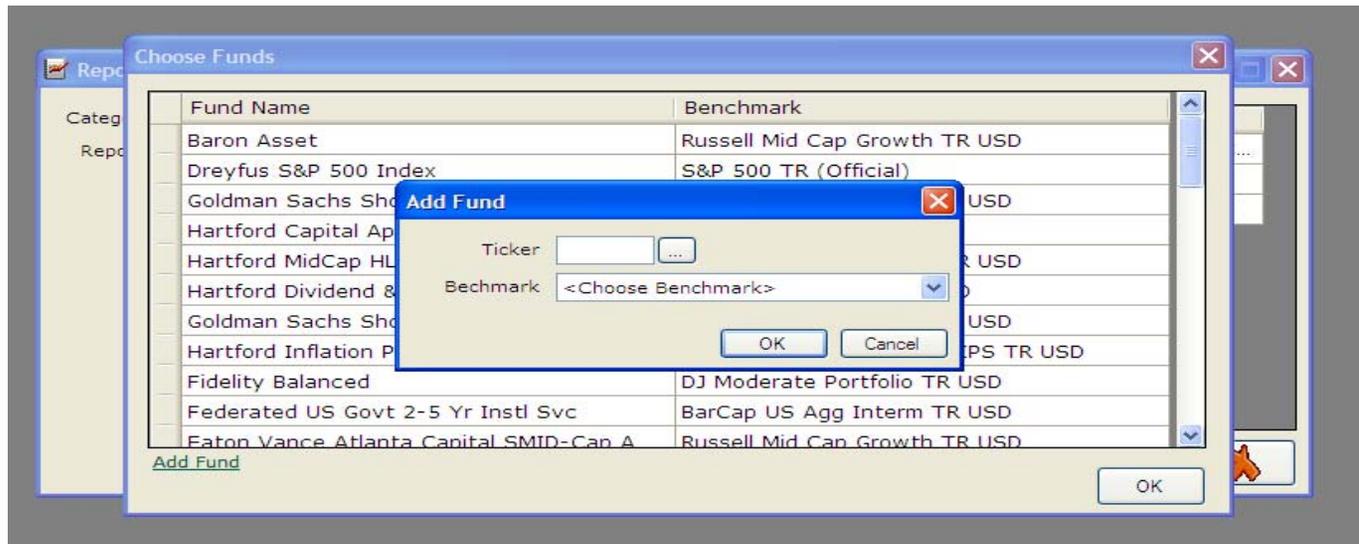
Methodology

- Segal Advisors conducted external research and reviewed case studies on evaluating investments.
- Segal Advisors' proprietary research identified five main categories for measuring success:
 - › Fund Style/Characteristics
 - › Manager Tenure;
 - › Investment Performance;
 - › Risk; and
 - › Fees
- Within each category, underlying metrics were applied to calculate the score.
- Segal Advisors back-tested data to confirm the methodology.



Research & Technology

- The Segal Advisors' Research Team, exploring over many years, research papers, reviewing case studies, utilizing its own expertise, and back-testing data, which led to the determination of different metrics for scoring a fund.
- Over 20,000 mutual funds along with the data points for each fund are stored and calculated quarterly in Segal Advisors' proprietary, internal database.



Back-Testing

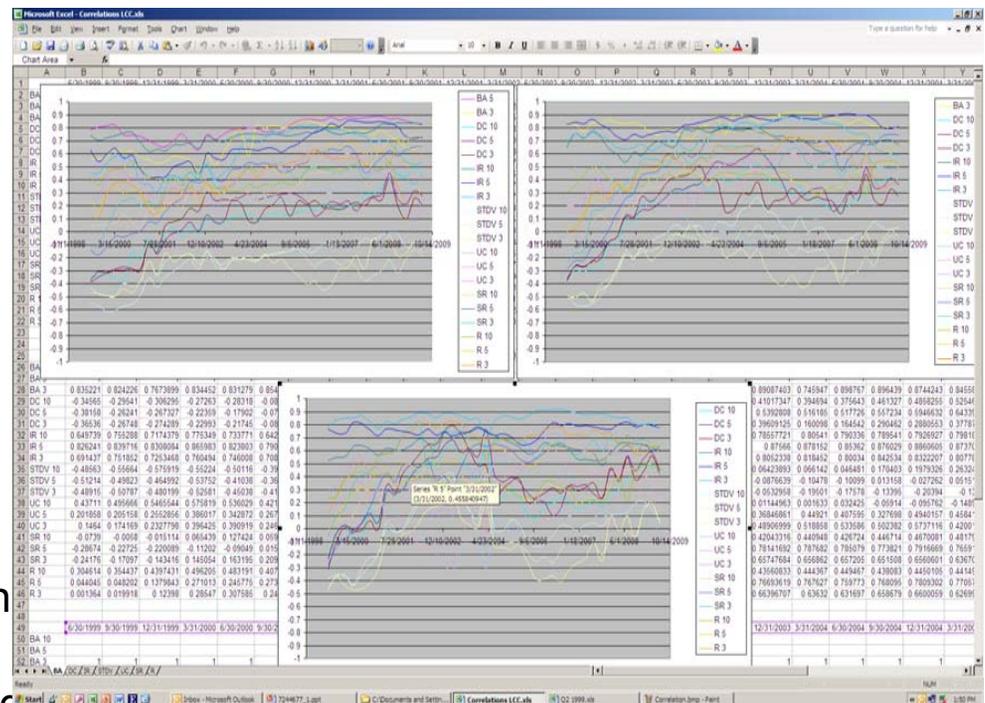
➤ Analyzed correlations across each risk factor in an attempt to identify unintentional overweighting.

➤ List of factors back-tested*:

- *Batting Average (3-, 5-, and 10-Year)*
 - *Up Capture (3-, 5-, and 10-Year)*
 - *Down Capture (3-, 5-, and 10-Year)*
 - *Information Ratio (3-, 5-, and 10-Year)*
 - *Sharpe Ratio (3-, 5-, and 10-Year)*
 - *Standard Deviation (3-, 5-, and 10-Year)*
- **All data is annualized*

➤ Conclusion:

- After numerous back-tests there was minimal factors included in SSS.
- At this point, the results of the analytical data mining have reinforced the initial research and qualitative reasoning utilized to select the risk factors included in SSS.



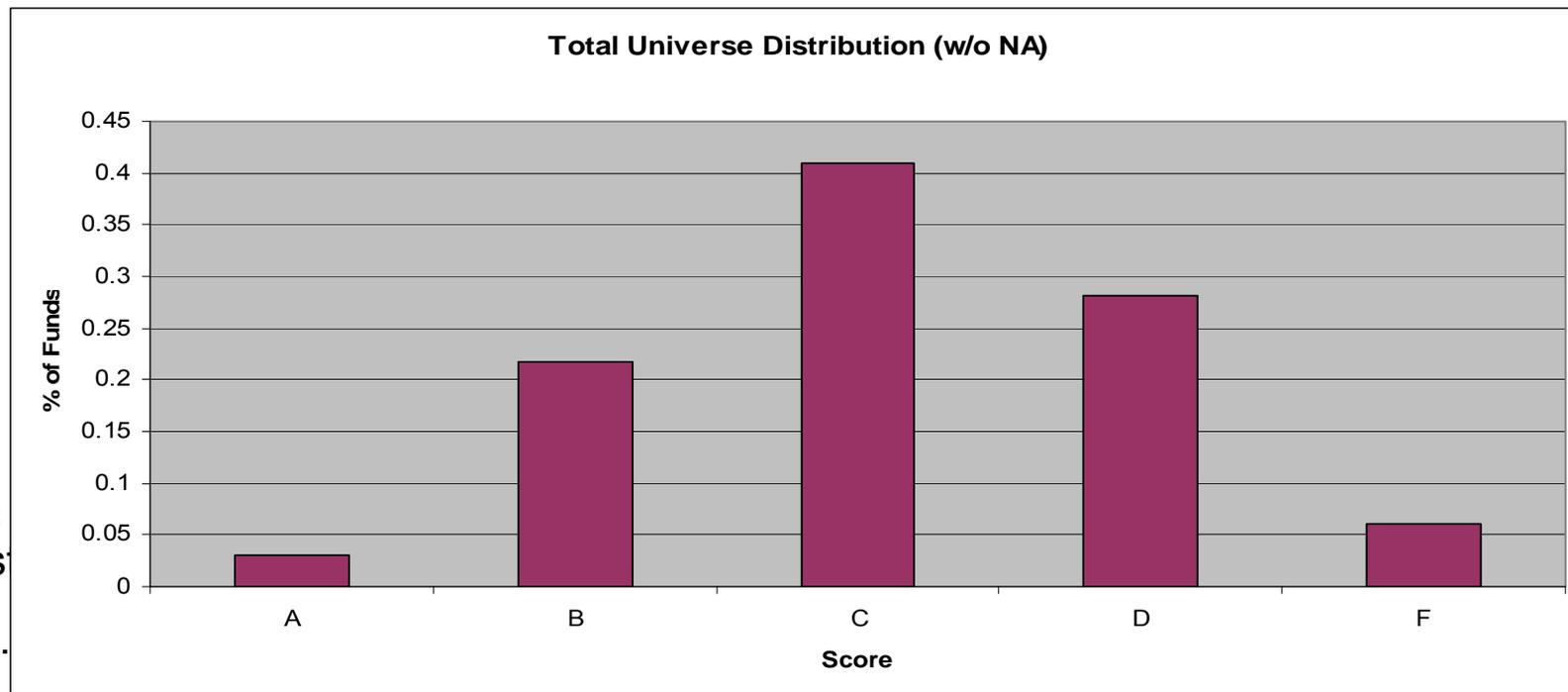
For Active Funds:

Grade		Action
A	Above Average	No Action
B	Above Average	No Action
C	Average	Closely Monitor
D	Watch list	Fund Alert
F	Immediate Action	Terminate
NA	< than 3 years of history	Check share class and inception date

For Index Funds:

Grade		Action
A	Satisfactory	No Action
B	Satisfactory	No Action
C	Satisfactory	No Action
D	Immediate Action	Terminate
F	Immediate Action	Terminate
NA	< than 3 years of history	Check share class and inception date

Distribution



➤ As dis

➤ 75.

➤ Subsequently, the remaining 24.8% (3,246 out of 13,095) of funds received a grade of B or greater.

Scorecard

American Funds Growth Fund of Amer R4

Ticker: RGAEX
Min. Invest: 0.00

Category: Large Growth
Benchmark: Russell 1000 Growth TR USD

Subcategory: Large Core Growth
Inception Date: 05/28/2002

Segal Score
A

Portfolio Characteristics	
% US Stocks:	72.82
Geo Avg Market Cap \$MM:	43,705
Total Assets \$MM:	13,080.57

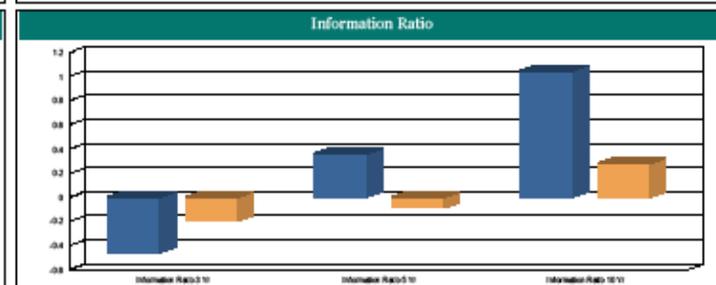
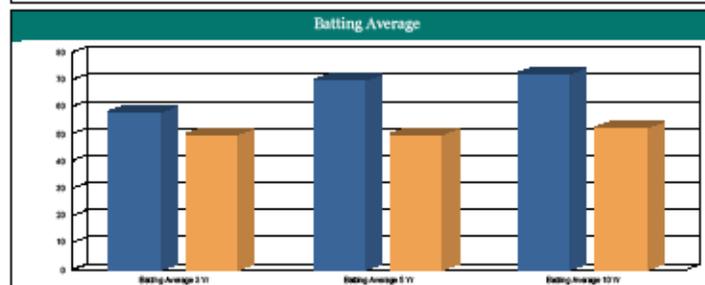
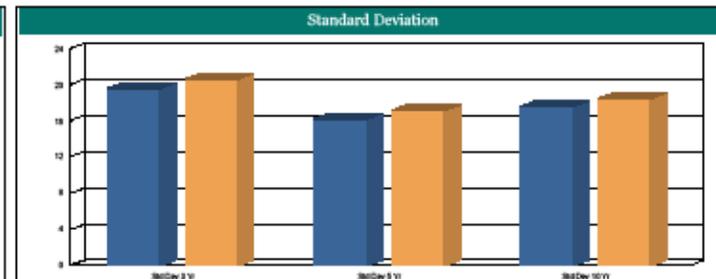
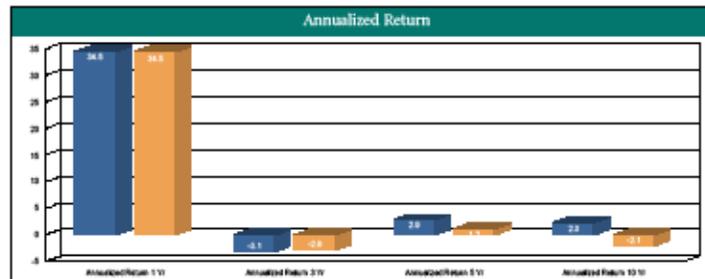
Organization	
Manager Tenure:	24.33

Fees	
Expense Ratio:	0.70

Actual Median

	Actual	Benchmark	Median
YTD Return:	-1.55	4.65	-1.49
Annual Return 2009:	34.54	37.21	34.51
Annual Return 2008:	-39.07	-38.44	-40.45
Annual Return 2007:	10.88	11.81	13.09
Annual Return 2006:	10.91	9.07	7.76
Annual Return 2005:	14.22	5.26	7.12
Annual Return 2004:	11.93	6.30	8.88
Annual Return 2003:	32.83	29.75	28.42
Annual Return 2002:	0.00	-27.88	-25.48
Annual Return 2001:	0.00	-20.42	-18.16
Annual Return 2000:	0.00	-22.42	-9.51

	Actual	Median
Batting Average 3 Yr:	58.33	50.00
Batting Average 5 Yr:	70.00	50.00
Batting Average 10 Yr:	72.50	52.50
Std Dev 3 Yr:	19.63	20.67
Std Dev 5 Yr:	16.23	17.16
Std Dev 10 Yr:	17.60	18.47
Downside Capture 3 Yr:	105.01	106.95
Downside Capture 5 Yr:	97.22	106.49
Downside Capture 10 Yr:	78.72	88.68
Information Ratio 3 Yr:	-0.46	-0.20
Information Ratio 5 Yr:	0.36	-0.09
Information Ratio 10 Yr:	1.05	0.28



SEGAL ADVISORS

Questions

