



Performance Report
First Quarter 2010

Milwaukee County Deferred
Compensation Plan

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All rates of return presented in this report for time periods greater than one year are annualized. Mutual fund rates of return are provided by Morningstar. Rates of return for the North Shore Savings Fund and the Stable Value Fund are provided by the investment manager. All rates of return contained in this report are net of investment management fees. Percentages in some exhibits may not add to 100% because of rounding.

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INVESTMENT HIGHLIGHTS

RETURN SUMMARY

ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|--|---------------|--------------------------|---------------------------|---------------------------|
| North Shore Savings Fund | 0.1 % | 0.6 % | 1.9 % | 2.5 % |
| iMoney Net Money Fund Average | 0.0 | 0.1 | 1.9 | 2.4 |
| Stable Value Fund | 1.1 | 4.6 | 4.8 | 4.7 |
| EnnisKnupp GIC Index | 1.0 | 4.3 | 4.6 | 4.3 |
| PIMCO Total Return Institutional Fund | 3.0 | 15.5 | 9.6 | 7.5 |
| Barclays Capital Aggregate Bond Index | 1.8 | 7.7 | 6.1 | 5.4 |
| Vanguard Total Bond Market Index | 1.7 | 7.5 | 6.2 | 5.5 |
| Barclays Capital Aggregate Bond Index | 1.8 | 7.7 | 6.1 | 5.4 |

RETURN SUMMARY

ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|------------------------|---------------|--------------------------|---------------------------|---------------------------|
| TRP PS Income | 3.2 % | 33.3 % | 2.8 % | 5.3 % |
| Custom Benchmark | 2.9 | 22.6 | 1.5 | 4.1 |
| TRP PS Balanced | 3.9 | 44.0 | 1.0 | 4.9 |
| Custom Benchmark | 3.8 | 32.5 | -0.1 | 3.9 |
| TRP PS Growth | 4.5 | 53.1 | -1.7 | 3.9 |
| Custom Benchmark | 4.7 | 42.9 | -1.9 | 3.6 |

RETURN SUMMARY

ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Vanguard Target Retirement Income Fund | 2.4 % | 19.4 % | 3.5 % | 4.6 % |
| Target Retirement Income Benchmark | 2.5 | 19.6 | 3.3 | 4.5 |
| Vanguard Target Retirement 2005 Fund | 2.7 | 23.5 | 2.2 | 4.2 |
| Target Retirement 2005 Benchmark | 2.8 | 23.9 | 2.1 | 4.2 |
| Vanguard Target Retirement 2010 Fund | 3.4 | 30.1 | 1.2 | -- |
| Target Retirement 2010 Benchmark | 3.4 | 30.4 | 1.1 | -- |
| Vanguard Target Retirement 2015 Fund | 3.8 | 34.7 | 0.3 | 4.0 |
| Target Retirement 2015 Benchmark | 3.9 | 35.0 | 0.2 | 3.9 |
| Vanguard Target Retirement 2020 Fund | 4.1 | 38.4 | -0.4 | -- |
| Target Retirement 2020 Benchmark | 4.1 | 38.6 | -0.6 | -- |
| Vanguard Target Retirement 2025 Fund | 4.3 | 42.2 | -1.3 | 3.5 |
| Target Retirement 2025 Benchmark | 4.3 | 42.3 | -1.4 | 3.4 |
| Vanguard Target Retirement 2030 Fund | 4.6 | 45.9 | -2.1 | -- |
| Target Retirement 2030 Benchmark | 4.6 | 46.1 | -2.2 | -- |
| Vanguard Target Retirement 2035 Fund | 4.8 | 49.0 | -2.5 | 3.3 |
| Target Retirement 2035 Benchmark | 4.8 | 49.1 | -2.7 | 3.3 |
| Vanguard Target Retirement 2040 Fund | 4.7 | 48.8 | -2.4 | -- |
| Target Retirement 2040 Benchmark | 4.8 | 49.1 | -2.7 | -- |
| Vanguard Target Retirement 2045 Fund | 4.8 | 49.0 | -2.5 | 3.6 |
| Target Retirement 2045 Benchmark | 4.8 | 49.1 | -2.7 | 3.5 |
| Vanguard Target Retirement 2050 Fund | 4.8 | 48.9 | -2.5 | -- |
| Target Retirement 2050 Benchmark | 4.8 | 49.1 | -2.7 | -- |

Benchmark descriptions can be found in the Appendix.

INVESTMENT HIGHLIGHTS

RETURN SUMMARY ENDING 3/31/10

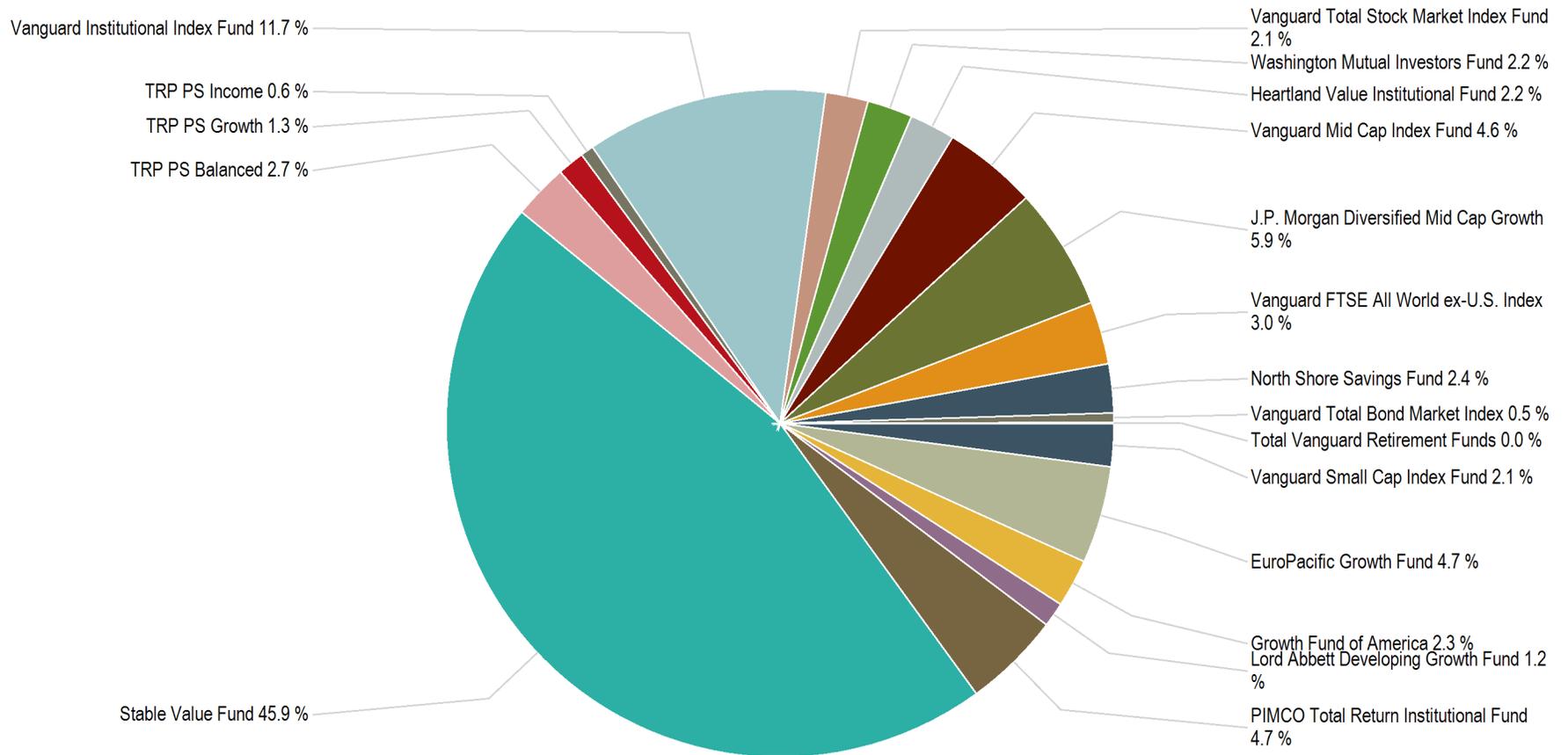
| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Washington Mutual Investors Fund | 3.9 % | 42.5 % | -5.2 % | 1.3 % |
| Russell 1000 Value Index | 6.8 | 53.6 | -7.3 | 1.0 |
| Vanguard Institutional Index Fund | 5.4 | 49.9 | -4.1 | 2.0 |
| S&P 500 Index | 5.4 | 49.8 | -4.2 | 1.9 |
| Growth Fund of America | 4.3 | 46.4 | -2.0 | 4.4 |
| Russell 1000 Growth Index | 4.6 | 49.8 | -0.8 | 3.4 |
| Vanguard Total Stock Market Index Fund | 6.0 | 53.0 | -3.6 | 2.7 |
| Performance Benchmark | 6.0 | 52.9 | -3.6 | 2.7 |
| J.P. Morgan Diversified Mid Cap Growth | 6.2 | 53.4 | -1.3 | 4.1 |
| Russell MidCap Growth Index | 7.7 | 63.0 | -2.0 | 4.3 |
| Vanguard Mid Cap Index Fund | 8.7 | 66.7 | -3.3 | 4.2 |
| MSCI U.S. Mid Cap 450 Index | 8.7 | 66.7 | -3.4 | 4.2 |
| Vanguard Small Cap Index Fund | 9.7 | 72.8 | -2.2 | 4.6 |
| Small-Cap Index | 9.7 | 72.6 | -2.4 | 4.5 |
| Lord Abbett Developing Growth Fund | 8.2 | 62.6 | 2.7 | 8.7 |
| Russell 2000 Growth Index | 7.6 | 60.3 | -2.4 | 3.8 |
| Heartland Value Institutional Fund | 4.3 | 72.5 | -4.9 | 3.6 |
| Russell 2000 Value Index | 10.0 | 65.1 | -5.7 | 2.8 |

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|--|---------------|--------------------------|---------------------------|---------------------------|
| EuroPacific Growth Fund | 0.8 % | 52.7 % | -1.0 % | 8.2 % |
| MSCI All Country World ex-U.S. Index | 1.6 | 60.9 | -4.2 | 6.1 |
| Vanguard FTSE All World ex-U.S. Index | 1.8 | 61.4 | -3.7 | -- |
| FTSE All World ex-U.S. Index | 1.6 | 62.5 | -3.2 | -- |

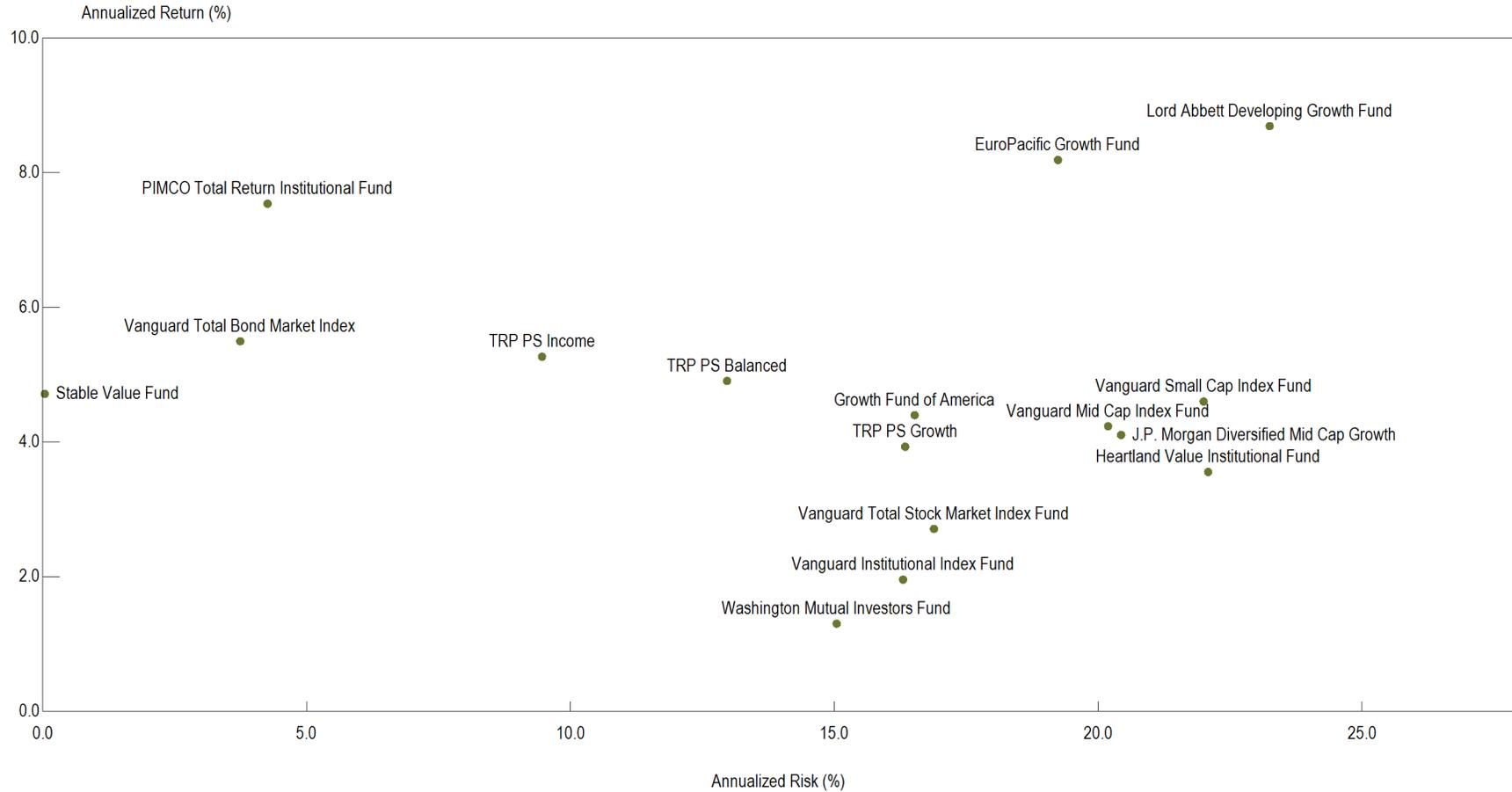
Benchmark descriptions can be found in the Appendix.

ASSET ALLOCATION
ACTUAL AS OF 3/31/10



INVESTMENT HIGHLIGHTS

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



Cash Flow Summary
Quarter Ending March 31, 2010

| | Beginning Market Value | Withdrawals | Contributions | Net Cash Flow | Net Investment Change | Ending Market Value |
|--|---------------------------|----------------------|---------------------|------------------|-----------------------------|------------------------|
| EuroPacific Growth Fund | \$10,598,626 | -\$520,173 | \$645,860 | \$125,688 | \$93,685 | \$10,817,998 |
| Growth Fund of America | \$5,111,910 | -\$233,204 | \$247,337 | \$14,133 | \$218,229 | \$5,344,272 |
| Heartland Value Institutional Fund | \$4,895,844 | -\$323,702 | \$259,905 | -\$63,797 | \$217,336 | \$5,049,383 |
| J.P. Morgan Diversified Mid Cap Growth | \$13,248,715 | -\$708,310 | \$256,924 | -\$451,386 | \$800,118 | \$13,597,447 |
| Lord Abbett Developing Growth Fund | \$2,403,341 | -\$144,554 | \$260,113 | \$115,560 | \$205,510 | \$2,724,411 |
| North Shore Savings Fund | \$5,194,591 | -\$388,961 | \$625,757 | \$236,796 | \$5,519 | \$5,436,906 |
| PIMCO Total Return Institutional Fund | \$11,873,761 | -\$2,108,031 | \$701,442 | -\$1,406,590 | \$344,451 | \$10,811,622 |
| Stable Value Fund | \$103,729,983 | -\$3,848,323 | \$4,505,037 | \$656,714 | \$1,147,604 | \$105,534,301 |
| TRP PS Balanced | \$5,912,750 | -\$244,089 | \$213,034 | -\$31,054 | \$228,662 | \$6,110,358 |
| TRP PS Growth | \$2,818,949 | -\$46,879 | \$100,028 | \$53,149 | \$130,781 | \$3,002,879 |
| TRP PS Income | \$1,383,249 | -\$40,093 | \$71,643 | \$31,550 | \$45,751 | \$1,460,550 |
| Vanguard FTSE All World ex-U.S. Index | \$6,736,713 | -\$423,055 | \$535,183 | \$112,128 | \$113,757 | \$6,962,598 |
| Vanguard Institutional Index Fund | \$25,886,732 | -\$1,100,211 | \$696,788 | -\$403,423 | \$1,370,308 | \$26,853,617 |
| Vanguard Mid Cap Index Fund | \$9,634,278 | -\$459,575 | \$451,016 | -\$8,558 | \$839,562 | \$10,465,282 |
| Vanguard Small Cap Index Fund | \$4,281,114 | -\$251,448 | \$339,415 | \$87,967 | \$411,866 | \$4,780,947 |
| Vanguard Target Retirement 2005 Fund | \$0 | -\$2,002 | \$2,000 | -\$2 | \$2 | \$0 |
| Vanguard Target Retirement 2010 Fund | \$0 | \$0 | \$8,019 | \$8,019 | -\$19 | \$8,000 |
| Vanguard Target Retirement 2015 Fund | \$0 | -\$12,930 | \$33,111 | \$20,181 | \$989 | \$21,170 |
| Vanguard Target Retirement 2020 Fund | \$0 | -\$4,900 | \$16,893 | \$11,993 | \$299 | \$12,292 |
| Vanguard Target Retirement 2025 Fund | \$0 | \$0 | \$6,336 | \$6,336 | -\$16 | \$6,320 |
| Vanguard Target Retirement 2030 Fund | \$0 | \$0 | \$24 | \$24 | \$0 | \$24 |
| Vanguard Target Retirement 2035 Fund | \$0 | \$0 | \$20,218 | \$20,218 | -\$67 | \$20,151 |
| Vanguard Target Retirement 2045 Fund | \$0 | \$0 | \$27,453 | \$27,453 | \$109 | \$27,562 |
| Vanguard Target Retirement 2050 Fund | \$0 | \$0 | \$255 | \$255 | \$0 | \$255 |
| Vanguard Target Retirement Income Fund | \$0 | \$0 | \$3,528 | \$3,528 | \$3 | \$3,531 |
| Vanguard Total Bond Market Index | \$0 | -\$9,757 | \$1,060,934 | \$1,051,177 | -\$2,461 | \$1,048,716 |
| Vanguard Total Stock Market Index Fund | \$4,324,949 | -\$219,513 | \$370,473 | \$150,960 | \$264,439 | \$4,740,348 |
| Washington Mutual Investors Fund | \$5,243,328 | -\$592,504 | \$194,802 | -\$397,702 | \$196,662 | \$5,042,288 |
| Total | \$223,278,833 | -\$11,682,212 | \$11,653,529 | -\$28,683 | \$6,633,078 | \$229,883,228 |

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| Factor | Rationale | Measurement |
|-------------------------------------|---|---|
| 1. Short -Term Performance Concerns | Short-term performance should never be the sole factor in a manager's assessment; however, short-term performance concerns should be monitored and understood. | Has the fund underperformed in three of the last four quarters? |
| 2. Longer-Term Performance Concerns | Since past performance is not indicative of future performance, performance records must be considered carefully. Longer-term underperformance, and poor results compared to peers, may indicate that more competitive offerings are available. | Has the fund underperformed or fallen below the median fund in an appropriate peer group over the trailing 5 year period? |
| 3. Investment Strategy Concerns | An investment option in a savings plan often serves a unique role; significant divergence from the strategy could indicate the fund is no longer appropriate for the Plan. | Has the fund diverged from its strategy? |
| 4. Portfolio Management Concerns | The portfolio manager (or managers) responsible for the buy and sell decisions of the fund has a key role. Adverse changes could present performance challenges going forward. | Have there been adverse changes to the fund's management? |
| 5. Organizational Concerns | A stable and strong organization is preferred. Adverse changes to the organization could negatively impact the fund's strategy, focus, resources, or management team. | Have there been adverse changes to the organization? |

Each fund will be evaluated every quarter within this framework. The monitoring system will have a "generally indicated status" based on the number of affirmative answers to the above questions.

- **Green-Level Status.** No concerns; or only one affirmative response to measurement 1, 2, or 3.
- **Yellow-Level Status.** An investment fund receives a "Yellow" designation with two or three affirmative responses or if there is an affirmative response to measurement 4 or 5.
- **Red-Level Status.** An investment fund receives a "Red" designation when it has been on the "Yellow" status for more than two consecutive quarters or when there are four or more affirmative responses.

FUND MONITORING SYSTEM

If a manager is placed on the “Red” Level Status, a formal manager review will be conducted by EnnisKnupp. EnnisKnupp will review the concerns regarding the fund and recommend to the Committee whether it should be retained or terminated. If the fund is retained, and remains on red-status, it will be re-reviewed every six months.

Special Circumstances

In the event of a major change in the firm’s ownership, performance, or staffing, EnnisKnupp may immediately recommend termination of a manager without placing a fund on a specific “status.” Any fund monitoring system should only be used as a tool in a Committee’s monitoring activities. The Committee has the right to take action on any fund regardless of its status in the monitoring system.

Applying the Fund Monitoring System to the Plan

The table on the following page has applied the fund monitoring system to the funds in the Milwaukee County Plan. As shown, all the funds except the Vanguard FTSE All World ex-U.S. Index Fund are currently on “Green” status. The Vanguard FTSE All World ex-U.S. Index Fund is on “Yellow” status as a result of underperforming three of the four trailing calendar quarters and underperforming since its inception. (The Vanguard FTSE index fund started in April 2007, therefore performance is based on since-inception period and not a trailing five-year period.) Underperformance is due to the effects of fair value pricing which is employed by Vanguard. Differences in the Fund’s performance and the Index’s performance that result from fair value pricing typically wash over several quarters.

FUND MONITORING SYSTEM

Investment Fund Monitoring Summary:

| | 1. Underperformed in 3 of 4 Trailing Calendar Quarters? | 2. Underperformed Benchmark over Trailing Five Year Period?* | 3. Diverged from Strategy? | 4. Adverse Change in Portfolio Manager? | 5. Adverse Organizational Change? | 1st | 4th | 3rd | 2nd |
|--------------------------------------|--|--|-------------------------------------|---|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | | | | | | Quarter 2010 Status | Quarter 2009 Status | Quarter 2009 Status | Quarter 2009 Status |
| North Shore Savings Fund | No | No | No | No | No | | | | |
| Stable Value Fund | No | No | No | No | No | | | | |
| PIMCO Total Return Fund | No | No | No | No | No | | | | |
| Vanguard Total Bond Market Index | No | No | No | No | No | | | | |
| TRP PS Income | No | No | No | No | No | | | | |
| TRP PS Balanced | No | No | No | No | No | | | | |
| TRP PS Growth | No | No | No | No | No | | | | |
| Washington Mutual Investors | No | No | No | No | No | | | | |
| Vanguard Institutional Index | No | No | No | No | No | | | | |
| Growth Fund of America | No | No | No | No | No | | | | |
| Vanguard Total Stock Market | No | No | No | No | No | | | | |
| JP Morgan Diversified Mid Cap Growth | No | Yes | No | No | No | | | | |
| Vanguard Mid Cap Index | No | No | No | No | No | | | | |
| Vanguard Small Cap Index | No | No | No | No | No | | | | |
| Lord Abbett | No | No | No | No | No | | | | |
| Heartland Value | No | No | No | No | No | | | | |
| EuroPacific Growth | Yes | No | No | No | No | | | | |
| Vanguard FTSE All World ex-U.S. | Yes | Yes* | No | No | No | | | | |

*The Vanguard FTSE All World ex-U.S. Fund started in April 2007. Therefore, performance is based on since-inception period.

FUND MONITORING SYSTEM

Investment Fund Monitoring Summary:

| | 1. Underperformed in 3 of 4 Trailing Calendar Quarters? | 2. Underperformed Benchmark over Trailing Five Year Period?* | 3. Diverged from Strategy? | 4. Adverse Change in Portfolio Manager? | 5. Adverse Organizational Change? | 1st | 4th | 3rd | 2nd |
|--|--|--|-------------------------------------|---|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | | | | | | Quarter 2010 Status | Quarter 2009 Status | Quarter 2009 Status | Quarter 2009 Status |
| Vanguard Target Retirement Income Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2005 Fund | Yes | No | No | No | No | | | | |
| Vanguard Target Retirement 2010 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2015 Fund | Yes | No | No | No | No | | | | |
| Vanguard Target Retirement 2020 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2025 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2030 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2035 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2040 Fund | Yes | No | No | No | No | | | | |
| Vanguard Target Retirement 2045 Fund | Yes | No | No | No | No | | | | |
| Vanguard Target Retirement 2050 Fund | No | No | No | No | No | | | | |

*The Vanguard Target Retirement Funds 2010, 2020, 2030, 2040, 2050 began in July 2006. Therefore, performance is based on since-inception period.

MARKET ENVIRONMENT
First Quarter 2010

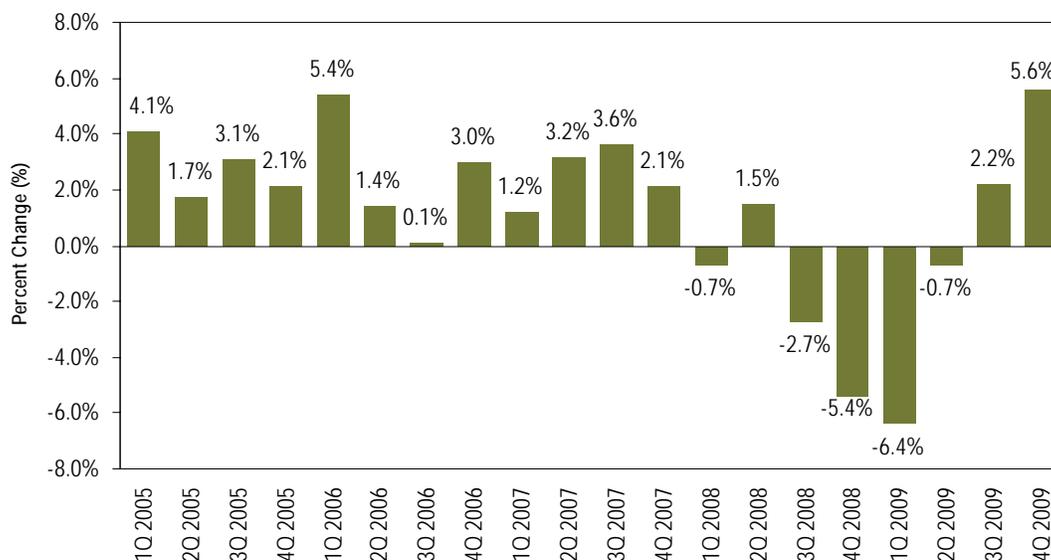
MARKET ENVIRONMENT

MACRO HIGHLIGHTS

At its March meeting, the Federal Open Market Committee (FOMC) left the Fed Funds Rate target at 0 – 0.25% as expected and maintained its pledge to keep rates low for “an extended period.” Thomas Hoenig, president of the Federal Reserve Bank of Kansas City, was the lone dissenter and again voted against the policy decision, arguing that the excessively easy monetary policy was “no longer warranted because it could lead to the buildup of financial imbalances and increase risk to longer-run macroeconomic and financial stability.” The FOMC also confirmed that the \$1.25T Agency MBS Purchase Program will conclude at the end of March, achieving its targeted amount.

According to the final estimate released by the Bureau of Economic Analysis, real GDP increased 5.6% in the fourth quarter of 2009. This was a downward revision of 0.3 percentage points from the first estimate in January. The notable decrease in the revision during the fourth quarter was attributable to downward revisions in commercial construction, residential investment, and changes in inventories. During 2009, real GDP growth was -2.4% in contrast to an increase of 0.4% in 2008. This marked the first negative year since 1991 and the largest economic contraction since 1946.

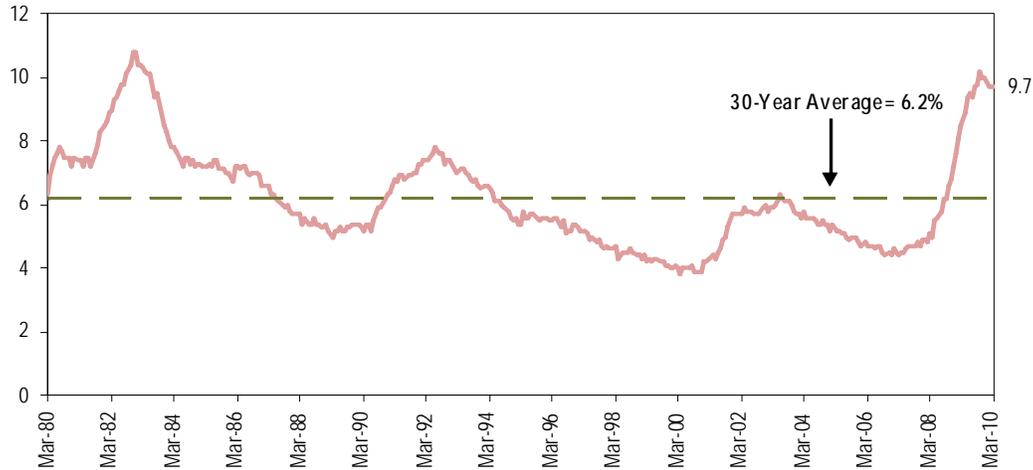
Quarterly Gross Domestic Product (Annualized)



Source: Bureau of Economics Statistics

According to the Bureau of Labor Statistics, the unemployment rate remained unchanged in March at 9.7%. The nonfarm payrolls added 169k jobs in March just below expectations of 184k. This marks the highest nonfarm payroll monthly gain in three years. Employment continued to increase with gains in the healthcare (+37k), temporary help services (+40k), and federal government jobs with temporary census hiring (+39k). With the additional hiring in temporary help services, this brought temporary employment up +323k since reaching the lowest point in September 2009, signaling that the job market has stabilized but that employers are hesitant to hire permanently in the face of uncertainty about health costs and business prospects. The unemployment rate, shown on the following page, remains at 9.7%, the highest levels since the early 1980s.

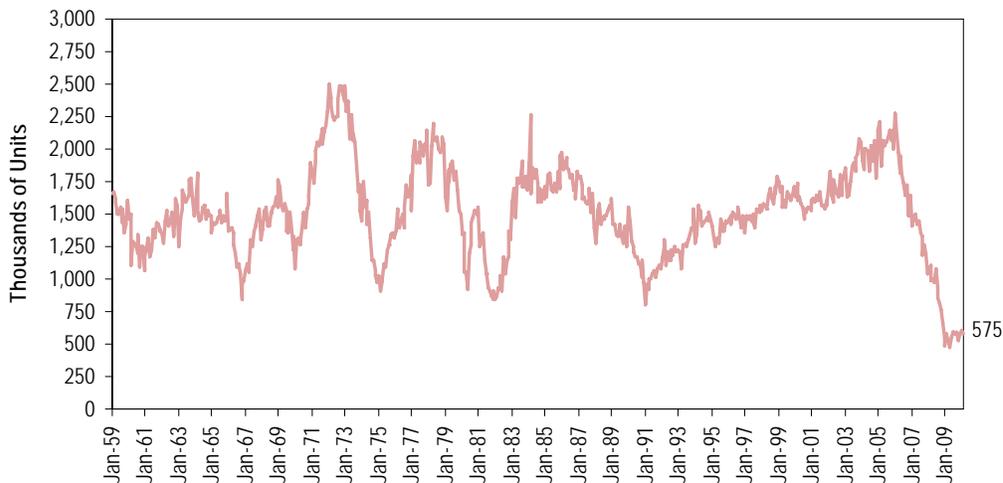
Unemployment Rate
As of March 2010



Source: Bureau of Labor Statistics

According to figures released by the U.S. Commerce Department, overall housing starts decreased 5.9% to a seasonally adjusted annual rate of 575,000 units in February. The overall decline in housing starts was a result of single-family starts decreasing 0.6% and the more volatile multifamily starts experiencing a large decrease. While the combined pace of single- and multi-family housing starts fell 5.9% in February, the decline was mostly due to a 30.3% decline in multi-family starts following a double-digit increase in the previous month.

Single Family Housing Starts
Seasonally Adjusted Annual Rate
As of February 2010



Source: U.S. Census Bureau

MARKET ENVIRONMENT

MACRO HIGHLIGHTS

According to the Bureau of Labor Statistics, March's Consumer Price Index (CPI-U) increased 0.1% month-over-month on a seasonally adjusted basis. The increase was mainly a result of an increase in food prices, which rose 4.6% in March and accounted for over 60% of the CPI-U increase. The medical care index increased 0.3% in March for a third straight positive month resulting in a positive 3.8% twelve month change on a seasonally unadjusted basis. The CPI-U increased 2.3% for the trailing twelve months.

The core CPI, which excludes volatile food and energy prices, remained unchanged (0.0%) in March after rising 0.1% in February and declining 0.1% in January, the first monthly decline since December 1982. The consensus estimate in March was for a rise of 0.1 percent, so core inflation has been less than expected. New vehicles, used cars and trucks, and shelter continued to post positive results. The medical care index contributed for the third straight month, namely medical care service, medical care commodities (e.g. RX and OTC drugs), as well as medical supplies. Over the last twelve months, core CPI has risen 1.1 percent. This constitutes its smallest increase since January 2004 largely due to the continued deceleration of the shelter index, which has declined 0.6% for the trailing twelve months.

At the wholesale level, the Producer Price Index (PPI) measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services. After a 1.4% increase in January, PPI for February was -0.6% as energy components of the index declined. Producer prices remain volatile and any increases have yet to meaningfully filter through to the consumer level.

Without any real sign of inflation and the expectation that the Fed will remain on hold in the near future, equity markets seem content to move in the path of least resistance, rallying to the highest levels since September 2008. Equity volatility remains at the lowest levels since mid-2008. As of quarter end, 10 -year Treasury notes were yielding 3.83% with Treasury volatility at the lowest levels since July 2007.

MARKET ENVIRONMENT

MARKET HIGHLIGHTS

MAJOR MARKET RETURNS

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 | 10 Years Ending 3/31/10 |
|---------------------------------------|---------------|-----------------------|------------------------|------------------------|-------------------------|
| Dow Jones US Total Stock Index | 6.2 % | 52.6 % | -3.7 % | 2.7 % | 0.0 % |
| MSCI All Country World ex-U.S. Index | 1.6 | 60.9 | -4.2 | 6.1 | 2.8 |
| MSCI EAFE Index | 0.9 | 54.4 | -7.0 | 3.7 | 1.3 |
| MSCI Emerging Markets Index | 2.4 | 81.1 | 5.2 | 15.6 | 9.8 |
| MSCI All Country World Index | 3.1 | 55.5 | -4.4 | 3.9 | 0.6 |
| Barclays Capital Aggregate Bond Index | 1.8 | 7.7 | 6.1 | 5.4 | 6.3 |

U.S. equity markets continued to post positive returns in the first quarter, outperforming international equities for the second consecutive quarter. In one of the strongest responses to a bear market in U.S. history, the Dow Jones U.S. Total Stock Market Index rallied 77% from the bear market low on March 9, 2009. Developed international equities and emerging markets exhibited superior one-year returns posting 54.4% and 81.1%, respectively. In the first quarter of 2010, non-U.S. developed market currencies depreciated and emerging market currencies appreciated relative to the U.S. dollar. This proved beneficial to investors holding hedged non-U.S. developed equity securities. Currencies across Europe came under pressure as mounting concerns from Greece weighed on sentiment. Greece dominated the financial headlines while negotiating a financial aid package with the European Union and International Monetary Fund. European equities continued to suffer during the first quarter over the fiscal instability in Greece.

As the economic news continues to show signs of improvement, corporate spreads and Treasury rates are beginning to move into a more natural correlation. Ten-year Treasury yields were little changed on the quarter at 3.83%. However, disappointing results for the Treasury's 2-, 5- and 7-year auctions (total new supply of \$118 billion) after the historic health care reform bill passed in March resulted in a sell-off that re-priced intermediate rates by +20 basis points. Investor caution manifested itself in a steeper yield curve as the spread between the 2-year to 30-year increased from 350 basis points to 370 basis points. The FOMC's message that rates will be "exceptionally low" for "an extended period" continued to drive demand for higher yielding instruments as interest rates remained close to zero and market volatility remained low.

MARKET ENVIRONMENT

MARKET HIGHLIGHTS

Continuing the trend seen in 2009, riskier sectors continued to post strong relative returns in the first quarter with asset-backed securities (+2.3%), commercial mortgage-backed securities (+9.1%), and high yield bonds (+4.6%) leading the way. Expiration of the Fed's TALF financing for ABS and legacy CMBS at quarter-end helped drive these returns. The turnabout in the corporate debt market over the past 12 months has been extraordinary with all sectors within corporates posting positive 12-month returns, led by financials.

| Credit Spreads (bps) (Based on Barclays indices and OAS ³) | 12/31/08 | 3/31/09 | 12/31/09 | 3/31/10 | Quarterly Chg (bps) | Annual Chg (bps) |
|---|----------|---------|----------|---------|------------------------|---------------------|
| Agency Fixed-Rate MBS | 137 | 95 | 19 | 20 | 1 | -75 |
| CMBS | 1010 | 1049 | 473 | 323 | -150 | -726 |
| ABS | 955 | 668 | 100 | 68 | -32 | -600 |
| IG Corporates | 555 | 543 | 172 | 150 | -22 | -393 |
| IG Financials | 629 | 769 | 226 | 186 | -40 | -583 |
| High Yield | 1669 | 1514 | 617 | 570 | -47 | -944 |
| Ba | 1211 | 1016 | 453 | 420 | -33 | -596 |
| B | 1520 | 1358 | 567 | 540 | -27 | -818 |
| Caa | 2445 | 2318 | 868 | 818 | -50 | -1500 |
| Quality Spread (Caa-Ba) | 1234 | 1302 | 415 | 398 | -17 | -904 |
| Treasury Yields (% unless noted) | | | | | | |
| 3-month | 0.08 | 0.21 | 0.05 | 0.16 | 11 | -5 |
| 2-year | 0.77 | 0.80 | 1.14 | 1.02 | -12 | 22 |
| 5-year | 1.55 | 1.66 | 2.68 | 2.55 | -13 | 89 |
| 10-year | 2.21 | 2.67 | 3.84 | 3.83 | -1 | 116 |
| 30-year | 2.68 | 3.54 | 4.64 | 4.71 | 7 | 117 |
| 3m-10y Spread (bps) | 213 | 246 | 379 | 367 | -12 | 121 |
| 2y-10y Spread (bps) | 144 | 187 | 270 | 281 | 11 | 94 |

Greece's potential sovereign debt default has been well publicized. The size of Greece's debt is around \$400 billion, with over \$70 billion coming due in 2010. The European Monetary Union (EMU) has struggled to alleviate the current situation and disarm the systematic risk in Greece. Most recently, EU finance ministers agreed on a mechanism for a potential loan to Greece at below-market rates. The EU is now under immense political pressure from sources as diverse as the region and talks continue on an IMF contribution. Money managers have sought to benefit from the Greek crisis—much to the dismay of European government officials—through short positions on the euro currency, which has steadily declined since the Greek debt crisis began. Standard & Poor's has recently downgraded Greece's credit rating to BBB+ (still investment-grade) and dropped the outlook to "credit watch negative" rating. A budget cut of 4.8 billion euros (\$6.6 billion) passed in February will cut Greece's deficit to 8.7 percent of gross domestic product this year from 12.7 percent. European equities suffered from concerns over the fiscal policy instability in Greece and the potential for contagion to other fiscally weak EU countries. Greek stocks sold off and the cost of buying protection on Greek sovereign debt, measured by CDS (credit default swaps), rose dramatically.

Greece CDS Spreads and Market Performance
Through March 31, 2010

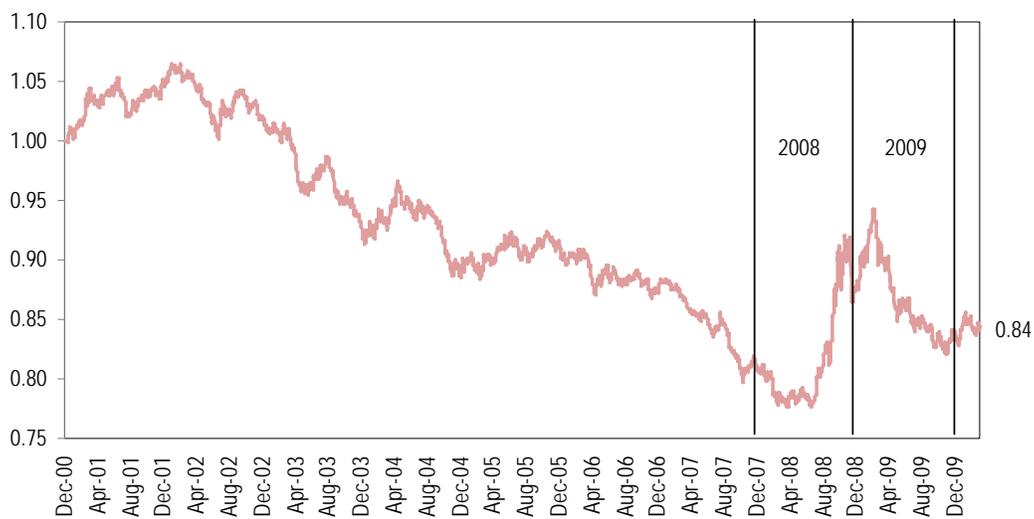


MARKET ENVIRONMENT

MAJOR MARKET ISSUES

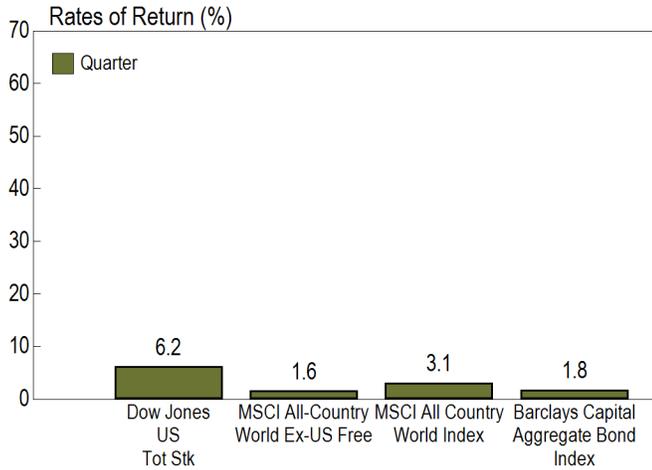
During 2009, non-U.S. currencies appreciated relative to the U.S. dollar which proved beneficial to investors holding unhedged non-U.S. equity securities. From March 2009 through November 2009, the U.S. dollar declined by 12%, but recovered 2.5% of its value through March 2010 against a broad basket of currencies. During the first quarter, the U.S. dollar improved relative to the euro and pound, but lost ground versus currencies of commodity-exporting countries, such as Australia (+2.1%) and Canada (+3.2%). The euro (-6.0%) and the pound (-6.5%) each lost ground versus the U.S. dollar. It is widely expected and priced into currency forwards that China will allow the yuan to appreciate in order to ease trade imbalances and temper China's fast-growing economy.

Federal Reserve Trade Weighted Exchange Rate Index (Broad)
Daily Returns 12/31/2000 - 3/31/2010

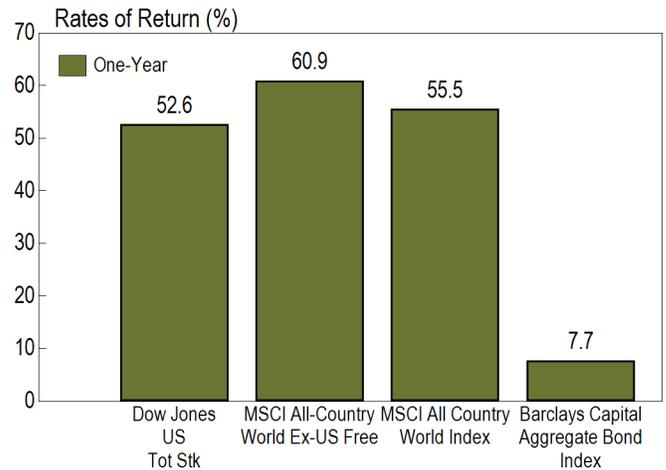


Source: Federal Reserve

**MAJOR MARKET RETURNS
FIRST QUARTER**

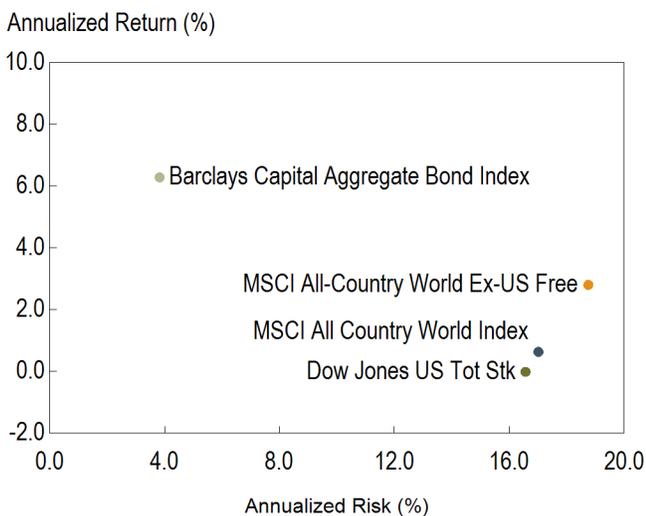


**MAJOR MARKET RETURNS
ONE-YEAR ENDING 3/31/10**

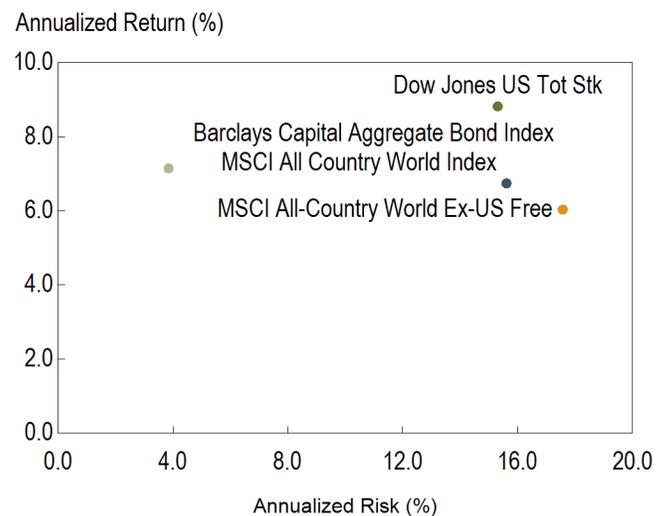


The exhibits above show the performance of the major capital markets during the first quarter and one-year periods.

**MARKET RISK/RETURN
10 YEARS ENDING 3/31/10**



**MARKET RISK/RETURN
20 YEARS ENDING 3/31/10**

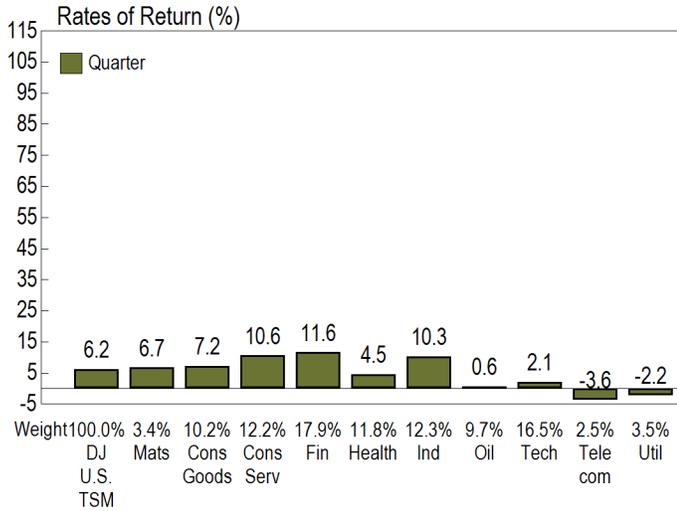


The exhibits above show the historical performance of the major capital markets and the amount of risk (volatility of returns) incurred. Points near the top of the chart represent a greater return and points near the right of the chart indicate greater volatility.

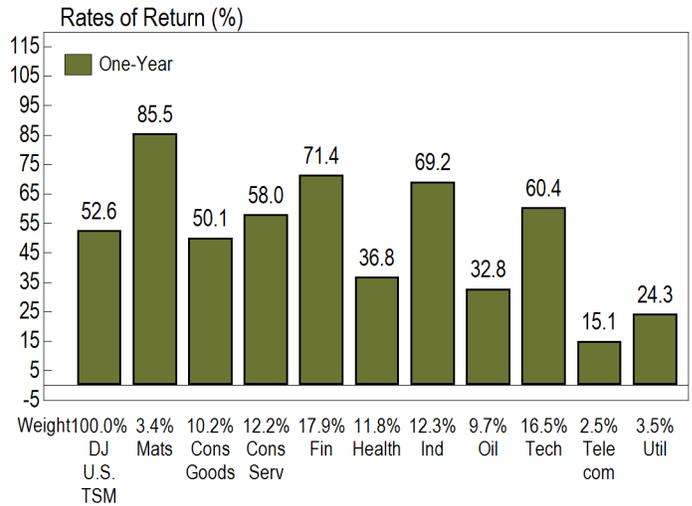
MARKET ENVIRONMENT

U.S. STOCK MARKET

SECTOR RETURNS FIRST QUARTER



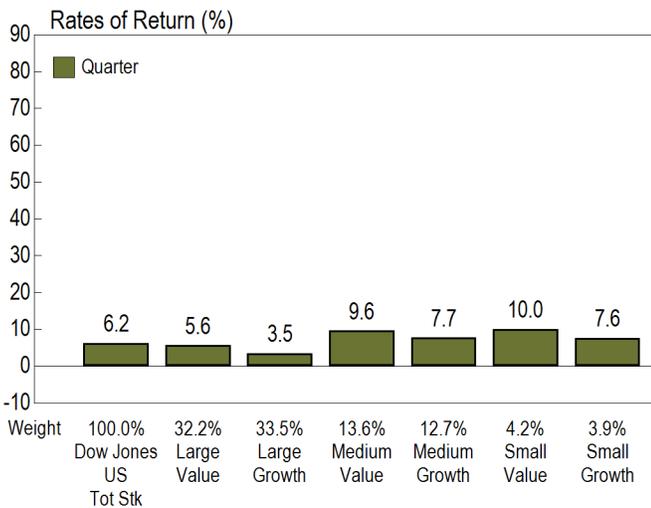
SECTOR RETURNS ONE-YEAR ENDING 3/31/10



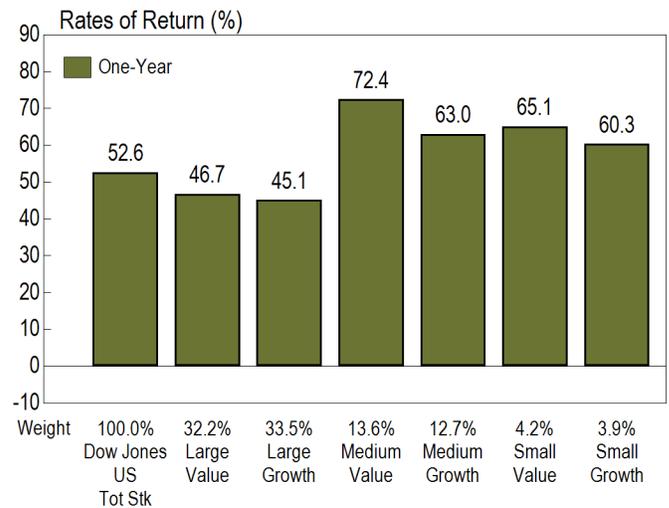
The Dow Jones U.S. Total Stock Market Index is the broadest available measure of the aggregate domestic stock market. It includes all domestic common stocks with readily available price information.

The exhibits above show the performance of the sectors that comprise the Dow Jones U.S. Total Stock Market Index. The percentage below each bar indicates the sector's weight within the Dow Jones U.S. Total Stock Market Index at quarter-end.

STYLE RETURNS FIRST QUARTER

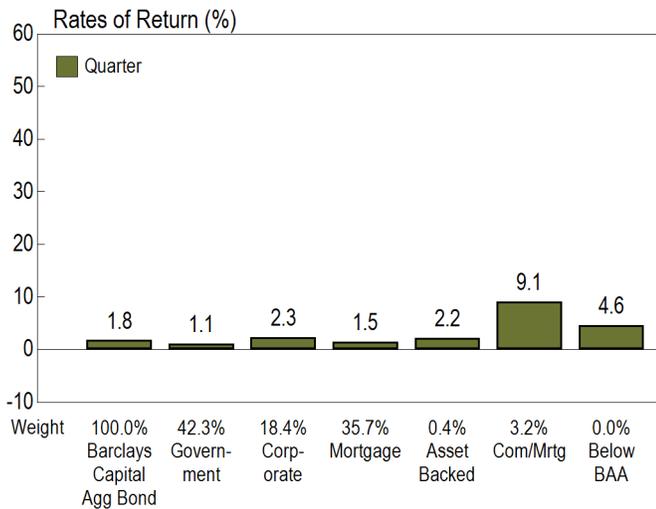


STYLE RETURNS ONE-YEAR ENDING 3/31/10

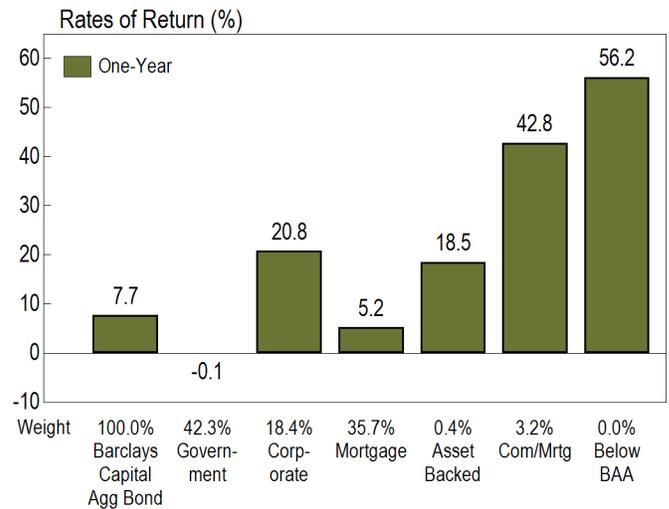


The exhibits above illustrate the performance of stock investment styles according to capitalization (large and small) and style characteristics (value and growth). The percentage below each bar indicates the segment's weight within the Dow Jones U.S. Total Stock Market Index at quarter-end.

**SECTOR RETURNS
FIRST QUARTER**



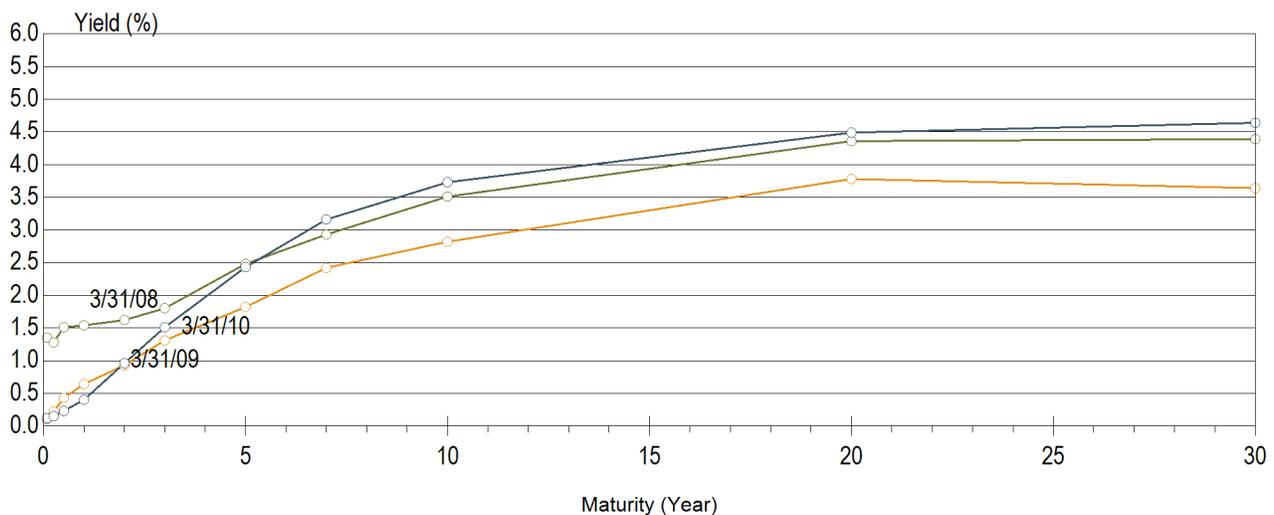
**SECTOR RETURNS
ONE-YEAR ENDING 3/31/10**



The Barclays Capital Aggregate Bond Index is a broad measure of the U.S. investment grade fixed income market. The Index consists of credit, government, and mortgage-backed securities and includes credit card, auto, and home equity loan-backed securities.

The exhibits above show the performance of the sectors that comprise the broad domestic bond market. The percentage below each bar indicates the sector's weight within the Barclays Capital Aggregate Bond Index at quarter-end.

U.S. TREASURY CURVE

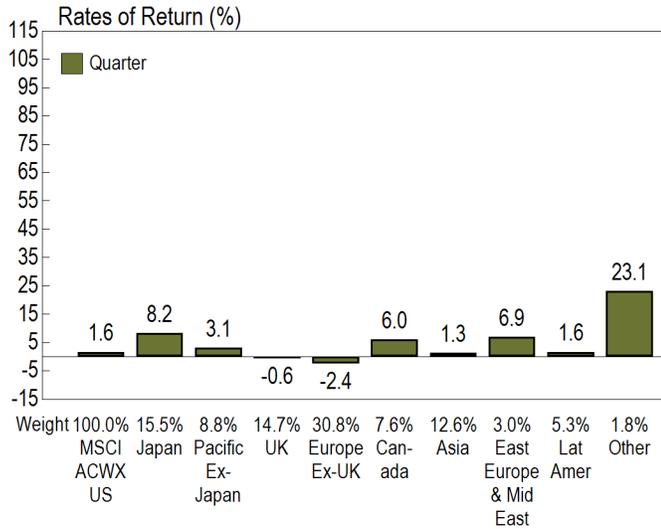


The exhibit above illustrates yields of Treasury securities of various maturities as of March 31, 2010, March 31, 2009, and March 31, 2008.

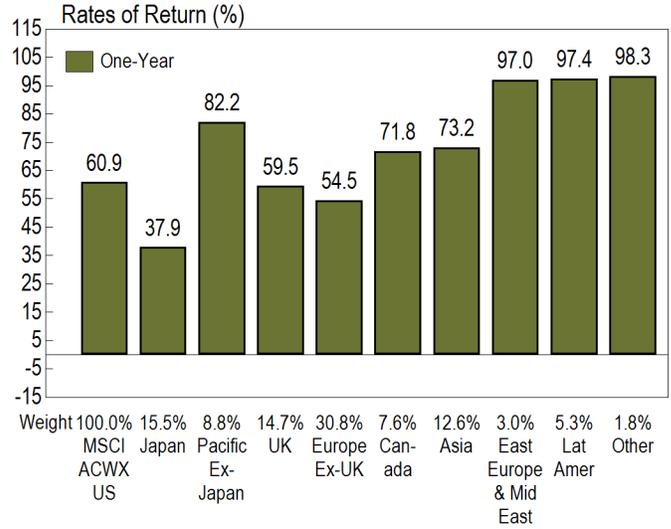
MARKET ENVIRONMENT

NON-U.S. STOCK MARKETS

**NON-U.S. STOCK MARKET RETURNS
FIRST QUARTER**

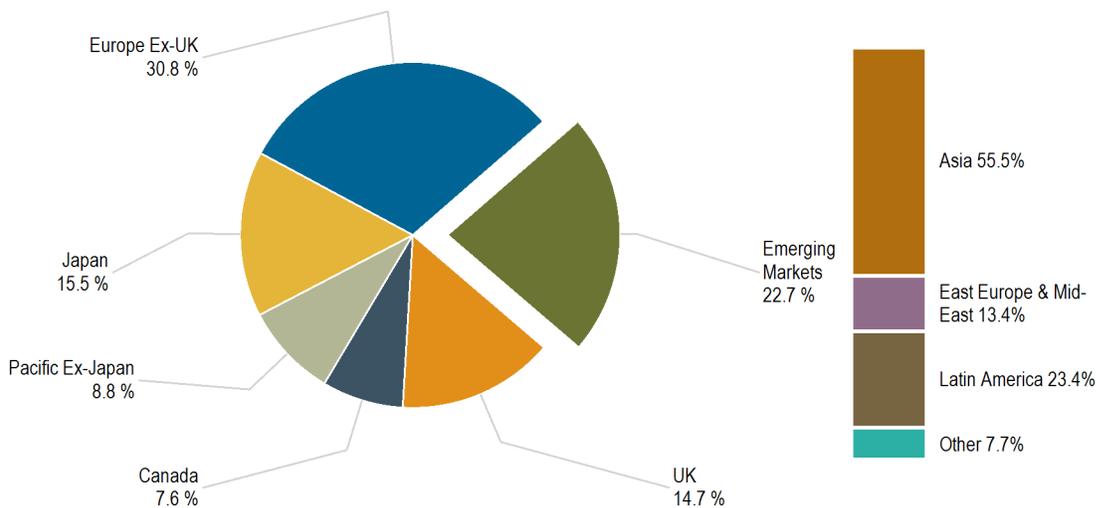


**NON-U.S. STOCK MARKET RETURNS
ONE-YEAR ENDING 3/31/10**



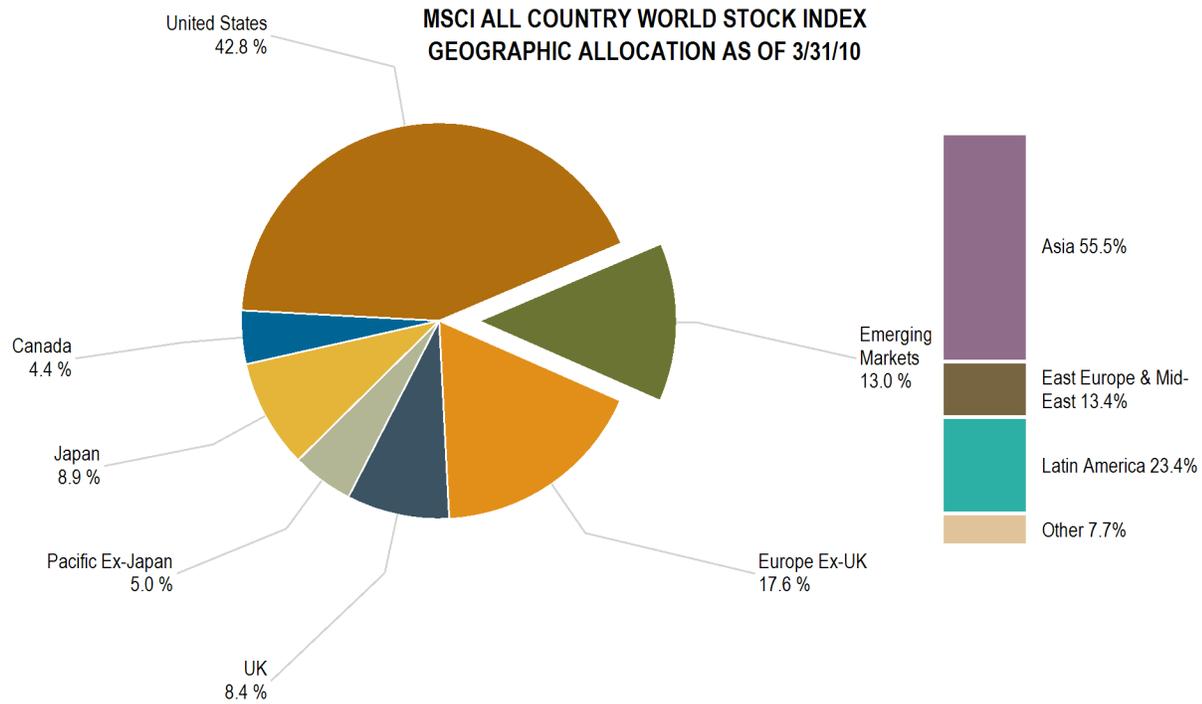
The MSCI All Country World ex-U.S. Index is a capitalization-weighted index of stocks representing 22 developed stock markets and 22 emerging stock markets around the world. The exhibits above show the performance of the regions that comprise the MSCI All Country World ex-U.S. Index at quarter-end.

**MSCI ALL COUNTRY WORLD EX-U.S. STOCK INDEX
GEOGRAPHIC ALLOCATION AS OF 3/31/10**



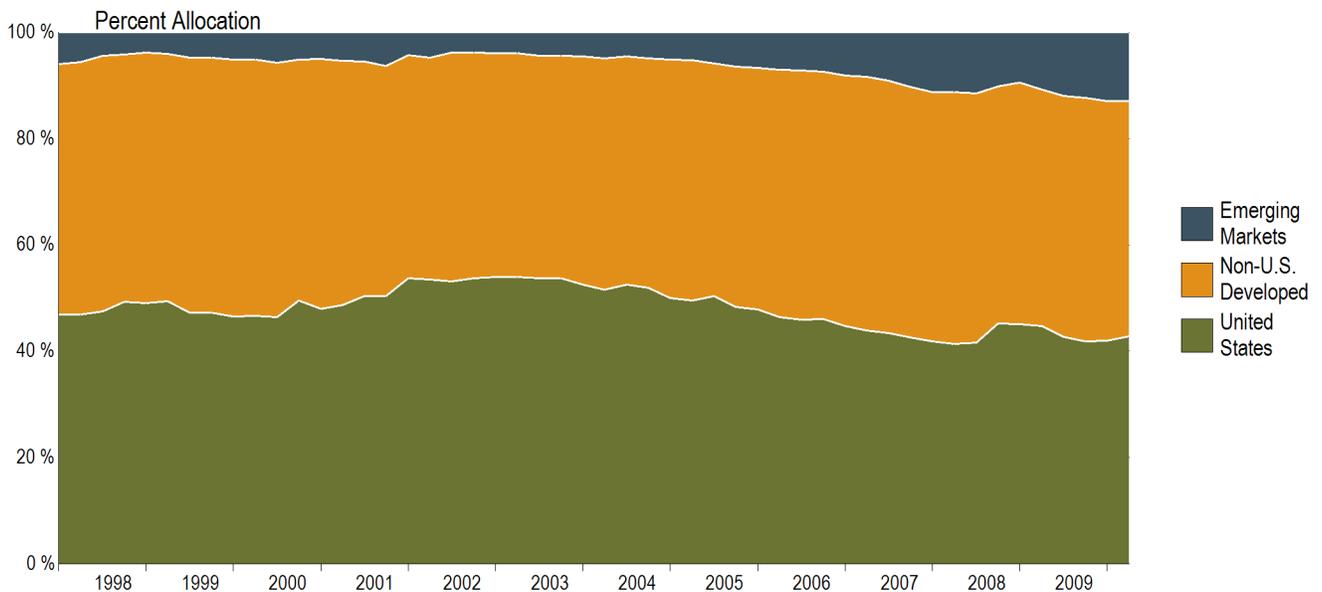
The exhibit above illustrates the percent each region represents of the non-U.S. stock market as measured by the MSCI All Country World ex-U.S. Index.

Note on Other: Includes South Africa, Egypt, and Morocco. Returns expressed are the weighted average returns.



The MSCI All Country World Index is a capitalization-weighted index of stocks representing 23 developed stock markets and 22 emerging stock markets around the world. The graph above shows the allocation to each region at quarter-end. Note on Other: Includes South Africa, Egypt, and Morocco.

ALLOCATION



The graph above shows the changes in the breakdown between the United States, non-U.S. developed markets, and emerging markets in the MSCI All Country World Index over time.

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**RETURN SUMMARY
ENDING 3/31/10**

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---------------------------------|---------------|--------------------------|---------------------------|---------------------------|
| North Shore Savings Fund | 0.1 % | 0.6 % | 1.9 % | 2.5 % |
| iMoney Net Money Fund Average | 0.0 | 0.1 | 1.9 | 2.4 |

Investment Strategy

The objective of the North Shore Savings Fund is to preserve capital and provide current income, while maintaining a high level of liquidity. The Fund is FDIC insured. The Milwaukee County Investment Policy Statement requires that the savings account be with a "well-capitalized" bank, which means the bank has to have a risk-based capital ratio of at least 10%. This ratio takes into account the asset quality and loan-loss reserve coverage. As of 3/31/10 North Shore was "well capitalized".

**HISTORICAL RETURNS
(BY YEAR)**

| | North Shore Savings Fund | iMoney Net Money Fund Average | Return Difference |
|------------------|--------------------------|----------------------------------|----------------------|
| | Return | Return | |
| 1998 | 5.2 % | 5.0 % | 0.2 |
| 1999 | 4.8 | 4.6 | 0.2 |
| 2000 | 5.3 | 5.9 | -0.6 |
| 2001 | 4.3 | 3.7 | 0.6 |
| 2002 | 1.6 | 2.1 | -0.5 |
| 2003 | 1.4 | 0.9 | 0.5 |
| 2004 | 1.3 | 0.6 | 0.7 |
| 2005 | 2.8 | 1.7 | 1.1 |
| 2006 | 3.7 | 3.8 | -0.1 |
| 2007 | 3.7 | 4.7 | -1.0 |
| 2008 | 2.0 | 2.0 | 0.0 |
| 2009 | 0.8 | 0.2 | 0.6 |
| 2010 (3 months) | 0.1 | 0.0 | 0.1 |
| Trailing 1-Year | 0.6 % | 0.1 % | 0.5 |
| Trailing 3-Year | 1.9 | 1.9 | 0.0 |
| Trailing 5-Year | 2.5 | 2.4 | 0.1 |
| Trailing 10-Year | 2.6 | 2.4 | 0.2 |

STABLE VALUE

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|--------------------------|---------------|--------------------------|---------------------------|---------------------------|
| Stable Value Fund | 1.1 % | 4.6 % | 4.8 % | 4.7 % |
| EnnisKnupp GIC Index | 1.0 | 4.3 | 4.6 | 4.3 |

Investment Strategy

The Stable Value Fund managed by Great-West seeks to provide a stable rate of return through current income while preserving capital. The Fund invests solely in fixed income securities rated AAA or those issued by the U.S. government and its agencies. The Fund will allocate assets to sectors that management believes offer increased yield potential.

HISTORICAL RETURNS (BY YEAR)

| | Stable Value Fund | EnnisKnupp GIC Index | Return Difference |
|------------------|-------------------|----------------------|----------------------|
| | Return | Return | |
| 1998 | 6.3% | 6.2% | 0.1 |
| 1999 | 6.3 | 6.0 | 0.3 |
| 2000 | 6.5 | 6.4 | 0.1 |
| 2001 | 6.5 | 6.2 | 0.3 |
| 2002 | 5.7 | 5.1 | 0.6 |
| 2003 | 4.3 | 4.1 | 0.2 |
| 2004 | 4.2 | 3.9 | 0.3 |
| 2005 | 4.5 | 3.7 | 0.8 |
| 2006 | 4.8 | 4.1 | 0.7 |
| 2007 | 4.9 | 4.6 | 0.3 |
| 2008 | 4.8 | 4.7 | 0.1 |
| 2009 | 4.7 | 4.5 | 0.2 |
| 2010 (3 months) | 1.1 | 1.0 | 0.1 |
| Trailing 1-Year | 4.6% | 4.3% | 0.3 |
| Trailing 3-Year | 4.8 | 4.6 | 0.2 |
| Trailing 5-Year | 4.7 | 4.3 | 0.4 |
| Trailing 10-Year | 5.0 | 4.7 | 0.3 |

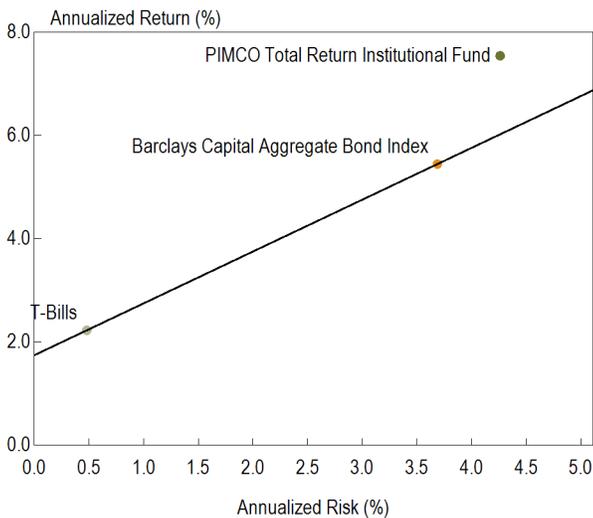
**RETURN SUMMARY
ENDING 3/31/10**

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|--|---------------|--------------------------|---------------------------|---------------------------|
| PIMCO Total Return Institutional Fund | 3.0 % | 15.5 % | 9.6 % | 7.5 % |
| Barclays Capital Aggregate Bond Index | 1.8 | 7.7 | 6.1 | 5.4 |

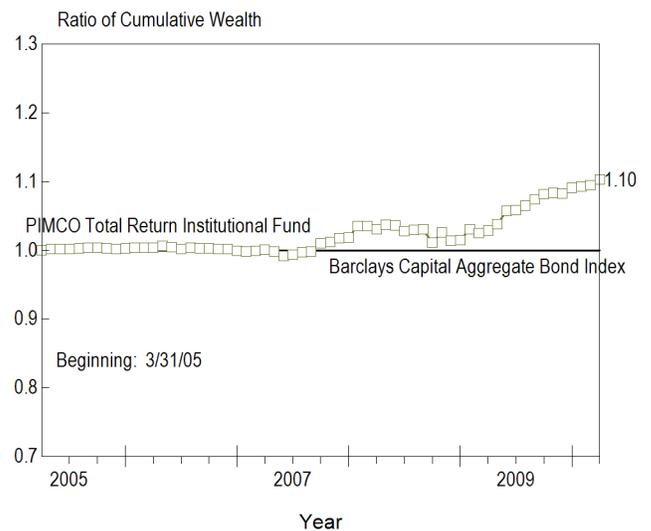
Investment Strategy

The PIMCO Total Return Fund, Institutional Shares, seeks total return consistent with preservation of capital. The Fund's strategy includes active sector rotation and moderate interest-rate anticipation. PIMCO's objective is to outperform the Barclays Capital Aggregate Bond Index without incurring greater risk by utilizing innovative investment techniques or identifying sector and issue buying opportunities. The Fund maintains a duration between three and six years and can invest up to 10% in issues rated below BBB, but no lower than B-rated. The Fund may invest up to 20% of assets in non-dollar bonds.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 3/31/10**



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 3/31/10**

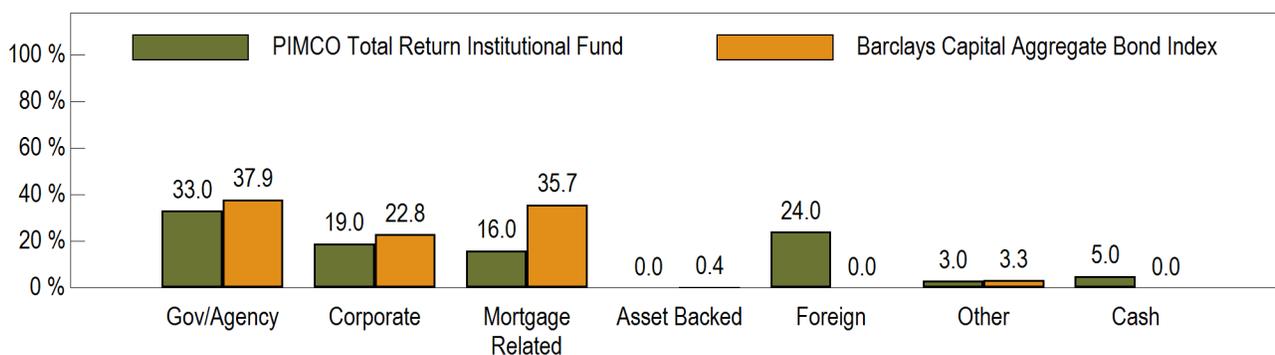


PIMCO TOTAL RETURN INSTL

Fund Information as of 03/31/2010

| | |
|-----------------------------------|---------------------------------------|
| Fund Name | Pimco Fds Total Return Bd Fund I |
| Ticker | PTTRX |
| Category | Intermediate-Term Bond |
| Benchmark | Barclays Capital Aggregate Bond Index |
| Expense Ratio | 0.46% |
| Fund Assets (millions) | 125,962.40 |
| Share Class Inception Date | 5/11/1987 |
| Manager Tenure | 23 |

SECTOR ALLOCATION AS OF 3/31/10 PIMCO Total Return Institutional Fund



HISTORICAL RETURNS (BY YEAR)

| | PIMCO Total Return Institutional Fund | Barclays Capital Aggregate Bond Index | Return Difference |
|------------------|---------------------------------------|---------------------------------------|-------------------|
| | Return | Return | |
| 1998 | 9.8% | 8.7% | 1.1 |
| 1999 | -0.3 | -0.8 | 0.5 |
| 2000 | 12.1 | 11.6 | 0.5 |
| 2001 | 9.5 | 8.4 | 1.1 |
| 2002 | 10.2 | 10.3 | -0.1 |
| 2003 | 5.6 | 4.1 | 1.5 |
| 2004 | 5.1 | 4.3 | 0.8 |
| 2005 | 2.9 | 2.4 | 0.5 |
| 2006 | 4.0 | 4.3 | -0.3 |
| 2007 | 9.1 | 7.0 | 2.1 |
| 2008 | 4.8 | 5.2 | -0.4 |
| 2009 | 13.8 | 5.9 | 7.9 |
| 2010 (3 months) | 3.0 | 1.8 | 1.2 |
| Trailing 1-Year | 15.5% | 7.7% | 7.8 |
| Trailing 3-Year | 9.6 | 6.1 | 3.5 |
| Trailing 5-Year | 7.5 | 5.4 | 2.1 |
| Trailing 10-Year | 7.7 | 6.3 | 1.4 |

VANGUARD TOTAL BOND MARKET INDEX

RETURN SUMMARY ENDING 3/31/10

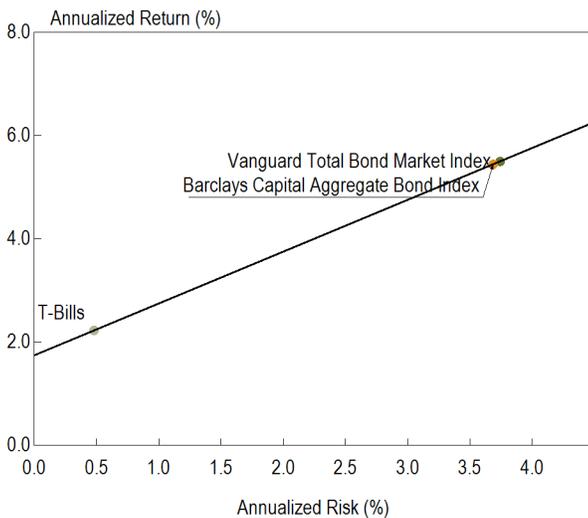
| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Vanguard Total Bond Market Index | 1.7 % | 7.5 % | 6.2 % | 5.5 % |
| Barclays Capital Aggregate Bond Index | 1.8 | 7.7 | 6.1 | 5.4 |

Investment Strategy

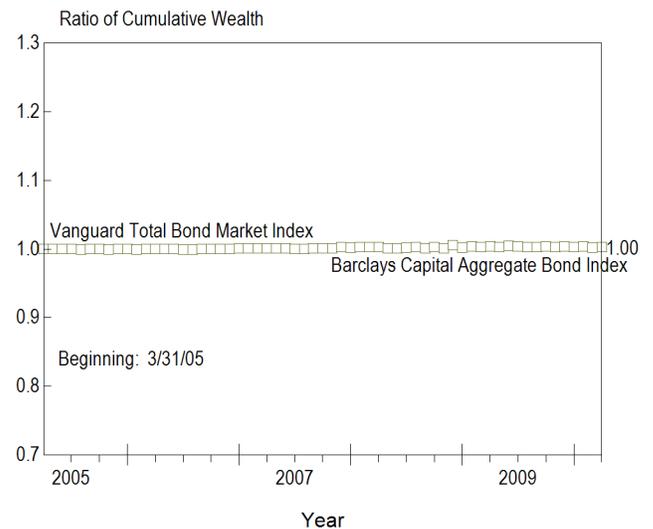
The Vanguard Total Bond Market Index Fund seeks to replicate the performance of the Barclays Capital Aggregate Bond Index. The Fund holds U.S. government and agency securities, high-quality corporate bonds, and mortgage-backed issues.

The Fund attempts to simulate the market's performance by holding a sampling of the more than 4,000 bonds in the Barclays Capital Aggregate Bond Index. Characteristics of the Fund, including interest-rate sensitivity and sector weightings, closely match those of the Index.

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



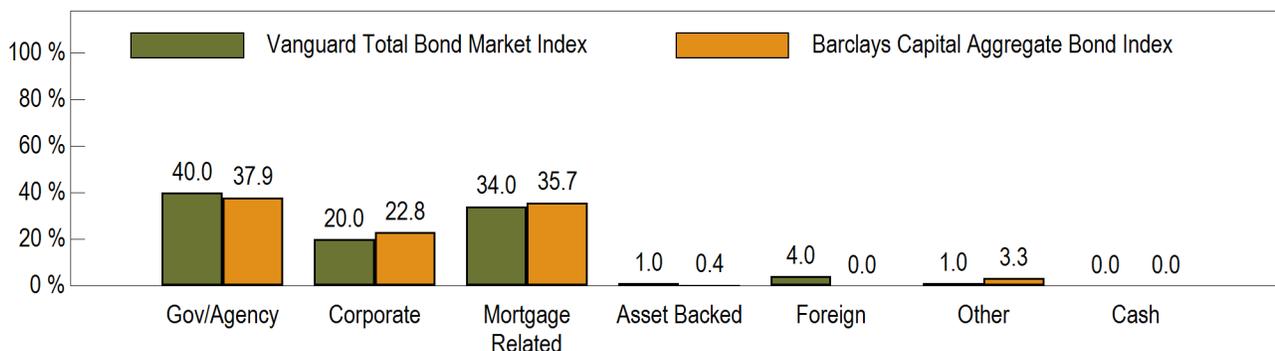
VANGUARD TOTAL BOND MARKET INDEX

Fund Information as of 03/31/2010

| | |
|-----------------------------------|---------------------------------------|
| Fund Name | VANGUARD-TOT-INS |
| Ticker | VBTIX |
| Category | Intermediate-Term Bond |
| Benchmark | Barclays Capital Aggregate Bond Index |
| Expense Ratio | 0.08% |
| Fund Assets (millions) | 17,659.11 |
| Share Class Inception Date | 9/18/1995 |
| Manager Tenure | 17 |

SECTOR ALLOCATION AS OF 3/31/10

Vanguard Total Bond Market Index



HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Total Bond Market Index | Barclays Capital Aggregate Bond Index | Return Difference |
|------------------|----------------------------------|---------------------------------------|-------------------|
| | Return | Return | |
| 1998 | 8.7% | 8.7% | 0.0 |
| 1999 | -0.7 | -0.8 | 0.1 |
| 2000 | 11.5 | 11.6 | -0.1 |
| 2001 | 8.6 | 8.4 | 0.2 |
| 2002 | 8.4 | 10.3 | -1.9 |
| 2003 | 4.1 | 4.1 | 0.0 |
| 2004 | 4.4 | 4.3 | 0.1 |
| 2005 | 2.5 | 2.4 | 0.1 |
| 2006 | 4.4 | 4.3 | 0.1 |
| 2007 | 7.0 | 7.0 | 0.0 |
| 2008 | 5.2 | 5.2 | 0.0 |
| 2009 | 6.1 | 5.9 | 0.2 |
| 2010 (3 months) | 1.7 | 1.8 | -0.1 |
| Trailing 1-Year | 7.5% | 7.7% | -0.2 |
| Trailing 3-Year | 6.2 | 6.1 | 0.1 |
| Trailing 5-Year | 5.5 | 5.4 | 0.1 |
| Trailing 10-Year | 6.1 | 6.3 | -0.2 |

RETURN SUMMARY
ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|----------------------|---------------|-----------------------|------------------------|------------------------|
| TRP PS Income | 3.2% | 33.3% | 2.8% | 5.3% |
| Custom Benchmark | 2.9 | 22.6 | 1.5 | 4.1 |

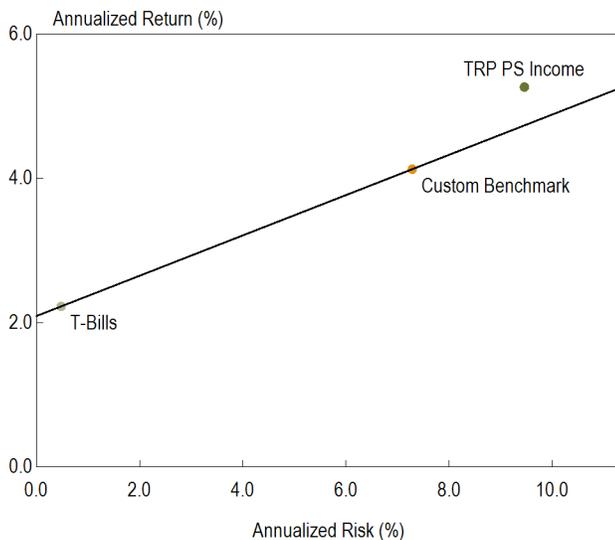
Investment Strategy

T. Rowe Price Personal Strategy Income Fund seeks to provide income, with a secondary goal of capital appreciation. The Fund invests in a variety of both stocks and bonds, with an emphasis on dividend-paying stocks and government and high-quality corporate, income-producing bonds.

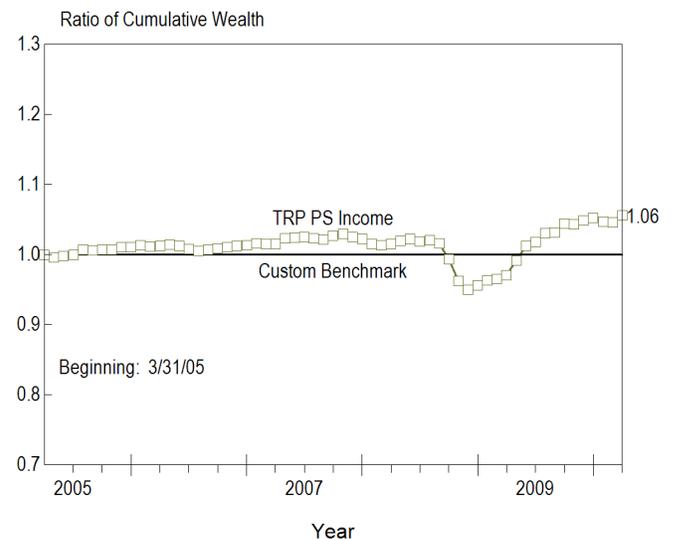
The Fund's target asset allocation is 40% stocks, 40% bonds, and 20% cash. Typically, the Fund maintains a 5% - 10% exposure to non-U.S. stocks. It is the most conservative of the three T. Rowe Price lifestyle funds.

As illustrated in the graphs below and the table above, T. Rowe Price Personal Strategy Income Fund has exceeded the Index over the trailing five-year period at a higher level of risk.

ANNUALIZED RISK RETURN
5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 3/31/10



T. ROWE PRICE

PERSONAL STRATEGY INCOME

Fund Information as of 03/31/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | T Rowe Price Prs Str:Inc |
| Ticker | PRSEX |
| Category | Conservative Allocation |
| Benchmark | Custom Benchmark |
| Expense Ratio | 0.72% |
| Fund Assets (millions) | 874.08 |
| Share Class Inception Date | 7/29/1994 |
| Manager Tenure | 11 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|------|
| BUSINESS SERVICES | 2.0% |
| CONSUMER GOODS | 3.1% |
| CONSUMER SERVICES | 4.7% |
| ENERGY | 4.1% |
| FINANCIAL SERVICES | 9.0% |
| HARDWARE | 4.1% |
| HEALTHCARE | 4.0% |
| INDUSTRIAL MATERIALS | 5.1% |
| MEDIA | 1.8% |
| SOFTWARE | 1.2% |
| TELECOMMUNICATION | 2.7% |
| UTILITIES | 1.1% |

Top Holdings as of 03/31/2010

| | |
|---|-------|
| RESERVE INVT FDS | 12.8% |
| T. ROWE PRICE INSTL HIGH YIELD | 6.8% |
| T. ROWE PRICE INSTL EMERGING MKTS BOND | 5.5% |
| T. ROWE PRICE INSTL INTL BOND | 4.6% |
| T. ROWE PRICE INSTL EMERGING MKTS EQ | 1.6% |
| UNITED STATES TREAS NTS 1.75% | 1.4% |
| UNITED STATES TREAS NTS 3.125% | 1.1% |
| APPLE, INC. | 1.0% |
| UNITED STATES TREAS NTS 2.625% | 0.9% |
| GOOGLE, INC. | 0.8% |

HISTORICAL RETURNS

(BY YEAR)

| | TRP PS Income | Custom Benchmark | Return Difference |
|------------------|---------------|------------------|-------------------|
| | Return | Return | |
| 1998 | 11.5% | 14.1% | -2.6 |
| 1999 | 5.2 | 9.9 | -4.7 |
| 2000 | 6.6 | 1.0 | 5.6 |
| 2001 | 0.9 | -0.9 | 1.8 |
| 2002 | -3.4 | -4.1 | 0.7 |
| 2003 | 18.6 | 14.3 | 4.3 |
| 2004 | 9.9 | 7.4 | 2.5 |
| 2005 | 5.2 | 4.5 | 0.7 |
| 2006 | 9.6 | 9.3 | 0.3 |
| 2007 | 7.3 | 6.3 | 1.0 |
| 2008 | -20.4 | -14.9 | -5.5 |
| 2009 | 25.5 | 14.0 | 11.5 |
| 2010 (3 months) | 3.2 | 2.9 | 0.3 |
| Trailing 1-Year | 33.3% | 22.6% | 10.7 |
| Trailing 3-Year | 2.8 | 1.5 | 1.3 |
| Trailing 5-Year | 5.3 | 4.1 | 1.2 |
| Trailing 10-Year | 5.5 | 3.4 | 2.1 |

* Fund information throughout the report is shown as of the most recent date available.

**RETURN SUMMARY
ENDING 3/31/10**

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|------------------------|---------------|-----------------------|------------------------|------------------------|
| TRP PS Balanced | 3.9% | 44.0% | 1.0% | 4.9% |
| Custom Benchmark | 3.8 | 32.5 | -0.1 | 3.9 |

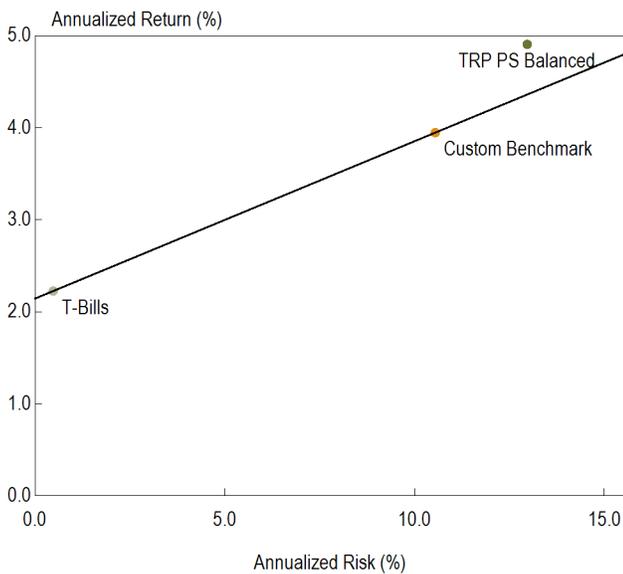
Investment Strategy

T. Rowe Price Personal Strategy Balanced Fund seeks both capital appreciation and income. The Fund invests in a variety of both stocks and bonds, with an emphasis on blue-chip, dividend-paying stocks, government and high-quality corporate, income-producing bonds.

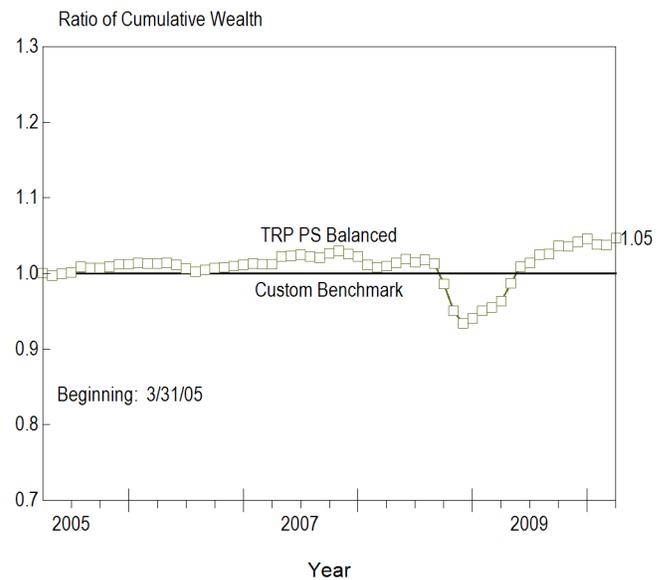
The Fund's neutral asset allocation is 60% stocks, 30% bonds, and 10% cash. Typically, the Fund maintains a 10% exposure to non-U.S. stocks. The balanced fund is the moderate fund relative to the three T. Rowe Price lifestyle funds in terms of expected risk and reward.

As illustrated in the graphs below and the table above, T. Rowe Price Personal Strategy Balanced Fund has exceeded the Index over the trailing five-year period at a higher level of risk.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 3/31/10**



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 3/31/10**



T. ROWE PRICE

PERSONAL STRATEGY BALANCED

Fund Information as of 03/31/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | T Rowe Price Prs Str:Bal |
| Ticker | TRPBX |
| Category | Moderate Allocation |
| Benchmark | Custom Benchmark |
| Expense Ratio | 0.81% |
| Fund Assets (millions) | 1,525.72 |
| Share Class Inception Date | 7/29/1994 |
| Manager Tenure | 11 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|-------|
| BUSINESS SERVICES | 2.9% |
| CONSUMER GOODS | 4.6% |
| CONSUMER SERVICES | 6.9% |
| ENERGY | 6.0% |
| FINANCIAL SERVICES | 13.2% |
| HARDWARE | 6.0% |
| HEALTHCARE | 5.8% |
| INDUSTRIAL MATERIALS | 7.4% |
| MEDIA | 2.7% |
| SOFTWARE | 1.7% |
| TELECOMMUNICATION | 4.0% |
| UTILITIES | 1.6% |

Top Holdings as of 03/31/2010

| | |
|---|------|
| T. ROWE PRICE INSTL HIGH YIELD | 4.2% |
| RESERVE INVT FDS | 3.8% |
| T. ROWE PRICE INSTL EMERGING MKTS BOND | 3.4% |
| T. ROWE PRICE INSTL INTL BOND | 3.0% |
| T. ROWE PRICE INSTL EMERGING MKTS EQ | 2.5% |
| UNITED STATES TREAS NTS 1.75% | 1.6% |
| APPLE, INC. | 1.5% |
| GOOGLE, INC. | 1.1% |
| J.P. MORGAN CHASE & CO. | 1.0% |
| MICROSOFT CORPORATION | 0.9% |

HISTORICAL RETURNS

(BY YEAR)

| | TRP PS Balanced | Custom Benchmark | Return Difference |
|------------------|-----------------|------------------|-------------------|
| | Return | Return | |
| 1998 | 13.9% | 17.4% | -3.5 |
| 1999 | 8.0 | 14.4 | -6.4 |
| 2000 | 5.6 | -3.0 | 8.6 |
| 2001 | -2.5 | -4.7 | 2.2 |
| 2002 | -7.7 | -9.2 | 1.5 |
| 2003 | 24.4 | 20.4 | 4.0 |
| 2004 | 12.6 | 9.6 | 3.0 |
| 2005 | 6.4 | 5.6 | 0.8 |
| 2006 | 11.9 | 12.1 | -0.2 |
| 2007 | 7.7 | 6.5 | 1.2 |
| 2008 | -29.3 | -23.2 | -6.1 |
| 2009 | 32.6 | 19.3 | 13.3 |
| 2010 (3 months) | 3.9 | 3.8 | 0.1 |
| Trailing 1-Year | 44.0% | 32.5% | 11.5 |
| Trailing 3-Year | 1.0 | -0.1 | 1.1 |
| Trailing 5-Year | 4.9 | 3.9 | 1.0 |
| Trailing 10-Year | 5.0 | 2.6 | 2.4 |

RETURN SUMMARY
ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|----------------------|---------------|-----------------------|------------------------|------------------------|
| TRP PS Growth | 4.5% | 53.1% | -1.7% | 3.9% |
| Custom Benchmark | 4.7 | 42.9 | -1.9 | 3.6 |

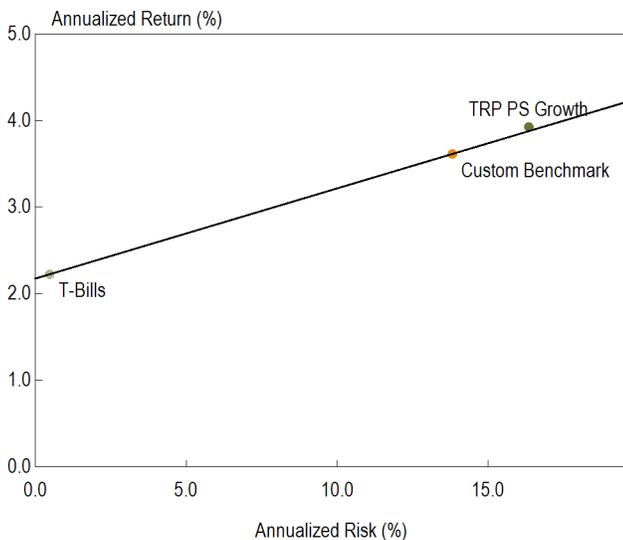
Investment Strategy

T. Rowe Price Personal Strategy Growth Fund seeks capital appreciation, with a secondary goal of income. The Fund invests in a variety of both stocks and bonds, with an emphasis on blue-chip, dividend-paying stocks, government and high-quality corporate, and income-producing bonds.

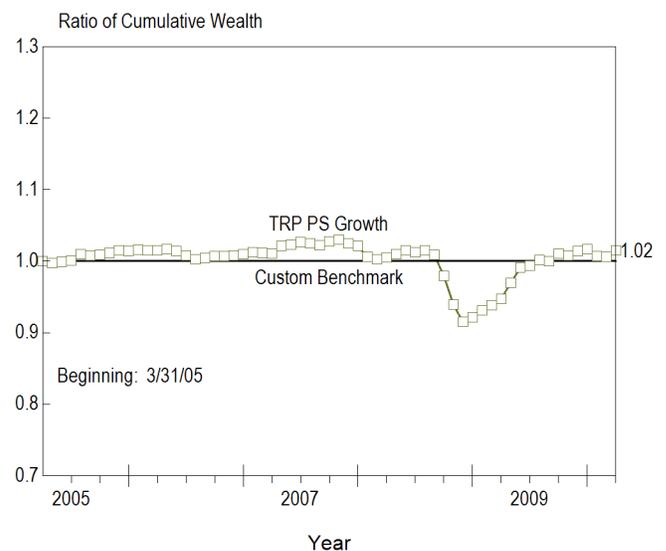
The Fund's neutral asset allocation is 80% stocks and 20% bonds. Typically, the Fund maintains a 15% - 25% exposure to non-U.S. stocks. The growth fund has the highest expected risk/reward profile of the three T. Rowe Price lifestyle funds.

As illustrated in the graphs below and the table above, T. Rowe Price Personal Strategy Growth Fund has exceeded the Index over the trailing five-year period at a higher level of risk.

ANNUALIZED RISK RETURN
5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 3/31/10



T. ROWE PRICE

PERSONAL STRATEGY GROWTH

Fund Information as of 03/31/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | T Rowe Price Prs Str:Gro |
| Ticker | TRSGX |
| Category | Large Blend |
| Benchmark | Custom Benchmark |
| Expense Ratio | 0.91% |
| Fund Assets (millions) | 1,084.98 |
| Share Class Inception Date | 7/29/1994 |
| Manager Tenure | 11 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|-------|
| BUSINESS SERVICES | 3.8% |
| CONSUMER GOODS | 6.0% |
| CONSUMER SERVICES | 9.0% |
| ENERGY | 7.8% |
| FINANCIAL SERVICES | 17.3% |
| HARDWARE | 7.9% |
| HEALTHCARE | 7.6% |
| INDUSTRIAL MATERIALS | 9.7% |
| MEDIA | 3.5% |
| SOFTWARE | 2.3% |
| TELECOMMUNICATION | 5.3% |
| UTILITIES | 2.1% |

Top Holdings as of 03/31/2010

| | |
|---|------|
| T. ROWE PRICE INSTL EMERGING MKTS EQ | 3.1% |
| T. ROWE PRICE INSTL HIGH YIELD | 2.0% |
| APPLE, INC. | 1.9% |
| T. ROWE PRICE INSTL EMERGING MKTS BOND | 1.7% |
| GOOGLE, INC. | 1.5% |
| T. ROWE PRICE INSTL INTL BOND | 1.4% |
| J.P. MORGAN CHASE & CO. | 1.3% |
| MICROSOFT CORPORATION | 1.2% |
| RESERVE INVT FDS | 1.2% |
| AMAZON.COM, INC. | 1.2% |

HISTORICAL RETURNS

(BY YEAR)

| | TRP PS Growth | Custom Benchmark | Return Difference |
|------------------|---------------|------------------|-------------------|
| | Return | Return | |
| 1998 | 15.6% | 20.6% | -5.0 |
| 1999 | 11.2 | 18.9 | -7.7 |
| 2000 | 4.7 | -7.0 | 11.7 |
| 2001 | -6.0 | -8.4 | 2.4 |
| 2002 | -12.4 | -14.4 | 2.0 |
| 2003 | 29.3 | 26.6 | 2.7 |
| 2004 | 15.0 | 11.8 | 3.2 |
| 2005 | 7.6 | 6.5 | 1.1 |
| 2006 | 14.1 | 14.7 | -0.6 |
| 2007 | 7.8 | 6.7 | 1.1 |
| 2008 | -37.6 | -30.8 | -6.8 |
| 2009 | 37.5 | 24.5 | 13.0 |
| 2010 (3 months) | 4.5 | 4.7 | -0.2 |
| Trailing 1-Year | 53.1% | 42.9% | 10.2 |
| Trailing 3-Year | -1.7 | -1.9 | 0.2 |
| Trailing 5-Year | 3.9 | 3.6 | 0.3 |
| Trailing 10-Year | 4.1 | 1.7 | 2.4 |

VANGUARD TARGET RETIREMENT FUNDS

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Vanguard Target Retirement Income Fund | 2.4 % | 19.4 % | 3.5 % | 4.6 % |
| Target Retirement Income Benchmark | 2.5 | 19.6 | 3.3 | 4.5 |
| Vanguard Target Retirement 2005 Fund | 2.7 | 23.5 | 2.2 | 4.2 |
| Target Retirement 2005 Benchmark | 2.8 | 23.9 | 2.1 | 4.2 |
| Vanguard Target Retirement 2010 Fund | 3.4 | 30.1 | 1.2 | -- |
| Target Retirement 2010 Benchmark | 3.4 | 30.4 | 1.1 | -- |
| Vanguard Target Retirement 2015 Fund | 3.8 | 34.7 | 0.3 | 4.0 |
| Target Retirement 2015 Benchmark | 3.9 | 35.0 | 0.2 | 3.9 |
| Vanguard Target Retirement 2020 Fund | 4.1 | 38.4 | -0.4 | -- |
| Target Retirement 2020 Benchmark | 4.1 | 38.6 | -0.6 | -- |
| Vanguard Target Retirement 2025 Fund | 4.3 | 42.2 | -1.3 | 3.5 |
| Target Retirement 2025 Benchmark | 4.3 | 42.3 | -1.4 | 3.4 |
| Vanguard Target Retirement 2030 Fund | 4.6 | 45.9 | -2.1 | -- |
| Target Retirement 2030 Benchmark | 4.6 | 46.1 | -2.2 | -- |
| Vanguard Target Retirement 2035 Fund | 4.8 | 49.0 | -2.5 | 3.3 |
| Target Retirement 2035 Benchmark | 4.8 | 49.1 | -2.7 | 3.3 |
| Vanguard Target Retirement 2040 Fund | 4.7 | 48.8 | -2.4 | -- |
| Target Retirement 2040 Benchmark | 4.8 | 49.1 | -2.7 | -- |
| Vanguard Target Retirement 2045 Fund | 4.8 | 49.0 | -2.5 | 3.6 |
| Target Retirement 2045 Benchmark | 4.8 | 49.1 | -2.7 | 3.5 |
| Vanguard Target Retirement 2050 Fund | 4.8 | 48.9 | -2.5 | -- |
| Target Retirement 2050 Benchmark | 4.8 | 49.1 | -2.7 | -- |

Investment Strategy

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

VANGUARD TARGET RETIREMENT FUNDS

Vanguard Target Retirement Income Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 23.9% |
| International Stocks | 6.0 |
| Nominal Bonds | 45.2 |
| Inflation-Protected Bonds | 20.0 |
| Cash | 4.9 |

Vanguard Target Retirement 2005 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 29.2% |
| International Stocks | 7.5 |
| Nominal Bonds | 43.3 |
| Inflation-Protected Bonds | 16.7 |
| Cash | 3.3 |

Vanguard Target Retirement 2010 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 40.4% |
| International Stocks | 10.0 |
| Nominal Bonds | 40.1 |
| Inflation-Protected Bonds | 9.5 |
| Cash | 0.0 |

Vanguard Target Retirement 2015 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 48.3% |
| International Stocks | 12.1 |
| Nominal Bonds | 39.6 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2020 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 54.2% |
| International Stocks | 13.6 |
| Nominal Bonds | 32.2 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2025 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 60.2% |
| International Stocks | 15.1 |
| Nominal Bonds | 24.7 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2030 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 66.2% |
| International Stocks | 16.6 |
| Nominal Bonds | 17.2 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2035 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 71.9% |
| International Stocks | 18.1 |
| Nominal Bonds | 10.0 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2040 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 72.0% |
| International Stocks | 18.0 |
| Nominal Bonds | 10.0 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2045 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 71.9% |
| International Stocks | 18.1 |
| Nominal Bonds | 10.0 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2050 Fund

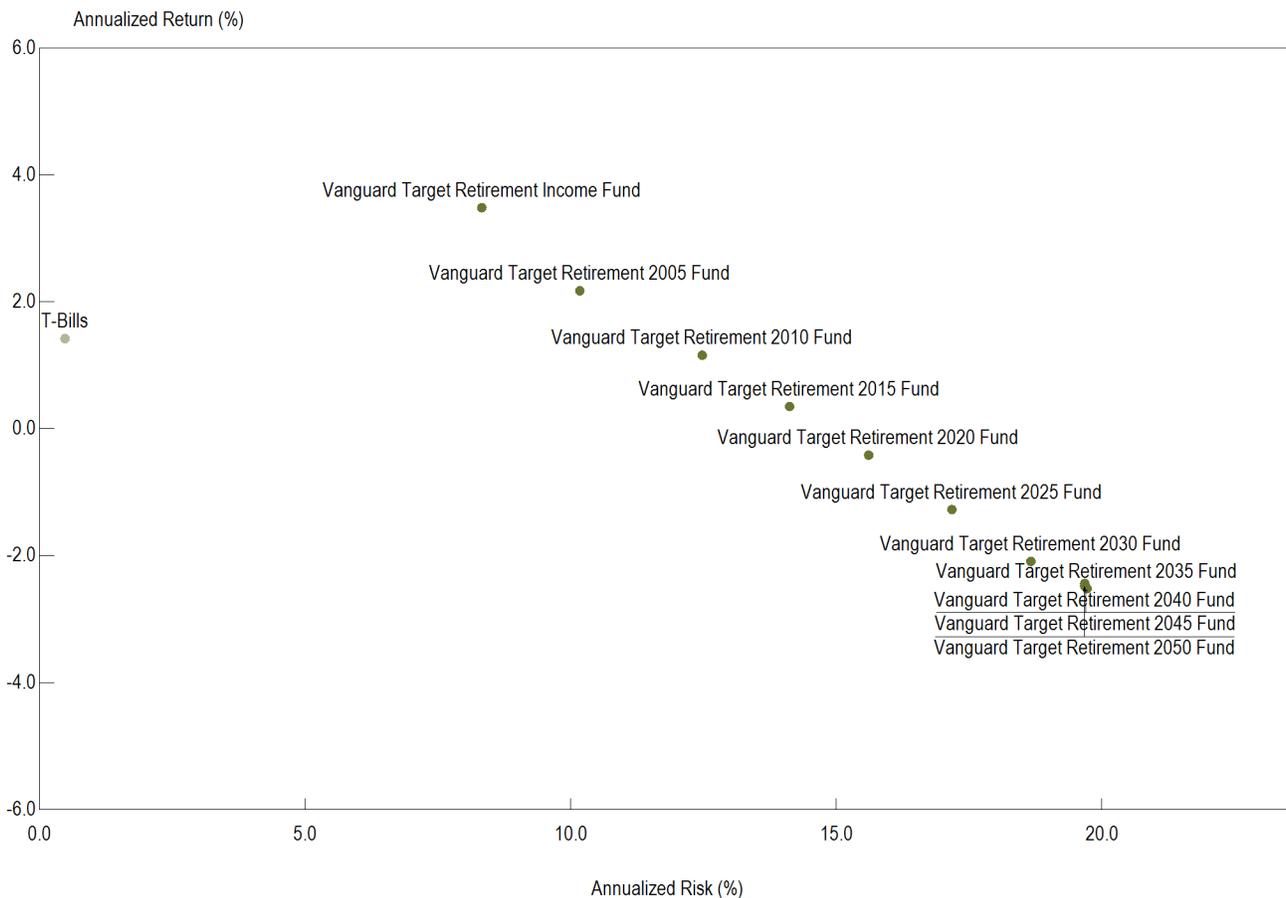
| | |
|---------------------------|-------|
| Domestic Stocks | 72.0% |
| International Stocks | 18.0 |
| Nominal Bonds | 10.0 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Asset Allocation Table

The tables above illustrates the asset allocations for the Vanguard Retirement Funds as of March 31, 2010.

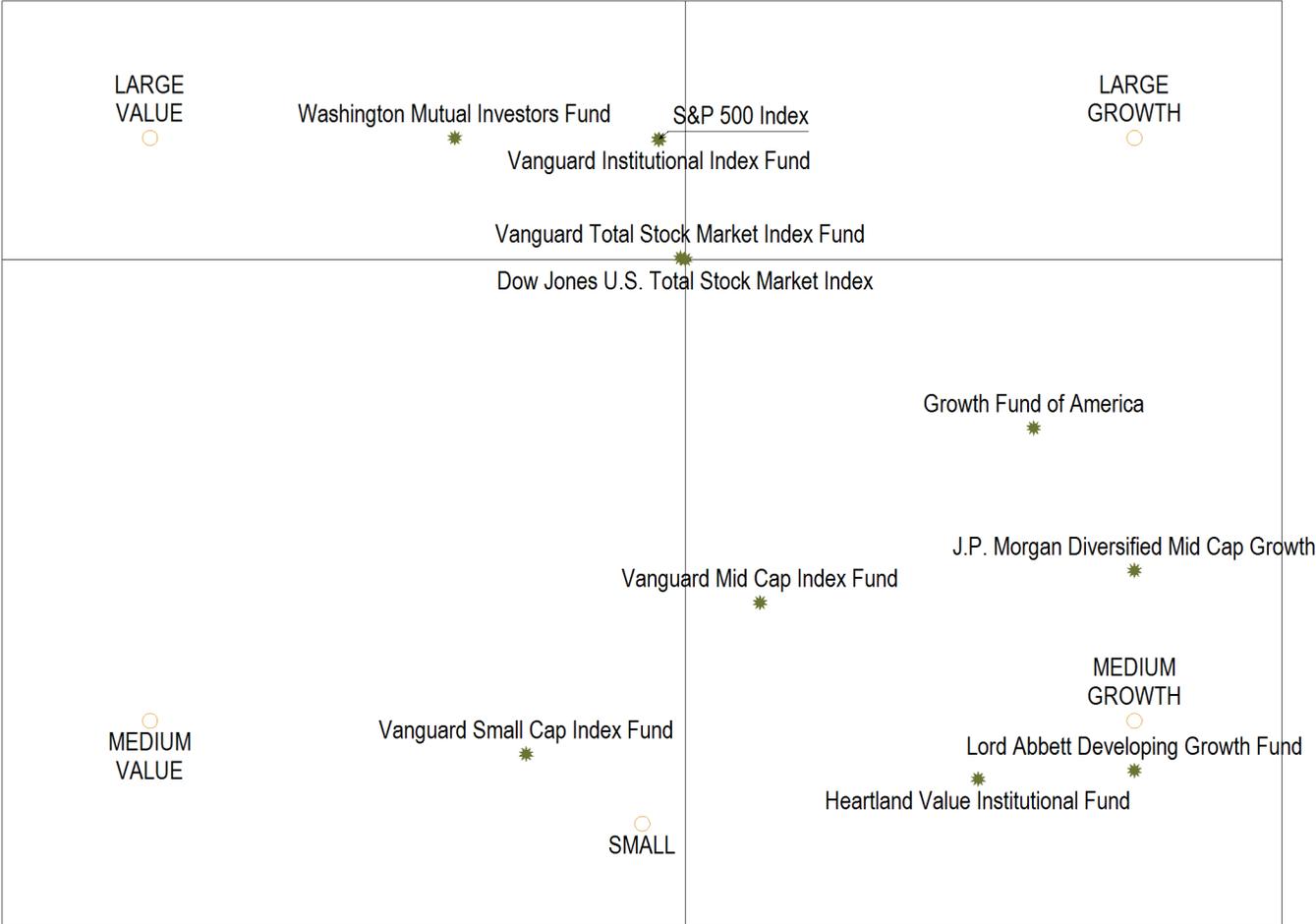
VANGUARD TARGET RETIREMENT FUNDS

ANNUALIZED RISK RETURN 3 YEARS ENDING 3/31/10



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EFFECTIVE STYLE MAP
 5 YEARS ENDING 3/31/10



WASHINGTON MUTUAL INVESTORS

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Washington Mutual Investors Fund | 3.9% | 42.5% | -5.2% | 1.3% |
| Russell 1000 Value Index | 6.8 | 53.6 | -7.3 | 1.0 |
| S&P 500 Index | 5.4 | 49.8 | -4.2 | 1.9 |

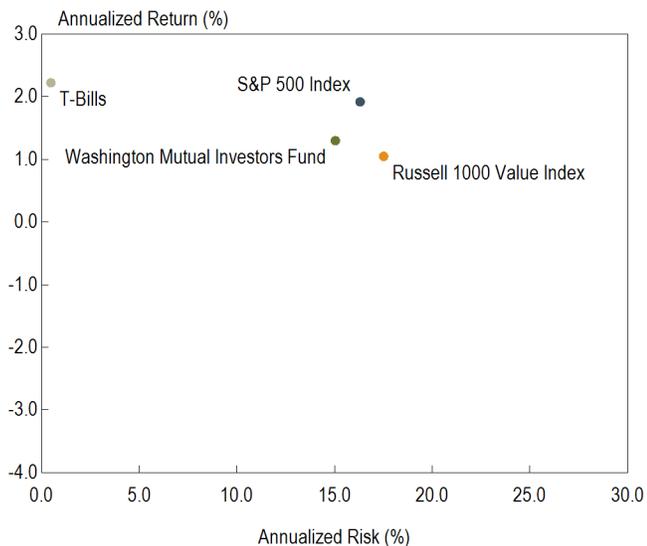
Investment Strategy

Washington Mutual Investors Fund seeks both income and growth of capital. Management prefers companies that have paid consistent dividends and by mandate excludes those that derive their primary revenues from alcohol or tobacco. In particular, they seek companies that have paid dividends in at least nine of the last ten years.

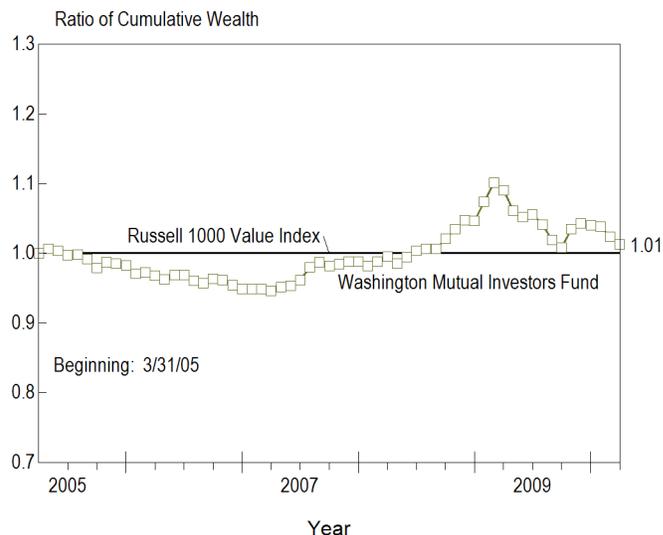
Capital Research & Management (the American Funds family) provides investment services for this Fund. Management looks for stocks with strong long-term prospects selling at low prices. The Fund may invest up to 5% of assets in securities of non-U.S. issuers.

As illustrated in the graphs below and the table above, Washington Mutual Investors Fund has outperformed the Russell 1000 Value Index over the trailing five-year period at a lower level of risk.

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



Fund Information as of 03/31/2010

| | |
|----------------------------|--------------------------|
| Fund Name | AMERICAN-WA-A |
| Ticker | AWSHX |
| Category | Large Value |
| Benchmark | Russell 1000 Value Index |
| Expense Ratio | 0.67% |
| Fund Assets (millions) | 39,096.89 |
| Share Class Inception Date | 7/31/1952 |
| Manager Tenure | 6 |

Sector Allocation as of 12/31/2009

| | |
|----------------------|--------|
| BUSINESS SERVICES | 3.53% |
| CONSUMER GOODS | 10.20% |
| CONSUMER SERVICES | 6.50% |
| ENERGY | 13.72% |
| FINANCIAL SERVICES | 7.65% |
| HARDWARE | 4.64% |
| HEALTHCARE | 14.65% |
| INDUSTRIAL MATERIALS | 16.17% |
| MEDIA | 0.88% |
| SOFTWARE | 1.91% |
| TELECOMMUNICATION | 8.12% |
| UTILITIES | 10.52% |

Top Holdings as of 12/31/2009

| | |
|-----------------------------|-------|
| CHEVRON CORPORATION | 5.14% |
| VERIZON COMMUNICATIONS INC. | 4.10% |
| ROYAL DUTCH SHELL PLC ADR B | 3.59% |
| AT&T, INC. | 3.46% |
| MERCK & CO., INC. | 3.44% |
| MCDONALD'S CORPORATION | 2.79% |
| COCA-COLA COMPANY | 2.69% |
| UNITED TECHNOLOGIES | 2.47% |
| ABBOTT LABORATORIES | 2.46% |
| JOHNSON & JOHNSON | 2.34% |

HISTORICAL RETURNS

(BY YEAR)

| | Washington Mutual Investors Fund | Russell 1000 Value Index | Return Difference | S&P 500 Index | Return Difference |
|------------------|----------------------------------|--------------------------|-------------------|---------------|-------------------|
| | Return | Return | | Return | |
| 1998 | 19.4 % | 15.6 % | 3.8 | 28.6 % | -9.2 |
| 1999 | 1.2 | 7.3 | -6.1 | 21.0 | -19.8 |
| 2000 | 9.1 | 7.0 | 2.1 | -9.1 | 18.2 |
| 2001 | 1.5 | -5.6 | 7.1 | -11.9 | 13.4 |
| 2002 | -14.8 | -15.5 | 0.7 | -22.1 | 7.3 |
| 2003 | 25.8 | 30.0 | -4.2 | 28.7 | -2.9 |
| 2004 | 9.9 | 16.5 | -6.6 | 10.9 | -1.0 |
| 2005 | 3.5 | 7.1 | -3.6 | 4.9 | -1.4 |
| 2006 | 18.0 | 22.2 | -4.2 | 15.8 | 2.2 |
| 2007 | 4.0 | -0.2 | 4.2 | 5.5 | -1.5 |
| 2008 | -33.1 | -36.8 | 3.7 | -37.0 | 3.9 |
| 2009 | 19.0 | 19.7 | -0.7 | 26.5 | -7.5 |
| 2010 (3 months) | 3.9 | 6.8 | -2.9 | 5.4 | -1.5 |
| Trailing 1-Year | 42.5 % | 53.6 % | -11.1 | 49.8 % | -7.3 |
| Trailing 3-Year | -5.2 | -7.3 | 2.1 | -4.2 | -1.0 |
| Trailing 5-Year | 1.3 | 1.0 | 0.3 | 1.9 | -0.6 |
| Trailing 10-Year | 3.3 | 3.1 | 0.2 | -0.7 | 4.0 |

VANGUARD INSTITUTIONAL INDEX

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|--|---------------|--------------------------|---------------------------|---------------------------|
| Vanguard Institutional Index Fund | 5.4 % | 49.9 % | -4.1 % | 2.0 % |
| S&P 500 Index | 5.4 | 49.8 | -4.2 | 1.9 |

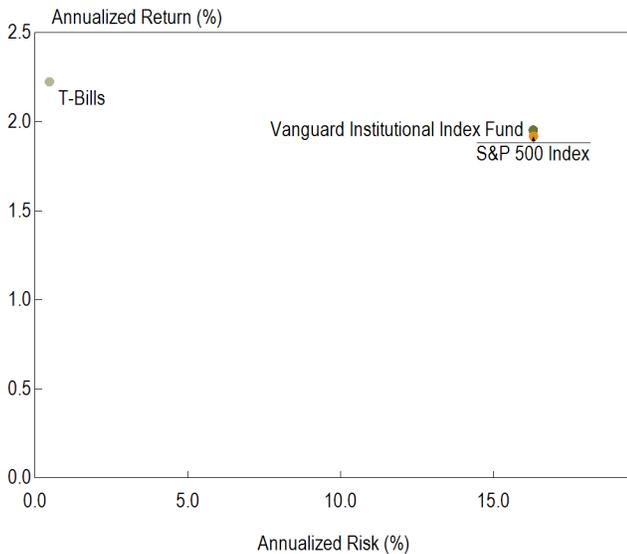
Investment Strategy

The Vanguard Institutional Index Fund is designed to approximate the performance of the S&P 500 Stock Index. The Fund holds a capitalization-weighted position in all 500 securities of the S&P 500 Stock Index.

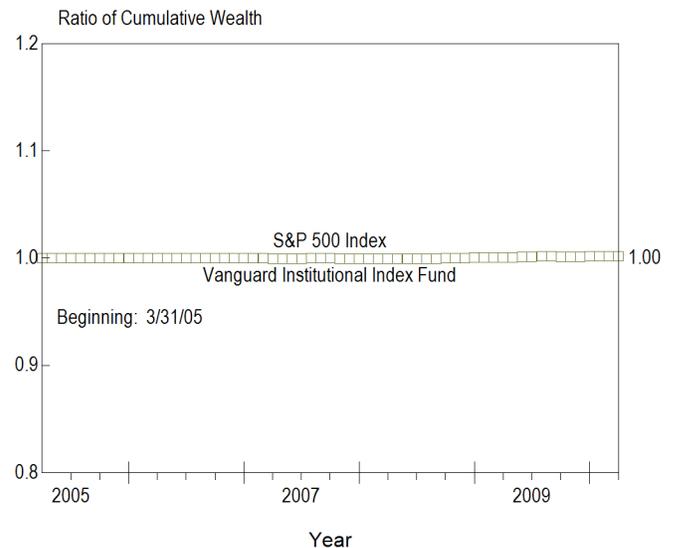
Management uses S&P 500 Index futures to manage fund inflows and outflows.

As illustrated in the graphs below and the table above, Vanguard Institutional Index Fund has tracked the Index over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



Fund Information as of 03/31/2010

| | |
|-----------------------------------|------------------|
| Fund Name | VANGUARD-INST-IS |
| Ticker | VINIX |
| Category | Large Blend |
| Benchmark | S&P 500 Index |
| Expense Ratio | 0.05% |
| Fund Assets (millions) | 47,376.65 |
| Share Class Inception Date | 7/31/1990 |
| Manager Tenure | 5 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 3.83% |
| CONSUMER GOODS | 10.85% |
| CONSUMER SERVICES | 8.62% |
| ENERGY | 11.51% |
| FINANCIAL SERVICES | 14.31% |
| HARDWARE | 11.21% |
| HEALTHCARE | 11.84% |
| INDUSTRIAL MATERIALS | 10.69% |
| MEDIA | 2.57% |
| SOFTWARE | 4.76% |
| TELECOMMUNICATION | 5.80% |
| UTILITIES | 3.62% |

Top Holdings as of 12/31/2009

| | |
|---|-------|
| EXXONMOBIL CORPORATION | 3.25% |
| MICROSOFT CORPORATION | 2.36% |
| APPLE, INC. | 1.91% |
| JOHNSON & JOHNSON | 1.78% |
| PROCTER & GAMBLE COMPANY | 1.78% |
| INTERNATIONAL BUSINESS MACHINES CORP | 1.73% |
| AT&T, INC. | 1.66% |
| J.P. MORGAN CHASE & CO. | 1.65% |
| GENERAL ELECTRIC COMPANY | 1.62% |
| CHEVRON CORPORATION | 1.55% |

HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Institutional Index Fund | S&P 500 Index | Return Difference |
|------------------|-----------------------------------|---------------|-------------------|
| | Return | Return | |
| 1998 | 28.8% | 28.6% | 0.2 |
| 1999 | 21.2 | 21.0 | 0.2 |
| 2000 | -8.9 | -9.1 | 0.2 |
| 2001 | -11.9 | -11.9 | 0.0 |
| 2002 | -22.0 | -22.1 | 0.1 |
| 2003 | 28.7 | 28.7 | 0.0 |
| 2004 | 10.9 | 10.9 | 0.0 |
| 2005 | 4.9 | 4.9 | 0.0 |
| 2006 | 15.8 | 15.8 | 0.0 |
| 2007 | 5.5 | 5.5 | 0.0 |
| 2008 | -37.0 | -37.0 | 0.0 |
| 2009 | 26.6 | 26.5 | 0.1 |
| 2010 (3 months) | 5.4 | 5.4 | 0.0 |
| Trailing 1-Year | 49.9% | 49.8% | 0.1 |
| Trailing 3-Year | -4.1 | -4.2 | 0.1 |
| Trailing 5-Year | 2.0 | 1.9 | 0.1 |
| Trailing 10-Year | -0.6 | -0.7 | 0.1 |

GROWTH FUND OF AMERICA

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|-------------------------------|---------------|--------------------------|---------------------------|---------------------------|
| Growth Fund of America | 4.3 % | 46.4 % | -2.0 % | 4.4 % |
| Russell 1000 Growth Index | 4.6 | 49.8 | -0.8 | 3.4 |

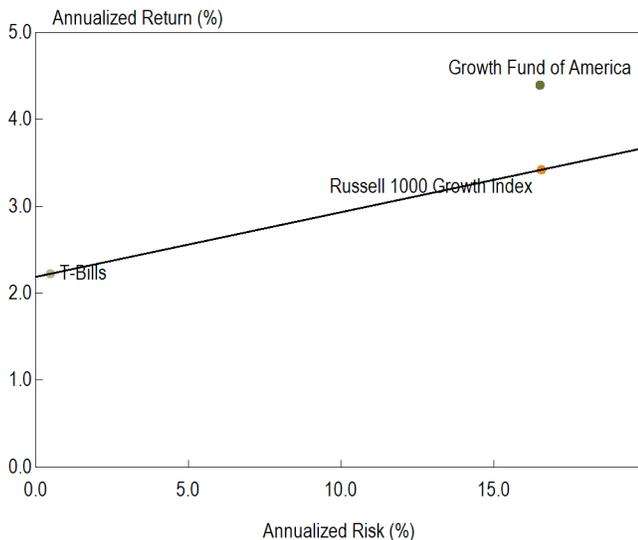
Investment Approach

Capital Research and Management is the sub-advisor for the Growth Fund of America. Capital Research uses a multiple-counselor system in managing the portfolio's assets. The portfolio is divided into segments and the counselors manage their respective segments autonomously. The research analysts are responsible for making the investment decisions for one of the segments.

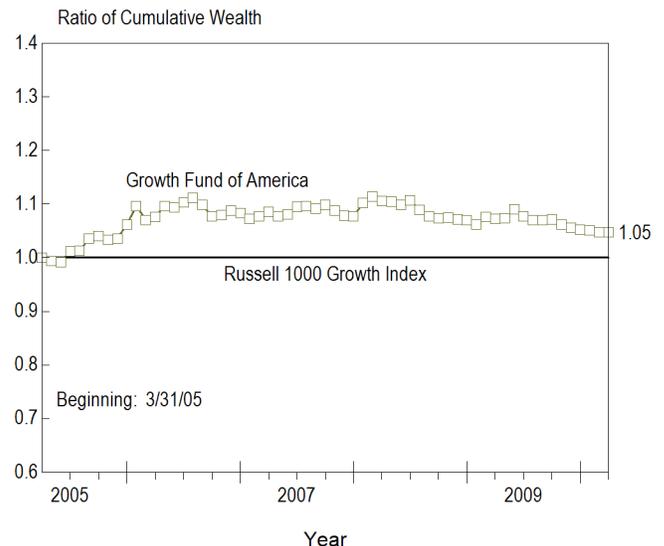
The Capital Research and Management Investment Committee is responsible for making sure the portfolio stays within its limits and adheres to its investment policies. The objective of the Fund is to provide long-term growth of capital by investing in a diversified portfolio of common stocks while using a growth-at-a-reasonable price strategy. The Fund may invest up to 15% of its assets in companies domiciled outside the U.S. This Fund is less volatile than most large cap growth funds.

As illustrated in the graphs below and the table above, Growth Fund of America has outperformed the Index over the trailing five-year period at approximately the same level of risk.

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



Fund Information as of 03/31/2010

| | |
|-----------------------------------|---------------------------|
| Fund Name | Mutual Fund |
| Ticker | RGAFX |
| Category | Large Growth |
| Benchmark | Russell 1000 Growth Index |
| Expense Ratio | 0.40% |
| Fund Assets (millions) | 15,460.94 |
| Share Class Inception Date | 5/15/2002 |
| Manager Tenure | 8 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 4.58% |
| CONSUMER GOODS | 7.26% |
| CONSUMER SERVICES | 4.48% |
| ENERGY | 10.31% |
| FINANCIAL SERVICES | 10.65% |
| HARDWARE | 10.53% |
| HEALTHCARE | 11.86% |
| INDUSTRIAL MATERIALS | 11.53% |
| MEDIA | 3.25% |
| SOFTWARE | 7.93% |
| TELECOMMUNICATION | 6.58% |
| UTILITIES | 0.74% |

Top Holdings as of 12/31/2009

| | |
|------------------------------------|-------|
| MICROSOFT CORPORATION | 3.97% |
| GOOGLE, INC. | 3.36% |
| ORACLE CORPORATION | 2.96% |
| APPLE, INC. | 2.00% |
| CISCO SYSTEMS, INC. | 1.79% |
| COCA-COLA COMPANY | 1.41% |
| MEDTRONIC, INC. | 1.25% |
| SUNCOR ENERGY, INC. | 1.24% |
| J.P. MORGAN CHASE & CO. | 1.23% |
| BARRICK GOLD CORPORATION | 1.22% |

HISTORICAL RETURNS

(BY YEAR)

| | Growth Fund of America | Russell 1000 Growth Index | Return Difference |
|------------------|------------------------|---------------------------|-------------------|
| | Return | Return | |
| 1998 | 31.8% | 38.7% | -6.9 |
| 1999 | 45.7 | 33.2 | 12.5 |
| 2000 | 7.5 | -22.4 | 29.9 |
| 2001 | -12.3 | -20.4 | 8.1 |
| 2002 | -21.8 | -27.9 | 6.1 |
| 2003 | 33.3 | 29.7 | 3.6 |
| 2004 | 12.2 | 6.3 | 5.9 |
| 2005 | 14.5 | 5.3 | 9.2 |
| 2006 | 11.2 | 9.1 | 2.1 |
| 2007 | 11.3 | 11.8 | -0.5 |
| 2008 | -38.9 | -38.4 | -0.5 |
| 2009 | 34.9 | 37.2 | -2.3 |
| 2010 (3 months) | 4.3 | 4.6 | -0.3 |
| Trailing 1-Year | 46.4% | 49.8% | -3.4 |
| Trailing 3-Year | -2.0 | -0.8 | -1.2 |
| Trailing 5-Year | 4.4 | 3.4 | 1.0 |
| Trailing 10-Year | 1.3 | -4.2 | 5.5 |

VANGUARD TOTAL STOCK MARKET INDEX

RETURN SUMMARY ENDING 3/31/10

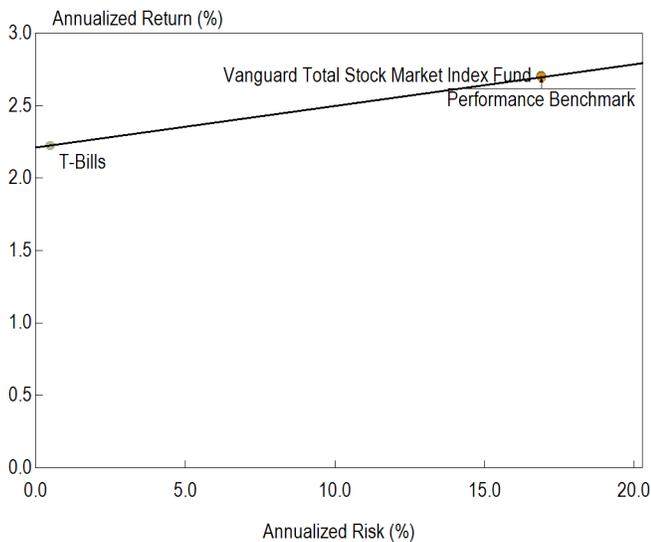
| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Vanguard Total Stock Market Index Fund | 6.0 % | 53.0 % | -3.6 % | 2.7 % |
| Performance Benchmark | 6.0 | 52.9 | -3.6 | 2.7 |

Investment Strategy

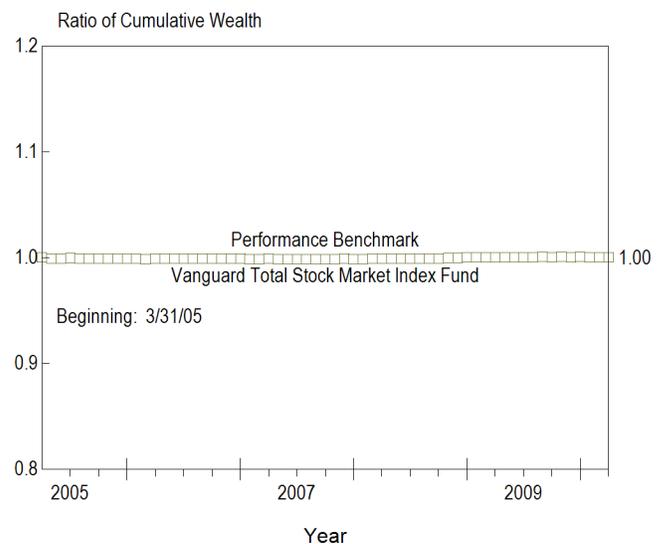
The objective of the Vanguard Total Stock Market Index Fund is to approximate the return of the MSCI U.S. Broad Market Index. The Vanguard Total Stock Market Index Fund utilizes a sampling technique that approximates the industry weightings and market capitalizations of the MSCI U.S. Broad Market Index. The Fund will replicate the weightings of the largest stocks in the Index and invest in a representative sample for the remaining portion. Through computer modeling techniques, management intends to match the Index's characteristics, including sector weightings, yield, price ratios, and risk.

As illustrated in the graphs below and the table above, Vanguard Total Stock Market Index Fund has closely tracked the return of the Index over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



An explanation of the Performance Benchmark can be found in the Appendix.

VANGUARD TOTAL STOCK MARKET INDEX

Fund Information as of 03/31/2010

| | |
|-----------------------------------|-----------------------|
| Fund Name | VANGUARD-T ST-AD |
| Ticker | VTSAX |
| Category | Large Blend |
| Benchmark | Performance Benchmark |
| Expense Ratio | 0.06% |
| Fund Assets (millions) | 30,325.23 |
| Share Class Inception Date | 11/13/2000 |
| Manager Tenure | 15 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 4.78% |
| CONSUMER GOODS | 10.13% |
| CONSUMER SERVICES | 8.60% |
| ENERGY | 10.93% |
| FINANCIAL SERVICES | 15.29% |
| HARDWARE | 10.67% |
| HEALTHCARE | 11.75% |
| INDUSTRIAL MATERIALS | 11.05% |
| MEDIA | 2.56% |
| SOFTWARE | 4.85% |
| TELECOMMUNICATION | 5.46% |
| UTILITIES | 3.75% |

Top Holdings as of 12/31/2009

| | |
|---|-------|
| EXXONMOBIL CORPORATION | 2.67% |
| MICROSOFT CORPORATION | 2.00% |
| APPLE, INC. | 1.54% |
| JOHNSON & JOHNSON | 1.45% |
| PROCTER & GAMBLE COMPANY | 1.44% |
| INTERNATIONAL BUSINESS MACHINES CORP | 1.40% |
| AT&T, INC. | 1.35% |
| J.P. MORGAN CHASE & CO. | 1.34% |
| GENERAL ELECTRIC COMPANY | 1.31% |
| CHEVRON CORPORATION | 1.26% |

HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Total Stock Market Index Fund | Performance Benchmark | Return Difference |
|------------------|--|-----------------------|-------------------|
| | Return | Return | |
| 1998 | 23.3% | 23.4% | -0.1 |
| 1999 | 23.8 | 23.6 | 0.2 |
| 2000 | -10.6 | -10.9 | 0.3 |
| 2001 | -10.9 | -11.0 | 0.1 |
| 2002 | -21.0 | -20.9 | -0.1 |
| 2003 | 31.4 | 31.7 | -0.3 |
| 2004 | 12.6 | 12.6 | 0.0 |
| 2005 | 6.1 | 6.2 | -0.1 |
| 2006 | 15.7 | 15.7 | 0.0 |
| 2007 | 5.6 | 5.6 | 0.0 |
| 2008 | -36.9 | -37.0 | 0.1 |
| 2009 | 28.8 | 28.8 | 0.0 |
| 2010 (3 months) | 6.0 | 6.0 | 0.0 |
| Trailing 1-Year | 53.0% | 52.9% | 0.1 |
| Trailing 3-Year | -3.6 | -3.6 | 0.0 |
| Trailing 5-Year | 2.7 | 2.7 | 0.0 |
| Trailing 10-Year | 0.0 | 0.0 | 0.0 |

J.P. MORGAN DIVERSIFIED MID CAP GROWTH

RETURN SUMMARY ENDING 3/31/10

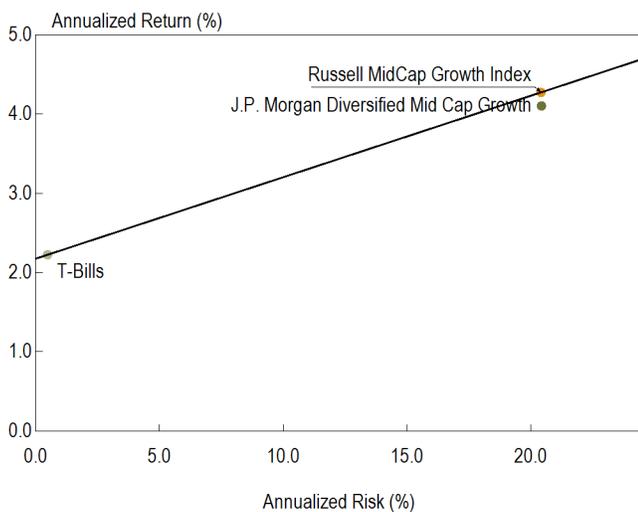
| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| J.P. Morgan Diversified Mid Cap Growth | 6.2 % | 53.4 % | -1.3 % | 4.1 % |
| Russell MidCap Growth Index | 7.7 | 63.0 | -2.0 | 4.3 |

Investment Strategy

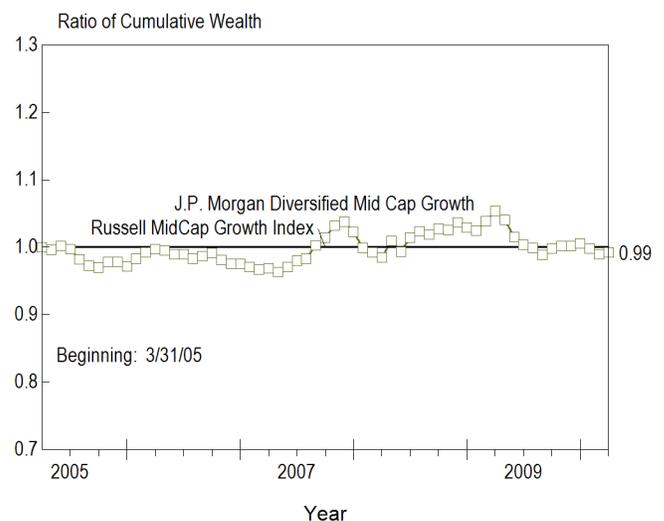
The J.P. Morgan Diversified Mid Cap Growth Fund seeks growth of capital and current income by investing primarily in equity securities. The Fund invests in common stocks of mid-cap companies with market capitalizations of \$1 billion to \$5 billion. The current benchmark is the Russell Mid Cap Growth Index; however, the Fund's actual allocations can vary from those in the Index. The Fund may use derivatives to hedge various investments.

As illustrated in the graphs below and the table above, J.P. Morgan Diversified Mid Cap Growth Fund has underperformed the return of the Index with approximately the same level of risk over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



An explanation of the Performance Benchmark can be found in the Appendix.

J.P. MORGAN DIVERSIFIED MID CAP GROWTH

Fund Information as of 03/31/2010

| | |
|-----------------------------------|-----------------------------|
| Fund Name | JPMorgan:Dvds MCG;A |
| Ticker | OSGIX |
| Category | Mid-Cap Growth |
| Benchmark | Russell MidCap Growth Index |
| Expense Ratio | 1.24% |
| Fund Assets (millions) | 648.52 |
| Share Class Inception Date | 2/18/1992 |
| Manager Tenure | 6 |

Sector Allocation as of 02/28/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 11.89% |
| CONSUMER GOODS | 6.78% |
| CONSUMER SERVICES | 16.47% |
| ENERGY | 5.84% |
| FINANCIAL SERVICES | 11.29% |
| HARDWARE | 11.95% |
| HEALTHCARE | 11.94% |
| INDUSTRIAL MATERIALS | 7.62% |
| MEDIA | 1.50% |
| SOFTWARE | 9.94% |
| TELECOMMUNICATION | 2.45% |
| UTILITIES | 0.00% |

Top Holdings as of 02/28/2010

| | |
|---|-------|
| AMDOCS LTD. | 2.29% |
| UNITEDHEALTH GROUP, INC. | 2.18% |
| COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION A | 2.02% |
| JPMORGAN LIQUID ASSETS MONEY MARKET FUND | 1.77% |
| W.W. GRAINGER, INC. | 1.52% |
| PRECISION CASTPARTS CORP. | 1.46% |
| AMPHENOL CORPORATION | 1.39% |
| DICK'S SPORTING GOODS, INC. | 1.39% |
| MARVELL TECHNOLOGY GROUP, LTD. | 1.39% |
| NETAPP, INC. | 1.39% |

HISTORICAL RETURNS

(BY YEAR)

| | J.P. Morgan Diversified Mid Cap Growth | Russell MidCap Growth Index | Return Difference |
|------------------|--|-----------------------------|-------------------|
| | Return | Return | |
| 1998 | 37.1 % | 17.9 % | 19.2 |
| 1999 | 28.7 | 51.3 | -22.6 |
| 2000 | 5.6 | -11.7 | 17.3 |
| 2001 | -10.9 | -20.2 | 9.3 |
| 2002 | -20.4 | -27.4 | 7.0 |
| 2003 | 26.5 | 42.7 | -16.2 |
| 2004 | 12.6 | 15.5 | -2.9 |
| 2005 | 10.6 | 12.1 | -1.5 |
| 2006 | 11.0 | 10.7 | 0.3 |
| 2007 | 16.8 | 11.4 | 5.4 |
| 2008 | -43.9 | -44.3 | 0.4 |
| 2009 | 42.9 | 46.3 | -3.4 |
| 2010 (3 months) | 6.2 | 7.7 | -1.5 |
| Trailing 1-Year | 53.4 % | 63.0 % | -9.6 |
| Trailing 3-Year | -1.3 | -2.0 | 0.7 |
| Trailing 5-Year | 4.1 | 4.3 | -0.2 |
| Trailing 10-Year | 0.9 | -1.7 | 2.6 |

VANGUARD MID CAP INDEX

RETURN SUMMARY ENDING 3/31/10

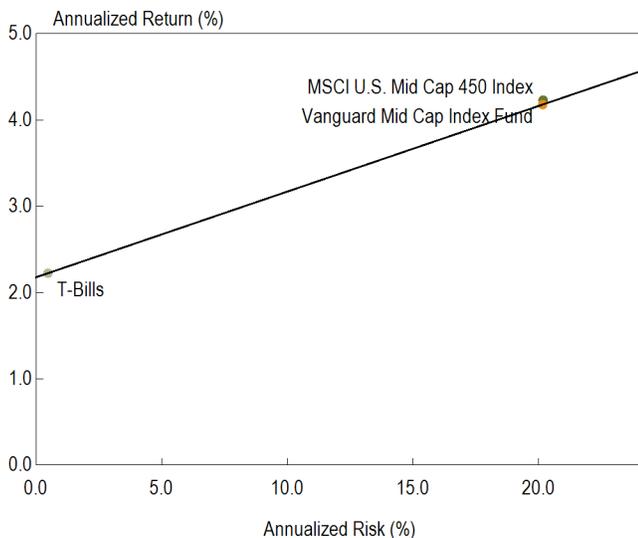
| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|------------------------------------|---------------|--------------------------|---------------------------|---------------------------|
| Vanguard Mid Cap Index Fund | 8.7% | 66.7% | -3.3% | 4.2% |
| MSCI U.S. Mid Cap 450 Index | 8.7 | 66.7 | -3.4 | 4.2 |

Investment Strategy

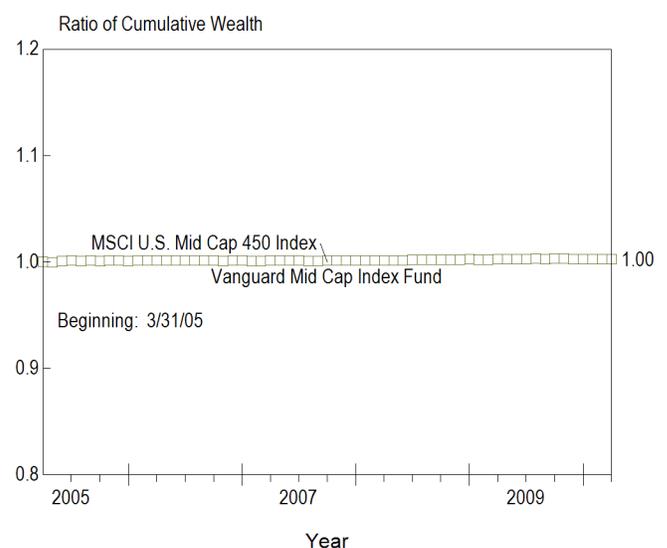
The Vanguard Mid Cap Index Fund seeks to replicate the performance of the MSCI U.S. Mid Cap 450 Index. In 2003, the Fund adopted the MSCI version of the mid-cap index. The Performance Benchmark consists of the S&P Mid Cap 400 Index prior to June 2003. In June 2003, the benchmark was changed to the MSCI Mid Cap 450 Index.

As illustrated in the graphs below and the table above, Vanguard Mid Cap Index Fund has matched the return of the Index over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



Fund Information as of 03/31/2010

| | |
|-----------------------------------|-----------------------------|
| Fund Name | VANGUARD-MC I-IS |
| Ticker | VMCIX |
| Category | Mid-Cap Blend |
| Benchmark | MSCI U.S. Mid Cap 450 Index |
| Expense Ratio | 0.09% |
| Fund Assets (millions) | 6,616.73 |
| Share Class Inception Date | 5/21/1998 |
| Manager Tenure | 12 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 5.92% |
| CONSUMER GOODS | 9.34% |
| CONSUMER SERVICES | 9.75% |
| ENERGY | 8.40% |
| FINANCIAL SERVICES | 17.73% |
| HARDWARE | 9.46% |
| HEALTHCARE | 9.50% |
| INDUSTRIAL MATERIALS | 13.28% |
| MEDIA | 2.37% |
| SOFTWARE | 5.54% |
| TELECOMMUNICATION | 2.40% |
| UTILITIES | 6.03% |

Top Holdings as of 12/31/2009

| | |
|--|-------|
| INTUITIVE SURGICAL, INC. | 0.63% |
| MARVELL TECHNOLOGY GROUP, LTD. | 0.59% |
| CAMERON INTERNATIONAL CORPORATION | 0.56% |
| WESTERN DIGITAL CORPORATION | 0.54% |
| LIFE TECHNOLOGIES CORP | 0.50% |
| CONSOL ENERGY, INC. | 0.49% |
| HARTFORD FINANCIAL SERVICES GROUP, INC. | 0.49% |
| MEAD JOHNSON NUTRITION COMPANY | 0.49% |
| MICRON TECHNOLOGY, INC. | 0.49% |
| SEAGATE TECHNOLOGY | 0.49% |

HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Mid Cap Index Fund | MSCI U.S. Mid Cap 450 Index | Return Difference |
|------------------|-----------------------------|-----------------------------|-------------------|
| | Return | Return | |
| 1998 (7 months) | 11.1% | 1.9% | 9.2 |
| 1999 | 15.5 | 34.3 | -18.8 |
| 2000 | 18.4 | -1.9 | 20.3 |
| 2001 | -0.4 | -6.4 | 6.0 |
| 2002 | -14.5 | -16.5 | 2.0 |
| 2003 | 34.3 | 39.0 | -4.7 |
| 2004 | 20.5 | 20.5 | 0.0 |
| 2005 | 14.1 | 13.9 | 0.2 |
| 2006 | 13.8 | 13.7 | 0.1 |
| 2007 | 6.2 | 6.2 | 0.0 |
| 2008 | -41.8 | -41.8 | 0.0 |
| 2009 | 40.5 | 40.5 | 0.0 |
| 2010 (3 months) | 8.7 | 8.7 | 0.0 |
| Trailing 1-Year | 66.7% | 66.7% | 0.0 |
| Trailing 3-Year | -3.3 | -3.4 | 0.1 |
| Trailing 5-Year | 4.2 | 4.2 | 0.0 |
| Trailing 10-Year | 5.9 | 3.6 | 2.3 |

VANGUARD SMALL CAP INDEX

RETURN SUMMARY

ENDING 3/31/10

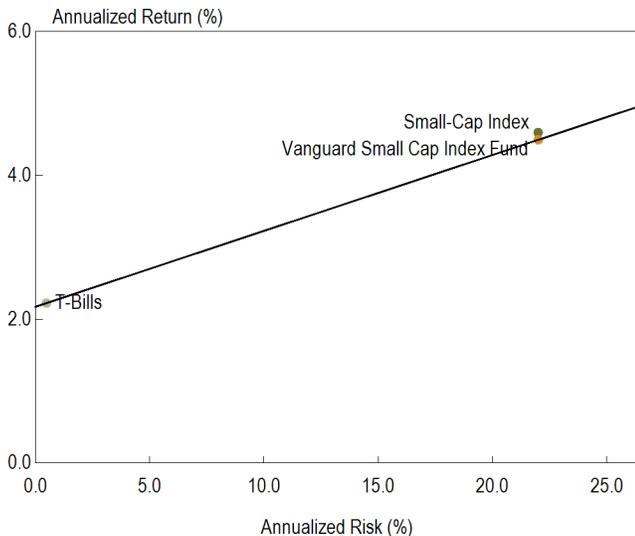
| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|--------------------------------------|---------------|-----------------------|------------------------|------------------------|
| Vanguard Small Cap Index Fund | 9.7% | 72.8% | -2.2% | 4.6% |
| Small-Cap Index | 9.7 | 72.6 | -2.4 | 4.5 |

Investment Strategy

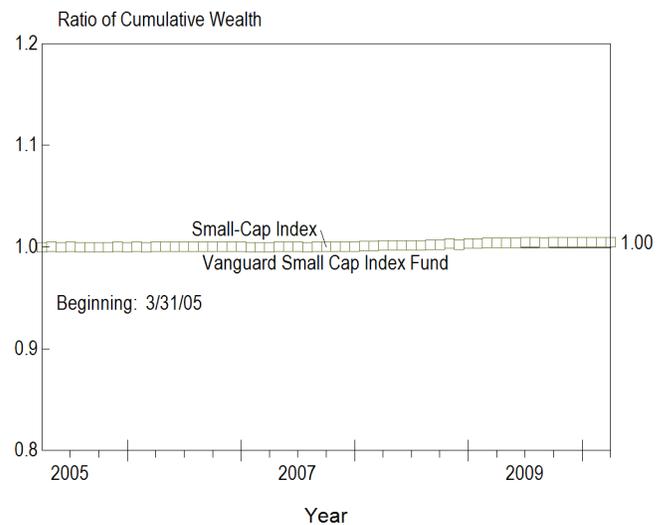
The Vanguard Small Cap Index Fund's strategy is designed to track the investment performance of the MSCI U.S. 1750 Small Cap Index, which is comprised of the 1,750 smallest stocks out of the 2,500 largest stocks. Prior to June 30, 2003, the Fund used a sampling technique to track the Russell 2000 Index. The Fund was moved from Admiral shares to the new Signal share class on October 6, 2007.

As illustrated in the graphs below and the table above, Vanguard Small Cap Index Fund has approximated the return of the Index over the trailing five-year period.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 3/31/10**



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 3/31/10**



An explanation of the Performance Benchmark can be found in the Appendix.

VANGUARD SMALL CAP INDEX

Fund Information as of 03/31/2010

| | |
|-----------------------------------|------------------|
| Fund Name | VANGUARD-SC I-AD |
| Ticker | VSMAX |
| Category | Small Blend |
| Benchmark | Small-Cap Index |
| Expense Ratio | 0.15% |
| Fund Assets (millions) | 2,226.44 |
| Share Class Inception Date | 11/13/2000 |
| Manager Tenure | 18 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 9.72% |
| CONSUMER GOODS | 9.95% |
| CONSUMER SERVICES | 8.35% |
| ENERGY | 5.25% |
| FINANCIAL SERVICES | 20.20% |
| HARDWARE | 8.13% |
| HEALTHCARE | 10.67% |
| INDUSTRIAL MATERIALS | 11.92% |
| MEDIA | 1.85% |
| SOFTWARE | 5.26% |
| TELECOMMUNICATION | 4.33% |
| UTILITIES | 3.97% |

Top Holdings as of 12/31/2009

| | |
|---|-------|
| HUMAN GENOME SCIENCES | 0.43% |
| CMT MARKET LIQUIDITY RATE | 0.35% |
| WHITING PETROLEUM CORPORATION | 0.28% |
| MSCI, INC. | 0.25% |
| OSHKOSH CORPORATION | 0.25% |
| ROVI CORP | 0.25% |
| 3COM CORPORATION | 0.23% |
| TUPPERWARE BRANDS CORPORATION | 0.23% |
| CORRECTIONS CORPORATION OF AMERICA | 0.22% |
| GREEN MOUNTAIN COFFEE ROASTERS, INC. | 0.22% |

HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Small Cap Index Fund | Small-Cap Index | Return Difference |
|------------------|-------------------------------|-----------------|-------------------|
| | Return | Return | |
| 1998 | -2.6% | -2.5% | -0.1 |
| 1999 | 23.1 | 21.3 | 1.8 |
| 2000 | -2.7 | -3.0 | 0.3 |
| 2001 | 3.1 | 2.5 | 0.6 |
| 2002 | -20.0 | -20.5 | 0.5 |
| 2003 | 45.6 | 47.5 | -1.9 |
| 2004 | 19.9 | 20.0 | -0.1 |
| 2005 | 7.4 | 7.5 | -0.1 |
| 2006 | 15.8 | 15.8 | 0.0 |
| 2007 | 1.2 | 1.2 | 0.0 |
| 2008 | -36.0 | -36.2 | 0.2 |
| 2009 | 36.3 | 36.1 | 0.2 |
| 2010 (3 months) | 9.7 | 9.7 | 0.0 |
| Trailing 1-Year | 72.8% | 72.6% | 0.2 |
| Trailing 3-Year | -2.2 | -2.4 | 0.2 |
| Trailing 5-Year | 4.6 | 4.5 | 0.1 |
| Trailing 10-Year | 4.7 | 4.6 | 0.1 |

LORD ABBETT DEVELOPING GROWTH

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Lord Abbett Developing Growth Fund | 8.2 % | 62.6 % | 2.7 % | 8.7 % |
| Russell 2000 Growth Index | 7.6 | 60.3 | -2.4 | 3.8 |

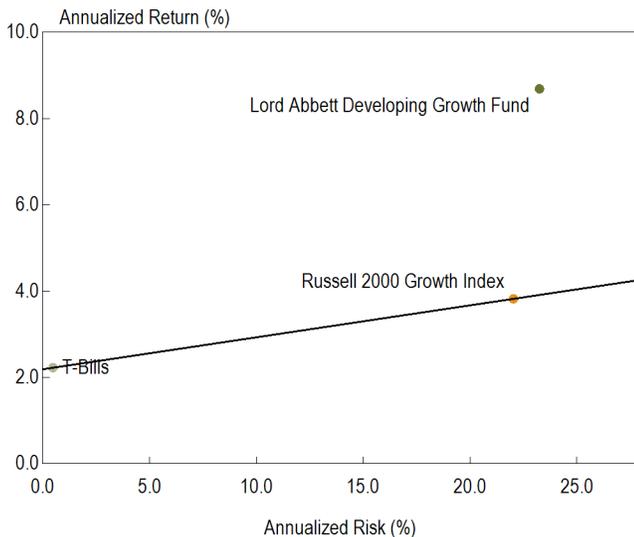
Investment Approach

Management of the Lord Abbett Developing Growth Fund employs a process of fundamental research to identify small cap companies that are entering a period of dramatic growth. Management begins by combining growth, balance sheet, and financial statement factors to identify a promising universe of approximately 400 stocks. Portfolio managers and analysts then undertake fundamental and industry research, including company, customer, and supplier visits, to select businesses with growth and earnings prospects. However, management sets valuation limits on purchase candidates, preferring to buy stocks at low valuations and then hold them throughout several growth stages.

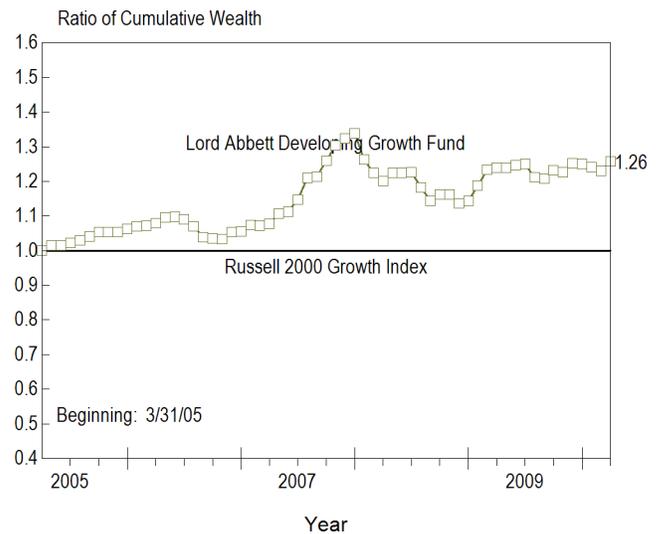
The Fund tends to feature sector diversification, albeit with substantial exposure to growth industries. The portfolio holds approximately 130 micro- and small-cap stocks.

As illustrated in the graphs below and the table above, Lord Abbett Developing Growth Fund has exceeded the return of the Index over the trailing five-year period at a slightly higher level of risk .

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



LORD ABBETT DEVELOPING GROWTH

Fund Information as of 03/31/2010

| | |
|-----------------------------------|---------------------------|
| Fund Name | Lord Abbett Dev Gro;A |
| Ticker | LAGWX |
| Category | Small Growth |
| Benchmark | Russell 2000 Growth Index |
| Expense Ratio | 1.28% |
| Fund Assets (millions) | 572.05 |
| Share Class Inception Date | 10/10/1973 |
| Manager Tenure | 7 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 11.02% |
| CONSUMER GOODS | 8.56% |
| CONSUMER SERVICES | 7.79% |
| ENERGY | 3.79% |
| FINANCIAL SERVICES | 4.79% |
| HARDWARE | 19.01% |
| HEALTHCARE | 15.72% |
| INDUSTRIAL MATERIALS | 7.44% |
| MEDIA | 0.51% |
| SOFTWARE | 11.08% |
| TELECOMMUNICATION | 5.37% |
| UTILITIES | 1.55% |

Top Holdings as of 12/31/2009

| | |
|--------------------------------------|-------|
| SUCCESSFACTORS, INC. | 1.71% |
| ARUBA NETWORKS, INC. | 1.69% |
| HUMAN GENOME SCIENCES | 1.61% |
| INSULET CORPORATION | 1.60% |
| ATHEROS COMMUNICATIONS, INC. | 1.58% |
| CARBO CERAMICS, INC. | 1.54% |
| LUMBER LIQUIDATORS | 1.54% |
| CAVIUM NETWORKS, INC. | 1.53% |
| CYBERSOURCE CORPORATION | 1.53% |
| ALEXION PHARMACEUTICALS, INC. | 1.47% |

HISTORICAL RETURNS

(BY YEAR)

| | Lord Abbett Developing Growth Fund | Russell 2000 Growth Index | Return Difference |
|------------------|------------------------------------|---------------------------|-------------------|
| | Return | Return | |
| 1998 | 8.3% | 1.2% | 7.1 |
| 1999 | 38.2 | 43.1 | -4.9 |
| 2000 | -17.7 | -22.4 | 4.7 |
| 2001 | -7.0 | -9.2 | 2.2 |
| 2002 | -29.5 | -30.3 | 0.8 |
| 2003 | 40.1 | 48.5 | -8.4 |
| 2004 | 6.0 | 14.3 | -8.3 |
| 2005 | 11.9 | 4.2 | 7.7 |
| 2006 | 12.4 | 13.3 | -0.9 |
| 2007 | 35.8 | 7.0 | 28.8 |
| 2008 | -47.5 | -38.5 | -9.0 |
| 2009 | 47.0 | 34.5 | 12.5 |
| 2010 (3 months) | 8.2 | 7.6 | 0.6 |
| Trailing 1-Year | 62.6% | 60.3% | 2.3 |
| Trailing 3-Year | 2.7 | -2.4 | 5.1 |
| Trailing 5-Year | 8.7 | 3.8 | 4.9 |
| Trailing 10-Year | 1.0 | -1.5 | 2.5 |

HEARTLAND VALUE INSTITUTIONAL

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Heartland Value Institutional Fund | 4.3 % | 72.5 % | -4.9 % | 3.6 % |
| Russell 2000 Value Index | 10.0 | 65.1 | -5.7 | 2.8 |

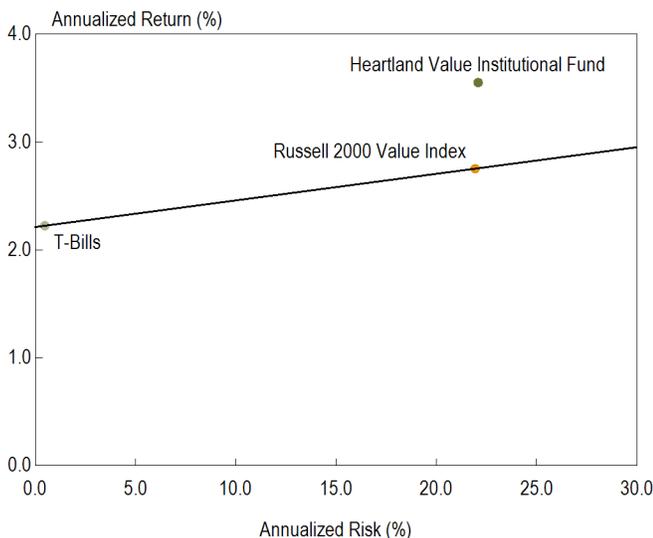
Investment Approach

The Heartland Value Fund seeks long-term capital appreciation through investments in small or micro cap securities selected under disciplined, value-oriented criteria. Management seeks companies whose stock prices do not reflect what Heartland believes to be the companies' intrinsic or potential values. A company's stock may be undervalued because it is under-followed by Wall Street analysts, misunderstood by investors, temporarily oversold or out-of-favor as a result of investor overreaction to unexpected news or an emerging, undiscovered opportunity.

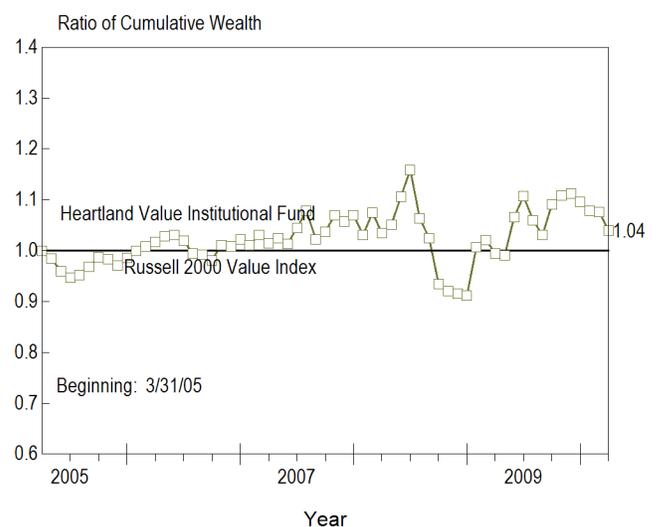
Heartland builds portfolios based on a bottom-up fundamental analysis of individual securities while avoiding over-concentration in a particular industry or industries. Heartland begins its search for investment ideas by performing a weekly computer screening of a universe of over 10,000 securities. The database is screened to find securities that have a market capitalization of \$750 million or less. The firm's analysts, using 10 value-based criteria referred to at Heartland as the "10 Point Grid", extensively research each security considered for purchase.

As illustrated in the graphs below and the table above, Heartland Value Fund has outperformed the Index over the trailing five-year period at a similar level of risk.

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



Fund Information as of 03/31/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | Heartland Val Inst |
| Ticker | HNTVX |
| Category | Small Value |
| Benchmark | Russell 2000 Value Index |
| Expense Ratio | 0.99% |
| Fund Assets (millions) | 40.55 |
| Share Class Inception Date | 5/1/2008 |
| Manager Tenure | 6 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 6.85% |
| CONSUMER GOODS | 9.17% |
| CONSUMER SERVICES | 3.76% |
| ENERGY | 7.13% |
| FINANCIAL SERVICES | 6.13% |
| HARDWARE | 7.40% |
| HEALTHCARE | 21.45% |
| INDUSTRIAL MATERIALS | 16.75% |
| MEDIA | 0.48% |
| SOFTWARE | 4.70% |
| TELECOMMUNICATION | 5.28% |
| UTILITIES | 3.27% |

Top Holdings as of 12/31/2009

| | |
|---|-------|
| INTERDIGITAL, INC. | 3.79% |
| GAMMON GOLD, INC. | 3.17% |
| ANALOGIC CORPORATION | 2.98% |
| BIOSCRIP, INC. | 2.39% |
| BASIC SANITATION COMPANY OF THE STATE OF SAO PAULO ADR | 2.23% |
| FORCE PROTECTION, INC. | 2.12% |
| ACCURAY, INC. | 1.83% |
| ENCORE CAPITAL GROUP, INC. | 1.77% |
| UNIT CORPORATION | 1.73% |
| SHERRITT INTERNATIONAL CORP | 1.54% |

HISTORICAL RETURNS

(BY YEAR)

| | Heartland Value Institutional Fund | Russell 2000 Value Index | Return Difference |
|------------------|------------------------------------|--------------------------|-------------------|
| | Return | Return | |
| 1998 | -11.5% | -6.5% | -5.0 |
| 1999 | 25.0 | -1.5 | 26.5 |
| 2000 | 2.0 | 22.8 | -20.8 |
| 2001 | 29.5 | 14.0 | 15.5 |
| 2002 | -11.5 | -11.4 | -0.1 |
| 2003 | 70.2 | 46.0 | 24.2 |
| 2004 | 9.1 | 22.2 | -13.1 |
| 2005 | 2.0 | 4.7 | -2.7 |
| 2006 | 28.0 | 23.5 | 4.5 |
| 2007 | -5.5 | -9.8 | 4.3 |
| 2008 | -39.4 | -28.9 | -10.5 |
| 2009 | 44.9 | 20.6 | 24.3 |
| 2010 (3 months) | 4.3 | 10.0 | -5.7 |
| Trailing 1-Year | 72.5% | 65.1% | 7.4 |
| Trailing 3-Year | -4.9 | -5.7 | 0.8 |
| Trailing 5-Year | 3.6 | 2.8 | 0.8 |
| Trailing 10-Year | 9.6 | 8.9 | 0.7 |

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**RETURN SUMMARY
ENDING 3/31/10**

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|--------------------------------------|---------------|-----------------------|------------------------|------------------------|
| EuroPacific Growth Fund | 0.8 % | 52.7 % | -1.0 % | 8.2 % |
| MSCI All Country World ex-U.S. Index | 1.6 | 60.9 | -4.2 | 6.1 |

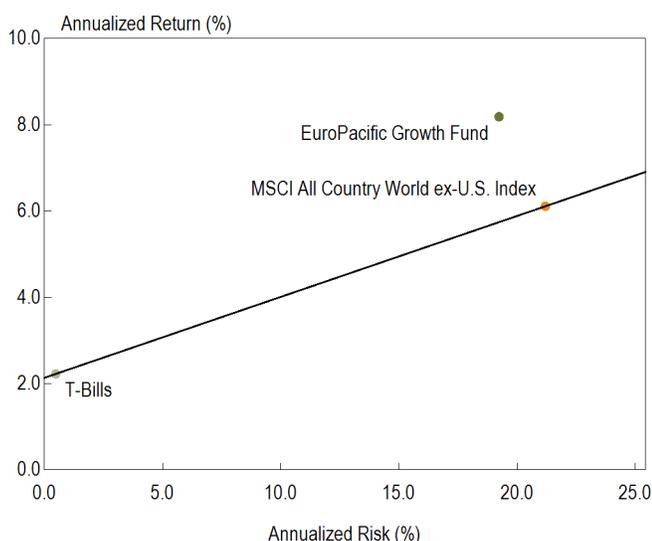
Investment Approach

Capital Research and Management is the sub-advisor for the EuroPacific Growth Fund. Capital Research uses a multiple-counselor system in managing the portfolio's assets. The portfolio is divided into segments and the counselors manage their respective segments autonomously. The research analysts are responsible for making the investment decisions for one of the segments.

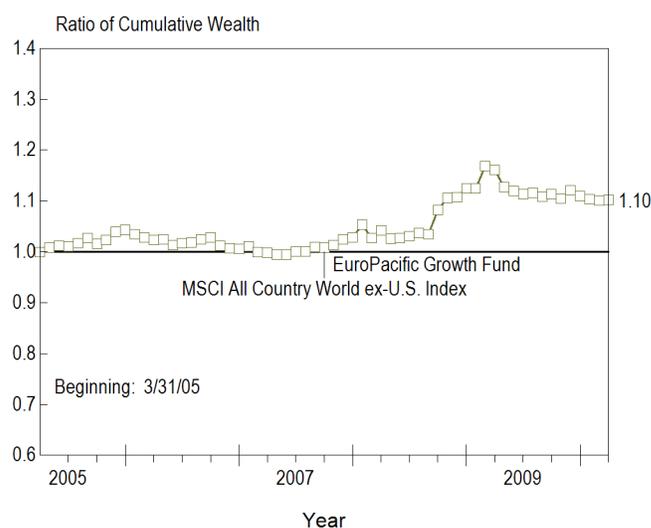
The Capital Research and Management Investment Committee is responsible for making sure the portfolio stays within its limits and adheres to its investment policies. The objective of the fund is to provide long-term growth of capital by investing in a diversified portfolio of international stocks while using a growth-at-a-reasonable price strategy.

As illustrated in the graphs below and the table above, EuroPacific Growth Fund has exceeded the return of the Index over the trailing five-year period at a lower level of risk.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 3/31/10**



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 3/31/10**



EUROPACIFIC GROWTH

Fund Information as of 03/31/2010

| | |
|-----------------------------------|---|
| Fund Name | AMERICAN-EU-R5 |
| Ticker | RERFX |
| Category | Foreign Large Blend |
| Benchmark | MSCI All Country World ex-U.S. Index |
| Expense Ratio | 0.54% |
| Fund Assets (millions) | 16,746.28 |
| Share Class Inception Date | 5/15/2002 |
| Manager Tenure | 9 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 1.86% |
| CONSUMER GOODS | 15.63% |
| CONSUMER SERVICES | 4.63% |
| ENERGY | 8.12% |
| FINANCIAL SERVICES | 20.34% |
| HARDWARE | 4.06% |
| HEALTHCARE | 11.83% |
| INDUSTRIAL MATERIALS | 11.33% |
| MEDIA | 1.10% |
| SOFTWARE | 1.58% |
| TELECOMMUNICATION | 8.84% |
| UTILITIES | 2.81% |

Top Holdings as of 12/31/2009

| | |
|---|-------|
| BAYER AG | 2.58% |
| AMERICA MOVIL S.A.B. DE C.V. ADR L | 2.49% |
| ANHEUSER-BUSCH INBEV SA | 2.24% |
| ROCHE HOLDING AG | 1.95% |
| NOVARTIS AG | 1.94% |
| BANCO SANTANDER SA | 1.71% |
| TELEFONICA, S.A. | 1.68% |
| GAZPROM OAO (EDR) | 1.63% |
| NOVO NORDISK A/S | 1.49% |
| PRUDENTIAL PLC | 1.26% |

HISTORICAL RETURNS

(BY YEAR)

| | EuroPacific Growth Fund | MSCI All Country World ex-U.S. Index | Return Difference |
|------------------|-------------------------|---|----------------------|
| | Return | Return | |
| 1998 | 15.5% | 14.1% | 1.4 |
| 1999 | 57.0 | 30.6 | 26.4 |
| 2000 | -17.8 | -15.3 | -2.5 |
| 2001 | -12.2 | -19.7 | 7.5 |
| 2002 | -13.4 | -14.9 | 1.5 |
| 2003 | 33.2 | 40.8 | -7.6 |
| 2004 | 20.0 | 20.9 | -0.9 |
| 2005 | 21.4 | 16.6 | 4.8 |
| 2006 | 22.2 | 26.7 | -4.5 |
| 2007 | 19.2 | 16.7 | 2.5 |
| 2008 | -40.4 | -45.5 | 5.1 |
| 2009 | 39.5 | 41.4 | -1.9 |
| 2010 (3 months) | 0.8 | 1.6 | -0.8 |
| Trailing 1-Year | 52.7% | 60.9% | -8.2 |
| Trailing 3-Year | -1.0 | -4.2 | 3.2 |
| Trailing 5-Year | 8.2 | 6.1 | 2.1 |
| Trailing 10-Year | 3.5 | 2.8 | 0.7 |

EUROPACIFIC GROWTH

COUNTRY ALLOCATION/RETURNS

3 MONTHS ENDING 3/31/10

| | Manager Allocation | Index Allocation | Index Return |
|---------------------|--------------------|------------------|--------------|
| Europe | | | |
| Austria | 0.8 % | 0.2 % | -1.2 % |
| Belgium | 2.5 | 0.7 | -1.0 |
| Czech Republic* | -- | 0.1 | -0.2 |
| Denmark | 2.0 | 0.7 | 9.7 |
| Finland | 0.8 | 0.9 | 11.9 |
| France | 8.9 | 7.4 | -3.9 |
| Germany | 8.6 | 5.5 | -2.7 |
| Greece | 0.6 | 0.3 | -13.2 |
| Hungary* | 0.2 | 0.1 | 12.6 |
| Ireland | 0.8 | 0.2 | -0.5 |
| Italy | 1.5 | 2.3 | -7.3 |
| Netherlands | 1.8 | 1.8 | -1.1 |
| Norway | 0.8 | 0.5 | -6.4 |
| Poland* | 0.1 | 0.3 | 4.2 |
| Portugal | 0.2 | 0.2 | -10.3 |
| Russia* | 1.9 | 1.5 | 6.8 |
| Spain | 3.6 | 2.7 | -15.3 |
| Sweden | 1.6 | 1.9 | 7.6 |
| Switzerland | 8.0 | 5.5 | 4.0 |
| United Kingdom | 10.1 | 14.7 | -0.6 |
| Asia/Pacific | | | |
| Australia | 2.4 % | 6.0 % | 4.2 % |
| China* | 3.5 | 4.0 | 4.9 |
| Hong Kong | 1.2 | 1.7 | 2.4 |
| India* | 3.0 | 1.7 | 4.9 |
| Indonesia* | 0.6 | 0.4 | 10.0 |
| Japan | 10.1 | 15.5 | 8.2 |
| Korea* | 2.7 | 2.9 | 3.8 |
| Malaysia* | -- | 0.6 | 9.1 |
| New Zealand | -- | 0.1 | -3.9 |
| Philippines* | 0.3 | 0.1 | 4.7 |
| Singapore | 0.3 | 1.0 | -1.3 |
| Taiwan, China* | 2.1 | 2.4 | -3.8 |
| Thailand* | -- | 0.3 | 13.2 |
| Americas | | | |
| Brazil* | 3.1 % | 3.7 % | -0.1 % |
| Canada | 3.2 | 7.6 | 6.0 |
| Chile* | -- | 0.3 | 0.3 |
| Colombia* | -- | 0.2 | 10.4 |
| Mexico* | 3.5 | 1.0 | 7.8 |
| Peru* | -- | 0.1 | 0.6 |
| United States | -- | -- | 5.3 |
| Other | | | |
| Egypt* | 0.1 % | 0.1 % | 11.9 % |
| Israel* | 1.1 | 0.7 | 10.0 |
| Morocco* | -- | 0.0 | 6.7 |
| Other Countries* | 0.2 | -- | -- |
| South Africa* | 1.6 | 1.6 | 4.6 |
| Turkey* | 0.4 | 0.3 | 4.0 |
| Cash | | | |
| Cash | 5.8 % | -- | -- |
| Total | 100.0 % | 100.0 % | 1.6 % |
| Developed | 69.8 | 77.3 | |
| Emerging* | 24.4 | 22.7 | |
| Cash | 5.8 | -- | |

VANGUARD FTSE ALL WORLD EX-U.S. INDEX

RETURN SUMMARY ENDING 3/31/10

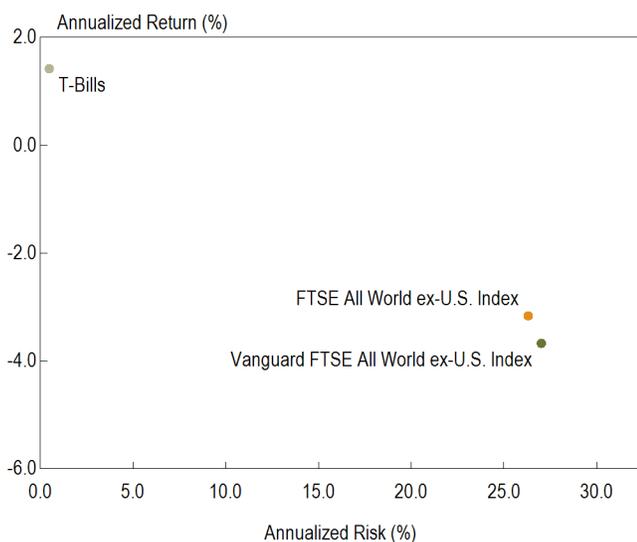
| | First Quarter | 1 Year Ending 3/31/10 | Since Inception | Inception Date |
|--|---------------|--------------------------|-----------------|----------------|
| Vanguard FTSE All World ex-U.S. Index | 1.8% | 61.4% | -3.7% | 3/31/07 |
| FTSE All World ex-U.S. Index | 1.6 | 62.5 | -3.2 | |

Investment Strategy

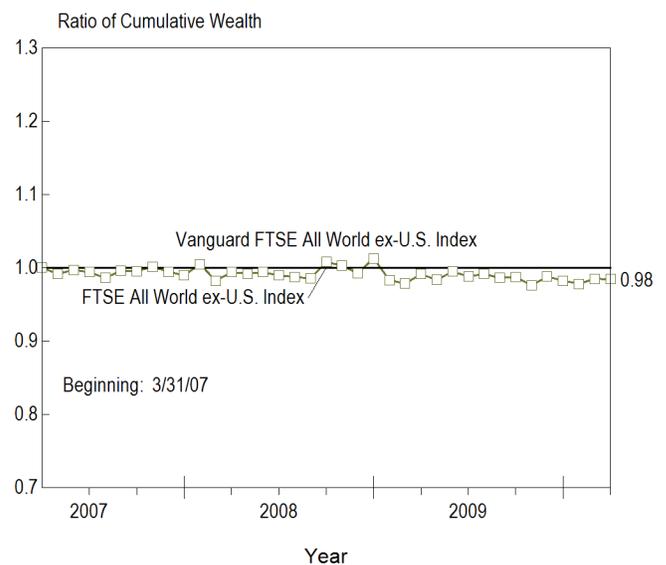
The Vanguard FTSE All World ex-U.S. Index Fund is designed to track the investment performance of the FTSE All World ex-U.S. Index which is comprised of approximately 46 developed and emerging countries, excluding the U.S., while including Canada.

The Fund's year-to-date return has trailed the return of the Index. The discrepancy is due to the effects of fair value pricing which is employed by Vanguard. During the trailing one-year period, the Fund has lagged the Index also as a result of fair value pricing. Since the Fund's inception in April 2007, it has trailed the Index by 50 basis points.

ANNUALIZED RISK RETURN 3 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 3 YEARS ENDING 3/31/10



VANGUARD FTSE ALL WORLD EX-U.S. INDEX

Fund Information as of 03/31/2010

| | |
|-----------------------------------|---------------------------------|
| Fund Name | Vanguard FTSE AWIdxUS It |
| Ticker | VFWSX |
| Category | Foreign Large Blend |
| Benchmark | FTSE All World ex-U.S. Index |
| Expense Ratio | 0.15% |
| Fund Assets (millions) | 2,536.89 |
| Share Class Inception Date | 4/30/2007 |
| Manager Tenure | 3 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 3.16% |
| CONSUMER GOODS | 14.10% |
| CONSUMER SERVICES | 4.10% |
| ENERGY | 10.40% |
| FINANCIAL SERVICES | 23.70% |
| HARDWARE | 2.66% |
| HEALTHCARE | 6.03% |
| INDUSTRIAL MATERIALS | 16.86% |
| MEDIA | 1.33% |
| SOFTWARE | 0.92% |
| TELECOMMUNICATION | 6.90% |
| UTILITIES | 4.03% |

Top Holdings as of 12/31/2009

| | |
|-----------------------------|-------|
| HSBC HOLDINGS PLC | 1.29% |
| BP PLC | 1.19% |
| NESTLE SA | 1.15% |
| TOTAL SA | 1.00% |
| BANCO SANTANDER SA | 0.87% |
| BHP BILLITON LIMITED | 0.84% |
| TELEFONICA, S.A. | 0.83% |
| NOVARTIS AG | 0.80% |
| VODAFONE GROUP PLC | 0.79% |
| ROCHE HOLDING AG | 0.77% |

HISTORICAL RETURNS

(BY Years)

| | Vanguard FTSE All World ex-U.S. Index | FTSE All World ex-U.S. Index | Return Difference |
|---------------------------|--|---------------------------------|----------------------|
| | Return | Return | |
| 2007 (9 months) | 12.7% | 13.9% | -1.2 |
| 2008 | -44.0 | -45.3 | 1.3 |
| 2009 | 39.0 | 43.3 | -4.3 |
| 2010 (3 months) | 1.8 | 1.6 | 0.2 |
| Trailing 1-Year | 61.4% | 62.5% | -1.1 |
| Trailing 3-Year | -3.7 | -3.2 | -- |
| Since Inception (3/31/07) | -3.7 | -3.2 | -0.5 |

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RETURNS OF THE MAJOR CAPITAL MARKETS

| | First Quarter | Annualized Periods Ending 3/31/10 | | | | |
|--|------------------|-----------------------------------|--------|--------|---------|---------|
| | | 1-Year | 3-Year | 5-Year | 10-Year | 15-Year |
| Domestic Stock Indices: | | | | | | |
| Dow Jones US Total Stock Index | 6.2% | 52.6% | -3.7% | 2.7% | 0.0% | 7.9% |
| S&P 500 Index | 5.4 | 49.8 | -4.2 | 1.9 | -0.7 | 7.8 |
| Russell 3000 Index | 5.9 | 52.4 | -4.0 | 2.4 | -0.1 | 7.9 |
| Russell 1000 Value Index | 6.8 | 53.6 | -7.3 | 1.0 | 3.1 | 8.7 |
| Russell 1000 Growth Index | 4.6 | 49.8 | -0.8 | 3.4 | -4.2 | 6.5 |
| Russell MidCap Value Index | 9.6 | 72.4 | -5.2 | 3.7 | 8.5 | 10.9 |
| Russell MidCap Growth Index | 7.7 | 63.0 | -2.0 | 4.3 | -1.7 | 8.0 |
| Russell 2000 Value Index | 10.0 | 65.1 | -5.7 | 2.8 | 8.9 | 10.3 |
| Russell 2000 Growth Index | 7.6 | 60.3 | -2.4 | 3.8 | -1.5 | 5.1 |
| Domestic Bond Indices: | | | | | | |
| Barclays Capital Aggregate Index | 1.8% | 7.7% | 6.1% | 5.4% | 6.3% | 6.6% |
| Barclays Capital Govt/Credit Index | 1.5 | 7.5 | 5.8 | 5.2 | 6.2 | 6.5 |
| Barclays Capital Long Govt/Credit Index | 1.6 | 10.3 | 5.8 | 5.3 | 7.3 | 7.8 |
| Barclays Capital 1-3 Year Govt/Credit Index | 0.9 | 4.2 | 5.0 | 4.6 | 4.8 | 5.3 |
| Barclays Capital U.S. MBS Index | 1.5 | 5.2 | 7.0 | 6.1 | 6.5 | 6.7 |
| Barclays Capital High Yield Index | 4.6 | 56.2 | 6.7 | 7.8 | 7.5 | 7.5 |
| Barclays Capital Universal Index | 2.0 | 10.4 | 6.0 | 5.6 | 6.4 | 6.7 |
| Real Estate Indices: | | | | | | |
| NCREIF Property Index | 0.8% | -9.6% | -4.3% | 4.2% | 7.1% | 8.7% |
| NCREIF ODCE Index | 0.5 | -18.8 | -11.6 | -1.0 | 3.8 | 6.4 |
| Dow Jones Real Estate Securities Index | 10.2 | 114.8 | -12.1 | 3.1 | 11.2 | 10.4 |
| FTSE NAREIT US Real Estate Index | 10.0 | 106.7 | -10.6 | 3.8 | 11.4 | 10.5 |
| Foreign/Global Stock Indices: | | | | | | |
| MSCI All Country World Index | 3.1% | 55.5% | -4.4% | 3.9% | 0.6% | 6.2% |
| MSCI All Country World IMI | 3.6 | 58.0 | -4.6 | 4.0 | 0.9 | 6.1 |
| MSCI All Country World ex-U.S. Index | 1.6 | 60.9 | -4.2 | 6.1 | 2.8 | 5.8 |
| MSCI All Country World ex-U.S. IMI | 2.0 | 63.3 | -4.1 | 6.3 | 2.9 | 5.5 |
| MSCI All Country World ex-U.S. Small Cap Index | 5.3 | 83.7 | -4.1 | 7.3 | 6.6 | 5.8 |
| MSCI EAFE Index | 0.9 | 54.4 | -7.0 | 3.7 | 1.3 | 4.8 |
| MSCI EAFE IMI | 1.3 | 56.0 | -7.0 | 3.9 | 1.2 | 4.8 |
| MSCI EAFE Index (in local currency) | 4.3 | 44.7 | -8.0 | 3.2 | -0.9 | 5.1 |
| MSCI Emerging Markets IMI | 2.7 | 85.1 | 5.6 | 15.9 | 9.4 | 6.1 |
| Foreign Bond Indices: | | | | | | |
| Citigroup World Gov't Bond Index | -2.1% | 8.4% | 7.5% | 4.7% | 6.5% | 5.3% |
| Citigroup Hedged World Gov't Bond Index | 1.1 | 3.5 | 5.1 | 4.8 | 5.2 | 6.9 |
| Cash Equivalents: | | | | | | |
| Treasury Bills (30-Day) | 0.0% | 0.1% | 1.4% | 2.2% | 2.3% | 3.1% |
| EnnisKnupp STIF Index | 0.1 | 0.4 | 2.5 | 3.3 | 3.1 | 3.9 |
| Inflation Index: | | | | | | |
| Consumer Price Index | 0.8% | 2.3% | 2.0% | 2.4% | 2.4% | 2.4% |

APPENDIX II

Benchmark Descriptions

iMoney Net Money Fund Average - An index made up of the entire universe of taxable money market mutual funds. The index currently represents 1,228 funds, or approximately 99 percent of all money fund assets.

Custom Benchmark (Personal Strategy Balanced) - A mix of 51% Dow Jones U.S. Total Stock Market Index, 30% Barclays Capital Aggregate Bond Index, 10% 90-Day Treasury Bills, and 9% MSCI EAFE Index.

Custom Benchmark (Personal Strategy Growth) - A mix of 65% Dow Jones U.S. Total Stock Market Index, 20% Barclays Capital Aggregate Bond Index and 12% MSCI EAFE Index.

Custom Benchmark (Personal Strategy Income) - A mix of 34% Dow Jones U.S. Total Stock Market Index, 40% Barclays Capital Aggregate Bond Index, 20% 90-Day Treasury Bills, and 6% MSCI EAFE Index.

Performance Benchmark (Vanguard Total Stock Market Index) - Dow Jones U.S. Total Stock Market Index until 4/30/2005, the MSCI U.S. Broad Market Index going forward.

Performance Benchmark (Vanguard Small Cap Index) - Russell 2000 Index until 6/30/2003, the MSCI U.S. 1750 Small Cap Index going forward.

EnnisKnupp GIC Index - This benchmark index is an average of the 2-, 3-, 4- and 5-year GICs as surveyed by T.Rowe Price.

Barclays Capital Aggregate Bond Index - A market value-weighted index consisting of government bonds, SEC-registered corporate bonds and mortgage-related and asset-backed securities with at least one year to maturity and an outstanding par value of \$150 million or greater. This index is a broad measure of the performance of the investment grade U.S. fixed income market.

MSCI All Country World ex-U.S. Free Index - A capitalization-weighted index of stocks representing 44 developed and emerging country stock markets, excluding the U.S. market.

MSCI U.S. 1750 Small Cap Index - An index representing the universe of small capitalization companies in the U.S. equity market. This index targets for inclusion 1,750 companies and represents approximately 12% of the capitalization of the U.S. equity market.

Benchmark Descriptions

S&P 500 Index - A capitalization-weighted index representing stocks chosen by Standard & Poor's, Inc. for their size, liquidity, stability and industry group representation. The companies in the S&P 500 Index are generally among the largest in their industries. Currently the Index comprises industrial, utility, financial and transportation stocks.

FTSE All World ex-U.S. Index - An index of stocks representing approximately 46 developed and emerging countries, excluding the U.S. while including Canada.

Russell 1000 Index - A capitalization-weighted index of the 1,000 largest publicly traded U.S. stocks by capitalization.

Russell 1000 Value Index - An Index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower I/B/E/S growth forecasts.

Russell 1000 Growth Index - An Index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher I/B/E/S growth forecasts.

Russell Mid Cap Index - A capitalization-weighted index consisting of the smallest 800 companies in the Russell 1000 Index. The Russell 1000 Index represents the 1,000 largest publicly traded stocks by capitalization.

Russell 2500 Index - A capitalization-weighted, small-cap stock index representing the performance of 2,500 domestic stocks. This Index represents approximately 22% of the domestic market. Its median market capitalization is approximately \$786 million.

Russell 2000 Index - A capitalization-weighted index of the smallest 2,000 stocks in the Russell 3000 Index. The Index excludes the largest- and smallest-capitalization issues in the domestic stock market.

Russell 2000 Value Index - A capitalization-weighted index representing those companies within the Russell 2000 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.

Russell 2000 Growth Index - A capitalization-weighted index representing those companies within the Russell 2000 Index with higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.

Dow Jones U.S. Total Stock Market Index - A capitalization-weighted stock index representing all domestic common stocks traded regularly on the organized exchanges. The Index is the broadest measure of the aggregate domestic stock market.

APPENDIX II

Benchmark Descriptions

Vanguard Target Retirement Income Benchmark - A mix of 24% MSCI U.S. Broad Market Index, 5% MSCI EAFE Index, 1% MSCI Emerging Markets Index, 45% Barclays Capital Aggregate Bond Index, 20% Barclays Capital TIPS Index, and 5% Citigroup 3-Month Treasury Index.

Vanguard Target Retirement 2005 Benchmark - A mix of 35% MSCI U.S. Broad Market Index, 8% MSCI EAFE Index, 1% MSCI Emerging Markets Index, 42% Barclays Capital Aggregate Bond Index, 13% Barclays Capital TIPS Index, and 1% Citigroup 3-Month Treasury Index.

Vanguard Target Retirement 2010 Benchmark - A mix of 44% MSCI U.S. Broad Market Index, 9% MSCI EAFE Index, 2% MSCI Emerging Markets Index, 41% Barclays Capital Aggregate Bond Index, and 4% Barclays Capital TIPS Index.

Vanguard Target Retirement 2015 Benchmark - A mix of 51% MSCI U.S. Broad Market Index, 11% MSCI EAFE Index, 2% MSCI Emerging Markets Index, and 36% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2020 Benchmark - A mix of 58% MSCI U.S. Broad Market Index, 12% MSCI EAFE Index, 2% MSCI Emerging Markets Index, and 28% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2025 Benchmark - A mix of 64% MSCI U.S. Broad Market Index, 14% MSCI EAFE Index, 2% MSCI Emerging Markets Index, and 20% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2030 Benchmark - A mix of 69% MSCI U.S. Broad Market Index, 15% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 13% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2035 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 15% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2040 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 15% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2045 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 15% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2050 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 15% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.



**Performance Report
Second Quarter 2010**

Milwaukee County Deferred
Compensation Plan

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CONTENTS

- 1 Investment Highlights
- 2 Fund Monitoring System
- 3 Market Environment
- 4 Retirement Funds
- 5 Index Funds
- 6 Active Funds
- 7 Appendicies

All rates of return presented in this report for time periods greater than one year are annualized. Mutual fund rates of return are provided by Morningstar. Rates of return for the North Shore Savings Fund and the Stable Value Fund are provided by the investment manager. All rates of return contained in this report are net of investment management fees. Percentages in some exhibits may not add to 100% because of rounding.

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INVESTMENT HIGHLIGHTS

RETURN SUMMARY ENDING 6/30/10

| | Second Quarter | | Year-To-Date | | 1 Year Ending 6/30/10 | | 3 Years Ending 6/30/10 | | 5 Years Ending 6/30/10 | |
|------------------------|----------------|-----------|---------------|-----------|-----------------------|-----------|------------------------|-----------|------------------------|-----------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| TRP PS Income | -4.6 % | 77 | -1.5 % | 74 | 12.6 % | 41 | 0.1 % | 46 | 3.9 % | 35 |
| Custom Benchmark | -3.3 | 60 | -0.5 | 59 | 9.9 | 77 | -0.4 | 56 | 3.0 | 51 |
| TRP PS Balanced | -7.1 | 65 | -3.4 | 61 | 14.2 | 30 | -3.0 | 32 | 2.9 | 24 |
| Custom Benchmark | -6.0 | 35 | -2.5 | 36 | 11.8 | 68 | -3.3 | 40 | 2.3 | 39 |
| TRP PS Growth | -9.8 | 71 | -5.7 | 69 | 14.8 | 20 | -7.0 | 27 | 1.4 | 20 |
| Custom Benchmark | -8.6 | 24 | -4.3 | 16 | 13.8 | 44 | -6.2 | 21 | 1.3 | 21 |

RETURN SUMMARY ENDING 6/30/10

| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|---|----------------|--------------|-----------------------|------------------------|------------------------|
| Vanguard Target Retirement Income Fund | -1.2 % | 1.2 % | 11.0 % | 2.5 % | 3.7 % |
| Target Retirement Income Benchmark | -1.2 | 1.2 | 10.9 | 2.4 | 3.7 |
| Vanguard Target Retirement 2005 Fund | -2.1 | 0.5 | 11.8 | 0.6 | 3.2 |
| Target Retirement 2005 Benchmark | -2.2 | 0.6 | 11.9 | 0.5 | 3.2 |
| Vanguard Target Retirement 2010 Fund | -4.1 | -0.9 | 12.8 | -1.3 | -- |
| Target Retirement 2010 Benchmark | -4.2 | -0.9 | 12.9 | -1.4 | -- |
| Vanguard Target Retirement 2015 Fund | -5.6 | -2.0 | 13.3 | -2.8 | 2.3 |
| Target Retirement 2015 Benchmark | -5.7 | -2.1 | 13.3 | -3.0 | 2.2 |
| Vanguard Target Retirement 2020 Fund | -6.8 | -3.1 | 13.6 | -4.1 | -- |
| Target Retirement 2020 Benchmark | -6.8 | -3.0 | 13.6 | -4.3 | -- |
| Vanguard Target Retirement 2025 Fund | -8.0 | -4.0 | 14.0 | -5.5 | 1.3 |
| Target Retirement 2025 Benchmark | -7.9 | -3.9 | 14.0 | -5.6 | 1.3 |
| Vanguard Target Retirement 2030 Fund | -9.1 | -5.0 | 14.1 | -6.8 | -- |
| Target Retirement 2030 Benchmark | -9.0 | -4.9 | 14.3 | -6.9 | -- |
| Vanguard Target Retirement 2035 Fund | -10.2 | -5.9 | 14.1 | -7.7 | 0.7 |
| Target Retirement 2035 Benchmark | -10.1 | -5.8 | 14.4 | -7.8 | 0.7 |
| Vanguard Target Retirement 2040 Fund | -10.2 | -5.9 | 14.1 | -7.6 | -- |
| Target Retirement 2040 Benchmark | -10.1 | -5.8 | 14.4 | -7.8 | -- |
| Vanguard Target Retirement 2045 Fund | -10.2 | -5.9 | 14.1 | -7.7 | 1.1 |
| Target Retirement 2045 Benchmark | -10.1 | -5.8 | 14.4 | -7.8 | 1.0 |
| Vanguard Target Retirement 2050 Fund | -10.2 | -5.9 | 14.1 | -7.6 | -- |
| Target Retirement 2050 Benchmark | -10.1 | -5.8 | 14.4 | -7.8 | -- |

Benchmark descriptions can be found in the Appendix.

INVESTMENT HIGHLIGHTS

RETURN SUMMARY

ENDING 6/30/10

| | Second Quarter | | Year-To-Date | | 1 Year Ending 6/30/10 | | 3 Years Ending 6/30/10 | | 5 Years Ending 6/30/10 | |
|---|----------------|-----------|--------------|-----------|-----------------------|-----------|------------------------|-----------|------------------------|-----------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| Vanguard Total Bond Market Index | 3.6 % | 13 | 5.4 % | 44 | 9.5 % | 87 | 7.7 % | 35 | 5.6 % | 33 |
| Barclays Capital Aggregate Bond Index | 3.5 | 24 | 5.3 | 47 | 9.5 | 86 | 7.5 | 39 | 5.5 | 40 |
| Vanguard Institutional Index Fund | -11.4 | 59 | -6.7 | 61 | 14.5 | 60 | -9.8 | 62 | -0.8 | 62 |
| S&P 500 Index | -11.4 | 58 | -6.7 | 61 | 14.4 | 61 | -9.8 | 62 | -0.8 | 62 |
| Vanguard Total Stock Market Index Fund | -11.3 | 55 | -5.9 | 55 | 16.0 | 51 | -9.1 | 54 | -0.2 | 52 |
| Performance Benchmark | -11.3 | 56 | -5.9 | 55 | 16.0 | 51 | -9.2 | 54 | -0.2 | 53 |
| Vanguard Mid Cap Index Fund | -9.9 | 50 | -2.1 | 25 | 27.0 | 8 | -8.5 | 52 | 1.2 | 46 |
| MSCI U.S. Mid Cap 450 Index | -9.9 | 49 | -2.1 | 25 | 27.0 | 8 | -8.5 | 52 | 1.2 | 46 |
| Vanguard Small Cap Index Fund | -10.0 | 70 | -1.4 | 45 | 25.2 | 26 | -7.3 | 40 | 1.4 | 39 |
| Small-Cap Index | -10.0 | 70 | -1.3 | 45 | 25.2 | 26 | -7.4 | 42 | 1.4 | 41 |
| Vanguard FTSE All World ex-U.S. Index | -13.0 | 39 | -11.5 | 39 | 9.5 | 31 | -10.5 | 20 | -- | -- |
| FTSE All World ex-U.S. Index | -12.2 | 23 | -10.8 | 31 | 11.1 | 24 | -9.9 | 17 | 4.3 | 13 |

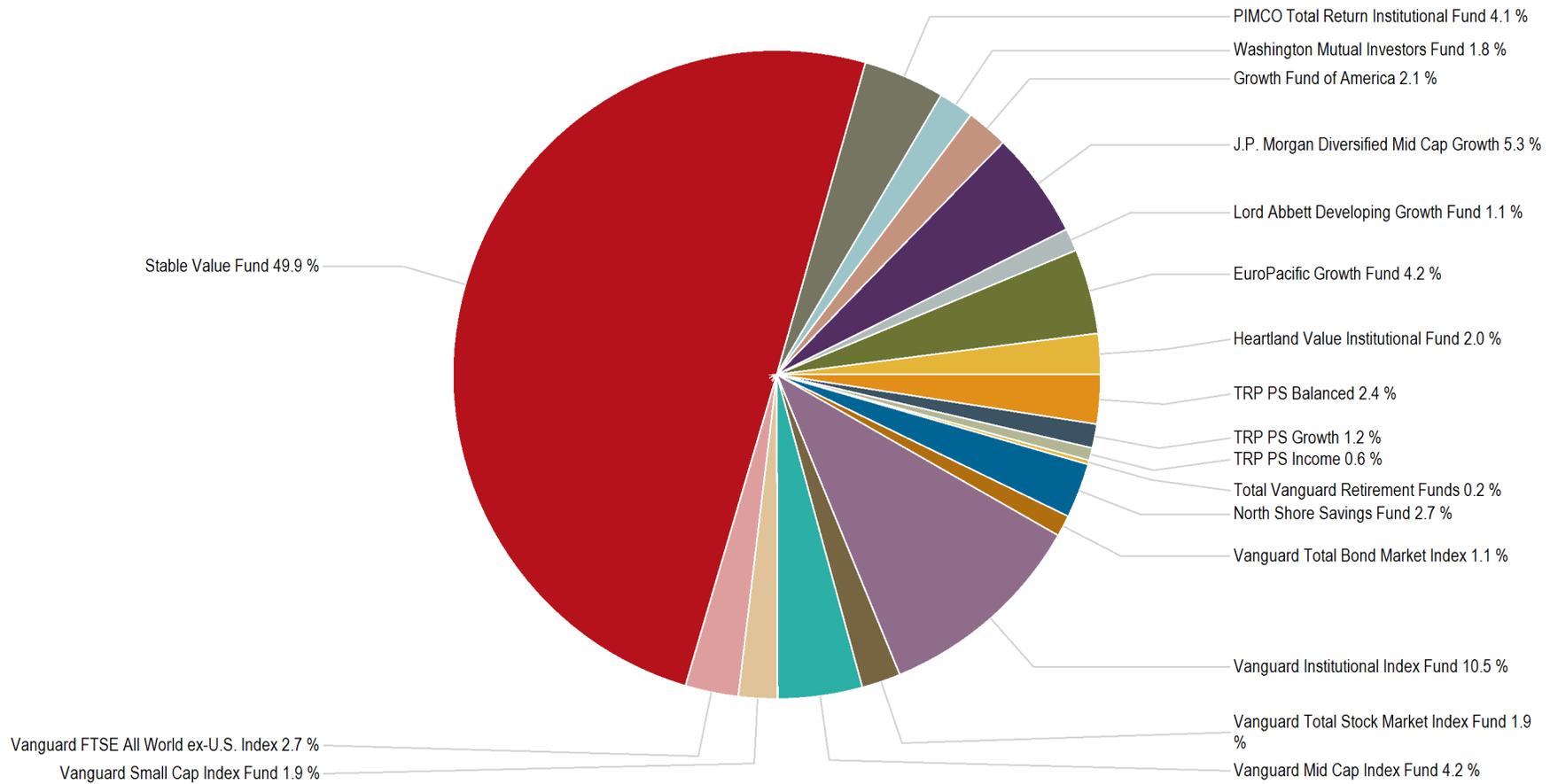
RETURN SUMMARY

ENDING 6/30/10

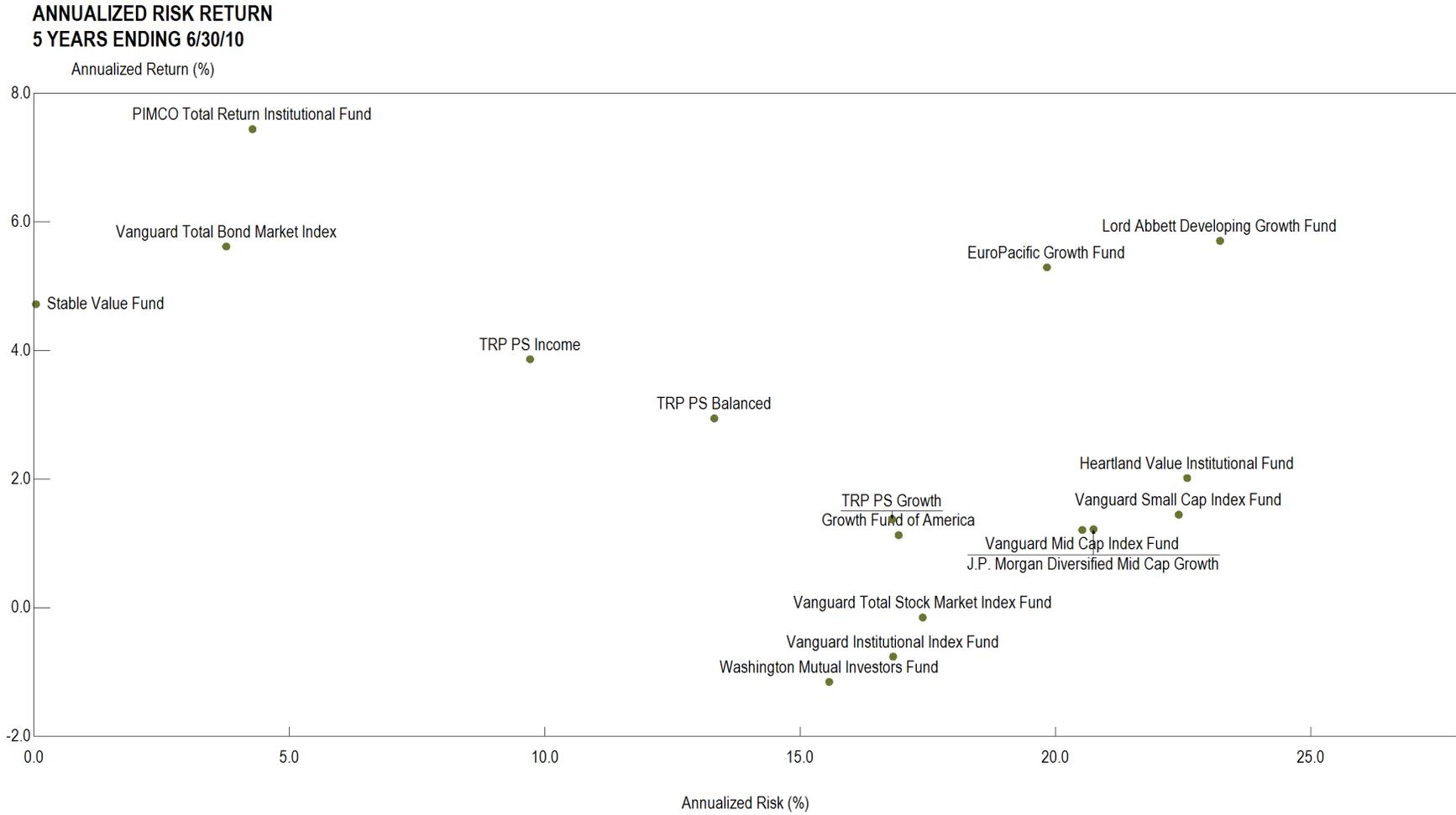
| | Second Quarter | | Year-To-Date | | 1 Year Ending 6/30/10 | | 3 Years Ending 6/30/10 | | 5 Years Ending 6/30/10 | |
|---|----------------|-----------|--------------|-----------|-----------------------|-----------|------------------------|-----------|------------------------|-----------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| North Shore Savings Fund | 0.1 % | -- | 0.2 % | -- | 0.5 % | -- | 1.6 % | -- | 2.4 % | -- |
| iMoney Net Money Fund Average | 0.1 | -- | 0.1 | -- | 0.1 | -- | 1.5 | -- | 2.4 | -- |
| Stable Value Fund | 1.1 | -- | 2.2 | -- | 4.6 | -- | 4.7 | -- | 4.7 | -- |
| EnnisKnupp GIC Index | 0.9 | -- | 2.0 | -- | 4.1 | -- | 4.5 | -- | 4.3 | -- |
| PIMCO Total Return Institutional Fund | 2.8 | 59 | 5.8 | 31 | 13.3 | 41 | 11.1 | 2 | 7.4 | 2 |
| Barclays Capital Aggregate Bond Index | 3.5 | 24 | 5.3 | 47 | 9.5 | 86 | 7.5 | 39 | 5.5 | 40 |
| Washington Mutual Investors Fund | -10.3 | 13 | -6.8 | 36 | 13.1 | 53 | -10.5 | 36 | -1.2 | 38 |
| Russell 1000 Value Index | -11.1 | 27 | -5.1 | 12 | 16.9 | 14 | -12.3 | 74 | -1.6 | 54 |
| Growth Fund of America | -11.6 | 33 | -7.8 | 47 | 10.7 | 77 | -8.2 | 60 | 1.1 | 28 |
| Russell 1000 Growth Index | -11.7 | 37 | -7.6 | 41 | 13.6 | 38 | -6.9 | 44 | 0.4 | 40 |
| J.P. Morgan Diversified Mid Cap Growth | -10.4 | 64 | -4.9 | 78 | 19.5 | 57 | -7.2 | 34 | 1.2 | 52 |
| Russell MidCap Growth Index | -10.2 | 63 | -3.3 | 56 | 21.3 | 36 | -7.5 | 45 | 1.4 | 47 |
| Lord Abbett Developing Growth Fund | -7.9 | 29 | -0.4 | 23 | 20.4 | 46 | -4.2 | 12 | 5.7 | 3 |
| Russell 2000 Growth Index | -9.2 | 61 | -2.3 | 61 | 18.0 | 68 | -7.5 | 48 | 1.1 | 44 |
| Heartland Value Institutional Fund | -7.7 | 13 | -3.7 | 83 | 21.3 | 81 | -9.0 | 58 | 2.0 | 38 |
| Russell 2000 Value Index | -10.6 | 68 | -1.6 | 57 | 25.1 | 53 | -9.8 | 70 | -0.5 | 72 |
| EuroPacific Growth Fund | -12.0 | 22 | -11.3 | 36 | 9.8 | 30 | -7.6 | 8 | 5.3 | 8 |
| MSCI All Country World ex-U.S. Index | -12.4 | 30 | -11.1 | 34 | 10.4 | 26 | -10.7 | 22 | 3.4 | 17 |

Benchmark descriptions can be found in the Appendix.

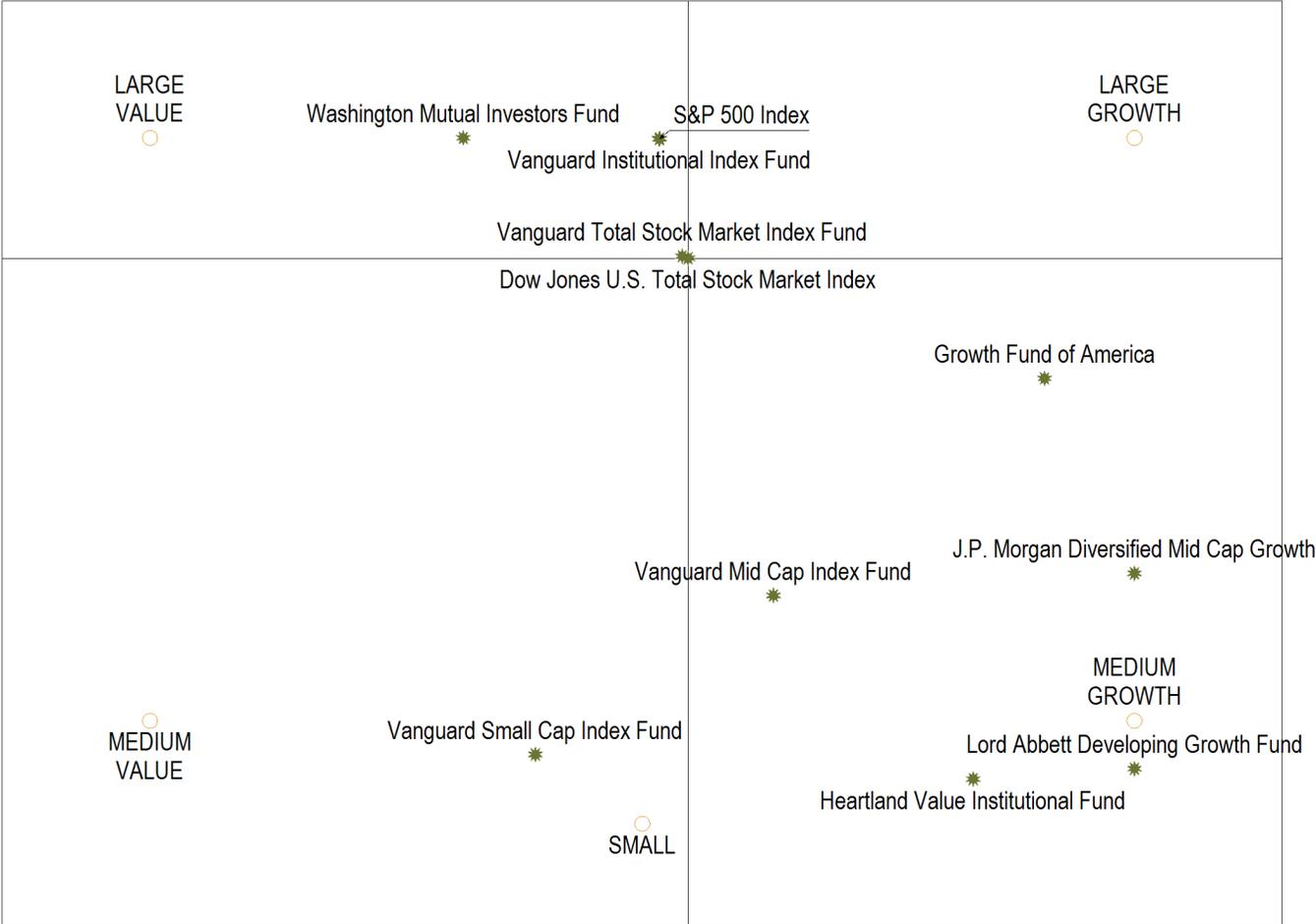
ASSET ALLOCATION
ACTUAL AS OF 6/30/10



INVESTMENT HIGHLIGHTS



EFFECTIVE STYLE MAP
 5 YEARS ENDING 6/30/10



INVESTMENT HIGHLIGHTS

Cash Flow Summary

Quarter Ending June 30, 2010

| | Beginning Market Value | Withdrawals | Contributions | Net Cash Flow | Net Investment Change | Ending Market Value |
|--|---------------------------|----------------------|---------------------|--------------------|-----------------------------|------------------------|
| TRP PS Income | \$1,460,550 | -\$82,882 | \$90,236 | \$7,354 | -\$67,396 | \$1,400,508 |
| TRP PS Balanced | \$6,110,358 | -\$361,668 | \$164,653 | -\$197,015 | -\$421,374 | \$5,491,969 |
| TRP PS Growth | \$3,002,879 | -\$156,012 | \$118,256 | -\$37,756 | -\$290,815 | \$2,674,308 |
| Vanguard Target Retirement Income Fund | \$3,531 | -\$110 | \$167,687 | \$167,577 | -\$363 | \$170,745 |
| Vanguard Target Retirement 2005 Fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Vanguard Target Retirement 2010 Fund | \$8,000 | \$0 | \$116,489 | \$116,489 | -\$7,587 | \$116,902 |
| Vanguard Target Retirement 2015 Fund | \$21,170 | -\$8,508 | \$36,291 | \$27,783 | -\$3,706 | \$45,247 |
| Vanguard Target Retirement 2020 Fund | \$12,292 | -\$12,694 | \$5,601 | -\$7,093 | -\$29 | \$5,170 |
| Vanguard Target Retirement 2025 Fund | \$6,320 | -\$6,422 | \$22,678 | \$16,256 | -\$703 | \$21,873 |
| Vanguard Target Retirement 2030 Fund | \$24 | -\$4,379 | \$56,407 | \$52,028 | -\$5,566 | \$46,486 |
| Vanguard Target Retirement 2035 Fund | \$20,151 | \$0 | \$1,974 | \$1,974 | -\$2,197 | \$19,928 |
| Vanguard Target Retirement 2040 Fund | \$0 | \$0 | \$225 | \$225 | -\$9 | \$216 |
| Vanguard Target Retirement 2045 Fund | \$27,562 | \$0 | \$13,109 | \$13,109 | -\$4,505 | \$36,166 |
| Vanguard Target Retirement 2050 Fund | \$255 | \$0 | \$455 | \$455 | -\$45 | \$665 |
| Vanguard Total Bond Market Index | \$1,048,716 | -\$160,714 | \$1,420,678 | \$1,259,964 | \$69,732 | \$2,378,412 |
| Vanguard Institutional Index Fund | \$26,853,617 | -\$928,256 | \$790,426 | -\$137,830 | -\$3,069,210 | \$23,646,577 |
| Vanguard Total Stock Market Index Fund | \$4,740,348 | -\$159,351 | \$328,464 | \$169,113 | -\$553,475 | \$4,355,986 |
| Vanguard Mid Cap Index Fund | \$10,465,282 | -\$516,196 | \$548,660 | \$32,464 | -\$1,043,257 | \$9,454,489 |
| Vanguard Small Cap Index Fund | \$4,780,947 | -\$448,026 | \$523,140 | \$75,114 | -\$503,830 | \$4,352,231 |
| Vanguard FTSE All World ex-U.S. Index | \$6,962,598 | -\$682,584 | \$563,311 | -\$119,273 | -\$898,114 | \$5,945,211 |
| North Shore Savings Fund | \$5,436,907 | -\$264,310 | \$938,475 | \$674,164 | \$4,041 | \$6,115,112 |
| Stable Value Fund | \$105,534,301 | -\$3,612,327 | \$8,722,548 | \$5,110,221 | \$1,196,532 | \$111,841,054 |
| PIMCO Total Return Institutional Fund | \$10,811,622 | -\$2,485,393 | \$507,750 | -\$1,977,643 | \$252,438 | \$9,086,417 |
| Washington Mutual Investors Fund | \$5,042,288 | -\$819,472 | \$176,864 | -\$642,609 | -\$460,234 | \$3,939,445 |
| Growth Fund of America | \$5,344,272 | -\$255,737 | \$208,796 | -\$46,942 | -\$621,776 | \$4,675,554 |
| J.P. Morgan Diversified Mid Cap Growth | \$13,597,447 | -\$542,588 | \$229,467 | -\$313,121 | -\$1,393,893 | \$11,890,433 |
| Lord Abbett Developing Growth Fund | \$2,724,411 | -\$173,598 | \$212,987 | \$39,389 | -\$223,537 | \$2,540,263 |
| Heartland Value Institutional Fund | \$5,049,383 | -\$344,261 | \$238,370 | -\$105,892 | -\$382,590 | \$4,560,901 |
| EuroPacific Growth Fund | \$10,817,997 | -\$808,042 | \$790,906 | -\$17,136 | -\$1,325,880 | \$9,474,981 |
| Total | \$229,883,228 | -\$12,833,533 | \$16,994,902 | \$4,161,369 | -\$9,757,349 | \$224,287,249 |

| Factor | Rationale | Measurement |
|-------------------------------------|---|---|
| 1. Short -Term Performance Concerns | Short-term performance should never be the sole factor in a manager's assessment; however, short-term performance concerns should be monitored and understood. | Has the fund underperformed in three of the last four quarters? |
| 2. Longer-Term Performance Concerns | Since past performance is not indicative of future performance, performance records must be considered carefully. Longer-term underperformance, and poor results compared to peers, may indicate that more competitive offerings are available. | Has the fund underperformed or fallen below the median fund in an appropriate peer group over the trailing 5 year period? |
| 3. Investment Strategy Concerns | An investment option in a savings plan often serves a unique role; significant divergence from the strategy could indicate the fund is no longer appropriate for the Plan. | Has the fund diverged from its strategy? |
| 4. Portfolio Management Concerns | The portfolio manager (or managers) responsible for the buy and sell decisions of the fund has a key role. Adverse changes could present performance challenges going forward. | Have there been adverse changes to the fund's management? |
| 5. Organizational Concerns | A stable and strong organization is preferred. Adverse changes to the organization could negatively impact the fund's strategy, focus, resources, or management team. | Have there been adverse changes to the organization? |

Each fund will be evaluated every quarter within this framework. The monitoring system will have a "generally indicated status" based on the number of affirmative answers to the above questions.

- **Green-Level Status.** No concerns; or only one affirmative response to measurement 1, 2, or 3.
- **Yellow-Level Status.** An investment fund receives a "Yellow" designation with two or three affirmative responses or if there is an affirmative response to measurement 4 or 5.
- **Red-Level Status.** An investment fund receives a "Red" designation when it has been on the "Yellow" status for more than two consecutive quarters or when there are four or more affirmative responses.

FUND MONITORING SYSTEM

If a manager is placed on the "Red" Level Status, a formal manager review will be conducted by EnnisKnupp. EnnisKnupp will review the concerns regarding the fund and recommend to the Committee whether it should be retained or terminated. If the fund is retained, and remains on red-status, it will be re-reviewed every six months.

Special Circumstances

In the event of a major change in the firm's ownership, performance, or staffing, EnnisKnupp may immediately recommend termination of a manager without placing a fund on a specific "status." Any fund monitoring system should only be used as a tool in a Committee's monitoring activities. The Committee has the right to take action on any fund regardless of its status in the monitoring system.

Applying the Fund Monitoring System to the Plan

The table on the following page has applied the fund monitoring system to the funds in the Milwaukee County Plan. As shown, all the funds except the Vanguard FTSE All World ex-U.S. Index Fund and the JP Morgan Diversified Mid Cap Growth Fund are currently on "Green" status. The JP Morgan Diversified Mid Cap Growth Fund is currently in "yellow" status as a result of underperformance. The Vanguard FTSE All World ex-U.S. Index Fund is on "Red" status as a result of being on yellow status since 1Q 2009. During the May 2010 Committee meeting, we provided a review and assessment of the fund's tracking error which is the basis for having a yellow status. As mentioned in the assessment, underperformance is due to the effects of fair value pricing which is employed by Vanguard. Differences in the Fund's performance and the Index's performance that result from fair value pricing typically wash over several quarters. We are comfortable with Vanguard's use of fair value pricing, as this is a typical methodology used by many mutual fund managers. We expect that the discrepancy between the Vanguard Index fund and the index will continue to decrease over longer-term periods.

FUND MONITORING SYSTEM

Investment Fund Monitoring Summary:

| | 1. Underperformed in 3 of 4 Trailing Calendar Quarters? | 2. Underperformed Benchmark over Trailing Five Year Period?* | 3. Diverged from Strategy? | 4. Adverse Change in Portfolio Manager? | 5. Adverse Organizational Change? | 2nd | 1st | 4th | 3rd |
|---|--|--|-------------------------------------|---|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | | | | | | Quarter 2010 Status | Quarter 2010 Status | Quarter 2009 Status | Quarter 2009 Status |
| North Shore Savings Fund | No | No | No | No | No | | | | |
| TRP PS Income | No | No | No | No | No | | | | |
| TRP PS Balanced | No | No | No | No | No | | | | |
| TRP PS Growth | No | No | No | No | No | | | | |
| Vanguard Total Bond Market Index | No | No | No | No | No | | | | |
| Vanguard Institutional Index | No | No | No | No | No | | | | |
| Vanguard Total Stock Market | No | No | No | No | No | | | | |
| Vanguard Mid Cap Index | No | No | No | No | No | | | | |
| Vanguard Small Cap Index | No | No | No | No | No | | | | |
| Vanguard FTSE All World ex-U.S. | Yes | Yes* | No | No | No | | | | |
| Stable Value Fund | No | No | No | No | No | | | | |
| PIMCO Total Return Fund | No | No | No | No | No | | | | |
| Washington Mutual Investors | No | No | No | No | No | | | | |
| Growth Fund of America | Yes | No | No | No | No | | | | |
| JP Morgan Diversified Mid Cap Growth | Yes | Yes | No | No | No | | | | |
| Lord Abbett | No | No | No | No | No | | | | |
| Heartland Value | No | No | No | No | No | | | | |
| EuroPacific Growth | Yes | No | No | No | No | | | | |

*The Vanguard FTSE All World ex-U.S. Fund started in April 2007. Therefore, performance is based on since-inception period.

FUND MONITORING SYSTEM

Investment Fund Monitoring Summary:

| | 1. | 2. | 3. | 4. | 5. | 2nd Quarter 2010 Status | 1st Quarter 2010 Status |
|--|--|--|-------------------------------|---|--------------------------------------|----------------------------------|----------------------------------|
| | Underperformed in 3 of 4 Trailing Calendar Quarters? | Underperformed Benchmark over Trailing Five Year Period?* | Diverged from Strategy? | Adverse Change in Portfolio Manager? | Adverse Organizational Change? | | |
| Vanguard Target Retirement Income Fund | No | No | No | No | No | | |
| Vanguard Target Retirement 2005 Fund | No | No | No | No | No | | |
| Vanguard Target Retirement 2010 Fund | No | No | No | No | No | | |
| Vanguard Target Retirement 2015 Fund | No | No | No | No | No | | |
| Vanguard Target Retirement 2020 Fund | No | No | No | No | No | | |
| Vanguard Target Retirement 2025 Fund | No | No | No | No | No | | |
| Vanguard Target Retirement 2030 Fund | No | No | No | No | No | | |
| Vanguard Target Retirement 2035 Fund | Yes | No | No | No | No | | |
| Vanguard Target Retirement 2040 Fund | Yes | No | No | No | No | | |
| Vanguard Target Retirement 2045 Fund | Yes | No | No | No | No | | |
| Vanguard Target Retirement 2050 Fund | Yes | No | No | No | No | | |

*The Vanguard Target Retirement Funds 2010, 2020, 2030, 2040, 2050 began in July 2006. Therefore, performance is based on since-inception period.

MARKET ENVIRONMENT
Second Quarter 2010

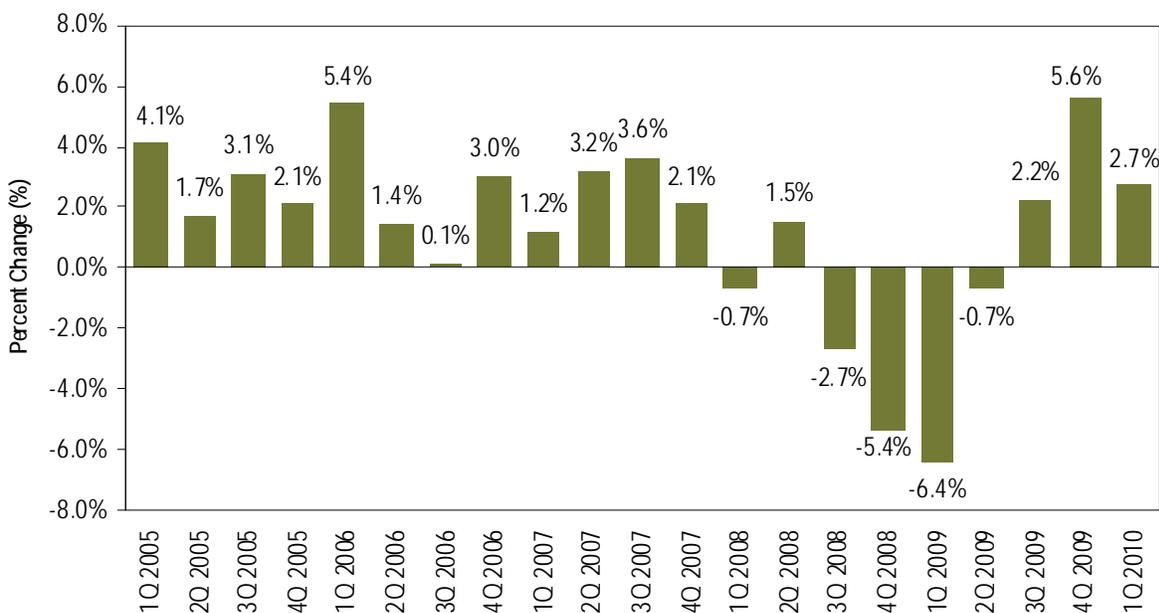
MARKET ENVIRONMENT

MACRO HIGHLIGHTS

The Federal Open Market Committee (FOMC) held the monetary policy steady at the April meeting, retaining the Fed Funds Rate target at 0 – 0.25% and continues to anticipate that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period. Thomas Hoenic, president of the Federal Reserve Bank of Kansas City, was the lone dissenter and again voted against the policy decision resulting in a 9-1 vote. The FOMC downgraded its outlook for the U.S. economy following its June 23rd meeting, stating that “financial conditions have become less supportive of economic growth on balance, largely reflecting developments abroad.”

According to the final estimate released by the Bureau of Economic Analysis, real GDP increased 2.7% in the first quarter of 2010. This was a downward revision of 0.3 percentage points from the second estimate in May. This is further evidence that the fiscal issues abroad continued to impact the economy in the first quarter. The notable deceleration in real GDP from 5.6% in the fourth quarter 2009 was attributable to the increase in imports, continued decrease in the commercial construction investment, and further spending cuts at the state and local government levels.

Quarterly Gross Domestic Product (Annualized)



Source: Bureau of Economics Statistics

According to the Bureau of Labor Statistics, the unemployment rate decreased from 9.7% to 9.5% in June as the civilian labor force declined by 652k workers. Nonfarm payrolls declined 125k jobs in June, below expectations for a loss of 100k. The report has become increasingly influenced by the government’s temporary employment of Census workers. In June, 225k Census jobs were shed while private employment increased by 83k versus expectations of +110k, led by continued strength in temporary jobs, hospitality and healthcare. Construction employment remained weak. On a positive note, hourly earnings increased 0.3% versus expectations of 0.1%, which is good news in an environment increasingly focused on potential deflationary forces. The average work week moved to 34.2 hours from 34.1 hours, continuing a steady increase in 2010 that demonstrates companies are maximizing existing resources.

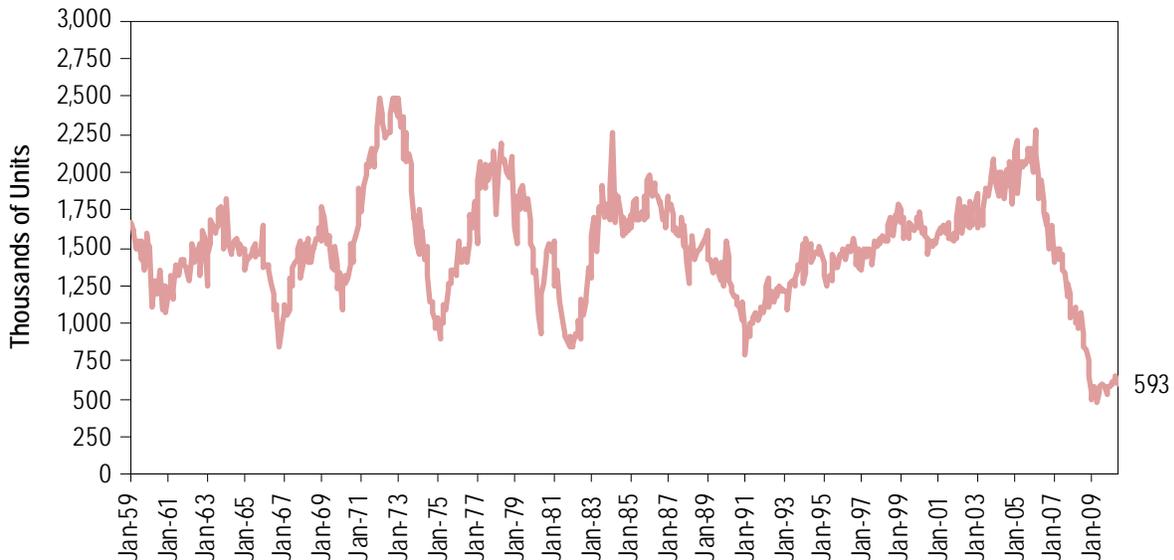
Unemployment Rate
As of June 2010



Source: Bureau of Labor Statistics

With the termination of the home buyer tax incentive at the end of April, overall housing starts decreased 10.0% to a seasonally adjusted annual rate of 593,000 units in May, according to the U.S. Commerce Department. The large decline is attributable to the single-family side which was the segment of home buyers that the government's tax incentive had the greatest impact on in previous months.

Single Family Housing Starts
Seasonally Adjusted Annual Rate
As of May 2010



Source: U.S. Census Bureau

MARKET ENVIRONMENT

MACRO HIGHLIGHTS

According to the Bureau of Labor Statistics, March's Consumer Price Index (CPI-U) declined 0.2% month-over-month on a seasonally adjusted basis. For the second consecutive month in a row, the energy index declined accounting for the seasonally adjusted decline. The energy index decreased 2.9% in May and more than offset a slight increase in the index for all items less food and energy. Within the energy component, the gasoline index accounted for majority of the decline resulting in a 5.2 percent decrease for the month. The food index remained unchanged. The medical care commodities index increased 0.1% in May for a third straight positive month resulting in a positive 3.4% twelve month change on a seasonally unadjusted basis. The CPI-U increased 2.0% over the trailing twelve months.

The core CPI, which excludes volatile food and energy prices, rose 0.1% in May after being unchanged each of the previous two months. The shelter index increased for the first time since August 2009, rising 0.1 percent. New vehicles, used cars and trucks, and shelter continued to post positive results. The index for used cars and trucks rose 0.6% in May resulting in a positive 16.2% over the last twelve months. Over the last twelve months, core CPI has risen 0.9 percent, well below the 2.0% average annual increase over the past 10 years. This underperformance is largely due to the continued deceleration of the shelter index, which has declined 0.7% for the trailing twelve months.

At the wholesale level, the Producer Price Index (PPI) measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services. After a 0.7% increase in March, PPI declined 0.6% in April and was down 0.3% in May as the crude goods index declined 2.8 percent. On an unadjusted basis, prices for finished goods rose 5.3% over the last twelve months. This signified the second consecutive month of slowing year-over-year change following a 6.0% increase in March 2010.

MARKET ENVIRONMENT

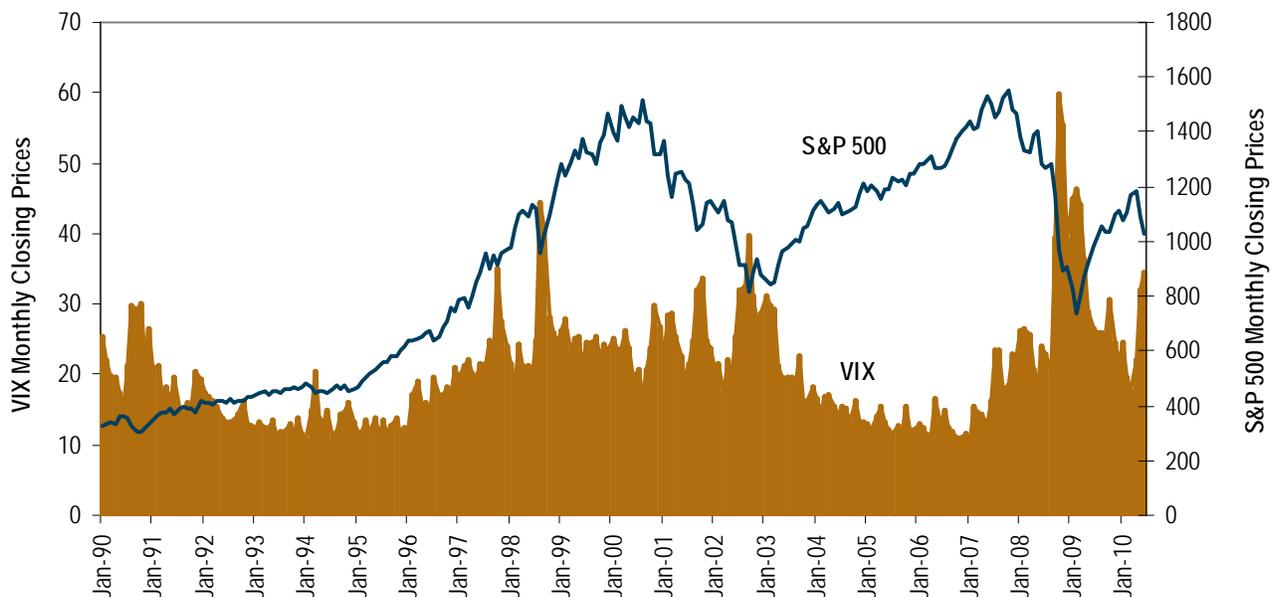
MAJOR MARKET ISSUES

MAJOR MARKET RETURNS

| | Second Quarter | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 | 10 Years Ending 6/30/10 |
|--|----------------|-----------------------|------------------------|------------------------|-------------------------|
| Dow Jones US Total Stock Index | -11.1% | 16.1% | -9.2% | -0.2% | -0.7% |
| MSCI All Country World ex-U.S. Index | -12.4 | 10.4 | -10.7 | 3.4 | 1.9 |
| MSCI EAFE Index | -14.0 | 5.9 | -13.4 | 0.9 | 0.2 |
| MSCI Emerging Markets Index | -8.4 | 23.2 | -2.5 | 12.7 | 10.0 |
| MSCI All Country World Index | -12.1 | 11.8 | -10.5 | 1.2 | -0.3 |
| Barclays Capital Aggregate Bond Index | 3.5 | 9.5 | 7.5 | 5.5 | 6.5 |

U.S. equity markets post negative returns in the second quarter as investor confidence in a sustainable economic recovery continued to wane. The returns of riskier asset classes suffered during the quarter, and volatility surged as the Dow Jones U.S. Total Stock Market Index fell by more than 11% and the VIX nearly doubled from March's closing price. On May 6, 2010 the U.S. stock market fell by almost 10% in the span of less than thirty minutes in what was dubbed "The Flash Crash." The market recovered most of its losses by end of day, but this was very damaging to investors' confidence in the stability of automated trading.

S&P 500 vs. VIX Monthly Closing Prices
Ending 6/30/2010



Developed international equities and emerging markets declined 14.0% and 8.4%, respectively. In the second quarter of 2010, the U.S. dollar continued to strengthen versus the non-U.S. developed market currencies, specifically the euro (+10.5%). This proved beneficial to investors holding hedged non-U.S. developed equity securities. The search for safety during the second quarter commenced where U.S. investors favored the highest quality securities and non-U.S. investors favored U.S. assets. The European debt crisis has worsened liquidity

MARKET ENVIRONMENT

MARKET HIGHLIGHTS

conditions with the downgrades of Greece and Spain as the investor base for sovereign debt seeks out highly-rated bonds. Helping to stabilize the European banking system was the announcement in May that the EU and IMF would provide a €750 billion safety net for troubled sovereigns in the region. The Eurozone markets were down from 4% (Germany) to more than 34% (Greece) in local currency terms.

Investors caught a case of risk aversion in May, coming to the realization that Greece's financial crisis will indeed have negative implications for global growth and that Europe's banking system is showing cracks from over-aggressive credit extension. Balance sheet problems for European banks range from peripheral sovereign bonds (Portugal, Ireland, Italy, Greece, and Spain) to non-performing mortgage loans that fueled housing bubbles in Spain and Ireland. Interbank funding markets began to show fear of counterparty risk among European banks as 3-month LIBOR increased 19 basis points (bps) to 54 bps in May. The LIBOR-OIS spread, an indicator of banks' willingness to lend, rose from 11 bps to 32 bps—levels above 10 bps were rare prior to the liquidity crisis in 2007. This is a direct result of European banks opting to plow cash into the European Central Bank's (ECB) overnight deposit facility at a rate of 0.25% rather than lend to each other; eurozone banks deposited a record €320 billion with the ECB as of early June, compared to just €22 billion one year ago.

Mistrust among European banks is eerily similar to the U.S. liquidity crisis leading up to the Lehman collapse. There's been some preemptive action by European governments such as Spain's bailout and restructuring of its struggling banking system. While such action temporarily alleviates systemic stress, it is no panacea for the writedowns on bad loans that many banks still need to take. Repairing banks' balance sheets through a combination of loss realization and a steep yield curve is key to the global recovery. Thus, lending to non-financial sectors will remain constrained and European rates are likely to remain low for some time before a meaningful long-term move higher can take hold.

Investor's confidence in a sustainable economic recovery has been shaky in 2010. Congress has drafted a bill for tighter financial regulations, the SEC's filing of fraud charges against Goldman Sachs, the growing severity in BP's massive oil spill in the Gulf of Mexico, and the slowing economic growth in China have been some of the sources of uncertainty that created a flight-to-quality in the second quarter. In the past, sovereign credits of developed countries have been prized for their safety and have enjoyed high credit ratings from the ratings agencies. However, the recent downgrades of Greece and Spain have worsened liquidity conditions as a large part of the investor base for sovereign debt invests in only the highest-rated bonds. This has benefited U.S. Treasuries, as the yield of the 10-year note declined by 90 basis points to 2.93% and the Barclays Capital U.S. Treasury Index returned 4.68%, respectively. Also noteworthy is the collapse in inflation expectations priced into the TIPS breakevens, shown in the table below. The expectation for the annualized inflation rate over the next two years declined from 1.47% to 0.57% quarter-over-quarter as investors realized the macroeconomic implications of Europe's debt crisis on global growth.

Through June 30, 2010

| Credit Spreads (bps) (Based on Barclays indices and OAS ^a) | Dec-09 | Mar-10 | Jun-10 | Quarterly Chg (bps) | YTD Chg (bps) | Quarterly Return (%) | YTD Return (%) |
|---|--------|--------|--------|------------------------|------------------|-------------------------|-------------------|
| Agency Fixed-Rate MBS | 19 | 20 | 9 | -11 | -10 | 2.9 | 4.6 |
| CMBS | 473 | 323 | 368 | 45 | -105 | 2.8 | 12.1 |
| ABS | 100 | 68 | 83 | 15 | -17 | 2.5 | 4.8 |
| IG Corporates | 172 | 150 | 193 | 43 | 21 | 3.4 | 5.8 |
| IG Financials | 226 | 186 | 249 | 63 | 23 | 1.8 | 4.7 |
| Convertibles | 916 | 647 | 800 | 153 | -116 | -5.6 | -0.3 |
| High Yield | 617 | 570 | 700 | 130 | 83 | -0.1 | 4.5 |
| Ba | 453 | 420 | 536 | 116 | 83 | 0.4 | 5.0 |
| B | 567 | 540 | 676 | 136 | 109 | 0.0 | 3.6 |
| Caa | 868 | 818 | 983 | 165 | 115 | -1.4 | 3.8 |
| Quality Spread (Caa-Ba) | 415 | 398 | 447 | 49 | 32 | - | - |
| Treasury Yields (% unless noted) | | | | | | | |
| 3-month | 0.05 | 0.16 | 0.16 | 0 | 11 | 0.0 | 0.1 |
| 2-year | 1.14 | 1.02 | 0.61 | -41 | -53 | 1.2 | 1.9 |
| 5-year | 2.68 | 2.55 | 1.78 | -77 | -90 | 4.7 | 6.5 |
| 10-year | 3.84 | 3.83 | 2.93 | -90 | -91 | 8.4 | 9.4 |
| 30-year | 4.64 | 4.71 | 3.89 | -82 | -75 | 15.3 | 15.2 |
| 3m-10y Spread (bps) | 379 | 367 | 277 | -90 | -102 | - | - |
| 2y-10y Spread (bps) | 270 | 281 | 232 | -49 | -38 | - | - |
| TIPS Breakevens^b (percentage points of implied inflation; negative = deflation) | | | | | | | |
| 2-year BE | 1.24 | 1.47 | 0.57 | -90 | -67 | - | - |
| 5-year BE | 1.95 | 1.79 | 1.52 | -27 | -43 | - | - |
| 10-year BE | 2.41 | 2.26 | 1.84 | -42 | -57 | - | - |
| 30-year BE | 2.55 | 2.55 | 2.19 | -36 | -36 | - | - |
| Liquidity Indicators (bps) | | | | | | | |
| 3-mo LIBOR | 25 | 29 | 53 | 24 | 28 | - | - |
| LIBOR-OIS Spread ^c | 9 | 9 | 33 | 24 | 24 | - | - |
| TED Spread ^d | 20 | 14 | 36 | 22 | 16 | - | - |
| Conventional Fixed Rate Mortgage | | | | | | | |
| 30-year | 5.18% | 5.04% | 4.68% | -36 | -50 | - | - |

^a Option-adjusted spread is the spread after removing embedded options, e.g., prepay, callable; better for cross-sector comparison.

^b TIPS Breakevens are the nominal Treasury yield minus the TIPS yield, and represent market expectations for inflation.

^c LIBOR-OIS is the spread between 3-month LIBOR and the overnight indexed swap rate, and is an indicator of banks' willingness to lend.

^d TED Spread is the difference between 3-month LIBOR and the 3-month T-bill yield, and is a measure of risk premium to lend.

Source: Bloomberg, LehmanLive, Mortgage Bankers Association

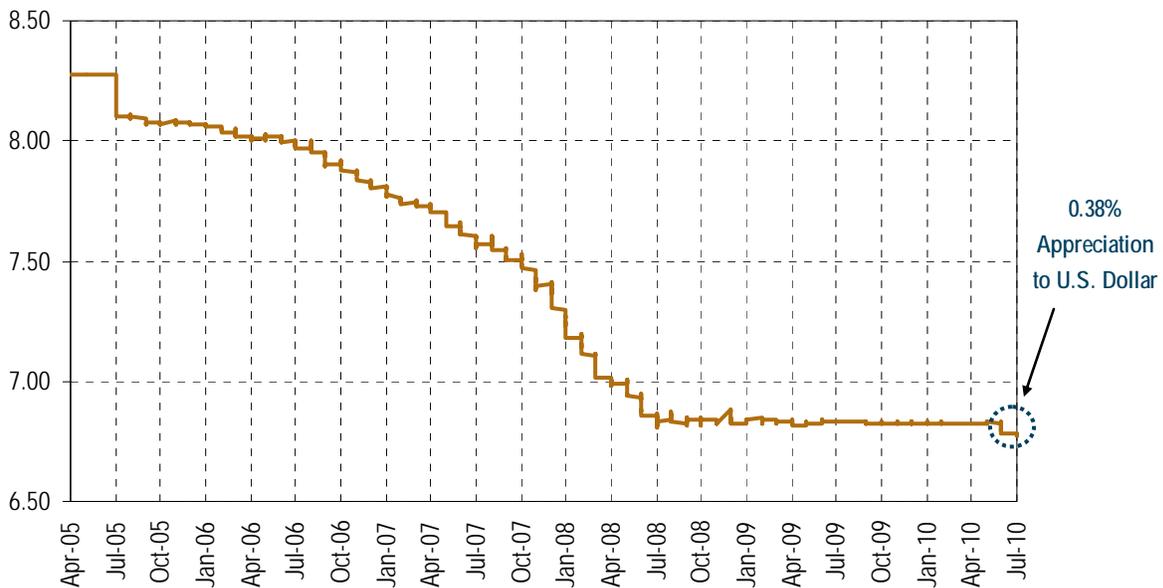
Overall, the U.S. fixed income markets fared well during the second quarter despite the tumultuous macroeconomic environment overseas and recent weakness in the U.S. economy. Although risk assets were shunned by investors in favor of Treasuries, most fixed income asset classes posted positive returns. Treasuries posted the largest gains during the quarter followed by investment grade corporates with 3.4% and agency-MBS posting gains of 2.9%. High yield bond spreads widened 120 bps in May and another 21 bps in June, reversing the tightening seen from January to April 2010 and ending the quarter virtually unchanged (-0.1%). Non-agency mortgages have had some recovery since May and MBS spreads have tightened despite the end of the Fed's buying program. There is a clear trend toward yield-seeking behavior amid the expectation that the U.S. will remain in a low interest rate environment for some time. Fed Funds futures indicate that this benchmark rate will not reach 1% until April 2012.

MARKET ENVIRONMENT

MARKET HIGHLIGHTS

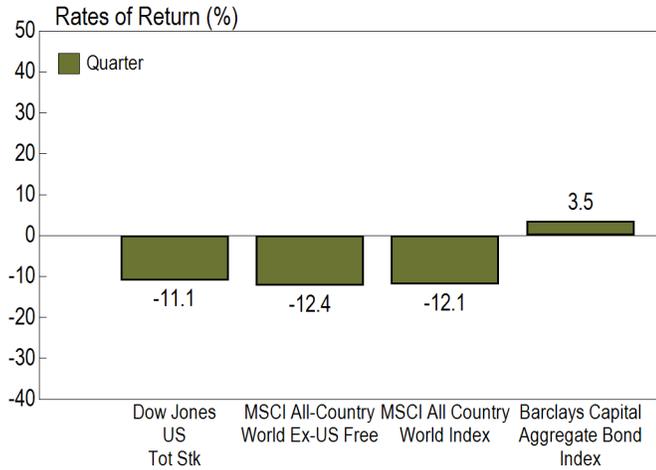
There has been much attention given to the Chinese yuan recently. China's economic success is derived from the competitive edge it holds due to the managed currency pegged to the U.S. dollar, keeping it artificially low. This provides a competitive edge to Chinese exports resulting in a negative influence on other economies with free floating currencies. China announced that it would allow the yuan to appreciate gradually over time in an effort to address preemptively the sensitive currency issues. This June 21st announcement resulted in a 0.38% appreciation for the yuan against the U.S. dollar in the cash market through July 14th. Over the past 4 years, the yuan has appreciated by roughly 15%, or 3.6% annualized. Relaxing the trading band will make products that the U.S. exports more affordable in China and assist in balancing the current trade deficit / surplus imbalance over time.

U.S. Dollar/ Chinese Yuan
Daily Spot Rates 4/1/2005 - 7/14/2010

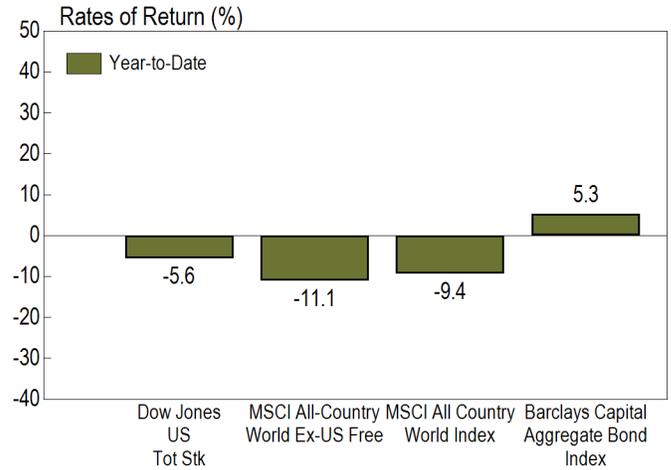


Source: Bank of England

**MAJOR MARKET RETURNS
SECOND QUARTER**

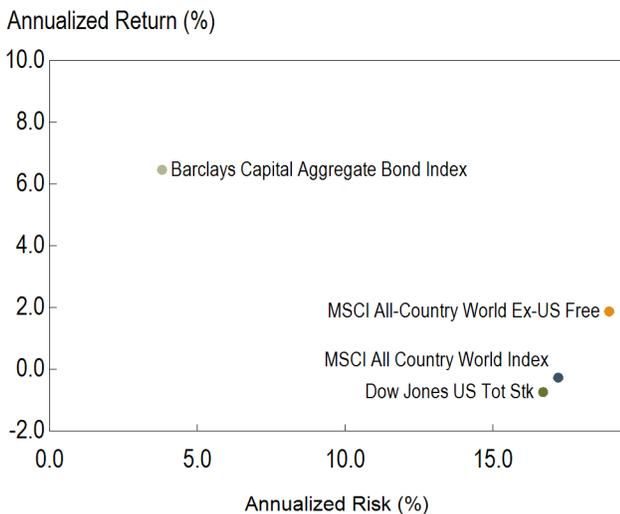


**MAJOR MARKET RETURNS
YEAR-TO-DATE ENDING 6/30/10**

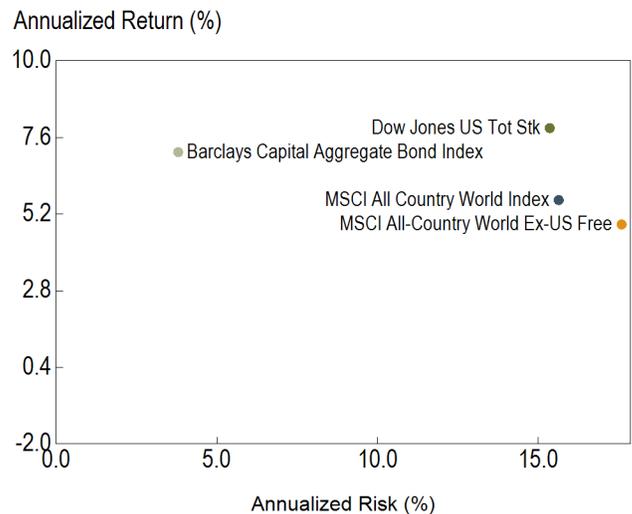


The exhibits above show the performance of the major capital markets during the second quarter and year-to-date periods.

**MARKET RISK/RETURN
10 YEARS ENDING 6/30/10**



**MARKET RISK/RETURN
20 YEARS ENDING 6/30/10**

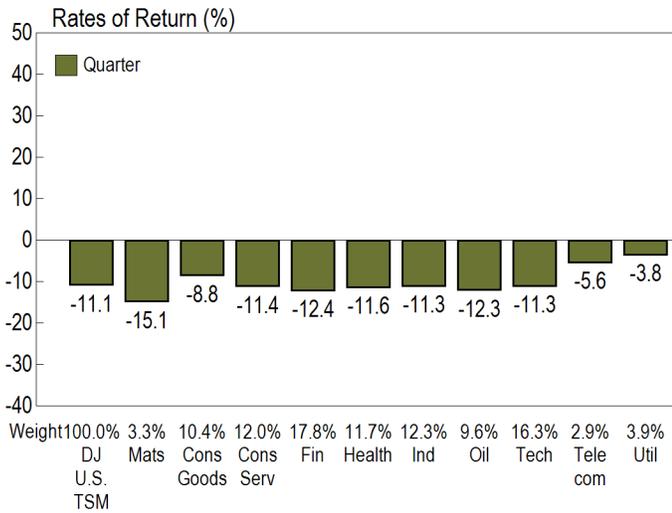


The exhibits above show the historical performance of the major capital markets and the amount of risk (volatility of returns) incurred. Points near the top of the chart represent a greater return and points near the right of the chart indicate greater volatility.

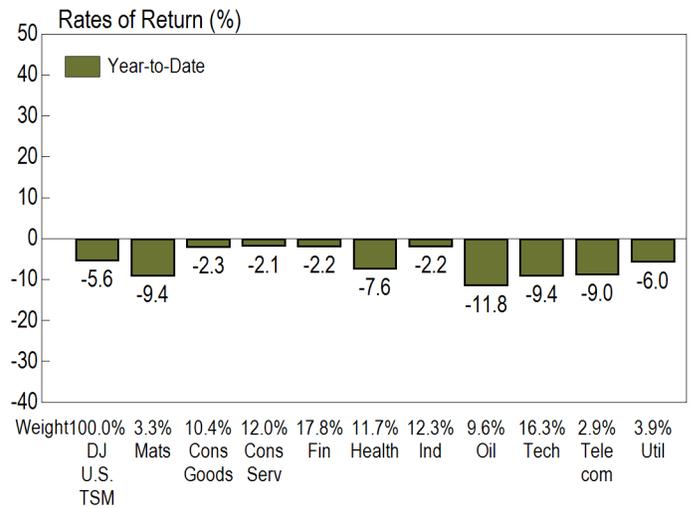
MARKET ENVIRONMENT

U.S. STOCK MARKET

SECTOR RETURNS SECOND QUARTER



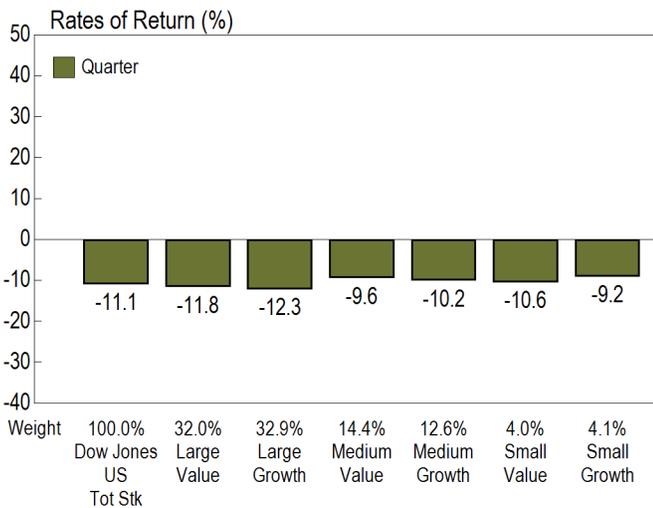
SECTOR RETURNS YEAR-TO-DATE ENDING 6/30/10



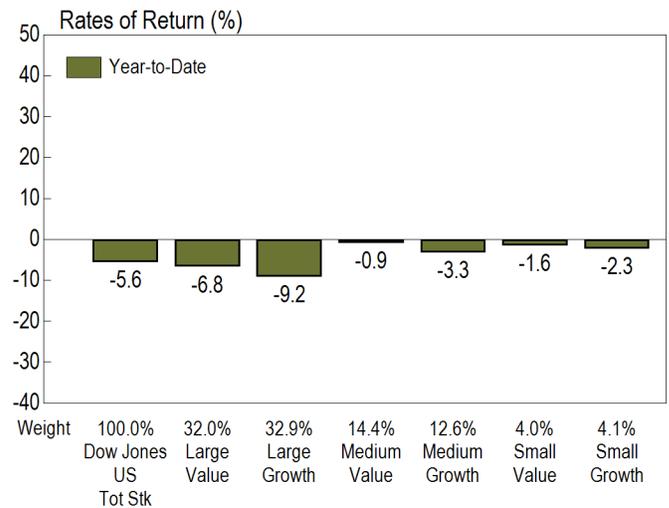
The Dow Jones U.S. Total Stock Market Index is the broadest available measure of the aggregate domestic stock market. It includes all domestic common stocks with readily available price information.

The exhibits above show the performance of the sectors that comprise the Dow Jones U.S. Total Stock Market Index. The percentage below each bar indicates the sector's weight within the Dow Jones U.S. Total Stock Market Index at quarter-end.

STYLE RETURNS SECOND QUARTER

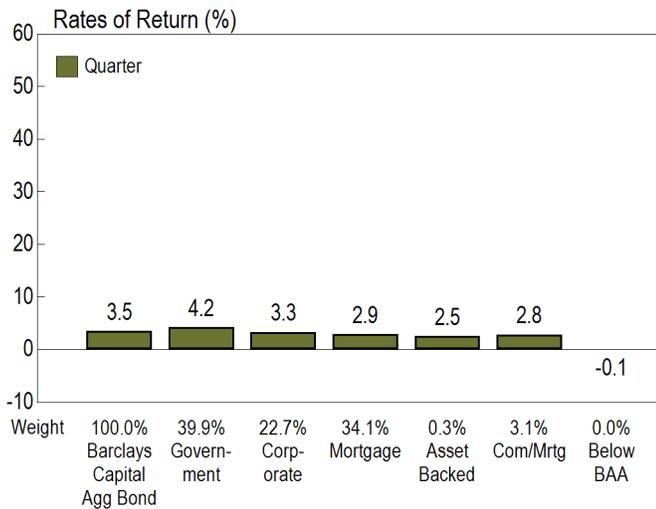


STYLE RETURNS YEAR-TO-DATE ENDING 6/30/10

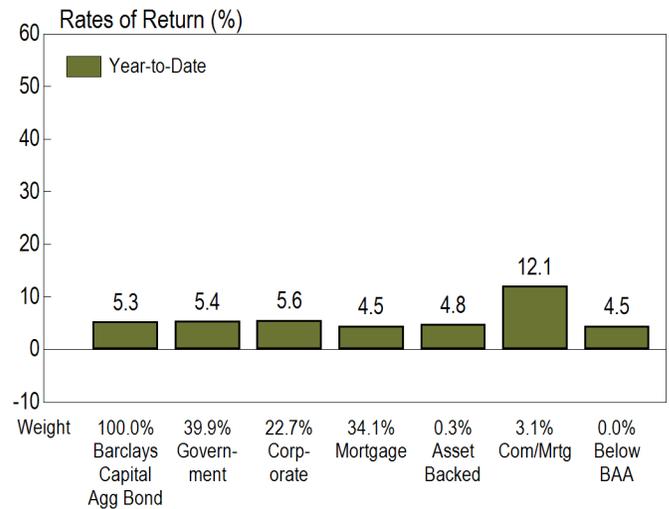


The exhibits above illustrate the performance of stock investment styles according to capitalization (large and small) and style characteristics (value and growth). The percentage below each bar indicates the segment's weight within the Dow Jones U.S. Total Stock Market Index at quarter-end.

**SECTOR RETURNS
SECOND QUARTER**



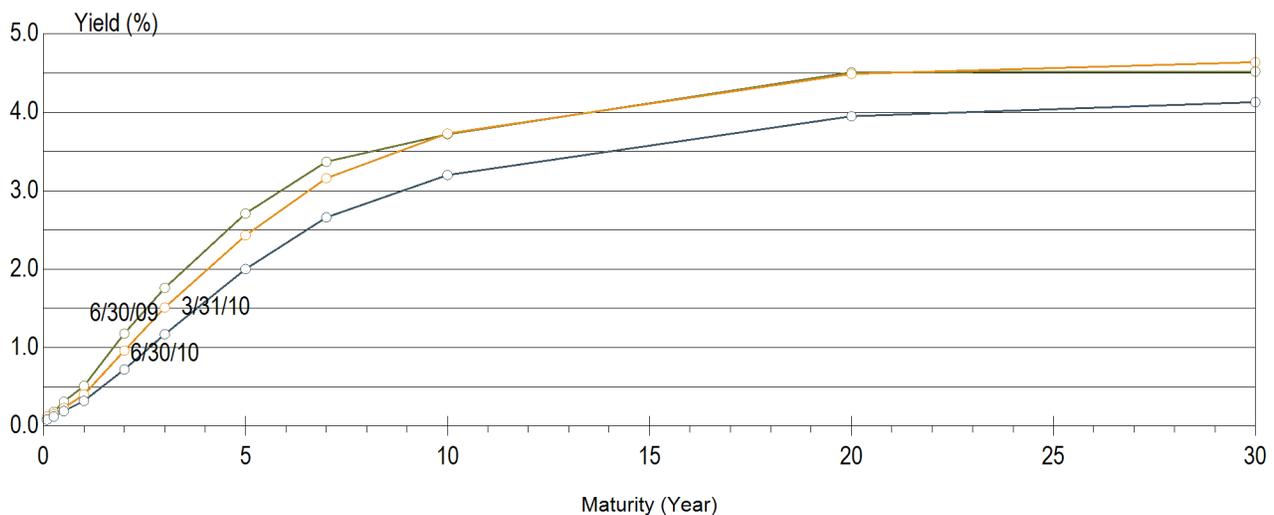
**SECTOR RETURNS
YEAR-TO-DATE ENDING 6/30/10**



The Barclays Capital Aggregate Bond Index is a broad measure of the U.S. investment grade fixed income market. The Index consists of credit, government, and mortgage-backed securities and includes credit card, auto, and home equity loan-backed securities.

The exhibits above show the performance of the sectors that comprise the broad domestic bond market. The percentage below each bar indicates the sector's weight within the Barclays Capital Aggregate Bond Index at quarter-end.

U.S. TREASURY CURVE

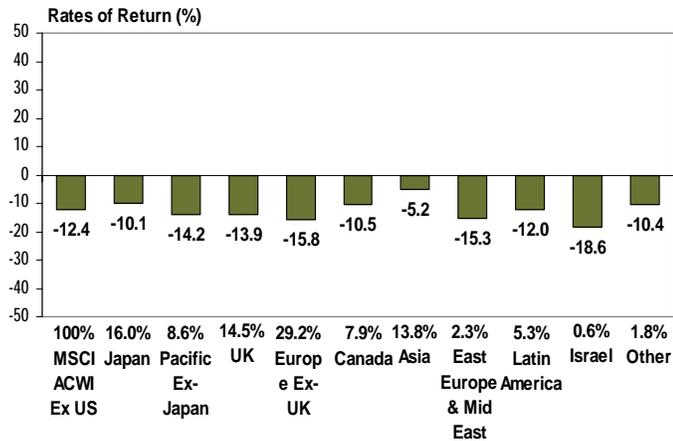


The exhibit above illustrates yields of Treasury securities of various maturities as of June 30, 2010, March 31, 2009, and June 30, 2009.

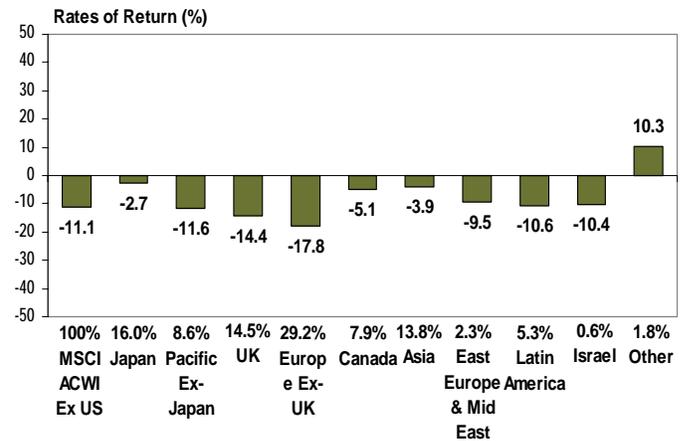
MARKET ENVIRONMENT

NON-U.S. STOCK MARKETS

**NON-U.S. STOCK MARKET RETURNS
SECOND QUARTER**

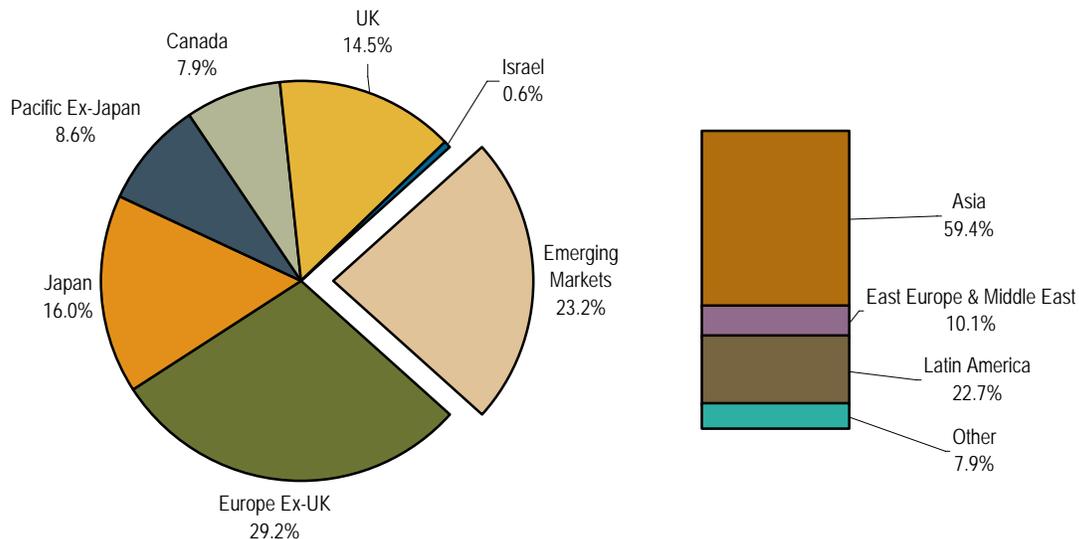


**NON-U.S. STOCK MARKET RETURNS
YEAR-TO-DATE ENDING 6/30/2010**



The MSCI All Country World ex-U.S. Index is a capitalization-weighted index of stocks representing 23 developed stock markets and 21 emerging stock markets around the world. The exhibits above show the performance of the regions that comprise the MSCI All Country World ex-U.S. Index at quarter-end.

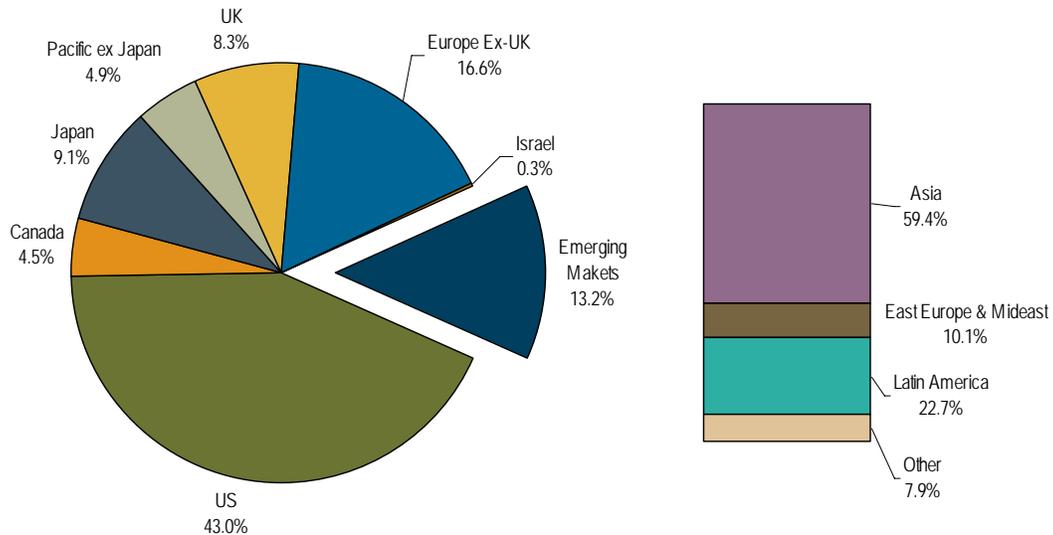
**MSCI ALL-COUNTRY WORLD EX-U.S. STOCK INDEX
GEOGRAPHIC ALLOCATION AS OF 6/30/2010**



The exhibit above illustrates the percent each region represents of the non-U.S. stock market as measured by the MSCI All Country World ex-U.S. Index.

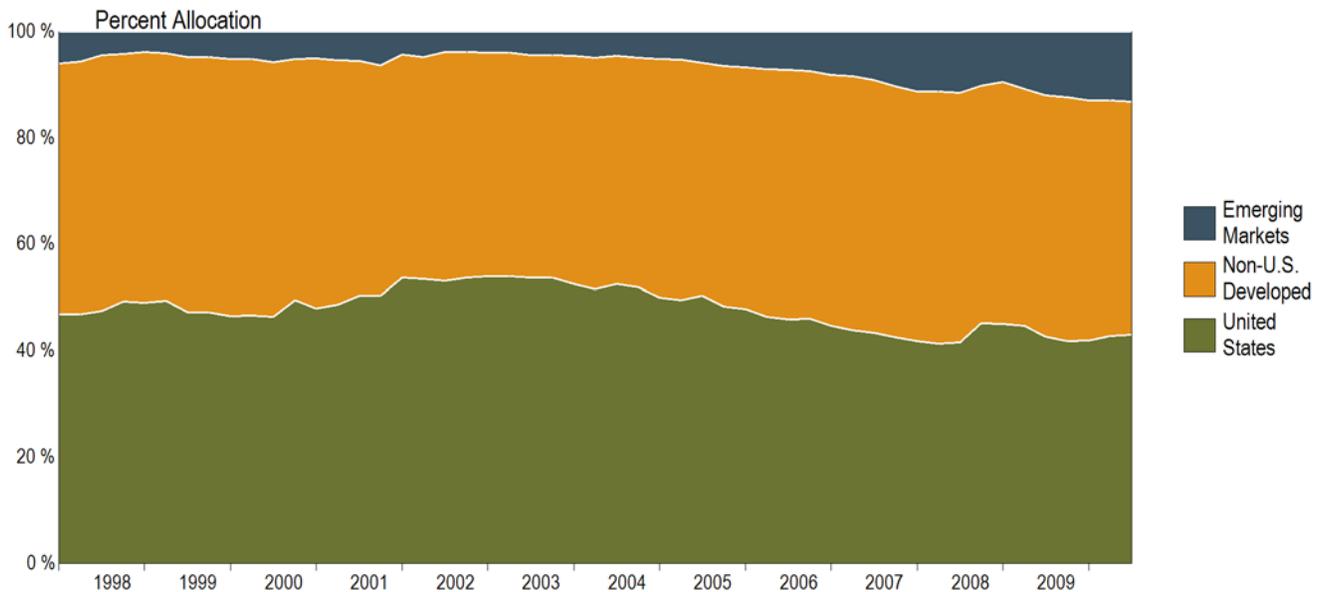
Note on Other: Includes South Africa, Egypt, and Morocco. Returns expressed are the weighted average returns.

MSCI ALL-COUNTRY WORLD STOCK INDEX
GEOGRAPHIC ALLOCATION AS OF 6/30/2010



The MSCI All Country World Index is a capitalization-weighted index of stocks representing 24 developed stock markets and 21 emerging stock markets around the world. The graph above shows the allocation to each region at quarter-end. Note on Other: Includes South Africa, Egypt, and Morocco.

ALLOCATION



The graph above shows the changes in the breakdown between the United States, non-U.S. developed markets, and emerging markets in the MSCI All Country World Index over time.

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RETURN SUMMARY
ENDING 6/30/10

| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|----------------------|----------------|--------------|-----------------------|------------------------|------------------------|
| TRP PS Income | -4.6% | -1.5% | 12.6% | 0.1% | 3.9% |
| Custom Benchmark | -3.3 | -0.5 | 9.9 | -0.4 | 3.0 |

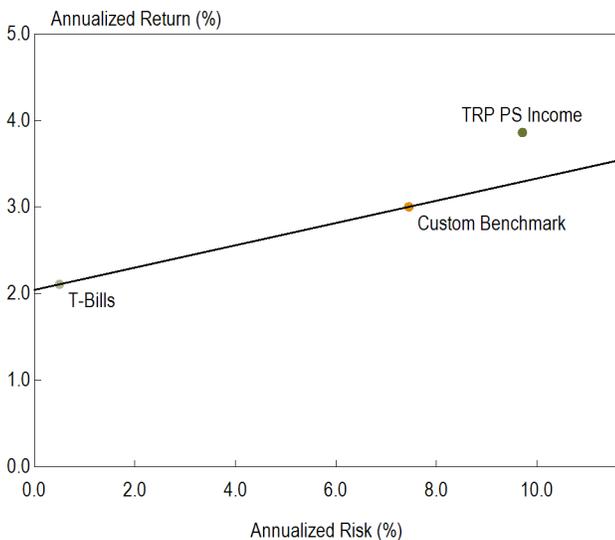
Investment Strategy

T. Rowe Price Personal Strategy Income Fund seeks to provide income, with a secondary goal of capital appreciation. The Fund invests in a variety of both stocks and bonds, with an emphasis on dividend-paying stocks and government and high-quality corporate, income-producing bonds.

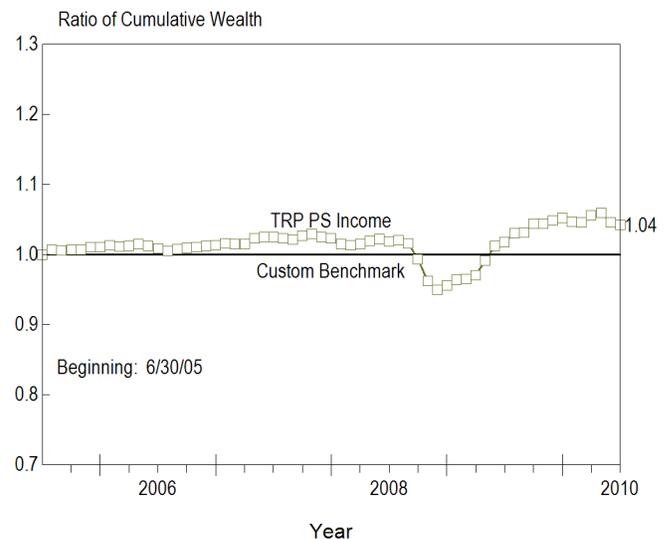
The Fund's target asset allocation is 40% stocks, 40% bonds, and 20% cash. Typically, the Fund maintains a 5% - 10% exposure to non-U.S. stocks. It is the most conservative of the three T. Rowe Price lifestyle funds.

As illustrated in the graphs below and the table above, T. Rowe Price Personal Strategy Income Fund has exceeded the Index over the trailing five-year period at a higher level of risk.

ANNUALIZED RISK RETURN
5 YEARS ENDING 6/30/10



RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 6/30/10



T. ROWE PRICE

PERSONAL STRATEGY INCOME

Fund Information as of 06/30/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | T Rowe Price Prs Str:Inc |
| Ticker | PRSIX |
| Category | Conservative Allocation |
| Benchmark | Custom Benchmark |
| Expense Ratio | 0.72% |
| Fund Assets (\$mm) | 839.08 |
| Share Class Inception Date | 7/29/1994 |
| Manager Tenure | 12 |

Sector Allocation as of 06/30/2010

| | |
|-----------------------------|------|
| BUSINESS SERVICES | 2.0% |
| CONSUMER GOODS | 3.1% |
| CONSUMER SERVICES | 4.6% |
| ENERGY | 3.9% |
| FINANCIAL SERVICES | 8.2% |
| HARDWARE | 4.1% |
| HEALTHCARE | 3.5% |
| INDUSTRIAL MATERIALS | 5.2% |
| MEDIA | 1.9% |
| SOFTWARE | 0.8% |
| TELECOMMUNICATION | 2.8% |
| UTILITIES | 1.2% |

Top Holdings as of 06/30/2010

| | |
|---|-------|
| RESERVE INVT FDS | 12.5% |
| T. ROWE PRICE INSTL HIGH YIELD | 7.2% |
| T. ROWE PRICE INSTL EMERGING MKTS BOND | 6.7% |
| T. ROWE PRICE INSTL INTL BOND | 5.0% |
| T. ROWE PRICE INSTL EMERGING MKTS EQ | 1.5% |
| UNITED STATES TREAS NTS 1.75% | 1.4% |
| APPLE, INC. | 1.1% |
| UNITED STATES TREAS NTS 3.125% | 1.1% |
| UNITED STATES TREAS NTS 2.625% | 0.8% |
| GOOGLE, INC. | 0.8% |

HISTORICAL RETURNS

(BY YEAR)

| | TRP PS Income | Custom Benchmark | Return Difference |
|------------------|---------------|------------------|-------------------|
| | Return | Return | |
| 2000 | 6.6% | 1.0% | 5.6 |
| 2001 | 0.9 | -0.9 | 1.8 |
| 2002 | -3.4 | -4.1 | 0.7 |
| 2003 | 18.6 | 14.3 | 4.3 |
| 2004 | 9.9 | 7.4 | 2.5 |
| 2005 | 5.2 | 4.5 | 0.7 |
| 2006 | 9.6 | 9.3 | 0.3 |
| 2007 | 7.3 | 6.3 | 1.0 |
| 2008 | -20.4 | -14.9 | -5.5 |
| 2009 | 25.5 | 14.0 | 11.5 |
| 2010 (6 months) | -1.5 | -0.5 | -1.0 |
| Trailing 1-Year | 12.6% | 9.9% | 2.7 |
| Trailing 3-Year | 0.1 | -0.4 | 0.5 |
| Trailing 5-Year | 3.9 | 3.0 | 0.9 |
| Trailing 10-Year | 4.9 | 3.1 | 1.8 |

* Fund information throughout the report is shown as of the most recent date available.

RETURN SUMMARY
ENDING 6/30/10

| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|------------------------|----------------|---------------|-----------------------|------------------------|------------------------|
| TRP PS Balanced | -7.1 % | -3.4 % | 14.2 % | -3.0 % | 2.9 % |
| Custom Benchmark | -6.0 | -2.5 | 11.8 | -3.3 | 2.3 |

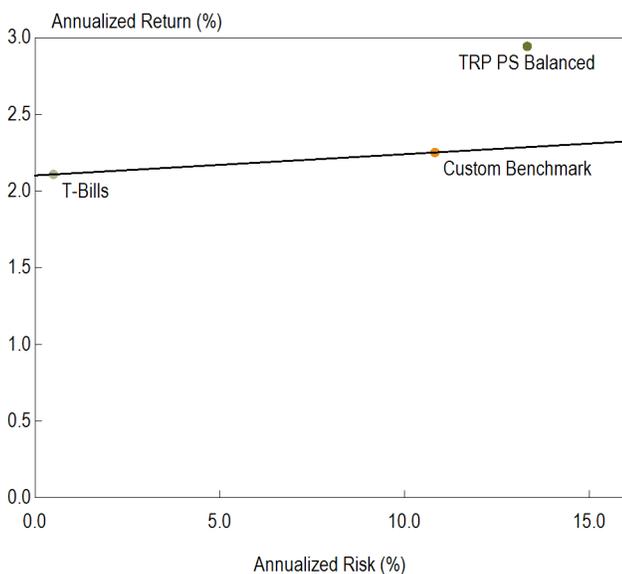
Investment Strategy

T. Rowe Price Personal Strategy Balanced Fund seeks both capital appreciation and income. The Fund invests in a variety of both stocks and bonds, with an emphasis on blue-chip, dividend-paying stocks, government and high-quality corporate, income-producing bonds.

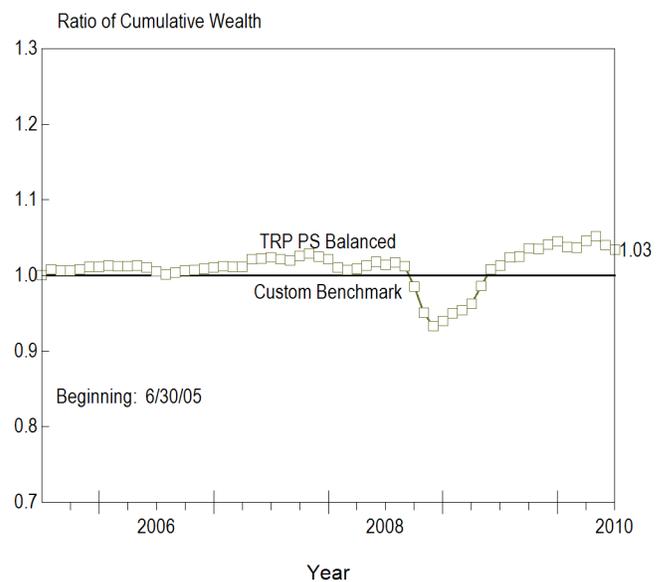
The Fund's neutral asset allocation is 60% stocks, 30% bonds, and 10% cash. Typically, the Fund maintains a 10% exposure to non-U.S. stocks. The balanced fund is the moderate fund relative to the three T. Rowe Price lifestyle funds in terms of expected risk and reward.

As illustrated in the graphs below and the table above, T. Rowe Price Personal Strategy Balanced Fund has exceeded the Index over the trailing five-year period at a higher level of risk.

ANNUALIZED RISK RETURN
5 YEARS ENDING 6/30/10



RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 6/30/10



T. ROWE PRICE

PERSONAL STRATEGY BALANCED

Fund Information as of 06/30/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | T Rowe Price Prs Str:Bal |
| Ticker | TRPBX |
| Category | Moderate Allocation |
| Benchmark | Custom Benchmark |
| Expense Ratio | 0.81% |
| Fund Assets (\$mm) | 1,409.62 |
| Share Class Inception Date | 7/29/1994 |
| Manager Tenure | 12 |

Sector Allocation as of 06/30/2010

| | |
|-----------------------------|-------|
| BUSINESS SERVICES | 3.0% |
| CONSUMER GOODS | 4.6% |
| CONSUMER SERVICES | 6.8% |
| ENERGY | 5.8% |
| FINANCIAL SERVICES | 12.2% |
| HARDWARE | 6.1% |
| HEALTHCARE | 5.1% |
| INDUSTRIAL MATERIALS | 7.6% |
| MEDIA | 2.8% |
| SOFTWARE | 1.1% |
| TELECOMMUNICATION | 4.1% |
| UTILITIES | 1.7% |

Top Holdings as of 06/30/2010

| | |
|---|------|
| T. ROWE PRICE INSTL HIGH YIELD | 4.9% |
| T. ROWE PRICE INSTL EMERGING MKTS BOND | 4.5% |
| T. ROWE PRICE INSTL INTL BOND RESERVE INVT FDS | 3.4% |
| T. ROWE PRICE INSTL EMERGING MKTS EQ | 3.1% |
| APPLE, INC. | 2.3% |
| UNITED STATES TREAS NTS 1.75% | 1.7% |
| GOOGLE, INC. | 1.5% |
| UNITED STATES TREAS NTS 2.625% | 1.1% |
| J.P. MORGAN CHASE & CO. | 1.0% |
| | 0.9% |

HISTORICAL RETURNS

(BY YEAR)

| | TRP PS Balanced | Custom Benchmark | Return Difference |
|------------------|-----------------|------------------|-------------------|
| | Return | Return | |
| 2000 | 5.6% | -3.0% | 8.6 |
| 2001 | -2.5 | -4.7 | 2.2 |
| 2002 | -7.7 | -9.2 | 1.5 |
| 2003 | 24.4 | 20.4 | 4.0 |
| 2004 | 12.6 | 9.6 | 3.0 |
| 2005 | 6.4 | 5.6 | 0.8 |
| 2006 | 11.9 | 12.1 | -0.2 |
| 2007 | 7.7 | 6.5 | 1.2 |
| 2008 | -29.3 | -23.2 | -6.1 |
| 2009 | 32.6 | 19.3 | 13.3 |
| 2010 (6 months) | -3.4 | -2.5 | -0.9 |
| Trailing 1-Year | 14.2% | 11.8% | 2.4 |
| Trailing 3-Year | -3.0 | -3.3 | 0.3 |
| Trailing 5-Year | 2.9 | 2.3 | 0.6 |
| Trailing 10-Year | 4.2 | 2.2 | 2.0 |

RETURN SUMMARY
ENDING 6/30/10

| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|----------------------|----------------|--------------|-----------------------|------------------------|------------------------|
| TRP PS Growth | -9.8% | -5.7% | 14.8% | -7.0% | 1.4% |
| Custom Benchmark | -8.6 | -4.3 | 13.8 | -6.2 | 1.3 |

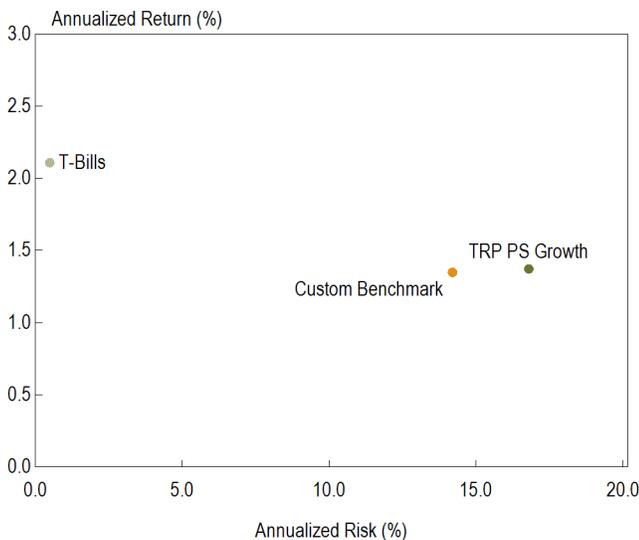
Investment Strategy

T. Rowe Price Personal Strategy Growth Fund seeks capital appreciation, with a secondary goal of income. The Fund invests in a variety of both stocks and bonds, with an emphasis on blue-chip, dividend-paying stocks, government and high-quality corporate, and income-producing bonds.

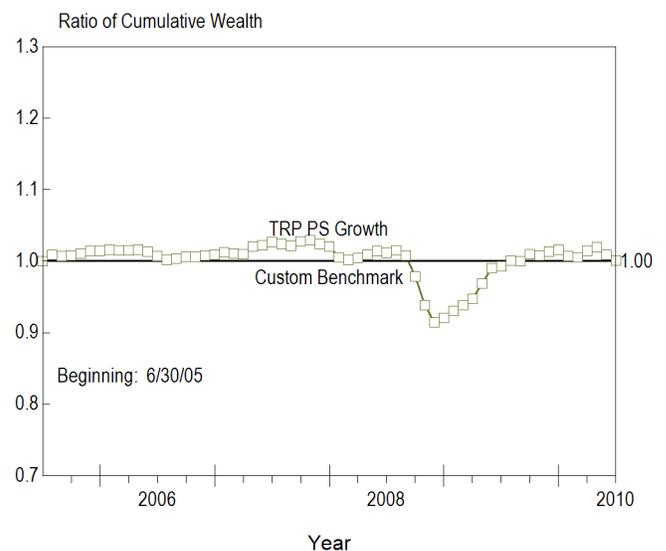
The Fund's neutral asset allocation is 80% stocks and 20% bonds. Typically, the Fund maintains a 15% - 25% exposure to non-U.S. stocks. The growth fund has the highest expected risk/reward profile of the three T. Rowe Price lifestyle funds.

As illustrated in the graphs below and the table above, T. Rowe Price Personal Strategy Growth Fund has modestly exceeded the Index over the trailing five-year period at a higher level of risk.

ANNUALIZED RISK RETURN
5 YEARS ENDING 6/30/10



RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 6/30/10



T. ROWE PRICE

PERSONAL STRATEGY GROWTH

Fund Information as of 06/30/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | T Rowe Price Prs Str:Gro |
| Ticker | TRSGX |
| Category | Large Blend |
| Benchmark | Custom Benchmark |
| Expense Ratio | 0.91% |
| Fund Assets (\$mm) | 973.85 |
| Share Class Inception Date | 7/29/1994 |
| Manager Tenure | 12 |

Sector Allocation as of 06/30/2010

| | |
|-----------------------------|-------|
| BUSINESS SERVICES | 4.0% |
| CONSUMER GOODS | 6.1% |
| CONSUMER SERVICES | 9.0% |
| ENERGY | 7.8% |
| FINANCIAL SERVICES | 16.2% |
| HARDWARE | 8.1% |
| HEALTHCARE | 6.8% |
| INDUSTRIAL MATERIALS | 10.1% |
| MEDIA | 3.8% |
| SOFTWARE | 1.5% |
| TELECOMMUNICATION | 5.4% |
| UTILITIES | 2.3% |

Top Holdings as of 06/30/2010

| | |
|---|------|
| T. ROWE PRICE INSTL EMERGING MKTS EQ | 3.2% |
| T. ROWE PRICE INSTL HIGH YIELD | 2.3% |
| APPLE, INC. | 2.2% |
| T. ROWE PRICE INSTL EMERGING MKTS BOND | 2.2% |
| T. ROWE PRICE INSTL INTL BOND | 1.6% |
| GOOGLE, INC. | 1.5% |
| J.P. MORGAN CHASE & CO. | 1.2% |
| RESERVE INVT FDS | 1.1% |
| AMAZON.COM, INC. | 1.0% |
| AMERICAN EXPRESS COMPANY | 1.0% |

HISTORICAL RETURNS

(BY YEAR)

| | TRP PS Growth | Custom Benchmark | Return Difference |
|------------------|---------------|------------------|-------------------|
| | Return | Return | |
| 2000 | 4.7% | -7.0% | 11.7 |
| 2001 | -6.0 | -8.4 | 2.4 |
| 2002 | -12.4 | -14.4 | 2.0 |
| 2003 | 29.3 | 26.6 | 2.7 |
| 2004 | 15.0 | 11.8 | 3.2 |
| 2005 | 7.6 | 6.5 | 1.1 |
| 2006 | 14.1 | 14.7 | -0.6 |
| 2007 | 7.8 | 6.7 | 1.1 |
| 2008 | -37.6 | -30.8 | -6.8 |
| 2009 | 37.5 | 24.5 | 13.0 |
| 2010 (6 months) | -5.7 | -4.3 | -1.4 |
| Trailing 1-Year | 14.8% | 13.8% | 1.0 |
| Trailing 3-Year | -7.0 | -6.2 | -0.8 |
| Trailing 5-Year | 1.4 | 1.3 | 0.1 |
| Trailing 10-Year | 2.9 | 1.1 | 1.8 |

VANGUARD TARGET RETIREMENT FUNDS

RETURN SUMMARY ENDING 6/30/10

| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|---|----------------|--------------|--------------------------|---------------------------|---------------------------|
| Vanguard Target Retirement Income Fund | -1.2 % | 1.2 % | 11.0 % | 2.5 % | 3.7 % |
| Target Retirement Income Benchmark | -1.2 | 1.2 | 10.9 | 2.4 | 3.7 |
| Vanguard Target Retirement 2005 Fund | -2.1 | 0.5 | 11.8 | 0.6 | 3.2 |
| Target Retirement 2005 Benchmark | -2.2 | 0.6 | 11.9 | 0.5 | 3.2 |
| Vanguard Target Retirement 2010 Fund | -4.1 | -0.9 | 12.8 | -1.3 | -- |
| Target Retirement 2010 Benchmark | -4.2 | -0.9 | 12.9 | -1.4 | -- |
| Vanguard Target Retirement 2015 Fund | -5.6 | -2.0 | 13.3 | -2.8 | 2.3 |
| Target Retirement 2015 Benchmark | -5.7 | -2.1 | 13.3 | -3.0 | 2.2 |
| Vanguard Target Retirement 2020 Fund | -6.8 | -3.1 | 13.6 | -4.1 | -- |
| Target Retirement 2020 Benchmark | -6.8 | -3.0 | 13.6 | -4.3 | -- |
| Vanguard Target Retirement 2025 Fund | -8.0 | -4.0 | 14.0 | -5.5 | 1.3 |
| Target Retirement 2025 Benchmark | -7.9 | -3.9 | 14.0 | -5.6 | 1.3 |
| Vanguard Target Retirement 2030 Fund | -9.1 | -5.0 | 14.1 | -6.8 | -- |
| Target Retirement 2030 Benchmark | -9.0 | -4.9 | 14.3 | -6.9 | -- |
| Vanguard Target Retirement 2035 Fund | -10.2 | -5.9 | 14.1 | -7.7 | 0.7 |
| Target Retirement 2035 Benchmark | -10.1 | -5.8 | 14.4 | -7.8 | 0.7 |
| Vanguard Target Retirement 2040 Fund | -10.2 | -5.9 | 14.1 | -7.6 | -- |
| Target Retirement 2040 Benchmark | -10.1 | -5.8 | 14.4 | -7.8 | -- |
| Vanguard Target Retirement 2045 Fund | -10.2 | -5.9 | 14.1 | -7.7 | 1.1 |
| Target Retirement 2045 Benchmark | -10.1 | -5.8 | 14.4 | -7.8 | 1.0 |
| Vanguard Target Retirement 2050 Fund | -10.2 | -5.9 | 14.1 | -7.6 | -- |
| Target Retirement 2050 Benchmark | -10.1 | -5.8 | 14.4 | -7.8 | -- |

Investment Strategy

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

VANGUARD TARGET RETIREMENT FUNDS

Vanguard Target Retirement Income Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 23.3% |
| International Stocks | 5.9 |
| Nominal Bonds | 45.5 |
| Inflation-Protected Bonds | 20.3 |
| Cash | 5.0 |

Vanguard Target Retirement 2005 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 27.8% |
| International Stocks | 7.1 |
| Nominal Bonds | 44.1 |
| Inflation-Protected Bonds | 17.5 |
| Cash | 3.5 |

Vanguard Target Retirement 2010 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 39.3% |
| International Stocks | 10.0 |
| Nominal Bonds | 40.4 |
| Inflation-Protected Bonds | 10.3 |
| Cash | 0.0 |

Vanguard Target Retirement 2015 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 47.2% |
| International Stocks | 12.0 |
| Nominal Bonds | 40.8 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2020 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 53.6% |
| International Stocks | 13.5 |
| Nominal Bonds | 32.9 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2025 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 59.4% |
| International Stocks | 15.0 |
| Nominal Bonds | 25.6 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2030 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 65.5% |
| International Stocks | 16.5 |
| Nominal Bonds | 18.0 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2035 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 71.5% |
| International Stocks | 18.1 |
| Nominal Bonds | 10.4 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2040 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 71.8% |
| International Stocks | 18.1 |
| Nominal Bonds | 10.1 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2045 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 71.8% |
| International Stocks | 18.1 |
| Nominal Bonds | 10.1 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2050 Fund

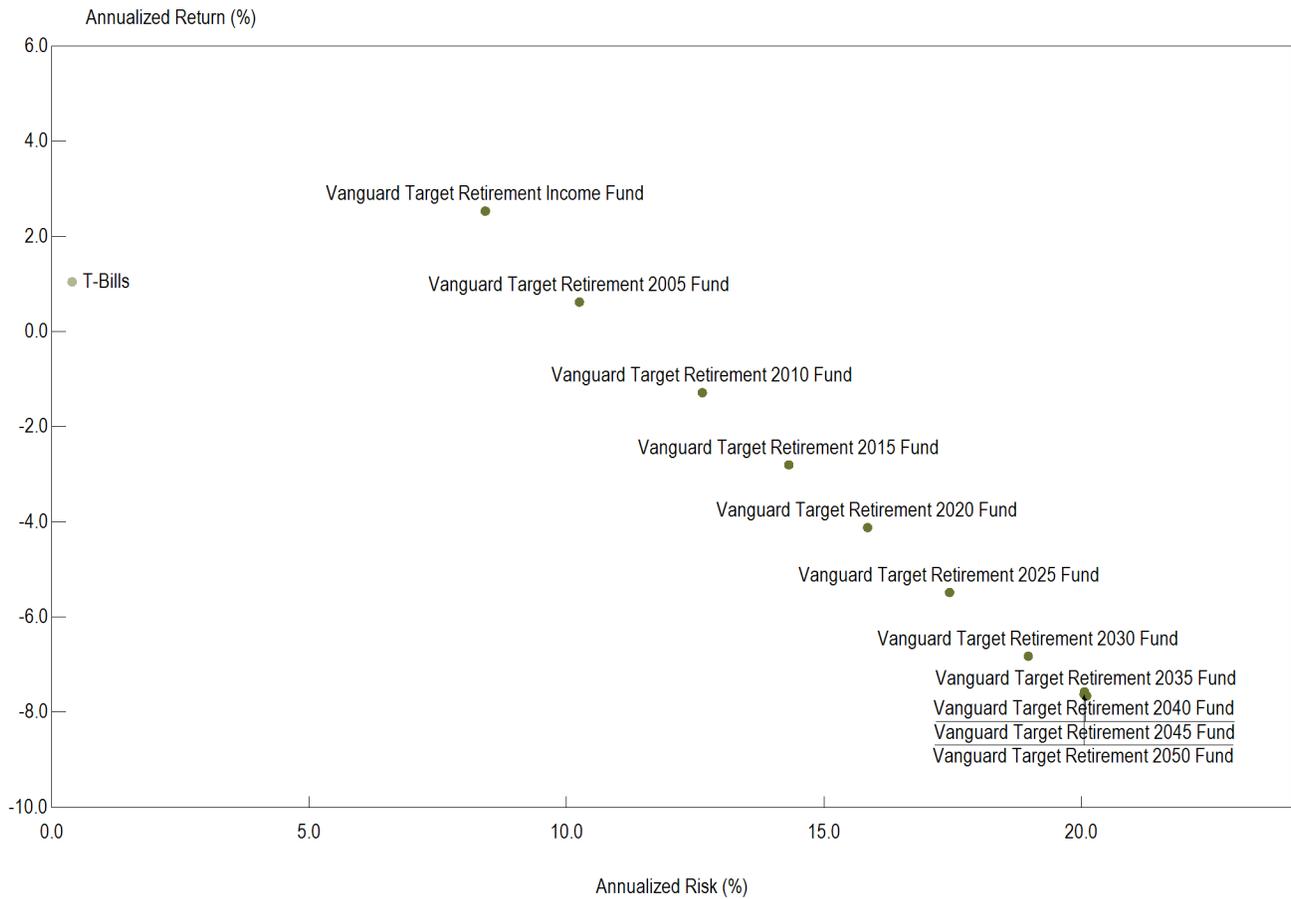
| | |
|---------------------------|-------|
| Domestic Stocks | 71.8% |
| International Stocks | 18.1 |
| Nominal Bonds | 10.1 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Asset Allocation Table

The tables above illustrates the asset allocations for the Vanguard Retirement Funds as of June 30, 2010.

VANGUARD TARGET RETIREMENT FUNDS

ANNUALIZED RISK RETURN 3 YEARS ENDING 6/30/10



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VANGUARD TOTAL BOND MARKET INDEX

RETURN SUMMARY ENDING 6/30/10

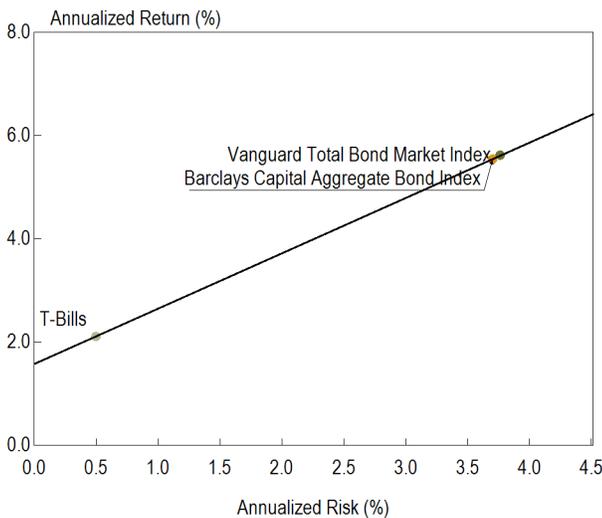
| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|---|----------------|--------------|-----------------------|------------------------|------------------------|
| Vanguard Total Bond Market Index | 3.6% | 5.4% | 9.5% | 7.7% | 5.6% |
| Barclays Capital Aggregate Bond Index | 3.5 | 5.3 | 9.5 | 7.5 | 5.5 |

Investment Strategy

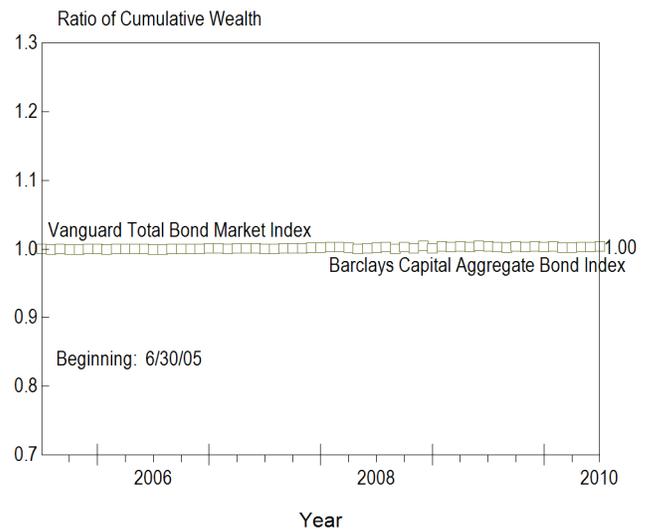
The Vanguard Total Bond Market Index Fund seeks to replicate the performance of the Barclays Capital Aggregate Bond Index. The Fund holds U.S. government and agency securities, high-quality corporate bonds, and mortgage-backed issues.

The Fund attempts to simulate the market's performance by holding a sampling of the more than 4,000 bonds in the Barclays Capital Aggregate Bond Index. Characteristics of the Fund, including interest-rate sensitivity and sector weightings, closely match those of the Index.

ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/10



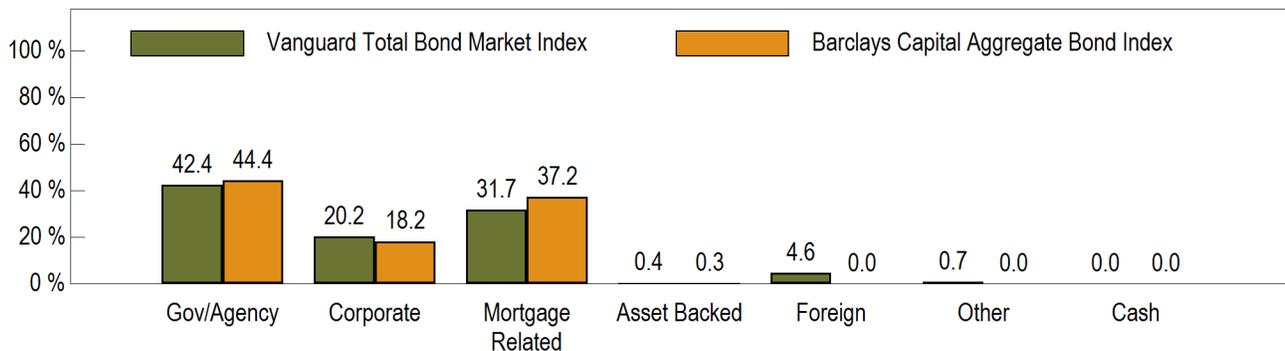
VANGUARD TOTAL BOND MARKET INDEX

Fund Information as of 06/30/2010

| | |
|-----------------------------------|---------------------------------------|
| Fund Name | VANGUARD-TOT-INS |
| Ticker | VBPIX |
| Category | Intermediate-Term Bond |
| Benchmark | Barclays Capital Aggregate Bond Index |
| Expense Ratio | 0.07% |
| Fund Assets (\$mm) | 18,873.30 |
| Share Class Inception Date | 9/18/1995 |
| Manager Tenure | 18 |

SECTOR ALLOCATION AS OF 6/30/10

Vanguard Total Bond Market Index



HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Total Bond Market Index | Barclays Capital Aggregate Bond Index | Return Difference |
|------------------|----------------------------------|---------------------------------------|-------------------|
| | Return | Return | |
| 2000 | 11.5% | 11.6% | -0.1 |
| 2001 | 8.6 | 8.4 | 0.2 |
| 2002 | 8.4 | 10.3 | -1.9 |
| 2003 | 4.1 | 4.1 | 0.0 |
| 2004 | 4.4 | 4.3 | 0.1 |
| 2005 | 2.5 | 2.4 | 0.1 |
| 2006 | 4.4 | 4.3 | 0.1 |
| 2007 | 7.0 | 7.0 | 0.0 |
| 2008 | 5.2 | 5.2 | 0.0 |
| 2009 | 6.1 | 5.9 | 0.2 |
| 2010 (6 months) | 5.4 | 5.3 | 0.1 |
| Trailing 1-Year | 9.5% | 9.5% | 0.0 |
| Trailing 3-Year | 7.7 | 7.5 | 0.2 |
| Trailing 5-Year | 5.6 | 5.5 | 0.1 |
| Trailing 10-Year | 6.3 | 6.5 | -0.2 |

RETURN SUMMARY ENDING 6/30/10

| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|--|----------------|---------------|-----------------------|------------------------|------------------------|
| Vanguard Institutional Index Fund | -11.4 % | -6.7 % | 14.5 % | -9.8 % | -0.8 % |
| S&P 500 Index | -11.4 | -6.7 | 14.4 | -9.8 | -0.8 |

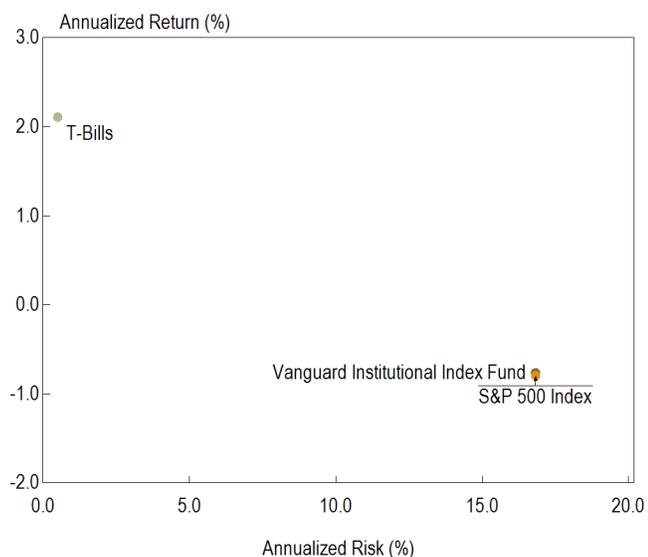
Investment Strategy

The Vanguard Institutional Index Fund is designed to approximate the performance of the S&P 500 Stock Index. The Fund holds a capitalization-weighted position in all 500 securities of the S&P 500 Stock Index.

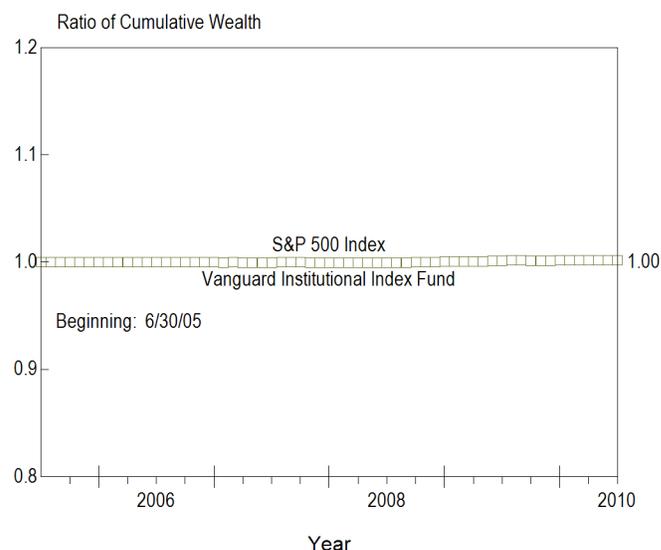
Management uses S&P 500 Index futures to manage fund inflows and outflows.

As illustrated in the graphs below and the table above, Vanguard Institutional Index Fund has tracked the Index over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/10



VANGUARD INSTITUTIONAL INDEX

Fund Information as of 05/31/2010

| | |
|-----------------------------------|------------------|
| Fund Name | VANGUARD-INST-IS |
| Ticker | VINIX |
| Category | Large Blend |
| Benchmark | S&P 500 Index |
| Expense Ratio | 0.05% |
| Fund Assets (\$mm) | 45,318.75 |
| Share Class Inception Date | 7/31/1990 |
| Manager Tenure | 5 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 3.55% |
| CONSUMER GOODS | 10.92% |
| CONSUMER SERVICES | 8.87% |
| ENERGY | 10.93% |
| FINANCIAL SERVICES | 16.47% |
| HARDWARE | 10.85% |
| HEALTHCARE | 11.42% |
| INDUSTRIAL MATERIALS | 11.12% |
| MEDIA | 2.73% |
| SOFTWARE | 4.35% |
| TELECOMMUNICATION | 5.19% |
| UTILITIES | 3.37% |

Top Holdings as of 03/31/2010

| | |
|---|-------|
| EXXONMOBIL CORPORATION | 2.99% |
| MICROSOFT CORPORATION | 2.11% |
| APPLE, INC. | 2.01% |
| GENERAL ELECTRIC COMPANY | 1.83% |
| PROCTER & GAMBLE COMPANY | 1.74% |
| BANK OF AMERICA CORPORATION | 1.69% |
| JOHNSON & JOHNSON | 1.69% |
| J.P. MORGAN CHASE & CO. | 1.68% |
| INTERNATIONAL BUSINESS MACHINES CORP | 1.57% |
| WELLS FARGO COMPANY | 1.52% |

HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Institutional Index Fund | S&P 500 Index | Return Difference |
|------------------|-----------------------------------|---------------|-------------------|
| | Return | Return | |
| 2000 | -8.9% | -9.1% | 0.2 |
| 2001 | -11.9 | -11.9 | 0.0 |
| 2002 | -22.0 | -22.1 | 0.1 |
| 2003 | 28.7 | 28.7 | 0.0 |
| 2004 | 10.9 | 10.9 | 0.0 |
| 2005 | 4.9 | 4.9 | 0.0 |
| 2006 | 15.8 | 15.8 | 0.0 |
| 2007 | 5.5 | 5.5 | 0.0 |
| 2008 | -37.0 | -37.0 | 0.0 |
| 2009 | 26.6 | 26.5 | 0.1 |
| 2010 (6 months) | -6.7 | -6.7 | 0.0 |
| Trailing 1-Year | 14.5% | 14.4% | 0.1 |
| Trailing 3-Year | -9.8 | -9.8 | 0.0 |
| Trailing 5-Year | -0.8 | -0.8 | 0.0 |
| Trailing 10-Year | -1.6 | -1.6 | 0.0 |

VANGUARD TOTAL STOCK MARKET INDEX

RETURN SUMMARY ENDING 6/30/10

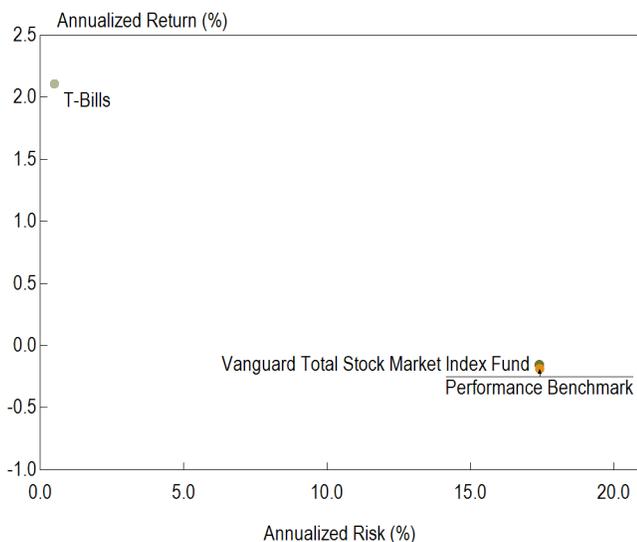
| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|---|----------------|--------------|-----------------------|------------------------|------------------------|
| Vanguard Total Stock Market Index Fund | -11.3% | -5.9% | 16.0% | -9.1% | -0.2% |
| Performance Benchmark | -11.3 | -5.9 | 16.0 | -9.2 | -0.2 |

Investment Strategy

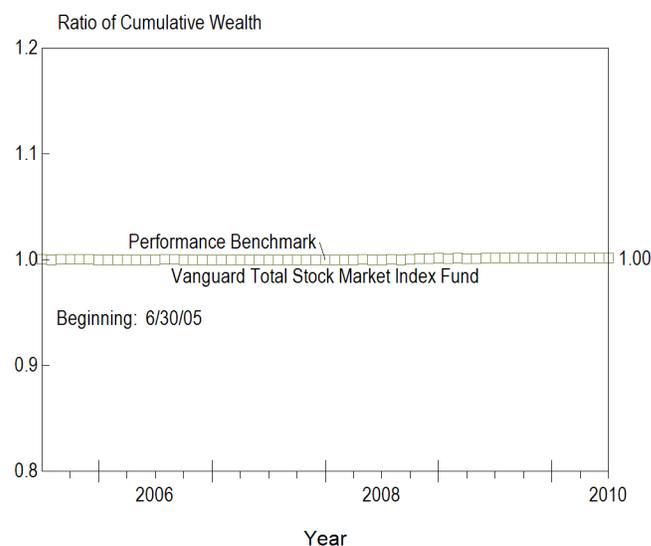
The objective of the Vanguard Total Stock Market Index Fund is to approximate the return of the MSCI U.S. Broad Market Index. The Vanguard Total Stock Market Index Fund utilizes a sampling technique that approximates the industry weightings and market capitalizations of the MSCI U.S. Broad Market Index. The Fund will replicate the weightings of the largest stocks in the Index and invest in a representative sample for the remaining portion. Through computer modeling techniques, management intends to match the Index's characteristics, including sector weightings, yield, price ratios, and risk.

As illustrated in the graphs below and the table above, Vanguard Total Stock Market Index Fund has closely tracked the return of the Index over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/10



An explanation of the Performance Benchmark can be found in the Appendix.

VANGUARD TOTAL STOCK MARKET INDEX

Fund Information as of 06/30/2010

| | |
|-----------------------------------|---------------------------------|
| Fund Name | Vanguard Index Tr Total Stk Mkt |
| Ticker | VITSX |
| Category | Large Blend |
| Benchmark | Performance Benchmark |
| Expense Ratio | 0.06% |
| Fund Assets (\$mm) | 17,376.99 |
| Share Class Inception Date | 7/7/1997 |
| Manager Tenure | 16 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 4.52% |
| CONSUMER GOODS | 10.24% |
| CONSUMER SERVICES | 8.78% |
| ENERGY | 10.34% |
| FINANCIAL SERVICES | 16.17% |
| HARDWARE | 10.43% |
| HEALTHCARE | 11.53% |
| INDUSTRIAL MATERIALS | 11.53% |
| MEDIA | 2.69% |
| SOFTWARE | 4.60% |
| TELECOMMUNICATION | 5.01% |
| UTILITIES | 3.42% |

Top Holdings as of 03/31/2010

| | |
|---|-------|
| EXXONMOBIL CORPORATION | 2.45% |
| MICROSOFT CORPORATION | 1.80% |
| APPLE, INC. | 1.63% |
| GENERAL ELECTRIC COMPANY | 1.49% |
| PROCTER & GAMBLE COMPANY | 1.43% |
| JOHNSON & JOHNSON | 1.39% |
| BANK OF AMERICA CORPORATION | 1.37% |
| J.P. MORGAN CHASE & CO. | 1.36% |
| INTERNATIONAL BUSINESS MACHINES CORP | 1.30% |
| AT&T, INC. | 1.18% |

HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Total Stock Market Index Fund | Performance Benchmark | Return Difference |
|------------------|--|-----------------------|-------------------|
| | Return | Return | |
| 2000 | -10.5% | -10.9% | 0.4 |
| 2001 | -10.8 | -11.0 | 0.2 |
| 2002 | -20.9 | -20.9 | 0.0 |
| 2003 | 31.5 | 31.7 | -0.2 |
| 2004 | 12.6 | 12.6 | 0.0 |
| 2005 | 6.1 | 6.2 | -0.1 |
| 2006 | 15.7 | 15.7 | 0.0 |
| 2007 | 5.6 | 5.6 | 0.0 |
| 2008 | -36.9 | -37.0 | 0.1 |
| 2009 | 28.8 | 28.8 | 0.0 |
| 2010 (6 months) | -5.9 | -5.9 | 0.0 |
| Trailing 1-Year | 16.0% | 16.0% | 0.0 |
| Trailing 3-Year | -9.1 | -9.2 | 0.1 |
| Trailing 5-Year | -0.2 | -0.2 | 0.0 |
| Trailing 10-Year | -0.7 | -0.7 | 0.0 |

RETURN SUMMARY ENDING 6/30/10

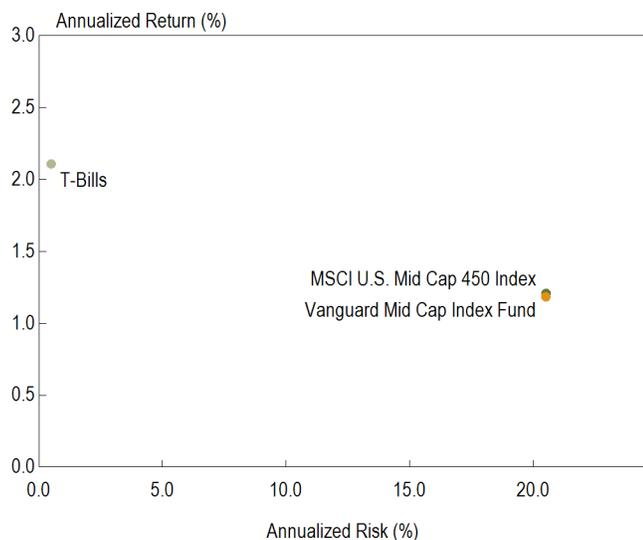
| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|------------------------------------|----------------|--------------|-----------------------|------------------------|------------------------|
| Vanguard Mid Cap Index Fund | -9.9% | -2.1% | 27.0% | -8.5% | 1.2% |
| MSCI U.S. Mid Cap 450 Index | -9.9 | -2.1 | 27.0 | -8.5 | 1.2 |

Investment Strategy

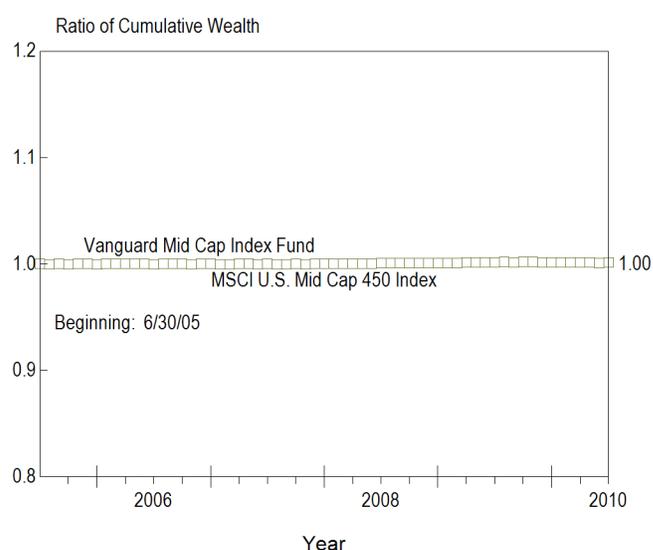
The Vanguard Mid Cap Index Fund seeks to replicate the performance of the MSCI U.S. Mid Cap 450 Index. In 2003, the Fund adopted the MSCI version of the mid-cap index. The Performance Benchmark consists of the S&P Mid Cap 400 Index prior to June 2003. In June 2003, the benchmark was changed to the MSCI Mid Cap 450 Index.

As illustrated in the graphs below and the table above, Vanguard Mid Cap Index Fund has matched the return of the Index over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/10



VANGUARD MID CAP INDEX

Fund Information as of 06/30/2010

| | |
|-----------------------------------|-----------------------------|
| Fund Name | VANGUARD-MC I-IS |
| Ticker | VMCIX |
| Category | Mid-Cap Blend |
| Benchmark | MSCI U.S. Mid Cap 450 Index |
| Expense Ratio | 0.08% |
| Fund Assets (\$mm) | 6,213.13 |
| Share Class Inception Date | 5/21/1998 |
| Manager Tenure | 12 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 5.86% |
| CONSUMER GOODS | 9.26% |
| CONSUMER SERVICES | 10.39% |
| ENERGY | 8.25% |
| FINANCIAL SERVICES | 18.94% |
| HARDWARE | 8.85% |
| HEALTHCARE | 9.97% |
| INDUSTRIAL MATERIALS | 13.11% |
| MEDIA | 2.40% |
| SOFTWARE | 4.71% |
| TELECOMMUNICATION | 2.35% |
| UTILITIES | 5.53% |

Top Holdings as of 03/31/2010

| | |
|--|-------|
| INTUITIVE SURGICAL, INC. | 0.66% |
| HARTFORD FINANCIAL SERVICES GROUP, INC. | 0.59% |
| DELTA AIR LINES, INC. | 0.57% |
| MARVELL TECHNOLOGY GROUP, LTD. | 0.54% |
| MEAD JOHNSON NUTRITION COMPANY | 0.53% |
| PRICELINE.COM, INC. | 0.53% |
| CAMERON INTERNATIONAL CORPORATION | 0.52% |
| FIFTH THIRD BANCORP | 0.51% |
| ROCKWELL COLLINS, INC. | 0.49% |
| HCP, INC. | 0.48% |

HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Mid Cap Index Fund | MSCI U.S. Mid Cap 450 Index | Return Difference |
|------------------|-----------------------------|-----------------------------|-------------------|
| | Return | Return | |
| 2000 | 18.4 % | -1.9 % | 20.3 |
| 2001 | -0.4 | -6.4 | 6.0 |
| 2002 | -14.5 | -16.5 | 2.0 |
| 2003 | 34.3 | 39.0 | -4.7 |
| 2004 | 20.5 | 20.5 | 0.0 |
| 2005 | 14.1 | 13.9 | 0.2 |
| 2006 | 13.8 | 13.7 | 0.1 |
| 2007 | 6.2 | 6.2 | 0.0 |
| 2008 | -41.8 | -41.8 | 0.0 |
| 2009 | 40.5 | 40.5 | 0.0 |
| 2010 (6 months) | -2.1 | -2.1 | 0.0 |
| Trailing 1-Year | 27.0 % | 27.0 % | 0.0 |
| Trailing 3-Year | -8.5 | -8.5 | 0.0 |
| Trailing 5-Year | 1.2 | 1.2 | 0.0 |
| Trailing 10-Year | 5.1 | 3.2 | 1.9 |

RETURN SUMMARY ENDING 6/30/10

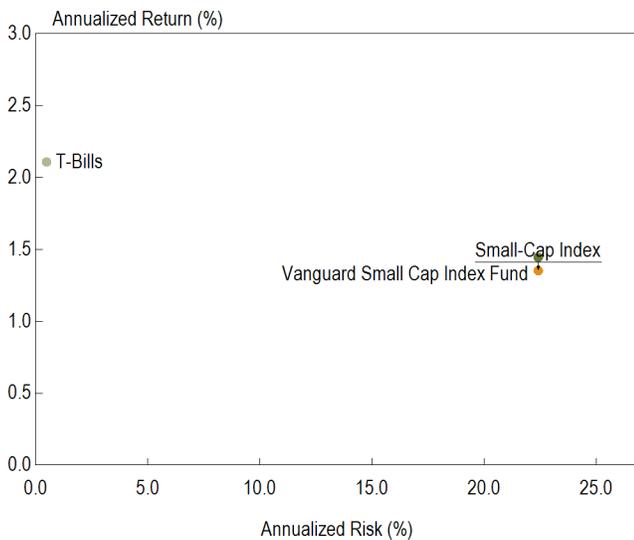
| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|--------------------------------------|----------------|--------------|-----------------------|------------------------|------------------------|
| Vanguard Small Cap Index Fund | -10.0% | -1.4% | 25.2% | -7.3% | 1.4% |
| Small-Cap Index | -10.0 | -1.3 | 25.2 | -7.4 | 1.4 |

Investment Strategy

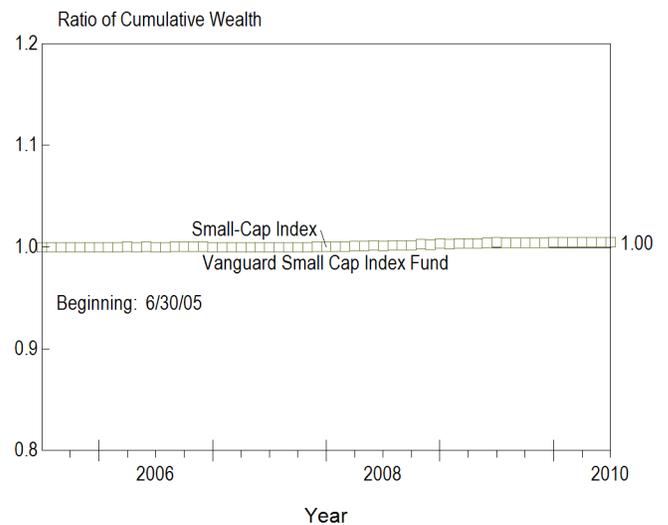
The Vanguard Small Cap Index Fund's strategy is designed to track the investment performance of the MSCI U.S. 1750 Small Cap Index, which is comprised of the 1,750 smallest stocks out of the 2,500 largest stocks. Prior to June 30, 2003, the Fund used a sampling technique to track the Russell 2000 Index. The Fund was moved from Admiral shares to the new Signal share class on October 6, 2007.

As illustrated in the graphs below and the table above, Vanguard Small Cap Index Fund has approximated the return of the Index over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/10



An explanation of the Performance Benchmark can be found in the Appendix.

VANGUARD SMALL CAP INDEX

Fund Information as of 06/30/2010

| | |
|-----------------------------------|------------------|
| Fund Name | VANGUARD-SC I-AD |
| Ticker | VSMAX |
| Category | Small Blend |
| Benchmark | Small-Cap Index |
| Expense Ratio | 0.14% |
| Fund Assets (\$mm) | 2,091.79 |
| Share Class Inception Date | 11/13/2000 |
| Manager Tenure | 19 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 9.53% |
| CONSUMER GOODS | 10.07% |
| CONSUMER SERVICES | 8.85% |
| ENERGY | 4.84% |
| FINANCIAL SERVICES | 20.48% |
| HARDWARE | 7.82% |
| HEALTHCARE | 10.57% |
| INDUSTRIAL MATERIALS | 11.90% |
| MEDIA | 2.15% |
| SOFTWARE | 5.10% |
| TELECOMMUNICATION | 4.31% |
| UTILITIES | 3.68% |

Top Holdings as of 03/31/2010

| | |
|--|-------|
| CMT MARKET LIQUIDITY RATE | 0.61% |
| WHITING PETROLEUM CORPORATION | 0.29% |
| ASHLAND, INC. | 0.27% |
| ROVI CORP | 0.27% |
| MSCI, INC. | 0.26% |
| OSHKOSH CORPORATION | 0.26% |
| GREEN MOUNTAIN COFFEE ROASTERS, INC. | 0.24% |
| OSI PHARMACEUTICALS, INC. | 0.24% |
| SIRIUS XM RADIO INC. | 0.24% |
| VALEANT PHARMACEUTICALS INTERNATIONAL | 0.23% |

HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Small Cap Index Fund | Small-Cap Index | Return Difference |
|------------------|-------------------------------|-----------------|-------------------|
| | Return | Return | |
| 2000 | -2.7% | -3.0% | 0.3 |
| 2001 | 3.1 | 2.5 | 0.6 |
| 2002 | -20.0 | -20.5 | 0.5 |
| 2003 | 45.6 | 47.5 | -1.9 |
| 2004 | 19.9 | 20.0 | -0.1 |
| 2005 | 7.4 | 7.5 | -0.1 |
| 2006 | 15.8 | 15.8 | 0.0 |
| 2007 | 1.2 | 1.2 | 0.0 |
| 2008 | -36.0 | -36.2 | 0.2 |
| 2009 | 36.3 | 36.1 | 0.2 |
| 2010 (6 months) | -1.4 | -1.3 | -0.1 |
| Trailing 1-Year | 25.2% | 25.2% | 0.0 |
| Trailing 3-Year | -7.3 | -7.4 | 0.1 |
| Trailing 5-Year | 1.4 | 1.4 | 0.0 |
| Trailing 10-Year | 3.9 | 3.9 | 0.0 |

VANGUARD FTSE ALL WORLD EX-U.S. INDEX

RETURN SUMMARY ENDING 6/30/10

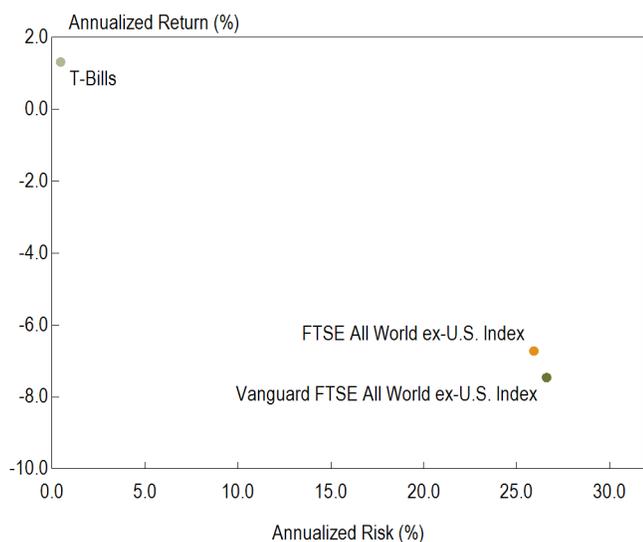
| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | Since Inception | Inception Date |
|--|----------------|---------------|-----------------------|------------------------|-----------------|----------------|
| Vanguard FTSE All World ex-U.S. Index | -13.0% | -11.5% | 9.5% | -10.5% | -7.5% | 3/31/07 |
| FTSE All World ex-U.S. Index | -12.2 | -10.8 | 11.1 | -9.9 | -6.7 | |

Investment Strategy

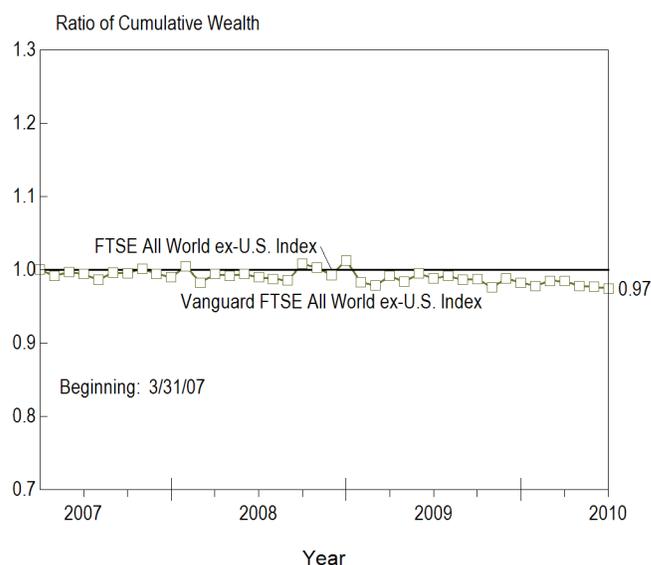
The Vanguard FTSE All World ex-U.S. Index Fund is designed to track the investment performance of the FTSE All World ex-U.S. Index which is comprised of approximately 46 developed and emerging countries, excluding the U.S., while including Canada.

The Fund's year-to-date return has trailed the return of the Index. The discrepancy is due to the effects of fair value pricing which is employed by Vanguard. During the trailing one-year period, the Fund has lagged the Index also as a result of fair value pricing. Since the Fund's inception in April 2007, it has trailed the Index by 80 basis points.

ANNUALIZED RISK RETURN 3 YEARS 3 MONTHS ENDING 6/30/10



RATIO OF CUMULATIVE WEALTH 3 YEARS 3 MONTHS ENDING 6/30/10



VANGUARD FTSE ALL WORLD EX-U.S. INDEX

Fund Information as of 05/31/2010

| | |
|-----------------------------------|---------------------------------|
| Fund Name | Vanguard FTSE AWIdxUS It |
| Ticker | VFWSX |
| Category | Foreign Large Blend |
| Benchmark | FTSE All World ex-U.S. Index |
| Expense Ratio | 0.15% |
| Fund Assets (\$mm) | 2,622.87 |
| Share Class Inception Date | 4/30/2007 |
| Manager Tenure | 3 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 3.36% |
| CONSUMER GOODS | 13.66% |
| CONSUMER SERVICES | 5.27% |
| ENERGY | 10.40% |
| FINANCIAL SERVICES | 25.69% |
| HARDWARE | 2.93% |
| HEALTHCARE | 5.86% |
| INDUSTRIAL MATERIALS | 17.59% |
| MEDIA | 1.13% |
| SOFTWARE | 0.94% |
| TELECOMMUNICATION | 6.85% |
| UTILITIES | 4.09% |

Top Holdings as of 03/31/2010

| | |
|-----------------------------|-------|
| NESTLE SA | 1.19% |
| BP PLC | 1.14% |
| HSBC HOLDINGS PLC | 1.12% |
| TOTAL SA | 0.89% |
| BHP BILLITON LIMITED | 0.86% |
| NOVARTIS AG | 0.79% |
| VODAFONE GROUP PLC | 0.78% |
| ROCHE HOLDING AG | 0.73% |
| BANCO SANTANDER SA | 0.70% |
| TELEFONICA, S.A. | 0.70% |

HISTORICAL RETURNS

(BY Years)

| | Vanguard FTSE All World ex-U.S. Index | FTSE All World ex-U.S. Index | Return Difference |
|---------------------------|--|---------------------------------|----------------------|
| | Return | Return | |
| 2007 (9 months) | 12.7% | 13.9% | -1.2 |
| 2008 | -44.0 | -45.3 | 1.3 |
| 2009 | 39.0 | 43.3 | -4.3 |
| 2010 (6 months) | -11.5 | -10.8 | -0.7 |
| Trailing 1-Year | 9.5% | 11.1% | -1.6 |
| Trailing 3-Year | -10.5 | -9.9 | -0.6 |
| Since Inception (3/31/07) | -7.5 | -6.7 | -0.8 |

**RETURN SUMMARY
ENDING 6/30/10**

| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|---------------------------------|----------------|--------------|--------------------------|---------------------------|---------------------------|
| North Shore Savings Fund | 0.1% | 0.2% | 0.5% | 1.6% | 2.4% |
| iMoney Net Money Fund Average | 0.1 | 0.1 | 0.1 | 1.5 | 2.4 |

Investment Strategy

The objective of the North Shore Savings Fund is to preserve capital and provide current income, while maintaining a high level of liquidity. The Fund is FDIC insured. The Milwaukee County Investment Policy Statement requires that the savings account be with a "well-capitalized" bank, which means the bank has to have a risk-based capital ratio of at least 10%. This ratio takes into account the asset quality and loan-loss reserve coverage. As of 6/30/10 North Shore was "well capitalized".

**HISTORICAL RETURNS
(BY YEAR)**

| | North Shore Savings Fund | iMoney Net Money Fund Average | Return Difference |
|------------------|--------------------------|----------------------------------|----------------------|
| | Return | Return | |
| 2000 | 5.3% | 5.9% | -0.6 |
| 2001 | 4.3 | 3.7 | 0.6 |
| 2002 | 1.6 | 2.1 | -0.5 |
| 2003 | 1.4 | 0.9 | 0.5 |
| 2004 | 1.3 | 0.6 | 0.7 |
| 2005 | 2.8 | 1.7 | 1.1 |
| 2006 | 3.7 | 3.8 | -0.1 |
| 2007 | 3.7 | 4.7 | -1.0 |
| 2008 | 2.0 | 2.0 | 0.0 |
| 2009 | 0.8 | 0.2 | 0.6 |
| 2010 (6 months) | 0.2 | 0.1 | 0.1 |
| Trailing 1-Year | 0.5% | 0.1% | 0.4 |
| Trailing 3-Year | 1.6 | 1.5 | 0.1 |
| Trailing 5-Year | 2.4 | 2.4 | 0.0 |
| Trailing 10-Year | 2.4 | 2.3 | 0.1 |

STABLE VALUE

RETURN SUMMARY ENDING 6/30/10

| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|--------------------------|----------------|--------------|--------------------------|---------------------------|---------------------------|
| Stable Value Fund | 1.1 % | 2.2 % | 4.6 % | 4.7 % | 4.7 % |
| EnnisKnupp GIC Index | 0.9 | 2.0 | 4.1 | 4.5 | 4.3 |

Investment Strategy

The Stable Value Fund managed by Great-West seeks to provide a stable rate of return through current income while preserving capital. The Fund invests solely in fixed income securities rated AAA or those issued by the U.S. government and its agencies. The Fund will allocate assets to sectors that management believes offer increased yield potential.

HISTORICAL RETURNS (BY YEAR)

| | Stable Value Fund | EnnisKnupp GIC Index | Return Difference |
|------------------|-------------------|----------------------|----------------------|
| | Return | Return | |
| 2000 | 6.5 % | 6.4 % | 0.1 |
| 2001 | 6.5 | 6.2 | 0.3 |
| 2002 | 5.7 | 5.1 | 0.6 |
| 2003 | 4.3 | 4.1 | 0.2 |
| 2004 | 4.2 | 3.9 | 0.3 |
| 2005 | 4.5 | 3.7 | 0.8 |
| 2006 | 4.8 | 4.1 | 0.7 |
| 2007 | 4.9 | 4.6 | 0.3 |
| 2008 | 4.8 | 4.7 | 0.1 |
| 2009 | 4.7 | 4.5 | 0.2 |
| 2010 (6 months) | 2.2 | 2.0 | 0.2 |
| Trailing 1-Year | 4.6 % | 4.1 % | 0.5 |
| Trailing 3-Year | 4.7 | 4.5 | 0.2 |
| Trailing 5-Year | 4.7 | 4.3 | 0.4 |
| Trailing 10-Year | 5.0 | 4.6 | 0.4 |

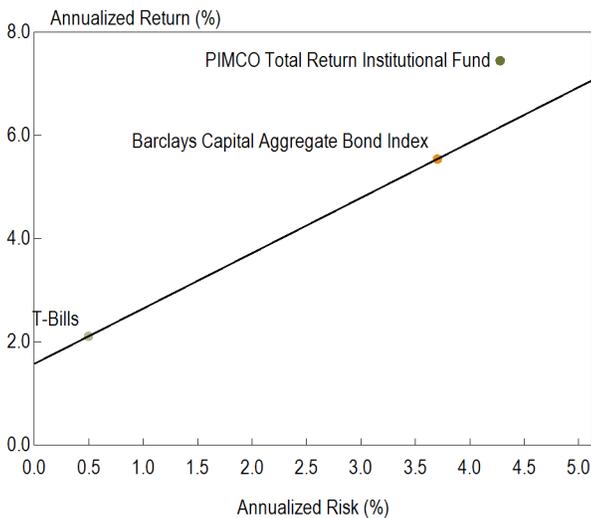
**RETURN SUMMARY
ENDING 6/30/10**

| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|--|----------------|--------------|-----------------------|------------------------|------------------------|
| PIMCO Total Return Institutional Fund | 2.8 % | 5.8 % | 13.3 % | 11.1 % | 7.4 % |
| Barclays Capital Aggregate Bond Index | 3.5 | 5.3 | 9.5 | 7.5 | 5.5 |

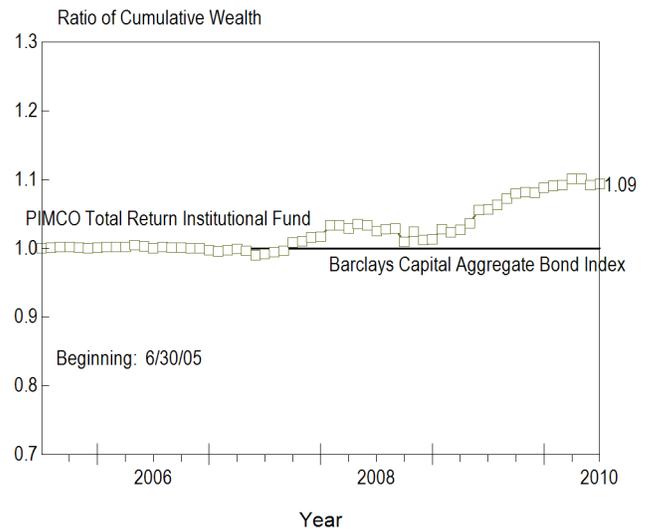
Investment Strategy

The PIMCO Total Return Fund, Institutional Shares, seeks total return consistent with preservation of capital. The Fund's strategy includes active sector rotation and moderate interest-rate anticipation. PIMCO's objective is to outperform the Barclays Capital Aggregate Bond Index without incurring greater risk by utilizing innovative investment techniques or identifying sector and issue buying opportunities. The Fund maintains a duration between three and six years and can invest up to 10% in issues rated below BBB, but no lower than B-rated. The Fund may invest up to 20% of assets in non-dollar bonds (currency) and up to 30% in non-U.S. bonds.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 6/30/10**



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 6/30/10**

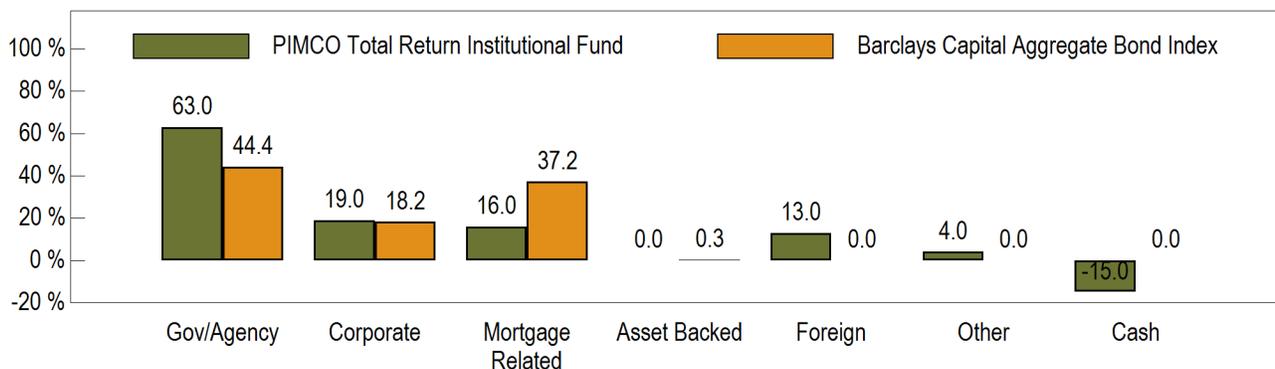


PIMCO TOTAL RETURN INSTL

Fund Information as of 06/30/2010

| | |
|-----------------------------------|---------------------------------------|
| Fund Name | Pimco Fds Total Return Bd Fund I |
| Ticker | PTTRX |
| Category | Intermediate-Term Bond |
| Benchmark | Barclays Capital Aggregate Bond Index |
| Expense Ratio | 0.46% |
| Fund Assets (\$mm) | 133,927.75 |
| Share Class Inception Date | 5/11/1987 |
| Manager Tenure | 23 |

SECTOR ALLOCATION AS OF 6/30/10 PIMCO Total Return Institutional Fund



HISTORICAL RETURNS

(BY YEAR)

| | PIMCO Total Return Institutional Fund | Barclays Capital Aggregate Bond Index | Return Difference |
|------------------|---------------------------------------|---------------------------------------|-------------------|
| | Return | Return | |
| 2000 | 12.1% | 11.6% | 0.5 |
| 2001 | 9.5 | 8.4 | 1.1 |
| 2002 | 10.2 | 10.3 | -0.1 |
| 2003 | 5.6 | 4.1 | 1.5 |
| 2004 | 5.1 | 4.3 | 0.8 |
| 2005 | 2.9 | 2.4 | 0.5 |
| 2006 | 4.0 | 4.3 | -0.3 |
| 2007 | 9.1 | 7.0 | 2.1 |
| 2008 | 4.8 | 5.2 | -0.4 |
| 2009 | 13.8 | 5.9 | 7.9 |
| 2010 (6 months) | 5.8 | 5.3 | 0.5 |
| Trailing 1-Year | 13.3% | 9.5% | 3.8 |
| Trailing 3-Year | 11.1 | 7.5 | 3.6 |
| Trailing 5-Year | 7.4 | 5.5 | 1.9 |
| Trailing 10-Year | 7.8 | 6.5 | 1.3 |

**RETURN SUMMARY
ENDING 6/30/10**

| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|---|----------------|--------------|-----------------------|------------------------|------------------------|
| Washington Mutual Investors Fund | -10.3% | -6.8% | 13.1% | -10.5% | -1.2% |
| Russell 1000 Value Index | -11.1 | -5.1 | 16.9 | -12.3 | -1.6 |
| S&P 500 Index | -11.4 | -6.7 | 14.4 | -9.8 | -0.8 |

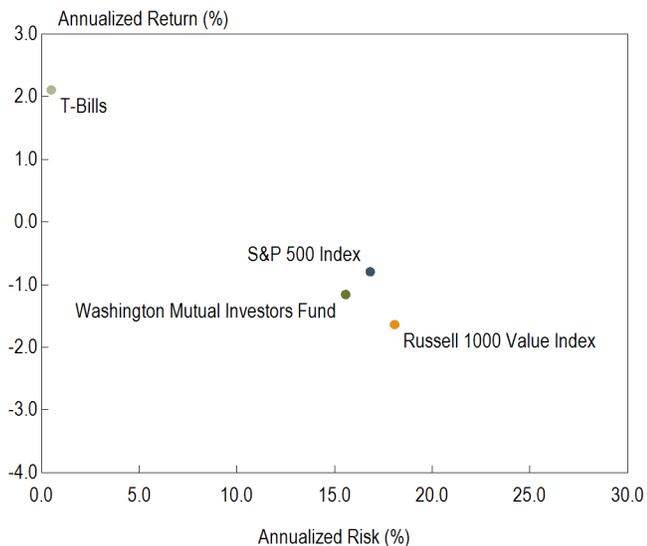
Investment Strategy

Washington Mutual Investors Fund seeks both income and growth of capital. Management prefers companies that have paid consistent dividends and by mandate excludes those that derive their primary revenues from alcohol or tobacco. In particular, they seek companies that have paid dividends in at least nine of the last ten years.

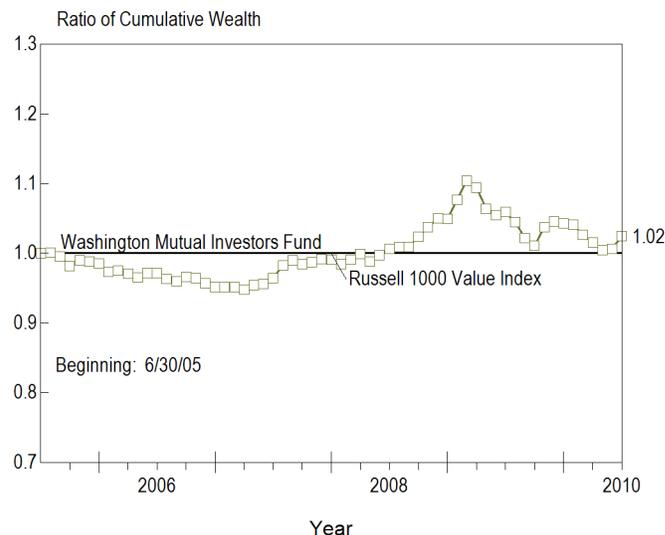
Capital Research & Management (the American Funds family) provides investment services for this Fund. Management looks for stocks with strong long-term prospects selling at low prices. The Fund may invest up to 5% of assets in securities of non-U.S. issuers.

As illustrated in the graphs below and the table above, Washington Mutual Investors Fund has outperformed the Russell 1000 Value Index over the trailing five-year period at a lower level of risk.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 6/30/10**



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 6/30/10**



WASHINGTON MUTUAL INVESTORS

Fund Information as of 06/30/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | AMERICAN-WA-A |
| Ticker | AWSHX |
| Category | Large Value |
| Benchmark | Russell 1000 Value Index |
| Expense Ratio | 0.70% |
| Fund Assets (\$mm) | 33,997.31 |
| Share Class Inception Date | 7/31/1952 |
| Manager Tenure | 32 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 3.15% |
| CONSUMER GOODS | 10.76% |
| CONSUMER SERVICES | 7.27% |
| ENERGY | 12.41% |
| FINANCIAL SERVICES | 8.56% |
| HARDWARE | 4.52% |
| HEALTHCARE | 13.61% |
| INDUSTRIAL MATERIALS | 17.97% |
| MEDIA | 0.88% |
| SOFTWARE | 1.94% |
| TELECOMMUNICATION | 7.42% |
| UTILITIES | 10.04% |

Top Holdings as of 03/31/2010

| | |
|------------------------------------|-------|
| CHEVRON CORPORATION | 5.07% |
| VERIZON COMMUNICATIONS INC. | 3.96% |
| MERCK & CO INC | 3.35% |
| MCDONALD'S CORPORATION | 3.12% |
| AT&T, INC. | 2.94% |
| ROYAL DUTCH SHELL PLC ADR B | 2.90% |
| BOEING COMPANY | 2.61% |
| COCA-COLA COMPANY | 2.59% |
| UNITED TECHNOLOGIES | 2.49% |
| ABBOTT LABORATORIES | 2.11% |

HISTORICAL RETURNS

(BY YEAR)

| | Washington Mutual Investors Fund | Russell 1000 Value Index | Return Difference | S&P 500 Index | Return Difference |
|------------------|-------------------------------------|-----------------------------|----------------------|---------------|----------------------|
| | Return | Return | | Return | |
| 2000 | 9.1 % | 7.0 % | 2.1 | -9.1 % | 18.2 |
| 2001 | 1.5 | -5.6 | 7.1 | -11.9 | 13.4 |
| 2002 | -14.8 | -15.5 | 0.7 | -22.1 | 7.3 |
| 2003 | 25.8 | 30.0 | -4.2 | 28.7 | -2.9 |
| 2004 | 9.9 | 16.5 | -6.6 | 10.9 | -1.0 |
| 2005 | 3.5 | 7.1 | -3.6 | 4.9 | -1.4 |
| 2006 | 18.0 | 22.2 | -4.2 | 15.8 | 2.2 |
| 2007 | 4.0 | -0.2 | 4.2 | 5.5 | -1.5 |
| 2008 | -33.1 | -36.8 | 3.7 | -37.0 | 3.9 |
| 2009 | 19.0 | 19.7 | -0.7 | 26.5 | -7.5 |
| 2010 (6 months) | -6.8 | -5.1 | -1.7 | -6.7 | -0.1 |
| Trailing 1-Year | 13.1 % | 16.9 % | -3.8 | 14.4 % | -1.3 |
| Trailing 3-Year | -10.5 | -12.3 | 1.8 | -9.8 | -0.7 |
| Trailing 5-Year | -1.2 | -1.6 | 0.4 | -0.8 | -0.4 |
| Trailing 10-Year | 2.5 | 2.4 | 0.1 | -1.6 | 4.1 |

**RETURN SUMMARY
ENDING 6/30/10**

| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|-------------------------------|----------------|--------------|-----------------------|------------------------|------------------------|
| Growth Fund of America | -11.6% | -7.8% | 10.7% | -8.2% | 1.1% |
| Russell 1000 Growth Index | -11.7 | -7.6 | 13.6 | -6.9 | 0.4 |

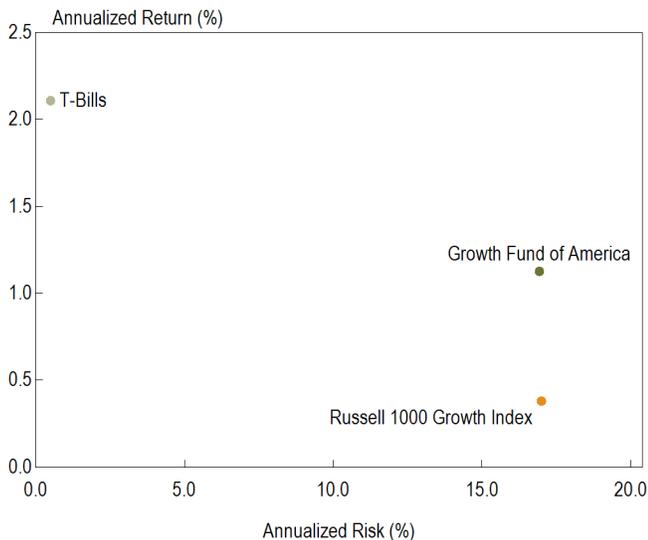
Investment Approach

Capital Research and Management is the sub-advisor for the Growth Fund of America. Capital Research uses a multiple-counselor system in managing the portfolio's assets. The portfolio is divided into segments and the counselors manage their respective segments autonomously. The research analysts are responsible for making the investment decisions for one of the segments.

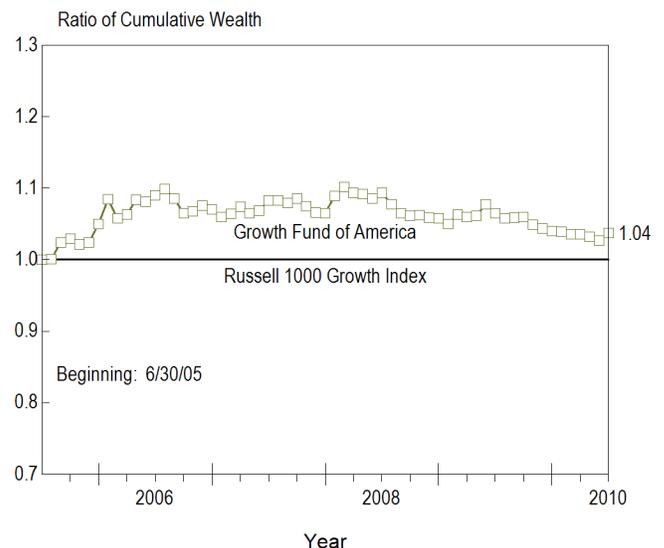
The Capital Research and Management Investment Committee is responsible for making sure the portfolio stays within its limits and adheres to its investment policies. The objective of the Fund is to provide long-term growth of capital by investing in a diversified portfolio of common stocks while using a growth-at-a-reasonable price strategy. The Fund may invest up to 15% of its assets in companies domiciled outside the U.S. This Fund is less volatile than most large cap growth funds.

As illustrated in the graphs below and the table above, Growth Fund of America has outperformed the Index over the trailing five-year period at approximately the same level of risk.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 6/30/10**



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 6/30/10**



GROWTH FUND OF AMERICA

Fund Information as of 06/30/2010

| | |
|-----------------------------------|---------------------------|
| Fund Name | Mutual Fund |
| Ticker | RGAFX |
| Category | Large Growth |
| Benchmark | Russell 1000 Growth Index |
| Expense Ratio | 0.40% |
| Fund Assets (\$mm) | 13,058.61 |
| Share Class Inception Date | 5/15/2002 |
| Manager Tenure | 25 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 5.06% |
| CONSUMER GOODS | 6.58% |
| CONSUMER SERVICES | 6.07% |
| ENERGY | 9.50% |
| FINANCIAL SERVICES | 10.77% |
| HARDWARE | 10.07% |
| HEALTHCARE | 12.12% |
| INDUSTRIAL MATERIALS | 12.84% |
| MEDIA | 3.61% |
| SOFTWARE | 7.55% |
| TELECOMMUNICATION | 6.59% |
| UTILITIES | 0.65% |

Top Holdings as of 03/31/2010

| | |
|------------------------------------|-------|
| MICROSOFT CORPORATION | 3.48% |
| ORACLE CORPORATION | 3.04% |
| GOOGLE, INC. | 2.96% |
| APPLE, INC. | 2.10% |
| CISCO SYSTEMS, INC. | 1.81% |
| MEDTRONIC, INC. | 1.34% |
| J.P. MORGAN CHASE & CO. | 1.29% |
| BARRICK GOLD CORPORATION | 1.23% |
| BANK OF AMERICA CORPORATION | 1.20% |
| WELLS FARGO COMPANY | 1.20% |

HISTORICAL RETURNS

(BY YEAR)

| | Growth Fund of America | Russell 1000 Growth Index | Return Difference |
|------------------|------------------------|---------------------------|-------------------|
| | Return | Return | |
| 2000 | 7.5 % | -22.4 % | 29.9 |
| 2001 | -12.3 | -20.4 | 8.1 |
| 2002 | -21.8 | -27.9 | 6.1 |
| 2003 | 33.3 | 29.7 | 3.6 |
| 2004 | 12.2 | 6.3 | 5.9 |
| 2005 | 14.5 | 5.3 | 9.2 |
| 2006 | 11.2 | 9.1 | 2.1 |
| 2007 | 11.3 | 11.8 | -0.5 |
| 2008 | -38.9 | -38.4 | -0.5 |
| 2009 | 34.9 | 37.2 | -2.3 |
| 2010 (6 months) | -7.8 | -7.6 | -0.2 |
| Trailing 1-Year | 10.7 % | 13.6 % | -2.9 |
| Trailing 3-Year | -8.2 | -6.9 | -1.3 |
| Trailing 5-Year | 1.1 | 0.4 | 0.7 |
| Trailing 10-Year | 0.2 | -5.1 | 5.3 |

RETURN SUMMARY ENDING 6/30/10

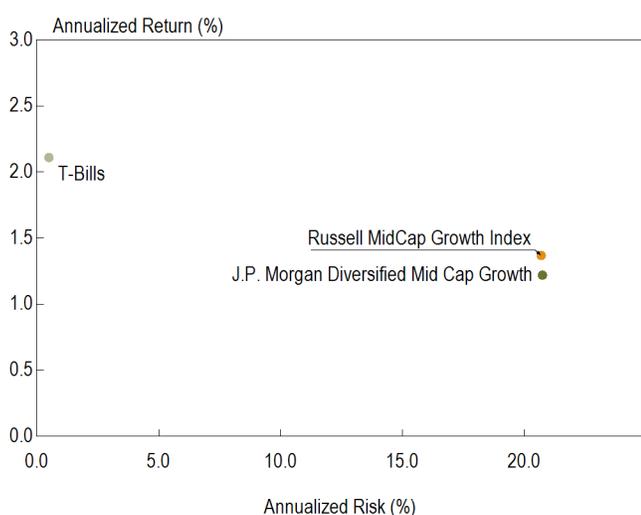
| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|---|----------------|---------------|-----------------------|------------------------|------------------------|
| J.P. Morgan Diversified Mid Cap Growth | -10.4 % | -4.9 % | 19.5 % | -7.2 % | 1.2 % |
| Russell MidCap Growth Index | -10.2 | -3.3 | 21.3 | -7.5 | 1.4 |

Investment Strategy

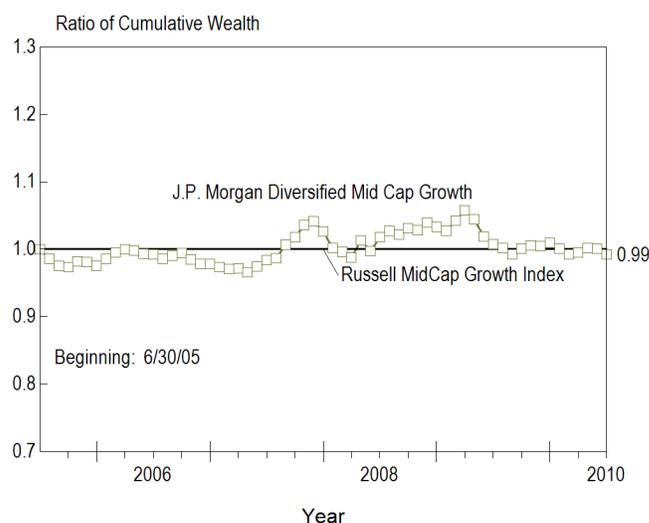
The J.P. Morgan Diversified Mid Cap Growth Fund seeks growth of capital and current income by investing primarily in equity securities. The Fund invests in common stocks of mid-cap companies with market capitalizations of \$1 billion to \$5 billion. The current benchmark is the Russell Mid Cap Growth Index; however, the Fund's actual allocations can vary from those in the Index. The Fund may use derivatives to hedge various investments.

As illustrated in the graphs below and the table above, J.P. Morgan Diversified Mid Cap Growth Fund has underperformed the return of the Index with approximately the same level of risk over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/10



An explanation of the Performance Benchmark can be found in the Appendix.

J.P. MORGAN DIVERSIFIED MID CAP GROWTH

Fund Information as of 05/31/2010

| | |
|-----------------------------------|-----------------------------|
| Fund Name | JPMorgan:Dvds MCG;A |
| Ticker | OSGIX |
| Category | Mid-Cap Growth |
| Benchmark | Russell MidCap Growth Index |
| Expense Ratio | 1.24% |
| Fund Assets (\$mm) | 612.72 |
| Share Class Inception Date | 2/18/1992 |
| Manager Tenure | 6 |

Sector Allocation as of 04/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 11.61% |
| CONSUMER GOODS | 8.94% |
| CONSUMER SERVICES | 16.10% |
| ENERGY | 5.05% |
| FINANCIAL SERVICES | 11.08% |
| HARDWARE | 11.18% |
| HEALTHCARE | 11.84% |
| INDUSTRIAL MATERIALS | 8.09% |
| MEDIA | 1.64% |
| SOFTWARE | 9.95% |
| TELECOMMUNICATION | 2.65% |
| UTILITIES | 0.00% |

Top Holdings as of 04/30/2010

| | |
|---|-------|
| AMDOCS LTD. | 2.21% |
| COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION A | 1.89% |
| W.W. GRAINGER, INC. | 1.85% |
| WILLIAMS-SONOMA, INC. | 1.62% |
| SHERWIN-WILLIAMS COMPANY | 1.56% |
| CUMMINS, INC. | 1.49% |
| PRECISION CASTPARTS CORP. | 1.46% |
| FOREST OIL CORPORATION | 1.45% |
| HEWITT ASSOCIATES, INC. | 1.43% |
| NETAPP, INC. | 1.41% |

HISTORICAL RETURNS

(BY YEAR)

| | J.P. Morgan Diversified Mid Cap Growth | Russell MidCap Growth Index | Return Difference |
|------------------|--|-----------------------------|-------------------|
| | Return | Return | |
| 2000 | 5.6% | -11.7% | 17.3 |
| 2001 | -10.9 | -20.2 | 9.3 |
| 2002 | -20.4 | -27.4 | 7.0 |
| 2003 | 26.5 | 42.7 | -16.2 |
| 2004 | 12.6 | 15.5 | -2.9 |
| 2005 | 10.6 | 12.1 | -1.5 |
| 2006 | 11.0 | 10.7 | 0.3 |
| 2007 | 16.8 | 11.4 | 5.4 |
| 2008 | -43.9 | -44.3 | 0.4 |
| 2009 | 42.9 | 46.3 | -3.4 |
| 2010 (6 months) | -4.9 | -3.3 | -1.6 |
| Trailing 1-Year | 19.5% | 21.3% | -1.8 |
| Trailing 3-Year | -7.2 | -7.5 | 0.3 |
| Trailing 5-Year | 1.2 | 1.4 | -0.2 |
| Trailing 10-Year | 0.2 | -2.0 | 2.2 |

RETURN SUMMARY ENDING 6/30/10

| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|---|----------------|--------------|-----------------------|------------------------|------------------------|
| Lord Abnett Developing Growth Fund | -7.9% | -0.4% | 20.4% | -4.2% | 5.7% |
| Russell 2000 Growth Index | -9.2 | -2.3 | 18.0 | -7.5 | 1.1 |

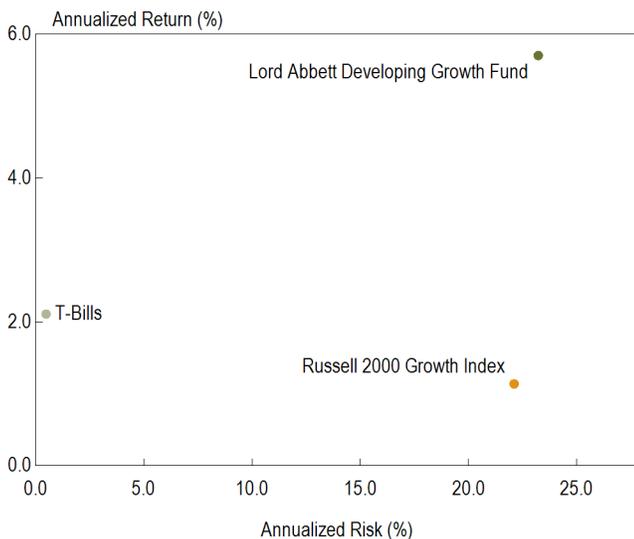
Investment Approach

Management of the Lord Abnett Developing Growth Fund employs a process of fundamental research to identify small cap companies that are entering a period of dramatic growth. Management begins by combining growth, balance sheet, and financial statement factors to identify a promising universe of approximately 400 stocks. Portfolio managers and analysts then undertake fundamental and industry research, including company, customer, and supplier visits, to select businesses with growth and earnings prospects. However, management sets valuation limits on purchase candidates, preferring to buy stocks at low valuations and then hold them throughout several growth stages.

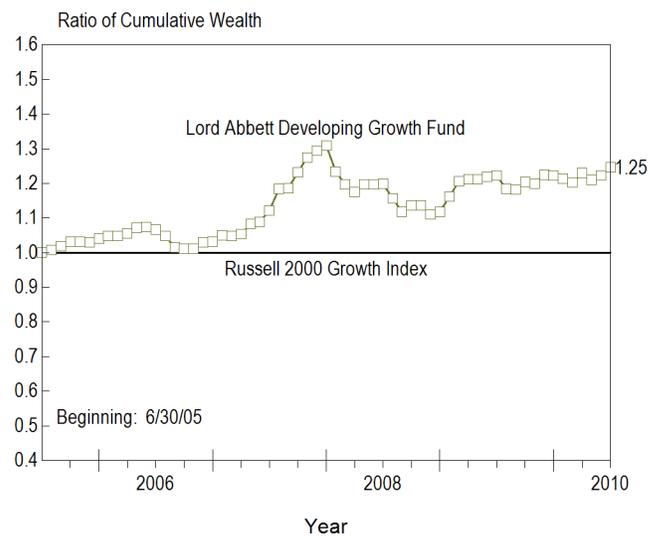
The Fund tends to feature sector diversification, albeit with substantial exposure to growth industries. The portfolio holds approximately 130 micro- and small-cap stocks.

As illustrated in the graphs below and the table above, Lord Abnett Developing Growth Fund has exceeded the return of the Index over the trailing five-year period at a slightly higher level of risk .

ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/10



LORD ABBETT DEVELOPING GROWTH

Fund Information as of 05/31/2010

| | |
|-----------------------------------|---------------------------|
| Fund Name | Lord Abbett Dev Gro;A |
| Ticker | LAGWX |
| Category | Small Growth |
| Benchmark | Russell 2000 Growth Index |
| Expense Ratio | 1.28% |
| Fund Assets (\$mm) | 562.63 |
| Share Class Inception Date | 10/10/1973 |
| Manager Tenure | 7 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 9.49% |
| CONSUMER GOODS | 8.31% |
| CONSUMER SERVICES | 7.45% |
| ENERGY | 2.36% |
| FINANCIAL SERVICES | 7.41% |
| HARDWARE | 16.41% |
| HEALTHCARE | 21.33% |
| INDUSTRIAL MATERIALS | 9.71% |
| MEDIA | 2.58% |
| SOFTWARE | 7.50% |
| TELECOMMUNICATION | 2.36% |
| UTILITIES | 1.21% |

Top Holdings as of 03/31/2010

| | |
|-------------------------------------|-------|
| ARUBA NETWORKS, INC. | 1.80% |
| SUCCESSFACTORS, INC. | 1.69% |
| ATHEROS COMMUNICATIONS, INC. | 1.65% |
| OPENTABLE, INC. | 1.65% |
| NETLOGIC MICROSYSTEMS, INC. | 1.64% |
| DECKERS OUTDOOR CORPORATION | 1.58% |
| IMAX | 1.51% |
| ACORDA THERAPEUTICS, INC. | 1.49% |
| HUMAN GENOME SCIENCES | 1.49% |
| VOLCANO CORPORATION | 1.46% |

HISTORICAL RETURNS

(BY YEAR)

| | Lord Abbett Developing Growth Fund | Russell 2000 Growth Index | Return Difference |
|------------------|------------------------------------|---------------------------|-------------------|
| | Return | Return | |
| 2000 | -17.7% | -22.4% | 4.7 |
| 2001 | -7.0 | -9.2 | 2.2 |
| 2002 | -29.5 | -30.3 | 0.8 |
| 2003 | 40.1 | 48.5 | -8.4 |
| 2004 | 6.0 | 14.3 | -8.3 |
| 2005 | 11.9 | 4.2 | 7.7 |
| 2006 | 12.4 | 13.3 | -0.9 |
| 2007 | 35.8 | 7.0 | 28.8 |
| 2008 | -47.5 | -38.5 | -9.0 |
| 2009 | 47.0 | 34.5 | 12.5 |
| 2010 (6 months) | -0.4 | -2.3 | 1.9 |
| Trailing 1-Year | 20.4% | 18.0% | 2.4 |
| Trailing 3-Year | -4.2 | -7.5 | 3.3 |
| Trailing 5-Year | 5.7 | 1.1 | 4.6 |
| Trailing 10-Year | 1.6 | -1.7 | 3.3 |

RETURN SUMMARY ENDING 6/30/10

| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|---|----------------|--------------|-----------------------|------------------------|------------------------|
| Heartland Value Institutional Fund | -7.7% | -3.7% | 21.3% | -9.0% | 2.0% |
| Russell 2000 Value Index | -10.6 | -1.6 | 25.1 | -9.8 | -0.5 |

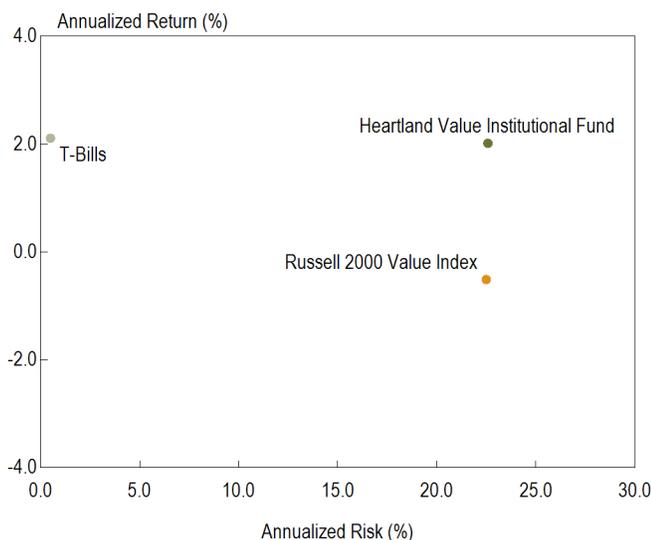
Investment Approach

The Heartland Value Fund seeks long-term capital appreciation through investments in small or micro cap securities selected under disciplined, value-oriented criteria. Management seeks companies whose stock prices do not reflect what Heartland believes to be the companies' intrinsic or potential values. A company's stock may be undervalued because it is under-followed by Wall Street analysts, misunderstood by investors, temporarily oversold or out-of-favor as a result of investor overreaction to unexpected news or an emerging, undiscovered opportunity.

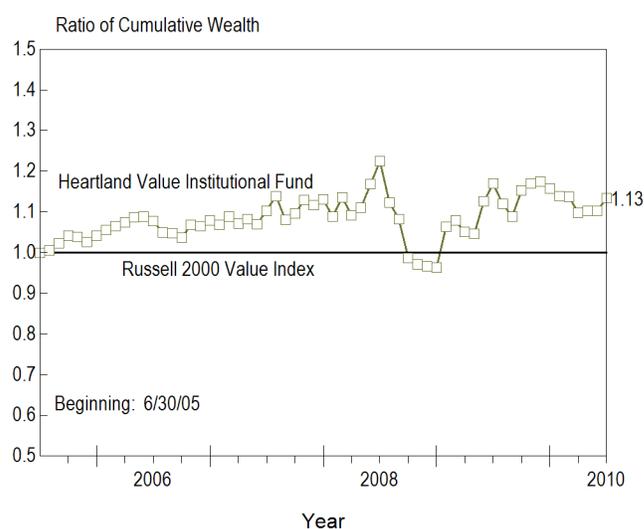
Heartland builds portfolios based on a bottom-up fundamental analysis of individual securities while avoiding over-concentration in a particular industry or industries. Heartland begins its search for investment ideas by performing a weekly computer screening of a universe of over 10,000 securities. The database is screened to find securities that have a market capitalization of \$750 million or less. The firm's analysts, using 10 value-based criteria referred to at Heartland as the "10 Point Grid", extensively research each security considered for purchase.

As illustrated in the graphs below and the table above, Heartland Value Fund has outperformed the Index over the trailing five-year period at a similar level of risk.

ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/10



HEARTLAND VALUE INSTITUTIONAL

Fund Information as of 05/31/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | Heartland Val Inst |
| Ticker | HNTVX |
| Category | Small Value |
| Benchmark | Russell 2000 Value Index |
| Expense Ratio | 0.94% |
| Fund Assets (\$mm) | 37.95 |
| Share Class Inception Date | 5/1/2008 |
| Manager Tenure | 25 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 7.59% |
| CONSUMER GOODS | 10.21% |
| CONSUMER SERVICES | 5.76% |
| ENERGY | 9.10% |
| FINANCIAL SERVICES | 6.88% |
| HARDWARE | 7.87% |
| HEALTHCARE | 20.95% |
| INDUSTRIAL MATERIALS | 16.65% |
| MEDIA | 0.56% |
| SOFTWARE | 4.50% |
| TELECOMMUNICATION | 5.53% |
| UTILITIES | 3.35% |

Top Holdings as of 03/31/2010

| | |
|---|-------|
| INTERDIGITAL, INC. | 3.93% |
| ANALOGIC CORPORATION | 3.27% |
| FEDERAL SIGNAL CORP | 2.76% |
| FORCE PROTECTION, INC. | 2.42% |
| BASIC SANITATION COMPANY OF THE STATE OF SAO PAULO ADR | 2.07% |
| GAMMON GOLD, INC. | 2.02% |
| ACCURAY, INC. | 2.01% |
| SHERRITT INTERNATIONAL CORP | 1.92% |
| SWIFT ENERGY COMPANY | 1.86% |
| UNIT CORPORATION | 1.70% |

HISTORICAL RETURNS

(BY YEAR)

| | Heartland Value Institutional Fund | Russell 2000 Value Index | Return Difference |
|------------------|------------------------------------|--------------------------|-------------------|
| | Return | Return | |
| 2000 | 2.0% | 22.8% | -20.8 |
| 2001 | 29.5 | 14.0 | 15.5 |
| 2002 | -11.5 | -11.4 | -0.1 |
| 2003 | 70.2 | 46.0 | 24.2 |
| 2004 | 9.1 | 22.2 | -13.1 |
| 2005 | 2.0 | 4.7 | -2.7 |
| 2006 | 28.0 | 23.5 | 4.5 |
| 2007 | -5.5 | -9.8 | 4.3 |
| 2008 | -39.4 | -28.9 | -10.5 |
| 2009 | 44.9 | 20.6 | 24.3 |
| 2010 (6 months) | -3.7 | -1.6 | -2.1 |
| Trailing 1-Year | 21.3% | 25.1% | -3.8 |
| Trailing 3-Year | -9.0 | -9.8 | 0.8 |
| Trailing 5-Year | 2.0 | -0.5 | 2.5 |
| Trailing 10-Year | 9.3 | 7.5 | 1.8 |

**RETURN SUMMARY
ENDING 6/30/10**

| | Second Quarter | Year-To-Date | 1 Year Ending 6/30/10 | 3 Years Ending 6/30/10 | 5 Years Ending 6/30/10 |
|--------------------------------------|----------------|---------------|-----------------------|------------------------|------------------------|
| EuroPacific Growth Fund | -12.0% | -11.3% | 9.8% | -7.6% | 5.3% |
| MSCI All Country World ex-U.S. Index | -12.4 | -11.1 | 10.4 | -10.7 | 3.4 |

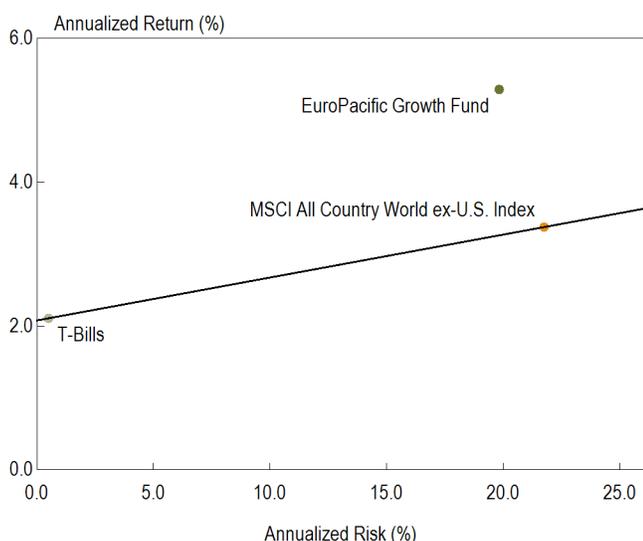
Investment Approach

Capital Research and Management is the sub-advisor for the EuroPacific Growth Fund. Capital Research uses a multiple-counselor system in managing the portfolio's assets. The portfolio is divided into segments and the counselors manage their respective segments autonomously. The research analysts are responsible for making the investment decisions for one of the segments.

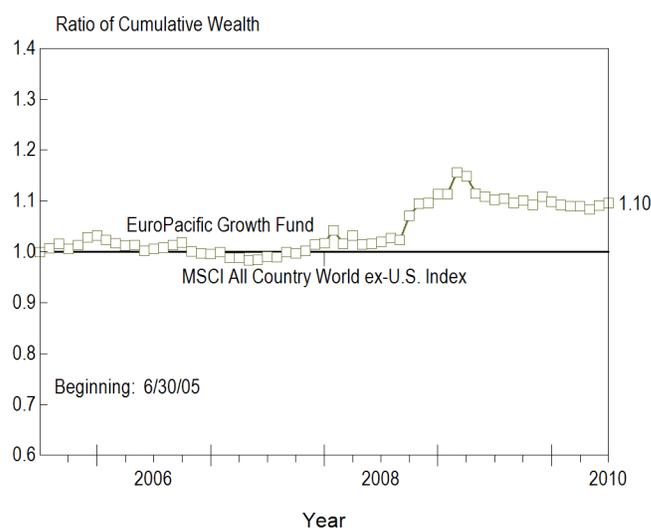
The Capital Research and Management Investment Committee is responsible for making sure the portfolio stays within its limits and adheres to its investment policies. The objective of the fund is to provide long-term growth of capital by investing in a diversified portfolio of international stocks while using a growth-at-a-reasonable price strategy.

As illustrated in the graphs below and the table above, EuroPacific Growth Fund has exceeded the return of the Index over the trailing five-year period at a lower level of risk.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 6/30/10**



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 6/30/10**



EUROPACIFIC GROWTH

Fund Information as of 06/30/2010

| | |
|-----------------------------------|---|
| Fund Name | AMERICAN-EU-R5 |
| Ticker | RERFX |
| Category | Foreign Large Blend |
| Benchmark | MSCI All Country World ex-U.S. Index |
| Expense Ratio | 0.56% |
| Fund Assets (\$mm) | 13,830.69 |
| Share Class Inception Date | 5/15/2002 |
| Manager Tenure | 26 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 1.95% |
| CONSUMER GOODS | 16.10% |
| CONSUMER SERVICES | 4.67% |
| ENERGY | 7.12% |
| FINANCIAL SERVICES | 21.14% |
| HARDWARE | 4.52% |
| HEALTHCARE | 11.19% |
| INDUSTRIAL MATERIALS | 12.46% |
| MEDIA | 0.93% |
| SOFTWARE | 1.55% |
| TELECOMMUNICATION | 9.13% |
| UTILITIES | 2.55% |

Top Holdings as of 03/31/2010

| | |
|---|-------|
| AMERICA MOVIL S.A.B. DE C.V. ADR L | 2.61% |
| ANHEUSER-BUSCH INBEV SA | 2.14% |
| BAYER AG | 2.07% |
| NOVARTIS AG | 1.93% |
| NOVO NORDISK A/S | 1.77% |
| ROCHE HOLDING AG | 1.68% |
| TELEFONICA, S.A. | 1.36% |
| BANCO SANTANDER SA | 1.32% |
| NESTLE SA | 1.24% |
| SAMSUNG ELECTRONICS CO LTD | 1.24% |

HISTORICAL RETURNS

(BY YEAR)

| | EuroPacific Growth Fund | MSCI All Country World ex-U.S. Index | Return Difference |
|------------------|-------------------------|---|----------------------|
| | Return | Return | |
| 2000 | -17.8% | -15.3% | -2.5 |
| 2001 | -12.2 | -19.7 | 7.5 |
| 2002 | -13.4 | -14.9 | 1.5 |
| 2003 | 33.2 | 40.8 | -7.6 |
| 2004 | 20.0 | 20.9 | -0.9 |
| 2005 | 21.4 | 16.6 | 4.8 |
| 2006 | 22.2 | 26.7 | -4.5 |
| 2007 | 19.2 | 16.7 | 2.5 |
| 2008 | -40.4 | -45.5 | 5.1 |
| 2009 | 39.5 | 41.4 | -1.9 |
| 2010 (6 months) | -11.3 | -11.1 | -0.2 |
| Trailing 1-Year | 9.8% | 10.4% | -0.6 |
| Trailing 3-Year | -7.6 | -10.7 | 3.1 |
| Trailing 5-Year | 5.3 | 3.4 | 1.9 |
| Trailing 10-Year | 2.9 | 1.9 | 1.0 |

EUROPACIFIC GROWTH

COUNTRY ALLOCATION/RETURNS

3 MONTHS ENDING 6/30/10

| | Manager Allocation | Index Allocation | Index Return |
|---------------------|--------------------|------------------|----------------|
| Europe | | | |
| Austria | 0.7 % | 0.2 % | -22.4 % |
| Belgium | 2.5 | 0.7 | -12.7 |
| Czech Republic* | -- | 0.1 | -13.6 |
| Denmark | 2.2 | 0.7 | -5.4 |
| Finland | 0.7 | 0.7 | -26.4 |
| France | 7.5 | 6.7 | -18.9 |
| Germany | 8.3 | 5.4 | -12.8 |
| Greece | 0.4 | 0.2 | -40.5 |
| Hungary* | 0.2 | 0.1 | -30.2 |
| Ireland | 0.9 | 0.2 | -19.8 |
| Italy | 1.3 | 2.0 | -21.6 |
| Netherlands | 1.5 | 1.8 | -13.2 |
| Norway | 0.7 | 0.5 | -18.1 |
| Poland* | -- | 0.3 | -21.8 |
| Portugal | 0.2 | 0.2 | -17.5 |
| Russia* | 1.6 | 1.5 | -15.6 |
| Spain | 2.8 | 2.4 | -20.8 |
| Sweden | 1.3 | 2.0 | -7.2 |
| Switzerland | 8.2 | 5.5 | -11.8 |
| United Kingdom | 10.2 | 14.5 | -13.9 |
| Asia/Pacific | | | |
| Australia | 2.0 % | 5.6 % | -19.0 % |
| China* | 3.5 | 4.4 | -4.6 |
| Hong Kong | 1.6 | 1.8 | -5.8 |
| India* | 3.2 | 1.9 | -2.2 |
| Indonesia* | 0.7 | 0.6 | 4.2 |
| Japan | 9.6 | 16.0 | -10.1 |
| Korea* | 3.2 | 3.2 | -7.6 |
| Malaysia* | -- | 0.7 | 0.2 |
| New Zealand | -- | 0.1 | -10.7 |
| Philippines* | 0.3 | 0.1 | 2.8 |
| Singapore | 0.4 | 1.2 | 0.0 |
| Taiwan, China* | 2.2 | 2.5 | -9.3 |
| Thailand* | -- | 0.4 | -1.8 |
| Americas | | | |
| Brazil* | 2.3 % | 3.6 % | -15.3 % |
| Canada | 3.3 | 7.9 | -10.5 |
| Chile* | -- | 0.4 | 2.6 |
| Colombia* | -- | 0.2 | 3.6 |
| Mexico* | 3.4 | 1.0 | -9.0 |
| Peru* | -- | 0.2 | 4.2 |
| United States | -- | 0.0 | -11.7 |
| Other | | | |
| Egypt* | 0.1 % | 0.1 % | -13.4 % |
| Israel* | 0.9 | 0.6 | -18.6 |
| Morocco* | -- | 0.0 | -4.4 |
| Other Countries* | 0.2 | -- | -- |
| South Africa* | 1.5 | 1.7 | -9.5 |
| Turkey* | 0.4 | 0.4 | -4.4 |
| Cash | | | |
| Cash | 10.0 % | -- | -- |
| Total | 100.0 % | 100.0 % | -12.4 % |
| Developed | 66.3 | 76.2 | |
| Emerging* | 23.7 | 23.9 | |
| Cash | 10.0 | -- | |

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RETURNS OF THE MAJOR CAPITAL MARKETS

| | Second Quarter | Annualized Periods Ending 6/30/10 | | | | |
|--|-------------------|-----------------------------------|--------|--------|---------|---------|
| | | 1-Year | 3-Year | 5-Year | 10-Year | 15-Year |
| Domestic Stock Indices: | | | | | | |
| Dow Jones US Total Stock Index | -11.1% | 16.1% | -9.2% | -0.2% | -0.7% | 6.5% |
| S&P 500 Index | -11.4 | 14.4 | -9.8 | -0.8 | -1.6 | 6.2 |
| Russell 3000 Index | -11.3 | 15.7 | -9.5 | -0.5 | -0.9 | 6.4 |
| Russell 1000 Value Index | -11.1 | 16.9 | -12.3 | -1.6 | 2.4 | 7.3 |
| Russell 1000 Growth Index | -11.7 | 13.6 | -6.9 | 0.4 | -5.1 | 5.0 |
| Russell MidCap Value Index | -9.6 | 28.9 | -9.4 | 0.7 | 7.6 | 9.6 |
| Russell MidCap Growth Index | -10.2 | 21.3 | -7.5 | 1.4 | -2.0 | 6.7 |
| Russell 2000 Value Index | -10.6 | 25.1 | -9.8 | -0.5 | 7.5 | 8.9 |
| Russell 2000 Growth Index | -9.2 | 18.0 | -7.5 | 1.1 | -1.7 | 3.8 |
| Domestic Bond Indices: | | | | | | |
| Barclays Capital Aggregate Index | 3.5% | 9.5% | 7.5% | 5.5% | 6.5% | 6.4% |
| Barclays Capital Govt/Credit Index | 3.9 | 9.7 | 7.4 | 5.3 | 6.5 | 6.3 |
| Barclays Capital Long Govt/Credit Index | 8.6 | 16.5 | 9.4 | 5.6 | 8.0 | 7.6 |
| Barclays Capital 1-3 Year Govt/Credit Index | 1.1 | 3.8 | 5.1 | 4.5 | 4.8 | 5.1 |
| Barclays Capital U.S. MBS Index | 2.9 | 7.5 | 8.2 | 6.2 | 6.5 | 6.5 |
| Barclays Capital High Yield Index | -0.1 | 26.8 | 6.5 | 7.2 | 7.3 | 7.1 |
| Barclays Capital Universal Index | 3.1 | 10.6 | 7.2 | 5.6 | 6.6 | 6.5 |
| Real Estate Indices: | | | | | | |
| NCREIF Property Index | -- | -- | -- | -- | -- | -- |
| NCREIF ODCE Index | -- | -- | -- | -- | -- | -- |
| Dow Jones Real Estate Securities Index | -4.3 | 56.1 | -10.5 | -0.5 | 9.5 | 9.8 |
| FTSE NAREIT US Real Estate Index | -- | -- | -- | -- | -- | -- |
| Foreign/Global Stock Indices: | | | | | | |
| MSCI All Country World Index | -12.1% | 11.8% | -10.5% | 1.2% | -0.3% | 5.0% |
| MSCI All Country World IMI | -11.9 | 13.1 | -10.6 | 1.2 | 0.2 | 4.9 |
| MSCI All Country World ex-U.S. Index | -12.4 | 10.4 | -10.7 | 3.4 | 1.9 | 4.8 |
| MSCI All Country World ex-U.S. IMI | -12.2 | 11.5 | -10.5 | 3.6 | 2.2 | 4.5 |
| MSCI All Country World ex-U.S. Small Cap Index | -10.1 | 20.0 | -9.7 | 5.1 | 6.2 | 5.1 |
| MSCI EAFE Index | -14.0 | 5.9 | -13.4 | 0.9 | 0.2 | 3.8 |
| MSCI EAFE IMI | -13.7 | 6.6 | -13.2 | 1.1 | 0.4 | 3.8 |
| MSCI EAFE Index (in local currency) | -11.2 | 9.9 | -13.2 | -0.1 | -1.8 | 4.3 |
| MSCI Emerging Markets IMI | -8.2 | 24.6 | -2.2 | 13.0 | 9.9 | 4.9 |
| Foreign Bond Indices: | | | | | | |
| Citigroup World Gov't Bond Index | -1.3% | 1.5% | 7.7% | 5.0% | 6.4% | 4.8% |
| Citigroup Hedged World Gov't Bond Index | 1.6 | 4.9 | 6.0 | 4.4 | 5.2 | 6.7 |
| Cash Equivalents: | | | | | | |
| Treasury Bills (30-Day) | 0.0% | 0.1% | 1.0% | 2.1% | 2.1% | 3.0% |
| EnnisKnupp STIF Index | 0.1 | 0.3 | 2.0 | 3.2 | 3.0 | 3.8 |
| Inflation Index: | | | | | | |
| Consumer Price Index | 0.2% | 1.1% | 1.5% | 2.3% | 2.4% | 2.4% |

APPENDIX II

Benchmark Descriptions

iMoney Net Money Fund Average - An index made up of the entire universe of taxable money market mutual funds. The index currently represents 1,228 funds, or approximately 99 percent of all money fund assets.

Custom Benchmark (Personal Strategy Balanced) - A mix of 51% Dow Jones U.S. Total Stock Market Index, 30% Barclays Capital Aggregate Bond Index, 10% 90-Day Treasury Bills, and 9% MSCI EAFE Index.

Custom Benchmark (Personal Strategy Growth) - A mix of 65% Dow Jones U.S. Total Stock Market Index, 20% Barclays Capital Aggregate Bond Index and 12% MSCI EAFE Index.

Custom Benchmark (Personal Strategy Income) - A mix of 34% Dow Jones U.S. Total Stock Market Index, 40% Barclays Capital Aggregate Bond Index, 20% 90-Day Treasury Bills, and 6% MSCI EAFE Index.

Performance Benchmark (Vanguard Total Stock Market Index) - Dow Jones U.S. Total Stock Market Index until 4/30/2005, the MSCI U.S. Broad Market Index going forward.

Performance Benchmark (Vanguard Small Cap Index) - Russell 2000 Index until 6/30/2003, the MSCI U.S. 1750 Small Cap Index going forward.

EnnisKnupp GIC Index - This benchmark index is an average of the 2-, 3-, 4- and 5-year GICs as surveyed by T.Rowe Price.

Barclays Capital Aggregate Bond Index - A market value-weighted index consisting of government bonds, SEC-registered corporate bonds and mortgage-related and asset-backed securities with at least one year to maturity and an outstanding par value of \$150 million or greater. This index is a broad measure of the performance of the investment grade U.S. fixed income market.

MSCI All Country World ex-U.S. Free Index - A capitalization-weighted index of stocks representing 44 developed and emerging country stock markets, excluding the U.S. market.

MSCI U.S. 1750 Small Cap Index - An index representing the universe of small capitalization companies in the U.S. equity market. This index targets for inclusion 1,750 companies and represents approximately 12% of the capitalization of the U.S. equity market.

Benchmark Descriptions

S&P 500 Index - A capitalization-weighted index representing stocks chosen by Standard & Poor's, Inc. for their size, liquidity, stability and industry group representation. The companies in the S&P 500 Index are generally among the largest in their industries. Currently the Index comprises industrial, utility, financial and transportation stocks.

FTSE All World ex-U.S. Index - An index of stocks representing approximately 46 developed and emerging countries, excluding the U.S. while including Canada.

Russell 1000 Index - A capitalization-weighted index of the 1,000 largest publicly traded U.S. stocks by capitalization.

Russell 1000 Value Index - An Index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower I/B/E/S growth forecasts.

Russell 1000 Growth Index - An Index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher I/B/E/S growth forecasts.

Russell Mid Cap Index - A capitalization-weighted index consisting of the smallest 800 companies in the Russell 1000 Index. The Russell 1000 Index represents the 1,000 largest publicly traded stocks by capitalization.

Russell 2500 Index - A capitalization-weighted, small-cap stock index representing the performance of 2,500 domestic stocks. This Index represents approximately 22% of the domestic market. Its median market capitalization is approximately \$786 million.

Russell 2000 Index - A capitalization-weighted index of the smallest 2,000 stocks in the Russell 3000 Index. The Index excludes the largest- and smallest-capitalization issues in the domestic stock market.

Russell 2000 Value Index - A capitalization-weighted index representing those companies within the Russell 2000 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.

Russell 2000 Growth Index - A capitalization-weighted index representing those companies within the Russell 2000 Index with higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.

Dow Jones U.S. Total Stock Market Index - A capitalization-weighted stock index representing all domestic common stocks traded regularly on the organized exchanges. The Index is the broadest measure of the aggregate domestic stock market.

APPENDIX II

Benchmark Descriptions

Vanguard Target Retirement Income Benchmark - A mix of 24% MSCI U.S. Broad Market Index, 5% MSCI EAFE Index, 1% MSCI Emerging Markets Index, 45% Barclays Capital Aggregate Bond Index, 20% Barclays Capital TIPS Index, and 5% Citigroup 3-Month Treasury Index.

Vanguard Target Retirement 2005 Benchmark - A mix of 29% MSCI U.S. Broad Market Index, 6% MSCI EAFE Index, 2% MSCI Emerging Markets Index, 43% Barclays Capital Aggregate Bond Index, 17% Barclays Capital TIPS Index, and 3% Citigroup 3-Month Treasury Index.

Vanguard Target Retirement 2010 Benchmark - A mix of 40% MSCI U.S. Broad Market Index, 8% MSCI EAFE Index, 3% MSCI Emerging Markets Index, 40% Barclays Capital Aggregate Bond Index, and 9% Barclays Capital TIPS Index.

Vanguard Target Retirement 2015 Benchmark - A mix of 48% MSCI U.S. Broad Market Index, 9% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 40% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2020 Benchmark - A mix of 54% MSCI U.S. Broad Market Index, 10% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 32% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2025 Benchmark - A mix of 60% MSCI U.S. Broad Market Index, 11% MSCI EAFE Index, 4% MSCI Emerging Markets Index, and 25% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2030 Benchmark - A mix of 66% MSCI U.S. Broad Market Index, 13% MSCI EAFE Index, 4% MSCI Emerging Markets Index, and 17% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2035 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 14% MSCI EAFE Index, 4% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2040 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 14% MSCI EAFE Index, 4% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2045 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 14% MSCI EAFE Index, 4% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2050 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 14% MSCI EAFE Index, 4% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Hewitt **ennisknupp**

An Aon Company

**Performance Report
Third Quarter 2010**

Milwaukee County Deferred
Compensation Plan

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CONTENTS

- 1 Investment Highlights
- 2 Fund Monitoring System
- 3 Market Environment
- 4 Retirement Funds
- 5 Index Funds
- 6 Active Funds
- 7 Appendices

All rates of return presented in this report for time periods greater than one year are annualized. Mutual fund rates of return are provided by Morningstar. Rates of return for the North Shore Savings Fund and the Stable Value Fund are provided by the investment manager. All rates of return contained in this report are net of investment management fees. Percentages in some exhibits may not add to 100% because of rounding.

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INVESTMENT HIGHLIGHTS

RETURN SUMMARY ENDING 9/30/10

| | Third Quarter | | Year-To-Date | | 1 Year Ending 9/30/10 | | 3 Years Ending 9/30/10 | | 5 Years Ending 9/30/10 | |
|------------------------|---------------|-----------|--------------|-----------|-----------------------|-----------|------------------------|-----------|------------------------|-----------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| TRP PS Income | 8.1 % | 16 | 6.5 % | 44 | 9.7 % | 34 | 2.0 % | 36 | 5.0 % | 22 |
| Custom Benchmark | 6.0 | 69 | 5.4 | 63 | 7.8 | 70 | 0.8 | 53 | 3.8 | 51 |
| TRP PS Balanced | 10.1 | 13 | 6.3 | 26 | 10.6 | 26 | -0.5 | 28 | 4.2 | 23 |
| Custom Benchmark | 8.2 | 60 | 5.5 | 44 | 8.9 | 54 | -1.4 | 39 | 3.3 | 39 |
| TRP PS Growth | 11.9 | 28 | 5.5 | 36 | 10.7 | 33 | -4.1 | 26 | 2.7 | 22 |
| Custom Benchmark | 10.4 | 72 | 5.6 | 35 | 10.1 | 43 | -3.7 | 22 | 2.6 | 25 |

RETURN SUMMARY ENDING 9/30/10

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|---|---------------|--------------|-----------------------|------------------------|------------------------|
| Vanguard Target Retirement Income Fund | 5.5 % | 6.8 % | 9.0 % | 3.4 % | 4.7 % |
| Target Retirement Income Benchmark | 5.5 | 6.8 | 9.1 | 3.2 | 4.7 |
| Vanguard Target Retirement 2005 Fund | 6.1 | 6.7 | 9.3 | 1.7 | 4.3 |
| Target Retirement 2005 Benchmark | 6.2 | 6.8 | 9.4 | 1.7 | 4.2 |
| Vanguard Target Retirement 2010 Fund | 7.6 | 6.6 | 9.8 | 0.3 | -- |
| Target Retirement 2010 Benchmark | 7.7 | 6.7 | 10.0 | 0.2 | -- |
| Vanguard Target Retirement 2015 Fund | 8.6 | 6.4 | 9.9 | -0.9 | 3.6 |
| Target Retirement 2015 Benchmark | 8.7 | 6.5 | 10.1 | -1.0 | 3.5 |
| Vanguard Target Retirement 2020 Fund | 9.4 | 6.1 | 10.0 | -2.0 | -- |
| Target Retirement 2020 Benchmark | 9.5 | 6.2 | 10.2 | -2.1 | -- |
| Vanguard Target Retirement 2025 Fund | 10.1 | 5.7 | 10.1 | -3.2 | 2.7 |
| Target Retirement 2025 Benchmark | 10.2 | 5.9 | 10.3 | -3.2 | 2.7 |
| Vanguard Target Retirement 2030 Fund | 11.0 | 5.4 | 10.2 | -4.2 | -- |
| Target Retirement 2030 Benchmark | 11.0 | 5.5 | 10.4 | -4.3 | -- |
| Vanguard Target Retirement 2035 Fund | 11.7 | 5.2 | 10.2 | -4.9 | 2.2 |
| Target Retirement 2035 Benchmark | 11.7 | 5.2 | 10.4 | -5.0 | 2.2 |
| Vanguard Target Retirement 2040 Fund | 11.8 | 5.1 | 10.2 | -4.8 | -- |
| Target Retirement 2040 Benchmark | 11.7 | 5.2 | 10.4 | -5.0 | -- |
| Vanguard Target Retirement 2045 Fund | 11.8 | 5.2 | 10.2 | -4.8 | 2.4 |
| Target Retirement 2045 Benchmark | 11.7 | 5.2 | 10.4 | -5.0 | 2.3 |
| Vanguard Target Retirement 2050 Fund | 11.8 | 5.2 | 10.3 | -4.8 | -- |
| Target Retirement 2050 Benchmark | 11.7 | 5.2 | 10.4 | -5.0 | -- |

Benchmark descriptions can be found in the Appendix.

INVESTMENT HIGHLIGHTS

RETURN SUMMARY

ENDING 9/30/10

| | Third Quarter | | Year-To-Date | | 1 Year Ending 9/30/10 | | 3 Years Ending 9/30/10 | | 5 Years Ending 9/30/10 | |
|---|---------------|-----------|--------------|-----------|-----------------------|-----------|------------------------|-----------|------------------------|-----------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| Vanguard Total Bond Market Index | 2.5% | 91 | 8.0% | 67 | 8.1% | 84 | 7.5% | 50 | 6.3% | 43 |
| Barclays Capital Aggregate Bond Index | 2.5 | 90 | 7.9 | 70 | 8.2 | 83 | 7.4 | 51 | 6.2 | 46 |
| Vanguard Institutional Index Fund | 11.3 | 53 | 3.9 | 64 | 10.2 | 61 | -7.1 | 65 | 0.7 | 60 |
| S&P 500 Index | 11.3 | 53 | 3.9 | 64 | 10.2 | 61 | -7.2 | 66 | 0.6 | 60 |
| Vanguard Total Stock Market Index Fund | 11.6 | 47 | 5.0 | 55 | 11.1 | 53 | -6.2 | 56 | 1.2 | 52 |
| Performance Benchmark | 11.6 | 47 | 5.0 | 55 | 11.1 | 53 | -6.3 | 57 | 1.2 | 52 |
| Vanguard Mid Cap Index Fund | 13.0 | 38 | 10.6 | 29 | 17.9 | 20 | -4.4 | 43 | 2.4 | 47 |
| MSCI U.S. Mid Cap 450 Index | 13.0 | 38 | 10.6 | 29 | 18.0 | 19 | -4.4 | 43 | 2.4 | 47 |
| Vanguard Small Cap Index Fund | 12.1 | 36 | 10.6 | 28 | 15.2 | 37 | -2.8 | 33 | 2.7 | 39 |
| Small-Cap Index | 12.1 | 36 | 10.6 | 28 | 15.1 | 37 | -3.0 | 37 | 2.6 | 40 |
| Vanguard FTSE All World ex-U.S. Index | 17.8 | 37 | 4.3 | 34 | 7.6 | 34 | -6.9 | 24 | -- | -- |
| FTSE All World ex-U.S. Index | 16.9 | 60 | 4.3 | 32 | 8.2 | 29 | -6.5 | 22 | 5.3 | 14 |

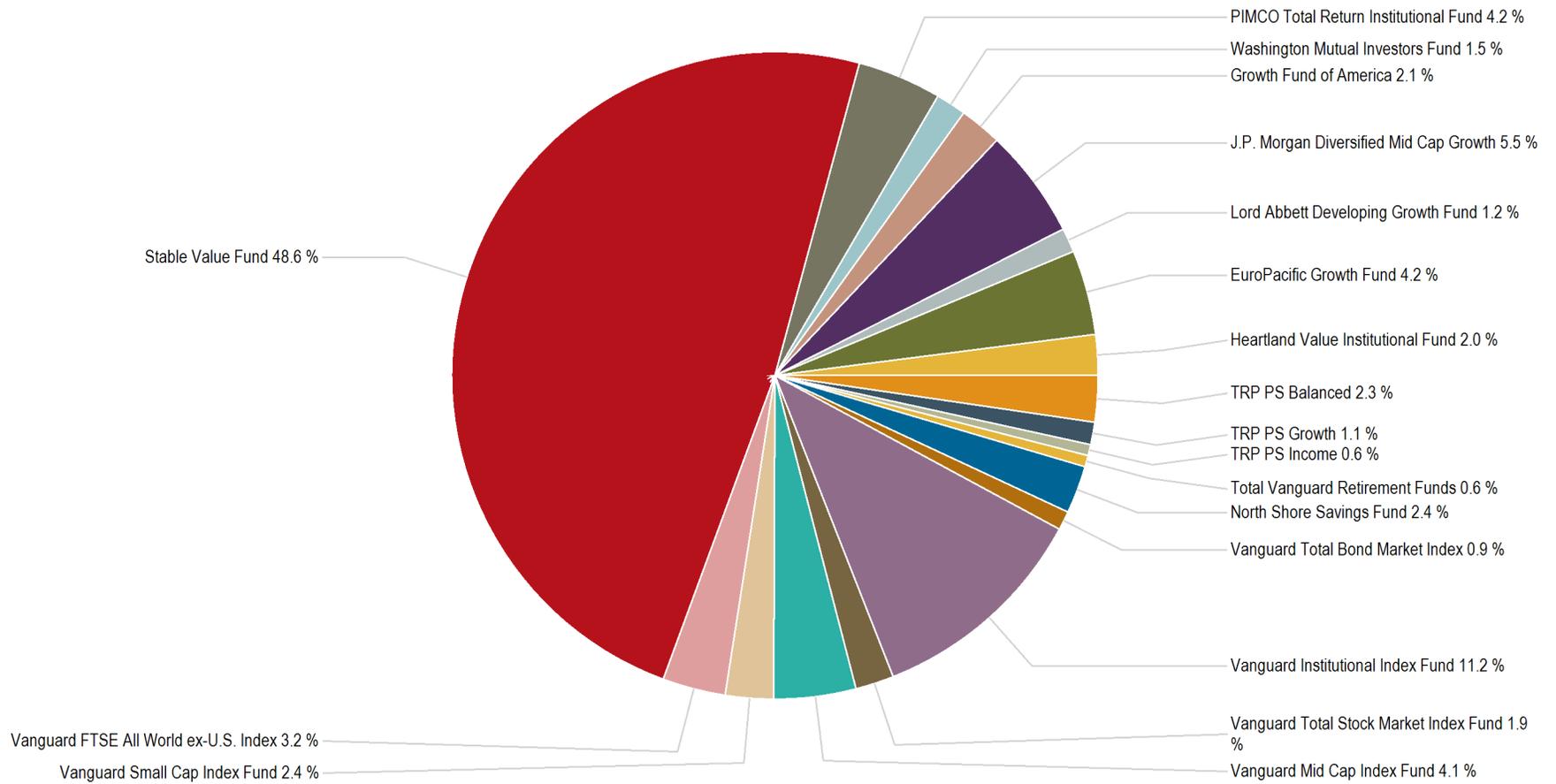
RETURN SUMMARY

ENDING 9/30/10

| | Third Quarter | | Year-To-Date | | 1 Year Ending 9/30/10 | | 3 Years Ending 9/30/10 | | 5 Years Ending 9/30/10 | |
|---|---------------|-----------|--------------|-----------|-----------------------|-----------|------------------------|-----------|------------------------|-----------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| North Shore Savings Fund | 0.1% | -- | 0.3% | -- | 0.4% | -- | 1.3% | -- | 2.3% | -- |
| iMoney Net Money Fund Average | 0.2 | -- | 0.3 | -- | 0.3 | -- | 1.2 | -- | 2.3 | -- |
| Stable Value Fund | 1.1 | -- | 3.3 | -- | 4.5 | -- | 4.7 | -- | 4.7 | -- |
| Hueler Stable Value Index | 0.8 | -- | 2.3 | -- | 3.1 | -- | 3.8 | -- | 4.2 | -- |
| Barclays Capital 1-3 Yr. Govt. | 0.6 | -- | 2.5 | -- | 2.6 | -- | 4.3 | -- | 4.5 | -- |
| PIMCO Total Return Institutional Fund | 3.8 | 16 | 9.8 | 21 | 10.9 | 32 | 10.8 | 3 | 8.4 | 2 |
| Barclays Capital Aggregate Bond Index | 2.5 | 90 | 7.9 | 70 | 8.2 | 83 | 7.4 | 51 | 6.2 | 46 |
| Washington Mutual Investors Fund | 12.0 | 12 | 4.4 | 20 | 12.3 | 6 | -7.6 | 36 | 0.7 | 26 |
| Russell 1000 Value Index | 10.1 | 62 | 4.5 | 19 | 8.9 | 35 | -9.4 | 68 | -0.5 | 54 |
| S&P 500 Index | 11.3 | 28 | 3.9 | 25 | 10.2 | 22 | -7.2 | 31 | 0.6 | 28 |
| Growth Fund of America | 10.8 | 84 | 2.1 | 77 | 8.1 | 81 | -6.4 | 64 | 1.8 | 41 |
| Russell 1000 Growth Index | 13.0 | 43 | 4.4 | 38 | 12.7 | 33 | -4.4 | 38 | 2.1 | 36 |
| J.P. Morgan Diversified Mid Cap Growth | 14.4 | 35 | 8.8 | 68 | 17.1 | 43 | -4.7 | 41 | 3.2 | 38 |
| Russell MidCap Growth Index | 14.6 | 30 | 10.9 | 42 | 18.3 | 29 | -3.9 | 35 | 2.9 | 43 |
| Lord Abbett Developing Growth Fund | 16.5 | 5 | 16.0 | 6 | 22.7 | 5 | -2.3 | 24 | 7.0 | 2 |
| Russell 2000 Growth Index | 12.8 | 41 | 10.2 | 40 | 14.8 | 50 | -3.7 | 37 | 2.3 | 41 |
| Heartland Value Institutional Fund | 8.4 | 80 | 4.4 | 91 | 8.6 | 94 | -4.3 | 60 | 2.2 | 49 |
| Russell 2000 Value Index | 9.7 | 59 | 7.9 | 67 | 11.8 | 72 | -5.0 | 72 | 0.7 | 71 |
| EuroPacific Growth Fund | 16.9 | 60 | 3.8 | 39 | 7.3 | 35 | -4.4 | 8 | 6.1 | 9 |
| MSCI All Country World ex-U.S. Index | 16.6 | 70 | 3.7 | 40 | 7.6 | 34 | -7.4 | 27 | 4.3 | 19 |

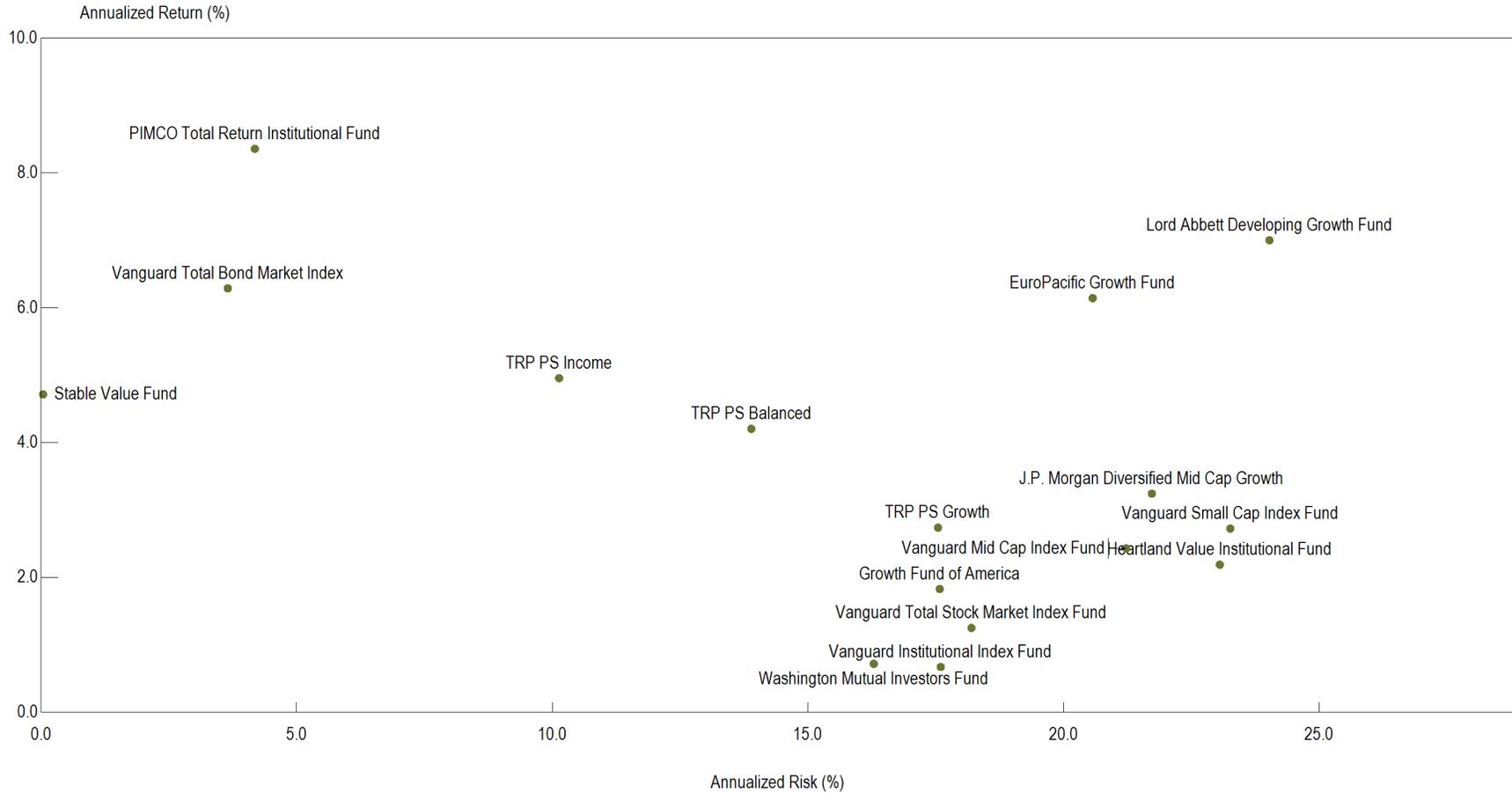
Benchmark descriptions can be found in the Appendix.

ASSET ALLOCATION
ACTUAL AS OF 9/30/10



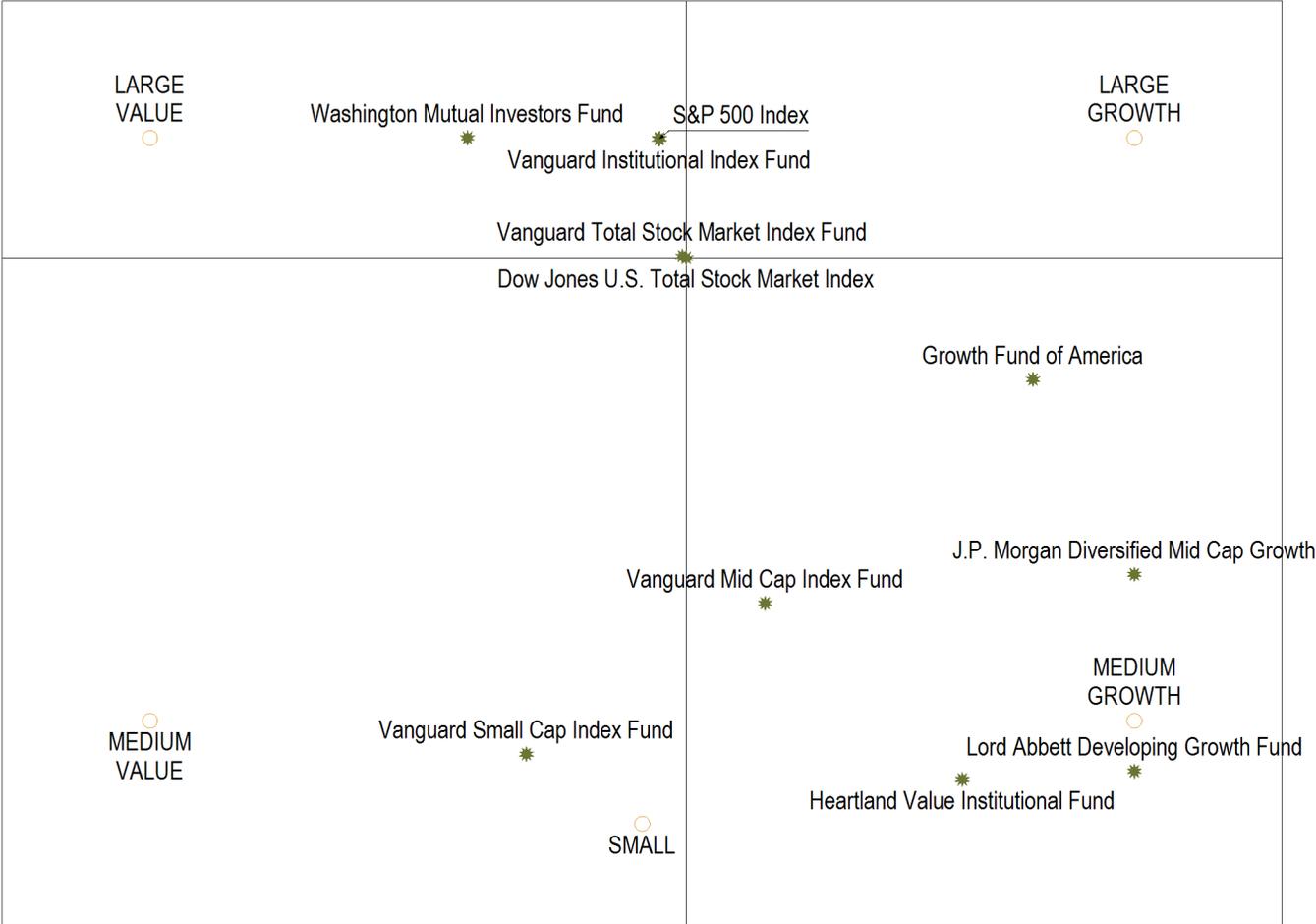
INVESTMENT HIGHLIGHTS

ANNUALIZED RISK RETURN 5 YEARS ENDING 9/30/10



U.S. STOCK FUNDS - INVESTMENT STYLE

EFFECTIVE STYLE MAP
5 YEARS ENDING 9/30/10



INVESTMENT HIGHLIGHTS

Cash Flow Summary

Quarter Ending September 30, 2010

| | Beginning Market Value | Withdrawals | Contributions | Net Cash Flow | Net Investment Change | Ending Market Value |
|---|---------------------------|----------------------|---------------------|--------------------|-----------------------------|------------------------|
| TRP PS Income | \$1,400,508 | -\$219,117 | \$31,324 | -\$187,793 | \$106,973 | \$1,319,688 |
| TRP PS Balanced | \$5,491,969 | -\$602,029 | \$107,372 | -\$494,657 | \$537,097 | \$5,534,410 |
| TRP PS Growth | \$2,674,308 | -\$421,496 | \$113,165 | -\$308,331 | \$311,054 | \$2,677,031 |
| Vanguard Target Retirement Income Fund | \$170,745 | -\$22,476 | \$45,050 | \$22,574 | \$9,067 | \$202,386 |
| Vanguard Target Retirement 2005 Fund | \$0 | \$0 | \$26,089 | \$26,089 | \$686 | \$26,775 |
| Vanguard Target Retirement 2010 Fund | \$116,902 | \$0 | \$140,899 | \$140,899 | \$14,057 | \$271,858 |
| Vanguard Target Retirement 2015 Fund | \$45,247 | \$0 | \$194,780 | \$194,780 | \$9,624 | \$249,651 |
| Vanguard Target Retirement 2020 Fund | \$5,170 | -\$32,084 | \$285,317 | \$253,233 | \$8,900 | \$267,303 |
| Vanguard Target Retirement 2025 Fund | \$21,873 | -\$4 | \$78,413 | \$78,410 | \$4,021 | \$104,303 |
| Vanguard Target Retirement 2030 Fund | \$46,486 | -\$4,158 | \$41,077 | \$36,919 | \$5,860 | \$89,265 |
| Vanguard Target Retirement 2035 Fund | \$19,928 | \$0 | \$106,075 | \$106,075 | \$6,190 | \$132,193 |
| Vanguard Target Retirement 2040 Fund | \$216 | \$0 | \$2,603 | \$2,603 | \$107 | \$2,926 |
| Vanguard Target Retirement 2045 Fund | \$36,166 | -\$25,659 | \$0 | -\$25,659 | \$2,262 | \$12,769 |
| Vanguard Target Retirement 2050 Fund | \$665 | \$0 | \$2,456 | \$2,456 | \$163 | \$3,285 |
| Vanguard Total Bond Market Index | \$2,378,412 | -\$580,040 | \$402,251 | -\$177,790 | \$49,430 | \$2,250,053 |
| Vanguard Institutional Index Fund | \$23,646,577 | -\$979,732 | \$1,382,942 | \$403,210 | \$2,668,229 | \$26,718,017 |
| Vanguard Total Stock Market Index Fund | \$4,355,986 | -\$477,792 | \$245,761 | -\$232,030 | \$480,134 | \$4,604,090 |
| Vanguard Mid Cap Index Fund | \$9,454,489 | -\$1,199,135 | \$362,433 | -\$836,702 | \$1,181,438 | \$9,799,225 |
| Vanguard Small Cap Index Fund | \$4,352,231 | -\$228,523 | \$1,074,850 | \$846,328 | \$562,441 | \$5,761,000 |
| Vanguard FTSE All World ex-U.S. Index | \$5,945,211 | -\$377,613 | \$901,979 | \$524,366 | \$1,076,706 | \$7,546,282 |
| North Shore Savings Fund | \$6,115,112 | -\$649,636 | \$236,367 | -\$413,269 | \$3,533 | \$5,705,376 |
| Stable Value Fund | \$111,841,054 | -\$4,331,252 | \$7,569,085 | \$3,237,833 | \$1,229,879 | \$116,308,766 |
| PIMCO Total Return Institutional Fund | \$9,086,417 | -\$540,544 | \$1,155,516 | \$614,972 | \$356,079 | \$10,057,468 |
| Washington Mutual Investors Fund | \$3,939,445 | -\$4,266,729 | \$178,354 | -\$4,088,375 | \$148,930 | \$0 |
| Washington Mutual Investors (R6) | \$0 | -\$561,132 | \$3,895,479 | \$3,334,346 | \$298,926 | \$3,633,273 |
| Growth Fund of America | \$4,675,554 | -\$4,802,061 | \$62,133 | -\$4,739,928 | \$64,374 | \$0 |
| Growth Fund of America (R6) | \$0 | -\$111,283 | \$4,742,888 | \$4,631,605 | \$429,743 | \$5,061,349 |
| J.P. Morgan Diversified Mid Cap Growth | \$11,890,433 | -\$12,185,389 | \$110,257 | -\$12,075,131 | \$184,699 | \$0 |
| J.P. Morgan Diversified Mid Cap Growth Select | \$0 | -\$310,489 | \$11,931,342 | \$11,620,853 | \$1,505,088 | \$13,125,941 |
| Lord Abbett Developing Growth Fund | \$2,540,263 | -\$2,599,091 | \$47,383 | -\$2,551,707 | \$11,444 | \$0 |
| Lord Abbett Developing Growth Fund (I) | \$0 | -\$31,287 | \$2,524,938 | \$2,493,651 | \$400,057 | \$2,893,708 |
| Heartland Value Institutional Fund | \$4,560,901 | -\$228,528 | \$153,434 | -\$75,094 | \$376,009 | \$4,861,816 |
| EuroPacific Growth Fund | \$9,474,981 | -\$10,150,068 | \$172,117 | -\$9,977,952 | \$502,970 | \$0 |
| EuroPacific Growth Fund (R6) | \$0 | -\$702,198 | \$9,773,468 | \$9,071,270 | \$1,047,581 | \$10,118,851 |
| Total | \$224,287,250 | -\$46,639,546 | \$48,097,600 | \$1,458,054 | \$13,593,751 | \$239,339,054 |

| Factor | Rationale | Measurement |
|-------------------------------------|---|---|
| 1. Short -Term Performance Concerns | Short-term performance should never be the sole factor in a manager's assessment; however, short-term performance concerns should be monitored and understood. | Has the fund underperformed in three of the last four quarters? |
| 2. Longer-Term Performance Concerns | Since past performance is not indicative of future performance, performance records must be considered carefully. Longer-term underperformance, and poor results compared to peers, may indicate that more competitive offerings are available. | Has the fund underperformed or fallen below the median fund in an appropriate peer group over the trailing 5 year period? |
| 3. Investment Strategy Concerns | An investment option in a savings plan often serves a unique role; significant divergence from the strategy could indicate the fund is no longer appropriate for the Plan. | Has the fund diverged from its strategy? |
| 4. Portfolio Management Concerns | The portfolio manager (or managers) responsible for the buy and sell decisions of the fund has a key role. Adverse changes could present performance challenges going forward. | Have there been adverse changes to the fund's management? |
| 5. Organizational Concerns | A stable and strong organization is preferred. Adverse changes to the organization could negatively impact the fund's strategy, focus, resources, or management team. | Have there been adverse changes to the organization? |

Each fund will be evaluated every quarter within this framework. The monitoring system will have a "generally indicated status" based on the number of affirmative answers to the above questions.

- **Green-Level Status.** No concerns; or only one affirmative response to measurement 1, 2, or 3.
- **Yellow-Level Status.** An investment fund receives a "Yellow" designation with two or three affirmative responses or if there is an affirmative response to measurement 4 or 5.
- **Red-Level Status.** An investment fund receives a "Red" designation when it has been on the "Yellow" status for more than two consecutive quarters or when there are four or more affirmative responses.

If a manager is placed on the "Red" Level Status, a formal manager review will be conducted by Hewitt EnnisKnupp. Hewitt EnnisKnupp will review the concerns regarding the fund and recommend to the Committee whether it should be retained or terminated. If the fund is retained, and remains on red-status, it will be re-reviewed every six months.

Special Circumstances

In the event of a major change in the firm's ownership, performance, or staffing, Hewitt EnnisKnupp may immediately recommend termination of a manager without placing a fund on a specific "status." Any fund monitoring system should only be used as a tool in a Committee's monitoring activities. The Committee has the right to take action on any fund regardless of its status in the monitoring system.

Applying the Fund Monitoring System to the Plan

The table on the following page has applied the fund monitoring system to the funds in the Milwaukee County Plan. As shown, all the funds except the Growth Fund of America Fund are currently on "Green" status. The Growth Fund of America Fund is currently in "yellow" status as a result of underperformance. The Vanguard FTSE All World ex-U.S. Index Fund changed from "Yellow" status to "Green" status as a result of recent outperformance. The Vanguard FTSE All World ex-U.S. Index Fund has trailed its benchmark during its since-inception period. Underperformance is due to the effects of fair value pricing which is employed by Vanguard. Differences in the Fund's performance and the Index's performance that result from fair value pricing typically wash over several quarters. We are comfortable with Vanguard's use of fair value pricing, as this is a typical methodology used by many mutual fund managers. We expect that the discrepancy between the Vanguard Index fund and the index will continue to decrease over longer-term periods.

FUND MONITORING SYSTEM

Investment Fund Monitoring Summary:

| | 1. | 2. | 3. | 4. | 5. | | | | |
|--------------------------------------|--|---|-------------------------|--------------------------------------|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Underperformed in 3 of 4 Trailing Calendar Quarters? | Underperformed Benchmark over Trailing Five Year Period?* | Diverged from Strategy? | Adverse Change in Portfolio Manager? | Adverse Organizational Change? | 3rd Quarter 2010 Status | 2nd Quarter 2010 Status | 1st Quarter 2010 Status | 4th Quarter 2009 Status |
| North Shore Savings Fund | No | No | No | No | No | | | | |
| TRP PS Income | No | No | No | No | No | | | | |
| TRP PS Balanced | No | No | No | No | No | | | | |
| TRP PS Growth | No | No | No | No | No | | | | |
| Vanguard Total Bond Market Index | No | No | No | No | No | | | | |
| Vanguard Institutional Index | No | No | No | No | No | | | | |
| Vanguard Total Stock Market | No | No | No | No | No | | | | |
| Vanguard Mid Cap Index | No | No | No | No | No | | | | |
| Vanguard Small Cap Index | No | No | No | No | No | | | | |
| Vanguard FTSE All World ex-U.S. | No | Yes* | No | No | No | | | | |
| Stable Value Fund | No | No | No | No | No | | | | |
| PIMCO Total Return Fund | No | No | No | No | No | | | | |
| Washington Mutual Investors | No | No | No | No | No | | | | |
| Growth Fund of America | Yes | Yes | No | No | No | | | | |
| JP Morgan Diversified Mid Cap Growth | Yes | No | No | No | No | | | | |
| Lord Abbett | No | No | No | No | No | | | | |
| Heartland Value | No | No | No | No | No | | | | |
| EuroPacific Growth | Yes | No | No | No | No | | | | |

*The Vanguard FTSE All World ex-U.S. Fund started in April 2007. Therefore, performance is based on since-inception period.

FUND MONITORING SYSTEM

Investment Fund Monitoring Summary:

| | 1. | 2. | 3. | 4. | 5. | | | |
|--|--|---|-------------------------|--------------------------------------|--------------------------------|-------------------------|-------------------------|-------------------------|
| | Underperformed in 3 of 4 Trailing Calendar Quarters? | Underperformed Benchmark over Trailing Five Year Period?* | Diverged from Strategy? | Adverse Change in Portfolio Manager? | Adverse Organizational Change? | 3rd Quarter 2010 Status | 2nd Quarter 2010 Status | 1st Quarter 2010 Status |
| Vanguard Target Retirement Income Fund | No | No | No | No | No | | | |
| Vanguard Target Retirement 2005 Fund | No | No | No | No | No | | | |
| Vanguard Target Retirement 2010 Fund | No | No | No | No | No | | | |
| Vanguard Target Retirement 2015 Fund | Yes | No | No | No | No | | | |
| Vanguard Target Retirement 2020 Fund | No | No | No | No | No | | | |
| Vanguard Target Retirement 2025 Fund | Yes | No | No | No | No | | | |
| Vanguard Target Retirement 2030 Fund | No | No | No | No | No | | | |
| Vanguard Target Retirement 2035 Fund | No | No | No | No | No | | | |
| Vanguard Target Retirement 2040 Fund | Yes | No | No | No | No | | | |
| Vanguard Target Retirement 2045 Fund | No | No | No | No | No | | | |
| Vanguard Target Retirement 2050 Fund | No | No | No | No | No | | | |

*The Vanguard Target Retirement Funds 2010, 2020, 2030, 2040, 2050 began in July 2006. Therefore, performance is based on since-inception period.

MARKET ENVIRONMENT
Third Quarter 2010

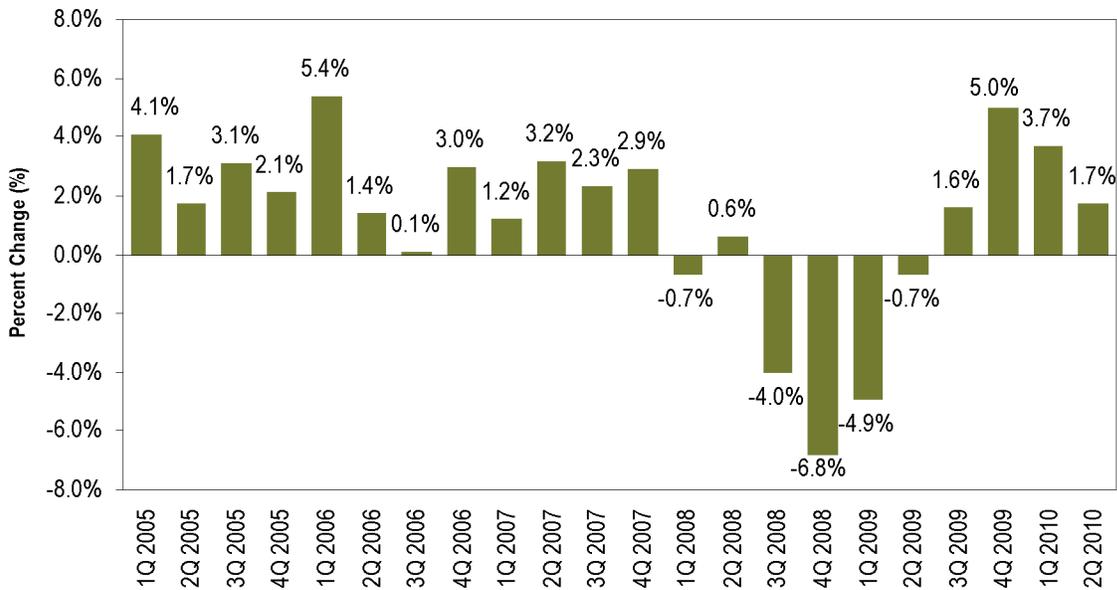
MARKET ENVIRONMENT

MACRO HIGHLIGHTS

The U.S. Federal Reserve (Fed) met twice during the third quarter. The Fed Funds target rate was left unchanged at 0%-.25%. Justification for holding the rate steady was subdued inflation trends and low rates of resource utilization. The quarter was dominated by talk of a double dip as fears continued to mount about the state of the world economy. Expectations for higher interest rates have been pushed out further as central banks have increased concern over the strength of recovery. The Fed is expected to implement a second phase of quantitative easing, by the purchasing of U.S. Treasuries.

According to the final estimate released by the Bureau of Economic Analysis, real GDP increased 1.7% in the second quarter of 2010. This was an upward revision of 0.1 percentage points from the second estimate in August. Purchasing by U.S. residents of goods and services increased to 5.1% in the second quarter, compared to an increase of 3.9% in the first. The notable deceleration in real GDP from 3.7% in the first quarter 2010 was attributable to an increase in imports and a decrease in inventory investment.

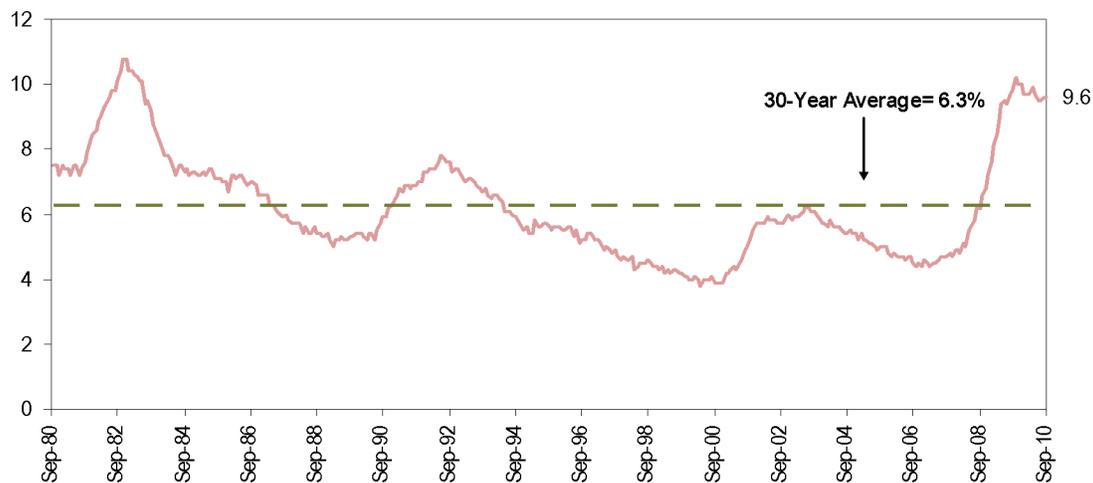
Quarterly Gross Domestic Product (Annualized)



Source: Bureau of Economics Statistics

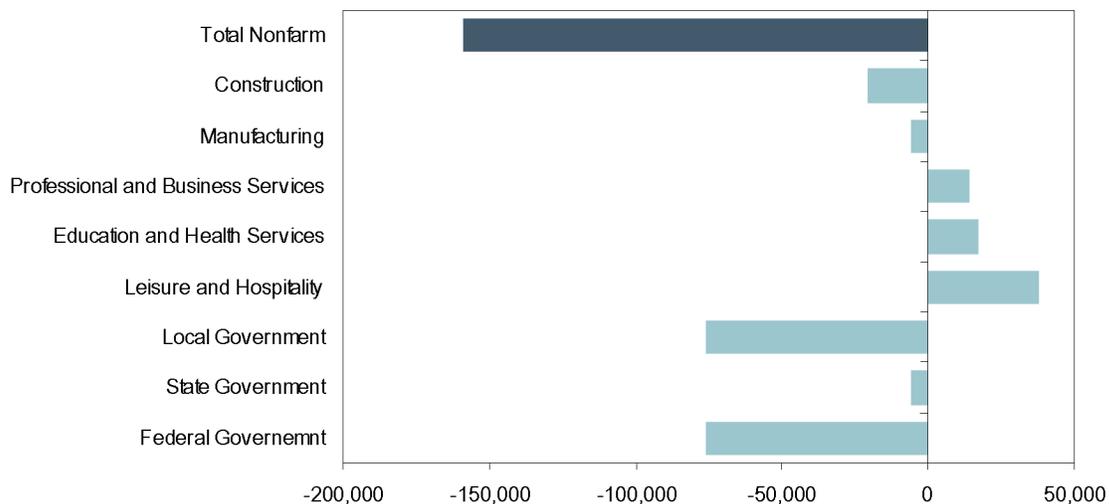
According to the Bureau of Labor Statistics, the unemployment rate remained unchanged at 9.6% in September as government employment declined by 159,000 workers, reflecting both a drop in the number of temporary jobs (2010 Census being a contributing factor) and job losses at the local government level, decreasing by 76,000 in September. Nonfarm payrolls shed 95,000 jobs in September while private-sector employment continued to modestly increase. Within the private-sector, job growth was experienced with the hospitality and healthcare industries. Construction employment remained weak. Healthcare employment (within education and health services) rose by 24,000 in September and has risen an average of 21,000 per month over the course of 2010. The unemployment rate, shown on the following page, remains at 9.6%, a level not approached since the early 1980s.

Unemployment Rate
As of September 2010



Source: Bureau of Labor Statistics

One Month Change in Nonfarm Payroll Employment
September 2010



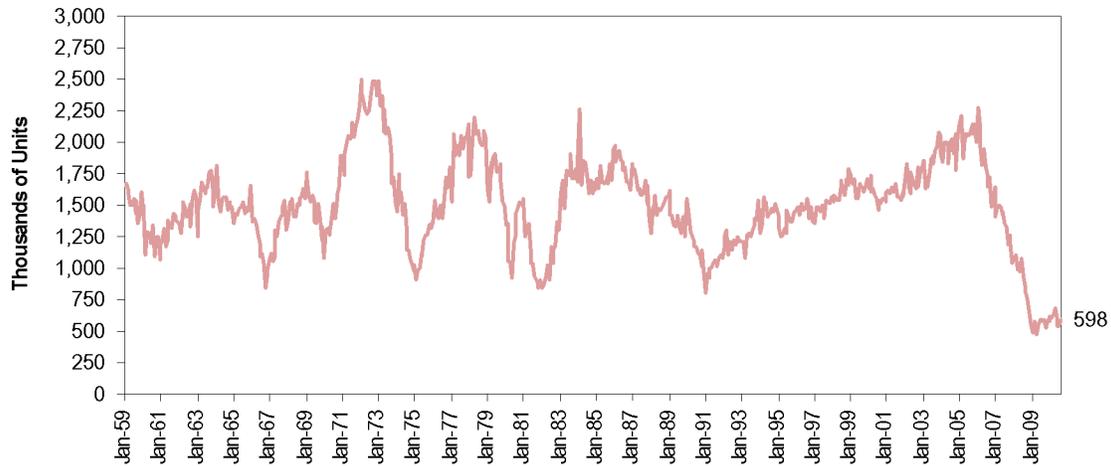
Source: Bureau of Labor Statistics

New housing starts increased 10.5% to a seasonally adjusted annual rate of 598,000 units in August, according to the U.S. Commerce Department. The rate is 2.2% higher than in August 2009. Single-family housing starts increased 4.3% accounting for 438,000 units of all new housing. Building permits for homes increased 1.8% in August, but was 6.7% below the level of August 2009. Builders cut back the production of new homes due to the oversupply of finished homes unsold in the market. The new housing starts can be found on the following page.

MARKET ENVIRONMENT

MACRO HIGHLIGHTS

U.S. Private Owned Housing Starts
Seasonally Adjusted Annual Rate
As of August 2010



Source: U.S. Census Bureau

According to the Bureau of Labor Statistics, September's Consumer Price Index for all urban consumers (CPI-U) increased 0.1% month-over-month on a seasonally adjusted basis. For the second consecutive month, the food index increased contributing to the overall seasonally adjusted increase this month. Four of the six major grocery store food group indexes increased in September as the food index posted its largest increase since October 2008. Within the energy component, the gasoline index rose again in September, leading to a third consecutive increase in the energy index despite a decline in the household energy index. The fuel oil commodities index increased 0.8% in September resulting in an 11.8% twelve month increase on a seasonally unadjusted basis. Overall the energy index rose 3.8% over the last year, with gasoline up 5.1 percent. The CPI-U increased 1.1% over the trailing twelve months.

The core CPI, which excludes volatile food and energy prices, remained unchanged in September, as was the case in August. The shelter index remained unchanged for the second month in a row. The indexes for used cars and trucks, apparel, furnishing and operations, and recreation declined during the month of September, offsetting a sharp increase in the index for medical care and new vehicles. The medical care commodity index increased 0.3% in September for a second straight month resulting in a positive 2.6% twelve month change on a seasonally unadjusted basis. Over the last twelve months, core CPI has risen 0.8 percent, the lowest twelve month increase since March 1961, with the shelter component down 0.4 percent.

After declining for three consecutive months during the second quarter, the Producer Price Index (PPI) increased 0.4% in August and 0.4% in September on a seasonally adjusted basis. At the earlier stages of processing, prices received by manufacturers of intermediate goods increased 0.5 percent as the crude goods index declined 0.5 percent. On an unadjusted basis, prices for finished goods rose 4.0% over the last twelve months. This signified the eleventh straight year-over-year rise.

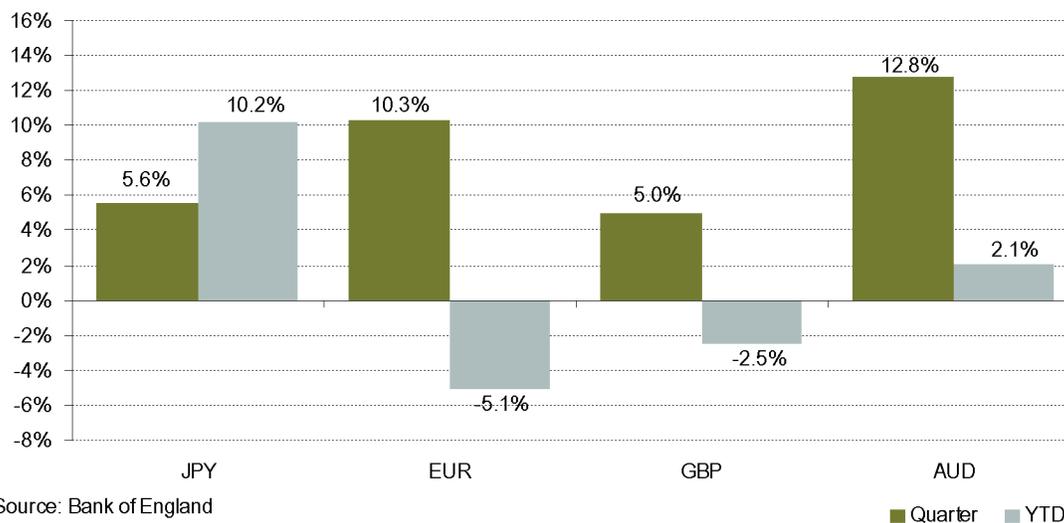
MAJOR MARKET RETURNS

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 | 10 Years Ending 9/30/10 |
|--|---------------|--------------|-----------------------|------------------------|------------------------|-------------------------|
| Dow Jones US Total Stock Index | 11.5 % | 5.2 % | 11.3 % | -6.3 % | 1.2 % | 0.3 % |
| MSCI All Country World ex-U.S. Index | 16.6 | 3.7 | 7.6 | -7.4 | 4.3 | 4.3 |
| MSCI EAFE Index | 16.5 | 1.1 | 3.3 | -9.5 | 2.0 | 2.6 |
| MSCI Emerging Markets Index | 18.0 | 10.8 | 20.2 | -1.5 | 12.7 | 13.4 |
| MSCI All Country World Index | 14.3 | 3.6 | 8.4 | -7.5 | 2.4 | 1.6 |
| Barclays Capital Aggregate Bond Index | 2.5 | 7.9 | 8.2 | 7.4 | 6.2 | 6.4 |

U.S. equity markets rebounded posting positive returns in the third quarter. Rebounding from the low of the year that occurred near the end of the second quarter, equity markets were quite volatile during the third quarter with nearly all of the gains being derived from September's strong returns. All U.S. equity economic sectors posted positive returns in the third quarter with materials (21.4%) leading the charge. From a style perspective, growth outperformed value for the third quarter. Despite mixed economic data wavering consumer confidence, markets reacted favorably to further speculation that the economy would not slide back into a recession.

Developed international equities and emerging markets increased 16.5% and 18.0%, respectively. Banking shares and energy companies led the advance while the decline in the U.S. dollar versus most other currencies proved beneficial to investors holding unhedged non-U.S. equity securities. The euro appreciated 10.3%, the Australian dollar nearly 13%, and the Japanese yen nearly 6% versus the U.S. dollar. The four major emerging markets regions all posted positive returns during the third quarter and over the year-to-date period. Returns for the emerging markets regions ranged between 15.8% to 21.8% during the quarter.

**Select Currencies Versus the U.S. Dollar
Ending September 2010**



Source: Bank of England

■ Quarter ■ YTD

MARKET ENVIRONMENT

MARKET HIGHLIGHTS

The yield curve fell across all maturities during the third quarter, with the yields on the 10- and 30-year bonds falling 43 and 20 basis points, respectively. The yield on the two-year note hit a historic low and finished the quarter at 0.42%. The spread between the three-month and 30-year maturities narrowed from 3.7% to 3.5%. Broad market bond returns were positive during the third quarter (+2.5%), contributing to a return of 7.9% for the year-to-date period. Returns were driven by rising bond prices during the third quarter (+1.6%), coupled with gains from coupon income (+1.0%). For the year-to-date period, both bond price changes and coupon income were positive, providing bond holders with competitive total returns. Mortgage-backed securities trailed the rest of the bond market during the third quarter (+0.6%) and year-to-date period (+2.5%), due to significant spread widening over concerns of possible government action. Long-term government bonds significantly outperformed shorter-term government bonds in the quarter and year-to-date, reflecting the reduction in longer maturity yields. And, continuing the trend from 2009, high yield bonds and lower rated investment-grade securities (BBB) outperformed higher quality bonds in the third quarter and year-to-date. Among high yield bonds, financials led the way with double digit returns to banking, brokerage, and insurance company issues.

**Fixed Income Returns By Quality
Ending September 2010**



MARKET ENVIRONMENT

MARKET HIGHLIGHTS

Through September 30, 2010

| Credit Spreads (bps) (Based on Barclays indices and OAS ^a) | Dec-09 | Jun-10 | Sep-10 | Quarterly Chg (bps) | YTD Chg (bps) | Quarterly Return (%) | YTD Return (%) |
|---|--------|--------|--------|------------------------|------------------|-------------------------|-------------------|
| Agency Fixed-Rate MBS | 19 | 9 | 86 | 77 | 67 | 0.6 | 5.2 |
| CMBS | 473 | 368 | 304 | -64 | -169 | 6.4 | 19.3 |
| ABS | 100 | 83 | 71 | -12 | -29 | 2.5 | 7.5 |
| IG Corporates | 172 | 193 | 175 | -18 | 3 | 4.7 | 10.8 |
| IG Financials | 226 | 249 | 215 | -34 | -11 | 5.1 | 10.0 |
| Convertibles | 916 | 800 | 838 | 38 | -78 | 9.8 | 9.4 |
| High Yield | 617 | 700 | 621 | -79 | 4 | 6.7 | 11.5 |
| Ba | 453 | 536 | 459 | -77 | 6 | 7.3 | 12.6 |
| B | 567 | 676 | 598 | -78 | 31 | 6.5 | 10.3 |
| Caa | 868 | 983 | 950 | -33 | 82 | 5.9 | 10.0 |
| Quality Spread (Caa-Ba) | 415 | 447 | 491 | 44 | 76 | - | - |
| Treasury Yields (% unless noted) | | | | | | | |
| 3-month | 0.05 | 0.16 | 0.15 | -1 | 10 | 0.1 | 0.1 |
| 2-year | 1.14 | 0.61 | 0.42 | -19 | -72 | 0.6 | 2.5 |
| 5-year | 2.68 | 1.78 | 1.26 | -52 | -142 | 3.3 | 10.0 |
| 10-year | 3.84 | 2.93 | 2.51 | -42 | -133 | 4.5 | 14.4 |
| 30-year | 4.64 | 3.89 | 3.68 | -21 | -96 | 4.7 | 20.6 |
| 3m-10y Spread (bps) | 379 | 277 | 236 | -41 | -143 | - | - |
| 2y-10y Spread (bps) | 270 | 232 | 209 | -23 | -61 | - | - |
| TIPS Breakevens^b (percentage points of implied inflation; negative = deflation) | | | | | | | |
| 2-year BE | 1.24 | 0.57 | 0.64 | 7 | -60 | - | - |
| 5-year BE | 1.95 | 1.52 | 1.28 | -24 | -67 | - | - |
| 10-year BE | 2.41 | 1.84 | 1.82 | -2 | -59 | - | - |
| 30-year BE | 2.55 | 2.19 | 2.07 | -12 | -48 | - | - |
| Liquidity Indicators (bps) | | | | | | | |
| 3-mo LIBOR | 25 | 53 | 29 | -24 | 4 | - | - |
| LIBOR-OIS Spread ^c | 9 | 33 | 11 | -22 | 2 | - | - |
| TED Spread ^d | 20 | 36 | 13 | -23 | -7 | - | - |
| Conventional Fixed Rate Mortgage | | | | | | | |
| 30-year | 5.18% | 4.68% | 4.32% | -36 | -86 | - | - |

^a Option-adjusted spread is the spread after removing embedded options, e.g., prepay, callable; better for cross-sector comparison.

^b TIPS Breakevens are the nominal Treasury yield minus the TIPS yield, and represent market expectations for inflation.

^c LIBOR-OIS is the spread between 3-month LIBOR and the overnight indexed swap rate, and is an indicator of banks' willingness to lend.

^d TED Spread is the difference between 3-month LIBOR and the 3-month T-bill yield, and is a measure of risk premium to lend.

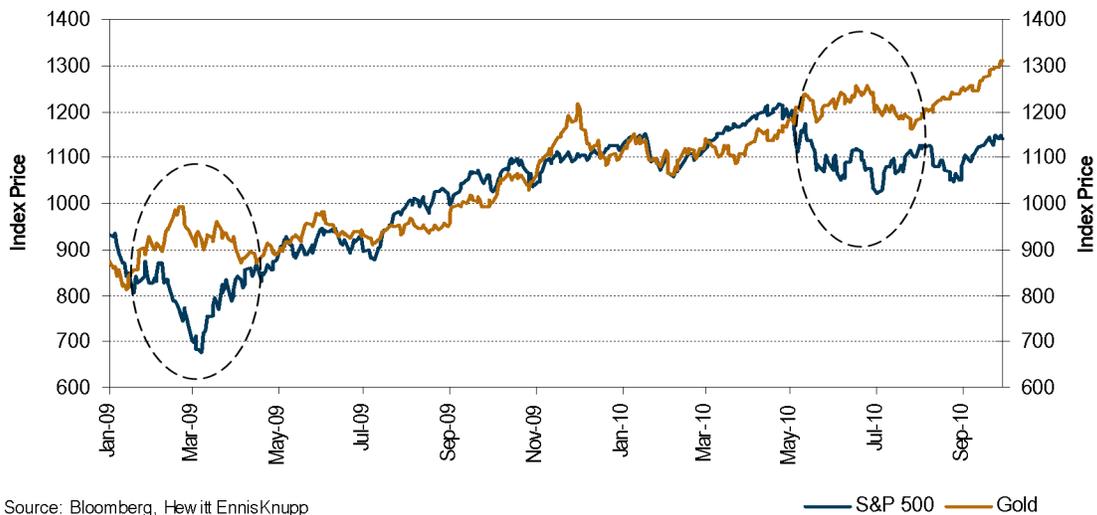
Source: Bloomberg, LehmanLive, Mortgage Bankers Association

MARKET ENVIRONMENT

MAJOR MARKET ISSUES

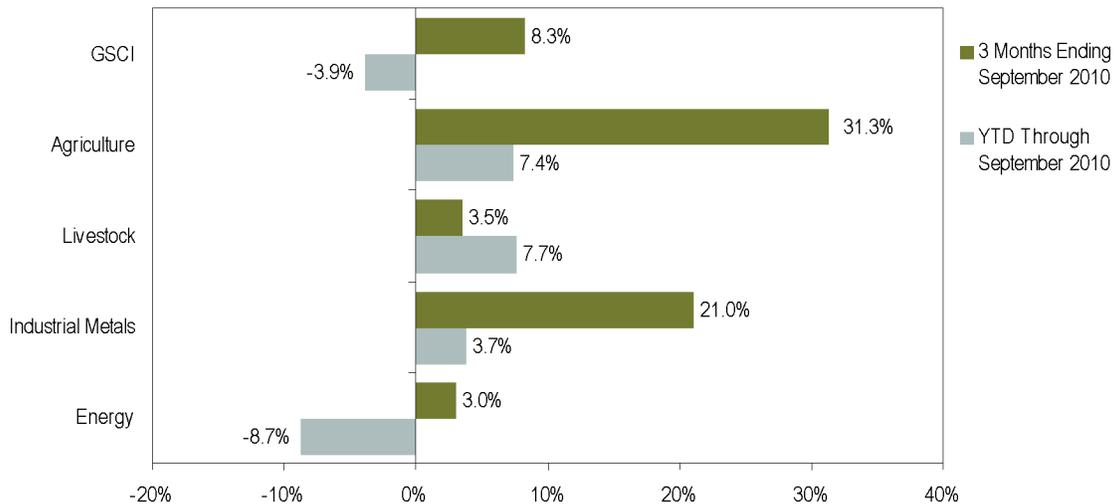
Commodity prices exhibited strong returns over the third quarter. Strength in emerging markets and a weaker U.S. dollar were key drivers for the quarter. Price momentum behind precious metals, particularly gold, has surged over recent months taking prices to an all-time high. Gold has continued to benefit, in some instances, from investors looking to hedge against a rise in risk aversion. The chart below illustrates where a sell-off in the S&P 500, a proxy for risk aversion in the market, coincides with a jump in gold prices. Other metals, such as silver and copper, had strong returns for the quarter with both up over 15 percent. Wheat prices surged after Russia announced a ban on grain exports, which drove up the price of corn and other substitutes.

S&P 500 vs. Gold Daily Closing Prices
Ending September 2010



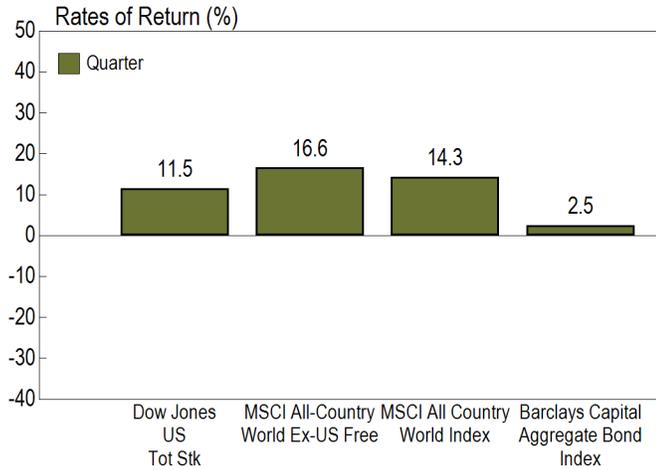
Source: Bloomberg, Hewitt EnnisKnupp

Commodity Market Highlights
S&P GSCI

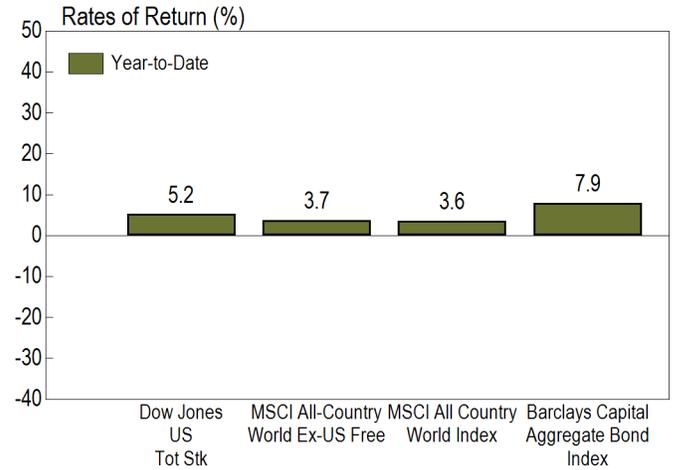


Source: Bloomberg

**MAJOR MARKET RETURNS
THIRD QUARTER**

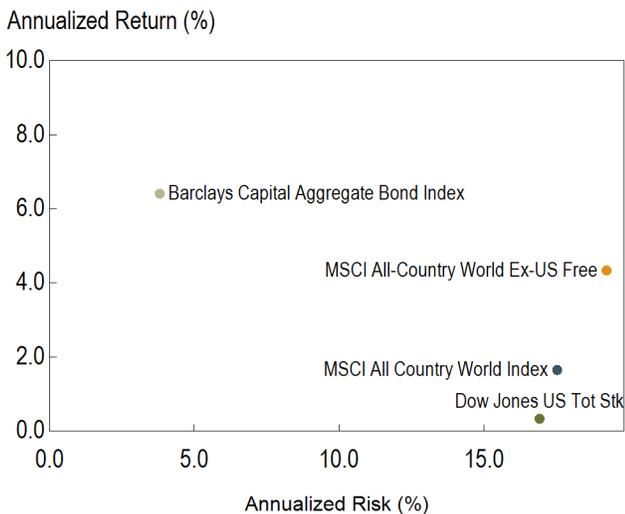


**MAJOR MARKET RETURNS
YEAR-TO-DATE ENDING 9/30/10**

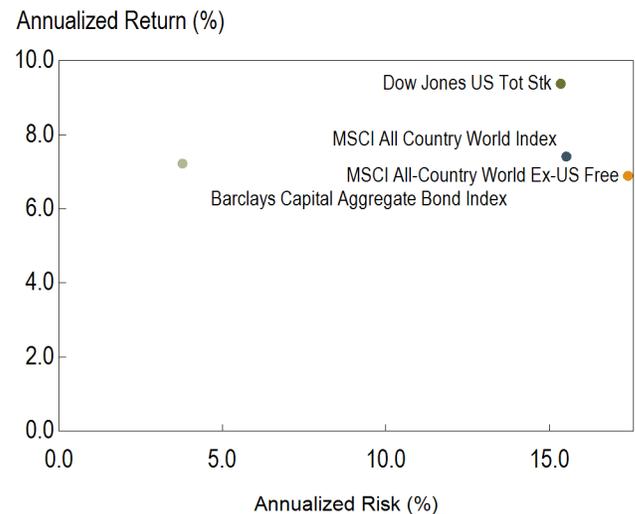


The exhibits above show the performance of the major capital markets during the third quarter and year-to-date periods.

**MARKET RISK/RETURN
10 YEARS ENDING 9/30/10**



**MARKET RISK/RETURN
20 YEARS ENDING 9/30/10**

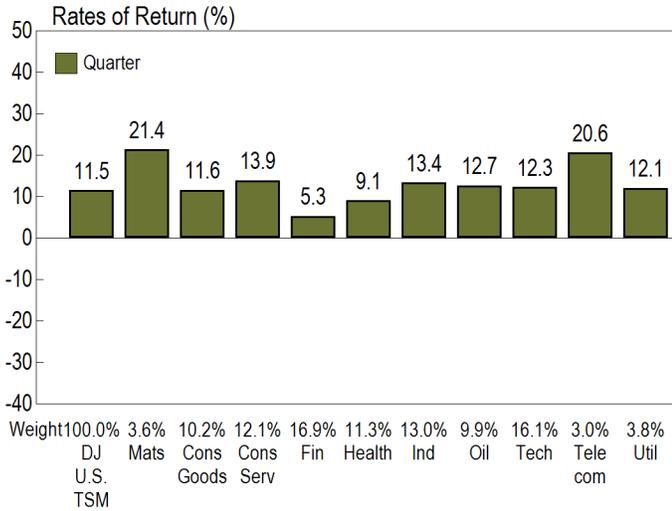


The exhibits above show the historical performance of the major capital markets and the amount of risk (volatility of returns) incurred. Points near the top of the chart represent a greater return and points near the right of the chart indicate greater volatility.

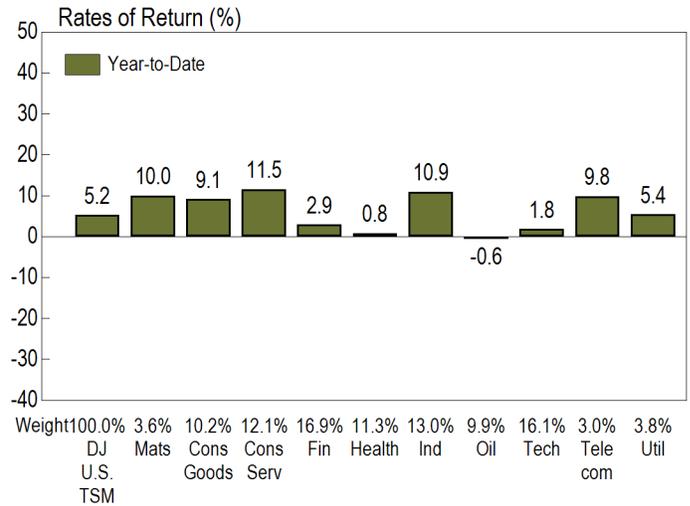
MARKET ENVIRONMENT

U.S. STOCK MARKET

SECTOR RETURNS THIRD QUARTER



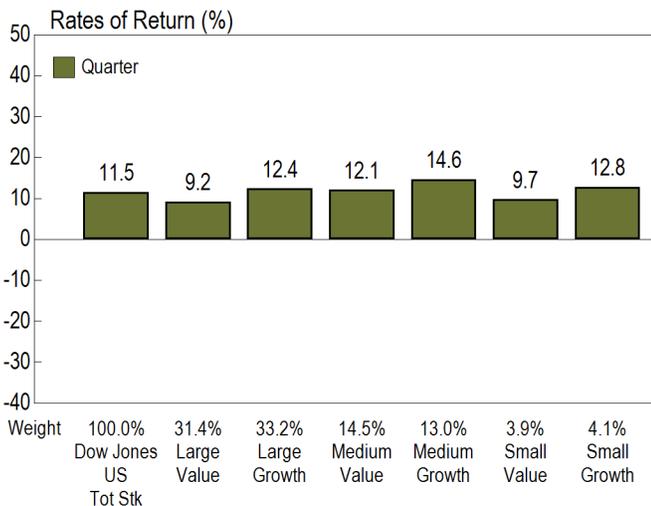
SECTOR RETURNS YEAR-TO-DATE ENDING 9/30/10



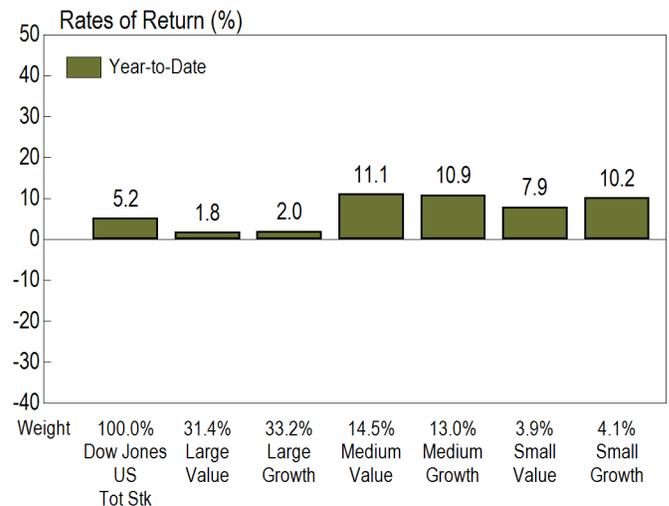
The Dow Jones U.S. Total Stock Market Index is the broadest available measure of the aggregate U.S. stock market. It includes all U.S. common stocks with readily available price information.

The exhibits above show the performance of the sectors that comprise the Dow Jones U.S. Total Stock Market Index. The percentage below each bar indicates the sector's weight within the Dow Jones U.S. Total Stock Market Index at quarter-end.

STYLE RETURNS THIRD QUARTER

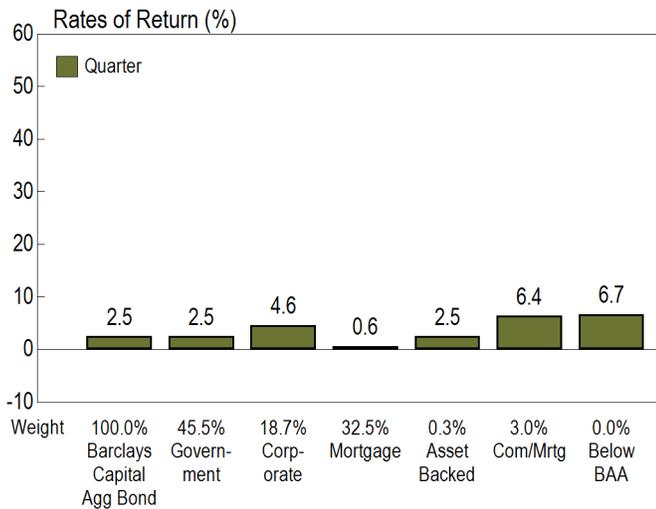


STYLE RETURNS YEAR-TO-DATE ENDING 9/30/10

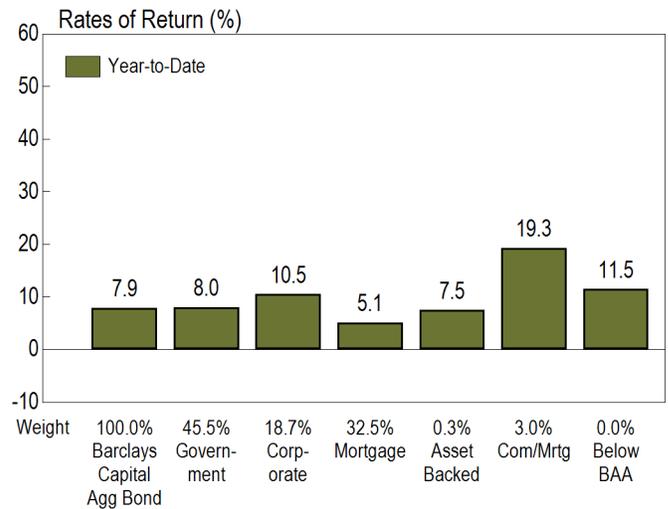


The exhibits above illustrate the performance of stock investment styles according to capitalization (large and small) and style characteristics (value and growth). The percentage below each bar indicates the segment's weight within the Dow Jones U.S. Total Stock Market Index at quarter-end.

**SECTOR RETURNS
THIRD QUARTER**



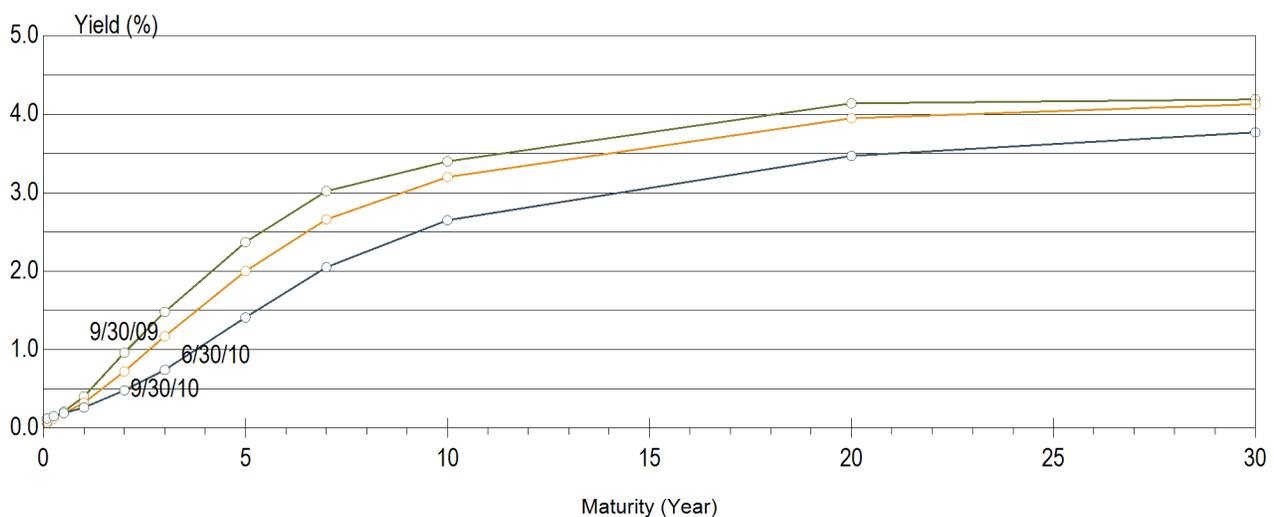
**SECTOR RETURNS
YEAR-TO-DATE ENDING 9/30/10**



The Barclays Capital Aggregate Bond Index is a broad measure of the U.S. investment grade fixed income market. The Index consists of credit, government, and mortgage-backed securities and includes credit card, auto, and home equity loan-backed securities.

The exhibits above show the performance of the sectors that comprise the broad domestic bond market. The percentage below each bar indicates the sector's weight within the Barclays Capital Aggregate Bond Index at quarter-end.

U.S. TREASURY CURVE

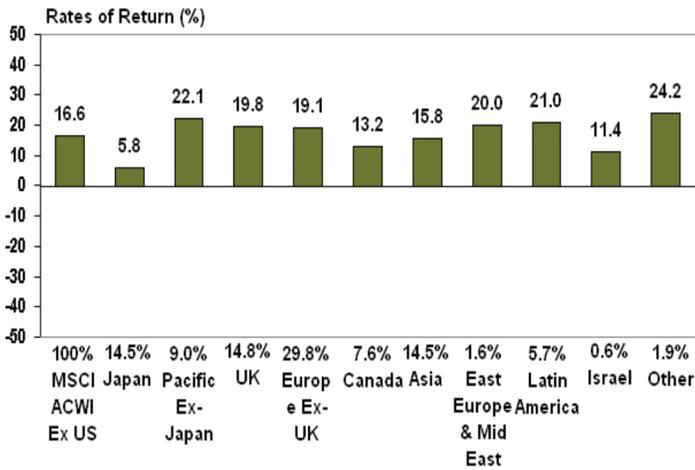


The exhibit above illustrates yields of Treasury securities of various maturities as of September 30, 2010 (Blue), June 30, 2010 (Gold), and September 30, 2009 (Green).

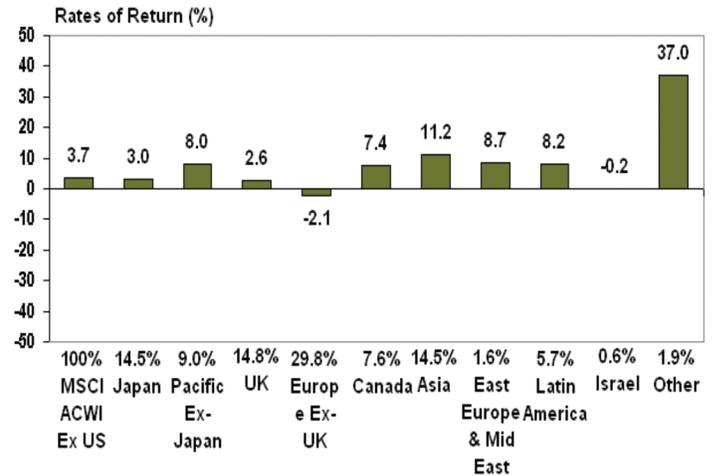
MARKET ENVIRONMENT

NON-US STOCK MARKETS

NON-U.S. STOCK MARKET RETURNS
THIRD QUARTER

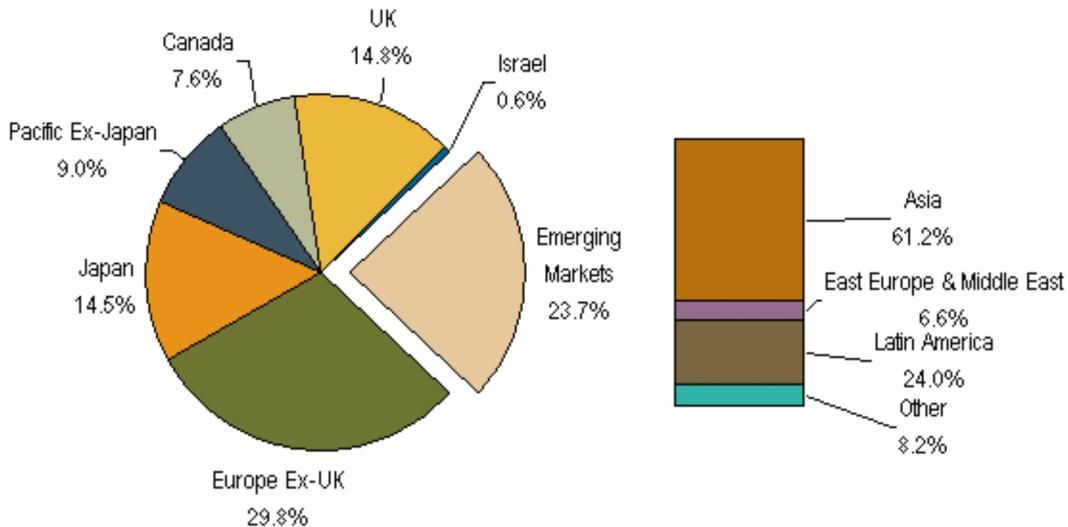


NON-U.S. STOCK MARKET RETURNS
YEAR-TO-DATE ENDING 9/30/2010



The MSCI All Country World ex-U.S. Index is a capitalization-weighted index of stocks representing 23 developed stock markets and 21 emerging stock markets around the world. The exhibits above show the performance of the regions that comprise the MSCI All Country World ex-U.S. Index at quarter-end.

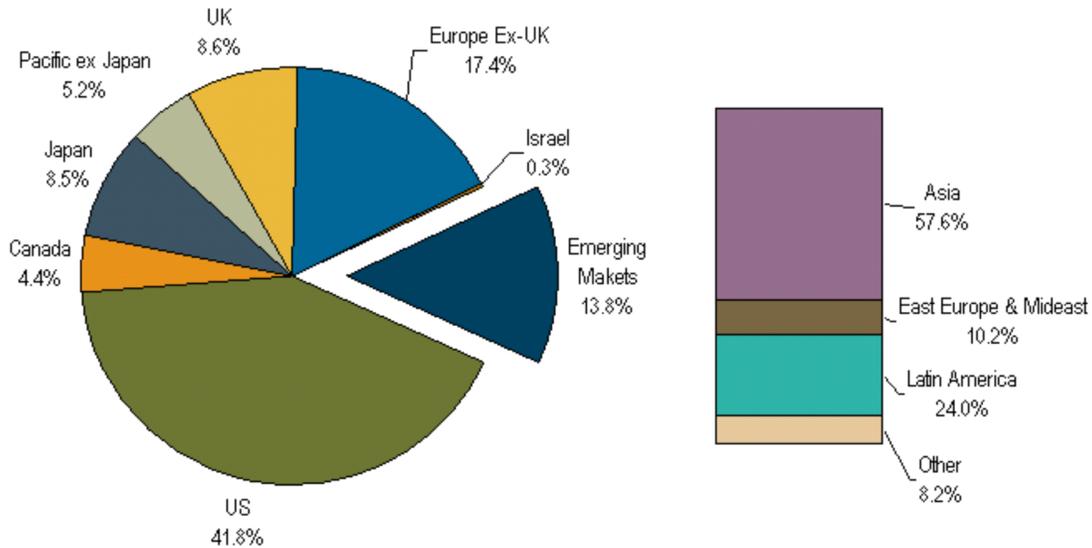
**MSCI ALL-COUNTRY WORLD EX-U.S. STOCK INDEX
GEOGRAPHIC ALLOCATION AS OF 9/30/2010**



The exhibit above illustrates the percent each region represents of the non-U.S. stock market as measured by the MSCI All Country World ex-U.S. Index.

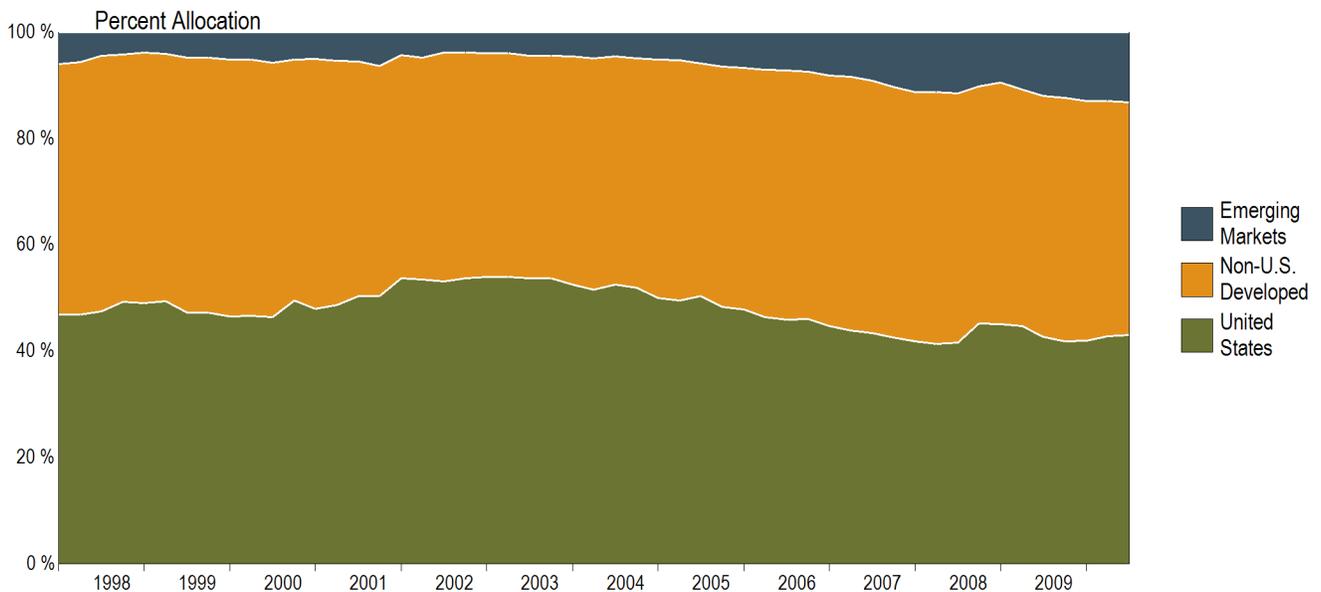
Note on Other: Includes South Africa, Egypt, and Morocco. Returns expressed are the weighted average returns.

**MSCI ALL-COUNTRY WORLD STOCK INDEX
 GEOGRAPHIC ALLOCATION AS OF 9/30/2010**



The MSCI All Country World Index is a capitalization-weighted index of stocks representing 24 developed stock markets and 21 emerging stock markets around the world. The graph above shows the allocation to each region at quarter-end. Note on Other: Includes South Africa, Egypt, and Morocco.

ALLOCATION



The graph above shows the changes in the breakdown between the United States, non-U.S. developed markets, and emerging markets in the MSCI All Country World Index over time.

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RETURN SUMMARY
ENDING 9/30/10

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|----------------------|---------------|--------------|-----------------------|------------------------|------------------------|
| TRP PS Income | 8.1% | 6.5% | 9.7% | 2.0% | 5.0% |
| Custom Benchmark | 6.0 | 5.4 | 7.8 | 0.8 | 3.8 |

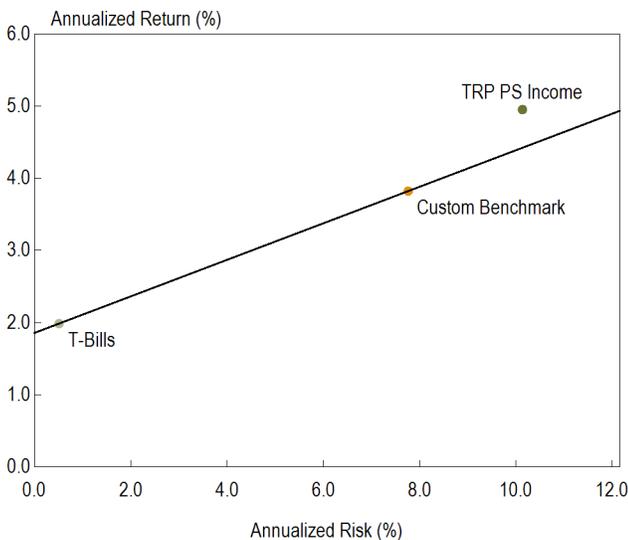
Investment Strategy

T. Rowe Price Personal Strategy Income Fund seeks to provide income, with a secondary goal of capital appreciation. The Fund invests in a variety of both stocks and bonds, with an emphasis on dividend-paying stocks and government and high-quality corporate, income-producing bonds.

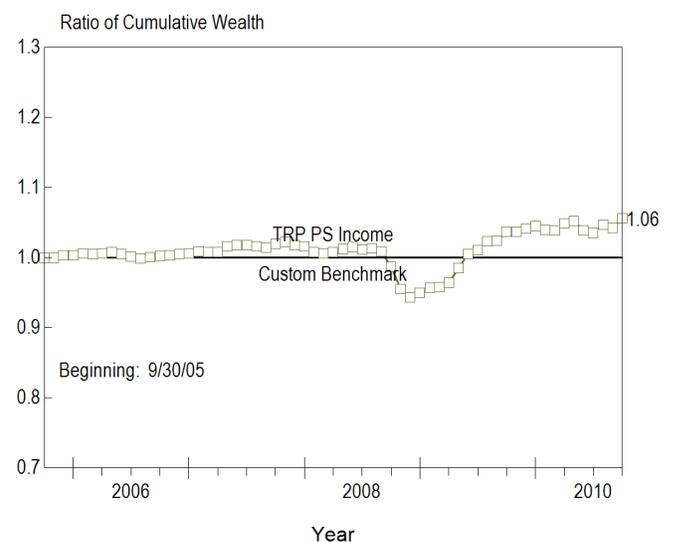
The Fund's target asset allocation is 40% stocks, 40% bonds, and 20% cash. Typically, the Fund maintains a 5% - 10% exposure to non-U.S. stocks. It is the most conservative of the three T. Rowe Price lifestyle funds.

As illustrated in the graphs below and the table above, T. Rowe Price Personal Strategy Income Fund has exceeded the Index over the trailing five-year period at a higher level of risk.

ANNUALIZED RISK RETURN
5 YEARS ENDING 9/30/10



RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 9/30/10



T. ROWE PRICE

PERSONAL STRATEGY INCOME

Fund Information as of 09/30/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | T Rowe Price Prs Str:Inc |
| Ticker | PRSIX |
| Category | Conservative Allocation |
| Benchmark | Custom Benchmark |
| Expense Ratio | 0.66% |
| Fund Assets (\$mm) | 891.60 |
| Share Class Inception Date | 7/29/1994 |
| Manager Tenure | 12 |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|------|
| BUSINESS SERVICES | 1.9% |
| CONSUMER GOODS | 3.3% |
| CONSUMER SERVICES | 4.5% |
| ENERGY | 4.3% |
| FINANCIAL SERVICES | 8.0% |
| HARDWARE | 3.8% |
| HEALTHCARE | 3.6% |
| INDUSTRIAL MATERIALS | 6.1% |
| MEDIA | 2.0% |
| SOFTWARE | 0.9% |
| TELECOMMUNICATION | 3.3% |
| UTILITIES | 1.3% |

Top Holdings as of 09/30/2010

| | |
|---|-------|
| RESERVE INVT FDS | 11.2% |
| T. ROWE PRICE INSTL HIGH YIELD | 7.8% |
| T. ROWE PRICE INSTL EMERGING MKTS BOND | 6.3% |
| T. ROWE PRICE INSTL INTL BOND | 5.8% |
| T. ROWE PRICE INSTL EMERGING MKTS EQ | 1.7% |
| APPLE, INC. | 1.2% |
| US TREASURY NOTE 3.125% | 1.2% |
| US TREASURY NOTE 1.75% | 1.0% |
| GOOGLE, INC. | 0.8% |
| US TREASURY NOTE 2.625% | 0.8% |

HISTORICAL RETURNS

(BY YEAR)

| | TRP PS Income | Custom Benchmark | Return Difference |
|------------------|---------------|------------------|-------------------|
| | Return | Return | |
| 2000 | 6.6% | 1.0% | 5.6 |
| 2001 | 0.9 | -0.9 | 1.8 |
| 2002 | -3.4 | -4.1 | 0.7 |
| 2003 | 18.6 | 14.3 | 4.3 |
| 2004 | 9.9 | 7.4 | 2.5 |
| 2005 | 5.2 | 4.5 | 0.7 |
| 2006 | 9.6 | 9.3 | 0.3 |
| 2007 | 7.3 | 6.3 | 1.0 |
| 2008 | -20.4 | -14.9 | -5.5 |
| 2009 | 25.5 | 14.0 | 11.5 |
| 2010 (9 months) | 6.5 | 5.4 | 1.1 |
| Trailing 1-Year | 9.7% | 7.8% | 1.9 |
| Trailing 3-Year | 2.0 | 0.8 | 1.2 |
| Trailing 5-Year | 5.0 | 3.8 | 1.2 |
| Trailing 10-Year | 5.5 | 3.6 | 1.9 |

* Fund information throughout the report is shown as of the most recent date available.

RETURN SUMMARY
ENDING 9/30/10

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|------------------------|---------------|--------------|-----------------------|------------------------|------------------------|
| TRP PS Balanced | 10.1% | 6.3% | 10.6% | -0.5% | 4.2% |
| Custom Benchmark | 8.2 | 5.5 | 8.9 | -1.4 | 3.3 |

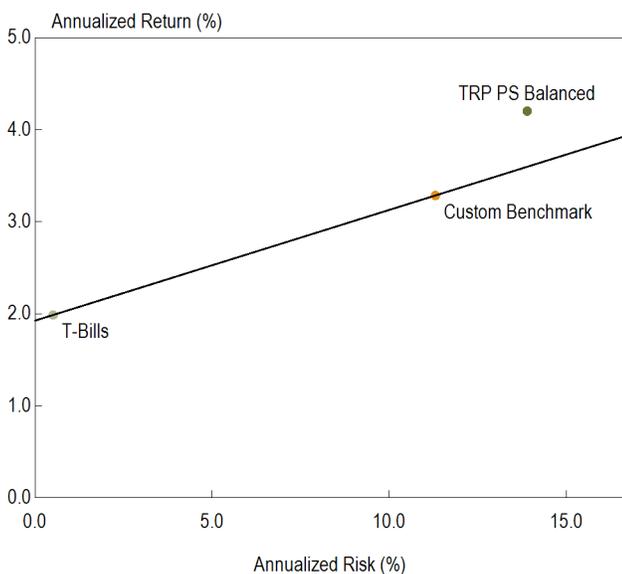
Investment Strategy

T. Rowe Price Personal Strategy Balanced Fund seeks both capital appreciation and income. The Fund invests in a variety of both stocks and bonds, with an emphasis on blue-chip, dividend-paying stocks, government and high-quality corporate, income-producing bonds.

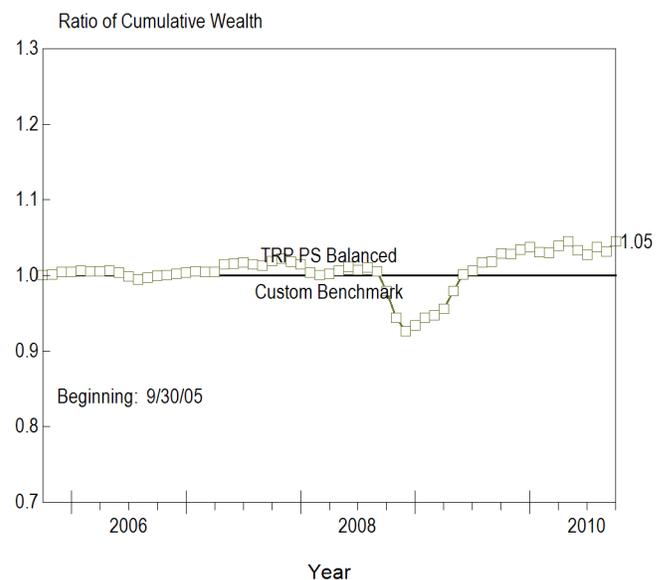
The Fund's neutral asset allocation is 60% stocks, 30% bonds, and 10% cash. Typically, the Fund maintains a 10% exposure to non-U.S. stocks. The balanced fund is the moderate fund relative to the three T. Rowe Price lifestyle funds in terms of expected risk and reward.

As illustrated in the graphs below and the table above, T. Rowe Price Personal Strategy Balanced Fund has exceeded the Index over the trailing five-year period at a higher level of risk.

ANNUALIZED RISK RETURN
5 YEARS ENDING 9/30/10



RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 9/30/10



T. ROWE PRICE

PERSONAL STRATEGY BALANCED

Fund Information as of 09/30/2010

| | |
|-----------------------------------|---------------------|
| Fund Name | PRICE-PERS BALAN |
| Ticker | TRPBX |
| Category | Moderate Allocation |
| Benchmark | Custom Benchmark |
| Expense Ratio | 0.77% |
| Fund Assets (\$mm) | 1,508.10 |
| Share Class Inception Date | 7/29/1994 |
| Manager Tenure | 12 |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|-------|
| BUSINESS SERVICES | 2.8% |
| CONSUMER GOODS | 4.7% |
| CONSUMER SERVICES | 6.6% |
| ENERGY | 6.2% |
| FINANCIAL SERVICES | 11.7% |
| HARDWARE | 5.6% |
| HEALTHCARE | 5.2% |
| INDUSTRIAL MATERIALS | 8.9% |
| MEDIA | 2.9% |
| SOFTWARE | 1.3% |
| TELECOMMUNICATION | 4.7% |
| UTILITIES | 1.9% |

Top Holdings as of 09/30/2010

| | |
|---|------|
| T. ROWE PRICE INSTL HIGH YIELD | 5.1% |
| T. ROWE PRICE INSTL EMERGING MKTS BOND | 4.1% |
| T. ROWE PRICE INSTL INTL BOND | 3.7% |
| T. ROWE PRICE INSTL EMERGING MKTS EQ | 2.5% |
| RESERVE INVT FDS | 2.2% |
| APPLE, INC. | 1.8% |
| GOOGLE, INC. | 1.2% |
| US TREASURY NOTE 1.75% | 1.1% |
| AMAZON.COM, INC. | 1.1% |
| US TREASURY NOTE 2.625% | 0.9% |

HISTORICAL RETURNS

(BY YEAR)

| | TRP PS Balanced | Custom Benchmark | Return Difference |
|------------------|-----------------|------------------|-------------------|
| | Return | Return | |
| 2000 | 5.6% | -3.0% | 8.6 |
| 2001 | -2.5 | -4.7 | 2.2 |
| 2002 | -7.7 | -9.2 | 1.5 |
| 2003 | 24.4 | 20.4 | 4.0 |
| 2004 | 12.6 | 9.6 | 3.0 |
| 2005 | 6.4 | 5.6 | 0.8 |
| 2006 | 11.9 | 12.1 | -0.2 |
| 2007 | 7.7 | 6.5 | 1.2 |
| 2008 | -29.3 | -23.2 | -6.1 |
| 2009 | 32.6 | 19.3 | 13.3 |
| 2010 (9 months) | 6.3 | 5.5 | 0.8 |
| Trailing 1-Year | 10.6% | 8.9% | 1.7 |
| Trailing 3-Year | -0.5 | -1.4 | 0.9 |
| Trailing 5-Year | 4.2 | 3.3 | 0.9 |
| Trailing 10-Year | 5.0 | 2.9 | 2.1 |

RETURN SUMMARY
ENDING 9/30/10

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|----------------------|---------------|--------------|-----------------------|------------------------|------------------------|
| TRP PS Growth | 11.9% | 5.5% | 10.7% | -4.1% | 2.7% |
| Custom Benchmark | 10.4 | 5.6 | 10.1 | -3.7 | 2.6 |

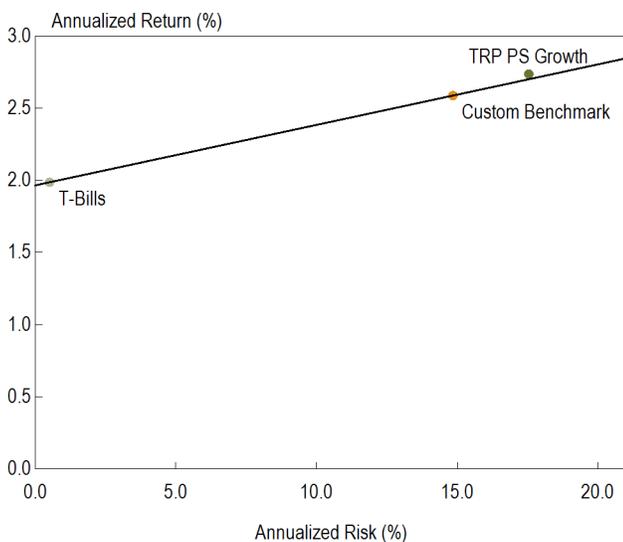
Investment Strategy

T. Rowe Price Personal Strategy Growth Fund seeks capital appreciation, with a secondary goal of income. The Fund invests in a variety of both stocks and bonds, with an emphasis on blue-chip, dividend-paying stocks, government and high-quality corporate, and income-producing bonds.

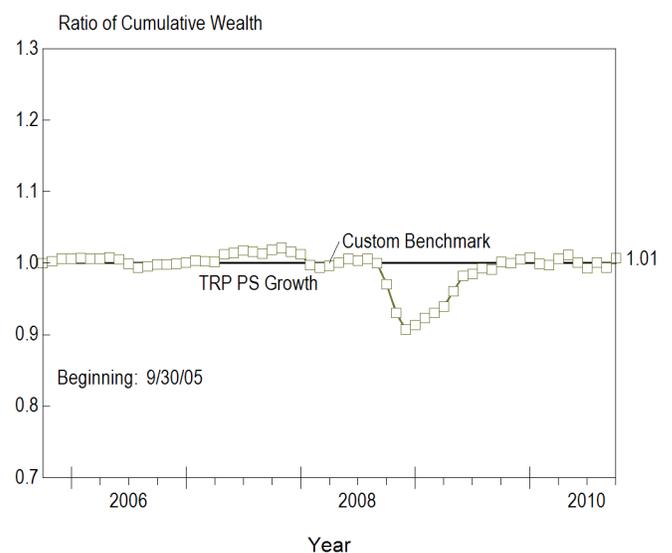
The Fund's neutral asset allocation is 80% stocks and 20% bonds. Typically, the Fund maintains a 15% - 25% exposure to non-U.S. stocks. The growth fund has the highest expected risk/reward profile of the three T. Rowe Price lifestyle funds.

As illustrated in the graphs below and the table above, T. Rowe Price Personal Strategy Growth Fund has modestly exceeded the Index over the trailing five-year period at a higher level of risk.

ANNUALIZED RISK RETURN
5 YEARS ENDING 9/30/10



RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 9/30/10



T. ROWE PRICE

PERSONAL STRATEGY GROWTH

Fund Information as of 09/30/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | T Rowe Price Prs Str:Gro |
| Ticker | TRSGX |
| Category | Large Blend |
| Benchmark | Custom Benchmark |
| Expense Ratio | 0.85% |
| Fund Assets (\$mm) | 1,039.97 |
| Share Class Inception Date | 7/29/1994 |
| Manager Tenure | 12 |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|-------|
| BUSINESS SERVICES | 3.7% |
| CONSUMER GOODS | 6.1% |
| CONSUMER SERVICES | 8.6% |
| ENERGY | 8.2% |
| FINANCIAL SERVICES | 15.4% |
| HARDWARE | 7.4% |
| HEALTHCARE | 6.8% |
| INDUSTRIAL MATERIALS | 11.7% |
| MEDIA | 3.8% |
| SOFTWARE | 1.7% |
| TELECOMMUNICATION | 6.2% |
| UTILITIES | 2.5% |

Top Holdings as of 09/30/2010

| | |
|---|------|
| T. ROWE PRICE INSTL EMERGING MKTS EQ | 3.2% |
| APPLE, INC. | 2.3% |
| T. ROWE PRICE INSTL HIGH YIELD | 2.3% |
| T. ROWE PRICE INSTL EMERGING MKTS BOND | 1.9% |
| T. ROWE PRICE INSTL INTL BOND | 1.7% |
| GOOGLE, INC. | 1.6% |
| AMAZON.COM, INC. | 1.4% |
| SCHLUMBERGER, LTD. | 1.0% |
| J.P. MORGAN CHASE & CO. | 1.0% |
| DANAHER CORPORATION | 1.0% |

HISTORICAL RETURNS

(BY YEAR)

| | TRP PS Growth | Custom Benchmark | Return Difference |
|------------------|---------------|------------------|-------------------|
| | Return | Return | |
| 2000 | 4.7% | -7.0% | 11.7 |
| 2001 | -6.0 | -8.4 | 2.4 |
| 2002 | -12.4 | -14.4 | 2.0 |
| 2003 | 29.3 | 26.6 | 2.7 |
| 2004 | 15.0 | 11.8 | 3.2 |
| 2005 | 7.6 | 6.5 | 1.1 |
| 2006 | 14.1 | 14.7 | -0.6 |
| 2007 | 7.8 | 6.7 | 1.1 |
| 2008 | -37.6 | -30.8 | -6.8 |
| 2009 | 37.5 | 24.5 | 13.0 |
| 2010 (9 months) | 5.5 | 5.6 | -0.1 |
| Trailing 1-Year | 10.7% | 10.1% | 0.6 |
| Trailing 3-Year | -4.1 | -3.7 | -0.4 |
| Trailing 5-Year | 2.7 | 2.6 | 0.1 |
| Trailing 10-Year | 4.0 | 2.1 | 1.9 |

VANGUARD TARGET RETIREMENT FUNDS

RETURN SUMMARY ENDING 9/30/10

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|---|---------------|--------------|--------------------------|---------------------------|---------------------------|
| Vanguard Target Retirement Income Fund | 5.5% | 6.8% | 9.0% | 3.4% | 4.7% |
| Target Retirement Income Benchmark | 5.5 | 6.8 | 9.1 | 3.2 | 4.7 |
| Vanguard Target Retirement 2005 Fund | 6.1 | 6.7 | 9.3 | 1.7 | 4.3 |
| Target Retirement 2005 Benchmark | 6.2 | 6.8 | 9.4 | 1.7 | 4.2 |
| Vanguard Target Retirement 2010 Fund | 7.6 | 6.6 | 9.8 | 0.3 | -- |
| Target Retirement 2010 Benchmark | 7.7 | 6.7 | 10.0 | 0.2 | -- |
| Vanguard Target Retirement 2015 Fund | 8.6 | 6.4 | 9.9 | -0.9 | 3.6 |
| Target Retirement 2015 Benchmark | 8.7 | 6.5 | 10.1 | -1.0 | 3.5 |
| Vanguard Target Retirement 2020 Fund | 9.4 | 6.1 | 10.0 | -2.0 | -- |
| Target Retirement 2020 Benchmark | 9.5 | 6.2 | 10.2 | -2.1 | -- |
| Vanguard Target Retirement 2025 Fund | 10.1 | 5.7 | 10.1 | -3.2 | 2.7 |
| Target Retirement 2025 Benchmark | 10.2 | 5.9 | 10.3 | -3.2 | 2.7 |
| Vanguard Target Retirement 2030 Fund | 11.0 | 5.4 | 10.2 | -4.2 | -- |
| Target Retirement 2030 Benchmark | 11.0 | 5.5 | 10.4 | -4.3 | -- |
| Vanguard Target Retirement 2035 Fund | 11.7 | 5.2 | 10.2 | -4.9 | 2.2 |
| Target Retirement 2035 Benchmark | 11.7 | 5.2 | 10.4 | -5.0 | 2.2 |
| Vanguard Target Retirement 2040 Fund | 11.8 | 5.1 | 10.2 | -4.8 | -- |
| Target Retirement 2040 Benchmark | 11.7 | 5.2 | 10.4 | -5.0 | -- |
| Vanguard Target Retirement 2045 Fund | 11.8 | 5.2 | 10.2 | -4.8 | 2.4 |
| Target Retirement 2045 Benchmark | 11.7 | 5.2 | 10.4 | -5.0 | 2.3 |
| Vanguard Target Retirement 2050 Fund | 11.8 | 5.2 | 10.3 | -4.8 | -- |
| Target Retirement 2050 Benchmark | 11.7 | 5.2 | 10.4 | -5.0 | -- |

Investment Strategy

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

VANGUARD TARGET RETIREMENT FUNDS

Vanguard Target Retirement Income Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 23.9% |
| International Stocks | 6.1 |
| Nominal Bonds | 45.2 |
| Inflation-Protected Bonds | 19.9 |
| Cash | 4.9 |

Vanguard Target Retirement 2005 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 28.0% |
| International Stocks | 7.0 |
| Nominal Bonds | 43.9 |
| Inflation-Protected Bonds | 17.4 |
| Cash | 3.7 |

Vanguard Target Retirement 2010 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 39.4% |
| International Stocks | 9.8 |
| Nominal Bonds | 40.2 |
| Inflation-Protected Bonds | 10.4 |
| Cash | 0.2 |

Vanguard Target Retirement 2015 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 47.3% |
| International Stocks | 12.3 |
| Nominal Bonds | 39.9 |
| Inflation-Protected Bonds | 0.5 |
| Cash | 0.0 |

Vanguard Target Retirement 2020 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 53.7% |
| International Stocks | 13.3 |
| Nominal Bonds | 33.0 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2025 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 59.6% |
| International Stocks | 15.2 |
| Nominal Bonds | 25.2 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2030 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 65.7% |
| International Stocks | 16.4 |
| Nominal Bonds | 17.9 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2035 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 71.7% |
| International Stocks | 17.9 |
| Nominal Bonds | 10.4 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2040 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 72.1% |
| International Stocks | 17.9 |
| Nominal Bonds | 10.0 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2045 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 72.0% |
| International Stocks | 18.0 |
| Nominal Bonds | 10.0 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2050 Fund

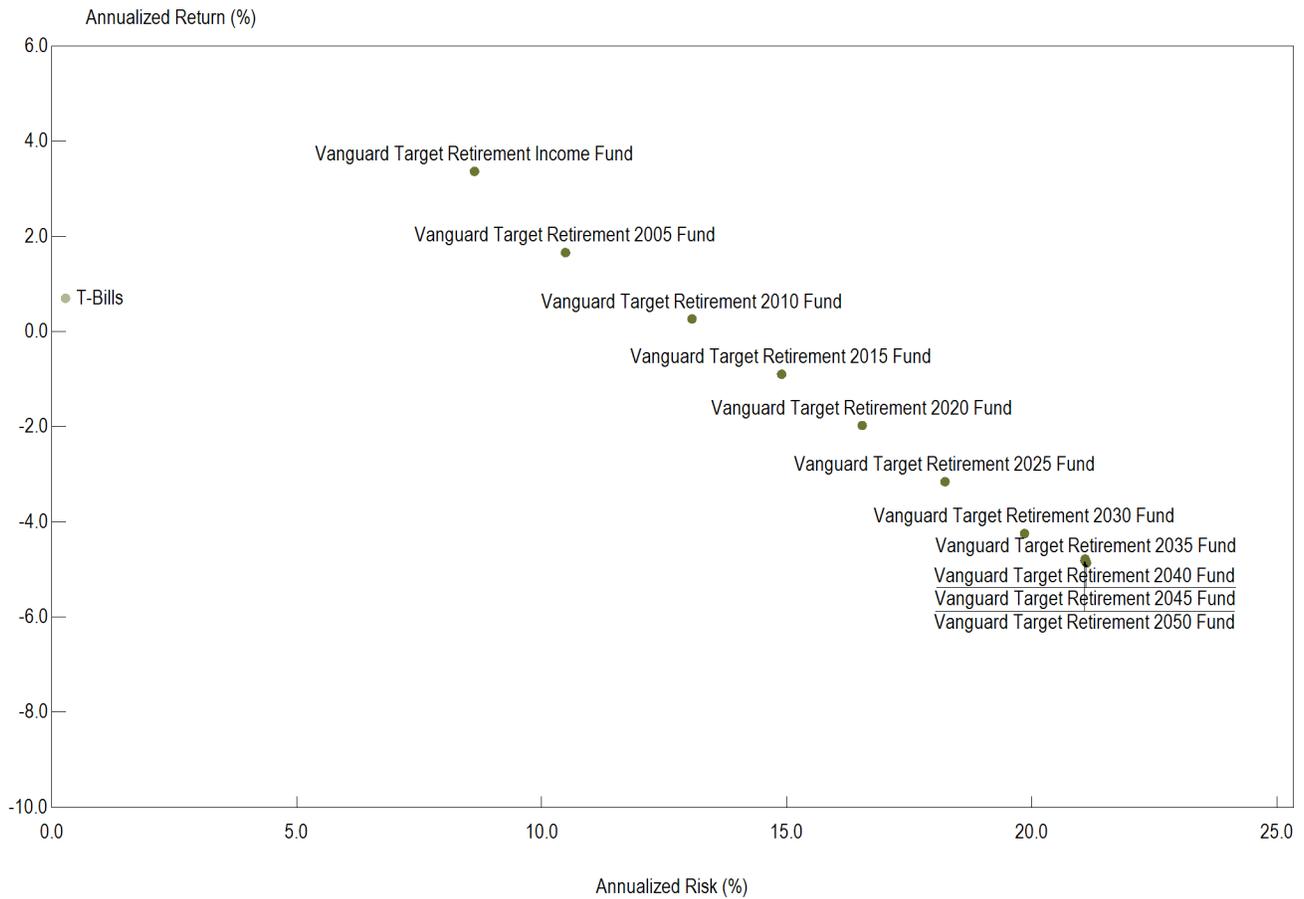
| | |
|---------------------------|-------|
| Domestic Stocks | 72.0% |
| International Stocks | 18.0 |
| Nominal Bonds | 10.0 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Asset Allocation Table

The tables above illustrate the asset allocations for the Vanguard Retirement Funds as of September 30, 2010.

VANGUARD TARGET RETIREMENT FUNDS

ANNUALIZED RISK RETURN 3 YEARS ENDING 9/30/10



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VANGUARD TOTAL BOND MARKET INDEX

RETURN SUMMARY ENDING 9/30/10

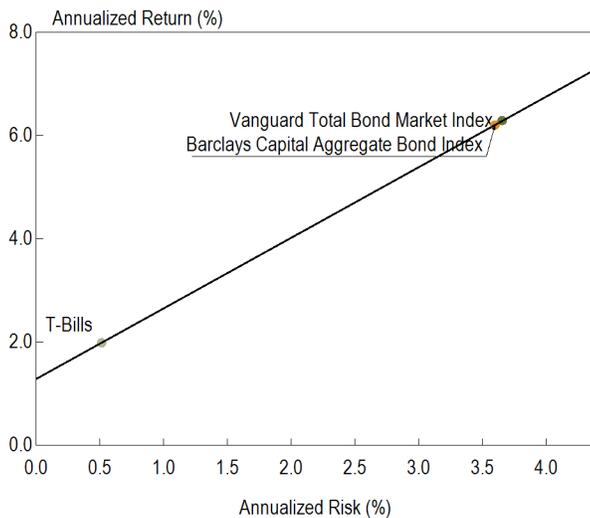
| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|---|---------------|--------------|-----------------------|------------------------|------------------------|
| Vanguard Total Bond Market Index | 2.5% | 8.0% | 8.1% | 7.5% | 6.3% |
| Barclays Capital Aggregate Bond Index | 2.5 | 7.9 | 8.2 | 7.4 | 6.2 |

Investment Strategy

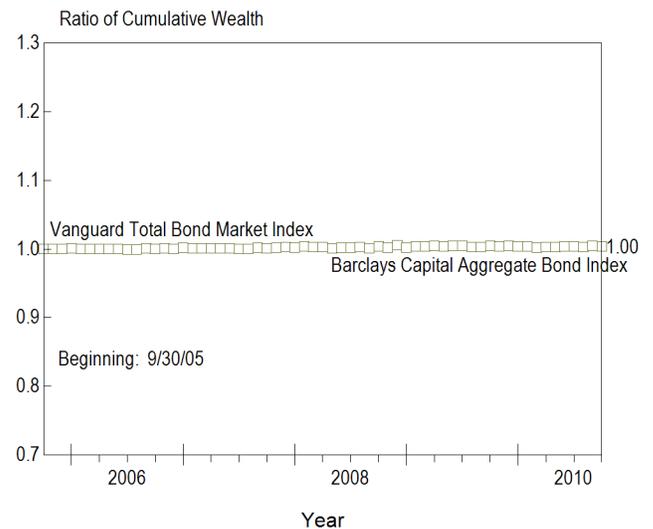
The Vanguard Total Bond Market Index Fund seeks to replicate the performance of the Barclays Capital Aggregate Bond Index. The Fund holds U.S. government and agency securities, high-quality corporate bonds, and mortgage-backed issues.

The Fund attempts to simulate the market's performance by holding a sampling of the more than 4,000 bonds in the Barclays Capital Aggregate Bond Index. Characteristics of the Fund, including interest-rate sensitivity and sector weightings, closely match those of the Index.

ANNUALIZED RISK RETURN 5 YEARS ENDING 9/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 9/30/10



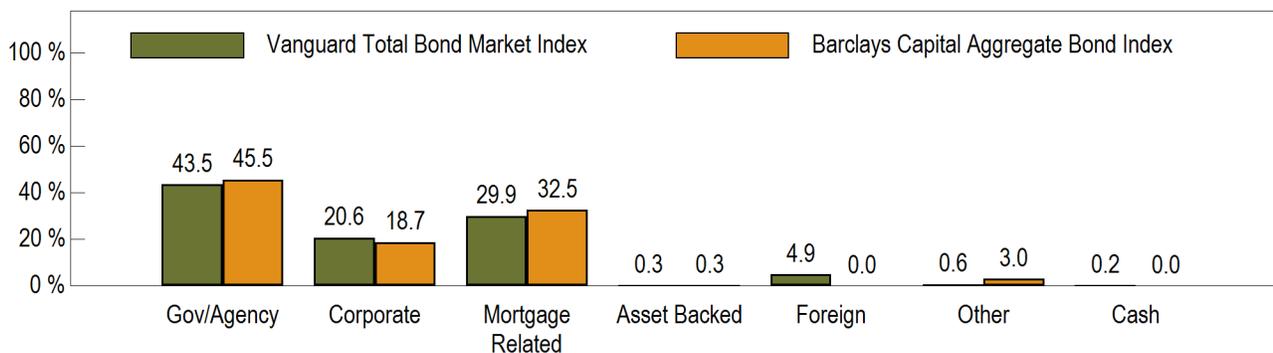
VANGUARD TOTAL BOND MARKET INDEX

Fund Information as of 09/30/2010

| | |
|-----------------------------------|---------------------------------------|
| Fund Name | VANGUARD-TOT-INS |
| Ticker | VBTIX |
| Category | Intermediate-Term Bond |
| Benchmark | Barclays Capital Aggregate Bond Index |
| Expense Ratio | 0.07% |
| Fund Assets (\$mm) | 20,299.85 |
| Share Class Inception Date | 9/18/1995 |
| Manager Tenure | 18 |

SECTOR ALLOCATION AS OF 9/30/10

Vanguard Total Bond Market Index



HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Total Bond Market Index | Barclays Capital Aggregate Bond Index | Return Difference |
|------------------|----------------------------------|---------------------------------------|-------------------|
| | Return | Return | |
| 2000 | 11.5% | 11.6% | -0.1 |
| 2001 | 8.6 | 8.4 | 0.2 |
| 2002 | 8.4 | 10.3 | -1.9 |
| 2003 | 4.1 | 4.1 | 0.0 |
| 2004 | 4.4 | 4.3 | 0.1 |
| 2005 | 2.5 | 2.4 | 0.1 |
| 2006 | 4.4 | 4.3 | 0.1 |
| 2007 | 7.0 | 7.0 | 0.0 |
| 2008 | 5.2 | 5.2 | 0.0 |
| 2009 | 6.1 | 5.9 | 0.2 |
| 2010 (9 months) | 8.0 | 7.9 | 0.1 |
| Trailing 1-Year | 8.1% | 8.2% | -0.1 |
| Trailing 3-Year | 7.5 | 7.4 | 0.1 |
| Trailing 5-Year | 6.3 | 6.2 | 0.1 |
| Trailing 10-Year | 6.3 | 6.4 | -0.1 |

RETURN SUMMARY ENDING 9/30/10

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|--|---------------|--------------|-----------------------|------------------------|------------------------|
| Vanguard Institutional Index Fund | 11.3 % | 3.9 % | 10.2 % | -7.1 % | 0.7 % |
| S&P 500 Index | 11.3 | 3.9 | 10.2 | -7.2 | 0.6 |

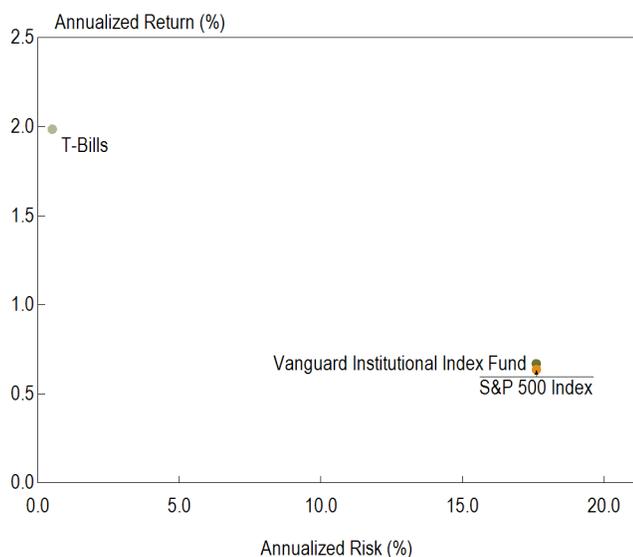
Investment Strategy

The Vanguard Institutional Index Fund is designed to approximate the performance of the S&P 500 Stock Index. The Fund holds a capitalization-weighted position in all 500 securities of the S&P 500 Stock Index.

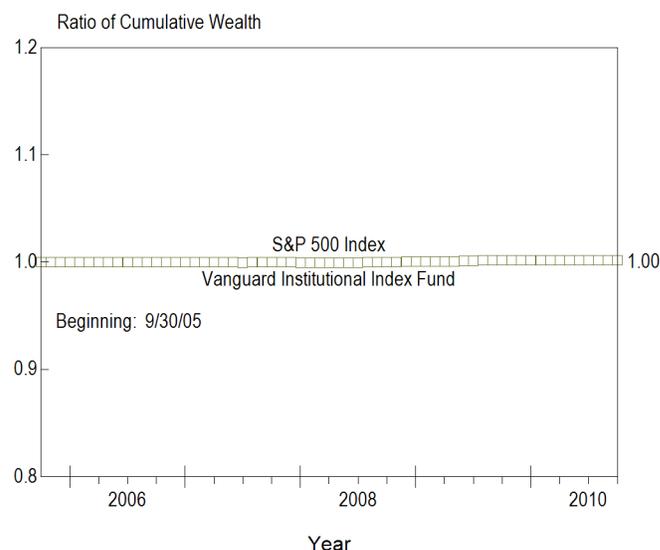
Management uses S&P 500 Index futures to manage fund inflows and outflows.

As illustrated in the graphs below and the table above, Vanguard Institutional Index Fund has tracked the Index over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 9/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 9/30/10



VANGUARD INSTITUTIONAL INDEX

Fund Information as of 09/30/2010

| | |
|-----------------------------------|------------------|
| Fund Name | VANGUARD-INST-IS |
| Ticker | VINIX |
| Category | Large Blend |
| Benchmark | S&P 500 Index |
| Expense Ratio | 0.05% |
| Fund Assets (\$mm) | 48,658.31 |
| Share Class Inception Date | 7/31/1990 |
| Manager Tenure | 6 |

Sector Allocation as of 06/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 3.21% |
| CONSUMER GOODS | 11.32% |
| CONSUMER SERVICES | 8.76% |
| ENERGY | 10.44% |
| FINANCIAL SERVICES | 15.80% |
| HARDWARE | 11.26% |
| HEALTHCARE | 11.17% |
| INDUSTRIAL MATERIALS | 10.49% |
| MEDIA | 2.92% |
| SOFTWARE | 4.17% |
| TELECOMMUNICATION | 4.77% |
| UTILITIES | 3.61% |

Top Holdings as of 06/30/2010

| | |
|---|-------|
| EXXONMOBIL CORPORATION | 3.12% |
| APPLE, INC. | 2.45% |
| MICROSOFT CORPORATION | 1.88% |
| PROCTER & GAMBLE COMPANY | 1.85% |
| JOHNSON & JOHNSON | 1.74% |
| INTERNATIONAL BUSINESS MACHINES CORP | 1.69% |
| GENERAL ELECTRIC COMPANY | 1.65% |
| J.P. MORGAN CHASE & CO. | 1.56% |
| BANK OF AMERICA CORPORATION | 1.54% |
| AT&T, INC. | 1.53% |

HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Institutional Index Fund | S&P 500 Index | Return Difference |
|------------------|-----------------------------------|---------------|-------------------|
| | Return | Return | |
| 2000 | -8.9% | -9.1% | 0.2 |
| 2001 | -11.9 | -11.9 | 0.0 |
| 2002 | -22.0 | -22.1 | 0.1 |
| 2003 | 28.7 | 28.7 | 0.0 |
| 2004 | 10.9 | 10.9 | 0.0 |
| 2005 | 4.9 | 4.9 | 0.0 |
| 2006 | 15.8 | 15.8 | 0.0 |
| 2007 | 5.5 | 5.5 | 0.0 |
| 2008 | -37.0 | -37.0 | 0.0 |
| 2009 | 26.6 | 26.5 | 0.1 |
| 2010 (9 months) | 3.9 | 3.9 | 0.0 |
| Trailing 1-Year | 10.2% | 10.2% | 0.0 |
| Trailing 3-Year | -7.1 | -7.2 | 0.1 |
| Trailing 5-Year | 0.7 | 0.6 | 0.1 |
| Trailing 10-Year | -0.4 | -0.4 | 0.0 |

VANGUARD TOTAL STOCK MARKET INDEX

RETURN SUMMARY ENDING 9/30/10

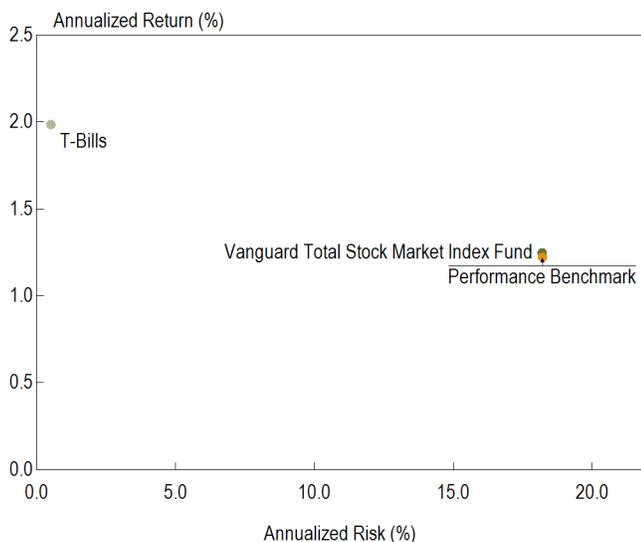
| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|---|---------------|--------------|-----------------------|------------------------|------------------------|
| Vanguard Total Stock Market Index Fund | 11.6% | 5.0% | 11.1% | -6.2% | 1.2% |
| Performance Benchmark | 11.6 | 5.0 | 11.1 | -6.3 | 1.2 |

Investment Strategy

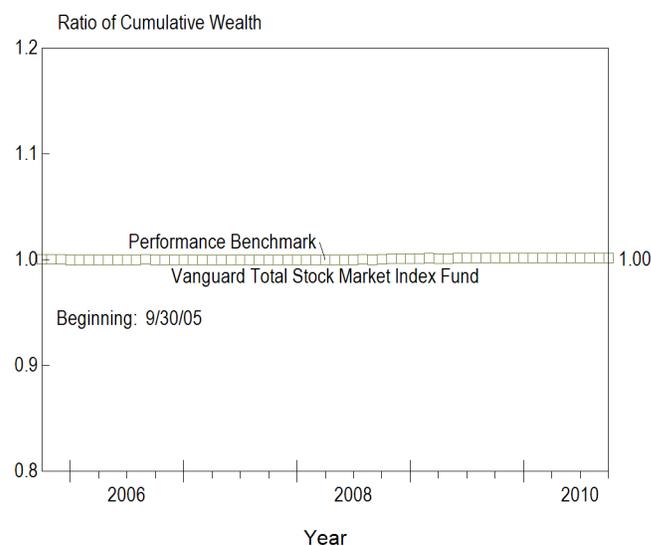
The objective of the Vanguard Total Stock Market Index Fund is to approximate the return of the MSCI U.S. Broad Market Index. The Vanguard Total Stock Market Index Fund utilizes a sampling technique that approximates the industry weightings and market capitalizations of the MSCI U.S. Broad Market Index. The Fund will replicate the weightings of the largest stocks in the Index and invest in a representative sample for the remaining portion. Through computer modeling techniques, management intends to match the Index's characteristics, including sector weightings, yield, price ratios, and risk.

As illustrated in the graphs below and the table above, Vanguard Total Stock Market Index Fund has closely tracked the return of the Index over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 9/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 9/30/10



An explanation of the Performance Benchmark can be found in the Appendix.

VANGUARD TOTAL STOCK MARKET INDEX

Fund Information as of 09/30/2010

| | |
|-----------------------------------|---------------------------------|
| Fund Name | Vanguard Index Tr Total Stk Mkt |
| Ticker | VITSX |
| Category | Large Blend |
| Benchmark | Performance Benchmark |
| Expense Ratio | 0.06% |
| Fund Assets (\$mm) | 20,519.00 |
| Share Class Inception Date | 7/7/1997 |
| Manager Tenure | 16 |

Sector Allocation as of 06/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 4.32% |
| CONSUMER GOODS | 10.65% |
| CONSUMER SERVICES | 8.80% |
| ENERGY | 9.81% |
| FINANCIAL SERVICES | 15.95% |
| HARDWARE | 10.68% |
| HEALTHCARE | 11.33% |
| INDUSTRIAL MATERIALS | 10.94% |
| MEDIA | 2.85% |
| SOFTWARE | 4.39% |
| TELECOMMUNICATION | 4.67% |
| UTILITIES | 3.65% |

Top Holdings as of 06/30/2010

| | |
|---|-------|
| EXXONMOBIL CORPORATION | 2.52% |
| APPLE, INC. | 1.98% |
| MICROSOFT CORPORATION | 1.58% |
| PROCTER & GAMBLE COMPANY | 1.51% |
| JOHNSON & JOHNSON | 1.41% |
| INTERNATIONAL BUSINESS MACHINES CORP | 1.39% |
| GENERAL ELECTRIC COMPANY | 1.33% |
| J.P. MORGAN CHASE & CO. | 1.26% |
| BANK OF AMERICA CORPORATION | 1.25% |
| AT&T, INC. | 1.24% |

HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Total Stock Market Index Fund | Performance Benchmark | Return Difference |
|------------------|--|-----------------------|-------------------|
| | Return | Return | |
| 2000 | -10.5% | -10.9% | 0.4 |
| 2001 | -10.8 | -11.0 | 0.2 |
| 2002 | -20.9 | -20.9 | 0.0 |
| 2003 | 31.5 | 31.7 | -0.2 |
| 2004 | 12.6 | 12.6 | 0.0 |
| 2005 | 6.1 | 6.2 | -0.1 |
| 2006 | 15.7 | 15.7 | 0.0 |
| 2007 | 5.6 | 5.6 | 0.0 |
| 2008 | -36.9 | -37.0 | 0.1 |
| 2009 | 28.8 | 28.8 | 0.0 |
| 2010 (9 months) | 5.0 | 5.0 | 0.0 |
| Trailing 1-Year | 11.1% | 11.1% | 0.0 |
| Trailing 3-Year | -6.2 | -6.3 | 0.1 |
| Trailing 5-Year | 1.2 | 1.2 | 0.0 |
| Trailing 10-Year | 0.4 | 0.3 | 0.1 |

RETURN SUMMARY ENDING 9/30/10

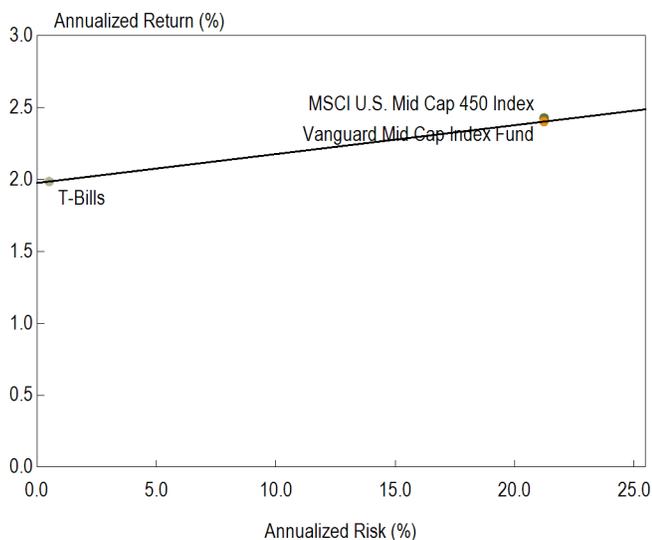
| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|------------------------------------|---------------|--------------|-----------------------|------------------------|------------------------|
| Vanguard Mid Cap Index Fund | 13.0% | 10.6% | 17.9% | -4.4% | 2.4% |
| MSCI U.S. Mid Cap 450 Index | 13.0 | 10.6 | 18.0 | -4.4 | 2.4 |

Investment Strategy

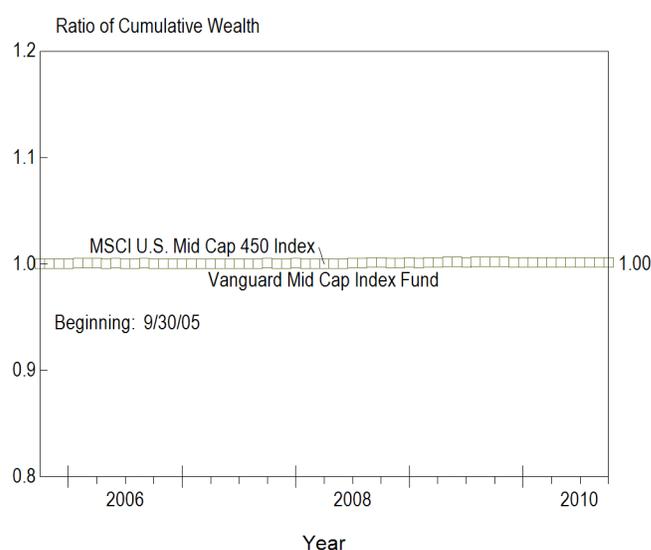
The Vanguard Mid Cap Index Fund seeks to replicate the performance of the MSCI U.S. Mid Cap 450 Index. In 2003, the Fund adopted the MSCI version of the mid-cap index. The Performance Benchmark consists of the S&P Mid Cap 400 Index prior to June 2003. In June 2003, the benchmark was changed to the MSCI Mid Cap 450 Index.

As illustrated in the graphs below and the table above, Vanguard Mid Cap Index Fund has matched the return of the Index over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 9/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 9/30/10



VANGUARD MID CAP INDEX

Fund Information as of 09/30/2010

| | |
|-----------------------------------|-----------------------------|
| Fund Name | VANGUARD-MC I-IS |
| Ticker | VMCIX |
| Category | Mid-Cap Blend |
| Benchmark | MSCI U.S. Mid Cap 450 Index |
| Expense Ratio | 0.08% |
| Fund Assets (\$mm) | 7,128.22 |
| Share Class Inception Date | 5/21/1998 |
| Manager Tenure | 12 |

Sector Allocation as of 06/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 5.67% |
| CONSUMER GOODS | 9.42% |
| CONSUMER SERVICES | 10.63% |
| ENERGY | 7.63% |
| FINANCIAL SERVICES | 18.48% |
| HARDWARE | 8.66% |
| HEALTHCARE | 9.08% |
| INDUSTRIAL MATERIALS | 12.76% |
| MEDIA | 3.21% |
| SOFTWARE | 5.39% |
| TELECOMMUNICATION | 2.62% |
| UTILITIES | 6.34% |

Top Holdings as of 06/30/2010

| | |
|--|-------|
| MEAD JOHNSON NUTRITION COMPANY | 0.57% |
| SALESFORCE.COM, INC. | 0.54% |
| SANDISK CORPORATION | 0.54% |
| DR PEPPER SNAPPLE GROUP, INC. | 0.53% |
| HCP, INC. | 0.53% |
| HOSPIRA, INC. | 0.53% |
| DELTA AIR LINES, INC. | 0.52% |
| AMERISOURCEBERGEN CORPORATION | 0.50% |
| HOST HOTELS & RESORTS, INC. | 0.48% |
| LIFE TECHNOLOGIES CORP | 0.48% |

HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Mid Cap Index Fund | MSCI U.S. Mid Cap 450 Index | Return Difference |
|------------------|-----------------------------|-----------------------------|-------------------|
| | Return | Return | |
| 2000 | 18.4% | -1.9% | 20.3 |
| 2001 | -0.4 | -6.4 | 6.0 |
| 2002 | -14.5 | -16.5 | 2.0 |
| 2003 | 34.3 | 39.0 | -4.7 |
| 2004 | 20.5 | 20.5 | 0.0 |
| 2005 | 14.1 | 13.9 | 0.2 |
| 2006 | 13.8 | 13.7 | 0.1 |
| 2007 | 6.2 | 6.2 | 0.0 |
| 2008 | -41.8 | -41.8 | 0.0 |
| 2009 | 40.5 | 40.5 | 0.0 |
| 2010 (9 months) | 10.6 | 10.6 | 0.0 |
| Trailing 1-Year | 17.9% | 18.0% | -0.1 |
| Trailing 3-Year | -4.4 | -4.4 | 0.0 |
| Trailing 5-Year | 2.4 | 2.4 | 0.0 |
| Trailing 10-Year | 5.2 | 4.0 | 1.2 |

RETURN SUMMARY ENDING 9/30/10

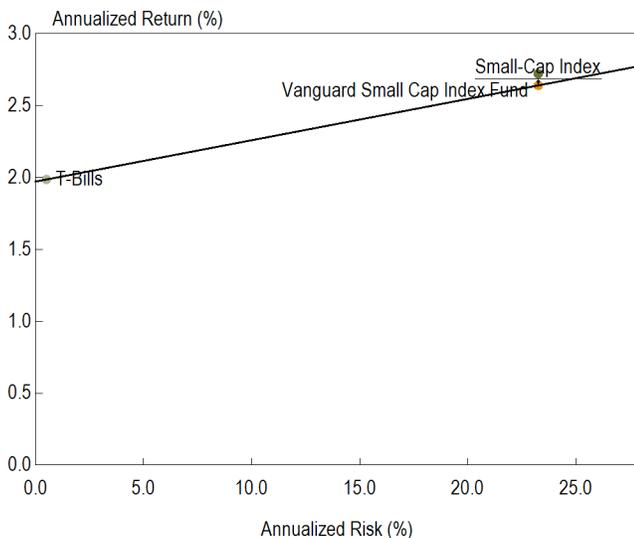
| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|--------------------------------------|---------------|--------------|-----------------------|------------------------|------------------------|
| Vanguard Small Cap Index Fund | 12.1% | 10.6% | 15.2% | -2.8% | 2.7% |
| Small-Cap Index | 12.1 | 10.6 | 15.1 | -3.0 | 2.6 |

Investment Strategy

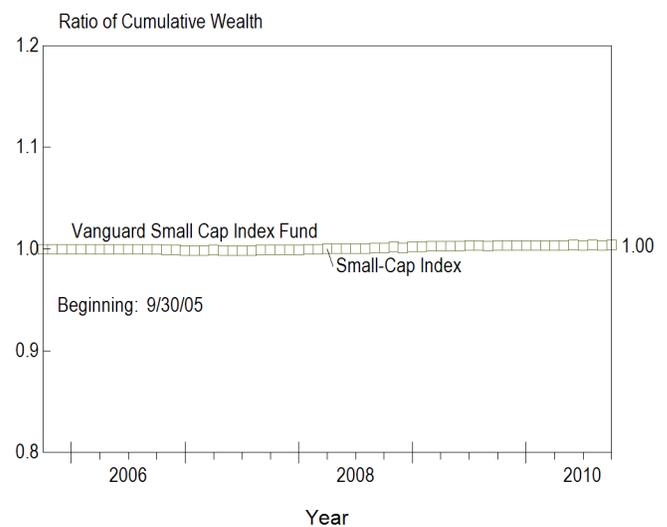
The Vanguard Small Cap Index Fund's strategy is designed to track the investment performance of the MSCI U.S. 1750 Small Cap Index, which is comprised of the 1,750 smallest stocks out of the 2,500 largest stocks. Prior to June 30, 2003, the Fund used a sampling technique to track the Russell 2000 Index. The Fund was moved from Admiral shares to the new Signal share class on October 6, 2007.

As illustrated in the graphs below and the table above, Vanguard Small Cap Index Fund has approximated the return of the Index over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 9/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 9/30/10



An explanation of the Performance Benchmark can be found in the Appendix.

VANGUARD SMALL CAP INDEX

Fund Information as of 09/30/2010

| | |
|-----------------------------------|------------------------|
| Fund Name | Vanguard Sm-Cp Idx;Sig |
| Ticker | VSISX |
| Category | Small Blend |
| Benchmark | Small-Cap Index |
| Expense Ratio | 0.14% |
| Fund Assets (\$mm) | 2,011.44 |
| Share Class Inception Date | 12/15/2006 |
| Manager Tenure | 19 |

Sector Allocation as of 06/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 9.44% |
| CONSUMER GOODS | 10.34% |
| CONSUMER SERVICES | 8.46% |
| ENERGY | 4.77% |
| FINANCIAL SERVICES | 21.09% |
| HARDWARE | 7.55% |
| HEALTHCARE | 10.47% |
| INDUSTRIAL MATERIALS | 11.84% |
| MEDIA | 1.64% |
| SOFTWARE | 5.22% |
| TELECOMMUNICATION | 4.24% |
| UTILITIES | 3.71% |

Top Holdings as of 06/30/2010

| | |
|--|-------|
| CMT MARKET LIQUIDITY RATE | 0.52% |
| VALEANT PHARMACEUTICALS INTERNATIONAL | 0.32% |
| UAL CORPORATION | 0.27% |
| CORE LABORATORIES N.V. | 0.26% |
| CONTINENTAL AIRLINES, INC. B | 0.24% |
| MSCI INC | 0.24% |
| CHIMERA INVESTMENT CORPORATION | 0.23% |
| ESSEX PROPERTY TRUST | 0.23% |
| SKYWORKS SOLUTIONS, INC. | 0.23% |
| AEROPOSTALE, INC. | 0.22% |

HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Small Cap Index Fund | Small-Cap Index | Return Difference |
|------------------|-------------------------------|-----------------|-------------------|
| | Return | Return | |
| 2000 | -2.7% | -3.0% | 0.3 |
| 2001 | 3.1 | 2.5 | 0.6 |
| 2002 | -20.0 | -20.5 | 0.5 |
| 2003 | 45.6 | 47.5 | -1.9 |
| 2004 | 19.9 | 20.0 | -0.1 |
| 2005 | 7.4 | 7.5 | -0.1 |
| 2006 | 15.7 | 15.8 | -0.1 |
| 2007 | 1.3 | 1.2 | 0.1 |
| 2008 | -36.0 | -36.2 | 0.2 |
| 2009 | 36.3 | 36.1 | 0.2 |
| 2010 (9 months) | 10.6 | 10.6 | 0.0 |
| Trailing 1-Year | 15.2% | 15.1% | 0.1 |
| Trailing 3-Year | -2.8 | -3.0 | 0.2 |
| Trailing 5-Year | 2.7 | 2.6 | 0.1 |
| Trailing 10-Year | 5.0 | 5.0 | 0.0 |

VANGUARD FTSE ALL WORLD EX-U.S. INDEX

RETURN SUMMARY ENDING 9/30/10

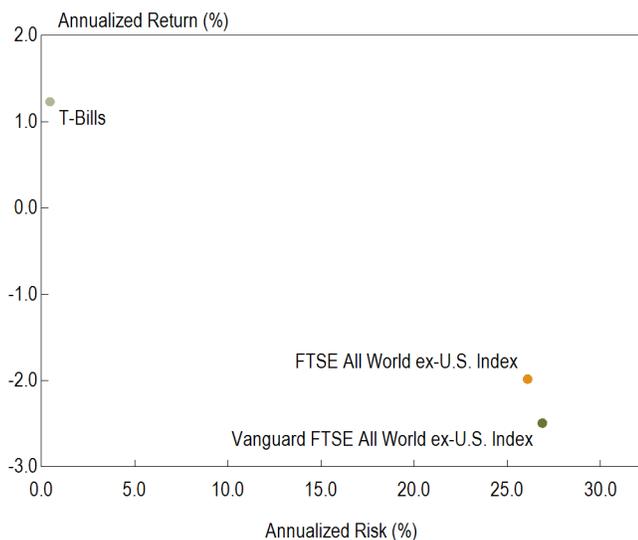
| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | Since Inception | Inception Date |
|--|---------------|--------------|-----------------------|------------------------|-----------------|----------------|
| Vanguard FTSE All World ex-U.S. Index | 17.8% | 4.3% | 7.6% | -6.9% | -2.5% | 3/31/07 |
| FTSE All World ex-U.S. Index | 16.9 | 4.3 | 8.2 | -6.5 | -2.0 | |

Investment Strategy

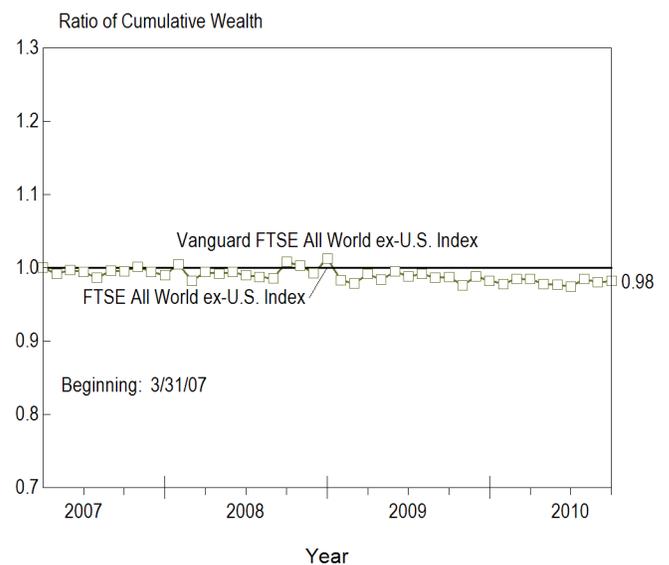
The Vanguard FTSE All World ex-U.S. Index Fund is designed to track the investment performance of the FTSE All World ex-U.S. Index which is comprised of approximately 46 developed and emerging countries, excluding the U.S., while including Canada.

The Fund has trailed its benchmark due to the effects of fair value pricing which is employed by Vanguard. Since the Fund's inception in April 2007, it has trailed the Index by 50 basis points.

ANNUALIZED RISK RETURN 3 YEARS 6 MONTHS ENDING 9/30/10



RATIO OF CUMULATIVE WEALTH 3 YEARS 6 MONTHS ENDING 9/30/10



VANGUARD FTSE ALL WORLD EX-U.S. INDEX

Fund Information as of 09/30/2010

| | |
|-----------------------------------|---------------------------------|
| Fund Name | Vanguard FTSE AWIdxUS It |
| Ticker | VFWSX |
| Category | Foreign Large Blend |
| Benchmark | FTSE All World ex-U.S. Index |
| Expense Ratio | 0.15% |
| Fund Assets (\$mm) | 3,921.41 |
| Share Class Inception Date | 4/30/2007 |
| Manager Tenure | 4 |

Sector Allocation as of 06/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 2.94% |
| CONSUMER GOODS | 13.67% |
| CONSUMER SERVICES | 4.08% |
| ENERGY | 9.20% |
| FINANCIAL SERVICES | 23.73% |
| HARDWARE | 2.89% |
| HEALTHCARE | 6.05% |
| INDUSTRIAL MATERIALS | 16.75% |
| MEDIA | 1.01% |
| SOFTWARE | 1.30% |
| TELECOMMUNICATION | 6.78% |
| UTILITIES | 4.23% |

Top Holdings as of 06/30/2010

| | |
|------------------------------|-------|
| NESTLE SA | 1.29% |
| HSBC HOLDINGS PLC | 1.17% |
| NOVARTIS AG | 0.81% |
| VODAFONE GROUP PLC | 0.80% |
| TOTAL SA | 0.78% |
| BHP BILLITON LIMITED | 0.77% |
| ROCHE HOLDING AG | 0.71% |
| BP PLC | 0.66% |
| ROYAL DUTCH SHELL PLC | 0.66% |
| GLAXOSMITHKLINE PLC | 0.65% |

HISTORICAL RETURNS

(BY Years)

| | Vanguard FTSE All World ex-U.S. Index | FTSE All World ex-U.S. Index | Return Difference |
|---------------------------|--|---------------------------------|----------------------|
| | Return | Return | |
| 2007 (9 months) | 12.7% | 13.9% | -1.2 |
| 2008 | -44.0 | -45.3 | 1.3 |
| 2009 | 39.0 | 43.3 | -4.3 |
| 2010 (9 months) | 4.3 | 4.3 | 0.0 |
| Trailing 1-Year | 7.6% | 8.2% | -0.6 |
| Trailing 3-Year | -6.9 | -6.5 | -0.4 |
| Since Inception (3/31/07) | -2.5 | -2.0 | -0.5 |

**RETURN SUMMARY
ENDING 9/30/10**

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|---------------------------------|---------------|--------------|--------------------------|---------------------------|---------------------------|
| North Shore Savings Fund | 0.1% | 0.3% | 0.4% | 1.3% | 2.3% |
| iMoney Net Money Fund Average | 0.2 | 0.3 | 0.3 | 1.2 | 2.3 |

Investment Strategy

The objective of the North Shore Savings Fund is to preserve capital and provide current income, while maintaining a high level of liquidity. The Fund is FDIC insured. The Milwaukee County Investment Policy Statement requires that the savings account be with a "well-capitalized" bank, which means the bank has to have a risk-based capital ratio of at least 10%. This ratio takes into account the asset quality and loan-loss reserve coverage. As of 9/30/10 North Shore was "well capitalized".

**HISTORICAL RETURNS
(BY YEAR)**

| | North Shore Savings Fund | iMoney Net Money Fund Average | Return Difference |
|------------------|--------------------------|----------------------------------|----------------------|
| | Return | Return | |
| 2000 | 5.3% | 5.9% | -0.6 |
| 2001 | 4.3 | 3.7 | 0.6 |
| 2002 | 1.6 | 2.1 | -0.5 |
| 2003 | 1.4 | 0.9 | 0.5 |
| 2004 | 1.3 | 0.6 | 0.7 |
| 2005 | 2.8 | 1.7 | 1.1 |
| 2006 | 3.7 | 3.8 | -0.1 |
| 2007 | 3.7 | 4.7 | -1.0 |
| 2008 | 2.0 | 2.0 | 0.0 |
| 2009 | 0.8 | 0.2 | 0.6 |
| 2010 (9 months) | 0.3 | 0.3 | 0.0 |
| Trailing 1-Year | 0.4% | 0.3% | 0.1 |
| Trailing 3-Year | 1.3 | 1.2 | 0.1 |
| Trailing 5-Year | 2.3 | 2.3 | 0.0 |
| Trailing 10-Year | 2.3 | 2.1 | 0.2 |

STABLE VALUE

RETURN SUMMARY ENDING 9/30/10

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|--------------------------------|---------------|--------------|--------------------------|---------------------------|---------------------------|
| Stable Value Fund | 1.1 % | 3.3 % | 4.5 % | 4.7 % | 4.7 % |
| Hueler Stable Value Index | 0.8 | 2.3 | 3.1 | 3.8 | 4.2 |
| Barclays Capital 1-3 Yr. Govt. | 0.6 | 2.5 | 2.6 | 4.3 | 4.5 |

Investment Strategy

The Stable Value Fund managed by Great-West seeks to provide a stable rate of return through current income while preserving capital. The Fund will allocate assets to sectors that management believes offer increased yield potential.

HISTORICAL RETURNS (BY YEAR)

| | Stable Value Fund | Hueler Stable Value Index | Return Difference | Barclays Capital 1-3 Yr. Govt. | Return Difference |
|------------------|-------------------|---------------------------|-------------------|--------------------------------|-------------------|
| | Return | Return | | Return | |
| 2000 | 6.5 % | 6.5 % | 0.0 | 8.2 % | -1.7 |
| 2001 | 6.5 | 6.2 | 0.3 | 8.5 | -2.0 |
| 2002 | 5.7 | 5.6 | 0.1 | 6.0 | -0.3 |
| 2003 | 4.3 | 4.7 | -0.4 | 2.0 | 2.3 |
| 2004 | 4.2 | 4.3 | -0.1 | 1.1 | 3.1 |
| 2005 | 4.5 | 4.4 | 0.1 | 1.7 | 2.8 |
| 2006 | 4.8 | 4.8 | 0.0 | 4.1 | 0.7 |
| 2007 | 4.9 | 4.9 | 0.0 | 7.1 | -2.2 |
| 2008 | 4.8 | 4.6 | 0.2 | 6.7 | -1.9 |
| 2009 | 4.7 | 3.1 | 1.6 | 1.4 | 3.3 |
| 2010 (9 months) | 3.3 | 2.3 | 1.0 | 2.5 | 0.8 |
| Trailing 1-Year | 4.5 % | 3.1 % | 1.4 | 2.6 % | 1.9 |
| Trailing 3-Year | 4.7 | 3.8 | 0.9 | 4.3 | 0.4 |
| Trailing 5-Year | 4.7 | 4.2 | 0.5 | 4.5 | 0.2 |
| Trailing 10-Year | 4.9 | 4.7 | 0.2 | 4.4 | 0.5 |

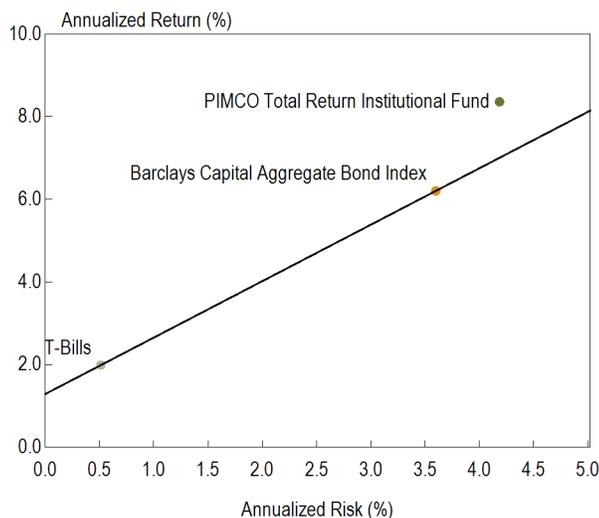
**RETURN SUMMARY
ENDING 9/30/10**

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|--|---------------|--------------|-----------------------|------------------------|------------------------|
| PIMCO Total Return Institutional Fund | 3.8 % | 9.8 % | 10.9 % | 10.8 % | 8.4 % |
| Barclays Capital Aggregate Bond Index | 2.5 | 7.9 | 8.2 | 7.4 | 6.2 |

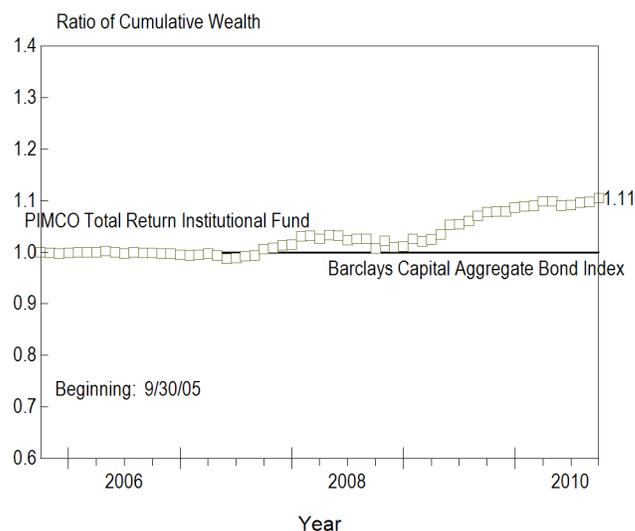
Investment Strategy

The PIMCO Total Return Fund, Institutional Shares, seeks total return consistent with preservation of capital. The Fund's strategy includes active sector rotation and moderate interest-rate anticipation. PIMCO's objective is to outperform the Barclays Capital Aggregate Bond Index without incurring greater risk by utilizing innovative investment techniques or identifying sector and issue buying opportunities. The Fund maintains a duration between three and six years and can invest up to 10% in issues rated below BBB, but no lower than B-rated. The Fund may invest up to 20% of assets in non-dollar bonds (currency) and up to 30% in non-U.S. bonds.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 9/30/10**



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 9/30/10**

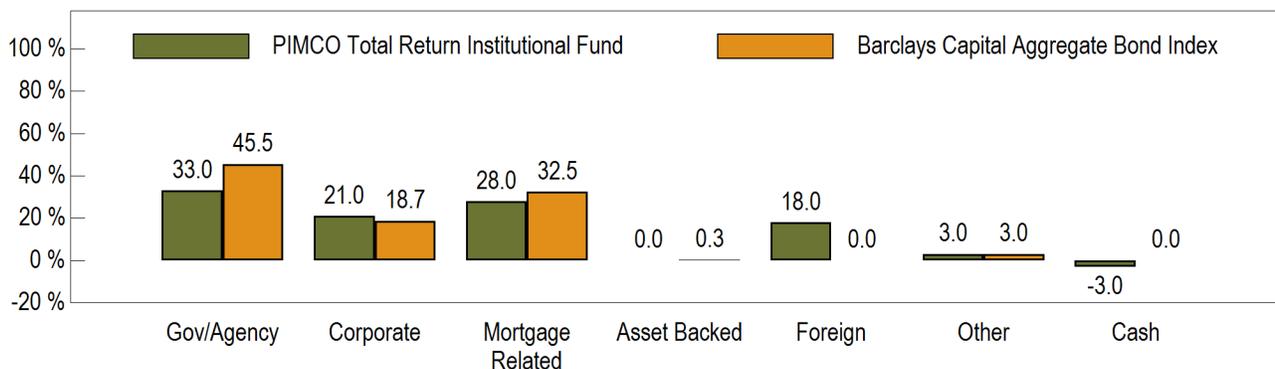


PIMCO TOTAL RETURN INSTL

Fund Information as of 09/30/2010

| | |
|-----------------------------------|---------------------------------------|
| Fund Name | Pimco Fds Total Return Bd Fund I |
| Ticker | PTTRX |
| Category | Intermediate-Term Bond |
| Benchmark | Barclays Capital Aggregate Bond Index |
| Expense Ratio | 0.46% |
| Fund Assets (\$mm) | 144,752.18 |
| Share Class Inception Date | 5/11/1987 |
| Manager Tenure | 23 |

SECTOR ALLOCATION AS OF 9/30/10 PIMCO Total Return Institutional Fund



HISTORICAL RETURNS

(BY YEAR)

| | PIMCO Total Return Institutional Fund | Barclays Capital Aggregate Bond Index | Return Difference |
|------------------|---------------------------------------|---------------------------------------|-------------------|
| | Return | Return | |
| 2000 | 12.1% | 11.6% | 0.5 |
| 2001 | 9.5 | 8.4 | 1.1 |
| 2002 | 10.2 | 10.3 | -0.1 |
| 2003 | 5.6 | 4.1 | 1.5 |
| 2004 | 5.1 | 4.3 | 0.8 |
| 2005 | 2.9 | 2.4 | 0.5 |
| 2006 | 4.0 | 4.3 | -0.3 |
| 2007 | 9.1 | 7.0 | 2.1 |
| 2008 | 4.8 | 5.2 | -0.4 |
| 2009 | 13.8 | 5.9 | 7.9 |
| 2010 (9 months) | 9.8 | 7.9 | 1.9 |
| Trailing 1-Year | 10.9% | 8.2% | 2.7 |
| Trailing 3-Year | 10.8 | 7.4 | 3.4 |
| Trailing 5-Year | 8.4 | 6.2 | 2.2 |
| Trailing 10-Year | 7.9 | 6.4 | 1.5 |

**RETURN SUMMARY
ENDING 9/30/10**

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|---|---------------|--------------|-----------------------|------------------------|------------------------|
| Washington Mutual Investors Fund | 12.0% | 4.4% | 12.3% | -7.6% | 0.7% |
| Russell 1000 Value Index | 10.1 | 4.5 | 8.9 | -9.4 | -0.5 |
| S&P 500 Index | 11.3 | 3.9 | 10.2 | -7.2 | 0.6 |

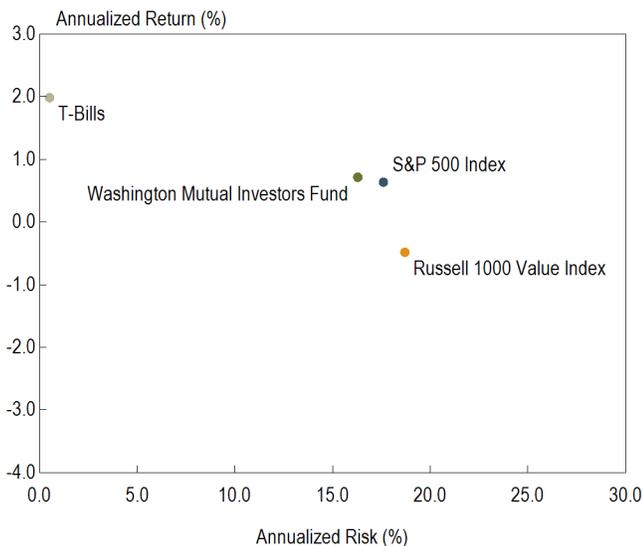
Investment Strategy

Washington Mutual Investors Fund seeks both income and growth of capital. Management prefers companies that have paid consistent dividends and by mandate excludes those that derive their primary revenues from alcohol or tobacco. In particular, they seek companies that have paid dividends in at least nine of the last ten years.

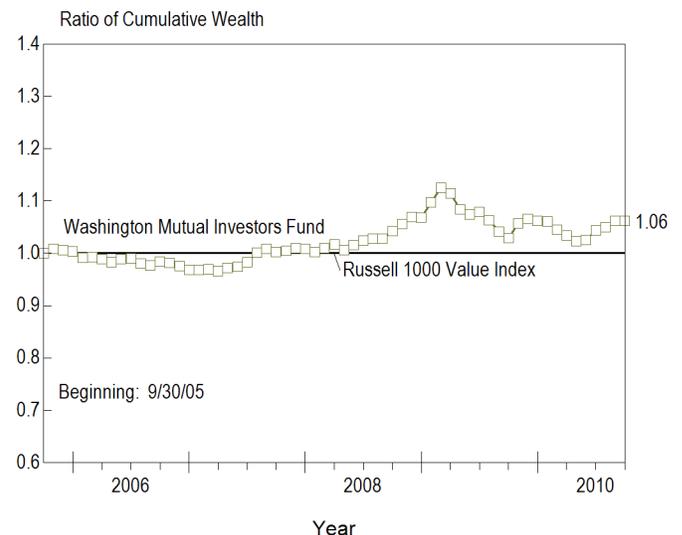
Capital Research & Management (the American Funds family) provides investment services for this Fund. Management looks for stocks with strong long-term prospects selling at low prices. The Fund may invest up to 5% of assets in securities of non-U.S. issuers.

As illustrated in the graphs below and the table above, Washington Mutual Investors Fund has outperformed the Russell 1000 Value Index over the trailing five-year period at a lower level of risk.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 9/30/10**



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 9/30/10**



WASHINGTON MUTUAL INVESTORS

Fund Information as of 09/30/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | AMERICAN-WA-A |
| Ticker | AWSHX |
| Category | Large Value |
| Benchmark | Russell 1000 Value Index |
| Expense Ratio | 0.70% |
| Fund Assets (\$mm) | 36,847.54 |
| Share Class Inception Date | 7/31/1952 |
| Manager Tenure | 32 |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 3.20% |
| CONSUMER GOODS | 10.42% |
| CONSUMER SERVICES | 6.55% |
| ENERGY | 13.13% |
| FINANCIAL SERVICES | 8.69% |
| HARDWARE | 3.99% |
| HEALTHCARE | 13.11% |
| INDUSTRIAL MATERIALS | 17.89% |
| MEDIA | 1.20% |
| SOFTWARE | 1.94% |
| TELECOMMUNICATION | 7.29% |
| UTILITIES | 9.30% |

Top Holdings as of 09/30/2010

| | |
|------------------------------------|-------|
| CHEVRON CORPORATION | 5.43% |
| VERIZON COMMUNICATIONS INC. | 4.06% |
| MERCK & CO INC | 3.88% |
| ROYAL DUTCH SHELL PLC ADR B | 3.18% |
| MCDONALD'S CORPORATION | 3.07% |
| AT&T, INC. | 2.71% |
| COCA-COLA COMPANY | 2.39% |
| BOEING COMPANY | 2.24% |
| UNITED TECHNOLOGIES | 2.02% |
| KRAFT FOODS, INC. | 1.89% |

HISTORICAL RETURNS

(BY YEAR)

| | Washington Mutual Investors Fund | Russell 1000 Value Index | Return Difference | S&P 500 Index | Return Difference |
|------------------|-------------------------------------|-----------------------------|----------------------|---------------|----------------------|
| | Return | Return | | Return | |
| 2000 | 9.1 % | 7.0 % | 2.1 | -9.1 % | 18.2 |
| 2001 | 1.5 | -5.6 | 7.1 | -11.9 | 13.4 |
| 2002 | -14.8 | -15.5 | 0.7 | -22.1 | 7.3 |
| 2003 | 25.8 | 30.0 | -4.2 | 28.7 | -2.9 |
| 2004 | 9.9 | 16.5 | -6.6 | 10.9 | -1.0 |
| 2005 | 3.5 | 7.1 | -3.6 | 4.9 | -1.4 |
| 2006 | 18.0 | 22.2 | -4.2 | 15.8 | 2.2 |
| 2007 | 4.0 | -0.2 | 4.2 | 5.5 | -1.5 |
| 2008 | -33.1 | -36.8 | 3.7 | -37.0 | 3.9 |
| 2009 | 19.0 | 19.7 | -0.7 | 26.5 | -7.5 |
| 2010 (9 months) | 4.4 | 4.5 | -0.1 | 3.9 | 0.5 |
| Trailing 1-Year | 12.3 % | 8.9 % | 3.4 | 10.2 % | 2.1 |
| Trailing 3-Year | -7.6 | -9.4 | 1.8 | -7.2 | -0.4 |
| Trailing 5-Year | 0.7 | -0.5 | 1.2 | 0.6 | 0.1 |
| Trailing 10-Year | 3.0 | 2.6 | 0.4 | -0.4 | 3.4 |

**RETURN SUMMARY
ENDING 9/30/10**

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|-------------------------------|---------------|--------------|-----------------------|------------------------|------------------------|
| Growth Fund of America | 10.8% | 2.1% | 8.1% | -6.4% | 1.8% |
| Russell 1000 Growth Index | 13.0 | 4.4 | 12.7 | -4.4 | 2.1 |

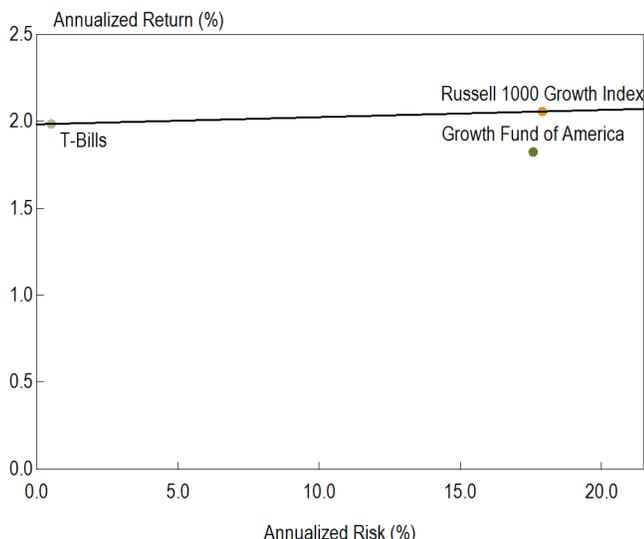
Investment Approach

Capital Research and Management is the sub-advisor for the Growth Fund of America. Capital Research uses a multiple-counselor system in managing the portfolio's assets. The portfolio is divided into segments and the counselors manage their respective segments autonomously. The research analysts are responsible for making the investment decisions for one of the segments.

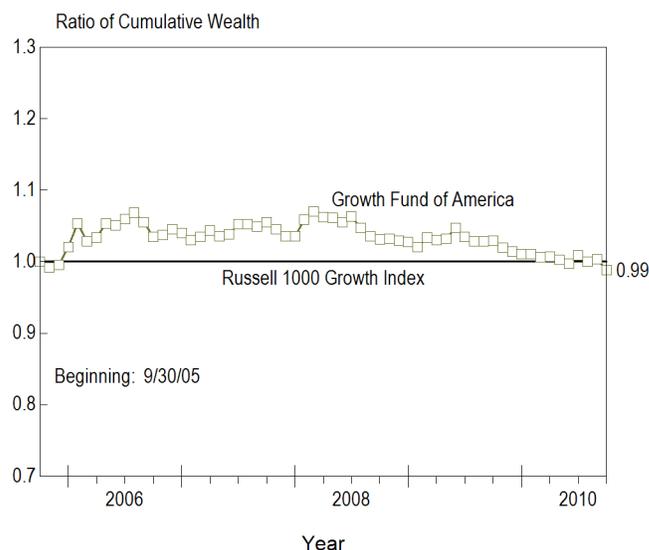
The Capital Research and Management Investment Committee is responsible for making sure the portfolio stays within its limits and adheres to its investment policies. The objective of the Fund is to provide long-term growth of capital by investing in a diversified portfolio of common stocks while using a growth-at-a-reasonable price strategy. The Fund may invest up to 15% of its assets in companies domiciled outside the U.S. This Fund is less volatile than most large cap growth funds.

As illustrated in the graphs below and the table above, Growth Fund of America has modestly trailed the Index over the trailing five-year period at approximately the same level of risk.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 9/30/10**



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 9/30/10**



GROWTH FUND OF AMERICA

Fund Information as of 09/30/2010

| | |
|-----------------------------------|---------------------------|
| Fund Name | Mutual Fund |
| Ticker | RGAFX |
| Category | Large Growth |
| Benchmark | Russell 1000 Growth Index |
| Expense Ratio | 0.40% |
| Fund Assets (\$mm) | 13,944.77 |
| Share Class Inception Date | 5/15/2002 |
| Manager Tenure | 25 |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 4.72% |
| CONSUMER GOODS | 6.80% |
| CONSUMER SERVICES | 8.08% |
| ENERGY | 9.02% |
| FINANCIAL SERVICES | 10.03% |
| HARDWARE | 8.26% |
| HEALTHCARE | 10.98% |
| INDUSTRIAL MATERIALS | 11.30% |
| MEDIA | 4.43% |
| SOFTWARE | 6.72% |
| TELECOMMUNICATION | 7.37% |
| UTILITIES | 0.60% |

Top Holdings as of 09/30/2010

| | |
|--|-------|
| ORACLE CORPORATION | 3.53% |
| GOOGLE, INC. | 3.35% |
| MICROSOFT CORPORATION | 2.33% |
| APPLE, INC. | 1.64% |
| US TREASURY NOTE 3.5% | 1.64% |
| UNION PACIFIC CORPORATION | 1.33% |
| J.P. MORGAN CHASE & CO. | 1.31% |
| PHILIP MORRIS INTERNATIONAL INC | 1.26% |
| MERCK & CO INC | 1.20% |
| CORNING INC. | 1.13% |

HISTORICAL RETURNS

(BY YEAR)

| | Growth Fund of America | Russell 1000 Growth Index | Return Difference |
|------------------|------------------------|---------------------------|-------------------|
| | Return | Return | |
| 2000 | 7.5 % | -22.4 % | 29.9 |
| 2001 | -12.3 | -20.4 | 8.1 |
| 2002 | -21.8 | -27.9 | 6.1 |
| 2003 | 33.3 | 29.7 | 3.6 |
| 2004 | 12.2 | 6.3 | 5.9 |
| 2005 | 14.5 | 5.3 | 9.2 |
| 2006 | 11.2 | 9.1 | 2.1 |
| 2007 | 11.3 | 11.8 | -0.5 |
| 2008 | -38.9 | -38.4 | -0.5 |
| 2009 | 34.9 | 37.2 | -2.3 |
| 2010 (9 months) | 2.1 | 4.4 | -2.3 |
| Trailing 1-Year | 8.1 % | 12.7 % | -4.6 |
| Trailing 3-Year | -6.4 | -4.4 | -2.0 |
| Trailing 5-Year | 1.8 | 2.1 | -0.3 |
| Trailing 10-Year | 1.1 | -3.4 | 4.5 |

RETURN SUMMARY ENDING 9/30/10

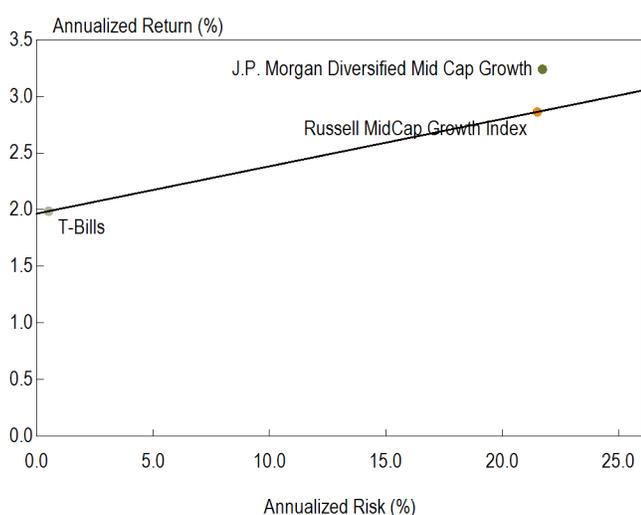
| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|---|---------------|--------------|-----------------------|------------------------|------------------------|
| J.P. Morgan Diversified Mid Cap Growth | 14.4 % | 8.8 % | 17.1 % | -4.7 % | 3.2 % |
| Russell MidCap Growth Index | 14.6 | 10.9 | 18.3 | -3.9 | 2.9 |

Investment Strategy

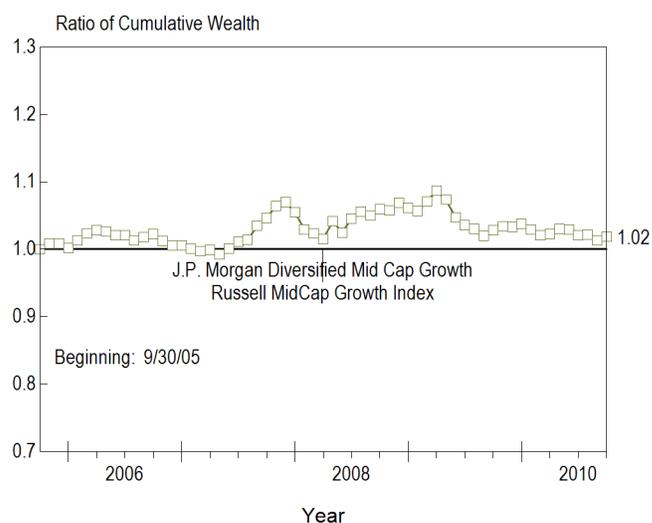
The J.P. Morgan Diversified Mid Cap Growth Fund seeks growth of capital and current income by investing primarily in equity securities. The Fund invests in common stocks of mid-cap companies with market capitalizations of \$1 billion to \$5 billion. The current benchmark is the Russell Mid Cap Growth Index; however, the Fund's actual allocations can vary from those in the Index. The Fund may use derivatives to hedge various investments.

As illustrated in the graphs below and the table above, J.P. Morgan Diversified Mid Cap Growth Fund has outperformed the return of the Index with approximately the same level of risk over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 9/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 9/30/10



J.P. MORGAN DIVERSIFIED MID CAP GROWTH

Fund Information as of 09/30/2010

| | |
|-----------------------------------|-----------------------------|
| Fund Name | JPMorgan:Dvds MCG;A |
| Ticker | OSGIX |
| Category | Mid-Cap Growth |
| Benchmark | Russell MidCap Growth Index |
| Expense Ratio | 1.24% |
| Fund Assets (\$mm) | 603.80 |
| Share Class Inception Date | 2/18/1992 |
| Manager Tenure | 6 |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 10.68% |
| CONSUMER GOODS | 14.74% |
| CONSUMER SERVICES | 10.20% |
| ENERGY | 5.45% |
| FINANCIAL SERVICES | 8.55% |
| HARDWARE | 13.85% |
| HEALTHCARE | 11.76% |
| INDUSTRIAL MATERIALS | 7.31% |
| MEDIA | 2.87% |
| SOFTWARE | 9.50% |
| TELECOMMUNICATION | 2.58% |
| UTILITIES | 0.00% |

Top Holdings as of 09/30/2010

| | |
|--|-------|
| CUMMINS, INC. | 2.75% |
| VALEANT PHARMACEUTICALS INTERNATIONAL INC | 2.27% |
| NETAPP, INC. | 2.00% |
| W.W. GRAINGER, INC. | 1.84% |
| JPMORGAN LIQUID ASSETS MONEY MARKET FUND | 1.83% |
| MICROS SYSTEMS, INC. | 1.56% |
| PHILLIPS-VAN HEUSEN CORPORATION | 1.53% |
| SCRIPPS NETWORKS INTERACTIVE, INC. | 1.47% |
| AMPHENOL CORPORATION | 1.45% |
| MARVELL TECHNOLOGY GROUP, LTD. | 1.44% |

HISTORICAL RETURNS

(BY YEAR)

| | J.P. Morgan Diversified Mid Cap Growth | Russell MidCap Growth Index | Return Difference |
|------------------|--|-----------------------------|-------------------|
| | Return | Return | |
| 2000 | 5.6% | -11.7% | 17.3 |
| 2001 | -10.9 | -20.2 | 9.3 |
| 2002 | -20.4 | -27.4 | 7.0 |
| 2003 | 26.5 | 42.7 | -16.2 |
| 2004 | 12.6 | 15.5 | -2.9 |
| 2005 | 10.6 | 12.1 | -1.5 |
| 2006 | 11.0 | 10.7 | 0.3 |
| 2007 | 16.8 | 11.4 | 5.4 |
| 2008 | -43.9 | -44.3 | 0.4 |
| 2009 | 42.9 | 46.3 | -3.4 |
| 2010 (9 months) | 8.8 | 10.9 | -2.1 |
| Trailing 1-Year | 17.1% | 18.3% | -1.2 |
| Trailing 3-Year | -4.7 | -3.9 | -0.8 |
| Trailing 5-Year | 3.2 | 2.9 | 0.3 |
| Trailing 10-Year | 0.5 | -0.9 | 1.4 |

RETURN SUMMARY ENDING 9/30/10

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|---|---------------|--------------|-----------------------|------------------------|------------------------|
| Lord Abbett Developing Growth Fund | 16.5% | 16.0% | 22.7% | -2.3% | 7.0% |
| Russell 2000 Growth Index | 12.8 | 10.2 | 14.8 | -3.7 | 2.3 |

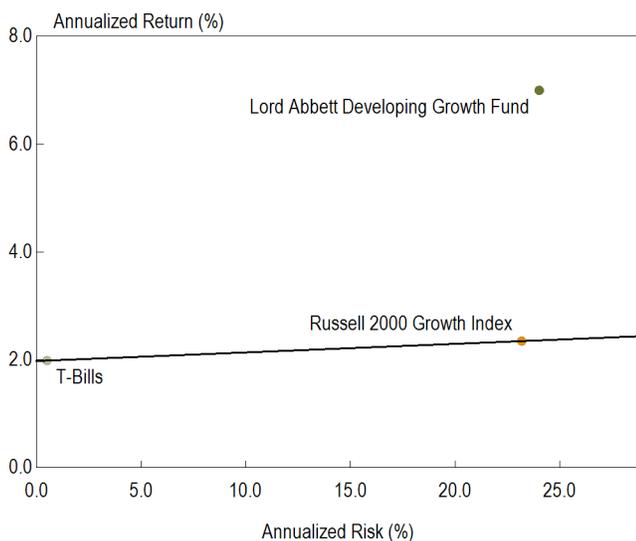
Investment Approach

Management of the Lord Abbett Developing Growth Fund employs a process of fundamental research to identify small cap companies that are entering a period of dramatic growth. Management begins by combining growth, balance sheet, and financial statement factors to identify a promising universe of approximately 400 stocks. Portfolio managers and analysts then undertake fundamental and industry research, including company, customer, and supplier visits, to select businesses with growth and earnings prospects. However, management sets valuation limits on purchase candidates, preferring to buy stocks at low valuations and then hold them throughout several growth stages.

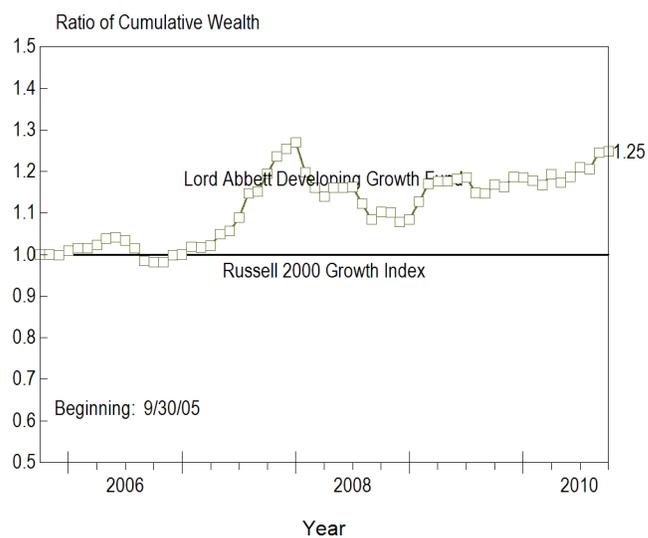
The Fund tends to feature sector diversification, albeit with substantial exposure to growth industries. The portfolio holds approximately 115 micro- and small-cap stocks.

As illustrated in the graphs below and the table above, Lord Abbett Developing Growth Fund has exceeded the return of the Index over the trailing five-year period at a slightly higher level of risk .

ANNUALIZED RISK RETURN 5 YEARS ENDING 9/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 9/30/10



LORD ABBETT DEVELOPING GROWTH

Fund Information as of 09/30/2010

| | |
|-----------------------------------|---------------------------|
| Fund Name | Lord Abbett Dev Gro;A |
| Ticker | LAGWX |
| Category | Small Growth |
| Benchmark | Russell 2000 Growth Index |
| Expense Ratio | 1.28% |
| Fund Assets (\$mm) | 628.02 |
| Share Class Inception Date | 10/10/1973 |
| Manager Tenure | 9 |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 9.29% |
| CONSUMER GOODS | 9.02% |
| CONSUMER SERVICES | 8.78% |
| ENERGY | 2.82% |
| FINANCIAL SERVICES | 5.00% |
| HARDWARE | 14.29% |
| HEALTHCARE | 14.67% |
| INDUSTRIAL MATERIALS | 12.59% |
| MEDIA | 1.44% |
| SOFTWARE | 14.36% |
| TELECOMMUNICATION | 4.61% |
| UTILITIES | 0.00% |

Top Holdings as of 09/30/2010

| | |
|--|-------|
| ARUBA NETWORKS, INC. | 1.72% |
| OPENTABLE, INC. | 1.70% |
| NXSTAGE MEDICAL, INC. | 1.65% |
| VERIFONE SYSTEMS INC | 1.63% |
| VANCEINFO TECHNOLOGIES INC. ADR | 1.58% |
| ENERNOC, INC. | 1.53% |
| ACME PACKET, INC. | 1.52% |
| FORTINET, INC. | 1.50% |
| THORATEC LABORATORIES CORPORATION | 1.49% |
| TRINA SOLAR LIMITED ADR | 1.45% |

HISTORICAL RETURNS

(BY YEAR)

| | Lord Abbett Developing Growth Fund | Russell 2000 Growth Index | Return Difference |
|------------------|------------------------------------|---------------------------|-------------------|
| | Return | Return | |
| 2000 | -17.7% | -22.4% | 4.7 |
| 2001 | -7.0 | -9.2 | 2.2 |
| 2002 | -29.5 | -30.3 | 0.8 |
| 2003 | 40.1 | 48.5 | -8.4 |
| 2004 | 6.0 | 14.3 | -8.3 |
| 2005 | 11.9 | 4.2 | 7.7 |
| 2006 | 12.4 | 13.3 | -0.9 |
| 2007 | 35.8 | 7.0 | 28.8 |
| 2008 | -47.5 | -38.5 | -9.0 |
| 2009 | 47.0 | 34.5 | 12.5 |
| 2010 (9 months) | 16.0 | 10.2 | 5.8 |
| Trailing 1-Year | 22.7% | 14.8% | 7.9 |
| Trailing 3-Year | -2.3 | -3.7 | 1.4 |
| Trailing 5-Year | 7.0 | 2.3 | 4.7 |
| Trailing 10-Year | 3.3 | -0.1 | 3.4 |

RETURN SUMMARY ENDING 9/30/10

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|---|---------------|--------------|-----------------------|------------------------|------------------------|
| Heartland Value Institutional Fund | 8.4 % | 4.4 % | 8.6 % | -4.3 % | 2.2 % |
| Russell 2000 Value Index | 9.7 | 7.9 | 11.8 | -5.0 | 0.7 |

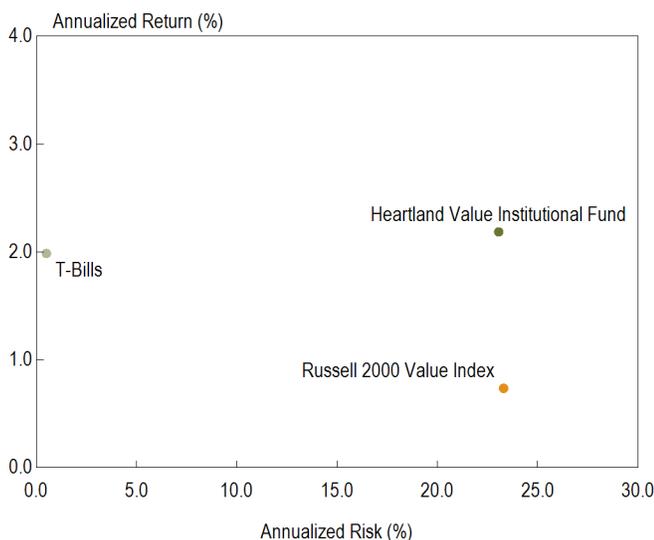
Investment Approach

The Heartland Value Fund seeks long-term capital appreciation through investments in small or micro cap securities selected under disciplined, value-oriented criteria. Management seeks companies whose stock prices do not reflect what Heartland believes to be the companies' intrinsic or potential values. A company's stock may be undervalued because it is under-followed by Wall Street analysts, misunderstood by investors, temporarily oversold or out-of-favor as a result of investor overreaction to unexpected news or an emerging, undiscovered opportunity.

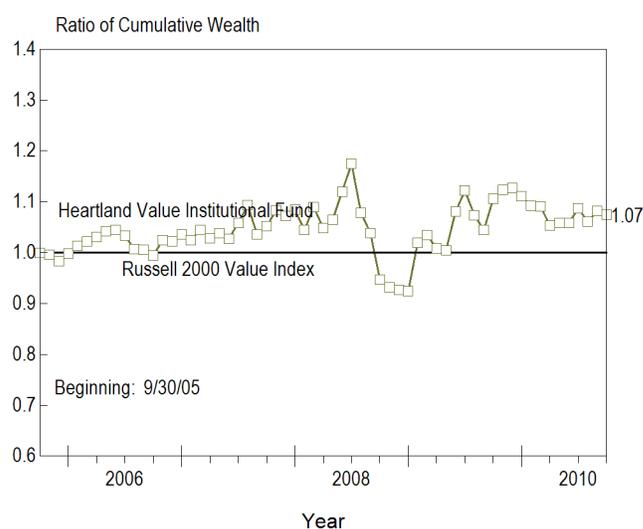
Heartland builds portfolios based on a bottom-up fundamental analysis of individual securities while avoiding over-concentration in a particular industry or industries. Heartland begins its search for investment ideas by performing a weekly computer screening of a universe of over 10,000 securities. The database is screened to find securities that have a market capitalization of \$750 million or less. The firm's analysts, using 10 value-based criteria referred to at Heartland as the "10 Point Grid", extensively research each security considered for purchase.

As illustrated in the graphs below and the table above, Heartland Value Fund has outperformed the Index over the trailing five-year period at a similar level of risk.

ANNUALIZED RISK RETURN 5 YEARS ENDING 9/30/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 9/30/10



HEARTLAND VALUE INSTITUTIONAL

Fund Information as of 09/30/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | Heartland Val Inst |
| Ticker | HNTVX |
| Category | Small Value |
| Benchmark | Russell 2000 Value Index |
| Expense Ratio | 0.94% |
| Fund Assets (\$mm) | 40.33 |
| Share Class Inception Date | 5/1/2008 |
| Manager Tenure | 26 |

Sector Allocation as of 07/31/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 7.78% |
| CONSUMER GOODS | 8.61% |
| CONSUMER SERVICES | 5.47% |
| ENERGY | 10.33% |
| FINANCIAL SERVICES | 7.89% |
| HARDWARE | 8.29% |
| HEALTHCARE | 20.39% |
| INDUSTRIAL MATERIALS | 15.32% |
| MEDIA | 0.61% |
| SOFTWARE | 4.20% |
| TELECOMMUNICATION | 5.78% |
| UTILITIES | 3.46% |

Top Holdings as of 07/31/2010

| | |
|---|-------|
| INTERDIGITAL, INC. | 4.08% |
| ANALOGIC CORPORATION | 3.69% |
| GAMMON GOLD, INC. | 3.05% |
| BASIC SANITATION COMPANY OF THE STATE OF SAO PAULO ADR | 2.38% |
| ACCURAY, INC. | 2.31% |
| FORCE PROTECTION, INC. | 1.91% |
| ENCORE CAPITAL GROUP, INC. | 1.89% |
| FEDERAL SIGNAL CORP | 1.75% |
| UNIT CORPORATION | 1.75% |
| SHERRITT INTERNATIONAL CORP | 1.70% |

HISTORICAL RETURNS

(BY YEAR)

| | Heartland Value Institutional Fund | Russell 2000 Value Index | Return Difference |
|------------------|------------------------------------|--------------------------|-------------------|
| | Return | Return | |
| 2000 | 2.0% | 22.8% | -20.8 |
| 2001 | 29.5 | 14.0 | 15.5 |
| 2002 | -11.5 | -11.4 | -0.1 |
| 2003 | 70.2 | 46.0 | 24.2 |
| 2004 | 9.1 | 22.2 | -13.1 |
| 2005 | 2.0 | 4.7 | -2.7 |
| 2006 | 28.0 | 23.5 | 4.5 |
| 2007 | -5.5 | -9.8 | 4.3 |
| 2008 | -39.4 | -28.9 | -10.5 |
| 2009 | 44.9 | 20.6 | 24.3 |
| 2010 (9 months) | 4.4 | 7.9 | -3.5 |
| Trailing 1-Year | 8.6% | 11.8% | -3.2 |
| Trailing 3-Year | -4.3 | -5.0 | 0.7 |
| Trailing 5-Year | 2.2 | 0.7 | 1.5 |
| Trailing 10-Year | 9.3 | 7.7 | 1.6 |

**RETURN SUMMARY
ENDING 9/30/10**

| | Third Quarter | Year-To-Date | 1 Year Ending 9/30/10 | 3 Years Ending 9/30/10 | 5 Years Ending 9/30/10 |
|--------------------------------------|---------------|--------------|-----------------------|------------------------|------------------------|
| EuroPacific Growth Fund | 16.9% | 3.8% | 7.3% | -4.4% | 6.1% |
| MSCI All Country World ex-U.S. Index | 16.6 | 3.7 | 7.6 | -7.4 | 4.3 |

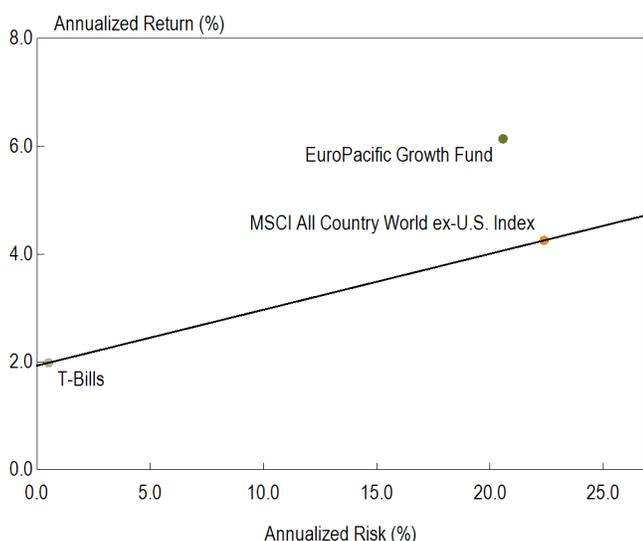
Investment Approach

Capital Research and Management is the sub-advisor for the EuroPacific Growth Fund. Capital Research uses a multiple-counselor system in managing the portfolio's assets. The portfolio is divided into segments and the counselors manage their respective segments autonomously. The research analysts are responsible for making the investment decisions for one of the segments.

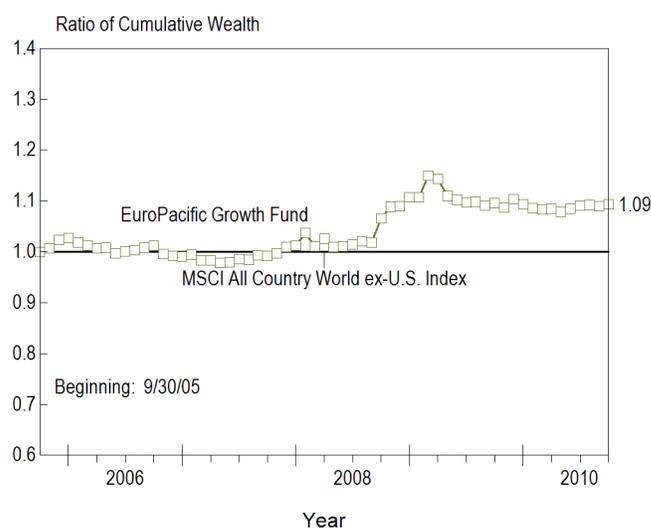
The Capital Research and Management Investment Committee is responsible for making sure the portfolio stays within its limits and adheres to its investment policies. The objective of the fund is to provide long-term growth of capital by investing in a diversified portfolio of international stocks while using a growth-at-a-reasonable price strategy.

As illustrated in the graphs below and the table above, EuroPacific Growth Fund has exceeded the return of the Index over the trailing five-year period at a lower level of risk.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 9/30/10**



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 9/30/10**



EUROPACIFIC GROWTH

Fund Information as of 09/30/2010

| | |
|-----------------------------------|---|
| Fund Name | AMERICAN-EU-R5 |
| Ticker | RERFX |
| Category | Foreign Large Blend |
| Benchmark | MSCI All Country World ex-U.S. Index |
| Expense Ratio | 0.56% |
| Fund Assets (\$mm) | 15,593.56 |
| Share Class Inception Date | 5/15/2002 |
| Manager Tenure | 27 |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 2.38% |
| CONSUMER GOODS | 16.94% |
| CONSUMER SERVICES | 4.69% |
| ENERGY | 6.35% |
| FINANCIAL SERVICES | 18.72% |
| HARDWARE | 3.97% |
| HEALTHCARE | 10.57% |
| INDUSTRIAL MATERIALS | 11.90% |
| MEDIA | 1.20% |
| SOFTWARE | 1.36% |
| TELECOMMUNICATION | 9.58% |
| UTILITIES | 1.75% |

Top Holdings as of 09/30/2010

| | |
|---|-------|
| AMERICA MOVIL S.A.B. DE C.V. ADR L | 2.77% |
| ANHEUSER-BUSCH INBEV SA | 2.37% |
| NOVO NORDISK A/S | 2.26% |
| NOVARTIS AG | 2.22% |
| BAYER AG | 2.06% |
| DAIMLER AG | 1.72% |
| PRUDENTIAL PLC | 1.36% |
| SOFTBANK CORPORATION | 1.35% |
| NESTLE SA | 1.29% |
| UBS AG | 1.26% |

HISTORICAL RETURNS

(BY YEAR)

| | EuroPacific Growth Fund | MSCI All Country World ex-U.S. Index | Return Difference |
|------------------|-------------------------|---|----------------------|
| | Return | Return | |
| 2000 | -17.8% | -15.3% | -2.5 |
| 2001 | -12.2 | -19.7 | 7.5 |
| 2002 | -13.4 | -14.9 | 1.5 |
| 2003 | 33.2 | 40.8 | -7.6 |
| 2004 | 20.0 | 20.9 | -0.9 |
| 2005 | 21.4 | 16.6 | 4.8 |
| 2006 | 22.2 | 26.7 | -4.5 |
| 2007 | 19.2 | 16.7 | 2.5 |
| 2008 | -40.4 | -45.5 | 5.1 |
| 2009 | 39.5 | 41.4 | -1.9 |
| 2010 (9 months) | 3.8 | 3.7 | 0.1 |
| Trailing 1-Year | 7.3% | 7.6% | -0.3 |
| Trailing 3-Year | -4.4 | -7.4 | 3.0 |
| Trailing 5-Year | 6.1 | 4.3 | 1.8 |
| Trailing 10-Year | 5.5 | 4.3 | 1.2 |

EUROPACIFIC GROWTH

COUNTRY ALLOCATION/RETURNS

3 MONTHS ENDING 9/30/10

| | Manager Allocation | Index Allocation | Index Return |
|---------------------|--------------------|------------------|---------------|
| Europe | | | |
| Austria | 0.7 % | 0.2 % | 28.3 % |
| Belgium | 2.6 | 0.7 | 19.6 |
| Czech Republic* | -- | 0.1 | 17.1 |
| Denmark | 2.4 | 0.7 | 17.7 |
| Finland | 0.6 | 0.8 | 26.6 |
| France | 7.9 | 7.0 | 20.8 |
| Germany | 8.2 | 5.5 | 16.7 |
| Greece | 0.5 | 0.2 | 18.8 |
| Hungary* | 0.2 | 0.1 | 27.0 |
| Ireland | 0.7 | 0.2 | -3.6 |
| Italy | 1.1 | 2.0 | 19.8 |
| Netherlands | 1.6 | 1.8 | 16.3 |
| Norway | 0.8 | 0.6 | 29.4 |
| Poland* | 0.1 | 0.4 | 35.5 |
| Portugal | 0.2 | 0.2 | 20.5 |
| Russia* | 1.2 | 1.4 | 13.4 |
| Spain | 3.2 | 2.6 | 27.5 |
| Sweden | 1.5 | 2.2 | 24.7 |
| Switzerland | 7.8 | 5.4 | 13.3 |
| United Kingdom | 10.6 | 14.8 | 19.8 |
| Asia/Pacific | | | |
| Australia | 1.9 % | 5.9 % | 23.6 % |
| China* | 4.9 | 4.3 | 10.7 |
| Hong Kong | 1.6 | 1.8 | 21.9 |
| India* | 3.6 | 1.9 | 15.4 |
| Indonesia* | 0.8 | 0.6 | 17.7 |
| Japan | 9.5 | 14.5 | 5.8 |
| Korea* | 3.1 | 3.2 | 17.2 |
| Malaysia* | -- | 0.7 | 18.9 |
| New Zealand | -- | 0.1 | 13.3 |
| Philippines* | 0.4 | 0.1 | 29.1 |
| Singapore | 0.7 | 1.2 | 15.8 |
| Taiwan, China* | 2.0 | 2.5 | 19.0 |
| Thailand* | -- | 0.4 | 32.4 |
| Americas | | | |
| Brazil* | 2.2 % | 3.9 % | 21.7 % |
| Canada | 3.3 | 7.6 | 13.2 |
| Chile* | -- | 0.4 | 32.6 |
| Colombia* | -- | 0.2 | 32.4 |
| Mexico* | 3.3 | 1.0 | 11.5 |
| Peru* | -- | 0.2 | 24.9 |
| United States | -- | -- | 11.4 |
| Other | | | |
| Egypt* | 0.1 % | 0.1 % | 10.6 % |
| Israel | 0.8 | 0.6 | 11.4 |
| Morocco* | -- | 0.0 | 8.3 |
| Other Countries* | 0.2 | -- | -- |
| South Africa* | 1.6 | 1.8 | 25.4 |
| Turkey* | 0.2 | 0.4 | 31.9 |
| Cash | | | |
| Cash | 7.9 % | 0.0 % | -- |
| Total | 100.0 % | 100.0 % | 16.6 % |
| Developed | 68.2 | 76.3 | |
| Emerging* | 23.9 | 23.7 | |
| Cash | 7.9 | 0.0 | |

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RETURNS OF THE MAJOR CAPITAL MARKETS

| | Third Quarter | Annualized Periods Ending 9/30/10 | | | | |
|--|------------------|-----------------------------------|--------|--------|---------|---------|
| | | 1-Year | 3-Year | 5-Year | 10-Year | 15-Year |
| Domestic Stock Indices: | | | | | | |
| Dow Jones US Total Stock Index | 11.5% | 11.3% | -6.3% | 1.2% | 0.3% | 6.6% |
| S&P 500 Index | 11.3 | 10.2 | -7.2 | 0.6 | -0.4 | 6.5 |
| Russell 3000 Index | 11.5 | 11.0 | -6.6 | 0.9 | 0.1 | 6.6 |
| Russell 1000 Value Index | 10.1 | 8.9 | -9.4 | -0.5 | 2.6 | 7.4 |
| Russell 1000 Growth Index | 13.0 | 12.7 | -4.4 | 2.1 | -3.4 | 5.3 |
| Russell MidCap Value Index | 12.1 | 16.9 | -4.8 | 2.0 | 7.8 | 9.8 |
| Russell MidCap Growth Index | 14.6 | 18.3 | -3.9 | 2.9 | -0.9 | 7.0 |
| Russell 2000 Value Index | 9.7 | 11.8 | -5.0 | 0.7 | 7.7 | 9.0 |
| Russell 2000 Growth Index | 12.8 | 14.8 | -3.7 | 2.3 | -0.1 | 3.9 |
| Domestic Bond Indices: | | | | | | |
| Barclays Capital Aggregate Index | 2.5% | 8.2% | 7.4% | 6.2% | 6.4% | 6.4% |
| Barclays Capital Govt/Credit Index | 3.3 | 8.7 | 7.5 | 6.1 | 6.5 | 6.4 |
| Barclays Capital Long Govt/Credit Index | 5.9 | 13.6 | 10.2 | 7.3 | 8.4 | 7.9 |
| Barclays Capital 1-3 Year Govt/Credit Index | 0.9 | 3.3 | 4.6 | 4.7 | 4.6 | 5.1 |
| Barclays Capital U.S. MBS Index | 0.6 | 5.7 | 7.5 | 6.4 | 6.3 | 6.4 |
| Barclays Capital High Yield Index | 6.7 | 18.4 | 8.7 | 8.4 | 8.0 | 7.3 |
| Barclays Capital Universal Index | 2.9 | 8.9 | 7.3 | 6.3 | 6.6 | 6.6 |
| Real Estate Indices: | | | | | | |
| NCREIF Property Index | 3.9% | 5.8% | -4.6% | 3.7% | 7.2% | 8.9% |
| NCREIF ODCE Index | 5.2 | 6.0 | -11.3 | -1.0 | 4.1 | 6.7 |
| Dow Jones Real Estate Securities Index | 13.2 | 30.1 | -7.2 | 1.3 | 9.9 | 10.4 |
| FTSE NAREIT US Real Estate Index | 12.8 | 30.3 | -6.1 | 1.9 | 10.4 | 10.3 |
| Foreign/Global Stock Indices: | | | | | | |
| MSCI All Country World Index | 14.3% | 8.4% | -7.5% | 2.4% | 1.6% | 5.6% |
| MSCI All Country World IMI | 14.5 | 9.3 | -7.4 | 2.4 | 2.0 | 5.5 |
| MSCI All Country World ex-U.S. Index | 16.6 | 7.6 | -7.4 | 4.3 | 4.3 | 5.6 |
| MSCI All Country World ex-U.S. IMI | 16.8 | 8.5 | -7.0 | 4.5 | 4.7 | 5.4 |
| MSCI All Country World ex-U.S. Small Cap Index | 18.4 | 15.6 | -4.5 | 6.4 | 8.8 | 6.2 |
| MSCI EAFE Index | 16.5 | 3.3 | -9.5 | 2.0 | 2.6 | 4.5 |
| MSCI EAFE IMI | 16.6 | 3.8 | -9.2 | 2.1 | 2.8 | 4.6 |
| MSCI EAFE Index (in local currency) | 7.1 | 2.5 | -10.5 | -0.9 | -0.8 | 4.0 |
| MSCI Emerging Markets IMI | 18.3 | 21.6 | -0.9 | 13.3 | 13.4 | 6.2 |
| Foreign Bond Indices: | | | | | | |
| Citigroup World Gov't Bond Index | 10.4% | 4.5% | 8.4% | 7.3% | 8.0% | 5.7% |
| Citigroup Hedged World Gov't Bond Index | 1.9 | 4.8 | 5.7 | 4.8 | 5.2 | 6.6 |
| Cash Equivalents: | | | | | | |
| Treasury Bills (30-Day) | 0.0% | 0.1% | 0.7% | 2.0% | 2.0% | 2.9% |
| EnnisKnupp STIF Index | 0.1 | 0.3 | 1.6 | 3.0 | 2.8 | 3.7 |
| Inflation Index: | | | | | | |
| Consumer Price Index | 0.2% | 1.1% | 1.6% | 1.9% | 2.3% | 2.4% |

APPENDIX II

Benchmark Descriptions

iMoney Net Money Fund Average - An index made up of the entire universe of taxable money market mutual funds. The index currently represents 1,228 funds, or approximately 99 percent of all money fund assets.

Custom Benchmark (Personal Strategy Balanced) - A mix of 51% Dow Jones U.S. Total Stock Market Index, 30% Barclays Capital Aggregate Bond Index, 10% 90-Day Treasury Bills, and 9% MSCI EAFE Index.

Custom Benchmark (Personal Strategy Growth) - A mix of 65% Dow Jones U.S. Total Stock Market Index, 20% Barclays Capital Aggregate Bond Index and 12% MSCI EAFE Index.

Custom Benchmark (Personal Strategy Income) - A mix of 34% Dow Jones U.S. Total Stock Market Index, 40% Barclays Capital Aggregate Bond Index, 20% 90-Day Treasury Bills, and 6% MSCI EAFE Index.

Performance Benchmark (Vanguard Total Stock Market Index) - Dow Jones U.S. Total Stock Market Index until 4/30/2005, the MSCI U.S. Broad Market Index going forward.

Performance Benchmark (Vanguard Small Cap Index) - Russell 2000 Index until 6/30/2003, the MSCI U.S. 1750 Small Cap Index going forward.

Hueler Stable Value Pooled Fund Index - is an equal-weighted total return average across all participating funds in the Hueler Universe and represents approximately 75% of the stable value pooled funds available to the marketplace. All participating stable value pooled funds are available to investors through employer sponsored retirement plans. The returns are gross of investment management fees.

Barclays Capital Aggregate Bond Index - A market value-weighted index consisting of government bonds, SEC-registered corporate bonds and mortgage-related and asset-backed securities with at least one year to maturity and an outstanding par value of \$150 million or greater. This index is a broad measure of the performance of the investment grade U.S. fixed income market.

MSCI All Country World ex-U.S. Free Index - A capitalization-weighted index of stocks representing 44 developed and emerging country stock markets, excluding the U.S. market.

MSCI U.S. 1750 Small Cap Index - An index representing the universe of small capitalization companies in the U.S. equity market. This index targets for inclusion 1,750 companies and represents approximately 12% of the capitalization of the U.S. equity market.

Barclays Capital 1-3 Year Government Index - A market value-weighted index consisting of U.S. government bonds with one to three years to maturity and an outstanding par value of \$250 million or greater.

Benchmark Descriptions

S&P 500 Index - A capitalization-weighted index representing stocks chosen by Standard & Poor's, Inc. for their size, liquidity, stability and industry group representation. The companies in the S&P 500 Index are generally among the largest in their industries. Currently the Index comprises industrial, utility, financial and transportation stocks.

FTSE All World ex-U.S. Index - An index of stocks representing approximately 46 developed and emerging countries, excluding the U.S. while including Canada.

Russell 1000 Index - A capitalization-weighted index of the 1,000 largest publicly traded U.S. stocks by capitalization.

Russell 1000 Value Index - An Index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower I/B/E/S growth forecasts.

Russell 1000 Growth Index - An Index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher I/B/E/S growth forecasts.

Russell Mid Cap Index - A capitalization-weighted index consisting of the smallest 800 companies in the Russell 1000 Index. The Russell 1000 Index represents the 1,000 largest publicly traded stocks by capitalization.

Russell 2500 Index - A capitalization-weighted, small-cap stock index representing the performance of 2,500 domestic stocks. This Index represents approximately 22% of the domestic market. Its median market capitalization is approximately \$786 million.

Russell 2000 Index - A capitalization-weighted index of the smallest 2,000 stocks in the Russell 3000 Index. The Index excludes the largest- and smallest-capitalization issues in the domestic stock market.

Russell 2000 Value Index - A capitalization-weighted index representing those companies within the Russell 2000 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.

Russell 2000 Growth Index - A capitalization-weighted index representing those companies within the Russell 2000 Index with higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.

Dow Jones U.S. Total Stock Market Index - A capitalization-weighted stock index representing all domestic common stocks traded regularly on the organized exchanges. The Index is the broadest measure of the aggregate domestic stock market.

Benchmark Descriptions

Vanguard Target Retirement Income Benchmark - A mix of 24% MSCI U.S. Broad Market Index, 5% MSCI EAFE Index, 1% MSCI Emerging Markets Index, 45% Barclays Capital Aggregate Bond Index, 20% Barclays Capital TIPS Index, and 5% Citigroup 3-Month Treasury Index.

Vanguard Target Retirement 2005 Benchmark - A mix of 29% MSCI U.S. Broad Market Index, 5% MSCI EAFE Index, 2% MSCI Emerging Markets Index, 43% Barclays Capital Aggregate Bond Index, 17% Barclays Capital TIPS Index, and 4% Citigroup 3-Month Treasury Index.

Vanguard Target Retirement 2010 Benchmark - A mix of 40% MSCI U.S. Broad Market Index, 7% MSCI EAFE Index, 3% MSCI Emerging Markets Index, 40% Barclays Capital Aggregate Bond Index, and 10% Barclays Capital TIPS Index.

Vanguard Target Retirement 2015 Benchmark - A mix of 48% MSCI U.S. Broad Market Index, 9% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 40% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2020 Benchmark - A mix of 54% MSCI U.S. Broad Market Index, 10% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 32% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2025 Benchmark - A mix of 60% MSCI U.S. Broad Market Index, 11% MSCI EAFE Index, 4% MSCI Emerging Markets Index, and 25% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2030 Benchmark - A mix of 66% MSCI U.S. Broad Market Index, 13% MSCI EAFE Index, 4% MSCI Emerging Markets Index, and 17% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2035 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 14% MSCI EAFE Index, 4% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2040 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 14% MSCI EAFE Index, 4% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2045 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 14% MSCI EAFE Index, 4% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2050 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 14% MSCI EAFE Index, 4% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Hewitt ennisknupp

An Aon Company

Milwaukee County Deferred Compensation Plan

Fourth Quarter 2010

Hewitt EnnisKnupp, Inc.

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Market Environment

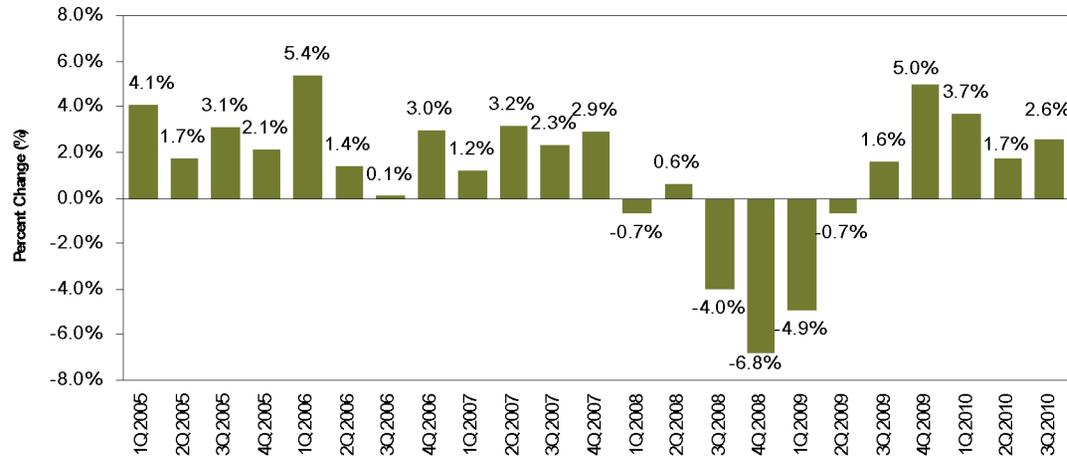
Fourth Quarter 2010

Market Environment

The U.S. Federal Reserve (Fed) met three times during the fourth quarter. The Fed continues to maintain a target range of 0%-.25%. Justification for holding the rate steady was low rates of resource utilization and subdued inflation trends. Recent economic improvement in the U.S. economy was still not seen as sufficiently strong enough to warrant a pullback in the Fed's asset purchase program. The Federal Open Market Committee ("FOMC") confirmed that economic recovery is continuing, but at an insufficient rate to bring down unemployment. At their December meeting, the FOMC decided to continue to expand its holdings of long-term Treasury securities to promote a stronger pace of economic recovery and to help insure that inflation levels remain consistent with its mandate. Since the second quantitative easing ("QE2") began in November 2010, the Fed has purchased \$192 billion through the end of December. This constitutes 32% of the \$600 billion called for QE2.

According to the final estimate released by the Bureau of Economic Analysis, real GDP increased 2.6% in the third quarter of 2010. This was an upward revision of 0.1 percentage points from the second estimate in November. The acceleration in real GDP primarily reflected a sharp deceleration in imports and an increase in private inventory investments. The extension of the Bush-era tax cuts and the monetary stimulus of QE2 should provide a sustainable foundation for higher growth in the future.

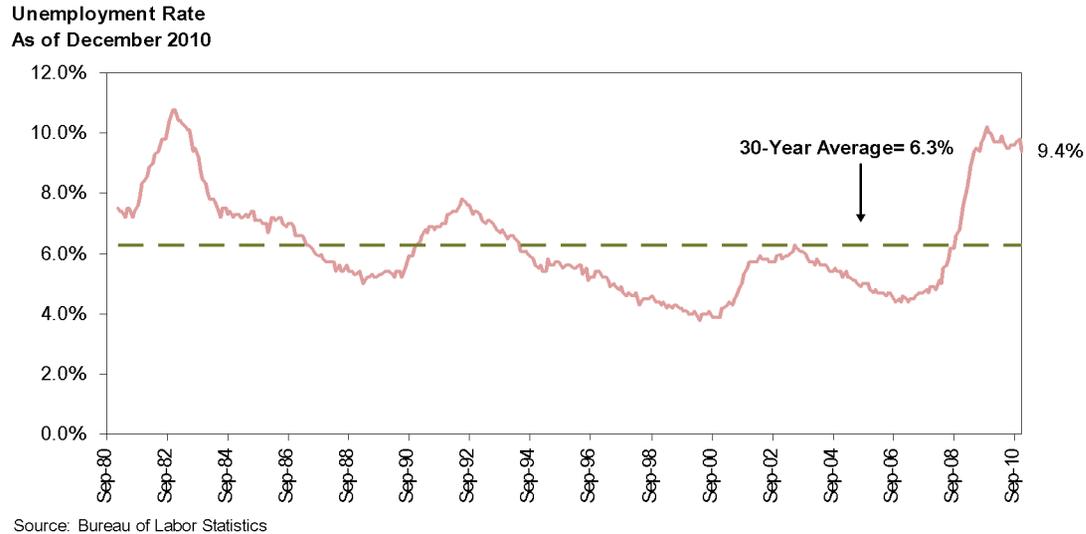
Quarterly Gross Domestic Product (Annualized)



Source: Bureau of Economic Statistics

According to the Bureau of Labor Statistics, the unemployment rate fell by 0.4% in December to 9.4 percent. Nonfarm payrolls increased by 103,000 in December, although below expectations of a rise of 150,000 jobs. Though prior months numbers were revised upward, as the unemployment rate fell, the general consensus was that employment growth was still struggling to keep up with recent strength in production. Job growth stemmed from leisure and hospitality as well as the health care sector. Food services and drinking places (within leisure and hospitality) rose by 47,000 in December. Health care employment has continued to grow since last quarter, with a gain of 36,000 jobs. Over the month, employment continued to rise in several health-related services, including outpatient care centers, hospitals, and nursing and residential care facilities. The unemployment rate, shown on the following page, remains at 9.4%, a level well above the 30-year average.

Market Environment

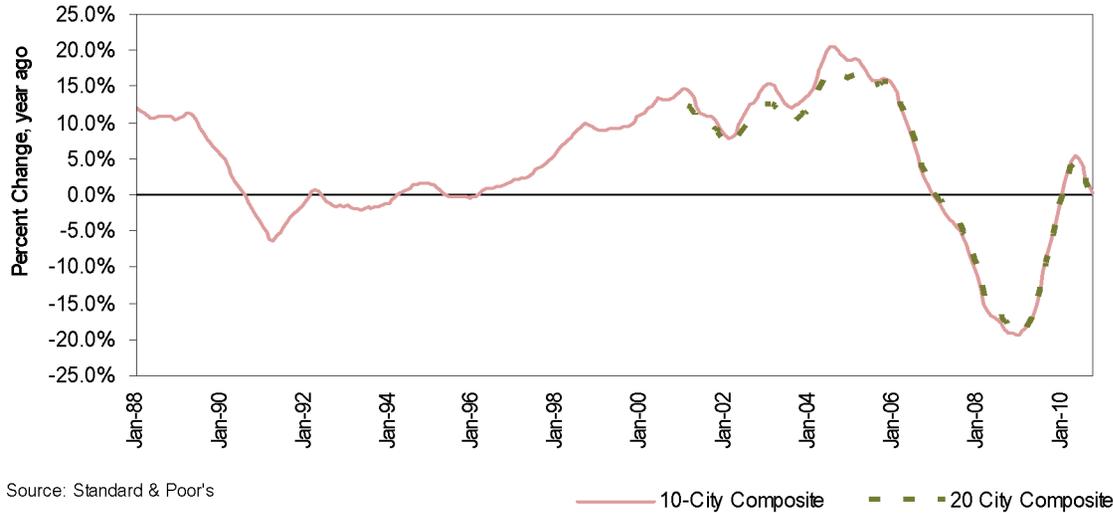


The housing market continues to show anemic signs. The S&P/Case-Shiller Home Price Indices showed a deceleration in annual housing prices in 18 of 20 major metro markets for October. This marked the fourth consecutive monthly decline. From the peak in April 2006 to October, housing prices have declined 30.5 percent according to the S&P/Case-Shiller Index. As the excess housing inventory continues to be worked off, the supply level should start to reflect historical averages. The S&P/Case-Shiller Home Price Index, shown on the following page, depicts a decline in recent housing prices year-over-year for the 10-city and 20-city major metro market composite.

Not everything has been gloomy in the housing market. In the commercial space, government support for loan extensions or modifications has renewed investors outlook. Deterioration of sector fundamentals has slowed down. Sector returns have come back into positive territories. The NFI-ODCE net Total Return for third quarter 2010 was 3.9%, with a 1.3% net income return. Continuing the expansion from second quarter of 2.6%, appreciation was positive for the third quarter posting a 3.6% return after posting consecutive negative quarterly returns from second quarter 2008 to first quarter 2010.

Market Environment

S&P/Case-Shiller Home Price Index
12-Month Change
As of October 2010



According to the Bureau of Labor Statistics, December's Consumer Price Index (CPI-U) increased 0.5% month-over-month on a seasonally adjusted basis. For the second consecutive month in a row, the energy index increased contributing to the overall seasonally adjusted increase this month. The gasoline index, accounting for roughly 80% of the CPI-U increase, rose sharply by 8.5% month-over-month. Within the energy component, the fuel oil index increased 4.9% in December for the third straight positive month resulting in a positive 16.5% twelve month change on a seasonally unadjusted basis. The food index increased slightly in December. The CPI-U increased 1.5% over the trailing twelve months.

The core CPI, which excludes volatile food and energy prices, rose 0.1% in December, as was the case in November. The shelter index increased 0.1% for the third month in a row accounting for roughly 60% of the rise. The index for new vehicles remained unchanged in December while used cars and trucks fell 0.1%, its fourth consecutive loss. The index for medical care services rose 0.3% in December resulting in a positive 3.4% over the last twelve months. A moderate rise in indexes for airline fares and apparel also contributed to offset a decline in the indexes for recreations, communications, and household furnishings and operations.

Marking the sixth straight rise in finished good prices, the Producer Price Index (PPI) increased 1.1% in December on a seasonally adjusted basis. The advance followed increases of 0.8% in November and 0.4% in October. Prices for energy goods, which increased 3.7% in December, contributed to about 75% of the December rise in the finished goods index. At the earlier stages of processing, prices received by manufacturers of intermediate goods increased 0.1 percent as the crude goods index increased 0.4 percent. On an unadjusted basis, prices for finished goods rose 4.0% in 2010 after rising 4.3% in 2009.

Market Environment

Returns Of The Major Capital Markets

| | Fourth | Annualized Periods Ending 12/31/10 | | | | |
|--------------------------------------|---------|------------------------------------|--------|--------|---------|---------|
| | Quarter | 1-Year | 3-Year | 5-Year | 10-Year | 15-Year |
| Domestic Stock Indices: | | | | | | |
| Dow Jones US Total Stock Index | 11.7 | 17.5 | -1.8 | 3.0 | 2.6 | 7.1 |
| S&P 500 Index | 10.8 | 15.1 | -2.9 | 2.3 | 1.4 | 6.8 |
| Domestic Bond Indices: | | | | | | |
| Barclays Capital Aggregate Index | -1.3 | 6.5 | 5.9 | 5.8 | 5.8 | 6.0 |
| Foreign/Global Stock Indices: | | | | | | |
| MSCI All Country World Index | 8.7 | 12.7 | -4.3 | 3.4 | 3.2 | 5.8 |
| MSCI All Country World ex-U.S. Index | 7.2 | 11.2 | -5.0 | 4.8 | 5.5 | 5.8 |
| MSCI EAFE Index | 6.6 | 7.8 | -7.0 | 2.5 | 3.5 | 4.7 |
| MSCI Emerging Markets | 7.3 | 18.9 | -0.3 | 12.8 | 15.9 | 8.7 |

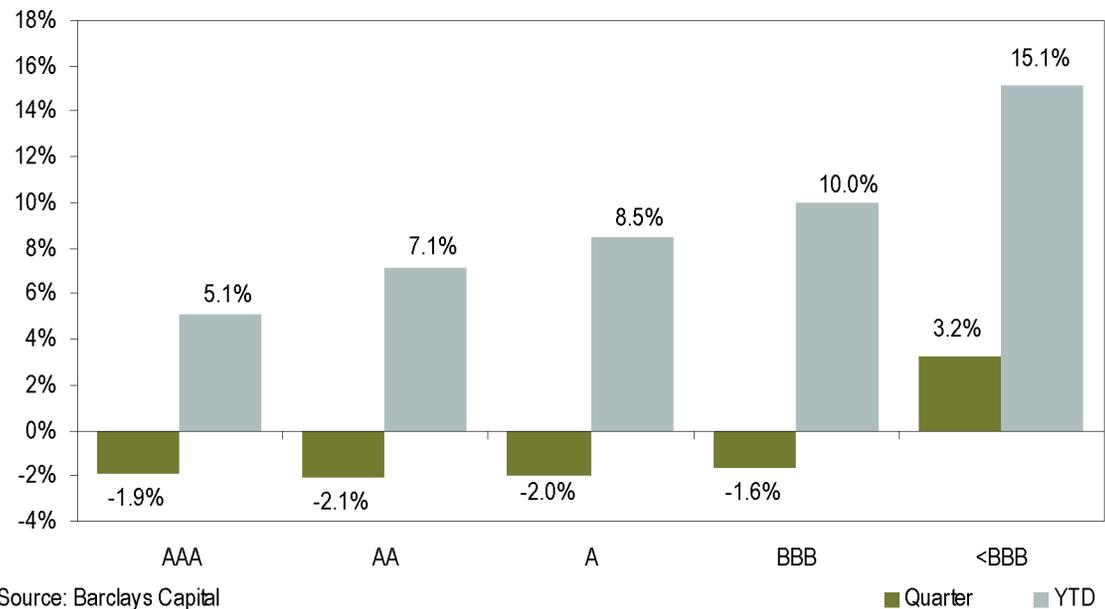
U.S. equity markets continued to post positive gains in the fourth quarter, pushing the S&P 500 index over 10% for the quarter and 15% for the year. The S&P 500 Index has rallied to push it up 86% from the bear market low on March 9, 2009. A new \$600 billion stimulus plan from the Fed combined with improving economic data has helped push stock prices to high levels not seen since before the collapse of Lehman Brothers in November 2008. All U.S. equity economic sectors posted positive returns for the second consecutive quarter with oil (21.7%) leading the way. Consumer spending showed a big improvement during the holiday season, hitting the highest levels in over two years. From a style perspective, growth outperformed value for the fourth quarter.

Developed international equities and emerging markets increased 6.6% and 7.3%, respectively. After retreating from highs in November on concerns about the European debt crisis, equities rallied in December as positive news lifted expectations about the global economy. Markets were encouraged by the expectation that the European Central Bank would increase its bond purchases. Energy and industrial sectors led the advance while a slight gain in the U.S. dollar versus most other currencies diluted returns. Japan led the Pacific market higher with a 12% gain for the quarter. Economic growth data was better than expected, though the strength of the yen slowed both external and domestic demand. Japanese exports rose 6.1% year over year in October, a slowdown from September's 9.7% growth.

Market Environment

Bond markets declined in the fourth quarter, but posted positive gains for the year due to strong results from the second and third quarters. Government bonds trailed the rest of the bond market during the fourth quarter. Long-term government bonds underperformed shorter-term government bonds in the quarter, but significantly outperformed them for the year. Continuing the trend from 2009, high yield bonds and lower rated investment-grade securities (BBB) outperformed higher quality bonds in the fourth quarter and for the year. Returns for high yield bonds were driven by lower spreads and investor demand for much higher yielding securities than Treasuries. The yield curve rose significantly during the fourth quarter, with the yields on the 5-, 10-, and 30-year bonds rising 75, 79, and 66 basis points, respectively. The spread between the three-month and 30-year maturities widened from 3.5% to 4.2%.

Fixed Income Returns By Quality
Ending December 2010



Market Environment

| Through December 31, 2010 | | | | | | | |
|---|--------|--------|--------|---------------|---------|-----------|------------|
| Credit Spreads (bps) | Dec-09 | Sep-10 | Dec-10 | Quarterly Chg | YTD Chg | Quarterly | YTD Return |
| (Based on Barclays indices and OAS ^a) | | | | (bps) | (bps) | (%) | (%) |
| Agency Fixed-Rate MBS | 19 | 86 | 41 | -45 | 22 | 0.3 | 5.5 |
| CMBS | 473 | 304 | 254 | -50 | -219 | 0.9 | 10.8 |
| ABS | 100 | 71 | 82 | 11 | -18 | -1.5 | 5.9 |
| IG Corporates | 172 | 175 | 156 | -19 | -16 | -1.6 | 9.0 |
| IG Financials | 226 | 215 | 191 | -24 | -35 | -0.5 | 9.4 |
| Convertibles | 916 | 838 | 536 | -302 | -380 | 7.9 | 18.1 |
| High Yield | 617 | 621 | 526 | -95 | -91 | 3.2 | 15.1 |
| Ba | 453 | 459 | 399 | -60 | -54 | 1.7 | 14.6 |
| B | 567 | 598 | 506 | -92 | -61 | 3.2 | 13.9 |
| Caa | 868 | 950 | 775 | -175 | -93 | 5.9 | 16.4 |
| Quality Spread (Caa-Ba) | 415 | 491 | 376 | -115 | -39 | - | - |
| Treasury Yields (% unless noted) | | | | | | | |
| 3-month | 0.05 | 0.15 | 0.12 | -3 | 7 | 0.1 | 0.2 |
| 2-year | 1.14 | 0.42 | 0.61 | 19 | -53 | -0.1 | 2.4 |
| 5-year | 2.68 | 1.26 | 2.01 | 75 | -67 | -2.7 | 7.0 |
| 10-year | 3.84 | 2.51 | 3.30 | 79 | -54 | -5.6 | 8.0 |
| 30-year | 4.64 | 3.68 | 4.34 | 66 | -30 | -9.9 | 8.7 |
| 3m-10y Spread (bps) | 379 | 236 | 318 | 82 | -61 | - | - |
| 2y-10y Spread (bps) | 270 | 209 | 269 | 60 | -1 | - | - |
| TIPS Breakevens^b (percentage points of implied inflation; negative = deflation) | | | | | | | |
| 2-year BE | 1.24 | 0.64 | 1.24 | 60 | 0 | - | - |
| 5-year BE | 1.95 | 1.28 | 1.73 | 45 | -22 | - | - |
| 10-year BE | 2.41 | 1.82 | 2.28 | 46 | -13 | - | - |
| 30-year BE | 2.55 | 2.07 | 2.49 | 42 | -6 | - | - |
| Liquidity Indicators (bps) | | | | | | | |
| 3-mo LIBOR | 25 | 29 | 30 | 1 | 5 | - | - |
| LIBOR-OIS Spread ^c | 9 | 11 | 13 | 2 | 4 | - | - |
| TED Spread ^d | 20 | 14 | 18 | 4 | -2 | - | - |
| Conventional Fixed Rate Mortgage | | | | | | | |
| 30-year | 5.18% | 4.32% | 4.77% | 45 | -41 | - | - |

^a Option-adjusted spread is the spread after removing embedded options, e.g., prepay, callable; better for cross-sector comparison.

^b TIPS Breakevens are the nominal Treasury yield minus the TIPS yield, and represent market expectations for inflation.

^c LIBOR-OIS is the spread between 3-month LIBOR and the overnight indexed swap rate, and is an indicator of banks' willingness to lend.

^d TED Spread is the difference between 3-month LIBOR and the 3-month T-bill yield, and is a measure of risk premium to lend.

Source: Bloomberg, LehmanLive, Mortgage Bankers Association

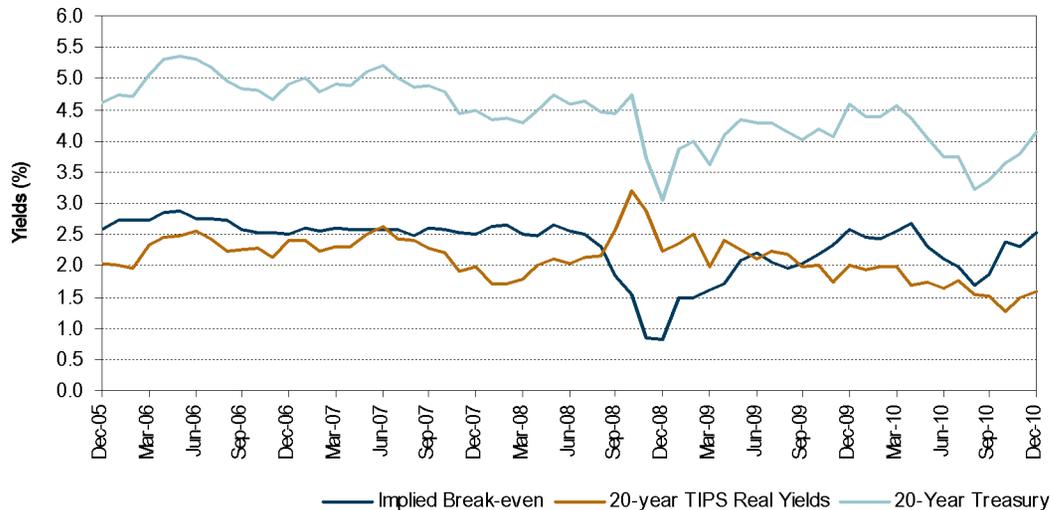
Market Environment

| | 31-Dec-09 | 30-Sep-10 | 31-Dec-10 | Change | |
|--------------------------|-----------|-----------|-----------|--------|--------|
| | | | | QTD | YTD |
| 20-year TIPS Real Yield | 2.03% | 1.51% | 1.59% | 0.08% | -0.44% |
| Implied Break-even | 2.55% | 1.87% | 2.54% | 0.67% | -0.01% |
| 20-Year Treasury | 4.58% | 3.38% | 4.13% | 0.75% | -0.45% |
| Implied Treasury Yield | 4.52% | 3.43% | 4.15% | 0.72% | -0.38% |
| Long AA Corp. OAS | 1.28% | 1.56% | 1.17% | -0.39% | -0.11% |
| Total Yield Long AA Corp | 5.80% | 4.99% | 5.32% | 0.33% | -0.49% |

AA corporate spreads remain relatively tight during the fourth quarter. The 20-year Treasury yield rose 75 basis points to 4.13%, which is up from 3.38% in September. Break-evens were up noticeably within the fourth quarter, suggesting expected inflation will rise over the next 20 years. This may represent a higher inflation risk premium for nominal bond owners. During the implementation of fiscal stimulus, the increase in Treasury yields is a direct result of inflation expectations expanding with minimal higher adjustments to real yields. An increase in implied inflation can be attributed to the extension to the Bush-era tax cuts.

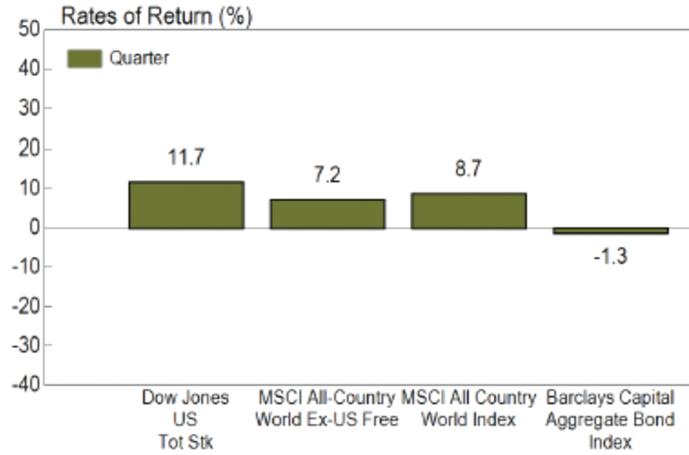
However, year-to-date implied break-evens remain relatively unchanged. Although there was little change over the last 12 months, there was significant volatility seen during the fourth quarter more attributable to the perception of potential inflationary pressure from QE2 than the Euro crisis. The decline in Treasury yields is mainly due to the decline in real yields. Overall the 20-year implied inflation is on par with levels seen in 2006 and 2007; therefore, we wouldn't expect to see much of an increase from the current implied inflation of 2.54 percent. The growth from real yields will be the key driver for increases in nominal bond yields going forward.

20-Year Treasury Yields

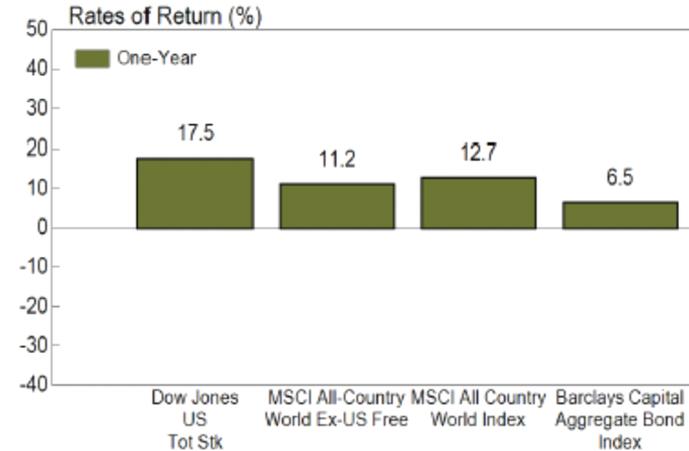


Market Environment

**MAJOR MARKET RETURNS
FOURTH QUARTER**

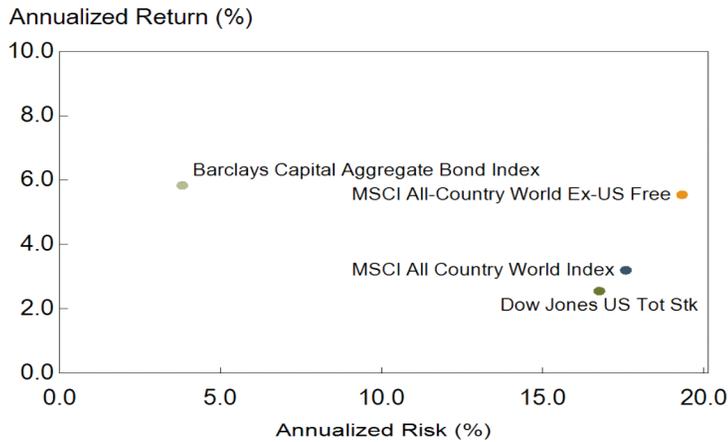


**MAJOR MARKET RETURNS
ONE-YEAR ENDING 12/31/10**

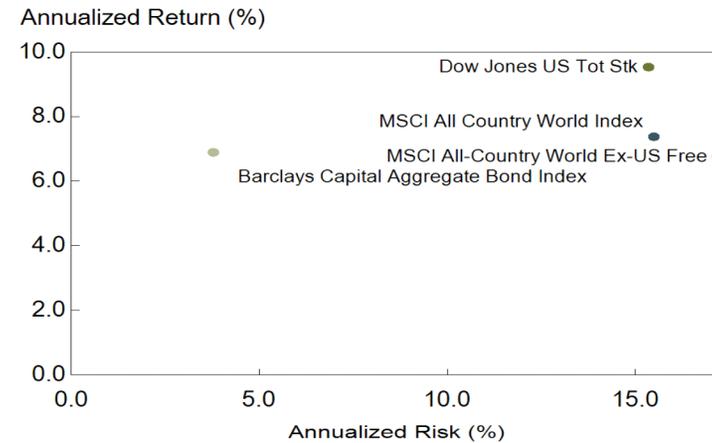


The exhibits above show the performance of the major capital markets during the fourth quarter and trailing one-year periods.

**MARKET RISK/RETURN
10 YEARS ENDING 12/31/10**

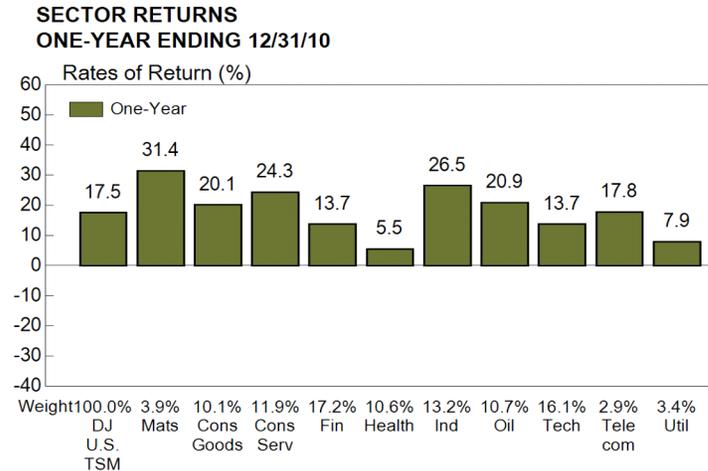
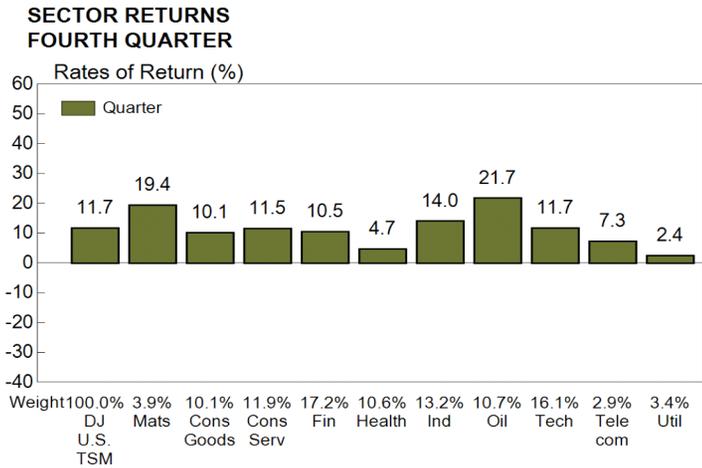


**MARKET RISK/RETURN
20 YEARS ENDING 12/31/10**

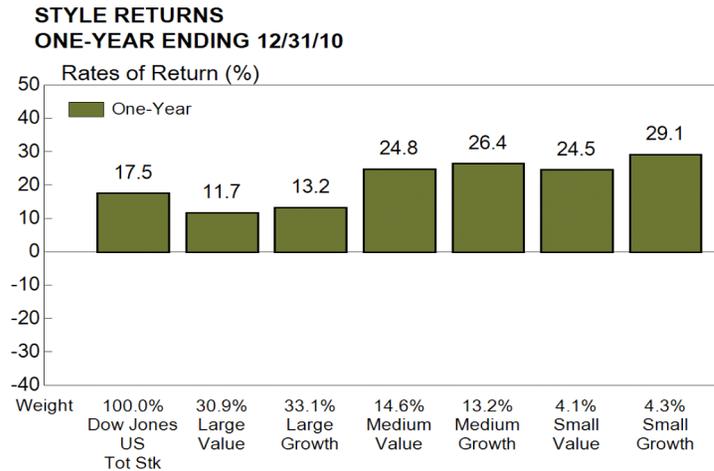
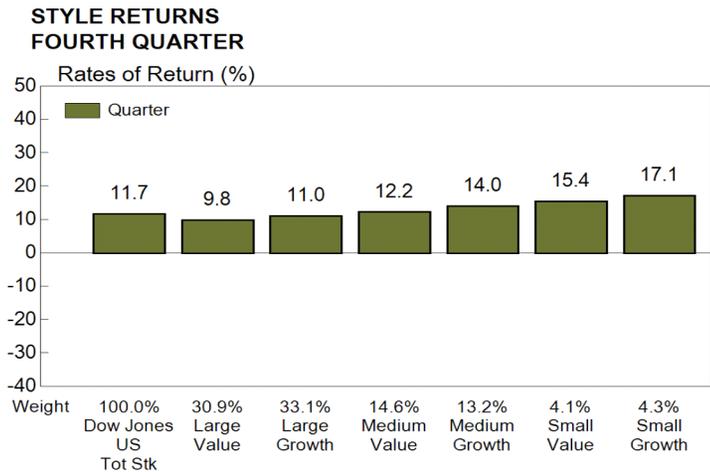


The exhibits above show the historical performance of the major capital markets and the amount of risk (volatility of returns) incurred. Points near the top of the chart represent a greater return and points near the right of the chart indicate greater volatility.

Market Environment

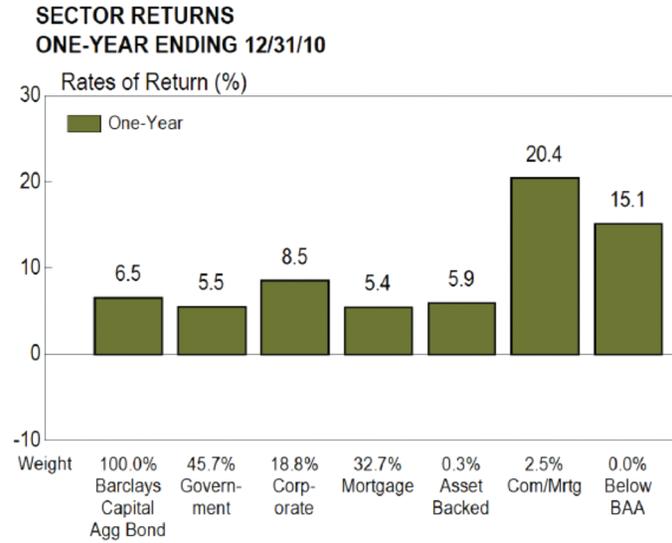
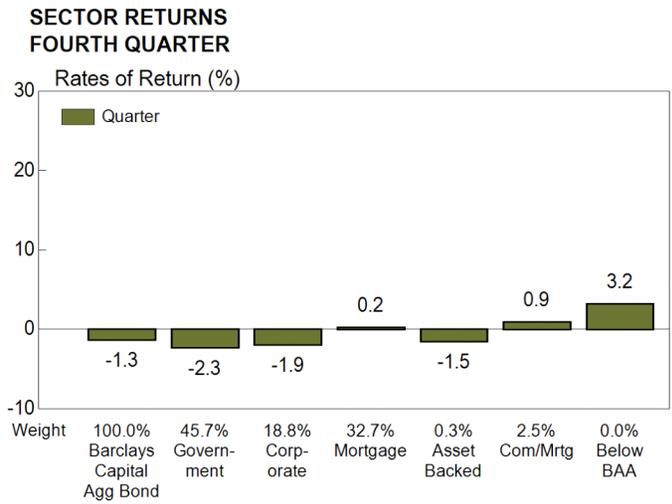


The Dow Jones U.S. Total Stock Market Index is the broadest available measure of the aggregate U.S. stock market. It includes all U.S. common stocks with readily available price information. The exhibits above show the performance of the sectors that comprise the Dow Jones U.S. Total Stock Market Index. The percentage below each bar indicates the sector's weight within the Dow Jones U.S. Total Stock Market Index at quarter-end.

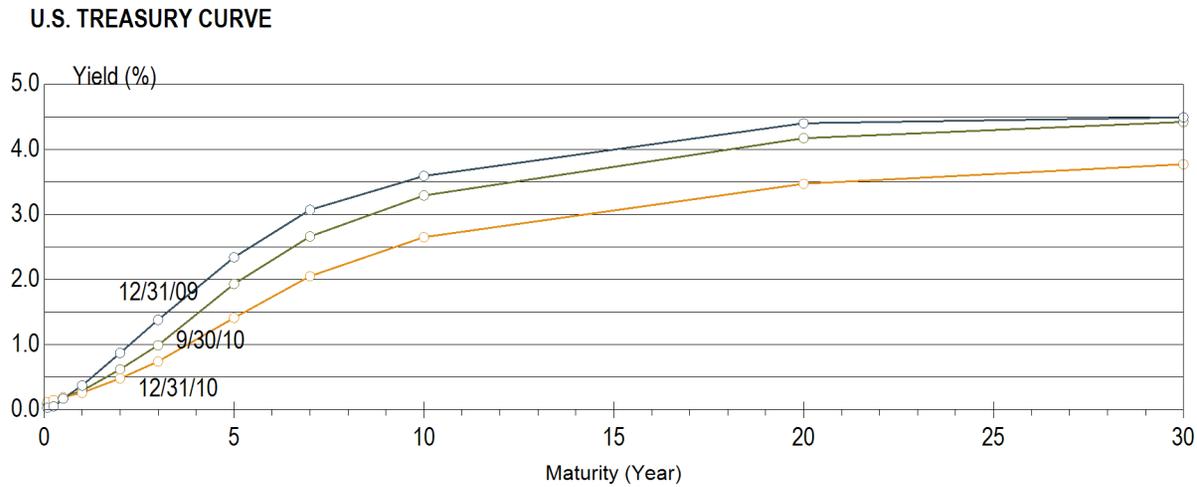


The exhibits above illustrate the performance of stock investment styles according to capitalization (large and small) and style characteristics (value and growth). The percentage below each bar indicates the segment's weight within the Dow Jones U.S. Total Stock Market Index at quarter-end.

Market Environment



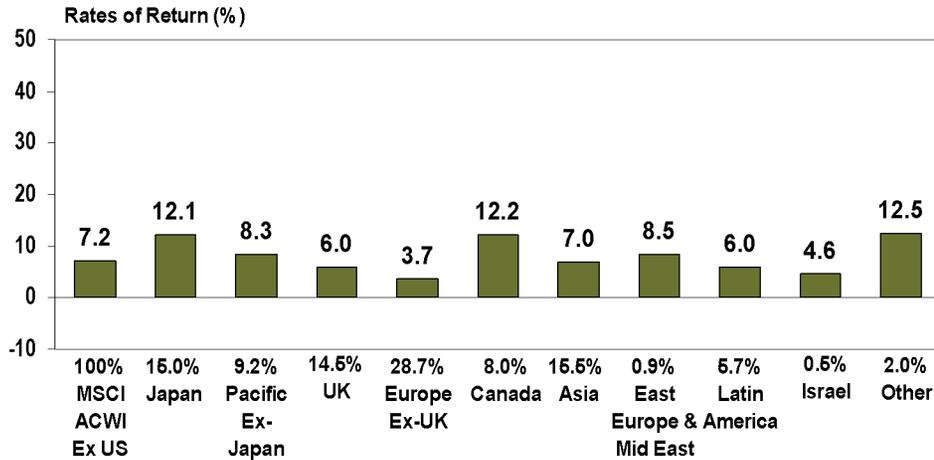
The Barclays Capital Aggregate Bond Index is a broad measure of the U.S. investment grade fixed income market. The Index consists of credit, government, and mortgage-backed securities and includes credit card, auto, and home equity loan-backed securities. The exhibits above show the performance of the sectors that comprise the broad domestic bond market. The percentage below each bar indicates the sector's weight within the Barclays Capital Aggregate Bond Index at quarter-end.



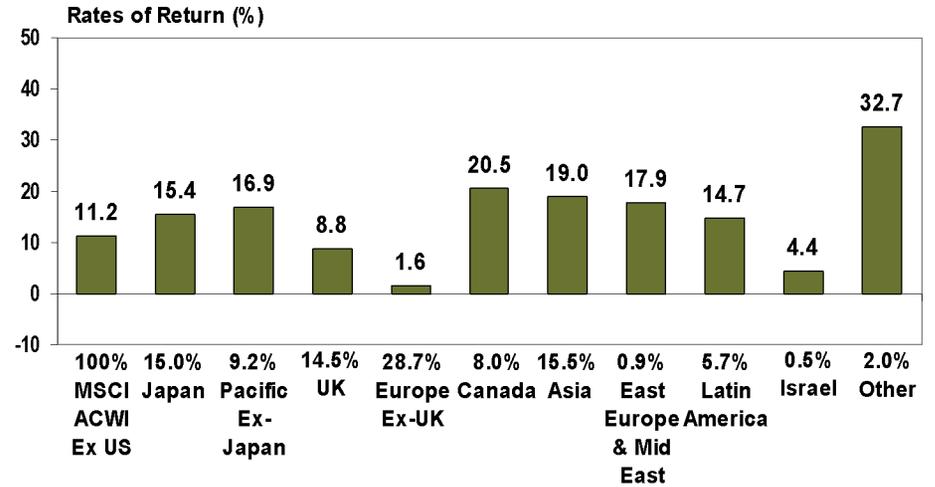
The exhibit above illustrates yields of Treasury securities of various maturities as of September 30, 2010 (Gold), December 31, 2010 (Green), and December 31, 2009 (Blue).

Market Environment

**NON-U.S. STOCK MARKET RETURNS
FOURTH QUARTER**



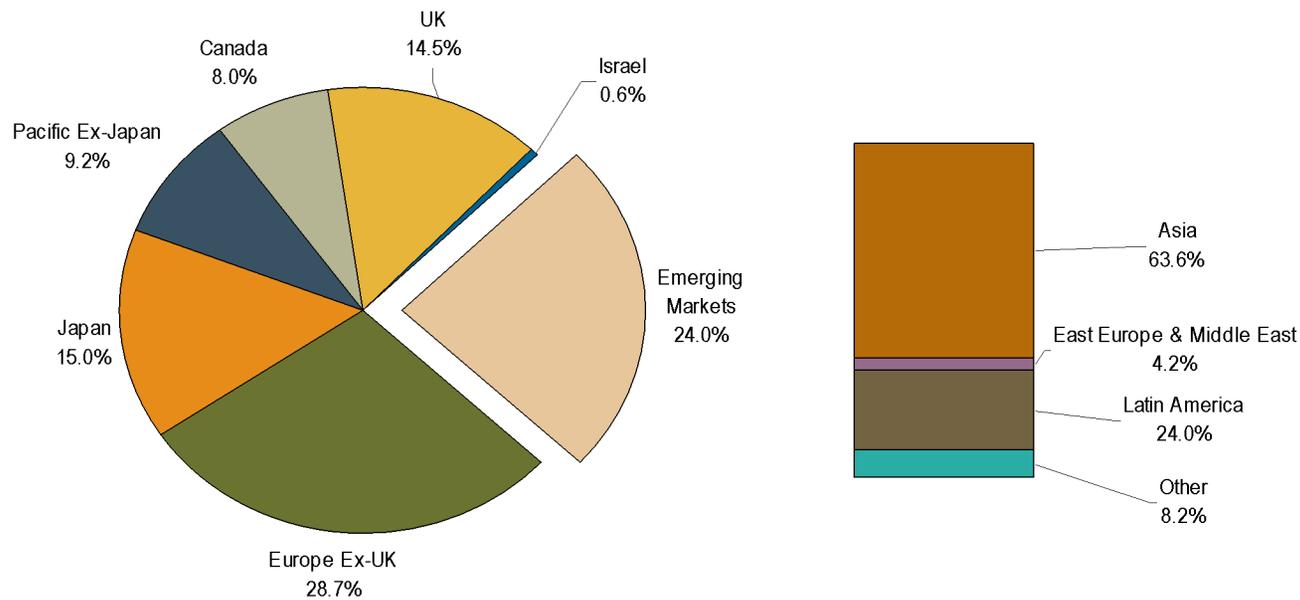
**NON-U.S. STOCK MARKET RETURNS
ONE YEAR ENDING 12/31/2010**



The MSCI All Country World ex-U.S. Index is a capitalization-weighted index of stocks representing 23 developed stock markets and 21 emerging stock markets around the world. The exhibits above show the performance of the regions that comprise the MSCI All Country World ex-U.S. Index at quarter-end.

Market Environment

**MSCI ALL-COUNTRY WORLD EX-U.S. STOCK INDEX
GEOGRAPHIC ALLOCATION AS OF 12/31/2010**

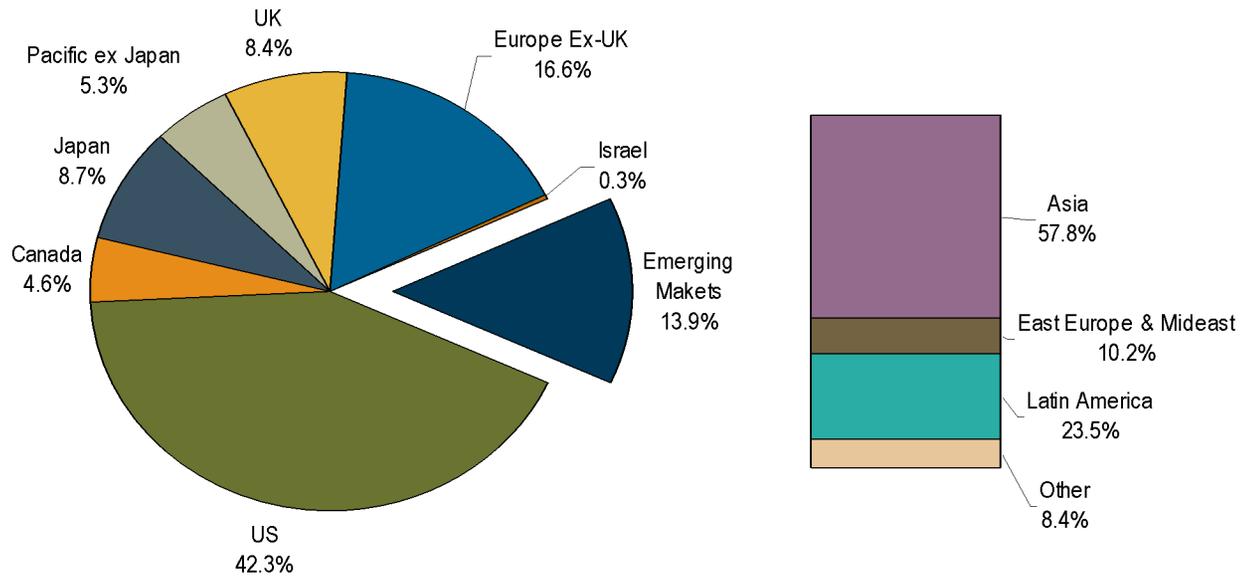


The exhibit above illustrates the percent each region represents of the non-U.S. stock market as measured by the MSCI All Country World ex-U.S. Index.

Note on Other: Includes South Africa, Egypt, and Morocco. Returns expressed are the weighted average returns.

Market Environment

**MSCI ALL-COUNTRY WORLD STOCK INDEX
GEOGRAPHIC ALLOCATION AS OF 12/31/2010**

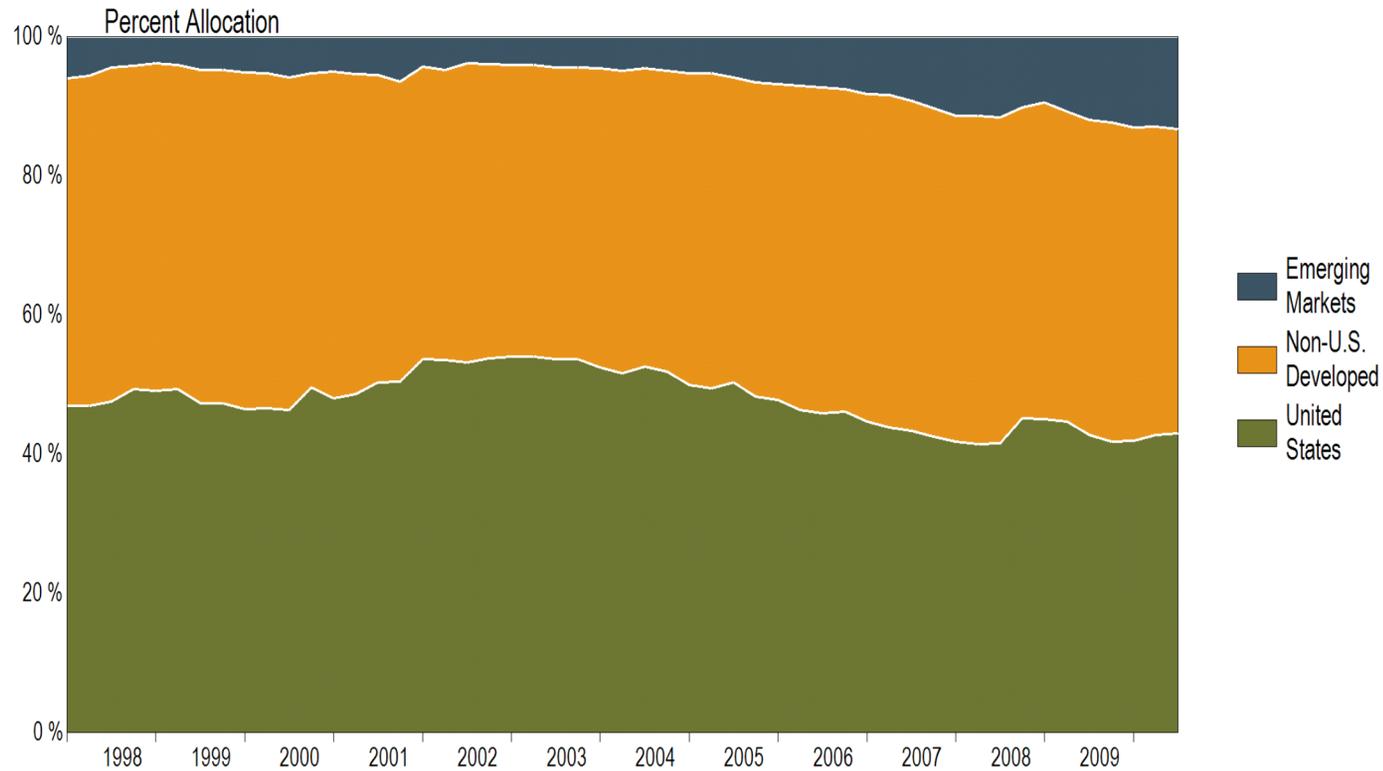


The MSCI All Country World Index is a capitalization-weighted index of stocks representing 24 developed stock markets and 21 emerging stock markets around the world. The graph above shows the allocation to each region at quarter-end.

Note on Other: Includes South Africa, Egypt, and Morocco.

Market Environment

ALLOCATION



The graph above shows the changes in the breakdown between the United States, non-U.S. developed markets, and emerging markets in the MSCI All Country World Index over time.

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Milwaukee County Investment Options

Trailing Period Performance

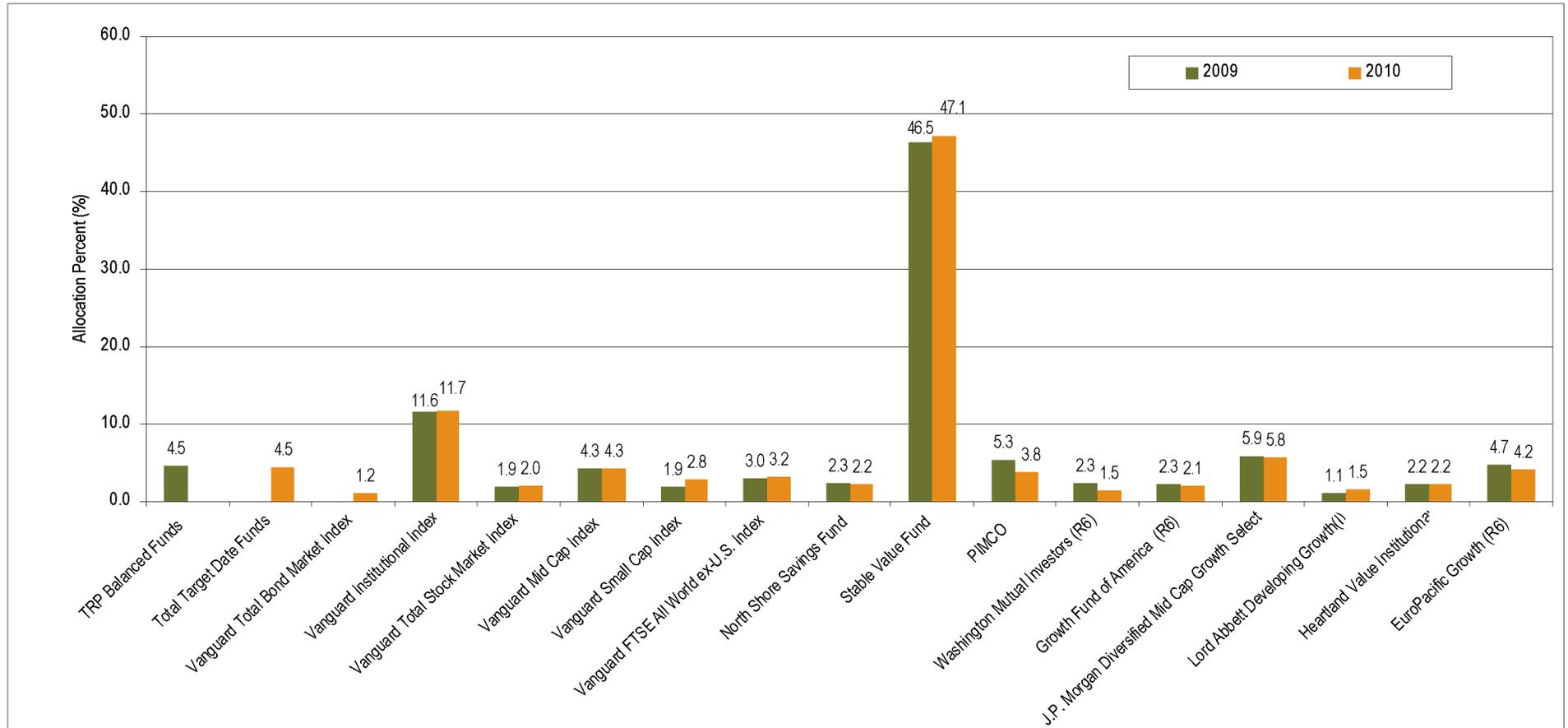
| Name | Market Value (\$) | % of Portfolio | Ending December 31, 2010 | | | | | | | | | |
|--|----------------------|-------------------|--------------------------|------|-------------|------|--------------|------|--------------|------|---------------|------|
| | | | 2010 Q4 (%) | Rank | 1 Yr (%) | Rank | 3 Yrs (%) | Rank | 5 Yrs (%) | Rank | 10 Yrs (%) | Rank |
| Milwaukee County Investment Options | 253,020,344 | 100.0 | | | | | | | | | | |
| Target Retirement Funds | 11,263,932 | 4.5 | | | | | | | | | | |
| Vanguard Target Retirement Income Fund | 405,482 | 0.2 | 2.5 | 55 | 9.4 | 51 | 3.6 | 18 | 5.1 | 14 | -- | -- |
| <i>Target Retirement Income Benchmark</i> | | | 2.4 | 56 | 9.4 | 50 | 3.5 | 20 | 5.0 | 17 | -- | -- |
| Vanguard Target Retirement 2005 Fund | 207,059 | 0.1 | 2.9 | 74 | 9.7 | 85 | 2.4 | 14 | 4.7 | 12 | -- | -- |
| <i>Target Retirement 2005 Benchmark</i> | | | 3.0 | 73 | 10.0 | 83 | 2.4 | 14 | 4.6 | 13 | -- | -- |
| Vanguard Target Retirement 2010 Fund | 867,205 | 0.3 | 4.6 | 55 | 11.4 | 31 | 1.8 | 25 | -- | -- | -- | -- |
| <i>Target Retirement 2010 Benchmark</i> | | | 4.6 | 55 | 11.6 | 29 | 1.7 | 27 | -- | -- | -- | -- |
| Vanguard Target Retirement 2015 Fund | 2,228,338 | 0.9 | 5.7 | 44 | 12.5 | 37 | 1.2 | 33 | 4.4 | 13 | -- | -- |
| <i>Target Retirement 2015 Benchmark</i> | | | 5.8 | 43 | 12.6 | 36 | 1.1 | 34 | 4.4 | 15 | -- | -- |
| Vanguard Target Retirement 2020 Fund | 2,963,531 | 1.2 | 6.7 | 37 | 13.1 | 44 | 0.5 | 21 | -- | -- | -- | -- |
| <i>Target Retirement 2020 Benchmark</i> | | | 6.7 | 37 | 13.3 | 42 | 0.4 | 34 | -- | -- | -- | -- |
| Vanguard Target Retirement 2025 Fund | 1,909,080 | 0.8 | 7.7 | 51 | 13.8 | 41 | -0.2 | 43 | 3.9 | 15 | -- | -- |
| <i>Target Retirement 2025 Benchmark</i> | | | 7.6 | 53 | 13.9 | 39 | -0.3 | 45 | 3.9 | 16 | -- | -- |
| Vanguard Target Retirement 2030 Fund | 1,264,117 | 0.5 | 8.5 | 31 | 14.4 | 35 | -0.9 | 20 | -- | -- | -- | -- |
| <i>Target Retirement 2030 Benchmark</i> | | | 8.5 | 32 | 14.5 | 34 | -1.1 | 34 | -- | -- | -- | -- |
| Vanguard Target Retirement 2035 Fund | 865,462 | 0.3 | 9.5 | 22 | 15.1 | 35 | -1.2 | 31 | 3.6 | 12 | -- | -- |
| <i>Target Retirement 2035 Benchmark</i> | | | 9.4 | 22 | 15.2 | 35 | -1.3 | 33 | 3.6 | 12 | -- | -- |
| Vanguard Target Retirement 2040 Fund | 365,791 | 0.1 | 9.5 | 30 | 15.2 | 37 | -1.1 | 10 | -- | -- | -- | -- |
| <i>Target Retirement 2040 Benchmark</i> | | | 9.5 | 32 | 15.2 | 36 | -1.3 | 11 | -- | -- | -- | -- |
| Vanguard Target Retirement 2045 Fund | 171,732 | 0.1 | 9.5 | 55 | 15.2 | 51 | -1.1 | 24 | 3.8 | 9 | -- | -- |
| <i>Target Retirement 2045 Benchmark</i> | | | 9.5 | 61 | 15.2 | 50 | -1.3 | 27 | 3.7 | 10 | -- | -- |
| Vanguard Target Retirement 2050 Fund | 16,135 | 0.0 | 9.5 | 57 | 15.2 | 46 | -1.1 | 13 | -- | -- | -- | -- |
| <i>Target Retirement 2050 Benchmark</i> | | | 9.5 | 62 | 15.2 | 46 | -1.3 | 14 | -- | -- | -- | -- |
| Vanguard Target Retirement 2055 Fund | | | 9.6 | 40 | -- | -- | -- | -- | -- | -- | -- | -- |
| <i>Target Retirement 2055 Benchmark</i> | | | 9.5 | 62 | -- | -- | -- | -- | -- | -- | -- | -- |

Trailing Period Performance

Ending December 31, 2010

| Name | Market Value (\$) | % of Portfolio | 2010 Q4 (%) | Rank | 1 Yr (%) | Rank | 3 Yrs (%) | Rank | 5 Yrs (%) | Rank | 10 Yrs (%) | Rank |
|---|--------------------|----------------|-------------|------|----------|------|-----------|------|-----------|------|------------|------|
| Index Funds | 63,668,689 | 25.2 | | | | | | | | | | |
| Vanguard Total Bond Market Index | 2,975,628 | 1.2 | -1.4 | 82 | 6.4 | 82 | 5.8 | 63 | 5.7 | 53 | 5.6 | 55 |
| Barclays Capital Aggregate Bond Index | | | -1.3 | 80 | 6.5 | 80 | 5.9 | 60 | 5.8 | 50 | 5.8 | 44 |
| Vanguard Institutional Index Fund | 29,570,922 | 11.7 | 10.7 | 55 | 15.0 | 41 | -2.8 | 50 | 2.3 | 51 | 1.4 | 56 |
| S&P 500 Index | | | 10.8 | 55 | 15.1 | 41 | -2.9 | 51 | 2.3 | 52 | 1.4 | 57 |
| Vanguard Total Stock Market Index Fund | 5,007,953 | 2.0 | 11.7 | 59 | 17.2 | 54 | -1.6 | 52 | 3.1 | 54 | 2.6 | 56 |
| Performance Benchmark | | | 11.7 | 58 | 17.3 | 53 | -1.7 | 53 | 3.0 | 54 | 2.6 | 57 |
| Vanguard Mid Cap Index Fund | 10,883,626 | 4.3 | 13.6 | 48 | 25.7 | 37 | 0.9 | 49 | 4.4 | 60 | 6.9 | 33 |
| MSCI U.S. Mid Cap 450 Index | | | 13.6 | 48 | 25.7 | 37 | 0.9 | 49 | 4.4 | 61 | 6.4 | 42 |
| Vanguard Small Cap Index Fund | 7,065,436 | 2.8 | 15.6 | 62 | 27.8 | 39 | 3.7 | 32 | 5.5 | 37 | 7.3 | 44 |
| Small-Cap Index | | | 15.6 | 62 | 27.8 | 39 | 3.6 | 33 | 5.4 | 39 | 7.3 | 45 |
| Vanguard FTSE All World ex-U.S. Index | 8,165,124 | 3.2 | 7.3 | 56 | 11.9 | 48 | -4.5 | 31 | -- | -- | -- | -- |
| FTSE All World ex-U.S. Index | | | 7.2 | 59 | 11.9 | 48 | -4.3 | 27 | -- | -- | -- | -- |
| Active Funds | 178,087,723 | 70.4 | | | | | | | | | | |
| North Shore Savings Fund | 5,545,786 | 2.2 | 0.1 | -- | 0.4 | -- | 1.1 | -- | 2.1 | -- | 2.2 | -- |
| iMoney Net Money Fund Average | | | 0.1 | -- | 0.4 | -- | 0.9 | -- | 2.2 | -- | 2.0 | -- |
| Stable Value Fund | 119,222,092 | 47.1 | 1.0 | -- | 4.4 | -- | 4.6 | -- | 4.7 | -- | 4.9 | -- |
| Hueler Stable Value Index | | | 0.8 | -- | 3.1 | -- | 3.6 | -- | 4.1 | -- | 4.6 | -- |
| PIMCO Total Return Institutional Fund | 9,713,364 | 3.8 | -0.9 | 57 | 8.8 | 31 | 9.1 | 5 | 8.1 | 5 | 7.3 | 4 |
| Barclays Capital Aggregate Bond Index | | | -1.3 | 80 | 6.5 | 80 | 5.9 | 60 | 5.8 | 50 | 5.8 | 44 |
| Washington Mutual Investors (R6) | 3,719,126 | 1.5 | 8.6 | 87 | 13.7 | 51 | -3.2 | 47 | 2.2 | 42 | 3.3 | 59 |
| Russell 1000 Value Index | | | 10.5 | 47 | 15.5 | 29 | -4.4 | 69 | 1.3 | 69 | 3.3 | 59 |
| Growth Fund of America (R6) | 5,345,685 | 2.1 | 10.3 | 82 | 12.7 | 80 | -2.6 | 60 | 2.6 | 57 | 2.8 | 15 |
| Russell 1000 Growth Index | | | 11.8 | 54 | 16.7 | 42 | -0.5 | 29 | 3.8 | 36 | 0.0 | 63 |
| J.P. Morgan Diversified Mid Cap Growth Select | 14,578,646 | 5.8 | 15.0 | 26 | 25.5 | 50 | 0.4 | 53 | 5.7 | 48 | 4.1 | 49 |
| Russell MidCap Growth Index | | | 14.0 | 49 | 26.4 | 42 | 1.0 | 45 | 4.9 | 61 | 3.1 | 64 |
| Lord Abbett Developing Growth Fund (I) | 3,902,004 | 1.5 | 17.8 | 37 | 37.0 | 4 | 2.1 | 31 | 10.4 | 3 | 6.2 | 23 |
| Russell 2000 Growth Index | | | 17.1 | 45 | 29.1 | 38 | 2.2 | 31 | 5.3 | 38 | 3.8 | 57 |
| Heartland Value Institutional Fund | 5,507,244 | 2.2 | 16.4 | 42 | 21.5 | 88 | 2.2 | 74 | 5.2 | 51 | 10.8 | 32 |
| Russell 2000 Value Index | | | 15.4 | 55 | 24.5 | 72 | 2.2 | 74 | 3.5 | 80 | 8.4 | 78 |
| EuroPacific Growth Fund (R6) | 10,553,776 | 4.2 | 5.8 | 90 | 9.8 | 65 | -3.1 | 19 | 5.7 | 18 | 6.8 | 18 |
| MSCI All Country World ex-U.S. Index | | | 7.2 | 59 | 11.2 | 53 | -5.0 | 37 | 4.8 | 24 | 5.5 | 31 |

Year End Asset Allocations



Manager Scorecard

3 Years Ending December 31, 2010

| | Annualized Standard Deviation | Tracking Error | Up Market Capture Ratio (%) | Down Market Capture Ratio (%) |
|---|-------------------------------|----------------|-----------------------------|-------------------------------|
| Vanguard Target Retirement Income Fund | 8.69% | 0.36% | 99.50% | 98.26% |
| Vanguard Target Retirement 2005 Fund | 10.52% | 0.40% | 98.92% | 99.11% |
| Vanguard Target Retirement 2010 Fund | 13.14% | 0.48% | 99.91% | 99.63% |
| Vanguard Target Retirement 2015 Fund | 15.01% | 0.54% | 100.24% | 99.73% |
| Vanguard Target Retirement 2020 Fund | 16.67% | 0.53% | 100.70% | 99.94% |
| Vanguard Target Retirement 2025 Fund | 18.41% | 0.55% | 101.02% | 100.15% |
| Vanguard Target Retirement 2030 Fund | 20.05% | 0.62% | 100.95% | 100.07% |
| Vanguard Target Retirement 2035 Fund | 21.37% | 0.64% | 101.45% | 100.29% |
| Vanguard Target Retirement 2040 Fund | 21.34% | 0.68% | 101.61% | 100.16% |
| Vanguard Target Retirement 2045 Fund | 21.36% | 0.69% | 101.32% | 100.16% |
| Vanguard Target Retirement 2050 Fund | 21.34% | 0.61% | 101.42% | 100.17% |
| Vanguard Target Retirement 2055 Fund | -- | -- | -- | -- |
| Vanguard Total Bond Market Index | 4.27% | 0.52% | 98.42% | 99.17% |
| Vanguard Institutional Index Fund | 22.15% | 0.04% | 100.15% | 99.94% |
| Vanguard Total Stock Market Index Fund | 22.89% | 0.07% | 100.04% | 99.92% |
| Vanguard Mid Cap Index Fund | 26.51% | 0.09% | 100.06% | 99.99% |
| Vanguard Small Cap Index Fund | 28.84% | 0.12% | 100.43% | 99.94% |
| Vanguard FTSE All World ex-U.S. Index | 28.83% | 3.58% | 105.34% | 101.69% |
| North Shore Savings Fund | 0.21% | 0.17% | 122.77% | -- |
| Stable Value Fund | 0.05% | 0.17% | 129.56% | -- |
| PIMCO Total Return Institutional Fund | 4.82% | 2.72% | 131.53% | 81.80% |
| Washington Mutual Investors (R6) | 20.48% | 4.44% | 78.55% | 89.80% |
| Growth Fund of America (R6) | 21.79% | 2.99% | 87.88% | 99.15% |
| J.P. Morgan Diversified Mid Cap Growth Select | 26.89% | 3.84% | 97.33% | 99.99% |
| Lord Abbett Developing Growth Fund (I) | 28.63% | 7.07% | 97.44% | 99.27% |
| Heartland Value Institutional Fund | 28.24% | 13.53% | 82.69% | 94.14% |
| EuroPacific Growth Fund (R6) | 25.22% | 4.89% | 89.59% | 94.20% |

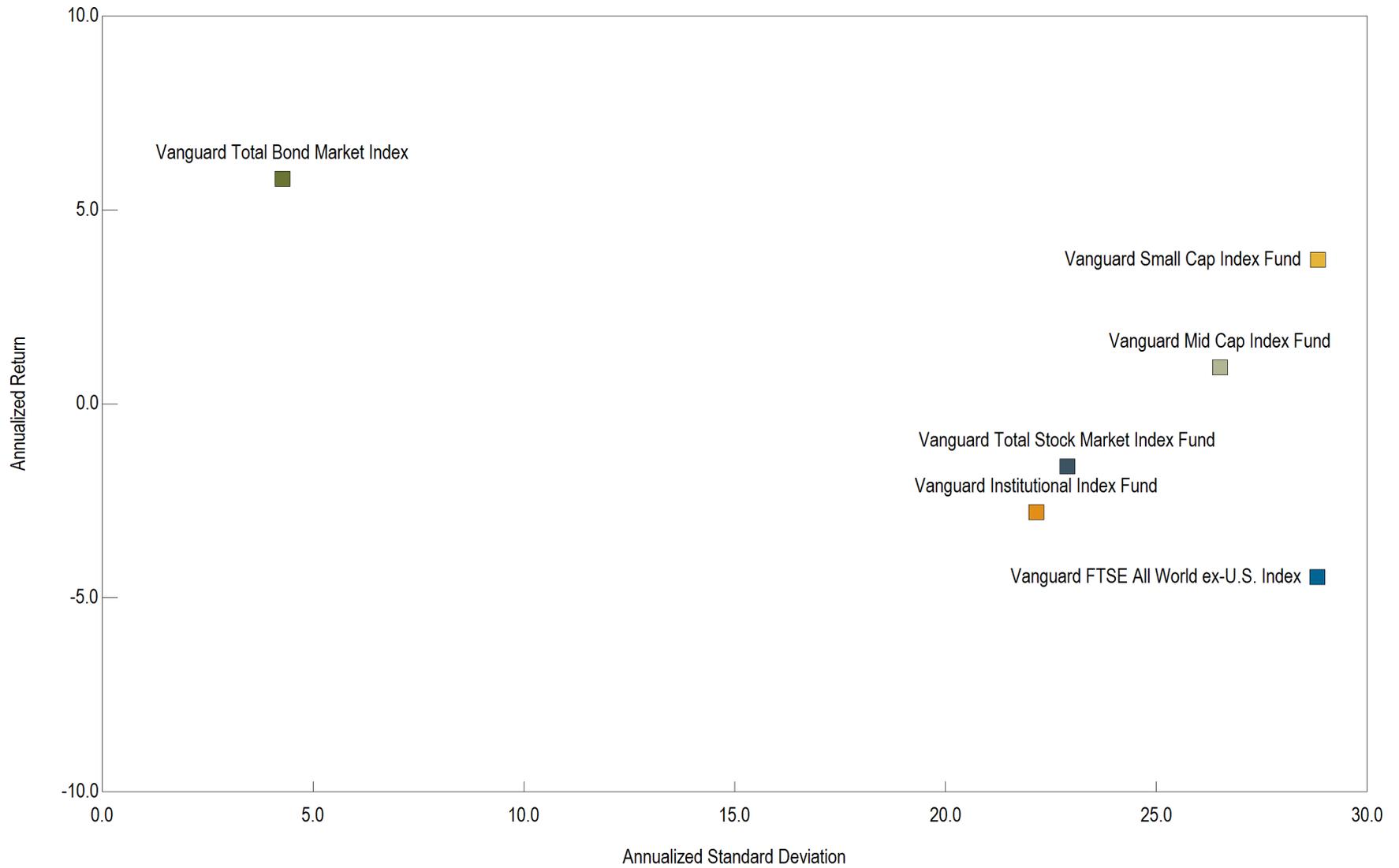
Risk Profile

3 Years Ending December 31, 2010



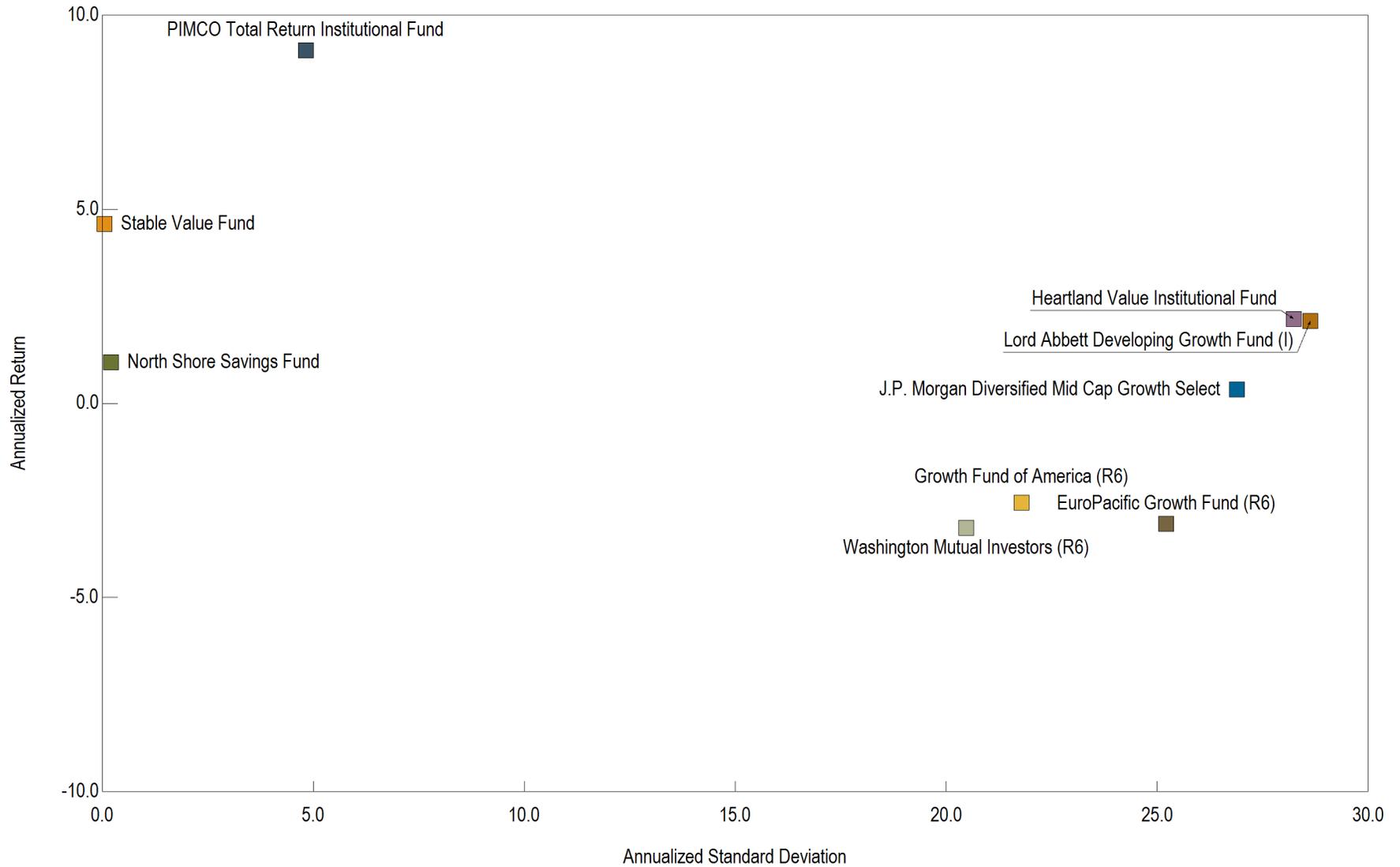
Risk Profile

3 Years Ending December 31, 2010



Risk Profile

3 Years Ending December 31, 2010



Fund Monitoring System

| Factor | Rationale | Measurement |
|-------------------------------------|---|---|
| 1. Short -Term Performance Concerns | Short-term performance should never be the sole factor in a manager's assessment; however, short-term performance concerns should be monitored and understood. | Has the fund underperformed in three of the last four quarters? |
| 2. Longer-Term Performance Concerns | Since past performance is not indicative of future performance, performance records must be considered carefully. Longer-term underperformance, and poor results compared to peers, may indicate that more competitive offerings are available. | Has the fund underperformed or fallen below the median fund in an appropriate peer group over the trailing 5 year period? |
| 3. Investment Strategy Concerns | An investment option in a savings plan often serves a unique role; significant divergence from the strategy could indicate the fund is no longer appropriate for the Plan. | Has the fund diverged from its strategy? |
| 4. Portfolio Management Concerns | The portfolio manager (or managers) responsible for the buy and sell decisions of the fund has a key role. Adverse changes could present performance challenges going forward. | Have there been adverse changes to the fund's management? |
| 5. Organizational Concerns | A stable and strong organization is preferred. Adverse changes to the organization could negatively impact the fund's strategy, focus, resources, or management team. | Have there been adverse changes to the organization? |

Each fund will be evaluated every quarter within this framework. The monitoring system will have a "generally indicated status" based on the number of affirmative answers to the above questions.

Green-Level Status - No concerns; or only one affirmative response to measurement 1, 2, or 3.

Yellow-Level Status - An investment fund receives a "Yellow" designation with two or three affirmative responses or if there is an affirmative response to measurement 4 or 5.

Red-Level Status - An investment fund receives a "Red" designation when it has been on the "Yellow" status for more than two consecutive quarters or when there are four or more affirmative responses.

Fund Monitoring System

If a manager is placed on the Red Level Status, a formal manager review will be conducted by Hewitt EnnisKnupp. Hewitt EnnisKnupp will review the concerns regarding the fund and recommend to the Committee whether it should be retained or terminated. If the fund is retained, and remains on red-status, it will be re-reviewed every six months.

Special Circumstances

In the event of a major change in the firm's ownership, performance, or staffing, Hewitt EnnisKnupp may immediately recommend termination of a manager without placing a fund on a specific status. Any fund monitoring system should only be used as a tool in a Committee's monitoring activities. The Committee has the right to take action on any fund regardless of its status in the monitoring system.

Applying the Fund Monitoring System to the Plan

The table on the following page has applied the fund monitoring system to the funds in the Milwaukee County Plan. As shown, all the funds except the Growth Fund of America Fund are currently on Green status. The Growth Fund of America Fund is currently in yellow status as a result of underperformance.

Fund Monitoring System

Investment Fund Monitoring Summary:

| | 1. Underperformed in 3 of 4 Trailing Calendar Quarters? | 2. Underperformed Benchmark over Trailing Five Year Period?* | 3. Diverged from Strategy? | 4. Adverse Change in Portfolio Manager? | 5. Adverse Organizational Change? | 4th | 3rd | 2nd | 1st |
|---|--|--|-------------------------------------|---|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | | | | | | Quarter 2010 Status | Quarter 2010 Status | Quarter 2010 Status | Quarter 2010 Status |
| North Shore Savings Fund | No | Yes | No | No | No | | | | |
| Vanguard Total Bond Market Index | No | No | No | No | No | | | | |
| Vanguard Institutional Index | No | No | No | No | No | | | | |
| Vanguard Total Stock Market | No | No | No | No | No | | | | |
| Vanguard Mid Cap Index | No | No | No | No | No | | | | |
| Vanguard Small Cap Index | No | No | No | No | No | | | | |
| Vanguard FTSE All World ex-U.S. | No | Yes* | No | No | No | | | | |
| Stable Value Fund | No | No | No | No | No | | | | |
| PIMCO Total Return Fund | No | No | No | No | No | | | | |
| Washington Mutual Investors | No | No | No | No | No | | | | |
| Growth Fund of America | Yes | Yes | No | No | No | | | | |
| JP Morgan Diversified Mid Cap Growth | Yes | No | No | No | No | | | | |
| Lord Abbett | No | No | No | No | No | | | | |
| Heartland Value | No | No | No | No | No | | | | |
| EuroPacific Growth | No | No | No | No | No | | | | |

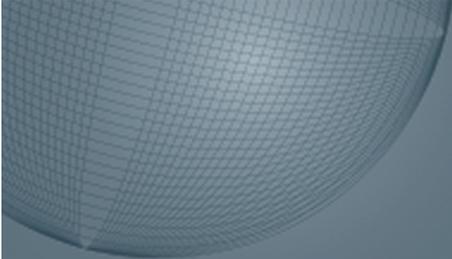
*The Vanguard FTSE All World ex-U.S. Fund started in April 2007. Therefore, performance is based on since-inception period.

Fund Monitoring System

Investment Fund Monitoring Summary:

| | 1. Underperformed in 3 of 4 Trailing Calendar Quarters? | 2. Underperformed Benchmark over Trailing Five Year Period?* | 3. Diverged from Strategy? | 4. Adverse Change in Portfolio Manager? | 5. Adverse Organizational Change? | 4th | 3rd | 2nd | 1st |
|--|--|--|-------------------------------------|---|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | | | | | | Quarter 2010 Status | Quarter 2010 Status | Quarter 2010 Status | Quarter 2010 Status |
| Vanguard Target Retirement Income Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2005 Fund | Yes | No | No | No | No | | | | |
| Vanguard Target Retirement 2010 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2015 Fund | Yes | No | No | No | No | | | | |
| Vanguard Target Retirement 2020 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2025 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2030 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2035 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2040 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2045 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2050 Fund | No | No | No | No | No | | | | |

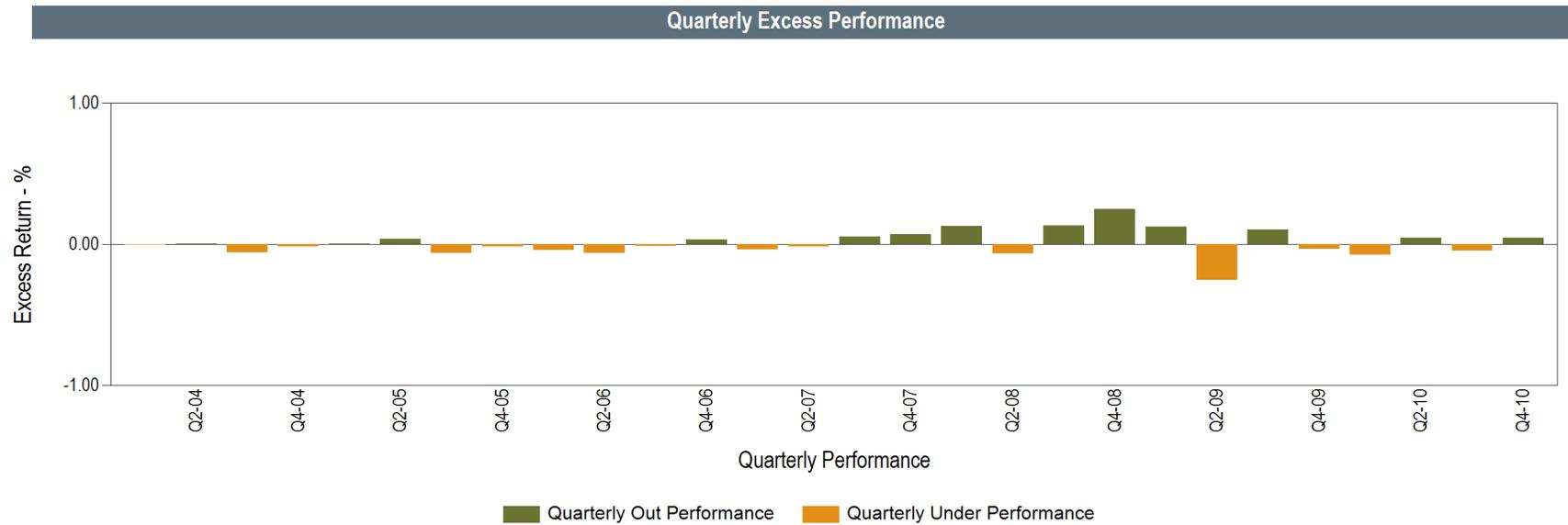
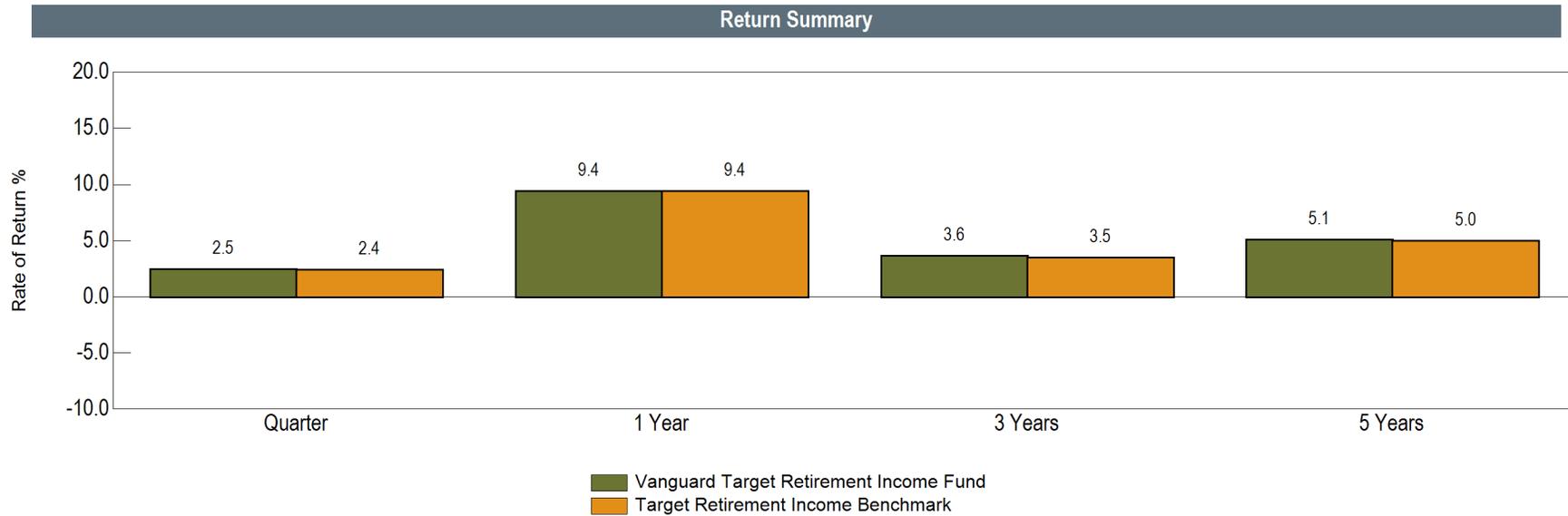
*The Vanguard Target Retirement Funds 2010, 2020, 2030, 2040, 2050 began in July 2006. Therefore, performance is based on since-inception period.



Target Retirement Funds

Manager Performance

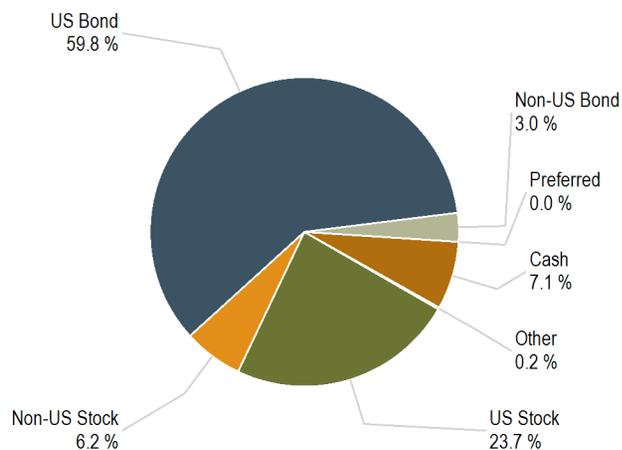
Benchmark: Target Retirement Income Benchmark



Manager Analysis

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

Mutual Fund Allocation as of 09/30/2010



Portfolio Fund Information as of 09/30/2010

| | |
|------------------------------------|-------------------|
| Ticker | VTINX |
| Morningstar Category | Retirement Income |
| Average Market Cap (\$mm) | 24,593.25 |
| Net Assets (\$mm) | 3,959.65 |
| % Assets in Top 10 Holdings | 100.00 |
| Total Number of Holdings | 8 |
| Manager Name | Duane F. Kelly |
| Manager Tenure | 7 |
| Expense Ratio | 0.17% |
| Closed to New Investors | No |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|-------|
| BUSINESS SERVICES | 1.16% |
| CONSUMER GOODS | 3.36% |
| CONSUMER SERVICES | 2.27% |
| ENERGY | 3.05% |
| FINANCIAL SERVICES | 5.22% |
| HARDWARE | 2.51% |
| HEALTHCARE | 3.17% |
| INDUSTRIAL MATERIALS | 3.96% |
| MEDIA | 0.81% |
| SOFTWARE | 1.16% |
| TELECOMMUNICATION | 1.74% |
| UTILITIES | 1.12% |

Top Holdings as of 09/30/2010

| | |
|--|--------|
| VANGUARD TOTAL BOND MARKET II IDX INV | 45.04% |
| VANGUARD TOTAL STOCK MKT IDX INV | 23.93% |
| VANGUARD INFLATION-PROTECTED SECS INV | 19.87% |
| VANGUARD PRIME MONEY MARKET INV | 4.92% |
| VANGUARD EUROPEAN STOCK INDEX INV | 3.04% |
| VANGUARD PACIFIC STOCK INDEX INV | 1.61% |
| VANGUARD EMERGING MKTS STOCK IDX | 1.54% |
| CMT MARKET LIQUIDITY RATE | 0.05% |

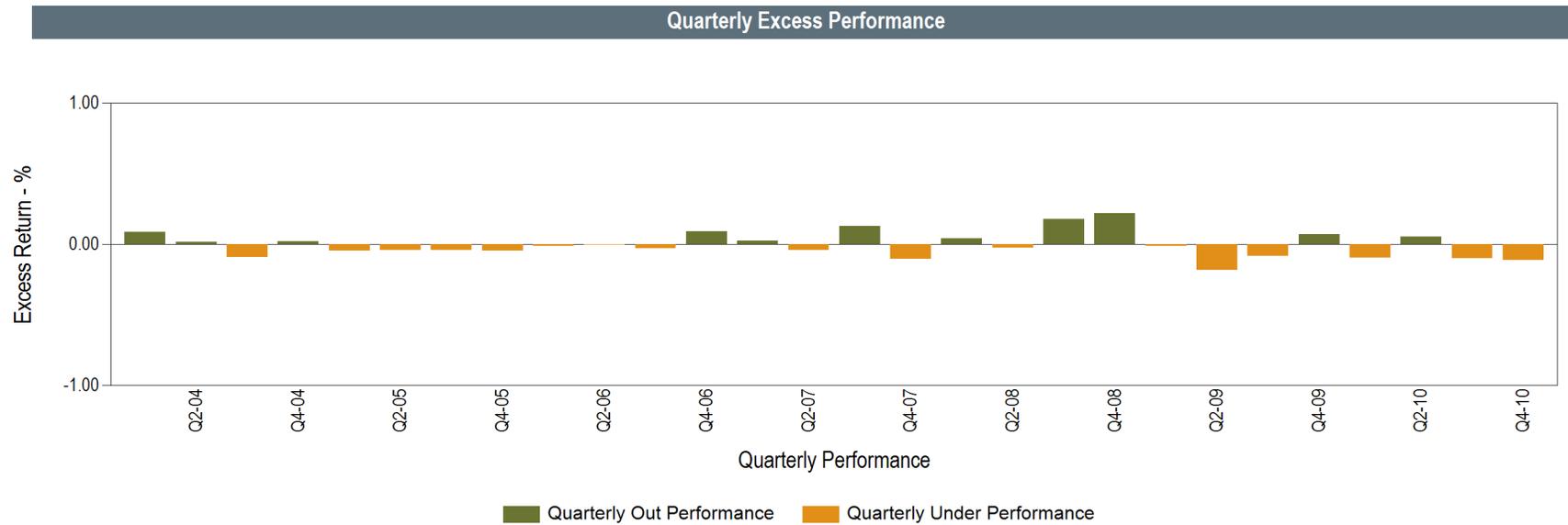
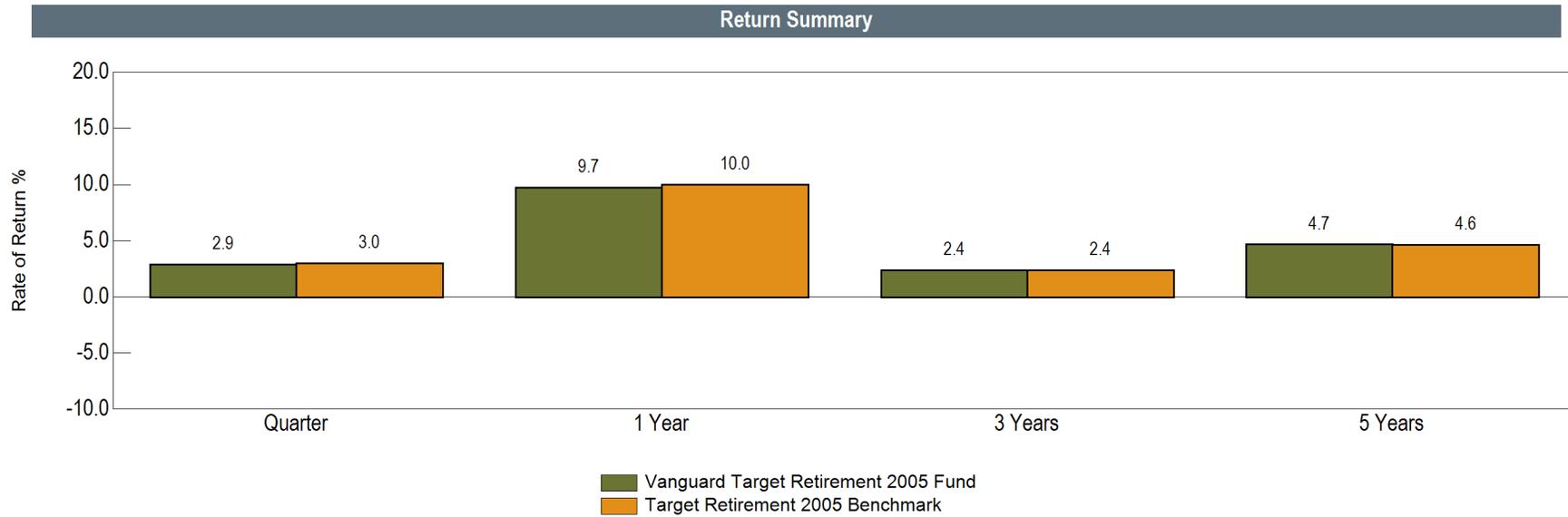
Fixed Income Sectors as of 09/30/2010

| | |
|----------------------------|--------|
| US TREASURY | 26.08% |
| TIPS | 10.02% |
| US AGENCY | 3.65% |
| MORTGAGE PASSTHRU | 10.29% |
| MORTGAGE CMO | 1.61% |
| MORTGAGE ARM | 0.00% |
| US CORPORATE | 7.64% |
| ASSET BACKED | 0.17% |
| CONVERTIBLE | 0.00% |
| MUNICIPAL | 0.29% |
| INFLATION PROTECTED | 0.00% |
| FOREIGN CORP | 2.24% |
| FOREIGN GOVT | 0.70% |

Note: Fund information throughout the report is shown as of the most recent data available by Morningstar.

Manager Performance

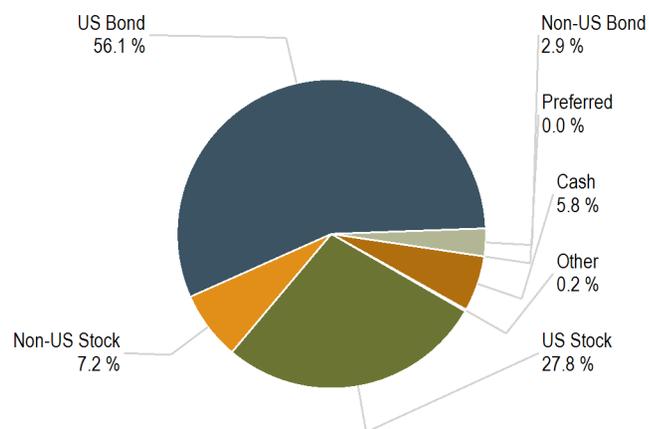
Benchmark: Target Retirement 2005 Benchmark



Manager Analysis

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

Mutual Fund Allocation as of 09/30/2010



Portfolio Fund Information as of 09/30/2010

| | |
|------------------------------------|-----------------------|
| Ticker | VTOVX |
| Morningstar Category | Target Date 2000-2010 |
| Average Market Cap (\$mm) | 24,560.23 |
| Net Assets (\$mm) | 2,200.93 |
| % Assets in Top 10 Holdings | 100.00 |
| Total Number of Holdings | 8 |
| Manager Name | Duane F. Kelly |
| Manager Tenure | 7 |
| Expense Ratio | 0.17% |
| Closed to New Investors | No |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|-------|
| BUSINESS SERVICES | 1.36% |
| CONSUMER GOODS | 3.91% |
| CONSUMER SERVICES | 2.65% |
| ENERGY | 3.57% |
| FINANCIAL SERVICES | 6.08% |
| HARDWARE | 2.94% |
| HEALTHCARE | 3.70% |
| INDUSTRIAL MATERIALS | 4.62% |
| MEDIA | 0.94% |
| SOFTWARE | 1.36% |
| TELECOMMUNICATION | 2.03% |
| UTILITIES | 1.31% |

Top Holdings as of 09/30/2010

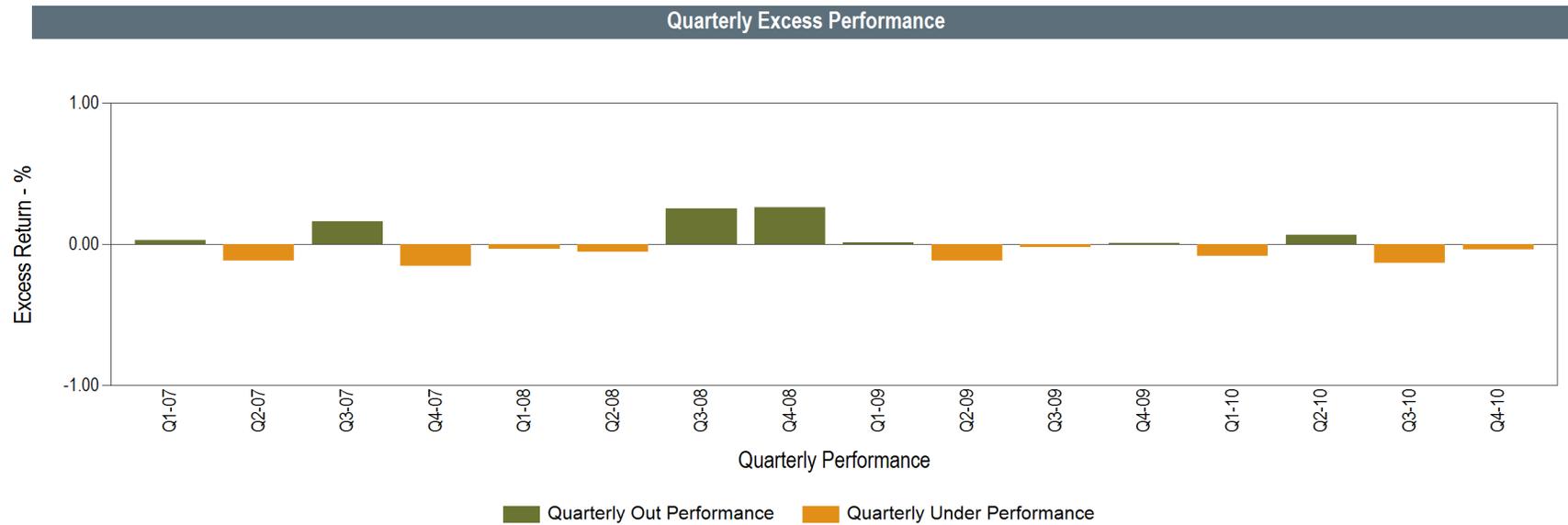
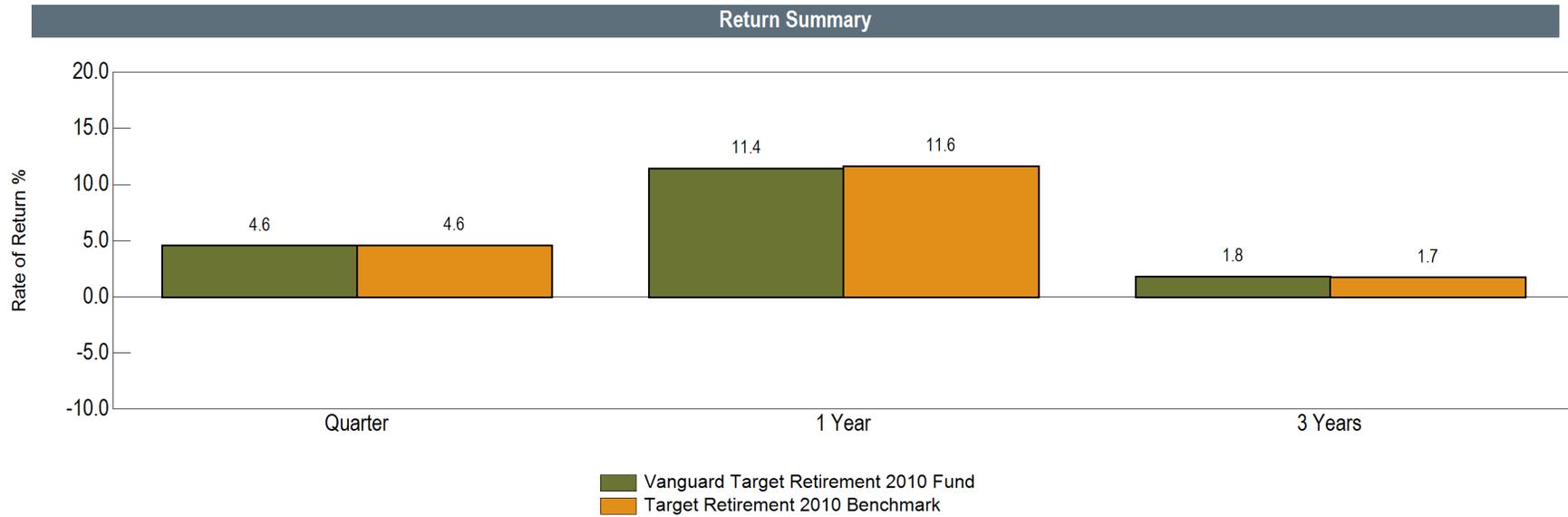
| | |
|--|--------|
| VANGUARD TOTAL BOND MARKET II IDX INV | 43.78% |
| VANGUARD TOTAL STOCK MKT IDX INV | 28.01% |
| VANGUARD INFLATION-PROTECTED SECS INV | 17.38% |
| VANGUARD PRIME MONEY MARKET INV | 3.69% |
| VANGUARD EUROPEAN STOCK INDEX INV | 3.45% |
| VANGUARD EMERGING MKTS STOCK IDX | 1.84% |
| VANGUARD PACIFIC STOCK INDEX INV | 1.84% |
| CMT MARKET LIQUIDITY RATE | 0.00% |

Fixed Income Sectors as of 09/30/2010

| | |
|----------------------------|--------|
| US TREASURY | 24.40% |
| TIPS | 8.77% |
| US AGENCY | 3.55% |
| MORTGAGE PASSTHRU | 10.01% |
| MORTGAGE CMO | 1.56% |
| MORTGAGE ARM | 0.00% |
| US CORPORATE | 7.42% |
| ASSET BACKED | 0.16% |
| CONVERTIBLE | 0.00% |
| MUNICIPAL | 0.28% |
| INFLATION PROTECTED | 0.00% |
| FOREIGN CORP | 2.18% |
| FOREIGN GOVT | 0.68% |

Manager Performance

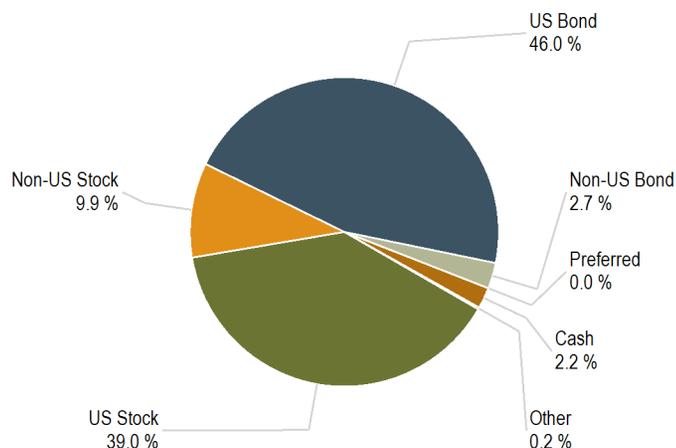
Benchmark: Target Retirement 2010 Benchmark



Manager Analysis

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

Mutual Fund Allocation as of 09/30/2010



Portfolio Fund Information as of 09/30/2010

| | |
|------------------------------------|-----------------------|
| Ticker | VTENX |
| Morningstar Category | Target Date 2000-2010 |
| Average Market Cap (\$mm) | 24,561.34 |
| Net Assets (\$mm) | 4,510.27 |
| % Assets in Top 10 Holdings | 100.00 |
| Total Number of Holdings | 8 |
| Manager Name | Duane F. Kelly |
| Manager Tenure | 5 |
| Expense Ratio | 0.17% |
| Closed to New Investors | No |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|-------|
| BUSINESS SERVICES | 1.90% |
| CONSUMER GOODS | 5.47% |
| CONSUMER SERVICES | 3.71% |
| ENERGY | 4.99% |
| FINANCIAL SERVICES | 8.50% |
| HARDWARE | 4.12% |
| HEALTHCARE | 5.18% |
| INDUSTRIAL MATERIALS | 6.45% |
| MEDIA | 1.32% |
| SOFTWARE | 1.90% |
| TELECOMMUNICATION | 2.84% |
| UTILITIES | 1.83% |

Top Holdings as of 09/30/2010

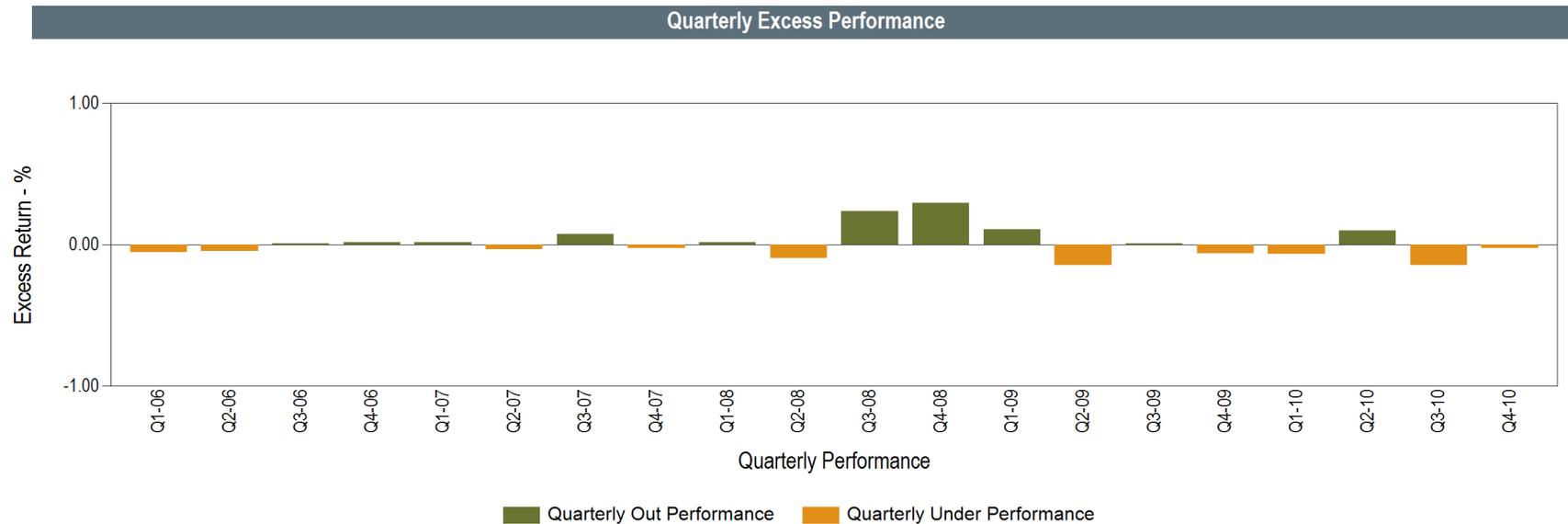
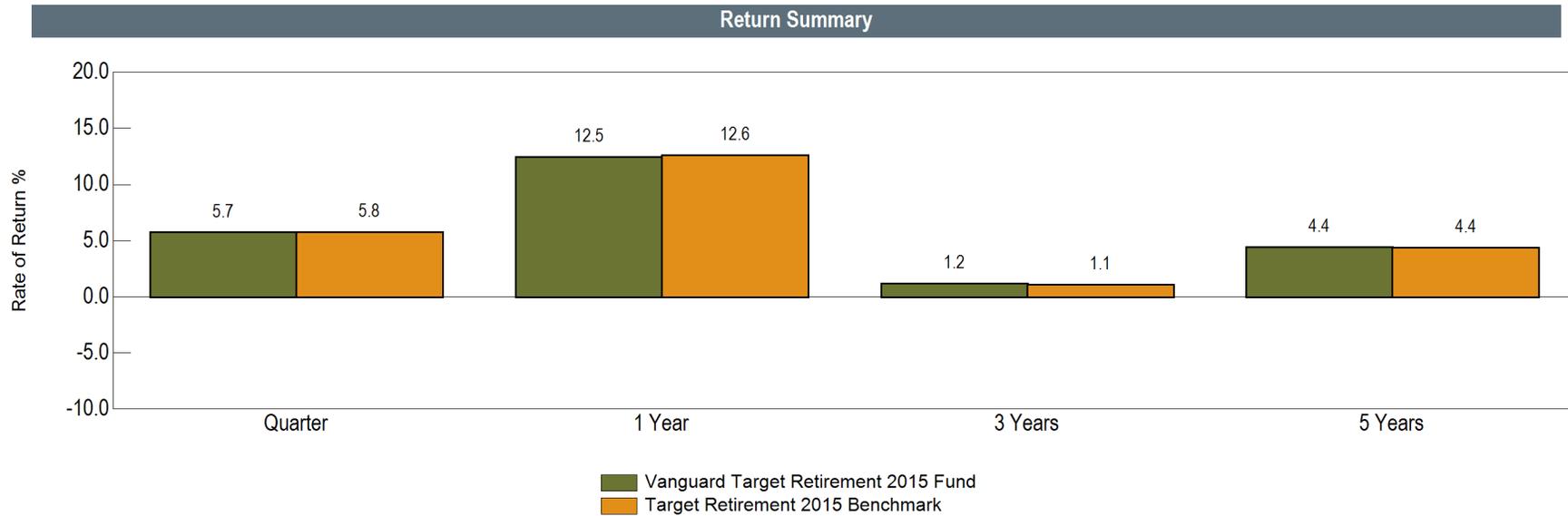
| | |
|--|--------|
| VANGUARD TOTAL BOND MARKET II IDX INV | 40.29% |
| VANGUARD TOTAL STOCK MKT IDX INV | 39.34% |
| VANGUARD INFLATION-PROTECTED SECS INV | 10.35% |
| VANGUARD EUROPEAN STOCK INDEX INV | 4.77% |
| VANGUARD PACIFIC STOCK INDEX INV | 2.54% |
| VANGUARD EMERGING MKTS STOCK IDX | 2.52% |
| VANGUARD PRIME MONEY MARKET INV | 0.16% |
| CMT MARKET LIQUIDITY RATE | 0.02% |

Fixed Income Sectors as of 09/30/2010

| | |
|----------------------------|--------|
| US TREASURY | 19.66% |
| TIPS | 5.22% |
| US AGENCY | 3.27% |
| MORTGAGE PASSTHRU | 9.21% |
| MORTGAGE CMO | 1.44% |
| MORTGAGE ARM | 0.00% |
| US CORPORATE | 6.83% |
| ASSET BACKED | 0.15% |
| CONVERTIBLE | 0.00% |
| MUNICIPAL | 0.26% |
| INFLATION PROTECTED | 0.00% |
| FOREIGN CORP | 2.01% |
| FOREIGN GOVT | 0.63% |

Manager Performance

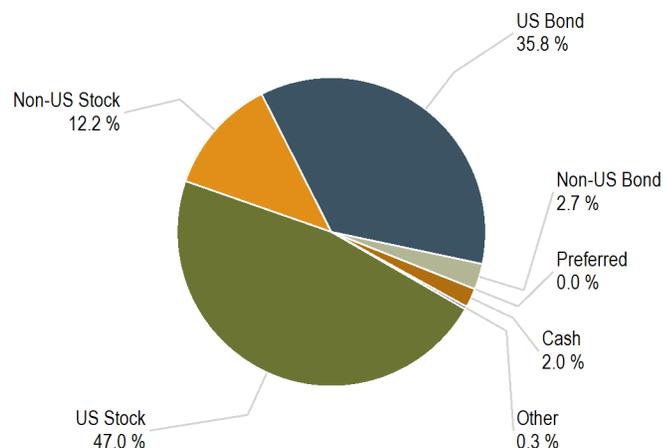
Benchmark: Target Retirement 2015 Benchmark



Manager Analysis

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

Mutual Fund Allocation as of 09/30/2010



Portfolio Fund Information as of 09/30/2010

| | |
|------------------------------------|-----------------------|
| Ticker | VTXVX |
| Morningstar Category | Target Date 2011-2015 |
| Average Market Cap (\$mm) | 24,630.76 |
| Net Assets (\$mm) | 13,353.81 |
| % Assets in Top 10 Holdings | 100.00 |
| Total Number of Holdings | 7 |
| Manager Name | Duane F. Kelly |
| Manager Tenure | 7 |
| Expense Ratio | 0.17% |
| Closed to New Investors | No |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 2.29% |
| CONSUMER GOODS | 5.51% |
| CONSUMER SERVICES | 4.52% |
| ENERGY | 6.05% |
| FINANCIAL SERVICES | 10.32% |
| HARDWARE | 4.41% |
| HEALTHCARE | 6.26% |
| INDUSTRIAL MATERIALS | 7.85% |
| MEDIA | 1.60% |
| SOFTWARE | 2.30% |
| TELECOMMUNICATION | 4.02% |
| UTILITIES | 2.22% |

Top Holdings as of 09/30/2010

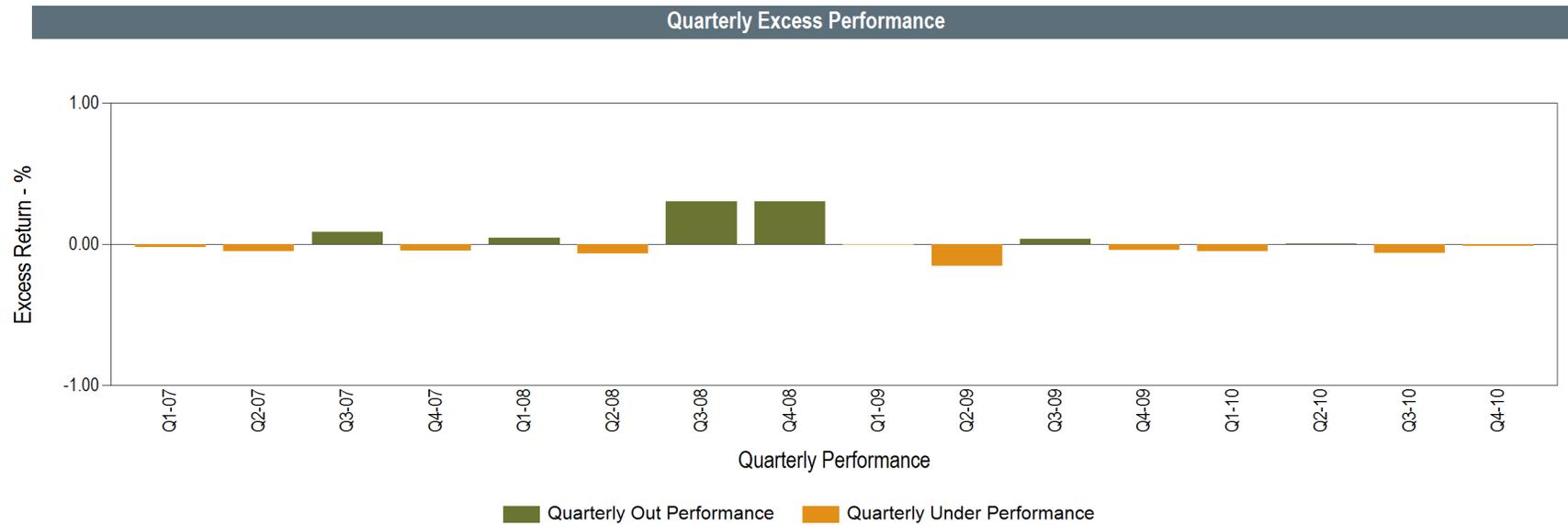
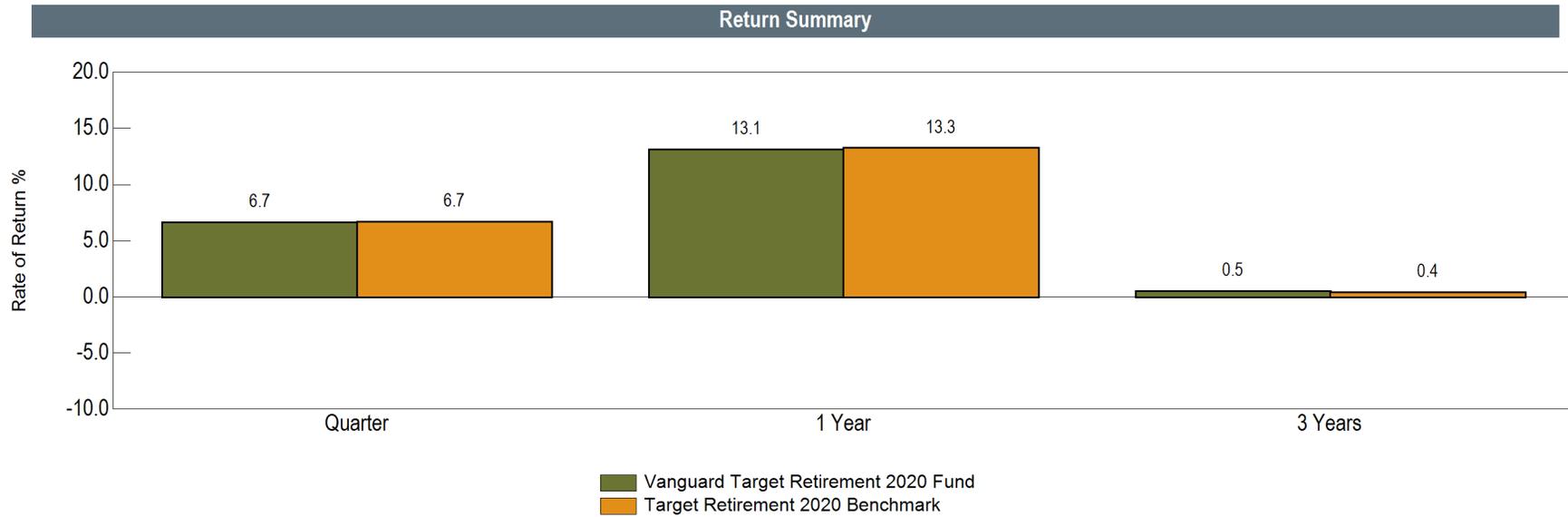
| | |
|---|--------|
| VANGUARD TOTAL STOCK MKT IDX INV | 47.42% |
| VANGUARD TOTAL BOND MARKET II IDX INV | 39.91% |
| VANGUARD EUROPEAN STOCK INDEX INV | 5.90% |
| VANGUARD EMERGING MKTS STOCK IDX | 3.15% |
| VANGUARD PACIFIC STOCK INDEX INV | 3.15% |
| VANGUARD INFLATION- PROTECTED SECS INV | 0.46% |
| CMT MARKET LIQUIDITY RATE | 0.01% |

Fixed Income Sectors as of 09/30/2010

| | |
|----------------------------|--------|
| US TREASURY | 14.63% |
| TIPS | 0.23% |
| US AGENCY | 3.23% |
| MORTGAGE PASSTHRU | 9.12% |
| MORTGAGE CMO | 1.42% |
| MORTGAGE ARM | 0.00% |
| US CORPORATE | 6.77% |
| ASSET BACKED | 0.15% |
| CONVERTIBLE | 0.00% |
| MUNICIPAL | 0.26% |
| INFLATION PROTECTED | 0.00% |
| FOREIGN CORP | 1.99% |
| FOREIGN GOVT | 0.62% |

Manager Performance

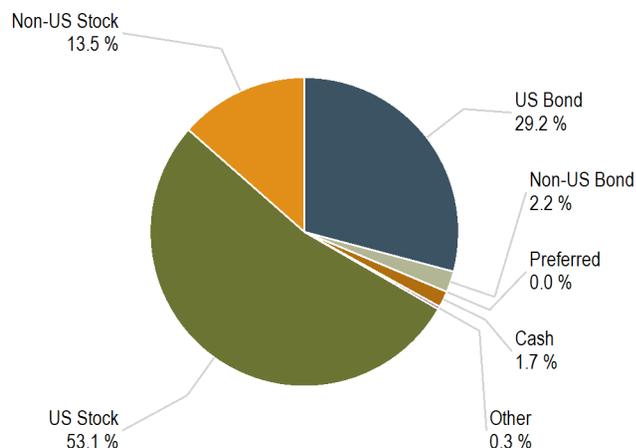
Benchmark: Target Retirement 2020 Benchmark



Manager Analysis

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

Mutual Fund Allocation as of 09/30/2010



Portfolio Fund Information as of 09/30/2010

| | |
|------------------------------------|-----------------------|
| Ticker | VTWNX |
| Morningstar Category | Target Date 2016-2020 |
| Average Market Cap (\$mm) | 24,695.16 |
| Net Assets (\$mm) | 10,070.50 |
| % Assets in Top 10 Holdings | 100.00 |
| Total Number of Holdings | 6 |
| Manager Name | Duane F. Kelly |
| Manager Tenure | 5 |
| Expense Ratio | 0.18% |
| Closed to New Investors | No |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 2.56% |
| CONSUMER GOODS | 6.13% |
| CONSUMER SERVICES | 5.07% |
| ENERGY | 6.80% |
| FINANCIAL SERVICES | 11.55% |
| HARDWARE | 4.96% |
| HEALTHCARE | 7.06% |
| INDUSTRIAL MATERIALS | 8.75% |
| MEDIA | 1.80% |
| SOFTWARE | 2.60% |
| TELECOMMUNICATION | 4.51% |
| UTILITIES | 2.49% |

Top Holdings as of 09/30/2010

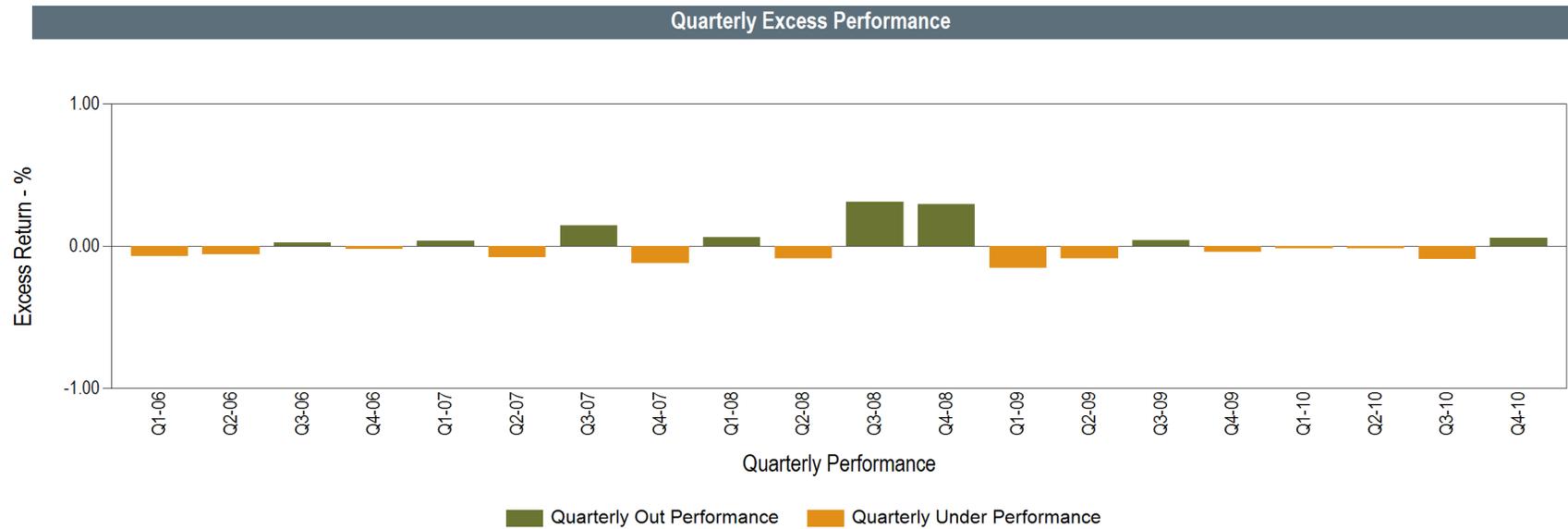
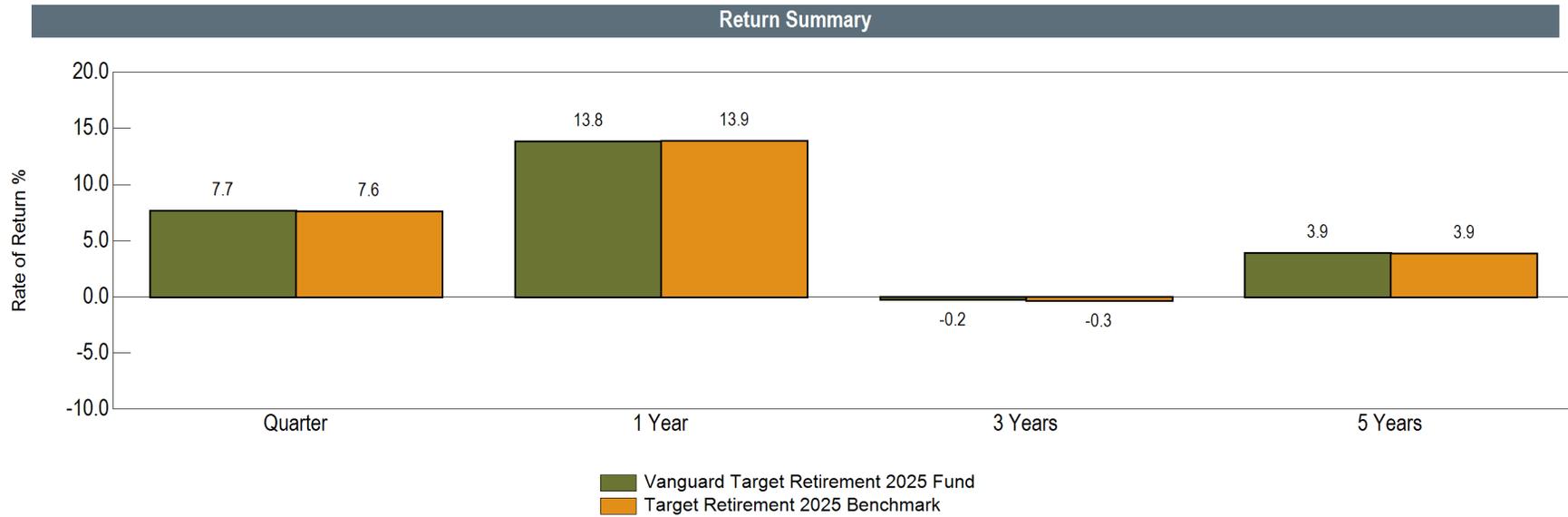
| | |
|--|--------|
| VANGUARD TOTAL STOCK MKT IDX INV | 53.61% |
| VANGUARD TOTAL BOND MARKET II IDX INV | 32.97% |
| VANGUARD EUROPEAN STOCK INDEX INV | 6.52% |
| VANGUARD EMERGING MKTS STOCK IDX | 3.44% |
| VANGUARD PACIFIC STOCK INDEX INV | 3.44% |
| CMT MARKET LIQUIDITY RATE | 0.01% |
| | |
| | |

Fixed Income Sectors as of 09/30/2010

| | |
|----------------------------|--------|
| US TREASURY | 11.90% |
| TIPS | 0.00% |
| US AGENCY | 2.67% |
| MORTGAGE PASSTHRU | 7.54% |
| MORTGAGE CMO | 1.18% |
| MORTGAGE ARM | 0.00% |
| US CORPORATE | 5.59% |
| ASSET BACKED | 0.12% |
| CONVERTIBLE | 0.00% |
| MUNICIPAL | 0.21% |
| INFLATION PROTECTED | 0.00% |
| FOREIGN CORP | 1.64% |
| FOREIGN GOVT | 0.52% |

Manager Performance

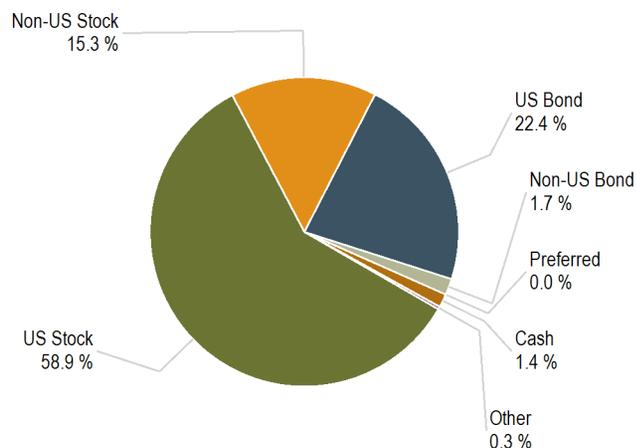
Benchmark: Target Retirement 2025 Benchmark



Manager Analysis

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

Mutual Fund Allocation as of 09/30/2010



Portfolio Fund Information as of 09/30/2010

| | |
|------------------------------------|-----------------------|
| Ticker | VTVX |
| Morningstar Category | Target Date 2021-2025 |
| Average Market Cap (\$mm) | 24,564.48 |
| Net Assets (\$mm) | 14,987.13 |
| % Assets in Top 10 Holdings | 100.00 |
| Total Number of Holdings | 6 |
| Manager Name | Duane F. Kelly |
| Manager Tenure | 7 |
| Expense Ratio | 0.18% |
| Closed to New Investors | No |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 2.89% |
| CONSUMER GOODS | 8.32% |
| CONSUMER SERVICES | 5.63% |
| ENERGY | 7.58% |
| FINANCIAL SERVICES | 12.93% |
| HARDWARE | 6.24% |
| HEALTHCARE | 7.85% |
| INDUSTRIAL MATERIALS | 9.82% |
| MEDIA | 2.01% |
| SOFTWARE | 2.89% |
| TELECOMMUNICATION | 4.33% |
| UTILITIES | 2.78% |

Top Holdings as of 09/30/2010

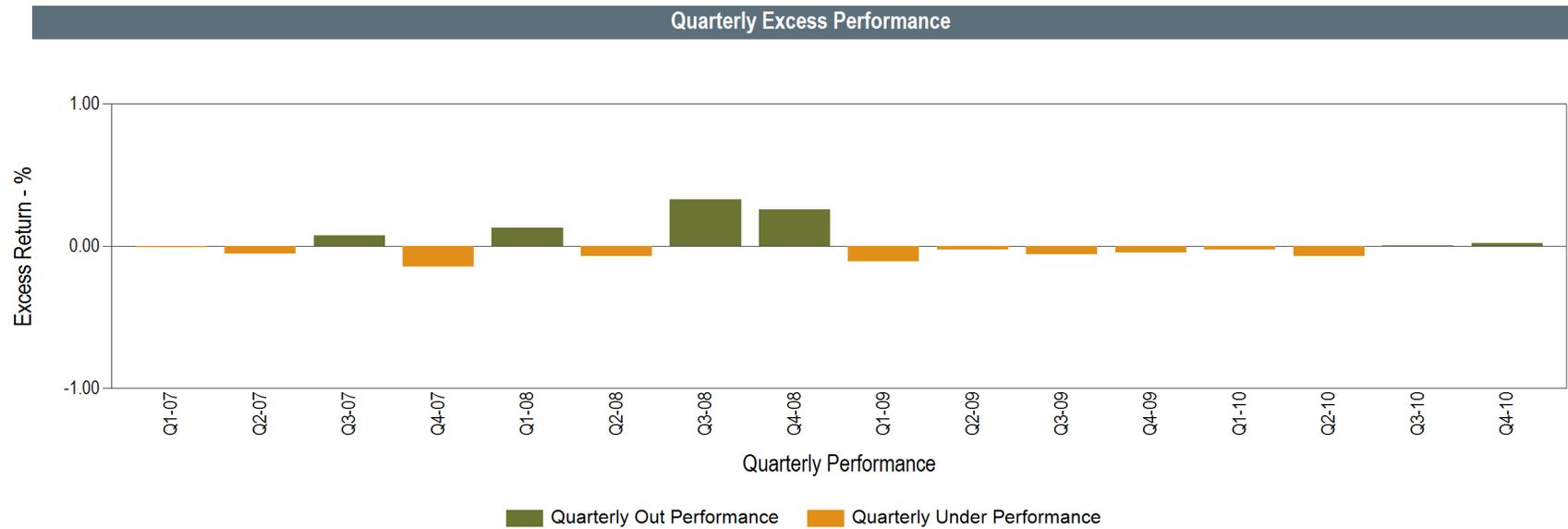
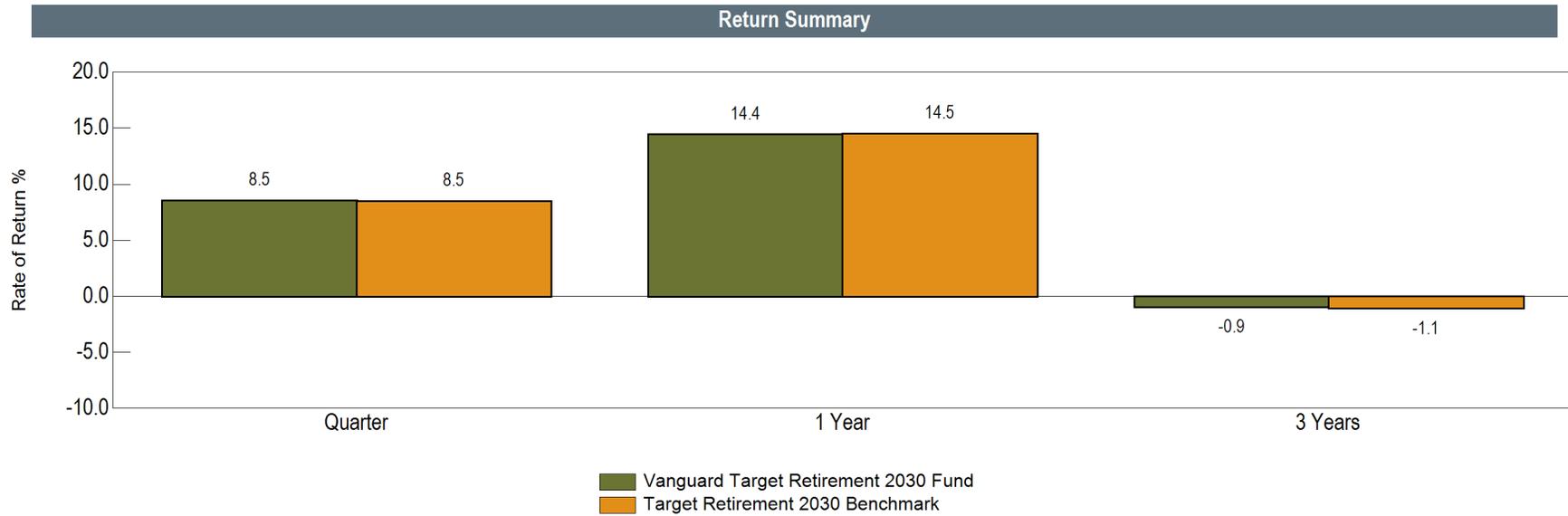
| | |
|--|--------|
| VANGUARD TOTAL STOCK MKT IDX INV | 59.51% |
| VANGUARD TOTAL BOND MARKET II IDX INV | 25.26% |
| VANGUARD EUROPEAN STOCK INDEX INV | 7.37% |
| VANGUARD EMERGING MKTS STOCK IDX | 3.93% |
| VANGUARD PACIFIC STOCK INDEX INV | 3.91% |
| CMT MARKET LIQUIDITY RATE | 0.03% |

Fixed Income Sectors as of 09/30/2010

| | |
|----------------------------|-------|
| US TREASURY | 9.12% |
| TIPS | 0.00% |
| US AGENCY | 2.05% |
| MORTGAGE PASSTHRU | 5.77% |
| MORTGAGE CMO | 0.90% |
| MORTGAGE ARM | 0.00% |
| US CORPORATE | 4.28% |
| ASSET BACKED | 0.09% |
| CONVERTIBLE | 0.00% |
| MUNICIPAL | 0.16% |
| INFLATION PROTECTED | 0.00% |
| FOREIGN CORP | 1.26% |
| FOREIGN GOVT | 0.39% |

Manager Performance

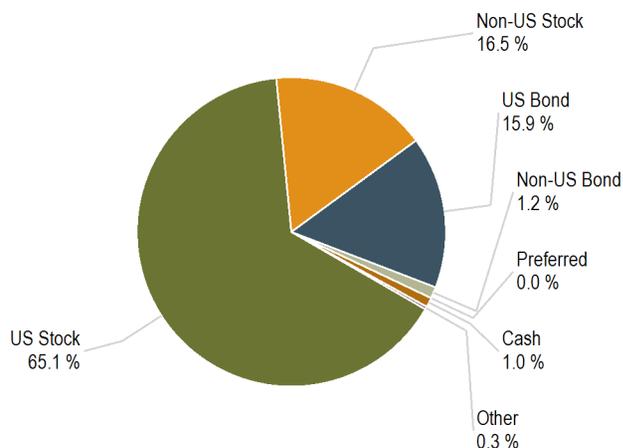
Benchmark: Target Retirement 2030 Benchmark



Manager Analysis

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

Mutual Fund Allocation as of 09/30/2010



Portfolio Fund Information as of 09/30/2010

| | |
|------------------------------------|-----------------------|
| Ticker | VTHRX |
| Morningstar Category | Target Date 2026-2030 |
| Average Market Cap (\$mm) | 24,567.88 |
| Net Assets (\$mm) | 7,504.71 |
| % Assets in Top 10 Holdings | 100.00 |
| Total Number of Holdings | 6 |
| Manager Name | Duane F. Kelly |
| Manager Tenure | 5 |
| Expense Ratio | 0.19% |
| Closed to New Investors | No |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 3.17% |
| CONSUMER GOODS | 9.13% |
| CONSUMER SERVICES | 6.20% |
| ENERGY | 8.33% |
| FINANCIAL SERVICES | 14.17% |
| HARDWARE | 6.87% |
| HEALTHCARE | 8.65% |
| INDUSTRIAL MATERIALS | 10.76% |
| MEDIA | 2.21% |
| SOFTWARE | 3.18% |
| TELECOMMUNICATION | 4.75% |
| UTILITIES | 3.05% |

Top Holdings as of 09/30/2010

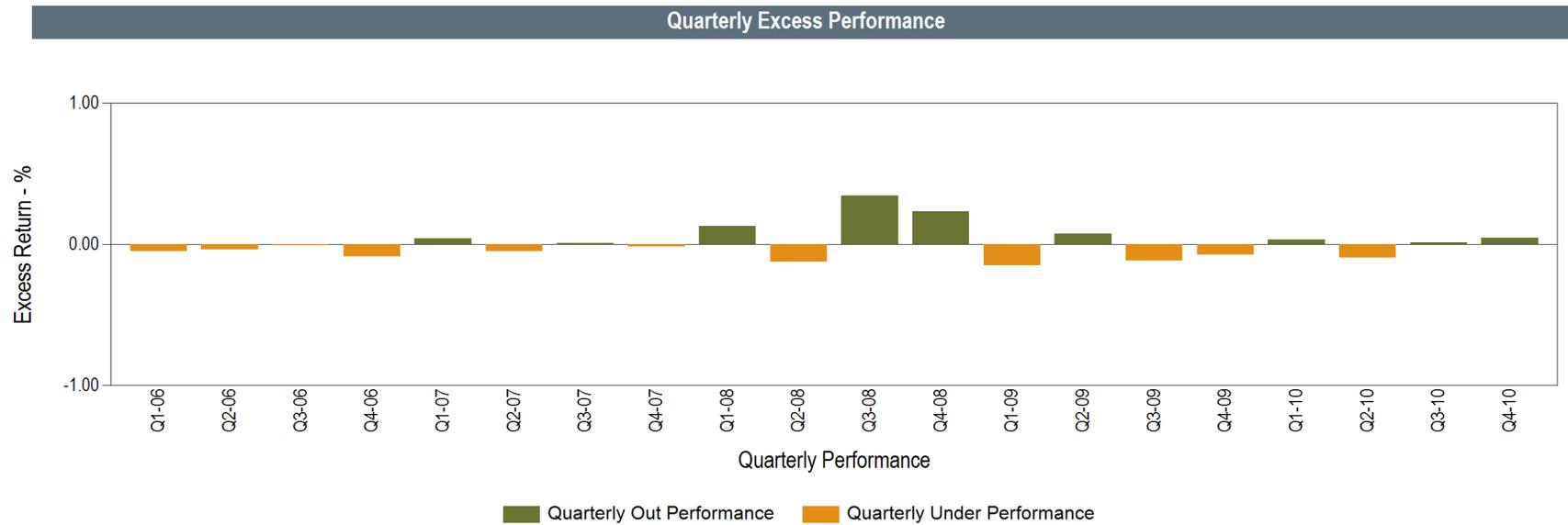
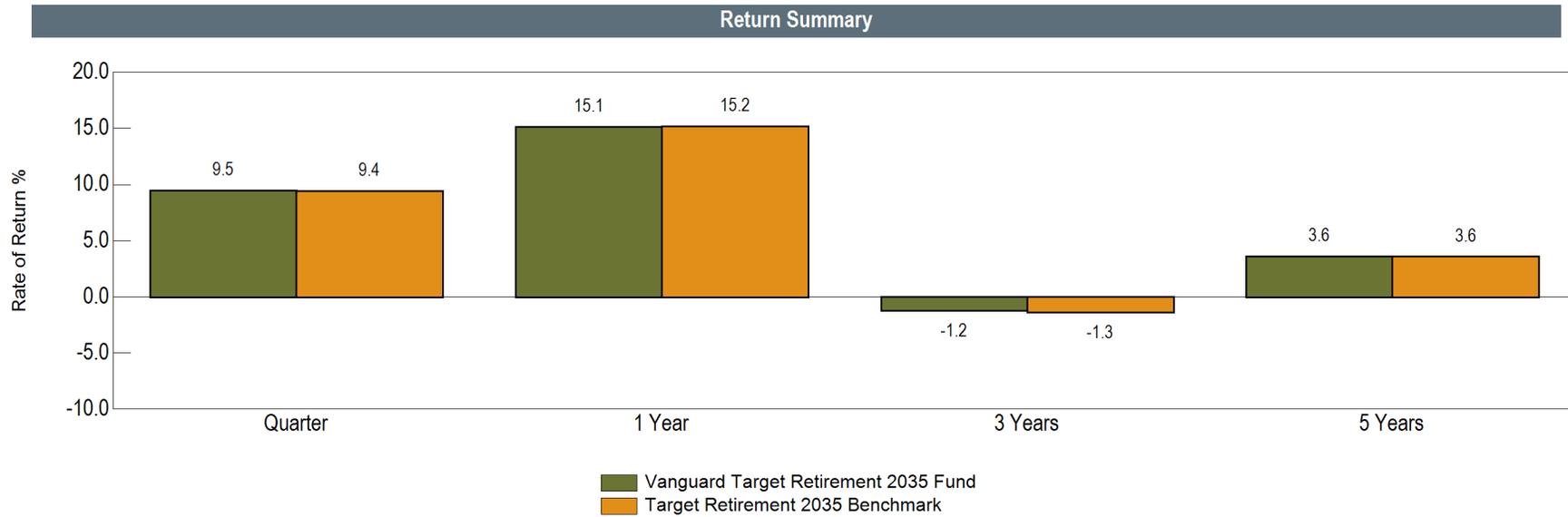
| | |
|--|--------|
| VANGUARD TOTAL STOCK MKT IDX INV | 65.65% |
| VANGUARD TOTAL BOND MARKET II IDX INV | 17.94% |
| VANGUARD EUROPEAN STOCK INDEX INV | 7.98% |
| VANGUARD PACIFIC STOCK INDEX INV | 4.21% |
| VANGUARD EMERGING MKTS STOCK IDX | 4.20% |
| CMT MARKET LIQUIDITY RATE | 0.02% |

Fixed Income Sectors as of 09/30/2010

| | |
|----------------------------|-------|
| US TREASURY | 6.47% |
| TIPS | 0.00% |
| US AGENCY | 1.45% |
| MORTGAGE PASSTHRU | 4.10% |
| MORTGAGE CMO | 0.64% |
| MORTGAGE ARM | 0.00% |
| US CORPORATE | 3.04% |
| ASSET BACKED | 0.07% |
| CONVERTIBLE | 0.00% |
| MUNICIPAL | 0.12% |
| INFLATION PROTECTED | 0.00% |
| FOREIGN CORP | 0.89% |
| FOREIGN GOVT | 0.28% |

Manager Performance

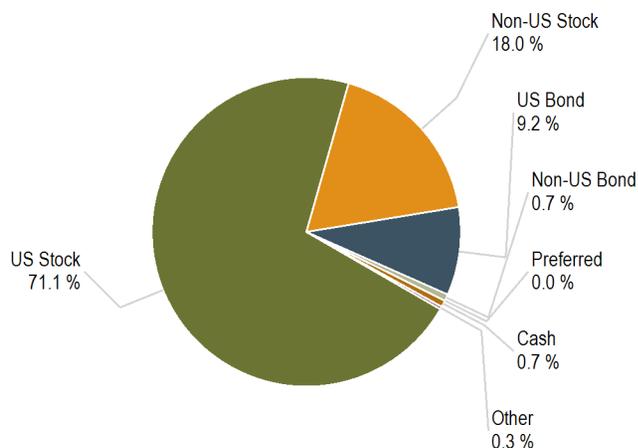
Benchmark: Target Retirement 2035 Benchmark



Manager Analysis

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

Mutual Fund Allocation as of 09/30/2010



Portfolio Fund Information as of 09/30/2010

| | |
|------------------------------------|-----------------------|
| Ticker | VTTHX |
| Morningstar Category | Target Date 2031-2035 |
| Average Market Cap (\$mm) | 24,631.13 |
| Net Assets (\$mm) | 10,353.15 |
| % Assets in Top 10 Holdings | 100.00 |
| Total Number of Holdings | 6 |
| Manager Name | Duane F. Kelly |
| Manager Tenure | 7 |
| Expense Ratio | 0.19% |
| Closed to New Investors | No |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 3.45% |
| CONSUMER GOODS | 8.26% |
| CONSUMER SERVICES | 6.81% |
| ENERGY | 9.10% |
| FINANCIAL SERVICES | 15.47% |
| HARDWARE | 6.65% |
| HEALTHCARE | 9.43% |
| INDUSTRIAL MATERIALS | 11.76% |
| MEDIA | 2.41% |
| SOFTWARE | 3.47% |
| TELECOMMUNICATION | 6.04% |
| UTILITIES | 3.33% |

Top Holdings as of 09/30/2010

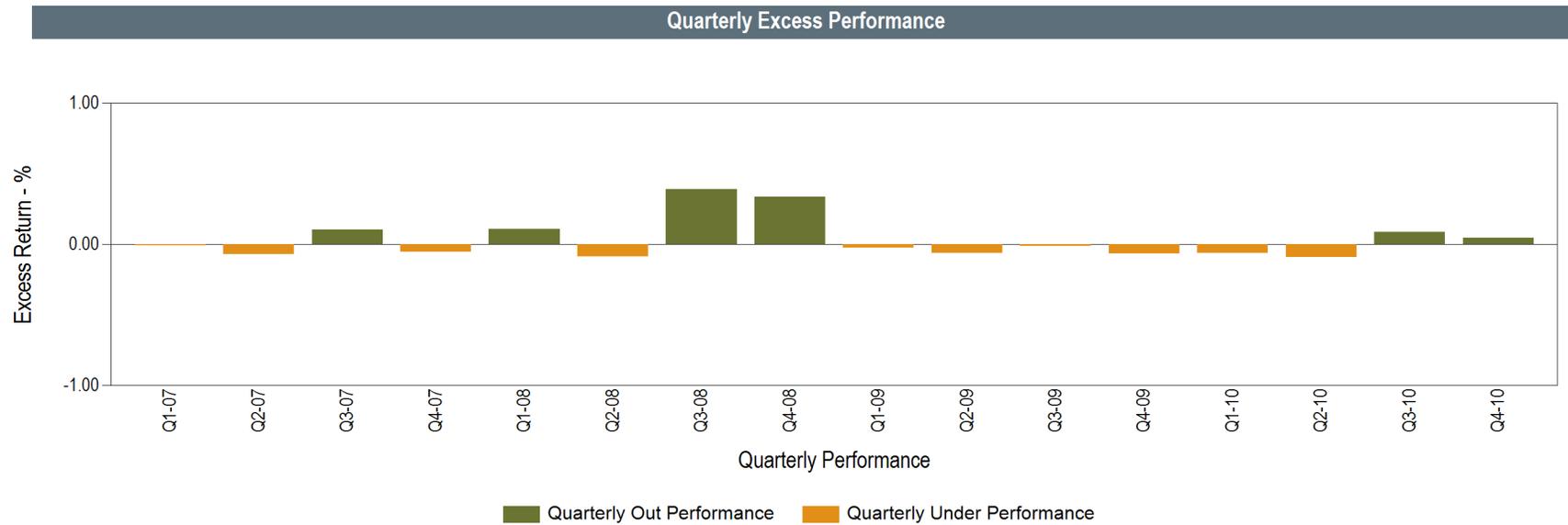
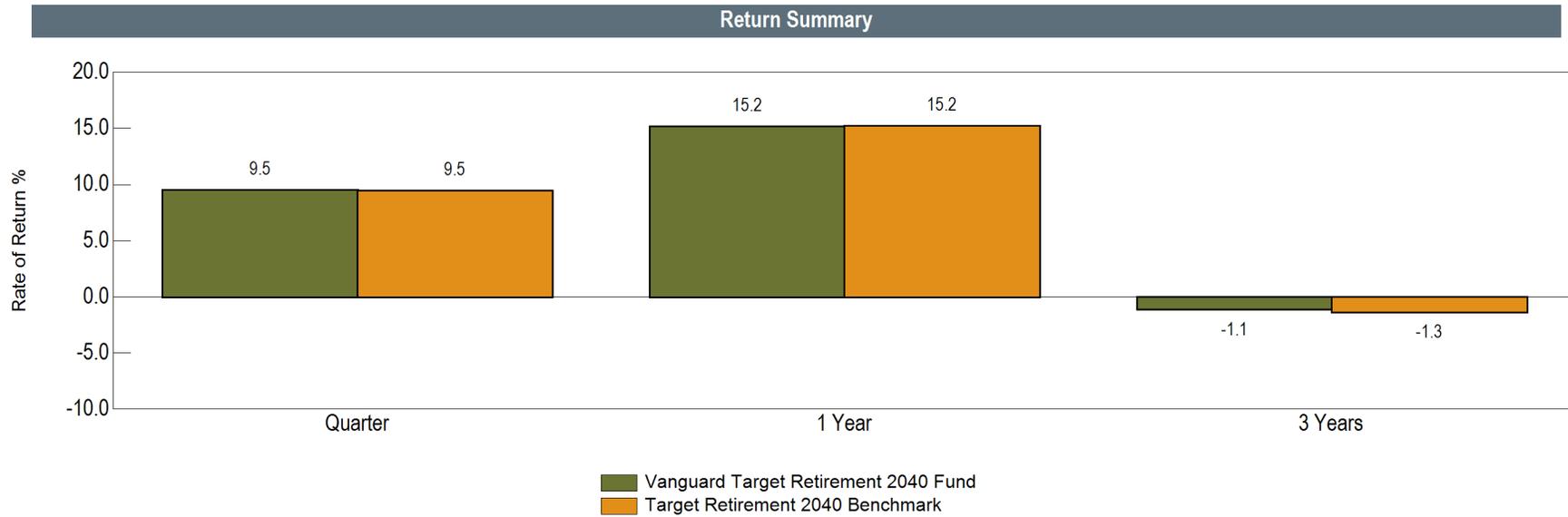
| | |
|--|--------|
| VANGUARD TOTAL STOCK MKT IDX INV | 71.62% |
| VANGUARD TOTAL BOND MARKET II IDX INV | 10.41% |
| VANGUARD EUROPEAN STOCK INDEX INV | 8.71% |
| VANGUARD PACIFIC STOCK INDEX INV | 4.62% |
| VANGUARD EMERGING MKTS STOCK IDX | 4.61% |
| CMT MARKET LIQUIDITY RATE | 0.03% |

Fixed Income Sectors as of 09/30/2010

| | |
|----------------------------|-------|
| US TREASURY | 3.76% |
| TIPS | 0.00% |
| US AGENCY | 0.84% |
| MORTGAGE PASSTHRU | 2.38% |
| MORTGAGE CMO | 0.37% |
| MORTGAGE ARM | 0.00% |
| US CORPORATE | 1.76% |
| ASSET BACKED | 0.04% |
| CONVERTIBLE | 0.00% |
| MUNICIPAL | 0.07% |
| INFLATION PROTECTED | 0.00% |
| FOREIGN CORP | 0.52% |
| FOREIGN GOVT | 0.16% |

Manager Performance

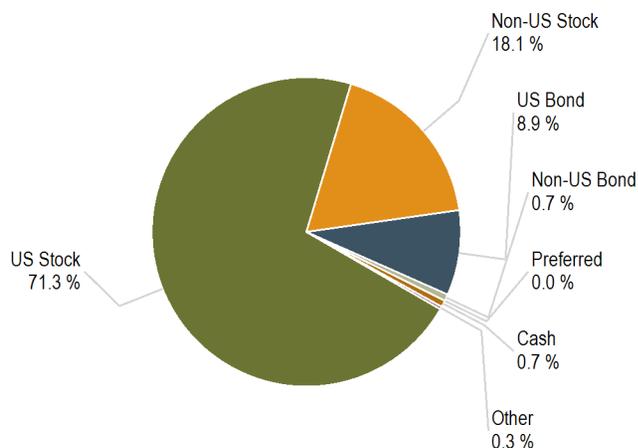
Benchmark: Target Retirement 2040 Benchmark



Manager Analysis

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

Mutual Fund Allocation as of 09/30/2010



Portfolio Fund Information as of 09/30/2010

| | |
|------------------------------------|-----------------------|
| Ticker | VFORX |
| Morningstar Category | Target Date 2036-2040 |
| Average Market Cap (\$mm) | 24,566.59 |
| Net Assets (\$mm) | 4,499.87 |
| % Assets in Top 10 Holdings | 100.00 |
| Total Number of Holdings | 6 |
| Manager Name | Duane F. Kelly |
| Manager Tenure | 5 |
| Expense Ratio | 0.19% |
| Closed to New Investors | No |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 3.48% |
| CONSUMER GOODS | 10.00% |
| CONSUMER SERVICES | 6.79% |
| ENERGY | 9.13% |
| FINANCIAL SERVICES | 15.54% |
| HARDWARE | 7.53% |
| HEALTHCARE | 9.48% |
| INDUSTRIAL MATERIALS | 11.80% |
| MEDIA | 2.42% |
| SOFTWARE | 3.48% |
| TELECOMMUNICATION | 5.20% |
| UTILITIES | 3.34% |

Top Holdings as of 09/30/2010

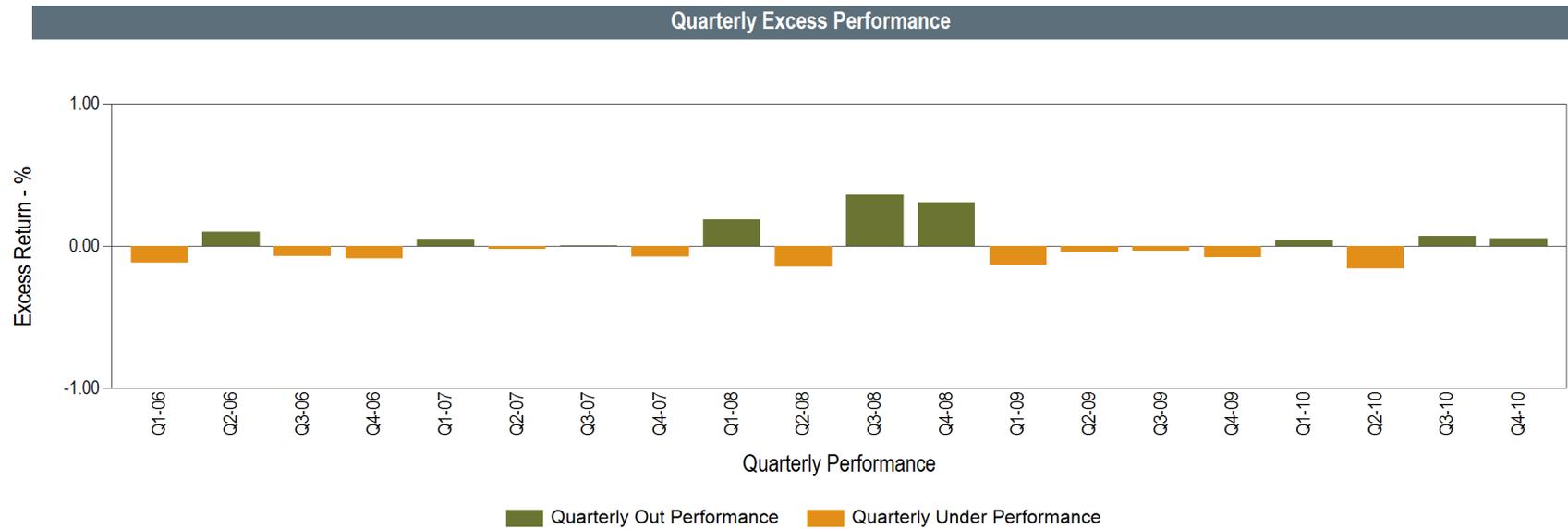
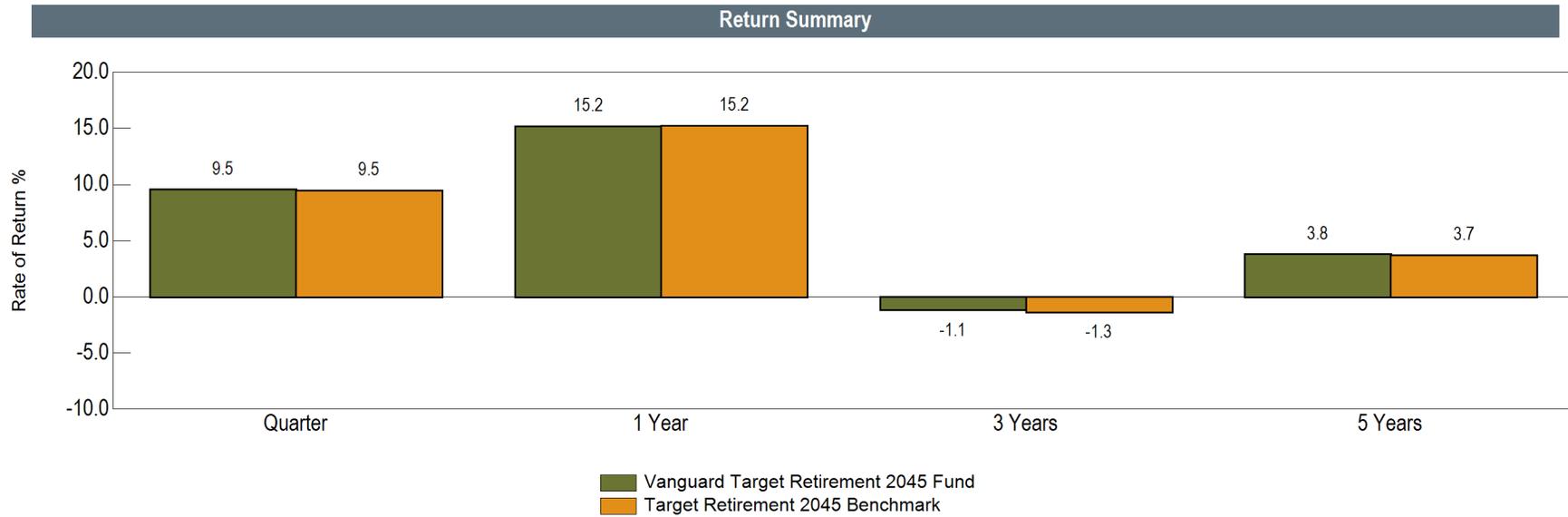
| | |
|--|--------|
| VANGUARD TOTAL STOCK MKT IDX INV | 71.96% |
| VANGUARD TOTAL BOND MARKET II IDX INV | 10.01% |
| VANGUARD EUROPEAN STOCK INDEX INV | 8.75% |
| VANGUARD EMERGING MKTS STOCK IDX | 4.62% |
| VANGUARD PACIFIC STOCK INDEX INV | 4.62% |
| CMT MARKET LIQUIDITY RATE | 0.04% |

Fixed Income Sectors as of 09/30/2010

| | |
|----------------------------|-------|
| US TREASURY | 3.61% |
| TIPS | 0.00% |
| US AGENCY | 0.81% |
| MORTGAGE PASSTHRU | 2.29% |
| MORTGAGE CMO | 0.36% |
| MORTGAGE ARM | 0.00% |
| US CORPORATE | 1.70% |
| ASSET BACKED | 0.04% |
| CONVERTIBLE | 0.00% |
| MUNICIPAL | 0.06% |
| INFLATION PROTECTED | 0.00% |
| FOREIGN CORP | 0.50% |
| FOREIGN GOVT | 0.16% |

Manager Performance

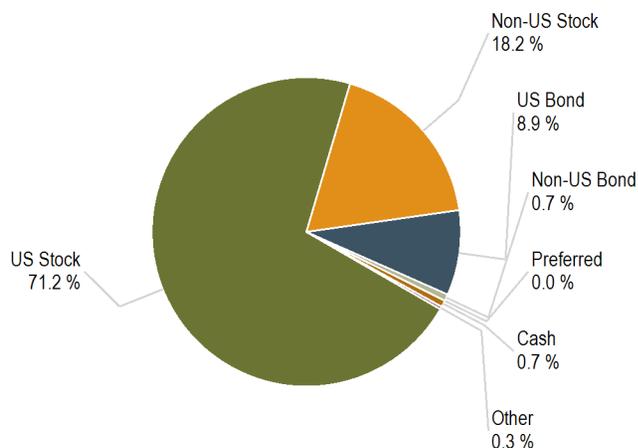
Benchmark: Target Retirement 2045 Benchmark



Manager Analysis

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

Mutual Fund Allocation as of 09/30/2010



Portfolio Fund Information as of 09/30/2010

| | |
|------------------------------------|-----------------------|
| Ticker | VTIVX |
| Morningstar Category | Target Date 2041-2045 |
| Average Market Cap (\$mm) | 24,569.34 |
| Net Assets (\$mm) | 5,610.43 |
| % Assets in Top 10 Holdings | 100.00 |
| Total Number of Holdings | 6 |
| Manager Name | Duane F. Kelly |
| Manager Tenure | 7 |
| Expense Ratio | 0.19% |
| Closed to New Investors | No |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 3.48% |
| CONSUMER GOODS | 10.01% |
| CONSUMER SERVICES | 6.79% |
| ENERGY | 9.13% |
| FINANCIAL SERVICES | 15.54% |
| HARDWARE | 7.53% |
| HEALTHCARE | 9.47% |
| INDUSTRIAL MATERIALS | 11.81% |
| MEDIA | 2.42% |
| SOFTWARE | 3.48% |
| TELECOMMUNICATION | 5.20% |
| UTILITIES | 3.34% |

Top Holdings as of 09/30/2010

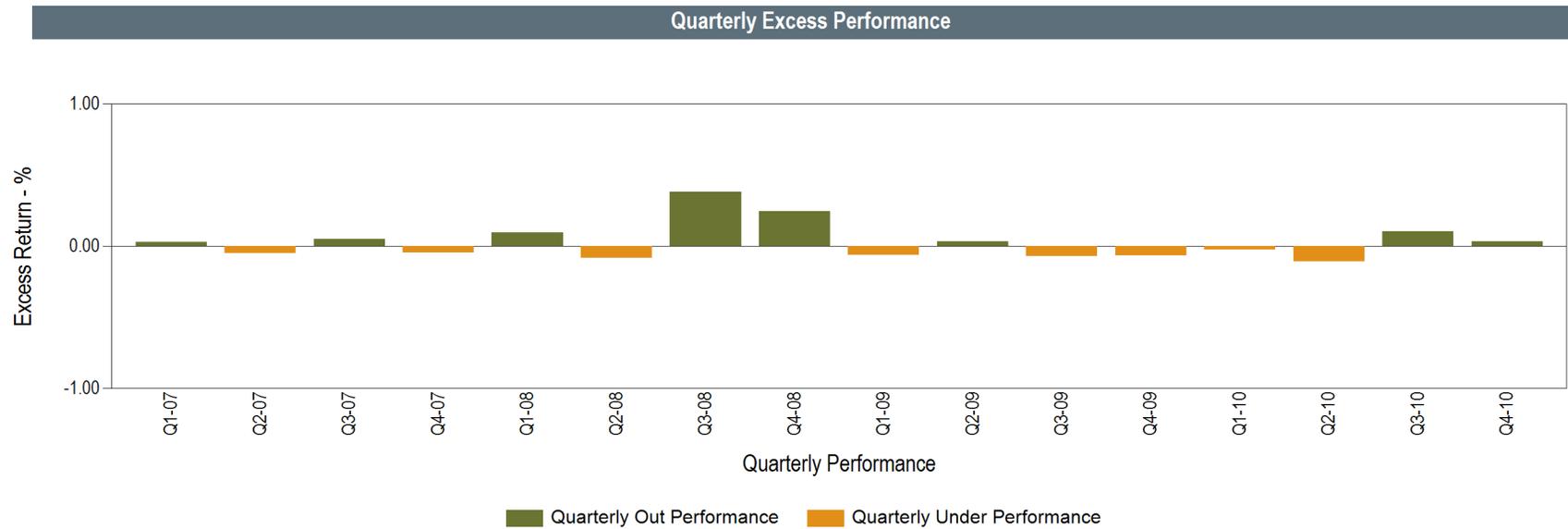
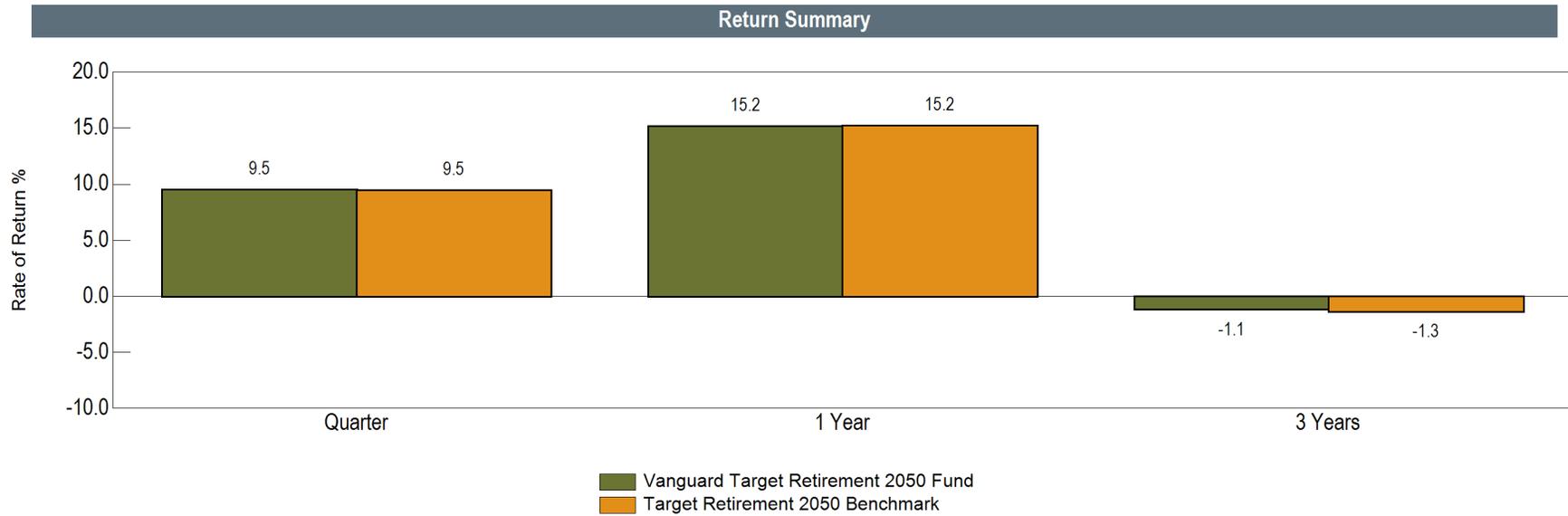
| | |
|--|--------|
| VANGUARD TOTAL STOCK MKT IDX INV | 71.89% |
| VANGUARD TOTAL BOND MARKET II IDX INV | 10.01% |
| VANGUARD EUROPEAN STOCK INDEX INV | 8.80% |
| VANGUARD PACIFIC STOCK INDEX INV | 4.65% |
| VANGUARD EMERGING MKTS STOCK IDX | 4.63% |
| CMT MARKET LIQUIDITY RATE | 0.03% |

Fixed Income Sectors as of 09/30/2010

| | |
|----------------------------|-------|
| US TREASURY | 3.61% |
| TIPS | 0.00% |
| US AGENCY | 0.81% |
| MORTGAGE PASSTHRU | 2.29% |
| MORTGAGE CMO | 0.36% |
| MORTGAGE ARM | 0.00% |
| US CORPORATE | 1.70% |
| ASSET BACKED | 0.04% |
| CONVERTIBLE | 0.00% |
| MUNICIPAL | 0.06% |
| INFLATION PROTECTED | 0.00% |
| FOREIGN CORP | 0.50% |
| FOREIGN GOVT | 0.16% |

Manager Performance

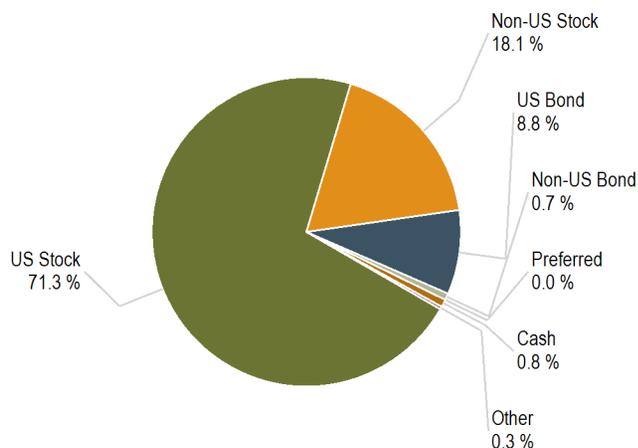
Benchmark: Target Retirement 2050 Benchmark



Manager Analysis

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

Mutual Fund Allocation as of 09/30/2010



Portfolio Fund Information as of 09/30/2010

| | |
|------------------------------------|-------------------|
| Ticker | VFIFX |
| Morningstar Category | Target Date 2050+ |
| Average Market Cap (\$mm) | 24,695.59 |
| Net Assets (\$mm) | 1,809.92 |
| % Assets in Top 10 Holdings | 100.00 |
| Total Number of Holdings | 6 |
| Manager Name | Duane F. Kelly |
| Manager Tenure | 5 |
| Expense Ratio | 0.19% |
| Closed to New Investors | No |

Sector Allocation as of 09/30/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 3.44% |
| CONSUMER GOODS | 8.23% |
| CONSUMER SERVICES | 6.80% |
| ENERGY | 9.12% |
| FINANCIAL SERVICES | 15.51% |
| HARDWARE | 6.66% |
| HEALTHCARE | 9.47% |
| INDUSTRIAL MATERIALS | 11.75% |
| MEDIA | 2.42% |
| SOFTWARE | 3.49% |
| TELECOMMUNICATION | 6.05% |
| UTILITIES | 3.34% |

Top Holdings as of 09/30/2010

| | |
|--|--------|
| VANGUARD TOTAL STOCK MKT IDX INV | 71.90% |
| VANGUARD TOTAL BOND MARKET II IDX INV | 9.98% |
| VANGUARD EUROPEAN STOCK INDEX INV | 8.78% |
| VANGUARD PACIFIC STOCK INDEX INV | 4.64% |
| VANGUARD EMERGING MKTS STOCK IDX | 4.62% |
| CMT MARKET LIQUIDITY RATE | 0.08% |

Fixed Income Sectors as of 09/30/2010

| | |
|----------------------------|-------|
| US TREASURY | 3.60% |
| TIPS | 0.00% |
| US AGENCY | 0.81% |
| MORTGAGE PASSTHRU | 2.28% |
| MORTGAGE CMO | 0.36% |
| MORTGAGE ARM | 0.00% |
| US CORPORATE | 1.69% |
| ASSET BACKED | 0.04% |
| CONVERTIBLE | 0.00% |
| MUNICIPAL | 0.06% |
| INFLATION PROTECTED | 0.00% |
| FOREIGN CORP | 0.50% |
| FOREIGN GOVT | 0.16% |

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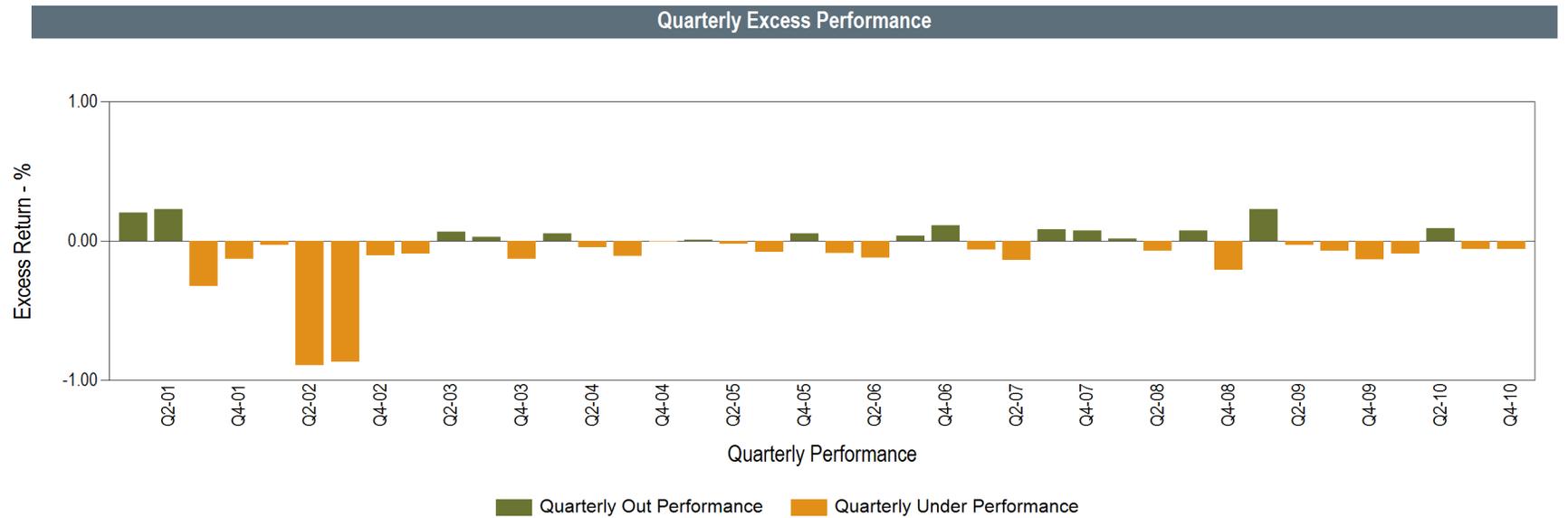
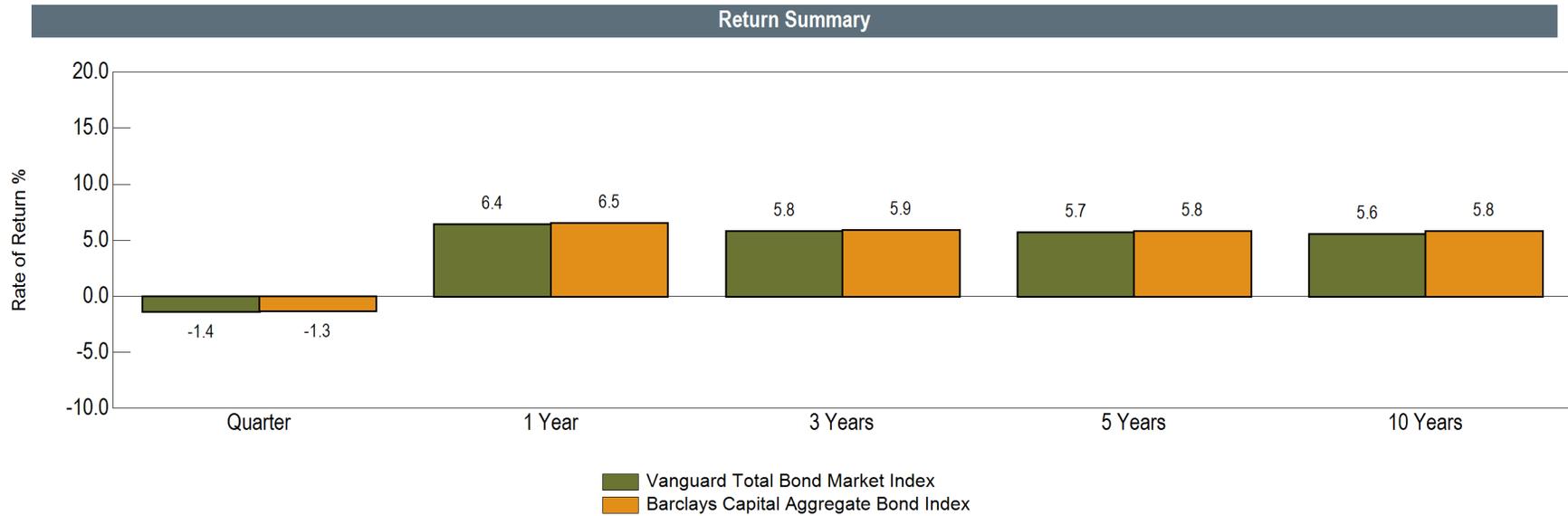


Index Funds

Manager Performance

Benchmark: Barclays Capital Aggregate Bond Index

Universe: Intermediate-Term Bond MStar MF (manager)

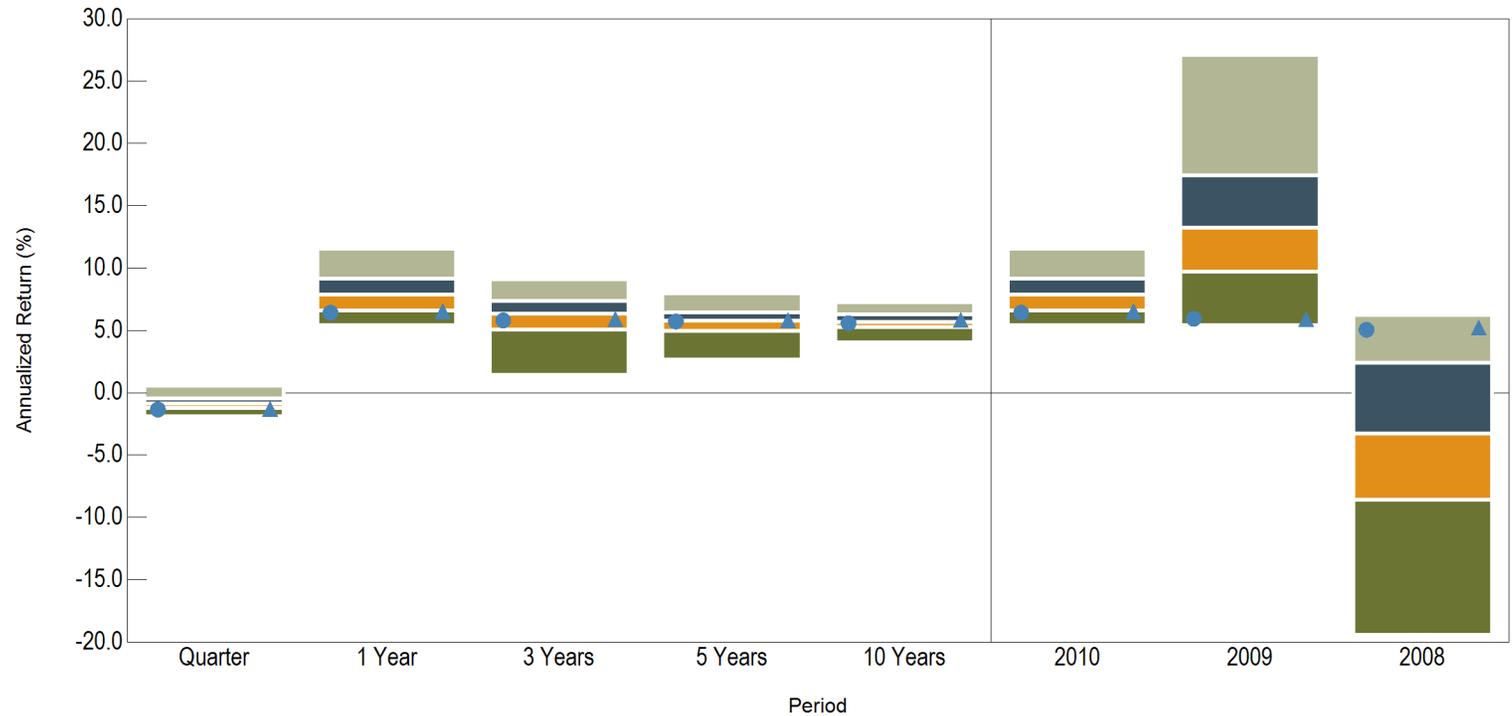


Universe Comparison

Benchmark: Barclays Capital Aggregate Bond Index

Universe: Intermediate-Term Bond MStar MF (manager)

Ending December 31, 2010



| | Return (Rank) | | | | | | | | | | | | | | | | | | | | | | | |
|---|---------------|--------|---------|---------|----------|------|------|-------|---------|--------|---------|---------|----------|------|------|------|-----|------|-----|------|-----|------|-----|------|
| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2010 | 2009 | 2008 | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2010 | 2009 | 2008 | | | | | | | | |
| 5th Percentile | 0.5 | 11.5 | 9.1 | 8.0 | 7.2 | 11.5 | 27.1 | 6.2 | -1.4 | (82) | 6.4 | (82) | 5.8 | (63) | 5.7 | (53) | 5.6 | (55) | 6.4 | (82) | 5.9 | (92) | 5.1 | (12) |
| 25th Percentile | -0.4 | 9.2 | 7.4 | 6.5 | 6.3 | 9.2 | 17.5 | 2.5 | -1.3 | (80) | 6.5 | (80) | 5.9 | (60) | 5.8 | (50) | 5.8 | (44) | 6.5 | (80) | 5.9 | (92) | 5.2 | (10) |
| Median | -0.8 | 7.9 | 6.4 | 5.8 | 5.7 | 7.9 | 13.3 | -3.2 | | | | | | | | | | | | | | | | |
| 75th Percentile | -1.2 | 6.6 | 5.1 | 5.0 | 5.3 | 6.6 | 9.8 | -8.6 | | | | | | | | | | | | | | | | |
| 95th Percentile | -1.9 | 5.4 | 1.5 | 2.7 | 4.1 | 5.4 | 5.5 | -19.4 | | | | | | | | | | | | | | | | |
| # of Portfolios | 246 | 237 | 222 | 205 | 182 | 237 | 245 | 257 | | | | | | | | | | | | | | | | |
| ● Vanguard Total Bond Market Index | -1.4 | (82) | 6.4 | (82) | 5.8 | (63) | 5.7 | (53) | 5.6 | (55) | 6.4 | (82) | 5.9 | (92) | 5.1 | (12) | | | | | | | | |
| ▲ Barclays Capital Aggregate Bond Index | -1.3 | (80) | 6.5 | (80) | 5.9 | (60) | 5.8 | (50) | 5.8 | (44) | 6.5 | (80) | 5.9 | (92) | 5.2 | (10) | | | | | | | | |

Manager Analysis

The Vanguard Total Bond Market Index Fund seeks to replicate the performance of the Barclays Capital Aggregate Bond Index. The Fund holds U.S. government and agency securities, high-quality corporate bonds, and mortgage-backed issues.

The Fund attempts to simulate the market's performance by holding a sampling of the more than 4,000 bonds in the Barclays Capital Aggregate Bond Index. Characteristics of the Fund, including interest-rate sensitivity and sector weightings, closely match those of the Index.

| Portfolio Fund Information as of 09/30/2010 | |
|---|------------------------|
| Ticker | VBMFX |
| Morningstar Category | Intermediate-Term Bond |
| Average Market Cap (\$mm) | |
| Net Assets (\$mm) | 14,437.37 |
| % Assets in Top 10 Holdings | 9.99 |
| Total Number of Holdings | 13,985 |
| Manager Name | Kenneth Volpert |
| Manager Tenure | 18 |
| Expense Ratio | 0.22% |
| Closed to New Investors | No |

| Fund Characteristics as of 09/30/2010 | |
|--|--------|
| Versus Barclays Capital Aggregate Bond Index | |
| Sharpe Ratio (3 Year) | 1.23 |
| Average Duration | 4.79 |
| Average Coupon | 4.55% |
| Average Effective Maturity | 6.60 |
| R-Squared (3 Year) | 0.99 |
| Alpha (3 Year) | -0.01% |
| Beta (3 Year) | 1.00 |

| Fixed Income Sectors as of 09/30/2010 | |
|---------------------------------------|--------|
| US TREASURY | 34.97% |
| TIPS | 0.00% |
| US AGENCY | 7.45% |
| MORTGAGE PASSTHRU | 23.96% |
| MORTGAGE CMO | 3.56% |
| MORTGAGE ARM | 0.00% |
| US CORPORATE | 17.88% |
| ASSET BACKED | 0.41% |
| CONVERTIBLE | 0.00% |
| MUNICIPAL | 0.64% |
| INFLATION PROTECTED | 0.00% |
| FOREIGN CORP | 5.21% |
| FOREIGN GOVT | 1.63% |

| Top Holdings as of 09/30/2010 | |
|-------------------------------|-------|
| CMT MARKET LIQUIDITY RATE | 2.95% |
| US TREASURY NOTE 1.875% | 0.89% |
| US TREASURY NOTE 0.875% | 0.85% |
| US TREASURY NOTE 0.75% | 0.83% |
| US TREASURY NOTE 0.75% | 0.82% |
| US TREASURY BOND 6.25% | 0.77% |
| US TREASURY NOTE 1.375% | 0.75% |
| GNMA | 0.74% |
| US TREASURY NOTE 2.625% | 0.71% |
| US TREASURY NOTE 2.75% | 0.69% |

| Credit Quality as of 09/30/2010 | |
|---------------------------------|--------|
| AAA | 75.87% |
| AA | 4.51% |
| A | 10.54% |
| BBB | 9.08% |
| BB | 0.00% |
| B | 0.00% |
| Below B | 0.00% |
| Not Rated | 0.00% |

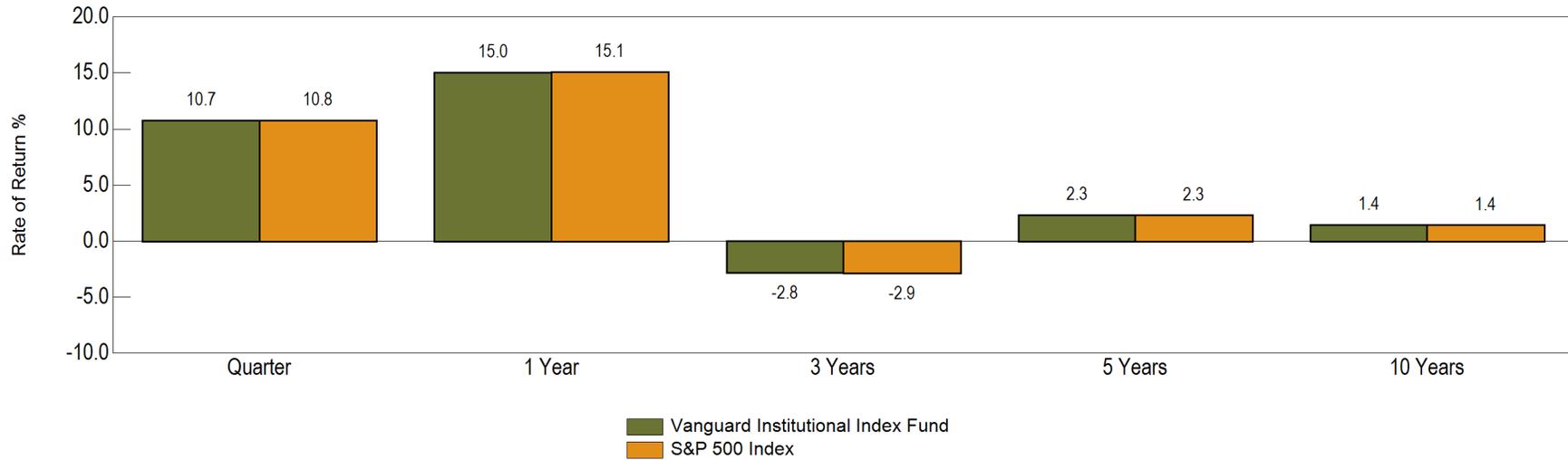
| Maturities as of 09/30/2010 | |
|-----------------------------|--------|
| 1 to 3 Years | 18.30% |
| 3 to 5 Years | 14.86% |
| 5 to 7 Years | 9.92% |
| 7 to 10 Years | 12.73% |
| 10 to 15 Years | 4.59% |
| 15 to 20 Years | 2.01% |
| 20 to 30 Years | 28.33% |
| Greater than 30 Years | 2.23% |

Manager Performance

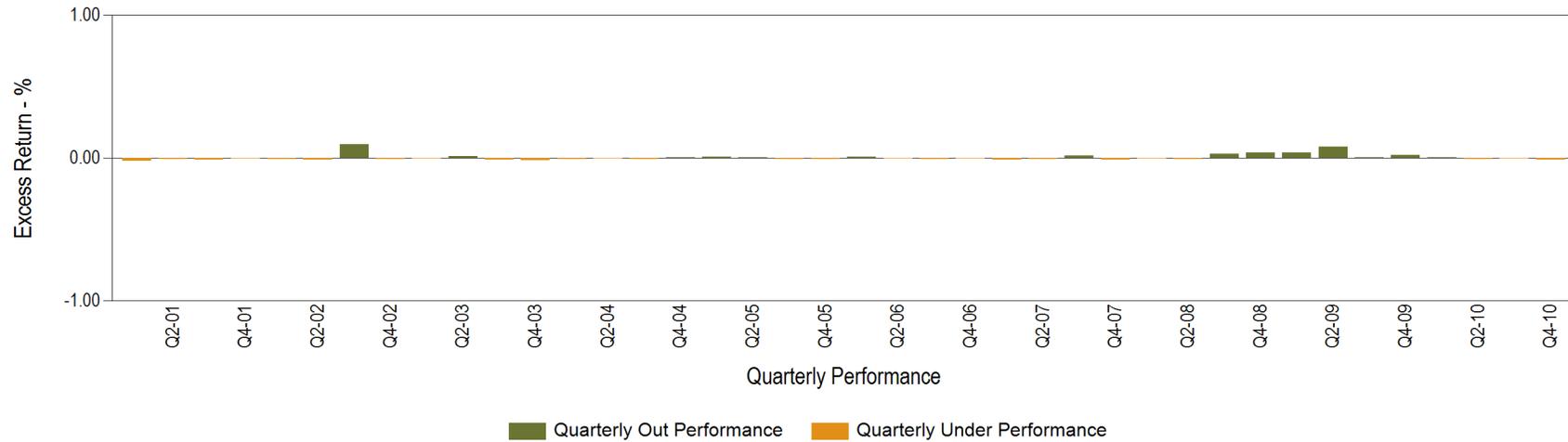
Benchmark: S&P 500 Index

Universe: Large Cap MStar MF (manager)

Return Summary



Quarterly Excess Performance

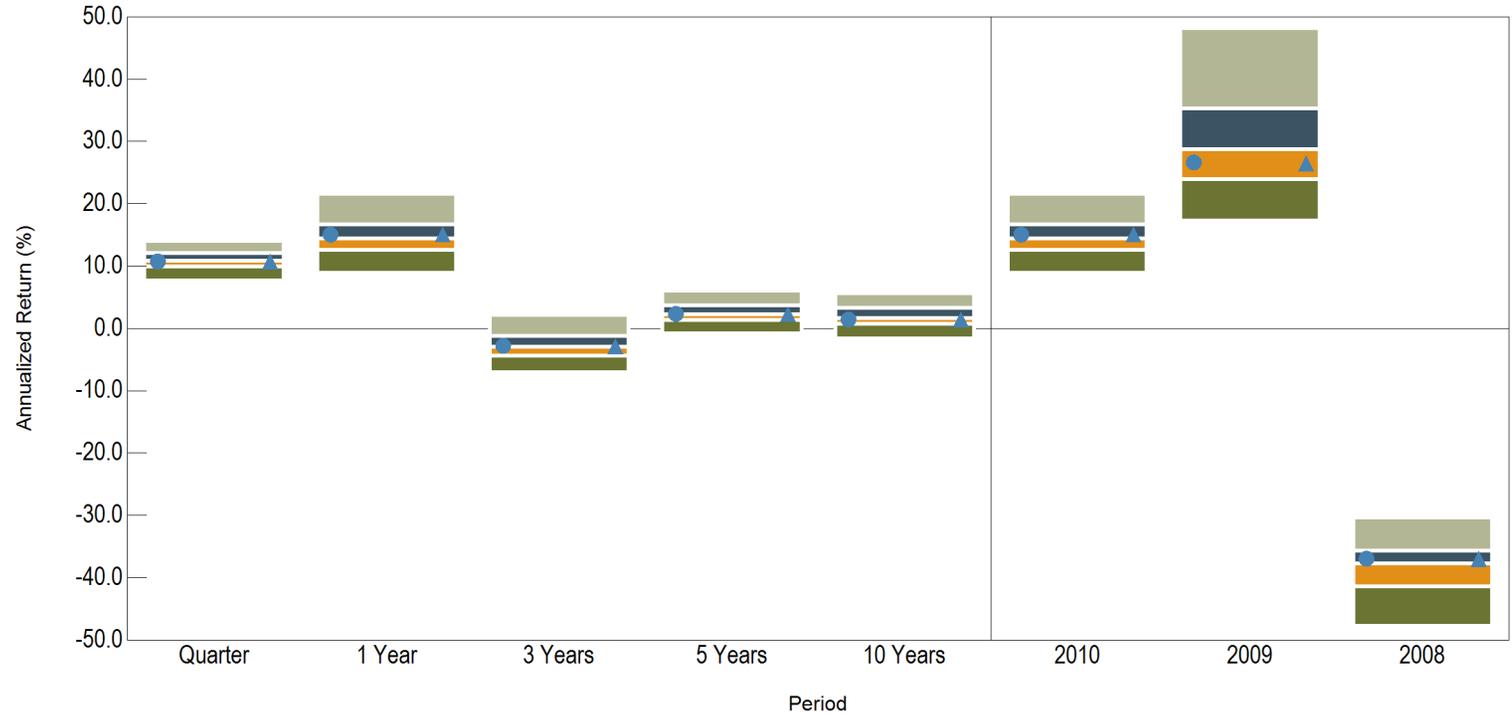


Universe Comparison

Benchmark: S&P 500 Index

Universe: Large Cap MStar MF (manager)

Ending December 31, 2010



| | Return (Rank) | | | | | | | | | | | | | | | |
|--|---------------|------|------|------|------|------|------|-------|-----|------|------|------|------|------|-------|------|
| 5th Percentile | 13.9 | 21.5 | 2.2 | 6.0 | 5.6 | 21.5 | 48.1 | -30.4 | | | | | | | | |
| 25th Percentile | 12.2 | 16.8 | -1.2 | 3.7 | 3.4 | 16.8 | 35.3 | -35.6 | | | | | | | | |
| Median | 10.9 | 14.5 | -2.8 | 2.3 | 1.7 | 14.5 | 28.8 | -37.6 | | | | | | | | |
| 75th Percentile | 10.0 | 12.6 | -4.4 | 1.4 | 0.7 | 12.6 | 24.0 | -41.3 | | | | | | | | |
| 95th Percentile | 7.8 | 9.0 | -7.0 | -0.8 | -1.6 | 9.0 | 17.4 | -47.7 | | | | | | | | |
| # of Portfolios | 935 | 912 | 866 | 780 | 598 | 912 | 961 | 1,017 | | | | | | | | |
| ● Vanguard Institutional Index Fund | 10.7 | (55) | 15.0 | (41) | -2.8 | (50) | 2.3 | (51) | 1.4 | (56) | 15.0 | (41) | 26.6 | (60) | -37.0 | (39) |
| ▲ S&P 500 Index | 10.8 | (55) | 15.1 | (41) | -2.9 | (51) | 2.3 | (52) | 1.4 | (57) | 15.1 | (41) | 26.5 | (61) | -37.0 | (40) |

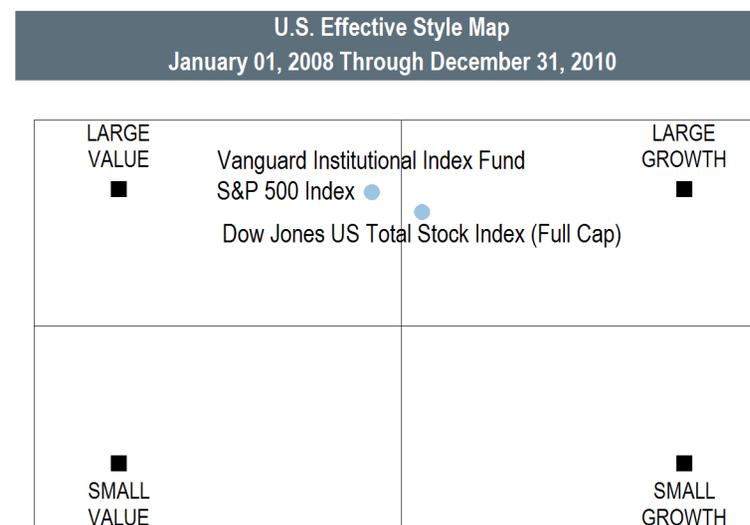
Manager Analysis

The Vanguard Institutional Index Fund is designed to approximate the performance of the S&P 500 Stock Index. The Fund holds a capitalization-weighted position in all 500 securities of the S&P 500 Stock Index. Management uses S&P 500 Index futures to manage fund inflows and outflows.

| Portfolio Fund Information as of 09/30/2010 | | Fund Characteristics as of 09/30/2010 Versus S&P 500 Index | |
|---|------------------|---|-----------|
| Ticker | VINIX | Sharpe Ratio (3 Year) | -0.15 |
| Morningstar Category | Large Blend | Average Market Cap (\$mm) | 44,238.10 |
| Average Market Cap (\$mm) | 44,238.10 | Price/Earnings | 14.07 |
| Net Assets (\$mm) | 54,685.57 | Price/Book | 2.03 |
| % Assets in Top 10 Holdings | 18.60 | Price/Sales | 1.27 |
| Total Number of Holdings | 507 | Price/Cash Flow | 5.45 |
| Manager Name | Donald M. Butler | Dividend Yield | 2.40 |
| Manager Tenure | 6 | Number of Equity Holdings | 503 |
| Expense Ratio | 0.05% | R-Squared (3 Year) | 1.00 |
| Closed to New Investors | No | Alpha (3 Year) | 0.00% |

| Sector Allocation as of 09/30/2010 | |
|------------------------------------|--------|
| BUSINESS SERVICES | 3.13% |
| CONSUMER GOODS | 8.77% |
| CONSUMER SERVICES | 8.39% |
| ENERGY | 10.96% |
| FINANCIAL SERVICES | 15.62% |
| HARDWARE | 8.79% |
| HEALTHCARE | 11.56% |
| INDUSTRIAL MATERIALS | 11.36% |
| MEDIA | 3.06% |
| SOFTWARE | 4.33% |
| TELECOMMUNICATION | 7.32% |
| UTILITIES | 3.59% |

| Top Holdings as of 09/30/2010 | |
|--------------------------------------|-------|
| EXXONMOBIL CORPORATION | 3.04% |
| APPLE, INC. | 2.50% |
| MICROSOFT CORPORATION | 1.80% |
| GENERAL ELECTRIC COMPANY | 1.68% |
| JOHNSON & JOHNSON | 1.65% |
| PROCTER & GAMBLE COMPANY | 1.64% |
| AT&T, INC. | 1.63% |
| INTERNATIONAL BUSINESS MACHINES CORP | 1.63% |
| CHEVRON CORPORATION | 1.57% |
| J.P. MORGAN CHASE & CO. | 1.46% |

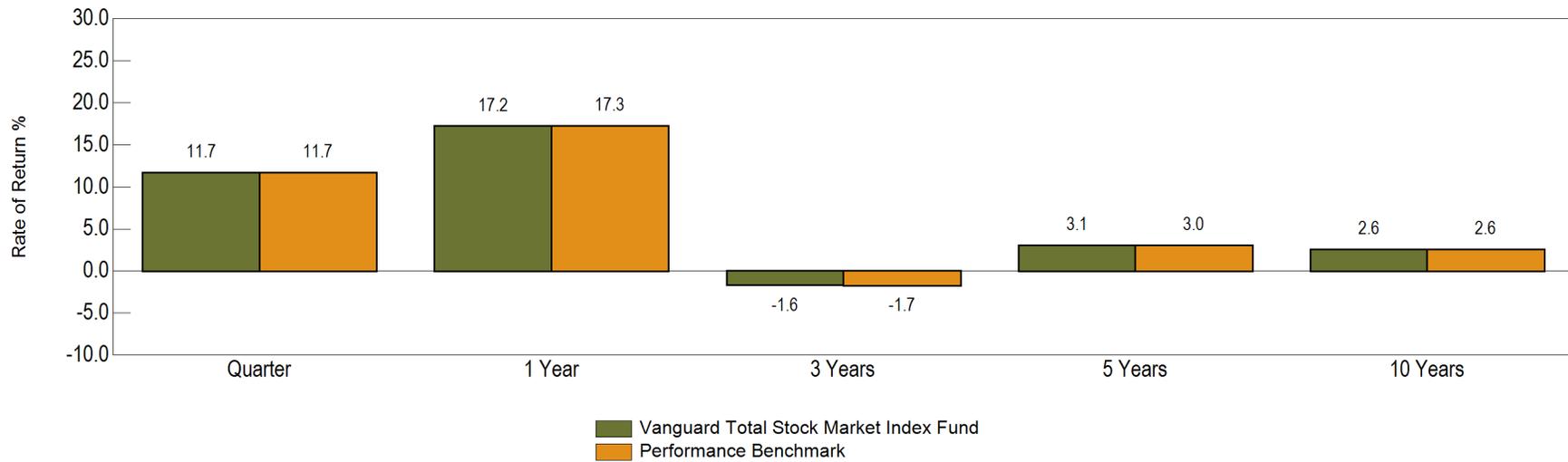


Manager Performance

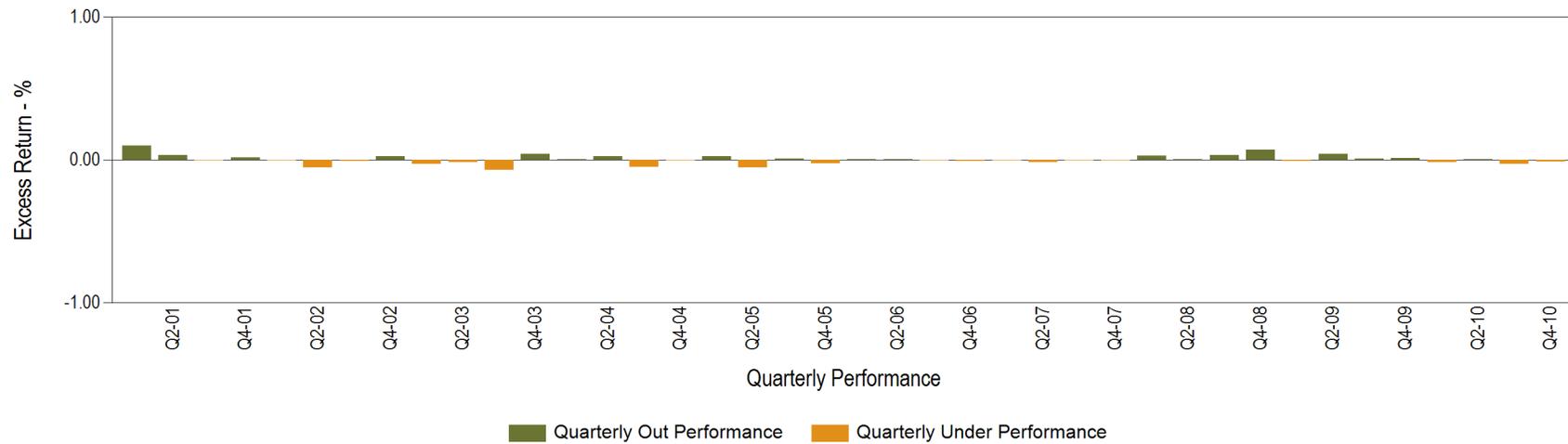
Benchmark: Performance Benchmark

Universe: All Cap MStar MF (manager)

Return Summary



Quarterly Excess Performance

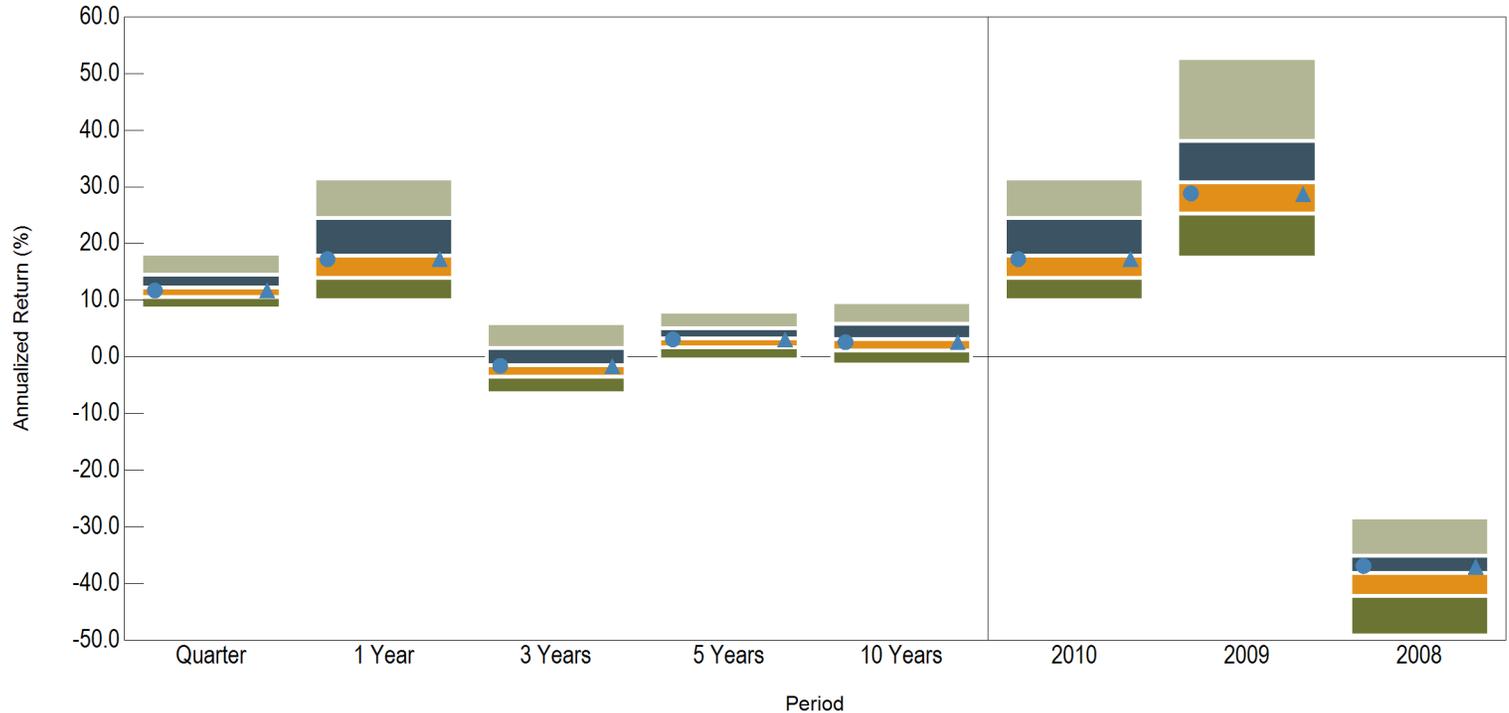


Universe Comparison

Benchmark: Performance Benchmark

Universe: All Cap MStar MF (manager)

Ending December 31, 2010



| | Return (Rank) | | | | | | | | | | | | | | | |
|---|---------------|-------|-------|-------|-------|-------|-------|-------|-----|------|------|------|------|------|-------|------|
| 5th Percentile | 18.1 | 31.4 | 5.9 | 7.9 | 9.6 | 31.4 | 52.6 | -28.5 | | | | | | | | |
| 25th Percentile | 14.5 | 24.6 | 1.5 | 5.1 | 5.9 | 24.6 | 38.2 | -35.1 | | | | | | | | |
| Median | 12.2 | 18.0 | -1.5 | 3.3 | 3.2 | 18.0 | 30.8 | -38.1 | | | | | | | | |
| 75th Percentile | 10.6 | 14.0 | -3.5 | 1.8 | 1.2 | 14.0 | 25.4 | -42.1 | | | | | | | | |
| 95th Percentile | 8.6 | 10.1 | -6.4 | -0.4 | -1.4 | 10.1 | 17.6 | -49.2 | | | | | | | | |
| # of Portfolios | 1,623 | 1,587 | 1,504 | 1,360 | 1,031 | 1,587 | 1,662 | 1,789 | | | | | | | | |
| ● Vanguard Total Stock Market Index Fund | 11.7 | (59) | 17.2 | (54) | -1.6 | (52) | 3.1 | (54) | 2.6 | (56) | 17.2 | (54) | 28.8 | (60) | -36.9 | (39) |
| ▲ Performance Benchmark | 11.7 | (58) | 17.3 | (53) | -1.7 | (53) | 3.0 | (54) | 2.6 | (57) | 17.3 | (53) | 28.8 | (60) | -37.0 | (40) |

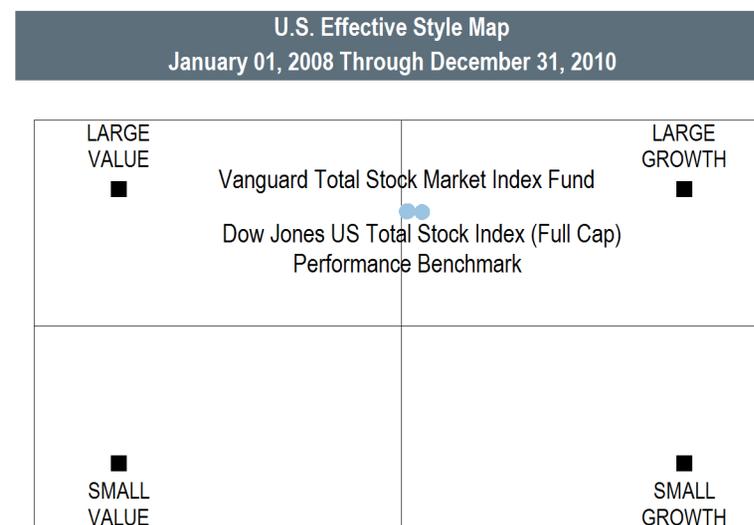
Manager Analysis

Vanguard Total Stock Market Index Fund utilizes a sampling technique that approximates the industry weightings and market capitalizations of the MSCI U.S. Broad Market Index. The Fund will replicate the weightings of the largest stocks in the Index and invest in a representative sample for the remaining portion. Through computer modeling techniques, management intends to match the Index's characteristics, including sector weightings, yield, price ratios, and risk.

| Portfolio Fund Information as of 09/30/2010 | | Fund Characteristics as of 09/30/2010 Versus Performance Benchmark | |
|---|--------------------|---|-----------|
| Ticker | VITSX | Sharpe Ratio (3 Year) | -0.09 |
| Morningstar Category | Large Blend | Average Market Cap (\$mm) | 24,217.02 |
| Average Market Cap (\$mm) | 24,217.02 | Price/Earnings | 14.33 |
| Net Assets (\$mm) | 22,934.87 | Price/Book | 1.97 |
| % Assets in Top 10 Holdings | 15.15 | Price/Sales | 1.21 |
| Total Number of Holdings | 3,377 | Price/Cash Flow | 5.30 |
| Manager Name | Gerard C. O'Reilly | Dividend Yield | 2.40 |
| Manager Tenure | 16 | Number of Equity Holdings | 3,356 |
| Expense Ratio | 0.06% | R-Squared (3 Year) | 1.00 |
| Closed to New Investors | No | Alpha (3 Year) | 0.00% |

| Sector Allocation as of 09/30/2010 | |
|------------------------------------|--------|
| BUSINESS SERVICES | 4.11% |
| CONSUMER GOODS | 8.47% |
| CONSUMER SERVICES | 8.46% |
| ENERGY | 10.44% |
| FINANCIAL SERVICES | 15.81% |
| HARDWARE | 8.68% |
| HEALTHCARE | 11.62% |
| INDUSTRIAL MATERIALS | 11.76% |
| MEDIA | 3.03% |
| SOFTWARE | 4.51% |
| TELECOMMUNICATION | 6.67% |
| UTILITIES | 3.58% |

| Top Holdings as of 09/30/2010 | |
|--------------------------------------|-------|
| EXXONMOBIL CORPORATION | 2.46% |
| APPLE, INC. | 2.02% |
| MICROSOFT CORPORATION | 1.51% |
| GENERAL ELECTRIC COMPANY | 1.36% |
| PROCTER & GAMBLE COMPANY | 1.35% |
| INTERNATIONAL BUSINESS MACHINES CORP | 1.34% |
| JOHNSON & JOHNSON | 1.34% |
| AT&T, INC. | 1.32% |
| CHEVRON CORPORATION | 1.27% |
| J.P. MORGAN CHASE & CO. | 1.18% |

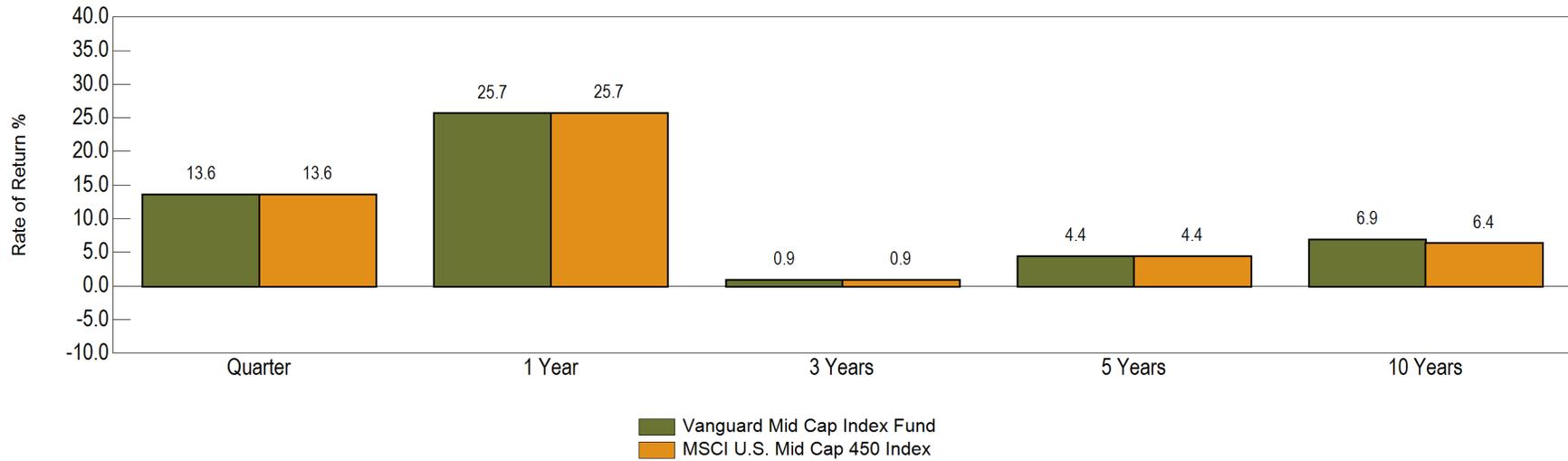


Manager Performance

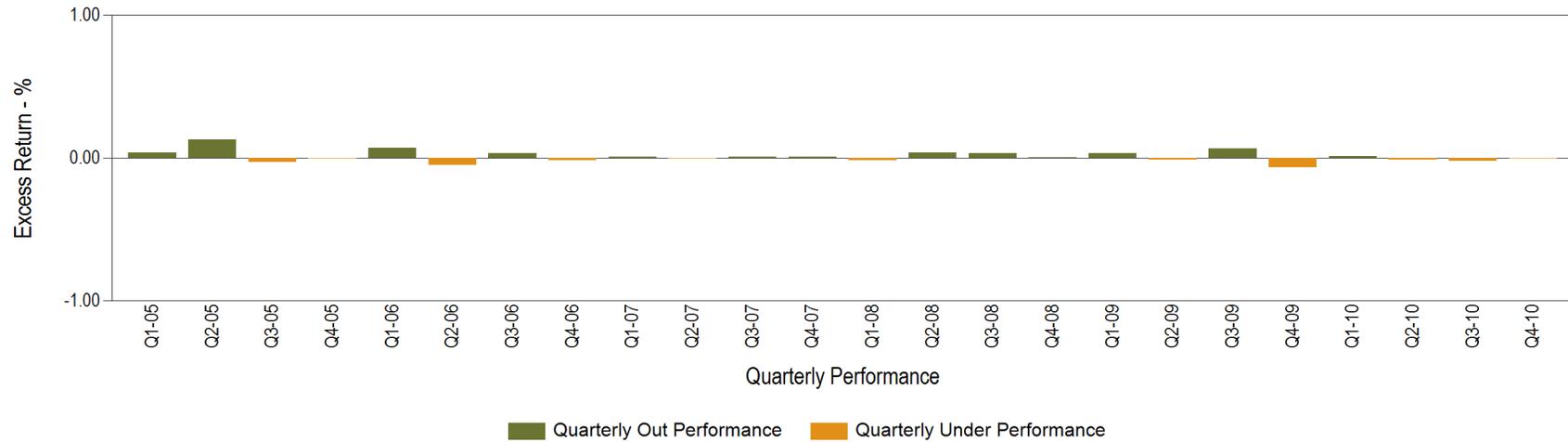
Benchmark: MSCI U.S. Mid Cap 450 Index

Universe: Mid Cap MStar MF (manager)

Return Summary



Quarterly Excess Performance

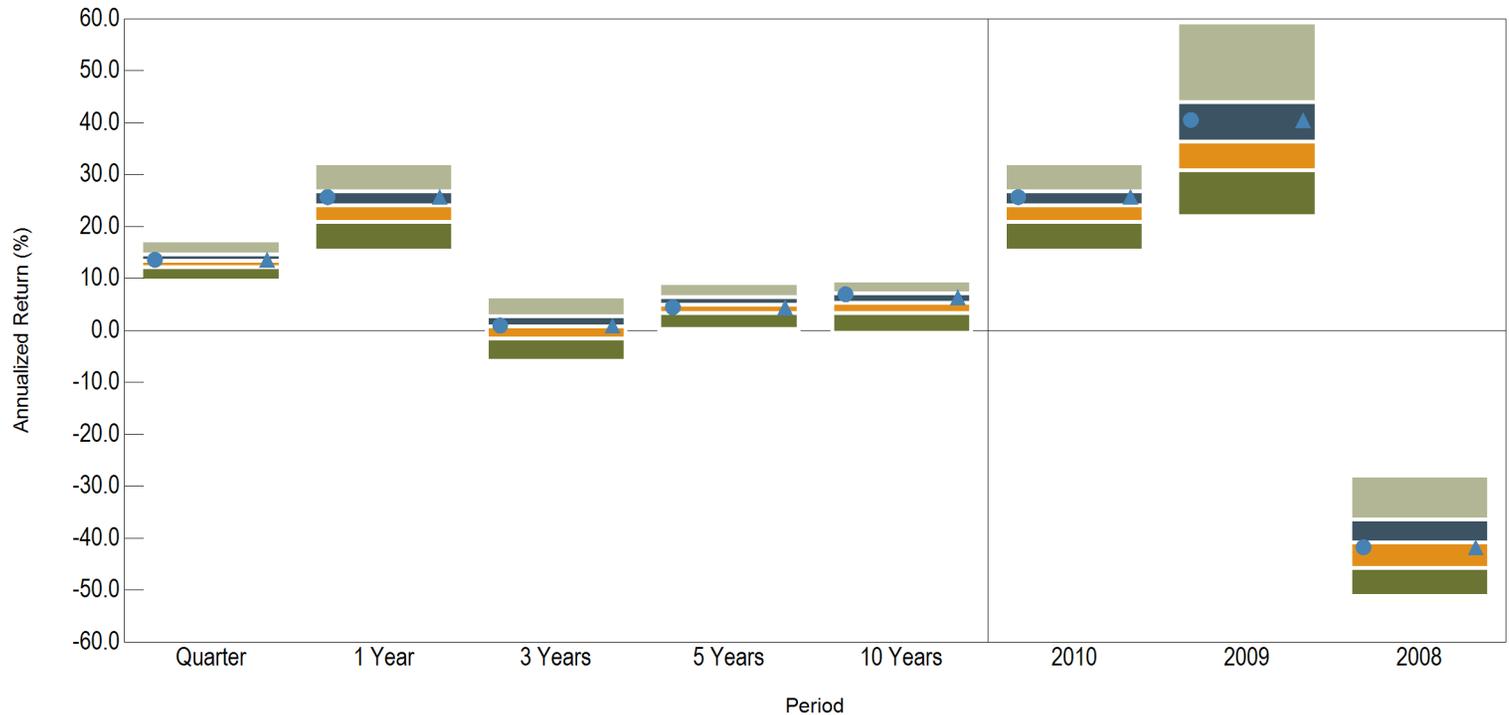


Universe Comparison

Benchmark: MSCI U.S. Mid Cap 450 Index

Universe: Mid Cap MStar MF (manager)

Ending December 31, 2010



| | Return (Rank) | | | | | | | | | | | | | | | |
|--------------------------------------|---------------|------|------|------|------|------|------|-------|-----|------|------|------|------|------|-------|------|
| 5th Percentile | 17.2 | 32.1 | 6.4 | 9.0 | 9.5 | 32.1 | 59.3 | -28.0 | | | | | | | | |
| 25th Percentile | 14.7 | 26.8 | 2.8 | 6.5 | 7.2 | 26.8 | 44.0 | -36.4 | | | | | | | | |
| Median | 13.5 | 24.2 | 0.8 | 5.0 | 5.4 | 24.2 | 36.4 | -40.7 | | | | | | | | |
| 75th Percentile | 12.2 | 21.0 | -1.5 | 3.4 | 3.4 | 21.0 | 30.9 | -45.6 | | | | | | | | |
| 95th Percentile | 9.7 | 15.4 | -5.8 | 0.4 | -0.4 | 15.4 | 22.1 | -51.1 | | | | | | | | |
| # of Portfolios | 315 | 309 | 291 | 260 | 186 | 309 | 320 | 354 | | | | | | | | |
| ● Vanguard Mid Cap Index Fund | 13.6 | (48) | 25.7 | (37) | 0.9 | (49) | 4.4 | (60) | 6.9 | (33) | 25.7 | (37) | 40.5 | (36) | -41.8 | (58) |
| ▲ MSCI U.S. Mid Cap 450 Index | 13.6 | (48) | 25.7 | (37) | 0.9 | (49) | 4.4 | (61) | 6.4 | (42) | 25.7 | (37) | 40.5 | (36) | -41.8 | (58) |

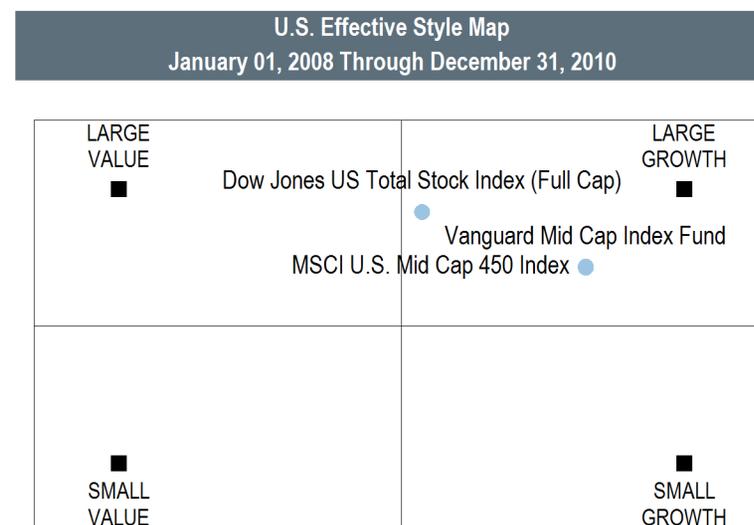
Manager Analysis

The Vanguard Mid Cap Index Fund seeks to replicate the performance of the MSCI U.S. Mid Cap 450 Index. In 2003, the Fund adopted the MSCI version of the mid-cap index. The Performance Benchmark consists of the S&P Mid Cap 400 Index prior to June 2003. In June 2003, the benchmark was changed to the MSCI Mid Cap 450 Index.

| Portfolio Fund Information as of 09/30/2010 | | Fund Characteristics as of 09/30/2010 Versus MSCI U.S. Mid Cap 450 Index | |
|---|------------------|---|----------|
| Ticker | VMCIX | Sharpe Ratio (3 Year) | 0.02 |
| Morningstar Category | Mid-Cap Blend | Average Market Cap (\$mm) | 5,348.35 |
| Average Market Cap (\$mm) | 5,348.35 | Price/Earnings | 15.73 |
| Net Assets (\$mm) | 7,795.10 | Price/Book | 1.91 |
| % Assets in Top 10 Holdings | 5.55 | Price/Sales | 1.06 |
| Total Number of Holdings | 459 | Price/Cash Flow | 6.19 |
| Manager Name | Donald M. Butler | Dividend Yield | 2.06 |
| Manager Tenure | 13 | Number of Equity Holdings | 457 |
| Expense Ratio | 0.08% | R-Squared (3 Year) | 1.00 |
| Closed to New Investors | No | Alpha (3 Year) | 0.00% |

| Sector Allocation as of 09/30/2010 | |
|------------------------------------|--------|
| BUSINESS SERVICES | 5.43% |
| CONSUMER GOODS | 7.58% |
| CONSUMER SERVICES | 10.61% |
| ENERGY | 8.38% |
| FINANCIAL SERVICES | 17.02% |
| HARDWARE | 7.55% |
| HEALTHCARE | 9.76% |
| INDUSTRIAL MATERIALS | 14.48% |
| MEDIA | 3.58% |
| SOFTWARE | 5.22% |
| TELECOMMUNICATION | 2.57% |
| UTILITIES | 5.53% |

| Top Holdings as of 09/30/2010 | |
|---|-------|
| PRICELINE.COM, INC. | 0.78% |
| SALESFORCE.COM, INC. | 0.64% |
| CITRIX SYSTEMS, INC. | 0.62% |
| MEAD JOHNSON NUTRITION COMPANY | 0.57% |
| CAMERON INTERNATIONAL CORPORATION | 0.52% |
| HCP, INC. | 0.52% |
| STARWOOD HOTELS & RESORTS WORLDWIDE, INC. | 0.49% |
| DOVER CORPORATION | 0.48% |
| HOSPIRA, INC. | 0.47% |
| GOODRICH CORPORATION | 0.45% |

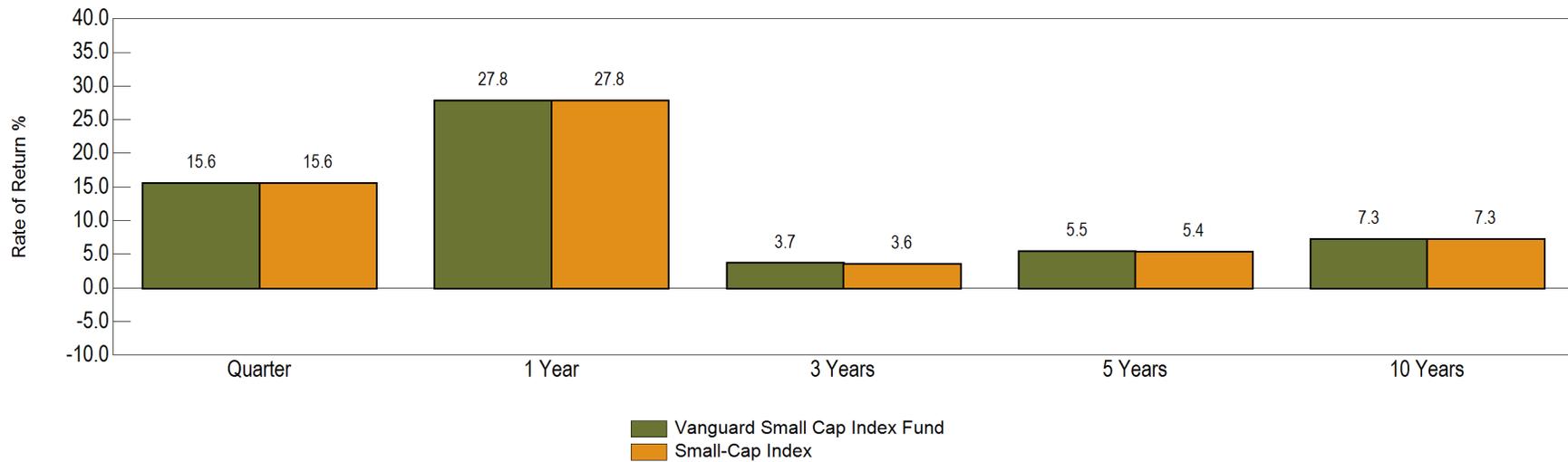


Manager Performance

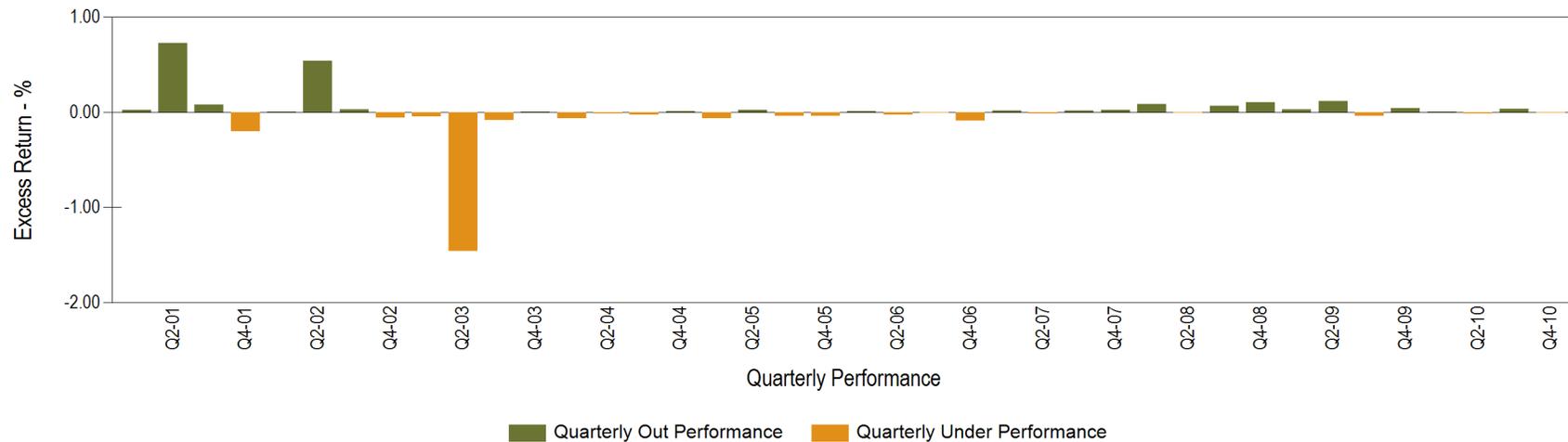
Benchmark: Small-Cap Index

Universe: Small Cap MStar MF (manager)

Return Summary



Quarterly Excess Performance

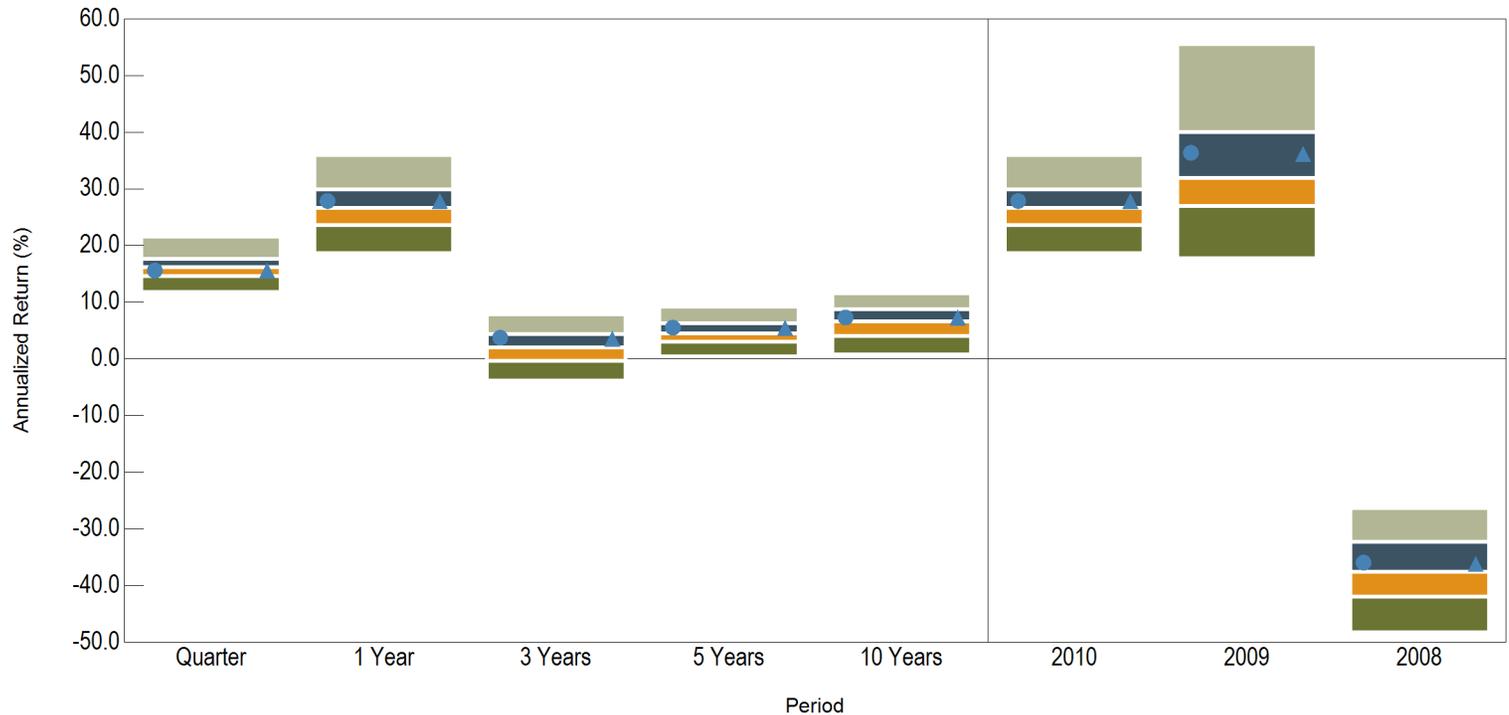


Universe Comparison

Benchmark: Small-Cap Index

Universe: Small Cap MStar MF (manager)

Ending December 31, 2010



| | Return (Rank) | | | | | | | | | | | | | | | |
|--|---------------|------|------|------|------|------|------|-------|-----|------|------|------|------|------|-------|------|
| 5th Percentile | 21.5 | 35.9 | 7.7 | 9.2 | 11.6 | 35.9 | 55.5 | -26.4 | | | | | | | | |
| 25th Percentile | 17.7 | 30.0 | 4.4 | 6.4 | 8.8 | 30.0 | 40.1 | -32.3 | | | | | | | | |
| Median | 16.2 | 26.7 | 2.1 | 4.6 | 6.7 | 26.7 | 32.0 | -37.6 | | | | | | | | |
| 75th Percentile | 14.7 | 23.6 | -0.3 | 3.0 | 4.0 | 23.6 | 27.0 | -41.9 | | | | | | | | |
| 95th Percentile | 11.9 | 18.7 | -3.8 | 0.5 | 0.8 | 18.7 | 17.8 | -48.2 | | | | | | | | |
| # of Portfolios | 373 | 366 | 347 | 320 | 247 | 366 | 381 | 418 | | | | | | | | |
| ● Vanguard Small Cap Index Fund | 15.6 | (62) | 27.8 | (39) | 3.7 | (32) | 5.5 | (37) | 7.3 | (44) | 27.8 | (39) | 36.3 | (34) | -36.0 | (43) |
| ▲ Small-Cap Index | 15.6 | (62) | 27.8 | (39) | 3.6 | (33) | 5.4 | (39) | 7.3 | (45) | 27.8 | (39) | 36.1 | (35) | -36.2 | (43) |

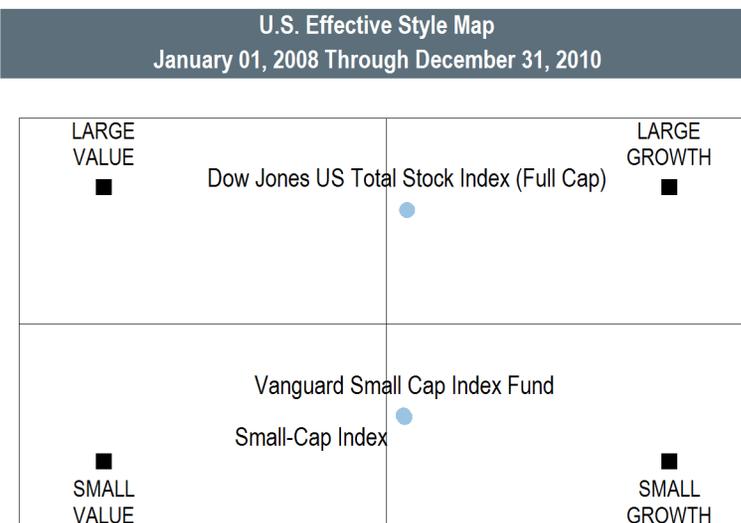
Manager Analysis

The Vanguard Small Cap Index Fund's strategy is designed to track the investment performance of the MSCI U.S. 1750 Small Cap Index, which is comprised of the 1,750 smallest stocks out of the 2,500 largest stocks. Prior to June 30, 2003, the Fund used a sampling technique to track the Russell 2000 Index.

| Portfolio Fund Information as of 09/30/2010 | | Fund Characteristics as of 09/30/2010 Versus Small-Cap Index | |
|---|-----------------|---|----------|
| Ticker | VSISX | | |
| Morningstar Category | Small Blend | Sharpe Ratio (3 Year) | 0.11 |
| Average Market Cap (\$mm) | 1,292.47 | Average Market Cap (\$mm) | 1,292.47 |
| Net Assets (\$mm) | 2,299.62 | Price/Earnings | 16.72 |
| % Assets in Top 10 Holdings | 2.67 | Price/Book | 1.65 |
| Total Number of Holdings | 1,732 | Price/Sales | 0.97 |
| Manager Name | Michael H. Buek | Price/Cash Flow | 5.43 |
| Manager Tenure | 19 | Dividend Yield | 2.43 |
| Expense Ratio | 0.14% | Number of Equity Holdings | 1,727 |
| Closed to New Investors | No | R-Squared (3 Year) | 1.00 |
| | | Alpha (3 Year) | 0.01% |

| Sector Allocation as of 09/30/2010 | |
|------------------------------------|--------|
| BUSINESS SERVICES | 8.46% |
| CONSUMER GOODS | 9.22% |
| CONSUMER SERVICES | 9.08% |
| ENERGY | 5.69% |
| FINANCIAL SERVICES | 20.47% |
| HARDWARE | 7.46% |
| HEALTHCARE | 9.80% |
| INDUSTRIAL MATERIALS | 13.17% |
| MEDIA | 1.58% |
| SOFTWARE | 6.10% |
| TELECOMMUNICATION | 4.13% |
| UTILITIES | 3.57% |

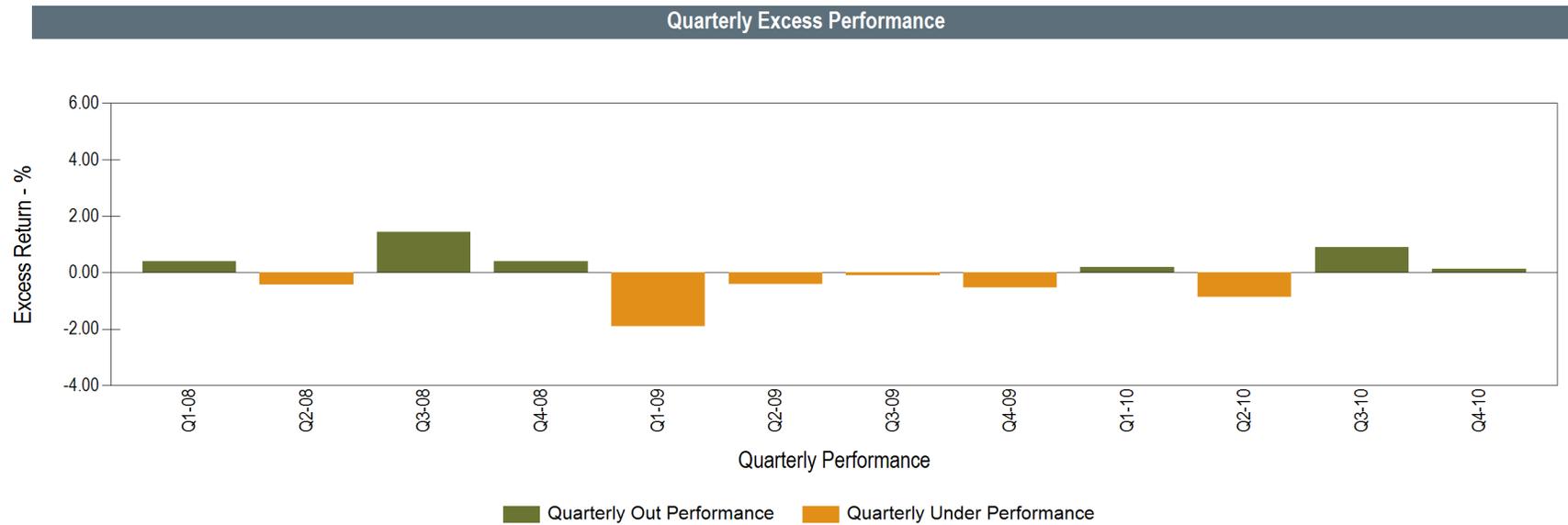
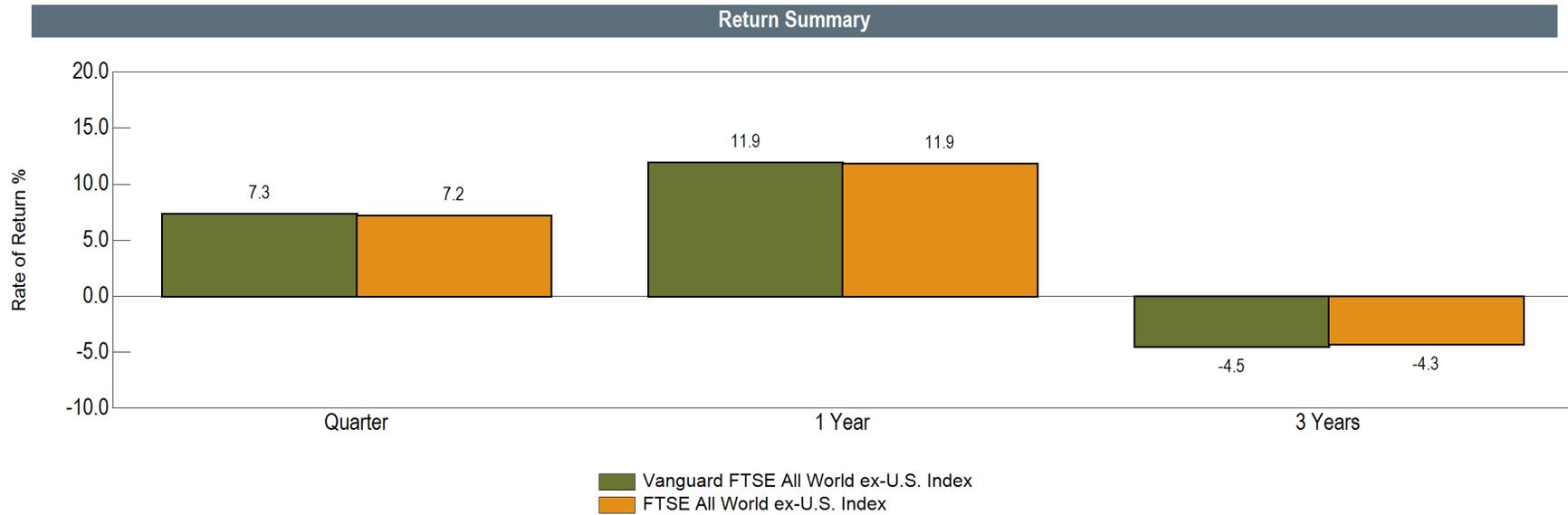
| Top Holdings as of 09/30/2010 | |
|---------------------------------------|-------|
| CMT MARKET LIQUIDITY RATE | 0.34% |
| CORE LABORATORIES N.V. | 0.28% |
| ALEXANDRIA REAL ESTATE EQUITIES, INC. | 0.27% |
| ATMEL CORPORATION | 0.26% |
| JONES LANG LASALLE, INC. | 0.26% |
| MSCI INC | 0.26% |
| SKYWORKS SOLUTIONS, INC. | 0.26% |
| HERBALIFE, LTD. | 0.25% |
| INFORMATICA CORPORATION | 0.25% |
| PHILLIPS-VAN HEUSEN CORPORATION | 0.25% |



Manager Performance

Benchmark: FTSE All World ex-U.S. Index

Universe: Foreign MStar MF (manager)

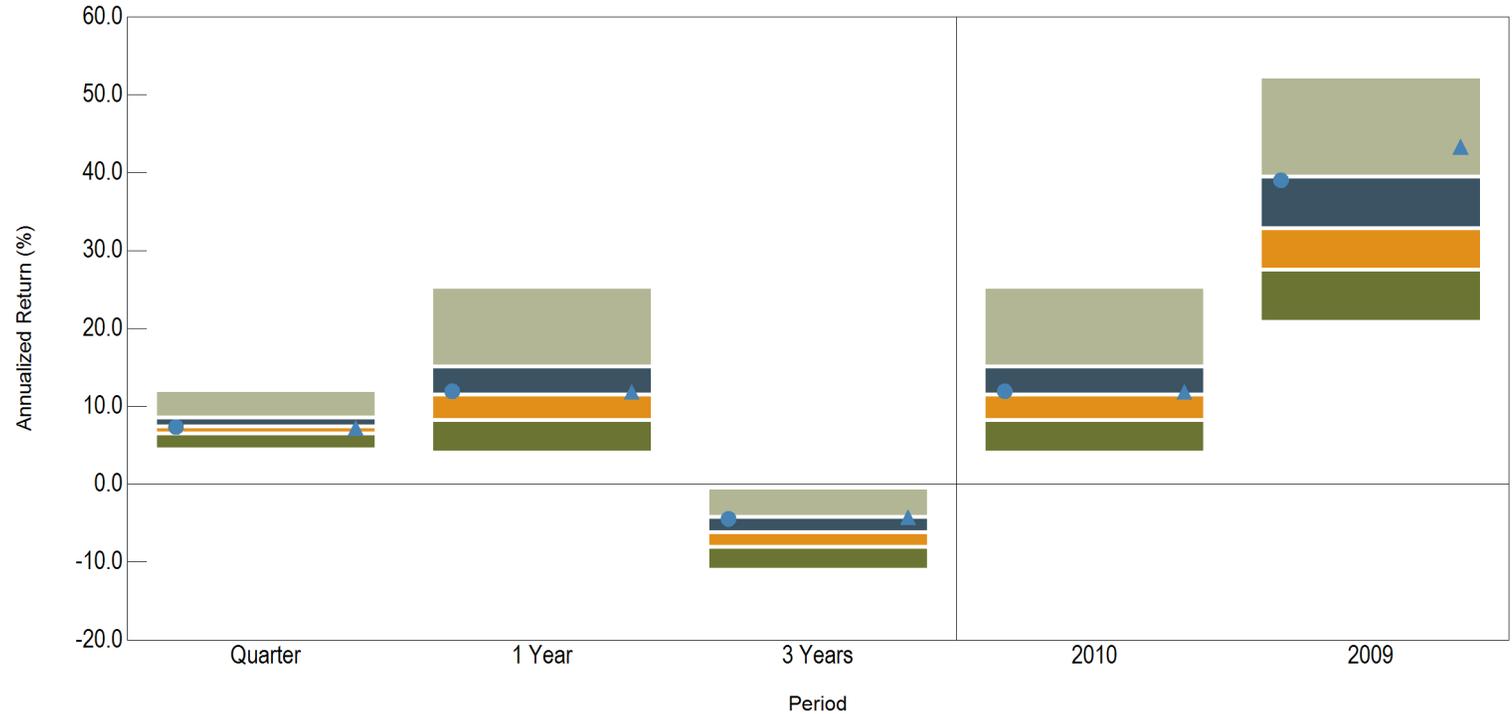


Universe Comparison

Benchmark: FTSE All World ex-U.S. Index

Universe: Foreign MStar MF (manager)

Ending December 31, 2010



| | Return (Rank) | | | | | | | | | |
|---|---------------|------|------|------|-------|------|------|------|------|------|
| 5th Percentile | 12.1 | | 25.3 | | -0.5 | | 25.3 | | 52.3 | |
| 25th Percentile | 8.6 | | 15.1 | | -4.2 | | 15.1 | | 39.5 | |
| Median | 7.5 | | 11.5 | | -6.1 | | 11.5 | | 32.9 | |
| 75th Percentile | 6.5 | | 8.3 | | -8.0 | | 8.3 | | 27.6 | |
| 95th Percentile | 4.5 | | 4.1 | | -10.9 | | 4.1 | | 20.9 | |
| # of Portfolios | 342 | | 335 | | 303 | | 335 | | 335 | |
| ● Vanguard FTSE All World ex-U.S. Index | 7.3 | (56) | 11.9 | (48) | -4.5 | (31) | 11.9 | (48) | 39.0 | (28) |
| ▲ FTSE All World ex-U.S. Index | 7.2 | (59) | 11.9 | (48) | -4.3 | (27) | 11.9 | (48) | 43.3 | (18) |

Manager Analysis

The Vanguard FTSE All World ex-U.S. Index Fund is designed to track the investment performance of the FTSE All World ex-U.S. Index which is comprised of approximately 46 developed and emerging countries, excluding the U.S., while including Canada.

| Portfolio Fund Information as of 09/30/2010 | |
|---|---------------------|
| Ticker | VFWSX |
| Morningstar Category | Foreign Large Blend |
| Average Market Cap (\$mm) | 24,965.79 |
| Net Assets (\$mm) | 4,440.43 |
| % Assets in Top 10 Holdings | 8.15 |
| Total Number of Holdings | 2,247 |
| Manager Name | Ryan E. Ludt |
| Manager Tenure | 2 |
| Expense Ratio | 0.15% |
| Closed to New Investors | No |

| Fund Characteristics as of 09/30/2010 Versus FTSE All World ex-U.S. Index | |
|--|-----------|
| Sharpe Ratio (3 Year) | -0.17 |
| Average Market Cap (\$mm) | 24,965.79 |
| Price/Earnings | 12.48 |
| Price/Book | 1.55 |
| Price/Sales | 0.87 |
| Price/Cash Flow | 4.65 |
| Dividend Yield | 3.37 |
| Number of Equity Holdings | 2,168 |
| R-Squared (3 Year) | 0.99 |
| Alpha (3 Year) | 0.00% |

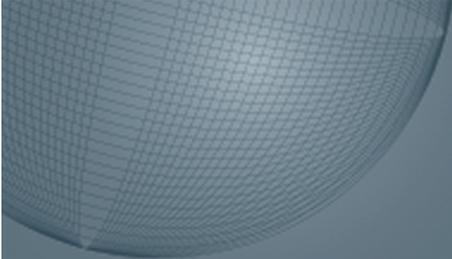
| Sector Allocation as of 09/30/2010 | |
|------------------------------------|--------|
| BUSINESS SERVICES | 2.78% |
| CONSUMER GOODS | 11.34% |
| CONSUMER SERVICES | 3.71% |
| ENERGY | 10.01% |
| FINANCIAL SERVICES | 23.48% |
| HARDWARE | 2.17% |
| HEALTHCARE | 5.80% |
| INDUSTRIAL MATERIALS | 18.57% |
| MEDIA | 1.40% |
| SOFTWARE | 1.31% |
| TELECOMMUNICATION | 6.58% |
| UTILITIES | 3.87% |

| Top Holdings as of 09/30/2010 | |
|---|-------|
| NESTLE SA | 1.14% |
| HSBC HOLDINGS PLC AMERICAN DEPOSITARY SHARES EACH REPRESENTING ONE-FORTIETH | 1.10% |
| BP PLC | 0.80% |
| NOVARTIS AG | 0.80% |
| VODAFONE GROUP PLC ADR | 0.80% |
| BHP BILLITON LIMITED | 0.79% |
| TOTAL SA | 0.71% |
| TELEFONICA, S.A. ADR | 0.70% |
| ROYAL DUTCH SHELL PLC ADR B | 0.66% |
| BANCO SANTANDER SA ADR | 0.64% |

| Top Countries as of 09/30/2010 | |
|--------------------------------|--------|
| United Kingdom | 13.53% |
| Japan | 13.12% |
| France | 7.12% |
| Canada | 6.11% |
| Australia | 5.76% |
| Germany | 5.35% |
| Switzerland | 4.75% |
| China | 4.44% |
| Brazil | 4.29% |
| South Korea | 3.46% |

| Top Regions as of 09/30/2010 | |
|------------------------------|--------|
| EUROZONE | 21.37% |
| UNITED KINGDOM | 13.52% |
| JAPAN | 13.12% |
| ASIA DEVELOPED | 9.48% |
| ASIA EMERGING | 9.29% |

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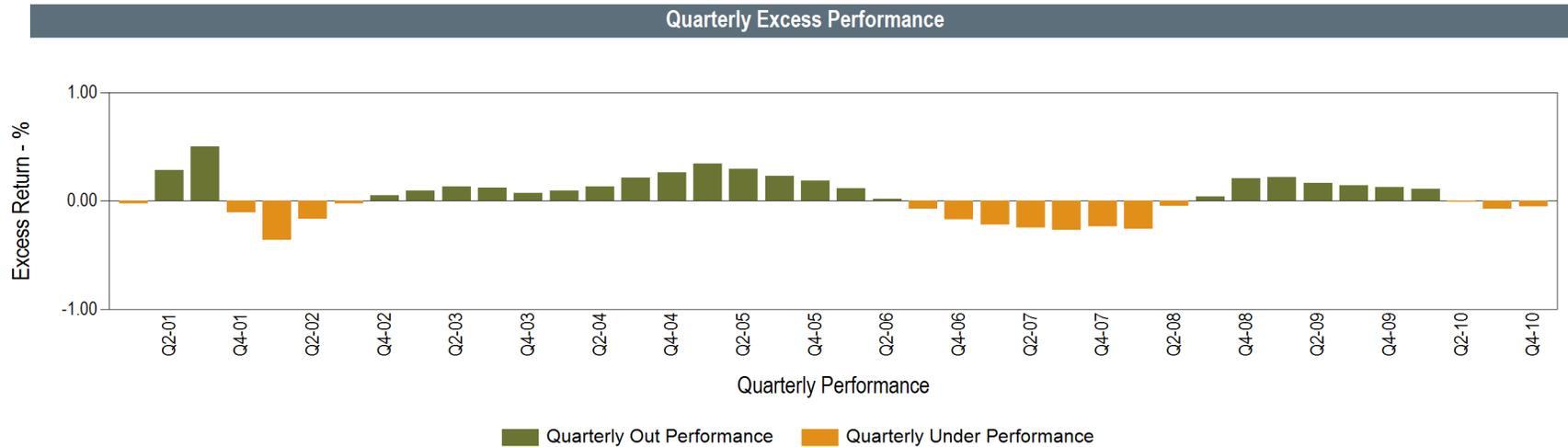
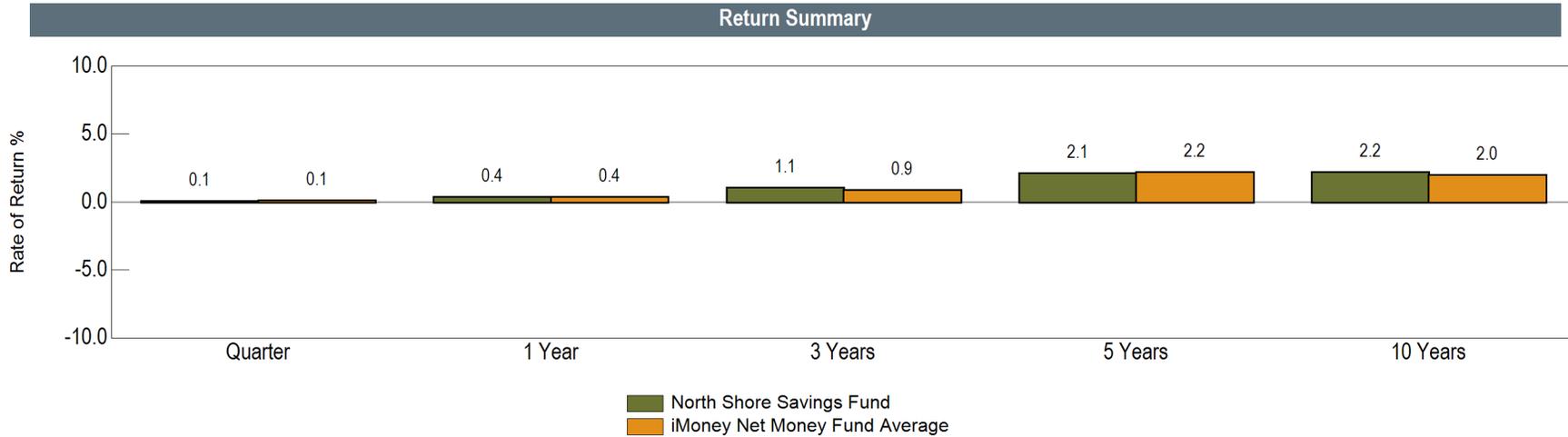


Active Funds

Manager Performance

Benchmark: iMoney Net Money Fund Average

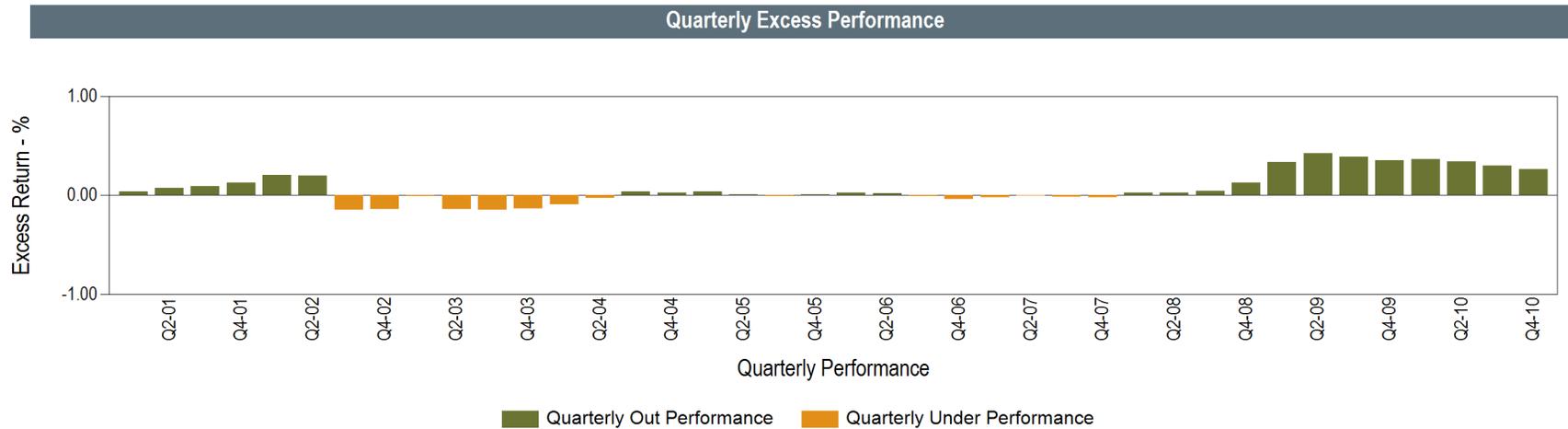
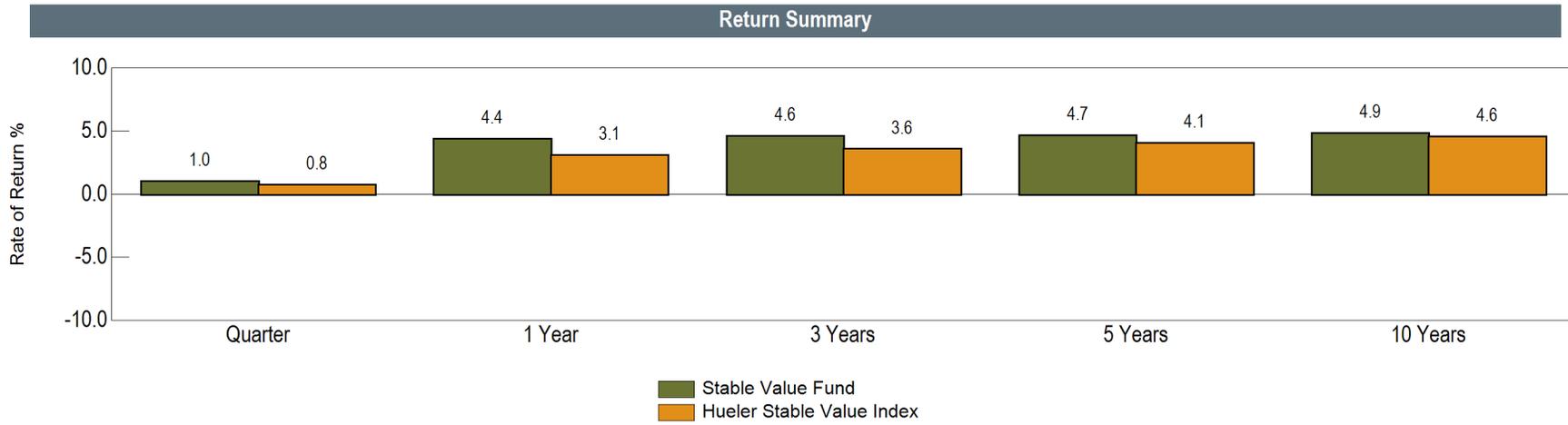
The objective of the North Shore Savings Fund is to preserve capital and provide current income, while maintaining a high level of liquidity. The Fund is FDIC insured. The Milwaukee County Investment Policy Statement requires that the savings account be with a "well-capitalized" bank, which means the bank has to have a risk-based capital ratio of at least 10%. This ratio takes into account the asset quality and loan-loss reserve coverage. As of 9/30/10 North Shore was "well capitalized".



Manager Performance

Benchmark: Hueler Stable Value Index

The Stable Value Fund managed by Great-West seeks to provide a stable rate of return through current income while preserving capital. The Fund will allocate assets to sectors that management believes offer increased yield potential.

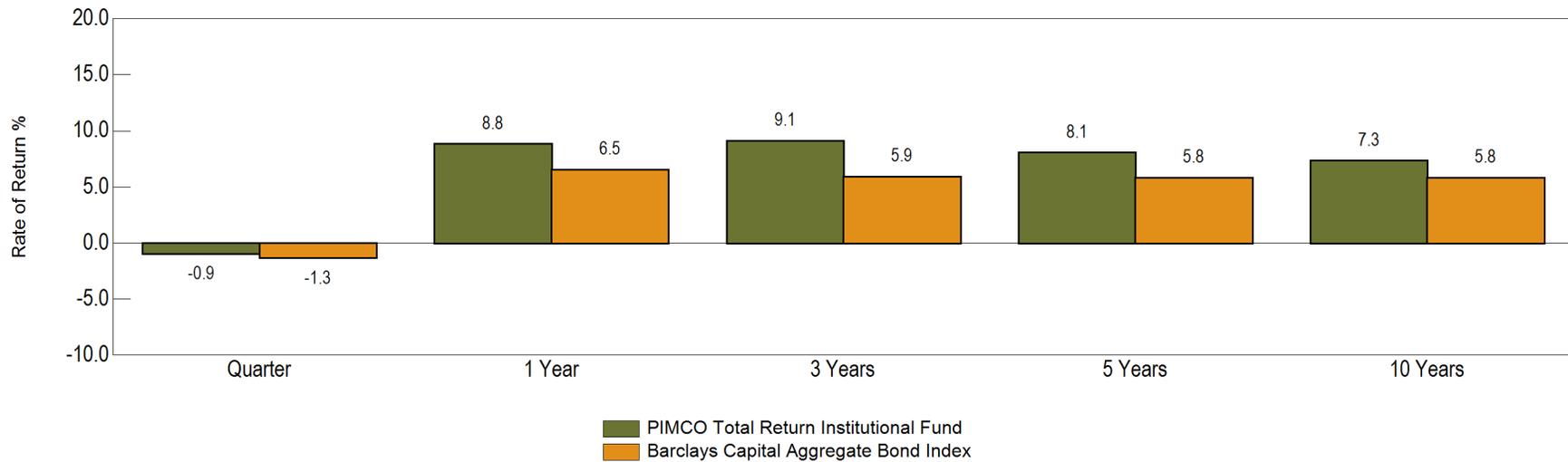


Manager Performance

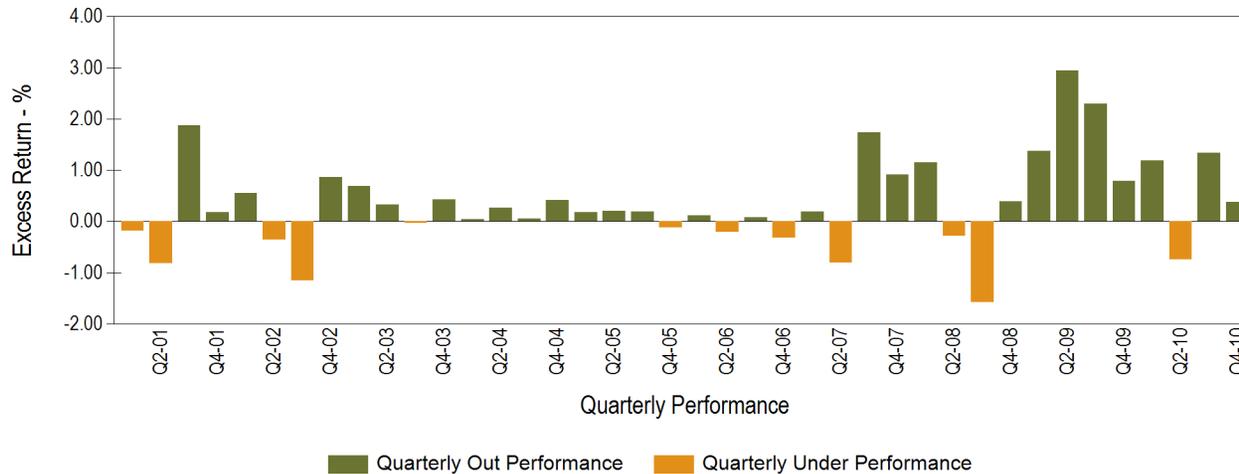
Benchmark: Barclays Capital Aggregate Bond Index

Universe: Intermediate-Term Bond MStar MF (manager)

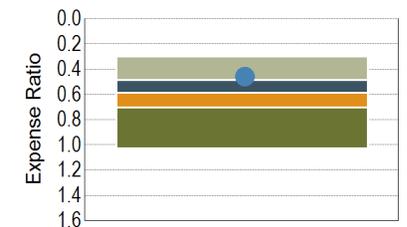
Return Summary



Quarterly Excess Performance



Expense Ratio as of 12/31/10



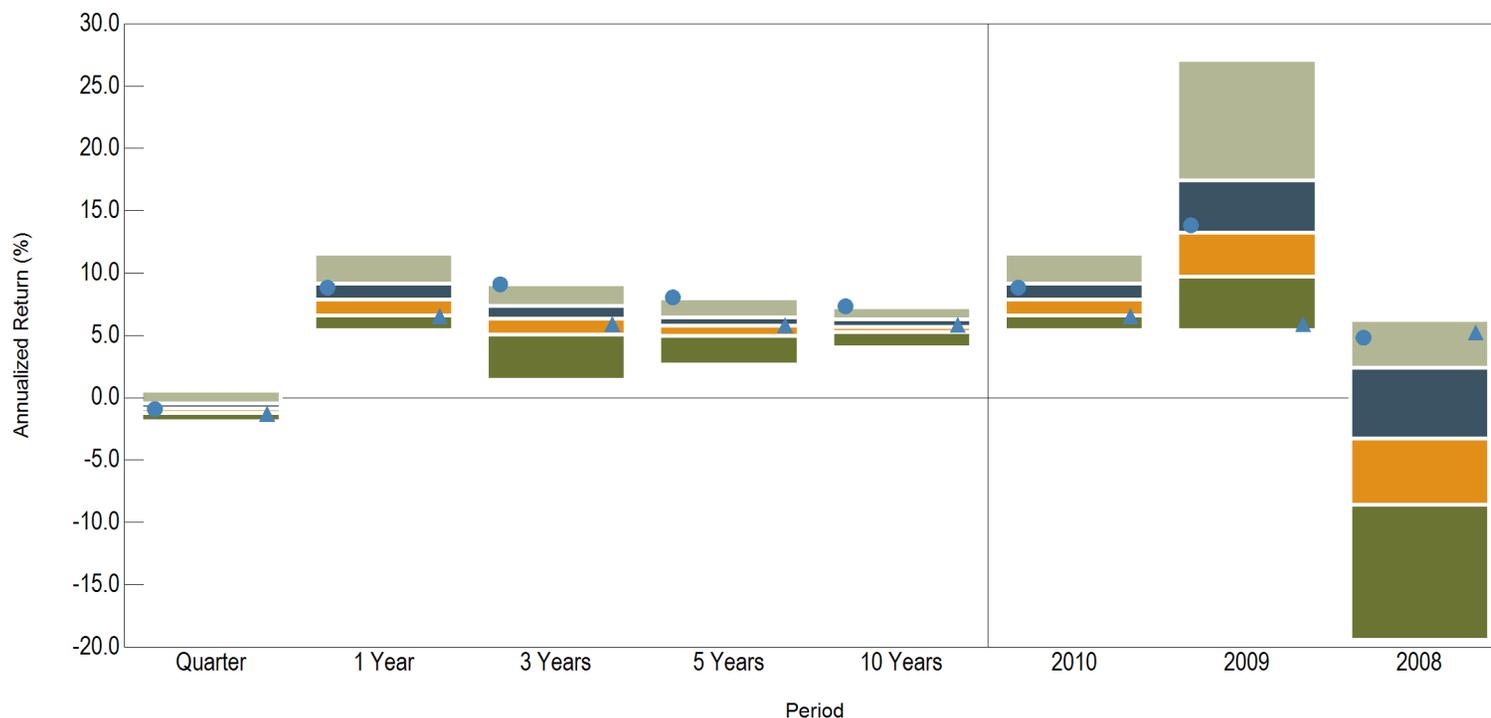
| | |
|---|------|
| ● PIMCO Total Return Institutional Fund | |
| Value | 0.46 |
| %tile | 24 |
| Universe | |
| 5th %tile | 0.30 |
| 25th %tile | 0.48 |
| Median | 0.59 |
| 75th %tile | 0.70 |
| 95th %tile | 1.02 |
| Observations | 234 |

Universe Comparison

Benchmark: Barclays Capital Aggregate Bond Index

Universe: Intermediate-Term Bond MStar MF (manager)

Ending December 31, 2010



| | Return (Rank) | | | | | | | | | | | | | | |
|--|---------------|----------|----------|----------|----------|----------|-----------|----------|--|--|--|--|--|--|--|
| 5th Percentile | 0.5 | 11.5 | 9.1 | 8.0 | 7.2 | 11.5 | 27.1 | 6.2 | | | | | | | |
| 25th Percentile | -0.4 | 9.2 | 7.4 | 6.5 | 6.3 | 9.2 | 17.5 | 2.5 | | | | | | | |
| Median | -0.8 | 7.9 | 6.4 | 5.8 | 5.7 | 7.9 | 13.3 | -3.2 | | | | | | | |
| 75th Percentile | -1.2 | 6.6 | 5.1 | 5.0 | 5.3 | 6.6 | 9.8 | -8.6 | | | | | | | |
| 95th Percentile | -1.9 | 5.4 | 1.5 | 2.7 | 4.1 | 5.4 | 5.5 | -19.4 | | | | | | | |
| # of Portfolios | 246 | 237 | 222 | 205 | 182 | 237 | 245 | 257 | | | | | | | |
| ● PIMCO Total Return Institutional Fund | -0.9 (57) | 8.8 (31) | 9.1 (5) | 8.1 (5) | 7.3 (4) | 8.8 (31) | 13.8 (48) | 4.8 (13) | | | | | | | |
| ▲ Barclays Capital Aggregate Bond Index | -1.3 (80) | 6.5 (80) | 5.9 (60) | 5.8 (50) | 5.8 (44) | 6.5 (80) | 5.9 (92) | 5.2 (10) | | | | | | | |

Manager Analysis

The PIMCO Total Return Fund, Institutional Shares, seeks total return consistent with preservation of capital. The Fund's strategy includes active sector rotation and moderate interest-rate anticipation. PIMCO's objective is to outperform the Barclays Capital Aggregate Bond Index without incurring greater risk by utilizing innovative investment techniques or identifying sector and issue buying opportunities. The Fund maintains a duration between three and six years and can invest up to 10% in issues rated below BBB, but no lower than B-rated. The Fund may invest up to 20% of assets in non-dollar bonds (currency) and up to 30% in non-U.S. bonds.

| Portfolio Fund Information as of 09/30/2010 | |
|---|------------------------|
| Ticker | PTTRX |
| Morningstar Category | Intermediate-Term Bond |
| Average Market Cap (\$mm) | |
| Net Assets (\$mm) | 138,794.19 |
| % Assets in Top 10 Holdings | 36.04 |
| Total Number of Holdings | 13,230 |
| Manager Name | William H. Gross |
| Manager Tenure | 24 |
| Expense Ratio | 0.46% |
| Closed to New Investors | No |

| Fund Characteristics as of 09/30/2010 | |
|--|-------|
| Versus Barclays Capital Aggregate Bond Index | |
| Sharpe Ratio (3 Year) | 1.78 |
| Average Duration | 4.81 |
| Average Coupon | 4.80% |
| Average Effective Maturity | 6.55 |
| R-Squared (3 Year) | 0.68 |
| Alpha (3 Year) | 0.28% |
| Beta (3 Year) | 0.94 |

| Fixed Income Sectors as of 09/30/2010 | |
|---------------------------------------|--------|
| US TREASURY | 28.16% |
| TIPS | 2.91% |
| US AGENCY | 0.97% |
| MORTGAGE PASSTHRU | 23.30% |
| MORTGAGE CMO | 2.91% |
| MORTGAGE ARM | 0.97% |
| US CORPORATE | 20.39% |
| ASSET BACKED | 0.00% |
| CONVERTIBLE | 0.00% |
| MUNICIPAL | 2.91% |
| INFLATION PROTECTED | 0.00% |
| FOREIGN CORP | 5.83% |
| FOREIGN GOVT | 11.65% |

| Top Holdings as of 09/30/2010 | |
|---|-------|
| PIMCO FDS PRIVATE ACCOUNT PORTFOLIO SER | 9.59% |
| FNMA | 5.24% |
| US TREASURY (FUT) | 5.05% |
| US TREASURY NOTE 2.5% | 3.16% |
| US TREASURY NOTE 3.125% | 3.16% |
| US TREASURY NOTE 1.875% | 2.39% |
| US TREASURY NOTE 2.375% | 2.14% |
| US TREASURY NOTE 2.125% | 2.00% |
| US TREASURY NOTE 2.75% | 1.77% |
| BRAZIL NTN-F | 1.52% |

| Credit Quality as of 09/30/2010 | |
|---------------------------------|--------|
| AAA | 64.00% |
| AA | 9.00% |
| A | 13.00% |
| BBB | 8.00% |
| BB | 3.00% |
| B | 2.00% |
| Below B | 1.00% |
| Not Rated | 0.00% |

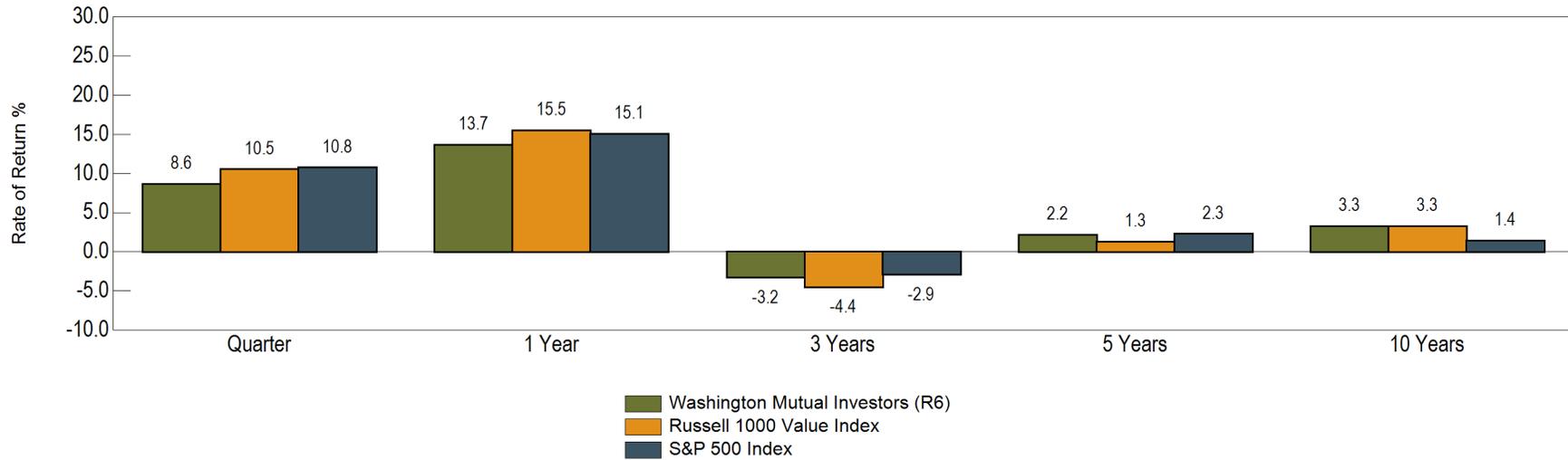
| Maturities as of 09/30/2010 | |
|-----------------------------|--------|
| 1 to 3 Years | 16.43% |
| 3 to 5 Years | 13.14% |
| 5 to 7 Years | 19.57% |
| 7 to 10 Years | 8.23% |
| 10 to 15 Years | 1.83% |
| 15 to 20 Years | 3.02% |
| 20 to 30 Years | 19.72% |
| Greater than 30 Years | 17.58% |

Manager Performance

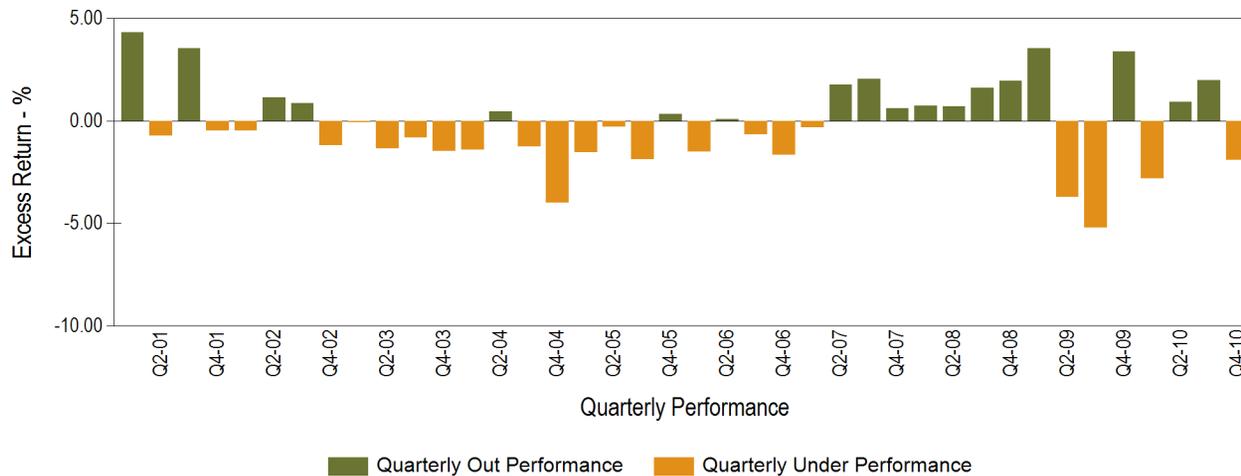
Benchmark: Russell 1000 Value Index

Universe: Large Value MStar MF (manager)

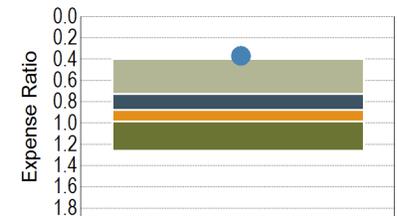
Return Summary



Quarterly Excess Performance



Expense Ratio as of 12/31/10



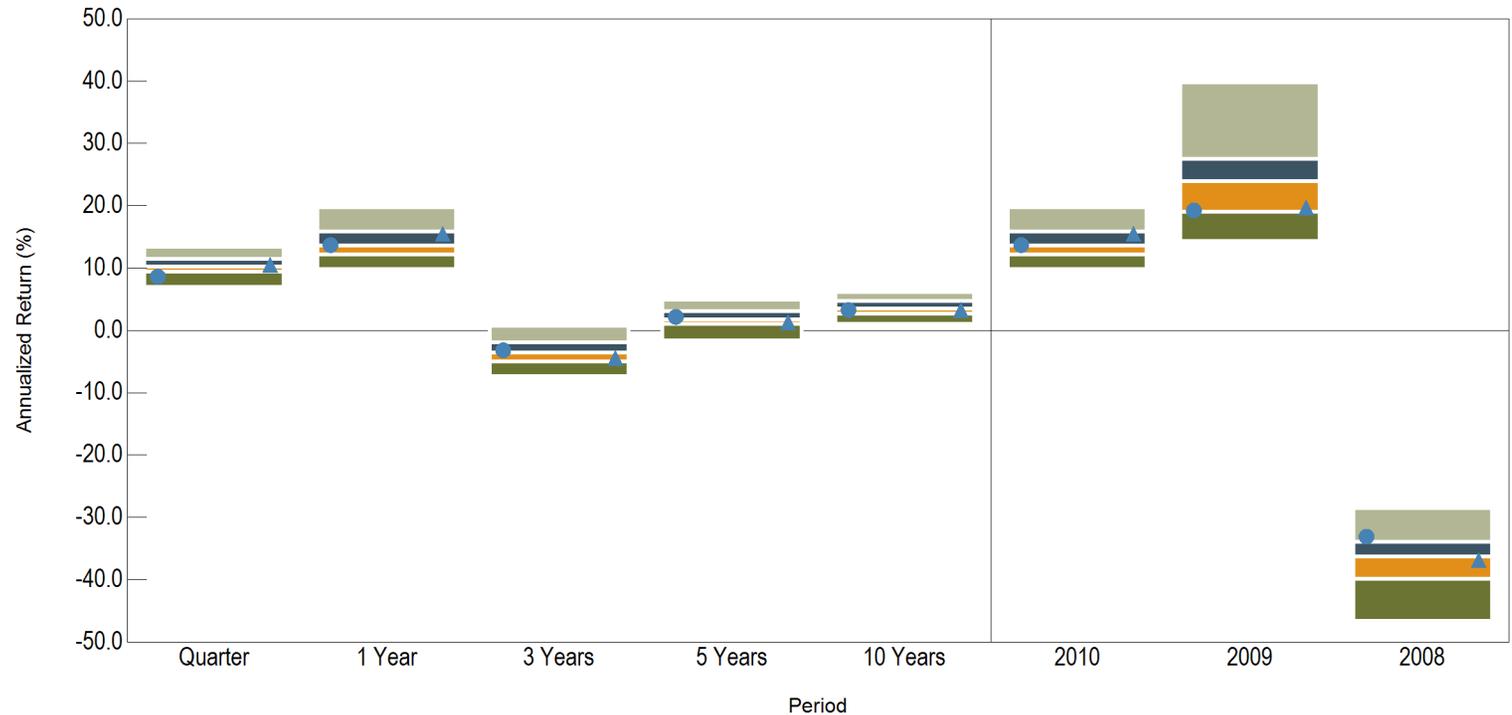
| | |
|------------------------------------|------|
| ● Washington Mutual Investors (R6) | |
| Value | 0.37 |
| %tile | 5 |
| Universe | |
| 5th %tile | 0.40 |
| 25th %tile | 0.72 |
| Median | 0.88 |
| 75th %tile | 0.98 |
| 95th %tile | 1.26 |
| Observations | 230 |

Universe Comparison

Benchmark: Russell 1000 Value Index

Universe: Large Value MStar MF (manager)

Ending December 31, 2010



| | Return (Rank) | | | | | | | | | | | | | | | |
|---|---------------|------|------|------|------|------|------|-------|-----|------|------|------|------|------|-------|------|
| 5th Percentile | 13.4 | 19.7 | 0.7 | 4.9 | 6.1 | 19.7 | 39.7 | -28.5 | | | | | | | | |
| 25th Percentile | 11.6 | 16.0 | -1.8 | 3.1 | 4.8 | 16.0 | 27.6 | -33.8 | | | | | | | | |
| Median | 10.3 | 13.7 | -3.5 | 1.8 | 3.6 | 13.7 | 24.0 | -36.2 | | | | | | | | |
| 75th Percentile | 9.5 | 12.2 | -4.9 | 1.1 | 2.7 | 12.2 | 19.1 | -39.8 | | | | | | | | |
| 95th Percentile | 7.1 | 9.9 | -7.3 | -1.5 | 1.1 | 9.9 | 14.4 | -46.5 | | | | | | | | |
| # of Portfolios | 234 | 229 | 223 | 204 | 149 | 229 | 234 | 246 | | | | | | | | |
| ● Washington Mutual Investors (R6) | 8.6 | (87) | 13.7 | (51) | -3.2 | (47) | 2.2 | (42) | 3.3 | (59) | 13.7 | (51) | 19.2 | (75) | -33.1 | (21) |
| ▲ Russell 1000 Value Index | 10.5 | (47) | 15.5 | (29) | -4.4 | (69) | 1.3 | (69) | 3.3 | (59) | 15.5 | (29) | 19.7 | (73) | -36.8 | (57) |

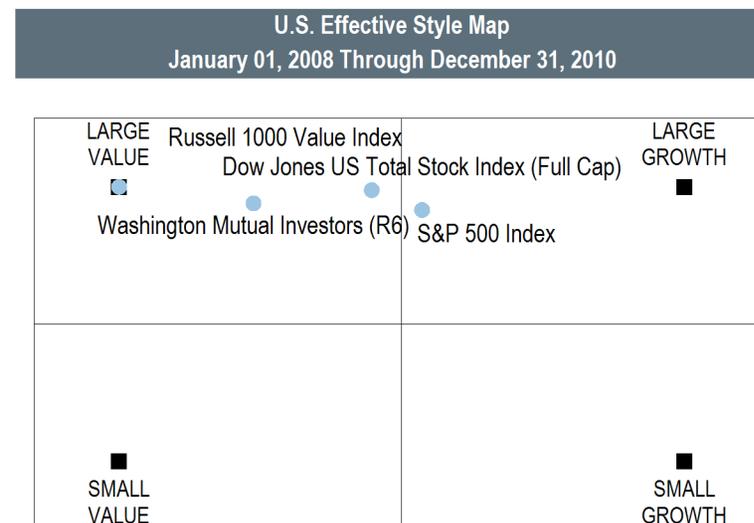
Manager Analysis

Washington Mutual Investors Fund seeks both income and growth of capital. Management prefers companies that have paid consistent dividends and by mandate excludes those that derive their primary revenues from alcohol or tobacco. In particular, they seek companies that have paid dividends in at least nine of the last ten years. Capital Research & Management (the American Funds family) provides investment services for this Fund. Management looks for stocks with strong long-term prospects selling at low prices. The Fund may invest up to 5% of assets in securities of non-U.S. issuers. The Fund switched from the R5 to the R6 share class on August 26, 2010.

| Portfolio Fund Information as of 09/30/2010 | | Fund Characteristics as of 09/30/2010 Versus Russell 1000 Value Index | |
|---|-----------------|--|-----------|
| Ticker | RWMGX | Sharpe Ratio (3 Year) | -0.18 |
| Morningstar Category | Large Value | Average Market Cap (\$mm) | 51,615.09 |
| Average Market Cap (\$mm) | 51,615.09 | Price/Earnings | 13.13 |
| Net Assets (\$mm) | 1,161.30 | Price/Book | 2.14 |
| % Assets in Top 10 Holdings | 30.86 | Price/Sales | 1.12 |
| Total Number of Holdings | 153 | Price/Cash Flow | 6.57 |
| Manager Name | James K. Dunton | Dividend Yield | 3.36 |
| Manager Tenure | 33 | Number of Equity Holdings | 117 |
| Expense Ratio | 0.37% | R-Squared (3 Year) | 0.98 |
| Closed to New Investors | No | Alpha (3 Year) | 0.03% |

| Sector Allocation as of 09/30/2010 | |
|------------------------------------|--------|
| BUSINESS SERVICES | 3.20% |
| CONSUMER GOODS | 10.42% |
| CONSUMER SERVICES | 6.55% |
| ENERGY | 13.13% |
| FINANCIAL SERVICES | 8.69% |
| HARDWARE | 3.99% |
| HEALTHCARE | 13.11% |
| INDUSTRIAL MATERIALS | 17.89% |
| MEDIA | 1.20% |
| SOFTWARE | 1.94% |
| TELECOMMUNICATION | 7.29% |
| UTILITIES | 9.30% |

| Top Holdings as of 09/30/2010 | |
|-------------------------------|-------|
| CHEVRON CORPORATION | 5.43% |
| VERIZON COMMUNICATIONS INC. | 4.06% |
| MERCK & CO INC | 3.88% |
| ROYAL DUTCH SHELL PLC ADR B | 3.18% |
| MCDONALD'S CORPORATION | 3.07% |
| AT&T, INC. | 2.71% |
| COCA-COLA COMPANY | 2.39% |
| BOEING COMPANY | 2.24% |
| UNITED TECHNOLOGIES | 2.02% |
| KRAFT FOODS, INC. | 1.89% |

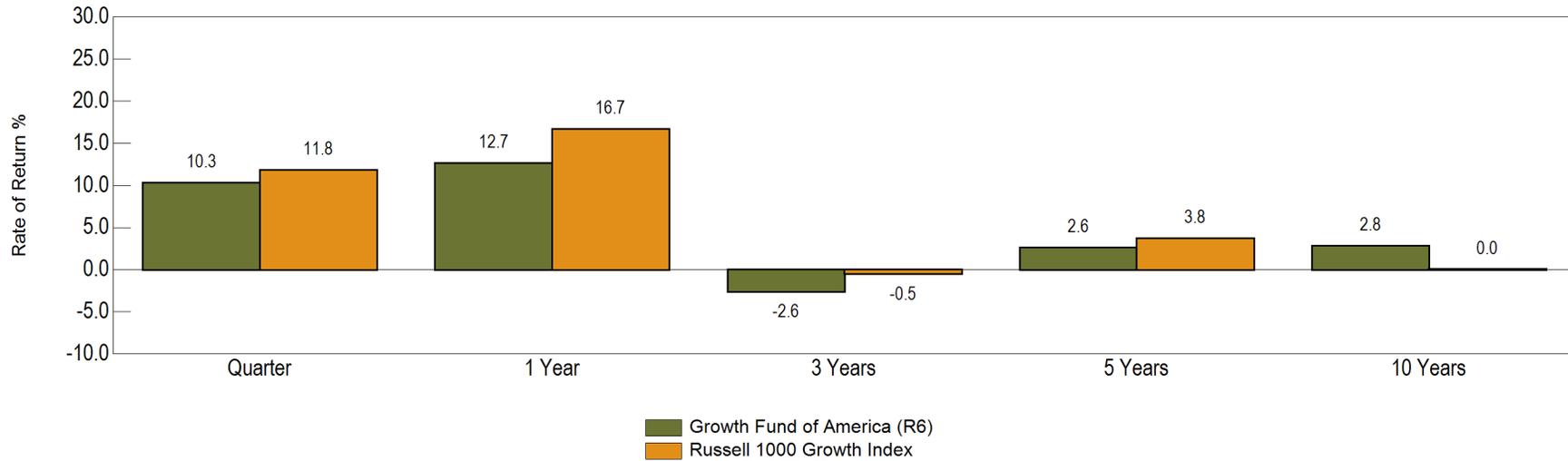


Manager Performance

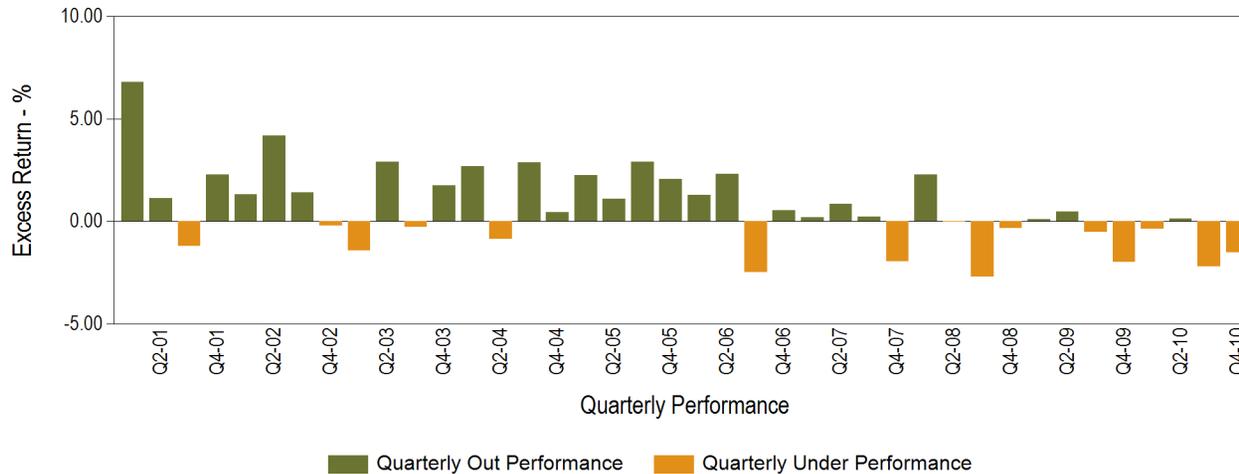
Benchmark: Russell 1000 Growth Index

Universe: Large Growth MStar MF (manager)

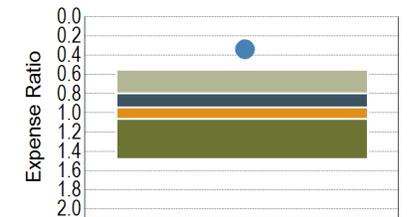
Return Summary



Quarterly Excess Performance



Expense Ratio as of 12/31/10



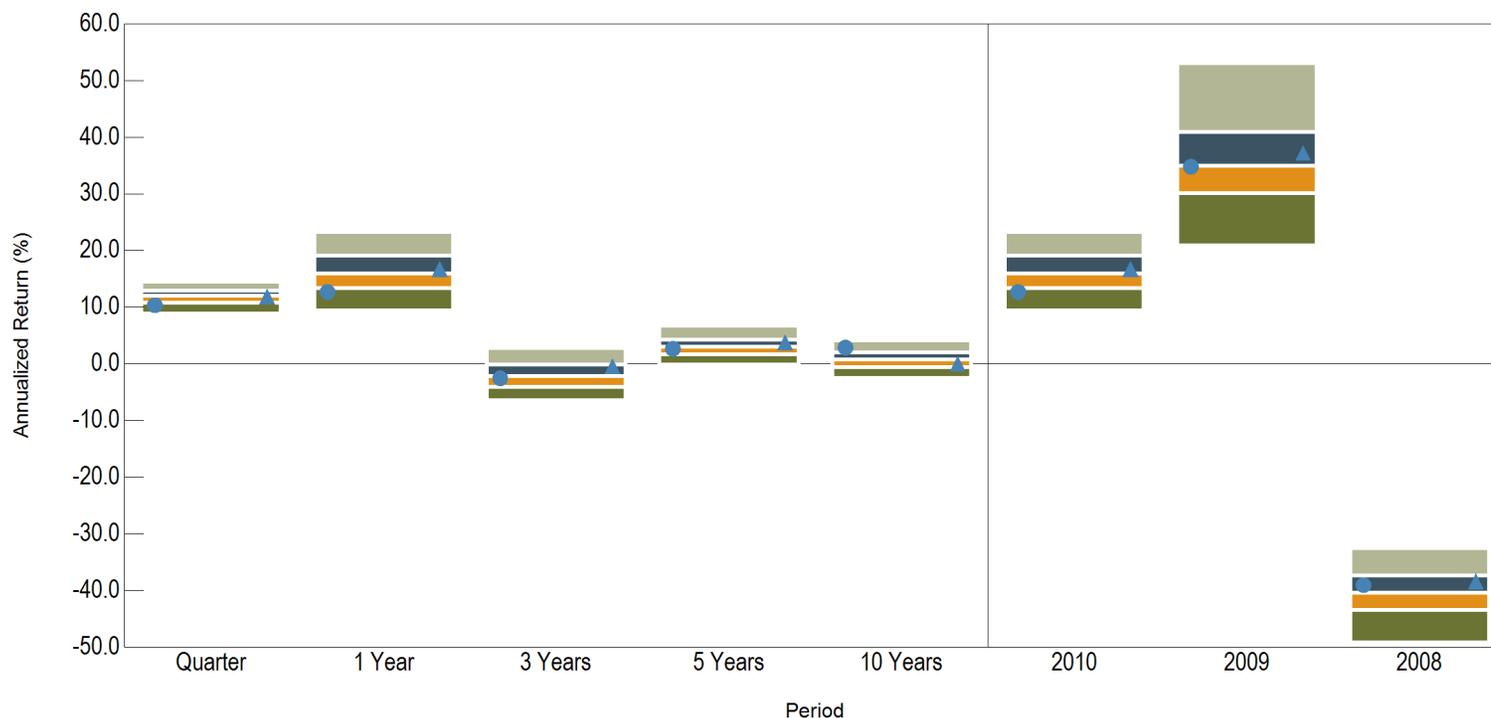
| | |
|-------------------------------|------|
| ● Growth Fund of America (R6) | |
| Value | 0.34 |
| %tile | 3 |
| Universe | |
| 5th %tile | 0.56 |
| 25th %tile | 0.79 |
| Median | 0.94 |
| 75th %tile | 1.06 |
| 95th %tile | 1.47 |
| Observations | 312 |

Universe Comparison

Benchmark: Russell 1000 Growth Index

Universe: Large Growth MStar MF (manager)

Ending December 31, 2010



| | Return (Rank) | | | | | | | | | | | | | | | |
|-------------------------------|---------------|------|------|------|------|------|------|-------|-----|------|------|------|------|------|-------|------|
| 5th Percentile | 14.4 | 23.2 | 2.7 | 6.7 | 4.1 | 23.2 | 53.1 | -32.6 | | | | | | | | |
| 25th Percentile | 13.0 | 19.1 | -0.1 | 4.3 | 2.1 | 19.1 | 41.0 | -37.3 | | | | | | | | |
| Median | 12.0 | 16.0 | -2.1 | 3.0 | 0.8 | 16.0 | 35.0 | -40.4 | | | | | | | | |
| 75th Percentile | 10.8 | 13.4 | -4.0 | 1.7 | -0.6 | 13.4 | 30.1 | -43.3 | | | | | | | | |
| 95th Percentile | 8.9 | 9.5 | -6.4 | 0.0 | -2.4 | 9.5 | 20.9 | -49.1 | | | | | | | | |
| # of Portfolios | 326 | 322 | 307 | 275 | 228 | 322 | 344 | 370 | | | | | | | | |
| ● Growth Fund of America (R6) | 10.3 | (82) | 12.7 | (80) | -2.6 | (60) | 2.6 | (57) | 2.8 | (15) | 12.7 | (80) | 34.8 | (53) | -39.1 | (40) |
| ▲ Russell 1000 Growth Index | 11.8 | (54) | 16.7 | (42) | -0.5 | (29) | 3.8 | (36) | 0.0 | (63) | 16.7 | (42) | 37.2 | (38) | -38.4 | (36) |

Manager Analysis

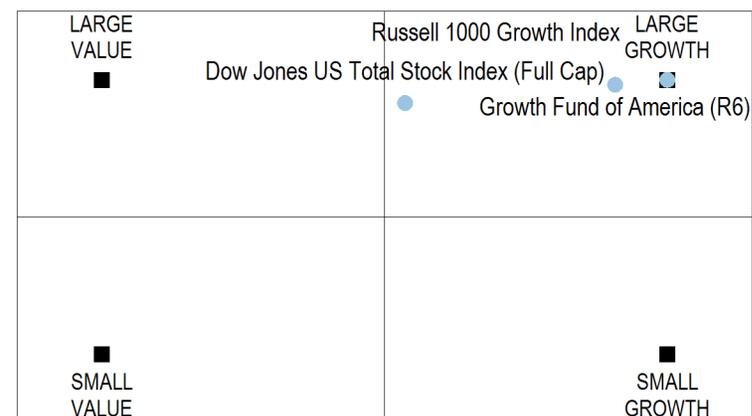
Capital Research and Management is the sub-advisor for the Growth Fund of America. Capital Research uses a multiple-counselor system in managing the portfolio's assets. The portfolio is divided into segments and the counselors manage their respective segments autonomously. The research analysts are responsible for making the investment decisions for one of the segments. The Capital Research and Management Investment Committee is responsible for making sure the portfolio stays within its limits and adheres to its investment policies. The objective of the Fund is to provide long-term growth of capital by investing in a diversified portfolio of common stocks while using a growth-at-a-reasonable price strategy. The Fund may invest up to 25% of its assets in companies domiciled outside the U.S. This Fund is less volatile than most large cap growth funds. The Fund switched from the R5 to the R6 share class on August 26, 2010.

| Portfolio Fund Information as of 09/30/2010 | | Fund Characteristics as of 09/30/2010 Versus Russell 1000 Growth Index | |
|---|-----------------|---|-----------|
| Ticker | RGAGX | Sharpe Ratio (3 Year) | -0.14 |
| Morningstar Category | Large Growth | Average Market Cap (\$mm) | 40,870.60 |
| Average Market Cap (\$mm) | 40,870.60 | Price/Earnings | 14.65 |
| Net Assets (\$mm) | 8,588.46 | Price/Book | 2.20 |
| % Assets in Top 10 Holdings | 18.74 | Price/Sales | 1.61 |
| Total Number of Holdings | 419 | Price/Cash Flow | 5.95 |
| Manager Name | James E. Drasdo | Dividend Yield | 2.09 |
| Manager Tenure | 25 | Number of Equity Holdings | 275 |
| Expense Ratio | 0.34% | R-Squared (3 Year) | 0.98 |
| Closed to New Investors | No | Alpha (3 Year) | -0.18% |

| Sector Allocation as of 09/30/2010 | |
|------------------------------------|--------|
| BUSINESS SERVICES | 4.72% |
| CONSUMER GOODS | 6.80% |
| CONSUMER SERVICES | 8.08% |
| ENERGY | 9.02% |
| FINANCIAL SERVICES | 10.03% |
| HARDWARE | 8.26% |
| HEALTHCARE | 10.98% |
| INDUSTRIAL MATERIALS | 11.30% |
| MEDIA | 4.43% |
| SOFTWARE | 6.72% |
| TELECOMMUNICATION | 7.37% |
| UTILITIES | 0.60% |

| Top Holdings as of 09/30/2010 | |
|---------------------------------|-------|
| ORACLE CORPORATION | 3.53% |
| GOOGLE, INC. | 3.35% |
| MICROSOFT CORPORATION | 2.33% |
| APPLE, INC. | 1.64% |
| US TREASURY NOTE 3.5% | 1.64% |
| UNION PACIFIC CORPORATION | 1.33% |
| J.P. MORGAN CHASE & CO. | 1.31% |
| PHILIP MORRIS INTERNATIONAL INC | 1.26% |
| MERCK & CO INC | 1.20% |
| CORNING INC. | 1.13% |

U.S. Effective Style Map January 01, 2008 Through December 31, 2010

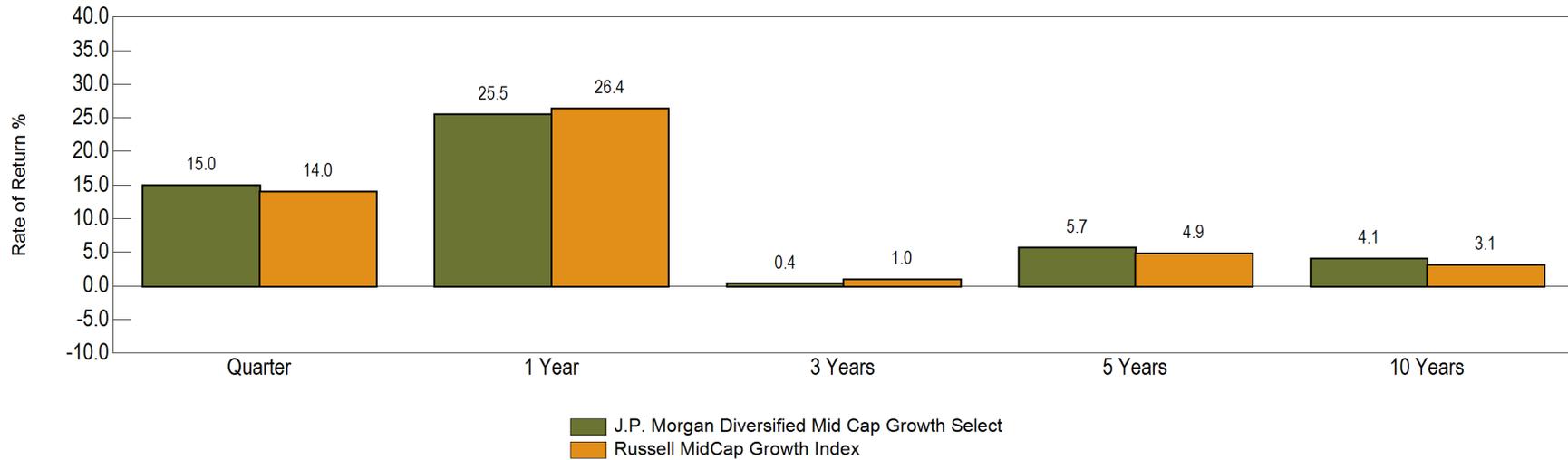


Manager Performance

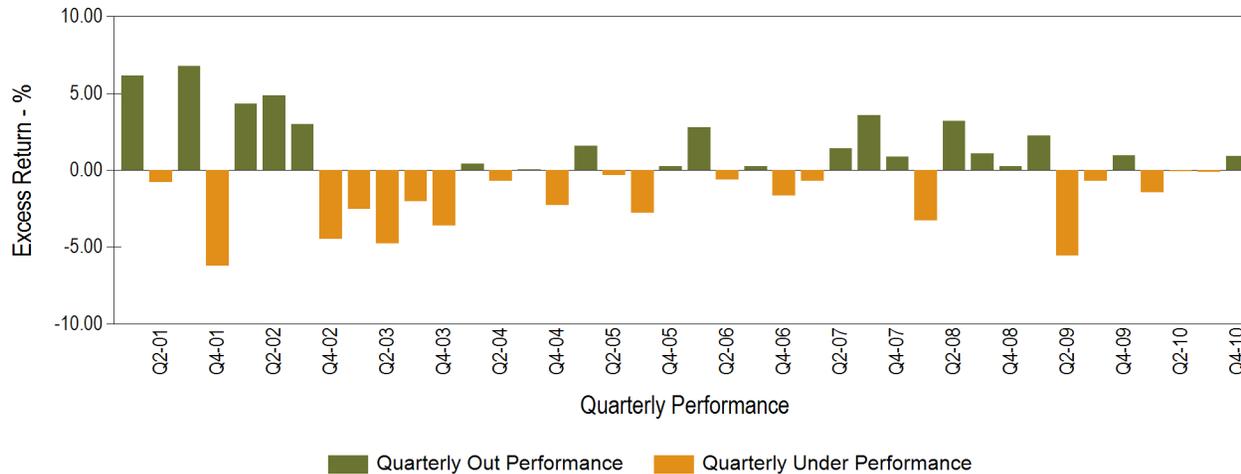
Benchmark: Russell MidCap Growth Index

Universe: Mid-Cap Growth MStar MF (manager)

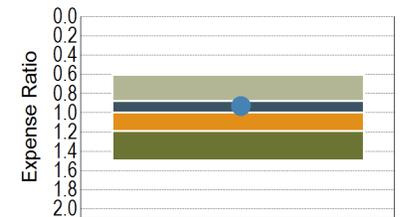
Return Summary



Quarterly Excess Performance



Expense Ratio as of 12/31/10



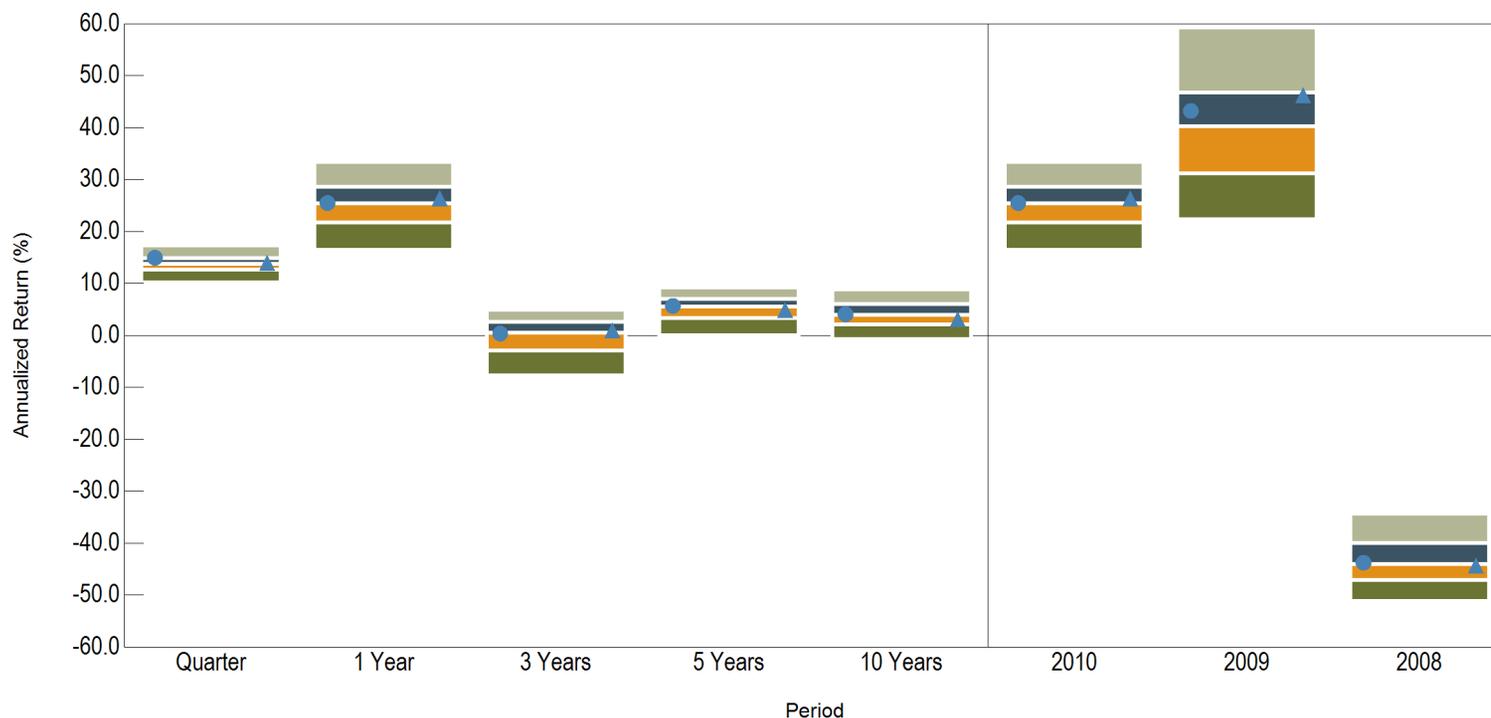
| | |
|---|------|
| ● J.P. Morgan Diversified Mid Cap Growth Select | |
| Value | 0.93 |
| %tile | 35 |
| Universe | |
| 5th %tile | 0.61 |
| 25th %tile | 0.87 |
| Median | 0.99 |
| 75th %tile | 1.18 |
| 95th %tile | 1.49 |
| Observations | 140 |

Universe Comparison

Benchmark: Russell MidCap Growth Index

Universe: Mid-Cap Growth MStar MF (manager)

Ending December 31, 2010



| | Return (Rank) | | | | | | | | | | | | | | | |
|---|---------------|------|------|------|------|------|------|-------|-----|------|------|------|------|------|-------|------|
| 5th Percentile | 17.3 | 33.4 | 4.9 | 9.2 | 8.8 | 33.4 | 59.2 | -34.4 | | | | | | | | |
| 25th Percentile | 15.0 | 28.7 | 2.7 | 7.1 | 6.1 | 28.7 | 46.9 | -39.9 | | | | | | | | |
| Median | 13.9 | 25.5 | 0.5 | 5.6 | 4.0 | 25.5 | 40.3 | -44.0 | | | | | | | | |
| 75th Percentile | 12.8 | 21.9 | -2.9 | 3.4 | 2.1 | 21.9 | 31.2 | -47.1 | | | | | | | | |
| 95th Percentile | 10.2 | 16.6 | -7.6 | 0.1 | -0.7 | 16.6 | 22.5 | -51.1 | | | | | | | | |
| # of Portfolios | 146 | 143 | 137 | 130 | 109 | 143 | 154 | 176 | | | | | | | | |
| ● J.P. Morgan Diversified Mid Cap Growth Sele | 15.0 | (26) | 25.5 | (50) | 0.4 | (53) | 5.7 | (48) | 4.1 | (49) | 25.5 | (50) | 43.2 | (39) | -43.8 | (49) |
| ▲ Russell MidCap Growth Index | 14.0 | (49) | 26.4 | (42) | 1.0 | (45) | 4.9 | (61) | 3.1 | (64) | 26.4 | (42) | 46.3 | (28) | -44.3 | (53) |

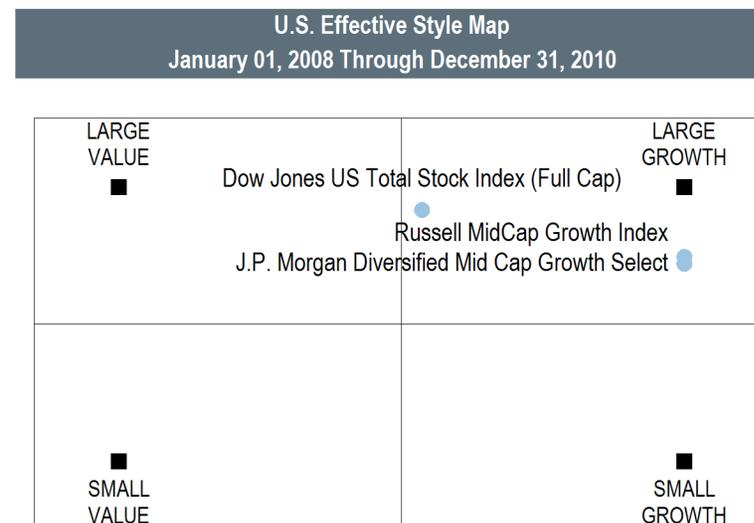
Manager Analysis

The J.P. Morgan Diversified Mid Cap Growth Fund seeks growth of capital and current income by investing primarily in equity securities. The Fund invests in common stocks of mid-cap companies with market capitalizations of \$1 billion to \$5 billion. The current benchmark is the Russell Mid Cap Growth Index; however, the Fund's actual allocations can vary from those in the Index. The Fund may use derivatives to hedge various investments. The Fund switched from share class A to the Select shares on August 26, 2010.

| Portfolio Fund Information as of 11/30/2010 | | Fund Characteristics as of 11/30/2010 Versus Russell MidCap Growth Index | |
|---|----------------|---|----------|
| Ticker | HLGEX | | |
| Morningstar Category | Mid-Cap Growth | Sharpe Ratio (3 Year) | -0.01 |
| Average Market Cap (\$mm) | 6,392.71 | Average Market Cap (\$mm) | 6,392.71 |
| Net Assets (\$mm) | 919.38 | Price/Earnings | 20.27 |
| % Assets in Top 10 Holdings | 17.88 | Price/Book | 3.27 |
| Total Number of Holdings | 97 | Price/Sales | 1.67 |
| Manager Name | Timothy Parton | Price/Cash Flow | 10.10 |
| Manager Tenure | 6 | Dividend Yield | 1.30 |
| Expense Ratio | 0.93% | Number of Equity Holdings | 96 |
| Closed to New Investors | No | R-Squared (3 Year) | 0.98 |
| | | Alpha (3 Year) | -0.05% |

| Sector Allocation as of 11/30/2010 | |
|------------------------------------|--------|
| BUSINESS SERVICES | 8.31% |
| CONSUMER GOODS | 14.15% |
| CONSUMER SERVICES | 11.91% |
| ENERGY | 6.18% |
| FINANCIAL SERVICES | 9.05% |
| HARDWARE | 14.40% |
| HEALTHCARE | 11.24% |
| INDUSTRIAL MATERIALS | 6.28% |
| MEDIA | 3.11% |
| SOFTWARE | 8.95% |
| TELECOMMUNICATION | 3.46% |
| UTILITIES | 0.00% |

| Top Holdings as of 11/30/2010 | |
|---|-------|
| CUMMINS, INC. | 2.23% |
| JPMORGAN LIQUID ASSETS MONEY MARKET FUND | 2.00% |
| NETAPP, INC. | 2.00% |
| CONCHO RESOURCES, INC. | 1.91% |
| VALEANT PHARMACEUTICALS INTERNATIONAL INC | 1.72% |
| W.W. GRAINGER, INC. | 1.66% |
| AGILENT TECHNOLOGIES, INC. | 1.65% |
| LAMAR ADVERTISING COMPANY A | 1.58% |
| MICROS SYSTEMS, INC. | 1.58% |
| MARVELL TECHNOLOGY GROUP, LTD. | 1.55% |

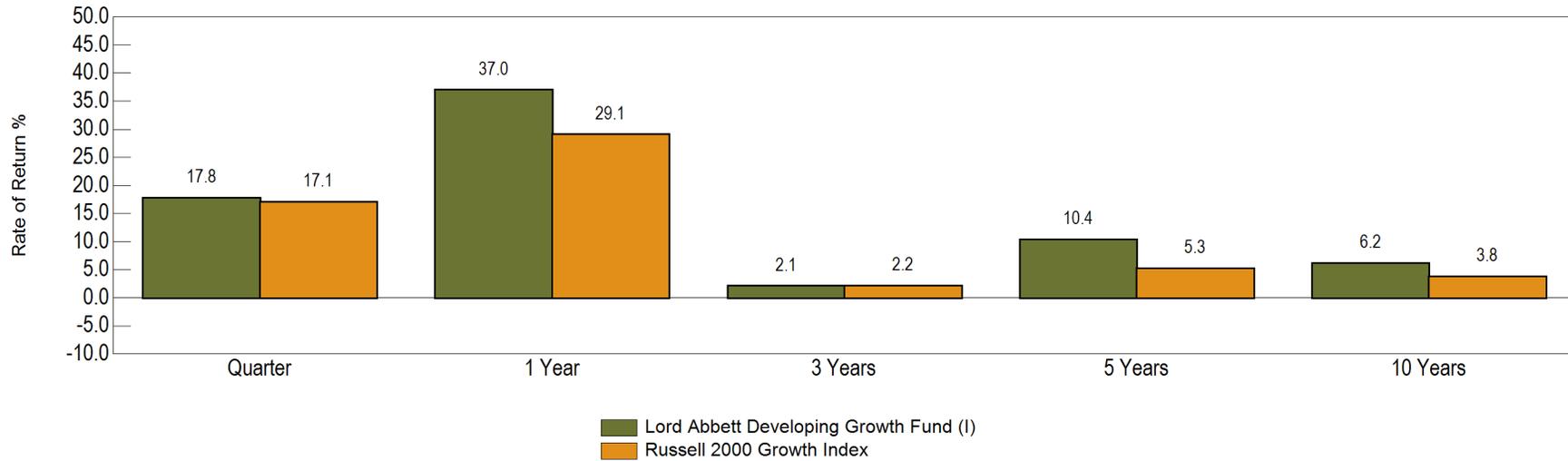


Manager Performance

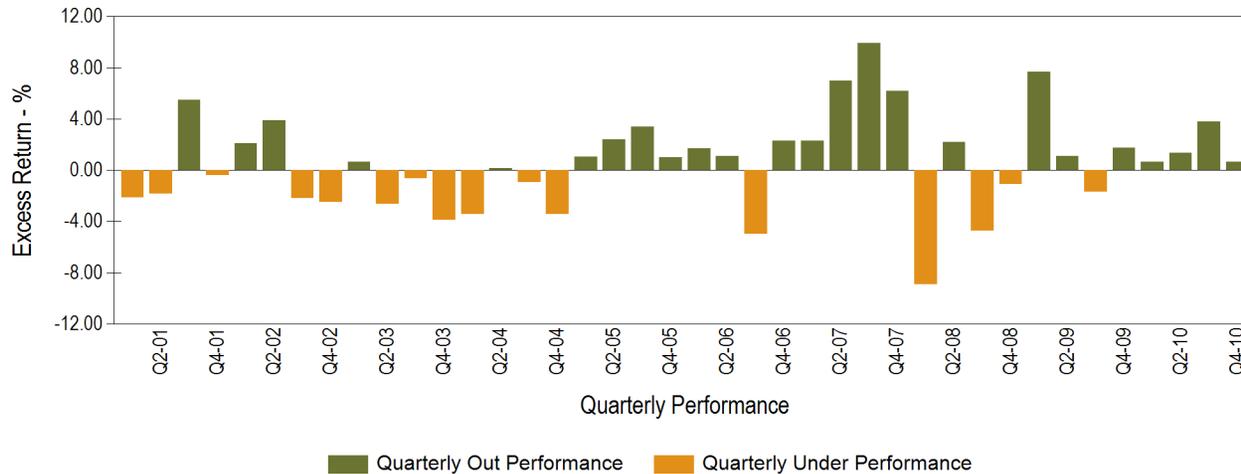
Benchmark: Russell 2000 Growth Index

Universe: Small Growth MStar MF (manager)

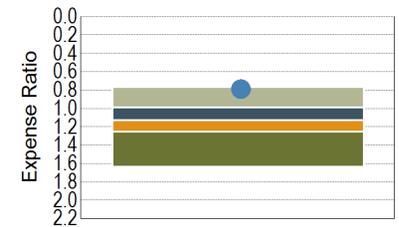
Return Summary



Quarterly Excess Performance



Expense Ratio as of 12/31/10



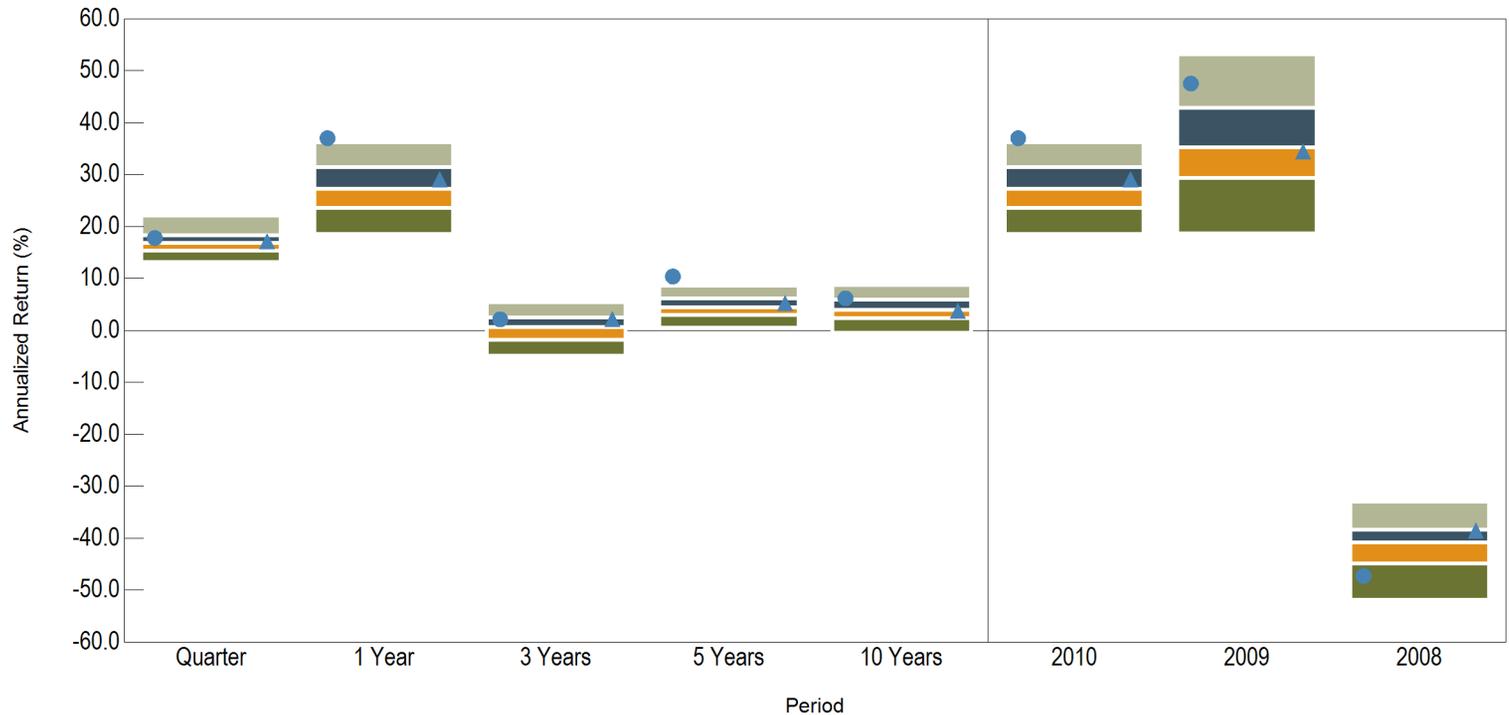
| | |
|--|------|
| ● Lord Abbett Developing Growth Fund (I) | |
| Value | 0.79 |
| %tile | 7 |
| Universe | |
| 5th %tile | 0.77 |
| 25th %tile | 0.98 |
| Median | 1.12 |
| 75th %tile | 1.25 |
| 95th %tile | 1.63 |
| Observations | 159 |

Universe Comparison

Benchmark: Russell 2000 Growth Index

Universe: Small Growth MStar MF (manager)

Ending December 31, 2010



| | Return (Rank) | | | | | | | | | | | | | | | |
|---|---------------|------|------|------|------|------|------|-------|-----|------|------|------|------|------|-------|------|
| 5th Percentile | 22.0 | 36.2 | 5.4 | 8.5 | 8.7 | 36.2 | 53.1 | -33.1 | | | | | | | | |
| 25th Percentile | 18.4 | 31.5 | 2.6 | 6.2 | 6.0 | 31.5 | 42.9 | -38.3 | | | | | | | | |
| Median | 16.9 | 27.3 | 0.7 | 4.5 | 4.1 | 27.3 | 35.3 | -40.7 | | | | | | | | |
| 75th Percentile | 15.4 | 23.7 | -1.8 | 3.0 | 2.4 | 23.7 | 29.4 | -44.8 | | | | | | | | |
| 95th Percentile | 13.2 | 18.6 | -4.8 | 0.6 | -0.4 | 18.6 | 18.7 | -51.8 | | | | | | | | |
| # of Portfolios | 165 | 164 | 158 | 147 | 119 | 164 | 170 | 193 | | | | | | | | |
| ● Lord Abbett Developing Growth Fund (I) | 17.8 | (37) | 37.0 | (4) | 2.1 | (31) | 10.4 | (3) | 6.2 | (23) | 37.0 | (4) | 47.5 | (12) | -47.3 | (91) |
| ▲ Russell 2000 Growth Index | 17.1 | (45) | 29.1 | (38) | 2.2 | (31) | 5.3 | (38) | 3.8 | (57) | 29.1 | (38) | 34.5 | (55) | -38.5 | (27) |

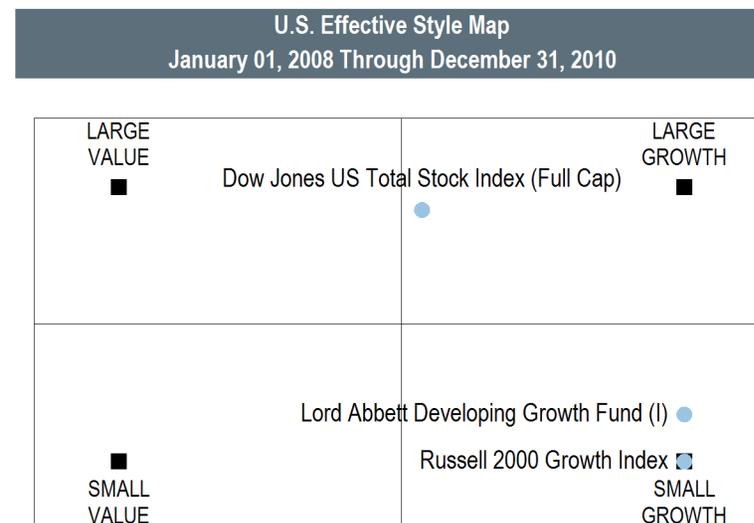
Manager Analysis

Management of the Lord Abbett Developing Growth Fund employs a process of fundamental research to identify small cap companies that are entering a period of dramatic growth. Management begins by combining growth, balance sheet, and financial statement factors to identify a promising universe of approximately 400 stocks. Portfolio managers and analysts then undertake fundamental and industry research, including company, customer, and supplier visits, to select businesses with growth and earnings prospects. However, management sets valuation limits on purchase candidates, preferring to buy stocks at low valuations and then hold them throughout several growth stages. The Fund tends to feature sector diversification, albeit with substantial exposure to growth industries. The portfolio holds approximately 115 micro- and small-cap stocks. The Fund switched from share class A to share class I on August 26, 2010.

| Portfolio Fund Information as of 09/30/2010 | | Fund Characteristics as of 09/30/2010 Versus Russell 2000 Growth Index | |
|---|----------------------|---|----------|
| Ticker | LADYX | Sharpe Ratio (3 Year) | 0.06 |
| Morningstar Category | Small Growth | Average Market Cap (\$mm) | 1,382.17 |
| Average Market Cap (\$mm) | 1,382.17 | Price/Earnings | 27.92 |
| Net Assets (\$mm) | 452.16 | Price/Book | 3.60 |
| % Assets in Top 10 Holdings | 15.76 | Price/Sales | 2.71 |
| Total Number of Holdings | 115 | Price/Cash Flow | 10.40 |
| Manager Name | F. Thomas O'Halloran | Dividend Yield | 0.36 |
| Manager Tenure | 9 | Number of Equity Holdings | 114 |
| Expense Ratio | 0.79% | R-Squared (3 Year) | 0.94 |
| Closed to New Investors | No | Alpha (3 Year) | 0.01% |

| Sector Allocation as of 09/30/2010 | |
|------------------------------------|--------|
| BUSINESS SERVICES | 7.99% |
| CONSUMER GOODS | 8.25% |
| CONSUMER SERVICES | 9.55% |
| ENERGY | 2.82% |
| FINANCIAL SERVICES | 5.00% |
| HARDWARE | 12.77% |
| HEALTHCARE | 14.67% |
| INDUSTRIAL MATERIALS | 12.59% |
| MEDIA | 1.44% |
| SOFTWARE | 14.36% |
| TELECOMMUNICATION | 7.42% |
| UTILITIES | 0.00% |

| Top Holdings as of 09/30/2010 | |
|-----------------------------------|-------|
| ARUBA NETWORKS, INC. | 1.72% |
| OPENTABLE, INC. | 1.70% |
| NXSTAGE MEDICAL, INC. | 1.65% |
| VERIFONE SYSTEMS INC | 1.63% |
| VANCEINFO TECHNOLOGIES INC. ADR | 1.58% |
| ENERNOC, INC. | 1.53% |
| ACME PACKET, INC. | 1.52% |
| FORTINET, INC. | 1.50% |
| THORATEC LABORATORIES CORPORATION | 1.49% |
| TRINA SOLAR LIMITED ADR | 1.45% |

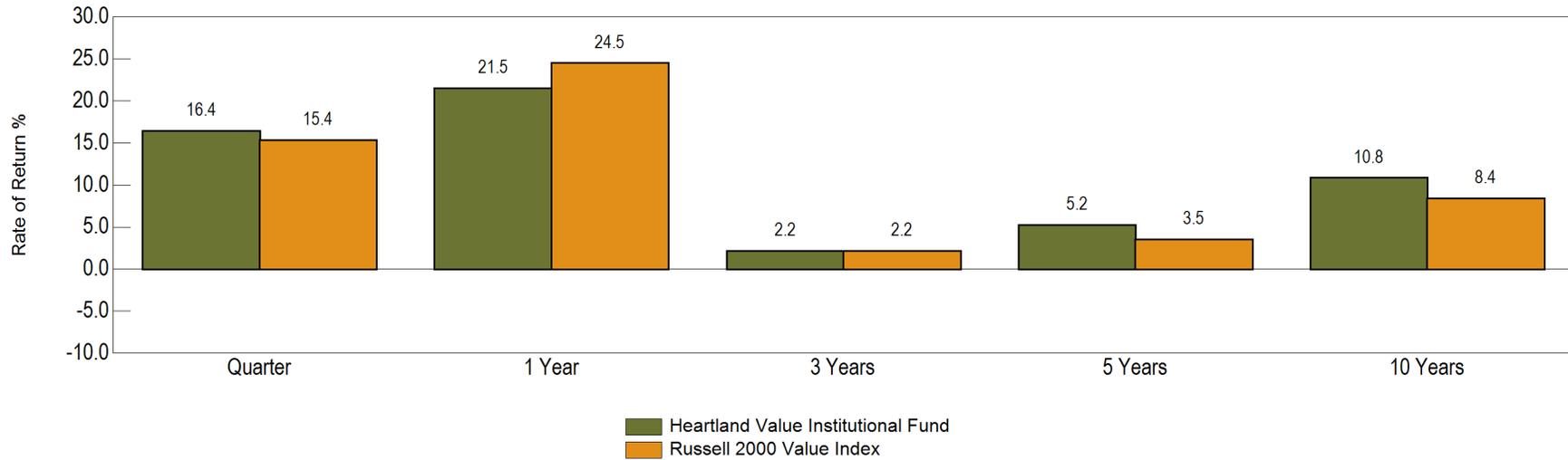


Manager Performance

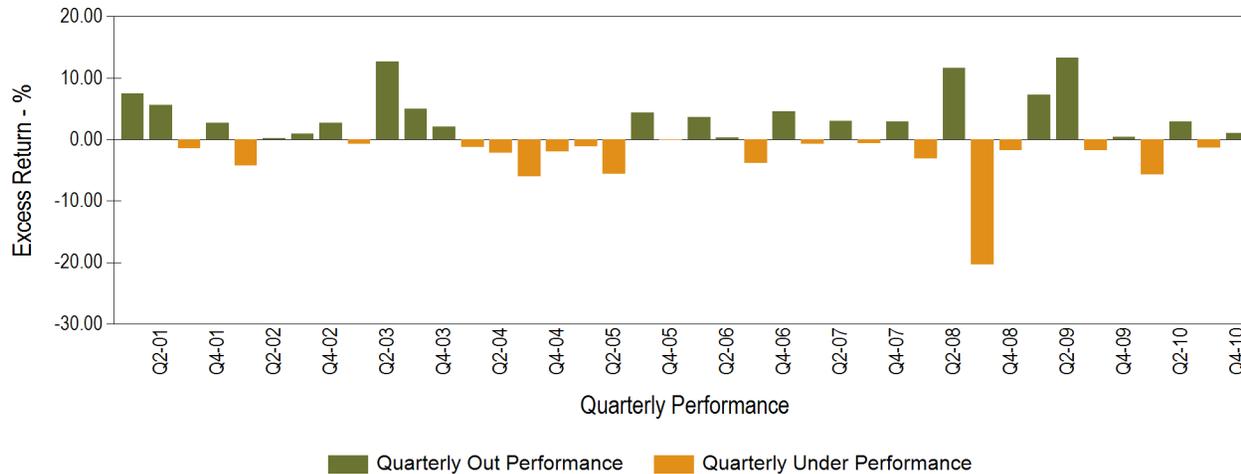
Benchmark: Russell 2000 Value Index

Universe: Small Value MStar MF (manager)

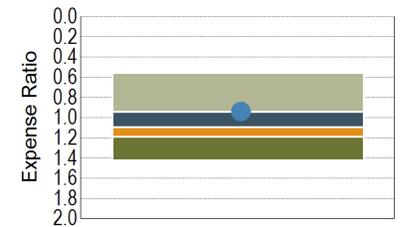
Return Summary



Quarterly Excess Performance



Expense Ratio as of 12/31/10



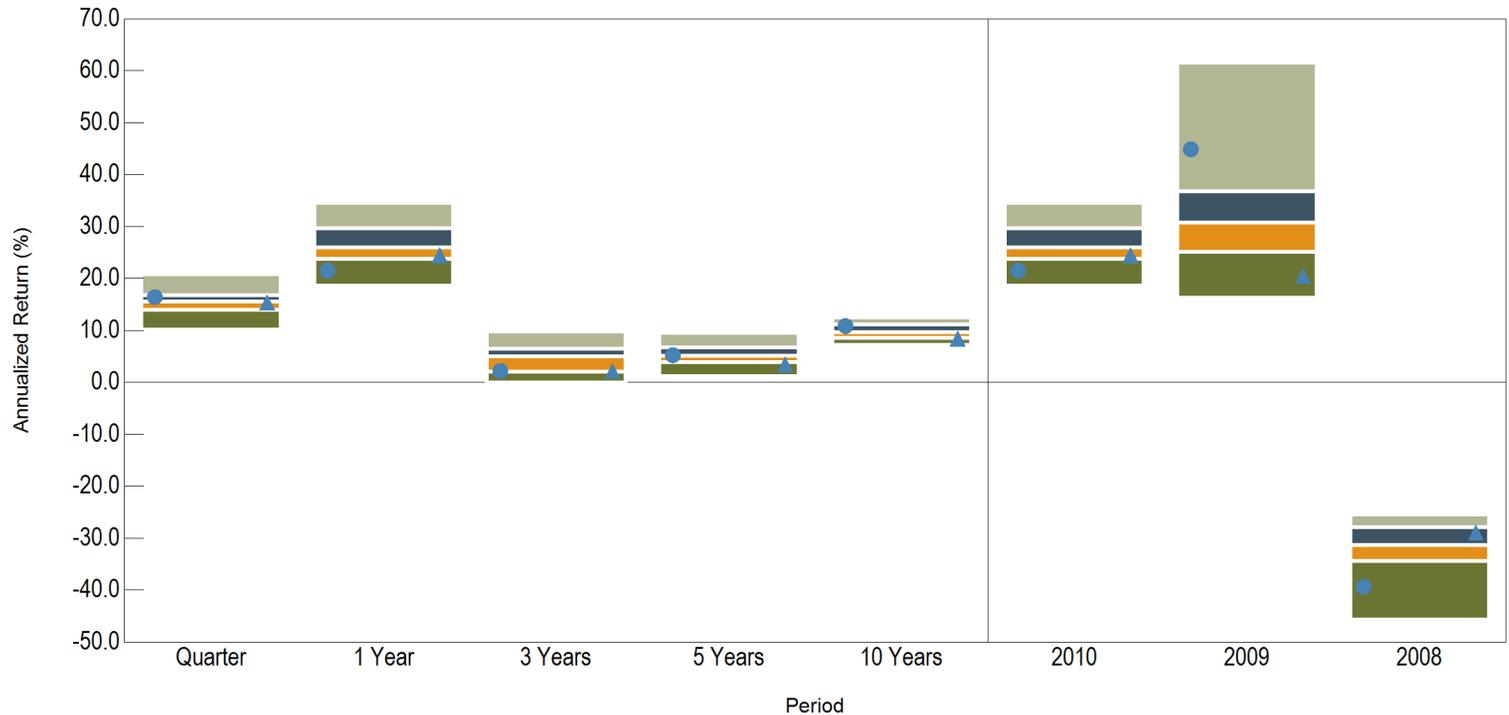
| | |
|--------------------------------------|------|
| ● Heartland Value Institutional Fund | |
| Value | 0.94 |
| %tile | 26 |
| Universe | |
| 5th %tile | 0.56 |
| 25th %tile | 0.94 |
| Median | 1.09 |
| 75th %tile | 1.19 |
| 95th %tile | 1.42 |
| Observations | 63 |

Universe Comparison

Benchmark: Russell 2000 Value Index

Universe: Small Value MStar MF (manager)

Ending December 31, 2010



| | Return (Rank) | | Return (Rank) | | Return (Rank) | | Return (Rank) | | Return (Rank) | | Return (Rank) | | Return (Rank) | | | |
|---|---------------|------|---------------|------|---------------|------|---------------|-------|---------------|------|---------------|------|---------------|------|-------|------|
| 5th Percentile | 20.7 | 34.5 | 9.7 | 9.4 | 12.4 | 34.5 | 61.5 | -25.4 | | | | | | | | |
| 25th Percentile | 16.9 | 29.8 | 6.6 | 6.7 | 11.2 | 29.8 | 36.8 | -27.8 | | | | | | | | |
| Median | 15.6 | 26.1 | 5.0 | 5.2 | 9.7 | 26.1 | 30.9 | -31.2 | | | | | | | | |
| 75th Percentile | 14.0 | 23.9 | 2.2 | 4.0 | 8.6 | 23.9 | 25.2 | -34.4 | | | | | | | | |
| 95th Percentile | 10.3 | 18.7 | 0.0 | 1.2 | 7.3 | 18.7 | 16.4 | -45.7 | | | | | | | | |
| # of Portfolios | 66 | 66 | 65 | 57 | 42 | 66 | 71 | 81 | | | | | | | | |
| ● Heartland Value Institutional Fund | 16.4 | (42) | 21.5 | (88) | 2.2 | (74) | 5.2 | (51) | 10.8 | (32) | 21.5 | (88) | 44.9 | (13) | -39.4 | (86) |
| ▲ Russell 2000 Value Index | 15.4 | (55) | 24.5 | (72) | 2.2 | (74) | 3.5 | (80) | 8.4 | (78) | 24.5 | (72) | 20.6 | (91) | -28.9 | (35) |

Manager Analysis

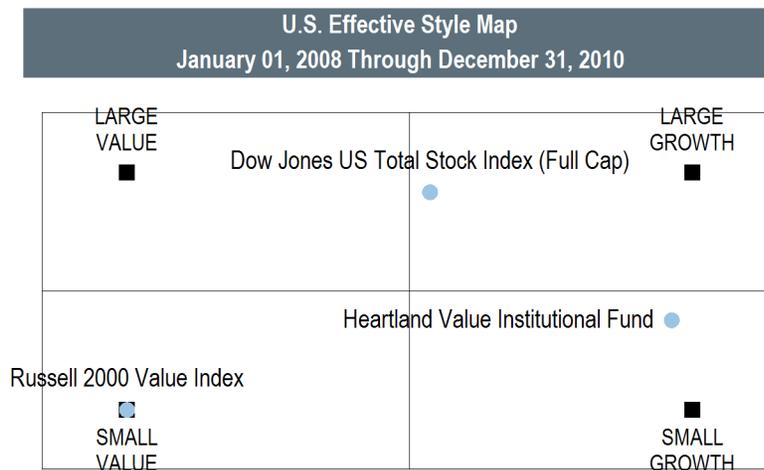
The Heartland Value Fund seeks long-term capital appreciation through investments in small or micro cap securities selected under disciplined, value-oriented criteria. Management seeks companies whose stock prices do not reflect what Heartland believes to be the companies' intrinsic or potential values. A company's stock may be undervalued because it is under-followed by Wall Street analysts, misunderstood by investors, temporarily oversold or out-of-favor as a result of investor overreaction to unexpected news or an emerging, undiscovered opportunity.

Heartland builds portfolios based on a bottom-up fundamental analysis of individual securities while avoiding over-concentration in a particular industry or industries. Heartland begins its search for investment ideas by performing a weekly computer screening of a universe of over 10,000 securities. The database is screened to find securities that have a market capitalization of \$750 million or less. The firm's analysts, using 10 value-based criteria referred to at Heartland as the "10 Point Grid", extensively research each security considered for purchase.

| Portfolio Fund Information as of 09/30/2010 | | Fund Characteristics as of 09/30/2010 Versus Russell 2000 Value Index | |
|---|----------------------|--|--------|
| Ticker | HNTVX | Sharpe Ratio (3 Year) | 0.06 |
| Morningstar Category | Small Value | Average Market Cap (\$mm) | 403.05 |
| Average Market Cap (\$mm) | 403.05 | Price/Earnings | 13.42 |
| Net Assets (\$mm) | 49.75 | Price/Book | 1.18 |
| % Assets in Top 10 Holdings | 27.33 | Price/Sales | 0.66 |
| Total Number of Holdings | 149 | Price/Cash Flow | 3.90 |
| Manager Name | William J. Nasgovitz | Dividend Yield | 1.80 |
| Manager Tenure | 26 | Number of Equity Holdings | 148 |
| Expense Ratio | 0.94% | R-Squared (3 Year) | 0.79 |
| Closed to New Investors | No | Alpha (3 Year) | 0.05% |

| Sector Allocation as of 09/30/2010 | |
|------------------------------------|--------|
| BUSINESS SERVICES | 7.55% |
| CONSUMER GOODS | 5.18% |
| CONSUMER SERVICES | 2.99% |
| ENERGY | 9.14% |
| FINANCIAL SERVICES | 6.72% |
| HARDWARE | 6.94% |
| HEALTHCARE | 20.06% |
| INDUSTRIAL MATERIALS | 18.74% |
| MEDIA | 0.54% |
| SOFTWARE | 3.91% |
| TELECOMMUNICATION | 7.40% |
| UTILITIES | 3.62% |

| Top Holdings as of 09/30/2010 | |
|--|-------|
| INTERDIGITAL, INC. | 4.42% |
| ANALOGIC CORPORATION | 3.63% |
| GAMMON GOLD, INC. | 3.56% |
| BASIC SANITATION COMPANY OF THE STATE OF SAO PAULO ADR | 2.71% |
| BBH CASH | 2.64% |
| UNIT CORPORATION | 2.22% |
| ACCURAY, INC. | 2.17% |
| FORCE PROTECTION, INC. | 2.15% |
| SHERRITT INTERNATIONAL CORP | 1.99% |
| OMNICARE, INC. | 1.83% |

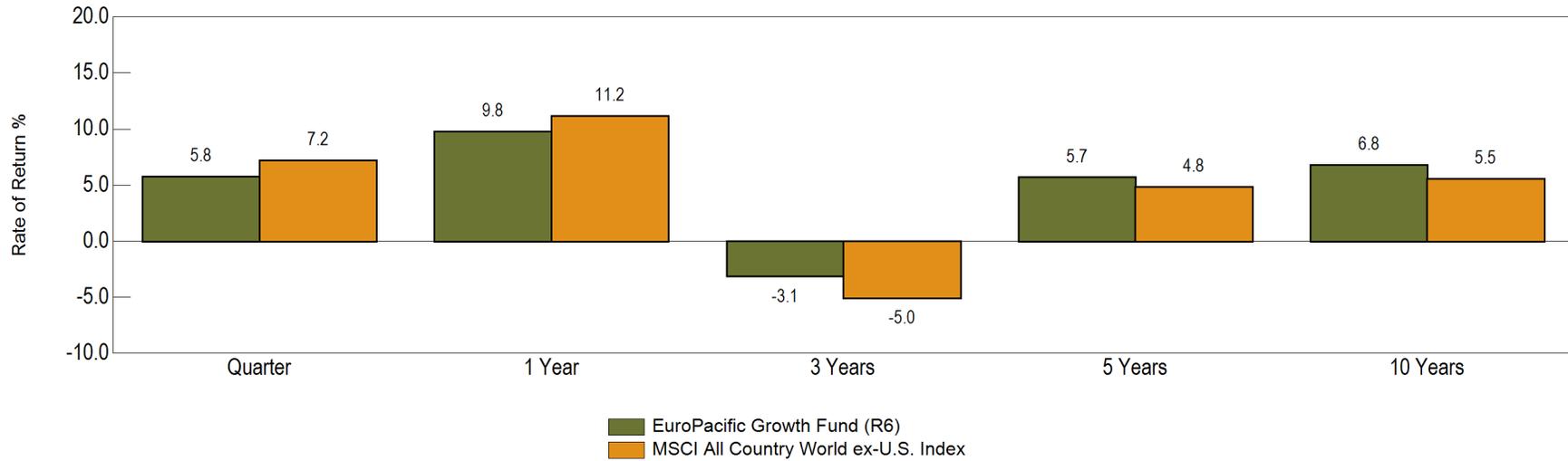


Manager Performance

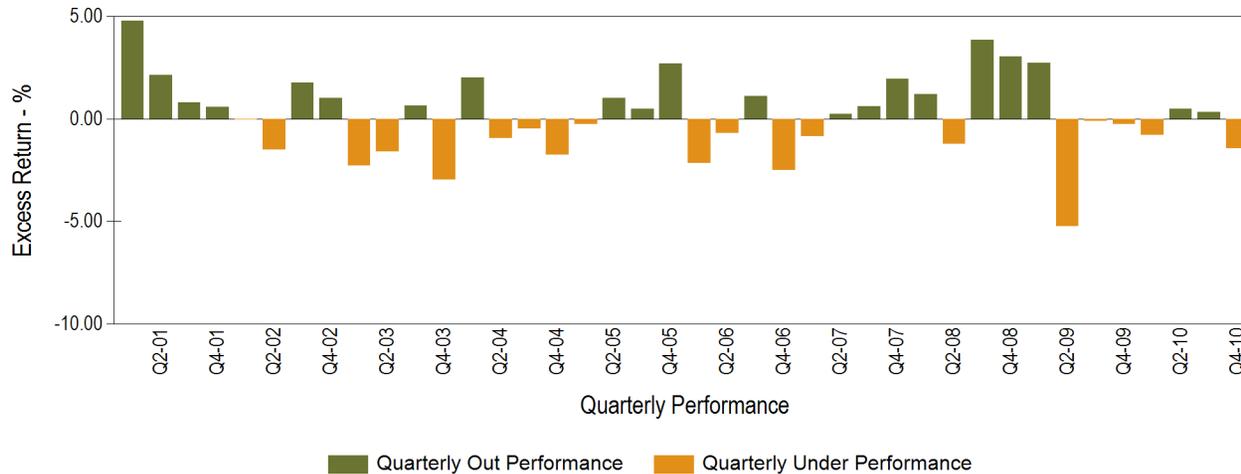
Benchmark: MSCI All Country World ex-U.S. Index

Universe: Foreign MStar MF (manager)

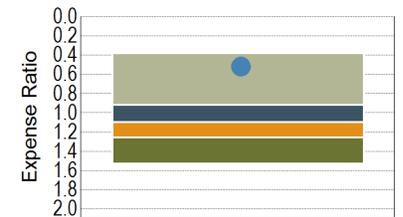
Return Summary



Quarterly Excess Performance



Expense Ratio as of 12/31/10



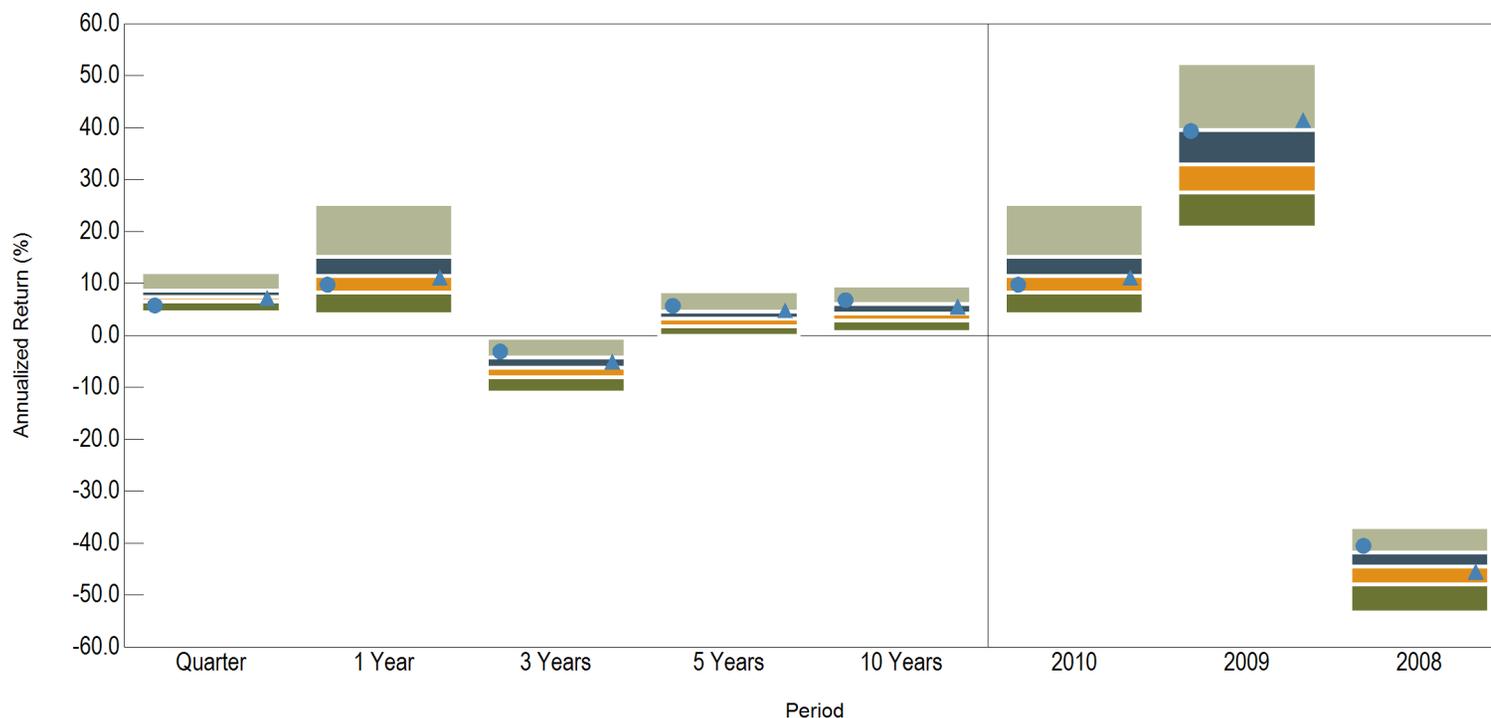
| | |
|--------------------------------|------|
| ● EuroPacific Growth Fund (R6) | |
| Value | 0.52 |
| %tile | 7 |
| Universe | |
| 5th %tile | 0.38 |
| 25th %tile | 0.91 |
| Median | 1.09 |
| 75th %tile | 1.25 |
| 95th %tile | 1.52 |
| Observations | 338 |

Universe Comparison

Benchmark: MSCI All Country World ex-U.S. Index

Universe: Foreign MStar MF (manager)

Ending December 31, 2010



| | Return (Rank) | | | | | | | | | | | | | | | |
|---|---------------|------|-------|------|------|------|------|-------|-----|------|------|------|------|------|-------|------|
| 5th Percentile | 12.1 | 25.3 | -0.5 | 8.4 | 9.6 | 25.3 | 52.3 | -37.0 | | | | | | | | |
| 25th Percentile | 8.6 | 15.1 | -4.2 | 4.7 | 6.1 | 15.1 | 39.5 | -41.8 | | | | | | | | |
| Median | 7.5 | 11.5 | -6.1 | 3.2 | 4.3 | 11.5 | 32.9 | -44.5 | | | | | | | | |
| 75th Percentile | 6.5 | 8.3 | -8.0 | 1.8 | 2.9 | 8.3 | 27.6 | -47.9 | | | | | | | | |
| 95th Percentile | 4.5 | 4.1 | -10.9 | 0.0 | 0.7 | 4.1 | 20.9 | -53.3 | | | | | | | | |
| # of Portfolios | 342 | 335 | 303 | 254 | 188 | 335 | 335 | 327 | | | | | | | | |
| ● EuroPacific Growth Fund (R6) | 5.8 | (90) | 9.8 | (65) | -3.1 | (19) | 5.7 | (18) | 6.8 | (18) | 9.8 | (65) | 39.4 | (26) | -40.5 | (15) |
| ▲ MSCI All Country World ex-U.S. Index | 7.2 | (59) | 11.2 | (53) | -5.0 | (37) | 4.8 | (24) | 5.5 | (31) | 11.2 | (53) | 41.4 | (21) | -45.5 | (60) |

Manager Analysis

Capital Research and Management is the sub-advisor for the EuroPacific Growth Fund. Capital Research uses a multiple-counselor system in managing the portfolio's assets. The portfolio is divided into segments and the counselors manage their respective segments autonomously. The research analysts are responsible for making the investment decisions for one of the segments. The Capital Research and Management Investment Committee is responsible for making sure the portfolio stays within its limits and adheres to its investment policies. The objective of the fund is to provide long-term growth of capital by investing in a diversified portfolio of international stocks while using a growth-at-a-reasonable price strategy. The Fund switched from the R5 to the R6 share class on August 26, 2010.

| Portfolio Fund Information as of 09/30/2010 | |
|---|---------------------|
| Ticker | RERGX |
| Morningstar Category | Foreign Large Blend |
| Average Market Cap (\$mm) | 37,024.95 |
| Net Assets (\$mm) | 12,168.34 |
| % Assets in Top 10 Holdings | 18.66 |
| Total Number of Holdings | 404 |
| Manager Name | Stephen E. Bepler |
| Manager Tenure | 27 |
| Expense Ratio | 0.52% |
| Closed to New Investors | No |

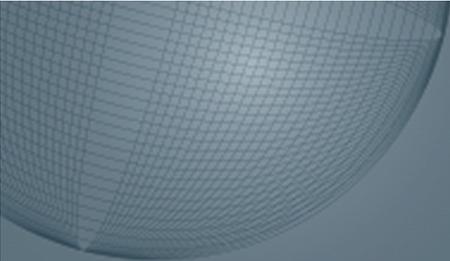
| Fund Characteristics as of 09/30/2010 | |
|---|-----------|
| Versus MSCI All Country World ex-U.S. Index | |
| Sharpe Ratio (3 Year) | -0.14 |
| Average Market Cap (\$mm) | 37,024.95 |
| Price/Earnings | 13.07 |
| Price/Book | 1.81 |
| Price/Sales | 0.99 |
| Price/Cash Flow | 4.76 |
| Dividend Yield | 3.82 |
| Number of Equity Holdings | 289 |
| R-Squared (3 Year) | 0.97 |
| Alpha (3 Year) | 0.10% |

| Sector Allocation as of 09/30/2010 | |
|------------------------------------|--------|
| BUSINESS SERVICES | 2.38% |
| CONSUMER GOODS | 16.94% |
| CONSUMER SERVICES | 4.69% |
| ENERGY | 6.35% |
| FINANCIAL SERVICES | 18.72% |
| HARDWARE | 3.97% |
| HEALTHCARE | 10.57% |
| INDUSTRIAL MATERIALS | 11.90% |
| MEDIA | 1.20% |
| SOFTWARE | 1.36% |
| TELECOMMUNICATION | 9.58% |
| UTILITIES | 1.75% |

| Top Holdings as of 09/30/2010 | |
|------------------------------------|-------|
| AMERICA MOVIL S.A.B. DE C.V. ADR L | 2.77% |
| ANHEUSER-BUSCH INBEV SA | 2.37% |
| NOVO NORDISK A/S | 2.26% |
| NOVARTIS AG | 2.22% |
| BAYER AG | 2.06% |
| DAIMLER AG | 1.72% |
| PRUDENTIAL PLC | 1.36% |
| SOFTBANK CORPORATION | 1.35% |
| NESTLE SA | 1.29% |
| UBS AG | 1.26% |

| Top Countries as of 09/30/2010 | |
|--------------------------------|--------|
| United Kingdom | 10.43% |
| Japan | 9.71% |
| Germany | 8.20% |
| Switzerland | 8.12% |
| France | 7.61% |
| Mexico | 3.50% |
| Canada | 3.41% |
| China | 3.33% |
| India | 3.20% |
| South Korea | 3.14% |

| Top Regions as of 09/30/2010 | |
|------------------------------|--------|
| EUROZONE | 28.10% |
| EUROPE EXEUIO | 12.47% |
| UNITED KINGDOM | 10.43% |
| JAPAN | 9.71% |
| ASIA EMERGING | 7.78% |



Appendix

Fee Schedule

| Account | Fee Schedule | Market Value As of 12/31/2010 | % of Portfolio | Estimated Annual Fee (\$) | Estimated Annual Fee (%) |
|---|-----------------|----------------------------------|----------------|------------------------------|-----------------------------|
| Vanguard Target Retirement Income Fund | 0.17% of Assets | \$405,482 | 0.2% | \$689 | 0.17% |
| Vanguard Target Retirement 2005 Fund | 0.17% of Assets | \$207,059 | 0.1% | \$352 | 0.17% |
| Vanguard Target Retirement 2010 Fund | 0.17% of Assets | \$867,205 | 0.3% | \$1,474 | 0.17% |
| Vanguard Target Retirement 2015 Fund | 0.18% of Assets | \$2,228,338 | 0.9% | \$4,011 | 0.18% |
| Vanguard Target Retirement 2020 Fund | 0.18% of Assets | \$2,963,531 | 1.2% | \$5,334 | 0.18% |
| Vanguard Target Retirement 2025 Fund | 0.19% of Assets | \$1,909,080 | 0.8% | \$3,627 | 0.19% |
| Vanguard Target Retirement 2030 Fund | 0.19% of Assets | \$1,264,117 | 0.5% | \$2,402 | 0.19% |
| Vanguard Target Retirement 2035 Fund | 0.19% of Assets | \$865,462 | 0.3% | \$1,644 | 0.19% |
| Vanguard Target Retirement 2040 Fund | 0.19% of Assets | \$365,791 | 0.1% | \$695 | 0.19% |
| Vanguard Target Retirement 2045 Fund | 0.19% of Assets | \$171,732 | 0.1% | \$326 | 0.19% |
| Vanguard Target Retirement 2050 Fund | 0.19% of Assets | \$16,135 | 0.0% | \$31 | 0.19% |
| Vanguard Total Bond Market Index | 0.22% of Assets | \$2,975,628 | 1.2% | \$6,546 | 0.22% |
| Vanguard Institutional Index Fund | 0.05% of Assets | \$29,570,922 | 11.7% | \$14,785 | 0.05% |
| Vanguard Total Stock Market Index Fund | 0.06% of Assets | \$5,007,953 | 2.0% | \$3,005 | 0.06% |
| Vanguard Mid Cap Index Fund | 0.08% of Assets | \$10,883,626 | 4.3% | \$8,707 | 0.08% |
| Vanguard Small Cap Index Fund | 0.14% of Assets | \$7,065,436 | 2.8% | \$9,892 | 0.14% |
| Vanguard FTSE All World ex-U.S. Index | 0.15% of Assets | \$8,165,124 | 3.2% | \$12,248 | 0.15% |
| North Shore Savings Fund | 0.40% of Assets | \$5,545,786 | 2.2% | \$22,183 | 0.40% |
| Stable Value Fund | 0.33% of Assets | \$119,222,092 | 47.1% | \$393,433 | 0.33% |
| PIMCO Total Return Institutional Fund | 0.46% of Assets | \$9,713,364 | 3.8% | \$44,681 | 0.46% |
| Washington Mutual Investors (R6) | 0.37% of Assets | \$3,719,126 | 1.5% | \$13,761 | 0.37% |
| Growth Fund of America (R6) | 0.34% of Assets | \$5,345,685 | 2.1% | \$18,175 | 0.34% |
| J.P. Morgan Diversified Mid Cap Growth Select | 0.93% of Assets | \$14,578,646 | 5.8% | \$135,581 | 0.93% |
| Lord Abbett Developing Growth Fund (I) | 0.79% of Assets | \$3,902,004 | 1.5% | \$30,826 | 0.79% |
| Heartland Value Institutional Fund | 0.94% of Assets | \$5,507,244 | 2.2% | \$51,768 | 0.94% |
| EuroPacific Growth Fund (R6) | 0.52% of Assets | \$10,553,776 | 4.2% | \$54,880 | 0.52% |
| Investment Management Fee | | \$253,020,344 | 100.0% | \$841,058 | 0.33% |

U.S. Equity Fund Characteristics

As of 12/31/2010

| U.S. Equity Funds | Percentage of Fund | | |
|---|--------------------|-----------------|---------------------|
| | U.S. Equity | Non-U.S. Equity | Short-Term Reserves |
| Vanguard Institutional Index | 99.9% | -- | 0.1% |
| Vanguard Total Stock Market Index | 99.9% | 0.1% | -- |
| Vanguard Mid Cap Index | 99.6% | 0.4% | -- |
| Vanguard Small Cap Index | 92.5% | 0.4% | 7.1% |
| Washington Mutual Investors (R6) | 93.0% | 4.8% | 2.2% |
| Growth Fund of America (R6) | 77.0% | 17.4% | 5.6% |
| J.P. Morgan Diversified Mid Cap Growth (Select) | 98.4% | -- | 1.6% |
| Lord Abbett Developing Growth (I) | 89.0% | 7.0% | 4.0% |
| Heartland Value Institutional | 80.6% | 13.8% | 5.6% |

Benchmark Descriptions

iMoney Net Money Fund Average - An index made up of the entire universe of taxable money market mutual funds. The index currently represents 1,228 funds, or approximately 99 percent of all money fund assets.

Performance Benchmark (Vanguard Total Stock Market Index) - Dow Jones U.S. Total Stock Market Index until 4/30/2005, the MSCI U.S. Broad Market Index going forward.

Performance Benchmark (Vanguard Small Cap Index) - Russell 2000 Index until 6/30/2003, the MSCI U.S. 1750 Small Cap Index going forward.

Hueler Stable Value Pooled Fund Index - is an equal-weighted total return average across all participating funds in the Hueler Universe and represents approximately 75% of the stable value pooled funds available to the marketplace. All participating stable value pooled funds are available to investors through employer sponsored retirement plans. The returns are gross of investment management fees.

Barclays Capital Aggregate Bond Index - A market value-weighted index consisting of government bonds, SEC-registered corporate bonds and mortgage-related and asset-backed securities with at least one year to maturity and an outstanding par value of \$150 million or greater. This index is a broad measure of the performance of the investment grade U.S. fixed income market.

MSCI All Country World ex-U.S. Free Index - A capitalization-weighted index of stocks representing 44 developed and emerging country stock markets, excluding the U.S. market.

MSCI U.S. 1750 Small Cap Index - An index representing the universe of small capitalization companies in the U.S. equity market. This index targets for inclusion 1,750 companies and represents approximately 12% of the capitalization of the U.S. equity market.

Barclays Capital 1-3 Year Government Index - A market value-weighted index consisting of U.S. government bonds with one to three years to maturity and an outstanding par value of \$250 million or greater.

S&P 500 Index - A capitalization-weighted index representing stocks chosen by Standard & Poor's, Inc. for their size, liquidity, stability and industry group representation. The companies in the S&P 500 Index are generally among the largest in their industries. Currently the Index comprises industrial, utility, financial and transportation stocks.

FTSE All World ex-U.S. Index - An index of stocks representing approximately 46 developed and emerging countries, excluding the U.S. while including Canada.

Russell 1000 Index - A capitalization-weighted index of the 1,000 largest publicly traded U.S. stocks by capitalization.

Russell 1000 Value Index - An Index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower I/B/E/S growth forecasts.

Benchmark Descriptions

Russell 1000 Growth Index - An Index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher I/B/E/S growth forecasts.

Russell Mid Cap Index - A capitalization-weighted index consisting of the smallest 800 companies in the Russell 1000 Index. The Russell 1000 Index represents the 1,000 largest publicly traded stocks by capitalization.

Russell 2500 Index - A capitalization-weighted, small-cap stock index representing the performance of 2,500 domestic stocks. This Index represents approximately 22% of the domestic market. Its median market capitalization is approximately \$786 million.

Russell 2000 Index - A capitalization-weighted index of the smallest 2,000 stocks in the Russell 3000 Index. The Index excludes the largest- and smallest-capitalization issues in the domestic stock market.

Russell 2000 Value Index - A capitalization-weighted index representing those companies within the Russell 2000 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.

Russell 2000 Growth Index - A capitalization-weighted index representing those companies within the Russell 2000 Index with higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.

Dow Jones U.S. Total Stock Market Index - A capitalization-weighted stock index representing all domestic common stocks traded regularly on the organized exchanges. The Index is the broadest measure of the aggregate domestic stock market.

Benchmark Descriptions

Vanguard Target Retirement Income Benchmark - A mix of 24% MSCI U.S. Broad Market Index, 4.5% MSCI EAFE Index, 1.5% MSCI Emerging Markets Index, 45% Barclays Capital Aggregate Bond Index, 20% Barclays Capital TIPS Index, and 5% Citigroup 3-Month Treasury Index.

Vanguard Target Retirement 2005 Benchmark - A mix of 28% MSCI U.S. Broad Market Index, 5.2% MSCI EAFE Index, 1.8% MSCI Emerging Markets Index, 43.7% Barclays Capital Aggregate Bond Index, 17.5% Barclays Capital TIPS Index, and 3.8% Citigroup 3-Month Treasury Index.

Vanguard Target Retirement 2010 Benchmark - A mix of 39.4% MSCI U.S. Broad Market Index, 7.3% MSCI EAFE Index, 2.5% MSCI Emerging Markets Index, 40.2% Barclays Capital Aggregate Bond Index, 10.4% Barclays Capital TIPS Index, and 0.2% Citigroup 3-Month Treasury Index.

Vanguard Target Retirement 2015 Benchmark - A mix of 47.6% MSCI U.S. Broad Market Index, 8.8% MSCI EAFE Index, 3.1% MSCI Emerging Markets Index, 40% Barclays Capital Aggregate Bond Index, and 0.5% Barclays Capital TIPS Index.

Vanguard Target Retirement 2020 Benchmark - A mix of 53.6% MSCI U.S. Broad Market Index, 10.0% MSCI EAFE Index, 3.5% MSCI Emerging Markets Index, and 32.9% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2025 Benchmark - A mix of 59.7% MSCI U.S. Broad Market Index, 11.1% MSCI EAFE Index, 3.8% MSCI Emerging Markets Index, and 25.4% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2030 Benchmark - A mix of 65.7% MSCI U.S. Broad Market Index, 12.2% MSCI EAFE Index, 4.2% MSCI Emerging Markets Index, and 17.9% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2035 Benchmark - A mix of 71.7% MSCI U.S. Broad Market Index, 13.3% MSCI EAFE Index, 4.6% MSCI Emerging Markets Index, and 10.4% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2040 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 13.4% MSCI EAFE Index, 4.6% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2045 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 13.4% MSCI EAFE Index, 4.6% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2050 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 13.4% MSCI EAFE Index, 4.6% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Universe Descriptions

Target Retirement Funds

Vanguard Target Retirement Date Funds - The Vanguard Target Retirement Date Funds are ranked in universes calculated and provided by Morningstar. Each fund is compared to a universe that is comprised of the institutional share class with the appropriate target date range of all of the target date fund families. In an instance where an institutional share class for a family does not exist, the share class with the greatest assets is used.

Index Funds

Vanguard Total Bond Market Index - A broad intermediate-term fixed income universe calculated and provided by Morningstar.

Vanguard Institutional Index Fund - A U.S. large-cap equity universe calculated and provided by Morningstar.

Vanguard Total Stock Market Index - A U.S. all-cap blend equity universe calculated and provided by Morningstar.

Vanguard Mid Cap Index Fund - A U.S. mid-cap equity universe calculated and provided by Morningstar.

Vanguard Small Cap Index Fund - A U.S. small-cap equity universe calculated and provided by Morningstar.

Vanguard FTSE All World ex-U.S. Index - A broad non-U.S. equity universe calculated and provided by Morningstar.

Active Funds

PIMCO Total Return Fund - A broad intermediate-term fixed income universe calculated based on data provided by Morningstar.

Washington Mutual Investors - A U.S. large-cap value equity universe calculated and provided by Morningstar.

Growth Fund of America - A large-cap growth universe calculated and provided by Morningstar.

J.P. Morgan Diversified Mid Cap Growth- A mid-cap growth equity universe calculated and provided by Morningstar.

Lord Abbett Developing Growth - A small-cap growth equity universe calculated and provided by Morningstar.

Heartland Value Institutional Fund- A small-cap value equity universe calculated and provided by Morningstar.

EuroPacific Growth Fund- A broad non-U.S. equity universe calculated and provided by Morningstar.

Risk Statistic Definitions

Annualized Standard Deviation - Standard deviation is the average deviation of a series of numbers from the series mean. This number can be used to measure risk. A large standard deviation implies that there is a high level of volatility between the numbers in a series. Annualized standard deviation is the standard deviation of a series multiplied by the square root of the number of periods in one year.

Tracking Error - A measure used to monitor the performance of a portfolio, usually to analyze the extent to which its price movements conform or deviate from those of a benchmark. In an indexing strategy, it would be done by determining the standard deviation between the index and the portfolio designed to replicate it. There should be no deviation, so any significant dispersion would comprise tracking error.

Upside Capture Ratio - A measure of the manager's relative performance during up markets. A value of 101.7% suggests that the manager performs about 1.7% better than what the market is up over the time period shown. The market is considered an up' market if the return is zero or greater. The larger the ratio, the better.

Downside Capture Ratio - A measure of the manager's performance in down markets relative to the market itself. A value of 98.3% suggests that the manager captures only 98.3% of down markets. The market is considered a down' market if the return is below zero. The lower the ratio, the better.