

**Wisconsin Deferred  
Compensation Plan  
Fund Performance Review**

*December 31, 2011*



**AdvisedAssetsGroup**

*Put Our Power Behind You™*

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# Executive Summary



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Name	Total Ret 3 Mth	Total Ret 1 Yr	Total Ret 3 Yr	Total Ret 5 Yr	Total Ret 10 Yr	Total Net	
						Assets \$M	Expense Ratio
American Funds EuroPacific Gr R5	4.59	-13.33	9.89	-1.16	6.83	90,981	0.55
MSCI AC World Ex USA NR USD	3.72	-13.71	10.70	-2.92	6.31	-	-
MSCI EAFE Free NR USD	3.33	-12.14	7.65	-4.72	4.67	-	-
Lipper International Index	4.32	-14.48	8.71	-3.72	5.29	-	-
US OE Foreign Large Blend	4.48	-13.97	7.79	-4.65	4.00	-	1.42
Blackrock EAFE Equity Index Coll T	4.63	-11.83	7.36	-4.49	4.45	-	0.10
MSCI EAFE NR USD	3.33	-12.14	7.65	-4.72	4.67	-	-
DFA US Micro Cap I	15.72	-3.25	17.61	-0.49	7.05	3,225	0.52
Russell 2000 TR USD	15.47	-4.18	15.63	0.15	5.62	-	-
Russell Micro Cap TR USD	13.83	-9.27	14.23	-3.75	4.63	-	-
Blackrock Russell 2000 Index Coll T	15.47	-4.16	15.65	0.21	5.60	-	0.05
Russell 2000 TR USD	15.47	-4.18	15.63	0.15	5.62	-	-
T. Rowe Price Mid-Cap Growth	10.81	-1.21	22.54	5.48	7.52	17,521	0.80
Lipper Mid Cap Growth Index	10.30	-5.3	19.29	2.89	4.48	-	-
Russell Mid Cap Growth TR USD	11.24	-1.65	22.06	2.44	5.29	-	-
S&P MidCap 400 TR	12.98	-1.73	19.57	3.32	7.04	-	-
US OE Mid-Cap Growth	10.36	-3.96	18.63	2.01	4.42	-	1.40
Blackrock Midcap Equity Index Coll F	13.00	-1.67	19.64	3.43	7.14	-	0.04
S&P MidCap 400 TR	12.98	-1.73	19.57	3.32	7.04	-	-
Calvert Equity I	6.44	-1.70	15.85	2.18	3.84	2,171	0.69
S&P 500 TR	11.82	2.11	14.11	-0.25	2.92	-	-
Calvert Social	9.85	-1.43	13.62	-2.03	-	-	-
Lipper MultiCap Core Index	10.44	-2.81	15.32	-0.32	3.45	-	-
Morningstar Socially Resp Large Cap Index	10.79	-0.63	13.79	-0.35	2.36	-	-
Fidelity Contrafund	8.29	-0.12	14.70	2.58	6.96	73,007	0.92
S&P 500 TR	11.82	2.11	14.11	-0.25	2.92	-	-
Lipper Large Growth Index	8.95	-2.90	15.68	0.85	1.43	-	-




=Actively managed options which have trailed their respective benchmarks over a five year period.

Gray bars indicate fund benchmarks; white indicates current funds

DATA SOURCE:  
Morningstar  
12/31/2011

Name	Total Ret	Total Ret	Total Ret	Total Ret	Total Ret	Total Net	
	3 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Assets \$M	Expense Ratio
Vanguard Institutional Index Instl PI	11.83	2.12	14.18	-0.20	2.97	93,540	0.02
S&P 500 TR	11.82	2.11	14.11	-0.25	2.92	-	-
Vanguard Wellington Adm	8.27	3.95	12.19	3.56	6.28	55,645	0.22
Lipper Balanced Index	6.50	0.74	11.62	1.80	4.13	-	-
US OE Moderate Allocation	6.69	-0.11	11.54	1.33	3.93	-	1.34
65% S&P Barra Value / 35% BarCap Agg	8.83	2.43	9.87	0.35	3.89	-	-
Vanguard Long-Term Investment-Grade Adm	2.21	17.30	12.29	8.53	7.93	10,953	0.12
BarCap US Corp A Long TR USD	3.03	16.64	14.00	7.61	7.35	-	-
US OE Long-Term Bond	2.28	11.47	12.69	6.47	7.34	-	0.98
Blackrock US Debt Index Fund Coll W	1.12	7.82	6.81	6.55	5.81	-	0.05
BarCap US Agg Bond TR USD	1.12	7.84	6.77	6.50	5.78	-	-
Federated US Govt 2-5 Yr Instl	-0.10	4.67	3.05	5.74	4.63	754	0.59
ML US 3-5 Yr Treasury Index USD	0.75	6.23	3.70	6.56	5.28	-	-
Lipper Short-Interm US Govt Index	0.43	3.54	3.55	4.82	4.02	-	-
US OE Short Government	0.25	2.09	2.70	3.76	3.24	-	0.87
Vanguard Admiral Treasury Money Mkt Inv	0.00	0.02	0.09	1.41	1.85	14,605	0.11
iMoney Net Average Treasury MM	0.00	0.00	0.00	1.01	1.35	-	-

 = Actively managed options which have trailed their respective benchmarks over a five year period.

Gray bars indicate fund benchmarks; white indicates current funds

DATA SOURCE: Morningstar  
12/31/2011

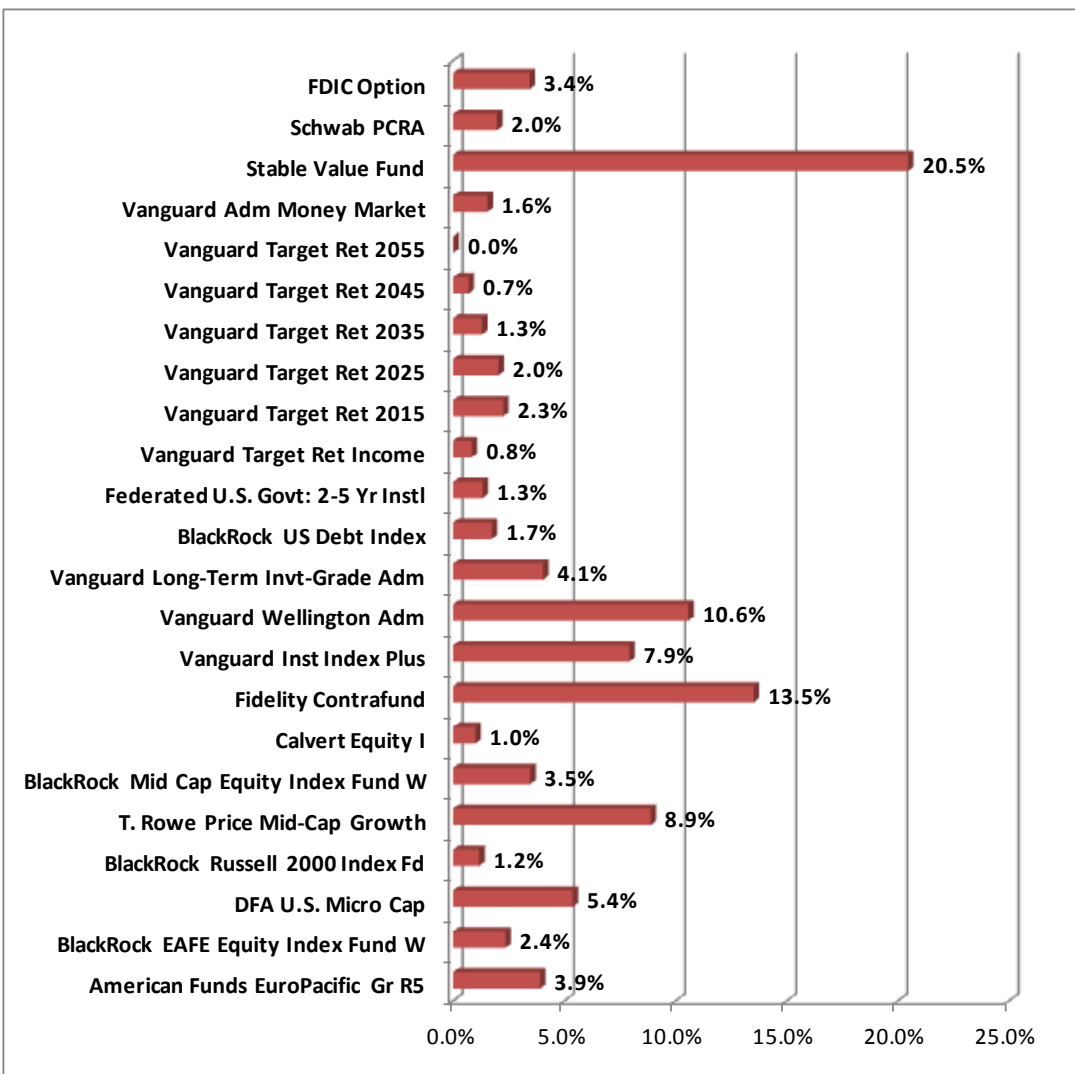
Name	2011	2011	2011	2011	2010	2010	2010	2010	2009	2009	2009	2009
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
American Funds EuroPacific Gr R5	79	87	93	92	92	95	97	98	100	97	94	96
Calvert Equity I	61	65	80	84	87	91	88	84	73	80	80	81
DFA U.S. Micro Cap	63	54	77	64	53	33	31	30	26	36	33	18
Federated U.S. Govt: 2-5 Yr Instl	70	91	85	74	87	93	98	97	99	100	99	99
Fidelity Contrafund	46	66	43	56	60	79	84	74	78	81	75	92
T. Rowe Price Mid-Cap Growth	87	87	80	87	89	86	84	93	89	87	85	86
Vanguard Institutional Index Instl PI	75	75	68	65	61	56	57	57	53	49	55	62
Vanguard Long-Term Inv Grade Adm	56	72	64	62	52	67	63	48	43	55	57	55
Vanguard Wellington Adm	63	87	76	72	82	84	87	92	93	92	93	91

76-100	1st Quartile
51-75	2nd Quartile
26-50	3rd Quartile
1-25	4th Quartile

DATA SOURCE: Morningstar  
12/31/2011

	Plan Inception Date	Fund Net Assets	WDC Assets in Fund	WDC as a Percentage of Fund Assets	Fund as a Percentage of WDC Assets	Number of Participants	Percentage of WDC Participants Utilizing Fund
American Funds EuroPacific Gr R5	1/28/2005	\$90,981,305,082	\$105,290,115	0.12%	3.91%	15,022	6.62%
BlackRock EAFE Equity Index Fund W	2/1/2001	N/A	\$63,462,260	N/A	2.36%	11,281	4.97%
DFA U.S. Micro Cap	2/1/1997	\$3,225,066,316	\$144,805,101	4.49%	5.38%	19,887	8.76%
BlackRock Russell 2000 Index Fd	2/20/2004	N/A	\$31,781,566	N/A	1.18%	7,361	3.24%
T. Rowe Price Mid-Cap Growth	2/1/1998	\$17,520,505,999	\$239,236,599	1.37%	8.89%	19,116	8.42%
BlackRock Mid Cap Equity Index Fund W	2/1/2001	N/A	\$93,459,446	N/A	3.47%	12,951	5.70%
Calvert Equity I	4/18/2003	\$2,170,850,184	\$27,063,654	1.25%	1.01%	6,035	2.66%
Fidelity Contrafund	1/31/1994	\$73,006,850,929	\$363,704,844	0.50%	13.52%	22,065	9.72%
Vanguard Inst Index Plus	9/9/1990	\$93,539,543,509	\$213,526,197	0.23%	7.94%	19,342	8.52%
Vanguard Wellington Adm	10/26/2001	\$55,644,730,677	\$284,802,070	0.51%	10.58%	20,416	8.99%
Vanguard Long-Term Invst-Grade Adm	10/26/2001	\$10,952,657,327	\$108,994,744	1.00%	4.05%	12,020	5.29%
BlackRock US Debt Index	2/1/2001	N/A	\$47,079,547	N/A	1.75%	7,538	3.32%
Federated U.S. Govt: 2-5 Yr Instl	2/3/1992	\$754,022,625	\$36,008,739	4.78%	1.34%	6,071	2.67%
Vanguard Target Ret Income	7/29/2005	\$5,402,432,232	\$22,800,895	0.42%	0.85%	1,062	0.47%
Vanguard Target Ret 2015	7/29/2005	\$14,393,645,683	\$60,785,173	0.42%	2.26%	2,944	1.30%
Vanguard Target Ret 2025	7/29/2005	\$16,357,425,997	\$55,031,687	0.34%	2.05%	4,513	1.99%
Vanguard Target Ret 2035	7/29/2005	\$11,361,205,718	\$35,061,051	0.31%	1.30%	4,098	1.81%
Vanguard Target Ret 2045	7/29/2005	\$6,371,812,455	\$18,751,809	0.29%	0.70%	3,208	1.41%
Vanguard Target Ret 2055	8/18/2010	\$167,069,888	\$787,448	0.47%	0.03%	153	0.07%
Vanguard Adm Money Market	10/1/1993	\$14,604,950,160	\$41,733,871	0.29%	1.55%	8,830	3.89%
Stable Value Fund	9/1/1996	N/A	\$550,754,467	N/A	20.47%	15,835	6.97%
Schwab PCRA	2/17/2000	N/A	\$53,277,714	N/A	1.98%	1,417	0.62%
FDIC Option	12/31/1996	N/A	\$92,643,415	N/A	3.44%	5,871	2.59%





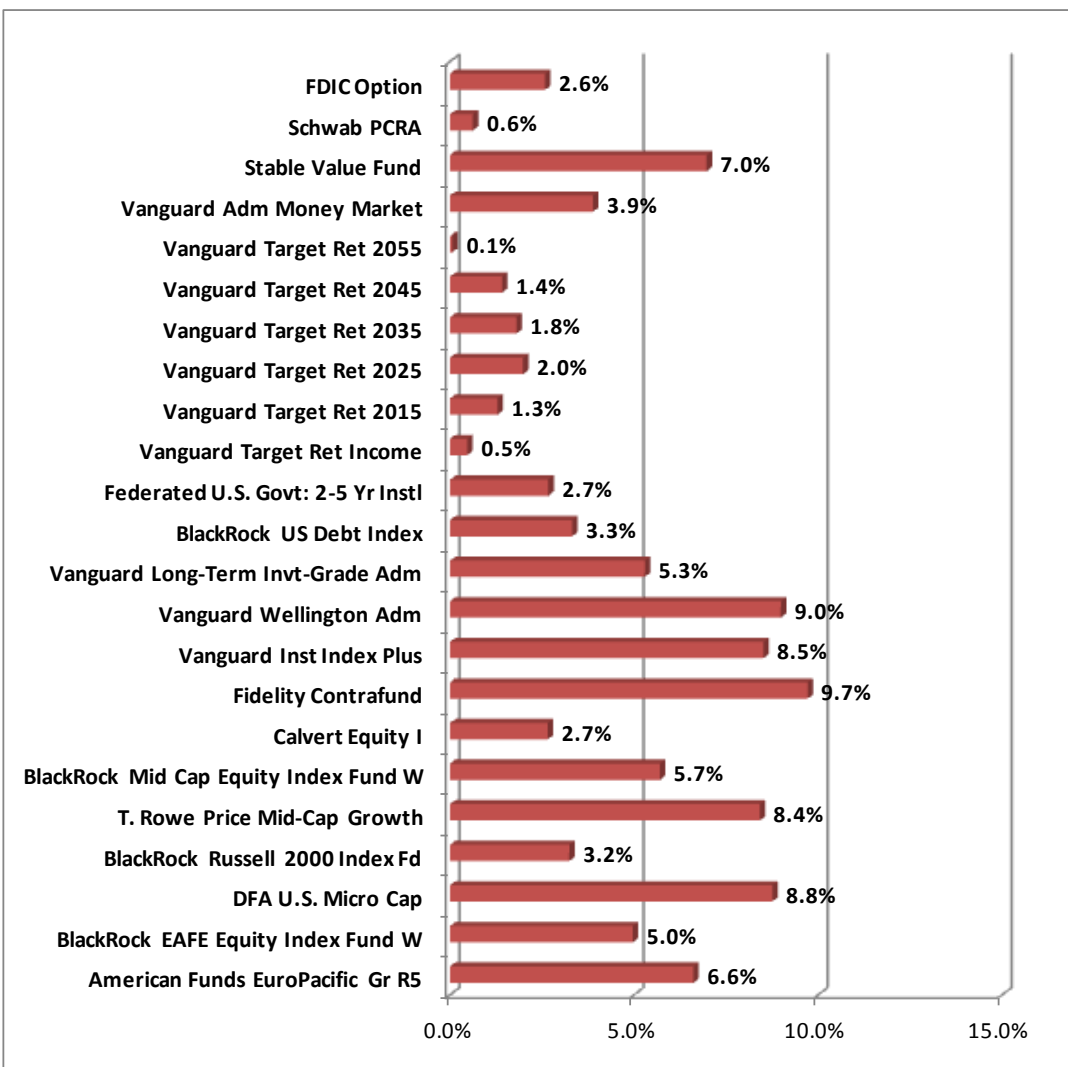
Total WDC Assets  
(as of 12/31/11)

**\$2,690,842,412**

Domestic Equity	\$1,113,577,406	41%
Intl Equity	\$168,752,375	6%
Asset Allocation	\$478,020,132	18%
Fixed Income	\$192,083,030	7%
Cash Equiv.	\$685,131,754	25%
Self-Directed Brok.	\$53,277,714	2%

Total WDC Participant  
Accounts  
(as of 12/31/11)

**227,036**



Name	Expense Ratio
American Funds EuroPacific Gr R5	0.55
Cat: Foreign Large Blend	1.31
Blackrock EAFE Equity Index Fund W	0.10
Cat: Foreign Large Blend Index	0.66
DFA U.S. Micro Cap	0.52
Cat: Small Blend	1.29
Blackrock Russell 2000 Index Fd	0.05
Cat: Small Cap Blend Index	0.74
T. Rowe Price Mid-Cap Growth	0.80
Cat: Mid Growth	1.25
Blackrock Mid Cap Equity Index Fund W	0.04
Cat: Mid Cap Blend Index	0.54
Calvert Equity I	0.69
Cat: Socially Resp Large Cap Index	1.16
Fidelity Contrafund	0.92
Cat: Large Growth	1.16
Vanguard Inst Index Plus	0.02
Cat: Large Cap Blend Index	0.60
Vanguard Wellington Adm	0.22
Cat: Moderate Allocation	1.15

Name	Expense Ratio
Vanguard Target Retirement 2055 Inv	0.19
Cat: Target Date 2050+	1.09
Vanguard Target Retirement 2045 Inv	0.19
Cat: Target Date 2041-2045	1.05
Vanguard Target Retirement 2035 Inv	0.19
Cat: Target Date 2031-2035	1.04
Vanguard Target Retirement 2025 Inv	0.18
Cat: Target Date 2021-2025	1.01
Vanguard Target Retirement 2015 Inv	0.16
Cat: Target Date 2011-2015	0.98
Vanguard Target Retirement Income Inv	0.17
Cat: Retirement Income	0.91
Vanguard Long-Term Invmt-Grade Adm	0.12
Cat: Long-Term Bond	0.88
Blackrock US Debt Index	0.05
Cat: Intermediate Bond Index	0.44
Federated U.S. Govt: 2-5 Yr Instl	0.59
Cat: Short Government	0.80
Vanguard Adm Money Market	0.11
Average US Money Market Fund	0.52

**Asset-Weighted Average Expense Ratio: 0.31%**

- The 1 year asset-weighted return for the WDC participants as of 12/31/11 was 0.97%.
- Much of this can be attributed to a 20.5% weighting in the Wells Fargo Stable Value Fund which returned 3.13%.
- Other contributing factors were:
  - A 4.1% weighting to the Vanguard Long-Term Invmt Grade Fund, which had a return of 17.30%
  - A 10.6% weighting to the Vanguard Wellington Fund which returned 3.95%
  - A 3.9% weighting to the American Funds EuroPacific Fund, which returned (13.33)% and was the largest detractor of performance
- Note: Participant weighted average return excludes the self directed brokerage accounts

# Fund Highlights and Observations



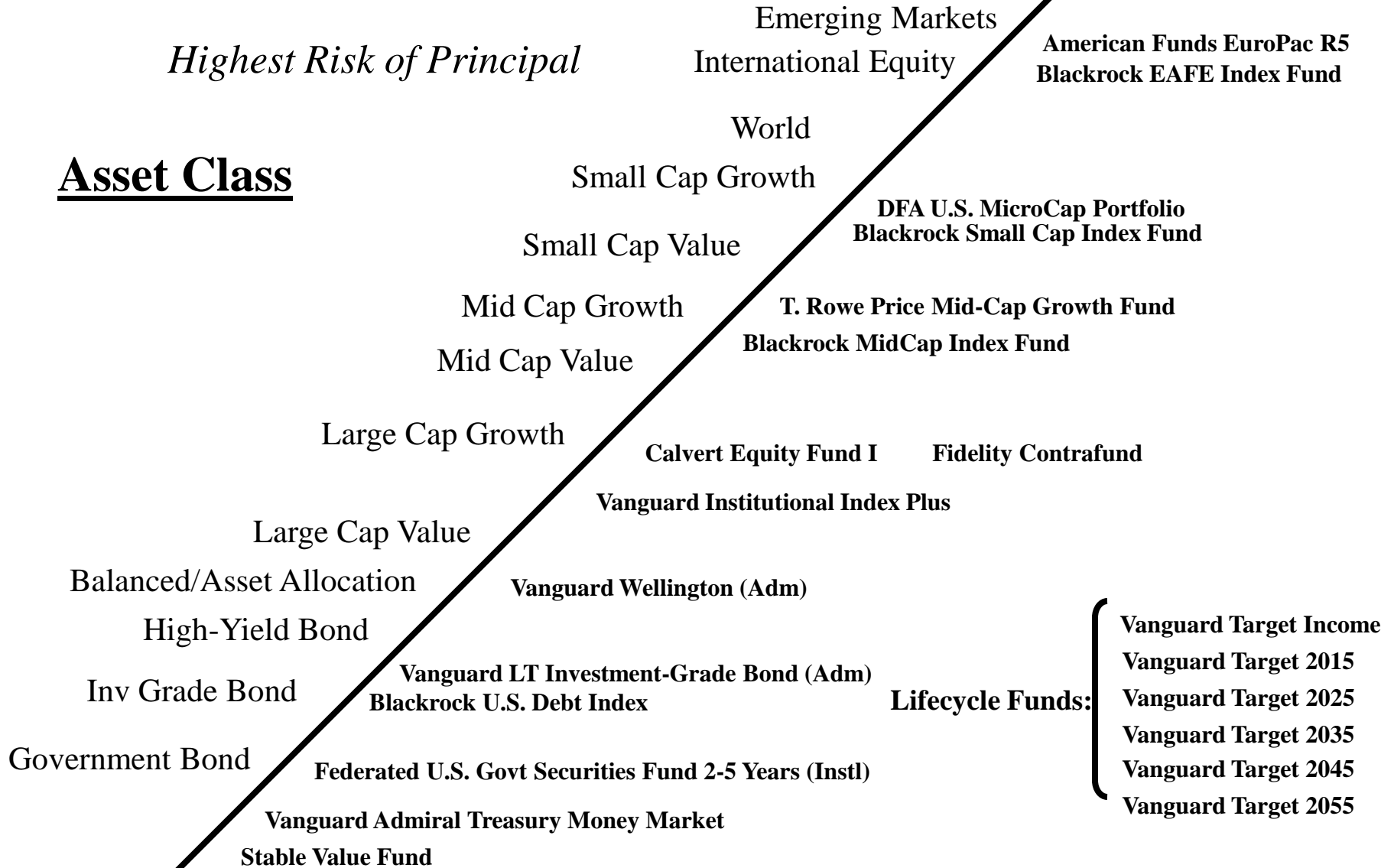
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# Wisconsin Plan Options

*Highest Risk of Principal*

## Asset Class



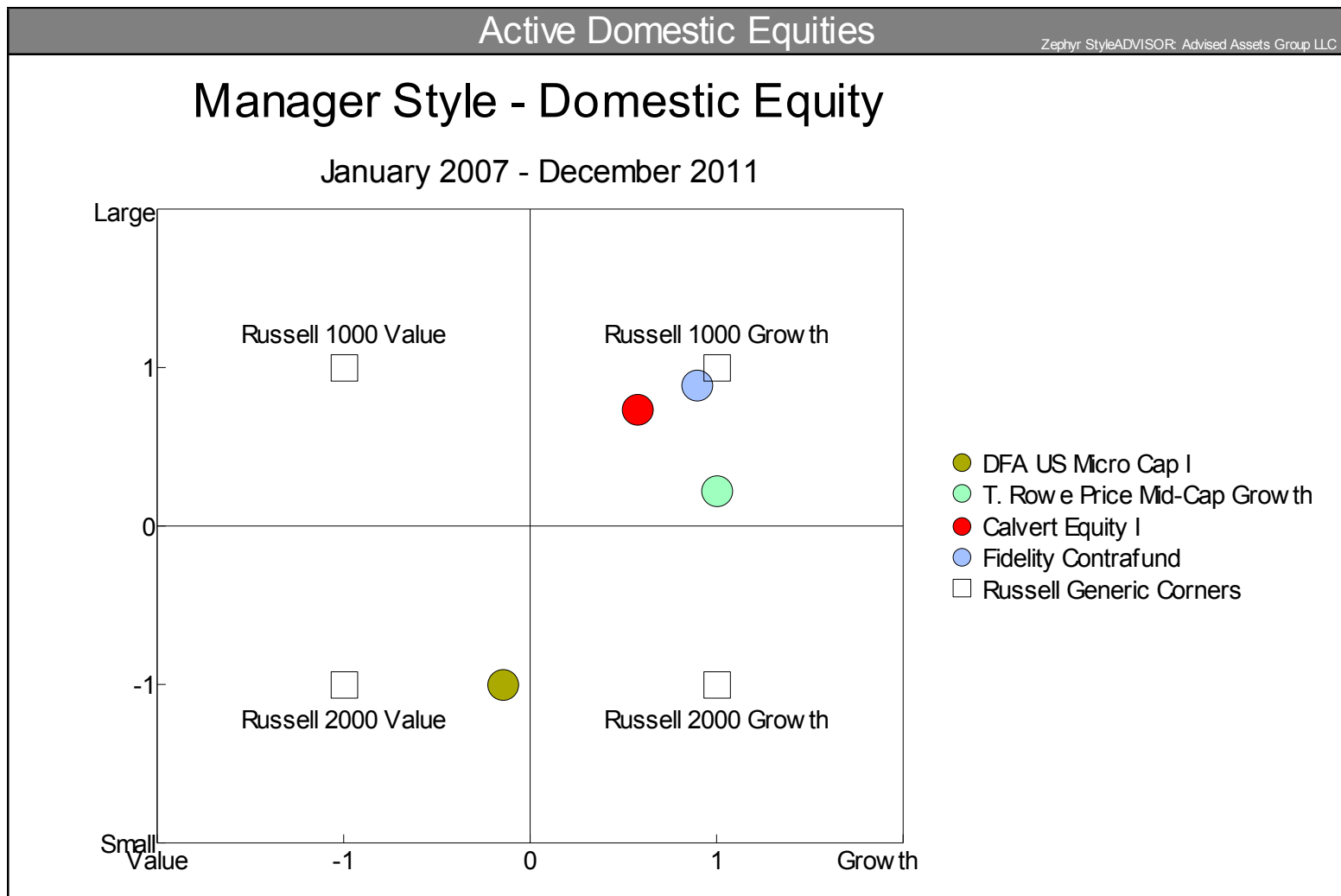
**Lifecycle Funds:**

- Vanguard Target Income
- Vanguard Target 2015
- Vanguard Target 2025
- Vanguard Target 2035
- Vanguard Target 2045
- Vanguard Target 2055

**FDIC Option**

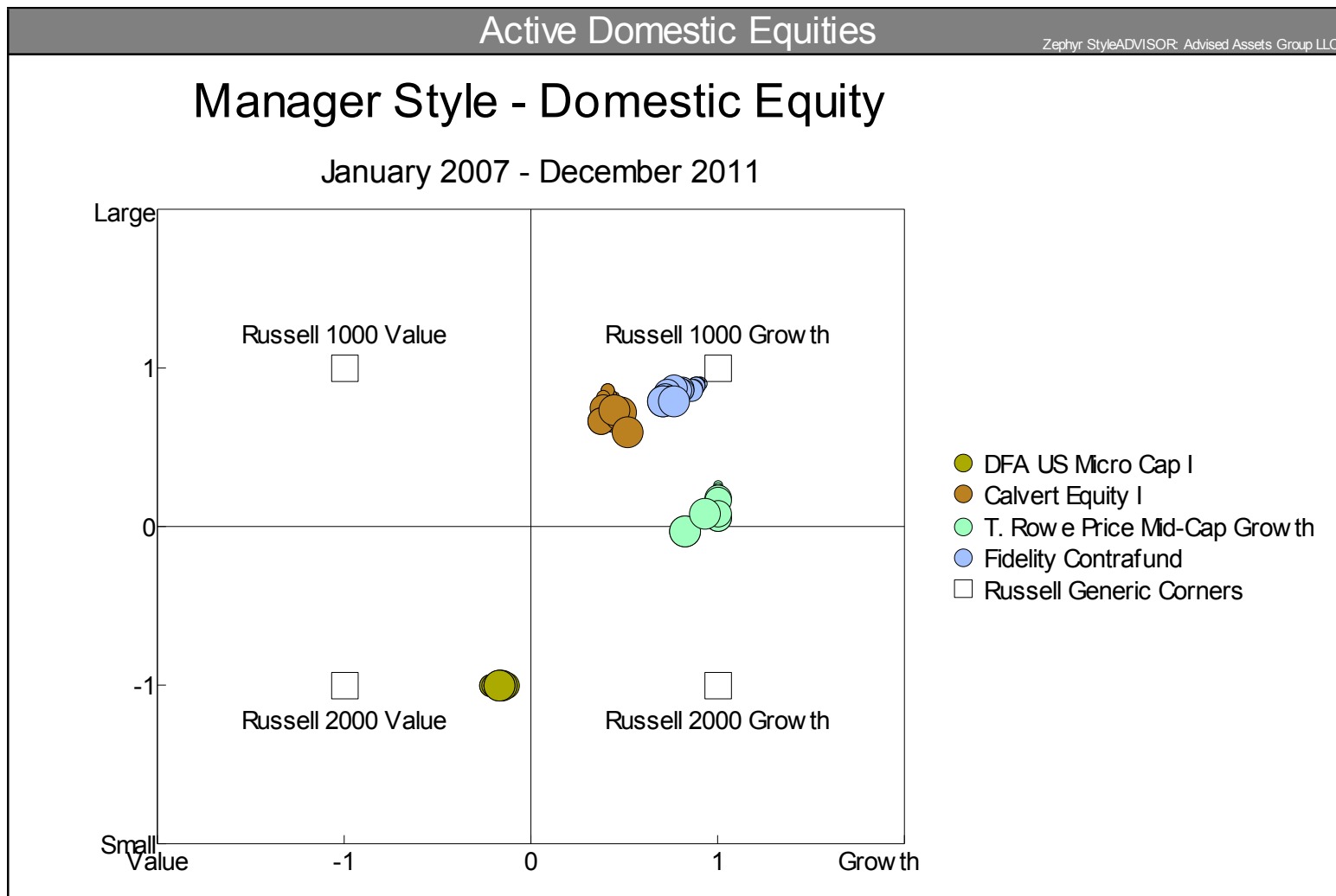
*Lowest Risk of Principal*

**Manager Style Graph:** Each quadrant of the graph represents one of the four major domestic equity components of the market. From top left working clockwise the quadrants include Large Value, Large Growth, Small Growth and Small Value.



# Manager Style Drift

**Manager Style Graph:** Each quadrant of the graph represents one of the four major domestic equity components of the market. From top left working clockwise the quadrants include Large Value, Large Growth, Small Growth and Small Value.





- **American Funds EuroPac R5** continues to beat almost all of its benchmarks over all time periods. The fund maintains lower than average volatility and expenses. American Funds manages this fund using a multi-manager structure that combines both growth and value investing styles, some exposure to emerging markets, and low turnover.
- **Blackrock EAFE Equity Index Fund** trailed its index by 31 bps (net of fees) over the 1yr period.
- **DFA U.S. Microcap** invests in the smallest 4% of U.S. exchange listed stocks with an average market cap of \$467 million. The fund contains over 2,100 holdings giving it an index like approach to investing. This fund carries a higher standard deviation than the Morningstar Category average over 1, 3, 5, & 10 years. The fund has outpaced its microcap benchmark by more than 600 basis points over the past 12 months.
- **Blackrock Russell 2000 Index Fund** outperformed its index by 2 bps (net of fees) over the past 12 months.

- **T. Rowe Price Mid Cap Growth** continues to outpace all of its benchmarks over all time frames. The fund has performed well on a relative basis, besting its Morningstar peer group by 275 basis points over the past 12 months.
- **Blackrock Mid-Cap Equity Index** outperformed its index by 6 bps (net of fees) over the past 12 months.
- **Calvert Equity** outperforms its benchmarks over the 3, 5, and 10 year time periods. This concentrated, socially conscious fund looks for companies with solid balance sheets and strong earnings growth while being mindful of valuations.
- **Fidelity Contrafund** continues to handily outpace its peer group over most time periods. The fund's lower-beta style proved to be an advantage for investors over the past 12 months as the fund outperformed its peer group by more than 275 basis points.

- **Vanguard Instl Index Plus Fund** outperformed its index performance by 1 basis point (net of fees) over the past 12 months.
- **Vanguard Wellington** outperforms its category over all time periods.. This fund practices a value oriented, long-term investing style. The low expense ratio is also a plus for this fund.
- **Vanguard Long-Term Investment Grade Bond** beats its peer group over the 1, 5, and 10 year time periods. The fund's relative performance is aided by its low expense ratio, which is more than 85 basis points lower than its peer group average.
- **Blackrock US Debt Index** trailed its index by 2 bps (net of fees) over the past 12 months.

- **Federated U.S. Government: 2-5 Year Institutional** beats its Lipper and Morningstar peer groups over the 1, 5, and 10 year time periods. However, the fund trailed its benchmarks for the 4<sup>th</sup> quarter due to an overweight in shorter-maturity bonds which trailed their longer-term counterparts.
- **Vanguard Admiral Treasury Money Market Fund** posted a 0.02% return over the 1 year period.
- **FDIC Bank Option** return for the quarter ending 12/31/11 was 0.60%. The interest rate is calculated by taking 75% of 12 month LIBOR less 40 bps plus 25% of the 3 month LIBOR less 40 bps. This blended rate is calculated each quarter.
- **Wisconsin Stable Value Fund** has strong performance over the 1, 3, 5, & 10 year periods returning 3.13%, 3.80%, 4.35%, & 4.81%, respectively. The fund is managed by Galliard Capital who maintains a very good reputation throughout the industry as a top stable value manager.

# Performance Benchmarking of Active Options



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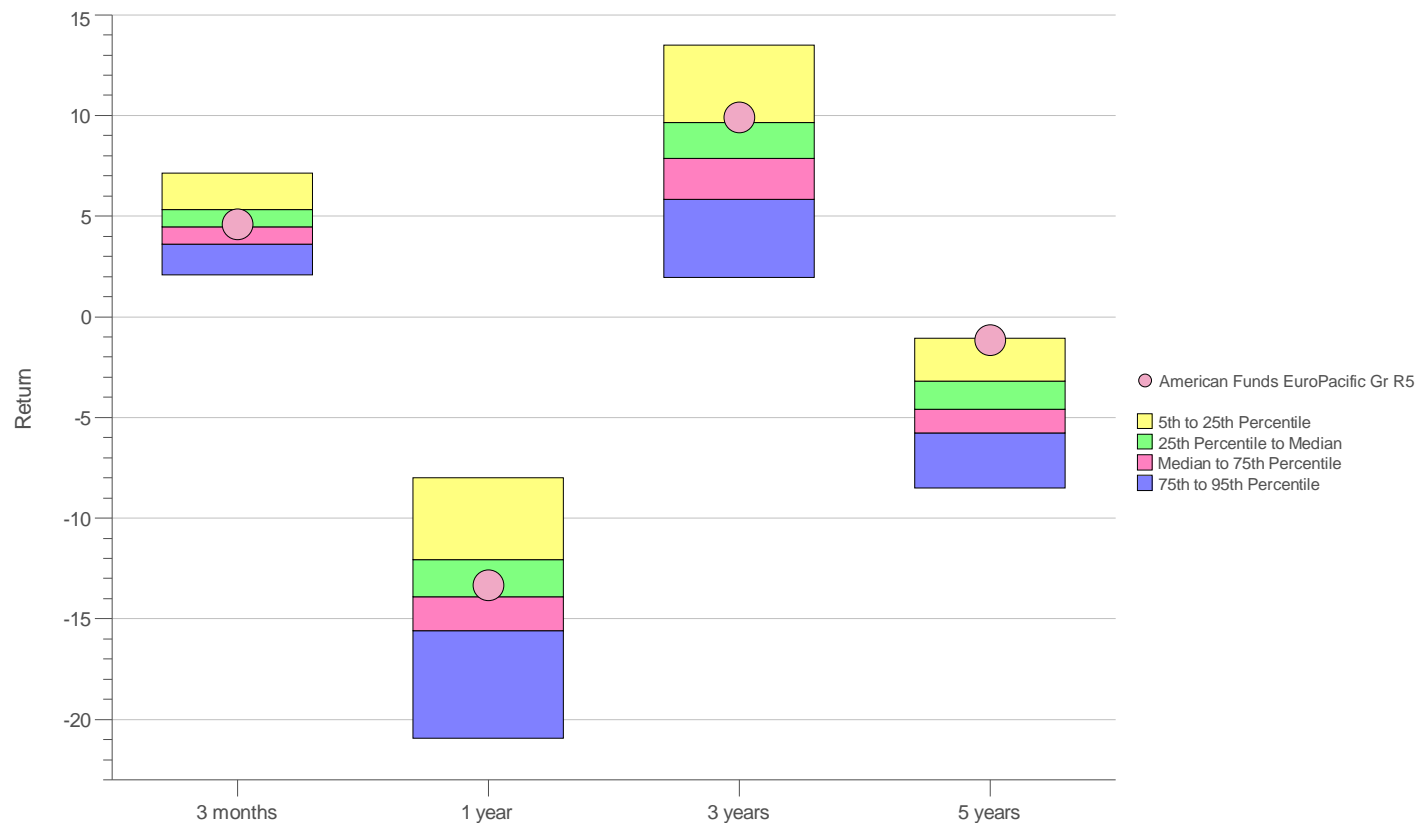
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### American Funds EuroPacific Growth R5

American Funds EuroPacific Growth Fund seeks long-term growth of capital. The fund normally invests at least 65% of assets in equity securities of issuers domiciled in Europe or the Pacific Basin. It may invest up to 20% of assets in securities issued in developing countries. Various factors will be considered when determining whether a country is part of Europe; a country will be considered part of the Pacific Basin if any of its borders touches the Pacific Basin.

### Manager vs Morningstar Foreign Large Blend: Return

January 2007 - December 2011 (not annualized if less than 1 year)



### Manager vs Benchmark: Return

January 2007 - December 2011 (not annualized if less than 1 year)

	3 months	YTD	1 year	3 years	5 years
American Funds EuroPacific Gr R5	4.59%	-13.33%	-13.33%	9.89%	-1.16%
Morningstar Foreign Large Blend	4.45%	-13.90%	-13.90%	7.51%	-4.75%

# Risk Analysis

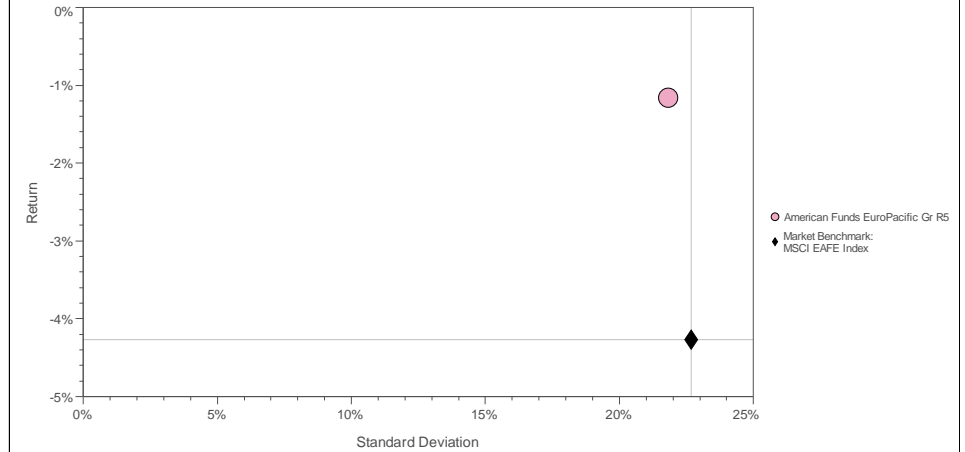
## Manager Style

January 2007 - December 2011 (36-Month Moving Windows, Computed Monthly)



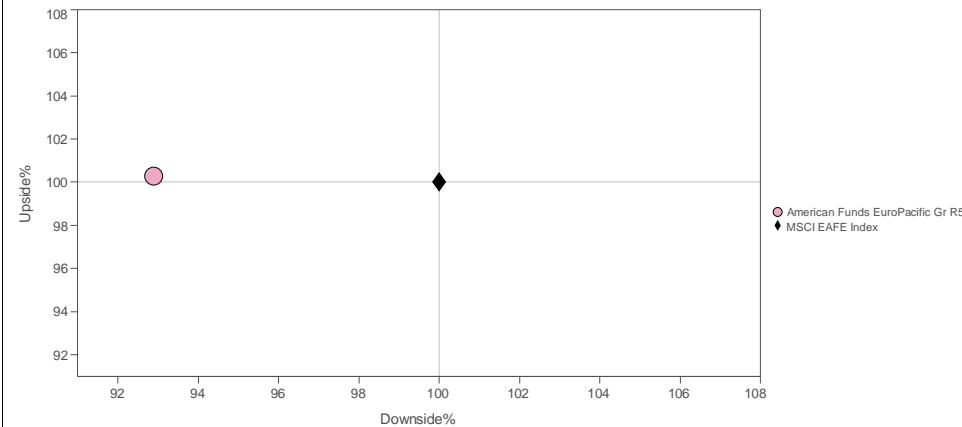
## Risk / Return

January 2007 - December 2011 (Single Computation)



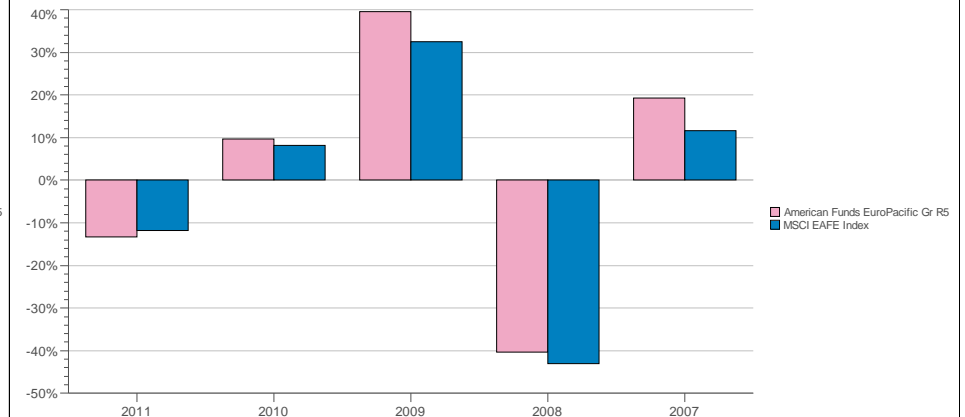
## Upside / Downside

January 2007 - December 2011 (Single Computation)



## Calendar Year Return

As of December 2011



## Portfolio Statistics

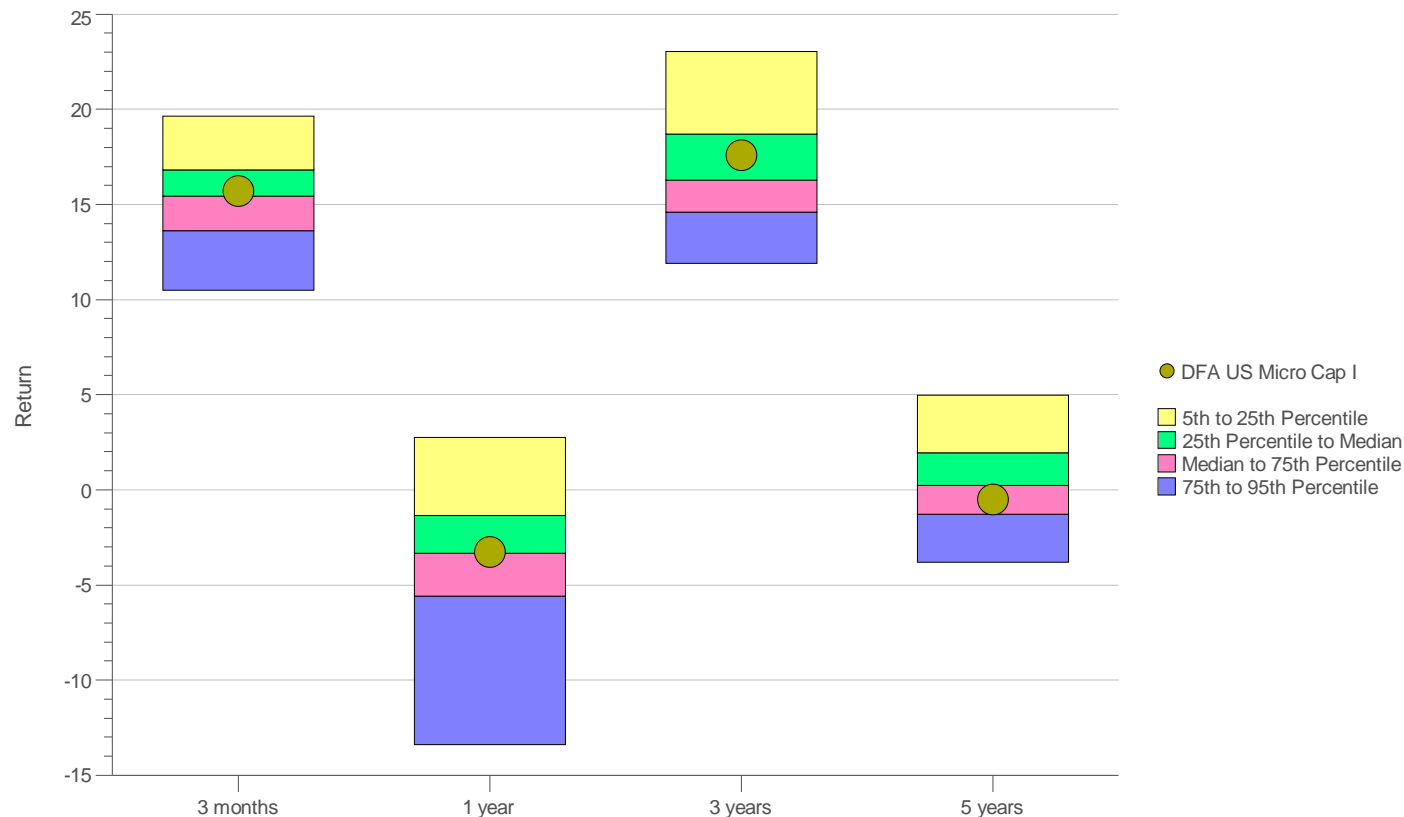
January 2007 - December 2011: Summary Statistics

	Cumulative Return	Alpha vs. Market	Alpha vs. Style	Beta vs. Market	Beta vs. Style	R-Squared vs. Market	R-Squared vs. Style	Sharpe Ratio	Standard Deviation
American Funds EuroPacific Gr R5	-5.67%	2.92%	-2.07%	0.94	1.05	95.82%	84.50%	-0.12	21.82%
MSCI EAFE Index	-19.58%	0.00%	-4.47%	1.00	1.08	100.00%	85.02%	-0.25	22.68%

### DFA U.S. Microcap I

DFA U.S. Microcap seeks long-term capital appreciation. The fund invests in a diverse group of small companies with readily marketable securities. These companies may be traded on the NYSE, the AMEX, or over-the-counter market, but their market capitalizations must be comparable with those in the smallest quartile of the NYSE. The portfolio is re-balanced at least semiannually.

Manager vs Morningstar Small Blend: Return  
January 2007 - December 2011 (not annualized if less than 1 year)



Manager vs Benchmark: Return  
January 2002 - December 2011 (not annualized if less than 1 year)

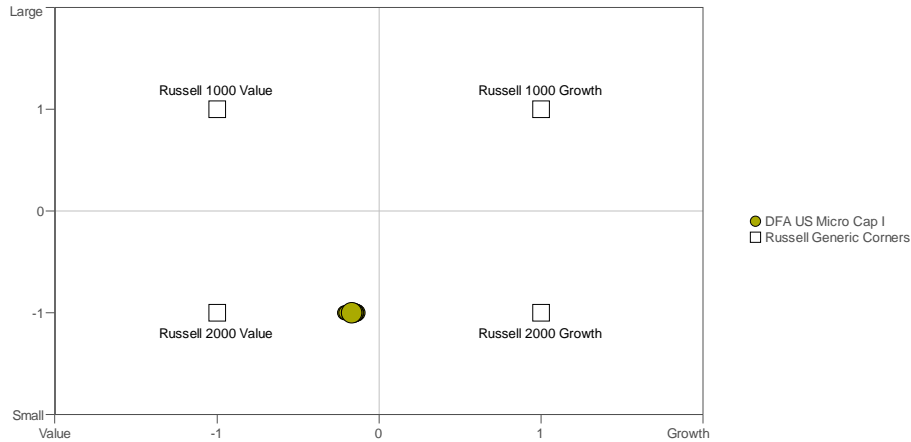
	3 months	YTD	1 year	3 years	5 years	10 years
DFA US Micro Cap I	15.72%	-3.25%	-3.25%	17.61%	-0.49%	7.05%
Morningstar Small Blend	15.22%	-4.28%	-4.28%	16.68%	-0.22%	5.47%



# Risk Analysis

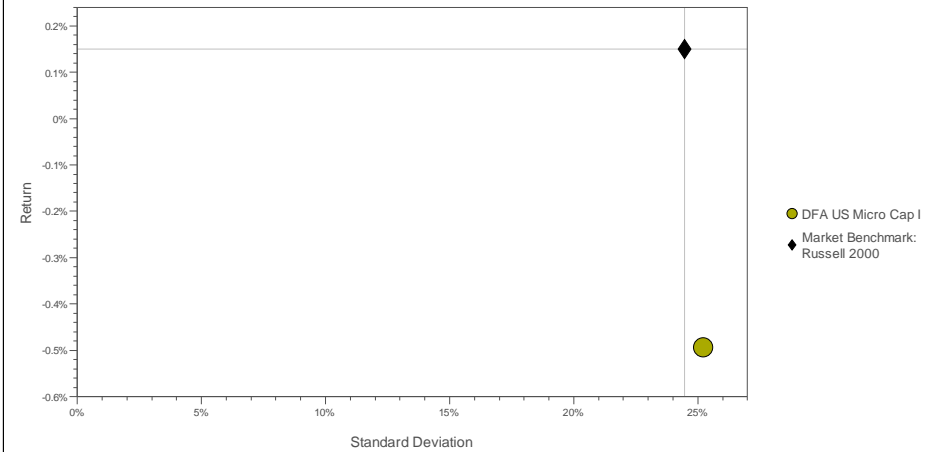
## Manager Style

January 2007 - December 2011 (36-Month Moving Windows, Computed Monthly)



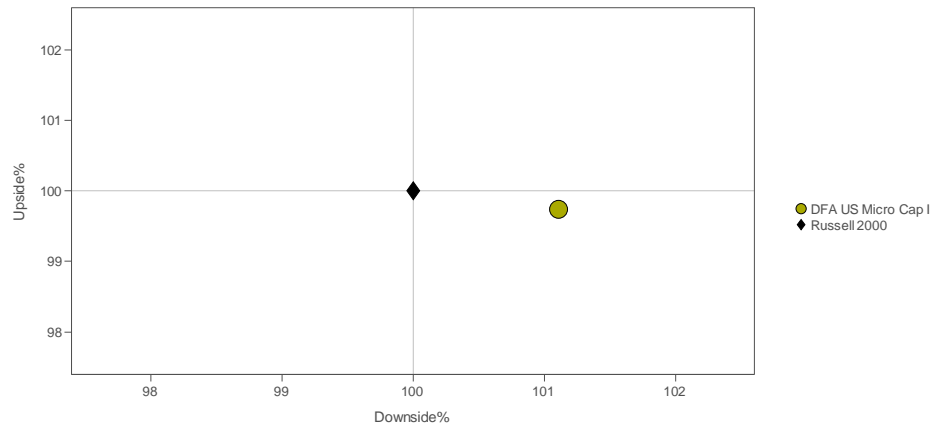
## Risk / Return

January 2007 - December 2011 (Single Computation)



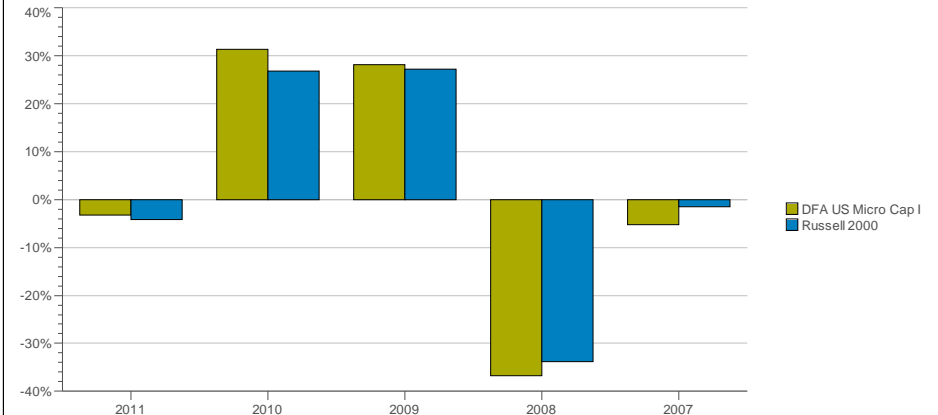
## Upside / Downside

January 2007 - December 2011 (Single Computation)



## Calendar Year Return

As of December 2011



## Portfolio Statistics

January 2007 - December 2011: Summary Statistics

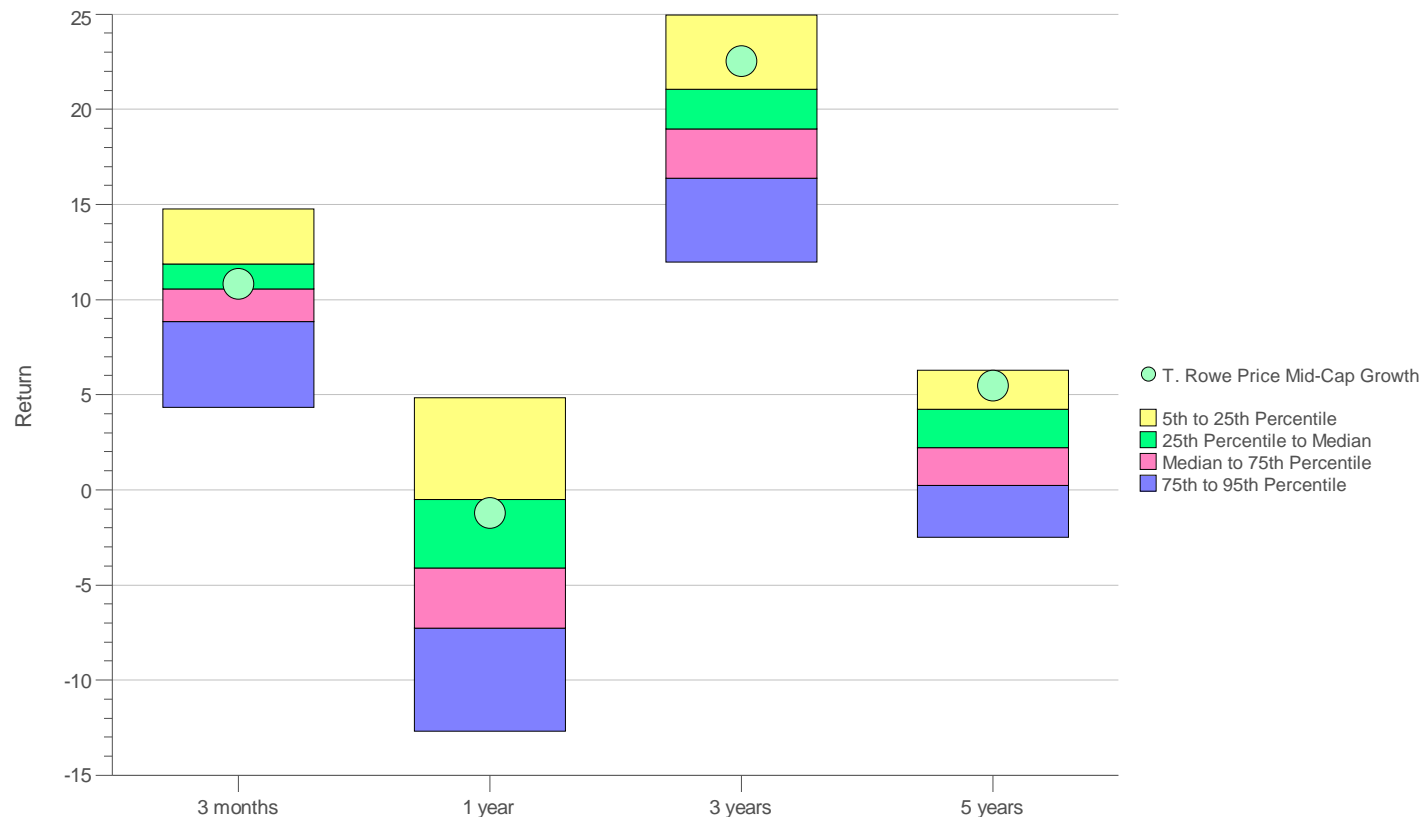
	Cumulative Return	Alpha vs. Market	Alpha vs. Style	Beta vs. Market	Beta vs. Style	R-Squared vs. Market	R-Squared vs. Style	Sharpe Ratio	Standard Deviation
DFA US Micro Cap I	-2.44%	-0.54%	-0.26%	1.02	1.03	98.94%	98.98%	-0.07	25.21%
Russell 2000	0.75%	0.00%	-0.02%	1.00	1.00	100.00%	100.00%	-0.05	24.47%

### T. Rowe Price Mid-Cap Growth

T. Rowe Price Mid Cap Growth Fund seeks long-term capital appreciation. The fund normally invests at least 80% of assets in mid-cap common stocks with above-average growth potential. The advisor seeks companies that offer proven products or services, have an above-average historical record of earnings growth, have the potential for sustaining growth, operate in industries experiencing increasing demand, or are reasonably valued.

### Manager vs Morningstar Mid-Cap Growth: Return

January 2007 - December 2011 (not annualized if less than 1 year)



### Manager vs Benchmark: Return

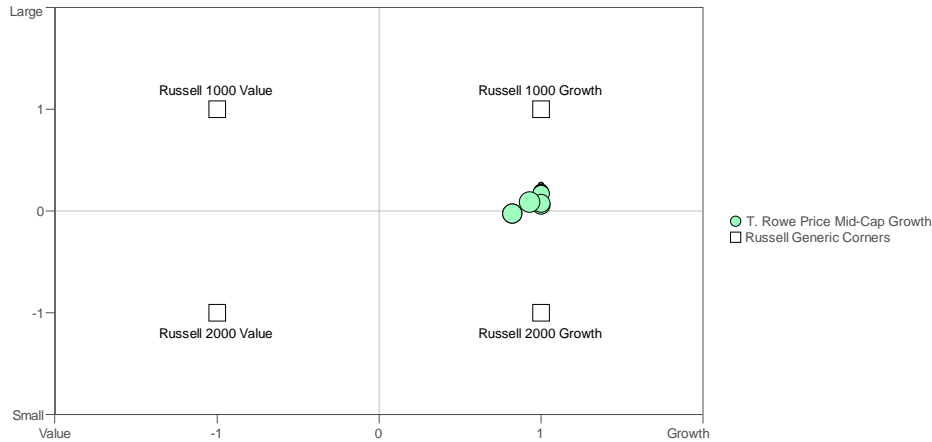
January 2002 - December 2011 (not annualized if less than 1 year)

	3 months	YTD	1 year	3 years	5 years	10 years
T. Rowe Price Mid-Cap Growth	10.81%	-1.21%	-1.21%	22.54%	5.48%	7.52%
Morningstar Mid-Cap Growth	10.35%	-4.15%	-4.15%	18.43%	1.33%	3.64%

# Risk Analysis

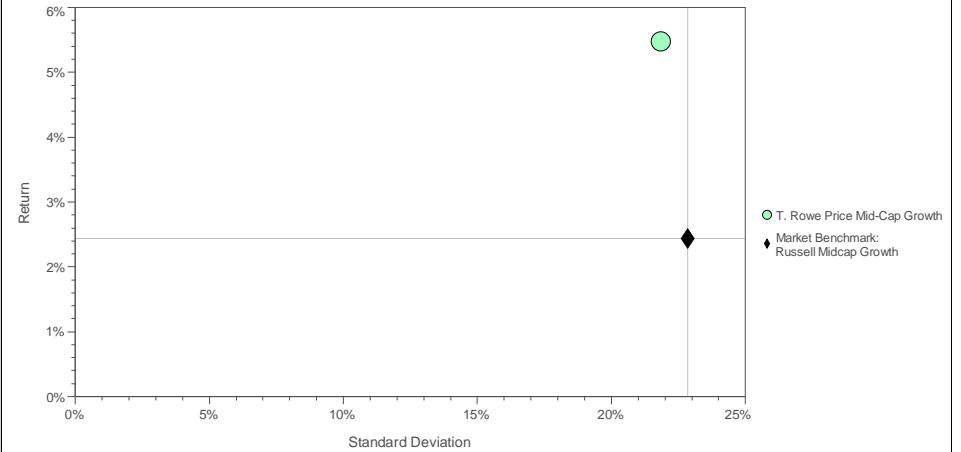
## Manager Style

January 2007 - December 2011 (36-Month Moving Windows, Computed Monthly)



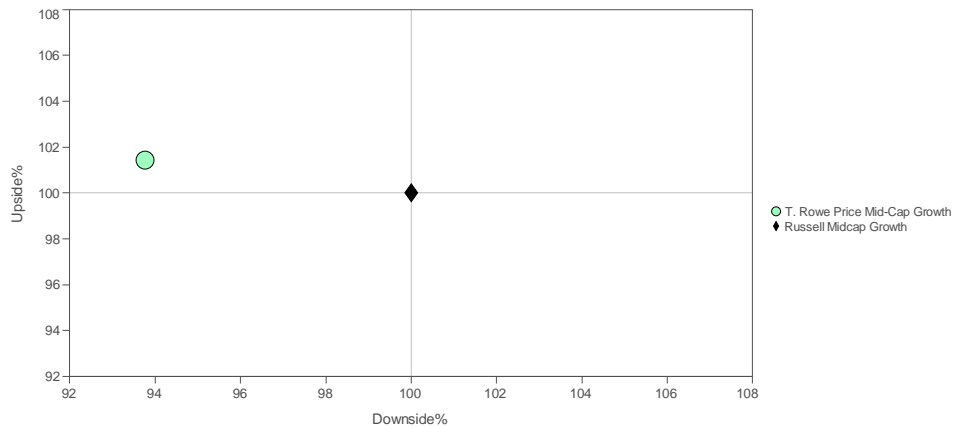
## Risk / Return

January 2007 - December 2011 (Single Computation)



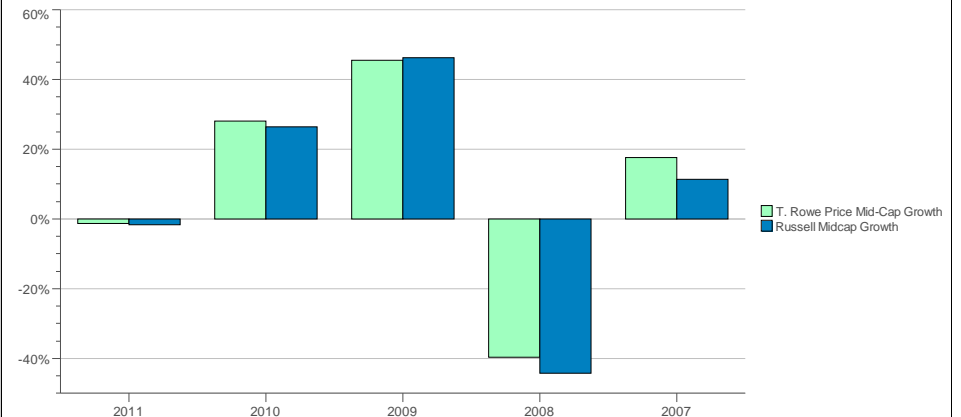
## Upside / Downside

January 2007 - December 2011 (Single Computation)



## Calendar Year Return

As of December 2011



## Portfolio Statistics

January 2007 - December 2011: Summary Statistics

	Cumulative Return	Alpha vs. Market	Alpha vs. Style	Beta vs. Market	Beta vs. Style	R-Squared vs. Market	R-Squared vs. Style	Sharpe Ratio	Standard Deviation
T. Rowe Price Mid-Cap Growth	30.58%	3.02%	3.29%	0.95	1.02	98.00%	96.72%	0.19	21.85%
Russell Midcap Growth	12.81%	0.00%	0.24%	1.00	1.06	100.00%	97.30%	0.05	22.83%

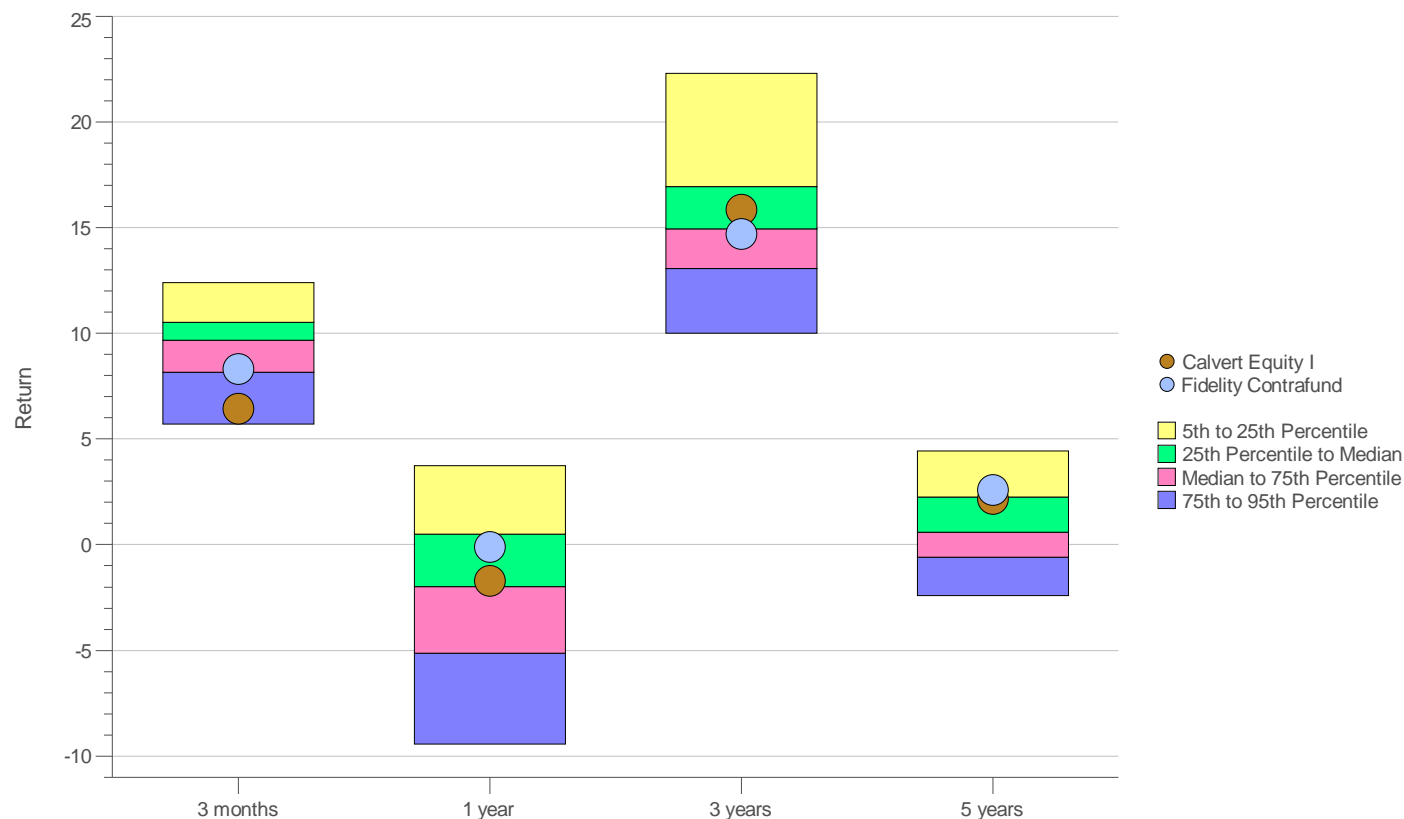
**Calvert Equity I**

Calvert Social Investment Fund seeks growth of capital. The fund invests with the philosophy that long-term rewards to investors come from those organizations whose products, services, and methods enhance the human condition and the traditional American values of individual initiative, equality of opportunity, and cooperative effort.

**Fidelity Contrafund**

Fidelity Contrafund seeks capital appreciation. The fund invests primarily in the common stocks of companies believed to be undervalued. The types of companies in which the fund may invest include companies experiencing positive fundamental change such as new management team or product launch or companies that are undervalued in relation to securities of other companies in the same industry.

**Manager vs Morningstar Large Growth: Return**  
January 2007 - December 2011 (not annualized if less than 1 year)



**Manager vs Benchmark: Return**

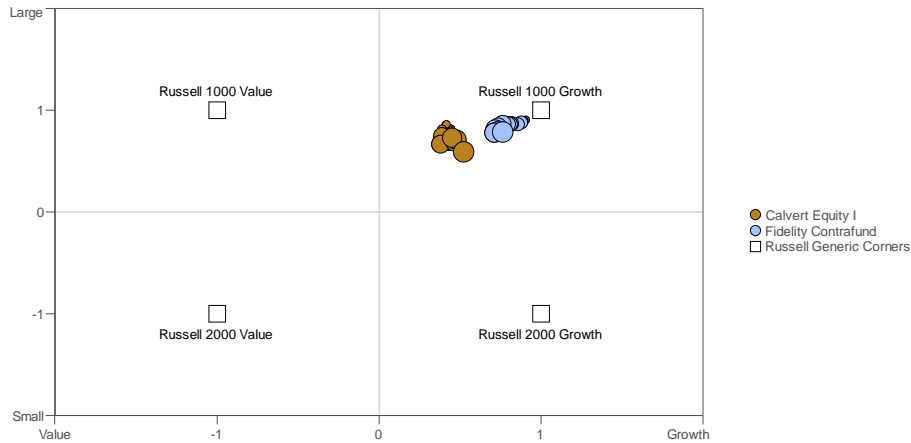
January 2002 - December 2011 (not annualized if less than 1 year)

	3 months	YTD	1 year	3 years	5 years	10 years
Calvert Equity I	6.44%	-1.70%	-1.70%	15.85%	2.18%	3.84%
Fidelity Contrafund	8.29%	-0.12%	-0.12%	14.70%	2.58%	6.96%
Morningstar Large Growth	9.34%	-2.56%	-2.56%	14.99%	0.34%	1.52%

# Risk Analysis

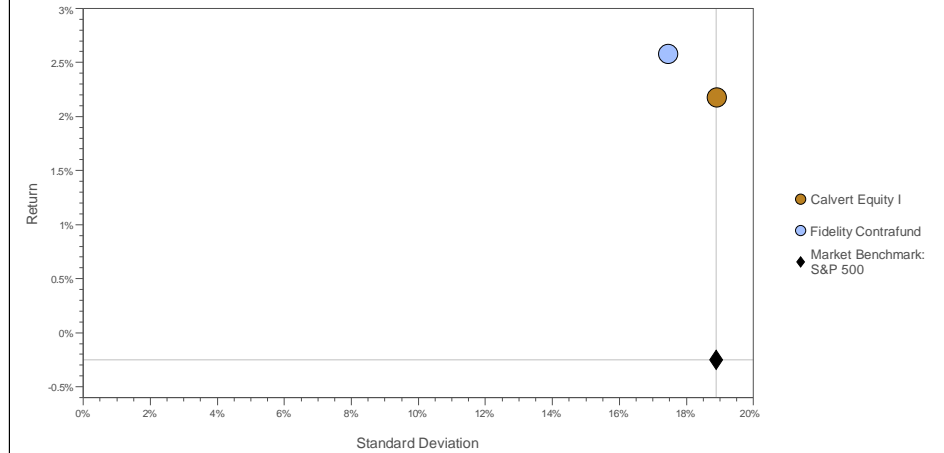
## Manager Style

January 2007 - December 2011 (36-Month Moving Windows, Computed Monthly)



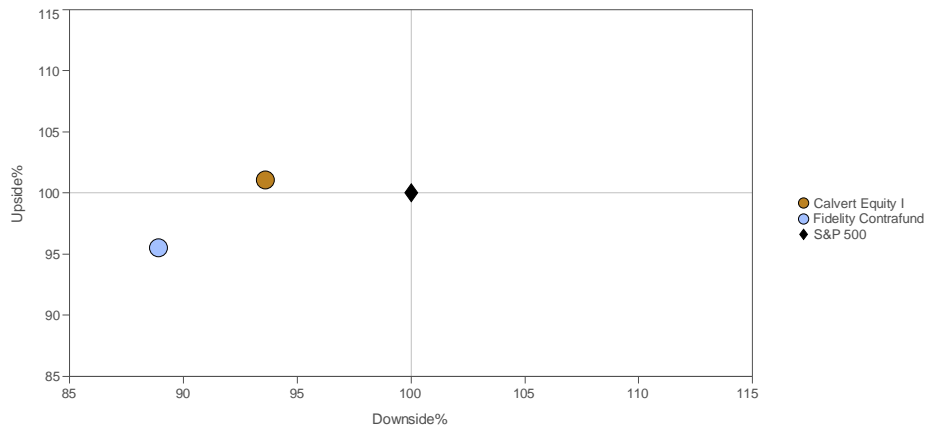
## Risk / Return

January 2007 - December 2011 (Single Computation)



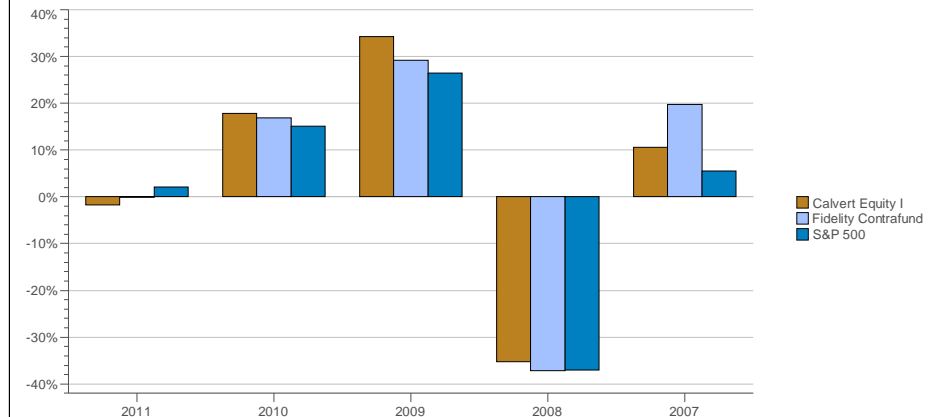
## Upside / Downside

January 2007 - December 2011 (Single Computation)



## Calendar Year Return

As of December 2011



## Portfolio Statistics

January 2007 - December 2011: Summary Statistics

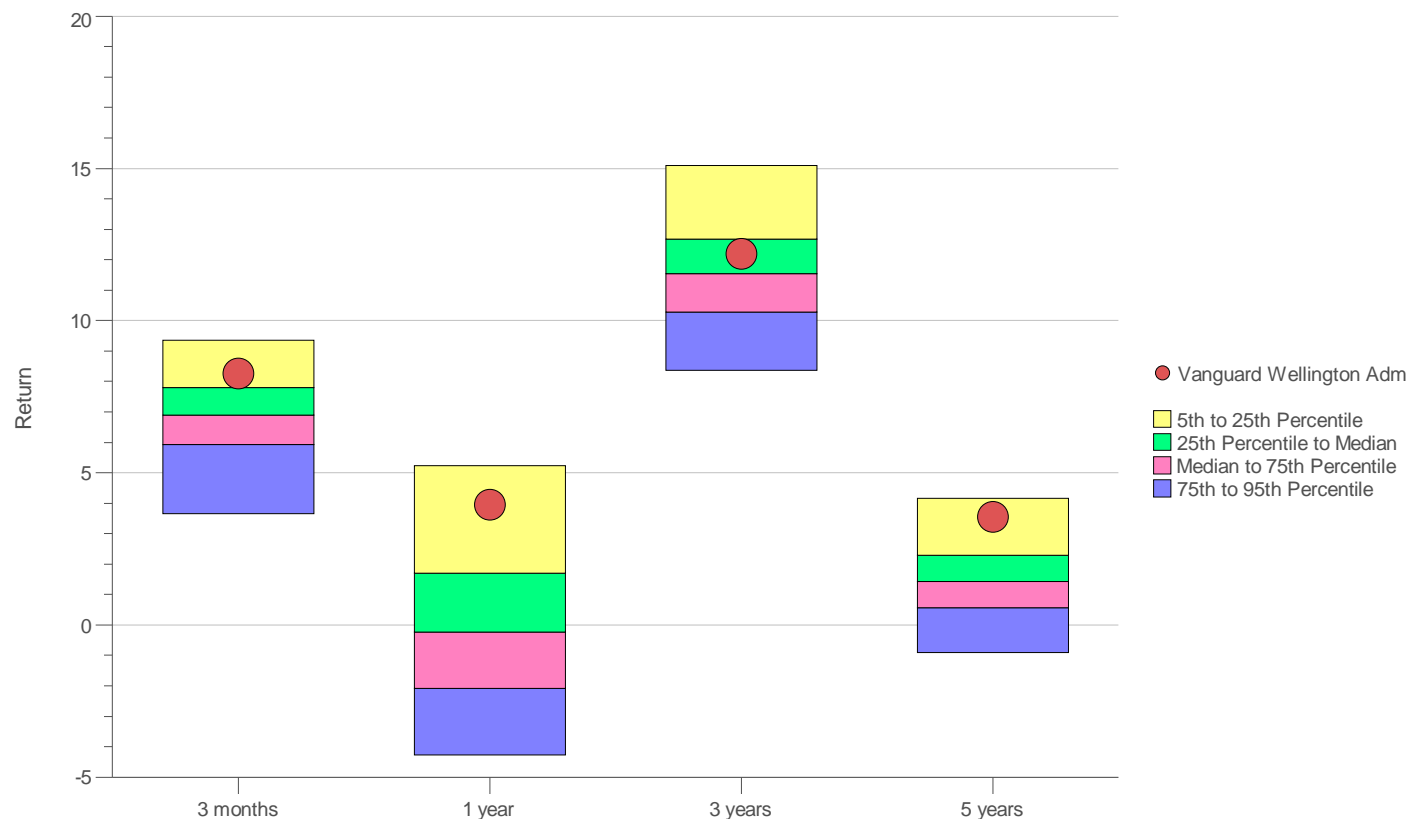
	Cumulative Return	Alpha vs. Market	Alpha vs. Style	Beta vs. Market	Beta vs. Style	R-Squared vs. Market	R-Squared vs. Style	Sharpe Ratio	Standard Deviation
Calvert Equity I	11.38%	2.47%	1.00%	0.97	0.99	94.38%	96.25%	0.04	18.90%
Fidelity Contrafund	13.59%	2.76%	0.25%	0.88	1.00	90.49%	95.31%	0.07	17.46%
S&P 500	-1.24%	0.00%	-0.03%	1.00	1.00	100.00%	99.86%	-0.09	18.88%

**Calvert Equity I**

Vanguard Wellington seeks moderate long-term capital growth and current income. The fund invests at least 60-70% of assets in dividend-paying value stocks, and to a lesser extent, non-dividend paying stocks of established medium-size and large-size companies. It may also invest 30-40% of assets in the following securities: high quality intermediate, long-term corporate, and U.S. government bonds with an average maturity of 5 to 15 years.

**Manager vs Morningstar Moderate Allocation: Return**

January 2007 - December 2011 (not annualized if less than 1 year)



**Manager vs Benchmark: Return**

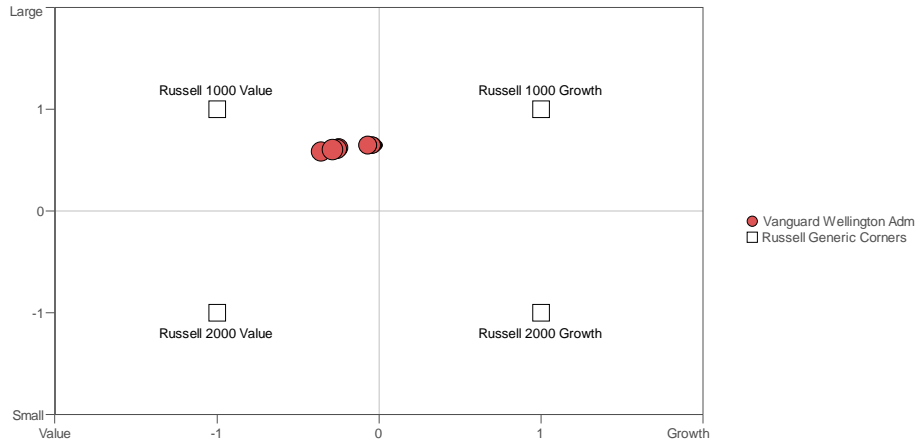
January 2002 - December 2011 (not annualized if less than 1 year)

	3 months	YTD	1 year	3 years	5 years	10 years
Vanguard Wellington Adm	8.27%	3.95%	3.95%	12.19%	3.56%	6.28%
Morningstar Moderate Allocation	6.67%	-0.40%	-0.40%	11.34%	0.98%	3.53%

# Risk Analysis

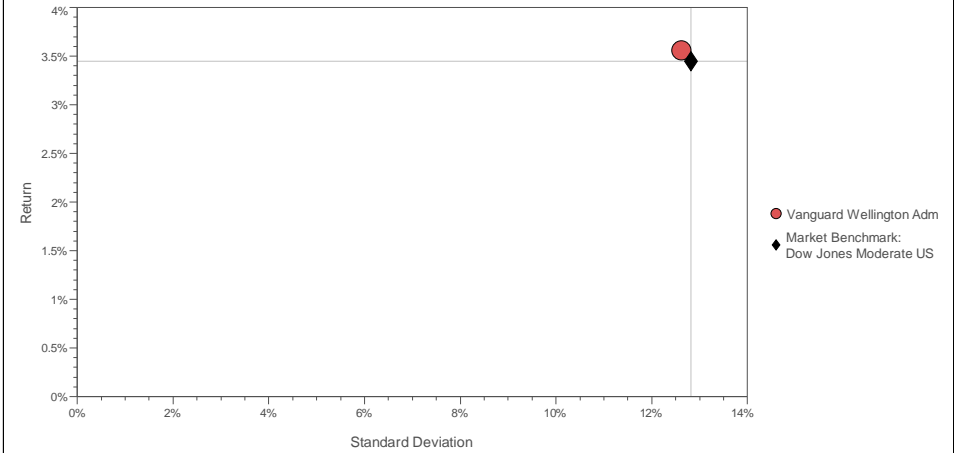
## Manager Style

January 2007 - December 2011 (36-Month Moving Windows, Computed Monthly)



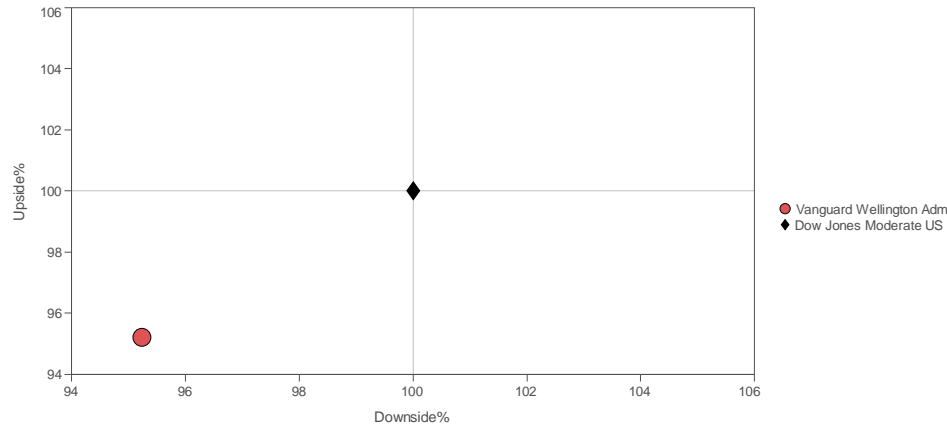
## Risk / Return

January 2007 - December 2011 (Single Computation)



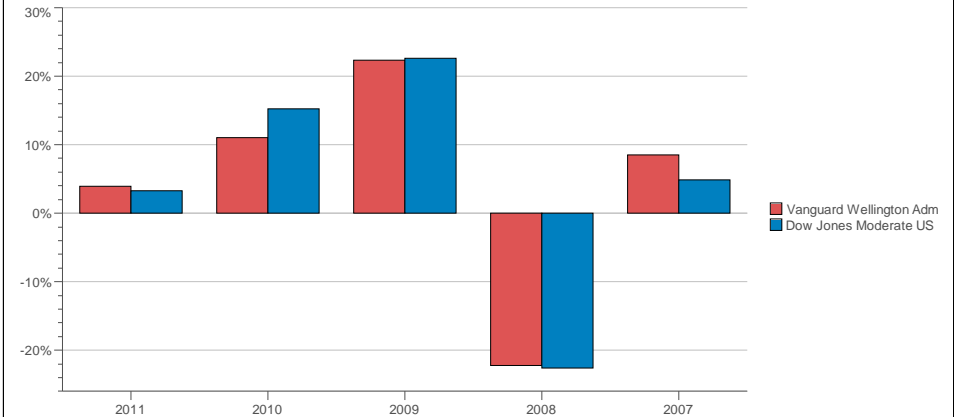
## Upside / Downside

January 2007 - December 2011 (Single Computation)



## Calendar Year Return

As of December 2011



## Portfolio Statistics

January 2007 - December 2011: Summary Statistics

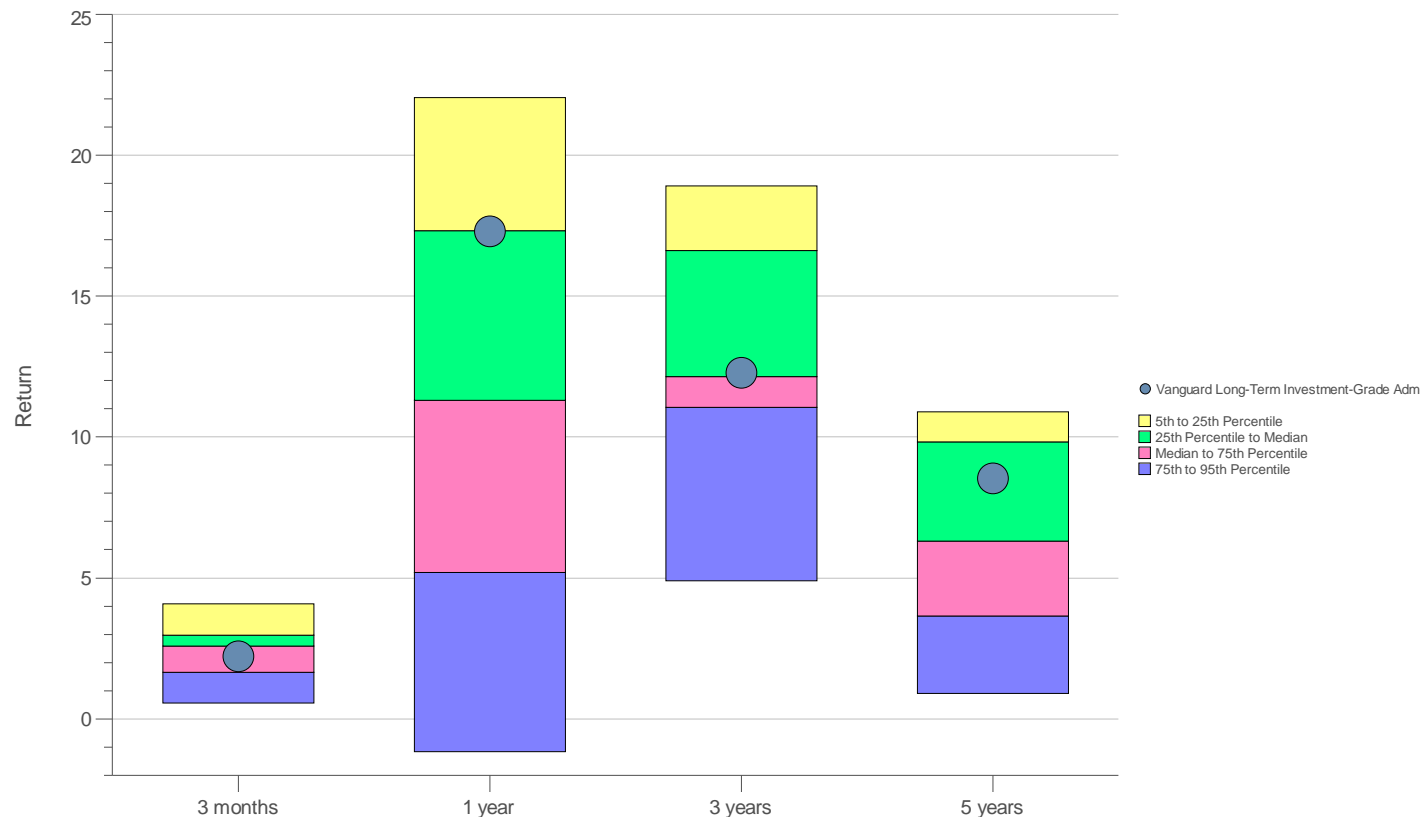
	Cumulative Return	Alpha vs. Market	Alpha vs. Style	Beta vs. Market	Beta vs. Style	R-Squared vs. Market	R-Squared vs. Style	Sharpe Ratio	Standard Deviation
Vanguard Wellington Adm	19.12%	0.30%	2.85%	0.95	0.99	93.18%	94.50%	0.17	12.61%
Dow Jones Moderate US	18.46%	0.00%	2.42%	1.00	0.97	100.00%	97.63%	0.16	12.82%

**Vanguard Long-Term Investment-Grade Bond Adm**

Vanguard Long-Term Investment-Grade Bond Fund seeks current income consistent with maintenance of principal and liquidity. The fund typically invests at least 80% of assets in high-quality corporate bonds; it invests at least 80% of assets in a combination of U.S. government securities and investment-grade corporate bonds. The average weighted maturity generally ranges from 15 to 25 years

**Manager vs Morningstar Long-Term Bond: Return**

January 2007 - December 2011 (not annualized if less than 1 year)



**Manager vs Benchmark: Return**

January 2002 - December 2011 (not annualized if less than 1 year)

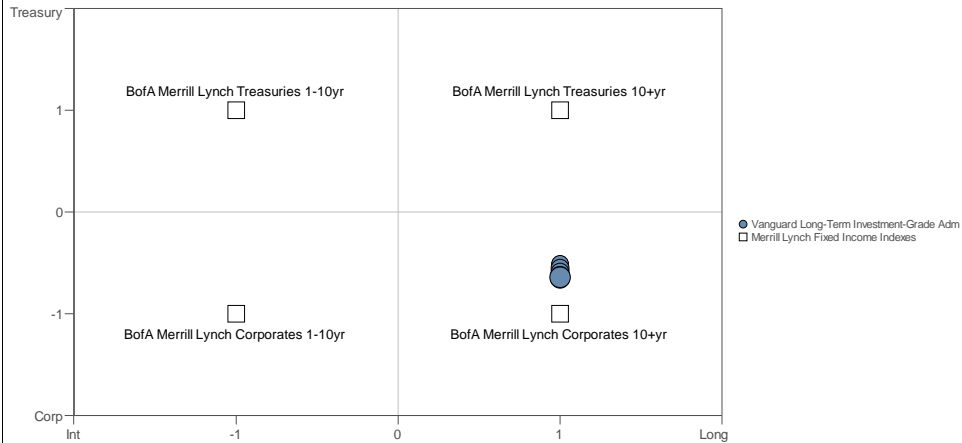
	3 months	YTD	1 year	3 years	5 years	10 years
Vanguard Long-Term Investment-Grade Adm	2.21%	17.30%	17.30%	12.29%	8.53%	7.93%
Morningstar Long-Term Bond	2.32%	10.79%	10.79%	12.77%	7.58%	6.72%



# Risk Analysis

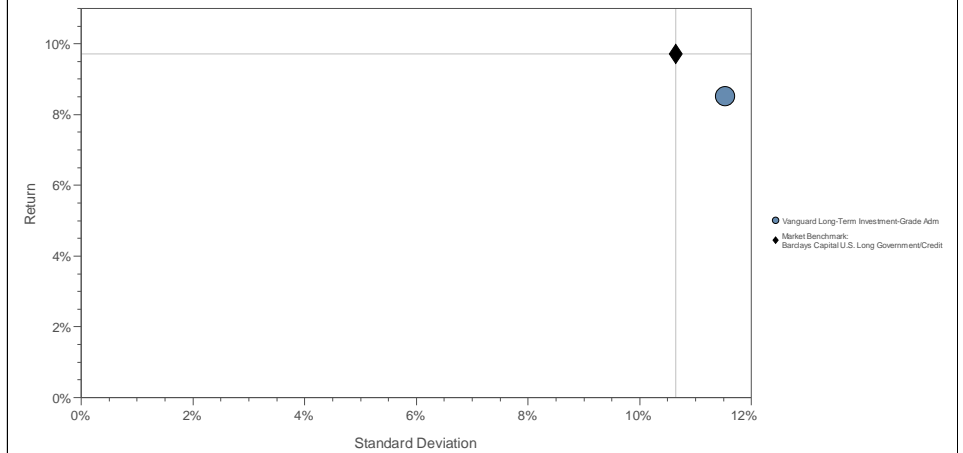
## Manager Style

January 2007 - December 2011 (36-Month Moving Windows, Computed Monthly)



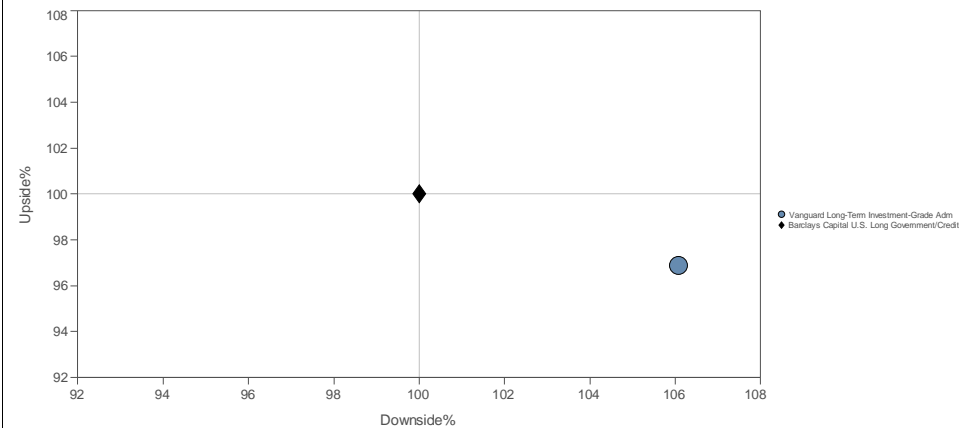
## Risk / Return

January 2007 - December 2011 (Single Computation)



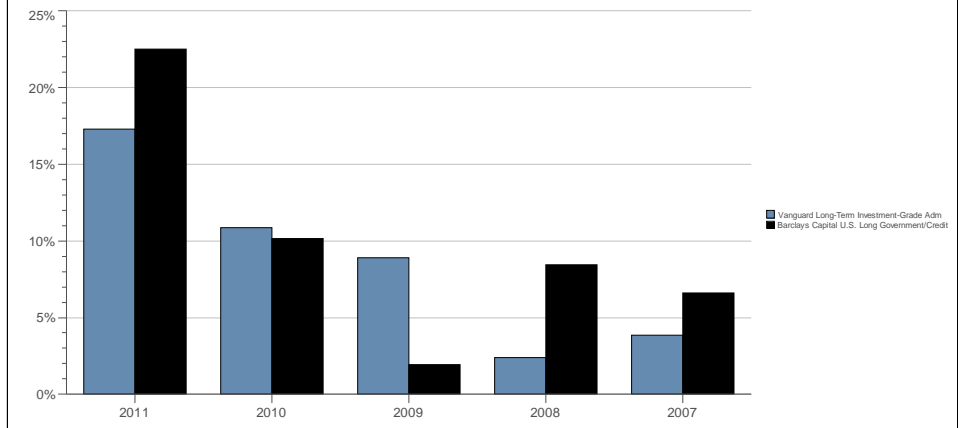
## Upside / Downside

January 2007 - December 2011 (Single Computation)



## Calendar Year Return

As of December 2011



## Portfolio Statistics

January 2007 - December 2011: Summary Statistics

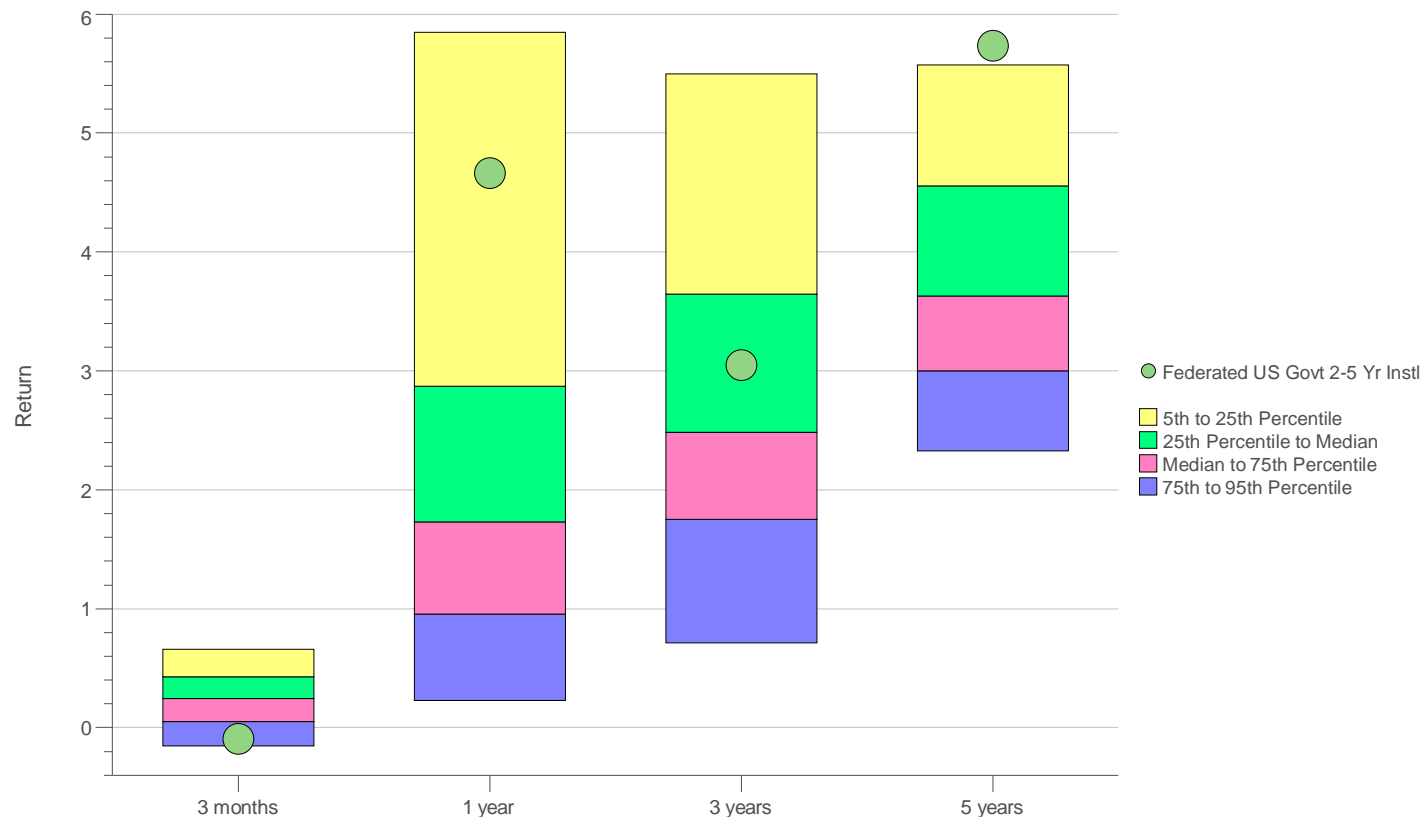
	Cumulative Return	Alpha vs. Market	Alpha vs. Style	Beta vs. Market	Beta vs. Style	R-Squared vs. Market	R-Squared vs. Style	Sharpe Ratio	Standard Deviation
Vanguard Long-Term Investment-Grade Adm	50.57%	-1.22%	-0.84%	1.02	1.04	89.25%	97.96%	0.62	11.53%
Barclays Capital U.S. Long Government/Credit	58.96%	0.00%	-0.01%	1.00	1.00	100.00%	99.62%	0.78	10.64%

**Vanguard Long-Term Investment-Grade Bond Adm**

Vanguard Long-Term Investment-Grade Bond Fund seeks current income consistent with maintenance of principal and liquidity. The fund typically invests at least 80% of assets in high-quality corporate bonds; it invests at least 80% of assets in a combination of U.S. government securities and investment-grade corporate bonds. The average weighted maturity generally ranges from 15 to 25 years

**Manager vs Morningstar Short Government: Return**

January 2007 - December 2011 (not annualized if less than 1 year)



**Manager vs Benchmark: Return**

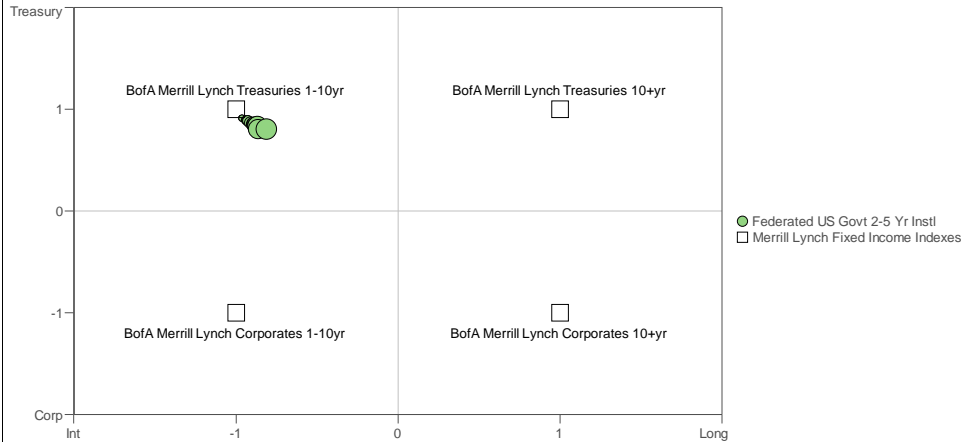
January 2002 - December 2011 (not annualized if less than 1 year)

	3 months	YTD	1 year	3 years	5 years	10 years
Federated US Govt 2-5 Yr Instl	-0.10%	4.67%	4.67%	3.05%	5.74%	4.63%
Morningstar Short Government	0.25%	2.14%	2.14%	2.81%	3.71%	3.29%

# Risk Analysis

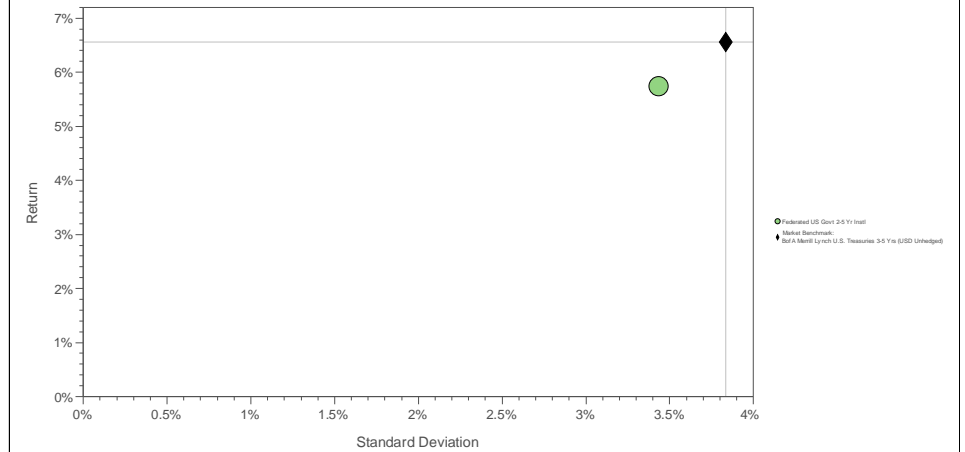
## Manager Style

January 2007 - December 2011 (36-Month Moving Windows, Computed Monthly)



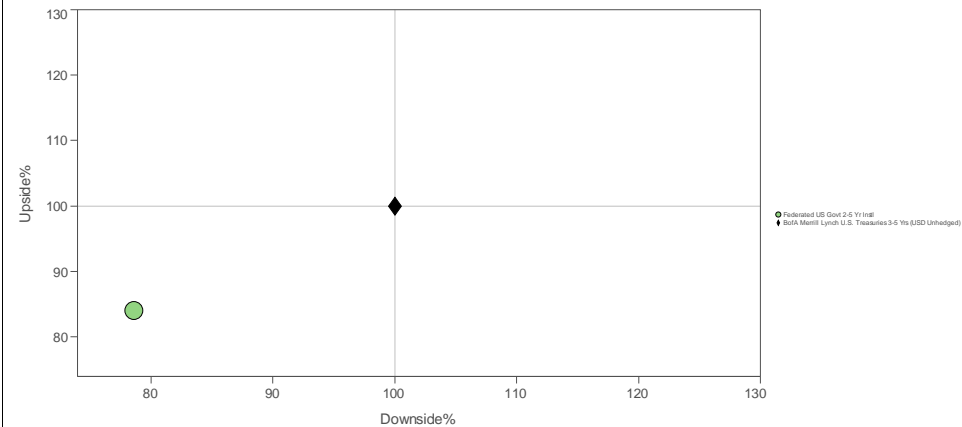
## Risk / Return

January 2007 - December 2011 (Single Computation)



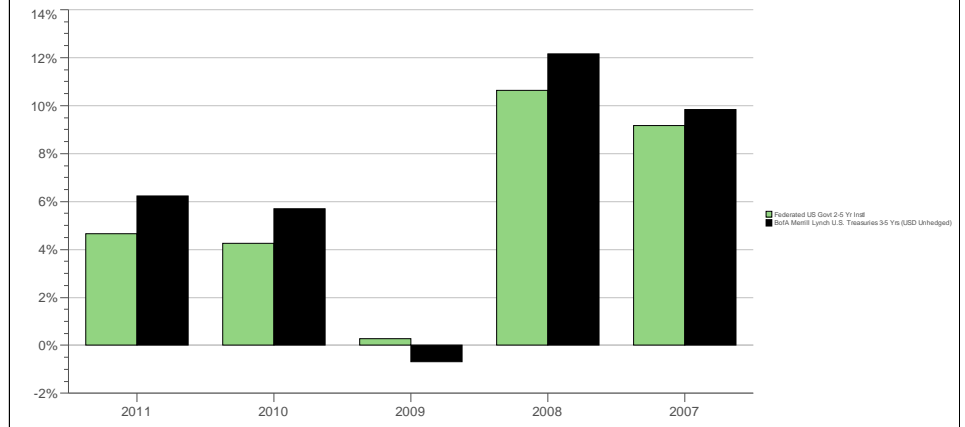
## Upside / Downside

January 2007 - December 2011 (Single Computation)



## Calendar Year Return

As of December 2011



## Portfolio Statistics

January 2007 - December 2011: Summary Statistics

	Cumulative Return	Alpha vs. Market	Alpha vs. Style	Beta vs. Market	Beta vs. Style	R-Squared vs. Market	R-Squared vs. Style	Sharpe Ratio	Standard Deviation
Federated US Govt 2-5 Yr Instl	32.17%	0.13%	4.08%	0.86	1.21	91.59%	3.41%	1.27	3.43%
BofA Merrill Lynch U.S. Treasuries 3-5 Yrs (USD Unhedged)	37.38%	0.00%	4.75%	1.00	1.32	100.00%	3.26%	1.35	3.83%

# Lifecycle Options



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# Lifecycle Option Report Card

## 12/31/2011

Name	3 Mo	1 Yr	3 Yr	5 Yr	Annual Return (2011)	Annual Return (2010)	Annual Return (2009)	% Short-Term	% US Stocks	% Non US Stocks	% Inv Grade Bond	% High Yield Bond
<b>Vanguard Target Retirement Income Inv</b>	<b>3.99</b>	<b>5.25</b>	<b>9.58</b>	<b>4.86</b>	<b>5.25</b>	<b>9.39</b>	<b>14.28</b>	<b>8</b>	<b>20</b>	<b>8</b>	<b>64</b>	<b>0</b>
Fidelity Freedom Income	2.49	2.02	8.44	3.27	2.02	7.63	16.12	27	12	6	50	5
T. Rowe Price Retirement Income	5.11	1.43	10.88	3.37	1.43	10.10	22.07	7	30	10	44	9
Composite Returns*	3.24	3.66	7.27	3.33	3.66	7.61	11.21	-	-	-	-	-
DJ US Target Today TR USD	2.85	6.42	8.71	5.90	6.42	8.72	11.04					
<b>Vanguard Target Retirement 2015 Inv</b>	<b>6.07</b>	<b>1.71</b>	<b>11.54</b>	<b>2.54</b>	<b>1.71</b>	<b>12.47</b>	<b>21.30</b>	<b>3</b>	<b>39</b>	<b>16</b>	<b>42</b>	<b>0</b>
Fidelity Freedom 2015	4.83	-0.34	11.84	1.90	-0.34	11.75	25.62	12	29	14	37	8
T. Rowe Price Retirement 2015	7.07	-0.32	14.21	2.11	-0.32	13.79	31.35	5	44	18	26	7
Composite Returns*	5.41	0.58	8.57	0.93	0.58	9.43	17.04	-	-	-	-	-
DJ US Target 2015 TR USD	4.70	5.44	11.15	4.21	5.44	11.54	16.75					
<b>Vanguard Target Retirement 2025 Inv</b>	<b>7.38</b>	<b>-0.37</b>	<b>12.28</b>	<b>1.27</b>	<b>-0.37</b>	<b>13.84</b>	<b>24.81</b>	<b>2</b>	<b>50</b>	<b>21</b>	<b>27</b>	<b>0</b>
Fidelity Freedom 2025	6.30	-2.65	12.94	0.76	-2.65	13.82	30.03	10	40	19	23	8
T. Rowe Price Retirement 2025	8.18	-2.06	15.48	1.06	-2.06	15.37	36.29	5	53	23	15	4
Composite Returns*	6.65	-1.44	9.19	-0.62	-1.44	10.35	20.39	-	-	-	-	-
DJ US Target 2025 TR USD	7.58	3.53	13.97	2.98	3.53	15.44	23.85					
<b>Vanguard Target Retirement 2035 Inv</b>	<b>8.72</b>	<b>-2.24</b>	<b>13.00</b>	<b>0.27</b>	<b>-2.24</b>	<b>15.14</b>	<b>28.17</b>	<b>1</b>	<b>61</b>	<b>25</b>	<b>12</b>	<b>0</b>
Fidelity Freedom 2035	7.30	-4.59	12.75	-0.51	-4.59	14.46	31.26	11	48	23	10	8
T. Rowe Price Retirement 2035	9.05	-3.26	16.10	0.43	-3.26	16.34	39.04	4	60	27	7	2
Composite Returns*	7.91	-3.31	9.83	-2.10	-3.31	11.30	23.59	-	-	-	-	-
DJ US Target 2035 TR USD	10.12	1.50	16.10	1.91	1.50	18.62	29.98					
<b>Vanguard Target Retirement 2045 Inv</b>	<b>8.76</b>	<b>-2.51</b>	<b>12.90</b>	<b>0.24</b>	<b>-2.51</b>	<b>15.19</b>	<b>28.15</b>	<b>1</b>	<b>62</b>	<b>26</b>	<b>11</b>	<b>0</b>
Fidelity Freedom 2045	7.67	-5.02	12.89	-0.84	-5.02	14.72	32.04	11	49	24	6	10
T. Rowe Price Retirement 2045	9.12	-3.47	16.06	0.43	-3.47	16.44	39.10	4	61	27	6	2
Composite Returns*	7.99	-3.54	9.88	-2.25	-3.54	11.36	23.94	-	-	-	-	-
DJ US Target 2045 TR USD	11.22	0.56	16.72	1.65	0.56	19.83	31.97					
<b>Vanguard Target Retirement 2055 Inv</b>	<b>8.87</b>	<b>-2.27</b>	<b>-</b>	<b>-</b>	<b>-2.27</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>62</b>	<b>26</b>	<b>11</b>	<b>0</b>
Fidelity Freedom 2055 (begun 6/11)	7.99	-	-	-	-	-	-	11	52	26	1	10
T. Rowe Price Retirement 2055	9.12	-3.35	16.07	0.41	-3.35	16.41	38.97	4	61	27	6	2
Composite Returns*	8.00	-3.55	9.87	-2.26	-3.55	11.36	23.91	-	-	-	-	-
DJ US Target 2055 TR USD	11.23	0.55	16.72	1.65	0.55	19.83	31.97					

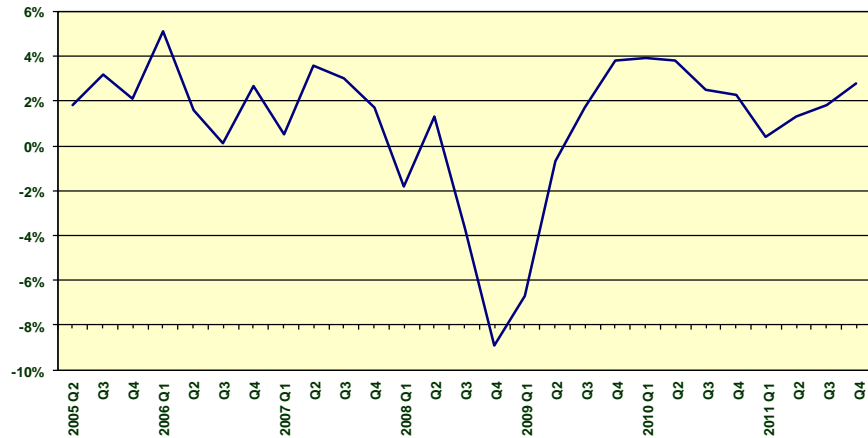
- Vanguard Target Retirement Funds outperform their composite indices over the 1, 3, and 5 year time periods, with longer-term time frames outpacing the benchmark by a wider margin than short-term time periods.
- The Vanguard Target Retirement Funds outperformed their Fidelity counterparts over all time periods, and also outperformed the T. Rowe Price Retirement funds over the 1 year time period.
- Vanguard's target allocations give them equity exposure that is in-line with their competitors.
- Vanguard has a smaller allocation to short term debt than its peers, but a greater allocation to investment grade bonds than its peers.

# Economic Overview



**AdvisedAssetsGroup**

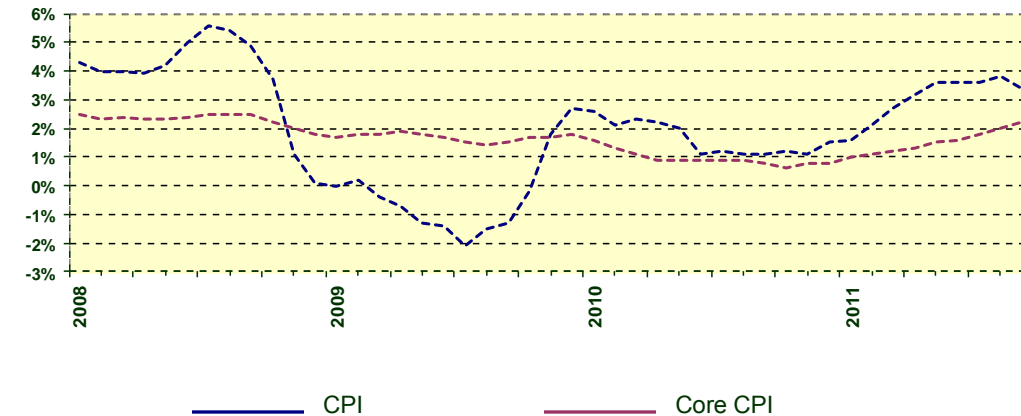
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## GDP

- Real Gross Domestic Product increased at an annual rate of 2.8% in the fourth quarter of 2011.<sup>1</sup>
  - Among the largest contributors to GDP for the quarter were inventories and residential fixed investments. The largest detractors were increased imports, as well as lower federal and state government spending.
  - For 2011, GDP increased 1.7% for the year, versus a 3.0% increase in 2010.

Source: Bureau of Economic Analysis, <http://www.bea.gov/national/xls/gdpchg.xls>



## Inflation

- The Consumer Price Index (CPI) increased 3.4% for the 12 months ending in November.<sup>2</sup>
  - The 12 month change in Core CPI (CPI ex food & energy) rose to 2.2% over the previous 12 months.
  - The gasoline index declined for the second straight month. November saw gas prices fall 2.4% after a decline of 3.1% in October. However, for the 12 months ending in November, gasoline has seen an increase of more than 19%.

Source: Bureau of Labor Statistics, <http://www.bls.gov/data/#prices>



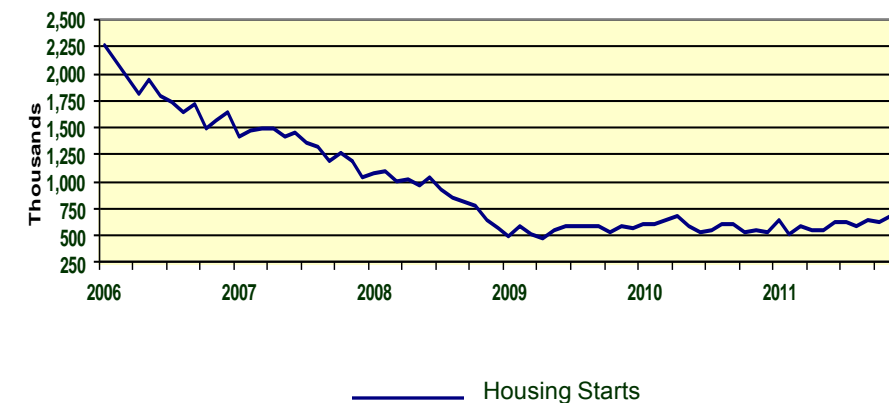


## Employment Statistics

- The official unemployment rate (U-3) fell to 8.5% at the end of December.<sup>3</sup>
  - Non-farm payrolls increased by 200,000 in December. Over the past 12 months, the economy has added 1.6 million new jobs.
  - The “U-6 Rate”, the most comprehensive measure of the nation’s employment situation, saw its fourth consecutive monthly decline, finishing December at 15.2%. This rate measures the total unemployed, marginally attached, and part-time workers.

## Housing

- November Housing Starts increased 9.3% from the October measure.<sup>4</sup>
  - This number represents a 24.3% increase from the November 2010 number of 551,000 units.
  - Building permits increased 5.7% from the revised October estimate. This represents a 20.7% increase over the previous 12 months.

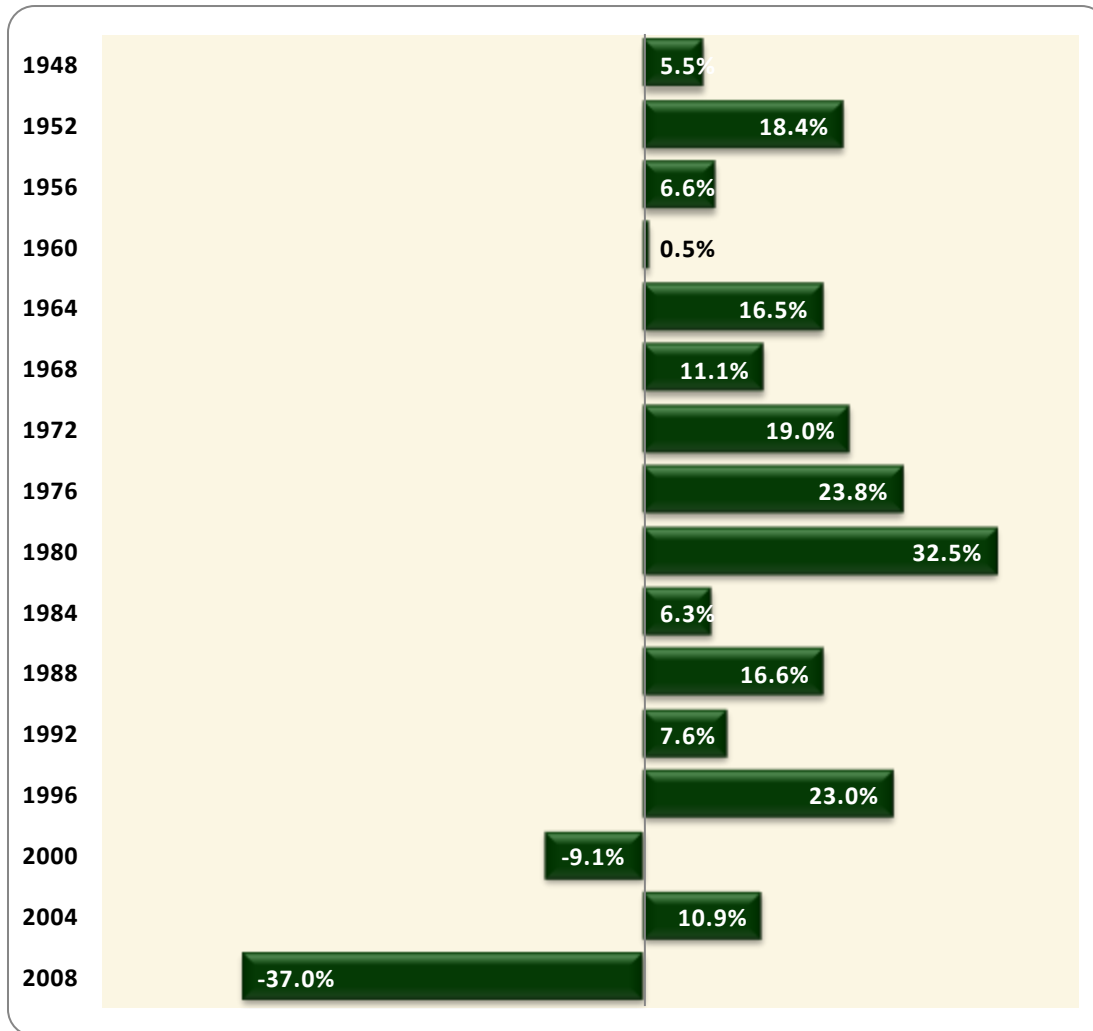


Source: Bureau of Labor Statistics, <http://www.bls.gov/news.release/empsit.t15.htm>

Source: U.S. Census Bureau, <http://www.census.gov/const/www/newresconstindex.html>

FOR FIELD AND PLAN SPONSOR USE ONLY

Although economic data and information is derived from a variety of financial publications and economic reporting companies, including Moody’s, S&P, etc., we cannot guarantee the completeness or accuracy of data shown. Past performance is not a guarantee of future results.



## Stocks have historically done well in Presidential Election years.

- The chart at the left shows the return for the S&P 500 for each presidential election year since the end of World War II.
- On average during those years, the S&P 500 has gained 9.5%.
- Excluding the large loss in 2008, the average gain was 12.6%.

Source: <http://www.istockanalyst.com/article/viewarticle/articleid/2803347>

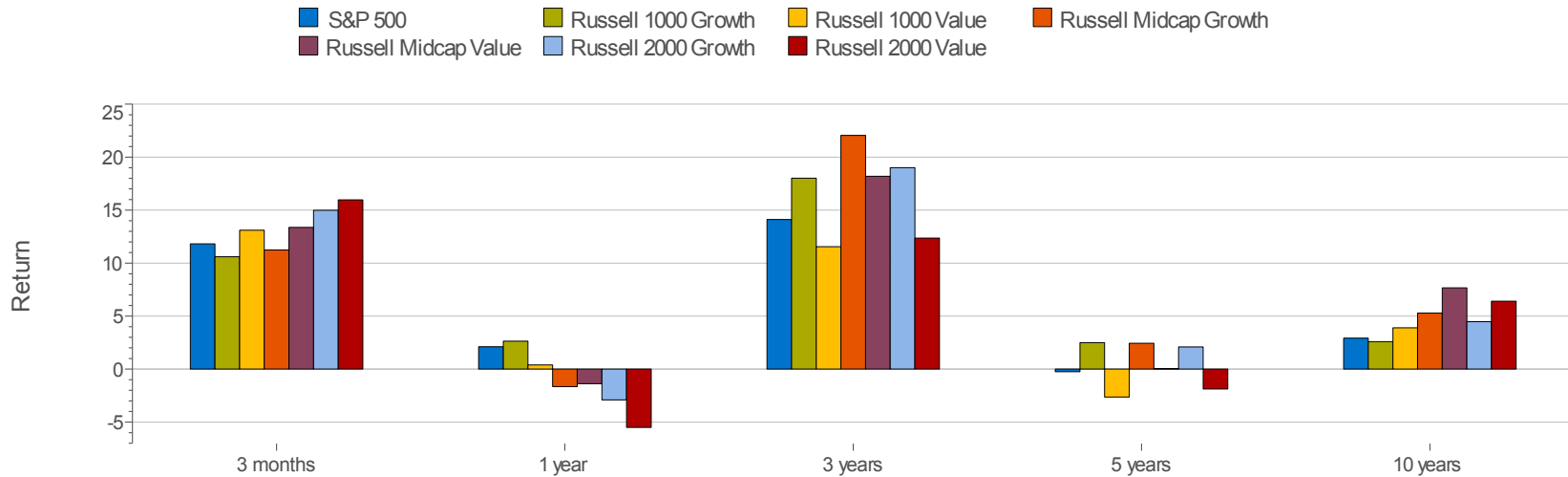
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## Zephyr StyleADVISOR

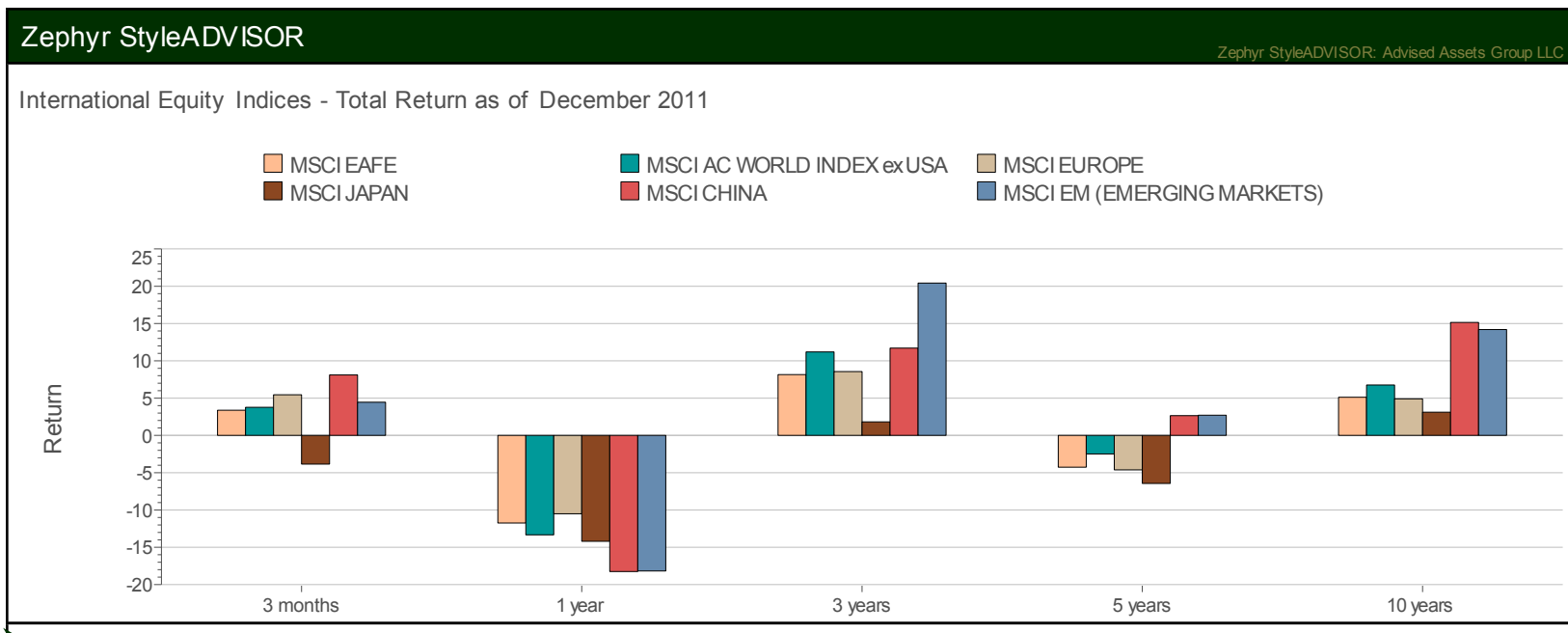
Zephyr StyleADVISOR: Advised Assets Group LLC

Domestic Equity Indices - Total Return as of December 2011



➤ Domestic equity markets rebounded nicely during the fourth quarter.

- Small cap stocks were the best performing for the quarter, but finished the year with negative returns.
- Value stocks outperformed growth stocks across all capitalizations for the quarter.
- Large cap stocks saw the only positive performance for the year.



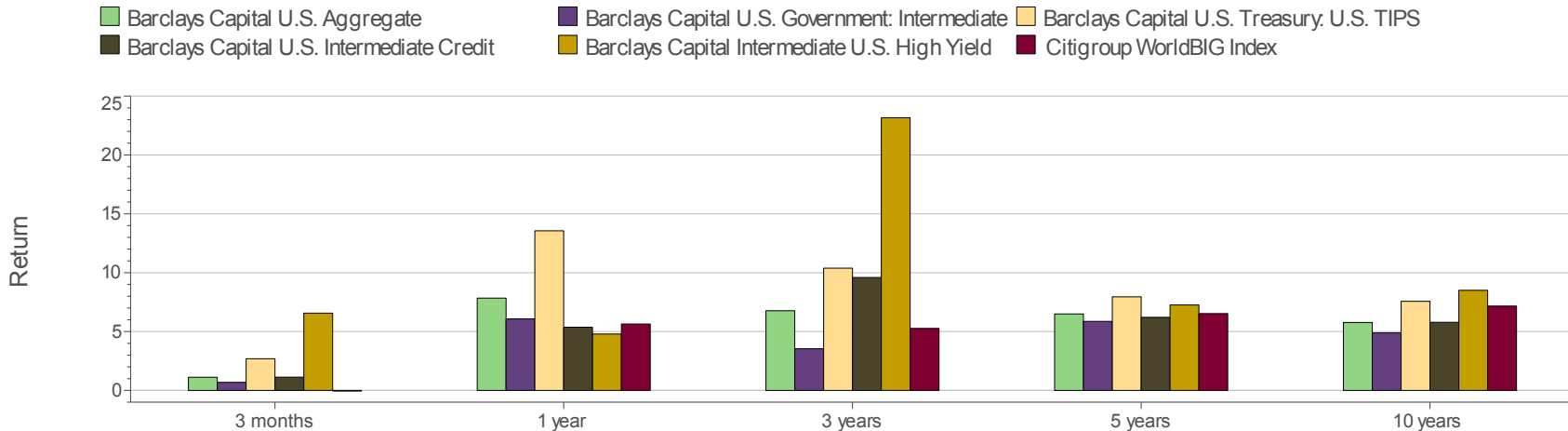
International stocks experienced positive performance for the quarter.

- Emerging market stocks outperformed developed market stocks for the quarter, however they trailed substantially for the year.
- Despite lingering debt concerns, European stocks bounced back nicely during the fourth quarter, and showed the smallest losses for the year relative to other international regions.

## Zephyr StyleADVISOR

Zephyr StyleADVISOR: Advised Assets Group LLC

Fixed Income Returns as of December 2011

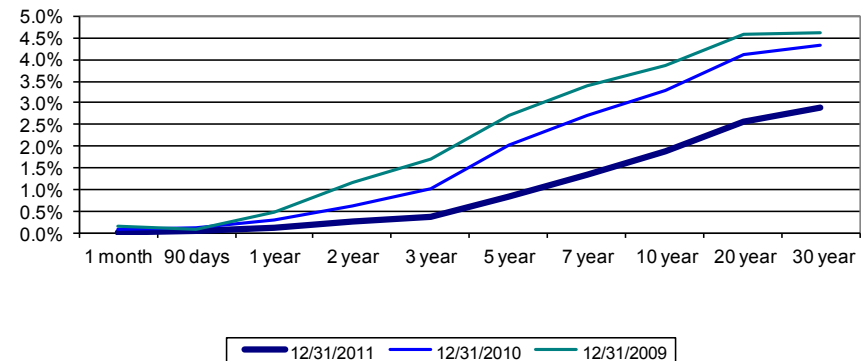


➤ Fixed Income markets were able to stay slightly positive for the quarter.

- High Yield bonds were the best-performing as investors' appetite for risk returned to favor.
- For the year, TIPS led all bond indices as investors continued to keep a watchful eye on inflation.

## Treasury Yield Curve<sup>6</sup>

[www.treasury.gov](http://www.treasury.gov)



FOR FIELD AND PLAN SPONSOR USE ONLY

Although economic data and information is derived from a variety of financial publications and economic reporting companies, including Moody's, S&P, etc., we cannot guarantee the completeness or accuracy of data shown. Past performance is not a guarantee of future results.

# Asset Class Returns

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Lg Growth 23.1	Lg Value 35.2	Lg Growth 38.7	Emrg Mkt 66.4	Sm Value 22.8	Sm Value 14.0	Bonds 10.3	Emrg Mkt 56.3	Emrg Mkt 26.0	Emrg Mkt 34.5	Emrg Mkt 32.6	Emrg Mkt 39.8	Bonds 5.2	Emrg Mkt 79.0	Sm Growth 29.1	Bonds 7.8
Lg Value 21.6	Mid Val 34.4	EAFE 20.3	Mid Growth 51.30	Mid Val 19.2	Bonds 8.4	Emrg Mkt -6.0	Sm Growth 48.5	Mid Val 23.7	EAFE 14.0	EAFE 26.9	Lg Growth 11.8	Sm Value -28.9	Mid Growth 46.3	Mid Growth 26.4	Lg Growth 2.6
Sm Value 21.4	Sm Value 31.8	Mid Growth 17.9	Sm Growth 43.1	Bonds 11.6	Mid Val 2.3	Mid Val -9.6	Sm Value 46.0	Sm Value 22.3	Mid Val 12.7	Sm Value 23.5	EAFE 11.6	Lg Value -36.9	Lg Growth 37.2	Mid Val 24.8	Lg Value 0.4
Mid Val 20.3	Lg Growth 30.5	Lg Value 15.6	Lg Growth 33.2	Lg Value 7.0	Emrg Mkt -2.4	Sm Value -11.4	Mid Growth 42.7	EAFE 20.7	Mid Growth 12.1	Lg Value 22.3	Mid Growth 11.4	Mid Val -38.4	Sm Growth 34.5	Sm Value 24.5	Mid Val -1.4
Mid Growth 17.5	Mid Growth 22.5	Bonds 8.7	EAFE 27.3	Mid Growth -11.8	Lg Value -5.6	Lg Value -15.5	EAFE 39.2	Lg Value 16.5	Lg Value 7.1	Mid Val 20.2	Sm Growth 7.1	Lg Growth -38.4	Mid Val 34.2	Emrg Mkt 18.9	Mid Growth -1.7
Sm Growth 11.3	Sm Growth 13.0	Mid Val 5.1	Lg Value 7.4	EAFE -14.0	Sm Growth -9.2	EAFE -15.7	Mid Val 38.1	Mid Growth 15.5	Lg Growth 5.3	Sm Growth 13.4	Bonds 7.0	Sm Growth -38.5	EAFE 32.5	Lg Growth 16.7	Sm Growth -2.9
EAFE 6.4	Bonds 9.7	Sm Growth 1.2	Mid Val -0.1	Lg Growth -22.4	Mid Growth -20.2	Mid Growth -27.4	Lg Value 30.0	Sm Growth 14.3	Sm Value 4.7	Mid Growth 10.7	Lg Value -0.2	EAFE -43.1	Sm Value 20.6	Lg Value 15.5	Sm Value -5.5
Emrg Mkt 6.0	EAFE 2.1	Sm Value -6.5	Bonds -0.8	Sm Growth -22.4	Lg Growth -20.4	Lg Growth -27.9	Lg Growth 29.8	Lg Growth 6.3	Sm Growth 4.2	Lg Growth 9.1	Mid Val -1.4	Mid Growth -44.3	Lg Value 19.7	EAFE 7.8	EAFE -12.1
Bonds 3.6	Emrg Mkt -11.6	Emrg Mkt -25.3	Sm Value -1.5	Emrg Mkt -30.6	EAFE -21.2	Sm Growth -30.3	Bonds 4.1	Bonds 4.3	Bonds 2.4	Bonds 4.3	Sm Value -9.8	Emrg Mkt -53.2	Bonds 5.9	Bonds 6.5	Emrg Mkt -18.4

Large Growth - Russell 1000 Growth Index  
 Large Value - Russell 1000 Value Index  
 Mid Growth - Russell Midcap Growth Index  
 Mid Value - Russell Midcap Value Index  
 Bonds - BarCap U.S. Aggregate Bond Index

Small Growth - Russell 2000 Growth Index  
 Small Value - Russell 2000 Value Index  
 EAFE - MSCI EAFE Index  
 Emerging Markets - MSCI Emerging Markets Index

Source: ZephyrStyleADVISOR

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<sup>1</sup> Bureau of Economic Analysis, U.S. Department of Commerce, News Release, January 27, 2012, [www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm](http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm)

<sup>2</sup> Bureau of Labor Statistics, U.S. Department of Labor, Economic News Release “Consumer Price Index – November 2011”, December 20, 2011, [www.bls.gov/news.release/pdf/cpi.pdf](http://www.bls.gov/news.release/pdf/cpi.pdf)

<sup>3</sup> Bureau of Labor Statistics, U.S. Department of Labor, Economic News Release “Employment Situation Summary”, January 6, 2012, [www.bls.gov/news.release/empisit.nr0.htm](http://www.bls.gov/news.release/empisit.nr0.htm)

<sup>4</sup> U.S. Census Bureau, U.S. Department of Housing and Urban Development, Economic News Release “New Residential Construction in November 2011”, December 20, 2011. [www.census.gov/const/www/newresconstindex.html](http://www.census.gov/const/www/newresconstindex.html)

<sup>5</sup> U.S. Department of the Treasury, Data and Charts Center, <http://www.treasury.gov/resource-center/data-chart-center/Pages/index.aspx>

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This document is not intended as a recommendation, solicitation or offering of any particular securities by Great-West Life & Annuity Insurance Company nor any of its subsidiaries or affiliates.

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# American Funds EuroPacific Gr R5 (USD)

**Overall Morningstar Rtg™**  
★★★★★  
731 US OE Foreign Large Blend

**Standard Index**  
MSCI EAFE NR  
USD

**Category Index**  
MSCI ACWI Ex  
USA NR USD

**Morningstar Cat**  
US OE Foreign Large  
Blend

## Performance 01-31-2012

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	0.81	-11.97	16.93	5.74	9.72
2011	3.56	1.08	-20.84	4.59	-13.33
2012	—	—	—	—	6.10

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	-8.49	15.60	-0.14	—	7.41
Std 12-31-2011	-13.33	—	-1.16	—	6.82
Total Return	-8.49	15.60	-0.14	7.82	7.41

+/- Std Index	1.10	2.23	3.71	2.03	—
+/- Cat Index	0.26	-1.09	1.57	0.34	—

% Rank Cat	31	30	6	6	—
No. in Cat	809	731	560	314	—

7-day Yield —

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-421-0180 or visit [www.americanfunds.com](http://www.americanfunds.com).

## Fees and Expenses

### Sales Charges

Front-End Load %	NA
Deferred Load %	NA

### Fund Expenses

Management Fees %	0.42
12b1 Expense %	NA
Gross Expense Ratio %	0.55
Prospectus Gross Expense Ratio %	0.55

## Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	731 funds	560 funds	314 funds
Morningstar Rating™	4★	5★	5★
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	+Avg	High	High

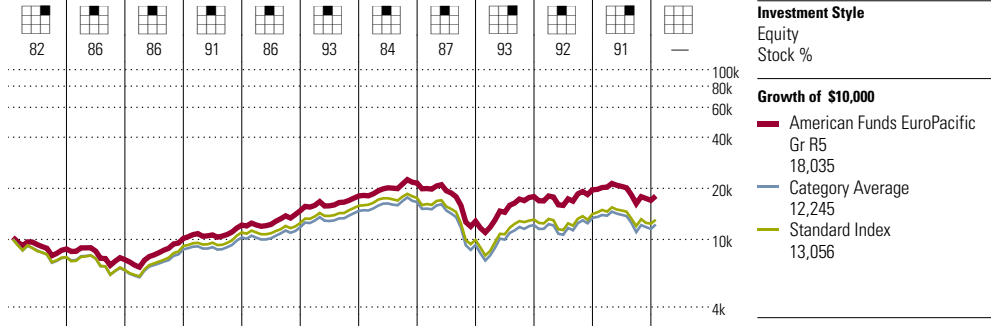
	3 Yr	5 Yr	10 Yr
Standard Deviation	21.17	21.99	18.04
Mean	15.60	-0.14	7.82
Sharpe Ratio	0.79	0.05	0.41

MPT Statistics	Standard Index	Best Fit Index
	MSCI ACWI Ex USA	NR USD

Alpha	2.74	0.06
Beta	0.94	0.93
R-Squared	94.60	97.24
12-Month Yield	—	1.91%
30-day SEC Yield	—	1.99%
Potential Cap Gains Exp	—	5.83%

## Operations

Family:	American Funds
Manager:	Multiple
Tenure:	27.8 Years
Objective:	Foreign Stock



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	01-12	History
NAV/Price	—	22.96	30.20	35.62	41.09	46.56	50.87	27.95	38.28	41.31	35.09	37.23	NAV/Price
Total Return %	-12.17	-13.45	33.24	19.98	21.39	22.17	19.22	-40.38	39.55	9.72	-13.33	6.10	Total Return %
+/- Standard Index	9.27	2.49	-5.34	-0.27	7.85	-4.17	8.05	3.00	7.77	1.97	-1.19	0.76	+/- Standard Index
+/- Category Index	7.56	1.50	-7.59	-0.93	4.77	-4.48	2.57	5.15	-1.90	-1.44	0.37	-0.69	+/- Category Index
% Rank Cat	—	—	45	17	6	79	8	11	13	55	40	—	% Rank Cat
No. of Funds in Cat	—	—	504	551	608	657	743	778	823	829	817	847	No. of Funds in Cat

## Portfolio Analysis 12-31-2011

Asset Allocation %	Net %	Long %	Short %	Share Chg since 09-2011	Share Amount	Holdings:	% Net Assets
Cash	7.64	7.64	0.00			317 Total Stocks, 94 Total Fixed-Income, 31% Turnover Ratio	
US Stocks	0.10	0.10	0.00				
Non-US Stocks	91.34	91.34	0.00		22 mil	Novo Nordisk A/S	2.88
Bonds	0.40	0.40	0.00	⊕	2 mil	Samsung Electronics Co Ltd	2.41
Other/Not Clsfd	0.52	0.52	0.00	⊕	34 mil	Novartis AG	2.18
Total	100.00	100.00	0.00	⊕	84 mil	America Movil, S.A.B. de C.V. ADR	2.16
				⊕	27 mil	Nestle SA	1.76
				⊖	49 mil	SOFTBANK Corp	1.64
				⊕	26 mil	British American Tobacco PLC	1.40
				⊕	19 mil	Bayer AG	1.39
				⊖	19 mil	Anheuser-Busch InBev SA	1.29
				⊕	26 mil	Teva Pharmaceutical Industries Ltd	1.17
				⊕	408 mil	Taiwan Semiconductor Manufacturing	1.16
					124 mil	BP PLC	1.00
				⊕	88 mil	Prudential PLC	0.99
				⊖	27 mil	Honda Motor Co Ltd	0.95
					66 mil	Housing Development Finance Corp L	0.91

## Equity Style

Value	Blend	Growth	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	12.0	1.04	1.05		
P/C Ratio TTM	7.5	1.15	1.02		
P/B Ratio TTM	1.6	1.24	1.16		
Geo Avg Mkt Cap \$mil	29282	1.01	0.99		

## Fixed-Income Style

Ltd	Mod	Ext	Avg Eff Maturity	Avg Eff Duration	Avg Credit Quality	Avg Wtd Coupon
			—	—	—	—
			—	—	—	—
			—	—	—	—

## Credit Quality Breakdown

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

## Regional Exposure

	Stock %	Rel Std Index
Americas	8.8	—
Greater Europe	54.5	—
Greater Asia	36.7	—

## Sector Weightings

	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>35.8</b>	—
Basic Materials	6.6	—
Consumer Cyclical	11.2	—
Financial Services	16.7	—
Real Estate	1.3	—
<b>Sensitive</b>	<b>38.6</b>	—
Communication Services	9.0	—
Energy	7.6	—
Industrials	12.1	—
Technology	9.9	—
<b>Defensive</b>	<b>25.6</b>	—
Consumer Defensive	11.9	—
Healthcare	11.5	—
Utilities	2.2	—

Purchase Constraints:	A
Incept:	05-15-2002
Type:	MF
Total Assets:	\$96,111.60 mil

# DFA US Micro Cap I (USD)

**Overall Morningstar Rtg™**  
**★★★**  
 580 US OE Small Blend

**Standard Index**  
 S&P 500 TR

**Category Index**  
 Russell 2000 TR  
 USD

**Morningstar Cat**  
 US OE Small Blend

## Performance 01-31-2012

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	9.52	-7.88	10.58	17.68	31.29
2011	8.12	-2.42	-20.75	15.72	-3.25
2012	—	—	—	—	6.96

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	4.62	25.47	0.62	7.65	11.63
Std 12-31-2011	-3.25	—	-0.49	7.05	11.42
Total Return	4.62	25.47	0.62	7.65	11.63

+/- Std Index	0.40	6.23	0.30	4.13	—
+/- Cat Index	1.76	2.44	-0.57	1.20	—

% Rank Cat	26	27	59	27	—
No. in Cat	649	580	486	299	—

7-day Yield	0.00
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## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 888-576-1167 or visit www.dfafunds.com.

## Fees and Expenses

### Sales Charges

Front-End Load % **NA**

Deferred Load % **NA**

### Fund Expenses

Management Fees % 0.50

12b1 Expense % NA

Gross Expense Ratio % **0.52**

Prospectus Gross Expense Ratio % **0.52**

## Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	3★	3★
Morningstar Risk	+Avg	+Avg	+Avg
Morningstar Return	+Avg	Avg	+Avg

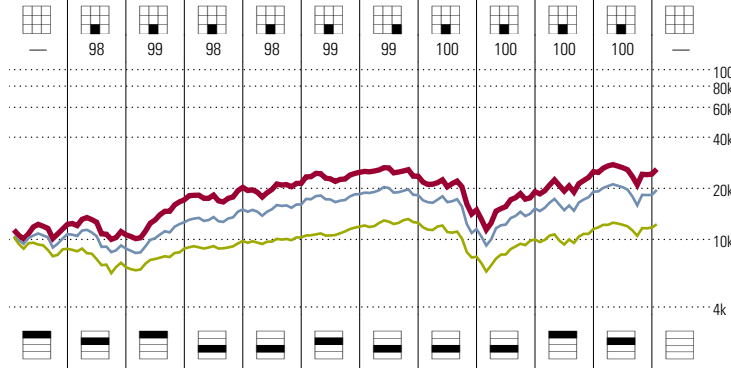
	3 Yr	5 Yr	10 Yr
Standard Deviation	25.18	25.39	21.68
Mean	25.47	0.62	7.65
Sharpe Ratio	1.03	0.10	0.36

MPT Statistics	Standard Index	Best Fit Index Russell 2000 TR
Alpha	1.16	1.52
Beta	1.29	1.03
R-Squared	85.87	99.17

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	15.03%

## Operations

Family:	Dimensional Fund Advisors
Manager:	Stephen Clark
Tenure:	3.9 Years
Objective:	Small Company



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	01-12	History
NAV/Price	10.01	8.53	13.32	15.12	14.77	15.70	13.47	8.31	10.56	13.77	13.22	14.14	NAV/Price
Total Return %	22.77	-13.27	60.72	18.39	5.69	16.16	-5.22	-36.72	28.06	31.29	-3.25	6.96	Total Return %
+/- Standard Index	34.66	8.83	32.03	7.51	0.77	0.37	-10.71	0.28	1.60	16.22	-5.36	2.48	+/- Standard Index
+/- Category Index	20.28	7.21	13.46	0.06	1.13	-2.21	-3.65	-2.93	0.89	4.43	0.92	-0.11	+/- Category Index
% Rank Cat	9	32	7	53	61	37	74	58	54	8	49	—	% Rank Cat
No. of Funds in Cat	313	382	446	521	563	608	645	670	649	649	650	680	No. of Funds in Cat

## Portfolio Analysis 11-30-2011

Asset Allocation %	Net %	Long %	Short %
Cash	0.00	0.00	0.00
US Stocks	99.59	99.59	0.00
Non-US Stocks	0.40	0.40	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.01	0.01	0.00
Total	100.00	100.00	0.00

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	15.3	1.08	1.02	
P/C Ratio TTM	8.9	1.02	0.91	
P/B Ratio TTM	1.5	0.72	0.88	
Geo Avg Mkt Cap \$mil	474	0.01	0.27	

## Fixed-Income Style

	Ltd	Mod	Ext	High	Med	Low
Avg Eff Maturity	—	—	—	—	—	—
Avg Eff Duration	—	—	—	—	—	—
Avg Credit Quality	—	—	—	—	—	—
Avg Wtd Coupon	—	—	—	—	—	—

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stock %	Rel Std Index
Americas	99.7	1.00
Greater Europe	0.3	3.12
Greater Asia	0.0	—

## Top Holdings 10-31-2011

Share since 10-2011	Share Amount	Holdings:	% Net Assets
—	2,057	Total Stocks, 0 Total Fixed-Income, 14% Turnover Ratio	—
—	271,252	Pricesmart, Inc.	0.63
—	319,989	IPG Photonics Corporation	0.52
—	357,716	Questcor Pharmaceuticals, Inc.	0.45
—	346,464	Acacia Research Corporation	0.42
—	218,820	BJ's Restaurants, Inc.	0.36
—	364,519	Tyler Technologies, Inc.	0.35
—	268,598	First Cash Financial Services, Inc.	0.34
—	178,996	Raven Industries, Inc.	0.33
—	156,911	World Acceptance Corporation	0.33
—	887,486	Ariad Pharmaceuticals	0.32
—	238,948	Manhattan Associates, Inc.	0.31
—	271,069	Monro Muffler/Brake, Inc.	0.31
—	149,089	Buffalo Wild Wings, Inc.	0.30
—	289,468	FBL Financial Group, Inc.	0.29
—	180,997	J&J Snack Foods Corp.	0.29

## Sector Weightings

	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>38.7</b>	<b>1.40</b>
Basic Materials	6.3	1.86
Consumer Cyclical	16.9	1.78
Financial Services	14.6	1.14
Real Estate	0.9	0.45
<b>Sensitive</b>	<b>42.1</b>	<b>0.92</b>
Communication Services	1.9	0.46
Energy	3.9	0.33
Industrials	17.0	1.43
Technology	19.2	1.06
<b>Defensive</b>	<b>19.2</b>	<b>0.73</b>
Consumer Defensive	6.5	0.57
Healthcare	10.7	0.93
Utilities	2.0	0.57

# T. Rowe Price Mid-Cap Growth (USD)

**Overall Morningstar Rtg™**  
★★★★★  
659 US OE Mid-Cap Growth

**Standard Index**  
S&P 500 TR

**Category Index**  
Russell Mid Cap Growth TR USD

**Morningstar Cat**  
US OE Mid-Cap Growth

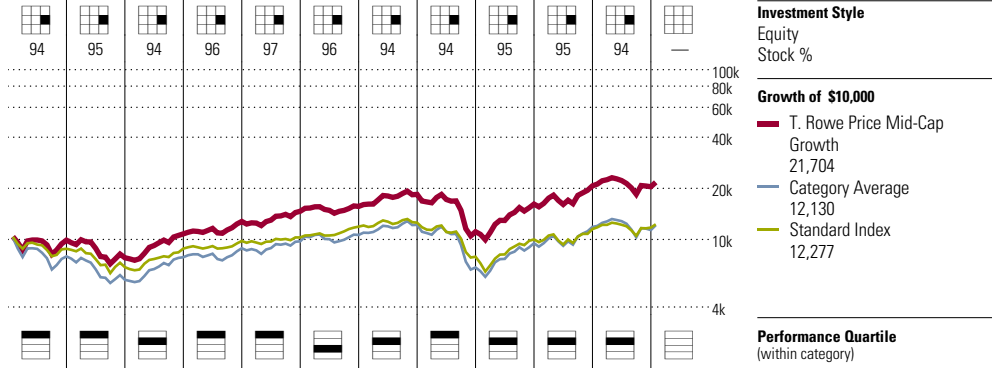
Performance 01-31-2012					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	8.36	-8.20	13.15	13.78	28.06
2011	8.71	-1.21	-16.99	10.81	-1.21
2012	—	—	—	—	6.20
Trailing Returns					
	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	2.47	26.56	6.23	8.54	13.31
Std 12-31-2011	-1.21	—	5.48	7.52	13.02
Total Return	2.47	26.56	6.23	8.54	13.31
+/- Std Index	-1.75	7.32	5.90	5.01	—
+/- Cat Index	-0.95	-0.32	3.08	2.16	—
% Rank Cat	39	17	10	4	—
No. in Cat	753	659	595	415	—
7-day Yield	0.00	—	—	—	—

**Performance Disclosure**  
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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-638-5660 or visit [www.troweprice.com](http://www.troweprice.com).

Fees and Expenses	
<b>Sales Charges</b>	
<b>Front-End Load %</b>	NA
<b>Deferred Load %</b>	NA
<b>Fund Expenses</b>	
Management Fees %	0.65
12b1 Expense %	NA
<b>Gross Expense Ratio %</b>	<b>0.80</b>
<b>Prospectus Gross Expense Ratio %</b>	<b>0.80</b>

Risk and Return Profile			
	3 Yr	5 Yr	10 Yr
	funds	funds	funds
Morningstar Rating™	4★	4★	5★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	+Avg	High	High
	3 Yr	5 Yr	10 Yr
Standard Deviation	19.86	21.97	18.39
Mean	26.56	6.23	8.54
Sharpe Ratio	1.29	0.33	0.44
MPT Statistics	Standard Index	Best Fit Index Russell Mid Cap Growth TR USD	
Alpha	5.42	1.13	
Beta	1.05	0.94	
R-Squared	91.89	98.38	
12-Month Yield	—		
30-day SEC Yield	—		
Potential Cap Gains Exp	29.25%		

Operations	
Family:	T. Rowe Price
Manager:	Brian Berghuis
Tenure:	19.7 Years
Objective:	Growth
Base Currency:	USD



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	01-12
NAV/Price	39.40	31.04	42.90	49.88	54.14	53.69	57.67	32.67	47.49	58.53	52.73	56.00
Total Return %	-0.98	-21.22	38.21	18.39	14.82	6.79	17.65	-39.69	45.46	28.06	-1.21	6.20
+/- Standard Index	10.91	0.88	9.52	7.51	9.91	-9.00	12.16	-2.69	18.99	13.00	-3.32	1.72
+/- Category Index	19.17	6.19	-4.50	2.91	2.72	-3.86	6.22	4.63	-0.84	1.68	0.44	-1.05
% Rank Cat	7	24	33	13	15	64	37	20	28	27	30	—
No. of Funds in Cat	714	786	890	903	936	994	967	934	812	759	751	768

Portfolio Analysis 12-31-2011				
<b>Asset Allocation %</b>	Net %	Long %	Short %	
Cash	3.72	3.72	0.00	
US Stocks	87.43	87.43	0.00	
Non-US Stocks	6.84	6.84	0.00	
Bonds	0.00	0.00	0.00	
Other/Not Clsfd	2.01	2.01	0.00	
Total	100.00	100.00	0.00	
<b>Equity Style</b>	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
	P/E Ratio TTM	19.5	1.38	1.07
	P/C Ratio TTM	12.8	1.47	1.06
	P/B Ratio TTM	2.7	1.28	0.97
	Geo Avg Mkt Cap \$mil	5615	0.11	0.99
<b>Fixed-Income Style</b>	Avg Eff Maturity	—		
	Avg Eff Duration	—		
	Avg Credit Quality	—		
	Avg Wtd Coupon	—		
<b>Credit Quality Breakdown</b>	—			Bond %
AAA	—			—
AA	—			—
A	—			—
BBB	—			—
BB	—			—
B	—			—
Below B	—			—
NR/NA	—			—
<b>Regional Exposure</b>	Stock %	Rel Std Index		
Americas	99.3	0.99		
Greater Europe	0.7	7.21		
Greater Asia	0.0	—		

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>24.9</b>	<b>0.90</b>
Basic Materials	4.0	1.19
Consumer Cyclical	14.0	1.48
Financial Services	6.4	0.50
Real Estate	0.4	0.23
<b>Sensitive</b>	<b>55.7</b>	<b>1.21</b>
Communication Services	0.7	0.17
Energy	6.6	0.56
Industrials	25.7	2.16
Technology	22.7	1.25
<b>Defensive</b>	<b>19.4</b>	<b>0.73</b>
Consumer Defensive	4.1	0.36
Healthcare	13.8	1.20
Utilities	1.5	0.42

Ticker:	RPMGX	Incept:	06-30-1992
Minimum Initial Purchase:	\$2,500	Type:	MF
Min Auto Investment Plan:	\$0	Total Assets:	\$17,520.51 mil
Minimum IRA Purchase:	\$1,000		
Purchase Constraints:	C		

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# Calvert Equity I (USD)

**Overall Morningstar Rtg™**  
 ★★ ★★  
 1,472 US OE Large Growth

**Standard Index**  
 S&P 500 TR

**Category Index**  
 Russell 1000  
 Growth TR USD

**Morningstar Cat**  
 US OE Large Growth

Performance 01-31-2012					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	5.81	-11.15	13.90	10.07	17.86
2011	7.08	1.44	-14.99	6.44	-1.70
2012	—	—	—	—	5.55

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	1.36	20.98	3.01	4.41	5.53
Std 12-31-2011	-1.70	—	2.18	3.84	5.10
Total Return	1.36	20.98	3.01	4.41	5.53
+/- Std Index	-2.85	1.74	2.68	0.89	—
+/- Cat Index	-4.71	-1.33	-0.16	1.04	—

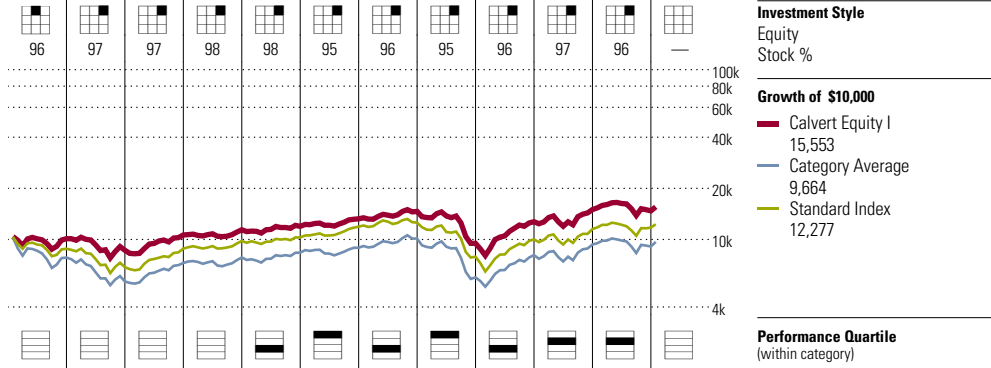
  

% Rank Cat	57	31	26	22
No. in Cat	1672	1472	1275	803
7-day Yield	—			

**Performance Disclosure**  
 The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.  
 The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.  
 Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-368-2748 or visit www.calvert.com.

Fees and Expenses	
<b>Sales Charges</b>	
<b>Front-End Load %</b>	NA
<b>Deferred Load %</b>	NA
<b>Fund Expenses</b>	
Management Fees %	0.60
12b1 Expense %	NA
<b>Gross Expense Ratio %</b>	<b>0.69</b>
<b>Prospectus Gross Expense Ratio %</b>	<b>0.69</b>

Risk and Return Profile			
	3 Yr	5 Yr	10 Yr
	1472 funds	1275 funds	803 funds
Morningstar Rating™	4★	4★	4★
Morningstar Risk	Avg	-Avg	-Avg
Morningstar Return	Avg	+Avg	+Avg
	3 Yr	5 Yr	10 Yr
Standard Deviation	18.44	19.04	15.82
Mean	20.98	3.01	4.41
Sharpe Ratio	1.12	0.19	0.23
MPT Statistics	Standard Index	Best Fit Index Russell 1000 Growth	
		TR USD	
Alpha	1.87	-1.25	
Beta	0.98	1.01	
R-Squared	93.33	95.18	
12-Month Yield	0.00%		
30-day SEC Yield	0.00%		
Potential Cap Gains Exp	6.36%		



History	NAV/Price	Total Return %	+/- Standard Index	+/- Category Index	% Rank Cat	No. of Funds in Cat
2001	31.31	1.05	12.93	21.47	—	—
2002	26.74	-14.52	7.58	13.36	—	—
2003	32.89	23.00	-5.69	-6.75	—	—
2004	35.30	7.33	-3.55	1.03	—	—
2005	36.39	4.74	-0.17	-0.52	64	1495
2006	38.72	10.77	-5.03	1.69	18	1642
2007	40.40	10.53	5.04	-1.28	66	1748
2008	24.20	-35.19	1.81	3.25	12	1809
2009	32.37	34.21	7.75	-3.00	51	1796
2010	38.15	17.86	2.79	1.15	27	1718
2011	35.84	-1.70	-3.81	-4.34	47	1683
01-12	37.83	5.55	1.07	-0.42	—	1753

Portfolio Analysis 12-31-2011							
<b>Asset Allocation %</b>	Net %	Long %	Short %	Share Chg since 11-2011	Share Amount	Holdings: 50 Total Stocks, 0 Total Fixed-Income, 41% Turnover Ratio	% Net Assets
Cash	2.77	2.88	0.11				
US Stocks	88.37	88.37	0.00				
Non-US Stocks	7.61	7.61	0.00		2 mil	Qualcomm, Inc.	4.63
Bonds	0.00	0.00	0.00		1 mil	Allergan, Inc.	4.59
Other/Not Clsfd	1.24	1.24	0.00	⊕	228,482	Apple, Inc.	4.26
Total	100.00	100.11	0.11		2 mil	Cameron International Corporation	3.66
					2 mil	CVS Caremark Corp	3.42
					3 mil	Suncor Energy Inc	3.36
				⊕	2 mil	Gilead Sciences Inc	3.26
					982,028	Cognizant Technology Solutions Cor	2.91
					2 mil	CarMax, Inc.	2.59
					985,683	T. Rowe Price Group	2.58
					84,540	Google, Inc.	2.51
					1 mil	Starbucks Corporation	2.51
					949,707	Novartis AG ADR	2.50
					937,355	Ecolab, Inc.	2.50
					1 mil	Danaher Corporation	2.28

Equity Style			
Value	Blend	Growth	
High	Med	Small	
P/E Ratio TTM	18.0	1.27	1.08
P/C Ratio TTM	13.1	1.50	1.11
P/B Ratio TTM	2.8	1.32	0.91
Geo Avg Mkt Cap \$mil	29261	0.58	0.75

Fixed-Income Style			
Ltd	Mod	Ext	
High	Med	Low	
Avg Eff Maturity	—		
Avg Eff Duration	—		
Avg Credit Quality	—		
Avg Wtd Coupon	—		

Credit Quality Breakdown —			Bond %
AAA			—
AA			—
A			—
BBB			—
BB			—
B			—
Below B			—
NR/NA			—

Regional Exposure			Stock %	Rel Std Index
Americas			97.4	0.97
Greater Europe			2.6	28.30
Greater Asia			0.0	—

Sector Weightings			Stocks %	Rel Std Index
<b>Cyclical</b>			<b>25.7</b>	<b>0.93</b>
Basic Materials			2.6	0.76
Consumer Cyclical			11.6	1.23
Financial Services			11.5	0.90
Real Estate			0.0	0.00
<b>Sensitive</b>			<b>49.5</b>	<b>1.08</b>
Communication Services			0.0	0.00
Energy			10.5	0.89
Industrials			11.5	0.97
Technology			27.5	1.52
<b>Defensive</b>			<b>24.8</b>	<b>0.94</b>
Consumer Defensive			9.7	0.85
Healthcare			15.1	1.31
Utilities			0.0	0.00

Operations			
Family:	Calvert Investments, Inc.	Base Currency:	USD
Manager:	Multiple	Ticker:	CEYIX
Tenure:	5.6 Years	Minimum Initial Purchase:	\$1 mil
Objective:	Growth	Purchase Constraints:	—
		Incept:	11-01-1999
		Type:	MF
		Total Assets:	\$2,271.39 mil

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# Fidelity Contrafund (USD)

**Overall Morningstar Rtg™**  
 ★★ ★★  
 1,472 US OE Large Growth

**Standard Index**  
 S&P 500 TR

**Category Index**  
 Russell 1000  
 Growth TR USD

**Morningstar Cat**  
 US OE Large Growth

## Performance 01-31-2012

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	3.60	-8.11	12.22	9.45	16.93
2011	4.94	-0.54	-11.64	8.28	-0.14
2012	—	—	—	—	5.03

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	4.27	18.87	3.15	7.54	12.16
Std 12-31-2011	-0.14	—	2.58	6.96	12.07
Total Return	4.27	18.87	3.15	7.54	12.16

+/- Std Index	0.05	-0.37	2.82	4.02	—
+/- Cat Index	-1.80	-3.44	-0.02	4.17	—

% Rank Cat	26	55	23	1
No. in Cat	1672	1472	1275	803

7-day Yield —

### Performance Disclosure

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The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-544-6666 or visit www.fidelity.com.

### Fees and Expenses

Sales Charges	
<b>Front-End Load %</b>	<b>NA</b>
<b>Deferred Load %</b>	<b>NA</b>
<b>Fund Expenses</b>	
Management Fees %	0.72
12b1 Expense %	NA
<b>Gross Expense Ratio %</b>	<b>0.92</b>
<b>Prospectus Gross Expense Ratio %</b>	<b>0.92</b>

### Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	4★	5★
Morningstar Risk	Low	Low	Low
Morningstar Return	Avg	+Avg	High

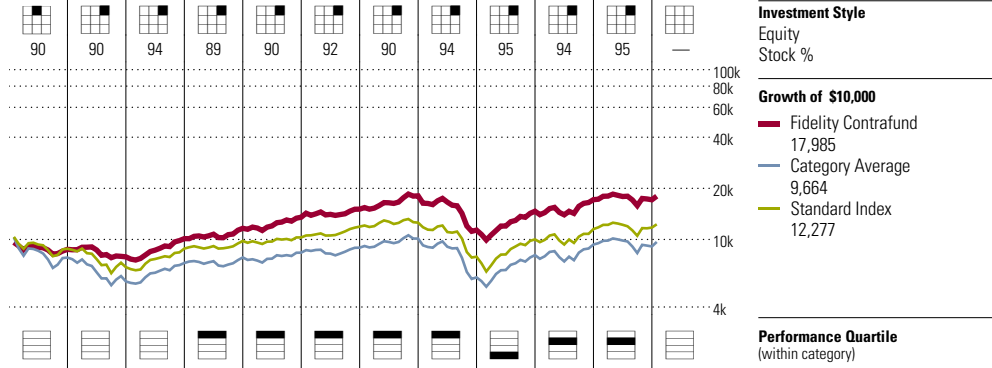
	3 Yr	5 Yr	10 Yr
Standard Deviation	15.81	17.56	14.16
Mean	18.87	3.15	7.54
Sharpe Ratio	1.17	0.20	0.45

MPT Statistics	Standard Index	Best Fit Index Morningstar US Growth TR USD
Alpha	2.39	0.05
Beta	0.84	0.82
R-Squared	92.84	95.77

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	31.87%

### Operations

Family:	Fidelity Investments	Ticker:	FCNTX
Manager:	William Danoff	Minimum Initial Purchase:	\$2,500
Tenure:	21.4 Years	Min Auto Investment Plan:	\$2,500
Objective:	Growth	Minimum IRA Purchase:	\$500
Base Currency:	USD	Purchase Constraints:	—



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	01-12
NAV/Price	42.77	38.60	49.35	56.74	64.76	65.21	73.11	45.26	58.28	67.73	67.45	70.84
Total Return %	-12.59	-9.63	27.95	15.07	16.23	11.54	19.78	-37.16	29.23	16.93	-0.14	5.03
+/- Standard Index	-0.70	12.47	-0.73	4.19	11.32	-4.26	14.29	-0.17	2.76	1.87	-2.25	0.54
+/- Category Index	7.83	18.25	-1.79	8.77	10.97	2.46	7.97	1.27	-7.98	0.22	-2.78	-0.94
% Rank Cat	—	—	—	5	3	14	19	21	76	35	30	—
No. of Funds in Cat	—	—	—	1400	1495	1642	1748	1809	1796	1718	1683	1753

### Portfolio Analysis 12-31-2011

Asset Allocation %	Net %	Long %	Short %	Share Chg since 11-2011	Share Amount	Holdings:	% Net Assets
Cash	4.75	4.75	0.00			395 Total Stocks, 8 Total Fixed-Income, 46% Turnover Ratio	
US Stocks	80.95	80.95	0.00				
Non-US Stocks	14.03	14.03	0.00	⊖	15 mil	Apple, Inc.	8.12
Bonds	0.18	0.18	0.00	⊕	6 mil	Google, Inc. A	5.70
Other/Not Clsfd	0.09	0.09	0.00	⊕	20,470	Berkshire Hathaway Inc A	3.21
Total	100.00	100.00	0.00	⊕	23 mil	McDonald's Corporation	3.16
				⊕	28 mil	Coca-Cola Co	2.68
				⊕	17 mil	Noble Energy Inc	2.21
				⊖	35 mil	Walt Disney Co	1.78
				⊕	19 mil	TJX Companies	1.70
				⊕	44 mil	Wells Fargo & Co	1.67
				⊕	12 mil	Nike, Inc. B	1.53
				⊕	11 mil	Colgate-Palmolive Company	1.44
				⊖	6 mil	Amazon.com Inc	1.35
				⊕	3 mil	Chipotle Mexican Grill, Inc. A	1.30
				⊕	9 mil	Visa, Inc.	1.24
				⊕	11 mil	Anadarko Petroleum Corp	1.19

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
	P/E Ratio TTM	18.4	1.30	1.10
	P/C Ratio TTM	12.6	1.45	1.07
	P/B Ratio TTM	3.1	1.48	1.02
	Geo Avg Mkt Cap \$mil	36563	0.72	0.94

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Credit Quality	Avg Wtd Coupon
	—	—	—	—
	—	—	8.06	—

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stock %	Rel Std Index
Americas	92.4	0.92
Greater Europe	4.6	50.29
Greater Asia	3.0	—

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>37.3</b>	<b>1.35</b>
Basic Materials	5.2	1.53
Consumer Cyclical	21.3	2.25
Financial Services	10.5	0.82
Real Estate	0.3	0.13
<b>Sensitive</b>	<b>43.5</b>	<b>0.95</b>
Communication Services	1.0	0.24
Energy	8.6	0.72
Industrials	5.7	0.48
Technology	28.3	1.56
<b>Defensive</b>	<b>19.2</b>	<b>0.73</b>
Consumer Defensive	10.4	0.91
Healthcare	8.9	0.77
Utilities	0.0	0.00

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# Vanguard Institutional Index Instl PI (USD) Overall Morningstar Rtg™ **★★★★** 1,576 US OE Large Blend

Standard Index  
S&P 500 TR

Category Index  
Russell 1000 TR  
USD

Morningstar Cat  
US OE Large Blend

Performance 01-31-2012					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	5.40	-11.43	11.30	10.75	15.07
2011	5.92	0.10	-13.87	11.83	2.12
2012	—	—	—	—	4.48

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	4.22	19.29	0.38	3.57	4.43
Std 12-31-2011	2.12	—	-0.20	2.97	4.14
Total Return	4.22	19.29	0.38	3.57	4.43

+/- Std Index	0.00	0.05	0.05	0.05	—
+/- Cat Index	0.27	-0.71	-0.17	-0.40	—

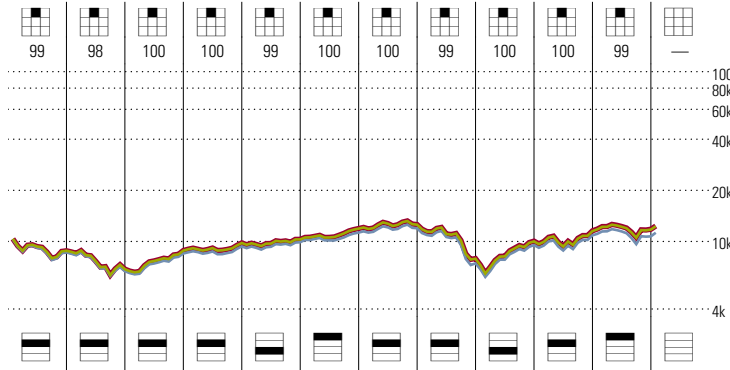
  

% Rank Cat	18	24	29	35	—
No. in Cat	1777	1576	1385	827	—
7-day Yield	—				

**Performance Disclosure**  
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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

Fees and Expenses	
<b>Sales Charges</b>	
<b>Front-End Load %</b>	NA
<b>Deferred Load %</b>	NA
<b>Fund Expenses</b>	
Management Fees %	0.02
12b1 Expense %	NA
<b>Gross Expense Ratio %</b>	<b>0.02</b>
<b>Prospectus Gross Expense Ratio %</b>	<b>0.02</b>

Risk and Return Profile			
	3 Yr	5 Yr	10 Yr
	1576 funds	1385 funds	827 funds
Morningstar Rating™	4★	4★	3★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	+Avg	+Avg	Avg
	3 Yr	5 Yr	10 Yr
Standard Deviation	18.17	18.97	15.96
Mean	19.29	0.38	3.57
Sharpe Ratio	1.06	0.05	0.18
MPT Statistics	Standard Index	Best Fit Index S&P 500 TR	
Alpha	0.04	0.04	
Beta	1.00	1.00	
R-Squared	100.00	100.00	
12-Month Yield	1.99%		
30-day SEC Yield	2.11%		
Potential Cap Gains Exp	12.69%		



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	01-12
NAV/Price	104.89	80.45	101.78	110.71	114.01	129.59	134.14	82.54	101.98	115.01	115.05	120.20
Total Return %	-11.90	-22.01	28.69	10.90	4.93	15.81	5.50	-36.94	26.66	15.07	2.12	4.48
+/- Standard Index	-0.02	0.09	0.01	0.02	0.01	0.02	0.01	0.06	0.20	0.01	0.01	-0.01
+/- Category Index	0.55	-0.36	-1.20	-0.50	-1.34	0.35	-0.27	0.66	-1.77	-1.02	0.62	-0.40
% Rank Cat	35	39	26	33	57	20	49	36	52	28	17	—
No. of Funds in Cat	1345	1468	1526	1611	1743	1980	2090	2086	2027	2010	1786	1897

Investment Style	
Equity	100%
Stock %	100%

Growth of \$10,000	
Vanguard Institutional Index Instl PI	12,328
Category Average	11,254
Standard Index	12,277

Performance Quartile (within category)	
NAV/Price	—
Total Return %	—
+/- Standard Index	—
+/- Category Index	—
% Rank Cat	—
No. of Funds in Cat	—

**Portfolio Analysis 09-30-2011**

Asset Allocation %	Net %	Long %	Short %	Share Chg since 06-2011	Share Amount	Holdings:	% Net Assets
Cash	0.73	0.73	0.00			502 Total Stocks, 5 Total Fixed-Income, 4% Turnover Ratio	
US Stocks	99.18	99.18	0.00				
Non-US Stocks	0.09	0.09	0.00	⊕	8 mil	Apple, Inc.	3.40
Bonds	0.01	0.01	0.00	⊖	40 mil	Exxon Mobil Corporation	3.40
Other/Not Clsfd	0.00	0.00	0.00	⊖	10 mil	International Business Machines Co	2.01
Total	100.00	100.00	0.00	⊕	61 mil	Microsoft Corporation	1.79
				⊕	16 mil	Chevron Corp	1.79

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat	Value	Blend	Growth	Large	Mid	Small
	P/E Ratio TTM	12.5	0.88	1.01	⊕	⊕	⊕	⊕	⊕	⊕
	P/C Ratio TTM	8.1	0.93	0.95	⊖	⊖	⊖	⊖	⊖	⊖
	P/B Ratio TTM	1.8	0.87	0.92	⊕	⊕	⊕	⊕	⊕	⊕
	Geo Avg Mkt Cap \$mil	44989	0.89	0.71	⊕	⊕	⊕	⊕	⊕	⊕

Fixed-Income Style	Ltd	Mod	Ext	High	Mid	Low
Avg Eff Maturity						
Avg Eff Duration						
Avg Credit Quality						
Avg Wtd Coupon						

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>26.8</b>	<b>0.97</b>
Basic Materials	3.1	0.90
Consumer Cyclical	9.3	0.98
Financial Services	12.6	0.98
Real Estate	1.8	0.94
<b>Sensitive</b>	<b>45.1</b>	<b>0.98</b>
Communication Services	4.5	1.08
Energy	11.5	0.97
Industrials	11.6	0.97
Technology	17.6	0.97
<b>Defensive</b>	<b>28.1</b>	<b>1.06</b>
Consumer Defensive	12.3	1.07
Healthcare	11.9	1.04
Utilities	3.9	1.11

Operations			
Family:	Vanguard	Base Currency:	USD
Manager:	Donald Butler	Ticker:	VIII
Tenure:	11.2 Years	Minimum Initial Purchase:	\$200 mil
Objective:	Growth and Income	Minimum IRA Purchase:	\$200 mil
		Purchase Constraints:	—
		Incept:	07-07-1997
		Type:	MF
		Total Assets:	\$99,164.95 mil

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# Vanguard Wellington Adm (USD)

**Overall Morningstar Rtg™**  
★★★★★  
837 US OE Moderate Allocation

**Standard Index**  
Morningstar  
Moderate Target Risk

**Category Index**  
Morningstar  
Moderately Aggr Target Risk

**Morningstar Cat**  
US OE Moderate Allocation

## Performance 01-31-2012

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	3.74	-6.76	8.53	5.77	11.04
2011	4.17	0.92	-8.68	8.27	3.95
2012	—	—	—	—	3.29

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	5.25	15.54	4.09	6.60	6.25
Std 12-31-2011	3.95	—	3.56	6.28	5.97
Total Return	5.25	15.54	4.09	6.60	6.25

+/- Std Index	1.90	0.85	0.41	0.11	—
+/- Cat Index	3.82	-1.86	1.68	0.07	—

% Rank Cat	10	34	7	3
No. in Cat	958	837	739	391

7-day Yield —

### Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-6273 or visit www.vanguard.com.

### Fees and Expenses

#### Sales Charges

Front-End Load % **NA**

Deferred Load % **NA**

#### Fund Expenses

Management Fees % 0.20

12b1 Expense % NA

Gross Expense Ratio % **0.22**

Prospectus Gross Expense Ratio % **0.22**

### Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	4★	5★
Morningstar Risk	Avg	-Avg	Avg
Morningstar Return	+Avg	+Avg	High

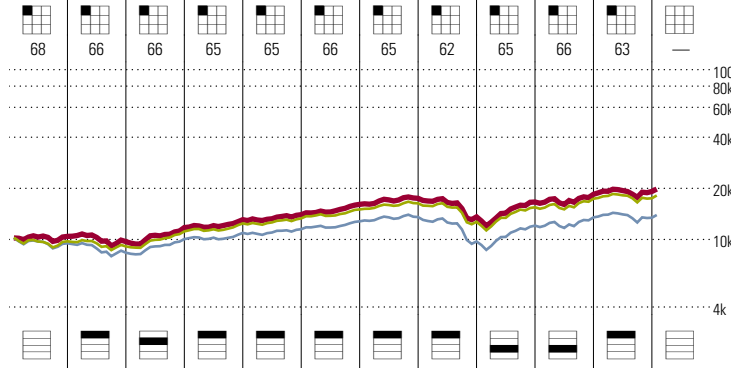
	3 Yr	5 Yr	10 Yr
Standard Deviation	11.87	12.68	10.52
Mean	15.54	4.09	6.60
Sharpe Ratio	1.27	0.28	0.48

MPT Statistics	Standard Index	Best Fit Index MSCI World NR
Alpha	0.84	4.95
Beta	1.00	0.59
R-Squared	96.71	97.04

12-Month Yield	3.00%
30-day SEC Yield	2.65%
Potential Cap Gains Exp	15.80%

### Operations

Family: Vanguard  
 Manager: Multiple  
 Tenure: 11.2 Years  
 Objective: Growth and Income



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	01-12
NAV/Price	47.09	42.42	49.76	52.15	52.43	56.02	56.34	42.18	49.82	53.71	54.13	55.91
Total Return %	4.22	-6.81	20.90	11.34	6.99	15.07	8.48	-22.23	22.34	11.04	3.95	3.29
+/- Standard Index	6.69	-0.11	-1.58	-0.14	-0.06	2.12	-0.16	-0.04	0.57	-1.30	3.36	-0.58
+/- Category Index	10.79	5.49	-8.25	-2.73	-1.86	-0.92	-0.46	8.42	-5.21	-3.89	5.88	-1.59
% Rank Cat	—	10	42	16	18	7	21	13	61	68	7	—
No. of Funds in Cat	—	757	843	925	985	1041	1103	1206	1177	1074	963	1013

### Portfolio Analysis 09-30-2011

Asset Allocation %	Net %	Long %	Short %	Share Chg since 06-2011	Share Amount	Holdings:	% Net Assets
Cash	2.23	2.23	0.00			100 Total Stocks, 811 Total Fixed-Income, 38% Turnover Ratio	
US Stocks	53.60	53.60	0.00				
Non-US Stocks	8.93	8.93	0.00	⊕	18 mil	Exxon Mobil Corporation	2.48
Bonds	34.60	34.60	0.00	⊕	45 mil	AT&T Inc	2.47
Other/Not Clsfd	0.64	0.64	0.00	⊕	12 mil	Chevron Corp	2.06
Total	100.00	100.00	0.00	⊖	5 mil	International Business Machines Co	1.84
				⊕	36 mil	Wells Fargo & Co	1.66

### Equity Style

Value	Blend	Growth	Port Avg	Rel Index	Rel Cat		
P/E Ratio TTM	11.0	0.83	0.86	⊕	48 mil	Pfizer Inc	1.62
P/C Ratio TTM	7.4	0.95	0.91	⊕	34 mil	Microsoft Corporation	1.61
P/B Ratio TTM	1.6	0.89	0.89	⊕	22 mil	Merck & Co Inc	1.38
Geo Avg Mkt Cap \$mil	60575	2.80	1.68	⊕	655 mil	US Treasury Note 1.5%	1.29

### Fixed-Income Style

Ltd	Mod	Ext	Avg Eff Maturity	9.50
			Avg Eff Duration	5.93
			Avg Credit Quality	—
			Avg Wtd Coupon	4.98

### Credit Quality Breakdown 09-30-2011

	Bond %
AAA	21.44
AA	22.50
A	42.11
BBB	12.54
BB	0.35
B	0.00
Below B	0.00
NR/NA	1.06

### Regional Exposure

	Stock %	Rel Std Index
Americas	88.7	1.21
Greater Europe	10.0	0.70
Greater Asia	1.3	0.11

### Sector Weightings

	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>25.6</b>	<b>0.72</b>
Basic Materials	3.4	0.49
Consumer Cyclical	6.3	0.64
Financial Services	15.9	1.04
Real Estate	0.0	0.00
<b>Sensitive</b>	<b>44.4</b>	<b>1.07</b>
Communication Services	5.8	1.26
Energy	13.8	1.25
Industrials	12.6	0.98
Technology	12.1	0.94
<b>Defensive</b>	<b>30.0</b>	<b>1.32</b>
Consumer Defensive	8.7	0.98
Healthcare	16.3	1.70
Utilities	5.0	1.16

# Vanguard Long-Term Investment-Grade Adm (USD)

**Overall Morningstar Rtg™**  
 ★★★  
 49 US OE Long-Term Bond

**Standard Index**  
 BarCap US Agg  
 Bond TR USD

**Category Index**  
 BarCap US  
 Govt/Credit Long  
 TR USD

**Morningstar Cat**  
 US OE Long-Term  
 Bond

## Performance 01-31-2012

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	1.60	7.48	5.66	-3.93	10.85
2011	0.14	3.18	11.07	2.21	17.30
2012	—	—	—	—	2.47

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	22.08	15.38	9.19	8.04	8.11
Std 12-31-2011	17.30	—	8.53	7.93	7.93
Total Return	22.08	15.38	9.19	8.04	8.11

+/- Std Index	13.42	7.99	2.49	2.25	—
+/- Cat Index	-3.72	1.34	-0.92	-0.49	—

% Rank Cat	23	42	37	47
No. in Cat	64	49	42	20

7-day Yield —

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

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## Fees and Expenses

### Sales Charges

Front-End Load % **NA**

Deferred Load % **NA**

### Fund Expenses

Management Fees % 0.09

12b1 Expense % NA

Gross Expense Ratio % **0.12**

Prospectus Gross Expense Ratio % **0.12**

## Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	3★	3★
Morningstar Risk	+Avg	+Avg	+Avg
Morningstar Return	+Avg	Avg	Avg

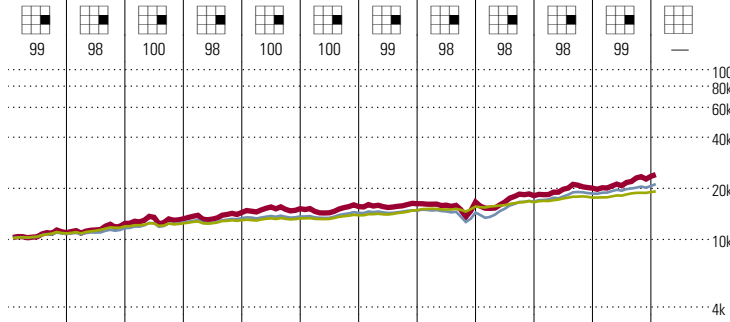
	3 Yr	5 Yr	10 Yr
Standard Deviation	8.53	11.54	10.27
Mean	15.38	9.19	8.04
Sharpe Ratio	1.71	0.71	0.62

MPT Statistics	Standard Index	Best Fit Index
		BarCap US
		Govt/Credit Long TR
		USD
Alpha	-1.27	2.47
Beta	2.25	0.91
R-Squared	50.43	74.08

12-Month Yield	5.01%
30-day SEC Yield	4.72%
Potential Cap Gains Exp	14.79%

## Operations

Family:	Vanguard
Manager:	Lucius Hill, III
Tenure:	4.0 Years
Objective:	Corporate Bond - High Quality



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	01-12
NAV/Price	8.68	9.23	9.27	9.55	9.52	9.25	9.06	8.72	8.92	9.34	10.29	10.50
Total Return %	9.64	13.32	6.36	9.06	5.27	2.99	3.86	2.40	8.89	10.85	17.30	2.47
+/- Standard Index	1.20	3.07	2.25	4.72	2.84	-1.34	-3.11	-2.84	2.96	4.30	9.46	1.59
+/- Category Index	2.36	-1.48	0.48	0.50	-0.07	0.28	-2.74	-6.04	6.97	0.69	-5.19	1.22
% Rank Cat	—	3	52	14	8	87	55	41	67	51	25	—
No. of Funds in Cat	—	106	75	69	60	45	44	48	50	52	61	79

## Portfolio Analysis 09-30-2011

Asset Allocation %	Net %	Long %	Short %	Share Chg since 06-2011	Share Amount	Holdings:	% Net Assets
Cash	0.80	0.80	0.00			0 Total Stocks, 379 Total Fixed-Income, 19% Turnover Ratio	
US Stocks	0.00	0.00	0.00				
Non-US Stocks	0.00	0.00	0.00	⊕	181 mil	Illinois St Go Bds 5.1%	1.60
Bonds	99.20	99.20	0.00	⊕	129 mil	California St Go Bds 7.3%	1.50
Other/Not Clsfd	0.00	0.00	0.00		117 mil	General Elec Cap Corp Mtn Be 6.75%	1.28
Total	100.00	100.00	0.00	⊕	134 mil	Goldman Sachs Grp 6.75%	1.17
				⊕	80 mil	Shell Intl Fin Bv 6.375%	1.05

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	—	—	—
	P/C Ratio TTM	—	—	—
	P/B Ratio TTM	—	—	—
	Geo Avg Mkt Cap \$mil	—	—	—

Fixed-Income Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Ltd Mod Ext	Avg Eff Maturity	—	24.40	—
	Avg Eff Duration	—	13.25	—
	Avg Credit Quality	—	—	—
	Avg Wtd Coupon	—	6.46	—

Credit Quality Breakdown 09-30-2011	Bond %
AAA	5.37
AA	19.58
A	55.59
BBB	16.40
BB	0.00
B	0.00
Below B	0.00
NR/NA	3.06

Regional Exposure	Stock %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	—	—
Basic Materials	—	—
Consumer Cyclical	—	—
Financial Services	—	—
Real Estate	—	—
<b>Sensitive</b>	—	—
Communication Services	—	—
Energy	—	—
Industrials	—	—
Technology	—	—
<b>Defensive</b>	—	—
Consumer Defensive	—	—
Healthcare	—	—
Utilities	—	—



# Federated US Govt 2-5 Yr Instl (USD)

**Overall Morningstar Rtg™**  
 ★★★★★  
 134 US OE Short Government

**Standard Index**  
 BarCap US Agg  
 Bond TR USD

**Category Index**  
 BarCap  
 Government 1-5 Yr  
 TR USD

**Morningstar Cat**  
 US OE Short  
 Government

## Performance 01-31-2012

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	1.11	2.74	1.57	-1.19	4.26
2011	-0.13	1.74	3.11	-0.10	4.67
2012	—	—	—	—	0.67

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	5.12	3.58	5.88	4.65	6.79
Std 12-31-2011	4.67	—	5.74	4.63	6.79
Total Return	5.12	3.58	5.88	4.65	6.79

+/- Std Index	-3.54	-3.81	-0.81	-1.13	—
+/- Cat Index	1.86	0.70	1.08	0.60	—

% Rank Cat	6	28	2	1	—
No. in Cat	150	134	125	106	—

7-day Yield —

## Performance Disclosure

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-341-7400 or visit [www.federatedinvestors.com](http://www.federatedinvestors.com).

## Fees and Expenses

### Sales Charges

Front-End Load %	NA
Deferred Load %	NA

### Fund Expenses

Management Fees %	0.40
12b1 Expense %	NA

Gross Expense Ratio %	0.84
Prospectus Gross Expense Ratio %	0.84

## Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	134 funds	125 funds	106 funds
Morningstar Rating™	4★	5★	5★
Morningstar Risk	High	High	High
Morningstar Return	+Avg	High	High

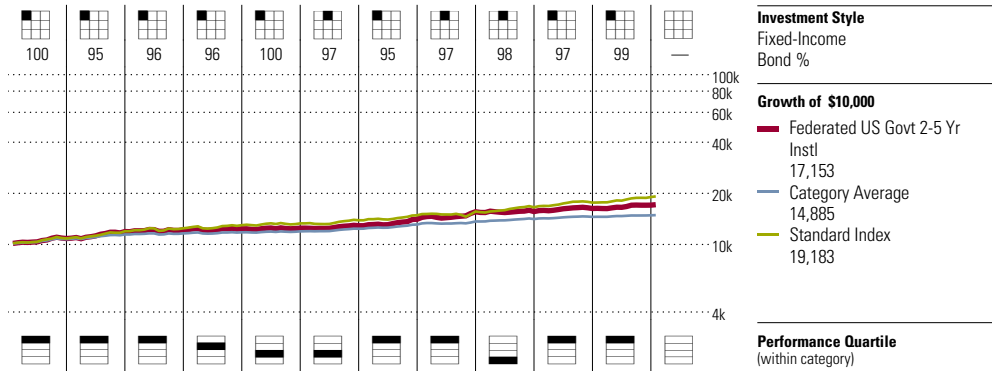
	3 Yr	5 Yr	10 Yr
Standard Deviation	2.70	3.43	3.39
Mean	3.58	5.88	4.65
Sharpe Ratio	1.28	1.35	0.80

MPT Statistics	Standard Index	Best Fit Index
	BarCap Intermediate	Treasury TR USD
Alpha	-2.47	0.13
Beta	0.84	0.84
R-Squared	69.81	93.77

12-Month Yield	1.52%
30-day SEC Yield	0.00%
Potential Cap Gains Exp	3.18%

## Operations

Family:	Federated	Base Currency:	USD	Incept:	02-18-1983
Manager:	Donald Ellenberger	Ticker:	FIGTX	Type:	MF
Tenure:	6.7 Years	Minimum Initial Purchase:	\$1 mil	Total Assets:	\$790.51 mil
Objective:	Government Bond - Treasury	Purchase Constraints:	—		



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	01-12	History
NAV/Price	11.09	11.67	11.52	11.30	10.97	10.86	11.35	12.09	11.73	11.74	11.62	11.69	NAV/Price
Total Return %	8.33	9.92	2.22	1.60	0.87	3.34	9.18	10.64	0.28	4.26	4.67	0.67	Total Return %
+/- Standard Index	-0.11	-0.33	-1.88	-2.74	-1.56	-0.99	2.21	5.40	-5.65	-2.29	-3.18	-0.21	+/- Standard Index
+/- Category Index	-0.31	2.23	0.06	0.06	-0.62	-0.68	1.35	2.23	-0.71	0.69	1.46	0.33	+/- Category Index
% Rank Cat	11	3	12	34	73	73	1	1	88	21	6	—	% Rank Cat
No. of Funds in Cat	154	166	176	186	177	179	151	150	158	154	150	153	No. of Funds in Cat

## Portfolio Analysis 12-31-2011

Asset Allocation % 09-30-2011	Net %	Long %	Short %
Cash	1.79	1.79	0.00
US Stocks	0.00	0.00	0.00
Non-US Stocks	0.00	0.00	0.00
Bonds	98.21	98.21	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.00	0.00

## Equity Style

Value	Blend	Growth	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	—	—	—	—	—
P/C Ratio TTM	—	—	—	—	—
P/B Ratio TTM	—	—	—	—	—
Geo Avg Mkt Cap \$mil	—	—	—	—	—

## Fixed-Income Style

Ltd	Mod	Ext	High	Med	Low
Avg Eff Maturity	—	—	—	—	—
Avg Eff Duration	—	—	2.60	—	—
Avg Credit Quality	—	—	—	—	—
Avg Wtd Coupon	—	—	1.79	—	—

## Credit Quality Breakdown 12-31-2011

Credit Quality	Bond %
AAA	100.00
AA	0.00
A	0.00
BBB	0.00
BB	0.00
B	0.00
Below B	0.00
NR/NA	0.00

## Regional Exposure

Region	Stock %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

## Top Holdings 09-30-2011

Share since 09-2011	Share Amount	Holdings:	% Net Assets
—	0	Total Stocks, 23 Total Fixed-Income, 159% Turnover Ratio	—
✱	65 mil	Federal Home Loan Mortgage Corp.,	8.96
✱	60 mil	Federal Home Loan Mortgage Corp.,	8.59
✱	50 mil	FNMA 1.25%	6.91
—	45 mil	United States Treasury Note, 2.750	6.54
—	40 mil	US Treasury Note 4.25%	6.18
—	40 mil	US Treasury Note 2.625%	5.89
—	34 mil	United States Treasury Note, 2.125	4.94
⊖	32 mil	US Treasury Note 2.125%	4.68
—	30 mil	FHLB 4.88%	4.56
—	31 mil	US Treasury Note 1.875%	4.49
—	30 mil	US Treasury Note 2%	4.29
—	30 mil	US Treasury Note 1.25%	4.24
✱	30 mil	FHLBA 0.5%	4.18
✱	24 mil	US Treasury Note 3.25%	3.72
—	25 mil	FHLMC 1%	3.49

## Sector Weightings

Sector	Stocks %	Rel Std Index
<b>Cyclical</b>	—	—
Basic Materials	—	—
Consumer Cyclical	—	—
Financial Services	—	—
Real Estate	—	—
<b>Sensitive</b>	—	—
Communication Services	—	—
Energy	—	—
Industrials	—	—
Technology	—	—
<b>Defensive</b>	—	—
Consumer Defensive	—	—
Healthcare	—	—
Utilities	—	—

# Vanguard Target Retirement Income Inv (USD)

**Overall Morningstar Rtg™**  
**★★★★**  
 237 US OE Retirement Income

**Standard Index**  
 Morningstar  
 Moderate Target Risk

**Category Index**  
 Morningstar  
 Lifetime Moderate Income

**Morningstar Cat**  
 US OE Retirement Income

**Performance 01-31-2012**

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	2.44	-1.20	5.49	2.47	9.39
2011	2.12	1.75	-2.59	3.99	5.25
2012	—	—	—	—	2.52

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	7.33	11.51	5.26	—	5.56
Std 12-31-2011	5.25	—	4.86	—	5.30
Total Return	7.33	11.51	5.26	—	5.56
+/- Std Index	3.97	-3.17	1.59	—	—
+/- Cat Index	1.38	-0.39	-0.05	—	—

% Rank Cat	8	73	9	—
No. in Cat	267	237	90	—
7-day Yield	—			

**Performance Disclosure**

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

**Fees and Expenses**

<b>Sales Charges</b>	
<b>Front-End Load %</b>	NA
<b>Deferred Load %</b>	NA
<b>Fund Expenses</b>	
Management Fees %	NA
12b1 Expense %	NA
<b>Gross Expense Ratio %</b>	0.17
<b>Prospectus Gross Expense Ratio %</b>	0.17

**Risk and Return Profile**

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	4★	—
Morningstar Risk	-Avg	Avg	—
Morningstar Return	Avg	+Avg	—

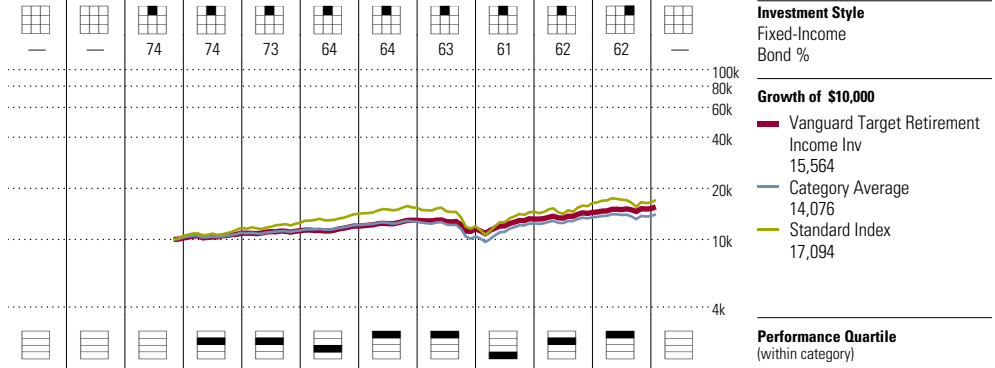
	3 Yr	5 Yr	10 Yr
Standard Deviation	6.33	7.27	—
Mean	11.51	5.26	—
Sharpe Ratio	1.74	0.57	—

MPT Statistics	Standard Index	Best Fit Index
		Morningstar
		Lifetime Moderate
		Income
Alpha	3.65	1.51
Beta	0.51	0.83
R-Squared	90.96	96.41

12-Month Yield	2.67%
30-day SEC Yield	2.70%
Potential Cap Gains Exp	7.46%

**Operations**

Family:	Vanguard
Manager:	Duane Kelly
Tenure:	8.3 Years
Objective:	Growth and Income



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	01-12
NAV/Price	—	—	10.18	10.52	10.44	10.70	11.13	9.52	10.59	11.28	11.53	11.82
Total Return %	—	—	—	6.82	3.33	6.38	8.17	-10.93	14.28	9.39	5.25	2.52
+/- Standard Index	—	—	—	-4.66	-3.72	-6.57	-0.47	11.27	-7.50	-2.94	4.66	-1.35
+/- Category Index	—	—	—	-3.12	-2.32	-1.86	-1.55	1.74	-1.23	-0.63	1.12	-0.17
% Rank Cat	—	—	—	35	48	56	1	6	80	42	9	—
No. of Funds in Cat	—	—	—	40	57	84	107	122	134	162	260	281

**Portfolio Analysis 09-30-2011**

Asset Allocation %	Net %	Long %	Short %	Share Chg since 06-2011	Share Amount	Holdings:	% Net Assets
Cash	7.73	7.73	0.00			8,161 Total Stocks, 8,945 Total Fixed-Income, 14% Turnover Ratio	
US Stocks	20.45	20.45	0.00				
Non-US Stocks	8.50	8.50	0.00	⊕	198 mil	Vanguard Total Bond Market II Idx	45.45
Bonds	62.39	62.39	0.00	⊕	35 mil	Vanguard Total Stock Mkt Idx Inv	20.66
Other/Not Clsfd	0.93	0.93	0.00	⊖	68 mil	Vanguard Inflation-Protected Secs	20.02
Total	100.00	100.00	0.00	⊕	33 mil	Vanguard Total Intl Stock Index Inv	8.82
				⊕	239 mil	Vanguard Prime Money Market Inv	5.03
				⊖	1 mil	CMT Market Liquidity Rate	0.02

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
	P/E Ratio TTM	14.6	1.10	1.17
	P/C Ratio TTM	8.8	1.13	1.17
	P/B Ratio TTM	1.9	1.11	1.17
	Geo Avg Mkt Cap \$mil	24619	1.14	1.10

Fixed-Income Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
	Avg Eff Maturity	7.99	—	—
	Avg Eff Duration	6.16	—	—
	Avg Credit Quality	3.50	—	—
	Avg Wtd Coupon	—	—	—

Credit Quality Breakdown 09-30-2011	Bond %
AAA	81.68
AA	4.25
A	7.49
BBB	6.58
BB	0.00
B	0.00
Below B	0.01
NR/NA	0.00

Regional Exposure	Stock %	Rel Std Index
Americas	74.7	1.02
Greater Europe	14.4	1.01
Greater Asia	11.0	0.88

**Sector Weightings**

	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>35.1</b>	<b>0.98</b>
Basic Materials	6.9	0.99
Consumer Cyclical	10.2	1.03
Financial Services	15.0	0.98
Real Estate	3.0	0.81
<b>Sensitive</b>	<b>42.2</b>	<b>1.02</b>
Communication Services	4.5	0.97
Energy	11.0	1.00
Industrials	13.1	1.02
Technology	13.7	1.06
<b>Defensive</b>	<b>22.7</b>	<b>1.00</b>
Consumer Defensive	9.4	1.06
Healthcare	9.9	1.04
Utilities	3.4	0.79

# Vanguard Target Retirement 2015 Inv (USD)

**Overall Morningstar Rtg™**  
 ★★★★★  
 132 US OE Target Date 2011-2015

**Standard Index**  
 Morningstar  
 Moderate Target Risk

**Category Index**  
 Morningstar  
 Lifetime Moderate 2015

**Morningstar Cat**  
 US OE Target Date  
 2011-2015

## Performance 01-31-2012

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	3.80	-5.62	8.57	5.74	12.47
2011	3.30	1.17	-8.24	6.07	1.71
2012	—	—	—	—	3.66

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	4.34	15.14	3.04	—	5.62
Std 12-31-2011	1.71	—	2.54	—	5.22
Total Return	4.34	15.14	3.04	—	5.62
+/- Std Index	0.99	0.45	-0.63	—	—
+/- Cat Index	-1.17	-0.49	-1.39	—	—

% Rank Cat	14	37	15	—
No. in Cat	158	132	69	—
7-day Yield	—			

### Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

### Fees and Expenses

<b>Sales Charges</b>	
<b>Front-End Load %</b>	NA
<b>Deferred Load %</b>	NA
<b>Fund Expenses</b>	
Management Fees %	NA
12b1 Expense %	NA
<b>Gross Expense Ratio %</b>	0.17
<b>Prospectus Gross Expense Ratio %</b>	0.17

### Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	132 funds	69 funds	5 funds
Morningstar Risk	3★	4★	—
Morningstar Return	Avg	-Avg	—
	Avg	+Avg	—

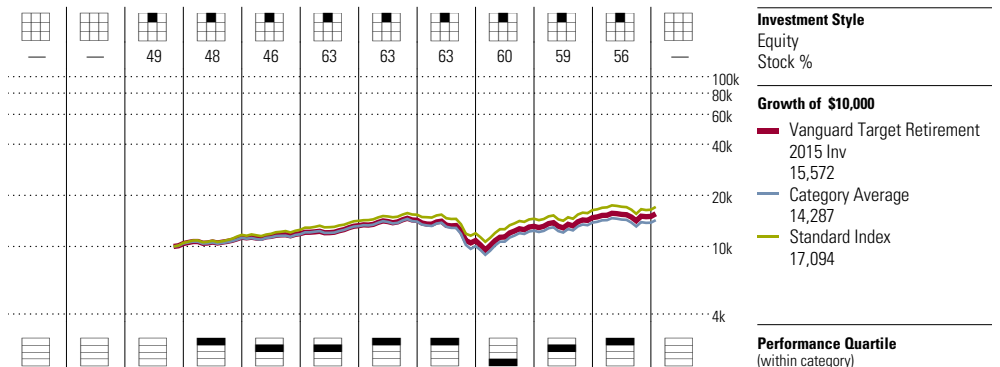
	3 Yr	5 Yr	10 Yr
Standard Deviation	11.66	12.68	—
Mean	15.14	3.04	—
Sharpe Ratio	1.26	0.20	—

MPT Statistics	Standard Index	Best Fit Index
		Morningstar
		Moderate Target
		Risk
Alpha	0.54	0.54
Beta	0.99	0.99
R-Squared	99.21	99.21

12-Month Yield	2.45%
30-day SEC Yield	2.44%
Potential Cap Gains Exp	6.24%

### Operations

Family:	Vanguard
Manager:	Duane Kelly
Tenure:	8.3 Years
Objective:	Growth and Income



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	01-12
NAV/Price	—	—	10.43	11.17	11.46	12.46	13.06	9.55	11.31	12.42	12.30	12.75
Total Return %	—	—	—	9.04	4.94	11.42	7.55	-24.06	21.30	12.47	1.71	3.66
+/- Standard Index	—	—	—	-2.44	-2.11	-1.53	-1.09	-1.86	-0.47	0.14	1.12	-0.21
+/- Category Index	—	—	—	-4.74	-2.92	-1.60	-2.20	-2.23	0.08	-0.42	-1.19	0.05
% Rank Cat	—	—	—	12	44	30	23	15	76	34	19	—
No. of Funds in Cat	—	—	—	21	38	58	103	133	153	149	157	168

### Portfolio Analysis 09-30-2011

Asset Allocation %	Net %	Long %	Short %	Share Chg since 06-2011	Share Amount	Holdings:	% Net Assets
Cash	2.53	2.53	0.00			8,773 Total Stocks, 8,810 Total Fixed-Income, 27% Turnover Ratio	
US Stocks	39.43	39.43	0.00				
Non-US Stocks	16.39	16.39	0.00	⊖	499 mil	Vanguard Total Bond Market II Idx	40.63
Bonds	40.41	40.41	0.00	⊕	191 mil	Vanguard Total Stock Mkt Idx Inv	39.82
Other/Not Clsfd	1.25	1.25	0.00	⊕	177 mil	Vanguard Total Intl Stock Index Inv	17.01
Total	100.00	100.00	0.00	⊕	24 mil	Vanguard Inflation-Protected Secs	2.54
				⊕	690,529	CMT Market Liquidity Rate	0.01

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
	P/E Ratio TTM	14.6	1.10	1.15
	P/C Ratio TTM	8.8	1.13	1.11
	P/B Ratio TTM	1.9	1.11	1.12
	Geo Avg Mkt Cap \$mil	24618	1.14	0.99

Fixed-Income Style	Port Avg	Rel Index	Rel Cat
	Avg Eff Maturity	7.43	—
	Avg Eff Duration	5.29	—
	Avg Credit Quality	4.11	—
	Avg Wtd Coupon	—	—

Credit Quality Breakdown 09-30-2011	Bond %
AAA	74.87
AA	5.83
A	10.27
BBB	9.02
BB	0.00
B	0.00
Below B	0.01
NR/NA	0.00

Regional Exposure	Stock %	Rel Std Index
Americas	74.7	1.02
Greater Europe	14.4	1.01
Greater Asia	11.0	0.88

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>35.1</b>	<b>0.98</b>
Basic Materials	6.9	0.99
Consumer Cyclical	10.2	1.03
Financial Services	15.0	0.98
Real Estate	3.0	0.81
<b>Sensitive</b>	<b>42.2</b>	<b>1.02</b>
Communication Services	4.5	0.97
Energy	11.0	1.00
Industrials	13.1	1.02
Technology	13.7	1.06
<b>Defensive</b>	<b>22.7</b>	<b>1.00</b>
Consumer Defensive	9.4	1.06
Healthcare	9.9	1.04
Utilities	3.4	0.79

# Vanguard Target Retirement 2025 Inv (USD)

**Overall Morningstar Rtg™**  
 ★★★★★  
 114 US OE Target Date 2021-2025

**Standard Index**  
 Morningstar  
 Moderate Target Risk

**Category Index**  
 Morningstar  
 Lifetime Moderate 2025

**Morningstar Cat**  
 US OE Target Date  
 2021-2025

**Performance 01-31-2012**

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	4.33	-7.96	10.12	7.66	13.84
2011	4.04	0.76	-11.49	7.38	-0.37
2012	—	—	—	—	4.40

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	2.64	16.75	1.87	—	5.41
Std 12-31-2011	-0.37	—	1.27	—	4.92
Total Return	2.64	16.75	1.87	—	5.41
+/- Std Index	-0.72	2.06	-1.81	—	—
+/- Cat Index	-0.80	-1.49	-1.08	—	—

% Rank Cat	16	42	18	—
No. in Cat	146	114	53	—
7-day Yield	—			

**Performance Disclosure**

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

**Fees and Expenses**

**Sales Charges**

**Front-End Load %** NA

**Deferred Load %** NA

**Fund Expenses**

Management Fees % NA

12b1 Expense % NA

**Gross Expense Ratio %** 0.18

**Prospectus Gross Expense Ratio %** 0.18

**Risk and Return Profile**

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	114 funds	53 funds	—
Morningstar Risk	4★	4★	—
Morningstar Return	Avg	-Avg	—
	Avg	+Avg	—

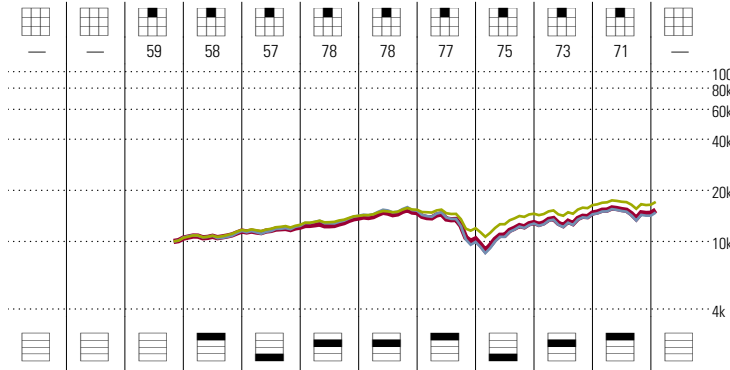
	3 Yr	5 Yr	10 Yr
Standard Deviation	14.65	15.67	—
Mean	16.75	1.87	—
Sharpe Ratio	1.13	0.12	—

MPT Statistics	Standard Index	Best Fit Index Morningstar	Moderately Aggr Target Risk
Alpha	-1.33	0.55	—
Beta	1.24	0.93	—
R-Squared	99.35	99.47	—

	3 Yr	5 Yr	10 Yr
12-Month Yield	—	—	2.27%
30-day SEC Yield	—	—	2.28%
Potential Cap Gains Exp	—	—	6.32%

**Operations**

Family:	Vanguard
Manager:	Duane Kelly
Tenure:	8.3 Years
Objective:	Growth and Income



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	01-12
NAV/Price	—	—	10.51	11.39	11.77	13.04	13.72	9.27	11.32	12.62	12.27	12.81
Total Return %	—	—	—	10.11	5.45	13.24	7.59	-30.05	24.81	13.84	-0.37	4.40
+/- Standard Index	—	—	—	-1.37	-1.60	0.29	-1.04	-7.86	3.04	1.50	-0.96	0.53
+/- Category Index	—	—	—	-5.84	-4.29	-3.27	-2.12	0.53	-2.36	-1.32	-0.61	-0.14
% Rank Cat	—	—	—	1	94	45	41	15	78	37	16	—
No. of Funds in Cat	—	—	—	8	22	41	76	104	127	131	145	165

**Portfolio Analysis 09-30-2011**

Asset Allocation %	Net %	Long %	Short %	Share Chg since 06-2011	Share Amount	Holdings: 8,905 Total Stocks, 8,132 Total Fixed-Income, 23% Turnover Ratio	% Net Assets
Cash	1.88	1.88	0.00	—	—	—	—
US Stocks	50.39	50.39	0.00	+	272 mil	Vanguard Total Stock Mkt Idx Inv	50.89
Non-US Stocks	20.92	20.92	0.00	+	375 mil	Vanguard Total Bond Market II Idx	27.36
Bonds	25.51	25.51	0.00	+	252 mil	Vanguard Total Intl Stock Index Inv	21.72
Other/Not Clsfd	1.31	1.31	0.00	+	4 mil	CMT Market Liquidity Rate	0.03
Total	100.00	100.00	0.00	—	—	—	—

**Equity Style**

Value	Blend	Growth	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	14.6	1.10	1.14	—	—
P/C Ratio TTM	8.8	1.13	1.11	—	—
P/B Ratio TTM	1.9	1.11	1.11	—	—
Geo Avg Mkt Cap \$mil	24620	1.14	1.03	—	—

**Fixed-Income Style**

Ltd	Mod	Ext	High	Med	Low
Avg Eff Maturity	—	—	—	—	7.30
Avg Eff Duration	—	—	—	—	5.08
Avg Credit Quality	—	—	—	—	—
Avg Wtd Coupon	—	—	—	—	4.25

**Credit Quality Breakdown 09-30-2011**

	Bond %
AAA	73.23
AA	6.21
A	10.94
BBB	9.61
BB	0.00
B	0.00
Below B	0.01
NR/NA	0.00

**Regional Exposure**

	Stock %	Rel Std Index
Americas	74.7	1.02
Greater Europe	14.4	1.01
Greater Asia	11.0	0.88

**Sector Weightings**

	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>35.1</b>	<b>0.98</b>
Basic Materials	6.9	0.99
Consumer Cyclical	10.2	1.03
Financial Services	15.0	0.98
Real Estate	3.0	0.81
<b>Sensitive</b>	<b>42.3</b>	<b>1.02</b>
Communication Services	4.5	0.97
Energy	11.0	1.00
Industrials	13.1	1.02
Technology	13.7	1.06
<b>Defensive</b>	<b>22.7</b>	<b>1.00</b>
Consumer Defensive	9.4	1.06
Healthcare	9.9	1.04
Utilities	3.4	0.79

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# Vanguard Target Retirement 2035 Inv (USD)

**Overall Morningstar Rtg™**  
★★★★

108 US OE Target Date 2031-2035

**Standard Index**  
Morningstar  
Moderate Target Risk

**Category Index**  
Morningstar  
Lifetime Moderate 2035

**Morningstar Cat**  
US OE Target Date 2031-2035

**Performance 01-31-2012**

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	4.82	-10.18	11.70	9.49	15.14
2011	4.81	0.44	-14.59	8.72	-2.24
2012	—	—	—	—	5.12

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	1.14	18.17	0.97	—	5.55
Std 12-31-2011	-2.24	—	0.27	—	4.97
Total Return	1.14	18.17	0.97	—	5.55

+/- Std Index	-2.21	3.49	-2.71	—	—
+/- Cat Index	-0.30	-1.32	-1.01	—	—

% Rank Cat	20	24	21	—	—
No. in Cat	140	108	53	—	—

7-day Yield —

**Performance Disclosure**

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

**Fees and Expenses**

Sales Charges

Front-End Load % **NA**

Deferred Load % **NA**

Fund Expenses

Management Fees % **NA**

12b1 Expense % **NA**

Gross Expense Ratio % **0.19**

Prospectus Gross Expense Ratio % **0.19**

**Risk and Return Profile**

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	108 funds	53 funds	—
Morningstar Risk	4★	4★	—
Morningstar Return	Avg	Avg	—

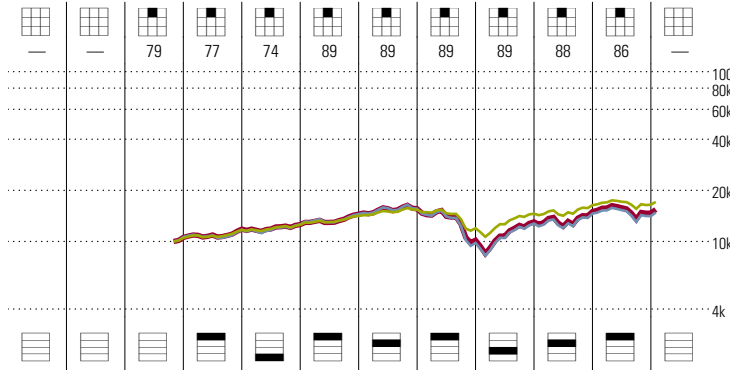
	3 Yr	5 Yr	10 Yr
Standard Deviation	17.49	18.31	—
Mean	18.17	0.97	—
Sharpe Ratio	1.04	0.08	—

MPT Statistics	Standard Index	Best Fit Index Morningstar	Moderately Aggr Target Risk
Alpha	-3.08	-0.88	—
Beta	1.48	1.11	—
R-Squared	99.07	99.59	—

12-Month Yield	2.14%
30-day SEC Yield	2.16%
Potential Cap Gains Exp	6.48%

**Operations**

Family:	Vanguard
Manager:	Duane Kelly
Tenure:	8.3 Years
Objective:	Growth and Income



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	01-12	History
NAV/Price	—	—	10.63	11.73	12.26	13.87	14.62	9.25	11.62	13.09	12.51	13.15	NAV/Price
Total Return %	—	—	—	11.95	6.30	15.24	7.49	-34.66	28.17	15.14	-2.24	5.12	Total Return %
+/- Standard Index	—	—	—	0.47	-0.74	2.29	-1.14	-12.47	6.40	2.81	-2.83	1.25	+/- Standard Index
+/- Category Index	—	—	—	-4.92	-4.37	-3.04	-2.29	0.66	-2.90	-1.39	0.04	-0.17	+/- Category Index
% Rank Cat	—	—	—	1	94	24	47	13	64	26	19	—	% Rank Cat
No. of Funds in Cat	—	—	—	8	22	35	76	104	121	125	139	159	No. of Funds in Cat

**Portfolio Analysis 09-30-2011**

Asset Allocation %	Net %	Long %	Short %	Share Chg since 06-2011	Share Amount	Holdings:	% Net Assets
Cash	1.11	1.11	0.01	—	8,971	Total Stocks, 7,083 Total Fixed-Income, 18% Turnover Ratio	—
US Stocks	60.92	60.92	0.00	—	224 mil	Vanguard Total Stock Mkt Idx Inv	61.53
Non-US Stocks	25.33	25.33	0.00	+	208 mil	Vanguard Total Intl Stock Index Inv	26.30
Bonds	11.31	11.31	0.00	+	113 mil	Vanguard Total Bond Market II Idx	12.13
Other/Not Clsfd	1.33	1.33	0.00	-	4 mil	CMT Market Liquidity Rate	0.04
Total	100.00	100.01	0.01	+			

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	14.6	1.10	1.14	—
P/C Ratio TTM	8.8	1.13	1.10	—
P/B Ratio TTM	1.9	1.11	1.11	—
Geo Avg Mkt Cap \$mil	24618	1.14	1.06	—

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Credit Quality	Avg Wtd Coupon
	7.30	5.08	—	4.25

Credit Quality Breakdown 09-30-2011	Bond %
AAA	73.23
AA	6.21
A	10.94
BBB	9.61
BB	0.00
B	0.00
Below B	0.01
NR/NA	0.00

Regional Exposure	Stock %	Rel Std Index
Americas	74.7	1.02
Greater Europe	14.4	1.01
Greater Asia	11.0	0.88

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>35.1</b>	<b>0.98</b>
Basic Materials	6.9	0.99
Consumer Cyclical	10.2	1.03
Financial Services	15.0	0.98
Real Estate	3.0	0.81
<b>Sensitive</b>	<b>42.2</b>	<b>1.02</b>
Communication Services	4.5	0.97
Energy	11.0	1.00
Industrials	13.1	1.02
Technology	13.7	1.06
<b>Defensive</b>	<b>22.7</b>	<b>1.00</b>
Consumer Defensive	9.4	1.06
Healthcare	9.9	1.04
Utilities	3.4	0.79

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# Vanguard Target Retirement 2045 Inv (USD)

**Overall Morningstar Rtg™**  
★★★★

107 US OE Target Date 2041-2045

**Standard Index**  
Morningstar  
Moderate Target Risk

**Category Index**  
Morningstar  
Lifetime Moderate 2045

**Morningstar Cat**  
US OE Target Date 2041-2045

**Performance 01-31-2012**

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	4.83	-10.24	11.76	9.54	15.19
2011	4.89	0.42	-14.91	8.76	-2.51
2012	—	—	—	—	5.28

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	0.99	18.16	0.97	—	5.92
Std 12-31-2011	-2.51	—	0.24	—	5.32
Total Return	0.99	18.16	0.97	—	5.92
+/- Std Index	-2.36	3.47	-2.71	—	—
+/- Cat Index	0.14	-1.59	-0.88	—	—

% Rank Cat	16	37	22	—
No. in Cat	140	107	51	—
7-day Yield	—			

**Performance Disclosure**

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

**Fees and Expenses**

**Sales Charges**

**Front-End Load %** NA

**Deferred Load %** NA

**Fund Expenses**

Management Fees % NA

12b1 Expense % NA

**Gross Expense Ratio %** 0.19

**Prospectus Gross Expense Ratio %** 0.19

**Risk and Return Profile**

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	107 funds	51 funds	—
Morningstar Risk	3★	4★	—
Morningstar Return	-Avg	-Avg	—
	Avg	+Avg	—

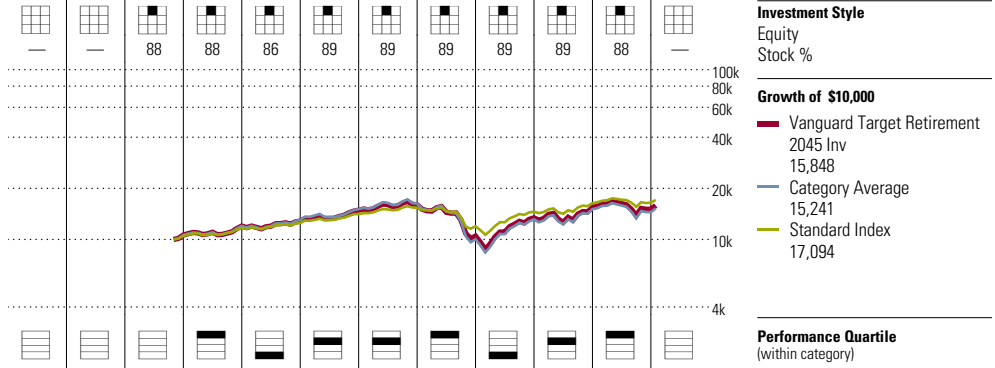
	3 Yr	5 Yr	10 Yr
Standard Deviation	17.60	18.36	—
Mean	18.16	0.97	—
Sharpe Ratio	1.03	0.08	—

MPT Statistics	Standard Index	Best Fit Index Morningstar	Moderately Aggr Target Risk
Alpha	-3.21	-1.00	—
Beta	1.49	1.11	—
R-Squared	99.05	99.60	—

	3 Yr	5 Yr	10 Yr
12-Month Yield	—	—	2.11%
30-day SEC Yield	—	—	2.14%
Potential Cap Gains Exp	—	—	6.60%

**Operations**

Family:	Vanguard
Manager:	Duane Kelly
Tenure:	8.3 Years
Objective:	Growth and Income



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	01-12	History
NAV/Price	—	—	10.71	11.93	12.57	14.32	15.09	9.57	12.02	13.50	12.87	13.55	NAV/Price
Total Return %	—	—	—	12.89	6.95	15.98	7.47	-34.56	28.15	15.19	-2.51	5.28	Total Return %
+/- Standard Index	—	—	—	1.41	-0.09	3.03	-1.17	-12.37	6.38	2.86	-3.11	1.42	+/- Standard Index
+/- Category Index	—	—	—	-4.47	-4.13	-3.01	-2.68	1.71	-4.17	-1.57	0.67	-0.28	+/- Category Index
% Rank Cat	—	—	—	1	100	46	41	11	83	40	14	—	% Rank Cat
No. of Funds in Cat	—	—	—	1	12	25	63	92	115	125	139	151	No. of Funds in Cat

**Portfolio Analysis 09-30-2011**

Asset Allocation %	Net %	Long %	Short %	Share Chg since 06-2011	Share Amount	Holdings:	% Net Assets
Cash	1.01	1.01	0.01	—	—	8,976 Total Stocks, 6,886 Total Fixed-Income, 16% Turnover Ratio	—
US Stocks	62.14	62.14	0.00	—	—	—	—
Non-US Stocks	25.98	25.98	0.00	⊕	127 mil	Vanguard Total Stock Mkt Idx Inv	62.77
Bonds	9.53	9.53	0.00	⊕	119 mil	Vanguard Total Intl Stock Index Inv	26.98
Other/Not Clsfd	1.34	1.34	0.00	⊖	53 mil	Vanguard Total Bond Market II Idx	10.22
Total	100.00	100.01	0.01	⊕	2 mil	CMT Market Liquidity Rate	0.04

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	14.6	1.10	1.17
	P/C Ratio TTM	8.8	1.13	1.14
	P/B Ratio TTM	1.9	1.10	1.16
	Geo Avg Mkt Cap \$mil	24608	1.14	1.09

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Credit Quality	Avg Wtd Coupon
Ltd Mod Ext	7.30	5.08	—	4.25

Credit Quality Breakdown 09-30-2011	Bond %
AAA	73.23
AA	6.21
A	10.94
BBB	9.61
BB	0.00
B	0.00
Below B	0.01
NR/NA	0.00

Regional Exposure	Stock %	Rel Std Index
Americas	74.6	1.02
Greater Europe	14.4	1.01
Greater Asia	11.0	0.88

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>35.1</b>	<b>0.98</b>
Basic Materials	6.9	0.99
Consumer Cyclical	10.2	1.03
Financial Services	15.0	0.98
Real Estate	3.0	0.81
<b>Sensitive</b>	<b>42.2</b>	<b>1.02</b>
Communication Services	4.5	0.97
Energy	11.0	1.00
Industrials	13.1	1.02
Technology	13.7	1.06
<b>Defensive</b>	<b>22.7</b>	<b>1.00</b>
Consumer Defensive	9.4	1.06
Healthcare	9.9	1.04
Utilities	3.4	0.79

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# Vanguard Target Retirement 2055 Inv (USD)

**Standard Index**  
Morningstar Moderate Target Risk

**Category Index**  
Morningstar Lifetime Moderate 2050

**Morningstar Cat**  
US OE Target Date 2050+

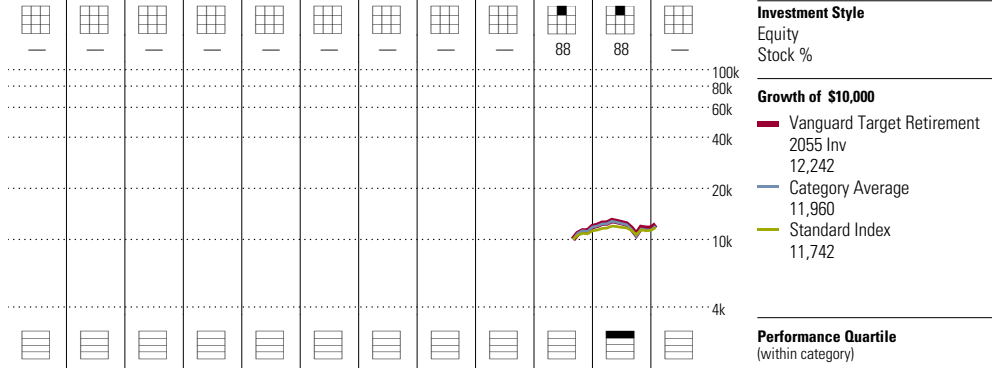
Performance 01-31-2012					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	—	—	—	9.63	—
2011	4.92	0.42	-14.79	8.87	-2.27
2012	—	—	—	—	5.22
Trailing Returns					
	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	1.19	—	—	—	12.23
Std 12-31-2011	-2.27	—	—	—	8.91
Total Return	1.19	—	—	—	12.23
+/- Std Index	-2.17	—	—	—	—
+/- Cat Index	0.47	—	—	—	—
% Rank Cat	9	—	—	—	—
No. in Cat	—	—	—	—	—
7-day Yield	—	—	—	—	—

**Performance Disclosure**  
The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.  
The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.  
Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

Fees and Expenses	
<b>Sales Charges</b>	
<b>Front-End Load %</b>	NA
<b>Deferred Load %</b>	NA
<b>Fund Expenses</b>	
Management Fees %	NA
12b1 Expense %	NA
<b>Gross Expense Ratio %</b>	0.19
<b>Prospectus Gross Expense Ratio %</b>	0.19

Risk and Return Profile			
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	—	—	—
Morningstar Risk	—	—	—
Morningstar Return	—	—	—
Standard Deviation	—	—	—
Mean	—	—	—
Sharpe Ratio	—	—	—
MPT Statistics	Standard Index	Best Fit Index	
Alpha	—	—	—
Beta	—	—	—
R-Squared	—	—	—
12-Month Yield	1.70%		
30-day SEC Yield	2.14%		
Potential Cap Gains Exp	1.28%		

Operations	
Family:	Vanguard
Manager:	Duane Kelly
Tenure:	1.5 Years
Objective:	Growth and Income



Performance Quartile (within category)	
History	
NAV/Price	—
Total Return %	—
+/- Standard Index	—
+/- Category Index	—
% Rank Cat	—
No. of Funds in Cat	—

Portfolio Analysis 09-30-2011							
<b>Asset Allocation %</b>	Net %	Long %	Short %	Share Chg since 06-2011	Share Amount	Holdings: 8,976 Total Stocks, 6,859 Total Fixed-Income, 12% Turnover Ratio	% Net Assets
Cash	1.08	1.08	0.01	—	—	—	—
US Stocks	61.90	61.90	0.00	⊕	3 mil	Vanguard Total Stock Mkt Idx Inv	62.52
Non-US Stocks	26.19	26.19	0.00	⊕	3 mil	Vanguard Total Intl Stock Index Inv	27.20
Bonds	9.48	9.48	0.00	⊕	1 mil	Vanguard Total Bond Market II Idx	10.17
Other/Not Clsfd	1.35	1.35	0.00	⊖	138,668	CMT Market Liquidity Rate	0.11
Total	100.00	100.01	0.01				

Equity Style		Portfolio Statistics			Port Avg	Rel Index	Rel Cat	Sector Weightings				
Value	Blend	Growth	Large	Mid	Small			Stocks %	Rel Std Index			
—	—	—	—	—	—	P/E Ratio TTM	14.5	1.10	1.15	<b>Cyclical</b>	<b>35.1</b>	<b>0.98</b>
—	—	—	—	—	—	P/C Ratio TTM	8.8	1.13	1.12	Basic Materials	6.9	1.00
—	—	—	—	—	—	P/B Ratio TTM	1.9	1.10	1.13	Consumer Cyclical	10.2	1.03
—	—	—	—	—	—	Geo Avg Mkt Cap \$mil	24588	1.14	1.09	Financial Services	15.0	0.98
—	—	—	—	—	—					Real Estate	3.0	0.81
—	—	—	—	—	—					<b>Sensitive</b>	<b>42.2</b>	<b>1.02</b>
—	—	—	—	—	—	Avg Eff Maturity			7.30	Communication Services	4.5	0.97
—	—	—	—	—	—	Avg Eff Duration			5.08	Energy	11.0	1.00
—	—	—	—	—	—	Avg Credit Quality			—	Industrials	13.1	1.02
—	—	—	—	—	—	Avg Wtd Coupon			4.25	Technology	13.6	1.06

Fixed-Income Style		Credit Quality Breakdown 09-30-2011		Bond %			
Ltd	Mod	Ext	High	Mid	Low		
—	—	—	—	—	—	AAA	73.23
—	—	—	—	—	—	AA	6.21
—	—	—	—	—	—	A	10.94
—	—	—	—	—	—	BBB	9.61
—	—	—	—	—	—	BB	0.00
—	—	—	—	—	—	B	0.00
—	—	—	—	—	—	Below B	0.01
—	—	—	—	—	—	NR/NA	0.00

Regional Exposure		Stock %	Rel Std Index
Americas	74.4	1.01	
Greater Europe	14.5	1.02	
Greater Asia	11.1	0.89	

Family:	Vanguard	Base Currency:	USD	Purchase Constraints:	—
Manager:	Duane Kelly	Ticker:	VFFVX	Incept:	08-18-2010
Tenure:	1.5 Years	Minimum Initial Purchase:	\$1,000	Type:	MF
Objective:	Growth and Income	Minimum IRA Purchase:	\$1,000	Total Assets:	\$196.86 mil

# Investment Policy Statement and Fund Benchmarks



 **AdvisedAssetsGroup**

*Put Our Power Behind You™*



# Investment Benchmarks

Investment Product	2010 Performance Benchmarks
American Funds EuroPacific Growth R5	1 MSCI EAFE Free Index* 2 Lipper International Funds Average* 3 MSCI All Country World Index ex-USA* 4 Morningstar Foreign Large Cap Blend Category Average**
Blackrock EAFE Equity Index Fund	1 MSCI EAFE*
DFA U.S. Microcap Portfolio	1 Russell 2000 Index* 2 Russell Microcap Index**
Blackrock Small Cap Equity Index Fund	1 Russell 2000 Index*
T. Rowe Price MidCap Growth Fund	1 Lipper Mid Cap Growth Funds Average* 2 Russell Mid Cap Growth Index* 3 S&P 400 Mid Cap Index* 4 Morningstar Mid Cap Growth Category Average**
Blackrock MidCap Equity Index Fund	1 S&P MidCap 400 Index*
Calvert Social Investment Equity Fund- Institutional Class	1 S&P 500 Index* 2 Lipper Multi-Cap Core Funds Average* 3 Calvert Social Index** 4 Morningstar Socially Responsible Large Cap Fund Average**
Fidelity Contrafund	1 S&P 500 Index* 2 Lipper Growth Fund Average* 3 Morningstar Large Growth Category Average**
Vanguard Institutional Index Fund (Plus Shares)	1 S&P 500 Index*
Vanguard Wellington Fund (Admiral Shares)	1 Lipper Balanced 2 Morningstar Moderate Allocation Funds Average** 3 Composite 65% S&P 500/35% Lehman Aggregate Index**
Vanguard Long-Term Investment Grade-Fund (Admiral Shares)	1 BarCap LT Corporate A * 2 Morningstar LT Corporate Category Average**
Blackrock U.S. Debt Index Fund	1 BarCap Aggregate Bond Index*
Federated U.S. Government Securities Fund 2-5 Years (Instl)	1 Merrill Lynch 3-5 Year Treasury Index* 2 Lipper Short-Intermediate U.S. Government Average* 3 Morningstar Short-term Government Category**
Vanguard Admiral Treasury Money Market Fund	1 iMoneyNet Money Fund Report Average 100% Treasury Fund*
Stable Value Fund (Galliard)	1 Five Year Constant Maturity Treasury Rate (CMT)* 2 Hueler Analytics Pooled Fund Universe Average*
FDIC Option- M&I Bank of Southern Wisconsin	1 50% 3-Month LIBOR/50% 12-Month LIBOR
Vanguard Lifecycle Funds	1 Composite benchmarks based on asset allocation of funds

\*Represent benchmarks used by the fund. \*\*Represent benchmarks used by the Board.

# Glossary



**AdvisedAssetsGroup**

*Put Our Power Behind You™*

## Glossary

**12b-1 Fee** The maximum annual charge deducted from fund assets to pay for distribution and marketing costs. Although usually set on a percentage basis, this amount will occasionally be a flat figure.

**Actively managed fund** A fund manager buys and sells securities attempting to outperform the market as a whole.

**Adjustable Bonds** A bond whose coupon is reset periodically—usually every six months to three years. At the reset date, the coupon is set equal to some base index, such as the one-year constant Treasury rate, plus a spread (or margin). When interest rates are falling, these bonds do better than an in-year Treasury, but when interest rates rise, they can lag Treasury yields.

**Aggressive Growth** (Objective) Funds that seek rapid growth of capital and that may invest in emerging market growth companies without specifying a market capitalization range. They often invest in small or emerging growth companies and are more likely than other funds to invest in IPO's or in companies with high price/earnings and price/book ratios. They may use such investment techniques as heavy sector concentrations, leveraging, and short-selling.

**Alpha** A measure of the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. A positive alpha figure indicates the fund has performed better than its beta would predict. In contrast, a negative alpha indicates the fund's underperformance, given the expectations established by the fund's beta.

**Annual Returns** Total returns calculated on a calendar-year basis. The annual return for a fund will be the same as its trailing 12-month total return only at year-end.

**Annualized Returns** Returns for periods longer than one year are expressed as "annualized returns." This is equivalent to the compound rate of return which, over a certain period of time, would produce a fund's total return over that same period.

**Asset Allocation** (Objective) Income and capital appreciation are dual goals for funds in this objective. Managers often use a flexible combination of stocks, bonds, and cash. Managers may shift assets based on analysis of business-cycle trends.

**Average Credit Quality** Gives a snapshot of the portfolio's overall credit quality. It is an average of each bond's credit rating, adjusted for its relative weighting in the portfolio.

**Average Effective Duration** A measure of a fund's interest-rate sensitivity--the longer a fund's duration, the more sensitive the fund is to shifts in interest rates. Duration is determined by a formula that includes coupon rates and bond maturities. Small coupons tend to increase duration, while shorter maturities and higher coupons shorten duration. The relationship between funds with different durations is straightforward: A fund with a duration of 10 years is twice as volatile as a fund with a five-year duration.

**Average Effective Maturity** Used for taxable fixed-income funds only, this figure takes into consideration all mortgage prepayments, puts, and adjustable coupons; it does not, however, account for call provisions. The number listed is a weighted average of all the maturities of the bonds in the portfolio, computed by weighing each maturity date (the date the security comes due) by the market value of the security.

**Balanced** (Objective) Funds that seek both income and capital appreciation by investing in a generally fixed combination of stocks and bonds. These funds generally hold a minimum of 25% of their assets in fixed-income securities at all times.

**Basis Point** One-hundredth of a percentage point. For example, 50 basis points equals .50%.

**Beta** A measure of a fund's sensitivity to market movements. The beta of the market is 1.00 by definition. Beta is calculated by comparing a fund's excess return over Treasury bills to the market's excess return over Treasury bills, so a beta of 1.10 shows that the fund has performed 10% better than its benchmark index in up markets and 10% worse in down markets, assuming all other factors remain constant. Conversely, a beta of 0.85 indicates that the fund's excess return is expected to perform 15% worse than the market's excess return during up markets and 15% better during down markets.

**Bonds** Interest-bearing certificates of indebtedness or IOUs. While bonds' rates of return remain fixed, bond prices change in relation to interest rates — when interest rates go up, bond prices go down, and vice versa. However, bond funds are variable funds and fluctuate with market conditions.

**Bond funds** Contrary to individual bonds, which offer a guaranteed rate of return, bond funds are variable funds and their returns may rise or fall depending on market conditions. Funds with 70% or more of their assets invested in bonds are classified as Bond Funds. Bond funds are divided into two main groups: Taxable Bond and Municipal Bond. Taxable Bond Fund categories include the following: Long-Term Government, Intermediate-Term Government, Short-Term Government, Long-Term Bond, Intermediate-Term Bond, Short-Term Bond, Ultrashort-Bond, International-Bond, High-Yield Bond, Emerging-Markets Bond and Multisector Bond.

**Breakpoint** The investment amount at which investors in a load fund qualify for a discount on the fund's sales charges.

## Glossary

**Broker** A firm or individual that acts as an intermediary between a buyer and a seller of securities, thereby earning a commission on the transaction. Unlike a broker-dealer, a broker does not own the securities that he or she sells.

**Callable Bond** A bond that can be repaid early, at the issuer's discretion. A callable bond allows an issuer to refinance debt at a lower rate, should interest rates drop below the coupon rate on the bond. If interest rates have dropped significantly since the date of issue, a callable bond will trade as though its maturity were shortened to the call date, which is the earliest time at which the bond can be redeemed.

**Capital Appreciation** The taxable income generated when a security is sold. The amount of appreciation is measured by subtracting the purchase price from the sale price.

**Capital Gains** Taxable income generated only when a security is sold. This figure is calculated by subtracting the purchase price from the sale price. Under IRS regulations, funds must distribute 98% of their capital gains each year to avoid paying taxes on them. Shareholders pay taxes on these distributions, even if the gains are reinvested. Further capital gains can be generated by selling shares in a fund for more than the original purchase price.

**Capitalization** The total dollar value of all stock issued by a company. Small-cap stocks are issued by companies with market cap less than \$1 billion. Mid-cap stocks are issued by medium-sized companies with market cap anywhere from \$1 billion to \$5 billion. Large-cap stocks include companies with market cap greater than \$5 billion.

**CMOs** Collateralized mortgage obligations are derivative securities, created by chopping up mortgage pass-throughs or whole loans into various slices in order to redistribute the cash flows (both principal and interest payments) from the underlying bonds. The CMO group, except for adjustable-rate mortgage funds, includes PACs (planned amortization class bonds), floating- and inverse-floating-rate CMOs, and accrual or Z-tranche bonds, among other varieties.

**Consumer Price Index (CPI)** This index measures the changes in prices of goods and services purchased by urban households. Many pension and employment contracts are tied to changes in consumer prices, as protection against inflation and reduced purchasing power.

**Corporate Bond--General** (Objective) Funds that seek income by investing in fixed-income securities. Funds with this objective may hold a variety of issues, including but not limited to government bonds, high-quality corporates, mortgages, asset-backed, bank loans and junk bonds.

**Corporate Bond--High Quality** (Objective) Offerings that seek income by investing at least 65% of their assets in corporate debt securities rated A or higher. They generally maintain average ratings of AA or better.

**Corporate Bond--High Yield** (Objective) Funds that seek income by generally investing 65% or more of their assets in bonds rated below BBB. The price of these issues is generally affected more by the condition of the issuing company (similar to a stock) than by the interest-rate fluctuation that usually causes bond prices to move up and down.

**Current income** Results when a stock pays a dividend or a bond makes an interest payment. This is the value of your investment increased. With current income, you get a fairly stable pattern of income — which generally means reduced volatility. (Stock dividends must be declared, and are not predictable.)

**Diversification** Spreading your money over many different types of investments. Contrary to putting all your eggs in one basket, diversification can help protect your savings because when one investment is doing poorly, another may be doing well. This does not guarantee against loss of value in your investments.

**Dividends** The distribution of earnings to stockholders by a company. Dividends are usually paid out from current earnings.

**Domestic equity funds** are placed in a category based on the style and size of the stocks they typically own. The style and size parameters are based on the divisions used in the investment style box: Value, Blend, or Growth style and Small, Medium, or Large median market capitalization.

**Domestic Hybrid Category** Used for funds with stock holdings of greater than 20% but less than 70% of the portfolio.

**Dow Jones Industrial Average** Computed by summing the prices of the stocks of 30 companies and then dividing that total by an adjusted value--one which has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are reinvested to reflect the actual performance of the underlying securities.

**Duration** A time measure of a bond's interest-rate sensitivity, based on the weighted average of the time periods over which a bond's cash flows accrue to the bondholder. Time periods are weighted by multiplying by the present value of its cash flow divided by the bond's price. (A bond's cash flows consist of coupon payments and repayment of capital). A bond's duration will almost always be shorter than its maturity, with the exception of zero-coupon bonds, for which maturity and duration are equal.

**Equity-Income** (Objective) Funds that are expected to pursue current income by investing at least 65% of their assets in dividend-paying equity securities.

## Glossary

**Equity style box** is a matrix that shows a fund's investment style. Nine boxes represent two variables: the size of the companies invested in (small-cap, mid-cap, large-cap), and whether a fund is growth, value, or blend oriented. Morningstar recalculates the style of each fund on a monthly basis. The equity style box is shown below (areas are shaded according to risk — the darker the area, the higher the risk associated with the investment).

Value	Blend	Growth	
1	2	3	Large
4	5	6	Medium
7	8	9	Small

**Excess Returns** A component found in Morningstar Return, Morningstar Risk, and the Morningstar Rating. This figure is calculated by subtracting the monthly returns of the three-month Treasury-bill from the monthly returns of the fund during the same time period.

**Exchange-Traded Funds (ETFs)** are not mutual funds in the traditional sense; rather, they are hybrid instruments combining aspects of common stocks and mutual funds and offering many the benefits of both. ETFs are products that trade like stocks. They mimic stock indexes and are passively managed just like an index fund. Because ETFs trade throughout the day just like a stock, investors have the ability to choose the timing and know the price of the transaction.

**Expense Ratio** The percentage of fund assets paid for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio.

**FHLMC mortgages** The Federal Home Loan Mortgage Commission, a federally-sponsored corporation that packages huge pools of individual mortgages and carves these pools up as mortgage-backed securities. This provides diversification, and consequently lower risk for mortgage investors. Although FHLMC securities are not directly backed by the federal government, it is implicitly recognized that the government would step in were there a likelihood that they would default.

**Fixed-income style box** is similar to the equity style box. Fixed income style boxes represent a bond fund's investment style. A fixed-income style would be the intersection of its duration (short, intermediate, and long) and the quality of the bonds selected for the portfolio (high, medium, low). Listed below is the matrix using the fixed-income style groupings (again, the darker the shading, the higher the risk).

Short	Int.	Long	
1	2	3	High
4	5	6	Medium
7	8	9	Low

**Flagship Fund** Not to be confused with the Flagship Family of funds, a flagship fund is typically the oldest of a management company's funds, or one that boasts the largest number of assets. Such funds often bear the management company's name.

**Foreign Stock Category** An international fund having no more than 10% of stocks invested in the United States.

**Fund of Funds** A fund that specializes in buying shares in other mutual funds rather than individual securities. Quite often this type of fund is not discernible from its name alone, but rather through prospectus wording (i.e.: the fund's charter).

**Geometric Mean Return** A compounded and annualized rate of return.

**GNMA mortgages** These are mortgage pass-through securities issued by the Government National Mortgage Association. These bonds are backed by the full faith and credit of the U.S. government.

**Government Bond--General (Objective)** Offerings that pursue income by investing in a combination of mortgage-backed securities, Treasuries, and agency securities.

## Glossary

**Government Bond--Mortgage** (Objective) Funds that seek income by generally investing at least 65% of their assets in securities backed by mortgages, such as securities issued by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC).

**Government Bond--Treasury** (Objective) Treasury funds that seek income by generally investing at least 80% of their assets in U.S. Treasury securities.

**Growth** (Objective) Funds that pursue capital appreciation by investing primarily in equity securities. Current income, if considered at all, is a secondary concern.

**Growth and Income** (Objective) Growth of capital and current income are near-equal objectives for these funds. Investments are typically selected for both appreciation potential and dividend-paying ability.

**Guaranteed Certificate Fund** All money deposited into a certificate during a "deposit period" earns a guaranteed rate of return, credited daily until maturity. Backed by the general assets of the certificate issuer.

**High-Yield Bond Category** A fund with at least 65% or more of bond assets in bonds rated below BBB.

**Index Fund** A fund that tracks a particular index and attempts to match returns. While an index typically has a much larger portfolio than a mutual fund, the fund's management may study the index's movements to develop a representative sampling, and match sectors proportionately.

**Individual Retirement Account (IRA)** A personal retirement plan. Taxes on earnings are deferred until money from the account is withdrawn.

**Industrial Cyclical Sector** Includes aerospace and aerospace industries, building supplies, industrial-building products, business equipment, chemicals, machinery (both light and industrial), metals fabrication (iron, steel, coal, and rare metals), paper and packaging, and photo equipment. Some examples of companies in this sector include Boeing, Canon, Caterpillar, Eastman Kodak, Georgia Pacific, Potash, and Sherwin-Williams.

**Information Ratio** The information ratio is a measure of the consistency of excess return. This value is determined by taking the annualized excess return over a benchmark (style benchmark by default) and dividing it by the standard deviation of excess return.

**Institutional Fund** Any fund that meets one of the following qualifications:

a) has the word "institutional" in its name.

b) has a minimum initial purchase of \$100,000 or more.

c) states in its prospectus that it is designed for institutional investors or those purchasing on a fiduciary basis.

**International Equity Funds** with 40% or more of their equity holdings in foreign stocks (on average over three years) are placed in the international equity class. These categories include Europe, Japan, International Hybrid, Latin America, Diversified Pacific, Pacific ex. Japan, Specialty Precious Metals, Diversified Emerging Markets, World Stock, and Foreign Stock. Foreign investments involve special risks, including currency fluctuations and political developments.

**Lehman Brothers 1-3 Year Government Bond** Comprised of both the Treasury Bond index (all public obligations of the U.S. Treasury, excluding flower bonds and foreign-targeted issues) and the Agency Bond Index (all publicly issued debt of U.S. Government agencies and quasi-federal corporations and corporate-debt guaranteed by the U.S. Government). These bonds also must have maturities of one to three years. The returns published for the index are total returns, which include reinvestment of dividends.

**Lehman Brothers Aggregate Index** Composed of the Lehman Brothers Govt/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. The returns published for the index are total returns, which include reinvestment of dividends.

**Lehman Brothers Credit** Listed for corporate bond-general and high-quality funds. This index tracks the returns of all publicly issued, fixed-rate, nonconvertible, dollar-denominated, SEC-registered, investment-grade corporate debt. The returns published for the index are total returns, which include reinvestment of dividends.

**Lehman Brothers Government Bond Index** Listed for government-bond general and Treasury funds. Because it tracks the returns of U.S. Treasuries, agency bonds, and one- to three-year U.S. government obligations, this index is effective for tracking portfolios holding non-mortgage government securities. The returns published for the index are total returns, which include reinvestment of dividends.

**Lehman Brothers Govt/Credit** Represents a combination of the Government and Corporate Bond indices. The returns published for the index are total returns, which include reinvestment of dividends. For more information, view the Lehman Brothers Web site or call 212-526-1000.

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**Lehman Brothers Intermediate Government Index** Includes those indexes found in the LB Government Index which have a maturity of one to three years. The returns published for the index are total returns, which include reinvestment of dividends.

**Lehman Brothers Intermediate Government/Corporate Index** Includes both corporate (publicly-issued, fixed-rate, nonconvertible, investment grade, dollar-denominated, SEC-registered, corporate dept.) and government (Treasury Bond index, Agency Bond index, 1-3 Year Government index, and the 20+-Year treasury) indexes, including bonds with maturities up to ten years. The returns published for the index are total returns, which include reinvestment of dividends.

**Lehman Brothers Intermediate Treasury** This index includes treasury bonds with maturates of at least one year and up to 10 years with an outstanding par value of at least 100 million. They include fixed-rate debt issues, rated investment grade or higher by Moody's Investor Services, Standard & Poor's Corporation, or Fitch Investor's Service (in that order). Treasuries include all public obligations of the U.S. Treasury, excluding flower bonds and foreign-targeted issues. The returns published for the index are total returns, which include reinvestment of dividends.

**Lehman Brothers Long Credit** Serves as a measure of all public-issued nonconvertible investment-grade corporate debts that have a maturity of 10 years or more. The returns published for the index are total returns, which include reinvestment of dividends.

**Lehman Brothers Long Term Government Index** Includes those indexes found in the LB Government index which have a maturity of 10 years or more. The returns published for the index are total returns, which include reinvestment of dividends.

**Lehman Brothers Mortgage-Backed Securities** Includes 15- and 30-year fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA). The returns published for the index are total returns, which include reinvestment of dividends.

**Life Cycle** These funds are geared toward investors of a certain age or with a specific time horizon for investing. Typically they are grouped together in sets (i.e. conservative, moderate, and aggressive portfolios).

**Linear Scale** Linear graphs are scaled so that equal vertical distances represent the same absolute dollar value change. A drop from \$10,000 to \$9,000, for example, is represented in the same way as a drop from \$100,000 to \$99,000.

**Logarithmic Scale** Used for graphs, a scale that reveals percentage changes. A given percentage move takes up the same amount of space as another move of equal percentage. A change from 100 to 200, for example, is presented in the same way as a change from 1000 to 2000.

**Maturity** Short-term bonds mature (or come due) in less than four years. Intermediate-term bonds mature in four to ten years. Long-term bonds mature more than ten years from the date of purchase. The longer the term, the higher the risk and the rate of potential return.

**Management Fees** The management fee is the percentage deducted from fund assets to pay an advisor or subadvisor. Often, as the fund's net assets grow, the percentage deducted for management fees decreases. For example, a particular fund may report a management fee of 0.40% on the first \$500 million in assets, 0.35% on all assets between \$500 million and \$1 billion, and 0.30% on assets in excess of \$1 billion. Thus, if the fund contains \$1.5 billion in total net assets, the advisor scales back its management fees accordingly. Alternatively, the fund may compute the fee as a flat percentage of average net assets. The management fee might also come in the form of a group fee (G), a performance fee (P), or a gross income fee (I). Note: The management fee is just one (albeit a major) component of a fund's costs. The overall expense ratio is the most useful number for investors. Actual fees are also noted in this section.

**Market-Neutral Funds** These are funds that attempt to eliminate the risks of the market by holding 50% of assets in long positions in stocks and 50% of assets in short positions. Funds in this group match the characteristics of their long and short portfolios, keeping factors such as price-to-earnings and industry exposure similar. Stock picking, rather than broad market moves, should drive a market-neutral fund's performance.

**Median Market Capitalization** The median market capitalization of a fund's equity portfolio gives you a measure of the size of the companies in which the fund invests. It is the trimmed mean of the market capitalizations of the stocks in the fund's portfolio.

**Modern Portfolio Theory (MPT) Statistics** Alpha, beta, and R-squared are modern-portfolio-theory measures of a fund's relative risk, based on least-squares regression of a fund's excess returns on the excess returns of a market index. Standard deviation is not considered an MPT statistic because it is not generated through the same formula or mathematical analysis as the other three statistics.

**Money market funds** Best described as short-term versions of bonds. These relatively low-risk variable funds hold very short-term securities such as U.S. government securities, certificates of deposit, cash and cash equivalents. Investments in Money Market funds are neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although they seek to preserve the value of your investment at \$1 per share, it is possible to lose money in Money Market funds.

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**Morley Stable Value Index** A hypothetical portfolio comprised of a weighted blend of 50% five-year stable value contracts, 30% three-year stable value contracts and 20% 30-day prime commercial paper. The five-year component consists of 60 hypothetical five-year stable value contracts, one purchased at the prior month end's illustrative rate at the beginning of each month for the prior 60 months. The three-year component consists of 36 hypothetical three-year stable value contracts, one purchased at the prior month end's illustrative rate at the beginning of each month for the prior 36 months.

**Morningstar** was founded in 1984 to provide investors with useful information for making intelligent, informed investment decisions. The company's first product, originally named the Mutual Fund Sourcebook, proved to be innovative in its ability to tap into an underserved market. Soon a demand grew for an even more in-depth and analytical publication, leading to the launch of Morningstar Mutual Funds in late 1986.

**Morningstar Category** identifies funds based on their actual investment styles as measured by their underlying portfolio holdings (portfolio statistics and compositions over the past three years). If the fund is new and has no portfolio, we estimate where it will fall before assigning a more permanent category. When necessary, we may change a category assignment based on current information.

**MSCI EAFE Ndrtr\_D** Listed for foreign stock funds (EAFE refers to Europe, Australasia, and Far East). Widely accepted as a benchmark for international stock performance, the EAFE Index is an aggregate of 21 individual country indexes that collectively represent many of the major markets of the world. Ndrtr\_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies. In addition, Ndrtr\_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty. The returns published for the index are total returns, which include reinvestment of dividends.

**MSCI Europe Ndrtr\_D** Listed for Europe stock funds. This index measures the performance of stock markets in Austria, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, Ireland, Portugal, and the United Kingdom. Total returns date back to December 1981. Ndrtr\_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies. In addition, Ndrtr\_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty.

**MSCI Pacific Ndrtr\_D** Formerly known as MS Pacific, this index is listed for Pacific stock funds and measures the performance of stock markets in Australia, Hong Kong, Japan, New Zealand, and Singapore, and Malaysia. Ndrtr\_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies. In addition, Ndrtr\_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty. The returns we publish for the index are total returns, which include reinvestment of dividends.

**MSCI World Ndrtr\_D** Includes all 23 MSCI developed market countries. Ndrtr\_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies. In addition, Ndrtr\_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty.

**Mutual fund** An investment option that pools money from many shareholders and invests it in a group of stocks, bonds, or other securities. Also known as an open-end investment management company, mutual funds are securities required to be registered with the SEC.

**NASD** (National Association of Securities Dealers) A self-regulatory organization for the securities industry with jurisdiction over certain broker-dealers. The NASD enforces broker-dealers' compliance with securities regulations, including the requirement that they maintain sufficient levels of net operating capital. It also conducts market surveillance of the over-the-counter (OTC) securities market.

**NAV** Stands for net asset value, which is the fund's share price. Funds compute this value by dividing the total net assets by the total number of shares.

**NASDAQ Composite Index** Measures the performance of all issues listed in the NASDAQ Stock Market, except for rights, warrants, units, and convertible debentures.

**Net Assets** The month-end net assets of the mutual fund, recorded in millions of dollars. Net-asset figures are useful in gauging a fund's size, agility, and popularity. They help determine whether a small company fund, for example, can remain in its investment-objective category if its asset base reaches an ungainly size.

**Ndrtr\_D:** Noted for various Morgan Stanley indexes, Ndrtr\_D indicates that the index is listed in US dollars, with net dividends reinvested. Ndrtr\_D indexes take into account actual dividends before withholding taxes, but excludes special tax credits declared by companies. In addition, Ndrtr\_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty.

**NYSE** (New York Stock Exchange Composite) Serves as a comprehensive measure of the market trend for the benefit of investors who are concerned with general stock market price movements. The index is a composite of all common stocks listed on the NYSE and four sub-groups--Industrial, Transportation, Utility, and Finance.

**Options/Futures/Warrants** Options and futures may be used speculatively, to leverage a portfolio, or cautiously, as a hedge against risk.



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**OTC** (over the counter) A name for a security that is not listed on an exchange. The OTC is the major trading market for all US bonds, as well as many small- and large-capitalization stocks. Whereas non-OTC stocks trade on the floor of actual stock exchanges, OTC issues are traded via telephone and computer networks connecting dealers in stocks and bonds. The dealer may or may not be a member of a securities exchange, but he or she must be a member of the NASD.

**Price/Book Ratio** The weighted average of the price/book ratios of all the stocks in a fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation. In theory, a high P/B ratio indicates that the price of the stock exceeds the actual worth of the company's assets, while a low P/B ratio indicates that the stock is a bargain.

**Price/Earnings Ratio** The weighted average of the price/earnings ratios of the stocks in a fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents, so that larger positions have proportionately greater influence on the fund's final P/E.

**Price/Cash Flow** This represents the weighted average of the price/cash-flow ratios of the stocks in a fund's portfolio. Price/cash-flow represents the amount an investor is willing to pay for a dollar generated from a particular company's operations. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency. Because accounting conventions differ among nations, reported earnings (and P/E ratios) may not be comparable across national boundaries. Price/cash-flow attempts to provide an internationally-standard measure of a firm's stock price relative to its financial performance.

**Prospectus** A fund's formal written statement, generally issued on an annual basis. In this statement the fund sets forth its proposed purposes and goals, and other facts (e.g.: history and investment objective) that an investor should know in order to make an informed decision.

**Prospectus Objective** Indicates a particular fund's investment goals, based on the wording in a fund's prospectus.

**R-Squared** Reflects the percentage of a fund's movements that can be explained by movements in its benchmark index. An R-squared of 100 indicates that all movements of a fund can be explained by movements in the index. Thus, index funds that invest only in S&P 500 stocks will have an R-squared very close to 100. Conversely, a low R-squared indicates that very few of the fund's movements can be explained by movements in its benchmark index. An R-squared measure of 35, for example, means that only 35% of the fund's movements can be explained by movements in the benchmark index.

**Regression** A mathematical tool used to study the way that two sets of numbers interact with each other. Regression measures how much of one number's changes might be caused by or linked to how much another number changes.

**Returns Based Style Analysis** In 1988, William F. Sharpe, Nobel Laureate and Professor of Finance at Stanford University, wrote an article for the Investment Analyst Review entitled "Determining a Fund's Effective Asset Mix". In this article, he demonstrated that a manager's style could be determined by analyzing portfolio returns, as opposed to holdings. This was done mathematically by comparing the manager's returns to the returns of a number of style indexes. This discovery revolutionized style and performance analysis and provided the basis for the StyleADVISOR suite of software.

Since its debut in 1993, StyleADVISOR has been the style analysis package of choice for the large institutional marketplace. Our client list has grown to include over 250 plan sponsors, consultants, and money managers. They use StyleADVISOR to determine, for themselves, using only monthly or quarterly returns, the style and consistency of managers and funds. They create custom style benchmarks, do performance, risk-return, upside downside market capture analyses, manager to peer universe comparisons, asset allocation, and much more. StyleADVISOR also enables them to perform manager searches, create custom universes, evaluate competitors, and monitor aggregate portfolios.

**Risk** Basically there are four types of risk: 1) inflation risk means your money may not earn enough in the long run because as prices go up the value of your money goes down; 2) market risk means you could lose money because the price of a stock may go down; 3) credit risk means a company or organization that borrowed your money may not be able to pay it back; and 4) interest rate risk means you could lose money because as interest rates go up the value of bond investments goes down.

**Risk-Free Rate of Return** Three-month T-bills are government-backed short-term investments considered to be risk-free and as good as cash because the maturity is only three months.

**Risk/Return Graph** The Manager Risk/Return Graph displays the risk/return characteristics of a manager and compares them to a benchmark, universe or other managers. It plots Return on the vertical axis and a Risk Statistic on the horizontal axis.

The chart has crosshairs that provide a basis for comparison by dividing the graph into four quadrants. The crosshairs are centered at either the Market Benchmark, the Style Benchmark or the median of the Universe, depending on the options you select. A relatively aggressive manager, for example, is likely to fall in the Northeast corner relative to the crosshairs centered at the universe median, with both more risk and more return.

## Glossary

**Russell 1000** Consists of the 1000 largest companies within the Russell 3000 index. Also known as the Market-Oriented Index, because it represents the group of stocks from which most active money managers choose. The returns published for the index are total returns, which include reinvestment of dividends.

**Russell 1000 Growth** Market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 includes the largest 1000 firms in the Russell 3000, which represents approximately 98% of the investable US equity market.

**Russell 1000 Value** Market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 includes the largest 1000 firms in the Russell 3000, which represents approximately 98% of the investable US equity market.

**Russell 2000** Consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization. The returns published for the index are total returns, which include reinvestment of dividends.

**Russell 2000 Growth** Market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values. The Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. The Russell 3000 Index represents 98% of the of the investable US equity market.

**Russell 2000 Value** Market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. The Russell 3000 Index represents 98% of the of the investable US equity market.

**Russell 3000** Composed of the 3000 largest U.S. companies by market capitalization, representing approximately 98% of the U.S. equity market. The returns published for the index are total returns, which include reinvestment of dividends.

**S&P 500/BARRA Growth Index** A subset of the Standard & Poor's 500 Index®. Each year, all the stocks in the S&P 500® are classified as either growth or value. The stocks classified as growth make up the S&P 500/BARRA Growth Index. In general, growth companies tend to have high price-to-earnings (P/E) ratios, low dividend yields, and above-average earnings growth rates.

**S&P 500/BARRA Value Index** A subset of the Standard & Poor's 500 Index®. Each year, all the stocks in the S&P 500® are classified as either growth or value. The stocks classified as value make up the S&P 500/BARRA Value Index. In general, value companies tend to have low P/E ratios, high dividend yields, and below-average earnings growth rates.

**S&P 400 MidCap Index** The S&P 400 MidCap Index consists of 400 U.S. companies that have market capitalization from \$1 billion to \$5 billion. The index includes approximately 312 industrial companies, 10 transportation companies, 41 utilities, and 37 financial companies.

**S&P 500 Index®** Standard & Poor's 500 Index® is a benchmark for the United States stock market. It's a list of the 500 largest publicly traded companies, which include 400 industrial companies, 20 transportation companies, 40 utilities, and 40 financial companies.

**S&P Small Cap 600 Index** The Standard & Poor's SmallCap 600 Index consists of 600 U.S. companies that have market capitalization less than \$1 billion. The index includes approximately 499 industrial companies, 18 transportation companies, 27 utilities, and 56 financial companies. Equity securities of companies with small market capitalization may be more volatile than securities of larger, more established companies.

**SEC Yield** A calculation based on a 30-day period ending on the last of the previous month. It is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period.

**Share Classes** Shares of the same fund that offer different shareholder rights and obligations, such as different fee and load charges. Common share classes are A (front-end load), B (deferred fees), C (no sales charge and a relatively high annual 12b-1 fee, such as 1.00%). Multi-class funds hold the same investment portfolio for all classes, and differ only in their surrounding fee structure.

**Sharpe Ratio** A risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe ratio is calculated for the past 36-month period by dividing a fund's annualized excess returns by its annualized standard deviation.

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**Socially Conscious** Any fund that invests according to non-economic guidelines. Such funds may make investments based on such issues as environmental responsibility, human rights, or religious views. A socially conscious fund may take a pro-active stance by selectively investing in, for example, environmentally-friendly companies, or firms with good employee relations. This group also includes funds that avoid investing in companies involved in promoting alcohol, tobacco, or gambling, or in the defense industry.

**Standard Deviation** A statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given fund. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

**Stocks** Ownership in a company. Stocks are sold by the company and then bought/sold among investors. Risks involved include the company not performing up to expectations or that the price of your stock will fall.

**Style Benchmark** The concept of the style benchmark was first introduced by Nobel Laureate William F. Sharpe in 1988 and referred to as the "Effective Asset Mix". A quadratic optimizer is used to find a combination of the selected indices that would best track (have the highest correlation to) a given return series. For example, if a domestic equity manager optimization found that a weighted composite of 20% Russell Large Value, 10% Russell Large Growth, 60% Russell Small Value, 5% Russell Small Growth, and 5% T-bills had a 92% R-squared to that manager's returns, it could be said that 92% of this manager's performance may be attributed to his "style". The remaining 8% is unexplained variance due to stock selection, etc.

**Tax-deferred earnings** You don't have to pay taxes on any earnings in your 401(k) until you withdraw your money. The money in a 401(k) can grow faster than with other types of savings plans, because the earnings you accumulate, if any, are also tax-deferred.

**Treynor Ratio** The Treynor Ratio is a measure of performance per unit of market risk. It is the portfolio's excess return over the risk-free rate divided by the portfolio's beta to the selected benchmark. Also known as the Reward to Volatility Ratio.

**Turnover Ratio** The turnover rate of a fund is a decent proxy for how frequently a manager trades his or her portfolio. The inverse of a fund's turnover ratio is the average holding period for a security in that fund. If a fund consistently showed a 20% turnover ratio, for example, it would suggest that--on average--that fund holds a security for five years before selling it. A fund with a 200% turnover ratio pretty much changes its portfolio wholesale every six months.

**Upside / Downside Market Capture Graph** StyleADVISOR's Upside / Downside Market Capture graph displays the percentage of benchmark movement captured by a manager in both up and down markets. The graph plots the manager's upside capture ratio (vertical axis) against the downside capture ratio (horizontal axis). The capture ratio is the manager's return divided by the benchmark's return, or the percentage of the benchmark's return that was "captured" by the manager. The Upside capture ratio is computed for periods when the market has a positive return. The Downside capture ratio is computed for periods when the market has a negative return.

**Variable funds** Investments that fluctuate with market conditions. Unlike guaranteed investments, such as bonds or CDs, variable funds don't guarantee a specific rate of return. They do offer potential for higher earnings in return for higher degree of market risk.

**Wilshire 4500** Listed for small-company funds, measures the performance of all U.S. common equity securities excluding the stocks in the S&P 500. The returns published for the index are total returns, which include reinvestment of dividends.

**Wilshire 5000** Measures the performance of all U.S. common equity securities, and so serves as an index of all stock trades in the United States. The returns published for the index are total returns, which include reinvestment of dividends.

**World Stock Category** An international fund having more than 10% of stocks invested in the US. Also known as global funds. Foreign Investments involve special risks, including currency fluctuations and political developments.

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