



ADVISED ASSETS  
GROUP

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# Wisconsin Deferred Compensation Plan

*Third Quarter, 2013*



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Advised Assets Group, LLC

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# EXECUTIVE SUMMARY



# Fund Compliance Report Card - 9/30/2013



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 R6	9.55	18.28	7.09	7.47	9.74	107,911	0.50
MSCI AC World Ex USA NR USD	10.09	16.48	5.95	6.26	8.77	-	-
MSCI EAFE Free NR USD	11.56	23.77	8.47	6.35	8.01	-	-
Lipper International Index	10.70	21.91	7.93	6.76	8.48	-	-
US OE Foreign Large Blend	9.93	19.93	7.19	5.85	7.65	-	1.38
Blackrock EAFE Equity Index Coll T	11.55	23.91	8.72	6.22	8.17	-	0.12
MSCI EAFE NR USD	11.56	23.77	8.47	6.35	8.01	-	-
DFA US Micro Cap I	10.99	33.79	20.62	12.86	9.82	4,514	0.52
Russell 2000 TR USD	10.21	30.06	18.29	11.15	9.64	-	-
Russell Micro Cap TR USD	11.62	32.12	19.66	11.12	7.55	-	-
Blackrock Russell 2000 Index Coll T	10.31	30.28	18.43	11.31	9.68	-	0.07
Russell 2000 TR USD	10.21	30.06	18.29	11.15	9.64	-	-
T. Rowe Price Mid-Cap Growth	10.41	29.01	17.57	14.73	11.90	20,998	0.80
Lipper Mid Cap Growth Index	10.12	26.84	15.45	12.3	9.74	-	-
Russell Mid Cap Growth TR USD	9.34	27.54	17.65	13.92	10.16	-	-
S&P MidCap 400 TR	7.54	27.68	17.45	13.08	10.84	-	-
US OE Mid-Cap Growth	10.13	26.11	15.98	11.90	9.26	-	1.37
Blackrock Midcap Equity Index Coll F	7.56	27.79	17.51	13.15	10.95	-	0.04
S&P MidCap 400 TR	7.54	27.68	17.45	13.08	10.84	-	-
<b>Calvert Equity I</b>	<b>6.13</b>	<b>16.95</b>	<b>13.62</b>	<b>9.80</b>	<b>7.52</b>	<b>2,717</b>	<b>0.68</b>
S&P 500 TR	5.24	19.34	16.27	10.02	7.57	-	-
Calvert Social	6.38	22.37	16.88	11.21	-	-	-
Lipper MultiCap Core Index	6.95	23.15	15.05	10.50	7.96	-	-
Morningstar Socially Resp Large Cap Index	6.44	21.21	14.87	9.14	7.18	-	1.11
Fidelity Contrafund	8.94	19.46	15.54	11.12	10.29	100,987	0.74
S&P 500 TR	5.24	19.34	16.27	10.02	7.57	-	-
Lipper Large Growth Index	10.98	21.31	15.56	10.84	7.02	-	-



=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  
9/30/2013

# Fund Compliance Report Card - 9/30/2013



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
Vanguard Institutional Index Instl PI	5.24	19.33	16.26	10.06	7.60	146,919	0.02
S&P 500 TR	5.24	19.34	16.27	10.02	7.57	-	-
Vanguard Wellington Adm	3.57	13.75	11.73	9.87	8.54	75,432	0.17
Lipper Balanced Index	4.58	11.70	9.68	8.11	6.44	-	-
US OE Moderate Allocation	4.26	11.87	9.61	7.94	6.31	-	1.34
65% S&P Barra Value / 35% BarCap Agg	2.69	13.81	11.31	7.34	6.48	-	-
<b>Vanguard Long-Term Investment-Grade Adm</b>	<b>-0.27</b>	<b>-6.36</b>	<b>5.43</b>	<b>10.34</b>	<b>6.36</b>	<b>13,154</b>	<b>0.12</b>
BarCap US Corp A Long TR USD	0.14	-7.53	4.84	11.03	5.70	-	-
US OE Long-Term Bond	-0.62	-2.02	5.70	11.27	6.28	-	1.05
Blackrock US Debt Index Fund Coll W	0.51	-1.64	2.89	5.45	4.63	-	0.05
BarCap US Agg Bond TR USD	0.57	-1.68	2.86	5.41	4.59	-	-
Federated US Govt 2-5 Yr Instl	0.28	-1.79	0.90	2.91	3.31	593	0.58
ML US 3-5 Yr Treasury Index USD	0.68	-0.54	1.84	3.76	3.96	-	-
Lipper Short-Interm US Govt Index	0.25	-1.53	0.95	2.96	2.98	-	-
US OE Short Government	0.10	-0.98	0.67	2.17	2.56	-	0.83
Vanguard Admiral Treasury Money Mkt Inv	0.00	0.02	0.01	0.12	1.61	11,574	0.10
iMoney Net Average Treasury MM	0.00	0.00	0.00	0.02	1.20	-	-



=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  
9/30/2013



# Rolling 3 Year Quartile Rankings - 9/30/2013



Name	2013	2013	2013	2012	2012	2012	2012	2011	2011	2011	2011	2010
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
American Funds EuroPacific Gr R6	42	47	59	64	69	71	60	79	87	93	92	92
Calvert Equity I	23	46	63	69	51	58	70	61	65	80	84	87
DFA U.S. Micro Cap	92	87	86	89	83	78	77	63	54	77	64	53
Federated U.S. Govt: 2-5 Yr Instl	59	68	86	84	80	79	71	70	91	85	74	87
Fidelity Contrafund	53	52	81	74	78	75	51	46	66	43	56	60
T. Rowe Price Mid-Cap Growth	78	76	75	77	72	81	75	87	87	80	87	89
Vanguard Institutional Index Instl PI	79	84	86	84	85	87	80	75	75	68	65	61
Vanguard Long-Term Inv Grade Adm	50	58	73	67	60	66	68	56	72	64	62	52
Vanguard Wellington Adm	88	88	88	84	83	81	68	63	87	76	72	82

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

DATA SOURCE: Morningstar 9/30/2013

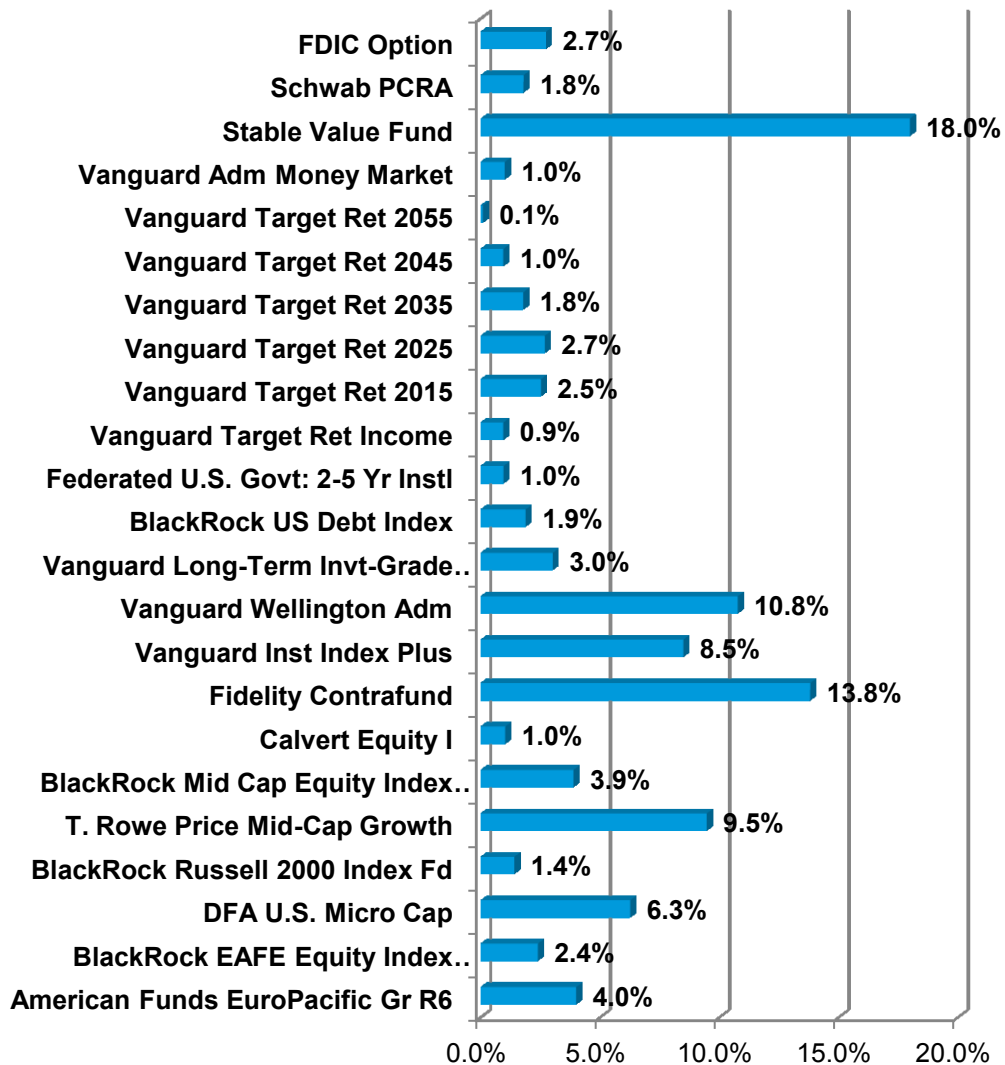


# Plan Asset Summary - 9/30/2013



Investment Option	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 R6	1/28/2005	\$107,910,558,583	\$137,700,898	0.13%	4.01%	16,453	7.14%
BlackRock EAFE Equity Index Fund W	2/1/2001	N/A	\$82,425,408	N/A	2.40%	12,536	5.44%
DFA U.S. Micro Cap	2/1/1997	\$4,514,308,126	\$215,536,271	4.77%	6.27%	21,098	9.15%
BlackRock Russell 2000 Index Fd	2/20/2004	N/A	\$48,512,375	N/A	1.41%	4,741	2.06%
T. Rowe Price Mid-Cap Growth	2/1/1998	\$20,998,105,314	\$325,748,499	1.55%	9.48%	18,638	8.08%
BlackRock Mid Cap Equity Index Fund W	2/1/2001	N/A	\$133,737,908	N/A	3.89%	14,497	6.29%
Calvert Equity I	4/18/2003	\$2,716,993,351	\$35,469,395	1.31%	1.03%	3,182	1.38%
Fidelity Contrafund	1/31/1994	\$100,986,502,790	\$474,761,967	0.47%	13.82%	21,025	9.12%
Vanguard Inst Index Plus	9/9/1990	\$146,918,753,635	\$291,897,578	0.20%	8.49%	20,517	8.90%
Vanguard Wellington Adm	10/26/2001	\$75,432,430,061	\$370,282,269	0.49%	10.78%	19,413	8.42%
Vanguard Long-Term Invt-Grade Adm	10/26/2001	\$13,153,841,992	\$103,851,805	0.79%	3.02%	11,937	5.18%
BlackRock US Debt Index	2/1/2001	N/A	\$64,990,583	N/A	1.89%	10,084	4.37%
Federated U.S. Govt: 2-5 Yr Instl	2/3/1992	\$592,779,187	\$33,087,620	5.58%	0.96%	5,738	2.49%
Vanguard Target Ret Income	7/29/2005	\$10,162,628,291	\$32,601,120	0.32%	0.95%	1,241	0.54%
Vanguard Target Ret 2015	7/29/2005	\$19,739,324,174	\$86,890,623	0.44%	2.53%	2,959	1.28%
Vanguard Target Ret 2025	7/29/2005	\$25,641,672,161	\$92,534,311	0.36%	2.69%	4,973	2.16%
Vanguard Target Ret 2035	7/29/2005	\$19,026,248,475	\$61,441,805	0.32%	1.79%	4,566	1.98%
Vanguard Target Ret 2045	7/29/2005	\$11,441,120,529	\$32,764,521	0.29%	0.95%	3,718	1.61%
Vanguard Target Ret 2055	8/18/2010	\$914,887,204	\$3,167,826	0.35%	0.09%	642	0.28%
Vanguard Adm Money Market	10/1/1993	\$11,573,800,000	\$34,841,775	0.30%	1.01%	8,046	3.49%
Stable Value Fund	9/1/1996	N/A	\$618,177,167	N/A	17.99%	19,470	8.44%
Schwab PCRA	2/17/2000	N/A	\$61,890,978	N/A	1.80%	1,421	0.62%
FDIC Option	12/31/1996	N/A	\$94,140,536	N/A	2.74%	3,699	1.60%

# Assets Chart - 9/30/2013

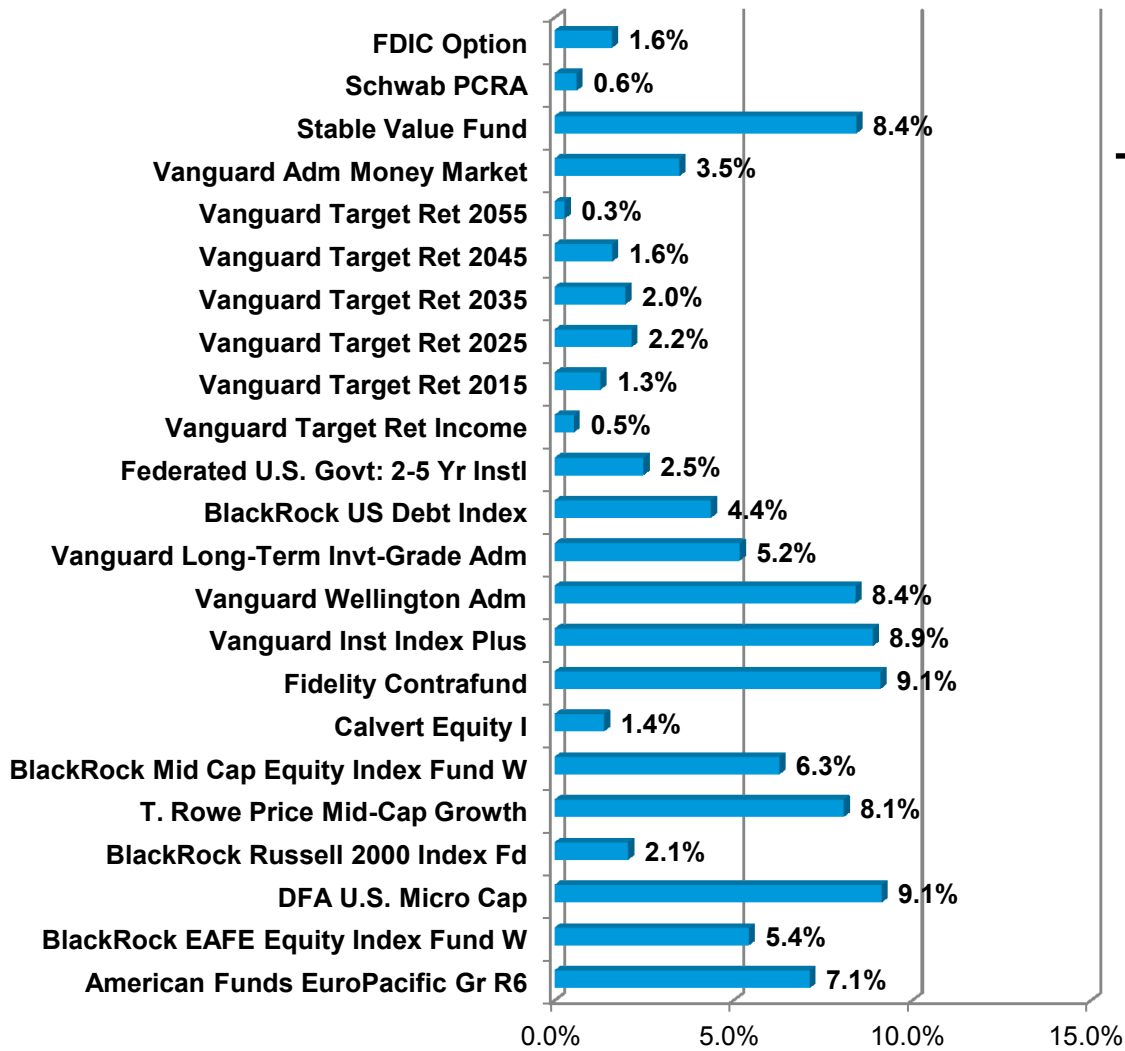


Total WDC Assets  
(as of 9/30/2013)

**\$3,436,453,237**

Domestic Equity	\$1,525,663,993	44%
Intl Equity	\$220,126,305	6%
Asset Allocation	\$679,682,474	20%
Fixed Income	\$201,930,008	6%
Cash Equiv.	\$747,159,479	22%
Self-Directed Brok.	\$61,890,978	2%

# Participant Account Chart - 9/30/2013



Total WDC Participant  
Accounts  
(as of 9/30/2013)

**230,594**

# Fund Expense vs. Category 9/30/2013



Name	Expense Ratio
American Funds EuroPacific Gr R6	0.50
Cat: Foreign Large Blend	1.38
Blackrock EAFE Equity Index Fund W	0.10
Cat: Foreign Large Blend Index	0.75
DFA U.S. Micro Cap	0.52
Cat: Small Blend	1.34
Blackrock Russell 2000 Index Fd	0.05
Cat: Small Cap Blend Index	0.77
T. Rowe Price Mid-Cap Growth	0.80
Cat: Mid Growth	1.37
Blackrock Mid Cap Equity Index Fund W	0.04
Cat: Mid Cap Blend Index	0.58
Calvert Equity I	0.68
Cat: Socially Resp Large Cap Index	1.11
Fidelity Contrafund	0.74
Cat: Large Growth	1.26
Vanguard Inst Index Plus	0.02
Cat: Large Cap Blend Index	0.62
Vanguard Wellington Adm	0.17
Cat: Moderate Allocation	1.34

Name	Expense Ratio
Vanguard Target Retirement 2055 Inv	0.18
Cat: Target Date 2050+	0.58
Vanguard Target Retirement 2045 Inv	0.18
Cat: Target Date 2041-2045	0.49
Vanguard Target Retirement 2035 Inv	0.18
Cat: Target Date 2031-2035	0.45
Vanguard Target Retirement 2025 Inv	0.17
Cat: Target Date 2021-2025	0.49
Vanguard Target Retirement 2015 Inv	0.16
Cat: Target Date 2011-2015	0.39
Vanguard Target Retirement Income Inv	0.16
Cat: Retirement Income	0.36
Vanguard Long-Term Investment-Grade Adm	0.12
Cat: Long-Term Bond	1.05
Blackrock US Debt Index	0.05
Cat: Intermediate Bond Index	0.40
Federated U.S. Government: 2-5 Yr Instl	0.58
Cat: Short Government	0.83
Vanguard Adm Money Market	0.10
Average US Taxable Money Market Fund	0.58

**Asset-Weighted Average Expense Ratio: 0.29%**

# Participant Weighted Average Return

## 9/30/2013



- The 1 year asset-weighted return for the WDC plan as of 9/30/2013 was 15.54%.
- Much of this can be attributed to a 13.8% weighting in Fidelity Contrafund which returned 19.5%.
- Other contributing factors were:
  - An 8.5% weighting to Vanguard Institutional Index, which had a return of 19.33%
  - An 10.8% weighting to the Vanguard Wellington Fund which returned 13.8%
  - An 9.5% weighting to the T. Rowe Price Midcap Growth Fund, which returned 29.1%.
- Note: Participant weighted average return excludes the self directed brokerage accounts



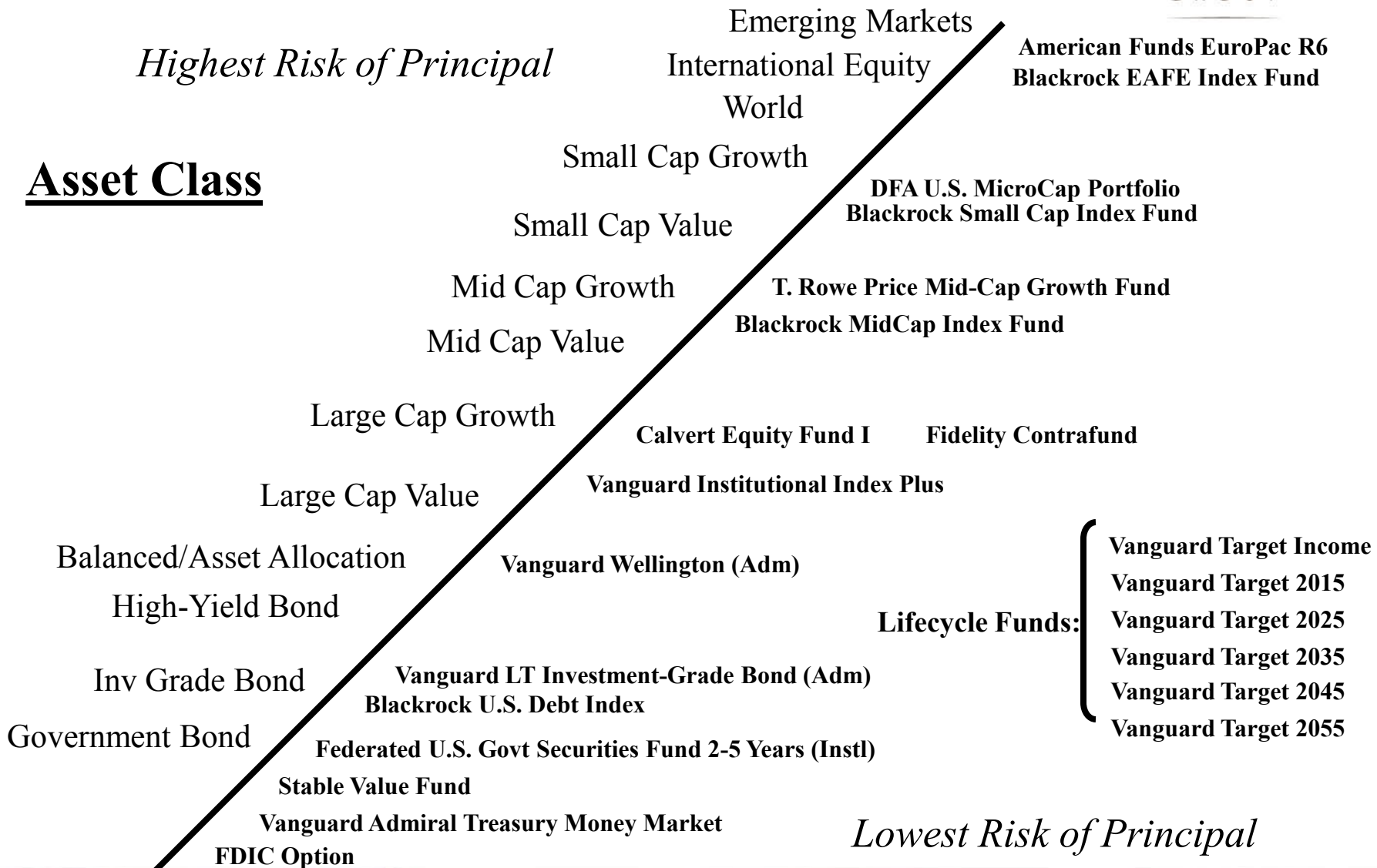
# FUND HIGHLIGHTS AND OBSERVATIONS



# Wisconsin Plan Options



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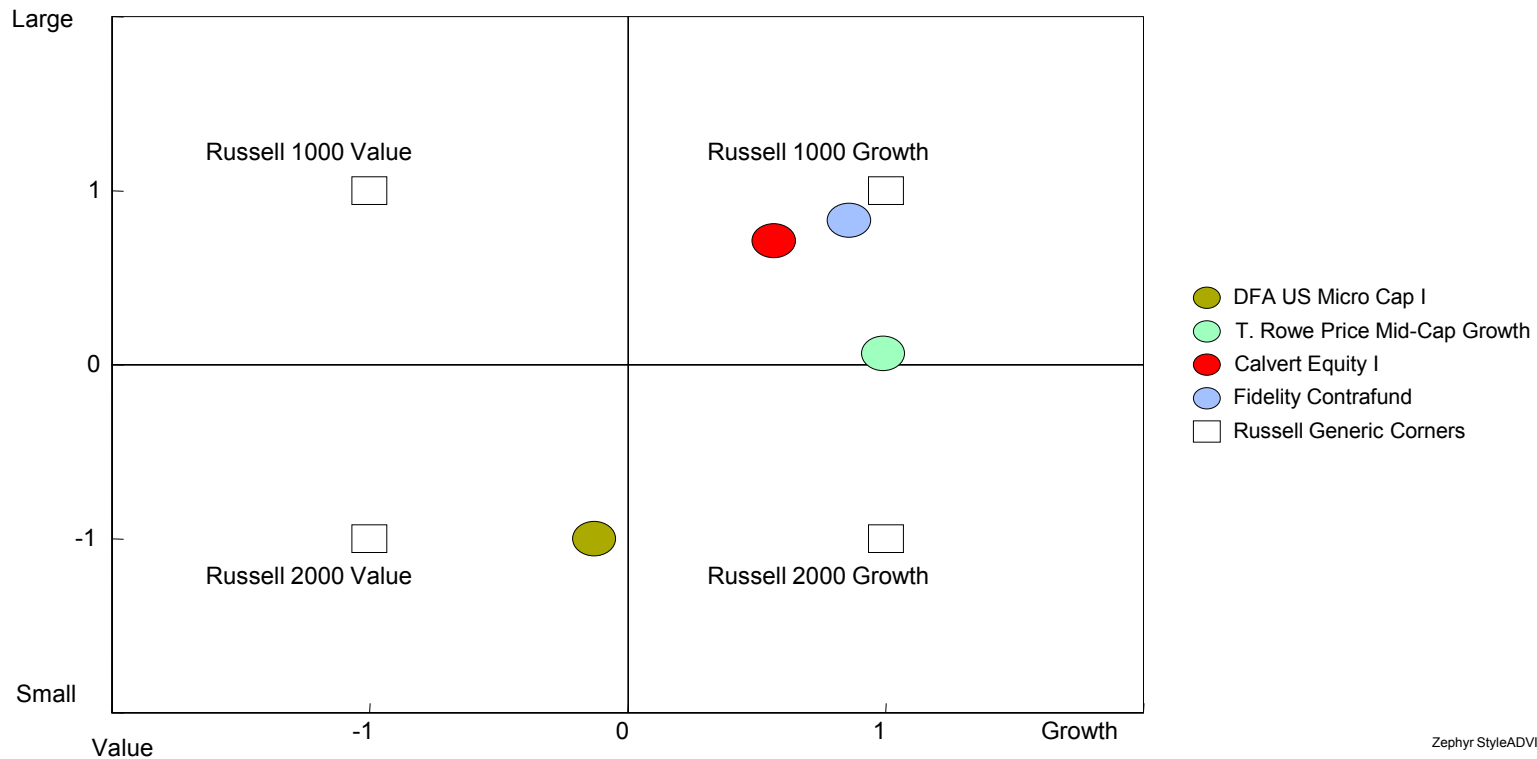


# Manager Style

**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 - Domestic Equity

October 2008 - September 2013



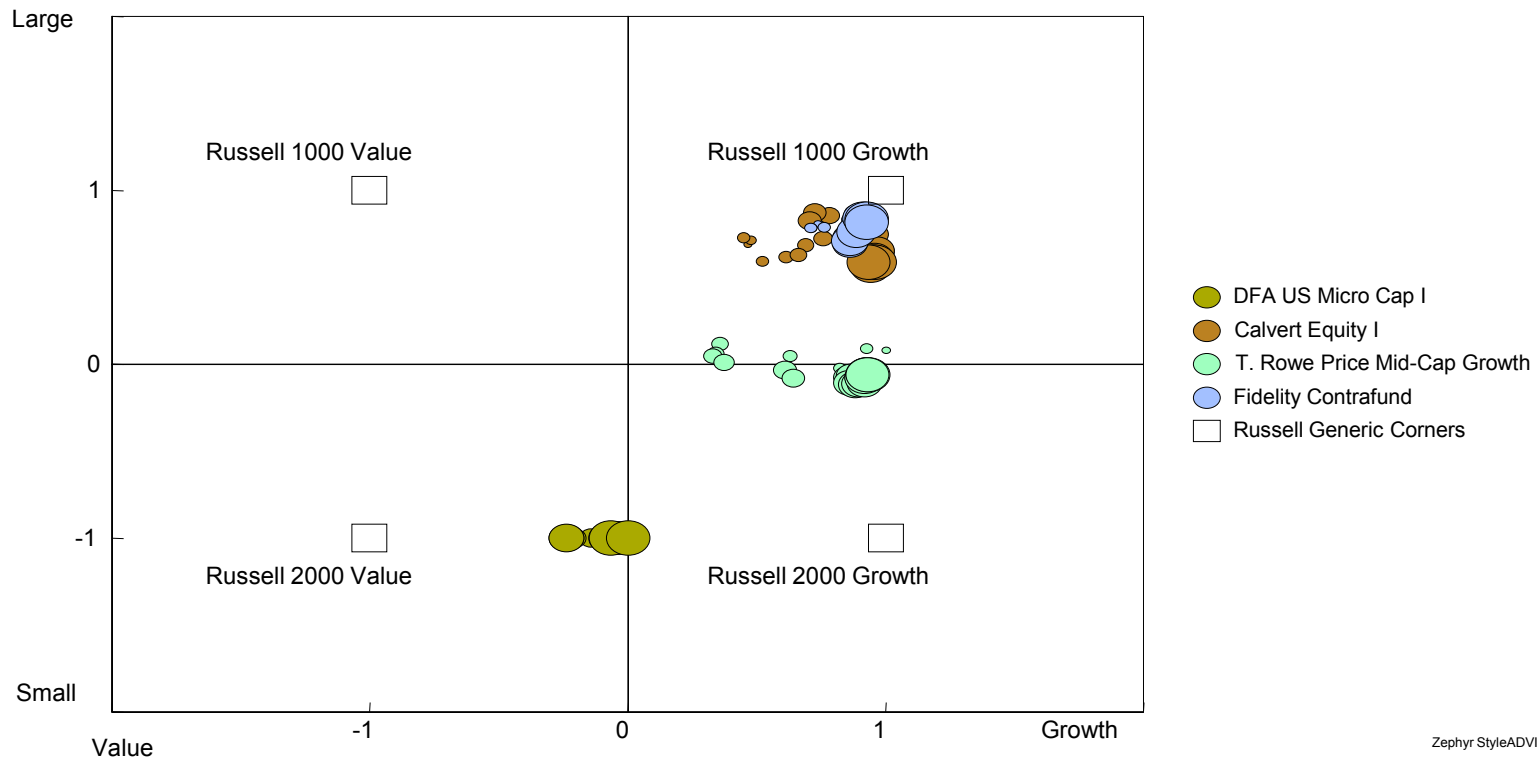
Zephyr StyleADVISOR: Advised Assets Group LLC

# Manager Style

**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 - Domestic Equity

October 2008 - September 2013



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# Fund Observations



**American Funds EuroPacific Growth R6** underperformed the Foreign Large Blend peer group in the 3<sup>rd</sup> quarter of 2013 with a return of 9.55% vs. 9.94%. While slightly underperforming over the 1 & 3-year time periods, the fund continues to outperform the peer group over the 5, & 10 year 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. In addition, it sports one of the lowest expense ratios in the category.

**Blackrock EAFE Equity Index Fund** outperformed its index by .14 bps (net of fees) over the past 1 year period.

**DFA U.S. Microcap** continued the 2<sup>nd</sup> quarter trend of outperforming the Small Cap Blend Peer Group in the 3<sup>rd</sup> quarter with a return on 10.99% vs. 9.20%. The fund also outperformed the Russell 2000 Index for the quarter which returned 10.21%. The fund continues to outpace both benchmarks over the past 1, 3, 5, and 10 year periods. The fund typically invests in the smallest 4% of U.S. exchange listed stocks with an average market cap of \$467 million. The fund contained 1,868 holdings which gives the fund an index like approach to investing.

**Blackrock Russell 2000 Index Fund** outperformed its index by .22 bps (net of fees) over the past 12 months.

# Fund Observations



**T. Rowe Price Mid Cap Growth** outperformed the Morningstar Mid Cap peer group in both the 3<sup>rd</sup> quarter (10.41% vs. 10.12%) and on a year-to-date basis (26.92% vs. 24.45%). The fund also outpaces the Peer group over the 1, 3, 5, & 10 year time frames. The fund is also now outperforming the Russell Mid Cap Growth Index over the past 12 months. The fund will generally offer favorable protection when markets are volatile, the style typically trails when markets advance aggressively.

**Blackrock Mid-Cap Equity Index** outperformed its index by 11 bps (net of fees) over the past 12 months.

**Calvert Equity** underperformed the Morningstar Large Growth peer group over the past 1, 3 & 5 year time periods. However, it continues to outperform the benchmarks over a 10 year time period. This concentrated, socially conscious fund looks for companies with solid balance sheets and strong earnings growth while being mindful of valuations. Stock picking has continued to hurt performance in the third quarter. Technology companies & Healthcare picks were the biggest detractors to relative performance.

**Fidelity Contrafund** continues to outpace its peer group over all but the 1 year time periods. The fund remains one of the best-performing funds in the category over longer-term time periods, outpacing its Morningstar Large Growth peer group by slightly under 350 basis points over the past 10 years.

# Fund Observations



**Vanguard Instl Index Plus Fund** was right on pace with the S&P 500 Index with both returning 5.24% in the third quarter. It is barely underperforming the index (net of fees) by .01 basis point over the past 12 months.

**Vanguard Wellington** slightly underperformed the Morningstar Moderate Allocation peer group in the 3<sup>rd</sup> quarter, but is still outperforming on a 1, 3, 5, & 10 year time period. This fund practices a value oriented, long-term investing style. The low expense ratio is also a distinct advantage for this fund.

**Vanguard Long-Term Investment Grade Bond** outperformed the Morningstar Long-Term Bond peer group in the 3<sup>rd</sup> quarter with a return of -0.27 vs. -0.65; although the fund is trailing the peer group on a year-to-date and 1-year basis. Over the long-term, however, it is outpacing the peer group over the 3 & 10 year time frames. The fund currently has overweight's in financial, industrials, and utilities.

**Blackrock US Debt Index** outperformed its index (net of fees) by 4 basis points over the past 12 months.

# Fund Observations



**Federated U.S. Government: 2-5 Year Institutional** had a nice 3rd quarter posting a return of 0.28% vs. the Morningstar short government peer group return of 0.12% but underperforming its benchmark. The fund also beats its Lipper peer group and Morningstar peer groups over the past 3, 5, and 10 year time periods; it is, however, still trailing both benchmarks over the past 12 months. The main factor influencing performance during the 3rd quarter was the fund had positioned itself for a less accommodating Fed, with less interest rate sensitivity than the benchmark and yield curve positioning to benefit from the Fed's tapering. When the fed chose not to taper, it adversely affected the performance of the fund vs. the benchmark.

**Vanguard Admiral Treasury Money Market Fund** posted a 0.01% return over the 1 year period.

**FDIC Bank Option** return for the quarter ending 9/30/13 was 0.45%. For 2013, the interest rate is derived from the 12 month LIBOR less 40 bps. The rate is calculated each quarter.

**Wisconsin Stable Value Fund** has strong performance over the 1, 3, 5, & 10 year periods returning 2.72%, 2.79%, 3.39%, & 4.24%, respectively. While the total return of the fund has decreased over the past few years due to the low level of short-term interest rates, the fund continues to provide superior relative performance when measured against other cash-equivalent investments.

# PERFORMANCE BENCHMARKING OF ACTIVE OPTIONS



# Performance Benchmarking Of Active Options

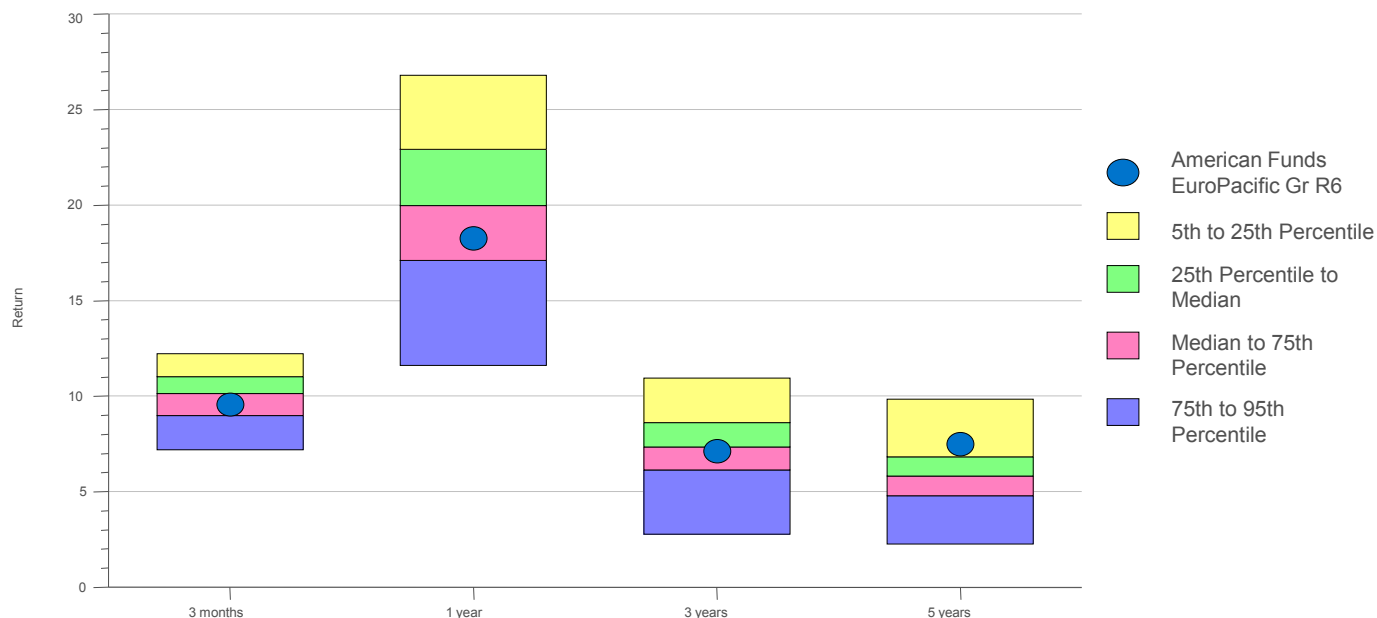
Zephyr StyleADVISOR

Zephyr StyleADVISOR: Advised Assets Group LLC

## American Funds EuroPacific Growth R6

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  
October 2008 - September 2013 (not annualized if less than 1 year)



Manager vs. Benchmark: Return  
October 2008 - September 2013 (not annualized if less than 1 year)

	3 months	YTD	1 year	3 years	5 years
American Funds EuroPacific Gr R6	9.55%	11.95%	18.28%	7.09%	7.47%
Morningstar Foreign Large Blend	9.94%	12.60%	19.91%	7.19%	5.54%

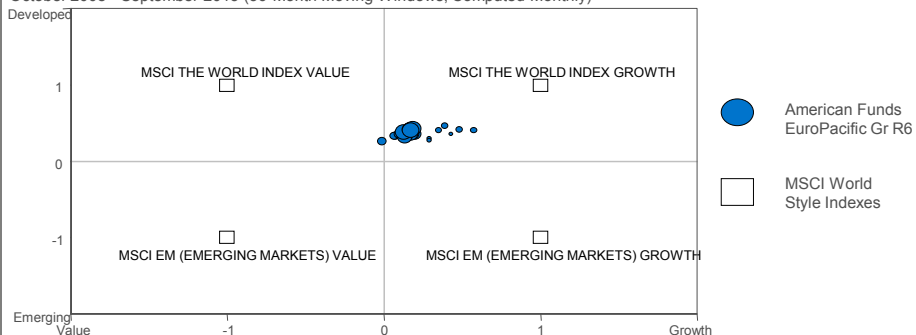


# Performance Benchmarking Of Active Options

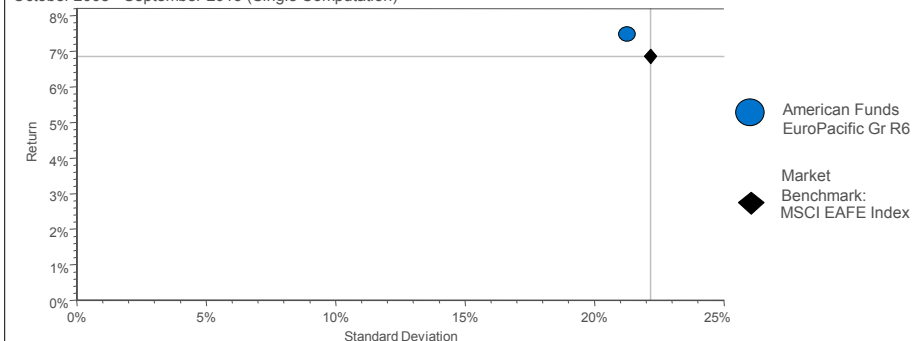
## Risk Analysis

Zephyr StyleADVISOR: Advised Assets Group LLC

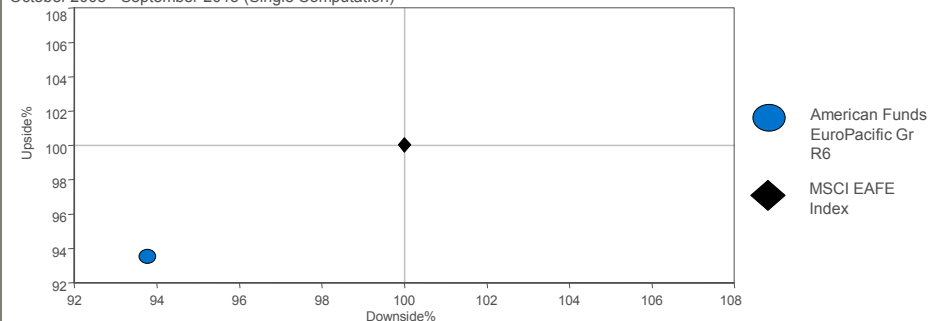
Manager Style  
October 2008 - September 2013 (36-Month Moving Windows, Computed Monthly)



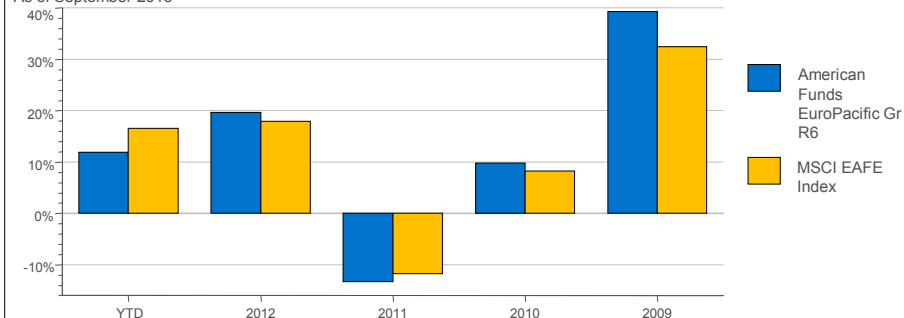
Risk / Return  
October 2008 - September 2013 (Single Computation)



Upside / Downside  
October 2008 - September 2013 (Single Computation)



Calendar Year Return  
As of September 2013



Portfolio Statistics  
October 2008 - September 2013: 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 R6	43.36%	0.93%	-3.25%	0.94	1.06	95.92%	84.21%	0.34	21.28%
MSCI EAFE Index	39.30%	0.00%	-2.71%	1.00	1.07	100.00%	83.92%	0.30	22.17%

# Performance Benchmarking Of Active Options

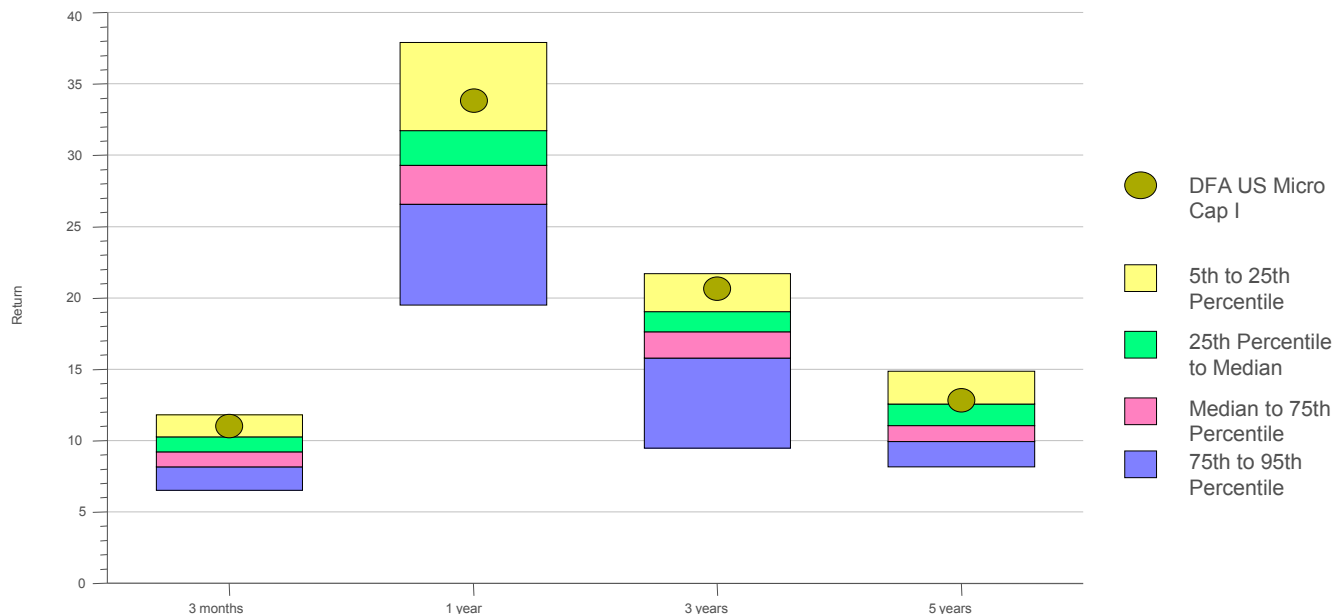
## Zephyr StyleADVISOR

Zephyr StyleADVISOR: Advised Assets Group LLC

### 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  
October 2008 - September 2013 (not annualized if less than 1 year)



Manager vs. Benchmark: Return  
October 2003 - September 2013 (not annualized if less than 1 year)

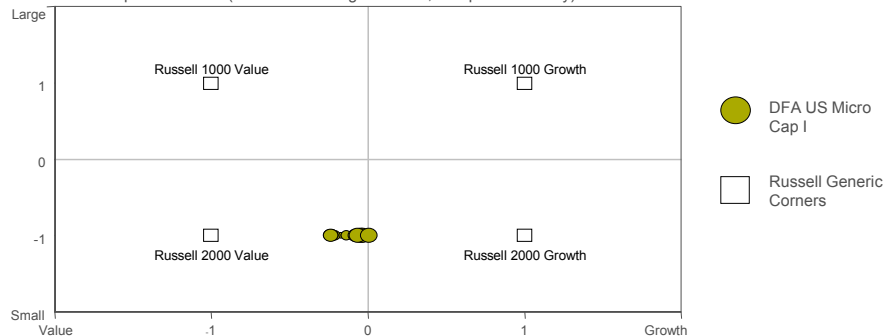
	3 months	YTD	1 year	3 years	5 years	10 years
DFA US Micro Cap I	10.99%	30.36%	33.79%	20.62%	12.86%	9.82%
Morningstar Small Blend	9.20%	25.95%	29.12%	17.21%	11.16%	9.22%

# Performance Benchmarking Of Active Options

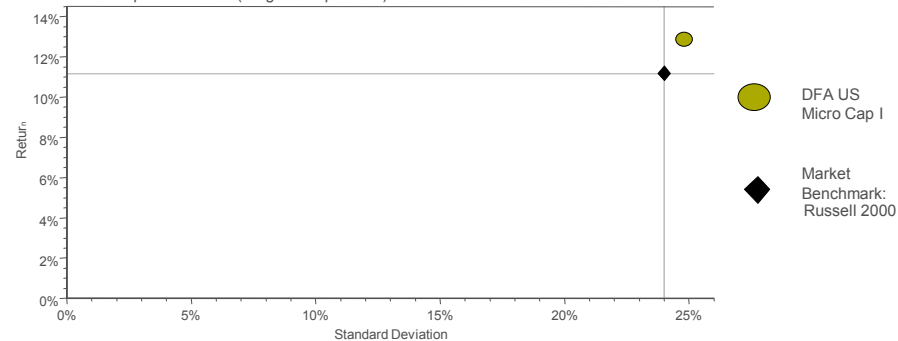
## Risk Analysis

Zephyr StyleADVISOR: Advised Assets Group LLC

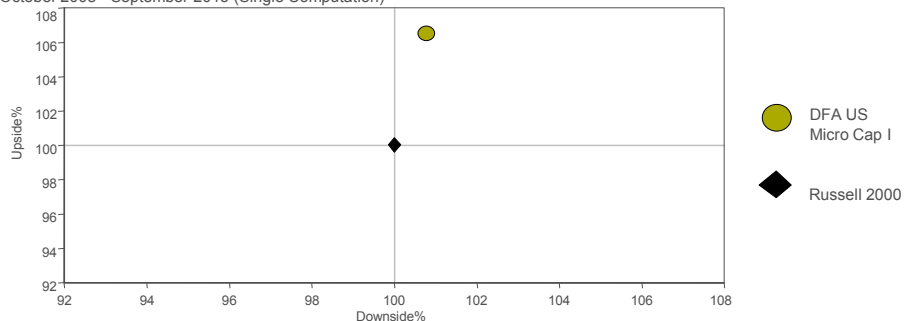
Manager Style  
October 2008 - September 2013 (36-Month Moving Windows, Computed Monthly)



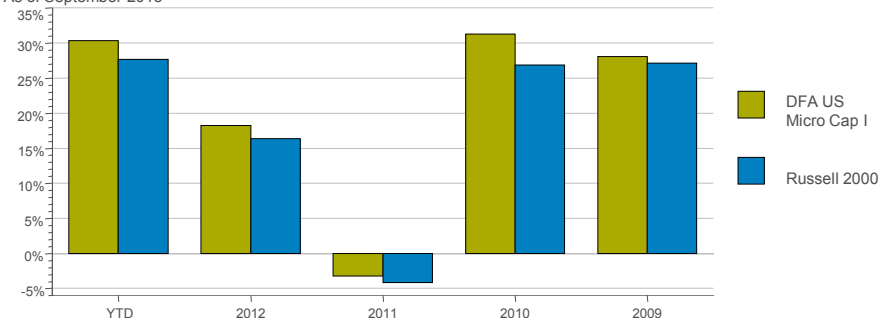
Risk / Return  
October 2008 - September 2013 (Single Computation)



Upside / Downside  
October 2008 - September 2013 (Single Computation)



Calendar Year Return  
As of September 2013



Portfolio Statistics  
October 2008 - September 2013: 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	83.09%	1.33%	1.52%	1.03	1.03	99.30%	99.31%	0.51	24.81%
Russell 2000	69.68%	0.00%	-0.01%	1.00	1.00	100.00%	100.00%	0.46	24.01%

# Performance Benchmarking Of Active Options

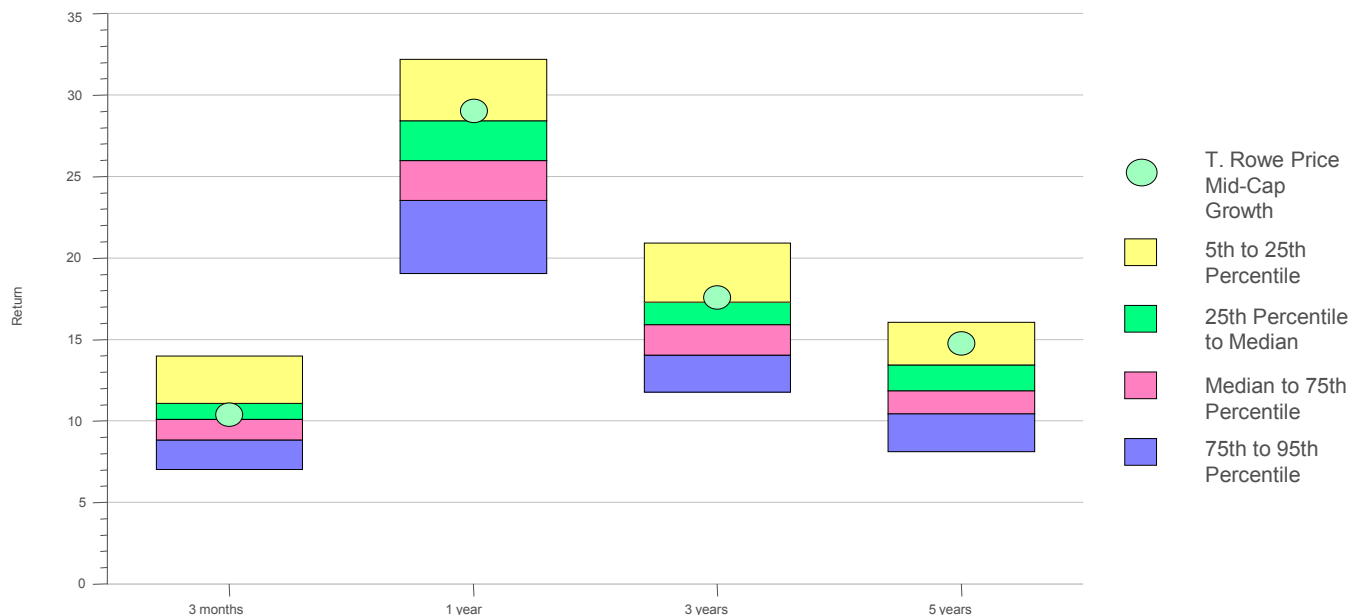
## Zephyr StyleADVISOR

Zephyr StyleADVISOR: Advised Assets Group LLC

### 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  
October 2008 - September 2013 (not annualized if less than 1 year)



Manager vs. Benchmark: Return  
October 2003 - September 2013 (not annualized if less than 1 year)

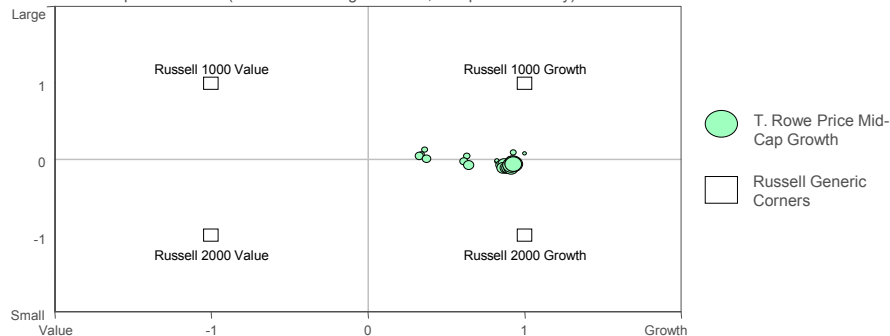
	3 months	YTD	1 year	3 years	5 years	10 years
T. Rowe Price Mid-Cap Growth	10.41%	26.92%	29.01%	17.57%	14.73%	11.90%
Morningstar Mid-Cap Growth	10.12%	24.45%	25.90%	15.66%	11.63%	8.60%

# Performance Benchmarking Of Active Options

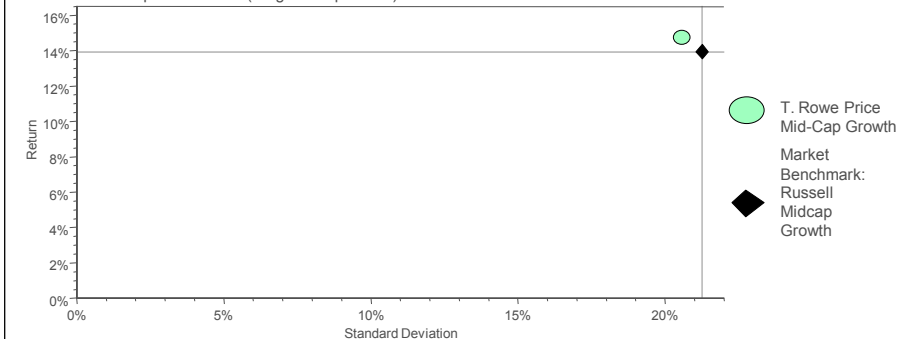
## Risk Analysis

Zephyr StyleADVISOR: Advised Assets Group LLC

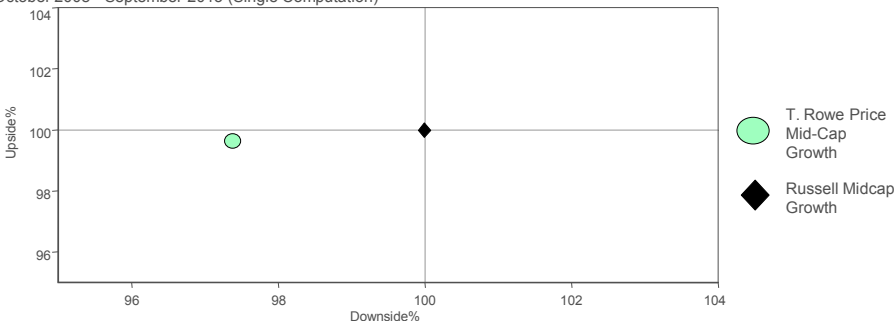
Manager Style  
October 2008 - September 2013 (36-Month Moving Windows, Computed Monthly)



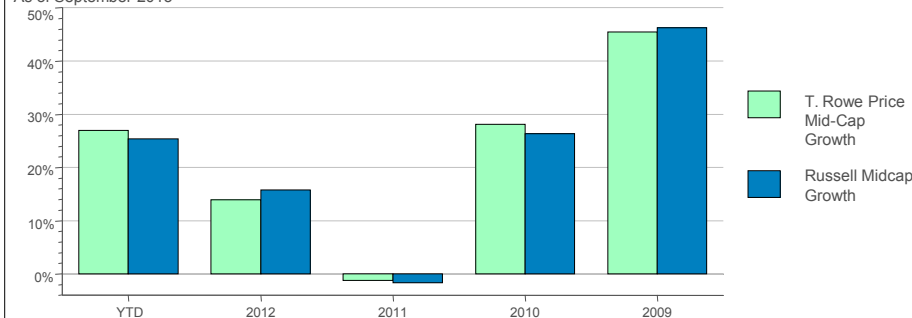
Risk / Return  
October 2008 - September 2013 (Single Computation)



Upside / Downside  
October 2008 - September 2013 (Single Computation)



Calendar Year Return  
As of September 2013



Portfolio Statistics  
October 2008 - September 2013: 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	98.77%	1.19%	2.39%	0.96	1.00	98.50%	97.03%	0.71	20.59%
Russell Midcap Growth	91.83%	0.00%	1.19%	1.00	1.02	100.00%	98.17%	0.65	21.26%

# Performance Benchmarking Of Active Options

## Zephyr StyleADVISOR

Zephyr StyleADVISOR: Advised Assets Group LLC

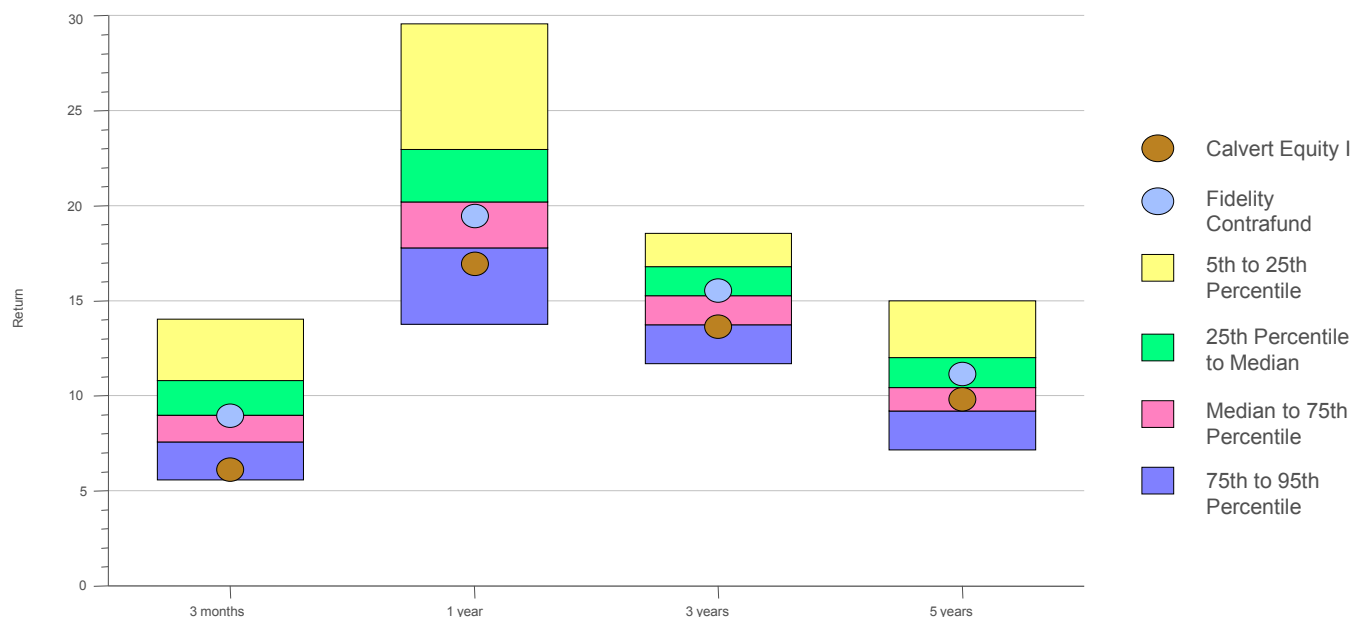
### Calvert Equity I

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  
October 2008 - September 2013 (not annualized if less than 1 year)



Manager vs. Benchmark: Return  
October 2003 - September 2013 (not annualized if less than 1 year)

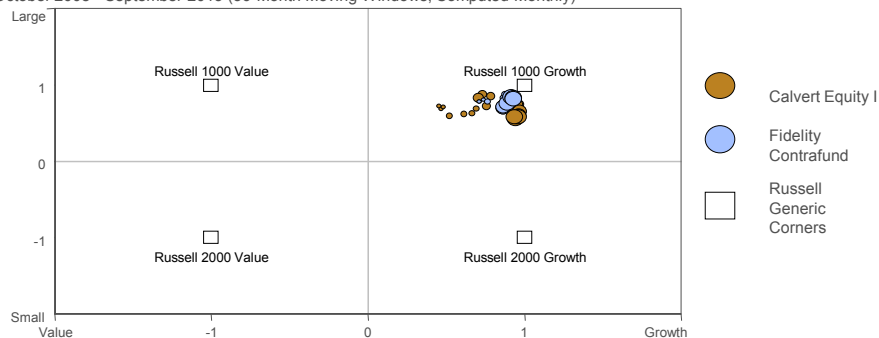
	3 months	YTD	1 year	3 years	5 years	10 years
Calvert Equity I	6.13%	16.73%	16.95%	13.62%	9.80%	7.52%
Fidelity Contrafund	8.94%	21.38%	19.46%	15.54%	11.12%	10.29%
Morningstar Large Growth	9.33%	21.37%	20.63%	15.00%	10.26%	6.80%

# Performance Benchmarking Of Active Options

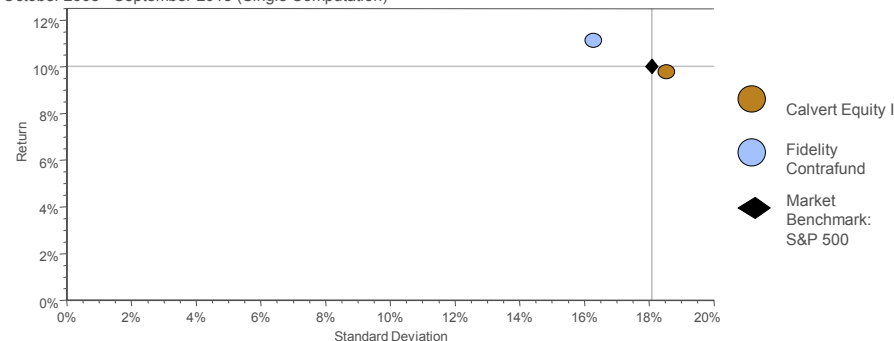
## Risk Analysis

Zephyr StyleADVISOR: Advised Assets Group LLC

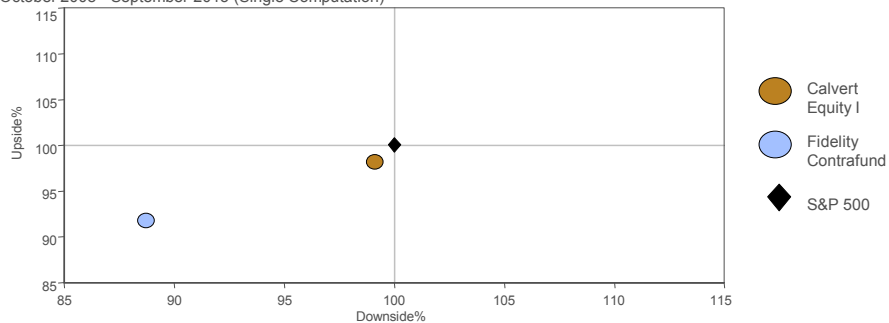
Manager Style  
October 2008 - September 2013 (36-Month Moving Windows, Computed Monthly)



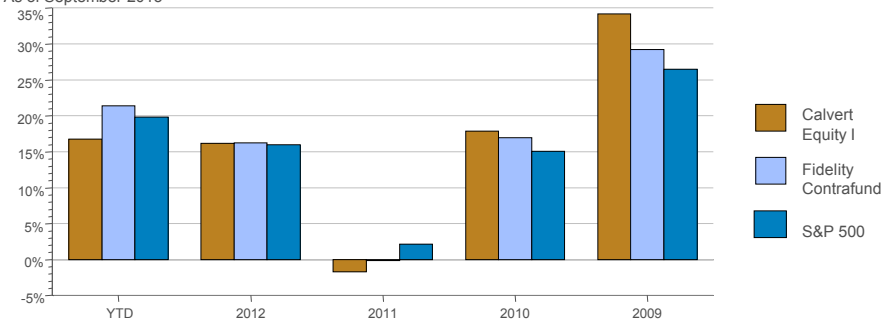
Risk / Return  
October 2008 - September 2013 (Single Computation)



Upside / Downside  
October 2008 - September 2013 (Single Computation)



Calendar Year Return  
As of September 2013



Portfolio Statistics  
October 2008 - September 2013: 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	59.61%	-0.09%	-1.12%	1.00	1.00	94.66%	96.39%	0.52	18.54%
Fidelity Contrafund	69.44%	2.15%	0.37%	0.87	1.02	93.93%	96.95%	0.67	16.27%
S&P 500	61.17%	0.00%	-0.09%	1.00	1.00	100.00%	99.87%	0.55	18.08%

# Performance Benchmarking Of Active Options

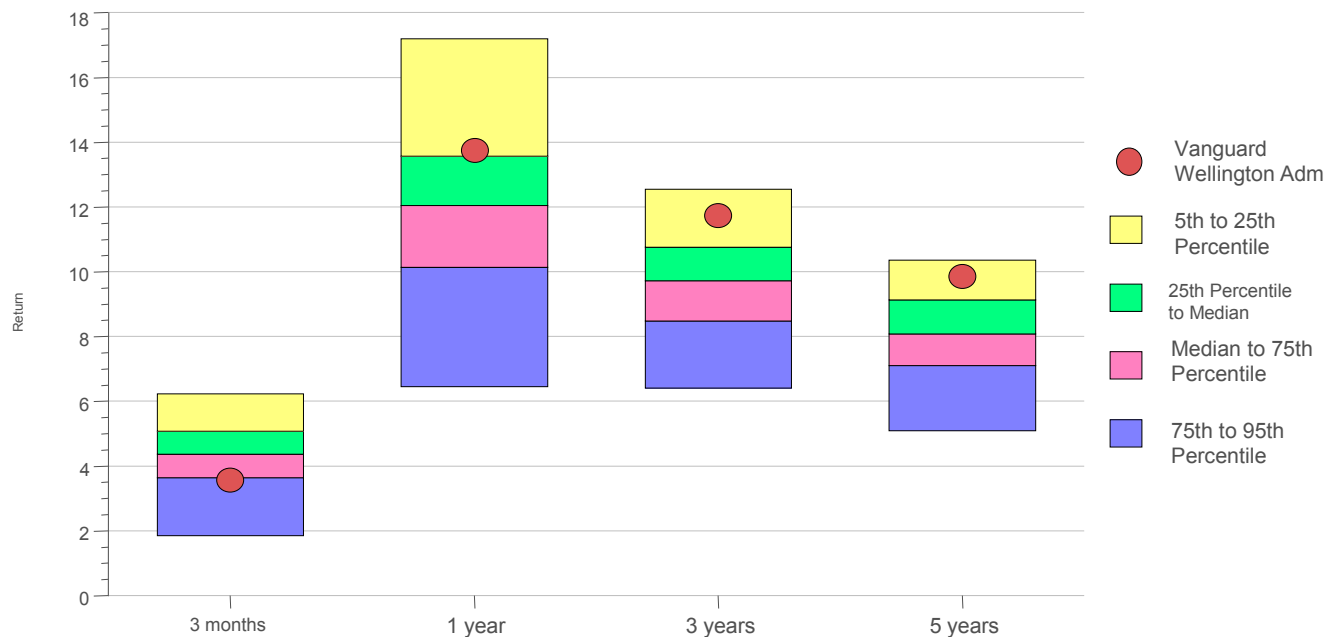
## Zephyr StyleADVISOR

Zephyr StyleADVISOR: Advised Assets Group LLC

### Vanguard Wellington

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  
October 2008 - September 2013 (not annualized if less than 1 year)



Manager vs. Benchmark: Return  
October 2003 - September 2013 (not annualized if less than 1 year)

	3 months	YTD	1 year	3 years	5 years	10 years
Vanguard Wellington Adm	3.57%	12.61%	13.75%	11.73%	9.87%	8.54%
Morningstar Moderate Allocation	4.24%	10.18%	11.47%	9.28%	7.62%	5.94%

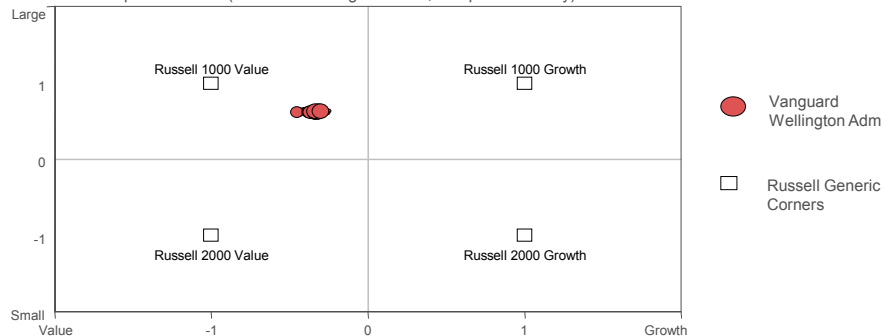


# Performance Benchmarking Of Active Options

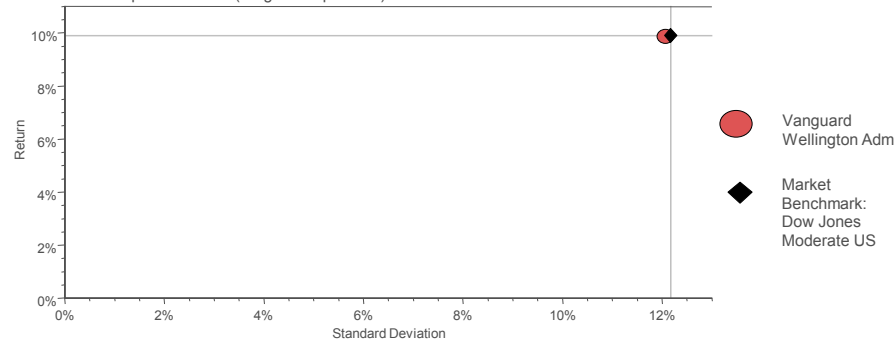
## Risk Analysis

Zephyr Style ADVISOR: Advised Assets Group LLC

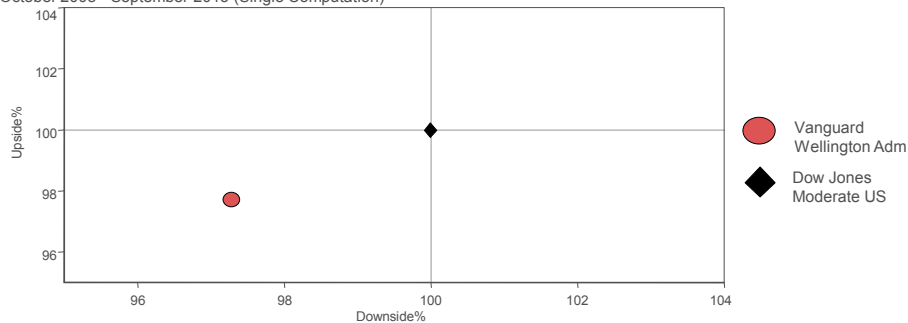
Manager Style  
October 2008 - September 2013 (36-Month Moving Windows, Computed Monthly)



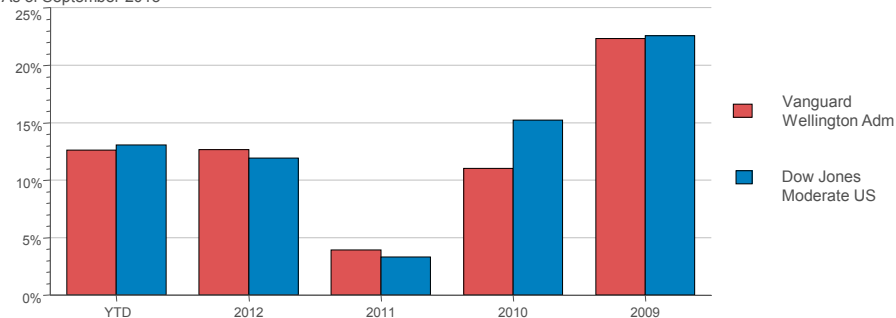
Risk / Return  
October 2008 - September 2013 (Single Computation)



Upside / Downside  
October 2008 - September 2013 (Single Computation)



Calendar Year Return  
As of September 2013



Portfolio Statistics  
October 2008 - September 2013: 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	60.07%	0.40%	3.23%	0.96	1.00	93.30%	94.62%	0.81	12.06%
Dow Jones Moderate US	60.27%	0.00%	3.28%	1.00	1.01	100.00%	97.56%	0.80	12.18%

# Performance Benchmarking Of Active Options

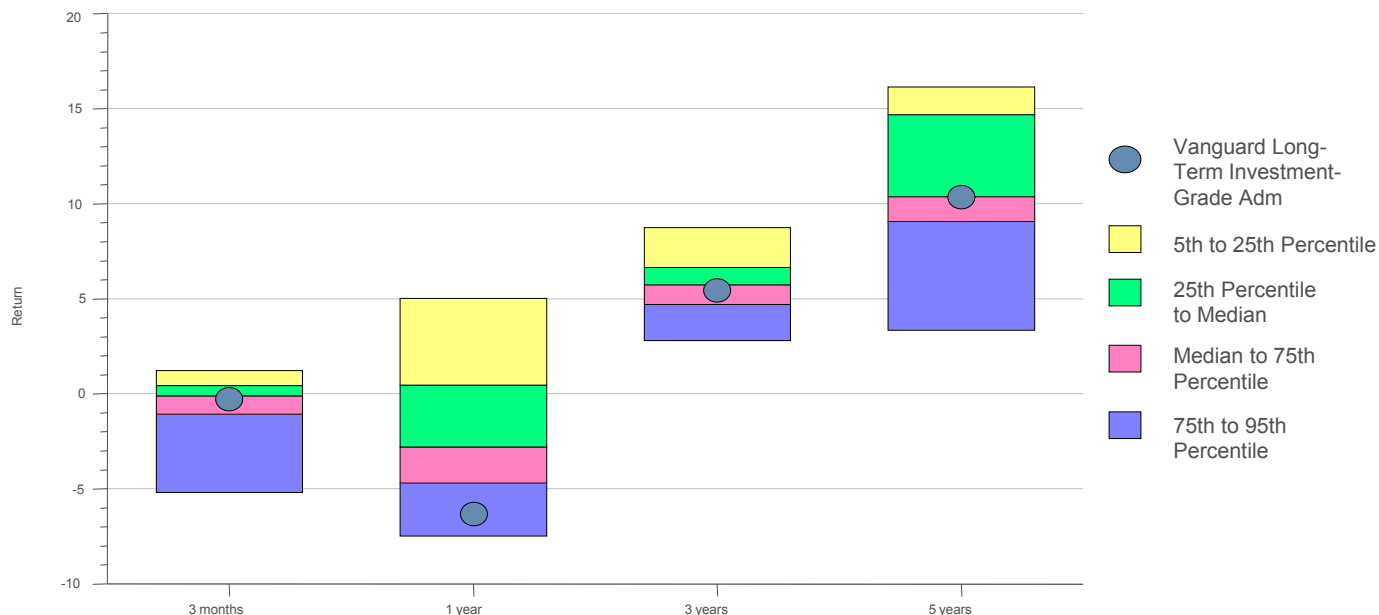
## Zephyr StyleADVISOR

Zephyr StyleADVISOR: Advised Assets Group LLC

### Vanguard Long-Term Investment-Grade Bond

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  
October 2008 - September 2013 (not annualized if less than 1 year)



Manager vs. Benchmark: Return  
October 2003 - September 2013 (not annualized if less than 1 year)

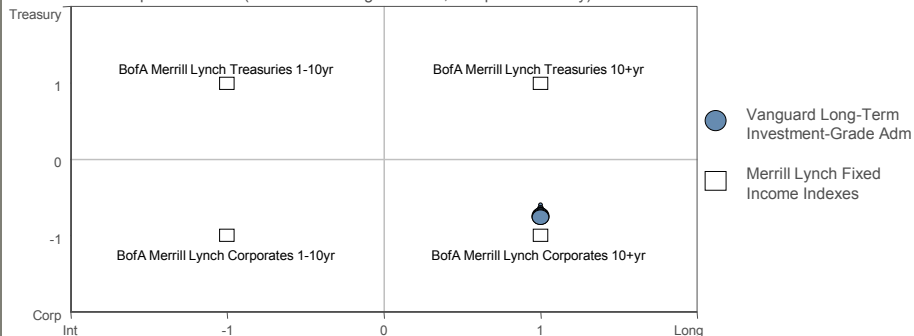
	3 months	YTD	1 year	3 years	5 years	10 years
Vanguard Long-Term Investment-Grade Adm	-0.27%	-6.96%	-6.36%	5.43%	10.34%	6.36%
Morningstar Long-Term Bond	-0.65%	-3.99%	-2.66%	5.42%	10.39%	6.02%

# Performance Benchmarking Of Active Options

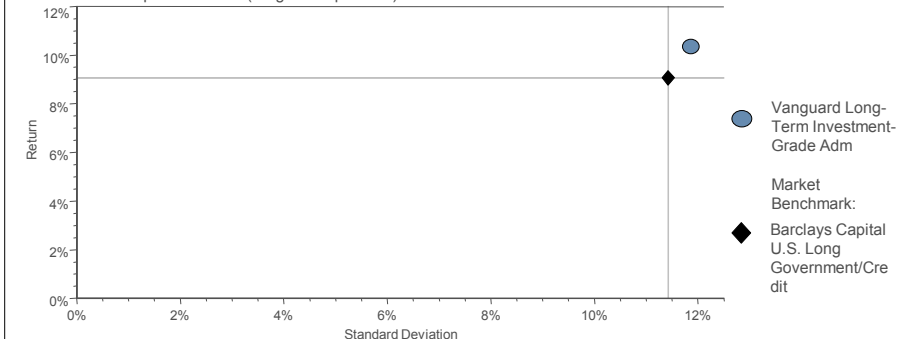
## Risk Analysis

Zephyr StyleADVISOR: Advised Assets Group LLC

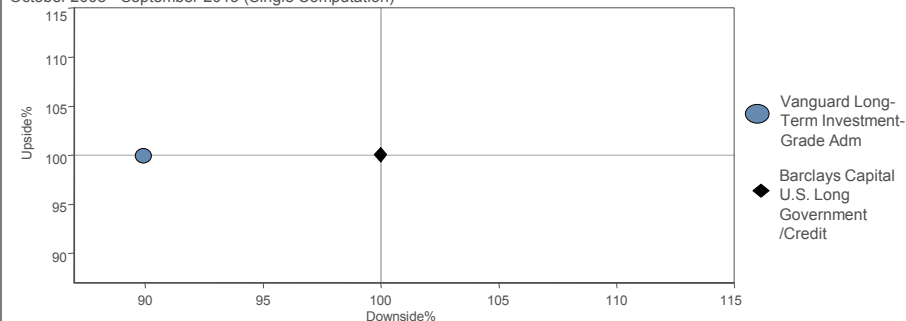
Manager Style  
October 2008 - September 2013 (36-Month Moving Windows, Computed Monthly)



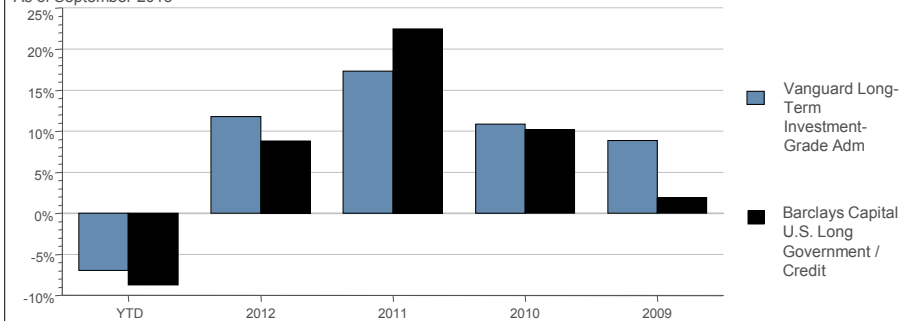
Risk / Return  
October 2008 - September 2013 (Single Computation)



Upside / Downside  
October 2008 - September 2013 (Single Computation)



Calendar Year Return  
As of September 2013



### Portfolio Statistics

October 2008 - September 2013: 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	63.58%	1.40%	-0.78%	0.98	1.04	89.27%	98.19%	0.86	11.87%
Barclays Capital U.S. Long Government/Credit	54.35%	0.00%	-0.16%	1.00	1.01	100.00%	99.61%	0.78	11.43%

# Performance Benchmarking Of Active Options

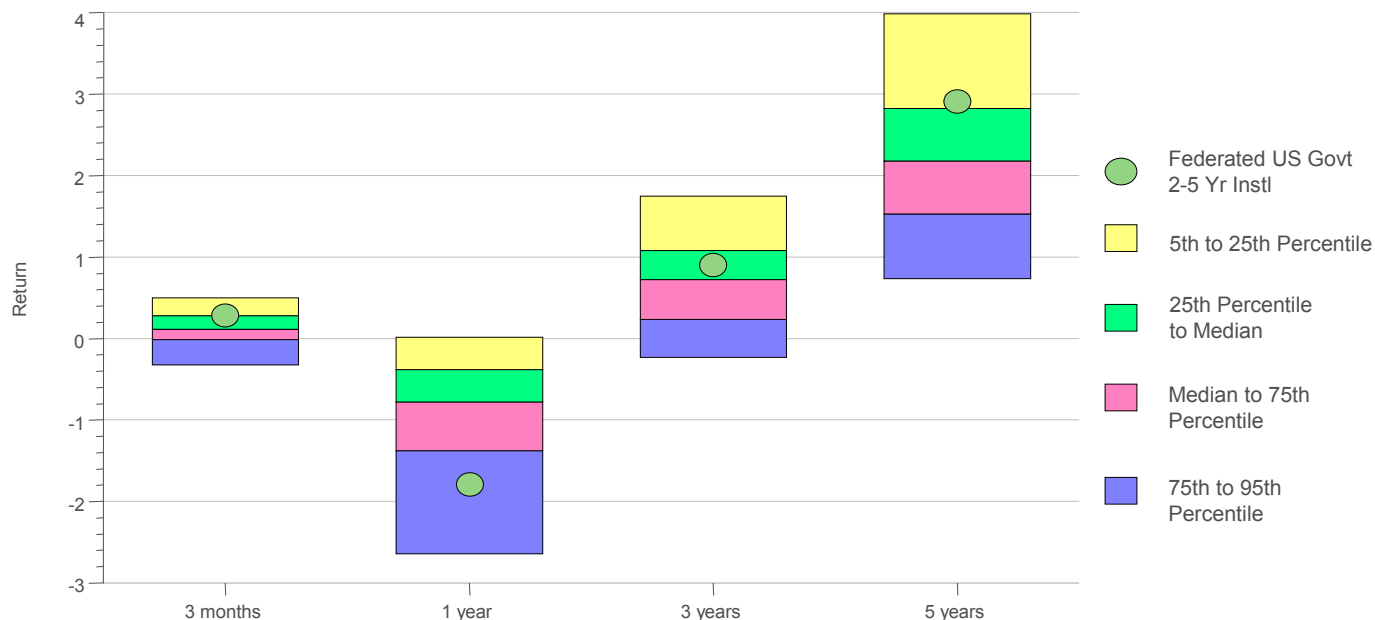
Zephyr StyleADVISOR

Zephyr StyleADVISOR: Advised Assets Group LLC

## Federated US Government 2-5 Yr Institutional

The Federated US Government 2-5 Yr Institutional fund seeks current income. The fund buys and sells portfolio securities based primarily on its market outlook and analysis of how securities may perform under different market conditions. It may also use derivative contracts and/or hybrid instruments to implement elements of its strategies. The fund may also purchase bonds from the U.S. government backed by the FDIC.

Manager vs. Morningstar Short Government: Return  
October 2008 - September 2013 (not annualized if less than 1 year)



Manager vs. Benchmark: Return  
October 2003 - September 2013 (not annualized if less than 1 year)

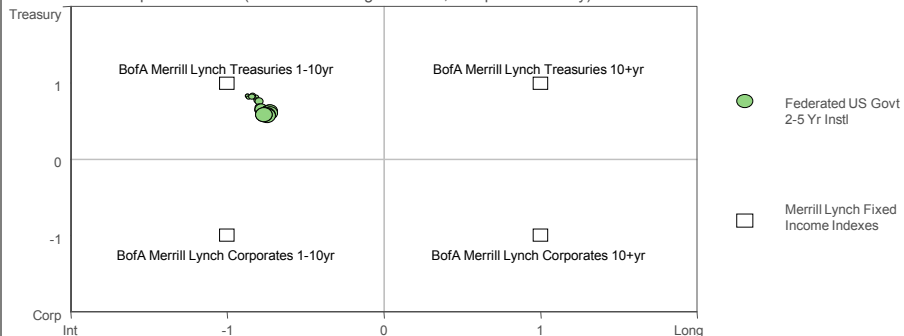
	3 months	YTD	1 year	3 years	5 years	10 years
Federated US Govt 2-5 Yr Instl	0.28%	-1.82%	-1.79%	0.90%	2.91%	3.31%
Morningstar Short-Term Bond	0.57%	-0.00%	0.37%	1.69%	3.21%	2.46%

# Performance Benchmarking Of Active Options

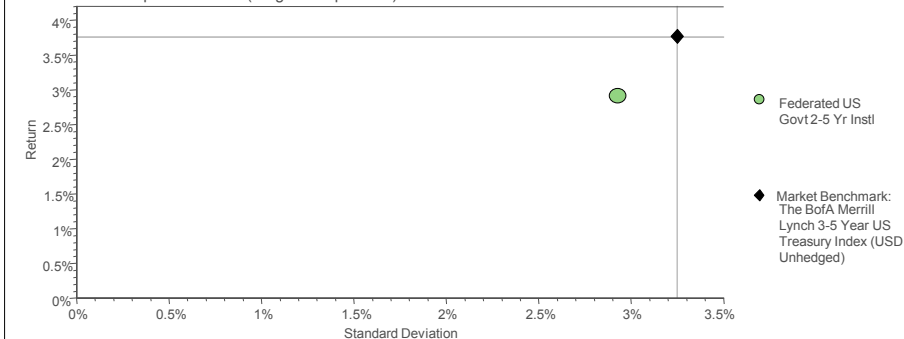
## Risk Analysis

Zephyr StyleADVISOR: Advised Assets Group LLC

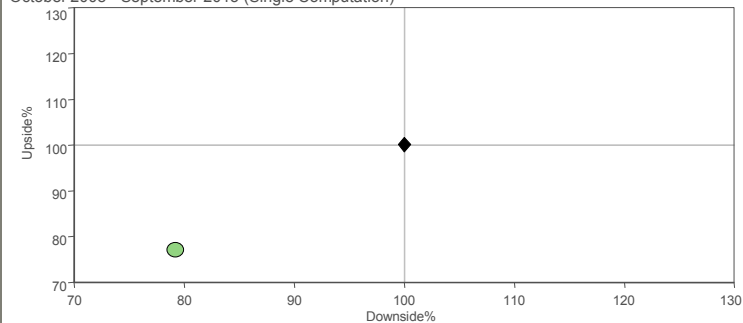
Manager Style  
October 2008 - September 2013 (36-Month Moving Windows, Computed Monthly)



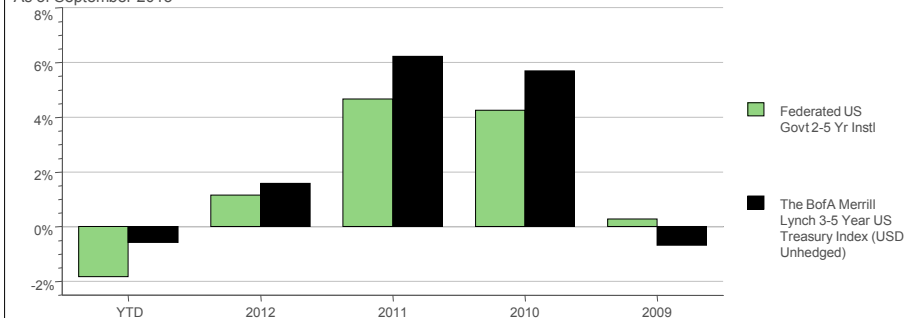
Risk / Return  
October 2008 - September 2013 (Single Computation)



Upside / Downside  
October 2008 - September 2013 (Single Computation)



Calendar Year Return  
As of September 2013



Portfolio Statistics  
October 2008 - September 2013: 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	15.41%	-0.24%	0.51%	0.84	16.36	86.78%	13.03%	0.94	2.93%
BofA Merrill Lynch U.S. Treasuries 3-5 Yrs (USD Unhedged)	20.28%	0.00%	0.57%	1.00	21.71	100.00%	18.66%	1.11	3.25%



# LIFECYCLE OPTIONS



# Lifecycle Option Report Card - 9/30/2013

Name	3 Mo	1 Yr	3 Yr	5 Yr	Annual Return (2012)	Annual Return (2011)	Annual Return (2010)	% Short-Term	% US Stocks	% Non US Stocks	% Inv Grade Bond	% High Yield Bond
<b>Vanguard Target Retirement Income Inv</b>	<b>2.67</b>	<b>4.12</b>	<b>6.46</b>	<b>6.83</b>	<b>8.23</b>	<b>5.25</b>	<b>9.39</b>	<b>6</b>	<b>21</b>	<b>9</b>	<b>64</b>	<b>0</b>
Fidelity Freedom Income	2.07	3.11	4.50	5.25	6.40	2.02	7.63	29	12	6	47	5
T. Rowe Price Retirement Income	3.31	6.77	7.07	7.34	10.05	1.43	10.10	6	28	12	49	5
Composite Returns*	2.54	4.69	5.30	5.50	6.80	3.51	7.76	-	-	-	-	-
DJ US Target Today TR USD	1.89	3.80	5.78	7.41	6.86	6.42	8.72	-	-	-	-	-
<b>Vanguard Target Retirement 2015 Inv</b>	<b>4.24</b>	<b>9.56</b>	<b>9.06</b>	<b>7.92</b>	<b>11.37</b>	<b>1.71</b>	<b>12.47</b>	<b>4</b>	<b>37</b>	<b>16</b>	<b>43</b>	<b>0</b>
Fidelity Freedom 2015	4.31	8.02	7.89	7.16	10.68	-0.34	11.75	16	29	14	35	5
T. Rowe Price Retirement 2015	4.99	11.23	9.90	8.98	13.81	-0.32	13.79	5	41	19	30	6
Composite Returns*	4.13	9.52	7.42	5.98	9.13	0.72	9.20	-	-	-	-	-
DJ US Target 2015 TR USD	2.96	7.33	8.07	8.01	8.89	5.44	11.54	-	-	-	-	-
<b>Vanguard Target Retirement 2025 Inv</b>	<b>5.42</b>	<b>13.34</b>	<b>10.72</b>	<b>8.39</b>	<b>13.29</b>	<b>-0.37</b>	<b>13.84</b>	<b>2</b>	<b>48</b>	<b>21</b>	<b>28</b>	<b>0</b>
Fidelity Freedom 2025	5.59	11.29	9.60	7.80	13.15	-2.65	13.82	13	39	19	23	7
T. Rowe Price Retirement 2025	6.60	15.45	11.78	9.85	16.00	-2.06	15.37	4	51	24	18	4
Composite Returns*	5.26	12.97	8.91	6.29	10.78	-1.32	10.19	-	-	-	-	-
DJ US Target 2025 TR USD	4.55	13.09	11.39	9.46	11.71	3.53	15.44	-	-	-	-	-
<b>Vanguard Target Retirement 2035 Inv</b>	<b>6.46</b>	<b>16.77</b>	<b>12.23</b>	<b>8.87</b>	<b>15.16</b>	<b>-2.24</b>	<b>15.14</b>	<b>1</b>	<b>59</b>	<b>26</b>	<b>14</b>	<b>0</b>
Fidelity Freedom 2035	6.61	14.04	10.61	7.78	14.45	-4.59	14.46	13	47	23	10	7
T. Rowe Price Retirement 2035	7.71	18.46	13.10	10.40	17.35	-3.26	16.34	3	58	28	9	2
Composite Returns*	6.28	16.10	10.23	6.55	12.24	-3.19	11.05	-	-	-	-	-
DJ US Target 2035 TR USD	6.04	18.80	14.36	10.71	14.31	1.50	18.62	-	-	-	-	-
<b>Vanguard Target Retirement 2045 Inv</b>	<b>6.73</b>	<b>17.70</b>	<b>12.58</b>	<b>9.09</b>	<b>15.58</b>	<b>-2.51</b>	<b>15.19</b>	<b>1</b>	<b>62</b>	<b>27</b>	<b>10</b>	<b>0</b>
Fidelity Freedom 2045	6.81	14.78	10.91	7.82	14.79	-5.02	14.72	13	50	24	5	8
T. Rowe Price Retirement 2045	8.02	19.30	13.35	10.55	17.62	-3.47	16.44	3	60	29	7	1
Composite Returns*	6.63	17.12	10.64	6.62	12.72	-3.84	11.30	-	-	-	-	-
DJ US Target 2045 TR USD	6.83	21.86	15.75	11.42	15.53	0.56	19.83	-	-	-	-	-
<b>Vanguard Target Retirement 2055 Inv</b>	<b>6.78</b>	<b>17.73</b>	<b>12.71</b>		<b>15.58</b>	<b>-2.27</b>		<b>1</b>	<b>62</b>	<b>27</b>	<b>10</b>	<b>0</b>
Fidelity Freedom 2055 (begun 6/11)	7.29	15.75			15.32			13	52	25	1	8
T. Rowe Price Retirement 2055	8.00	19.16	13.35	10.52	17.60	-3.35	16.41	3	60	29	7	1
Composite Returns*	6.63	17.13	10.65	6.63	12.73	-3.83	11.32	-	-	-	-	-
DJ US Target 2055 TR USD	6.86	21.98	15.80	11.44	15.55	0.55	19.83	-	-	-	-	-



# Lifecycle Option Observations



- Vanguard Target Retirement Funds continue to outperform their composite indices over most time periods.
- The Vanguard Target Retirement Funds continue to compare favorably to the Fidelity Freedom Fund across almost all time periods. With the exception of 2011, however, they trailed the T. Rowe Price Target Date Funds across most time periods. The larger equity exposure means that the T. Rowe funds have typically outperformed in a “Risk” on environment while underperforming in “Defensive” environments.
- 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

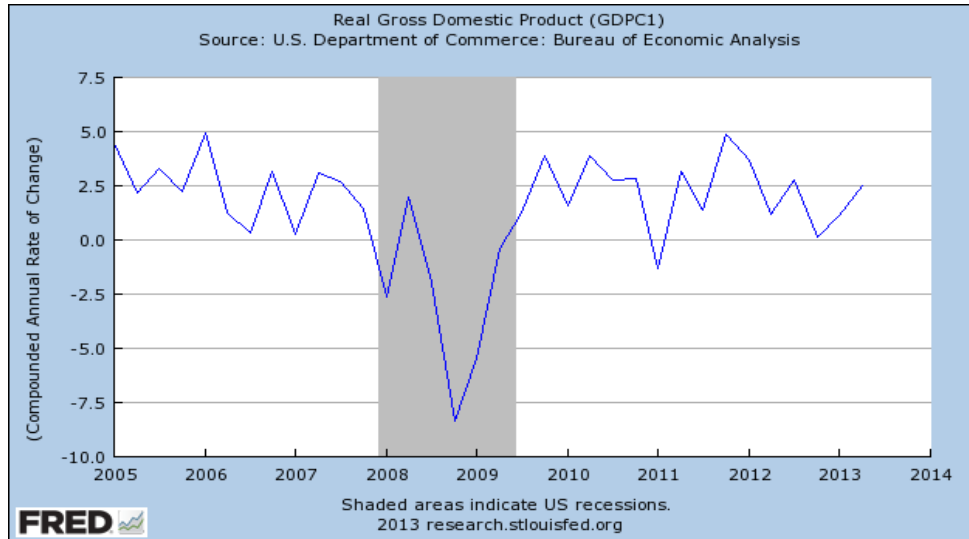


As a result of the ongoing shutdown of the federal government, most economic data has not been reported beyond September 30, 2013. As a result, we have included the most recent information possible in this quarter's Economic & Capital Markets Review.

# Current Economic Conditions



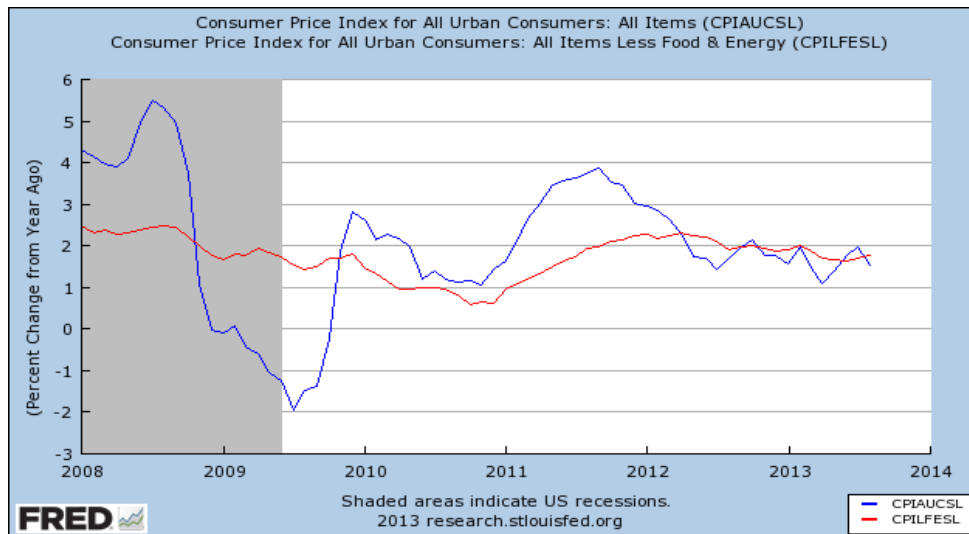
ADVISED ASSETS  
GROUP



Source: St. Louis Fed, <http://research.stlouisfed.org/fred2/graph/?id=GDPC1> (9/30/13)

## GDP

- Real Gross Domestic Product increased at an annual real rate of 2.5% in the second quarter of 2013.<sup>1</sup>
  - Previous estimates indicated real growth at a 2.7% annual rate, but inventory replenishment wasn't as robust, and exports grew somewhat slower than expected.
  - US Growth is projected to slow to an annual rate of 1.9% in the third quarter.
  - For 2012, the economy grew at an annual real rate of 2.2% after a 1.8% real increase in 2011.



Source: St. Louis Fed, <http://research.stlouisfed.org/fred2/graph/?id=CPIAUCSL#> (9/30/13)

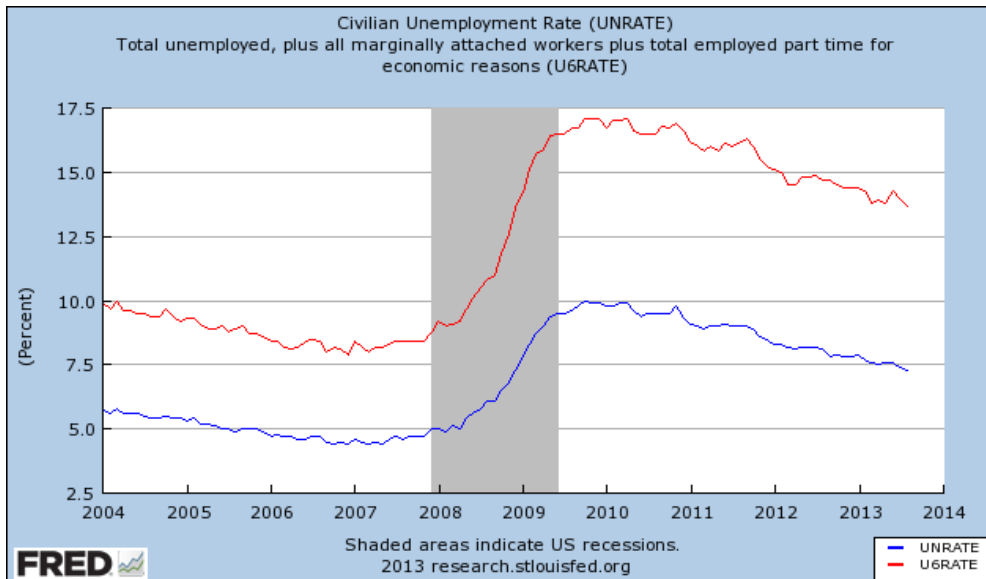
## Inflation

- The Consumer Price Index (CPI) increased 1.5% for the 12 months ending August.<sup>2</sup>
  - The 12 month change in Core CPI (CPI ex food & energy) was 1.8% over the previous 12 months.
  - Increases in the index for shelter and medical care contributed to increase. Food index rose slightly in August and is up 1.4% over the last 12 months.
  - Energy Index declined 0.3% in August, due mostly to a sharp decline in the natural gas index.
  - Inflation expectations remain benign over the near term.

# Current Economic Conditions



ADVISED ASSETS  
GROUP

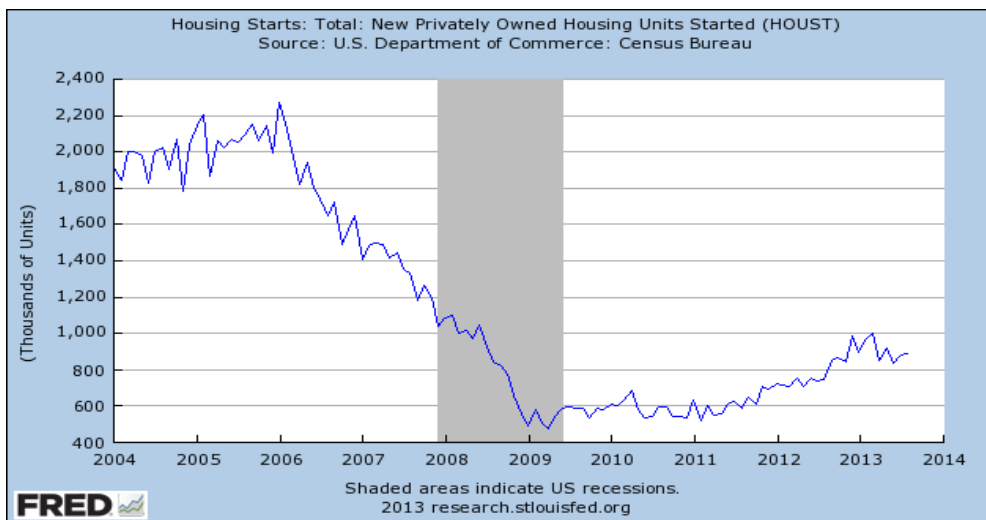


## Employment Statistics

- The official unemployment rate (U-3) was unchanged at 7.3% at the end of August.<sup>3</sup>
  - Non-farm payrolls increased by 169,000 in August. For the month, employment increased in retail trade and health care but declined in information.
  - The “U-6 Rate”, the most comprehensive measure of the nation’s employment situation, fell from 14.3% in June to 13.7% in August.
  - The labor force participation rate contracted modestly; moving slightly lower from 63.5% in June to 63.2% in August.

## Housing

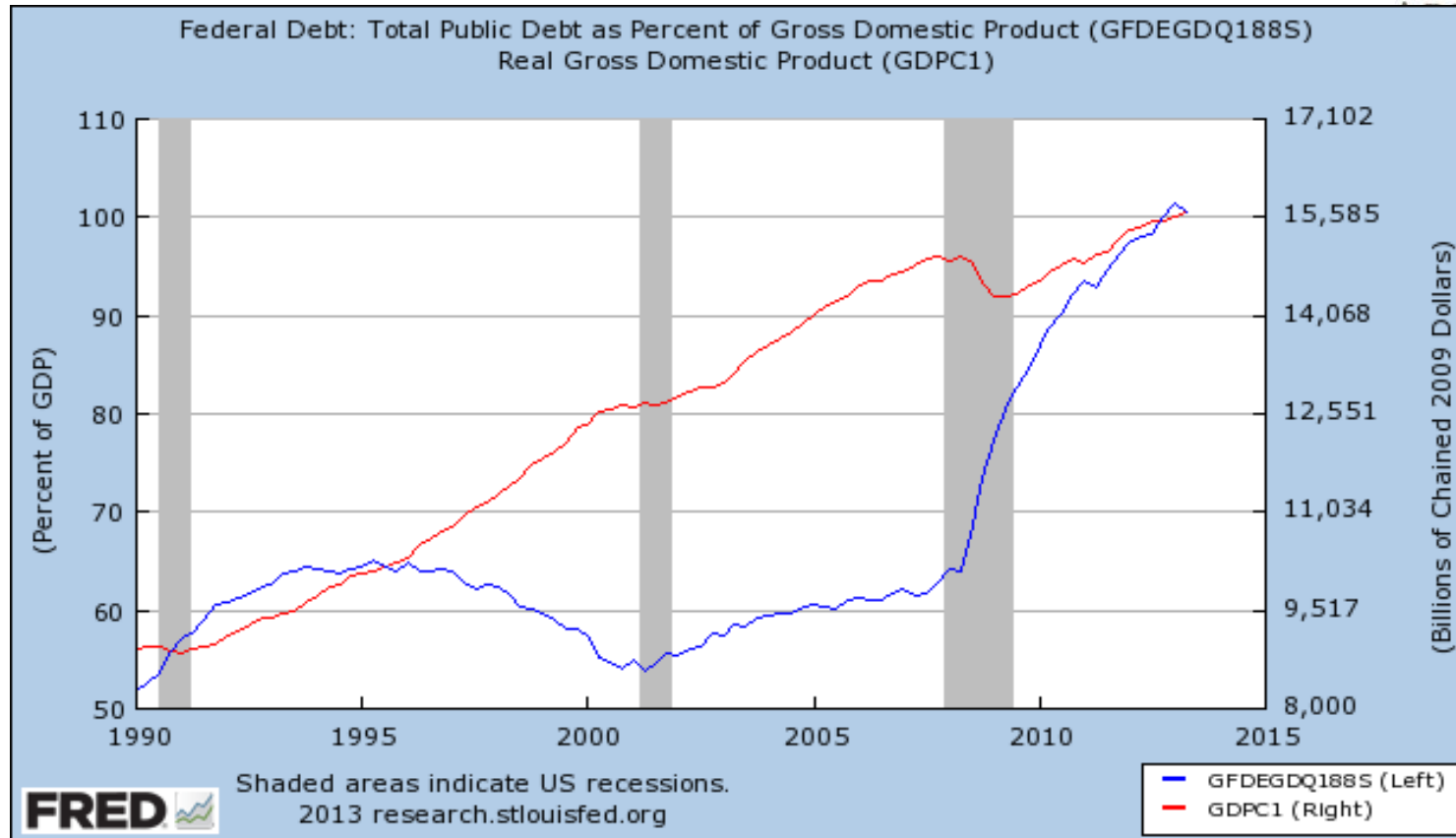
- August Housing Starts increased 0.9% from the July measure.<sup>4</sup>
  - This number represents a 19.0% increase from the May 2012 measure.
  - Building permits increased 22% from the August 2012 figures.
  - Housing is a key component of consumer spending and sentiment
  - Home price indices continue to improve, with prices increasing across the nation



Source: St. Louis Fed, <http://research.stlouisfed.org/fred2/graph/?id=UNRATE> (9/30/13)

Source: St. Louis Fed, <http://research.stlouisfed.org/fred2/graph/?id=HOUST#> (9/30/13)

# Current Market Conditions



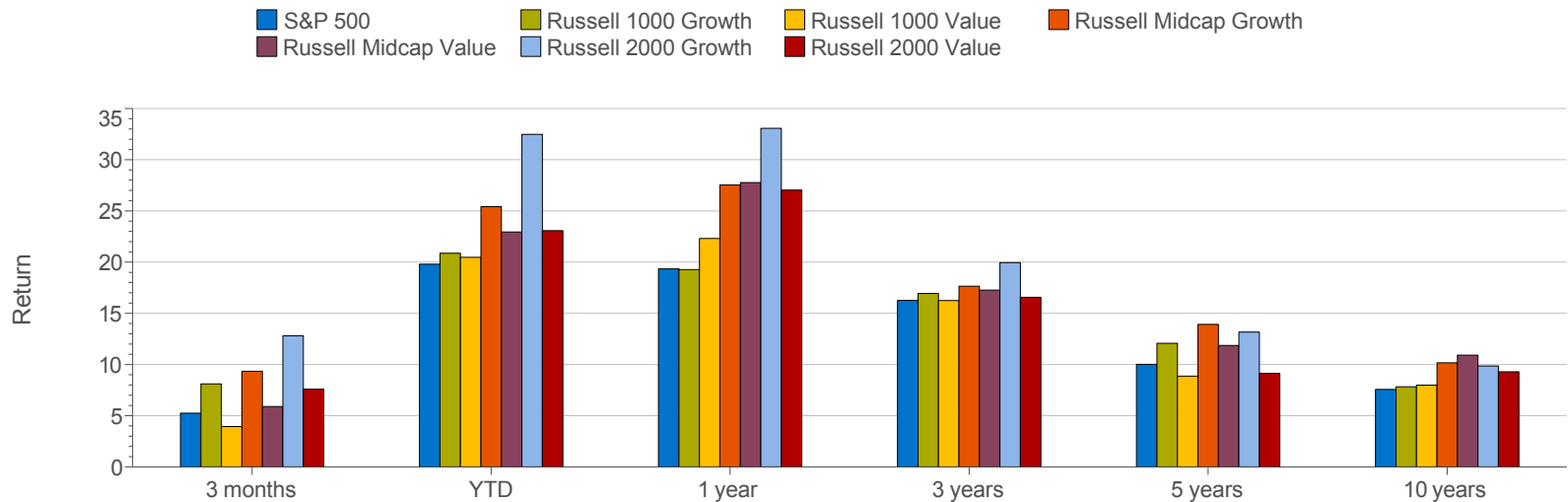
[http://research.stlouisfed.org/fred2/graph/?id=GFDEGDQ188S\(9/30/13\)](http://research.stlouisfed.org/fred2/graph/?id=GFDEGDQ188S(9/30/13))

## Gridlock in Washington DC:

- Markets are focused on when and how the budget and debt ceiling showdown will pan out.
- Discretionary spending accounted for 17% of 2012 budget of \$3.539B; Medicare, Medicaid and Social Security accounted for 45%.
- Healthcare costs account for roughly 18% of domestic GDP.

## Zephyr StyleADVISOR

Domestic Equity Indices - Total Return as of September 2013



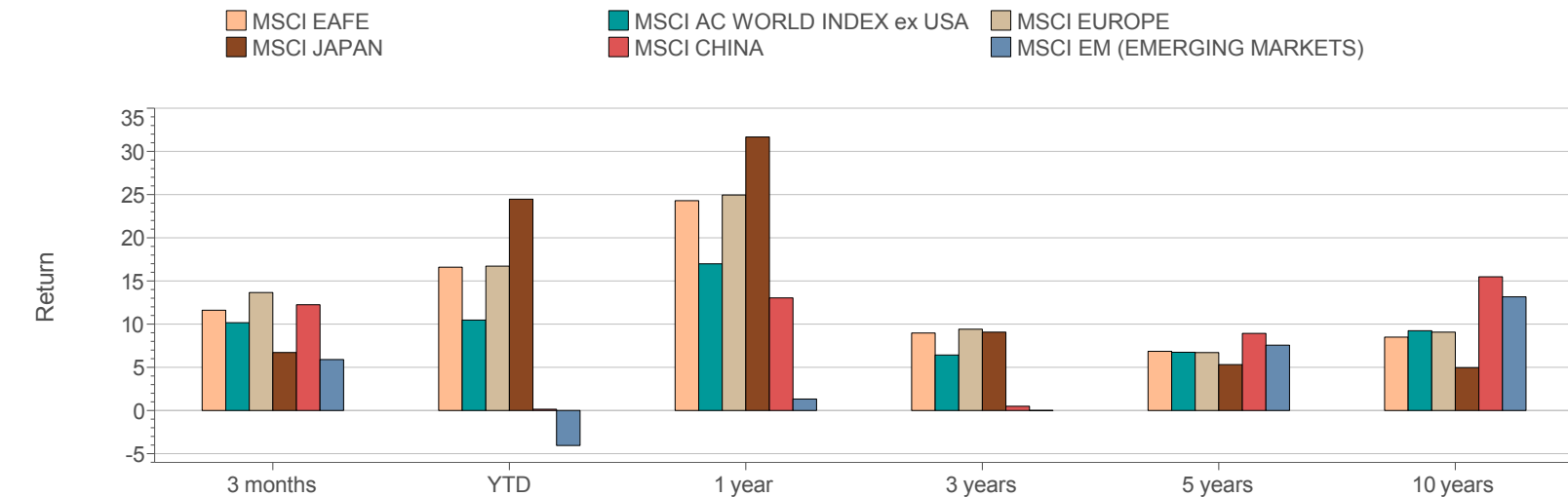
Domestic equity markets saw gains for the third quarter.

- Growth stocks outperformed value stocks by a wide margin.
- Small Cap Growth stocks experienced the largest gains during the quarter.
- All domestic sectors have shown substantial gains for the year, with most returning more than 20%



## Zephyr StyleADVISOR

International Equity Indices - Total Return as of September 2013



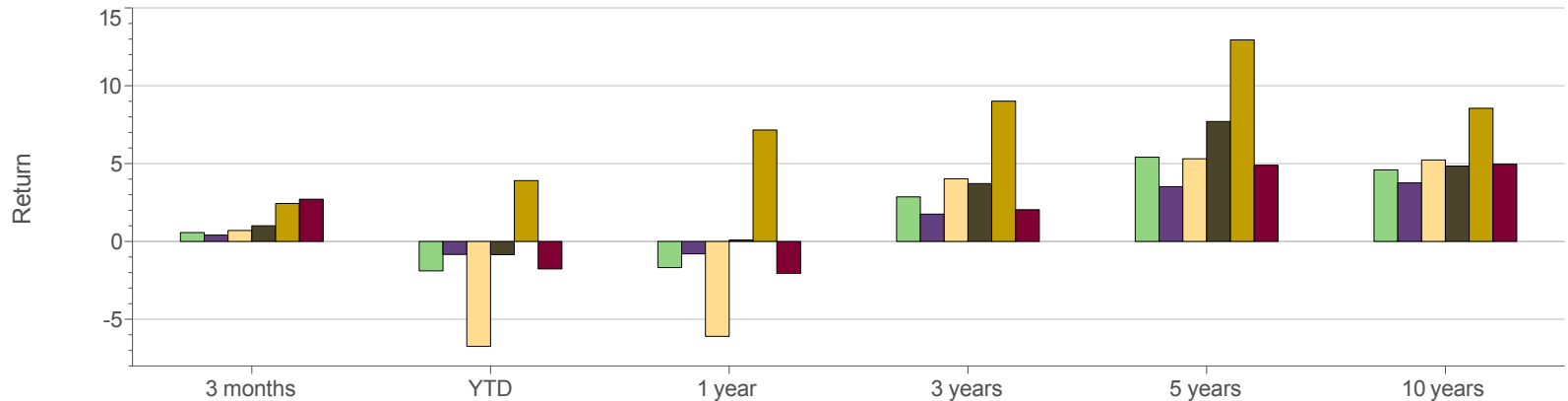
International stocks rebounded nicely during the third quarter.

- European and Chinese stocks led for the three months, both returning more than 10%.
- Japanese stocks have been the strongest performers YTD, gaining nearly 25%.
- Despite a positive third quarter, emerging markets stocks continue to show losses for the year.

## Zephyr StyleADVISOR

Fixed Income Returns as of September 2013

■ Barclays Capital U.S. Aggregate     
 ■ Barclays Capital U.S. Government: Intermediate     
 ■ Barclays Capital U.S. Treasury: U.S. TIPS  
■ Barclays Capital U.S. Intermediate Credit     
 ■ Barclays Capital Intermediate U.S. High Yield     
 ■ Citigroup WorldBIG Index

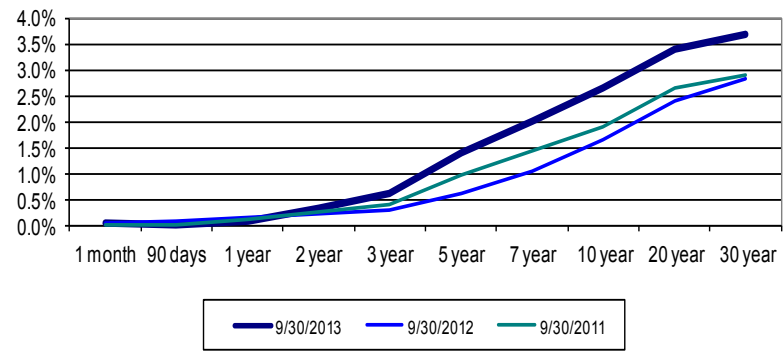


Fixed Income markets saw slightly positive returns for the quarter.

- International bonds experienced the best performance for the three months.
- High Yield bonds have shown the only positive performance for 2013.

## Treasury Yield Curve<sup>5</sup>

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



<sup>1</sup> Market Watch News Release, September 26, 2013

<http://www.marketwatch.com/story/us-gdp-growth-in-2nd-quarter-unchanged-at-25-2013-09-26>

<sup>2</sup> Bureau of Labor Statistics, U.S. Department of Labor, Economic News Release “Consumer Price Index – August 2013”, September 17, 2013,

<http://bls.gov/news.release/cpi.nr0.htm>

<sup>3</sup> Bureau of Labor Statistics, U.S. Department of Labor, Economic News Release “Employment Situation Summary”, September 6, 2013.

<http://www.bls.gov/news.release/empsit.nr0.htm>

<sup>4</sup> National Association of Homebuilders.

<http://www.nahb.org/generic.aspx?genericContentID=45409>

<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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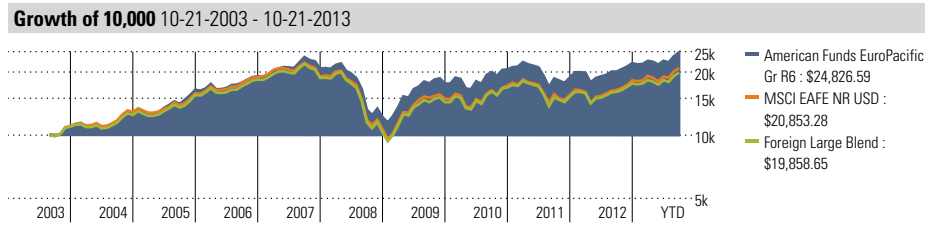
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NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | MAY LOSE VALUE

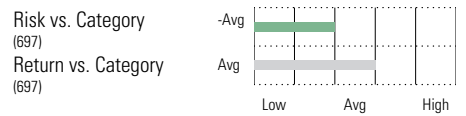
# American Funds EuroPacific Gr R6 RERGX

Morningstar Analyst Rating  
**Gold**

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
48.15	↓0.00   0.00	1.83	114.9	Open	\$—	None	0.50%	★★★	Foreign Large Blend	Large Growth



### 3 Year Average Morningstar Risk Measures



### Investment Strategy

The investment seeks long-term growth of capital. The fund invests primarily in common stocks of issuers in Europe and the Pacific Basin that the investment adviser believes have the potential for growth. Growth stocks are stocks that the investment adviser believes have the potential for above-average capital appreciation. It normally invests at least 80% of net assets in securities of issuers in Europe and the Pacific Basin. The fund may invest a portion of its assets in common stocks and other securities of companies in countries with developing economies and/or markets.

### Pillars

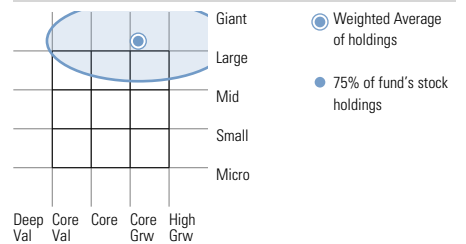
Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	<b>Gold</b>

### Performance 10-21-2013

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	11,693	10,359	12,246	12,348	18,757	24,740
Fund	16.93	3.59	22.46	7.28	13.41	9.48
+/- MSCI EAFE NR USD	-3.34	0.91	-2.37	-0.82	2.46	1.88
+/- Category	0.09	0.79	-0.14	0.18	1.81	2.16
% Rank in Cat	50	16	50	49	—	—
# of Funds in Cat	809	846	781	695	633	315

\* Currency is displayed in USD

### Style Map



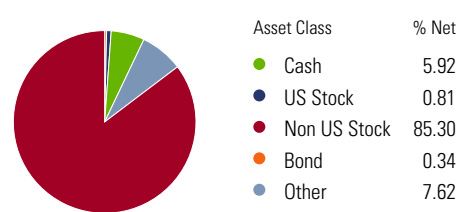
### Top Holdings 09-30-2013

	Weight %	Last Price	Day Chg %	52 Week Range
⊕ Novo Nordisk A/S	4.05	970.50 USD	1.84 ↑	848.00 - 1,100.00
⊖ SOFTBANK Corp	3.29	— USD	1.87 ↑	2,481.00 - 7,640.00
✱ Bayer AG	2.37	—	—	—
⊖ Novartis AG	2.23	69.25 USD	1.99 ↑	55.20 - 73.75
⊕ Samsung Electronics Co Ltd	2.19	— USD	-0.62 ↓	1,209,000.00 - 1,584,000.00

% Assets in Top 5 Holdings 14.12

⊕ Increase ⊖ Decrease ✱ New to Portfolio

### Asset Allocation



### Top Sectors 09-30-2013

	Fund	3 Yr High	3 Yr Low	Cat Avg	
🏦 Financial Services	17.81	17.81	16.67	21.04	Bar chart showing Fund vs Cat Avg
💻 Technology	15.11	15.11	9.93	7.64	Bar chart showing Fund vs Cat Avg
🏥 Healthcare	14.10	14.10	11.46	9.89	Bar chart showing Fund vs Cat Avg
🛒 Consumer Cyclical	14.05	14.05	11.25	12.52	Bar chart showing Fund vs Cat Avg
⚙️ Industrials	9.91	12.09	9.91	10.92	Bar chart showing Fund vs Cat Avg

### Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2012-12-26	40.90	0.0000	0.0000	0.0000	0.8400	0.8400
2011-12-27	35.13	0.0000	0.0000	0.0000	0.7400	0.7400
2010-12-27	40.96	0.0000	0.0000	0.0000	0.7100	0.7100
2009-12-24	38.42	0.0000	0.0000	0.0000	0.7100	0.7100

### Management

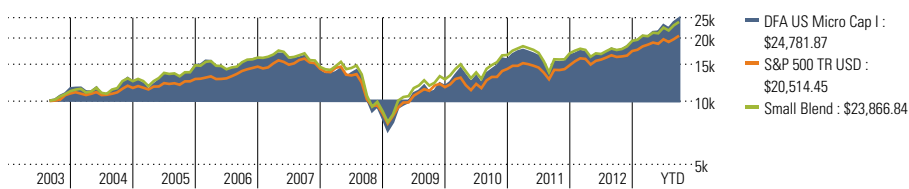
Christopher M. Thomsen  
Start Date: 2007-12-31

# DFA US Micro Cap I DFSCX

**Morningstar Analyst Rating**  
**Gold**

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
19.78	↓0.00   0.00	1.02	4.7	Open	\$—	None	0.52%	★★★	Small Blend	Small Blend

### Growth of 10,000 10-21-2003 - 10-21-2013



### Investment Strategy

The investment seeks long-term capital appreciation. The fund, using a market capitalization weighted approach, purchases a broad and diverse group of the securities of U.S. micro cap companies. It may use derivatives, such as futures contracts and options on futures contracts for U.S. equity securities and indices, to gain market exposure on its uninvested cash pending investment in securities or to maintain liquidity to pay redemptions.

### Performance 10-21-2013

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	13,586	10,482	14,263	17,673	24,248	24,606
Fund	35.86	4.82	42.63	20.90	19.38	9.42
+/- S&P 500 TR USD	11.43	2.64	18.18	4.51	4.03	1.99
+/- Category	5.31	0.82	7.10	3.48	1.66	0.19
% Rank in Cat	12	17	8	9	22	40
# of Funds in Cat	676	706	663	597	533	333

\* Currency is displayed in USD

### Top Holdings 07-31-2013

	Weight %	Last Price	Day Chg %	52 Week Range
Conn's, Inc.	0.46	62.43 USD	-0.40 ↓	22.81 - 69.32
⊖ Manhattan Associates, Inc.	0.43	95.06 USD	0.35 ↑	54.90 - 97.45
⊖ Tyler Technologies, Inc.	0.38	92.69 USD	0.01 ↑	41.95 - 94.29
Asbury Automotive Group Inc	0.34	51.41 USD	-5.15 ↓	27.60 - 55.82
Dorman Products, Inc.	0.33	48.91 USD	-0.14 ↓	28.90 - 52.43

% Assets in Top 5 Holdings 1.93

⊕ Increase ⊖ Decrease ✱ New to Portfolio

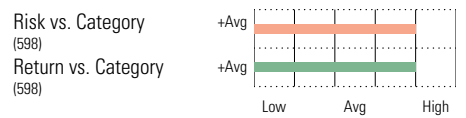
### Top Sectors 07-31-2013

	Fund	3 Yr High	3 Yr Low	Cat Avg	
🏠 Consumer Cyclical	19.87	19.87	17.15	16.12	Bar chart showing Fund vs Cat Avg
💻 Technology	17.67	18.94	17.13	15.60	Bar chart showing Fund vs Cat Avg
⚙️ Industrials	17.35	18.17	16.98	19.15	Bar chart showing Fund vs Cat Avg
🏦 Financial Services	16.63	16.65	14.85	14.90	Bar chart showing Fund vs Cat Avg
🏥 Healthcare	7.92	10.90	7.92	9.11	Bar chart showing Fund vs Cat Avg

### Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2013-09-10	18.49	0.0000	0.0000	0.0000	0.0300	0.0300
2013-06-10	17.30	0.0000	0.0000	0.0000	0.0200	0.0200
2012-12-13	14.08	0.7600	0.0000	0.0000	0.1500	0.9200
2012-09-10	15.01	0.0000	0.0000	0.0000	0.0200	0.0200
2012-06-08	13.73	0.0000	0.0000	0.0000	0.0600	0.0600

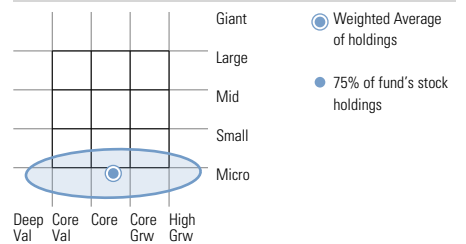
### 3 Year Average Morningstar Risk Measures



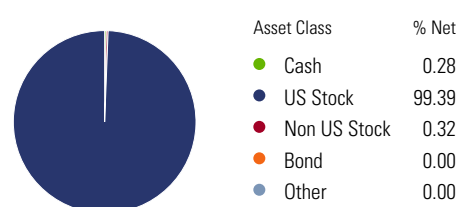
### Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	🏆 Gold

### Style Map



### Asset Allocation



### Management

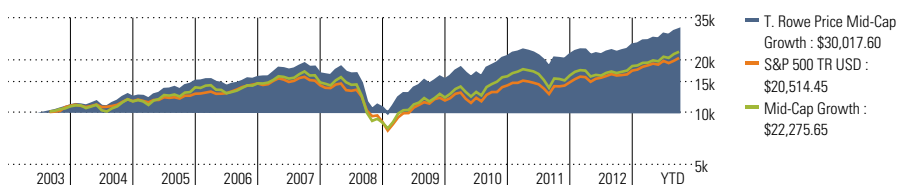
Henry F. Gray Start Date  
2012-02-28

# T. Rowe Price Mid-Cap Growth RPMGX

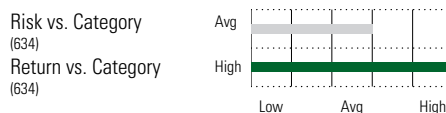
Morningstar Analyst Rating  
**Gold**

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
73.55	↓0.08   0.11	0.00	22.0	Limited	\$2,500	None	0.80%	★★★★★	Mid-Cap Growth	Mid Growth

## Growth of 10,000 10-21-2003 - 10-21-2013



## 3 Year Average Morningstar Risk Measures



## Investment Strategy

The investment seeks long-term capital appreciation. The fund normally invests at least 80% of net assets (including any borrowings for investment purposes) in a diversified portfolio of common stocks of mid-cap companies whose earnings T. Rowe Price expects to grow at a faster rate than the average company. It defines mid-cap companies as those whose market capitalization falls within the range of either the S&P MidCap 400 Index or the Russell Midcap Growth Index. While most assets will typically be invested in U.S. common stocks, the fund may invest in foreign stocks in keeping with the fund's objectives.

## Pillars

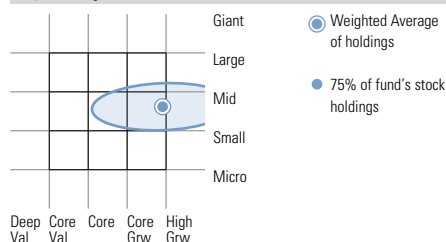
Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Gold

## Performance 10-21-2013

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	13,025	10,187	13,498	16,435	25,881	29,773
Fund	30.25	1.87	34.98	18.01	20.95	11.53
+/- S&P 500 TR USD	5.82	-0.31	10.53	1.62	5.60	4.09
+/- Category	1.73	-0.80	3.37	1.61	3.05	2.61
% Rank in Cat	30	81	17	23	11	7
# of Funds in Cat	706	748	691	634	551	409

\* Currency is displayed in USD

## Style Map



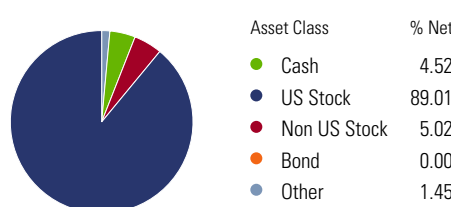
## Top Holdings 06-30-2013

	Weight %	Last Price	Day Chg %	52 Week Range
CarMax, Inc.	1.66	48.21 USD	-1.11 ↓	32.35 - 52.47
IHS, Inc. Class A	1.66	113.32 USD	-0.43 ↓	83.02 - 117.65
Fiserv, Inc.	1.52	105.89 USD	0.49 ↑	72.19 - 106.38
Laboratory Corporation of America Holdings	1.49	100.46 USD	1.15 ↑	82.15 - 104.37
⊖ DENTSPLY International, Inc.	1.42	45.55 USD	-0.39 ↓	35.83 - 46.11

% Assets in Top 5 Holdings 7.75

⊕ Increase ⊖ Decrease ✱ New to Portfolio

## Asset Allocation



## Top Sectors 06-30-2013

	Fund	3 Yr High	3 Yr Low	Cat Avg
🏭 Industrials	24.06	27.42	24.06	16.48
💻 Technology	19.08	22.67	19.08	21.23
🏥 Healthcare	18.39	18.39	13.79	12.58
🛒 Consumer Cyclical	12.47	14.05	11.75	19.13
🏦 Financial Services	7.33	7.33	5.44	9.58

## Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2012-12-14	55.58	2.9000	0.6400	0.0000	0.0000	3.5400
2011-12-14	50.63	4.1200	0.7700	0.0000	0.0000	4.8900
2010-12-14	58.07	2.2700	0.0000	0.0000	0.0000	2.2700
2009-12-14	46.78	0.0000	0.0300	0.0000	0.0000	0.0300
2008-12-12	30.80	1.6200	0.3700	0.0000	0.0000	1.9900

## Management

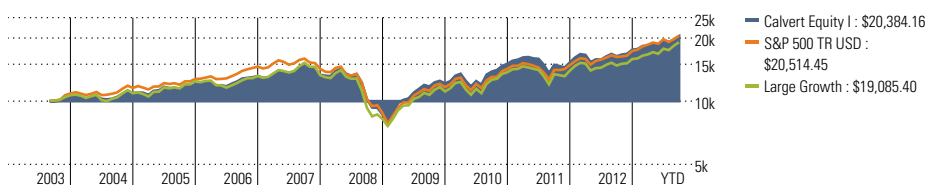
Brian W.H. Berghuis  
Start Date: 1992-06-30

# Calvert Equity I CEYIX

**Morningstar Analyst Rating**  
Neutral

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
50.35	↓-0.03   -0.06	0.08	2.8	Open	\$1	None	0.66%	★★★	Large Growth	Large Growth

## Growth of 10,000 10-21-2003 - 10-21-2013



## Investment Strategy

The investment seeks growth of capital. The fund normally invests at least 80% of net assets, including borrowings for investment purposes, in equity securities (common stock). It invests primarily in common stocks of U.S. large-cap companies. The fund defines large-cap companies as those whose market capitalization falls within the range of the S&P 500 Index. It may also invest in mid-cap stocks and may invest up to 25% of net assets in foreign stocks.

## Performance 10-21-2013

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	12,124	10,259	12,324	14,733	20,263	20,391
Fund	21.24	2.59	23.24	13.79	15.17	7.38
+/- S&P 500 TR USD	-3.18	0.40	-1.22	-2.61	-0.18	-0.05
+/- Category	-4.79	-0.22	-4.19	-1.59	-0.93	-0.02
% Rank in Cat	91	57	83	75	61	47
# of Funds in Cat	1,708	1,759	1,671	1,486	1,307	885

\* Currency is displayed in USD

## Top Holdings 09-30-2013

	Weight %	Last Price	Day Chg %	52 Week Range
CVS Caremark Corp	4.15	60.58 USD	0.33 ↑	44.33 - 62.36
Google, Inc. Class A	3.90	999.75 USD	-0.35 ↓	636.00 - 1,019.00
Apple Inc	3.74	517.14 USD	-0.81 ↓	385.10 - 635.38
Qualcomm, Inc.	3.73	69.07 USD	0.44 ↑	57.29 - 70.37
Microsoft Corporation	3.28	34.60 USD	-1.12 ↓	26.26 - 36.43

% Assets in Top 5 Holdings 18.79

⊕ Increase ⊖ Decrease ✱ New to Portfolio

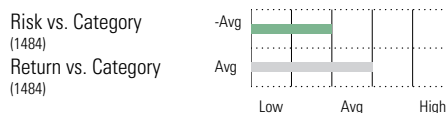
## Top Sectors 09-30-2013

	Fund	3 Yr High	3 Yr Low	Cat Avg	Fund vs Cat Avg
Consumer Cyclical	22.15	22.15	11.64	18.02	▲
Technology	21.86	28.59	21.86	23.23	▼
Healthcare	14.48	15.09	12.32	15.84	▲
Financial Services	13.33	13.33	11.49	9.99	▲
Consumer Defensive	11.65	11.65	9.69	8.03	▲

## Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2012-12-27	41.28	0.0000	0.0000	0.0000	0.0400	0.0400
2012-12-06	41.30	0.0500	0.0000	0.0000	0.0000	0.0500
2011-12-07	36.64	1.7000	0.0000	0.0000	0.0000	1.7000
2009-12-23	32.42	0.0000	0.0000	0.0000	0.1100	0.1100
2008-12-03	23.39	1.9200	0.0000	0.0000	0.0000	1.9200

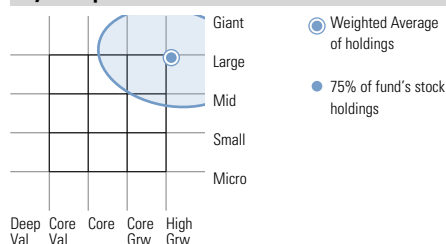
## 3 Year Average Morningstar Risk Measures



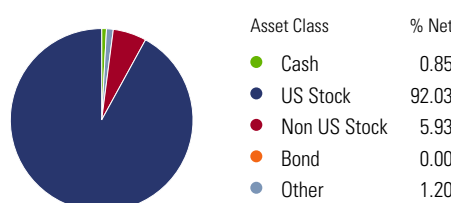
## Pillars

Process	○ Neutral
Performance	○ Neutral
People	○ Neutral
Parent	● Negative
Price	○ Neutral
Rating	Neutral

## Style Map



## Asset Allocation



## Management

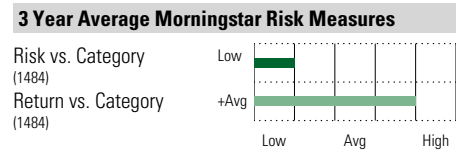
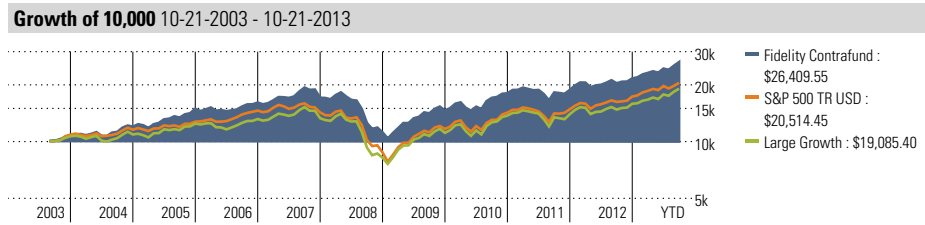
Paul J. Marshall Start Date 2009-03-27



# Fidelity Contrafund FCNTX

Morningstar Analyst Rating  
**Silver**

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
97.51	↓-0.02   -0.02	0.22	101.0	Open	\$2,500	None	0.74%	★★★★	Large Growth	Large Growth



**Investment Strategy**  
The investment seeks capital appreciation. The fund normally invests primarily in common stocks. It invests in securities of companies whose value the advisor believes is not fully recognized by the public. The fund invests in domestic and foreign issuers. It invests in either "growth" stocks or "value" stocks or both. The fund uses fundamental analysis of factors such as each issuer's financial condition and industry position, as well as market and economic conditions to select investments.

**Pillars**

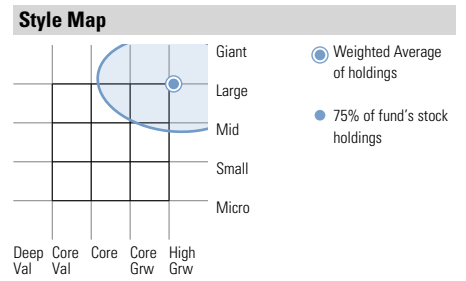
Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Neutral

Rating **Silver**

**Performance 10-21-2013**

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	12,686	10,357	12,763	15,688	21,177	26,236
Fund	26.86	3.57	27.63	16.20	16.19	10.13
+/- S&P 500 TR USD	2.44	1.38	3.18	-0.20	0.84	2.69
+/- Category	0.83	0.76	0.21	0.82	0.09	2.73
% Rank in Cat	36	19	42	35	43	6
# of Funds in Cat	1,708	1,759	1,671	1,486	1,307	885

\* Currency is displayed in USD

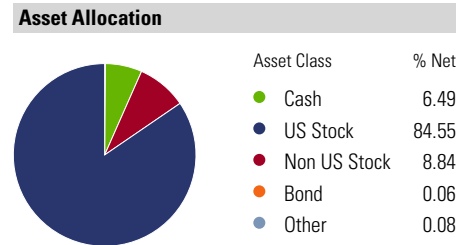


**Top Holdings 08-31-2013**

	Weight %	Last Price	Day Chg %	52 Week Range
⊕ Google, Inc. Class A	5.92	999.50 USD	-0.38 ↓	636.00 - 1,019.00
⊕ Berkshire Hathaway Inc Class A	4.15	— USD	0.49 ↑	125,950.00 - 178,900.00
⊖ Apple Inc	3.88	518.09 USD	-0.63 ↓	385.10 - 635.38
⊕ Wells Fargo & Co	2.82	42.82 USD	0.47 ↑	31.25 - 44.78
⊕ Noble Energy Inc	2.21	72.60 USD	0.33 ↑	45.00 - 73.88

% Assets in Top 5 Holdings: 18.97

⊕ Increase ⊖ Decrease ✱ New to Portfolio



**Top Sectors 08-31-2013**

	Fund	3 Yr High	3 Yr Low	Cat Avg
📱 Technology	22.00	28.29	22.00	23.14
🏦 Financial Services	20.20	20.20	10.52	10.04
🛒 Consumer Cyclical	19.78	21.27	19.38	18.33
🏥 Healthcare	11.96	11.96	8.85	15.86
🛒 Consumer Defensive	8.89	10.37	8.89	7.73

**Management**  
William Danoff  
Start Date: 1990-09-17

**Dividend and Capital Gains Distributions**

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2013-02-08	81.25	0.7400	0.0000	0.0000	0.0000	0.7400
2012-12-14	76.72	0.3300	0.3000	0.0000	0.2100	0.8400
2011-12-28	67.13	0.0000	0.0000	0.0000	0.0000	0.0000
2011-12-16	65.88	0.0000	0.0700	0.0000	0.0300	0.1000
2011-02-04	69.76	0.0000	0.0900	0.0000	0.0000	0.0900

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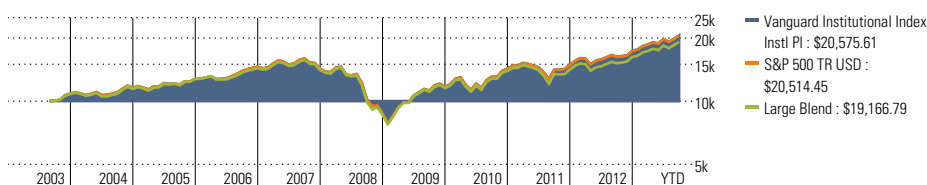


# Vanguard Institutional Index Instl PI VIII

Morningstar Analyst Rating  
**Gold**

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
159.95	↓0.01   0.01	2.07	146.9	Open	\$200	None	0.02%	★★★★	Large Blend	Large Blend

## Growth of 10,000 10-21-2003 - 10-21-2013



## Investment Strategy

The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

## Performance 10-21-2013

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	12,441	10,218	12,444	15,768	20,459	20,550
Fund	24.41	2.18	24.44	16.39	15.39	7.47
+/- S&P 500 TR USD	-0.02	0.00	-0.01	0.00	0.04	0.03
+/- Category	0.31	-0.05	-0.44	1.57	0.76	0.45
% Rank in Cat	44	54	51	23	28	30
# of Funds in Cat	1,594	1,678	1,548	1,375	1,234	780

\* Currency is displayed in USD

## Top Holdings 07-31-2013

	Weight %	Last Price	Day Chg %	52 Week Range
Apple Inc	2.83	518.09 USD	-0.63 ↓	385.10 - 635.38
Exxon Mobil Corporation	2.78	87.45 USD	0.25 ↑	84.70 - 95.49
Johnson & Johnson	1.75	92.25 USD	1.15 ↑	68.51 - 94.42
General Electric Co	1.68	26.07 USD	-0.29 ↓	19.87 - 26.35
Chevron Corp	1.63	119.98 USD	0.13 ↑	100.66 - 127.83
% Assets in Top 5 Holdings	10.66			

⊕ Increase ⊖ Decrease ✱ New to Portfolio

## Top Sectors 07-31-2013

	Fund	3 Yr High	3 Yr Low	Cat Avg
Technology	16.53	17.45	16.53	15.97
Financial Services	15.51	15.51	12.43	16.05
Healthcare	12.88	12.88	11.67	13.10
Consumer Cyclical	11.61	11.61	9.35	9.65
Energy	10.55	12.16	10.55	9.84

## Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2013-09-26	155.56	0.0000	0.0000	0.0000	0.7900	0.7900
2013-06-27	147.71	0.0000	0.0000	0.0000	0.7900	0.7900
2013-03-27	143.11	0.0000	0.0000	0.0000	0.6800	0.6800
2012-12-26	129.91	0.0000	0.0000	0.0000	0.9200	0.9200
2012-09-27	132.54	0.0000	0.0000	0.0000	0.7200	0.7200

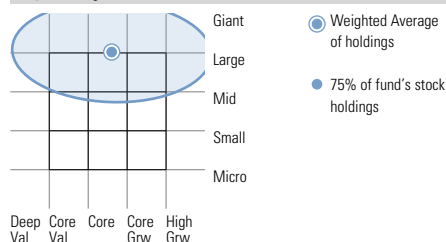
## 3 Year Average Morningstar Risk Measures



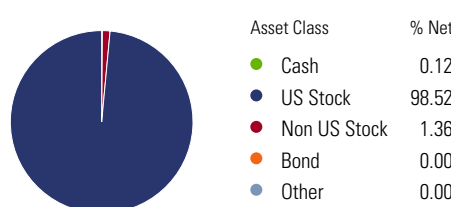
## Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	<b>Gold</b>

## Style Map



## Asset Allocation



## Management

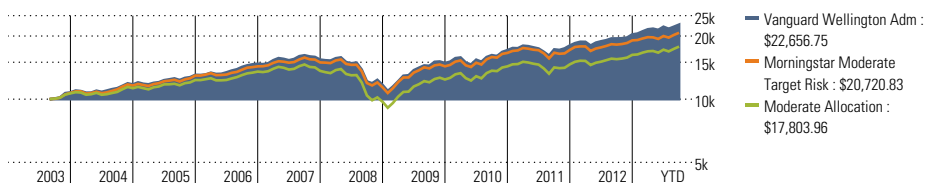
Donald M. Butler  
Start Date: 2000-12-31

# Vanguard Wellington Adm VWENX

**Morningstar Analyst Rating**  
★ Gold

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
66.07	↓-0.01   -0.02	2.61	75.4	Open	\$50,000	None	0.17%	★★★★★	Moderate Allocation	Large Value

### Growth of 10,000 10-21-2003 - 10-21-2013



### Performance 10-21-2013

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	11,523	10,143	11,551	13,979	18,867	22,657
Fund	15.23	1.43	15.51	11.81	13.54	8.52
+/- Morningstar Moderate Target Risk	3.34	-0.49	2.44	2.49	2.05	0.98
+/- Category	1.95	-0.38	0.95	2.11	1.88	2.26
% Rank in Cat	27	83	37	11	10	3
# of Funds in Cat	947	985	913	774	700	434

\* Currency is displayed in USD

### Top Holdings 06-30-2013

	Weight %	Last Price	Day Chg %	52 Week Range
Wells Fargo & Co	2.18	42.82 USD	0.47 ↑	31.25 - 44.78
⊖ Exxon Mobil Corporation	1.90	87.45 USD	0.25 ↑	84.70 - 95.49
JPMorgan Chase & Co	1.86	54.12 USD	-0.28 ↓	38.83 - 56.93
⊕ Merck & Co Inc	1.73	46.53 USD	0.04 ↑	40.02 - 50.16
⊕ Microsoft Corporation	1.63	34.60 USD	-1.12 ↓	26.26 - 36.43
% Assets in Top 5 Holdings	9.30			

⊕ Increase ⊖ Decrease ✱ New to Portfolio

### Top Sectors 06-30-2013

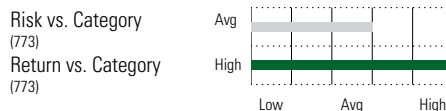
	Fund	3 Yr High	3 Yr Low	Cat Avg
🏦 Financial Services	19.22	19.22	15.91	16.26
🏥 Healthcare	16.83	16.83	15.98	12.62
💻 Technology	13.23	13.23	11.26	14.34
⚙️ Industrials	11.94	13.45	11.94	11.57
⚡ Energy	11.21	14.23	11.21	9.70

	Fund	BMark	Cat Avg
Government	15.07	72.14	19.09
Agency Mortgage-Backed	10.10	0.10	14.56
Asset-Backed	2.19	0.01	1.65
Government-Related	0.48	3.47	7.01
Non-Agency Residential MBS	0.10	0.01	2.49

### Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2013-09-26	64.96	0.0000	0.0000	0.0000	0.4100	0.4100
2013-06-27	62.88	0.0000	0.0000	0.0000	0.4300	0.4300
2013-03-27	62.04	0.0000	0.0000	0.0000	0.3800	0.3800
2012-12-28	58.00	0.6200	0.1400	0.0000	0.4800	1.2400
2012-09-27	59.27	0.0000	0.0000	0.0000	0.4000	0.4000

### 3 Year Average Morningstar Risk Measures



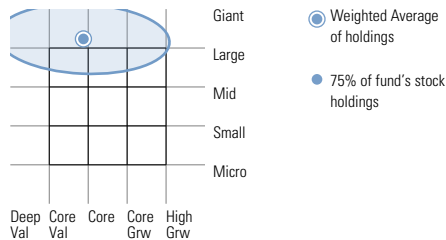
### Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	★ Gold

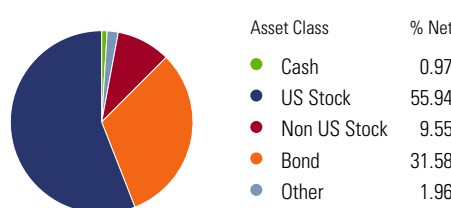
### Investment Strategy

The investment seeks to provide long-term capital appreciation and reasonable current income. The fund invests 60% to 70% of its assets in dividend-paying and, to a lesser extent, non-dividend-paying common stocks of established large and mid-size companies. The advisor seeks those that appear to be undervalued but have prospects for improvement. The remaining 30% to 40% of the assets are invested mainly in fixed income securities that the advisor believes will generate a reasonable level of current income. These securities include investment-grade corporate bonds, with some exposure to U.S. Treasury and government agency bonds, and mortgage-backed securities.

### Style Map



### Asset Allocation



### Management

John C. Keogh  
 Start Date: 2003-12-31

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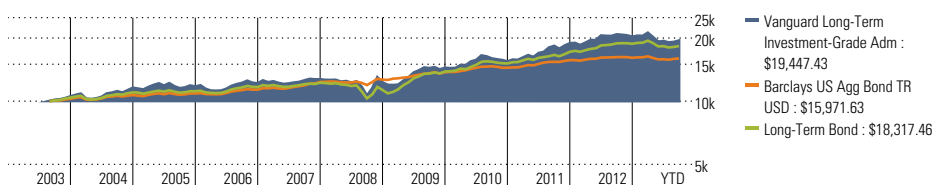


# Vanguard Long-Term Investment-Grade Adm VVETX

Morningstar Analyst Rating  
**Bronze**

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
9.82	↓-0.02   -0.20	5.05	13.2	Open	\$50,000	None	0.12%	★★★	Long-Term Bond	

## Growth of 10,000 10-21-2003 - 10-21-2013



## Investment Strategy

The investment seeks to provide a high and sustainable level of current income. The fund invests in a variety of high-quality and, to a lesser extent, medium-quality fixed income securities, at least 80% of which will be intermediate- and long-term investment-grade securities. High-quality fixed income securities are those rated the equivalent of A3 or better; medium-quality fixed income securities are those rated the equivalent of Baa1, Baa2, or Baa3. The fund's dollar-weighted average maturity is expected to fall within a range that is five years shorter than or five years longer than that of its benchmark index.

## Performance 10-21-2013

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	9,447	10,251	9,397	12,194	17,695	19,405
Fund	-5.53	2.51	-6.03	6.84	12.09	6.85
+/- Barclays US Agg Bond TR USD	-4.07	1.56	-4.80	3.98	6.44	2.06
+/- Category	-2.87	1.18	-3.99	0.58	-0.96	0.18
% Rank in Cat	83	5	87	33	62	45
# of Funds in Cat	92	101	87	69	48	19

\* Currency is displayed in USD

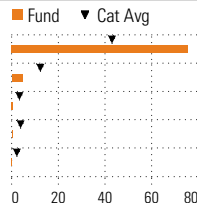
## Top Holdings 06-30-2013

	Weight %	Maturity Date	Amount Mil	Value Mil
US Treasury Bond 4.5%	1.82	02-15-2036	185.00	220.47
Illinois St Go Bds 5.1%	1.51	06-01-2033	194.45	183.36
General Elec Cap Corp Mtn Be 6.75%	1.26	03-15-2032	127.22	152.99
⊕ US Treasury Bond 2.75%	1.21	08-15-2042	170.00	146.92
California St Go Bds 7.3%	1.17	10-01-2039	109.05	141.63
% Assets in Top 5 Holdings	6.97			

⊕ Increase ⊖ Decrease ✱ New to Portfolio

## Top Sectors 06-30-2013

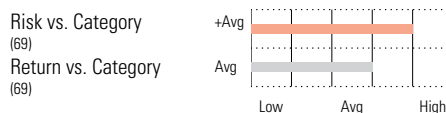
	Fund	BMark	Cat Avg
Corporate Bond	75.69	—	41.29
U.S. Treasury	4.65	—	10.58
U.S. Agency	0.54	—	1.60
Non-U.S. Government	0.38	—	2.12
U.S. Treasury Inflation-Protected	0.00	—	0.53



## Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2013-09-30	9.70	0.0000	0.0000	0.0000	0.0400	0.0400
2013-08-30	9.69	0.0000	0.0000	0.0000	0.0400	0.0400
2013-07-31	9.88	0.0000	0.0000	0.0000	0.0400	0.0400
2013-06-28	9.85	0.0000	0.0000	0.0000	0.0400	0.0400
2013-05-31	10.40	0.0000	0.0000	0.0000	0.0400	0.0400

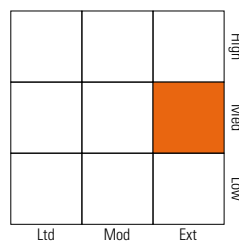
## 3 Year Average Morningstar Risk Measures



## Pillars

Process	○ Neutral
Performance	○ Neutral
People	○ Neutral
Parent	⊕ Positive
Price	⊕ Positive
Rating	🏅 Bronze

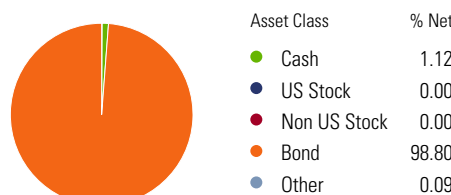
## Style Map 06-30-2013



## Bond Statistics

	Value
Average Effective Duration (Years)	13.38
Average Effective Maturity (Years)	24.30
Average Credit Quality	A
Average Weighted Coupon	6.05
Average Weighted Price	114.08

## Asset Allocation



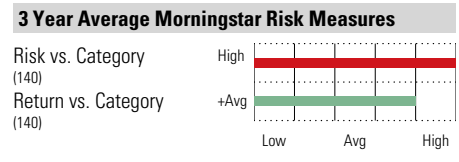
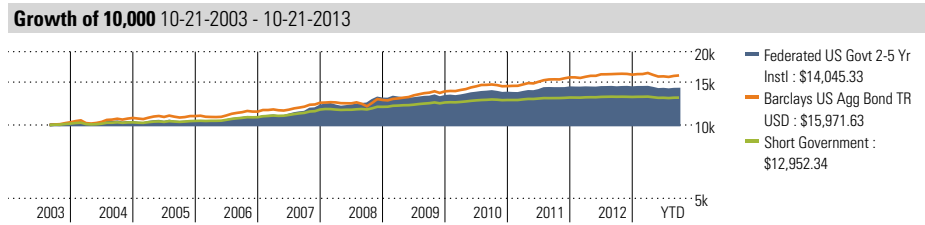
## Management

	Start Date
Lucius T. Hill, III	2008-02-14

# Federated US Govt 2-5 Yr Instl FIGTX

Morningstar Analyst Rating

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Mil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
11.10	↓0.00   0.00	1.15	588.8	Open	\$1	None	0.58%	★★★★	Short Government	



**Investment Strategy**

The investment seeks current income. The fund buys and sells portfolio securities based primarily on its market outlook and analysis of how securities may perform under different market conditions. It may also use derivative contracts and/or hybrid instruments to implement elements of its strategies. The fund may also purchase bonds from the U.S. government backed by the FDIC.

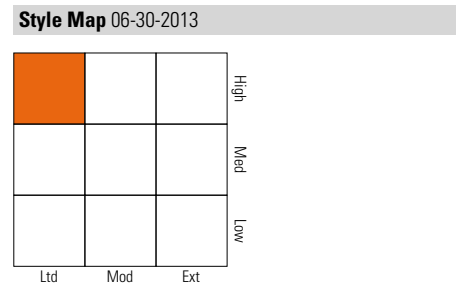
**Pillars**

Process	—	—
Performance	—	—
People	—	—
Parent	—	—
Price	—	—
Rating	—	—

**Performance** 10-21-2013

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	9,824	10,037	9,862	10,233	11,476	14,044
Fund	-1.76	0.37	-1.38	0.77	2.79	3.45
+/- Barclays US Agg Bond TR USD	-0.29	-0.58	-0.15	-2.09	-2.85	-1.33
+/- Category	-0.95	0.16	-0.63	0.17	0.67	0.80
% Rank in Cat	86	22	81	39	25	11
# of Funds in Cat	150	155	147	140	125	114

\* Currency is displayed in USD



**Top Holdings** 06-30-2013

	Weight %	Maturity Date	Amount Mil	Value Mil
✳ Us 2yr Note (Cbt) Sep13	24.97	09-30-2013	0.00	156.86
✳ US Treasury Note 1.375%	13.46	09-30-2018	85.00	84.57
✳ Us 10yr Note (Cbt)sep13	-9.69	09-19-2013	0.00	-60.88
✳ 5yr Us Treasury Note Futur	-9.64	09-30-2013	0.00	-60.52
✳ FHLMC 0.875%	7.19	03-07-2018	47.00	45.18
% Assets in Top 5 Holdings	26.30			

⊕ Increase ⊖ Decrease ✳ New to Portfolio

**Bond Statistics**

	Value
Average Effective Duration (Years)	3.30
Average Effective Maturity (Years)	4.20
Average Credit Quality	AAA
Average Weighted Coupon	1.61
Average Weighted Price	99.87

**Top Sectors** 06-30-2013

	Fund	BMark	Cat Avg
U.S. Treasury	40.87	—	31.50
U.S. Agency	19.54	—	11.07
Agency MBS Pass-Through	6.52	—	16.09
U.S. Treasury Inflation-Protected	0.00	—	0.41
Non-U.S. Government	0.00	—	0.17

**Asset Allocation**

	% Net	% Short	% Long	Bench mark	Cat Avg
Cash	-1.88	24.99	23.11	—	16.59
US Stock	0.00	0.00	0.00	—	0.00
Non US Stock	0.00	0.00	0.00	—	0.00
Bond	102.96	19.33	122.29	—	83.80
Other	-1.08	1.08	0.00	—	-0.39

**Dividend and Capital Gains Distributions**

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2013-09-30	11.10	0.0000	0.0000	0.0000	0.0100	0.0100
2013-08-30	11.05	0.0000	0.0000	0.0000	0.0100	0.0100
2013-07-31	11.12	0.0000	0.0000	0.0000	0.0100	0.0100
2013-06-28	11.10	0.0000	0.0000	0.0000	0.0100	0.0100
2013-06-06	11.23	0.0800	0.0100	0.0000	0.0000	0.0900

**Management**

J. Andrew Kirschler  
Start Date: 2013-07-05

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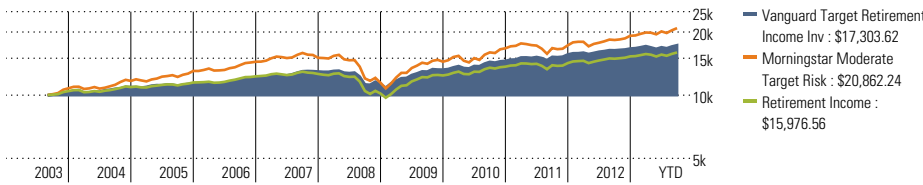


# Vanguard Target Retirement Income Inv VTINX

**Morningstar Analyst Rating**  
**Gold**

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
12.63	↓0.00   0.00	1.98	10.2	Open	\$1,000	None	0.16%	★★★★	Retirement Income	Large Blend

### Growth of 10,000 10-27-2003 - 10-21-2013



### Performance 10-18-2013

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,479	10,100	10,529	12,004	15,307	—
Fund	4.79	1.00	5.29	6.28	8.89	—
+/- Morningstar Moderate Target Risk	-7.12	-0.80	-6.96	-2.97	-2.89	—
+/- Category	-1.25	-0.09	-1.20	0.31	-0.44	—
% Rank in Cat	59	72	58	40	58	—
# of Funds in Cat	296	299	293	274	232	32

\* Currency is displayed in USD

### Top Holdings 06-30-2013

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Vanguard Total Bond Market II Idx Inv	39.24	10.62 USD	0.00 ↓	10.40 - 11.10
⊖ Vanguard Total Stock Mkt Idx Inv	21.20	44.25 USD	0.00 ↓	33.76 - 44.25
⚡ Vanguard Shrt-Term Infl-Prot Sec Idx Inv	16.79	24.81 USD	0.00 ↓	24.44 - 25.23
⚡ Vanguard Total Intl Bd Idx Investor	13.99	9.93 USD	0.00 ↓	9.79 - 9.99
⊕ Vanguard Total Intl Stock Index Inv	8.77	16.73 USD	0.00 ↓	13.88 - 16.73

% Assets in Top 5 Holdings 99.99

⊕ Increase ⊖ Decrease ⚡ New to Portfolio

### Top Sectors 06-30-2013

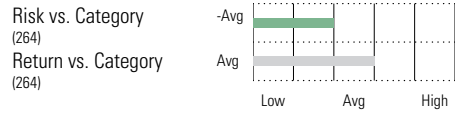
	Fund	3 Yr High	3 Yr Low	Cat Avg
🏦 Financial Services	16.62	16.62	13.99	16.59
💻 Technology	13.83	14.67	13.83	14.35
🛒 Consumer Cyclical	11.70	11.70	10.15	11.90
⚙️ Industrials	11.40	12.17	11.40	11.26
🏥 Healthcare	10.84	10.84	10.26	11.13

	Fund	BMark	Cat Avg
Government	51.94	71.58	35.72
Agency Mortgage-Backed	15.28	0.05	11.36
Government-Related	4.64	2.33	4.64
Commercial MBS	0.77	0.00	1.33
Non-Agency Residential MBS	0.57	0.00	5.79

### Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2013-09-26	12.48	0.0000	0.0000	0.0000	0.0400	0.0400
2013-06-27	12.18	0.0000	0.0000	0.0000	0.0600	0.0600
2013-03-27	12.44	0.0000	0.0000	0.0000	0.0400	0.0400
2012-12-28	12.16	0.0000	0.0200	0.0000	0.1100	0.1300
2012-09-27	12.26	0.0000	0.0000	0.0000	0.0700	0.0700

### 3 Year Average Morningstar Risk Measures



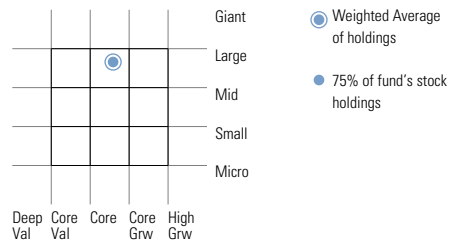
### Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	★★★★ Gold

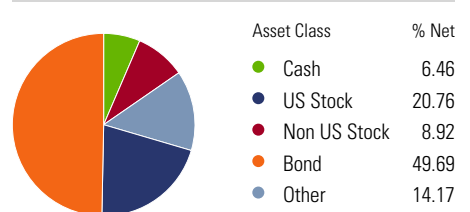
### Investment Strategy

The investment seeks to provide current income and some capital appreciation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors currently in retirement. Its indirect bond holdings are a diversified mix of short-, intermediate-, and long-term U.S. government, U.S. agency, and investment-grade U.S. corporate bonds; inflation-protected public obligations issued by the U.S. Treasury; mortgage-backed and asset-backed securities; and government, agency, corporate, and securitized investment-grade foreign bonds issued in currencies other than the U.S. dollar.

### Style Map



### Asset Allocation



### Management

Walter Nejman	Start Date 2013-02-22
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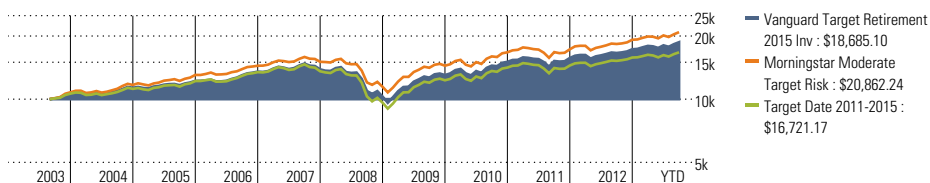


# Vanguard Target Retirement 2015 Inv VTXVX

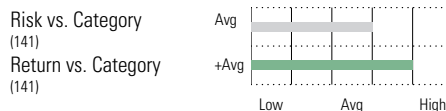
**Morningstar Analyst Rating**  
**Gold**

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
14.81	↓0.00   0.00	2.05	19.7	Open	\$1,000	None	0.16%	★★★★	Target Date 2011-2015	Large Blend

### Growth of 10,000 10-27-2003 - 10-21-2013



### 3 Year Average Morningstar Risk Measures



### Performance 10-18-2013

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	11,069	10,130	11,124	12,925	17,312	—
Fund	10.69	1.30	11.24	8.93	11.60	—
+/- Morningstar Moderate Target Risk	-1.22	-0.50	-1.01	-0.32	-0.18	—
+/- Category	2.69	0.04	2.35	1.71	1.07	—
% Rank in Cat	22	46	27	12	27	—
# of Funds in Cat	178	185	164	141	102	5

\* Currency is displayed in USD

### Top Holdings 06-30-2013

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Vanguard Total Stock Mkt Idx Inv	37.73	44.25 USD	0.00 ↓	33.76 - 44.25
⊖ Vanguard Total Bond Market II Idx Inv	32.40	10.62 USD	0.00 ↓	10.40 - 11.10
⊕ Vanguard Total Intl Stock Index Inv	15.60	16.73 USD	0.00 ↓	13.88 - 16.73
✱ Vanguard Total Intl Bd Idx Investor	9.31	9.93 USD	0.00 ↓	9.79 - 9.99
✱ Vanguard Shrt-Term Infl-Prot Sec Idx Inv	4.93	24.81 USD	0.00 ↓	24.44 - 25.23

% Assets in Top 5 Holdings 99.97

⊕ Increase ⊖ Decrease ✱ New to Portfolio

### Top Sectors 06-30-2013

	Fund	3 Yr High	3 Yr Low	Cat Avg
🏦 Financial Services	16.62	16.62	13.96	16.80
💻 Technology	13.84	14.65	13.84	14.58
🛒 Consumer Cyclical	11.70	11.70	10.15	12.43
⚙️ Industrials	11.40	12.16	11.40	10.95
🏥 Healthcare	10.84	10.84	10.25	11.76

	Fund	BMark	Cat Avg
Government	44.72	66.35	36.06
Agency Mortgage-Backed	18.83	0.08	11.75
Government-Related	5.71	2.21	3.85
Commercial MBS	0.94	0.00	1.27
Non-Agency Residential MBS	0.70	0.01	5.00

### Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2012-12-28	13.29	0.0000	0.0200	0.0000	0.3000	0.3200
2011-12-29	12.31	0.0000	0.0200	0.0000	0.3100	0.3300
2010-12-30	12.40	0.0000	0.0200	0.0000	0.2800	0.3000
2009-12-30	11.38	0.0000	0.0000	0.0000	0.2800	0.2800
2008-12-30	9.47	0.0000	0.0000	0.0000	0.3600	0.3600

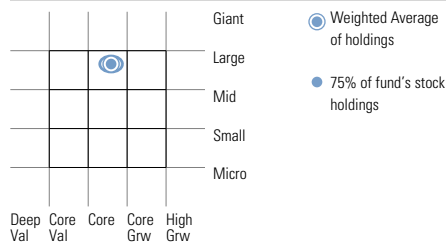
### Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	🏆 Gold

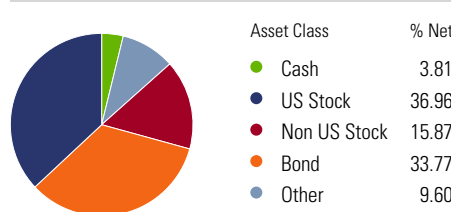
### Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2015 (the target year). At any given time, its asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments. The fund's indirect stock holdings are a diversified mix of U.S. and foreign large-, mid-, and small-capitalization stocks.

### Style Map



### Asset Allocation



### Management

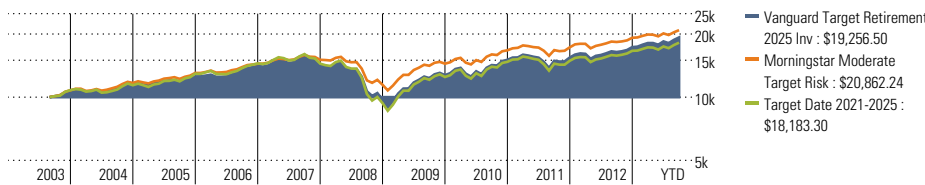
Walter Nejman  
Start Date: 2013-02-22

# Vanguard Target Retirement 2025 Inv VTTVX

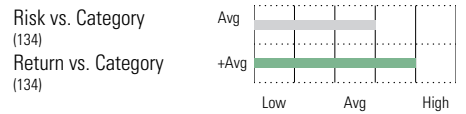
**Morningstar Analyst Rating**  
★ Gold

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
15.60	↓0.00   0.00	1.95	25.6	Open	\$1,000	None	0.17%	★★★★	Target Date 2021-2025	Large Blend

### Growth of 10,000 10-27-2003 - 10-21-2013



### 3 Year Average Morningstar Risk Measures



### Performance 10-18-2013

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	11,479	10,150	11,538	13,520	18,385	—
Fund	14.79	1.50	15.38	10.58	12.95	—
+/- Morningstar Moderate Target Risk	2.88	-0.30	3.13	1.33	1.17	—
+/- Category	2.18	0.03	1.99	1.12	0.48	—
% Rank in Cat	27	45	35	18	32	—
# of Funds in Cat	181	188	166	134	97	0

\* Currency is displayed in USD

### Top Holdings 06-30-2013

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Vanguard Total Stock Mkt Idx Inv	49.34	44.25 USD	0.00 ↓	33.76 - 44.25
⊖ Vanguard Total Bond Market II Idx Inv	24.08	10.62 USD	0.00 ↓	10.40 - 11.10
⊕ Vanguard Total Intl Stock Index Inv	20.66	16.73 USD	0.00 ↓	13.88 - 16.73
✱ Vanguard Total Intl Bd Idx Investor	5.87	9.93 USD	0.00 ↓	9.79 - 9.99
% Assets in Top 5 Holdings	99.96			

⊕ Increase ⊖ Decrease ✱ New to Portfolio

### Top Sectors 06-30-2013

	Fund	3 Yr High	3 Yr Low	Cat Avg
🏦 Financial Services	16.64	16.64	13.95	16.51
💻 Technology	13.81	14.67	13.81	14.01
🛒 Consumer Cyclical	11.70	11.70	10.15	12.13
⚙️ Industrials	11.40	12.16	11.40	10.92
🏥 Healthcare	10.83	10.83	10.26	11.43

	Fund	BMark	Cat Avg
Government	38.87	63.42	32.92
Agency Mortgage-Backed	21.47	0.09	11.70
Government-Related	6.51	2.14	4.67
Commercial MBS	1.08	0.00	1.15
Non-Agency Residential MBS	0.80	0.02	6.09

### Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2012-12-28	13.46	0.0000	0.0100	0.0000	0.3000	0.3100
2011-12-29	12.28	0.0000	0.0100	0.0000	0.2900	0.3000
2010-12-30	12.60	0.0000	0.0200	0.0000	0.2500	0.2700
2009-12-30	11.40	0.0000	0.0000	0.0000	0.2500	0.2500
2008-12-30	9.16	0.0000	0.0000	0.0000	0.3200	0.3200

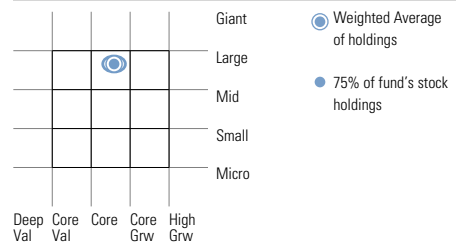
### Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	★ Gold

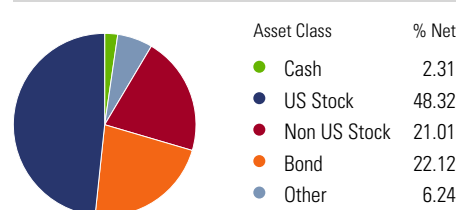
### Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2025 (the target year). At any given time, its asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments. The fund's indirect stock holdings are a diversified mix of U.S. and foreign large-, mid-, and small-capitalization stocks.

### Style Map



### Asset Allocation



### Management

Walter Nejman	Start Date	2013-02-22
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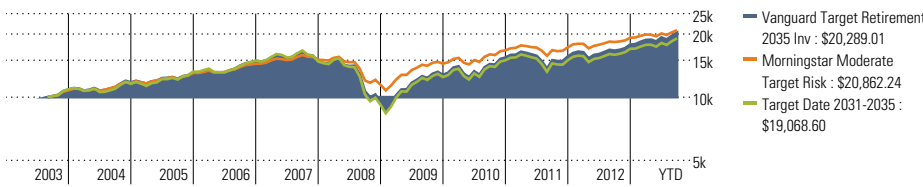


# Vanguard Target Retirement 2035 Inv VTTX

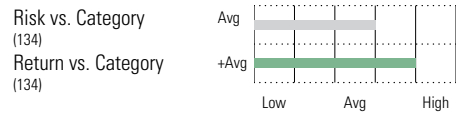
**Morningstar Analyst Rating**  
**Gold**

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
16.70	↓0.01   0.06	1.90	19.0	Open	\$1,000	None	0.18%	★★★★	Target Date 2031-2035	Large Blend

### Growth of 10,000 10-27-2003 - 10-21-2013



### 3 Year Average Morningstar Risk Measures



### Performance 10-18-2013

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	11,845	10,158	11,900	14,082	19,402	—
Fund	18.45	1.58	19.00	12.09	14.17	—
+/- Morningstar Moderate Target Risk	6.54	-0.22	6.76	2.84	2.40	—
+/- Category	2.09	-0.01	1.86	1.22	0.67	—
% Rank in Cat	32	55	38	14	29	—
# of Funds in Cat	181	188	166	134	97	0

\* Currency is displayed in USD

### Top Holdings 06-30-2013

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Vanguard Total Stock Mkt Idx Inv	59.83	44.25 USD	0.00 ↓	33.76 - 44.25
⊕ Vanguard Total Intl Stock Index Inv	25.21	16.73 USD	0.00 ↓	13.88 - 16.73
⊖ Vanguard Total Bond Market II Idx Inv	11.95	10.62 USD	0.00 ↓	10.40 - 11.10
✱ Vanguard Total Intl Bd Idx Investor	2.98	9.93 USD	0.00 ↓	9.79 - 9.99
% Assets in Top 5 Holdings	99.98			

⊕ Increase ⊖ Decrease ✱ New to Portfolio

### Top Sectors 06-30-2013

	Fund	3 Yr High	3 Yr Low	Cat Avg
🏦 Financial Services	16.65	16.65	13.98	16.62
💻 Technology	13.80	14.69	13.80	14.22
🛒 Consumer Cyclical	11.70	11.70	10.15	12.41
⚙️ Industrials	11.40	12.17	11.40	10.79
🏥 Healthcare	10.82	10.82	10.27	11.50

	Fund	BMark	Cat Avg
Government	37.86	60.06	24.59
Agency Mortgage-Backed	20.91	0.11	10.39
Government-Related	6.34	2.05	3.66
Commercial MBS	1.05	0.00	1.06
Non-Agency Residential MBS	0.78	0.02	5.13

### Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2012-12-28	13.92	0.0000	0.0100	0.0000	0.3100	0.3100
2011-12-29	12.52	0.0000	0.0100	0.0000	0.2800	0.2900
2010-12-30	13.08	0.0400	0.0100	0.0000	0.2400	0.2900
2009-12-30	11.72	0.0000	0.0000	0.0000	0.2400	0.2400
2008-12-30	9.13	0.0000	0.0000	0.0000	0.3000	0.3000

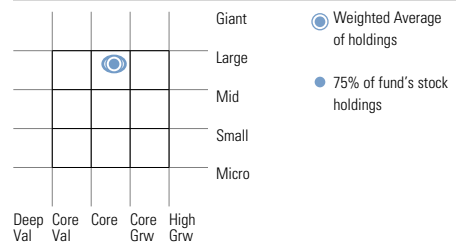
### Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	🏆 Gold

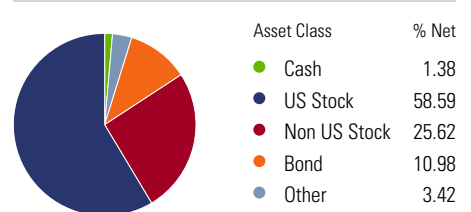
### Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2035 (the target year). At any given time, its asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments. The fund's indirect stock holdings are a diversified mix of U.S. and foreign large-, mid-, and small-capitalization stocks.

### Style Map



### Asset Allocation



### Management

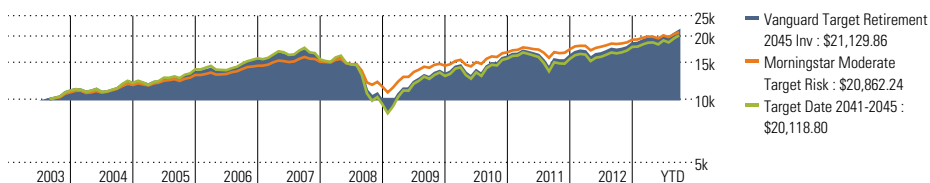
Walter Nejman	Start Date	2013-02-22
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# Vanguard Target Retirement 2045 Inv VTIVX

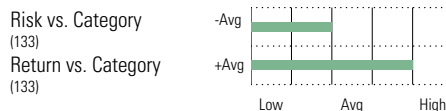
**Morningstar Analyst Rating**  
**Gold**

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
17.41	↓0.00   0.00	1.88	11.4	Open	\$1,000	None	0.18%	★★★★	Target Date 2041-2045	Large Blend

### Growth of 10,000 10-27-2003 - 10-21-2013



### 3 Year Average Morningstar Risk Measures



### Performance 10-18-2013

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	11,966	10,163	12,018	14,239	19,634	—
Fund	19.66	1.63	20.18	12.50	14.45	—
+/- Morningstar Moderate Target Risk	7.75	-0.16	7.93	3.25	2.67	—
+/- Category	1.69	-0.02	1.36	1.07	0.53	—
% Rank in Cat	31	59	44	12	29	—
# of Funds in Cat	180	188	165	133	95	0

\* Currency is displayed in USD

### Top Holdings 06-30-2013

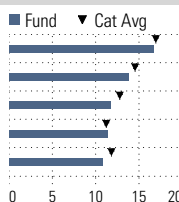
	Weight %	Last Price	Day Chg %	52 Week Range
⊕ Vanguard Total Stock Mkt Idx Inv	62.94	44.25 USD	0.00 ↓	33.76 - 44.25
⊕ Vanguard Total Intl Stock Index Inv	26.99	16.73 USD	0.00 ↓	13.88 - 16.73
⊖ Vanguard Total Bond Market II Idx Inv	8.03	10.62 USD	0.00 ↓	10.40 - 11.10
✱ Vanguard Total Intl Bd Idx Investor	2.01	9.93 USD	0.00 ↓	9.79 - 9.99

% Assets in Top 5 Holdings 99.96

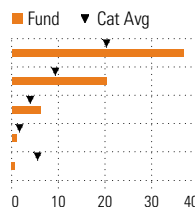
⊕ Increase ⊖ Decrease ✱ New to Portfolio

### Top Sectors 06-30-2013

	Fund	3 Yr High	3 Yr Low	Cat Avg
🏦 Financial Services	16.67	16.67	14.00	16.48
💻 Technology	13.77	14.70	13.77	14.08
🛒 Consumer Cyclical	11.69	11.69	10.15	12.32
⚙️ Industrials	11.40	12.17	11.40	10.76
🏥 Healthcare	10.81	10.81	10.27	11.36



	Fund	BMark	Cat Avg
Government	36.84	56.81	19.47
Agency Mortgage-Backed	20.35	0.12	8.50
Government-Related	6.17	1.90	3.12
Commercial MBS	1.02	0.00	0.82
Non-Agency Residential MBS	0.76	0.02	4.70



### Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2012-12-28	14.37	0.0000	0.0100	0.0000	0.3200	0.3200
2011-12-29	12.89	0.0000	0.0100	0.0000	0.2900	0.2900
2010-12-30	13.49	0.0500	0.0500	0.0000	0.2400	0.3500
2009-12-30	12.12	0.0000	0.0000	0.0000	0.2500	0.2500
2008-12-30	9.44	0.0000	0.0000	0.0000	0.3000	0.3000

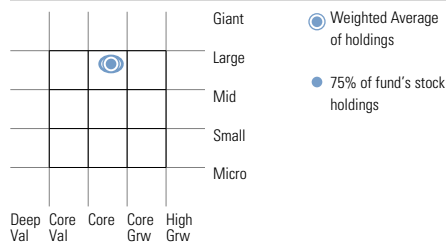
### Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	🏆 Gold

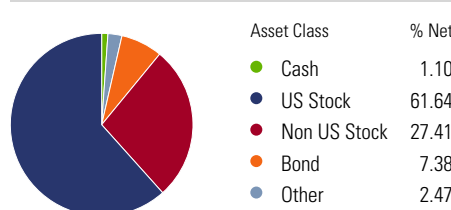
### Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2045 (the target year). At any given time, its asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments. The fund's indirect stock holdings are a diversified mix of U.S. and foreign large-, mid-, and small-capitalization stocks.

### Style Map



### Asset Allocation



### Management

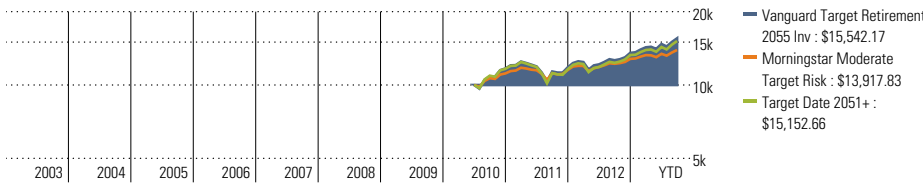
Start Date
Walter Nejman 2013-02-22

# Vanguard Target Retirement 2055 Inv VFFVX

**Morningstar Analyst Rating**  
★ **Gold**

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Mil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
29.67	↓0.01   0.03	1.56	914.9	Open	\$1,000	None	0.18%	★★★★	Target Date 2051+	Large Blend

### Growth of 10,000 08-18-2010 - 10-21-2013



### Performance 10-18-2013

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	11,960	10,161	12,015	14,287	—	—
Fund	19.60	1.61	20.15	12.63	—	—
+/- Morningstar Moderate Target Risk	7.69	-0.19	7.90	3.38	—	—
+/- Category	0.67	-0.13	0.34	1.20	—	—
% Rank in Cat	41	70	58	11	—	—
# of Funds in Cat	130	153	116	50	17	0

\* Currency is displayed in USD

### Top Holdings 07-31-2013

	Weight %	Last Price	Day Chg %	52 Week Range
⊕ Vanguard Total Stock Mkt Idx Inv	63.00	44.25 USD	0.00 ↓	33.76 - 44.25
⊕ Vanguard Total Intl Stock Index Inv	26.98	16.73 USD	0.00 ↓	13.88 - 16.73
⊕ Vanguard Total Bond Market II Idx Inv	8.01	10.62 USD	0.00 ↓	10.40 - 11.10
⊕ Vanguard Total Intl Bd Idx Investor	2.00	9.93 USD	0.00 ↓	9.79 - 9.99
% Assets in Top 5 Holdings	99.99			

⊕ Increase ⊖ Decrease ✱ New to Portfolio

### Top Sectors 07-31-2013

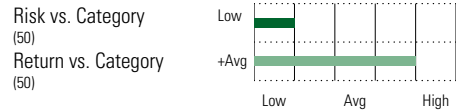
	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	16.67	16.67	14.01	16.20
Technology	13.77	14.72	13.77	13.57
Consumer Cyclical	11.69	11.69	10.15	11.68
Industrials	11.40	12.17	11.40	10.75
Healthcare	10.81	10.81	10.28	10.95

	Fund	BMark	Cat Avg
Government	37.21	56.18	24.33
Agency Mortgage-Backed	19.82	0.13	9.41
Government-Related	6.54	1.76	4.80
Non-Agency Residential MBS	1.19	0.03	4.66
Commercial MBS	1.16	0.00	0.69

### Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2012-12-28	24.48	0.0100	0.0100	0.0000	0.4500	0.4600
2011-12-29	21.89	0.0000	0.0100	0.0000	0.3900	0.4000
2010-12-30	22.76	0.0000	0.0400	0.0000	0.1800	0.2200

### 3 Year Average Morningstar Risk Measures



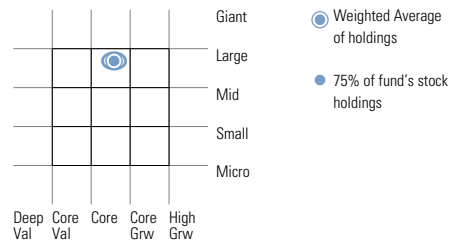
### Pillars

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Price	⊕ Positive
Rating	★ Gold

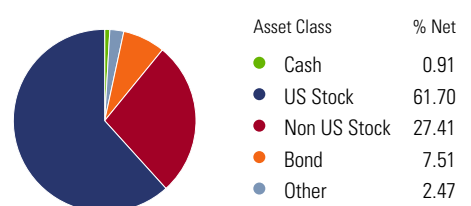
### Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2055 (the target year). At any given time, its asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments. The fund's indirect stock holdings are a diversified mix of U.S. and foreign large-, mid-, and small-capitalization stocks.

### Style Map



### Asset Allocation



### Management

Walter Nejman  
 Start Date: 2013-02-22



# INVESTMENT POLICY STATEMENT & FUND BENCHMARKS



# Investment Benchmarks



Investment Product	2010 Performance Benchmarks
American Funds EuroPacific Growth R6	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



## 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.

## Glossary

**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.

## Glossary

**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.

## Glossary

**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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