

PERFORMANCE REPORT

Independent
advice for the
institutional
investor

**Milwaukee County
Deferred
Compensation Plan**

Second Quarter 2008

CONTENTS

- 1 Investment Highlights**
- 2 Market Environment**
- 3 Fixed Income Funds**
- 4 Balanced Funds**
- 5 U.S. Stock Funds**
- 6 Non-U.S. Stock Funds**
- 7 Appendices**

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

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INVESTMENT HIGHLIGHTS

RETURN SUMMARY ENDING 6/30/08

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
North Shore Savings Fund	0.4 %	1.0 %	2.7 %	3.3 %	2.6 %
iMoney Net Money Fund Average	0.5	1.3	3.6	3.6	2.5
Stable Value Fund	1.2	2.4	4.9	4.8	4.5
EnnisKnupp GIC Index	1.2	2.3	4.7	4.3	4.1
PIMCO Total Return Fund Instl	-1.3	2.0	10.8	4.8	4.5
LB Aggregate Bond Index	-1.0	1.1	7.1	4.1	3.9

RETURN SUMMARY ENDING 6/30/08

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
TRP PS Income	-0.5 %	-4.1 %	-2.3 %	5.6 %	7.3 %
Custom Benchmark	-0.9	-3.7	-1.6	4.9	6.1
TRP PS Balanced	-0.7	-6.8	-6.0	6.0	8.7
Custom Benchmark	-1.2	-6.1	-5.1	5.5	7.5
TRP PS Growth	-0.8	-9.3	-9.8	6.3	9.9
Custom Benchmark	-1.5	-8.5	-8.5	5.9	8.8

Benchmark descriptions can be found in the Appendix.

INVESTMENT HIGHLIGHTS

RETURN SUMMARY ENDING 6/30/08

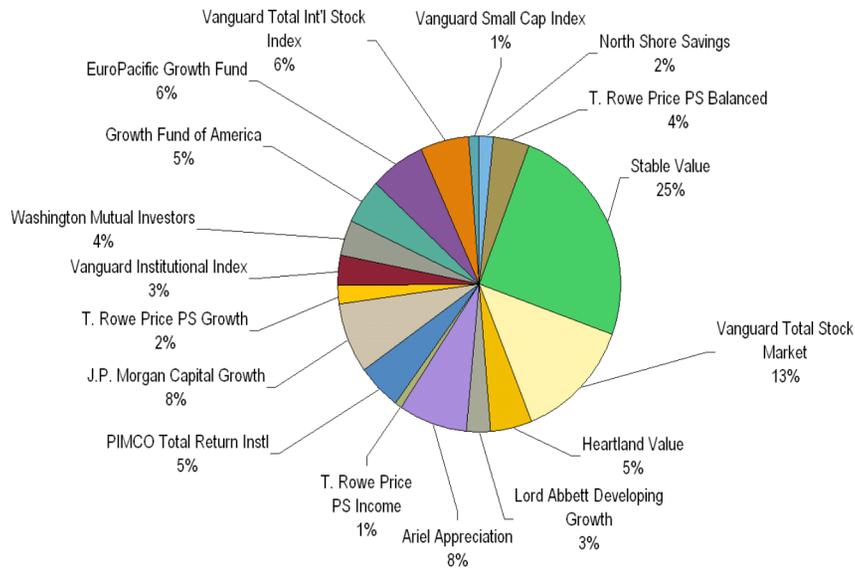
	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
Washington Mutual Investors Fund	-4.6 %	-12.2 %	-15.3 %	3.7 %	7.0 %
Russell 1000 Value Index	-5.3	-13.6	-18.8	3.5	8.9
Vanguard Institutional Index Fund	-2.7	-11.9	-13.1	4.4	7.6
S&P 500 Index	-2.7	-11.9	-13.1	4.4	7.6
Growth Fund of America	1.3	-6.6	-5.0	9.1	11.6
Russell 1000 Growth Index	1.2	-9.1	-6.0	5.9	7.3
Vanguard Total Stock Market Index Fund	-1.5	-10.8	-12.5	5.0	8.7
Performance Benchmark	-1.5	-10.9	-12.5	5.0	8.7
J.P. Morgan Capital Growth Fund	7.7	-7.5	-3.0	8.8	12.8
Performance Benchmark	4.6	-6.8	-6.4	8.2	12.3
Ariel Appreciation Fund	-3.0	-12.0	-21.1	-0.3	5.3
Russell 2500 Index	1.4	-8.1	-14.3	4.9	11.5
Vanguard Small Cap Index Fund	1.0	-8.2	-14.9	4.7	11.6
Small-Cap Index	1.1	-8.3	-15.0	4.6	11.6
Lord Abbett Developing Growth Fund	6.6	-16.6	-4.7	12.7	12.5
Russell 2000 Growth Index	4.5	-8.9	-10.8	6.1	10.4
Heartland Value Fund	8.1	-2.4	-13.1	8.5	11.9
Russell 2000 Value Index	-3.5	-9.8	-21.6	1.4	10.0

RETURN SUMMARY ENDING 6/30/08

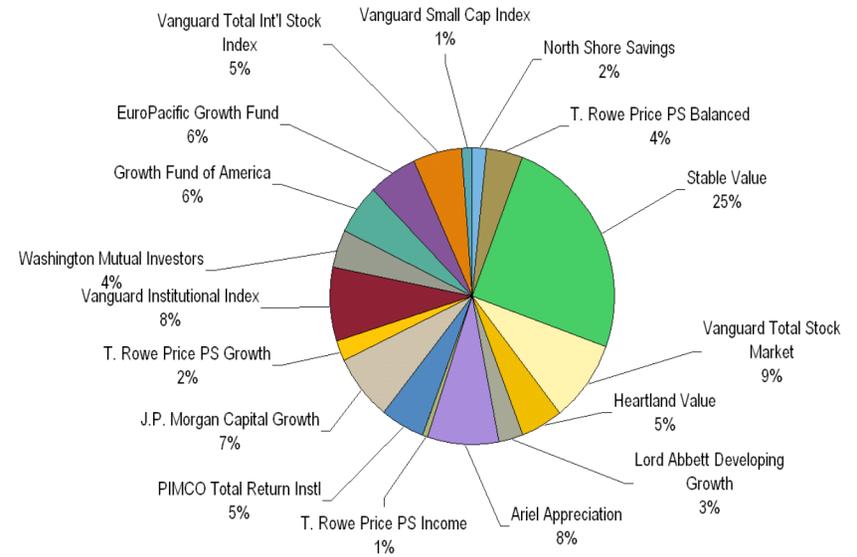
	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
EuroPacific Growth Fund	-2.3 %	-10.0 %	-3.9 %	16.4 %	19.0 %
MSCI All Country World ex-U.S. Index	-1.1	-10.2	-6.6	15.7	18.9
Vanguard Total International Stock Index Fund	-2.2	-10.9	-8.1	14.9	18.3
MSCI All Country World ex-U.S. Index	-1.1	-10.2	-6.6	15.7	18.9

Benchmark descriptions can be found in the Appendix.

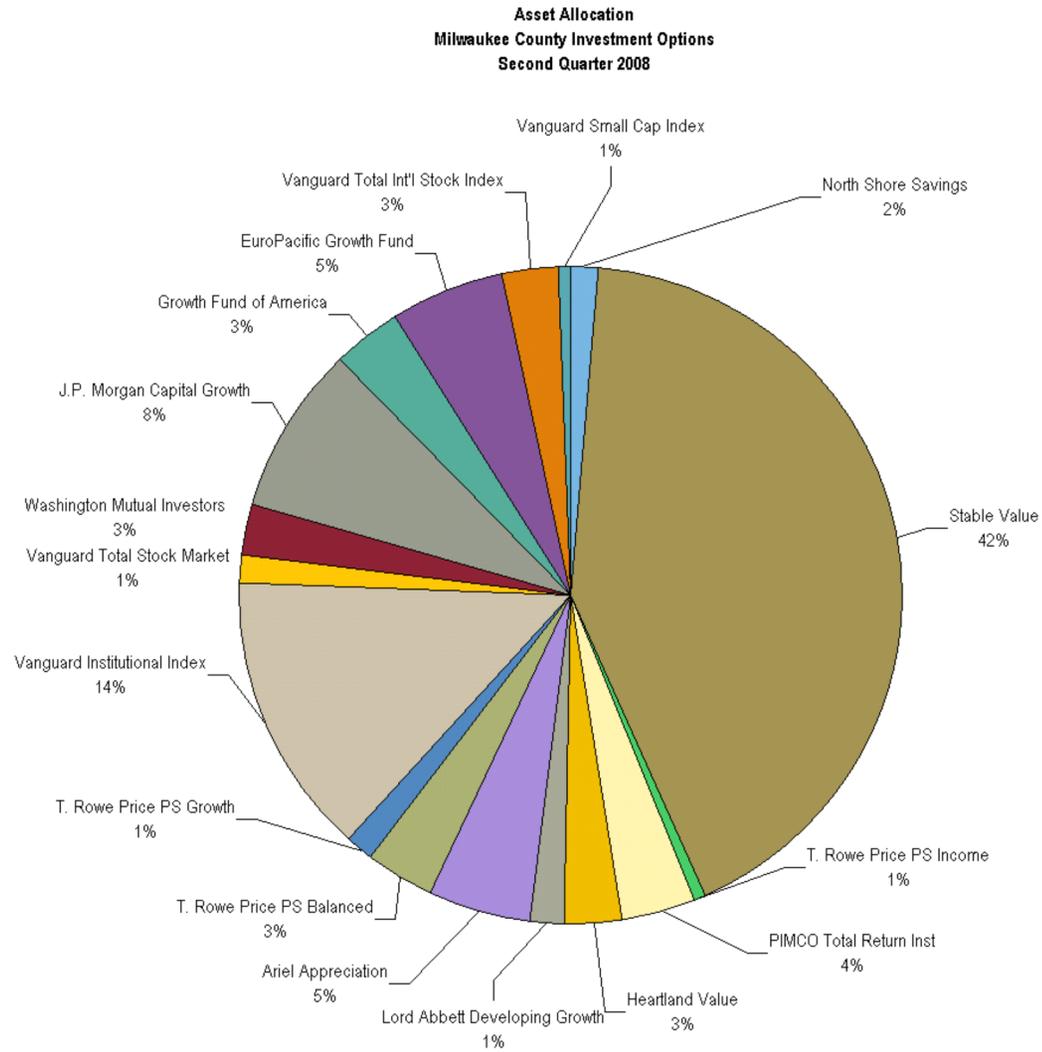
**Contributions by Investment Option
Second Quarter 2008**



**Contributions by Investment Option
YTD 2008**

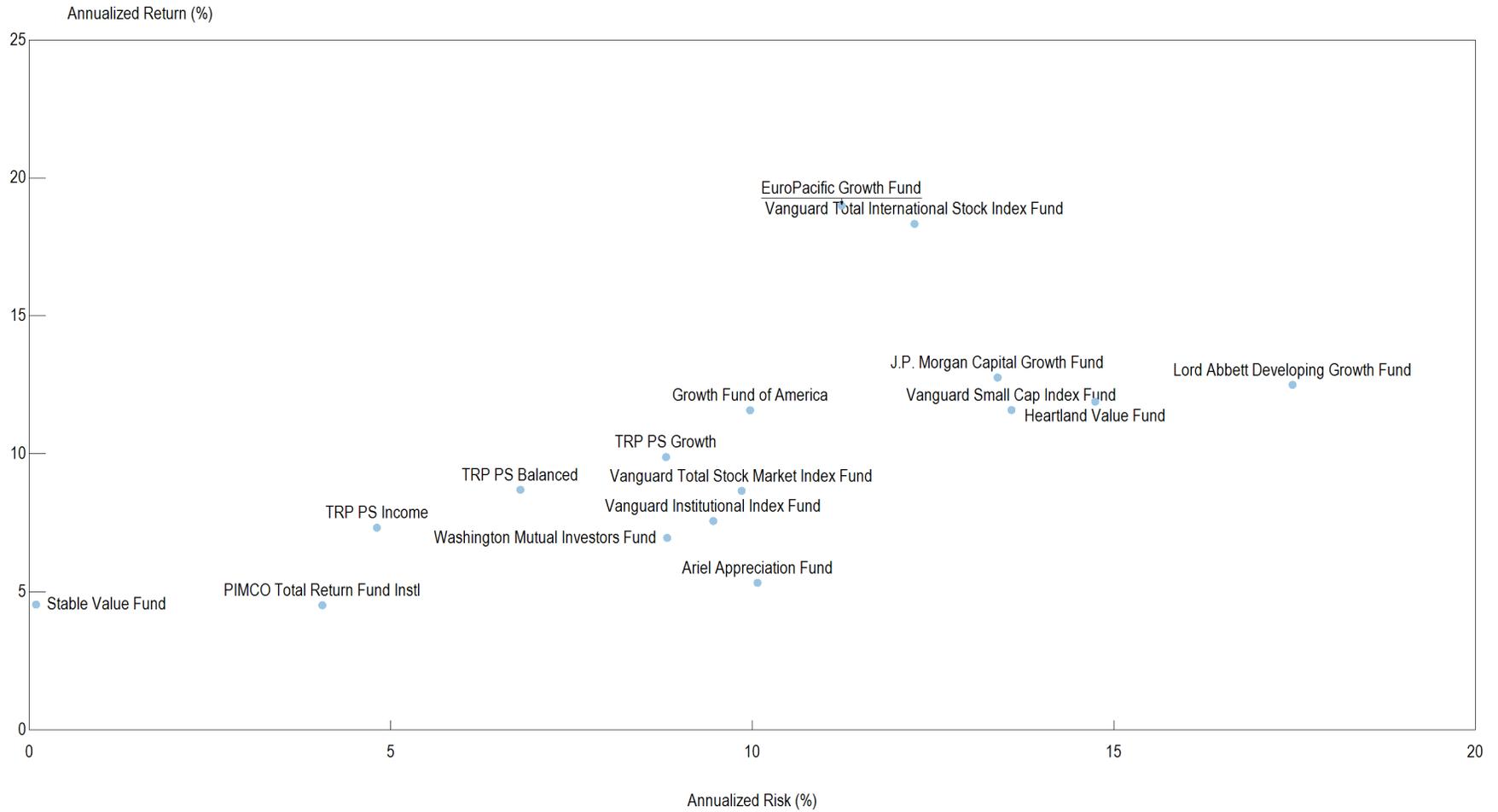


INVESTMENT HIGHLIGHTS



Ennis Knupp + Associates

**ANNUALIZED RISK RETURN
5 YEARS ENDING 6/30/08**



INVESTMENT HIGHLIGHTS

Change in Market Value

Investment Fund	March 31, 2008	Net Contributions/ Withdrawals	Net Income/ Appreciation*	June 30, 2008
North Shore Savings	3,230,190	29,119	15,316	3,274,624
Stable Value	88,655,415	508,449	1,041,565	90,205,429
T. Rowe Price PS Income	1,304,028	37,326	(8,661)	1,332,692
PIMCO Total Return Inst	7,704,946	214,249	(106,733)	7,812,462
Heartland Value	5,720,134	(121,165)	459,962	6,058,931
Lord Abnett Developing Growth	2,952,900	350,608	187,047	3,490,554
Ariel Appreciation	11,745,487	(299,445)	(340,202)	11,105,839
T. Rowe Price PS Balanced	7,088,037	(127,914)	(42,142)	6,917,982
T. Rowe Price PS Growth	3,022,507	(97,005)	(16,243)	2,909,259
Vanguard Institutional Index	30,026,824	(1,017)	(75,907)	29,949,899
Vanguard Total Stock Market	4,934,200	(1,011,048)	(754,597)	3,168,554
Washington Mutual Investors	5,943,281	(102,184)	(261,599)	5,579,497
J.P. Morgan Capital Growth	16,684,014	171,145	1,282,966	18,138,125
Growth Fund of America	5,943,167	825,075	42,584	6,810,827
EuroPacific Growth Fund	12,387,820	(195,794)	(263,813)	11,928,214
Vanguard Total Intl Stock Index	5,837,804	425,603	(164,211)	6,099,197
Vanguard Small Cap Index	1,288,087	44,182	9,906	1,342,175
Total	214,468,840	650,184	1,005,236	216,124,260

Fees

Fund Name	Plan Balance (\$ thousands)	Expense Ratio	Revenue Sharing Fees	\$ Fee on Expense Ratio	Dollar Revenue Sharing
North Shore Savings	\$ 3,275	0.00%	0.00%	\$ -	\$ -
Stable Value	90,205	0.40%	0.00%	360,822	-
PIMCO Total Return Inst	7,812	0.43%	0.25%	33,594	19,531
TRP PS Income	1,333	0.74%	0.15%	9,862	1,999
TRP PS Balanced	6,918	0.79%	0.15%	54,652	10,377
TRP PS Growth	2,909	0.85%	0.15%	24,729	4,364
Washington Mutual	5,579	0.60%	0.33%	33,477	18,412
Heartland	6,059	1.12%	0.35%	67,860	21,206
Lord Abnett	3,491	1.19%	0.40%	41,538	13,962
Vanguard Total Intl Stock	6,099	0.27%	0.00%	16,468	-
Vanguard Institutional	29,950	0.05%	0.00%	14,975	-
Vanguard Total Stock Market	3,169	0.06%	0.00%	1,901	-
JP Morgan Capital Growth	18,138	1.14%	0.50%	206,775	90,691
Ariel Appreciation	11,106	1.12%	0.45%	124,385	49,976
Growth Fund of America (R5)	6,811	0.35%	0.05%	23,838	3,405
Vanguard Small Cap Index	1,342	0.13%	0.00%	1,745	-
EuroPacific Growth Fund (R5)	11,928	0.53%	0.05%	63,220	5,964
Total	\$ 216,124	0.50%		\$ 1,079,839	\$ 239,888
Total as a Percent				0.50%	0.11%

Investment Management Fee Net of Revenue Sharing	(\$ Fee on Expense Ratio - Dollar Revenue Sharing)	\$ 839,950
<i>Net Investment Management Fee as a Percent of Plan Assets</i>		0.39%

Great West Revenue Sharing Cap**	\$ 125,000 *
<i>Capped Revenue Sharing as a Percent of Plan Assets</i>	0.06%
Revenue Sharing Returned to the County	\$ 114,888
<i>Returned Revenue Sharing as a Percent of Plan Assets</i>	0.05%

*Effective April 2007, the committee approved a fee holiday on the \$20 flat fee and the asset based fee of 0.24% charged to participants. All information in the above table is as reported by Great West.

** Exclusive of 20 bps revenue Great West receives for the Stable Value Fund.

MARKET ENVIRONMENT
Second Quarter 2008

MARKET ENVIRONMENT

OVERVIEW

MAJOR MARKET RETURNS

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08	10 Years Ending 6/30/08
Dow Jones Wilshire 5000 Index	-1.6 %	-10.9 %	-12.5 %	5.0 %	8.7 %	3.6 %
MSCI All Country World ex-U.S. Index	-1.1	-10.2	-6.6	15.7	18.9	7.3
MSCI EAFE Index	-2.3	-11.0	-10.6	12.8	16.7	5.8
MSCI Emerging Markets Index	-0.9	-11.8	4.6	27.1	29.7	15.2
MSCI All Country World Index	-1.6	-10.7	-9.3	10.3	13.1	4.9
Lehman Brothers Aggregate Bond Index	-1.0	1.1	7.1	4.1	3.9	5.7

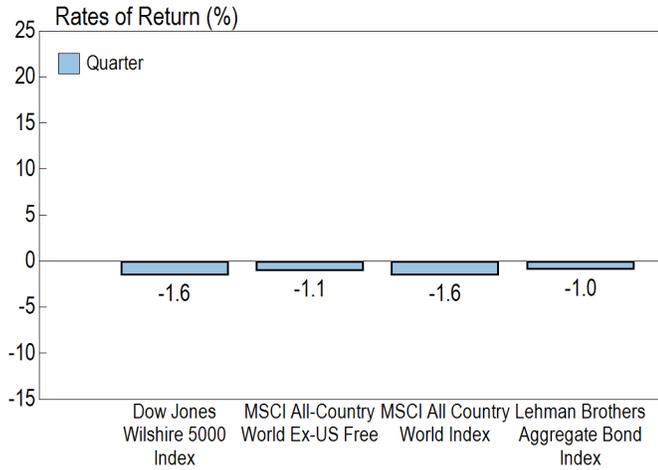
The U.S. broad equity market sought direction in the second quarter of 2008 amid rising oil prices, declining home values, rising unemployment, and inflationary pressures. Continued economic woes ensued as corporate profitability and the availability of credit weighed on the market. Related concerns about a contraction in consumer spending affected the market despite government stimulus rebate checks arriving at taxpayers' doorsteps. Oil and commodity prices skyrocketed, causing consumers to pull back the reins on spending. Investors saw a brief turn in the market during April and May, as the U.S. broad market made up for losses incurred during the first quarter. The relief rally was cut short in June, as evidenced by the DJ Wilshire 5000 Index's decline of 8.1% during the month.

Despite recessionary fears, real GDP grew at an annual rate of approximately 1.0% during the first quarter of the year. Contrary to widespread concerns, consumption and business investment offset weakness in residential construction. The weak dollar allowed exports to contribute positively to output. At the June 25th Federal Reserve (Fed) meeting, monetary policymakers held the target federal funds rate at 2.00 percent. The Fed also noted that although inflation and inflation expectations have increased, inflation should remain moderate throughout the rest of this year and next, signaling that there was little likelihood of a change in the Federal Funds rate in the near future. However, as of July, Fed Funds futures imply rate hikes toward the end of 2008 and into 2009.

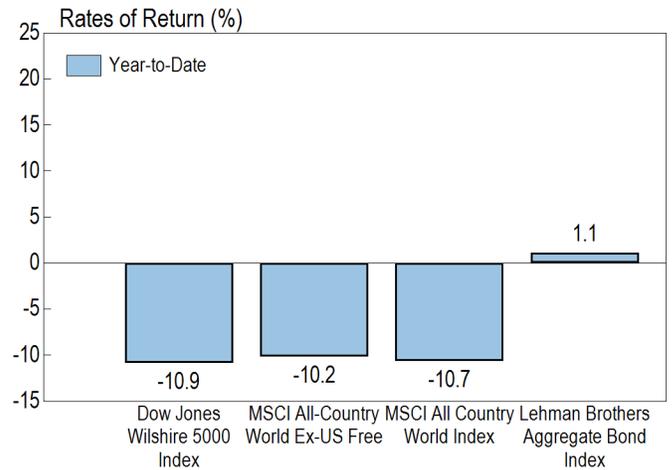
International stock markets experienced similar volatility during the second quarter. The MSCI All Country World ex-U.S. Index declined 1.1% during the second quarter, outperforming the U.S. market by 50 basis points. Year-to-date the index posted a loss of 10.2 percent. The greatest detractors from performance were the Europe ex-UK and Asian regions, reporting losses of 5.6% and 9.1%, respectively. Emerging markets suffered losses during the quarter as well, due to rising inflation, tighter monetary policy and concern over global growth. Increased demand for energy, grains, metals, and other commodities by developing countries, such as China and India, outpaced supply, resulting in an increase in global inflation.

The domestic fixed income market, as measured by the Lehman Brothers Aggregate Bond Index, faltered for the first time in three quarters to post a loss of 1.0 percent. The painful process of de-leveraging continued to affect the credit market while financial institutions simultaneously reduced their holdings of mortgages and other structured products. The financial sector plunged again in response to financial institutions taking massive writedowns and becoming increasingly capital constrained. The Treasury yield curve flattened modestly after the Fed-sponsored JP Morgan bail out of Bear Stearns. Treasuries were the worst performing sector as the flight to quality subsided. The best performing sector of the U.S. Bond Market was non-investment grade credit, or high yield, which performed poorly during the first quarter of 2008.

**MAJOR MARKET RETURNS
SECOND QUARTER**

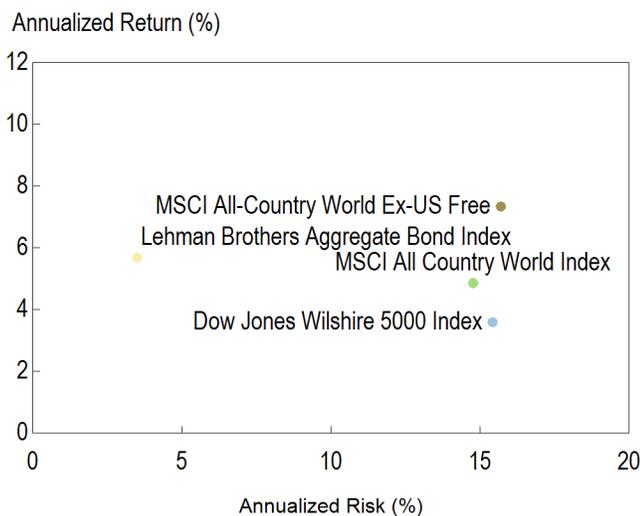


**MAJOR MARKET RETURNS
YEAR-TO-DATE ENDING 6/30/08**



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

**MARKET RISK/RETURN
10 YEARS ENDING 6/30/08**



**MARKET RISK/RETURN
20 YEARS ENDING 6/30/08**

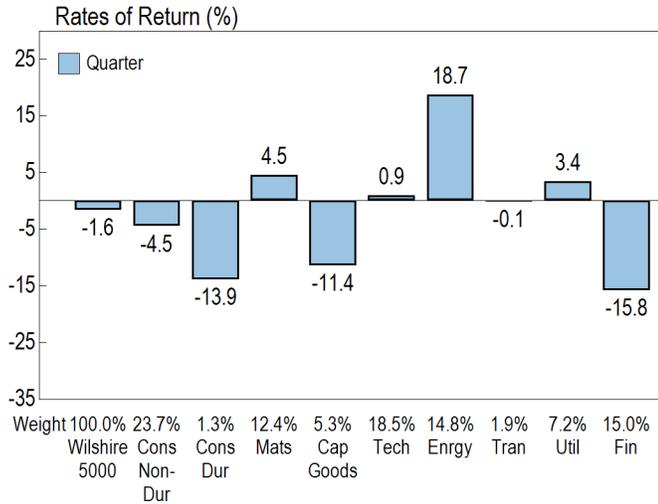


The exhibits above show the historical performance of the major capital markets and the amount of risk (volatility of returns) incurred. Points near the top of the chart represent a greater return and points near the right of the chart indicate greater volatility.

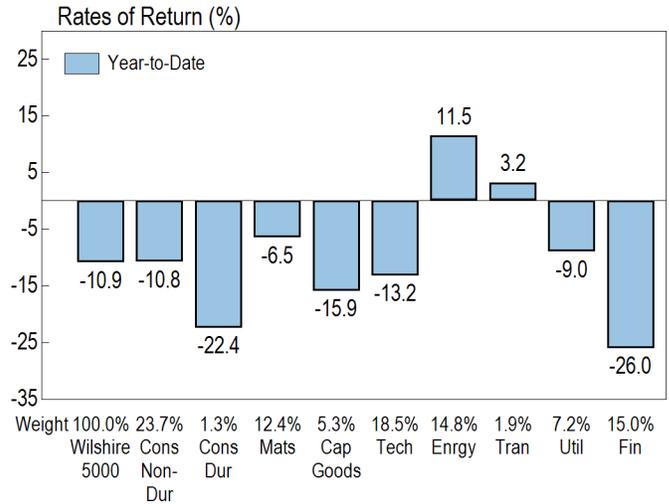
MARKET ENVIRONMENT

U.S. STOCK MARKET

SECTOR RETURNS SECOND QUARTER



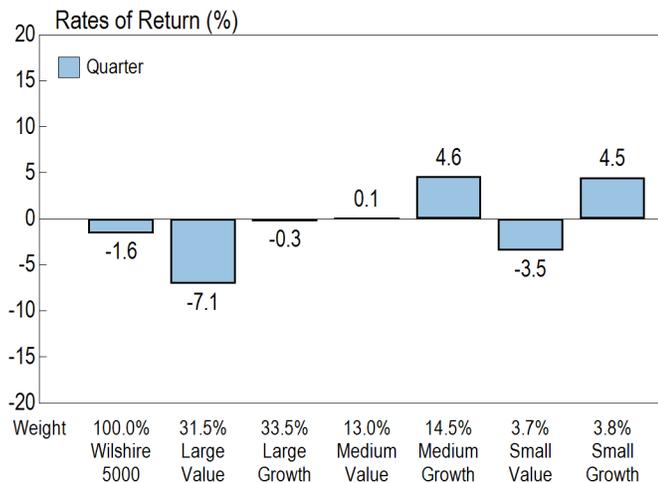
SECTOR RETURNS YEAR-TO-DATE ENDING 6/30/08



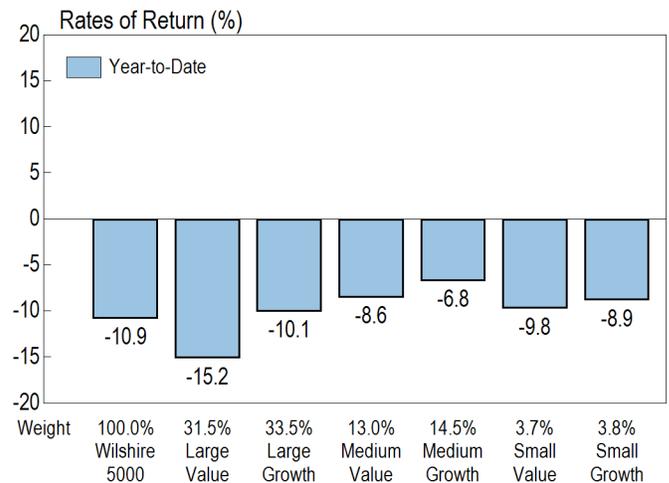
The Dow Jones Wilshire 5000 Index is the broadest available measure of the aggregate domestic stock market. It includes all domestic common stocks with readily available price information.

The exhibits above show the performance of the sectors that comprise the Dow Jones Wilshire 5000 Index. The percentage below each bar indicates the sector's weight within the Dow Jones Wilshire 5000 Index at quarter-end.

STYLE RETURNS SECOND QUARTER

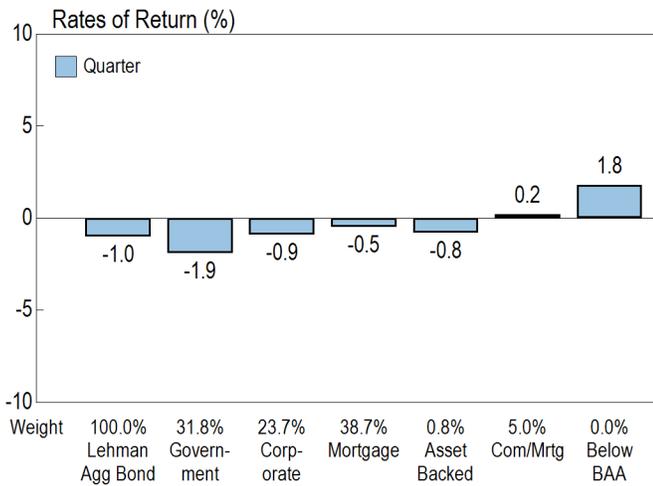


STYLE RETURNS YEAR-TO-DATE ENDING 6/30/08

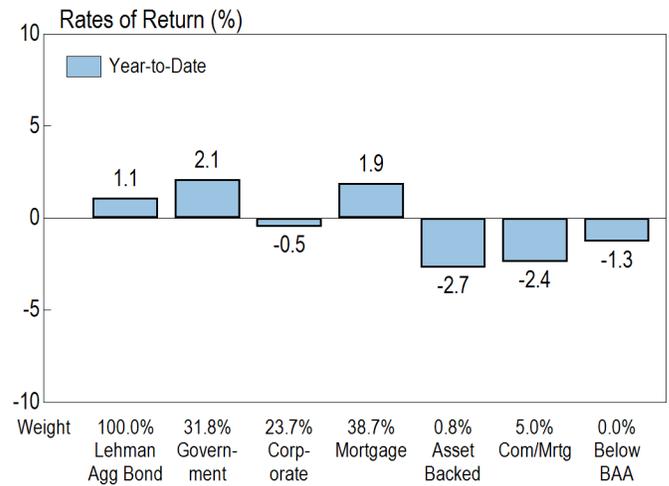


The exhibits above illustrate the performance of stock investment styles according to capitalization (large and small) and style characteristics (value and growth). The percentage below each bar indicates the segment's weight within the Dow Jones Wilshire 5000 Index at quarter-end.

**SECTOR RETURNS
SECOND QUARTER**



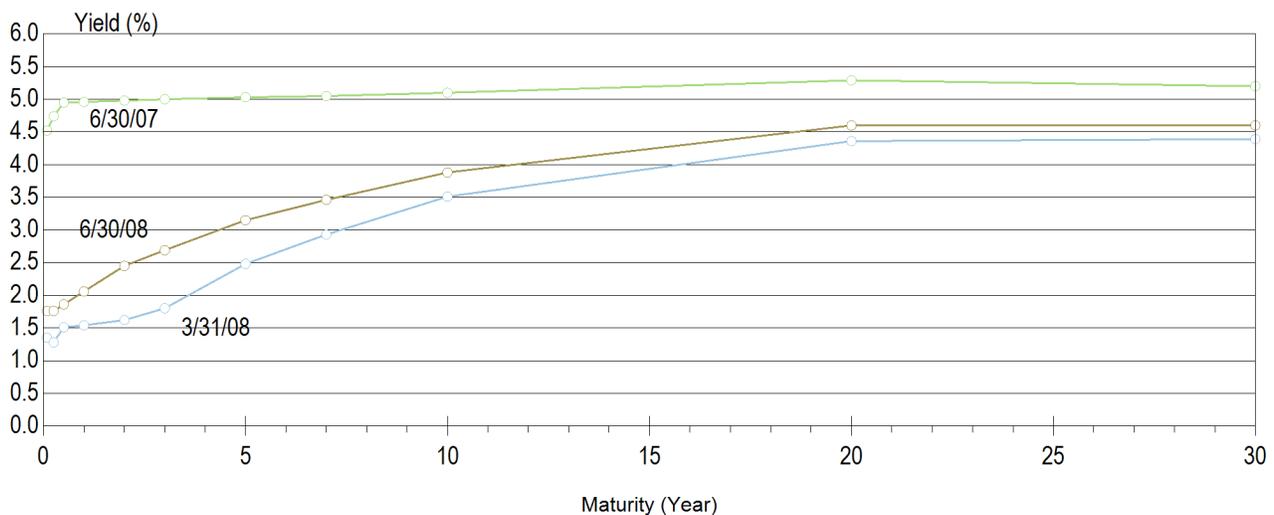
**SECTOR RETURNS
YEAR-TO-DATE ENDING 6/30/08**



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

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

U.S. TREASURY CURVE

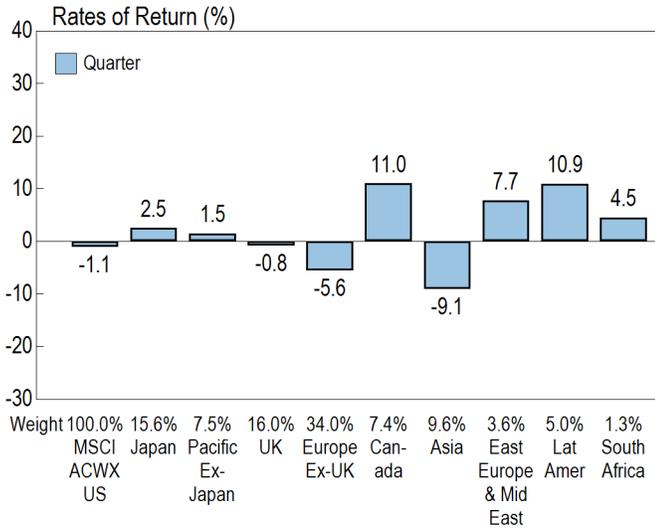


The exhibit above illustrates yields of Treasury securities of various maturities as of June 30, 2007, March 31, 2008, and June 30, 2008.

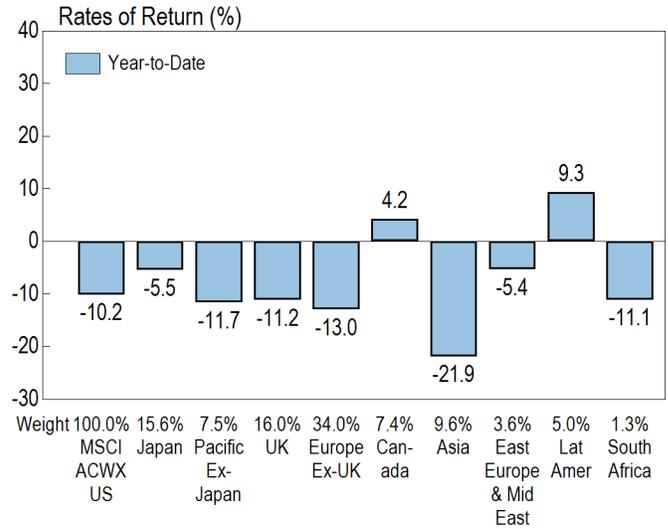
MARKET ENVIRONMENT

NON-U.S. STOCK MARKETS

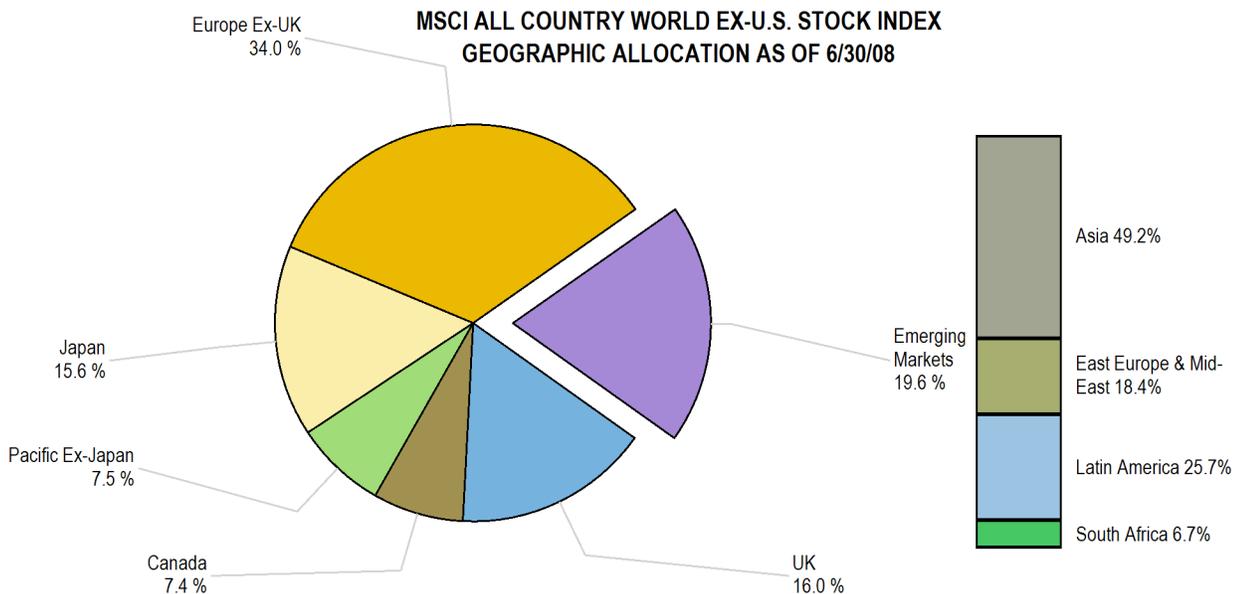
**NON-U.S. STOCK MARKET RETURNS
SECOND QUARTER**



**NON-U.S. STOCK MARKET RETURNS
YEAR-TO-DATE ENDING 6/30/08**



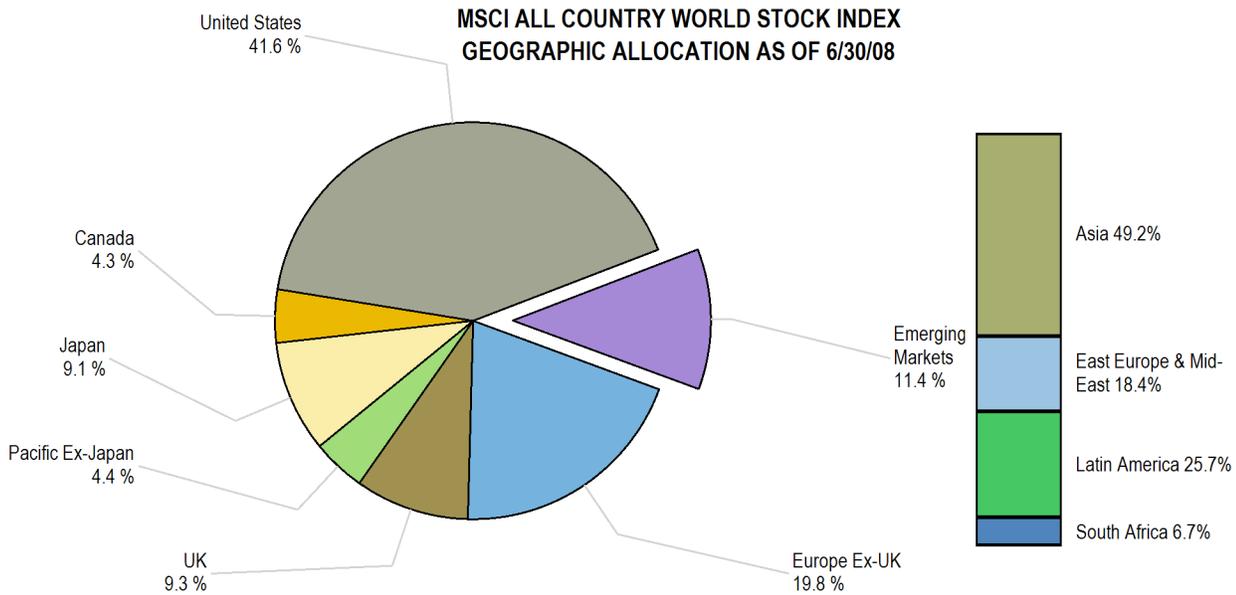
The MSCI All Country World ex-U.S. Index is a capitalization-weighted index of stocks representing 22 developed stock markets and 25 emerging stock markets around the world. The exhibits above show the performance of the regions that comprise the MSCI All Country World ex-U.S. Index at quarter-end.



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

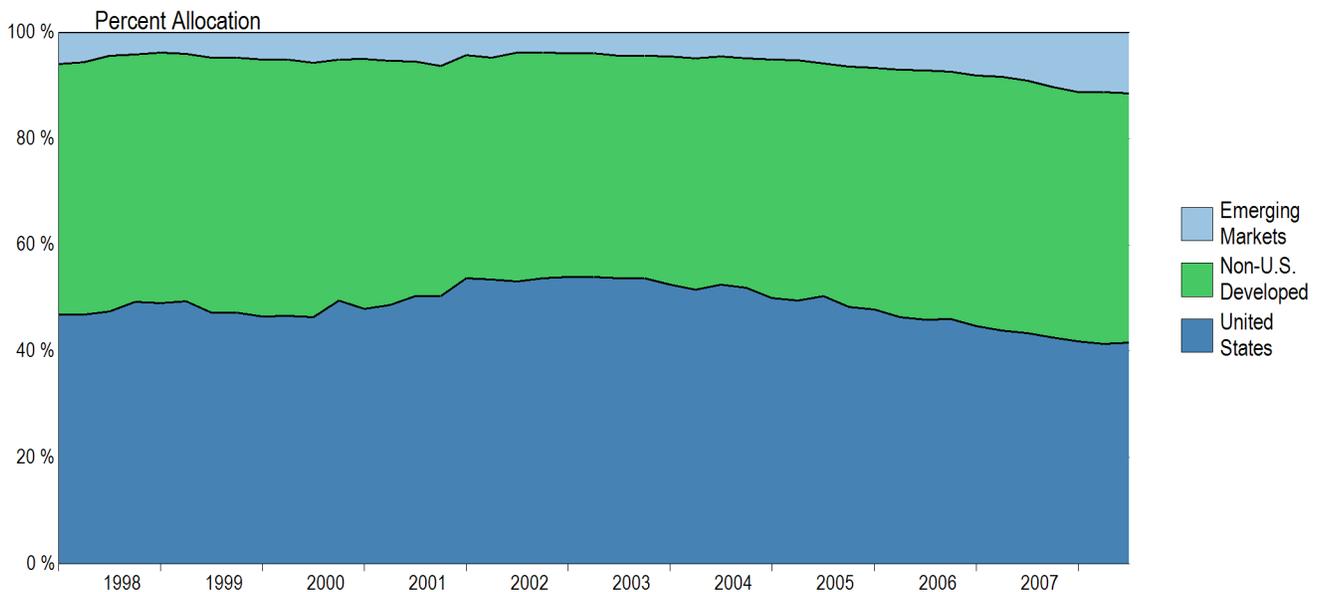
MARKET ENVIRONMENT

GLOBAL STOCK MARKETS



The MSCI All Country World Index is a capitalization-weighted index of stocks representing 23 developed stock markets and 25 emerging stock markets around the world. The graph above shows the allocation to each region at quarter-end.

ALLOCATION



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

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**RETURN SUMMARY
ENDING 6/30/08**

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
North Shore Savings Fund	0.4%	1.0%	2.7%	3.3%	2.6%
iMoney Net Money Fund Average	0.5	1.3	3.6	3.6	2.5

Investment Strategy

The objective of the North Shore Savings Fund is to preserve capital and provide current income, while maintaining a high level of liquidity. The Fund is FDIC insured.

Performance Commentary

The Fund's short-term instruments continued to provide stability for investors.

The Fund lagged return of the iMoneyNet Money Fund Average during the second quarter, year-to-date, trailing one and three-year periods, but exceeded the return of the Average over the trailing five period. The Fund has met its investment objective of providing participants with a high level of liquidity and capital preservation.

HISTORICAL RETURNS

(BY YEAR)

	North Shore Savings Fund	iMoney Net Money Fund Average	Return Difference
	Return	Return	
1998	5.2%	5.0%	0.2
1999	4.8	4.6	0.2
2000	5.3	5.9	-0.6
2001	4.3	3.7	0.6
2002	1.6	2.1	-0.5
2003	1.4	0.9	0.5
2004	1.3	0.6	0.7
2005	2.8	1.7	1.1
2006	3.7	3.8	-0.1
2007	3.7	4.7	-1.0
2008 (6 months)	1.0	1.3	-0.3
Trailing 1-Year	2.7%	3.6%	-0.9
Trailing 3-Year	3.3	3.6	-0.3
Trailing 5-Year	2.6	2.5	0.1
Trailing 10-Year	3.2	3.2	0.0

STABLE VALUE

RETURN SUMMARY ENDING 6/30/08

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
Stable Value Fund	1.2%	2.4%	4.9%	4.8%	4.5%
EnnisKnupp GIC Index	1.2	2.3	4.7	4.3	4.1

Investment Strategy

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

Performance Commentary

The Stable Value Fund matched the return of its benchmark during the second quarter and has outperformed its benchmark return over all longer-term periods shown above. As shown below, Great-West's annual performance has been favorable relative to the benchmark since inception.

HISTORICAL RETURNS (BY YEAR)

	Stable Value Fund	EnnisKnupp GIC Index	Return Difference
	Return	Return	
1998	6.3%	6.2%	0.1
1999	6.3	6.0	0.3
2000	6.5	6.4	0.1
2001	6.5	6.2	0.3
2002	5.7	5.1	0.6
2003	4.3	4.1	0.2
2004	4.2	3.9	0.3
2005	4.5	3.7	0.8
2006	4.8	4.1	0.7
2007	4.9	4.6	0.3
2008 (6 months)	2.4	2.3	0.1
Trailing 1-Year	4.9%	4.7%	0.2
Trailing 3-Year	4.8	4.3	0.5
Trailing 5-Year	4.5	4.1	0.4
Trailing 10-Year	5.3	5.0	0.3

**RETURN SUMMARY
ENDING 6/30/08**

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
PIMCO Total Return Fund Instl	-1.3%	2.0%	10.8%	4.8%	4.5%
LB Aggregate Bond Index	-1.0	1.1	7.1	4.1	3.9

Investment Strategy

The PIMCO Total Return Fund, Institutional Shares, seeks total return consistent with preservation of capital. The Fund's strategy includes active sector rotation and moderate interest-rate anticipation. PIMCO's objective is to outperform the Lehman Brothers Aggregate Bond Index without incurring greater risk by utilizing innovative investment techniques or identifying sector and issue buying opportunities. The Fund maintains a duration between 3 and 6 years and can invest up to 10% in issues rated below BBB but no lower than B. The Fund may invest up to 20% of assets in non-dollar bonds. In March of 2007, PIMCO's Institutional share class replaced the Administrative share class.

Performance Commentary

The PIMCO Total Return Fund declined 1.3% during the second quarter and underperformed the LB Aggregate Bond Index by 30 basis points. The manager's focus on shorter maturities in the U.S. and U.K. proved disadvantageous, as yield curves in both economies flattened. Additionally, the manager's strategy of underweighting corporates, which outperformed like-duration Treasuries, along with having tactical exposure to non-U.S. interest rates further impeded the Fund's performance. Adding value to the Fund was the manager's strategy of placing an underweight allocation to U.S. duration and an overweight allocation to high quality mortgages. As the dollar continued to weaken, the Fund's exposure to emerging market currencies, particularly to the Brazilian Real, demonstrated to be beneficial.

PIMCO's longer-term performance remained favorable compared to the benchmark as shown above.

PIMCO TOTAL RETURN INSTL

FUND CHARACTERISTICS AS OF 6/30/08

	PIMCO Total Return Fund Instl	
Credit Quality	AAA	73%
	AA	17
	A	10
	BBB	2
	<BBB	7
	Treasury/Agency	-9
Composition	US Gov't/Agency	-9%
	Corporate	19
	Mortgage-Backed	61
	Foreign	6
	Cash	22
	Other	1
Average Maturity/Duration	5.3 years/4.5 years	
Number of Issues	3,798	
Turnover	N/A	
Distriubtion Yield	5.39%	
Inception Date	September 1994	
Total Fund Assets	\$128.8 billion	
Fees	0.43%	

HISTORICAL RETURNS

(BY YEAR)

	PIMCO Total Return Fund Instl	LB Aggregate Bond Index	Return Difference
	Return	Return	
1998	9.5%	8.7%	0.8
1999	-0.5	-0.8	0.3
2000	11.8	11.6	0.2
2001	9.2	8.4	0.8
2002	9.9	10.3	-0.4
2003	5.3	4.1	1.2
2004	4.9	4.3	0.6
2005	2.6	2.4	0.2
2006	3.7	4.3	-0.6
2007	9.0	7.0	2.0
2008 (6 months)	2.0	1.1	0.9
Trailing 1-Year	10.8%	7.1%	3.7
Trailing 3-Year	4.8	4.1	0.7
Trailing 5-Year	4.5	3.9	0.6
Trailing 10-Year	6.3	5.7	0.6

RETURN SUMMARY
ENDING 6/30/08

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
TRP PS Income	-0.5%	-4.1%	-2.3%	5.6%	7.3%
Custom Benchmark	-0.9	-3.7	-1.6	4.9	6.1

Investment Strategy

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

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

Performance Commentary

Although negative in absolute terms, the T. Rowe Price Personal Strategy Income Fund's return of -0.5% outperformed that of its benchmark by 40 basis points. The manager noted that an overweight allocation to large-cap growth stocks and an underweight allocation to large-cap value stocks relative to the benchmark added value, as growth stocks outperformed value stocks during the second quarter. The Fund favored investment-grade bonds over high-yield bonds, which also proved advantageous. Additionally, the manager increased allocations to non-U.S. bonds during the quarter, which aided in the Fund's return.

The Fund's year-to-date and trailing one-year period returns have underperformed that of its benchmark, while the trailing three- and five-year returns have outperformed.

T. ROWE PRICE

PERSONAL STRATEGY INCOME

FUND CHARACTERISTICS AS OF 5/31/08

	Personal Strategy Income Fund	
Composition*	U.S. Stock	33.4%
	Non-U.S. Stock	10.3
	Bonds	44.5
	Cash	11.8
Number of Holdings*	Stocks	662
	Bonds	602
Turnover	81%	
Inception Date	July 1994	
Total Fund Assets	\$819.8 million	
Fees	0.74%	

HISTORICAL RETURNS

(BY YEAR)

	TRP PS Income	Custom Benchmark	Return Difference
	Return	Return	
1998	11.5%	14.1%	-2.6
1999	5.2	9.9	-4.7
2000	6.6	1.0	5.6
2001	0.9	-0.9	1.8
2002	-3.4	-4.1	0.7
2003	18.6	14.3	4.3
2004	9.9	7.4	2.5
2005	5.2	4.5	0.7
2006	9.6	9.3	0.3
2007	7.3	6.3	1.0
2008 (6 months)	-4.1	-3.7	-0.4
Trailing 1-Year	-2.3%	-1.6%	-0.7
Trailing 3-Year	5.6	4.9	0.7
Trailing 5-Year	7.3	6.1	1.2
Trailing 10-Year	5.7	4.8	0.9

*Data as of 3/31/08.

RETURN SUMMARY
ENDING 6/30/08

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
TRP PS Balanced	-0.7%	-6.8%	-6.0%	6.0%	8.7%
Custom Benchmark	-1.2	-6.1	-5.1	5.5	7.5

Investment Strategy

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

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

Performance Commentary

During the second quarter, the T. Rowe Price Personal Strategy Balanced Fund lost 0.7%, yet outperformed its benchmark by 50 basis points. The manager noted that an overweight allocation to large-cap growth stocks and an underweight allocation to large-cap value stocks relative to the benchmark added value, as growth stocks outperformed value stocks during the second quarter. The Fund favored investment-grade bonds over high-yield bonds, which also proved advantageous. Additionally, the manager increased allocations to non-U.S. bonds during the quarter, which aided in the Fund's return.

The Fund's long-term returns are mixed compared to the benchmark. The Fund's year-to-date and trailing one-year periods have lagged the benchmark, while the trailing three- and five-year returns have outperformed.

T. ROWE PRICE

PERSONAL STRATEGY BALANCED

FUND CHARACTERISTICS AS OF 6/30/08

	Personal Strategy Balanced Fund	
Composition*	U.S. Stock	49.0%
	Non-U.S. Stock	15.2
	Bonds	34.0
	Cash	1.8
Number of Holdings*	Stocks	662
	Bonds	624
Turnover	73%	
Inception Date	July 1994	
Total Fund Assets	\$1.5 billion	
Fees	0.79%	

HISTORICAL RETURNS

(BY YEAR)

	TRP PS Balanced	Custom Benchmark	Return Difference
	Return	Return	
1998	13.9%	17.4%	-3.5
1999	8.0	14.3	-6.3
2000	5.6	-3.0	8.6
2001	-2.5	-4.7	2.2
2002	-7.7	-9.2	1.5
2003	24.4	20.4	4.0
2004	12.6	9.6	3.0
2005	6.4	5.6	0.8
2006	11.9	12.1	-0.2
2007	7.7	6.5	1.2
2008 (6 months)	-6.8	-6.1	-0.7
Trailing 1-Year	-6.0%	-5.1%	-0.9
Trailing 3-Year	6.0	5.5	0.5
Trailing 5-Year	8.7	7.5	1.2
Trailing 10-Year	6.0	4.7	1.3

*Data as of 3/31/08.

RETURN SUMMARY
ENDING 6/30/08

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
TRP PS Growth	-0.8%	-9.3%	-9.8%	6.3%	9.9%
Custom Benchmark	-1.5	-8.5	-8.5	5.9	8.8

Investment Strategy

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

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

Performance Commentary

The T. Rowe Price Personal Strategy Growth Fund fell 0.8% during the second quarter and surpassed the return of the its benchmark by 70 basis points. The manager noted that an overweight allocation to large-cap growth stocks and an underweight allocation to large-cap value stocks relative to the benchmark added value, as growth stocks outperformed value stocks during the second quarter. The Fund favored investment-grade bonds over high-yield bonds, which also proved advantageous. Additionally, the manager increased allocations to non-U.S. bonds during the quarter, which aided in the Fund's return.

The Fund's year-to-date and trailing one-year period lagged the benchmark, while the trailing three- and five- year returns outperformed.

T. ROWE PRICE

PERSONAL STRATEGY GROWTH

FUND CHARACTERISTICS AS OF 6/30/08

	Personal Strategy Growth Fund	
Composition*	U.S. Stock	64.3%
	Non-U.S. Stock	19.8
	Bonds	15.4
	Cash	0.6
Number of Holdings*	Stocks	662
	Bonds	549
Turnover	58%	
Inception Date	July 1994	
Total Fund Assets	\$1.3 billion	
Fee	0.85%	

HISTORICAL RETURNS

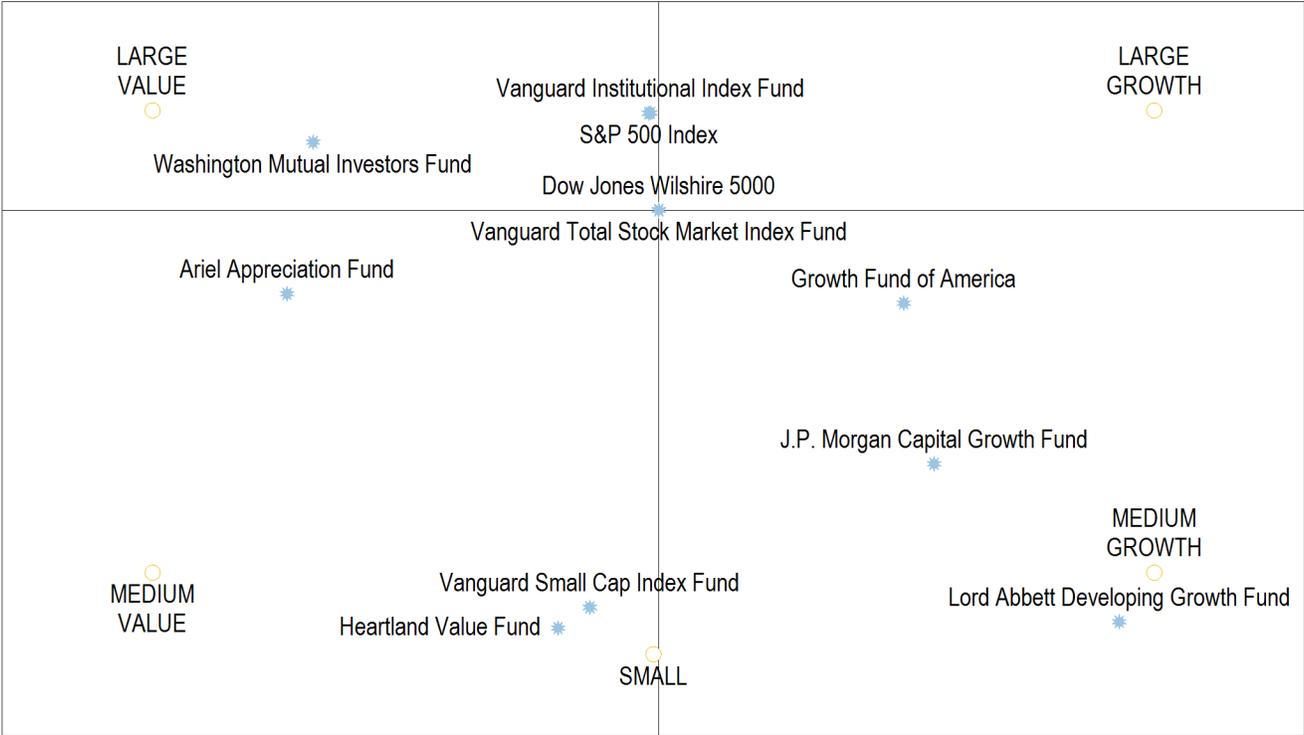
(BY YEAR)

	TRP PS Growth	Custom Benchmark	Return Difference
	Return	Return	
1998	15.6%	20.6%	-5.0
1999	11.2	18.8	-7.6
2000	4.7	-7.0	11.7
2001	-6.0	-8.4	2.4
2002	-12.4	-14.4	2.0
2003	29.3	26.6	2.7
2004	15.0	11.8	3.2
2005	7.6	6.5	1.1
2006	14.1	14.7	-0.6
2007	7.8	6.7	1.1
2008 (6 months)	-9.3	-8.5	-0.8
Trailing 1-Year	-9.8%	-8.5%	-1.3
Trailing 3-Year	6.3	5.9	0.4
Trailing 5-Year	9.9	8.8	1.1
Trailing 10-Year	5.9	4.5	1.4

*Data as of 3/31/08.

U.S. STOCK FUNDS - INVESTMENT STYLE

EFFECTIVE STYLE MAP
7 YEARS ENDING 6/30/08



WASHINGTON MUTUAL INVESTORS

RETURN SUMMARY ENDING 6/30/08

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
Washington Mutual Investors Fund	-4.6%	-12.2%	-15.3%	3.7%	7.0%
Russell 1000 Value Index	-5.3	-13.6	-18.8	3.5	8.9
S&P 500 Index	-2.7	-11.9	-13.1	4.4	7.6

Investment Strategy

Washington Mutual Investors Fund seeks both income and growth of capital. The Fund invests in stocks that meet the fiduciary requirements for the investment of trust funds. This includes companies that have paid consistent dividends and excludes those that derive their primary revenues from alcohol or tobacco (this guideline was replaced by ERISA in 1974, but has been an investment principle for this fund since its 1952 inception). In particular, they seek companies that have paid dividends in at least nine of the last ten years.

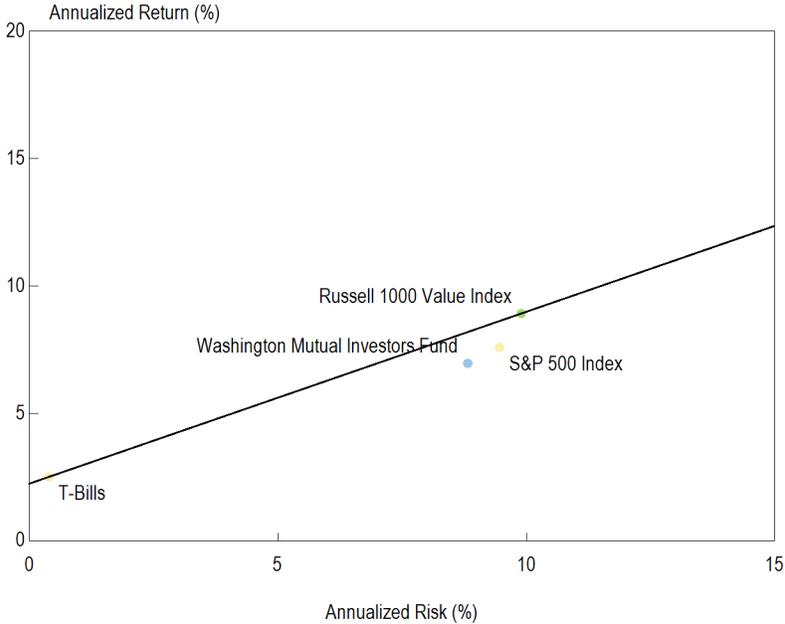
Capital Research & Management (the American Funds family) provides investment services for this fund. Management looks for stocks with strong long-term prospects selling at low prices. The Fund may invest up to 5% of assets in securities of non-U.S. issuers.

Performance Commentary

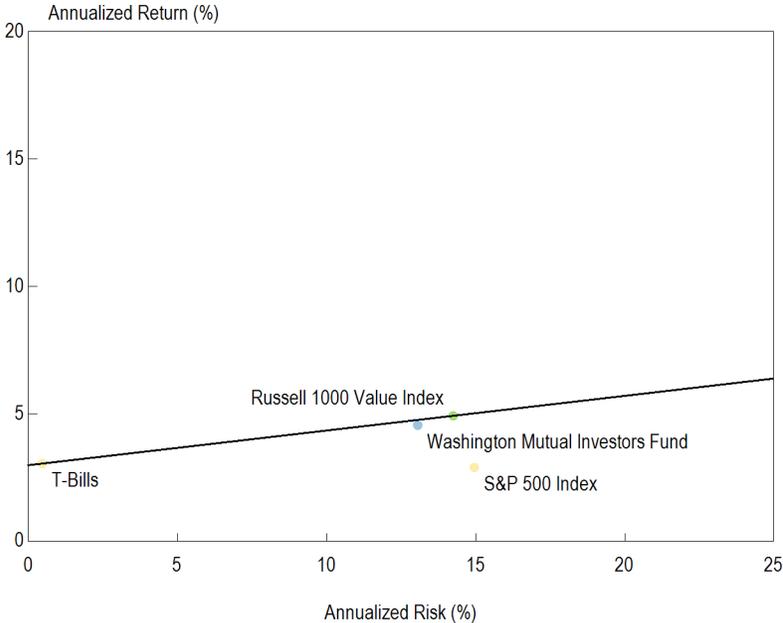
The Washington Mutual Investors Fund declined 4.6% during the second quarter, outpacing the Russell 1000 value Index, but trailed the S&P 500 Index. Stock selection and an underweight allocation compared to the benchmark in the energy, materials, and information technology sectors proved to be disadvantageous for the Fund. Poor stock selection in the consumer discretionary, consumer staples, and financials sectors also impeded the Fund's performance. From an industry perspective, thrifts and mortgage financials and diversified financial services were the largest detractors. In contrast, the insurance and electric utilities industries proved to be the most beneficial in adding value. An overweight allocation to the utilities sectors and cash relative to the benchmark aided performance.

The Fund's one- and three-year performance remains favorable when compared to the Russell 1000 Value Index. Over the five-year period, the fund has underperformed due to a period of relative weak results from 2003 to 2006. The Fund's longer term results are close to those of the S&P 500 Index, the Fund's internal benchmark.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 6/30/08**



**ANNUALIZED RISK RETURN
10 YEARS ENDING 6/30/08**



WASHINGTON MUTUAL INVESTORS

FUND CHARACTERISTICS AS OF 6/30/08

	Washington Mutual Investors Fund	
Style Characteristics	Value	
Capitalization Focus	Large	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.92	
Composition	U.S. Stocks	94.9%
	Non-U.S. Stocks	2.4
	Cash	2.7
Number of Issues**	121	
Turnover**	19%	
Inception Date	July 1952	
Total Fund Assets	\$69.5 billion	
Fees	0.60%	

HISTORICAL RETURNS

(BY YEAR)

	Washington Mutual Investors Fund	Russell 1000 Value Index	Return Difference
	Return	Return	
1998	19.4 %	15.6 %	3.8
1999	1.2	7.4	-6.2
2000	9.1	7.0	2.1
2001	1.5	-5.6	7.1
2002	-14.8	-15.5	0.7
2003	25.8	30.0	-4.2
2004	9.9	16.5	-6.6
2005	3.5	7.0	-3.5
2006	18.0	22.2	-4.2
2007	4.0	-0.2	4.2
2008 (6 months)	-12.2	-13.6	1.4
Trailing 1-Year	-15.3 %	-18.8 %	3.5
Trailing 3-Year	3.7	3.5	0.2
Trailing 5-Year	7.0	8.9	-1.9
Trailing 10-Year	4.5	4.9	-0.4

*Relative to the Russell 1000 Value Index.

**Data as of 3/31/08

**RETURN SUMMARY
ENDING 6/30/08**

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
Vanguard Institutional Index Fund	-2.7 %	-11.9 %	-13.1 %	4.4 %	7.6 %
S&P 500 Index	-2.7	-11.9	-13.1	4.4	7.6

Investment Strategy

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

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

Milwaukee County switched from the retail Vanguard 500 Index Fund to the Vanguard Institutional Index Fund in May 1999.

Performance Commentary

The Vanguard Institutional Index Fund tracked the return of the S&P 500 Index during the second quarter and over all longer-term periods shown above, as expected.

VANGUARD INSTITUTIONAL INDEX

FUND CHARACTERISTICS AS OF 6/30/08

	Vanguard Institutional Index Fund	
Style Characteristics	Core	
Capitalization Focus	Large	
Level of Diversification	Diversified	
Market Risk (Beta)*	1.00	
Composition**	U.S. Stocks	99.7%
	Cash	0.3
Number of Issues**	508	
Turnover**	7%	
Inception Date	July 1990	
Total Fund Assets	\$148.3 billion	
Fees	0.05%	

HISTORICAL RETURNS

(BY YEAR)

	Vanguard Institutional Index Fund	S&P 500 Index	Return Difference
	Return	Return	
1998	28.8%	28.6%	0.2
1999	21.2	21.0	0.2
2000	-8.9	-9.1	0.2
2001	-11.9	-11.9	0.0
2002	-22.0	-22.1	0.1
2003	28.7	28.7	0.0
2004	10.9	10.9	0.0
2005	4.9	4.9	0.0
2006	15.8	15.8	0.0
2007	5.5	5.5	0.0
2008 (6 months)	-11.9	-11.9	0.0
Trailing 1-Year	-13.1%	-13.1%	0.0
Trailing 3-Year	4.4	4.4	0.0
Trailing 5-Year	7.6	7.6	0.0
Trailing 10-Year	2.9	2.9	0.0

*Relative to the S&P 500 Index.

**Data as of 3/31/08.

**RETURN SUMMARY
ENDING 6/30/08**

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
Growth Fund of America	1.3 %	-6.6 %	-5.0 %	9.1 %	11.6 %
Russell 1000 Growth Index	1.2	-9.1	-6.0	5.9	7.3

Investment Approach

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

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

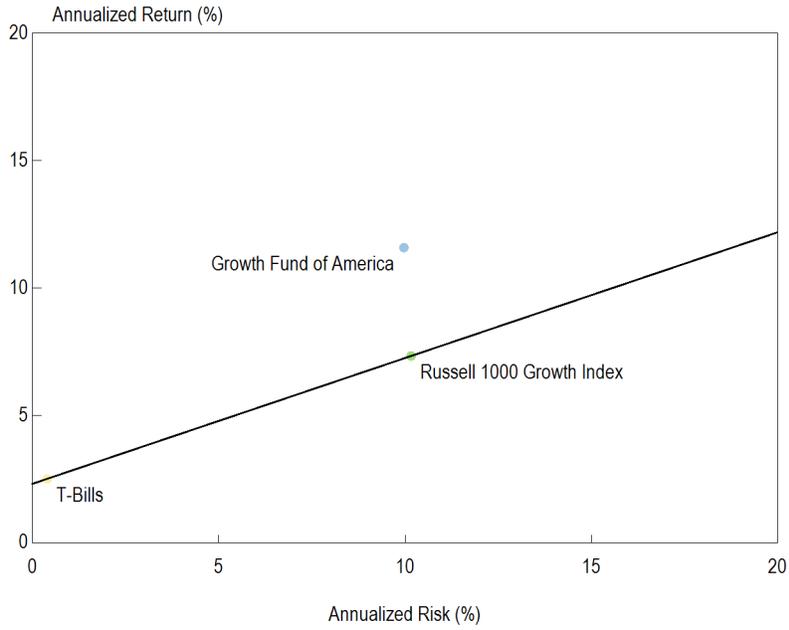
Performance Commentary

The American Funds Growth Fund of America posted a gain of 1.3%, modestly outpacing the Russell 1000 Growth Index during the second quarter. The Fund's underweight allocations relative to the Index and strong stock selection within the telecommunication, industrials, and financials sectors positively impacted the Fund's return. Additionally an overweight allocation to the energy and materials sectors contributed to the Fund's outperformance. On the other hand, poor stock selection in the utilities and information technology sectors penalized the Fund's return. From a country perspective, performance was driven by holdings within the U.S., Canada, and the U.K. While, poor holdings selection within Finland and France hindered performance.

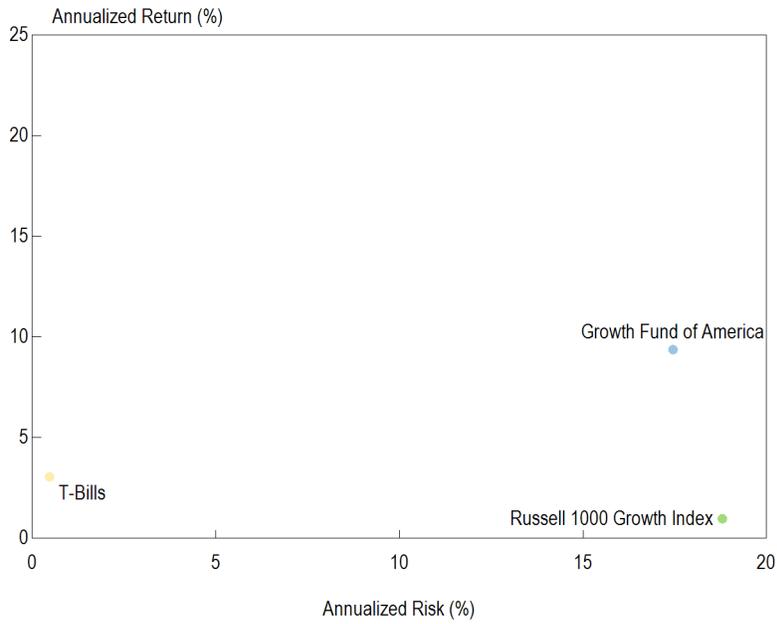
The Fund has outperformed the Russell 1000 Growth Index over all long-term periods shown above.

GROWTH FUND OF AMERICA

ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/08



ANNUALIZED RISK RETURN 10 YEARS ENDING 6/30/08



FUND CHARACTERISTICS AS OF 6/30/08

	Growth Fund of America	
Style Characteristics	Growth	
Capitalization Focus	Large	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.89	
Composition		
	U.S. Stocks	69.0%
	Non-U.S. Stocks	19.4
	U.S. Bonds	0.1
	Cash	11.5
Number of Issues**	282	
Turnover**	26%	
Inception Date	December 1973	
Total Fund Assets	\$184.7 billion	
Fees	0.35%	

HISTORICAL RETURNS

(BY YEAR)

	Growth Fund of America	Russell 1000 Growth Index	Return Difference
	Return	Return	
1998	31.8%	38.7%	-6.9
1999	45.7	33.2	12.5
2000	7.5	-22.4	29.9
2001	-12.3	-20.4	8.1
2002	-21.8	-27.9	6.1
2003	33.3	29.8	3.5
2004	12.2	6.3	5.9
2005	14.5	5.3	9.2
2006	11.2	9.1	2.1
2007	11.3	11.8	-0.5
2008 (6 months)	-6.6	-9.1	2.5
Trailing 1-Year	-5.0%	-6.0%	1.0
Trailing 3-Year	9.1	5.9	3.2
Trailing 5-Year	11.6	7.3	4.3
Trailing 10-Year	9.4	1.0	8.4

*Relative to the Russell 1000 Growth Index.

**Data as of 3/31/08.

VANGUARD TOTAL STOCK MARKET INDEX

RETURN SUMMARY ENDING 6/30/08

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
Vanguard Total Stock Market Index Fund	-1.5%	-10.8%	-12.5%	5.0%	8.7%
Performance Benchmark	-1.5	-10.9	-12.5	5.0	8.7

Investment Strategy

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

Performance Commentary

The Vanguard Total Stock Market Index Fund matched the return of its benchmark during the second quarter and over all longer-term periods shown above, as expected. The Vanguard Total Stock Market Index Fund has provided participants with broad, low cost exposure to the U.S. equity market.

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

VANGUARD TOTAL STOCK MARKET INDEX

FUND CHARACTERISTICS AS OF 6/30/08

	Vanguard Total Stock Market Index Fund	
Style Characteristics	Core	
Capitalization Focus	Large and Medium	
Level of Diversification	Diversified	
Market Risk (Beta)*	1.00	
Composition**	U.S. Stocks	99.4%
	Non-U.S. Stocks	0.6
	Cash	0.0
Number of Issues**	3,547	
Turnover**	5%	
Inception Date	April 1992	
Total Fund Assets	\$87.9 billion	
Fees	0.06%	

HISTORICAL RETURNS

(BY YEAR)

	Vanguard Total Stock Market Index Fund	Performance Benchmark	Return Difference
	Return	Return	
1998	23.3%	23.4%	-0.1
1999	23.8	23.6	0.2
2000	-10.6	-10.9	0.3
2001	-10.9	-11.0	0.1
2002	-21.0	-20.9	-0.1
2003	31.4	31.7	-0.3
2004	12.6	12.6	0.0
2005	6.1	6.2	-0.1
2006	15.7	15.7	0.0
2007	5.6	5.6	0.0
2008 (6 months)	-10.8	-10.9	0.1
Trailing 1-Year	-12.5%	-12.5%	0.0
Trailing 3-Year	5.0	5.0	0.0
Trailing 5-Year	8.7	8.7	0.0
Trailing 10-Year	3.6	3.6	0.0

*Relative to the Performance Benchmark (DJ Wilshire 5000 Stock Index prior to April 2005, MSCI Broad Market Index thereafter).

**Data as of 3/31/08.

J.P. MORGAN CAPITAL GROWTH

RETURN SUMMARY ENDING 6/30/08

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
J.P. Morgan Capital Growth Fund	7.7%	-7.5%	-3.0%	8.8%	12.8%
Performance Benchmark	4.6	-6.8	-6.4	8.2	12.3

Investment Strategy

The J.P. Morgan Capital Growth Fund seeks long-term capital growth. Income is not an objective. The Fund invests in stocks of mid cap companies with market capitalizations of \$1 billion to \$5 billion. The current benchmark is the Russell MidCap Growth Index; however, the Fund's actual allocations can vary from those in the Index.

The Fund may invest up to 20% of assets in foreign stocks, although management has typically maintained a small foreign allocation.

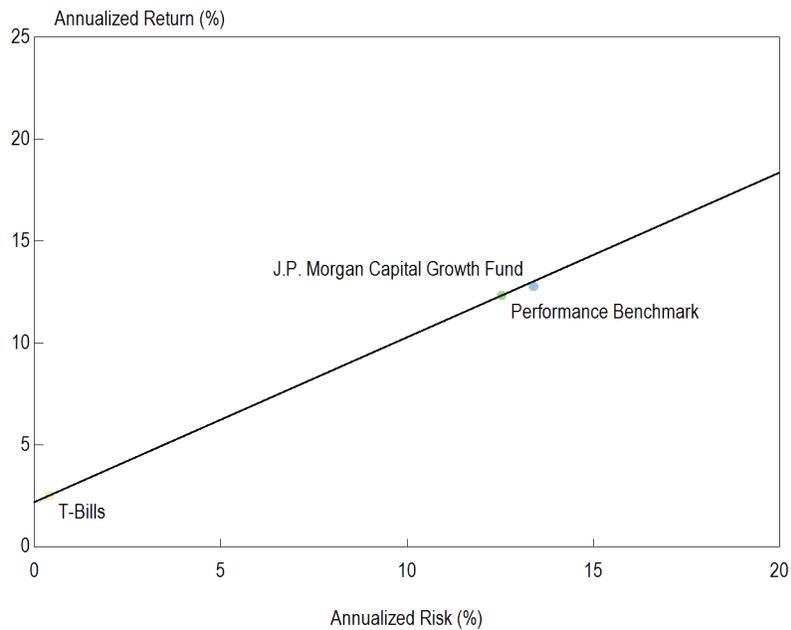
Performance Commentary

The J.P. Morgan Capital Growth Fund generated a return of 7.7% during the second quarter, outperforming its benchmark by 3.1 percentage points. Stock selection within the consumer discretionary and financial services sectors contributed positively to the Fund's return. The Fund benefited from top holdings in Mastercard (+19.1%) and Forest Oil (+52.2%). The Fund's underweight allocation in the healthcare and energy sectors detracted from performance.

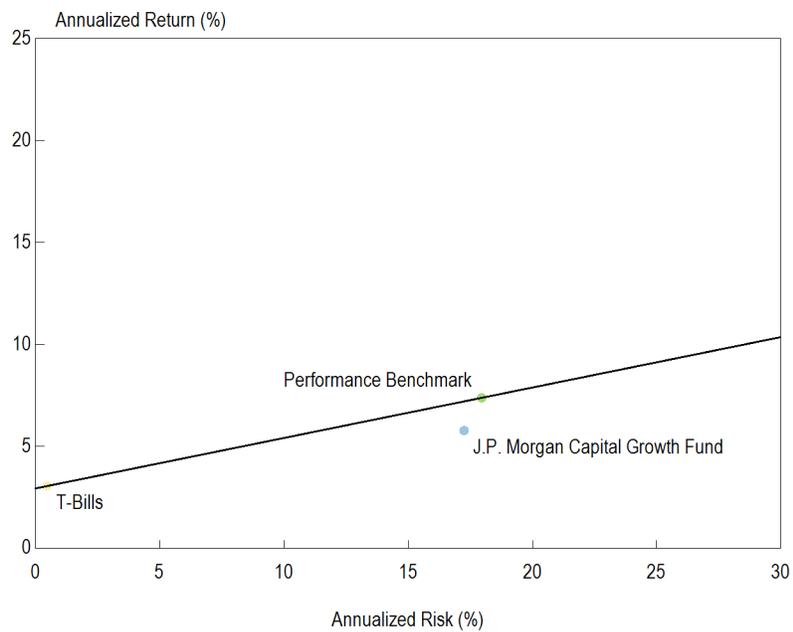
The Fund's strong second quarter performance was offset by its below benchmark return from the first quarter, as the year-to-date return of the Fund trailed the benchmark by 0.7 percentage points. With the exception of the year-to-date period, the Fund has exceeded the return of its benchmark during all long-term periods shown above.

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

ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/08



ANNUALIZED RISK RETURN 10 YEARS ENDING 6/30/08



J.P. MORGAN CAPITAL GROWTH

FUND CHARACTERISTICS AS OF 6/30/08

	J.P. Morgan Capital Growth Fund	
Style Characteristics	Growth	
Capitalization Focus	Medium	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.93	
Composition	U.S. Stocks	97.4%
	Non-U.S. Stocks	1.8
	Cash	0.8
Number of Issues	88	
Turnover	103%	
Inception Date	September 1987	
Total Fund Assets	\$961 million	
Fees	1.14%	

HISTORICAL RETURNS

(BY YEAR)

	J.P. Morgan Capital Growth Fund	Performance Benchmark	Return Difference
	Return	Return	
1998	5.5%	0.4%	5.1
1999	12.8	19.0	-6.2
2000	14.2	17.5	-3.3
2001	-4.5	-0.6	-3.9
2002	-28.1	-27.4	-0.7
2003	36.1	42.7	-6.6
2004	16.9	15.5	1.4
2005	9.7	12.1	-2.4
2006	10.9	10.6	0.3
2007	17.0	11.4	5.6
2008 (6 months)	-7.5	-6.8	-0.7
Trailing 1-Year	-3.0%	-6.4%	3.4
Trailing 3-Year	8.8	8.2	0.6
Trailing 5-Year	12.8	12.3	0.5
Trailing 10-Year	5.8	7.4	-1.6

*Relative to J.P. Morgan's Performance Benchmark.

**RETURN SUMMARY
ENDING 6/30/08**

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
Ariel Appreciation Fund	-3.0%	-12.0%	-21.1%	-0.3%	5.3%
Russell 2500 Index	1.4	-8.1	-14.3	4.9	11.5

Investment Strategy

The Ariel Appreciation Fund seeks long-term capital appreciation, income is not an objective. Management invests in small- and mid-cap U.S. companies that meet environmentally responsible standards. By prospectus, the Fund may not purchase companies involved in the manufacturing of weapons, nuclear energy, or tobacco related products.

Management seeks stocks that are industry leaders or that occupy an industry niche and are selling at a discount to growth-rate projections. Although the Fund is relatively concentrated, management has generally avoided large stakes in growth industries such as technology and health care.

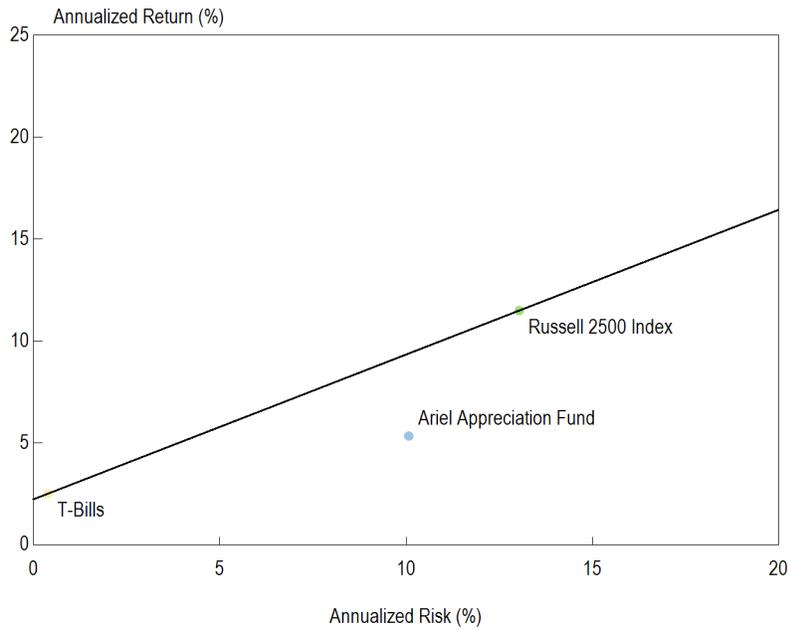
Performance Commentary

The Ariel Appreciation Fund produced a loss of 3.0% during the second quarter, underperforming the Russell 2500 Index by 4.4 percentage points. Heavy exposure to the consumer discretionary and financial services sectors hampered the Fund's return. In addition, having no exposure to the energy sector also subtracted from performance, as it was the strongest performing sector in the market. Jones Lang LaSalle (-21.6%) and Carnival Corp (-17.7%) were among the top holdings that detracted the most from the Fund's performance. On a positive note, holdings in Accenture (+15.8%) and IMS Health Inc (+11.0%) added value to the Fund.

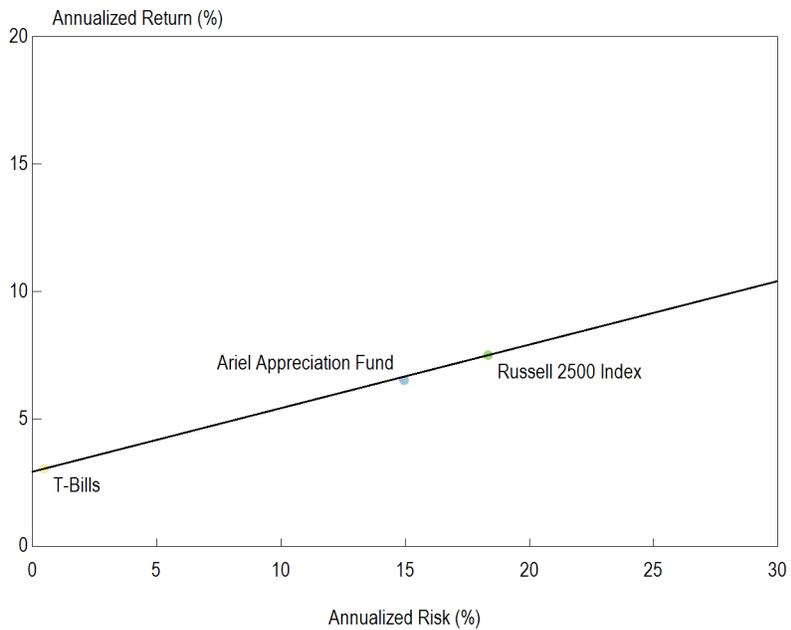
The Fund's long-term period performance remains unfavorable, as it has trailed the Russell 2500 Index during all periods shown above.

ARIEL APPRECIATION

ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/08



ANNUALIZED RISK RETURN 10 YEARS ENDING 6/30/08



FUND CHARACTERISTICS AS OF 6/30/08

	Ariel Appreciation Fund	
Style Characteristics	Value	
Capitalization Focus	Small to Medium	
Level of Diversification	Somewhat Concentrated	
Market Risk (Beta)*	0.62	
Composition	U.S. Stocks	100.0%
Number of Issues	32	
Turnover	26%	
Inception Date	December 1989	
Total Fund Assets	\$1.7 billion	
Fees	1.12%	

**HISTORICAL RETURNS
(BY YEAR)**

	Ariel Appreciation Fund	Russell 2500 Index	Return Difference
	Return	Return	
1998	19.5 %	0.4 %	19.1
1999	-3.8	24.1	-27.9
2000	18.8	4.3	14.5
2001	16.2	1.2	15.0
2002	-10.4	-17.8	7.4
2003	31.0	45.5	-14.5
2004	13.1	18.3	-5.2
2005	2.9	8.1	-5.2
2006	10.9	16.2	-5.3
2007	-1.4	1.4	-2.8
2008 (6 months)	-12.0	-8.1	-3.9
Trailing 1-Year	-21.1 %	-14.3 %	-6.8
Trailing 3-Year	-0.3	4.9	-5.2
Trailing 5-Year	5.3	11.5	-6.2
Trailing 10-Year	6.5	7.5	-1.0

*Relative to the Russell 2500 Index.

VANGUARD SMALL CAP INDEX

RETURN SUMMARY ENDING 6/30/08

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
Vanguard Small Cap Index Fund	1.0%	-8.2%	-14.9%	4.7%	11.6%
Small-Cap Index	1.1	-8.3	-15.0	4.6	11.6

Investment Strategy

The Vanguard Small Cap Index Fund's strategy is designed to track the investment performance of the MSCI US 1750 Small Cap Index, which is comprised of the 1,750 smallest stocks out of the 2,500 largest stocks. Prior to May 17, 2003, the Fund replicated the Russell 2000 Index. Prior to June 30, 2003, the fund used a sampling technique to track the Russell 2000 Index.

Performance Commentary

The Fund approximated the return of its benchmark during the second quarter. Slight tracking error existed over the longer-term periods shown above.

The Fund was moved from Admiral shares to the new Signal share class on 10/6/2007.

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

VANGUARD SMALL CAP INDEX

FUND CHARACTERISTICS AS OF 6/30/08

	Vanguard Small Cap Index Fund	
Style Characteristics	Core	
Capitalization Focus	Small	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.99	
Composition	U.S. Stocks	98.9%
	Non-U.S. Stocks	1.1
	Cash	0.0
Number of Issues	1,745	
Turnover	16%	
Inception Date	October 1960	
Total Fund Assets	\$12.0 billion	
Fees	0.13%	

HISTORICAL RETURNS

(BY YEAR)

	Vanguard Small Cap Index Fund	Small-Cap Index	Return Difference
	Return	Return	
1998	-2.6%	-2.5%	-0.1
1999	23.1	21.3	1.8
2000	-2.7	-3.0	0.3
2001	3.1	2.5	0.6
2002	-20.0	-20.5	0.5
2003	45.6	47.5	-1.9
2004	19.9	20.0	-0.1
2005	7.4	7.5	-0.1
2006	15.8	15.8	0.0
2007	1.2	1.2	0.0
2008 (6 months)	-8.2	-8.3	0.1
Trailing 1-Year	-14.9%	-15.0%	0.1
Trailing 3-Year	4.7	4.6	0.1
Trailing 5-Year	11.6	11.6	0.0
Trailing 10-Year	6.4	6.2	0.2

*Relative to the Vanguard Small Cap Index Performance Benchmark

LORD ABBETT DEVELOPING GROWTH

RETURN SUMMARY ENDING 6/30/08

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
Lord Abnett Developing Growth Fund	6.6%	-16.6%	-4.7%	12.7%	12.5%
Russell 2000 Growth Index	4.5	-8.9	-10.8	6.1	10.4

Investment Approach

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

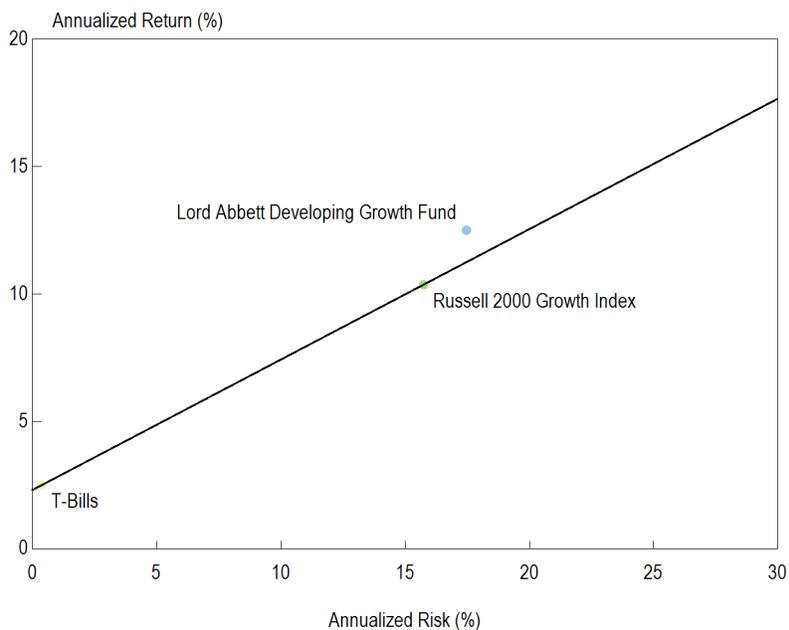
The Fund tends to feature sector diversification, albeit with substantial exposure to growth industries. The portfolio holds approximately 130 micro- and small-cap stocks.

Performance Commentary

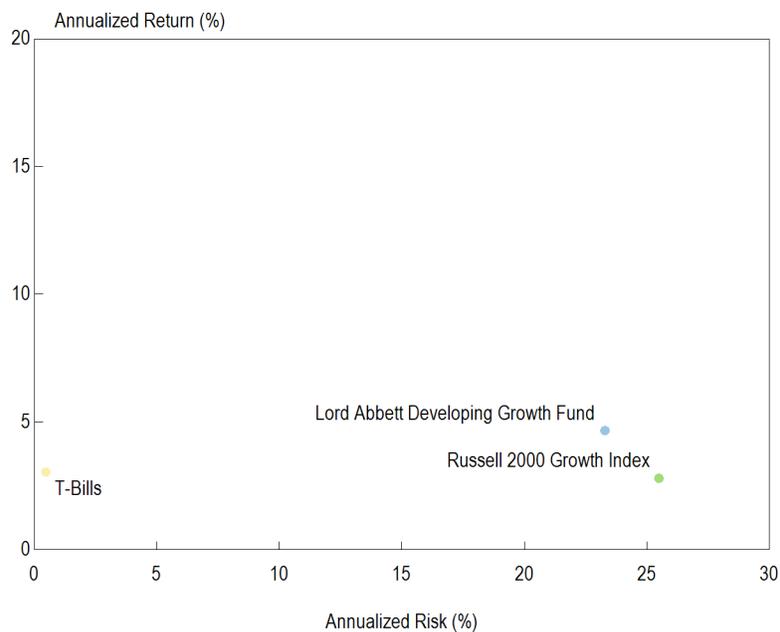
Lord Abnett's second quarter return of 6.6% exceeded that of the Russell 2000 Growth Index by 2.1 percentage points. Stock selection within the materials sector demonstrated to be the largest contributor to the Fund's return. Specifically, holdings in Cleveland-Cliffs (+99.0%) and EnerSys (+43.1%) added value due to high global demand for steel and the continuing strength in global business for industrial batteries. In contrast, Allegiant Travel (-29.6%) and Kirby (-15.8%) detracted from performance. Additionally, an underweight allocation to the energy sector relative to the Index hindered performance.

Although Lord Abnett had a strong second quarter, its weak first quarter performance was responsible for the year-to-date underperformance. All other long-term periods shown above are favorable as the Fund has outperformed the Index.

ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/08



ANNUALIZED RISK RETURN 10 YEARS ENDING 6/30/08



LORD ABBETT DEVELOPING GROWTH

FUND CHARACTERISTICS AS OF 6/30/08

	Lord Abbett Developing Growth Fund	
Style Characteristics	Growth	
Capitalization Focus	Small	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.88	
Composition	U.S. Stocks	94.5%
	Non-U.S. Stocks	1.7
	Cash	3.8
Number of Issues	130	
Turnover	74%	
Inception Date	October 1973	
Total Fund Assets	\$1.5 billion	
Fees	1.19%	

HISTORICAL RETURNS

(BY YEAR)

	Lord Abbett Developing Growth Fund	Russell 2000 Growth Index	Return Difference
	Return	Return	
1998	8.3%	1.2%	7.1
1999	38.2	43.1	-4.9
2000	-17.7	-22.4	4.7
2001	-7.0	-9.2	2.2
2002	-29.5	-30.3	0.8
2003	40.1	48.5	-8.4
2004	6.0	14.3	-8.3
2005	11.9	4.1	7.8
2006	12.4	13.3	-0.9
2007	35.8	7.0	28.8
2008 (6 months)	-16.6	-8.9	-7.7
Trailing 1-Year	-4.7%	-10.8%	6.1
Trailing 3-Year	12.7	6.1	6.6
Trailing 5-Year	12.5	10.4	2.1
Trailing 10-Year	4.7	2.8	1.9

*Relative to the Russell 2000 Growth Index

**RETURN SUMMARY
ENDING 6/30/08**

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
Heartland Value Fund	8.1%	-2.4%	-13.1%	8.5%	11.9%
Russell 2000 Value Index	-3.5	-9.8	-21.6	1.4	10.0

Investment Approach

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

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

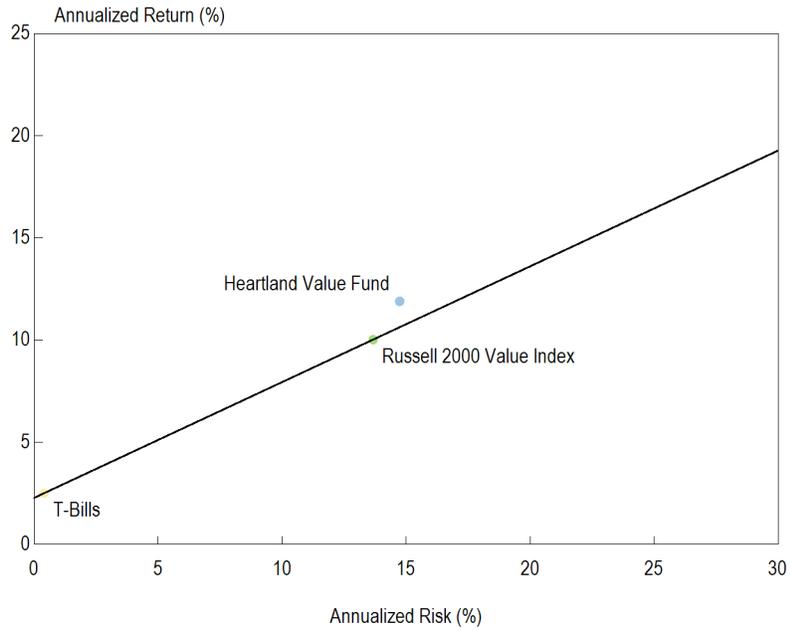
Performance Commentary

The Heartland Value Fund generated a return of 8.1% during the second quarter, outperforming the Russell 2000 Value Index by an impressive 11.6 percentage points. The Fund's most significant contributor was stock selection and an overweight allocation relative to the Index in the energy sector. This proved beneficial as oil prices continued to rise during the second quarter. The Fund also benefited from an underweight allocation in the financials sector. Poor stock selection in the materials sector demonstrated to be the only significant factor that detracted from the Fund's return.

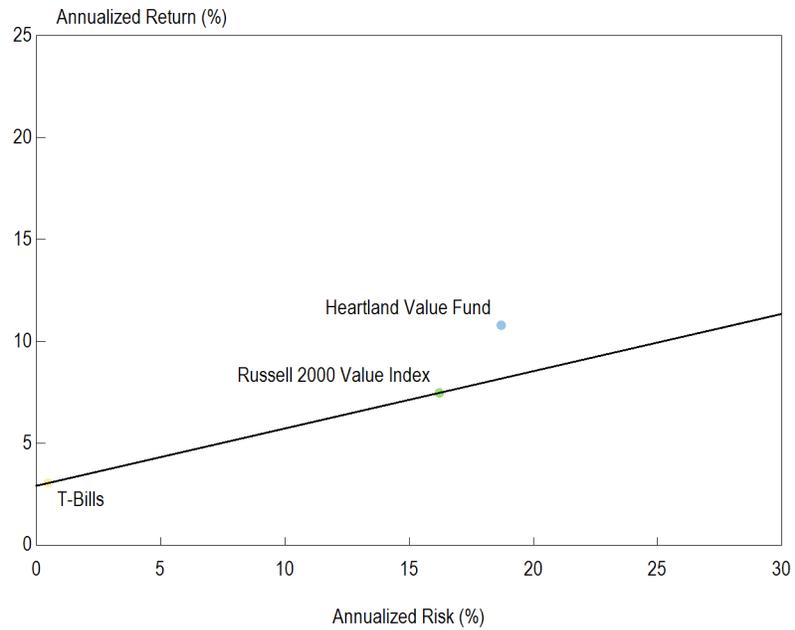
The Fund's longer-term performance remains favorable compared to the Russell 2000 Value Index, as the Fund has surpassed the Index's return during all periods shown above.

HEARTLAND VALUE

ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/08



ANNUALIZED RISK RETURN 10 YEARS ENDING 6/30/08



FUND CHARACTERISTICS AS OF 3/31/08

	Heartland Value Fund	
Style Characteristics	Value	
Capitalization Focus	Micro to Small	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.98	
Composition	U.S. Stocks	84.4%
	Non-U.S. Stocks	12.7
	Cash	2.3
	Other	0.6
Number of Issues	188	
Turnover	55%	
Inception Date	December 1984	
Total Fund Assets	\$1.6 billion	
Fees	1.12%	

HISTORICAL RETURNS
 (BY YEAR)

	Heartland Value Fund	Russell 2000 Value Index	Return Difference
	Return	Return	
1998	-11.5%	-6.4%	-5.1
1999	25.0	-1.5	26.5
2000	2.0	22.8	-20.8
2001	29.5	14.0	15.5
2002	-11.5	-11.4	-0.1
2003	70.2	46.0	24.2
2004	9.1	22.3	-13.2
2005	2.0	4.7	-2.7
2006	28.0	23.5	4.5
2007	-5.5	-9.8	4.3
2008 (6 months)	-2.4	-9.8	7.4
Trailing 1-Year	-13.1%	-21.6%	8.5
Trailing 3-Year	8.5	1.4	7.1
Trailing 5-Year	11.9	10.0	1.9
Trailing 10-Year	10.8	7.5	3.3

*Relative to the Russell 2000 Value Index.

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**RETURN SUMMARY
ENDING 6/30/08**

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
EuroPacific Growth Fund	-2.3%	-10.0%	-3.9%	16.4%	19.0%
MSCI All Country World ex-U.S. Index	-1.1	-10.2	-6.6	15.7	18.9

Investment Approach

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

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

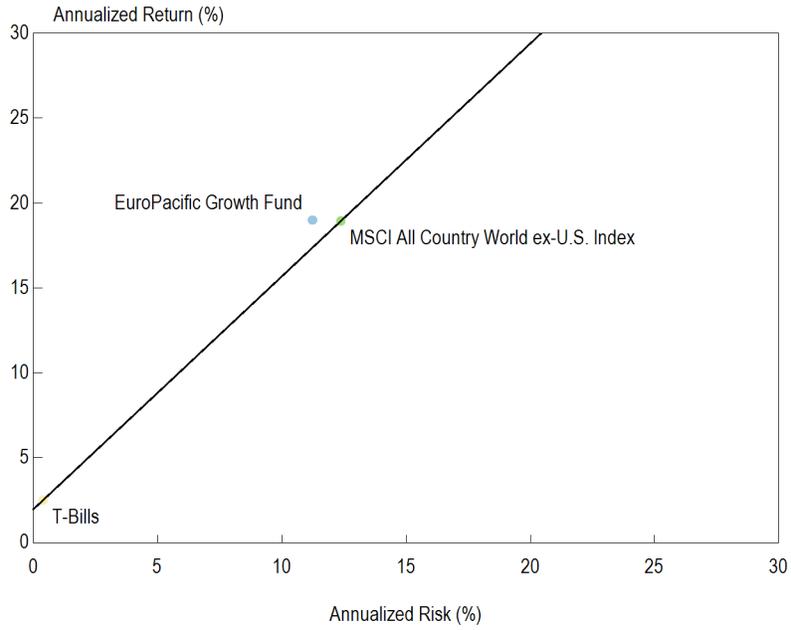
Performance Commentary

The EuroPacific Growth Fund declined 2.3%, trailing the benchmark by 1.2 percentage points during the second quarter. An underweight allocation compared to the Index and poor stock selection in the materials sector hindered the Fund's return. Also subtracting from performance was an overweight allocation and poor stock selection in the information technology and consumer discretionary sector. In contrast, an overweight allocation in cash and the healthcare sector aided performance. From a country perspective, favorable stock selection in Germany and Ireland contributed the most to performance. Meanwhile, adverse stock selection and an overweight allocation relative to the Index to India and France demonstrated to be unfavorable.

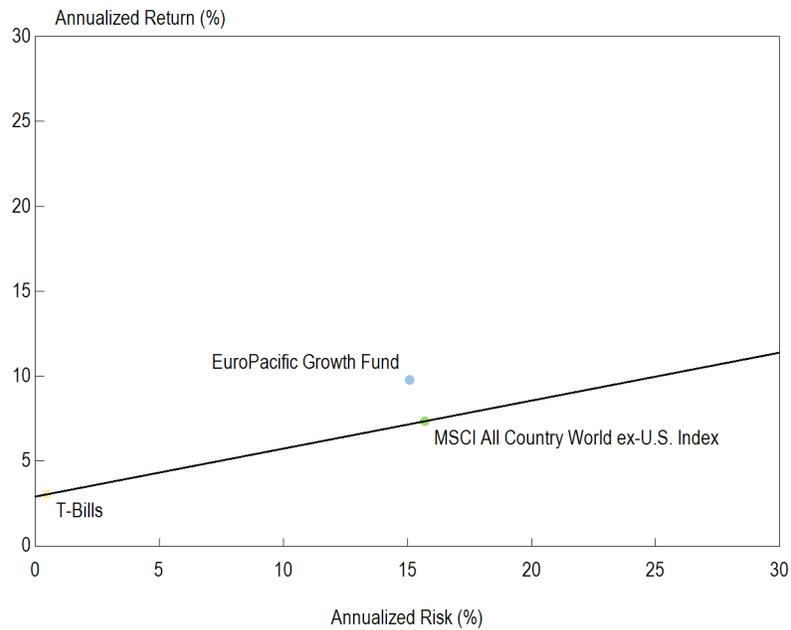
The Fund's longer-term results remain favorable, as the Fund's returns have exceeded those of the Index for all longer periods shown above.

EUROPACIFIC GROWTH

ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/08



ANNUALIZED RISK RETURN 10 YEARS ENDING 6/30/08



EUROPACIFIC GROWTH

FUND CHARACTERISTICS AS OF 6/30/08

EuroPacific Growth Fund	
Geographic Breakdown	Asia & Pacific Basin 21.5%
	Europe ex-U.K. 55.7
	Other (Including Canada & Latin America) 13.8
	Cash 9.0
Composition	Non-U.S. Stocks 90.8%
	U.S. Stocks 0.1
	Non-U.S. Bonds 0.1
	Cash 9.0
Number of Issues*	297
Turnover*	38%
Inception Date	April 1984
Total Fund Assets	\$113.4 billion
Fees	0.53%

HISTORICAL RETURNS

(BY YEAR)

	EuroPacific Growth Fund	MSCI All Country World ex-U.S. Index	Return Difference
	Return	Return	
1998	15.5%	14.1%	1.4
1999	57.0	30.6	26.4
2000	-17.8	-15.3	-2.5
2001	-12.2	-19.7	7.5
2002	-13.4	-14.9	1.5
2003	33.2	40.8	-7.6
2004	20.0	20.9	-0.9
2005	21.4	16.6	4.8
2006	22.2	26.6	-4.4
2007	19.2	16.7	2.5
2008 (6 months)	-10.0	-10.2	0.2
Trailing 1-Year	-3.9%	-6.6%	2.7
Trailing 3-Year	16.4	15.7	0.7
Trailing 5-Year	19.0	18.9	0.1
Trailing 10-Year	9.8	7.3	2.5

*Data as of 3/31/08.

EUROPACIFIC GROWTH

COUNTRY ALLOCATION/RETURNS**

3 MONTHS ENDING 3/31/08

	Manager Allocation	Index Allocation	Index Return
Europe			
Austria	0.9 %	0.4 %	-9.9 %
Belgium	0.5	1.0	-3.1
Czech Republic*	--	0.2	-0.4
Denmark	2.1	0.8	0.0
Finland	1.3	1.4	-10.5
France	9.7	8.1	-8.4
Germany	9.6	6.8	-11.8
Greece	1.2	0.5	-15.8
Hungary*	0.3	0.1	-13.7
Ireland	1.1	0.5	-1.2
Italy	2.0	2.9	-11.7
Netherlands	2.4	2.1	-6.6
Norway	1.1	0.8	-10.5
Poland*	0.2	0.2	-3.9
Portugal	0.2	0.3	-13.2
Russia*	2.6	1.9	-11.5
Spain	3.5	3.3	-5.6
Sweden	1.7	1.8	-3.4
Switzerland	6.8	5.4	-2.1
United Kingdom	7.0	16.0	-10.5
Asia/Pacific			
Australia	1.7 %	4.7 %	-11.7 %
China*	1.0	2.7	-23.7
Hong Kong	1.1	1.6	-18.9
India*	2.9	1.4	-27.0
Indonesia*	0.5	0.3	-6.5
Japan	7.8	14.9	-7.8
Korea*	4.4	2.7	-13.1
Malaysia*	0.1	0.5	-9.3
New Zealand	--	0.1	-14.7
Pakistan*	0.1	0.0	11.2
Philippines*	0.3	0.1	-17.5
Singapore	1.0	0.9	-7.4
Sri Lanka*	--	--	-3.6
Taiwan, China*	3.7	2.3	5.3
Thailand*	0.1	0.3	3.3
Americas			
Argentina*	--	0.1 %	6.9 %
Brazil*	3.3 %	2.8	-5.0
Canada	2.1	6.5	-6.1
Chile*	--	0.3	9.7
Colombia*	--	0.1	-4.4
Mexico*	2.5	1.0	5.1
Peru*	--	0.1	5.3
United States	0.2	--	-9.5
Other			
Egypt*	0.2 %	0.2 %	7.9 %
Israel*	0.5	0.4	-4.8
Morocco*	--	0.1	33.8
Jordan*	--	0.0	-1.9
South Africa*	1.4	1.2	-15.0
Cash			
Cash	10.8 %	--	--
Other			
Turkey*	0.1 %	0.2 %	-38.4 %
Total	100.0 %	100.0 %	-9.1 %
Developed	65.0	80.7	
Emerging*	24.2	19.2	
Cash	10.8	--	

**Country allocations as of 6/30/08 not available at the time of the production of this report.

VANGUARD TOTAL INTERNATIONAL STOCK INDEX

RETURN SUMMARY ENDING 6/30/08

	Second Quarter	Year-To-Date	1 Year Ending 6/30/08	3 Years Ending 6/30/08	5 Years Ending 6/30/08
Vanguard Total International Stock Index Fund	-2.2%	-10.9%	-8.1%	14.9%	18.3%
MSCI All Country World ex-U.S. Index	-1.1	-10.2	-6.6	15.7	18.9

Investment Strategy

The Vanguard Total International Stock Index seeks long-term growth of capital by offering exposure to over 1500 companies in more than 30 countries. The Fund invests in three Vanguard Index Funds: Vanguard European Stock Index Fund, Vanguard Pacific Stock Index Fund and Vanguard Emerging Markets Stock Index Fund. Each of these index funds attempts to track the appropriate MSCI Index. The three funds are managed by the Vanguard Quantitative Equity Group. The major difference between the Fund and the Index is the Fund's lack of exposure to Canada.

Performance Commentary

The Vanguard Total International Stock Index lagged the MSCI All Country World ex-U.S. Index during the second quarter by 1.1 percentage points. The underperformance was mostly attributed to the Fund's lack of exposure to Canada. As of 6/30/08, Canada made up 7.4% of the MSCI All Country World ex-U.S. Index and had a strong performance during the second quarter. It should be noted that the Fund invests in three underlying Vanguard Index Funds, and therefore does not aim to explicitly track the MSCI All Country World ex-U.S. Index.

VANGUARD TOTAL INTERNATIONAL STOCK INDEX

FUND CHARACTERISTICS AS OF 6/30/08

	Vanguard Total International Stock Index Fund	
Country Allocations	Japan	16.1%
	Pacific ex-Japan	20.5
	U.K.	16.6
	Europe ex-U.K.	39.9
	Latin America	3.9
	U.S. & Canada	0.0
	Other	3.0
Composition	Non-U.S. Stocks	100.0%
	Cash	0.0
Number of Issues	3 mutual funds	
Turnover	N/A	
Inception Date	April 1996	
Total Fund Assets	\$27.1 billion	
Fees	0.27%	

HISTORICAL RETURNS

(BY YEAR)

	Vanguard Total International Stock Index Fund	MSCI All Country World ex-U.S. Index	Return Difference
	Return	Return	
1998	15.6 %	14.1 %	1.5
1999	29.9	30.6	-0.7
2000	-15.6	-15.3	-0.3
2001	-20.2	-19.7	-0.5
2002	-15.1	-14.9	-0.2
2003	40.3	40.8	-0.5
2004	20.8	20.9	-0.1
2005	15.6	16.6	-1.0
2006	26.6	26.6	0.0
2007	15.5	16.7	-1.2
2008 (6 months)	-10.9	-10.2	-0.7
Trailing 1-Year	-8.1 %	-6.6 %	-1.5
Trailing 3-Year	14.9	15.7	-0.8
Trailing 5-Year	18.3	18.9	-0.6
Trailing 10-Year	6.9	7.3	-0.4

VANGUARD TOTAL INTERNATIONAL STOCK INDEX

COUNTRY ALLOCATION/RETURNS

3 MONTHS ENDING 6/30/08

	Manager Allocation	Index Allocation	Index Return
Europe			
Austria	0.5 %	0.5 %	5.1 %
Belgium	0.8	0.8	-19.5
Czech Republic*	0.2	0.2	11.9
Denmark	0.8	0.8	-1.0
Finland	1.2	1.1	-13.8
France	8.3	7.8	-3.9
Germany	7.0	6.6	-2.4
Greece	0.5	0.5	-13.0
Hungary*	0.2	0.2	3.4
Ireland	0.4	0.4	-17.7
Italy	2.9	2.8	-5.4
Netherlands	2.0	1.9	-8.8
Norway	0.9	0.8	13.5
Poland*	0.4	0.3	-8.4
Portugal	0.2	0.2	-14.1
Russia*	1.6	2.2	10.8
Spain	3.2	3.0	-8.5
Sweden	1.7	1.6	-10.2
Switzerland	5.5	5.2	-5.6
United Kingdom	16.1	15.9	-0.8
Asia/Pacific			
Australia	5.4 %	5.0 %	4.0 %
China*	3.0	2.8	-3.5
Hong Kong	1.7	1.6	-3.9
India*	1.2	1.1	-19.7
Indonesia*	0.4	0.3	-4.8
Japan	17.1	15.5	2.5
Korea*	2.5	2.5	-7.6
Malaysia*	0.5	0.4	-9.1
New Zealand	0.1	0.1	-14.4
Pakistan*	--	0.0	-26.6
Philippines*	--	0.1	-24.9
Singapore	1.0	0.9	-0.9
Taiwan, China*	2.2	2.1	-10.6
Thailand*	0.2	0.3	-11.9
Americas			
Argentina*	--	0.1 %	35.4 %
Brazil*	3.2 %	3.5	18.4
Canada	--	7.4	11.0
Chile*	0.2	0.2	-11.9
Colombia*	--	0.1	3.9
Mexico*	1.0	1.0	-4.5
Peru*	--	0.1	2.4
United States	0.8	--	-2.2
Other			
Egypt*	--	0.1 %	-10.3 %
Israel*	0.5 %	0.5	11.7
Morocco*	--	0.1	-2.6
Jordan*	--	0.0	17.4
Other Countries*	2.9	--	--
South Africa*	1.4	1.3	4.5
Turkey*	0.3	0.3	-1.6
Total	100.0 %	100.0 %	-1.1 %
Developed	78.2	80.2	
Emerging*	21.8	19.8	
Cash	--	--	

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RETURNS OF THE MAJOR CAPITAL MARKETS

	Second Quarter	Annualized Periods Ending 6/30/08				
		1-Year	3-Year	5-Year	10-Year	15-Year
Domestic Stock Indices:						
DJ Wilshire 5000 Index	-1.6%	-12.5%	5.0%	8.7%	3.6%	9.3%
S&P 500 Index	-2.7	-13.1	4.4	7.6	2.9	9.2
Russell 3000 Index	-1.7	-12.7	4.7	8.4	3.5	9.3
Russell 1000 Value Index	-5.3	-18.8	3.5	8.9	4.9	10.1
Russell 1000 Growth Index	1.2	-6.0	5.9	7.3	1.0	8.0
Russell MidCap Value Index	0.1	-17.1	5.0	13.0	8.4	11.8
Russell MidCap Growth Index	4.6	-6.4	8.2	12.3	5.6	9.7
Russell 2000 Value Index	-3.5	-21.6	1.4	10.0	7.5	10.9
Russell 2000 Growth Index	4.5	-10.8	6.1	10.4	2.8	6.3
Domestic Bond Indices:						
Lehman Brothers Aggregate Index	-1.0%	7.1%	4.1%	3.9%	5.7%	6.1%
Lehman Brothers Govt/Credit Index	-1.5	7.2	3.8	3.6	5.7	6.1
Lehman Brothers Long Govt/Credit Index	-1.5	6.8	2.2	4.0	6.3	7.1
Lehman Brothers 1-3 Year Govt/Credit Index	-0.6	6.7	4.6	3.4	4.9	5.1
Lehman Brothers U.S. MBS Index	-0.5	7.8	4.8	4.6	5.8	6.1
Lehman Brothers High Yield Index	1.8	-2.3	4.5	6.9	4.9	6.7
Lehman Brothers Universal Index	-0.8	6.2	4.1	4.2	5.8	6.2
Real Estate Indices:						
NCREIF Property Index	--	--	--	--	--	--
NCREIF ODCE Index	--	--	--	--	--	--
DJ Wilshire Real Estate Securities Index	-5.4	-15.4	4.8	14.9	11.0	11.5
FTSE NAREIT US Real Estate Index	-4.9	-13.6	5.0	14.3	10.6	11.5
Foreign/Global Stock Indices:						
MSCI All Country World Index	-1.6%	-9.3%	10.3%	13.1%	4.9%	8.1%
MSCI All Country World IMI	-1.4	-11.0	--	--	--	--
MSCI All Country World ex-U.S. Index	-1.1	-6.6	15.7	18.9	7.3	7.9
MSCI All Country World ex-U.S. IMI	-1.4	-7.5	15.5	19.1	7.7	--
MSCI All country World ex-U.S. Small Cap Index	-4.9	-15.9	13.5	20.7	9.8	--
MSCI EAFE Index	-2.3	-10.6	12.8	16.7	5.8	7.2
MSCI EAFE IMI	-2.4	-11.2	12.7	16.9	6.3	--
MSCI EAFE Index (in local currency)	-0.9	-20.3	6.7	11.2	2.6	5.7
MSCI Emerging Markets IMI	-0.9	--	--	--	--	--
Foreign Bond Indices:						
Citigroup World Gov't Bond Index	-4.7%	18.7%	6.7%	7.1%	6.7%	6.6%
Citigroup Hedged World Gov't Bond Index	-2.4	4.6	3.0	3.5	5.1	6.7
Cash Equivalents:						
Treasury Bills (30-Day)	0.3%	2.6%	3.3%	2.5%	3.0%	3.5%
EnnisKnupp STIF Index	0.7	4.4	4.6	3.4	3.9	4.3
Inflation Index:						
Consumer Price Index	2.5%	5.0%	4.0%	3.6%	3.0%	2.8%

APPENDIX II

Benchmark Descriptions

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

Custom Benchmark (Personal Strategy Balanced) - A mix of 51% DJ Wilshire 5000 Stock Index, 30% Lehman Brothers Aggregate Bond Index, 10% 90-Day Treasury Bills, and 9% MSCI EAFE Index.

Custom Benchmark (Personal Strategy Growth) - A mix of 65% DJ Wilshire 5000 Stock Index, 20% Lehman Brothers Aggregate Bond Index and 12% MSCI EAFE Index.

Custom Benchmark (Personal Strategy Income) - A mix of 34% DJ Wilshire 5000 Stock Index, 40% Lehman Brothers Aggregate Bond Index, 20% 90-Day Treasury Bills, and 6% MSCI EAFE Index.

Performance Benchmark (Vanguard Total Stock Market Index) - DJ Wilshire 5000 until 4/30/2005, the MSCI U.S. Broad Market Index going forward.

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

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

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

Lehman Brothers Corporate Bond Index - A market value-weighted index consisting of government bonds and SEC-registered corporate bonds with at least one year to maturity and an outstanding par value of \$150 million or greater.

MSCI All Country World Ex-U.S. Free Index - A capitalization-weighted index of stocks representing 48 developed and emerging country stock markets, excluding the U.S. market.

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

Performance Benchmark (J.P. Morgan Capital Growth) - Currently the Russell Mid Cap Growth Index. Prior to January 1, 2002, the benchmark was the S&P 400 Midcap Index effective June 30, 1999, and the Russell 2500 Index prior to that.

60/40 Benchmark - A mix of 60% DJ Wilshire 5000 Stock Index and 40% Lehman Brothers Aggregate Bond Index.

Benchmark Descriptions

S&P Midcap 400 Stock Index - A capitalization-weighted index representing stocks chosen by Standard & Poor's, Inc. for their size, liquidity, stability and industry group representation. None of the stocks included overlap with those in the S&P 500 or the S&P SmallCap 600. Some stocks included in the Index are larger than those in the S&P 500 and some are smaller than those in the S&P Small Cap 600.

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

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

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

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

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

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

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

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

DJ Wilshire 5000 Stock Index - A capitalization-weighted stock index representing all domestic common stocks traded regularly on the organized exchanges. The Index is the broadest measure of the aggregate domestic stock market.

APPENDIX II

Rank Descriptions

U.S. Equity Ranks* - A broad Morningstar universe of 2,387 U.S. stock mutual funds.

Fixed Income Ranks* - A broad Morningstar universe of 703 fixed income mutual funds.

Non-U.S. Equity Ranks* - A non-U.S. equity universe calculated by Mellon Analytical Solutions. The universe includes 78 non-U.S. stock managers with an aggregate market value of \$306.8 billion.

*Data as of 3/31/08.