

PERFORMANCE REPORT

Independent
advice for the
institutional
investor

**Milwaukee County
Deferred
Compensation Plan**

First Quarter 2009

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

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INVESTMENT HIGHLIGHTS

RETURN SUMMARY ENDING 3/31/09

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
North Shore Savings Fund	0.3%	--	1.8%	--	2.9%	--	2.7%	--
iMoney Net Money Fund Average	0.1	--	1.4	--	3.3	--	2.6	--
Stable Value Fund	1.2	--	4.8	--	4.8	--	4.7	--
EnnisKnupp GIC Index	1.1	--	4.7	--	4.5	--	4.2	--
PIMCO Total Return Fund Instl	1.5	12	3.0	16	6.6	10	4.8	10
Barclays Capital Aggregate Bond Index	0.1	47	3.1	14	5.8	15	4.1	15

RETURN SUMMARY ENDING 3/31/09

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
TRP PS Income	-2.8%	45	-19.7%	68	-3.9%	53	0.5%	33
Custom Benchmark	-4.3	71	-16.1	40	-2.5	31	0.8	27
TRP PS Balanced	-4.3	41	-28.0	76	-7.7	58	-1.0	38
Custom Benchmark	-6.5	71	-24.4	46	-6.1	32	-0.7	30
TRP PS Growth	-6.2	42	-35.9	85	-11.7	68	-2.9	49
Custom Benchmark	-8.8	71	-32.0	55	-9.7	37	-2.2	37

Benchmark descriptions can be found in the Appendix.

INVESTMENT HIGHLIGHTS

RETURN SUMMARY ENDING 3/31/09

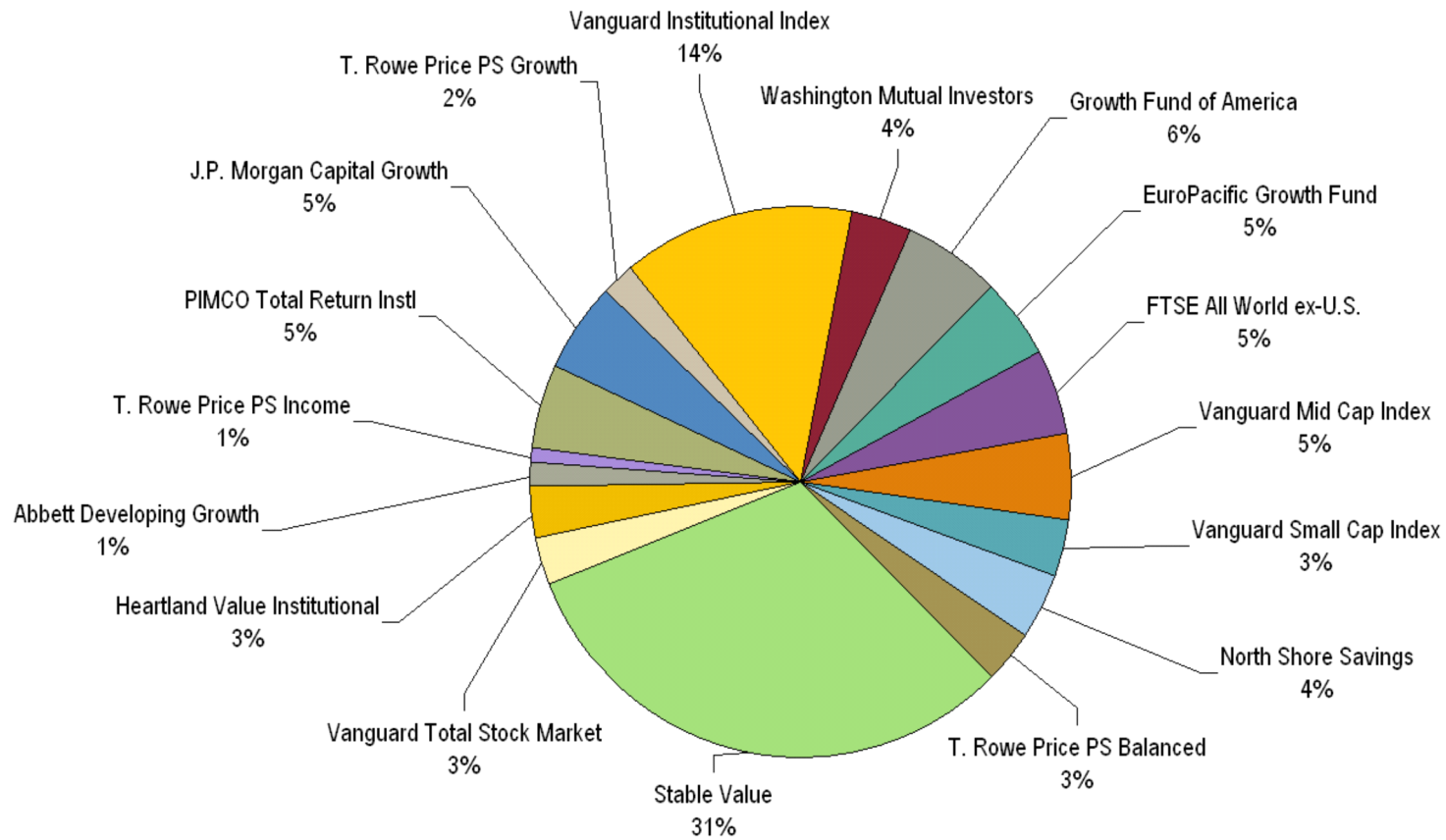
	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Washington Mutual Investors Fund	-13.2%	86	-36.9%	44	-12.0%	29	-4.4%	54
Russell 1000 Value Index	-16.8	98	-42.4	87	-15.4	72	-4.9	64
Vanguard Institutional Index Fund	-11.0	69	-38.0	54	-13.0	41	-4.8	61
S&P 500 Index	-11.0	71	-38.1	55	-13.1	41	-4.8	61
Growth Fund of America	-3.9	20	-36.3	39	-11.4	23	-2.0	18
Russell 1000 Growth Index	-4.1	21	-34.3	26	-11.3	23	-4.4	53
Vanguard Total Stock Market Index Fund	-10.7	66	-37.8	52	-13.3	46	-4.4	53
Performance Benchmark	-10.7	66	-37.9	53	-13.3	46	-4.4	53
J.P. Morgan Capital Growth Fund	-1.1	8	-35.2	32	-13.1	42	-2.7	27
Performance Benchmark	-3.4	17	-39.6	72	-14.9	67	-3.9	45
Vanguard Mid Cap Index Fund	-8.4	46	-40.4	77	-15.7	75	-3.3	35
MSCI U.S. Mid Cap 450 Index	-8.4	46	-40.4	78	-15.7	76	-3.3	36
Vanguard Small Cap Index Fund	-13.5	88	-39.1	67	-16.7	83	-4.7	60
Small-Cap Index	-13.5	88	-39.2	69	-16.8	84	-4.8	62
Lord Abbett Developing Growth Fund	-2.2	12	-34.3	26	-12.2	32	-1.8	16
Russell 2000 Growth Index	-9.7	58	-36.4	40	-16.2	79	-5.4	72
Heartland Value Institutional Fund	-12.4	82	-41.2	82	-18.1	90	-7.5	93
Russell 2000 Value Index	-19.6	99	-38.9	66	-17.5	88	-5.3	71

RETURN SUMMARY ENDING 3/31/09

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
EuroPacific Growth Fund	-7.9%	7	-40.4%	9	-9.4%	6	1.8%	8
MSCI All Country World ex-U.S. Index	-10.7	27	-46.5	52	-13.1	32	-0.7	29
Vanguard FTSE All World ex-U.S. Index	-12.3	51	-46.2	49	--	--	--	--
FTSE All World ex-U.S. Index	-10.4	22	-46.1	48	--	--	--	--

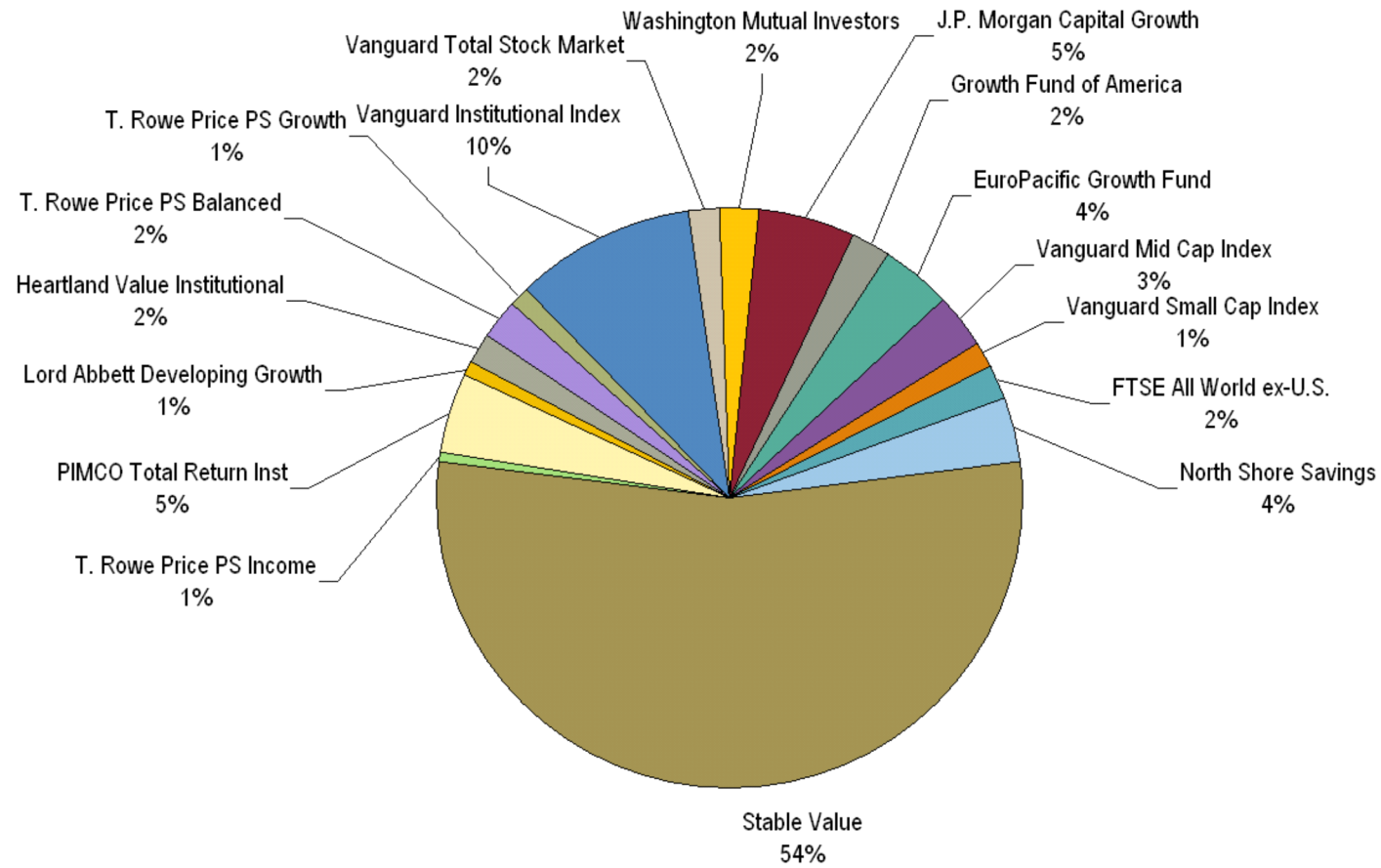
Benchmark descriptions can be found in the Appendix. U.S. equity ranks are obtained using a broad Morningstar universe of 2,244 U.S. stock mutual funds. Non-U.S. equity ranks are obtained using a universe including 95 non-U.S. stock managers calculated by BNY Mellon Performance and Risk Analytics.

Contributions by Investment Option
First Quarter 2009

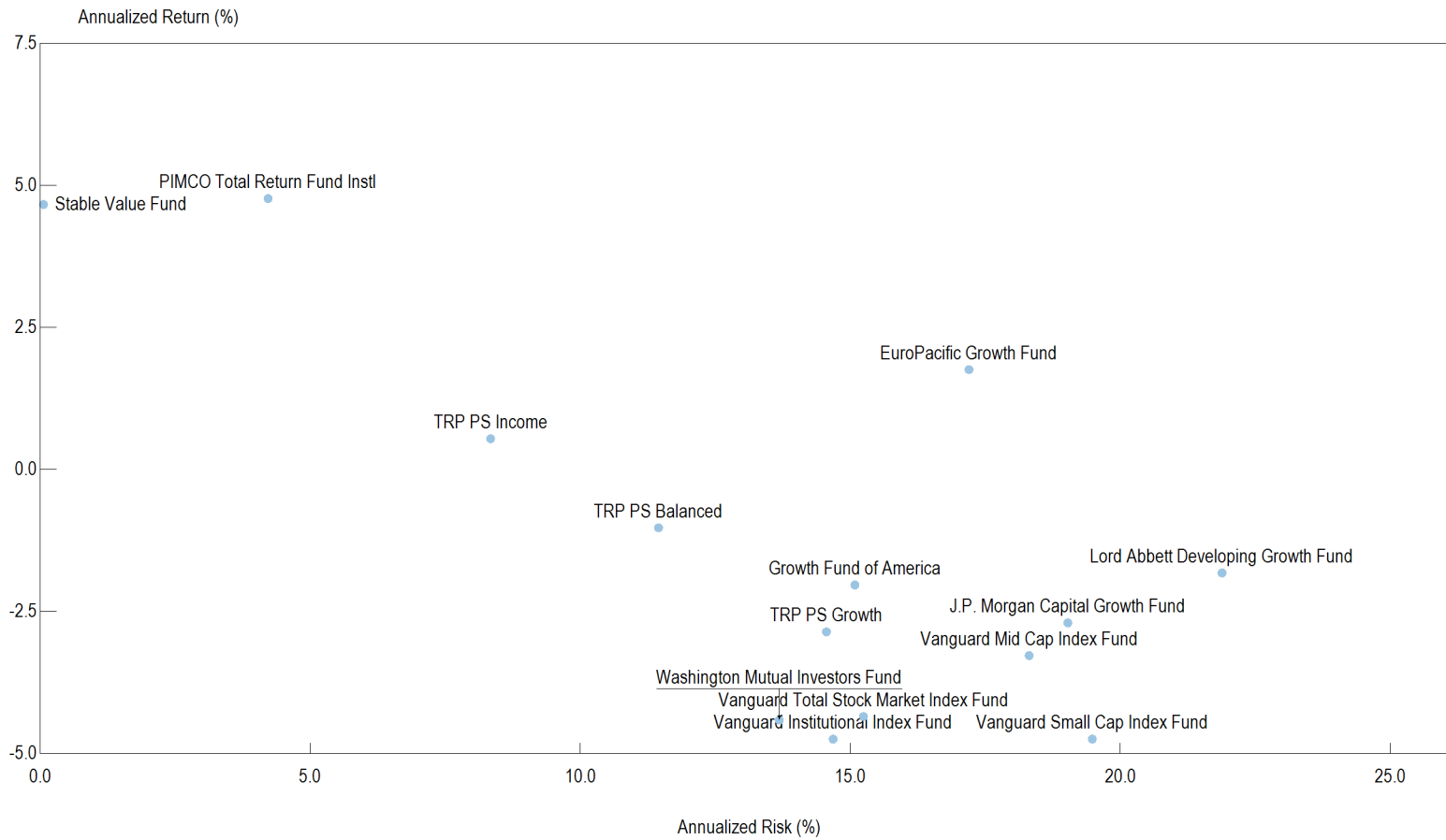


INVESTMENT HIGHLIGHTS

**Asset Allocation
Milwaukee County Investment Options
First Quarter 2009**



**ANNUALIZED RISK RETURN
5 YEARS ENDING 3/31/09**



INVESTMENT HIGHLIGHTS

Change in Market Value

Investment Fund	December 31, 2008	Net Contributions/ Withdrawals	Net Income/ Appreciation*	March 31, 2009
North Shore Savings	6,166,685	353,769	20,128	6,540,583
Stable Value	94,007,182	2,099,853	1,079,007	97,186,042
T. Rowe Price PS Income	1,134,619	(73,271)	(29,336)	1,032,013
PIMCO Total Return Inst	8,012,173	56,672	115,459	8,184,304
Heartland Value Institutional	3,380,284	(154,478)	(412,731)	2,813,075
Lord Abbett Developing Growth	1,674,534	(113,987)	(50,737)	1,509,810
T. Rowe Price PS Balanced	4,762,462	(311,586)	(222,493)	4,228,384
T. Rowe Price PS Growth	1,957,983	(83,627)	(130,771)	1,743,585
Vanguard Institutional Index	20,327,653	162,996	(2,252,936)	18,237,713
Vanguard Total Stock Market	3,484,370	(115,408)	(371,951)	2,997,011
Washington Mutual Investors	4,334,770	248,673	(597,874)	3,985,569
J.P. Morgan Capital Growth	10,123,775	(547,712)	(122,848)	9,453,216
Growth Fund of America	4,634,530	(44,818)	(191,722)	4,397,990
EuroPacific Growth Fund	7,648,497	(183,741)	(619,992)	6,844,764
FTSE All World ex-U.S. Index	4,132,516	135,943	(505,053)	3,763,407
Vanguard Mid Cap Index	6,626,840	(552,909)	(550,073)	5,523,858
Vanguard Small Cap Index	2,000,258	559,709	(297,197)	2,262,770
Total	184,409,134	1,436,077	(5,141,119)	180,704,093

Fees

Fund Name	Plan Balance (\$ thousands)	Expense Ratio	Revenue Sharing Fees	\$ Fee on Expense Ratio	Dollar Revenue Sharing
North Shore Savings	\$ 6,541	0.00%	0.00%	\$ -	\$ -
Stable Value	97,186	0.40%	0.00%	388,744	-
PIMCO Total Return Inst	8,184	0.46%	0.00%	37,648	-
TRP PS Income	1,032	0.66%	0.10%	6,811	1,032
TRP PS Balanced	4,228	0.76%	0.10%	32,136	4,228
TRP PS Growth	1,744	0.83%	0.10%	14,472	1,744
Washington Mutual	3,986	0.60%	0.33%	23,913	13,152
Heartland Value Institutional	2,813	0.89%	0.10%	25,036	2,813
Lord Abbett	1,510	1.13%	0.40%	17,061	6,039
FTSE All World ex-U.S. Index	3,763	0.15%	0.00%	5,645	-
Vanguard Institutional	18,238	0.05%	0.00%	9,119	-
Vanguard Total Stock Market	2,997	0.07%	0.00%	2,098	-
JP Morgan Capital Growth	9,453	1.14%	0.50%	107,767	47,266
Vanguard Mid Cap Index	5,524	0.07%	0.00%	3,867	-
Growth Fund of America (R5)	4,398	0.34%	0.05%	14,953	2,199
Vanguard Small Cap Index	2,263	0.22%	0.00%	4,978	-
EuroPacific Growth Fund (R5)	6,845	0.54%	0.05%	36,962	3,422
Total	\$ 180,704	0.40%		\$ 731,210	\$ 81,896
Total as a Percent				0.40%	0.05%

Investment Management Fee Net of Revenue Sharing	(\$ Fee on Expense Ratio - Dollar Revenue Sharing)	\$ 649,313
<i>Net Investment Management Fee as a Percent of Plan Assets</i>		0.36%

Great West Revenue Sharing Cap**	\$ 125,000 *
<i>Capped Revenue Sharing as a Percent of Plan Assets</i>	0.07%
Revenue Sharing Returned to the County	\$ -
<i>Returned Revenue Sharing as a Percent of Plan Assets</i>	0.00%

*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
First Quarter 2009

MARKET ENVIRONMENT

OVERVIEW

MAJOR MARKET RETURNS

	First Quarter	1 Year Ending 3/31/09	3 Years Ending 3/31/09	5 Years Ending 3/31/09	10 Years Ending 3/31/09
Dow Jones Wilshire 5000 Index	-10.6 %	-38.0 %	-13.3 %	-4.4 %	-2.1 %
MSCI All Country World ex-U.S. Index	-10.7	-46.5	-13.1	-0.7	0.5
MSCI EAFE Index	-13.9	-46.5	-14.5	-2.2	-0.8
MSCI Emerging Markets Index	0.9	-47.1	-8.2	5.9	7.8
MSCI All Country World Index	-10.7	-43.1	-13.3	-2.9	-1.7
Barclays Capital Aggregate Bond Index	0.1	3.1	5.8	4.1	5.7

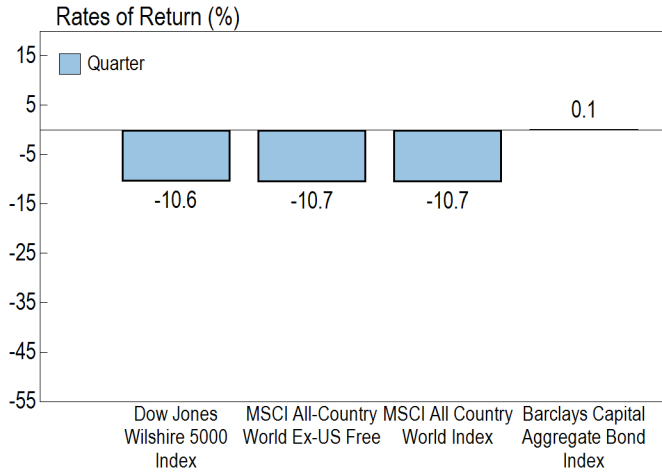
The U.S. broad equity market continued to decline through January and February, bottoming out for the quarter in early March at levels not seen since more than a decade ago. Market volatility increased as a new administration took office and the combined postings of large corporate losses and continued negative economic reports left investors uncertain. The U.S. government continued in its efforts to stabilize the economy, investing more money in Citigroup, AIG and the auto industry. The Federal Reserve announced that it would purchase \$300 billion in long-term Treasuries as well as an additional \$750 billion in agency mortgage-backed securities and \$100 billion of agency debt. The Term Asset-Backed Securities Lending Facility (TALF) was launched to provide loans to support the asset-backed securities market. On March 26th the U.S. Bureau of Economic Analysis revealed that the gross domestic product decreased by an annualized 6.3% during the fourth quarter of 2008. Americans continued to lose jobs with an estimated 4.4 million jobs lost within the past year.

The Dow Jones Wilshire 5000 Index ended the first quarter of 2009 down 10.6%, with value stocks suffering as top-rated companies, including General Electric and Berkshire Hathaway, had their debt downgraded by rating agencies. The financial, capital goods and transportation sectors performed the worst, returning -24.9%, -24.2% and -22.1%, respectively. Technology and consumer durables were the best relative performers, yielding quarterly returns of -0.3% and -2.1%, respectively. The quarter closed amidst a feeling of hesitant optimism as the Dow Jones Wilshire 5000 rebounded 8.7% during the month of March.

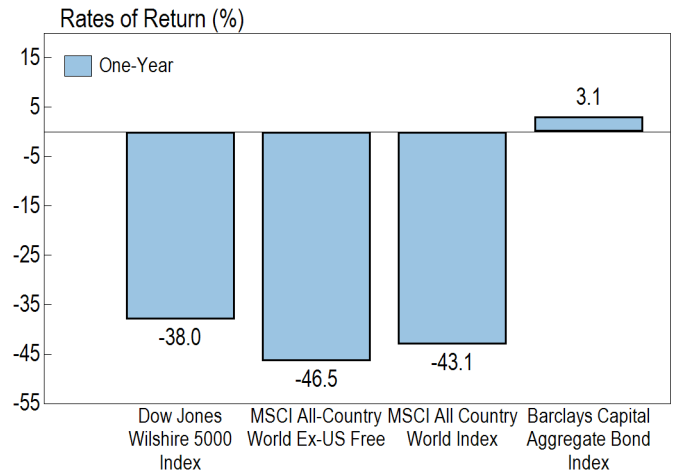
International markets kept pace with U.S. stocks during the first quarter with the MSCI All Country World ex-U.S. Index losing -10.7% of its value. Emerging markets outperformed developed markets during all three months, delivering a positive return of 0.9%. In March, the European Central Bank and the Bank of England both cut their target interest rates by half a percent, lowering their rates to 1.5% and 0.5%, respectively. The Latin American and Asian regions provided the only positive returns for the quarter, yielding 4.9% and 1.6% respectively, while Japan and the Europe ex-U.K. region declined by 16.6% and 16.2%, respectively.

The domestic fixed income market, as measured by the Barclays Capital Aggregate Bond Index, returned 0.1% during the first quarter of 2009, outperforming the broad global equity indices. The asset-backed, high-yield and mortgage sectors produced the highest returns as the Federal Reserve announced several programs to restore liquidity and confidence in the credit markets, including TALF and the purchase of agency securities and debt. Despite the initiatives of the Federal Reserve, credit spreads on investment-grade corporate bonds widened further due to the ongoing concern of increased default rates. Treasury yields rose slightly across all maturities as investors at least temporarily halted last year's flight to quality. At a meeting on March 17-18th, the Federal Reserve Open Markets Committee resolved to keep the target federal funds rate at 0.00-0.25%.

**MAJOR MARKET RETURNS
FIRST QUARTER**

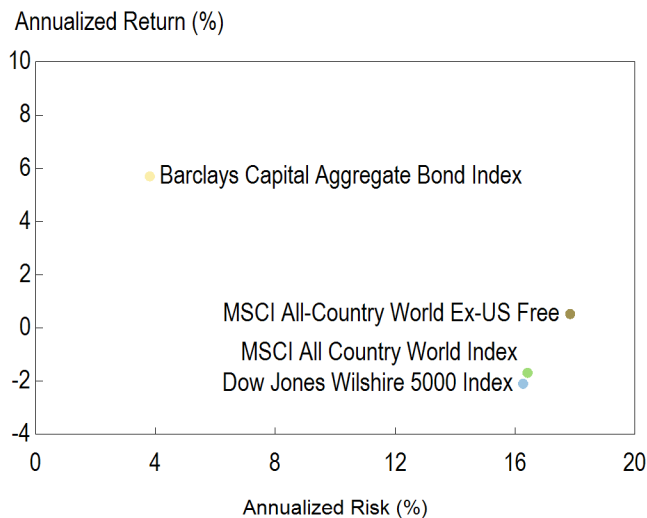


**MAJOR MARKET RETURNS
ONE-YEAR ENDING 3/31/09**

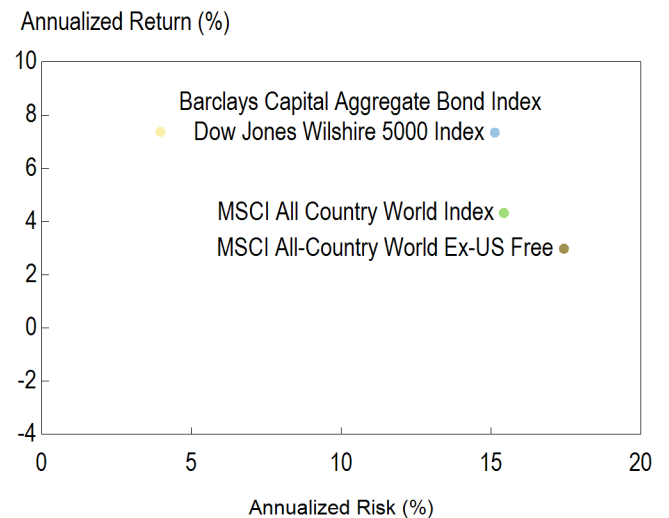


The exhibits above show the performance of the major capital markets during the first quarter and one-year periods.

**MARKET RISK/RETURN
10 YEARS ENDING 3/31/09**



**MARKET RISK/RETURN
20 YEARS ENDING 3/31/09**

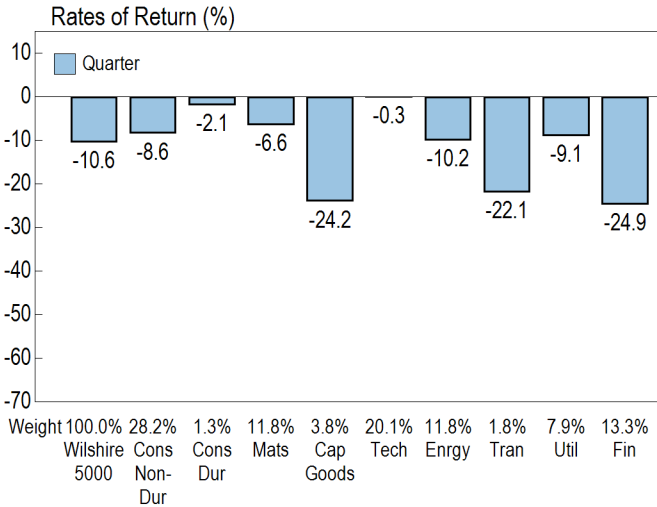


The exhibits above show the historical performance of the major capital markets and the amount of risk (volatility of returns) incurred. Points near the top of the chart represent a greater return and points near the right of the chart indicate greater volatility.

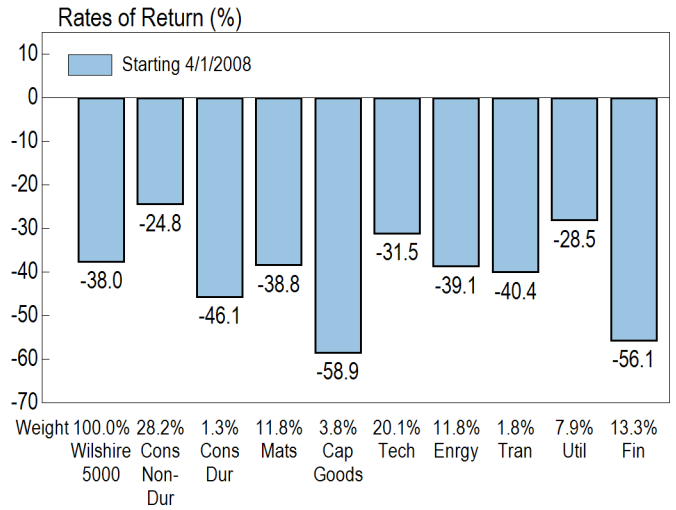
MARKET ENVIRONMENT

U.S. STOCK MARKET

SECTOR RETURNS FIRST QUARTER



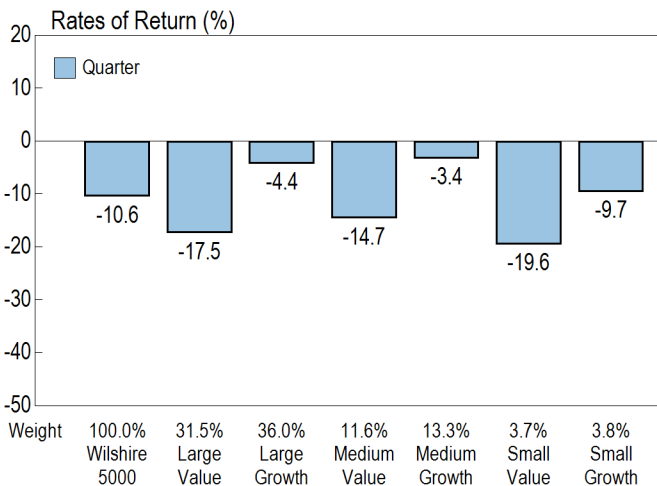
SECTOR RETURNS ONE-YEAR ENDING 3/31/09



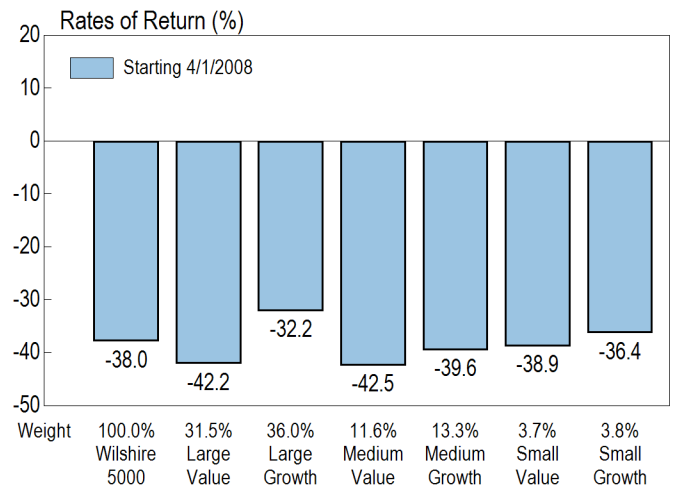
The Dow Jones Wilshire 5000 Index is the broadest available measure of the aggregate domestic stock market. It includes all domestic common stocks with readily available price information.

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 FIRST QUARTER

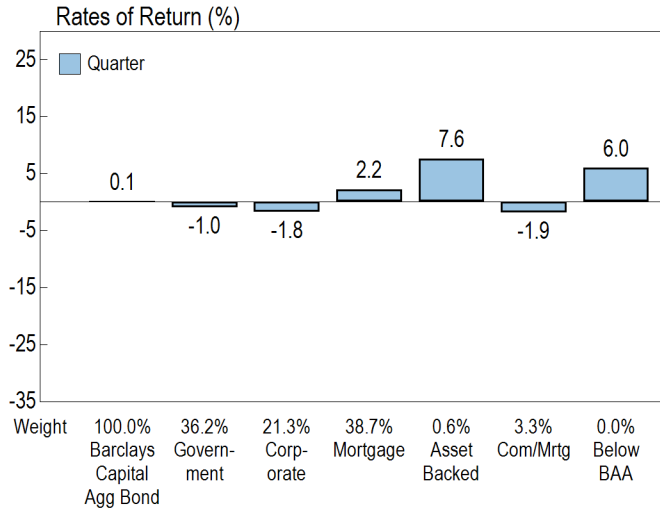


STYLE RETURNS ONE-YEAR ENDING 3/31/09

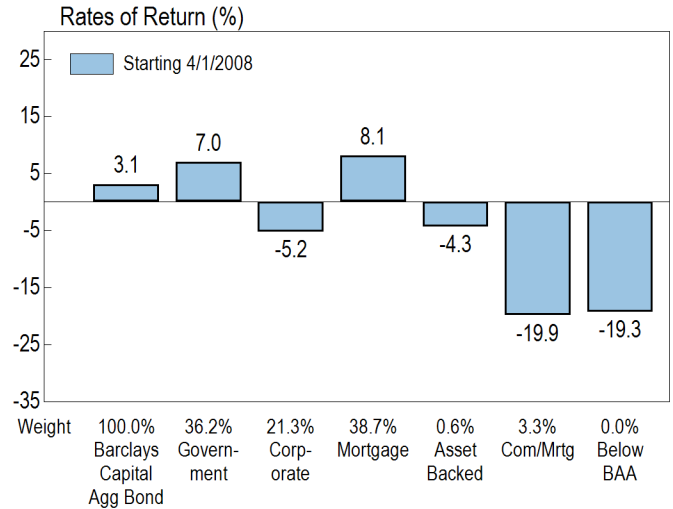


The exhibits above illustrate the performance of stock investment styles according to capitalization (large and small) and style characteristics (value and growth). The percentage below each bar indicates the segment's weight within the Dow Jones Wilshire 5000 Index at quarter-end.

**SECTOR RETURNS
FIRST QUARTER**



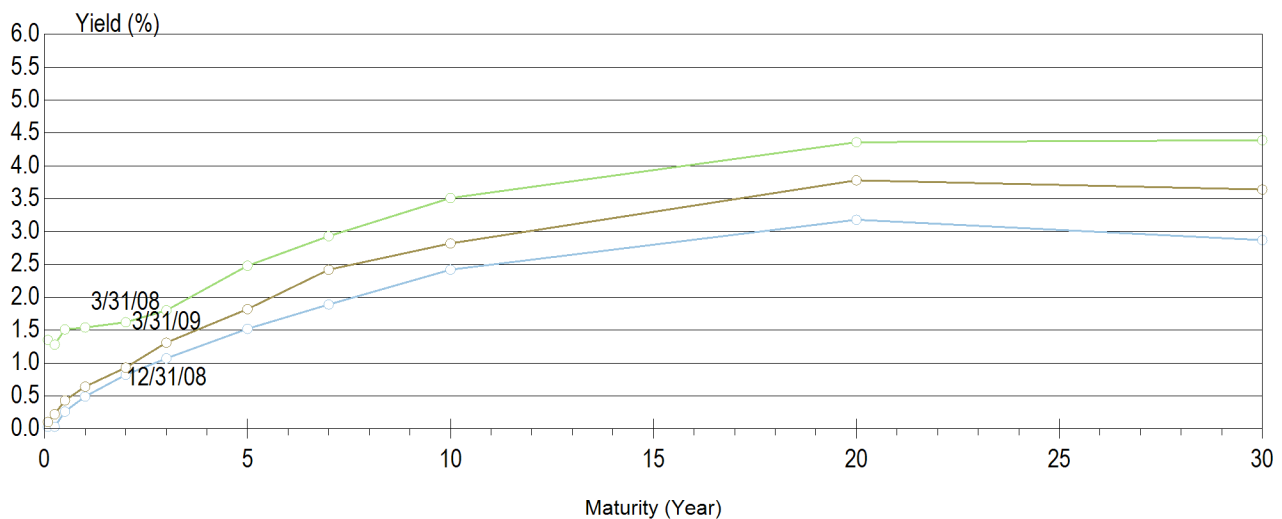
**SECTOR RETURNS
ONE-YEAR ENDING 3/31/09**



The Barclays Capital 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 Barclays Capital Aggregate Bond Index at quarter-end.

U.S. TREASURY CURVE

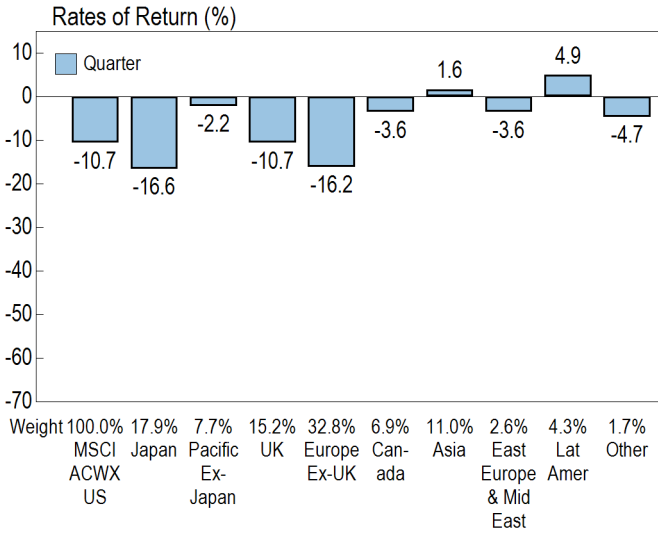


The exhibit above illustrates yields of Treasury securities of various maturities as of March 31, 2008, December 31, 2008, and March 31, 2009.

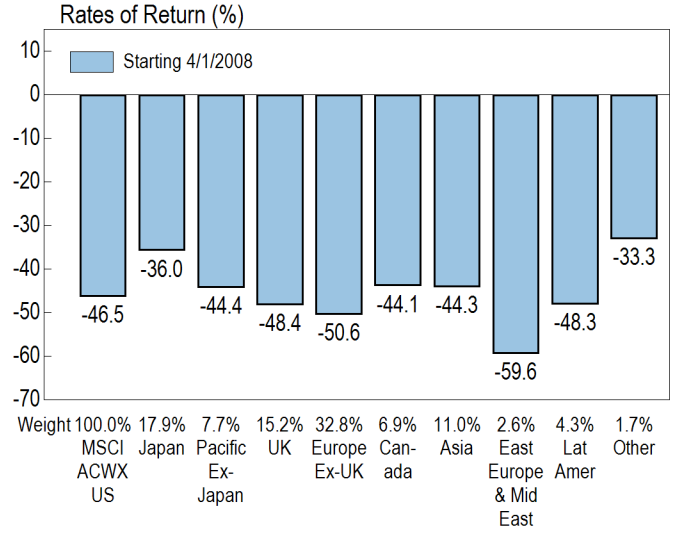
MARKET ENVIRONMENT

NON-U.S. STOCK MARKETS

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

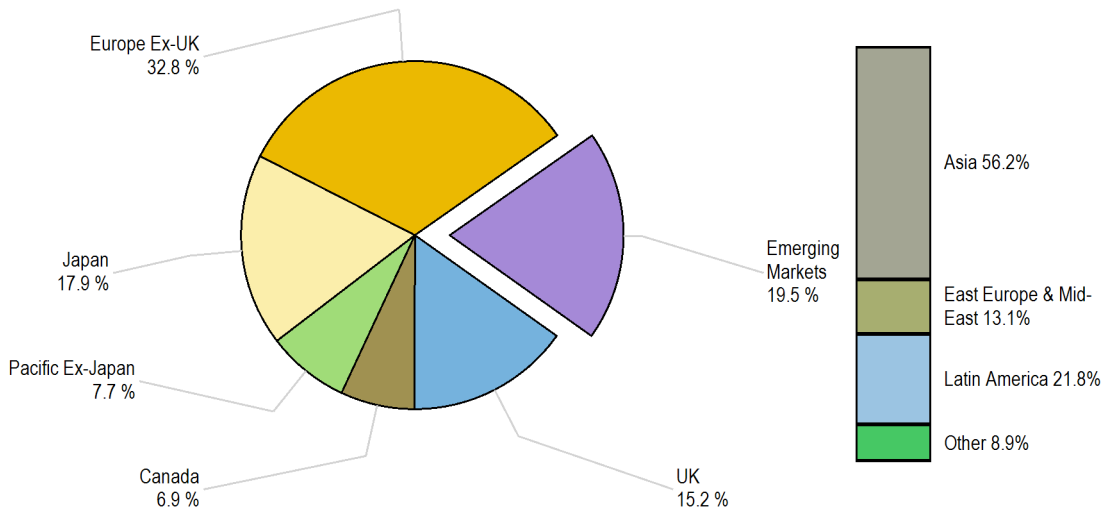


**NON-U.S. STOCK MARKET RETURNS
ONE-YEAR ENDING 3/31/09**



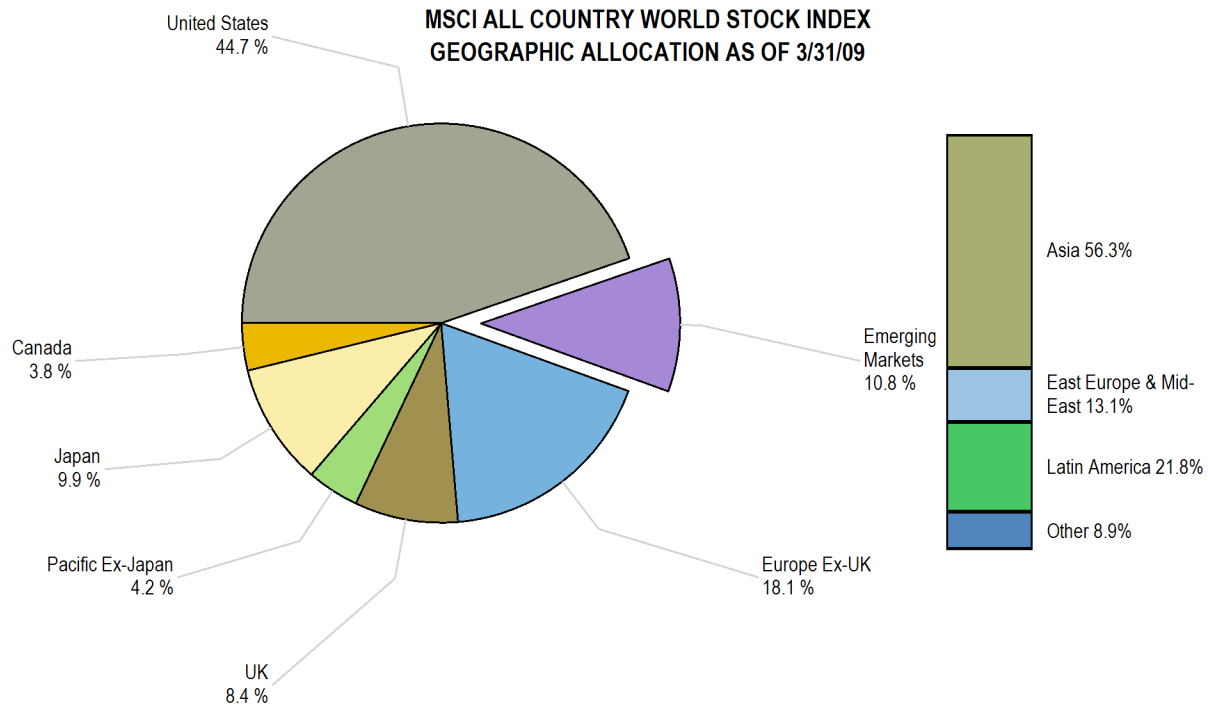
The MSCI All Country World ex-U.S. Index is a capitalization-weighted index of stocks representing 22 developed stock markets and 24 emerging stock markets around the world. The exhibits above show the performance of the regions that comprise the MSCI All Country World ex-U.S. Index at quarter-end.

**MSCI ALL COUNTRY WORLD EX-U.S. STOCK INDEX
GEOGRAPHIC ALLOCATION AS OF 3/31/09**



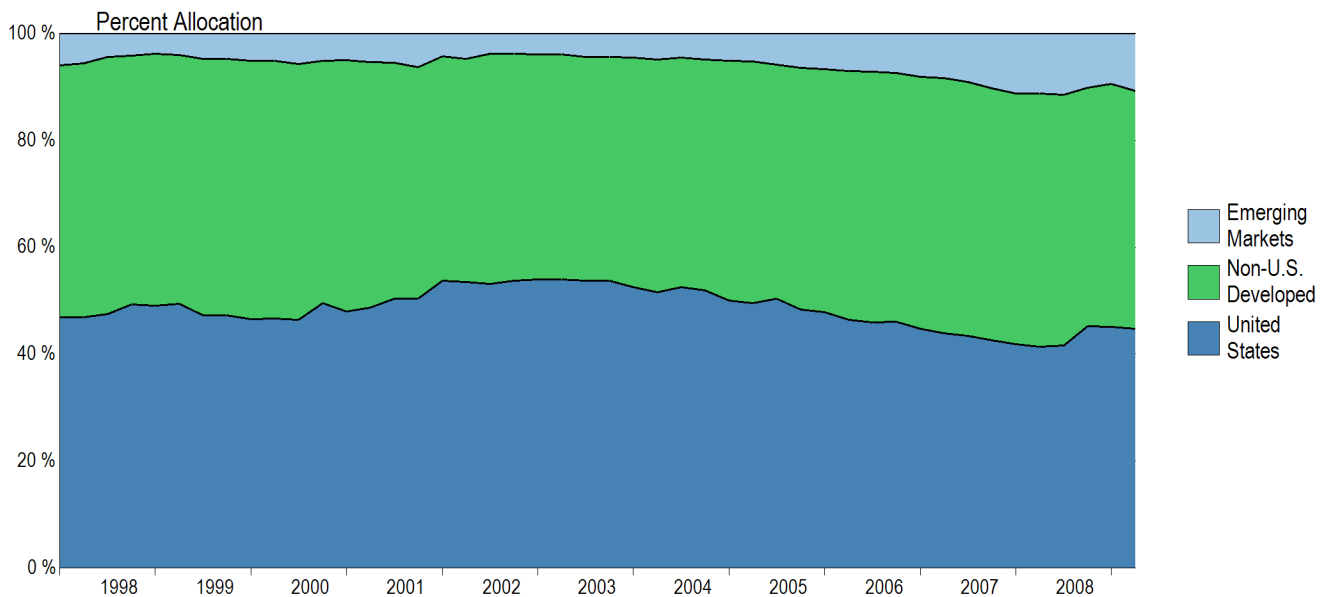
The exhibit above illustrates the percent each region represents of the non-U.S. stock market as measured by the MSCI All Country World ex-U.S. Index.

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



The MSCI All Country World Index is a capitalization-weighted index of stocks representing 23 developed stock markets and 24 emerging stock markets around the world. The graph above shows the allocation to each region at quarter-end.
 Note on Other: Includes South Africa, Egypt and Morocco.

ALLOCATION



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

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**RETURN SUMMARY
ENDING 3/31/09**

	First Quarter	1 Year Ending 3/31/09	3 Years Ending 3/31/09	5 Years Ending 3/31/09
North Shore Savings Fund	0.3%	1.8%	2.9%	2.7%
iMoney Net Money Fund Average	0.1	1.4	3.3	2.6

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 North Shore Savings Fund outperformed the return of the iMoneyNet Money Fund Average by 20 basis points during the quarter. The fund has lagged its benchmark during the trailing three-year period, but has outperformed during the trailing one- and five-year periods as illustrated above. 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	2.0	2.0	0.0
2009 (3 months)	0.3	0.1	0.2
Trailing 1-Year	1.8%	1.4%	0.4
Trailing 3-Year	2.9	3.3	-0.4
Trailing 5-Year	2.7	2.6	0.1
Trailing 10-Year	3.0	2.9	0.1

STABLE VALUE

RETURN SUMMARY ENDING 3/31/09

	First Quarter	1 Year Ending 3/31/09	3 Years Ending 3/31/09	5 Years Ending 3/31/09
Stable Value Fund	1.2 %	4.8 %	4.8 %	4.7 %
EnnisKnupp GIC Index	1.1	4.7	4.5	4.2

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

During the first quarter, the Stable Value Fund modestly outpaced the return of its Index. The Fund's long-term performance remains favorable, as it has outperformed its benchmark during all long-term periods shown above.

HISTORICAL RETURNS (BY YEAR)

	Stable Value Fund	EnnisKnupp GIC Index	Return Difference
	Return	Return	
1998	6.3%	6.2%	0.1
1999	6.3	6.0	0.3
2000	6.5	6.4	0.1
2001	6.5	6.2	0.3
2002	5.7	5.1	0.6
2003	4.3	4.1	0.2
2004	4.2	3.9	0.3
2005	4.5	3.7	0.8
2006	4.8	4.1	0.7
2007	4.9	4.6	0.3
2008	4.8	4.7	0.1
2009 (3 months)	1.2	1.1	0.1
Trailing 1-Year	4.8%	4.7%	0.1
Trailing 3-Year	4.8	4.5	0.3
Trailing 5-Year	4.7	4.2	0.5
Trailing 10-Year	5.2	4.8	0.4

**RETURN SUMMARY
ENDING 3/31/09**

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
PIMCO Total Return Fund Instl	1.5%	12	3.0%	16	6.6%	10	4.8%	10
Barclays Capital Aggregate Bond Index	0.1	47	3.1	14	5.8	15	4.1	15

Investment Strategy

The PIMCO Total Return Fund, Institutional Shares, seeks total return consistent with preservation of capital. The Fund's strategy includes active sector rotation and moderate interest-rate anticipation. PIMCO's objective is to outperform the Barclays Capital Aggregate Bond Index without incurring greater risk by utilizing innovative investment techniques or identifying sector and issue buying opportunities. The Fund maintains a duration between 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

During the first quarter, the PIMCO Total Return Fund gained 1.5% outperforming the Barclays Capital Aggregate Bond Index by 1.4 percentage points. The manager's overweight allocation to agency mortgage-backed securities was the largest performance driver during the quarter as the government's initiative to purchase pools of agency mortgages in an effort to decrease mortgage interest rates helped the sector outperform the Index. Additionally, PIMCO's interest rate strategies impacted performance favorably. The manager structured the portfolio to benefit from a steepening yield curve environment in the U.S., U.K., and the Euro-zone, which came to realization during the quarter and generated excess returns. PIMCO's corporate bond strategy partially offset the relative gains; the manager's corporate bond portfolio emphasized the financial sector, which fared poorly during the quarter. PIMCO maintains its conviction that debt instruments of large, systemically-important financial institutions offer compelling value at their current price levels.

The Fund lagged its benchmark during the trailing one-year period due to weak performance during the third quarter of 2008. However, PIMCO has outperformed during the trailing three- and five-year periods.

PIMCO TOTAL RETURN INSTL

FUND CHARACTERISTICS AS OF 3/31/09

	PIMCO Total Return Fund Instl	
Credit Quality	AAA	41%
	AA	10
	A	13
	BBB	4
	<BBB	4
	Treasury/Agency	28
Composition	US Gov't/Agency	28%
	Corporate	17
	Mortgage-Backed	66
	Foreign	5
	Cash	-18
	Other	2
Average Maturity/Duration	5.1 years/4.4 years	
Number of Issues	4,898	
Turnover	N/A	
Distriubtion Yield	6.37%	
Inception Date	September 1994	
Total Fund Assets	\$144.4 billion	
Fees	0.46%	

HISTORICAL RETURNS

(BY YEAR)

	PIMCO Total Return Fund Instl	Barclays Capital 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	4.8	5.2	-0.4
2009 (3 months)	1.5	0.1	1.4
Trailing 1-Year	3.0%	3.1%	-0.1
Trailing 3-Year	6.6	5.8	0.8
Trailing 5-Year	4.8	4.1	0.7
Trailing 10-Year	6.2	5.7	0.5

RETURN SUMMARY
ENDING 3/31/09

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
TRP PS Income	-2.8 %	45	-19.7 %	68	-3.9 %	53	0.5 %	33
Custom Benchmark	-4.3	71	-16.1	40	-2.5	31	0.8	27

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.

Manager Monitoring

During the first quarter, T. Rowe Price implemented a 5.5% reduction in its work force. Most of the affected positions were in supporting global roles; only six of the eliminated positions were in the investment staff. T. Rowe Price reports they remain financially strong and hold no debt. EnnisKnupp does not believe this organizational development will adversely affect the funds, but we will continue to monitor the situation.

Performance Commentary

The T. Rowe Price Personal Strategy Income Fund declined 2.8% during the quarter, but outperformed its benchmark by 1.5 percentage points. The Fund benefited from favorable stock selection within the information technology sector. Conversely, stocks within the financial and industrial sectors detracted the most. An underweight allocation to high-yield bonds hindered performance as the high-yield sector was one of the top performing sectors. The manager plans to continue to overweight stocks, specifically growth stocks and underweight high-yield which it believes will experience higher defaults due to the weak economy.

The Fund has underperformed during all trailing periods illustrated above. Long-term underperformance is attributed to weak performance in the third and fourth quarter of 2008. On a calendar year basis, the Fund has outperformed in eight of the last ten years.

T. ROWE PRICE

PERSONAL STRATEGY INCOME

FUND CHARACTERISTICS AS OF 3/31/09

	Personal Strategy Income Fund	
Composition	U.S. Stock	34.9%
	Non-U.S. Stock	9.9
	Bonds	43.5
	Cash	11.4
Number of Holdings	Stocks	667
	Bonds	616
Turnover	69%	
Inception Date	July 1994	
Total Fund Assets	\$603.6 million	
Fees	0.66%	

HISTORICAL RETURNS

(BY YEAR)

	TRP PS Income	Custom Benchmark	Return Difference
	Return	Return	
1998	11.5%	14.1%	-2.6
1999	5.2	9.9	-4.7
2000	6.6	1.0	5.6
2001	0.9	-0.9	1.8
2002	-3.4	-4.1	0.7
2003	18.6	14.3	4.3
2004	9.9	7.4	2.5
2005	5.2	4.5	0.7
2006	9.6	9.3	0.3
2007	7.3	6.3	1.0
2008	-20.4	-14.9	-5.5
2009 (3 months)	-2.8	-4.3	1.5
Trailing 1-Year	-19.7%	-16.1%	-3.6
Trailing 3-Year	-3.9	-2.5	-1.4
Trailing 5-Year	0.5	0.8	-0.3
Trailing 10-Year	3.1	2.4	0.7

RETURN SUMMARY
ENDING 3/31/09

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
TRP PS Balanced	-4.3%	41	-28.0%	76	-7.7%	58	-1.0%	38
Custom Benchmark	-6.5	71	-24.4	46	-6.1	32	-0.7	30

Investment Strategy

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

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

Manager Monitoring

See organizational update on page 19.

Performance Commentary

The T. Rowe Price Personal Strategy Balanced Fund's first quarter return of -4.3% outpaced that of its benchmark. The Fund benefited from favorable stock selection within the information technology sector. Conversely, stocks within the financial and industrial sectors detracted the most. An underweight allocation to high-yield bonds hindered performance as the high-yield sector was one of the top performing sectors. The manager plans to continue to overweight stocks, specifically growth stocks and underweight high-yield which it believes will experience higher defaults due to the weak economy.

The Fund has underperformed during all trailing periods illustrated above. Long-term underperformance is attributed to weak performance in the third and fourth quarter of 2008. On a calendar year basis, the Fund has outperformed in eight of the last ten years.

T. ROWE PRICE

PERSONAL STRATEGY BALANCED

FUND CHARACTERISTICS AS OF 3/31/09

	Personal Strategy Balanced Fund	
Composition	U.S. Stock	50.9
	Non-U.S. Stock	14.5
	Bonds	31.3
	Cash	3.0
Number of Holdings	Stocks	667
	Bonds	573
Turnover	66%	
Inception Date	July 1994	
Total Fund Assets	\$1.0 billion	
Fees	0.76%	

HISTORICAL RETURNS

(BY YEAR)

	TRP PS Balanced	Custom Benchmark	Return Difference
	Return	Return	
1998	13.9%	17.4%	-3.5
1999	8.0	14.4	-6.4
2000	5.6	-3.0	8.6
2001	-2.5	-4.7	2.2
2002	-7.7	-9.2	1.5
2003	24.4	20.4	4.0
2004	12.6	9.6	3.0
2005	6.4	5.6	0.8
2006	11.9	12.1	-0.2
2007	7.7	6.5	1.2
2008	-29.3	-23.2	-6.1
2009 (3 months)	-4.3	-6.5	2.2
Trailing 1-Year	-28.0%	-24.4%	-3.6
Trailing 3-Year	-7.7	-6.1	-1.6
Trailing 5-Year	-1.0	-0.7	-0.3
Trailing 10-Year	2.2	1.2	1.0

RETURN SUMMARY
ENDING 3/31/09

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
TRP PS Growth	-6.2%	42	-35.9%	85	-11.7%	68	-2.9%	49
Custom Benchmark	-8.8	71	-32.0	55	-9.7	37	-2.2	37

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.

Manager Monitoring

See organizational update on page 19.

Performance Commentary

Although negative in absolute terms, the T. Rowe Price Personal Strategy Growth Fund's return of -6.2% outperformed the return of its benchmark during the quarter. The Fund benefited from favorable stock selection within the information technology sector. Conversely, stocks within the financial and industrial sectors detracted the most. An underweight allocation to high-yield bonds hindered performance as the high-yield sector was one of the top performing sectors. The manager plans to continue to overweight stocks, specifically growth stocks and underweight high-yield which it believes will experience higher defaults due to the weak economy.

The Fund has underperformed during all trailing periods illustrated above. Long-term underperformance is attributed to weak performance in the third and fourth quarter of 2008. On a calendar year basis, the Fund has outperformed in eight of the last ten years.

T. ROWE PRICE

PERSONAL STRATEGY GROWTH

FUND CHARACTERISTICS AS OF 3/31/09

	Personal Strategy Growth Fund	
Composition	U.S. Stock	65.3%
	Non-U.S. Stock	18.8
	Bonds	13.8
	Cash	1.5
Number of Holdings	Stocks	667
	Bonds	455
Turnover	56%	
Inception Date	July 1994	
Total Fund Assets	\$721.6 million	
Fee	0.83%	

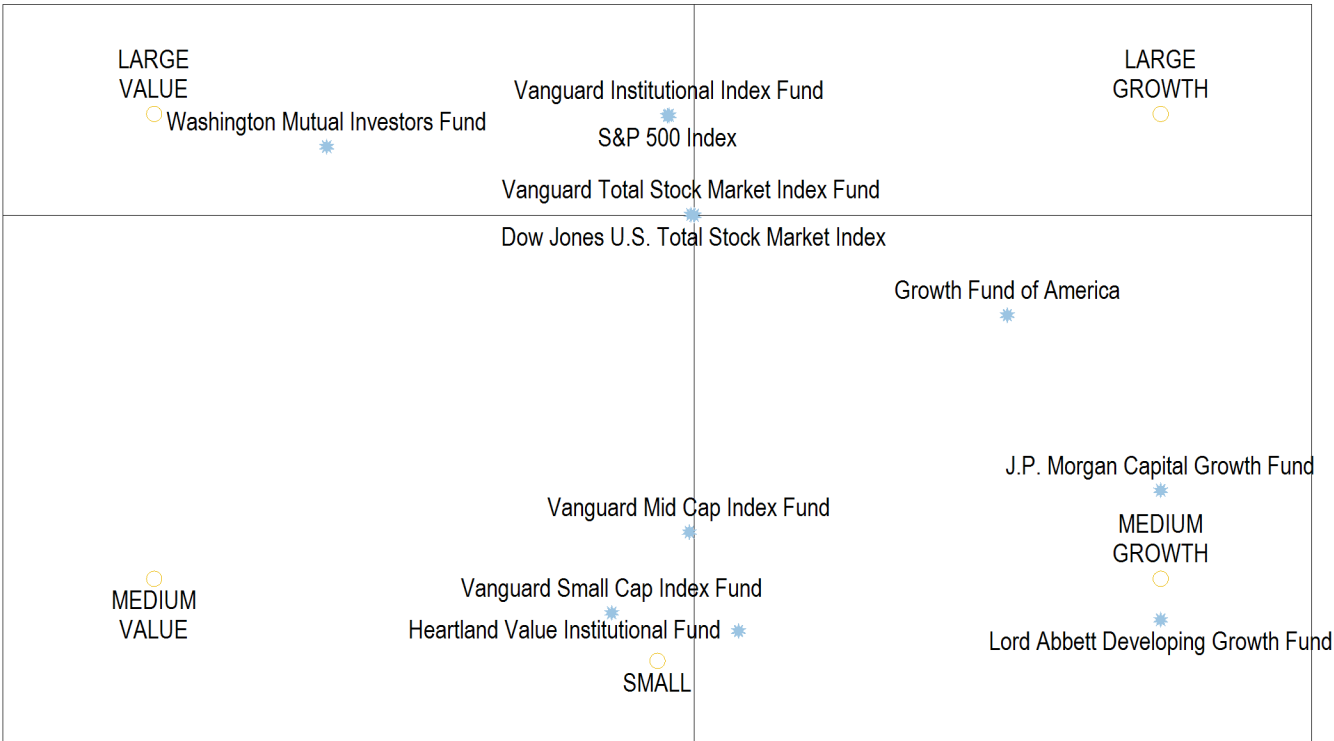
HISTORICAL RETURNS

(BY YEAR)

	TRP PS Growth	Custom Benchmark	Return Difference
	Return	Return	
1998	15.6%	20.6%	-5.0
1999	11.2	18.9	-7.7
2000	4.7	-7.0	11.7
2001	-6.0	-8.4	2.4
2002	-12.4	-14.4	2.0
2003	29.3	26.6	2.7
2004	15.0	11.8	3.2
2005	7.6	6.5	1.1
2006	14.1	14.7	-0.6
2007	7.8	6.7	1.1
2008	-37.6	-30.8	-6.8
2009 (3 months)	-6.2	-8.8	2.6
Trailing 1-Year	-35.9%	-32.0%	-3.9
Trailing 3-Year	-11.7	-9.7	-2.0
Trailing 5-Year	-2.9	-2.2	-0.7
Trailing 10-Year	0.9	-0.2	1.1

U.S. STOCK FUNDS - INVESTMENT STYLE

EFFECTIVE STYLE MAP
7 YEARS ENDING 3/31/09



WASHINGTON MUTUAL INVESTORS

RETURN SUMMARY ENDING 3/31/09

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Washington Mutual Investors Fund	-13.2%	86	-36.9%	44	-12.0%	29	-4.4%	54
Russell 1000 Value Index	-16.8	98	-42.4	87	-15.4	72	-4.9	64
S&P 500 Index	-11.0	71	-38.1	55	-13.1	41	-4.8	61

Investment Strategy

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

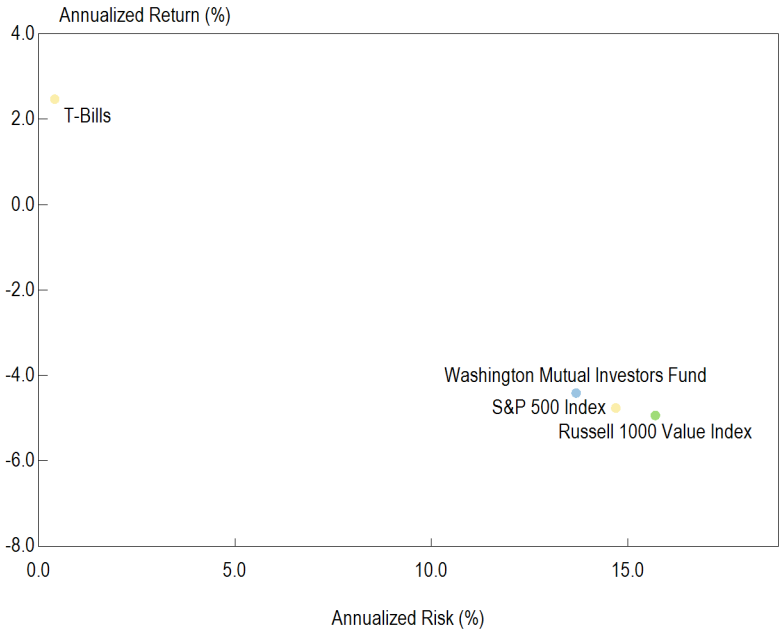
Capital Research & Management (the American Funds family) provides investment services for this Fund. Management looks for stocks with strong long-term prospects selling at low prices. The Fund may invest up to 5% of assets in securities of non-U.S. issuers.

Performance Commentary

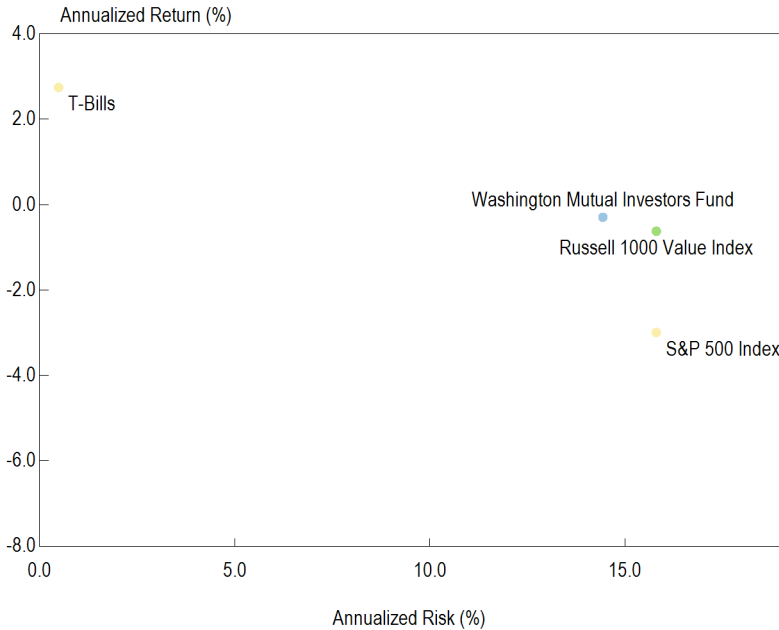
The Washington Mutual Investors Fund outperformed the Russell 1000 Value Index, but trailed the return of the S&P 500 Index during the quarter. The manager's decision to underweight the financial and energy sectors saved value relative to the Index, as these sectors were among the worst performers within the Index. The Fund's allocation to cash (2.7% at quarter end) also benefited performance. Conversely, an overweight allocation to the industrial sector and poor stock selection within the healthcare sector detracted from performance. The manager's decision to underweight the information technology sector, the only sector in the Index that produced gains, hindered results.

The Fund's longer-term performance remains favorable. The Fund has surpassed the return of both indices during the periods illustrated above.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 3/31/09**



**ANNUALIZED RISK RETURN
10 YEARS ENDING 3/31/09**



WASHINGTON MUTUAL INVESTORS

FUND CHARACTERISTICS AS OF 3/31/09

	Washington Mutual Investors Fund	
Style Characteristics	Value	
Capitalization Focus	Large	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.89	
Composition	U.S. Stocks	93.2%
	Non-U.S. Stocks	4.1
	Cash	2.7
Number of Issues	120	
Turnover	18%	
Inception Date	July 1952	
Total Fund Assets	\$40.4 billion	
Fees	0.60%	

HISTORICAL RETURNS

(BY YEAR)

	Washington Mutual Investors Fund	Russell 1000 Value Index	Return Difference	S&P 500 Index	Return Difference
	Return	Return		Return	
1998	19.4 %	15.6 %	3.8	28.6 %	-9.2
1999	1.2	7.4	-6.2	21.0	-19.8
2000	9.1	7.0	2.1	-9.1	18.2
2001	1.5	-5.6	7.1	-11.9	13.4
2002	-14.8	-15.5	0.7	-22.1	7.3
2003	25.8	30.0	-4.2	28.7	-2.9
2004	9.9	16.5	-6.6	10.9	-1.0
2005	3.5	7.0	-3.5	4.9	-1.4
2006	18.0	22.2	-4.2	15.8	2.2
2007	4.0	-0.2	4.2	5.5	-1.5
2008	-33.1	-36.8	3.7	-37.0	3.9
2009 (3 months)	-13.2	-16.8	3.6	-11.0	-2.2
Trailing 1-Year	-36.9 %	-42.4 %	5.5	-38.1 %	1.2
Trailing 3-Year	-12.0	-15.4	3.4	-13.1	1.1
Trailing 5-Year	-4.4	-4.9	0.5	-4.8	0.4
Trailing 10-Year	-0.3	-0.6	0.3	-3.0	2.7

*Relative to the Russell 1000 Value Index.

RETURN SUMMARY ENDING 3/31/09

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Vanguard Institutional Index Fund	-11.0 %	69	-38.0 %	54	-13.0 %	41	-4.8 %	61
S&P 500 Index	-11.0	71	-38.1	55	-13.1	41	-4.8	61

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.

Performance Commentary

The Vanguard Institutional Index Fund matched the return of the S&P 500 Index during the first quarter. The information technology sector was the only sector to produce gains (+4.0%) during the quarter. Although the financial sector rallied during the month of March, it was the worst performing sector (-29.5%) of the quarter.

The Fund has approximated the return of the Index over all long-term periods shown above, as expected.

VANGUARD INSTITUTIONAL INDEX

FUND CHARACTERISTICS AS OF 3/31/09

	Vanguard Institutional Index Fund	
Style Characteristics	Core	
Capitalization Focus	Large	
Level of Diversification	Diversified	
Market Risk (Beta)*	1.00	
Composition	U.S. Stocks	99.6%
	Non-U.S. Stocks	0.10
	Cash	0.30
Number of Issues	514	
Turnover	5.6%	
Inception Date	July 1990	
Total Fund Assets	\$46.3 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	-37.0	-37.0	0.0
2009 (3 months)	-11.0	-11.0	0.0
Trailing 1-Year	-38.0%	-38.1%	0.1
Trailing 3-Year	-13.0	-13.1	0.1
Trailing 5-Year	-4.8	-4.8	0.0
Trailing 10-Year	-3.0	-3.0	0.0

*Relative to the S&P 500 Index.

**RETURN SUMMARY
ENDING 3/31/09**

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Growth Fund of America	-3.9 %	20	-36.3 %	39	-11.4 %	23	-2.0 %	18
Russell 1000 Growth Index	-4.1	21	-34.3	26	-11.3	23	-4.4	53

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.

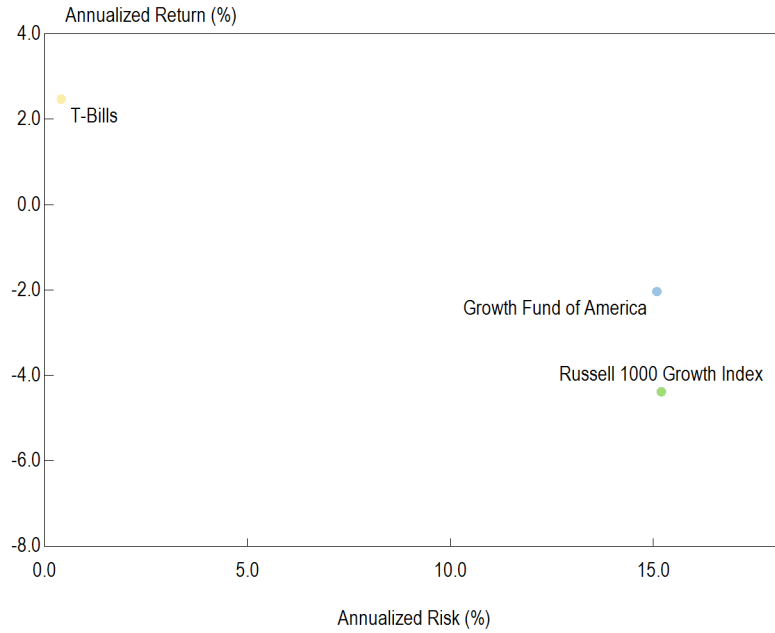
Performance Commentary

During the quarter, the American Funds Growth Fund of America declined 3.9% but outperformed the Russell 1000 Growth Index by 0.2 percentage points. Performance was driven by both stock and sector selection. Underweighting the four worst performing Index sectors proved beneficial as the financial, industrials, utilities, and energy sectors continued to struggle during the first quarter. The Fund also benefited from a significant cash allocation, 15.2% as of quarter end. The Fund had 14.9% of assets invested outside the United States at the end of the quarter. From a country perspective, stock selection within the U.S. and Canada added most to performance while unfavorable stock selection within Finland and France negatively impacted performance.

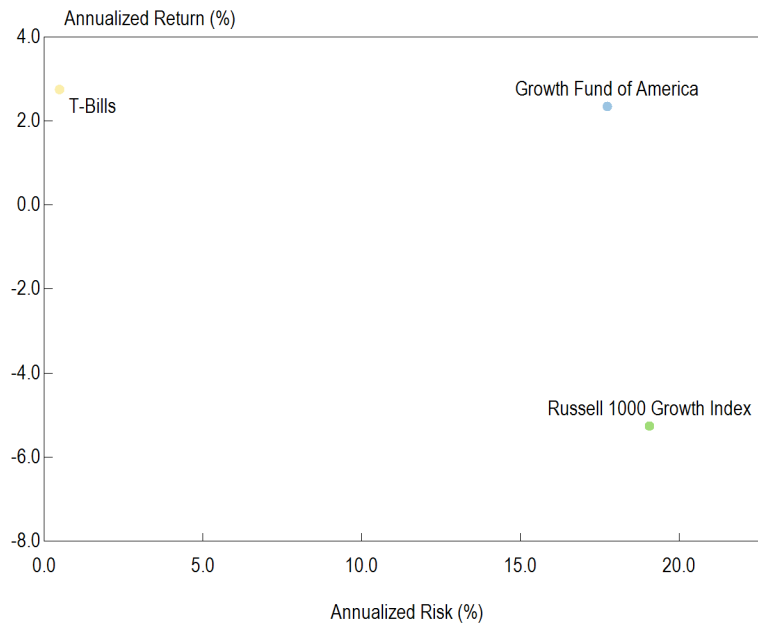
The Fund's longer-term performance remains mixed as the Fund has underperformed during the trailing one- and three-year periods due to weak performance during the third quarter of 2008. However, over the trailing five-year period, the Fund has outperformed the Index by 2.2 percentage points.

GROWTH FUND OF AMERICA

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/09



ANNUALIZED RISK RETURN 10 YEARS ENDING 3/31/09



FUND CHARACTERISTICS AS OF 3/31/09

	Growth Fund of America	
Style Characteristics	Growth	
Capitalization Focus	Large	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.89	
Composition		
	U.S. Stocks	69.8%
	Non-U.S. Stocks	14.9
	Non-U.S. Bonds	0.1
	Cash	15.2
Number of Issues	290	
Turnover	32%	
Inception Date	December 1973	
Total Fund Assets	\$110.9 billion	
Fees	0.34%	

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	-38.9	-38.4	-0.5
2009 (3 months)	-3.9	-4.1	0.2
Trailing 1-Year	-36.3%	-34.3%	-2.0
Trailing 3-Year	-11.4	-11.3	-0.1
Trailing 5-Year	-2.0	-4.4	2.4
Trailing 10-Year	2.3	-5.3	7.6

*Relative to the Russell 1000 Growth Index.

VANGUARD TOTAL STOCK MARKET INDEX

RETURN SUMMARY ENDING 3/31/09

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Vanguard Total Stock Market Index Fund	-10.7%	66	-37.8%	52	-13.3%	46	-4.4%	53
Performance Benchmark	-10.7	66	-37.9	53	-13.3	46	-4.4	53

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 tracked the return of the MSCI U.S. Broad Market Index during the quarter.

Over the longer-term periods illustrated above, the Fund has approximated the return of its benchmark. The Vanguard Total Stock Market Index Fund has provide 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 3/31/09

	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	99.9%
	Non-U.S. Stocks	0.0
	Cash	0.1
Number of Issues	3,385	
Turnover	4.5%	
Inception Date	April 1992	
Total Fund Assets	\$76.4 billion	
Fees	0.07%	

HISTORICAL RETURNS

(BY YEAR)

	Vanguard Total Stock Market Index Fund	Performance Benchmark	Return Difference
	Return	Return	
1998	23.3%	23.4%	-0.1
1999	23.8	23.6	0.2
2000	-10.6	-10.9	0.3
2001	-10.9	-11.0	0.1
2002	-21.0	-20.9	-0.1
2003	31.4	31.7	-0.3
2004	12.6	12.6	0.0
2005	6.1	6.2	-0.1
2006	15.7	15.7	0.0
2007	5.6	5.6	0.0
2008	-36.9	-37.0	0.1
2009 (3 months)	-10.7	-10.7	0.0
Trailing 1-Year	-37.8%	-37.9%	0.1
Trailing 3-Year	-13.3	-13.3	0.0
Trailing 5-Year	-4.4	-4.4	0.0
Trailing 10-Year	-2.1	-2.1	0.0

*Relative to the Performance Benchmark (Dow Jones U.S. Total Stock Market Index. Stock Index prior to April 2005, MSCI Broad Market Index thereafter).

J.P. MORGAN CAPITAL GROWTH

RETURN SUMMARY ENDING 3/31/09

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
J.P. Morgan Capital Growth Fund	-1.1 %	8	-35.2 %	32	-13.1 %	42	-2.7 %	27
Performance Benchmark	-3.4	17	-39.6	72	-14.9	67	-3.9	45

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.

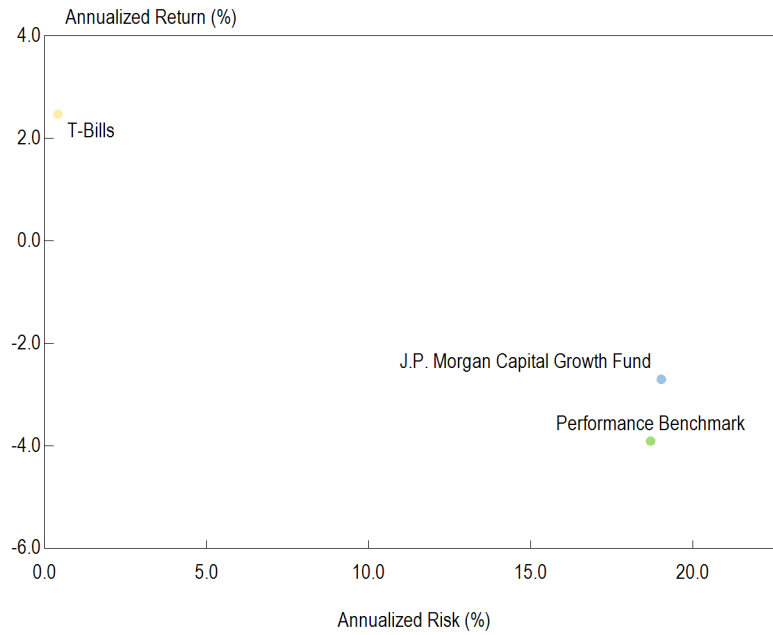
Performance Commentary

Although negative in absolute terms, the J.P. Morgan Capital Growth Fund's first quarter return of -1.1% outperformed the return of its benchmark by 2.3 percentage points. The manager noted that stock selection within the utility and material and processing sectors aided performance. Among the top ten holdings, Broadcom Corp (+17.7%), a provider of semiconductor for wireless communications, and Praxair Inc. (+13.4%), an industrial gas supplier, were the top performers. The manager's decision to overweight the auto and transportation sector and weak stock selection within the producer durables sector detracted from performance.

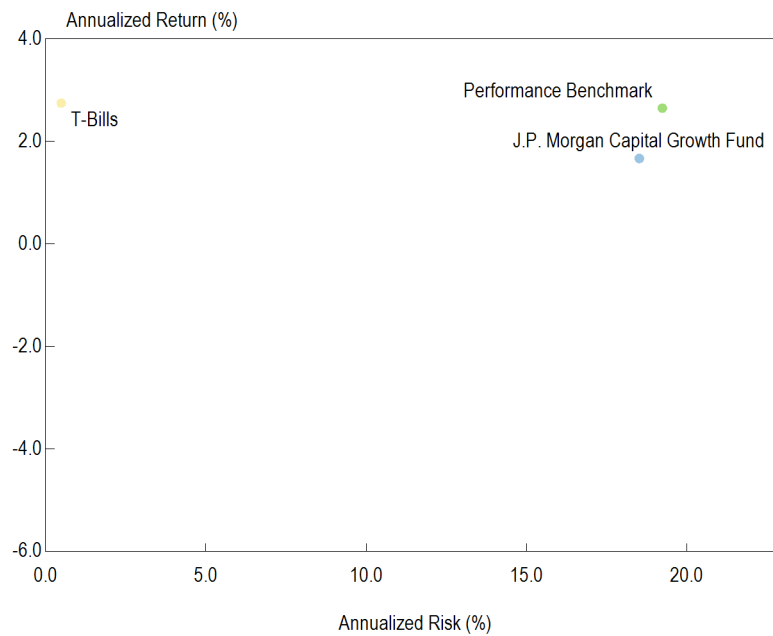
The Fund's longer-term performance relative to its benchmark has been favorable for the periods illustrated above.

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

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/09



ANNUALIZED RISK RETURN 10 YEARS ENDING 3/31/09



J.P. MORGAN CAPITAL GROWTH

FUND CHARACTERISTICS AS OF 3/31/09

	J.P. Morgan Capital Growth Fund	
Style Characteristics	Growth	
Capitalization Focus	Medium	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.95	
Composition	U.S. Stocks	97.6%
	Non-U.S. Stocks	0.7
	Cash	1.7
Number of Issues	96	
Turnover	107%	
Inception Date	September 1987	
Total Fund Assets	\$627.5 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	-43.7	-44.3	0.6
2009 (3 months)	-1.1	-3.4	2.3
Trailing 1-Year	-35.2%	-39.6%	4.4
Trailing 3-Year	-13.1	-14.9	1.8
Trailing 5-Year	-2.7	-3.9	1.2
Trailing 10-Year	1.7	2.6	-0.9

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

**RETURN SUMMARY
ENDING 3/31/09**

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Vanguard Mid Cap Index Fund	-8.4 %	46	-40.4 %	77	-15.7 %	75	-3.3 %	35
MSCI U.S. Mid Cap 450 Index	-8.4	46	-40.4	78	-15.7	76	-3.3	36

Investment Strategy

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

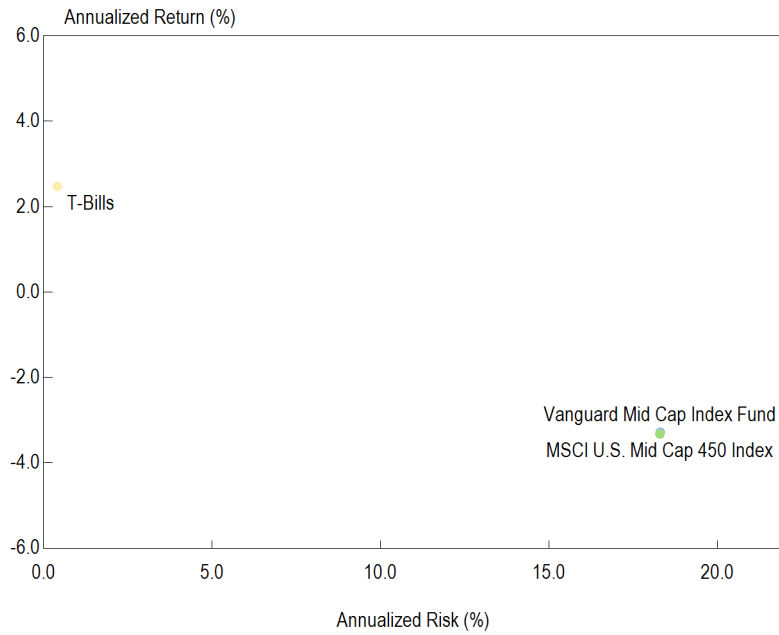
Performance Commentary

During the quarter, the Vanguard Mid Cap Index Fund declined 8.4%, matching the return of the MSCI U.S. Mid Cap 450 Index.

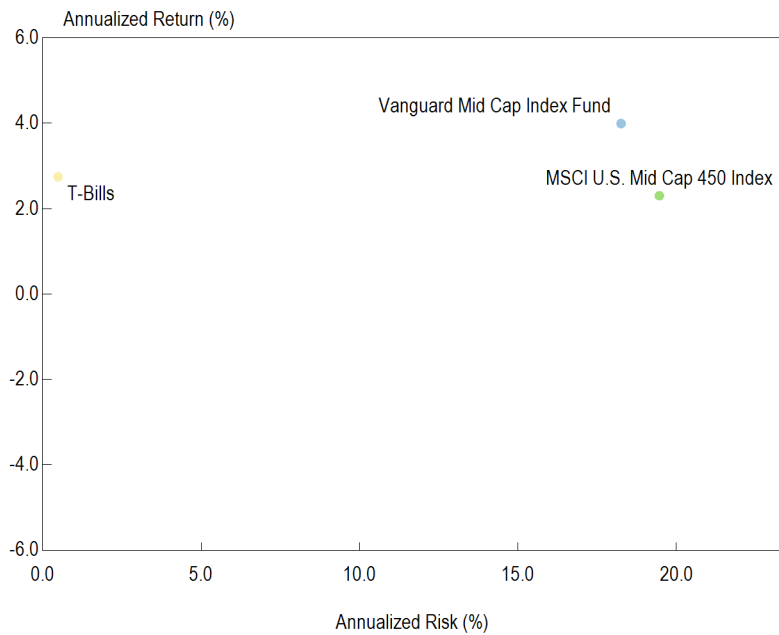
The Fund has successfully tracked the return of its benchmark as illustrated above.

VANGUARD MID CAP INDEX

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/09



ANNUALIZED RISK RETURN 10 YEARS ENDING 3/31/09



VANGUARD MID CAP INDEX

FUND CHARACTERISTICS AS OF 3/31/09

	Vanguard Mid Cap Index	
Style Characteristics	Value	
Capitalization Focus	Small to Medium	
Level of Diversification	Somewhat Concentrated	
Market Risk (Beta)*	0.94	
Composition	U.S. Stocks	100.0%
	Non-U.S. Stocks	0.0
	Cash	0.0
Number of Issues	448	
Turnover	24%	
Inception Date	December 1989	
Total Fund Assets	\$11.9 billion	
Fees	0.07%	

HISTORICAL RETURNS

(BY YEAR)

	Vanguard Mid Cap Index Fund	MSCI U.S. Mid Cap 450 Index	Return Difference
	Return	Return	
1998 (7 months)	11.1%	1.9%	9.2
1999	15.5	34.3	-18.8
2000	18.4	-1.9	20.3
2001	-0.4	-6.4	6.0
2002	-14.5	-16.5	2.0
2003	34.3	39.0	-4.7
2004	20.5	20.5	0.0
2005	14.1	13.9	0.2
2006	13.8	13.7	0.1
2007	6.2	6.2	0.0
2008	-41.8	-41.8	0.0
2009 (3 months)	-8.4	-8.4	0.0
Trailing 1-Year	-40.4%	-40.4%	0.0
Trailing 3-Year	-15.7	-15.7	0.0
Trailing 5-Year	-3.3	-3.3	0.0
Trailing 10-Year	4.0	2.3	1.7

*Relative to the MSCI U.S. Mid Cap 450 Index.

VANGUARD SMALL CAP INDEX

RETURN SUMMARY ENDING 3/31/09

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Vanguard Small Cap Index Fund	-13.5%	88	-39.1%	67	-16.7%	83	-4.7%	60
Small-Cap Index	-13.5	88	-39.2	69	-16.8	84	-4.8	62

Investment Strategy

The Vanguard Small Cap Index Fund's strategy is designed to track the investment performance of the MSCI U.S. 1750 Small Cap Index, which is comprised of the 1,750 smallest stocks out of the 2,500 largest stocks. Prior to 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. The Fund was moved from Admiral shares to the new Signal share class on 10/6/2007.

Performance Commentary

The Vanguard Small Cap Index Fund's first quarter return of -13.5% matched that of its benchmark. The Fund has approximated its benchmark over the long-term periods shown above.

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

VANGUARD SMALL CAP INDEX

FUND CHARACTERISTICS AS OF 3/31/09

	Vanguard Small Cap Index Fund	
Style Characteristics	Core	
Capitalization Focus	Small	
Level of Diversification	Diversified	
Market Risk (Beta)*	1.00	
Composition	U.S. Stocks	99.6%
	Non-U.S. Stocks	0.3
	Cash	0.1
Number of Issues	1,745	
Turnover	14%	
Inception Date	October 1960	
Total Fund Assets	\$9.3 billion	
Fees	0.22%	

HISTORICAL RETURNS

(BY YEAR)

	Vanguard Small Cap Index Fund	Small-Cap Index	Return Difference
	Return	Return	
1998	-2.6%	-2.5%	-0.1
1999	23.1	21.3	1.8
2000	-2.7	-3.0	0.3
2001	3.1	2.5	0.6
2002	-20.0	-20.5	0.5
2003	45.6	47.5	-1.9
2004	19.9	20.0	-0.1
2005	7.4	7.5	-0.1
2006	15.8	15.8	0.0
2007	1.2	1.2	0.0
2008	-36.0	-36.2	0.2
2009 (3 months)	-13.5	-13.5	0.0
Trailing 1-Year	-39.1%	-39.2%	0.1
Trailing 3-Year	-16.7	-16.8	0.1
Trailing 5-Year	-4.7	-4.8	0.1
Trailing 10-Year	2.5	2.2	0.3

*Relative to the Vanguard Small Cap Index Performance Benchmark

LORD ABBETT DEVELOPING GROWTH

RETURN SUMMARY ENDING 3/31/09

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Lord Abbett Developing Growth Fund	-2.2 %	12	-34.3 %	26	-12.2 %	32	-1.8 %	16
Russell 2000 Growth Index	-9.7	58	-36.4	40	-16.2	79	-5.4	72

Investment Approach

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

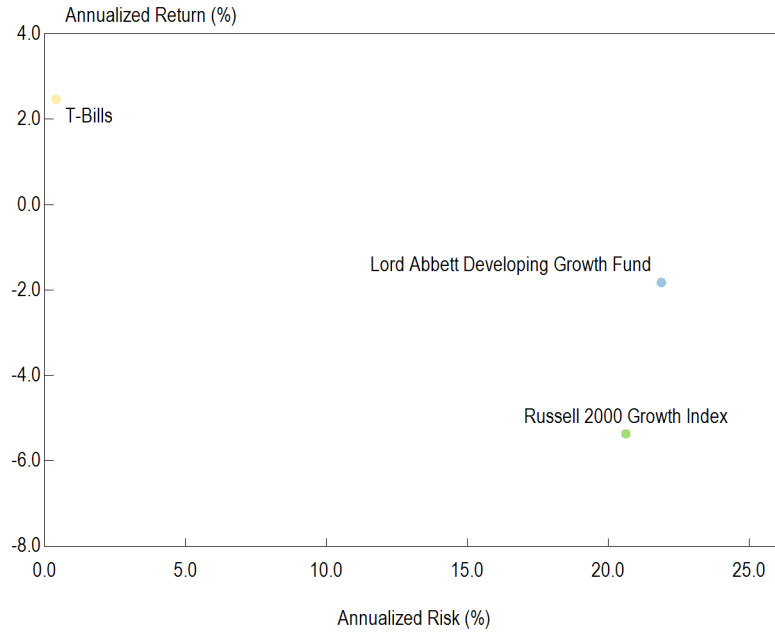
The Fund tends to feature sector diversification, albeit with substantial exposure to growth industries. The portfolio holds approximately 130 micro- and small-cap stocks.

Performance Commentary

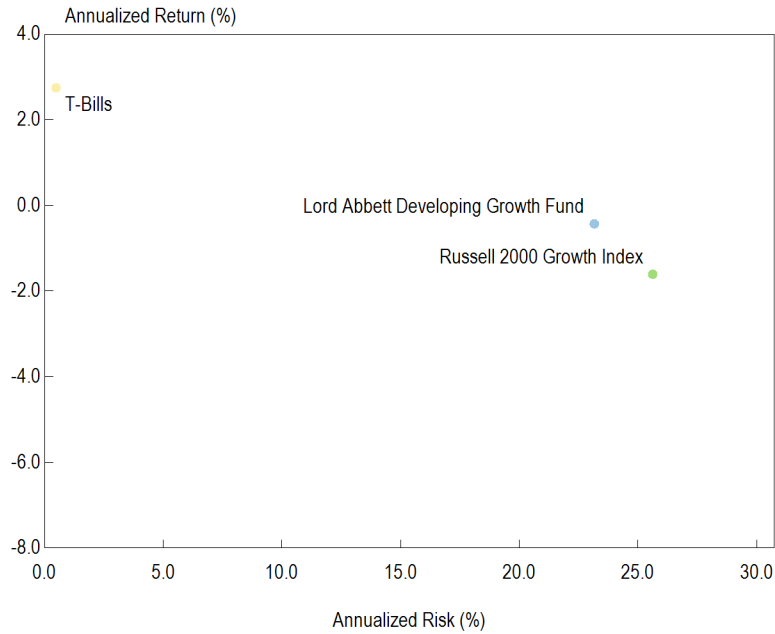
Although negative in absolute terms, Lord Abbett's first quarter return of -2.2% outperformed that of the Russell 2000 Growth Index by 7.5 percentage points. Stock selection within the healthcare sector was the largest contributor to relative performance. In particular, the Fund benefited from its holdings in Illumina, Inc. (+43.0%), a manufacturer and developer of systems for genetic variation analysis and biological function. The Fund's overweight allocation to the energy sector hindered performance. Additionally, weak stock selection within the automobile and transportation sector detracted from results.

The Fund's longer-term performance is favorable on a relative basis, as it has outpaced the return of the Index during all periods illustrated above.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 3/31/09**



**ANNUALIZED RISK RETURN
10 YEARS ENDING 3/31/09**



LORD ABBETT DEVELOPING GROWTH

FUND CHARACTERISTICS AS OF 3/31/09

	Lord Abbett Developing Growth Fund	
Style Characteristics	Growth	
Capitalization Focus	Small	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.87	
Composition	U.S. Stocks	95.8%
	Non-U.S. Stocks	2.0
	Cash	2.2
Number of Issues	126	
Turnover	40%	
Inception Date	October 1973	
Total Fund Assets	\$0.8 billion	
Fees	1.13%	

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	-47.5	-38.5	-9.0
2009 (3 months)	-2.2	-9.7	7.5
Trailing 1-Year	-34.3%	-36.4%	2.1
Trailing 3-Year	-12.2	-16.2	4.0
Trailing 5-Year	-1.8	-5.4	3.6
Trailing 10-Year	-0.4	-1.6	1.2

*Relative to the Russell 2000 Growth Index

**RETURN SUMMARY
ENDING 3/31/09**

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Heartland Value Institutional Fund	-12.4 %	82	-41.2 %	82	-18.1 %	90	-7.5 %	93
Russell 2000 Value Index	-19.6	99	-38.9	66	-17.5	88	-5.3	71

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.

Manager Monitoring

Husin Bennisson, one of the co-portfolio managers on the Fund has transitioned into an advisory position. William R. Nasgovitz was added to the portfolio management team in February. Bill Nasgovitz, long-time portfolio manager and founder of the firm remains as the lead manager, with Brad Evan continuing to serve as a co-manager.

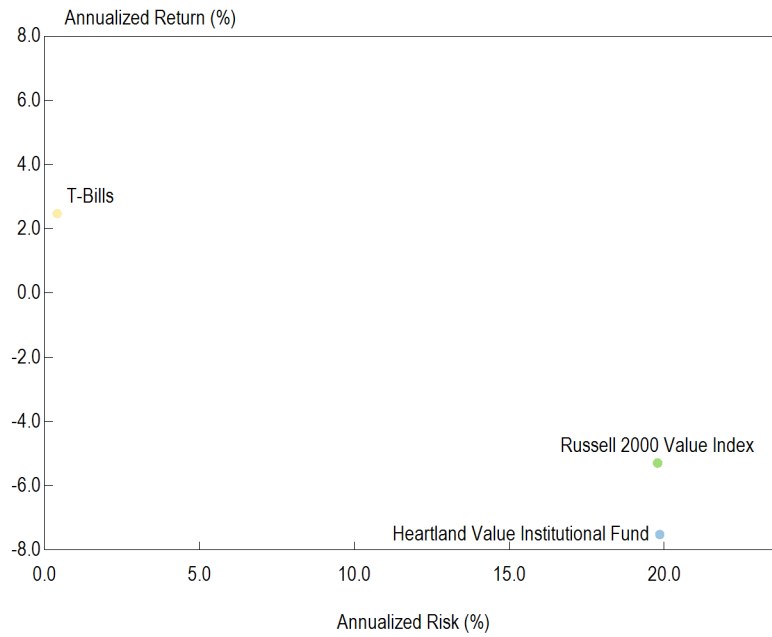
Performance Commentary

Although negative in absolute terms, the Heartland Value Fund outperformed the return of the Russell 2000 Value Index by 7.2 percentage points during the first quarter. The Fund's underweight allocation to the financial sector aided performance as the sector continued to struggle over continued concerns of economic stability. Additionally, the Fund's exposure to the information technology sector benefited performance. Companies in this sector typically have minimal to no leverage and have been largely unaffected from the dislocations in the credit markets. On the other hand, the Fund's overweight allocation to the energy sector hindered performance.

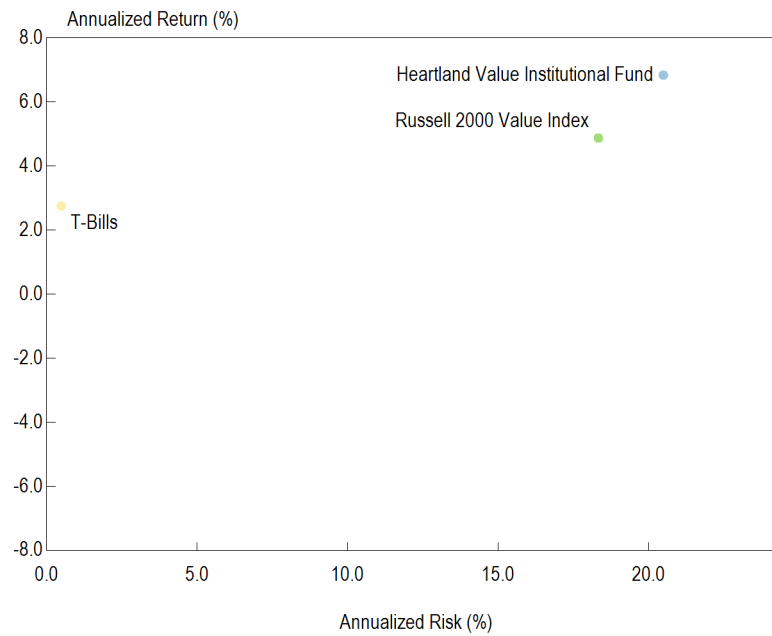
The Fund underperformed its benchmark during all long-term periods illustrated above. The Fund has outperformed over the ten-year period. Underperformance in the periods shown above is mainly attributed to weak results in 2008, as 2008 was a difficult year for all investments including value stocks. Due to its allocation to microcap stocks, the Fund's performance will never closely mirror that of the Russell 2000 Value Index.

HEARTLAND VALUE INSTITUTIONAL

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/09



ANNUALIZED RISK RETURN 10 YEARS ENDING 3/31/09



HEARTLAND VALUE INSTITUTIONAL

FUND CHARACTERISTICS AS OF 3/31/09

	Heartland Value Institutional Fund	
Style Characteristics	Value	
Capitalization Focus	Micro to Small	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.96	
Composition	U.S. Stocks	88.3%
	Non-U.S. Stocks	10.7
	Cash	1.0
Number of Issues	167	
Turnover	42%	
Inception Date	December 1984	
Total Fund Assets	\$770.1 billion	
Fees	0.89%	

HISTORICAL RETURNS (BY YEAR)

	Heartland Value Institutional 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	-39.4	-28.9	-10.5
2009 (3 months)	-12.4	-19.6	7.2
Trailing 1-Year	-41.2%	-38.9%	-2.3
Trailing 3-Year	-18.1	-17.5	-0.6
Trailing 5-Year	-7.5	-5.3	-2.2
Trailing 10-Year	6.8	4.9	1.9

*Relative to the Russell 2000 Value Index.

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**RETURN SUMMARY
ENDING 3/31/09**

	First Quarter		1 Year Ending 3/31/09		3 Years Ending 3/31/09		5 Years Ending 3/31/09	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
EuroPacific Growth Fund	-7.9%	7	-40.4%	9	-9.4%	6	1.8%	8
MSCI All Country World ex-U.S. Index	-10.7	27	-46.5	52	-13.1	32	-0.7	29

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.

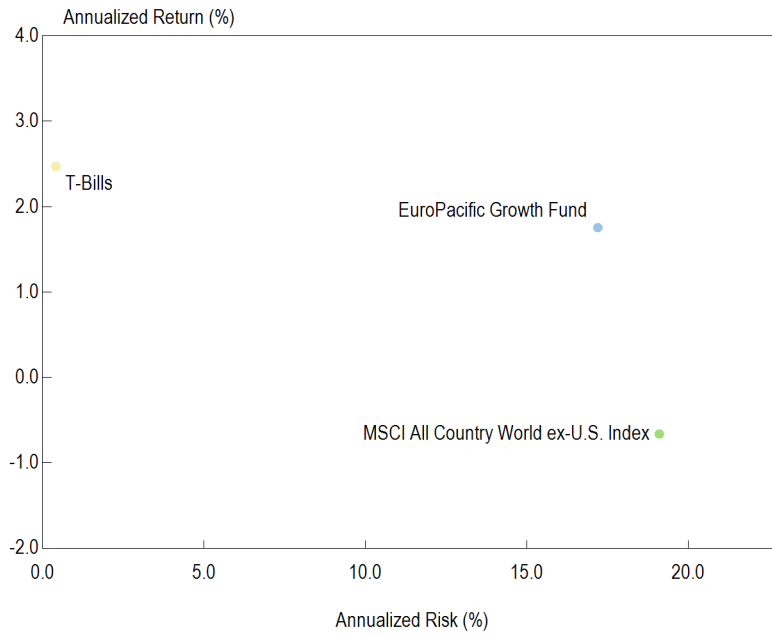
Performance Commentary

The EuroPacific Growth Fund outperformed the MSCI All Country World ex-U.S. Index by 2.8 percentage points in the first quarter. Similar to last quarter, the Fund benefited from its allocation to cash (12.0% as of quarter end) amidst falling equity prices. The Fund's overweight position to and strong stock selection in the technology sector, in particular the electronic equipment and semiconductors industries helped results. In the financial sector, the Fund maintained a 50% weight relative to the Index and picked up relative returns. In addition, the Fund exhibited keen stock selection in the health care sector through holdings in the pharmaceutical industry. The Fund's overweight exposure to emerging markets also added to relative performance as the emerging markets fared better than the developed countries this quarter. From a country perspective, Japan and the U.K. contributed positively as a result of the Fund's underweight positions and strong stock selection in those markets.

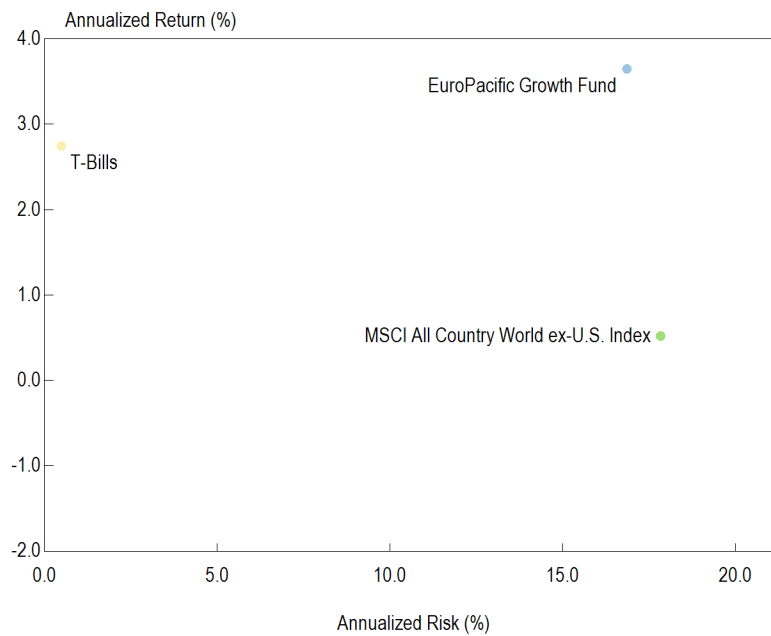
The Fund's longer-term results remain favorable on a relative basis, as the Fund has outperformed the MSCI All Country World ex-U.S. Index during all periods illustrated above.

EUROPACIFIC GROWTH

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/09



ANNUALIZED RISK RETURN 10 YEARS ENDING 3/31/09



FUND CHARACTERISTICS AS OF 3/31/09

	EuroPacific Growth Fund	
Geographic Breakdown	Asia & Pacific Basin	20.0%
	Europe ex-U.K.	45.6
	United Kingdom	8.3
	Other (Including Canada & Latin America)	14.1
	Cash	12.0
Composition	Non-U.S. Stocks	87.1%
	U.S. Stocks	0.2
	Non-U.S. Bonds	0.7
	Cash	12.0
Number of Issues	260	
Turnover	41.4%	
Inception Date	April 1984	
Total Fund Assets	\$63.5 billion	
Fees	0.54%	

**HISTORICAL RETURNS
(BY YEAR)**

	EuroPacific Growth Fund	MSCI All Country World ex-U.S. Index	Return Difference
	Return	Return	
1998	15.5%	14.1%	1.4
1999	57.0	30.6	26.4
2000	-17.8	-15.3	-2.5
2001	-12.2	-19.7	7.5
2002	-13.4	-14.9	1.5
2003	33.2	40.8	-7.6
2004	20.0	20.9	-0.9
2005	21.4	16.6	4.8
2006	22.2	26.7	-4.5
2007	19.2	16.7	2.5
2008	-40.4	-45.5	5.1
2009 (3 months)	-7.9	-10.7	2.8
Trailing 1-Year	-40.4%	-46.5%	6.1
Trailing 3-Year	-9.4	-13.1	3.7
Trailing 5-Year	1.8	-0.7	2.5
Trailing 10-Year	3.6	0.5	3.1

EUROPACIFIC GROWTH

COUNTRY ALLOCATION/RETURNS 3 MONTHS ENDING 3/31/09

	Manager Allocation	Index Allocation	Index Return
Europe			
Austria	0.4 %	0.3 %	-8.1 %
Belgium	2.2	0.7	-4.4
Czech Republic*	--	0.1	-15.7
Denmark	2.4	0.6	-11.3
Finland	0.8	0.9	-22.2
France	8.1	7.9	-16.0
Germany	9.3	6.0	-19.5
Greece	0.8	0.4	-12.6
Hungary*	0.1	0.1	-28.8
Ireland	0.9	0.3	-9.2
Italy	1.3	2.5	-20.6
Netherlands	2.5	1.7	-16.5
Norway	0.7	0.5	3.2
Poland*	0.1	0.2	-31.5
Portugal	0.2	0.3	-7.8
Russia*	2.1	1.2	5.9
Spain	3.7	3.2	-18.5
Sweden	1.2	1.7	-6.3
Switzerland	8.3	6.0	-15.4
United Kingdom	8.3	15.2	-10.7
Asia/Pacific			
Australia	1.9 %	5.1 %	-1.6 %
China*	3.0	3.7	1.3
Hong Kong	1.9	1.7	-0.5
India*	2.8	1.2	-1.5
Indonesia*	0.3	0.3	1.1
Japan	7.8	17.9	-16.6
Korea*	1.9	2.6	-0.5
Malaysia*	--	0.6	-3.1
New Zealand	--	0.1	-3.1
Philippines*	0.3	0.1	5.9
Singapore	0.6	0.9	-9.0
Taiwan, China*	2.4	2.3	8.3
Thailand*	--	0.3	-5.0
Americas			
Argentina*	--	0.0 %	-15.1 %
Brazil*	2.7 %	2.8	12.5
Canada	2.4	6.9	-3.6
Chile*	--	0.3	13.6
Colombia*	--	0.1	-10.1
Mexico*	3.2	0.9	-14.0
Peru*	--	0.1	6.5
United States	0.2	--	--
Other			
Egypt*	0.1 %	0.1 %	-11.4 %
Israel*	1.7	0.7	5.6
Morocco*	--	0.1	-8.7
South Africa*	1.2	1.5	-4.0
Turkey*	0.2	0.3	-12.7
Cash			
Cash	12.0 %	--	--
Total	100.0 %	100.0 %	-10.7 %
Developed	65.9	80.5	
Emerging*	22.1	19.6	
Cash	12.0	--	

VANGUARD FTSE ALL WORLD EX-U.S. INDEX

RETURN SUMMARY ENDING 3/31/09

	First Quarter		1 Year Ending 3/31/09	
	Return	Rank	Return	Rank
Vanguard FTSE All World ex-U.S. Index	-12.3 %	51	-46.2 %	49
FTSE All World ex-U.S. Index	-10.4	22	-46.1	48

Investment Strategy

The Vanguard FTSE All World ex-U.S. Index is designed to track the investment performance of the FTSE All World ex-U.S. Index which is comprised of approximately 47 developed and emerging countries, excluding the U.S., while including Canada.

Performance Commentary

The Vanguard FTSE All World ex-U.S. Index declined 12.3% during the quarter and incurred a negative tracking relative to the FTSE All World ex-U.S. Index. The discrepancy is due to the effects of fair value pricing which Vanguard employs in pricing the Fund. Differences in the Fund's performance and the Index's performance that result from fair value pricing typically was over several quarters. The Fund approximated the Index during the trailing one-year period. Longer-term performance is not shown as the Fund started in April 2007.

VANGUARD FTSE ALL WORLD EX-U.S. INDEX

FUND CHARACTERISTICS AS OF 3/31/09

	Vanguard FTSE All World ex-U.S. Index	
Country Allocations	Japan	16.8%
	Pacific ex-Japan	8.1
	United Kingdom	14.4
	Europe ex-U.K.	33.4
	North America	5.9
	Emerging Markets	21.4
Composition	Non-U.S. Stocks	100.0%
	Cash	0.0
Number of Issues	2,167	
Turnover	7.4%	
Inception Date	April 2007	
Total Fund Assets	\$3.4 billion	
Fees	0.15%	

HISTORICAL RETURNS

(BY Years)

	Vanguard FTSE All World ex-U.S. Index	FTSE All World ex-U.S. Index
	Return	Return
2007 (9 months)	12.7 %	13.9 %
2008	-44.0	-45.3
2009 (3 months)	-12.3	-10.4
Trailing 1-Year	-46.2 %	-46.1 %

VANGUARD FTSE ALL WORLD EX-U.S. INDEX

COUNTRY ALLOCATION/RETURNS

3 MONTHS ENDING 3/31/09

	Manager Allocation	Index Allocation	Index Return
Europe			
Austria	0.3%	0.3%	-8.1%
Belgium	0.7	0.7	-2.6
Czech Republic*	0.1	0.1	-15.5
Denmark	0.7	0.7	-9.0
Finland	0.8	0.8	-22.2
France	8.4	8.2	-16.4
Germany	5.8	5.8	-19.2
Greece	0.4	0.4	-12.8
Hungary*	0.1	0.1	-27.4
Ireland	0.3	0.3	-6.5
Italy	2.6	2.6	-21.7
Netherlands	1.7	1.9	-16.4
Norway	0.6	0.6	5.3
Poland*	0.2	0.2	-32.9
Portugal	0.3	0.3	-8.7
Russia*	1.2	1.2	9.6
Spain	3.5	3.5	-18.3
Sweden	1.6	1.6	-5.6
Switzerland	5.7	5.7	-14.8
United Kingdom	14.4	14.7	-10.6
Asia/Pacific			
Australia	5.1%	5.1%	-1.8%
China*	3.8	2.3	5.6
Hong Kong	1.9	3.5	-1.3
India*	1.8	1.8	-3.4
Indonesia*	0.3	0.3	1.5
Japan	16.8	16.4	-16.4
Korea*	3.0	2.9	-0.5
Malaysia*	0.7	0.7	-4.6
New Zealand	0.1	0.1	-4.1
Philippines*	0.1	0.1	3.1
Singapore	1.0	0.9	-9.0
Taiwan, China*	2.6	2.5	8.6
Thailand*	0.3	0.3	-4.2
Americas			
Argentina*	0.1%	0.1	-4.0%
Brazil*	3.0	3.0	12.8
Canada	5.9	5.9	-3.7
Chile*	0.3	0.3	14.7
Colombia*	--	0.1	-11.8
Mexico*	1.0	1.0	-11.8
Peru*	0.1	0.1	16.1
Other			
Egypt*	0.1%	0.2	-7.7%
Israel*	0.6	0.7	3.4
Morocco*	--	0.1	-8.8
South Africa*	1.8	1.8	-4.5
Turkey*	0.2	0.2	-13.5
Total	100.0%	100.0%	-10.4%
Developed	78.6	79.9	
Emerging*	21.4	20.1	
Cash	--	--	

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RETURNS OF THE MAJOR CAPITAL MARKETS

	First Quarter	Annualized Periods Ending 3/31/09				
		1-Year	3-Year	5-Year	10-Year	15-Year
Domestic Stock Indices:						
DJ Wilshire 5000 Index	-10.6%	-38.0%	-13.3%	-4.4%	-2.1%	5.8%
S&P 500 Index	-11.0	-38.1	-13.1	-4.8	-3.0	5.9
Russell 3000 Index	-10.8	-38.2	-13.5	-4.6	-2.3	5.8
Russell 1000 Value Index	-16.8	-42.4	-15.4	-4.9	-0.6	6.4
Russell 1000 Growth Index	-4.1	-34.3	-11.3	-4.4	-5.3	4.8
Russell MidCap Value Index	-14.7	-42.5	-16.7	-3.8	3.1	7.7
Russell MidCap Growth Index	-3.4	-39.6	-14.9	-3.9	-0.9	5.3
Russell 2000 Value Index	-19.6	-38.9	-17.5	-5.3	4.9	6.9
Russell 2000 Growth Index	-9.7	-36.4	-16.2	-5.4	-1.6	2.4
Domestic Bond Indices:						
Barclays Capital Aggregate Index	0.1%	3.1%	5.8%	4.1%	5.7%	6.4%
Barclays Capital Govt/Credit Index	-1.3	1.8	5.5	3.7	5.6	6.3
Barclays Capital Long Govt/Credit Index	-6.2	1.0	4.9	3.9	6.3	7.4
Barclays Capital 1-3 Year Govt/Credit Index	0.6	2.8	5.4	3.7	4.8	5.3
Barclays Capital U.S. MBS Index	2.2	8.1	7.6	5.6	6.2	6.8
Barclays Capital High Yield Index	6.0	-19.3	-4.7	-0.1	2.6	4.8
Barclays Capital Universal Index	0.4	1.1	4.9	3.8	5.6	6.4
Real Estate Indices:						
NCREIF Property Index	-7.3%	-14.7%	4.2%	9.4%	9.4%	9.9%
NCREIF ODCE Index	-13.9	-24.0	-0.6	6.1	7.2	8.3
DJ Wilshire Real Estate Securities Index	-33.9	-61.0	-27.2	-9.4	3.4	4.9
FTSE NAREIT US Real Estate Index	-31.9	-58.2	-25.1	-8.6	3.9	5.2
Foreign/Global Stock Indices:						
MSCI All Country World Index	-10.7%	-43.1%	-13.3%	-2.9%	-1.7%	3.7%
MSCI All Country World IMI	-10.5	-43.2	-14.0	-3.1	-1.1	--
MSCI All Country World ex-U.S. Index	-10.7	-46.5	-13.1	-0.7	0.5	2.8
MSCI All Country World ex-U.S. IMI	-10.3	-46.7	-13.5	-0.7	0.9	--
MSCI All Country World ex-U.S. Small Cap Index	-6.6	-49.5	-16.4	-1.4	3.2	--
MSCI EAFE Index	-13.9	-46.5	-14.5	-2.2	-0.8	2.3
MSCI EAFE IMI	-13.5	-46.7	-14.8	-2.2	-0.5	--
MSCI EAFE Index (in local currency)	-10.1	-36.9	-15.7	-2.0	-2.1	2.0
MSCI Emerging Markets IMI	1.2	-47.2	-8.2	5.8	7.0	--
Foreign Bond Indices:						
Citigroup World Gov't Bond Index	-5.7%	-6.4%	7.4%	4.4%	5.5%	5.9%
Citigroup Hedged World Gov't Bond Index	0.1	5.8	5.7	5.0	5.2	7.0
Cash Equivalents:						
Treasury Bills (30-Day)	0.0%	0.7%	2.7%	2.5%	2.7%	3.4%
EnnisKnupp STIF Index	0.2	2.0	4.1	3.5	3.6	4.2
Inflation Index:						
Consumer Price Index	1.2%	-0.4%	2.1%	2.6%	2.6%	2.5%

APPENDIX II

Benchmark Descriptions

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

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

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

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

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

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

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

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

MSCI All Country World ex-U.S. Free Index - A capitalization-weighted index of stocks representing 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.

Benchmark Descriptions

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

FTSE All World ex-U.S. Index - An index of stocks representing approximately 47 developed and emerging countries, excluding the U.S. while including Canada.

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

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

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

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

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

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

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

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

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

APPENDIX II

Rank Descriptions

U.S. Equity Ranks - A broad Morningstar universe of 2,244 U.S. stock mutual funds.

Fixed Income Ranks - A Morningstar universe of 190 fixed income mutual funds.

Non-U.S. Equity Ranks - A non-U.S. equity universe calculated by BNY Mellon Performance & Risk Analytics. The universe includes 95 non-U.S. stock managers with an aggregate market value of \$155.7 billion.