

# PERFORMANCE REPORT

Independent  
advice for the  
institutional  
investor

**Milwaukee County  
Deferred  
Compensation Plan**

**Second Quarter 2009**



## CONTENTS

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- 1 Investment Highlights
- 2 Fund Monitoring System
- 3 Market Environment
- 4 Fixed Income Funds
- 5 Balanced Funds
- 6 U.S. Stock Funds
- 7 Non-U.S. Stock Funds
- 8 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 6/30/09

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>North Shore Savings Fund</b>	<b>0.2 %</b>	<b>0.5 %</b>	<b>1.5 %</b>	<b>2.7 %</b>	<b>2.7 %</b>
iMoney Net Money Fund Average	0.0	0.1	0.9	3.0	2.5
<b>Stable Value Fund</b>	<b>1.1</b>	<b>2.3</b>	<b>4.7</b>	<b>4.8</b>	<b>4.7</b>
EnnisKnupp GIC Index	1.1	2.3	4.7	4.6	4.3
<b>PIMCO Total Return Fund Instl</b>	<b>4.7</b>	<b>6.3</b>	<b>9.3</b>	<b>8.4</b>	<b>6.4</b>
Barclays Capital Aggregate Bond Index	1.8	1.9	6.0	6.4	5.0

### RETURN SUMMARY ENDING 6/30/09

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>TRP PS Income</b>	<b>13.0 %</b>	<b>9.8 %</b>	<b>-8.8 %</b>	<b>0.4 %</b>	<b>3.0 %</b>
Custom Benchmark	7.8	3.2	-8.7	0.1	2.4
<b>TRP PS Balanced</b>	<b>17.2</b>	<b>12.1</b>	<b>-15.0</b>	<b>-2.2</b>	<b>2.0</b>
Custom Benchmark	11.3	4.1	-14.9	-2.4	1.5
<b>TRP PS Growth</b>	<b>20.3</b>	<b>12.9</b>	<b>-22.3</b>	<b>-5.5</b>	<b>0.5</b>
Custom Benchmark	14.7	4.7	-20.9	-5.0	0.4

Benchmark descriptions can be found in the Appendix.

## INVESTMENT HIGHLIGHTS

### RETURN SUMMARY ENDING 6/30/09

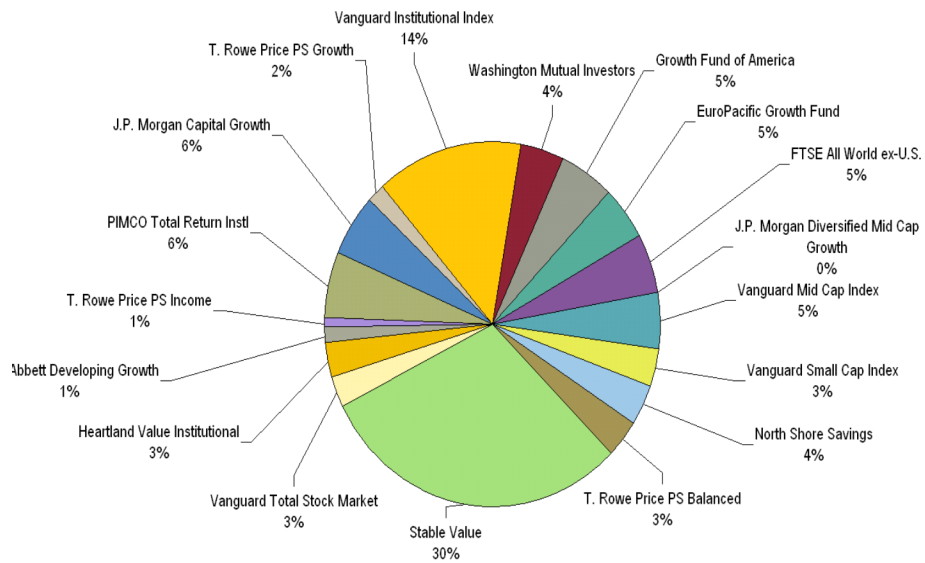
	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>Washington Mutual Investors Fund</b>	<b>13.0 %</b>	<b>-2.0 %</b>	<b>-25.3 %</b>	<b>-8.5 %</b>	<b>-2.3 %</b>
Russell 1000 Value Index	16.7	-2.9	-29.0	-11.1	-2.1
<b>Vanguard Institutional Index Fund</b>	<b>16.0</b>	<b>3.3</b>	<b>-26.1</b>	<b>-8.2</b>	<b>-2.2</b>
S&P 500 Index	15.9	3.2	-26.2	-8.2	-2.2
<b>Growth Fund of America</b>	<b>16.9</b>	<b>12.3</b>	<b>-26.5</b>	<b>-6.2</b>	<b>0.8</b>
Russell 1000 Growth Index	16.3	11.5	-24.5	-5.5	-1.8
<b>Vanguard Total Stock Market Index Fund</b>	<b>17.0</b>	<b>4.5</b>	<b>-26.1</b>	<b>-8.0</b>	<b>-1.6</b>
Performance Benchmark	16.9	4.4	-26.2	-8.1	-1.6
<b>J.P. Morgan Diversified Mid Cap Growth</b>	<b>15.0</b>	<b>13.7</b>	<b>-31.0</b>	<b>-7.5</b>	<b>-0.5</b>
Russell Mid Cap Growth Index	20.7	16.6	-30.3	-7.9	-0.4
<b>Vanguard Mid Cap Index Fund</b>	<b>18.3</b>	<b>8.4</b>	<b>-31.5</b>	<b>-10.0</b>	<b>-0.2</b>
MSCI U.S. Mid Cap 450 Index	18.3	8.4	-31.6	-10.0	-0.2
<b>Vanguard Small Cap Index Fund</b>	<b>24.2</b>	<b>7.5</b>	<b>-25.1</b>	<b>-9.0</b>	<b>-0.7</b>
Small-Cap Index	24.1	7.3	-25.4	-9.1	-0.8
<b>Lord Abbett Developing Growth Fund</b>	<b>24.4</b>	<b>21.7</b>	<b>-23.4</b>	<b>-3.6</b>	<b>2.5</b>
Russell 2000 Growth Index	23.4	11.4	-24.8	-7.8	-1.3
<b>Heartland Value Institutional Fund</b>	<b>31.3</b>	<b>15.1</b>	<b>-28.6</b>	<b>-9.6</b>	<b>-2.1</b>
Russell 2000 Value Index	18.0	-5.2	-25.2	-12.1	-2.3

### RETURN SUMMARY ENDING 6/30/09

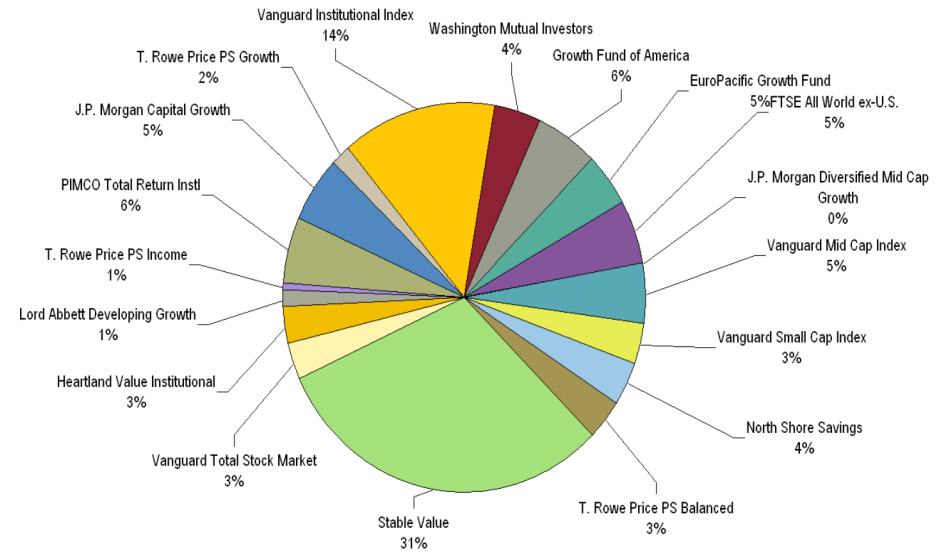
	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>EuroPacific Growth Fund</b>	<b>22.4 %</b>	<b>12.8 %</b>	<b>-25.3 %</b>	<b>-2.9 %</b>	<b>6.3 %</b>
MSCI All Country World ex-U.S. Index	27.6	13.9	-30.9	-5.8	4.5
<b>Vanguard FTSE All World ex-U.S. Index</b>	<b>28.1</b>	<b>12.4</b>	<b>-30.0</b>	<b>--</b>	<b>--</b>
FTSE All World ex-U.S. Index	28.5	15.2	-29.9	--	--

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  
Second Quarter 2009

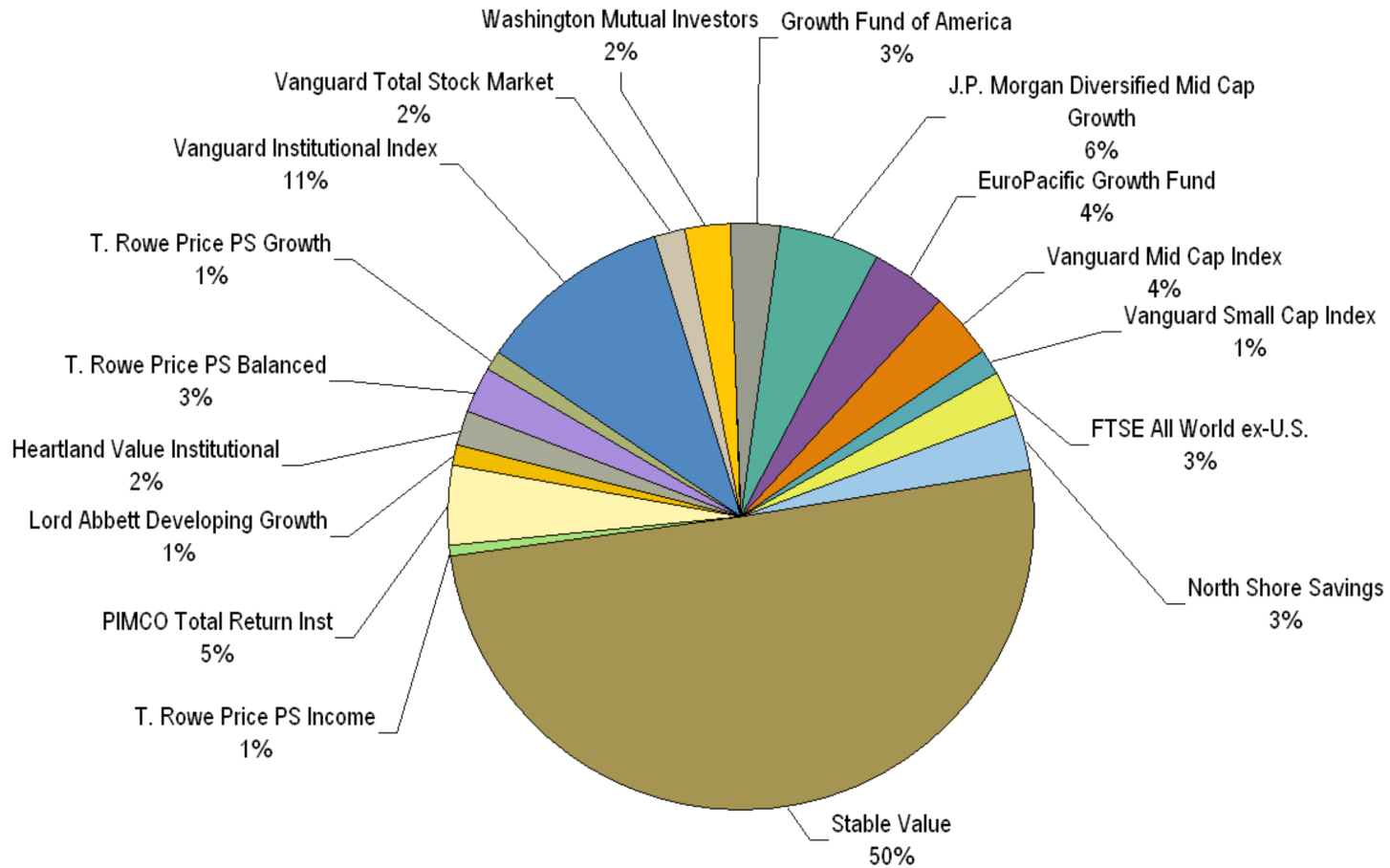


Contributions by Investment Option  
YTD 2009

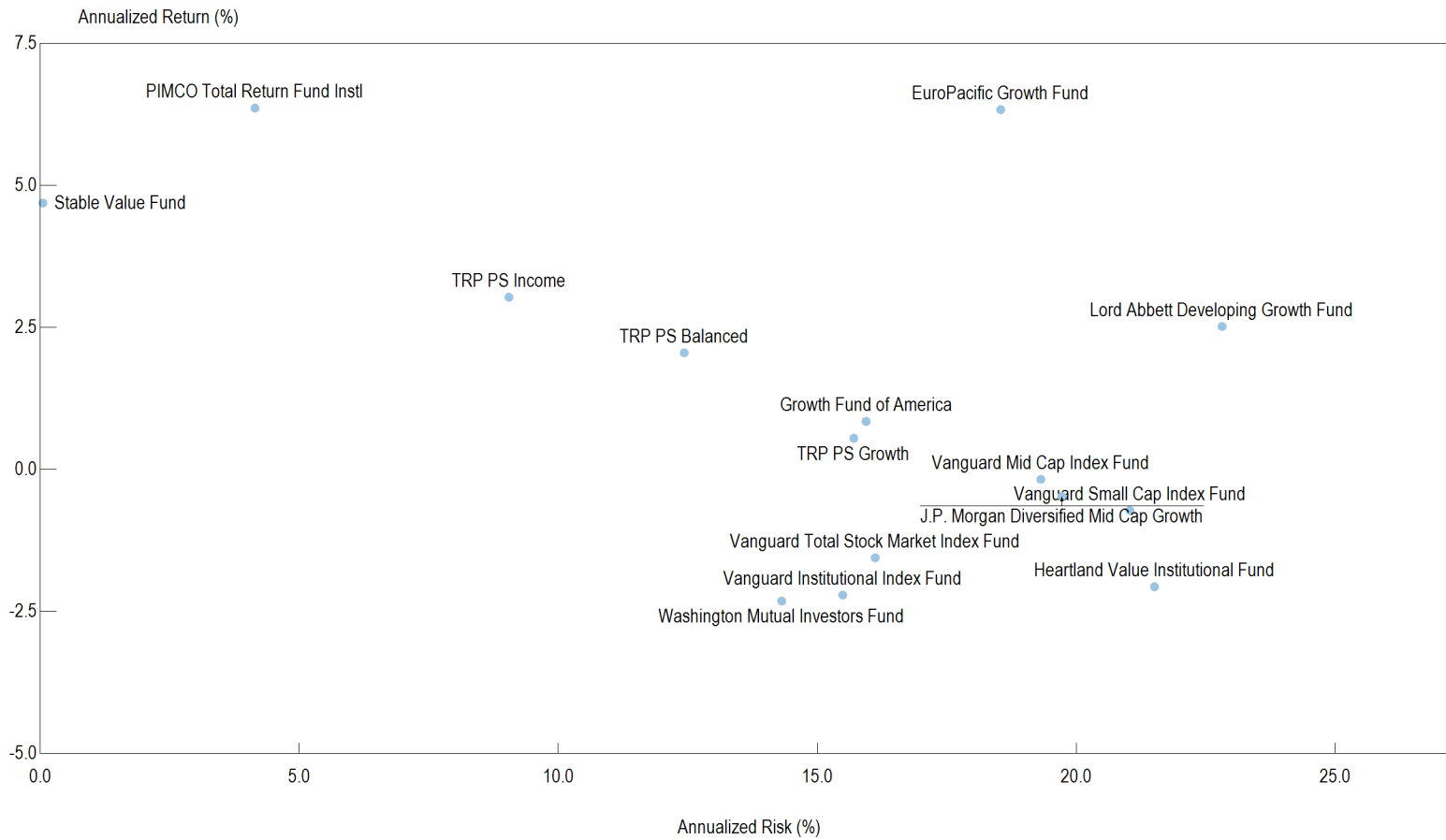


# INVESTMENT HIGHLIGHTS

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



**ANNUALIZED RISK RETURN  
5 YEARS ENDING 6/30/09**



## INVESTMENT HIGHLIGHTS

### Change in Market Value

Investment Fund	March 31, 2009	Net Contributions/ Withdrawals	Net Income/ Appreciation*	June 30, 2009
North Shore Savings	6,540,583	(632,545)	12,815	5,920,853
Stable Value	97,186,042	1,251,726	1,114,384	99,552,153
T. Rowe Price PS Income	1,032,013	28,661	133,744	1,194,418
PIMCO Total Return Inst	8,184,304	497,952	399,142	9,081,398
Heartland Value Institutional	2,813,075	102,822	876,746	3,792,643
Lord Abbett Developing Growth	1,509,810	76,798	370,001	1,956,610
T. Rowe Price PS Balanced	4,228,384	78,638	730,418	5,037,440
T. Rowe Price PS Growth	1,743,585	64,794	355,510	2,163,889
Vanguard Institutional Index	18,237,713	322,221	2,935,454	21,495,388
Vanguard Total Stock Market	2,997,011	51,499	507,481	3,555,990
Washington Mutual Investors	3,985,569	429,696	520,470	4,935,735
J.P. Morgan Capital Growth	9,453,216	(10,789,031)	1,335,815	0
Growth Fund of America	4,397,990	(78,524)	737,681	5,057,147
EuroPacific Growth Fund	6,844,764	216,907	1,538,422	8,600,094
FTSE All World ex-U.S. Index	3,763,407	144,757	1,077,188	4,985,352
J.P. Morgan Diversified Mid Cap Growth	0	11,148,939	32,634	11,181,573
Vanguard Mid Cap Index	5,523,858	464,658	1,019,508	7,008,024
Vanguard Small Cap Index	2,262,770	(190,727)	548,165	2,620,208
<b>Total</b>	<b>180,704,093</b>	<b>3,189,243</b>	<b>14,245,580</b>	<b>198,138,915</b>

### Fees

Fund Name	Plan Balance (\$ thousands)	Expense Ratio	Revenue Sharing Fees	\$ Fee on Expense Ratio	Dollar Revenue Sharing
North Shore Savings	\$ 5,921	0.00%	0.00%	\$ -	\$ -
Stable Value	99,552	0.40%	0.00%	398,209	-
PIMCO Total Return Inst	9,081	0.46%	0.00%	41,774	-
TRP PS Income	1,194	0.66%	0.10%	7,883	1,194
TRP PS Balanced	5,037	0.76%	0.10%	38,285	5,037
TRP PS Growth	2,164	0.83%	0.10%	17,960	2,164
Washington Mutual	4,936	0.69%	0.33%	34,057	16,288
Heartland Value Institutional	3,793	1.06%	0.10%	40,202	3,793
Lord Abbett	1,957	1.13%	0.40%	22,110	7,826
FTSE All World ex-U.S. Index	4,985	0.15%	0.20%	7,478	9,971
Vanguard Institutional	21,495	0.05%	0.00%	10,748	-
Vanguard Total Stock Market	3,556	0.16%	0.00%	5,690	-
JPMorgan Diversified Mid Cap Growth	11,182	1.24%	0.00%	138,652	-
Vanguard Mid Cap Index	7,008	0.22%	0.00%	15,418	-
Growth Fund of America (R5)	5,057	0.39%	0.05%	19,723	2,529
Vanguard Small Cap Index	2,620	0.23%	0.00%	6,026	-
EuroPacific Growth Fund (R5)	8,600	0.56%	0.05%	48,161	4,300
<b>Total</b>	<b>\$ 198,139</b>	<b>0.43%</b>		<b>\$ 852,374</b>	<b>\$ 53,102</b>
<b>Total as a Percent</b>				<b>0.43%</b>	<b>0.03%</b>

<b>Investment Management Fee Net of Revenue Sharing</b>	(\$ Fee on Expense Ratio - Dollar Revenue Sharing)	<b>\$ 799,272</b>
<i>Net Investment Management Fee as a Percent of Plan Assets</i>		<b>0.40%</b>

<b>Great West Revenue Sharing Cap**</b>	<b>\$ 125,000 *</b>
<i>Capped Revenue Sharing as a Percent of Plan Assets</i>	<b>0.06%</b>
<b>Revenue Sharing Returned to the County</b>	<b>\$ -</b>
<i>Returned Revenue Sharing as a Percent of Plan Assets</i>	<b>0.00%</b>

\*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.

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

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

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

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

### **Special Circumstances**

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

### **Applying the Fund Monitoring System to the Plan**

The table on the following page has applied the fund monitoring system to the funds in the Milwaukee County Plan. As shown, all the funds are currently on green status.

# FUND MONITORING SYSTEM

## Investment Fund Monitoring Summary:

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

\*Second quarter rankings were unavailable at the time the report was produced

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

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**MARKET ENVIRONMENT**  
**Second Quarter 2009**

# MARKET ENVIRONMENT

## OVERVIEW

### MAJOR MARKET RETURNS

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09	10 Years Ending 6/30/09
<b>Dow Jones US Total Stock Index</b>	<b>16.8 %</b>	<b>4.5 %</b>	<b>-26.4 %</b>	<b>-8.1 %</b>	<b>-1.6 %</b>	<b>-1.3 %</b>
<b>MSCI All Country World ex-U.S. Index</b>	<b>27.6</b>	<b>13.9</b>	<b>-30.9</b>	<b>-5.8</b>	<b>4.5</b>	<b>2.5</b>
MSCI EAFE Index	25.4	8.0	-31.4	-8.0	2.3	1.2
MSCI Emerging Markets Index	34.7	36.0	-28.1	3.0	14.7	8.7
<b>MSCI All Country World Index</b>	<b>22.3</b>	<b>9.2</b>	<b>-29.3</b>	<b>-7.0</b>	<b>1.1</b>	<b>-0.2</b>
<b>Barclays Capital Aggregate Bond Index</b>	<b>1.8</b>	<b>1.9</b>	<b>6.0</b>	<b>6.4</b>	<b>5.0</b>	<b>6.0</b>

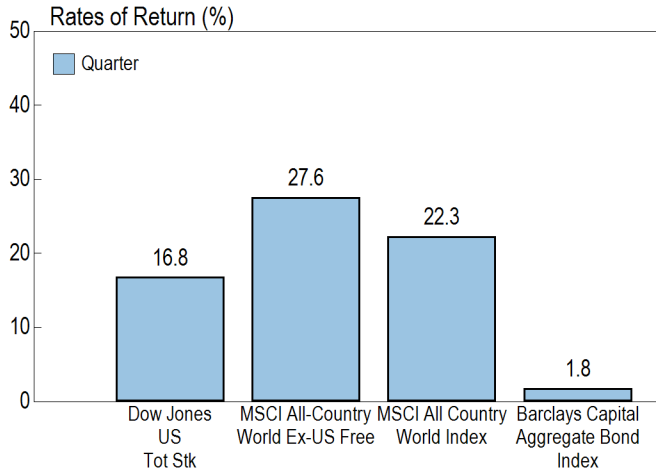
Global capital markets rallied during the second quarter as governments around the world acted to combat the troubles facing financial institutions and the consumer. The U.S. government moved forward with several fiscal policies aimed at restoring liquidity in the capital markets, including the Term Asset-Backed Securities Loan Facility (TALF), which was designed to attract investors to the new-issue asset-backed securities markets, and the Public-Private Investment Program (PPIP), which aims to restore liquidity for distressed securities such as non-agency residential mortgage-backed securities and commercial mortgage-backed securities. The Federal Open Markets Committee (FOMC) met twice during the quarter, deciding in April and again in June, to maintain the federal funds target range of 0.00-0.25%. The Committee resolved to support the credit markets by continuing in its plan to purchase up to \$1.25 trillion in agency mortgage-backed securities and \$200 billion in agency debt, as well as \$300 billion in Treasuries by the end of 2009. The U.S. Bureau of Economic Analysis revealed that the gross domestic product (GDP) decreased by an annualized 5.5% during the first quarter of 2009, and the Bureau of Labor Statistics reported that unemployment had risen to 9.5% during the month of June.

The Dow Jones U.S. Total Stock Market Index (formerly the Dow Jones Wilshire 5000 Index) returned 16.8% for the second quarter of 2009, moving its year-to-date return into positive territory. Stocks continued their climb from the end of the first quarter, peaking in early June, before weak economic data tempered investor optimism. The financial and consumer durable sectors were the strongest performers, returning 26.6% and 25.0%, respectively. By the end of the quarter the Chicago Board Options Exchange Volatility Index (VIX), which measures the cost of insurance against a market decline in the S&P 500 Index, had dropped to its lowest level since the bankruptcy of Lehman Brothers last fall.

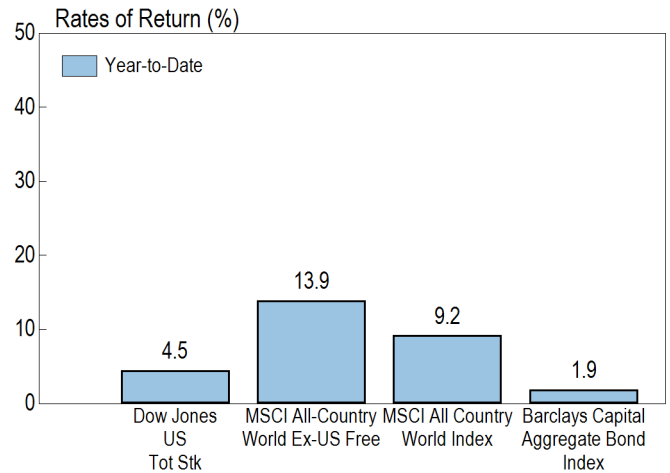
International markets outperformed U.S. stocks by more than ten percentage points during the second quarter of 2009, due in part to rising commodity prices and a subsequent 34.7% increase in the MSCI Emerging Markets Index. The Latin American and Eastern Europe & Middle East regions were the strongest performers, delivering returns of 38.5% and 34.0%, respectively. Developed market stock returns lagged those of emerging markets; however, every major region of the index generated a return greater than 20%. On June 24th the European Central Bank injected 442 billion euros into the banking system, lending at a rate of 1.00% to over 1,100 European banks.

The domestic fixed income market, as measured by the Barclays Capital Aggregate Bond Index, returned 1.8% for the second quarter of 2009. Government securities were the worst performing segment of the market as investors' risk appetite increased and lower-quality sectors generated strong returns. The Treasury yield curve steepened with short-term interest rates remaining low and longer term rates rising significantly from near-historic lows as market conditions improved.

**MAJOR MARKET RETURNS  
SECOND QUARTER**

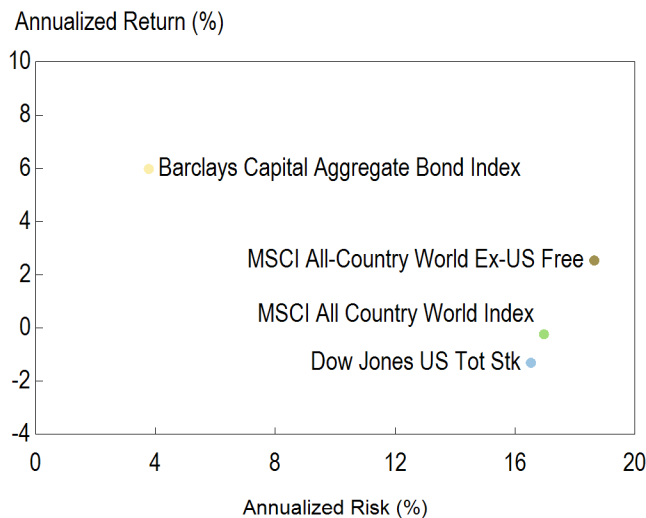


**MAJOR MARKET RETURNS  
YEAR-TO-DATE ENDING 6/30/09**

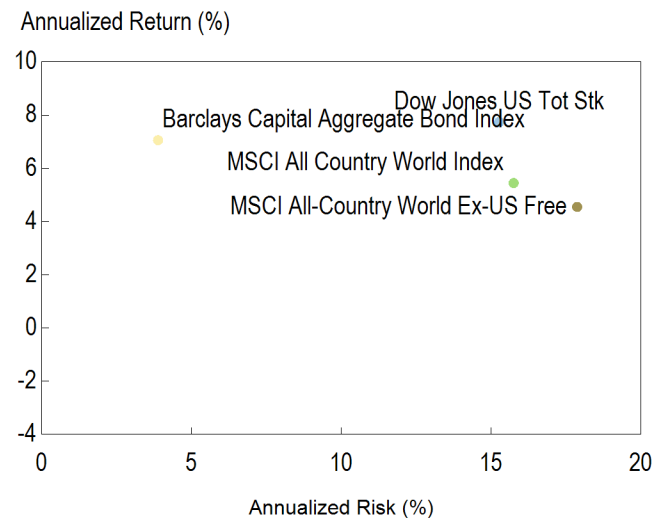


The exhibits above show the performance of the major capital markets during the second quarter and year-to-date periods.

**MARKET RISK/RETURN  
10 YEARS ENDING 6/30/09**



**MARKET RISK/RETURN  
20 YEARS ENDING 6/30/09**

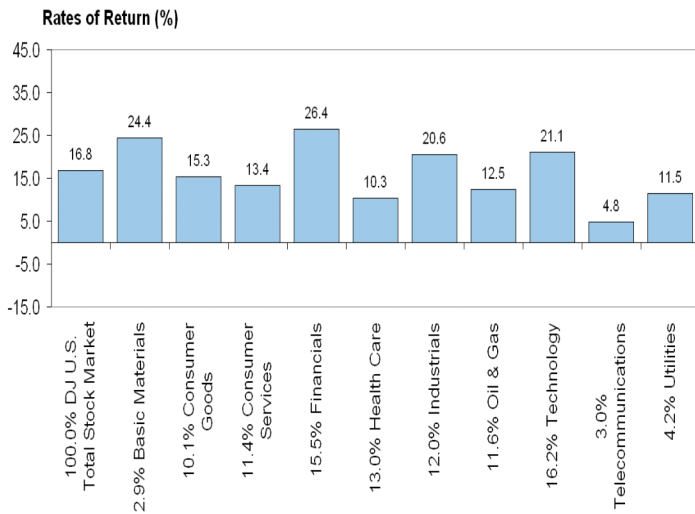


The exhibits above show the historical performance of the major capital markets and the amount of risk (volatility of returns) incurred. Points near the top of the chart represent a greater return and points near the right of the chart indicate greater volatility.

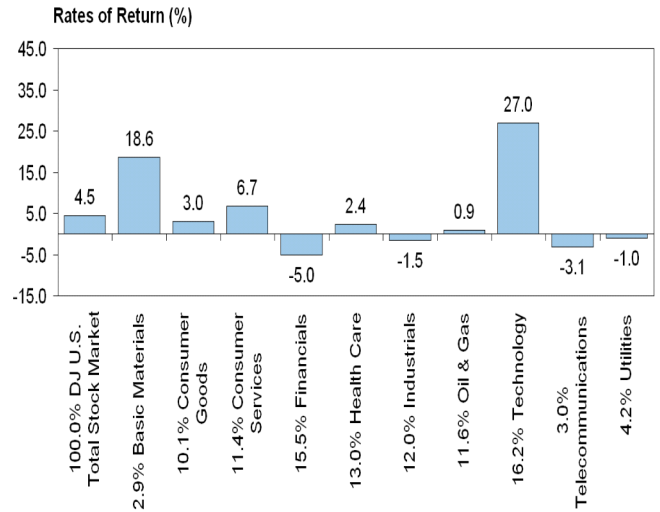
# MARKET ENVIRONMENT

## U.S. STOCK MARKET

**SECTOR RETURNS SECOND QUARTER**



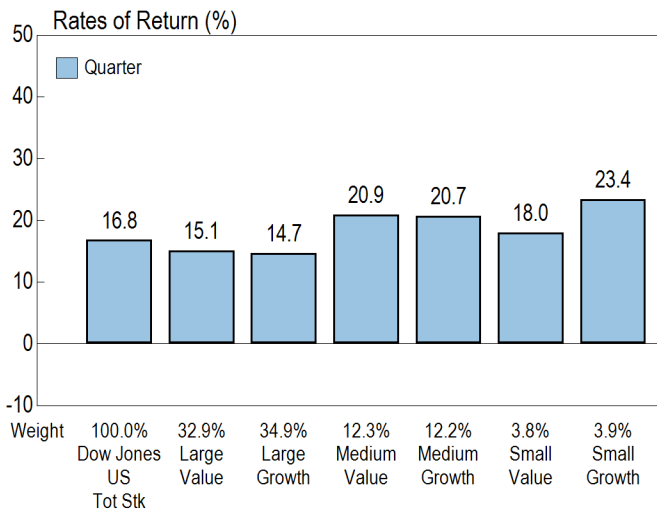
**SECTOR RETURNS YEAR-TO-DATE ENDING 6/30/09**



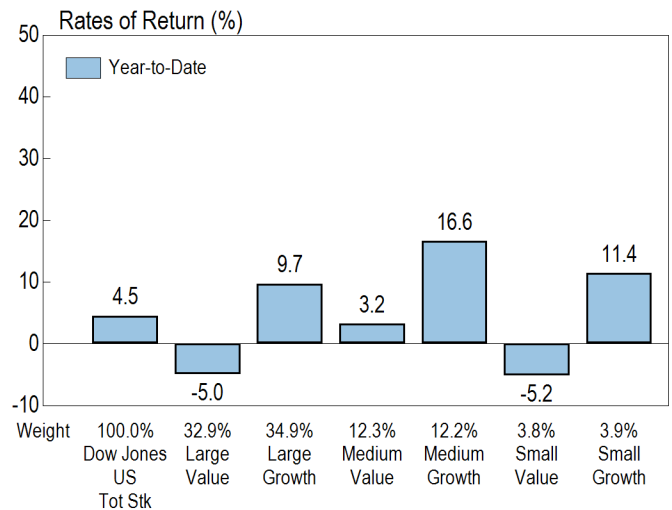
The Dow Jones U.S. Total Stock Market Index is the broadest available measure of the aggregate domestic stock market. It includes all domestic common stocks with readily available price information.

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

**STYLE RETURNS SECOND QUARTER**

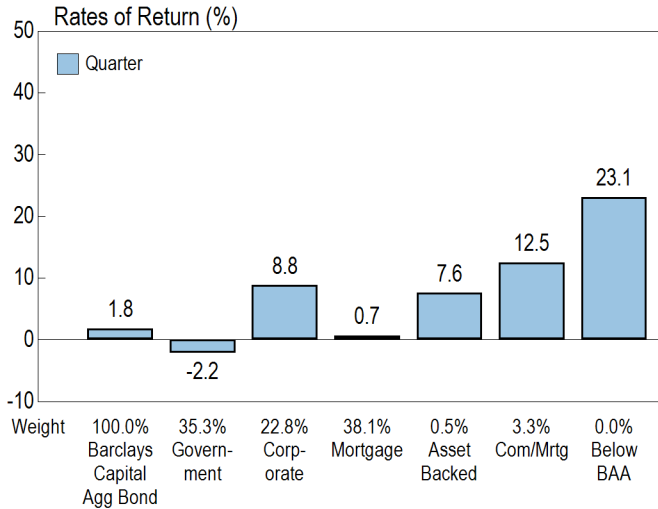


**STYLE RETURNS YEAR-TO-DATE ENDING 6/30/09**

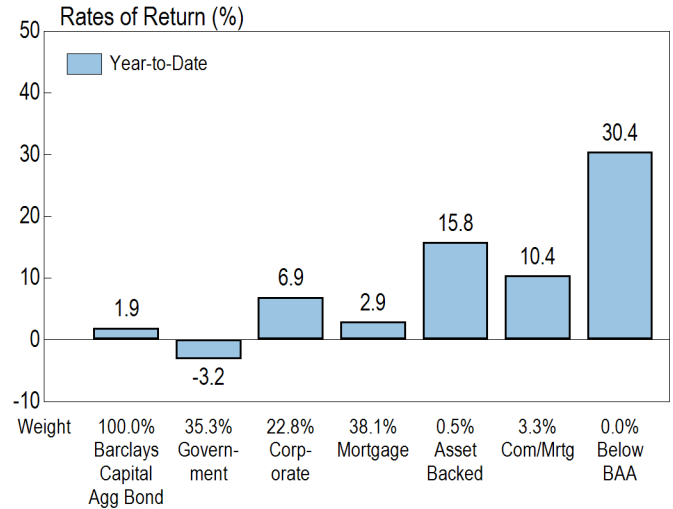


The exhibits above illustrate the performance of stock investment styles according to capitalization (large and small) and style characteristics (value and growth). The percentage below each bar indicates the segment's weight within the Dow Jones U.S. Total Stock Market Index at quarter-end.

**SECTOR RETURNS  
SECOND QUARTER**



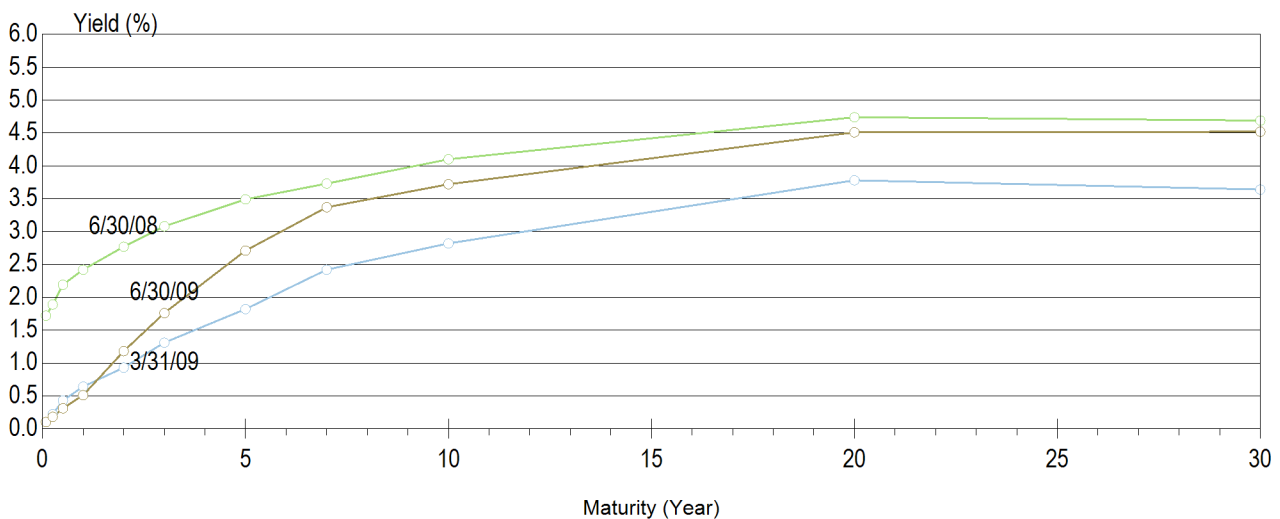
**SECTOR RETURNS  
YEAR-TO-DATE ENDING 6/30/09**



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

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

**U.S. TREASURY CURVE**

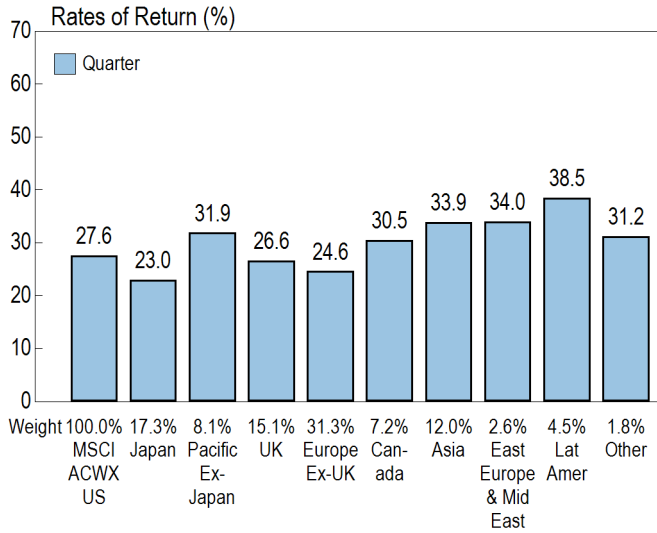


The exhibit above illustrates yields of Treasury securities of various maturities as of June 30, 2008, March 31, 2009, and June 30, 2009.

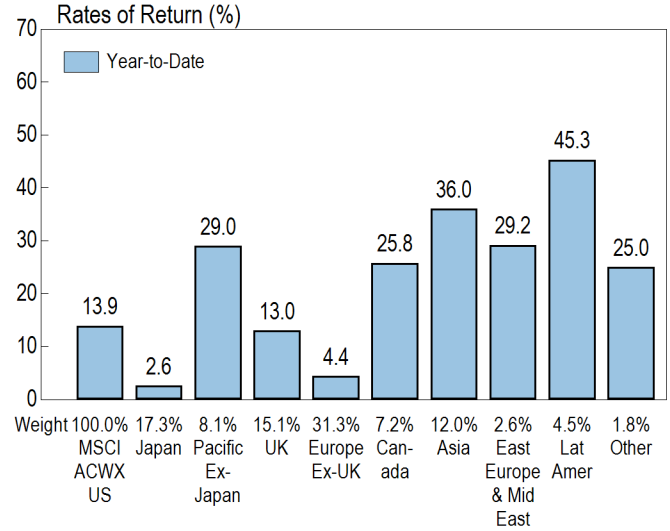
# MARKET ENVIRONMENT

## NON-U.S. STOCK MARKETS

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

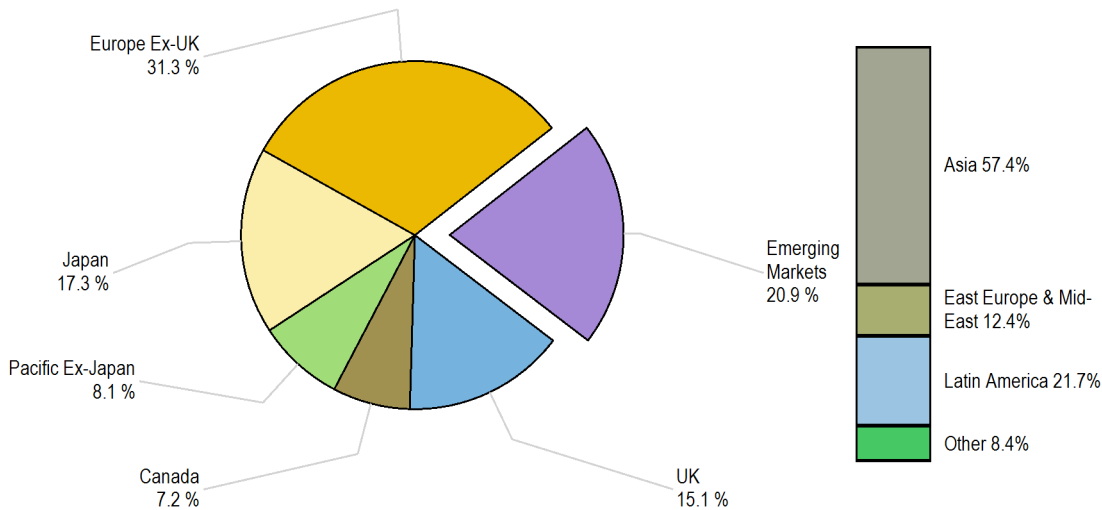


**NON-U.S. STOCK MARKET RETURNS  
YEAR-TO-DATE ENDING 6/30/09**



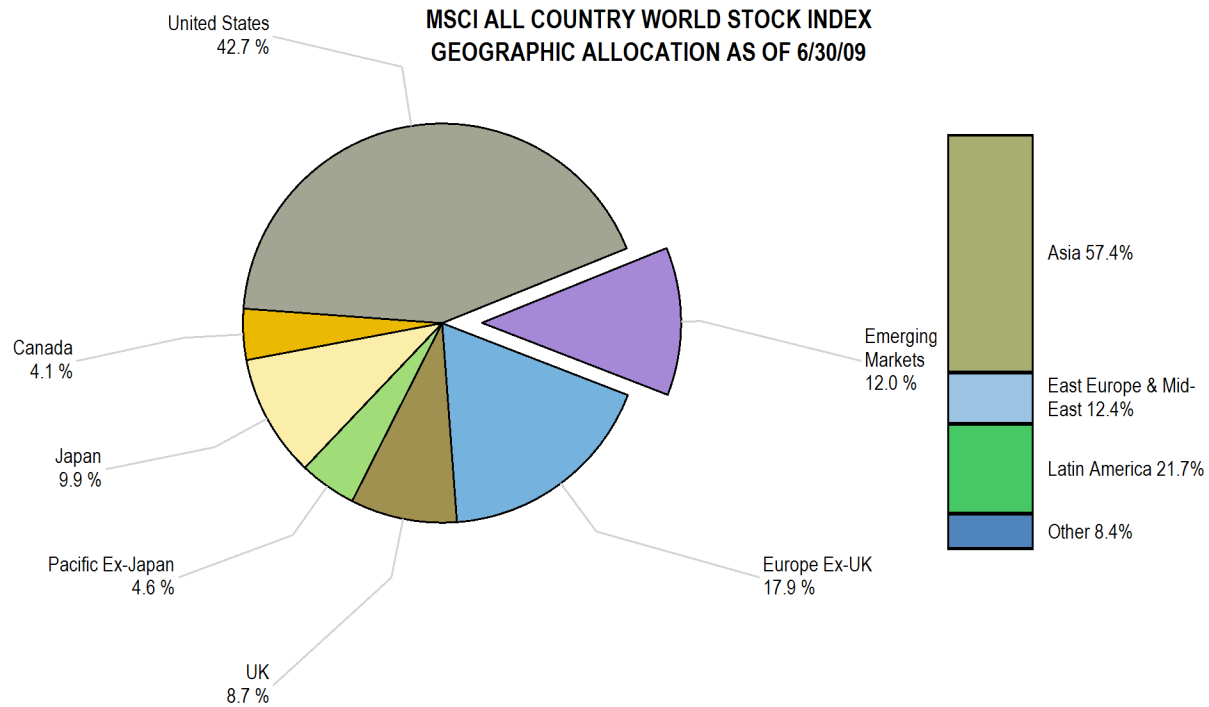
The MSCI All Country World ex-U.S. Index is a capitalization-weighted index of stocks representing 22 developed stock markets and 23 emerging stock markets around the world. The exhibits above show the performance of the regions that comprise the MSCI All Country World ex-U.S. Index at quarter-end.

**MSCI ALL COUNTRY WORLD EX-U.S. STOCK INDEX  
GEOGRAPHIC ALLOCATION AS OF 6/30/09**



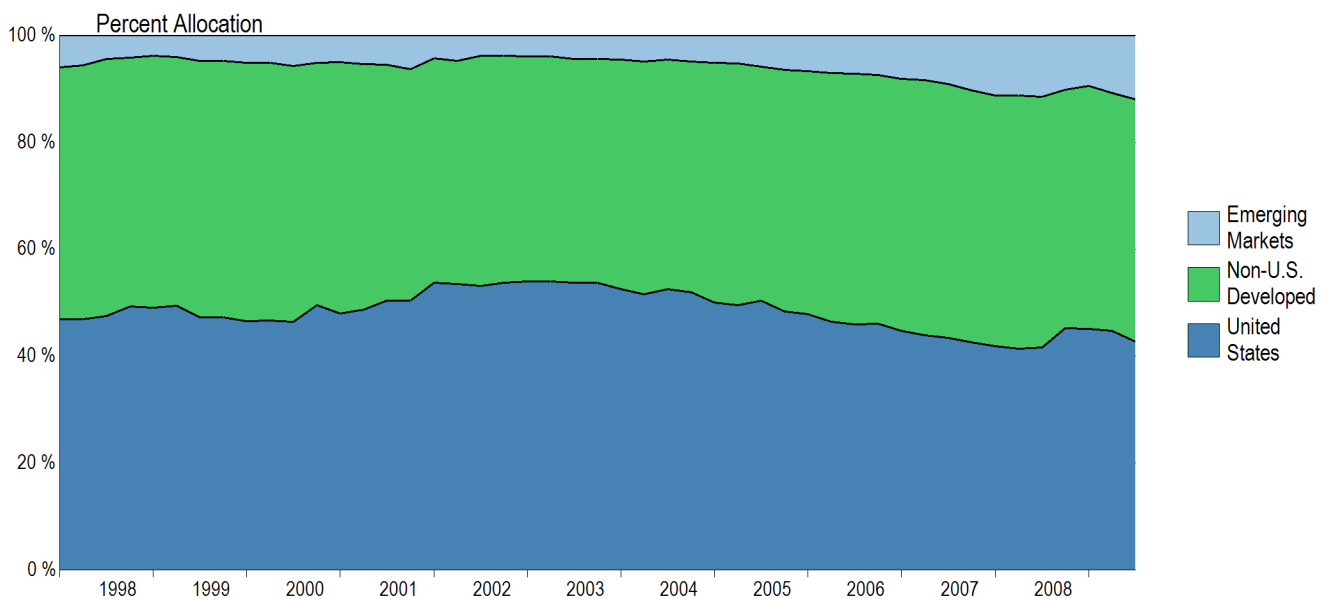
The exhibit above illustrates the percent each region represents of the non-U.S. stock market as measured by the MSCI All Country World ex-U.S. Index.

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 23 emerging stock markets around the world. The graph above shows the allocation to each region at quarter-end.  
Note on Other: Includes South Africa, Egypt, and Morocco.

**ALLOCATION**



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

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**RETURN SUMMARY  
ENDING 6/30/09**

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>North Shore Savings Fund</b>	<b>0.2%</b>	<b>0.5%</b>	<b>1.5%</b>	<b>2.7%</b>	<b>2.7%</b>
iMoney Net Money Fund Average	0.0	0.1	0.9	3.0	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.

**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 (6 months)	0.5	0.1	0.4
Trailing 1-Year	1.5%	0.9%	0.6
Trailing 3-Year	2.7	3.0	-0.3
Trailing 5-Year	2.7	2.5	0.2
Trailing 10-Year	2.9	2.8	0.1

## STABLE VALUE

### RETURN SUMMARY ENDING 6/30/09

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>Stable Value Fund</b>	<b>1.1 %</b>	<b>2.3 %</b>	<b>4.7 %</b>	<b>4.8 %</b>	<b>4.7 %</b>
EnnisKnupp GIC Index	1.1	2.3	4.7	4.6	4.3

### Investment Strategy

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

### HISTORICAL RETURNS (BY YEAR)

	Stable Value Fund	EnnisKnupp GIC Index	Return Difference
	Return	Return	
1998	6.3%	6.2%	0.1
1999	6.3	6.0	0.3
2000	6.5	6.4	0.1
2001	6.5	6.2	0.3
2002	5.7	5.1	0.6
2003	4.3	4.1	0.2
2004	4.2	3.9	0.3
2005	4.5	3.7	0.8
2006	4.8	4.1	0.7
2007	4.9	4.6	0.3
2008	4.8	4.7	0.1
2009 (6 months)	2.3	2.3	0.0
Trailing 1-Year	4.7 %	4.7 %	0.0
Trailing 3-Year	4.8	4.6	0.2
Trailing 5-Year	4.7	4.3	0.4
Trailing 10-Year	5.2	4.8	0.4

**RETURN SUMMARY**  
**ENDING 6/30/09**

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>PIMCO Total Return Fund Instl</b>	<b>4.7%</b>	<b>6.3%</b>	<b>9.3%</b>	<b>8.4%</b>	<b>6.4%</b>
Barclays Capital Aggregate Bond Index	1.8	1.9	6.0	6.4	5.0

**Investment Strategy**

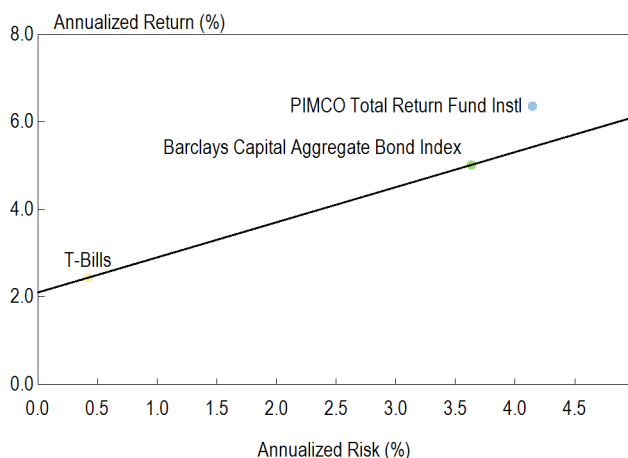
The PIMCO Total Return Fund, Institutional Shares, seeks total return consistent with preservation of capital. The Fund's strategy includes active sector rotation and moderate interest-rate anticipation. PIMCO's objective is to outperform the Barclays Capital Aggregate Bond Index without incurring greater 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.

**Manager Monitoring**

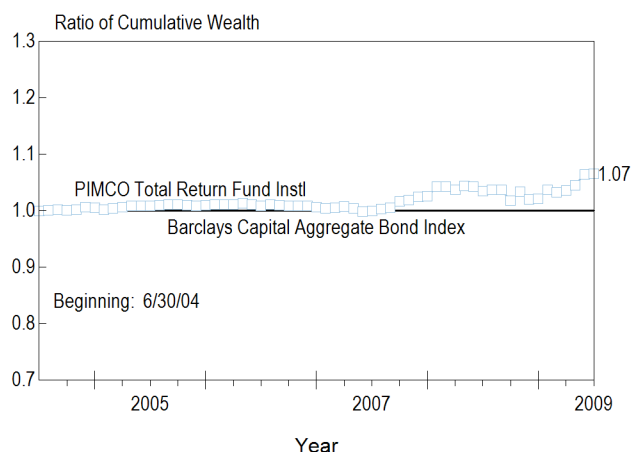
The PIMCO Total Return Fund uses strategies that rely heavily on derivatives, in part because the large size of the fund prevents it from effectively transacting in the cash market as the derivative market offers a cheaper, more efficient way to implement strategy. While the derivative exposure may be concerning to some investors, PIMCO manages risks diligently and has navigated recent market turbulence rather deftly. Over time, the Fund has displayed a consistent level of performance above its benchmark, with a marginally higher level of volatility. EnnisKnupp remains comfortable with the PIMCO Total Return Fund and its related strategies. But we acknowledge that this complex strategy relies heavily on derivatives and may not be ideal for all investors, particularly those investors that view their fixed income portfolio as an anchor to windward as opposed to a source of total return.

Please see PIMCO Total Return Fund Update Memo for a detailed review of the Fund.

**ANNUALIZED RISK RETURN**  
**5 YEARS ENDING 6/30/09**



**RATIO OF CUMULATIVE WEALTH**  
**5 YEARS ENDING 6/30/09**



# PIMCO TOTAL RETURN INSTL

## FUND CHARACTERISTICS AS OF 6/30/09

	PIMCO Total Return Fund Instl	
<b>Credit Quality</b>	AAA	42%
	AA	10
	A	14
	BBB	6
	<BBB	4
	Treasury/Agency	24
<b>Composition</b>	US Gov't/Agency	24%
	Corporate	20
	Mortgage-Backed	54
	Foreign	5
	Cash	-6
	Other	3
<b>Average Maturity/Duration</b>	5.8 years/4.8 years	
<b>Number of Issues</b>	5,008	
<b>Turnover</b>	N/A	
<b>Distriubtion Yield</b>	6.05%	
<b>Inception Date</b>	September 1994	
<b>Total Fund Assets</b>	\$161.1 billion	
<b>Fees</b>	0.46%	

## HISTORICAL RETURNS

(BY YEAR)

	PIMCO Total Return Fund Instl	Barclays Capital Aggregate Bond Index	Return Difference
	Return	Return	
1998	9.8%	8.7%	1.1
1999	-0.3	-0.8	0.5
2000	12.1	11.6	0.5
2001	9.5	8.4	1.1
2002	10.2	10.3	-0.1
2003	5.6	4.1	1.5
2004	5.1	4.3	0.8
2005	2.9	2.4	0.5
2006	4.0	4.3	-0.3
2007	9.1	7.0	2.1
2008	4.8	5.2	-0.4
2009 (6 months)	6.3	1.9	4.4
Trailing 1-Year	9.3%	6.0%	3.3
Trailing 3-Year	8.4	6.4	2.0
Trailing 5-Year	6.4	5.0	1.4
Trailing 10-Year	7.0	6.0	1.0

**RETURN SUMMARY**  
**ENDING 6/30/09**

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>TRP PS Income</b>	<b>13.0%</b>	<b>9.8%</b>	<b>-8.8%</b>	<b>0.4%</b>	<b>3.0%</b>
Custom Benchmark	7.8	3.2	-8.7	0.1	2.4

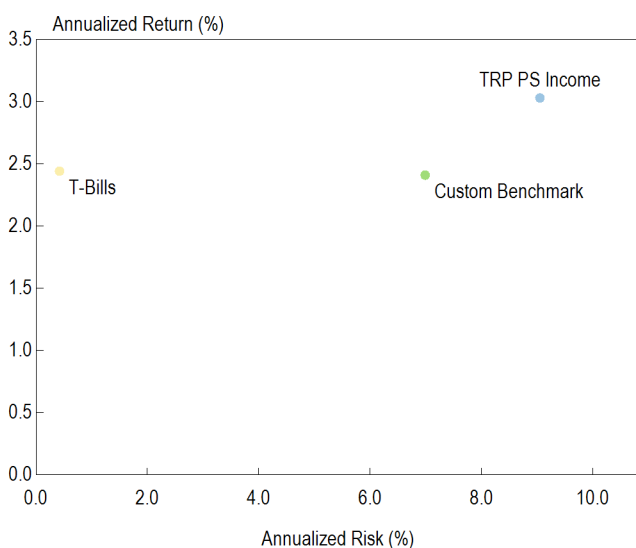
**Investment Strategy**

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

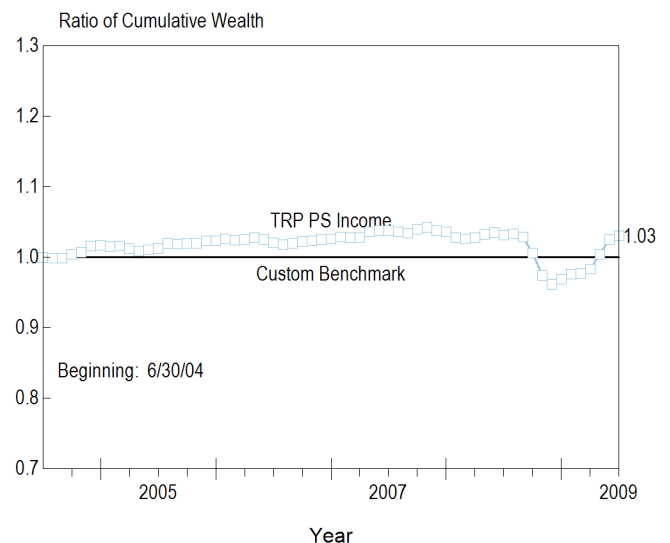
The Fund's target asset allocation is 40% stocks, 40% bonds, and 20% cash. Typically, the Fund maintains a 5% - 10% exposure to non-U.S. stocks. It is the most conservative of the three T. Rowe Price lifestyle funds.

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

**ANNUALIZED RISK RETURN**  
**5 YEARS ENDING 6/30/09**



**RATIO OF CUMULATIVE WEALTH**  
**5 YEARS ENDING 6/30/09**



# T. ROWE PRICE

## PERSONAL STRATEGY INCOME

### FUND CHARACTERISTICS AS OF 6/30/09

	Personal Strategy Income Fund	
<b>Composition</b>	U.S. Stock	34.4%
	Non-U.S. Stock	10.0
	Bonds	43.8
	Cash	11.8
<b>Number of Holdings</b>	Stocks	684
	Bonds	619
<b>Turnover</b>	63%	
<b>Inception Date</b>	July 1994	
<b>Total Fund Assets</b>	\$684.6 million	
<b>Fees</b>	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 (6 months)	9.8	3.2	6.6
Trailing 1-Year	-8.8%	-8.7%	-0.1
Trailing 3-Year	0.4	0.1	0.3
Trailing 5-Year	3.0	2.4	0.6
Trailing 10-Year	4.1	2.9	1.2

**RETURN SUMMARY**  
**ENDING 6/30/09**

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>TRP PS Balanced</b>	<b>17.2%</b>	<b>12.1%</b>	<b>-15.0%</b>	<b>-2.2%</b>	<b>2.0%</b>
Custom Benchmark	11.3	4.1	-14.9	-2.4	1.5

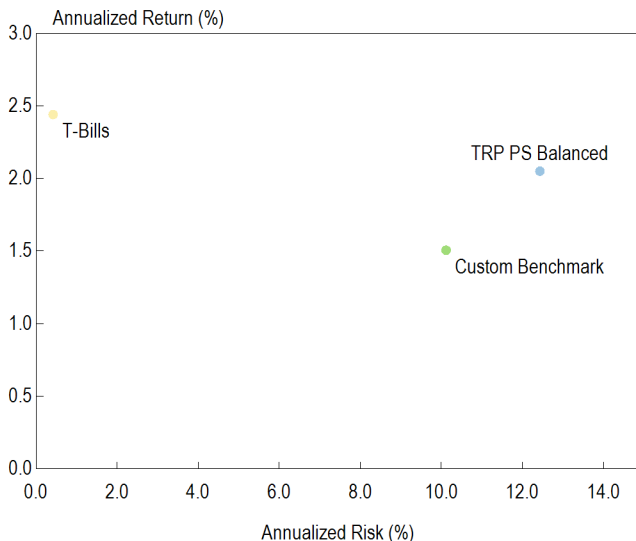
**Investment Strategy**

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.

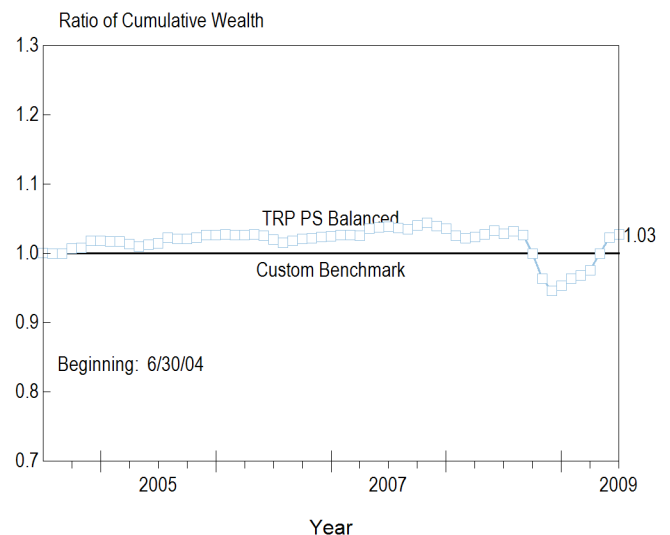
The Fund's neutral asset allocation is 60% stocks, 30% bonds, and 10% cash. Typically, the Fund maintains a 10% exposure to non-U.S. stocks. The balanced fund is the moderate fund relative to the three T. Rowe Price lifestyle funds in terms of expected risk and reward.

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

**ANNUALIZED RISK RETURN**  
**5 YEARS ENDING 6/30/09**



**RATIO OF CUMULATIVE WEALTH**  
**5 YEARS ENDING 6/30/09**



# T. ROWE PRICE

## PERSONAL STRATEGY BALANCED

### FUND CHARACTERISTICS AS OF 6/30/09

	Personal Strategy Balanced Fund	
<b>Composition</b>	U.S. Stock	50.1
	Non-U.S. Stock	14.5
	Bonds	32.4
	Cash	3.0
<b>Number of Holdings</b>	Stocks	684
	Bonds	579
<b>Turnover</b>	60%	
<b>Inception Date</b>	July 1994	
<b>Total Fund Assets</b>	\$1.2 billion	
<b>Fees</b>	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 (6 months)	12.1	4.1	8.0
Trailing 1-Year	-15.0%	-14.9%	-0.1
Trailing 3-Year	-2.2	-2.4	0.2
Trailing 5-Year	2.0	1.5	0.5
Trailing 10-Year	3.3	1.9	1.4

**RETURN SUMMARY**  
**ENDING 6/30/09**

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>TRP PS Growth</b>	<b>20.3 %</b>	<b>12.9 %</b>	<b>-22.3 %</b>	<b>-5.5 %</b>	<b>0.5 %</b>
Custom Benchmark	14.7	4.7	-20.9	-5.0	0.4

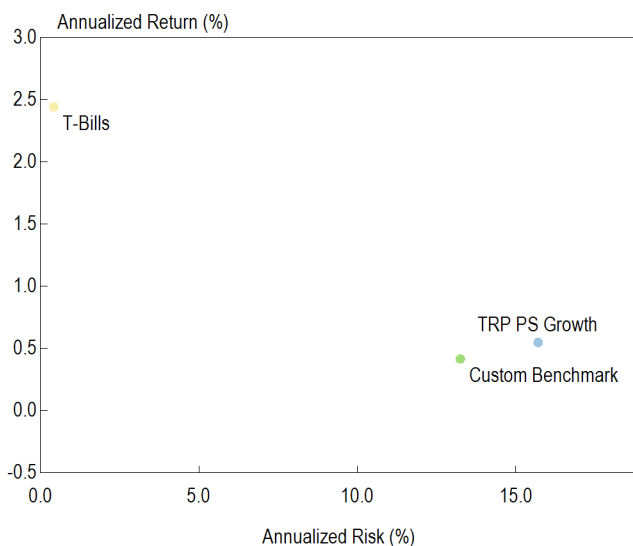
**Investment Strategy**

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

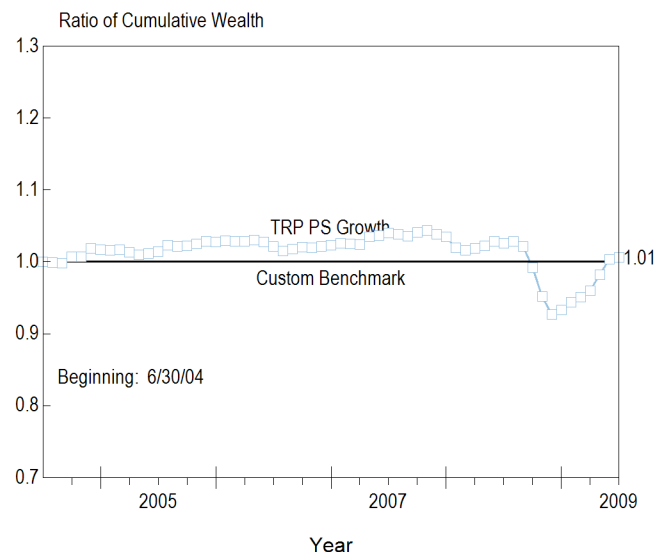
The Fund's neutral asset allocation is 80% stocks and 20% bonds. Typically, the Fund maintains a 15% - 25% exposure to non-U.S. stocks. The growth fund has the highest expected risk/reward profile of the three T. Rowe Price lifestyle funds.

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

**ANNUALIZED RISK RETURN**  
**5 YEARS ENDING 6/30/09**



**RATIO OF CUMULATIVE WEALTH**  
**5 YEARS ENDING 6/30/09**



# T. ROWE PRICE

## PERSONAL STRATEGY GROWTH

### FUND CHARACTERISTICS AS OF 6/30/09

	Personal Strategy Growth Fund	
<b>Composition</b>	U.S. Stock	66.0%
	Non-U.S. Stock	19.4
	Bonds	14.4
	Cash	0.2
<b>Number of Holdings</b>	Stocks	683
	Bonds	469
<b>Turnover</b>	54%	
<b>Inception Date</b>	July 1994	
<b>Total Fund Assets</b>	\$874.1 million	
<b>Fee</b>	0.83%	

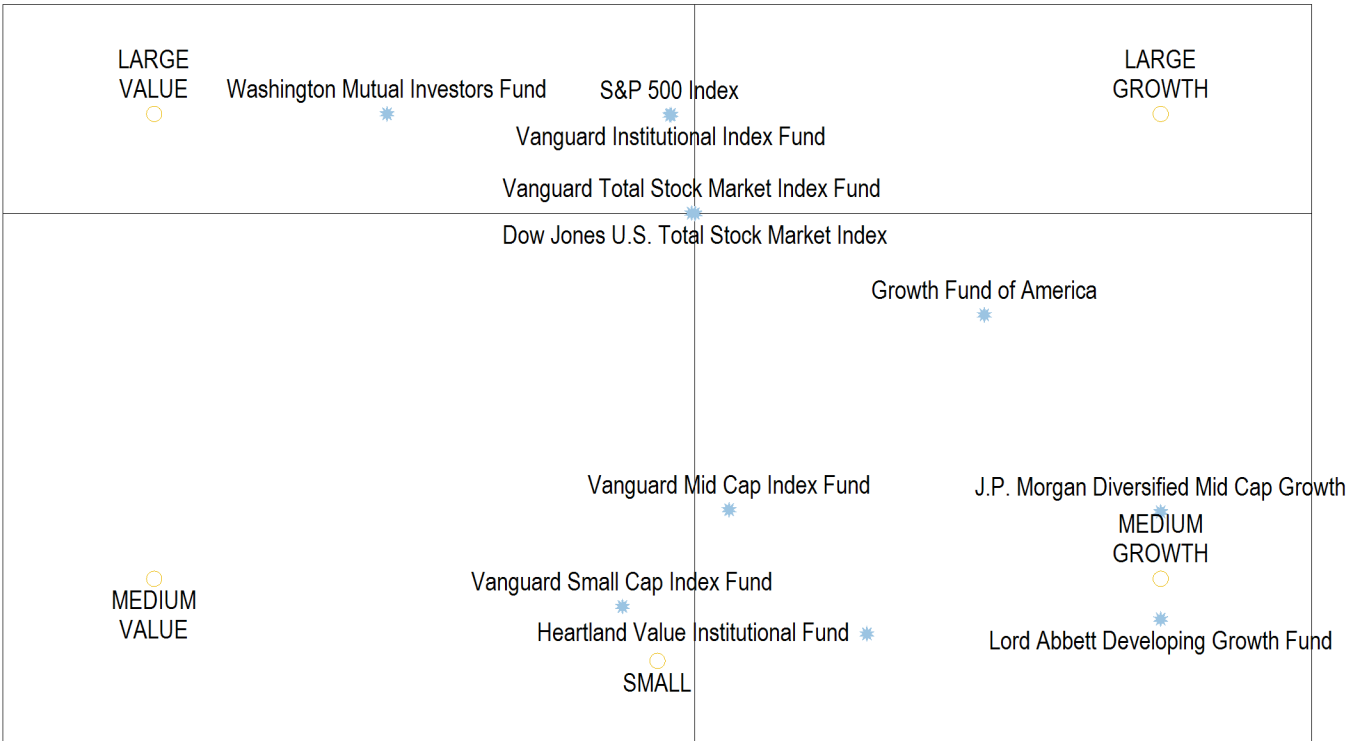
### HISTORICAL RETURNS

(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 (6 months)	12.9	4.7	8.2
Trailing 1-Year	-22.3%	-20.9%	-1.4
Trailing 3-Year	-5.5	-5.0	-0.5
Trailing 5-Year	0.5	0.4	0.1
Trailing 10-Year	2.1	0.7	1.4

# U.S. STOCK FUNDS - INVESTMENT STYLE

**EFFECTIVE STYLE MAP**  
**7 YEARS ENDING 6/30/09**



# WASHINGTON MUTUAL INVESTORS

## RETURN SUMMARY ENDING 6/30/09

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>Washington Mutual Investors Fund</b>	<b>13.0%</b>	<b>-2.0%</b>	<b>-25.3%</b>	<b>-8.5%</b>	<b>-2.3%</b>
Russell 1000 Value Index	16.7	-2.9	-29.0	-11.1	-2.1
S&P 500 Index	15.9	3.2	-26.2	-8.2	-2.2

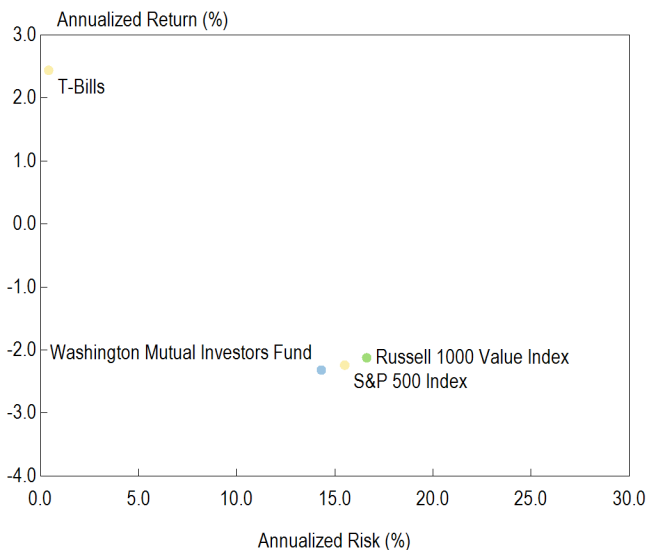
### Investment Strategy

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

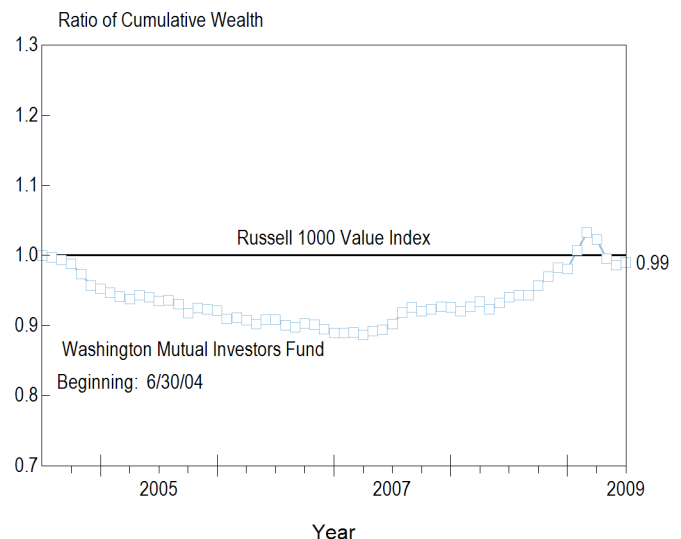
Capital Research & Management (the American Funds family) provides investment services for this Fund. Management looks for stocks with strong long-term prospects selling at low prices. The Fund may invest up to 5% of assets in securities of non-U.S. issuers.

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

### ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/09



### RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/09



# WASHINGTON MUTUAL INVESTORS

## FUND CHARACTERISTICS AS OF 6/30/09

	Washington Mutual Investors Fund	
<b>Style Characteristics</b>	Value	
<b>Capitalization Focus</b>	Large	
<b>Level of Diversification</b>	Diversified	
<b>Market Risk (Beta)*</b>	0.88	
<b>Composition</b>	U.S. Stocks	94.4%
	Non-U.S. Stocks	4.1
	Cash	1.5
<b>Number of Issues**</b>	120	
<b>Turnover</b>	39%	
<b>Inception Date</b>	July 1952	
<b>Total Fund Assets</b>	\$44.7 billion	
<b>Fees</b>	0.69%	

## HISTORICAL RETURNS

(BY YEAR)

	Washington Mutual Investors Fund	Russell 1000 Value Index	Return Difference	S&P 500 Index	Return Difference
	Return	Return		Return	
1998	19.4 %	15.6 %	3.8	28.6 %	-9.2
1999	1.2	7.3	-6.1	21.0	-19.8
2000	9.1	7.0	2.1	-9.1	18.2
2001	1.5	-5.6	7.1	-11.9	13.4
2002	-14.8	-15.5	0.7	-22.1	7.3
2003	25.8	30.0	-4.2	28.7	-2.9
2004	9.9	16.5	-6.6	10.9	-1.0
2005	3.5	7.1	-3.6	4.9	-1.4
2006	18.0	22.2	-4.2	15.8	2.2
2007	4.0	-0.2	4.2	5.5	-1.5
2008	-33.1	-36.8	3.7	-37.0	3.9
2009 (6 months)	-2.0	-2.9	0.9	3.2	-5.2
Trailing 1-Year	-25.3 %	-29.0 %	3.7	-26.2 %	0.9
Trailing 3-Year	-8.5	-11.1	2.6	-8.2	-0.3
Trailing 5-Year	-2.3	-2.1	-0.2	-2.2	-0.1
Trailing 10-Year	0.0	-0.1	0.1	-2.2	2.2

\*Relative to the Russell 1000 Value Index.

\*\*As of 4/30/2009.

# VANGUARD INSTITUTIONAL INDEX

## RETURN SUMMARY ENDING 6/30/09

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>Vanguard Institutional Index Fund</b>	<b>16.0 %</b>	<b>3.3 %</b>	<b>-26.1 %</b>	<b>-8.2 %</b>	<b>-2.2 %</b>
S&P 500 Index	15.9	3.2	-26.2	-8.2	-2.2

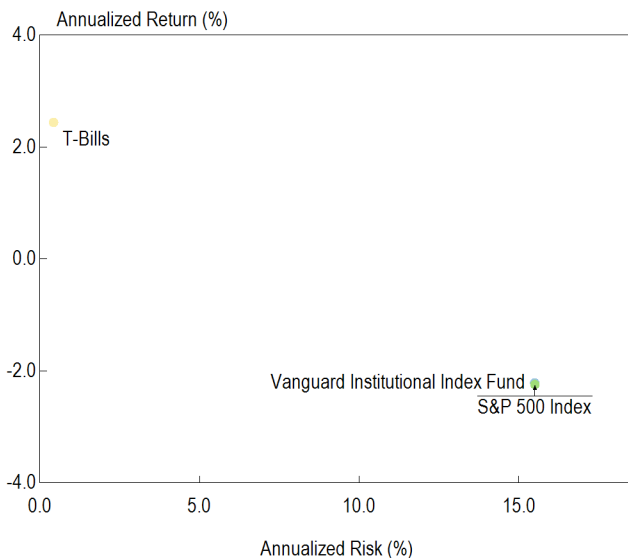
### Investment Strategy

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

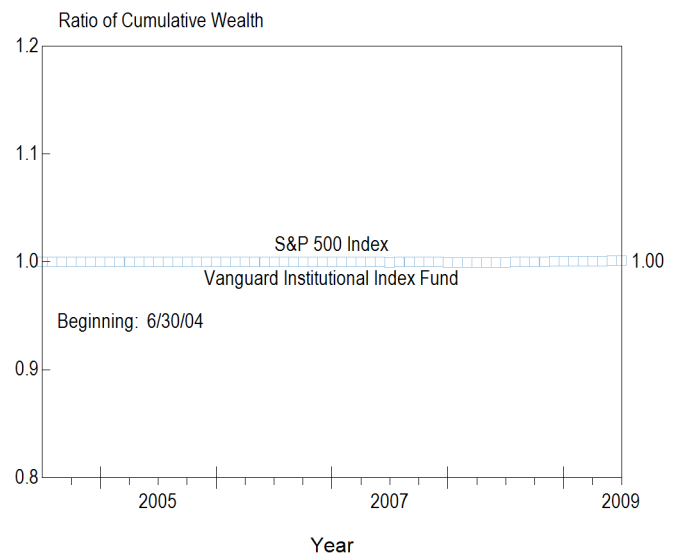
Management uses S&P 500 Index futures to manage fund inflows and outflows.

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

### ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/09



### RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/09



# VANGUARD INSTITUTIONAL INDEX

## FUND CHARACTERISTICS AS OF 6/30/09

	Vanguard Institutional Index Fund	
<b>Style Characteristics</b>	Core	
<b>Capitalization Focus</b>	Large	
<b>Level of Diversification</b>	Diversified	
<b>Market Risk (Beta)*</b>	1.00	
<b>Composition</b>	U.S. Stocks	99.9%
	Non-U.S. Stocks	0.0
	Cash	0.1
<b>Number of Issues</b>	513	
<b>Turnover</b>	6.3%	
<b>Inception Date</b>	July 1990	
<b>Total Fund Assets</b>	\$55.4 billion	
<b>Fees</b>	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 (6 months)	3.3	3.2	0.1
Trailing 1-Year	-26.1%	-26.2%	0.1
Trailing 3-Year	-8.2	-8.2	0.0
Trailing 5-Year	-2.2	-2.2	0.0
Trailing 10-Year	-2.2	-2.2	0.0

\*Relative to the S&P 500 Index.

# GROWTH FUND OF AMERICA

## RETURN SUMMARY ENDING 6/30/09

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>Growth Fund of America</b>	<b>16.9%</b>	<b>12.3%</b>	<b>-26.5%</b>	<b>-6.2%</b>	<b>0.8%</b>
Russell 1000 Growth Index	16.3	11.5	-24.5	-5.5	-1.8

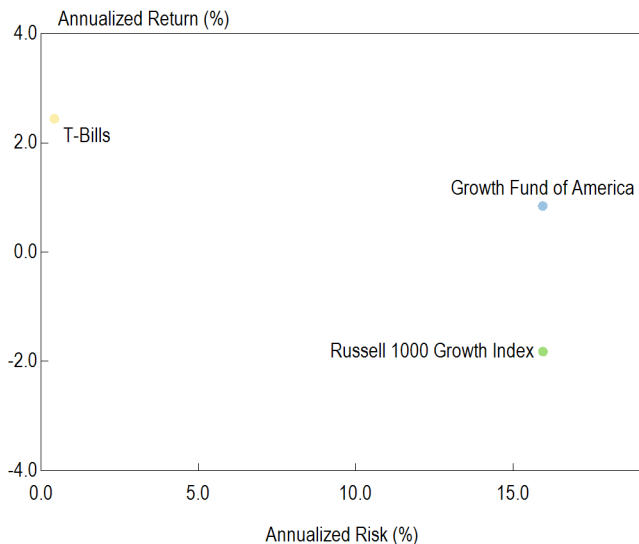
### Investment Approach

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

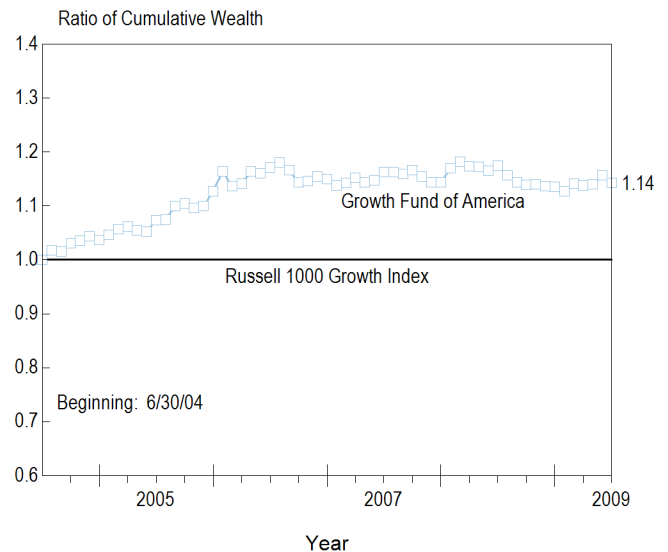
The Capital Research and Management Investment Committee is responsible for making sure the portfolio stays within its limits and adheres to its investment policies. The objective of the Fund is to provide long-term growth of capital by investing in a diversified portfolio of common stocks while using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

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

### ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/09



### RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/09



FUND CHARACTERISTICS AS OF 6/30/09

	Growth Fund of America	
<b>Style Characteristics</b>	Growth	
<b>Capitalization Focus</b>	Large	
<b>Level of Diversification</b>	Diversified	
<b>Market Risk (Beta)*</b>	0.87	
<b>Composition</b>	U.S. Stocks	70.4%
	Non-U.S. Stocks	15.6
	Bonds	0.2
	Cash	13.8
<b>Number of Issues</b>	290**	
<b>Turnover</b>	32%	
<b>Inception Date</b>	December 1973	
<b>Total Fund Assets</b>	\$131.8 billion	
<b>Fees</b>	0.39%	

HISTORICAL RETURNS

(BY YEAR)

	Growth Fund of America	Russell 1000 Growth Index	Return Difference
	Return	Return	
1998	31.8%	38.7%	-6.9
1999	45.7	33.2	12.5
2000	7.5	-22.4	29.9
2001	-12.3	-20.4	8.1
2002	-21.8	-27.9	6.1
2003	33.3	29.7	3.6
2004	12.2	6.3	5.9
2005	14.5	5.3	9.2
2006	11.2	9.1	2.1
2007	11.3	11.8	-0.5
2008	-38.9	-38.4	-0.5
2009 (6 months)	12.3	11.5	0.8
Trailing 1-Year	-26.5%	-24.5%	-2.0
Trailing 3-Year	-6.2	-5.5	-0.7
Trailing 5-Year	0.8	-1.8	2.6
Trailing 10-Year	2.8	-4.2	7.0

\*Relative to the Russell 1000 Growth Index.

\*\*As of 3/31/2009.

# VANGUARD TOTAL STOCK MARKET INDEX

## RETURN SUMMARY ENDING 6/30/09

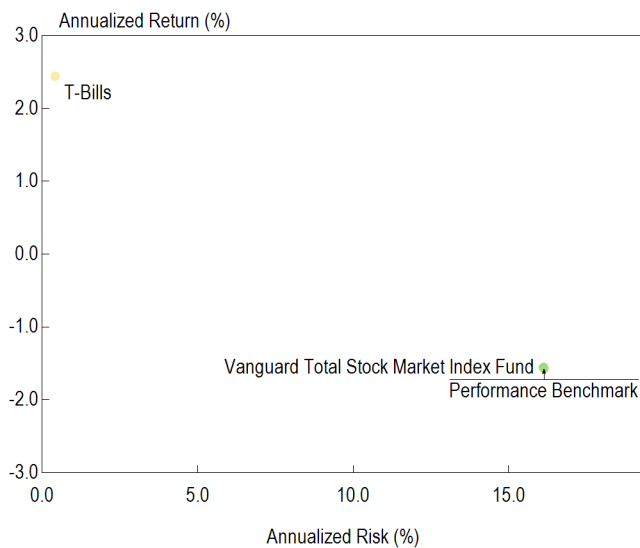
	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>Vanguard Total Stock Market Index Fund</b>	<b>17.0%</b>	<b>4.5%</b>	<b>-26.1%</b>	<b>-8.0%</b>	<b>-1.6%</b>
Performance Benchmark	16.9	4.4	-26.2	-8.1	-1.6

### Investment Strategy

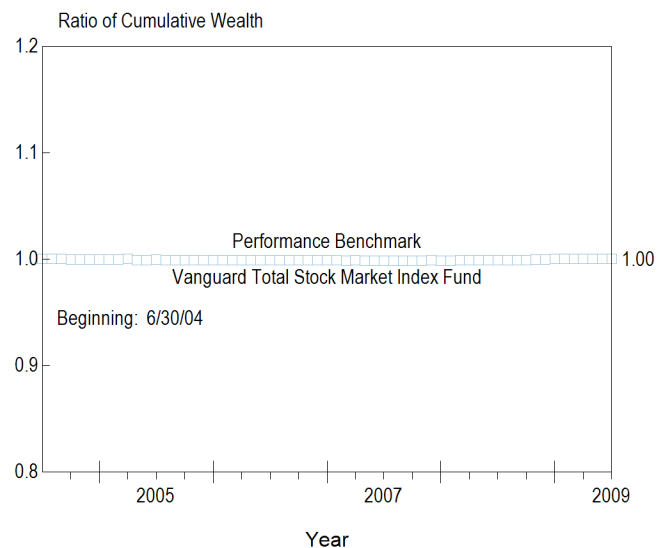
The objective of the Vanguard Total Stock Market Index Fund is to approximate the return of the MSCI U.S. Broad Market Index. The Vanguard Total Stock Market Index Fund utilizes a sampling technique that approximates the industry weightings and market capitalizations of the MSCI U.S. Broad Market Index.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

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

### ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/09



### RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/09



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

# VANGUARD TOTAL STOCK MARKET INDEX

## FUND CHARACTERISTICS AS OF 6/30/09

	Vanguard Total Stock Market Index Fund	
<b>Style Characteristics</b>	Core	
<b>Capitalization Focus</b>	Large and Medium	
<b>Level of Diversification</b>	Diversified	
<b>Market Risk (Beta)*</b>	1.00	
<b>Composition</b>		
	U.S. Stocks	100.0%
	Non-U.S. Stocks	0.0
	Cash	0.0
<b>Number of Issues</b>	3,385	
<b>Turnover</b>	4.5%	
<b>Inception Date</b>	April 1992	
<b>Total Fund Assets</b>	\$92.5 billion	
<b>Fees</b>	0.16%	

## 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 (6 months)	4.5	4.4	0.1
Trailing 1-Year	-26.1%	-26.2%	0.1
Trailing 3-Year	-8.0	-8.1	0.1
Trailing 5-Year	-1.6	-1.6	0.0
Trailing 10-Year	-1.3	-1.3	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 DIVERSIFIED MID CAP GROWTH

## RETURN SUMMARY ENDING 6/30/09

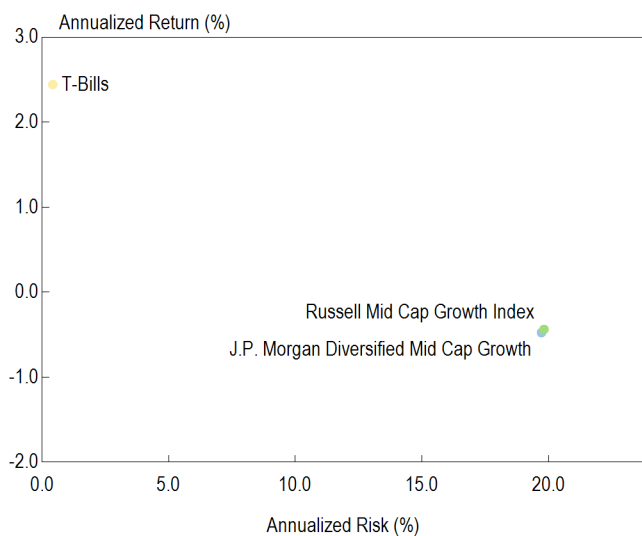
	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>J.P. Morgan Diversified Mid Cap Growth</b>	<b>15.0%</b>	<b>13.7%</b>	<b>-31.0%</b>	<b>-7.5%</b>	<b>-0.5%</b>
Russell Mid Cap Growth Index	20.7	16.6	-30.3	-7.9	-0.4

## Investment Strategy

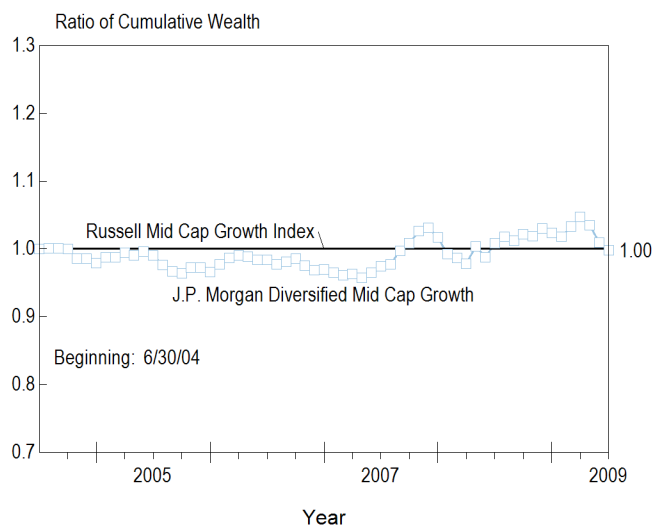
The J.P. Morgan Diversified Mid Cap Growth Fund seeks growth of capital and current income by investing primarily in equity securities. The Fund invests in common stocks of mid-cap companies with market capitalizations of \$1 billion to \$5 billion. The current benchmark is the Russell Mid Cap Growth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

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

### ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/09



### RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/09



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

## J.P. MORGAN DIVERSIFIED MID CAP GROWTH

### FUND CHARACTERISTICS AS OF 6/30/09

	J.P. Morgan Diversified Mid Cap Growth	
<b>Style Characteristics</b>	Growth	
<b>Capitalization Focus</b>	Medium	
<b>Level of Diversification</b>	Diversified	
<b>Market Risk (Beta)*</b>	0.82	
<b>Composition</b>	U.S. Stocks	98.8%
	Non-U.S. Stocks	1.1
	Cash	0.1
<b>Number of Issues</b>	106	
<b>Turnover**</b>	80-120%	
<b>Inception Date</b>	September 1987	
<b>Total Fund Assets</b>	\$1.2 billion	
<b>Fees</b>	1.24%	

### HISTORICAL RETURNS

(BY YEAR)

	J.P. Morgan Diversified Mid Cap Growth	Russell Mid Cap Growth Index	Return Difference
	Return	Return	
1998	37.1%	17.9%	19.2
1999	28.7	51.3	-22.6
2000	5.6	-11.7	17.3
2001	-10.9	-20.2	9.3
2002	-20.4	-27.4	7.0
2003	26.5	42.7	-16.2
2004	12.6	15.5	-2.9
2005	10.6	12.1	-1.5
2006	11.0	10.7	0.3
2007	16.8	11.4	5.4
2008	-43.9	-44.3	0.4
2009 (6 months)	13.7	16.6	-2.9
Trailing 1-Year	-31.0%	-30.3%	-0.7
Trailing 3-Year	-7.5	-7.9	0.4
Trailing 5-Year	-0.5	-0.4	-0.1
Trailing 10-Year	1.5	0.0	1.5

\*Relative to the Russell Mid Cap Growth Index.

\*\*Turnover rate is a historical average.

# VANGUARD MID CAP INDEX

## RETURN SUMMARY ENDING 6/30/09

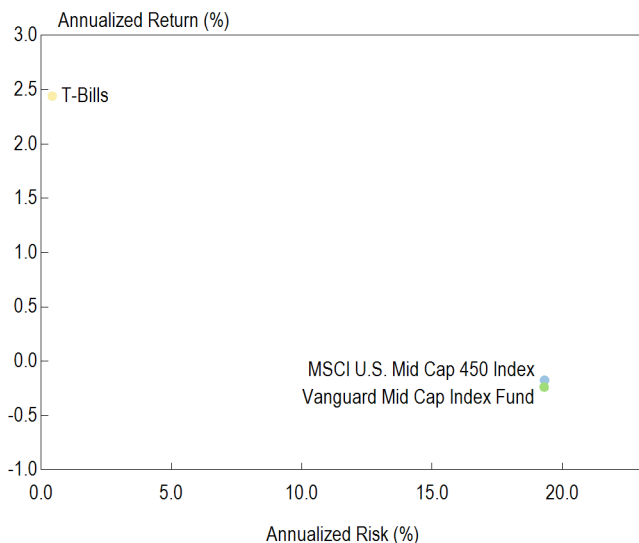
	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>Vanguard Mid Cap Index Fund</b>	<b>18.3%</b>	<b>8.4%</b>	<b>-31.5%</b>	<b>-10.0%</b>	<b>-0.2%</b>
MSCI U.S. Mid Cap 450 Index	18.3	8.4	-31.6	-10.0	-0.2

## Investment Strategy

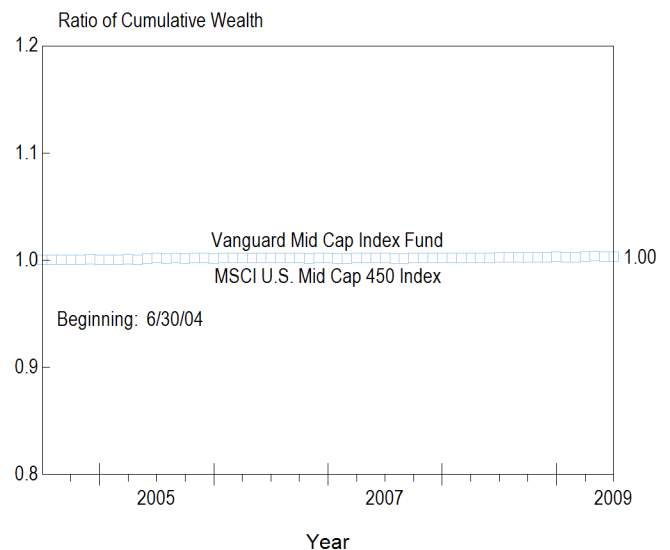
The Vanguard Mid Cap Index Fund seeks to replicate the performance of the MSCI U.S. Mid Cap 450 Index. In 2003, the Fund adopted the MSCI version of the mid-cap index. The Performance Benchmark consists of the S&P Mid Cap 400 Index prior to June 2003. In June 2003, the benchmark was changed to the MSCI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

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

### ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/09



### RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/09



# VANGUARD MID CAP INDEX

## FUND CHARACTERISTICS AS OF 6/30/09

	Vanguard Mid Cap Index	
<b>Style Characteristics</b>	Value	
<b>Capitalization Focus</b>	Small to Medium	
<b>Level of Diversification</b>	Somewhat Concentrated	
<b>Market Risk (Beta)*</b>	0.95	
<b>Composition</b>	U.S. Stocks	100.0%
	Non-U.S. Stocks	0.0
	Cash	0.0
<b>Number of Issues</b>	461	
<b>Turnover</b>	24%	
<b>Inception Date</b>	December 1989	
<b>Total Fund Assets</b>	\$14.6 billion	
<b>Fees</b>	0.22%	

## 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 (6 months)	8.4	8.4	0.0
Trailing 1-Year	-31.5%	-31.6%	0.1
Trailing 3-Year	-10.0	-10.0	0.0
Trailing 5-Year	-0.2	-0.2	0.0
Trailing 10-Year	4.3	2.7	1.6

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

# VANGUARD SMALL CAP INDEX

## RETURN SUMMARY ENDING 6/30/09

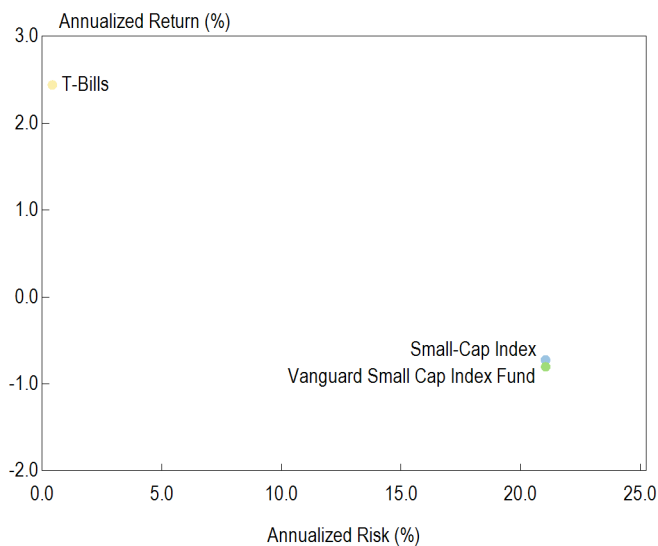
	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>Vanguard Small Cap Index Fund</b>	<b>24.2%</b>	<b>7.5%</b>	<b>-25.1%</b>	<b>-9.0%</b>	<b>-0.7%</b>
Small-Cap Index	24.1	7.3	-25.4	-9.1	-0.8

## Investment Strategy

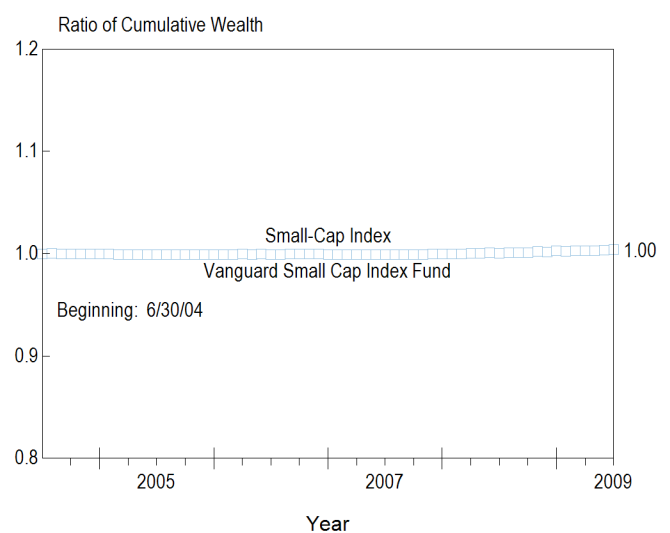
The Vanguard Small Cap Index Fund's strategy is designed to track the investment performance of the MSCI U.S. 1750 Small Cap Index, which is comprised of the 1,750 smallest stocks out of the 2,500 largest stocks. Prior to May 17, 2003, the Fund replicated the Russell 2000 Index. Prior to June 30, 2003, 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 October 6, 2007.

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

### ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/09



### RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/09



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

# VANGUARD SMALL CAP INDEX

## FUND CHARACTERISTICS AS OF 6/30/09

	Vanguard Small Cap Index Fund	
<b>Style Characteristics</b>	Core	
<b>Capitalization Focus</b>	Small	
<b>Level of Diversification</b>	Diversified	
<b>Market Risk (Beta)*</b>	1.00	
<b>Composition</b>	U.S. Stocks	99.6%
	Non-U.S. Stocks	0.3
	Cash	0.1
<b>Number of Issues</b>	1,761	
<b>Turnover</b>	14%	
<b>Inception Date</b>	October 1960	
<b>Total Fund Assets</b>	\$12.3 billion	
<b>Fees</b>	0.23%	

## 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 (6 months)	7.5	7.3	0.2
Trailing 1-Year	-25.1%	-25.4%	0.3
Trailing 3-Year	-9.0	-9.1	0.1
Trailing 5-Year	-0.7	-0.8	0.1
Trailing 10-Year	3.1	3.0	0.1

\*Relative to the Vanguard Small Cap Index Performance Benchmark

# LORD ABBETT DEVELOPING GROWTH

## RETURN SUMMARY ENDING 6/30/09

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>Lord Abnett Developing Growth Fund</b>	<b>24.4 %</b>	<b>21.7 %</b>	<b>-23.4 %</b>	<b>-3.6 %</b>	<b>2.5 %</b>
Russell 2000 Growth Index	23.4	11.4	-24.8	-7.8	-1.3

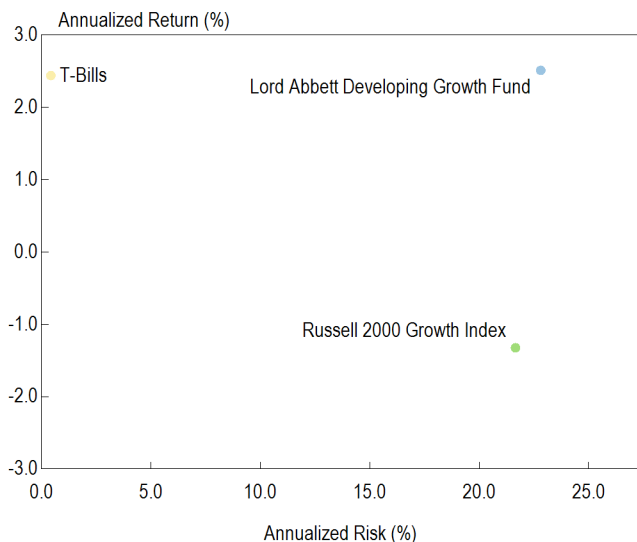
### Investment Approach

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

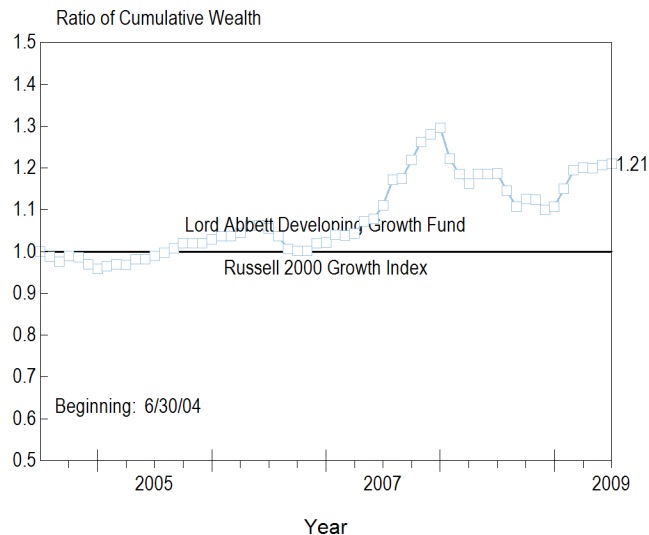
The Fund tends to feature sector diversification, albeit with substantial exposure to growth industries. The portfolio holds approximately 130 micro- and small-cap stocks.

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

### ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/09



### RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/09



## LORD ABBETT DEVELOPING GROWTH

### FUND CHARACTERISTICS AS OF 6/30/09

	Lord Abbett Developing Growth Fund	
<b>Style Characteristics</b>	Growth	
<b>Capitalization Focus</b>	Small	
<b>Level of Diversification</b>	Diversified	
<b>Market Risk (Beta)*</b>	0.91	
<b>Composition</b>	U.S. Stocks	90.3%
	Non-U.S. Stocks	6.4
	Cash	3.3
<b>Number of Issues</b>	138	
<b>Turnover</b>	62%	
<b>Inception Date</b>	October 1973	
<b>Total Fund Assets</b>	\$1.0 billion	
<b>Fees</b>	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	4.2	7.7
2006	12.4	13.3	-0.9
2007	35.8	7.0	28.8
2008	-47.5	-38.5	-9.0
2009 (6 months)	21.7	11.4	10.3
Trailing 1-Year	-23.4%	-24.8%	1.4
Trailing 3-Year	-3.6	-7.8	4.2
Trailing 5-Year	2.5	-1.3	3.8
Trailing 10-Year	0.6	-0.9	1.5

\*Relative to the Russell 2000 Growth Index

# HEARTLAND VALUE INSTITUTIONAL

## RETURN SUMMARY ENDING 6/30/09

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>Heartland Value Institutional Fund</b>	<b>31.3 %</b>	<b>15.1 %</b>	<b>-28.6 %</b>	<b>-9.6 %</b>	<b>-2.1 %</b>
Russell 2000 Value Index	18.0	-5.2	-25.2	-12.1	-2.3

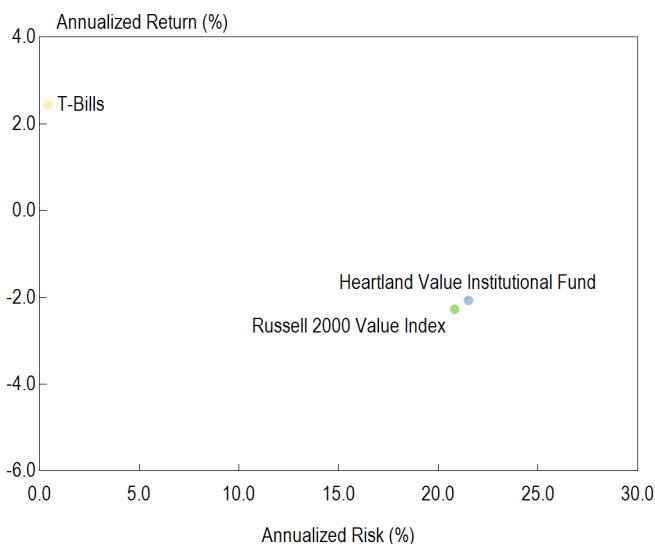
### Investment Approach

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

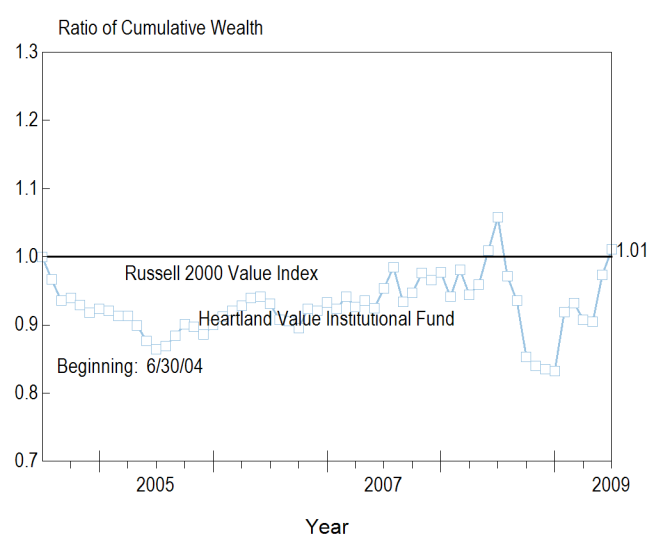
Heartland builds portfolios based on a bottom-up fundamental analysis of individual securities while avoiding over-concentration in a particular industry or industries. Heartland begins its search for investment ideas by performing a weekly computer screening of a universe of over 10,000 securities.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

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

### ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/09



### RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/09



# HEARTLAND VALUE INSTITUTIONAL

## FUND CHARACTERISTICS AS OF 6/30/09

	Heartland Value Institutional Fund	
<b>Style Characteristics</b>	Value	
<b>Capitalization Focus</b>	Micro to Small	
<b>Level of Diversification</b>	Diversified	
<b>Market Risk (Beta)*</b>	0.95	
<b>Composition</b>		
	U.S. Stocks	81.8%
	Non-U.S. Stocks	17.1
	Bonds	0.1
	Cash	1.0
<b>Number of Issues</b>	166	
<b>Turnover</b>	41%	
<b>Inception Date</b>	December 1984	
<b>Total Fund Assets</b>	\$994.3 billion	
<b>Fees</b>	1.06%	

## HISTORICAL RETURNS (BY YEAR)

	Heartland Value Institutional Fund	Russell 2000 Value Index	Return Difference
	Return	Return	
1998	-11.5%	-6.5%	-5.0
1999	25.0	-1.5	26.5
2000	2.0	22.8	-20.8
2001	29.5	14.0	15.5
2002	-11.5	-11.4	-0.1
2003	70.2	46.0	24.2
2004	9.1	22.2	-13.1
2005	2.0	4.7	-2.7
2006	28.0	23.5	4.5
2007	-5.5	-9.8	4.3
2008	-39.4	-28.9	-10.5
2009 (6 months)	15.1	-5.2	20.3
Trailing 1-Year	-28.6%	-25.2%	-3.4
Trailing 3-Year	-9.6	-12.1	2.5
Trailing 5-Year	-2.1	-2.3	0.2
Trailing 10-Year	7.6	5.0	2.6

\*Relative to the Russell 2000 Value Index.

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## RETURN SUMMARY ENDING 6/30/09

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09
<b>EuroPacific Growth Fund</b>	<b>22.4 %</b>	<b>12.8 %</b>	<b>-25.3 %</b>	<b>-2.9 %</b>	<b>6.3 %</b>
MSCI All Country World ex-U.S. Index	27.6	13.9	-30.9	-5.8	4.5

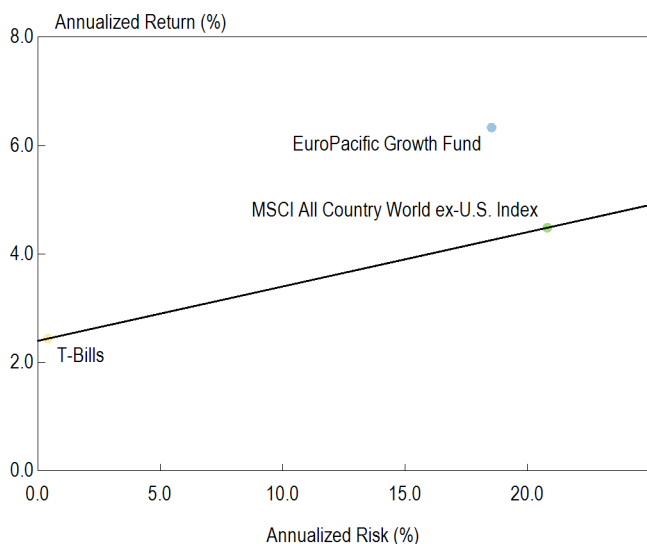
## Investment Approach

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

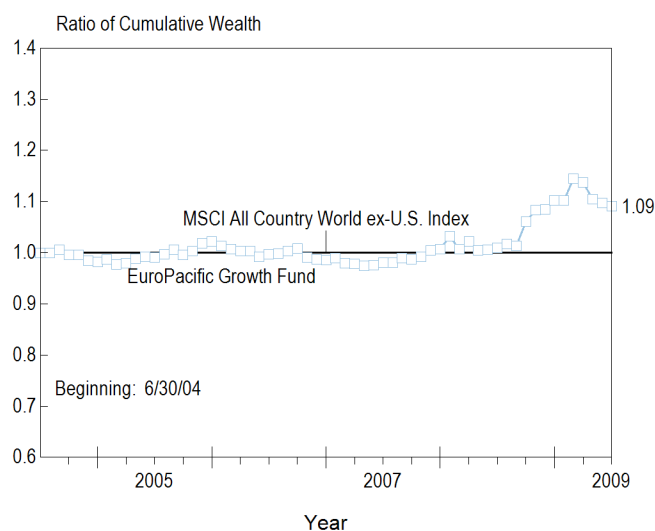
The Capital Research and Management Investment Committee is responsible for making sure the portfolio stays within its limits and adheres to its investment policies. The objective of the fund is to provide long-term growth of capital by investing in a diversified portfolio of international stocks while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

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

### ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/09



### RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/09



## EUROPACIFIC GROWTH

### FUND CHARACTERISTICS AS OF 6/30/09

	EuroPacific Growth Fund	
<b>Geographic Breakdown</b>	Asia & Pacific Basin	22.3%
	Europe ex-U.K.	46.5
	United Kingdom	9.8
	Other (Including Canada & Latin America)	11.9
	Cash	9.5
<b>Composition</b>	Non-U.S. Stocks	89.9%
	U.S. Stocks	0.0
	Non-U.S. Bonds	0.6
	Cash	9.5
<b>Number of Issues</b>	260*	
<b>Turnover</b>	41.4%	
<b>Inception Date</b>	April 1984	
<b>Total Fund Assets</b>	\$78.9 billion	
<b>Fees</b>	0.56%	

### 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 (6 months)	12.8	13.9	-1.1
Trailing 1-Year	-25.3%	-30.9%	5.6
Trailing 3-Year	-2.9	-5.8	2.9
Trailing 5-Year	6.3	4.5	1.8
Trailing 10-Year	4.9	2.5	2.4

\*As of 3/31/2009.

## EUROPACIFIC GROWTH

### COUNTRY ALLOCATION/RETURNS

3 MONTHS ENDING 6/30/09

	Manager Allocation	Index Allocation	Index Return
<b>Europe</b>			
Austria	0.5 %	0.2 %	34.0 %
Belgium	2.2	0.7	26.0
Czech Republic*	0.0	0.1	31.4
Denmark	2.1	0.7	34.2
Finland	0.7	0.9	31.3
France	9.2	7.5	21.5
Germany	9.5	5.6	23.5
Greece	0.7	0.4	38.9
Hungary*	0.2	0.1	69.7
Ireland	0.9	0.2	6.6
Italy	1.6	2.5	29.0
Netherlands	2.1	1.7	25.1
Norway	0.7	0.5	24.7
Poland*	0.1	0.2	36.6
Portugal	0.2	0.2	26.2
Russia*	2.2	1.3	37.5
Spain	4.4	3.2	36.6
Sweden	1.3	1.7	34.8
Switzerland	7.3	5.3	16.3
United Kingdom	9.8	15.1	26.6
<b>Asia/Pacific</b>			
Australia	2.0 %	5.3 %	28.4 %
China*	3.3	4.1	35.6
Hong Kong	1.4	1.8	35.8
India*	3.3	1.6	59.8
Indonesia*	0.2	0.3	54.5
Japan	7.5	17.3	23.1
Korea*	1.8	2.6	25.1
Malaysia*	0.0	0.6	28.1
New Zealand	0.0	0.1	23.7
Pakistan*	0.0	--	--
Philippines*	0.3	0.1	24.1
Singapore	0.5	1.0	46.0
Sri Lanka*	0.0	--	--
Taiwan, China*	2.0	2.5	25.0
Thailand*	0.0	0.3	53.5
<b>Americas</b>			
Argentina*	0.0 %	--	--
Brazil*	3.2	3.1 %	40.9 %
Canada	2.3	7.2	30.5
Chile*	0.0	0.3	34.2
Colombia*	0.0	0.1	52.6
Mexico*	3.2	0.9	35.6
Peru*	0.0	0.1	11.2
United States	0.0	--	15.7
Venezuela*	0.0	--	--
<b>Other</b>			
Egypt*	0.1 %	0.1 %	37.3 %
Israel*	1.6	0.6	15.9
Morocco*	0.0	0.1	19.6
Jordan*	0.0	--	--
Other Countries*	0.4	--	--
South Africa*	1.3	1.6	31.3
Turkey*	0.4	0.3	56.6
<b>Cash</b>			
Cash	9.5 %	--	--
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>27.6 %</b>
Developed	66.9	79.1	
Emerging*	23.6	20.9	
Cash	9.5	--	

# VANGUARD FTSE ALL WORLD EX-U.S. INDEX

## RETURN SUMMARY ENDING 6/30/09

	Second Quarter	Year-To-Date	1 Year Ending 6/30/09
<b>Vanguard FTSE All World ex-U.S. Index</b>	<b>28.1 %</b>	<b>12.4 %</b>	<b>-30.0 %</b>
FTSE All World ex-U.S. Index	28.5	15.2	-29.9

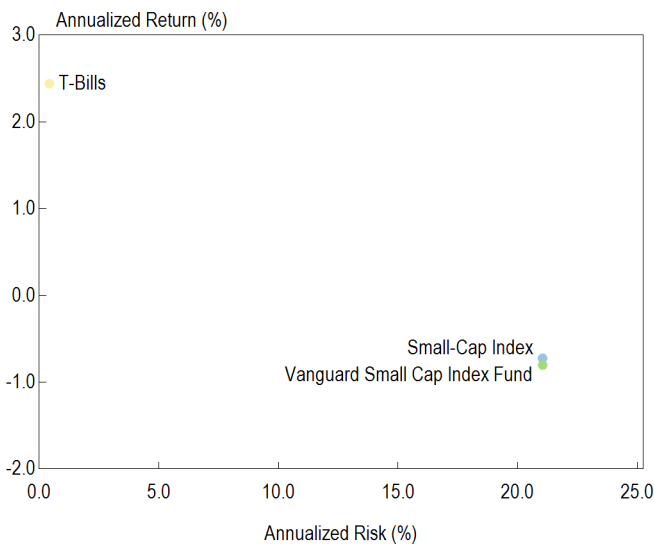
### Investment Strategy

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.

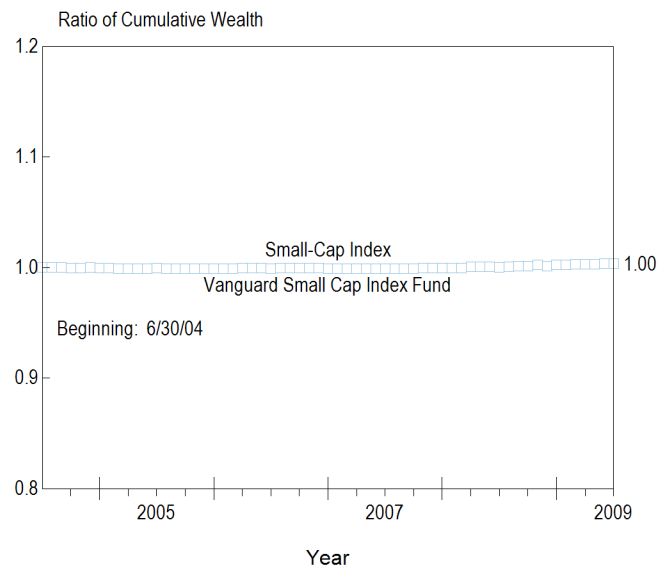
The Fund's year-to-date return has significantly trailed the return of the Index. The discrepancy is due to the effects of fair value pricing which is employed in pricing the Fund. During the trailing one-year period, the Fund has approximated the return of the Index.

As illustrated in the graphs below and the table above, FTSE All World ex-U.S. Index Fund has approximated the return of the Index over the trailing five-year period.

### ANNUALIZED RISK RETURN 5 YEARS ENDING 6/30/09



### RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 6/30/09



## VANGUARD FTSE ALL WORLD EX-U.S. INDEX

### FUND CHARACTERISTICS AS OF 6/30/09

	Vanguard FTSE All World ex-U.S. Index	
<b>Country Allocations</b>	Japan	16.1%
	Pacific ex-Japan	8.4
	United Kingdom	14.5
	Europe ex-U.K.	32.2
	North America	6.0
	Emerging Markets	22.8
<b>Composition</b>	Non-U.S. Stocks	100.0%
	Cash	0.0
<b>Number of Issues</b>	2,153	
<b>Turnover</b>	7.4%	
<b>Inception Date</b>	April 2007	
<b>Total Fund Assets</b>	\$4.8 billion	
<b>Fees</b>	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 (6 months)	12.4	15.2
Trailing 1-Year	-30.0 %	-29.9 %

# VANGUARD FTSE ALL WORLD EX-U.S. INDEX

## COUNTRY ALLOCATION/RETURNS 3 MONTHS ENDING 6/30/09

	Manager Allocation	Index Allocation	Index Return
<b>Europe</b>			
Austria	0.3 %	0.3 %	40.2 %
Belgium	0.7	0.7	27.7
Czech Republic*	0.1	0.1	26.7
Denmark	0.7	0.7	35.8
Finland	0.9	0.9	34.1
France	8.0	7.6	22.1
Germany	5.5	5.5	25.4
Greece	0.4	0.4	40.3
Hungary*	0.1	0.1	65.6
Ireland	0.3	0.3	23.0
Italy	2.7	2.7	29.4
Netherlands	1.6	1.9	30.6
Norway	0.6	0.6	27.4
Poland*	0.2	0.2	35.5
Portugal	0.3	0.3	24.6
Russia*	1.3	1.2	30.6
Spain	3.5	3.5	34.6
Sweden	1.7	1.7	36.3
Switzerland	5.2	5.2	17.4
United Kingdom	14.5	14.5	26.5
<b>Asia/Pacific</b>			
Australia	5.2 %	5.3 %	28.7 %
China*	4.2	2.6	37.4
Hong Kong	2.0	3.7	37.0
India*	2.2	2.3	61.5
Indonesia*	0.4	0.3	58.6
Japan	16.1	16.0	23.0
Korea*	2.9	2.9	24.8
Malaysia*	0.7	0.7	30.2
New Zealand	0.1	0.1	20.5
Pakistan*	0.0	0.0	10.3
Philippines*	0.1	0.1	27.7
Singapore	1.0	1.1	48.0
Sri Lanka*	0.0	--	--
Taiwan, China*	2.4	2.4	25.4
Thailand*	0.3	0.3	53.6
<b>Americas</b>			
Argentina*	0.1 %	0.1 %	32.0 %
Brazil*	3.4	3.4	41.3
Canada	6.0	5.9	31.8
Chile*	0.3	0.3	36.1
Colombia*	0.0	0.2	53.6
Mexico*	1.0	1.0	36.0
Peru*	0.1	0.1	13.7
<b>Other</b>			
Egypt*	0.1 %	0.2 %	41.1 %
Israel*	0.6	0.6	17.3
Morocco*	--	0.1	19.3
South Africa*	1.9	1.9	32.4
Turkey*	0.2	0.2	58.1
<b>Cash</b>			
Cash	0.0 %	--	--
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>28.6 %</b>
Developed	77.4	88.0	
Emerging*	22.6	12.0	
Cash	0.0	--	

## RETURNS OF THE MAJOR CAPITAL MARKETS

	Second Quarter	Annualized Periods Ending 6/30/09				
		1-Year	3-Year	5-Year	10-Year	15-Year
<b>Domestic Stock Indices:</b>						
Dow Jones US Total Stock Index	16.8%	-26.4%	-8.1%	-1.6%	-1.3%	7.0%
S&P 500 Index	15.9	-26.2	-8.2	-2.2	-2.2	6.9
Russell 3000 Index	16.8	-26.6	-8.3	-1.8	-1.5	7.0
Russell 1000 Value Index	16.7	-29.0	-11.1	-2.1	-0.1	7.5
Russell 1000 Growth Index	16.3	-24.5	-5.5	-1.8	-4.2	6.0
Russell MidCap Value Index	20.9	-30.5	-11.1	-0.4	4.0	9.1
Russell MidCap Growth Index	20.7	-30.3	-7.9	-0.4	0.0	7.0
Russell 2000 Value Index	18.0	-25.2	-12.1	-2.3	5.0	8.2
Russell 2000 Growth Index	23.4	-24.8	-7.8	-1.3	-0.9	4.3
<b>Domestic Bond Indices:</b>						
Barclays Capital Aggregate Index	1.8%	6.0%	6.4%	5.0%	6.0%	6.6%
Barclays Capital Govt/Credit Index	1.9	5.3	6.2	4.8	5.9	6.5
Barclays Capital Long Govt/Credit Index	2.8	5.3	6.4	5.6	6.9	7.8
Barclays Capital 1-3 Year Govt/Credit Index	1.4	4.9	5.7	4.2	4.9	5.4
Barclays Capital U.S. MBS Index	0.7	9.4	7.9	6.0	6.3	6.8
Barclays Capital High Yield Index	23.1	-2.4	2.1	4.3	4.7	6.3
Barclays Capital Universal Index	2.9	4.9	5.9	4.9	6.0	6.6
<b>Real Estate Indices:</b>						
NCREIF Property Index	-5.2%	-19.6%	1.0%	7.6%	8.5%	9.4%
NCREIF ODCE Index	--	--	--	--	--	--
Dow Jones Real Estate Securities Index	31.7	-45.7	-20.0	-3.4	5.2	6.8
FTSE NAREIT US Real Estate Index	28.9	-43.3	-18.0	-2.7	5.5	6.9
<b>Foreign/Global Stock Indices:</b>						
MSCI All Country World Index	22.3%	-29.3%	-7.0%	1.1%	-0.2%	4.9%
MSCI All Country World IMI	23.2	-28.9	-7.5	1.0	0.3	4.6
MSCI All Country World ex-U.S. Index	27.6	-30.9	-5.8	4.5	2.5	4.2
MSCI All Country World ex-U.S. IMI	28.6	-30.5	-5.8	4.6	2.8	3.8
MSCI All Country World ex-U.S. Small Cap Index	37.6	-27.0	-6.1	5.3	5.3	3.3
MSCI EAFE Index	25.4	-31.4	-8.0	2.3	1.2	3.5
MSCI EAFE IMI	26.3	-31.0	-8.0	2.4	1.4	3.2
MSCI EAFE Index (in local currency)	16.9	-25.5	-9.9	0.6	-1.1	3.0
MSCI Emerging Markets IMI	36.5	-26.9	3.4	14.8	8.2	4.1
<b>Foreign Bond Indices:</b>						
Citigroup World Gov't Bond Index	5.4%	3.5%	7.9%	6.2%	6.5%	6.2%
Citigroup Hedged World Gov't Bond Index	0.2	8.5	5.7	5.3	5.3	7.1
<b>Cash Equivalents:</b>						
Treasury Bills (30-Day)	0.0%	0.5%	2.4%	2.4%	2.6%	3.3%
EnnisKnupp STIF Index	0.1	1.4	3.7	3.5	3.5	4.2
<b>Inflation Index:</b>						
Consumer Price Index	1.4%	-1.4%	2.1%	2.6%	2.6%	2.5%

## APPENDIX II

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### 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.

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## 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.

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