



Performance Report
First Quarter 2010

Milwaukee County Deferred
Compensation Plan

(This page left blank intentionally.)

CONTENTS

- 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.

(This page left blank intentionally)

INVESTMENT HIGHLIGHTS

RETURN SUMMARY

ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|--|---------------|--------------------------|---------------------------|---------------------------|
| North Shore Savings Fund | 0.1 % | 0.6 % | 1.9 % | 2.5 % |
| iMoney Net Money Fund Average | 0.0 | 0.1 | 1.9 | 2.4 |
| Stable Value Fund | 1.1 | 4.6 | 4.8 | 4.7 |
| EnnisKnupp GIC Index | 1.0 | 4.3 | 4.6 | 4.3 |
| PIMCO Total Return Institutional Fund | 3.0 | 15.5 | 9.6 | 7.5 |
| Barclays Capital Aggregate Bond Index | 1.8 | 7.7 | 6.1 | 5.4 |
| Vanguard Total Bond Market Index | 1.7 | 7.5 | 6.2 | 5.5 |
| Barclays Capital Aggregate Bond Index | 1.8 | 7.7 | 6.1 | 5.4 |

RETURN SUMMARY

ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|------------------------|---------------|--------------------------|---------------------------|---------------------------|
| TRP PS Income | 3.2 % | 33.3 % | 2.8 % | 5.3 % |
| Custom Benchmark | 2.9 | 22.6 | 1.5 | 4.1 |
| TRP PS Balanced | 3.9 | 44.0 | 1.0 | 4.9 |
| Custom Benchmark | 3.8 | 32.5 | -0.1 | 3.9 |
| TRP PS Growth | 4.5 | 53.1 | -1.7 | 3.9 |
| Custom Benchmark | 4.7 | 42.9 | -1.9 | 3.6 |

RETURN SUMMARY

ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Vanguard Target Retirement Income Fund | 2.4 % | 19.4 % | 3.5 % | 4.6 % |
| Target Retirement Income Benchmark | 2.5 | 19.6 | 3.3 | 4.5 |
| Vanguard Target Retirement 2005 Fund | 2.7 | 23.5 | 2.2 | 4.2 |
| Target Retirement 2005 Benchmark | 2.8 | 23.9 | 2.1 | 4.2 |
| Vanguard Target Retirement 2010 Fund | 3.4 | 30.1 | 1.2 | -- |
| Target Retirement 2010 Benchmark | 3.4 | 30.4 | 1.1 | -- |
| Vanguard Target Retirement 2015 Fund | 3.8 | 34.7 | 0.3 | 4.0 |
| Target Retirement 2015 Benchmark | 3.9 | 35.0 | 0.2 | 3.9 |
| Vanguard Target Retirement 2020 Fund | 4.1 | 38.4 | -0.4 | -- |
| Target Retirement 2020 Benchmark | 4.1 | 38.6 | -0.6 | -- |
| Vanguard Target Retirement 2025 Fund | 4.3 | 42.2 | -1.3 | 3.5 |
| Target Retirement 2025 Benchmark | 4.3 | 42.3 | -1.4 | 3.4 |
| Vanguard Target Retirement 2030 Fund | 4.6 | 45.9 | -2.1 | -- |
| Target Retirement 2030 Benchmark | 4.6 | 46.1 | -2.2 | -- |
| Vanguard Target Retirement 2035 Fund | 4.8 | 49.0 | -2.5 | 3.3 |
| Target Retirement 2035 Benchmark | 4.8 | 49.1 | -2.7 | 3.3 |
| Vanguard Target Retirement 2040 Fund | 4.7 | 48.8 | -2.4 | -- |
| Target Retirement 2040 Benchmark | 4.8 | 49.1 | -2.7 | -- |
| Vanguard Target Retirement 2045 Fund | 4.8 | 49.0 | -2.5 | 3.6 |
| Target Retirement 2045 Benchmark | 4.8 | 49.1 | -2.7 | 3.5 |
| Vanguard Target Retirement 2050 Fund | 4.8 | 48.9 | -2.5 | -- |
| Target Retirement 2050 Benchmark | 4.8 | 49.1 | -2.7 | -- |

Benchmark descriptions can be found in the Appendix.

INVESTMENT HIGHLIGHTS

RETURN SUMMARY ENDING 3/31/10

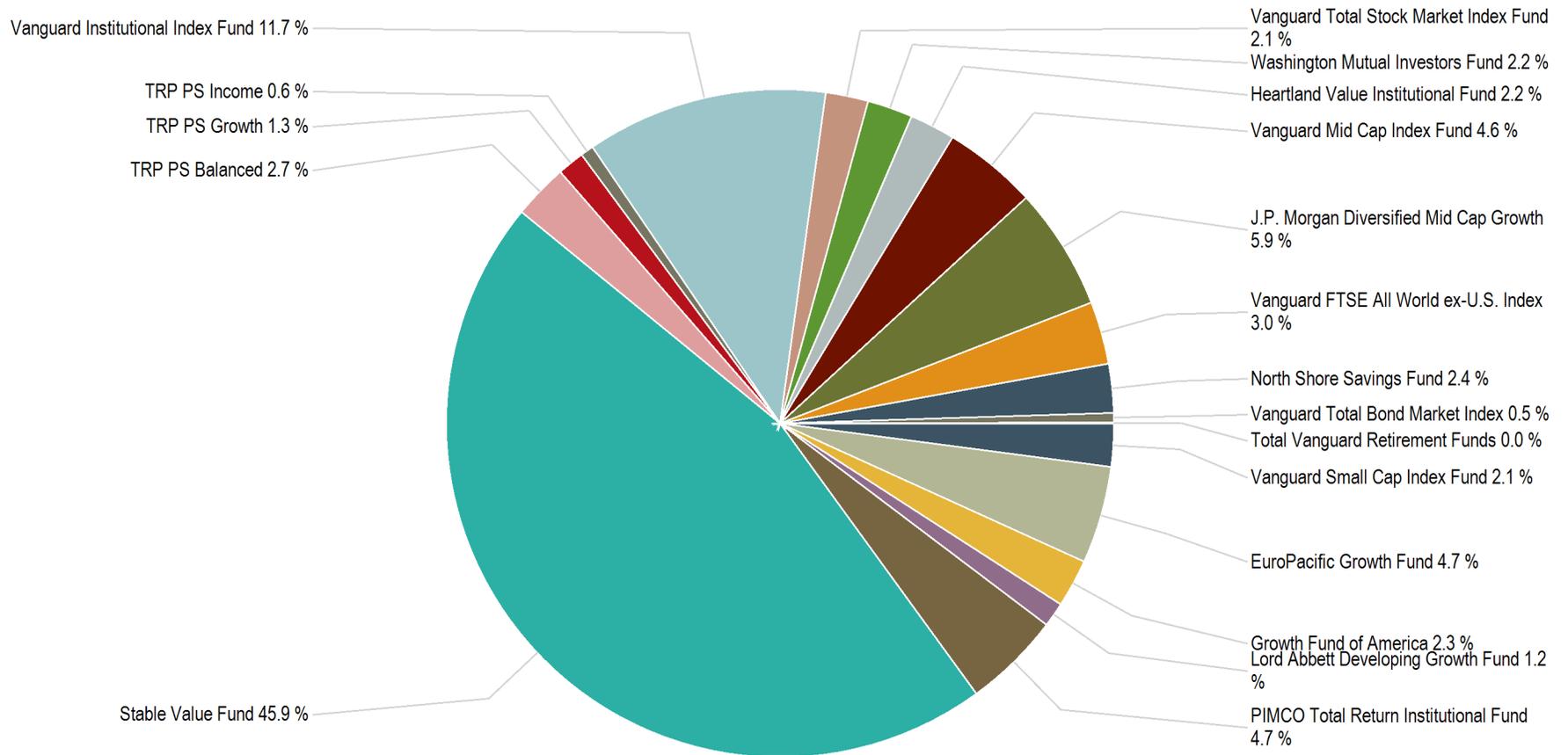
| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Washington Mutual Investors Fund | 3.9 % | 42.5 % | -5.2 % | 1.3 % |
| Russell 1000 Value Index | 6.8 | 53.6 | -7.3 | 1.0 |
| Vanguard Institutional Index Fund | 5.4 | 49.9 | -4.1 | 2.0 |
| S&P 500 Index | 5.4 | 49.8 | -4.2 | 1.9 |
| Growth Fund of America | 4.3 | 46.4 | -2.0 | 4.4 |
| Russell 1000 Growth Index | 4.6 | 49.8 | -0.8 | 3.4 |
| Vanguard Total Stock Market Index Fund | 6.0 | 53.0 | -3.6 | 2.7 |
| Performance Benchmark | 6.0 | 52.9 | -3.6 | 2.7 |
| J.P. Morgan Diversified Mid Cap Growth | 6.2 | 53.4 | -1.3 | 4.1 |
| Russell MidCap Growth Index | 7.7 | 63.0 | -2.0 | 4.3 |
| Vanguard Mid Cap Index Fund | 8.7 | 66.7 | -3.3 | 4.2 |
| MSCI U.S. Mid Cap 450 Index | 8.7 | 66.7 | -3.4 | 4.2 |
| Vanguard Small Cap Index Fund | 9.7 | 72.8 | -2.2 | 4.6 |
| Small-Cap Index | 9.7 | 72.6 | -2.4 | 4.5 |
| Lord Abbett Developing Growth Fund | 8.2 | 62.6 | 2.7 | 8.7 |
| Russell 2000 Growth Index | 7.6 | 60.3 | -2.4 | 3.8 |
| Heartland Value Institutional Fund | 4.3 | 72.5 | -4.9 | 3.6 |
| Russell 2000 Value Index | 10.0 | 65.1 | -5.7 | 2.8 |

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|--|---------------|--------------------------|---------------------------|---------------------------|
| EuroPacific Growth Fund | 0.8 % | 52.7 % | -1.0 % | 8.2 % |
| MSCI All Country World ex-U.S. Index | 1.6 | 60.9 | -4.2 | 6.1 |
| Vanguard FTSE All World ex-U.S. Index | 1.8 | 61.4 | -3.7 | -- |
| FTSE All World ex-U.S. Index | 1.6 | 62.5 | -3.2 | -- |

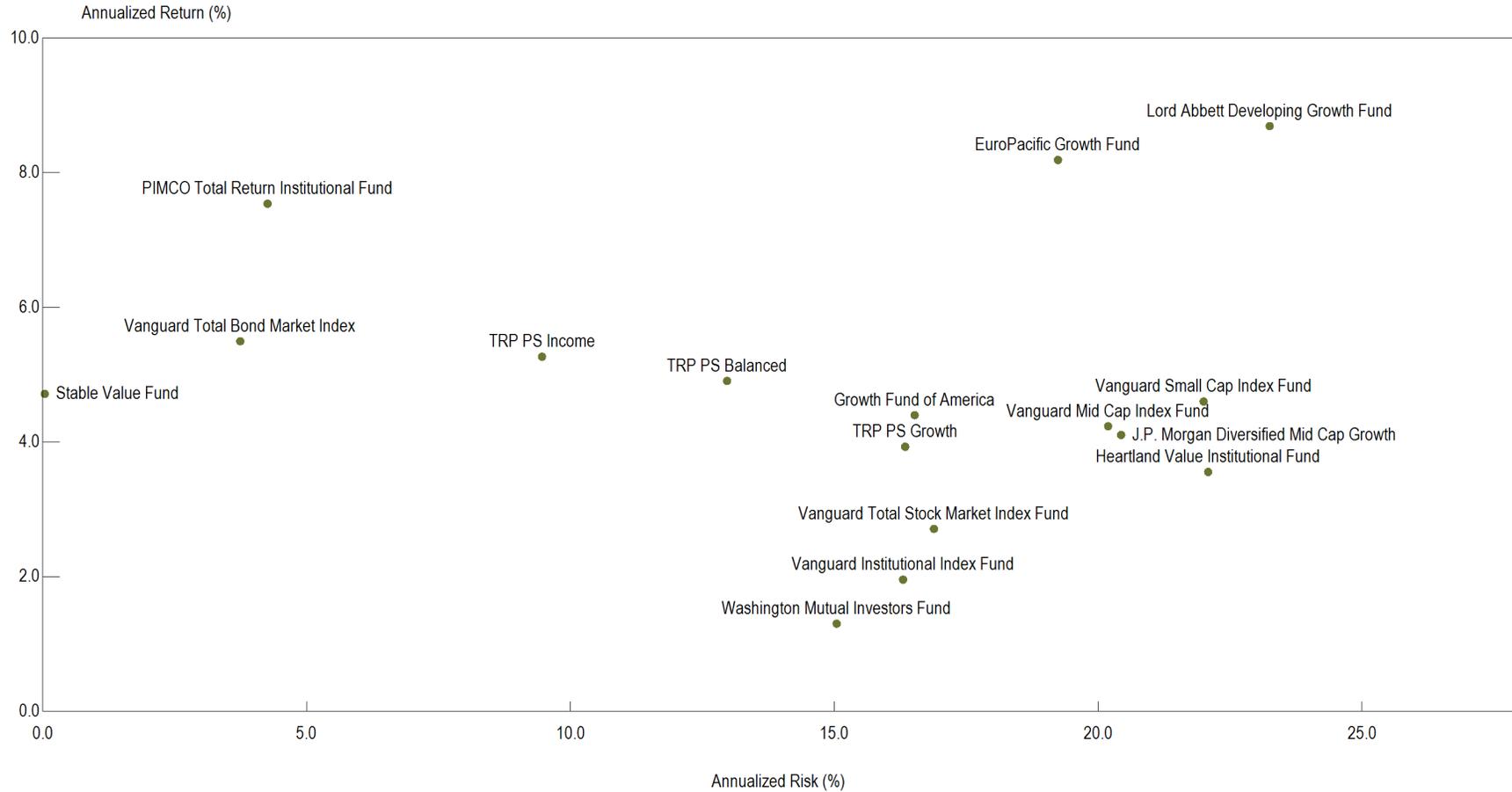
Benchmark descriptions can be found in the Appendix.

ASSET ALLOCATION
ACTUAL AS OF 3/31/10



INVESTMENT HIGHLIGHTS

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



Cash Flow Summary
Quarter Ending March 31, 2010

| | Beginning Market Value | Withdrawals | Contributions | Net Cash Flow | Net Investment Change | Ending Market Value |
|--|---------------------------|----------------------|---------------------|------------------|-----------------------------|------------------------|
| EuroPacific Growth Fund | \$10,598,626 | -\$520,173 | \$645,860 | \$125,688 | \$93,685 | \$10,817,998 |
| Growth Fund of America | \$5,111,910 | -\$233,204 | \$247,337 | \$14,133 | \$218,229 | \$5,344,272 |
| Heartland Value Institutional Fund | \$4,895,844 | -\$323,702 | \$259,905 | -\$63,797 | \$217,336 | \$5,049,383 |
| J.P. Morgan Diversified Mid Cap Growth | \$13,248,715 | -\$708,310 | \$256,924 | -\$451,386 | \$800,118 | \$13,597,447 |
| Lord Abbett Developing Growth Fund | \$2,403,341 | -\$144,554 | \$260,113 | \$115,560 | \$205,510 | \$2,724,411 |
| North Shore Savings Fund | \$5,194,591 | -\$388,961 | \$625,757 | \$236,796 | \$5,519 | \$5,436,906 |
| PIMCO Total Return Institutional Fund | \$11,873,761 | -\$2,108,031 | \$701,442 | -\$1,406,590 | \$344,451 | \$10,811,622 |
| Stable Value Fund | \$103,729,983 | -\$3,848,323 | \$4,505,037 | \$656,714 | \$1,147,604 | \$105,534,301 |
| TRP PS Balanced | \$5,912,750 | -\$244,089 | \$213,034 | -\$31,054 | \$228,662 | \$6,110,358 |
| TRP PS Growth | \$2,818,949 | -\$46,879 | \$100,028 | \$53,149 | \$130,781 | \$3,002,879 |
| TRP PS Income | \$1,383,249 | -\$40,093 | \$71,643 | \$31,550 | \$45,751 | \$1,460,550 |
| Vanguard FTSE All World ex-U.S. Index | \$6,736,713 | -\$423,055 | \$535,183 | \$112,128 | \$113,757 | \$6,962,598 |
| Vanguard Institutional Index Fund | \$25,886,732 | -\$1,100,211 | \$696,788 | -\$403,423 | \$1,370,308 | \$26,853,617 |
| Vanguard Mid Cap Index Fund | \$9,634,278 | -\$459,575 | \$451,016 | -\$8,558 | \$839,562 | \$10,465,282 |
| Vanguard Small Cap Index Fund | \$4,281,114 | -\$251,448 | \$339,415 | \$87,967 | \$411,866 | \$4,780,947 |
| Vanguard Target Retirement 2005 Fund | \$0 | -\$2,002 | \$2,000 | -\$2 | \$2 | \$0 |
| Vanguard Target Retirement 2010 Fund | \$0 | \$0 | \$8,019 | \$8,019 | -\$19 | \$8,000 |
| Vanguard Target Retirement 2015 Fund | \$0 | -\$12,930 | \$33,111 | \$20,181 | \$989 | \$21,170 |
| Vanguard Target Retirement 2020 Fund | \$0 | -\$4,900 | \$16,893 | \$11,993 | \$299 | \$12,292 |
| Vanguard Target Retirement 2025 Fund | \$0 | \$0 | \$6,336 | \$6,336 | -\$16 | \$6,320 |
| Vanguard Target Retirement 2030 Fund | \$0 | \$0 | \$24 | \$24 | \$0 | \$24 |
| Vanguard Target Retirement 2035 Fund | \$0 | \$0 | \$20,218 | \$20,218 | -\$67 | \$20,151 |
| Vanguard Target Retirement 2045 Fund | \$0 | \$0 | \$27,453 | \$27,453 | \$109 | \$27,562 |
| Vanguard Target Retirement 2050 Fund | \$0 | \$0 | \$255 | \$255 | \$0 | \$255 |
| Vanguard Target Retirement Income Fund | \$0 | \$0 | \$3,528 | \$3,528 | \$3 | \$3,531 |
| Vanguard Total Bond Market Index | \$0 | -\$9,757 | \$1,060,934 | \$1,051,177 | -\$2,461 | \$1,048,716 |
| Vanguard Total Stock Market Index Fund | \$4,324,949 | -\$219,513 | \$370,473 | \$150,960 | \$264,439 | \$4,740,348 |
| Washington Mutual Investors Fund | \$5,243,328 | -\$592,504 | \$194,802 | -\$397,702 | \$196,662 | \$5,042,288 |
| Total | \$223,278,833 | -\$11,682,212 | \$11,653,529 | -\$28,683 | \$6,633,078 | \$229,883,228 |

(This page left blank intentionally)

| 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 fallen 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 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.

FUND MONITORING SYSTEM

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 except the Vanguard FTSE All World ex-U.S. Index Fund are currently on “Green” status. The Vanguard FTSE All World ex-U.S. Index Fund is on “Yellow” status as a result of underperforming three of the four trailing calendar quarters and underperforming since its inception. (The Vanguard FTSE index fund started in April 2007, therefore performance is based on since-inception period and not a trailing five-year period.) Underperformance is due to the effects of fair value pricing which is employed by Vanguard. Differences in the Fund’s performance and the Index’s performance that result from fair value pricing typically wash over several quarters.

FUND MONITORING SYSTEM

Investment Fund Monitoring Summary:

| | 1. Underperformed in 3 of 4 Trailing Calendar Quarters? | 2. Underperformed Benchmark over Trailing Five Year Period?* | 3. Diverged from Strategy? | 4. Adverse Change in Portfolio Manager? | 5. Adverse Organizational Change? | 1st | 4th | 3rd | 2nd |
|--------------------------------------|--|--|-------------------------------------|---|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | | | | | | Quarter 2010 Status | Quarter 2009 Status | Quarter 2009 Status | Quarter 2009 Status |
| 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 | | | | |
| Vanguard Total Bond Market Index | 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 | No | 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 | Yes | No | No | No | No | | | | |
| Vanguard FTSE All World ex-U.S. | Yes | Yes* | No | No | No | | | | |

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

FUND MONITORING SYSTEM

Investment Fund Monitoring Summary:

| | 1. Underperformed in 3 of 4 Trailing Calendar Quarters? | 2. Underperformed Benchmark over Trailing Five Year Period?* | 3. Diverged from Strategy? | 4. Adverse Change in Portfolio Manager? | 5. Adverse Organizational Change? | 1st | 4th | 3rd | 2nd |
|--|--|--|-------------------------------------|---|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | | | | | | Quarter 2010 Status | Quarter 2009 Status | Quarter 2009 Status | Quarter 2009 Status |
| Vanguard Target Retirement Income Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2005 Fund | Yes | No | No | No | No | | | | |
| Vanguard Target Retirement 2010 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2015 Fund | Yes | No | No | No | No | | | | |
| Vanguard Target Retirement 2020 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2025 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2030 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2035 Fund | No | No | No | No | No | | | | |
| Vanguard Target Retirement 2040 Fund | Yes | No | No | No | No | | | | |
| Vanguard Target Retirement 2045 Fund | Yes | No | No | No | No | | | | |
| Vanguard Target Retirement 2050 Fund | No | No | No | No | No | | | | |

*The Vanguard Target Retirement Funds 2010, 2020, 2030, 2040, 2050 began in July 2006. Therefore, performance is based on since-inception period.

MARKET ENVIRONMENT
First Quarter 2010

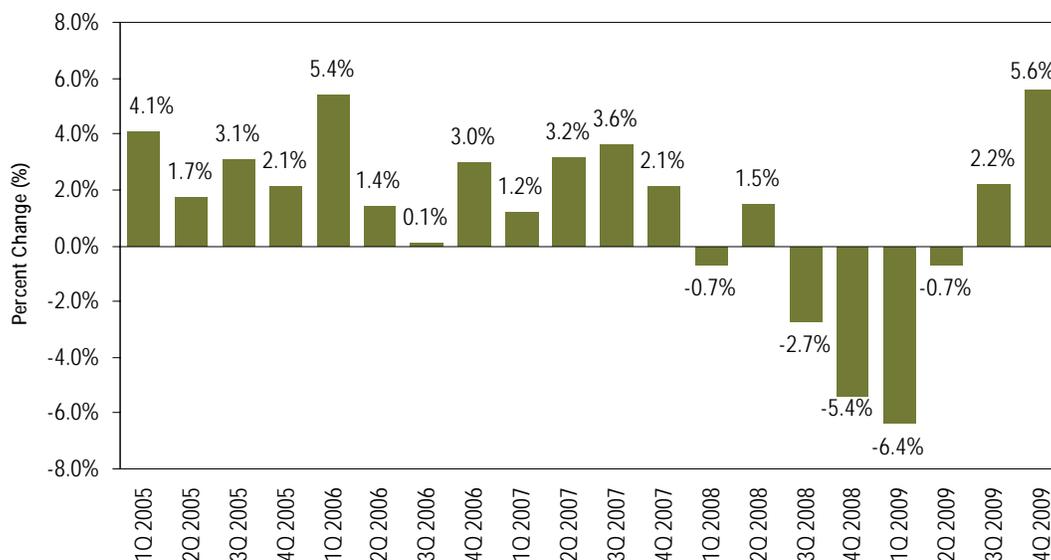
MARKET ENVIRONMENT

MACRO HIGHLIGHTS

At its March meeting, the Federal Open Market Committee (FOMC) left the Fed Funds Rate target at 0 – 0.25% as expected and maintained its pledge to keep rates low for “an extended period.” Thomas Hoenig, president of the Federal Reserve Bank of Kansas City, was the lone dissenter and again voted against the policy decision, arguing that the excessively easy monetary policy was “no longer warranted because it could lead to the buildup of financial imbalances and increase risk to longer-run macroeconomic and financial stability.” The FOMC also confirmed that the \$1.25T Agency MBS Purchase Program will conclude at the end of March, achieving its targeted amount.

According to the final estimate released by the Bureau of Economic Analysis, real GDP increased 5.6% in the fourth quarter of 2009. This was a downward revision of 0.3 percentage points from the first estimate in January. The notable decrease in the revision during the fourth quarter was attributable to downward revisions in commercial construction, residential investment, and changes in inventories. During 2009, real GDP growth was -2.4% in contrast to an increase of 0.4% in 2008. This marked the first negative year since 1991 and the largest economic contraction since 1946.

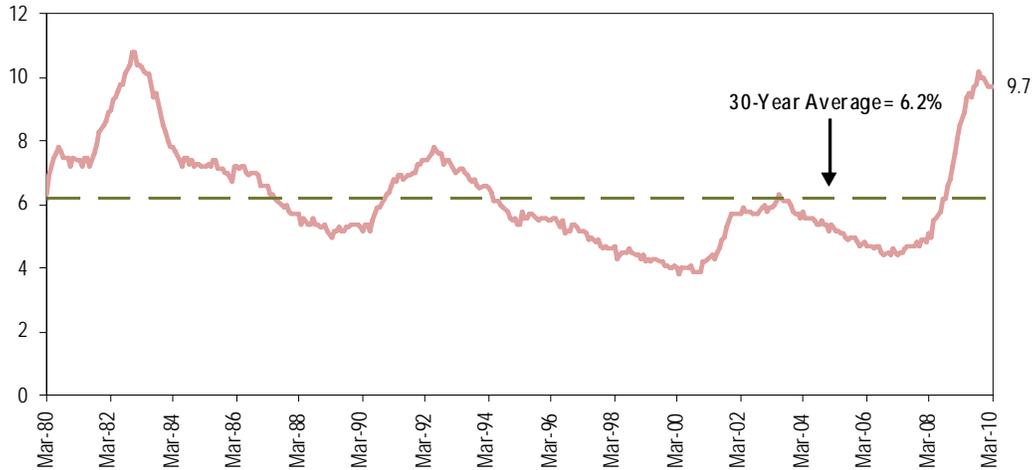
Quarterly Gross Domestic Product (Annualized)



Source: Bureau of Economics Statistics

According to the Bureau of Labor Statistics, the unemployment rate remained unchanged in March at 9.7%. The nonfarm payrolls added 169k jobs in March just below expectations of 184k. This marks the highest nonfarm payroll monthly gain in three years. Employment continued to increase with gains in the healthcare (+37k), temporary help services (+40k), and federal government jobs with temporary census hiring (+39k). With the additional hiring in temporary help services, this brought temporary employment up +323k since reaching the lowest point in September 2009, signaling that the job market has stabilized but that employers are hesitant to hire permanently in the face of uncertainty about health costs and business prospects. The unemployment rate, shown on the following page, remains at 9.7%, the highest levels since the early 1980s.

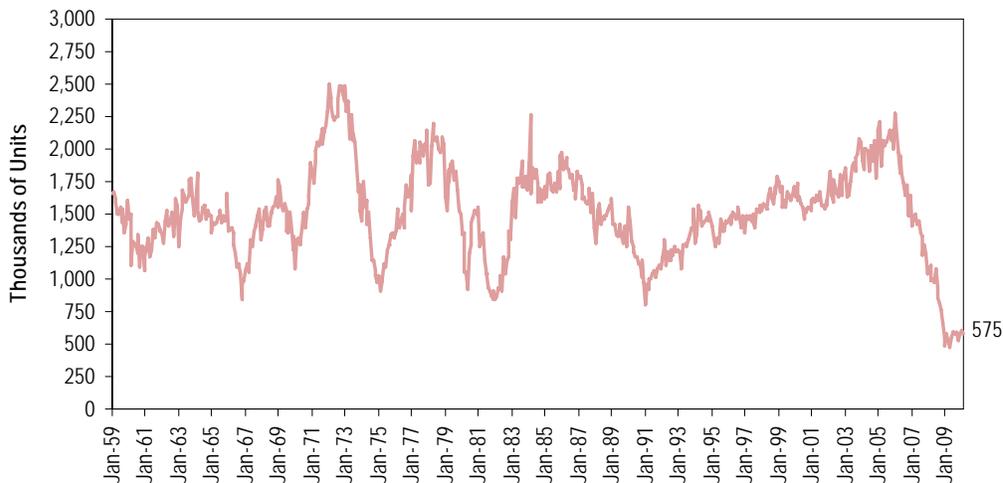
Unemployment Rate
As of March 2010



Source: Bureau of Labor Statistics

According to figures released by the U.S. Commerce Department, overall housing starts decreased 5.9% to a seasonally adjusted annual rate of 575,000 units in February. The overall decline in housing starts was a result of single-family starts decreasing 0.6% and the more volatile multifamily starts experiencing a large decrease. While the combined pace of single- and multi-family housing starts fell 5.9% in February, the decline was mostly due to a 30.3% decline in multi-family starts following a double-digit increase in the previous month.

Single Family Housing Starts
Seasonally Adjusted Annual Rate
As of February 2010



Source: U.S. Census Bureau

MARKET ENVIRONMENT

MACRO HIGHLIGHTS

According to the Bureau of Labor Statistics, March's Consumer Price Index (CPI-U) increased 0.1% month-over-month on a seasonally adjusted basis. The increase was mainly a result of an increase in food prices, which rose 4.6% in March and accounted for over 60% of the CPI-U increase. The medical care index increased 0.3% in March for a third straight positive month resulting in a positive 3.8% twelve month change on a seasonally unadjusted basis. The CPI-U increased 2.3% for the trailing twelve months.

The core CPI, which excludes volatile food and energy prices, remained unchanged (0.0%) in March after rising 0.1% in February and declining 0.1% in January, the first monthly decline since December 1982. The consensus estimate in March was for a rise of 0.1 percent, so core inflation has been less than expected. New vehicles, used cars and trucks, and shelter continued to post positive results. The medical care index contributed for the third straight month, namely medical care service, medical care commodities (e.g. RX and OTC drugs), as well as medical supplies. Over the last twelve months, core CPI has risen 1.1 percent. This constitutes its smallest increase since January 2004 largely due to the continued deceleration of the shelter index, which has declined 0.6% for the trailing twelve months.

At the wholesale level, the Producer Price Index (PPI) measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services. After a 1.4% increase in January, PPI for February was -0.6% as energy components of the index declined. Producer prices remain volatile and any increases have yet to meaningfully filter through to the consumer level.

Without any real sign of inflation and the expectation that the Fed will remain on hold in the near future, equity markets seem content to move in the path of least resistance, rallying to the highest levels since September 2008. Equity volatility remains at the lowest levels since mid-2008. As of quarter end, 10 -year Treasury notes were yielding 3.83% with Treasury volatility at the lowest levels since July 2007.

MARKET ENVIRONMENT

MARKET HIGHLIGHTS

MAJOR MARKET RETURNS

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 | 10 Years Ending 3/31/10 |
|---------------------------------------|---------------|-----------------------|------------------------|------------------------|-------------------------|
| Dow Jones US Total Stock Index | 6.2 % | 52.6 % | -3.7 % | 2.7 % | 0.0 % |
| MSCI All Country World ex-U.S. Index | 1.6 | 60.9 | -4.2 | 6.1 | 2.8 |
| MSCI EAFE Index | 0.9 | 54.4 | -7.0 | 3.7 | 1.3 |
| MSCI Emerging Markets Index | 2.4 | 81.1 | 5.2 | 15.6 | 9.8 |
| MSCI All Country World Index | 3.1 | 55.5 | -4.4 | 3.9 | 0.6 |
| Barclays Capital Aggregate Bond Index | 1.8 | 7.7 | 6.1 | 5.4 | 6.3 |

U.S. equity markets continued to post positive returns in the first quarter, outperforming international equities for the second consecutive quarter. In one of the strongest responses to a bear market in U.S. history, the Dow Jones U.S. Total Stock Market Index rallied 77% from the bear market low on March 9, 2009. Developed international equities and emerging markets exhibited superior one-year returns posting 54.4% and 81.1%, respectively. In the first quarter of 2010, non-U.S. developed market currencies depreciated and emerging market currencies appreciated relative to the U.S. dollar. This proved beneficial to investors holding hedged non-U.S. developed equity securities. Currencies across Europe came under pressure as mounting concerns from Greece weighed on sentiment. Greece dominated the financial headlines while negotiating a financial aid package with the European Union and International Monetary Fund. European equities continued to suffer during the first quarter over the fiscal instability in Greece.

As the economic news continues to show signs of improvement, corporate spreads and Treasury rates are beginning to move into a more natural correlation. Ten-year Treasury yields were little changed on the quarter at 3.83%. However, disappointing results for the Treasury's 2-, 5- and 7-year auctions (total new supply of \$118 billion) after the historic health care reform bill passed in March resulted in a sell-off that re-priced intermediate rates by +20 basis points. Investor caution manifested itself in a steeper yield curve as the spread between the 2-year to 30-year increased from 350 basis points to 370 basis points. The FOMC's message that rates will be "exceptionally low" for "an extended period" continued to drive demand for higher yielding instruments as interest rates remained close to zero and market volatility remained low.

MARKET ENVIRONMENT

MARKET HIGHLIGHTS

Continuing the trend seen in 2009, riskier sectors continued to post strong relative returns in the first quarter with asset-backed securities (+2.3%), commercial mortgage-backed securities (+9.1%), and high yield bonds (+4.6%) leading the way. Expiration of the Fed's TALF financing for ABS and legacy CMBS at quarter-end helped drive these returns. The turnabout in the corporate debt market over the past 12 months has been extraordinary with all sectors within corporates posting positive 12-month returns, led by financials.

| Credit Spreads (bps) (Based on Barclays indices and OAS ³) | 12/31/08 | 3/31/09 | 12/31/09 | 3/31/10 | Quarterly Chg (bps) | Annual Chg (bps) |
|---|----------|---------|----------|---------|------------------------|---------------------|
| Agency Fixed-Rate MBS | 137 | 95 | 19 | 20 | 1 | -75 |
| CMBS | 1010 | 1049 | 473 | 323 | -150 | -726 |
| ABS | 955 | 668 | 100 | 68 | -32 | -600 |
| IG Corporates | 555 | 543 | 172 | 150 | -22 | -393 |
| IG Financials | 629 | 769 | 226 | 186 | -40 | -583 |
| High Yield | 1669 | 1514 | 617 | 570 | -47 | -944 |
| Ba | 1211 | 1016 | 453 | 420 | -33 | -596 |
| B | 1520 | 1358 | 567 | 540 | -27 | -818 |
| Caa | 2445 | 2318 | 868 | 818 | -50 | -1500 |
| Quality Spread (Caa-Ba) | 1234 | 1302 | 415 | 398 | -17 | -904 |
| Treasury Yields (% unless noted) | | | | | | |
| 3-month | 0.08 | 0.21 | 0.05 | 0.16 | 11 | -5 |
| 2-year | 0.77 | 0.80 | 1.14 | 1.02 | -12 | 22 |
| 5-year | 1.55 | 1.66 | 2.68 | 2.55 | -13 | 89 |
| 10-year | 2.21 | 2.67 | 3.84 | 3.83 | -1 | 116 |
| 30-year | 2.68 | 3.54 | 4.64 | 4.71 | 7 | 117 |
| 3m-10y Spread (bps) | 213 | 246 | 379 | 367 | -12 | 121 |
| 2y-10y Spread (bps) | 144 | 187 | 270 | 281 | 11 | 94 |

Greece's potential sovereign debt default has been well publicized. The size of Greece's debt is around \$400 billion, with over \$70 billion coming due in 2010. The European Monetary Union (EMU) has struggled to alleviate the current situation and disarm the systematic risk in Greece. Most recently, EU finance ministers agreed on a mechanism for a potential loan to Greece at below-market rates. The EU is now under immense political pressure from sources as diverse as the region and talks continue on an IMF contribution. Money managers have sought to benefit from the Greek crisis—much to the dismay of European government officials—through short positions on the euro currency, which has steadily declined since the Greek debt crisis began. Standard & Poor's has recently downgraded Greece's credit rating to BBB+ (still investment-grade) and dropped the outlook to "credit watch negative" rating. A budget cut of 4.8 billion euros (\$6.6 billion) passed in February will cut Greece's deficit to 8.7 percent of gross domestic product this year from 12.7 percent. European equities suffered from concerns over the fiscal policy instability in Greece and the potential for contagion to other fiscally weak EU countries. Greek stocks sold off and the cost of buying protection on Greek sovereign debt, measured by CDS (credit default swaps), rose dramatically.

Greece CDS Spreads and Market Performance
Through March 31, 2010

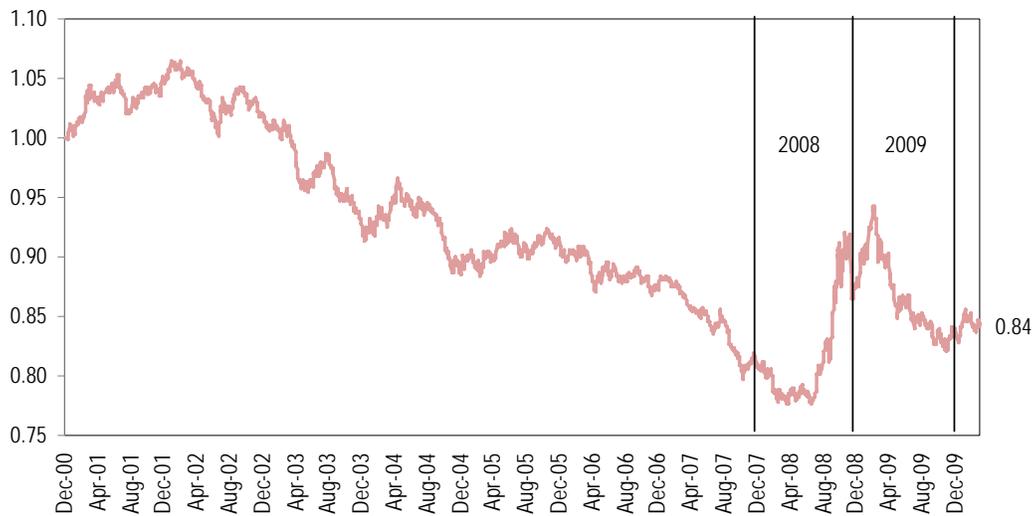


MARKET ENVIRONMENT

MAJOR MARKET ISSUES

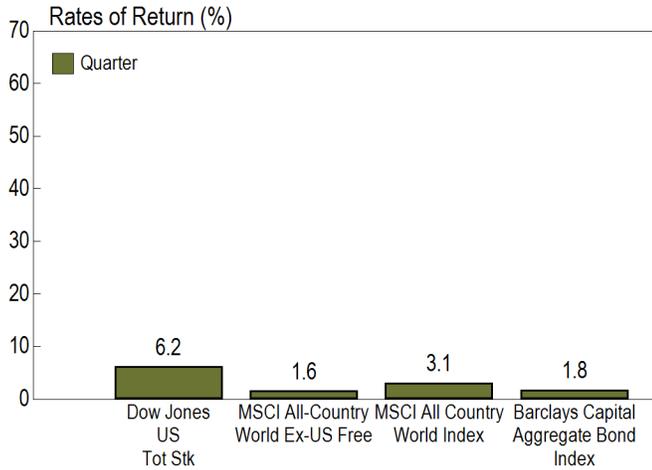
During 2009, non-U.S. currencies appreciated relative to the U.S. dollar which proved beneficial to investors holding unhedged non-U.S. equity securities. From March 2009 through November 2009, the U.S. dollar declined by 12%, but recovered 2.5% of its value through March 2010 against a broad basket of currencies. During the first quarter, the U.S. dollar improved relative to the euro and pound, but lost ground versus currencies of commodity-exporting countries, such as Australia (+2.1%) and Canada (+3.2%). The euro (-6.0%) and the pound (-6.5%) each lost ground versus the U.S. dollar. It is widely expected and priced into currency forwards that China will allow the yuan to appreciate in order to ease trade imbalances and temper China's fast-growing economy.

Federal Reserve Trade Weighted Exchange Rate Index (Broad)
Daily Returns 12/31/2000 - 3/31/2010

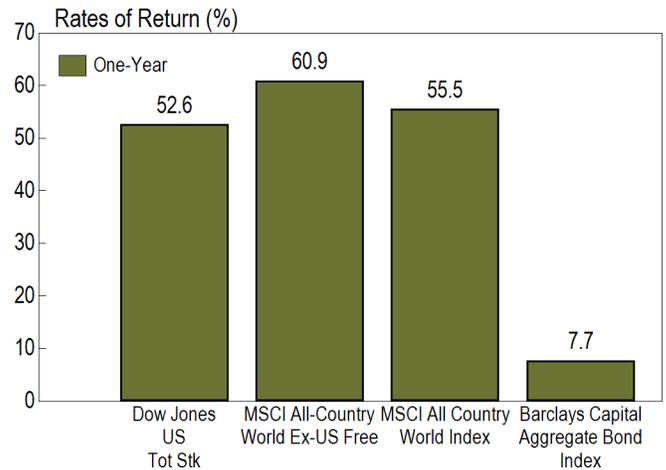


Source: Federal Reserve

**MAJOR MARKET RETURNS
FIRST QUARTER**

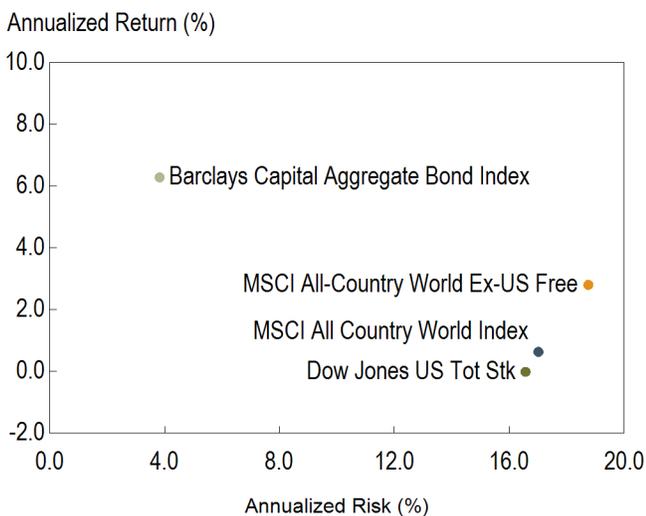


**MAJOR MARKET RETURNS
ONE-YEAR ENDING 3/31/10**

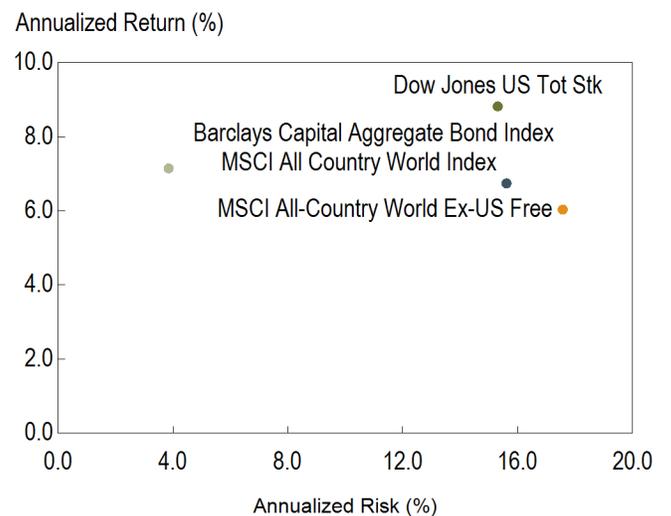


The exhibits above show the performance of the major capital markets during the first quarter and one-year periods.

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



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

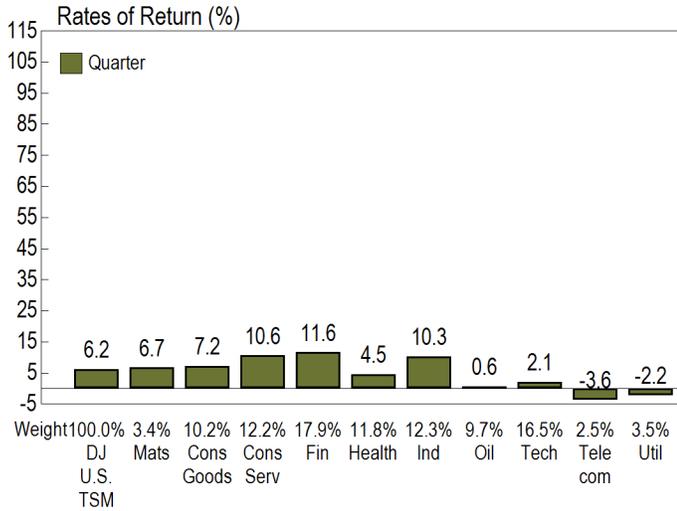


The exhibits above show the historical performance of the major capital markets and the amount of risk (volatility of returns) incurred. Points near the top of the chart represent a greater return and points near the right of the chart indicate greater volatility.

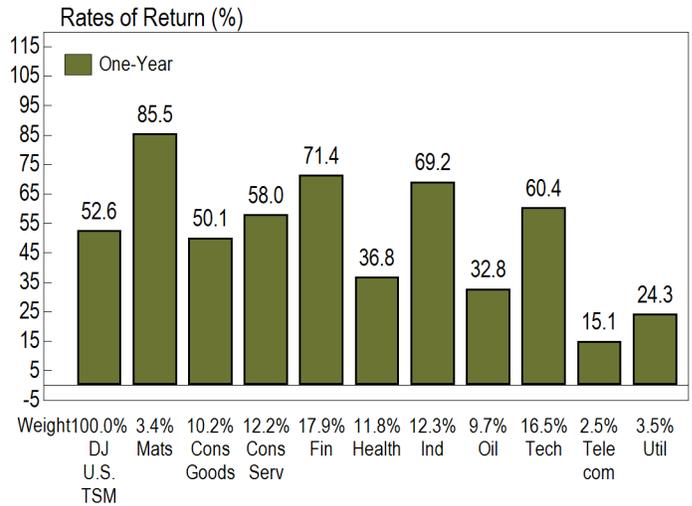
MARKET ENVIRONMENT

U.S. STOCK MARKET

SECTOR RETURNS FIRST QUARTER



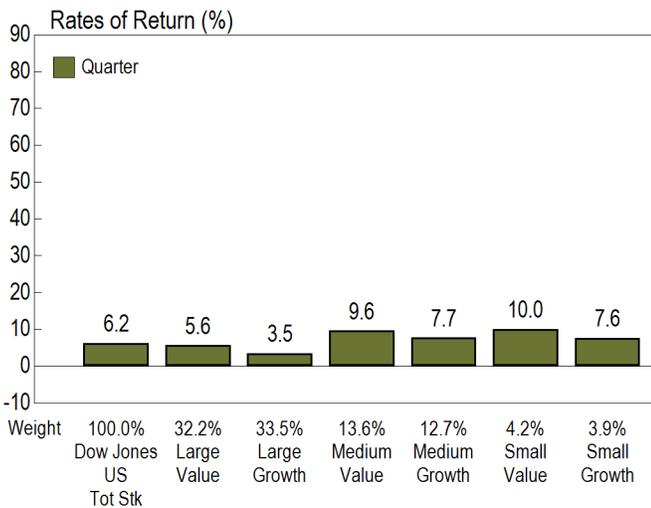
SECTOR RETURNS ONE-YEAR ENDING 3/31/10



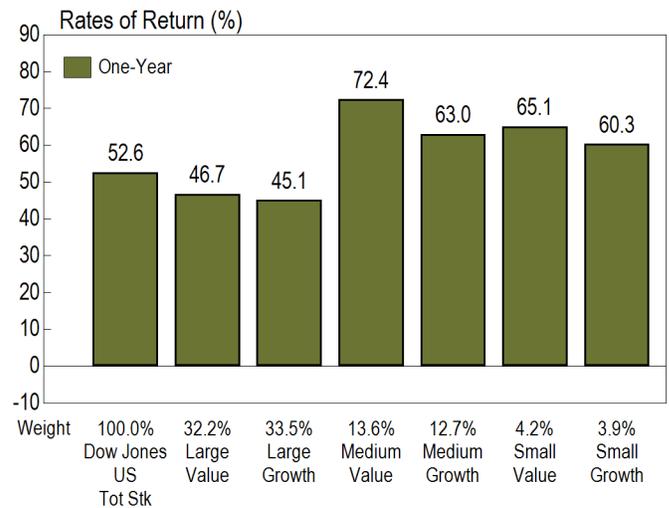
The Dow Jones U.S. Total Stock Market Index is the broadest available measure of the aggregate domestic stock market. It includes all domestic common stocks with readily available price information.

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 FIRST QUARTER

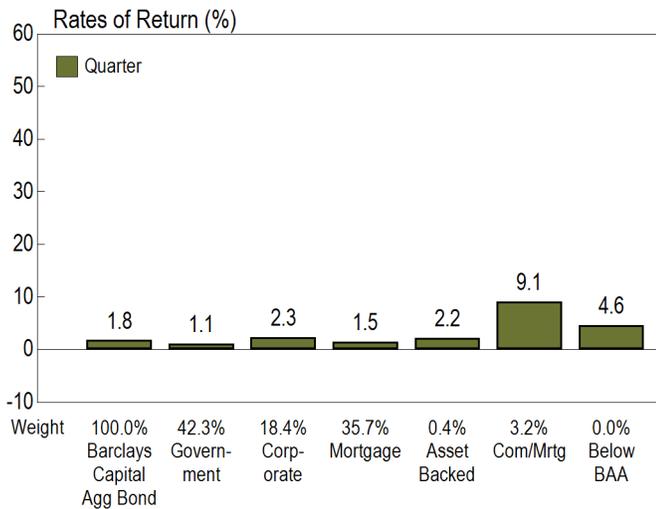


STYLE RETURNS ONE-YEAR ENDING 3/31/10

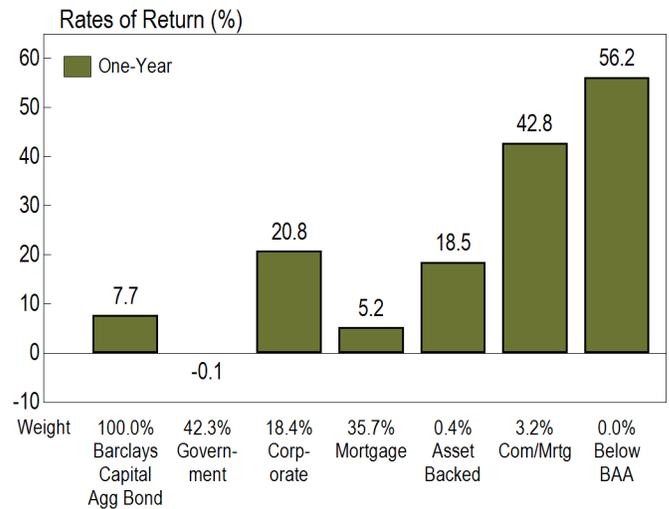


The exhibits above illustrate the performance of stock investment styles according to capitalization (large and small) and style characteristics (value and growth). The percentage below each bar indicates the segment's weight within the Dow Jones U.S. Total Stock Market Index at quarter-end.

**SECTOR RETURNS
FIRST QUARTER**



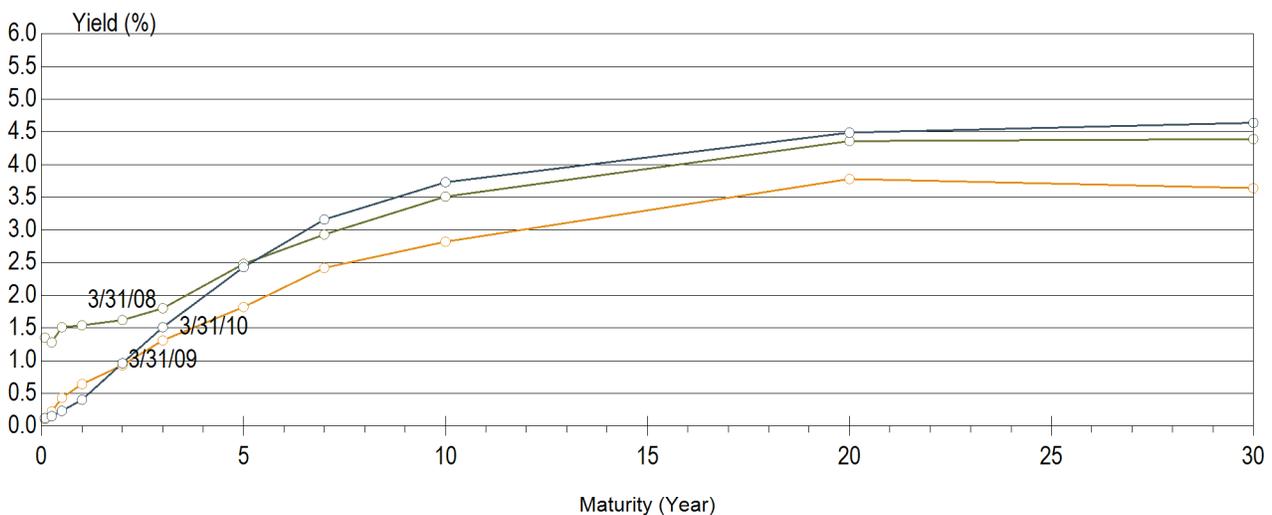
**SECTOR RETURNS
ONE-YEAR ENDING 3/31/10**



The Barclays Capital Aggregate Bond Index is a broad measure of the U.S. investment grade fixed income market. The Index consists of credit, 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

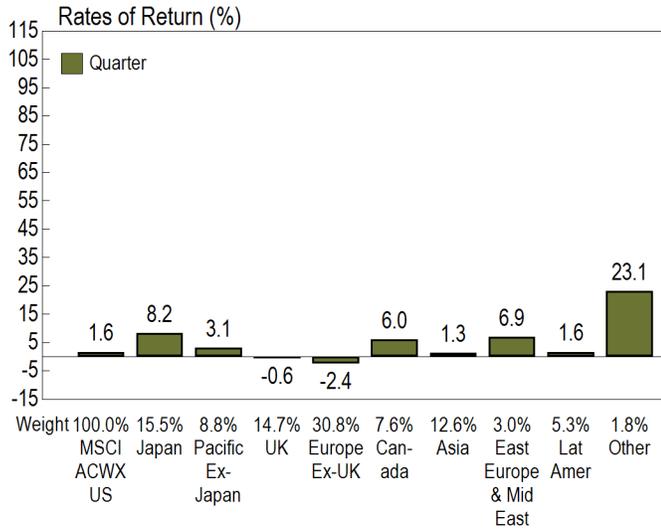


The exhibit above illustrates yields of Treasury securities of various maturities as of March 31, 2010, March 31, 2009, and March 31, 2008.

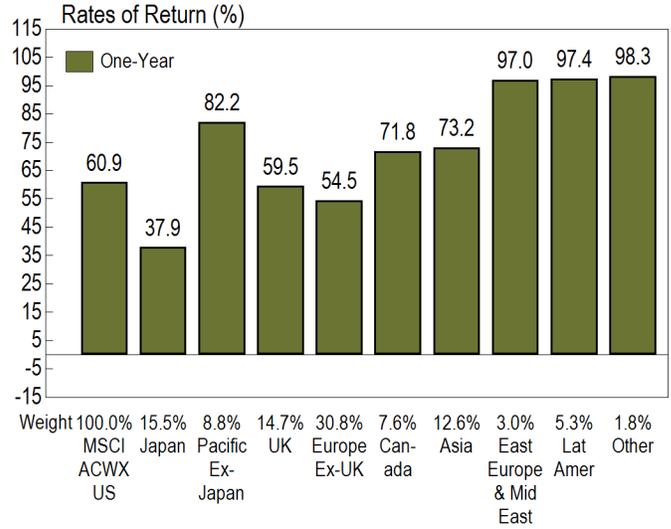
MARKET ENVIRONMENT

NON-U.S. STOCK MARKETS

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

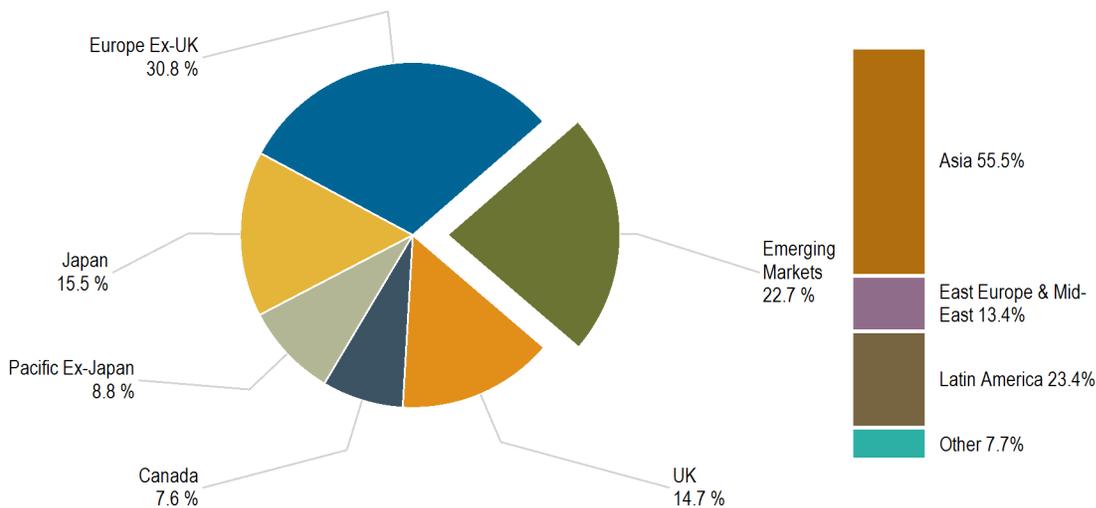


**NON-U.S. STOCK MARKET RETURNS
ONE-YEAR ENDING 3/31/10**



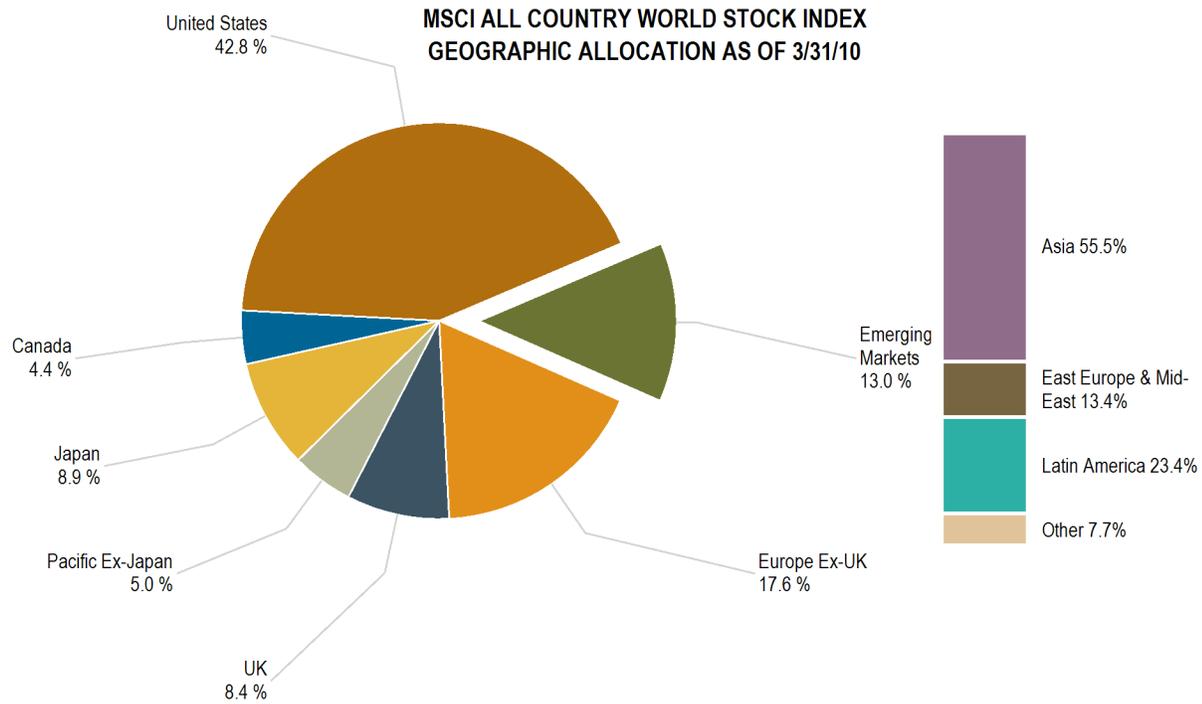
The MSCI All Country World ex-U.S. Index is a capitalization-weighted index of stocks representing 22 developed stock markets and 22 emerging stock markets around the world. The exhibits above show the performance of the regions that comprise the MSCI All Country World ex-U.S. Index at quarter-end.

**MSCI ALL COUNTRY WORLD EX-U.S. STOCK INDEX
GEOGRAPHIC ALLOCATION AS OF 3/31/10**



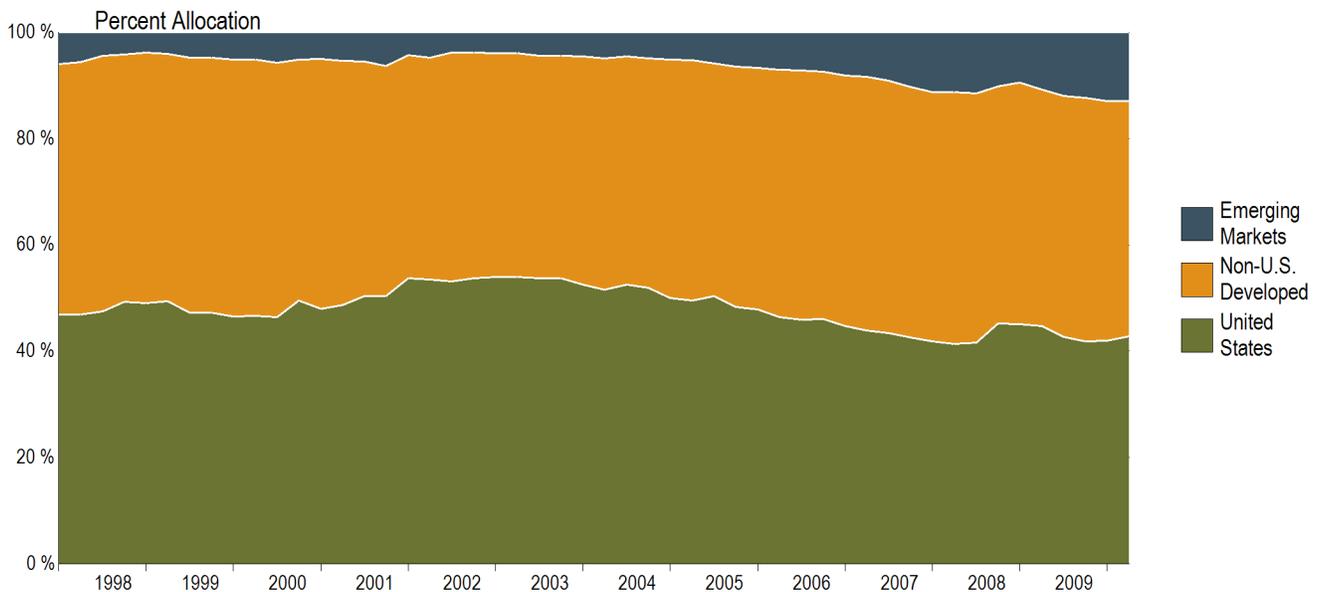
The exhibit above illustrates the percent each region represents of the non-U.S. stock market as measured by the MSCI All Country World ex-U.S. Index.

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 22 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.

(This page left blank intentionally)

**RETURN SUMMARY
ENDING 3/31/10**

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---------------------------------|---------------|--------------------------|---------------------------|---------------------------|
| North Shore Savings Fund | 0.1 % | 0.6 % | 1.9 % | 2.5 % |
| iMoney Net Money Fund Average | 0.0 | 0.1 | 1.9 | 2.4 |

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. The Milwaukee County Investment Policy Statement requires that the savings account be with a "well-capitalized" bank, which means the bank has to have a risk-based capital ratio of at least 10%. This ratio takes into account the asset quality and loan-loss reserve coverage. As of 3/31/10 North Shore was "well capitalized".

**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 | 0.8 | 0.2 | 0.6 |
| 2010 (3 months) | 0.1 | 0.0 | 0.1 |
| Trailing 1-Year | 0.6 % | 0.1 % | 0.5 |
| Trailing 3-Year | 1.9 | 1.9 | 0.0 |
| Trailing 5-Year | 2.5 | 2.4 | 0.1 |
| Trailing 10-Year | 2.6 | 2.4 | 0.2 |

STABLE VALUE

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|--------------------------|---------------|--------------------------|---------------------------|---------------------------|
| Stable Value Fund | 1.1 % | 4.6 % | 4.8 % | 4.7 % |
| EnnisKnupp GIC Index | 1.0 | 4.3 | 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 | 4.7 | 4.5 | 0.2 |
| 2010 (3 months) | 1.1 | 1.0 | 0.1 |
| Trailing 1-Year | 4.6% | 4.3% | 0.3 |
| Trailing 3-Year | 4.8 | 4.6 | 0.2 |
| Trailing 5-Year | 4.7 | 4.3 | 0.4 |
| Trailing 10-Year | 5.0 | 4.7 | 0.3 |

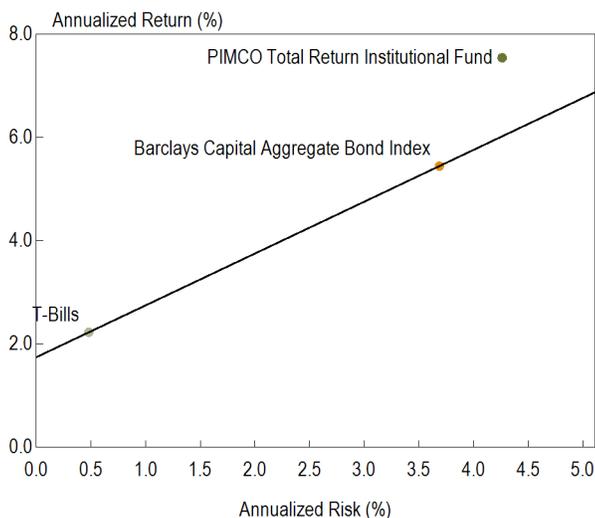
**RETURN SUMMARY
ENDING 3/31/10**

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|--|---------------|--------------------------|---------------------------|---------------------------|
| PIMCO Total Return Institutional Fund | 3.0 % | 15.5 % | 9.6 % | 7.5 % |
| Barclays Capital Aggregate Bond Index | 1.8 | 7.7 | 6.1 | 5.4 |

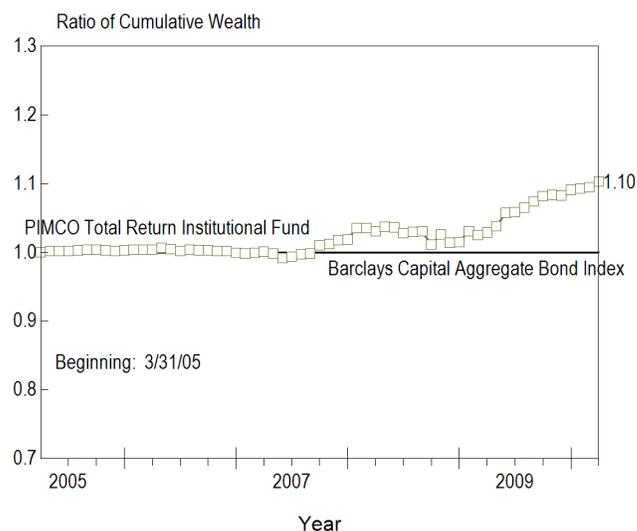
Investment Strategy

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 three and six years and can invest up to 10% in issues rated below BBB, but no lower than B-rated. The Fund may invest up to 20% of assets in non-dollar bonds.

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



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 3/31/10**

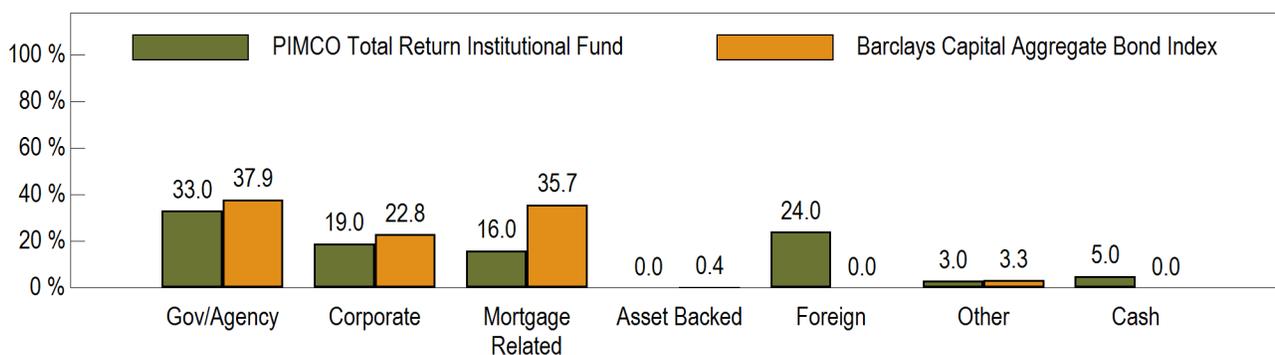


PIMCO TOTAL RETURN INSTL

Fund Information as of 03/31/2010

| | |
|-----------------------------------|---------------------------------------|
| Fund Name | Pimco Fds Total Return Bd Fund I |
| Ticker | PTTRX |
| Category | Intermediate-Term Bond |
| Benchmark | Barclays Capital Aggregate Bond Index |
| Expense Ratio | 0.46% |
| Fund Assets (millions) | 125,962.40 |
| Share Class Inception Date | 5/11/1987 |
| Manager Tenure | 23 |

SECTOR ALLOCATION AS OF 3/31/10 PIMCO Total Return Institutional Fund



HISTORICAL RETURNS (BY YEAR)

| | PIMCO Total Return Institutional Fund | 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 | 13.8 | 5.9 | 7.9 |
| 2010 (3 months) | 3.0 | 1.8 | 1.2 |
| Trailing 1-Year | 15.5% | 7.7% | 7.8 |
| Trailing 3-Year | 9.6 | 6.1 | 3.5 |
| Trailing 5-Year | 7.5 | 5.4 | 2.1 |
| Trailing 10-Year | 7.7 | 6.3 | 1.4 |

VANGUARD TOTAL BOND MARKET INDEX

RETURN SUMMARY ENDING 3/31/10

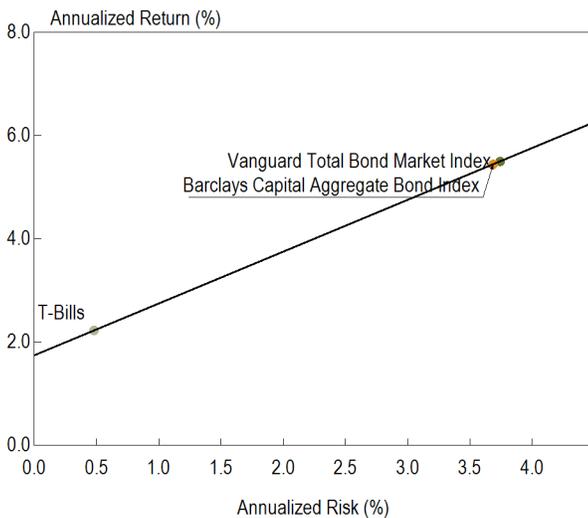
| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Vanguard Total Bond Market Index | 1.7 % | 7.5 % | 6.2 % | 5.5 % |
| Barclays Capital Aggregate Bond Index | 1.8 | 7.7 | 6.1 | 5.4 |

Investment Strategy

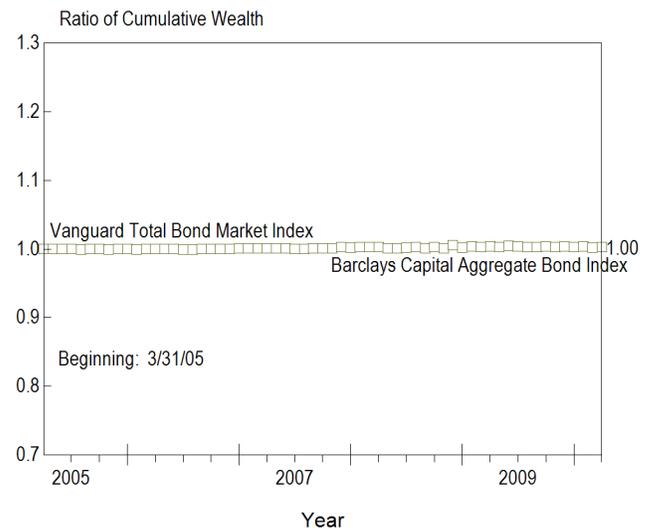
The Vanguard Total Bond Market Index Fund seeks to replicate the performance of the Barclays Capital Aggregate Bond Index. The Fund holds U.S. government and agency securities, high-quality corporate bonds, and mortgage-backed issues.

The Fund attempts to simulate the market's performance by holding a sampling of the more than 4,000 bonds in the Barclays Capital Aggregate Bond Index. Characteristics of the Fund, including interest-rate sensitivity and sector weightings, closely match those of the Index.

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



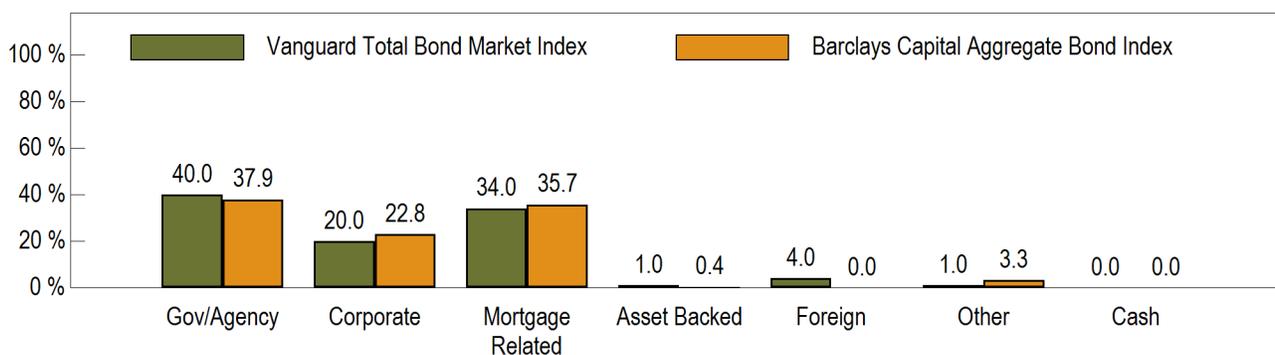
VANGUARD TOTAL BOND MARKET INDEX

Fund Information as of 03/31/2010

| | |
|-----------------------------------|---------------------------------------|
| Fund Name | VANGUARD-TOT-INS |
| Ticker | VBPIX |
| Category | Intermediate-Term Bond |
| Benchmark | Barclays Capital Aggregate Bond Index |
| Expense Ratio | 0.08% |
| Fund Assets (millions) | 17,659.11 |
| Share Class Inception Date | 9/18/1995 |
| Manager Tenure | 17 |

SECTOR ALLOCATION AS OF 3/31/10

Vanguard Total Bond Market Index



HISTORICAL RETURNS

(BY YEAR)

| | Vanguard Total Bond Market Index | Barclays Capital Aggregate Bond Index | Return Difference |
|------------------|----------------------------------|---------------------------------------|-------------------|
| | Return | Return | |
| 1998 | 8.7% | 8.7% | 0.0 |
| 1999 | -0.7 | -0.8 | 0.1 |
| 2000 | 11.5 | 11.6 | -0.1 |
| 2001 | 8.6 | 8.4 | 0.2 |
| 2002 | 8.4 | 10.3 | -1.9 |
| 2003 | 4.1 | 4.1 | 0.0 |
| 2004 | 4.4 | 4.3 | 0.1 |
| 2005 | 2.5 | 2.4 | 0.1 |
| 2006 | 4.4 | 4.3 | 0.1 |
| 2007 | 7.0 | 7.0 | 0.0 |
| 2008 | 5.2 | 5.2 | 0.0 |
| 2009 | 6.1 | 5.9 | 0.2 |
| 2010 (3 months) | 1.7 | 1.8 | -0.1 |
| Trailing 1-Year | 7.5% | 7.7% | -0.2 |
| Trailing 3-Year | 6.2 | 6.1 | 0.1 |
| Trailing 5-Year | 5.5 | 5.4 | 0.1 |
| Trailing 10-Year | 6.1 | 6.3 | -0.2 |

RETURN SUMMARY
ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|----------------------|---------------|-----------------------|------------------------|------------------------|
| TRP PS Income | 3.2% | 33.3% | 2.8% | 5.3% |
| Custom Benchmark | 2.9 | 22.6 | 1.5 | 4.1 |

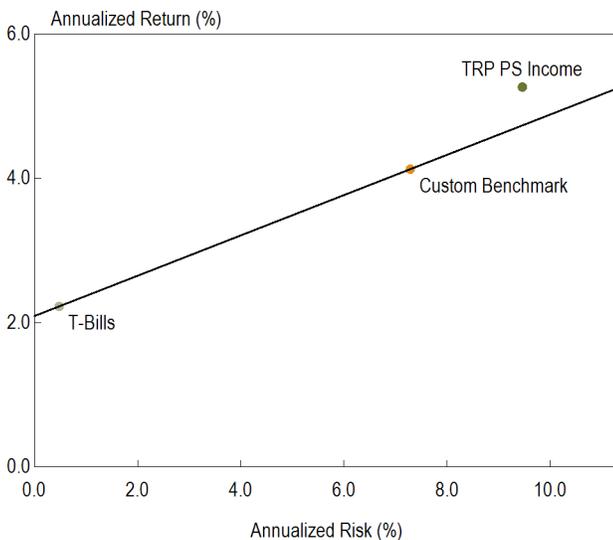
Investment Strategy

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

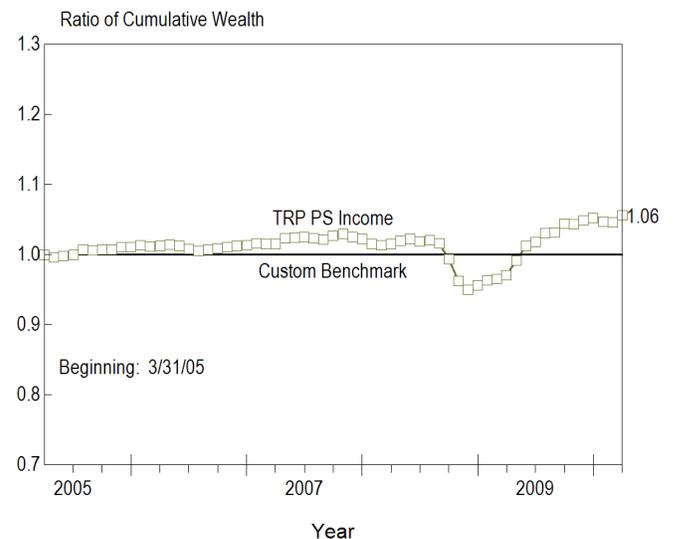
The Fund's target asset allocation is 40% stocks, 40% bonds, and 20% cash. Typically, the Fund maintains a 5% - 10% exposure to non-U.S. stocks. It is the most conservative of the three T. Rowe Price lifestyle funds.

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 3/31/10



RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 3/31/10



T. ROWE PRICE

PERSONAL STRATEGY INCOME

Fund Information as of 03/31/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | T Rowe Price Prs Str:Inc |
| Ticker | PRSEX |
| Category | Conservative Allocation |
| Benchmark | Custom Benchmark |
| Expense Ratio | 0.72% |
| Fund Assets (millions) | 874.08 |
| Share Class Inception Date | 7/29/1994 |
| Manager Tenure | 11 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|------|
| BUSINESS SERVICES | 2.0% |
| CONSUMER GOODS | 3.1% |
| CONSUMER SERVICES | 4.7% |
| ENERGY | 4.1% |
| FINANCIAL SERVICES | 9.0% |
| HARDWARE | 4.1% |
| HEALTHCARE | 4.0% |
| INDUSTRIAL MATERIALS | 5.1% |
| MEDIA | 1.8% |
| SOFTWARE | 1.2% |
| TELECOMMUNICATION | 2.7% |
| UTILITIES | 1.1% |

Top Holdings as of 03/31/2010

| | |
|---|-------|
| RESERVE INVT FDS | 12.8% |
| T. ROWE PRICE INSTL HIGH YIELD | 6.8% |
| T. ROWE PRICE INSTL EMERGING MKTS BOND | 5.5% |
| T. ROWE PRICE INSTL INTL BOND | 4.6% |
| T. ROWE PRICE INSTL EMERGING MKTS EQ | 1.6% |
| UNITED STATES TREAS NTS 1.75% | 1.4% |
| UNITED STATES TREAS NTS 3.125% | 1.1% |
| APPLE, INC. | 1.0% |
| UNITED STATES TREAS NTS 2.625% | 0.9% |
| GOOGLE, INC. | 0.8% |

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 | 25.5 | 14.0 | 11.5 |
| 2010 (3 months) | 3.2 | 2.9 | 0.3 |
| Trailing 1-Year | 33.3% | 22.6% | 10.7 |
| Trailing 3-Year | 2.8 | 1.5 | 1.3 |
| Trailing 5-Year | 5.3 | 4.1 | 1.2 |
| Trailing 10-Year | 5.5 | 3.4 | 2.1 |

* Fund information throughout the report is shown as of the most recent date available.

**RETURN SUMMARY
ENDING 3/31/10**

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|------------------------|---------------|-----------------------|------------------------|------------------------|
| TRP PS Balanced | 3.9% | 44.0% | 1.0% | 4.9% |
| Custom Benchmark | 3.8 | 32.5 | -0.1 | 3.9 |

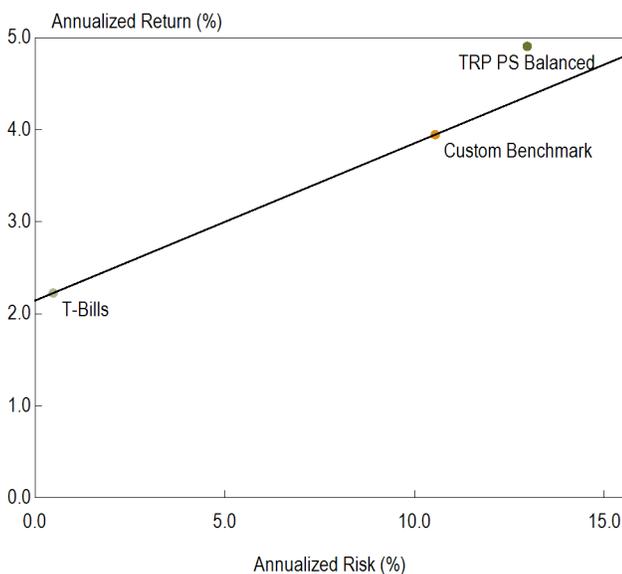
Investment Strategy

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.

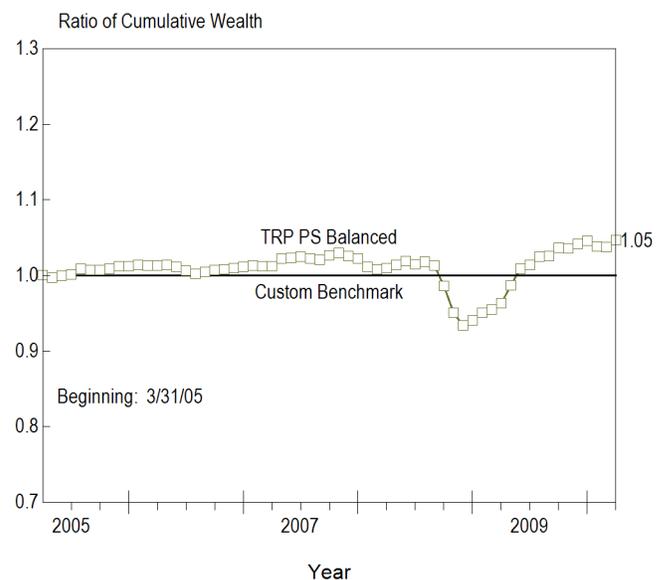
The Fund's neutral asset allocation is 60% stocks, 30% bonds, and 10% cash. Typically, the Fund maintains a 10% exposure to non-U.S. stocks. The balanced fund is the moderate fund relative to the three T. Rowe Price lifestyle funds in terms of expected risk and reward.

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 3/31/10**



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 3/31/10**



T. ROWE PRICE

PERSONAL STRATEGY BALANCED

Fund Information as of 03/31/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | T Rowe Price Prs Str:Bal |
| Ticker | TRPBX |
| Category | Moderate Allocation |
| Benchmark | Custom Benchmark |
| Expense Ratio | 0.81% |
| Fund Assets (millions) | 1,525.72 |
| Share Class Inception Date | 7/29/1994 |
| Manager Tenure | 11 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|-------|
| BUSINESS SERVICES | 2.9% |
| CONSUMER GOODS | 4.6% |
| CONSUMER SERVICES | 6.9% |
| ENERGY | 6.0% |
| FINANCIAL SERVICES | 13.2% |
| HARDWARE | 6.0% |
| HEALTHCARE | 5.8% |
| INDUSTRIAL MATERIALS | 7.4% |
| MEDIA | 2.7% |
| SOFTWARE | 1.7% |
| TELECOMMUNICATION | 4.0% |
| UTILITIES | 1.6% |

Top Holdings as of 03/31/2010

| | |
|---|------|
| T. ROWE PRICE INSTL HIGH YIELD | 4.2% |
| RESERVE INVT FDS | 3.8% |
| T. ROWE PRICE INSTL EMERGING MKTS BOND | 3.4% |
| T. ROWE PRICE INSTL INTL BOND | 3.0% |
| T. ROWE PRICE INSTL EMERGING MKTS EQ | 2.5% |
| UNITED STATES TREAS NTS 1.75% | 1.6% |
| APPLE, INC. | 1.5% |
| GOOGLE, INC. | 1.1% |
| J.P. MORGAN CHASE & CO. | 1.0% |
| MICROSOFT CORPORATION | 0.9% |

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 | 32.6 | 19.3 | 13.3 |
| 2010 (3 months) | 3.9 | 3.8 | 0.1 |
| Trailing 1-Year | 44.0% | 32.5% | 11.5 |
| Trailing 3-Year | 1.0 | -0.1 | 1.1 |
| Trailing 5-Year | 4.9 | 3.9 | 1.0 |
| Trailing 10-Year | 5.0 | 2.6 | 2.4 |

RETURN SUMMARY
ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|----------------------|---------------|-----------------------|------------------------|------------------------|
| TRP PS Growth | 4.5% | 53.1% | -1.7% | 3.9% |
| Custom Benchmark | 4.7 | 42.9 | -1.9 | 3.6 |

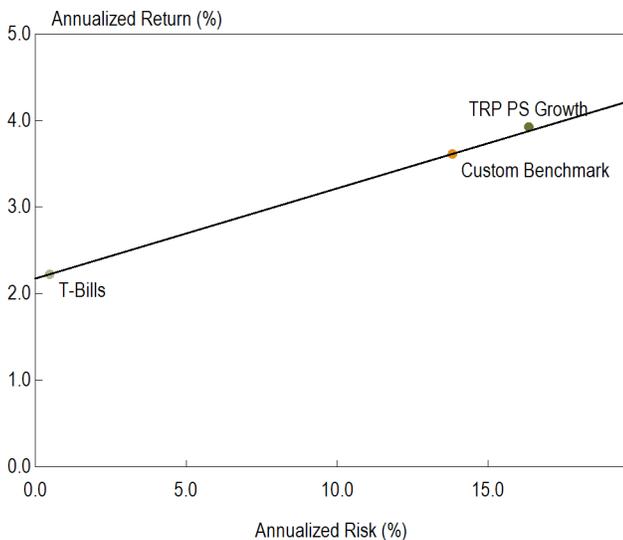
Investment Strategy

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.

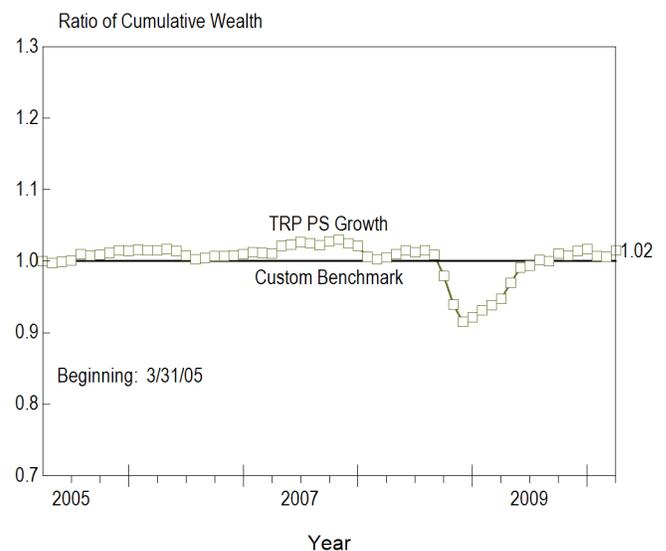
The Fund's neutral asset allocation is 80% stocks and 20% bonds. Typically, the Fund maintains a 15% - 25% exposure to non-U.S. stocks. The growth fund has the highest expected risk/reward profile of the three T. Rowe Price lifestyle funds.

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

ANNUALIZED RISK RETURN
5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 3/31/10



T. ROWE PRICE

PERSONAL STRATEGY GROWTH

Fund Information as of 03/31/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | T Rowe Price Prs Str:Gro |
| Ticker | TRSGX |
| Category | Large Blend |
| Benchmark | Custom Benchmark |
| Expense Ratio | 0.91% |
| Fund Assets (millions) | 1,084.98 |
| Share Class Inception Date | 7/29/1994 |
| Manager Tenure | 11 |

Sector Allocation as of 03/31/2010

| | |
|-----------------------------|-------|
| BUSINESS SERVICES | 3.8% |
| CONSUMER GOODS | 6.0% |
| CONSUMER SERVICES | 9.0% |
| ENERGY | 7.8% |
| FINANCIAL SERVICES | 17.3% |
| HARDWARE | 7.9% |
| HEALTHCARE | 7.6% |
| INDUSTRIAL MATERIALS | 9.7% |
| MEDIA | 3.5% |
| SOFTWARE | 2.3% |
| TELECOMMUNICATION | 5.3% |
| UTILITIES | 2.1% |

Top Holdings as of 03/31/2010

| | |
|---|------|
| T. ROWE PRICE INSTL EMERGING MKTS EQ | 3.1% |
| T. ROWE PRICE INSTL HIGH YIELD | 2.0% |
| APPLE, INC. | 1.9% |
| T. ROWE PRICE INSTL EMERGING MKTS BOND | 1.7% |
| GOOGLE, INC. | 1.5% |
| T. ROWE PRICE INSTL INTL BOND | 1.4% |
| J.P. MORGAN CHASE & CO. | 1.3% |
| MICROSOFT CORPORATION | 1.2% |
| RESERVE INVT FDS | 1.2% |
| AMAZON.COM, INC. | 1.2% |

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 | 37.5 | 24.5 | 13.0 |
| 2010 (3 months) | 4.5 | 4.7 | -0.2 |
| Trailing 1-Year | 53.1% | 42.9% | 10.2 |
| Trailing 3-Year | -1.7 | -1.9 | 0.2 |
| Trailing 5-Year | 3.9 | 3.6 | 0.3 |
| Trailing 10-Year | 4.1 | 1.7 | 2.4 |

VANGUARD TARGET RETIREMENT FUNDS

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Vanguard Target Retirement Income Fund | 2.4 % | 19.4 % | 3.5 % | 4.6 % |
| Target Retirement Income Benchmark | 2.5 | 19.6 | 3.3 | 4.5 |
| Vanguard Target Retirement 2005 Fund | 2.7 | 23.5 | 2.2 | 4.2 |
| Target Retirement 2005 Benchmark | 2.8 | 23.9 | 2.1 | 4.2 |
| Vanguard Target Retirement 2010 Fund | 3.4 | 30.1 | 1.2 | -- |
| Target Retirement 2010 Benchmark | 3.4 | 30.4 | 1.1 | -- |
| Vanguard Target Retirement 2015 Fund | 3.8 | 34.7 | 0.3 | 4.0 |
| Target Retirement 2015 Benchmark | 3.9 | 35.0 | 0.2 | 3.9 |
| Vanguard Target Retirement 2020 Fund | 4.1 | 38.4 | -0.4 | -- |
| Target Retirement 2020 Benchmark | 4.1 | 38.6 | -0.6 | -- |
| Vanguard Target Retirement 2025 Fund | 4.3 | 42.2 | -1.3 | 3.5 |
| Target Retirement 2025 Benchmark | 4.3 | 42.3 | -1.4 | 3.4 |
| Vanguard Target Retirement 2030 Fund | 4.6 | 45.9 | -2.1 | -- |
| Target Retirement 2030 Benchmark | 4.6 | 46.1 | -2.2 | -- |
| Vanguard Target Retirement 2035 Fund | 4.8 | 49.0 | -2.5 | 3.3 |
| Target Retirement 2035 Benchmark | 4.8 | 49.1 | -2.7 | 3.3 |
| Vanguard Target Retirement 2040 Fund | 4.7 | 48.8 | -2.4 | -- |
| Target Retirement 2040 Benchmark | 4.8 | 49.1 | -2.7 | -- |
| Vanguard Target Retirement 2045 Fund | 4.8 | 49.0 | -2.5 | 3.6 |
| Target Retirement 2045 Benchmark | 4.8 | 49.1 | -2.7 | 3.5 |
| Vanguard Target Retirement 2050 Fund | 4.8 | 48.9 | -2.5 | -- |
| Target Retirement 2050 Benchmark | 4.8 | 49.1 | -2.7 | -- |

Investment Strategy

The Vanguard Target Retirement Funds are designed to aid investors who do not wish to make asset allocation decisions themselves. Each of the Funds invests in several Vanguard index funds in a mix that coincides with the risk profile of the targeted retirement date for the participant. As the participant moves closer toward the targeted retirement date, the asset allocation of the Fund becomes more risk-averse, focusing more on fixed income and less on equities.

VANGUARD TARGET RETIREMENT FUNDS

Vanguard Target Retirement Income Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 23.9% |
| International Stocks | 6.0 |
| Nominal Bonds | 45.2 |
| Inflation-Protected Bonds | 20.0 |
| Cash | 4.9 |

Vanguard Target Retirement 2005 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 29.2% |
| International Stocks | 7.5 |
| Nominal Bonds | 43.3 |
| Inflation-Protected Bonds | 16.7 |
| Cash | 3.3 |

Vanguard Target Retirement 2010 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 40.4% |
| International Stocks | 10.0 |
| Nominal Bonds | 40.1 |
| Inflation-Protected Bonds | 9.5 |
| Cash | 0.0 |

Vanguard Target Retirement 2015 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 48.3% |
| International Stocks | 12.1 |
| Nominal Bonds | 39.6 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2020 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 54.2% |
| International Stocks | 13.6 |
| Nominal Bonds | 32.2 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2025 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 60.2% |
| International Stocks | 15.1 |
| Nominal Bonds | 24.7 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2030 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 66.2% |
| International Stocks | 16.6 |
| Nominal Bonds | 17.2 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2035 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 71.9% |
| International Stocks | 18.1 |
| Nominal Bonds | 10.0 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2040 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 72.0% |
| International Stocks | 18.0 |
| Nominal Bonds | 10.0 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2045 Fund

| | |
|---------------------------|-------|
| Domestic Stocks | 71.9% |
| International Stocks | 18.1 |
| Nominal Bonds | 10.0 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Vanguard Target Retirement 2050 Fund

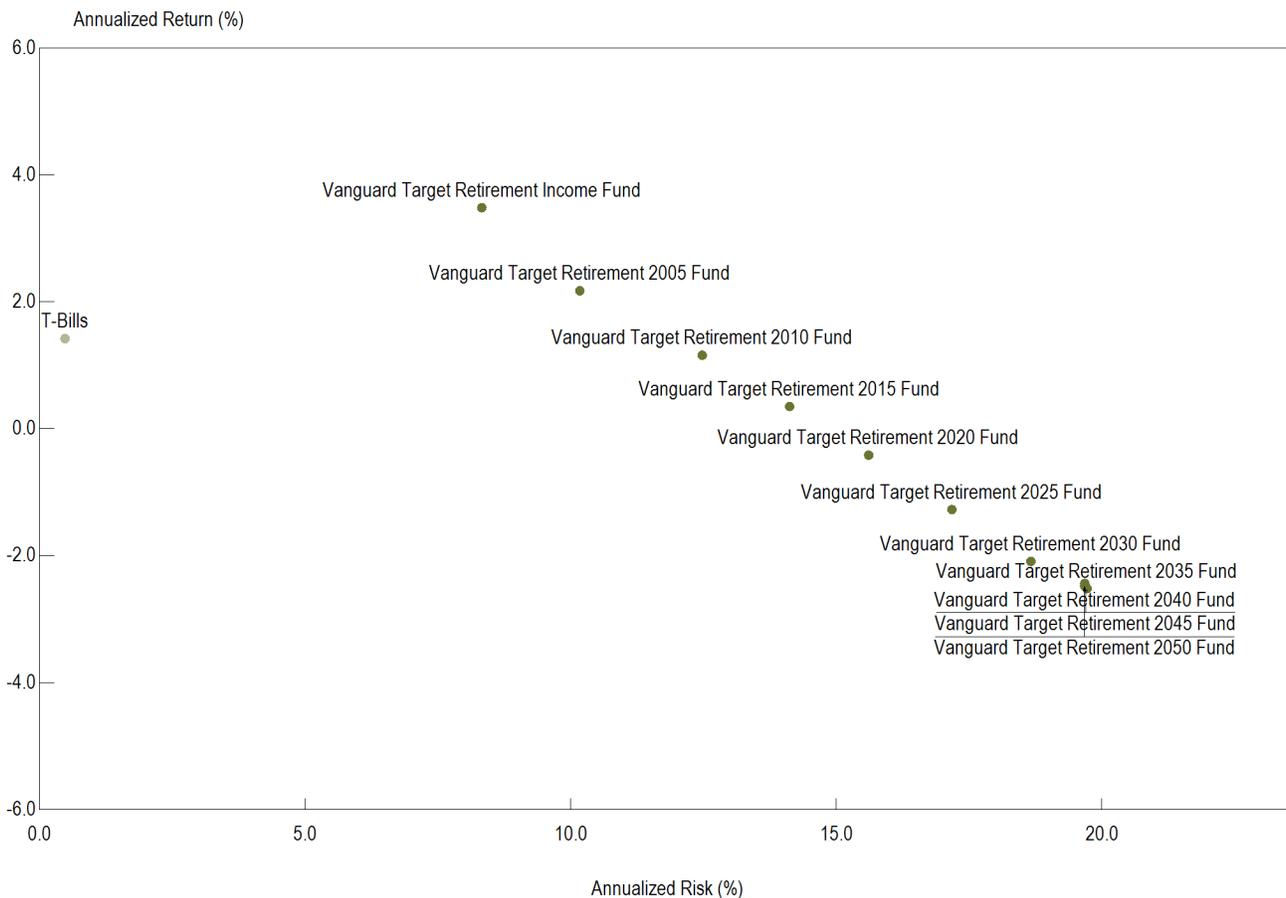
| | |
|---------------------------|-------|
| Domestic Stocks | 72.0% |
| International Stocks | 18.0 |
| Nominal Bonds | 10.0 |
| Inflation-Protected Bonds | 0.0 |
| Cash | 0.0 |

Asset Allocation Table

The tables above illustrates the asset allocations for the Vanguard Retirement Funds as of March 31, 2010.

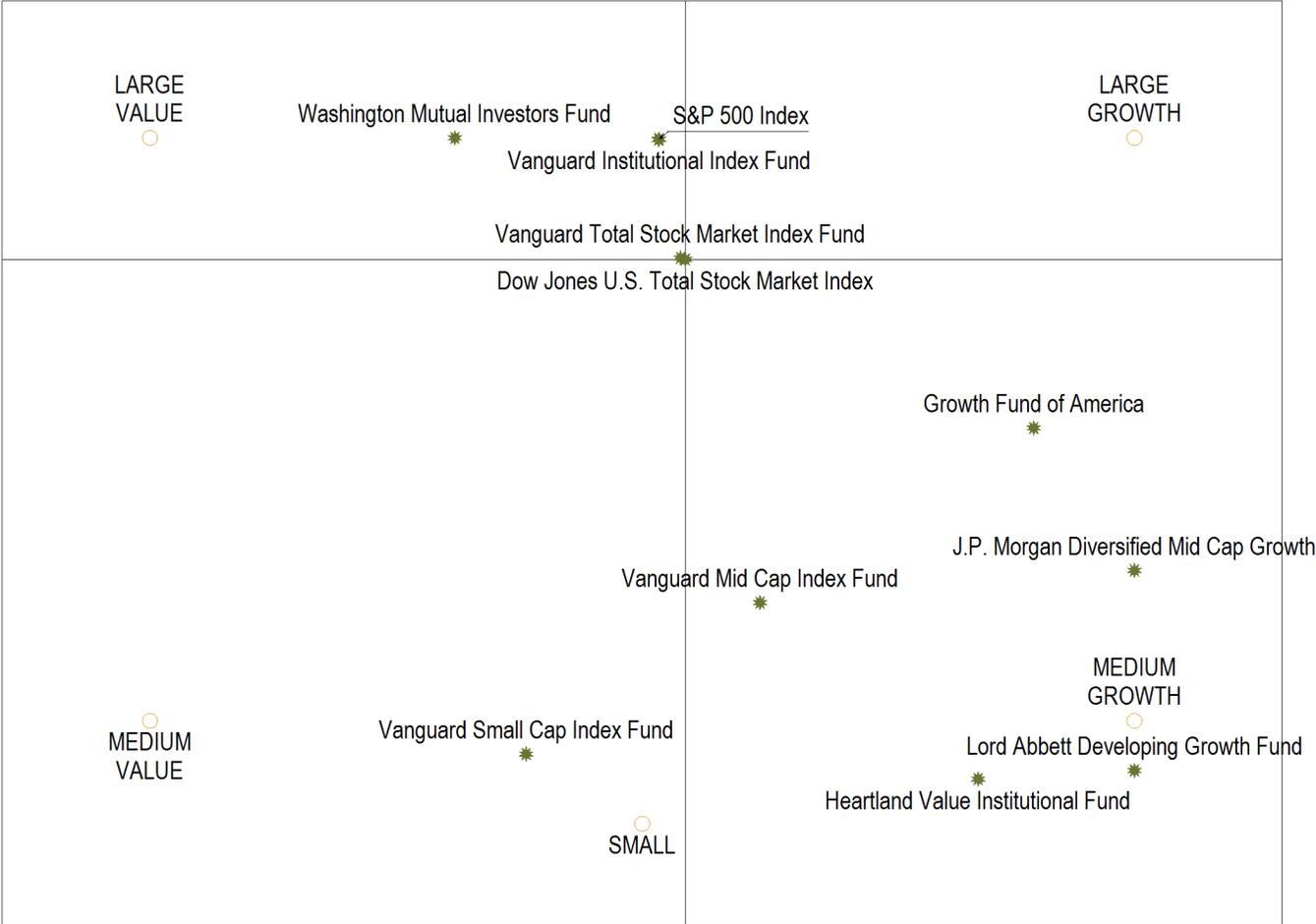
VANGUARD TARGET RETIREMENT FUNDS

ANNUALIZED RISK RETURN 3 YEARS ENDING 3/31/10



(This page left blank intentionally)

EFFECTIVE STYLE MAP
 5 YEARS ENDING 3/31/10



WASHINGTON MUTUAL INVESTORS

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Washington Mutual Investors Fund | 3.9% | 42.5% | -5.2% | 1.3% |
| Russell 1000 Value Index | 6.8 | 53.6 | -7.3 | 1.0 |
| S&P 500 Index | 5.4 | 49.8 | -4.2 | 1.9 |

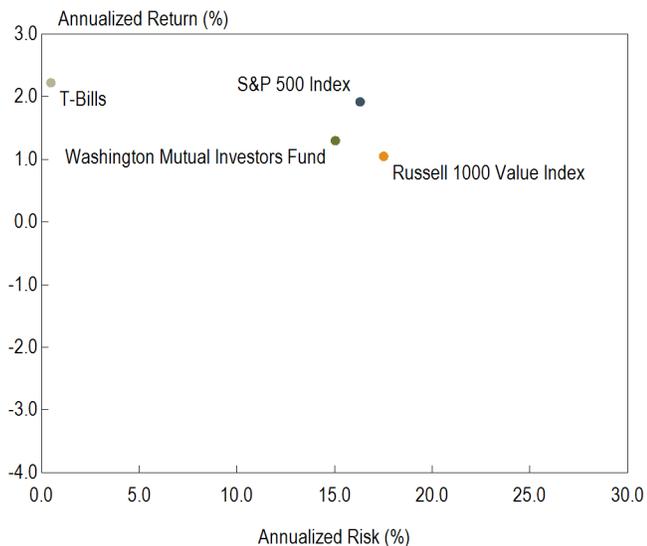
Investment Strategy

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.

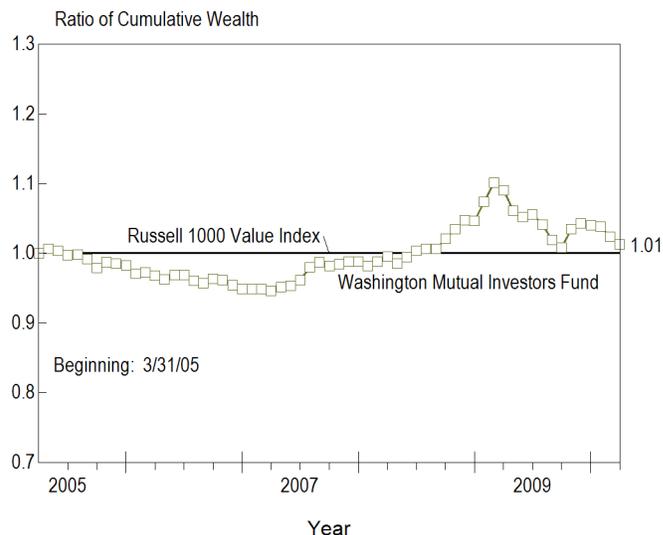
Capital Research & Management (the American Funds family) provides investment services for this Fund. Management looks for stocks with strong long-term prospects selling at low prices. The Fund may invest up to 5% of assets in securities of non-U.S. issuers.

As illustrated in the graphs below and the table above, Washington Mutual Investors Fund has outperformed the Russell 1000 Value Index over the trailing five-year period at a lower level of risk.

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



Fund Information as of 03/31/2010

| | |
|----------------------------|--------------------------|
| Fund Name | AMERICAN-WA-A |
| Ticker | AWSHX |
| Category | Large Value |
| Benchmark | Russell 1000 Value Index |
| Expense Ratio | 0.67% |
| Fund Assets (millions) | 39,096.89 |
| Share Class Inception Date | 7/31/1952 |
| Manager Tenure | 6 |

Sector Allocation as of 12/31/2009

| | |
|----------------------|--------|
| BUSINESS SERVICES | 3.53% |
| CONSUMER GOODS | 10.20% |
| CONSUMER SERVICES | 6.50% |
| ENERGY | 13.72% |
| FINANCIAL SERVICES | 7.65% |
| HARDWARE | 4.64% |
| HEALTHCARE | 14.65% |
| INDUSTRIAL MATERIALS | 16.17% |
| MEDIA | 0.88% |
| SOFTWARE | 1.91% |
| TELECOMMUNICATION | 8.12% |
| UTILITIES | 10.52% |

Top Holdings as of 12/31/2009

| | |
|-----------------------------|-------|
| CHEVRON CORPORATION | 5.14% |
| VERIZON COMMUNICATIONS INC. | 4.10% |
| ROYAL DUTCH SHELL PLC ADR B | 3.59% |
| AT&T, INC. | 3.46% |
| MERCK & CO., INC. | 3.44% |
| MCDONALD'S CORPORATION | 2.79% |
| COCA-COLA COMPANY | 2.69% |
| UNITED TECHNOLOGIES | 2.47% |
| ABBOTT LABORATORIES | 2.46% |
| JOHNSON & JOHNSON | 2.34% |

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 | 19.0 | 19.7 | -0.7 | 26.5 | -7.5 |
| 2010 (3 months) | 3.9 | 6.8 | -2.9 | 5.4 | -1.5 |
| Trailing 1-Year | 42.5 % | 53.6 % | -11.1 | 49.8 % | -7.3 |
| Trailing 3-Year | -5.2 | -7.3 | 2.1 | -4.2 | -1.0 |
| Trailing 5-Year | 1.3 | 1.0 | 0.3 | 1.9 | -0.6 |
| Trailing 10-Year | 3.3 | 3.1 | 0.2 | -0.7 | 4.0 |

VANGUARD INSTITUTIONAL INDEX

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|--|---------------|--------------------------|---------------------------|---------------------------|
| Vanguard Institutional Index Fund | 5.4 % | 49.9 % | -4.1 % | 2.0 % |
| S&P 500 Index | 5.4 | 49.8 | -4.2 | 1.9 |

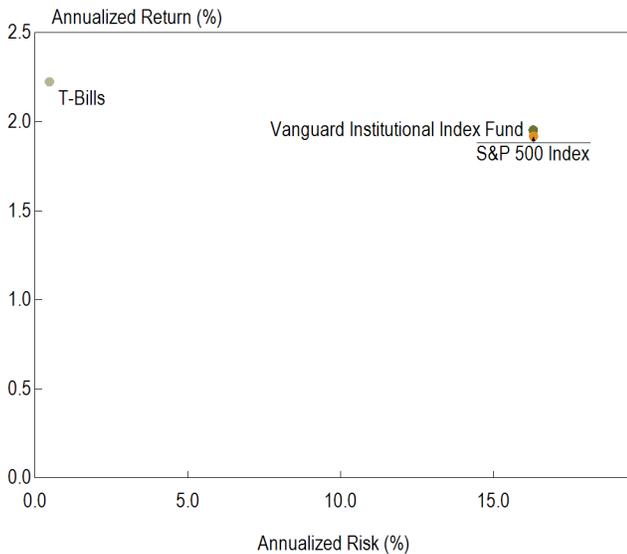
Investment Strategy

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.

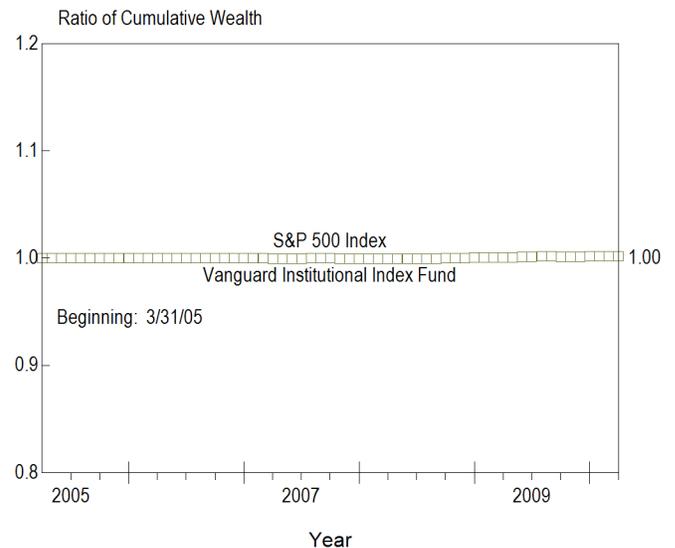
Management uses S&P 500 Index futures to manage fund inflows and outflows.

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 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



Fund Information as of 03/31/2010

| | |
|-----------------------------------|------------------|
| Fund Name | VANGUARD-INST-IS |
| Ticker | VINIX |
| Category | Large Blend |
| Benchmark | S&P 500 Index |
| Expense Ratio | 0.05% |
| Fund Assets (millions) | 47,376.65 |
| Share Class Inception Date | 7/31/1990 |
| Manager Tenure | 5 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 3.83% |
| CONSUMER GOODS | 10.85% |
| CONSUMER SERVICES | 8.62% |
| ENERGY | 11.51% |
| FINANCIAL SERVICES | 14.31% |
| HARDWARE | 11.21% |
| HEALTHCARE | 11.84% |
| INDUSTRIAL MATERIALS | 10.69% |
| MEDIA | 2.57% |
| SOFTWARE | 4.76% |
| TELECOMMUNICATION | 5.80% |
| UTILITIES | 3.62% |

Top Holdings as of 12/31/2009

| | |
|---|-------|
| EXXONMOBIL CORPORATION | 3.25% |
| MICROSOFT CORPORATION | 2.36% |
| APPLE, INC. | 1.91% |
| JOHNSON & JOHNSON | 1.78% |
| PROCTER & GAMBLE COMPANY | 1.78% |
| INTERNATIONAL BUSINESS MACHINES CORP | 1.73% |
| AT&T, INC. | 1.66% |
| J.P. MORGAN CHASE & CO. | 1.65% |
| GENERAL ELECTRIC COMPANY | 1.62% |
| CHEVRON CORPORATION | 1.55% |

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 | 26.6 | 26.5 | 0.1 |
| 2010 (3 months) | 5.4 | 5.4 | 0.0 |
| Trailing 1-Year | 49.9% | 49.8% | 0.1 |
| Trailing 3-Year | -4.1 | -4.2 | 0.1 |
| Trailing 5-Year | 2.0 | 1.9 | 0.1 |
| Trailing 10-Year | -0.6 | -0.7 | 0.1 |

GROWTH FUND OF AMERICA

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|-------------------------------|---------------|--------------------------|---------------------------|---------------------------|
| Growth Fund of America | 4.3 % | 46.4 % | -2.0 % | 4.4 % |
| Russell 1000 Growth Index | 4.6 | 49.8 | -0.8 | 3.4 |

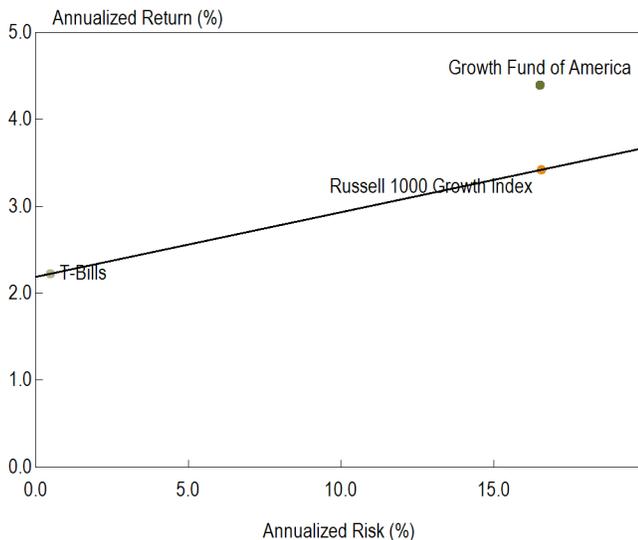
Investment Approach

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.

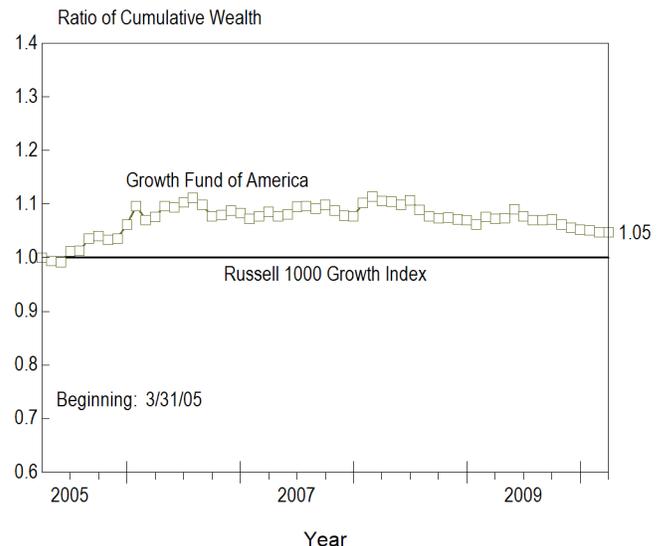
The Capital Research and Management Investment Committee is responsible for making sure the portfolio stays within its limits and adheres to its investment policies. The objective of the Fund is to provide long-term growth of capital by investing in a diversified portfolio of common stocks while using 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 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



Fund Information as of 03/31/2010

| | |
|-----------------------------------|---------------------------|
| Fund Name | Mutual Fund |
| Ticker | RGAFX |
| Category | Large Growth |
| Benchmark | Russell 1000 Growth Index |
| Expense Ratio | 0.40% |
| Fund Assets (millions) | 15,460.94 |
| Share Class Inception Date | 5/15/2002 |
| Manager Tenure | 8 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 4.58% |
| CONSUMER GOODS | 7.26% |
| CONSUMER SERVICES | 4.48% |
| ENERGY | 10.31% |
| FINANCIAL SERVICES | 10.65% |
| HARDWARE | 10.53% |
| HEALTHCARE | 11.86% |
| INDUSTRIAL MATERIALS | 11.53% |
| MEDIA | 3.25% |
| SOFTWARE | 7.93% |
| TELECOMMUNICATION | 6.58% |
| UTILITIES | 0.74% |

Top Holdings as of 12/31/2009

| | |
|------------------------------------|-------|
| MICROSOFT CORPORATION | 3.97% |
| GOOGLE, INC. | 3.36% |
| ORACLE CORPORATION | 2.96% |
| APPLE, INC. | 2.00% |
| CISCO SYSTEMS, INC. | 1.79% |
| COCA-COLA COMPANY | 1.41% |
| MEDTRONIC, INC. | 1.25% |
| SUNCOR ENERGY, INC. | 1.24% |
| J.P. MORGAN CHASE & CO. | 1.23% |
| BARRICK GOLD CORPORATION | 1.22% |

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 | 34.9 | 37.2 | -2.3 |
| 2010 (3 months) | 4.3 | 4.6 | -0.3 |
| Trailing 1-Year | 46.4% | 49.8% | -3.4 |
| Trailing 3-Year | -2.0 | -0.8 | -1.2 |
| Trailing 5-Year | 4.4 | 3.4 | 1.0 |
| Trailing 10-Year | 1.3 | -4.2 | 5.5 |

VANGUARD TOTAL STOCK MARKET INDEX

RETURN SUMMARY ENDING 3/31/10

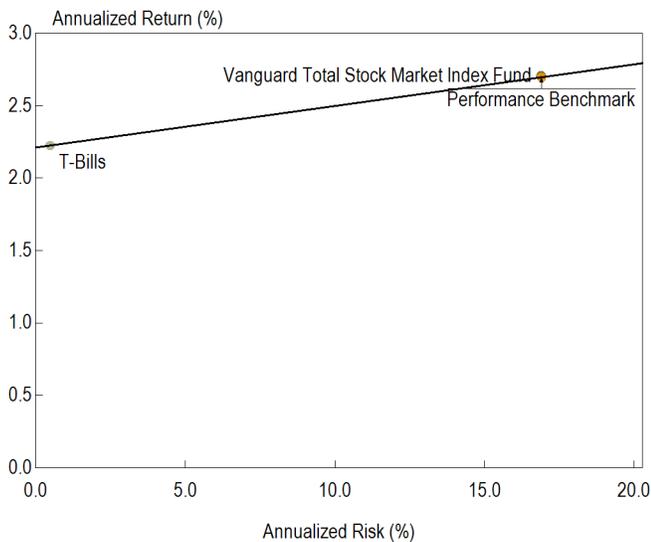
| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Vanguard Total Stock Market Index Fund | 6.0 % | 53.0 % | -3.6 % | 2.7 % |
| Performance Benchmark | 6.0 | 52.9 | -3.6 | 2.7 |

Investment Strategy

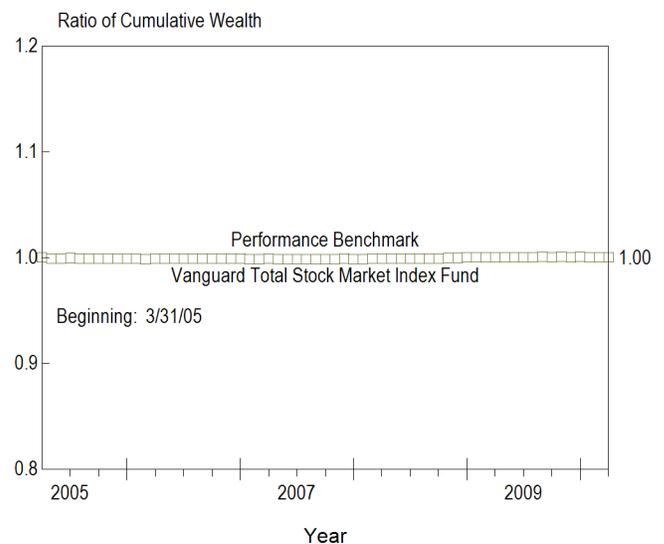
The objective of the Vanguard Total Stock Market Index Fund is to approximate the return of the MSCI U.S. Broad Market Index. The Vanguard Total Stock Market Index Fund utilizes a sampling technique that approximates the industry weightings and market capitalizations of the MSCI U.S. Broad Market Index.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

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

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



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

VANGUARD TOTAL STOCK MARKET INDEX

Fund Information as of 03/31/2010

| | |
|-----------------------------------|-----------------------|
| Fund Name | VANGUARD-T ST-AD |
| Ticker | VTSAX |
| Category | Large Blend |
| Benchmark | Performance Benchmark |
| Expense Ratio | 0.06% |
| Fund Assets (millions) | 30,325.23 |
| Share Class Inception Date | 11/13/2000 |
| Manager Tenure | 15 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 4.78% |
| CONSUMER GOODS | 10.13% |
| CONSUMER SERVICES | 8.60% |
| ENERGY | 10.93% |
| FINANCIAL SERVICES | 15.29% |
| HARDWARE | 10.67% |
| HEALTHCARE | 11.75% |
| INDUSTRIAL MATERIALS | 11.05% |
| MEDIA | 2.56% |
| SOFTWARE | 4.85% |
| TELECOMMUNICATION | 5.46% |
| UTILITIES | 3.75% |

Top Holdings as of 12/31/2009

| | |
|---|-------|
| EXXONMOBIL CORPORATION | 2.67% |
| MICROSOFT CORPORATION | 2.00% |
| APPLE, INC. | 1.54% |
| JOHNSON & JOHNSON | 1.45% |
| PROCTER & GAMBLE COMPANY | 1.44% |
| INTERNATIONAL BUSINESS MACHINES CORP | 1.40% |
| AT&T, INC. | 1.35% |
| J.P. MORGAN CHASE & CO. | 1.34% |
| GENERAL ELECTRIC COMPANY | 1.31% |
| CHEVRON CORPORATION | 1.26% |

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 | 28.8 | 28.8 | 0.0 |
| 2010 (3 months) | 6.0 | 6.0 | 0.0 |
| Trailing 1-Year | 53.0% | 52.9% | 0.1 |
| Trailing 3-Year | -3.6 | -3.6 | 0.0 |
| Trailing 5-Year | 2.7 | 2.7 | 0.0 |
| Trailing 10-Year | 0.0 | 0.0 | 0.0 |

J.P. MORGAN DIVERSIFIED MID CAP GROWTH

RETURN SUMMARY ENDING 3/31/10

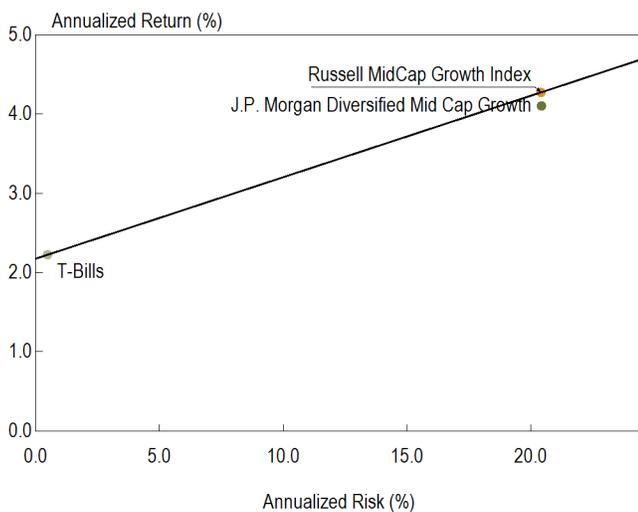
| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| J.P. Morgan Diversified Mid Cap Growth | 6.2 % | 53.4 % | -1.3 % | 4.1 % |
| Russell MidCap Growth Index | 7.7 | 63.0 | -2.0 | 4.3 |

Investment Strategy

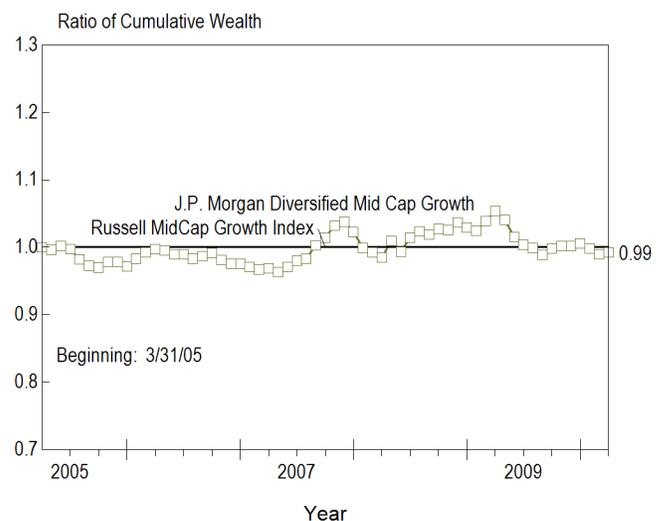
The J.P. Morgan Diversified Mid Cap Growth Fund seeks growth of capital and current income by investing primarily in equity securities. The Fund invests in common stocks of mid-cap companies with market capitalizations of \$1 billion to \$5 billion. The current benchmark is the Russell Mid Cap Growth 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 underperformed the return of the Index with approximately the same level of risk over the trailing five-year period.

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



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

J.P. MORGAN DIVERSIFIED MID CAP GROWTH

Fund Information as of 03/31/2010

| | |
|-----------------------------------|-----------------------------|
| Fund Name | JPMorgan:Dvdsd MCG;A |
| Ticker | OSGIX |
| Category | Mid-Cap Growth |
| Benchmark | Russell MidCap Growth Index |
| Expense Ratio | 1.24% |
| Fund Assets (millions) | 648.52 |
| Share Class Inception Date | 2/18/1992 |
| Manager Tenure | 6 |

Sector Allocation as of 02/28/2010

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 11.89% |
| CONSUMER GOODS | 6.78% |
| CONSUMER SERVICES | 16.47% |
| ENERGY | 5.84% |
| FINANCIAL SERVICES | 11.29% |
| HARDWARE | 11.95% |
| HEALTHCARE | 11.94% |
| INDUSTRIAL MATERIALS | 7.62% |
| MEDIA | 1.50% |
| SOFTWARE | 9.94% |
| TELECOMMUNICATION | 2.45% |
| UTILITIES | 0.00% |

Top Holdings as of 02/28/2010

| | |
|---|-------|
| AMDOCS LTD. | 2.29% |
| UNITEDHEALTH GROUP, INC. | 2.18% |
| COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION A | 2.02% |
| JPMORGAN LIQUID ASSETS MONEY MARKET FUND | 1.77% |
| W.W. GRAINGER, INC. | 1.52% |
| PRECISION CASTPARTS CORP. | 1.46% |
| AMPHENOL CORPORATION | 1.39% |
| DICK'S SPORTING GOODS, INC. | 1.39% |
| MARVELL TECHNOLOGY GROUP, LTD. | 1.39% |
| NETAPP, INC. | 1.39% |

HISTORICAL RETURNS

(BY YEAR)

| | J.P. Morgan Diversified Mid Cap Growth | Russell MidCap 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 | 42.9 | 46.3 | -3.4 |
| 2010 (3 months) | 6.2 | 7.7 | -1.5 |
| Trailing 1-Year | 53.4 % | 63.0 % | -9.6 |
| Trailing 3-Year | -1.3 | -2.0 | 0.7 |
| Trailing 5-Year | 4.1 | 4.3 | -0.2 |
| Trailing 10-Year | 0.9 | -1.7 | 2.6 |

VANGUARD MID CAP INDEX

RETURN SUMMARY ENDING 3/31/10

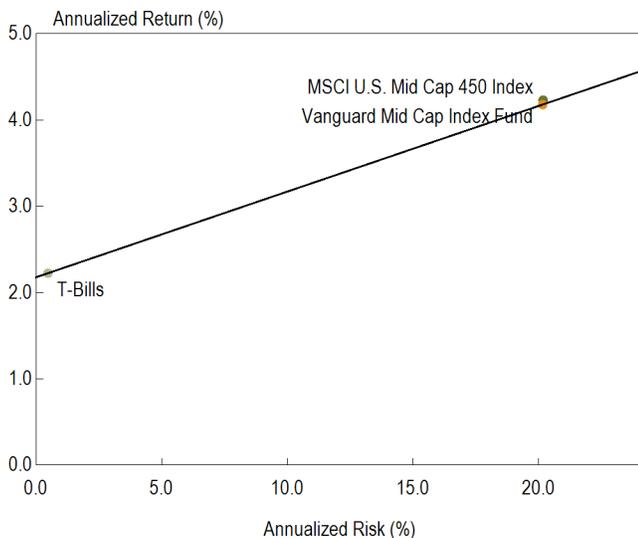
| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|------------------------------------|---------------|--------------------------|---------------------------|---------------------------|
| Vanguard Mid Cap Index Fund | 8.7% | 66.7% | -3.3% | 4.2% |
| MSCI U.S. Mid Cap 450 Index | 8.7 | 66.7 | -3.4 | 4.2 |

Investment Strategy

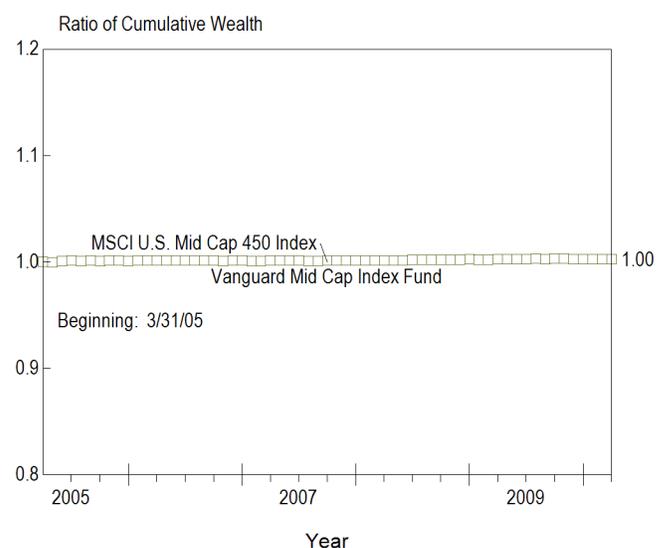
The Vanguard Mid Cap Index Fund seeks to replicate the performance of the MSCI U.S. Mid Cap 450 Index. In 2003, the Fund adopted the MSCI version of the mid-cap index. The Performance Benchmark consists of the S&P Mid Cap 400 Index prior to June 2003. In June 2003, the benchmark was changed to the MSCI 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 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



Fund Information as of 03/31/2010

| | |
|-----------------------------------|-----------------------------|
| Fund Name | VANGUARD-MC I-IS |
| Ticker | VMCIX |
| Category | Mid-Cap Blend |
| Benchmark | MSCI U.S. Mid Cap 450 Index |
| Expense Ratio | 0.09% |
| Fund Assets (millions) | 6,616.73 |
| Share Class Inception Date | 5/21/1998 |
| Manager Tenure | 12 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 5.92% |
| CONSUMER GOODS | 9.34% |
| CONSUMER SERVICES | 9.75% |
| ENERGY | 8.40% |
| FINANCIAL SERVICES | 17.73% |
| HARDWARE | 9.46% |
| HEALTHCARE | 9.50% |
| INDUSTRIAL MATERIALS | 13.28% |
| MEDIA | 2.37% |
| SOFTWARE | 5.54% |
| TELECOMMUNICATION | 2.40% |
| UTILITIES | 6.03% |

Top Holdings as of 12/31/2009

| | |
|--|-------|
| INTUITIVE SURGICAL, INC. | 0.63% |
| MARVELL TECHNOLOGY GROUP, LTD. | 0.59% |
| CAMERON INTERNATIONAL CORPORATION | 0.56% |
| WESTERN DIGITAL CORPORATION | 0.54% |
| LIFE TECHNOLOGIES CORP | 0.50% |
| CONSOL ENERGY, INC. | 0.49% |
| HARTFORD FINANCIAL SERVICES GROUP, INC. | 0.49% |
| MEAD JOHNSON NUTRITION COMPANY | 0.49% |
| MICRON TECHNOLOGY, INC. | 0.49% |
| SEAGATE TECHNOLOGY | 0.49% |

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 | 40.5 | 40.5 | 0.0 |
| 2010 (3 months) | 8.7 | 8.7 | 0.0 |
| Trailing 1-Year | 66.7% | 66.7% | 0.0 |
| Trailing 3-Year | -3.3 | -3.4 | 0.1 |
| Trailing 5-Year | 4.2 | 4.2 | 0.0 |
| Trailing 10-Year | 5.9 | 3.6 | 2.3 |

VANGUARD SMALL CAP INDEX

RETURN SUMMARY

ENDING 3/31/10

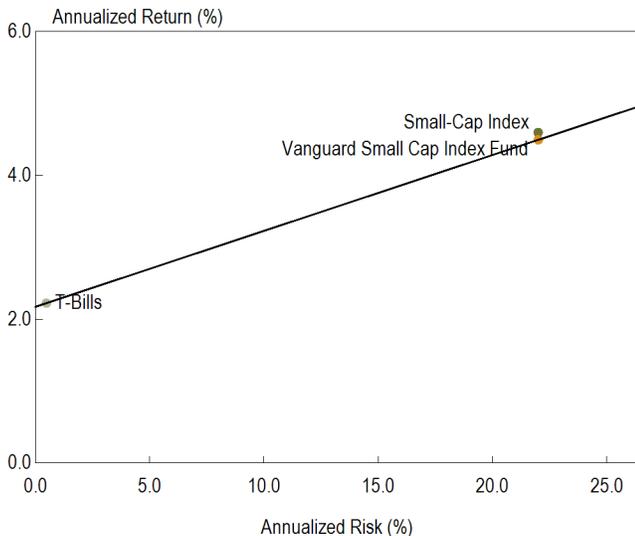
| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|--------------------------------------|---------------|-----------------------|------------------------|------------------------|
| Vanguard Small Cap Index Fund | 9.7% | 72.8% | -2.2% | 4.6% |
| Small-Cap Index | 9.7 | 72.6 | -2.4 | 4.5 |

Investment Strategy

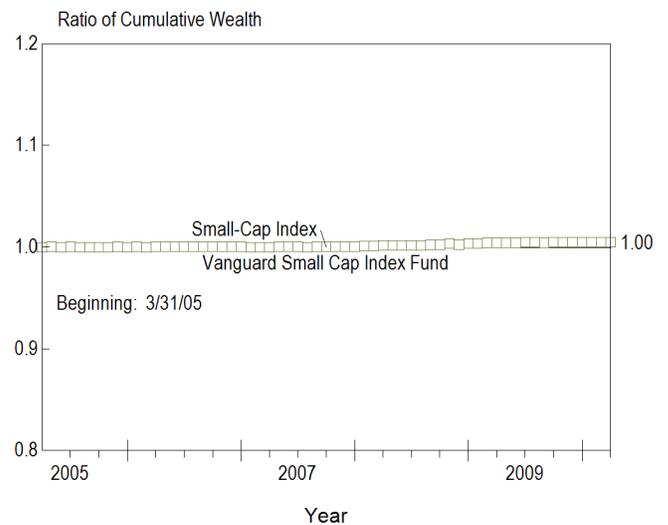
The Vanguard Small Cap Index Fund's strategy is designed to track the investment performance of the MSCI U.S. 1750 Small Cap Index, which is comprised of the 1,750 smallest stocks out of the 2,500 largest stocks. Prior to June 30, 2003, the Fund used a sampling technique to track the Russell 2000 Index. 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 approximated the return of the Index over the trailing five-year period.

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



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 3/31/10**



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

VANGUARD SMALL CAP INDEX

Fund Information as of 03/31/2010

| | |
|-----------------------------------|------------------|
| Fund Name | VANGUARD-SC I-AD |
| Ticker | VSMAX |
| Category | Small Blend |
| Benchmark | Small-Cap Index |
| Expense Ratio | 0.15% |
| Fund Assets (millions) | 2,226.44 |
| Share Class Inception Date | 11/13/2000 |
| Manager Tenure | 18 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 9.72% |
| CONSUMER GOODS | 9.95% |
| CONSUMER SERVICES | 8.35% |
| ENERGY | 5.25% |
| FINANCIAL SERVICES | 20.20% |
| HARDWARE | 8.13% |
| HEALTHCARE | 10.67% |
| INDUSTRIAL MATERIALS | 11.92% |
| MEDIA | 1.85% |
| SOFTWARE | 5.26% |
| TELECOMMUNICATION | 4.33% |
| UTILITIES | 3.97% |

Top Holdings as of 12/31/2009

| | |
|---|-------|
| HUMAN GENOME SCIENCES | 0.43% |
| CMT MARKET LIQUIDITY RATE | 0.35% |
| WHITING PETROLEUM CORPORATION | 0.28% |
| MSCI, INC. | 0.25% |
| OSHKOSH CORPORATION | 0.25% |
| ROVI CORP | 0.25% |
| 3COM CORPORATION | 0.23% |
| TUPPERWARE BRANDS CORPORATION | 0.23% |
| CORRECTIONS CORPORATION OF AMERICA | 0.22% |
| GREEN MOUNTAIN COFFEE ROASTERS, INC. | 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 | 36.3 | 36.1 | 0.2 |
| 2010 (3 months) | 9.7 | 9.7 | 0.0 |
| Trailing 1-Year | 72.8% | 72.6% | 0.2 |
| Trailing 3-Year | -2.2 | -2.4 | 0.2 |
| Trailing 5-Year | 4.6 | 4.5 | 0.1 |
| Trailing 10-Year | 4.7 | 4.6 | 0.1 |

LORD ABBETT DEVELOPING GROWTH

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Lord Abbett Developing Growth Fund | 8.2 % | 62.6 % | 2.7 % | 8.7 % |
| Russell 2000 Growth Index | 7.6 | 60.3 | -2.4 | 3.8 |

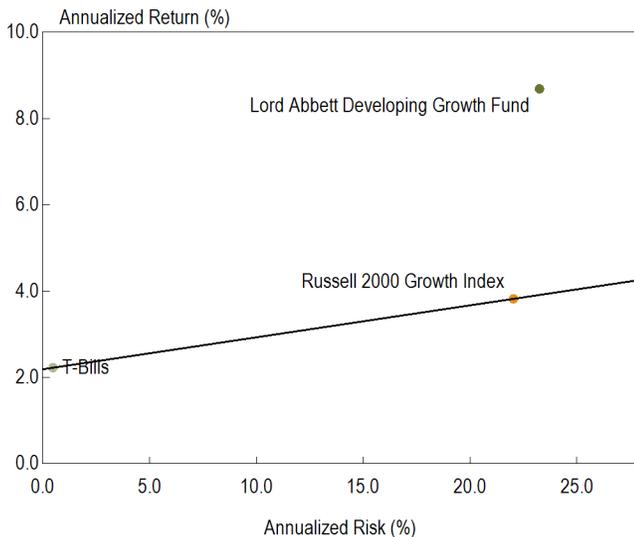
Investment Approach

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.

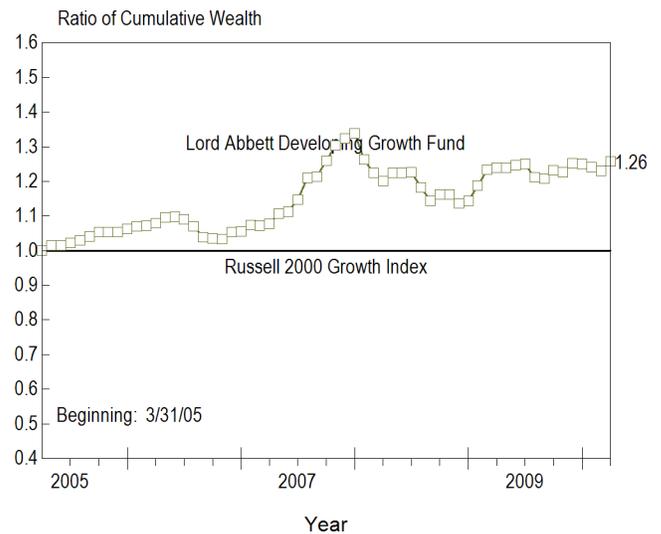
The Fund tends to feature sector diversification, albeit with substantial exposure to growth industries. The portfolio holds approximately 130 micro- and small-cap stocks.

As illustrated in the graphs below and the table above, Lord Abbett 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 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



LORD ABBETT DEVELOPING GROWTH

Fund Information as of 03/31/2010

| | |
|-----------------------------------|---------------------------|
| Fund Name | Lord Abbett Dev Gro;A |
| Ticker | LAGWX |
| Category | Small Growth |
| Benchmark | Russell 2000 Growth Index |
| Expense Ratio | 1.28% |
| Fund Assets (millions) | 572.05 |
| Share Class Inception Date | 10/10/1973 |
| Manager Tenure | 7 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 11.02% |
| CONSUMER GOODS | 8.56% |
| CONSUMER SERVICES | 7.79% |
| ENERGY | 3.79% |
| FINANCIAL SERVICES | 4.79% |
| HARDWARE | 19.01% |
| HEALTHCARE | 15.72% |
| INDUSTRIAL MATERIALS | 7.44% |
| MEDIA | 0.51% |
| SOFTWARE | 11.08% |
| TELECOMMUNICATION | 5.37% |
| UTILITIES | 1.55% |

Top Holdings as of 12/31/2009

| | |
|--------------------------------------|-------|
| SUCCESSFACTORS, INC. | 1.71% |
| ARUBA NETWORKS, INC. | 1.69% |
| HUMAN GENOME SCIENCES | 1.61% |
| INSULET CORPORATION | 1.60% |
| ATHEROS COMMUNICATIONS, INC. | 1.58% |
| CARBO CERAMICS, INC. | 1.54% |
| LUMBER LIQUIDATORS | 1.54% |
| CAVIUM NETWORKS, INC. | 1.53% |
| CYBERSOURCE CORPORATION | 1.53% |
| ALEXION PHARMACEUTICALS, INC. | 1.47% |

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 | 47.0 | 34.5 | 12.5 |
| 2010 (3 months) | 8.2 | 7.6 | 0.6 |
| Trailing 1-Year | 62.6% | 60.3% | 2.3 |
| Trailing 3-Year | 2.7 | -2.4 | 5.1 |
| Trailing 5-Year | 8.7 | 3.8 | 4.9 |
| Trailing 10-Year | 1.0 | -1.5 | 2.5 |

HEARTLAND VALUE INSTITUTIONAL

RETURN SUMMARY ENDING 3/31/10

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|---|---------------|--------------------------|---------------------------|---------------------------|
| Heartland Value Institutional Fund | 4.3 % | 72.5 % | -4.9 % | 3.6 % |
| Russell 2000 Value Index | 10.0 | 65.1 | -5.7 | 2.8 |

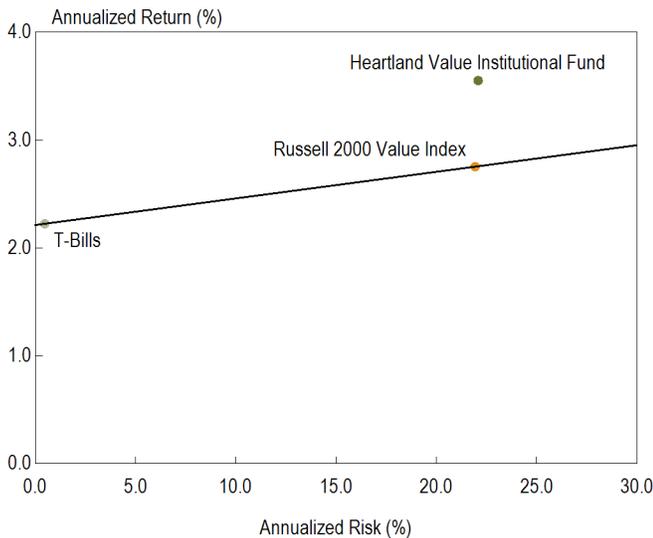
Investment Approach

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.

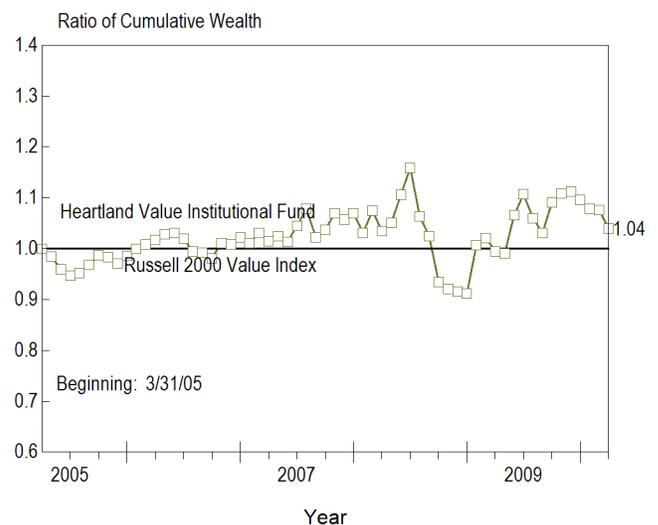
Heartland builds portfolios based on a bottom-up fundamental analysis of individual securities while avoiding over-concentration in a particular industry or industries. Heartland begins its search for investment ideas by performing a weekly computer screening of a universe of over 10,000 securities. 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 outperformed the Index over the trailing five-year period at a similar level of risk.

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 5 YEARS ENDING 3/31/10



Fund Information as of 03/31/2010

| | |
|-----------------------------------|--------------------------|
| Fund Name | Heartland Val Inst |
| Ticker | HNTVX |
| Category | Small Value |
| Benchmark | Russell 2000 Value Index |
| Expense Ratio | 0.99% |
| Fund Assets (millions) | 40.55 |
| Share Class Inception Date | 5/1/2008 |
| Manager Tenure | 6 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 6.85% |
| CONSUMER GOODS | 9.17% |
| CONSUMER SERVICES | 3.76% |
| ENERGY | 7.13% |
| FINANCIAL SERVICES | 6.13% |
| HARDWARE | 7.40% |
| HEALTHCARE | 21.45% |
| INDUSTRIAL MATERIALS | 16.75% |
| MEDIA | 0.48% |
| SOFTWARE | 4.70% |
| TELECOMMUNICATION | 5.28% |
| UTILITIES | 3.27% |

Top Holdings as of 12/31/2009

| | |
|---|-------|
| INTERDIGITAL, INC. | 3.79% |
| GAMMON GOLD, INC. | 3.17% |
| ANALOGIC CORPORATION | 2.98% |
| BIOSCRIP, INC. | 2.39% |
| BASIC SANITATION COMPANY OF THE STATE OF SAO PAULO ADR | 2.23% |
| FORCE PROTECTION, INC. | 2.12% |
| ACCURAY, INC. | 1.83% |
| ENCORE CAPITAL GROUP, INC. | 1.77% |
| UNIT CORPORATION | 1.73% |
| SHERRITT INTERNATIONAL CORP | 1.54% |

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 | 44.9 | 20.6 | 24.3 |
| 2010 (3 months) | 4.3 | 10.0 | -5.7 |
| Trailing 1-Year | 72.5% | 65.1% | 7.4 |
| Trailing 3-Year | -4.9 | -5.7 | 0.8 |
| Trailing 5-Year | 3.6 | 2.8 | 0.8 |
| Trailing 10-Year | 9.6 | 8.9 | 0.7 |

(This page left blank intentionally)

**RETURN SUMMARY
ENDING 3/31/10**

| | First Quarter | 1 Year Ending 3/31/10 | 3 Years Ending 3/31/10 | 5 Years Ending 3/31/10 |
|--------------------------------------|---------------|-----------------------|------------------------|------------------------|
| EuroPacific Growth Fund | 0.8 % | 52.7 % | -1.0 % | 8.2 % |
| MSCI All Country World ex-U.S. Index | 1.6 | 60.9 | -4.2 | 6.1 |

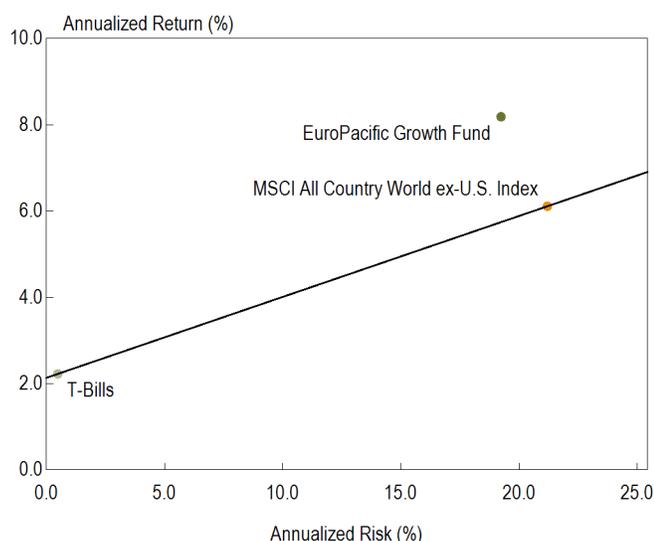
Investment Approach

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.

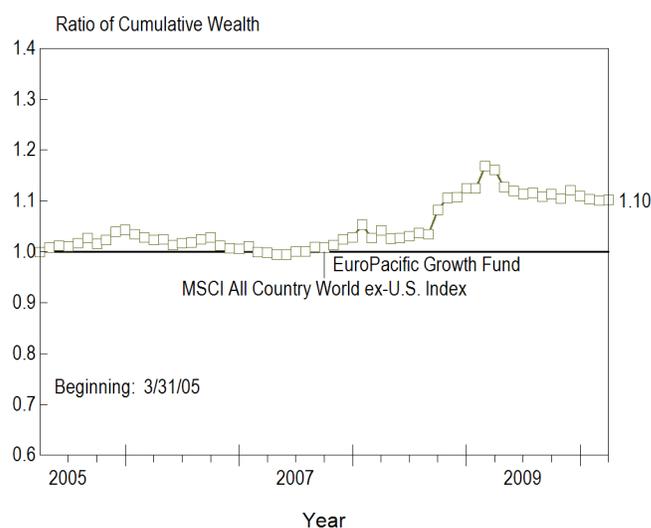
The Capital Research and Management Investment Committee is responsible for making sure the portfolio stays within its limits and adheres to its investment policies. The objective of the fund is to provide long-term growth of capital by investing in a diversified portfolio of international stocks while 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 3/31/10**



**RATIO OF CUMULATIVE WEALTH
5 YEARS ENDING 3/31/10**



EUROPACIFIC GROWTH

Fund Information as of 03/31/2010

| | |
|-----------------------------------|---|
| Fund Name | AMERICAN-EU-R5 |
| Ticker | RERFX |
| Category | Foreign Large Blend |
| Benchmark | MSCI All Country World ex-U.S. Index |
| Expense Ratio | 0.54% |
| Fund Assets (millions) | 16,746.28 |
| Share Class Inception Date | 5/15/2002 |
| Manager Tenure | 9 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 1.86% |
| CONSUMER GOODS | 15.63% |
| CONSUMER SERVICES | 4.63% |
| ENERGY | 8.12% |
| FINANCIAL SERVICES | 20.34% |
| HARDWARE | 4.06% |
| HEALTHCARE | 11.83% |
| INDUSTRIAL MATERIALS | 11.33% |
| MEDIA | 1.10% |
| SOFTWARE | 1.58% |
| TELECOMMUNICATION | 8.84% |
| UTILITIES | 2.81% |

Top Holdings as of 12/31/2009

| | |
|---|-------|
| BAYER AG | 2.58% |
| AMERICA MOVIL S.A.B. DE C.V. ADR L | 2.49% |
| ANHEUSER-BUSCH INBEV SA | 2.24% |
| ROCHE HOLDING AG | 1.95% |
| NOVARTIS AG | 1.94% |
| BANCO SANTANDER SA | 1.71% |
| TELEFONICA, S.A. | 1.68% |
| GAZPROM OAO (EDR) | 1.63% |
| NOVO NORDISK A/S | 1.49% |
| PRUDENTIAL PLC | 1.26% |

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 | 39.5 | 41.4 | -1.9 |
| 2010 (3 months) | 0.8 | 1.6 | -0.8 |
| Trailing 1-Year | 52.7% | 60.9% | -8.2 |
| Trailing 3-Year | -1.0 | -4.2 | 3.2 |
| Trailing 5-Year | 8.2 | 6.1 | 2.1 |
| Trailing 10-Year | 3.5 | 2.8 | 0.7 |

EUROPACIFIC GROWTH

COUNTRY ALLOCATION/RETURNS

3 MONTHS ENDING 3/31/10

| | Manager Allocation | Index Allocation | Index Return |
|---------------------|--------------------|------------------|--------------|
| Europe | | | |
| Austria | 0.8 % | 0.2 % | -1.2 % |
| Belgium | 2.5 | 0.7 | -1.0 |
| Czech Republic* | -- | 0.1 | -0.2 |
| Denmark | 2.0 | 0.7 | 9.7 |
| Finland | 0.8 | 0.9 | 11.9 |
| France | 8.9 | 7.4 | -3.9 |
| Germany | 8.6 | 5.5 | -2.7 |
| Greece | 0.6 | 0.3 | -13.2 |
| Hungary* | 0.2 | 0.1 | 12.6 |
| Ireland | 0.8 | 0.2 | -0.5 |
| Italy | 1.5 | 2.3 | -7.3 |
| Netherlands | 1.8 | 1.8 | -1.1 |
| Norway | 0.8 | 0.5 | -6.4 |
| Poland* | 0.1 | 0.3 | 4.2 |
| Portugal | 0.2 | 0.2 | -10.3 |
| Russia* | 1.9 | 1.5 | 6.8 |
| Spain | 3.6 | 2.7 | -15.3 |
| Sweden | 1.6 | 1.9 | 7.6 |
| Switzerland | 8.0 | 5.5 | 4.0 |
| United Kingdom | 10.1 | 14.7 | -0.6 |
| Asia/Pacific | | | |
| Australia | 2.4 % | 6.0 % | 4.2 % |
| China* | 3.5 | 4.0 | 4.9 |
| Hong Kong | 1.2 | 1.7 | 2.4 |
| India* | 3.0 | 1.7 | 4.9 |
| Indonesia* | 0.6 | 0.4 | 10.0 |
| Japan | 10.1 | 15.5 | 8.2 |
| Korea* | 2.7 | 2.9 | 3.8 |
| Malaysia* | -- | 0.6 | 9.1 |
| New Zealand | -- | 0.1 | -3.9 |
| Philippines* | 0.3 | 0.1 | 4.7 |
| Singapore | 0.3 | 1.0 | -1.3 |
| Taiwan, China* | 2.1 | 2.4 | -3.8 |
| Thailand* | -- | 0.3 | 13.2 |
| Americas | | | |
| Brazil* | 3.1 % | 3.7 % | -0.1 % |
| Canada | 3.2 | 7.6 | 6.0 |
| Chile* | -- | 0.3 | 0.3 |
| Colombia* | -- | 0.2 | 10.4 |
| Mexico* | 3.5 | 1.0 | 7.8 |
| Peru* | -- | 0.1 | 0.6 |
| United States | -- | -- | 5.3 |
| Other | | | |
| Egypt* | 0.1 % | 0.1 % | 11.9 % |
| Israel* | 1.1 | 0.7 | 10.0 |
| Morocco* | -- | 0.0 | 6.7 |
| Other Countries* | 0.2 | -- | -- |
| South Africa* | 1.6 | 1.6 | 4.6 |
| Turkey* | 0.4 | 0.3 | 4.0 |
| Cash | | | |
| Cash | 5.8 % | -- | -- |
| Total | 100.0 % | 100.0 % | 1.6 % |
| Developed | 69.8 | 77.3 | |
| Emerging* | 24.4 | 22.7 | |
| Cash | 5.8 | -- | |

VANGUARD FTSE ALL WORLD EX-U.S. INDEX

RETURN SUMMARY ENDING 3/31/10

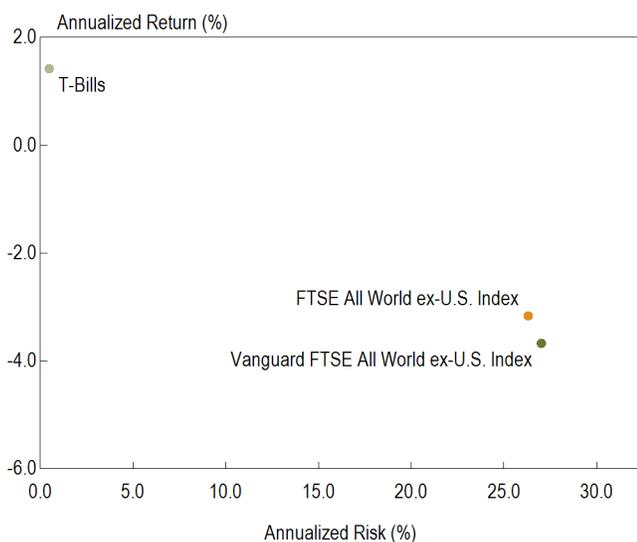
| | First Quarter | 1 Year Ending 3/31/10 | Since Inception | Inception Date |
|--|---------------|--------------------------|-----------------|----------------|
| Vanguard FTSE All World ex-U.S. Index | 1.8% | 61.4% | -3.7% | 3/31/07 |
| FTSE All World ex-U.S. Index | 1.6 | 62.5 | -3.2 | |

Investment Strategy

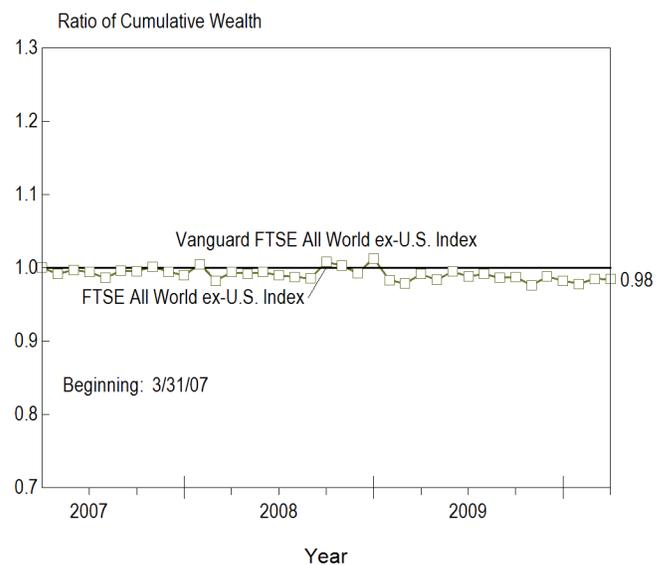
The Vanguard FTSE All World ex-U.S. Index Fund is designed to track the investment performance of the FTSE All World ex-U.S. Index which is comprised of approximately 46 developed and emerging countries, excluding the U.S., while including Canada.

The Fund's year-to-date return has trailed the return of the Index. The discrepancy is due to the effects of fair value pricing which is employed by Vanguard. During the trailing one-year period, the Fund has lagged the Index also as a result of fair value pricing. Since the Fund's inception in April 2007, it has trailed the Index by 50 basis points.

ANNUALIZED RISK RETURN 3 YEARS ENDING 3/31/10



RATIO OF CUMULATIVE WEALTH 3 YEARS ENDING 3/31/10



VANGUARD FTSE ALL WORLD EX-U.S. INDEX

Fund Information as of 03/31/2010

| | |
|-----------------------------------|---------------------------------|
| Fund Name | Vanguard FTSE AWIdxUS It |
| Ticker | VFWSX |
| Category | Foreign Large Blend |
| Benchmark | FTSE All World ex-U.S. Index |
| Expense Ratio | 0.15% |
| Fund Assets (millions) | 2,536.89 |
| Share Class Inception Date | 4/30/2007 |
| Manager Tenure | 3 |

Sector Allocation as of 12/31/2009

| | |
|-----------------------------|--------|
| BUSINESS SERVICES | 3.16% |
| CONSUMER GOODS | 14.10% |
| CONSUMER SERVICES | 4.10% |
| ENERGY | 10.40% |
| FINANCIAL SERVICES | 23.70% |
| HARDWARE | 2.66% |
| HEALTHCARE | 6.03% |
| INDUSTRIAL MATERIALS | 16.86% |
| MEDIA | 1.33% |
| SOFTWARE | 0.92% |
| TELECOMMUNICATION | 6.90% |
| UTILITIES | 4.03% |

Top Holdings as of 12/31/2009

| | |
|-----------------------------|-------|
| HSBC HOLDINGS PLC | 1.29% |
| BP PLC | 1.19% |
| NESTLE SA | 1.15% |
| TOTAL SA | 1.00% |
| BANCO SANTANDER SA | 0.87% |
| BHP BILLITON LIMITED | 0.84% |
| TELEFONICA, S.A. | 0.83% |
| NOVARTIS AG | 0.80% |
| VODAFONE GROUP PLC | 0.79% |
| ROCHE HOLDING AG | 0.77% |

HISTORICAL RETURNS

(BY Years)

| | Vanguard FTSE All World ex-U.S. Index | FTSE All World ex-U.S. Index | Return Difference |
|---------------------------|--|---------------------------------|----------------------|
| | Return | Return | |
| 2007 (9 months) | 12.7% | 13.9% | -1.2 |
| 2008 | -44.0 | -45.3 | 1.3 |
| 2009 | 39.0 | 43.3 | -4.3 |
| 2010 (3 months) | 1.8 | 1.6 | 0.2 |
| Trailing 1-Year | 61.4% | 62.5% | -1.1 |
| Trailing 3-Year | -3.7 | -3.2 | -- |
| Since Inception (3/31/07) | -3.7 | -3.2 | -0.5 |

(This page left blank intentionally)

RETURNS OF THE MAJOR CAPITAL MARKETS

| | First Quarter | Annualized Periods Ending 3/31/10 | | | | |
|--|------------------|-----------------------------------|--------|--------|---------|---------|
| | | 1-Year | 3-Year | 5-Year | 10-Year | 15-Year |
| Domestic Stock Indices: | | | | | | |
| Dow Jones US Total Stock Index | 6.2% | 52.6% | -3.7% | 2.7% | 0.0% | 7.9% |
| S&P 500 Index | 5.4 | 49.8 | -4.2 | 1.9 | -0.7 | 7.8 |
| Russell 3000 Index | 5.9 | 52.4 | -4.0 | 2.4 | -0.1 | 7.9 |
| Russell 1000 Value Index | 6.8 | 53.6 | -7.3 | 1.0 | 3.1 | 8.7 |
| Russell 1000 Growth Index | 4.6 | 49.8 | -0.8 | 3.4 | -4.2 | 6.5 |
| Russell MidCap Value Index | 9.6 | 72.4 | -5.2 | 3.7 | 8.5 | 10.9 |
| Russell MidCap Growth Index | 7.7 | 63.0 | -2.0 | 4.3 | -1.7 | 8.0 |
| Russell 2000 Value Index | 10.0 | 65.1 | -5.7 | 2.8 | 8.9 | 10.3 |
| Russell 2000 Growth Index | 7.6 | 60.3 | -2.4 | 3.8 | -1.5 | 5.1 |
| Domestic Bond Indices: | | | | | | |
| Barclays Capital Aggregate Index | 1.8% | 7.7% | 6.1% | 5.4% | 6.3% | 6.6% |
| Barclays Capital Govt/Credit Index | 1.5 | 7.5 | 5.8 | 5.2 | 6.2 | 6.5 |
| Barclays Capital Long Govt/Credit Index | 1.6 | 10.3 | 5.8 | 5.3 | 7.3 | 7.8 |
| Barclays Capital 1-3 Year Govt/Credit Index | 0.9 | 4.2 | 5.0 | 4.6 | 4.8 | 5.3 |
| Barclays Capital U.S. MBS Index | 1.5 | 5.2 | 7.0 | 6.1 | 6.5 | 6.7 |
| Barclays Capital High Yield Index | 4.6 | 56.2 | 6.7 | 7.8 | 7.5 | 7.5 |
| Barclays Capital Universal Index | 2.0 | 10.4 | 6.0 | 5.6 | 6.4 | 6.7 |
| Real Estate Indices: | | | | | | |
| NCREIF Property Index | 0.8% | -9.6% | -4.3% | 4.2% | 7.1% | 8.7% |
| NCREIF ODCE Index | 0.5 | -18.8 | -11.6 | -1.0 | 3.8 | 6.4 |
| Dow Jones Real Estate Securities Index | 10.2 | 114.8 | -12.1 | 3.1 | 11.2 | 10.4 |
| FTSE NAREIT US Real Estate Index | 10.0 | 106.7 | -10.6 | 3.8 | 11.4 | 10.5 |
| Foreign/Global Stock Indices: | | | | | | |
| MSCI All Country World Index | 3.1% | 55.5% | -4.4% | 3.9% | 0.6% | 6.2% |
| MSCI All Country World IMI | 3.6 | 58.0 | -4.6 | 4.0 | 0.9 | 6.1 |
| MSCI All Country World ex-U.S. Index | 1.6 | 60.9 | -4.2 | 6.1 | 2.8 | 5.8 |
| MSCI All Country World ex-U.S. IMI | 2.0 | 63.3 | -4.1 | 6.3 | 2.9 | 5.5 |
| MSCI All Country World ex-U.S. Small Cap Index | 5.3 | 83.7 | -4.1 | 7.3 | 6.6 | 5.8 |
| MSCI EAFE Index | 0.9 | 54.4 | -7.0 | 3.7 | 1.3 | 4.8 |
| MSCI EAFE IMI | 1.3 | 56.0 | -7.0 | 3.9 | 1.2 | 4.8 |
| MSCI EAFE Index (in local currency) | 4.3 | 44.7 | -8.0 | 3.2 | -0.9 | 5.1 |
| MSCI Emerging Markets IMI | 2.7 | 85.1 | 5.6 | 15.9 | 9.4 | 6.1 |
| Foreign Bond Indices: | | | | | | |
| Citigroup World Gov't Bond Index | -2.1% | 8.4% | 7.5% | 4.7% | 6.5% | 5.3% |
| Citigroup Hedged World Gov't Bond Index | 1.1 | 3.5 | 5.1 | 4.8 | 5.2 | 6.9 |
| Cash Equivalents: | | | | | | |
| Treasury Bills (30-Day) | 0.0% | 0.1% | 1.4% | 2.2% | 2.3% | 3.1% |
| EnnisKnupp STIF Index | 0.1 | 0.4 | 2.5 | 3.3 | 3.1 | 3.9 |
| Inflation Index: | | | | | | |
| Consumer Price Index | 0.8% | 2.3% | 2.0% | 2.4% | 2.4% | 2.4% |

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 44 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.

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 46 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

Benchmark Descriptions

Vanguard Target Retirement Income Benchmark - A mix of 24% MSCI U.S. Broad Market Index, 5% MSCI EAFE Index, 1% MSCI Emerging Markets Index, 45% Barclays Capital Aggregate Bond Index, 20% Barclays Capital TIPS Index, and 5% Citigroup 3-Month Treasury Index.

Vanguard Target Retirement 2005 Benchmark - A mix of 35% MSCI U.S. Broad Market Index, 8% MSCI EAFE Index, 1% MSCI Emerging Markets Index, 42% Barclays Capital Aggregate Bond Index, 13% Barclays Capital TIPS Index, and 1% Citigroup 3-Month Treasury Index.

Vanguard Target Retirement 2010 Benchmark - A mix of 44% MSCI U.S. Broad Market Index, 9% MSCI EAFE Index, 2% MSCI Emerging Markets Index, 41% Barclays Capital Aggregate Bond Index, and 4% Barclays Capital TIPS Index.

Vanguard Target Retirement 2015 Benchmark - A mix of 51% MSCI U.S. Broad Market Index, 11% MSCI EAFE Index, 2% MSCI Emerging Markets Index, and 36% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2020 Benchmark - A mix of 58% MSCI U.S. Broad Market Index, 12% MSCI EAFE Index, 2% MSCI Emerging Markets Index, and 28% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2025 Benchmark - A mix of 64% MSCI U.S. Broad Market Index, 14% MSCI EAFE Index, 2% MSCI Emerging Markets Index, and 20% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2030 Benchmark - A mix of 69% MSCI U.S. Broad Market Index, 15% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 13% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2035 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 15% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2040 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 15% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2045 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 15% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.

Vanguard Target Retirement 2050 Benchmark - A mix of 72% MSCI U.S. Broad Market Index, 15% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 10% Barclays Capital Aggregate Bond Index.