

Index	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Domestic Fixed Income						
3 Month T-Bill	0.05%	0.10%	0.62%	2.99%	3.13%	3.13%
Barclays Capital 1-3 year Gov't	0.14%	0.47%	4.94%	5.74%	4.22%	4.73%
Barclays Capital Interm Gov't	-1.44%	-1.52%	6.42%	7.00%	5.00%	5.63%
Barclays Capital Interm Credit	7.59%	7.53%	4.28%	5.05%	4.04%	5.70%
Barclays Capital Interm Govt/Cred	1.67%	1.62%	5.27%	6.13%	4.57%	5.66%
Barclays Capital Aggregate Bond	1.78%	1.90%	6.05%	6.43%	5.02%	5.98%
Domestic Equity						
Standard & Poor's 500	15.93%	3.16%	-26.21%	-8.22%	-2.24%	-2.22%
Dow Jones Industrial Average	11.96%	-2.01%	-23.00%	-6.34%	-1.68%	-0.41%
Dow Jones Wilshire 5000	16.82%	5.00%	-26.11%	-7.99%	-1.47%	-1.26%
Dow Jones Wilshire REIT	31.46%	-13.13%	-45.35%	-19.73%	-3.28%	5.53%
Russell 1000 - Large Cap	16.50%	4.32%	-26.69%	-8.20%	-1.85%	-1.75%
Russell 1000 Growth - Large Cap	16.32%	11.53%	-24.50%	-5.45%	-1.83%	-4.18%
Russell 1000 Value - Large Cap	16.70%	-2.87%	-29.03%	-11.11%	-2.13%	-0.15%
Russell Midcap	20.80%	9.96%	-30.36%	-9.26%	-0.11%	3.15%
Russell Midcap Growth	20.67%	16.61%	-30.33%	-7.93%	-0.44%	0.02%
Russell Midcap Value	20.94%	3.19%	-30.52%	-11.07%	-0.43%	4.00%
Russell 2000 - Small Cap	20.69%	2.64%	-25.01%	-9.89%	-1.71%	2.38%
Russell 2000 Growth - Small Cap	23.38%	11.36%	-24.85%	-7.84%	-1.32%	-0.89%
Russell 2000 Value - Small Cap	18.00%	-5.17%	-25.24%	-12.07%	-2.27%	5.00%
International Equity						
MSCI EAFE	25.43%	7.95%	-31.35%	-7.98%	2.31%	1.16%
MSCI World	20.75%	6.35%	-29.50%	-8.02%	0.03%	-0.84%
MSCI EM	33.57%	34.26%	-29.97%	0.61%	11.99%	6.29%
Blended Benchmarks						
30% S&P 500 / 70% Barclays Agg	6.03%	2.28%	-3.63%	2.04%	2.84%	3.52%
40% S&P 500 / 60% Barclays Agg	7.44%	2.40%	-6.85%	0.57%	2.12%	2.70%
50% S&P 500 / 50% Barclays Agg	8.86%	2.53%	-10.08%	-0.90%	1.39%	1.88%
60% S&P 500 / 40% Barclays Agg	10.27%	2.66%	-13.31%	-2.36%	0.66%	1.06%
70% S&P 500 / 30% Barclays Agg	11.69%	2.78%	-16.53%	-3.83%	-0.06%	0.24%

Data provided by sources believed to be reliable but no guarantee is made as to its accuracy. Past performance is no guarantee of future performance.

Capital Markets Summary

The markets, led by the NASDAQ, moved in a decidedly positive direction through the first half of the second quarter, achieving gains in nearly every sector. Led by the technology group, the NASDAQ posted a solid gain for the quarter and year (to-date). The NASDAQ was followed closely by a strong rally in the S&P 500 that lifted the index into positive territory (quarter and year-to-date) despite a late June pull back. The Dow Jones Industrial Average also advanced sharply in the quarter and was briefly positive for the year before ending in negative territory (year-to-date). The late June pull back was attributed to a sharp decline in consumer confidence and a statement by the World Bank that said the global economy will shrink 2.9% this year (an increase from the 1.7% decline projected earlier this year).

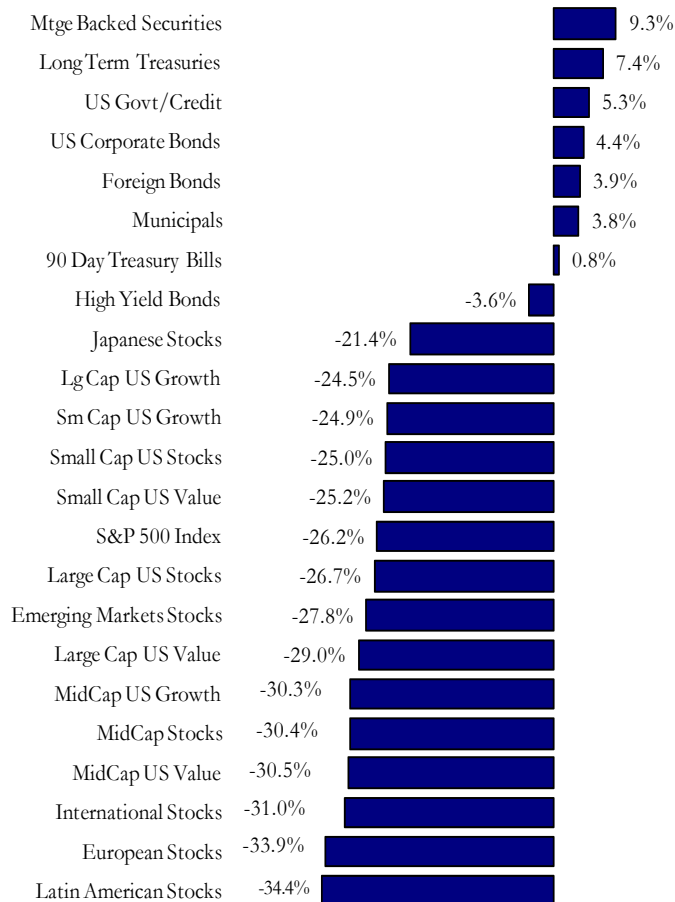
The rebound in the markets is encouraging to see, but the late-June pull back brings into question the real strength of the recovery. This recent market activity is typical of markets that lack conviction. This lack of conviction has many perceived causes. Perhaps the reinstatement of short selling restrictions is having the intended effect of curtailing speculative trading, or perhaps the liquidation from hedge funds is removing speculative cash from the markets. While public and private leadership offer their observations and ideas, investors are hesitant to commit funds without a clearer picture of when this recession will end (for them).

Trading volume on the exchanges remains low, helping to diminish the extreme volatility seen in previous quarters. Real strength in the markets will come from conviction about the future. For the time being, earnings are stagnate, unemployment continues to rise, and the prospects for a ‘V’ shaped recovery decline.

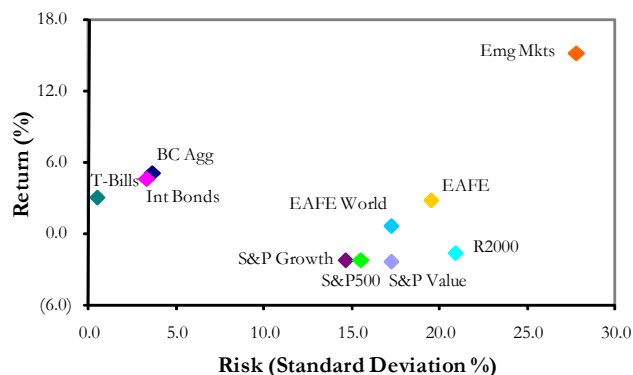
Data Sources: Zephyr StyleAdvisor & Lehman

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One Year Performance of Asset Classes as of June 30, 2009



Risk/Return Comparison of Asset Classes Five Years Ended June 30, 2009



Capital Markets Summary (continued)

The Administration, Treasury and Federal Reserve continue their efforts to bolster the economy and control the risk of inflation. An abundance of stimulus money has been put into the economy with more apportioned for later this year and next.

The Treasury is keeping interest rates low. San Francisco Fed President Janet Yellen recently said the U.S. central bank may keep its benchmark interest rate at or near zero for years to come to help revive the economy. However, many economists expect key interest rates to increase early next year as an anti-inflationary measure. Low interest rates have had some positive effect on housing as the sale of existing homes and housing starts increased slightly this quarter, despite anecdotal evidence banks have increased mortgage lending.

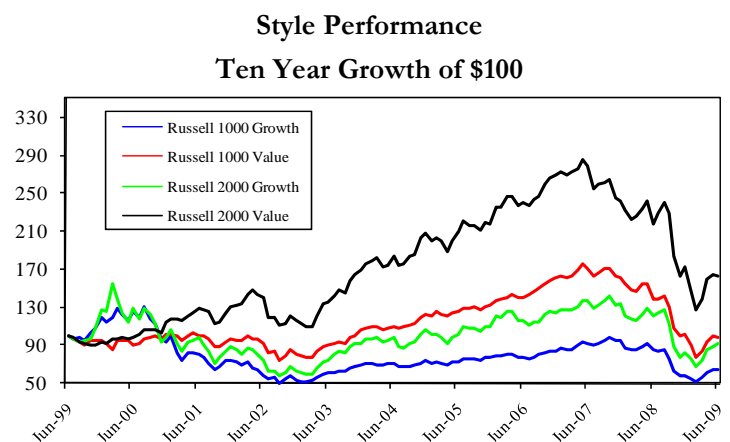
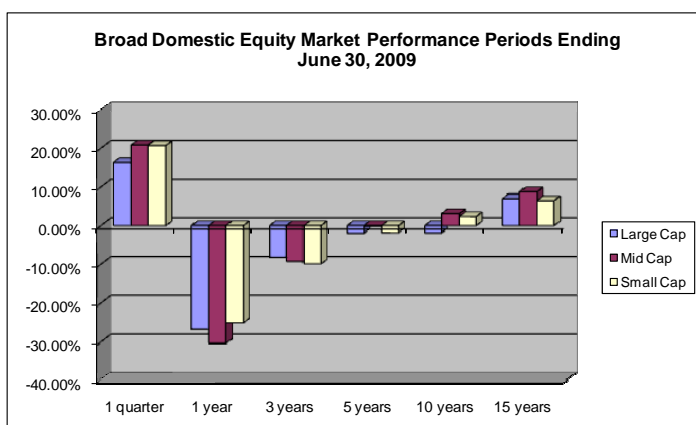
Earnings reported by domestic companies were mixed this quarter. Guidance remained neutral as the prospects for revenue growth remained uncertain. Consumer spending declined slightly and manufacturing slowed as companies continue to work off inventories. The big story this quarter was the near complete failure of General Motors (GM) and Chrysler. Chrysler was forced into a “sale” to Italian automaker Fiat. GM sold the Saturn and Hummer brands, and then benefited from U.S. government financial support and intervention with debt holders. In return, the Treasury will take (post bankruptcy) a 72.5% ownership of the ailing carmaker. This did not seem detrimental to recent Treasury auctions as foreign investors showed interest in all ranges of maturities.

Globally, the G20 Summit held in early April was as much about window dressing as meaningful substance. Summit leaders announced the pledging of over \$1 trillion, lead by the U.S. and China, to support the global economy. While China has committed to a large stimulus program within its borders, it sent a clear signal to the U.S. that its appetite for U.S. debt may have reached a peak. China’s growing involvement in world economies is being viewed as an indication of their desire to have greater influence (control) in global financial matters. China’s currency reserves are the largest in the world, estimated at \$2 trillion, and is the largest buyer of U.S debt.

Domestic Equity

The major market indices snapped their quarterly losing streak at six after posting one of the best quarterly gains in the past decade. Building on its March rally, a strong April gain of 9.57% helped the S&P 500 [TR] index post a 15.93% gain for its best quarterly rise since the fourth quarter of 1998. The second quarter also put the index into positive territory for 2009 as it ended June up 3.16%. Similarly, the Russell 3000 was also able to ride its second quarter wave into positive territory returning 16.82% for the quarter and 4.20% year-to-date. Meanwhile, the DJIA closed the quarter up 11.96% and ended down only 2.01% year-to-date. The tech-laden NASDAQ Composite posted a 20.52% return for the quarter and is up 17.17% year-to-date.

Breaking down the S&P 500 by sector, the bullish sentiment that began in March was reflected in the second quarter as investors moved out of defensive sectors. All sectors reported positive gains with a majority posting double digit gains. Financials went worst-to-first as they posted a second quarter gain of 35.08% after posting a dismal first quarter loss of -29.49%. Other double-digit gainers for the quarter were Information Technology (up 19.35%), Industrials (up 18.01%), Consumer Discretionary (up 17.65%), Materials (up 15.53%), and Energy (up 10.06%). Consumer Staples and Utilities posted respective gains of 8.87% and 8.83% in the quarter, followed by an 8.27% gain in the Health Care sector. Telecommunication Services trailed the other sectors with a 1.90% gain in the second quarter.



Data Sources: Zephyr StyleAdvisor & Lehman

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Domestic Equity (Continued)

In comparing capitalization, mid-caps edged out small-caps for the quarter as the Russell MidCap rose 20.80% while the Russell 2000 gained 20.69%. The mega-cap Russell Top 200 rose 14.93%, while the large-cap Russell 1000 rose 16.50%. Mid-caps continue to pace the other caps for 2009 with a year-to-date return of 9.96%.

In comparing styles, the Russell 1000 Growth (up 16.32%) narrowly trailed the Russell 1000 Value (up 16.70%) for the quarter, but remains far ahead for the year-to-date with a 11.53% return for 2009 versus a -2.87% return for the Russell 1000 Value. In smaller caps, the Russell 2000 Growth outperformed the Russell 2000 Value 23.38% to 18.00% for the quarter due to a comparatively stronger May and June. In individual stocks, Cisco Systems (CSCO) and Travelers (TRV) joined the DJIA on June 8th replacing General Motors (GM) and Citigroup (C).

For the quarter, Bank of America (BAC) gained 93.55% to lead the Dow followed by American Express (AXP) which was up 70.51% and Alcoa (AA) which gained 40.74%. The second quarter only had three companies in negative territory. Wal-Mart (WMT) was the Dow’s big loser falling 7.02% for the quarter as investors moved away from the world’s largest discount retailer into more discretionary retailers. Chevron (CVX) which was down 1.47% and AT&T (T) which fell 1.43%, followed as the other two negative performers in the Dow. On the S&P 500, another financial led the pack as Genworth Financial (GNW) posted a 267.89% gain followed by Office Depot (ODP), which was up 248.09%. On the negative side, Keycorp’s (KEY) construction market exposure weighed the stock heavily as it fell 33.42% and CIT Group (CIT) fell 24.91% on bankruptcy fears showing that not all financials had a rosy quarter. Battered in previous quarters, casino operator WYNN Resorts (WYNN) led the NASDAQ with a 76.77% gain while Cephalon (CEPH) fell 16.8% after a stock offering in May and disappointing phase three trial for Lestaurtinib, its Leukemia drug.

2Q09 Subsector Scorecard				
Gainers			Losers	
Health Care Facilities	174.3%	1	Photographic Products	-34.1%
Paper Products	60.9%	2	Oil & Gas Refining	-25.8%
Real Estate Ser	52.4%	3	Computer & Electronics Retail	-21.6%
Independent Power Producers	37.0%	4	Homebuilding	-16.2%
Tires & Rubber	29.2%	5	Industrial REITS	-14.5%

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International Markets

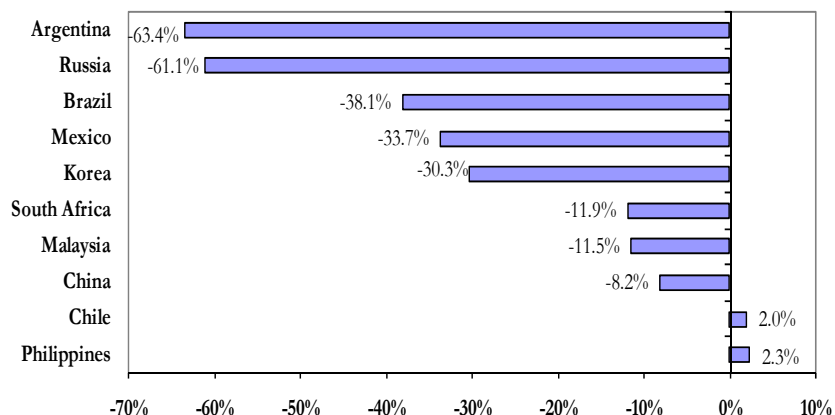
International stocks as measured by the MSCI EAFE performed very well in the second quarter, posting double digit gains in April and May (up 12.96% and 12.01%, respectively) followed by a very slight loss (down 0.54%) in June to finish the quarter with a 25.85% return, greatly outperforming the S&P 500 which posted a gain of 15.93%. This brought the EAFE back into positive territory for the year-to-date at 8.42%. Emerging markets shares experienced an even better quarter than developed issues as the MSCI Emerging Markets Index jumped up 34.84% for its second positive quarterly performance in a row. The index is now up 36.22% year-to-date. The outperformance of emerging market stocks in the first half of the year was aided by net positive capital flows. In fact, a Citigroup survey reports that 2009 inflows into emerging markets funds have erased over half of the outflows that occurred in 2008.

Unemployment appears to be as much of a problem abroad as it is in the United States. The Euro-Zone’s unemployment rate was up in May to 9.5%, a ten year high, compared with 7.4% one year ago. Spain had the highest rate at 18.7% while the Netherlands was the lowest at just 3.2%.

The quickly growing, so-called BRIC countries (Brazil, Russia, India and China) held their first summit in June. One of the goals of this summit was to bring more attention to emerging economies with hopes that they can have a larger influence in global economic issues. Russia and China have agreed to make an effort to work towards a decreasing dependence on using US Dollars as a reserve currency and an increased role for the Ruble and Yuan in international trade. The MSCI BRIC index finished the second quarter up 41.21%.

Despite these results, uncertainty remains the theme heading into the second half of the year as investors attempt to decide whether the economy is actually improving or the markets were just coming back from an overreaction to the global economic troubles of 2008.

One Year Emerging Market Country Returns
as of June 30, 2009



Data Sources: Zephyr StyleAdvisor & Lehman

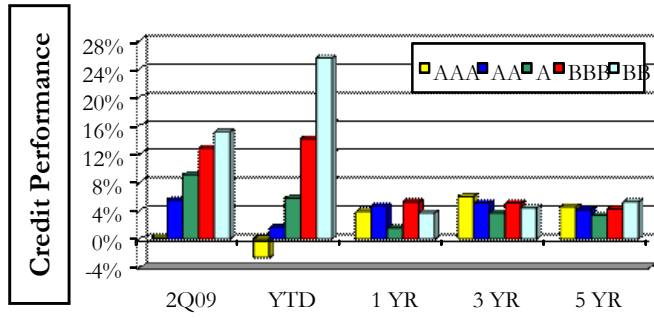
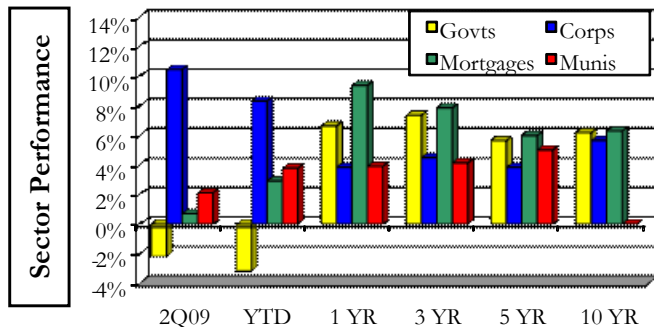
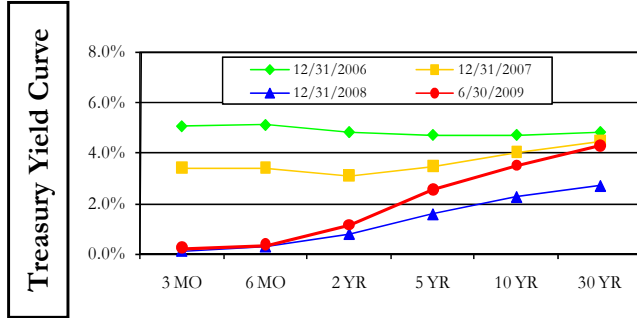
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Fixed Income

In general, fixed income markets returned to their typically stable status. The Barclays Capital US Aggregate Index posted monthly gains of 0.48% in April, 0.73% in May, and 0.57% in June. Overall, the US Aggregate index returned 1.79% for the second quarter. The returns were largely buoyed by the corporate and municipal markets. The Barclays Capital US Corporate Investment Grade index returned 10.44% for the quarter, with the Barclays Capital US Municipal Bond index returning 2.11%.

The returns in the municipal market were particularly strong considering the trouble that many states and municipalities are having with their budgets. The economic slowdown has caused sales tax receipts to drop as consumers have curbed discretionary spending, and property taxes have fallen along with the declines in the housing markets. Most notably as the quarter drew to a close, California still had not finalized their budget and was preparing to issue IOU's to those who were due payment from the state. This would normally be a warning sign to investors in bond markets, but in the specific case of California, bond holders are second in line for payments from the state, schools being first in line. Many states have similar setups, cushioning municipal investors from potential losses.

Treasuries were the main weakness in fixed income markets. The Barclays Capital US Treasury 1-3 Year index was down -0.14%, and the Barclays Capital US Treasury 7-10 Year index was down -5.05%. The decline in the Treasury indexes can be tied to two main factors. First, as the equity markets continued to improve from their recent lows, investors eased on the flight-to-quality that we experienced over the past few quarters. Many investors were seeking refuge in government backed paper to ride out the turbulent equity markets, which in turn drove up prices on government bonds.



Data Sources: Zephyr StyleAdvisor, MSCI, S&P/Citigroup

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Fixed Income (Continued)

As those investors sold their fixed income holdings, prices were driven lower resulting in losses in the Treasury market.

For a brief period in June, 10-year Treasury bonds were yielding more than 4%, nearly twice as high as only six months ago. The sudden spike in yields is partly due to the record level of Treasury auctions taking place as the government seeks out funds for its continued economy recovery plans. As a flood of paper hits the markets, rates are being driven higher in order to attract buyers, hurting those holding lower coupon Treasury debt.

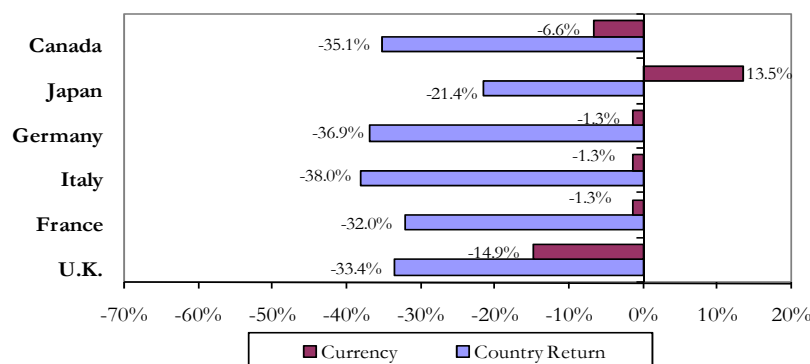
From the corporate debt perspective, the continued bailouts and bankruptcies in the equity markets have strong ties back to the firms’ corresponding debt. While bankruptcies often can threaten the bond holdings of investors, they have not been completely shut out of the process. Most notably, GM’s bankruptcy has left approximately 10% of the post-bankrupt company’s common equity in the hands of their previous debt owners. A final eleventh hour negotiating session prior to bankruptcy didn’t yield as favorable of an agreement as the bond holders would have hoped, but it still kept them included in the process.

All in all, it was a relative return to normalcy for bond markets. The wild swings of 2008 have been replaced by steadier fixed income markets overall, with the Barclays Capital US Aggregate index posting slightly higher returns in the first two quarters of 2009.

Currency

Given the current global economic climate, no one currency is gaining disproportionate strength. The Pound, Yen, Euro and Yuan are all up year-to-date versus the U.S. Dollar. As expected, Russia and China called for a new world currency to replace the U.S. Dollar. Their remarks received only moderate support from some G20 members indicating little, if any, action will be taken to advance this proposal. However, China has voiced their intentions to reduce the amount of U.S. debt purchased which could ultimately put more pressure on the dollar and decrease its global attractiveness.

**1 Year Country and Currency Returns
G-7 Excluding U.S. as of June 30, 2009**



Data Sources: Zephyr StyleAdvisor & Lehman

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Commodities

Commodities continued to advance in the second quarter on the hopes of a global economic recovery. Late-in-the-quarter profit taking figured into the returns after poorer economic growth comments from the World Bank were released.

Gold rallied early in the quarter as the dollar weakened as fears of inflation increased. Inflationary consensus changed (again) in June and resulted in gold posting a slight loss for the quarter. Gold is up 5.37% for the year.

Metals, lead by Copper (+23%), advanced in the quarter based largely on supply demand by China but followed the equity markets lower in late June.

Oil hit an eight month high, crossing over \$70 per barrel on demand expectations and was further supported by speculators as rumors of \$200 per barrel oil circulated in the futures markets. Oil's rapid advance during the quarter (+40%) was stalled after an increase in inventory supply numbers, and a lower than expected demand for gasoline heading into the summer driving season, kept oil from advancing further.

CAPITAL MARKET INDEX RETURNS

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
BEST	LB Agg Bond	Russell 2000 Value	Russell 2000 Value	MSCI EAFE	MSCI EAFE	Russell 1000 Value	DJ Wilshire REIT	Russell 1000 Value	Russell 1000 Growth	Russell 2000 Growth	DJ Wilshire REIT	Russell 2000 Value	LB Agg Bond	Russell 2000 Growth	DJ Wilshire REIT	DJ Wilshire REIT	DJ Wilshire REIT	Russell 1000 Growth	LB Agg Bond	Russell 1000 Growth
	8.96%	41.70%	29.15%	32.94%	8.06%	38.35%	37.04%	35.18%	38.71%	43.09%	31.04%	13.96%	10.27%	48.53%	33.14%	14.00%	36.13%	11.81%	5.24%	11.53%
	Russell 1000 Growth	Russell 1000 Growth	DJ Wilshire REIT	Russell 2000 Value	Russell 1000 Growth	S&P 500	Russell 1000 Growth	S&P 500	S&P 500	Russell 1000 Growth	Russell 2000 Value	DJ Wilshire REIT	DJ Wilshire REIT	Russell 2000 Value	Russell 2000 Value	MSCI EAFE	MSCI EAFE	MSCI EAFE	Russell 2000 Value	Russell 2000 Growth
	-0.26%	41.16%	15.13%	23.84%	2.66%	37.53%	23.12%	33.35%	28.57%	33.16%	22.83%	12.36%	3.60%	46.02%	22.25%	13.54%	26.34%	11.17%	-28.92%	11.36%
	S&P 500	DJ Wilshire REIT	Russell 1000 Value	Russell 1000 Value	DJ Wilshire REIT	Russell 1000 Growth	S&P 500	Russell 2000 Value	MSCI EAFE	MSCI EAFE	LB Agg Bond	LB Agg Bond	Russell 2000 Value	MSCI EAFE	MSCI EAFE	Russell 1000 Value	Russell 2000 Value	Russell 2000 Growth	Russell 1000 Value	MSCI EAFE
	-3.12%	23.84%	13.81%	18.12%	2.66%	37.19%	22.94%	31.78%	20.33%	27.30%	11.63%	8.44%	-11.42%	39.16%	20.25%	7.05%	23.48%	7.05%	-36.85%	7.95%
	Russell 1000 Value	Russell 2000 Growth	Russell 2000 Growth	DJ Wilshire REIT	S&P 500	Russell 2000 Growth	Russell 1000 Value	Russell 1000 Growth	Russell 1000 Value	S&P 500	Russell 1000 Value	Russell 1000 Value	Russell 1000 Value	DJ Wilshire REIT	Russell 1000 Value	Russell 1000 Growth	Russell 1000 Value	LB Agg Bond	S&P 500	S&P 500
	-8.08%	21.18%	7.77%	15.14%	1.31%	31.04%	21.64%	30.49%	15.63%	21.04%	7.01%	-5.59%	-15.52%	36.06%	16.49%	5.26%	22.25%	6.97%	-37.00%	3.16%
	Russell 2000 Growth	S&P 500	S&P 500	Russell 2000 Growth	Russell 2000 Value	Russell 2000 Value	Russell 2000 Value	DJ Wilshire REIT	LB Agg Bond	Russell 1000 Value	S&P 500	Russell 2000 Growth	MSCI EAFE	Russell 1000 Value	Russell 2000 Growth	S&P 500	S&P 500	S&P 500	Russell 1000 Growth	Barclay Agg Bond
	-17.42%	30.48%	7.62%	13.37%	-1.55%	25.75%	21.37%	19.67%	8.67%	7.35%	-9.10%	-9.22%	-15.94%	30.03%	14.31%	4.91%	15.79%	5.49%	-38.44%	19.0%
	Russell 2000 Value	Russell 1000 Value	LB Agg Bond	S&P 500	Russell 1000 Value	LB Agg Bond	Russell 2000 Growth	Russell 2000 Growth	Russell 2000 Growth	DJ Wilshire REIT	MSCI EAFE	S&P 500	S&P 500	Russell 1000 Growth	S&P 500	Russell 2000 Value	Russell 2000 Value	Russell 1000 Value	Russell 2000 Value	Russell 1000 Value
	-21.77%	24.61%	7.40%	10.06%	-1.99%	18.48%	11.26%	12.95%	1.23%	-2.57%	-13.96%	-11.88%	-22.09%	29.76%	10.87%	4.71%	13.35%	-0.17%	-38.54%	-2.87%
	MSCI EAFE	LB Agg Bond	Russell 1000 Growth	LB Agg Bond	Russell 2000 Growth	DJ Wilshire REIT	MSCI EAFE	LB Agg Bond	Russell 2000 Value	LB Agg Bond	Russell 1000 Growth	Russell 1000 Growth	Russell 1000 Growth	S&P 500	Russell 1000 Growth	Russell 2000 Growth	Russell 1000 Growth	Russell 2000 Value	Russell 2000 Value	DJ Wilshire REIT
	-23.19%	16.00%	5.00%	9.75%	-2.44%	12.24%	6.36%	9.68%	-6.46%	-0.83%	-22.42%	-20.42%	-27.89%	28.67%	6.30%	4.15%	9.07%	-9.78%	-39.20%	-5.17%
WORST	DJ Wilshire REIT	MSCI EAFE	MSCI EAFE	Russell 1000 Growth	LB Agg Bond	MSCI EAFE	LB Agg Bond	MSCI EAFE	DJ Wilshire REIT	Russell 2000 Value	Russell 2000 Growth	MSCI EAFE	Russell 2000 Growth	LB Agg Bond	LB Agg Bond	LB Agg Bond	LB Agg Bond	DJ Wilshire REIT	MSCI EAFE	DJ Wilshire REIT
	-23.44%	12.49%	-11.85%	2.90%	-2.92%	11.55%	3.61%	2.06%	-17.00%	-1.49%	-22.43%	-22.00%	-30.27%	4.11%	4.34%	2.43%	4.33%	-17.56%	-45.09%	-13.13%

- Russell 1000 Value** contains those Russell 1000 (larger capitalization) securities with a less-than-average growth orientation. Securities in this index generally have lower price-to-book and price-to-earnings ratios, higher dividend yields, and lower forecasted growth rates.
- Russell 1000 Growth** contains those Russell 1000 (larger capitalization) securities with a greater-than-average growth orientation. Securities in this index generally have higher price-to-book and price-to-earnings ratios, lower dividend yields, and higher forecasted growth rates.
- Russell 2000 Value** contains those Russell 2000 (smaller capitalization) securities with a less-than-average growth orientation. Securities in this index generally have lower price-to-book and price-to-earnings ratios than those in the Russell 2000 Growth Index.
- Russell 2000 Growth** contains those Russell 2000 (smaller capitalization) securities with a greater-than-average growth orientation. Securities in this index generally have higher price-to-book and price-to-earnings ratios than those in the Russell 2000 Value Index.
- MSCI EAFE** is the Morgan Stanley Capital International Europe, Australia, Far East Index designed to measure the performance of developed stock markets in these areas.
- LB Agg Bond** is the Lehman Brothers Aggregate Bond Index. This index includes U.S. government, corporate and mortgage-backed securities rated investment grade or higher with maturities up to 30 years.
- S&P 500** is a representative sample of 500 leading companies in leading industries of the U.S. economy.
- DJ Wilshire REIT** is intended as a broad measure of the performance of publicly traded real estate equity. The index is comprised of companies whose charter is the equity ownership and operation of commercial real estate.

Data Source: Morningstar
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Asset Class Suitability: Stocks of small companies are typically more volatile than stocks of larger companies. They often involve higher risks because they may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions. High-yield, non-investment grade bonds are only suitable for aggressive investors willing to take greater risks, which could result in loss of principal and interest payments. Global/International investing involves risks not typically associated with US investing, including currency fluctuations, political instability, uncertain economic conditions and different accounting standards.

Past Performance: Past performance is not an indication of future results.

Asset Class Performance Representations: Long Term Treasuries = LB Treasury Long; Municipals = LB Municipal; Foreign Bonds = Salomon World BIG – IB; US Govt/Credit = LB Govt/Credit; Mtge Backed Securities = ML Mortgage Master; Corporate Bonds = Salomon Corporate; 90 Day T-Bills = Salomon; Japanese Stocks = Salomon Japan BMI; High Yield Bonds = ML High Yield Master; Small Cap US Value = RU 2000 Value; MidCap US Stocks = RU Midcap; Large Cap US Value = RU 1000 Value; European Stocks = Salomon Europe BMI; Small Cap US Stocks = RU 2000; Lg Cap US Growth = RU 1000 Growth; Latin American Stocks = Salomon Latin America BMI; Sm Cap US Growth = RU 2000 Growth

Broad Equity Market & Sector Performance Representations: Large-Cap = S&P 500; Mid-Cap = RU Midcap; Small-Cap = RU 2000; International = MSCI EAFE

Data Sources: Information found in this document was derived from the following sources: Zephyr Associates StyleAdvisor, Informa M-Watch, and Lehman Brothers.

Dow Jones Industrial Average – This index is comprised of 30 "blue-chip" US stocks selected for their history of successful growth and wide interest among investors. The DJIA represents about 20% of the total market value of all US stocks and about 25% of the NYSE market capitalization. It is a price-weighted arithmetic average, with the divisor adjusted to reflect stock splits and the occasional stock switches in the index.

NASDAQ Composite – A cap-weighted index comprised of all common stocks that are listed on the NASDAQ Stock Market (National Association of Securities Dealers Automated Quotation system).

S&P 500 – A broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. This index does not contain the 500 largest companies nor the most expensive stocks traded in the U.S. While many of the stocks are among the largest, this index also includes many relatively small companies. This index consists of approximately 380 industrial, 40 utility, 10 transportation and 70 financial companies listed on U.S. market exchanges. It is a capitalization-weighted index (stock price times number of shares outstanding), calculated on a total return basis with dividends reinvested.

S&P 500/Citigroup Growth – The S&P/Citigroup Growth tracks the performance of those stocks in the S&P 500 with lower book-to-price ratios. A cap-weighted index, it is rebalanced semi-annually, based on its price-to-book ratios and market capitalizations at the close of trading one month prior. The index is adjusted each month to reflect changes in the S&P 500. This index is more heavily weighted in the consumer non-cyclical, health care, and technology sectors than the S&P 500.

S&P 500/Citigroup Value – The S&P Citigroup/Value tracks the performance of those stocks in the S&P 500 with higher book-to-price ratios. A cap-weighted index, it is rebalanced semi-annually on January 1 and July 1, based on its book-to-price ratios and market capitalizations at the close of trading one month prior. The index is adjusted each month to reflect changes in the S&P 500. This index tends to be more heavily concentrated in the energy and financial sectors than the S&P 500.

Russell 1000 – The 1000 largest companies in the Russell 3000 index, based on market capitalization.

Russell 1000 Growth – A segment of the Russell 1000 with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Russell 1000 Value index.

Russell 1000 Value – Represents a segment of the Russell 1000 with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Russell 1000 Growth Index.

Russell Mid Cap – The index consisting of the bottom 800 securities in the Russell 1000 as ranked by total market capitalization, and it represents over 35% of the Russell 1000 total market cap.

Russell 2000 – The 2000 smallest companies in the Russell 3000 index.

Russell 2000 Growth – A segment of the Russell 2000 with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Russell 2000 Value index.

Russell 2000 Value – A segment of the Russell 2000 with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Russell 2000 Growth index.

Russell 2500 – The index consisting of the bottom 500 stocks in the Russell 1000(as ranked by market capitalization) and all of the stocks in the Russell 2000. This index is intended to be used as a measure of small to medium/small stock performance, and it represents over 22% of the Russell 3000 total market cap.

MSCI EAFE – A market capitalization-weighted index representing all of the MSCI developed markets outside North America. It comprises 20 of the 22 countries in the MSCI World. These 20 countries include the 14 European countries in the MSCI Europe and the 6 Pacific countries in the MSCI Pacific. This index is created by aggregating the 20 different country indexes, all of which are created separately.

MSCI World – This market capitalization-weighted index represents all 22 of the MSCI developed markets in the world. It is created by aggregating the 22 different country indexes, all of which are created separately.

MSCI Emerging Markets Free (EMF) – A market capitalization-weighted index representing 26 of the emerging markets in the world. Several factors are used to designate whether a country is considered to be emerging vs. developed, the most common of which is Gross Domestic Product Per Capita. The "Free" aspect indicates that this index includes only securities that are allowed to be purchased by global investors. This index is created by aggregating the 26 different country indexes, all of which are created separately.

Lehman Government/Credit - This index includes all bonds that are in the Lehman Brothers Government Bond and the Lehman Brothers Credit Bond indices.

Lehman Government Intermediate – All bonds covered by the Lehman Brothers Government Bond index with maturities of 1 and 10 years.

Lehman Aggregate Bond – This index is made up of the Lehman Brothers Government/Credit, the Mortgage-Backed Securities, and the Asset-Backed Securities indices. All issues in the index are rated investment grade or higher, have at least one year to maturity, and have an outstanding par value of at least \$100 million.

Lehman Government Long Term - All bonds covered by the Lehman Brothers Government Bond index with maturities of 10 years or greater.

Lehman Municipal Bond – This market cap weighted index includes investment grade tax-exempt bonds and is classified into four main sectors: General Obligation, Revenue, Insured, and Prerefunded. To be included in this index, the original transaction size of a bond must have been greater than \$50 million.

Merrill Lynch Convertibles – The convertible securities used in this index span all corporate sectors and must have a par amount outstanding of \$25 million or more. The maturity must be at least one year. The coupon range must be equal to or greater than zero and all quality of bonds are included. Excluded from this index are preferred equity redemption stocks. When the component bonds of this index convert into common stock, the converted securities are dropped from the index.

Merrill Lynch High Yield Master – Market-cap weighted index providing a broad-based measure of bonds in the US domestic bond market rated below investment grade but not in default. Includes only issues with a credit rating of BB1 or below as rated by Moody's and/or S&P, at least \$100 million in face value outstanding and a remaining term to final maturity equal to or greater than one year.

Dow Jones Wilshire REIT Index – A measurement of equity REITs and Real Estate Operating Companies. No special-purpose or health care REITs are included. It is a market capitalization-weighted index for which returns are calculated monthly using buy and hold methodology; it is rebalanced monthly.

Citigroup 3 Month Treasury Bill – Representing the monthly return equivalents of yield averages that are not marked to market, this index is an average of the last three three-month Treasury bill issues.

50/50 Blend (S&P 500/LBIGC) – A blended benchmark consisting of 50% S&P 500 and 50% Lehman Brothers Government/Credit Intermediate indices.