

as of 09/30/2009

<u>Top Ten Holdings</u>	Cusip/Sedol	Symbol	% Fund
Career Education Corp.	141665109	ceco	4.03%
Agilent Technologies, Inc.	00846u101	a	3.87%
Biovail Corp.	09067j109	bvf	3.81%
Comverse Technology, Inc.	205862402	cmvt	3.60%
Ameriprise Financial, Inc.	03076c106	amp	3.50%
Martin Marietta Materials, Inc.	573284106	mlm	3.14%
Scientific Games Corp., Class A	80874P109	sgms	3.10%
KKR Private Equity Investors, L.P. 144	b13bnq3	kpe.na	3.09%
Talisman Energy, Inc.	2068299	tlm.cn	2.96%
Covidien PLC	G2554F105	cov	2.88%
			33.99%

<u>Sector Allocation - Russell</u>	% Fund	Ex Cash	% Index
Consumer Discretionary	17.0%	17.4%	13.4%
Consumer Staples	0.0%	0.0%	6.0%
Energy	8.2%	8.4%	8.7%
Financial Services	34.7%	35.4%	28.9%
Health Care	6.7%	6.8%	4.2%
Materials & Processing	9.9%	10.1%	8.2%
Producer Durables	9.8%	10.0%	10.6%
Technology	6.3%	6.4%	6.3%
Utilities	1.9%	2.0%	13.6%
Other Securities	0.0%	0.0%	
[Cash]	5.5%		

<u>Allocation by Asset Class</u>	No.	% Fund	Ex Cash
Equities	44	94.5%	100.0%
Fixed Income	0	0.0%	0.0%
Other	0	0.0%	0.0%
<b>Total Holdings</b>	<b>44</b>	<b>94.5%</b>	<b>100.0%</b>
Non U.S. (ADR's)	0	0.0%	0.0%
Non U.S. (Other)	2	3.6%	3.8%

<u>Market Cap Allocation</u>	% Fund	% Index
>\$100 Billion	0.0%	0.0%
\$50 Billion to \$100 Billion	0.0%	0.0%
\$25 Billion to \$50 Billion	5.8%	0.0%
\$15 Billion to \$25 Billion	15.1%	0.0%
\$10 Billion to \$15 Billion	5.7%	9.3%
\$7.5 Billion to \$10 Billion	16.4%	18.1%
\$7 Billion to \$7.5 Billion	1.7%	3.5%
\$5 Billion to \$7 Billion	2.6%	16.9%
\$4.5 Billion to \$5 Billion	4.3%	2.8%
\$4 Billion to \$4.5 Billion	3.7%	5.4%
\$3 Billion to \$4 Billion	15.3%	16.8%
\$2 Billion to \$3 Billion	12.6%	17.1%
\$1.5 Billion to \$2 Billion	11.2%	6.6%
\$1 Billion to \$1.5 Billion	3.3%	2.9%
\$750 Million to \$1 Billion	0.0%	0.3%
\$500 to \$750 Million	2.4%	0.2%
\$400 to \$500 Million	0.0%	0.0%
\$250 - \$400 Million	0.0%	0.0%
<\$250 Million	0.0%	0.0%

Source: Factset

<u>Equity Market Cap Range (\$mil)</u>	High	Low
	36,349.2	700.4

Source: Factset

**Index: Russell MidCap Value - Total Return**

<u>Portfolio Metrics</u>	Fund	Index
Debt/Equity	0.72	1.30
Debt/Total Assets	0.19	0.30
Dividend Yield	1.7	2.8
EPS Growth - Trailing 12M	3.9	-13.1
EPS Growth - 3Y Historical	8.2	11.4
EPS Growth - 5Y Historical	10.9	11.5
EPS Growth - CAL 2009 Average	18.7	37.6
EPS Growth - CAL 2009 Weighted Average	20.0	29.3
EPS Growth - CAL 2010 Average	44.7	44.5
EPS Growth - CAL 2010 Weighted Average	44.4	42.5
EPS Growth - Estimated 3-5YR Forward	11.8	7.4
Market Cap - Average (\$mil)	9,128.7	3,829.3
Market Cap - Median (\$mil)	4,941.6	2,997.6
Market Cap - Weighted Average (\$mil)	8,997.2	5,380.2
Market Cap - Weighted Median (\$mil)	4,941.6	4,593.2
P/E CAL 2009 - Average	22.2	22.7
P/E CAL 2009 - Weighted Average	22.5	22.0
P/E CAL 2009 - Weighted Harmonic Average	15.8	14.7
P/E CAL 2010 - Average	15.8	17.7
P/E CAL 2010 - Weighted Average	15.8	17.2
P/E CAL 2010 - Weighted Harmonic Average	13.4	13.4
P/E Trailing 12M	17.3	13.9
P/E Relative to S&P500 - Trailing 12M	5.9	2.7
Price/Book	2.5	1.8
Price/Cash Flow	11.5	8.8
Price/Sales	1.9	1.6
Revenue Growth - 3Y Historical	8.0	10.9
Enterprise Value / EBITDA	10.4	11.2
ROE	9.1	0.5

Source: Factset

<u>Returns</u>	Anlzd	Sharpe	Sortino	Anlzd	R-	Info	Tracking	
<u>Analysis</u>	Std Dev	Ratio	Ratio	Alpha	Beta	Squared	Ratio	Error
1Y Fund	32.19	-0.05	-0.06	4.33	0.83	0.96	0.65	9.26
1Y Index	38.01	-0.20	-0.25	0.00	1.00	1.00	n/a	0.00
3Y Fund	23.74	-0.28	-0.35	1.24	0.90	0.89	0.19	8.32
3Y Index	24.71	-0.34	-0.42	0.00	1.00	1.00	n/a	0.00
5Y Fund	19.70	0.07	0.10	1.26	0.92	0.88	0.13	7.09
5Y Index	20.13	0.03	0.04	0.00	1.00	1.00	n/a	0.00
7Y Fund	18.05	0.58	0.81	3.98	0.90	0.83	0.42	7.56
7Y Index	18.29	0.40	0.55	0.00	1.00	1.00	n/a	0.00
10Y Fund	17.82	0.35	0.50	3.02	0.85	0.73	0.19	9.62
10Y Index	17.80	0.25	0.35	0.00	1.00	1.00	n/a	0.00
SI* Fund	18.40	0.12	0.17	-0.76	0.78	0.46	-0.28	14.01
SI* Index	16.06	0.38	0.55	0.00	1.00	1.00	n/a	0.00

\*Beginning first full month (7/93)

Source: Factset

	3Y	5Y
Beta v SP500	1.13	1.13
R-Squared v SP500	0.86	0.83

Source: Factset

Average Monthly Upside/Downside Capture vs Index

5Y Upside	101%	10Y Upside	95%
5Y Downside	98%	10Y Downside	85%

Portfolio Turnover

YTD - Annualized	64
Trailing 12 Months	58
5Y Annual Average*	80
5Y Annual Hi/Low*	147 / 47

\*Based on the five most recent calendar years

Average Cash % (last 20 qtrs)	11.2%
High Cash % (last 20 qtrs)	24.6%
Low Cash % (last 20 qtrs)	3.7%

## **Definitions of Selected Statistics and Comparative Indices:**

**Standard Deviation:** A statistical measurement of dispersion about the mean return of a portfolio. Standard deviation shows how widely the portfolio return varied over a specific period. Consequently, it is often used to describe the risk or volatility of a portfolio. A higher standard deviation implies higher volatility in historical returns.

**Sharpe Ratio:** The Sharpe ratio is a statistical measurement of the risk-adjusted performance of the portfolio. The ratio is calculated by dividing a portfolio's excess return over the risk-free rate (generally a 3-month t-bill) by the standard deviation of its excess returns. This approximates a portfolio's reward per unit of risk. The Sharpe ratio should be used to compare similar portfolios – the higher the ratio, the better the risk adjusted performance.

**Sortino Ratio:** The Sortino ratio is another measure of risk-adjusted performance. It is similar to the Sharpe ratio, but uses the standard deviation of only negative excess returns as the denominator. The numerator is the excess return over a fixed "minimum acceptable return" (MAR). As of 3/31/09, our calculation uses a risk-free MAR (generally a 3-month t-bill). Like the Sharpe ratio, the Sortino ratio should be used to compare similar portfolios – the higher the ratio, the better the risk-adjusted performance. Unlike the Sharpe ratio, the Sortino ratio does not punish a portfolio for upside volatility.

**Alpha:** A statistical measurement used to quantify the value added or subtracted by a portfolio manager. Specifically, alpha measures the portfolio's actual return against the portfolio's expected return given the risk of the portfolio as defined by its beta. Alpha is one of the three MPT (Modern Portfolio Theory) statistics and is derived by a linear regression of the portfolio's returns against the returns of a benchmark.

An important observation when using alpha is to know how accurately the portfolio beta reflects the market risk of the portfolio. The confidence with which one can have in an alpha (and beta) depends entirely on how strong the linear relationship is between the portfolio and the benchmark. A strong relationship is characterized by a high  $R^2$ . As the value of the  $R^2$  decreases, the alpha for a portfolio becomes less meaningful.

**Beta:** A statistical measurement of a portfolio's relative sensitivity to the benchmark, which acts as a proxy for market risk. The beta between a portfolio and its benchmark is the amount of units the portfolio will move when the benchmark moves one unit. By definition, the beta of the market (benchmark) is one. Beta is one of the three MPT (Modern Portfolio Theory) statistics and is derived by a linear regression of the portfolio's returns against the returns of a benchmark.

For example, if a portfolio has a beta of 1.15, it is expected that the portfolio will perform 15% better than the benchmark in an up market. However, in a down market it is expected that the portfolio would perform 15% worse than the benchmark.

It is important to note that beta is only an estimate. For a beta to be most accurate, a perfect linear correlation (in the form of an  $R^2$  equal to 1) must exist between the portfolio and the benchmark. As the value of the  $R^2$  decreases, the beta for a portfolio becomes immaterial.

**$R^2$ :** A statistical measurement that shows the percentage of a portfolio's movements that can be explained by the movement in the benchmark. The numerical value of a portfolio's  $R^2$  is always between 0 and 1. An  $R^2$  of 1 (or 100%) means that there is perfect correlation in the movement between the portfolio and the benchmark. Conversely, an  $R^2$  of 0 means that there is no relationship in movement between the portfolio and the benchmark.  $R^2$  is one of the three MPT (Modern Portfolio Theory) statistics and is derived by a linear regression of the portfolio's returns against the returns of a benchmark.

For example, a portfolio has an  $R^2$  of .23, a beta of 0.93 and an alpha 1.04. According to the statistics, it appears that the portfolio manager is doing a good job adding value. The alpha of 1.04 implies that the manager produced a return 1.04% higher than its beta would predict. However, the very low  $R^2$  suggests that only 23% of the movements in the portfolio are explained by the benchmark. Thus, there is very little confidence that the beta and alpha have any significance. Note that this does not imply that the manager is doing a poor job; merely that one cannot use these particular statistics to say that the manager is doing a good job.

**Tracking Error:** The active risk of the portfolio. Tracking Error is the annualized standard deviation of the excess returns between the portfolio and the benchmark. A higher Tracking Error indicates a higher level of risk. Tracking Error should be used to compare the active risk of like portfolios (vs. the same benchmark). Tracking Error does not indicate which portfolio has the greater return, nor does it distinguish between positive and negative historical volatility.

**Information Ratio:** A measure of the value added per unit of active risk by a manager over the benchmark. The Information Ratio is calculated by dividing the annualized excess return over a benchmark by the annualized standard deviation of excess return (Tracking Error). Similar to the Sharpe Ratio, but uses excess return over a benchmark as the numerator instead of excess return over a risk-free rate.

**Downside Capture Ratio:** A measure of a manager's performance in down markets relative to the market (benchmark). Each month or quarter is considered a down market if the market return is less than zero. Downside Capture is calculated by dividing the average return of the manager in down market months or quarters by the average return of the market over the same months or quarters. A ratio of 90 suggests a manager lost 10 percent less than the market lost in down markets over the period.

**Upside Capture Ratio:** A measure of a manager's performance in up markets relative to the market (benchmark). Each month or quarter is considered an up market if the market return is greater than zero. Upside Capture is calculated by dividing the average return of the manager in up market months or quarters by the average return of the market over the same months or quarters. A ratio of 110 suggests a manager performed 10 percent better than the market in up markets over the period.

**The Russell 2000 Growth Index** is an unmanaged market capitalization-weighted index that measures the performance of those companies in the Russell 2000 Index with higher price-to-book ratios and higher forecasted growth values. (The Russell 2000 Index is an unmanaged market capitalization-weighted index that measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which consists of the 3,000 largest U.S. companies based on total market capitalization.) Investment results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

**The Russell Midcap Growth Index** is an unmanaged market capitalization-weighted index that measures the performance of those companies in the Russell Midcap Index with higher price-to-book ratios and higher forecasted growth values. (The Russell Midcap Index is an unmanaged market capitalization-weighted index that measures the performance of the 800 smallest companies in the Russell 1000 Index, which consists of the 1,000 largest U.S. companies based on total market capitalization.) Investment results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

**The Russell 1000 Growth Index** is an unmanaged market capitalization-weighted index that measures the performance of those companies in the Russell 1000 Index (which consists of the 1,000 largest U.S. companies based on total market capitalization) with higher price-to-book ratios and higher forecasted growth values. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

**The Russell MidCap Value Index** is an unmanaged market capitalization-weighted index that measures the performance of those companies in the Russell Midcap Index with lower price-to-book ratios and lower forecasted growth values. (The Russell Midcap Index is an unmanaged market capitalization-weighted index that measures the performance of the 800 smallest companies in the Russell 1000 Index, which consists of the 1,000 largest U.S. companies based on total market capitalization.) Investment results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

**The Russell 2500 Growth Index** is an unmanaged market capitalization-weighted index that measures the performance of those companies in the Russell 2500 Index with higher price-to-book ratios and higher forecasted growth values. (The Russell 2500 Index is an unmanaged market capitalization-weighted index that measures the performance of the 2,500 smallest companies in the Russell 3000 Index, which consists of the 3,000 largest U.S. companies based on total market capitalization.) Investment results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

**The S&P North American Natural Resources Sector Index** is a modified-capitalization-weighted index of companies involved in the following categories: extractive industries, energy companies, owners and operators of timber tracts, forestry services, producers of pulp and paper, and owners of plantations. Index results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

**The Russell 3000 Value Index** measures the performance of the broad value segment of the U.S. equity value universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values. Index results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

**The Russell 2000 Value Index** is an unmanaged market-capitalization-weighted index that measures the performance of those companies in the Russell 2000® Index with lower price-to-book ratios and lower forecasted growth values. (The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which consists of the 3,000 largest U.S. companies based on total market capitalization.) Index results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

**The S&P North American Technology Sector Index** is a modified-capitalization-weighted index based on a universe of technology related stocks. Index results do not assume the reinvestment of dividends paid on the stocks constituting the index. You may not invest in the index and, unlike the Fund, it does not incur fees and expenses.

**The Russell 3000 Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. Index results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

**The S&P 500 Index** is an unmanaged market capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Index results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses

**The Russell 1000 Value Index** is an unmanaged market-capitalization-weighted index that measures the performance of those companies in the Russell 1000® Index (which consists of the 1,000 largest U.S. companies based on total market capitalization) with lower price-to-book ratios and lower forecasted growth values. Index results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

**The Russell 2000 Index** measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which consists of the 3,000 largest U.S. companies based on total market capitalization. Index results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

**The Russell Midcap Index** is an unmanaged market capitalization-weighted index that measures the performance of the 800 smallest companies in the Russell 1000 Index, which consists of the 1,000 largest U.S. companies based on total market capitalization.

Investment results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

**The Morgan Stanley Capital International (MSCI) Growth Index for Europe, Australasia, and Far East (EAFE)** is generally considered to be representative of international stock market activity. Index results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

**The Morgan Stanley Capital International (MSCI) Emerging Markets Free (EMF) Index** is generally considered to be representative of the stock market activity of emerging markets. Index results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

**The Barclays Capital U.S. Aggregate Bond Index** is an unmanaged index that is generally considered to be representative of U.S. bond market activity. Unlike the Fund, the index does not incur fees or expenses.

**The Barclays Capital U.S. Government 1–3 Year Bond Index** is an unmanaged index that is generally considered to be representative of the average yield on U.S. government obligations having maturities between one and three years. Unlike the Fund, the index does not incur fees or expenses.

**The Barclays Capital U.S. Corporate High-Yield Bond Index** is an unmanaged index that is generally considered to be representative of the investable universe of the U.S. dollar-denominated high-yield debt market. Unlike the Fund, the index does not incur fees or expenses.

**The Barclays Capital Municipal Bond Index** is an unmanaged index that is generally considered to be representative of U.S. municipal bond market activity. Unlike the Fund, the index does not incur fees or expenses.

**The Barclays Capital U.S. Treasury Bellwethers (3 month) Index** is an unmanaged index that is generally considered to be representative of the average yield of three-month Treasury Bills. Unlike the Fund, the index does not incur fees or expenses.

***The Money Market Fund is neither insured nor guaranteed by the FDIC or any other agency. Although the fund seeks to preserve the value or your investment at \$1.00 per share (\$10.00 per unit for annuity), it is possible to lose money by investing in the fund.***

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