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Monte Carlo Simulation for
Peralta Community College District Retiree Healthcare Plan

Prepared by the Investment Strategy Group
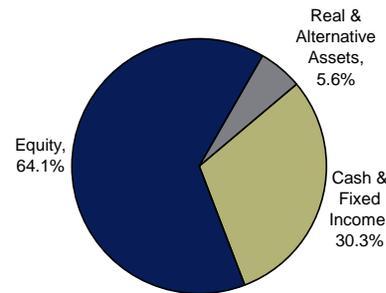5/10/2011

Monte Carlo Simulation

An Overview

◆ Investment forecasting would be a simple matter if we knew exactly what rates of return, interest rates and inflation would be in the future. Unfortunately, we know that these factors change constantly and we have no crystal ball. A realistic forecast must consider economic and market uncertainty.

◆ Monte Carlo simulation is a complex mathematical technique that helps us understand the likelihood that you will meet your financial goals under a wide range of potential market scenarios. This gives us a realistic picture of investment risk and a basis to compare alternative investment strategies.

◆ We start with an investment universe consisting of 18 asset classes. Our analysts determine a hypothetical level of return, risk and yield for each asset class; these estimates are shown on page three. Each portfolio is analyzed as a mix of these asset classes. Next we account for planned contributions and withdrawals and input the tax rates that you pay. We then simulate 500 separate possible outcomes for your portfolio and tabulate the results:

◆ This analysis helps answer the following questions
  – How much income can be taken from this account while maintaining principal?
  – What range of ending values of the portfolio can we expect at the investment horizon?
  – How much effect could negative market conditions have on this portfolio?
  – How risky is the current portfolio?
  – What is the lowest risk portfolio that provides you with the opportunity to meet your goals?

◆ While this technique is more sophisticated than straight-line forecasting, it still has its limitations. No analytical tool can capture every element of risk that you face as an investor. A detailed description of our methodology is given in the "Important Disclosures" section at the end of this report.
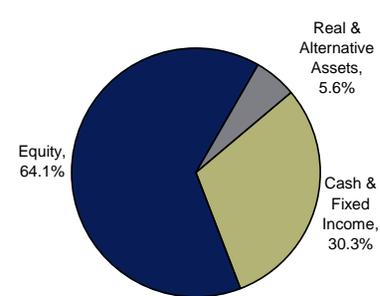
Summary

Client Information:

Peralta Community College District Retiree Healthcare Plan	

Time Horizon	25 Years
Tax Rate	0.0%

Scenario A — Equity, 64.1%; Real & Alternative Assets, 5.6%; Cash & Fixed Income, 30.3%

Scenario B — Equity, 64.1%; Real & Alternative Assets, 5.6%; Cash & Fixed Income, 30.3%

	Scenario A	Scenario B
Hypothetical Forward Looking		
Post Tax Return	7.1%	7.1%
Standard Deviation	11.7%	11.7%
25 -Year Forward Looking Probabilities		
Invading Principal	27.8%	16.6%
Assets Falling to Zero	0.8%	0.0%

Monte Carlo Results: Hypothetical Expected Ending Values

Investment Time Horizon: 25 Years

	Scenario A	Scenario B
Nominal $		
95th Percentile	$1,749,847,661	$1,869,372,635
50th Percentile	$516,046,445	$623,057,905
5th Percentile	$71,700,502	$165,285,519
Real $, Adjusted for 2.5% Expected Inflation		
95th Percentile	$943,851,362	$1,008,322,007
50th Percentile	$278,350,596	$336,071,570
5th Percentile	$38,674,576	$89,153,453

Hypothetical Forward Looking estimates are the results of our Monte Carlo simulation process where we forecast an ending value of your portfolio at the investment horizon. **25 - Year Forward Looking Probabilities** estimate the likelihood of eroding your purchasing power or falling to zero. The **Hypothetical Expected Return, Risk** and **Ending Value** reflect how we believe this portfolio could behave based on market assumptions determined by the Neuberger Berman Asset Allocation Committee. Please read the disclosures in the appendix at the end of this document for details about our methodology.

IMPORTANT: The projections or other information generated by this analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. These hypothetical returns are used for discussion purposes only and are not intended to represent, and should not be construed to represent, predictions of future rates of return. Actual returns may vary significantly. Our assumptions are subject to change without notice. The standard twenty-five year time horizon is selected based on the long-term nature of equilibrium risk/return assumptions and not based on age(s) of prospective client(s). Please refer to the Appendix which contains Additional Disclosures and Index Definitions which are a required part of this presentation.

Asset Class Inputs

	Hypothetical Return	Standard Deviation (Risk)
Cash & Fixed Income		
Cash	3.85%	0.54%
Taxable Inv Grade Fixed Income	4.23%	3.82%
U.S. Govt Securities	3.97%	4.60%
Investment Grade Corporates	4.89%	6.29%
High Yield Corporates	6.14%	11.41%
U.S. Core Tax-Free	4.22%	4.63%
TIPS	4.60%	6.72%
Global Aggregate ex-U.S.	5.51%	8.87%
Equity		
U.S. All Cap Core	7.99%	16.43%
U.S. Large Cap	7.94%	16.30%
U.S. Small Cap	8.50%	21.46%
Master Limited Partnerships	8.25%	17.20%
Developed International Equities	8.79%	17.75%
Emerging Market Equities	10.06%	24.78%
Real & Alternative Assets		
Public Real Estate	8.25%	23.43%
Commodities	6.21%	17.34%
Conservative Hedge Funds	4.45%	4.29%
Private Equity	14.70%	32.60%
Inflation		
Inflation	2.50%	

Asset Allocation

Asset Class	Taxable		Tax-Deferred		Combined	
	Percent	Dollars	Percent	Dollars	Percent	Dollars
Taxable Inv Grade Fixed Income	30.3%	-	30.3%	53,242,963	30.3%	53,242,963
U.S. Large Cap	33.8%	-	33.8%	59,421,514	33.8%	59,421,514
U.S. Small Cap	11.5%	-	11.5%	20,271,927	11.5%	20,271,927
Developed International Equities	18.7%	-	18.7%	32,943,070	18.7%	32,943,070
Public Real Estate	5.6%	-	5.6%	9,891,042	5.6%	9,891,042
Total	**100.0%**	**0**	**100.0%**	**175,770,516**	**100.0%**	**175,770,516**

	Taxable	**Tax-Deferred**	**Combined**
Hypothetical Annual Return (Post-Tax)	7.1%	7.1%	7.1%
Hypothetical Annual Risk (Std Dev)	11.7%	11.7%	11.7%

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Cash Flow and Taxes

Initial Portfolio Value

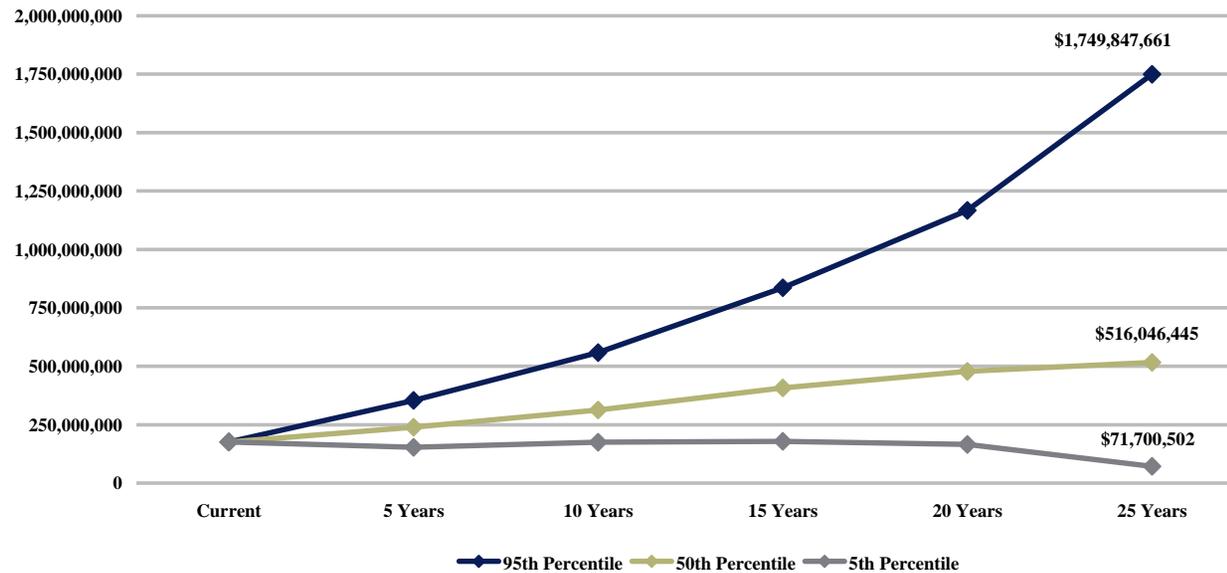|		
Taxable	$	-
Tax-Deferred	$	175,770,516
Total Initial Portfolio Value	$	175,770,516

Projected Payroll is grown 3.25% per annum
Projected Inflation is provided by the Office of the
Actuary in the Centers for Medicare & Medicaid Services
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Client Cash Flow Needs

	Projected Payroll	ARC - %	Contributions	Projected Inflation	Withdrawals	Net Effect
2011	54,607,000	12.5%	6,825,875	--	5,800,000	1,025,875
2012	56,381,728	12.9%	7,273,243	--	9,200,000	(1,926,757)
2013	58,214,134	14.0%	8,149,979	6.2%	9,770,400	(1,620,421)
2014	60,106,093	15.0%	9,015,914	6.5%	10,405,476	(1,389,562)
2015	62,059,541	16.0%	9,929,527	6.9%	11,123,454	(1,193,927)
2016	64,076,476	16.9%	10,828,924	7.0%	11,902,096	(1,073,171)
2017	66,158,962	16.9%	11,180,865	7.2%	12,759,046	(1,578,182)
2018	68,309,128	16.9%	11,544,243	7.2%	13,677,698	(2,133,455)
2019	70,529,174	16.9%	11,919,430	7.2%	14,662,492	(2,743,062)
2020	72,821,373	16.9%	12,306,812	7.2%	15,718,192	(3,411,380)
2021	75,188,067	16.9%	12,706,783	7.2%	16,849,901	(4,143,118)
2022	77,631,679	16.9%	13,119,754	7.2%	18,063,094	(4,943,340)
2023	80,154,709	16.9%	13,546,146	7.2%	19,363,637	(5,817,491)
2024	82,759,737	16.9%	13,986,396	7.2%	20,757,819	(6,771,423)
2025	85,449,429	16.9%	14,440,953	7.2%	22,252,382	(7,811,428)
2026	88,226,535	16.9%	14,910,284	7.2%	23,854,553	(8,944,269)
2027	91,093,897	16.9%	15,394,869	7.2%	25,572,081	(10,177,212)
2028	94,054,449	16.9%	15,895,202	7.2%	27,413,271	(11,518,069)
2029	97,111,219	16.9%	16,411,796	7.2%	29,387,026	(12,975,231)
2030	100,267,333	16.9%	16,945,179	7.2%	31,502,892	(14,557,713)
2031	103,526,022	16.9%	17,495,898	7.2%	33,771,101	(16,275,203)
2032	106,890,617	16.9%	18,064,514	7.2%	36,202,620	(18,138,106)
2033	110,364,562	16.9%	18,651,611	7.2%	38,809,209	(20,157,598)
2034	113,951,411	16.9%	19,257,788	7.2%	41,603,472	(22,345,683)
2035	117,654,831	16.9%	19,883,667	7.2%	44,598,921	(24,715,255)

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Monte Carlo Results

We calculated 500 different return scenarios for the portfolio and ranked the results. The median result is represented by the 50th percentile line. The 95th percentile line shows the results of the best 5% of the returns generated. Results this positive or better occurred in about 25 of the 500 trials. Conversely, the 5th percentile line shows the results of the worst 5% of the returns generated. Results this negative or worse occurred in about 25 of the 500 trials generated. Neither of these should be read as a "best-case" or "worst-case" scenario, returns can and do occur outside of this range.
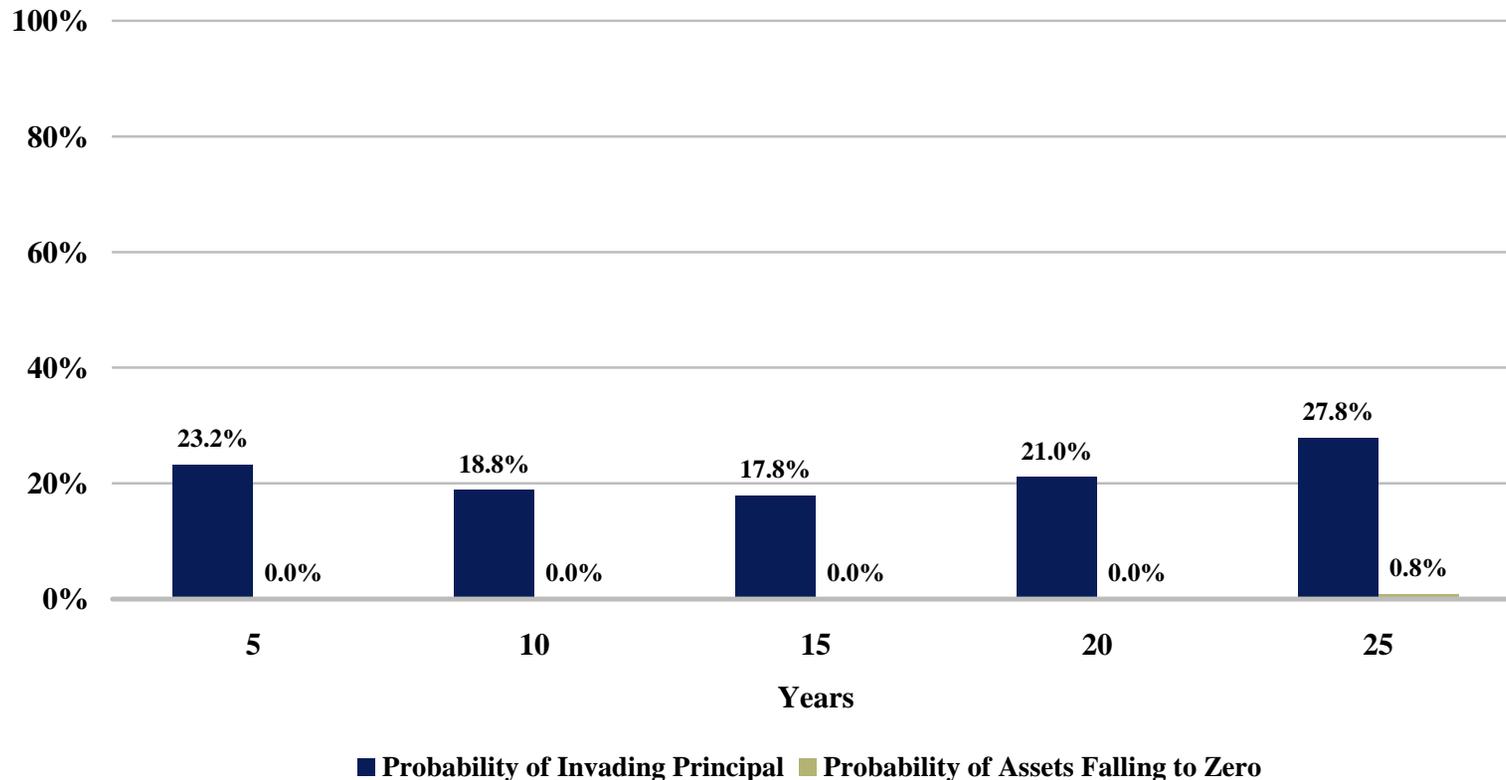
These results are estimated from the asset inputs, asset mix, account values, cash flows and tax information provided by you and shown on the prior three pages. This information is presented to assist you and your Wealth Advisor in the discussion of the investment options available to you. This is **not** a prediction or promise of future performance.

Nominal $

	Current	5 Years	10 Years	15 Years	20 Years	25 Years
95th Percentile	$175,770,516	$353,851,171	$558,648,121	$836,310,143	$1,166,498,127	$1,749,847,661
50th Percentile	$175,770,516	$239,080,757	$313,176,165	$407,036,118	$477,961,700	$516,046,445
5th Percentile	$175,770,516	$153,337,095	$174,634,353	$179,162,671	$165,463,371	$71,700,502

Real $, Adjusted for 2.5% Expected Inflation

	Current	5 Year	10 Year	15 Year	20 Year	25 Year
95th Percentile	$175,770,516	$312,752,874	$436,415,020	$577,443,349	$711,879,912	$943,851,362
50th Percentile	$175,770,516	$211,312,552	$244,652,720	$281,044,420	$291,686,138	$278,350,596
5th Percentile	$175,770,516	$135,527,649	$136,424,077	$123,705,653	$100,977,488	$38,674,576

These hypothetical portfolio values represent a point in time vs. the entire time period. The numbers displayed do not represent a guaranteed amount, but rather a range in which the hypothetical return or dollar amount for a particular investment period may fall. Results may vary with each use and over time. Hypothetical returns are gross of fees. The projections or other information generated by this analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. These hypothetical returns are used for discussion purposes only and are not intended to represent, and should not be construed to represent, predictions of future rates of return. Actual returns may vary significantly. Our assumptions are subject to change without notice. Please refer to the Appendix which contains Additional Disclosures and Index Definitions which are a required part of this presentation.

What is the probability of my wealth falling below what I have started with or falling to zero ?

■ **Probability of Invading Principal** ■ **Probability of Assets Falling to Zero**

The definition of Probability of Eroding Purchasing Power is based on our simulation model and your distinct investor profile. It measures the odds of your wealth falling below it's initial dollar amount at different intervals of time. The definition of Probability of Assets Falling to Zero is based on our simulation model and your distinct investor profile. It measures the odds of your wealth falling below zero dollars at different intervals of time. These hypothetical probabilities represent the percentage of simulated outcomes generated by this Monte Carlo analysis, for particular points in time as set forth above. Results may vary with each use and over time. The projections or other information generated by this analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. These hypothetical returns are used for discussion purposes only and are not intended to represent, and should not be construed to represent, predictions of future rates of return. Actual returns may vary significantly. Our assumptions are subject to change without notice. Please refer to the Appendix which contains Additional Disclosures and Index Definitions which are a required part of this presentation.

Asset Allocation

Asset Class	Taxable		Tax-Deferred		Combined	
	Percent	Dollars	Percent	Dollars	Percent	Dollars
Taxable Inv Grade Fixed Income	30.3%	-	30.3%	53,242,963	30.3%	53,242,963
U.S. Large Cap	33.8%	-	33.8%	59,421,514	33.8%	59,421,514
U.S. Small Cap	11.5%	-	11.5%	20,271,927	11.5%	20,271,927
Developed International Equities	18.7%	-	18.7%	32,943,070	18.7%	32,943,070
Public Real Estate	5.6%	-	5.6%	9,891,042	5.6%	9,891,042
Total	**100.0%**	**0**	**100.0%**	**175,770,516**	**100.0%**	**175,770,516**

	Taxable	**Tax-Deferred**	**Combined**
Hypothetical Annual Return (Post-Tax)	7.1%	7.1%	7.1%
Hypothetical Annual Risk (Std Dev)	11.7%	11.7%	11.7%

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Cash Flow and Taxes

Initial Portfolio Value

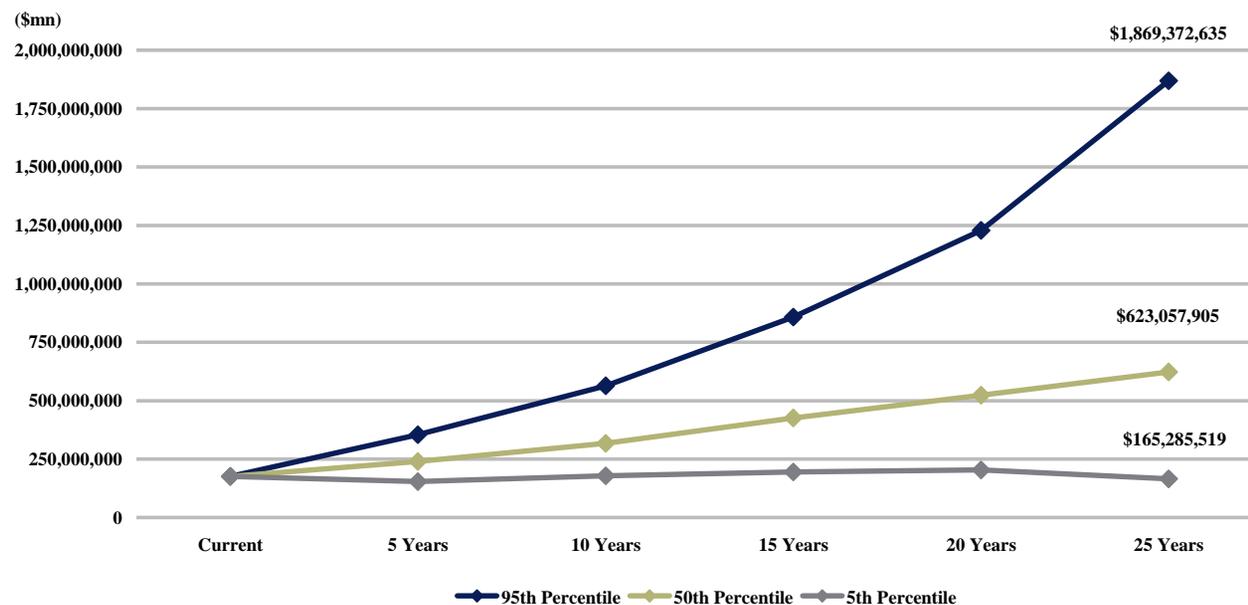|		
Taxable	$	-
Tax-Deferred	$	175,770,516
Total Initial Portfolio Value	$	175,770,516

Projected Payroll is grown 3.25% per annum

Projected Inflation is provided by the U.S. Bureau of Labor Statistics' index for medical care. Since 1978 this index has annualized at 5.9%.

Client Cash Flow Needs

	Projected Payroll	ARC - %	Contributions	Projected Inflation	Withdrawals	Net Effect
2011	54,607,000	12.5%	6,825,875	--	5,800,000	1,025,875
2012	56,381,728	12.9%	7,273,243	--	9,200,000	(1,926,757)
2013	58,214,134	14.0%	8,149,979	5.9%	9,742,800	(1,592,821)
2014	60,106,093	15.0%	9,015,914	5.9%	10,317,625	(1,301,711)
2015	62,059,541	16.0%	9,929,527	5.9%	10,926,365	(996,839)
2016	64,076,476	16.9%	10,828,924	5.9%	11,571,021	(742,096)
2017	66,158,962	16.9%	11,180,865	5.9%	12,253,711	(1,072,846)
2018	68,309,128	16.9%	11,544,243	5.9%	12,976,680	(1,432,437)
2019	70,529,174	16.9%	11,919,430	5.9%	13,742,304	(1,822,873)
2020	72,821,373	16.9%	12,306,812	5.9%	14,553,100	(2,246,288)
2021	75,188,067	16.9%	12,706,783	5.9%	15,411,733	(2,704,949)
2022	77,631,679	16.9%	13,119,754	5.9%	16,321,025	(3,201,271)
2023	80,154,709	16.9%	13,546,146	5.9%	17,283,965	(3,737,820)
2024	82,759,737	16.9%	13,986,396	5.9%	18,303,719	(4,317,324)
2025	85,449,429	16.9%	14,440,953	5.9%	19,383,639	(4,942,685)
2026	88,226,535	16.9%	14,910,284	5.9%	20,527,274	(5,616,989)
2027	91,093,897	16.9%	15,394,869	5.9%	21,738,383	(6,343,514)
2028	94,054,449	16.9%	15,895,202	5.9%	23,020,947	(7,125,745)
2029	97,111,219	16.9%	16,411,796	5.9%	24,379,183	(7,967,387)
2030	100,267,333	16.9%	16,945,179	5.9%	25,817,555	(8,872,376)
2031	103,526,022	16.9%	17,495,898	5.9%	27,340,791	(9,844,893)
2032	106,890,617	16.9%	18,064,514	5.9%	28,953,897	(10,889,383)
2033	110,364,562	16.9%	18,651,611	5.9%	30,662,177	(12,010,566)
2034	113,951,411	16.9%	19,257,788	5.9%	32,471,246	(13,213,457)
2035	117,654,831	16.9%	19,883,667	5.9%	34,387,049	(14,503,383)

We calculated 500 different return scenarios for the portfolio and ranked the results. The median result is represented by the 50th percentile line. The 95th percentile line shows the results of the best 5% of the returns generated. Results this positive or better occurred in about 25 of the 500 trials. Conversely, the 5th percentile line shows the results of the worst 5% of the returns generated. Results this negative or worse occurred in about 25 of the 500 trials generated. Neither of these should be read as a "best-case" or "worst-case" scenario, returns can and do occur outside of this range.
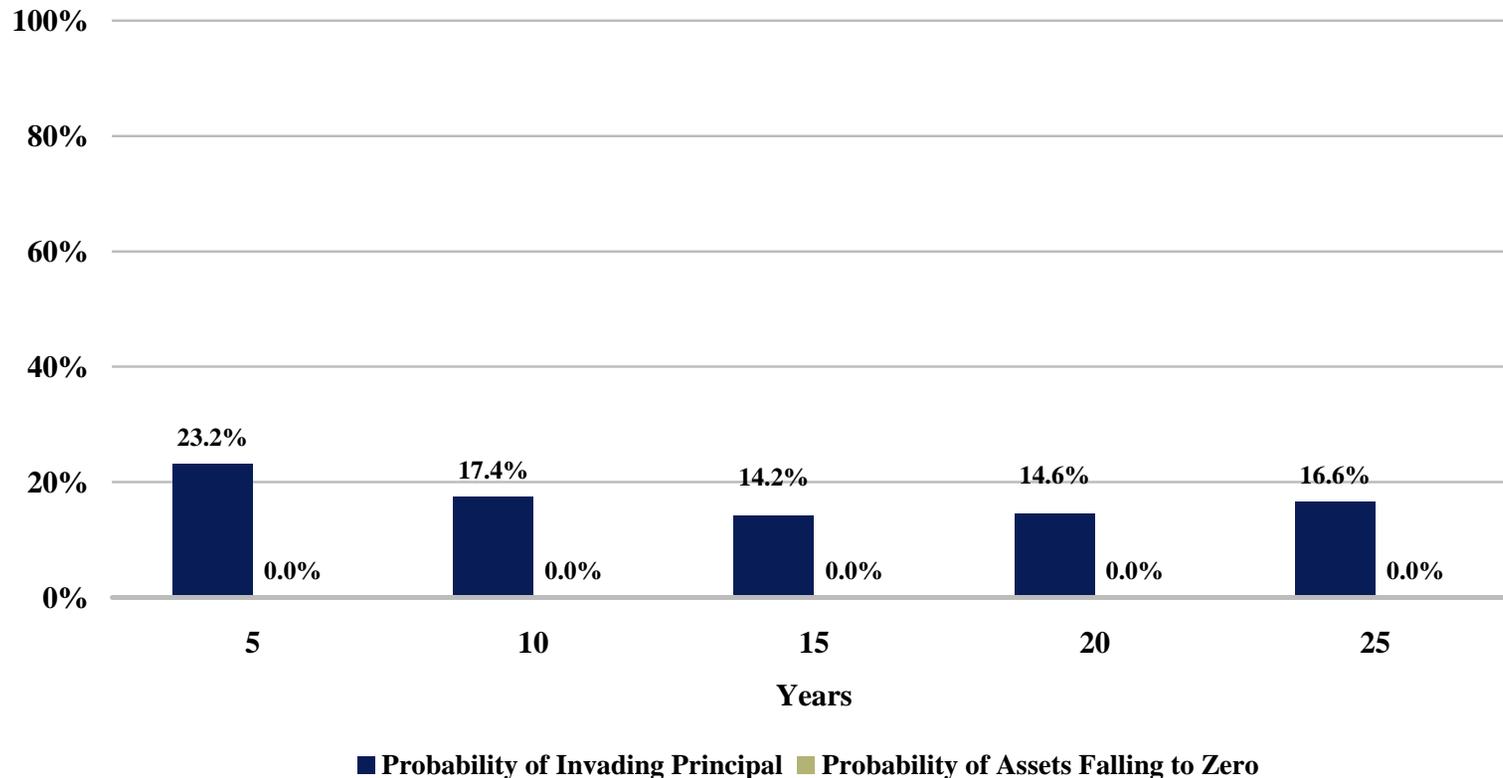
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Nominal $

	Current	5 Years	10 Years	15 Years	20 Years	25 Years
95th Percentile	$175,770,516	$354,189,201	$563,830,353	$857,655,664	$1,228,950,518	$1,869,372,635
50th Percentile	$175,770,516	$239,410,479	$317,696,365	$425,845,635	$523,586,031	$623,057,905
5th Percentile	$175,770,516	$153,653,255	$178,502,666	$194,556,845	$203,932,942	$165,285,519

Real $, Adjusted for 2.5% Expected Inflation

	Current	5 Year	10 Year	15 Year	20 Year	25 Year
95th Percentile	$175,770,516	$313,051,644	$440,463,370	$592,181,696	$749,992,791	$1,008,322,007
50th Percentile	$175,770,516	$211,603,978	$248,183,892	$294,031,743	$319,529,341	$336,071,570
5th Percentile	$175,770,516	$135,807,088	$139,445,997	$134,334,800	$124,454,349	$89,153,453

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Monte Carlo Results: Probability Analysis

What is the probability of my wealth falling below what I have started with or falling to zero ?

	5	10	15	20	25
Probability of Invading Principal	23.2%	17.4%	14.2%	14.6%	16.6%
Probability of Assets Falling to Zero	0.0%	0.0%	0.0%	0.0%	0.0%

Years

■ Probability of Invading Principal ■ Probability of Assets Falling to Zero

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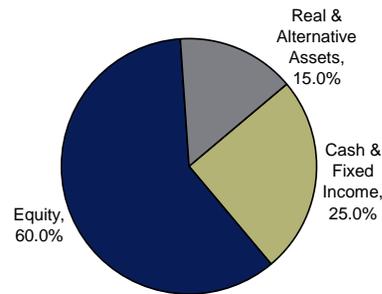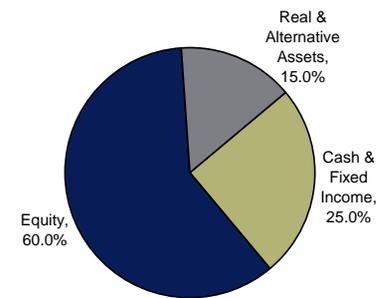# Appendix

Summary / Alts

Client Information:

Peralta Community College District Retiree Healthcare Plan	
Time Horizon	25 Years
Tax Rate	0.0%

Scenario A

Equity, 60.0%
Real & Alternative Assets, 15.0%
Cash & Fixed Income, 25.0%

Scenario B

Equity, 60.0%
Real & Alternative Assets, 15.0%
Cash & Fixed Income, 25.0%

	Scenario A	Scenario B
Hypothetical Forward Looking		
Post Tax Return	7.4%	7.4%
Standard Deviation	11.3%	11.3%
25 -Year Forward Looking Probabilities		
Invading Principal	25.6%	15.6%
Assets Falling to Zero	1.0%	0.0%

Monte Carlo Results: Hypothetical Expected Ending Values

Investment Time Horizon: 25 Years

	Scenario A	Scenario B
Nominal $		
95th Percentile	$1,645,693,008	$1,803,140,286
50th Percentile	$573,099,016	$681,922,817
5th Percentile	$117,731,609	$206,372,208
Real $, Adjusted for 2.5% Expected Inflation		
95th Percentile	$887,671,322	$972,596,902
50th Percentile	$309,124,216	$367,822,750
5th Percentile	$63,503,322	$111,315,227

Hypothetical Forward Looking estimates are the results of our Monte Carlo simulation process where we forecast an ending value of your portfolio at the investment horizon. **25 - Year Forward Looking Probabilities** estimate the likelihood of eroding your purchasing power or falling to zero. The **Hypothetical Expected Return, Risk** and **Ending Value** reflect how we believe this portfolio could behave based on market assumptions determined by the Neuberger Berman Asset Allocation Committee. Please read the disclosures in the appendix at the end of this document for details about our methodology.

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Asset Class Inputs

	Hypothetical Return	Standard Deviation (Risk)
Cash & Fixed Income		
Cash	3.85%	0.54%
Taxable Inv Grade Fixed Income	4.23%	3.82%
U.S. Govt Securities	3.97%	4.60%
Investment Grade Corporates	4.89%	6.29%
High Yield Corporates	6.14%	11.41%
U.S. Core Tax-Free	4.22%	4.63%
TIPS	4.60%	6.72%
Global Aggregate ex-U.S.	5.51%	8.87%
Equity		
U.S. All Cap Core	7.99%	16.43%
U.S. Large Cap	7.94%	16.30%
U.S. Small Cap	8.50%	21.46%
Master Limited Partnerships	8.25%	17.20%
Developed International Equities	8.79%	17.75%
Emerging Market Equities	10.06%	24.78%
Real & Alternative Assets		
Public Real Estate	8.25%	23.43%
Commodities	6.21%	17.34%
Conservative Hedge Funds	4.45%	4.29%
Private Equity	14.70%	32.60%
Inflation		
Inflation	2.50%	

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Asset Allocation

Asset Class	Taxable		Tax-Deferred		Combined	
	Percent	Dollars	Percent	Dollars	Percent	Dollars
Taxable Inv Grade Fixed Income	25.0%	-	25.0%	43,942,629	25.0%	43,942,629
U.S. Large Cap	30.0%	-	30.0%	52,731,155	30.0%	52,731,155
U.S. Small Cap	10.0%	-	10.0%	17,577,052	10.0%	17,577,052
Developed International Equities	20.0%	-	20.0%	35,154,103	20.0%	35,154,103
Public Real Estate	5.0%	-	5.0%	8,788,526	5.0%	8,788,526
Conservative Hedge Funds	5.0%	-	5.0%	8,788,526	5.0%	8,788,526
Private Equity	5.0%	-	5.0%	8,788,526	5.0%	8,788,526
Total	**100.0%**	**0**	**100.0%**	**175,770,516**	**100.0%**	**175,770,516**

	Taxable	Tax-Deferred	Combined
Hypothetical Annual Return (Post-Tax)	7.4%	7.4%	7.4%
Hypothetical Annual Risk (Std Dev)	11.3%	11.3%	11.3%

The information on this page is provided by the client and is used as inputs for the Monte Carlo simulation process. Tax rates are used to estimate the impact of federal and state income and capital gains taxes. This information is not to be used for purposes of tax planning. Tax rates are assumed to remain stable over the investment horizon. Please refer to the Appendix which contains Additional Disclosures and Index Definitions which are a required part of this presentation.

Cash Flow and Taxes

Initial Portfolio Value

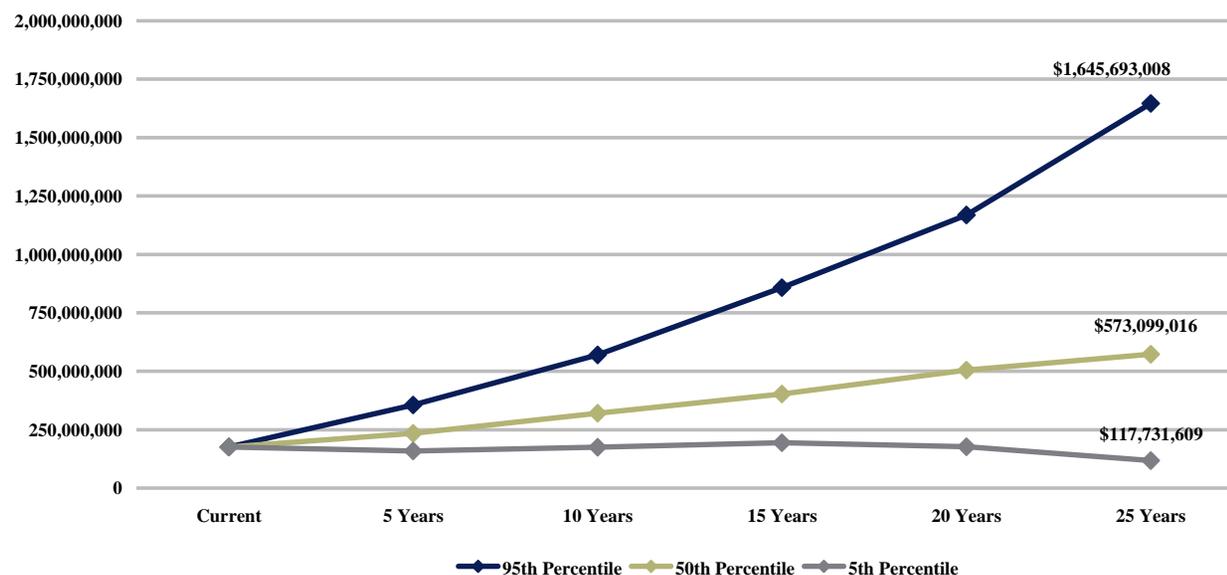|		
Taxable	$	-
Tax-Deferred	$	175,770,516
Total Initial Portfolio Value	$	175,770,516

Projected Payroll is grown 3.25% per annum
Projected Inflation is provided by the Office of the
Actuary in the Centers for Medicare & Medicaid Services
.

Client Cash Flow Needs

	Projected Payroll	ARC - %	Contributions	Projected Inflation	Withdrawals	Net Effect
2011	54,607,000	12.5%	6,825,875	--	5,800,000	1,025,875
2012	56,381,728	12.9%	7,273,243	--	9,200,000	(1,926,757)
2013	58,214,134	14.0%	8,149,979	6.2%	9,770,400	(1,620,421)
2014	60,106,093	15.0%	9,015,914	6.5%	10,405,476	(1,389,562)
2015	62,059,541	16.0%	9,929,527	6.9%	11,123,454	(1,193,927)
2016	64,076,476	16.9%	10,828,924	7.0%	11,902,096	(1,073,171)
2017	66,158,962	16.9%	11,180,865	7.2%	12,759,046	(1,578,182)
2018	68,309,128	16.9%	11,544,243	7.2%	13,677,698	(2,133,455)
2019	70,529,174	16.9%	11,919,430	7.2%	14,662,492	(2,743,062)
2020	72,821,373	16.9%	12,306,812	7.2%	15,718,192	(3,411,380)
2021	75,188,067	16.9%	12,706,783	7.2%	16,849,901	(4,143,118)
2022	77,631,679	16.9%	13,119,754	7.2%	18,063,094	(4,943,340)
2023	80,154,709	16.9%	13,546,146	7.2%	19,363,637	(5,817,491)
2024	82,759,737	16.9%	13,986,396	7.2%	20,757,819	(6,771,423)
2025	85,449,429	16.9%	14,440,953	7.2%	22,252,382	(7,811,428)
2026	88,226,535	16.9%	14,910,284	7.2%	23,854,553	(8,944,269)
2027	91,093,897	16.9%	15,394,869	7.2%	25,572,081	(10,177,212)
2028	94,054,449	16.9%	15,895,202	7.2%	27,413,271	(11,518,069)
2029	97,111,219	16.9%	16,411,796	7.2%	29,387,026	(12,975,231)
2030	100,267,333	16.9%	16,945,179	7.2%	31,502,892	(14,557,713)
2031	103,526,022	16.9%	17,495,898	7.2%	33,771,101	(16,275,203)
2032	106,890,617	16.9%	18,064,514	7.2%	36,202,620	(18,138,106)
2033	110,364,562	16.9%	18,651,611	7.2%	38,809,209	(20,157,598)
2034	113,951,411	16.9%	19,257,788	7.2%	41,603,472	(22,345,683)
2035	117,654,831	16.9%	19,883,667	7.2%	44,598,921	(24,715,255)

Monte Carlo Results

We calculated 500 different return scenarios for the portfolio and ranked the results. The median result is represented by the 50th percentile line. The 95th percentile line shows the results of the best 5% of the returns generated. Results this positive or better occurred in about 25 of the 500 trials. Conversely, the 5th percentile line shows the results of the worst 5% of the returns generated. Results this negative or worse occurred in about 25 of the 500 trials generated. Neither of these should be read as a "best-case" or "worst-case" scenario, returns can and do occur outside of this range.
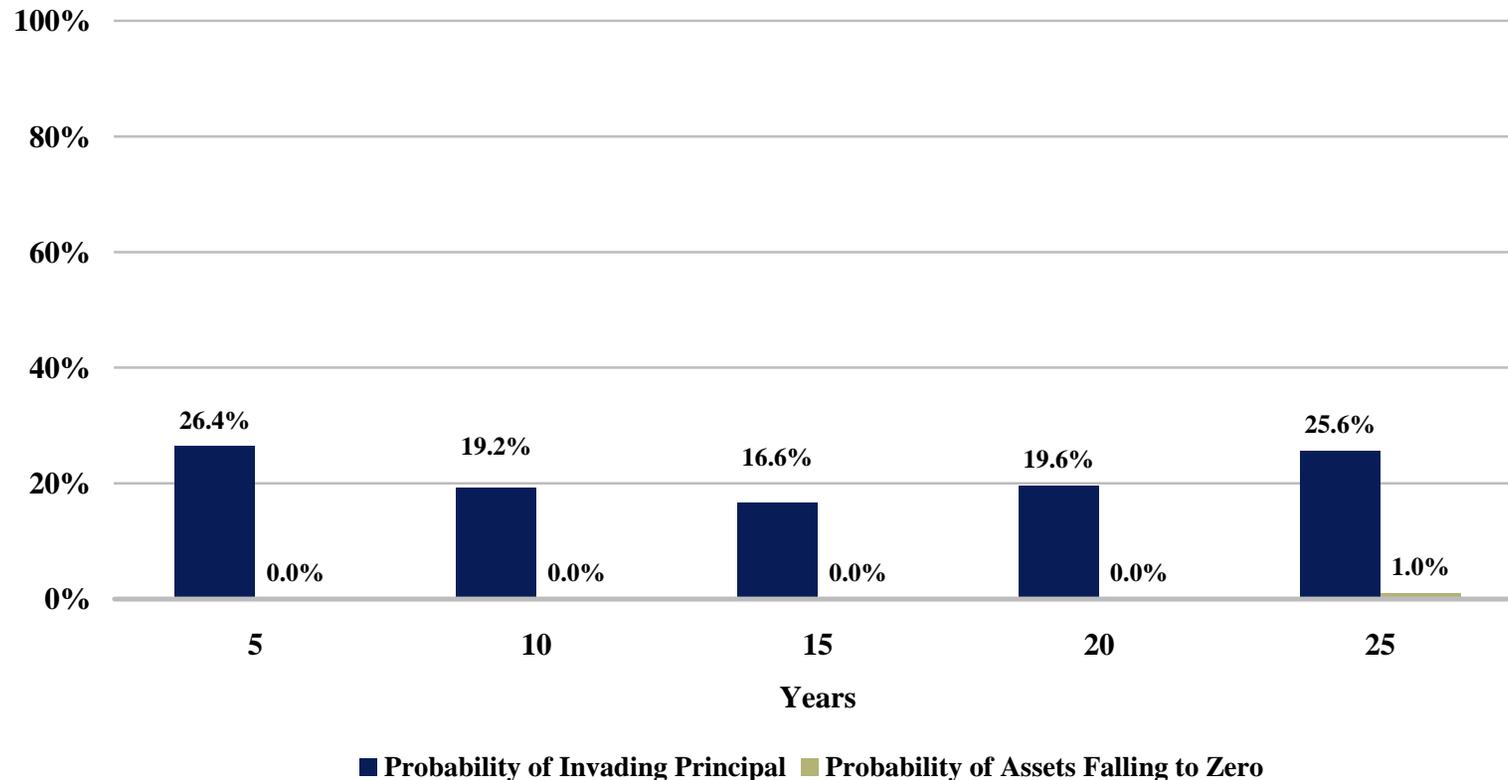
These results are estimated from the asset inputs, asset mix, account values, cash flows and tax information provided by you and shown on the prior three pages. This information is presented to assist you and your Wealth Advisor in the discussion of the investment options available to you. This is **not** a prediction or promise of future performance.

Nominal $

	Current	5 Years	10 Years	15 Years	20 Years	25 Years
95th Percentile	$175,770,516	$355,784,995	$570,366,806	$858,164,055	$1,168,624,594	$1,645,693,008
50th Percentile	$175,770,516	$234,702,824	$320,655,373	$403,026,520	$504,594,707	$573,099,016
5th Percentile	$175,770,516	$158,680,522	$175,150,670	$194,164,391	$176,861,218	$117,731,609

Real $, Adjusted for 2.5% Expected Inflation

	Current	5 Year	10 Year	15 Year	20 Year	25 Year
95th Percentile	$175,770,516	$314,462,093	$445,569,637	$592,532,722	$713,177,633	$887,671,322
50th Percentile	$175,770,516	$207,443,098	$250,495,465	$278,275,931	$307,939,488	$309,124,216
5th Percentile	$175,770,516	$140,250,460	$136,827,424	$134,063,824	$107,933,262	$63,503,322

These hypothetical portfolio values represent a point in time vs. the entire time period. The numbers displayed do not represent a guaranteed amount, but rather a range in which the hypothetical return or dollar amount for a particular investment period may fall. Results may vary with each use and over time. Hypothetical returns are gross of fees. The projections or other information generated by this analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. These hypothetical returns are used for discussion purposes only and are not intended to represent, and should not be construed to represent, predictions of future rates of return. Actual returns may vary significantly. Our assumptions are subject to change without notice. Please refer to the Appendix which contains Additional Disclosures and Index Definitions which are a required part of this presentation.

Monte Carlo Results: Probability Analysis

What is the probability of my wealth falling below what I have started with or falling to zero ?

■ **Probability of Invading Principal** ■ **Probability of Assets Falling to Zero**

The definition of Probability of Eroding Purchasing Power is based on our simulation model and your distinct investor profile. It measures the odds of your wealth falling below it's initial dollar amount at different intervals of time. The definition of Probability of Assets Falling to Zero is based on our simulation model and your distinct investor profile. It measures the odds of your wealth falling below zero dollars at different intervals of time. These hypothetical probabilities represent the percentage of simulated outcomes generated by this Monte Carlo analysis, for particular points in time as set forth above. Results may vary with each use and over time. The projections or other information generated by this analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. These hypothetical returns are used for discussion purposes only and are not intended to represent, and should not be construed to represent, predictions of future rates of return. Actual returns may vary significantly. Our assumptions are subject to change without notice. Please refer to the Appendix which contains Additional Disclosures and Index Definitions which are a required part of this presentation.

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Asset Allocation

Asset Class	Taxable		Tax-Deferred		Combined	
	Percent	Dollars	Percent	Dollars	Percent	Dollars
Taxable Inv Grade Fixed Income	25.0%	-	25.0%	43,942,629	25.0%	43,942,629
U.S. Large Cap	30.0%	-	30.0%	52,731,155	30.0%	52,731,155
U.S. Small Cap	10.0%	-	10.0%	17,577,052	10.0%	17,577,052
Developed International Equities	20.0%	-	20.0%	35,154,103	20.0%	35,154,103
Public Real Estate	5.0%	-	5.0%	8,788,526	5.0%	8,788,526
Conservative Hedge Funds	5.0%	-	5.0%	8,788,526	5.0%	8,788,526
Private Equity	5.0%	-	5.0%	8,788,526	5.0%	8,788,526
Total	**100.0%**	**0**	**100.0%**	**175,770,516**	**100.0%**	**175,770,516**

	Taxable	**Tax-Deferred**	**Combined**
Hypothetical Annual Return (Post-Tax)	7.4%	7.4%	7.4%
Hypothetical Annual Risk (Std Dev)	11.3%	11.3%	11.3%

The information on this page is provided by the client and is used as inputs for the Monte Carlo simulation process. Tax rates are used to estimate the impact of federal and state income and capital gains taxes. This information is not to be used for purposes of tax planning. Tax rates are assumed to remain stable over the investment horizon. Please refer to the Appendix which contains Additional Disclosures and Index Definitions which are a required part of this presentation.

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Cash Flow and Taxes

Initial Portfolio Value

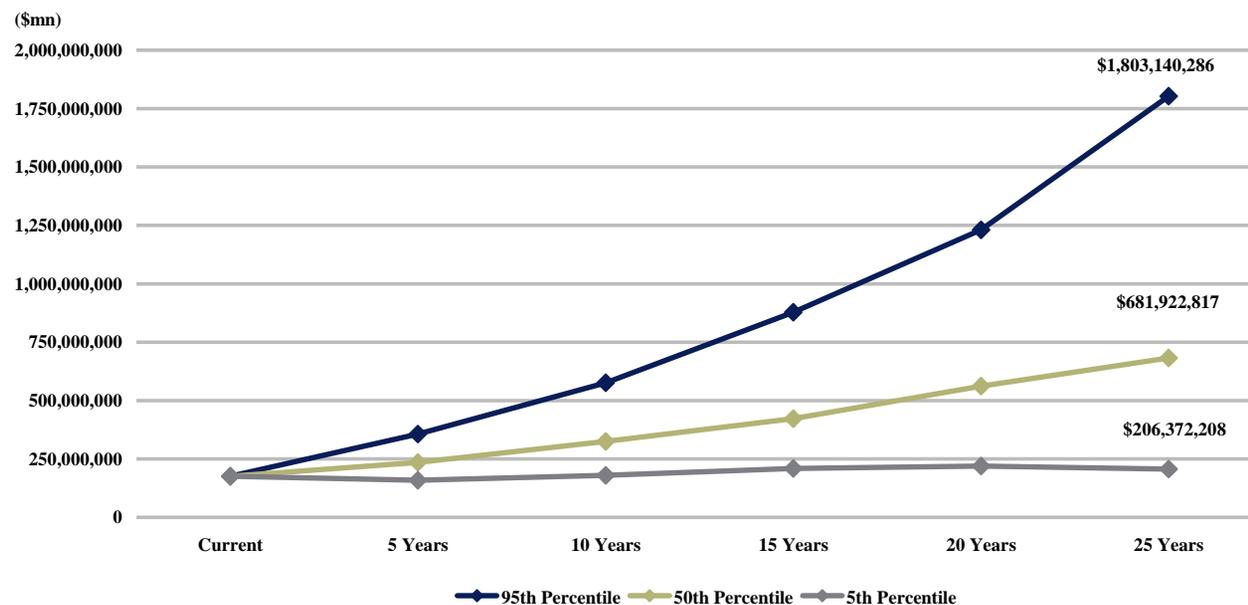|		
Taxable	$	-
Tax-Deferred	$	175,770,516
Total Initial Portfolio Value	$	175,770,516

Projected Payroll is grown 3.25% per annum
Projected Inflation is provided by the U.S. Bureau of
Labor Statistics' index for medical care. Since 1978 this
index has annualized at 5.9%.

Client Cash Flow Needs

	Projected Payroll	ARC - %	Contributions	Projected Inflation	Withdrawals	Net Effect
2011	54,607,000	12.5%	6,825,875	--	5,800,000	1,025,875
2012	56,381,728	12.9%	7,273,243	--	9,200,000	(1,926,757)
2013	58,214,134	14.0%	8,149,979	5.9%	9,742,800	(1,592,821)
2014	60,106,093	15.0%	9,015,914	5.9%	10,317,625	(1,301,711)
2015	62,059,541	16.0%	9,929,527	5.9%	10,926,365	(996,839)
2016	64,076,476	16.9%	10,828,924	5.9%	11,571,021	(742,096)
2017	66,158,962	16.9%	11,180,865	5.9%	12,253,711	(1,072,846)
2018	68,309,128	16.9%	11,544,243	5.9%	12,976,680	(1,432,437)
2019	70,529,174	16.9%	11,919,430	5.9%	13,742,304	(1,822,873)
2020	72,821,373	16.9%	12,306,812	5.9%	14,553,100	(2,246,288)
2021	75,188,067	16.9%	12,706,783	5.9%	15,411,733	(2,704,949)
2022	77,631,679	16.9%	13,119,754	5.9%	16,321,025	(3,201,271)
2023	80,154,709	16.9%	13,546,146	5.9%	17,283,965	(3,737,820)
2024	82,759,737	16.9%	13,986,396	5.9%	18,303,719	(4,317,324)
2025	85,449,429	16.9%	14,440,953	5.9%	19,383,639	(4,942,685)
2026	88,226,535	16.9%	14,910,284	5.9%	20,527,274	(5,616,989)
2027	91,093,897	16.9%	15,394,869	5.9%	21,738,383	(6,343,514)
2028	94,054,449	16.9%	15,895,202	5.9%	23,020,947	(7,125,745)
2029	97,111,219	16.9%	16,411,796	5.9%	24,379,183	(7,967,387)
2030	100,267,333	16.9%	16,945,179	5.9%	25,817,555	(8,872,376)
2031	103,526,022	16.9%	17,495,898	5.9%	27,340,791	(9,844,893)
2032	106,890,617	16.9%	18,064,514	5.9%	28,953,897	(10,889,383)
2033	110,364,562	16.9%	18,651,611	5.9%	30,662,177	(12,010,566)
2034	113,951,411	16.9%	19,257,788	5.9%	32,471,246	(13,213,457)
2035	117,654,831	16.9%	19,883,667	5.9%	34,387,049	(14,503,383)

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Monte Carlo Results

($mn)

2,000,000,000					
1,750,000,000					$1,803,140,286
1,500,000,000					
1,250,000,000					
1,000,000,000					$681,922,817
750,000,000					
500,000,000					$206,372,208
250,000,000					
0					

Current 5 Years 10 Years 15 Years 20 Years 25 Years

◆ 95th Percentile ◆ 50th Percentile ◆ 5th Percentile

Nominal $

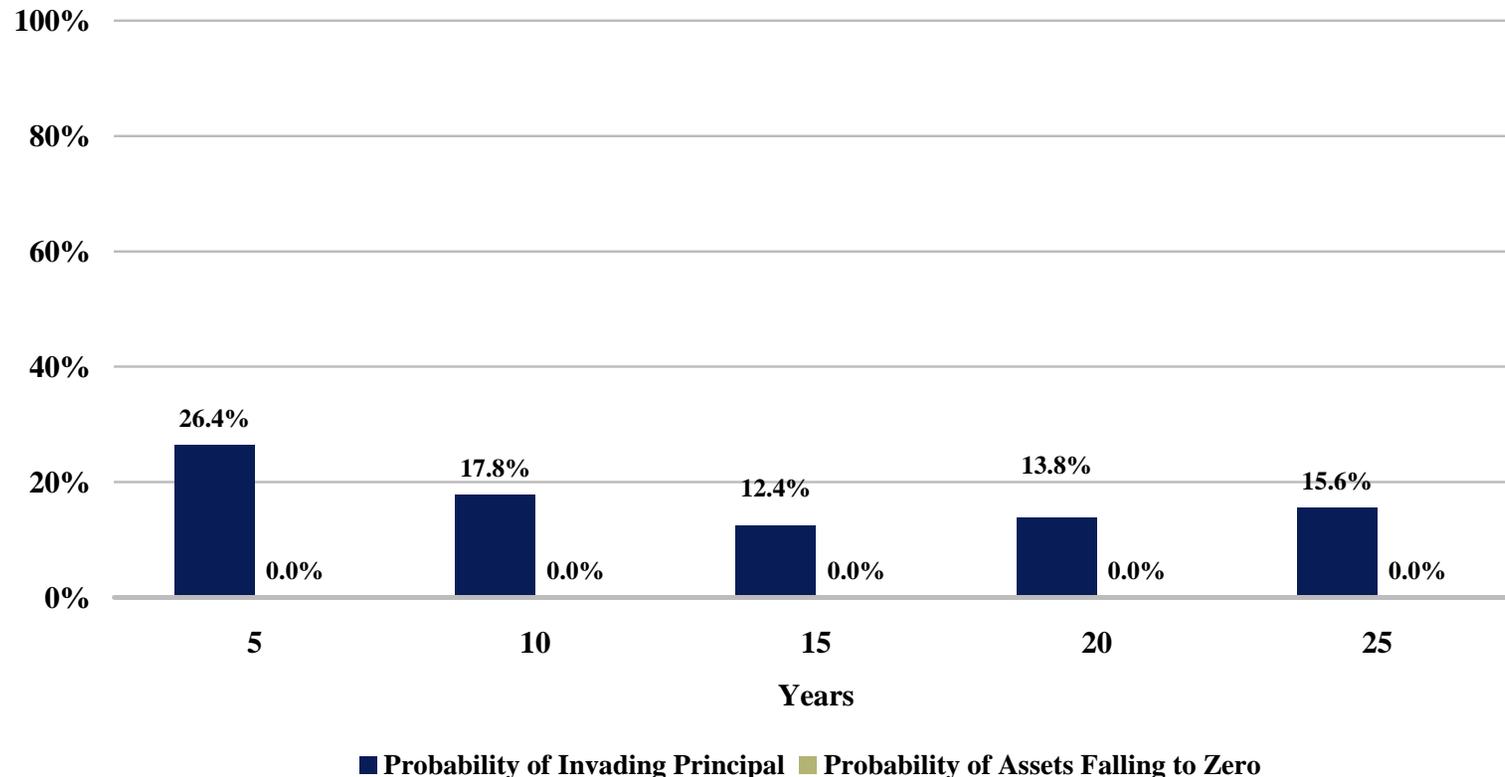|	Current	5 Years	10 Years	15 Years	20 Years	25 Years
95th Percentile	$175,770,516	$356,127,751	$576,005,753	$878,409,230	$1,230,938,273	$1,803,140,286
50th Percentile	$175,770,516	$235,024,141	$325,100,306	$422,113,269	$562,294,204	$681,922,817
5th Percentile	$175,770,516	$158,998,255	$179,298,037	$209,154,321	$219,485,117	$206,372,208

Real $, Adjusted for 2.5% Expected Inflation

	Current	5 Year	10 Year	15 Year	20 Year	25 Year
95th Percentile	$175,770,516	$314,765,040	$449,974,774	$606,511,318	$751,205,861	$972,596,902
50th Percentile	$175,770,516	$207,727,095	$253,967,840	$291,454,673	$343,151,814	$367,822,750
5th Percentile	$175,770,516	$140,531,289	$140,067,340	$144,413,855	$133,945,389	$111,315,227

We calculated 500 different return scenarios for the portfolio and ranked the results. The median result is represented by the 50th percentile line. The 95th percentile line shows the results of the best 5% of the returns generated. Results this positive or better occurred in about 25 of the 500 trials. Conversely, the 5th percentile line shows the results of the worst 5% of the returns generated. Results this negative or worse occurred in about 25 of the 500 trials generated. Neither of these should be read as a "best-case" or "worst-case" scenario, returns can and do occur outside of this range.

These results are estimated from the asset inputs, asset mix, account values, cash flows and tax information provided by you and shown on the prior three pages. This information is presented to assist you and your Wealth Advisor in the discussion of the investment options available to you. This is **not** a prediction or promise of future performance.

These hypothetical portfolio values represent a point in time vs. the entire time period. The numbers displayed do not represent a guaranteed amount, but rather a range in which the hypothetical return or dollar amount for a particular investment period may fall. Results may vary with each use and over time. Hypothetical returns are gross of fees. The projections or other information generated by this analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. These hypothetical returns are used for discussion purposes only and are not intended to represent, and should not be construed to represent, predictions of future rates of return. Actual returns may vary significantly. Our assumptions are subject to change without notice. Please refer to the Appendix which contains Additional Disclosures and Index Definitions which are a required part of this presentation.

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Monte Carlo Results: Probability Analysis

What is the probability of my wealth falling below what I have started with or falling to zero ?

Legend: ■ Probability of Invading Principal ■ Probability of Assets Falling to Zero

X-axis: Years (5, 10, 15, 20, 25)

Data:
- 5 years: 26.4% (Invading Principal), 0.0% (Assets Falling to Zero)
- 10 years: 17.8%, 0.0%
- 15 years: 12.4%, 0.0%
- 20 years: 13.8%, 0.0%
- 25 years: 15.6%, 0.0%

The definition of Probability of Eroding Purchasing Power is based on our simulation model and your distinct investor profile. It measures the odds of your wealth falling below it's initial dollar amount at different intervals of time. The definition of Probability of Assets Falling to Zero is based on our simulation model and your distinct investor profile. It measures the odds of your wealth falling below zero dollars at different intervals of time. These hypothetical probabilities represent the percentage of simulated outcomes generated by this Monte Carlo analysis, for particular points in time as set forth above. Results may vary with each use and over time. The projections or other information generated by this analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. These hypothetical returns are used for discussion purposes only and are not intended to represent, and should not be construed to represent, predictions of future rates of return. Actual returns may vary significantly. Our assumptions are subject to change without notice. Please refer to the Appendix which contains Additional Disclosures and Index Definitions which are a required part of this presentation.

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Additional Disclosures

Criteria and Methodology

Asset Class Universe: The asset classes are selected to represent the universe of normally available investments. They are not inclusive of all investments available to an investor and not all asset classes will be available to each investor. Each asset class is represented by a benchmark index, these are listed and described on the "Index Definitions" section on the following pages.

Asset Class Inputs: The asset class inputs are revised each quarter by the Neuberger Berman Investment Committee or more frequently if required by changing economic conditions. These inputs are **hypothetical** in nature and are not based on actual returns earned by any account, index or asset. These inputs are forward-looking and are subject to periodic revision.

Portfolio Hypothetical Return: Hypothetical return for the portfolio is the weighted average of the hypothetical returns of the asset classes used in the portfolio as shown on page three. It is determined by the given portfolio asset class weights and the hypothetical returns from the asset class inputs. After-tax hypothetical return reflects the impact of capital gains and income taxes at the rates given by the client. No effort is made to forecast future income tax rates or tax policy changes.

Portfolio Hypothetical Standard Deviation: Standard deviation is a measure of risk that considers the dispersion of returns. Hypothetical expected standard deviation of the component asset classes is shown on page three. Hypothetical expected standard deviation of the portfolio is determined by the weights of the portfolio mix, the standard deviations of the individual asset classes shown on page three, and correlations of the assets calculated by historic correlations of the benchmark indices described on the "Index Definitions" section on the following pages. Post-tax standard deviation considers the effect of the given capital gains tax rate on portfolio standard deviation.

Portfolio Hypothetical Yield: Portfolio yield is the weighted average of the hypothetical yields of the asset classes used in the portfolio as shown on page three. Post-tax hypothetical yield considers the impact of the given client income tax rate on the yield of the account.

Estimated Annual Portfolio Turnover: Turnover represents the proportion of the portfolio that is assumed to be sold each year for purposes of estimating the Capital Gains Tax. This figure is provided by the Wealth Advisor. For example, if the turnover percentage is 20%, then one-fifth of the portfolio is turned over each year, resulting in capital gains exposure. A 20% turnover rate implies a five-year holding period for the portfolio to turn over 100%.

Monte Carlo Simulation: The Monte Carlo simulation engine is provided by Neuberger Berman. The simulation process generates 500 possible returns for each asset class for each time horizon of the simulation. Returns are randomly selected from a lognormal distribution based on asset class inputs. The simulation considers given cash flows and tax rates and generates wealth levels at each given time horizon and probability percentile. Because of the random element of return generation, results may not be exactly equal when re-running the simulation with the same inputs.

RESULTS OF THIS SIMULATION MAY VARY WITH EACH USE AND OVER TIME

Additional Disclosures

Criteria and Methodology

Limitations: This forecasting tool does not attempt to predict future changes in asset class returns, risk levels, interest rate changes or any other variable. The model is sensitive to small changes in inputs which can produce large changes in outputs. All analyzed portfolios are hypothetical as it is not possible to invest directly in market indices. Results are gross of fees and are not adjusted for commissions, other transaction costs or investment advisory fees, all of which are expenses paid by actual accounts. Neuberger Berman, LLC ("NB") advisory fees are described in Part II of its Form ADV and their deduction has a compounding negative effect on performance returns. For example, if NB achieved a 10% annual return each year for 10 years and an annual advisory fee of 1% of assets under management was charged quarterly, for the 10 Year period the resulting annual average return after fees would be reduced to 8.9%. There is no guarantee that future performance results of the Monte Carlo Results or any asset class or any particular security will be comparable to past performance.

Key Assumptions: The model assumes the investor is well diversified within each asset class and can underestimate actual standard deviation of portfolios that are not well diversified within each asset class. The model assumes that asset class hypothetical return, standard deviation and yield behavior is stable over time. The model assumes that the investor can realistically implement proposed asset class mixes in the real world, it does not account for minimum required investment levels, hedge fund qualification requirements or other restrictions to the investor's universe of investment options. It is assumed that tax rates will be stable over the investment horizon and that withdrawal levels will happen as forecast.

Universe of Investments Considered: The investments considered are generic asset classes based on benchmark indices, these are listed and described on the "Index Definitions" section on the following pages.

How the Asset Classes are Selected: Asset class selection and weights are determined by the Wealth Advisor in consultation with the client. Portfolios may reflect the client's current portfolio or various portfolios recommended by the Wealth Advisor or any other portfolio mix that the Wealth Advisor or client may wish to analyze. The simulation engine does not select which asset classes are considered, it merely analyzes the probable result of investment scenarios determined by the Wealth Advisor in consultation with the client. Other investments not considered may have characteristics similar or superior to those being analyzed.

Time Horizon: The standard twenty-five year time horizon is selected based on the long-term nature of equilibrium risk/return assumptions and not based on age(s) of prospective client(s).

IMPORTANT: The projections or other information generated by this analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

Asset Class Benchmarks and Definitions

Asset Class	Benchmark	Definition of Benchmark
Investment Grade Taxable Fixed Income	Barclays Capital U.S. Aggregate	The Barclays Capital U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. Index rules: Must have at least one year to final maturity regardless of call features. • Must have at least $250 million par amount outstanding. Asset-backed securities must have at least $500 million deal size and $25 million tranche size. For commercial mortgage-backed securities, the original transaction must have a minimum deal size of $500 million, and a minimum tranche size of $25 million; the current outstanding transaction size must be at least $300 million to remain in the index. • Must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be investment-grade. • Must be fixed rate, although it can carry a coupon that steps up or changes according to a predetermined schedule. • Must be dollar-denominated and non-convertible. • Must be publicly issued. However, 144A securities with Registration Rights and Reg-S issues are included.
U.S. Government/Agency	Barclays Capital U.S. Government	The U.S. Government Index is comprised of the U.S. Treasury and U.S. Agency Indices. The index includes Treasuries (public obligations of the U.S. Treasury that have remaining maturities of more than one year) and U.S. agency debentures (publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The index is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.
Investment Grade Corporates	Barclays Capital U.S. Corporate	The U.S. Corporate Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers that meet specified maturity, liquidity and quality requirements. Securities in the index roll up to the U.S. Credit and U.S. Aggregate Indices. The U.S. Corporate Index was launched on January 1, 1973.
Agency MBS	Barclays Capital U.S. MBS	The U.S. Mortgage Backed Securities (MBS) Index covers agency mortgage-backed passthrough securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). Introduced in 1986, the GNMA, FHLMC, and FNMA fixed-rate indices for 30- and 15- year securities were backdated to January 1976, May 1977, and November 1982, respectively. Balloon securities were added in 1992 and removed on January 1, 2008. 20-year securities were added in July 2000. On April 1, 2007, agency hybrid adjustable-rate mortgage (ARM) passthrough securities were added to the U.S. MBS Index. Hybrid ARMs are eligible until 1 year prior to their floating coupon date.
Securitized ABS/CMBS	Barclays Capital ABS + CMBS	The ABS + CMBS Index is a custom index including the investment grade ABS and CMBS components of the U.S. Aggregate index. Securities must be rated investment-grade by at least two of the following ratings agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be investment-grade. Securities must be ERISA eligible under the underwriter's exemption. 144A securities are not included. The ABS index includes pass-through, bullet, and controlled amortization structures. The ABS index includes only the senior class of each ABS issue and the ERISA-eligible B and C tranche. Inherited Rules: must have an average life of at least one year, must have at least $500 million deal size and $25 million tranche size. Must be fixed rate, must be the senior class, ERISA-eligible B or C tranche of the deal. Must belong to one of the following categories of asset-backed securities: Credit Card and Charge Card, Auto Loan, Utility or must be issued from an eligible issuer as determined by Barclays Capital based on pricing availability.

Asset Class Benchmarks and Definitions

Asset Class	Benchmark	Definition of Benchmark
High Yield Corporates	Barclays Capital U.S. Corporate High-Yield Bond	The U.S. Corporate High-Yield Bond Index covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's Fitch, and S&P is Ba1/BB+/BB+ or below. The index excludes Emerging Markets debt. The index was created in 1986, with index history backfilled to January 1, 1983. The U.S> Corporate High-Yield Index is part of the U.S. Universal and Global High-Yield Indices.
Municipal Bonds	Barclays Capital Municipal Bond	The U.S. Municipal Index covers the USD-denominated long term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds. Many of the indices have historical data to January 1980. In addition, several subindices based on maturity and revenue source have been created, some with inception dates after January 1980 but no later than July 1, 1993. In January 1996, Barclays Capital also began publishing a non-investment grade municipal bond index and "enhanced" state-specific indices for Arizona, Connecticut, Maryland, Massachusetts, Minnesota and Ohio. These indices are published separately from the Barclays Capital Municipal Bond Index.
U.S. TIPS	Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS)	The U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L) is a rules-based, market value-weighted index that tracks inflation protected securities issued by the U.S. Treasury. The index is a subset of the Global Inflation-Linked Index (Series-L), with a 36.4 market value weight in that index (as of December 31, 2009), but is not eligible for other nominal Treasury or Aggregate indices. To prevent the erosion of purchasing power, TIPS are indexed to the non-seasonally adjusted Consumer Price Index for All Urban Consumers, or the CPI-U (CPI).
Non-U.S. Investment Grade Fixed Income	Barclays Capital Global Aggregate x USD	The Global Aggregate ex-U.S. Index is a subindex of the Global Aggregate Bond Index, which contains the U.S. Aggregate, the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government and agency and corporate securities. Constituents must have a remaining maturity of at least one year. Mortgages and asset-backed securities must have a remaining average life of at least one year. Securities must be fixed rate, although zero coupon bonds and step-ups are permitted. Exclusions: Convertibles, floating-rate notes, fixed-rate perpetuals, warrants, linked bonds, and structured products, debt denominated in Swiss Francs and privately placed Japanese Government Bonds.
U.S. All Cap Core	Russell 3000	The Russell 3000 Index measures the performance of the largest 3,000 U.S. companies, representing approximately 98% of the investable U.S. equity market. As of the latest reconstitution, the weighted average market capitalization was approximately $58.2 billion; the median market capitalization was approximately $589 million. The index had a total market capitalization range from approximately $78 million to $338 billion.
U.S. Large Cap	Russell 1000	The Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3000® Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the weighted average market capitalization was approximately $62.8 billion; the median market capitalization was approximately $3.4 billion. The smallest company in the index had an approximate market capitalization of $829 million.
U.S. Large Cap Growth	Russell 1000 Growth	The Russell 1000 Growth Index measures the performance of those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values.
U.S. Large Cap Value	Russell 1000 Value	The Russell 1000 Value Index measures the performance of those Russell 1000® companies with lower price-to-book ratios and lower forecasted growth values.
U.S. Small Cap	Russell 2000	The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the weighted average market capitalization was approximately $732 million; the median market capitalization was approximately $306 million. The largest company in the index had an approximate market capitalization of $1.7 billion and the smallest of $78 million.

Asset Class Benchmarks and Definitions

Asset Class	Benchmark	Definition of Benchmark
U.S. Small Cap Growth	Russell 2000 Growth	The Russell 2000 Growth Index measures the performance of those Russell 2000® companies with higher price-to-book ratios and higher forecasted growth values.
U.S. Small Cap Value	Russell 2000 Value	The Russell 2000 Value Index measures the performance of those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth values.
Master Limited Partnerships	Alerian MLP	The Alerian MLP Index is a market-cap weighted, float-adjusted index created to provide a comprehensive benchmark for investors to track the performance of the energy MLP sector. The index components are selected by Alerian Capital Management, LLC ("Alerian"). Alerian is a registered investment advisor that exclusively manages portfolios focused on midstream energy MLPs.
Developed International Equities	MSCI EAFE – Net Return	The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. As of June 2006 the MSCI EAFE Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.
Emerging Market Equities	MSCI Emerging Markets – Net Return	The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of June 2006 the index consisted of the following 25 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.
Public Real Estate	FTSE NAREIT REIT	The FTSE NAREIT REIT Index measures the performance of all publicly traded equity real estate investment trusts traded on U.S. exchanges. NAREIT is the National Association of Real Estate Investment Trusts®. It is the trade association for REITs and publicly traded real estate companies with an interest in the U.S. property and investment markets. Members are REITs and listed companies that own, operate and finance income-producing real estate, as well as those firms and individuals who advise, study and service these businesses. NAREIT's responsibilities include industry representation before policymakers affecting the REIT and publicly traded real estate community and outreach to the investment community.
Commodities	Dow Jones-UBS Commodity	The Dow Jones-UBS Commodity Index is composed of futures contracts on physical commodities. The index is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME). The index is designed to be a highly liquid and diversified benchmark for commodities investments. To ensure that no single commodity or commodity sector dominates the index, the index relies on several diversification rules. Among these rules are the following: no related group of commodities (eg., energy, precious metals, livestock or grains) may constitute more than 33% of the index. Also, no single commodity may constitute less than 2% of the index. The diversification rules are applied annually when the index is reweighted and rebalanced on a price-percentage basis.
Conservative Hedge Funds	HFRI FOF Conservative	The HFRI FOF Conservative Index includes Fund-of-Funds (FOFs) classified as 'Conservative' which exhibit one or more of the following characteristics: seeks consistent returns by primarily investing in funds that generally engage in more 'conservative' strategies such as Equity Market Neutral, Fixed Income Arbitrage, and Convertible Arbitrage; exhibits a lower historical annual standard deviation than the HFRI Fund of Funds Composite Index. A fund in the HFRI FOF Conservative Index shows generally consistent performance regardless of market conditions.
Private Equity	ThomsonOne Private Equity	The ThomsonOne Private Equity Index is a capitalization-weighted composite IRR of the buyout, venture, and special situations fund performances reported to Thomson; all historical IRRs are subject to, and regularly undergo, revision.

Additional Disclosures

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