

# Southern Illinois University Foundation

## About the Foundation

The Southern Illinois University Foundation was established in 1942 to solicit, receive, hold, and administer gifts from private sources for educational purposes. The Foundation provides alumni and other friends a means to invest in the future of their University. The Foundation is an independent, nonprofit corporation, which exists solely to further the mission of Southern Illinois University Carbondale.

The Foundation is a designated 501(c)(3) organization with appropriate approval from the Internal Revenue Service to issue tax-deductible receipts for private gifts received to support Southern Illinois University Carbondale.

As indicated in SIU's long range plan, [Southern at 150: Building Excellence Through Commitment](#), the University, through the Foundation, must actively cultivate resources to supplement and stabilize the revenue sources for the benefit of Southern Illinois University. The aspiration targets of implementing a series of capital campaigns, increasing the SIU Foundation's endowment tenfold, and increasing annual donations by 10 percent per year to at least \$50 million annually will assist the university with its vision for the future.

### How we manage gifts

- Gifts given to the Foundation are used as the donor advises. A majority of the contributions are restricted for scholarships, a particular college, specific departments or other designated purposes.
- Gifts of securities are promptly converted to cash.
- The Foundation generates a gift acknowledgement which will be mailed promptly.
- The Foundation disburses non-endowed funds for the benefit of SIU.
- For the purpose of strengthening the advancement program and partially defraying the costs associated with the execution of the Southern at 150 initiative to increase private support, a fee of six percent will be assessed on gifts made to Southern Illinois University or the Southern Illinois University Foundation effective July 1, 2004.
- Endowments are assessed an annualized fee of 1.5% of the market value.

## Financial Information

The Southern Illinois University Foundation takes great pride in stewarding the private gifts raised to support Southern Illinois University by acting in a fiduciary capacity when funds are received and expending money as required by the terms of the gift. Financial reporting provided by stewardship supplies donors with information regarding how investment funds have progressed over the last year, summarizing capital value and performance.

The financial and investment operations of the SIU Foundation are under the direct oversight of the Foundation Board of Directors. Investment decisions are made by the Investment Committee, all of whom are volunteers, in coordination with an outside independent consulting firm hired as an advisor to assist in the process. The invested funds are managed by professional investors whose performance is reviewed quarterly by the Investment Committee.

The SIU Foundation financial statements are audited annually by an independent audit firm in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The independent auditors report directly to the SIU Foundation Audit Committee and to the Auditor General.

The SIU Foundation exists for the primary purpose of aiding and assisting SIU in achieving its educational, research, and service goals and responsibilities. We seek positive outcomes and relationships that will address the needs of our donors and friends as well as the development priorities of the University.

## Endowments Overview

Endowed funds are invested for perpetuity rather than using the cash for immediate needs. A portion of the earnings from an endowment is distributed to an expendable fund. The remainder is added back into the endowment.

An endowment gift can be designated for specific purposes, such as faculty development or scholarships, or it may be unrestricted. Contributions to an endowment can be in the form of cash, securities, life insurance, or real estate. You may also establish an endowment through planned giving options such as your will or charitable trusts. In any case, the gift will remain invested, and only the investment income from the gift will be used each year for the purpose designated.

The minimum required amount to establish an endowment is \$25,000 (payable over a five year period). When you create an endowment, you are creating a legacy that lives forever. An endowment creates a gift in perpetuity that can remember a loved one, a special mentor, your family or yourself.

### ***Endowed Chair: \$1 million***

Income from such an endowment will be used to provide salary supplement and other support such as graduate assistants, travel, equipment, etc. to the chair holder;

### ***Endowed Professorship: \$250,000***

Income from such an endowment will be used to provide salary supplement and other support such as graduate assistants, travel, equipment, etc. to the holder of the professorship;

### ***Endowed Visiting Lecturer: \$250,000***

Income from such an endowment will be used to provide support to bring to campus individuals of note; such support includes but is not limited to stipends for the lecturer, travel expenses, publication costs, etc.;

***Endowed Faculty Fellowship: \$100,000***

Income from such an endowment will be used to provide salary supplement and other support such as graduate assistants, travel, equipment, etc. to the fellowship recipient;

***Endowed Graduate Fellowships: \$50,000***

Income used to provide stipend supplements to graduate students;

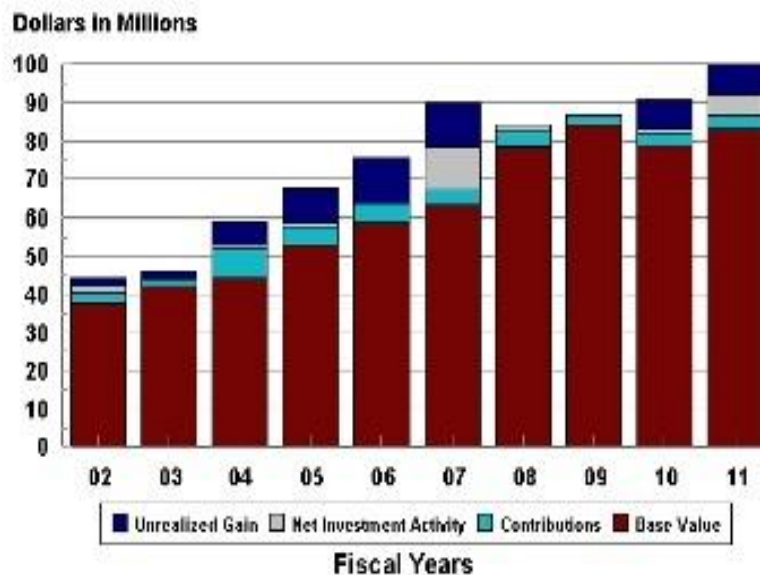
***Endowed Scholarships: \$25,000***

Income used to provide merit, diversity, and need based scholarships to students; and

***Facilities (Generally 51% of the Cost)***

Naming opportunities are available for buildings and other facilities such as labs, classrooms, athletic fields and arenas, etc. Such naming opportunities must be approved according to University policies and practices prior to any commitment made to the donor.

**Southern Illinois University Foundation  
Market Value of Endowments  
FY02 through FY11**



## Spending Distribution Policy

New contributions to endowment funds are invested quarterly into the endowment investment pool. Interest, dividends, realized capital gains/losses, unrealized gains/losses and other investment income are allocated monthly to the endowment funds based on the number of shares the fund owns in the endowment pool at the beginning of the month. A portion of this revenue is distributed annually to a corresponding expendable fund to be used for the endowment's stated purpose.

The SIU Foundation's Board of Directors has adopted a hybrid approach in determining the spending distribution. This approach takes into consideration the duration and preservation of the endowments, purpose of the endowment funds, general economic conditions, the possible effect of inflation or deflation, expected total return from income and the appreciation of the investments, other resources of the institution, and the investment policy.

The spending calculation is presented to the Foundation's Executive Committee annually for approval. Once approved, the spending distribution is allocated based on the number of shares the endowment fund has in the pool as of December 31st. The allocated spending is then distributed annually to the corresponding expendable fund on July 1st.

To keep within the spirit of the Uniform Prudence Management of Institutional Funds Act (UPMIFA) but guard against a major depletion of the endowment fund, the Foundation's Board approved the allocation and a distribution for spending as long as the market value of the endowment fund is 80% or more of its principle. Endowment funds that do not meet this minimum are considered at risk of depletion and will accumulate the investment earnings until reaching the 80% level.

The Foundation charges an annual 1.5% investment fee on the endowment funds based on the fund's December 31st market value. The fee is also allocated on December 31st, and distributed to the Foundation's General Fund on July 1st.

### **Spending Distribution Calculation**

The spending distribution calculation is the sum of a) the previous year's spending increased by the higher education inflation rate (HEPI) and weighted at eighty percent added to b) a three year average of the endowment pool's ending balance as of December 31st multiplied by a fixed spending rate which considers the long-term investment performance estimate of the pool less HEPI and weighted at twenty percent reduced by c) the 1.5% investment fee, resulting in a net distribution rate.

### **Example:**

The spending calculation for the funds allocated on December 31, 2010 and distributed to the corresponding fund on July 1, 2011 was based on the FY11 distribution of \$4,584,557.95, HEPI of 0.9% as of December 31, 2010, a three-year moving average of \$77,517,885.87, and a fixed spending rate of 7% (long-term investment rate of 7.9% - HEPI of 0.9%) less the 1.5% investment fee.

or

a)  $[(4,584,557.95 * 1.009) * .8 \text{ (weighting)}] + b) [(77,517,885.87 * .07) * .2 \text{ (weighting)}] = 4,785,905.58$  or 5.212% (distribution pool market value as of December 31, 2010) less c) 1.5% investment fee, for a net distribution of 3.712%.

## Distribution Projection

To project the annual amount that a new endowment may distribute for spending, the following calculation should be used:

Amount of contribution reduced by the supplement fee multiplied by the net distribution rate

### Example:

If one wishes to know how much revenue would be distributed annually from a new \$25,000 endowment for a scholarship, the following calculation should be used (note: this example uses the December 31, 2010 distribution rate of 3.712%):

$\$25,000 \times .94 \text{ (use of .94 reduces 100\% contribution by 6\% supplement fee)} \times .03712 = \$872$

Please remember this is only an estimate. The endowment spending distribution rate changes each year due to the changes in the market value of the endowment investment pool, higher education price index and long-term investment performance estimate.

To project the annual amount of an existing endowment, the following calculation should be used:

Market value of endowment as of December 31st multiplied by net distribution rate

## Projecting Endowment Level

To project the amount needed for a new endowment to generate a specific amount of revenue distribution, the following calculation should be used:

Amount of desired annual distribution divided by the supplemental fee divided by the net distribution

### Example:

If one wishes to know the amount needed to fund a new endowment which would generate an annual \$6,000 for a scholarship, the following calculation should be used (note: this example uses the December 31, 2010 distribution rate of 3.712%):

$\$6,000 / .94 \text{ (use of .94 increases 100\% annual distribution by 6\%)} / .03712 = \$171,955$

Please remember this is only an estimate. The endowment spending distribution rate changes each year due to the changes in the market value of the endowment investment pool, higher education price index and long-term investment performance estimate.

## Fees

The Foundation charges an annualized one and half percent investment fee on the endowments. This fee is based on the balance of the endowment as of December 31st. The purpose of this fee is to defray expenses and support the general charitable purpose of the Foundation. The endowments are also charged the investment manager's fee which was 34.1 basis points or .341% for fiscal year FY11. The Foundation General Fund incurs the cost of the investment consultant.

The SIU Foundation applies a one-time six percent supplement fee to all gifts of cash and securities. The Foundation uses five percent of the fee to fund central operations and returns one percent to the generating colleges or units to support their specific advancement activities. It is the Foundation's goal to increase private support which will assist the various colleges of the University in providing quality services to its students, alumni, and the communities we serve.

## Investment Overview

In recognition of its fiduciary responsibilities, the Southern Illinois University Foundation Board of Directors (the "Board") has, through its Investment Committee (Committee), adopted two investment policy statements. The first statement (the "Endowment Statement") relates to contributions in the form of endowments with long-term benefit objectives, those monies set aside and designated by the Board as quasi-endowments or term endowments, and gift annuities. The second statement (the "Unrestricted Statement") relates to contributions in the form of non-endowed funds. The Endowment/Annuity Pool and the Unrestricted/Restricted Pool are managed according to the State of Illinois' Uniform Management of Institutional Funds Act and in a manner consistent with the investment objectives stated below.

The Board and the Committee recognize the need for the Endowment/Annuity Pool to provide support for Southern Illinois University and its mission over the long term. Accordingly, the endowment statements establish written policies and procedures for the investment of the Foundation's endowment assets and ensure that the future growth of these assets is sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the endowment for future generations of students, staff and faculty. Spending will be determined by the Endowment Distribution Policy established by the Executive Committee of the SIU Foundation Board of Directors. (See the Endowment link on the Financial Information page.)

The Endowment Distribution Policy provides for annual distributions based upon a formula approved by the Foundation's Executive Committee. This distribution rate plus inflation will not normally exceed the total return of the fund over the period. A total return basis for calculating spending is permitted by the Uniform Management of Institutional Funds Act, under which guidelines the Foundation is permitted to spend the current yield (interest and dividends earned), and realized and unrealized net appreciation.

The Board and the Committee recognize the need for the Unrestricted/Restricted Pool to support the operations of the Foundation and to provide support for Southern Illinois University and its mission. While shorter-term investment results will be monitored, adherence to a sound investment policy, which balances short-term spending needs with preservation of the "real" (inflation-adjusted) value of assets, is crucial to the long-term success of the Unrestricted/Restricted Pool.

The objectives of both the Endowment/Annuity and the Unrestricted/Restricted Pools shall be defined as follows: absolute, which shall be measured in real (net of inflation) rate-of-return terms and shall have the longest time horizon for measurement; relative, which shall be measured as time-weighted rates of return versus capital market indices; and comparative, which shall be measured as the performance of the investment managers compared with a universe of similar managed funds.

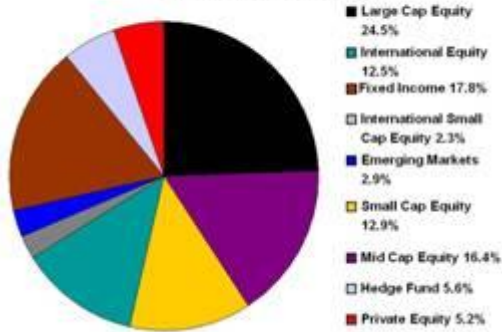
The absolute performance objective of the Endowment/Annuity Pool portfolio is to seek an average total annual real return of spending net of inflation and administrative costs. The intent of this objective is to preserve, over time, the principal value of assets as measured in real, inflation-adjusted terms. The absolute performance objective of the Unrestricted/Restricted Pool portfolio is to keep pace with inflation and investment cost while providing an income stream to the Foundation. These objectives shall be measured over a full market cycle (generally defined as a three to five year period) without exceeding a standard deviation of 1.2 times a weighted benchmark index.

The relative objective of both pools is to seek competitive investments performance versus appropriate capital market measures. This objective shall be measured primarily by comparing investment results to the benchmark index which will be comprised of each asset class index weighted by its target allocation. It is expected that the portfolio will outperform its weighted benchmark index over a full market cycle.

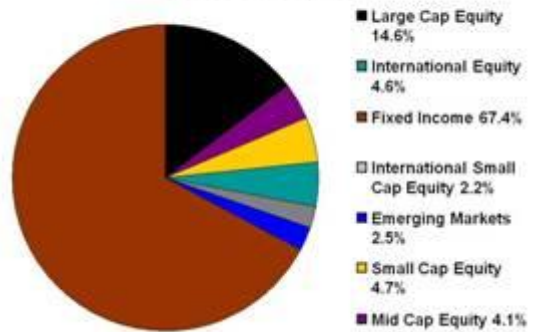
The comparative performance objective of the endowment is to achieve a total rate of return that is above the median performance of the universe of the similarly managed funds.

# Investment Asset Allocation

SIU Foundation Endowment/Annuity Allocation as of June 30, 2011



SIU Foundation Unrestricted/Restricted Allocation as of June 30, 2011



SIU Foundation Endowment/Annuity Allocation as of June 30, 2011

Asset Class	Current Weight	Target Weight
Large Cap Equity	24.5%	22.0%
Mid Cap Equity	16.4%	16.0%
Small Cap Equity	12.9%	10.0%
International Equity	12.5%	12.0%
International Small Cap Equity	2.3%	3.0%
Emerging Markets	2.9%	3.0%
Fixed Income	17.8%	14.0%
Hedge Fund	5.6%	10.0%
Private Equity	5.2%	10.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

SIU Foundation Unrestricted/Restricted Allocation as of June 30, 2011

Asset Class	Current Weight	Target Weight
Large Cap Equity	14.6%	12.0%
Mid Cap Equity	4.1%	6.0%
Small Cap Equity	4.7%	6.0%
International Equity	4.6%	3.6%
International Small Cap Equity	2.2%	1.2%
Emerging Markets	2.5%	1.2%
Fixed Income	67.4%	70.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

# Investment Performance

**SOUTHERN ILLINOIS UNIVERSITY FOUNDATION - Endowment/Annuity**  
**Summary of Investment Performance**  
**Reports for Periods Ending June 30, 2011**

	Qtr	YTD	Annualized				Since Inception	(Date)	Market Value
			1 Yr	3 Yr	5 Yr	7 Yr			
<b>Total Composite</b>	<b>0.2 %</b>	<b>5.5 %</b>	<b>26.2 %</b>	<b>5.9 %</b>	<b>5.4 %</b>	<b>6.5 %</b>	<b>5.6 %</b>	(7/01)	\$97,037,291
Balanced Index **	0.7	4.7	22.9	4.9	5.0	6.2	5.4		
<b>Domestic Equity</b>									
<b>iShares S&amp;P 100 Index</b>	-	-	-	-	-	-	<b>-1.5</b>	(5/11)	2,014,539
S&P 100 Index	-	-	-	-	-	-	-1.5		
<b>Vanguard 500 Inst'l Index Fund</b>	<b>0.1</b>	<b>6.1</b>	<b>30.8</b>	-	-	-	<b>14.2</b>	(12/09)	8,945,129
S&P 500 Index	0.1	6.0	30.7	-	-	-	14.1		
<b>PIMCO Stocks Plus</b>	<b>0.5</b>	<b>7.5</b>	<b>35.0</b>	<b>4.4</b>	-	-	<b>2.4</b>	(9/06)	10,772,045
S&P 500 Index	0.1	6.0	30.7	3.3	-	-	1.9		
<b>iShares Russell 1000 Growth Index</b>	-	-	-	-	-	-	<b>-2.5</b>	(4/11)	2,033,392
Russell 1000 Growth Index	-	-	-	-	-	-	-2.5		
S&P 100 Index	-	-	-	-	-	-	-2.8		
<b>iShares Russell Midcap Index</b>	<b>0.4</b>	-	-	-	-	-	<b>0.4</b>	(3/11)	5,229,878
Russell Midcap Index	0.4	-	-	-	-	-	0.4		
<b>Student Investment Group</b>	<b>2.8</b>	<b>13.8</b>	<b>50.3</b>	<b>9.9</b>	<b>9.1</b>	<b>11.2</b>	<b>8.2</b>	(7/01)	1,001,313
Russell Midcap Index	0.4	8.1	38.5	6.5	5.3	8.1	8.0		
<b>Rainier</b>	-	-	-	-	-	-	<b>-3.1</b>	(4/11)	4,847,152
Russell Midcap Growth Index	-	-	-	-	-	-	-1.9		
Russell Midcap Index	-	-	-	-	-	-	-2.5		
<b>Vaughan Nelson Value Opportunity</b>	-	-	-	-	-	-	<b>-3.9</b>	(4/11)	4,806,599
Russell Midcap Value Index	-	-	-	-	-	-	-3.0		
Russell Midcap Index	-	-	-	-	-	-	-2.5		
<b>Kalmar Growth w/Value</b>	<b>0.9</b>	<b>11.0</b>	<b>48.8</b>	<b>9.1</b>	-	-	<b>7.9</b>	(9/06)	5,317,383
Russell 2000 Growth Index	-0.6	8.6	43.5	8.4	-	-	6.5		
Russell 2000 Index	-1.6	6.2	37.4	7.8	-	-	4.2		
<b>Clover Small Cap Value</b>	<b>-3.2</b>	<b>4.2</b>	<b>32.6</b>	<b>9.9</b>	-	-	<b>6.4</b>	(9/06)	7,189,548
Russell 2000 Value Index	-2.6	3.8	31.4	7.1	-	-	1.8		
Russell 2000 Index	-1.6	6.2	37.4	7.8	-	-	4.2		
<b>International Equity</b>									
<b>EuroPacific Growth Fund</b>	<b>0.9</b>	<b>4.5</b>	<b>29.0</b>	<b>1.7</b>	<b>6.2</b>	<b>9.6</b>	<b>9.6</b>	(1/02)	12,087,842
MSCI AC World Free ex-US Index	0.4	3.8	29.7	(0.3)	3.7	8.6	9.3		
MSCI EAFE Index	1.6	5.0	30.4	(1.8)	1.5	6.4	7.6		
<b>DFA Int'l Small Cap Value Fund</b>	<b>-1.5</b>	<b>4.0</b>	<b>36.2</b>	<b>3.0</b>	-	-	<b>3.3</b>	(9/06)	2,200,262
MSCI Small Cap EAFE Index	0.8	3.8	36.4	3.3	-	-	2.4		
<b>DFA Emerging Markets Value Fund</b>	<b>-2.4</b>	<b>-1.7</b>	<b>27.9</b>	<b>6.9</b>	-	-	<b>13.5</b>	(9/06)	2,842,192
MSCI Emerging Markets Free Index	-1.1	0.9	27.8	4.2	-	-	10.9		
<b>Fixed Income</b>									
<b>Western Asset Core Plus Fund</b>	<b>1.8</b>	<b>3.4</b>	<b>7.2</b>	<b>11.1</b>	<b>7.6</b>	<b>6.6</b>	<b>6.9</b>	(1/02)	5,956,651
Barclays Capital Aggregate Bond Index	2.3	2.7	3.9	6.5	6.5	5.5	5.5		
<b>PIMCO Real Return Fund</b>	<b>3.3</b>	<b>5.2</b>	<b>8.1</b>	<b>6.5</b>	-	-	<b>7.2</b>	(9/06)	7,168,374
Barclays Capital TIPS Index	3.7	5.8	7.7	5.3	-	-	6.5		
<b>PIMCO Total Return</b>	<b>1.9</b>	<b>3.0</b>	-	-	-	-	<b>4.4</b>	(7/10)	2,378,516
Barclays Capital Aggregate Bond Index	2.3	2.7	-	-	-	-	2.8		
<b>Templeton Global Bond Fund</b>	<b>2.5</b>	<b>4.7</b>	-	-	-	-	<b>10.2</b>	(8/10)	1,790,557
JP Morgan GBI Broad, Non-US Index	3.7	4.7	-	-	-	-	6.6		
<b>Hedge Funds</b>									
<b>Common Sense Long Biased Offshore</b>	<b>0.6</b>	<b>1.8</b>	<b>4.1</b>	<b>-0.1</b>	-	-	<b>-0.7</b>	(10/07)	2,921,737
S&P 500 Index	0.1	6.0	30.7	3.3	-	-	-2.1		
HFRI Fund of Funds Index	-1.1	-0.3	6.7	-1.8	-	-	-2.4		
<b>Federal Street Associates Offshore Fund</b>	<b>-0.9</b>	<b>0.0</b>	<b>6.5</b>	<b>-2.8</b>	-	-	<b>-4.7</b>	(10/07)	2,512,348
CS/Tremont HFI Long/Short Equity	-1.5	0.7	13.8	2.0	-	-	1.1		
HFRI Fund of Funds Index	-1.1	-0.3	6.7	-1.8	-	-	-2.4		
<b>Private Equity</b>									
<b>Siguler Guff Distressed Opport. III</b>	<b>1.1</b>	<b>5.9</b>	<b>13.9</b>	<b>13.7</b>	-	-	<b>12.8</b>	(3/08)	1,863,707
Northgate Capital IV	<b>0.0</b>	<b>3.9</b>	<b>27.2</b>	-	-	-	<b>0.3</b>	(9/08)	2,427,621
<b>Kayne Anderson Mezzanine Debt</b>	<b>It is too early in the life of this investment to calculate a meaningful return.</b>							(11/10)	730,506

**Footnotes:**

- \* Performance returns are net of investment management fees.
- \* Calculated returns may differ from the manager's due to differences in security pricing and/or cash flows.
- \* Manager and index data represents the most current available at the time of report publication.
- \* Hedge fund and private capital manager market values and rates of return may be based on estimates and may be revised until completion of an annual audit by the manager.
- \* For managers and indices that report returns on a lag, 0.0% is utilized for the most recent time period until the actual return data are reported.
- \* The fiscal year ends in June.
- \*\* Balanced Index is comprised of: 55.0% Wilshire 5000 Index, 15.0% MSCI AC World Index ex-US, and 30.0% Barclays Capital Aggregate Bond Index.

**SOUTHERN ILLINOIS UNIVERSITY FOUNDATION - Unrestricted/Restricted**  
**Summary of Investment Performance**  
**Reports for Periods Ending June 30, 2011**

	Qtr	YTD	Annualized				Since Inception	(Date)	Market Value
			1 Yr	3 Yr	5 Yr	7 Yr			
<b>Total Composite</b>	<b>0.7 %</b>	<b>4.5 %</b>	<b>18 %</b>	<b>7 %</b>	<b>5.7 %</b>	<b>5.6 %</b>	<b>5.2 %</b>	(7/01)	\$27,049,940
Balanced Index **	1.6	3.6	13.3	4.4	4.7	4.8	4.9		
<b>Domestic Equity</b>									
<b>iShares S&amp;P 100 Index</b>	-	-	-	-	-	-	<b>-1.5</b>	(5/11)	251,818
S&P 100 Index	-	-	-	-	-	-	-1.5		
<b>PIMCO Stocks Plus</b>	<b>0.5</b>	<b>7.5</b>	<b>35.0</b>	<b>4.4</b>	-	-	<b>1.7</b>	(10/06)	3,440,952
S&P 500 Index	0.1	6.0	30.7	3.3	-	-	1.3		
<b>iShares Russell 1000 Growth Index</b>	-	-	-	-	-	-	<b>-1.4</b>	(5/11)	254,174
Russell 1000 Growth Index	-	-	-	-	-	-	-1.4		
S&P 100 Index	-	-	-	-	-	-	-1.7		
<b>iShares Russell Midcap Index</b>	<b>0.4</b>	-	-	-	-	-	<b>0.4</b>	(3/11)	147,463
Russell Midcap Index	0.4	-	-	-	-	-	0.4		
<b>Rainier</b>	-	-	-	-	-	-	<b>-3.1</b>	(4/11)	484,715
Russell Midcap Growth Index	-	-	-	-	-	-	-1.9		
Russell Midcap Index	-	-	-	-	-	-	-2.5		
<b>Vaughan Nelson Value Opportunity</b>	-	-	-	-	-	-	<b>-3.6</b>	(4/11)	481,801
Russell Midcap Value Index	-	-	-	-	-	-	-3.0		
Russell Midcap Index	-	-	-	-	-	-	-2.5		
<b>Kalmar Growth w/Value</b>	<b>0.0</b>	<b>9.9</b>	<b>46.1</b>	<b>7.9</b>	-	-	<b>7.0</b>	(9/06)	504,819
Russell 2000 Growth Index	-0.6	8.6	43.5	8.4	-	-	6.5		
Russell 2000 Index	-1.6	6.2	37.4	7.8	-	-	4.2		
<b>Clover Small Cap Value</b>	<b>-3.1</b>	<b>4.5</b>	<b>33.6</b>	<b>10.2</b>	-	-	<b>6.7</b>	(9/06)	774,760
Russell 2000 Value Index	-2.6	3.8	31.4	7.1	-	-	1.8		
Russell 2000 Index	-1.6	6.2	37.4	7.8	-	-	4.2		
<b>International Equity</b>									
<b>EuroPacific Growth Fund</b>	<b>1.0</b>	<b>4.5</b>	<b>29.0</b>	<b>1.7</b>	<b>5.1</b>	<b>9.6</b>	<b>9.5</b>	(1/02)	1,232,102
MSCI AC World Free ex-US Index	0.4	3.8	29.7	(0.3)	3.7	8.6	9.3		
MSCI EAFE Index	1.6	5.0	30.4	(1.8)	1.5	6.4	7.6		
<b>DFA Int'l Small Cap Value Fund</b>	<b>-1.5</b>	<b>4.0</b>	<b>36.2</b>	<b>3.0</b>	-	-	<b>3.4</b>	(9/06)	591,869
MSCI Small Cap EAFE Index	0.8	3.8	36.4	3.3	-	-	2.4		
<b>DFA Emerging Markets Value Fund</b>	<b>-2.4</b>	<b>-1.7</b>	<b>28.0</b>	<b>6.9</b>	-	-	<b>13.7</b>	(9/06)	664,996
MSCI Emerging Markets Free Index	-1.1	0.9	27.8	4.2	-	-	10.9		
<b>Fixed Income</b>									
<b>Western Asset Core Plus Fund</b>	<b>1.9</b>	<b>3.5</b>	<b>7.2</b>	<b>11.1</b>	<b>7.6</b>	<b>6.7</b>	<b>6.9</b>	(1/02)	2,873,863
Barclays Capital Aggregate Bond Index	2.3	2.7	3.9	6.5	6.5	5.5	5.5		
<b>JPMorgan Core bond Fund</b>	-	-	-	-	-	-	<b>1.0</b>	(4/11)	1,019,077
Barclays Capital Aggregate Bond Index	-	-	-	-	-	-	1.0		
<b>PIMCO Real Return Fund</b>	<b>3.3</b>	<b>5.2</b>	<b>8.0</b>	<b>6.5</b>	-	-	<b>7.4</b>	(10/06)	2,184,813
Barclays Capital TIPS Index	3.7	5.8	7.7	5.3	-	-	6.7		
<b>Loomis Sayles Senior Loan Fund</b>	<b>0.7</b>	<b>2.4</b>	<b>7.8</b>	<b>5.3</b>	-	-	<b>4.0</b>	(9/06)	2,955,791
CSFB Leveraged Loan Index	0.3	3.0	9.7	6.2	-	-	4.3		
<b>Ridgeworth Seix High Yield I</b>	<b>1.0</b>	<b>5.3</b>	<b>16.9</b>	-	-	-	<b>14.6</b>	(11/09)	1,793,588
Barclays Capital High Yield Bond Index	1.1	5.0	15.6	-	-	-	15.0		
<b>PIMCO Total Return</b>	<b>1.9</b>	<b>3.0</b>	-	-	-	-	<b>4.4</b>	(7/10)	3,706,899
Barclays Capital Aggregate Bond Index	2.3	2.7	-	-	-	-	2.8		
<b>Templeton Global Bond Fund</b>	<b>2.5</b>	<b>4.7</b>	-	-	-	-	<b>10.2</b>	(8/10)	3,686,440
JP Morgan GBI Broad, Non-US Index	3.7	4.7	-	-	-	-	6.6		

**Footnotes:**

- \* Performance returns are net of investment management fees.
- \* Calculated returns may differ from the manager's due to differences in security pricing and/or cash flows.
- \* Manager and index data represents the most current available at the time of report publication.
- \* For managers and indices that report returns on a lag, 0.0% is utilized for the most recent time period until the actual return data are reported.
- \* The fiscal year ends in June.
- \*\* Balanced Index is comprised of: 25.0% Wilshire 5000 Index, 5.0% MSCI AC World Index ex-US, and 70.0% Barclays Capital Aggregate Bond Index.