MCKNIGHT BRAIN RESEARCH FOUNDATION

February 2, 2011

(Magic City Room, Residence Inn, Birmingham, AL)

AGENDA

Wednesday, February 2, 2011

7:30 a.m. – 8:00 a.m.	Call to Order/Breakfast	Teresa Borcheck
8:00 a.m. –9:30 a.m.	Investment Review Hall Capital/Private Equity Discussion	Michael Hill
9:30 a.m. – 9:45 a.m.	Break	
9:45 a.m. – 10:45 a.m.	1. Approval of Minutes from Board Meeting October 26, 2010	Teresa Borcheck
	2. Minimum Distribution Calculation	
	3. Strategic Planning/Tag Line Registration Follow up	
	4. Research Partnership in Cognitive Aging-Update	Dr. Lee Dockery
	5. Travel Award Program-Update	
	6. Tax Issues	
	7. Society for Neuroscience, MBRF Poster Session/Reception (Washington, DC--November 12-16, 2011)	
	8. Expense Reimbursement Policy – Discussion	
	9. The Center for BrainHealth-University of Texas at Dallas	
	10. Upcoming Dates & Events ❖ Columbia University Site Visit February 28, 2011 ❖ Inter-Institutional Meeting Miami, FL--May 1-3, 2011 ❖ Board Meeting July 19-20, 2011? ❖ Board Meeting October 18-19, 2011? October 25-26, 2011? ❖ Inter-Institutional Meeting April/May 2012	
10:45 a.m. – 12:00 p.m.	Annual Report (Univ. of Alabama)	Trustees
	Annual Report (Univ. of Arizona)	Trustees
	Annual Report (Univ. of Florida)	Trustees
	Annual Report (Univ. of Miami)	Trustees
12:00 p.m.	Adjournment	

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Fourth Quarter 2010 Investment Review

McKnight Brain Research Foundation

February 2, 2010

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Executive Summary

Summary of Recommendations

- Initiate private equity investment in Q12011. Consider Hall Capital as private equity manager. Hall Capital will present and overview of their team and strategy at today's meeting along with specific information about Hall Capital Fund V.

Market Environment (through December 31, 2010)

- Global equity markets posted strong gains during the 4^{th} quarter.
- Domestic equities outperformed developed international stocks during the quarter and year. The S&P 500 Index rose 10.76% in 4Q and 15% for the FY while the MSCI EAFE Index produced returns of 6.65% and 7.75% respectively.
- Domestic small cap stocks outperformed large cap stocks by 1071 bps for the year.
- In currency markets, the dollar rose 2.2% against the Euro and appreciated by 2.9% relative to the Yen during the fourth quarter.
- The price of gold rose to over $1400 per ounce and oil prices gained 14.3% in the 4^{th} quarter.
- In fixed income markets, the yield on the 10-year U.S. Treasury rose from 2.5% to 3.4%. The sharp rise in yields led the Barclays U.S Aggregate Index to post a return of -1.3%, the largest negative quarterly return since Q204.
- Hedge fund performance benefited from strength across global equity, commodity and credit markets throughout the month of December. The HFRX Global Hedge Fund Index gained 5.19% for the year, the second consecutive calendar year of gains. The HFRX Equity Hedge Index advanced 5.19% for the month, the strongest single month gain since February 2000 and ended the year up 8.92%.

Portfolio Objectives and Policy Asset Allocation

- The return objective for the Foundation is 5% net of fees plus inflation. Inflation is defined by the Biomedical Research and Development Price Index ("BRDPI") published by the US Bureau of Economic Analysis. The current return objective is 9.1%.

Asset Allocation

- The Foundation has a 69.6% target allocation to public and private equity, (growth-oriented) assets, a 10.4% target allocation to fixed income, including cash (risk reduction) assets and a 15% target allocation to alternative assets.
- The target equity allocation consists of 37.1% domestic large cap, 7.1% domestic midcap, 4.8% domestic small cap, 15.6% international and 5% private equity.
- The fixed income target allocation consists of 9.1% U.S. core, global and high yield fixed income and 1% cash.
- The alternative target allocation consists of broadly diversified FOF designed to lower total portfolio volatility and provide uncorrelated returns.

Executive Summary *(continued)*

Portfolio Performance

- For the quarter period ending December 31, 2010, the total return for the Foundation was 7.8% versus 6.7% for the Target Policy.
- For the Fiscal YTD period ending December 31, 2010, the total return for the Foundation was 16.9% versus 15.2% for the Target Policy.

Manager Performance

- During the quarter and year, investors favored smaller capitalization companies and higher beta, lower quality stocks. In this environment, higher quality, active managers broadly lagged primary benchmarks.
- On a 3 and/or 5 year basis all active equity managers are performing in the top 33% of their respective peer groups.
- The Ridgeworth/Seix High Yield fund lags its peer group on a 3 and 5 year basis. However this fund is a "high quality" high yield fund and excludes "C" rated bonds. The Ridgeworth Corporate Bond fund lags on a 3 and 5 year basis and was replaced with the Pimco Investment Grade Bond fund. The remaining fixed income managers are performing in the top 33% of their peer group on a 3 and 5 year basis.
- Alternative asset managers collectively served to reduce overall portfolio risk and enhance return.
- The Lighthouse Diversified Fund LP, a Fund of Fund using globally diverse, risk reducing strategies, posted preliminary gains of 6.0% for the year.
- The Lighthouse Global Long/Short Fund LP posted preliminary gains of 5.22% for the year.
- The Lighthouse Credit Opportunities LP benefited from the continuing global recovery and additional monetary stimulus providing liquidity which has resulted in exit strategies for large, complex deals that were written down significantly during 2009-2009. The Fund posted a preliminary gain of 16.1% for the year.

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Economic Overview

Key Economic and Investment Themes January 2011

- **Economic growth is reaccelerating**
  - Fourth quarter economic data was unambiguous – global growth was reaccelerating after the summer slowdown.
  - There are clear signs that the credit constraints, which we believe were a primary contributor to the below average recovery in the first six quarters of this cycle, are starting to abate and we expect to see stronger growth in 2011.
- **Bond yields are biased upward in 2011, but developed country central banks will keep policy rates low**
  - The risk of deflation has given way to concerns about excess liquidity induced inflation overwhelming the impact of quantitative easing designed to keep rates low.
- **Outlook for stocks remains attractive relative to bonds**
  - Economic growth should continue to support stock prices. Current valuations suggest stock prices reflect muted expectations and thus there is room for additional upside.
- **Alternative strategies that capitalize on both long and short opportunities should do well in the environment we foresee of declining correlations**
- **Inflation risk is rising as monetary polices remain accommodative and growth accelerates**
  - Oil prices above $125 per barrel could choke off the recovery.

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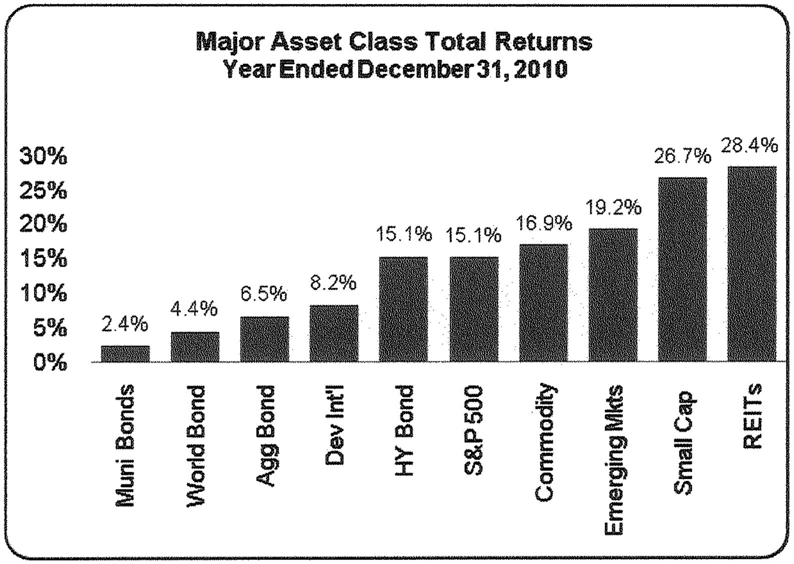
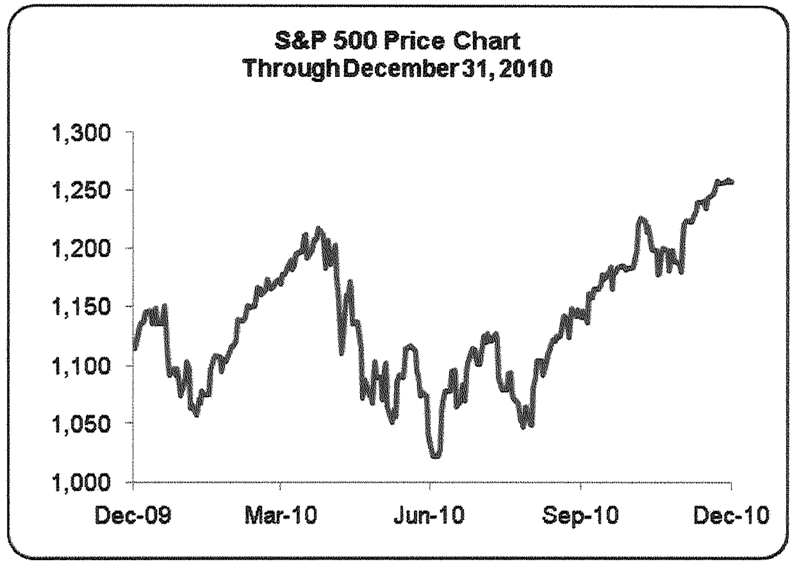
Investors Were Rewarded for Taking Risk in 2010

A fall equity rally helped all of the major asset classes generate positive returns for 2010, despite significant intra-year volatility. The steep mid-year equity correction reversed in late summer as fears of a double-dip recession faded and the Federal Reserve committed to additional policy steps to enhance liquidity. Fourth quarter economic data was also unambiguous—global growth was reaccelerating after the summer slowdown. The US dollar was mixed in 2010; it strengthened approximately 7% against the euro, but weakened against emerging market currencies.





Data source: Morningstar Direct. Returns are represented by the follow indices: Barclays Municipal Bond Index, Citi World BIG Index, Barclays Aggregate Bond Index, MSCI EAFE, Barclays US Corporate High Yield Index S&P500 Stock Index, DJ UBS Commodity Total Return Index, MSCI Emerging Markets Index, Russell 2000 Stock Index, DJ US Select RESI Index

An investment cannot be made directly into an index. Past performance does not guarantee future results.

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December 2010 Market Returns

Total Return* Periods ending December 31, 2010	Month	YTD	12 Months
Global Markets (in US $)			
MSCI AC World Equity Index	7.35%	13.21%	13.21%
Citi World BIG Bond Index	1.15%	4.38%	4.38%
US Equities			
Large-Cap US Stocks (S&P 500)	6.68%	15.06%	15.06%
Small-Cap US Stocks (Russell 2000)	7.94%	26.85%	26.85%
US Fixed Income			
US Treasury Bonds (Benchmark 10 yr.)	-4.05%	7.90%	7.90%
BarCap Aggregate Bond Index	-1.08%	6.54%	6.54%
BarCap US Corporate High Yield	1.81%	15.12%	15.12%
ML Municipal Master	-2.04%	2.25%	2.25%
Cash Equivalents (91-day T-Bills)	0.02%	0.13%	0.13%
International Equities			
Developed Countries (MSCI EAFE)	8.11%	8.21%	8.21%
Emerging Markets (MSCI EM)	7.15%	19.20%	19.20%
International Bonds			
Citi World BIG non-USD un-hedged	3.01%	3.15%	3.15%
JPM Emerging Mkts Bond Index	-0.33%	12.04%	12.04%
Non-Traditional			
REITs (DJ US Select RESI Index)	4.82%	28.47%	28.47%
Commodities (Dow Jones UBS)	10.69%	16.83%	16.83%

**All returns in US dollars Data Source: Morningstar*

- The steep mid-year equity correction reversed in late summer as fears of a double-dip recession gave way to positive fundamentals including surging corporate profits and monetary policies supporting growth. Bolstered by December's S&P 500 6.7% return, stocks finished the year with healthy double-digit gains.
- Economically sensitive mid- and small-caps, consumer discretionary, and industrials provided leadership, which is typical during early recovery bull markets.
- Emerging markets were relatively strong, boosted by strengthening currencies.
- Fixed income returns reflect a significant rise in interest rates in the fourth quarter; the 10-year benchmark Treasury spiked from an early October yield of 2.40% to close the year at approximately 3.30%, a move of almost one percent.
- The recent sell-off in municipal securities was triggered by technical factors: a surge in supply coupled with significant flows out of mutual funds, leading to compromised liquidity, driving yields higher.
- Commodities gained as reaccelerating global growth fueled demand for raw materials.

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Economic Overview Fourth Quarter 2010

- **Recovery is firmly in place**
  - Recent data confirms economic growth in the US is accelerating and 2011 is on a path to surpass the disappointing 2.6% pace of 2010.
  - We attribute much of last year's growth shortfall, relative to both past recoveries and our forecast, to policy uncertainty and a scarcity of credit. Both of these risks now appear to be abating.
  - Stronger measures of business activity such as the Institute of Supply Management (ISM) surveys, especially non-manufacturing, as well as robust holiday retail sales and higher equity prices all point to improving economic momentum.

- **The labor market is slowly improving**
  - In the past year, the labor market has generated 1.1 million new jobs and seen the number of unemployed drop 727,000.
  - The labor market is recovering slowly, but it has established a sustainable rate of improvement through the year. The decreasing trend in initial claims for unemployment insurance is indicative of an improving labor market.

- **Holiday spending was up sharply**
  - Low prices set the stage for robust holiday spending. The November/December holiday shopping season averaged a 7.8% year over year gain. Over the past 45 years, only two seasons bested 2010 on a inflation adjusted basis.

- **Inflation moves up on our list of risks**
  - The current 4%+ GDP growth rate we expect the economy to post for the fourth quarter and for 2011 is above the speed limit at which point growth risks igniting inflation, and thus we are closely monitoring inflation indicators.
  - The inflation threat may come not directly, but no less relentlessly, from an old antagonist – crude oil. Our calculations suggest oil becomes a risk to the recovery at a sustained price over $125 per barrel.

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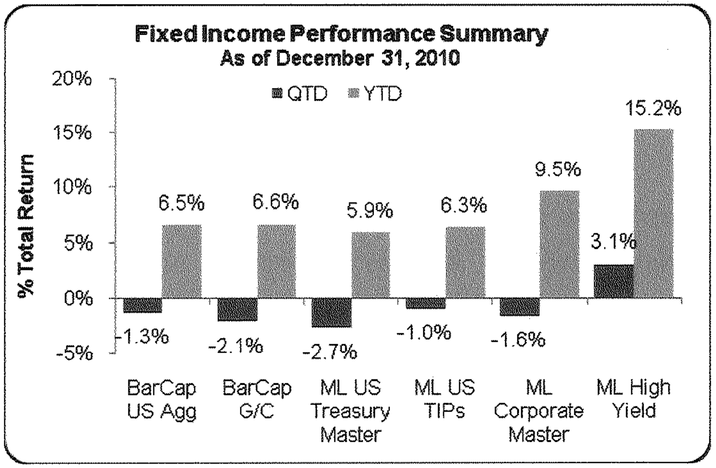
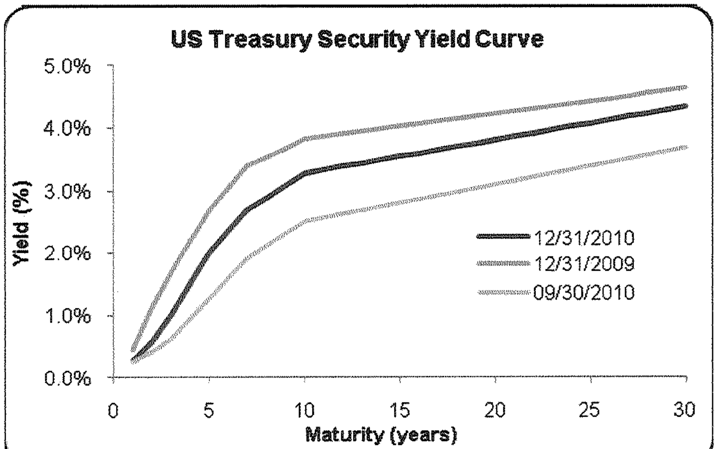
Taxable Fixed Income Market Overview





Data source: Bloomberg, Barclay's Live

- **Interest rates moved higher and the yield curve steepened to close out 2010**
  - Interest rates rose as the Federal Reserve initiated its second round of Quantitative Easing aimed at keeping rates low in order to stimulate economic growth. We believe the contradictory outcome reflected wide-spread anticipation of QE2, and that the rise in rates coincided with improving economic data signaling renewed growth prospects and attendant inflationary pressures.
  - Our short duration bias benefitted from the rise in rates. As the economy transitions to a private-sector led expansion, and the Fed remains accommodative, our thesis remains: avoid duration risk, overweight spread product and maintain a position in global bonds.
- **Look beyond Treasuries for incremental fixed income performance in 2011**
  - We believe absolute yield level will be the main driver of fixed income relative returns in 2011, as spreads are now back to historic norms.
  - Corporate bonds, particularly high yield and the floating rate structure of bank loans which offer a hedge against a rise in short term rates, remain attractive.

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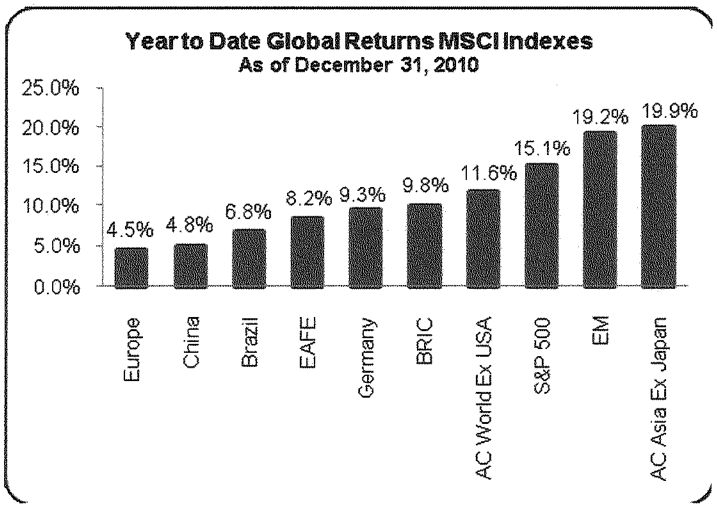
Equity Market Overview



Market Barometer: Domestic Equities Year-to-Date 2010
Morningstar Style Indexes

		Value	Core	Growth
	US Market 16.80%	16.65%	16.73%	17.11%
Large	**13.44%**	14.69%	12.93%	12.91%
Mid	**24.92%**	20.61%	26.46%	27.67%
Small	**28.37**	25.96%	27.77%	31.26%

- **2010 ended on a high note as stocks post fourth best December since 1926**
  - Bolstered by December's 6.7% return for the S&P 500, stocks finished the year with double-digit gains. Economically sensitive areas, such as emerging markets, mid- and small-caps, consumer discretionary and industrials provided leadership, which is typical during early recovery bull markets.
  - Global returns were mixed. A weakening euro added further pressure to European market performance already diminished by the fiscal crisis which began in Greece and spread across the region. Emerging markets were relatively strong, boosted by strengthening currencies.
- **The rise in equity prices has solid underpinnings**
  - Stocks have now posted double-digit increases for two consecutive years and the S&P 500 has gained over 80% since the March 2009 lows. While the increase has been sharp, from a longer-term perspective it's hard to argue that stocks have moved "too far, too fast" considering the S&P 500 remains 20% below its 2007 peak. Moreover, the rise in equity prices has solid fundamental underpinnings: US GDP and consumer spending have returned to pre-recession levels, while corporate profits on a national basis have already surpassed previous highs.

Data source: Morningstar Direct, Bloomberg Returns are represented by the following indices: MSCI Europe GR USD, MSCI China GR USD, MSCI Brazil GR USD, MSCI EAFE GR USD, MSCI BRIC GR USD, MSCI AC World ex USA USD, S&P 500 Stock Index, MSCI EM GR USD, MSCI AC Asia ex Japan GR USD.

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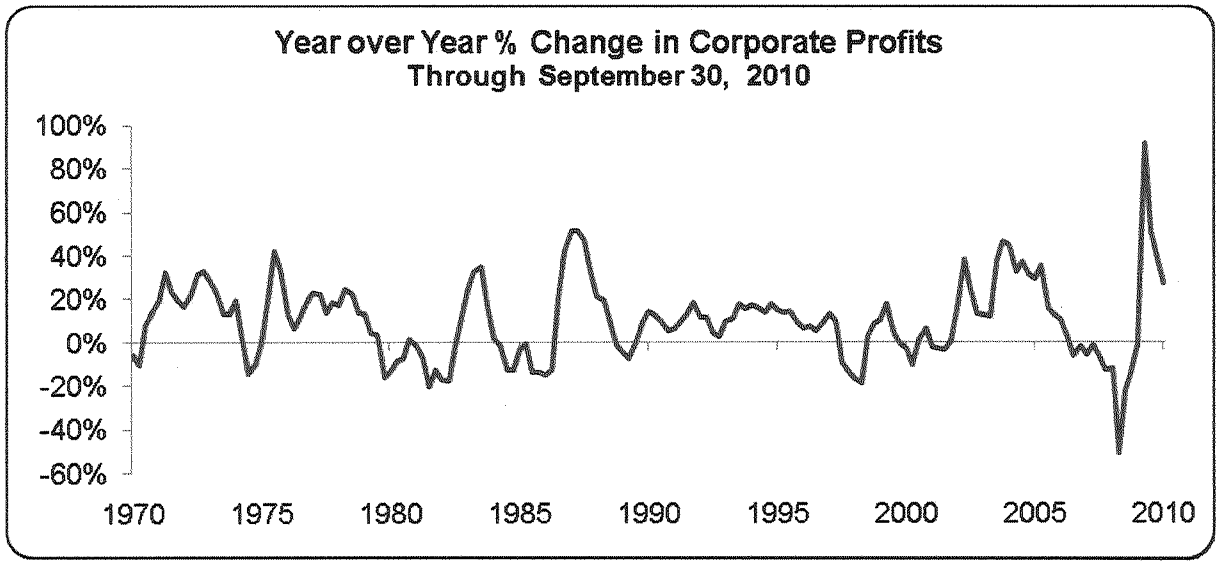
Analysts Have Consistently Underestimated the Recovery in Corporate Profits

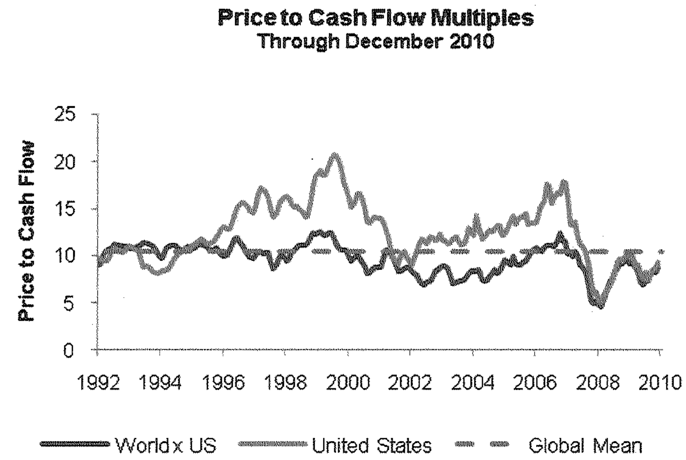
Corporations have retained a large portion of profits earned over the last few years, resulting in the highest cash balances in decades. Rising business confidence should result in corporations deploying a portion of this excess cash into more productive and profitable projects, which bodes well for future earnings and the sustainability of the recovery. The recent pickup in mergers & acquisitions, increased dividend payouts and stock buybacks are also positive trends which are expected to continue.

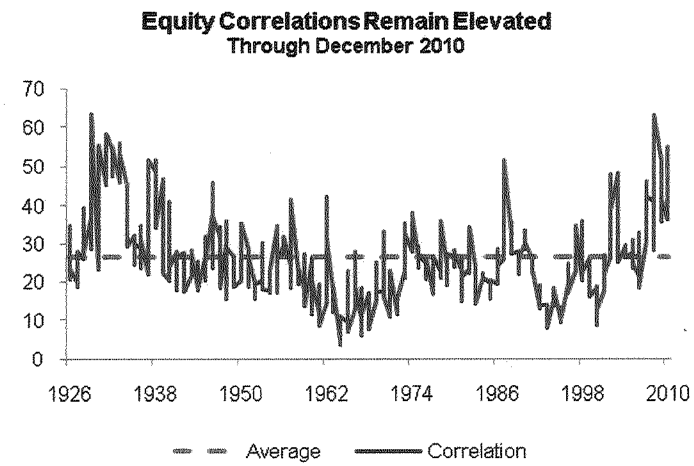
Corporate earnings should see another solid advance in 2011 as companies move from margin enhancements to improved revenue growth. As a result of greater economic clarity and investor risk aversion abating, we expect a modest expansion in market valuations, which combined with rising company profits should support further equity appreciation.



Data source: Factset

2011 Equity Market Outlook





Data Source: Factset, Bloomberg

- **Where we see opportunities**
  - The blue chip, large-cap space has lagged the riskier areas of the market by a wide margin. As the current cycle matures, however, we expect blue chip companies to garner increased investor attention as they are one of the more attractively valued segments of the market on an absolute and relative basis.
- **Intra-equity market correlations are expected to decline**
  - Equity correlations have remained elevated, indicating the market is more focused on global macro factors than individual company characteristics. We expect this to reverse and create opportunities for active managers.
  - Divergent global recovery paths which should continue as monetary and fiscal polices remain accommodative in the US while becoming more restrictive in international markets. Differing economic recovery paths present opportunities for managers adept at navigating the market.
- **Risks we are monitoring**
  - Among the ones we are closely monitoring are corporate profit margins and inflation. Margins are high by historic standards and downside earnings pressure could occur if input prices, including labor costs, increase and companies are unable to raise prices or boost productivity. Similarly, if inflation kicks in faster than we anticipate, it could have a negative impact on equity prices.

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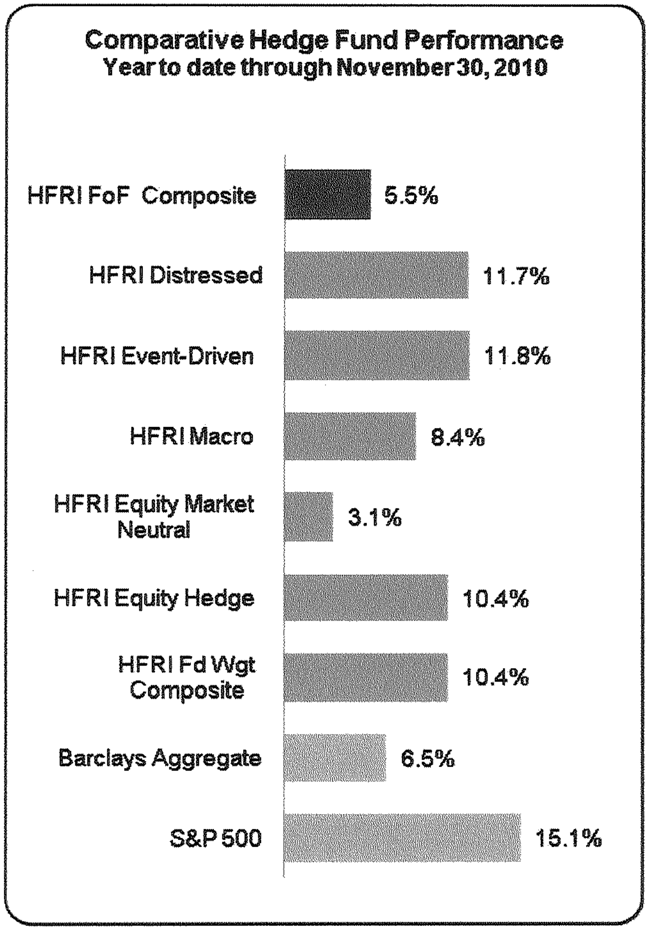
Alternative Investment Strategies



Data Source: Hedge Fund Research

- **Hedge fund strategies ended 2010 on a positive note**
  - A strong December capped off a solid year for most hedge fund strategies as evidenced by the HFRI Fund Weighted Composite Index's December gain of 3.2%, which brought the 2010 return to 10.4%. The majority of hedge fund strategies had a strong final month, with Managed Futures/Macro and Equity Hedge posting the strongest December gains of 3.7% and 3.4%, and finished 2010 with double digit returns. The notable exception was the Short Bias Index's 2010 loss of -21.30% in the face of a rising equity market.
- **2011's prospects for alternative strategies remain compelling**
  - We believe the outlook for financial markets is positive, but there will likely be some volatility along the way. Volatility generally favors hedge funds, many of which are more opportunistic than long-only funds. For clients seeking a less volatile portfolio coupled with a total return objective, we recommend allocations to alternative investment strategies and favor Hedged Equity, Managed Futures, Event Driven, and Merger Arbitrage hedge fund strategies.

Hedge fund investing involves substantial risks and may not be suitable for all clients. Hedge funds are intended for sophisticated investors who can bear the economic risks involved. Hedge funds may engage in leveraging and speculative investment practices that may increase the risk of investment loss, can be illiquid, and are not required to provide periodic pricing or valuation information to investors. Hedge funds may involve complex tax structures and delays in distributing tax information. Hedge funds are not subject to the same regulatory requirements as mutual funds and often charge higher fees.

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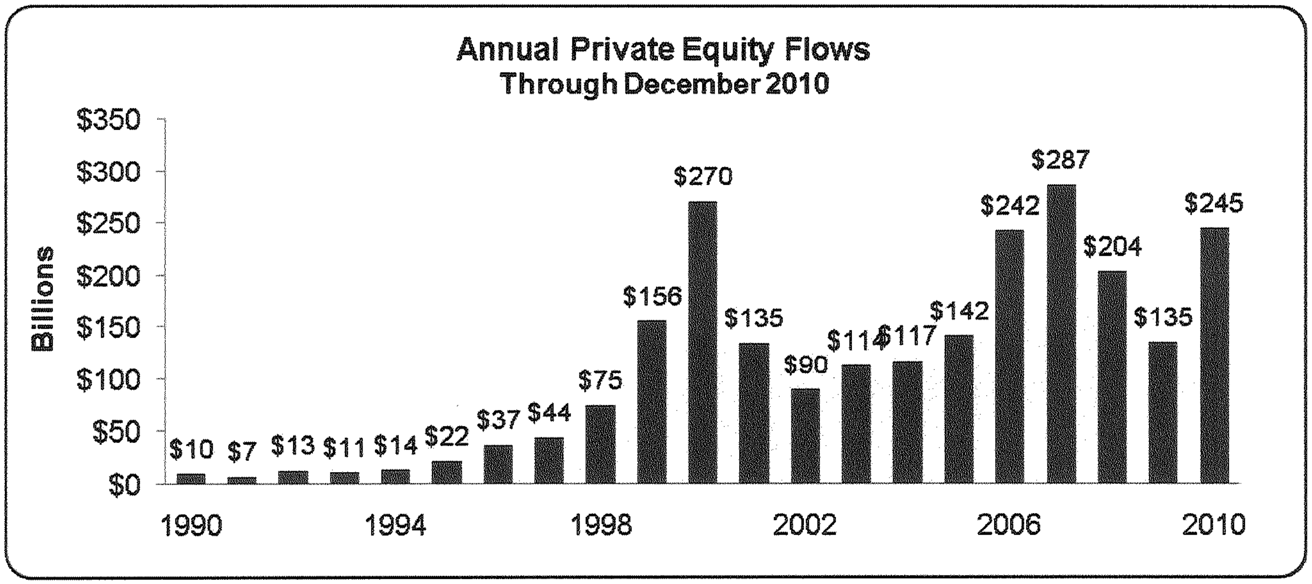
Alternative Investment Strategies

Private equity (PE) investment activity rebounded sharply in 2010

PE fundraising peaked in 2007, concurrent with the highly levered, mega-buyout deals that dominated the headlines at the time. The equity market's severe correction in late 2008 brought PE investing to a stand-still that continued through 2009. The equity market recovery which began in the spring of 2009, combined with low interest rates and large corporate cash reserves, resulted in a flurry of high profile PE investments and transactions in 2010. The robust PE pace appears likely to extend into 2011 as the best PE portfolio companies can negotiate between a currently open IPO window versus cash-rich strategic buyers, thereby creating the first sustained PE exit opportunities in three years. Favored PE strategies include small buyouts, distressed, and late stage growth equity.



Data Source: Hedge Fund Research; Permal, and Thompson Reuters

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Performance Summary: December 31, 2010

Index Performance (%)	MTH	QTR	YTD	1 Yr	3 Yr	5 Yr
Dow Jones Industrial Average	5.33	8.04	14.06	14.06	-1.61	4.31
S&P 500	6.68	10.76	15.06	15.06	-2.86	2.29
Nasdaq	6.38	12.43	18.11	18.11	1.04	4.76
Russell 1000	6.68	11.19	16.10	16.10	-2.37	2.59
Russell 3000	6.78	11.59	16.93	16.93	-2.01	2.74
Russell MidCap	6.92	13.07	25.48	25.48	1.05	4.66
Russell 2000	7.94	16.25	26.85	26.85	2.22	4.47
Russell 1000 Growth	5.51	11.83	16.71	16.71	-0.47	3.75
Russell 1000 Value	7.89	10.54	15.51	15.51	-4.42	1.28
Russell MidCap Growth	6.24	14.01	26.38	26.38	0.97	4.88
Russell MidCap Value	7.55	12.24	24.75	24.75	1.01	4.08
Russell 2000 Growth	7.59	17.11	29.09	29.09	2.18	5.30
Russell 2000 Value	8.31	15.36	24.50	24.50	2.19	3.52
MSCI EAFE LCL	4.78	5.66	5.26	5.26	-7.45	-0.74
MSCI EAFE USD	8.11	6.65	8.21	8.21	-6.55	2.94
MSCI Emerging Markets	7.15	7.36	19.20	19.20	-0.03	13.11
FTSE NAREIT Equity Index	4.66	7.43	27.95	27.95	0.65	3.03
DJ-UBS Commodity Index	10.69	15.79	16.83	16.83	-3.67	1.18
BarCap Aggregate	-1.08	-1.30	6.54	6.54	5.90	5.80
BarCap Government/Credit	-1.40	-2.17	6.59	6.59	5.60	5.56
ML U.S. Treasury Master	-1.82	-2.67	5.88	5.88	5.13	5.50
ML U.S. Treasuries Inflation-Linked	-1.65	-0.95	6.34	6.34	4.97	5.34
BarCap U.S. Treasury Bellwethers (2 Yr)	-0.16	-0.13	2.35	2.35	3.72	4.44
BarCap U.S. Treasury Bellwethers (10 Yr)	-4.03	-5.57	8.01	8.01	5.38	5.41
BarCap Municipal Bond	-1.94	-4.17	2.38	2.38	4.08	4.09
ML U.S. Corporate Master	-0.95	-1.59	9.52	9.52	6.92	5.95
ML High Yield Master	1.76	3.07	15.19	15.19	10.13	8.81
Citigroup WGBI (USD)	1.76	-1.76	5.17	5.17	6.15	7.09
Citigroup WGBI (USD) Hedged	-0.42	-2.21	3.36	3.36	4.47	4.44
JP Morgan EMBI Global	-0.33	-1.85	12.04	12.04	8.56	8.36

S&P 500 Sector Performance (%)	MTH	QTR	YTD	1 Yr	3 Yr	5 Yr
Consumer Discretionary	4.17	12.63	27.66	27.66	6.26	4.32
Consumer Staples	4.23	6.11	14.11	14.11	3.50	7.68
Energy	8.99	21.48	20.46	20.46	-3.70	8.31
Financials	10.73	11.57	12.13	12.13	-16.26	-10.65
Health Care	4.48	3.64	2.90	2.90	-1.67	1.84
Industrials	7.74	11.81	26.73	26.73	-2.72	3.16
Information Technology	5.26	10.24	10.19	10.19	0.44	5.02
Materials	10.36	19.03	22.20	22.20	-0.45	7.48
Telecommunication Services	7.80	7.34	18.97	18.97	-3.42	6.64
Utilities	3.09	1.09	5.46	5.46	-5.71	3.90

Rates (%)	12/31/2010	9/30/2010	6/30/2010	3/31/2010	12/31/2009
U.S. Fed Funds Rate	0.13	0.13	0.13	0.13	0.13
European Central Bank Rate	1.00	1.00	1.00	1.00	1.00
Bank of England Rate	0.50	0.50	0.50	0.50	0.50
Bank of Japan Rate	0.00	0.10	0.10	0.10	0.10
USA LIBOR - 3 Month	0.30	0.29	0.53	0.29	0.25
TED Spread (bps) - 3 Month	17.60	13.28	35.13	13.68	18.98
2 Yr U.S. Treasury	0.60	0.43	0.62	1.02	1.14
10 Yr U.S. Treasury	3.30	2.52	2.95	3.83	3.84
10-2 yr slope	2.70	2.09	2.33	2.81	2.70
BarCap Municipal Bond	3.80	3.01	3.41	3.59	3.62
ML High Yield Master	7.50	7.73	9.05	8.41	9.05
ML Corporate Master	4.09	3.68	4.33	4.56	4.88

Currencies	12/31/2010	9/30/2010	6/30/2010	3/31/2010	12/31/2009
Euro ($/€)	1.34	1.37	1.22	1.35	1.43
Yen (¥/$)	81.11	83.54	88.49	93.44	93.10
GBP ($/£)	1.57	1.58	1.50	1.52	1.61

Commodities	12/31/2010	9/30/2010	6/30/2010	3/31/2010	12/31/2009
Light Crude Oil ($/barrel)	91.38	79.97	75.63	83.76	79.36
Gold ($/ozt)	1421.40	1309.60	1245.90	1114.50	1096.20

S&P 500 Earnings Estimates ($)	12/31/2010	9/30/2010	6/30/2010	3/31/2010	12/31/2009
2011 Oper Earnings (bottom up-S&P)	94.79	94.10	94.83	93.55	NA
2011 Oper Earnings (top down-S&P)	88.46	86.23	76.89	71.13	64.40
2011 Oper Earnings (First Call)	93.24	96.13	92.68	91.92	88.09

CBOE Volatility Index	12/31/2010	9/30/2010	6/30/2010	3/31/2010	12/31/2009
CBOE VIX	17.75	23.70	34.54	17.59	21.68

Hedge Fund Performance (%)	MTH	QTR	YTD	1 Yr	3 Yr
HFRX Global Hedge Fund Index	2.36	3.23	5.19	5.19	-2.90
HFRX Equity Hedge Index	5.19	6.99	8.92	8.92	-2.79
HFRI Fund of Funds	1.97	3.37	5.46	5.46	-2.59
HFRX Macro	1.34	1.20	-1.73	-1.73	-1.81
HFRX Distressed Securities Index	1.80	3.67	8.34	8.34	-10.84
HFRX Absolute Return Index	0.45	0.67	-0.12	-0.12	-5.76

Data Sources: FactSet, Standard & Poors, Hedge Fund Research, Inc., Merrill Lynch, Barclays Capital

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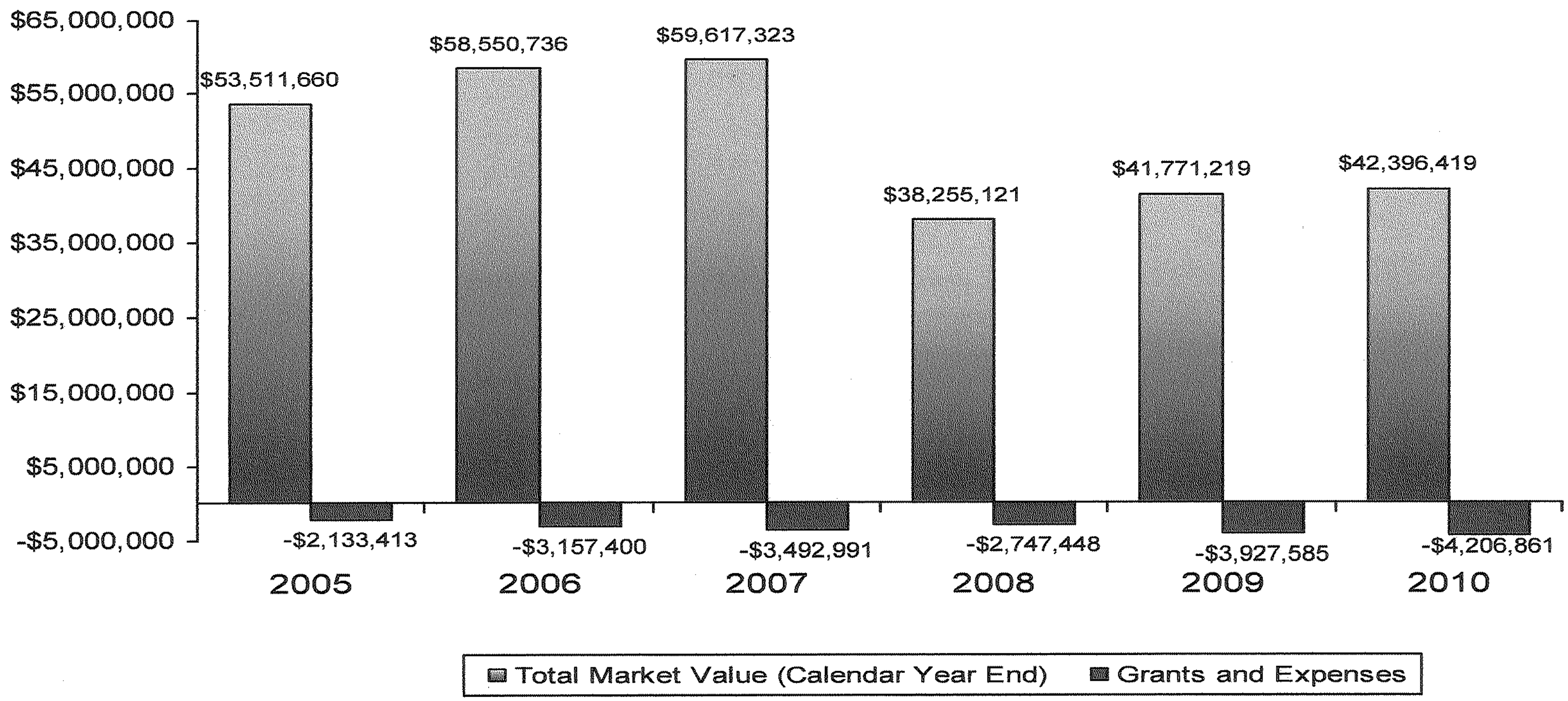
Portfolio Review

Strictly Private and Confidential

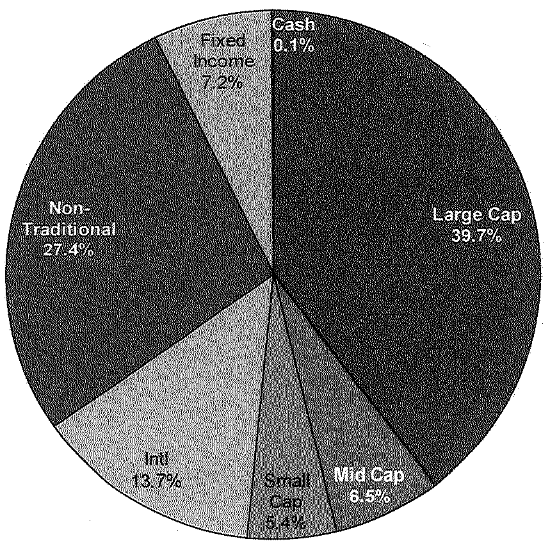
Historical Market Values



Portfolio Holdings are subject to change at any time and without notice.
Please refer to appendix for full disclosure. Source: First Rate Performance System.

Portfolio Composition

As of December 31, 2010



Assets	Current Market Value 12/31/2010	Current Allocation 12/31/2010	Prior Allocation 9/30/2010	Δ in Allocation	Eff Frontier Target Allocation	Range	Variance from Target
TOTAL PORTFOLIO	$42,396,418	100.00%	100.00%				
Large Cap	$16,810,925	39.65%	40.01%	-0.36%	37.1%	30-60%	2.55%
Harbor Capital Appreciation I	$2,914,989	6.88%	7.61%	-0.74%			
Jensen Portfolio I	$2,983,082	7.04%	7.94%	-0.91%			
Vanguard Instl Index	$6,265,662	14.78%	11.50%	3.28%			
RidgeWorth Large Cap Value	$1,960,773	4.62%	6.91%	-2.28%			
Hartford Dividend & Growth Y	$2,686,419	6.34%	6.04%	0.29%			
Mid Cap	$2,771,305	6.54%	4.69%	1.85%	7.1%	5-14%	-0.56%
iShares Russell Midcap Growth Index	$554,778	1.31%	0.00%	1.31%			
RidgeWorth Midcap Value	$2,216,527	5.23%	4.69%	0.54%			
Small Cap	$2,283,264	5.39%	4.96%	0.43%	4.8%	0-15%	0.59%
INVESCO Small Cap Growth	$1,129,021	2.66%	2.39%	0.27%			
RidgeWorth Small Cap Value	$1,154,243	2.72%	2.56%	0.16%			
International	$5,815,628	13.72%	11.92%	1.80%			
MFS Research International	$3,599,141	8.49%	7.47%	1.02%	9.1%	5-15%	-0.61%
Legg Mason Emerging Market	$2,216,487	5.23%	4.45%	0.78%	6.5%	3-10%	-1.27%
Non-Traditional	$11,613,011	27.39%	27.35%	0.04%	20.0%	10-30%	7.39%
Hedge	**$11,613,011**	**27.39%**	**27.35%**	**0.04%**	**20.0%**	**10-30%**	**7.39%**
Lighthouse Global Long/Short	$5,041,450	11.89%	11.86%	0.03%			
Lighthouse Diversified	$4,106,530	9.69%	9.77%	-0.08%			
Lighthouse Credit Opps	$2,465,031	5.81%	5.73%	0.08%			
Private Equity	**$0**	**0.00%**	**0.00%**	**0.00%**	5.0%	0-10%	-5.00%
Total Fixed Income	$3,045,455	7.18%	7.37%	-0.19%	9.4%	0-10%	-2.22%
RidgeWorth Seix High Yield Bond	$565,449	1.33%	1.33%	0.01%			
RidgeWorth High Income	$785,626	1.85%	1.81%	0.05%			
RidgeWorth Corporate Bond	$3,467	0.01%	2.13%	-2.12%			
PIMCO Invt Grade Corp Bond	$869,444	2.05%	0.00%	2.05%			
PIMCO Total Return Bond	$821,469	1.94%	2.11%	-0.17%			
Cash Equivalents	$56,831	0.13%	3.70%	-3.57%	1.0%	0.0%	0.00%

Portfolio Holdings are subject to change at any time and without notice.

Please refer to appendix for full disclosure. Source: First Rate Performance System.

Performance Comparison

As of December 31, 2010

	3 Months	Fiscal YTD 6 Months	1 Yr	Annualized 3 Yrs	Annualized 5 Yrs	Annualized 7 Yrs
TOTAL PORTFOLIO	7.8%	16.9%	12.5%	-2.8%	2.9%	4.6%
**Efficient Frontier Target	6.7%	15.2%	9.9%	-2.5%	2.6%	4.4%
*Static Benchmark	7.1%	16.3%	13.3%	0.8%	3.8%	4.7%
Total Equity	10.6%	24.5%	16.5%	-2.7%	2.8%	4.8%
Russell 3000 Index	11.6%	24.5%	16.9%	-2.0%	2.7%	4.5%
Large Cap	**10.6%**	**22.9%**	**14.6%**	**-9.2%**	**-1.6%**	**N/A**
Harbor Capital Appreciation I	**11.5%**	**23.3%**	**11.6%**	**-0.2%**	**2.7%**	**5.2%**
Jensen Portfolio I	**9.3%**	**19.9%**	**12.1%**	**1.1%**	**4.9%**	**4.2%**
Russell 1000 Growth Index	11.8%	26.4%	16.7%	-0.5%	3.8%	4.3%
Vanguard Instl Index	**10.8%**	**21.9%**	**15.1%**	**-2.8%**	**2.3%**	**3.9%**
S&P 500 Index	10.8%	23.3%	15.1%	-2.9%	2.3%	3.9%
RidgeWorth Large Cap Value Equity	**12.4%**	**24.3%**	**18.3%**	**-0.1%**	**4.9%**	**6.1%**
Hartford Dividend & Growth Y	**9.7%**	**20.6%**	**13.1%**	**-1.3%**	**4.5%**	**5.8%**
Russell 1000 Value Index	10.5%	21.7%	15.5%	-4.4%	1.3%	4.1%
Mid Cap	**14.7%**	**27.5%**	**27.1%**	**1.4%**	**6.6%**	**N/A**
iShares Russell Midcap Growth Index	**13.9%**	**27.9%**	**26.1%**	**0.8%**	**4.7%**	**7.1%**
Russell Midcap Growth Index	14.0%	28.1%	26.4%	1.0%	4.9%	7.4%
RidgeWorth Midcap Value	**15.0%**	**27.8%**	**27.7%**	**7.0%**	**9.5%**	**11.0%**
Russell Midcap Value Index	12.2%	25.9%	24.8%	1.0%	4.1%	7.9%
Small Cap	**13.0%**	**28.0%**	**27.6%**	**4.0%**	**4.6%**	**N/A**
INVESCO Small Cap Growth	**14.8%**	**26.8%**	**26.8%**	**1.8%**	**6.2%**	**6.8%**
Russell 2000 Growth Index	17.1%	32.1%	29.1%	2.2%	5.3%	6.4%
RidgeWorth Small Cap Value	**11.4%**	**26.9%**	**28.8%**	**6.0%**	**7.2%**	**10.4%**
Russell 2000 Value Index	15.4%	26.6%	24.5%	2.2%	3.5%	6.2%
International	**8.0%**	**27.7%**	**13.4%**	**-6.2%**	**2.4%**	**7.3%**
MFS Research International	**8.6%**	**25.4%**	**11.2%**	**-5.6%**	**4.0%**	**8.0%**
MSCI EAFE Index (Net)	6.8%	24.4%	7.9%	-7.0%	2.5%	6.4%
Legg Mason Intl Emerging Mkts	**7.0%**	**26.5%**	**18.6%**	**-3.6%**	**12.2%**	**N/A**
MSCI Emerging Markets Index	7.3%	24.9%	18.9%	-0.3%	12.8%	17.4%

	3 Months	Fiscal YTD 6 Months	1 Yr	Annualized 3 Yrs	Annualized 5 Yrs	Annualized 7 Yrs
Non-Traditional***	3.2%	3.7%	5.9%	-1.5%	4.0%	4.8%
HFRI Fund of Funds Comp Index	3.4%	3.1%	3.8%	-3.2%	2.3%	3.6%
Lighthouse Global Long/Short LP	**4.2%**	**6.6%**	**5.2%**	**0.2%**	**4.9%**	**N/A**
Lighthouse Diversified LP	**3.5%**	**6.2%**	**6.0%**	**-1.2%**	**3.7%**	**N/A**
Lighthouse Credit Opps LP	**6.7%**	**11.2%**	**16.1%**	**-1.0%**	**3.3%**	**N/A**
Total Fixed Income	1.2%	8.2%	7.0%	7.2%	7.3%	N/A
Barclays Aggregate Index	-1.3%	1.2%	6.5%	5.9%	5.8%	5.1%
RidgeWorth Seix High Yield	**3.5%**	**11.0%**	**14.9%**	**7.6%**	**6.4%**	**6.1%**
ML US HY BB Rated Constrained Index	1.6%	8.3%	14.3%	10.3%	8.4%	7.7%
RidgeWorth High Income	**5.7%**	**13.4%**	**17.4%**	**11.2%**	**9.8%**	**9.1%**
Barclays High Yield Bond Index	3.2%	10.2%	15.1%	10.4%	8.9%	8.3%
RidgeWorth Corporate Bond	**-2.0%**	**2.9%**	**8.4%**	**6.3%**	**6.3%**	**5.7%**
PIMCO Invt Grade Corp Bond	**-1.1%**	**5.5%**	**11.7%**	**10.6%**	**8.6%**	**7.3%**
Barclays Corp Invt Grade Index	-1.6%	3.0%	9.0%	7.1%	6.1%	5.3%
PIMCO Total Return Bond	**-0.9%**	**2.9%**	**8.8%**	**9.1%**	**8.1%**	**6.9%**
Barclays Aggregate Index	-1.3%	1.2%	6.5%	5.9%	5.8%	5.1%
Cash Equivalents	0.0%	0.0%	0.1%	2.1%	3.4%	2.9%
91 Day T-Bills	0.0%	0.1%	0.1%	0.6%	2.2%	2.2%

*Static Benchmark consists of: 65% Russell 3000 Index and 35% Barclays Aggregate Index. **Efficient Frontier Target consists of: 37.1% S&P500, 7.1% Russell Mid Cap, 4.8% Russell 2000, 15.6% MSCI EAFE GDP, 25.0% HFR Fund of Funds, 9.4% Barclays Aggregate Index and 1.0% 91 Day T-Bills. ***The Non-Traditional sector and benchmark are as of November 2010. Fiscal Year 6/30.

Past performance is not indicative of future results. Please refer to appendix for full disclosure. Source: First Rate Performance System.

SunTrust

Private Equity

Strictly Private and Confidential

SAMPLE LIQUIDITY SCHEDULE FOR A PRIVATE EQUITY POOLED VEHICLE INVESTOR
$2 million commitment

- Capital called is what the fund's investors pay in; distributions are what the fund pays back. Cumulative capital is how much total capital is called. Cumulative distributions show how much total is distributed.
- Unrealized value or "net asset value" (NAV) is the estimated value of the PEPV's holdings which are not distributed.
- Total value is unrealized value plus the cumulative distributions made; it is net of fees.
- The estimated multiple is total value divided by cumulative capital called; it is a measure of returns.

Based on 2.1X Base line discuss:

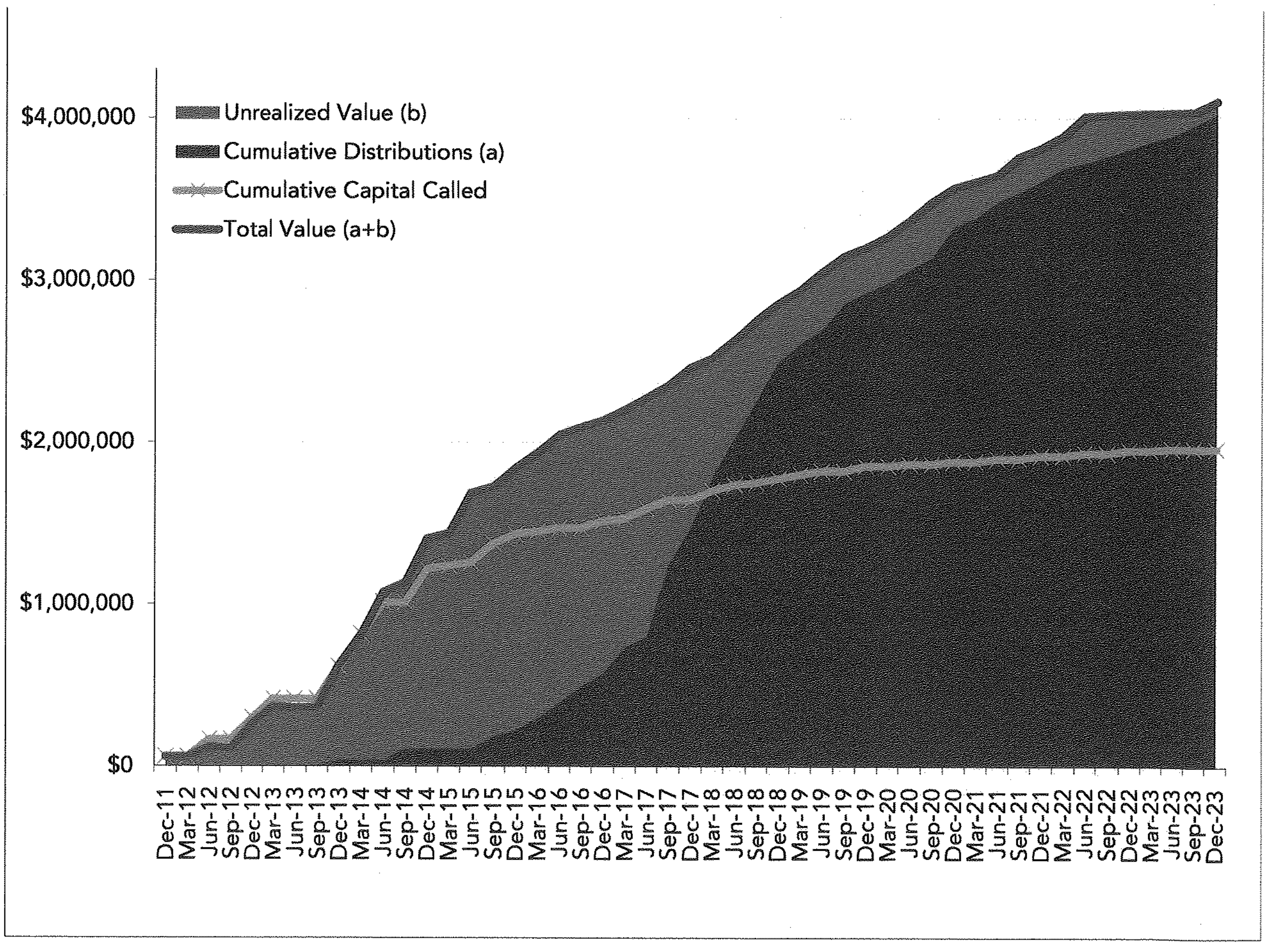
Date	Capital Called	Distributions	Cumulative Capital Called	Cumulative Distributions (a)	Unrealized Value (b)	Total Value (a+b)	Estimated Multiple
12/31/2011	$58,382	$0	$58,382	$0	$55,654	$55,654	0.95
3/31/2012	$0	$0	$58,382	$0	$56,335	$56,335	0.96
6/30/2012	$105,573	$0	$163,955	$0	$117,765	$117,765	0.72
9/30/2012	$0	$0	$163,955	$0	$107,525	$107,525	0.66
12/31/2012	$130,516	$6,367	$294,471	$6,367	$256,141	$262,508	0.89
3/31/2013	$117,966	$0	$412,437	$6,367	$361,085	$367,452	0.89
6/30/2013	$0	$0	$412,437	$6,367	$350,192	$356,559	0.86
9/30/2013	$0	$0	$412,437	$6,367	$353,055	$359,422	0.87
12/31/2013	$200,149	$30,171	$612,586	$36,538	$585,674	$622,212	1.02
3/31/2014	$220,149	$0	$812,734	$36,538	$775,174	$811,712	1.00
6/30/2014	$160,149	$0	$1,012,883	$36,538	$1,034,221	$1,070,760	1.06
9/30/2014	$0	$70,049	$1,012,883	$106,588	$1,023,340	$1,129,927	1.12
12/31/2014	$205,920	$0	$1,218,803	$106,588	$1,295,756	$1,402,344	1.15
3/31/2015	$20,000	$0	$1,238,803	$106,588	$1,329,322	$1,435,910	1.16
6/30/2015	$20,000	$0	$1,258,803	$106,588	$1,576,349	$1,682,937	1.34
9/30/2015	$120,074	$74,600	$1,378,877	$181,188	$1,540,920	$1,722,108	1.25
12/31/2015	$54,303	$40,030	$1,433,180	$221,217	$1,617,496	$1,838,714	1.28
3/31/2016	$20,000	$70,052	$1,453,180	$291,269	$1,642,582	$1,933,852	1.33
6/30/2016	$20,000	$100,074	$1,473,180	$391,344	$1,652,568	$2,043,912	1.39
9/30/2016	$0	$100,074	$1,473,180	$491,418	$1,600,417	$2,091,835	1.42
12/31/2016	$40,045	$77,500	$1,513,225	$568,918	$1,562,920	$2,131,838	1.41
3/31/2017	$20,000	$167,500	$1,533,225	$736,418	$1,460,735	$2,197,153	1.43
6/30/2017	$60,045	$57,400	$1,593,269	$793,818	$1,481,089	$2,274,907	1.43
9/30/2017	$55,000	$445,000	$1,648,269	$1,238,818	$1,107,433	$2,346,251	1.42
12/31/2017	$55	$245,000	$1,648,324	$1,483,818	$977,451	$2,461,269	1.49
3/31/2018	$55,000	$298,000	$1,703,324	$1,781,818	$737,214	$2,519,032	1.48
6/30/2018	$35,000	$245,000	$1,738,324	$2,026,818	$603,513	$2,630,331	1.51
9/30/2018	$15,000	$225,600	$1,753,324	$2,252,418	$498,131	$2,750,549	1.57
12/31/2018	$25,000	$248,000	$1,778,324	$2,500,418	$355,624	$2,856,042	1.61
3/31/2019	$23,000	$108,202	$1,801,324	$2,608,620	$330,210	$2,938,830	1.63
6/30/2019	$22,000	$85,000	$1,823,324	$2,693,620	$353,021	$3,046,641	1.67
9/30/2019	$0	$165,000	$1,823,324	$2,858,620	$289,896	$3,148,516	1.73
12/31/2019	$32,000	$65,000	$1,855,324	$2,923,620	$278,918	$3,202,538	1.73
3/31/2020	$0	$65,000	$1,855,324	$2,988,620	$282,092	$3,270,712	1.76
6/30/2020	$12,000	$77,500	$1,867,324	$3,066,120	$298,960	$3,365,080	1.80
9/30/2020	$0	$77,500	$1,867,324	$3,143,620	$338,227	$3,481,847	1.86
12/31/2020	$14,500	$186,500	$1,881,824	$3,330,120	$237,163	$3,567,283	1.90
3/31/2021	$0	$57,300	$1,881,824	$3,387,420	$220,470	$3,607,890	1.92
6/30/2021	$18,500	$97,780	$1,900,324	$3,485,200	$163,177	$3,648,377	1.92
9/30/2021	$0	$60,045	$1,900,324	$3,545,245	$215,954	$3,761,199	1.98
12/31/2021	$17,000	$70,052	$1,917,324	$3,615,297	$198,834	$3,814,131	1.99
3/31/2022	$0	$80,059	$1,917,324	$3,695,356	$195,197	$3,890,553	2.03
6/30/2022	$16,000	$30,022	$1,933,324	$3,725,378	$285,227	$4,010,605	2.07
9/30/2022	$0	$40,030	$1,933,324	$3,765,408	$254,045	$4,019,453	2.08
12/31/2022	$17,400	$48,000	$1,950,724	$3,813,408	$212,144	$4,025,552	2.06
3/31/2023	$0	$45,600	$1,950,724	$3,859,008	$172,213	$4,031,221	2.07
6/30/2023	$11,300	$40,000	$1,962,024	$3,899,008	$138,993	$4,038,001	2.06
9/30/2023	$0	$65,040	$1,962,024	$3,964,048	$81,608	$4,045,656	2.06
12/31/2023	$0	$75,000	$1,962,024	$4,039,048	$73,559	$4,112,607	2.10

DISCLOSURE AND NOTES TO HALL CAPITAL SAMPLE LIQUIDITY SCHEDULE

A. Performance Disclaimer: Hall Capital Partners is an SEC-registered investment adviser that provides investment advice regarding a variety of equity, fixed income, hedge fund, private equity and balanced assets for high net worth, institutional, and pooled vehicle clients. This schedule is a simulation of cash flows by a sample private equity pooled vehicle. There are no guarantees actual cash flows will be similar to the ones illustrated in this schedule.

B. Assumptions for Schedule: This sample liquidity schedule makes a number of middle-of-the-road assumptions based on actual HCP experience: i) It reflects that approximately 80% of capital is called within 5-6 years of the fund's closing. This is the time in which active investments by the underlying portfolio funds will be heaviest. Thereafter, contributions will be necessary mainly for follow-on investments, reserves, and expenses. ii) Over the life of the fund, only about 90-95% of the capital is expected to be called. This is because not all the managers may be successful in investing 100% of their capital due to excess reserves. iii) We assume approximately a 2.1x multiple of return, with the average holding period for underlying investments being in a 4-6 year period after capital is invested.

C. J-Curve Effect in Private Equity: Returns for private equity funds historically result in a negative J-curve for the first few years due to early fees and expenses. The J-curve is usually 2-4 years, depending on the timing and velocity of investments versus expenses.



SunTrust

Hedge Funds

LIGHTHOUSE PARTNERS

LIGHTHOUSE PARTNERS
FOURTH QUARTER, 2010 REVIEW

EXECUTIVE SUMMARY

Well-known American publisher of dictionaries, Merriam-Webster, recently announced the word "austerity" as its 2010 Word of the Year. While the word was used largely when describing conditions in Europe, there was little sign of austerity in practice during the fourth quarter in the U.S. The combination of continued federal spending, quantitative easing by the Federal Reserve, and the extension of Bush-era tax cuts bolstered equity markets, as the S&P 500 rose 10.8% during the quarter to a two-year high. Not surprisingly, equity markets in China (Shanghai Composite up 5.7%) and Europe (EuroStoxx50 up 2.3%) underperformed, as authorities sought to curb inflation (China) and rein in spending (Europe) in those more "austere" markets. Supporting the notion that the U.S. has chosen growth over monetary discipline, the 30-year U.S. Treasury yield climbed 84 basis points, effectively ending the run in the bond market. The Lighthouse multi-strategy funds were positive for the quarter highlighted by strong returns in October and December.

Some of the key themes affecting the funds over the fourth quarter were:

1. *Treasury bond reversal.* Whether coincidental or not, the much-anticipated second round of quantitative easing from the Federal Reserve ("QE2") began with the price of the 10-year benchmark U.S. Treasury near its peak. Since early October, the yield on the benchmark 10-year Treasury note has increased from 2.39% to 3.30% (as of December 31).

2. *General Motors IPO.* 2010 marked the return of the IPO machine that had been all but dormant since 2007. One of the biggest IPOs of the year occurred in November when the venerable automaker General Motors returned to U.S. equity markets. While GM's complex capital structure provided some trading opportunities for our managers, perhaps the most notable upshot of the GM IPO was the symbolic exit of the U.S. government as GM's majority owner. After two years of heavy government involvement and ownership of the private economy, we believe that a more economically distant U.S. government will be positive for investors.

3. *Commodity rally.* The combination of a weaker U.S. dollar and increasing demand from emerging markets pushed virtually all commodity prices higher, with many base metals, precious metals and agricultural products hitting record highs during the quarter. These moves were mostly positive for our CTA managers, as both trend-following and discretionary fundamental managers profited from the price action.

4. *Corporate defaults.* Although default projections have declined significantly around the globe, a large group of companies continue to struggle, which creates attractive trading opportunities for our credit managers. Five of the 10 largest defaults of 2010 came in the fourth quarter, and the recent increase in interest rates could place additional pressure on those firms that have not yet raised the needed cash.

5. *Two-speed recovery.* 2010 may be remembered as the year that faster-growing economies in Asia and Latin America separated from the mature economies of Europe, Japan and the U.S. Notwithstanding, Chinese authorities played spoiler on several occasions by tightening monetary policy in the face of rising inflation. For emerging markets investors, the modest stock market returns from China and Brazil in 2010 serve as a reminder that economic success does not always reward a directional strategy – one reason we continue to take a hedged or trading-oriented approach to emerging market investing.

While we are encouraged with the recent positive performance of our multi-strategy funds, we recognize that our preference to remain relatively liquid and well-hedged has had a dampening effect on top-line returns, all of which are pronounced when markets are moving indiscriminately in one direction. While we accept that minimizing equity beta in our portfolios is a big part of our job, we also acknowledge that alpha generation in equity long/short and market neutral equity strategies was more difficult to achieve in 2010 than in the past. Lower equity betas protected capital during sharp sell-offs in 2010, but may be overlooked when investors reflect only on the bottom line. Ultimately, the ability to protect and grow assets over time at a reliable pace is the purpose of carrying diversified hedge fund exposure. Looking to 2011, we remain focused on identifying the catalysts that drive returns across various strategies and the managers who can best execute on these opportunities.

Collateral analysis remains the primary driver of returns in the agency mortgage space. The potential for a decline in longer-term interest rates and the prospect for a lower primary mortgage rate are offset to a large extent by diversification across prepay-protected collateral, such as low loan balance bonds with moderately lower credit characteristics. For example, one of the largest bonds in one of our agency portfolio has an average underlying loan size of only $62,000. A loan that has been paid down to this extent greatly reduces the borrower's incentive to refinance as the benefit of the lower rate is diminished. This illustrates the relative attractiveness of specific sectors of agency collateral. The current pricing of the bond is also attractive, as the bond yield is 25% if we assume the same realized conditional prepayment rate ("CPR") since inception. One could double this CPR assumption and the bond yield is still positive.

Our non-agency mortgages also posted gains during the quarter as prices were marginally higher. The ongoing foreclosure issues are likely to result in a slowdown in liquidation rates; however, loss-adjusted yields on non-agency bonds remain greater than all other sectors, providing support for the asset class.

The municipal bond market had a tumultuous quarter, with multiple factors driving down prices and widening spreads. Issuance on taxable municipal bonds hit record levels with the December 31 expiration of the Build America Bond ("BAB") program. This record issuance flooded the marketplace and contributed to price declines, as demand could not keep up. Although our general outlook on municipal bond credits is cautious, there were still great trading opportunities. We took advantage of the poor technicals in the municipal space to add capital December 1 at very attractive levels.

An example of a municipal bond traded during the quarter involves a BAB new issue. Our manager believed the bond would have strong appeal, so he bought it at par on October 29 and then immediately sold half the position on the same day for a profit. He held the remaining position for 11 days before selling it, but more importantly, the relative spread between the BAB and its hedges tightened. The cumulative realized return on this two-week trade was 1.5%, which annualizes to an impressive 62%.

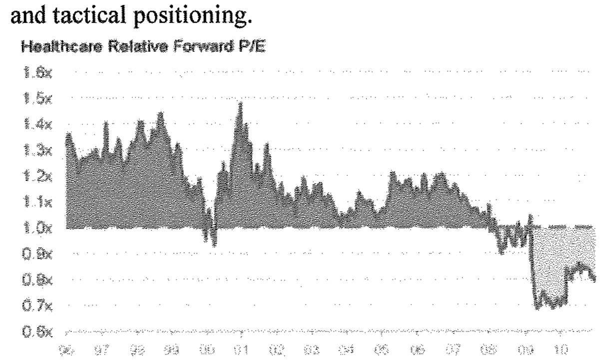
Long/Short Equity

Against the backdrop of rebounding equity markets and lower single-stock correlation, long/short equity managers posted positive returns for the quarter.

Asia managers had a strong quarter with four of our five managers generating positive returns. The strongest performer from the region was an opportunistic event manager who gained 9.4%. This manager participated in a number of capital market events including the listing of AIA, the Asian unit of AIG. AIA was up approximately 24% in its first 10 trading days while the Hang Seng Index was up only 6%. The manager exited the position entirely on November 11 when the anticipated event, the inclusion of AIA into the MSCI Asia Index, took place. Another bright spot from Asia came from a China specialist who returned over 7% despite the MSCI China Index gaining less than 1%. During the quarter, this manager made 55% of total profits from the long book and 45% from the short book, while remaining well-hedged and keeping exposures stable across the top-performing sectors of consumer discretionary and technology. This China-focused manager demonstrates that pure stock-picking can work in Asia.

In Europe, manager returns ranged from -0.7% to 1.9% for the quarter, which was disappointing, given the MSCI Europe Index returned 6%. Increased stock and index correlations, sector rotation and weaker trading volumes explain some of the weakness relative to indices. Despite these headwinds, one value manager found good opportunities reflecting valuation anomalies in the market. For example, the spread between large-capitalization stocks and mid-capitalization stocks was at 19-year highs with Eurostoxx50 companies trading at 9x P/E while European mid-capitalization stocks traded at 15x. Our manager continues to believe that this wide valuation difference will narrow and has structured the portfolio to profit on reversion.

The standout performers in the U.S. were the healthcare specialists, with the top manager returning nearly 10% during the quarter. The Lighthouse Healthcare portfolio returned nearly 6% for the quarter. Given that the S&P 500 healthcare sector returned approximately 4% during the quarter and the average net exposure for our portfolio was only 54%, the returns for the quarter demonstrated significant alpha. The relative valuation of the healthcare sector is illustrated below with the forward P/E multiple significantly below levels seen during the past 15 years. The strong quarterly result was driven by stock selection and tactical positioning.



Source: Morgan Stanley Research

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LIGHTHOUSE
PARTNERS

Lighthouse Diversified Fund, L.P.

STRATEGY
Multi-Strategy

INCEPTION
August 1996

STRATEGY AUM
$2.7 billion†

SERIES A

MANAGEMENT FEE
1.5% per annum

PERFORMANCE FEE
None

WITHDRAWAL TERMS
Quarterly redemptions with at least 135 days written notice

DOMICILE
Delaware

AUDITOR
PricewaterhouseCoopers LLP

ADMINISTRATOR
GlobeOp Financial Services[2]

BLOOMBERG CODE
LHDVQLP US

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Performance summary[1]

	December 2010	Last 12 months	Last 36 months	Inception (Aug 1996 to date)
Diversified Fund L.P. (Net)	**2.55%***	**6.03%**	**-1.17%**	**8.64%**
S&P 500 (w/dividends)	6.68%	15.05%	-2.86%	6.67%
Barclays Gov/Credit	-1.40%	6.59%	5.60%	6.34%

Net historical performance[1]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	-0.10%	-0.25%	1.28%	0.59%	-1.16%	-0.64%	0.96%	0.53%	1.15%	1.19%	-0.17%	2.55%*	**6.03%***
2009	2.12%	0.47%	-0.32%	1.10%	3.47%	1.43%	2.23%	1.98%	1.97%	0.51%	0.49%	0.88%	**17.54%**
2008	-1.65%	1.86%	-2.76%	0.69%	1.95%	-0.60%	-2.67%	-1.57%	-6.56%	-6.16%	-3.47%	-3.92%	**-22.56%**
2007	1.40%	0.92%	1.28%	1.92%	2.11%	1.19%	0.15%	-2.24%	0.80%	2.63%	-0.47%	0.38%	**10.45%**
2006	2.26%	0.42%	0.96%	1.07%	-0.85%	-0.17%	0.26%	1.03%	1.48%	1.54%	1.80%	2.09%	**12.51%**
2005	0.47%	0.97%	-0.02%	-0.57%	0.64%	1.13%	1.12%	0.89%	1.26%	-0.31%	1.06%	1.48%	**8.40%**
2004	1.59%	1.14%	0.44%	-0.48%	-0.46%	0.29%	0.03%	0.14%	0.52%	0.73%	1.95%	0.98%	**7.06%**
2003	1.13%	0.54%	-0.16%	1.25%	1.30%	0.58%	-0.67%	0.37%	1.44%	0.94%	0.83%	0.24%	**8.05%**
2002	1.06%	0.34%	1.02%	0.97%	0.61%	0.12%	0.02%	0.59%	0.47%	-0.07%	0.71%	1.45%	**7.53%**
2001	2.42%	0.42%	0.93%	0.34%	0.20%	0.36%	0.16%	1.00%	-0.62%	0.93%	0.19%	0.85%	**7.39%**
2000	1.64%	1.31%	1.81%	1.83%	2.66%	0.46%	1.12%	1.18%	-1.13%	1.10%	0.10%	0.57%	**13.35%**
1999	1.79%	0.21%	2.18%	3.60%	1.09%	3.32%	1.88%	0.92%	0.88%	1.71%	1.36%	3.03%	**24.25%**
1998	-0.43%	1.90%	2.20%	1.34%	-0.13%	0.50%	0.53%	-4.66%	-1.44%	-1.33%	2.04%	2.11%	**2.43%**
1997	3.44%	2.57%	-0.59%	0.45%	2.68%	1.71%	3.85%	1.01%	3.30%	0.27%	-0.42%	1.79%	**21.86%**
1996								2.13%	1.49%	0.89%	2.80%	0.65%	**8.20%**

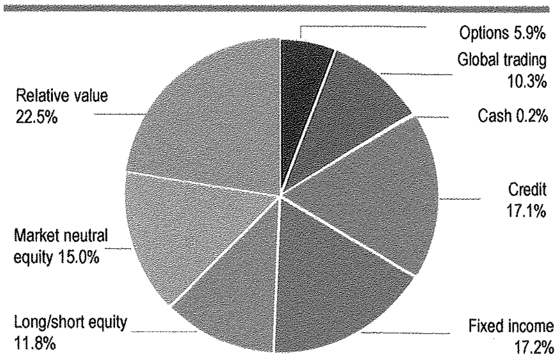
Performance characteristics[1]

August 1996 – December 2010

Annualized Compound Return	8.64%
Annualized Standard Deviation	5.22%
Sharpe Ratio (annualized)	1.00
% positive months	79%
Maximum Drawdown	-22.70%
Beta to S&P 500 with dividends	0.15
Beta to Barclays Gov/Credit	0.01

Portfolio composition

December 2010 Strategy Allocations



*Performance is estimated by Lighthouse Investment Partners, LLC and the underlying managers. 2010 performance is unaudited (and subject to change upon final audit).
† Strategy AUM is estimated and includes onshore and offshore fund assets and may include investments made into the strategy by other Lighthouse managed funds.
[1] The performance data contained herein represents the returns to an investor in Lighthouse Diversified Fund (QP) II, L.P. Series A shares ("the Fund"). Performance is net of all fees and expenses applicable to a shareholder in the Fund. Results include reinvestment of all income and capital gains.
[2] Onshore funds are administered by GlobeOp Financial Services LLC.
Past performance is not necessarily indicative of future results. No assurance can be given that the Fund's objectives or targets will be achieved. Investing in the Fund is intended for experienced and sophisticated investors only who are willing to bear the high economic risks of the investment. Investors should carefully review and consider potential risks before investing. This document is for informational use only and is not an offer to sell or a solicitation of an offer to buy interests in the Fund or any Lighthouse managed investment vehicle. Please refer to the Fund's Private Offering Memorandum for details of investment terms and conditions.

Lighthouse Global Long/Short Fund, L.P.

100% managed accounts

STRATEGY
Long/Short Equity

INCEPTION
January 2005

STRATEGY AUM
$748 million†

SERIES A

MANAGEMENT FEE
1.5% per annum

PERFORMANCE FEE
None

WITHDRAWAL TERMS
Quarterly redemptions with at least 60 days written notice OR monthly redemptions with at least 90 days written notice

DOMICILE
Delaware

AUDITOR
PricewaterhouseCoopers LLP

ADMINISTRATOR
GlobeOp Financial Services[2]

BLOOMBERG CODE
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INVESTMENT MANAGER
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www.lighthousepartners.com

Performance summary[1]

	December 2010	Last 12 months	Last 36 months	Inception (Jan 2005 to date)
Lighthouse Global Long/Short Fund L.P. (Net)	2.15%*	5.15%	0.23%	5.93%
S&P 500 (w/dividends)	6.68%	15.05%	-2.86%	2.72%
MSCI World Equity Index	7.39%	12.35%	-4.28%	4.14%

Net historical performance[1]

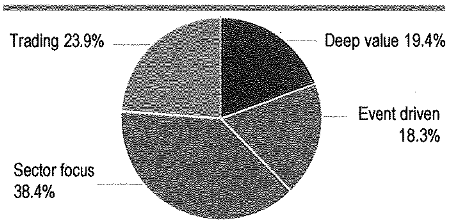
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	0.03%	0.25%	1.88%	0.64%	-2.44%	-1.74%	1.70%	-0.63%	1.33%	1.83%	0.15%	2.15%*	5.15%*
2009	0.30%	-0.54%	1.07%	1.27%	2.30%	0.66%	1.58%	1.36%	1.46%	-0.86%	0.31%	0.86%	10.17%
2008	-3.15%	1.21%	-4.67%	1.46%	2.79%	-0.45%	-1.39%	-0.33%	-6.35%	-2.02%	-0.60%	-0.04%	-13.07%
2007	2.74%	0.37%	1.53%	2.62%	3.16%	1.29%	-0.16%	-2.33%	1.80%	3.34%	-2.42%	0.23%	12.64%
2006	2.11%	-0.01%	0.66%	0.59%	-1.96%	-0.27%	0.10%	1.96%	1.78%	1.79%	2.50%	2.43%	12.21%
2005	0.91%	1.14%	-0.51%	-1.19%	1.93%	1.46%	1.99%	0.71%	1.31%	-1.30%	1.19%	2.92%	10.99%

Performance characteristics[1]

January 2005 – December 2010

Annualized Compound Return	5.93%
Annualized Standard Deviation	6.22%
Sharpe Ratio (annualized)	0.56
% positive months	68%
Maximum Drawdown	-15.18%
Beta to S&P 500 with dividends	0.23
Beta to MSCI World Equity Index	0.24

Style Breakdown[3]

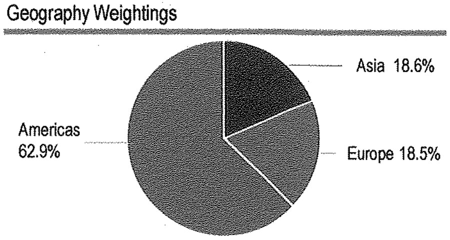


Portfolio composition

Sector Weightings

	Gross	Net
Consumer non-cyclical	29.6%	5.4%
Consumer cyclical	12.6%	4.2%
Energy	31.3%	2.0%
Financials	36.1%	1.8%
Healthcare	26.0%	9.3%
Industrials	21.6%	3.1%
Technology	24.9%	6.8%
Materials	12.2%	3.2%
Telecommunications	2.9%	0.5%
Utilities	3.7%	-0.5%
Other	9.6%	-2.6%
Total	**210.5%**	**33.2%**

Geography Weightings



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† Strategy AUM is estimated and includes onshore and offshore fund assets and may include investments made into the strategy by other Lighthouse managed funds.

[1] The performance data contained herein represents the returns to an investor in Lighthouse Global Long/Short Fund, L.P. Series A shares ("the Fund"). Performance is net of all fees and expenses applicable to a shareholder in above fund. Results include reinvestment of all income and capital gains.

[2] Onshore funds are administered by GlobeOp Financial Services LLC.

[3] Allocations are volatility weighted.

Past performance is not necessarily indicative of future results. No assurance can be given that the Fund's objectives or targets will be achieved. Investing in the Fund is intended for experienced and sophisticated investors only who are willing to bear the high economic risks of the investment. Investors should carefully review and consider potential risks before investing. This document is for informational use only and is not an offer to sell or a solicitation of an offer to buy interests in the Fund or any Lighthouse managed investment vehicle. Please refer to the Fund's Private Offering Memorandum for details of investment terms and conditions.

LIGHTHOUSE
PARTNERS

Lighthouse Credit Opportunities Fund, L.P.

STRATEGY
Credit

INCEPTION
January 2003

STRATEGY AUM
$707 million†

SERIES B

MANAGEMENT FEE
1% per annum

PERFORMANCE FEE
10% per annum

WITHDRAWAL TERMS
Semi-annual redemptions with at least 135 days written notice

DOMICILE
Delaware

AUDITOR
PricewaterhouseCoopers LLP

ADMINISTRATOR
GlobeOp Financial Services[2]

BLOOMBERG CODE
LHCOPLP US

INVESTMENT MANAGER
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Performance summary[1]

	December 2010	Last 12 months	Last 36 months	Inception (Jan 2003 to date)
LCOF L.P. (Net)	4.75%*	14.90%	-1.98%	6.89%
Barclays Govt/Credit	-1.40%	6.59%	5.60%	4.87%
ML High Yield Master II	1.76%	15.21%	10.14%	10.53%

Net historical performance[1]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	0.34%	-0.72%	2.96%	1.74%	-2.13%	0.77%	1.41%	0.54%	2.64%	1.61%	0.23%	4.75%*	14.90%*
2009	1.49%	-0.77%	-1.14%	0.53%	2.88%	1.34%	2.26%	2.66%	3.76%	2.12%	-0.27%	2.98%	19.21%
2008	-0.17%	0.54%	-1.17%	0.60%	0.49%	-1.50%	-2.54%	-1.28%	-6.70%	-9.70%	-7.04%	-7.61%	-31.23%
2007	1.50%	0.88%	0.78%	1.13%	0.88%	0.59%	0.36%	-0.30%	0.72%	1.14%	-1.06%	-0.05%	6.74%
2006	1.58%	0.59%	1.02%	1.18%	-0.10%	-0.10%	0.46%	0.98%	0.59%	1.67%	1.75%	1.17%	11.31%
2005	-0.02%	1.61%	0.43%	-0.03%	0.77%	0.93%	1.61%	1.59%	0.89%	-0.44%	0.60%	1.14%	9.43%
2004	2.30%	0.25%	0.60%	0.64%	-0.26%	1.16%	0.40%	0.55%	0.86%	0.94%	2.97%	2.03%	13.12%
2003	2.82%	0.40%	1.43%	3.14%	1.68%	2.44%	0.55%	0.85%	2.36%	2.09%	1.63%	1.54%	23.00%

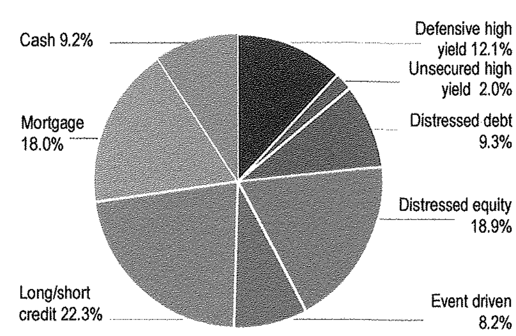
Performance characteristics[1]

January 2003 – December 2010

Annualized Compound Return	6.89%
Annualized Standard Deviation	7.42%
Sharpe Ratio (annualized)	0.64
% positive months	76%
Maximum Drawdown	-32.30%
Beta to Barclays Gov/Credit	-0.13
Beta to ML High Yield Master II	0.42

Portfolio composition

December 2010 Strategy Allocations



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SunTrust

Investment Managers

Strictly Private and Confidential

Harbor Capital Appreciation Instl

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★ (1504)	12-29-87	MF	$9,749 mil	Large Growth (MF)
Standard Index			**Category Index**	
S&P 500			Rus 1000Growth	

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-11.02	2.32	-12.86	-20.75	-37.13
2009	-0.56	15.24	13.67	8.92	41.88
2010	2.79	-13.07	12.05	11.47	11.61

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	11.61	-0.15	2.72	0.58	10.83
Std 12-31-2010	11.61	—	2.72	0.58	10.83
Total Return	11.61	-0.15	2.72	0.58	10.83
+/- Std Index	-3.45	2.71	0.43	-0.83	—
+/- Cat Index	-5.10	0.32	-1.03	0.56	—
% Rank Cat	82	19	48	44	—
No. in Cat	1718	1504	1286	787	—
7-day Yield	—				

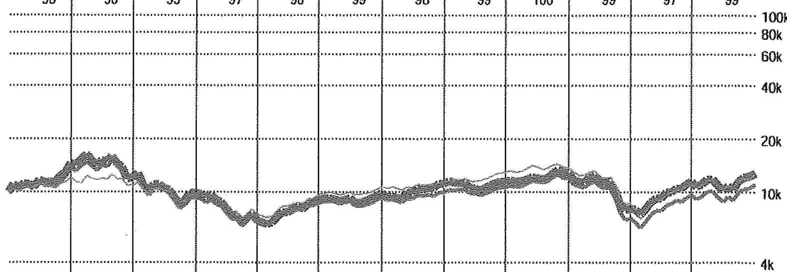
Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-422-1050 or visit www.harborfunds.com.

Investment Style Equity Stock %											
98	98	99	97	98	99	98	99	100	99	97	99



Growth of $10,000
Harbor Capital Appreciation Instl $12,828
Category Average $11,159
Standard Index $12,660

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
50.65	35.58	29.23	20.21	26.32	28.67	32.66	33.35	37.31	23.30	32.97	36.72	NAV
45.81	-17.00	-17.74	-30.73	30.47	9.34	14.02	2.33	12.25	-37.13	41.88	11.61	Total Return %
24.77	-7.90	-5.85	-8.63	1.78	-1.54	9.11	-13.46	6.76	-0.13	15.42	-3.45	+/- Standard Index
12.65	5.42	2.68	-2.85	0.72	3.04	8.76	-6.74	0.44	1.31	4.67	-5.10	+/- Category Index
27	67	33	74	30	34	8	85	54	21	21	82	% Rank Cat
633	805	1064	1234	1311	1400	1495	1642	1748	1809	1796	1718	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.60
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.70**

Risk and Return Profile

	3 Yr 1504 funds	5 Yr 1286 funds	10 Yr 787 funds
MorningstarRating™	4★	3★	3★
Morningstar Risk	-Avg	-Avg	Avg
Morningstar Return	+Avg	Avg	Avg

	3 Yr	5 Yr	10 Yr
Standard Deviation	21.35	17.54	17.91
Mean	-0.15	2.72	0.58
Sharpe Ratio	0.07	0.11	0.00

MPT Statistics	Standard Index	Best Fit Index MStar US Gr TR
Alpha	2.47	0.64
Beta	0.91	0.88
R-Squared	90.00	98.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	6.00% Assets

Portfolio Analysis 09-30-2010

Composition %	Long %	Short%	Net %
Cash	1.2	0.0	1.2
U.S. Stocks	92.7	0.0	92.7
Non-U.S. Stocks	6.1	0.0	6.1
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	21.1	1.36	1.15
P/C Ratio TTM	13.6	1.46	1.17
P/B Ratio TTM	3.5	1.59	1.21
Geo Avg Mkt Cap $mil	38916	0.81	1.27

Fixed-Income Style
Short Int Long
High Med Low

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis NA	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	93.9	0.94
Greater Europe	3.7	—
Greater Asia	2.4	—

Share Chg since 06-30-2010	Share Amount	70 Total Stocks 0 Total Fixed-Income 72% Turnover Ratio	% Net Assets
⊖	2 mil	Apple, Inc.	5.61
⊕	3 mil	Amazon.com, Inc.	4.45
⊕	2 mil	International Business Machin	2.95
⊖	485,230	Google, Inc.	2.66
⊕	3 mil	Nike, Inc. B	2.65
⊖	7 mil	Walt Disney Company	2.58
⊖	4 mil	Schlumberger, Ltd.	2.57
⊖	1 mil	MasterCard Incorporated A	2.39
⊖	5 mil	NetApp, Inc.	2.36
⊕	9 mil	Cisco Systems, Inc.	2.14
⊕	7 mil	Juniper Networks, Inc.	2.14
⊖	3 mil	Visa, Inc.	2.05
⊕	3 mil	Celgene Corporation	2.03
☼	7 mil	Oracle Corporation	2.00
⊖	2 mil	Occidental Petroleum Corporat	1.94

Sector Weightings	Stocks %	Rel Std Index
Information Economy	**38.3**	**1.58**
Software	6.9	1.53
Hardware	21.8	2.37
Media	2.6	0.81
Telecommunication	7.0	0.97
Service Economy	**40.0**	**1.03**
Healthcare Services	14.1	1.28
Consumer Services	16.2	1.93
Business Services	1.7	0.53
Financial Services	8.1	0.49
Manufacturing Economy	**21.7**	**0.59**
Consumer Goods	10.7	1.20
Industrial Goods	6.4	0.53
Energy	4.6	0.37
Utilities	0.0	0.00

Operations

Family:	Harbor	Objective:	Growth	Minimum IRA Purchase:	$0
Manager:	Segalas, Spiros	Ticker:	HACAX	Min Auto Investment Plan:	$0
Tenure:	20.7 Years	Minimum Intitial Purchase:	$50,000	Purchase Constraints:	T/

Hartford Dividend & Growth Y

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★ (1120)	07-22-96	MF	$1,060 mil	Large Value (MF)
Standard Index			**Category Index**	
S&P 500			Rus 1000Value	

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-7.01	-1.89	-8.07	-18.47	-31.63
2009	-11.27	15.84	13.79	6.21	24.22
2010	4.88	-11.46	11.02	9.68	13.08

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	13.08	-1.34	4.53	4.50	8.25
Std 12-31-2010	13.08	—	4.53	4.50	8.25
Total Return	13.08	-1.34	4.53	4.50	8.25
+/- Std Index	-1.98	1.52	2.24	3.09	—
+/- Cat Index	-2.43	3.08	3.25	1.24	—
% Rank Cat	54	15	7	21	—
No. in Cat	1240	1120	956	502	—
7-day Yield	—				

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 888-843-7824 or visit www.hartfordinvestor.com.

Fees and Expenses

Sales Charges

Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

Management Fees %	0.63
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.69**

Risk and Return Profile

	3 Yr 1120 funds	5 Yr 956 funds	10 Yr 502 funds
MorningstarRating™	4★	5★	4★
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	+Avg	High	+Avg

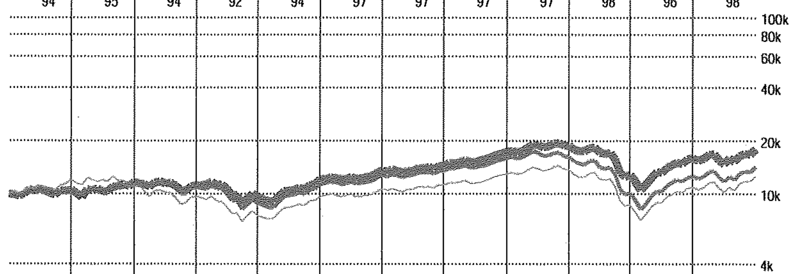
	3 Yr	5 Yr	10 Yr
Standard Deviation	20.89	16.82	14.77
Mean	-1.34	4.53	4.50
Sharpe Ratio	0.01	0.21	0.22

MPT Statistics	Standard Index	Best Fit Index Mstar Large Cap TR
Alpha	1.21	1.91
Beta	0.94	0.97
R-Squared	98.00	98.00

12-Month Yield	1.66%
30-day SEC Yield	1.82
Potential Cap Gains Exp	7.00% Assets

Investment Style
Equity
Stock %

94	95	94	92	94	97	97	97	97	98	96	98



Growth of $10,000
Hartford Dividend & Growth Y $18,096
Category Average $14,377
Standard Index $12,660

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
16.96	17.67	16.44	14.00	17.44	19.11	19.14	21.21	21.31	14.25	17.34	19.26	NAV
5.10	10.82	-4.15	-13.70	26.44	12.44	5.87	20.08	8.18	-31.63	24.22	13.08	Total Return %
-15.94	19.92	7.74	8.40	-2.25	1.56	0.96	4.29	2.69	5.37	-2.24	-1.98	+/- Standard Index
-2.25	3.80	1.44	1.82	-3.59	-4.05	-1.18	-2.17	8.35	5.22	4.53	-2.43	+/- Category Index
54	34	41	14	62	56	46	24	9	12	43	54	% Rank Cat
638	809	892	961	1050	1220	1296	1371	1432	1433	1272	1240	No. of Funds in Cat

Portfolio Analysis 11-30-2010

Composition %	Long %	Short%	Net %
Cash	2.5	0.0	2.5
U.S. Stocks	86.8	0.0	86.8
Non-U.S. Stocks	10.8	0.0	10.8
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	12.4	0.80	0.95
P/C Ratio TTM	7.9	0.85	1.07
P/B Ratio TTM	1.8	0.82	1.06
Geo Avg Mkt Cap $mil	55513	1.15	1.65

Fixed-Income Style
Short Int Long
High Med Low

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis NA	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	91.3	0.91
Greater Europe	7.7	—
Greater Asia	1.0	—

Share Chg since 10-31-2010	Share Amount	94 Total Stocks 0 Total Fixed-Income 33% Turnover Ratio	% Net Assets
	8 mil	AT&T, Inc.	3.82
	3 mil	Chevron Corporation	3.69
⊕	3 mil	ExxonMobil Corporation	3.45
	7 mil	Wells Fargo Company	3.21
	1 mil	International Business Machin	2.86
⊕	8 mil	Pfizer Inc.	2.41
	3 mil	J.P. Morgan Chase & Co.	2.13
	3 mil	Merck & Co Inc	1.99
	2 mil	Johnson & Johnson	1.85
	3 mil	Eli Lilly and Company	1.80
⊕	2 mil	Metlife Inc.	1.60
⊕	1 mil	PepsiCo, Inc.	1.54
	1 mil	Philip Morris International I	1.45
	1 mil	Anadarko Petroleum Corp.	1.43
	1 mil	ACE, Ltd.	1.42

Sector Weightings	Stocks %	Rel Std Index
Information Economy	**17.9**	**0.74**
Software	1.4	0.31
Hardware	5.9	0.64
Media	3.4	1.06
Telecommunication	7.2	1.00
Service Economy	**41.1**	**1.05**
Healthcare Services	14.5	1.32
Consumer Services	5.5	0.65
Business Services	4.8	1.50
Financial Services	16.3	0.99
Manufacturing Economy	**41.0**	**1.11**
Consumer Goods	6.3	0.71
Industrial Goods	13.9	1.15
Energy	15.2	1.23
Utilities	5.6	1.70

Operations

Family:	Hartford Mutual Funds	Objective:	Equity Income	Minimum IRA Purchase:	$0
Manager:	Kilbride/Baker/Bousa	Ticker:	HDGYX	Min Auto Investment Plan:	$0
Tenure:	3.7 Years	Minimum Intitial Purchase:	$1,000,000	Purchase Constraints:	T/

Invesco Small Cap Growth I

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
☆☆☆☆ (670)	03-15-02	MF	$429 mil	Small Growth (MF)
Standard Index S&P 500			**Category Index** Rus 2000Growth	

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-12.86	2.49	-6.19	-26.62	-38.53
2009	-5.94	19.90	14.78	4.41	35.16
2010	6.55	-7.85	12.56	14.75	26.82

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	26.82	1.76	6.22	—	5.97
Std 12-31-2010	26.82	—	6.22	—	5.97
Total Return	26.82	1.76	6.22	*3.16*	5.97
+/- Std Index	11.76	4.62	3.93	*1.75*	—
+/- Cat Index	-2.27	-0.42	0.92	*-0.62*	—
% Rank Cat	51	34	21	*57*	—
No. in Cat	758	670	563	341	—
7-day Yield	—				

Performance Disclosure

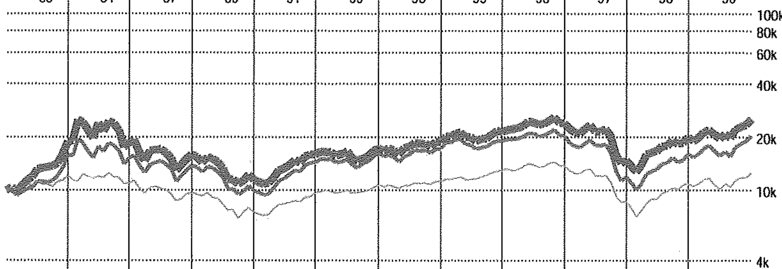
The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-959-4246 or visit www.invesco.com.

Investment Style
Equity
Stock %

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10
88	84	87	89	91	99	98	99	98	97	98	96



Growth of $10,000
Invesco Small Cap Growth I $25,467
Category Average $20,530
Standard Index $12,660

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
30.49	*30.05*	*25.72*	*18.53*	25.91	27.83	28.08	30.01	30.01	17.52	23.68	30.03	NAV
89.40	*-1.45*	*-14.41*	*-27.95*	39.83	7.41	8.93	14.76	11.85	-38.53	35.16	26.82	Total Return %
68.36	*7.65*	*-2.52*	*-5.85*	11.14	-3.47	4.02	-1.03	6.36	-1.53	8.70	11.76	+/- Standard Index
46.31	*20.98*	*-5.18*	*2.31*	-8.71	-6.90	4.78	1.41	4.80	0.01	0.69	-2.27	+/- Category Index
—	—	—	—	66	76	26	21	29	24	47	51	% Rank Cat
365	470	560	630	696	711	723	763	829	834	778	758	No. of Funds in Cat

Fees and Expenses

Sales Charges	
Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses	
Management Fees %	0.71
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.85**

Risk and Return Profile

	3 Yr 670 funds	5 Yr 563 funds	10 Yr *341 funds*
MorningstarRating™	4★	4★	*3☆*
Morningstar Risk	-Avg	-Avg	*Avg*
Morningstar Return	Avg	+Avg	*Avg*

	3 Yr	5 Yr	10 Yr
Standard Deviation	25.48	21.12	*21.23*
Mean	1.76	6.22	*3.16*
Sharpe Ratio	0.17	0.28	*0.15*

MPT Statistics	Standard Index	Best Fit Index Mstar Small Growth
Alpha	5.54	-0.01
Beta	1.09	0.90
R-Squared	90.00	97.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	18.00% Assets

Portfolio Analysis 06-30-2010

Composition %	Long %	Short%	Net %
Cash	4.0	0.0	4.0
U.S. Stocks	93.5	0.0	93.5
Non-U.S. Stocks	2.5	0.0	2.5
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	21.0	1.35	1.01
P/C Ratio TTM	10.3	1.11	0.87
P/B Ratio TTM	2.3	1.05	0.88
Geo Avg Mkt Cap $mil	1641	0.03	1.20

Fixed-Income Style
Short Int Long
High Med Low

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis NA	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	99.2	0.99
Greater Europe	0.8	—
Greater Asia	0.0	—

Share Chg since 03-31-2010	Share Amount	131 Total Stocks, 0 Total Fixed-Income, 36% Turnover Ratio	% Net Assets
⊕	27 mil	Invesco Treasurer's Ser Tr Pr	2.00
⊕	27 mil	Invesco Short Term Inv Liq As	2.00
⊕	400,120	Transdigm Group, Inc.	1.52
⊕	262,779	F5 Networks, Inc.	1.34
⊕	752,495	Informatica Corporation	1.34
⊕	566,267	Polycom, Inc.	1.26
⊕	801,342	Knight Transportation, Inc.	1.21
⊕	282,213	Chemed Corporation	1.15
⊕	275,821	Regal-Beloit Corporation	1.14
⊕	271,405	Greif Inc A	1.12
⊕	440,229	SBA Communications Corporatio	1.11
⊕	367,552	CoStar Group, Inc.	1.06
⊕	356,500	P.F. Chang's China Bistro, In	1.05
⊕	223,219	Church & Dwight Company, Inc.	1.04
⊕	493,483	TRW Automotive Holdings Corpo	1.01

Sector Weightings	Stocks %	Rel Std Index
Information Economy	**26.2**	**1.08**
Software	13.7	3.04
Hardware	8.9	0.97
Media	1.4	0.44
Telecommunication	2.2	0.31
Service Economy	**52.5**	**1.35**
Healthcare Services	20.0	1.82
Consumer Services	13.3	1.58
Business Services	8.7	2.72
Financial Services	10.4	0.63
Manufacturing Economy	**21.3**	**0.58**
Consumer Goods	6.9	0.78
Industrial Goods	8.4	0.69
Energy	5.0	0.40
Utilities	1.0	0.30

Operations

Family:	Invesco	Objective:	Small Company	Minimum IRA Purchase:	Closed
Manager:	Manley/Hartsfield/Ellis	Ticker:	GTSVX	Min Auto Investment Plan:	Closed
Tenure:	5.1 Years	Minimum Intitial Purchase:	Closed	Purchase Constraints:	T/A/C

iShares Russell Midcap Growth Index

Overall Morningstar Rtg™	Prem/Discount	Mkt Price	Morningstar Cat
★★★ 677 Mid-Cap Growth (MF)	0.02	56.61	Mid-Cap Growth (MF)

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-10.95	4.48	-17.73	-27.58	-44.56
2009	-3.50	21.10	17.23	6.91	46.47
2010	7.20	-9.93	14.52	13.99	26.03

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 12-31-2010	26.03	—	4.70	—	5.35
Std NAV 12-31-2010	26.08	—	4.68	—	5.35
Mkt Total Ret	26.03	0.77	4.70	—	5.35
NAV Total Ret	26.08	0.77	4.68	—	5.35
+/- S&P 500	11.02	3.63	2.39	—	—
+/- Rus MidGr	-0.30	-0.20	-0.20	—	—
% Rank Cat	—	—	—	—	—
No. in Cat	—	—	—	—	—

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when sold, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-474-2737 or visit www.ishares.com.

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.25
12b1 Expense %	NA
Expense Ratio %	**0.25**

Risk and Return Profile

	3 Yr 677 funds	5 Yr 594 funds	10 Yr 392 funds
MorningstarRating™	3★	3★	—
Morningstar Risk	+Avg	Avg	—
Morningstar Return	Avg	Avg	—

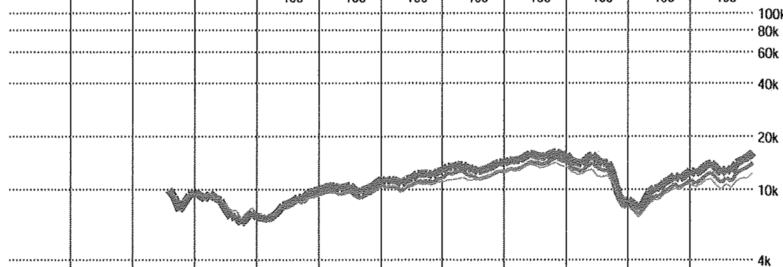
	3 Yr	5 Yr	10 Yr
Standard Deviation	26.62	21.49	—
Mean	0.77	4.68	—
Sharpe Ratio	0.14	0.22	—

MPT Statistics	Standard Index S&P 500	Best Fit Index Russ Midcap Growth
Alpha	4.98	-0.20
Beta	1.15	1.00
R-Squared	91.00	100.00

12-Month Yield	0.84%
30-day SEC Yield	0.81
Potential Cap Gains Exp	0.00% Assets

Investment Style
Equity
Stock %

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10
—	—	—	—	100	100	100	100	100	100	100	100



Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
—	—	—	-27.97	42.85	15.00	11.74	10.51	11.25	-44.56	46.47	26.03	Mkt Total Ret %
—	—	—	-27.55	42.38	15.15	11.82	10.44	11.19	-44.40	45.97	26.08	NAV Total Ret %
—	—	—	-5.45	13.69	4.27	6.91	-5.35	5.70	-7.40	19.51	11.02	+/- S&P 500
—	—	—	-0.14	-0.33	-0.33	-0.28	-0.22	-0.24	-0.07	-0.32	-0.30	+/- Rus MidGr
—	—	—	—	—	—	—	—	—	—	—	—	% Rank Cat
—	—	—	—	—	—	—	—	—	—	—	—	No. of Funds in Cat
—	—	0.43	0.16	0.07	0.09	0.01	-0.01	0.00	-0.05	-0.10	0.02	Avg Prem/Discount %

Portfolio Analysis 12-31-2010

Composition %	Long %	Short%	Net %
Cash	0.1	0.0	0.1
U.S. Stocks	99.1	0.0	99.1
Non-U.S. Stocks	0.7	0.0	0.8
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	21.0	1.35	1.00
P/C Ratio TTM	12.7	1.37	1.04
P/B Ratio TTM	3.7	1.68	1.28
Geo Avg Mkt Cap $mil	6987	0.15	1.33

Fixed-Income Style
Short Int Long
High Med Low

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis 12-31-2010	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel S&P 500
Americas	99.5	1.00
Greater Europe	0.4	—
Greater Asia	0.2	—

Share Chg since 12-30-2010 | Share Amount | 493 Total Stocks, 0 Total Fixed-Income, 28% Turnover Ratio | % Net Assets

Share Chg since 12-30-2010	Share Amount	Holding	% Net Assets
	337,645	Cummins, Inc.	1.18
	79,864	Priceline.com, Inc.	1.01
	580,149	NetApp, Inc.	1.01
	513,592	Coach, Inc.	0.90
	436,926	T. Rowe Price Group	0.89
	192,812	Salesforce.com, Inc.	0.81
	586,037	Agilent Technologies, Inc.	0.77
	472,177	Intuit	0.74
	840,004	Marsh & McLennan Companies	0.73
	279,243	CH Robinson Worldwide, Inc.	0.71
	443,144	Bed Bath & Beyond, Inc.	0.69
	488,894	Crown Castle International Co	0.68
	312,669	Citrix Systems, Inc.	0.68
	1 mil	The Western Union Company	0.66
	721,128	Avon Products	0.66

Sector Weightings	Stocks %	Rel S&P 500
Information Economy	**26.7**	**1.10**
Software	8.3	1.84
Hardware	12.7	1.38
Media	2.5	0.78
Telecommunication	3.2	0.44
Service Economy	**40.7**	**1.04**
Healthcare Services	11.6	1.05
Consumer Services	13.3	1.58
Business Services	9.5	2.97
Financial Services	6.3	0.38
Manufacturing Economy	**32.6**	**0.89**
Consumer Goods	11.6	1.30
Industrial Goods	14.5	1.20
Energy	6.3	0.51
Utilities	0.3	0.09

Operations

Family:	iShares	Ticker:	IWP
Manager:	Hsiung/Savage	Exchange	ARCA
Tenure:	3.0 Years	Incept	07-17-01
Total Assets	$3,161 mil	NAV	56.60

Legg Mason Batterymarch Emerging Mkts I

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
☆☆☆ (273)	06-23-05	MF	$443 mil	Diversified Emerging Mkts (MF)

Standard Index MSCI EAFE NR USD
Category Index MSCI EM NR USD

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-10.54	0.44	-28.30	-33.54	-57.19
2009	-3.09	34.62	23.02	9.96	76.48
2010	3.52	-10.89	20.17	6.97	18.58

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	18.58	-3.60	12.15	—	16.80
Std 12-31-2010	18.58	—	12.15	—	16.80
Total Return	18.58	-3.60	12.15	*16.22*	16.80
+/- Std Index	10.83	3.42	9.69	*12.72*	—
+/- Cat Index	-0.30	-3.28	-0.63	*0.33*	—
% Rank Cat	46	71	28	*29*	—
No. in Cat	386	273	207	131	—
7-day Yield	—				

Performance Disclosure

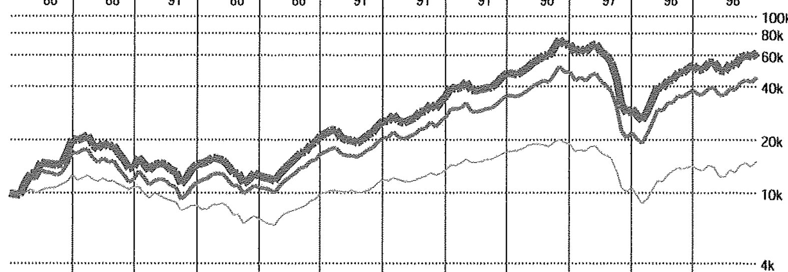
The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 888-425-6432 or visit www.leggmason.com.

Investment Style
Equity
Stock %

86	88	91	86	86	91	91	91	96	97	98	98



Growth of $10,000
- Legg Mason Batterymarch Emerging Mkts I $62,984
- Category Average $45,433
- Standard Index $15,374

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
13.98	*9.74*	*10.12*	*8.64*	*14.71*	*16.69*	*19.74*	23.38	28.36	11.97	20.75	24.42	NAV
101.15	*-30.35*	*3.90*	*-14.62*	*70.25*	*20.51*	*39.24*	34.52	47.20	-57.19	76.48	18.58	Total Return %
74.19	*-16.18*	*25.34*	*1.32*	*31.66*	*0.26*	*25.70*	8.18	36.03	-13.81	44.70	10.83	+/- Standard Index
34.66	*0.48*	*6.52*	*-8.45*	*14.43*	*-5.04*	*5.24*	2.35	7.81	-3.86	-2.03	-0.30	+/- Category Index
—	—	—	—	—	—	—	29	5	75	33	46	% Rank Cat
150	159	175	184	196	202	212	242	274	312	367	386	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	1.00
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**1.28**

Risk and Return Profile

	3 Yr 273 funds	5 Yr 207 funds	10 Yr *131 funds*
MorningstarRating™	2★	3★	*3☆*
Morningstar Risk	+Avg	+Avg	*+Avg*
Morningstar Return	-Avg	+Avg	*+Avg*

	3 Yr	5 Yr	10 Yr
Standard Deviation	34.76	29.64	*26.30*
Mean	-3.60	12.15	*16.22*
Sharpe Ratio	0.06	0.46	*0.62*

MPT Statistics	Standard Index	Best Fit Index MSCI Em ND
Alpha	7.29	-2.88
Beta	1.24	1.04
R-Squared	91.00	99.00

12-Month Yield	0.70%
30-day SEC Yield	0.00
Potential Cap Gains Exp	14.00% Assets

Portfolio Analysis 09-30-2010

Composition %	Long %	Short%	Net %
Cash	0.9	0.0	0.9
U.S. Stocks	0.0	0.0	0.0
Non-U.S. Stocks	98.1	0.0	98.1
Bonds	0.0	0.0	0.0
Other	1.0	0.0	1.0
Total	100.0	0.0	100.0

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	14.6	1.07	0.97
P/C Ratio TTM	6.7	0.99	0.77
P/B Ratio TTM	2.2	1.47	0.96
Geo Avg Mkt Cap $mil	13330	0.45	0.90

Fixed-Income Style
Short Int Long
High Med Low

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis NA	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	25.8	—
Greater Europe	22.9	—
Greater Asia	51.3	—

Share Chg since 06-30-2010	Share Amount	249 Total Stocks / 0 Total Fixed-Income / 106% Turnover Ratio	% Net Assets
⊕	553,000	Petroleo Brasileiro S.A. ADR	2.47
⊖	603,700	Vale S.A. American Depositary	2.28
⊖	21,725	Samsung Electronics Co Ltd	2.01
⊕	4 mil	Hon Hai Precision Ind. Co., L	1.84
⊖	1 mil	China Mobile Ltd.	1.49
☼	4 mil	Sberbank Of Russia Common Sto	1.45
	434,058	Itau Unibanco Holding S.A. AD	1.43
⊖	478,106	Bank Bradesco ADR	1.33
⊕	5 mil	CNOOC, Ltd.	1.22
	572,900	Mahindra & Mahindra Ltd.	1.20
⊖	162,600	America Movil S.A.B. de C.V.	1.18
⊕	235,800	Petroleo Brasileiro S.A. ADR	1.16
	11 mil	Industrial And Commercial Ban	1.11
☼	15 mil	Agricultural Bank of China Li	1.05
⊕	970,991	Itausa Investimentos ITAU S.A	1.01

Sector Weightings	Stocks %	Rel Std Index
Information Economy	**14.1**	—
Software	0.3	—
Hardware	5.2	—
Media	1.0	—
Telecommunication	7.6	—
Service Economy	**36.4**	—
Healthcare Services	1.6	—
Consumer Services	6.9	—
Business Services	2.7	—
Financial Services	25.2	—
Manufacturing Economy	**49.5**	—
Consumer Goods	13.2	—
Industrial Goods	23.0	—
Energy	11.9	—
Utilities	1.3	—

Operations

Family:	Legg Mason/Western	Objective:	Diversified Emerg Mkts	Minimum IRA Purchase:	$0
Manager:	Lazenby, David	Ticker:	LGEMX	Min Auto Investment Plan:	$0
Tenure:	7.0 Years	Minimum Intitial Purchase:	$1,000,000	Purchase Constraints:	T/A/

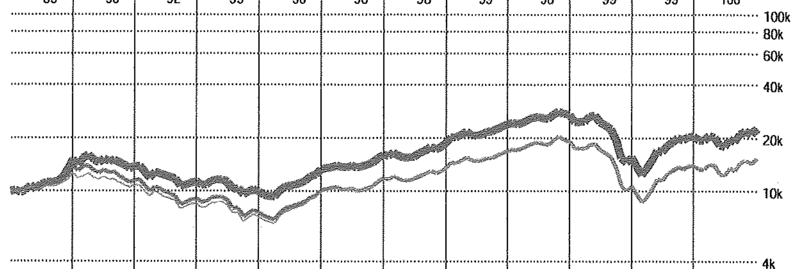
MFS Research International I

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★ (694)	01-02-97	MF	$2,341 mil	Foreign Large Blend (MF)

Standard Index MSCI Eafe Ndtr_D
Category Index MSCI AC World Ex USA NR

Investment Style Equity Stock %

85	90	92	93	96	96	98	99	98	99	99	100



Growth of $10,000
MFS Research International I $22,887
Category Average $15,533
Standard Index $15,374

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
16.51	14.54	11.96	10.55	14.00	16.09	17.21	19.72	20.02	11.07	14.32	15.69	NAV
51.69	-8.81	-17.74	-11.79	33.03	20.85	16.62	27.70	13.24	-42.46	31.43	11.22	Total Return %
24.73	5.36	3.70	4.15	-5.56	0.60	3.08	1.36	2.07	0.92	-0.35	3.47	+/- Standard Index
21.06	6.50	1.99	3.16	-7.80	-0.06	0.00	1.05	-3.41	3.07	-10.02	0.07	+/- Category Index
22	12	15	11	49	11	22	17	39	33	43	39	% Rank Cat
340	396	439	482	504	551	608	657	743	778	823	829	No. of Funds in Cat

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-8.34	-0.98	-20.25	-20.50	-42.46
2009	-13.28	23.44	20.00	2.32	31.43
2010	0.56	-12.99	17.00	8.64	11.22

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	11.22	-5.61	3.99	5.17	7.86
Std 12-31-2010	11.22	—	3.99	5.17	7.86
Total Return	11.22	-5.61	3.99	5.17	7.86
+/- Std Index	3.47	1.41	1.53	1.67	—
+/- Cat Index	0.07	-0.58	-0.83	-0.37	—
% Rank Cat	39	34	27	19	—
No. in Cat	829	694	511	289	—
7-day Yield	—				

Performance Disclosure

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The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-225-2606 or visit www.mfs.com.

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.77
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.99**

Risk and Return Profile

	3 Yr 694 funds	5 Yr 511 funds	10 Yr 289 funds
MorningstarRating™	3★	4★	4★
Morningstar Risk	+Avg	Avg	-Avg
Morningstar Return	+Avg	+Avg	+Avg

	3 Yr	5 Yr	10 Yr
Standard Deviation	27.41	22.25	18.48
Mean	-5.61	3.99	5.17
Sharpe Ratio	-0.09	0.19	0.25

MPT Statistics	Standard Index	Best Fit Index MSCI Wd x USN
Alpha	1.80	1.02
Beta	1.02	1.02
R-Squared	98.00	98.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	-9.00% Assets

Portfolio Analysis 11-30-2010

Composition %	Long %	Short%	Net %
Cash	0.5	0.0	0.5
U.S. Stocks	1.8	0.0	1.8
Non-U.S. Stocks	97.7	0.0	97.7
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	14.5	1.06	1.04
P/C Ratio TTM	7.1	1.04	1.01
P/B Ratio TTM	1.5	1.00	0.88
Geo Avg Mkt Cap $mil	28453	0.96	1.21

Fixed-Income Style
Short Int Long
High Med Low

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis NA	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	6.9	—
Greater Europe	58.0	—
Greater Asia	35.1	—

Share Chg since 10-31-2010 | Share Amount | 116 Total Stocks, 0 Total Fixed-Income, 56% Turnover Ratio | % Net Assets

Share Chg	Share Amount	Holding	% Net Assets
⊖	3 mil	Nestle SA	3.10
⊖	13 mil	HSBC Holdings PLC	2.87
⊖	4 mil	Royal Dutch Shell PLC	2.62
⊖	3 mil	BHP Billiton PLC	2.17
⊖	634,722	LVMH Moet Hennessy Louis Vuit	2.06
⊖	37 mil	Vodafone Group PLC	2.01
⊖	681,639	Roche Holding AG	2.00
⊖	835,531	Siemens AG	1.95
⊖	1 mil	BNP Paribas	1.88
⊖	8 mil	Hutchison Whampoa, Ltd.	1.68
⊖	651,879	MAN SE	1.63
⊖	534,479	Linde AG	1.59
⊕	7 mil	Konica Minolta Holdings Inc	1.50
⊖	1 mil	Danone	1.49
⊖	10 mil	BP Plc	1.47

Sector Weightings	Stocks %	Rel Std Index
Information Economy	**15.0**	—
Software	1.6	—
Hardware	3.1	—
Media	1.6	—
Telecommunication	8.8	—
Service Economy	**41.1**	—
Healthcare Services	9.1	—
Consumer Services	4.1	—
Business Services	2.8	—
Financial Services	25.2	—
Manufacturing Economy	**43.9**	—
Consumer Goods	11.0	—
Industrial Goods	19.2	—
Energy	9.6	—
Utilities	4.1	—

Operations

Family:	MFS	Objective:	Foreign Stock	Minimum IRA Purchase:	$0
Manager:	Garcia/Melendez	Ticker:	MRSIX	Min Auto Investment Plan:	$0
Tenure:	5.6 Years	Minimum Intitial Purchase:	$0	Purchase Constraints:	T/

PIMCO Investment Grade Corp Bd Instl

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★★ (1026)	04-28-00	MF	$4,013 mil	Intermediate-Term Bond (MF)

Standard Index Barcap Agg
Category Index Barcap 5-10Yr Gvt/Cred

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	1.11	-1.05	-5.26	7.50	1.89
2009	-2.78	9.18	9.12	2.53	18.74
2010	3.73	2.04	6.73	-1.10	11.72

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	11.72	10.57	8.58	8.21	8.75
Std 12-31-2010	11.72	—	8.58	8.21	8.75
Total Return	11.72	10.57	8.58	8.21	8.75
+/- Std Index	5.18	4.67	2.78	2.37	—
+/- Cat Index	2.30	3.59	2.13	1.52	—
% Rank Cat	3	1	1	2	—
No. in Cat	1164	1026	878	560	—
7-day Yield	—				

Performance Disclosure

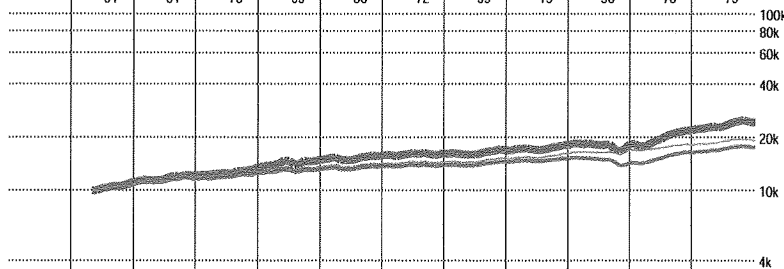
The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-927-4648 or visit www.pimco-funds.com.

Investment Style Fixed Income Bond %

—	91	51	78	95	66	72	35	15	50	78	79



Growth of $10,000
- PIMCO Investment Grade Corp Bd Instl $24,489
- Category Average $17,644
- Standard Index $19,314

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
—	10.52	10.20	10.34	10.61	10.60	10.40	10.30	10.46	10.08	10.93	10.48	NAV
—	—	9.07	11.46	10.38	6.02	2.53	4.18	7.15	1.89	18.74	11.72	Total Return %
—	—	0.63	1.20	6.28	1.68	0.10	-0.15	0.18	-3.35	12.81	5.18	+/- Standard Index
—	—	0.25	-1.57	4.41	0.72	0.70	0.37	-0.40	-3.17	12.24	2.30	+/- Category Index
—	—	15	3	7	4	13	39	8	25	21	3	% Rank Cat
561	614	706	784	952	1035	1043	1092	1097	1135	1123	1164	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.50
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.50**

Risk and Return Profile

	3 Yr 1026 funds	5 Yr 878 funds	10 Yr 560 funds
MorningstarRating™	5★	5★	5★
Morningstar Risk	High	High	High
Morningstar Return	High	High	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	8.28	6.82	6.12
Mean	10.57	8.58	8.21
Sharpe Ratio	1.18	0.89	0.94

MPT Statistics	Standard Index	Best Fit Index Barcap Credit
Alpha	1.79	3.76
Beta	1.54	0.95
R-Squared	62.00	89.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	6.00% Assets

Portfolio Analysis 09-30-2010

Composition %	Long %	Short%	Net %
Cash	17.2	57.6	-40.3
U.S. Stocks	0.0	0.0	0.0
Non-U.S. Stocks	0.0	0.0	0.0
Bonds	126.4	0.7	125.7
Other	16.8	2.1	14.6
Total	160.3	60.3	100.0

Equity Style Value Blend Growth; Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	—	—	—
P/C Ratio TTM	—	—	—
P/B Ratio TTM	—	—	—
Geo Avg Mkt Cap $mil	—	—	—

Fixed-Income Style Short Int Long; High Med Low

Avg Eff Duration	6.70
Avg Eff Maturity	8.70
Avg Credit Quality	—
Avg Wtd Coupon	6.29
Avg Wtd Price	153.00

Credit Analysis 03-31-2010	Bond %
AAA	14.00
AA	18.00
A	33.00
BBB	26.00
BB	6.00
B	3.00
Below B	0.00
NR/NA	0.00

Regional Exposure	Stocks %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

Share Chg since 06-30-2010	Share Amount	0 Total Stocks / 631 Total Fixed-Income / 248% Turnover Ratio	% Net Assets
⊕	467 mil	US Treasury Note 3.625%	8.24
☼	268 mil	US Treasury Note 1.25%	4.32
☼	193 mil	US Treasury Note 3.25%	3.39
⊖	169 mil	US Treasury Bond 4.5%	3.12
☼	130 mil	US Treasury (Fut)	2.63
☼	310 mil	Irs Brl Zcs R 10.60/Cdi 03/11	2.57
	250 mil	Irs Brl Zcs R 11.14/Cdi 05/06	2.07
⊕	105 mil	US Treasury Bond 4.25%	1.87
☼	79 mil	US Treasury Bond 9.875%	1.82
	200 mil	Irs Brl Zcs R 11.67/Cdi 02/25	1.66
	200 mil	Irs Brl Zcs R 10.99/Cdi 08/13	1.66
	157 mil	Irs Brl Zcs R 11.14/Cdi 05/06	1.30
⊕	72 mil	US Treasury Bond 4.375%	1.29
☼	70 mil	US Treasury Note 3.375%	1.21
⊕	57 mil	Ngpl Pipeco 144A 7.119%	1.00

Sector Weightings	Stocks %	Rel Std Index
Information Economy	—	—
Software	—	—
Hardware	—	—
Media	—	—
Telecommunication	—	—
Service Economy	—	—
Healthcare Services	—	—
Consumer Services	—	—
Business Services	—	—
Financial Services	—	—
Manufacturing Economy	—	—
Consumer Goods	—	—
Industrial Goods	—	—
Energy	—	—
Utilities	—	—

Operations

Family:	PIMCO	Objective:	Corp Bond--General	Minimum IRA Purchase:	$0
Manager:	Kiesel, Mark	Ticker:	PIGIX	Min Auto Investment Plan:	$0
Tenure:	8.1 Years	Minimum Intitial Purchase:	$1,000,000	Purchase Constraints:	T/A/

PIMCO Total Return Instl

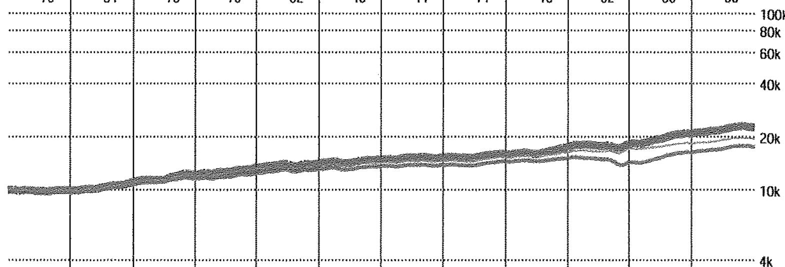
Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★★ (1026)	05-11-87	MF	$138,794 mil	Intermediate-Term Bond (MF)

Standard Index Barcap Agg

Category Index Barcap 5-10Yr Gvt/Cred

Investment Style Fixed Income Bond %

70	84	78	75	52	40	44	71	13	52	50	59



Growth of $10,000
- PIMCO Total Return Instl $22,685
- Category Average $17,610
- Standard Index $19,522

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
9.90	10.39	10.46	10.67	10.71	10.67	10.50	10.38	10.69	10.14	10.80	10.85	NAV
-0.28	12.09	9.50	10.20	5.56	5.14	2.89	3.99	9.07	4.82	13.83	8.83	Total Return %
0.54	0.46	1.06	-0.06	1.46	0.80	0.46	-0.34	2.10	-0.42	7.90	2.29	+/- Standard Index
2.60	-0.35	0.68	-2.83	-0.41	-0.16	1.06	0.18	1.52	-0.24	7.33	-0.59	+/- Category Index
17	7	10	11	29	12	5	47	1	11	46	26	% Rank Cat
561	614	706	784	952	1035	1043	1092	1097	1135	1123	1164	No. of Funds in Cat

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	3.32	-1.31	-2.07	4.97	4.82
2009	1.49	4.73	6.04	0.99	13.83
2010	2.97	2.75	3.82	-0.92	8.83

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	8.83	9.10	8.05	7.34	8.45
Std 12-31-2010	8.83	—	8.05	7.34	8.45
Total Return	8.83	9.10	8.05	7.34	8.45
+/- Std Index	2.29	3.20	2.25	1.50	—
+/- Cat Index	-0.59	2.12	1.60	0.65	—
% Rank Cat	26	3	2	3	—
No. in Cat	1164	1026	878	560	—
7-day Yield	—				

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-927-4648 or visit www.pimco-funds.com.

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.46
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.47**

Risk and Return Profile

	3 Yr 1026 funds	5 Yr 878 funds	10 Yr 560 funds
MorningstarRating™	5★	5★	5★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	High	High	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	4.82	4.26	4.22
Mean	9.10	8.05	7.34
Sharpe Ratio	1.69	1.27	1.15

MPT Statistics	Standard Index	Best Fit Index Barcap Credit
Alpha	3.29	5.00
Beta	0.95	0.51
R-Squared	69.00	75.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	2.00% Assets

Portfolio Analysis 09-30-2010

Composition %	Long %	Short%	Net %
Cash	51.8	78.3	-26.5
U.S. Stocks	0.0	0.0	0.0
Non-U.S. Stocks	0.0	0.0	0.0
Bonds	105.6	0.1	105.5
Other	22.1	1.1	21.0
Total	179.6	79.6	100.0

Equity Style Value Blend Growth — Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	—	—	—
P/C Ratio TTM	—	—	—
P/B Ratio TTM	—	—	—
Geo Avg Mkt Cap $mil	—	—	—

Fixed-Income Style Short Int Long — High Med Low

Avg Eff Duration	4.80
Avg Eff Maturity	6.60
Avg Credit Quality	—
Avg Wtd Coupon	4.80
Avg Wtd Price	—

Credit Analysis 03-31-2010	Bond %
AAA	64.00
AA	9.00
A	13.00
BBB	8.00
BB	3.00
B	2.00
Below B	1.00
NR/NA	0.00

Regional Exposure	Stocks %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

Share Chg since 06-30-2010	Share Amount	0 Total Stocks / 7613 Total Fixed-Income / 402% Turnover Ratio	% Net Assets
⊖	8 bil	US Treasury Note 2.5%	3.16
⊕	7 bil	US Treasury Note 3.125%	3.16
⊕	6 bil	US Treasury Note 1.875%	2.39
⊕	5 bil	FNMA 4.5%	2.23
☼	5 bil	US Treasury Note 2.375%	2.14
⊖	5 bil	US Treasury Note 2.125%	2.00
⊕	4 bil	US Treasury Note 2.75%	1.77
⊖	4 bil	FNMA 6%	1.77
⊖	6 mil	BRAZIL NTN-F	1.52
⊕	3 bil	US Treasury Note 2.5%	1.33
⊖	3 bil	FNMA 6%	1.16
☼	3 bil	Fhlmc Tba Gold 4.00% Oct 30yr	1.10
☼	2 bil	Irs Eur R 6me/2.0 09/15/10 Bo	1.07
☼	3 bil	FNMA 4.5%	1.06
☼	3 bil	US Treasury Note 0.625%	1.01

Sector Weightings	Stocks %	Rel Std Index
Information Economy	—	—
Software	—	—
Hardware	—	—
Media	—	—
Telecommunication	—	—
Service Economy	—	—
Healthcare Services	—	—
Consumer Services	—	—
Business Services	—	—
Financial Services	—	—
Manufacturing Economy	—	—
Consumer Goods	—	—
Industrial Goods	—	—
Energy	—	—
Utilities	—	—

Operations

Family:	PIMCO	Objective:	Corp Bond--General	Minimum IRA Purchase:	$0
Manager:	Gross, William	Ticker:	PTTRX	Min Auto Investment Plan:	$0
Tenure:	23.7 Years	Minimum Intitial Purchase:	$1,000,000	Purchase Constraints:	T/A/

RidgeWorth Corporate Bond I

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★ (42)	11-30-01	MF	$76 mil	Long-Term Bond (MF)
Standard Index			**Category Index**	
Barcap Agg			Barcap LT Gvt/Cred	

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-0.45	0.07	-0.68	0.48	-0.57
2009	-3.98	7.54	6.59	1.20	11.40
2010	2.13	3.15	4.90	-1.96	8.35

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	8.35	6.27	6.26	—	5.94
Std 12-31-2010	8.35	—	6.26	—	5.94
Total Return	8.35	6.27	6.26	—	5.94
+/- Std Index	1.81	0.37	0.46	—	—
+/- Cat Index	-1.81	-0.51	0.34	—	—
% Rank Cat	88	68	41	—	—
No. in Cat	52	42	30	15	—
7-day Yield	—				

Performance Disclosure

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Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.40
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.52**

Risk and Return Profile

	3 Yr 42 funds	5 Yr 30 funds	10 Yr *15 funds*
MorningstarRating™	3★	3★	—
Morningstar Risk	-Avg	-Avg	—
Morningstar Return	-Avg	Avg	—

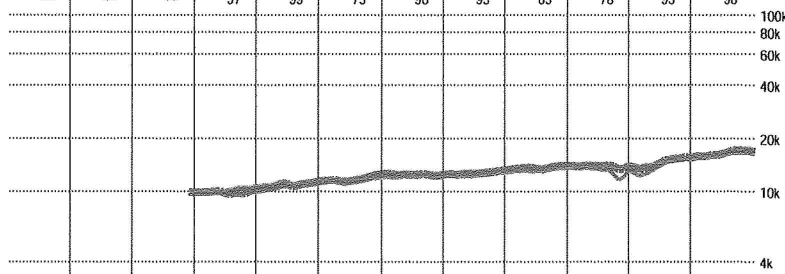
	3 Yr	5 Yr	10 Yr
Standard Deviation	5.71	4.80	—
Mean	6.27	6.26	—
Sharpe Ratio	0.98	0.80	—

MPT Statistics	Standard Index	Best Fit Index Barcap Credit
Alpha	0.61	1.97
Beta	0.96	0.58
R-Squared	51.00	68.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	5.00% Assets

Investment Style
Fixed Income
Bond %

—	—	—	97	99	73	96	93	85	78	93	98



Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
—	—	9.88	9.60	10.07	10.51	9.74	9.83	9.79	9.03	9.54	9.63	NAV
—	—	—	3.58	11.51	10.67	-1.53	5.98	6.52	-0.57	11.40	8.35	Total Return %
—	—	—	-6.68	7.41	6.33	-3.96	1.65	-0.45	-5.81	5.47	1.81	+/- Standard Index
—	—	—	-11.23	5.64	2.11	-6.87	3.26	-0.08	-9.01	9.48	-1.81	+/- Category Index
—	—	—	—	—	—	—	—	—	—	57	88	% Rank Cat
119	126	104	106	75	69	60	45	44	48	50	52	No. of Funds in Cat

Portfolio Analysis 10-31-2010

Composition %	Long %	Short%	Net %
Cash	2.6	0.0	2.6
U.S. Stocks	0.0	0.0	0.0
Non-U.S. Stocks	0.0	0.0	0.0
Bonds	97.4	0.0	97.4
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	—	—	—
P/C Ratio TTM	—	—	—
P/B Ratio TTM	—	—	—
Geo Avg Mkt Cap $mil	—	—	—

Fixed-Income Style
Short Int Long
High Med Low

Avg Eff Duration	6.90
Avg Eff Maturity	11.00
Avg Credit Quality	—
Avg Wtd Coupon	6.12
Avg Wtd Price	113.01

Credit Analysis 09-30-2010	Bond %
AAA	2.70
AA	16.00
A	36.30
BBB	43.50
BB	1.50
B	0.00
Below B	0.00
NR/NA	0.00

Regional Exposure	Stocks %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

Share Chg since 09-30-2010	Share Amount	0 Total Stocks 107 Total Fixed-Income 75% Turnover Ratio	% Net Assets
	4 mil	Woodside Fin 144A 8.75%	4.48
	2 mil	Digital Rlty Tr 144A 5.875%	2.37
⊖	2 mil	At&T 5.8%	2.34
⊖	2 mil	Jpmorgan Chase 6.3%	2.28
⊖	2 mil	Td Ameritrade Hldg 5.6%	2.16
⊖	2 mil	Healthcare Rlty Tr 6.5%	2.14
⊖	2 mil	Time Warner Cable 5.85%	2.00
	2 mil	Cc Hldgs Gs V Llc/ Crown Cast	1.92
	2 mil	Aviation Cap Grp 144A 7.125%	1.81
⊖	2 mil	Morgan Stanley 7.3%	1.70
⊖	2 mil	Fd Amern Cos 5.875%	1.69
⊖	2 mil	Northern Tr 4.625%	1.64
⊖	2 mil	Cisco Sys 5.5%	1.62
⊖	2 mil	RidgeWorth Inst Cash Mgmt MMk	1.61
⊖	1 mil	Pride Intl Inc Del 8.5%	1.61

Sector Weightings	Stocks %	Rel Std Index
Information Economy	—	—
Software	—	—
Hardware	—	—
Media	—	—
Telecommunication	—	—
Service Economy	—	—
Healthcare Services	—	—
Consumer Services	—	—
Business Services	—	—
Financial Services	—	—
Manufacturing Economy	—	—
Consumer Goods	—	—
Industrial Goods	—	—
Energy	—	—
Utilities	—	—

Operations

Family:	RidgeWorth	Objective:	Corp Bond--High Quality	Minimum IRA Purchase:	$0
Manager:	Webb/Keegan/Troisi	Ticker:	STICX	Min Auto Investment Plan:	$0
Tenure:	5.2 Years	Minimum Intitial Purchase:	$0	Purchase Constraints:	T/A/

RidgeWorth High Income I

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
☆☆☆☆☆ (512)	10-03-01	MF	$236 mil	High Yield Bond (MF)

Standard Index Barcap Agg

Category Index ML US High Yield Master

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-2.90	2.57	-6.77	-21.86	-27.45
2009	7.87	18.23	14.74	10.38	61.53
2010	5.96	-2.27	7.33	5.66	17.43

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	17.43	11.23	9.81	—	9.48
Std 12-31-2010	17.43	—	9.81	—	9.48
Total Return	17.43	11.23	9.81	*8.96*	9.48
+/- Std Index	10.89	5.33	4.01	*3.12*	—
+/- Cat Index	2.24	1.10	1.00	*0.36*	—
% Rank Cat	8	4	1	*5*	—
No. in Cat	574	512	434	291	—
7-day Yield	—				

Performance Disclosure

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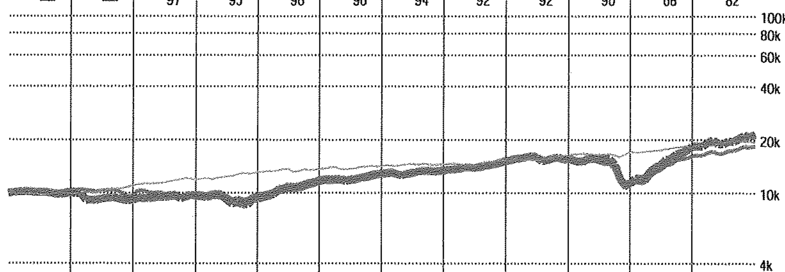
Investment Style Fixed Income Bond %

—	—	97	95	96	96	94	92	92	90	68	82



Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
7.92	*7.17*	*7.48*	6.61	7.65	7.59	6.96	7.22	6.73	4.45	6.52	7.08	NAV
1.28	*-9.46*	*5.65*	-3.33	25.81	10.31	4.21	12.43	3.20	-27.45	61.53	17.43	Total Return %
2.10	*-21.09*	*-2.79*	-13.59	21.71	5.97	1.78	8.10	-3.77	-32.69	55.60	10.89	+/- Standard Index
-1.23	*-4.34*	*1.17*	-1.44	-2.34	-0.56	1.47	0.71	0.96	-1.06	4.02	2.24	+/- Category Index
—	—	—	70	36	39	10	8	14	66	7	8	% Rank Cat
342	365	414	425	455	493	518	549	542	559	543	574	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.60
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.74**

Risk and Return Profile

	3 Yr 512 funds	5 Yr 434 funds	10 Yr *291 funds*
MorningstarRating™	5★	5★	*5☆*
Morningstar Risk	+Avg	+Avg	*+Avg*
Morningstar Return	High	High	*High*

	3 Yr	5 Yr	10 Yr
Standard Deviation	16.44	13.15	*10.61*
Mean	11.23	9.81	*8.96*
Sharpe Ratio	0.69	0.60	*0.65*

MPT Statistics	Standard Index	Best Fit Index CSFB High Yield
Alpha	7.99	1.91
Beta	0.66	1.00
R-Squared	3.00	94.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	5.00% Assets

Portfolio Analysis 10-31-2010

Composition %	Long %	Short%	Net %
Cash	13.6	0.0	13.6
U.S. Stocks	1.5	0.0	1.5
Non-U.S. Stocks	1.2	0.0	1.1
Bonds	82.0	0.0	82.0
Other	1.7	0.0	1.7
Total	100.0	0.0	100.0

Equity Style Value Blend Growth — Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	—	—	—
P/C Ratio TTM	4.0	—	0.51
P/B Ratio TTM	0.9	—	0.56
Geo Avg Mkt Cap $mil	2093	—	0.33

Fixed-Income Style Short Int Long — High Med Low

Avg Eff Duration	4.20
Avg Eff Maturity	6.80
Avg Credit Quality	—
Avg Wtd Coupon	9.49
Avg Wtd Price	103.44

Credit Analysis 09-30-2010	Bond %
AAA	2.80
AA	0.00
A	0.00
BBB	0.80
BB	16.10
B	55.80
Below B	13.60
NR/NA	10.90

Regional Exposure	Stocks %	Rel Std Index
Americas	55.8	—
Greater Europe	44.2	—
Greater Asia	0.0	—

Share Chg since 09-30-2010	Share Amount	2 Total Stocks, 161 Total Fixed-Income, 466% Turnover Ratio	% Net Assets
⊕	28 mil	RidgeWorth Inst Cash Mgmt MMk	11.90
☼	6 mil	Reynolds Grp Issuer 144A 9%	2.65
	5 mil	E Trade Finl 12.5%	2.40
	5 mil	Rotech Healthcare 144A 10.75%	2.11
	5 mil	Genon Escrow 144A 9.875%	2.08
	5 mil	Diamond Resorts 144A 12%	2.05
	5 mil	Telcordia Tech 144A 11%	1.97
	5 mil	Genon Escrow 144A 9.5%	1.91
	5 mil	Nortel Networks 10.75%	1.90
	4 mil	Readers Digest Assn 144A FRN	1.69
☼	4 mil	Reynolds Grp Issuer 144A 7.12	1.64
	4 mil	Cit Grp 7%	1.52
	149,060	Smurfit-Stone Container Corp	1.46
⊖	3 mil	Chc Helicopter 144A 9.25%	1.45
	3 mil	Gmac 8%	1.41

Sector Weightings	Stocks %	Rel Std Index
Information Economy	**0.0**	—
Software	0.0	—
Hardware	0.0	—
Media	0.0	—
Telecommunication	0.0	—
Service Economy	**0.0**	—
Healthcare Services	0.0	—
Consumer Services	0.0	—
Business Services	0.0	—
Financial Services	0.0	—
Manufacturing Economy	**100.0**	—
Consumer Goods	55.8	—
Industrial Goods	44.2	—
Energy	0.0	—
Utilities	0.0	—

Operations

Family:	RidgeWorth	Objective:	Corp Bond--High Yield	Minimum IRA Purchase:	$0
Manager:	Nold/McEachern	Ticker:	STHTX	Min Auto Investment Plan:	$0
Tenure:	6.6 Years	Minimum Intitial Purchase:	$0	Purchase Constraints:	T/A/

RidgeWorth Large Cap Value Equity I

Overall Morningstar Rtg℠	Incept	Type	Total Assets	Morningstar Cat
★★★★★ (1120)	02-12-93	MF	$1,243 mil	Large Value (MF)
Standard Index			**Category Index**	
S&P 500			Rus 1000Value	

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-8.98	-4.28	-4.15	-18.95	-32.32
2009	-10.76	15.26	14.90	5.47	24.65
2010	6.70	-10.80	10.56	12.40	18.28

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	18.28	-0.07	4.87	4.59	8.68
Std 12-31-2010	18.28	—	4.87	4.59	8.68
Total Return	18.28	-0.07	4.87	4.59	8.68
+/- Std Index	3.22	2.79	2.58	3.18	—
+/- Cat Index	2.77	4.35	3.59	1.33	—
% Rank Cat	8	7	5	19	—
No. in Cat	1240	1120	956	502	—
7-day Yield	—				

Performance Disclosure

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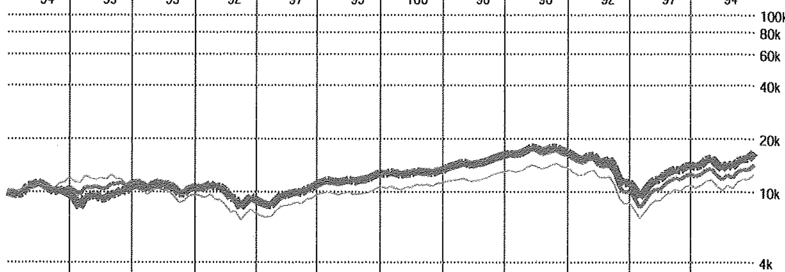
Investment Style
Equity
Stock %

94	93	93	92	97	95	100	96	96	92	97	94



Growth of $10,000
RidgeWorth Large Cap Value Equity I
$16,862
Category Average
$14,377
Standard Index
$12,660

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
10.34	11.22	10.97	9.14	11.13	12.62	12.87	14.95	13.64	9.01	10.98	12.84	NAV
-2.93	10.85	-0.95	-15.47	23.64	15.08	3.70	22.53	3.75	-32.32	24.65	18.28	Total Return %
-23.97	19.95	10.94	6.63	-5.05	4.20	-1.21	6.74	-1.74	4.68	-1.81	3.22	+/- Standard Index
-10.28	3.83	4.64	0.05	-6.39	-1.41	-3.35	0.28	3.92	4.53	4.96	2.77	+/- Category Index
87	34	25	24	86	23	75	5	32	14	41	8	% Rank Cat
638	809	892	961	1050	1220	1296	1371	1432	1433	1272	1240	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.77
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.82**

Risk and Return Profile

	3 Yr 1120 funds	5 Yr 956 funds	10 Yr 502 funds
Morningstar Rating™	5★	5★	4★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	High	High	+Avg

	3 Yr	5 Yr	10 Yr
Standard Deviation	21.70	17.55	15.58
Mean	-0.07	4.87	4.59
Sharpe Ratio	0.08	0.23	0.22

MPT Statistics	Standard Index	Best Fit Index S&P 500
Alpha	2.68	2.68
Beta	0.97	0.97
R-Squared	98.00	98.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	5.00% Assets

Portfolio Analysis 10-31-2010

Composition %	Long %	Short%	Net %
Cash	5.9	0.0	5.9
U.S. Stocks	94.1	0.0	94.1
Non-U.S. Stocks	0.0	0.0	0.0
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	14.3	0.92	1.10
P/C Ratio TTM	7.7	0.83	1.04
P/B Ratio TTM	1.9	0.86	1.12
Geo Avg Mkt Cap $mil	36854	0.77	1.10

Fixed-Income Style
Short Int Long
High Med Low

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis NA	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	100.0	1.00
Greater Europe	0.0	—
Greater Asia	0.0	—

Share Chg since 09-30-2010	Share Amount	59 Total Stocks 0 Total Fixed-Income 105% Turnover Ratio	% Net Assets
⊕	75 mil	RidgeWorth Inst Cash Mgmt MMk	5.89
⊕	817,366	J.P. Morgan Chase & Co.	2.41
	594,650	Abbott Laboratories	2.39
	1 mil	U.S. Bancorp	2.34
	1 mil	Microsoft Corporation	2.32
	1 mil	Intel Corporation	2.27
	1 mil	BB&T Corporation	2.21
	627,950	Omnicom Group, Inc.	2.17
⊕	1 mil	Wells Fargo Company	2.10
⊕	754,850	Medtronic, Inc.	2.09
	608,650	Best Buy Co., Inc.	2.05
⊕	410,900	Procter & Gamble Company	2.05
☼	337,350	Colgate-Palmolive Company	2.04
⊖	878,400	Texas Instruments, Inc.	2.04
☼	463,050	The Travelers Companies, Inc.	2.01

Sector Weightings	Stocks %	Rel Std Index
Information Economy	**14.7**	**0.61**
Software	2.5	0.56
Hardware	5.9	0.64
Media	3.4	1.06
Telecommunication	2.9	0.40
Service Economy	**46.1**	**1.18**
Healthcare Services	11.7	1.06
Consumer Services	7.1	0.85
Business Services	4.5	1.41
Financial Services	22.9	1.40
Manufacturing Economy	**39.2**	**1.07**
Consumer Goods	10.2	1.15
Industrial Goods	14.7	1.21
Energy	12.2	0.98
Utilities	2.1	0.64

Operations

Family:	RidgeWorth	Objective:	Equity Income	Minimum IRA Purchase:	$0
Manager:	Riddick, Mills	Ticker:	STVTX	Min Auto Investment Plan:	$0
Tenure:	15.8 Years	Minimum Intitial Purchase:	$0	Purchase Constraints:	T/A/

RidgeWorth Mid-Cap Value Equity I

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★★ (360)	11-30-01	MF	$1,391 mil	Mid-Cap Value (MF)

Standard Index S&P 500

Category Index RusMidValue

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-10.39	-2.46	-2.62	-23.38	-34.79
2009	-5.82	19.05	24.79	5.04	46.98
2010	12.36	-11.09	11.15	14.97	27.66

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	27.66	6.96	9.49	—	9.18
Std 12-31-2010	27.66	—	9.49	—	9.18
Total Return	27.66	6.96	9.49	—	9.18
+/- Std Index	12.60	9.82	7.20	—	—
+/- Cat Index	2.91	5.95	5.41	—	—
% Rank Cat	4	3	1	—	—
No. in Cat	420	360	286	98	—
7-day Yield	—				

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 888-784-3863 or visit www.ridgeworthfunds.com.

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	1.00
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**1.05**

Risk and Return Profile

	3 Yr 360 funds	5 Yr 286 funds	10 Yr *98 funds*
MorningstarRating™	5★	5★	—
Morningstar Risk	+Avg	+Avg	—
Morningstar Return	High	High	—

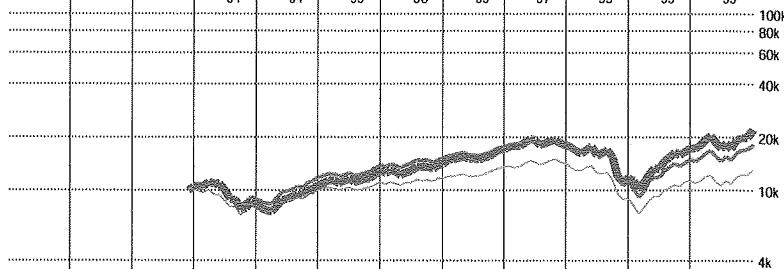
	3 Yr	5 Yr	10 Yr
Standard Deviation	26.87	21.76	—
Mean	6.96	9.49	—
Sharpe Ratio	0.36	0.42	—

MPT Statistics	Standard Index	Best Fit Index Russell 3000 TR
Alpha	11.00	9.79
Beta	1.16	1.12
R-Squared	91.00	92.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	12.00% Assets

Investment Style
Equity
Stock %

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10
—	—	—	94	94	95	96	95	97	93	95	93



Growth of $10,000
- RidgeWorth Mid-Cap Value Equity I $22,201
- Category Average $18,396
- Standard Index $13,174

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
—	—	10.51	8.06	10.37	12.35	12.11	12.46	10.74	6.87	9.95	11.87	NAV
—	—	—	-21.26	29.51	20.21	9.46	21.97	5.43	-34.79	46.98	27.66	Total Return %
—	—	—	0.84	0.82	9.33	4.55	6.18	-0.06	2.21	20.52	12.60	+/- Standard Index
—	—	—	-11.61	-8.56	-3.50	-3.19	1.75	6.85	3.66	12.77	2.91	+/- Category Index
—	—	—	85	67	35	52	6	19	29	9	4	% Rank Cat
223	233	261	311	331	320	310	375	405	442	416	420	No. of Funds in Cat

Portfolio Analysis 10-31-2010

Composition %	Long %	Short%	Net %
Cash	6.6	0.0	6.6
U.S. Stocks	91.8	0.0	91.8
Non-U.S. Stocks	1.5	0.0	1.6
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	17.7	1.14	1.25
P/C Ratio TTM	6.3	0.68	0.88
P/B Ratio TTM	1.4	0.64	0.87
Geo Avg Mkt Cap $mil	6188	0.13	1.13

Fixed-Income Style
Short Int Long
High Med Low

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis NA	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	100.0	1.00
Greater Europe	0.0	—
Greater Asia	0.0	—

Share Chg since 09-30-2010	Share Amount	64 Total Stocks 0 Total Fixed-Income 195% Turnover Ratio	% Net Assets
⊕	84 mil	RidgeWorth Inst Cash Mgmt MMk	6.64
⊕	1 mil	QEP Resources Inc	3.36
⊕	3 mil	Intersil Corporation	3.34
⊕	750,100	Ashland, Inc.	3.07
⊕	2 mil	International Game Tech.	3.05
⊕	2 mil	BB&T Corporation	2.83
⊕	2 mil	Williams Companies, Inc.	2.70
⊕	2 mil	R.R. Donnelley & Sons Company	2.58
⊕	1 mil	Hartford Financial Services G	2.57
⊕	1 mil	International Paper Co.	2.37
	2 mil	MB Financial Corporation	2.37
	811,200	Comerica Incorporated	2.30
⊕	413,000	General Dynamics	2.23
⊕	1 mil	Omnicare, Inc.	2.17
	1 mil	Harsco Corporation	2.16

Sector Weightings	Stocks %	Rel Std Index
Information Economy	**8.9**	**0.37**
Software	0.0	0.00
Hardware	6.8	0.74
Media	2.1	0.66
Telecommunication	0.0	0.00
Service Economy	**43.3**	**1.11**
Healthcare Services	4.4	0.40
Consumer Services	4.3	0.51
Business Services	6.4	2.00
Financial Services	28.1	1.71
Manufacturing Economy	**47.8**	**1.30**
Consumer Goods	8.9	1.00
Industrial Goods	19.9	1.64
Energy	16.0	1.29
Utilities	3.0	0.91

Operations

Family:	RidgeWorth	Objective:	Growth	Minimum IRA Purchase:	$0
Manager:	Wordell, Don	Ticker:	SMVTX	Min Auto Investment Plan:	$0
Tenure:	9.1 Years	Minimum Intitial Purchase:	$0	Purchase Constraints:	T/A/

RidgeWorth Seix High Yield I

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★ (512)	12-29-00	MF	$1,635 mil	High Yield Bond (MF)
Standard Index			**Category Index**	
Barcap Agg			ML US High Yield Master	

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-2.44	1.61	-5.87	-14.52	-20.23
2009	6.22	11.39	9.66	4.59	35.70
2010	4.04	-0.46	7.26	3.46	14.93

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	14.93	7.55	6.41	7.58	7.57
Std 12-31-2010	14.93	—	6.41	7.58	7.57
Total Return	14.93	7.55	6.41	7.58	7.57
+/- Std Index	8.39	1.65	0.61	1.74	—
+/- Cat Index	-0.26	-2.58	-2.40	-1.02	—
% Rank Cat	29	51	69	42	—
No. in Cat	574	512	434	291	—
7-day Yield	—				

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 888-784-3863 or visit www.ridgeworthfunds.com.

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.43
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.50**

Risk and Return Profile

	3 Yr 512 funds	5 Yr 434 funds	10 Yr 291 funds
Morningstar Rating™	3★	3★	4★
Morningstar Risk	-Avg	-Avg	Low
Morningstar Return	Avg	Avg	Avg

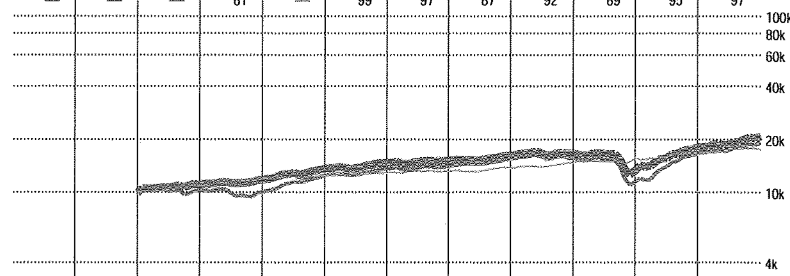
	3 Yr	5 Yr	10 Yr
Standard Deviation	13.24	10.60	8.14
Mean	7.55	6.41	7.58
Sharpe Ratio	0.57	0.42	0.66

MPT Statistics	Standard Index	Best Fit Index CSFB High Yield
Alpha	2.71	-0.17
Beta	0.93	0.81
R-Squared	9.00	95.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	3.00% Assets

Investment Style
Fixed Income
Bond %

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10
—	—	—	81	—	99	97	87	92	89	95	97



Growth of $10,000
RidgeWorth Seix High Yield I $20,759
Category Average $19,113
Standard Index $17,633

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
—	9.96	10.37	10.37	11.24	11.30	10.75	10.76	10.22	7.47	9.28	9.83	NAV
—	—	11.33	6.36	15.56	8.36	2.62	7.00	2.49	-20.23	35.70	14.93	Total Return %
—	—	2.89	-3.90	11.46	4.02	0.19	2.67	-4.48	-25.47	29.77	8.39	+/- Standard Index
—	—	6.85	8.25	-12.59	-2.51	-0.12	-4.72	0.25	6.16	-21.81	-0.26	+/- Category Index
—	—	—	—	—	79	48	96	31	15	86	29	% Rank Cat
342	365	414	425	455	493	518	549	542	559	543	574	No. of Funds in Cat

Portfolio Analysis 10-31-2010

Composition %	Long %	Short%	Net %
Cash	2.8	0.0	2.8
U.S. Stocks	0.0	0.0	0.0
Non-U.S. Stocks	0.0	0.0	0.0
Bonds	96.5	0.0	96.5
Other	0.7	0.0	0.7
Total	100.0	0.0	100.0

Equity Style Value Blend Growth — Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	—	—	—
P/C Ratio TTM	—	—	—
P/B Ratio TTM	—	—	—
Geo Avg Mkt Cap $mil	—	—	—

Fixed-Income Style Short Int Long — High Med Low

Avg Eff Duration	4.60
Avg Eff Maturity	8.40
Avg Credit Quality	—
Avg Wtd Coupon	8.73
Avg Wtd Price	105.28

Credit Analysis 09-30-2010	Bond %
AAA	4.70
AA	0.00
A	0.00
BBB	2.70
BB	32.40
B	55.80
Below B	2.90
NR/NA	1.50

Regional Exposure	Stocks %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

Share Chg since 09-30-2010	Share Amount	0 Total Stocks 358 Total Fixed-Income 116% Turnover Ratio	% Net Assets
⊖	45 mil	RidgeWorth Inst Cash Mgmt MMk	2.78
	25 mil	Chc Helicopter 144A 9.25%	1.65
	17 mil	Gmac 8%	1.17
	18 mil	Cit Grp 7%	1.11
	17 mil	Genon Escrow 144A 9.875%	1.05
	15 mil	Ford Motor Credit Co 8.7%	1.05
	16 mil	Bk Of Amer Corporation FRN	1.00
	16 mil	Genon Escrow 144A 9.5%	0.98
	13 mil	United Rentals North Amer 9.2	0.89
	11 mil	Wind Acquisition Fin Sa 144A	0.81
✲	12 mil	Reynolds Grp Issuer 144A 7.12	0.78
	11 mil	Viasat 8.875%	0.77
	12 mil	Nextel Comms 6.875%	0.74
	10 mil	Niska Gas Strge Us Llc/Fin C	0.66
	10 mil	Citigroup Cap Xxi FRN	0.65

Sector Weightings	Stocks %	Rel Std Index
Information Economy	—	—
Software	—	—
Hardware	—	—
Media	—	—
Telecommunication	—	—
Service Economy	—	—
Healthcare Services	—	—
Consumer Services	—	—
Business Services	—	—
Financial Services	—	—
Manufacturing Economy	—	—
Consumer Goods	—	—
Industrial Goods	—	—
Energy	—	—
Utilities	—	—

Operations

Family:	RidgeWorth	Objective:	Corp Bond--High Yield	Minimum IRA Purchase:	$0
Manager:	Nold/Kirkpatrick/McEachern	Ticker:	SAMHX	Min Auto Investment Plan:	$0
Tenure:	4.5 Years	Minimum Intitial Purchase:	$0	Purchase Constraints:	T/A/

RidgeWorth Small Cap Value Equity I

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★ (563)	01-31-97	MF	$900 mil	Small Blend (MF)
Standard Index			**Category Index**	
S&P 500			Rus 2000	

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-8.25	-3.55	4.77	-26.62	-31.97
2009	-5.07	14.55	19.65	4.55	36.04
2010	9.66	-7.42	13.88	11.40	28.80

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	28.80	6.03	7.15	12.52	10.83
Std 12-31-2010	28.80	—	7.15	12.52	10.83
Total Return	28.80	6.03	7.15	12.52	10.83
+/- Std Index	13.74	8.89	4.86	11.11	—
+/- Cat Index	1.94	3.81	2.68	6.19	—
% Rank Cat	17	12	11	2	—
No. in Cat	649	563	484	279	—
7-day Yield	—				

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

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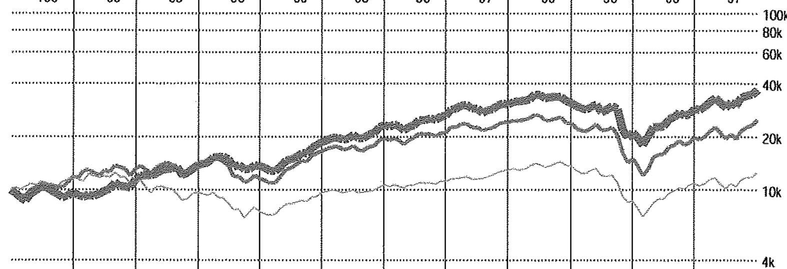
Investment Style
Equity
Stock %

100	95	88	96	96	98	99	97	99	96	98	97



Growth of $10,000
- RidgeWorth Small Cap Value Equity I $37,334
- Category Average $25,215
- Standard Index $12,660

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
9.40	10.91	13.08	12.79	17.44	20.26	18.36	16.48	12.22	7.99	10.79	13.71	NAV
-2.72	17.96	21.21	-1.74	37.05	25.47	12.46	16.14	2.03	-31.97	36.04	28.80	Total Return %
-23.76	27.06	33.10	20.36	8.36	14.59	7.55	0.35	-3.46	5.03	9.58	13.74	+/- Standard Index
-23.98	20.98	18.72	18.74	-10.20	7.14	7.91	-2.23	3.60	1.82	8.87	1.94	+/- Category Index
—	—	—	—	—	—	—	37	25	22	26	17	% Rank Cat
267	277	313	382	446	521	563	608	645	670	649	649	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	1.15
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**1.22**

Risk and Return Profile

	3 Yr 563 funds	5 Yr 484 funds	10 Yr 279 funds
MorningstarRating™	4★	4★	5★
Morningstar Risk	Avg	Avg	-Avg
Morningstar Return	+Avg	+Avg	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	25.98	21.46	17.87
Mean	6.03	7.15	12.52
Sharpe Ratio	0.34	0.33	0.63

MPT Statistics	Standard Index	Best Fit Index Mstar Small Cap TR
Alpha	9.86	2.04
Beta	1.09	0.88
R-Squared	87.00	94.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	15.00% Assets

Portfolio Analysis 10-31-2010

Composition %	Long %	Short%	Net %
Cash	3.5	0.0	3.5
U.S. Stocks	85.4	0.0	85.4
Non-U.S. Stocks	11.1	0.0	11.1
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	17.4	1.12	1.12
P/C Ratio TTM	9.8	1.05	1.18
P/B Ratio TTM	1.8	0.82	1.06
Geo Avg Mkt Cap $mil	1634	0.03	1.36

Fixed-Income Style
Short Int Long
High Med Low

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis NA	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	95.5	0.95
Greater Europe	3.8	—
Greater Asia	0.7	—

Share Chg since 09-30-2010	Share Amount	88 Total Stocks, 0 Total Fixed-Income, 62% Turnover Ratio	% Net Assets
⊕	601,050	A.O. Smith Corporation	4.12
⊕	929,420	Aixtron Aktiengesellschaft AD	3.70
⊕	2 mil	Interface, Inc. A	3.67
⊖	29 mil	RidgeWorth Inst Cash Mgmt MMk	3.54
⊕	558,996	Cooper Companies	3.37
⊕	846,950	Valspar Corporation	3.33
⊕	695,950	Cash America International, I	3.00
⊕	1 mil	IESI-BFC Ltd	2.93
⊕	576,154	Guess Inc	2.74
⊕	2 mil	Intersil Corporation	2.56
⊕	786,800	HCC Insurance Holdings Inc.	2.55
⊕	449,176	Pacific Airport Group ADR	2.04
⊕	311,050	Snap-on, Inc.	1.94
⊕	292,900	Towers Watson	1.84
⊕	454,165	Sensient Technologies Corpora	1.79

Sector Weightings	Stocks %	Rel Std Index
Information Economy	**13.7**	**0.57**
Software	0.0	0.00
Hardware	10.1	1.10
Media	2.4	0.75
Telecommunication	1.3	0.18
Service Economy	**39.0**	**1.00**
Healthcare Services	8.8	0.80
Consumer Services	3.7	0.44
Business Services	8.0	2.50
Financial Services	18.5	1.13
Manufacturing Economy	**47.3**	**1.29**
Consumer Goods	7.3	0.82
Industrial Goods	33.3	2.75
Energy	2.5	0.20
Utilities	4.3	1.30

Operations

Family:	RidgeWorth	Objective:	Small Company	Minimum IRA Purchase:	$0
Manager:	Barner, Brett	Ticker:	SCETX	Min Auto Investment Plan:	$0
Tenure:	13.9 Years	Minimum Intitial Purchase:	$0	Purchase Constraints:	T/A/

Vanguard Institutional Index Instl

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★ (1753)	07-31-90	MF	$54,685 mil	Large Blend (MF)
Standard Index S&P 500			**Category Index** Rus 1000	

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-9.45	-2.73	-8.34	-21.91	-36.95
2009	-10.98	16.01	15.61	6.06	26.63
2010	5.39	-11.43	11.29	10.75	15.05

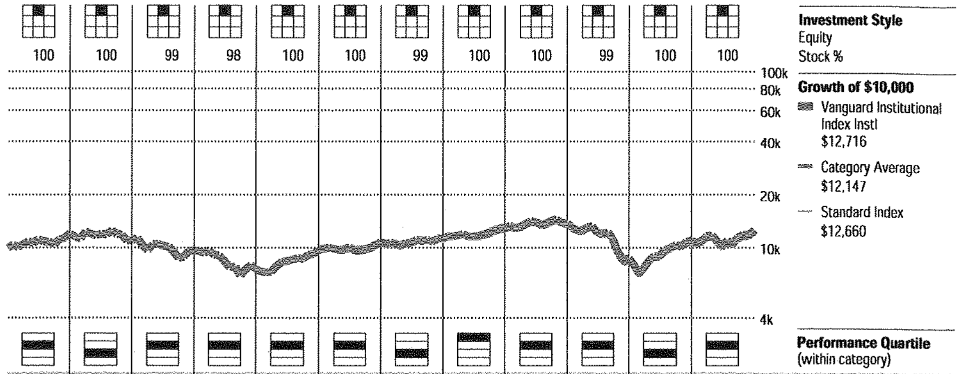
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	15.05	-2.80	2.32	1.43	8.66
Std 12-31-2010	15.05	—	2.32	1.43	8.66
Total Return	15.05	-2.80	2.32	1.43	8.66
+/- Std Index	-0.01	0.06	0.03	0.02	—
+/- Cat Index	-1.05	-0.43	-0.27	-0.40	—
% Rank Cat	29	40	41	45	—
No. in Cat	2010	1753	1457	802	—
7-day Yield	—				

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.



1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
134.01	120.72	104.89	80.45	101.78	110.70	114.01	129.59	134.14	82.54	101.98	115.01	NAV
21.17	-8.94	-11.93	-22.03	28.66	10.86	4.91	15.78	5.47	-36.95	26.63	15.05	Total Return %
0.13	0.16	-0.04	0.07	-0.03	-0.02	0.00	-0.01	-0.02	0.05	0.17	-0.01	+/- Standard Index
0.26	-1.15	0.52	-0.38	-1.23	-0.55	-1.36	0.32	-0.30	0.65	-1.80	-1.05	+/- Category Index
36	52	36	39	26	34	57	21	49	37	52	29	% Rank Cat
989	1089	1345	1468	1526	1611	1743	1980	2090	2086	2027	2010	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.05
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.05**

Risk and Return Profile

	3 Yr 1753 funds	5 Yr 1457 funds	10 Yr 802 funds
MorningstarRating™	3★	3★	3★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	Avg	Avg	Avg

	3 Yr	5 Yr	10 Yr
Standard Deviation	22.15	17.82	16.38
Mean	-2.80	2.32	1.43
Sharpe Ratio	-0.04	0.09	0.03

MPT Statistics	Standard Index	Best Fit Index S&P 500
Alpha	0.06	0.06
Beta	1.00	1.00
R-Squared	100.00	100.00

12-Month Yield	1.84%
30-day SEC Yield	1.69
Potential Cap Gains Exp	9.00% Assets

Portfolio Analysis 09-30-2010

Composition %	Long %	Short%	Net %
Cash	0.2	0.0	0.2
U.S. Stocks	99.8	0.0	99.8
Non-U.S. Stocks	0.0	0.0	0.0
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style Value Blend Growth — Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	14.7	0.95	1.02
P/C Ratio TTM	8.7	0.94	1.02
P/B Ratio TTM	2.1	0.95	1.05
Geo Avg Mkt Cap $mil	44133	0.92	1.39

Fixed-Income Style Short Int Long — High Med Low

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis NA	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	100.0	1.00
Greater Europe	0.0	—
Greater Asia	0.0	—

Share Chg since 06-30-2010	Share Amount	502 Total Stocks, 0 Total Fixed-Income, 11% Turnover Ratio	% Net Assets
⊕	37 mil	ExxonMobil Corporation	3.04
⊕	7 mil	Apple, Inc.	2.50
⊕	56 mil	Microsoft Corporation	1.80
⊕	79 mil	General Electric Company	1.68
⊕	20 mil	Johnson & Johnson	1.65
⊕	21 mil	Procter & Gamble Company	1.64
⊕	9 mil	International Business Machin	1.63
⊕	43 mil	AT&T, Inc.	1.63
⊕	15 mil	Chevron Corporation	1.57
⊕	29 mil	J.P. Morgan Chase & Co.	1.46
⊕	59 mil	Pfizer Inc.	1.33
⊕	17 mil	Coca-Cola Company	1.30
⊕	74 mil	Bank of America Corp	1.27
⊕	38 mil	Wells Fargo Company	1.27
⊕	2 mil	Google, Inc.	1.26

Sector Weightings	Stocks %	Rel Std Index
Information Economy	**23.6**	**0.98**
Software	4.4	0.98
Hardware	10.2	1.11
Media	3.1	0.97
Telecommunication	6.0	0.83
Service Economy	**38.9**	**1.00**
Healthcare Services	11.6	1.05
Consumer Services	8.4	1.00
Business Services	3.1	0.97
Financial Services	15.7	0.96
Manufacturing Economy	**37.5**	**1.02**
Consumer Goods	11.4	1.28
Industrial Goods	11.4	0.94
Energy	11.0	0.89
Utilities	3.6	1.09

Operations

Family:	Vanguard	Objective:	Growth and Income	Minimum IRA Purchase:	$5,000,000
Manager:	Butler, Donald	Ticker:	VINIX	Min Auto Investment Plan:	$5,000,000
Tenure:	5.7 Years	Minimum Intitial Purchase:	$5,000,000	Purchase Constraints:	T/

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Appendix

Strictly Private and Confidential

Adopted at 10/20/09 Trustee Meeting

McKnight Brain Research Foundation
Amended and Restated Investment Policy

The McKnight Brain Research Foundation (the "MBRF")

The MBRF is a Florida trust that, for federal income tax purposes, is an exempt organization (IRC § 501(c)(3)), and classified as a private foundation (IRC § 509(a)). The only tax paid by the MBRF is the annual IRC § 4940 excise tax of 2% (or 1%) of investment income. All of the MBRF assets were contributed by Mrs. Evelyn F. McKnight and no additional contributions are expected. At the present time, it is anticipated that the MBRF will make grants to carry out its charitable purpose. The specific purpose for which the MBRF was established is "to provide support for medical research of the brain to accomplish alleviation of memory loss of the aging". The MBRF expects to exist in perpetuity. The only required distribution is the 5% of fair market value IRC § 4942 annual distribution.

Governance

The MBRF is a Florida charitable trust. The MBRF is governed by six Trustees. There are five individual Trustees and one Corporate Trustee.

Introduction

This policy presents the investment process of the MBRF. The Trustees have prepared this policy in consultation with its investment consultants and legal counsel. For purposes of investing assets, the Trustees have looked to the Corporate Trustee as its investment consultant and any references herein to investment counsel are references to the Corporate Trustee.

Investment Goals

The investment goal is to provide a long term real total rate of return that will increase the purchasing power of MBRF assets net of expenses and distributions. In order to achieve its investment goal, the MBRF will adopt a strategic asset allocation that will achieve its long term return goal with acceptable volatility.

Long Term Investor

The MBRF will exist in perpetuity. As such, it is a long term investor who seeks a high rate of return consistent with reasonable volatility. The MBRF understands that volatility can be reduced by allocating assets among asset classes, among investment styles and strategies within asset classes. The MBRF will adopt strategic targets for each asset class and will, from time to time, rebalance between asset classes, investment styles and strategies to maintain its strategic targets.

Target Rate of Return

The Trustees will adopt a target rate of return that incorporates the MBRF investment goals and spending policy. It is recognized that the target rate of return, investment goals and volatility are interrelated and must be viewed as such. It is also recognized the investment horizon of the MBRF is long term (perpetuity) and the target rate of return will reflect that long term view. The target rate of return will change from time to time and is set forth on Appendix A.

Spending Policy

The MBRF will adopt a spending policy that balances a realistic achievable rate of return, expenses, and its investment goals. Appendix A is the current spending policy adopted by the MBRF. The spending policy will be reviewed annually at a minimum.

Income, Appreciation and Gains

The Trustees recognize that the MBRF pays only a 2% excise tax on investment income and, therefore, the investments are not tax sensitive. Its distributions are not limited by income and, therefore, the Trustees will ignore income and principal analysis when implementing its investment goals and implementing its spending policy.

Cash Flow

Because it will exist in perpetuity, its only cash flow needs will be to cover expenses (and tax) and the annual IRC § 4942 5% of fair market value distribution. It is recognized that additional spending can be controlled and that the MBRF from time to time may distribute more than the minimum required by tax laws.

Performance/Style Measurement

The Trustees have adopted a market driven benchmark for each asset class and management style. For the portfolio as a whole, the Trustees will adopt a benchmark that consists of a suitable passive index for each asset class weighted in accordance with the strategic asset allocation. The Trustees will also adopt appropriate peer group data to measure the performance of each managed portfolio and passive investment. The Trustees expect performance of each managed portfolio to be in the top one-third of the peer group data base for that particular management style or strategy. The peer group data base is set out in Exhibit B. The Trustees will evaluate ongoing investment performance over a three to five year period, anticipating it will not make changes on the basis of short term (less than two years) results. However, the Trustees recognize there are factors, including, but not limited to, changes in personnel, that would require immediate attention and action.

Performance should be measured in a manner consistent with the standards of the CFA Society.

The performance measurement will include an analysis of managers adherence to the investment styles set forth in Exhibit B.

The Foundation recognizes enhanced performance results from asset allocation, as well as selection of particular managers and passive investments. Therefore, the Foundation will compare portfolio returns and the benchmark portfolio, as well as compare individual manager returns and the designated index, as shown on Exhibit B.

Investment Preference

The Foundation prefers, but does not require, that managers avoid investment in companies whose primary or significant (greater than 30% of gross revenue) businesses are the growing, cultivation, manufacture, or distribution of tobacco or tobacco products. This shall not apply to investments in indexed or mutual funds.

Security Voting

The Corporate Trustee will vote on securities when a vote is requested. The Trustees will receive an annual report of voting decisions.

Specific Functions of the Board of Trustees

1. Establish investment objectives for the portfolio.
2. Establish and review its spending policy.
3. Set strategic asset allocation for the Trust.
4. Establish and continue to update the investment policy.
5. Establish, monitor and update the investment process.
6. Review investment performance in accordance with its performance measurement policy.
7. Review at least quarterly investment activity to insure compliance with the investment policy and adherence to investment style.

8. Terminate managers and passive investments in accordance with this investment policy.

<u>Specific Functions of the Corporate Trustee</u>

1. The Corporate Trustee shall review regularly all investments of the MBRF.

2. The Corporate Trustee shall recommend to the Board of Trustees such investment and investment related policies, including strategic asset allocations, as it deems appropriate, and as may be requested.

3. The Corporate Trustee shall make periodic investment performance reports (no less than quarterly) to the Board of Trustees.

4. The Corporate Trustee shall implement the investment policy, including selecting and terminating managers and passive investments in accordance with this investment policy.

5. The Corporate Trustee may, in its discretion, "tilt" the strategic asset allocation within the applicable range, as set forth in Exhibit B.

<u>Asset Allocation</u>

1. To achieve its investment objective, the Foundation's assets shall be allocated among various asset classes, including, but not limited to, equity, cash/cash equivalents, fixed income and alternative investments/hedge funds. The current strategic asset allocation adopted by the Board is contained in Appendix B. The strategic asset allocation and asset classes will change periodically based upon monitoring and objective analysis of changes in the economy.

2. The Foundation investments will be allocated among asset classes and diversified within asset classes. Within each asset class, securities, for example, will be allocated further by economic sector, industry, quality and size. The purpose of allocation and diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on performance of the total fund. As a result, the unsystematic risk (volatility associated with diversification risk) level associated with the portfolio should be significantly reduced.

3. In any asset class, no more than 5% at investment cost or 10% at market may be held in the securities of a single issuer.

4. Allocation by investment style is also an important step in reducing the risk (volatility) of the Foundation's portfolio. Investment styles within equity asset classes are defined in Appendix C.

Custodian

The Corporate Trustee will be the custodian for the MBRF. The Corporate Trustee shall recommend to the Board appropriate policies and procedures for custodianship and access to securities held by the Foundation as it may deem appropriate.

Soft Dollars

The Corporate Trustee will annually review the "soft dollar" policy and activity of each actively managed portfolio and report the findings to the Trustees. Each active manager is expected to enter into equity transactions on a best execution basis. The Trustees may designate certain brokers by which commissions may be recaptured or provide for the payment of services rendered to the MBRF.

Guidelines for Corrective Action

Corrective action will be taken during the review of active management. The following are instances where immediate corrective action, or termination of active management, may be in order:

- Organizational and/or personnel changes in the active manager. Failure to notify the MBRF of such changes is grounds for immediate termination.

- Violation of terms of any investment management agreement between the Trustees and an active manager.

- Change by an active manager in the management style for which the manager was selected. The MBRF, through the Corporate Trustee, will closely track the investments of each active manager to insure adherence to management style for which the active manager was retained.

Corrective action ordinarily will be taken by all of the Trustees. If, in an emergency, it is not feasible to contact one or more of the Individual Trustees, action may be taken by the Corporate Trustee acting alone.

Rebalancing Procedure

Should the range for a particular management style be violated by reason of gains, losses, changes in an active management, or any other reason, the Trustees will meet or conference to decide whether to rebalance the assets to the target class and style allocation policies. In addition, the Trustees shall review the actual allocations at each quarterly meeting in order to insure conformity with the adopted strategic allocation. The assets will not be automatically rebalanced on any set schedule.

APPENDIX B

This Appendix B was adopted at the 8/10/2010 Board Meeting

McKnight Brain Research Foundation Portfolio Guidelines

Asset Class	2010 Efficient Frontier	Range	Benchmark	Peer Group*
Large Cap Equity	37.1%	30% - 60%	S & P 500	Pure Large Cap Core
Mid Cap Equity	7.1%	5% - 14%	Russell Mid Cap	Mid Cap
Small Cap Equity	4.8%	0% - 15%	Russell 2000	Broad Small Cap
International Developed	9.1%	5%-15%	MSCI - EAFE	Broad Int'l Equity
International Emerging	6.5%	3%-10%	MSCI – Emerging Mkts	
Hedge Funds	20%	10% - 30%	HFR Fund of Funds Index	
Real Estate – U.S.	0%	0% - 10%	NAREIT Equity	
Real Estate – Non U.S.	0%	0% - 10%	DJW Global ex-U.S. Real Estate	
Private Equity	5%	0% - 10%	Cambridge Associates U.S. Private Equity	
Fixed Income	9.4%	0% - 10%	Barclays Agg Index	
Cash	1%			
	100%			

Static Benchmark #1

Russell 3000 Index	65%
Barclays U.S. Aggregate Index	35%
	100%

Spending Policy Benchmark

Distribution	5.0%
Expenses	1.0%
Inflation**	3.1%
	9.1%

* Mobius Group
M-Search Data Base System – Universes
Universes for peer group comparison – recommended by SunTrust and adopted by Trustees on 7/12/00. SunTrust advises there are no Alt/Hedge Fund, Real Estate or International Fixed Income Peer Groups.

** Real inflation is Biomedical Research and Development Price Index ("BRDPI") published by the U.S. Bureau of Economic Analysis. .

APPENDIX C

Market Capitalization – Market value of a corporation calculated by multiplying the number of shares outstanding by the current market price. The classification* of the capitalization ranges is as follows:

* Large Capitalization Classification – Market cap of $10 billion and greater
* Mid Capitalization Classification – Market cap of $2 billion to $10 billion
* Small Capitalization Classification – Market cap of $50 million to $2 billion

International Equity – International equity investments are permitted in listed equity securities traded on developed non U.S. markets. Developed markets are defined as those included in the Morgan Stanley Capital International, Inc. Europe Asia Far East (MSCI EAFE) Index plus Canada. American depository receipts (ADRs) traded on major U.S. markets are considered to be domestic securities.

Growth Equity Style – Investment in companies that are expected to have above average prospects for long term growth and earnings and profitability.

Value Equity Style – Investment in companies believed to be undervalued or possessing lower than average price/earnings ratios, based on their potential for capital appreciation.

Core Equity Style – Investment in companies whose characteristics are similar to that of the broader market as represented by the Standard's & Poor's 500 Index, with the objective of adding value over and above the Index, typically from sector or issue selection. The core portfolio exhibits similar risk characteristics to the broader market as measured by low residual risk with Beta and R-squared values close to 1.00.

Alternative Investments/Hedge Funds – Hedge funds are strategies utilized by professional money managers or group of managers that permit the management of a private, unregistered investment pool of capital and/or securities, and investments in a variety of investment techniques normally prohibited in other types of funds. Hedge funds are typically skill-based investment strategies attempting to provide "absolute" return based on the specialized strategy of the trader or manager and offer diversification and reduce systematic risk due to a low correlation to traditional asset classes. The following are some of the hedge fund strategies utilized by managers:

> *Direct Hedge* - Hedging one asset, such as common stock, with another asset that has similar price movements and trades similarly. Example: using call options to hedge a common stock position.
>
> *Cross Hedge* - Hedging an investment with an unlike instrument. Example: Buying stocks and hedging the position with Treasury futures.

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* From Morningstar Analytical Services, Inc.

Static Hedge - Hedging out every dollar of a portfolio in an effort to eliminate risk.

Dynamic Hedge - Changing the amount of puts in a position over time as the market changes.

Market Neutral - As a long/short strategy, equal amounts of capital are invested long and short in an attempt to neutralize market risk. The goal is to purchase undervalued securities and short overvalued securities.

Market Timing - Anticipates market movements and allocates assets by switching between stocks, bonds and cash as the market and economic outlook change.

Short Selling - Identifying overvalued securities and "shorting" or selling these stocks. This involves borrowing the stocks to sell them, in the hope of buying them back later at a lower price.

Growth Fund - Investing in growth stocks with the basic goal of capital appreciation. This may include hedging by short selling or using options.

Distressed Securities - Investing in securities of a company in bankruptcy or facing it. These securities are purchased inexpensively and with the hope that they will appreciate as the company emerges from bankruptcy.

Sector Funds - Concentrated investments in various sectors. May involve long and short investments and options.

Emerging Markets - Investing in securities of companies in emerging or developing countries. This could involve purchasing government or corporate debt and/or equity.

Global Fund - Investing in shifts in global economies. Derivatives may be used to speculate on interest rate and currency movements. These funds search for and exploit opportunistic investment possibilities wherever they may arise.

Opportunistic - Using a variety of strategies as opportunities arise. Several strategies could be used simultaneously.

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- May Lose Value

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Fixed Income Securities are subject to interest rate risk, credit risk, prepayment risk, market risk, and reinvestment risk. Fixed Income Securities, if held to maturity, may provide a fixed rate of return and a fixed principal value. Fixed Income Securities prices fluctuate and when redeemed, may be worth more or less than their original cost.

Hedge funds may involve a high degree of risk, often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager.

High Yield Fixed Income Investments, also known as junk bonds, are considered speculative, involve greater risk of default and tend to be more volatile than investment grade fixed income securities.

International investing entails greater risk, as well as greater potential rewards compared to U.S. investing. These risks include potential economic uncertainties of foreign countries as well as the risk of currency fluctuations. These risks are magnified in emerging market countries, since these countries may have relatively unstable governments and less established markets and economies.

Investing in smaller companies involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations, and illiquidity.

Managed Futures and commodity investing involve a high degree of risk and are not suitable for all investors. Investors could lose a substantial amount of money in a very short period of time. The amount you may lose is potentially unlimited and can exceed the amount you originally deposit with your broker. This is because trading security futures is highly leveraged, with a relatively small amount of money controlling assets having a much greater value. Investors who are uncomfortable with this level of risk should not trade managed futures or commodities.

Real Estate Investments are subject to special risks, including interest rate and property value fluctuations, as well as risks related to general economic conditions. Because of their narrow focus, sector investments tend to be more volatile than investments that diversify across many sectors and companies.

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- **BarCap Aggregate Bond Index**: The broadest measure of the taxable U.S. bond market, including most Treasury, agency, corporate, mortgage-backed, asset-backed, and international dollar-denominated issues, all with investment-grade ratings (rated Baa3 or above by Moody's) and maturities of one year or more.
- **BarCap US Corporate High Yield:** The U.S. Corporate High-Yield Index the 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.
- **BarCap US Treasury Long Index**: includes public obligations of the US Treasury with maturities of 10 years or more.
- **CBOE VIX: The CBOE Volatility Index®** is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. Since its introduction in 1993, VIX has been considered by many to be the world's premier barometer of investor sentiment and market volatility. VIX is often referred to as the "investor fear gauge".
- **Dow Jones Wilshire RESI Index**: designed to provide measures of real estate securities that serve as proxies for direct real estate investing, in part by excluding securities whose value is not always closely tied to the value of the underlying real estate. To be included, a company must be both an equity owner and operator of commercial and/or residential real estate. A company must have a minimum total market capitalization of at least $200 million at the time of its inclusion, and at least 75% of the company's total revenue must be derived from the ownership and operation of real estate assets.
- **MSCI All-Country World ex-US Index**: is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, ex-US equities.
- **MSCI All Country World Index:** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.
- **MSCI EAFE Index**: The MSCI EAFE Index® comprises 21 MSCI country indices, representing the developed markets outside of North America: Europe, Australasia and the Far East.
- **MSCI Emerging Markets Index:** is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of May 27, 2010 the index consisted of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

Note: Indexes are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only and do not represent the performance of any specific investment.

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- The **MSCI Europe Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. As of June 2007, the Index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.
- **Russell 2000 Index:** is comprised of 2000 smaller company stocks and is generally used as a measure of small-cap stock performance.
- **S&P 500 Index:** The S&P 500 Index is comprised of 500widely-held securities considered to be representative of the stock market in general.
- **S&P Equal Weight Index** (S&P EWI). The index is the equal-weight version of the widely regarded S&P 500. The index has the same constituents as the capitalization weighted S&P 500, but each company in the index is allocated a fixed weight of 0.20% at each quarterly rebalancing.
- **Barclays 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 pre-refunded bonds.
- **DJ-UBS Commodity Index** is composed of futures contracts on physical commodities. It currently includes 19 commodity futures in seven sectors. The weightings of the commodities are calculated in accordance with rules that ensure that the relative proportion of each of the underlying individual commodities reflects its global economic significance and market liquidity.
- **MSCI BRIC Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the following four emerging market country indices: **B**razil, **R**ussia, **I**ndia and **C**hina.
- The **MSCI AC (All Country) Asia ex Japan Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of Asia, excluding Japan. As of January 2009 the Index consisted of the following 10 developed and emerging market country indices: China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan, and Thailand
- **MSCI Germany**: every listed security in the market is identified. Securities are free float adjusted, classified in accordance with the Global Industry Classification Standard (GICS®), and screened by size, liquidity and minimum free float.

Note: Indexes are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only and do not represent the performance of any specific investment.

SUNTRUST

Important Disclosures

- **MSCI China**: every listed security in the market is identified. Securities are free float adjusted, classified in accordance with the Global Industry Classification Standard (GICS®), and screened by size, liquidity and minimum free float.
- **MSCI Brazil**: every listed security in the market is identified. Securities are free float adjusted, classified in accordance with the Global Industry Classification Standard (GICS®), and screened by size, liquidity and minimum free float.
- **Citi World Broad Investment Grade (BIG) Bond Index:** includes investment grade global bonds with a fixed coupon and maturity longer than one year and a minimum credit rating of Baa3 by Moody's or BBB- by S&P.
- Generally, when interest rates rise, bond values fall, values rise when interest rates decline. If interest rates fall, it is possible that issuers of callable securities with high interest coupons will "call" (or prepay) their bonds before maturity date. Credit risk refers to the possibility that the issuer of a security will be unable and/or unwilling to make timely interest payments and/or repay the principal on its debt, which may adversely affect the value of the security.

  As a new kind of bond offering, **Build America Bonds (BAB)** are subject to liquidity risk, there is a risk that not enough interested buyers will be available to permit an investor to sell at or near the current market price. BABs are also subject to Federal subsidy risk, the risk that the federal government would eliminate or reduce the subsidies for BABs in the future. Some BABs have been issued with provisions that allow state and local governments to "call" the bonds back and refinance if the federal government stops paying subsidy on the interest."

Note: Indexes are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only and do not represent the performance of any specific investment.

SunTrust

MINUTES
MCKNIGHT BRAIN RESEARCH FOUNDATION
BOARD OF TRUSTEES MEETING
October 25-26, 2010

October 26, 2010

The Trustee's meeting of the McKnight Brain Research Foundation (MBRF) was called to order at 7:00 a.m. on October 26, 2010 in the Flandrau and Gardens Room at the Arizona Inn, Tucson, AZ.

The following members were present:
- Dr. John Clarkson, Trustee
- Dr. J. Lee Dockery, Trustee
- Dr. Michael Dockery, Trustee
- Dr. Nina Ellenbogen Raim, Trustee
- Dr. Judith Salerno, Trustee
- Mrs. Teresa Borcheck, Corporate Trustee
  SunTrust Bank Institutional Investment Solutions

Others attending:
- Mr. Henry H. Raattama, Jr., Legal Counsel
- Mr. Michael Hill, Managing Director, SunTrust Institutional Investment Advisors

Guest: Carol A. Barnes, PhD, The Evelyn F. McKnight (EFM) Chair for Learning and Memory in Aging and Director of the EFM Brain Institute at the UA

1. Report from the Director of the Evelyn F. McKnight Brain Institute at the UA
Dr. Carol Barnes met with trustees over breakfast and briefed the trustees on the status of the budget and the recruitment activities of faculty at the Evelyn F. McKnight Brain Institute (EFMBI). Dr. Barnes highlighted budget constraints at the University of Arizona (UA) which have hampered recruitment activities not only at the UA but throughout the country. The trustees thanked Dr. Barnes for organizing the scientific program the preceding day highlighting the research activities in Cognitive aging and associated memory loss at the UA and between research scientists at the other McKnight Brain Institutes. The trustees also thanked Dr. Barnes for her valuable contributions to the planning and participation in the Cognitive Aging Summit II, which was held on October 3-5, 2010, in Washington, DC

2. Approval of Minutes
The minutes of the October 3-5, 2010 meeting of the McKnight Brain Research Foundation were reviewed. The minutes were approved as presented (Attachment 1).

Action Item 1: The trustees approved the minutes of the October 3-5, 2010 meeting as presented (Attachment 1).

3. Investment Review

Mr. Hill presented the investment review and commented on key economic and investment factors for the third quarter (Attachment 2). Stocks posted the strongest gains in September since 1939 as investors increased risk positions following the Federal Reserve announcement of additional stimulus in the form of Quantitative Easing. With the Federal Funds interest rate at effectively zero, the only way to accomplish additional easing is through the renewed expansion of the Federal Reserve balance sheet through US Treasury Bond purchases. Domestic equities saw strong gains across style and market capitalization in the third quarter. The S&P 500 index posted gains of 11.3%.

Bolstered by a weak US dollar, the developed international markets sector outperformed domestic equities. Emerging international markets posted an 18% quarterly gain, and continue to benefit from strong economic prospects and lower debt ratios relative to developed countries.

Bonds rallied during the quarter with 2 and 3 year notes trading to all time low in yields. Investors continue the flight to quality as volatility remains high in other asset classes. Corporate bond and high yield bond spreads continue to tighten relative to US Treasuries pushing their prices higher. The Barclays Aggregate Index returned 2.48% for the quarter.

Hedge fund investments posted strong gains for the quarter and appear to be performing more in line with expectations regarding volatility and correlation to equities. The Hedge Fund Research Incorporated (HFRI) Fund of Funds Index was up 3.36% for the quarter.

The portfolio posted a strong gain of 8.5% to begin the new fiscal year. Equities in aggregate were up 12.6%, alternatives were positive by 0.6% and the fixed income assets in the portfolio returned a very impressive 6.9%. As of September 30th, all of the managers are in the top 1/3 of their peer group when reviewing the 3 and/or 5 year periods. The only exception is the Seix High Yield fund but continues to show impressive improvements with a 13th and 22nd ranking for the quarter and year-to-date.

Partial redemption requests have been made for the three Lighthouse Fund of Funds to facilitate the rebalancing that was discussed during the mid-year review and efficient frontier analysis provided by Ms. Shelly Simpson.

Action Item 2: The trustees received the Investment Review for information (Attachment 2).

4. Private Equity and additional Hedge Fund of Funds

Mr. Hill and the Trustees engaged in an extensive discussion of hedge funds including the time period for investing and investment returns (the so called J curve). Mr. Hill presented the Hammond Access Fund of Funds, Aurora and Corbin Fund of Funds as possible investments. Mr. Hill pointed out that Hammond has been retained by SunTrust to consult on investment matters and to provide due diligence on managers and hedge funds. It was noted that the Access Funds are Hammond products and Hammond is advising SunTrust as to the appropriateness of the Access Funds. The Trustees concluded, with the advice of legal counsel, that the conflict does not preclude investing in the Hammond Access Fund if the Access Fund is the best available alternative. The discussion of the hedge funds will be continued at the February Trustee meeting. Dr. Salerno requested that the Private Equity Cash Flow Model on page 28 of the Investment Review Book be revisited and updated at future meetings.

5. Debrief of Cognitive Aging Summit II

The trustees discussed the Cognitive Aging Summit II (CAS II) and agreed it was an overall success; the only stated concerns were how to encourage the right attendees. The trustees encourage the Foundation for the National Institutes of Health (FNIH) to focus on this area for Cognitive Aging Summit III (CAS III). The trustees also expressed interest in renewing the Research Partnership in Cognitive Aging grant with the National Institute on Aging (NIA) at the expiration of the current five year agreement in 2013. The trustees authorized Dr. Lee Dockery to contact Dr. Richard Hodes, Director of the National Institute on Aging (NIA) to inform him of the interest of the MBRF in the possibility of renewing the partnership so that his consideration can coincide with the budget cycle of the NIA prior to the expiration of the current grant cycle.

Action Item 3: Dr. Lee Dockery will contact Dr. Richard Hodes at the FNIH to discuss the possibility of a joint partnership for a CAS III in October of 2012 and the renewal of the Research Partnership in Cognitive Aging grant with the NIA due to expire in 2013.

6. Columbia University

The trustees discussed the recent proposal submitted by Dr. Scott Small for establishment of the Evelyn F. McKnight Brain Center and an active research program in cognitive aging and associated memory loss at the Columbia University Medical Center (CUMC). Following a discussion, the trustees agreed the research proposal was worthy for the trustees to request a site visit to CUMC. Dr. Clarkson, Dr. Salerno and Mrs. Borcheck were requested to represent the MBRF to conduct a preliminary on-site visit to CUMC to evaluate the current status of the research programs in cognitive aging and age related memory loss. The proposed site visit will allow the trustees to learn more about the opportunities and the commitment by the respective individuals in the institution, and the potential for success of the partnership between the MBRF and the CUMC.

Action Item 4: Mrs. Borcheck will work with Dr. Scott Small and Ms. Amelia Alverson at CUMC to identify individuals with whom the trustees wish to meet and potential dates for a site visit.

7 . Trademark Registration

Mrs. Borcheck and Mr. Raattama updated the trustees on the progress of the trademark registration of the "Preserving Memory, Enhancing Life" tag line. The trustees have agreed to pay the $150-$250 fee to have a scan done to ensure the tag line or something similar is not already being used. The trustees also have agreed to pay the $1500 for the application service fees. If the application is challenged, the trustees will do a more in depth evaluation to determine if additional expense is warranted.

Action Item 5: The trustees approved fees to determine current usage of the proposed modification to the MBRF letterhead as well an application fee to register the modified MBRF logo with the new "tag line".

There being no further business, the meeting adjourned at 10:30 a.m.

Summary of Action Items:

Action Item 1: The trustees approved the minutes of the October 3-5, 2010 meeting as presented (Attachment 1).

Action Item 2: The trustees received the Investment Review for information (Attachment 2).

Action Item 3: Dr. Lee Dockery will contact Dr. Richard Hodes at the FNIH to discuss the possibility of a joint partnership for a CAS III in October of 2012 and the renewal of the Research Partnership in Cognitive Aging grant with the NIA due to expire in 2013.

Action Item 4: Mrs. Borcheck will work with Dr. Scott Small and Ms. Amelia Alverson at CUMC to identify individuals with whom the trustees wish to meet and potential dates for a site visit.

Action Item 5: The trustees approved fees to determine current usage of the proposed modification to the MBRF letterhead as well an application fee to register the modified MBRF logo with the new "tag line".

Respectfully Submitted,

____

Teresa W. Borcheck
SunTrust Bank, Corporate Trustee

McKnight Brain Research Foundation
Minimum Distribution Calculation
Fiscal years 2000 - 2010

Market Value *Dec 1999 -$69,126,583*	*Tax Year*	*Distributable Amount*	*Qualifying Distributions*	*Excess Distributions Carryover*	*Undistributed Income*
$45,973,696	7/1/02 - 6/30/03	$1,954,735	$148,481	$5,953,272	$0.00
$51,867,213	7/1/03 - 6/30/04	$2,352,435	$1,665,404	$5,266,241 (last year we could carryover gift to UF	$0.00
$51,898,266	7/1/04 - 6/30/05	$2,450,345	$3,026,049	$575,704	$0.00
$55,777,369	7/1/05 - 6/30/06	$2,620,008	$2,036,659	$0	$7,645.00
$62,782,831	7/1/06 - 6/30/07	$2,843,725	$3,299,931	$448,561	$0.00
$54,753,484	7/1/07 - 6/30/08	$2,817,569	$3,110,508	$292,939	$0.00
$39,447,094	7/1/08-6/30/09	$2,016,762	$2,517,340	$500,578	$0.00
$39,991,364	7/1/09-6/30/10	$2,034,286 (estimate)	$3,855,267 (estimate)	$1,820,981 (estimate)	$0.00
$41,723,124 (estimated)	7/1/10-6/30/11	$2,054,863 (estimate)	$4,206,861 (estimate)	$2,151,997 (estimate)	$0.00
			$39,088,358	$5,215,056	(estimated total excess carryover)

McKnight Brain Research Foundation

Average Fair Market Value Calculation
Estimate For Fiscal Year Ending 6/30/2011
As of January 24, 2011

July 2010	$39,804,849.85
August 2010	$38,789,117.77
September 2010	$41,137,667.11
October 2010	$40,805,468.36
November 2010	$40,775,559.07
December 2010	$42,381,531.99
January 2011	$42,830,548.99
February 2011*	$42,830,548.99
March 2011*	$42,830,548.99
April 2011*	$42,830,548.99
May 2011*	$42,830,548.99
June 2011*	$42,830,548.99

* Values from 2/01/10 - 6/30/2011 are estimated assuming a flat return over that 5 month period

Average Fair Market Value	**$41,723,124.01**

McKnight Brain Research Foundation

Projected Minimum Investment Return Calculations

(As of 9/21/2010 for fiscal year ending 6/30/2011)

Average Fair Market Value		$41,723,124.01
Less:		
	Cash held for charitable purposes (1 1/2 %)	($625,846.86)
Net value of non-charitable use assets		$41,097,277.15
Minimum Investment Return (5%)		$2,054,863.86

Net Minimum Investment Return Calculation:

Minimum investment return		$2,054,863.86
Less:		
	Distributions as of 1/24/11	($563,686.00)
**	Grant Payments	($3,643,175.00)
sub total	Qualifying Distributions	($4,206,861.00)
		($2,151,997.14)
	Excess distribution carryover (actual for '07, '08, '09, estimated for '10)	$3,063,059.00
		$3,063,059.00
		$2,151,998.00
		$5,215,057.00

** ($1,000,000 FNIH, $1,000,000 U of A, $1,500,000 UAB, $143,175 FNIH)

Grant Commitments Schedule

1/26/2011

Organization Request ID/Ref. Num.	Grant Total	Paid Prior Years	Paid YTD	Scheduled Payments 2011	 2012	 2013	Remaining Balance
2009							
Foundation for the National Institutes of Health	$5,000,000.00	$2,000,000.00	$0.00	$1,000,000.00	$1,000,000.00	$1,000,000.00	$0.00
University of Alabama School of Medicine	$6,000,000.00	$3,000,000.00	$0.00	$1,000,000.00	$1,000,000.00	$1,000,000.00	$0.00
Total 2009 (2 items)	$11,000,000.00	$5,000,000.00	$0.00	$2,000,000.00	$2,000,000.00	$2,000,000.00	$0.00
Grand Total (2 items)	$11,000,000.00	$5,000,000.00	$0.00	$2,000,000.00	$2,000,000.00	$2,000,000.00	$0.00

Ahlfield.Tiffany

Subject: FW:

From: jennifer.rabin@akerman.com [mailto:jennifer.rabin@akerman.com]
Sent: Monday, January 24, 2011 11:56 AM
To: Borcheck.Teresa
Cc: hank.raattama@akerman.com; tina.lynch@akerman.com
Subject:

Teresa,

Tina Lynch has forwarded to me your email below. Please see my response to your inquiries in red below and do not hesitate to contact me if you would like further information.

From: Borcheck.Teresa [mailto:Teresa.Borcheck@suntrust.com]
Sent: Tuesday, January 18, 2011 11:26 AM
To: Lynch, Tina (WPB)
Cc: Raattama, Hank (Sh-Mia)
Subject: RE: U.S. Service Mark Application for PRESERVING MEMORY, ENHANCING LIFE.

Tina,

Thank you for your letter, I have reviewed the status of the McKnight Brain Research Foundation Service Marks with Mr. Raattama and one of the foundation trustees. My initial thoughts are:

What benefit would there be to having a foreign registration if the foundation or its grantees are not going to fund programs outside the US? There likely would be limited benefit to securing foreign registrations if the activities of the foundation are limited to U.S. research and U.S. programs. It would only be a protective measure to prevent filings in jurisdictions which have a first to file registration structure. Overall, given the details you have provided it does not appear that in this case the cost of such filings (roughly $2000 per country) would be commensurate with what is probably a limited risk of infringement in foreign jurisdictions.

The foundations currently have two other trademarks – did we request foreign registration for those? No, we have reviewed these files and confirmed that these trademark registrations are limited to registration in the U.S.

If a foreign group started using one of our Marks, holding themselves out as the McKnight Brain Research Foundation or the Evelyn F. McKnight Brain Research Foundation, would we have any legal recourse if they were not registered? That really depends upon the countries in which the potential dispute occurs. Some jurisdictions (as mentioned above) have a first to file registration structure which can complicate enforcement matters. In others, you would likely have a palming off or unfair competition style claim even if there is no registration permitting "service mark infringement" per se.

Thanks, Teresa

Teresa W. Borcheck

Senior Vice President

Memorandum: For the Record
By: J Lee Dockery, MD
January 20, 2011

Re: Continuation of Research Partnership in Cognitive Aging

1. November 3, 2010, JLD talked with Dr. Hodes via telephone in reference to the continuation of the Research Partnership in Cognitive Aging--conversation positive with caveats regarding the future budgets of the NIA and the cycle in which the decisions would need to be reached.

2. January 6, 2010--e-mail from JLD to Dr. Hodes outlining timelines relative to the schedule for potential Cognitive Aging Summit III, budget cycles, expiration of the current Research Partnership in Cognitive Aging and the successor agreement.

3. January 20, 2011--conference call with Dr. Hodes, Dr. Wagster, and Dr. King (recommendation of Dr. Hodes). Dr. Hodes explained that for the budget cycle of the NIA, the decision would have to be made by the NIA at its December 12, 2012 budget meeting in order to be included in the 2014 budget cycle for the NIA.

4. It was suggested the annual scientific investigator's meeting for the current 17 funded proposals be held in June or the summer of 2012 be used as a possible forum to develop recommendations for the future research proposals to be funded through a successor Research Partnership in Cognitive Aging to begin, July 1, 2014. To await the outcome of a Cognitive Aging Summit III, in the fall of 2013, would be too late for the NIA to develop the 2014 budget.

5. The current members of the leadership council of the MBRF funded institutions, selective NIA staff with participation of the trustees of the MBRF would be responsible for finalizing the recommended research foci (JLD emphasized importance of clinical translation) to be funded through the Research Partnership in Cognitive Aging.

6. Dr. Hodes, as usual, was very much a gentleman and was very careful to remind me that this conversation was in no way binding and that without the knowledge of what the potential budget allocations would be at the time of the discussions, he could not make a firm commitment.

7. Therefore, the only agreement at this time is to enter into the discussions of the renewal of the Research Partnership in Cognitive Aging within the 2012 budget cycle of the NIA as outlined above but with the interest in renewal if possible in a timely fashion so as to avoid a hiatus for a future grant cycle.

8. The call lasted 30 minutes, discussion was cordial and collegial and ended with my request to establish potential dates for the meetings in which the trustees and "advisors" might be involved as soon as possible, so that those dates could be save on everyone's calendar..

Travel Award Program

Date	Name	School	Amount
5/6/2009	Marsha Penner	University of Alabama	$1,305.43
11/4/2010	Clinton Wright	University of Miami	$1,005.26
11/20/2010	Gene Alexander	University of Arizona	$354.39

Proposal
Evelyn F. McKnight Poster Reception
Society for Neuroscience Meeting
Washington, DC
November 13, 2011

Background

Neuroscience, the study of the brain and nervous system, is considered one of the most exciting cutting-edge areas in biomedical research. The Society for Neuroscience (SfN) is a nonprofit membership organization of basic scientists and physicians from around the globe who study the brain and nervous system. Since 1969, the year of the inception of the Society for Neuroscience, the organization has grown from under 500 members to well over 38,000, the *largest* organization of its' kind in the world. The Society's primary goal is to promote communication and exchange of information among researchers. Other goals include providing professional development activities and educational resources to neuroscientists at all stages of their careers, to educate the public about the importance of neuroscience research as well as to inform policymakers and the legislature. To achieve these goals, the Society sponsors a meeting each fall attracting tens of thousands of attendees. The meeting consists of poster sessions, symposia, and lectures presenting the latest findings on topics ranging from molecular signaling in the brain to systems neuroscience and neurodegenerative disorders. In the evening hours, the Society sponsors themed social events. These socials provide a casual atmosphere in which researchers interested in a particular topic can network and discuss ideas.

2010 Progress Report – San Diego, California

The McKnight Brain Research Foundation Poster Reception was held at the San Diego Marriott Hotel and Marina on Sunday evening, November 14, 2010. The event was well attended with over 200 researchers, clinicians, postdoctoral fellow, graduate and undergraduate students participating. Attendees included prominent scientists from the National Institutes of Aging as well as neuroscientists at different stages of their careers interested in investigating age-related memory loss. The event fulfilled its goals of showcasing the research conducted at the McKnight Institutes and Center and providing a venue where neuroscientists were able to network and discuss ideas centered on normative aging. The event was a huge success and came in below the budget approved by the Trustees.

Proposal

The Society for Neuroscience will be holding its' annual meeting in Washington, DC from November 12-16th, 2011. This proposal is to organize a social event for the Evelyn F. McKnight Brain Institutes and Center. Pending budget approval of the Trustees, the SfN event manager can schedule an event at one of the sponsoring hotels in downtown Washington, DC. The event would be listed in the Online Program as well as in the Final Program for the annual SfN meeting as a social for "The Evelyn F. McKnight Brain Research Foundation" under the topic of "The Neuroscience of Aging." The listing will state that the event is not only for members of the McKnight Institutes and Center, but any SfN meeting attendee interested in the field of normative aging.

Venue

The Evelyn F. McKnight SfN poster session would take place at a SfN assigned hotel in Washington, DC. The evening of Sunday, November 13, 2011 will be requested. Posters will be set-up and organized to be representative of research from all the Institutes. Attendees of the social can visit posters and discuss scientific issues directly with the presenter. Tables located throughout the room would facilitate group discussions. The selection and organization of the posters would be in conjunction with representative graduate students from the Institutes. Additionally, a selection of beverages and appetizers would be available.

Budget

The Society for Neuroscience charges an administrative fee of $500 to list and provide a venue for sponsored events. Additionally, the hotel normally charges rental fees for the conference room. However, the room rental fee can be waived for large events with a $7000 (pre-tax and service) minimum food/beverage commission. It will be necessary to rent poster boards from an outside vendor. Food and beverage costs have been broken down into three options listed in the table below. All budgeting was constructed on an estimated attendance of 150-200 persons. Based on previous events held in Washington, expenses are normally higher in the Washington area. However, every effort will be made to keep costs within the limits approved by the Trustees. A breakdown of estimated expenses is found in Appendix A.

Appendix A

	Tier 1	Tier 2	Tier 3
Society for Neuroscience: Symposia Application Fee and Online Listing Fee	$500	$500	$500
Standing podium and microphone set-up	$100	$100	$100
Rental of Poster Boards 22 Double sided boards Size 4'x6' Price includes delivery, set up and removal	$2,400	$2,400	$2,400
Printing of Scientific Booklets	$1,500	$1,500	$1,500
Subtotal Miscellaneous Costs	$4,500	$4,500	$4,500
Food Catering	Hot and cold appetizers	Hot and cold appetizers	Hot and cold appetizers
Beverage Catering	Small selection of beer and wine	Large selection of beer and wine	Open bar with wine, beer, and liquor
Subtotal Catering fees including service and tax	$11,000	$13,000	$15,000
Estimated Grand Total	$15,500	$17,500	$19,500

center for BrainHealth®
The University of Texas at Dallas

December 21, 2010

Teresa W. Borcheck
Senior Vice President
SunTrust Banks, Inc.
Foundations & Endowments Specialty Practice
300 South Orange Avenue Suite 1600
Orlando, Florida 32801

Dear Teresa:

The Center for BrainHealth, a scientific research institute within The University of Texas at Dallas, brings together leading cognitive neuroscientists, unique research points-of-view, innovative interventions, and practical clinical applications to carry out its mission to understand, protect, and heal the human brain. Created to promote brain health fitness across the entire human lifespan, life-improving studies at the Center for BrainHealth encompass every age, ethnicity, gender, and socioeconomic group.

More has been learned about the brain in the last decade than in all previous decades combined. From its inception, BrainHealth research has followed a unique horizontal approach of studying neurobiological basis of specific brain function and then applying the findings across a variety of brain states, concentrating on the healthy brain and all brain conditions, including diseases and disorders ranging from Alzheimer's disease and other forms of dementia to attention deficit hyperactivity disorder and autism, to stroke, traumatic brain injury, schizophrenia, and much more. Defying long-established conventional wisdom, recent research from the Center for BrainHealth labs has shown the brain to be remarkably modifiable given appropriate, short-term intensive training. It is this characteristic brain plasticity that has encouraged new research at the Center for BrainHealth, including significant, transformative studies dedicated to advancing brain health fitness into late life that have been published in leading peer reviewed journals.

A major accomplishment of this century is the doubling of the human life span. However, a downside of greater life expectancy is increased risk of cognitive impairment in late life. Center for BrainHealth researchers are studying both the cognitive and structural brain changes associated with mental and physical exercise in adults 60-75 years old. Researchers studying cognitive brain training using the Center for BrainHealth's evidence-based program, Strategic Memory and Reasoning Training (SMART), have learned that the brain training of deeper-level thinking carries over into untrained areas allowing study participants to more effectively assimilate, manage, and utilize information. The research results demonstrate the benefit of mental exercise on robust brain function. Similarly, BrainHealth scientists have found that exercise increases blood flow to the medial temporal lobe which controls memory, allowing researchers to establish the differential benefit of physical exercise on the brain. Additionally, the Center for BrainHealth team is examining the role of genetic and cerebrovascular risk factors in response to mental or physical exercise.

Recent advancements have allowed BrainHealth's scientists to incorporate newly-learned brain information into diagnostics and treatments to stave off disease effects, build cognitive capacity, and reverse cognitive loss. Center for BrainHealth scientists were instrumental in developing the first plan in the nation incorporating brain health fitness as part of the Texas state plan for Alzheimer's disease. The key focus is to define the condition of being cognitively fit and independent based on new evidence of the pivotal role of frontal lobe function. The goal is to promote brain healthy lifestyles to encourage healthy brain habits throughout adulthood, much like what has been achieved for physical fitness started in the 1960s by President Kennedy, with Dr. Ken Cooper, and to secondarily stave off Alzheimer's symptoms to the greatest degree possible.

Center for BrainHealth researchers are also working directly with Senior Quality Lifestyles Corporation (SQLC) to develop a comprehensive brain wellness program for all its retirement and assisted living properties. The collaboration examines cognitive improvements related to SQLC living and includes BrainHealth portals to keep residents and family members engaged.

The scientific discoveries at the Center for BrainHealth are centered on maximizing multidisciplinary science to identify brain markers to document cognitive and structural brain changes in response to treatments. To that end, BrainHealth researchers are studying the effects of mild cognitive impairment (MCI) by testing people with this early memory disorder to evaluate how their brains differ from those of healthy older adults. The goal is to reliably identify people with MCI early so physicians can prescribe a course of treatment that will either slow or stop the progression of memory disorders, including physical and/or cognitive exercise. The research team hopes to identify people in the preclinical phases of Alzheimer's disease by characterizing certain markers in the brain that are related to memory deficits. The technique may help clinicians decide on proper treatments for persons with MCI and may also lead to an objective assessment of how the brain is responding to treatments.

Simultaneously, researchers at the Center for BrainHealth are also examining the earliest semantic memory retrieval markers of progression from mild cognitive impairment to early Alzheimer's disease based on a model of semantic retrieval. The BrainHealth team has developed a semantic memory retrieval tool, the Semantic Object Retrieval Test (SORT), shown to be a highly sensitive and specific measure of semantic memory impairments in neurodegenerative diseases. We have discovered early EEG/ERP markers of conversion of mild cognitive impairment to Alzheimer's disease and other dementias that will greatly aid early detection and successful application of emerging interventions to slow and hopefully prevent progression to Alzheimer's disease.

Scientists at BrainHealth are also investigating the cognitive and neurobiological mechanisms of human memory and how they are influenced by aging and disease. The research uses functional magnetic resonance imaging (fMRI) to observe the brain activity of younger and older adults as they perform mental tasks and focuses on the continued development of fMRI experimental methods to make comparisons across population groups. The research team has created an innovative model based on differences in neurostructure and function that are used to drive predictions and formulate experiments in a number of different domains, especially normal cognitive aging and diseases such as Alzheimer's and other dementias.

Having talked briefly with Dr. Lee Dockery and Dr. Nina Ellenbogen at the recent NIA and McKnight Cognitive Aging Summit, we would be honored to have trustees of The Evelyn F. McKnight Brain Research Foundation visit the Center for BrainHealth to learn more about our shared vision. The Center for BrainHealth is dedicated to furthering the mission of understanding, protecting, and healing the brain with hard work and dedication by its researchers and generous support from individuals, organizations, and federal agencies who understand first-hand the importance of the research, helping to lead the way toward brain health for all. The combination of leading researchers from across the country, outside-the-box research ideas, sophisticated technology, sensitive diagnostic measures, and a dedication to interdisciplinary research makes the Center for BrainHealth a nurturing environment to expand a comprehensive and collaborative approach to brain study.

Sincerely yours,

Sandi

Sandra Bond Chapman, Ph.D.

John Hart, M.D.

center for BrainHealth®
The University of Texas at Dallas

The Center for BrainHealth unites leading scientists from diverse disciplines with one singular goal: unraveling secrets of the mind through innovative brain research.

Scientific Advisory Board

Members include:
- Dr. Mark D'Esposito – University of California, Berkley
- Dr. John Gabrieli – Massachusetts Institute of Technology
- Dr. Michael Gazzaniga – University of California, Santa Barbara
- Dr. Russell Hulse – Nobel Laureate, The University of Texas at Dallas
- Dr. Eric Nestler – The Mount Sinai Medical Center

Sandra Bond Chapman, Ph.D. – Founder and Chief Director

Sandra Bond Chapman, Ph.D., founder and chief director of the Center for BrainHealth, is the Dee Wyly Distinguished Professor in BrainHealth, and a Professor in the School of Behavioral and Brain Sciences at The University of Texas at Dallas. She received a Doctor of Philosophy from The University of Texas at Dallas, and a B.A and M.A. in Communication Disorders from The University of North Texas.

Dr. Chapman's research elucidates novel approaches to prevent mental decline and to maximize frontal lobe function after brain injuries and diseases, and how to strengthen healthy brain development across the lifespan. Her research documents that brain health and maximizing brain function is a cause that touches every person. As Chief Director of the Center for BrainHealth, her vision is for the Center to become an international focal point for brain health discovery by applying the latest in brain research to faster treatments than those that came before. On the new frontier of brain research, Dr. Chapman is collaborating with brain scientists across the country and around the world to solve some of the most important issues concerning the brain and its health.

Dr. Chapman is a cognitive neuroscientist and was one of 20 core scientists nationwide invited to participate in a National Science Foundation Think Tank Workshop to solve Higher Order Cognitive Decline in Teens in the United States. With more than 120 publications and 40 funded research grants, Dr. Chapman is dedicated to translating her leading-edge research to serve as a national public health road map both in discovery of ways to maintain cognitive health into late life and build critical thinking and reasoning skills in today's youth. Her research record and brain health breakthroughs have led to nationwide recognition and selection of the Center for BrainHealth as the single Virtual Center for the National Pediatric Acquired Brain Injury Plan to link all states with the most current assessment and training for brain injury. She is a core member for the National Institutes of Health for selecting the central data elements for nationwide clinical trials in acquired brain injury and has garnered major federal, state, and private research support to advance treatment for America's veterans, sports concussions, healthy brain aging, adolescent reasoning and brain development, Alzheimer's disease and related dementias, autism, schizophrenia, ADHD, social cognition disorders, and many others.

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John Hart, M.D. – Medical Science Director

John Hart, M.D., is Medical Science Director at the Center for BrainHealth, where he also holds the Jane and Bud Smith Distinguished Chair and the Cecil Green Distinguished Chair at The University of Texas at Dallas. The Johns Hopkins-trained neurologist is also a Professor of Behavioral and Brain Sciences with a joint appointment in the departments of Neurology and Psychiatry at The University of Texas Southwestern Medical Center at Dallas.

Dr. Hart is past-President of the Society for Behavioral and Cognitive Neurology and the Behavioral Neurology Section of the American Academy of Neurology. He is one of the world's foremost experts on how you store and access knowledge in your brain, known as semantic memory. In 1985, Dr. Hart was the lead author on the seminal paper published in the prestigious journal *Nature* that established that knowledge is stored in the brain by categories. This was followed by a second major finding published in *Nature* showing that features and categories are the storage units of knowledge in the brain. In 1998 and 2002, two more major discoveries were published in *Proceedings of the National Academy of Sciences* (USA) that showed the actual time it takes the brain to recall an object memory, and Dr. Hart's key discovery of the actual mechanism of how the brain combines parts of memories together to form an integrated object memory. He and his collaborators have now used this fundamental finding to assess patients with a wide variety of disorders, including dementia, Alzheimer's disease, mild cognitive impairment, traumatic brain injury (TBI), Attention Deficit Hyperactivity Disorder (ADHD), Post-Traumatic Stress Disorder, Gulf War Syndrome, and schizophrenia. The findings in these studies will lead to targeted treatment interventions for semantic memory retrieval problems in these diseases. In addition, the work that he has performed in knowledge storage will be applied to children with difficulties in this area (e.g., autism, ADHD, TBI, and others) and in developing optimal programs for use in educational systems.

For more information, please visit
www.centerforbrainhealth.org

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Since 2003, the Center for BrainHealth at The University of Texas at Dallas has organized an international symposium, first with The University of Texas Southwestern Medical Center and now with The University of California at Berkley, that presents new discoveries and novel approaches to enhancing brain repair in humans. The Reprogramming the Human Brain Symposium bridges the gap between basic brain research and human clinical treatments for the brain.

The Symposium has featured some of the most distinguished neuroscientists and healthcare professional investigators in the country, including Nobel Laureates:

David Hubel, M.D.
Torsten Wiesel, M.D.
Eric Kandel, M.D., Ph.D.
Russell Hulse, Ph.D.

In 2010, the Reprogramming the Human Brain Symposium focused on Brain Plasticity and the Reasoning Mind and was designed to summarize basic cognitive factors and diseases that influence reasoning, describe the development of reasoning over childhood and adolescence, discuss how reasoning can be measured using neuroscience methods, explain the neural systems engaged in different forms of reasoning, and recognize current ways to measure and improve reasoning in the field of education. Keynote speaker, Dr. Michael Gazzaniga, who coined the term cognitive neuroscience, explained the relation of neuroscience to ethics and the law.

Other notable symposium participants from past years include:

Arturo Alvarez-Buylla, Ph.D.
Roberto Cabeza, Ph.D.
John D.E. Gabrieli, Ph.D.
Fred Gage, Ph.D.
Charles D. Gilbert, M.D., Ph.D.
Michael Kilgard, Ph.D.
Ron McKay, Ph.D.
Michael Merzenich, Ph.D.
Eric Nestler, M.D., Ph.D.
Miguel Nicolelis, M.D., Ph.D.
Paul Sanberg, Ph.D., DSc
Carla Shatz, Ph.D.
Thomas C. Südhof, M.D.
Mriganka Sur, Ph.D.
Keith R. Thulborn, M.D., Ph.D.
Tim Tully, Ph.D.

McKnight Brain Research Foundation
Upcoming Dates/Events (2011-2012)

2011

May 2011	July 2011	October 2011	November 2011
MBRF Board of Trustees Meeting University of Miami May 1-3. 2011 Inter-Institutional Meeting	***MBRF Board of Trustees Meeting*** July 19-20, 2011? **Topics:** 1. Asset Allocation Analysis 2. Lighthouse Presentation 3. UAB Payment 4. Review Investment Policy	***MBRF Board of Trustees Meeting*** October 18-19, 2011? October 25-26, 2011? **Topics:**	***Society for Neuroscience*** Poster Session/Reception November 12-16, 2011

2012

May 2012
MBRF Board of Trustees Meeting Inter-Institutional Meeting