

SUNTRUST

Date:

To: McKnight Brain Research Foundation Trustees
Henry H. Raattama, Jr. Legal Counsel

From: Melanie Cianciotto

Subject: MBRF Meeting: July20, 2011 (Orlando, FL)

Enclosed you will find the meeting package for the July Trustees meeting to be in Orlando, FL. Included in this package for your review are the following items: the agenda, final draft of the minutes for the May 3, 2011 board meeting, grant commitment schedule, minimum distribution calculation, a package on requirements for supporting organization status, and a copy of the strategic review & planning session package from the August 11, 2010 Trustees meeting. In addition, I have included your hotel confirmation for your stay at the Grand Bohemian.

The investment book will be sent in a separate package.

The meeting will start at 8:00 a.m. at the Citrus Club. The Citrus Club is located at 255 South Orange Avenue, 18th floor. Breakfast and lunch will be brought into the meeting room so as to facilitate adjourning at 3:00 p.m.

Look forward to seeing you all in Orlando!

MC/nd

cc: Mike Hill

Enclosures

MCKNIGHT BRAIN RESEARCH FOUNDATION

July 20, 2011

Citrus Club
255 South Orange Avenue, 18th Floor
Orlando, Florida

AGENDA

Wednesday, July 20, 2011

8:00 a.m. – 8:30 a.m.	Call to Order /Breakfast	Melanie Cianciotto
8:30 a.m. – 9:00 a.m.	Approval of Minutes from Board Meeting May 3, 2011	Melanie Cianciotto
9:00 a.m. – 11:00 a.m.	Investment and Investment Policy Review Asset Allocation Efficient Frontier Lighthouse Update	Michael Hill
11:00 a.m. – 11:30 a.m.	Requirements for Supporting Organization Status Minimum Distribution Calculation Upcoming Dates & Events	Hank Raattama Melanie Cianciotto Melanie Cianciotto
	❖ Board of Trustees Meeting University of Florida October 25-26, 2011	
	❖ Society for Neuroscience MBRF Poster Session/Reception Washington, DC November 13, 2011	
	❖ Inter-Institutional Meeting Tucson, Arizona April 11 – 13, 2012	
11:30 a.m. – 12:00 p.m.	Lunch	
12:00 p.m. – 3:00 p.m.	Trustee Resignation Succession and Completion of Long Range Planning	Trustees
3:00 p.m.	Adjournment	

MINUTES
MCKNIGHT BRAIN RESEARCH FOUNDATION
BOARD OF TRUSTEES MEETING
May 1 -3, 2011

May 3, 2011

The Trustee's meeting of the McKnight Brain Research Foundation (MBRF) was called to order at 12:25 p.m. on May 3, 2011 in the Miramar North Conference Room at the Miami Beach Hotel and Spa, Miami Beach, FL.

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
Ms. Melanie Cianciotto, 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
Ms. Nicole D'Alessandro, SunTrust Bank Institutional Investment Solutions

1. Investment Review

Mr. Hill presented the investment review and commented on key economic and investment factors for the first quarter (Attachment 1).

- **First Quarter 2011 equity returns impressive in spite of global shocks**
 - The S&P 500 ended its best quarter since 1998 up nearly 6% reflecting the market's collective assessment that recent geopolitical and natural events, while important, will not derail the global recovery.
 - Dollar weakness boosted international stock and bond returns.
 - Interest rates ended the quarter modestly higher, while rising commodity prices abetted inflation concerns.
- **A robust manufacturing sector and accelerating labor momentum give us confidence the recovery's foundation is solid but some risks have come into sharper focus.**
 - Inflation has increased globally, along with a more worrisome rise in inflation expectations, although higher commodity prices, especially oil, may prove to be temporary.

- First quarter earnings reports and management guidance will provide important signals regarding the impact of higher input prices on corporate profits.
- **Recent events have not altered the strategy, but it is recognized that the range of possible outcomes is widening**
 - We are in the third year of the market cycle and expect to gradually move to a more defensive equity posture, although the initiating catalyst remains elusive.

Mr. Hill provided an update on Hall Capital. The Hall Capital Fund V had a final close on March 31, 2011. Funding commitments were just shy of the targeted \$70mm. Funding is greater than Fund IV and less than Fund III. Participation was driven by existing clients "re-upping" interest from previous funds and through an increase in internal and external client participation. The McKnight Brain Research Foundation had \$30,000 called on May 2, 2011. Hall Capital expects to call approximately 90% of the committed capital, with 50-70% of the commitment called in five years. A catch-up call of around 10% is expected later in 2011. Hall Capital will create and distribute detailed Fund V reporting on a quarterly basis and it will typically be available 45-60 days following quarter end.

Action Item 1: The trustees received the Investment Review for information (Attachment 1).

2. Approval of Minutes

The minutes of the February 2, 2011 meeting of the McKnight Brain Research Foundation were reviewed. The minutes were approved as amended (Attachment 2).

Action Item 2: The trustees approved the minutes of the February 2, 2011 meeting as amended (Attachment 2).

3. Minimum Distribution Calculation

The trustees reviewed the projected minimum distribution calculation for information (Attachment 3).

Action Item 3: The trustees reviewed the projected minimum distribution calculation for information (Attachment 3).

4. Columbia Site Visit Report Follow Up

Dr. Judith Salerno and Dr. John Clarkson provided an overview of their site visit to Columbia University Medical Center. After a detailed discussion, the trustees did not approve the proposal for funding. Dr. Judith Salerno will draft a letter to Dr. Richard Mayeux, Dr. Lee Goldman, Dr. Scott Small and Amelia Iverson informing them of the trustees' decision to decline funding.

Action Item 4: Dr. Judith Salerno will draft a letter to Dr. Richard Mayeux, Dr. Lee Goldman, Dr. Scott Small and Amelia Iverson informing them of the trustees' decision to decline funding.

5. University of California, Davis Proposal

The proposal from the University of California, Davis by Dr. Charles DeCarli was reviewed. After discussion the trustees did not approve the proposal for funding. Dr. J. Lee Dockery will draft a letter to Dr. DeCarli informing him of the trustees' decision to decline funding.

Action Item 5: Dr. Lee Dockery will draft a letter to Dr. DeCarli informing him of the trustees' decision to decline funding.

6. Research Partnership in Cognitive Aging Update

Dr. J. Lee Dockery updated the trustees on the Research Partnership in Cognitive Aging and shared an Open Letter from the NIA Director to the Research Community, detailing the expectations of a sharp decline in funding.

7. Travel Award Program - Update

Ms. Cianciotto informed the trustees that no more requests have been received at this time.

8. IRS Update Report/Status of 990 PF

Ms. Cianciotto provided the trustees an update regarding the status of the 990 PF and 990 T for the tax year ending June 30, 2010. The returns were put on extension and drafts have just been received from Batts, Morrison, Wales and Lee. The returns will be forward to Mr. Henry H. Raattama, Jr. to review. Ms. Cianciotto will provide copies of the 990 PF and 990 T to the trustees for their records.

Action Item 6: Ms. Cianciotto will provide copies of the 990 PF and 990 T to the trustees for their records.

9. Trustees Compensation

Ms. Cianciotto presented updated compensation information compiled from information obtained from the Association of Small Foundations and the Council on Foundations (Attachment 4). The trustees discussed their current compensation. The nature of the work continues to emphasize the research grant support relative to the programs funded to date in fulfilling the mission of the MBRF. The scientific research being funded by the MBRF is producing more research outcomes, which the trustees must review and monitor without any reduction in the time devoted to investments. The review of currently funded research projects, requests for new grant support, on site visits by the trustees and review of scientific reports for each of the MBRF funded programs are very important functions of the trustees and require continual monitoring. In order to fulfill the purpose and the mission of the MBRF,

the trustees must continuously educate themselves as to the current status and future direction of the research initiatives in learning and memory loss in the aging. The trustees continue to expand and develop research partnerships to encourage increased interest and support of research in learning and memory in the aging.

The trustees discussed the number of hours each spends on Foundation business and confirmed that each spend, on average, 4 to 8 hours per week on Foundation matters. The trustees agreed that the \$200 per hour benchmark for trustee compensation initially agreed to in 2000 is, although low today, certainly within the range of the hourly charge that the MBRF would incur if it retained persons, either as staff or independent contractors, with the necessary scientific knowledge and experience to provide the services to the MBRF provided by the trustees. Based on the amount of time devoted to the MBRF business and comparable charges for that type of scientific work and other duties and responsibilities, the trustees agreed that \$40,000 per trustee is reasonable and appropriate compensation. Because of Dr. Salerno's position with the Institute of Medicine (IOM), she is not permitted to accept compensation from the MBRF. However, she is permitted to direct the compensation to a non-profit organization and has chosen the IOM. Her quarterly donation is currently helping fund the IOM's summer intern program for graduate students.

unanimously
The trustees also agreed to continue to be reimbursed for any out of pocket expenses incurred, such as traveling costs, associated with MBRF business.

Action Item 7: The trustees received the updated Annual Compensation Survey for information and agreed to maintain the current level of annual compensation (Attachment 4).

unanimously
10. Trustees' Board Meeting July 19 – 20, 2011

The trustees have agreed to hold the July meeting of the MBRF on July 19 – 20, 2011 in Orlando, FL. The trustees will arrive the morning of July 19th and meet in the afternoon, beginning with lunch at 12:00 noon. The trustees meeting will continue on the morning of July 20th and conclude at 12:00 noon.

11. Trustees Board Meeting October 25 – 26, 2011

The trustees have agreed to hold the October meeting of the MBRF on October 25 – 26, 2011 in Gainesville, FL. The trustees will arrive the morning of October 25th and meet in the afternoon, beginning with lunch at 12:00 noon. The meeting will conclude at 12:00 noon on October 26th after the scientific presentations.

12. Society for Neuroscience 2011 McKnight Poster Session

The event is a MBRF sponsored and hosted event for graduate students and faculty who will be attending the meeting from each of the four institutions to which the MBRF provides funding. The event will be held November 13, 2011 in Washington, DC and will feature

scientific poster displays from each of the four institutions. Dr. Nina Ellenbogen Raim and Dr. Judith Salerno will be the trustees in attendance for this event.

13. Inter-Institutional Meeting

The fifth annual McKnight Brain Research Foundation Inter-Institutional meeting will be held in Arizona April 11 – 13, 2012. The trustees will arrive the morning of April 11, 2012 and meet in the afternoon beginning at 12:00 noon. The Inter-Institutional meeting will begin with a reception on the evening of April 11, 2012 followed by the scientific sessions on April 12-13, adjourning at noon on April 13, 2012.

There being no further business, the meeting adjourned at 3:35 p.m.

Summary of Action Items:

Action Item 1: The trustees received the Investment Review for information (Attachment 1).

Action Item 2: The trustees approved the minutes of the February 2, 2011 meeting as amended (Attachment 2).

Action Item 3: The trustees reviewed the projected minimum distribution calculation for information (Attachment 3).

Action Item 4: Dr. Judith Salerno will draft a letter to Dr. Richard Mayeux, Dr. Lee Goldman, Dr. Scott Small and Amelia Iverson informing them of the trustees' decision to decline funding.

Action Item 5: Dr. Lee Dockery will draft a letter to Dr. DeCarli informing him of the trustees' decision to decline funding.

Action Item 6: Ms. Cianciotto will provide copies of the 990 PF and 990 T to the trustees for their records.

Action Item 7: The trustees received the updated Annual Compensation Survey for information and agreed to maintain the current level of annual compensation (Attachment 4).

Respectfully Submitted,

Melanie A. Cianciotto
SunTrust Bank, Corporate Trustee



Second Quarter 2011 Investment Review

McKnight Brain Research Foundation

June 2011

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- Executive Summary
- Portfolio Review
- Estimated Capital Returns
- Investment Managers
- Appendix

Executive Summary

Summary of Recommendations

- Review efficient frontier asset allocation recommendations to adjust tactical strategy. Incorporate all asset class targets into Investment Policy Statement.

Market Environment (through June 30, 2011)

- Investor expectations swung wildly during the quarter with concerns of an overheating economy in mid-April to widespread fears of a double-dip recession by early June. Concerns focused on the expiration of QE2, slower growth, stubbornly high unemployment, lack of home price improvement, sharp increases in headline inflation, potential for contagion in the Eurozone and uncertainty around the debt ceiling.
- Domestic equities underperformed developed international stocks during the quarter. The S&P 500 Index was slightly positive returning 0.1% in 2Q while the MSCI EAFE Index produced returns of 1.6%. International emerging markets continued to struggle as commodity prices posted sharp declines during the quarter. The MSCI EAFE EM returned -1.2%.
- In the U.S., growth stocks outperformed value stocks across all capitalizations with mid cap growth stocks generating the highest relative returns of 1.6%. Small cap value stocks posted the lowest relative returns during the quarter at -2.7%.
- Headline inflation advanced 3.2% over the last 12 months through April, the highest figure since 2008. Core CPI gained 1.3% over the last 12 months through April. Debate continues as to whether the current 3.2% CPI is permanent and accelerating or transient and temporary.
- GDP growth rates for the second quarter have been revised downward. We are currently forecasting 2.2% down from 3.7% in March.
- The price of gold rose to over \$1500 per ounce, up from 1439 on March 31 while WTI Crude oil closed at \$95.42, down from \$106.72.
- In fixed income markets, the yield on the 10-year U.S. Treasury declined to below 3% and ended the quarter at 3.16% down from 3.47%. The decline in yields led the Barclays U.S. Aggregate Index to post a return of 2.3%. The Barcap High Yield Bond index rose 1.1%, hurt by spread widening. U.S. corporate bonds returned 2.3% as measured by the Barclays Corp Investment Grade Index.
- Hedge fund performance was mixed during the quarter with most indexes posting flat to negative returns. The HFRI FOF Index return was -1.3% for the quarter.

Portfolio Objectives and Policy Asset Allocation

- The target total return objective for the Foundation is 9.8% and takes into account expenses, inflation (as measured by BRDPI), and annual distributions. The 5-year horizon expected return is 7.32%. (Based on SunTrust proprietary forward estimated return/risk/correlation analysis).

Executive Summary *(continued)*

Asset Allocation

- The Foundation has a 64.6% target allocation to public equity, 5% target to private equity (growth-oriented) assets, a 10.4% target allocation to fixed income, including cash (risk reduction) assets and a 20% target allocation to alternative assets.
- As of quarter end the equity allocation was 67.21%, the portfolio allocation to fixed income was 12.44% (including cash) and alternative assets comprised 20.35% of the portfolio.
- The target equity allocation consists of 37.1% domestic large cap, 7.1% domestic mid cap, 4.8% domestic small cap, 15.6% international and 5% private equity.
- The alternative target allocation consists of broadly diversified FOF designed to lower risk and total portfolio volatility while providing uncorrelated returns.

Portfolio Performance

- For the quarter period ending June 30, 2011, the total return for the Foundation was 0.9% versus 0.1% for the Efficient Frontier Target Policy.
- For the fiscal year period ending June 30, 2011, the total return for the Foundation was 23.7% versus 22.6% for the Efficient Frontier Target Policy.

Manager Performance

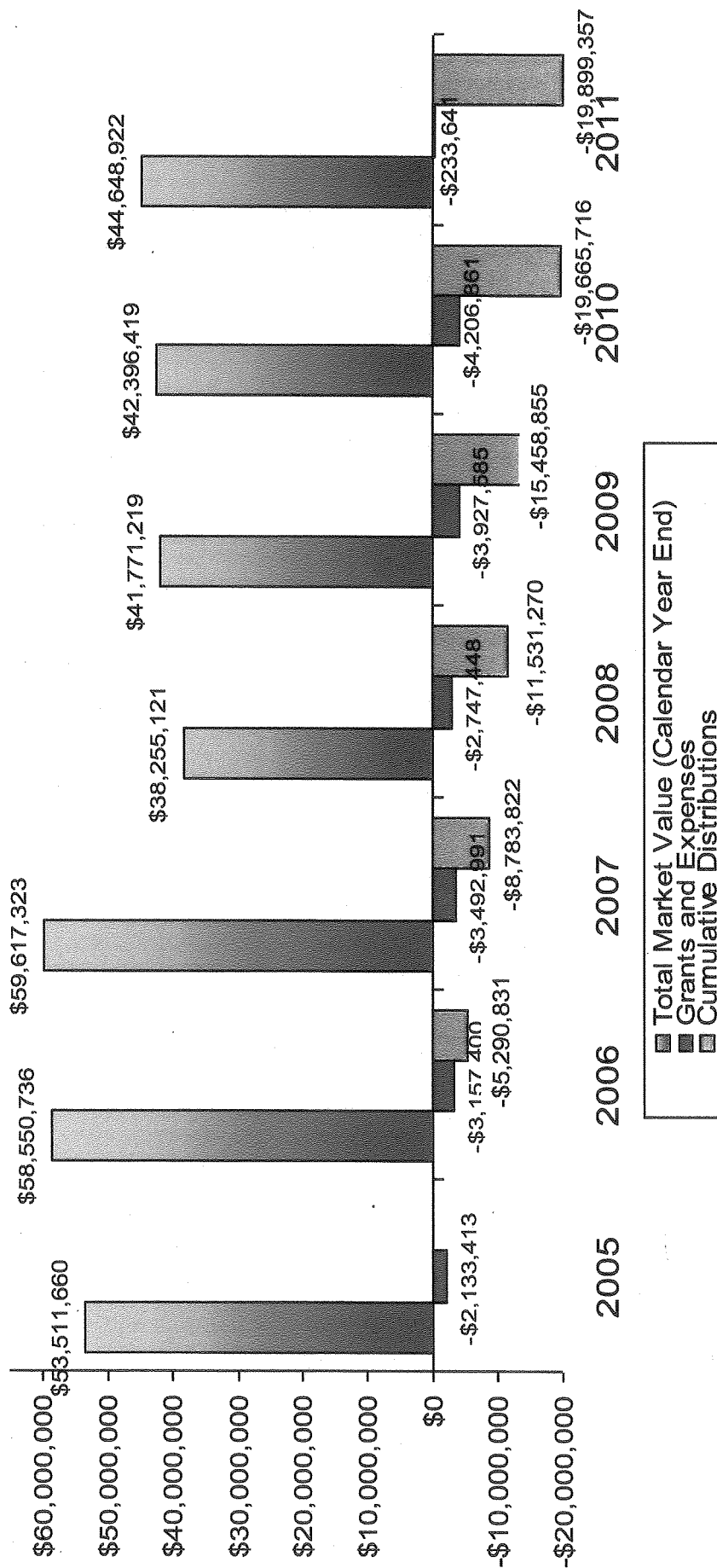
- During the quarter and year, active managers provided excess returns and were effective at preserving principal during market drawdowns. Managers in all asset classes collectively added alpha for the full fiscal year.
- On a 3 and/or 5 year basis all active equity managers are performing in the top 33% of their respective peer groups.
- On a 3 and/or 5 year basis all active fixed income managers are performing in the top 33% of their respective peer groups with the exception of the Seix High Yield fund which is a function of the funds constraint to hold BB or higher rated bonds where the peer group holds C rated bonds. The higher quality nature of the fund places it at a relative performance disadvantage when lower quality bonds are outperforming. The manager continues to provide good, quality diversification in the high yield allocation and adding to excess return.
- Alternative strategies posted mixed returns during the quarter. Long/short equity managers struggled to produce alpha during the quarter in which the S&P returns rallied and declined, including a drop of 6% in June. Commodities, particularly oil, gas and grains, drove losses for global trading managers, as most of these managers were generally positioned long and those markets sold off largely on concerns of a global slowdown in growth. Credit related strategies produced strong returns



Portfolio Review

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Historical Market Values



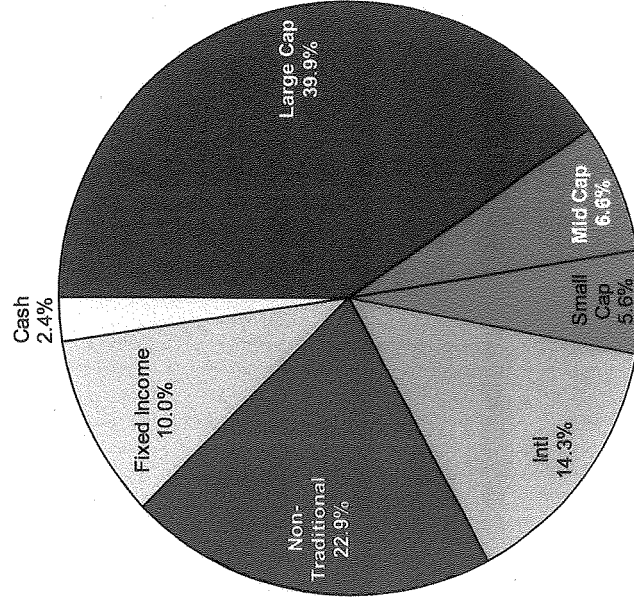
Portfolio Holdings are subject to change at any time and without notice.

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

Portfolio Review

Portfolio Composition

As of June 30, 2011



Assets	Current Market Value 06/30/2011	Current Allocation 06/30/2011	Prior Allocation 03/31/2011	Δ in Allocation	Eff Frontier Target Allocation	Variance from Target
TOTAL PORTFOLIO	\$41,648,921	100.00%	100.00%			
Large Cap	\$17,998,324	40.31%	39.85%	0.46%	37.1%	3.21%
Harbor Capital Appreciation I	\$3,700,939	8.29%	8.05%	0.24%		
Jensen Portfolio I	\$2,647,127	5.93%	5.86%	0.07%		
Vanguard Intl Index	\$7,024,631	15.73%	14.96%	0.77%		
iShares Russell 1000 Value Index	\$1,789,277	4.01%	4.57%	-0.56%		
Harford Dividend & Growth Y	\$2,836,350	6.35%	6.42%	-0.07%		
Mid Cap	\$3,151,461	7.06%	6.64%	0.42%	7.1%	-0.04%
iShares Russell Midcap Growth Index	\$1,582,539	3.54%	1.35%	2.19%		
iShares Russell Midcap Value Index	\$1,568,922	3.51%	5.29%	-1.78%		
Small Cap	\$2,497,724	5.59%	5.56%	0.03%	4.8%	0.79%
INVECO Small Cap Growth	\$1,292,521	2.89%	2.84%	0.05%		
Cambiar Small Cap	\$1,205,203	2.70%	2.73%	-0.03%		
International	\$6,364,161	14.25%	13.44%	0.81%	9.1%	-5.15%
MFS Research International	\$3,990,993	8.94%	8.43%	0.51%	6.5%	-1.18%
Legg Mason Emerging Market	\$2,373,168	5.32%	5.01%	0.31%		
Non-Traditional	\$9,084,746	20.35%	22.85%	-2.50%	20.0%	0.35%
Hedge	\$9,034,463	20.23%	22.85%	-2.62%	20.0%	0.23%
Lighthouse Global Long/Short	\$3,705,983	8.30%	10.01%	-1.71%		
Lighthouse Diversified	\$3,093,354	6.93%	7.98%	-1.05%		
Lighthouse Credit Opps	\$2,235,126	5.01%	4.86%	0.15%		
Private Equity	\$50,283	0.11%	0.00%	0.11%	5.0%	-4.89%
Total Fixed Income	\$4,482,872	10.04%	7.06%	2.98%	9.4%	0.64%
RidgeWorth Seix High Yield Bond	\$741,706	1.66%	1.33%	0.33%		
RidgeWorth High Income	\$977,743	2.19%	1.85%	0.34%		
PIMCO Inv Grade Corp Bond	\$1,052,073	2.36%	2.00%	0.36%		
PIMCO Total Return Bond	\$1,711,350	3.83%	1.87%	1.96%		
Cash Equivalents	\$1,069,633	2.40%	4.60%	-2.20%	1.0%	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.

Portfolio Review

Performance Comparison

As of June 30, 2011

also looking at how much we have contributed to the fund manager

	3 Months	YTD	Fiscal YTD 12 Months	Annualized 3 Yrs	Annualized 5 Yrs
TOTAL PORTFOLIO	0.9%	5.8%	23.7%	1.8%	3.2%
**Efficient Frontier Target	0.1%	4.0%	22.6%	1.9%	2.9%
*Static Benchmark	0.8%	5.1%	22.0%	5.4%	4.9%
Total Equity	0.8%	6.0%	31.9%	3.0%	3.2%
Russell 3000 Index	0.0%	6.4%	32.4%	4.0%	3.4%
Large Cap	1.0%	6.3%	30.6%	-3.8%	-1.0%
Harbor Capital Appreciation I	3.6%	8.4%	35.5%	5.9%	5.7%
Jensen Portfolio I	1.8%	6.3%	27.8%	7.3%	5.9%
Russell 1000 Growth Index	0.8%	6.8%	35.0%	5.0%	5.3%
Vanguard Instl Index	0.1%	6.0%	30.5%	3.3%	2.9%
S&P 500 Index	0.1%	6.0%	30.7%	3.3%	2.9%
iShares Russell 1000 Value Index	-0.5%	5.8%	28.6%	2.2%	1.1%
Hartford Dividend & Growth Y	-0.4%	5.6%	28.6%	3.6%	4.6%
Russell 1000 Value Index	-0.5%	5.9%	28.9%	2.3%	1.2%
Mid Cap	0.0%	7.3%	37.0%	9.6%	7.9%
iShares Russell Midcap Growth Index	1.6%	9.5%	42.9%	6.4%	6.1%
Russell Midcap Growth Index	1.6%	9.6%	43.3%	6.6%	6.3%
iShares Russell Midcap Value Index	-0.7%	6.6%	33.9%	6.2%	3.9%
Russell Midcap Value Index	-0.7%	6.7%	34.3%	6.4%	4.0%
Small Cap	-0.5%	8.6%	39.1%	9.0%	5.2%
INVECO Small Cap Growth	0.9%	12.5%	45.3%	9.9%	7.4%
Russell 2000 Growth Index	-0.6%	8.6%	43.5%	8.4%	5.8%
Cambiar Small Cap	-2.1%	7.9%	44.3%	N/A	N/A
Russell 2000 Value Index	-2.7%	3.8%	31.4%	7.1%	2.2%

all domestic

	3 Months	YTD	Fiscal YTD 12 Months	Annualized 3 Yrs	Annualized 5 Yrs
International	1.5%	4.0%	32.8%	-1.8%	1.7%
MFS Research International	2.6%	6.7%	35.6%	-0.4%	3.3%
MSCI EAFE Index (Net)	1.6%	5.0%	30.4%	-1.8%	1.5%
Legg Mason Intl Emerging Mkts	-0.8%	-0.5%	27.9%	-0.3%	10.4%
MSCI Emerging Markets Index	-1.2%	0.9%	27.8%	4.2%	11.4%
Non-Traditional***	2.2%	7.8%	11.8%	1.3%	4.5%
HFRI Fund of Funds Comp Index	-1.3%	-0.5%	6.5%	-1.9%	1.5%
Lighthouse Global Long/Short LP	1.7%	2.7%	7.6%	2.0%	5.2%
Lighthouse Diversified LP	1.5%	3.7%	9.7%	0.1%	3.7%
Lighthouse Credit Opps LP	3.5%	6.3%	20.3%	0.2%	2.8%
<i>5 tall same profits from a little (40 day call)</i>					
Total Fixed Income	1.7%	4.6%	13.2%	7.5%	7.7%
Barclays Aggregate Index	2.3%	2.7%	3.9%	6.5%	7.5%
Seix High Yield	0.9%	5.3%	16.9%	9.7%	7.5%
ML US HY BB Rated Constrained Index	1.0%	4.9%	15.4%	12.4%	9.2%
Seix High Income	1.4%	6.0%	20.2%	13.6%	10.3%
Barclays High Yield Bond Index	1.1%	5.0%	15.6%	12.7%	9.3%
PIMCO Inv Grade Corp Bond	2.1%	4.3%	10.1%	12.1%	9.9%
Barclays Corp Inv Grade Index	2.3%	3.2%	6.3%	8.6%	7.0%
PIMCO Total Return Bond	1.9%	3.0%	5.9%	9.5%	8.9%
Barclays Aggregate Index	2.3%	2.7%	3.9%	6.5%	6.5%
Cash Equivalents	0.0%	0.1%	0.1%	1.6%	3.1%
91 Day T-Bills	0.0%	0.1%	0.1%	0.3%	1.7%

IRS

*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 estimates. Fiscal Year 6/30.

Portfolio Review

Attribution Analysis - 2nd Quarter 2011

Asset	Benchmark	Weights (%)		Asset Qtrly Returns (%)		Weight vs Igt	Attribution Effects		
		Target	Active (1)	Index	Style Index(3)		Allocation	Style Allocation	Selection
Large Cap	LC Policy Index(4)	37.1	40.1	0.1	0.2	3.00	0.00	0.02	0.32
Jensen LC Growth	Russell 1000 Growth Index		5.9	0.8				0.04	
Harbor Capital LC Growth	Russell 1000 Growth Index		8.2	0.8				0.05	
Vanguard 500	S&P 500 Index		15.4	0.1				0.00	
Hartford LC Value	Russell 1000 Value Index		6.4	-0.5				-0.04	
iShare R1000 Value	Russell 1000 Value Index		4.3	-0.5				-0.03	
Mid Cap	Russell MidCap Index	7.1	6.9	0.4	0.1	(0.25)	0.00	-0.01	-0.02
iShare Midcap Value	Russell Midcap Value Index		4.4	-0.7				-0.05	
iShare Midcap Growth	Russell MidCap Growth Index		2.5	1.6				0.03	
Small Cap	Russell 2000 Index	4.8	5.6	-1.6	-1.6	0.79	-0.01	0.00	0.06
Invesco SC Growth	Russell 2000 Growth Index		2.9	-0.6				0.03	
Cambiar SC Value	Russell 2000 Value Index		2.7	-2.7				-0.03	
International	MSCI EAFE	15.6	13.9	1.6	0.6	(1.74)	-0.03	-0.14	-0.04
MFS International	MSCI EAFE		8.7	1.6				0.00	
Legg Mason Emerging Mkt	MSCI Emerging Mkts Index		5.2	-1.2				-0.14	
Alternative (includes PE allocation)	HFRI FOF Index	25.0	21.7	-1.3	-1.3	(3.34)	0.05	0.00	0.72
Lighthouse Credit Opportunities	HFRI FOF Index		4.9	-1.3				0.00	
Lighthouse Global Long/Short	HFRI FOF Index		9.2	-1.3				0.00	
Lighthouse Diversified	HFRI FOF Index		7.5	-1.3				0.00	
Private Equity		5.0	0.1						
Fixed Income (includes cash)	Barcap Aggregate	10.4	12.0	2.3	1.3	1.55	0.03	-0.12	-0.13
Pimco Investment Grade	Barclays Corp		2.2	2.3				0.00	
High Yield Bonds	ML BB Constrained		1.5	1.0				-0.02	
High Income Bonds	Barclays HY Index		2.0	1.1				-0.02	
Pimco Total Return Bond	Barclays Aggregate		2.9	2.3				0.00	
Cash Equivalent									
Cash Equivalents	91 Day T-Bills	1.0	3.4	0.0			0.04	-0.26	0.91
Period End Static Return		100.0	100.0	0.2	1.1 (2)				
Total - Actual Return (Plugged)				0.1	-0.2	0.9			

Notes:

- (1) Portfolio active weights are an average of beginning and ending quarter percentages
- (2) Portfolio return is estimated using a weighted average and does not take into account the timing of cash flows; therefore, it may not exactly match the actual return.
- (3) The Style Index is the portfolio's fund weight x benchmark style index within each asset class
- (4) Large Cap Policy Index = 33.3% SP500, 33.3% R1000G, 33.3% R1000V
- (5) Alternative Policy Index = 40% Long/Short, 20% Credit Opportunity

Peer Group Analysis

As of June 30, 2011

Lipper Percentile

1 Quarter

1 YR

3 YR

5 YR

color

Ticker	Fund Inception	Lipper Category	Benchmark	1 Quarter	1 YR	3 YR	5 YR
LARGE CAP GROWTH							
HACAX	12/29/1987	Large-Cap Growth	Russell 1000 Growth - Total Return	2	28	20	20
JENIX	07/30/2003	Large-Cap Growth	Russell 1000 Growth - Total Return	11	85	10	19
Russell 1000 Growth - Total Return		Large-Cap Growth		33		26	26
LARGE CAP CORE							
VINX	07/31/1990	Large-Cap Core	S&P 500 - Total Return	37	36	33	36
Vanguard Institutional Index		Large-Cap Core		37		34	37
LARGE CAP VALUE							
IWD	05/22/2000	Large-Cap Value	Russell 1000 Value - Total Return	78	79	82	73
HDGYX	07/22/1996	Large-Cap Value	Russell 1000 Value - Total Return	50	49	34	8
Russell 1000 Value - Total Return		Large-Cap Value		55		52	61
MID CAP GROWTH							
IWP	07/17/2001	Mid-Cap Growth	Russell Midcap Growth - Total Return	31	40	22	50
Shares Russell Midcap Growth Index		Mid-Cap Growth		23		38	44
MID CAP VALUE							
IWS	07/17/2001	Mid-Cap Value	Russell Midcap Value - Total Return	50	19	82	43
Shares Russell Midcap Value Index		Mid-Cap Value		48		44	52
SMALL CAP GROWTH							
GTSVX	03/15/2002	Small-Cap Growth	Russell 2000 Growth - Total Return	35	34	32	21
Invesco Small Cap Growth I		Small-Cap Growth		67		46	43
SMALL CAP VALUE							
CAMZX	10/31/2008	Small-Cap Value	Russell 2000 Value - Total Return	67	7	7	9
Cambiar Small Cap		Small-Cap Value		66		68	73
LARGE CAP INTERNATIONAL							
MRSX	01/02/1997	International Large-Cap Core	MSCI EAFE - Gross Return	11	9	31	24
MFS Research International I		International Large-Cap Core		34		44	46
EMERGING MARKETS EQUITY							
LGEWX	06/23/2005	Emerging Markets	MSCI EMF (Emerging Markets) - Gross Return	44	41	78	32
Legg Mason Battery March Emerging Mkts I		Emerging Markets		79		53	66
HIGH YIELD							
SAMHX	12/29/2000	High Current Yield	BofA Merrill Lynch U.S. High Yield - Constrained B-BB	17	13	51	51
STHTX	10/03/2001	High Current Yield	Barclays Capital US High Yield - Corporate	4	2	4	1
Barclays Capital US High Yield - Corporate		High Current Yield		3		5	3
CORE PLUS FIXED							
PGIX	04/28/2000	Intermediate Investment Grade	Barclays Capital US Aggregate	31	3	1	1
PTTRX	05/11/1987	Intermediate Investment Grade	Barclays Capital US Aggregate	53	32	10	2
PIMCO Total Return Instl		Intermediate Investment Grade		14		60	39

just completing search for new manager will not likely see a change



Estimated Capital Market Returns

Estimated Capital Market Returns – An Introduction

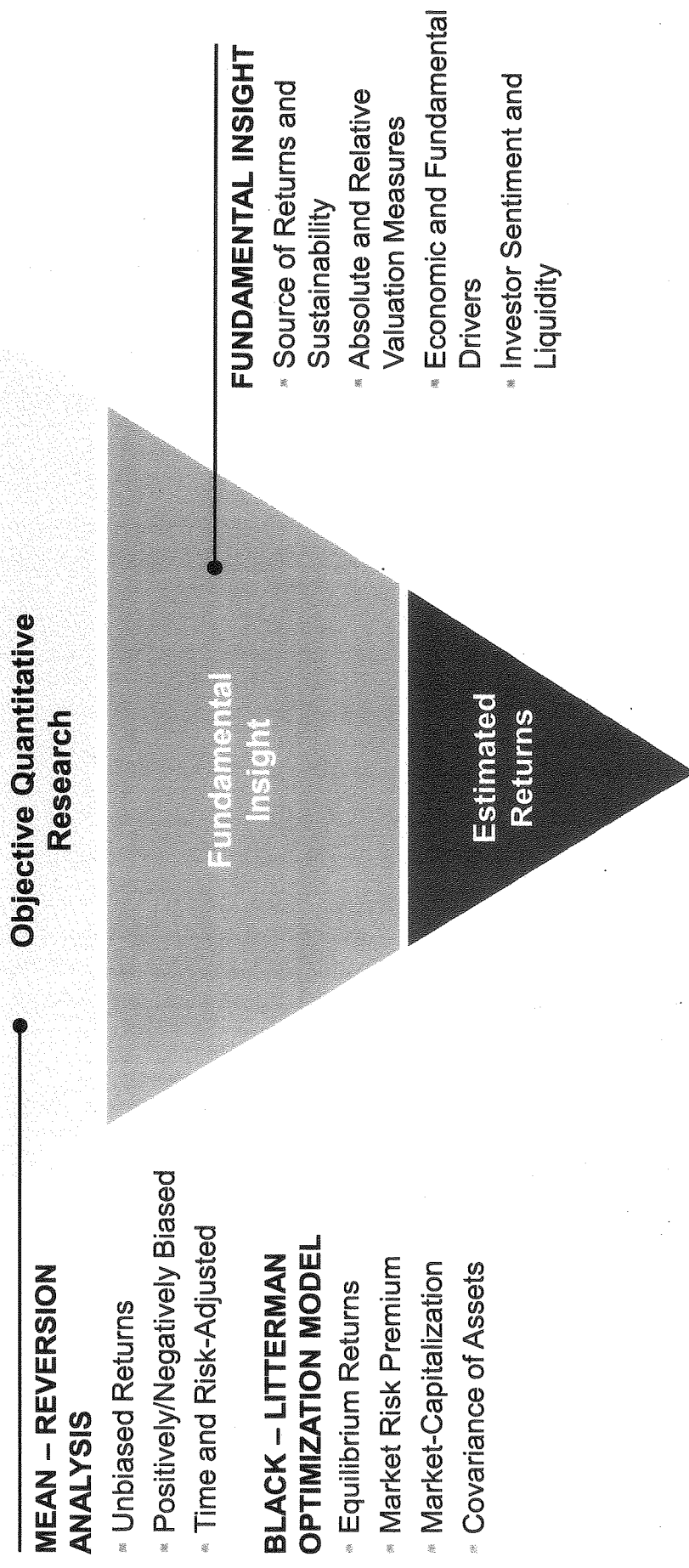
Our expectations of capital market returns, risks, and correlations are incorporated into our asset allocation decisions. We include alternative strategies, as well as traditional asset classes, in our analysis.

- **There are three primary components used to construct estimated asset class returns:**
 - A **risk free rate** representing a default-free bond whose duration closely matches that of our time horizon
 - An average 2.75% expected rate of **inflation**
 - An expected **risk premium** varied for each asset class
- **Our estimated returns, risk and correlation statistics cover two time periods, a five year tactical outlook and a 10 year strategic view.**
 - Quantitative research, long-term trends and fundamental insight are reflected in our estimated returns, risk and correlation statistics. Specifically, our Chief Economist's expectations of economic growth, monetary policy and inflation are the foundation of our analysis.
 - While both the five and 10 year statistics were developed with an emphasis on fundamental research and analyst insight, the longer-term (10 year) statistics also incorporate results from the *Black Litterman* optimization model using a moderate economic growth scenario – defined as US GDP growth in the range of 1-3% in any given quarter.

Past performance is not indicative of future results.
Please see Important Disclosures for additional information.

Estimated Capital Market Returns Methodology

Objective quantitative research and fundamental insight drive our estimated returns. Estimated returns are typically revised annually and are used in conjunction with risk and opportunistic based investment approaches to construct strategic and tactical asset allocation solutions.



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Components of Asset Class Risk Premiums

- **Fixed income returns incorporate the following factors:**

- Yield
- Change in spread
- Change in price (duration and convexity)
- Default levels

- **Equity returns incorporate the following factors:**

- Corporate profit growth
- Dividend yield
- Valuation re-pricing
- M&A premium (mid- and small-cap domestic equity)
- US dollar effect (international equity)

- **Commodity returns incorporate the following factors:**

- Spot return
- Roll return
- T-Bill return (collateral)

- **Alternative strategy returns incorporate:**

- Return drivers associated with traditional asset classes adjusted for differences in strategy, liquidity and market accessibility

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Please see Important Disclosures for additional information.

Macro Themes – Rising interest rates, attractive equity returns and higher correlations

- We expect the **global economic recovery** to transition to expansion mode, then to average moderate growth during our study period.
- **Inflation**, which we expect will remain at bay near-term, will likely normalize over the period as economic activity stabilizes. This, and the discontinuation of easy monetary policies will put upward pressure on **interest rates**. **Bond returns** are likely to be below historical averages since yields are currently at secular lows and the yield curve is at its steepest in over 30 years.
- We are moving into the third year of the current bull market for stocks and **corporate profits** are at record levels. **Equity returns** are likely to continue to benefit from revenue growth, though margin expansion is expected to be constrained as input prices increase.
- Economic growth for **developed countries** is expected to be below that of the US given disparate recovery paths and austere fiscal policies. **Emerging market** equities are likely to maintain higher valuations and returns due to stronger economic growth as emerging economies become a larger part of global GDP.
- The downward trend in the trade-weighted **US dollar** is expected to continue, albeit at a more modest pace aiding the returns of commodities and international stocks and bonds.
- We expect the persistence of long term secular trends will result in higher portfolio **volatility**. Globalization has led to increased **correlations**. Investors have access to virtually all asset classes via exchange-traded funds and strategies emphasizing short positions and all portions of the capital structure have proliferated.

Past performance is not indicative of future results.
Please see Important Disclosures for additional information.



Estimated Capital Market Statistics

Handwritten notes:
 Annualized 5 Year Return
 Annualized 10 Year Return
 Standard Deviation
 Correlation to S&P 500

ASSET CLASS	Annualized 5 Year Return	Annualized 10 Year Return	Standard Deviation	Correlation to S&P 500
TAXABLE FIXED INCOME				
Cash	2.25	3.25	1.0	0.00
Short Duration Govt/Credit	2.50	3.50	2.6	0.00
Intermediate Duration Aggregate Bonds	3.50	4.25	4.4	0.10
Intermediate Duration Govt Credit	3.25	4.00	3.6	0.10
Long Duration Govt/Credit	4.50	5.50	10.3	0.20
Intermediate Duration Treasuries	2.75	3.75	6.2	0.00
Intermediate Duration Corporates	4.00	5.00	8.0	0.40
High Yield Corporates	6.50	7.50	15.0	0.75
International Bonds Unhedged	3.25	3.50	10.7	0.30
TAX-EXEMPT FIXED INCOME				
Short-Intermediate Duration Municipal Bonds	2.75	3.00	4.0	0.10
Long Duration Municipal Bonds	5.25	5.25	7.0	0.20
High Yield Municipal Bonds	5.00	5.50	10.0	0.40
DOMESTIC EQUITY				
Large Cap Core	8.50	8.25	19.0	1.00
Mid Cap Core	8.50	8.50	21.2	0.95
Small Cap Core	8.75	8.75	24.1	0.90
SMid Cap Core	8.50	8.50	23.5	0.95
Multi-Cap Core	8.50	8.25	19.2	1.00
INTERNATIONAL EQUITY				
Developed Markets	8.00	7.75	23.0	0.90
Emerging Markets	11.00	10.50	33.0	0.80
NON-TRADITIONAL/ALTERNATIVE				
Commodities	6.50	6.25	22.0	0.50
REITS	7.00	7.00	30.0	0.80
Managed Futures/CTA	7.50	7.25	13.3	0.00
Diversified FoF	6.75	6.50	7.0	0.70
Hedged Equity FoF	7.75	7.50	10.0	0.80

Handwritten note: Private Equity 12.25

Notes:
 Estimated returns and statistics reflect SunTrust's current average annual return assumptions for each asset class as of January 2011, are not guaranteed and are subject to revision without notice.
 Estimated returns and statistics displayed above represent major asset classes only; additional statistics are available in portfolio construction tools and by request.

Past performance is not indicative of future results.
 Please see Important Disclosures for additional information.



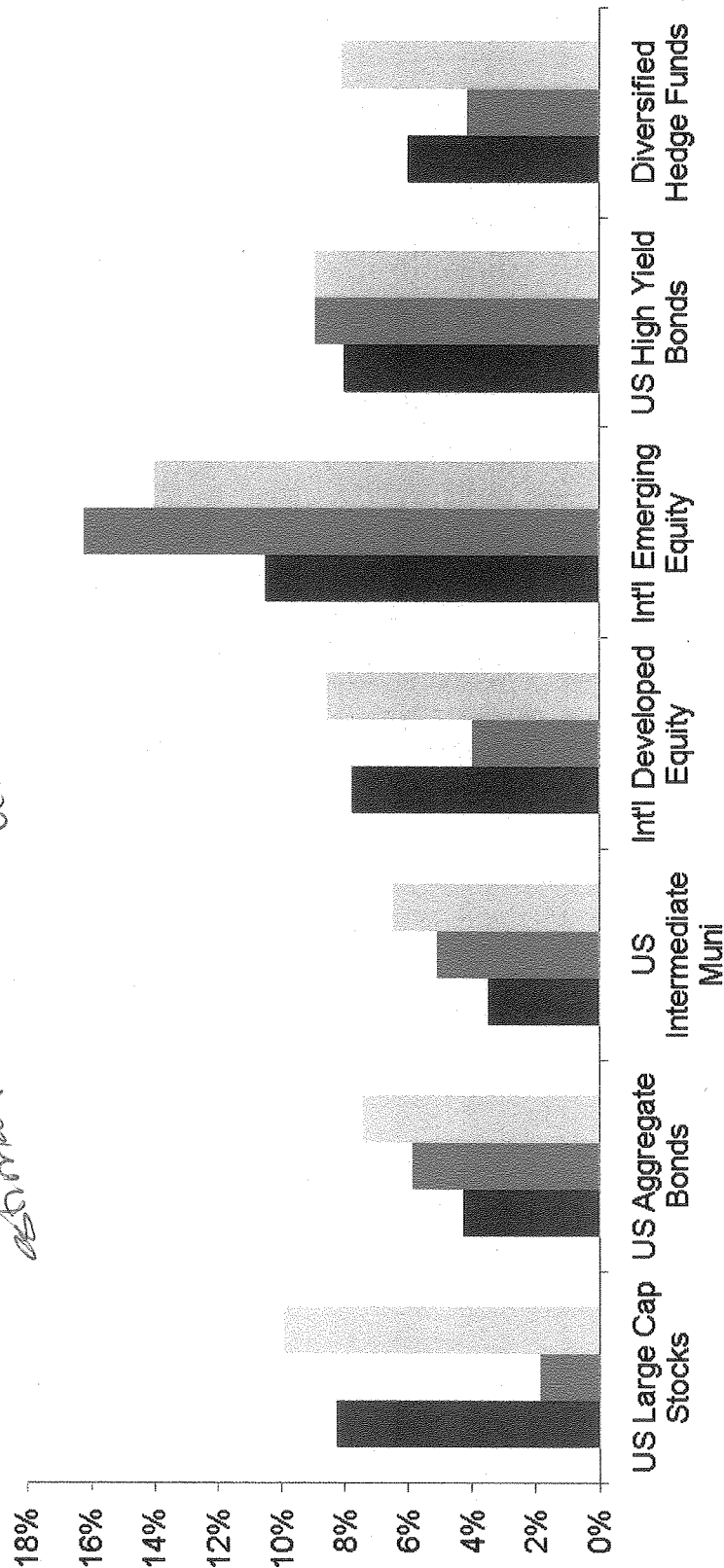
Estimated Capital Market Returns – In Comparison

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Compound Annualized Returns

■ 2011-2021 Estimate ■ 2000-2010 ■ Long-term Historical

forecast estimate *actual*



Notes:

Estimated returns reflect SunTrust's current average annual return assumptions for each asset class as of January 2011, are not guaranteed and are subject to revision without notice.

Historical returns data source: Morningstar, CSFB/Tremont Hedge Index, Hedge Fund Research, Inc., MSCI, JP Morgan, S&P/Citigroup

Asset classes listed above are represented by the following indices: Russell 1000, BarCap Agg Bond, BarCap Municipal 5 Yr, MSCI EAFE, MSCI EM, ML Hi-Yld Master, HRFI FoF Composite

Past performance is not indicative of future results.

Please see Important Disclosures for additional information.



Estimated Correlation Matrix

	ASSET CLASS	REPRESENTATIVE INDEX	Cash	Inter. Aggregate Bond	Inter. Gov't/Credit Bond	Inter. Treasuries	High Yield Corporates	Int'l Unhedged Bond	Short-Inter. Muni	High Yield Muni	Large Cap Core	Mid Cap Core	Small Cap Core	Int'l Developed	Int'l Emerging	Commodities	REITs	Managed Futures/CTA	Diversified Hedge FoF	Equity Hedge FoF
FIXED INCOME	Cash	ML U.S. 3 mo T-Bill	1.00	0.13	0.15	0.11	-0.04	0.04	0.05	-0.05	0.00	0.02	0.00	0.00	-0.07	-0.03	-0.01	0.11	0.09	0.11
	Inter. Aggregate Bond	BarCap US Agg Bond	0.13	1.00	0.98	0.94	0.25	0.41	0.74	0.20	0.10	0.13	0.03	0.10	0.01	0.03	0.16	0.15	0.08	0.01
	Inter. Gov't/Credit Bond	BarCap US Gov't/Credit Intermediate	0.15	0.98	1.00	0.94	0.20	0.44	0.75	0.17	0.10	0.07	-0.02	0.10	-0.01	0.05	0.12	0.16	0.06	0.01
	Inter. Treasuries	ML 5-10 Yr Treasury	0.11	0.94	0.94	1.00	-0.02	0.40	0.65	-0.01	0.00	-0.06	-0.14	0.00	-0.15	-0.06	0.00	0.14	-0.10	-0.19
	High Yield Corporates	ML Hi-Yld Master	-0.04	0.25	0.20	-0.02	1.00	0.06	0.18	0.51	0.75	0.63	0.60	0.75	0.55	0.30	0.59	-0.06	0.47	0.50
	Int'l Unhedged Bond	Citigroup Non-US WGBI USD	0.04	0.41	0.44	0.40	0.06	1.00	0.36	0.07	0.30	0.01	-0.04	0.50	0.08	0.22	0.11	0.14	-0.02	0.07
	Short-Inter. Muni	BarCap Municipal 1-12 Yr	0.05	0.74	0.75	0.65	0.18	0.36	1.00	0.38	0.10	-0.04	-0.07	0.10	-0.08	-0.09	0.10	0.26	0.02	-0.01
	High Yield Muni	BarCap Municipal Bond - High Yield	-0.05	0.20	0.17	-0.01	0.51	0.07	0.38	1.00	0.40	0.31	0.23	0.40	0.25	0.22	0.29	0.04	0.35	0.34
	Large Cap Core	Russell 1000	0.00	0.10	0.10	0.00	0.75	0.30	0.10	0.40	1.00	0.95	0.90	0.90	0.80	0.50	0.80	0.00	0.70	0.80
	Mid Cap Core	Russell Mid Cap	0.02	0.13	0.07	-0.06	0.63	0.01	-0.04	0.31	0.95	1.00	0.93	0.90	0.69	0.34	0.65	0.01	0.58	0.73
EQUITY	Small Cap Core	Russell 2000	0.00	0.03	-0.02	-0.14	0.60	-0.04	-0.07	0.23	0.90	0.93	1.00	0.85	0.67	0.28	0.65	-0.03	0.57	0.69
	Int'l Developed	MSCI EAFE	0.00	0.10	0.10	0.00	0.75	0.50	0.10	0.40	0.90	0.90	0.85	1.00	0.95	0.50	0.75	0.00	0.70	0.80
	Int'l Emerging	MSCI Emerging Mkts	-0.07	0.01	-0.01	-0.15	0.55	0.08	-0.08	0.25	0.80	0.69	0.67	0.95	1.00	0.39	0.42	-0.05	0.66	0.69
	Commodities	DJ UBS Commodity	-0.03	0.03	0.05	-0.06	0.30	0.22	-0.09	0.22	0.50	0.34	0.28	0.50	0.39	1.00	0.23	0.22	0.40	0.45
	REITs	FTSE NAREIT-Equity	-0.01	0.16	0.12	0.00	0.59	0.11	0.10	0.29	0.80	0.65	0.65	0.75	0.42	0.23	1.00	0.00	0.28	0.37
OTHER	Managed Futures/CTA	BARC CTA Index	0.11	0.15	0.16	0.14	-0.06	0.14	0.26	0.04	0.00	0.01	-0.03	0.00	-0.05	0.22	0.00	1.00	0.23	0.06
	Diversified Hedge FoF	HFRI Fund of Funds Composite Index	0.09	0.08	0.06	-0.10	0.47	-0.02	0.02	0.35	0.70	0.58	0.57	0.70	0.66	0.40	0.28	1.00	0.23	0.84
	Equity Hedge FoF	HFRI Equity Hedge Index	0.11	0.01	0.01	-0.19	0.50	0.07	-0.01	0.34	0.80	0.73	0.69	0.80	0.69	0.45	0.37	0.06	0.84	1.00

Notes:
Estimated correlations reflect SunTrust's current assumptions for each asset class as of January 2011, are not guaranteed and are subject to revision without notice.

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Please see Important Disclosures for additional information.



Asset Allocation

Fixed Income
2-10%
2-10%
2-10%

Temperament - global
fixed
income

Portfolio Allocations & Statistics									
		ANNUALIZED HIST RETURN (%) ³	5-YR FWD EST. STD DEV RETURN (%) ³	5-YR FWD EST. CORREL TO S&P 500 ³	McKnight Current Mix (%)	McKnight Proposed Mix (%)			
Asset Class: Fixed Income									
Core Fixed	Fixed Income Benchmark	7.46	3.50	4.7	10.0	12.1			
Corporates	BarCap US Aggregate Bond	7.94	4.00	8.2	3.8	3.8			
Global Bonds	BarCap US Credit	8.01	3.25	9.8	2.4	2.4			
High Yield	Citigroup WGBI	8.85	6.50	17.0	0.0	2.0			
	ML Hi-Yld Master				3.9	3.9			
Asset Class: Equities									
Large-Cap Core	Equity Benchmark	9.93	8.25	19.9	65.5	64.9			
Large-Cap Growth	S&P 500	9.22	8.50	23.4	14.1	14.1			
Large-Cap Value	Russell 1000 Growth	10.32	8.50	19.1	14.2	14.2			
Mid-Cap Growth	Russell 1000 Value	10.53	8.50	28.8	10.4	10.4			
Mid-Cap Value	Russell Mid Cap Growth	11.91	8.50	21.2	3.5	3.5			
Small-Cap Growth	Russell Mid Cap Value	6.94	8.75	29.9	2.9	2.9			
Small-Cap Value	Russell 2000 Growth	10.78	8.75	24.0	2.7	2.7			
International Emerging	Russell 2000 Value	8.55	8.00	25.3	8.9	8.9			
International Developed	MSCIEAFE	14.06	11.00	36.7	5.3	5.0			
Asset Class: Alternatives									
Commodities	MSCI Emerging Markets	6.09	6.50	23.9	21.8	22.0			
Diversified Hedge	Alternative Benchmark	3.72	6.75	10.4	1.5	2.0			
Distressed Debt	DJ-UBS Commodity	4.94	6.75	8.6	6.9	6.0			
Private Equity	Lighthouse Diversified	2.40	6.75	13.8	8.3	8.0			
	Lighthouse Long/Short	13.16	12.25	13.5	5.0	3.5			
	Lighthouse Opportunities				0.1	2.5			
	Cambridge Assoc Private Equity Index								
Asset Class: Cash									
Cash Equivalent	Cash Benchmark	4.47	2.25	1.2	2.6	1.0			
	ML U.S. 3 mo Tbill				2.6	\$1 million			
TOTALS									
Expected Return (%) ³						100.0	Long-Term Target 100.0		
Expected Standard Deviation (%) ³						7.65	2 1/2% to portfolio		
Historical Return (%) ³						17.36	7.76		
Historical Standard Deviation (%) ³						8.39	17.24		
1-Yr Best Case Scenario (%) (Mean+2 Standard Deviations) ⁴						15.07	8.68		
1-Yr Worst Case Scenario (%) (Mean-3 Standard Deviations) ⁴						42.4	14.83		
Expected Sharpe Ratio (R _F = 2.25%)						-44.4	42.2		
Historical Sharpe Ratio (R _F = 4.50%)						0.31	-44.0		
Expected Sharpe Ratio (R _F = 2.25%)						0.32	0.32		
Historical Sharpe Ratio (R _F = 4.50%)						0.26	0.28		

more realistic
2-10%
2-10%
2-10%

Asset Allocation Analysis Table Notes

- The Asset Allocation Strategies may change at any time without notice. Portfolio statistics are prepared using Morningstar Encore.
- Data sources include: Morningstar Encore, HFR.
- Estimated returns, standard deviations and correlations are forward-looking assumptions over the next 5 years. These assumptions reflect our current expectations for each asset class. They are not guaranteed and are subject to revision without notice. Estimated returns are derived from a combination of mean-reversion analysis using historical returns over the last 25 years (if available), Black-Litterman Model, and fundamental research incorporating the SunTrust Chief Economist's outlook for the economy and monetary policy. Estimated standard deviations and correlations are derived from historical data and our expectations for each asset class based on its in-house research. Historical returns are based on the dataset of 1/1988-12/2010 (depending on the availability of data) and are calculated using a geometric mean. Historical annualized returns for individual hedge funds are calculated using a common period of the last 5 years.
- Best and worst case scenarios are calculated from probabilities based on a normal return distribution; however, actual results may be better or worse than shown.
- Mean-Variance Optimization assumes that return distributions are normal; however, hedge funds/private equity funds/real estate funds usually do not have normal distributions. Therefore, negative events may occur more often than what is estimated by the optimizer. There may be risks that are not accounted for in the mean-variance optimization. Investing in hedge funds is intended for experienced and sophisticated investors who meet the accredited/investor-qualified purchaser standards only who are willing to bear the high economic risks of the investment. Investors should carefully review and consider potential risks before investing. Allocations to hedge funds may not be as liquid as long-only investments in traditional stock and bonds and may be subject to lock-ups.
- This analysis was performed using representative benchmarks and assumes a static mix over both the historical and the forward time period.
- Recommended portfolios may require changes to the client's Investment Policy Statement.



Managers

Strictly Private and Confidential

Private 50% target on
equity efficient frontier
analysis

HALL CAPITAL

PARTNERS LLC

HCP Private Equity Fund V, L.P. Statement of Partner's Capital For the period ended March 31, 2011 (unaudited)

Investor: SunTrust Bank as Co-Trustee with J. Lee Dockery, MD,
Michael Dockery, MD, Nina Raim, MD, and John G.
Clarkson, MD for The McKnight Brain Research
Foundation

Capital Account Balance and Activity

	Current Quarter	Year-to-Date
Beginning capital balance	\$ -	\$ -
Reallocation of prior period net loss ¹	(2,855)	(2,855)
Prior period management fee	(4,750)	(4,750)
Contributions	-	-
Transfers	-	-
Distributions	-	-
Adjusted beginning capital balance	(7,605)	(7,605)
Investment income	-	-
Management fees	(2,375)	(2,375)
Other investment expenses	(552)	(552)
Total investment expenses ²	(2,927)	(2,927)
Realized gains (losses)	-	-
Change in unrealized gains (losses)	1,128	1,128
Total realized and unrealized gains (losses) ³	1,128	1,128
Ending capital balance	<u>\$ (9,404)</u>	<u>\$ (9,404)</u>

Contributions and Remaining Commitment

	Amount
Partner's total commitment amount	\$ 1,000,000
Contributions:	
Inception through December 31, 2010	-
January 1, 2011 through March 31, 2011	-
Total Contributions	-
Remaining capital commitment	<u>\$ 1,000,000</u>
 Total Fund commitment	 \$ 69,915,000
 Partner's ownership percentage in Fund	 1.43%

Explanations and Disclosures

¹ Amount represents reallocation of 2010 net loss among all partners admitted on or prior to March 31, 2011, in accordance with section 4.6 of the Fund's Limited Partnership Agreement

² Includes General Partner management fees and direct fund expenses

³ Includes realized and unrealized gains (losses), net of underlying manager fees and incentive accruals

This statement contains confidential information intended solely for a specific purpose and for a specific individual or entity; it should not be disclosed in any form to unauthorized parties. Limited Partners of HCP Private Equity Fund V, L.P. are subject to confidentiality obligations as set forth in the definitive agreements with the General Partner. Information contained herein is unaudited. Past performance is not necessarily indicative of future results.

Please contact Promit Bhattacharya or Cindy Liang at Hall Capital Partners with any questions or inquiries at 415.288.0544



Lighthouse Credit Opportunities Fund, L.P.

STRATEGY

Credit

INCEPTION

January 2003

STRATEGY AUM

\$737 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 Services²

BLOOMBERG CODE

LHCOPLP US

INVESTMENT MANAGER

Lighthouse Partners
3801 PGA Boulevard
Suite 500
Palm Beach Gardens, FL 33410
T +1 561 741 0820
F +1 561 748 9046

www.lighthousepartners.com

Performance summary¹

	May 2011	Last 12 months	Last 36 months	Inception (Jan 2003 to date)
LCOF L.P. (Net)	0.45%*	20.36%	0.16%	7.40%
Barclays Govt/Credit	1.46%	6.04%	6.37%	5.01%
ML High Yield Master II	0.49%	18.10%	11.76%	10.75%

Net historical performance¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011	1.61%	1.12%	1.72%	1.28%	0.45%*								6.33%*
2010	0.34%	-0.72%	2.96%	1.74%	-2.13%	0.77%	1.41%	0.54%	2.64%	1.61%	0.23%	5.40%	15.61%
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%

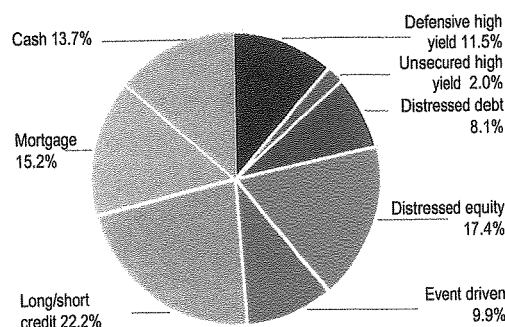
Performance characteristics¹

January 2003 – May 2011

Annualized Compound Return	7.40%
Annualized Standard Deviation	7.30%
Sharpe Ratio (annualized)	0.73
% positive months	77%
Maximum Drawdown	-32.30%
Beta to Barclays Gov/Credit	-0.14
Beta to ML High Yield Master II	0.43

Portfolio composition

May 2011 Strategy Allocations



*Performance is estimated by Lighthouse Investment Partners, LLC and the underlying managers. 2011 and 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 Credit Opportunities Fund, L.P. Series B 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.

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Evelyn F McKnight Brain Research Foundation
c/o SunTrust Bank
P.O. Box 620005
Orlando, FL 32862

Period start date : May-01-2011
Period end date : May-31-2011
Fund code : LHCREOPSLP/LIGF5BN
Entity id : 00012593
Sub-entity id : 00012593
Email :
Fax number :
Currency : USD
Investor Ref : LDP00048

Lighthouse Credit Opportunities Fund, L.P. - Series B

SUMMARY

	Monthly	Y-T-D
Prior Period Ending Net Capital Balance	2,221,711.98	2,098,217.87
Current Period Ending Net Capital Balance	2,235,126.47	2,235,126.47

CAPITAL ACTIVITY & ECONOMIC ALLOCATION

Prior Period Ending Gross Capital	2,221,814.30	2,098,217.87
Capital Contributions	0.00	0.00
Capital Withdrawals	0.00	0.00
Beginning Capital	2,221,814.30	2,098,217.87
Increase/Decrease in Value		
Income	3.41	24.09
Expense	(2,059.80)	(10,137.64)
Gain	16,961.38	148,614.97
Total Increase/Decrease in Value	14,904.99	138,501.42
Performance Fees	(1,592.82)	(1,592.82)
Capital Contributions	0.00	0.00
Capital Withdrawals	0.00	0.00
Ending Net Capital Balance	2,235,126.47	2,235,126.47
Net Return	0.60%	6.52%
Units Held	22,207.9111	
NAV Per Unit	100.65	

Units and NAV are rounded for presentation, however full precision is used to calculate capital value.

For more information or any inquiries, please contact Investor Services
Fax: 914-729-9525 E-mail: Lighthouse.investors@globeop.com



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Performance data and other information contained herein is unaudited. Information contained in this report is subject to the most recently issued policies and procedures of the administrator and to the quality, timeliness, and completeness of the transaction and data information received by, as well as the pricing, curve and data procedures provided to the administrator by the fund, the funds custodian(s), prime broker(s), clearer(s), its investment manager(s) and or any third party data provider.



CONFIDENTIAL

Re: Evelyn F McKnight Brain Research Foundation

Duplicate Copy To: Interested Party - Investor Level

Period start date : May-01-2011
Period end date : May-31-2011
Fund code : LHCREOPSLP/LIGF5BN
Entity id : 00012593
Sub-entity id : 00012593
Email : melanie.cianciotto@suntrust.com
Fax number :
Currency : USD
Investor Ref : LDP00048

Attn. Melanie Cianciotto

Lighthouse Credit Opportunities Fund, L.P. - Series B

SUMMARY

	Monthly	Y-T-D
Prior Period Ending Net Capital Balance	2,221,711.98	2,098,217.87
Current Period Ending Net Capital Balance	2,235,126.47	2,235,126.47

CAPITAL ACTIVITY & ECONOMIC ALLOCATION

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For more information or any inquiries, please contact Investor Services
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Lighthouse Diversified Fund, L.P.

STRATEGY

Multi-Strategy

INCEPTION

August 1996

STRATEGY AUM

\$3.1 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 Services²

BLOOMBERG CODE

LHDVQLP US

INVESTMENT MANAGER

Lighthouse Partners
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Suite 500
Palm Beach Gardens, FL 33410
T +1 561 741 0820
F +1 561 748 9046

www.lighthousepartners.com

Performance summary¹

	May 2011	Last 12 months	Last 36 months	Inception (Aug 1996 to date)
Diversified Fund L.P. (Net)	-0.45%*	9.66%	0.05%	8.66%
S&P 500 (w/dividends)	-1.13%	25.95%	0.90%	7.01%
Barclays Gov/Credit	1.46%	6.04%	6.37%	6.37%

Net historical performance¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011	0.92%	1.21%	0.64%	1.32%	-0.45%*								3.68%*
2010	-0.10%	-0.25%	1.28%	0.59%	-1.16%	-0.64%	0.96%	0.53%	1.15%	1.19%	-0.17%	2.64%	6.13%
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%	0.89%	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%

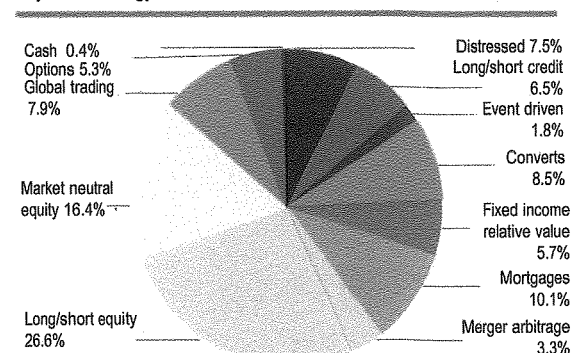
Performance characteristics¹

August 1996 – May 2011

Annualized Compound Return	8.66%
Annualized Standard Deviation	5.16%
Sharpe Ratio (annualized)	1.03
% 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

May 2011 Strategy Allocations



*Performance is estimated by Lighthouse Investment Partners, LLC and the underlying managers. 2011 and 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.

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Lighthouse Diversified Fund Limited
Monthly report
May 2011

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Performance summary¹

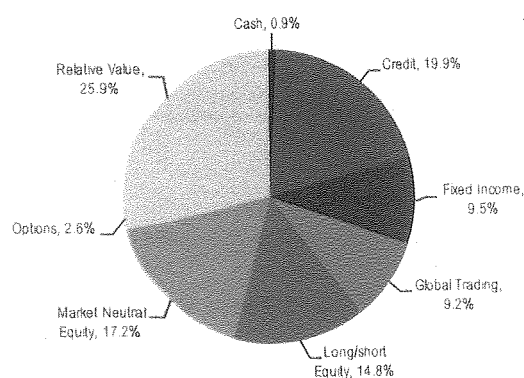
	May 2011	Last 12 months	Last 36 months	Inception (Feb 2001 to date)
Diversified Fund Limited (Net)	-0.40%*	9.92%	1.77%	5.42%
S&P 500 (w/dividends)	-1.13%	25.95%	0.90%	1.76%
Barclays Gov/Credit	1.46%	6.04%	6.37%	5.78%
HFRX Global Hedge Fund Index	-1.39%	4.92%	-3.01%	3.18%

Performance characteristics¹

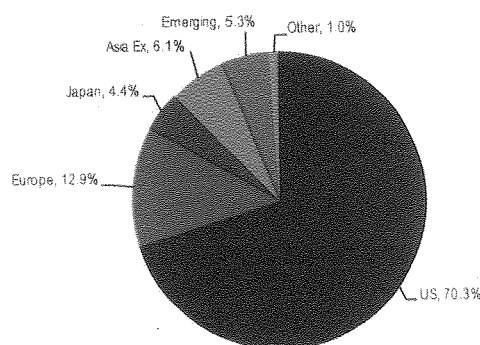
February 2001 – May 2011

Annualized Compound Return	5.42%	Number of positive months	89
Annualized Standard Deviation	4.86%	Number of negative months	35
Sharpe Ratio (annualized)	0.65	% positive months	72%
Beta to S&P 500 with dividends	0.14	Highest monthly return	4.1%
Beta to Barclays Gov/Credit	0.03	Lowest monthly return	-6.2%
		Maximum Drawdown	-20.7%

Portfolio composition²



Geography³



*Performance is estimated by Lighthouse Investment Partners, LLC and the underlying managers. 2010 and 2011 performance is unaudited (and subject to change upon final audit).
¹ The performance data contained herein represents the returns to an investor in Lighthouse Diversified Fund Limited Class 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 Pie chart data shows end-of-month allocation.

³ The calculation for geography varies among investments made through Lighthouse managed accounts and investments made via traditional fund investments. With respect to investments made by Lighthouse through managed accounts, geographic information comes directly from the managers in the form of daily position level transparency. With respect to investments made with managers via traditional fund investments, geography is calculated based on equity and credit instruments' notional exposure derived from conversations and other interactions with such managers, which may be less reliable. For each investment, the sum of the geographic exposures adds up to the percentage of the underlying allocation and the geographic exposures can be aggregated at the strategy and portfolio levels. The geographic exposure does not take into account the leverage levels employed by the individual managers.

Strategy allocation and attribution⁴

Strategy	% Ending Allocation	Gross Performance	Monthly Attribution
Cash	0.9%		
Relative Value	25.9%	-0.16%	-0.13%
Long/Short Equity	14.8%	0.33%	0.03%
Credit	19.9%	0.92%	0.08%
Fixed Income	9.5%	1.86%	0.21%
Market Neutral Equity	17.2%	-0.36%	-0.10%
Global Trading	9.2%	-4.77%	-0.60%
Options	2.6%	3.43%	0.11%
Total	100.0%		-0.40%

Manager allocation summary

% Allocated to top 5	25.0%	% Allocated to managed accounts	83%
% Allocated to top 10	42.1%		
% Allocated to top 20	63.8%		
% Allocated to top 40	87.3%		

Top 5 manager allocations

Strategy	% Allocation
Relative Value Arbitrage	7.3%
Market Neutral Equity	5.5%
Relative Value Arbitrage	4.2%
Relative Value Arbitrage	4.0%
Credit	4.0%
Total	25.0%

⁴ The allocations listed represent end-of-month allocation and are not used in the attribution calculations.

Manager contribution

5 Best Contributing Managers	
Strategy	Monthly Attribution
Fixed Income	0.10%
Market Neutral Equity	0.09%
Relative Value Arbitrage	0.08%
Options	0.06%
Fixed Income	0.05%
Total	0.38%

5 Worst Contributing Managers	
Strategy	Monthly Attribution
Market Neutral Equity	-0.16%
Relative Value Arbitrage	-0.15%
Global Trading	-0.09%
Global Trading	-0.08%
Global Trading	-0.07%
Total	-0.55%

Strategy commentary

Credit: Credit was moderately positive despite several restructured equities and some capital structure strategies struggling during the month. Fundamental credit strategies outperformed the overall high-yield market despite credit spread widening in the credit markets. Several positive events occurred including a patent litigation strategy receiving notice of a substantial settlement and the sale of a position in a financial company at a premium bid.

Fixed Income: Fixed income was moderately positive. A rally occurred in the U.S. treasury market, contributing to profits, as both 2-year and 10-year rates touched their lowest levels since December 2010. The steepness of the yield curve was largely unchanged. Non-agency securities (especially sub-prime) continued to fall; however, the portfolio was generally unaffected, as exposure was previously reduced. Issuance in the municipal bond market remained quite low. May 2011 issuance was approximately half the amount of May 2010 issuance by dollar value.

Global Trading: Global trading experienced losses across trend following, short-term trading and fundamental strategies. The strategy began the month with a short position in the U.S. dollar, against the Euro, Australian dollar, British Pound and Mexican Peso, which declined when the ECB announced a pause in its tightening cycle. Commodities sold off due to the rising dollar and weak economic data in the U.S. Longs in gold, natural gas, silver and crude also declined due to global growth concerns. Longs in EU equity indices generated losses as well. With respect to fixed income, the strategy ended long in U.S. and Asia and flat in the EU. Prices rose and yields declined, generating gains.

Long/Short Equity: Equity long/short managers delivered mixed results. Global equity markets sold off in response to weakening macroeconomic data. Slowing growth in the U.S. and China led investors to question the sustainability of the global recovery. Risk-aversion increased in response to renewed troubles for the struggling European sovereigns. Asia and emerging markets-focused managers were the biggest detractors, while U.S. and Europe-based strategies successfully navigated market volatility. Energy and healthcare sector specialists were the top performing group, benefiting from its defensive positioning.

Market Neutral Equity: Market neutral equity posted negative performance despite a majority of managers generating gains. Statistical arbitrage was positive, as both realized volatility and volumes climbed moderately. Half of the discretionary fundamental stock pickers within the market neutral allocation were profitable, however, a generalist weighed on performance for the sub-strategy, as stock correlations rose. The fundamental quantitative portfolio was slightly positive, as sentiment-oriented strategies declined early in the month, while value and quality outperformed. The latter half of the month experienced a reversal of this trend, with value and quality themes declining and sentiment-oriented factors outperforming. Each theme category posted slightly positive results, but the month-end returns to these factors masked volatility.

Relative Value: Relative value strategies generated profits for May. Merger strategies profited during the month with Talecris/Grifols closing shortly after the end of the month. Allocations in investment-grade and more traditional convertible strategies declined, as increased credit spread widening continued to offset gains from the equity hedges. The portfolio continues to focus on allocations to managers who are capitalizing on events within convertible relative value strategies.

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Lighthouse Global Long/Short Fund, L.P.

100% managed accounts

Performance summary¹

STRATEGY
Long/Short Equity

INCEPTION
January 2005

STRATEGY AUM
\$841 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 Services²

BLOOMBERG CODE
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T +1 561 741 0820
F +1 561 748 9046

www.lighthousepartners.com

	May 2011	Last 12 months	Last 36 months	Inception (Jan 2005 to date)
Lighthouse Global Long/Short Fund L.P. (Net)	-1.05%*	7.62%	1.99%	5.97%
S&P 500 (w/dividends)	-1.13%	25.95%	0.90%	3.75%
MSCI World Equity Index	-1.97%	28.74%	-1.18%	5.01%

Net historical performance¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011	-0.17%	1.15%	0.65%	2.13%	-1.05%*								2.71%*
2010	0.03%	0.25%	1.88%	0.64%	-2.44%	-1.74%	1.70%	-0.63%	1.33%	1.83%	0.15%	2.11%	5.11%
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 characteristics¹

January 2005 – May 2011

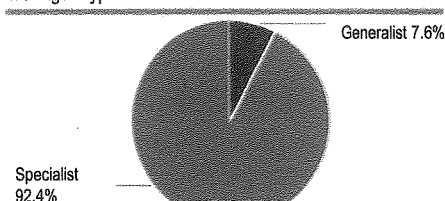
Annualized Compound Return	5.97%
Annualized Standard Deviation	6.08%
Sharpe Ratio (annualized)	0.60
% positive months	68%
Maximum Drawdown	-15.18%
Beta to S&P 500 with dividends	0.23
Beta to MSCI World Equity Index	0.24

Portfolio composition

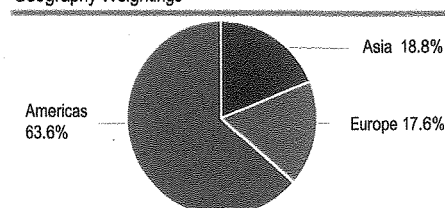
Sector Weightings

	Gross	Net
Consumer non-cyclical	36.4%	8.1%
Consumer cyclical	11.7%	2.3%
Energy	36.2%	2.7%
Financials	52.6%	8.4%
Healthcare	25.1%	9.2%
Industrials	25.9%	0.1%
Technology	31.7%	6.9%
Materials	16.3%	3.4%
Telecommunications	4.4%	0.2%
Utilities	4.1%	-1.6%
Other	7.1%	0.6%
Total	251.5%	40.3%

Manager Type³



Geography Weightings



*Performance is estimated by Lighthouse Investment Partners, LLC and the underlying managers. 2011 and 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 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.

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Evelyn F. McKnight Brain Research Foundation
c/o Ms. Teresa W. Borchek
SunTrust Bank
P.O. Box 62005
Orlando, FL 32862

Period start date : May-01-2011
Period end date : May-31-2011
Fund code : LHGLSLP/LIGF8
Entity id : 00012751
Sub-entity id : 00012751
Email :
Fax number :
Currency : USD
Investor Ref : LGLS0068

Lighthouse Global Long/Short Fund L.P. - Series A

SUMMARY

	Monthly	Y-T-D
Prior Period Ending Net Capital Balance	3,747,829.71	4,397,662.92
Current Period Ending Net Capital Balance	3,705,989.02	3,705,989.02

CAPITAL ACTIVITY & ECONOMIC ALLOCATION

Prior Period Ending Gross Capital	3,747,829.71	4,397,662.92
Capital Contributions	0.00	0.00
Capital Withdrawals	0.00	0.00
Beginning Capital	3,747,829.71	4,397,662.92
Increase/Decrease in Value		
Income	7.30	29.18
Expense	(5,107.87)	(29,965.40)
Gain	(36,740.12)	138,262.32
Total Increase/Decrease in Value	(41,840.69)	108,326.10
Performance Fees	0.00	0.00
Capital Contributions	0.00	0.00
Capital Withdrawals	0.00	(800,000.00)
Ending Net Capital Balance	3,705,989.02	3,705,989.02
Net Return	(1.12)%	2.64%
Units Held	25,585.2153	
NAV Per Unit	144.85	

Units and NAV are rounded for presentation, however full precision is used to calculate capital value.

For more information or any inquiries, please contact Investor Services
Fax: 914-729-9525 E-mail: Lighthouse.investors@globeop.com



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Performance data and other information contained herein is unaudited. Information contained in this report is subject to the most recently issued policies and procedures of the administrator and to the quality, timeliness, and completeness of the transaction and data information received by, as well as the pricing, curve and data procedures provided to the administrator by the fund, the funds custodian(s), prime broker(s), clearer(s), its investment manager(s) and or any third party data provider.



CONFIDENTIAL

Re: Evelyn F. McKnight Brain Research Foundation

Duplicate Copy To: Interested Party - Investor Level

Period start date : May-01-2011
 Period end date : May-31-2011
 Fund code : LHGLOLSLP/LIGF8
 Entity id : 00012751
 Sub-entity id : 00012751
 Email : melanie.cianciotto@suntrust.com
 Fax number :
 Currency : USD
 Investor Ref : LGLS0068

Attn. Melanie Cianciotto

Lighthouse Global Long/Short Fund L.P. - Series A

SUMMARY	Monthly	Y-T-D
Prior Period Ending Net Capital Balance	3,747,829.71	4,397,662.92
Current Period Ending Net Capital Balance	3,705,989.02	3,705,989.02
CAPITAL ACTIVITY & ECONOMIC ALLOCATION		
Prior Period Ending Gross Capital	3,747,829.71	4,397,662.92
Capital Contributions	0.00	0.00
Capital Withdrawals	0.00	0.00
Beginning Capital	3,747,829.71	4,397,662.92
Increase/Decrease in Value		
Income	7.30	29.18
Expense	(5,107.87)	(29,965.40)
Gain	(36,740.12)	138,262.32
Total Increase/Decrease in Value	(41,840.69)	108,326.10
Performance Fees	0.00	0.00
Capital Contributions	0.00	0.00
Capital Withdrawals	0.00	(800,000.00)
Ending Net Capital Balance	3,705,989.02	3,705,989.02
Net Return	(1.12)%	2.64%
Units Held	25,585.2153	
NAV Per Unit	144.85	

Units and NAV are rounded for presentation, however full precision is used to calculate capital value.

For more information or any inquiries, please contact Investor Services
 Fax: 914-729-9525 E-mail: Lighthouse.investors@globeop.com



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Cambiar Small Cap Instl

Overall Morningstar Rtg™
☆☆☆ (564)
Standard Index
S&P 500

Incept 10-31-08
Type MF
Total Assets \$763.4 mil
Morningstar Cat Small Blend (MF)
Category Index
Rus 2000

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	-6.84	23.35	20.39	5.11	45.40
2010	10.49	-7.96	13.57	17.69	35.93
2011	10.27	-2.11	—	—	7.94

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	44.28	—	—	—	29.32
Std 06-30-2011	44.28	—	—	—	29.32
Total Return	44.28	13.00	7.69	—	29.32
+/- Std Index	13.59	9.66	4.75	—	—
+/- Cat Index	6.87	5.23	3.61	—	—
% Rank Cat	7	7	7	—	—
No. in Cat	642	564	478	276	—
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 866-777-8227 or visit www.cambiar.com.

Fees and Expenses

Sales Charges

Front-End Load %

NA

Deferred Load %

NA

Fund Expenses

Management Fees %

1.05

12b1 Expense %

NA

Prospectus Gross Exp Ratio %

1.45

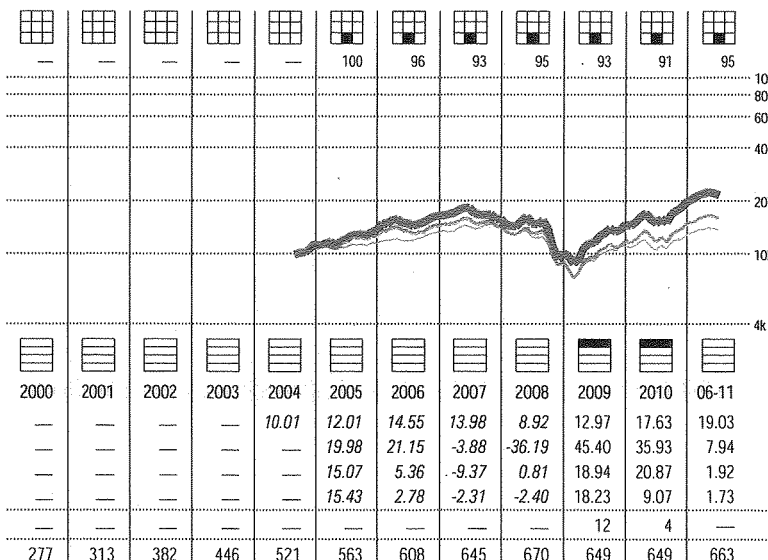
Risk and Return Profile

	3 Yr	5 Yr	10 Yr
MorningstarRating™	564 funds	478 funds	276 funds
Morningstar Risk	5★	4★	—
Morningstar Return	Avg	Avg	—
	High	High	—

	3 Yr	5 Yr	10 Yr
Standard Deviation	26.00	21.99	—
Mean	13.00	7.69	—
Sharpe Ratio	0.59	0.37	—

MPT Statistics	Standard Index	Best Fit Index
Alpha	9.42	—
Beta	1.14	—
R-Squared	87.00	—

12-Month Yield	0.00%
30-day SEC Yield	0.00
Potential Cap Gains Exp	11.00% Assets



Portfolio Analysis 05-31-2011

Composition %		Long %	Short%	Net %	Share Chg since 04-30-2011	Share Amount	50 Total Stocks 0 Total Fixed-Income 85% Turnover Ratio	% Net Assets	
Cash		4.9	0.0	4.9					
U.S. Stocks		92.0	0.0	92.0	⊕	29 mil	HighMark Diversified Money Ma	3.96	
Non-U.S. Stocks		3.2	0.0	3.2	⊕	919,000	Key Energy Services, Inc.	2.20	
Bonds		0.0	0.0	0.0	⊕	473,000	Complete Production Services,	2.13	
Other		0.0	0.0	0.0	⊕	416,000	Medicis Pharmaceuticals Corpo	2.11	
Total		100.0	0.0	100.0	⊕	415,000	Superior Energy Services, Inc	2.11	
<hr/>									
Equity Style		Portfolio Statistics	Port Avg	Rel Index	Rel Cat				
Value Blend Growth						⊕	490,000	Carter's, Inc.	2.11
						⊕	702,000	Jabil Circuit, Inc.	2.05
		P/E Ratio TTM	16.8	1.11	0.94	⊕	920,000	PrivateBancorp Inc	2.04
		P/C Ratio TTM	9.8	1.02	0.93	⊕	222,000	Westinghouse Air Brake Techno	2.03
		P/B Ratio TTM	1.6	0.75	0.85	⊕	351,000	LifePoint Hospitals, Inc.	2.00
		Geo Avg Mkt	2088	0.04	1.42	⊕	371,000	GATX Corp	2.00
		Cap \$mil				⊕	256,000	Kirby Corp.	1.99
						⊕	186,000	Oil States International, Inc	1.99
						⊕	588,000	Solutia, Inc.	1.99
						⊕	1 mil	Triquint Semiconductor	1.99
<hr/>									
Fixed-Income Style		Avg Eff Duration							
Ltd	Mod	Ext							

Fixed-Income Style

Ltd	Mod	Ext	Avg Eff Duration	—
			Avg Eff Maturity	—
			Avg Credit Quality	—
			Avg Wtd Coupon	—
			Avg Wtd Price	—

Credit Analysis NA

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

Regional Exposure

Americas	Greater Europe	Greater Asia	Stocks %	Rel Std Index
96.7	3.3	0.0	0.97	33.00

Sector Weightings	Stocks %	Rel Std Index
Cyclical	33.6	1.20
Basic Materials	6.0	2.14
Consumer Cyclical	10.2	1.06
Financial Services	17.4	1.25
Real Estate	0.0	0.00
Sensitive	54.0	1.17
Communication Services	0.0	0.00
Energy	12.6	1.02
Industrials	31.0	2.40
Technology	10.4	0.63
Defensive	12.5	0.48
Consumer Defensive	0.0	0.00
Healthcare	12.5	1.09
Utilities	0.0	0.00

Operations

Family:	Cambiar Funds	Objective:	Growth and Income	Minimum IRA Purchase:	\$0
Manager:	Baumusch/Aldrich/Beranek/Barish	Ticker:	CAMZX	Min Auto Investment Plan:	\$0
Tenure:	5.7 Years	Minimum Initial Purchase:	\$5,000,000	Purchase Constraints:	T/

Harbor Capital Appreciation Instl

Overall Morningstar Rtg™
★★★★ (1476)
Incept 12-29-87
Type MF

Total Assets \$11,976 mil

Morningstar Cat Large Growth (MF)

Standard Index
 S&P 500

Category Index
 Rus 1000Growth

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	-0.56	15.24	13.67	8.92	41.88
2010	2.79	-13.07	12.05	11.47	11.61
2011	4.63	3.64	—	—	8.44

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	35.45	5.85	5.73	2.78	10.97
Std 06-30-2011	35.45	—	5.73	2.78	10.97
Total Return	35.45	5.85	5.73	2.78	10.97

+/- Std Index	4.76	2.51	2.79	0.06	—
+/- Cat Index	0.44	0.84	0.40	0.54	—
% Rank Cat	28	20	20	36	—
No. In Cat	1657	1476	1276	803	—
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.

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 % 0.68

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
MorningstarRating™	4★	4★	3★
Morningstar Risk	-Avg	-Avg	Avg
Morningstar Return	+ Avg	+ Avg	Avg

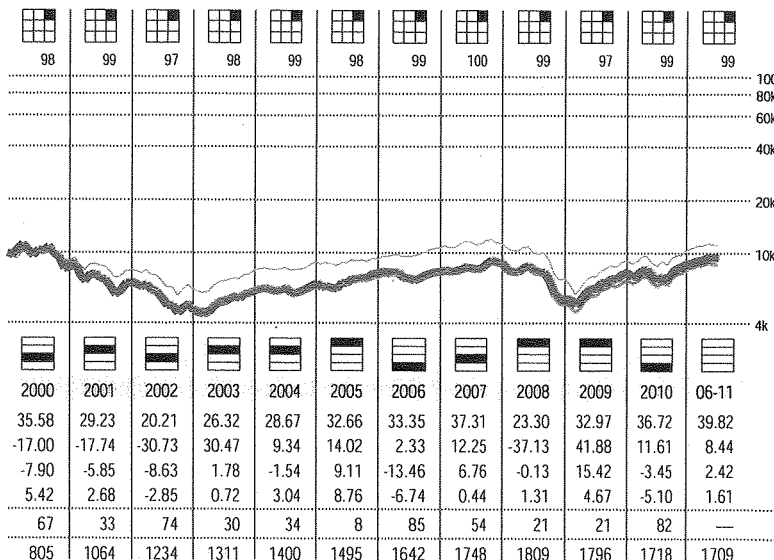
	3 Yr	5 Yr	10 Yr
Standard Deviation	20.16	17.33	16.75
Mean	5.85	5.73	2.78
Sharpe Ratio	0.37	0.30	0.13

MPT Statistics	Standard Index	Best Fit Index
		MStar US Gr TR
Alpha	2.69	2.50
Beta	0.90	0.87
R-Squared	90.00	97.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	19.00% Assets

Operations

Family:	Harbor
Manager:	Segalas, Spiros
Tenure:	21.2 Years


Investment Style

Equity

Stock %

Growth of \$10,000

Harbor Capital

Appreciation Instl

\$9,541

Category Average

\$8,603

Standard Index

\$11,090

Performance Quartile
 (within category)

History

NAV

Total Return %

+/- Standard Index

+/- Category Index

% Rank Cat

No. of Funds in Cat

Portfolio Analysis 03-31-2011

Composition %

	Long %	Short %	Net %
Cash	1.1	0.0	1.1
U.S. Stocks	89.1	0.0	89.2
Non-U.S. Stocks	9.8	0.0	9.8
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
Value	Blend	Growth

Fixed-Income Style

Ltd Mod Ext

High	Med	Low
Duration	Maturity	Credit Quality

Credit Analysis NA

AAA

AA

A

BBB

BB

B

Below B

NR/NA

Regional Exposure

Americas

Greater Europe

Greater Asia

Share Chg since 12-31-2010	Share Amount	68 Total Stocks	0 Total Fixed-Income	68% Turnover Ratio	% Net Assets
⊕	2 mil	Apple, Inc.			4.92
⊕	5 mil	Schlumberger, Ltd.			3.95
⊕	2 mil	Amazon.com, Inc.			3.83
⊕	2 mil	International Business Machin			3.10
⊕	10 mil	Oracle Corporation			2.81
⊕	512,183	Google, Inc.			2.59
⊕	3 mil	Occidental Petroleum Corporat			2.53
⊕	7 mil	Walt Disney Company			2.46
⊕	970,177	MasterCard Incorporated A			2.11
⊕	3 mil	Monsanto Company			2.07
⊕	2 mil	Precision Castparts Corp.			1.96
⊕	2 mil	Baidu, Inc. ADR			1.95
⊕	5 mil	Juniper Networks, Inc.			1.88
⊕	4 mil	Qualcomm, Inc.			1.86
⊕	2 mil	Salesforce.com, Inc.			1.83

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	29.2	1.04
Basic Materials	2.1	0.75
Consumer Cyclical	21.2	2.21
Financial Services	5.9	0.42
Real Estate	0.0	0.00
Sensitive	53.8	1.17
Communication Services	1.4	0.33
Energy	6.5	0.52
Industrials	11.8	0.91
Technology	34.1	2.08
Defensive	17.0	0.66
Consumer Defensive	5.2	0.47
Healthcare	11.8	1.03
Utilities	0.0	0.00

Hartford Dividend & Growth Y

Overall Morningstar Rtg™

★★★★ (1114)

Incept 07-22-96

Type MIF

Total Assets \$6,416 mil

Morningstar Cat Large Value (MIF)

Standard Index

S&P 500

Category Index

Rus 1000Value

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	-11.27	15.84	13.79	6.21	24.22
2010	4.88	-11.46	11.02	9.68	13.08
2011	6.00	-0.40	—	—	5.58

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	28.57	3.59	4.56	5.24	8.36
Std 06-30-2011	28.57	—	4.56	5.24	8.36
Total Return	28.57	3.59	4.56	5.24	8.36
+/- Std Index	-2.12	0.25	1.62	2.52	—
+/- Cat Index	-0.37	1.31	3.41	1.25	—
% Rank Cat	49	32	7	14	—
No. in Cat	1239	1114	964	543	—
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 888-843-7824 or visit www.hartfordinvestor.com.

Fees and Expenses

Sales Charges

Front-End Load %

NA

Deferred Load %

NA

Fund Expenses

Management Fees %

0.62

12b1 Expense %

NA

Prospectus Gross Exp Ratio %

0.67

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
1114 funds		964 funds	543 funds
MorningstarRating™	4★	5★	4★
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	+ Avg	High	+ Avg

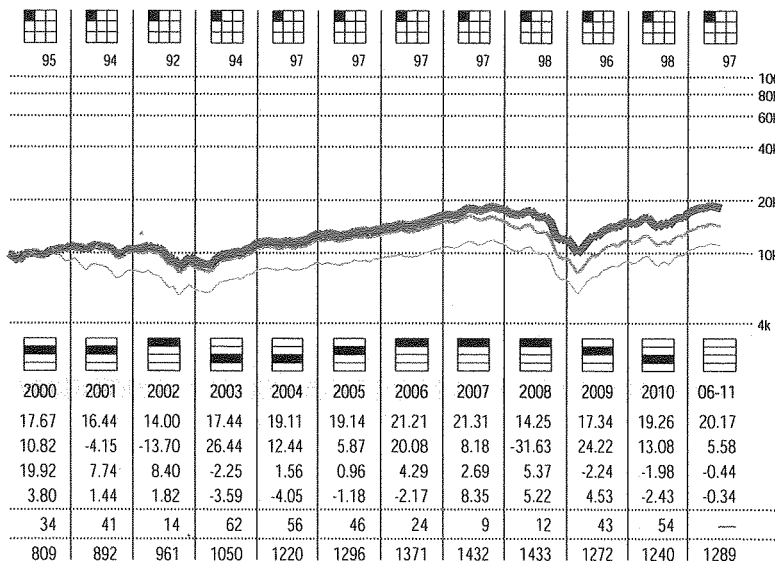
	3 Yr	5 Yr	10 Yr
Standard Deviation	20.28	16.85	14.69
Mean	3.59	4.56	5.24
Sharpe Ratio	0.26	0.24	0.28

MPT Statistics	Standard Index	Best Fit Index
		Mstar Large Cap TR
Alpha	0.32	0.94
Beta	0.95	0.98
R-Squared	98.00	99.00

12-Month Yield	1.63%
30-day SEC Yield	1.70
Potential Cap Gains Exp	11.00% Assets

Operations

Family:	Hartford Mutual Funds
Manager:	Kilbride/Baker/Bousa
Tenure:	4.2 Years



Investment Style

Equity

Stock %

Growth of \$10,000

Hartford Dividend & Growth Y \$18,178

Category Average \$14,283

Standard Index \$11,090

Performance Quartile (within category)

History

NAV

Total Return %

+/- Standard Index

+/- Category Index

% Rank Cat

No. of Funds in Cat

Portfolio Analysis 05-31-2011

Composition %	Long %	Short %	Net %
Cash	2.6	0.0	2.6
U.S. Stocks	86.5	0.0	86.5
Non-U.S. Stocks	10.5	0.0	10.5
Bonds	0.0	0.0	0.0
Other	0.4	0.0	0.4
Total	100.0	0.0	100.0

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	13.5	0.89	0.94
	P/C Ratio TTM	8.9	0.93	1.08
	P/B Ratio TTM	2.0	0.89	1.05
	Geo Avg Mkt	63117	1.28	1.58
	Cap \$mil			

Fixed-Income Style

Ltd	Mod	Ext	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	7.5	75.00
Greater Asia	1.2	—

Share Chg since 03-31-2011	Share Amount	94 Total Stocks	0 Total Fixed-Income	33% Turnover Ratio	% Net Assets
⊖	8 mil	AT&T, Inc.			3.90
⊖	3 mil	Exxon Mobil Corporation			3.55
⊖	2 mil	Chevron Corporation			3.42
⊖	7 mil	Wells Fargo & Co			3.11
⊖	9 mil	Pfizer Inc			2.80
⊖	1 mil	International Business Machin			2.69
⊖	4 mil	JPMorgan Chase & Co			2.36
⊖	3 mil	Merck & Co Inc			1.94
⊖	3 mil	Eli Lilly and Company			1.91
⊖	2 mil	Johnson & Johnson			1.84
⊖	5 mil	Microsoft Corporation			1.79
⊖	2 mil	PepsiCo, Inc.			1.78
⊖	4 mil	Comcast Corporation A			1.65
⊖	2 mil	MetLife Inc.			1.62
⊖	1 mil	Anadarko Petroleum Corp			1.56

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	25.5	0.91
Basic Materials	2.1	0.75
Consumer Cyclical	6.8	0.71
Financial Services	16.6	1.19
Real Estate	0.0	0.00
Sensitive	46.2	1.00
Communication Services	5.9	1.37
Energy	14.9	1.20
Industrials	14.4	1.12
Technology	11.0	0.67
Defensive	28.2	1.09
Consumer Defensive	8.3	0.75
Healthcare	15.1	1.31
Utilities	4.9	1.48

Invesco Small Cap Growth I

Overall Morningstar Rtg™
☆☆☆ (666)
Standard Index
S&P 500

Incept 03-15-02
Type MF
Total Assets \$2,008 mil
Morningstar Cat Small Growth (MF)
Category Index
Rus 2000 Growth

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	-5.94	19.90	14.78	4.41	35.16
2010	6.55	-7.85	12.56	14.75	26.82
2011	11.46	0.90	—	—	12.45

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	45.25	9.88	7.35	—	6.99
Std 06-30-2011	45.25	—	7.35	—	6.99
Total Return	45.25	9.88	7.35	5.30	6.99
+/- Std Index	14.56	6.54	4.41	2.58	—
+/- Cat Index	1.75	1.53	1.56	0.67	—
% Rank Cat	34	31	20	45	—
No. in Cat	746	666	565	358	—
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 800-659-1005 or visit www.invesco.com.

Fees and Expenses

Sales Charges

Front-End Load % NA

Deferred Load % NA

Fund Expenses

Management Fees % 0.70

12b1 Expense % NA

Prospectus Gross Exp Ratio % 0.82

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	4★	3★
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	+Avg	+Avg	+Avg

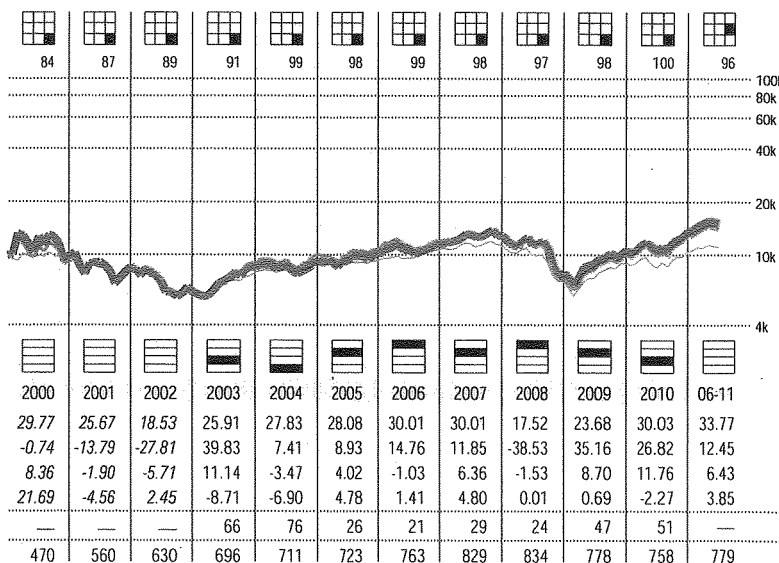
	3 Yr	5 Yr	10 Yr
Standard Deviation	24.26	20.89	20.02
Mean	9.88	7.35	5.30
Sharpe Ratio	0.50	0.36	0.26

MPT Statistics	Standard Index	Best Fit Index
		Mstar Small Growth
Alpha	6.49	1.43
Beta	1.08	0.90
R-Squared	89.00	98.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	27.00% Assets

Operations

Family:	Invesco
Manager:	Manley/Hartfield/Ellis
Tenure:	5.6 Years



Portfolio Analysis 03-31-2011

Composition %	Long %	Short%	Net %
Cash	3.6	0.0	3.6
U.S. Stocks	93.5	0.0	93.5
Non-U.S. Stocks	2.9	0.0	2.9
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	24.6	1.63	1.06
	P/C Ratio TTM	14.8	1.56	1.02
	P/B Ratio TTM	3.1	1.41	1.01
	Geo Avg Mkt	2391	0.05	1.46
	Cap \$mil			

Fixed-Income Style

Ltd	Mod	Ext	Avg Eff Duration	—
			Avg Eff Maturity	—
			Avg Credit Quality	—
			Avg Wtd Coupon	—
			Avg Wtd Price	—

Credit Analysis NA

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

Regional Exposure

Americas	Greater Europe	Greater Asia	Stocks %	Rel Std Index
99.2	0.8	0.0	99.2	0.99
—	—	—	8.00	—

Share Chg since 12-31-2010	Share Amount	132 Total Stocks	% Net Assets
—	—	0 Total Fixed-Income	—
—	—	38% Turnover Ratio	—
—	35 mil	Invesco Treasurer's Ser Tr Pr	1.80
—	35 mil	Invesco Short Term Inv Lq As	1.80
—	396,304	Transdigm Group, Inc.	1.70
—	559,180	Polycorn, Inc.	1.48
—	554,299	Informatica Corporation	1.48
—	345,369	Weight Watchers International	1.24
—	591,393	SuccessFactors, Inc.	1.18
—	757,468	Frontier Oil Corporation	1.13
—	2 mil	SandRidge Energy, Inc.	1.09
—	353,854	Tractor Supply	1.08
—	2 mil	Lawson Software, Inc.	1.05
—	412,558	Valeant Pharmaceuticals Inter	1.05
—	372,845	TRW Automotive Holdings Corpo	1.05
—	297,904	Westinghouse Air Brake Techno	1.03
—	498,142	Williams-Sonoma, Inc.	1.03

Sector Weightings	Stocks %	Rel Std Index
Cyclical	31.8	1.14
Basic Materials	4.5	1.61
Consumer Cyclical	20.0	2.08
Financial Services	5.5	0.40
Real Estate	1.7	1.00
Sensitive	52.3	1.13
Communication Services	0.9	0.21
Energy	7.8	0.63
Industrials	15.0	1.16
Technology	28.6	1.74
Defensive	15.9	0.61
Consumer Defensive	1.8	0.16
Healthcare	13.4	1.17
Utilities	0.7	0.21

iShares Russell 1000 Value Index

Overall Morningstar Rtg™

★★★

1114 Large Value (MF)

Prem/Discount

-0.03

Mkt Price

68.28

Morningstar Cat

Large Value (MF)

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	-16.89	16.78	18.04	4.07	19.23
2010	6.85	-11.23	10.07	10.57	15.44
2011	6.33	-0.57	—	—	5.73

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-2011	28.68	—	0.99	3.83	4.00
Std NAV 06-30-2011	28.60	—	1.05	3.83	4.00
Mkt Total Ret	28.68	2.20	0.99	3.83	4.00
NAV Total Ret	28.60	2.19	1.05	3.83	4.00
+/- S&P 500	-2.09	-1.15	-1.89	1.11	—
+/- Rus 1000V	-0.34	-0.09	-0.10	-0.16	—
% Rank Cat	—	—	—	—	—
No. in Cat	1239	1114	964	543	—

Performance Disclosure

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Fees and Expenses

Sales Charges

Front-End Load %

NA

Deferred Load %

NA

Fund Expenses

Management Fees %

0.20

12b1 Expense %

NA

Expense Ratio %

0.20

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	1114 funds	964 funds	543 funds
MorningstarRating™	3★	3★	3★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	Avg	Avg	Avg

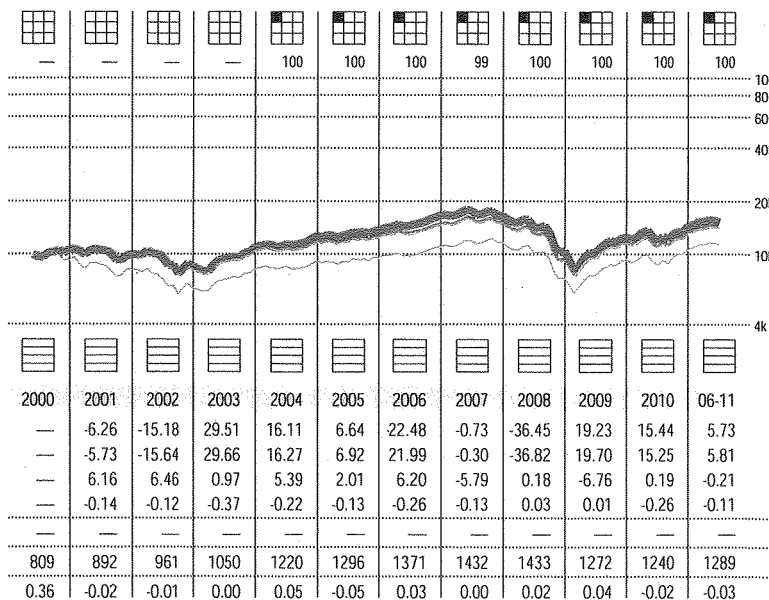
	3 Yr	5 Yr	10 Yr
Standard Deviation	22.53	18.87	16.22
Mean	2.19	1.05	3.83
Sharpe Ratio	0.20	0.05	0.19

MPT Statistics	Standard Index S&P 500	Best Fit Index Russ 1000 Value
Alpha	-1.09	-0.09
Beta	1.05	1.00
R-Squared	98.00	100.00

12-Month Yield	1.94%
30-day SEC Yield	2.05
Potential Cap Gains Exp	-14.00% Assets

Operations

Family:	iShares
Manager:	Hsiung/Savage
Tenure:	3.5 Years
Total Assets	\$11,641 mil



Portfolio Analysis 06-30-2011

Composition %	Long %	Short %	Net %
Cash	0.0	0.0	0.1
U.S. Stocks	99.3	0.0	99.3
Non-U.S. Stocks	0.6	0.0	0.6
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

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

Avg Eff Duration

Avg Eff Maturity

Avg Credit Quality

Avg Wtd Coupon

Avg Wtd Price

Fixed-Income Style

Lrd Mod Ext

Lrd Mod Ext	High	Mid	Low

Credit Analysis 06-30-2011

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

Regional Exposure

	Stocks %	Rel S&P 500
Americas	99.6	1.00
Greater Europe	0.4	4.00
Greater Asia	0.0	—

Share Chg since 06-29-2011	Share Amount	655 Total Stocks	0 Total Fixed-Income	24% Turnover Ratio	% Net Assets
⊖	18 mil	General Electric Co			2.87
⊖	3 mil	Chevron Corporation			2.80
⊖	10 mil	AT&T, Inc.			2.67
⊖	4 mil	Procter & Gamble Company			2.38
⊖	13 mil	Pfizer Inc			2.34
⊖	7 mil	JPMorgan Chase & Co			2.34
⊖	4 mil	Johnson & Johnson			2.09
⊖	3 mil	Berkshire Hathaway Inc B			1.95
⊖	8 mil	Wells Fargo & Co			1.84
⊖	5 mil	Citigroup Inc			1.74
⊖	9 mil	Intel Corp			1.69
⊖	17 mil	Bank of America Corp DE			1.60
⊖	5 mil	Merck & Co Inc			1.56
⊖	2 mil	ConocoPhillips			1.53
⊖	2 mil	Exxon Mobil Corporation			1.51

Sector Weightings

	Stocks %	Rel S&P 500
Cyclical	38.0	1.36
Basic Materials	2.7	0.96
Consumer Cyclical	8.2	0.85
Financial Services	23.6	1.70
Real Estate	3.5	2.06
Sensitive	35.4	0.77
Communication Services	5.4	1.26
Energy	12.4	1.00
Industrials	10.2	0.79
Technology	7.5	0.46
Defensive	26.6	1.03
Consumer Defensive	7.8	0.70
Healthcare	12.2	1.06
Utilities	6.6	2.00

iShares Russell Midcap Growth Index

Overall Morningstar Rtg™

★★★

Prem/Discount

-0.06

Mkt Price

61.83

Morningstar Cat

Mid-Cap Growth (MF)

681 Mid-Cap Growth (MF)

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	-3.50	21.10	17.23	6.91	46.47
2010	7.20	-9.93	14.52	13.99	26.03
2011	7.78	1.51	—	—	9.41

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-2011	42.82	—	6.06	—	6.03
Std NAV 06-30-2011	42.88	—	6.07	—	6.04
Mkt Total Ret	42.82	6.37	6.06	—	6.03
NAV Total Ret	42.88	6.37	6.07	—	6.04
+/- S&P 500	12.19	3.03	3.13	—	—
+/- Rus MidGr	-0.37	-0.21	-0.21	—	—
% Rank Cat	—	—	—	—	—
No. in Cat	768	681	609	404	—

Performance Disclosure

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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	5 Yr	10 Yr
Morningstar Rating™	681 funds	609 funds	404 funds
Morningstar Risk	3★	3★	—
Morningstar Return	+ Avg	+ Avg	—

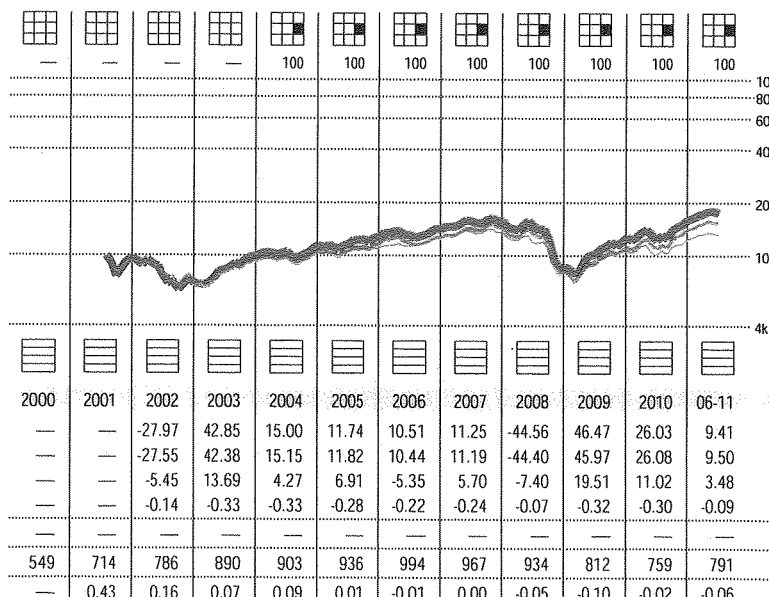
	3 Yr	5 Yr	10 Yr
Standard Deviation	25.43	21.32	—
Mean	6.37	6.07	—
Sharpe Ratio	0.36	0.30	—

MPT Statistics	Standard Index S&P 500	Best Fit Index Russ Midcap Growth
Alpha	3.18	-0.19
Beta	1.15	1.00
R-Squared	91.00	100.00

12-Month Yield	0.80%
30-day SEC Yield	0.81
Potential Cap Gains Exp	0.00% Assets

Operations

Family:	iShares
Manager:	Hsiung/Savage
Tenure:	3.5 Years
Total Assets	\$3,418 mil



Portfolio Analysis 06-30-2011

Composition %	Long %	Short %	Net %
Cash	0.1	0.0	0.1
U.S. Stocks	98.7	0.0	98.7
Non-U.S. Stocks	1.2	0.0	1.2
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	22.1	1.46	0.98
	P/C Ratio TTM	13.1	1.38	0.92
	P/B Ratio TTM	4.0	1.81	1.18
	Geo Avg Mkt	7415	0.15	1.17
	Cap \$mil	—	—	—

Fixed-Income Style

Ltd	Mod	Ext	High	Med	Low

Credit Analysis 06-30-2011

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

Regional Exposure

	Stocks %	Rel S&P 500
Americas	99.0	0.99
Greater Europe	0.7	7.00
Greater Asia	0.3	—

Share Chg since 06-29-2011	Share Amount	470 Total Stocks	0 Total Fixed-Income	29% Turnover Ratio	% Net Assets
	555,848	Agilent Technologies, Inc.			0.83
	432,438	Peabody Energy Corporation			0.75
	483,302	Intuit, Inc.			0.73
	414,889	T. Rowe Price Group			0.73
	300,278	Citrix Systems, Inc.			0.70
	514,677	Altera Corp.			0.70
	62,754	Intuitive Surgical, Inc.			0.68
	1 mil	El Paso Corporation			0.68
	397,923	Bed Bath & Beyond, Inc.			0.68
	252,611	PPG Industries, Inc.			0.67
	83,887	Netflix, Inc.			0.65
	449,024	Omnicom Group, Inc.			0.63
	370,555	Ecolab, Inc.			0.61
	264,449	CH Robinson Worldwide, Inc.			0.61
	190,929	Boston Properties, Inc.			0.59

Sector Weightings	Stocks %	Rel S&P 500
Cyclical	32.2	1.15
Basic Materials	8.2	2.93
Consumer Cyclical	17.8	1.85
Financial Services	3.2	0.23
Real Estate	2.9	1.71
Sensitive	48.5	1.05
Communication Services	3.6	0.84
Energy	8.4	0.68
Industrials	18.2	1.41
Technology	18.3	1.12
Defensive	19.3	0.75
Consumer Defensive	7.3	0.66
Healthcare	11.8	1.03
Utilities	0.2	0.06

iShares Russell Midcap Value Index

Overall Morningstar Rtg™

★★★

Prem/Discount

-0.08

Mkt Price

47.75

Morningstar Cat

Mid-Cap Value (MF)

348 Mid-Cap Value (MF)

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	-15.13	21.00	23.61	5.01	33.31
2010	9.55	-9.65	12.06	12.18	24.43
2011	7.44	-0.85	—	—	6.53

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-2011	33.91	—	3.85	—	8.33
Std NAV 06-30-2011	33.88	—	3.89	—	8.34
Mkt Total Ret	33.91	6.22	3.85	—	8.33
NAV Total Ret	33.88	6.24	3.89	—	8.34
+/- S&P 500	3.19	2.90	0.95	—	—
+/- RusMidVal	-0.40	-0.11	-0.13	—	—
% Rank Cat	—	—	—	—	—
No. in Cat	421	348	281	124	—

Performance Disclosure

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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	5 Yr	10 Yr
	348 funds	281 funds	124 funds
MorningstarRating™	3★	3★	—
Morningstar Risk	+ Avg	+ Avg	—
Morningstar Return	Avg	Avg	—

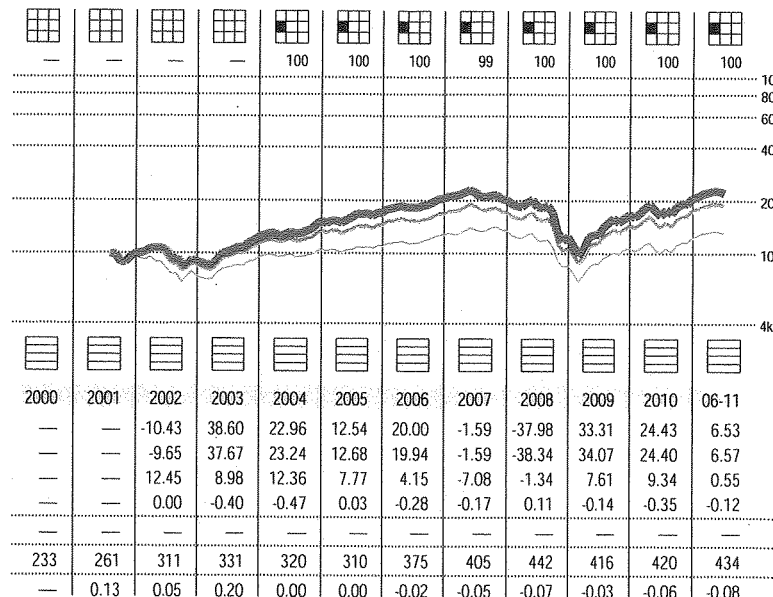
	3 Yr	5 Yr	10 Yr
Standard Deviation	26.64	22.02	—
Mean	6.24	3.89	—
Sharpe Ratio	0.35	0.20	—

MPT Statistics	Standard Index S&P 500	Best Fit Index Russ Midcap Value
Alpha	2.97	-0.10
Beta	1.21	1.00
R-Squared	94.00	100.00

12-Month Yield	1.94%
30-day SEC Yield	1.96
Potential Cap Gains Exp	-15.00% Assets

Operations

Family:	iShares
Manager:	Hsiung/Savage
Tenure:	3.5 Years
Total Assets	\$3,149 mil



Portfolio Analysis 06-30-2011

Composition %	Long %	Short %	Net %
Cash	0.0	0.0	0.1
U.S. Stocks	98.8	0.0	98.8
Non-U.S. Stocks	1.1	0.0	1.1
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	14.8	0.98	0.93
	P/C Ratio TTM	7.9	0.83	0.91
	P/B Ratio TTM	1.5	0.68	0.86
	Geo Avg Mkt	6728	0.14	1.00
	Cap \$mil			

Fixed-Income Style

Ltd	Mod	Ext	Avg Eff Duration	Avg Eff Maturity	Avg Credit Quality	Avg Wtd Coupon	Avg Wtd Price
			—	—	—	—	—
			—	—	—	—	—
			—	—	—	—	—

Credit Analysis 06-30-2011

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

Regional Exposure

	Stocks %	Rel S&P 500
Americas	99.1	0.99
Greater Europe	0.9	9.00
Greater Asia	0.0	—

Investment Style

Equity

Stock %

100k

80k

60k

40k

20k

10k

4k

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Jensen I

Overall Morningstar Rtg™
★★★★★ (1476)
Standard Index
S&P 500

Incept 07-30-03 Type MF
Total Assets \$4,146 mil
Morningstar Cat Large Growth (MF)
Category Index Rus 1000Growth

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	-9.82	16.01	12.45	9.89	29.28
2010	4.34	-10.67	10.05	9.31	12.12
2011	4.35	1.83	—	—	6.26

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	27.82	7.32	5.86	—	5.85
Std 06-30-2011	27.82	—	5.86	—	5.85
Total Return	27.82	7.32	5.86	4.46	5.85
+/- Std Index	-2.87	3.98	2.92	1.74	—
+/- Cat Index	-7.19	2.31	0.53	2.22	—
% Rank Cat	85	10	19	12	—
No. in Cat	1657	1476	1276	803	—
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 %	0.50
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	0.62

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	1476 funds	1276 funds	803 funds
MorningstarRating™	5★	5★	5★
Morningstar Risk	Low	Low	Low
Morningstar Return	High	+ Avg	+ Avg

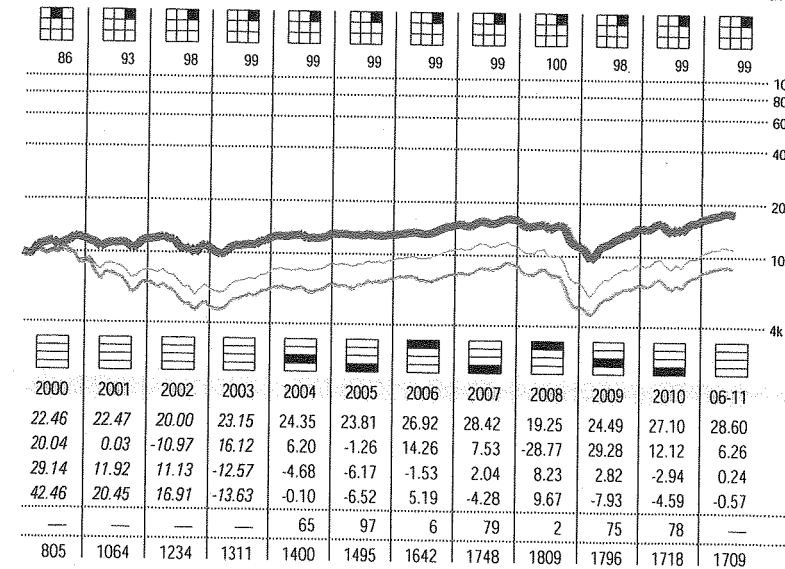
	3 Yr	5 Yr	10 Yr
Standard Deviation	18.99	15.93	13.78
Mean	7.32	5.86	4.46
Sharpe Ratio	0.45	0.32	0.24

MPT Statistics	Standard Index	Best Fit Index
Alpha	4.09	3.70
Beta	0.86	0.87
R-Squared	92.00	92.00

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

Operations

Family:	Jensen
Manager:	Zagunis/Walkush/Bond/Havnaer
Tenure:	6.1 Years



Portfolio Analysis 03-31-2011

Composition %	Long %	Short %	Net %	Share Chg since 12-31-2010	Share Amount	28 Total Stocks	0 Total Fixed-Income	12% Turnover Ratio	% Net Assets
Cash	1.0	0.0	0.9						
U.S. Stocks	99.0	0.0	99.0	⊕	2 mil	3M Company			5.13
Non-U.S. Stocks	0.0	0.0	0.0	⊕	2 mil	United Technologies Corp			5.13
Bonds	0.0	0.0	0.0	⊕	4 mil	Omnicom Group, Inc.			5.03
Other	0.0	0.0	0.0	⊕	6 mil	Adobe Systems Inc.			4.91
Total	100.0	0.0	100.0	⊕	3 mil	PepsiCo, Inc.			4.77

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat	Share Chg since 12-31-2010	Share Amount	28 Total Stocks	0 Total Fixed-Income	12% Turnover Ratio	% Net Assets
Value Blend Growth	P/E Ratio TTM	18.5	1.22	0.95	⊕	3 mil	T. Rowe Price Group			4.73
	P/C Ratio TTM	13.5	1.42	1.03	⊕	7 mil	Microsoft Corporation			4.70
	P/B Ratio TTM	4.2	1.93	1.30	⊕	4 mil	Medtronic, Inc.			4.52
	Geo Avg Mkt	33898	0.69	1.02	⊕	3 mil	Stryker Corporation			4.51
	Cap \$mil				⊕	3 mil	Abbott Laboratories			4.21
					⊕	3 mil	Procter & Gamble Company			4.13
					⊕	5 mil	Oracle Corporation			4.02
					⊕	3 mil	Emerson Electric Co.			3.98
					⊕	4 mil	Equifax, Inc.			3.88
					⊕	1 mil	Praxair, Inc.			3.63

Fixed-Income Style

Ltd	Mod	Ext	Avg Eff Duration	Avg Eff Maturity	Avg Credit Quality	Avg Wtd Coupon	Avg Wtd Price
			—	—	—	—	—
			—	—	—	—	—
			—	—	—	—	—
			—	—	—	—	—

Credit Analysis NA

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

Regional Exposure

	Stocks %	Rel Std Index
Americas	100.0	1.00
Greater Europe	0.0	0.00
Greater Asia	0.0	—

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	9.9	0.35
Basic Materials	0.0	0.00
Consumer Cyclical	5.1	0.53
Financial Services	4.8	0.35
Real Estate	0.0	0.00
Sensitive	50.3	1.09
Communication Services	0.0	0.00
Energy	0.0	0.00
Industrials	30.9	2.40
Technology	19.4	1.18
Defensive	39.8	1.54
Consumer Defensive	17.7	1.59
Healthcare	22.1	1.92
Utilities	0.0	0.00

Legg Mason Batterymarch Emerging Mkts I

Overall Morningstar Rtg[™]
☆☆☆ (291)

Incept Type
06-23-05 MF

Total Assets
\$837.2 mil

Morningstar Cat
Diversified Emerging Mkts (MF)

Standard Index
MSCI Eafe Ndr_D

Category Index
MSCI EM NR USD

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	-3.09	34.62	23.02	9.96	76.48
2010	3.52	-10.89	20.17	6.97	18.58
2011	0.29	-0.82	—	—	-0.53

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	27.86	-0.27	10.37	—	15.21
Std 06-30-2011	27.86	—	10.37	—	15.21
Total Return	27.86	-0.27	10.37	15.77	15.21
+/- Std Index	-2.50	1.50	8.89	10.11	—
+/- Cat Index	0.06	-4.49	-1.05	-0.43	—
% Rank Cat	41	78	32	36	—
No. In Cat	396	291	225	138	—
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 877-721-1926 or visit www.leggmason.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 %

1.28

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating [™]	2★	3★	3★
Morningstar Risk	+ Avg	+ Avg	+ Avg
Morningstar Return	-Avg	Avg	Avg

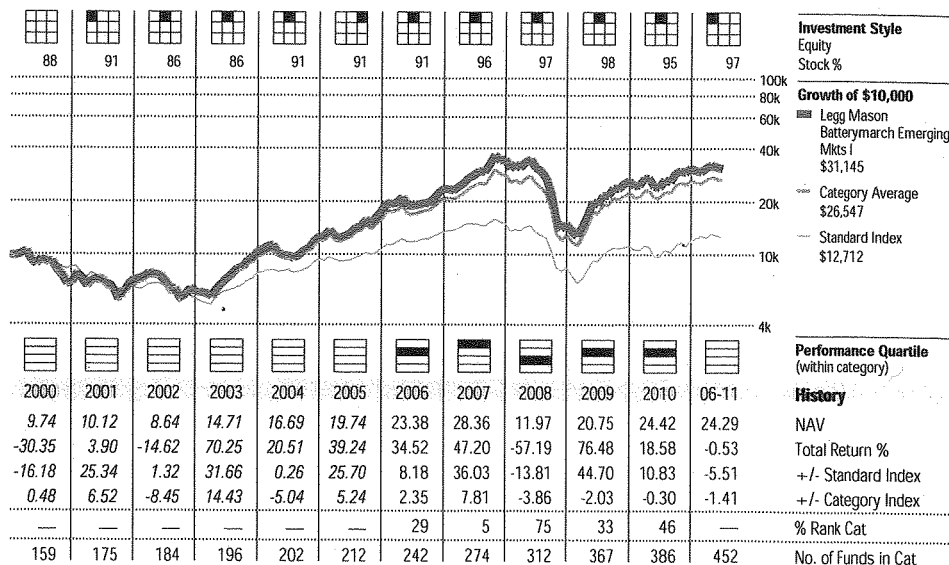
	3 Yr	5 Yr	10 Yr
Standard Deviation	33.28	28.90	25.65
Mean	-0.27	10.37	15.77
Sharpe Ratio	0.15	0.43	0.63

MPT Statistics	Standard Index	Best Fit Index MSCI Em ND
Alpha	3.60	-4.21
Beta	1.19	1.06
R-Squared	86.00	99.00

12-Month Yield	0.48%
30-day SEC Yield	0.00
Potential Cap Gains Exp	15.00% Assets

Operations

Family:	Legg Mason/Western
Manager:	Lazenby, David
Tenure:	7.5 Years



Portfolio Analysis 03-31-2011

Composition %

	Long %	Short %	Net %
Cash	1.9	0.0	1.9
U.S. Stocks	0.0	0.0	0.0
Non-U.S. Stocks	97.1	0.0	97.2
Bonds	0.0	0.0	0.0
Other	1.0	0.0	0.9
Total	100.0	0.0	100.0

Equity Style

Value Blend Growth	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	13.7	1.11	0.99	
P/C Ratio TTM	8.2	1.19	0.95	
P/B Ratio TTM	2.4	1.67	1.03	
Geo Avg Mkt	18193	0.57	1.04	
Cap \$mil				

Fixed-Income Style

Ltd	Mod	Ext	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	26.0	—
Greater Europe	21.1	—
Greater Asia	52.9	—

Share Chg since 12-31-2010	Share Amount	255 Total Stocks	0 Total Fixed-Income	64% Turnover Ratio	% Net Assets
⊕	25,795	Samsung Electronics Co., Ltd.			2.59
⊕	636,700	Vale S.A. ADR			2.22
⊕	571,600	Gazprom O A O 144A			2.19
⊕	507,200	Petroleo Brasileiro SA Petrob			2.13
⊕	18 mil	Industrial And Commercial Ban			1.76
⊕	604,258	Itau Unibanco Holding S.A. AD			1.72
⊕	4 mil	Hon Hai Precision Ind. Co., L			1.49
⊕	5 mil	CNOOC, Ltd.			1.48
⊕	189,420	Kia Motors Corp			1.41
⊕	165,700	Lukoil Company ADR			1.40
⊕	19 mil	Agricultural Bank of China Lt			1.26
⊕	256,500	Petroleo Brasileiro SA Petrob			1.23
⊕	169,800	America Movil S.A.B. de C.V.			1.17
⊕	1 mil	China Mobile Ltd.			1.16
⊕	10 mil	China Construction Bank Corp			1.15

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	55.8	—
Basic Materials	18.9	—
Consumer Cyclical	13.3	—
Financial Services	22.7	—
Real Estate	0.9	—
Sensitive	39.3	—
Communication Services	6.0	—
Energy	14.2	—
Industrials	7.7	—
Technology	11.4	—
Defensive	4.9	—
Consumer Defensive	3.0	—
Healthcare	0.7	—
Utilities	1.1	—

MFS Research International I

Overall Morningstar Rtg™

★★★★ (714)

Incept Type

01-02-97 MF

Total Assets

\$4,845 mil

Morningstar Cat

Foreign Large Blend (MF)

Standard Index

MSCI Eafe Ndr_D

Category Index

MSCI AC World Ex USA NR

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	-13.28	23.44	20.00	2.32	31.43
2010	0.56	-12.99	17.00	8.64	11.22
2011	3.95	2.64	—	—	6.69

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	35.61	-0.38	3.26	7.08	8.07
Std 06-30-2011	35.61	—	3.26	7.08	8.07
Total Return	35.61	-0.38	3.26	7.08	8.07
+/- Std Index	5.25	1.39	1.78	1.42	—
+/- Cat Index	5.88	-0.03	-0.41	-0.40	—
% Rank Cat	9	31	22	14	—
No. in Cat	826	714	539	303	—
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 800-343-2829 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	5 Yr	10 Yr
	714 funds	539 funds	303 funds
MorningstarRating™	3★	4★	4★
Morningstar Risk	Avg	Avg	-Avg
Morningstar Return	+ Avg	+ Avg	+ Avg

	3 Yr	5 Yr	10 Yr
Standard Deviation	26.44	21.96	18.04
Mean	-0.38	3.26	7.08
Sharpe Ratio	0.11	0.18	0.36

MPT Statistics	Standard Index	Best Fit Index
	MSCI AC Wld Ex USA NR USD	
Alpha	1.56	-0.03
Beta	1.01	0.98
R-Squared	98.00	98.00

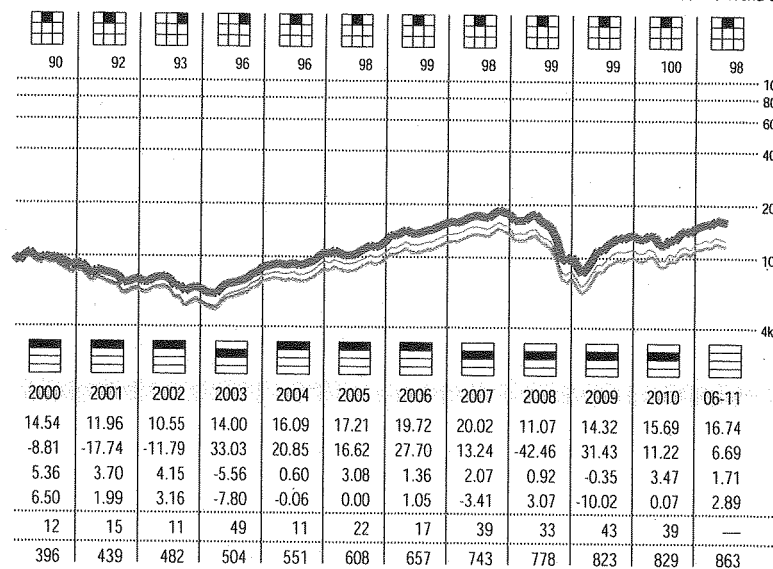
12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	-2.00% Assets

Operations

Family:	MFS
Manager:	Garcia/Melendez
Tenure:	6.1 Years

Objective:	Foreign Stock
Ticker:	MRSIX
Minimum Initial Purchase:	\$0

Minimum IRA Purchase:	\$0
Min Auto Investment Plan:	\$0
Purchase Constraints:	T/



Investment Style

Equity

Stock %

Growth of \$10,000

MFS Research International I

\$16,097

Category Average

\$11,648

Standard Index

\$12,712

Performance Quartile (within category)

History

NAV

Total Return %

+/- Standard Index

+/- Category Index

% Rank Cat

No. of Funds in Cat

Portfolio Analysis 05-31-2011

Composition %

	Long %	Short %	Net %
Cash	1.4	0.8	0.6
U.S. Stocks	0.8	0.0	0.8
Non-U.S. Stocks	98.3	0.0	98.3
Bonds	0.0	0.0	0.0
Other	0.3	0.0	0.3
Total	100.8	0.8	100.0

Equity Style

Value Blend Growth

Large Mid Small

P/E Ratio TTM

P/C Ratio TTM

P/B Ratio TTM

Geo Avg Mkt

Cap \$mil

Fixed-Income Style

Ltd Mod Ext

Avg Eff Duration

Avg Eff Maturity

Avg Credit Quality

Avg Wtd Coupon

Avg Wtd Price

Credit Analysis NA

AAA

AA

A

BBB

BB

B

Below B

NR/NA

Regional Exposure

Americas

Greater Europe

Greater Asia

Share Chg since 04-30-2011

Share Amount

121 Total Stocks

0 Total Fixed-Income

56% Turnover Ratio

Nestle SA

Royal Dutch Shell PLC

Roche Holding AG

BNP Paribas

Rio Tinto PLC

HSBC Holdings PLC

Siemens AG

Akzo Nobel NV

Vodafone Group PLC

BP Plc

Danone

Linde AG

Man SE

Heineken N.V.

ING Groep N.V.

Sector Weightings

Cyclical

Basic Materials

Consumer Cyclical

Financial Services

Real Estate

Sensitive

Communication Services

Energy

Industrials

Technology

Defensive

Consumer Defensive

Healthcare

Utilities

Stocks %

Rel Std Index

40.9

8.8

8.5

23.2

0.4

35.6

6.5

9.4

13.4

6.3

23.4

10.2

8.8

4.4

PIMCO Investment Grade Corp Bd Instl

Overall Morningstar Rtg*
★★★★ (107)
Standard Index
Barcap Agg

Incept 04-28-00
Type MF
Total Assets \$5,963 mil
Morningstar Cat Intermediate-Term Bond (MF)
Category Index
Barcap 5-10Yr Gvt/Cred

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	-2.78	9.18	9.12	2.53	18.74
2010	3.73	2.04	6.73	-1.10	11.72
2011	2.17	2.08	—	—	4.29

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	10.08	12.11	9.87	8.32	8.76
Std 06-30-2011	10.08	—	9.87	8.32	8.76
Total Return	10.08	12.11	9.87	8.32	8.76
+/- Std Index	6.18	5.65	3.35	2.58	—
+/- Cat Index	4.59	4.11	2.25	1.63	—
% Rank Cat	3	1	1	1	—
No. in Cat	1159	1017	871	567	—
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 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 %	0.50
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	0.50

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
1017 funds	871 funds	567 funds	
MorningstarRating™	5★	5★	5★
Morningstar Risk	High	High	High
Morningstar Return	High	High	High

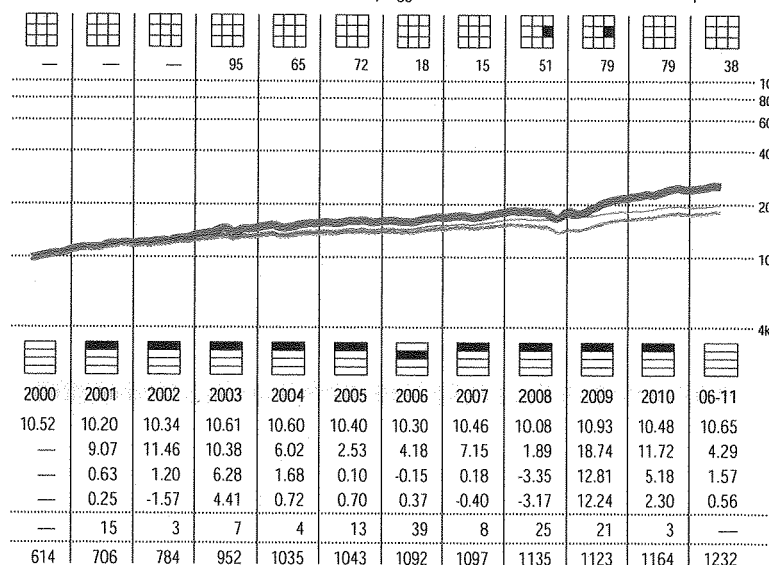
	3 Yr	5 Yr	10 Yr
Standard Deviation	8.09	6.77	6.12
Mean	12.11	9.87	8.32
Sharpe Ratio	1.42	1.14	1.00

MPT Statistics	Standard Index	Best Fit Index Barcap Credit
Alpha	2.27	4.07
Beta	1.52	0.93
R-Squared	62.00	89.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	8.00% Assets

Operations

Family:	PIMCO
Manager:	Kiesel, Mark
Tenure:	8.6 Years



Portfolio Analysis 03-31-2011

Composition %	Long %	Short %	Net %	Share Chg since 12-31-2010	Share Amount	0 Total Stocks	% Net Assets
Cash	129.3	154.0	-24.6			633 Total Fixed-Income	
U.S. Stocks	0.0	0.0	0.0	⊕	33 mil	325% Turnover Ratio	5.68
Non-U.S. Stocks	0.0	0.0	0.0	⊕	181 mil	Pimco Fds Private Account Por	3.25
Bonds	99.6	7.2	92.3	⊕	69 mil	US Treasury Bond 4.75%	1.33
Other	34.1	1.8	32.3	⊕	64 mil	Merrill Lynch Co Inc Mtn Be 6	1.10
Total	263.0	163.0	100.0	⊕	49 mil	America Movil Sa De C Em Sp O	1.04

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	—	—	—
	P/C Ratio TTM	—	—	—
	P/B Ratio TTM	—	—	—
	Geo Avg Mkt	—	—	—
	Cap \$mil	—	—	—

Fixed-Income Style

Ltd	Mod	Ext	Avg Eff Duration	5.80
			Avg Eff Maturity	—
			Avg Credit Quality	—
			Avg Wtd Coupon	5.67
			Avg Wtd Price	156.96

Credit Analysis NA

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

Regional Exposure

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

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	—	—
Basic Materials	—	—
Consumer Cyclical	—	—
Financial Services	—	—
Real Estate	—	—
Sensitive	—	—
Communication Services	—	—
Energy	—	—
Industrials	—	—
Technology	—	—
Defensive	—	—
Consumer Defensive	—	—
Healthcare	—	—
Utilities	—	—

PIMCO Total Return Instl

Overall Morningstar Rtg™
★★★★★ (1017)
Standard Index
Barcap Agg

Incept 05-11-87
Type MF
Total Assets \$242,787 mil
Morningstar Cat Intermediate-Term Bond (MF)
Category Index
Barcap 5-10Yr Gvt/Cred

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	1.49	4.73	6.04	0.99	13.83
2010	2.97	2.75	3.82	-0.92	8.83
2011	1.11	1.86	—	—	2.99

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	5.94	9.46	8.87	7.38	8.40
Std 06-30-2011	5.94	—	8.87	7.38	8.40
Total Return	5.94	9.46	8.87	7.38	8.40
+/- Std Index	2.04	3.00	2.35	1.64	—
+/- Cat Index	0.45	1.46	1.25	0.69	—
% Rank Cat	32	9	2	3	—
No. in Cat	1159	1017	871	567	—
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 800-927-4648 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	5 Yr	10 Yr
	1017 funds	871 funds	567 funds
MorningstarRating™	5★	5★	5★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	High	High	High

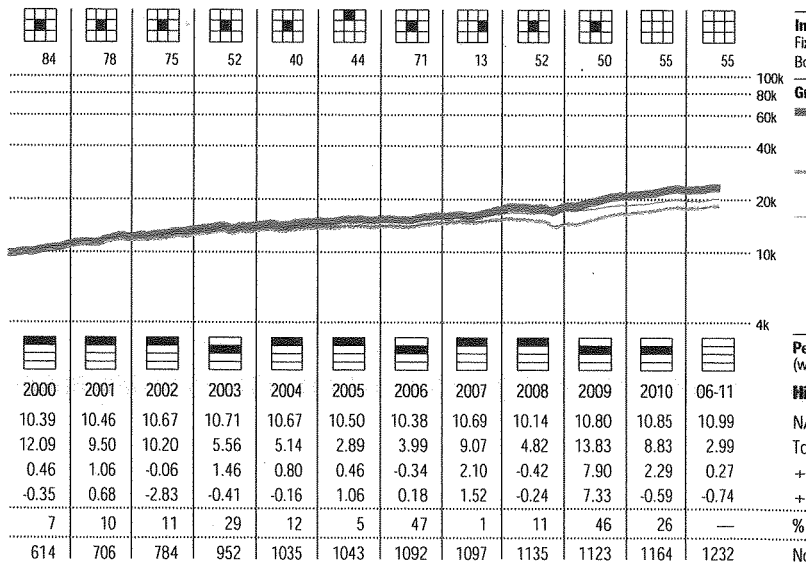
	3 Yr	5 Yr	10 Yr
Standard Deviation	4.43	4.20	4.21
Mean	9.46	8.87	7.38
Sharpe Ratio	1.98	1.59	1.22

MPT Statistics	Standard Index	Best Fit Index
		Barcap Credit
Alpha	3.50	4.96
Beta	0.89	0.49
R-Squared	69.00	81.00

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

Operations

Family:	PIMCO
Manager:	Gross, William
Tenure:	24.2 Years



Portfolio Analysis 12-31-2010

Composition %	Long %	Short%	Net %	Share Chg since 09-30-2010	Share Amount	0 Total Stocks	% Net Assets
Cash	80.3	120.8	-40.5			10290 Total Fixed-Income	
U.S. Stocks	0.0	0.0	0.0	✱	7 bil	430% Turnover Ratio	3.37
Non-U.S. Stocks	0.0	0.0	0.0	✱	6 bil	US Treasury (Fut)	2.57
Bonds	122.6	1.4	121.3	✱	5 bil	FNMA 4.5%	2.14
Other	21.4	2.2	19.2	✱	4 bil	FNMA 4% TBA	1.83
Total	224.4	124.4	100.0	✱	4 bil	FNMA 6%	1.80

Equity Style

Value Blend Growth

Large Mid Small

P/E Ratio TTM

P/C Ratio TTM

P/B Ratio TTM

Geo Avg Mkt

Cap \$mil

Fixed-Income Style

Ltd Mod Ext

High Med Low

Avg Eff Duration

Avg Eff Maturity

Avg Credit Quality

Avg Wtd Coupon

Avg Wtd Price

5.00

7.10

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4.86

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Sector Weightings

Cyclical

Basic Materials

Consumer Cyclical

Financial Services

Real Estate

Sensitive

Communication Services

Energy

Industrials

Technology

Defensive

Consumer Defensive

Healthcare

Utilities

Stocks %

Rel Std Index

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RidgeWorth High Income I

Overall Morningstar Rtg™

★★★★★ (507)

Incept

10-03-01 MF

Type

MF

Total Assets

\$498.2 mil

Morningstar Cat

High Yield Bond (MF)

Standard Index

Barcap Agg

Category Index

ML US High Yield Master

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	7.87	18.23	14.74	10.38	61.53
2010	5.96	-2.27	7.33	5.66	17.43
2011	4.52	1.37	—	—	5.95

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	20.15	13.55	10.33	—	9.62
Std 06-30-2011	20.15	—	10.33	—	9.62
Total Return	20.15	13.55	10.33	9.25	9.62
+/- Std Index	16.25	7.09	3.81	3.51	—
+/- Cat Index	4.75	1.16	1.13	0.49	—
% Rank Cat	4	3	1	6	—
No. in Cat	568	507	432	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.

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 %

0.60

12b1 Expense %

NA

Prospectus Gross Exp Ratio %

0.74

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	5★	5★	5★
Morningstar Risk	+ Avg	+ Avg	+ Avg
Morningstar Return	High	High	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	16.26	13.21	10.63
Mean	13.55	10.33	9.25
Sharpe Ratio	0.85	0.67	0.70

MPT Statistics	Standard Index	Best Fit Index
Alpha	9.36	1.93
Beta	0.74	1.01
R-Squared	4.00	94.00

12-Month Yield	6.87%
30-day SEC Yield	5.77
Potential Cap Gains Exp	5.00% Assets

Operations

Family:	RidgeWorth
Manager:	Nold/McEachern
Tenure:	7.1 Years

Objective:	Corp Bond-High Yield
Ticker:	STHTX
Minimum Initial Purchase:	\$0

Minimum IRA Purchase:	\$0
Min Auto Investment Plan:	\$0
Purchase Constraints:	T/A

Portfolio Analysis 05-31-2011

Composition %

	Long %	Short %	Net %
Cash	13.4	0.0	13.4
U.S. Stocks	2.9	0.0	3.0
Non-U.S. Stocks	0.0	0.0	0.0
Bonds	81.4	1.5	79.9
Other	4.1	0.4	3.8
Total	101.8	1.8	100.0

Equity Style

Value Blend Growth

Value Blend Growth	Large	Mid	Small

Portfolio Statistics

	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	6.8	—	0.41
P/C Ratio TTM	9.4	—	1.51
P/B Ratio TTM	2.2	—	1.16
Geo Avg Mkt	48586	—	4.81
Cap \$mil			

Fixed-Income Style

Ltd Mod Ext

Ltd Mod Ext	High	Mid	Low

Avg Eff Duration	4.10
Avg Eff Maturity	6.50
Avg Credit Quality	—
Avg Wtd Coupon	8.98
Avg Wtd Price	102.99

Credit Analysis 03-31-2011

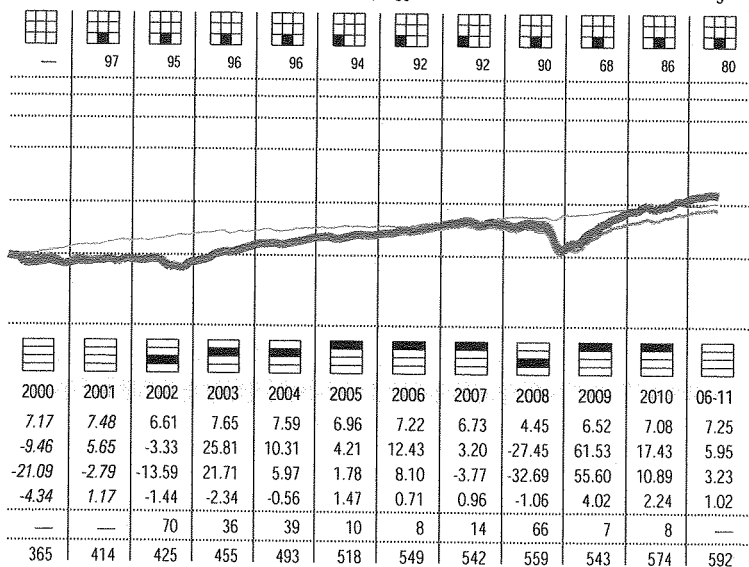
	Bond %
AAA	0.00
AA	0.00
A	0.00
BBB	1.22
BB	19.24
B	60.16
Below B	17.69
NR/NA	1.69

Regional Exposure

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

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	100.0	—
Basic Materials	0.0	—
Consumer Cyclical	100.0	—
Financial Services	0.0	—
Real Estate	0.0	—
Sensitive	0.0	—
Communication Services	0.0	—
Energy	0.0	—
Industrials	0.0	—
Technology	0.0	—
Defensive	0.0	—
Consumer Defensive	0.0	—
Healthcare	0.0	—
Utilities	0.0	—



Investment Style

Fixed Income

Bond %

Growth of \$10,000

RidgeWorth High Income I

\$22,623

Category Average

\$18,488

Standard Index

\$20,219

Performance Quartile (within category)

History

NAV

Total Return %

+/- Standard Index

+/- Category Index

% Rank Cat

No. of Funds in Cat

RidgeWorth Seix High Yield I

Overall Morningstar Rtg[®] ★★ (507)
 Standard Index
 Barcap Agg

Incept 12-29-00 Type MF
 Total Assets \$1,609 mil
 Morningstar Cat High Yield Bond (MF)
 Category Index
 ML US High Yield Master

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	6.22	11.39	9.66	4.59	35.70
2010	4.04	-0.46	7.26	3.46	14.93
2011	4.32	0.94	—	—	5.30

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	16.85	9.73	7.46	7.41	7.73
Std 06-30-2011	16.85	—	7.46	7.41	7.73
Total Return	16.85	9.73	7.46	7.41	7.73
+/- Std Index	12.95	3.27	0.94	1.67	—
+/- Cat Index	1.45	-2.66	-1.74	-1.35	—
% Rank Cat	13	49	49	53	—
No. in Cat	568	507	432	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.

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 %

0.43

12b1 Expense %

NA

Prospectus Gross Exp Ratio %

0.50

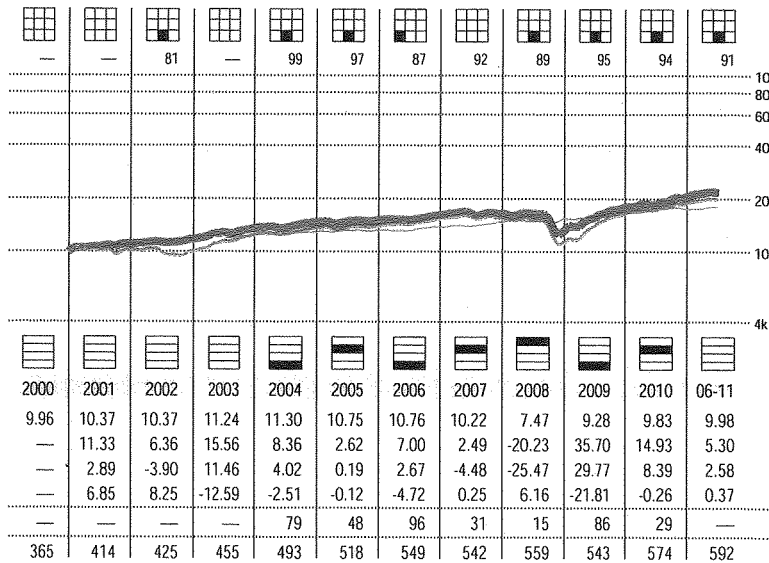
Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating TM	3★	3★	3★
Morningstar Risk	-Avg	-Avg	Low
Morningstar Return	Avg	Avg	Avg

	3 Yr	5 Yr	10 Yr
Standard Deviation	13.07	10.64	8.03
Mean	9.73	7.46	7.41
Sharpe Ratio	0.76	0.56	0.67

MPT Statistics	Standard Index	Best Fit Index
Alpha	3.90	0.27
Beta	0.99	0.82
R-Squared	10.00	95.00

12-Month Yield	7.59%
30-day SEC Yield	5.96
Potential Cap Gains Exp	4.00% Assets



Investment Style	Fixed Income
Bond %	—
Growth of \$10,000	—
RidgeWorth Seix High Yield I	\$21,858
Category Average	\$19,927
Standard Index	\$18,113
Performance Quartile (within category)	—
History	—
NAV	—
Total Return %	—
+/- Standard Index	—
+/- Category Index	—
% Rank Cat	—
No. of Funds in Cat	—

Portfolio Analysis 05-31-2011

Composition %	Long %	Short %	Net %	Share Chg since 04-30-2011	Share Amount	0 Total Stocks	% Net Assets
Cash	7.8	0.0	7.8	—	—	378 Total Fixed-Income	—
U.S. Stocks	0.0	0.0	0.0	—	106 mil	119% Turnover Ratio	5.43
Non-U.S. Stocks	0.0	0.0	0.0	—	38 mil	State Str Instl Invnt Tr Treas	1.97
Bonds	90.6	0.0	90.6	—	29 mil	Texas Competitive Elec Hldgs	1.49
Other	1.7	0.0	1.6	—	16 mil	Nrg Engy 144A 7.875%	1.01
Total	100.0	0.0	100.0	—	17 mil	Wind Acquisition Hldgs Fin S	0.97

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	—	—	—
	P/C Ratio TTM	—	—	—
	P/B Ratio TTM	—	—	—
	Geo Avg Mkt	—	—	—
	Cap \$mil	—	—	—

Fixed-Income Style

Ltd	Mod	Ext	Avg Eff Duration	4.50
			Avg Eff Maturity	8.60
			Avg Credit Quality	—
			Avg Wtd Coupon	8.42
			Avg Wtd Price	104.79

Credit Analysis 03-31-2011

	Bond %
AAA	0.00
AA	0.00
A	0.00
BBB	3.30
BB	33.80
B	60.20
Below B	2.70
NR/NA	0.00

Regional Exposure

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

Sector Weightings	Stocks %	Rel Std Index
Cyclical	—	—
Basic Materials	—	—
Consumer Cyclical	—	—
Financial Services	—	—
Real Estate	—	—
Sensitive	—	—
Communication Services	—	—
Energy	—	—
Industrials	—	—
Technology	—	—
Defensive	—	—
Consumer Defensive	—	—
Healthcare	—	—
Utilities	—	—

Operations

Family:	RidgeWorth
Manager:	Nold/Kirkpatrick/McEachern
Tenure:	5.0 Years

Objective:	Corp Bond-High Yield
Ticker:	SAMHX
Minimum Initial Purchase:	\$0

Minimum IRA Purchase:	\$0
Min Auto Investment Plan:	\$0
Purchase Constraints:	T/A/

Vanguard Institutional Index Instl

Overall Morningstar Rtg[™]
 ★★ (1675)
 Standard Index
 S&P 500

Incept 07-31-90
 Type MF
 Total Assets \$97,817 mil
 Morningstar Cat Large Blend (MF)
 Category Index
 Rus 1000

Performance 06-30-2011

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	-10.98	16.01	15.61	6.06	26.63
2010	5.39	-11.43	11.29	10.75	15.05
2011	5.91	0.10	—	—	6.01

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	30.67	3.40	2.97	2.74	8.75
Std 06-30-2011	30.67	—	2.97	2.74	8.75
Total Return	30.67	3.40	2.97	2.74	8.75

+/- Std Index	-0.02	0.06	0.03	0.02	—
+/- Cat Index	-1.27	-0.28	-0.33	-0.47	—
% Rank Cat	36	32	35	42	—

No. in Cat	1893	1675	1434	813	—
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.

Fees and Expenses

Sales Charges

Front-End Load %

NA

Deferred Load %

NA

Fund Expenses

Management Fees %

0.04

12b1 Expense %

NA

Prospectus Gross Exp Ratio %

0.04

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating [™]	4★	3★	3★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	Avg	Avg	Avg

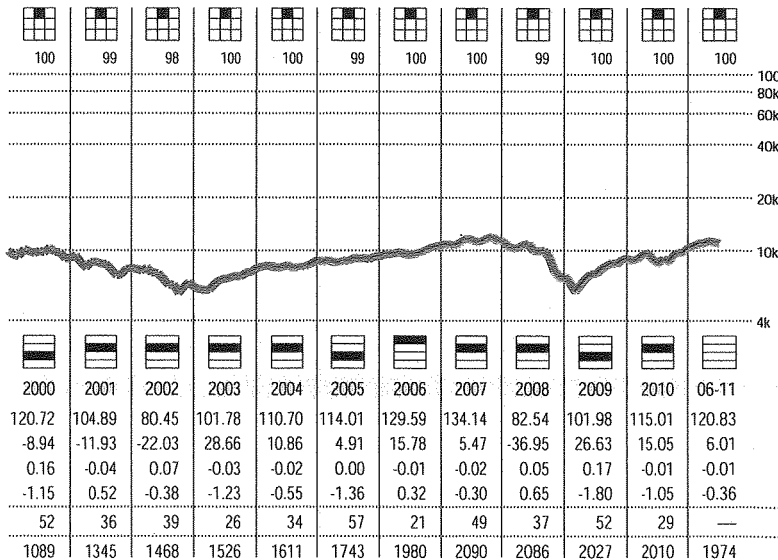
	3 Yr	5 Yr	10 Yr
Standard Deviation	21.20	17.87	15.81
Mean	3.40	2.97	2.74
Sharpe Ratio	0.25	0.15	0.12

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	1.85%
30-day SEC Yield	1.90
Potential Cap Gains Exp	13.00% Assets

Operations

Family:	Vanguard
Manager:	Butler, Donald
Tenure:	10.5 Years



Portfolio Analysis 03-31-2011

Composition %	Long %	Short %	Net %
Cash	0.2	0.0	0.2
U.S. Stocks	99.7	0.0	99.7
Non-U.S. Stocks	0.1	0.0	0.1
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	16.1	1.06	1.03
	P/C Ratio TTM	9.5	1.00	0.99
	P/B Ratio TTM	2.3	1.03	1.02
	Geo Avg Mkt	50103	1.02	1.34
	Cap \$mil			

Fixed-Income Style

Ltd	Mod	Ext	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	99.9	1.00
Greater Europe	0.1	1.00
Greater Asia	0.0	—

Share Chg since 12-31-2010	Share Amount	504 Total Stocks	0 Total Fixed-Income	4% Turnover Ratio	% Net Assets
+	39 mil	ExxonMobil Corporation			3.45
+	7 mil	Apple, Inc.			2.65
+	16 mil	Chevron Corporation			1.78
+	84 mil	General Electric Company			1.76
+	10 mil	International Business Machin			1.64
+	59 mil	Microsoft Corporation			1.55
+	32 mil	JP Morgan Chase & Co			1.52
+	47 mil	AT&T, Inc.			1.49
+	22 mil	Procter & Gamble Company			1.43
+	42 mil	Wells Fargo Company			1.38
+	63 mil	Pfizer Inc.			1.34
+	22 mil	Johnson & Johnson			1.34
+	18 mil	Coca-Cola Company			1.26
+	2 mil	Google, Inc.			1.21
+	80 mil	Bank of America Corp			1.11

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	28.3	1.01
Basic Materials	2.8	1.00
Consumer Cyclical	9.3	0.97
Financial Services	14.6	1.05
Real Estate	1.6	0.94
Sensitive	47.0	1.02
Communication Services	4.2	0.98
Energy	13.0	1.05
Industrials	13.0	1.01
Technology	16.7	1.02
Defensive	24.7	0.95
Consumer Defensive	10.7	0.96
Healthcare	10.9	0.95
Utilities	3.1	0.94



Appendix

Strictly Private and Confidential

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.

Specific Functions of the Corporate Trustee

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.

Asset Allocation

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

APPENDIX A

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

Spending Policy of McKnight Brain Research Foundation

Expenses as Permitted	1.0%
Allowance For Inflation**	3.1%
Distribution From Foundation	<u>5.0%</u>
Target Total Return	9.1%

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

APPENDIX B

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

McKnight Brain Research Foundation
Portfolio Guidelines

would this need to be fixed

<u>Asset Class</u>	<u>2010 Efficient Frontier</u>	<u>Range</u>	<u>Benchmark</u>	<u>Peer Group*</u>
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	<u>35%</u>
	100%

Spending Policy Benchmark

Distribution	5.0%
Expenses	1.0%
Inflation**	<u>3.1%</u>
	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.

* 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.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

National Institutes of Health
Bethesda, Maryland 20892

DATE: January 24, 2011
SUBJECT: Biomedical Research and Development Price Index (BRDPI): Fiscal Year 2010
Update and Projections for FY 2011-FY 2016

Summary

- The Bureau of Economic Analysis (BEA) in the U.S. Department of Commerce estimates a 2.8 percent increase in the BRDPI for Fiscal Year (FY) 2010. The BEA staff also revised last year's preliminary estimate for FY 2009 downward from 3.4 percent to 2.9 percent.
- The following pattern of growth in the BRDPI is projected: 2.9 percent for FY 2011; 3.0 percent for FY 2012; 3.1 percent for FY 2013 and FY 2014; 3.2 percent for FY 2015; and 3.3 percent for FY 2016. These projections presume that the growth in the BRDPI will be two tenths of one percentage point lower than the historical pattern between growth of the BRDPI and growth of the GDP Price Index for FY 2011-FY 2014 and then gradually revert to the historical pattern from FY 2014 through FY 2016.

Definition of the BRDPI

The BRDPI measures changes in the weighted-average of the prices of all the inputs (e.g., personnel services, various supplies, and equipment) purchased with the NIH budget to support research. The weights used to construct the index reflect the actual pattern (or the proportion) of total NIH expenditures on each of the types of inputs purchased. Theoretically, the annual change in the BRDPI indicates how much NIH expenditures would need to increase, without regard to efficiency gains or changes in government priorities, to compensate for the average increase in prices due to inflation and to maintain NIH-funded research activity at the previous year's level.

Background on the BRDPI Estimation Process

The BEA developed the BRDPI in the early 1980s. Under an interagency agreement with the NIH, each December, the BEA provides an estimate of the BRDPI for the most recently completed fiscal year (in December 2010 it was for FY 2010). This estimate is referred to as "preliminary" because the initial data on prices available to the BEA in December are often revised during the following year. Consequently, each December the BEA also provides a revised estimate for the prior fiscal year (e.g., the estimate for FY 2008 was revised in December 2010).

The Office of the Director, NIH projects future year values based on a methodology described below. An updated table of BRDPI annual estimates and future-year projections is posted on the NIH website each year shortly after the release of the President's Budget (PB), typically in early February. See <http://officeofbudget.od.nih.gov/gbiPriceIndexes.html>, or use the search engine at <http://www.nih.gov/> to find "BRDPI."

The FY 2010 Update

As noted above, this year, the BEA estimated a 2.8 percent increase in the BRDPI for FY 2010, which is the lowest annual increase in the BRDPI since the 2.5 percent increase for FY 1997. This estimate is also lower than the 3.1 percent increase originally projected for FY 2010 in January 2010. Some of the difference between the projected and realized increase in the BRDPI for FY 2010 is attributable to a slowdown in the pattern of general inflation. The Gross Domestic Product (GDP) price index is one of the broadest measures of inflation and it drives the BRDPI projection. In December 2009, the OMB projected an increase of 0.9 percent for the GDP price index for FY 2010. The more recently published historical data now indicates the GDP price index grew by only 0.8 percent during FY 2010.

However, BRDPI growth slowed by more than the deceleration in the general rate of inflation. The major cause appears to be slower growth in compensation both for Federal employees and for non-Federal personnel paid from extramural awards.

During FY 2010, the rate of growth of salaries for Federal workers was 3.0 percent compared to the 4.7 percent growth during FY 2009. For academic salaries, the rate of growth slipped to 2.4 percent from 3.4 percent, and non-academic salary growth fell to 2.6 percent from 3.1 percent. The growth in fringe benefits for Federal workers was also lower in FY 2010 (4.7 versus 8.0 percent), though growth in fringe benefits for personnel paid from extramural awards was the same in both years (4.0 percent).

Growth in prices was lower during FY 2010 for many of the non-personnel expenditure categories as well. Notable exceptions were the prices for transportation, automated data processing and other IT equipment, laboratory supplies, equipment rental and utilities where the growth during FY 2009 was exceptionally low, and even negative for some categories.

Revision of FY 2009 BRDPI Growth

The estimate of BRDPI growth for FY 2009 was revised downward from 3.4 percent to 2.9 percent. As a reminder, the estimate for the most recent fiscal year (FY 2009 in December 2009; FY 2010 in December 2010) is referred to as "preliminary" because the initial data on prices available to the BEA each December are often revised during the following months. Consequently, each December the BEA also provides a revised estimate for the prior fiscal year (e.g., the estimate for FY 2009 was revised in December 2010).

The revision of 0.5 percentage points for the FY 2009 growth of the BRDPI is larger than usual. It appears to be due to a confluence of three causes. First, by historical standards for many goods and services the price movements observed during FY 2009 were unusually low and even negative, as the economy dipped into a recession at the end of calendar year 2008 (including the first quarter of FY 2009). Also, price changes seemed to be exceptionally uneven across markets and over time in the same markets. For the fourth quarter of FY 2009, values for some of the price indexes used in the BRDPI and published by BEA and the Bureau of Labor Statistics (BLS) were substantially revised in later months when more comprehensive data were available, but after the BRDPI had been estimated and distributed.

Second, BEA must project values for the growth of extramural salaries (academic and non-academic) for the fourth quarter of the most recently completed fiscal year. Academic salaries are collected on an academic year basis ending on the last day of June. Consequently, the most recently available survey data for academic salaries does not include information for July, August, and September, the last quarter of the fiscal year. BEA projected growth for those months on the basis of the average growth in academic salaries over the previous several years. The actual growth in salaries for the academic year 2009-2010 (running from July 1, 2009 to June 30, 2010) was much lower than the historical average growth rate, contributing to the downward revision. (BEA has adjusted the forecasting methodology. The projection for salary growth for the last quarter of the FY 2010 presumes that the annual growth rate for the previous academic year will continue for the first quarter of the next academic year—corresponding to the last quarter of FY 2010.)

Third and finally, there were minor adjustments to the expenditure weights used to estimate the preliminary value for FY 2009 and incorporated to the estimate of the revised value in December 2010. Together these changes resulted in the downward revision of the FY 2009 estimate from 3.4 percent to 2.9 percent.

Projections for FY 2011-2016

Projections of future annual changes in the BRDPI reflect two considerations. The first is the expected general rate of inflation of prices for the U.S. economy. The second is the expected relationship between the general rate of inflation and changes in the BRDPI. NIH defers judgments on the general rate of inflation to the Office of Management and Budget (OMB). We use the most recently issued OMB projections of the annual rate of growth of the GDP Price Index. While the GDP Price Index increased by only 0.8 percent for FY 2010, OMB projects a slight increase in the rate of inflation over the coming years: 1.3 percent for FY 2011; 1.4 percent for FY 2012; 1.6 percent for FY 2013; and a leveling off at 1.7 percent per year for FY 2014 through FY 2016.

The historical relationship between the BRDPI and the GDP Price Index is summarized by a statistically estimated linear equation (by ordinary least squares regression) that relates the annual percent change in the BRDPI to the annual percent change in the GDP Price Index. Using the data for the most recent ten years (FY 2001 through FY 2010) the estimated equation is:

$$\begin{aligned} & \text{(Projected annual percent change in the BRDPI)} \\ & = 2.38 + 0.56 \times \text{(annual percent change in GDP Price Index)}. \end{aligned}$$

If we assume that the historical relationship will persist in the future, we simply plug the OMB projected values of the GDP Price Index into the equation and use the predicted growth of the BRDPI as the corresponding out-year projections of the BRDPI.

However, this year there is reason to believe the historical relationship between the BRDPI and the GDP Price Index might not hold over the next few years. Salaries for Federal civilian employees have been frozen for calendar year 2011 and no increase is proposed for calendar year 2012 by the Administration in the forthcoming FY 2012 PB. We used the BEA estimation model to simulate the effect of slower growth in civilian Federal salaries on the estimated rate of

growth of the BRDPI using the FY 2010 estimate as a reference point. We found the Federal salary freeze alone could reduce the rate of growth of the BRDPI by as much as one tenth of a percentage point. Downward pressure on extramural salary growth could account for another tenth of a percentage point decrease in growth (due to slower growth in R&D funding, resistance to tuition increases, and lower endowments and charitable giving to universities).

Consequently, we project the following profile for BRDPI growth: 2.9 percent for FY 2011; 3.0 percent for FY 2012; 3.1 percent for FY 2013 and FY 2014; 3.2 percent for FY 2015; and 3.3 percent for FY 2016. This presumes that the growth in the BRDPI will be two tenths of one percentage point lower than the historical pattern for FY 2011-FY 2014 and then gradually revert to the historical pattern from FY 2014 through FY 2016.

Forecasting the future path of price changes is an inherently imprecise exercise. We cannot expect estimated projections of growth in the GDP Price Index to be realized exactly each year. Likewise, because the complex relationship between the general rate of inflation and the BRDPI increase is approximated with a simple linear equation, year-to-year deviations are inevitable. However, we strive for an unbiased process—i.e., the projections miss high as frequently as they miss low.

Summary Tables

Table A depicts values of the annual percent change in the GDP Price Index and the BRDPI for FY 1980 through FY 2010. Table B includes projected values of the BRDPI and the GDP Price Index for FY 2011 through FY 2016.

For the convenience of the reader, Table C illustrates how to translate annual changes into annual levels of the BRDPI. After designating a reference year, for which the value of the BRDPI is specified as 100, projections of the annual levels of the BRDPI can be constructed using the following recursive relationship:

$$\text{BRDPI (for year } t) = \text{BRDPI (for year } t-1) \times [1 + \{\text{Annual Percent Change (for year } t)\}]$$

In Table C, the calculations are presented for FY 1989 through FY 1992 using FY 1989 as the reference year (1989 = 100). To calculate the value for FY 1991, for example, the formula would be: $110.5 = 105.4 \times 1.048$. In other words, to derive the BRDPI value for FY 1991 (110.5), start with the FY 1990 BRDPI value (105.4) and multiply by one plus the annual change for FY 1991 ($1 + [4.8/100] = 1.048$).

Attachments

ATTACHMENTS

1. **Supplementary Tables**
2. **References to BEA Price Index Methodology**
3. **Modification of the Methodology Used to Estimate the BRDPI**

TABLE A

HISTORICAL ANNUAL PERCENT CHANGES

Fiscal Year	GDP Price Index	BRDPI
Col.(1)	Col. (2)	Col. (3)
1980	8.8%	9.8%
1981	9.9%	10.4%
1982	6.8%	8.6%
1983	4.4%	6.2%
1984	3.7%	5.9%
1985	3.2%	5.6%
1986	2.3%	4.2%
1987	2.7%	5.3%
1988	3.2%	5.0%
1989	3.9%	5.2%
1990	3.7%	5.4%
1991	3.8%	4.8%
1992	2.6%	4.4%
1993	2.2%	3.4%
1994	2.1%	3.9%
1995	2.1%	3.5%
1996	1.9%	2.6%
1997	1.8%	2.8%
1998	1.3%	3.4%
1999	1.3%	3.2%
2000	2.0%	3.7%
2001	2.4%	3.3%
2002	1.6%	3.3%
2003	2.1%	3.5%
2004	2.6%	3.7%
2005	3.3%	3.9%
2006	3.4%	4.6%
2007	2.9%	3.8%
2008	2.3%	4.7%
2009	1.3%	2.9%
2010	0.8%	2.8%

TABLE B

PROJECTED ANNUAL PERCENT CHANGES

Fiscal Year	GDP Price Index	BRDPI
Col.(1)	Col.(2)	Col.(3)
2011	1.3%	2.9%
2012	1.4%	3.0%
2013	1.6%	3.1%
2014	1.7%	3.1%
2015	1.7%	3.2%
2016	1.7%	3.3%

TABLE C

Conversion of Annual Changes into Annual Levels

Fiscal Year	Annual Percent Change	[1+(Percent Change/100)]	Previous Year Value	Annual Level BRDPI
Col.(1)	Col.(2)	Col.(3)	Col.(4)	Col.(5)
1989				100.0
1990	5.4%	1.054	* 100.0 =	105.4
1991	4.8%	1.048	* 105.4 =	110.5
1992	4.4%	1.044	* 110.5 =	115.4

References to BEA Price Index Methodology

Robert P. Parker and Eugene P. Seskin, "Annual Revision of the National Income and Product Accounts: Annual Estimates 1993-96, Quarterly Estimates 1993:1-1997:1," Survey of Current Business, 77, No. 8 (August 1997), pp 6-35.

J. Steven Landefeld and Robert P. Parker, "Preview of the Comprehensive Revision of the National Income and Product Accounts: BEA's New Featured Measures of Output and Prices," Survey of Current Business, 75, No. 7 (July 1995), pp 31-38.

Allan H. Young, "Alternative Measures of Change in Real Output and Prices, Quarterly Estimates for 1959-1992," Survey of Current Business, 73, No.11 (March 1993), pp 31-41.

Allan H. Young, "Alternative Measures of Change in Real Output and Prices," Survey of Current Business, 72, No. 4 (April 1992), pp 32-48.

Jack E. Triplett, "Economic Theory and BEA's Alternative Quantity and Price Indexes," Survey of Current Business, 73, No. 4 (April 1992), pp 49-52.

Modification of the Methodology Used to Estimate the BRDPI

As stated in the memo above, the weights used to construct the BRDPI reflect the actual pattern (or the proportion) of total NIH expenditures spent on each of the types of inputs purchased with the NIH budget (e.g., personnel services, various supplies, and equipment). In fact, the use of weights specific to the NIH budget is what distinguishes the BRDPI from other price indexes designed to reflect different patterns of expenditures.

Until FY 2006, the BEA estimated the BRDPI using a fixed weight (or Laspeyres) index. This type of index compares prices over several years using a fixed set of weights based on the composition of expenditures in a single, specified base year (say 1993 or 2003).

Beginning with the revised estimate for FY 2005 (published in December 2006) the BEA now estimates the BRDPI using a Fisher chain-weighted index methodology. The chain-weighted methodology improves the accuracy of the BRDPI and is consistent with the methodology BEA adopted in 1996 to estimate the Gross Domestic Product and its component series. For the interested reader, five articles in BEA's publication, *Survey of Current Business*, discuss the reasons BEA now uses the chain-weighted methodology. (See the references to BEA Price Index Methodology in the attachment below.)

In less technical terms, the move to chain weighting means primarily that the expenditure weights used to estimate the BRDPI will be updated each year. Also, when estimating the growth of the BRDPI between two consecutive years (say 2005 and 2006) the Fisher Price Index reflects the average experience of two slightly different indexes: the first index uses first year weights (e.g., 2005) to estimate average growth in prices; the second index uses second year weights (e.g., 2006) to develop the estimate. To estimate growth over several years, the consecutive year indexes are multiplied, or chained. (As an analogy, think of calculating compound growth on your retirement portfolio over ten years as the mix of stocks and bonds changes from year to year.)

By contrast, to the chain weighting methodology, the previously used fixed-weight (or Laspeyres) index approach can result in a "substitution bias" that tends to overstate price increases for periods after the base year and understate price increases for periods before the base year. This bias occurs because use of the fixed-weight index implicitly assumes the composition of the items being priced does not change over time. In fact, the mix of items purchased and included in a price index tends to shift over the years. The shift in purchases may be a response to changes in relative prices and to advances in technology which provide new opportunities and new tools for investigation (e.g., more computers and automated test equipment and fewer laboratory assistants).

During periods close to the base year, differences in the composition are usually fairly small, and a fixed-weight index provides a good approximation. Farther away from the base period, however, larger differences in expenditure composition are likely. Consequently, weighting formulas that allow for changes in composition over time provide a better measure of both year-to-year price changes and long-term trends.

In response to BEA recommendations, in past years the expenditure weights used to estimate the BRDPI were updated, or rebased, occasionally to overcome the problem of substitution bias. In the BRDPI Table of Annual Values listed on the NIH website and in the attached Table A, the values of the BRDPI for FY 1999-2004 are constructed using the FY 2003 expenditure weights; the FY 1991-1998 values are based on FY 1993 weights; the FY 1986-1990 values are based on FY 1988 weights; and the FY 1979-1985 values are based on FY 1984 weights. The pre-1979 values of the BRDPI were estimated using a preliminary methodology with a less-detailed set of expenditure weights. As a result of the less precise methodology, the pre-1979 values are not likely to be as accurate as the later year values.

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- **BarCap US Corporate High Yield:** The U.S. Corporate High-Yield Index covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. The index excludes Emerging Markets debt.
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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 500 widely-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.

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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.



Akerman

McKNIGHT BRAIN RESEARCH
FOUNDATION
SUPPORTING ORGANIZATION STATUS
Hank Raattama

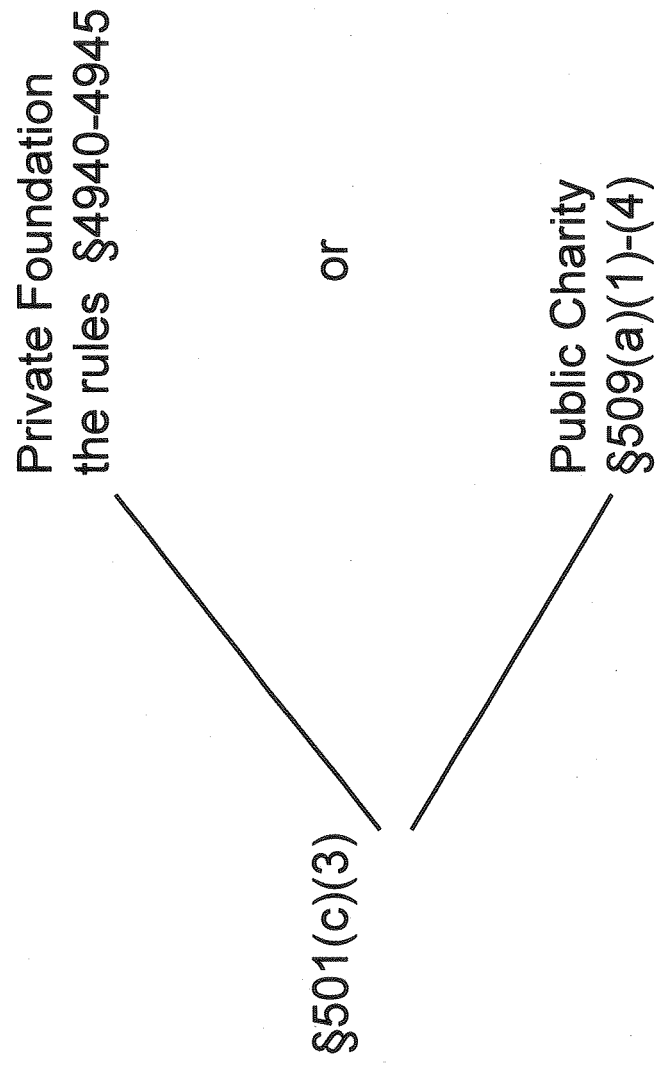
July 20, 2011

Why did Congress differentiate between private foundations and public charities?

- 1969 Tax Reform Act Study – 10 years of study and analysis
- Some charities appeared to be closely held or family pocket books – these charities would carry on activities that were not consistent with tax exempt status, like risky investments, fail to conduct charity activities, etc.
- Congress concluded these family pocket books needed rules to mandate appropriate conduct, but that the "public" would watch over public charities and demand appropriate conduct
- Congress needed to define the charities that would be subject to the new rules – those charities are called private foundations

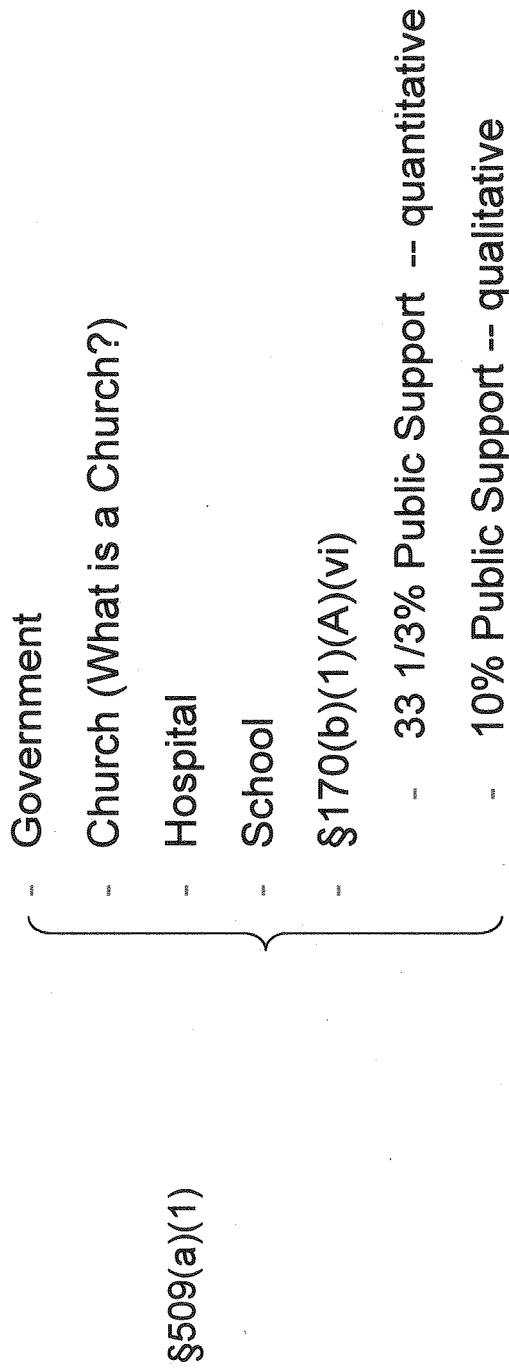
What is a Private Foundation?

- A Private Foundation is a §501(c)(3) organization that is not described in §509(a)(1)-(4)



What is a Public Charity?

- A Public Charity is a §501(c)(3) organization that is:



- §509(a)(2)
- An organization that receives more than 1/3 of its support from the "public" and less than 1/3 from investments;
- §509(a)(3)
- A supporting organization - an organization that supports §509(a)(1) or §509(a)(2) organization(s); and
- §509(a)(4)
- A public safety testing organization.

Every other § 501(c)(3) organization is a *private foundation*

Pension Protection Act of 2006

August 17, 2006	President signs Pension Protection Act of 2006 (reforms, among other things, supporting organizations)
August 28, 2006	GAO report recommends IRS gather information - No suggestion that need statutory reforms for Type III supporting organizations.
August 17, 2007	IRS ignores the law -- Treasury Report to Congress on new Type III rules required by 8/17/2007 – not out as of 7/20/2011
August 2, 2007	Version #1 Proposed Type III Regulations published
September 29, 2009	Version #2 Proposed Type III Regulations published
No Final Rules Yet – but it has been only 5 years	

Definition of a Supporting Organization?

A supporting organization is a §501(c)(3) organization that is:

- Organized to support a specified charity*
- Operated to support a specified charity*, and
- Maintains one of the following relationships with the specified charity*:

Type I – **controlled by** the specified charity*

Type II – **controlled with** the specified charity* or

Type III – **operated in connection with** the specified charity* which means it either carries out the function of the specified charity* or provides significant support to the specified charity*.

*The meaning of "specified charity" is complex and a moving target – the IRS goal is for there to be an identifiable supported public charity that oversees the supporting organization.

Application – MBRF must be:

1. **Organized** to support Specified Organization
 - The Bylaws or Articles must limit the purpose of MBRF to exclusively supporting Specified Organization
 - The Bylaws or Articles do not empower MBRF to engage in activities other than supporting Specified Organization
 - The Bylaws or Articles must name Specified Organization as the supported organization
 - The Bylaws or Articles may not allow MBRF to support other than Specified Organization
2. **Operated** to support Specified Organization
 - MBRF must operate exclusively to support Specified Organization
 - it can not make grant to other exemption organizations

Application to MBRF

3. Relationship Test – MBRF must be either a Type I, II or III supporting organization
 - Type I – Specified Organization elects a majority of the MBRF Board of Directors (parent/subsidiary model) *Colleges*
 - Type II – the same persons are Directors of Specified Organization and MBRF (brother/sister model)

Application to MBRF

- Type III – the following three tests must be met to demonstrate a close relationship in which Specified Organization will oversee the operations of the MBRF:

1. Notice Requirement – MBRF must notify Specified Organization in writing each year:

- (i) the amount of the prior year support,
- (ii) a copy of the MBRF 990, and
- (iii) provide a copy of MBRF's governing documents

2. Responsiveness Test –

- (i) Specified Organization must elect at least one MBRF Director, or ^{must}
- (ii) Specified Organization Director must serve as Director of MBRF, or

(iii) the Directors/Officers of MBRF maintain a close continuous working relation with Directors/Officers of Specified Organization.

By reason of (i)(ii)(or (iii) the officers/directors of Specified Organization have a **significant voice** in the MBRF investment policies, grant making and otherwise directing the use of MBRF assets.

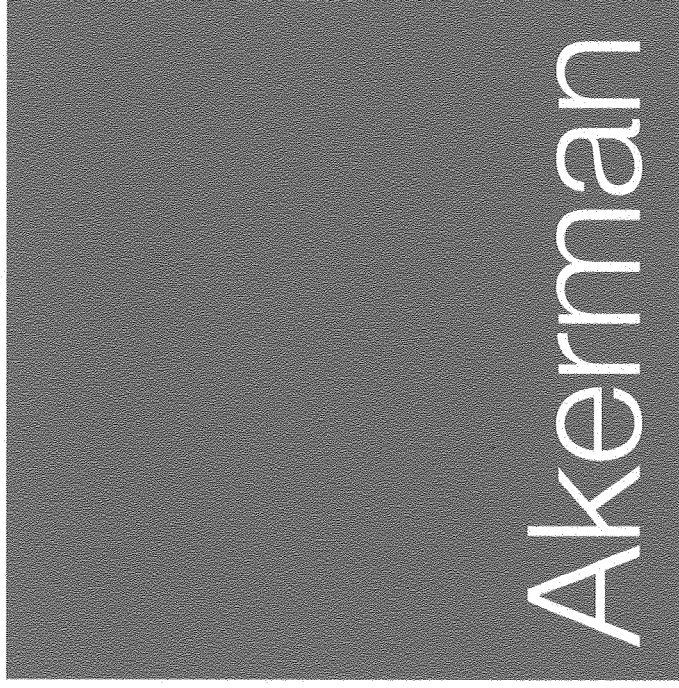
Application to MBRF

3. Integral Part Test – MBRF must demonstrate it maintains a significant involvement in Specified Organization activities and Specified Organization is dependent upon MBRF for support by demonstrating either:
 - (i) MBRF is functionally integrated – that is, MBRF performs functions of Specified Organization that but for MBRF, Specified Organization would normally perform, or
 - (ii) if MBRF is not functionally integrated – MBRF must distribute 5% of its assets to Specified Organization each year and to insure Specified Organization is attentive to MBRF, MBRF must either provide 10% of Specified Organization's total support, provide support that but for such support there would be interruption in Specified Organization operations or based on facts and circumstances demonstrate MBRF support is sufficient (whatever that means).

Application to MBRF

Discussion

Recommendation



Akerman Senterfitt • Akerman Senterfitt LLP • Attorneys at Law

BOCA RATON DALLAS DENVER FORT LAUDERDALE JACKSONVILLE LAS VEGAS LOS ANGELES MADISON MIAMI
NEW YORK ORLANDO PALM BEACH TALLAHASSEE TAMPA TYSONS CORNER WASHINGTON, D.C. WEST PALM BEACH

akerman.com

McKnight Brain Research Foundation

Projected Minimum Investment Return Calculations

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

Average Fair Market Value	\$42,543,532.82
Less:	
Cash held for charitable purposes (1 1/2 %)	<u>(\$638,152.99)</u>
Net value of non-charitable use assets	\$41,905,379.83
Minimum Investment Return (5%)	\$2,095,268.99

Net Minimum Investment Return Calculation:

Minimum investment return	\$2,095,268.99
Less:	
sub total	
Qualifying Distributions	<u>(\$4,011,660.87)</u>
	<u>(\$1,916,391.88)</u>
Excess distribution carryover (actual for '07, '08, '09, '10)	\$3,079,144.00
	\$3,079,144.00
	<u>\$1,916,391.88</u>
	<u>\$4,995,535.88</u>

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

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	40,981,161.
b	Average of monthly cash balances	1b	313,117.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	41,294,278.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	41,294,278.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	619,414.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	40,674,864.
6	Minimum investment return. Enter 5% of line 5	6	2,033,743.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	2,033,743.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	8,958.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	72,235.
c	Add lines 2a and 2b	2c	81,193.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,952,550.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,952,550.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,952,550.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	3,789,616.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	3,789,616.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	8,958.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	3,780,658.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				1,952,550.
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				448,561.
d From 2007				292,939.
e From 2008				500,578.
f Total of lines 3a through e	1,242,078.			
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ 3,789,616.				
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				1,952,550.
e Remaining amount distributed out of corpus	1,837,066.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:	3,079,144.			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	3,079,144.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				448,561.
c Excess from 2007				292,939.
d Excess from 2008				500,578.
e Excess from 2009				1,837,066.

Grant Commitments Schedule

7/20/2011 Meeting

Organization Request ID/Ref. Num.	Grant Total	Paid Prior Years	Paid YTD	Scheduled Payments			Remaining Balance
				2011	2012	2013	
<u>2009</u>							
Foundation for the National Institutes of Health	\$5,000,000.00	\$3,000,000.00	\$1,000,000.00 (Paid 7/1/2011)	\$0.00	\$1,000,000.00	\$1,000,000.00	\$2,000,000.00
University of Alabama School of Medicine	\$6,000,000.00	\$3,000,000.00	\$0.00	\$1,000,000.00 (Scheduled 10/1/2011)	\$1,000,000.00	\$1,000,000.00	\$3,000,000.00
Total 2009 (2 items)	<u>\$11,000,000.00</u>	<u>\$6,000,000.00</u>	<u>\$1,000,000.00</u>	<u>\$1,000,000.00</u>	<u>\$2,000,000.00</u>	<u>\$2,000,000.00</u>	<u>\$5,000,000.00</u>
Grand Total (2 items)	<u>\$11,000,000.00</u>	<u>\$6,000,000.00</u>	<u>\$1,000,000.00</u>	<u>\$1,000,000.00</u>	<u>\$2,000,000.00</u>	<u>\$2,000,000.00</u>	<u>\$5,000,000.00</u>

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

<u>Market Value</u> <u>Dec 1999 - \$69,126,583</u>	<u>Tax Year</u>	<u>Distributable Amount</u>	<u>Qualifying Distributions</u>	<u>Excess Distributions</u> <u>Carryover</u>	<u>Undistributed Income</u>
\$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	\$1,952,550	\$3,789,616	\$1,837,066	\$0.00
\$42,543,533	7/1/10-6/30/11	\$2,095,269 (estimate)	\$4,011,660 (estimate)	\$1,916,391 (estimate)	\$0.00
			\$38,827,506	\$4,995,535	(estimated total excess carryover)

McKnight Brain Research Foundation

Historical Gifts

Fiscal years 2000 - 2011

Commitments	University of Alabama	University of Arizona	University of Florida	University of Miami	FNIH
7/1/99 - 6/30/00	\$5,000,000 (5/15/2004) \$1,000,000 (10/19/2005) \$6,000,000 (8/3/2009)	\$5,000,000 (10/17/2006) \$300,000 (7/10/2008)	\$15,000,000	\$5,000,000	\$5,000,000
7/1/00 - 6/30/01					
7/1/01 - 6/30/02					
7/1/02 - 6/30/03					
7/1/03 - 6/30/04				\$1,500,000	
7/1/04 - 6/30/05	\$2,000,000			\$875,000	
7/1/05 - 6/30/06	\$1,000,000			\$875,000	
7/1/06 - 6/30/07	\$1,000,000	\$1,000,000		\$875,000	
7/1/07 - 6/30/08	\$1,000,000	\$1,000,000		\$875,000	
7/1/08 - 6/30/09	\$1,000,000	\$1,300,000			
7/1/09 - 6/30/10	1,500,000	\$1,000,000			\$1,000,000
7/1/10 - 6/30/11	\$1,500,000	\$1,000,000			\$1,000,000
7/1/11 - 6/30/12					\$1,000,000
	\$9,000,000	\$5,300,000	\$15,000,000	\$5,000,000	\$3,000,000

2,000,000

Total Gift Payments*

\$37,300,000

Remaining Balance of Commitments*

\$5,000,000

* through July 18, 2011

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

2011

October 2011	November 2011
MBRF Trustees Meeting October 25 - 26, 2011 University of Florida Topics:	Society for Neuroscience Poster Session/Reception November 12 - 16, 2011 Washington, DC

2012

May 2012
MBRF Board of Trustees Meeting Inter-Institutional Meeting <i>University of Arizona</i> Arrive noon April 11, 2012 Depart noon April 13, 2012



*The McKnight Brain Research Foundation
Strategic Review & Planning Session*

Robert M. Moser, President
Laird Norton Tyee

August 11, 2010
Orlando, Florida



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McKnight Brain Research Foundation

Review and Refinement of last Strategic Planning Session:

- Vision of the Foundation
- Values of the Foundation
- Mission Statement

• Strategic Review & Planning

- Review of Goals – Assessment of Accomplishment
- Revision of Action Plans
- Monitor and Update Process



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Vision of the Foundation



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McKnight Brain Research Foundation

Vision

A clearly articulated vision can:

- Provide important information about where you are heading, and why
- Provide inspiration to those you are leading
- Be a touchstone when decisions need to be made
- Be a friendly reminder of why you keep on going when you'd rather quit
- Help your focus when you're confused with details and frustrated with setbacks
- Keep you, and the people with whom you share your vision, on track.

The scope of your vision needs to be boldly broad enough to allow for a wide range of possibilities. But it also needs to be grounded enough so as to be do-able. A powerful vision allows for a combination of head and heart by generating an image so compelling it captures not only the foundation's logic and objectivity, but also its imagination, ambition, enthusiasm, and creativity.



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McKnight Brain Research Foundation

Vision

- What do you want as the fundamental purpose of your foundation's existence?
- What unique contribution do you want your foundation to offer to the community you serve?
- What do you want historians to say is your foundation's enduring legacy twenty-five years from now?
- In what ways do you want your foundation's resources perceived as providing value to your community?
- What does your organization do that enhances the quality of life for the next generation?



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McKnight Brain Research Foundation

McKnight Brain Research Foundation Vision Statement:

To:

*“Improve the quality of life through the understanding and
alleviation of age related memory loss.”*

As of October 18, 2006



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McKnight Brain Research Foundation

Value Statement of the Foundation



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McKnight Brain Research Foundation

Values:

A values statement reflects the core principles that ground an organization. According to foundation consultant Anne Morgan, a values statement “informs your work—how you interact with others.” A vision and mission, on the other hand, define the purpose of your philanthropy—what you hope to accomplish in the future, and what you plan to accomplish in the present, respectively. An organization’s values remain unchanging, while the vision and mission can, and in fact should, be revised periodically.

Because a values statement frames the vision, mission and funding guidelines, foundations should define their values *first*. To start, ask yourselves the following questions:

- Why does our foundation exist?
- What moves us the most?
- How would we like to be remembered?
- What ground rules should we instill to guide our behavior?



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McKnight Brain Research Foundation

Values:

- Values are the priorities and preferences of individuals and groups, which reflect what is important to them.
- Organizations do not put their values into practice, people do.
- People will only put the organizations values into practice when their personal values are in alignment with the values of the organization.
- Decisions are based more on values than rational analysis.
- Values drive performance.
- The values at work within an organization influence behavior.
- Values are the DNA of all organizational culture. They determine what happens and why.



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McKnight Brain Research Foundation

Statement of Values

According to Independent Sector, every code of ethics is built on a foundation of widely shared values. The values of the independent sector include:

- Commitment to the public good;
- Accountability to the public;
- Commitment beyond the law;
- Respect for the worth and dignity of individuals;
- Inclusiveness and social justice;
- Respect for pluralism and diversity
- Transparency, integrity and honesty;
- Responsible stewardship of resources; and,
- Commitment to excellence and to maintaining the public trust.



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McKnight Brain Research Foundation

McKnight Brain Research Foundation Value Statement:

- *Honesty/Integrity*
 - *The McKnight Brain Research Foundation (MBRF) conducts its affairs with the highest degree of honesty, integrity, and accountability and expects the same of others*
- *Commitment*
 - *The MBRF is committed to its vision to understand and alleviate age-related memory loss, and expects the same of its grant recipients and research partners*
- *Discovery*
 - *The MBRF values scientific curiosity and discovery leading to clinical intervention in age related memory loss*

As of October 18, 2006



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McKnight Brain Research Foundation

Mission Statement of the Foundation



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Mission Statement

If a vision statement looks to the future, a mission statement points to the present. The mission statement describes what a foundation plans to do today to make the world a better place for tomorrow.

A mission statement serves two purposes:

- To guide the foundation in its focus. The statement should help clarify goals and set forth grantmaking proprieties.
- To inform grant seekers, other foundations and the public about what the foundation will fund.

With a clear mission statement, you help steer potential grant seekers into applying, or not applying, for funding from your foundation.

Mission statements are not set in stone, and can be refined or changed over time. In fact, boards should review their foundation's mission statement periodically to ensure it continues to meet the needs of their funding community.



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McKnight Brain Research Foundation

McKnight Brain Research Foundation Mission Statement

- **Lead** in generating interest and support of scientific research to understand and alleviate age-related memory loss
- **Inspire** commitment and shared vision in the understanding and alleviation of age-related memory loss
- **Nurture** scientists dedicated to the exploration of innovative research initiatives in age-related memory loss
- **Promote** collaboration and communication among research scientists, institutions, and organizations engaged in research in age-related memory loss
- **Partner** with research scientists, institutions, and organizations to promote research to understand and alleviate age-related memory loss
- **Recognize and Reward** significant achievement in discoveries leading to clinical intervention to understand and alleviate age-related memory loss

As of December 11, 2006



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McKnight Brain Research Foundation

Strategic Planning Process

Simply put, strategic planning determines where an organization is going over the next year or more, how it's going to get there and how it'll know if it got there or not. The plan is ultimately no more, and no less, than a set of decisions about what to do, why to do it, and how to do it.



McKnight Brain Research Foundation Strategic Planning Process

1. **Identify your purpose (mission statement)** - This is the statement that describes why your organization exists, i.e., its basic purpose. The statement should describe what needs are intended to be met and with what approach, the type of communities are sometimes mentioned. The trustees should develop and agree on the mission statement. The statements will change somewhat over the years.
2. **Select the goals your organization must reach if it is to accomplish your mission**
 - Goals are general statements about what you need to accomplish to meet your purpose, or mission, and address major issues facing the organization.
3. **Identify specific approaches or strategies that must be implemented to reach each goal** - The strategies are often what change the most as the organization eventually conducts more robust strategic planning, particularly by more closely examining the external and internal environments of the organization.
4. **Identify specific action plans to implement each strategy** - These are the specific activities that must undertaken to ensure the foundation is effectively implementing each strategy. Objectives should be clearly worded to the extent that people can assess if the objectives have been met or not.
5. **Monitor and update the plan** - Trustees regularly reflect on the extent to which the goals are being met and whether action plans are being implemented.



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McKnight Brain Research Foundation

McKnight Brain Research Foundation Strategic Planning Process

Strategic planning begins by asking the following questions:

- Where are we going (goals)?
- What do we want (objectives)?
- How will we know when we have it?
- Where, when and with whom do we want to work?
- Where will it work?
- What obstacles do we face?
- What resources, including financial, do we have?
- What resources, including financial, do we need?
- What is the first, then subsequent steps and activities?
- Did we do what we said we would (evaluation)?



Mission, Goal, Strategy Planning

Mission Statement

- Lead in generating interest and support of scientific research to understand and alleviate age-related memory loss

Goal

- Increase the number of institutions, researchers, organizations and scientists whose focus is to understand and alleviate age-related memory loss
- Explore new avenues of potential research within the scientific community which could lead to the development of pharmacological and behavioral interventions and, ultimately, to improved outcomes for the aging
- Raise the level of awareness both within the scientific community and among the public about the importance of this area of research and its tremendous value to society

Strategies

- Grant/Gift agreements
- FNIH/NIA/MBRF Summit
- Web-site, media, communications
- Seminars, symposia, colloquia, etc.
- Assess the status of the current scientific knowledge in the normal aging and changes in cognition associated with the aging process
- Identify research scientists whose research focus is compatible with the MBRF vision
- Citations in publications and presentations
- Investment policy
- Governance
- On-going assessment of the Foundation and all Foundation sponsored initiatives to assure satisfactory progress towards meeting the goals of the Foundation



Mission, Goal, Strategy Planning

Mission Statement

- Lead in generating interest and support of scientific research to understand and alleviate age-related memory loss

Goal

- Identify cross-disciplinary research emphasizing practical approaches to the development of pharmacological and lifestyle interventions designed to facilitate cognitive trajectories in the aging population
- Assure the progress towards the vision and goals of the Foundation is achieved
- MBRF strives for success in the management of the foundation and its support of research initiatives in age related memory loss

Strategies

- Grant/Gift agreements
- FNIH/NIA/MBRF Summit
- Web-site, media, communications
- Seminars, symposia, colloquia, etc.
- Assess the status of the current scientific knowledge in the normal aging and changes in cognition associated with the aging process
- Identify research scientists whose research focus is compatible with the MBRF vision
- Citations in publications and presentations
- Investment policy
- Governance
- On-going assessment of the Foundation and all Foundation sponsored initiatives to assure satisfactory progress towards meeting the goals of the Foundation



Mission, Goal, Strategy Planning

Mission Statement	Goal	Strategies
<ul style="list-style-type: none"> Inspire commitment and shared vision in the understanding and alleviation of age related memory loss 	<ul style="list-style-type: none"> Educate and raise the level of awareness in the scientific community about the importance of this area of research and its tremendous value to society Increase the number of institutions, scientists, researchers, organizations that share the vision Foster an environment that would enhance the interest and focus on the recruitment of highly talented individuals into the field Educate and raise the level of awareness among the public about the importance of this area of research, the impact on their lifestyle and families. 	<ul style="list-style-type: none"> Grant/Gift agreements Increase the number of graduate and post-doctoral students in the field Web-site, media, communications Seminars, symposia, colloquia, etc. Targeted awards, for both new investigators and students National spokesperson



Mission, Goal, Strategy Planning

Mission Statement	Goal	Strategies
<ul style="list-style-type: none"> Promote collaboration and communication among research scientists, institutions, and organizations engaged in research in age-related memory loss 	<ul style="list-style-type: none"> Increase collective understanding and knowledge of the process of learning and age related memory loss Sharing of the information research in age-related memory loss Accelerate discoveries leading to the understanding and alleviation of age related memory loss 	<ul style="list-style-type: none"> Requirements in Grant/Gift agreements to collaborate FNIH/NIA/MBRF Summit Web-site, media, communications Seminars, symposia, colloquia, etc. Site visits Recognition and rewards Establishing Brain Institutes committed to the vision of MBRF



Mission, Goal, Strategy Planning

Mission Statement

- Nurture scientists dedicated to the exploration of innovative research initiatives in age related memory loss

Goal

- Encourage, maintain, support scientists whose focus is to understand and alleviate age-related memory loss
- Foster innovation
- Expand the number of research scientists whose focus is to understand and alleviate age-related memory loss

Strategies

- Ensuring that the institution fosters an environment conducive to the success of the research scientist
- Seed grants directed toward innovation
- New investigator awards
- Track all post-doctoral students in programs or institutions that have received MBRF funding
- Increase the number of graduate and post-doctoral students in the field



Mission, Goal, Strategy Planning

Mission Statement

- Partner with research scientists, institutions, and organizations to promote research to understand and alleviate age-related memory loss

Goal

- Leverage the financial and intellectual resources of the Foundation
- Raise the level of awareness of the understanding and alleviation of age-related memory loss
- Promote cooperation and collaboration within the scientific community
- Through partnerships, explore new avenues of potential research within the scientific community which could lead to the development of pharmacological and behavioral interventions and, ultimately, to improved outcomes for the aging

Strategies

- FNIH/NIA/MBRF Summit
- Seminars, symposia, colloquia, etc.
- Grant/Gift agreements
- Partnership with NIA and FNIH
- Partner with other national organizations
- Match funding with MBRF



Mission, Goal, Strategy Planning

Mission Statement

- Recognize and Reward significant achievement in discoveries leading to clinical intervention to understand and alleviate age-related memory loss

Goal

- Provide Incentive and encouragement
- Increase awareness
- Focus the outcome on clinical applications
- Expand the number of research scientists whose focus is to understand and alleviate age-related memory loss
- Retain existing talent within the field
- Recognition

Strategies

- Research prize awards
- Young investigator awards
- Seed grants
- New investigator awards
- Develop relationships with other institutions and organizations to increase awareness
- Individual communication
- Public Communication



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Monitor & Update the Plan

- What do we monitor? •
- Who monitors? •
- What are the accountabilities of the grantees? •
- Annual, Quarterly, Monthly? •
- Corrective actions •



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McKnight Brain Research Foundation

McKnight Brain Research Foundation Mission Statement

- **Lead** in generating interest and support of scientific research to understand and alleviate age-related memory loss
- **Inspire** commitment and shared vision in the understanding and alleviation of age-related memory loss
- **Nurture** scientists dedicated to the exploration of innovative research initiatives in age-related memory loss
- **Promote** collaboration and communication among research scientists, institutions, and organizations engaged in research in age-related memory loss
- **Partner** with research scientists, institutions, and organizations to promote research to understand and alleviate age-related memory loss
- **Recognize and Reward** significant achievement in discoveries leading to clinical intervention to understand and alleviate age-related memory loss

As of December 11, 2006