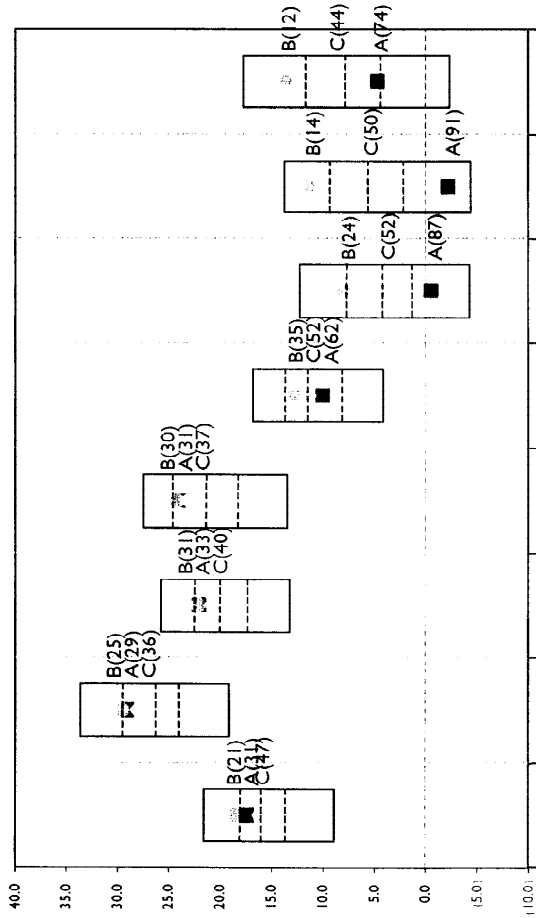


# John Hancock Small Cap Equity A

Performance-Based Analysis as of June 30, 2006

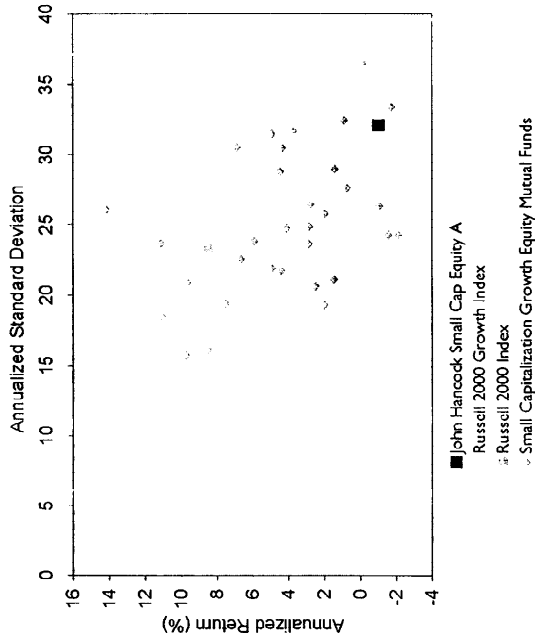
## 3-Year Rolling Returns

Returns vs. Russell 2000 Growth Index  
Small Capitalization Growth Equity Mutual Funds Universe

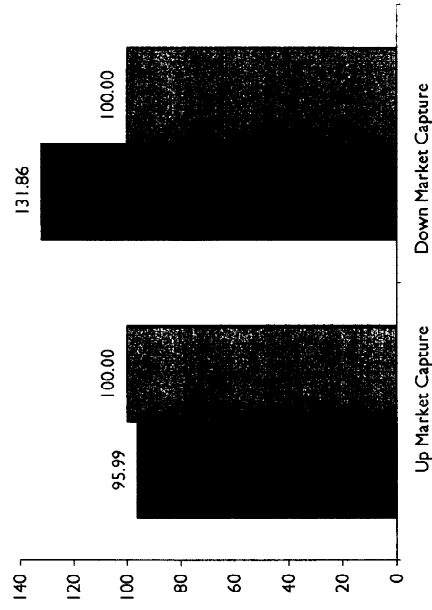


	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05	3 Years Ending 4Q04	3 Years Ending 3Q04
5th Percentile	17.0	17.5	17.4	17.6	17.9	14.9	15.2	15.7
25th Percentile	17.4	29.0	22.1	23.9	10.0	0.5	(2.2)	4.7
Median	18.7	29.5	22.1	24.1	12.8	8.0	11.5	13.7
75th Percentile	16.3	28.1	20.9	23.2	11.4	4.0	5.8	9.1
95th Percentile								
Member Count								
John Hancock Small (A)								
Russell 2000 Index (B)								
Russell 2000 Growth (C)								

## Risk/Return -- 5-Year



## Up Market/Down Market Capture -- 5 Years



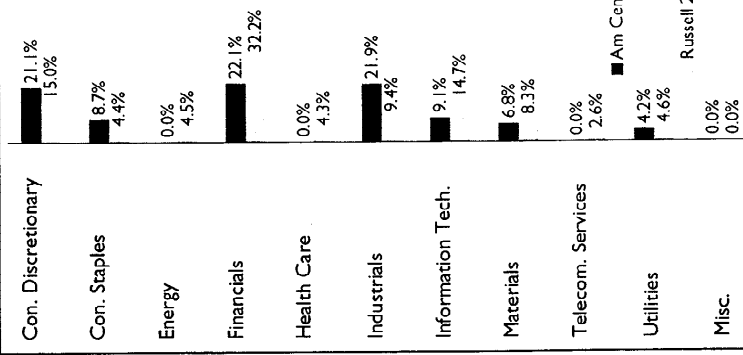
■ John Hancock Small Cap Equity A  
■ Russell 2000 Index

Source of Portfolio Statistics & Universe Comparisons: Russell, Mellon Analytics

# American Century Small Cap Value Inv

## Holdings-Based Analysis

### Sector Weights 02/28/06



### Portfolio Characteristics

<b>Avg Mkt Cap (\$ Mil.) (02/28/06)</b>	\$1,456
<b>Number of Holdings (05/31/05)</b>	198
<b>Cash Allocation (09/30/05)</b>	4.7%
<b>Portfolio Information 09/30/05</b>	
<b>Expense Ratio</b>	1.25%
<b>12b-1 Fee Included</b>	N/A
<b>Morningstar Average (3/31/06)</b>	1.52%
<b>Minimum Investment</b>	N/A
<b>Avg. Annual Portfolio Turnover</b>	108%

### Portfolio Statistics 06/30/06

<b>Standard Deviation (%)</b>	11.15	<b>Manager</b>	Index
3-Year	14.40		
5-Year	14.95		
<b>Beta (Benchmark Specific Risk)</b>	0.74		
3-Year	1.00		
5-Year	0.76		
<b>Alpha (Added Value Relative to Benchmark)</b>	3.3%		N/A
3-Year	4.5%		N/A
5-Year			
<b>Sharpe Ratio</b>	1.41		1.14
3-Year	0.66		0.34
5-Year			
<b>R-Squared (3-Year Trailing)</b>	0.90		N/A
vs. Asset Class Benchmark	0.90		N/A
vs. Style Benchmark			

### Top Holdings 05/31/05

Company	% of Portfolio
STBASE INC	1.9%
ISHARES TR S&P SMLCAP 600	1.2%
PLATINUM UNDERWRITER HLDGS	1.2%
ISHARES TR S&P SMLCP VALU	1.1%
ISHARES TR RUSL 2000 VALU	1.1%
SENSIENT TECHNOLOGIES CORP	1.1%
HCC INS HLDGS INC	1.1%
BEMIS INC	1.1%
IDACORP INC	1.0%
ISHARES TR RUSSELL 2000	1.0%
<b>% of Total Portfolio</b>	<b>11.9%</b>

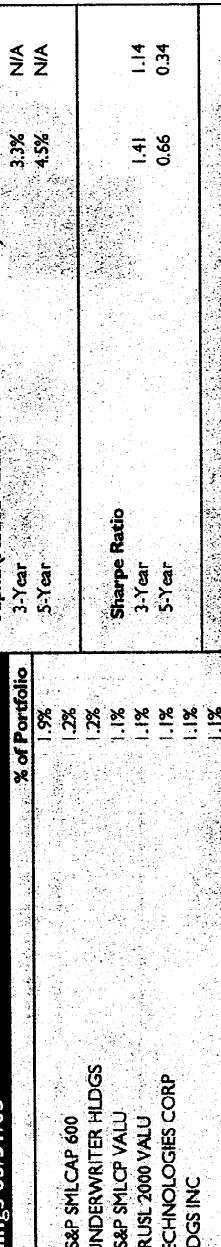
### Manager Information

<b>Lead Manager</b>	Giele/Laub
<b>Tenure on Product</b>	1998
<b>Ticker</b>	ASVIX
<b>Prospectus Information</b>	www.americancentury.com

### Fund Strategy

American Century Small Cap Value Fund seeks long-term capital growth; income is a secondary objective. The Fund normally invests at least 80% of assets in equity securities of U.S. companies with small market capitalizations. It may invest in foreign securities, convertible securities, corporate and government debt, non-leveraged stock index futures contracts, and other similar securities. The Fund invests in companies that the advisor believes are undervalued by the market.

## Net Historical Performance as of June 30, 2006 (%)



## Russell Percentile Rank<sup>2</sup>

QTR	1-YR	3-YR	5-YR	10-YR	2001	2002	2003	2004	2005
87	84	72	66	N/A	\$1,090	\$784	\$972	\$1,248	\$2,148
(58)	(58)	(59)	(57)	N/A					

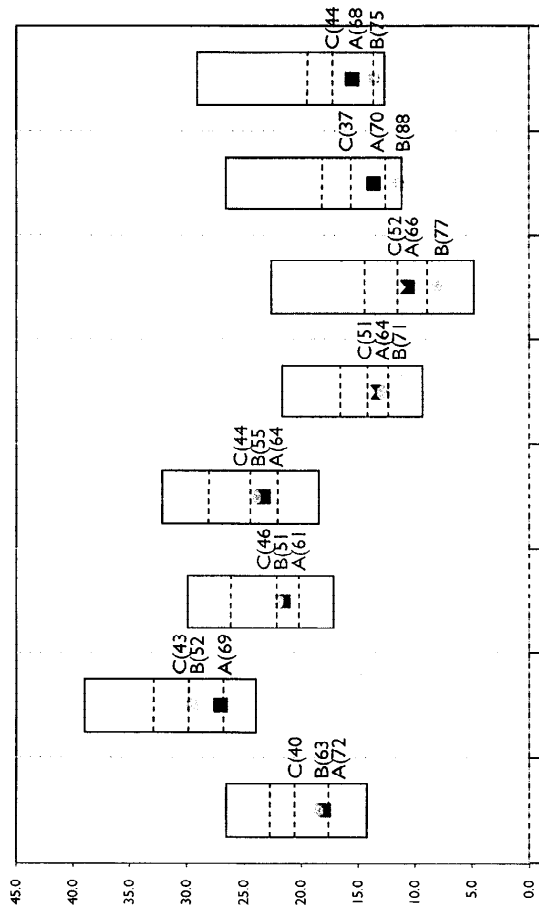
<sup>1</sup>Representative Index Weights as of March 31, 2006  
<sup>2</sup>Percentile Rank is based on the Russell universe of small value mutual funds. 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

# American Century Small Cap Value Inv

Performance-Based Analysis as of June 30, 2006

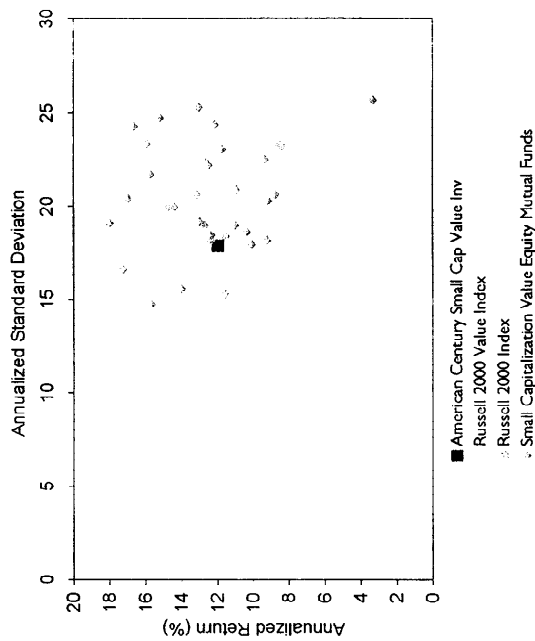
## 3-Year Rolling Returns

Returns vs. Russell 2000 Value Index  
Small Capitalization Value Equity Mutual Funds Universe

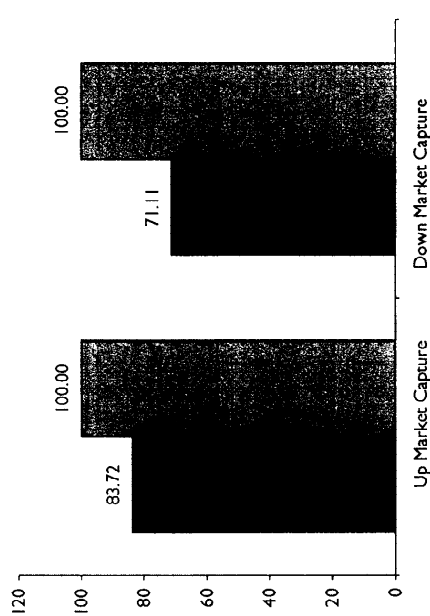


	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05	3 Years Ending 4Q04	3 Years Ending 3Q04
5th Percentile	39.0	29.9	32.2	21.7	22.6	26.6	29.1
25th Percentile	32.9	26.2	28.1	16.6	14.4	18.2	19.5
Median	29.9	22.2	24.5	14.2	11.5	15.6	17.2
75th Percentile	26.8	20.2	22.1	12.4	8.9	12.6	13.7
95th Percentile	24.0	17.2	18.5	9.3	4.8	11.1	12.7
Member Count	58	59	59	60	42	42	42
Manager (A)	18.1	21.6	23.3	13.3	10.7	13.7	15.5
Russell 2000 Index (B)	18.7	22.1	24.1	12.8	8.0	11.5	13.7
Russell 2000 Value (C)	21.0	23.2	24.9	14.1	11.5	16.5	17.7

## Risk/Return -- 5-Year



## Up Market/Down Market Capture -- 5 Years



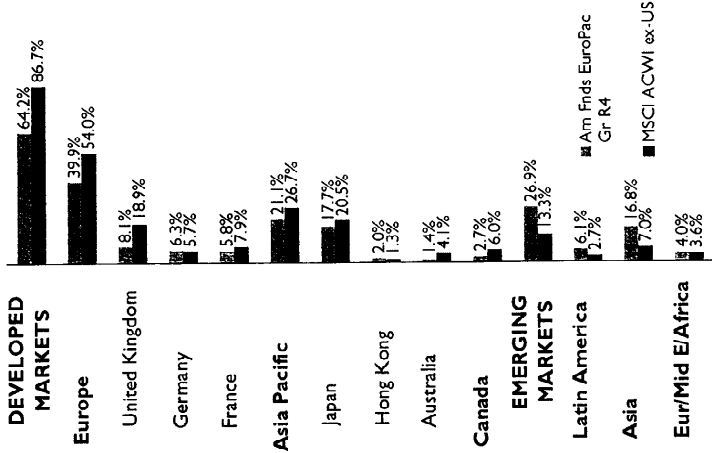
■ American Century Small Cap Value Inv  
■ Russell 2000 Index

Source of Portfolio Statistics & Universe Comparisons: Russell/Mellon Analytics

# American Funds EuroPacific Gr R4

## Holdings-Based Analysis

### Country Weights<sup>1</sup> 03/31/06



### Portfolio Characteristics 03/31/06

Average Market Cap (\$ Mil.)	\$32,880
Number of Holdings	280
Cash Allocation	N/A

### Portfolio Information 03/31/06

Expense Ratio	0.88%
12b-1 Fee Included	0.25%
Morningstar Average	1.64%
Minimum Investment	N/A
Avg. Annual Portfolio Turnover	32%

### Top Holdings 03/31/06

Company	% of Portfolio
Roche Holding	2.6%
Kookmin Bank	1.8%
América Móvil	1.5%
Samsung Electronics	1.3%
Taiwan Semiconductor Manufacturing	1.2%
Novo Nordisk	1.1%
Petrobras	1.1%
AstraZeneca	1.1%
RAO UES of Russia	1.0%
Nestlé	1.0%
<b>% of Total Portfolio</b>	<b>13.7%</b>

### Manager Information

Lead Manager	Team Managed
Tenure on Product	N/A
Ticker	REREX
Prospectus Information	www.americanfunds.com

### Portfolio Statistics 06/30/06

Vs. Asset Class Benchmark		Manager	Index
Standard Deviation (%)			
3-Year	10.36	10.36	10.87
5-Year	13.93	13.93	14.73

### Beta (Benchmark Specific Risk)

3-Year	0.93	1.00
5-Year	0.93	1.00

### Alpha (Added Value Relative to Benchmark)

3-Year	0.5%	N/A
5-Year	-0.4%	N/A

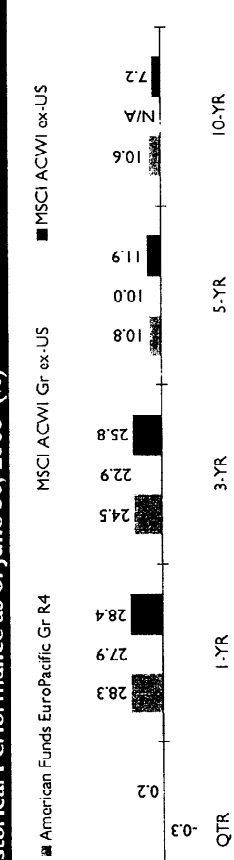
### Sharpe Ratio

3-Year	2.14	2.16
5-Year	0.62	0.66

### R-Squared (3-Year Trailing)

vs. Asset Class Benchmark	0.95	N/A
vs. Style Benchmark	0.94	N/A

### Net Historical Performance as of June 30, 2006<sup>3</sup> (%)



### Fund Strategy

American Funds EuroPacific Growth Fund seeks long-term growth of capital. The Fund normally invests at least 80% of assets in equity securities of issuers domiciled in Europe and the Pacific Basin. It may also hold cash or money market instruments.

### Russell Percentile Rank<sup>2</sup>

QTR	1-YR	3-YR	5-YR	10-YR	2001	2002	2003	2004	2005
60	28	22	32	13	\$28,096	\$24,838	\$36,627	\$70,803	\$70,803
(90)	(90)	(90)	(87)	(61)					

<sup>1</sup>Percentile Rank is based on the Russell Intl. style mutual funds universe, 1 being the highest and 100 the lowest. Number in parentheses represent the number of funds in the universe during the stated time period.

### Notes

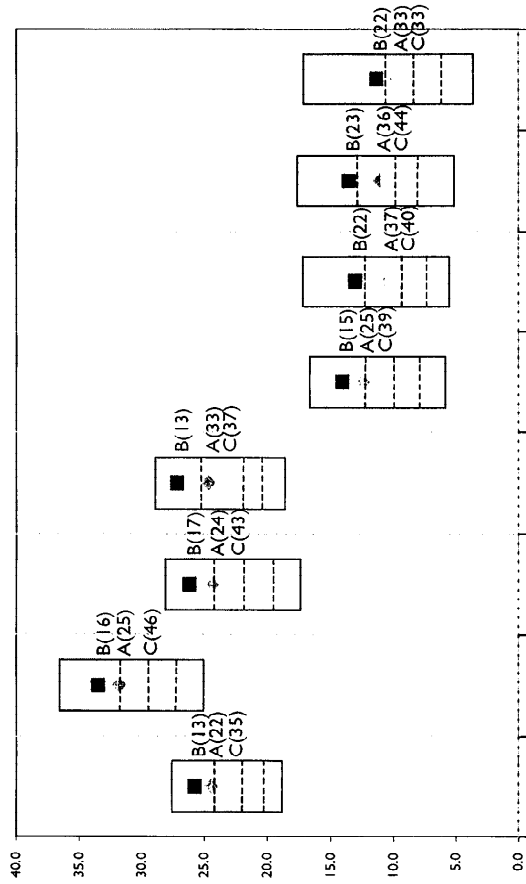
<sup>2</sup>Performance prior to 05/2002 composed of A class net of R4 class expense ratio. Capital Research & Management is the subadvisor of American Funds EuroPacific Growth Fund of America.

# American Funds EuroPacific Gr R4

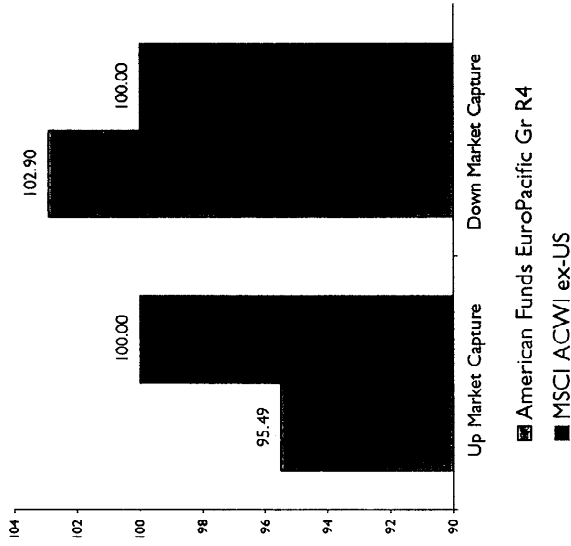
Performance-Based Analysis as of June 30, 2006

## 3-Year Rolling Returns

Returns vs. MSCI ACWI Gr ex-US  
Non-US Equity Mutual Funds Universe



## Up Market/Down Market Capture -- 5 Years



	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05	3 Years Ending 4Q04	3 Years Ending 3Q04
5th Percentile	27.6	36.6	28.1	28.9	16.7	17.2	17.6	17.1
25th Percentile	24.2	31.7	24.2	25.3	12.2	12.3	12.9	10.6
Median	22.0	29.5	21.8	21.9	9.9	9.3	9.9	8.4
75th Percentile	20.3	27.3	19.5	20.4	7.9	7.3	8.0	6.1
95th Percentile	18.8	25.1	17.4	18.6	5.8	5.5	5.1	3.6
Member Count	90	91	91	92	93	97	100	102
Manager (A)	24.5	31.8	24.4	24.7	12.5	10.5	11.1	9.7
MSCI ACWI ex-US (B)	25.8	33.5	26.2	27.2	14.1	13.1	13.6	11.4
MSCI ACWI Gr ex-US (C)	22.9	29.7	22.7	23.6	11.0	10.1	10.4	9.5

Source of Portfolio Statistics & Universe Comparisons: Russell/Mellan Analytics

# Dodge and Cox International Stock

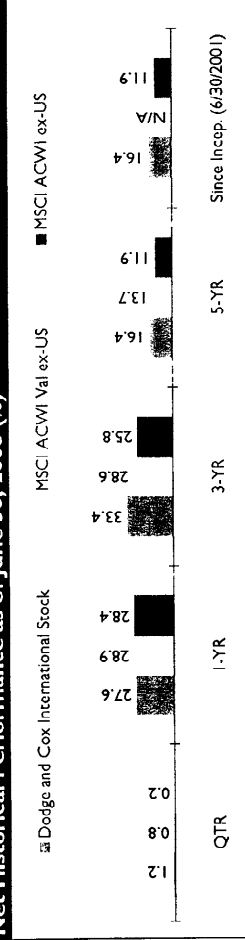
## Holdings-Based Analysis

Country Weights' 03/31/06		Portfolio Characteristics		Portfolio Statistics 06/30/06	
<b>DEVELOPED MARKETS</b>		Average Market Cap (\$ Mil.) (03/31/06)	\$18,404	Vs. Asset Class Benchmark	Index
Europe	73.6% 86.7%	Number of Holdings (12/31/05)	74	Standard Deviation (%)	11.75 10.87
United Kingdom	48.4% 34.0%	Cash Allocation (12/31/05)	5.8%	3-Year	18.22
Germany	12.2% 18.9%	<b>Portfolio Information 03/31/06</b>			
France	6.4% 5.7%	Expense Ratio	N/A	Beta (Benchmark Specific Risk)	1.00
Asia Pacific	9.9% 7.9%	12b-1 Fee Included	N/A	3-Year	0.99
Japan	24.9% 26.7%	Morningstar Average (3/31/06)	1.64%	5-Year	1.17
Hong Kong	24.2% 20.5%	Minimum Investment	N/A	<b>Alpha (Added Value Relative to Benchmark)</b>	
Australia	0.0% 1.3%	Avg. Annual Portfolio Turnover	7%	3-Year	6.4%
Canada	0.7% 4.1%	<b>Top Holdings 03/31/06</b>			
<b>EMERGING MARKETS</b>		Company	% of Portfolio	5-Year	2.9%
Latin America	0.2% 6.0%	Sanofi-Aventis	3.7%	<b>Sharpe Ratio</b>	
Asia	16.0% 13.3%	News Corp. Class A	3.1%	3-Year	2.65
Eur/Mid E/Africa	7.7% 2.7%	Royal Bank of Scotland Group	2.6%	5-Year	0.78
	8.4% 7.0%	Sony Corp.	2.6%	<b>R-Squared (3-Year Trailing)</b>	
	3.9% 3.6%	Mitsubishi UFJ Financial Group	2.5%	vs. Asset Class Benchmark	N/A
		Matsumita Electric Industrial Co., Ltd.	2.5%	vs. Style Benchmark	N/A
		GlaxoSmithKline	2.5%	<b>Notes</b>	
		Hitachi, Ltd.	2.3%	Dodge & Cox International Stock Fund seeks long-term growth of principal and income. The Fund will generally invest at least 80% of its assets in a diversified portfolio of equity securities issued by non-U.S. companies from at least three different countries, including emerging markets. It focuses on countries whose economic and political systems appear more stable and are believed to provide some protection to foreign shareholders. Under normal circumstances, the Fund will invest at in common stocks.	
		Vodafone Group	2.3%		
		Honda Motor Co., Ltd.	2.3%		
		% of Total Portfolio	26.6%		
		<b>Manager Information</b>			
		Lead Manager	Team Managed		
		Tenure on Product	N/A		
		Ticker	DODFX		
		Prospectus Information	www.dodgeandcox.com		

## Fund Strategy

Dodge & Cox International Stock Fund seeks long-term growth of principal and income. The Fund will generally invest at least 80% of its assets in a diversified portfolio of equity securities issued by non-U.S. companies from at least three different countries, including emerging markets. It focuses on countries whose economic and political systems appear more stable and are believed to provide some protection to foreign shareholders. Under normal circumstances, the Fund will invest at in common stocks.

## Net Historical Performance as of June 30, 2006 (%)



## Russell Percentile Rank

QTR.	1-YR.	3-YR.	5-YR.	10-YR.	2001	2002	2003	2004	2005	2006
9	34	1	3	N/A	\$25	\$117	\$655	\$4,203	\$13,357	
(90)	(90)	(90)	(87)	N/A						

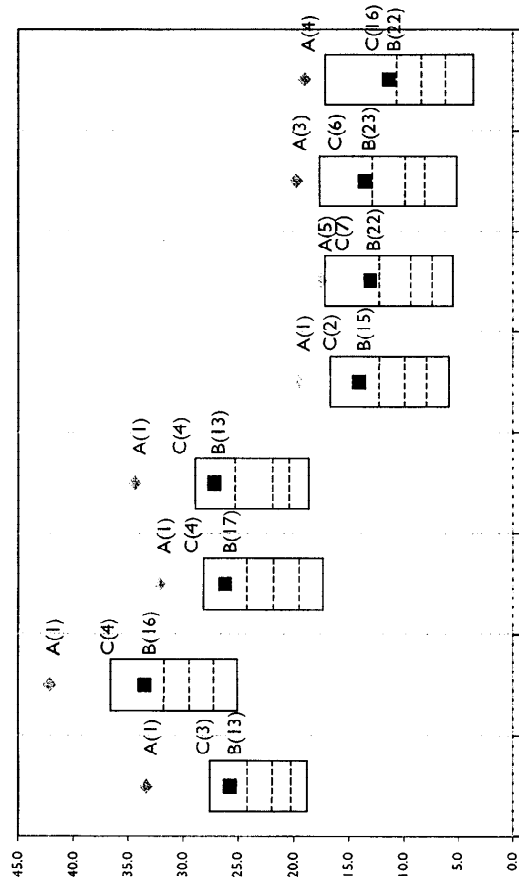
\*Percentile Rank is based on the Russell Intl. style mutual funds universe, 1 being the highest and 100 the lowest. Number in parenthesis represents the number of funds in the universe during the stated time period.

# Dodge and Cox International Stock

Performance-Based Analysis as of June 30, 2006

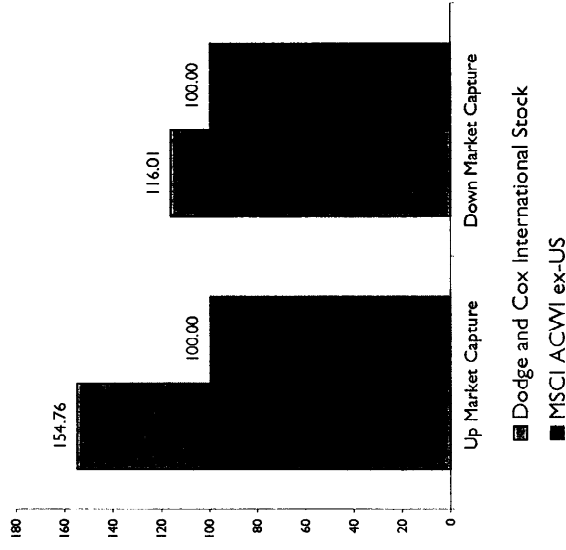
## 3-Year Rolling Returns

Returns vs. MSCI ACWI Val ex-US  
Non-US Equity Mutual Funds Universe



	3 Years Ending 2Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05	3 Years Ending 4Q04	3 Years Ending 3Q04
5th Percentile	27.6	28.1	28.9	16.7	17.2	17.6	17.1
25th Percentile	24.2	24.2	25.3	12.2	12.3	12.9	10.6
Median	22.0	21.8	21.9	9.9	9.3	9.9	8.4
75th Percentile	20.3	19.5	20.4	7.9	7.3	8.0	6.1
95th Percentile	18.8	17.4	18.6	5.8	5.5	5.1	3.6
Member Count	90	91	92	93	97	100	102
Manager (A)	33.4	32.2	34.4	19.6	17.6	19.8	19.0
MSCI ACWI ex-US (B)	25.8	26.2	27.2	14.1	13.1	13.6	11.4
MSCI ACWI Val ex-US (C)	28.6	29.6	30.8	17.1	16.0	16.7	13.2

## Up Market/Down Market Capture -- 5 Years



# Oppenheimer Global A

## Holdings-Based Analysis

Country Weights <sup>1</sup> 01/31/05		Portfolio Characteristics	
<b>DEVELOPED MARKETS</b>		Average Market Cap (\$ Mil.) (01/31/05)	\$27,647
Europe	85.7% 92.8%	Number of Holdings	N/A
United Kingdom	37.5% 29.0%	Cash Allocation (05/31/05)	0.6%
Germany	15.4% 10.1%	<b>Portfolio Information 09/30/05</b>	
France	2.9% 3.1%	Expense Ratio	1.15%
Asia Pacific	7.0% 4.2%	12b-1 Fee Included	0.24%
Japan	11.7% 14.3%	Morningstar Average (3/31/06)	1.64%
Hong Kong	9.0% 11.0%	Minimum Investment	\$1,000
Australia	1.7% 0.7%	Avg. Annual Portfolio Turnover	29%
Canada	0.5% 2.2%	<b>Top Holdings 05/31/05</b>	
<b>EMERGING MARKETS</b>		Company	% of Portfolio
Latin America	2.3% 3.2%	VODAFONE GROUP ORD USD0.10	3.5%
Asia	10.5% 7.2%	ERICSSON(LM)TEL SEKI SER'B	2.8%
Eur/Mid E/Africa	0.0% 1.9%	HENNES & MAURITZ SEK0.25'B	2.2%
United States	34.3% 46.3%	SANOI-AVENTIS EUR2	2.0%
		RECKITT BENCKISER ORD GBP0.105263	2.0%
		ROYAL BK SCOT GRP ORD GBP0.25	1.7%
		TRANSOCEAN INC ORD	1.4%
		INFOSYS TECHNOLOGI INRS	1.4%
		EBAY INC	1.4%
		KDDI CORP NPV	1.3%
			1.3%
			19.7%

Vs. Asset Class Benchmark		Manager	Index
Standard Deviation (%)		11.13	8.86
3-Year		16.06	13.70
5-Year			
Beta (Benchmark Specific Risk)		1.20	1.00
3-Year		1.12	1.00
5-Year			
Alpha (Added Value Relative to Benchmark)		0.0%	N/A
3-Year		1.0%	N/A
5-Year			
Sharpe Ratio		1.73	1.80
3-Year		0.38	0.35
5-Year			
R-Squared (3-Year Trailing)		0.92	N/A
vs. Asset Class Benchmark		0.95	N/A
vs. Style Benchmark			

Manager Information		Fund Strategy	
Lead Manager	Bhama/Wilby	Oppenheimer Global Fund seeks capital appreciation. The Fund invests primarily in common stocks and convertible securities issued by U.S. and foreign companies.	
Tenure on Product	2004	Oppenheimer ordinarily invests in at least three countries. The Fund may invest in special situations and in securities of companies in cyclical industries.	
Ticker	OPPAX		
Prospectus Information	www.oppenheimerfunds.com		



Russell Percentile Rank <sup>2</sup>		Year-End Assets (\$ Mil.)							
QTR	1-YR	3-YR	5-YR	10-YR	2001	2002	2003	2004	2005
75	41	19	38	12	\$5,807	\$4,681	\$6,651	\$9,720	\$14,363
(54)	(54)	(54)	(52)	(34)					

<sup>1</sup>Representative Index Weights as of March 31, 2006

<sup>2</sup>Percentile Rank is based on the Russell global style mutual funds universe. 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

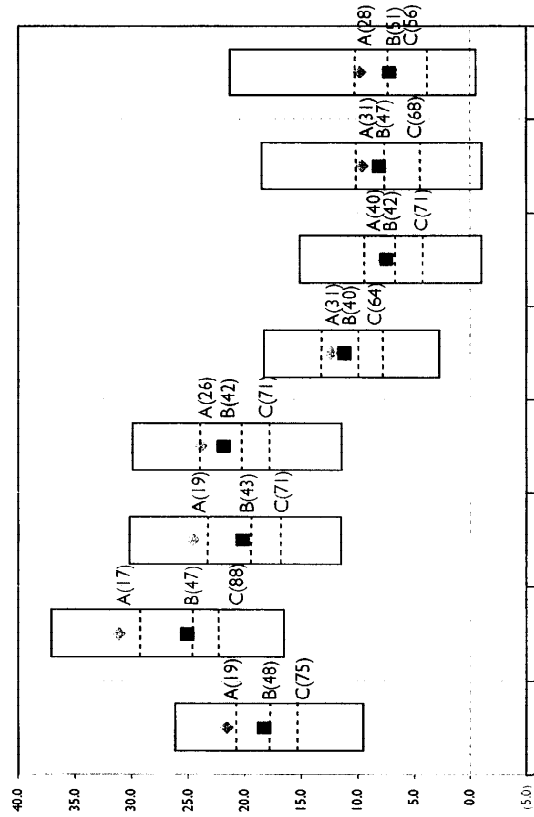


# Oppenheimer Global A

Performance-Based Analysis as of June 30, 2006

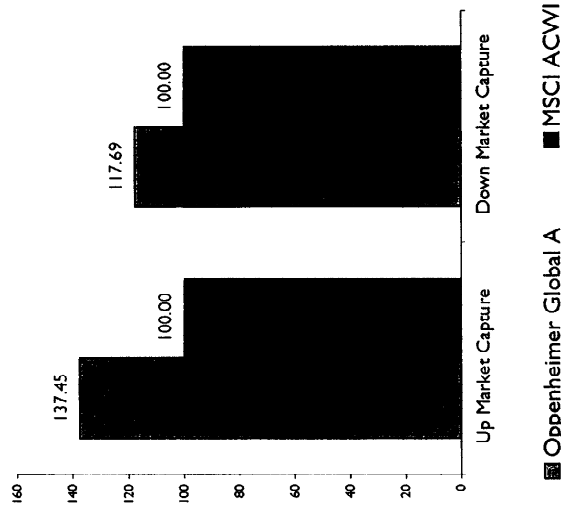
## 3-Year Rolling Returns

Returns vs. MSCI ACWI Growth  
World Equity Mutual Funds Universe



	3 Years Ending 2Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05	3 Years Ending 4Q04	3 Years Ending 3Q04
5th Percentile	26.1	37.1	30.2	18.3	15.1	18.5	21.3
25th Percentile	20.8	29.3	23.3	13.2	9.4	10.2	10.3
Median	17.8	24.6	19.4	10.0	6.7	7.5	7.3
75th Percentile	15.4	22.3	16.8	7.8	4.2	4.5	3.8
95th Percentile	9.5	16.6	11.5	2.7	(1.1)	(1.1)	(0.5)
Member Count	54	54	54	55	68	69	72
Oppenheimer Global (A)	21.6	31.1	24.6	12.4	7.8	9.6	9.8
MSCI ACWI (B)	18.3	25.1	20.2	11.2	7.5	8.1	7.2
MSCI ACWI Growth (C)	15.4	21.2	17.1	8.9	4.8	5.3	5.8

## Up Market/Down Market Capture -- 5 Years



Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

# MFS International New Discovery A

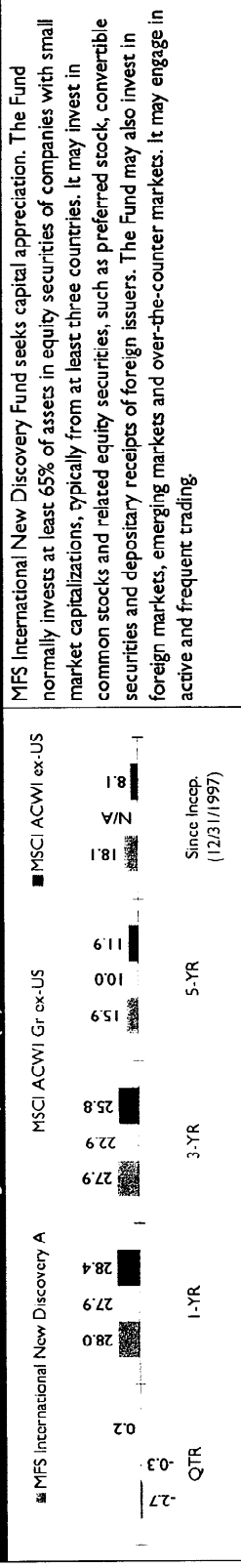
## Holdings-Based Analysis

Country Weights <sup>1</sup> 06/30/05		Portfolio Characteristics 06/30/05		Portfolio Statistics 06/30/06	
<b>DEVELOPED MARKETS</b>		Average Market Cap (\$ Mil.)	\$1,679	Manager	Index
Europe	80.5% 86.7%	Number of Holdings	279	Standard Deviation (%)	10.87
United Kingdom	18.9%	Cash Allocation	2.4%	3-Year	11.93
Germany	6.2%	<b>Portfolio Information 06/30/05</b>			
France	5.7%	Expense Ratio	1.63%	5-Year	14.45
Asia Pacific	18.6%	12b-1 Fee Included	0.35%	Beta (Benchmark Specific Risk)	1.00
Japan	14.4%	Morningstar Average (3/31/06)	1.64%	3-Year	1.03
Hong Kong	2.5%	Minimum Investment	\$1,000	5-Year	0.92
Australia	1.3%	Avg. Annual Portfolio Turnover	61%	Alpha (Added Value Relative to Benchmark)	N/A
Canada	1.6%				
<b>EMERGING MARKETS</b>					
Latin America	7.0% 6.0%				
Asia	6.3% 2.7%				
Eur/Mid E/Africa	16.5% 13.3%				
	6.3% 7.0%				
	3.4% 3.6%				

Top Holdings 03/31/06		Vs. Asset Class Benchmark	
Company	% of Portfolio	Standard Deviation (%)	Sharpe Ratio
Anglo Irish Bk	1.9%	3-Year	2.14
Encana Corp	1.8%	5-Year	0.95
Allied Irish Banks	1.4%	Beta (Benchmark Specific Risk)	1.03
Talisman Energy Inc	1.3%	3-Year	1.00
Grupo Televisa	1.2%	5-Year	0.92
Nicopost	1.1%	Alpha (Added Value Relative to Benchmark)	1.1%
Central European Media Entpr	1.1%	3-Year	1.1%
Takefuji Corp	1.0%	5-Year	4.5%
Infosys Technologies Ltd	1.0%	Sharpe Ratio	2.14
Hon Hai Precision	1.0%	3-Year	0.95
		5-Year	2.16
		R-Squared (3-Year Trailing)	0.88
		vs. Asset Class Benchmark	N/A
		vs. Style Benchmark	N/A
		% of Total Portfolio	12.8%

Manager Information		Prospectus Information	
Lead Manager	Team Managed	Lead Manager	Team Managed
Tenure on Product	N/A	Tenure on Product	N/A
Ticker	MIDAX	Ticker	MIDAX
	N/A		N/A

## Net Historical Performance as of June 30, 2006 (%)



## Fund Strategy

MFS International New Discovery Fund seeks capital appreciation. The Fund normally invests at least 65% of assets in equity securities of companies with small market capitalizations, typically from at least three countries. It may invest in common stocks and related equity securities, such as preferred stock, convertible securities and depository receipts of foreign issuers. The Fund may also invest in foreign markets, emerging markets and over-the-counter markets. It may engage in active and frequent trading.

Russell Percentile Rank <sup>2</sup>		Year-End Assets (\$ Mil.)							
QTR	1-YR	3-YR	5-YR	10-YR	2001	2002	2003	2004	2005
95	30	4	3	N/A	\$34	\$155	\$595	\$1,352	\$3,539
(90)	(90)	(90)	(87)	N/A					

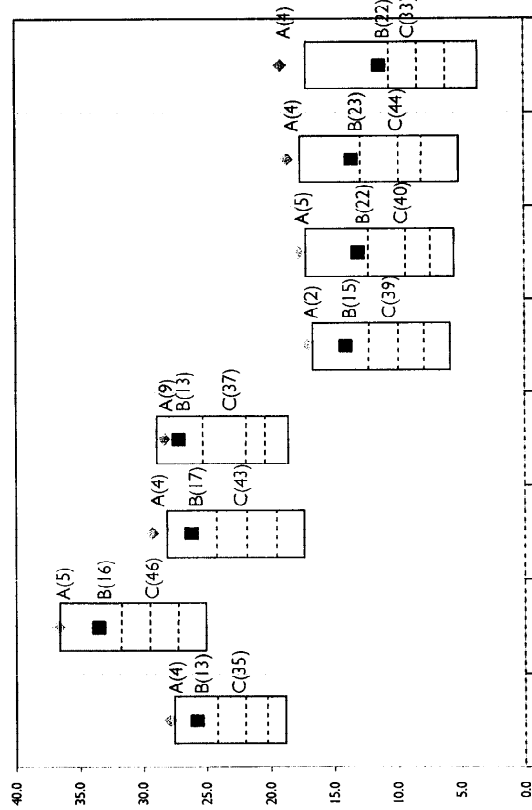
<sup>1</sup>Representative Index Weights as of March 31, 2006  
<sup>2</sup>Percentile Rank is based on the Russell Intl. style mutual funds universe. 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

# MFS International New Discovery A

Performance-Based Analysis as of June 30, 2006

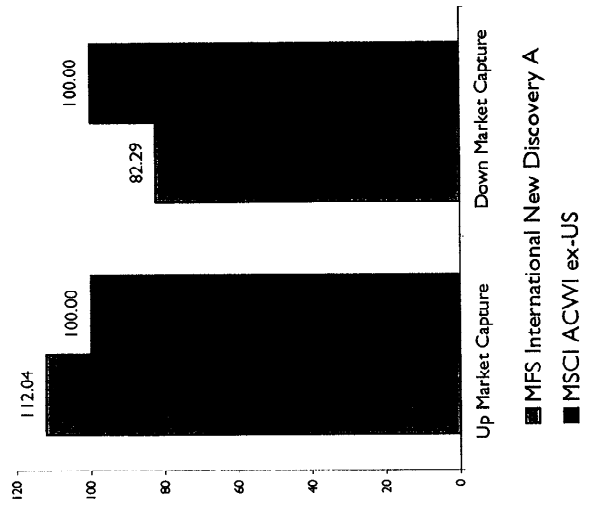
## 3-Year Rolling Returns

Returns vs. MSCI ACWI Gr ex-US  
Non-US Equity Mutual Funds Universe



	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05	3 Years Ending 4Q04	3 Years Ending 3Q04
5th Percentile	27.6	36.6	28.1	28.9	16.7	17.2	17.6	17.1
25th Percentile	24.2	31.7	24.2	25.3	12.2	12.3	12.9	10.6
Median	22.0	29.5	21.8	21.9	9.9	9.3	9.9	8.4
75th Percentile	20.3	27.3	19.5	20.4	7.9	7.3	8.0	6.1
95th Percentile	18.8	25.1	17.4	18.6	5.8	5.5	5.1	3.6
Member Count	90	91	91	92	93	97	100	102
Manager (A)	27.9	36.7	29.3	28.3	17.1	17.8	18.7	19.1
MSCI ACWI ex-US (B)	25.8	33.5	26.2	27.2	14.1	13.1	13.6	11.4
MSCI ACWI Gr ex-US (C)	22.9	29.7	22.7	23.6	11.0	10.1	10.4	9.5

## Up Market/Down Market Capture -- 5 Years



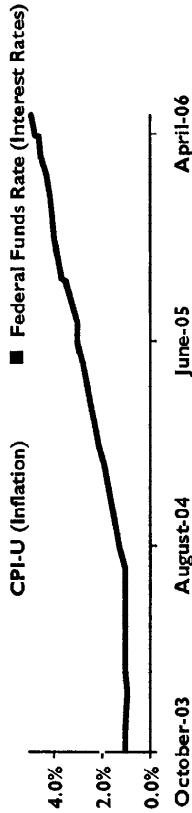
Source of Portfolio Statistics & Universe Comparisons: Russell/Mellon Analytics





# Economic Overview

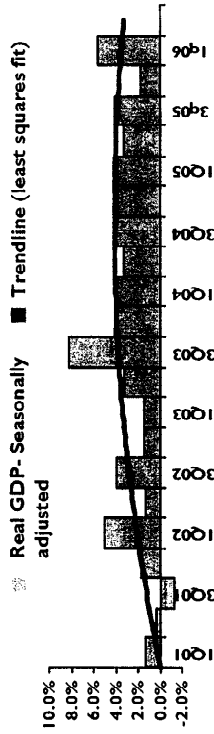
## Fixed Income: Federal Funds Rate & CPI (Inflation)



## Fixed Income Indices

	Performance		Trailing Return (years)			
	QTR	YTD	1	3	5	10
LB Aggregate Bond	-0.1%	-0.7%	-0.8%	2.1%	5.0%	6.2%
LB 1-3 Yr Gov't/Cred	0.7%	1.1%	1.9%	1.6%	3.5%	5.0%
90 Day T-Bills	1.2%	2.2%	3.9%	2.3%	2.2%	3.7%

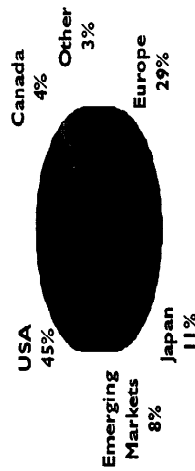
## US Equities: Gross Domestic Product



## US Equity Indices

	Performance		Trailing Return (years)			
	QTR	YTD	1	3	5	10
S&P 500	-1.4%	2.7%	8.6%	11.2%	2.5%	8.3%
Russell Midcap	-2.6%	4.8%	13.7%	19.9%	9.9%	12.1%
Russell 2000	-5.0%	8.2%	14.6%	18.7%	8.5%	9.0%
NASDAQ	-7.0%	-1.1%	6.5%	10.9%	0.6%	6.7%

## International: World Stock Market Capitalization



## International Indices

	Performance		Trailing Return (years)			
	QTR	YTD	1	3	5	10
MSCI ACWI ex-US	0.2%	10.0%	28.4%	25.8%	11.9%	7.2%
MSCI Europe	2.9%	14.0%	25.3%	23.9%	10.9%	10.5%
MSCI Pacific	-2.9%	3.7%	31.3%	25.7%	9.4%	1.5%
MSCI EMF	-4.3%	7.3%	35.9%	34.8%	21.5%	6.7%

## Commentary

Fears of inflation and concerns over the impact of high energy costs continued to weigh on the psyche of investors participating in global capital markets. Investors kept a close eye on the Federal Reserve, which hiked rates by a quarter-point for the seventeenth consecutive time during the meeting at the end of June, pushing the overnight lending rate to 5.25%. Corporate profitability appeared to remain at remarkable levels as early reports anticipate earnings growth in the neighborhood of +11% for the second quarter. Although corporate earnings continue to reach new record levels, the rate of growth has clearly decelerated from early stages of the economic expansion, demonstrating the cooling effect the Federal Reserve has had on economic growth in their effort to curb inflation.

U.S. equity investors had quite a ride during the quarter. Stocks climbed within sight of all-time highs early in the quarter, but tumbled in May - and the majority of June - as inflation fears overrode the positive aspects provided by corporate America. Investors were spared from further losses late in June as stocks posted an impressive rally prompted by the Fed's June 29th meeting. Losses were broad-based for the quarter as stocks of all capitalization levels and styles felt the impact, with the exception of domestic large cap value.

Arnerich Massena & Associates, Inc. ~ Quarter Ending June 30, 2006

## Analytics News

### Client Projects and Analytics Update

In 2Q06, Arnerich Massena analysts conducted:

- Seven asset allocation and portfolio development studies.
- 17 manager search and review documents, which included 11 specific asset class searches.

Two new products were placed on Arnerich Massena's Approved Manager List by the Investment Committee.

### Investment Manager Update

In 2Q06, Arnerich Massena analysts attended 91 meetings, including those in our offices. Roughly 34% of the meetings involved invested products. Additionally, Arnerich Massena analysts attended 26 on-site due diligence meetings in: London, UK; Weggis, Switzerland; Pfaffikon, Switzerland; Vienna, Austria; New York, NY; Philadelphia, PA; Stamford, CT; Laguna Beach, CA; Louisville, KY; and Charlotte, NC.

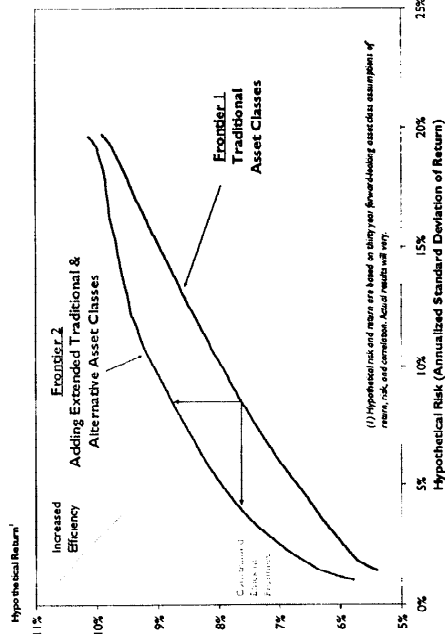
## The Benefits of Asset Allocation – Improving With New Asset Classes

In the world of university endowments, there is documented proof that larger endowments have consistently outperformed smaller ones. One of the primary reasons for this is their differing allocations to asset classes outside the “traditional” fixed income and domestic/international equities. According to the 2005 NACUBO Endowment Study, on average the largest endowments (those with greater than \$1 billion in assets) held 45% in equity and 14% in traditional fixed income versus 55-60% and 18-25%, respectively, for smaller endowments. Conversely, the larger endowments have larger allocations to other asset classes such as hedge funds, private equity, and natural resources (energy, timber, commodities).

Building client portfolios, we use sophisticated software that creates an efficient frontier of portfolios based on inputs as to expected risk (defined as the standard deviation of returns) and returns of various asset classes as well as correlations among those asset classes. The chart below shows a sample output generated from the asset allocation software. This chart shows two distinct efficient frontiers, one traditional and one generated by adding new asset classes to the traditional frontier. As can be seen, the addition of new asset classes increases the hypothetical risk/return characteristics of possible portfolio combinations.

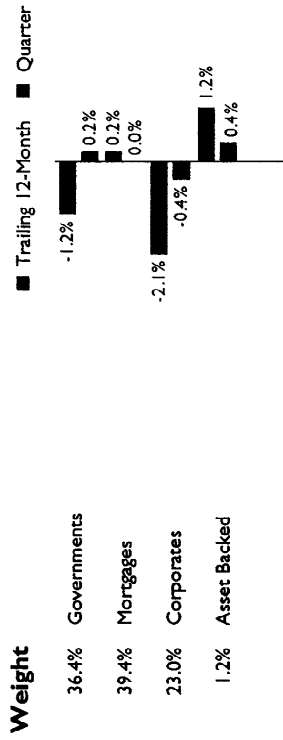
For example, let us start with a portfolio on the first (green) efficient frontier. By adding alternative asset classes to the portfolio, we can move to the second (blue) efficient frontier. Using the red arrows as a guide, we can move straight to the left and create a portfolio with an equivalent return expectation but with significantly less risk. Conversely, we can move straight up and for the same risk have a much higher hypothetical return. We can also move between the arrows and have more return for less risk.

Let's look at why asset allocation works. When you combine two assets that are not perfectly correlated, you improve the theoretical risk-return profile of the combined portfolio. Two assets with identical returns, yet different paths to those returns can be combined to create a portfolio which has the same return but much less fluctuation in value. So, for the same return, the combined portfolio has less risk than either of the individual assets alone. Our goal at Arnerich Massena is to get the maximum return for our clients given their specific risk tolerance. This is what asset allocation is all about. Regardless of investor type (participant-directed, foundation/endowment, individual investor), Arnerich Massena is constantly working to find new asset classes to improve our clients' portfolios.

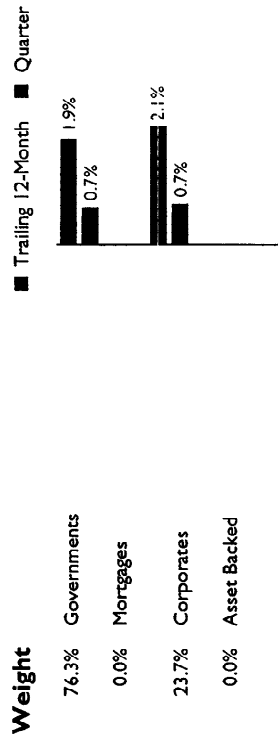


# Fixed Income Markets Overview

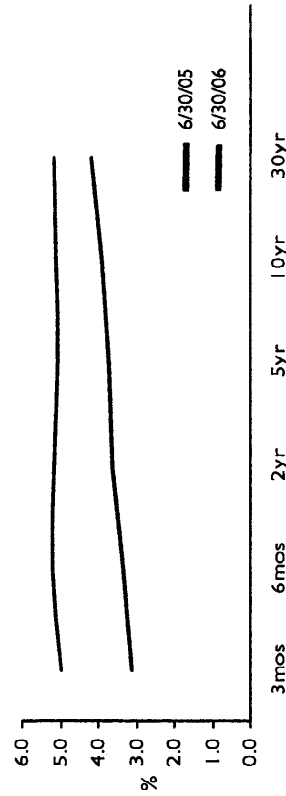
## Lehman Brothers Aggregate Bond Index Sector Weights & Returns



## Lehman Brothers | 3 Yr Govt/Credit Index Sector Weights & Returns



## Yield Curve



## Short Term and Low Duration Indices

	Duration	QTR	YTD	1	3	5	10
90 Day T-Bills	90 Days	1.2%	2.2%	3.9%	2.3%	2.2%	3.7%
LB 1-3 Yr Govt/Credit	1.8 Years	0.7%	1.1%	1.9%	1.6%	3.5%	5.0%

## Intermediate and Long Duration Indices

	Duration	QTR	YTD	1	3	5	10
LB Int-Agg Bond	4.03 Years	0.1%	-0.1%	0.0%	2.1%	4.7%	6.0%
LB Aggregate Bond	4.8 Years	-0.1%	-0.7%	-0.8%	2.1%	5.0%	6.2%
LB Government Bond	4.5 Years	0.0%	-0.9%	-1.2%	1.3%	4.7%	6.0%
LB Int. Muni Bond (10-yr)	6.4 Years	0.1%	-0.1%	0.1%	2.7%	4.9%	5.7%
LB Muni Bond Index	6.7 Years	0.0%	0.3%	0.9%	3.2%	5.0%	5.8%

## Other Indices

	Duration	Performance	QTR	YTD	1	3	5	10
LB High Yield Bond	4.6 Years	0.2%	3.1%	4.8%	8.6%	8.7%	6.5%	6.5%
LB Mortgage	4.6 Years	0.0%	-0.1%	0.4%	2.9%	4.6%	6.1%	6.1%
LB Majors ex-US	6.2 Years	4.0%	3.7%	-0.4%	4.8%	9.1%	4.8%	4.8%

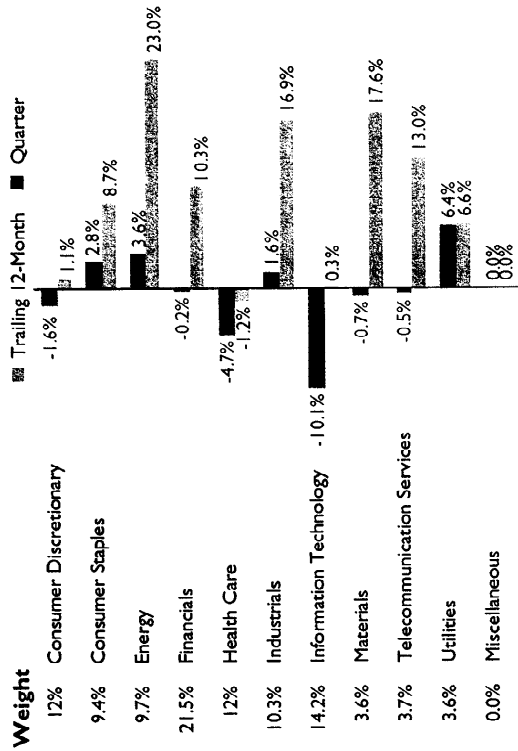
## Commentary

The behavior of fixed income markets in the second quarter 2006 was largely the same as in the first quarter. Macroeconomic factors, such as resiliently strong corporate earnings and domestic GDP, once again supported bond prices. Credit spreads remain near all time lows and narrow spreads spilled over to Mortgages and other structured products. Higher interest rates continued due to the Federal Reserve's restrictive monetary policy. As a result, the yield curve flattened. At certain points during the second quarter, the yield curve was actually inverted. As mentioned at the end of the first quarter, the present environment does not reward duration or credit risk. US Treasuries continue to see positive absolute and relative performance due to investors' fear of credit risks. Second quarter performance shows most sectors of the fixed income market were essentially flat.

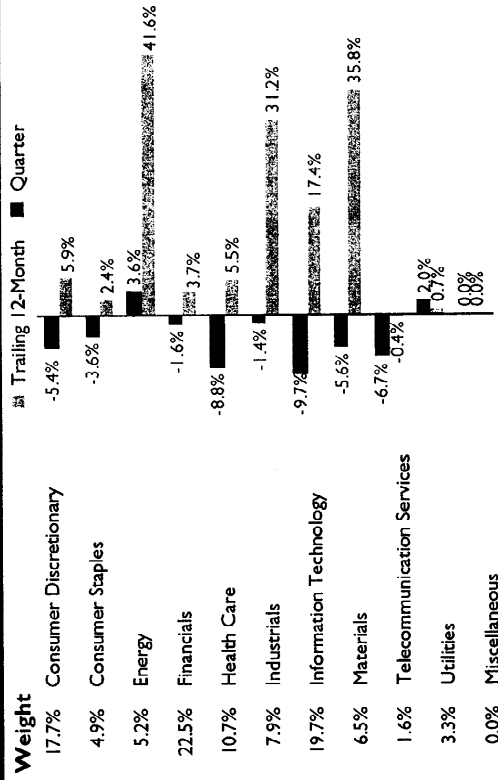


# US Equity Markets Overview

## Large Cap: S&P 500 Index Sector Weights & Returns



## Small Cap: Russell 2000 Index Sector Weights & Returns



## Large Cap Indices

	Performance		Trailing Return (years)			
	QTR	YTD	1	3	5	10
S&P 500	-1.4%	2.7%	8.6%	11.2%	2.5%	8.3%
Russell 1000 Value	0.6%	6.6%	12.1%	15.7%	6.9%	10.8%
Russell 1000 Growth	-3.9%	-0.9%	6.1%	8.3%	-0.8%	5.4%

## Mid Cap Indices

	Performance		Trailing Return (years)			
	QTR	YTD	1	3	5	10
Russell Midcap	-2.6%	4.8%	13.7%	19.9%	9.9%	12.1%
Russell Midcap Value	-0.6%	7.0%	14.3%	22.1%	13.0%	13.6%
Russell Midcap Growth	-4.7%	2.6%	13.0%	16.9%	4.8%	8.5%

## Small Cap Indices

	Performance		Trailing Return (years)			
	QTR	YTD	1	3	5	10
Russell 2000	-5.0%	8.2%	14.6%	18.7%	8.5%	9.0%
Russell 2000 Value	-2.7%	10.4%	14.6%	21.0%	13.1%	13.3%
Russell 2000 Growth	-7.2%	6.1%	14.6%	16.3%	3.5%	4.1%

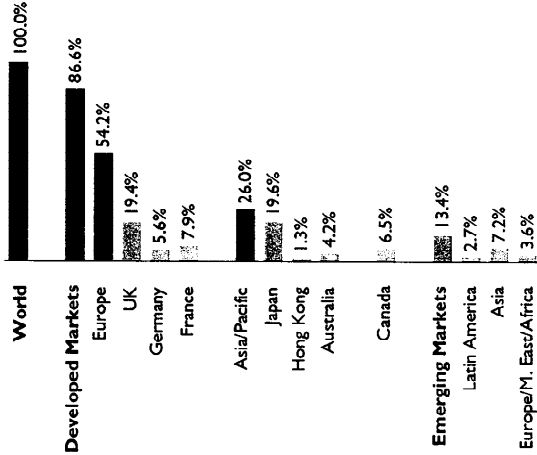
## Commentary

U.S. equity investors were taken for quite a ride during the quarter. Stocks climbed within sight of all-time highs early in the quarter, but tumbled in May - and most of June - as inflationary fears overrode the positive aspects provided by strong earnings reports from corporate America. Investors were spared from further losses late in June as stocks posted an impressive rally prompted by the Fed's June 29<sup>th</sup> meeting. With the exception of large cap value, losses were broad-based for the quarter as stocks of all capitalization levels and styles felt the impact. Large cap stocks significantly outpaced small caps during the quarter as the S&P 500 Index fell -1.4% versus the -5.0% decline experienced in the Russell 2000 Index. From a style perspective, growth-oriented stocks lost considerably more ground than value stocks. Only four of the ten S&P 500 Index sectors posted positive results. Energy and Utilities were among the strongest sectors due to merger/acquisition activity and continued strength in demand for commodities while Health Care and Technology experienced the sharpest losses.

Past performance is no guarantee of future results. This information is intended for education purposes only and does not represent investment advice. Investment fund information is obtained from sources believed to be reliable. However, such information may later be changed due to circumstances beyond our knowledge or control. Therefore its accuracy cannot be guaranteed.

# International Markets Overview

## International Markets Weights



\*The graph above and the weights below are a representation of the world's capital markets as expressed by the MSCI ACWI ex-US, a market capitalization weighted index combining the world's developed and emerging markets, excluding the United States.

## Other Countries and Weights

Developed	WT.	Emerging	WT.
Austria	0.4%	Brazil	1.5%
Belgium	0.9%	Chile	0.2%
Denmark	0.6%	China	1.3%
Finland	1.2%	Hungary	0.1%
Greece	0.5%	India	0.8%
Italy	3.0%	Indonesia	0.2%
Ireland	0.6%	Israel	0.4%
New Zealand	0.1%	Korea	2.4%
Norway	0.7%	Malaysia	0.4%
Netherlands	2.6%	Mexico	0.8%
Portugal	0.3%	Poland	0.2%
Spain	3.1%	Russia	1.2%
Sweden	1.9%	Singapore	0.7%
Switzerland	5.5%	South Africa	1.2%
		Taiwan	1.8%
		Turkey	0.2%

## Returns (in US Dollars)

Country/Region	QTR.	1-YR.	3-YR.	5-YR.
<b>World ex-US (MSCI ACWI ex-US)</b>	<b>0.2%</b>	<b>28.4%</b>	<b>25.8%</b>	<b>11.9%</b>
<b>Developed Markets (MSCI EAFE)</b>	<b>0.9%</b>	<b>27.1%</b>	<b>24.4%</b>	<b>10.4%</b>
Europe (MSCI Europe)	2.9%	25.3%	23.9%	10.9%
UK	4.9%	20.9%	21.3%	10.0%
Germany	0.2%	30.8%	25.9%	8.3%
France	3.1%	27.9%	24.8%	10.5%
Asia/Pacific (MSCI Pacific)	-2.9%	31.3%	25.7%	9.4%
Japan	-4.6%	36.0%	25.2%	7.0%
Hong Kong	-0.1%	12.1%	24.6%	9.7%
Australia	3.7%	20.6%	27.3%	19.3%
Canada	0.5%	32.1%	29.1%	17.3%
<b>Emerging Markets (MSCI EM)</b>	<b>-4.3%</b>	<b>35.9%</b>	<b>34.8%</b>	<b>21.5%</b>
Latin America (MSCI EM Latin America)	-3.1%	51.2%	48.7%	24.4%
Asia (MSCI EM Asia)	-2.0%	28.4%	28.7%	19.4%
Eur/M. East/Africa (MSCI EM Europe/Middle East)	-5.2%	44.6%	35.7%	25.9%
<b>World Growth (MSCI ACWI Growth ex-US)</b>	<b>-0.4%</b>	<b>27.9%</b>	<b>22.9%</b>	<b>10.0%</b>
Latin America (MSCI EM Latin America)	0.8%	28.9%	28.6%	13.7%
Asia (MSCI EM Asia)	-3.4%	28.7%	32.5%	19.0%

## Commentary

One word sums up international market performance in the second quarter: volatile. International indices continued the strong performance of the last several years in April, rising +5.2% as shown by the MSCI ACWI ex-US Index. May saw a reversal of this trend as the Index fell -4.6%. June intra-month performance was especially volatile, but closed with a rather tame -0.1% loss. For the second quarter, the MSCI ACWI ex-US Index posted a misleadingly benign +0.2% gain. Extended instability in the Middle East and the threat of a confrontation with Iran over potential development of nuclear weapons kept energy prices firm, fueling more thoughts of a potential rise in inflation. Rising oil and other commodity prices continue to spook investors who have turned cautious as they lock in gains. Rising interest rates also gave investors pause as financing became more expensive. In particular, Asian markets cooled down due to fears that gains in China may come under pressure. Japan fell -4.6% but still posts a three-year annualized return of +25.2%. Larger European exchanges were positive with particular strength in the UK and France. International small cap and emerging markets showed their first significant weaknesses in the last three years as they fell -3.4% and -4.3%, respectively. The US dollar declined versus other major currencies during the quarter, reflecting the ascendancy of other economies as well as foreign investors' doubts about the strength of the US in general.

## US Dollar vs. Local Currency Returns

Developed (MSCI EAFE)	QTR.	1-YR.	3-YR.	5-YR.
World ex-US (MSCI ACWI ex-US)	0.9%	27.1%	24.4%	10.4%
Developed Markets (MSCI EAFE)	-4.0%	27.1%	24.4%	10.4%
Europe (MSCI Europe)	2.9%	25.3%	23.9%	10.9%
UK	4.9%	20.9%	21.3%	10.0%
Germany	0.2%	30.8%	25.9%	8.3%
France	3.1%	27.9%	24.8%	10.5%
Asia/Pacific (MSCI Pacific)	-2.9%	31.3%	25.7%	9.4%
Japan	-4.6%	36.0%	25.2%	7.0%
Hong Kong	-0.1%	12.1%	24.6%	9.7%
Australia	3.7%	20.6%	27.3%	19.3%
Canada	0.5%	32.1%	29.1%	17.3%
<b>Emerging (MSCI EM)</b>	<b>-4.3%</b>	<b>35.9%</b>	<b>34.8%</b>	<b>21.5%</b>
Latin America (MSCI EM Latin America)	-3.1%	51.2%	48.7%	24.4%
Asia (MSCI EM Asia)	-2.0%	28.4%	28.7%	19.4%
Eur/M. East/Africa (MSCI EM Europe/Middle East)	-5.2%	44.6%	35.7%	25.9%
<b>World Growth (MSCI ACWI Growth ex-US)</b>	<b>-0.4%</b>	<b>27.9%</b>	<b>22.9%</b>	<b>10.0%</b>
Latin America (MSCI EM Latin America)	0.8%	28.9%	28.6%	13.7%
Asia (MSCI EM Asia)	-3.4%	28.7%	32.5%	19.0%



# Annual Equity Asset Class and Style Returns (1988 - Present)

## Equity Indexes Ranked from Best to Worst Performance

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	TD 06
Small Cap Value	29.5%	35.9%	-0.3%	29.1%	34.9%	6.6%	38.4%	23.1%	35.2%	38.7%	51.3%	22.8%	14.0%	-9.7%	48.5%	23.7%	17.1%	10.4%	
Mid Cap Value	27.8%	31.5%	-5.1%	21.7%	23.8%	2.7%	31.2%	21.6%	34.4%	17.9%	43.1%	19.2%	2.3%	-11.4%	46.0%	22.3%	12.7%	10.0%	
Large Cap Value	24.6%	25.2%	-8.1%	13.8%	18.1%	-1.6%	34.9%	21.4%	31.8%	15.6%	33.2%	7.0%	-5.6%	-14.7%	42.7%	21.4%	12.1%	7.0%	
Small Cap Growth	20.4%	20.2%	-17.4%	7.8%	13.4%	-2.1%	31.0%	17.5%	22.5%	5.1%	7.4%	-11.8%	-9.2%	-15.5%	41.4%	16.5%	7.1%	6.6%	
Mid Cap Growth	12.9%	12.4%	-22.7%	5.0%	11.2%	-2.2%	25.8%	11.3%	13.0%	1.2%	-0.1%	-22.4%	-20.2%	-27.4%	38.1%	15.5%	5.3%	6.1%	
Large Cap Growth	11.3%	12.0%	-21.8%	-11.0%	2.9%	-2.4%	9.9%	6.7%	2.0%	-6.5%	-1.5%	-22.4%	-20.4%	-30.3%	29.8%	6.3%	4.2%	-0.9%	
Small Cap Value	29.5%	35.9%	-0.3%	29.1%	34.9%	6.6%	38.4%	23.1%	35.2%	38.7%	51.3%	22.8%	14.0%	-9.7%	48.5%	23.7%	17.1%	10.4%	
Mid Cap Value	27.8%	31.5%	-5.1%	21.7%	23.8%	2.7%	31.2%	21.6%	34.4%	17.9%	43.1%	19.2%	2.3%	-11.4%	46.0%	22.3%	12.7%	10.0%	
Large Cap Value	24.6%	25.2%	-8.1%	13.8%	18.1%	-1.6%	34.9%	21.4%	31.8%	15.6%	33.2%	7.0%	-5.6%	-14.7%	42.7%	21.4%	12.1%	7.0%	
Small Cap Growth	20.4%	20.2%	-17.4%	7.8%	13.4%	-2.1%	31.0%	17.5%	22.5%	5.1%	7.4%	-11.8%	-9.2%	-15.5%	41.4%	16.5%	7.1%	6.6%	
Mid Cap Growth	12.9%	12.4%	-22.7%	5.0%	11.2%	-2.2%	25.8%	11.3%	13.0%	1.2%	-0.1%	-22.4%	-20.2%	-27.4%	38.1%	15.5%	5.3%	6.1%	
Large Cap Growth	11.3%	12.0%	-21.8%	-11.0%	2.9%	-2.4%	9.9%	6.7%	2.0%	-6.5%	-1.5%	-22.4%	-20.4%	-30.3%	29.8%	6.3%	4.2%	-0.9%	

Investment	Representative Index	Notes
Large Cap Value	Russell 1000 Value	Domestic equity style is a function of market capitalization, price-to-book ratio and I/B/E/S forecast long-term growth mean.
Large Cap Growth	Russell 1000 Growth	
Mid Cap Value	Russell Mid Cap Value	
Mid Cap Growth	Russell Mid Cap Growth	
Small Cap Value	Russell 2000 Value	
Small Cap Growth	Russell 2000 Growth	Developed and Developing Countries
International Stock	MSCI ACWI ex-U.S.	

This chart is intended to demonstrate the importance of diversification by showing that different equity asset classes and styles have come in and out of favor over time. This exhibit reinforces the importance of managing risk through diversification.

