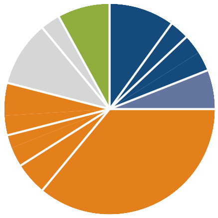
Morningstar® Managed Plan Solutions: Conservative Strategy



Asset Allocation	%	Benchmark Index	%
US Stock	19.0	Russell 1000 Value	10.0
		Russell 1000 Growth	6.0
		Russell Midcap	3.0
International Stock	6.0	MSCI World Ex US NR USD	6.0
Taxable Bond	54.0	BarCap US Agg Bond TR USD	36.0
		BarCap Gbl Infl Linked US TIPS	8.0
		Citi WGBI Non-US USD	5.0
		BarCap US Corp High Yield TR USD	5.0
Alternative	13.0	US OE Long Short Category Avg	10.0
		DJ UBS Commodity TR USD	3.0
Short Term Reserves	8.0	Citigroup 3mth T-Bill	8.0
Total	100.0		

Objective

This portfolio's fixed-income bias is designed to protect investors from capital loss while providing them with a safeguard against inflation. As a result, the portfolio is best suited for those who value current income and stability over all else. It's appropriate for clients with a one- to three-year time horizon.

Fund Allocation as of 03-31-10		%
TCW Total Return Bond I	TGLMX	16.00
Artio Total Return Bond I	JBGIX	13.00
Metropolitan West Total Return Bond I	MWTIX	12.00
Calamos Market Neutral Income I	CMNIX	10.00
MainStay ICAP Select Equity I	ICSLX	9.00
Vanguard Inflation-Protected Secs	VIPSX	8.00
Diamond Hill Large Cap I	DHLRX	8.00
PIMCO Money Market Instl	PMIXX	5.00
Harbor High-Yield Bond Instl	HYFAX	5.00
Dodge & Cox International Stock	DODFX	5.00
PRIMECAP Odyssey Growth	POGRX	4.00
PIMCO Commodity Real Ret Strat Admin	PCRRX	3.00
Aston/River Road Select Value I	ARIMX	2.00
Total Portfolio		**100.00**

March was a big month for the U.S. equity market. Gains across sectors led to a 6.03% return for the S&P 500. U.S. small caps earned even higher returns, as the Russell 2000 Index, which measures small-cap stocks across the board, climbed 8.14%. International equity mirrored the U.S. Although the Greek debt crisis suggests trouble is brewing for the European economies, the MSCI EAFE Index still managed a 6.24% return in March. Emerging market stocks gained still more ground. The MSCI Emerging Market Index, which tracks the performance of emerging-market stocks, returned 8.07% last month. In fixed-income, the picture wasn't quite as rosy. Losses by U.S. Treasuries proved too much for the Barclays Capital Aggregate Bond Index, which lost 0.12% in March despite advances by the credit sector. Meanwhile, concerns about municipal financing dragged on tax-exempt bonds. The Barclays Capital Municipal 1-10 Year Index dropped 0.60% in March.

After climbing higher in March, we think domestic equity is closer to fairly valued. Even high-quality U.S. stocks trade at a smaller discount to fair value than we've seen in quite some time. Meanwhile, the international equity market doesn't look all that cheap, either, and the economic difficulties facing Greece and other European nations merit watching closely. With the broad fixed-income market also trading near historic norms, we think rigorous individual security research is paramount in all asset classes in this environment.

Sector Analysis as of 03-31-2010	%
Information Economy	**19.07**
Software	3.04
Hardware	8.81
Media	2.38
Telecom	4.84
Service Economy	**45.83**
Healthcare	18.03
Consumer Services	7.35
Business Services	4.07
Financial Services	16.38
Manufacturing Economy	**35.09**
Consumer Goods	10.34
Industrial Materials	11.46
Energy	11.86
Utilities	1.44

Equity Style as of 03-31-2010

Value	Core	Growth	
25	38	20	Large
3	4	4	Mid
2	2	2	Small

Weighting %

0–10 10–25 25–50 >50

Valuation as of 03-31-2010	
Price/Earnings Ratio	17.7
Price/Book Ratio	1.95
Price/Cash Flows Ratio	8.87
Price/Sales Ratio	1.3
Return On Equity	11.39

Portfolio Statistics as of 03-31-2010	
Blended Expense Ratio	0.64%
12-Mo. Income Return–Gross	4.37%

Market Cap as of 03-31-2010	
Average (Million)	$29,915.64

Fixed Income Statistics as of 03-31-2010	
Avg Weighted Duration Yrs	4.1
Avg Weighted Credit Quality	AA

3 Year Risk Statistics as of 03-31-2010	
Beta vs. Russell 3000	0.38
R-Squared vs. Russell 3000	87.02
Std. Dev.–Portfolio	8.57
Std. Dev.–Blended Benchmark	8.44

Please refer to the Additional Information section for important disclosures regarding the statistics presented in this report.

Morningstar® Managed Plan Solutions: Conservative Strategy

Portfolio Performance as of 03-31-10

	1 Mo	Q1 2010	Q4 2009	YTD	1 Year	3 Year	5 Year	Inception
Conservative Portfolio	2.06	2.94	3.06	2.94	24.97	2.76	4.59	4.22
Blended Benchmark	1.71	2.01	1.99	2.01	20.59	2.61	4.42	4.00
+/- Blended Benchmark	0.35	0.93	1.07	0.93	4.38	0.15	0.17	0.22
Conservative Portfolio - Net	2.06	2.86	2.98	2.86	24.59	2.45	4.28	3.91
Blended Benchmark Components								
BarCap Gbl Infl Linked US TIPS	0.13	0.56	1.76	0.56	6.18	6.01	4.82	3.22
BarCap US Agg Bond TR USD	-0.12	1.78	0.20	1.78	7.69	6.14	5.44	5.74
BarCap US Corp High Yield TR USD	3.14	4.62	6.19	4.62	56.18	6.65	7.78	10.37
Citi WGBI Non-US USD	-1.99	-2.10	-2.15	-2.10	8.41	7.45	4.68	2.69
Citigroup 3mth T-Bill	0.01	0.02	0.03	0.02	0.13	1.80	2.76	0.58
DJ UBS Commodity TR USD	-1.24	-5.03	9.03	-5.03	20.53	-6.88	-1.36	-20.76
MSCI World Ex US NR USD	6.44	1.35	2.44	1.35	55.96	-6.15	4.33	-11.38
Russell 1000 Growth	5.78	4.65	7.94	4.65	49.75	-0.78	3.42	-3.44
Russell 1000 Value	6.51	6.78	4.22	6.78	53.55	-7.33	1.05	-8.52
Russell Midcap	7.07	8.67	5.92	8.67	67.71	-3.30	4.20	-3.72
US OE Long Short Category Avg	1.52	0.73	1.30	0.73	15.98	-1.55	1.89	-3.77

Annualized Returns (%) as of 03-31-10

Portfolio Holdings	Morningstar Category	1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Artio Total Return Bond I	Intermediate-Term Bond	0.40	2.28	2.28	13.43	6.70	5.81	6.97	6.71
Aston/River Road Select Value I	Small Value	5.39	8.51	8.51	40.41	--	--	--	-6.04
Calamos Market Neutral Income I	Long-Short	2.19	1.57	1.57	18.98	1.81	3.45	--	4.95
Diamond Hill Large Cap I	Large Value	3.41	4.47	4.47	54.86	-1.62	4.56	--	5.25
Dodge & Cox International Stock	Foreign Large Value	8.58	3.70	3.70	75.71	-4.64	5.98	--	8.92
Harbor High-Yield Bond Instl	High Yield Bond	2.86	3.35	3.35	27.49	5.25	6.33	--	8.10
MainStay ICAP Select Equity I	Large Value	5.85	6.82	6.82	48.49	-3.20	3.66	4.48	7.43
Metropolitan West Total Return Bond I	Intermediate-Term Bond	0.63	3.93	3.93	21.41	7.97	7.22	7.18	7.18
PIMCO Commodity Real Ret Strat Admin	Natural Resources	-0.88	-3.29	-3.29	36.26	-3.68	-0.28	--	5.64
PIMCO Money Market Instl	Money Market - Taxable	0.00	0.01	0.01	0.10	2.07	2.94	2.72	3.67
PRIMECAP Odyssey Growth	Large Growth	5.79	6.66	6.66	57.12	0.71	6.51	--	7.22
TCW Total Return Bond I	Intermediate-Term Bond	0.05	1.87	1.87	19.18	8.92	7.53	7.68	7.08
Vanguard Inflation-Protected Secs	Inflation-Protected Bond	0.04	0.36	0.36	5.65	5.60	4.50	--	6.99

Portfolio Performance—The portfolio returns presented are derived from model portfolios ('Portfolios') created by Morningstar Investment Services, Inc. ('MIS') on 04/01/2008. The performance of each Portfolio presented is not a reflection of actual clients' portfolios, but is a hypothetical portfolio managed in the same manner as the portfolios MIS manages for actual clients (e.g., the timing of rebalancing and/or reallocation transactions for each Portfolio is the same as when such transactions are implemented for actual clients).

The purpose in presenting the performance of each Portfolio is to provide a historical indication of that strategy. In no way should the performance of each Portfolio be: considered indicative or a guarantee of the future performance of an actual client's portfolio with the same strategy, considered indicative or the actual performance achieved by actual clients in the same strategy within the program, or viewed as a substitute for the actual portfolios recommended to individual clients.

Actual results of an individual client in the program may differ substantially from the historical performance shown for a Portfolio and may include an individual client incurring a loss. Past performance is no guarantee of future results. It is important to note that investments in mutual funds involve risk, including as a result of market and general economic conditions, and will not always be profitable. MIS does not guarantee that the results of its advice, recommendations, or the objectives of a Portfolio will be achieved.

Portfolio Performance–Gross: The 'gross' performance presented for each Portfolio does not include any program fees which if included, the performance noted would be less (and in some cases may be significantly less). The 'gross' performance calculations do assume all dividends and capital gains distributions are reinvested, are net of underlying fund's fees and expenses, and are based on the underlying fund's net asset value as of close of trading on the New York Stock Exchange at the last business day of a month. Performance returns were calculated using a time weighted, geometrically linked rate of return formula. Returns for periods over one year are annualized.

Portfolio Performance–Net: The 'net' performance presented for each Portfolio includes an annual MPS program fee of .30% (this does not include recordkeeping/administration fees that may apply). Additionally, the 'net' performance calculation assumes all dividends and capital gains distributions are reinvested, are net of underlying fund's fees and expenses, and are based on the underlying fund's net asset value as of close of trading on the New York Stock Exchange at the last business day of a month. Performance returns were calculated using a time weighted, geometrically linked rate of return formula. Returns for periods over one year are annualized. The purpose in presenting a Portfolio performance net of program fees is to illustrate the effect the maximum program fee had on the Portfolio's investment experience for the time periods noted.

Portfolio holdings and composition percentages for Portfolio Statistics, Equity Style Statistics, Sector Analysis, Fixed Income Statistics and Regional Exposure (where applicable) are as of the date of the most recently filed fund portfolio with Morningstar Inc., and may not represent current fund positions. These statistics are based on weights of the fund holdings within the portfolio as of the date listed in the Fund Allocation section of this report. Actual portfolio holdings are subject to change without notice.

Additional Information

Fund Performance Total return (%)—represents the change in monthly net asset value (NAV), reinvesting all income and capital gains distributions during that month, and dividing by the starting NAV. Reinvestments are made using the actual reinvestment NAV; daily payoffs are reinvested monthly. Total returns are net of management, administrative, 12b-1 fees and other costs taken out of fund assets. Total returns are not adjusted for sales charges (loads, redemption fees, commissions.) Returns for periods under twelve months are not annualized. Fund performance is provided for reference only and in no way should be viewed as a recommendation or an offer to buy a specific mutual fund.

Blended Expense Ratio—represents the asset-weighted expense ratio of the individual funds held in the portfolio as of the date specified.

Benchmark Performance—The Benchmark returns noted next to Portfolio performance returns are of the blended benchmarks applicable to that portfolio strategy and are not one particular index (i.e., Russell 2000). Please refer to the Index Returns section for more information. The purpose in providing Benchmark returns is intended to provide an appropriate comparison for that particular investment strategy. The Benchmark returns assume monthly rebalancing to benchmark target weights. The composition of the Benchmarks may change over time primarily due to a material asset class change within a portfolio. Therefore, the historical performance of the Benchmark represents the composite performance of past and current Benchmark components. The Benchmark and its underlying indices are unmanaged and are not available to investors for direct investment. The Benchmark returns are derived by taking a weighted average of the returns of each underlying index minus a hypothetical expense charge. The hypothetical expense charge is a blend of the median of expense ratios for passive index mutual funds (excluding ETFs) in three asset classes: Domestic Equity, Fixed-Income and Foreign. Because market indexes are unmanaged and do not incur expenses, this expense adjustment is intended to allow for a more meaningful comparison. Please contact your investment advisory representative for more information about the blended benchmark.

Index Returns—Individual index performance is provided as a reference only. Each index is unmanaged and is not available for direct investment. Since indices and/or composition levels may change over time, actual return and risk characteristics may be higher or lower than those presented. Although Index performance data and expense ratios of passive index mutual funds are gathered from reliable sources, Morningstar Investment Services cannot guarantee its accuracy, completeness or reliability. Benchmark data sources are: Morningstar Inc., Lehman Brothers, Citigroup, Morgan Stanley, Merrill Lynch and NAREIT.

Risk Statistics

Beta—Measures the degree of change in value one can expect in a portfolio given a change in value in an index. A portfolio with a beta greater than one is generally more volatile than the index, while a portfolio with a beta of less than one is generally less volatile than the index. Beta is calculated by regressing a portfolio's excess returns vs. Treasury bills (a relatively risk-free investment) to a market index's excess returns vs. Treasury bills.

R-squared—Reflects the percentage of a portfolio's movements that are explained by movements in an index. A high R-squared (85–100) indicates the portfolio performance closely follows the index. R-squared is calculated based on a regression analysis of the portfolio's returns to the returns of the index.

Standard Deviation—A measure of the volatility of a portfolio's or an index's returns around its mean. A high standard deviation indicates a wide monthly performance range and more volatility than does a low standard deviation. The standard deviation is calculated from the difference between the actual monthly returns for a given time period and the average monthly return over the same time period.

Benchmark Descriptions

Citigroup 90-Day T-Bill Index—Represents the average of T-bill rates for each of the prior three months, adjusted to a bond equivalent basis.

Citigroup WGBI Non-US Index—The Citigroup Non-U.S. dollar World Government Bond Index (the "WGBI") is an unmanaged index comprised of approximately 600 high-quality bonds issued in several different securities and gives a broad indication at how foreign bonds have performed. It is a market capitalization weighted index consisting of the government bond markets of the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, the Netherlands, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. Country eligibility is determined based on market capitalization and investability criteria. All issues have a remaining maturity of at least one-year. Rebalanced monthly. This index represents the WGBI ex-U.S. hedged back to the U.S. dollar.

DJ AIG Commodity Index—The Dow Jones-AIG Commodity Index (DJ-AIGCI) is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. The index is composed of futures contracts on physical commodities.

Barclays Capital Aggregate Index—A market value weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year.

Barclays Capital US Corporate High Yield TR USD Index—This index covers the universe of fixed rate, non-investment grade debt Pay- in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, and 144-As are also included.

Barclays Capital Gbl Infl Linked US TIPS—This index is an unmanaged market index made up of U.S. Treasury Inflation Protection securities.

Morningstar U.S. Open End Long-Short Funds Category Average—Long-short portfolios take long positions in securities that appear attractive and short positions in securities that appear to be unattractive. Some of these portfolios are market neutral, which means that they divide their exposure equally between long and short positions in an attempt to minimize the losses that could occur from a broad market rally or decline. Other portfolios focus exclusively on stocks that are or could be involved in mergers and acquisitions. Morningstar category averages measure how a category performed over a specific time period while correcting for the effects of survivorship-bias, recently-incepted funds and category changes.

MSCI World ex. U.S. Index—A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of June 2007 this index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

MSCI World Emerging Markets Index—It is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of June 2007 thisndex consisted of the following 25 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

Russell 1000 Growth Index—This index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index—This index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

Russell Mid Cap Index—This index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 31% of the total market capitalization of the Russell 1000 companies.

Russell 2000 Index—This index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

S&P Developed Property Index—This index is the developed markets portion of the S&P/Citigroup Global Property Index. The index defines and measures the investable universe of publicly traded property companies. Companies included in the index are involved in a wide range of real estate-related activities, such as property management, development, rental, and investment.