

Glossary

Time-Weighted Return:

A measure of investment performance (income and price changes) as a percentage of capital “at work,” eliminating the affects of cash contributions and withdrawals in and out of the portfolio. This is the portfolio’s rate of return after fees. It is useful for comparing to market indexes.

Benchmark Index:

A benchmark index gives the investor a point of reference for evaluating a fund's performance. Examples are the Standard & Poor's 500 Composite Index (S&P 500) and the Lehman Brothers Aggregate Bond Index (LB Aggregate). The S&P 500 index is a basic benchmark for U.S. stock funds, including asset-allocation, balanced funds, and multi-asset or global funds. The LB Aggregate Index is a commonly used benchmark for U.S. fixed-income funds, including convertible, high-yield, and world-bond funds.

S&P 500 Composite Index:

This index represents a basket of 500 U.S. stocks that are considered to be widely held amongst investors. The index is weighted by market value and takes into account liquidity, and economic sector. While biased toward large and “mid cap” stocks, it provides a broad snapshot of the overall U.S. equity market; in fact, over 70% of all U.S. equity is tracked by the S&P 500. Most experts consider the S&P 500 one of the best benchmarks available to judge overall U.S. market performance.

Russell 2000 Index:

This index measures the performance of the smallest 2,000 companies contained in the broader Russell 3000 Index. Because of its emphasis toward smaller companies it is a benchmark commonly used for tracking “small caps”.

MSCI EAFE Equity Index:

The Morgan Stanley Capital International (MSCI) Europe, Asia, Far East Equity (EAFE) Index is a total return index of foreign stocks of 20 developed countries, reported in U.S. dollars. In exchange for greater growth potential, investments in foreign securities can have added risks. These include changes in currency rates, economic and monetary policy, differences in auditing standards and risks related to political and economic developments.

Lehman Brothers Aggregate Bond:

A benchmark index made up of the Lehman Brothers Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that are of investment-grade quality or better (As rated by Standard & Poor's BBB or higher & Moody's as Baa or higher) , have at least one year to maturity, and have an outstanding Par value of at least \$100 million.

6 Month Certificate of Deposit:

This is a savings certificate entitling the bearer to receive interest. A CD bears a maturity date (in this case six months), a specified interest rate (usually expressed as an annual rate of return even for shorter terms) and can be issued in any denomination. CDs are generally issued by commercial banks.

Contributions & Withdrawals:

Net value of all funds added to or removed from the portfolio during the report period. Additions include deposits and receipt of securities. Subtractions include sells, debits, transfer of securities, dividends not reinvested, and internal movements of cash.

Disclaimer:

An Index is a portfolio of specific securities (common examples are the S & P, DJIA, NASDAQ), the performance of which is often used as a benchmark in judging the relative performance of certain asset classes. Indexes are unmanaged portfolios and investors cannot invest directly in an index.

Past performance is not indicative of future results.

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External Fee Payments:

The total amount of fees paid with funds from outside the portfolio. If you have a deposit and a management fee on the same day for the same amount, the report marks the deposit as an external fee payment instead of a contribution.

Net of Fees:

This refers to a measurement of return reflecting values after fees have been deducted.

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