Morgan Stanley

Plan Review

For period ending:
June 30, 2014

Prepared for:
CLV ICMA - Funds For Consideration

Presented by:
Morgan Stanley Smith Barney, LLC

Investments and services offered through Morgan Stanley Smith Barney LLC, member SIPC.

Introduction

About this Report

Your defined contribution plan generally represents one of the most important sources of retirement income for your employees. As a fiduciary to the plan, you want to strive to ensure that it meets your employees' needs for retirement savings. That means designing an effective plan, fulfilling administrative requirements, and reviewing the plan on a regular basis in accordance with your fiduciary responsibilities.

One of the most important components of a successful plan and process is the work we do together, on a regular basis, to review your plan's investments. Our reviews present the opportunity for us to meet and discuss not only your plan's investment results, but afford us the venue to respond to any concerns you may have, and share with you our ideas regarding potential improvements or updates to the plan's investment policy statement or investment options. We can also provide viewpoints on market developments and information on the trends that have potential to influence fund performance.

While it is important to use this report to evaluate your plan's investment lineup against appropriate industry benchmarks, we believe that it is just as important to take note on how your funds are doing with respect to the fund-evaluation guidelines you provided us from your investment policy statement. If there are funds you have questions about, or criteria of the investment policy statement you think may need to be updated, let us discuss those with you. Likewise, if we see items for consideration or concern with respect to the investment menu, we will raise those during our meeting as well.

We look forward to the discussion.

This report is intended for use only with Morgan Stanley Smith Barney, LLC ("MSSB LLC") participant-directed retirement plan clients who have engaged MSSB LLC as the plan's investment consultant under the Consulting Group Institutional Services Program and advisory contract.

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Investors should consider the investment objectives, risks, charges and expenses of each mutual fund and exchange-traded fund carefully before investing. This and other information is found in the prospectus. For a prospectus, contact your Financial Advisor. Please read the prospectus carefully before investing.

Morgan Stanley

Section I: Investment Options for Consideration

Scorecard Detail

As of June 30, 2014

(MS Approved Status - As of July 31, 2014)

Asset Class / Morningstar Category *Peers in Category - 1yr/3yr/5yr/10yr/Overall*	**Ticker**	**3 Year Return**	**5 Year Return**	
Investment		**Rank <= Pct rank 50.0**	**Rank <= Pct rank 50.0**	
Bond				
Inflation-Protected Bond *Peers in Category: 218 / 194 / 150 / 65 / 194*				*Criteria Score: 2 of 2*
PIMCO Real Return Instl	**PRRIX**	3	1	
				Criteria Score: 1 of 2
Vantagepoint Inflation Focused T	**VQTSX**	*32*	*51*	
Intermediate-Term Bond *Peers in Category: 1053 / 931 / 797 / 576 / 931*				*Criteria Score: 2 of 2*
Loomis Sayles Core Plus Bond N	**NERNX**	*1*	*5*	
				Criteria Score: 2 of 2
Nuveen Core Plus Bond I	**FFIIX**	9	10	
				Criteria Score: 2 of 2
PIMCO Total Return Admin	**PTRAX**	50	47	
				Criteria Score: 0 of 2
Vantagepoint Core Bond Index T	**VQCIX**	*77*	*85*	
				Criteria Score: 2 of 2
Western Asset Core Plus Bond IS	**WAPSX**	11	4	
High Yield Bond *Peers in Category: 697 / 565 / 488 / 343 / 565*				*Criteria Score: 1 of 2*
PIMCO High Yield Admin	**PHYAX**	68	45	

Fund Category not screened by MS | Not MS Approved | Meets Criteria | Does Not Meet Criteria | n/a Data Not Available

See the Glossary at the end of this report for definitions. Monitoring criteria set out above and used in the “Scorecard” and “Monitoring Detail” sections of this report are based on the plan’s investment policy criteria as provided to MS by the plan sponsor. Please inform your Financial Advisor of any changes to the plan’s investment policy.

Fund data provided by Morningstar. Fund commentary provided by UpTick Data Technologies.

Performance with Risk Measures

As of June 30, 2014

Asset Class / Morningstar Category / Benchmark / Investment	Current Period Returns (%) 3 Mos	YTD	1 Yr	Annualized Returns (%) 3 Yr	5 Yr	10 Yr	Since Inception	Inception Date	Percent Rank in Category 1 Yr (Funds in Category)	3 Yr	5 Yr	10 Yr	Risk (5yr) Alpha	Beta	Sharpe Ratio	Std Dev	R Squared
Bond																	
Inflation-Protected Bond	3.26	4.92	3.77	2.63	4.88	4.70			(218)	(194)	(150)	(65)	-1.60	1.36	0.96	5.04	60.05
BM: Barclays US Treasury US TIPS TR USD	3.81	5.83	4.44	3.55	5.55	5.25									1.05	5.22	
PIMCO Real Return Instl	4.22	6.51	5.53	3.91	6.53	5.70	6.95	01/29/1997	4	3	1	2	0.56	1.07	1.12	5.72	95.83
Vantagepoint Inflation Focused T	3.77	5.64	4.16	3.10	4.97	4.53	-2.26	03/01/2013	37	32	51	--	-0.36	0.96	0.97	5.05	98.89
Intermediate-Term Bond	2.09	4.10	5.07	4.08	6.02	4.77			(1053)	(931)	(797)	(576)	1.40	0.94	1.83	3.18	74.37
BM: Barclays US Agg Bond TR USD	2.04	3.93	4.37	3.66	4.85	4.93									1.65	2.85	
Loomis Sayles Core Plus Bond N	3.08	6.79	9.56	7.07	8.86	7.00	4.49	02/01/2013	2	1	5	2	3.38	1.09	2.06	4.13	56.80
Nuveen Core Plus Bond I	2.75	5.63	8.64	5.62	7.98	5.47	5.76	02/04/1994	3	9	10	23	3.81	0.82	2.07	3.72	39.94
PIMCO Total Return Admin	2.31	3.58	4.62	4.06	6.12	6.11	6.95	09/08/1994	57	50	47	9	1.21	1.01	1.60	3.70	59.93
Vantagepoint Core Bond Index T	2.03	3.87	4.14	3.31	4.45	4.51	1.29	03/01/2013	72	77	85	64	-0.41	1.00	1.50	2.87	99.50
Western Asset Core Plus Bond IS	2.86	5.74	6.91	5.46	9.23	6.31	8.70	08/04/2008	12	11	4	6	4.17	1.00	2.29	3.87	53.66
High Yield Bond	2.14	4.83	10.62	8.24	12.57	7.60			(697)	(565)	(488)	(343)	10.65	0.29	1.79	6.82	2.10
BM: BofAML US HY Master II TR USD	2.57	5.64	11.84	9.27	13.94	8.91									1.94	6.85	
PIMCO High Yield Admin	1.80	4.49	9.67	7.86	12.76	7.72	7.86	01/16/1995	78	68	45	45	-1.08	1.00	1.76	6.95	97.73

Money Market: Investments in a money market fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in a money market fund.

Performance data quoted is historical. Past performance does not guarantee future results. Current performance may be higher or lower than the performance quoted. You can obtain performance data current to the most recent month-end for each fund in the chart by calling the toll-free number indicated on each fund's profile in the Fund Profiles section of this report. The investment return and principal value of an investment will fluctuate such that an investor's shares, when redeemed, may be worth more or less than their original cost. Total returns include reinvestment of dividends and capital gains and are net of all fees and expenses.
Each fund's performance may, from time to time, have been affected significantly by material market and economic conditions, including interest rates, market trends, and general business and economic cycles, which may or may not be repeated in the future. Also, keep in mind that any double-digit returns are highly unusual and cannot be sustained. Such returns are primarily achieved during favorable market conditions.
The fund's total-return percentile rank is for the specified period relative to all funds that have the same Morningstar category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. Morningstar category rankings are based on the total return for periods stated with the dividends reinvested and capital gains and do not take into account or reflect sales charges.

Refer to the Disclosures section for primary risk definitions. Refer to Glossary section for definitions of each metric. Data and corresponding calculations provided by Morningstar.

Morningstar provides adjusted historical returns for some mutual funds in its universe. Morningstar computes the funds' return stream by appending an adjusted return history of the oldest share class of the fund. Refer to the Disclosures for important Pre-Inception Returns disclosure information.
A Benchmark Index (BM) is an unmanaged combination of securities used to measure and report performance of various sectors of the stock market. It is not possible to invest directly in an index.

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Fees & Expenses

As of June 30, 2014

Asset Class / Investment	Ticker	Morningstar Category	Expense Cat Avg Gross / Net	Expense Ratio Gross / Net	Funds In Category	Rank In Category Gross / Net	12b-1 Fee
Bond							
PIMCO Real Return Instl	PRRIX	Inflation-Protected Bond	1.01 / 0.79	0.48 / 0.45	218	21 / 25	n/a
Vantagepoint Inflation Focused T	VQTSX	Inflation-Protected Bond	1.01 / 0.79	0.40 / 0.40	218	17 / 22	n/a
Loomis Sayles Core Plus Bond N	NERNX	Intermediate-Term Bond	1.07 / 0.89	0.44 / 0.44	1053	20 / 24	0.00
Nuveen Core Plus Bond I	FFIIX	Intermediate-Term Bond	1.07 / 0.89	0.56 / 0.52	1053	25 / 28	0.00
PIMCO Total Return Admin	PTRAX	Intermediate-Term Bond	1.07 / 0.89	0.71 / 0.71	1053	32 / 39	0.25
Vantagepoint Core Bond Index T	VQCIX	Intermediate-Term Bond	1.07 / 0.89	0.21 / 0.16	1053	9 / 9	n/a
Western Asset Core Plus Bond IS	WAPSX	Intermediate-Term Bond	1.07 / 0.89	0.43 / 0.43	1053	19 / 23	n/a
PIMCO High Yield Admin	PHYAX	High Yield Bond	1.35 / 1.13	0.80 / 0.80	697	22 / 28	0.25
Averages:			1.09 / 0.90	0.50 / 0.49		20 / 24	

The expense ratio is a fund's total annual operating expenses (including management fees, distribution fees, and other expenses) revealed as a percentage of the fund's average net assets.

Calendar Year Performance

As of June 30, 2014

Asset Class / Morningstar Category / Benchmark / Investment	Ticker	Annual Returns (%)									
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Bond											
Inflation-Protected Bond		-7.85	6.45	10.93	5.94	10.88	-4.08	9.86	0.09	2.09	7.48
BM: Barclays US Treasury US TIPS TR USD		*-8.61*	*6.98*	*13.56*	*6.31*	*11.41*	*-2.35*	*11.64*	*0.41*	*2.84*	*8.46*
PIMCO Real Return Instl	PRRIX	-9.05	9.25	11.57	7.81	18.96	-6.42	11.59	0.28	2.64	9.19
Vantagepoint Inflation Focused T	VQTSX	***-8.81***	***6.84***	***11.53***	***5.95***	***9.75***	***-0.39***	***9.64***	***3.34***	***1.05***	1.77
Intermediate-Term Bond		-1.42	7.01	5.86	7.72	13.97	-4.70	4.70	4.15	1.80	3.91
BM: Barclays US Agg Bond TR USD		*-2.02*	*4.21*	*7.84*	*6.54*	*5.93*	*5.24*	*6.97*	*4.33*	*2.43*	*4.34*
Loomis Sayles Core Plus Bond N	NERNX	***-0.49***	***11.31***	***7.68***	***10.35***	***16.62***	***0.61***	***6.06***	***5.34***	***1.10***	5.10
Nuveen Core Plus Bond I	FFIIX	0.54	8.79	4.92	7.96	24.37	-10.71	6.16	3.85	2.34	3.78
PIMCO Total Return Admin	PTRAX	-2.17	10.08	3.91	8.56	13.55	4.55	8.81	3.74	2.63	4.88
Vantagepoint Core Bond Index T	VQCIX	***-2.38***	***3.80***	***7.41***	***6.13***	***5.57***	***4.63***	***6.52***	***3.82***	***1.98***	4.04
Western Asset Core Plus Bond IS	WAPSX	-0.98	8.57	6.65	12.10	26.11	***-9.76***	***2.57***	***6.81***	***2.23***	7.54
High Yield Bond		6.90	14.67	2.83	14.24	46.70	-26.41	1.47	10.14	2.59	9.99
BM: BofAML US HY Master II TR USD		*7.42*	*15.59*	*4.38*	*15.19*	*57.51*	*-26.39*	*2.24*	*11.72*	*2.74*	*10.87*
PIMCO High Yield Admin	PHYAX	5.51	14.27	3.74	13.96	43.70	-23.87	3.48	9.17	4.36	9.18

Performance data quoted is historical. Past performance does not guarantee future results. Current performance may be higher or lower than the performance quoted. You can obtain performance data current to the most recent month-end for each fund in the chart by calling the toll-free number indicated on each fund's profile in the Fund Profiles section of this report. The investment return and principal value of an investment will fluctuate such that an investor's shares, when redeemed, may be worth more or less than their original cost. Total returns include reinvestment of dividends and capital gains and are net of all fees and expenses. Performance figures are based on Net Asset Value (NAV) within a qualified retirement plan. If an individual were to purchase shares outside of a qualified plan, they would likely be subject to all, or a portion of, any applicable sales charges. These charges would lower the performance indicated above. Each fund’s performance may, from time to time, have been affected significantly by material market and economic conditions, including interest rates, market trends, and general business and economic cycles, which may or may not be repeated in the future. Also, keep in mind that any double-digit returns are highly unusual and cannot be sustained. Such returns are primarily achieved during favorable market conditions.

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PIMCO Real Return Instl (PRRIX)

Fund Profile — **For the Period Ending: Jun 30, 2014**

Fund Information

Date of Inception:	01/29/1997
Fund Assets:	$7409.67 (Mil)
Morningstar Category:	Inflation-Protected Bond
Net Expense Ratio:	0.45
Gross Expense Ratio:	0.48
Max. Sales Charge:	--
Telephone Number:	888-877-4626
Manager Tenure:	6.5
Manager Name:	Mihir Worah

Fund Commentary

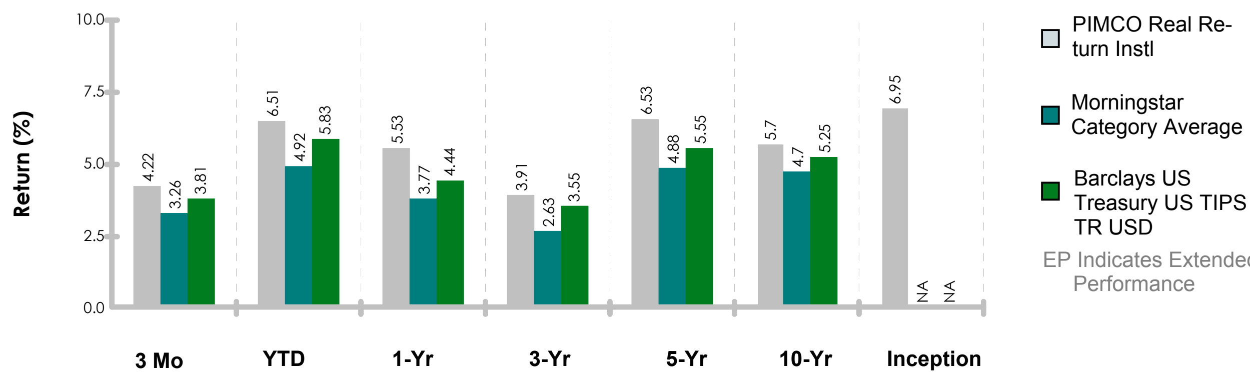
- Over the most recent three-month period, the fund's return was 4.22%.
- One-year return was 5.53%. Better than the index and the Morningstar category average.
- Three-year return was 3.91%. Outperformed the index and the Morningstar category average.
- Five-year return was 6.53%. Better than its benchmark and the Morningstar category average.
- The fund returned 7.71% in the 3rd quarter of 2002, its best in the last 60 quarters.
- In the 2nd quarter of 2013, the fund returned -8.30% - its worst in the most recent 60 quarters.
- A lower net expense ratio (0.45%) than its Morningstar category's average (0.79%).

Commentary and data may reflect extended performance

Top 10 Holdings

Investment	% of Total
US Treasury TIP	11.49
US Treasury TIP 1.25%	9.08
US TREASURY TIP	8.96
US Treasury TIP 3.625%	8.77
US Treasury TIP	6.79
5 Year US Treasury Note Future June14	6.25
US TREASURY TIP	5.87
US Treasury TIP 2%	4.83
Fin Fut Euro$ Cme 09/14/15	4.75
Fin Fut Euro$ Cme 03/14/16	4.69
TOTAL:	**71.48**

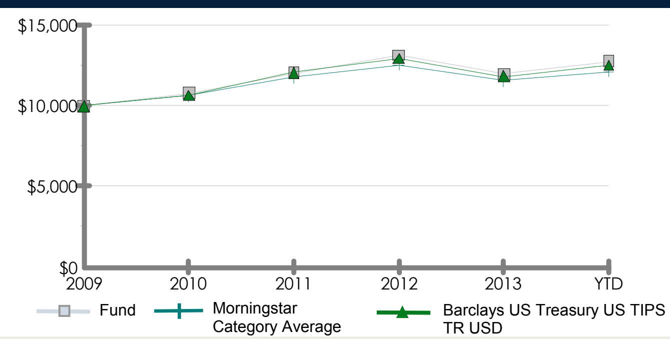
Performance



Credit Allocation

Chart Not Available

Growth of $10,000



Risk Statistics - 3-Year Period

	Fund	Morningstar Category
Standard Deviation	6.02	5.05
Beta	1.08	1.46
Alpha	0.10	-2.55
Sharpe Ratio	0.66	0.53
R Squared	97	65

Fund data provided by Morningstar. Fund commentary provided by UpTick Data Technologies.

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Vantagepoint Inflation Focused T (VQTSX)

Fund Profile — **For the Period Ending: Jun 30, 2014**

Fund Information

Date of Inception:	03/01/2013
Fund Assets:	$492.28 (Mil)
Morningstar Category:	Inflation-Protected Bond
Net Expense Ratio:	0.40
Gross Expense Ratio:	0.40
Max. Sales Charge:	--
Telephone Number:	800-669-7400
Manager Tenure:	6.5
Manager Name:	Mihir Worah, Martin Hegarty, Gargi Chaudhuri

Fund Commentary

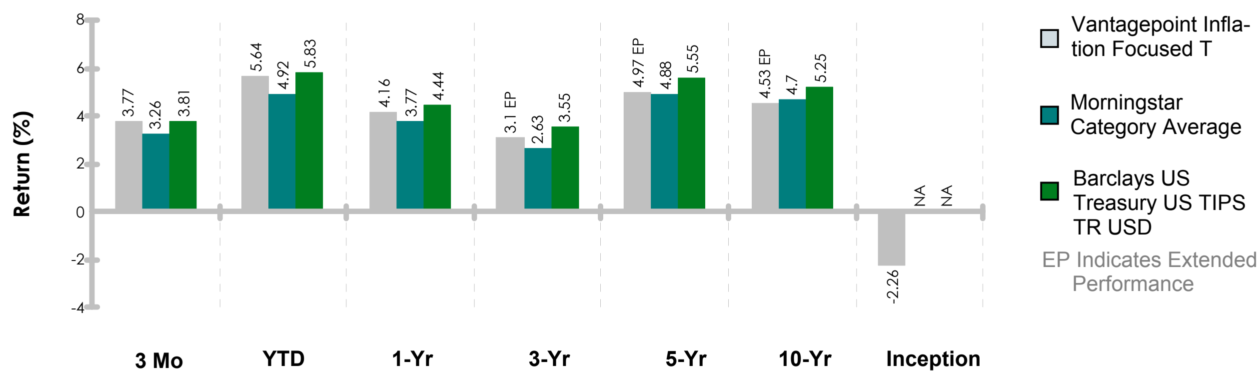
- The fund yielded a return of 3.77% over the most recent three-month period.
- One-year return was 4.16%. Approximately the same as the benchmark. Outperformed the Morningstar category average.
- The fund returned 3.77%, its best in the most recent 5 quarters, during the second quarter of 2014.
- The fund returned -7.12%, its worst in the past 5 quarters, over the 2nd quarter of 2013.
- A net expense ratio of 0.40%; below the 0.79% average of its Morningstar category.

Commentary and data may reflect extended performance

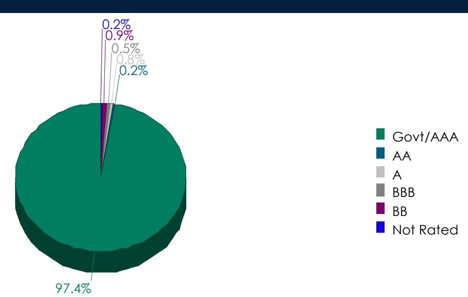
Top 10 Holdings

Investment	% of Total
US Treasury TIP	6.41
US Treasury TIP	5.56
US TREASURY TIP	5.51
US Treasury TIP 1.25%	5.46
US Treasury Note	5.38
US Treasury TIP	5.35
US Treasury TIP 2%	5.26
US TREASURY TIP	5.02
US Treasury TIP 2.375%	4.84
US Treasury TIP 1.125%	4.69
TOTAL:	**53.48**

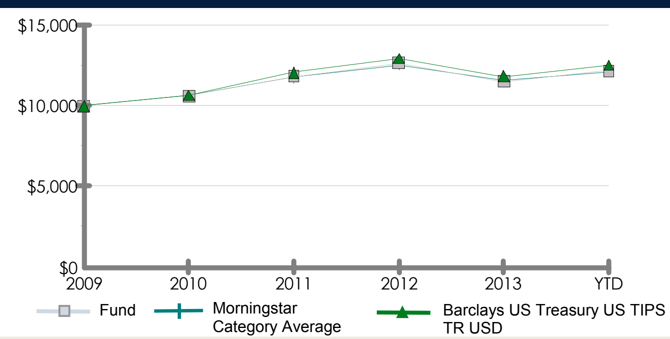
Performance



Credit Allocation



Growth of $10,000



Risk Statistics - 3-Year Period

	Fund	Morningstar Category
Standard Deviation	*5.34*	5.05
Beta	*0.97*	1.46
Alpha	*-0.34*	-2.55
Sharpe Ratio	*0.59*	0.53
R Squared	*99*	65

Fund data provided by Morningstar. Fund commentary provided by UpTick Data Technologies.

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Loomis Sayles Core Plus Bond N (NERNX)

Fund Profile | **For the Period Ending: Jun 30, 2014**

Fund Information

Date of Inception:	02/01/2013
Fund Assets:	$85.5 (Mil)
Morningstar Category:	Intermediate-Term Bond
Net Expense Ratio:	0.44
Gross Expense Ratio:	0.44
Max. Sales Charge:	--
Telephone Number:	800-225-5478
Manager Tenure:	17.51
Manager Name:	Peter Palfrey, Richard Raczkowski

Fund Commentary

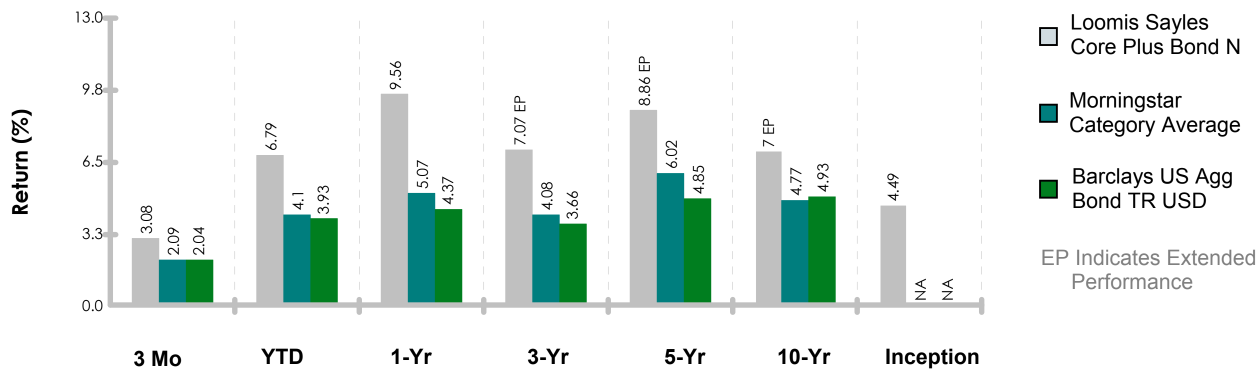
- The fund had a 3.08% return during the most recent three-month period.
- One-year return was 9.56%. Better than its Morningstar category average and the benchmark.
- The fund returned 3.60% during Q1 of 2014, its best in the most recent 5 quarters.
- The fund returned -3.44%, its worst in the past 5 quarters, in Q2 of 2013.
- Net expense ratio (0.44%) lower than the average of its Morningstar category of funds (0.89%).

Commentary and data may reflect extended performance

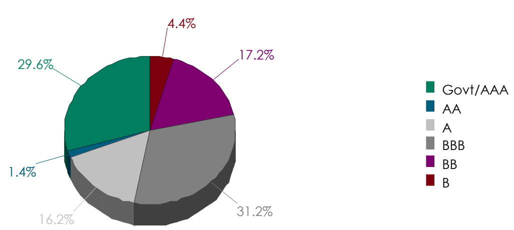
Top 10 Holdings

Investment	% of Total
US Treasury Note 0.25%	5.35
FNMA	3.65
Mex Bonos Desarr Fix Rt Bonds 06/21 6.5	3.27
Obrigacoes Do Tesouro Sr Unsecured 144a Regs 02/24 5	1.54
US Treasury Note 0.375%	1.45
FNMA 6.625%	1.42
FNMA	1.17
US Treasury Bond 3.75%	1.06
Intl Finance Corp Sr Unsecured 06/17 10	.87
Vpi Escrow 144A 6.375%	.78
TOTAL:	**20.56**

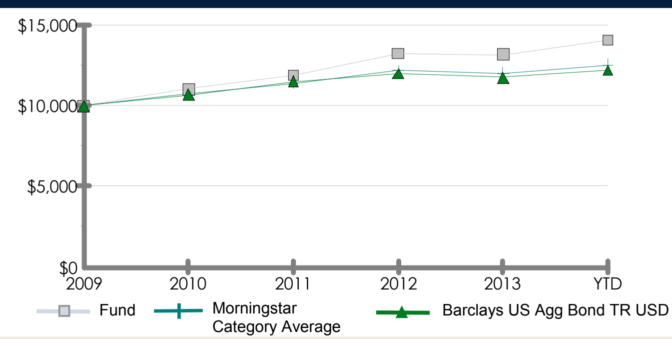
Performance



Credit Allocation



Growth of $10,000



Risk Statistics - 3-Year Period

	Fund	Morningstar Category
Standard Deviation	*4.17*	2.96
Beta	*1.16*	0.90
Alpha	*2.71*	0.74
Sharpe Ratio	*1.65*	1.36
R Squared	*60*	76

Fund data provided by Morningstar. Fund commentary provided by UpTick Data Technologies.

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Nuveen Core Plus Bond I (FFIIX)

Fund Profile

For the Period Ending: Jun 30, 2014

Fund Information

Date of Inception:	02/04/1994
Fund Assets:	$514.59 (Mil)
Morningstar Category:	Intermediate-Term Bond
Net Expense Ratio:	0.52
Gross Expense Ratio:	0.56
Max. Sales Charge:	--
Telephone Number:	800-257-8787
Manager Tenure:	13.09
Manager Name:	Wan-Chong Kung, Chris Neuharth, Timothy Palmer, Jeffrey Ebert

Fund Commentary

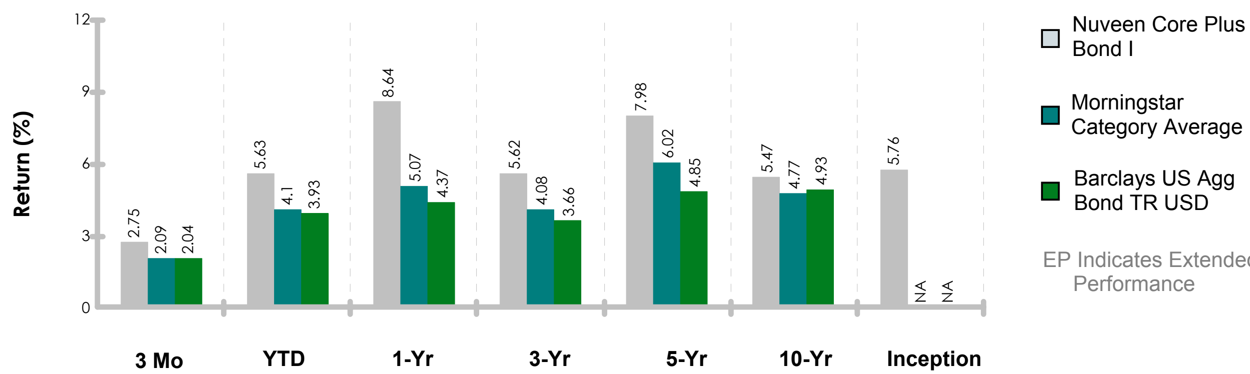
- During the last three months, the fund's return was 2.75%.
- One-year performance was 8.64%. Outperformed the Morningstar category average and the benchmark.
- Three-year return was 5.62%. Outperformed its Morningstar category average and its index.
- Long-term (5-year) return was 7.98%. Above the Morningstar category average and the benchmark.
- The fund returned 13.02% over Q2 of 2009, its best in the last 60 quarters.
- The fund returned -6.33%, its worst in the past 15 years, during the third quarter of 2008.
- A net expense ratio of 0.52% versus a 0.89% average for its Morningstar category.

Commentary and data may reflect extended performance

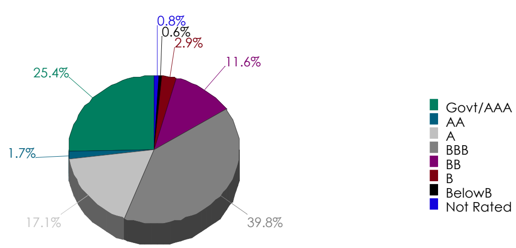
Top 10 Holdings

Investment	% of Total
Morgan Stanley 6.625%	1.27
FNMA 4%	1.24
Arcelormittal Sa Luxembourg 6.25%	1.14
Illinois St Go Bds 5.877%	1.13
FNMA 5%	1.11
Vendee Mtg Tr 2011-1 CMO 3.75%	1.06
GNMA 4.5%	1.06
Jp Morgan Chase Cmbs 2011-C4 CMO 4.1063%	1.05
FNMA	1.05
FNMA 4%	1.01
TOTAL:	**11.12**

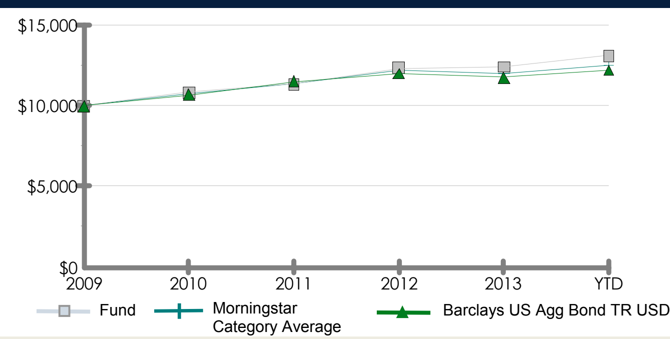
Performance



Credit Allocation



Growth of $10,000



Risk Statistics - 3-Year Period

	Fund	Morningstar Category
Standard Deviation	3.37	2.96
Beta	0.80	0.90
Alpha	2.61	0.74
Sharpe Ratio	1.62	1.36
R Squared	43	76

Fund data provided by Morningstar. Fund commentary provided by UpTick Data Technologies.

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PIMCO Total Return Admin (PTRAX)

Fund Profile — **For the Period Ending: Jun 30, 2014**

Fund Information

Date of Inception:	09/08/1994
Fund Assets:	$25962.4 (Mil)
Morningstar Category:	Intermediate-Term Bond
Net Expense Ratio:	0.71
Gross Expense Ratio:	0.71
Max. Sales Charge:	--
Telephone Number:	888-877-4626
Manager Tenure:	27.16
Manager Name:	William Gross

Fund Commentary

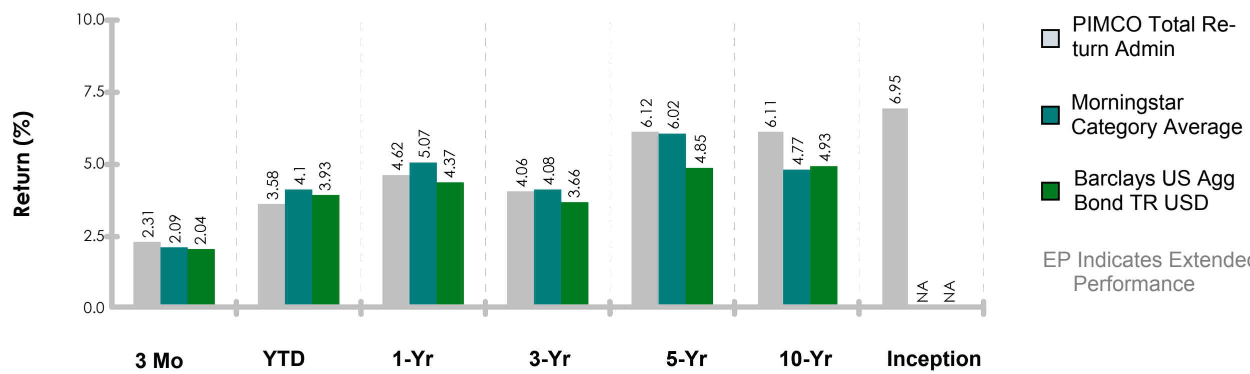
- The fund delivered a return of 2.31% in the last three months.
- One-year return was 4.62%. Outperformed the benchmark index. Fairly near its Morningstar category average.
- Medium-term (3-year) performance was 4.06%. Approximately even with the Morningstar category average. Beat the benchmark index.
- Long-term (5-year) return was 6.12%. Relatively near the Morningstar category average. Above the index.
- Over Q3 of 2001, the fund returned 6.43% - its best in the most recent 60 quarters.
- During Q2 of 2013, the fund returned -3.66% - its worst in the last 15 years.
- Net expense ratio of 0.71% versus the 0.89% average of its Morningstar category.

Commentary and data may reflect extended performance

Top 10 Holdings

Investment	% of Total
Irs Usd 1.500 03/18/15-1y (Red) Cme	15.53
Irs Usd 3.000 09/21/16-1y (Grn) Cme	9.61
5 Year US Treasury Note Future June14	8.52
Irs Usd 1.500 12/16/15-1y (Grn) Cme	6.91
Irs Usd 2.750 06/19/13-30y Cme	2.50
Irs Usd 3.500 12/18/13-30y Cme	2.45
US Treasury TIP	2.19
US Treasury Note 0.75%	1.99
US Treasury Note 1.5%	1.98
Ois Usd Fedl01/1.0 10/15/15 Cme	1.90
TOTAL:	**53.58**

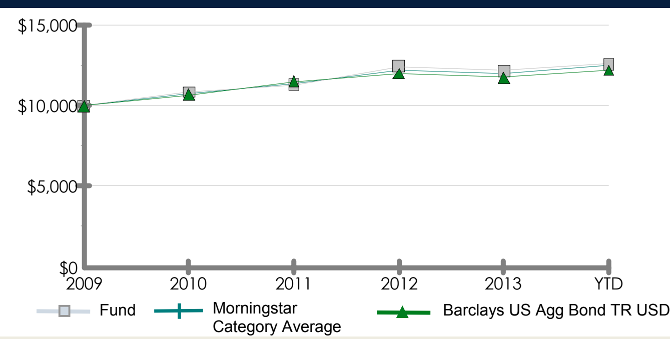
Performance



Credit Allocation

Chart Not Available

Growth of $10,000



Risk Statistics - 3-Year Period

	Fund	Morningstar Category
Standard Deviation	3.92	2.96
Beta	1.03	0.90
Alpha	0.32	0.74
Sharpe Ratio	1.02	1.36
R Squared	53	76

Fund data provided by Morningstar. Fund commentary provided by UpTick Data Technologies.

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Vantagepoint Core Bond Index T (VQCIX)

Fund Profile | **For the Period Ending: Jun 30, 2014**

Fund Information

Date of Inception:	03/01/2013
Fund Assets:	$1591.37 (Mil)
Morningstar Category:	Intermediate-Term Bond
Net Expense Ratio:	0.16
Gross Expense Ratio:	0.21
Max. Sales Charge:	--
Telephone Number:	800-669-7400
Manager Tenure:	1.33
Manager Name:	Zandra Zelaya, Gregory Lee

Fund Commentary

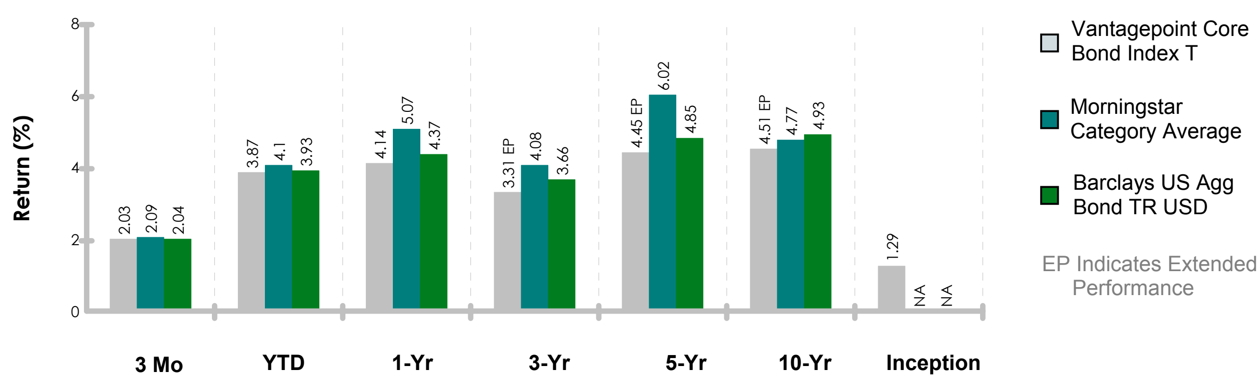
- The fund delivered a return of 2.03% over the last three months.
- One-year performance was 4.14%. Relatively close to the benchmark.
- The fund returned 2.03% in the second quarter of 2014, its best in the last 5 quarters.
- The fund returned -2.37%, its worst in the past 5 quarters, in the 2nd quarter of 2013.
- A net expense ratio of 0.16% versus a 0.89% average for its Morningstar category.

Commentary and data may reflect extended performance

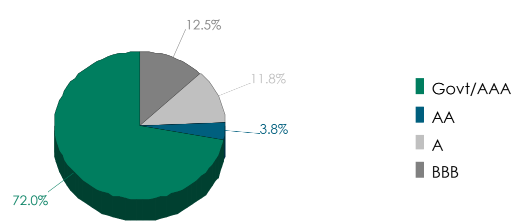
Top 10 Holdings

Investment	% of Total
FNMA	1.14
FNMA	.88
US Treasury Note 1.25%	.84
FNMA	.78
Ginnie Mae Jumbos TBA 3.5% 2044-06-01	.76
GNMA	.74
Ginnie Mae Jumbos TBA 3% 2044-06-01	.68
Fannie Mae Single Family TBA 2.5% 2029-06-01	.59
Ginnie Mae Jumbos TBA 4.5% 2044-06-01	.55
Freddie Mac Gold Single Family TBA 3.5% 2044-06-01	.54
TOTAL:	**7.50**

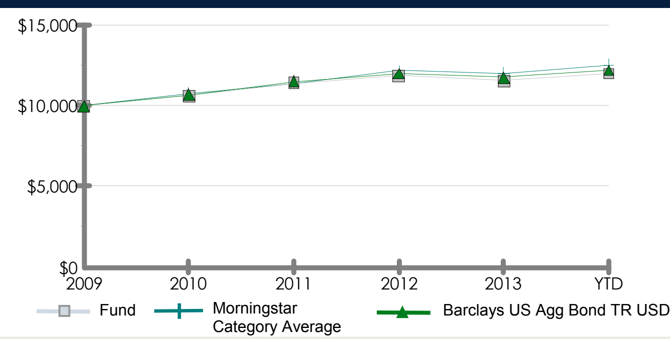
Performance



Credit Allocation



Growth of $10,000



Risk Statistics - 3-Year Period

	Fund	Morningstar Category
Standard Deviation	*2.77*	2.96
Beta	*1.00*	0.90
Alpha	*-0.34*	0.74
Sharpe Ratio	*1.17*	1.36
R Squared	*100*	76

Fund data provided by Morningstar. Fund commentary provided by UpTick Data Technologies.

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Western Asset Core Plus Bond IS (WAPSX)

Fund Profile | **For the Period Ending: Jun 30, 2014**

Fund Information

Date of Inception:	08/04/2008
Fund Assets:	$2797.47 (Mil)
Morningstar Category:	Intermediate-Term Bond
Net Expense Ratio:	0.43
Gross Expense Ratio:	0.43
Max. Sales Charge:	--
Telephone Number:	877-721-1926
Manager Tenure:	15.99
Manager Name:	Carl Eichstaedt, Keith Gardner, Michael Buchanan, Mark Lindbloom, S. Leech

Fund Commentary

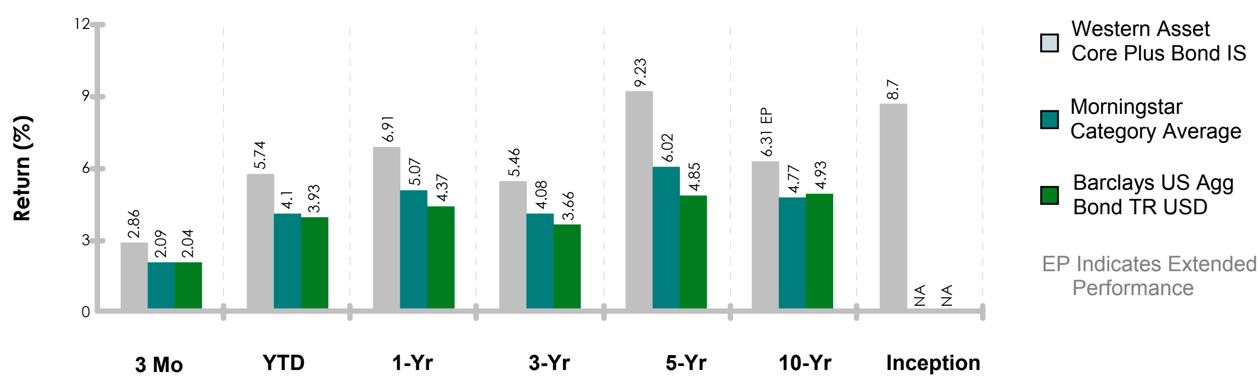
- In the last three months, the fund's return was 2.86%.
- Short-term (1-year) return was 6.91%. Outperformed its index. Higher than its Morningstar category average.
- Three-year performance was 5.46%. Outperformed its Morningstar category average and the benchmark.
- Long-term (5-year) performance was 9.23%. Outperformed the benchmark index and its Morningstar category average.
- The fund returned 11.18% in the 2nd quarter of 2009, its best in the most recent 23 quarters.
- Over Q4 of 2008, the fund returned -3.72% - its worst in the most recent 23 quarters.
- A net expense ratio (0.43%) below the average of its Morningstar category of funds (0.89%).

Commentary and data may reflect extended performance

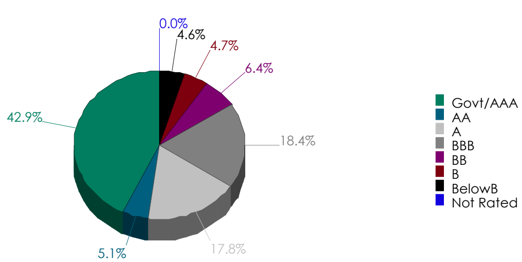
Top 10 Holdings

Investment	% of Total
90day Eur Futr Dec16 Xcme 20161219	12.41
90day Eur Futr Jun16 Xcme 20160613	8.32
Bws003244 Irs Usd R V 03mlibor 1 Ccpvanilla	6.74
Bws003244 Irs Usd P F 3.29500 2 Ccpvanilla	6.74
Sws003228 Irs Usd R F 1.89000 2 Ccpvanilla	6.71
Sws003228 Irs Usd P V 03mlibor 1 Ccpvanilla	6.71
90day Eur Futr Jun18 Xcme 20180618	6.48
Us Long Bond(Cbt) Jun14 Xcbt 20140619	3.69
US Treasury Bond 2.75%	2.88
Us 5yr Note (Cbt) Jun14 Xcbt 20140630	2.43
TOTAL:	**63.11**

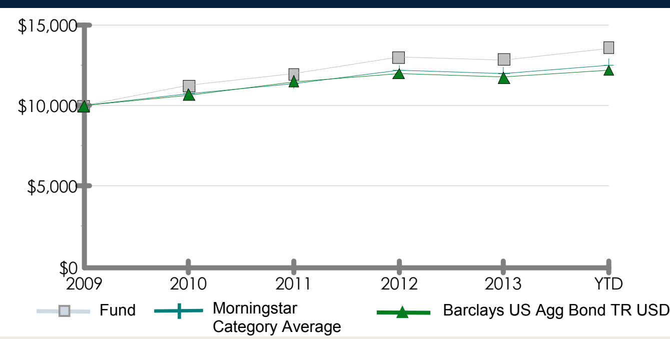
Performance



Credit Allocation



Growth of $10,000



Risk Statistics - 3-Year Period

	Fund	Morningstar Category
Standard Deviation	2.97	2.96
Beta	0.93	0.90
Alpha	1.98	0.74
Sharpe Ratio	1.79	1.36
R Squared	75	76

Fund data provided by Morningstar. Fund commentary provided by UpTick Data Technologies.

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PIMCO High Yield Admin (PHYAX)

Fund Profile — **For the Period Ending: Jun 30, 2014**

Fund Information

Date of Inception:	01/16/1995
Fund Assets:	$681.61 (Mil)
Morningstar Category:	High Yield Bond
Net Expense Ratio:	0.80
Gross Expense Ratio:	0.80
Max. Sales Charge:	--
Telephone Number:	888-877-4626
Manager Tenure:	4.47
Manager Name:	Andrew Jessop

Fund Commentary

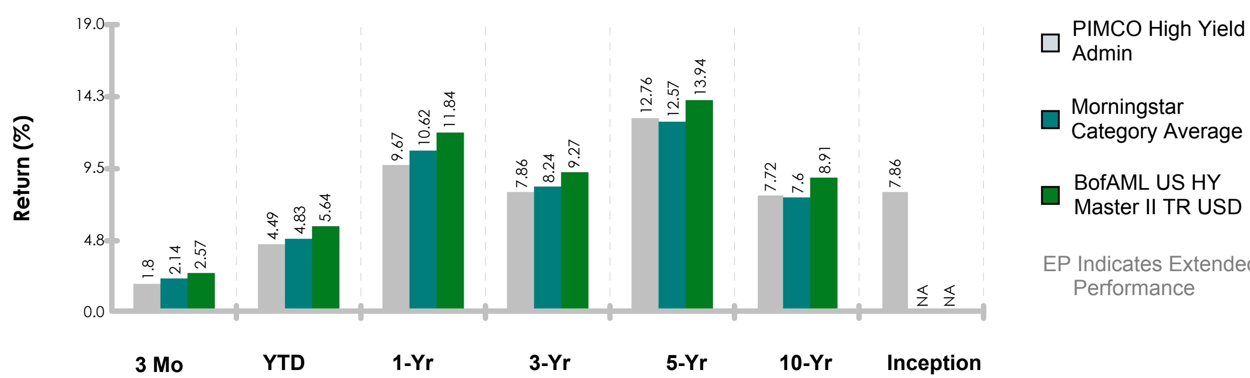
- The fund's return during the most recent three-month period was 1.80%.
- Three-year return was 7.86%. Approximately equal to the Morningstar category average.
- Five-year performance was 12.76%. Close to the Morningstar category average.
- The fund returned 17.04% during the 2nd quarter of 2009, its best in the last fifteen years.
- The fund returned -13.12% in the fourth quarter of 2008, its worst in the last 60 quarters.
- Short-term performance was 9.67%. Did not beat the benchmark. Below its Morningstar category average.
- Net expense ratio of 0.80% versus a 1.13% average for its Morningstar category.

Commentary and data may reflect extended performance

Top 10 Holdings

Investment	% of Total
Cdx Hy20 5y Bp Ice	1.12
US Treasury Note 1.375%	.68
Sprint Cap 6.9%	.61
Cit Grp 5%	.56
Hca 7.5%	.55
Hca 6.5%	.53
Cdx Hy19 5y Bp Cme	.52
Biomet 6.5%	.52
Hawk Acquisition Sub 144A 4.25%	.51
Sprint Nextel 6%	.50
TOTAL:	**6.10**

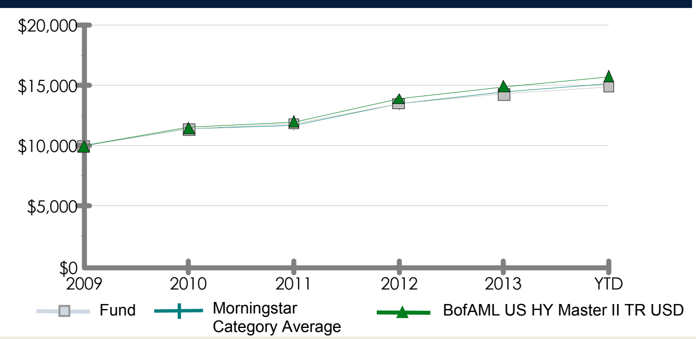
Performance



Credit Allocation

Chart Not Available

Growth of $10,000



Risk Statistics - 3-Year Period

	Fund	Morningstar Category
Standard Deviation	6.42	6.43
Beta	1.00	0.26
Alpha	-1.28	7.14
Sharpe Ratio	1.20	1.30
R Squared	99	2

Fund data provided by Morningstar. Fund commentary provided by UpTick Data Technologies.

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Section II: Glossary

Glossary of Terms

12b-1 The maximum annual charge deducted from fund assets to pay for distribution and marketing costs.

Alpha Alpha is a measure of the difference between a holding's actual returns and its level of risk as measured by beta. Morningstar bases alpha on a least-squares regression of the holding's (or hypothetical portfolio's) excess return over the 90 day Treasury-bill compared with the excess return of the fund's benchmark index (the S&P 500 for equity and the Barclays Aggregate as the benchmark inkdex for bond funds). A positive alpha indicates that the fund has performed better than its beta predicts. A negative alpha indicates underperformance given the holding's beta.

Balanced / Asset Allocation A mutual fund that has an investment mandate of "balancing" or mixing the investment classes—equities, fixed income and cash—in its portfolio holdings. The appropriate balance is based on the anticipated return and relative risk of each asset category as well as the investor's personal factors such as risk tolerance, age, current asset allocation and asset level, or according to the fund's investment outlook.

Batting Average A statistical calculation used to measure an investment manager's ability to meet or beat an index. Batting average is calculated by dividing the number of months (or days, quarters, etc.) in which the manager beats or matches the index by the total time period being referenced and multiplying that factor by 100.

Benchmark Index (abbreviated BM) A benchmark index gives the investor a point of reference for evaluating a fund's performance. A benchmark can be a broad or market-segment of the stock or fixed income markets and is a statically indicator or standard against which the performance or value of individual investments can be measured against. (Description of benchmark indices can be found in the Benchmark Definitions section of report)

Beta Beta measures the fund's market risk. Morningstar calculates beta using the same regression equation as the one used for alpha, which regresses excess return for the fund against the benchmark index. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10 % worse in down markets. Conversely, a beta of 0.85 indicates that the fund is expected to perform 15% worse than the market in up markets and 15% better in down markets. Note: A low beta does not imply a low level of volatility; rather, it means that the holding's market-related risk is low.

Bonds At their most basic, bonds are loans. A bond is a debt instrument with period of greater than one year . The purpose is to raise capital. All bonds require the repayment of the principal (issued amount) at a specified date. Most bonds, but not all, require the payment of interest. Unlike equities the bond does not confer ownership rights from the issuer to holder (investor). There are two basic types of bonds: government bonds and corporate bonds. U.S. government bonds (also known as T-bills or Treasuries) are issued and guaranteed by the US government. They usually offer a lower return with low risk. Municipal and state governments also issue bonds. Corporate bonds are issued by companies and carry a higher degree of risk (should the company default) as well as return. Interest rate sensitivity and credit risk influence the pricing and performance of bonds and bond funds.

Cash/Cash Equivalent Cash refers to short-term, safe investments that can be converted to cash relatively quickly. Examples include savings accounts, money-market accounts, commercial paper, short-term CDs, Treasury bills, short-term commercial paper and short-term municipal and corporate bonds and notes. Receivables are also considered a cash equivalent. While safe, investments in cash or cash equivalents typically do not earn as much as stocks or bonds. Cash is the most liquid form of an investment. *Risks*: Returns may barely keep up with inflation, making them poor vehicles for long-term growth.

Category The category or group a fund has been assigned based on what it owns, as well as by its prospectus objectives and styles. Also known as peer group. A fund's category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings. By assigning funds to appropriate buckets for use in grouping similar funds, more appropriate "apples to apples" comparisons can be made.

Closed to All Investment Funds accepting no investments whatsoever, even from current shareholders.

Closed to New Investment If funds are closed to new investments, they are not accepting new shareholder investments. This does not, however, restrict current shareholders from increasing their investment amount.

Common Stock Securities representing shares of ownership of a corporation (see Stock).

Core Investment Options Your core line-up provides you with a variety of investments from which to choose, ranging in objective from capital preservation to growth. Each of the core investments consists primarily of one of the different building blocks, which are usually referred to as asset classes (equities, bonds and cash equivalents).

Derivatives A financial instrument, traded on or off an exchange, the price of which is directly dependent upon the value of one or more underlying securities, equity indices, debt instruments, commodities, other derivative instruments, or any agreed upon pricing index or arrangement. Derivatives involve the trading of rights or obligations based on the underlying product but do not directly transfer property. They are used to hedge risk or to exchange a floating rate of return for a fixed rate of return. They are often more volatile than other investments and may magnify a fund's gains or losses.

Diversification Diversification is investing in multiple investments to help limit risk. The concept of "not putting all your eggs into one basket". Diversification does not ensure a profit nor protect against loss in declining markets.

ETF ETF or exchange traded fund describes the broad class of funds, excluding closed-end funds, which trade throughout the day over an exchange. Compared to open-end mutual funds, ETFs have lower annual expenses, but they are purchased like equities - commissions are paid to trade them. ETFs do not need to sell securities (possibly realizing capital gains) to pay investors who redeem their shares and thus are typically more tax-efficient than mutual funds. ETFs market prices usually closely track their NAVs. Most ETFs are index funds.

Expense Ratio The expense ratio is the annual fee that all funds or ETFs charge their shareholders. It expresses the percentage of assets deducted each fiscal year for fund expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Portfolio transaction fees, or brokerage costs, as well as initial or deferred sales charges are not included in the expense ratio. The expense ratio, which is deducted from the fund's average net assets, is accrued on a daily basis. If the fund's assets are small, its expense ratio can be quite high because the fund must meet its expenses from a restricted asset base. Conversely, as the net assets of the fund grow, the expense percentage should ideally diminish as expenses are spread across the wider base. Funds may also opt to waive all or a portion of the expenses that make up their overall expense ratio.

Extended Performance Rating Morningstar provides adjusted historical returns and an Extended Performance Rating for some mutual funds in its universe. This means that any share class that doesn't have a 1, 3-, 5-, or 10-year performance history may receive a hypothetical Morningstar Rating based on the oldest surviving share class of the fund. First, Morningstar computes the funds' new return stream by appending an adjusted return history of the oldest share class. Next, the Extended Performance Rating is determined by comparing the adjusted-historical returns to the current open-end mutual fund universe to identify placement in the bell curve used to assign the Morningstar Rating. Star ratings are displayed in gray (☆☆☆☆☆).

Fiduciary Fiduciary indicates the relationship of trust and confidence where one person (the fiduciary) holds or controls property for the benefit of another person, for example, the relationship between a trustee and the beneficiaries of the trust. Under ERISA, fiduciaries must discharge their duties solely in the interest of the participants and beneficiaries of an employee benefit plan.

Fixed Income Securities/Bonds Fixed income securities/bonds are securities that pay a fixed rate of interest or a fixed dividend. There are many different types of fixed income securities or bonds, including: corporate bonds or notes, mortgage-backed securities, asset-backed securities, convertible securities, government obligations, "junk" or below investment grade bonds, investment grade securities, and foreign bond securities.

Glossary of Terms

Risks: Return of principal is not guaranteed. Bond funds have the same interest rate, inflation, and credit risks that are associated with the underlying bonds owned by the fund. Generally, the value of bond funds rises when prevailing interest rates fall and falls when interest rates rise. There are ongoing fees and expenses associated with owning shares of bond funds. *Important note on Junk Bonds:* Non-investment grade debt securities, commonly referred to as high-yield or "junk" bonds, may be subject to greater market fluctuations and risk of loss of income and principal than securities in higher rating categories.

Fixed Income Blend Fixed income securities that are not classified by maturity.

Foreign Equity Securities trading primarily in markets outside the United States that represent equity ownership in a company. *Risks:* Investments in foreign securities involve special risks, including foreign currency risk and the possibility of substantial volatility due to adverse political, economic or other developments. These risks are magnified for investments made in emerging markets.

Gross Expense Ratio The gross expense ratio is the fund's expense ratio before taking into account any fee waivers or expense reimbursements.

Growth of 10,000 The Growth of $10,000 graph shows a fund's performance based on how $10,000 invested in the fund would have grown over time. The growth of $10,000 begins at the fund's inception, or the first year listed on the graph, whichever is appropriate. Located alongside the fund's graph line are lines that represent the growth of $10,000 in the fund's category and its market benchmark. The growth is a hypothetical valuation based on the average return for the fund's Morningstar category over the displayed time periods.

Inception Date The Inception date is the date the fund was formed and became available for sale to investors.

Information Ratio A measure of the consistency of excess return. This value is determined by taking the annualized excess return over a benchmark (style benchmark by default) and dividing it by the standard deviation of excess return (tracking error). The measure relates the magnitude and consistency with which an investment outperformed its benchmark. The higher the information ratio, the better.

Management Fee Taken from the fund's prospectus, this represents the cost of the fund's manager's services and other fund administration costs . It is usually represented as a percentage of assets. Although management costs are listed in a fund's prospectus, these are maximum amounts and funds may waive a portion, or possibly all, of those fees. Actual fees thus represent a closer approximation of the true costs to shareholders.

Management Style — Growth vs. Value

Growth Funds Growth funds hold stocks of companies that the fund manager believes will have significantly better revenue and profit growth than the overall market.

Value Funds Value funds concentrate on stocks of companies that the fund manager believes to be currently undervalued in the markets. The managers buy the stock at what they believe to be less than the true value, with the expectation that the price will rise.

Blend Funds Blend funds represent a blend of growth and value styles.

Manager Tenure This represents the number of years that the current manager has been the portfolio manager of the fund. A fund may be managed by more than one manager. For funds with more than one manager, the average tenure is shown. If the fund designates the manager as a Management Team and does not disclose the names of the portfolio manager or co-portfolio managers to Morningstar, Manager Tenure will appear as a dash for the fund.

Market Capitalization One way to classify equity funds is by market capitalization, which is the market value of the company. This is calculated by multiplying the total number of a company's shares by the current price per share. Generally, market capitalization is associated with the size of the company[1].

Large Cap This generally refers to the stock of companies with market capitalizations over $5 billion. These seasoned companies, sometimes referred to as "blue-chips" in the U.S., often have long histories of solid returns. While large cap stocks tend to be relatively stable compared with other stocks, they do carry a degree of risk.

Mid Cap With market capitalizations that generally range between $2 billion and $5 billion, these stocks can be more volatile than large cap stocks, but have the potential for higher relative returns. Because mid-capitalization stock prices have experienced a greater degree of market volatility than large-capitalization stock prices, investors should consider the fund for long-term investment and should bear in mind that the higher return potential of mid- capitalization stocks is accompanied by additional business risk, significant stock price fluctuations and illiquidity.

Small Cap With market capitalizations of less than $2 billion, companies in this category often are new companies with short histories. Because small-capitalization stock prices have experienced a greater degree of market volatility than those of large-capitalization stocks, investors should consider funds that invest in small-cap stocks for long-term investment and should bear in mind that the higher return potential of small-capitalization stocks is accompanied by higher risk.

Maximum Sales Charge The sales charge, or load as it is also called, is a fee the investor may pay when purchasing shares of a mutual fund from a broker as compensation for their advice. The rate varies from fund company to fund company and is detailed in the fund's prospectus. The maximum sales charge is the highest amount that an investor may pay for a particular fund.

Money Market Fund Mutual fund that invests primarily in low-risk, short-term investments such as treasui bills, government securities, certificates of deposit and other highly liquid, safe securities.

Money Market Securities Securities that seek to maintain a $1 NAV. However the achievement of that objec tive cannot be guaranteed.

Morningstar Rating The Morningstar Risk-Adjusted Rating, commonly referred to as the Star Rating, relate the risk-adjusted performance of a fund to its **peers in the category**. Morningstar calculates ratings only fo categories with at least 20 funds. To determine a fund's rating, the fund and its peers are ranked by the MRARs. If a fund scores in the top 10% of its fund category, it receives five stars (High); if it falls in the ne: 22.5%, it receives four stars (Above Average); a place in the middle 35% earns a fund three stars (Neutral c Average); those in the next 22.5% receive two stars (Below Average); and the lowest 10% get one star (Low Morningstar also accounts for instances where a fund is sold in multiple versions, whether multi-class, bot trust and segregated, etc. In order to prevent one fund from unfairly taking up many places in a portion of th ratings scale, Morningstar treats multiple versions of a fund as "fractional funds". The multiple versions of fund are all rated, but they collectively count as one and so leave more room for other deserving funds. Th overall Star Rating for a fund is a weighted combination of its three, five, and ten year ratings. If a fund ha less than three years' performance history, it is not rated. If it has at least three but less than five years' his tory, its overall rating is equal to its three-year rating. If it has at least five but less than ten years' history, i overall rating is equal to 60% five-year rating and 40% three-year rating. If it has at least ten years' history, i overall rating is equal to 50% ten-year rating, 30% five-year rating and 20% three-year rating.

Morningstar Risk-Adjusted Ratings are recalculated monthly. *Also see* (**Extended Performance Rating).**

Net Expense Ratio The net expense ratio is the fund's expense ratio less any expense waivers or reimbursements provided by the fund's manager. Because the expense ratio is calculated by dividing the total costs of the fund by its total assets, funds with relatively small total assets will have higher expense ratios than larger funds. As a result, fund managers will offer expense waivers or reimburse costs to the fund for a predetermined length of time so that the fund is not at a competitive disadvantage when its expense ratio is compared to its peers.

Non-Core Investment Options Your non-core investment options are intended to provide additional investment flexibility to investors who desire a wider range of choices. The choices also range in asset classes allowing more opportunity for diversification.

[1] Please note that the definitions of small, mid, and large cap companies illustrated here are generalizations only, and are subject to change. In addition, individual mutual fund managers may use different definitions for specific funds. You are encouraged to read the prospectus carefully to determine the market capitalization specifications of any individual mutual fund.

Glossary of Terms

Non-Diversified Funds Some funds are non-diversified, which means that they may invest more of their assets in fewer companies than if they were diversified funds. By concentrating in a smaller number of investments, the fund's risk is increased because each investment has a greater effect on the fund's performance.

Peers in the Category *(See Morningstar Rating)*

Percentile/Percentile Rank A percentile is a value on a scale of one hundred that indicates the percent of a distribution that is equal to or below it. So if we calculate a 50th percentile, 50% of the time the returns are below that resulting value and 50% of the time they are above that value. A 50th percentile is the same as a "median." An average, or "mean," is similar but a weighted result.

Plan Watch List Funds can be placed on the plan's watch list at the discretion of the plan advisor usually for failing to meet or adhere to the Investment Policy Statement of the plan.

Prospectus The fund's written statement, generally issued on an annual basis. In this statement the fund sets forth its proposed purposes and goals, and other facts (e.g., history and investment objective) that an investor should know in order to make an informed decision. Information pertaining to management fees and other charges and expenses are in the prospectus.

R-Squared The percentage of a fund's movements that are explained by movements in its benchmark index. An R-Squared of 100 means that all movements of a fund are explained by movements in its benchmark index. Index funds often will have an R-Squared very close to 100.

Real Estate Funds Because these funds concentrate their investments in securities of companies operating in the real estate industry, they are susceptible to the risks associated with the real estate industry. These include: fluctuations in the value of underlying properties; defaults by borrowers or tenants; market saturation; property taxes; capital expenditures or operating expenses; and other economic, political, or regulatory occurrences affecting the real estate industry.

Redemption Fee The redemption fee is an amount charged when money is withdrawn from a fund. This fee does not go back into the pockets of the fund company but rather into the fund itself and does not represent a net cost to shareholders. Also, unlike contingent deferred sales charges, redemption fees typically operate only in short, specific time periods, commonly 30, 180, or 365 days. However, some redemption fees exist for up to five years. Charges are not imposed after the stated time has passed. These fees are typically imposed to discourage market-timers, whose quick movements into and out of funds can be disruptive. The charge is normally imposed on the ending share value, appreciated or depreciated from the original value.

Sector Funds A distinct subset of a market, society, industry, or economy, whose components share similar characteristics. Stocks are often grouped into different sectors depending upon the company's business. *Risks*: Funds that emphasize certain market sectors are subject to additional risks and may be more volatile than an investment with greater diversification.

Sharpe Ratio A risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe Ratio is calculated for the past 36-month period by dividing a fund's annualized excess return by the standard deviation of the fund's annualized excess returns.

Specialty / Other The "Specialty/Other" category includes sector, industry-based and other non-diversified funds.

Stable Value Fund A unique asset class offering defined contribution plan participants intermediate term returns and liquidity (subject to plan rules) with low market value risk. This is typically accomplished through a wrap contract or investment contract that guarantees the payment of plan-related benefits at book value (cost plus accrued interest) which enables the entire investment to be carried at its book value.

Standard Deviation A statistical measure of the range of performance within which the total returns have fallen. The standard deviation shown in this report is an annualized statistic based on returns over the past 36 months. When a fund has a high deviation figure, the range of performance is very wide, indicating a greater potential for volatility. Approximately 68% of the time, the fund's total return will be within plus or minus one deviation from the fund's 3-year return. Also, 95% of the time the fund's total return will be within plus or minus two times the standard deviation (sometimes described as being within "two standard deviations") from the average return. Standard deviation is also a component in the Sharpe Ratio, which assesses risk-adjusted performance.

Stocks (Equities) Stocks, or "equities," are essentially ownership shares in a company. The more shares you own, the greater your stake in that company. *Risks:* While stocks generally provide the most growth potential, they tend to experience greater volatility in price. For this reason, stocks are generally considered to be riskier investments. If you choose to invest in stocks, be sure you understand and are willing to accept these risks, including a possible loss of principal.

Style The description of the type of approach and strategy utilized by an investment manager to manage funds. The style is determined by, as an example for equities, portfolio characteristics such as: market capitalization of issues, price to earnings ratio and dividend yield. Some equity styles include Growth, Value, Yield, Core and Small Cap.

Style Drift The propensity of some mutual funds to migrate from one Morningstar classification to another. Style drift happens when an active manager drifts from a specific style, asset class, or index that is described as the fund's investment purpose.

Target Date Funds An investment in a target date fund is subject to the risks attendant to the underlying funds in which it invests. A target date fund is geared to investors who will retire and/or require income at an approximate year. The fund is managed to meet the investor's goals by the pre-established year or "target date"; hence, the name target date fund. A target date fund will transition its invested assets from a more aggressive portfolio to a more conservative portfolio as the target date draws closer. An investment in the Target Retirement Fund is not guaranteed at any time, including, before or after the target date is reached.

Technology Funds Technology securities in general tend to be relatively volatile as compared with other types of investments. While volatility may create investment opportunities, it does entail risk. Funds that invest exclusively in one sector of the economy carry additional risk resulting from lack of industry diversification. The fund should not be considered as a balanced investment program.

Top 10 Holdings The ten largest investments in the entire fund's portfolio.

Treynor Ratio (or Index) Similar to Sharpe Ratio, the Treynor Ratio is a measurement of efficiency utilizing the relationship between annualized risk-adjusted return and risk. It is a measure of a portfolio's excess return per unit of risk. Unlike Sharpe Ratio, the Treynor Ratio utilizes "market" risk (beta) instead of total risk (standard deviation). Good performance efficiency is measured by a high ratio risk premium earned per unit of risk taken.

Turnover Ratio A measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales and dividing by average monthly net assets. Securities with maturities of less than one year are excluded. The figure is gathered from the financial highlights of the fund's annual report. A low turnover figure (20% to 30%) generally indicate a buy-and-hold strategy. Higher turnover (more than 100%) would indicate a more active investment strategy involving considerable buying and selling of securities.

Upside and Downside Capture Ratio A statistical measure used to demonstrate whether a given fund has outperformed or underperformed more than-a broad market benchmark during periods of market strength and weakness. Upside capture ratios for funds are calculated by taking the fund's monthly return during months when the benchmark had a positive return and dividing it by the benchmark return during that same month. Downside capture ratios are calculated by taking the fund's monthly return during the periods of negative benchmark performance and dividing it by the benchmark return.

Section III: Disclosures

Disclosures from Morgan Stanley (MS)

As of June 30, 2014

Two Different Processes for Evaluating Funds

Funds available in MS's Institutional Services Program are evaluated under either of the following two processes. Funds that meet the criteria under either of these processes are described in this report as "approved" for the program.

This report may also show funds that are not approved under either of these two evaluation processes. MS does not recommend, evaluate or monitor any such funds, nor is MS acting as a fiduciary (under ERISA, the Internal Revenue Code or otherwise) with respect to such funds and investors have the sole and exclusive responsibility for selecting and/or retaining any such fund in the program.

(1) Consulting Group Investment Advisory Research (CG IAR) Process

MS's Consulting Group Investment Advisor Research department ("CG IAR") evaluates funds for certain Consulting Group programs. CG IAR may place funds on its Focus List or Approved List:

- ***Focus List.*** To be considered for the Focus List, a fund provides CG IAR with relevant documentation about its strategy, which may include holdings, past performance information and marketing literature. CG IAR personnel may also interview the fund's manager and its key personnel, and examine its operations. Following this review process, funds are placed on the Focus List if they meet the required standards for Focus List status. CG IAR periodically reviews funds on the Focus List. CG IAR considers a broad range of factors (including investment performance, staffing, operational issues and assets under management). Among other things, CG IAR personnel interview fund personnel periodically to discuss these matters. If CG IAR is familiar with a fund following repeated reviews, CG IAR is likely to focus on quantitative analysis and interviews and not require in-person meetings.

- ***Approved List.*** The process for considering funds for the Approved List is less comprehensive, and evaluates various qualitative and quantitative factors. These include personnel depth, turnover and experience; investment process; business and organization characteristics; and investment performance. Furthermore, CG IAR may evaluate a fund under the evaluation process for the Focus List but then decide to instead put it on the Approved List. CG IAR periodically evaluates funds on the Approved List to determine whether they continue to meet the Approved List standards.

The Focus List and Approved Lists are at www.morganstanleyindividual.com/accountoptions/managedmoney/manager/default.asp (or you can ask your Financial Advisor for these lists).

Changes in Status from Focus List to Approved List. In light of the differing evaluation methodology and standards for the Focus List and Approved List, CG IAR may determine that a fund no longer meets the criteria for the Focus List or will no longer be reviewed under the Focus List review process, but meets the criteria for the Approved List.

Changes in Status to Not Approved. CG IAR may determine that a fund no longer meets the criteria for either the Focus List or the Approved List and therefore the fund will no longer be recommended in MS investment advisory programs. (MS may terminate funds from investment advisory programs for other reasons e.g., the fund has a low level of assets under management in MS investment advisory programs, the fund has limited capacity for further investment, or the fund is not complying with MS's polices and procedures.)

Disclosures from Morgan Stanley (MS)

As of June 30, 2014

Watch Policy. CG IAR has a "Watch" policy for funds on the Focus List and Approved List. Watch status indicates that, in reviewing a fund, CG IAR has identified specific areas that (a) merit further evaluation by CG IAR and (b) may, but are not certain to, result in the fund becoming "Not Approved." Putting a fund on Watch does not signify an actual change in CG IAR opinion nor is it a guarantee that CG IAR will downgrade the fund. The duration of a Watch status depends on how long CG IAR needs to evaluate the fund and for the fund to address any areas of concern. For additional information, ask your Financial Advisor for a copy of CG IAR's Watch Policy. The CG IAR "Watch" status is different from the Plan Watch List shown in this report (as the Plan Watch List depends on criteria specific to the plan, not criteria used by CG IAR).

(2) Consulting Group Proprietary Screening Process

MS applies a proprietary screening process to funds in the Morningstar mutual fund database, which it applies in part using UpTick's PlanXtra tool (described below). The screening algorithm, applied quarterly, is based on factors such as performance, ranking, stewardship grade, fees and manager tenure. Funds subject to this process are either approved or not approved for use in the Institutional Services Program. MS does not maintain a Watch List for these funds equivalent to CG IAR's Watch List.

Other

Purpose of Report. This report is provided for educational and informational purposes only. It is not intended to be an offer, solicitation or recommendation with respect to the purchase or sale of any security.

Sources of Information. Material in this report has been obtained from sources that we believe to be reliable, but we do not guarantee its accuracy, completeness or timeliness.

No Obligation to Notify. MS has no obligation to notify you when any information in this report changes.

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Please note that if any investments in this report are described as "tax free", such designation may only be relevant for taxable investors, and not investors holding and investing assets within a qualified retirement plan. For taxable investors, income from these investments may be subject to state and local taxes and (if applicable) the federal Alternative Minimum Tax. Realized capital gains on these investments may be subject to federal, state and local capital gains tax. For tax-deferred investors, such as qualified retirement plans or IRAs, such income, gains, and losses are generally not recognized by such investors if the assets are held within the plan, unless special tax rules applicable to "unrelated business taxable income" or UBTI apply to the terms of a particular investment.

Please consult your personal tax and/or legal advisor to learn about these and any potential tax or other implications that may result from acting on a particular recommendation.

Disclosures from Morgan Stanley (MS)

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UpTick Data Technologies. This report was created by MS using PlanXtra, an analytical tool created and maintained by UpTick Data Technologies. MS is not affiliated with UpTick Data Technologies. To produce the report, MS Financial Advisors input certain information acquired from third party sources, such as the plan's provider, recordkeeper and/or custodian. This information is played back to you in this report; you are responsible for immediately notifying your Financial Advisor of any inaccuracies and of anything which should be included but is not.

Important Disclaimer Statements

To the extent the investments depicted herein represent international securities, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in emerging markets. International investing may not be for everyone. Small capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies

Bonds are affected by a number of risks, including fluctuations in interest rates, credit risk and prepayment risk. In general, as prevailing interest rates rise, fixed income securities prices will fall. Bonds face credit risk if a decline in an issuer's credit rating, or creditworthiness, causes a bond's price to decline. High yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. Finally, bonds can be subject to prepayment risk. When interest rates fall, an issuer may choose to borrow money at a lower interest rate, while paying off its previously issued bonds. As a consequence, underlying bonds will lose the interest payments from the investment and will be forced to reinvest in a market where prevailing interest rates are lower than when the initial investment was made.

Individual funds will have specific risks related to their investment programs that will vary from fund to fund.