



Fund Evaluation GroupSM
investment advisors



Northern Indiana Community Foundation

Composite Performance Review
Report for Periods Ending December 31, 2006

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Our Insight / *Your Vision*

Northern Indiana Community Foundation

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YEAR IN REVIEW: 2006



Overview

Our 60 employees in Cincinnati, Indianapolis, Detroit, and Idaho are committed to providing excellent client service that will assist our clients in achieving their investment objectives. Our investment philosophy of diversifying portfolios both between and within asset categories, including alternative investments, and actively recommending portfolio enhancements continued to benefit client portfolios in 2006. We are proud of the firm's accomplishments this past year, including the expansion of FEG Advisors, the progress we experienced by broadening our research capabilities, and serving our clients' needs. Thank you for your confidence. We look forward to another successful year and exceeding your expectations.

Web-Site

We redesigned our web-site last year and hope you will visit it at www.feg.com. The web-site provides an overview of Fund Evaluation Group, the services we provide, our investment philosophy, our professionals, recent news, and an archive of publications, including our Research Roundups.

FEG Advisors

FEG Advisors, our discretionary investment advisory service, completed our fourth year of investing at the end of 2006, and currently has over \$800 million in assets. We are pleased to report that we outperformed the Policy Benchmark for each of the four years, with annualized out-performance of 2.5% points, net of all fees. Further information regarding this performance record is available through your consultant.

FEG Advisors is led by senior investment professionals and is an extension of the investment consulting services we have provided institutional investors for nearly 20 years. The service capitalizes on our core strengths in asset allocation, investment policy, portfolio construction, and investment manager research. FEG Advisors integrates our investment philosophy within a highly efficient, cost effective platform designed to increase the likelihood of achieving our clients' investment objectives.

As an objective investment advisor to over \$32 billion in assets, we recognize that many Investment Committees/Boards are composed of volunteers with limited time, multiple responsibilities, and restricted service terms. FEG Advisors is our solution for institutional investors, as well as financial intermediaries and individuals, seeking the benefits provided by outsourcing the day-to-day management of the investments.

FEG Advisors effectively enables Board of Trustees/Investment Committees to focus their time on the areas of greatest importance, while minimizing the implementation barriers that often impede progress.

The key benefits FEG Advisors offers are:

- Proven track record of exceeding investment objectives
- Improved implementation of proactive recommendations
- Greater use of Board of Trustees/Investment Committee time
- Clear accountability for investment performance
- Potential for overall reduction in investment related expense

YEAR IN REVIEW: 2006



Research

Our Research Group is comprised of eleven full-time professionals, who conduct manager due diligence, analyze investment related topics, and prepare investment articles and presentations. Six of the team members are dedicated solely to alternative investments, with the other five providing analysis on both traditional and alternative investments. The FEG Advisors team also works closely with the research analysts on strategic issues, such as portfolio construction, quantitative analysis, and operations. Investment strategy is driven by the Investment Policy Committee, which is comprised of the Chief Investment Officer, the Director of Alternative Investments, and the Chief Portfolio Strategist for FEG Advisors.

Alternative Investments

Our alternative investments research encompasses hedge funds, venture capital/private equity, real estate, and natural resources, and other non-traditional investments with client commitments in these areas approaching \$2 billion. We recommend both direct partnerships and fund-of-funds, where appropriate. Over the past year, we continued to expand and enhance our research and relationships across these strategies, including logging over 200 manager meetings, nearly half of which were on-site.

Each step of the direct fund research process, from finding the best opportunities, to understanding the key professionals and their track records, as well as the terms of the agreement, is critical to investing successfully. Recognizing that these efforts require a significant allocation of resources, including people, time, travel, and systems, we added two team members in 2006. In addition we contracted with a software vendor for an enhanced data management platform that will aid all aspects of our manager research program. We will continue to seek attractive opportunities in alternative investments in order to diversify client portfolios and provide better risk adjusted returns.

Client Service

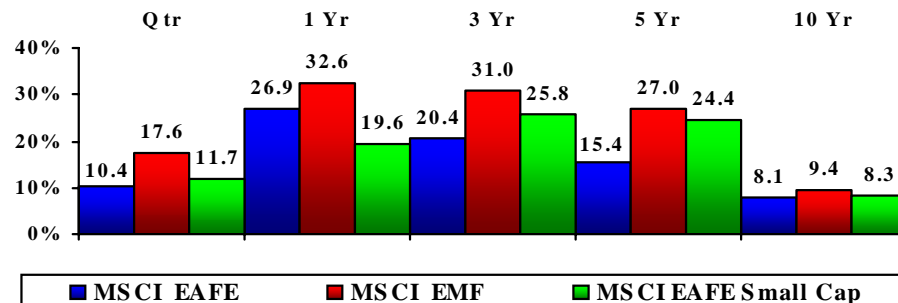
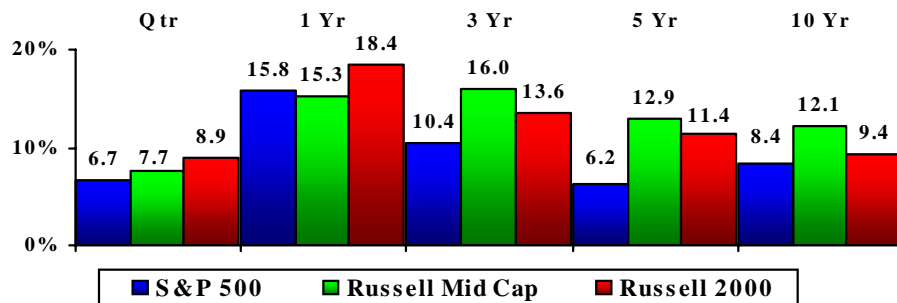
In early 1998, we instituted a client satisfaction survey to gain direct input from our clients regarding the investment consulting services we provide. The client satisfaction survey is conducted by Bill Law, through a phone interview, and clients are contacted once every two years. The constructive reviews are used to improve our services and meet the needs of our growing organization. Thank you for the candid feedback and support. Our expanded services, such as FEG Advisors and direct alternative investments, are a result of your input. We appreciate your comments and we continue to build a stronger, deeper organization in an on-going goal to better serve our clients' needs.

Our business has grown through your thoughtfulness in referring FEG to other institutions and individuals. We appreciate your confidence and hope that you will continue to let us know when FEG can benefit you or any of your colleagues.

We wish everyone a happy, healthy and prosperous 2007.

Fourth Quarter 2006 - The Market in Review

Global Equity Market



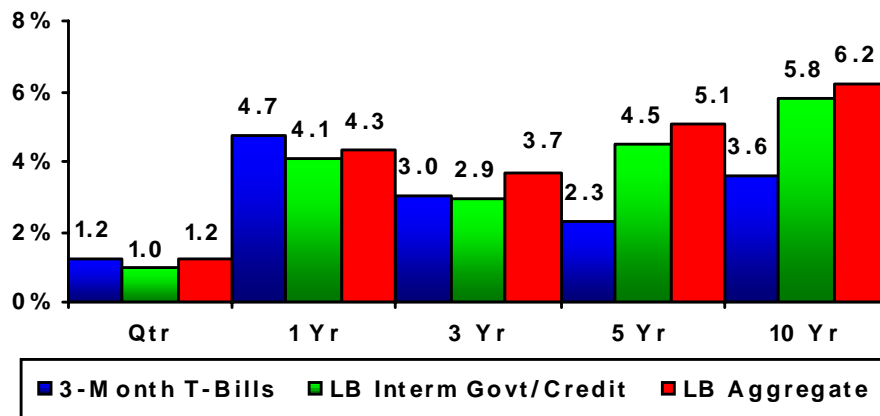
Domestic Equities

- U.S. equities posted high single digit returns in the quarter due to better than expected earnings growth, significant merger and acquisition activity, continued economic expansion, and modestly lower inflation
- Small cap stocks outperformed large cap stocks; value stocks outperformed growth stocks in large cap (2.1% points) and mid cap (1.6% points), but there was little difference in small cap (0.2% points)
- Traditional value sectors such as materials outperformed, while traditional growth sectors such as technology underperformed, which were the key drivers of relative performance between growth and value

International Equities

- Foreign stocks, up double digits for the quarter, outperformed U.S. stocks due to a weak U.S. dollar and higher global merger and acquisition activity, which rose 38% to a record \$3.8 trillion
- More risky segments of the foreign market provided better returns, as emerging markets stocks and international small cap stocks outperformed the developed markets
- Within developed markets, value stocks outperformed growth stocks, as traditional value sectors such as materials outperformed due mostly to higher commodity prices

Fixed Income Market



Fixed Income

- The Federal Open Market Committee left the target fed funds rate unchanged at 5.25% and the yield on the 10-year Treasury was virtually unchanged, as the yield curve remained inverted at year end
- Corporate bonds outperformed U.S. Treasuries and non-investment grade bonds outperformed investment grade bonds, as investors continued to favor the riskiest segments of the bond market
- The Lehman Brothers Treasury Inflation-Protected Securities (TIPS) Index was one of the few fixed income benchmarks to realize a negative return, as lower inflation negatively impacted TIPS
- The CSFB Leveraged Loan Index, which tracks the performance of bank loans, gained 2.0%, as spreads remained tight and corporations continued to report strong cash flows to support debt service



Fourth Quarter 2006 - Market Commentary

Domestic Equity

- Materials was the best performing sector in the S&P 500 Index because commodity prices increased, as the Dow Jones-AIG Commodity Index rose 5.4%
- Continued problems at many of the large pharmaceutical companies negatively impacted the health care sector, which was the worst performing sector in the S&P 500 Index
- Although the price of oil stayed within \$60-65 per barrel and finished largely unchanged, energy stocks outperformed in the S&P 500
- Seven of the ten worst performing stocks in the S&P 500 Index were technology stocks, which caused the sector to underperform
- Stocks in the S&P 500 Index posted double-digit profit growth in the third quarter, which was the 13th consecutive quarter of double-digit earnings growth; however, earnings growth estimates for the fourth quarter declined from 12.8% at the start of the quarter to 9.9% at the end of the quarter
- U.S. equity returns were helped by strong merger and acquisition activity, which increased 36% to \$1.6 trillion in 2006
- In 2006, U.S. companies announced 1,503 stock buyback programs that totaled a record \$703 billion; the dollar amount was nearly a 50% increase over 2005
- U.S. companies ended 2006 with an estimated \$2 trillion in cash, which could lead to further merger and acquisition activity, as well as dividend increases and share repurchases

<u>Russell 3000</u>	<u>Growth</u>	<u>Value</u>
Quarter	6.2%	8.1%
1 Yr.	9.5%	22.3%
3 Yr.	7.2%	15.2%
5 Yr.	3.0%	11.2%
10 Yr.	5.3%	11.1%

International Equity

- The U.S. dollar was mixed during the quarter, as it fell versus the Euro but rose against the yen, thereby positively impacting U.S. dollar returns in European stocks but hurting in Japanese stocks
- Europe ex-UK gained 7.8% in local currency (12.2% in U.S. dollars) due to stronger than anticipated economic growth
- European merger and acquisition activity increased 39% to \$1.4 trillion during 2006, which also benefited European equities
- Pacific ex-Japan gained 12.1% in local currency (16.9% in U.S. dollars) due to strong performance from Hong Kong and Singapore
- Japan rose only 6.0% in local currency (5.0% in U.S. dollar terms) in part because banks were reluctant to lend and many large Japanese companies announced disappointing earnings
- Brazil gained 22.5% in local currency (24.6% in U.S. dollars), as the Brazilian Central Bank lowered its benchmark lending rate, assisting the country in outperforming the MSCI Emerging Markets Free Index
- China rose 35.6% in local currency (35.9% in U.S. dollars) due partly to a significant amount of initial public offering (IPO) activity, as Industrial and Commercial Bank of China raised \$21.9 billion, the world's largest IPO to date
- Countries whose economies rely significantly on the materials industry, such as Argentina, Chile, and Venezuela, outperformed because commodity prices increased, particularly certain metals

MSCI Regional Performance (4Q06)

	<u>Local Cur.</u>	<u>U.S. \$</u>
Europe Ex. U.K.	7.8%	12.2%
U.K.	5.3%	10.3%
Pacific Ex. Japan	12.1%	16.9%
Japan	6.0%	5.0%
Emerging Markets	14.7%	17.6%

Fixed Income

- The 10-year Treasury yield increased slightly to 4.7%, as the Federal Open Market Committee left the fed funds rate unchanged at 5.25% at both meetings; most futures markets are pricing in an interest rate cut as early as the second quarter of 2007
- Short duration Treasuries outperformed those with longer maturities, as interest rates rose modestly along the yield curve
- Investors continued to favor the riskiest bonds, as the two best performing Lipper fixed income categories were emerging markets debt (up 4.8%) and U.S. high yield (up 4.0%)
- High yield bonds outperformed because corporate financial prospects remained strong, as S&P reported that the default rate for non-investment grade bonds hit a 24-year record low of 0.9% in September and is expected to end the year at 1.4%
- The average spread for high yield bonds versus comparable-maturity Treasuries fell from 3.7% points to 2.8% points during 2006
- The Lehman Brothers Treasury Inflation-Protected Securities (TIPS) Index fell 1.3%, as the consumer price index (CPI) declined in October and was flat in November
- According to Thomson Financial, corporate bond issuance was a record \$1.1 trillion in 2006, versus \$771 billion in 2005; high yield bond issuance for 2006 was \$151 billion, which exceeded the record \$143 billion in 2004

<u>As of:</u>	<u>Historical yield of 10-Year Treasury Note</u>
12/31/06	4.7%
9/30/06	4.6%
6/30/06	5.2%
3/31/06	4.9%
12/31/05	4.4%



Fourth Quarter 2006 - Market Commentary

Hedge Funds

- Hedge fund strategies performed well, with most strategies performing within a range of 2.5% to 6.0%
- The aggregate returns based on the HFRI Fund Weighted and Fund of Funds Indices were 5.5% and 5.3% for the quarter and 13.0% and 10.3% for the year, respectively
- Riskier, or more directional and volatile, hedge fund strategies performed well, as strength in all global markets benefited strategies with little regard to risk management
- The top performing HFRI strategy was Emerging Markets, up 11.4%, followed by Sector (6.0%) and Event Driven (5.9%)
- Absolute return strategies such as Convertible Arbitrage, Equity Market Neutral, and Fixed Income were up between 2.5% and 2.8% and outperformed investment grade fixed income
- Mergers, spin-offs, buyouts, and restructurings continued their brisk pace globally to the delight of Event Driven and Merger Arbitrage strategies, which were up 5.9% and 5.7% respectively
- The Global Macro strategy was up 5.5% due to an increase in currency volatility and directionality after second and third quarters that lacked a trend

Hedge Fund Research Index

As of 12/31/06	Qtr	1-yr
Fund of Funds Composite	5.3%	10.3%
Fund Weighted Composite	5.5%	13.0%
Equity Hedge	5.4%	11.7%
Event Driven	5.9%	15.4%
Macro	5.5%	8.7%

Private Equity

- Private equity returns are reported on a quarter-lag basis and short-term performance can be misleading due to the long-term nature of these investments; performance through September 30th has not been released
- Private equity performance through June 30th indicates that buyout funds continued to perform better than venture funds over recent time periods; however, venture funds performed better over the 10- and 20-year periods ending June 30th
- Private equity activity levels are based on data currently available and are subject to change
- During the fourth quarter, venture commitments fell over 40% compared to the third quarter, while buyout commitments fell almost 25%
- Compared to 2005, venture commitments in 2006 remained steady at approximately \$47 billion while buyout fund commitments rose over 5%
- Preliminary data indicate that investment activity for both venture and buyout funds decreased, but official data has not yet been released
- The IPO market more than doubled for both venture- and buyout-backed firms during the 4th quarter, but was virtually unchanged for the year
- Merger & acquisition (M&A) activity fell during the fourth quarter for both venture (down 33%) and buyout funds (down 50%)
- During 2006, M&A activity for venture funds decreased slightly (down 3%) while buyout-backed M&A activity increased (up 25%)

Venture Economics Data

As of 6/30/06	Venture	Buyouts
1 Year	15.6%	25.8%
3 Years	9.0%	16.4%
5 Years	-3.5%	6.7%
10 Years	20.7%	9.0%
20 Years	16.5%	13.4%

Real Estate

Public Real Estate (REITs)

- REITs again outperformed the S&P 500 Index (9.5% vs. 6.7%) due to continued merger and acquisition activity and strong flows into dedicated real estate funds
- Blackstone bid \$36 billion to acquire Equity Office Properties, which would be the largest leveraged buyout in history and drove the outperformance of the office sector
- Hotels underperformed due to concerns about the slowing U.S. economy, as hotels are the most economically sensitive of all REIT sectors due to the short-term nature of their leases (essentially overnight)
- REIT valuations remain high, as the price-to-funds from operations is more than 50% above its historical average since January 1992 (18.2x vs. 11.9x)

Private Real Estate (through 9/30/06)

- Private real estate returns remained strong, as the NCREIF National Property Index (NPI) gained 3.5%
- Hotel and office were the best performing sectors, with each gaining more than 4.0%
- Apartment and retail underperformed, as each sector gained only 3.0%
- In terms of regions, the West outperformed and the Midwest underperformed, while the East and South were in-line with the index

Public and Private Real Estate Returns

As of	12/31/06 NAREIT	9/30/06 NCREIF
Quarter	9.5%	3.5%
1 Year	35.0%	17.6%
3 Years	25.8%	16.4%
5 Years	23.2%	12.4%
10 Years	14.5%	12.5%



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Summary of Investment Performance

Report for Periods Ending December 31, 2006

	Annualized						
	<u>Qtr</u>	<u>1Yr</u>	<u>3Yr</u>	<u>5Yr</u>	<u>Since Inception</u>	<u>(Date)</u>	<u>Market Value</u>
Total Composite	6.5%	14.0%	11.6%	9.6%	6.0%	(9/00)	\$12,851,864
Balanced Index ¹	6.1	14.6	10.6	8.5	5.2		
CPI + 5%	0.6	7.4	8.0	7.7	7.4		
Large Cap Equity	7.1	14.7	11.7	7.9	1.7	(9/00)	5,425,940
S&P 500 Index	6.7	15.8	10.4	6.2	1.5		
Vanguard Index 500 Fund	6.7	15.7	10.4	-	12.7	(10/03)	2,711,731
S&P 500 Index	6.7	15.8	10.4	-	12.0		
Marsico Focus Fund	8.8	8.6	10.0	-	11.1	(10/03)	1,279,875
S&P 500 Index	6.7	15.8	10.4	-	12.0		
Russell 1000 Growth Index	5.9	9.1	6.9	-	8.0		
Dodge & Cox Stock Fund	6.5	18.5	15.6	-	18.3	(10/03)	1,434,334
S&P 500 Index	6.7	15.8	10.4	-	12.0		
Russell 1000 Value Index	8.0	22.2	15.1	-	16.9		
Small Cap Equity	9.8	16.5	16.0	11.5	5.5	(9/00)	1,005,407
Russell 2000 Index	8.9	18.4	13.6	11.4	8.2		
DFA Small Cap Value Fund	10.1	21.6	18.0	-	22.1	(10/03)	1,005,406
Russell 2000 Index	8.9	18.4	13.6	-	14.8		
Russell 2000 Value Index	9.0	23.5	16.5	-	18.3		
International Equity	11.2	27.4	20.5	18.7	11.8	(9/00)	2,144,260
MSCI EAFE Index	10.4	26.9	20.4	15.4	7.5		
Artisan International Fund	10.5	25.6	19.8	-	22.6	(10/03)	994,564
MSCI EAFE Index	10.4	26.9	20.4	-	23.0		
Templeton Foreign Equity Fund	11.8	29.0	21.1	-	23.4	(10/03)	1,149,696
MSCI EAFE Index	10.4	26.9	20.4	-	23.0		
Fixed Income	1.1	4.3	4.2	4.4	5.0	(9/00)	3,358,425
LB Aggregate Bond Index	1.2	4.3	3.7	5.1	6.1		
PIMCO Total Return Fund	0.9	4.0	4.0	-	4.2	(10/03)	3,068,503
LB Aggregate Bond Index	1.2	4.3	3.7	-	3.9		
Seix High Yield Fund	3.2	7.0	5.9	-	6.7	(10/03)	289,922
ML High Yield Bond	4.2	11.8	8.4	-	9.2		



Northern Indiana Community Foundation
Summary of Investment Performance
Report for Periods Ending December 31, 2006

Footnotes:

* Performance returns are net of investment management fees.

* Calculated returns may differ from the manager's due to differences in security pricing and/or cash flows.

* Manager data represents the most current available at the time of report publication.

* The fiscal year ends in December.

¹ Balanced Index is currently comprised of: 42.5% S&P 500 Index, 15.0% Russell 2000 Index, 15.0% MSCI EAFE Index, and 27.5% LB Aggregate Bond Index.

Please see Appendix for benchmark history.

^A Since inception mutual fund returns do not match published returns due to timing of initial purchases.



Northern Indiana Community Foundation
Schedule of Asset and Style Allocation
Report for Periods Ending December 31, 2006

Asset Class	Current Weight	Target Weight	Target Range
Large Cap Equity	42.2%	42.5%	32.5% - 52.5%
Small Cap Equity	7.8%	15.0%	10.0% - 20.0%
International Equity	16.7%	15.0%	10.0% - 20.0%
Fixed Income	23.9%	25.0%	15.0% - 35.0%
High Yield	2.3%	2.5%	0.0% - 5.0%
Cash	7.1%	0.0%	
Total	100.0%	100.0%	

Asset Class - Style	Manager	Portfolio Invested	Portfolio Cash	Market Value	Current Weight
Large Cap Equity - Broad	Vanguard Index 500 Fund	100.0%	0.0%	\$2,711,731	21.1%
Large Cap Equity - Growth	Marsico Focus Fund	100.0%	0.0%	\$1,279,875	10.0%
Large Cap Equity - Value	Dodge & Cox Stock Fund	100.0%	0.0%	\$1,434,334	11.2%
Small Cap Equity - Value	DFA Small Cap Value Fund	100.0%	0.0%	\$1,005,406	7.8%
International Equity - Growth	Artisan International Fund	100.0%	0.0%	\$994,564	7.7%
International Equity - Value	Templeton Foreign Equity Fund	100.0%	0.0%	\$1,149,696	8.9%
Fixed Income - Core Plus	PIMCO Total Return Fund	100.0%	0.0%	\$3,068,503	23.9%
High Yield - Core	Seix High Yield Fund	100.0%	0.0%	\$289,922	2.3%
Cash - Cash	Cash	0.0%	100.0%	\$917,832	7.1%
Total				\$12,851,863	100.0%



Northern Indiana Community Foundation
Investment Policy Adherence
Report for Periods Ending December 31, 2006

Performance Objectives	Result	Objective Achieved
Measurement Period: Moving 5 Year		
Beta < 1.20	Beta = 1.00	Yes
Alpha > 0.0%	Alpha = 1.1%	Yes

Statistical Measures	<u>Sharpe Ratio</u>	<u>Standard Deviation</u>	<u>Tracking Error</u>	<u>Information Ratio</u>
Total Composite	0.7	9.9%	2.3%	0.5
Balanced Index	0.6	9.6	0.0	--

Asset Growth Summary (in thousands)	Qtr	Since 9/00
Beginning Market Value	\$ 11,974	\$ 14,018
Net Contributions/(Distributions)	\$ 93	\$ (4,290)
Market Appreciation/(Depreciation)	\$ 785	\$ 3,124
Ending Market Value	\$ 12,852	\$ 12,852

* Risk Statistics are based on monthly data.

¹ Balanced Index is currently comprised of: 42.5% S&P 500 Index, 15.0% Russell 2000 Index, 15.0% MSCI EAFE Index, and 27.5% LB Aggregate Bond Index. Please see Appendix for benchmark history.

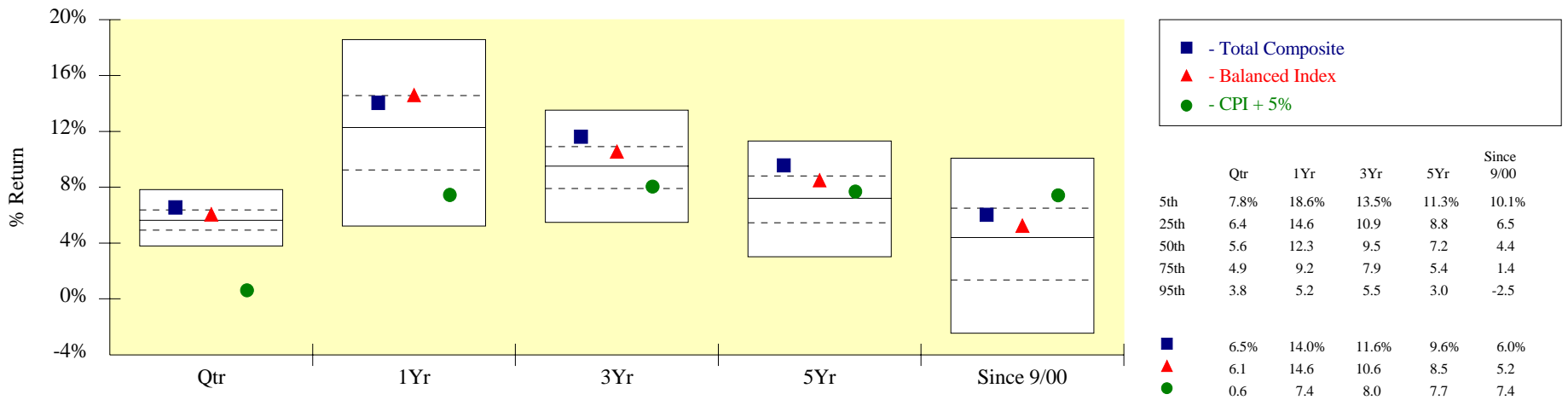


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Total Composite

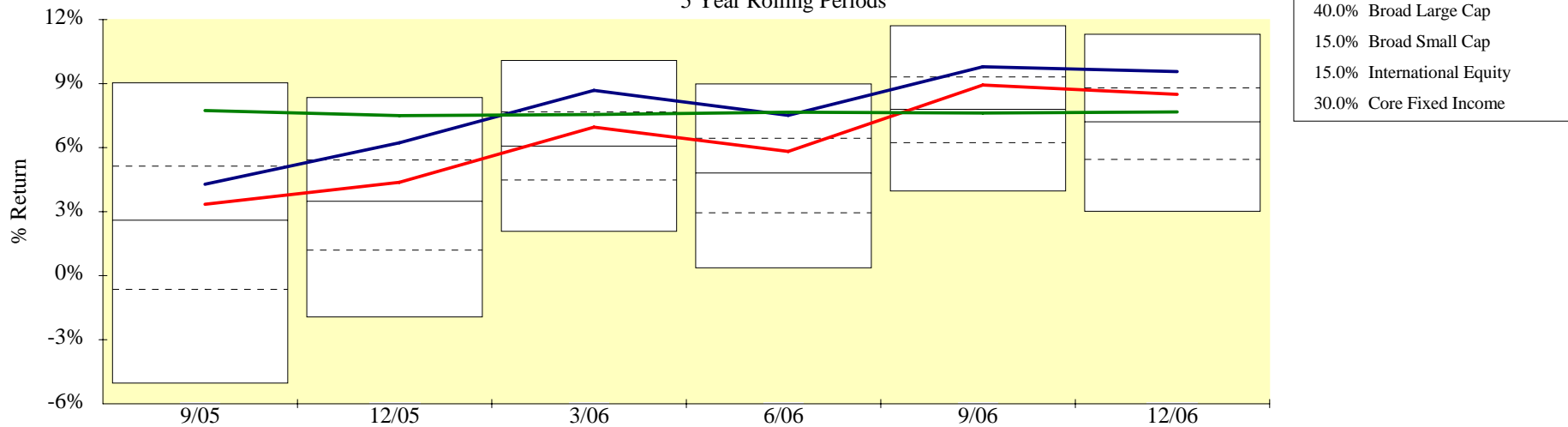
Blended Universe

For Report Periods Ending December 31, 2006



Report From September 30, 2000 to December 31, 2006

5 Year Rolling Periods



Balanced Index is currently comprised of: 42.5% S&P 500 Index, 15.0% Russell 2000 Index, 15.0% MSCI EAFE Index, and 27.5% LB Aggregate Bond Index. Please see Appendix for benchmark history.



Northern Indiana Community Foundation

Composite

Total Sector Breakdown

As of December 31, 2006

	NICF Total Percentage	S&P 500 Index	Russell MC	Russell 2000
Consumer Discretionary	18.1%	11%	15%	16%
Consumer Staples	6.3%	9%	2%	3%
Energy	8.6%	10%	7%	5%
Financials	19.5%	22%	18%	23%
Health Care	13.2%	12%	11%	12%
Industrials	13.2%	11%	16%	14%
Information Technology	12.9%	15%	15%	19%
Materials	3.8%	3%	6%	4%
Telecommunication	2.5%	4%	1%	1%
Utilities	2.1%	4%	8%	3%

*Sector Weightings may not add up to 100% due to rounding.



Northern Indiana Community Foundation

Vanguard Index 500 Fund

Summary of Performance Relative to Investment Policy Statement Objectives

Report For Periods Ending December 31, 2006

Performance Results	<u>Qtr</u>	<u>1Yr</u>	<u>3Yr</u>	<u>Since Inception</u>	<u>Inception Date</u>
Vanguard Index 500 Fund	6.7%	15.7%	10.4%	12.7%	<i>10/03</i>
S&P 500 Index	6.7	15.8	10.4	12.0	

Risk Statistics (Since 10/03)	<u>Beta</u>	<u>Alpha</u>	<u>R²</u>	<u>Standard Deviation</u>	<u>Tracking Error</u>	<u>Information Ratio</u>
Vanguard Index 500 Fund	1.00	0.7%	0.9	8.1%	1.2%	0.6
S&P 500 Index	1.00	0.0	1.0	8.0	0.0	--

Portfolio Statistics	<u>Trailing P/E</u>	<u>Trailing P/B</u>	<u>Wtd Avg Mkt Cap</u>	<u>Current Yield</u>	<u>Eqty Annl Turnover</u>
Vanguard Index 500 Fund	16.2	3.1	98,324.0M	1.9%	--%
S&P 500 Index	16.2	3.1	98,324.0	1.9	--

Asset Growth Summary (in thousands)	<u>Qtr</u>	<u>1Yr</u>
Beginning Market Value	\$ 2,542	\$ 2,343
Net Contributions/(Distributions)	\$ 0	\$ 0
Market Appreciation/(Depreciation)	\$ 170	\$ 369
Ending Market Value	\$ 2,712	\$ 2,712

* Manager data represents the most current available at the time of report publication.

* Risk Statistics are based on monthly data.

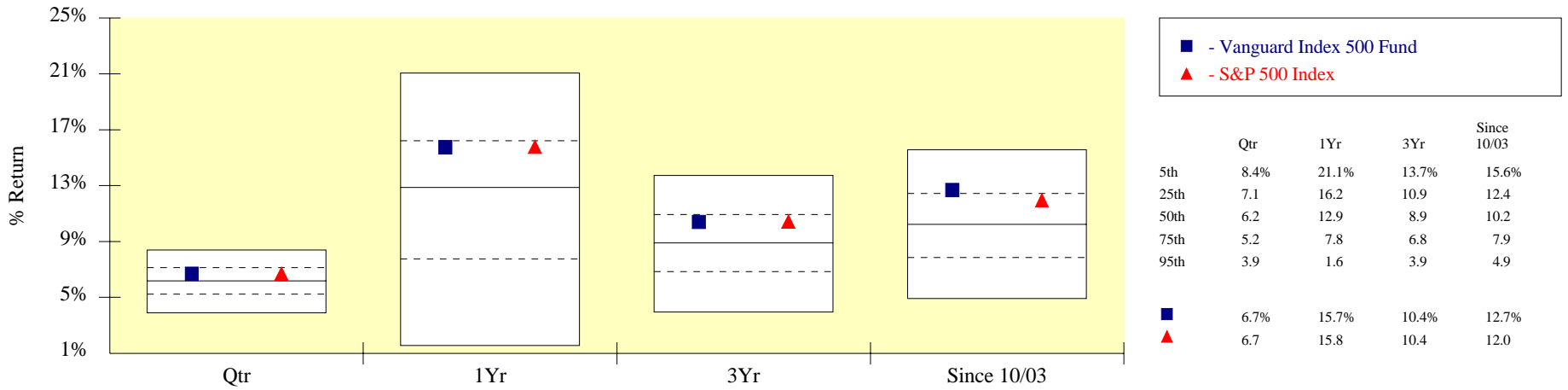


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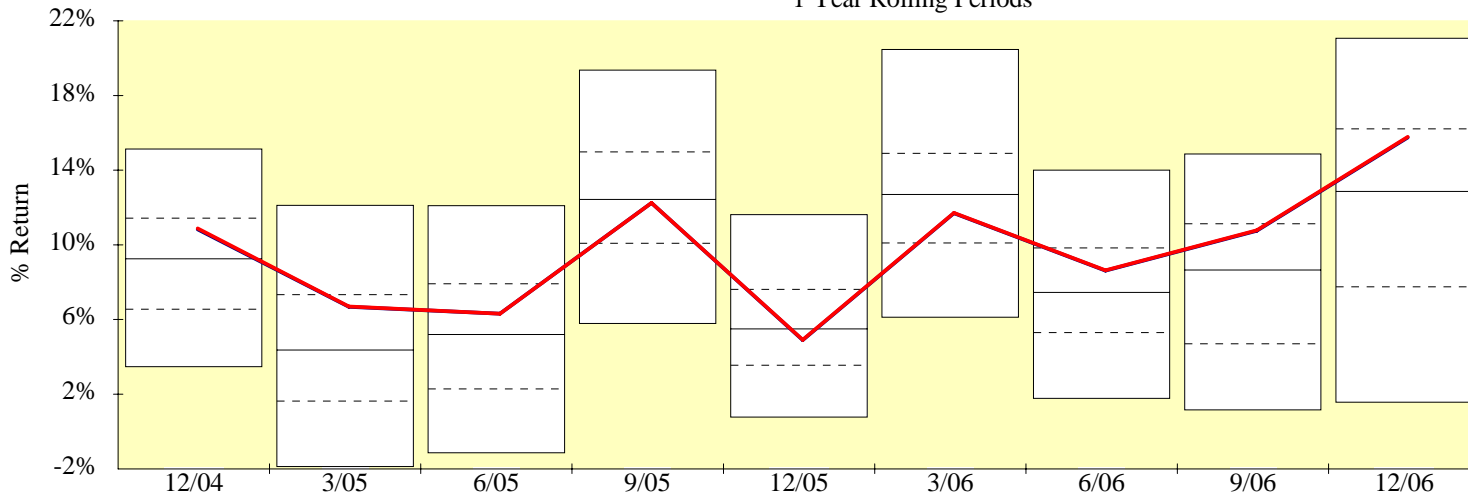
Vanguard Index 500 Fund

Broad Large Cap Universe

For Report Periods Ending December 31, 2006



Report From December 31, 2003 to December 31, 2006
1 Year Rolling Periods



Northern Indiana Community Foundation

Marsico Focus Fund

Summary of Performance Relative to Investment Policy Statement Objectives

Report For Periods Ending December 31, 2006

Performance Results	<u>Qtr</u>	<u>1Yr</u>	<u>3Yr</u>	<u>Since Inception</u>	<u>Inception Date</u>
Marsico Focus Fund	8.8%	8.6%	10.0%	11.1%	<i>10/03</i>
S&P 500 Index	6.7	15.8	10.4	12.0	
Russell 1000 Growth Index	5.9	9.1	6.9	8.0	

Risk Statistics (Since 10/03)	<u>Beta</u>	<u>Alpha</u>	<u>R²</u>	<u>Standard Deviation</u>	<u>Tracking Error</u>	<u>Information Ratio</u>
Marsico Focus Fund	1.09	-1.7%	0.6	10.5%	5.5%	-0.2
S&P 500 Index	1.00	0.0	1.0	8.0	0.0	--
Russell 1000 Growth Index	1.10	-4.8	0.8	9.0	5.2	0.6

Portfolio Statistics	<u>Trailing P/E</u>	<u>Trailing P/B</u>	<u>Wtd Avg Mkt Cap</u>	<u>Current Yield</u>	<u>Eqty Annl Turnover</u>
Marsico Focus Fund	19.1	3.2	52,097.2M	0.8%	80.0%
S&P 500 Index	16.2	3.1	98,324.0	1.9	--
Russell 1000 Growth Index	20.6	4.0	74,030.0	1.2	--

Asset Growth Summary (in thousands)	<u>Qtr</u>	<u>1Yr</u>
Beginning Market Value	\$ 1,177	\$ 1,178
Net Contributions/(Distributions)	\$ 0	\$ 0
Market Appreciation/(Depreciation)	\$ 103	\$ 102
Ending Market Value	\$ 1,280	\$ 1,280

* Manager data represents the most current available at the time of report publication.

* Risk Statistics are based on monthly data.



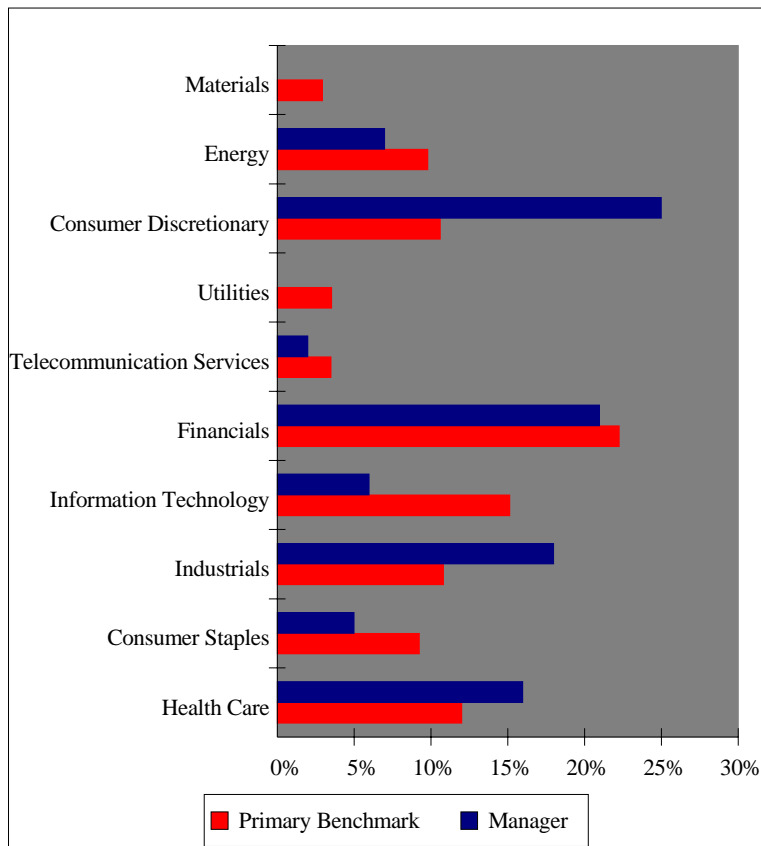
Northern Indiana Community Foundation

Marsico Focus Fund

Equity Sector

Report For Periods Ending December 31, 2006

Sector Allocation



Sector	Sector Weightings		Market Total Returns	
	Primary Benchmark	Manager	3 Months	12 Months
Materials	3%	0%	11.6%	18.0%
Energy	10	7	11.2	24.5
Consumer Discretionary	11	25	10.3	17.9
Utilities	4	0	9.2	20.6
Telecommunication Services	4	2	8.7	35.9
Financials	22	21	7.1	18.8
Information Technology	15	6	6.1	7.8
Industrials	11	18	5.9	12.7
Consumer Staples	9	5	3.7	13.7
Health Care	12	16	1.4	6.8

Top Five Holdings

Description	Weighting
UnitedHealth Group Inc.	7.0%
Genentech, Inc.	5.5
UBS	4.7
FedEx Corporation	4.6
Goldman Sachs Group, Inc.	4.5

Number of Holdings: 31

*Sector weightings may not add up to 100% due to rounding.

*Accrued income in total market value may not be available for all managers.

* Manager data represents the most current available at the time of report publication.

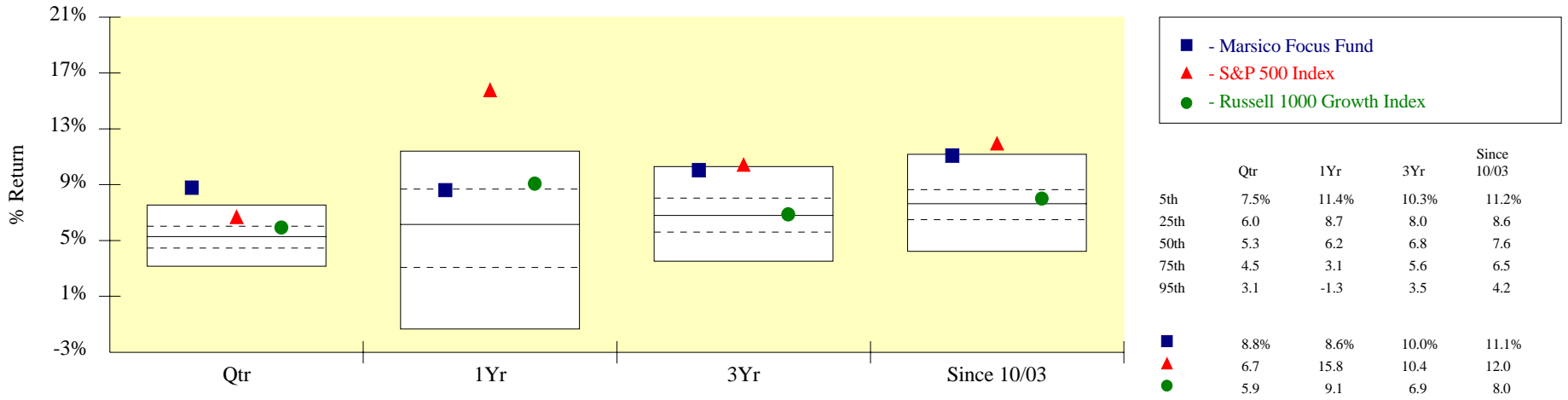


Northern Indiana Community Foundation

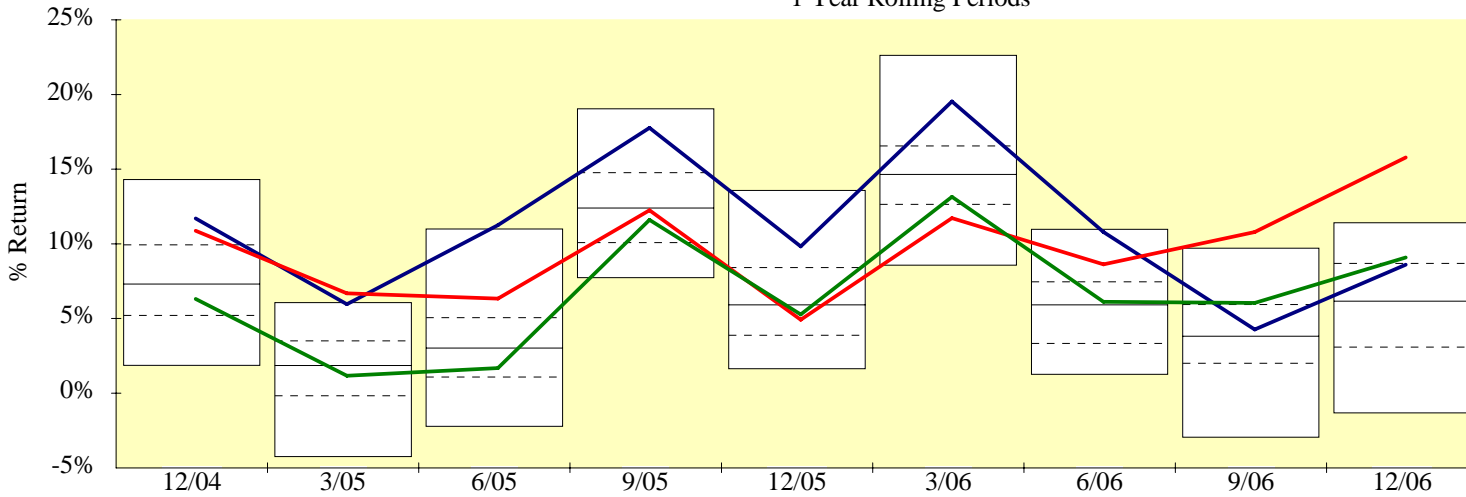
Marsico Focus Fund

Large Cap Growth Universe

For Report Periods Ending December 31, 2006



Report From December 31, 2003 to December 31, 2006
1 Year Rolling Periods



Northern Indiana Community Foundation

Dodge & Cox Stock Fund

Summary of Performance Relative to Investment Policy Statement Objectives

Report For Periods Ending December 31, 2006

Performance Results	<u>Qtr</u>	<u>1Yr</u>	<u>3Yr</u>	<u>Since Inception</u>	<u>Inception Date</u>
Dodge & Cox Stock Fund	6.5%	18.5%	15.6%	18.3%	<i>10/03</i>
S&P 500 Index	6.7	15.8	10.4	12.0	
Russell 1000 Value Index	8.0	22.2	15.1	16.9	

Risk Statistics (Since 10/03)	<u>Beta</u>	<u>Alpha</u>	<u>R²</u>	<u>Standard Deviation</u>	<u>Tracking Error</u>	<u>Information Ratio</u>
Dodge & Cox Stock Fund	1.00	6.4%	0.8	9.2%	3.7%	1.7
S&P 500 Index	1.00	0.0	1.0	8.0	0.0	--
Russell 1000 Value Index	0.94	5.5	0.8	8.3	3.3	0.4

Portfolio Statistics	<u>Trailing P/E</u>	<u>Trailing P/B</u>	<u>Wtd Avg Mkt Cap</u>	<u>Current Yield</u>	<u>Eqty Annl Turnover</u>
Dodge & Cox Stock Fund	15.8	2.1	69,000.0M	1.7%	12.0%
S&P 500 Index	16.2	3.1	98,324.0	1.9	--
Russell 1000 Value Index	14.7	2.2	111,900.0	2.5	--

Asset Growth Summary (in thousands)	<u>Qtr</u>	<u>1Yr</u>
Beginning Market Value	\$ 1,346	\$ 1,210
Net Contributions/(Distributions)	\$ 0	\$ (1)
Market Appreciation/(Depreciation)	\$ 88	\$ 225
Ending Market Value	\$ 1,434	\$ 1,434

* Manager data represents the most current available at the time of report publication.

* Risk Statistics are based on monthly data.



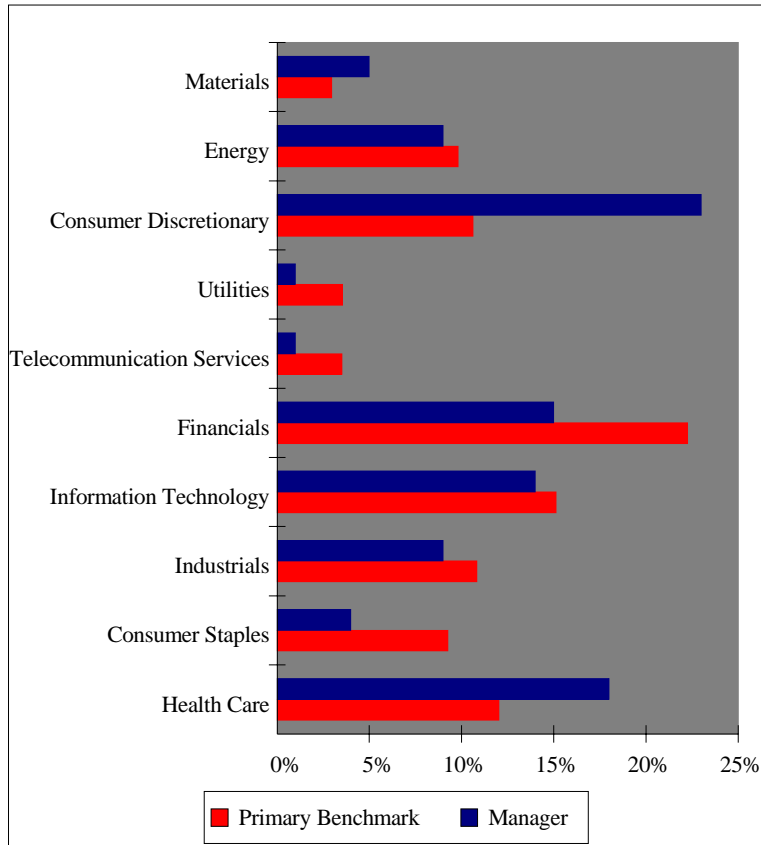
Northern Indiana Community Foundation

Dodge & Cox Stock Fund

Equity Sector

Report For Periods Ending December 31, 2006

Sector Allocation



Sector	Sector Weightings		Market Total Returns	
	Primary Benchmark	Manager	3 Months	12 Months
Materials	3%	5%	11.6%	18.0%
Energy	10	9	11.2	24.5
Consumer Discretionary	11	23	10.3	17.9
Utilities	4	1	9.2	20.6
Telecommunication Services	4	1	8.7	35.9
Financials	22	15	7.1	18.8
Information Technology	15	14	6.1	7.8
Industrials	11	9	5.9	12.7
Consumer Staples	9	4	3.7	13.7
Health Care	12	18	1.4	6.8

Top Five Holdings

Description	Weighting
Hewlett-Packard Company	4.1%
Comcast Corporation	3.7
Pfizer, Inc.	3.3
News Corporation Limited	2.9
Time Warner Telecom Inc.	2.6

Number of Holdings: 86

*Sector weightings may not add up to 100% due to rounding.

*Accrued income in total market value may not be available for all managers.

* Manager data represents the most current available at the time of report publication.

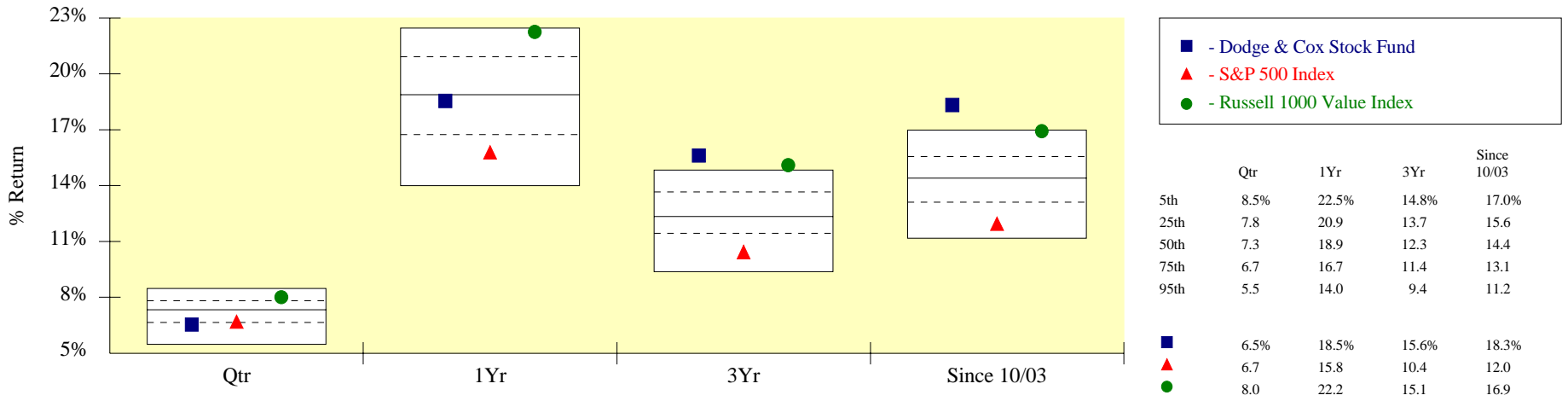


Northern Indiana Community Foundation

Dodge & Cox Stock Fund

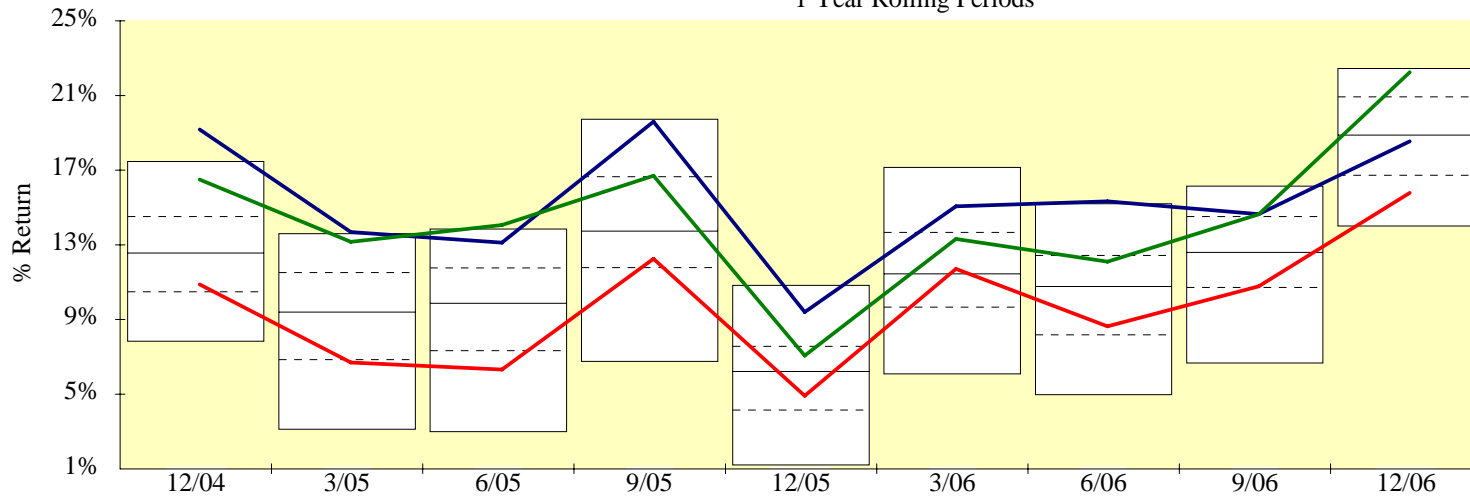
Large Cap Value Universe

For Report Periods Ending December 31, 2006



Report From December 31, 2003 to December 31, 2006

1 Year Rolling Periods



Northern Indiana Community Foundation

DFA Small Cap Value Fund

Summary of Performance Relative to Investment Policy Statement Objectives

Report For Periods Ending December 31, 2006

Performance Results	<u>Qtr</u>	<u>1Yr</u>	<u>3Yr</u>	<u>Since Inception</u>	<u>Inception Date</u>
DFA Small Cap Value Fund	10.1%	21.6%	18.0%	22.1%	<i>10/03</i>
Russell 2000 Index	8.9	18.4	13.6	14.8	
Russell 2000 Value Index	9.0	23.5	16.5	18.3	

Risk Statistics (Since 10/03)	<u>Beta</u>	<u>Alpha</u>	<u>R²</u>	<u>Standard Deviation</u>	<u>Tracking Error</u>	<u>Information Ratio</u>
DFA Small Cap Value Fund	1.02	7.2%	0.9	17.7%	4.8%	1.5
Russell 2000 Index	1.00	0.0	1.0	15.7	0.0	--
Russell 2000 Value Index	0.89	4.8	0.9	14.5	4.7	0.8

Portfolio Statistics	<u>Trailing P/E</u>	<u>Trailing P/B</u>	<u>Wtd Avg Mkt Cap</u>	<u>Current Yield</u>	<u>Eqty Annl Turnover</u>
DFA Small Cap Value Fund	15.4	1.5	967.0M	1.0%	28.0%
Russell 2000 Index	19.7	2.3	1,200.0	1.2	--
Russell 2000 Value Index	17.7	1.8	1,200.0	1.9	--

Asset Growth Summary (in thousands)	<u>Qtr</u>	<u>1Yr</u>
Beginning Market Value	\$ 918	\$ 832
Net Contributions/(Distributions)	\$ (6)	\$ (6)
Market Appreciation/(Depreciation)	\$ 93	\$ 179
Ending Market Value	\$ 1,005	\$ 1,005

* Manager data represents the most current available at the time of report publication.

* Risk Statistics are based on monthly data.



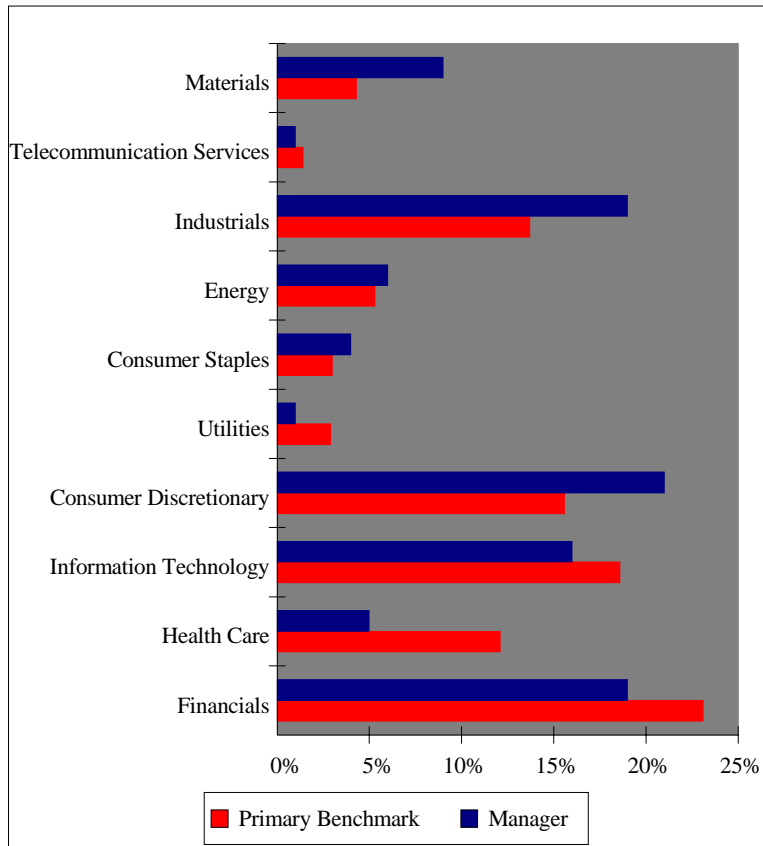
Northern Indiana Community Foundation

DFA Small Cap Value Fund

Equity Sector

Report For Periods Ending December 31, 2006

Sector Allocation



Sector	Sector Weightings		Market Total Returns	
	Primary Benchmark	Manager	3 Months	12 Months
Materials	4%	9%	13.5%	30.1%
Telecommunication Services	1	1	12.1	39.0
Industrials	14	19	11.0	17.0
Energy	5	6	10.6	17.8
Consumer Staples	3	4	10.2	29.3
Utilities	3	1	8.8	26.5
Consumer Discretionary	16	21	8.0	7.7
Information Technology	19	16	6.3	8.7
Health Care	12	5	5.2	7.9
Financials	23	19	4.2	14.2

Top Five Holdings

Description	Weighting
Flowserve Corporation	0.8%
Quanta Services, Inc.	0.8
Trinity Industries, Inc.	0.7
Hanover Compressor Company	0.7
United Auto Group, Inc.	0.7

Number of Holdings: 1340

*Sector weightings may not add up to 100% due to rounding.

*Accrued income in total market value may not be available for all managers.

* Manager data represents the most current available at the time of report publication.

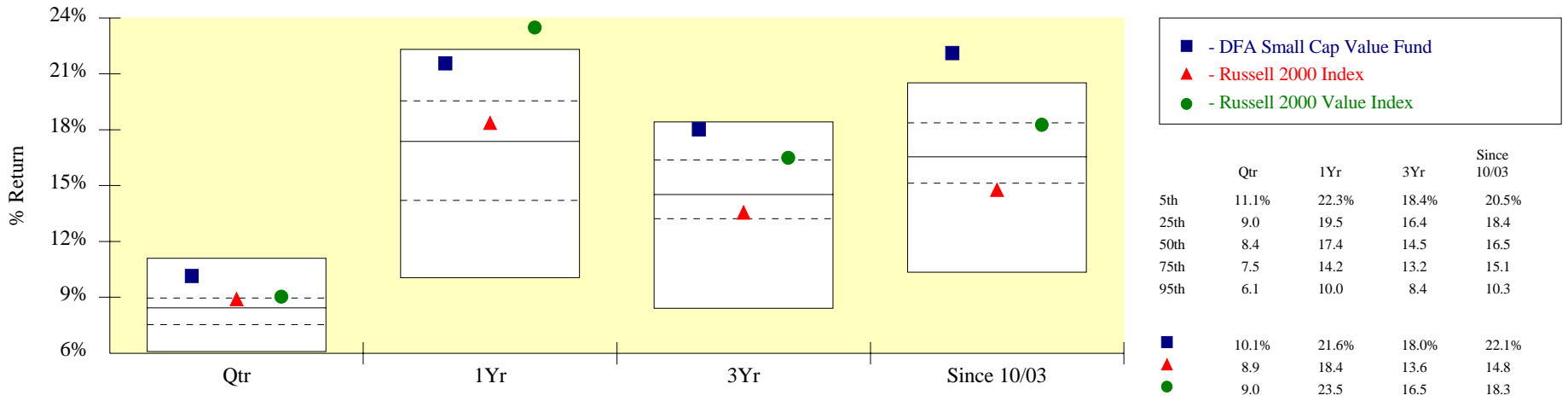


Northern Indiana Community Foundation

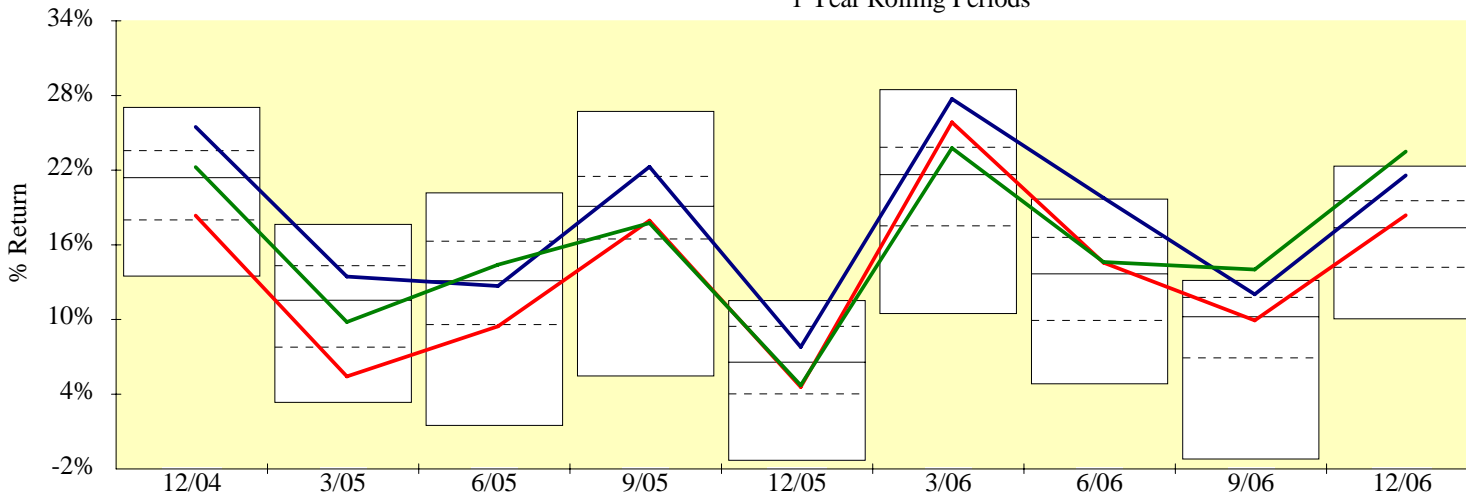
DFA Small Cap Value Fund

Small Cap Value Universe

For Report Periods Ending December 31, 2006



Report From December 31, 2003 to December 31, 2006
1 Year Rolling Periods



Northern Indiana Community Foundation

Artisan International Fund

Summary of Performance Relative to Investment Policy Statement Objectives

Report For Periods Ending December 31, 2006

Performance Results	<u>Qtr</u>	<u>1Yr</u>	<u>3Yr</u>	<u>Since Inception</u>	<u>Inception Date</u>
Artisan International Fund	10.5%	25.6%	19.8%	22.6%	<i>10/03</i>
MSCI EAFE Index	10.4	26.9	20.4	23.0	

Risk Statistics (Since 10/03)	<u>Beta</u>	<u>Alpha</u>	<u>R²</u>	<u>Standard Deviation</u>	<u>Tracking Error</u>	<u>Information Ratio</u>
Artisan International Fund	1.07	-1.7%	0.9	13.2%	2.9%	-0.1
MSCI EAFE Index	1.00	0.0	1.0	11.9	0.0	--

Portfolio Statistics	<u>Trailing P/E</u>	<u>Trailing P/B</u>	<u>Wtd Avg Mkt Cap</u>	<u>Current Yield</u>	<u>Eqty Annl Turnover</u>
Artisan International Fund	15.8	3.8	47,700.0M	1.9%	28.8%
MSCI EAFE Index	15.9	2.5	51,200.0	2.4	--

Asset Growth Summary (in thousands)	<u>Qtr</u>	<u>1Yr</u>
Beginning Market Value	\$ 900	\$ 820
Net Contributions/(Distributions)	\$ 0	\$ (31)
Market Appreciation/(Depreciation)	\$ 95	\$ 206
Ending Market Value	\$ 995	\$ 995

* Manager data represents the most current available at the time of report publication.

* Risk Statistics are based on monthly data.



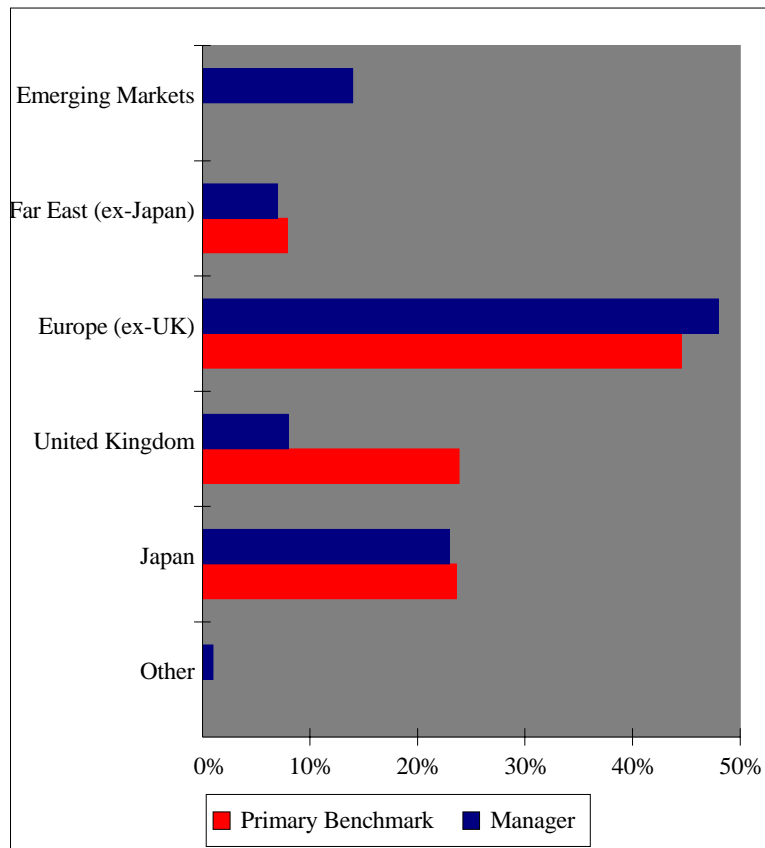
Northern Indiana Community Foundation

Artisan International Fund

International Sector

Report For Periods Ending December 31, 2006

Region Allocation



Region	Region Weightings		Market Total Returns	
	Primary Benchmark	Manager	3 Months	12 Months
Emerging Markets	0%	14%	17.6%	32.6%
Far East (ex-Japan)	8	7	16.9	33.2
Europe (ex-UK)	45	48	12.2	36.4
United Kingdom	24	8	10.3	30.7
Japan	24	23	5.0	6.3
Other	0	1	-	-

Top Five Countries

Country	Weighting
Japan	22.6%
Switzerland	12.4
France	9.2
Germany	8.5
United Kingdom	8.2

Number of Holdings: 98

*Sector weightings may not add up to 100% due to rounding.

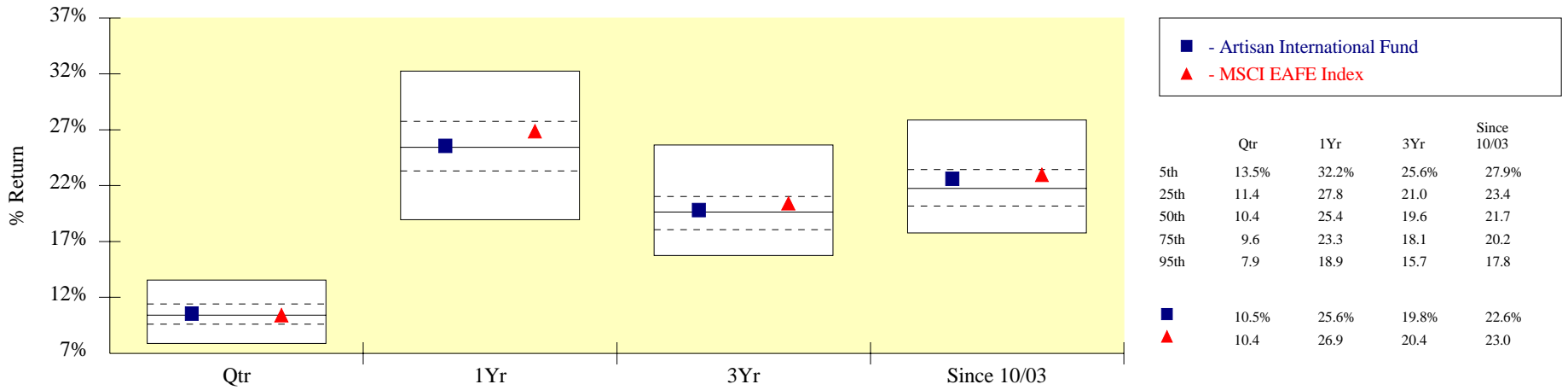
* Manager data represents the most current available at the time of report publication.



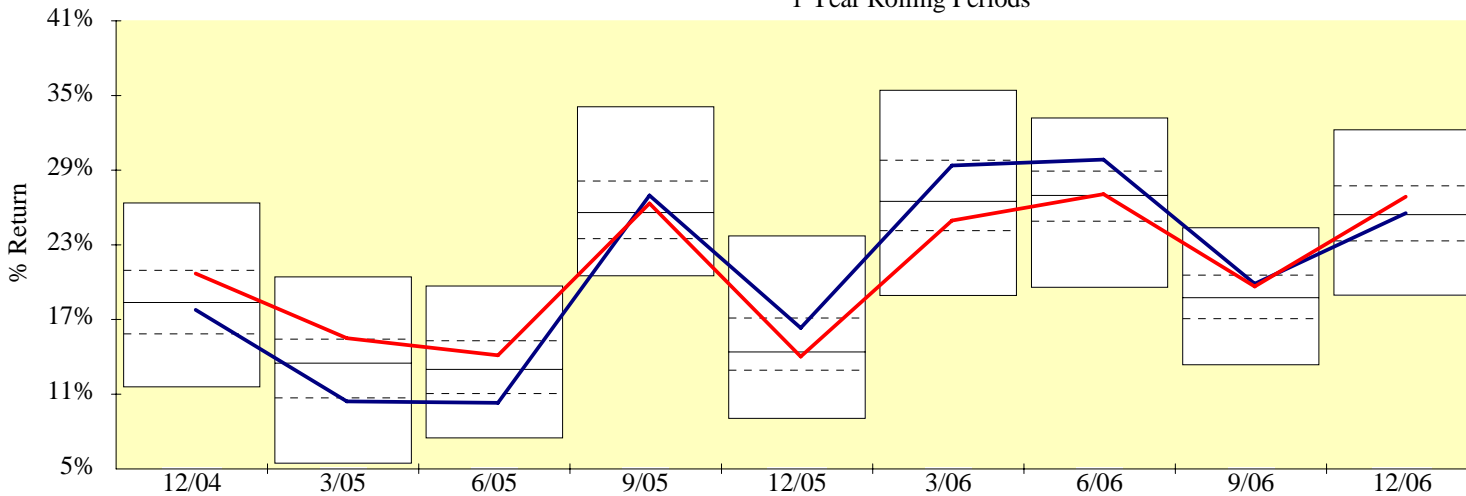
Northern Indiana Community Foundation

Artisan International Fund International Equity Universe

For Report Periods Ending December 31, 2006



Report From December 31, 2003 to December 31, 2006
1 Year Rolling Periods



Northern Indiana Community Foundation

Templeton Foreign Equity Fund

Summary of Performance Relative to Investment Policy Statement Objectives

Report For Periods Ending December 31, 2006

Performance Results	<u>Qtr</u>	<u>1Yr</u>	<u>3Yr</u>	<u>Since Inception</u>	<u>Inception Date</u>
Templeton Foreign Equity Fund	11.8%	29.0%	21.1%	23.4%	<i>10/03</i>
MSCI EAFE Index	10.4	26.9	20.4	23.0	

Risk Statistics (Since 10/03)	<u>Beta</u>	<u>Alpha</u>	<u>R²</u>	<u>Standard Deviation</u>	<u>Tracking Error</u>	<u>Information Ratio</u>
Templeton Foreign Equity Fund	0.99	0.6%	0.9	12.3%	2.5%	0.2
MSCI EAFE Index	1.00	0.0	1.0	11.9	0.0	--

Portfolio Statistics	<u>Trailing P/E</u>	<u>Trailing P/B</u>	<u>Wtd Avg Mkt Cap</u>	<u>Current Yield</u>	<u>Eqty Annl Turnover</u>
Templeton Foreign Equity Fund	14.5	2.1	46,603.7M	2.7%	7.8%
MSCI EAFE Index	15.9	2.5	51,200.0	2.4	--

Asset Growth Summary (in thousands)	<u>Qtr</u>	<u>1Yr</u>
Beginning Market Value	\$ 1,028	\$ 924
Net Contributions/(Distributions)	\$ 0	\$ (35)
Market Appreciation/(Depreciation)	\$ 122	\$ 261
Ending Market Value	\$ 1,150	\$ 1,150

* Manager data represents the most current available at the time of report publication.

* Risk Statistics are based on monthly data.



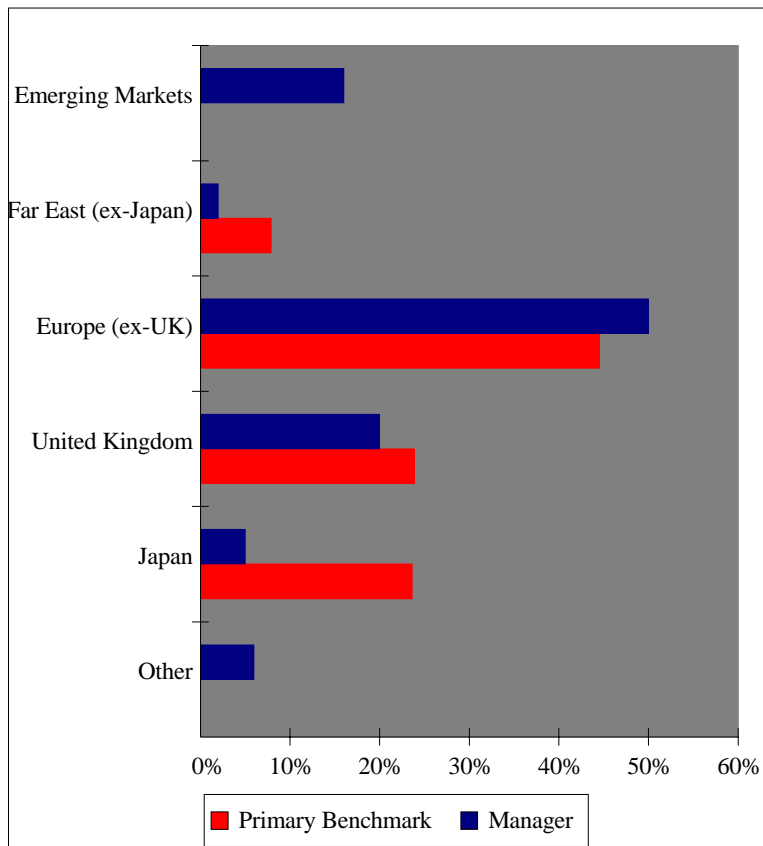
Northern Indiana Community Foundation

Templeton Foreign Equity Fund

International Sector

Report For Periods Ending December 31, 2006

Region Allocation



Region	Region Weightings		Market Total Returns	
	Primary Benchmark	Manager	3 Months	12 Months
Emerging Markets	0%	16%	17.6%	32.6%
Far East (ex-Japan)	8	2	16.9	33.2
Europe (ex-UK)	45	50	12.2	36.4
United Kingdom	24	20	10.3	30.7
Japan	24	5	5.0	6.3
Other	0	6	-	-

Top Five Countries

Country	Weighting
United Kingdom	19.7%
Germany	10.1
France	9.0
South Korea	7.3
Netherlands	6.5

Number of Holdings: 108

*Sector weightings may not add up to 100% due to rounding.

* Manager data represents the most current available at the time of report publication.

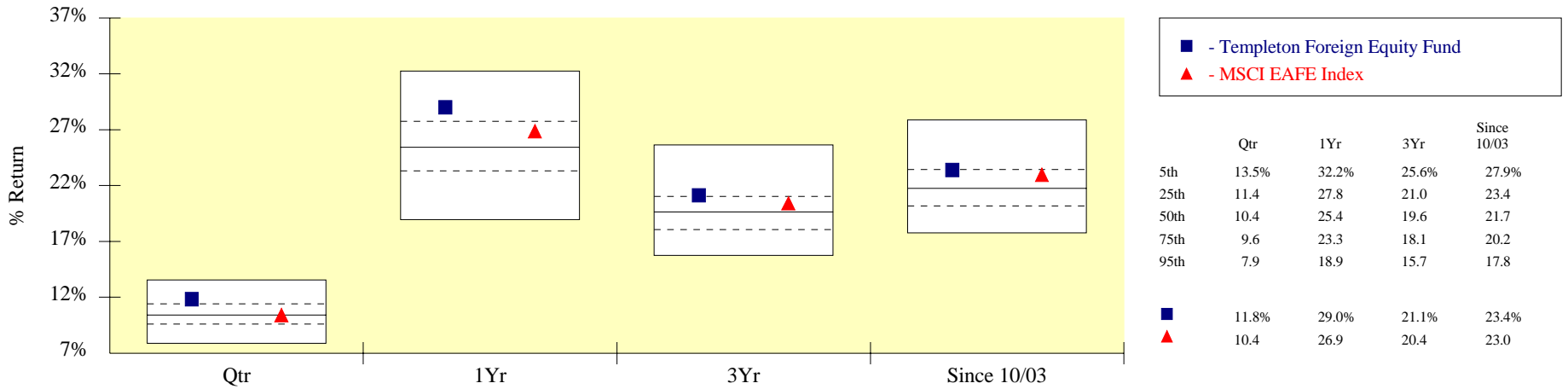


Northern Indiana Community Foundation

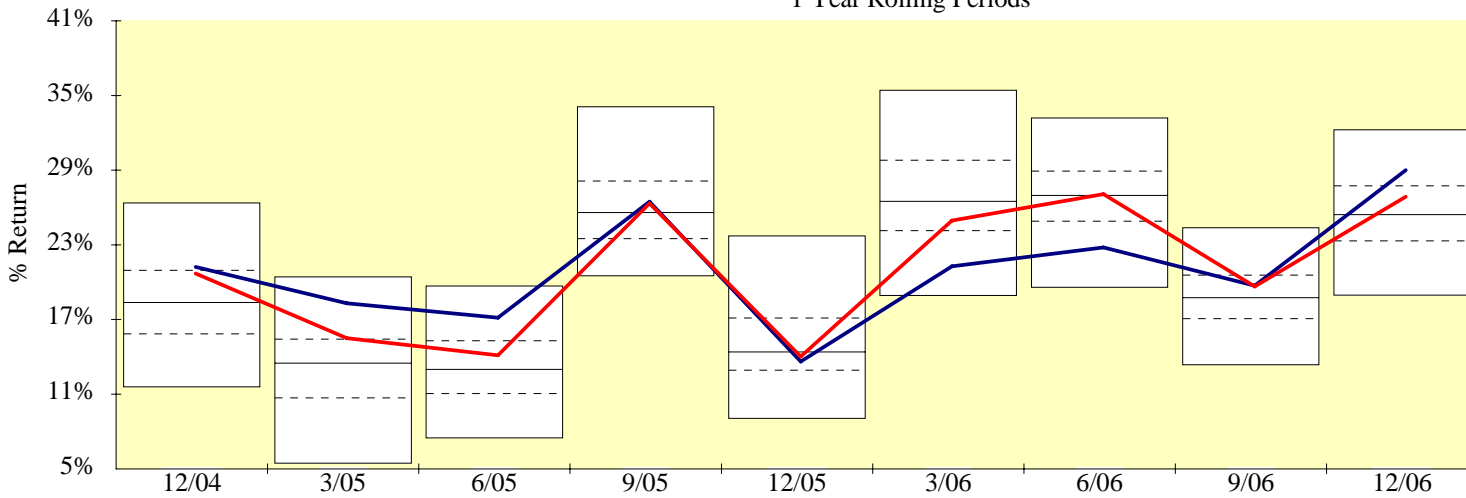
Templeton Foreign Equity Fund

International Equity Universe

For Report Periods Ending December 31, 2006



Report From December 31, 2003 to December 31, 2006
1 Year Rolling Periods



Northern Indiana Community Foundation

PIMCO Total Return Fund

Summary of Performance Relative to Investment Policy Statement Objectives

Report For Periods Ending December 31, 2006

Performance Results	<u>Qtr</u>	<u>1Yr</u>	<u>3Yr</u>	<u>Since Inception</u>	<u>Inception Date</u>
PIMCO Total Return Fund	0.9%	4.0%	4.0%	4.2%	<i>10/03</i>
LB Aggregate Bond Index	1.2	4.3	3.7	3.9	

Risk Statistics (Since 10/03)	<u>Beta</u>	<u>Alpha</u>	<u>R²</u>	<u>Standard Deviation</u>	<u>Tracking Error</u>	<u>Information Ratio</u>
PIMCO Total Return Fund	0.96	0.3%	0.9	3.3%	0.6%	0.4
LB Aggregate Bond Index	1.00	0.0	1.0	3.3	0.0	--

Portfolio Statistics	<u>Wtd Avg Duration</u>	<u>Wtd Avg Maturity</u>	<u>Wtd Avg Credit</u>	<u>Yield to Worst</u>	<u>FI Annl Turnover</u>
PIMCO Total Return Fund	5.5yrs	7.0yrs	AAA	4.8%	325.0%
LB Aggregate Bond Index	4.5	7.0	AA+	5.3	--

Asset Growth Summary (in thousands)	<u>Qtr</u>	<u>1Yr</u>
Beginning Market Value	\$ 2,937	\$ 2,594
Net Contributions/(Distributions)	\$ 105	\$ 367
Market Appreciation/(Depreciation)	\$ 27	\$ 108
Ending Market Value	\$ 3,069	\$ 3,069

* Manager data represents the most current available at the time of report publication.

* Risk Statistics are based on monthly data.



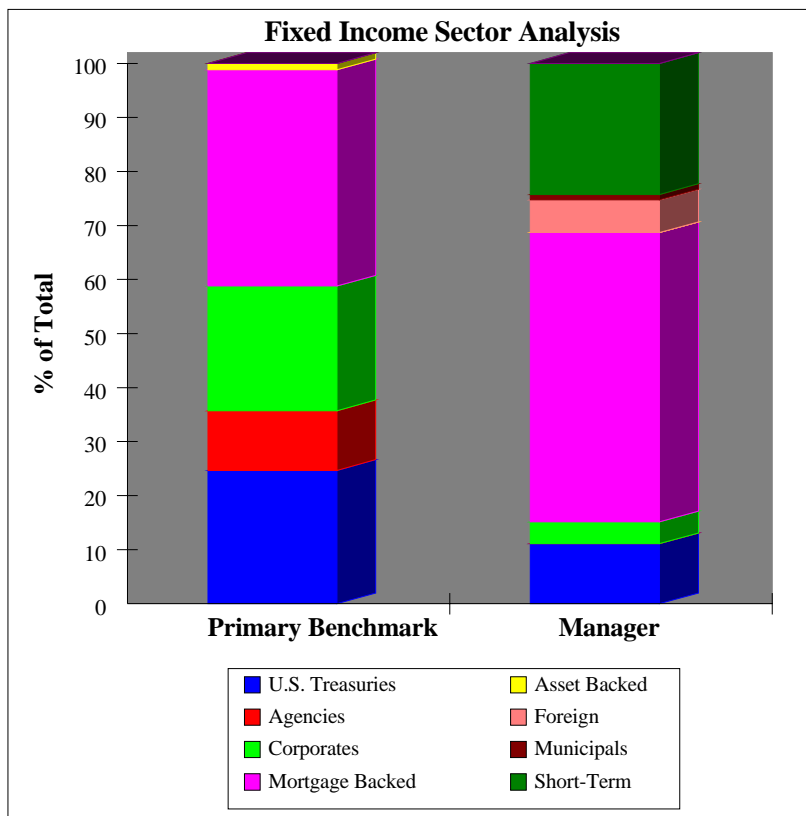
Northern Indiana Community Foundation

PIMCO Total Return Fund

Fixed Income Sector

Report For Periods Ending December 31, 2006

Sector Allocation



Sector	Sector Weightings		Market Total Returns	
	Primary Benchmark	Manager	3 Months	12 Months
Total Weighting	100%	100%	1.2%	4.3%
U.S. Treasuries	25	11	0.7	3.1
Agencies	11	0	1.1	4.4
Corporates	23	4	1.3	4.3
Mortgage Backed	40	53	1.6	5.2
Asset Backed	1	0	1.1	4.7
Foreign	0	6	2.6	5.9
Municipals	0	1	0.6	3.3
Short-Term	0	24	1.2	4.5

*Sector weightings may not add up to 100% due to rounding.

* Manager data represents the most current available at the time of report publication.

*Municipals performance returns are represented by the LB 5 Year Municipal Index

*Foreign performance returns are represented by the JP Morgan Non US Index

*Short-Term performance returns are represented by U.S. 30-day Treasury Bills

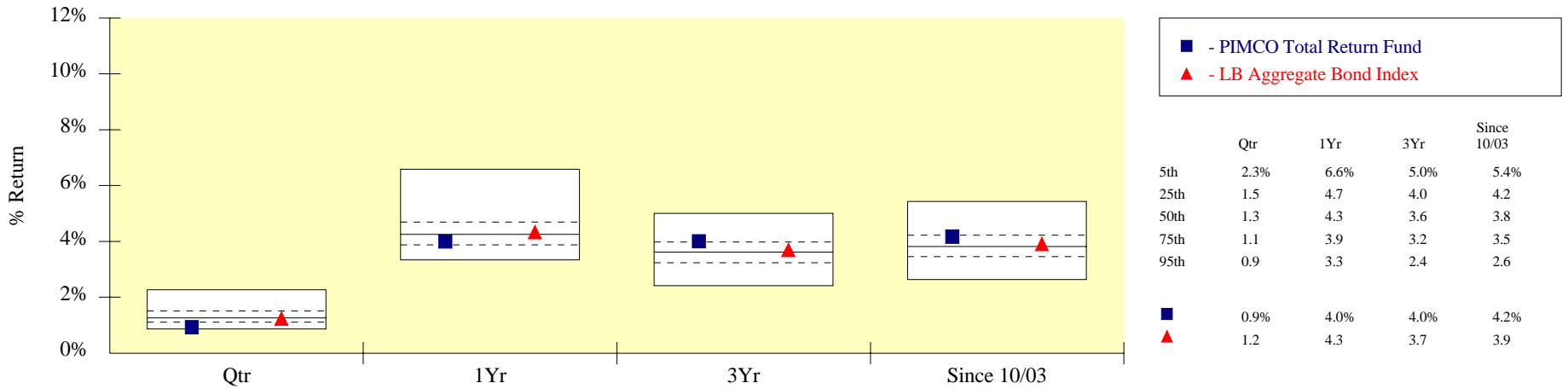


Northern Indiana Community Foundation

PIMCO Total Return Fund

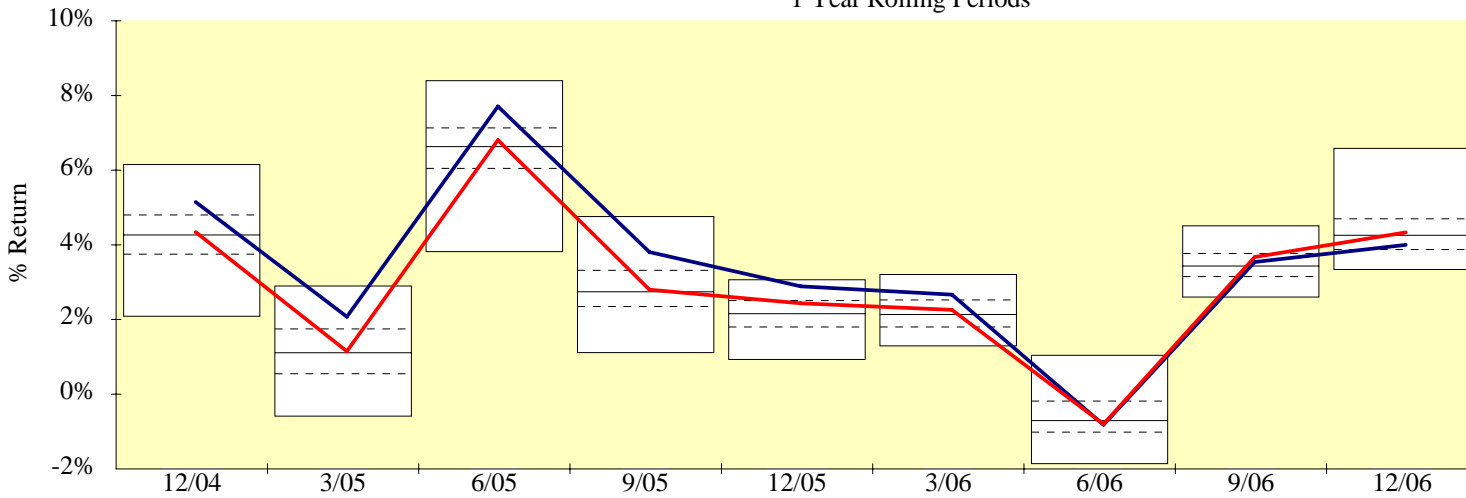
Core Fixed Income Universe

For Report Periods Ending December 31, 2006



Report From December 31, 2003 to December 31, 2006

1 Year Rolling Periods



Northern Indiana Community Foundation

Seix High Yield Fund

Summary of Performance Relative to Investment Policy Statement Objectives

Report For Periods Ending December 31, 2006

Performance Results	<u>Qtr</u>	<u>1Yr</u>	<u>3Yr</u>	<u>Since Inception</u>	<u>Inception Date</u>
Seix High Yield Fund	3.2%	7.0%	5.9%	6.7%	<i>10/03</i>
ML High Yield Bond	4.2	11.8	8.4	9.2	

Risk Statistics (Since 10/03)	<u>Beta</u>	<u>Alpha</u>	<u>R²</u>	<u>Standard Deviation</u>	<u>Tracking Error</u>	<u>Information Ratio</u>
Seix High Yield Fund	0.83	-1.5%	0.8	3.7%	1.5%	-1.7
ML High Yield Bond	1.00	0.0	1.0	4.2	0.0	--

Portfolio Statistics	<u>Wtd Avg Duration</u>	<u>Wtd Avg Maturity</u>	<u>Wtd Avg Credit</u>	<u>Yield to Worst</u>	<u>FI Annl Turnover</u>
Seix High Yield Fund	4.6yrs	7.1yrs	BB-	7.5%	120.0%
ML High Yield Bond	4.3	6.8	B+	7.8	--

Asset Growth Summary (in thousands)	<u>Qtr</u>	<u>1Yr</u>
Beginning Market Value	\$ 281	\$ 271
Net Contributions/(Distributions)	\$ 0	\$ 0
Market Appreciation/(Depreciation)	\$ 9	\$ 19
Ending Market Value	\$ 290	\$ 290

* Manager data represents the most current available at the time of report publication.

* Risk Statistics are based on monthly data.



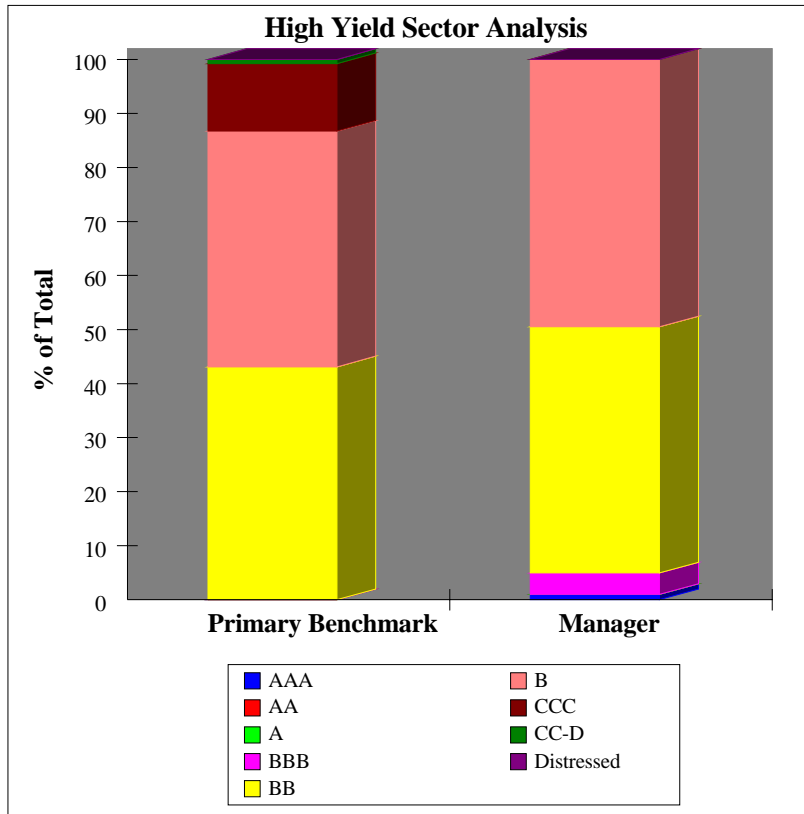
Northern Indiana Community Foundation

Seix High Yield Fund

High Yield Sector

Report For Periods Ending December 31, 2006

Sector Allocation



<u>Sector</u>	<u>Sector Weightings</u>		<u>Market Total Returns</u>	
	<u>Primary Benchmark</u>	<u>Manager</u>	<u>3 Months</u>	<u>12 Months</u>
AAA	0%	1%	3.0%	4.8%
AA	0	0	2.9	5.0
A	0	0	3.1	5.1
BBB	0	4	3.2	5.1
BB	43	46	4.3	8.3
B	44	50	4.5	10.5
CCC	12	0	5.2	14.7
CC-D	1	0	0.1	30.4
Distressed	0	0	2.9	18.6

*Sector weightings may not add up to 100% due to rounding.

* Manager data represents the most current available at the time of report publication.

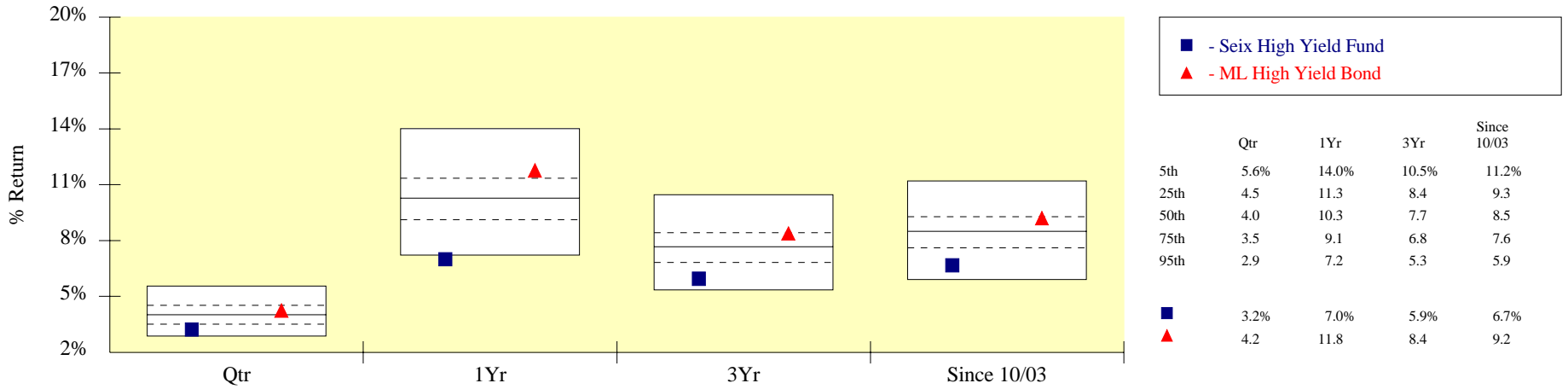


Northern Indiana Community Foundation

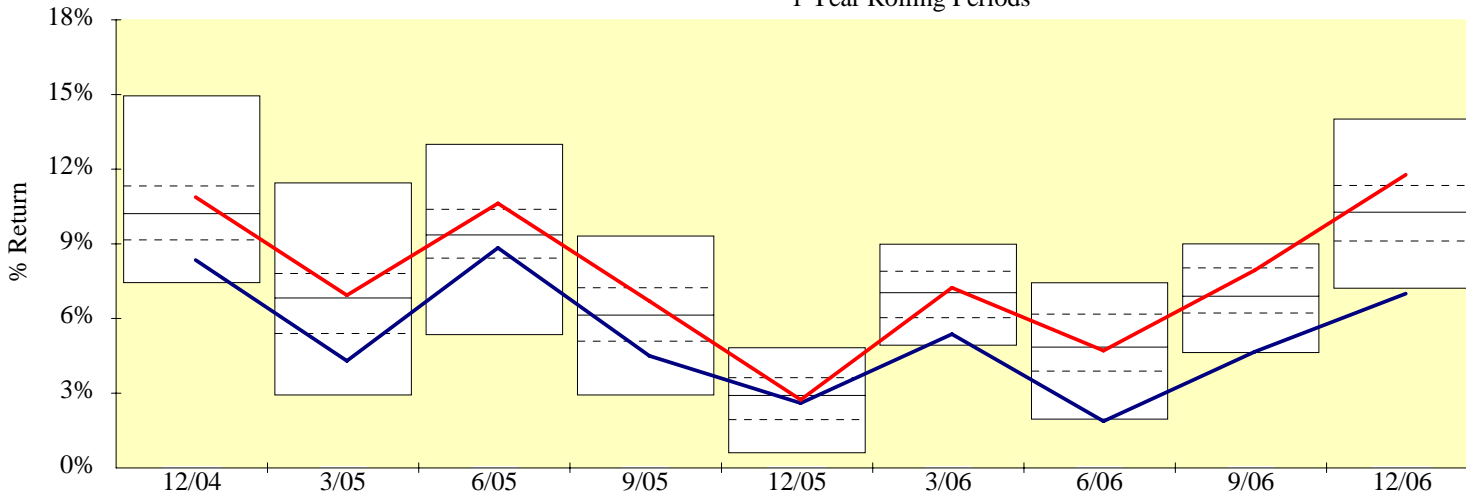
Seix High Yield Fund

High Yield Bond Universe

For Report Periods Ending December 31, 2006



Report From December 31, 2003 to December 31, 2006
1 Year Rolling Periods



Index Summary Sheet for Periods Ending December 31, 2006

U.S. Equity Indices	Qtr	YTD	1 Yr	Annualized		
				3 Yr	5 Yr	10 Yr
Russell 3000 Index	7.1%	15.7%	15.7%	11.2%	7.2%	8.6%
S&P 500 Index	6.7	15.8	15.8	10.4	6.2	8.4
Russell 1000 Index	7.0	15.5	15.5	11.0	6.8	8.6
Russell 1000 Growth Index	5.9	9.1	9.1	6.9	2.7	5.4
Russell 1000 Value Index	8.0	22.2	22.2	15.1	10.9	11.0
Russell Midcap Index	7.7	15.3	15.3	16.0	12.9	12.1
Russell Midcap Growth Index	6.9	10.7	10.7	12.7	8.2	8.6
Russell Midcap Value Index	8.5	20.2	20.2	18.8	15.9	13.6
Russell 2000 Index	8.9	18.4	18.4	13.6	11.4	9.4
Russell 2000 Growth Index	8.8	13.3	13.3	10.5	6.9	4.9
Russell 2000 Value Index	9.0	23.5	23.5	16.5	15.4	13.3
International Equity Indices						
MSCI AC World Index Free ex-US	11.2	27.2	27.2	21.8	16.9	8.6
MSCI EAFE Index	10.4	26.9	26.9	20.4	15.4	8.1
MSCI EAFE Growth	9.4	22.7	22.7	17.5	12.6	5.3
MSCI EAFE Value	11.3	31.1	31.1	23.2	18.2	10.6
MSCI Emerging Markets Free Index	17.6	32.6	32.6	31.0	27.0	9.4
MSCI Small Cap EAFE	11.7	19.6	19.6	25.8	24.4	8.3
Fixed Income Indices						
LB Aggregate Bond Index	1.2	4.3	4.3	3.7	5.1	6.2
ML High Yield Bond Index	4.2	11.8	11.8	8.4	9.9	6.6
LB TIPS Index	-1.3	0.4	0.4	3.9	7.2	--
JP Morgan Non-US \$ Govt Hedge Index	1.6	6.8	6.8	3.2	3.9	2.0
JP Morgan EMBI Plus	4.1	10.5	10.5	9.5	14.1	10.5
LB Interm GV/CR Bond Index	1.0	4.1	4.1	2.9	4.5	5.8
ML 1-3 Yr Govt Bond	0.9	4.0	4.0	2.2	2.8	4.7
LB Municipals Index	1.1	4.8	4.8	4.3	5.5	5.8
CSFB Leveraged Loan Index	2.0	7.4	7.4	6.2	6.1	5.6
Alternative Investment Indices						
HFRI Fund of Funds	5.3	10.3	10.3	8.2	7.4	7.9
NAREIT Equity REIT Index	9.5	35.0	35.0	25.8	23.2	14.5
NCREIF Property Index	0.0	11.6	11.6	15.3	12.3	12.2
FTSE EPRA/NAREIT Global Real Estate	14.0	42.3	42.3	31.3	26.8	12.8
Other Indices						
Consumer Price Index - US	-0.6	2.4	2.4	3.0	2.7	2.4
U.S. 91-Day Treasury Bills	1.2	4.7	4.7	3.0	2.3	3.6
Dow Jones AIG Commodities Index	5.4	2.1	2.1	10.6	16.1	7.0



Northern Indiana Community Foundation

Benchmark Composition Summary

Balanced Index

Since Inception	Weight
S&P 500 Index	35.00%
Russell 2000 Index	15.00%
MSCI EAFE Index	20.00%
LB Aggregate Bond Index	30.00%

October 31, 2003	Weight
S&P 500 Index	40.00%
Russell 2000 Index	15.00%
MSCI EAFE Index	15.00%
LB Aggregate Bond Index	30.00%

January 31, 2005	Weight
S&P 500 Index	42.50%
Russell 2000 Index	15.00%
MSCI EAFE Index	15.00%
LB Aggregate Bond Index	27.50%



Definitions

Alpha – Measures how well a portfolio performed versus its benchmark after factoring in the amount of risk (as measured by beta) taken. Technically, alpha is the difference between the excess return of a portfolio and the excess return of the benchmark multiplied by beta. Excess return is simply the actual return minus the return of the risk-free asset, U.S. Treasury Bill. A positive alpha indicates the portfolio has performed better than the benchmark on a risk-adjusted basis.

Annual Standard Deviation – A measure of variability in returns. The annual standard deviation measures the dispersion of annual returns around the average annualized return.

Beta – A coefficient measuring a portfolio's relative volatility with respect to its market. Technically, beta is the covariance of a portfolio's return with the benchmark portfolio's return divided by the variance of the benchmark portfolio's return. Thus, a portfolio with a beta greater than 1.00, indicates the portfolio experienced greater volatility than the benchmark, whereas a portfolio with a beta less than 1.00, indicates the portfolio experienced less volatility than the benchmark.

Consumer Price Index – Measures the change in consumer prices, as determined by a monthly survey of the U.S. Bureau of Labor Statistics. CPI components include housing costs, food, transportation and electricity.

Duration – A measure of the price sensitivity of a bond or bond portfolio to a change in interest rates.

Information Ratio – Describes the risk / reward trade-off of alpha and tracking error. Because the formula for calculating information ratio is Alpha divided by Tracking Error, the larger the information ratio, the more attractive the portfolio is from an overall risk return profile.

Lehman Brothers Intermediate Government/Credit Bond Index – All Lehman Brothers Bond Indices include fixed rate debt issues rated investment grade or higher by Moody's, Standard and Poor's, or Fitch, in that order. All issues have at least one year to maturity and an outstanding par value of at least \$100 million for U.S. Government issues and \$50 million for all others. The intermediate indices include bonds with maturities of up to ten years. The Index includes the Intermediate Government and Intermediate Credit Indices. The composition is 73% Government and 27% Credit.

R² – Also called the coefficient of determination. On the detail page, R² measures how much of the variation in the investment manager's returns can be explained by movements in the market (benchmark).

S&P 500 Index – A market capitalization weighted index of 500 of the largest publicly traded stocks in the United States. The companies chosen for inclusion in the Index tend to be leaders in important industries within the U.S. economy. Currently there are four groups: 400 Industrials, 40 Utilities, 40 Financial and 20 Transportation. The S&P 500 is commonly used as a performance benchmark for equity portfolios.

S&P 600 Index – A market capitalization weighted index of the 600 smallest publicly traded stocks within the S&P 1500. Criteria for inclusion are a market cap between \$300 million and \$1 billion. Measuring a segment of the market that is typically renowned for poor trading liquidity and financial instability, the Index is designed to be an efficient portfolio of companies that meet specific inclusion criteria to ensure they are investable and financially viable.

Sharpe Ratio – A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the manager's historical risk-adjusted performance.

Tracking Error – A measure that describes the volatility of the expected excess return (alpha) achieved through active management. Since excess return can only be achieved through a portfolio that actively differs from the benchmark, the level of tracking error is indicative of how different the portfolio will perform relative to any given benchmark.



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5. Performance results are calculated using information provided by the custodian.
6. Performance analysis is calculated using monthly and/or quarterly market values.
7. Performance analysis and asset valuations includes accrued interest and dividend income.
8. Portfolio holdings are subject to change.
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