

# UMWA CASH DEFERRED SAVINGS PLAN OF 1988

## Important Notice Regarding Your Plan Investment and Qualified Default Investment Alternatives

### ACTION MAY BE REQUIRED

**Your future Plan contributions and your existing account balance will continue to be invested in an equity-based investment that is subject to market ups and downs unless you take action.**

### ANNUAL NOTICE for 2015

#### (Please Read This Notice In Its Entirety)

The UMWA Cash Deferred Savings Plan of 1988 (the “Plan”) allows participants to direct the investment of their Plan accounts. For participants who do not make an investment choice, federal rules allow the Trustees to choose an investment (known as the “default investment option”) on behalf of these participants. These federal rules are known as the Qualified Default Investment Alternative (or “QDIA”) rules. Under the QDIA rules, the default investment option must include equity-based investments.

According to the Plan’s records, you have not made an investment choice. As a result, your employer contributions and elective deferrals (if any) are invested in the Plan’s QDIA. Unless you take the action described in this notice, you will continue to be invested in this fund. This equity-based investment exposes your account to market fluctuations.

#### THE PLAN’S QUALIFIED DEFAULT INVESTMENT ALTERNATIVE (QDIA)

The Trustees have designated the Vanguard Balanced Index Institutional Fund as the QDIA for the Plan. Your future contributions and your existing account balance will continue to be invested in this fund, unless you make a different investment choice. If you do not want to be invested in this fund, you must provide the Plan Administrator with an investment election.

Included with this notice is a description of the Vanguard Balanced Index Institution Fund’s underlying investment objectives, risk and return characteristics, and fees and expenses. As with any Plan investment, your investment returns are reduced by various fees and expenses. The expense ratio for this fund is 0.08%. You may refer to the enclosed User’s Guide for a detailed description of an expense ratio.

#### HOW TO MAKE INVESTMENT CHOICES

To make an investment choice, to affirm or change your investment choices, or to obtain more information on any plan investment alternatives you can:

- Access your account at Prudential’s Internet site at [www.prudential.com/online/retirement](http://www.prudential.com/online/retirement).
- Access your account through Prudential’s Interactive Voice Response telephone system at 1-877-PRU-2100 (877-778-2100).
- Contact a Prudential representative by calling 1-800-291-1425 (Option 5).

More details on the description of Plan provisions, as well as information about your rights and obligations under the Plan, may be found in the Plan’s Summary Plan Description. You may request a copy of the Summary Plan Description by calling 1-800-291-1425 (Option 5), or by going to the CDSP’s website at [www.umwafunds.org/cdsp](http://www.umwafunds.org/cdsp).

**Key Facts**

**INVESTMENT ADVISOR:** Vanguard Group, Inc.  
**FUND CATEGORY:** Moderate Allocation  
**INDEX:** Morningstar Moderately Aggr Target Risk®  
**NET ASSETS:** \$6,949.0 Million  
**INCEPTION DATE:** 12/1/2000  
**TICKER SYMBOL:** VBAIX  
**GROSS EXPENSE RATIO:** 0.08% of Fund Assets  
**OVERALL MORNINGSTAR RATING™:** ★★★★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 737  
**PORTFOLIO MANAGER(S):** Joshua C. Barrickman  
 CFA; Christine D. Franquin; Paul M. Malloy  
 CFA

**DESCRIPTION/OBJECTIVE**

The investment seeks to track the performance of a broad, market-weighted bond index and a benchmark index that measures the investment return of the overall U.S. stock market. The fund employs an indexing investment approach designed to track the performance of two benchmark indexes. With approximately 60% of its assets, the fund seeks to track the investment performance of the CRSP U.S. Total Market Index. With approximately 40% of its assets, the fund seeks to track the investment performance of the Barclays U.S. Aggregate Float Adjusted Index. There is no assurance the objectives will be met. Keep in mind that application of asset allocation and diversification concepts does not ensure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

**Top Five Holdings** As of 08/31/2014

Apple Inc	1.62%
Exxon Mobil Corporation	1.12%
Microsoft Corp	0.89%
Johnson & Johnson	0.77%
Wells Fargo & Co	0.71%

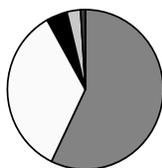
**Top Five Sectors** As of 08/31/2014

Technology	17.39%
Financial Services	14.29%
Healthcare	13.54%
Industrials	11.91%
Consumer Cyclical	11.23%

Holdings and Sector allocations are ranked as a percentage of net assets and subject to change without notice.

**Allocation** As of 08/31/2014

- US Stocks 57.16%
- US Bonds 34.68%
- Non-US Bonds 4.35%
- Cash 2.83%
- Non-US Stocks 0.97%
- Preferred 0.01%



**Characteristics** As of 08/31/2014

	Mutual Fund Index	
Weighted Geometric Market Cap. (\$Bil)	39.59	23.99
Price/Earnings Ratio (Forward)	17.91x	15.96x
Price/Book Ratio	2.4x	1.87x
3-Year Earnings Growth Rate (%)	13.05	10.75
Number of Holdings-Long	11011	17

**Overall Morningstar Rating** as of quarter ending 09/30/2014. The Morningstar Rating shown is for the share class of this fund only; other classes may have different performance characteristics. ©2014 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank** As of 09/30/2014



In the past, this investment has shown a relatively small range of price fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

**Performance(%)** As of 09/30/2014

	Cumulative Returns		Average Annual Total Returns				
	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Mutual Fund*	0.07	5.85	12.06	14.51	11.29	7.37	NA
Index	-2.46	3.71	10.09	15.21	10.84	7.90	---
Morningstar Rating™				★★★★	★★★★	★★★★	
# of Funds in Category				737	652	430	

**\*Prudential Retirement and its affiliates do not receive finder's fees, 12b-1, sub-accounting or servicing fees in connection with plan investments in this fund.**

Such fees, if applicable to this fund, compensate Prudential Retirement for selling the fund's shares and servicing your retirement plan. The fund's expense ratio includes these fees. Other investment options may generate more or less revenue than the fees associated with this fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other share classes of this fund may have a lower expense ratio, but your plan's investment options do not include such shares to compensate us for distribution and plan servicing.

**Performance:** The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 1-877-778-2100. These performance results represent the change in net asset value of an investment over a stated period, assuming the reinvestment of dividends and capital gain distributions.

**Market Timing:** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the fund have policies to detect and deter exchanges that may be abusive. Those policies may require us to modify or suspend purchase or exchange privileges.

**Prospectus:** Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Please call 1-877-778-2100 for a free prospectus and if available, a summary prospectus that contain this and other information about the mutual funds. You should read the prospectus and the summary prospectus, if available, carefully before investing. It is possible to lose money when investing in securities.

Benchmark indices are unmanaged and cannot be invested in directly. See User Guide for index definitions.

Shares of the registered mutual funds are offered through Prudential Investment Management Services LLC (PIMS), Three Gateway Center, 14th Floor, Newark, NJ 07102-4077. PIMS is a Prudential Financial company.

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# FUND FACT SHEET USER'S GUIDE

*This guide will help provide a glossary of terms and benchmark definitions commonly found on fund fact sheets.*

**Category** Morningstar assigns each mutual fund to a category, based on their actual investment style as measured by their underlying portfolio holdings over the past three years. Categories for Manager of Managers separate accounts are determined by Prudential.

**Expense Ratio** The net and gross expenses shown include the total operating expenses of the funds and the indirect expenses of the funds' underlying portfolios. Your investment returns are reduced by various fees and expenses. For each plan investment option, the "Expense Ratio" presentation shows these charges as an annual percentage. Depending on the type of investment, these charges are paid to Prudential or to unaffiliated mutual fund complexes or bank collective trusts. For mutual funds the Expense Ratio is not reduced by any fee or expense waivers from the fund complex (i.e., Gross Expense Ratio), and therefore the actual Expense Ratio may be lower. For other investment options, including separate accounts and bank collective trusts, the benefit of any waivers is reflected in the Expense Ratio (i.e., Net Expense Ratio).

**Overall Morningstar Rating™** Portfolio's overall rating.

## Morningstar Rating™ (Mutual Funds)

For each mutual fund with at least a three-year history, Morningstar calculates a Morningstar Rating™, which reflects a mutual fund's historical risk-adjusted performance as of a specific date. The Overall Morningstar Rating for a mutual fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Morningstar computes risk-adjusted return by subtracting a risk penalty (as determined by the downward variations and rewarding consistent performance) from the mutual fund's load adjusted excess return. Mutual funds are then ranked within their respective Morningstar categories, and stars are assigned. The top 10% of mutual funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star.

## Morningstar Rating™ (Group Retirement Plan Annuity)

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Ratings are reflective of the highest expense ratio and against an Open-End Mutual Fund Category. Past performance is no guarantee of future results. The information contained herein: 1) is proprietary to Morningstar and/or its content providers; 2) may not be copied or distributed; and 3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

**Portfolio Manager** The name of the person(s) who determines which stocks or bonds belong in the investment portfolio.

**Investor Risk Profile** For mutual funds, the investor risk profile displays the fund's Morningstar Risk, a downside risk measure that evaluates the portfolio relative to other portfolios within its Morningstar Category. For separate accounts, the fund's investor risk profile is classified according to its overall volatility. Volatility measures the range of returns a portfolio has experienced over time. Wide ranges of returns are labeled "high," and are considered riskier than "low" volatility investments, which have had smaller ranges in returns.

**Morningstar Style Box/Investment Style Box** While the category description tells you how the portfolio has been run in the past, the Style Box is a snapshot of what the portfolio currently owns. For equity separate accounts, Investment Style Box data is based on a quarter lag and assigned by Prudential.

## Morningstar Style Box®

The Morningstar Style Box™ reveals a fund's investment strategy. For equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend or growth). For fixed-income funds, the vertical axis shows the credit quality of the bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's effective duration.

Morningstar seeks credit rating information from fund companies on a periodic basis (e.g., quarterly). In compiling credit rating information, Morningstar instructs fund companies to only use ratings that have been assigned by the following Nationally Recognized Statistical Rating Organizations (NRSROs): Moody's, Standard & Poor's, Fitch, and Egan-Jones. If two NRSROs have rated a security, fund companies are to report the lowest rating; if three or more NRSROs have rated the same security differently, fund companies are to report the rating that is in the middle. For example, if NRSRO X rates a security AA-, NRSRO Y rates the same security an A and NRSRO Z rates it a BBB+, the fund company should use the credit rating of 'A' in its reporting to Morningstar.

**PLEASE NOTE:** Morningstar, Inc. is not itself an NRSRO nor does it issue a credit rating on the fund. An NRSRO rating on a fixed-income security can change from time-to-time.

For credit quality, Morningstar combines the credit rating information provided by the fund companies with an average default rate calculation to come up with a weighted-average credit quality. The weighted-average credit quality is currently a letter that roughly corresponds to the scale used by a leading NRSRO. Bond funds are assigned a style box placement of "low", "medium", or "high" based on their average credit quality. Funds with a low credit quality are those whose weighted-average credit quality is determined to be less than "BBB-"; medium are those less than "AA-", but greater or equal to "BBB-"; and high are those with a weighted-average credit quality of "AA-" or higher. When classifying a bond portfolio, Morningstar first maps the NRSRO credit ratings of the underlying holdings to their respective default rates (as determined by Morningstar's analysis of actual historical default rates). Morningstar then averages these default rates to determine the average default rate for the entire bond fund. Finally, Morningstar maps this average default rate to its corresponding credit rating along a convex curve.

For interest-rate sensitivity, Morningstar obtains from fund companies the average effective duration. Generally, Morningstar classifies a fixed-income fund's interest-rate sensitivity based on the effective duration of the Morningstar Core Bond Index (MCBI), which is currently three years. The classification of Limited will be assigned to those funds whose average effective duration is between 25% to 75% of MCBI's average effective duration; funds whose average effective duration is between 75% to 125% of the MCBI will be classified as Moderate; and those that are at 125% or greater of the average effective duration of the MCBI will be classified as Extensive.

For municipal bond funds, Morningstar also obtains from fund companies the average effective duration. In these cases static breakpoints are utilized. These breakpoints are as follows: (i) Limited: 4.5 years or less; (ii) Moderate: more than 4.5 years but less than 7 years; and (iii) Extensive: more than 7 years. In addition, for non-US taxable and non-US domiciled fixed income funds static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii) Moderate: greater than 3.5 and less than or equal to 6 years; (iii) Extensive: greater than 6 years.

**Morningstar Volatility Rank** is an investment's 3-year standard deviation overall percentile rank within its US open-end, VA/L fund, or VA/L subaccount universe. The investment with the lowest standard deviation receives a rank of 1. We then classify investment portfolios as having one of three volatility levels relative to all types of mutual funds: Low, Moderate, and High. Investments with wider ranges of returns are labeled "high," as they are considered riskier than "low" volatility investments, which have had smaller ranges of returns.

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**Annual Performance** Calendar year returns for the Fund and corresponding benchmarks.

**Top Five Holdings** The top holdings are the stocks or bonds with the most influence on a portfolio's returns.

**Portfolio Allocation** We break down the investment portfolio's holdings into general investment classes. The pie chart shows how much emphasis is placed on stocks, bonds or cash. We also show how much is held in foreign stocks. Bond investments replace the portfolio allocation chart with the following: Credit Analysis: We reveal the quality of the bonds in a bond-heavy portfolio, from least risky to most risky, with the percentage assigned to each.

**Sector Allocation** Morningstar classifies each stock holding into 11 major industrial sectors for all Retail, Non-Qualified and Variable Annuity Fact sheets. The top five are listed on the Fund Fact Sheets. For Manager of Managers Institutional Equity Sub-Advised Separate Accounts Source of Sector Classification: S&P/MSCI.

**Performance History** The separate account's total return is shown for the quarter, year-to-date and preceding year, as well as the average annual total return for the past three, five, and 10 years, or since inception. To provide you with a point of comparison, the returns of the benchmark indexes are shown for the quarter, year-to-date, one, three, five and 10 year periods. For Manager of Managers separate accounts, we may also present a second index reflecting the category's performance.

**Benchmark Performance** The holdings and portfolio characteristics may differ from those of the benchmark(s), and such differences may be material. Factors affecting portfolio performance that do not affect benchmark performance may include portfolio rebalancing, the timing of cash flows, credit quality, diversification and differences in volatility. In addition, financial indices do not reflect the impact of fees, applicable taxes or trading costs which reduce returns. Unless otherwise noted, financial indices assume reinvestment of dividends. You cannot make a direct investment in an index. The statistical data regarding such indices has not been independently verified.

## Description of PRIAC Separate Accounts

**Client Accommodation Funds** PRIAC provides investors with the information in this Fact Sheet to assist them in making investment decisions regarding the Fund. Investors must determine whether any other information is necessary in making those decisions. The investor is solely responsible for obtaining any other information required by the investor, which may not be available from PRIAC. The investor is solely responsible for the decision to invest or continue to invest in the Fund. PRIAC assumes no responsibility for any investor's decision to invest or continue to invest in the Fund. These Separate Accounts are not part of the Manager of Manager's program.

**Institutional Select Funds** PRIAC provides investors with the information in this Fact Sheet to assist them in making investment decisions regarding the Fund. Investors must determine whether any other information is necessary in making those decisions. The investor is solely responsible for obtaining any other information required by the investor, which may not be available from PRIAC. The investor is solely responsible for the decision to invest or continue to invest in the Fund. PRIAC assumes no responsibility for any investor's decision to invest or continue to invest in the Fund. These Separate Accounts are not part of the Manager of Manager's program.

## Benchmark Definitions

**3-Year Constant Maturity Treasury (CMT) Index:** A set of theoretical securities based on the most recently auctioned "real" securities. Yields on Treasury securities at "constant maturity" are interpolated by the U.S. Treasury from the daily yield curve, which is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market.

**3-Year Treasury Average Yield:** The average daily treasury yield for U.S. Treasury Notes with a maturity of three years (negotiable debt obligations of the U.S. Government, considered intermediate in maturity).

**5-Year Treasury Average Yield:** The average daily treasury yield for U.S. Treasury Notes with a maturity of five years (negotiable debt obligations of the U.S. Government, considered intermediate in maturity).

**60% Russell 1000 Growth Index/40% Barclays U.S. Aggregate Bond Index:** An unmanaged, weighted-average composite consisting of the Russell 1000<sup>®</sup> Growth Index (60%) and the Barclays Aggregate Bond Index (40%).

**60% Russell 1000 Growth Index/40% Barclays U.S. Intermediate Government/Credit Index:** An unmanaged, weighted-average composite consisting of the

Russell 1000 Growth Index (60%) and the Barclays Intermediate U.S. Government/Credit Index (40%).

**60% Russell 1000 Value Index/40% Barclays U.S. Aggregate Bond Index:** An unmanaged, weighted-average composite consisting of the Russell 1000 Value Index (60%) and the Barclays Aggregate Bond Index (40%).

**60% Russell 1000 Value Index/40% Barclays U.S. Intermediate Government/Credit Index:** An unmanaged, weighted-average composite consisting of the Russell 1000 Value Index (60%) and the Barclays Intermediate U.S. Government/Credit Index (40%).

**60% S&P 500 Index/40% Barclays U.S. Aggregate Bond Index:** An unmanaged, weighted-average composite index that consists of the S&P 500 Index (60%) and the Barclays U.S. Aggregate Bond Index (40%).

**Barclays Global Aggregate Bond Index Ex-US (USD Hedged):** The Barclays Global Aggregate Ex USD Index provides a broad-based measure of the global investment-grade fixed income markets. The components of this index are the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities.

**Manager-of-Managers Alliance Separate Accounts** With respect to separate accounts designated by Prudential as Alliance Funds under the Manager-of-Managers Program, PRIAC acknowledges it is a fiduciary as defined by ERISA Section 3(38), as amended, for the selection and monitoring of Alliance Funds. However, de-selection (or termination of the Alliance Fund on a retirement plan's menu or portfolio) is the sole responsibility of each retirement plan's fiduciary.

**Manager-of-Managers Institutional Sub-Advised Separate Accounts** With respect to separate accounts designated by Prudential as Institutional Sub-Advised Funds under the Manager-of-Managers Program, PRIAC acknowledges it is a fiduciary as defined by ERISA Section 3(38), as amended, for the selection, monitoring, and, if necessary, the replacement of the sub-advisor.

**Manager-of-Managers Retail-Branded Sub-Advised Separate Accounts** With respect to separate accounts designated by Prudential as Retail-Branded Sub-Advised Funds under the Manager-of-Managers Program, PRIAC acknowledges it is a fiduciary as defined by ERISA Section 3(38), as amended, for the selection, monitoring, and if necessary, deselection and/or replacement of the sub-advisor.

**Proprietary Funds (Sub-Advised)** Proprietary Funds are sub-advised by an affiliate of PRIAC. Although PRIAC may provide periodic monitoring with respect to certain Proprietary Funds, Proprietary Funds are not part of PRIAC's Manager-of-Managers Program, and therefore, PRIAC does not assume any responsibility with respect to the selection, monitoring, or replacement of the sub-advisor. Selection or termination of the Fund on a retirement plan's menu is the sole responsibility of each retirement plan's fiduciary.

**Separate Account Fund-of-Fund Products** These Fund-of-Funds are not part of the Manager-of-Managers program, and therefore, PRIAC does not assume any responsibility with respect to the selection, monitoring, or replacement of the underlying investment options. Selection or termination of the Fund on a retirement plan's menu is the sole responsibility of each retirement plan's fiduciary.

## For More Information

**Para hablar con un representante de servicios al cliente en español (u otros lenguajes), por favor, llama a nuestro numero gratuito 800 entre las 8:00 a.m. y las 8:00 p.m., Hora del Este, días de trabajo.** (To speak with a Prudential Service Representative through an interpreter in Spanish (or other languages), please call our toll-free number week-days between 8:00 a.m. and 8:00 p.m. Eastern Time.)

**Barclays U.S. Aggregate Bond Index:** is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

**Barclays U.S. California Municipal Bond Index:** Includes investment-grade, tax-exempt, and fixed rate bonds issued in California. All securities have maturities greater than two years, and are selected from issues larger than \$50 million.

**Barclays U.S. New York Municipal Bond Index:** Includes investment-grade, tax-exempt, and fixed rate bonds issued in New York. All securities have maturities greater than two years, and are selected from issues larger than \$50 million.

**Barclays U.S. Corporate High-Yield Index:** Measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt.

**Barclays U.S. High Yield Bond Index, 2% Issuer Capped:** The Barclays U.S. High Yield Bond Index, 2% Issuer Capped is an

issuer-constrained version of the Barclays U.S. High Yield Index that covers the USD denominated, non-investment grade, fixed-rate, taxable corporate bond market. The 2% Issuer Capped Index follows the same index construction rules as the uncapped index but limits issuer exposures to a maximum 2% and redistributes the excess market value index-wide on a pro rata basis.

**Barclays U.S. Intermediate Government/Credit Index:** Measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

**Barclays U.S. Credit Index:** A subset of the US Government/Credit Index and the US Aggregate Index that comprises the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supnationals, and local authorities.

**Barclays U.S. Government 1-5 Year Index:** This index includes U.S. Treasury and agency obligations with maturities of 1-5 years.

**Barclays U.S. Government Bond Index:** Is the U.S. Government component of the U.S. Government/Credit Index. It consists of securities issued by the U.S. Government (i.e., securities in the Treasury and Agency

Indices). This includes public obligations of the U.S. Treasury with a remaining maturity of one year or more and publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt.

**Barclays U.S. Government/Credit 1-5 Year Index:** Includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 5 years and are publicly issued.

**Barclays U.S. Government/Credit 5-10 Year Index:** Includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 5 and 10 years and are publicly issued.

**Barclays U.S. Government/Credit Index:** Is the U.S. Government/Credit component of the US Aggregate Index. It is composed of all bonds that are investment grade (rated Baa or higher by Moody's or BBB or higher by Standard & Poor's, if unrated by Moody's). Issues must have at least one year to maturity. The index is re-balanced monthly by market capitalization. The Government/Credit Index includes securities in the Government and Credit Indices.

**Barclays U.S. Government Long Index:** Includes those funds in the Barclays U.S. Government Index which have a maturity of 10 years or more.

**Barclays U.S. Long Term Government/Credit Index:** Includes bonds in the Government and Corporate indices that have maturities of 10 years or longer.

**Barclays U.S. Long Term Credit Index:** Includes bonds in the Corporate index that have maturities of 10 years or longer.

**Barclays U.S. Mortgage Backed Securities Index:** Covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

**Barclays U.S. Municipal Index:** Covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

**Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index:** Rules based, market value-weighted index that tracks inflation-protected securities issued by the U.S. Treasury. The U.S. TIPS Index is a subset of the Global Inflation-Linked Index, with a 38.5% market value weight in the index.

**Barclays U.S. Universal Bond Index:** Represents the union of the U.S. Aggregate Bond Index, U.S. Corporate High-Yield Index, Investment-Grade 144A Index, Eurodollar Index, U.S. Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index. The index covers USD-denominated, taxable bonds that are rated either investment-grade or below investment-grade. Securities are not double-counted in the index.

**BofAML 3-Month U.S. Treasury Bill Index:** Is comprised of a single issue purchased at the beginning of the month and held for a full month. Each month the index is rebalanced and the issue selected is the outstanding Treasury Bill that matures closest to, but not beyond 3 months from the rebalancing date.

**BofAML All Convertibles/All Qualities Index:** An unmanaged index that measures the performance of U.S. dollar-denominated convertible securities not currently in bankruptcy with a total market value greater than \$50 million at issuance.

**BofAML High Yield Master II Index:** An unmanaged index that tracks the performance of below-investment-grade, U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

**Citigroup 3 Month T-Bill Index:** An index whereby equal dollar amounts of three-month Treasury bills are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value.

**Citigroup ESBI-Capped Brady Index:** Includes Brady bonds and US dollar-denominated emerging market sovereign debt issued in the global, Yankee, and Eurodollar markets excluding loans, and comprises debt in Africa, Asia, Europe, and Latin America.

**Citigroup Dollar World Non-U.S. Government Bond Index:** A market capitalization-weighted index, unhedged and stated in U.S. dollar terms. The Index is generally considered to be representative of the world bond market (ex-U.S.). The minimum maturity for included bonds is one year, and the minimum credit quality is BBB-/Baa3 by either S&P or Moody's.

**Custom (Conservative, Moderate, Aggressive) Portfolios Benchmarks:** These indices are composite benchmarks that reflect the weighted average of the benchmarks of the underlying funds in which each specific Custom Portfolio invests.

**Dow Jones Relative Risk Indices:** This is a family of indices, consisting of Conservative, Moderately Conservative, Moderate, Moderately Aggressive and Aggressive indices. They are designed to allow the evaluation of portfolio returns based on the level of risk taken.

**Dow Jones Target Date Indices:** An index family made up of composite indices representing three major asset classes – stocks, bonds and cash. The indices are designed to help investors measure the performance of their "lifecycle" portfolios, which tend to start out aggressively to grow assets and end with a conservative mix of investments.

**Dow Jones-UBS Commodities Index (formerly Dow Jones AIG Commodities Index):** This index is composed of futures contracts on physical commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange.

**Dow Jones U.S. Financials Sector Index:** Measures the performance of the financials segment of the U.S. equity market, including banks, insurance, real estate, and financial services.

**Dow Jones U.S. Healthcare Sector Index:** Measures the performance of the healthcare sector of the U.S. equity market. The index includes companies in the healthcare equipment and services and pharmaceuticals and biotechnology sectors.

**Dow Jones U.S. Select Real Estate Investment Trust (REIT) Index:** A float-adjusted market capitalization weighted index measures the performance of publicly-traded real estate securities (REITs). The index is a sub-set of the Dow Jones Americas Select RESI and includes only REITs and REIT-like securities.

**Dow Jones U.S. Select Real Estate Securities Index<sup>SM</sup> (RESI):** Represents equity real estate investment trusts (REITs) and real estate operating companies (REOCs) traded in the U.S.

**Dow Jones U.S. Telecommunications Sector Index:** Measures the performance of the telecommunications sector of the U.S. equity market, including fixed line telecommunications and mobile telecommunications.

**Dow Jones U.S. Utilities Sector Index:** Measures the performance of the utilities sector of the U.S. equity market, including electricity and gas, water, and multi-utilities.

**Dow Jones Wilshire 5000 Total Market Index:** Represents the broadest index for the U.S. equity market, measuring the performance of all U.S. equity securities with readily available price data. The index includes over 6,000 stocks, and reflects reinvestment of earnings.

**Dow Jones Wilshire REIT Index:** Measures the performance of U.S. publicly traded Real Estate Investment Trusts.

**FTSE NAREIT U.S. Real Estate Index:** An unmanaged market capitalization index of all tax-qualified Equity REITs listed on the NYSE, AMEX, and the NASDAQ that have 75% or more of their gross invested book of assets invested directly or indirectly in the equity ownership of real estate. The Fund is not sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") and FTSE makes no recommendation regarding investing in the Fund.

**IA SBBI US 30 Day TBill Index:** Shows the growth in value of \$100 from 30 day US Treasury bills including gross interest reinvested.

**iMoneyNet Taxable Money Funds Index:** Measures the equally weighted returns of over 1,600 of the largest taxable money market funds.

**J.P. Morgan Emerging Markets Bond Index Plus:** Tracks total returns for external-currency-denominated debt instruments of the emerging markets: Brady Bonds, loans, Eurobonds. Countries covered are Argentina, Brazil, Bulgaria, Colombia, Ecuador, Egypt, Malaysia, Mexico, Morocco, Nigeria, Panama, Peru, the Philippines, Poland, Russia, South Africa, Turkey, Ukraine, and Venezuela.

**JP Morgan GBI Global ex-US Index (US Dollar Hedged):** Is an index composed of globally traded, fixed-rate government bonds of 13 countries. These countries all have liquid debt markets, meaning that they are stable, actively traded markets with sufficient scale and regular issuance. Using globally traded and highly liquid government bond issues, the index provides a measure of market performance. The Index excludes bonds from the US and represents the USD hedged total return index level.

**JPM GBI Global Ex US TR Hdg USD:** The J.P. Morgan GBI series provides a comprehensive measure of local currency denominated fixed rate government debt issued in developed markets. The series consists of five core index products covering developed markets. The broadest series tracks 27 countries.

**Lifetime Funds Custom Benchmarks:** These indices are composite benchmarks that reflect the weighted average of the benchmarks for the underlying funds in which each specific Lifetime Fund invests.

**Lipper Balanced Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to conserve principal by maintaining a balanced portfolio of stocks and bonds). Typically, the stock/bond ratio ranges around 60%/40%.

**Lipper Emerging Markets Funds Index:** Is an equal dollar weighted index of the 30 largest qualifying mutual funds in the Lipper Emerging Markets universe (based on year-end total net assets).

**Lipper Flexible Portfolio Funds Index:** Represents the average of the 30 largest qualifying mutual funds in the Lipper Flexible Portfolio investment objective category (based on year-end total net assets). The mutual funds that comprise the Index allocate their investments across various asset classes, including domestic common stocks, bonds and money market instruments, with a focus on total return.

**Lipper Global Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to invest at least 25% of its portfolio in securities traded outside of the United States). These funds may own U.S. securities as well.

**Lipper High Yield Bond Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to seek a high [relative] current yield from fixed income securities without regard to quality or maturity restrictions). These funds tend to invest in lower-grade debt issues.

**Lipper International Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to invest assets in securities whose primary trading markets are outside the United States).

**Lipper Intermediate Investment Grade Index:** Represents the average of the

30 largest qualifying mutual funds (based on year end total net assets) for the investment objective. Funds that invest primarily in investment-grade debt issues (rated in the top four grades) with dollar-weighted average maturities of five to ten years.

**Lipper Large-Cap Core Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Large-Cap Growth Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Large-Cap Value Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Mid-Cap Core Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Mid-Cap Growth Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These

funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Mid-Cap Value Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Real Estate Funds Index:** An equally weighted index of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Real Estate universe. These funds invest at least 65% of their portfolios in equity securities of domestic and foreign companies engaged in the real estate industry.

**Lipper Science and Technology Funds Index:** Represents the average of the 30 largest qualifying mutual funds in the Lipper Science and Technology universe (based on year-end total net assets). These funds, by portfolio practice, invest at least 65% of their equity assets in science and technology stocks.

**Lipper Small-Cap Core Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**Lipper Small-Cap Growth Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**Lipper Small-Cap Value Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These

funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**Morningstar Technology Sector Index:** Tracks the performance of publicly traded companies engaged in the design, development, and support of computer operating systems and applications.

**MSCI ACWI Investable Market Index (IMI):** Captures large, mid and small cap representation across 23 Developed Markets (DM) and 21 Emerging Markets (EM) countries. With 8,498 constituents, the index is comprehensive, covering approximately 99% of the global equity investment opportunity set.

**MSCI All Country Far East Ex. Japan Index:** A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the Far East, excluding Japan.

**MSCI All Country World Ex. U.S. Index:** A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. As of December 2011 the MSCI ACWI ex-US consisted of 44 countries comprising 23 developed and 21 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

**MSCI All Country World Ex. U.S. Growth Index:** Includes those firms in the MSCI All Country World Ex. U.S. Index with higher price to book value (P/BV) ratios.

**MSCI EAFE Growth Index (net):** A market capitalization-weighted index comprised of those firms in the MSCI EAFE Index with higher price/book value (P/BV) ratios relative to their respective MSCI country index, and assumes reinvestment of dividends after withholding tax.

**MSCI EAFE Index (net):** A market capitalization-weighted index comprised of companies representative of the market structure of 21 developed market countries in Europe, Australia and the Far East. The MSCI EAFE Index is available both in local currency and U.S. dollar terms. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax.

**MSCI EAFE Value Index (net):** A market capitalization-weighted index comprised of those firms in the MSCI EAFE Index with lower price/book value (P/BV) ratios relative to their respective MSCI country index.

**MSCI EMF Index (net):** A market capitalization-weighted index comprised of companies representative of the market structure of 25 emerging market countries open to foreign investment. The MSCI EMF Index

excludes closed markets and those shares in otherwise open markets that are not available for purchase by foreigners. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax. The index is available both in local currency and U.S. dollar terms.

**MSCI EM (Emerging Markets) Latin America Index:** Is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America.

**MSCI Europe Index:** Is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe (includes 16 countries).

**MSCI Japan Index:** Measures the performance of the Japanese equity market, listed in U.S. dollars, with net dividends reinvested.

**MSCI Metals/Mining Index:** Consists of companies conducting business in the aluminum, diversified metals and mining, gold, precious metals and minerals and steel industries.

**MSCI Pacific Index:** A free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region.

**MSCI Pacific Free Index:** Same constituents as MSCI Pacific Index, the "Free" index captures the history of certain of those constituents that were not deemed "developed" in previous years.

**MSCI US REIT Index:** A free float market capitalization weighted index that is comprised of Equity real estate investment trust (REITs) securities that belong to the MSCI US Investable Market 2500 Index.

**MSCI World Growth Index (net):** A market capitalization-weighted index comprised of that half of the MSCI World Index with higher price/book value (P/BV) ratios relative to their respective MSCI country index. The returns shown in the performance chart are calculated with dividends reinvested and net of foreign withholding tax.

**MSCI World Index:** Is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets (includes 24 countries in the North America, Europe, and Asia/Pacific region).

**MSCI World Ex US Index:** Designed to provide a broad measure of equity performance throughout the world (with the exception of U.S.-based companies) and includes both developed and emerging markets.

**MSCI World Real Estate Index:** A sub-index of the MSCI World Index representing only securities in the GICS Real Estate Industry Group.

**MSCI World Small Cap Index:** Attempts to represent the business activities of small cap companies across developed markets. MSCI selects the most liquid securities relative to their market capitalization, and targets for index inclusion 40%

of the full market capitalization of the eligible small cap universe within each industry group, within each country.

**MSCI World Value Index (net):** A market capitalization-weighted index comprised of that half of the MSCI World Index with lower price/book value (P/BV) ratios relative to their respective MSCI country index.

**National Association of Real Estate Investment Fiduciaries (NCREIF) Open-End Diversified Core Equity Fund Index (NFI-ODCE):** This index measures fund performance in the private real estate industry by aggregating the performance of a group of 14 open-end funds with core investment strategies. The component mutual funds invest primarily in the major property types within the U.S., with modest leverage. Established in May 2005, the index is released on both a gross and net-of-investment-management-fees basis.

**NYSE Arca Tech Index:** Is comprised of 100 listed and over-the-counter securities of companies from different industries that produce or deploy innovative technologies to conduct their business. Industries include computer hardware, software, semiconductors, telecommunications, data storage and processing, electronics and biotechnology.

**PRREF Composite Index:** A blended benchmark, comprised of the NCREIF Open-End Diversified Core Equity Index (NFI-ODCE), the S&P Developed Property Index, and the Citigroup U.S. Domestic 3-Month T-Bill Total Return Index, weighted to reflect the investment allocations of the Prudential Retirement Real Estate Fund.

**Prudential/Lazard LifeStyle Funds Custom Benchmarks:** Composite benchmarks that reflect the weighted average of the benchmarks for the underlying funds in which each Prudential/Lazard LifeStyle Fund invests.

**Retirement Goal Custom Benchmarks:** These indices are composite benchmarks that reflect the weighted average of the benchmarks of the underlying funds in which each specific Retirement Goal Fund invests.

**Russell 1000<sup>®</sup> Growth Index:** A market capitalization-weighted index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth rates.

**Russell 1000<sup>®</sup> Index:** A market capitalization-weighted index that measures the performance of the 1,000 largest companies in the Russell 3000<sup>®</sup> Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index.

**Russell 1000<sup>®</sup> Value Index:** A market capitalization-weighted index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth rates.

**Russell 2000<sup>®</sup> Growth Index:** A market capitalization-weighted index that measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth rates.

**Russell 2000<sup>®</sup> Index:** A market capitalization-weighted index that measures the performance of the 2,000 smallest companies in the Russell 3000<sup>®</sup> Index, which represents

approximately 8% of the total market capitalization of the Russell 3000 Index.

**Russell 2000<sup>®</sup> Value Index:** A market capitalization-weighted index that measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth rates.

**Russell 2500<sup>®</sup> Growth Index:** A market capitalization-weighted index that measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth rates.

**Russell 2500<sup>®</sup> Index:** A market capitalization-weighted index that measures the performance of the 2,500 smallest companies in the Russell 3000 Index.

**Russell 2500<sup>®</sup> Value Index:** A market capitalization-weighted index that measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth rates.

**Russell 3000 Growth Index:** A market capitalization-weighted index that measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth rates.

**Russell 3000 Value Index:** A market capitalization-weighted index that measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth rates. The stocks in this index are also members of either the Russell 1000 Value or the Russell 2000 Value indexes.

**Russell 3000<sup>®</sup> Index:** A market capitalization-weighted index that measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

**Russell Greater China Index:** A regional index covering both developed and emerging markets in China, Hong Kong and Taiwan.

**Russell Midcap<sup>®</sup> Growth Index:** A market capitalization-weighted index that measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth rates. The stocks are also members of the Russell 1000<sup>®</sup> Growth Index.

**Russell Midcap<sup>®</sup> Index:** A market capitalization-weighted index that measures the performance of the 800 smallest companies in the Russell 1000<sup>®</sup> Index, which represent approximately 30% of the total market capitalization of the Russell 1000 Index.

**Russell Midcap<sup>®</sup> Value Index:** A market capitalization-weighted index that measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth rates. The stocks are also members of the Russell 1000<sup>®</sup> Value Index.

**S&P 1500 Consumer Discretionary Index:** This is an unmanaged capitalization-weighted index comprising companies in the Consumer Discretionary sector as determined by S&P. Total returns for the index include the reinvestment of dividends and capital gain distributions, but do not reflect the costs of managing a mutual fund.

**S&P 1500 Energy Index:** This is an unmanaged capitalization-weighted index comprising companies in the Energy sector as determined by S&P. Total returns for the index include the reinvestment of dividends and capital gain distributions, but do not reflect the costs of managing a mutual fund.

**S&P 1500 Industrials Index:** This is an unmanaged capitalization-weighted index comprising companies in the Industrials sector as determined by S&P. Total returns for the index include the reinvestment of dividends and capital gain distributions beginning on January 1, 2002. Index returns with reinvested dividends and distributions are unavailable prior to that date. Total returns for the indices include the reinvestment of dividends and capital gain distributions, but do not reflect the costs of managing a mutual fund.

**S&P 500<sup>®</sup> Index:** Unmanaged index with over US \$5.58 trillion benchmarked (index assets comprising approximately US \$1.31 trillion of this total) that includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities.

**S&P 500 Technology Index:** Standard & Poor's offers sector indices on the S&P 500 based upon the Global Industry Classification Standard (GICS<sup>®</sup>). This standard is jointly owned by Standard & Poor's and MSCI. Each stock is classified into one of 10 sectors, 24 industry groups, 64 industries and 139 sub-industries according to their largest source of revenue. Standard & Poor's and MSCI jointly determine all classifications. The 10 sectors are Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Telecommunication Services and Utilities. These indices are calculated using the same guiding principles that apply to all Standard & Poor's indices.

**S&P 500 Value Index:** A style index resulting from the division of the parent index (S&P 500), whose stocks are measured using three factors: book value to price ratio, earnings to price ratio, and sales to price ratio.

**S&P Completion Index:** Is a sub-index of the S&P Total Market Index, including all stocks eligible for the S&P TMI and excluding all current constituents of the S&P 500<sup>®</sup>. The index covers approximately 4,000 constituents, offering investors broad exposure to mid, small, and micro cap companies. Since it follows the same construction guidelines and free float methodology as the S&P 500, they seamlessly integrate and move in sync without overlapping constituents.

**S&P Composite 1500<sup>®</sup> Index:** Combining the S&P 500<sup>®</sup>, S&P MidCap 400<sup>®</sup> and S&P SmallCap 600<sup>®</sup> indices is an efficient way to create a broad market portfolio representing about 85% of U.S. equities. This combination addresses the needs of investors wanting broader exposure beyond the S&P 500<sup>®</sup>.

**S&P Developed Property Index:** An investable index including approximately 400 stocks from 22 countries. The Index is a sub-index of the S&P Global Property Index, which defines and measures the investable universe of publicly traded property companies.

**S&P MidCap 400 Index:** Includes 400 companies, and represents about 7% of the U.S. equities market. To be eligible for addition to the index, companies must have a market capitalization between US \$1 billion and US \$4.4 billion.

**S&P North American Natural Resources Sector Index:** Modified-capitalization weighted index which represents US traded securities across the GICS classification sector for Natural Resources that are current members of the S&P Total Market Index or the S&P/TSX Composite Index. Each stock is capped at 7.5%.

**S&P Small Cap 600 Index:** Includes 600 companies and represents about 3% of the U.S. equities market. To be eligible for addition to the index, companies must have a market capitalization between US \$300 million and US \$1.4 billion.

**S&P Total Market Index:** Is a combination of the S&P 500<sup>®</sup> and the S&P Completion Index, and offers broad exposure to large, mid, small, and micro cap companies. S&P Total Market Index includes all common equities listed on the NYSE (including NYSE Arca), the NYSE Alternext, the NASDAQ Global Select Market, the NASDAQ Global Market and the NASDAQ Capital Market.

**The Morningstar Lifetime Moderate Indices:** This series of indices represents portfolios of global equities, bonds and traditional inflation hedges such as commodities and TIPS. The portfolios are held in proportions appropriate for U.S. investors who expect to retire during the indicated year. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

**The Morningstar Target Risk Index family:** Designed to meet the benchmarking needs of target risk investors by offering an objective yardstick for performance comparison. The family consists of five indexes covering equity risk preferences ranging from aggressive to conservative.

**U.S. Treasury 6 Month Certificate of Deposit (CD) Index:** The average of the secondary market interest rates for nationally traded 6 month certificates of deposit.

**U.S. Treasury T-Bill Auction Average 3-Month Index:** Value is derived from the past month's weekly Treasury Bill auction rate averages.

**Vanguard Balanced Composite Index:** Made up of two unmanaged benchmarks, weighted 60% Dow Jones Wilshire 5000 Index and 40% Barclays U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI U.S. Broad Market Index and 40% Barclays U.S. Aggregate Bond Index thereafter.

**Wellington Composite Index:** is a combination of unmanaged industry benchmarks: 65% S&P 500 Index and 35% Barclays Credit A or Better Index. Prior to March 1, 2000, weighted 65% S&P 500 Index and 35% Barclays Long Credit AA or Better Index.