

**STAFF MEETING MINUTES  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
COUNTY-CITY BUILDING, ROOM 113  
THURSDAY, MARCH 1, 2012  
9:30 A.M.**

Commissioners Present: Larry Hudkins, Vice Chair  
Bernie Heier  
Brent Smoyer

Commissioners Absent: Deb Schorr, Chair  
Jane Raybould

Others Present: Kerry Eagan, Chief Administrative Officer  
Dan Nolte, County Clerk  
Cori Beattie, Deputy County Clerk  
Ann Taylor, County Clerk's Office

*Advance public notice of the Board of Commissioners Staff Meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska, web site and provided to the media on February 29, 2012.*

The Vice Chair noted the location of the Open Meetings Act and opened the meeting at 9:35 a.m.

**AGENDA ITEM**

**1 APPROVAL OF THE MINUTES OF THE THURSDAY, FEBRUARY 23, 2012 STAFF MEETING**

**MOTION:** Smoyer moved and Heier seconded approval of the minutes of the February 23, 2012 Staff Meeting. Smoyer and Hudkins voted aye. Heier abstained from voting. Schorr and Raybould were absent from voting. Motion carried 2-0, with one abstention.

**2 ADDITIONS TO THE AGENDA**

None were stated.

**3 2011 FOURTH QUARTER RETIREMENT AND DEFERRED COMPENSATION INVESTMENT REVIEW** - Rob Kerscher, Vice President, Key Accounts, Prudential Retirement; Robb Craddock, Vice President, Investment Strategy, Prudential Retirement; Mike Misegadis, Retirement Counselor, Prudential Retirement

Robb Craddock, Vice President, Investment Strategy, Prudential Retirement, gave an overview of the Lancaster County Investment Review, Fourth Quarter 2011 (Exhibit A), noting the following:

- Economic Conditions
- Financial Market Returns

Hudkins expressed concern regarding the stability of the euro, the official currency of the eurozone, and how that could impact the financial market. Craddock said he does not foresee the euro disappearing in the next few years but said some countries may be forced out of the European Union if they do not accept austerity measures. He said another round of quantitative easing (QE) is being considered to help alleviate the European monetary crisis.

- Domestic Equity Style Returns
- Standard & Poors (S&P) 500 Sector Performance
- International Index Returns
- Fixed Income Returns

Craddock noted there was a huge inflow of monies into fixed income in 2011 which demonstrates how risk adverse investors have been lately.

Rob Kerscher, Vice President, Key Accounts, Prudential Retirement, said the County has a high volume of participants who are fully invested in the guaranteed fund.

- U.S. Treasury Yield
- Economic & Market Outlook

Craddock also discussed funds in the plan, noting approximately one third of the assets in both plans are in the Gibraltar Guaranteed Fund, the stable value product. He gave an overview of fund performance and said no changes are needed at this time. Craddock said there was some under-performance over the course of one year, but said three and five year numbers look pretty good. He said the County's investments did well in the fourth quarter and said that continued into the first two months of 2012.

Craddock provided additional details on a few of the funds:

- ▶ **Allianz NFJ Dividend Value Inst. Fund** had underperformed in the past but is doing well now.
- ▶ **Neuberger Berman Socially Responsive Fund** is now listed as a large growth fund. The fund has very specific mandates on what it can and can't invest in as a socially responsive fund so it doesn't compare very well to the other large growth funds. He said it outperforms in the one, three and five-year categories when compared to the large blend funds and the S&P 500.
- ▶ It was noted last quarter that the **American Funds Growth Fund of America** was not meeting the County's investment policy statement criteria. He said the fund underperformed in the fourth quarter but is starting to rebound. He felt it is a well managed fund and the reason it has underperformed is because it has historically had 20-25% in international stocks. The primary concern is that many retirement plans have left the fund which has impacted its assets.
- ▶ **Fidelity Advisor Leveraged Co Stock** had significantly under performance the last 12 months. He said that is not unusual because it typically buys companies who have high yield credit so there is greater volatility.
- ▶ **Westfield Capital Fund** has also had significant short-term under performance. He said this is a Prudential retirement product that is only available to Prudential's retirement clients. Prudential is a co-fiduciary of the investment and monitors the portfolio.
- ▶ **PIMCO Fund** has a low due diligence advisor (DDA) ranking. He said Bill Gross, its founder and co-chief investment officer, is a famous fixed income manager with an unparalleled track record in the market. Gross made an error in late 2010 when he thought the federal government might get downgraded and shorted his investments in Treasury bonds. The fund took a major hit because of that. Gross has since repositioned the portfolio and it is already up 2% over the index.

It was noted that the current net annualized rate of 3.38% shown for the Gibraltar Guaranteed Fund on Page 19 was as of 10/01/2011, not 01/01/2012. It has since dropped to 3.18%.

Craddock also gave an overview of GoalMaker's performance. **NOTE:** GoalMaker is Prudential's asset allocation program that is based on risk tolerance and time horizon. He noted approximately one third of the equity number in all of the portfolios is International stocks, which has had a negative impact on the short term returns.

Rob Kerscher, Vice President, Key Accounts, Prudential Retirement, presented an Executive Summary of the 401(a) Retirement Plan (see Tab III). He noted the average account balance for a County participant is \$85,129 and said in every age category, the County participant has a substantially higher account balance compared to Prudential's other business accounts. Kerscher noted some of the accounts in the comparison have supplemental pension plans (401(k) or 457 plans) and may have lower than average account balances. Heier said he would like to see the comparison include the number of years enrolled in the plan.

Kerscher noted that on average, a participant hold 4.6 funds. He said 339 of the participants are in a single fund, with the majority invested the Gibraltar Guaranteed Fund.

Kerscher also gave an Executive Summary of the 457 (b) Deferred Compensation Program, noting there are 503 participants, which is approximately half of the eligible employees. The average balance is \$27,020. He noted a National Association of Government Defined Contribution Administrators (NAGDCA) Defined Contribution Plan Survey Report (see Page 47) shows the average participation rate for 457 (b) Plans is 22%.

Mike Misegadis, Retirement Counselor, Prudential Retirement, discussed the education component. Kerry Eagan, Chief Administrative Officer, noted that new hires are required to meet with Misegadis.

Eagan recommended the Board ask Segal Advisors, the Pension Plan Consultant, to prepare a supplemental report. He estimated the cost at \$25,000, noting it will be paid out of the Revenue Sharing Expense Account.

**MOTION:** Smoyer moved and Heier seconded to pursue a contract with Segal Advisors. Heier, Smoyer and Hudkins voted aye. Schorr and Raybould were absent from voting. Motion carried 3-0.

**4 SALE OF SURPLUS PROPERTY AT SOUTH 68<sup>TH</sup> STREET AND WAGON TRAIN ROAD** - Brittany Behrens, Deputy County Attorney

Brittany Behrens, Deputy County Attorney, noted the Board conducted a public hearing on January 17<sup>th</sup> and declared property at South 68<sup>th</sup> Street and Wagon Train Road surplus. The fair market value was established at the appraised value of \$30,000 and February 23<sup>rd</sup> was set as the sale date. **NOTE:** The County purchased the property in 2004 as corridor protection for the Hickman viaduct project. That project has been completed. When the sale was conducted, it was discovered that advertisement of the

sale stated the minimum acceptable bid was \$30,000. She said that had not been the intent of the Board, nor is that what state statutes require with regards to surplus property. Behrens said the sale had to proceed as advertised. She said Tracy and Rhonda Weatherby of Hickman, who had initiated the request for the property to be declared surplus, were at the sale but did not submit a bid, due to the minimum bid requirement. No bids were received.

In response to a question from Hudkins, Behrens said the County Clerk's Office prepared the public notice as it normally does for a Sheriff's sale, indicating a minimum acceptable bid. However, this was a surplus property sale and should have been treated differently than a normal Sheriff's sale. Behrens recommended the Board re-conduct the sale as there may have been persons that did not attend the sale because of the minimum bid requirement. That will require the Board to approve a resolution that indicates the property has been declared surplus, the fair market value has been established and resetting the sale date. She said the Sheriff's Department has indicated they already have sales set for March 29<sup>th</sup>. That would give the County Clerk's Office time to publish a new notice at least once ten days prior to the sale date. Behrens said she will prepare a resolution for the March 6<sup>th</sup> County Board of Commissioners Meeting agenda.

**5 PETITION TO VACATE PORTSCHE LANE** - Brittany Behrens, Deputy County Attorney; Ken Schroeder, County Surveyor

Brittany Behrens, Deputy County Attorney, said a petition to vacate right-of-way on Portsche Lane was filed with the County Clerk's Office on February 22<sup>nd</sup>. She explained the Board has two weeks to prepare a resolution directing the County Engineer to conduct a study and return a report to the Board. The County Engineer has 30 days to complete that task. Behrens said there are a few more steps to the process that are statutorily required because the property right-of-way is within the zoning jurisdiction of the City of Lincoln and will require City approval prior to the Board taking any action on the vacation. Once the study is returned, the Board must approve a resolution fixing the time, date and place for a public hearing on the vacation. A notice must then be published once a week, for three consecutive weeks, of the public hearing date. Following the public hearing, the Board must approve or deny the vacation at the next meeting, or as soon thereafter as is practicable.

Hudkins asked whether County Engineering has concerns regarding the vacation. Ken Schroeder, County Surveyor, said it appears residents of Portsche Heights would prefer that Portsche Lane not go through to Grand Terrace, the subdivision to the north. He explained the petition seeks vacation of five feet of right-of-way off the southern portion of the temporary dead-end street in the hopes of re-platting a cul-de-sac. Schroeder said County Engineering does not see that as benefitting the County and is concerned that the residents may petition the County in the future to vacate additional

right-of-way around the cul-de-sac bulb. He said additional information will be collected and the findings will be included in their report.

Behrens noted the County can include conditions in the resolution if the Board decides to approve the vacation.

## **6 ACTION ITEMS**

There were no action items.

## **7 CONSENT ITEMS**

There were no consent items.

## **8 ADMINISTRATIVE OFFICER REPORT**

### **A. Budget Hearing Schedule**

There was no objection to the proposed schedule.

### **B. Letter from Kit Boesch, Human Services Administrator, to Governor Heineman, Senator Campbell, and the Nebraska Department of Health and Human Services (DHHS) Regarding Child Welfare Reform**

**MOTION:** Heier moved and Smoyer seconded approval of the letter.

Smoyer indicated he is not entirely comfortable with the content of the letter.

**ROLL CALL:** Heier, Smoyer and Hudkins voted aye. Schorr and Raybould were absent from voting. Motion carried 3-0.

It was noted the County's lobbyist will be copied on the letter.

### **C. Update Office Policy (Letter for County Board Signature/Use of County Board Letterhead)**

**MOTION:** Heier moved and Smoyer seconded to schedule action on the March 6, 2012 County Board of Commissioners Meeting agenda. Smoyer, Heier and Hudkins voted aye. Schorr and Raybould were absent from voting. Motion carried 3-0.

D. 2012 Food Bank Drive Approval

**MOTION:** Heier moved and Smoyer seconded to allow the County to participate in the 2012 Food Bank Drive. Heier, Smoyer and Hudkins voted aye. Schorr and Raybould were absent from voting. Motion carried 3-0.

E. Great Plains Resource Conservation and Development Council (RC&D) Membership (\$200)

**MOTION:** Heier moved and Smoyer seconded to no longer have the County participate in the Great Plains Resource Conservation and Development Council. Smoyer, Heier and Hudkins voted aye. Schorr and Raybould were absent from voting. Motion carried 3-0.

F. Waverly, Denton and Hickman Newspapers/Newsletters

Minette Genuchi, Administrative Assistant to the County Board, appeared and said the cost of an annual subscription to the Denton Newsletter is \$12.00. Subscriptions to the Waverly News and Hickman Voice Newspapers are each \$28.00.

**MOTION:** Smoyer moved and Heier seconded to approve the subscriptions. Heier, Smoyer and Hudkins voted aye. Schorr and Raybould were absent from voting. Motion carried 3-0.

**9 PENDING**

There were no pending items.

**10 DISCUSSION OF BOARD MEMBER MEETINGS**

A. Lincoln Metropolitan Planning Organization (MPO) Officials Committee  
- Schorr, Hudkins

The meeting was cancelled.

B. Lancaster County Correctional Facility Joint Public Agency (JPA) -  
Schorr, Hudkins

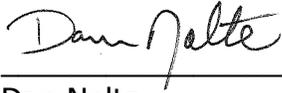
Hudkins said they approved claims totaling \$1,117,139.38 from Wells Fargo for bank fees; Sampson Construction Company, the Construction Manager at-risk; and The Clark Enersen Partners, architect for the project.

**11 EMERGENCY ITEMS AND OTHER BUSINESS**

Hudkins reported that he attended an Agricultural Terrorism Workshop.

**12 ADJOURNMENT**

**MOTION:** Heier moved and Smoyer seconded to adjourn the meeting at 11:15 a.m. Smoyer, Heier and Hudkins voted aye. Schorr and Raybould were absent from voting. Motion carried 3-0.



Dan Nolte  
Lancaster County Clerk





## Lancaster County

Data as of December 31, 2011

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## Table of Contents

Market Commentary.....	3
Plan Summary.....	12
Investment Options Review.....	20
Glossary & Notes .....	38
Appendix - Fund Performance.....	Tab I
Appendix - GoalMaker Performance.....	Tab II
Appendix - Executive Summary.....	Tab III

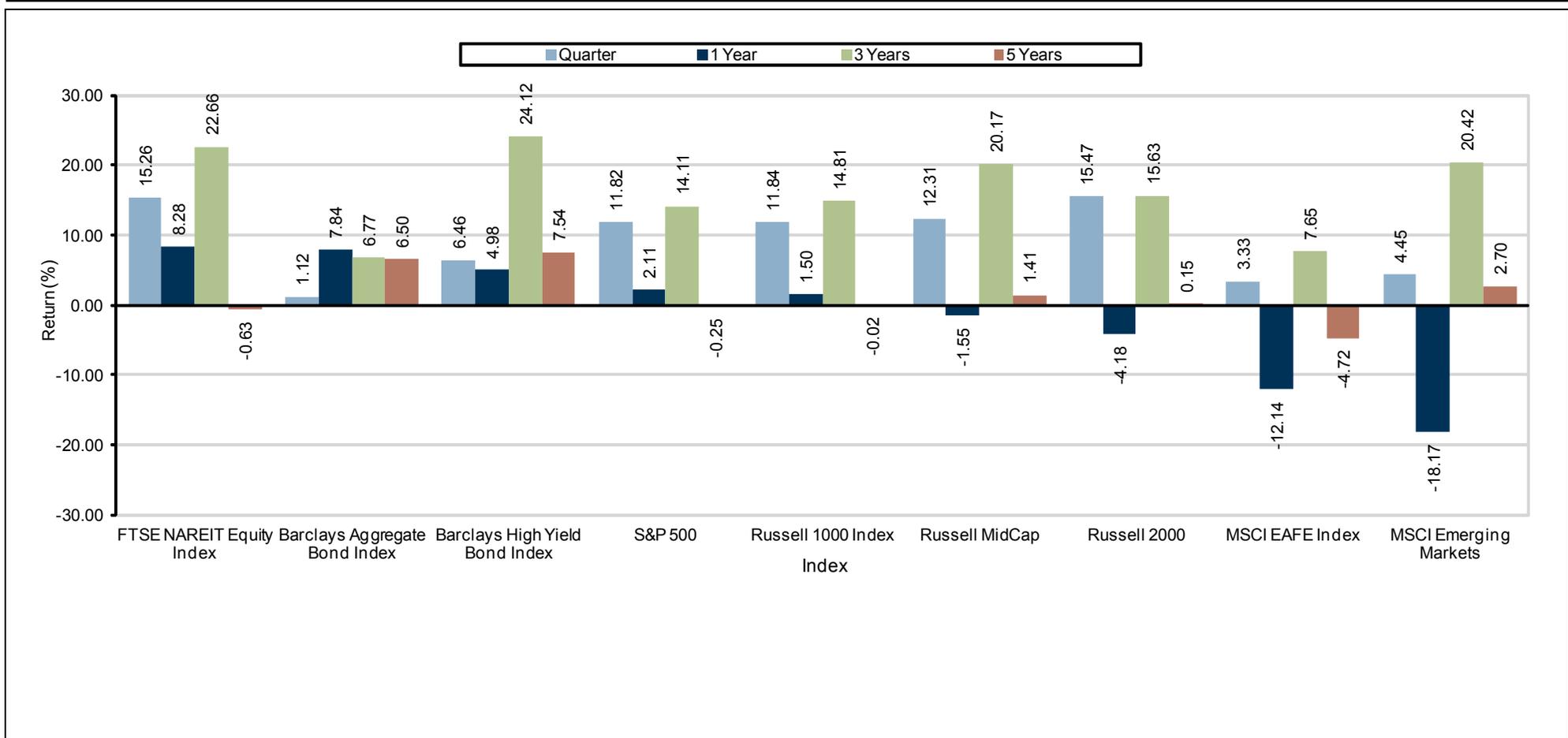
# Market Commentary

## Economic Review

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- Following a cumulative loss of 10% through early October, the S&P 500 Index reversed course in the final quarter of 2011, generating a total return of nearly 12%, far in excess of bonds. The mega-cap stocks in the Dow Industrials performed even better, with a return of 12.8%, while the highly volatile small-cap Russell 2000 performed best with a total return of 15.5%.
- U.S. economic growth accelerated in the fourth quarter, with real GDP expanding at an estimated 3.25% annual rate, up from 1.8% in the previous quarter. At the same time, growth slowed significantly in virtually all other major economies. The weakest economies were in the Eurozone, which entered a recession during the fourth quarter.
- The relative strength in the fourth quarter U.S. GDP was broadly based: With the exception of government, all other sectors contributed to growth in the quarter, including consumer spending, business investment, manufacturing, exports, and even construction. Consumer inflation fell sharply in the quarter, rising by only 1% (annualized), down from a peak of 5.5% in the first quarter.
- Growth in corporate earnings also slowed in the fourth quarter: Compared with an average growth rate of 20% during the first three quarters, profit growth slowed to an estimated 7.5% rate in the final quarter.
- Job creation was positive in the quarter, but remained sluggish, with an average monthly gain in payrolls of only 125,000. The unemployment rate fell to 8.8% in the fourth quarter.
- Rates of return in global capital markets during 2011 were almost perfectly aligned with perceived risk in a negative rather than positive correlation. Classic low-risk assets outperformed high-risk assets by a wide margin. As such, bonds outperformed stocks, and the most conservative and highest quality assets performed best.

## Financial Market Returns



- In 2011 fixed income outperformed equity investments, and more conservative asset classes performed best, a reversal from 2009 and 2010 when risk assets rallied and the broad U.S. equity indices posted double digit gains. REITs, a specialized form of equity that invests in real estate, were the exception delivering a strong one-year return.
- While the S&P 500 Index produced a low single digit return for the year, equity markets experienced the most severe volatility since March 2009, peaking in the third quarter.
- Domestic equities outperformed foreign stocks by a wide margin for the quarter and one-year periods. While a full European debt crisis was averted in 2011 by European Central Bank measures to provide banks with liquidity, ongoing uncertainty and the lack of a unified long-term solution weighed on European equities.

Data Source: Russell/Mellon Analytical Services

## Domestic Equity Style Returns

**Quarter**

Large (Russell 1000 Index)	13.11	11.84	10.61
Mid (Russell MidCap)	13.37	12.31	11.24
Small (Russell 2000)	15.97	15.47	14.99
	Value	Blend	Growth

- In a reversal from the prior quarter, equities saw double digit positive returns across markets capitalizations and styles, and Small-Cap equities outperformed their larger cap peers.
- Valuation sensitive sub-styles led for the quarter, within both the broader Growth and Value styles.
- Despite Value outperforming in the fourth quarter, Large-Cap Growth was the best performing investment style for the year and Small-Cap Value was the worst. Over the three and five-year timeframes Growth outperformed Value.

**1 Year**

Large (Russell 1000 Index)	0.39	1.50	2.64
Mid (Russell MidCap)	-1.38	-1.55	-1.65
Small (Russell 2000)	-5.50	-4.18	-2.91
	Value	Blend	Growth

**3 Years**

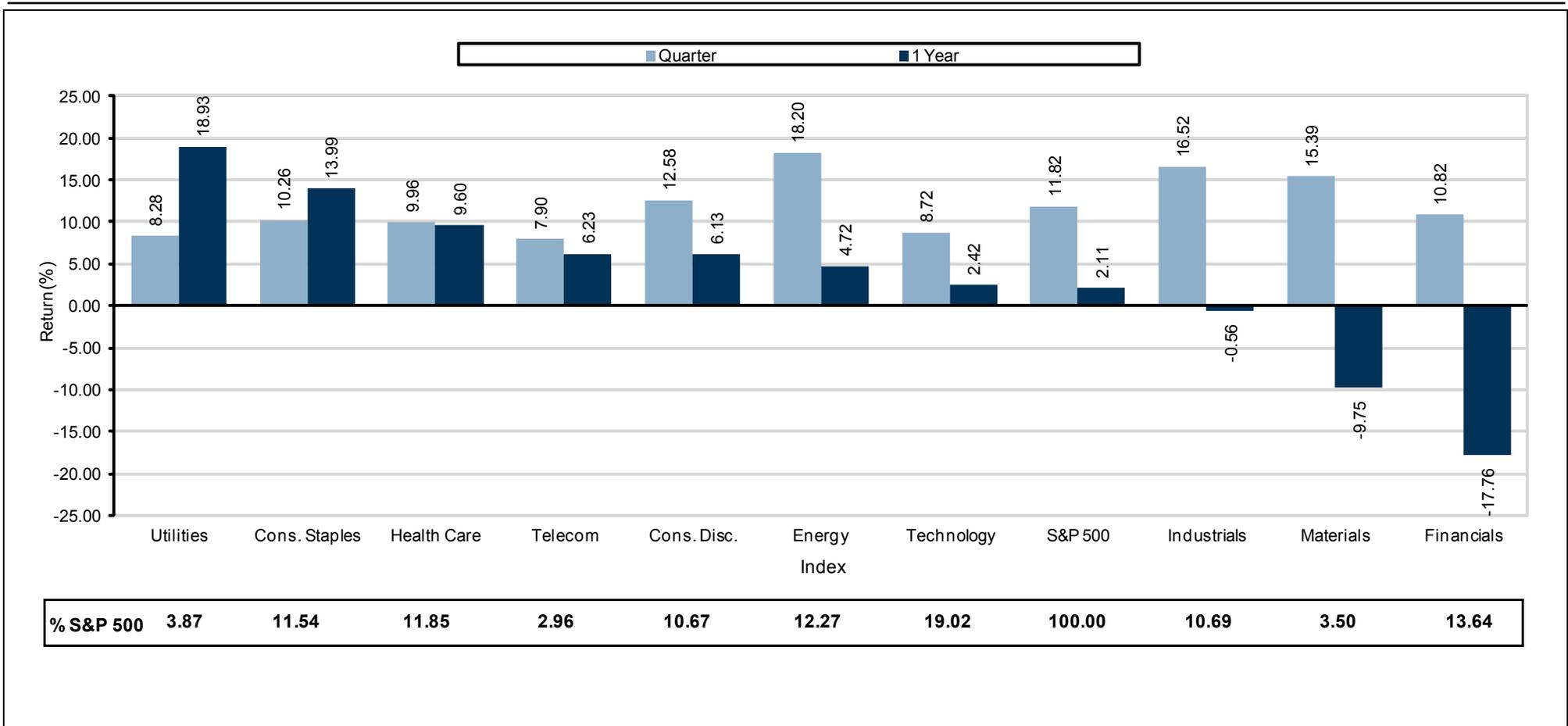
Large (Russell 1000 Index)	11.55	14.81	18.02
Mid (Russell MidCap)	18.19	20.17	22.06
Small (Russell 2000)	12.36	15.63	19.00
	Value	Blend	Growth

**5 Years**

Large (Russell 1000 Index)	-2.64	-0.02	2.50
Mid (Russell MidCap)	0.04	1.41	2.44
Small (Russell 2000)	-1.87	0.15	2.09
	Value	Blend	Growth

Data Source: Russell/Mellon Analytical Services

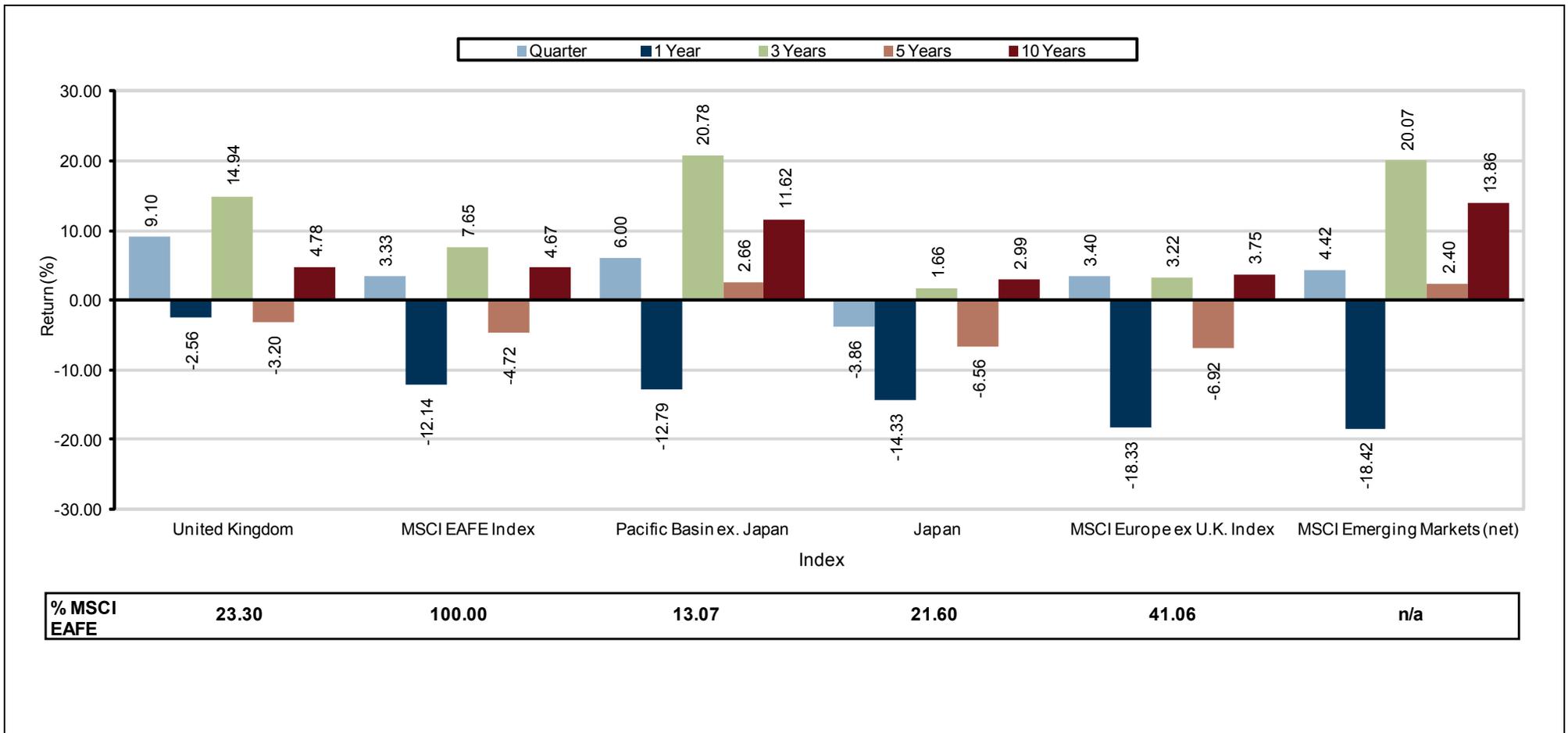
## S&P 500 Sector Performance



- All sectors ended the quarter posting gains in a reversal from a difficult third quarter where nine of the ten sectors were negative.
- The quarter was lead by Energy, Industrials and Materials, erasing most of the underperformance from the previous three quarters, reflecting the risk-on, risk-off environment.
- Two traditionally defensive sectors, Utilities and Telecom had the lowest returns for the quarter, however, Utilities was the clear leader for the year.

Data Source: Russell/Mellon Analytical Services

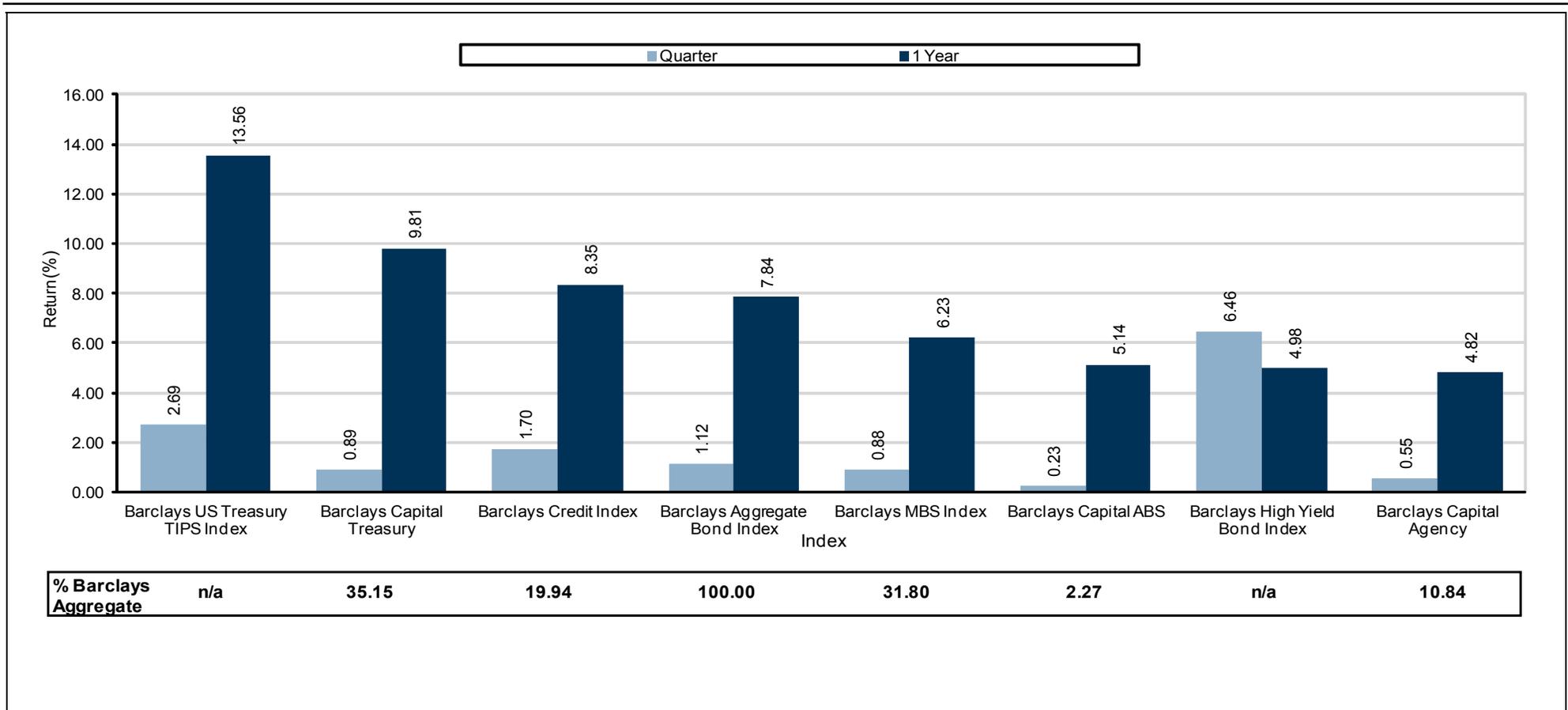
# International Index Returns



- The International markets managed to turn in a positive quarter in the midst of the uncertainty surrounding the still unresolved European debt crisis.
- Despite rebounding in the fourth quarter, the Emerging Markets underperformed the developed markets for the year due to continued volatility, fears of inflation and slow economic growth in China.
- Weakened by slow economic growth and an appreciating yen, Japan ended the quarter and the year in negative territory as the effects of the tsunami and the nuclear tragedy persist.

Data Source: Russell/Mellon Analytical Services

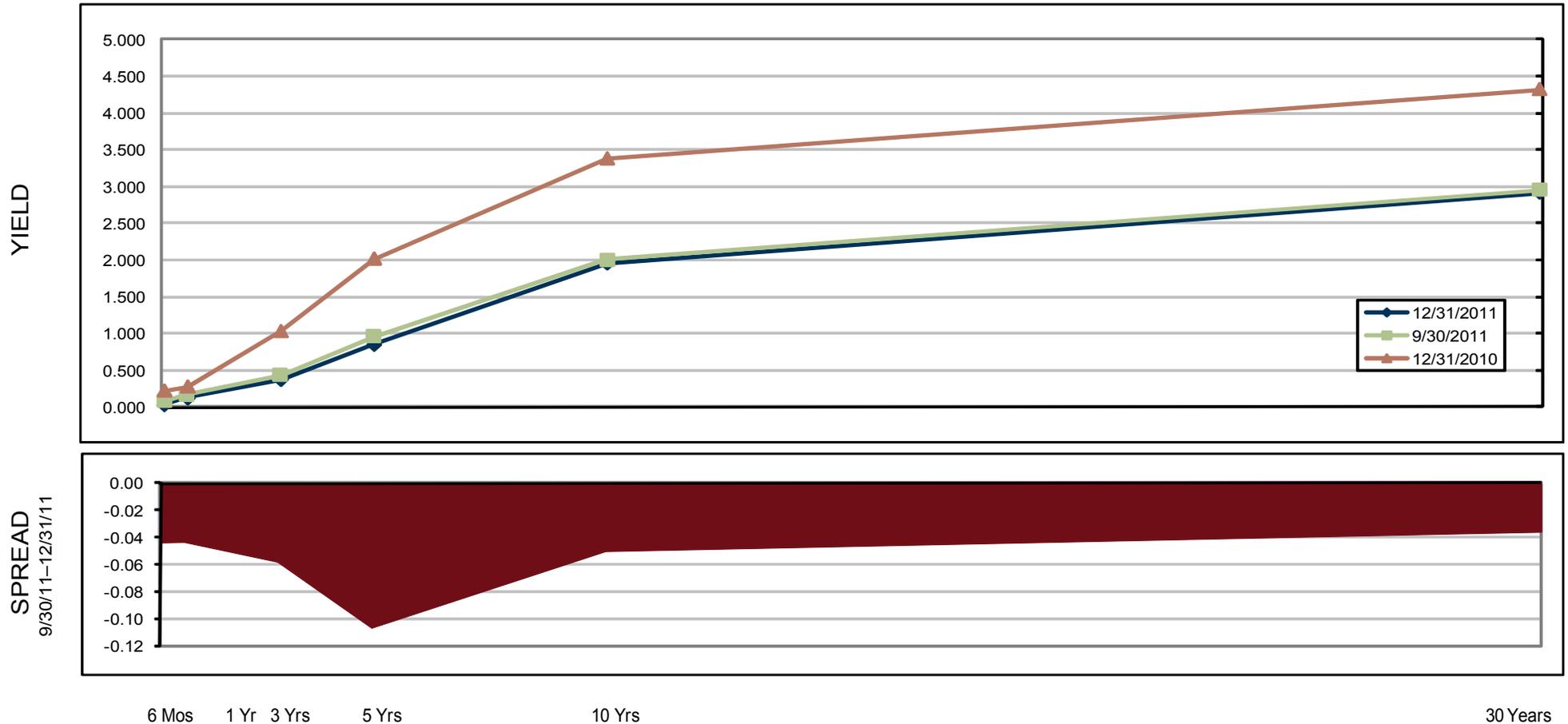
## Fixed Income Returns



- The Barclays Capital Aggregate was positive for the quarter and up 7.84% for the year, as result of its hefty weight in U.S. Treasuries.
- Treasuries and TIPS performed best for 2011, a year characterized by widespread investor risk aversion and a strong preference for safe haven assets. U.S. Treasury securities led all other bond market segments with a total return of nearly 10% and long duration U.S. Treasuries performed best for the year generating a spectacular 30%, the best calendar year since 1995.
- High yield corporate debt had the strongest return for the quarter, although risk spreads still remain at elevated level - in excess of 700 bps - resulting in a yield to maturity of 8.5%.

Data Source: Russell/Mellon Analytical Services

# U.S. Treasury Yield Curve



- As was the case with equity market returns, despite intra-quarter volatility the yield curve ended the quarter essentially in line with the third quarter.
- The yield curve flattened year-over-year as yields on mid- and long-term U.S. Treasuries fell dramatically, consistent with investor risk aversion and increased demand for safe-haven assets.

Source: Bloomberg

This chart is for illustration purposes only and is not meant to represent the performance of any investment. Investors cannot invest directly in an index. Past performance does not guarantee future results. This material is for plan sponsor and financial professional use only and cannot be reproduced or shown to members of the public.

## Economic & Market Outlook

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- The outlook for the global economy in 2012 is uncertain. Heightened uncertainty can be attributed to the still unresolved European debt crisis; an unusually heavy reliance on government policy decisions; the vulnerability of oil prices to geopolitical risk; and lingering structural imbalances emanating from the recession.
- Most regions of the world will experience slower growth in 2012, including most of Asia and Latin America; the UK; the structurally healthy Nordic economies; and the Eurozone, which will be in recession for much of 2012. World GDP will expand by only 3%, down from growth of 4% in 2011.
- Major components of the 2012 U.S. outlook include the following: Real GDP growth of 2.5%; consumer inflation of 2% or less; 5% growth in corporate earnings; growth in nonfarm payrolls of over two million workers; and a modest decline in the unemployment rate to 8.5%.
- Interest rates are likely to remain at historically depressed levels for most of 2012, rising only modestly as the year unfolds. Market yields on 10-year Treasury notes should fluctuate within a narrow range of 2% to 3% during the year.
- The investment outlook for 2012 is clouded by continued global economic and policy uncertainty. Recurring crises around the world should accentuate investor bias toward safe-haven assets, while risk premiums on all pro-growth assets should remain elevated for much of the year.
- Continued volatility should provide attractive buying opportunities during 2012 for patient long-term investors. Blue-chip U.S. growth stocks, emerging market debt and equity, high-yield corporate bonds, and selected areas within the commercial real estate market should provide favorable rates of return over a three to five-year time horizon.

# Plan Summary

## Plan Summary Footnotes

### EXPLANATION OF PERFORMANCE INFORMATION

The following tables provide fund performance information, and other relevant performance and supplementary information concerning Institutional Sub-Advised, Institutional Select, Alliance Mutual Funds and Proprietary Funds if applicable. For Institutional Sub-Advised and Institutional Select Funds, the PRIAC Separate Accounts hold the investment securities. Prudential Retirement Insurance and Annuity Company (PRIAC) assumes no responsibility for monitoring performance of the investment manager of any Institutional Select Fund. PERFORMANCE: When such funds have fewer than five years of performance history, three types of performance information are provided to assist you in choosing your plan's investment options. "Fund Performance" represents the actual performance of the fund for all periods since the inception date of the fund (which is shown in this line). "Manager's Composite" represents the composite return of multiple portfolios advised by the Manager since the inception date. These portfolios have an investment style and approach similar to the investment style of the fund. "Blended" represents a combination of the actual Fund performance and the current Manager's Composite performance. Actual Fund performance is used for periods after the fund was managed by the current Manager. For periods before the current Manager's assumption of Fund management, the Manager's Composite return is used. Therefore, when no Actual Fund performance with the current manager exists, the Blended performance line will equal the Manager Composite line. The inception date associated with this line is the inception date of the Manager's Composite. "Since Inception" returns are only provided when the inception date is less than 10 years ago. All performance is net of the expense ratio shown for that line.

For Alliance Mutual Funds, performance shown for the Separate Account is the performance of the underlying mutual fund. If the mutual fund's inception was before the Separate Account's inception date, mutual fund performance is shown for the prior periods. Performance for all periods reflects the reinvestment of mutual fund dividends and capital gains (as applicable). Any sub-accounting or distribution fees paid to Prudential by the underlying mutual fund complex is disclosed in the fact sheet for the fund. Any reference to share class refers to the underlying investment of the separate account and does not indicate that this is an investment directly into this share class.

Our pricing for your plan sometimes includes contract charges. If included, the contract charges would reduce the performance shown below. Any contract charges are disclosed to you. Regarding your members, the expense ratio shown in their statements and in the performance shown on their statements will reflect any contract charges imposed. The management fees, fund fees and contract charges compensate us for the distribution and servicing associated with your plan. Other plan investment options may generate more or less revenue for us than the fees associated with the fund you select. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

For more information, please contact your Prudential Retirement Representative at 1-877-778-2100.

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.

- ⊗ Smaller companies may present greater opportunities for capital appreciation, but also may involve greater risks than larger companies. As a result, the value of stocks issued by smaller companies may go up and down more than stocks of larger issuers.
- ⊕ Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.
- ⊗ **The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.**
- ✱ Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.

Investing in securities involves risk, including the possible loss of principal. Unforeseen market conditions have the potential to maximize losses. Investors are urged to carefully consider their personal risk tolerance, retirement time horizon, and willingness to weather severe market downturns before making investment decisions.

Indexes are unmanaged and cannot be invested in directly.

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

For Manager of Managers Institutional Sub-Advised funds and Institutional Select Funds, ACTUAL PERFORMANCE MAY BE AFFECTED BY THE MANAGER NOT BEING ABLE TO INVEST DIRECTLY IN A COUNTRY PRIOR TO SATISFACTION OF THAT COUNTRY'S LEGAL REQUIREMENTS.

**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 our 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.**

\*Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, a Prudential Financial company.

The Gibraltar Guaranteed Fund is a group annuity product issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT 06103. Amounts contributed to the contract are deposited in PRIAC's general account. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of PRIAC. PRIAC periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract. Past interest rates are not indicative of future rates. This product is neither a mutual fund nor a bank product. The obligations of PRIAC are not insured by the FDIC or any other federal governmental agency.

Prudential Retirement is compensated in connection with this product when general account investment returns exceed the interest credited on contract balances. Prudential Retirement may earn fee revenue in addition to the foregoing compensation if your plan has agreed to pay contract charges, which are sometimes paid in respect of plan and participant recordkeeping and distribution services. For some plans, Prudential Retirement uses a portion of its aggregate compensation to satisfy the plan's request for allowances and for payments to defray plan expenses. If Prudential Retirement's aggregate compensation from this product and from other plan investment products exceeds the costs of servicing your plan, Prudential Retirement earns a profit; otherwise we incur a loss.

Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan's investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict or suspend purchase or exchange privileges and/or impose redemption fees.

## Executive Summary

Asset Class	Current Funds	Assets	% of Assets	Funds for Consideration
Large Value	Allianz NFJ Dividend Value Inst	\$ 6,697,077	7.0%	
Large Blend	American Funds Fundamental Invs R4	\$ 4,115,890	4.3%	
	Vanguard 500 Index Signal	\$ 716,509	0.7%	
Large Growth	American Funds Growth Fund of Amer R4	\$ 3,470,756	3.6%	
	Neuberger Berman Socially Resp No Load	\$ 187,229	0.2%	
	Large Cap Growth / Neuberger Berman Fund	\$ 4,888,945	5.1%	
Mid Value	Perkins Mid Cap Value T	\$ 1,302,138	1.4%	
	Mid Cap Value / Systematic Fund	\$ 2,861,048	3.0%	
Mid Blend	Fidelity Advisor Leveraged Co Stk I	\$ 1,142,231	1.2%	
	Vanguard Mid Cap Index Signal	\$ 380,416	0.4%	
Mid Growth	Eaton Vance Atlanta Capital SMID-Cap I	\$ 666,678	0.7%	
	Mid Cap Growth / Westfield Capital Fund	\$ 2,798,007	2.9%	
Small Value	Allianz NFJ Small Cap Value Inst	\$ 1,045,936	1.1%	
Small Blend	Royce Pennsylvania Mutual Inv	\$ 2,133,964	2.2%	

The % of Total Assets represents the % of Total Assets reported in the table above and are unaudited.

Open
  Watch List
  Closed

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Fourth Quarter 2011

Plan Summary

## Executive Summary

Asset Class	Current Funds	Assets	% of Assets	Funds for Consideration
Small Blend (Continued)	Vanguard Small Cap Index	\$ 318,710	0.3%	
Small Growth	BlackRock Small Cap Growth Equity Inst	\$ 1,733,208	1.8%	
Global Blend	American Funds Capital World G/I R4	\$ 5,283,541	5.5%	
International Blend	American Funds EuroPacific Gr R4	\$ 8,780,816	9.2%	
Balanced Growth (Moderate Allocation)	Oakmark Equity & Income I	\$ 2,520,734	2.6%	
Retirement Income - IncomeFlex (Moderate Allocation)	IncomeFlex LT Conservative Growth Fund	\$ 111,386	0.1%	
	IncomeFlex LT Conservative Growth Fund	\$ 0	0.0%	
	IncomeFlex LT Balanced Fund	\$ 1,235,738	1.3%	
	IncomeFlex LT Balanced Fund	\$ 0	0.0%	
Retirement Income - IncomeFlex (Conservative Allocation)	IncomeFlex LT Income & Equity Fund	\$ 0	0.0%	
	IncomeFlex LT Income & Equity Fund	\$ 241	0.0%	
Intermediate-Term Bond	Core Plus Bond / PIMCO Fund	\$ 6,352,561	6.6%	
Stable Value	Gibraltar Guaranteed Fund	\$ 37,210,953	38.8%	
	<b>Total</b>	<b>\$ 95,954,712</b>	<b>100.0%</b>	

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## Executive Summary

Asset Class	Current Funds	Assets	% of Assets	Funds for Consideration
Large Value	Allianz NFJ Dividend Value Inst	\$ 1,561,950	11.5%	
Large Blend	American Funds Fundamental Invs R4	\$ 555,058	4.1%	
	Vanguard 500 Index Signal	\$ 103,106	0.8%	
Large Growth	American Funds Growth Fund of Amer R4	\$ 643,706	4.7%	
	Neuberger Berman Socially Resp No Load	\$ 225,476	1.7%	
	Large Cap Growth / Neuberger Berman Fund	\$ 675,224	5.0%	
Mid Value	Perkins Mid Cap Value T	\$ 303,866	2.2%	
	Mid Cap Value / Systematic Fund	\$ 389,458	2.9%	
Mid Blend	Fidelity Advisor Leveraged Co Stk I	\$ 202,228	1.5%	
	Vanguard Mid Cap Index Signal	\$ 82,069	0.6%	
Mid Growth	Eaton Vance Atlanta Capital SMID-Cap I	\$ 149,814	1.1%	
	Mid Cap Growth / Westfield Capital Fund	\$ 371,384	2.7%	
Small Value	Allianz NFJ Small Cap Value Inst	\$ 296,338	2.2%	
Small Blend	Royce Pennsylvania Mutual Inv	\$ 456,660	3.4%	

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## Executive Summary

Asset Class	Current Funds	Assets	% of Assets	Funds for Consideration
Small Blend (Continued)	Vanguard Small Cap Index	\$ 60,777	0.4%	
Small Growth	BlackRock Small Cap Growth Equity Inst	\$ 209,774	1.5%	
Global Blend	American Funds Capital World G/I R4	\$ 590,173	4.3%	
International Blend	American Funds EuroPacific Gr R4	\$ 1,207,281	8.9%	
Balanced Growth (Moderate Allocation)	Oakmark Equity & Income I	\$ 219,592	1.6%	
Retirement Income - IncomeFlex (Moderate Allocation)	IncomeFlex LT Conservative Growth Fund	\$ 0	0.0%	
	IncomeFlex LT Conservative Growth Fund	\$ 0	0.0%	
	IncomeFlex LT Balanced Fund	\$ 237,554	1.7%	
	IncomeFlex LT Balanced Fund	\$ 0	0.0%	
Retirement Income - IncomeFlex (Conservative Allocation)	IncomeFlex LT Income & Equity Fund	\$ 0	0.0%	
	IncomeFlex LT Income & Equity Fund	\$ 0	0.0%	
Intermediate-Term Bond	Core Plus Bond / PIMCO Fund	\$ 999,540	7.3%	
Stable Value	Gibraltar Guaranteed Fund	\$ 4,059,501	29.8%	
	<b>Total</b>	<b>\$ 13,600,529</b>	<b>100.0%</b>	

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  Watch List
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**The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, 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 data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com). While past performance is never an indication of future results, short periods of performance may be particularly unrepresentative of long-term performance.**

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2011				Inception Inception	Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 9/30/11	Expense Ratio
		1 Year	3 Years	5 Years	10 Years							
<b>Large Value</b>												
<b>Allianz NFJ Dividend Value Inst</b>	<b>3.44%</b>	<b>3.44%</b>	<b>10.01%</b>	<b>-2.29%</b>	<b>5.47%</b>	<b>N/A</b>	<b>May-00</b>	<b>19.64%</b>	<b>0.21%</b>	<b>-0.09%</b>	<b>---</b>	<b>0.71%</b>
<i>Russell 1000 Value Index</i>	0.39%	0.39%	11.55%	-2.64%	3.89%	---	---	20.09%	0.00%	-0.10%	---	---
<i>Lipper Large Cap Value Funds Index</i>	-2.47%	-2.47%	11.31%	-2.30%	2.57%	---	---	19.16%	0.04%	-0.10%	---	---
<i>Morningstar Large Value Category Median</i>	-0.79%	-0.79%	12.01%	-1.98%	3.54%	---	---	19.69%	0.70%	-0.06%	---	---
<b>Large Blend</b>												
<b>American Funds Fundamental Invs R4</b>	<b>-1.92%</b>	<b>-1.92%</b>	<b>14.24%</b>	<b>0.40%</b>	<b>5.35%</b>	<b>N/A</b>	<b>Jul-02</b>	<b>19.66%</b>	<b>0.51%</b>	<b>0.05%</b>	<b>---</b>	<b>0.66%</b>
<i>Russell 1000 Index</i>	1.50%	1.50%	14.81%	-0.02%	3.34%	---	---	19.29%	0.00%	0.03%	---	---
<b>Vanguard 500 Index Signal</b>	<b>2.08%</b>	<b>2.08%</b>	<b>14.14%</b>	<b>-0.23%</b>	<b>2.87%</b>	<b>N/A</b>	<b>Sep-06</b>	<b>18.88%</b>	<b>0.02%</b>	<b>0.01%</b>	<b>---</b>	<b>0.06%</b>
<i>S&amp;P 500 Index</i>	2.11%	2.11%	14.11%	-0.25%	2.92%	---	---	18.88%	0.00%	0.01%	---	---
<i>Lipper Large Cap Core Funds Index</i>	-0.05%	-0.05%	13.09%	-0.60%	2.16%	---	---	18.73%	-0.38%	-0.01%	---	---
<i>Morningstar Large Blend Category Median</i>	-0.06%	-0.06%	13.50%	-0.63%	2.75%	---	---	19.19%	-0.28%	0.00%	---	---
<b>Large Growth</b>												
<b>Large Cap Growth / Neuberger Berman Fund*</b>	<b>-4.34%</b>	<b>-4.34%</b>	<b>11.34%</b>	<b>2.04%</b>	<b>---</b>	<b>3.74%</b>	<b>Mar-04</b>	<b>18.49%</b>	<b>-0.40%</b>	<b>0.13%</b>	<b>2</b>	<b>0.62%</b>
<b>Manager Composite</b>	<b>-4.89%</b>	<b>-4.89%</b>	<b>11.42%</b>	<b>1.56%</b>	<b>4.07%</b>	<b>N/A</b>	<b>Jan-87</b>	<b>17.76%</b>	<b>-0.91%</b>	<b>0.10%</b>	<b>---</b>	<b>0.62%</b>
<b>Blended Performance</b>	<b>-4.34%</b>	<b>-4.34%</b>	<b>11.63%</b>	<b>1.68%</b>	<b>4.14%</b>	<b>N/A</b>	<b>Jan-87</b>	<b>17.76%</b>	<b>-0.80%</b>	<b>0.11%</b>	<b>---</b>	<b>0.62%</b>
<b>American Funds Growth Fund of Amer R4</b>	<b>-4.87%</b>	<b>-4.87%</b>	<b>12.85%</b>	<b>-0.59%</b>	<b>3.61%</b>	<b>N/A</b>	<b>May-02</b>	<b>18.78%</b>	<b>-3.04%</b>	<b>-0.01%</b>	<b>---</b>	<b>0.68%</b>
<b>Neuberger Berman Socially Resp No Load</b>	<b>-3.05%</b>	<b>-3.05%</b>	<b>15.70%</b>	<b>0.31%</b>	<b>4.92%</b>	<b>N/A</b>	<b>Mar-97</b>	<b>19.27%</b>	<b>-2.05%</b>	<b>0.04%</b>	<b>---</b>	<b>1.08%</b>
<i>Russell 1000 Growth Index</i>	2.64%	2.64%	18.02%	2.50%	2.60%	---	---	19.08%	0.00%	0.15%	---	---
<i>Lipper Large Cap Growth Funds Index</i>	-2.38%	-2.38%	15.92%	0.97%	1.49%	---	---	20.19%	-1.44%	0.08%	---	---
<i>Morningstar Large Growth Category Median</i>	-1.48%	-1.48%	15.23%	0.77%	2.48%	---	---	20.12%	-1.43%	0.08%	---	---
<b>Mid Value</b>												
<b>Mid Cap Value / Systematic Fund*</b>	<b>-5.46%</b>	<b>-5.46%</b>	<b>16.77%</b>	<b>---</b>	<b>---</b>	<b>1.80%</b>	<b>Jun-08</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>2</b>	<b>0.80%</b>
<b>Manager Composite</b>	<b>-5.69%</b>	<b>-5.69%</b>	<b>16.20%</b>	<b>2.38%</b>	<b>9.34%</b>	<b>N/A</b>	<b>Mar-00</b>	<b>21.56%</b>	<b>2.08%</b>	<b>0.15%</b>	<b>---</b>	<b>0.80%</b>
<b>Blended Performance</b>	<b>-5.46%</b>	<b>-5.46%</b>	<b>16.77%</b>	<b>2.48%</b>	<b>9.39%</b>	<b>N/A</b>	<b>Mar-00</b>	<b>21.56%</b>	<b>2.19%</b>	<b>0.16%</b>	<b>---</b>	<b>0.80%</b>
<b>Perkins Mid Cap Value T</b>	<b>-2.55%</b>	<b>-2.55%</b>	<b>13.41%</b>	<b>2.63%</b>	<b>7.58%</b>	<b>N/A</b>	<b>Aug-98</b>	<b>17.81%</b>	<b>1.78%</b>	<b>0.16%</b>	<b>---</b>	<b>1.00%</b>
<i>Russell MidCap Value Index</i>	-1.38%	-1.38%	18.19%	0.04%	7.67%	---	---	23.22%	0.00%	0.06%	---	---
<i>Lipper Mid Cap Value Funds Index</i>	-5.31%	-5.31%	17.28%	0.15%	6.04%	---	---	22.67%	0.02%	0.06%	---	---
<i>Morningstar Mid-Cap Value Category Median</i>	-4.19%	-4.19%	16.52%	0.09%	6.03%	---	---	22.30%	0.03%	0.06%	---	---

Sources: Prudential Retirement, Russell, Morningstar™, Lipper.

▲ Please refer to the plan summary footnotes after this exhibit and the glossary & notes section at the end of this report for all appropriate notes and disclaimers

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Fourth Quarter 2011

Plan Summary

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2011					Inception Inception	Inception Date	Risk	Alpha	Sharpe	DDA Rank 9/30/11	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	5 Years			5 Years	5 Years			
<b>Mid Blend</b>	<b>Fidelity Advisor Leveraged Co Stk I</b>	<b>-10.44%</b>	<b>-10.44%</b>	<b>21.41%</b>	<b>-0.15%</b>	<b>12.33%</b>	<b>N/A</b>	<b>Dec-00</b>	<b>30.51%</b>	<b>-0.13%</b>	<b>0.11%</b>	<b>---</b>	<b>0.85%</b>
	<b>Vanguard Mid Cap Index Signal</b>	<b>-1.99%</b>	<b>-1.99%</b>	<b>20.02%</b>	<b>1.34%</b>	<b>6.72%</b>	<b>N/A</b>	<b>Mar-07</b>	<b>22.66%</b>	<b>-0.09%</b>	<b>0.11%</b>	<b>---</b>	<b>0.12%</b>
	<i>Russell MidCap Index</i>	<i>-1.55%</i>	<i>-1.55%</i>	<i>20.17%</i>	<i>1.41%</i>	<i>6.99%</i>	<i>---</i>	<i>---</i>	<i>22.79%</i>	<i>0.00%</i>	<i>0.12%</i>	<i>---</i>	<i>---</i>
	<i>Lipper Mid Cap Core Funds Index</i>	<i>-5.85%</i>	<i>-5.85%</i>	<i>17.67%</i>	<i>1.24%</i>	<i>5.58%</i>	<i>---</i>	<i>---</i>	<i>22.02%</i>	<i>-0.25%</i>	<i>0.11%</i>	<i>---</i>	<i>---</i>
	<i>Morningstar Mid-Cap Blend Category Median</i>	<i>-2.59%</i>	<i>-2.59%</i>	<i>17.89%</i>	<i>0.90%</i>	<i>5.72%</i>	<i>---</i>	<i>---</i>	<i>22.55%</i>	<i>-0.51%</i>	<i>0.09%</i>	<i>---</i>	<i>---</i>
<b>Mid Growth</b>	<b>Mid Cap Growth / Westfield Capital Fund*</b>	<b>-10.60%</b>	<b>-10.60%</b>	<b>15.96%</b>	<b>---</b>	<b>---</b>	<b>-0.26%</b>	<b>Jun-07</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>3</b>	<b>0.85%</b>
	<b>Manager Composite</b>	<b>-10.68%</b>	<b>-10.68%</b>	<b>15.96%</b>	<b>2.73%</b>	<b>6.39%</b>	<b>N/A</b>	<b>Jun-94</b>	<b>22.00%</b>	<b>0.36%</b>	<b>0.17%</b>	<b>---</b>	<b>0.85%</b>
	<b>Blended Performance</b>	<b>-10.60%</b>	<b>-10.60%</b>	<b>15.96%</b>	<b>2.73%</b>	<b>6.38%</b>	<b>N/A</b>	<b>Jun-94</b>	<b>21.85%</b>	<b>0.34%</b>	<b>0.17%</b>	<b>---</b>	<b>0.85%</b>
	<b>Eaton Vance Atlanta Capital SMID-Cap I</b>	<b>5.62%</b>	<b>5.62%</b>	<b>21.58%</b>	<b>8.30%</b>	<b>---</b>	<b>8.61%</b>	<b>Apr-02</b>	<b>21.18%</b>	<b>5.67%</b>	<b>0.42%</b>	<b>---</b>	<b>1.27%</b>
	<i>Russell MidCap Growth Index</i>	<i>-1.65%</i>	<i>-1.65%</i>	<i>22.06%</i>	<i>2.44%</i>	<i>5.29%</i>	<i>---</i>	<i>---</i>	<i>22.83%</i>	<i>0.00%</i>	<i>0.16%</i>	<i>---</i>	<i>---</i>
	<i>Lipper Mid Cap Growth Funds Index</i>	<i>-5.14%</i>	<i>-5.14%</i>	<i>19.44%</i>	<i>2.95%</i>	<i>4.51%</i>	<i>---</i>	<i>---</i>	<i>22.61%</i>	<i>0.49%</i>	<i>0.18%</i>	<i>---</i>	<i>---</i>
	<i>Morningstar Mid-Cap Growth Category Median</i>	<i>-3.59%</i>	<i>-3.59%</i>	<i>18.90%</i>	<i>2.32%</i>	<i>4.63%</i>	<i>---</i>	<i>---</i>	<i>22.45%</i>	<i>-0.05%</i>	<i>0.15%</i>	<i>---</i>	<i>---</i>
<b>Small Value</b> ☉	<b>Allianz NFJ Small Cap Value Inst</b>	<b>2.52%</b>	<b>2.52%</b>	<b>16.96%</b>	<b>4.70%</b>	<b>10.70%</b>	<b>N/A</b>	<b>Oct-91</b>	<b>19.40%</b>	<b>5.24%</b>	<b>0.26%</b>	<b>---</b>	<b>0.86%</b>
	<i>Russell 2000 Value Index</i>	<i>-5.50%</i>	<i>-5.50%</i>	<i>12.36%</i>	<i>-1.87%</i>	<i>6.40%</i>	<i>---</i>	<i>---</i>	<i>24.87%</i>	<i>0.00%</i>	<i>-0.01%</i>	<i>---</i>	<i>---</i>
	<i>Lipper Small Cap Value Funds Index</i>	<i>-4.97%</i>	<i>-4.97%</i>	<i>16.73%</i>	<i>0.41%</i>	<i>7.34%</i>	<i>---</i>	<i>---</i>	<i>24.05%</i>	<i>2.08%</i>	<i>0.08%</i>	<i>---</i>	<i>---</i>
	<i>Morningstar Small Value Category Median</i>	<i>-4.15%</i>	<i>-4.15%</i>	<i>16.89%</i>	<i>0.63%</i>	<i>7.38%</i>	<i>---</i>	<i>---</i>	<i>24.46%</i>	<i>2.33%</i>	<i>0.09%</i>	<i>---</i>	<i>---</i>
<b>Small Blend</b> ☉	<b>Royce Pennsylvania Mutual Inv</b>	<b>-4.17%</b>	<b>-4.17%</b>	<b>17.39%</b>	<b>1.63%</b>	<b>7.92%</b>	<b>N/A</b>	<b>Dec-62</b>	<b>23.60%</b>	<b>1.34%</b>	<b>0.13%</b>	<b>---</b>	<b>0.90%</b>
	<b>Vanguard Small Cap Index</b>	<b>-2.68%</b>	<b>-2.68%</b>	<b>19.26%</b>	<b>1.91%</b>	<b>6.66%</b>	<b>N/A</b>	<b>Dec-06</b>	<b>24.90%</b>	<b>1.82%</b>	<b>0.15%</b>	<b>---</b>	<b>0.17%</b>
	<i>Russell 2000 Index</i>	<i>-4.18%</i>	<i>-4.18%</i>	<i>15.63%</i>	<i>0.15%</i>	<i>5.62%</i>	<i>---</i>	<i>---</i>	<i>24.47%</i>	<i>0.00%</i>	<i>0.07%</i>	<i>---</i>	<i>---</i>
	<i>Lipper Small Cap Core Funds Index</i>	<i>-3.75%</i>	<i>-3.75%</i>	<i>17.70%</i>	<i>1.37%</i>	<i>5.83%</i>	<i>---</i>	<i>---</i>	<i>23.16%</i>	<i>1.01%</i>	<i>0.12%</i>	<i>---</i>	<i>---</i>
	<i>Morningstar Small Blend Category Median</i>	<i>-3.17%</i>	<i>-3.17%</i>	<i>16.67%</i>	<i>0.16%</i>	<i>6.18%</i>	<i>---</i>	<i>---</i>	<i>24.31%</i>	<i>0.10%</i>	<i>0.08%</i>	<i>---</i>	<i>---</i>
<b>Small Growth</b> ☉	<b>BlackRock Small Cap Growth Equity Inst</b>	<b>0.22%</b>	<b>0.22%</b>	<b>18.45%</b>	<b>2.89%</b>	<b>6.16%</b>	<b>N/A</b>	<b>Sep-93</b>	<b>24.34%</b>	<b>0.88%</b>	<b>0.18%</b>	<b>---</b>	<b>0.84%</b>
	<i>Russell 2000 Growth Index</i>	<i>-2.91%</i>	<i>-2.91%</i>	<i>19.00%</i>	<i>2.09%</i>	<i>4.48%</i>	<i>---</i>	<i>---</i>	<i>24.64%</i>	<i>0.00%</i>	<i>0.15%</i>	<i>---</i>	<i>---</i>
	<i>Lipper Small Cap Growth Funds Index</i>	<i>-3.01%</i>	<i>-3.01%</i>	<i>19.08%</i>	<i>1.20%</i>	<i>3.68%</i>	<i>---</i>	<i>---</i>	<i>23.07%</i>	<i>-0.98%</i>	<i>0.11%</i>	<i>---</i>	<i>---</i>
	<i>Morningstar Small Growth Category Median</i>	<i>-3.37%</i>	<i>-3.37%</i>	<i>18.46%</i>	<i>1.55%</i>	<i>4.73%</i>	<i>---</i>	<i>---</i>	<i>23.80%</i>	<i>-0.53%</i>	<i>0.13%</i>	<i>---</i>	<i>---</i>
<b>Global Blend</b> ☉	<b>American Funds Capital World G/I R4</b>	<b>-7.55%</b>	<b>-7.55%</b>	<b>9.62%</b>	<b>-0.96%</b>	<b>7.47%</b>	<b>N/A</b>	<b>Jun-02</b>	<b>20.54%</b>	<b>1.42%</b>	<b>-0.01%</b>	<b>---</b>	<b>0.81%</b>
	<i>MSCI World Index (net)</i>	<i>-5.54%</i>	<i>-5.54%</i>	<i>11.13%</i>	<i>-2.37%</i>	<i>3.62%</i>	<i>---</i>	<i>---</i>	<i>20.47%</i>	<i>0.00%</i>	<i>-0.08%</i>	<i>---</i>	<i>---</i>
	<i>Lipper Global Funds Index</i>	<i>-10.47%</i>	<i>-10.47%</i>	<i>10.01%</i>	<i>-2.28%</i>	<i>3.86%</i>	<i>---</i>	<i>---</i>	<i>19.73%</i>	<i>-0.13%</i>	<i>-0.09%</i>	<i>---</i>	<i>---</i>
	<i>Morningstar World Stock Category Median</i>	<i>-7.53%</i>	<i>-7.53%</i>	<i>12.30%</i>	<i>-1.70%</i>	<i>4.42%</i>	<i>---</i>	<i>---</i>	<i>21.65%</i>	<i>0.86%</i>	<i>-0.04%</i>	<i>---</i>	<i>---</i>

Sources: Prudential Retirement, Russell, Morningstar™, Lipper.

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Fourth Quarter 2011

Plan Summary

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2011					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 9/30/11	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
<b>International Blend</b> ☺ American Funds EuroPacific Gr R4 MSCI EAFE (net) Lipper International Funds Index Morningstar Foreign Large Blend Category Median	-13.61%	-13.61%	9.55%	-1.46%	6.51%	N/A	Jun-02	21.84%	2.96%	-0.02%	---	0.85%
	-12.14%	-12.14%	7.65%	-4.72%	4.67%	---	---	22.64%	0.00%	-0.16%	---	---
	-14.75%	-14.75%	8.57%	-3.81%	5.24%	---	---	23.19%	1.12%	-0.11%	---	---
	-13.78%	-13.78%	7.88%	-4.36%	4.51%	---	---	23.37%	0.57%	-0.13%	---	---
<b>Balanced Growth (Moderate Allocation)</b> Oakmark Equity & Income I 60% R1000 Growth / 40% Barclays Cap Govt Credit Lipper Balanced Funds Index Morningstar Moderate Allocation Category Median	0.64%	0.64%	9.71%	4.39%	7.10%	N/A	Nov-95	11.66%	0.14%	0.31%	---	0.79%
	5.02%	5.02%	13.83%	4.55%	4.23%	---	---	11.65%	0.00%	0.32%	---	---
	0.98%	0.98%	11.71%	1.84%	4.14%	---	---	12.95%	-2.84%	0.10%	---	---
	0.01%	0.01%	11.55%	1.62%	4.25%	---	---	13.48%	-3.05%	0.09%	---	---
<b>Retirement Income - IncomeFlex (Moderate Allocation)</b> * IncomeFlex LT Balanced Fund* Lifetime Balanced Primary Benchmark IncomeFlex LT Conservative Growth Fund* IncomeFlex LT Conservative Growth Fund* Lipper Balanced Funds Index Lifetime Conservative Growth Primary Benchmark Morningstar Moderate Allocation Category Median	-0.03%	-0.03%	10.94%	0.51%	3.42%	N/A	Nov-06	13.93%	-1.40%	0.01%	---	1.85%
	-0.53%	-0.53%	10.38%	0.01%	2.91%	N/A	Nov-06	13.93%	-1.90%	-0.03%	---	2.35%
	1.47%	1.47%	11.37%	1.96%	4.89%	---	---	13.23%	0.00%	0.11%	---	---
	1.14%	1.14%	10.59%	1.37%	3.72%	N/A	Nov-06	12.01%	-1.37%	0.06%	---	1.79%
	0.63%	0.63%	10.04%	0.86%	3.20%	N/A	Nov-06	12.01%	-1.87%	0.02%	---	2.29%
	0.98%	0.98%	11.71%	1.84%	4.14%	---	---	12.95%	-0.95%	0.10%	---	---
	2.45%	2.45%	10.74%	2.74%	5.12%	---	---	11.34%	0.00%	0.17%	---	---
	0.01%	0.01%	11.55%	1.62%	4.25%	---	---	13.48%	-1.14%	0.09%	---	---
<b>Retirement Income - IncomeFlex (Conservative Allocation)</b> * IncomeFlex LT Income & Equity Fund* IncomeFlex LT Income & Equity Fund* Lipper Balanced Funds Index Lifetime Income & Equity Primary Benchmark Morningstar Conservative Allocation Category Median	2.96%	2.96%	9.26%	2.66%	3.90%	N/A	Nov-06	8.19%	-1.43%	0.19%	---	1.70%
	2.45%	2.45%	8.71%	2.15%	3.38%	N/A	Nov-06	8.19%	-1.93%	0.13%	---	2.20%
	0.98%	0.98%	11.71%	1.84%	4.14%	---	---	12.95%	-3.40%	0.10%	---	---
	4.09%	4.09%	9.08%	3.98%	5.19%	---	---	7.60%	0.00%	0.37%	---	---
	1.90%	1.90%	10.40%	3.12%	4.38%	---	---	9.15%	-1.19%	0.23%	---	---
<b>Intermediate-Term Bond</b> * Core Plus Bond / PIMCO Fund* Barclays Aggregate Bond Index Morningstar Intermediate-Term Bond Category Median	2.30%	2.30%	6.78%	7.01%	---	6.21%	Jul-02	5.10%	-0.29%	1.09%	4	0.45%
	7.84%	7.84%	6.77%	6.50%	5.78%	---	---	3.60%	0.00%	1.37%	---	---
	6.47%	6.47%	8.60%	6.15%	5.46%	---	---	4.25%	-0.19%	1.06%	---	---
<b>Stable Value</b> Gibraltar Guaranteed Fund Current Net Annualized Rate as of 01/01/2012: 3.38% 5 Year Treasury Average Yield	3.58%	3.58%	4.18%	---	---	4.30%	Nov-08	---	---	---	---	---
	1.48%	1.48%	1.85%	2.52%	3.14%	---	---	0.31%	0.00%	4.02%	---	---

Sources: Prudential Retirement, Russell, Morningstar™, Lipper.

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# Investment Options Review

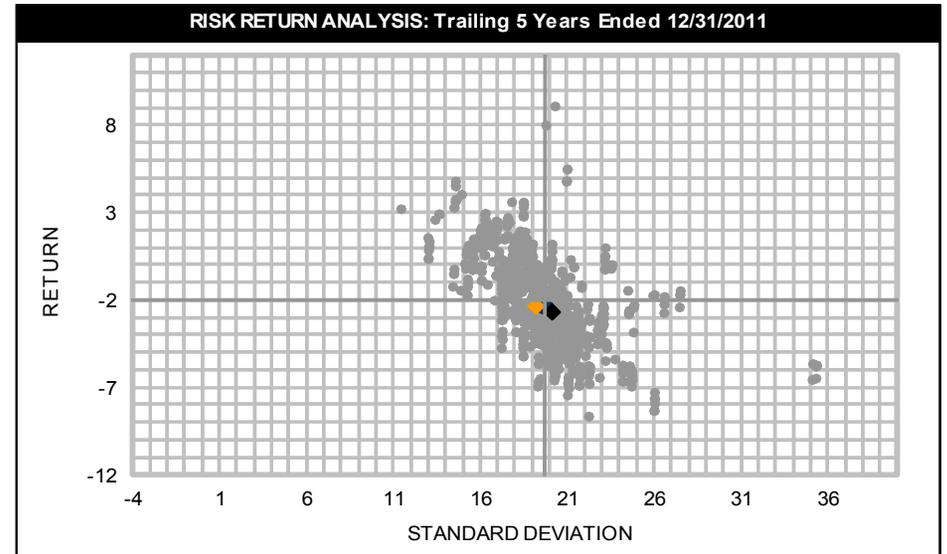
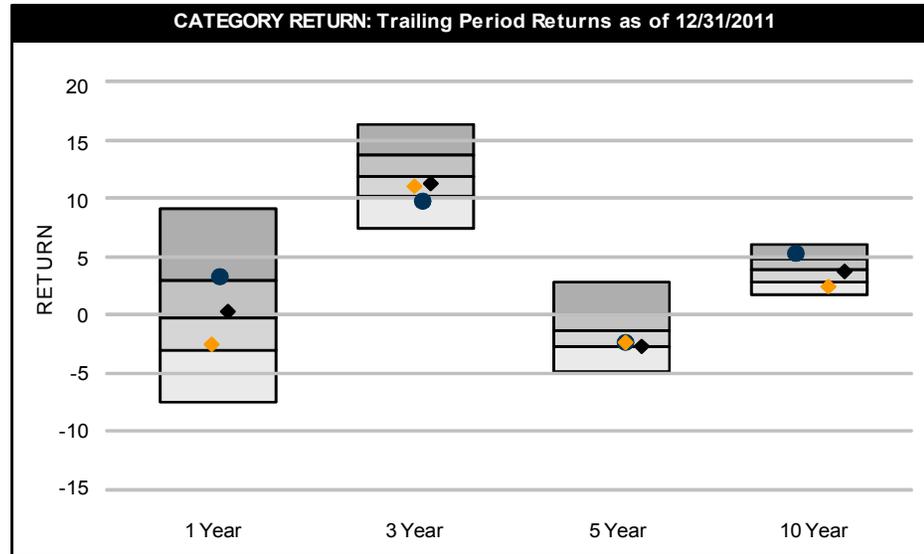
# Large Value

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2011					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 9/30/11	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Allianz NFJ Dividend Value Inst	3.44%	3.44%	10.01%	-2.29%	5.47%	N/A	May-00	19.64%	0.21%	-0.09%	---	0.71%
◆ Russell 1000 Value Index	0.39%	0.39%	11.55%	-2.64%	3.89%	---	---	20.09%	0.00%	-0.10%	---	---
◆ Lipper Large Cap Value Funds Index	-2.47%	-2.47%	11.31%	-2.30%	2.57%	---	---	19.16%	0.04%	-0.10%	---	---
Morningstar Large Value Category Median	-0.79%	-0.79%	12.01%	-1.98%	3.54%	---	---	19.69%	0.70%	-0.06%	---	---

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Allianz NFJ Dividend Value Inst	22%	22%	81%	58%	8%	49%	61%	60%

# of funds in Morningstar Category	314	314	298	270	206
------------------------------------	-----	-----	-----	-----	-----

Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



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Source: Morningstar™ Large Value Category for creating asset class universe.

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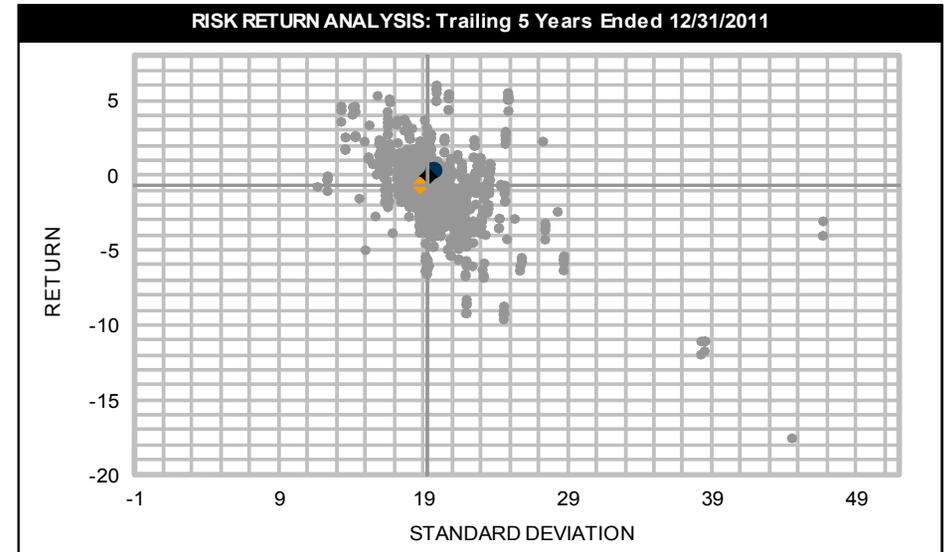
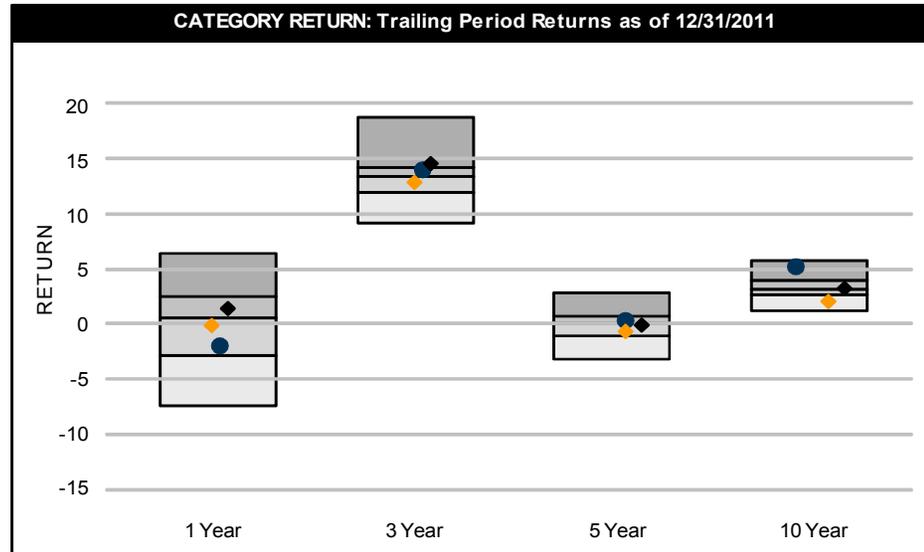
# Large Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2011					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 9/30/11	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● American Funds Fundamental Invs R4	-1.92%	-1.92%	14.24%	0.40%	5.35%	N/A	Jul-02	19.66%	0.51%	0.05%	---	0.66%
◆ Russell 1000 Index	1.50%	1.50%	14.81%	-0.02%	3.34%	---	---	19.29%	0.00%	0.03%	---	---
◆ Lipper Large Cap Core Funds Index	-0.05%	-0.05%	13.09%	-0.60%	2.16%	---	---	18.73%	-0.38%	-0.01%	---	---
Morningstar Large Blend Category Median	-0.06%	-0.06%	13.50%	-0.63%	2.75%	---	---	19.19%	-0.28%	0.00%	---	---

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● American Funds Fundamental Invs R4	65%	65%	28%	22%	6%	66%	21%	21%

# of funds in Morningstar Category	513	513	475	434	331
------------------------------------	-----	-----	-----	-----	-----

Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



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Source: Morningstar™ Large Blend Category for creating asset class universe.

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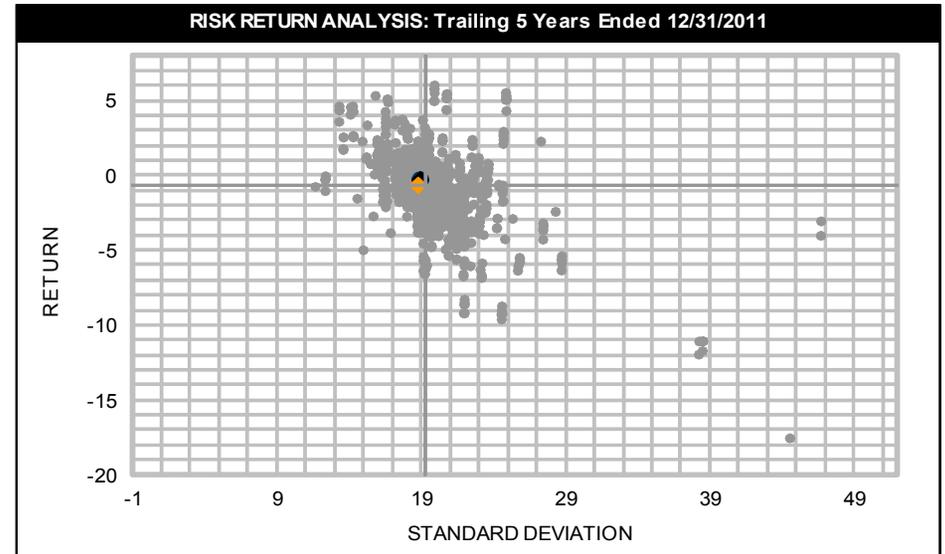
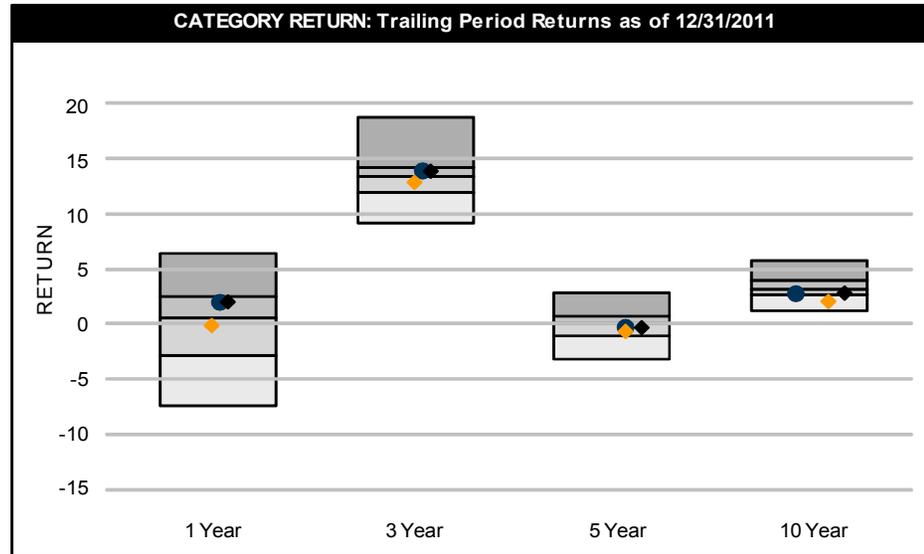
# Large Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2011					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 9/30/11	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Vanguard 500 Index Signal	2.08%	2.08%	14.14%	-0.23%	2.87%	N/A	Sep-06	18.88%	0.02%	0.01%	---	0.06%
◆ S&P 500 Index	2.11%	2.11%	14.11%	-0.25%	2.92%	---	---	18.88%	0.00%	0.01%	---	---
◆ Lipper Large Cap Core Funds Index	-0.05%	-0.05%	13.09%	-0.60%	2.16%	---	---	18.73%	-0.38%	-0.01%	---	---
◆ Morningstar Large Blend Category Median	-0.06%	-0.06%	13.50%	-0.63%	2.75%	---	---	19.19%	-0.28%	0.00%	---	---

Return Rank w ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Vanguard 500 Index Signal	22%	22%	31%	32%	43%	35%	36%	36%

# of funds in Morningstar Category: 513 (1 Year), 513 (3 Years), 475 (5 Years), 434 (5 Years), 331 (10 Years)

Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



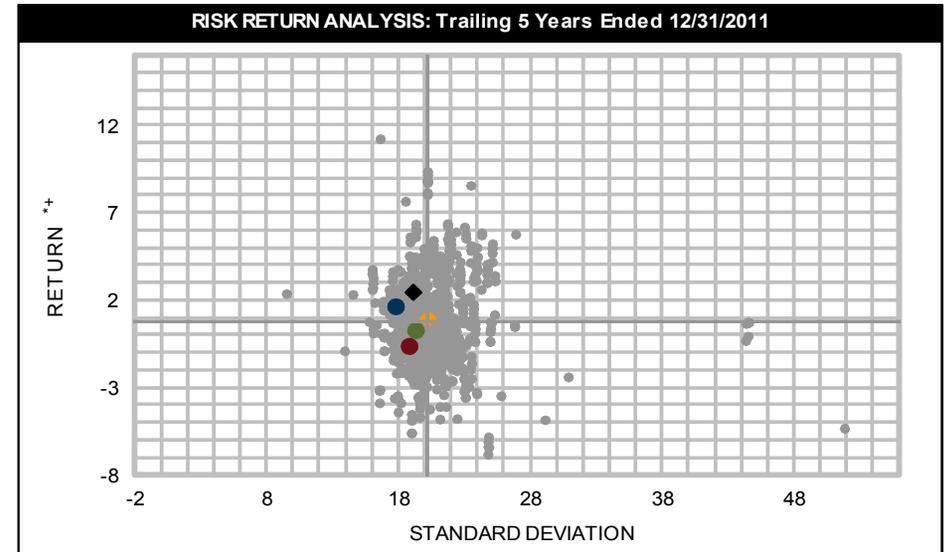
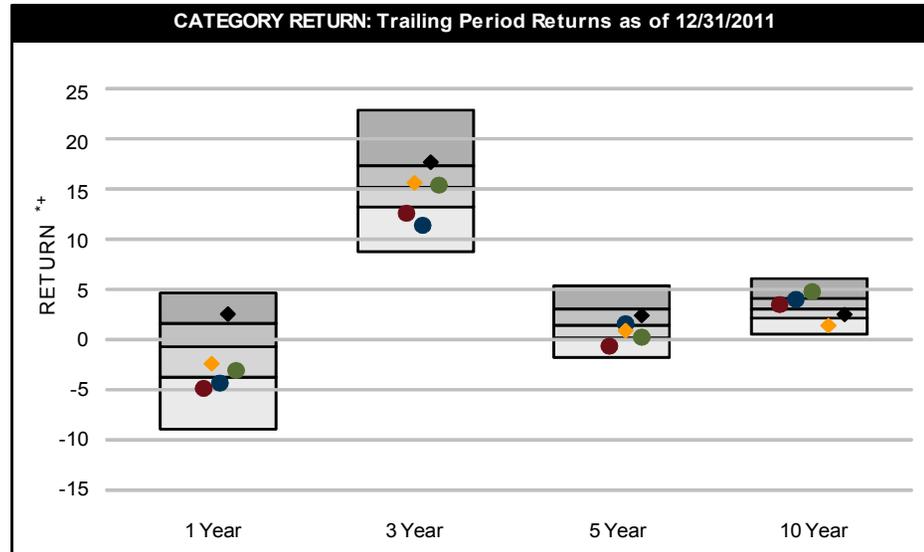
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 Source: Morningstar™ Large Blend Category for creating asset class universe.

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# Large Growth

Investment Option/Benchmark	YTD	Average Annual Total Returns as of 12/31/2011 <sup>+</sup>				Inception	Risk	Alpha	Sharpe	DDA Rank <sup>+</sup>	Expense	
	Return <sup>++</sup>	1 Year	3 Years	5 Years	10 Years	Inception	5 Years	5 Years	5 Years	9/30/11	Ratio <sup>+</sup>	
● Large Cap Growth / Neuberger Berman Fund	-4.34%	-4.34%	11.63%	1.68%	4.14%	N/A	Jan-87	17.76%	-0.80%	0.11%	2	0.62%
● American Funds Growth Fund of Amer R4	-4.87%	-4.87%	12.85%	-0.59%	3.61%	N/A	May-02	18.78%	-3.04%	-0.01%	---	0.68%
● Neuberger Berman Socially Resp No Load	-3.05%	-3.05%	15.70%	0.31%	4.92%	N/A	Mar-97	19.27%	-2.05%	0.04%	---	1.08%
◆ Russell 1000 Growth Index	2.64%	2.64%	18.02%	2.50%	2.60%	---	---	19.08%	0.00%	0.15%	---	---
◆ Lipper Large Cap Growth Funds Index	-2.38%	-2.38%	15.92%	0.97%	1.49%	---	---	20.19%	-1.44%	0.08%	---	---
◆ Morningstar Large Growth Category Median	-1.48%	-1.48%	15.23%	0.77%	2.48%	---	---	20.12%	-1.43%	0.08%	---	---
Return Rank w ithin Category	YTD	1 Year	3 Years	5 Years	10 Years			Risk	Alpha	Sharpe		
● Large Cap Growth / Neuberger Berman Fund	72%	72%	87%	37%	14%			8%	40%	41%		
● American Funds Growth Fund of Amer R4	77%	77%	77%	79%	27%			20%	81%	83%		
● Neuberger Berman Socially Resp No Load	65%	65%	45%	60%	9%			31%	62%	63%		
◆ # of funds in Morningstar Category	458	458	426	394	311							

Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



\* For Institutional Funds, the returns for periods prior to the investment manager's inception date may represent the blend of actual separate account performance and the manager's composite for similar strategies. Actual returns and the composite are shown separately in the Plan Summary section earlier in this report. Refer to the Glossary and Notes section at the end of this report for other important information.

+ For Institutional Funds and Alliance Funds, returns, expense ratios and rankings do not reflect any contract charges.

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Source: Morningstar™ Large Growth Category for creating asset class universe.

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# Mid Value

Investment Option/Benchmark	YTD	Average Annual Total Returns as of 12/31/2011 <sup>+</sup>				Inception	Risk	Alpha	Sharpe	DDA Rank <sup>+</sup>	Expense	
	Return <sup>++</sup>	1 Year	3 Years	5 Years	10 Years							5 Years
● Mid Cap Value / Systematic Fund	-5.46%	-5.46%	16.77%	2.48%	9.39%	N/A	Mar-00	21.56%	2.19%	0.16%	2	0.80%
● Perkins Mid Cap Value T	-2.55%	-2.55%	13.41%	2.63%	7.58%	N/A	Aug-98	17.81%	1.78%	0.16%	---	1.00%
◆ Russell MidCap Value Index	-1.38%	-1.38%	18.19%	0.04%	7.67%	---	---	23.22%	0.00%	0.06%	---	---
◆ Lipper Mid Cap Value Funds Index	-5.31%	-5.31%	17.28%	0.15%	6.04%	---	---	22.67%	0.02%	0.06%	---	---
◆ Morningstar Mid-Cap Value Category Median	-4.19%	-4.19%	16.52%	0.09%	6.03%	---	---	22.30%	0.03%	0.06%	---	---

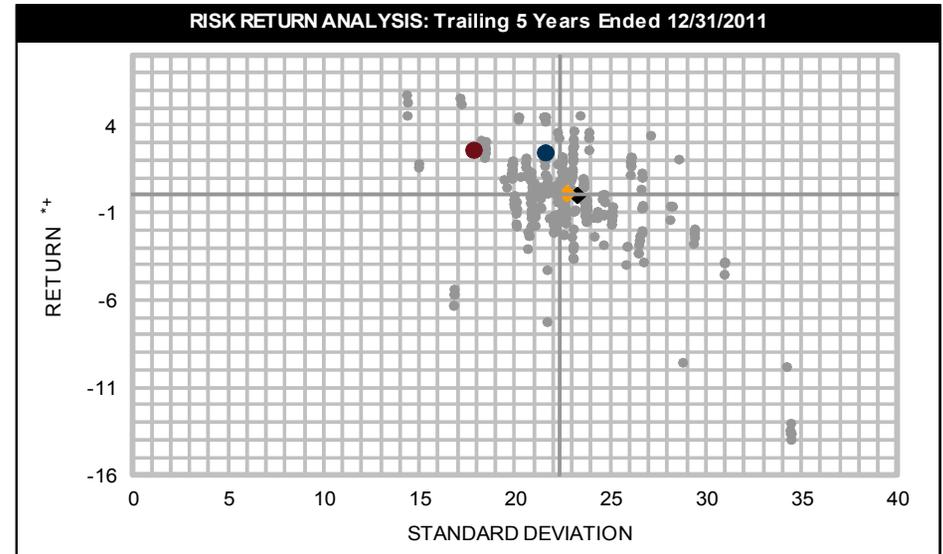
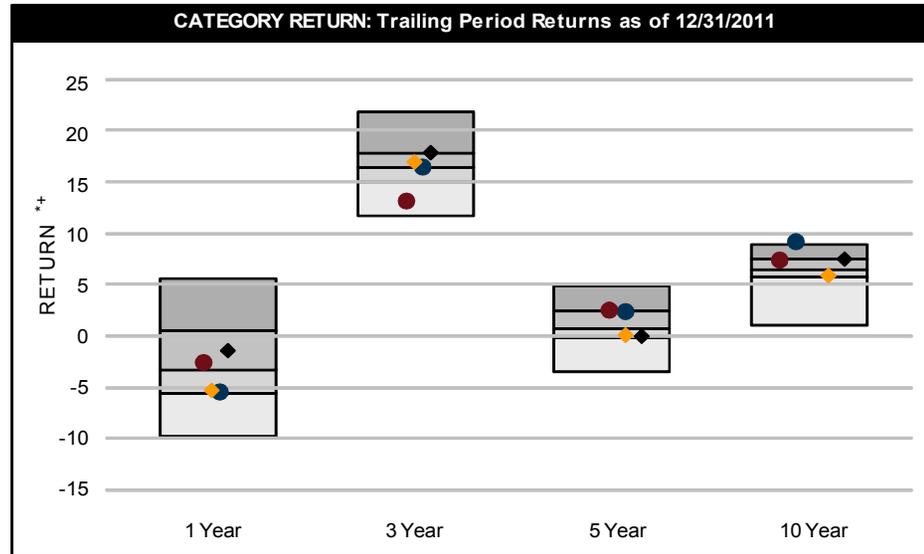
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Mid Cap Value / Systematic Fund	65%	65%	47%	18%	2%	38%	17%	19%
● Perkins Mid Cap Value T	40%	40%	89%	17%	19%	6%	23%	19%

# of funds in Morningstar Category	111	111	103	91	53
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



\* For Institutional Funds, the returns for periods prior to the investment manager's inception date may represent the blend of actual separate account performance and the manager's composite for similar strategies. Actual returns and the composite are shown separately in the Plan Summary section earlier in this report. Refer to the Glossary and Notes section at the end of this report for other important information.

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Source: Morningstar™ Mid-Cap Value Category for creating asset class universe.

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# Mid Blend

Investment Option/Benchmark	YTD	Average Annual Total Returns as of 12/31/2011				Inception	Risk	Alpha	Sharpe	DDA Rank	Expense	
	Return	1 Year	3 Years	5 Years	10 Years							5 Years
● Fidelity Advisor Leveraged Co Stk I	-10.44%	-10.44%	21.41%	-0.15%	12.33%	N/A	Dec-00	30.51%	-0.13%	0.11%	---	0.85%
● Vanguard Mid Cap Index Signal	-1.99%	-1.99%	20.02%	1.34%	6.72%	N/A	Mar-07	22.66%	-0.09%	0.11%	---	0.12%
◆ Russell MidCap Index	-1.55%	-1.55%	20.17%	1.41%	6.99%	---	---	22.79%	0.00%	0.12%	---	---
◆ Lipper Mid Cap Core Funds Index	-5.85%	-5.85%	17.67%	1.24%	5.58%	---	---	22.02%	-0.25%	0.11%	---	---
Morningstar Mid-Cap Blend Category Median	-2.59%	-2.59%	17.89%	0.90%	5.72%	---	---	22.55%	-0.51%	0.09%	---	---

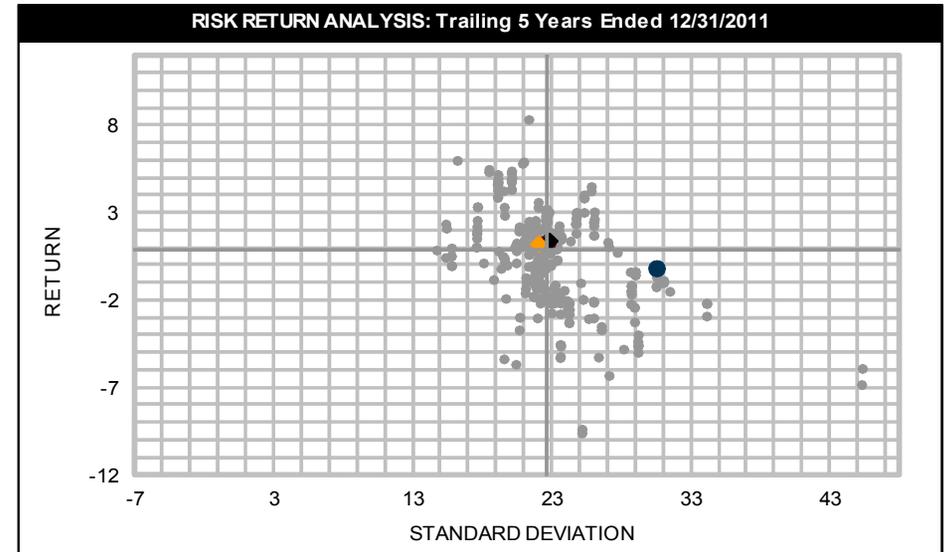
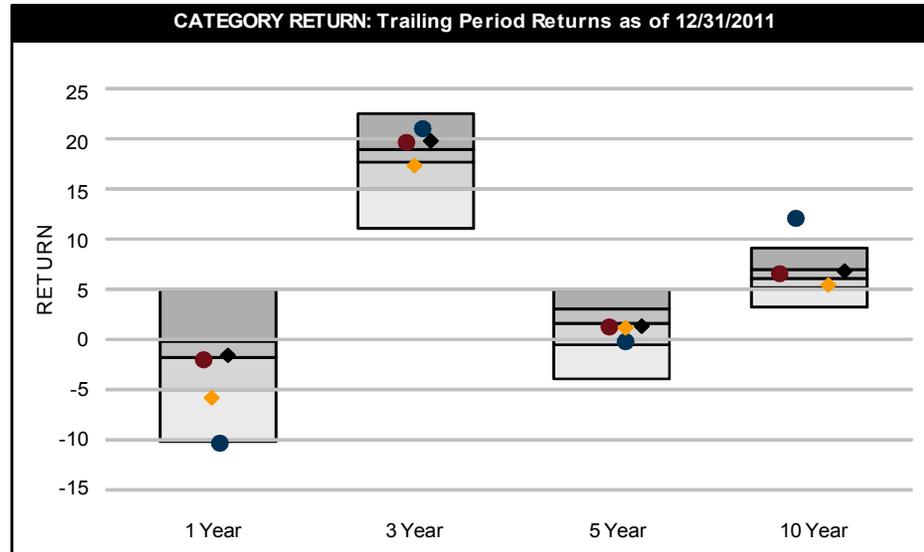
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Fidelity Advisor Leveraged Co Stk I	91%	91%	15%	65%	1%	97%	44%	45%
● Vanguard Mid Cap Index Signal	41%	41%	20%	41%	20%	61%	43%	43%

# of funds in Morningstar Category	148	148	139	121	90
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



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 Source: Morningstar™ Mid-Cap Blend Category for creating asset class universe.

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# Mid Growth

Investment Option/Benchmark	YTD	Average Annual Total Returns as of 12/31/2011 <sup>+</sup>				Inception	Date	Risk	Alpha	Sharpe	DDA Rank <sup>+</sup>	Expense
	Return <sup>++</sup>	1 Year	3 Years	5 Years	10 Years			5 Years	5 Years	5 Years		
● Mid Cap Growth / Westfield Capital Fund	-10.60%	-10.60%	15.96%	2.73%	6.38%	N/A	Jun-94	21.85%	0.34%	0.17%	3	0.85%
● Eaton Vance Atlanta Capital SMID-Cap I	5.62%	5.62%	21.58%	8.30%	---	8.61%	Apr-02	21.18%	5.67%	0.42%	---	1.27%
◆ Russell MidCap Growth Index	-1.65%	-1.65%	22.06%	2.44%	5.29%	---	---	22.83%	0.00%	0.16%	---	---
◆ Lipper Mid Cap Growth Funds Index	-5.14%	-5.14%	19.44%	2.95%	4.51%	---	---	22.61%	0.49%	0.18%	---	---
◆ Morningstar Mid-Cap Growth Category Median	-3.59%	-3.59%	18.90%	2.32%	4.63%	---	---	22.45%	-0.05%	0.15%	---	---

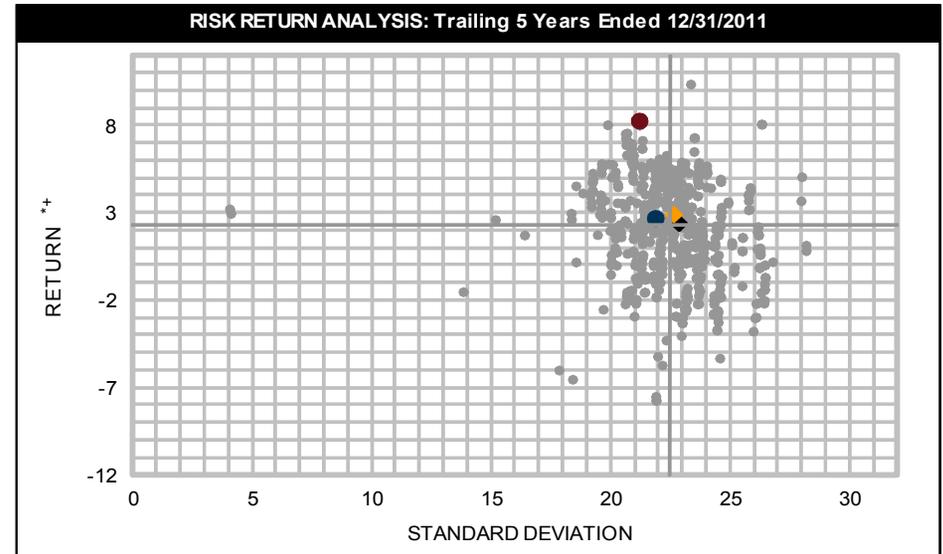
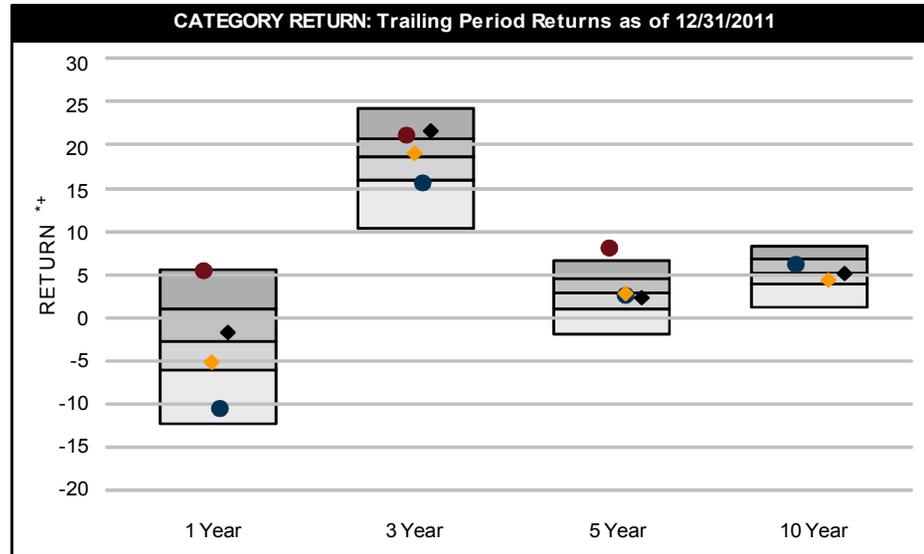
  

Return Rank w/in Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Mid Cap Growth / Westfield Capital Fund	91%	91%	77%	46%	24%	37%	46%	45%
● Eaton Vance Atlanta Capital SMID-Cap I	4%	4%	19%	1%	---	25%	2%	2%

# of funds in Morningstar Category	221	221	206	194	151
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



\* For Institutional Funds, the returns for periods prior to the investment manager's inception date may represent the blend of actual separate account performance and the manager's composite for similar strategies. Actual returns and the composite are shown separately in the Plan Summary section earlier in this report. Refer to the Glossary and Notes section at the end of this report for other important information.

+ For Institutional Funds and Alliance Funds, returns, expense ratios and rankings do not reflect any contract charges.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.

Source: Morningstar™ Mid-Cap Growth Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

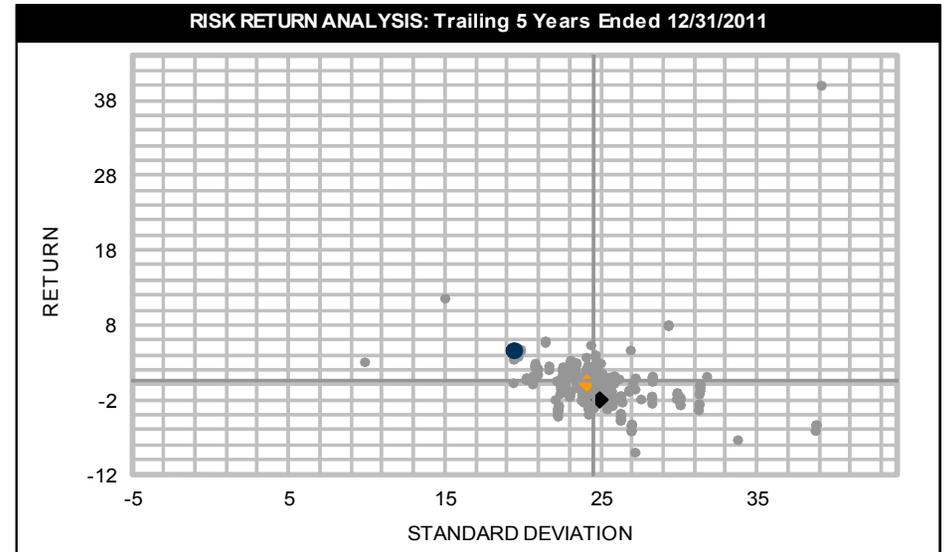
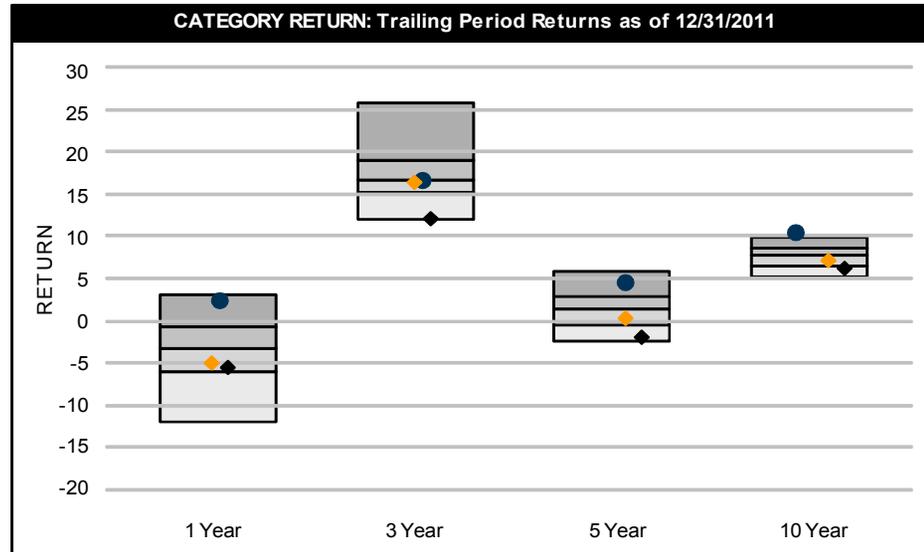
# Small Value

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2011					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 9/30/11	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Allianz NFJ Small Cap Value Inst	2.52%	2.52%	16.96%	4.70%	10.70%	N/A	Oct-91	19.40%	5.24%	0.26%	---	0.86%
◆ Russell 2000 Value Index	-5.50%	-5.50%	12.36%	-1.87%	6.40%	---	---	24.87%	0.00%	-0.01%	---	---
◆ Lipper Small Cap Value Funds Index	-4.97%	-4.97%	16.73%	0.41%	7.34%	---	---	24.05%	2.08%	0.08%	---	---
Morningstar Small Value Category Median	-4.15%	-4.15%	16.89%	0.63%	7.38%	---	---	24.46%	2.33%	0.09%	---	---

Return Rank w/in Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Allianz NFJ Small Cap Value Inst	6%	6%	50%	9%	1%	4%	11%	8%

# of funds in Morningstar Category: 100 (1 Year), 100 (3 Year), 92 (5 Year), 83 (5 Year), 58 (10 Year)

Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



Smaller companies may present greater opportunities for capital appreciation, but also may involve greater risks than larger companies. As a result, the value of stocks issued by smaller companies may go up and down more than stocks of larger issuers.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
Source: Morningstar™ Small Value Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Small Blend

Investment Option/Benchmark	YTD	Average Annual Total Returns as of 12/31/2011				Inception	Risk	Alpha	Sharpe	DDA Rank	Expense	
	Return	1 Year	3 Years	5 Years	10 Years							5 Years
● Royce Pennsylvania Mutual Inv	-4.17%	-4.17%	17.39%	1.63%	7.92%	N/A	Dec-62	23.60%	1.34%	0.13%	---	0.90%
● Vanguard Small Cap Index	-2.68%	-2.68%	19.26%	1.91%	6.66%	N/A	Dec-06	24.90%	1.82%	0.15%	---	0.17%
◆ Russell 2000 Index	-4.18%	-4.18%	15.63%	0.15%	5.62%	---	---	24.47%	0.00%	0.07%	---	---
◆ Lipper Small Cap Core Funds Index	-3.75%	-3.75%	17.70%	1.37%	5.83%	---	---	23.16%	1.01%	0.12%	---	---
◆ Morningstar Small Blend Category Median	-3.17%	-3.17%	16.67%	0.16%	6.18%	---	---	24.31%	0.10%	0.08%	---	---

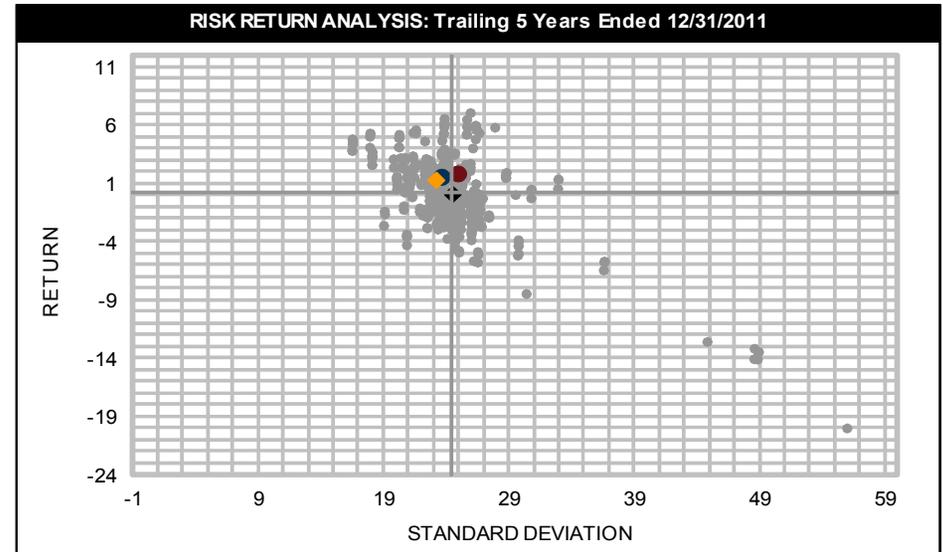
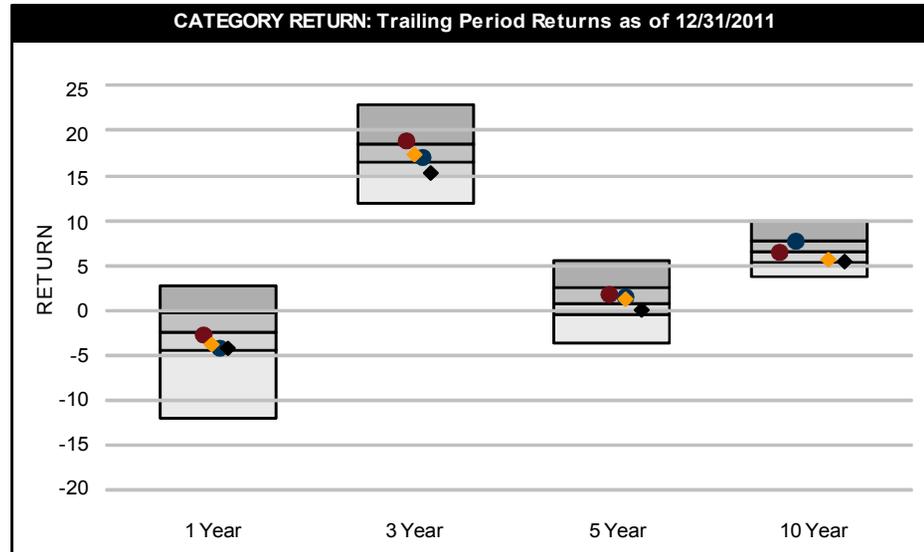
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Royce Pennsylvania Mutual Inv	60%	60%	40%	34%	20%	34%	34%	34%
● Vanguard Small Cap Index	45%	45%	24%	28%	39%	67%	25%	27%

# of funds in Morningstar Category	207	207	192	173	127
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



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▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
 Source: Morningstar™ Small Blend Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

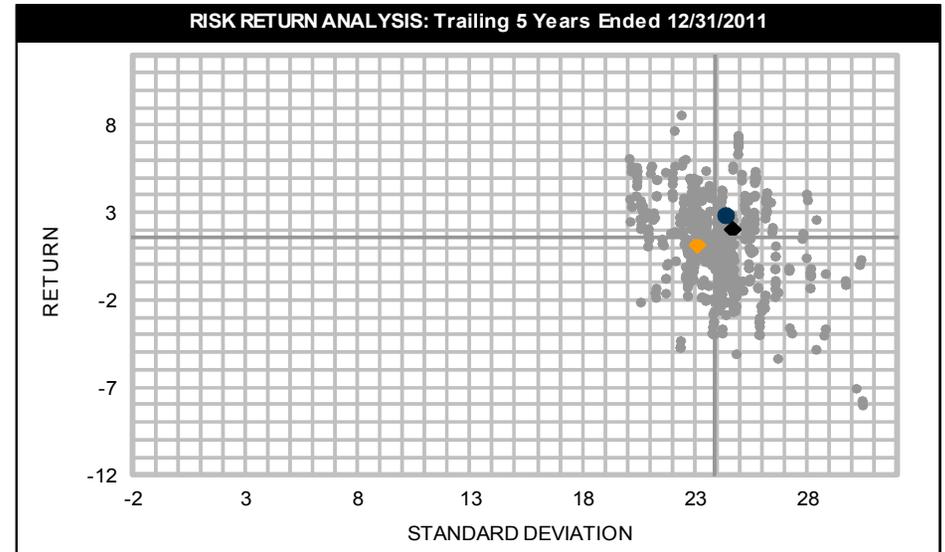
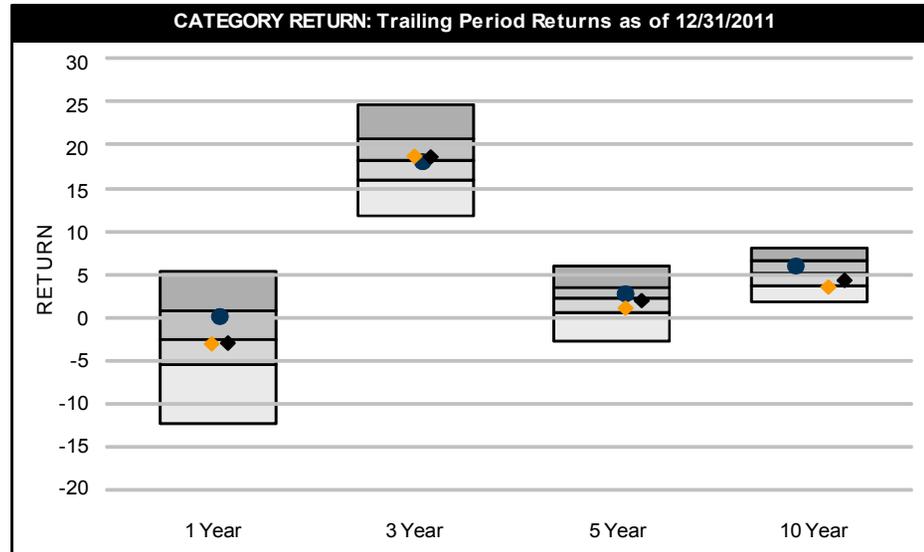
# Small Growth

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2011				Inception Inception	Inception Date	Risk	Alpha	Sharpe	DDA Rank 9/30/11	Expense Ratio
		1 Year	3 Years	5 Years	10 Years			5 Years	5 Years	5 Years		
● BlackRock Small Cap Growth Equity Inst	0.22%	0.22%	18.45%	2.89%	6.16%	N/A	Sep-93	24.34%	0.88%	0.18%	---	0.84%
◆ Russell 2000 Growth Index	-2.91%	-2.91%	19.00%	2.09%	4.48%	---	---	24.64%	0.00%	0.15%	---	---
◆ Lipper Small Cap Growth Funds Index	-3.01%	-3.01%	19.08%	1.20%	3.68%	---	---	23.07%	-0.98%	0.11%	---	---
Morningstar Small Growth Category Median	-3.37%	-3.37%	18.46%	1.55%	4.73%	---	---	23.80%	-0.53%	0.13%	---	---

Return Rank w ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● BlackRock Small Cap Growth Equity Inst	24%	24%	51%	27%	25%	66%	26%	26%

# of funds in Morningstar Category	222	222	210	194	149
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



Smaller companies may present greater opportunities for capital appreciation, but also may involve greater risks than larger companies. As a result, the value of stocks issued by smaller companies may go up and down more than stocks of larger issuers.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
Source: Morningstar™ Small Growth Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

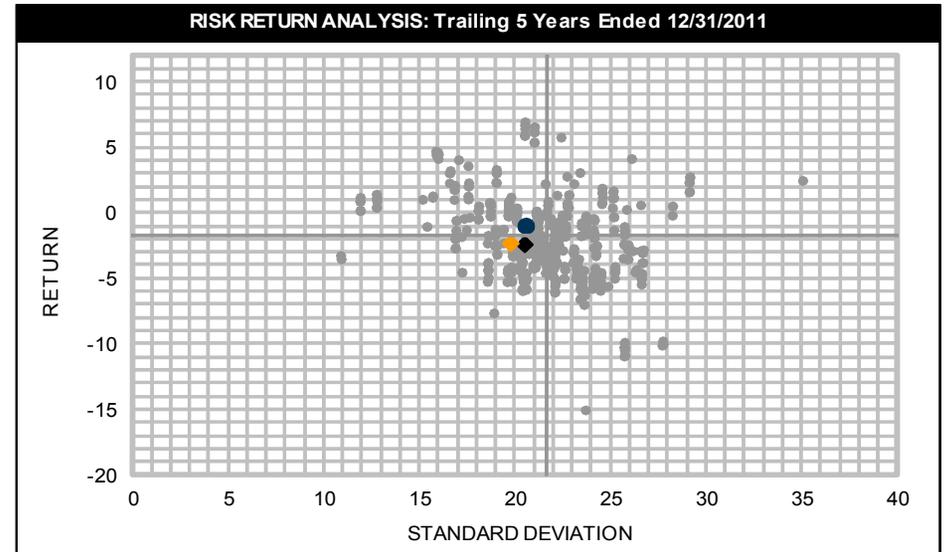
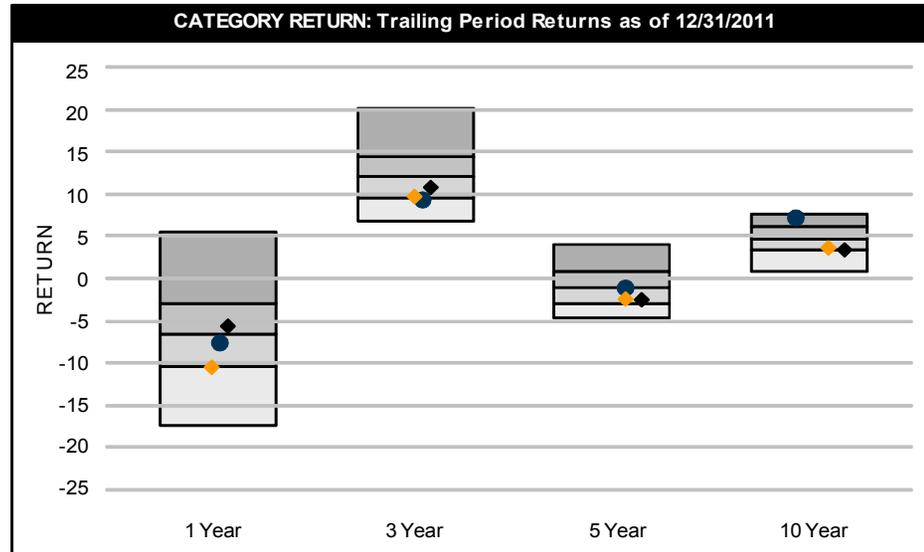
# Global Blend

Investment Option/Benchmark	YTD	Average Annual Total Returns as of 12/31/2011				Inception	Risk	Alpha	Sharpe	DDA Rank	Expense	
	Return	1 Year	3 Years	5 Years	10 Years							5 Years
● American Funds Capital World G/I R4	-7.55%	-7.55%	9.62%	-0.96%	7.47%	N/A	Jun-02	20.54%	1.42%	-0.01%	---	0.81%
◆ MSCI World Index (net)	-5.54%	-5.54%	11.13%	-2.37%	3.62%	---	---	20.47%	0.00%	-0.08%	---	---
◆ Lipper Global Funds Index	-10.47%	-10.47%	10.01%	-2.28%	3.86%	---	---	19.73%	-0.13%	-0.09%	---	---
Morningstar World Stock Category Median	-7.53%	-7.53%	12.30%	-1.70%	4.42%	---	---	21.65%	0.86%	-0.04%	---	---

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● American Funds Capital World G/I R4	50%	50%	75%	37%	6%	34%	43%	43%

# of funds in Morningstar Category	235	235	192	134	90
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
Source: Morningstar™ World Stock Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

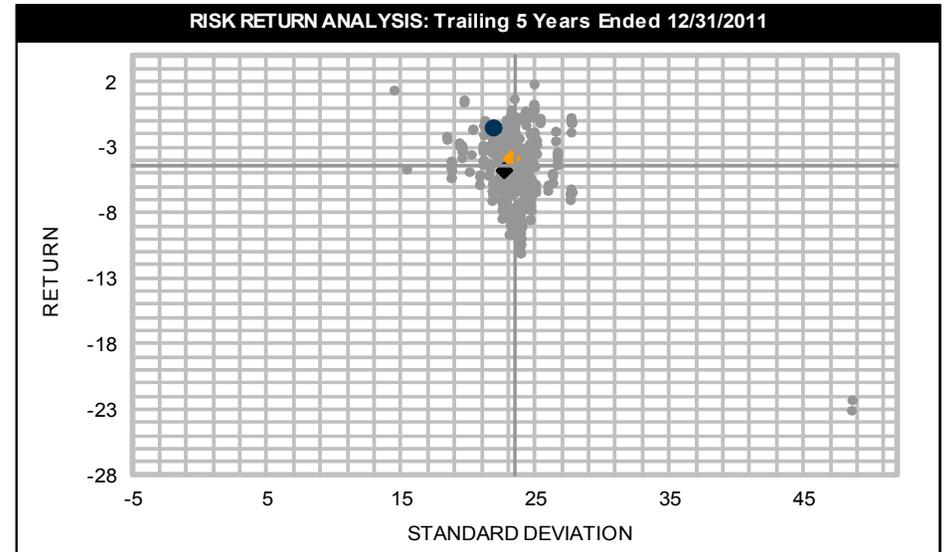
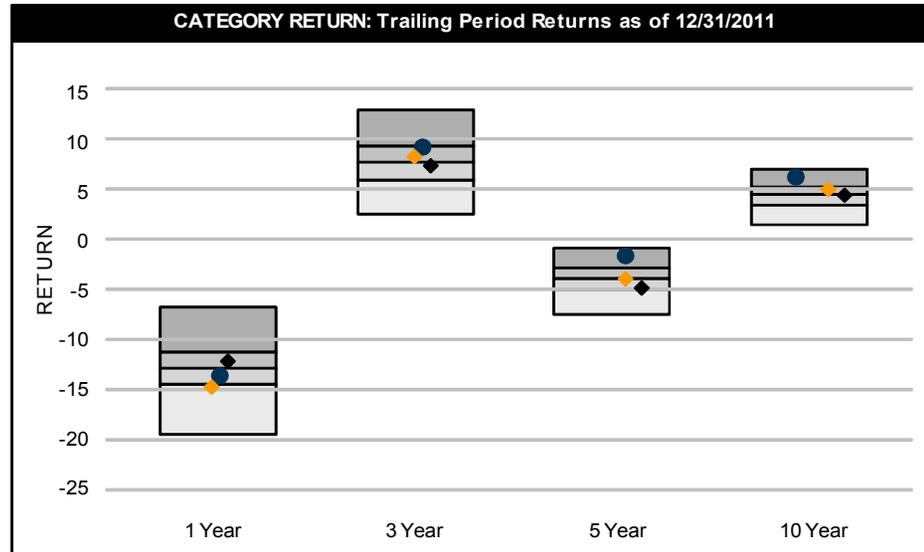
# International Blend

Investment Option/Benchmark	YTD	Average Annual Total Returns as of 12/31/2011				Inception	Risk	Alpha	Sharpe	DDA Rank	Expense	
	Return	1 Year	3 Years	5 Years	10 Years							5 Years
● American Funds EuroPacific Gr R4	-13.61%	-13.61%	9.55%	-1.46%	6.51%	N/A	Jun-02	21.84%	2.96%	-0.02%	---	0.85%
◆ MSCI EAFE (net)	-12.14%	-12.14%	7.65%	-4.72%	4.67%	---	---	22.64%	0.00%	-0.16%	---	---
◆ Lipper International Funds Index	-14.75%	-14.75%	8.57%	-3.81%	5.24%	---	---	23.19%	1.12%	-0.11%	---	---
Morningstar Foreign Large Blend Category Median	-13.78%	-13.78%	7.88%	-4.36%	4.51%	---	---	23.37%	0.57%	-0.13%	---	---

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● American Funds EuroPacific Gr R4	49%	49%	24%	7%	10%	14%	10%	10%

# of funds in Morningstar Category	212	212	197	163	124
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



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▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
Source: Morningstar™ Foreign Large Blend Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

## Balanced Growth (Moderate Allocation)

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2011				Inception Inception	Inception Date	Risk	Alpha	Sharpe	DDA Rank 9/30/11	Expense Ratio
		1 Year	3 Years	5 Years	10 Years			5 Years	5 Years	5 Years		
● <b>Oakmark Equity &amp; Income I</b>	0.64%	0.64%	9.71%	4.39%	7.10%	N/A	Nov-95	11.66%	0.14%	0.31%	---	0.79%
◆ 60% R1000 Growth / 40% Barclays Cap Govt Credit	5.02%	5.02%	13.83%	4.55%	4.23%	---	---	11.65%	0.00%	0.32%	---	---
◆ Lipper Balanced Funds Index	0.98%	0.98%	11.71%	1.84%	4.14%	---	---	12.95%	-2.84%	0.10%	---	---
Morningstar Moderate Allocation Category Median	0.01%	0.01%	11.55%	1.62%	4.25%	---	---	13.48%	-3.05%	0.09%	---	---

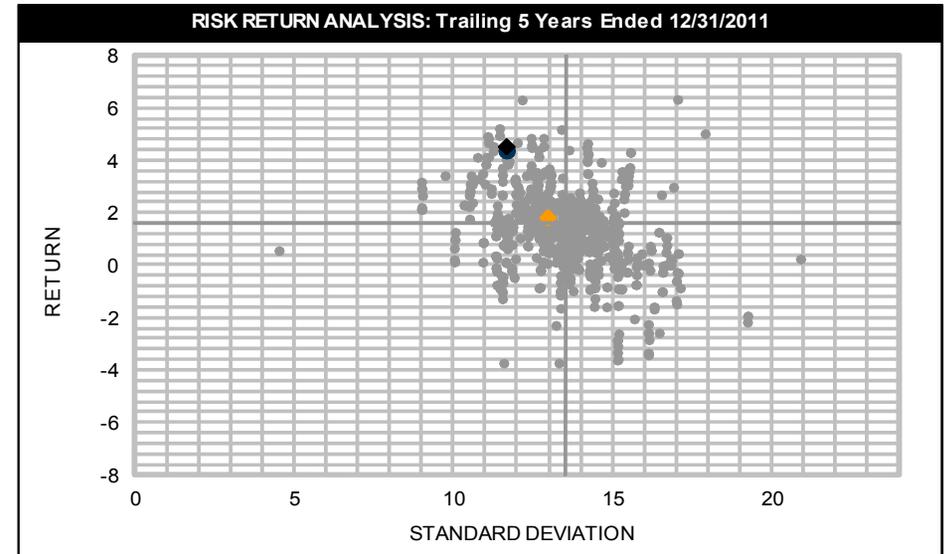
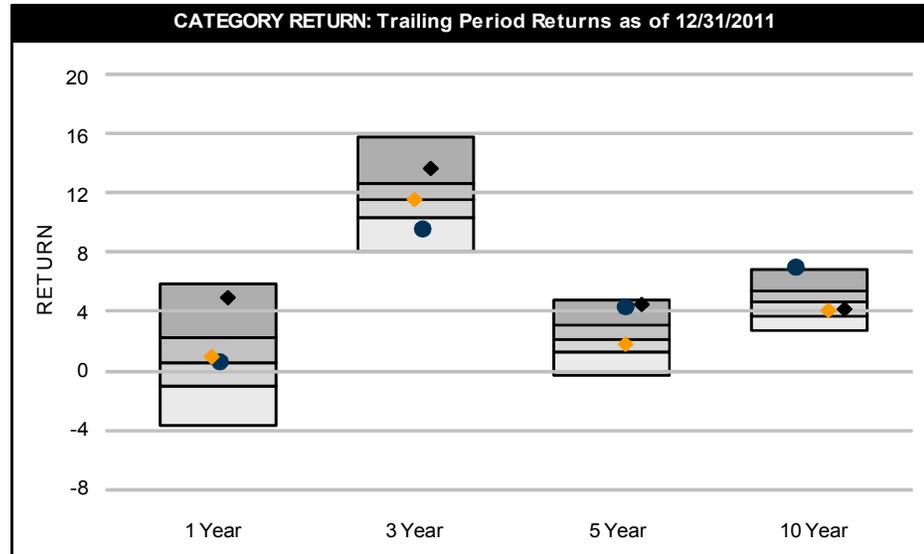
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● <b>Oakmark Equity &amp; Income I</b>	42%	42%	84%	6%	3%	15%	4%	4%

# of funds in Morningstar Category	261	261	232	212	157
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
 Source: Morningstar™ Moderate Allocation Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Retirement Income - IncomeFlex (Moderate Allocation)

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2011				Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 9/30/11	Expense Ratio
		1 Year	3 Years	5 Years	10 Years						
● IncomeFlex LT Balanced Fund	-0.03%	-0.03%	10.94%	0.51%	3.42%	N/A	13.93%	-1.40%	0.01%	---	1.85%
● IncomeFlex LT Balanced Fund	-0.53%	-0.53%	10.38%	0.01%	2.91%	N/A	13.93%	-1.90%	-0.03%	---	2.35%
◆ Lifetime Balanced Primary Benchmark	1.47%	1.47%	11.37%	1.96%	4.89%	---	13.23%	0.00%	0.11%	---	---
◆ Lifetime Conservative Growth Primary Benchmark	2.45%	2.45%	10.74%	2.74%	5.12%	---	11.34%	0.00%	0.17%	---	---
Morningstar Moderate Allocation Category Median	0.01%	0.01%	11.55%	1.62%	4.25%	---	13.48%	-1.14%	0.09%	---	---

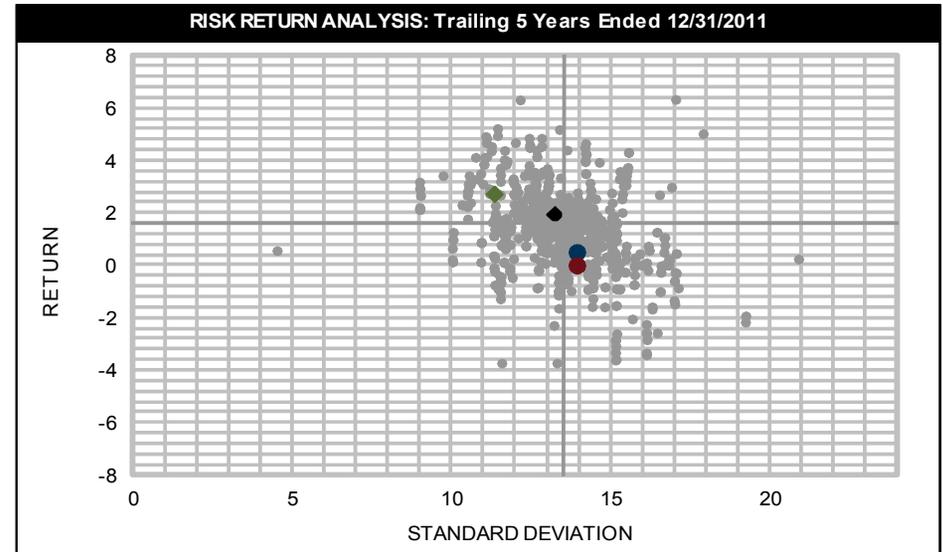
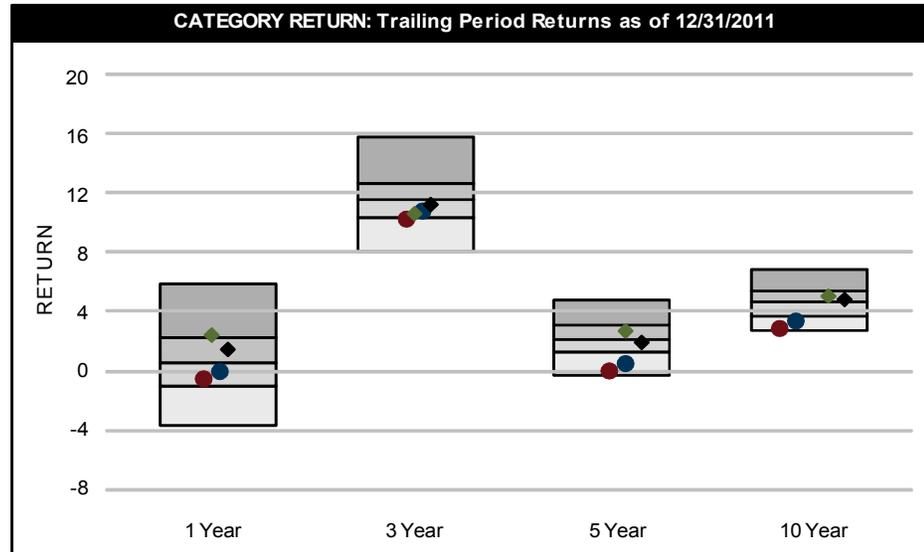
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● IncomeFlex LT Balanced Fund	51%	51%	63%	80%	71%	64%	81%	80%
● IncomeFlex LT Balanced Fund	59%	59%	73%	87%	86%	64%	89%	88%

# of funds in Morningstar Category	261	261	232	212	157
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
 Source: Morningstar™ Moderate Allocation Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

## Retirement Income - IncomeFlex (Moderate Allocation)

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2011				Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 9/30/11	Expense Ratio
		1 Year	3 Years	5 Years	10 Years						
● IncomeFlex LT Conservative Growth Fund	1.14%	1.14%	10.59%	1.37%	3.72%	N/A	12.01%	-1.37%	0.06%	---	1.79%
● IncomeFlex LT Conservative Growth Fund	0.63%	0.63%	10.04%	0.86%	3.20%	N/A	12.01%	-1.87%	0.02%	---	2.29%
◆ Lifetime Conservative Growth Primary Benchmark	2.45%	2.45%	10.74%	2.74%	5.12%	---	11.34%	0.00%	0.17%	---	---
Morningstar Moderate Allocation Category Median	0.01%	0.01%	11.55%	1.62%	4.25%	---	13.48%	-1.14%	0.09%	---	---

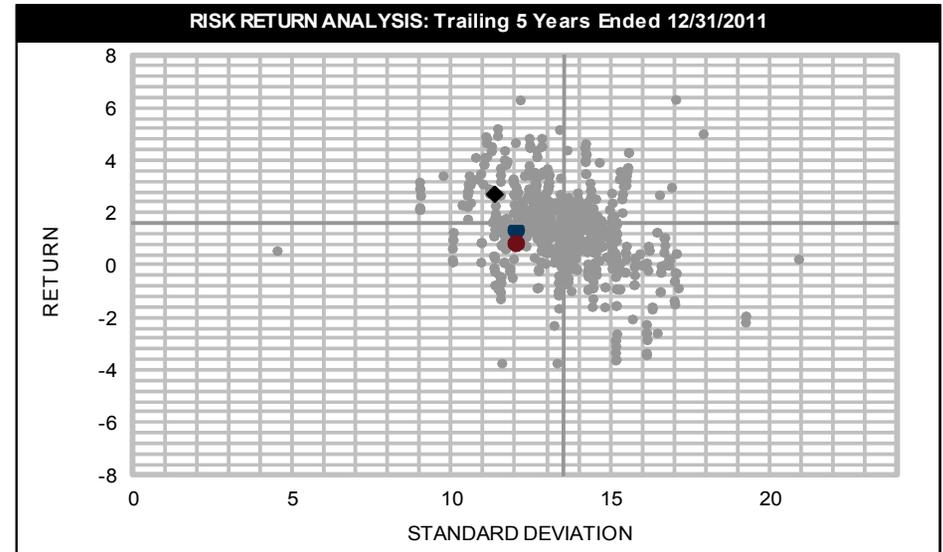
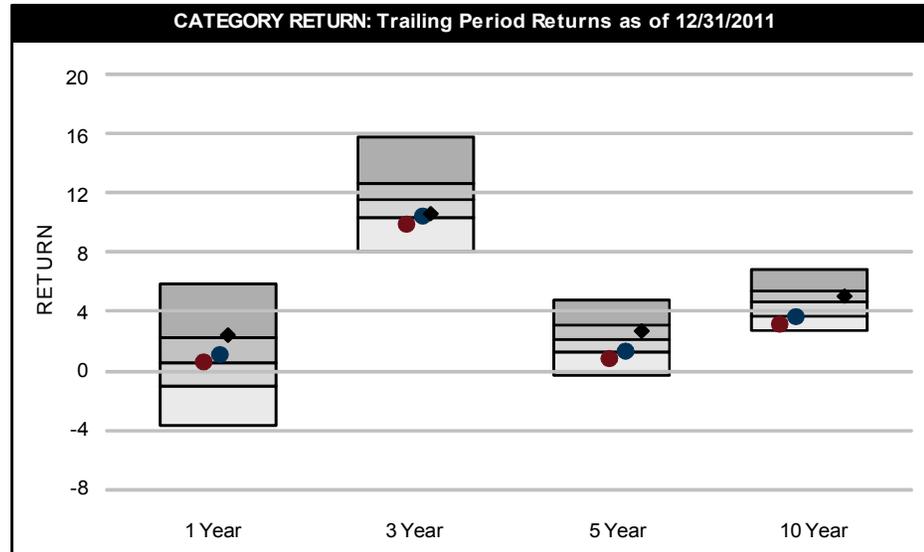
  

Return Rank w/in Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● IncomeFlex LT Conservative Growth Fund	35%	35%	71%	58%	62%	22%	58%	62%
● IncomeFlex LT Conservative Growth Fund	43%	43%	79%	71%	80%	22%	73%	76%

# of funds in Morningstar Category	261	261	232	212	157
------------------------------------	-----	-----	-----	-----	-----

Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
 Source: Morningstar™ Moderate Allocation Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

## Retirement Income - IncomeFlex (Conservative Allocation)

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2011				Inception Inception	Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 9/30/11	Expense Ratio
		1 Year	3 Years	5 Years	10 Years							
● IncomeFlex LT Income & Equity Fund	2.96%	2.96%	9.26%	2.66%	3.90%	N/A	Nov-06	8.19%	-1.43%	0.19%	---	1.70%
● IncomeFlex LT Income & Equity Fund	2.45%	2.45%	8.71%	2.15%	3.38%	N/A	Nov-06	8.19%	-1.93%	0.13%	---	2.20%
◆ Lifetime Income & Equity Primary Benchmark	4.09%	4.09%	9.08%	3.98%	5.19%	---	---	7.60%	0.00%	0.37%	---	---
Morningstar Conservative Allocation Category Median	1.90%	1.90%	10.40%	3.12%	4.38%	---	---	9.15%	-1.19%	0.23%	---	---

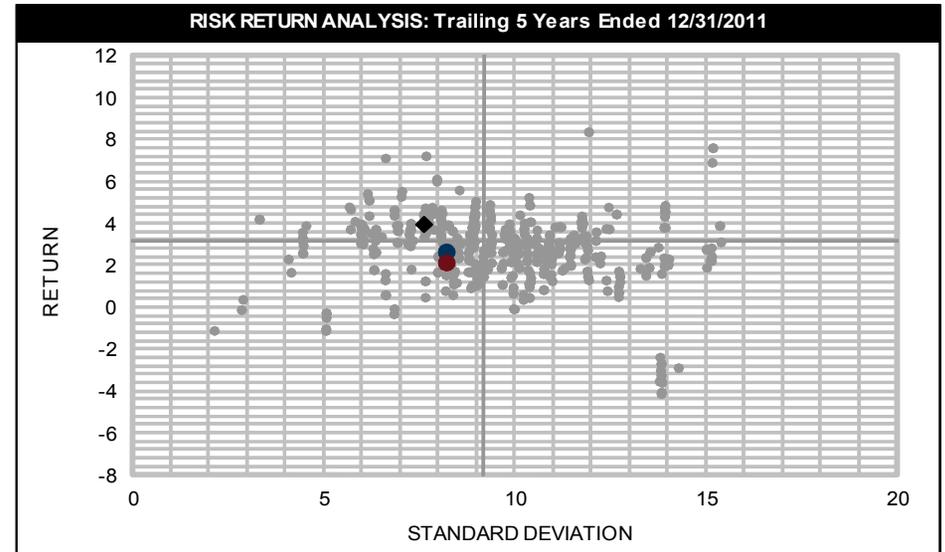
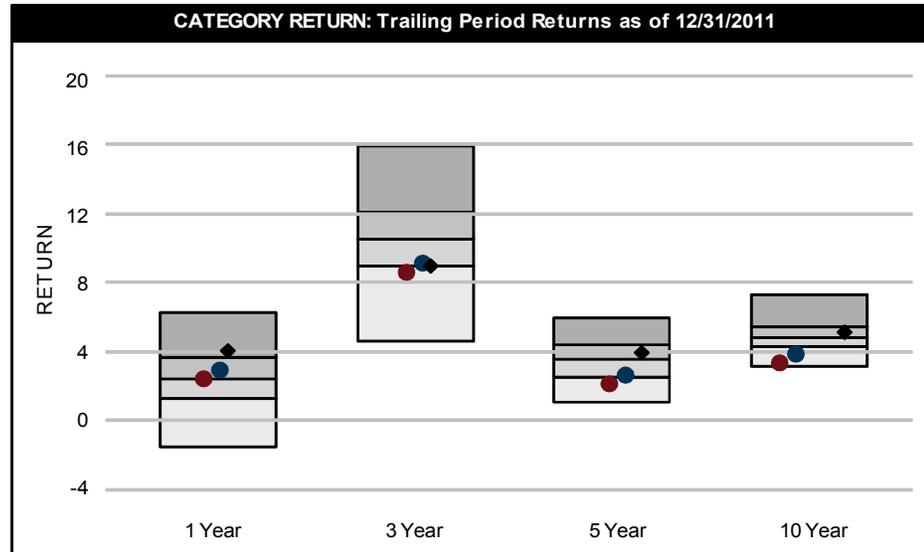
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● IncomeFlex LT Income & Equity Fund	29%	29%	69%	62%	74%	31%	55%	59%
● IncomeFlex LT Income & Equity Fund	40%	40%	76%	74%	89%	31%	67%	74%

# of funds in Morningstar Category	161	161	146	127	68
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
 Source: Morningstar™ Conservative Allocation Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

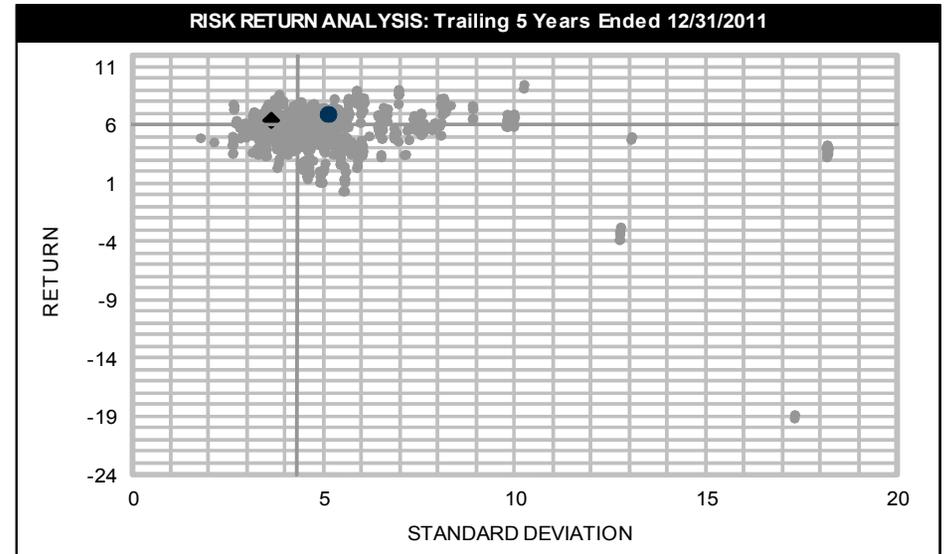
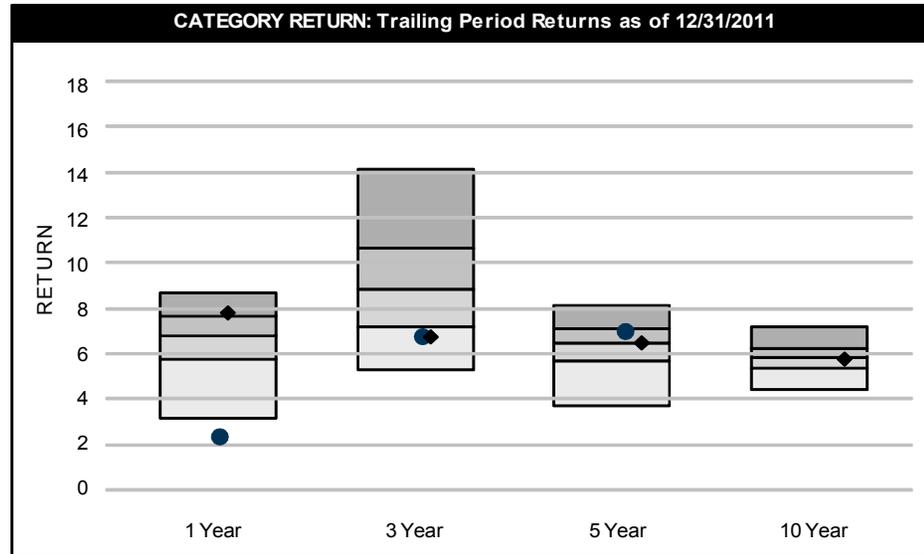
# Intermediate-Term Bond

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2011					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 9/30/11	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Core Plus Bond / PIMCO Fund	2.30%	2.30%	6.78%	7.01%	---	6.21%	Jul-02	5.10%	-0.29%	1.09%	4	0.45%
◆ Barclays Aggregate Bond Index	7.84%	7.84%	6.77%	6.50%	5.78%	---	---	3.60%	0.00%	1.37%	---	---
Morningstar Intermediate-Term Bond Category Median	6.47%	6.47%	8.60%	6.15%	5.46%	---	---	4.25%	-0.19%	1.06%	---	---

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Core Plus Bond / PIMCO Fund	96%	96%	79%	20%	---	75%	54%	49%

# of funds in Morningstar Category	330	330	303	278	233
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
Source: Morningstar™ Intermediate-Term Bond Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Glossary & Notes

## Index Definitions

A market index is an unmanaged portfolio of securities such as stocks and bonds. An index is often used as a comparative benchmark for managed portfolios such as mutual funds. These indices are presented to help you evaluate the performance of the broad market which they represent, and provide you with an understanding of that market's historic long-term performance. They are an unmanaged weighted index providing a broad indicator of price movement. Individual investors cannot invest directly in an index/average. Past performance is not indicative of future results.

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

**60% R1000 Growth / 40% Barclays Cap Govt Credit :** A composite index that consists of the Russell 1000® Index (60%) and the Barclays Capital U.S. Aggregate Bond Index (40%).

**Barclays Aggregate Bond Index :** Barclays Capital U.S. Aggregate Bond Index covers the U.S. investment-grade fixed-rate bond market, including government and credit securities, agency mortgage pass-through securities, asset-backed securities, and commercial mortgage-backed securities.

**Barclays Capital Agency :** Barclays Capital U.S. Agency Index accounts for roughly 35% of the Government Index and includes publicly issued debt of U.S. government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government.

**Barclays Capital Asset-Backed Securities Index :** Barclays Capital U.S. Asset Backed Securities Index is a component of the U.S. Aggregate index. The Asset-Backed Securities (ABS) Index has five subsectors: (1) Credit and charge cards, (2) Autos, (3) Home equity loans, (4) Utility, and (5) Manufactured Housing. The index includes pass-through, bullet, and controlled amortization structures. The ABS Index includes only the senior class of each ABS issue and the ERISA-eligible B and C tranche.

**Barclays Capital Treasury Bond :** Barclays Capital U.S. Treasury Index accounts for nearly 65% of the Government Index and includes public obligations of the U.S. Treasury that have remaining maturities of more than one year.

**Barclays Credit Index :** Barclays Capital U.S. Credit Bond Index is the U.S. Credit component of the US Government/Credit Index. It consists of publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered. The U.S. Credit Bond Index is the re-named U.S. Corporate Investment Grade Index, effective as of 6/1/00 (for statistics) and as of 7/1/00 (for returns).

**Barclays Government Bond Index :** Barclays Capital 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 High Yield Bond Index :** Barclays Capital U.S. High Yield Index covers the universe of fixed rate, non-investment grade debt (having a maximum quality rating of Ba1), a minimum outstanding amount of \$150 million and at least one year to maturity.

**Barclays MBS Index :** Barclays Capital U.S. Mortgage Backed Securities Index covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

**Barclays US Treasury TIPS Index :** This index includes all publicly issued United States Treasury inflation-protected securities that have at least one year remaining until maturity, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars, and must be fixed-rate and non-convertible securities. The index is a market capitalization-weighted index. Inflation notes were included in the broader Barclays Capital U.S. Treasury Index in March 1997 and removed from that index on January 1, 1998.

**FTSE NAREIT Equity Index :** The FTSE NAREIT US Real Estate Index is 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.

**Lifetime Balanced Primary Benchmark :** Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays Capital U.S. Aggregate Bond Index, respectively.

**Lifetime Conservative Growth Primary Benchmark :** Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays Capital U.S. Aggregate Bond Index, respectively.

**Lifetime Income & Equity Primary Benchmark :** Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays Capital U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively.

**Lipper Balanced Funds Index :** Lipper Balanced Funds Index is an equal dollar weighted index 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 Global Funds Index :** Lipper Global Funds Index is an equal dollar-weighted index 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 International Funds Index :** Lipper International Funds Index is an equal dollar-weighted index 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 Large Cap Core Funds Index :** 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 :** 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 :** 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 :** 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 :** 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 :** 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 Small Cap Core Funds Index :** 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 Super-Composite 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 :** 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 :** 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.

**MSCI EAFE (net) :** MSCI EAFE Index (net) is 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 Emerging Markets (net) :** The MSCI EMF Index (net) is 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 Emerging Markets Index :** The MSCI EMF Index (net) is 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 Europe ex U.K. Index :** The MSCI Europe ex U.K. 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. As of June 2007, the MSCI Europe ex U.K. Index consisted of the following 15 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, and Switzerland.

**MSCI Japan Net Dividend Index :** MSCI Japan Index measures the performance of Japan's stock market

**MSCI Pacific Ex Japan Net Dividend Index :** MSCI Pacific ex. Japan index measures the performance of stock markets in Australia, Hong Kong, New Zealand, and Singapore, and Malaysia.

**MSCI United Kingdom Net Dividend Index :** MSCI United Kingdom (net index) is constructed including every listed security in the market. Securities are free float adjusted, classified in accordance with the Global Industry Classification Standard (GICS®), and screened by size, liquidity and minimum free float. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax.

**MSCI World Index (net) :** MSCI World Index (net) is a market capitalization-weighted index comprised of companies representative of the market structure of 23 developed market countries in North America (including the U.S.), Europe, and the Asia/Pacific region. The MSCI World 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.

**Russell 1000 Growth Index :** The Russell 1000® Growth Index is 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 Index :** The Russell 1000® Index is a market-capitalization weighted index that measures the performance of the 1,000 largest companies in the Russell 3000® Index.

**Russell 1000 Value Index :** The Russell 1000® Value Index is 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 Growth Index :** The Russell 2000® Growth Index is 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 Index :** The Russell 2000® Index is a market capitalization-weighted index that measures the performance of the 2000 smallest companies in the Russell 3000® Index.

**Russell 2000 Value Index :** The Russell 2000® Value Index is 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 MidCap Growth Index :** The Russell Midcap® Growth Index is 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® Growth Index.

**Russell MidCap Index :** The Russell Midcap® Index is a market capitalization-weighted index that measures the performance of the mid-cap segment of the U.S. equity universe. The index consists of approximately 800 of the smallest companies in the Russell 1000® Index.

**Russell MidCap Value Index :** The Russell Midcap® Value Index is 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® Value Index.

**S&P 500 Index :** S&P 500® Index (registered trademark of The McGraw-Hill Companies, Inc.) is an unmanaged index of 500 common stocks primarily traded on the New York Stock Exchange, weighted by market capitalization. Index performance includes the reinvestment of dividends and capital gains.

**S&P 500-Consumer Discretionary :** S&P Consumer Discretionary Index includes companies that tend to be most sensitive to economic cycles. Its manufacturing segment includes automotive, household durable goods, textile and apparel, and leisure equipment. The services segment includes hotels, restaurants and other leisure facilities, media production and services and consumer retailing.

**S&P 500-Consumer Staples :** S&P Consumer Staples Index includes companies that tend to be less sensitive to economic cycles. It includes manufacturing and distributors of food, beverages and tobacco and producers of non-durable household goods and personal products. It also includes food and drug retailing companies.

**S&P 500-Financial Services :** S&P Financials Index contains companies involved in activities such as banking, consumer finance, investment banking and brokerage, asset management, insurance and investment, and real estate, including REITs.

**S&P 500-Health Care :** S&P Health Care Index encompasses two main industry groups. The first includes companies who manufacture health care equipment and supplies or provide health care related services, including distributors of health care products, providers of basic health-care services, and owners and operators of health care facilities and organizations. The second regroups companies primarily involved in the research, development, production and marketing of pharmaceuticals and biotechnology products.

**S&P 500-Industrials :** S&P Industrials Index includes companies whose businesses manufacture and distribute capital goods, including aerospace and defense, construction, engineering and building products, electrical and industrial machinery. It also includes companies who provide commercial services and supplies, including printing, employment, environmental, office services and transportation services including airlines, couriers, marine, road, and rail and transportation infrastructure.

**S&P 500-Information Technology :** S&P Technology Index: Standard & Poor's offers sector indices on the S&P 500 based upon the Global Industry Classification Standard (GICS®). This standard is jointly 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-Materials and Processing :** S&P Materials Index includes companies that manufacture chemicals, construction materials, glass, paper, forest products and related packaging products, metals, minerals and mining companies, including producers of steel.

**S&P 500-Other Energy :** S&P Energy Index encompasses two main industry groups. The first includes companies who manufacture oil rigs, drilling equipment and other energy-related services and equipment, including seismic data collection. The second group includes the exploration, production, marketing, refining and/or transportation of oil and gas products

**S&P 500-Telecomm Service :** S&P Telecommunication Services Index contains companies that provide communications services primarily through a fixed-line, cellular, wireless, high bandwidth and/or fiber optic cable network.

**S&P 500-Utilities :** S&P Utilities Index encompasses those companies considered electric, gas or water utilities, or companies that operate as independent producers and/or distributors of power. This sector includes both nuclear and non-nuclear facilities

## Investment Performance Notes

### Important Information about Investment Product Performance

The Morningstar™ Categories are constructed and maintained by Morningstar™, Inc. Morningstar™ Categories are constructed using MPI Stylus, Inc. by removing duplicate share classes. In general the share class with the longest history is used for category construction. Category medians and fund ratings are then calculated by using MPI Stylus, Inc. using data provided by Morningstar™, Inc. and therefore may differ from those provided directly by Morningstar™.

### Fund Specific Footnotes

**Core Plus Bond / PIMCO Fund** – The Separate Account was established 7/19/2002. All performance results are net of the management fee for this Fund of 0.43%. Actual Fund performance is also net of other Fund operating expenses of 0.02% for the prior calendar year. Such Fund operating expenses may reflect the benefit of a commission recapture program. Fee waivers of 0.00% are in place for this Fund. Actual performance shown reflects the imposition of the foregoing expenses and the benefit of any fee waivers and commission recaptures. Since Inception returns for this Fund are based on an inception date of 7/31/2002.

**IncomeFlex LT Balanced Fund** – The Separate Account was established 11/28/2006. The Separate Account was established 11/28/2006. Results are net of the highest management fee for this Fund of 1.82%, other operating expenses of 0.03% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. Results are net of the highest management fee for this Fund of 2.32%, other operating expenses of 0.03% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. The underlying manager defines “enhanced index” as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect. The underlying manager defines “enhanced index” as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect.

**IncomeFlex LT Conservative Growth Fund** – The Separate Account was established 11/28/2006. The Separate Account was established 11/28/2006. Results are net of the highest management fee for this Fund of 1.76%, other operating expenses of 0.03% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. Results are net of the highest management fee for this Fund of 2.26%, other operating expenses of 0.03% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. The underlying manager defines “enhanced index” as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect. The underlying manager defines “enhanced index” as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect.

**IncomeFlex LT Income & Equity Fund** – The Separate Account was established 11/28/2006. The Separate Account was established 11/28/2006. Results are net of the highest management fee for this Fund of 1.67%, other operating expenses of 0.03% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. Results are net of the highest management fee for this Fund of 2.17%, other operating expenses of 0.03% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. The underlying manager defines “enhanced index” as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect. The underlying manager defines “enhanced index” as an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect. The underlying manager defines “enhanced index” as an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect.

managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect.

**Large Cap Growth / Neuberger Berman Fund - The Separate Account was established 3/1/2004. All performance results are net of the management fee for this Fund of 0.62%. Actual Fund performance is also net of other Fund operating expenses of 0.00% for the prior calendar year. Such Fund operating expenses may reflect the benefit of a commission recapture program. Fee waivers of 0.00% are in place for this Fund. Actual performance shown reflects the imposition of the foregoing expenses and the benefit of any fee waivers and commission recaptures. Effective 12/17/2010, Neuberger Berman LLC replaced Waddell & Reed Investment Management Company as the sub-adviser for this separate account. Fund performance prior to 12/17/2010 reflects that of Waddell & Reed Investment Management Company.**

**Mid Cap Growth / Westfield Capital Fund - The Separate Account was established 6/28/2007. All performance results are net of the management fee for this Fund of 0.85%. Actual Fund performance is also net of other Fund operating expenses of 0.00% for the prior calendar year. Such Fund operating expenses may reflect the benefit of a commission recapture program. Fee waivers of 0.00% are in place for this Fund. Actual performance shown reflects the imposition of the foregoing expenses and the benefit of any fee waivers and commission recaptures.**

**Mid Cap Value / Systematic Fund - The Separate Account was established 6/30/2008. All performance results are net of the management fee for this Fund of 0.80%. Actual Fund performance is also net of other Fund operating expenses of 0.00% for the prior calendar year. Such Fund operating expenses may reflect the benefit of a commission recapture program. Fee waivers of 0.00% are in place for this Fund. Actual performance shown reflects the imposition of the foregoing expenses and the benefit of any fee waivers and commission recaptures.**

# Glossary

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## Alpha

A measure of value added by a manager as compared to a passive portfolio with the same market sensitivity or beta. Alpha is a measure of return for residual, or non-market, risk, and is used to measure a manager's contribution to performance due to security or sector selection.

## DDA

The Due Diligence Advisor Program employs a disciplined process to select, evaluate, and monitor the institutional sub-advised and mutual fund-based investment offerings. This Program helps to ensure that investments offered by Prudential Retirement are highly competitive and meet the varied investment requirements of retirement plan sponsors and their employees, as well as retirement plan consultants. The "Due Diligence Quartile Rank" provides an overall rank for each manager within the relevant style universe (e.g. Large Cap Stock – Growth). Each Fund is assessed on the basis of nominal risk-adjusted returns, and downside risk (versus and appropriate benchmark). These metrics are weighted based on 1-, 3-, and 5-year results with greatest emphasis place on long-term timeframes. Criteria are then used to generate an overall rating that determines a quartile distribution for the Fund within its peer group on a quarterly basis.

## Expense Ratio

Investment returns are reduced by various fees and expenses. For each plan investment option, the column 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. If the plan has mutual fund investment options, the Expense Ratio is not reduced by any fee or expense waivers from the fund complex, and therefore the actual Expense Ratio may be lower. For other investment options, the benefit of any waivers is reflected in the Expense Ratio shown.

Some mutual funds and bank collective trusts, or their affiliates, compensate Prudential for selling their shares and servicing the retirement plan, as detailed in the Fact Sheet for that investment option. For other investment options, the charges reflected in the Expense Ratio are typically deducted by Prudential in return for investment and recordkeeping services, and product distribution. For some plans, the charges also enable Prudential to satisfy the plan's request for allowances to defray plan expenses. The retirement plan may not include investment options with lower fee structures or lower cost share classes in order to compensate Prudential, in the aggregate, for servicing the retirement plan.

## Growth Stocks

Investors employing a growth investment strategy buy stocks of companies with a recent history of increasing earnings, in anticipation that earnings momentum will continue. Growth stocks are often characterized by high valuation ratios (e.g., price-to-earnings ratios). See also: value stocks.

## Risk

This statistic measures the volatility of a stream of data compared to its average value. Applied to investment performance, standard deviation measures how "choppy" the monthly returns are over a period of time. 66% of all monthly values would fall within one standard deviation of the average, while 95% of all values would fall within two standard deviations of the average.

## Sharpe Ratio

This statistic measures the quality of the returns for an investment on a risk-adjusted basis over a given period. It is defined as the excess returns of an investment divided by the standard deviation of returns. Excess returns are the returns of the investment minus the risk-free rate of return offered in the market, typically measured by short-term government instruments such as 3-month T-Bills. For two funds to have the same Sharpe Ratio, the fund with greater volatility must also deliver greater returns. (Sharpe Ratio = Excess Returns/Risk = (Returns on the Investment - Returns on T-Bills) / Standard Deviation)

# Glossary

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## Value Stocks

Investors employing a value investment strategy buy stocks of companies they believe are under-priced based on their fundamental ability to generate earnings, in anticipation that the price performance of the stock will reverse. Value stocks are often characterized by low valuation ratios (e.g., price-to-earnings ratios). See also: growth stocks.

## Risk-Return Charts

Investors who choose to take on additional risk do so in anticipation of higher returns. The risk-return charts are often used to compare investment performance to a benchmark on a risk-adjusted basis. A benchmark (typically an index or market average) is plotted on the chart along with a risk-free rate of return.

See also: Sharpe Ratio

## Fund Rank Charts

In order to measure a fund's performance relative to a style specific benchmark and peer group or universe, funds and benchmarks are plotted relative to where they would rank within a given fund category. For example, the top line of the bar indicates the top 5th percentile return of the category. The 25th percentile return of the category is indicated by the second line. The median or 50th percentile return of the category is indicated by the third line. The 75th percentile return of the category is indicated by the fourth line. The bottom line of the bar indicates the 95th percentile return of the category.

## Important Information About Prudential and its Businesses

\*Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, a Prudential Financial company.

Prudential, the Prudential logo and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.

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# Appendix - Fund Performance

# Lancaster County Retirement Plans



## Defined Contribution Fund Performance as of December 31, 2011 with January 31, 2012 update

The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, 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 data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com).

The following grid provides fund performance information, and other relevant performance and supplementary information concerning Institutional Sub-Advised Funds, Alliance Mutual Funds and Proprietary Funds. Please see the EXPLANATION OF PERFORMANCE INFORMATION in the footnote section for more information on the performance shown.

The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/12	CUMULATIVE RETURNS AS OF DECEMBER 31, 2011 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2011 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 9/30/11	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>LARGE VALUE</b>															
Large Cap Value (sub-advised by Wellington Mgmt) #	9/29/00	3.75	1.65	12.28	-1.36	-1.36	12.97	-2.95	2.82	N/A	20.93	-0.11	-0.10	3	1.12%
<i>Manager Composite</i>	10/31/90	---	1.72	12.38	-0.64	-0.64	12.19	0.93	4.83	N/A	18.33	3.04	0.07	---	1.10%
<i>Blended Performance</i>	10/31/90	---	1.65	12.28	-1.36	-1.36	12.03	0.84	4.79	N/A	18.39	2.97	0.06	---	1.12%
Large Cap Value / Barrow Hanley Fund #	3/28/02	3.47	1.36	12.66	0.04	0.04	10.39	-2.59	---	3.64	19.57	-0.14	-0.10	3	1.11%
Large Cap Value/AJO Fund #	8/1/97	3.96	1.60	12.67	1.24	1.24	11.22	-1.86	1.68	N/A	18.51	0.30	-0.08	2	1.12%
S&T. Rowe Price Equity Income Strategy #	7/16/01	4.22	1.86	11.91	-0.87	-0.87	12.49	-1.22	3.84	N/A	20.14	1.43	-0.03	1	0.88%
Allianz NFJ Dividend Value Inst	5/8/00	3.58	2.10	12.77	3.44	3.44	10.01	-2.29	5.47	N/A	19.64	0.21	-0.09	---	0.71%
<i>Russell 1000 Value Index</i>		3.78	2.02	13.11	0.39	0.39	11.55	-2.64	3.89	---	20.09	0.00	-0.10	---	---
<i>S&amp;P 500 Value Index</i>		4.91	1.82	12.98	-1.96	-1.96	11.00	-3.25	3.37	---	20.62	-0.19	-0.11	---	---
<i>S&amp;P 500 Index</i>		4.48	1.02	11.82	2.11	2.11	14.11	-0.25	2.92	---	18.88	2.03	0.01	---	---
<i>Lipper Large Cap Value Funds Index</i>		4.60	1.20	11.73	-2.47	-2.47	11.31	-2.30	2.57	---	19.16	0.04	-0.10	---	---
<i>Morningstar Large Value Category Median</i>		4.22	1.42	12.19	-0.79	-0.79	12.01	-1.98	3.54	---	19.69	0.70	-0.06	---	---
<b>LARGE BLEND</b>															
QMA US Broad Market Index Fund #	5/27/09	4.69	0.86	11.87	1.37	1.37	---	---	---	15.31	---	---	---	---	0.32%
<i>Manager Composite</i>	3/31/04	---	0.89	12.01	1.44	1.44	14.29	-0.18	---	3.56	19.24	-0.29	0.02	---	0.30%
<i>Blended Performance</i>	3/31/04	---	0.86	11.87	1.37	1.37	14.20	-0.23	---	3.53	19.20	-0.35	0.01	---	0.32%
<i>S&amp;P 1500 Index</i>		4.73	0.92	12.10	1.75	1.75	14.64	0.11	3.40	---	19.26	0.00	0.03	---	---
<i>S&amp;P 500 Index</i>		4.48	1.02	11.82	2.11	2.11	14.11	-0.25	2.92	---	18.88	-0.42	0.01	---	---
<i>Lipper Large Cap Core Funds Index</i>		4.80	0.60	10.94	-0.05	-0.05	13.09	-0.60	2.16	---	18.73	-0.80	-0.01	---	---
<i>Morningstar Large Blend Category Median</i>		4.85	0.63	11.58	-0.06	-0.06	13.50	-0.63	2.75	---	19.19	-0.72	0.00	---	---
Large Cap Blend / AJO Fund #	1/31/95	4.85	1.68	11.49	3.03	3.03	11.67	-1.23	0.63	N/A	18.11	-1.40	-0.05	2	1.12%
American Funds Fundamental Invs R4	7/25/02	5.15	0.28	11.25	-1.92	-1.92	14.24	0.40	5.35	N/A	19.66	0.51	0.05	---	0.66%
<i>Russell 1000 Index</i>		4.87	0.84	11.84	1.50	1.50	14.81	-0.02	3.34	---	19.29	0.00	0.03	---	---
<i>S&amp;P 500 Index</i>		4.48	1.02	11.82	2.11	2.11	14.11	-0.25	2.92	---	18.88	-0.30	0.01	---	---
<i>Lipper Large Cap Core Funds Index</i>		4.80	0.60	10.94	-0.05	-0.05	13.09	-0.60	2.16	---	18.73	-0.67	-0.01	---	---
<i>Morningstar Large Blend Category Median</i>		4.85	0.63	11.58	-0.06	-0.06	13.50	-0.63	2.75	---	19.19	-0.59	0.00	---	---
Dryden S&P 500 Index Fund #	12/31/87	4.45	0.99	11.73	1.83	1.83	13.80	-0.46	2.68	N/A	18.84	-0.22	0.00	---	0.32%
Vanguard 500 Index Signal	9/29/06	4.47	1.02	11.81	2.08	2.08	14.14	-0.23	2.87	N/A	18.88	0.02	0.01	---	0.06%
<i>S&amp;P 500 Index</i>		4.48	1.02	11.82	2.11	2.11	14.11	-0.25	2.92	---	18.88	0.00	0.01	---	---
<i>Lipper Large Cap Core Funds Index</i>		4.80	0.60	10.94	-0.05	-0.05	13.09	-0.60	2.16	---	18.73	-0.38	-0.01	---	---
<i>Morningstar Large Blend Category Median</i>		4.85	0.63	11.58	-0.06	-0.06	13.50	-0.63	2.75	---	19.19	-0.28	0.00	---	---

# Lancaster County Retirement Plans



## Defined Contribution Fund Performance as of December 31, 2011 with January 31, 2012 update

The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, 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 data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com).

The following grid provides fund performance information, and other relevant performance and supplementary information concerning Institutional Sub-Advised Funds, Alliance Mutual Funds and Proprietary Funds. Please see the EXPLANATION OF PERFORMANCE INFORMATION in the footnote section for more information on the performance shown.

The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/12	CUMULATIVE RETURNS AS OF DECEMBER 31, 2011 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2011 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 9/30/11	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>LARGE GROWTH</b>															
Large Cap Growth / American Century #	1/29/01	6.75	-0.95	10.34	-1.07	-1.07	15.19	0.69	0.36	N/A	20.52	-1.67	0.07	3	1.12%
<i>Manager Composite</i>	12/31/84	---	-0.87	10.44	-1.01	-1.01	16.33	3.03	2.81	N/A	19.01	0.53	0.18	---	1.10%
<i>Blended Performance</i>	12/31/84	---	-0.95	10.34	-1.07	-1.07	16.32	3.02	2.80	N/A	19.02	0.53	0.18	---	1.12%
Large Cap Growth / Eaton Vance Fund #	7/6/11	6.12	-1.14	8.46	---	---	---	---	---	0.04	---	---	---	3	1.10%
<i>Manager Composite</i>	9/30/02	---	-1.06	8.54	-5.24	-5.24	14.02	0.79	---	6.82	18.93	-1.67	0.06	---	1.10%
<i>Blended Performance</i>	9/30/02	---	-1.14	8.46	-5.63	-5.63	13.86	0.70	---	6.74	18.96	-1.76	0.06	---	1.10%
Large Cap Growth / JPMorgan Investment Management #	5/31/98	6.22	-1.62	9.02	-2.55	-2.55	14.42	-1.56	1.01	N/A	21.20	-3.86	-0.03	4	1.10%
<i>Manager Composite</i>	7/31/04	---	-1.56	9.07	2.64	2.64	19.25	4.80	---	6.03	19.96	2.35	0.27	---	1.10%
<i>Blended Performance</i>	7/31/04	---	-1.62	9.02	0.52	0.52	18.42	4.36	---	5.73	20.11	1.94	0.25	---	1.10%
Large Cap Growth / Jennison Fund #	10/20/04	7.67	-2.10	6.92	-0.19	-0.19	15.96	1.81	---	4.47	18.39	-0.66	0.12	1	1.10%
Large Cap Growth / Neuberger Berman Fund #	3/1/04	6.43	-1.20	6.83	-4.34	-4.34	11.34	2.04	---	3.74	18.49	-0.40	0.13	2	0.62%
<i>Manager Composite</i>	1/31/87	---	-1.24	6.74	-4.89	-4.89	11.42	1.56	4.07	N/A	17.76	-0.91	0.10	---	0.62%
<i>Blended Performance</i>	1/31/87	---	-1.20	6.83	-4.34	-4.34	11.63	1.68	4.14	N/A	17.76	-0.80	0.11	---	0.62%
SA/Janus Fund's Strategy #	4/1/96	6.67	-0.94	7.98	-6.17	-6.17	12.52	-0.25	1.27	N/A	19.88	-2.62	0.02	3	0.88%
SA/T. Rowe Price Growth Stock Strategy #	6/24/05	6.74	-0.96	10.02	-1.78	-1.78	17.68	0.67	---	3.69	20.45	-1.70	0.07	3	0.89%
American Funds Growth Fund of Amer R4	5/28/02	7.15	-1.17	8.54	-4.87	-4.87	12.85	-0.59	3.61	N/A	18.78	-3.04	-0.01	---	0.68%
Neuberger Berman Socially Resp No Load	3/3/97	2.97	-0.54	10.65	-3.05	-3.05	15.70	0.31	4.92	N/A	19.27	-2.05	0.04	---	1.08%
<i>Russell 1000 Growth Index</i>		5.97	-0.32	10.61	2.64	2.64	18.02	2.50	2.60	---	19.08	0.00	0.15	---	---
<i>S&amp;P 500 Growth Index</i>		4.12	0.33	10.81	5.35	5.35	16.83	2.52	2.20	---	17.97	-0.13	0.15	---	---
<i>S&amp;P 500 Index</i>		4.48	1.02	11.82	2.11	2.11	14.11	-0.25	2.92	---	18.88	-2.68	0.01	---	---
<i>Lipper Large Cap Growth Funds Index</i>		6.90	-1.50	9.00	-2.38	-2.38	15.92	0.97	1.49	---	20.19	-1.44	0.08	---	---
<i>Morningstar Large Growth Category Median</i>		6.29	-0.99	9.83	-1.48	-1.48	15.23	0.77	2.48	---	20.12	-1.43	0.08	---	---
<b>MID VALUE</b>															
Mid Cap Value / CRM Fund #	6/1/05	6.19	0.02	9.12	-7.70	-7.70	11.88	0.05	---	3.45	19.48	-0.53	0.03	3	1.15%
Mid Cap Value / Columbia Fund #	6/30/08	6.03	-0.59	11.10	-8.98	-8.98	15.63	---	---	0.13	---	---	---	2	1.15%
<i>Manager Composite</i>	2/28/02	---	-0.42	11.87	-8.37	-8.37	16.33	-0.68	---	7.02	23.76	-0.60	0.03	---	1.15%
<i>Blended Performance</i>	2/28/02	---	-0.59	11.10	-8.98	-8.98	15.63	-0.19	---	7.28	23.08	-0.26	0.05	---	1.15%
Mid Cap Value / Cooke & Bieler Fund #	6/30/04	7.22	0.19	12.74	-2.10	-2.10	15.05	-1.13	---	4.12	22.08	-1.32	0.00	3	1.15%
Mid Cap Value / Integrity Fund #	6/1/05	5.54	0.67	15.84	-2.57	-2.57	16.94	-0.13	---	3.57	23.24	-0.19	0.05	2	1.16%
Mid Cap Value / Systematic Fund #	6/30/08	5.56	-0.07	13.90	-5.46	-5.46	16.77	---	---	1.80	---	---	---	2	0.80%
<i>Manager Composite</i>	3/31/00	---	0.15	13.72	-5.69	-5.69	16.20	2.38	9.34	N/A	21.56	2.08	0.15	---	0.80%
<i>Blended Performance</i>	3/31/00	---	-0.07	13.90	-5.46	-5.46	16.77	2.48	9.39	N/A	21.56	2.19	0.16	---	0.80%
Perkins Mid Cap Value T	8/12/98	5.30	-0.44	10.36	-2.55	-2.55	13.41	2.63	7.58	N/A	17.81	1.78	0.16	---	1.00%
<i>Russell MidCap Value Index</i>		4.91	1.25	13.37	-1.38	-1.38	18.19	0.04	7.67	---	23.22	0.00	0.06	---	---
<i>Russell MidCap Index</i>		6.06	-0.12	12.31	-1.55	-1.55	20.17	1.41	6.99	---	22.79	1.31	0.12	---	---
<i>Russell 2500 Value Index</i>		5.69	1.57	15.45	-3.36	-3.36	15.48	-0.58	7.16	---	23.65	-0.55	0.04	---	---
<i>Lipper Mid Cap Value Funds Index</i>		6.10	0.40	13.75	-5.31	-5.31	17.28	0.15	6.04	---	22.67	0.02	0.06	---	---
<i>Morningstar Mid-Cap Value Category Median</i>		5.62	0.36	12.72	-4.19	-4.19	16.52	0.09	6.03	---	22.30	0.03	0.06	---	---

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\*Please see footnote section for more information.

# Lancaster County Retirement Plans



## Defined Contribution Fund Performance as of December 31, 2011 with January 31, 2012 update

The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, 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 data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com).

The following grid provides fund performance information, and other relevant performance and supplementary information concerning Institutional Sub-Advised Funds, Alliance Mutual Funds and Proprietary Funds. Please see the EXPLANATION OF PERFORMANCE INFORMATION in the footnote section for more information on the performance shown.

The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/12	CUMULATIVE RETURNS AS OF DECEMBER 31, 2011 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2011 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 9/30/11	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>MID BLEND</b>															
Mid Cap Blend/Batterymarch #	6/25/98	6.01	0.04	12.64	-3.26	-3.26	16.22	-1.32	3.10	N/A	21.72	-2.76	-0.01	4	1.22%
<i>Manager Composite</i>	6/30/99	---	-0.08	11.83	-3.24	-3.24	16.05	-0.36	6.33	N/A	21.60	-1.82	0.03	---	1.22%
<i>Blended Performance</i>	6/30/99	---	0.04	12.64	-3.26	-3.26	16.22	-0.56	6.23	N/A	21.79	-2.00	0.02	---	1.22%
Fidelity Advisor Leveraged Co Stk I	12/27/00	10.84	0.29	14.99	-10.44	-10.44	21.41	-0.15	12.33	N/A	30.51	-0.13	0.11	---	0.85%
Vanguard Mid Cap Index Signal	3/30/07	6.58	-0.29	12.10	-1.99	-1.99	20.02	1.34	6.72	N/A	22.66	-0.09	0.11	---	0.12%
<i>Russell MidCap Index</i>		6.06	-0.12	12.31	-1.55	-1.55	20.17	1.41	6.99	---	22.79	0.00	0.12	---	---
<i>Lipper Mid Cap Core Funds Index</i>		6.90	-0.40	12.76	-5.85	-5.85	17.67	1.24	5.58	---	22.02	-0.25	0.11	---	---
<i>Morningstar Mid-Cap Blend Category Median</i>		6.44	-0.23	12.81	-2.59	-2.59	17.89	0.90	5.72	---	22.55	-0.51	0.09	---	---
<b>MID GROWTH</b>															
Mid Cap Growth / Frontier Capital Fund #	6/28/07	7.53	-1.26	8.41	-4.69	-4.69	15.75	---	---	1.10	---	---	---	1	1.20%
<i>Manager Composite</i>	12/31/91	---	-1.29	8.37	-4.96	-4.96	16.04	4.30	5.67	N/A	19.54	1.70	0.24	---	1.20%
<i>Blended Performance</i>	12/31/91	---	-1.26	8.41	-4.69	-4.69	15.75	4.16	5.60	N/A	19.37	1.56	0.24	---	1.20%
Mid Cap Growth / Westfield Capital Fund #	6/28/07	10.04	-2.37	6.70	-10.60	-10.60	15.96	---	---	-0.26	---	---	---	3	0.85%
<i>Manager Composite</i>	6/30/94	---	-2.34	6.64	-10.68	-10.68	15.96	2.73	6.39	N/A	22.00	0.36	0.17	---	0.85%
<i>Blended Performance</i>	6/30/94	---	-2.37	6.70	-10.60	-10.60	15.96	2.73	6.38	N/A	21.85	0.34	0.17	---	0.85%
Eaton Vance Atlanta Capital SMID-Cap I	4/30/02	3.74	-0.01	17.22	5.62	5.62	21.58	8.30	---	8.61	21.18	5.67	0.42	---	1.27%
<i>Russell MidCap Growth Index</i>		7.25	-1.50	11.24	-1.65	-1.65	22.06	2.44	5.29	---	22.83	0.00	0.16	---	---
<i>Russell MidCap Index</i>		6.06	-0.12	12.31	-1.55	-1.55	20.17	1.41	6.99	---	22.79	-0.98	0.12	---	---
<i>Lipper Mid Cap Growth Funds Index</i>		7.00	-1.80	10.37	-5.14	-5.14	19.44	2.95	4.51	---	22.61	0.49	0.18	---	---
<i>Morningstar Mid-Cap Growth Category Median</i>		6.59	-1.80	10.77	-3.59	-3.59	18.90	2.32	4.63	---	22.45	-0.05	0.15	---	---
<b>SMALL VALUE</b>															
<i>Smaller companies may present greater opportunities for capital appreciation, but also may involve greater risks than larger companies. As a result, the value of stocks issued by smaller companies may go up and down more than stocks of larger issuers.</i>															
Small Cap Value/American Century #	12/5/97	6.05	0.99	14.53	-6.73	-6.73	10.51	-4.49	2.07	N/A	23.61	-3.00	-0.13	4	1.27%
<i>Manager Composite</i>	9/30/98	---	0.98	14.57	-6.70	-6.70	17.18	2.51	7.62	N/A	22.93	3.87	0.16	---	1.25%
<i>Blended Performance</i>	9/30/98	---	0.99	14.53	-6.73	-6.73	17.29	2.57	7.65	N/A	22.90	3.84	0.16	---	1.27%
SA/Wells Fargo Small Cap Value Strategy #	7/16/01	8.67	-2.37	12.35	-7.59	-7.59	18.76	2.66	9.52	N/A	22.57	3.97	0.17	2	1.35%
Small Cap Value / Integrity Fund #	6/1/05	5.35	0.67	18.64	-3.01	-3.01	18.81	1.56	---	4.87	25.01	3.40	0.13	1	1.36%
Small Cap Value / Victory Fund #	12/15/09	6.46	0.99	16.88	1.05	1.05	---	---	---	12.90	---	---	---	1	1.36%
<i>Manager Composite</i>	1/31/02	---	0.96	16.62	1.30	1.30	17.84	2.67	---	8.48	23.14	4.08	0.17	---	1.35%
<i>Blended Performance</i>	1/31/02	---	0.99	16.88	1.05	1.05	17.80	2.65	---	8.47	23.23	4.09	0.17	---	1.36%
Small Cap Value/Kennedy Capital Fund #	1/29/01	10.37	1.50	16.17	-7.98	-7.98	23.01	3.65	5.51	N/A	27.90	6.28	0.22	1	1.35%
Allianz NFJ Small Cap Value Inst	10/1/91	4.25	0.50	13.13	2.52	2.52	16.96	4.70	10.70	N/A	19.40	5.24	0.26	---	0.86%
<i>Russell 2000 Value Index</i>		6.65	1.57	15.97	-5.50	-5.50	12.36	-1.87	6.40	---	24.87	0.00	-0.01	---	---
<i>Russell 2000 Index</i>		7.07	0.66	15.47	-4.18	-4.18	15.63	0.15	5.62	---	24.47	1.93	0.07	---	---
<i>Lipper Small Cap Value Funds Index</i>		6.90	0.80	16.01	-4.97	-4.97	16.73	0.41	7.34	---	24.05	2.08	0.08	---	---
<i>Morningstar Small Value Category Median</i>		6.62	0.81	15.83	-4.15	-4.15	16.89	0.63	7.38	---	24.46	2.33	0.09	---	---

# Lancaster County Retirement Plans



## Defined Contribution Fund Performance as of December 31, 2011 with January 31, 2012 update

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The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/12	CUMULATIVE RETURNS AS OF DECEMBER 31, 2011 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2011 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 9/30/11	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
			<b>SMALL BLEND</b>												
<i>Smaller companies may present greater opportunities for capital appreciation, but also may involve greater risks than larger companies. As a result, the value of stocks issued by smaller companies may go up and down more than stocks of larger issuers.</i>															
Jennison Small Cap Core Equity #	9/9/10	6.28	-1.79	14.48	-2.17	-2.17	---	---	---	7.76	---	---	---	1	1.37%
<i>Manager Composite</i>	5/31/98	---	-1.69	14.99	-1.82	-1.82	19.26	2.14	6.50	N/A	23.84	1.94	0.15	---	1.35%
<i>Blended Performance</i>	5/31/98	---	-1.79	14.48	-2.17	-2.17	19.08	2.06	6.45	N/A	23.80	1.84	0.15	---	1.37%
Small Cap Blend / WHV Fund #	1/29/01	8.10	-1.94	10.83	-8.42	-8.42	19.90	1.68	6.03	N/A	28.32	2.39	0.15	2	1.26%
Royce Pennsylvania Mutual Inv	12/12/62	7.06	-0.76	13.34	-4.17	-4.17	17.39	1.63	7.92	N/A	23.60	1.34	0.13	---	0.90%
Vanguard Small Cap Index	12/15/06	7.01	0.23	15.05	-2.68	-2.68	19.26	1.91	6.66	N/A	24.90	1.82	0.15	---	0.17%
<i>Russell 2000 Index</i>		7.07	0.66	15.47	-4.18	-4.18	15.63	0.15	5.62	---	24.47	0.00	0.07	---	---
<i>Lipper Small Cap Core Funds Index</i>		6.70	-0.30	13.90	-3.75	-3.75	17.70	1.37	5.83	---	23.16	1.01	0.12	---	---
<i>Morningstar Small Blend Category Median</i>		6.95	0.44	15.42	-3.17	-3.17	16.67	0.16	6.18	---	24.31	0.10	0.08	---	---
<b>SMALL GROWTH</b>															
<i>Smaller companies may present greater opportunities for capital appreciation, but also may involve greater risks than larger companies. As a result, the value of stocks issued by smaller companies may go up and down more than stocks of larger issuers.</i>															
SA/Invesco Small Cap Growth Strategy #	12/1/01	7.43	-0.87	11.97	-1.01	-1.01	18.61	2.62	4.19	N/A	22.34	0.39	0.17	1	1.23%
Small Cap Growth/ Turner Fund #	11/24/08	7.24	0.45	16.32	-4.80	-4.80	18.30	---	---	19.32	---	---	---	2	1.35%
<i>Manager Composite</i>	8/31/96	---	-0.60	15.39	-5.44	-5.44	18.11	1.63	4.35	N/A	25.19	-0.34	0.14	---	1.35%
<i>Blended Performance</i>	8/31/96	---	0.45	16.32	-4.80	-4.80	18.30	1.70	4.39	N/A	25.10	-0.27	0.14	---	1.35%
Small Cap Growth/Columbus Circle Fund #	11/24/08	6.59	-1.43	13.37	0.73	0.73	23.05	---	---	23.77	---	---	---	1	1.35%
<i>Manager Composite</i>	3/31/98	---	-1.46	13.55	1.02	1.02	22.96	11.01	9.14	N/A	22.60	8.41	0.52	---	1.35%
<i>Blended Performance</i>	3/31/98	---	-1.43	13.37	0.73	0.73	23.05	11.03	9.15	N/A	22.63	8.42	0.52	---	1.35%
BlackRock Small Cap Growth Equity Inst	9/14/93	8.06	1.27	19.77	0.22	0.22	18.45	2.89	6.16	N/A	24.34	0.88	0.18	---	0.84%
<i>Russell 2000 Growth Index</i>		7.48	-0.22	14.99	-2.91	-2.91	19.00	2.09	4.48	---	24.64	0.00	0.15	---	---
<i>Russell 2000 Index</i>		7.07	0.66	15.47	-4.18	-4.18	15.63	0.15	5.62	---	24.47	-1.89	0.07	---	---
<i>Lipper Small Cap Growth Funds Index</i>		7.00	-1.00	12.92	-3.01	-3.01	19.08	1.20	3.68	---	23.07	-0.98	0.11	---	---
<i>Morningstar Small Growth Category Median</i>		6.71	-0.45	13.72	-3.37	-3.37	18.46	1.55	4.73	---	23.80	-0.53	0.13	---	---
<b>GLOBAL BLEND</b>															
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>															
American Funds Capital World G/I R4	6/27/02	4.55	-0.59	6.87	-7.55	-7.55	9.62	-0.96	7.47	N/A	20.54	1.42	-0.01	---	0.81%
<i>MSCI World Index (net)</i>		5.02	-0.06	7.59	-5.54	-5.54	11.13	-2.37	3.62	---	20.47	0.00	-0.08	---	---
<i>Lipper Global Funds Index</i>		6.40	-1.40	6.90	-10.47	-10.47	10.01	-2.28	3.86	---	19.73	-0.13	-0.09	---	---
<i>Morningstar World Stock Category Median</i>		5.88	-1.21	7.15	-7.53	-7.53	12.30	-1.70	4.42	---	21.65	0.86	-0.04	---	---

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# Lancaster County Retirement Plans



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Fund/Benchmark Name	Inception Date	YTD 1/31/12	CUMULATIVE RETURNS AS OF DECEMBER 31, 2011 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2011 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 9/30/11	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
			<b>GLOBAL GROWTH</b>												
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>															
SA/OFII Global Strategy #	7/9/02	4.86	-1.88	6.51	-8.76	-8.76	13.60	-1.73	---	7.45	22.10	-0.88	-0.03	1	1.08%
MSCI World Growth Index (net)		5.89	-1.12	7.57	-5.49	-5.49	12.98	-0.52	3.40	---	20.34	0.00	0.01	---	---
MSCI World Index (net)		5.02	-0.06	7.59	-5.54	-5.54	11.13	-2.37	3.62	---	20.47	-1.86	-0.08	---	---
Lipper Global Funds Index		6.40	-1.40	6.90	-10.47	-10.47	10.01	-2.28	3.86	---	19.73	-1.91	-0.09	---	---
Morningstar World Stock Category Median		5.88	-1.21	7.15	-7.53	-7.53	12.30	-1.70	4.42	---	21.65	-1.06	-0.04	---	---
<b>INTERNATIONAL VALUE</b>															
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>															
International Value / LSV Asset Mgmt. #	1/5/05	---	-1.82	3.57	-14.73	-14.73	3.87	-9.61	---	-1.42	24.83	-3.15	-0.33	3	1.36%
Manager Composite	12/31/97	---	-0.70	3.69	-13.77	-13.77	7.99	-6.56	6.99	N/A	---	---	---	---	1.30%
Blended Performance	12/31/97	---	-1.82	3.57	-14.35	-14.35	7.75	---	---	-7.98	---	---	---	---	1.36%
SA/Templeton Foreign Strategy #	4/1/96	6.30	-3.22	3.60	-12.45	-12.45	11.69	-2.51	5.11	N/A	24.78	4.26	-0.03	1	1.11%
MSCI EAFE Value Index (net)		5.21	-0.59	2.74	-12.17	-12.17	6.77	-6.33	4.98	---	23.93	0.00	-0.21	---	---
MSCI EAFE (net)		5.33	-0.95	3.33	-12.14	-12.14	7.65	-4.72	4.67	---	22.64	1.10	-0.16	---	---
Lipper International Funds Index		6.70	-2.60	4.33	-14.75	-14.75	8.57	-3.81	5.24	---	23.19	2.20	-0.11	---	---
Morningstar Foreign Large Value Category Median		5.99	-2.19	4.05	-12.92	-12.92	7.03	-5.17	5.22	---	23.57	1.54	-0.14	---	---
<b>INTERNATIONAL BLEND</b>															
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>															
International Blend / AQR #	12/5/97	5.50	-2.07	5.22	-11.86	-11.86	5.54	-8.13	1.81	N/A	23.31	-3.36	-0.30	4	1.36%
Manager Composite	2/29/00	---	-0.95	4.49	-11.99	-11.99	8.88	-4.52	5.35	N/A	23.18	0.41	-0.14	---	1.30%
Blended Performance	2/29/00	---	-2.07	5.22	-11.86	-11.86	9.36	-4.27	5.49	N/A	23.29	0.71	-0.13	---	1.36%
International Blend / Pictet Asset Management Fund #	1/18/07	6.74	-2.62	2.89	-15.39	-15.39	9.15	---	---	-7.05	26.45	-0.38	-0.17	3	1.36%
Manager Composite	8/31/95	---	-1.42	2.14	-15.04	-15.04	9.60	-6.36	5.50	N/A	26.51	-0.14	-0.16	---	1.30%
Blended Performance	8/31/95	---	-2.62	2.89	-15.39	-15.39	9.15	-6.54	5.39	N/A	26.45	-0.38	-0.17	---	1.36%
International Blend / Thornburg #	8/17/10	5.73	-2.34	3.10	-15.01	-15.01	---	---	---	-5.53	---	---	---	1	1.36%
Manager Composite	6/30/98	---	-2.08	4.21	-13.39	-13.39	9.09	-0.94	7.70	N/A	21.15	3.21	0.00	---	1.30%
Blended Performance	6/30/98	---	-2.34	3.10	-15.01	-15.01	9.00	-0.99	7.68	N/A	20.99	3.10	-0.01	---	1.36%
American Funds EuroPacific Gr R4	6/7/02	6.08	-2.46	4.53	-13.61	-13.61	9.55	-1.46	6.51	N/A	21.84	2.96	-0.02	---	0.85%
MSCI EAFE (net)		5.33	-0.95	3.33	-12.14	-12.14	7.65	-4.72	4.67	---	22.64	0.00	-0.16	---	---
Lipper International Funds Index		6.70	-2.60	4.33	-14.75	-14.75	8.57	-3.81	5.24	---	23.19	1.12	-0.11	---	---
Morningstar Foreign Large Blend Category Median		6.06	-2.40	4.46	-13.78	-13.78	7.88	-4.36	4.51	---	23.37	0.57	-0.13	---	---

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# Lancaster County Retirement Plans



## Defined Contribution Fund Performance as of December 31, 2011 with January 31, 2012 update

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			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>INTERNATIONAL GROWTH</b>															
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>															
International Growth / Artisan Partners Fund #	2/28/01	6.10	-1.97	9.23	-7.56	-7.56	11.30	-2.64	4.44	N/A	24.48	1.35	-0.04	3	1.16%
<i>MSCI EAFE Growth Index (net)</i>		5.46	-1.30	3.92	-12.11	-12.11	8.47	-3.16	4.27	---	21.86	0.00	-0.10	---	---
<i>MSCI EAFE (net)</i>		5.33	-0.95	3.33	-12.14	-12.14	7.65	-4.72	4.67	---	22.64	-1.40	-0.16	---	---
<i>Lipper International Funds Index</i>		6.70	-2.60	4.33	-14.75	-14.75	8.57	-3.81	5.24	---	23.19	-0.28	-0.11	---	---
<i>Morningstar Foreign Large Growth Category Median</i>		6.25	-2.50	5.85	-12.23	-12.23	10.74	-2.61	5.75	---	23.70	1.18	-0.04	---	---
<b>DIVERSIFIED EMERGING MKTS</b>															
<i>Investing in emerging markets is generally riskier than investing in foreign securities. Emerging-market countries may have unstable governments and/or economies that are subject to sudden change. These changes may be magnified by the countries' emergent financial markets, resulting in significant volatility to investments in these countries. These countries also may lack the legal, business, and social framework to support securities markets.</i>															
QMA Emerging Markets Fund #	8/31/95	11.79	-4.39	4.79	-17.79	-17.79	21.17	3.14	13.55	N/A	29.91	0.88	0.21	1	1.47%
<i>MSCI Emerging Markets (net)</i>		11.34	-1.21	4.42	-18.42	-18.42	20.07	2.40	13.86	---	29.09	0.00	0.18	---	---
<i>Morningstar Diversified Emerging Mkts Category Median</i>		10.33	-3.67	4.58	-19.20	-19.20	18.41	0.59	12.99	---	29.55	-1.74	0.12	---	---
<b>BALANCED VALUE (MODERATE ALLOCATION)</b>															
Balanced Fund (sub-advised by Wellington Management and PIM) #	7/23/01	2.63	1.50	7.99	2.97	2.97	11.43	0.62	3.99	N/A	12.85	-0.74	0.01	3	0.82%
Balanced I / Wellington Mgmt. Fund #	11/30/99	3.66	1.57	8.45	1.20	1.20	10.09	2.26	4.60	N/A	11.88	0.81	0.13	2	0.97%
SA/Oakmark Equity & Income Strategy #	7/19/02	3.27	-0.27	9.08	0.57	0.57	9.71	4.39	---	8.24	11.63	2.93	0.31	3	0.80%
<i>60% Russell 1000 Value / 40% Barclays Cap Agg</i>		2.62	1.65	8.30	3.68	3.68	10.19	1.42	5.02	---	12.32	0.00	0.07	---	---
<i>60% Russell 1000 / 40% Barclays Capital Aggregate</i>		3.28	0.94	7.57	4.34	4.34	12.02	3.01	4.67	---	11.81	1.53	0.19	---	---
<i>60% S&amp;P 500 / 40% Barclays Capital Int Govt Credit</i>		3.10	0.93	7.42	3.86	3.86	11.12	2.61	4.18	---	11.50	1.13	0.16	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	0.47	0.10	---	---
<i>Morningstar Moderate Allocation Category Median</i>		3.80	0.27	6.82	0.01	0.01	11.55	1.62	4.25	---	13.48	0.33	0.09	---	---
<b>BALANCED BLEND (MODERATE ALLOCATION)</b>															
Prudential IncomeFlex Select EasyPath Balanced Fund #	6/30/09	3.56	0.14	6.07	2.40	2.40	---	---	---	10.01	---	---	---	---	1.74%
<i>60% Russell 1000 / 40% Barclays Capital Aggregate</i>		3.28	0.94	7.57	4.34	4.34	12.02	3.01	4.67	---	11.81	0.00	0.19	---	---
<i>60% S&amp;P 500 / 40% Barclays Capital Int Govt Credit</i>		3.10	0.93	7.42	3.86	3.86	11.12	2.61	4.18	---	11.50	-0.36	0.16	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-1.20	0.10	---	---
<i>Morningstar Moderate Allocation Category Median</i>		3.80	0.27	6.82	0.01	0.01	11.55	1.62	4.25	---	13.48	-1.39	0.09	---	---
<b>BALANCED GROWTH (MODERATE ALLOCATION)</b>															
Balanced / JPMorgan Investment Management, PIM #	10/19/00	4.08	-0.47	6.08	2.33	2.33	12.30	1.43	2.90	N/A	12.85	-3.13	0.07	3	0.80%
SA/Janus Balanced Strategy #	4/1/00	4.48	0.75	7.86	1.42	1.42	10.66	4.86	5.70	N/A	10.93	0.65	0.36	1	1.06%
Oakmark Equity & Income I	11/1/95	3.22	-0.22	8.97	0.64	0.64	9.71	4.39	7.10	N/A	11.66	0.14	0.31	---	0.79%
<i>60% R1000 Growth / 40% Barclays Cap Govt Credit</i>		3.93	0.25	6.85	5.02	5.02	13.83	4.55	4.23	---	11.65	0.00	0.32	---	---
<i>60% Russell 1000 / 40% Barclays Capital Aggregate</i>		3.28	0.94	7.57	4.34	4.34	12.02	3.01	4.67	---	11.81	-1.47	0.19	---	---
<i>60% S&amp;P 500 / 40% Barclays Capital Int Govt Credit</i>		3.10	0.93	7.42	3.86	3.86	11.12	2.61	4.18	---	11.50	-1.78	0.16	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-2.84	0.10	---	---
<i>Morningstar Moderate Allocation Category Median</i>		3.80	0.27	6.82	0.01	0.01	11.55	1.62	4.25	---	13.48	-3.05	0.09	---	---

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			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>BALANCED BLEND (CONSERVATIVE ALLOCATION)</b>															
Prudential IncomeFlex Select EasyPath Conservative Fund #	6/30/09	2.17	0.19	3.37	5.08	5.08	---	---	---	7.36	---	---	---	---	1.75%
Prudential IncomeFlex Select EasyPath Moderate Fund #	6/30/09	2.91	0.15	4.68	3.57	3.57	---	---	---	8.72	---	---	---	---	1.75%
<i>60% Russell 1000 / 40% Barclays Capital Aggregate</i>		3.28	0.94	7.57	4.34	4.34	12.02	3.01	4.67	---	11.81	0.00	0.19	---	---
<i>60% S&amp;P 500 / 40% Barclays Capital Int Govt Credit</i>		3.10	0.93	7.42	3.86	3.86	11.12	2.61	4.18	---	11.50	-0.36	0.16	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-1.20	0.10	---	---
<i>Morningstar Conservative Allocation Category Median</i>		2.72	0.54	4.18	1.90	1.90	10.40	3.12	4.38	---	9.15	0.47	0.23	---	---
<b>LIFETIMES - LARGE BLEND</b>															
Lifetime Aggressive Growth Fund #	4/30/94	5.06	-0.17	8.27	-1.15	-1.15	12.30	-0.07	3.70	N/A	16.93	-0.66	0.00	---	1.13%
<i>Lifetime Aggressive Growth Primary Benchmark</i>		4.27	0.52	8.17	-0.17	-0.17	12.17	0.69	4.69	---	16.13	0.00	0.04	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	0.79	0.10	---	---
<i>Morningstar Large Blend Category Median</i>		4.85	0.63	11.58	-0.06	-0.06	13.50	-0.63	2.75	---	19.19	-0.86	0.00	---	---
<b>LIFETIMES - MODERATE ALLOCATION</b>															
Lifetime Balanced Fund #	4/30/94	4.26	0.11	7.05	0.78	0.78	11.83	1.32	4.25	N/A	13.94	-0.60	0.07	---	1.05%
<i>Lifetime Balanced Primary Benchmark</i>		3.63	0.64	6.89	1.47	1.47	11.37	1.96	4.89	---	13.23	0.00	0.11	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-0.12	0.10	---	---
<i>Morningstar Moderate Allocation Category Median</i>		3.80	0.27	6.82	0.01	0.01	11.55	1.62	4.25	---	13.48	-0.32	0.09	---	---
Lifetime Conservative Growth Fund #	4/30/94	3.76	0.26	6.17	1.95	1.95	11.48	2.18	4.55	N/A	12.02	-0.57	0.13	---	0.99%
<i>Lifetime Conservative Growth Primary Benchmark</i>		3.21	0.70	5.97	2.45	2.45	10.74	2.74	5.12	---	11.34	0.00	0.17	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-0.95	0.10	---	---
<i>Morningstar Moderate Allocation Category Median</i>		3.80	0.27	6.82	0.01	0.01	11.55	1.62	4.25	---	13.48	-1.14	0.09	---	---
Lifetime Growth Fund #	4/30/94	4.54	-0.02	7.41	0.12	0.12	12.06	0.91	4.09	N/A	14.96	-0.53	0.05	---	1.07%
<i>Lifetime Growth Primary Benchmark</i>		3.85	0.59	7.26	0.84	0.84	11.61	1.51	4.76	---	14.21	0.00	0.08	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	0.26	0.10	---	---
<i>Morningstar Moderate Allocation Category Median</i>		3.80	0.27	6.82	0.01	0.01	11.55	1.62	4.25	---	13.48	0.08	0.09	---	---
<b>LIFETIMES - CONSERVATIVE ALLOCATION</b>															
Lifetime Income & Equity Fund #	4/30/94	2.69	0.50	4.36	3.79	3.79	10.14	3.49	4.73	N/A	8.20	-0.63	0.29	---	0.90%
<i>Lifetime Income &amp; Equity Primary Benchmark</i>		2.32	0.79	4.16	4.09	4.09	9.08	3.98	5.19	---	7.60	0.00	0.37	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-3.40	0.10	---	---
<i>Morningstar Conservative Allocation Category Median</i>		2.72	0.54	4.18	1.90	1.90	10.40	3.12	4.38	---	9.15	-1.19	0.23	---	---
<b>RETIREMENT INCOME</b>															
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Prudential IncomeFlex Target EasyPath Balanced Fund #	6/30/09	3.56	0.13	6.06	2.34	2.34	---	---	---	9.95	---	---	---	---	1.78%
<i>40% S&amp;P 500 / 60% Barclays Capital Agg Bond Index</i>		2.32	1.07	5.40	5.84	5.84	10.12	4.20	4.97	---	8.07	0.00	0.38	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-3.51	0.10	---	---
<i>Morningstar Retirement Income Median</i>		2.84	0.31	4.28	1.87	1.87	10.51	3.29	4.15	---	8.83	-0.94	0.26	---	---
Retirement Goal Income Fund #	11/30/02	2.04	0.49	3.21	3.41	3.41	8.12	3.26	---	4.77	6.16	-0.84	0.33	---	0.83%
<i>Retirement Goal Income Primary Benchmark</i>		1.76	0.70	3.15	3.96	3.96	7.36	3.92	---	---	5.60	0.00	0.47	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-4.55	0.10	---	---
<i>Morningstar Retirement Income Median</i>		2.84	0.31	4.28	1.87	1.87	10.51	3.29	4.15	---	8.83	-1.73	0.26	---	---

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# Lancaster County Retirement Plans



## Defined Contribution Fund Performance as of December 31, 2011 with January 31, 2012 update

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The following grid provides fund performance information, and other relevant performance and supplementary information concerning Institutional Sub-Advised Funds, Alliance Mutual Funds and Proprietary Funds. Please see the EXPLANATION OF PERFORMANCE INFORMATION in the footnote section for more information on the performance shown.

The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/12	CUMULATIVE RETURNS AS OF DECEMBER 31, 2011 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2011 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 9/30/11	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>TARGET DATE 2000-2010</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential IncomeFlex Target EasyPath 2010 Fund #	6/30/09	3.56	0.13	6.06	2.34	2.34	---	---	---	9.95	---	---	---	---	1.78%
40% S&P 500 / 60% Barclays Capital Agg Bond Index		2.32	1.07	5.40	5.84	5.84	10.12	4.20	4.97	---	8.07	0.00	0.38	---	---
Lipper Balanced Funds Index		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-3.51	0.10	---	---
Morningstar Target-Date 2000-2010 Median		3.13	0.22	4.59	1.18	1.18	11.24	2.31	3.93	---	11.34	-2.84	0.14	---	---
Retirement Goal 2010 Fund #	11/30/02	2.27	0.49	3.63	3.64	3.64	8.74	2.76	---	5.80	7.45	-0.81	0.22	---	0.86%
Retirement Goal 2010 Primary Benchmark		1.96	0.71	3.53	3.84	3.84	7.99	3.45	---	---	6.86	0.00	0.33	---	---
Lipper Balanced Funds Index		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-2.87	0.10	---	---
Morningstar Target-Date 2000-2010 Median		3.13	0.22	4.59	1.18	1.18	11.24	2.31	3.93	---	11.34	-2.26	0.14	---	---
<b>TARGET DATE 2011-2015</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential IncomeFlex Target EasyPath 2015 Fund #	6/30/09	3.56	0.13	6.06	2.34	2.34	---	---	---	9.95	---	---	---	---	1.78%
60% S&P 500 / 40% Barclays Capital Agg Bond Index		3.04	1.05	7.54	4.69	4.69	11.60	2.84	4.40	---	11.57	0.00	0.18	---	---
Lipper Balanced Funds Index		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-1.04	0.10	---	---
Morningstar Target-Date 2011-2015 Median		3.53	0.22	5.64	0.31	0.31	11.54	1.83	---	---	13.07	-1.08	0.10	---	---
<b>TARGET DATE 2016-2020</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential IncomeFlex Target EasyPath 2020 Fund #	6/30/09	3.56	0.13	6.06	2.34	2.34	---	---	---	10.40	---	---	---	---	1.78%
60% S&P 500 / 40% Barclays Capital Agg Bond Index		3.04	1.05	7.54	4.69	4.69	11.60	2.84	4.40	---	11.57	0.00	0.18	---	---
Lipper Balanced Funds Index		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-1.04	0.10	---	---
Morningstar Target-Date 2016-2020 Median		3.81	0.09	5.96	-0.41	-0.41	12.22	1.07	3.81	---	14.79	-1.84	0.05	---	---
Retirement Goal 2020 Fund #	11/30/02	3.59	0.24	5.93	1.94	1.94	11.24	1.46	---	6.27	12.45	-0.90	0.07	---	0.99%
Retirement Goal 2020 Primary Benchmark		3.07	0.70	5.71	2.80	2.80	10.95	2.37	---	---	11.74	0.00	0.14	---	---
Lipper Balanced Funds Index		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-0.53	0.10	---	---
Morningstar Target-Date 2016-2020 Median		3.81	0.09	5.96	-0.41	-0.41	12.22	1.07	3.81	---	14.79	-1.29	0.05	---	---
<b>TARGET DATE 2021-2025</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential IncomeFlex Target EasyPath 2025 Fund #	6/30/09	4.04	0.15	7.43	1.81	1.81	---	---	---	12.09	---	---	---	---	0.78%
60% S&P 500 / 40% Barclays Capital Agg Bond Index		3.04	1.05	7.54	4.69	4.69	11.60	2.84	4.40	---	11.57	0.00	0.18	---	---
Lipper Balanced Funds Index		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-1.04	0.10	---	---
Morningstar Target-Date 2021-2025 Median		4.32	0.03	6.92	-1.50	-1.50	12.62	0.52	---	---	16.34	-2.43	0.04	---	---

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# Lancaster County Retirement Plans



## Defined Contribution Fund Performance as of December 31, 2011 with January 31, 2012 update

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The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/12	CUMULATIVE RETURNS AS OF DECEMBER 31, 2011 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2011 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 9/30/11	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>TARGET DATE 2026-2030</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential IncomeFlex Target EasyPath 2030 Fund #	6/30/09	4.48	0.13	8.12	0.87	0.87	---	---	---	12.39	---	---	---	---	0.77%
60% S&P 500 / 40% Barclays Capital Agg Bond Index		3.04	1.05	7.54	4.69	4.69	11.60	2.84	4.40	---	11.57	0.00	0.18	---	---
Lipper Balanced Funds Index		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-1.04	0.10	---	---
Morningstar Target-Date 2026-2030 Median		4.61	-0.09	7.37	-2.35	-2.35	12.65	-0.40	3.55	---	17.59	-3.35	-0.01	---	---
Retirement Goal 2030 Fund #	11/30/02	4.69	-0.06	7.72	-0.30	-0.30	12.07	-0.08	---	5.98	16.16	-0.90	-0.01	---	1.09%
Retirement Goal 2030 Primary Benchmark		3.98	0.56	7.50	0.60	0.60	12.03	0.92	---	---	15.35	0.00	0.05	---	---
Lipper Balanced Funds Index		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	0.68	0.10	---	---
Morningstar Target-Date 2026-2030 Median		4.61	-0.09	7.37	-2.35	-2.35	12.65	-0.40	3.55	---	17.59	-1.00	-0.01	---	---
<b>TARGET DATE 2031-2035</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential IncomeFlex Target EasyPath 2035 Fund #	6/30/09	4.71	0.07	8.66	-0.09	-0.09	---	---	---	12.72	---	---	---	---	0.77%
60% S&P 500 / 40% Barclays Capital Agg Bond Index		3.04	1.05	7.54	4.69	4.69	11.60	2.84	4.40	---	11.57	0.00	0.18	---	---
Lipper Balanced Funds Index		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-1.04	0.10	---	---
Morningstar Target-Date 2031-2035 Median		4.99	-0.17	8.43	-3.10	-3.10	13.00	-0.72	---	---	18.60	-3.64	-0.01	---	---
<b>TARGET DATE 2036-2040</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential IncomeFlex Target EasyPath 2040 Fund #	6/30/09	4.99	0.05	8.98	-0.66	-0.66	---	---	---	12.83	---	---	---	---	0.77%
60% S&P 500 / 40% Barclays Capital Agg Bond Index		3.04	1.05	7.54	4.69	4.69	11.60	2.84	4.40	---	11.57	0.00	0.18	---	---
Lipper Balanced Funds Index		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-1.04	0.10	---	---
Morningstar Target-Date 2036-2040 Median		5.20	-0.29	8.31	-3.82	-3.82	12.93	-0.79	3.31	---	19.01	-3.72	-0.02	---	---
Retirement Goal 2040 Fund #	11/30/02	5.19	-0.20	8.69	-1.70	-1.70	12.25	-1.01	---	5.69	18.15	-0.91	-0.04	---	1.14%
Retirement Goal 2040 Primary Benchmark		4.44	0.49	8.51	-0.55	-0.55	12.53	0.04	---	---	17.31	0.00	0.01	---	---
Lipper Balanced Funds Index		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	1.16	0.10	---	---
Morningstar Target-Date 2036-2040 Median		5.20	-0.29	8.31	-3.82	-3.82	12.93	-0.79	3.31	---	19.01	-0.55	-0.02	---	---
<b>TARGET DATE 2041-2045</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential IncomeFlex Target EasyPath 2045 Fund #	6/30/09	5.08	0.04	9.18	-0.83	-0.83	---	---	---	12.85	---	---	---	---	0.77%
60% S&P 500 / 40% Barclays Capital Agg Bond Index		3.04	1.05	7.54	4.69	4.69	11.60	2.84	4.40	---	11.57	0.00	0.18	---	---
Lipper Balanced Funds Index		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-1.04	0.10	---	---
Morningstar Target-Date 2041-2045 Median		5.38	-0.32	8.80	-3.83	-3.83	12.89	-1.01	---	---	19.56	-3.93	-0.02	---	---

# Lancaster County Retirement Plans



## Defined Contribution Fund Performance as of December 31, 2011 with January 31, 2012 update

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Fund/Benchmark Name	Inception Date	YTD 1/31/12	CUMULATIVE RETURNS AS OF DECEMBER 31, 2011 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2011 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 9/30/11	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>TARGET DATE 2050+</b>															
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Prudential IncomeFlex Target EasyPath 2050 Fund #	6/30/09	5.21	0.00	9.28	-1.29	-1.29	---	---	---	12.92	---	---	---	---	0.77%
Prudential IncomeFlex Target EasyPath 2055 Fund #	6/30/09	5.25	-0.01	9.39	-1.38	-1.38	---	---	---	12.97	---	---	---	---	0.77%
Prudential IncomeFlex Target EasyPath 2060 Fund #	6/30/09	5.25	-0.01	9.39	-1.38	-1.38	---	---	---	12.97	---	---	---	---	0.77%
<i>60% S&amp;P 500 / 40% Barclays Capital Agg Bond Index</i>		3.04	1.05	7.54	4.69	4.69	11.60	2.84	4.40	---	11.57	0.00	0.18	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-1.04	0.10	---	---
<i>Morningstar Target-Date 2050+ Median</i>		5.43	-0.39	8.81	-4.34	-4.34	12.94	-1.15	---	---	19.86	-4.08	-0.03	---	---
Retirement Goal 2050 Fund #	6/24/05	5.75	-0.40	9.41	-3.08	-3.08	12.47	-1.87	---	2.14	20.04	-0.94	-0.06	---	1.18%
<i>Retirement Goal 2050 Primary Benchmark</i>		4.87	0.41	9.33	-1.72	-1.72	13.01	-0.75	---	---	19.17	0.00	-0.01	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	1.48	0.10	---	---
<i>Morningstar Target-Date 2050+ Median</i>		5.43	-0.39	8.81	-4.34	-4.34	12.94	-1.15	---	---	19.86	-0.29	-0.03	---	---
<b>RETIREMENT INCOME - INCOME FLEX (MODERATE ALLOCATION)</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
IncomeFlex LT Balanced Fund #	11/28/06	4.19	0.04	6.83	-0.03	-0.03	10.94	0.51	3.42	N/A	13.93	-1.40	0.01	---	1.85%
IncomeFlex LT Balanced Fund #	11/28/06	4.15	0.00	6.69	-0.53	-0.53	10.38	0.01	2.91	N/A	13.93	-1.90	-0.03	---	2.35%
<i>Lifetime Balanced Primary Benchmark</i>		3.63	0.64	6.89	1.47	1.47	11.37	1.96	4.89	---	13.23	0.00	0.11	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-0.12	0.10	---	---
<i>Morningstar Moderate Allocation Category Median</i>		3.80	0.27	6.82	0.01	0.01	11.55	1.62	4.25	---	13.48	-0.32	0.09	---	---
IncomeFlex LT Conservative Growth Fund #	11/28/06	3.69	0.19	5.96	1.14	1.14	10.59	1.37	3.72	N/A	12.01	-1.37	0.06	---	1.79%
IncomeFlex LT Conservative Growth Fund #	11/28/06	3.64	0.15	5.83	0.63	0.63	10.04	0.86	3.20	N/A	12.01	-1.87	0.02	---	2.29%
<i>Lifetime Conservative Growth Primary Benchmark</i>		3.21	0.70	5.97	2.45	2.45	10.74	2.74	5.12	---	11.34	0.00	0.17	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-0.95	0.10	---	---
<i>Morningstar Moderate Allocation Category Median</i>		3.80	0.27	6.82	0.01	0.01	11.55	1.62	4.25	---	13.48	-1.14	0.09	---	---
<b>RETIREMENT INCOME - INCOME FLEX (CONSERVATIVE ALLOCATION)</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
IncomeFlex LT Income & Equity Fund #	11/28/06	2.62	0.44	4.15	2.96	2.96	9.26	2.66	3.90	N/A	8.19	-1.43	0.19	---	1.70%
IncomeFlex LT Income & Equity Fund #	11/28/06	2.57	0.39	4.02	2.45	2.45	8.71	2.15	3.38	N/A	8.19	-1.93	0.13	---	2.20%
<i>Lifetime Income &amp; Equity Primary Benchmark</i>		2.32	0.79	4.16	4.09	4.09	9.08	3.98	5.19	---	7.60	0.00	0.37	---	---
<i>Lipper Balanced Funds Index</i>		3.80	0.30	6.57	0.98	0.98	11.71	1.84	4.14	---	12.95	-3.40	0.10	---	---
<i>Morningstar Conservative Allocation Category Median</i>		2.72	0.54	4.18	1.90	1.90	10.40	3.12	4.38	---	9.15	-1.19	0.23	---	---

# Lancaster County Retirement Plans



## Defined Contribution Fund Performance as of December 31, 2011 with January 31, 2012 update

The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, 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 data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com).

The following grid provides fund performance information, and other relevant performance and supplementary information concerning Institutional Sub-Advised Funds, Alliance Mutual Funds and Proprietary Funds. Please see the EXPLANATION OF PERFORMANCE INFORMATION in the footnote section for more information on the performance shown.

The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/12	CUMULATIVE RETURNS AS OF DECEMBER 31, 2011 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2011 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 9/30/11	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>INTERMEDIATE-TERM BOND</b>															
<i>Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.</i>															
Core Bond Enhanced Index / PIM Fund #	3/15/99	0.93	1.16	1.17	7.65	7.65	6.85	6.52	5.76	N/A	3.74	-0.14	1.33	1	0.37%
Core Bond/PIM Fund #	12/15/98	1.20	0.97	0.93	7.02	7.02	8.28	6.17	5.34	N/A	3.79	-0.31	1.21	2	0.82%
Core Plus Bond / PIMCO Fund #	7/19/02	2.48	1.42	1.48	2.30	2.30	6.78	7.01	---	6.21	5.10	-0.29	1.09	4	0.45%
Core Plus Bond / Reams Fund #	11/1/99	2.25	1.89	3.20	6.84	6.84	15.59	7.45	6.30	N/A	9.91	-0.07	0.63	3	0.82%
<i>Manager Composite</i>	5/31/81	---	1.90	2.53	7.39	7.39	15.10	7.80	6.20	N/A	9.30	-0.13	0.70	---	0.80%
<i>Blended Performance</i>	5/31/81	---	1.89	3.20	6.84	6.84	15.59	7.81	6.20	N/A	9.93	-0.04	0.64	---	0.82%
High Grade Bond / GSAM Fund #	11/1/99	0.99	1.00	1.05	7.26	7.26	8.68	5.31	5.04	N/A	4.04	-1.15	0.94	4	0.82%
<i>Manager Composite</i>	8/31/90	---	0.93	0.96	7.00	7.00	8.34	5.39	5.10	N/A	4.36	-1.35	0.90	---	0.80%
<i>Blended Performance</i>	8/31/90	---	1.00	1.05	7.26	7.26	8.68	5.20	5.01	N/A	4.14	-1.17	0.93	---	0.82%
<i>Barclays Aggregate Bond Index</i>		0.88	1.10	1.12	7.84	7.84	6.77	6.50	5.78	---	3.60	0.00	1.37	---	---
<i>Morningstar Intermediate-Term Bond Category Median</i>		1.31	1.16	1.31	6.47	6.47	8.60	6.15	5.46	---	4.25	-0.19	1.06	---	---
Corporate Bond / PIM Fund #	1/1/97	2.24	2.00	1.90	7.32	7.32	12.21	6.81	6.21	N/A	7.07	-0.19	0.77	1	0.82%
<i>Manager Composite</i>	6/30/91	---	2.22	2.14	7.35	7.35	11.99	7.57	7.00	N/A	7.26	0.37	0.85	---	0.80%
<i>Blended Performance</i>	6/30/91	---	2.00	1.90	7.32	7.32	12.21	7.20	6.82	N/A	7.03	-0.06	0.79	---	0.82%
<i>Barclays Credit Index</i>		2.08	1.94	1.70	8.35	8.35	10.90	6.80	6.35	---	6.68	0.00	0.81	---	---
<i>Morningstar Intermediate-Term Bond Category Median</i>		1.31	1.16	1.31	6.47	6.47	8.60	6.15	5.46	---	4.25	1.75	1.06	---	---
<b>HIGH YIELD BOND</b>															
<i>High yield bonds, commonly known as junk bonds, are subject to a high level of credit and market risks. Fixed Income investment mutual funds are subject to interest rate risk, and that their value will decline as interest rates rise.</i>															
High Yield Bond / Caywood-Scholl Fund #	11/1/02	2.73	2.83	6.68	5.05	5.05	20.06	7.59	---	8.37	12.23	0.87	0.55	1	0.97%
<i>Barclays High Yield Bond Index</i>		3.04	2.66	6.46	4.98	4.98	24.12	7.54	8.85	---	14.23	0.00	0.49	---	---
<i>Lipper High Current Yield Bond Funds Index</i>		3.30	2.30	5.74	2.89	2.89	20.98	5.17	7.11	---	13.16	-1.77	0.34	---	---
<i>Morningstar High Yield Bond Category Median</i>		2.98	2.27	5.75	3.49	3.49	20.39	5.95	7.26	---	12.62	-0.60	0.42	---	---
<b>INFLATION-PROTECTED BOND</b>															
<i>Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.</i>															
Prudential TIPS Enhanced Index Fund #	6/24/09	2.07	0.05	2.38	12.58	12.58	---	---	---	8.99	---	---	---	2	0.91%
<i>Barclays US Treasury TIPS Index</i>		2.29	0.04	2.69	13.56	13.56	10.38	7.95	7.57	---	7.41	0.00	0.89	---	---
<i>Barclays Capital Treasury Bond</i>		0.42	0.97	0.89	9.81	9.81	3.88	6.81	5.71	---	5.00	3.30	1.08	---	---
<i>Morningstar Inflation-Protected Bond Median</i>		2.17	0.10	2.47	12.04	12.04	9.49	7.26	7.07	---	7.45	-0.66	0.77	---	---

For institutional plan sponsor use only. Not to be distributed to plan participants or the general public.  
\*Please see footnote section for more information.

# Lancaster County Retirement Plans



## Defined Contribution Fund Performance as of December 31, 2011 with January 31, 2012 update

The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, 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 data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com).

The following grid provides fund performance information, and other relevant performance and supplementary information concerning Institutional Sub-Advised Funds, Alliance Mutual Funds and Proprietary Funds. Please see the EXPLANATION OF PERFORMANCE INFORMATION in the footnote section for more information on the performance shown.

The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/12	CUMULATIVE RETURNS			AVERAGE ANNUAL RETURNS				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 9/30/11	Expense Ratio*
			AS OF DECEMBER 31, 2011 *			AS OF DECEMBER 31, 2011 *									
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>GOVERNMENT SECURITIES</b>															
<i>Shares of this Fund are not issued or guaranteed by the U.S. government. Fixed Income investment mutual funds are subject to interest rate risk, and that their value will decline as interest rates rise.</i>															
Government Securities / PIM Fund #	12/15/98	0.39	0.81	0.70	8.44	8.44	3.60	5.98	4.95	N/A	4.73	-0.83	0.97	3	0.82%
<i>Barclays Government Bond Index</i>		0.44	0.89	0.84	9.02	9.02	4.01	6.56	5.59	---	4.45	0.00	1.15	---	---
<i>Morningstar Intermediate Government Category Median</i>		0.48	0.67	0.75	6.69	6.69	5.56	6.05	5.03	---	3.22	1.25	1.32	---	---
<b>STABLE VALUE</b>															
Gibraltar Guaranteed Fund	11/11/08		0.28	0.84	3.58	3.58	4.18	---	---	4.30	Current Net Annualized Rate as of 1/1/2012: 3.38%			---	---
<i>5 Year Treasury Average Yield</i>		0.06	0.07	0.23	1.48	1.48	1.85	2.52	3.14	---	0.31	0.00	4.02	---	---
<i>Citigroup Three Month T-Bill</i>		0.00	0.00	0.01	0.08	0.08	0.12	1.36	1.85	---	0.53	0.00	---	---	---
<i>5 Year U.S. Treasury</i>		0.79	0.77	1.26	9.36	9.36	4.91	7.73	5.76	---	4.87	10.34	1.29	---	---

## EXPLANATION OF PERFORMANCE INFORMATION

The following tables provide fund performance information, and other relevant performance and supplementary information concerning Institutional Sub-Advised, Institutional Select, Alliance Mutual Funds and Proprietary Funds if applicable. For Institutional Sub-Advised and Institutional Select Funds, the PRIAC Separate Accounts hold the investment securities. Prudential Retirement Insurance and Annuity Company (PRIAC) assumes no responsibility for monitoring performance of the investment manager of any Institutional Select Fund. PERFORMANCE: When such funds have fewer than five years of performance history, three types of performance information are provided to assist you in choosing your plan's investment options. "Fund Performance" represents the actual performance of the fund for all periods since the inception date of the fund (which is shown in this line). "Manager's Composite" represents the composite return of multiple portfolios advised by the Manager since the inception date. These portfolios have an investment style and approach similar to the investment style of the fund. "Blended" represents a combination of the actual Fund performance and the current Manager's Composite performance. Actual Fund performance is used for periods after the fund was managed by the current Manager. For periods before the current Manager's assumption of Fund management, the Manager's Composite return is used. Therefore, when no Actual Fund performance with the current manager exists, the Blended performance line will equal the Manager Composite line. The inception date associated with this line is the inception date of the Manager's Composite. "Since Inception" returns are only provided when the inception date is less than 10 years ago. All performance is net of the expense ratio shown for that line.

For Alliance Mutual Funds, performance shown for the Separate Account is the performance of the underlying mutual fund. If the mutual fund's inception was before the Separate Account's inception date, mutual fund performance is shown for the prior periods. Performance for all periods reflects the reinvestment of mutual fund dividends and capital gains (as applicable). Any sub-accounting or distribution fees paid to Prudential by the underlying mutual fund complex is disclosed in the fact sheet for the fund. Any reference to share class refers to the underlying investment of the separate account and does not indicate that this is an investment directly into this share class.

Our pricing for your plan sometimes includes contract charges. If included, the contract charges would reduce the performance shown below. Any contract charges are disclosed to you. Regarding your members, the expense ratio shown in their statements and in the performance shown on their statements will reflect any contract charges imposed. The management fees, fund fees and contract charges compensate us for the distribution and servicing associated with your plan. Other plan investment options may generate more or less revenue for us than the fees associated with the fund you select. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

For more information, please contact your Prudential Retirement Representative at 1-877-778-2100.

## Footnotes

Your current funds are highlighted in yellow.

Funds represented in green text are closed and are no longer available as a new fund option to Plan Sponsors.

Outside Fund information offered through other firms was provided by the fund's custodian or from publicly available sources.

*While past performance is never an indication of future results, short periods of performance may be particularly unrepresentative of long-term performance.*

Funds offered by Prudential may be closed to new investors or new contributions at any time without prior notice.

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.

For Manager of Managers Institutional Sub-Advised funds and Institutional Select Funds, ACTUAL PERFORMANCE MAY BE AFFECTED BY THE MANAGER NOT BEING ABLE TO INVEST DIRECTLY IN A COUNTRY PRIOR TO SATISFACTION OF THAT COUNTRY'S LEGAL REQUIREMENTS.

All returns are net of the management fees charged for the separate account and net of other operational expenses and are before any contract charges, if any, unless noted otherwise. Historical returns reflect actual account performance and the investment manager's composite, which may consist of one account. Performance is representative of each separate account's investment management discipline. All returns are deemed accurate at the time of reporting but are subject to change. For more information, please contact your Prudential Retirement Representative at 1-877-778-2100.

**Gibraltar Guaranteed Fund** - The Gibraltar Guaranteed Fund is a group annuity product issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT 06103. Amounts contributed to the contract are deposited in PRIAC's general account. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of PRIAC. PRIAC periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract. Past interest rates are not indicative of future rates. This product is neither a mutual fund nor a bank product. The obligations of PRIAC are not insured by the FDIC or any other federal governmental agency.

Prudential Retirement is compensated in connection with this product when general account investment returns exceed the interest credited on contract balances. Prudential Retirement may earn fee revenue in addition to the foregoing compensation if your plan has agreed to pay contract charges, which are sometimes paid in respect of plan and participant recordkeeping and distribution services. For some plans, Prudential Retirement uses a portion of its aggregate compensation to satisfy the plan's request for allowances and for payments to defray plan expenses. If Prudential Retirement's aggregate compensation from this product and from other plan investment products exceeds the costs of servicing your plan, Prudential Retirement earns a profit; otherwise we incur a loss.

Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan's investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict or suspend purchase or exchange privileges and/or impose redemption fees.

**SA/Invesco Small Cap Growth Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/Janus Balanced Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/Janus Fund's Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/OFII Global Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/Oakmark Equity & Income Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/T. Rowe Price Equity Income Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/T. Rowe Price Growth Stock Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/Templeton Foreign Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/Wells Fargo Small Cap Value Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**Redemption Fees** - The following funds have redemption fees.

<b>Fund</b>	<b>Fee Rate</b>	<b>Holding Period</b>
<b>American Century International Growth (Inv Shrs)</b>	<b>2</b>	<b>60 Days</b>
<b>Cohen &amp; Steers Realty Income Fund (Class I Shares)</b>	<b>2</b>	<b>60 Days</b>
<b>Goldman High Yield Fund (Class A Shares)</b>	<b>2</b>	<b>60 Days</b>
<b>Goldman High Yield Fund (Class I Shares)</b>	<b>2</b>	<b>60 Days</b>
<b>Ivy Small Cap Growth Fund (Class Y Shares)</b>	<b>2</b>	<b>5 Days</b>
<b>Janus Worldwide Account (Class S Shares)</b>	<b>2</b>	<b>3 Months</b>
<b>Janus Worldwide Account (Class T Shares)</b>	<b>2</b>	<b>3 Months</b>
<b>Lazard International Equity Account (Open Shares)</b>	<b>1</b>	<b>30 Days</b>
<b>Lazard U.S. Small-Mid Cap Equity Fund (Open Shares)</b>	<b>1</b>	<b>30 Days</b>
<b>Lazard U.S. Strategic Equity Portfolio (Open Shares)</b>	<b>1</b>	<b>30 Days</b>
<b>Waddell &amp; Reed Adv Science &amp; Technology (Class A Shares)</b>	<b>2</b>	<b>5 Days</b>

## Definitions

**DDA Rank** - The DDA Rank represents the quartile ranking assigned to the fund in the latest Due Diligence Advisor Program Report. Due Diligence Quartile Ranks shown are based on the last available Due Diligence Analysis (as of September 30, 2011), among the following peer group universe totals:

<u>Peer Group</u>	<u># of Funds</u>	<u>Peer Group</u>	<u># of Funds</u>
Large Cap Value	117	Balanced - Blend (Dreyfus Founders Balanced)	14
Large Cap Blend	195	Balanced - Blend (Fidelity Advisor Balanced)	62
Large Cap Growth	149	Balanced - Blend (Vanguard Balanced)	11
Mid Cap Value	92	Balanced - Growth (Balanced Growth / American Century, GSAM)	31
Mid Cap Blend	156	Balanced - Growth (Janus Adviser Balanced)	64
Mid Cap Growth	235	Balanced - Value (Balanced I / Wellington Mgmt.)	23
Small Cap Value	69	Balanced - Value (Alliance Balanced Shares)	60
Small Cap Blend	113	Balanced - Value (Balanced Value / Wellington, PIM)	16
Small Cap Growth	123	Balanced - Value (Fidelity Puritan)	62
Real Estate	54	Balanced - Value (Oakmark Equity & Income)	30
Technology	42	Balanced - Value (Vanguard Wellington)	21
TIPS	32	Fixed Income - Aggregate (Core Plus)	40
Global - Value	17	Fixed Income - Aggregate (High Grade)	63
Global - Growth	60	Fixed Income - Government	10
International - Value	50	Fixed Income - High Yield	102
International - Blend	119	Fixed Income - U.S. Credit	17
International - Growth	125		
International - Emerging Markets	76		

### Morningstar # of funds in Category

Morningstar Category	# of Funds						
	MTD	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Morningstar Conservative Allocation Category Median	168	168	161	161	146	127	68
Morningstar Diversified Emerging Mkts Category Median	164	155	138	138	114	80	57
Morningstar Foreign Large Blend Category Median	220	220	212	212	197	163	124
Morningstar Foreign Large Growth Category Median	69	69	68	68	61	51	36
Morningstar Foreign Large Value Category Median	107	107	105	105	96	83	63
Morningstar High Yield Bond Category Median	146	144	141	141	127	118	95
Morningstar Inflation-Protected Bond Median	49	49	48	48	41	38	11
Morningstar Intermediate Government Category Median	87	87	86	86	85	84	77
Morningstar Intermediate-Term Bond Category Median	339	337	330	330	303	278	233
Morningstar Large Blend Category Median	537	535	513	513	475	434	331
Morningstar Large Growth Category Median	467	465	458	458	426	394	311
Morningstar Large Value Category Median	327	323	314	314	298	270	206

Morningstar Mid-Cap Blend Category Median	156	155	148	148	139	121	90
Morningstar Mid-Cap Growth Category Median	223	223	221	221	206	194	151
Morningstar Mid-Cap Value Category Median	118	115	111	111	103	91	53
Morningstar Moderate Allocation Category Median	277	277	261	261	232	212	157
Morningstar Retirement Income Median	57	57	55	55	49	17	5
Morningstar Small Blend Category Median	213	212	207	207	192	173	127
Morningstar Small Growth Category Median	226	226	222	222	210	194	149
Morningstar Small Value Category Median	112	111	100	100	92	83	58
Morningstar Target-Date 2000-2010 Median	41	41	41	41	32	26	5
Morningstar Target-Date 2011-2015 Median	40	40	39	39	29	17	1
Morningstar Target-Date 2016-2020 Median	44	42	40	40	35	23	6
Morningstar Target-Date 2021-2025 Median	39	39	37	37	26	14	0
Morningstar Target-Date 2026-2030 Median	44	42	40	40	35	23	5
Morningstar Target-Date 2031-2035 Median	38	38	36	36	25	14	0
Morningstar Target-Date 2036-2040 Median	44	42	40	40	35	20	5
Morningstar Target-Date 2041-2045 Median	36	36	35	35	23	12	0
Morningstar Target-Date 2050+ Median	64	62	49	49	31	7	1
Morningstar World Stock Category Median	253	249	235	235	192	134	90

**Alpha** - A measure of value added by a manager as compared to a passive portfolio with the same market sensitivity or beta. Alpha is a measure of return for residual, or non-market, risk, and is used to measure a manager's contribution to performance due to security or sector selection.

**Expense Ratio** - Expense Ratio includes management fee charges by the fund's Investment Manager against the fund's assets for managing the portfolio as well as for such services as shareholder relations or investment-related administration (fund analysis and research, etc.), 12(b)-1 fee [Mutual funds may charge this fee against the fund's assets to cover distribution expenses incurred by the fund], if applicable, "Other Expenses" [Charges by the fund's sponsor against the fund's assets for additional operating expenses. For example: related legal fees, auditing expenses, compliance with governmental regulations, mailing or postage costs, etc. The amount included for Prudential Institutional Sub-Advised and Proprietary Funds is actual for the prior calendar year end. The amount listed for Prudential Alliance Funds is for the last period reported by the Fund's sponsor]. The benefit of any "Fee Waivers" would be reflected in the Expense Ratio. Expense Ratio is prior to any contract-related charges.

**Risk** - This statistic measures the volatility of a stream of data compared to its average value. Applied to investment performance, standard deviation measures how "choppy" the monthly returns are over a period of time. 66% of all monthly values would fall within one standard deviation of the average, while 95% of all values would fall within two standard deviations of the average.

**Sharpe Ratio** - This statistic measures the quality of the returns for an investment on a risk-adjusted basis over a given period. It is defined as the excess returns of an investment divided by the standard deviation of returns. Excess returns are the returns of the investment minus the risk-free rate of return offered in the market, typically measured by short-term government instruments such as 3-month T-Bills. For two funds to have the same Sharpe Ratio, the fund with greater volatility must also deliver greater returns.

Sharpe Ratio = Excess Returns/Risk = (Returns on the Investment - Returns on T-Bills) / Standard Deviation

**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 our 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.**

For Institutional Funds and Alliance Funds, returns, expense ratios and rankings do not reflect any contract charges.

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.

For funds that are not part of PRIAC's Manager of Managers Program, PRIAC does not assume any responsibility for the plan's decision to invest in the funds, to monitor their performance or to provide information regarding the funds. Each of those is the sole responsibility of the plan. To the extent PRIAC provides such information, it makes no warranty as to the accuracy of such information and makes no undertaking to continue to provide such information unless PRIAC agrees to continue to provide such information in writing.

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Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, a Prudential Financial company.

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## **INDEX DEFINITIONS**

Indexes are unmanaged and cannot be invested in directly.

### **40% S&P 500 / 60% Barclays Capital Agg Bond Index**

40% S&P 500 Index/60% Barclays Capital U.S. Aggregate Bond Index: A composite Index that consists of the S&P 500 Index (40%) and the Barclays Capital U.S. Aggregate Bond Index (60%).

### **5 Year Treasury Average Yield**

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

### **5 Year U.S. Treasury**

The 5-Year U.S. Treasury is the average weekly yield for U.S. Treasuries with a maturity of five years (negotiable debt obligations of the U.S. Government, considered intermediate in maturity)

### **60% R1000 Growth / 40% Barclays Cap Govt Credit**

A composite index that consists of the Russell 1000® Index (60%) and the Barclays Capital U.S. Aggregate Bond Index (40%).

### **60% Russell 1000 / 40% Barclays Capital Aggregate**

60% Russell 1000 Index/40% Barclays Capital U.S. Aggregate Index is an unmanaged, weighted average composite composed of 60% Russell 1000 Index and 40% Barclays Capital U.S. Aggregate Index (measuring U.S. bonds with maturities of at least one year).

### **60% Russell 1000 Value / 40% Barclays Cap Agg**

60% Russell 1000 Value Index/40% Barclays Capital U.S. Aggregate Bond Index is an unmanaged, weighted average composite composed of 60% Russell 1000 Value Index and 40% Barclays Capital U.S. Aggregate Bond Index (measuring U.S. bonds with maturities of at least one year).

### **60% S&P 500 / 40% Barclays Capital Agg Bond Index**

60% S&P 500 Index/40% Barclays Capital U.S. Aggregate Bond Index is an unmanaged, weighted average composite composed of 60% S&P 500 Index (measuring U.S. equities) and 40% Barclays Capital U.S. Aggregate Bond Index (measuring U.S. bonds with maturities of at least one year).

### **60% S&P 500 / 40% Barclays Capital Int Govt Credit**

60% S&P 500 Index/40% Barclays Capital U.S. Intermediate Government/ Credit Index is an unmanaged, weighted average composite composed of 60% S&P 500 Index (measuring U.S. equities) and 40% Barclays Capital U.S. Intermediate Government/Credit Index (measuring U.S. bonds with maturities of at least one year).

### **Barclays Aggregate Bond Index**

Barclays Capital U.S. Aggregate Bond Index covers the U.S. investment-grade fixed-rate bond market, including government and credit securities, agency mortgage pass-through securities, asset-backed securities, and commercial mortgage-backed securities.

### **Barclays Capital Treasury Bond**

Barclays Capital U.S. Treasury Index accounts for nearly 65% of the Government Index and includes public obligations of the U.S. Treasury that have remaining maturities of more than one year.

### **Barclays Credit Index**

Barclays Capital U.S. Credit Bond Index is the U.S. Credit component of the US Government/Credit Index. It consists of publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered. The U.S. Credit Bond Index is the re-named U.S. Corporate Investment Grade Index, effective as of 6/1/00 (for statistics) and as of 7/1/00 (for returns).

**Barclays Government Bond Index**

Barclays Capital 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 High Yield Bond Index**

Barclays Capital U.S. High Yield Index covers the universe of fixed rate, non-investment grade debt (having a maximum quality rating of Ba1), a minimum outstanding amount of \$150 million and at least one year to maturity.

**Barclays US Treasury TIPS Index**

This index includes all publicly issued United States Treasury inflation-protected securities that have at least one year remaining until maturity, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars, and must be fixed-rate and non-convertible securities. The index is a market capitalization-weighted index. Inflation notes were included in the broader Barclays Capital U.S. Treasury Index in March 1997 and removed from that index on January 1, 1998.

**Citigroup Three Month T-Bill**

Citigroup 3 Month T-Bill Index is 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.

**Lifetime Aggressive Growth Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays Capital U.S. Aggregate Bond Index, respectively.

**Lifetime Balanced Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays Capital U.S. Aggregate Bond Index, respectively.

**Lifetime Conservative Growth Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays Capital U.S. Aggregate Bond Index, respectively.

**Lifetime Growth Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays Capital U.S. Aggregate Bond Index, respectively.

**Lifetime Income & Equity Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays Capital U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively.

**Lipper Balanced Funds Index**

Lipper Balanced Funds Index is an equal dollar weighted index 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 Global Funds Index**

Lipper Global Funds Index is an equal dollar-weighted index 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 Current Yield Bond Funds Index**

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**

Lipper International Funds Index is an equal dollar-weighted index 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 Large Cap Core Funds Index**

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**

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**

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**

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**

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**

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 Small Cap Core Funds Index**

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 Super-Composite 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**

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**

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.

**MSCI EAFE (net)**

MSCI EAFE Index (net) is 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 Growth Index (net)**

MSCI EAFE Growth Index includes those firms in the MSCI EAFE Index with higher Price/Book (P/BV) ratios relative to their respective MSCI country index. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax.

**MSCI EAFE Value Index (net)**

MSCI EAFE Value Index includes those firms in the MSCI EAFE Index with lower 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 are net of foreign withholding tax.

**MSCI Emerging Markets (net)**

The MSCI EMF Index (net) is 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 World Growth Index (net)**

MSCI World Growth Index includes those firms in the MSCI World Index with higher Price/Book (P/BV) ratios relative to their respective MSCI country index. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax.

**MSCI World Index (net)**

MSCI World Index (net) is a market capitalization-weighted index comprised of companies representative of the market structure of 23 developed market countries in North America (including the U.S.), Europe, and the Asia/Pacific region. The MSCI World 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.

**Retirement Goal 2010 Primary Benchmark**

Each Retirement Goal Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays Capital U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively.

**Retirement Goal 2020 Primary Benchmark**

Each Retirement Goal Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays Capital U.S. Aggregate Bond Index, respectively.

**Retirement Goal 2030 Primary Benchmark**

Each Retirement Goal Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays Capital U.S. Aggregate Bond Index, respectively.

**Retirement Goal 2040 Primary Benchmark**

Each Retirement Goal Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays Capital U.S. Aggregate Bond Index, respectively.

**Retirement Goal 2050 Primary Benchmark**

Each Retirement Goal Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays Capital U.S. Aggregate Bond Index, respectively.

**Retirement Goal Income Primary Benchmark**

Each Retirement Goal Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays Capital U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively.

**Russell 1000 Growth Index**

The Russell 1000® Growth Index is 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 Index**

The Russell 1000® Index is a market-capitalization weighted index that measures the performance of the 1,000 largest companies in the Russell 3000® Index.

**Russell 1000 Value Index**

The Russell 1000® Value Index is 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 Growth Index**

The Russell 2000® Growth Index is 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 Index**

The Russell 2000® Index is a market capitalization-weighted index that measures the performance of the 2000 smallest companies in the Russell 3000® Index.

**Russell 2000 Value Index**

The Russell 2000® Value Index is 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 Value Index**

The Russell 2500® Value Index is a market capitalization-weighted index that measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values.

**Russell MidCap Growth Index**

The Russell Midcap® Growth Index is 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® Growth Index.

**Russell MidCap Index**

The Russell Midcap® Index is a market capitalization-weighted index that measures the performance of the mid-cap segment of the U.S. equity universe. The index consists of approximately 800 of the smallest companies in the Russell 1000® Index.

**Russell MidCap Value Index**

The Russell Midcap® Value Index is 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® Value Index.

**S&P 1500 Index**

The S&P 1500® Index combines the S&P 500®, S&P MidCap 400® and S&P SmallCap 600® indices into 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®.

**S&P 500 Growth Index**

S&P500®/Citigroup Value Index: Standard & Poor's and Citigroup cooperate to employ a value calculation, whereby the market capitalization of the S&P 500 Index uses a multi-factor methodology to calculate growth and value in separate dimensions. Style scores are calculated taking standardized measures of 3 growth factors and 4 value factors for each constituent.

**S&P 500 Index**

S&P 500® Index (registered trademark of The McGraw-Hill Companies, Inc.) is an unmanaged index of 500 common stocks primarily traded on the New York Stock Exchange, weighted by market capitalization. Index performance includes the reinvestment of dividends and capital gains.

**S&P 500 Value Index**

For the S&P 500/Citigroup Value Index, Standard & Poor's and Citigroup cooperate to employ a value calculation, whereby the market capitalization of the S&P 500 Index is divided equally between growth and value. The value component recognizes undervalued companies within the S&P 500 Index, which have lower price/book value ratios. The index is re-balanced semi-annually.

# Appendix - GoalMaker Performance

# GoalMaker® Performance

*Especially Prepared for The Lancaster County, Nebraska Employees Retirement Plan  
Calculated using Actual Investment Fund Performance*

Risk Level	Time Horizon (Years)	Portfolio	Current Quarter As of 12/31/2011	Weighted Average Annual Total Return as of 12/31/2011			
				1 Year	3 Year	5 Year	10 Year
Conservative	0-5	C01	2.80%	1.03%	7.29%	n/a	n/a
	6-10	C02	3.47%	0.09%	7.99%	n/a	n/a
	11-15	C03	4.74%	- 1.50%	9.33%	n/a	n/a
	16+	C04	6.03%	- 3.45%	10.41%	n/a	n/a
Moderate	0-5	M01	3.89%	- 0.51%	8.47%	n/a	n/a
	6-10	M02	4.74%	- 1.50%	9.33%	n/a	n/a
	11-15	M03	5.64%	- 2.98%	10.09%	n/a	n/a
	16+	M04	6.97%	- 5.34%	11.17%	n/a	n/a
Aggressive	0-5	R01	4.95%	- 1.76%	9.49%	n/a	n/a
	6-10	R02	5.64%	- 2.98%	10.09%	n/a	n/a
	11-15	R03	6.70%	- 4.71%	11.02%	n/a	n/a
	16+	R04	8.03%	- 7.19%	11.95%	n/a	n/a

The calculated returns shown above are the weighted average returns of the underlying funds for the GoalMaker portfolios based on model allocations prior to **12/31/2011**. Returns are net of product expenses and fees and before any contract charges, with the exception of any fees the sponsor may have directed to be deducted from participant accounts. **Past performance does not guarantee future results.** The performance shown for the GoalMaker portfolios is for illustrative purposes only and does not reflect the actual experience of any individual participant in the program. This performance was calculated with the retroactive application of a model with the benefit of hindsight. **The performance shown above 1) was rebalanced on a (Quarterly) basis as per your plan 2) assumes no changes to the asset allocation percentages or to the investment options for the relevant periods 3) assumes that an individual was enrolled in GoalMaker for the entire relevant time period and 4) assumes an initial investment but does not include the effect of periodic contributions or withdrawals.**

Prepared for The Lancaster County, Nebraska Employees Retirement Plan Plan Sponsor Use Only; Not For Use with Participants or the Public



# GoalMaker® Performance

*Epecially Prepared for The Lancaster County, Nebraska Employees Retirement Plan  
Investment Fund Blended Performance of Actual Returns and Manager Composite*

Risk Level	Time Horizon (Years)	Portfolio	Current Quarter As of 12/31/2011	Weighted Average Annual Total Return as of 12/31/2011			
				1 Year	3 Year	5 Year	10 Year
Conservative	0-5	C01	2.80%	1.03%	7.30%	n/a	n/a
	6-10	C02	3.47%	0.09%	8.02%	n/a	n/a
	11-15	C03	4.74%	- 1.50%	9.36%	n/a	n/a
	16+	C04	6.03%	- 3.45%	10.45%	n/a	n/a
Moderate	0-5	M01	3.89%	- 0.51%	8.50%	n/a	n/a
	6-10	M02	4.74%	- 1.50%	9.36%	n/a	n/a
	11-15	M03	5.64%	- 2.98%	10.13%	n/a	n/a
	16+	M04	6.97%	- 5.34%	11.22%	n/a	n/a
Aggressive	0-5	R01	4.95%	- 1.76%	9.52%	n/a	n/a
	6-10	R02	5.64%	- 2.98%	10.13%	n/a	n/a
	11-15	R03	6.70%	- 4.71%	11.07%	n/a	n/a
	16+	R04	8.03%	- 7.19%	12.00%	0.22%	n/a

The calculated returns shown above are the weighted average returns of the underlying funds for the GoalMaker portfolios based on model allocations prior to **12/31/2011**. Returns are net of product expenses and fees and before any contract charges, with the exception of any fees the sponsor may have directed to be deducted from participant accounts. **Past performance does not guarantee future results.** The performance shown for the GoalMaker portfolios is for illustrative purposes only and does not reflect the actual experience of any individual participant in the program. This performance was calculated with the retroactive application of a model with the benefit of hindsight. **The performance shown above 1) was rebalanced on a (Quarterly) basis as per your plan 2) assumes no changes to the asset allocation percentages or to the investment options for the relevant periods 3) assumes that an individual was enrolled in GoalMaker for the entire relevant time period and 4) assumes an initial investment but does not include the effect of periodic contributions or withdrawals.**

Prepared for The Lancaster County, Nebraska Employees Retirement Plan Plan Sponsor Use Only; Not For Use  
with Participants or the Public



# GoalMaker<sup>®</sup> Performance

*Especially Prepared for The Lancaster County, Nebraska Employees Retirement Plan  
Investment Fund Actual Performance Supplemented by Manager Composite Performance*

Risk Level	Time Horizon (Years)	Portfolio	Current Quarter As of 12/31/2011	Weighted Average Annual Total Return as of 12/31/2011			
				1 Year	3 Year	5 Year	10 Year
Conservative	0-5	C01	2.79%	0.99%	7.28%	n/a	n/a
	6-10	C02	3.45%	0.03%	7.98%	n/a	n/a
	11-15	C03	4.71%	- 1.59%	9.31%	n/a	n/a
	16+	C04	6.00%	- 3.56%	10.38%	n/a	n/a
Moderate	0-5	M01	3.88%	- 0.57%	8.45%	n/a	n/a
	6-10	M02	4.71%	- 1.59%	9.31%	n/a	n/a
	11-15	M03	5.61%	- 3.08%	10.06%	n/a	n/a
	16+	M04	6.93%	- 5.47%	11.12%	n/a	n/a
Aggressive	0-5	R01	4.92%	- 1.84%	9.47%	n/a	n/a
	6-10	R02	5.61%	- 3.08%	10.06%	n/a	n/a
	11-15	R03	6.66%	- 4.83%	10.98%	n/a	n/a
	16+	R04	7.98%	- 7.34%	11.89%	0.19%	n/a

The calculated returns shown above are the weighted average returns of the underlying funds for the GoalMaker portfolios based on model allocations prior to **12/31/2011**. Returns are net of product expenses and fees and before any contract charges, with the exception of any fees the sponsor may have directed to be deducted from participant accounts. **Past performance does not guarantee future results.** The performance shown for the GoalMaker portfolios is for illustrative purposes only and does not reflect the actual experience of any individual participant in the program. This performance was calculated with the retroactive application of a model with the benefit of hindsight. **The performance shown above 1) was rebalanced on a (Quarterly) basis as per your plan 2) assumes no changes to the asset allocation percentages or to the investment options for the relevant periods 3) assumes that an individual was enrolled in GoalMaker for the entire relevant time period and 4) assumes an initial investment but does not include the effect of periodic contributions or withdrawals.**



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# GoalMaker® Allocations & Individual Fund Performance

Investment Option	Average Annual Return As of 12/31/2011												Gross Expense Ratio	Net Expense Ratio	Average Annual Return As of 12/31/2011					Since Inception	Inception Date
	Conservative				Moderate				Aggressive						Current Quarter	1 Year	3 Years	5 Years	10 Years		
	C01	C02	C03	C04	M01	M02	M03	M04	R01	R02	R03	R04									
<b>Stable Value</b>																					
Gibraltar Guaranteed Fund <sup>{302}</sup>	44%	39%	23%	14%	35%	23%	16%	7%	21%	16%	9%	0%		0.84%	3.58%	4.18%	n/a	n/a	4.30%	Nov-2008	
<b>Fixed Income (Long Term &amp; Intermediate)</b>																					
Core Plus Bond/PIMCO Fund <sup>{302,1254}</sup>	32%	27%	26%	16%	25%	26%	19%	8%	25%	19%	11%	0%	0.45%	0.45%	1.48%	2.30%	6.78%	7.01%	n/a	6.22%	Jul-2002
<b>Large Cap Stock - Value</b>																					
Allianz NFJ Dividend Value Instl <sup>{6,29,35}</sup>	5%	7%	11%	15%	8%	11%	14%	17%	12%	14%	16%	19%	0.71%	0.71%	12.77%	3.44%	10.00%	-2.29%	5.47%	6.78%	May-2000
<b>Large Cap Stock - Growth</b>																					
Large Cap Growth /Neuberger Berman <sup>{302}</sup>	5%	7%	11%	15%	8%	11%	14%	17%	12%	14%	16%	19%	0.62%	0.62%	6.83%	-4.34%	11.34%	2.04%	n/a	3.74%	Mar-2004
<i>Manager Composite</i>															6.74%	-4.89%	11.42%	1.56%	4.07%	10.73%	Jan-1987
<i>Blended Performance</i>															6.83%	-4.34%	11.63%	1.68%	4.14%	11.08%	Dec-1986
<b>Small/Mid Cap Stock - Value</b>																					
Mid Cap Value / Systematic Fund <sup>{302}</sup>	3%	4%	6%	8%	5%	6%	7%	10%	6%	7%	10%	13%	0.80%	0.80%	13.90%	-5.46%	16.77%	n/a	n/a	1.80%	Jun-2008
<i>Manager Composite</i>															13.72%	-5.69%	16.20%	2.38%	9.34%	10.93%	Mar-2000
<i>Blended Performance</i>															13.90%	-5.46%	16.77%	2.48%	9.39%	10.97%	Mar-2000
<b>Small/Mid Cap Stock - Growth</b>																					
Mid Cap Growth / Westfield Capital Fund <sup>{302}</sup>	3%	4%	6%	8%	5%	6%	7%	10%	6%	7%	10%	13%	0.85%	0.85%	6.70%	-10.60%	15.96%	n/a	n/a	-0.26%	Jun-2007
<i>Manager Composite</i>															6.64%	-10.68%	15.96%	2.73%	6.39%	11.46%	Jun-1994
<i>Blended Performance</i>															6.70%	-10.60%	15.96%	2.73%	6.38%	11.46%	Jun-1994
<b>International Stock</b>																					
American Funds EuroPacific Growth Fund R4 <sup>{6,29,35,141}</sup>	8%	12%	17%	24%	14%	17%	23%	31%	18%	23%	28%	36%	0.85%	0.85%	4.53%	-13.61%	9.55%	-1.46%	n/a	6.84%	May-2002

- 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.**
- **The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor shares, 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 data quoted. For more information current to the most recent month end, please call 800-353-2847 or visit our website at [www.Prudential.com](http://www.Prudential.com).**
- This information should not be construed as an endorsement of GoalMaker. Plan participants may continue to make their own allocation decisions. As a service provider, neither Prudential Financial nor its representatives are permitted to render investment advice.
- The historical performance shown represents the change in net asset value of an investment over a stated period assuming the reinvestment of dividends and capital gains distributions. The performance results shown do not reflect the deduction of the sales charge that may apply if the Fund shares were purchased outside of the plans or other programs. If the sales charges were reflected, performance may be lower. This is the performance that best reflects your investment experience as sales charges do not apply to your plan. At times, certain mutual fund's performance may be extraordinarily high due to investing in sectors that achieved unprecedented returns. There can be no assurance that this performance can be repeated in the future.
- **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. Investors should carefully consider a fund's investment objectives, risks, charges and expenses before investing. For more complete information about the investment options available through your plan, please contact Prudential Retirement at 200 Wood Avenue South, Iselin, NJ, for a free prospectus that contains this and other information about our funds. Read the prospectus carefully before investing.**
- Shares of the retail mutual funds are offered by Prudential Investment Management Services LLC (PIMS), Three Gateway Center, 14th Floor, Newark, NJ 07102-4077. PIMS is a Prudential Financial company.
- Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance & Annuity Company (PRIAC), Hartford, CT, a Prudential Financial Company.
- Prudential, the Prudential logo, and the Rock symbol are service marks of The Prudential Insurance Company of America, Newark, NJ, and its related entities, registered in many jurisdictions worldwide.

INST - 0207374-00001-00  
006371

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## GoalMaker<sup>®</sup> Fund Footnotes

<sup>6</sup>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 1-800-353-2847 for a free prospectus and if available, a summary prospectus that contain this and other information about our 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. 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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<sup>35</sup>Source: Morningstar Inc.. Morningstar average annual returns may differ from the returns calculated by the fund.

<sup>141</sup>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.

<sup>302</sup>Prudential Financial is a service mark of The Prudential Insurance Company of America, Newark, NJ and its affiliates. Institutional sub-advised funds are insurance products issued by Prudential Retirement Insurance and Annuity Company, Hartford, CT. Prudential Retirement is a Prudential Financial Business.

<sup>1254</sup>Fixed income investments (bond) are subject to interest rate risk; their value will decline as interest rates rise.

**Prepared for The Lancaster County, Nebraska Employees Retirement Plan Plan Sponsor Use Only; Not For Use with Participants or the Public**

# Appendix - Executive Summary



**Prudential**  
Bring Your Challenges<sup>SM</sup>

# Lancaster County Executive Summary

Presented By: Rob Kerscher  
Vice President, Key Accounts

4<sup>th</sup> Quarter 2011

Report contains information up through the last business day of the period end.

0217653-00001-00



Preparing for **Day One: The first day of retirement.**

Today, **reaching Day One** is even **more challenging** as the institution of **retirement itself** is in transition. Today, people are **living longer** than ever. **74 million** baby boomers are just beginning to retire. And **two-thirds of Americans** feel they're **not financially prepared.**

*2010 The New Economic Reality and the Workplace Retirement Plan*

- Section I: Lancaster County Employees Retirement Plan – Plan ID 006371**
- Section II: Lancaster County Deferred Compensation Plan – Plan ID 006372**
  
- Appendix A: Legislative / Regulatory Update**
- Appendix B: NAGDCA 2011 Governmental DC Plan Survey Results**

**Section I: Lancaster County Employees Retirement Plan  
Plan ID 006371**

### PLAN DEMOGRAPHICS

	1/1/2010- 12/31/2010	1/1/2011- 12/30/2011
Total Participants*	1,136	1,120
Active Participants	901	868
Terminated Participants	215	227
Retired Participants	20	24
Average Account Balance for Participants*	\$83,172	\$85,205
Average Account Balance for Active Participants	\$88,708	\$90,509
Contributions (no loan repayments)	\$5,785,908	\$5,647,528
Participant Deferral	\$2,313,046	\$2,259,011
Employer Contributions	\$3,472,862	\$3,388,516
Percent of Assets Contributed	6.12%	5.92%
Total Distributions	(\$7,350,627)	(\$3,590,329)
Percentage of Assets Distributed	(7.78%)	(3.76%)
Total Plan Assets	\$94,483,630	\$95,429,759

\* Includes participants with balances whose status is: Active, Terminated, Suspended or Retired



Transactions	1/1/2010 - 12/31/2010	1/1/2011 - 12/30/2011
Enrollments	36	45
Transfers	1,384	1,564
Distributions	543	394

### Asset Allocation/Net Cash Flow - January 1, 2011 to December 30, 2011

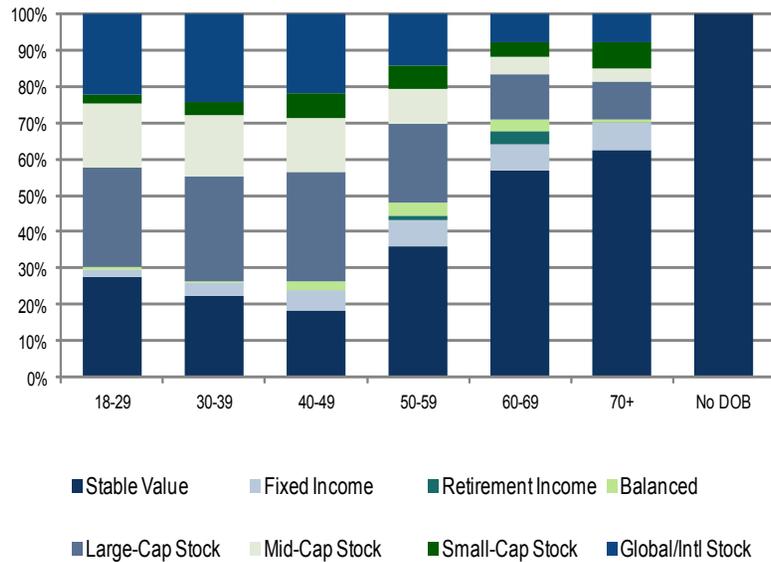
	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Total Plan Assets	\$895,942	\$7,990,966	\$20,430,967	\$33,163,433	\$26,558,442	\$6,375,213	\$14,796	\$95,429,759
% Assets	0.94%	8.37%	21.41%	34.75%	27.83%	6.68%	0.02%	100.00%
Total Contributions	\$333,549	\$1,184,600	\$1,585,173	\$1,655,058	\$776,889	\$100,877	\$11,383	\$5,647,528
Rollovers In	\$0	\$15,933	\$0	\$15,662	\$0	\$0	\$0	\$31,595
Total Distributions	(\$73,697)	(\$733,930)	(\$601,410)	(\$371,589)	(\$1,408,027)	(\$401,676)	\$0	(\$3,590,329)
Rollovers Out	(\$5,919)	(\$443,545)	(\$388,423)	(\$73,658)	(\$583,396)	(\$68,165)	\$0	(\$1,563,106)
Cash Distributions	(\$67,777)	(\$290,385)	(\$212,987)	(\$297,931)	(\$824,631)	(\$333,511)	\$0	(\$2,027,223)
Net Cash Flow	\$259,852	\$466,603	\$983,762	\$1,299,130	(\$631,139)	(\$300,799)	\$11,383	\$2,088,794
Total Participants	69	226	289	309	187	39	2	1,121
Avg. Account Balance	\$12,985	\$35,358	\$70,695	\$107,325	\$142,024	\$163,467	\$7,398	\$85,129
<i>Prudential's Book of Business Avg. Account Balance</i>	\$6,201	\$19,776	\$41,243	\$63,965	\$82,448	\$99,037	\$6,299	\$45,684

“ **More than half** of workers report they and/or their spouse have **less than \$25,000** in total savings and investments (excluding their home and defined benefit plans). ”

Source: 2011 Retirement Confidence Survey, Employee Benefit Research Institute and Mathew Greenwald & Associates



### Assets by Asset Class and Age as of December 30, 2011



Nearly **73% of investors** in the Retirement Red Zone (5 years before, 5 years after) **express concern** about a significant decline in the stock market immediately before or after their retirement.

*Source: Changing Attitudes about Retirement Income, September 2011*

### Fund Utilization As Of 12/30/2011

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Participants Invested in Only One Fund	31	63	55	81	84	23	2	339
Average # of Funds per Participant	3.8	4.7	5.2	4.9	3.9	2.9	1.0	4.6
Prudential's Book of Business Avg. # of Funds per Participant	5.9	5.8	5.4	5.1	4.3	2.7	2.4	5.2
% of Plan Assets in Stable Value	27.43%	22.19%	18.30%	35.79%	56.96%	62.54%	100.00%	38.52%
Prudential's Book of Business Avg. Stable Value % of Plan Assets	15.83%	16.58%	20.61%	31.68%	47.41%	67.34%	31.70%	32.70%

### Utilization by Fund as of December 30, 2011

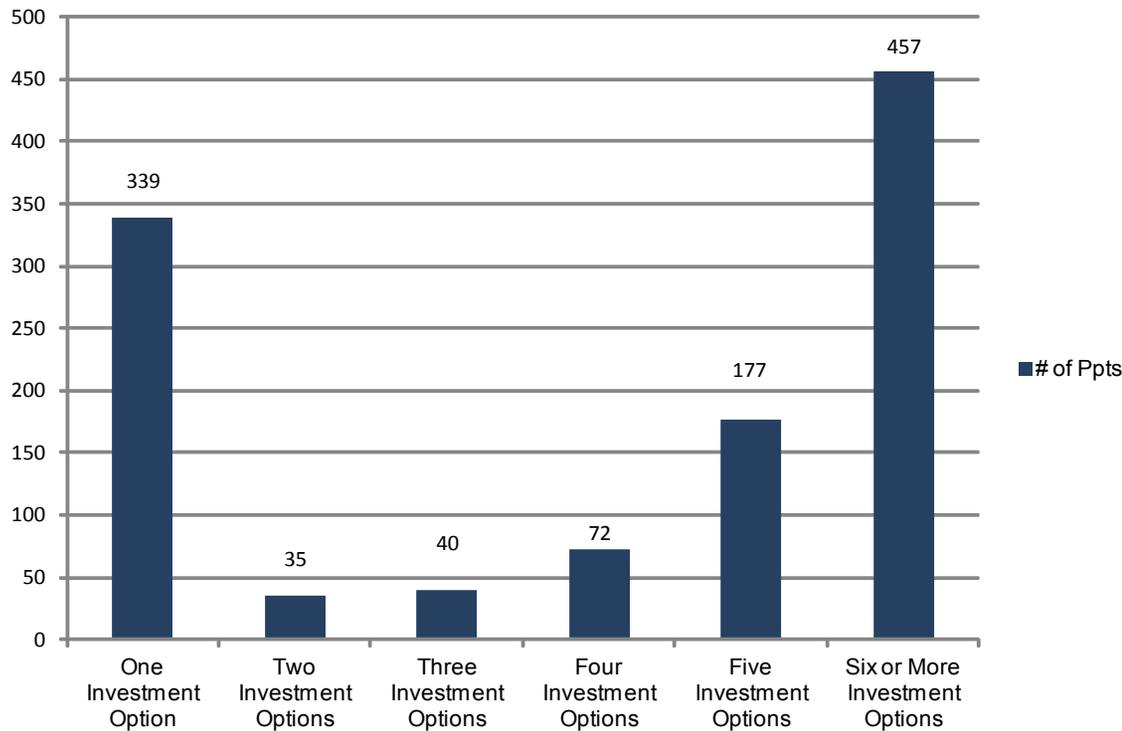
Fund Name	Balance	# of Ppts	PPTs Using as Sole Investment
<b>GIBRALTAR GUARANTEED FUND</b>	\$36,757,091	874	323
<b>AMERICAN FUNDS EUROPACIFIC GROWTH FUND R4</b>	\$8,772,493	548	0
<b>ALLIANZ NFJ DIVIDEND VALUE INSTL</b>	\$6,682,267	548	0
<b>CORE PLUS BOND/PIMCO FUND</b>	\$6,346,770	409	2
AMERICAN FUNDS CAPITAL WORLD G/I R4	\$5,282,034	236	2
<b>LARGE CAP GROWTH /NEUBERGER BERMAN</b>	\$4,878,873	471	0
AMERICAN FUNDS FUNDAMENTAL INV'S R4	\$4,114,644	193	0
AMERICAN FUNDS GROWTH FUND OF AMER R4	\$3,470,534	180	0
<b>MID CAP VALUE / SYSTEMATIC FUND</b>	\$2,855,677	464	0
<b>MID CAP GROWTH / WESTFIELD CAPITAL FUND</b>	\$2,792,632	465	0
OAKMARK EQUITY & INCOME FUND	\$2,518,833	112	0
PENNSYLVANIA MUTUAL INV	\$2,132,535	121	0
BLACKROCK SMALL CAP GROWTH EQUITY INTSL	\$1,731,667	112	0
JANUS PERKINS MID CAP VALUE FUND CLASS T	\$1,297,803	89	0
INCOMEFLEX LT BALANCED FUND	\$1,235,739	16	10
FIDELITY ADVISOR LEVERAGED CO STK I	\$1,138,029	80	1
ALLIANZ NFJ SMALL CAP VALUE INSTL	\$1,044,873	78	0
VANGUARD 500 INDEX SIGNAL	\$714,846	50	0
EATON VANCE ATLANTA CAPITAL SMID-CAP I	\$664,749	53	0
VANGUARD MID CAPITALIZATION INDEX SIGNAL	\$380,417	19	0
VANGUARD SMALL CAP INDEX SIGNAL	\$318,710	16	0
NEUBERGER BERMAN SOCIALLY RESP TR	\$186,916	18	0
INCOMEFLEX LT CONSERVATIVE GROWTH FUND	\$111,386	3	1
INCOMEFLEX LT INCOME & EQUITY FUND	\$241	1	0
Total	\$95,429,759		



The funds in **bold** type denote inclusion in the GoalMaker® product.

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Investment Utilization as of December 30, 2011



“ One in four (24%) say that in the past year they have **invested more conservatively** in order to try **to improve** their financial situation. ”

Source: Meeting Investment and Retirement Challenges, June 2011

## GoalMaker Utilization

During the period of 1/1/2011 to 12/30/2011, the GoalMaker participation rate was 31.70%.

## GoalMaker Assets

During the same time period, the average percentage of account assets directed to GoalMaker was 27.86%.

## IncomeFlex Utilization

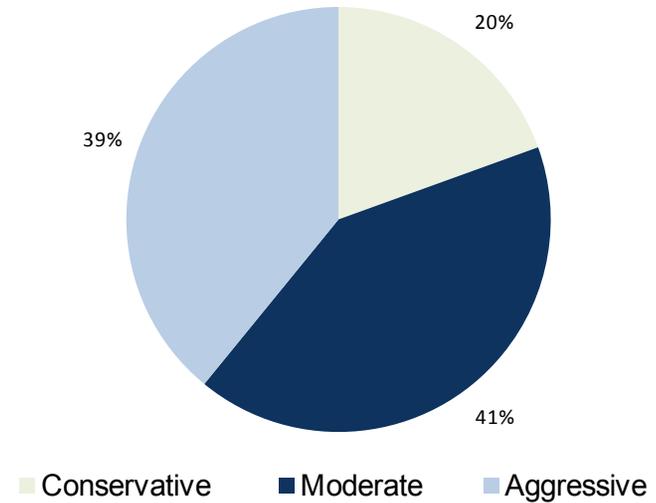
During the period of 1/1/2011 to 12/30/2011, the IncomeFlex participation rate for individuals age 50 or over was 3.36%.

## GoalMaker Participation

	3/31/2011	6/30/2011	9/30/2011	12/30/2011
Total Plan Assets in GoalMaker	\$24,917,383	\$28,252,365	\$24,624,347	\$26,589,998
Total # of Participants in GoalMaker	332	348	349	355
Total Participation Rate	29.07%	30.74%	30.97%	31.70%
Total % of Assets	25.22%	28.39%	27.31%	27.86%

Participant Age Range	Conservative	Moderate	Aggressive	Total
18-29	2	5	20	27
30-39	6	43	56	105
40-49	17	44	50	111
50-59	14	42	23	79
60-69	19	7	5	31
70+	1	1	0	2
Total	59	142	154	355

Participant Age Range	Conservative	Moderate	Aggressive	Total
18-29	\$25,484	\$65,014	\$372,277	\$462,775
30-39	\$166,023	\$1,671,702	\$2,434,764	\$4,272,488
40-49	\$1,306,674	\$3,785,738	\$3,781,662	\$8,874,074
50-59	\$1,323,365	\$4,447,785	\$3,167,059	\$8,938,209
60-69	\$2,134,317	\$978,437	\$639,172	\$3,751,925
70+	\$225,280	\$65,246	\$0	\$290,527
Total	\$5,181,142	\$11,013,923	\$10,394,933	\$26,589,998



### IncomeFlex Assets

During the period of 1/1/2011 to 12/30/2011, the participant average percentage of account assets in IncomeFlex is 76.34% , with an average balance of \$74,853.

#### Path to a More Secure Retirement

As Of 12/30/2011	50-59	60-69	70+
Avg. Account Balance	\$107,325	\$142,024	\$163,467
<i>Prudential's Book of Business</i> Avg. Account Balance	\$63,965	\$82,448	\$99,037

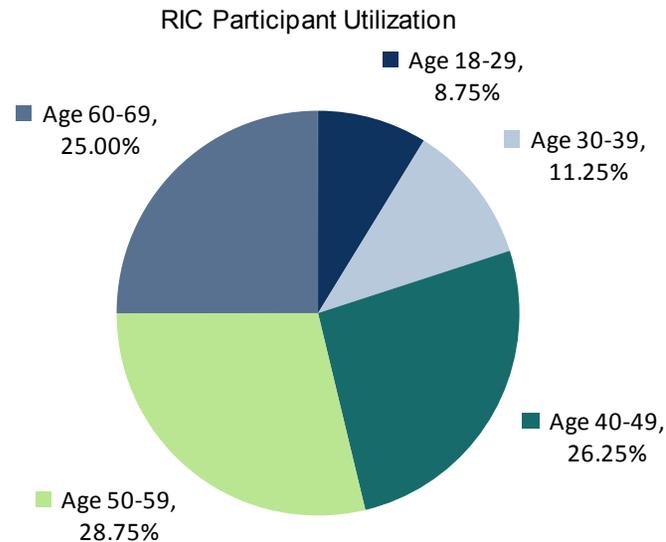
#### Plan Participation

	12/31/2010	12/30/2011
Total Number of Participants	1,136	1,121
Average Participant Account Balance	\$83,172	\$85,129

## Retirement Preparation Analysis

Retirement Income Calculator (RIC) Activity	1/1/2011-12/30/2011
Total Number of Participants in Plan	1,121
Number of Visits to RIC	116
Number of Participants Utilizing RIC	80
% of Participants Utilizing RIC	7.14%

Participant Age Range	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	7	8.75%
Age 30-39	9	11.25%
Age 40-49	21	26.25%
Age 50-59	23	28.75%
Age 60-69	20	25.00%
Grand Total	80	100.00%



**Americans want a better, easier way.** . . . close to six in 10 say they want to find a way to **feel less pressured**, less threatened, and **less overwhelmed** in making financial decisions.

### Participant Transaction Statistics

Withdraw als	Amount of Withdraw als Taken				# of Participants with Withdraw als			
	1/1/2010-12/31/2010	1/1/2011-12/30/2011	Change	% Change	1/1/2010-12/31/2010	1/1/2011-12/30/2011	Change	% Change
External Rollover	\$3,593,088	\$1,526,613	(\$2,066,474)	(57.51%)	89	29	(60)	(67.42%)
Forced Small Balance Cashout	\$9,731	\$1,330	(\$8,401)	(86.33%)	9	4	(5)	(55.56%)
Installment Payment	\$482,496	\$493,165	\$10,669	2.21%	239	264	25	10.46%
Internal Rollover	\$541,420	\$36,493	(\$504,927)	(93.26%)	7	1	(6)	(85.71%)
Miscellaneous Distributions	\$2,725,687	\$1,532,922	(\$1,192,765)	(43.76%)	188	95	(93)	(49.47%)
Termination Cashout	(\$1,795)	(\$195)	\$1,600	(89.14%)	11	1	(10)	(90.91%)
<b>Grand Total</b>	<b>\$7,350,627</b>	<b>\$3,590,329</b>	<b>(\$3,760,299)</b>	<b>(51.16%)</b>	<b>543</b>	<b>394</b>	<b>(149)</b>	<b>(27.44%)</b>

Withdraw al Type	Participant Age	Participant Count	Withdraw al Amount
Rollovers	Age <50	20	\$837,888
	Age >=50	10	\$725,218
Rollovers Total		30	\$1,563,106
Cash Distribution	Age <50	36	\$571,149
	Age >=50	328	\$1,456,074
Cash Distribution Total		364	\$2,027,223
<b>Grand Total</b>		<b>394</b>	<b>\$3,590,329</b>



## Disclaimers

***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.***

Fixed income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.

Prudential IncomeFlex Select Funds are investment options available under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company (PRIAC). PRIAC does not provide any guarantee of the investment performance or return of contributions to those separate accounts. PRIAC's guarantee of certain withdrawals is supported by PRIAC's general account and is contingent on its claims paying ability. Guarantees are subject to certain limitations, terms and conditions. Investors should consider the objectives, risks, charges, and expenses of the funds and guarantee features before investing. You should carefully review the Prudential IncomeFlex Select Important Considerations before investing. Contract form# GA-2020-IFGW2-0805 or state variation thereof.

Retirement products and services are provided by Prudential Retirement Insurance and Annuity Company, Hartford, CT, or its affiliates.

Assets and contributions reflect actual participant account balances and do not include forfeiture and / or expense account assets.

Securities products and services 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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Prudential's Book of Business averages are as of 12/30/2011.

**Section II: Lancaster County Deferred Compensation Plan  
Plan ID 006372**

### PLAN DEMOGRAPHICS

	1/1/2010- 12/31/2010	1/1/2011- 12/30/2011
Total Participants*	478	503
Active Participants	413	429
Terminated Participants	63	71
Retired Participants	2	3
Average Account Balance for Participants*	\$24,210	\$27,020
Average Account Balance for Active Participants	\$24,755	\$27,676
Contributions (no loan repayments)	\$977,031	\$1,141,129
Participant Deferral	\$977,031	\$1,141,129
Percent of Assets Contributed	8.44%	8.40%
Total Distributions	(\$529,362)	(\$315,771)
Percentage of Assets Distributed	(4.57%)	(2.32%)
Total Plan Assets	\$11,572,452	\$13,590,945

\* Includes participants with balances whose status is: Active, Terminated, Suspended or Retired



Transactions	1/1/2010 - 12/31/2010	1/1/2011 - 12/30/2011
Enrollments	24	17
Deferral Increases	72	105
Deferral Decreases	16	41
Total Deferral Changes	88	146
Transfers	744	888
Distributions	80	78

### Asset Allocation/Net Cash Flow - January 1, 2011 to December 30, 2011

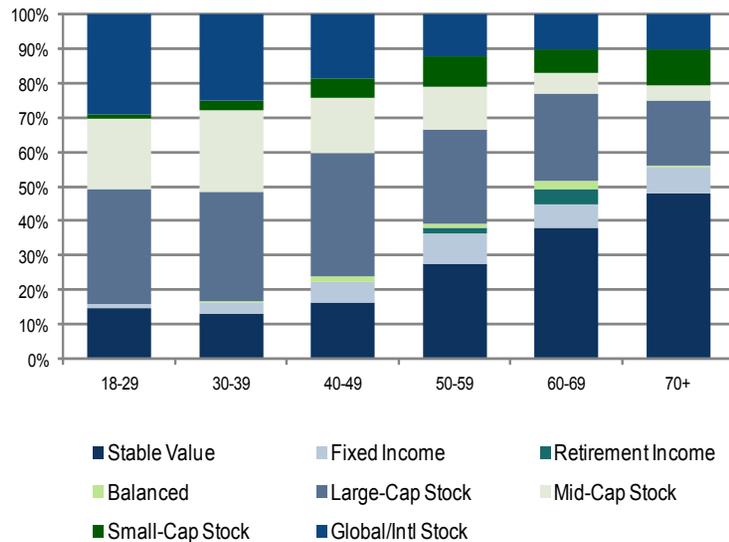
	18-29	30-39	40-49	50-59	60-69	70+	Total
Total Plan Assets	\$71,140	\$424,951	\$2,714,648	\$5,164,909	\$3,893,161	\$1,322,137	\$13,590,945
% Assets	0.52%	3.13%	19.97%	38.00%	28.65%	9.73%	100.00%
Avg. Deferral Rate	4.7%	1.0%	6.0%	10.0%	32.0%	0.0%	7.9%
<i>Prudential's Book of Business Avg. Deferral Rate</i>	4.8%	5.7%	6.8%	8.5%	10.4%	11.8%	7.1%
Total Contributions	\$29,701	\$75,409	\$256,965	\$438,496	\$293,958	\$46,600	\$1,141,129
Rollovers In	\$0	\$28,400	\$371,693	\$779,777	\$259,216	\$29,540	\$1,468,627
Total Distributions	(\$5,658)	(\$75,331)	(\$100,292)	(\$18,228)	(\$77,467)	(\$38,794)	(\$315,771)
Rollovers Out	\$0	(\$56,154)	(\$70,164)	(\$2,143)	(\$38,368)	\$0	(\$166,829)
Cash Distributions	(\$5,658)	(\$19,177)	(\$30,128)	(\$16,085)	(\$39,099)	(\$38,794)	(\$148,942)
Net Cash Flow	\$24,042	\$28,478	\$528,367	\$1,200,045	\$475,707	\$37,346	\$2,293,984
Total Participants	22	79	141	156	87	18	503
Avg. Account Balance	\$3,234	\$5,379	\$19,253	\$33,108	\$44,749	\$73,452	\$27,020
<i>Prudential's Book of Business Avg. Account Balance</i>	\$6,201	\$19,776	\$41,243	\$63,965	\$82,448	\$99,037	\$45,684

“ More than half of workers report they and/or their spouse have **less than \$25,000** in total savings and investments (excluding their home and defined benefit plans). ”

Source: 2011 Retirement Confidence Survey, Employee Benefit Research Institute and Mathew Greenwald & Associates



## Assets by Asset Class and Age as of December 30, 2011



Nearly **73% of investors** in the Retirement Red Zone (5 years before, 5 years after) **express concern** about a significant decline in the stock market immediately before or after their retirement.

Source: *Changing Attitudes about Retirement Income*, September 2011

## Fund Utilization As Of 12/30/2011

	18-29	30-39	40-49	50-59	60-69	70+	Total
Participants Invested in Only One Fund	2	7	20	27	22	8	86
Average # of Funds per Participant	5.3	5.6	5.2	5.2	4.4	3.4	5.1
Prudential's Book of Business Avg. # of Funds per Participant	5.9	5.8	5.4	5.1	4.3	2.7	5.2
% of Plan Assets in Stable Value	14.65%	13.35%	16.48%	27.62%	37.81%	48.15%	29.80%
Prudential's Book of Business Avg. Stable Value % of Plan Assets	15.83%	16.58%	20.61%	31.68%	47.41%	67.34%	32.70%

### Utilization by Fund as of December 30, 2011

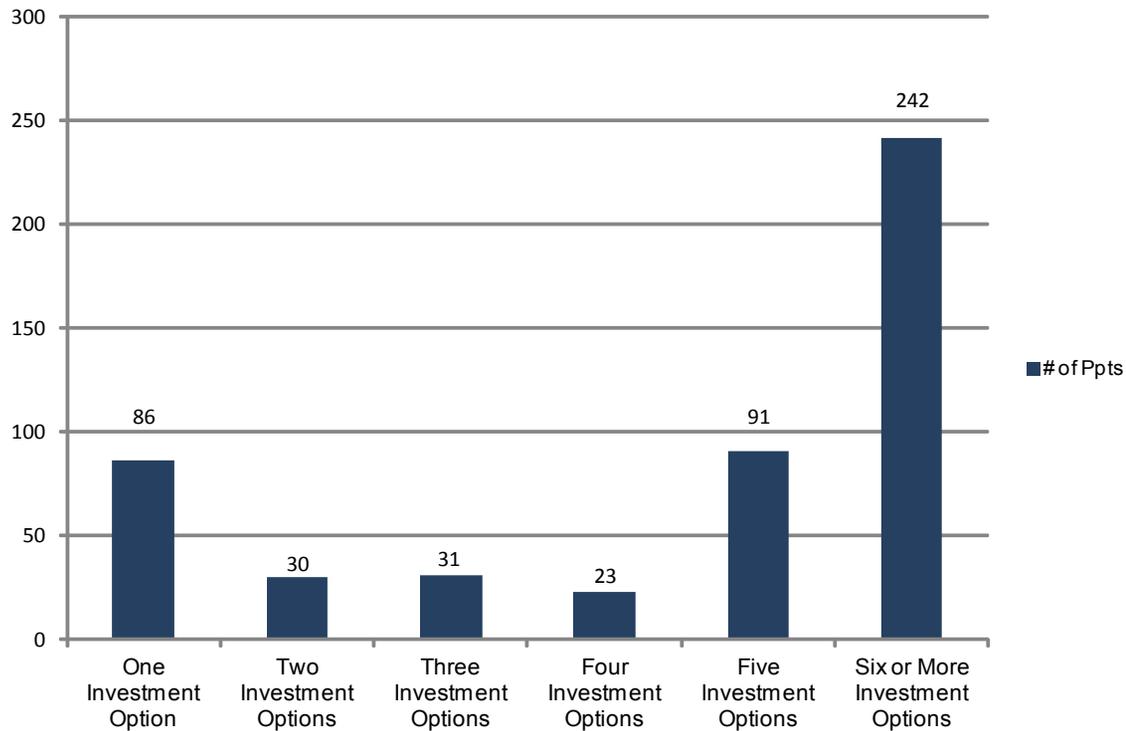
Fund Name	Balance	# of Ppts	PPTs Using as Sole Investment
<b>GIBRALTAR GUARANTEED FUND</b>	\$4,049,906	329	56
<b>ALLIANZ NFJ DIVIDEND VALUE INSTL</b>	\$1,561,950	336	2
<b>AMERICAN FUNDS EUROPACIFIC GROWTH FUND R4</b>	\$1,207,282	304	1
<b>CORE PLUS BOND/PIMCO FUND</b>	\$999,541	229	4
<b>LARGE CAP GROWTH /NEUBERGER BERMAN</b>	\$675,224	267	1
AMERICAN FUNDS GROWTH FUND OF AMER R4	\$643,707	80	6
AMERICAN FUNDS CAPITAL WORLD G/I R4	\$590,173	75	0
AMERICAN FUNDS FUNDAMENTAL INVS R4	\$555,058	70	1
PENNSYLVANIA MUTUAL INV	\$456,661	42	0
<b>MID CAP VALUE / SYSTEMATIC FUND</b>	\$389,458	264	0
<b>MID CAP GROWTH / WESTFIELD CAPITAL FUND</b>	\$371,385	266	0
JANUS PERKINS MID CAP VALUE FUND CLASS T	\$303,866	41	0
ALLIANZ NFJ SMALL CAP VALUE INSTL	\$296,338	44	0
INCOMEFLEX LT BALANCED FUND	\$237,555	11	7
NEUBERGER BERMAN SOCIALLY RESP TR	\$225,476	41	2
OAKMARK EQUITY & INCOME FUND	\$219,592	29	2
BLACKROCK SMALL CAP GROWTH EQUITY INTSL	\$209,775	37	1
FIDELITY ADVISOR LEVERAGED CO STK I	\$202,228	30	2
EATON VANCE ATLANTA CAPITAL SMID-CAP I	\$149,815	27	1
VANGUARD 500 INDEX SIGNAL	\$103,106	14	0
VANGUARD MID CAPITALIZATION INDEX SIGNAL	\$82,069	10	0
VANGUARD SMALL CAP INDEX SIGNAL	\$60,778	8	0
Total	\$13,590,945		



The funds in **bold** type denote inclusion in the GoalMaker® product.

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Investment Utilization as of December 30, 2011



“ One in four (24%) say that in the past year they have **invested more conservatively** in order to try **to improve** their financial situation. ”

Source: Meeting Investment and Retirement Challenges, June 2011

## GoalMaker Utilization

During the period of 1/1/2011 to 12/30/2011, the GoalMaker participation rate was 41.55%.

## GoalMaker Assets

During the same time period, the average percentage of account assets directed to GoalMaker was 26.48%.

## IncomeFlex Utilization

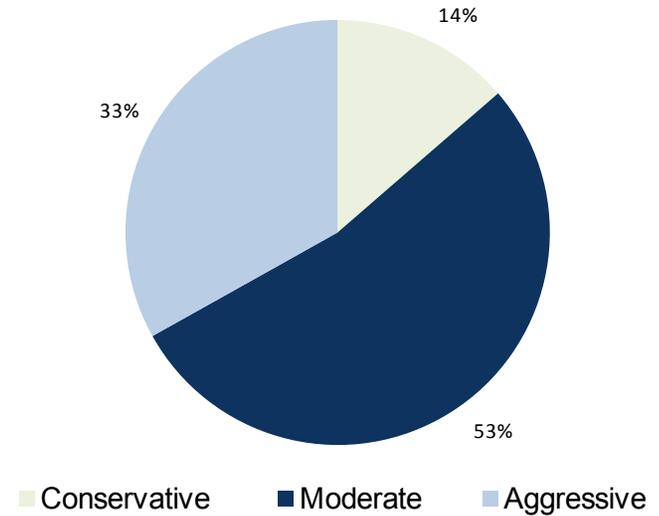
During the period of 1/1/2011 to 12/30/2011, the IncomeFlex participation rate for individuals age 50 or over was 4.21%.

## GoalMaker Participation

	3/31/2011	6/30/2011	9/30/2011	12/30/2011
Total Plan Assets in GoalMaker	\$2,392,550	\$3,510,960	\$3,303,876	\$3,599,364
Total # of Participants in GoalMaker	187	210	208	209
Total Participation Rate	38.96%	40.86%	40.86%	41.55%
Total % of Assets	19.49%	25.12%	26.15%	26.48%

Participant Age Range	Conservative	Moderate	Aggressive	Total
18-29	1	1	14	16
30-39	2	20	25	47
40-49	6	30	30	66
50-59	12	30	17	59
60-69	8	9	3	20
70+	1	0	0	1
Total	30	90	89	209

Participant Age Range	Conservative	Moderate	Aggressive	Total
18-29	\$991	\$957	\$47,278	\$49,226
30-39	\$10,180	\$62,561	\$192,515	\$265,256
40-49	\$77,439	\$538,027	\$588,312	\$1,203,777
50-59	\$243,221	\$1,015,514	\$313,089	\$1,571,824
60-69	\$84,498	\$299,764	\$50,388	\$434,651
70+	\$74,631	\$0	\$0	\$74,631
Total	\$490,959	\$1,916,823	\$1,191,582	\$3,599,364



### IncomeFlex Assets

During the period of 1/1/2011 to 12/30/2011, the participant average percentage of account assets in IncomeFlex is 68.96% , with an average balance of \$21,595.

### Roth Assets

Total = \$48,100

### Roth Participants

Total = 20

### Roth Participants by Age

As of 12/30/2011, 45.0% of participants were ages 50 to 70+, while 55.0% were ages 18 to 49.

#### Path to a More Secure Retirement

As Of 12/30/2011	50-59	60-69	70+
Avg. Account Balance	\$33,108	\$44,749	\$73,452
<i>Prudential's Book of Business</i> Avg. Account Balance	\$63,965	\$82,448	\$99,037

#### Plan Participation

	12/31/2010	12/30/2011
Total Number of Participants	478	503
Average Participant Account Balance	\$24,210	\$27,020

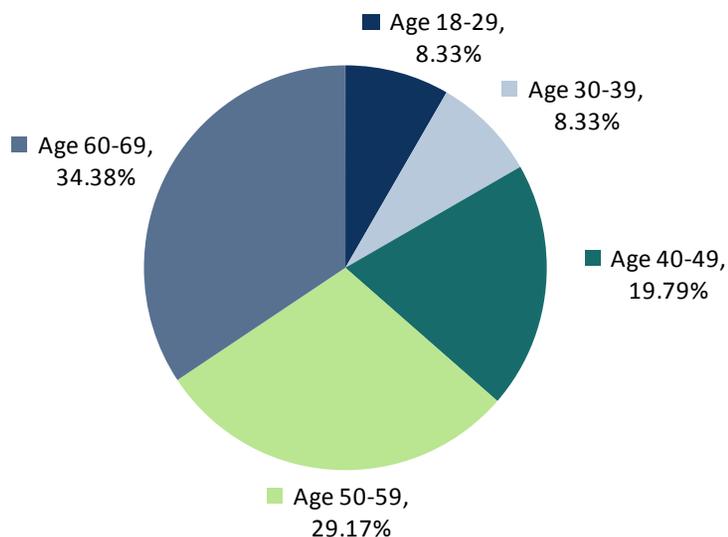
### Retirement Preparation Analysis

Retirement Income Calculator (RIC) Activity	1/1/2011-12/30/2011
Total Number of Participants in Plan	503
Number of Visits to RIC	96
Number of Participants Utilizing RIC	97
% of Participants Utilizing RIC	19.28%
Number of Participants Taking Action	17
% of Participants Utilizing RIC and Taking Action	17.53%

Retirement Income Calculator (RIC) Utilization	1/1/2011-12/30/2011
Participants Increasing Deferral Percentage	10
Average Deferral Change	0.68%
Average Annualized Dollar Increase	\$351
% of Participants Increasing After Utilizing RIC	10.31%
Participants Decreasing Deferral Percentage	7
Average Deferral Change	-3.45%
Average Annualized Dollar Decrease	(\$2,403)
% of Participants Decreasing After Utilizing RIC	7.22%

Participant Age Range	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	8	8.33%
Age 30-39	8	8.33%
Age 40-49	19	19.79%
Age 50-59	28	29.17%
Age 60-69	33	34.38%
Grand Total	96	100.00%

RIC Participant Utilization



**Americans want a better, easier way. . .** close to six in 10 say they want to find a way to **feel less pressured**, less threatened, and **less overwhelmed** in making financial decisions.

### Participant Transaction Statistics

Withdrawals	1/1/2010- 12/31/2010	1/1/2011- 12/30/2011	Change	% Change	1/1/2010- 12/31/2010	1/1/2011- 12/30/2011	Change	% Change
External Rollover	\$347,737	\$166,829	(\$180,908)	(52.02%)	22	8	(14)	(63.64%)
Hardship Withdrawal	\$5,982	\$15,092	\$9,110	152.29%	3	9	6	200.00%
Installment Payment	\$10,070	\$18,669	\$8,599	85.39%	23	31	8	34.78%
Internal Rollover	\$3,860	\$0	(\$3,860)	(100.00%)	1	0	(1)	(100.00%)
Miscellaneous Distributions	\$166,414	\$115,181	(\$51,232)	(30.79%)	30	30	0	0.00%
Termination Cashout	(\$4,701)	\$0	\$4,701	(100.00%)	1	0	(1)	(100.00%)
<b>Grand Total</b>	<b>\$529,362</b>	<b>\$315,771</b>	<b>(\$213,590)</b>	<b>(40.35%)</b>	<b>80</b>	<b>78</b>	<b>(2)</b>	<b>(2.50%)</b>

Withdrawal Type	Participant Age	Participant Count	Withdrawal Amount
Rollovers	Age <50	6	\$126,318
	Age >=50	2	\$40,511
Rollovers Total		8	\$166,829
Cash Distribution	Age <50	19	\$54,963
	Age >=50	51	\$93,979
Cash Distribution Total		70	\$148,942
<b>Grand Total</b>		<b>78</b>	<b>\$315,771</b>



## Disclaimers

***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.***

Fixed income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.

Prudential IncomeFlex Select Funds are investment options available under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company (PRIAC). PRIAC does not provide any guarantee of the investment performance or return of contributions to those separate accounts. PRIAC's guarantee of certain withdrawals is supported by PRIAC's general account and is contingent on its claims paying ability. Guarantees are subject to certain limitations, terms and conditions. Investors should consider the objectives, risks, charges, and expenses of the funds and guarantee features before investing. You should carefully review the Prudential IncomeFlex Select Important Considerations before investing. Contract form# GA-2020-IFGW2-0805 or state variation thereof.

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Assets and contributions reflect actual participant account balances and do not include forfeiture and / or expense account assets.

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Prudential's Book of Business averages are as of 12/30/2011.

Perhaps the most striking finding in this Workplace Report, our sixth, was that 84% of Americans say the time is ripe for enhanced, redesigned workplace retirement plans. In fact, across the board, workers appear eager to embrace automated features. At Prudential, **we take that as a clear mandate to redefine retirement**, so that once again workplace retirement plans can **adequately and appropriately support** the retirement dreams of millions of American workers.

*Christine C. Marcks, President Prudential Retirement, 2010 The New Economic Reality and the Workplace Retirement Plan*



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Hartford, CT 06103

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## **Appendix A: Legislative / Regulatory Update**

FEBRUARY 2012



# LEGISLATIVE AND REGULATORY UPDATES

DELIVERING COMPREHENSIVE RISK  
MANAGEMENT SOLUTIONS—EXPERTLY

## DOL Issues Final Fee Disclosure Rules

- The DOL has given a three-month extension for the new 408(b)(2) rules, meaning service providers must be in compliance by July 1, 2012, for new and existing contracts.
- This delay regulation pushes back the participant disclosure regulations as well.
- The participant disclosure regulation takes effect 60 days after the effective date of this regulation, "So, both rules will be effective by the end of August."
- The first quarterly statements that will include participant disclosures under the new regulations, will have to be delivered by November 14.
- The final version of the 408(b)(2) regulations includes only "relatively minor modifications" from the previous proposal.

## Rules for Investment Advice

- DOL issued final regulations on October 24, 2011
- Provides exemption from the prohibited transaction rules to allow investment advice to participants while providing protection to Plan Sponsors
- In general, advisers may use:
  - computer model that is independently developed and subject to statutory rules
  - arrangement under which adviser receives the same fees regardless of the investment option chosen
- Allows for use of historical returns as long as they are not given “inappropriate weight”
- A rule not in the proposed regulations allow a participant to request exclusion of a particular investment

## Lifetime Income Options

- On February 2, 2011, Senate Health, Education, Labor and Pensions Committee introduced the Lifetime Income Disclosure Act
- Would require plan sponsors to inform participants of the projected monthly income at retirement based on current account balance.
- The latest effort to educate plan participants on long-term retirement strategies
- Most recent development following the 2010 RFI issued by the DOL and the Treasury seeking ideas on how to reduce the chances that workers will run out of funds during their retirement years

## Responding to Request for SPD

- District Court ruled that Plan Sponsor liable for penalties for delay in providing updated SPD
- Plan changed eligibility rules and participant requested copy of SPD to review new rules
- ERISA requires response within 30 days of request
- DOL requires SPDs (or SMMs) be provided within 210 days after end of year in which change is made
- Documents provided to participant did not reflect updated change
- Plan Sponsor argued that updated documents did not have to be provided until much later
- Court disagreed and fined Plan Sponsor \$110 per day as information provided was irrelevant to participant request
- Message to Plan Sponsors: have current documents ready to respond to specific participant request

## Scrivener's Error Rejected by Court

- U.S. Court of Appeals for the Fourth Circuit rules in favor of employees' claims and were granted higher benefits.
- Court rejected Plan Sponsor's defense that an incorrect formula was written in the plan document and, therefore, was merely a "scrivener's" error.
- Background: Defined Benefit Plan's formula was incorrectly changed to provide higher benefits.
- But the Plan continued to operate under the old formula until discovered 7 years later.
- It then filed a VCP under the IRS' correction program and the IRS approved it.
- The sponsor attempted to 'revise' the documents retroactively and the employees sued.
- Court contended that the IRS ruling only resolved the tax qualification issue between the IRS and the Plan Sponsor; did not apply to the employees nor prevent employees from bringing action

## How a Plan Defines Named Fiduciary

- Plan document defined the “Named Fiduciary” as plan sponsor .
- Participant sued the company over failing to process an investment election claiming violation of fiduciary duties
- Participant sent investment election to the Company’s accounts receivable clerk who failed to forward it to the recordkeeper.
- Person’s investments went into the plans QDIA and suffered a \$100,000 loss
- Court found the Company liable for breach of fiduciary duty based on the acts and omissions of its accounts receivable clerk.
- The court found that she was doing so as an agent of the Company and because the plan document named the Company as a fiduciary, the court attributed fiduciary status to the clerk’s actions
- Lesson: Be very specific as to who is named as the Plan’s fiduciary, e.g., Administrative Committee

- Two cases against plan fiduciaries:
  - Tibble vs Edison:
    - Participants sued plan fiduciaries over selecting mutual funds over comparable institutional funds
    - Court ruled that fiduciaries did not act with “prudence” since they did not consider other options
    - Financial adviser was not considered liable since that provider only presented mutual funds and fiduciaries reliance on that was also imprudent
  - George vs Kraft Foods:
    - Plan used unitized stock fund and due to short term investments, overall return suffered
    - Plan Fiduciaries were informed of this but took no action
    - Court ruled that fiduciaries violated their duties by failing to take action to reach a decision
- Lesson: make decision and document

## Fiduciary Liability – Employer Stock

- Two stock drop cases involving plans sponsored by Citigroup and McGraw-Hill Companies, were argued in tandem.
- A Federal court held that the decision by ERISA fiduciaries not to remove a company stock investment option from their qualified plans or impose restrictions on participants' investment in company stock was deemed prudent.
- By doing so, the court affirmed the dismissal of the two ERISA stock drop cases, and joined other Circuit Courts in adopting a presumption that the fiduciaries acted in a prudent manner.
- The court held that the fiduciaries are not required to disclose nonpublic information to plan participants and that misstatements made by nonfiduciaries in SEC filings are corporate, not fiduciary, communications and thus not subject to liability under ERISA.
- A win and some fiduciary relief for plan sponsors that include employer stock as an investment option.

- January 2012, the Commodity Futures Trading Commission (CFTC) approved final regulations that affect ERISA pension plans engaging in swap transactions.
- The rules govern common plan transactions involving interest rate swaps. ERISA pension plans use swaps to manage risk in Stable Value Contracts and defined benefit funding products.
- The new rules require swap dealers to make a "suitability" determination, and to provide certain information and disclosures.
- Phyllis Borzi, EBSA, wrote the CFTC confirming the rules do not conflict with DOL rules, nor "compel swap dealers or major swap participants to engage in fiduciary conduct."
- The DOL intends to "harmonize" the SWAP rules with the revisions to the proposed fiduciary definition. Presumably, this would allow swap dealers to avoid being defined as an ERISA fiduciary (if they follow the CFTC's business conduct rules).

## Odds and Ends

- DOL proposes updated and expanded definition of "Fiduciary" for Investment Advice Arrangements. Based on comments received, DOL reconsidering proposed definition. Does not expect new definition until early 2012.
- DOL set forth an interim policy regarding the use of electronic media to satisfy disclosure requirements under the DOL's participant fee disclosure regulations.
- IRS issues a ruling that provides a road map for offering employees the option of transferring (or "rolling over") some or all of their 401(k) plan payouts to a defined benefit plan in exchange for an immediate annuity from that plan.
- IRS issues proposed regulations that encourage split options involving lifetime income by simplifying the calculation of such bifurcated benefits. Plans generally are required to calculate the dollar amount of each full optional form of benefit available as a choice for retiring employees.

## Odds and Ends

- IRS issues proposed regulations that would make it easier for defined contribution plans and IRAs to offer longevity annuity options. Longevity annuity (sometimes referred to as “deeply deferred annuity”) is an income stream that begins at an advanced age, such as age 85, and continues as long as the individual lives.
- IRS issues proposed regulations that make it simpler to allow plans to offer split options that avoid an “all-or-nothing” choice, such as the option to take any portion of the plan benefit as a stream of lifetime income (while taking the rest as a lump sum which is rolled over to an IRA).
- Recent court rulings decide plan sponsors did not violate fiduciary duties (4/11):
  - Transferring the plan balances of two employees who had not made investment elections from a stable value fund to the plan’s QDIA without the participants telling them to do so
  - Amount of recordkeeping fees paid and an employer’s decision to unitize its company stock
- DOL proposed changes to QDIA rules to provide more information to be disclosed about all QDIA investments, with a further level of detail required on Target Date Funds. Rules expected to be effective in 2<sup>nd</sup> Q 2011 (12/10)

## Disclosures



*Information in this document is provided as general guidance on the subjects covered and may not be relied upon as tax or legal advice. Any tax or legal issues should be reviewed by legal counsel or a tax advisor.*

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## **Appendix B: NAGDCA 2011 Governmental DC Plan Survey Results**



**Defined Contribution Plan Survey Report  
Published March 2011**

**BACKGROUND AND RESPONDENT DEMOGRAPHICS**

The 2011 NAGDCA Defined Contribution Plan survey covered 111 government defined contribution plans, including:

- 457 – 76 plans (43 state, 32 local, 1 education)
- 401(k) – 16 plans (11 state, 5 local)
- 401(a) – 17 plans (9 state, 5 local, 2 education, 1 independent agency)
- 403(b) – 2 plans (2 state)

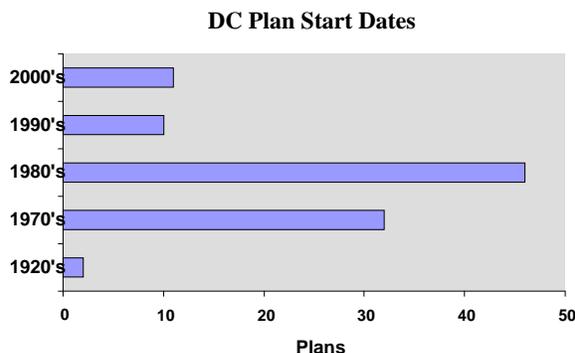
These plans had approximately 1.8 million active participants in 2010 compared to 1.5 million in 2009.

In addition to the defined contribution plan, the following retirement benefits are offered to government plan employees:

- Ninety-two percent offer a defined benefit plan.
- Ninety percent offer retiree health insurance benefits.
- Eighty-four percent of plans reported their employer does participate in Social Security

**Plan Age**

The bulk of plans (78%) began in the 1970s and 1980s.

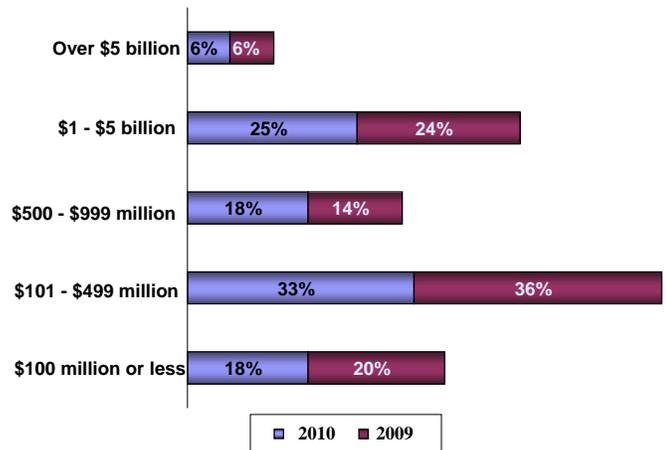


**Plan Assets**

The size of assets held by respondents varied greatly, which is indicative of the size and complexity of the plans offered by governments

across the country. As of December 31, 2010, thirty-three percent of all responding governmental plans had assets valued between \$101 and \$499 million and twenty-five percent were valued between \$1 and \$5 billion. Eighteen percent of plans assets were valued between \$500 and \$999 million and eighteen percent had \$100 million or less in plan assets. Six percent of responding plans had assets valued over \$5 billion.

**2009 and 2010 Plan Assets**



Historically, there was not much change in governmental plan asset sizes from 2009 to 2010. In 2009, thirty-six percent of all responding governmental plans had assets valued between \$101 and \$499 million, twenty-four percent were between \$1 and \$5 billion, twenty percent had \$100 million or less, and six percent had \$5 billion or more in plan assets.

As of December 31, 2010, forty percent of responding governmental 457 plans held assets between \$101 and \$499 million, twenty-seven percent held between \$500 and \$999 million, and twenty percent held between \$1 and \$5 billion in plan assets. Eight percent of responding 457 plans had assets valued at \$100 million or less and only six percent of

responding 457 plans had assets valued over \$5 billion.

In comparison, NAGDCA's 2009 survey had forty percent of responding 457 plans with assets valued between \$101 and \$499 million and twenty-three percent were valued between \$1 and \$5 billion.

Seventy-one percent of responding governmental 401(k) plans had assets valued between \$1 and \$5 billion.

Fifty percent of responding public 401(a) plans had assets valued at \$100 million or less and thirty-eight percent held between \$101 and \$499 million in assets.

The responding 403(b) plans reported having \$100 million or less in assets.

## **PARTICIPANT BEHAVIOR**

### **Eligibility and Participation**

Based on the state and local plans reporting eligibility figures, there are 8.5 million governmental employees eligible to participate in these defined contribution plans. Approximately 1.9 million of these eligible employees made deferrals during 2010. The average participation rate for all plans was 22%.

By comparison, in 2009, based on the state and local plans reporting eligibility figures, there were 5.2 million governmental employees eligible to participate in these plans. Approximately 1.5 million of these eligible employees made deferrals in 2009. The average participation rate for all plans was 29%.

At the end of 2010, responding 457 plans reported that 4.9 million employees were eligible to participate and 1.1 million of those employees actively made deferrals, giving responding 457 plans a participation rate of 22%.

401(k) respondents reported that 2.7 million employees were eligible to participate and of those, 512,998 employees actively made deferrals, giving responding 401(k) plans a participation rate of 19%.

401(a) respondents reported that 885,817 employees were eligible to participate and of those eligible 218,047 employees actively made deferrals, giving responding 401(a) plans a participation rate of 25%.

Of the state and local plans reporting, there were 686,299 inactive participants (plan participants who are current employees but did not make deferrals in 2010).

There were 522,506 terminated participants (former employees who maintain an account balance).

### **Participant Account Balances**

As of December 31, 2010, the average participant account balance for the responding state and local government plans was \$41,243, while the median was \$23,497.

The average/median participant account balance for responding 457 plans was \$42,468/\$24,804 and the average for 401(k) plans was \$39,285/\$13,525. The average for 401(a) plans was \$38,301/\$35,579, and the average participant account balance for responding 403(b) plans was \$40,889/\$11,482.

### **Annual Deferrals**

The average annual deferral for the responding state and local government plans was \$3,884. The median deferral among these plans was \$2,281.

### **Total Participant Accounts**

The average percentage of total participant accounts that were actively deferring among these plans, as of year-end, was:

- 2008 – 64%
- 2009 – 61%
- 2010 – 58%

### **Participant Behavior Changes During the Past Two Years**

Overall, during the past two years most plans acknowledge that participants have not made significant changes to their savings behavior. Among plans that noted change, some indicated a slight increase in participants reducing or ceasing to defer in the defined contribution plan. Additionally, a significant number report a slight increase in loan activity and hardship withdrawals.

Percentage of plans who report participants *stopped* deferrals during the past 2 years:

- Slight increase – 45%
- No Change – 38%
- Slight decrease – 6%

- Significant increase – 6%
- Significant decrease – 5%

Percentage of plans who report participants *reduced* deferrals during the past 2 years:

- No Change – 52%
- Slight increase – 34%
- Slight decrease – 8%
- Significant increase – 5%
- Significant decrease – 1%

Percentage of plans who report participants *increased* deferrals during the past 2 years:

- No Change – 50%
- Slight decrease – 28%
- Slight increase – 15%
- Significant decrease – 5%
- Significant increase – 2%

Percentage of plans who report the following changes to loan activity:

- Slight increase – 36%
- No Change – 30%
- Significant increase – 25%
- Slight decrease – 9%
- Significant decrease – 0%

Percentage of plans who report the following changes to hardship activity:

- Slight increase – 40%
- Significant increase – 31%
- No Change – 25%
- Significant decrease – 2%
- Slight decrease – 2%

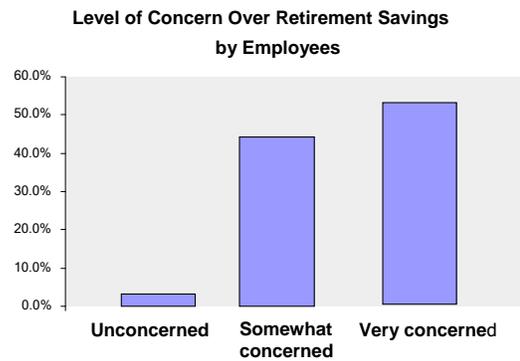
Percentage of plans who report the following changes to new enrollment activity:

- Slight increase – 40%
- Slight decrease – 24%
- Significant decrease – 13%
- No Change – 13%
- Significant increase – 10%

## **PLAN SPONSOR PERSPECTIVES AND PLANNED ACTIONS**

### **Plan Sponsor Concerns**

Fifty-three percent of responding plans were very concerned about the level of retirement savings by their employees and forty-four percent were somewhat concerned.



The majority of survey respondents feel the biggest reason why employees are not saving enough is because they generally do not understand how much they need to save for retirement. Others feel strongly that employees are just not concerned about planning for retirement or are not using their supplemental defined contribution plans adequately. Plan Sponsors are concerned with the level of employee retirement savings because out of pocket health care costs are likely to escalate for retirees.

Other factors that Plan Sponsors think might be preventing employees from contributing more to retirement plans:

- Furloughs days
- Pay reductions
- Layoffs
- Salary freezes
- Increased health costs
- No Match
- Economy
- Uncertainty of defined benefit plan contributions
- Employee apathy, false sense of security from mandatory defined benefit Plans
- State Budgetary Issues
- Employees are not willing to lose more income for "voluntary" savings
- Many families are down to a one-income family
- Fear of market conditions in the future
- Concerns of government debt
- Employees have decreased their defined benefit plan contributions to place funds in their HSA accounts to cover their medical insurance deductible amounts

### **Plan Sponsors Actions to Encourage Retirement Savings**

Plan sponsors report taking a variety of actions to encourage greater retirement savings among employees. The sections below illustrate those actions sponsors have currently taken, those they plan to, and those that they do *not* plan to take. In particular, the usage of National Save for Retirement Week, easy enrollment, and more targeted messages are currently utilized to spur better savings behavior. When planning for 2011, more plan sponsors intend to add a Roth 457, and some are adding new investments or services.

Actions taken by plan sponsors to encourage greater retirement savings:

- Participate in National Save for Retirement Week (NS4RW) – 71%
- Easy enrollment (tied to selection of a target date fund or other designated fund) – 59%
- Encourage existing inactive participants to consider deferring again - 51%
- Addition of new investment or services – 48%
- Roth 457 – 27%
- Employer match – 28%
- Automatic enrollment feature - 15%
- Automatic escalation feature – 6%
- Automatic re-enrollment feature - 3%

Actions plan sponsors plan to take in the next year to encourage greater retirement savings:

- Roth 457 – 41%
- Encourage existing inactive participants to consider deferring again - 35%
- Addition of new investment or services – 23%
- Participate in NS4RW – 18%
- Easy enrollment - 16%
- Automatic enrollment feature - 11%
- Automatic escalation feature – 11%
- Employer match - 3%
- Automatic re-enrollment feature - 1%

Actions plan sponsors are **not** currently taking and have no plans to take to encourage greater retirement savings:

- Automatic re-enrollment feature – 96%
- Automatic escalation feature – 83%
- Automatic enrollment feature – 74%
- Employer match – 70%
- Roth 457 – 33%
- Addition of new investment or services – 29%
- Easy enrollment – 26%

- Encourage existing inactive participants to consider deferring again – 14%
- Participate in NS4RW – 11%

### **Participant Education**

In regards to participant education tools, more plans are using a variety of methods to reach and influence employees. The most prevalent methods currently employed include the website, onsite visits, newsletters and emails. When planning for 2011, some sponsors are also planning to leverage social media and more targeted marketing in the coming year.

Percentage of plan sponsors, in the past year, that have used the following tools to enhance participant education:

- Website – 98%
- Worksite visits – 97%
- Newsletters – 91%
- E-mails – 67%
- Target marketing – 67%
- Links to other retirement related websites – 66%
- Postcards – 53%
- Social media – 22%

Percentage of plan sponsors that aren't currently, but plan to use these tools in the next year to enhance participant education:

- Social media – 28%
- Target marketing – 26%
- E-mails – 17%
- Postcards – 16%
- Links to other retirement related websites – 9%
- Newsletters – 2%
- Website – 1%
- Worksite visits – 1%

Percentage of plan sponsors that have no plans to use these tools to enhance participant education:

- Social media – 50%
- Postcards – 31%
- Links to other retirement related websites – 25%
- E-mails – 9%
- Target marketing – 8%
- Newsletters – 7%
- Worksite visits – 2%
- Website – 1%

### **Levers to Influence Retirement Savings**

Responding plan sponsors believe the following items would have the greatest impact on retirement savings:

- Automatic enrollment feature – 64%
- Employer match – 44%
- Participant education/information – 33%

While plan sponsors acknowledge that automatic enrollment is a strong plan alternative to influence participants, still many are not currently offering the feature. The following reasons were reportedly preventing responding state and local government plans from implementing an automatic enrollment feature:

- Legal restrictions – 60%
- Potential negative reaction by employees – 38%
- Mandatory defined benefit plan – 37%
- More than one defined contribution plan is offered – 24%
- Liability concerns – 19%
- Administrative complexity – 17%
- Other (union contracts, pushback from employee unions, insufficient employee compensation, legislation required) – 17%
- Cost – 13%
- Plan Administrator can't accommodate – 6%

\*Note: Further detail may be provided per request.  
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