ENVIRONMENT

Independent Consultants Cooperative (ICC)

> General Comments

- After a strong performance last quarter the U.S. equity markets failed to keep the rally going, as the Dow Jones Industrial Average see-sawed around the 10,000 mark. The U.S. equity markets experienced volatile swings, and fell into a funk in May; ending the quarter in negative territory. The Dow Industrial Average fell 9.4%, the S&P 500 fell 11.4%, and the NASDAQ fell 11.9%. Over the 1 year period the U.S. equity markets have remained in positive territory. The Dow Industrial Average is up 18.9%, the S&P 500 is 14.4%, and the NASDAQ is up 15.9%.
- The Federal Reserve struck a dovish tone as it left the federal funds target rate unchanged at 0% to 0.25% last month. The committee will continue to maintain the federal funds target rate as it considers fiscal conditions. Given a tame reading on inflation, the FOMC claims that it is 'likely to warrant exceptionally low levels of the federal funds rate for an extended period.'
- The State Street Global Markets Investor Confidence Index had a slight uptick in June from 88.4 to 89.7. On a global level investor confidence rose 1.3 points to 89.7 from the prior month, May. On the other hand investor confidence in North America fell 6.3 points to 92.2 for the same period. European investor confidence rose 5.4 points to 97.7, while Asia increased by 1.7 points to 102.6.
- Sovereign debt continued to bring uncertainty throughout the markets during the 2nd quarter of 2010. Greece settled on a bailout package, and the European Union passed a massive fiscal plan to prevent the collapse of other members with weak fiscal conditions. Given all the sought out measures, investors nonetheless have grown skeptical of governments abilities to eliminate large debt amounts and maintain sound growth rates.
- The United States experienced one of its worst environmental disasters on record as a British Petroleum leased deepwater rig exploded on April 20th. British Petroleum has accepted responsibility for the disaster, and has been hoisted onto a worldwide stage at it figures out how to permanently cap the leaking wellhead.

INDEPENDENT CONSULTANTS COOPERATIVE

MARKET SUMMARY

Equity Markets

U.S.	QTR	1 Year	3 Year
S&P 500	-11.4	14.4	-9.8
Dow Jones Industrial Average	-9.4	18.9	-7.9
NASDAQ	-11.9	15.9	-5.9
Russell 1000	-11.4	15.2	-9.5
Russell 2000	-9.9	21.5	-8.6
Russell 3000	-11.3	15.7	-9.5
Non-U.S.			
MSCI EAFE (Net)	-14.0	5.9	-13.4
MSCI Emerging Markets (Net)	-8.4	23.2	-7.0
MSCI All Country World ex U.S.	-12.5	10.4	-10.7

Bond Markets

U.S.	QTR	1 Year	3 Year
Barclays Capital Aggregate	3.5	9.5	7.6
Barclays Capital Gov/Credit	3.9	9.7	7.4
Barclays Capital Universal	3.14	10.6	7.2
Barclays Capital Corp. High Yield	-0.1	26.8	6.5
Non-U.S.			
CG Non-U.S. World Govt.	-1.3	1.5	7.7

Non-Public Markets

Lagged Data Set—1Q10

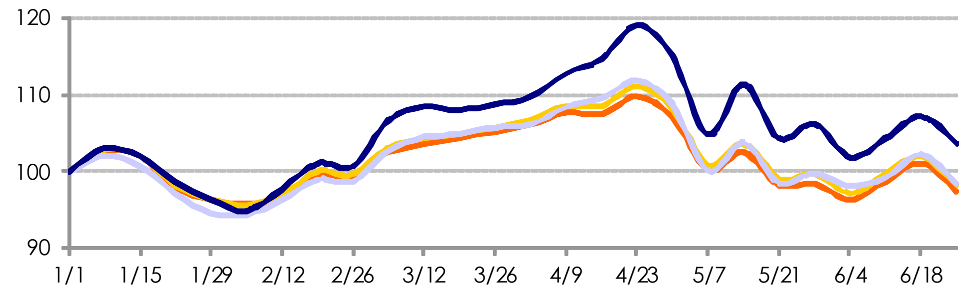
	QTR	1 Year	3 Year
NCREIF Property	0.75	-9.6	-4.3
State Street Private Equity Index	2.2	20.9	-1.02

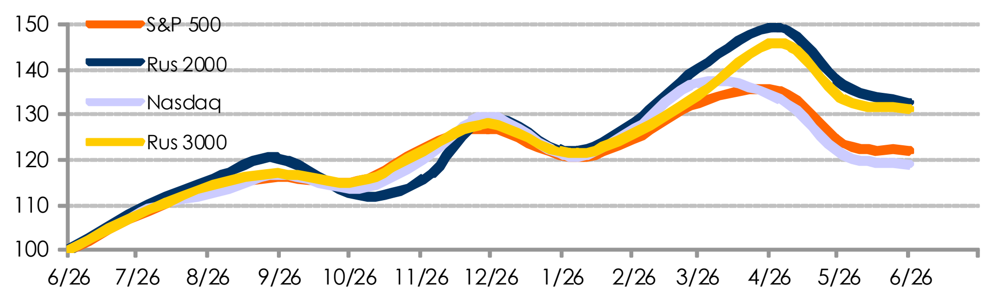
Global Equity Markets

- Global Markets retreated in the second quarter 2010. In the U.S. the Dow Jones Industrial Average fell 9.4% while the broader S&P 500 dropped 11.4%. Meanwhile the Tech/Telecom heavy Nasdaq dropped the furthest shedding 11.9%. International markets saw the MSCI EAFE index fall 14.0% due in most part to fears in the Eurozone over the cost of the Greece bailout. Interestingly, the economic downturn did not impact the Emerging Markets as significantly, which experienced an 8.4% slide.

- Over the past 12 months the MSCI Emerging Markets Index return 23.2% adding 450 basis points for the MSCI all country world ex-U.S. versus the EAFE index which only returned 5.9%

Equity Index - Year to date Growth Rate



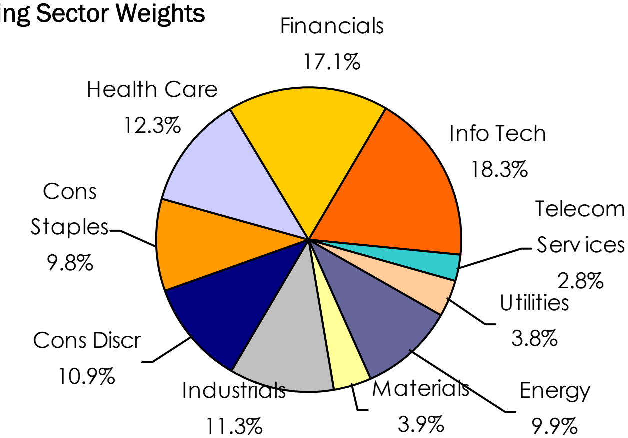


Domestic Equity - Russell 3000

- The Russell 3000 Index lost 11.32% during the second quarter of 2010. The greatest detractors from quarterly performance included retreats in Information technology, financials, and Industrials, which account for almost 50% of the index. All posted double digit losses over the quarter. Defensive positions in utilities were rewarded while the Telecom sector also offered some protection from this quarters sharp decline.

- In a reversal of the first quarter performance, the top three weighted sectors offered double digit returns over the trailing 12 months. The best performing sectors for the same time period were industrials and consumer discretionary, both of which making significant contribution to overall returns. Double-digit gains were registered for all but Energy, Utilities and Telecom sectors over the past year.

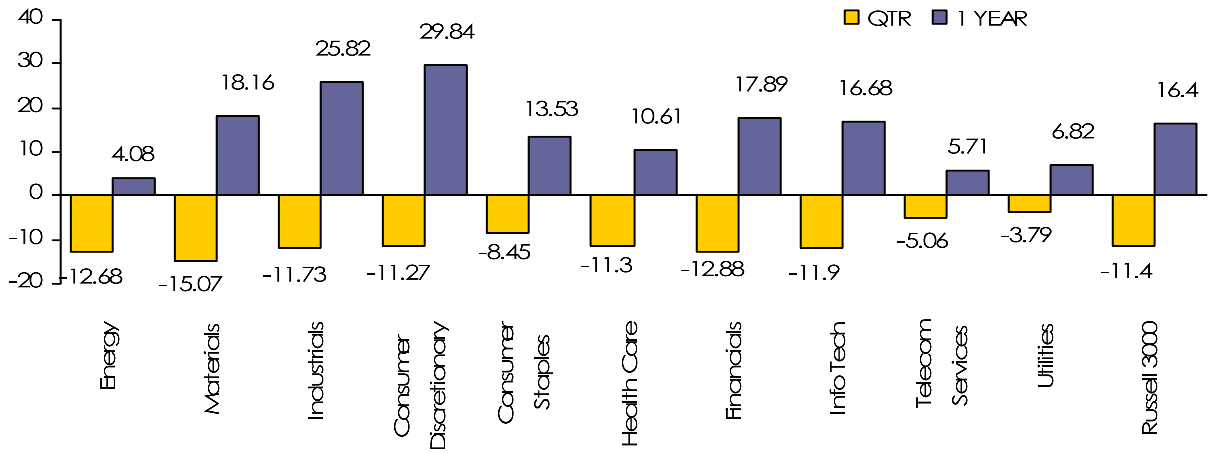
Ending Sector Weights



Characteristics

Div Yield (%)	2.0
P/B Ratio	1.9
P/E Ratio	14.85
Fundamental Beta	0.98
Market Cap $(MM)	75,100

Sector Returns (%)



Contribution to Return:

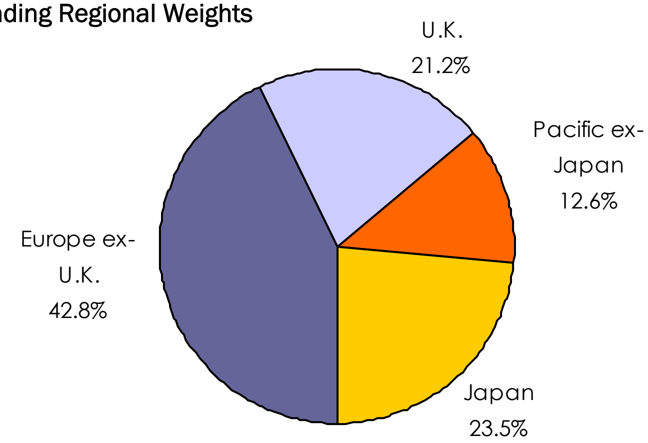
Qtr	-1.2	-0.7	-1.7	-1.2	-0.7	-0.8	-2.0	-2.6	-0.1	-0.2
1 Yr	0.4	0.7	2.9	3.3	1.3	1.3	3.1	3.1	0.2	0.3

International Equity—MSCI EAFE (Net)

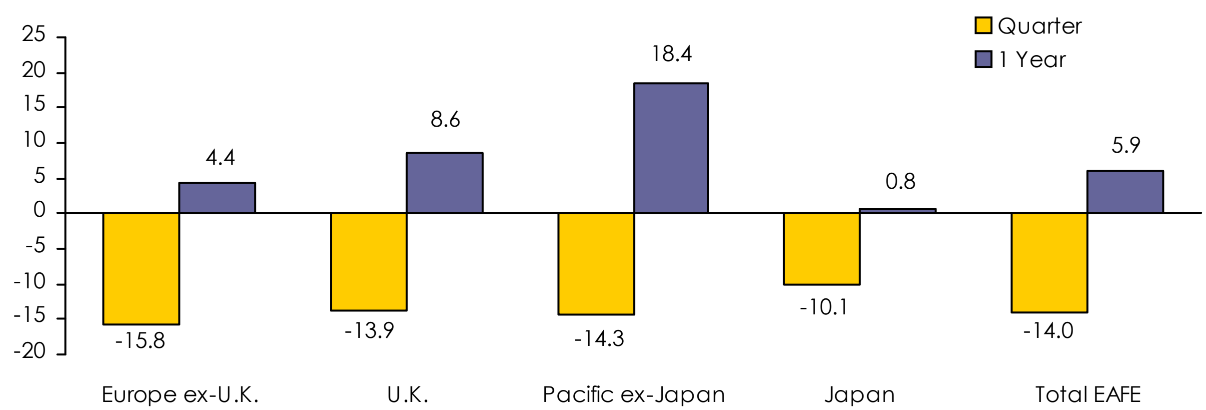
- After four consecutive quarters with index expansion, the MSCI EAFE Index has reverted to negative returns. This quarter was riddled with investor retreat from risky stocks. The EAFE Index lost 14.0% in the second quarter of 2010 as debt concerns cornered the European markets this quarter slashing returns in Greece (-40.4%), Spain (-20.4%), and Italy (-21.0%). Pacific basin countries were also detractors from quarterly performance because of falling commodity prices.

- One year annualized returns look much better with the EAFE index returning 6.4%. Top performing countries in continental Europe were based in the Nordic region, including Sweden (+30.8%), Norway (+12.3%), and Denmark (+19.4%). Outside of Europe, MSCI EAFE countries based in the Pacific all boasted positive returns, in particular Singapore, gaining 29.4%.

Ending Regional Weights



Regional Returns (%)



Contribution to Return:

Qtr	-6.8	-2.9	-1.8	-2.2
1 Yr	2.2	1.8	2.3	0.2

INTERNATIONAL MARKETS

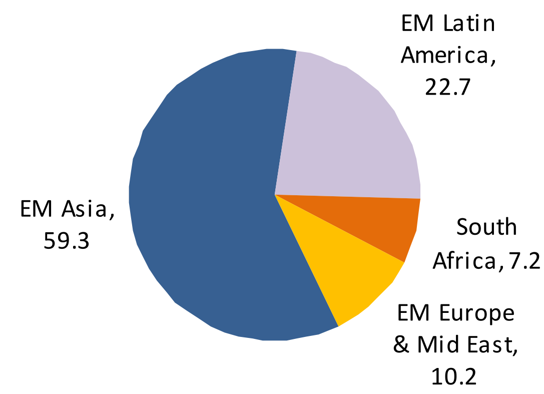
Emerging Markets Equity - MSCI EM (Net)

- The MSCI Emerging Markets ("EM") Index declined by 8.4% in the second quarter and further reduced its 12 month gain to 23.2% for the period ending June 30.

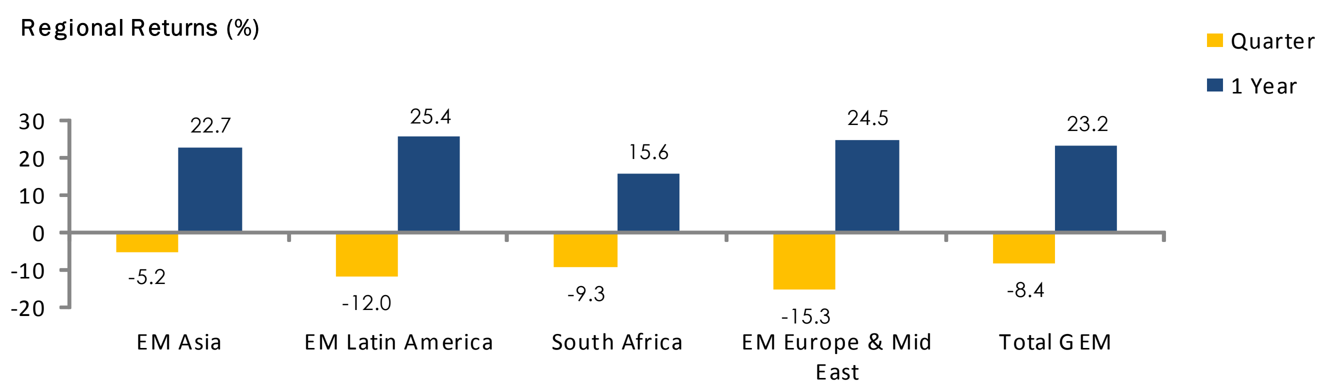
- Asia, and Far East based securities made the greatest contributions to performance in the second quarter. Key contributors included gains for securities domiciled in Indonesia, Philippines, and Malaysia each returning 4.2%, 2.7%, and 2.2% respectively.

- Although Latin America experienced negative returns, the following countries, Chile, Colombia, and Peru each posted gains at 2.6%, 3.6%, and 4.2% respectively.

Ending Regional Weights



Regional Returns (%)



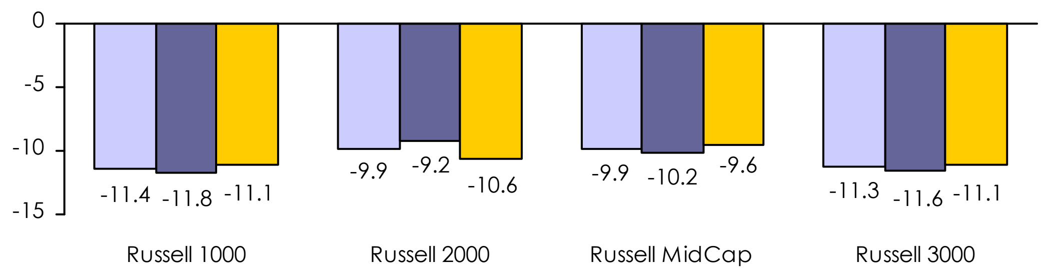
Contribution to Return:

Qtr	-3.1	-2.7	-1.1	-0.9
1 Yr	13.4	5.8	1.8	1.6

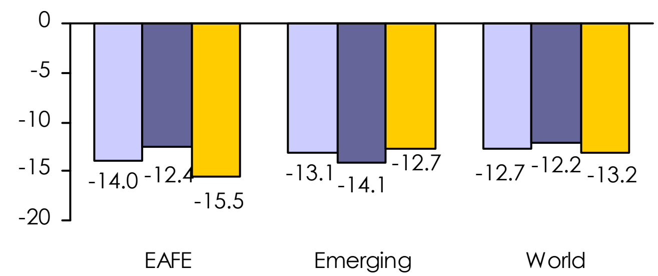
Style & Capitalization Returns

- Markets retreated worldwide during the second quarter, emerging markets shed 13.1% nearly in step with a drop of 12.7% in developed markets. MSCI's International Value was the hardest hit losing 15.5%, while the Russell 2000 Growth Index weathered the economic storm the best shedding 9.2%.
- Interestingly, although the Russell 2000 Growth segment out-performed its value counter part by 140 basis points; across the rest of the Russell spectrum of domestic indices it was the value indices outperformed the value indices on average of 70 basis points.
- In the MSCI EAFE and Global indices it was the growth styles that out-performed their respective broad index by 310 basis points and 100 basis points respectively. While in the emerging markets the MSCI Value Index bested its growth counter part by 140 basis points.
- Over the past 12 months it has been the value indices in the U.S. and emerging markets that have delivered the highest returns.

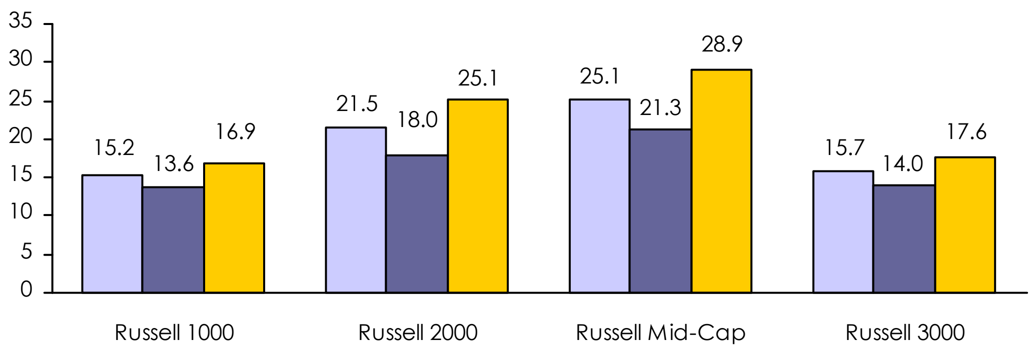
Russell U.S. Style Returns - Quarter



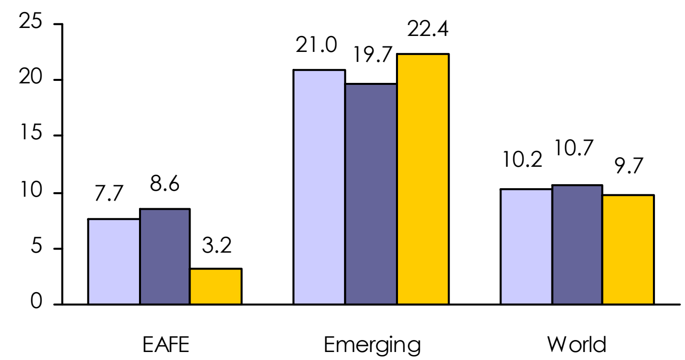
MSCI Non-U.S. Style Returns - Quarter



Russell U.S. Style Returns - 1 Year



MSCI Non-U.S. Style Returns - 1 Year



Neutral Growth Value

Currency Markets

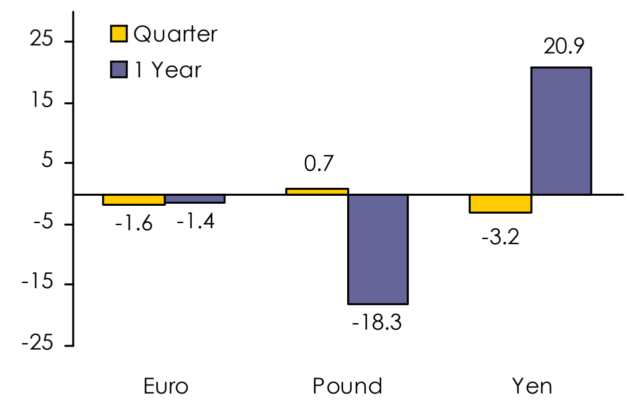
- The Bank of England and the European Central Bank continued to hold key lending rates at historic lows during the first two quarters, keeping them at 0.5% and 1.0% respectively.

- The U.S. Federal Reserve has also continued to keep the its key lending rates at historic lows to allow for further strengthening of the economy.

- The U.S. dollar continued to strengthen relative to euro and the sterling in the second quarter. Investors deemed the European debt crisis as reason to move into the U.S. dollar and yen for safety. As a result the pound continued to weaken relative to the dollar shedding –18.3% over the past 12 months. The yen is now at three year highs.

- The Aussie dollar has also performed well compared to other major currencies. Australia currently has the highest interest rate. The carry trade and commodity chasing has potentially propped up the currency.

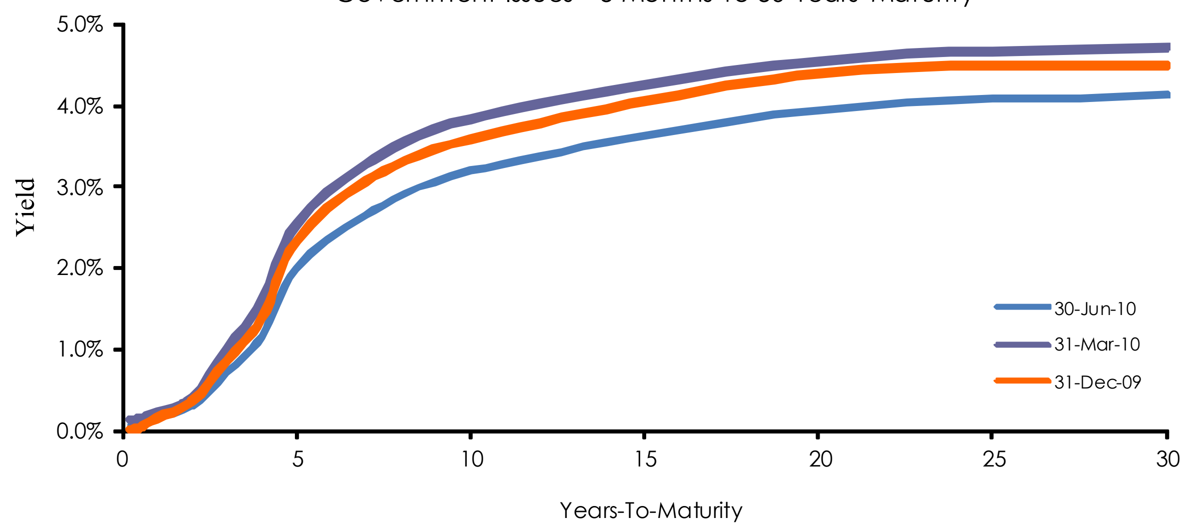
Currency Returns (%)



Yield Curve

- In a speech given at conference sponsored by the Bank of Korea, Federal Reserve Chairman Ben Bernanke stated, central banks “will have to weigh the risks of a premature exit against those leaving expansionary policy in place for too long”. He later added, “To guide these important decisions, each central bank will have to carefully monitor economic developments in its own jurisdiction.”

INTEREST RATE TERM STRUCTURE
Government Issues - 3 Months to 30 Years Maturity

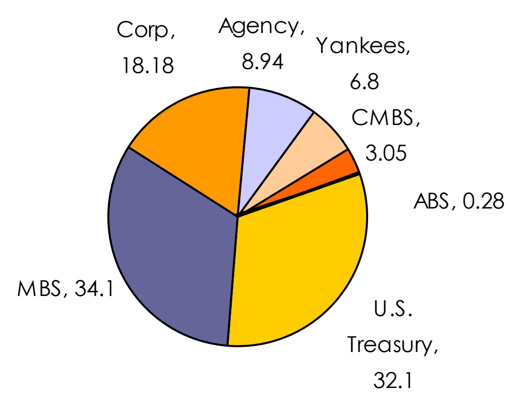


BOND MARKETS

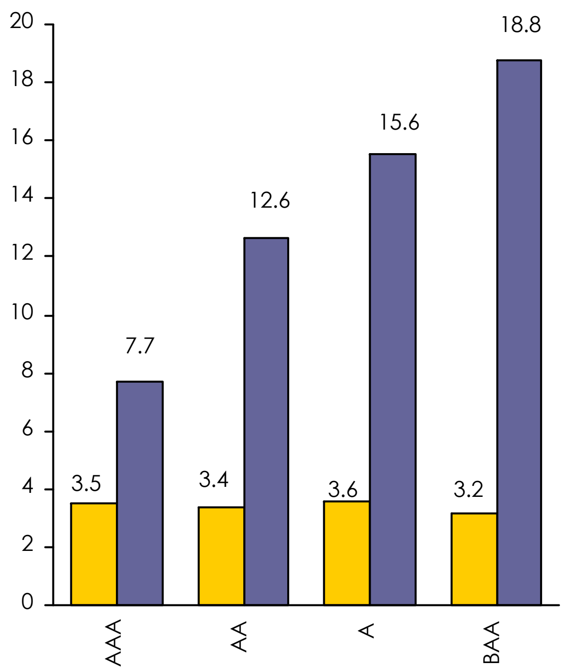
U.S. Bond Market Returns - Barclays Capital Aggregate

- The Barclays Capital Aggregate Bond Index gained 3.5% in the second quarter 2010 and advanced 9.5% over the past 12 month period.
- U.S. Treasuries carried the quarter, returning a 4.7 and delivering 40% of the U.S. Aggregate return. Asset backs and Yankees were both additive over the past 12 months however Corporate paper delivered the highest return for the year posting a 22.9% return.
- Instruments with 10+ year maturities experienced the strongest performance during the quarter, while the 5-7 year and and 7-10 were both additive, and returning double digits over the past year.
- Quality did not play a roll over the past quarter however over the past year AAA rated issues were a drag while A and BAA rated issues posted 15.6% and 18.8% respectively.

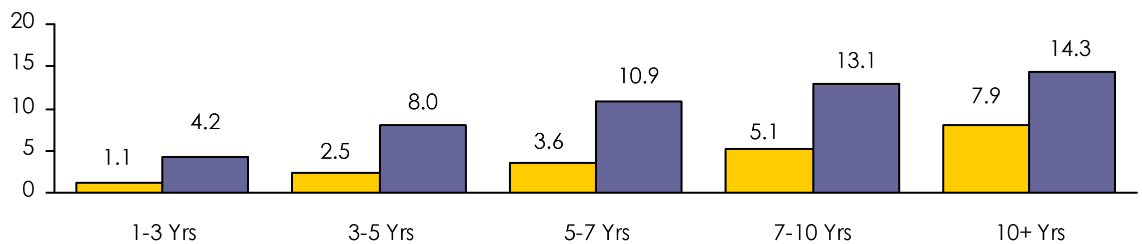
Sector Weights (%)



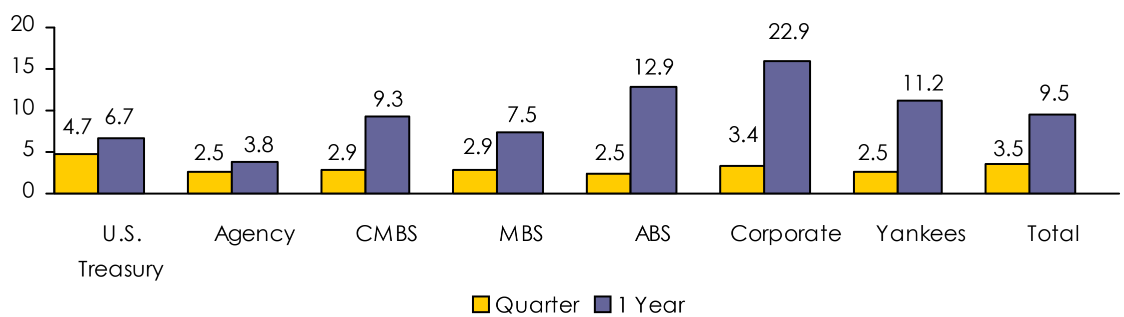
Quality Performance (%)



Duration Performance (%)



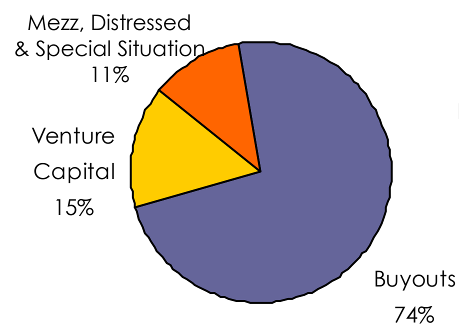
Sector Performance (%)



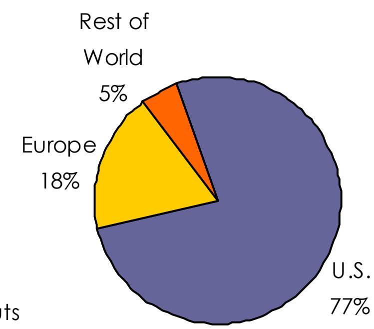
State Street Private Equity Index

- For the last quarter of 2009 (the most recent date available), the State Street Private Equity Index gained 5.9%, which lead to a over all return of 15.0% for the calendar year.
- Mezzanine, distressed, and Special situation strategies outside of the U.S. and Europe registered the strongest gains in 2009. Venture capital continued to be a drag returning a 1.4% for the Year
- U.S.-based buyouts, the largest component of the SSPE Index enjoyed a strong fourth quarter. Buyouts contributed nearly half of the yearly return in the fourth quarter alone. Mezzanine and distressed funds nearly kept pace in the fourth quarter, returning a 6.3%. However as the year ended the strength of the mezzanine and distressed funds sector representing just 11% of the index contributed nearly a third of third of the 2009 return.

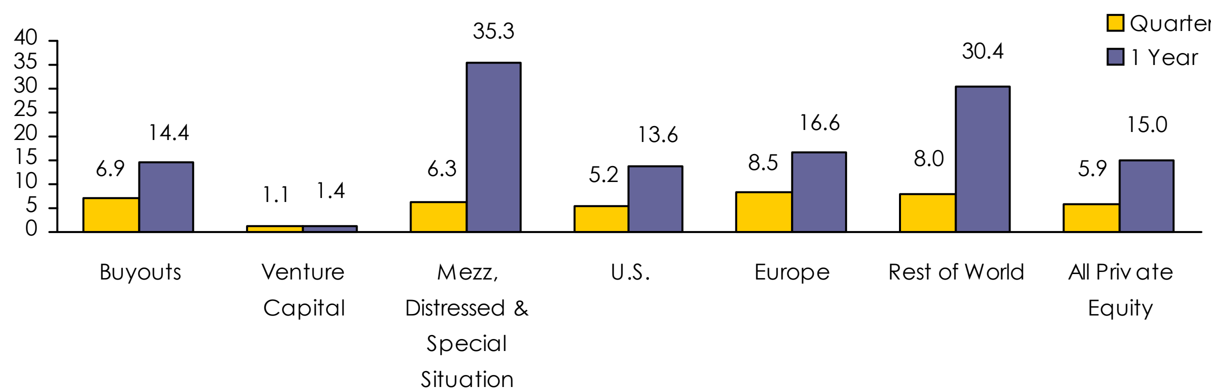
Total Capitalization Weights by Strategy



Total Capitalization Weights by Region Weights



IRR Returns (%)*



Contribution to Return:

Qtr	4.7	0.4	0.9	4.1	1.4	0.4
1 Yr	10.2	0.4	4.3	10.7	2.8	1.5

*State Street Private Equity Index calculated on a dollar-weighted basis

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