INDEPENDENT CONSULTANTS COOPERATIVE MARKET ENVIRONMENT ▪ Q3 2010

Independent Consultants Cooperative (ICC)

> General Comments

- The third quarter ended with the market at crossroad: global markets experienced a huge upswing in actual performance yet confidence in economic recovery seems to be stagnant. Year-to- date, domestic, international, and emerging market equities were all in the black. The Federal Reserve left rates at all-time lows, and the job market remains depressed — both of which indicate that we may be still in the midst of a recession. With both the BP disaster and Greek debt crisis behind us, investors now seem to be willing to tolerate more normal levels of risk. The economy however, is certainly not healthy, and may be far from it.

- The U.S. equity markets dropped into negative territory in the month of August, but came roaring back in September. The Dow Jones Industrial Average ("DJIA") posted its best September performance since 1939. The Index was up 7.9% for the month, and 11.1% for the quarter. The S&P 500 gained 11.3%, and the NASDAQ grew 12.3% in the third quarter. For the one-year period, the U.S. equity markets posted returns in positive territory: the DJIA was up 14.1%, the S&P 500 gained 10.2%, and the NASDAQ advanced 12.3%.

- Following its meeting on September 21, 2010, the Federal Reserve left the Federal Funds target rate unchanged at 0% to 0.25% . The committee will continue to maintain the low federal funds target rate and has stated that it is "prepared to provide additional accommodation if needed to support the economic recovery." 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. "

- Despite the general notion that the worst is behind us, the State Street Global Markets Investor Confidence Index has been on a downward trend, declining to 88.0 in September 2010 —its lowest level since January 2009. Furthermore, investor confidence in North America fell 7.3 points to 87.9, and confidence in Europe fell 1.2 points to 97.2. Asia was the only region in which Investor Confidence rose, increasing 4.4 points to 107.9.

MARKET SUMMARY

Equity Markets

U.S.	QTR	1 Year	3 Year
S&P 500	11.3	10.2	-7.2
Dow Jones Industrial Average	11.1	14.1	-5.4
NASDAQ	12.3	12.3	-3.5
Russell 1000	11.6	10.8	-6.8
Russell 2000	11.3	13.4	-4.3
Russell 3000	11.5	11.0	-6.6
Non-U.S.			
MSCI EAFE (Net)	16.5	3.2	-9.5
MSCI Emerging Markets (Net)	18.2	20.5	-1.5
MSCI All Country World ex U.S.	16.6	7.6	-7.4

Bond Markets

U.S.	QTR	1 Year	3 Year
Barclays Capital Aggregate	2.5	8.2	7.4
Barclays Capital Gov/Credit	3.3	8.7	7.5
Barclays Capital Universal	2.9	11.7	8.9
Barclays Capital Corp. High Yield	6.7	18.4	8.8
Non-U.S.			
CG Non-U.S. World Govt.	10.5	4.5	8.4

Non-Public Markets

Lagged Data Set—2Q10

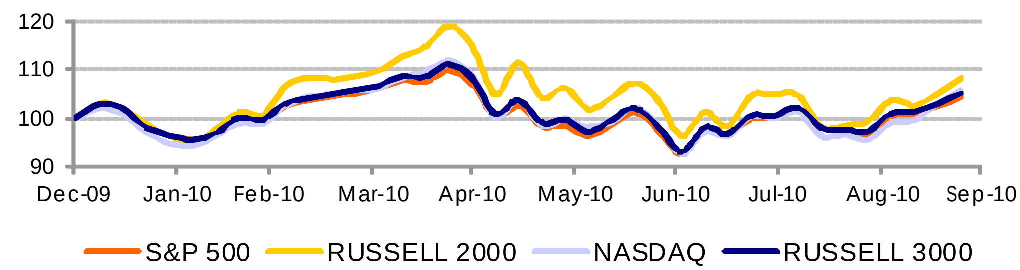
	QTR	1 Year	3 Year
NCREIF Property	3.3	-1.5	-13.5
State Street Private Equity Index	2.2	20.9	-1.0

Global Equity Markets

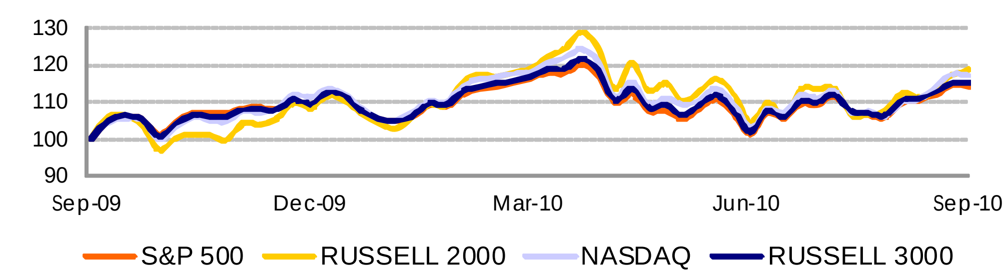
- Global markets rebounded in the third quarter of 2010. In the U.S., the Dow Jones Industrial Average gained 11.1% and the broader S&P 500 performed slightly better, returning 11.3%. Meanwhile the Tech/Telecom heavy NASDAQ earned the most, gaining 12.3%. International markets saw the MSCI EAFE Index increase by 16.5% as investors regained their appetite for risk following the second quarter losses. The MSCI Emerging Markets Index increased by 18.2%, making it the best performing equity index over the third quarter.

- Over the past 12 months, the MSCI Emerging Markets Index returned 20.5%, regaining the top spot in world equity market's race. Success in the non-developed world markets boosted the return of the MSCI All Country World ex-U.S. Index by 385 basis points over the EAFE Index.

Equity Index - Year to date Growth Rate



Equity Index - 1-Year Growth Rate



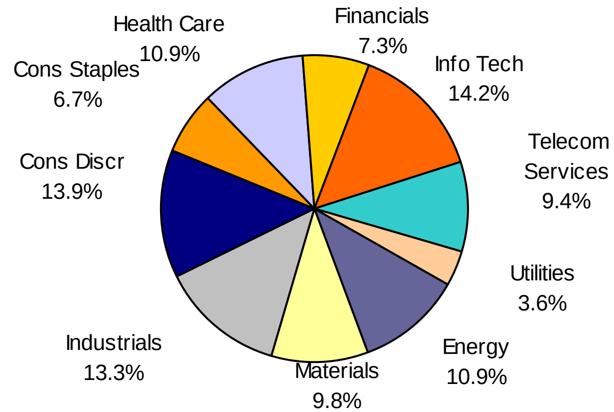
DOMESTIC MARKETS

Domestic Equity - Russell 3000

- The Russell 3000 Index gained 11.3% during the third quarter of 2010. Every sector within the Russell Index posted positive returns, with eight of ten sectors providing double -digit gains. The greatest sector contributors to quarterly performance included rallies in Information Technology, Consumer Discretionary, and Industrials. These sectors account for over forty percent of the index weight.

- In a continuation of the second quarter results, all sectors reported positive returns over the trailing 12 months. The best performing sectors for the trailing one year time frame were Industrials, Consumer Discretionary and Telecom Services, comprising more than one-third of the index's weight. They returned 18.0%, 23.6% and 19.1%, respectively, and as a result, had the largest positive impact on returns.

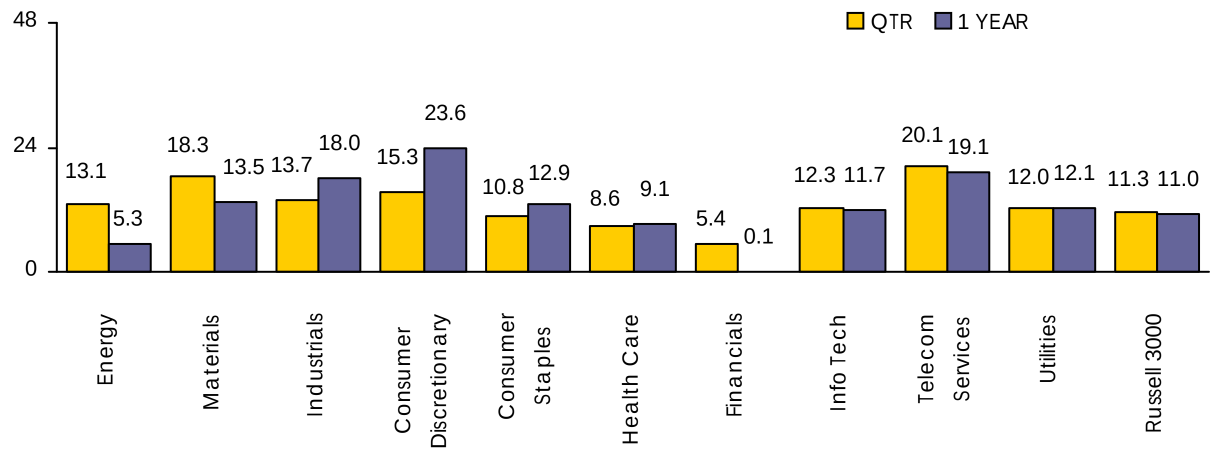
Ending Sector Weights



Characteristics

Div. Yield (%)	1.9
P/B Ratio	2.1
P/E Ratio	13.3
Fundamental Beta	1.01
Market Cap $(MM)	66,020

Sector Returns (%)



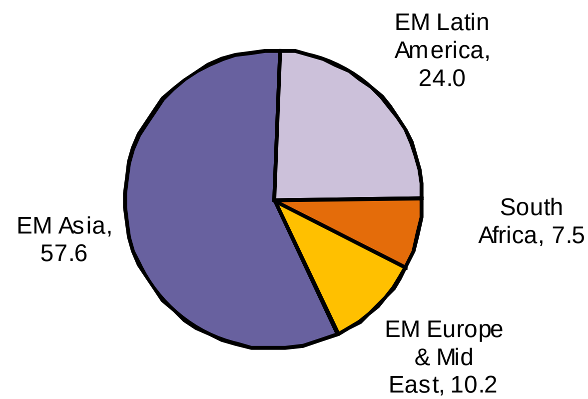
Contribution to Return:

	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Info Tech	Telecom Services	Utilities
Qtr.	1.3	0.7	1.5	1.7	1.1	1.1	0.9	2.3	0.6	0.5
1 Yr.	0.6	1.3	2.4	3.3	0.9	1.0	0.0	1.7	1.8	0.4

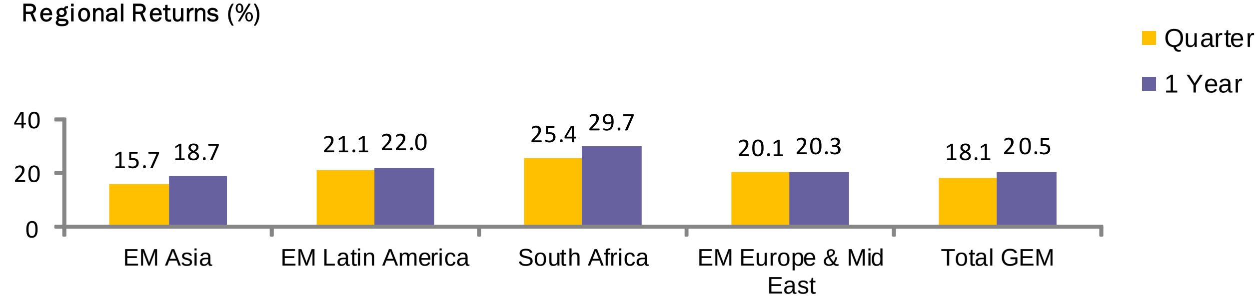
Emerging Markets Equity - MSCI EM (Net)

- The MSCI Emerging Markets ("EM") Index gained 18.2% in the third quarter further improving its 12 month gain to 20.5% for the period ending September 30, 2010.
- Asia and Latin America-based securities made the greatest contributions to performance in the third quarter and trailing year. Key contributors included gains from securities domiciled in Chile, Thailand, and Colombia, returning 32.6%, 32.4%, and 32.4%, respectively.
- Emerging market returns have certainly re-gained their dominance in the equity markets as almost every country posted large positive returns. The Czech Republic was the sole exception with a return of –6.0%. The average country return over the trailing year is 25.0%, dwarfing the EAFE average return of 3.0%.

Ending Regional Weights (%)



Regional Returns (%)



Contribution to Return:

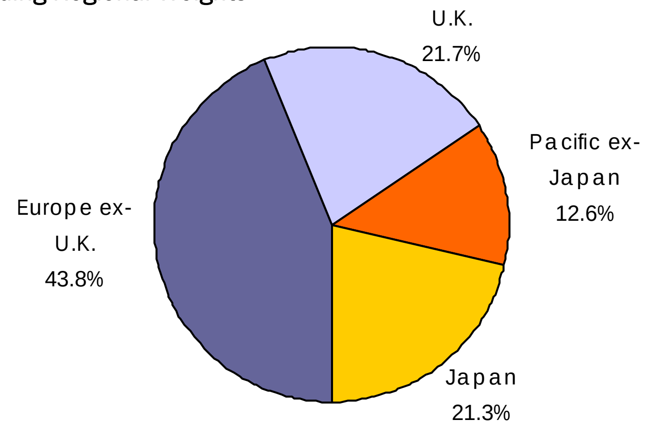
Qtr.	8.7	5.0	1.8	2.7
1 Yr.	10.8	5.3	2.1	2.1

International Equity—MSCI EAFE (Net)

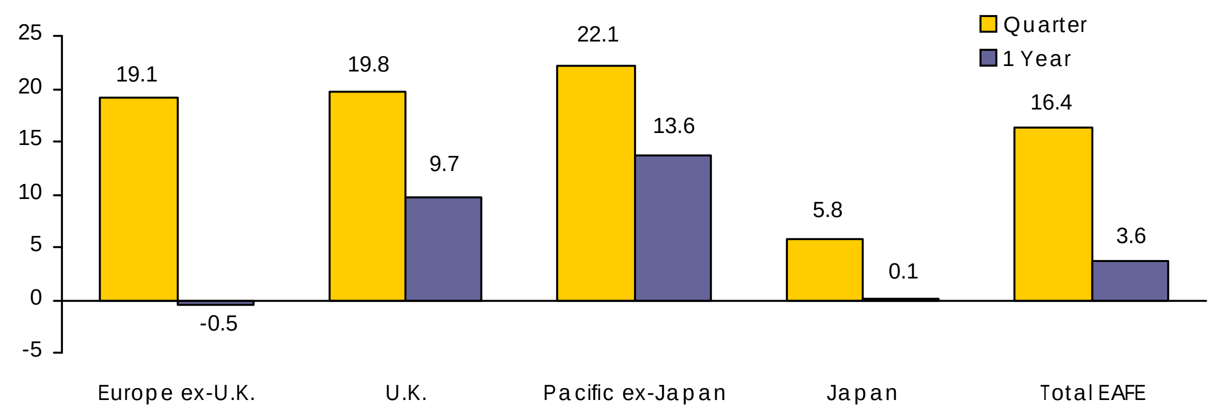
- Following a sluggish August, the MSCI EAFE Index rallied to end the quarter with a 16.5% return. While international markets performed well during the third quarter, over 10% of the index's return can be attributed to currency exchange rates, given weakness in the U.S. dollar. Markets received an additional boost from investors with a re-gained appetite for risk following second quarter concerns that plagued European debt markets. Every country within the EAFE Index posted positive returns, with the exception of Ireland. Norway (29.4%), Austria (29.3%), and Finland (26.6%) led the way. Collectively, the European countries contributed the greatest positive impact on quarterly performance.

- One year returns were positive yet more conservative as the EAFE Index returned 3.7%. Top performing countries in Continental Europe were based in the Nordic region, including Sweden (29.0%), Denmark (18.7%), and Norway (13.9%). The one year rolling return was modest however, as Greece (-52.4%), Italy (-15.3%), and Spain (-13.4%) have not yet recovered from their respective debt scares earlier this year. MSCI EAFE countries based in the Pacific all boasted positive returns. Singapore's gain of 25.6% led the group, followed closely by Hong Kong with a 21.8% return.

Ending Regional Weights



Regional Returns (%)



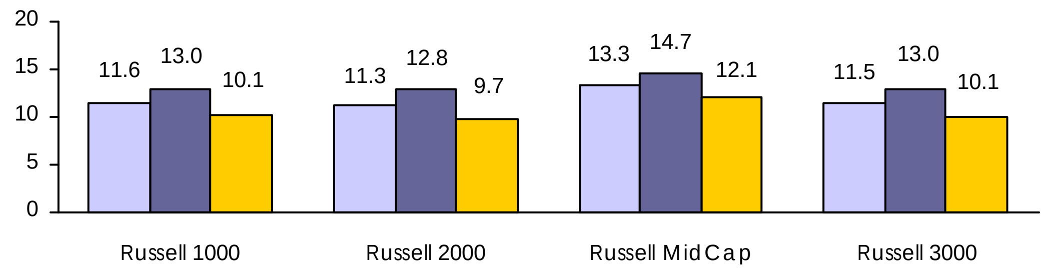
Contribution to Return:

Qtr.	8.1	4.2	2.8	1.3
1 Yr.	-0.2	2.1	1.7	0.0

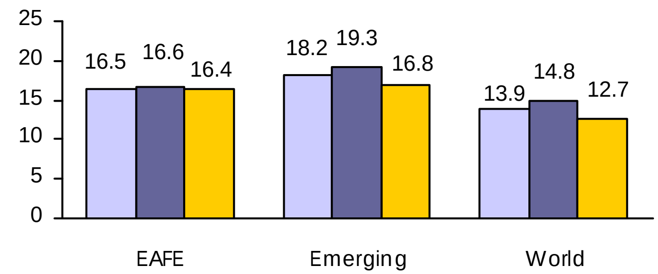
Style & Capitalization Returns

- Markets surged worldwide during the third quarter. Emerging markets led the way with an 18.2% return, EAFE a close second (returning 16.5%), followed by domestic markets, represented by the Russell 3000 Index, which grew by 11.5%. MSCI's Emerging Growth Index was the most successful, gaining 19.4%. To illustrate the strength of equity markets, the "poorest" performing index, the Russell 2000 Value Index, gained *only* 9.7% in the third quarter.
- Growth indices benefited from the market's surge in the third quarter, outperforming their respective value counterparts. The biggest performance spread over the quarter was within domestic equity markets, as the Russell 2000 Growth Index outpaced its corresponding Value Index by 311 basis points.
- Over the past 12 months, non-U.S. growth markets have shown significant outperformance over value markets. The MSCI EAFE Growth and MSCI World Growth indices outperformed their Value counterparts by 1010 and 681 basis points, respectively. The MSCI EM Value Index also bested the growth benchmark, but by a more modest 223 basis points.

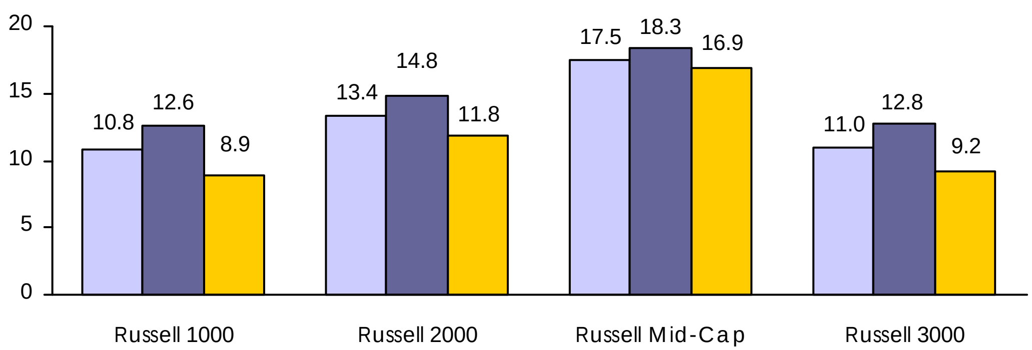
Russell U.S. Style Returns - Quarter



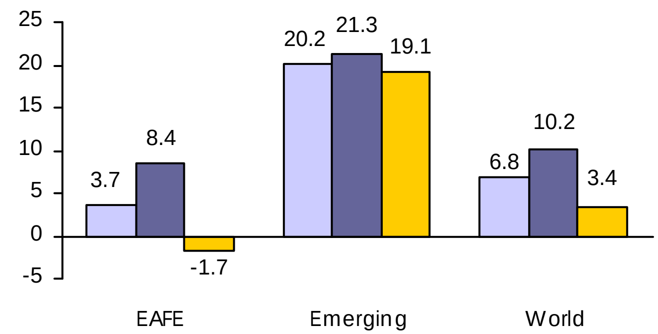
MSCI Non-U.S. Style Returns - Quarter



Russell U.S. Style Returns - 1 Year



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



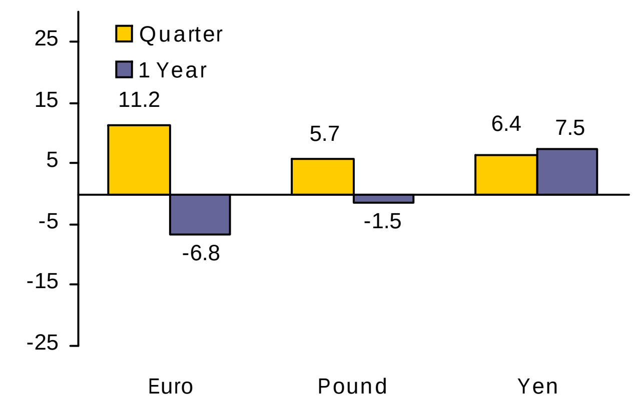
□ Neutral ■ Growth ■ Value

CURRENCY AND BOND MARKETS

Currency Markets

- During the first three quarters, The Bank of England and the European Central Bank continued to hold key lending rates at historic lows, keeping them at 0.5% and 1.0% respectively.
- The U.S. Federal Reserve has also kept its key lending rates at historic lows to allow for further recovery of the economy.
- Currency markets reacted to the possibility of further stimulus discussed in the September 21st meeting of the Federal Reserve Open Market Committee, putting pressure on the U.S. dollar which weakened sharply. In response, the Bank of Japan sold $26.2 billion to stabilize the sudden rise in Yen, while the Euro hit its highest level since the fourth quarter of 2003.
- At a recent Senate Banking Committee meeting, Secretary of the Treasury Tim Geithner said, "China and other surplus countries like Germany and Japan will have to increase domestic demand as the United States and other deficit countries save more and consume less. By continuing to maintain a rigid exchange rate, China is impeding the adjustments needed to secure the strong, sustainable global growth we all need."

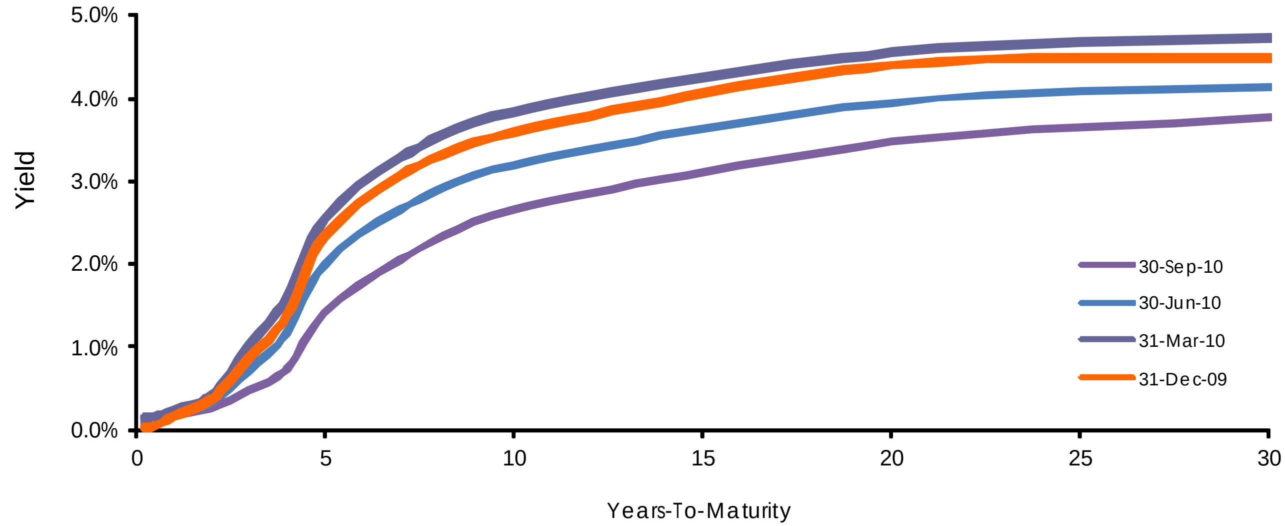
Currency Returns (%)



Yield Curve

- The yield curve has dropped for the second consecutive quarter after a slight rise at the beginning of the year.
- At the August 9th discount rate meeting of the Board of Governors, the directors of the Federal Reserve Bank indicated that the U.S. is seeing a slower pace of recovery than originally had been anticipated. The minutes reflected that "overall, directors anticipated only modest near-term economic expansion. With inflation subdued and inflation expectations stable, most directors recommended that the current accommodative stance of monetary policy be maintained."

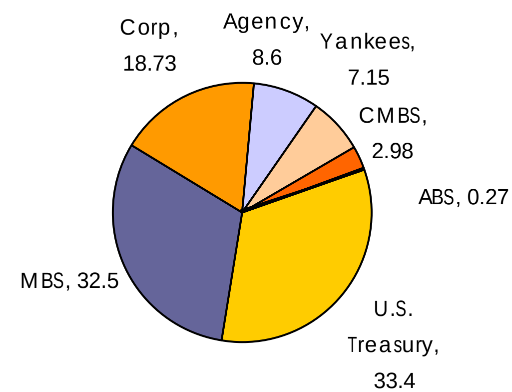
Interest Rate Term Structure
Government Issues - 3 Months to 30 Years Maturity



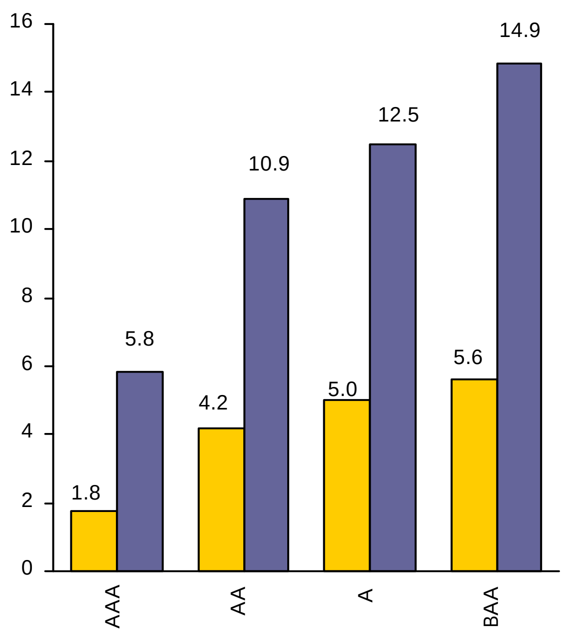
U.S. Bond Market Returns - Barclays Capital Aggregate

- The Barclays Capital Aggregate Bond Index gained 2.5% in the third quarter 2010, and advanced 8.2% over the past 12 month period. September marked the sixth consecutive month of growth for the BC Aggregate.
- U.S. Treasuries (2.7%) and Corporate Bonds (4.7%) were the greatest contributors to quarterly performance, delivering 25% of the U.S. Aggregate return each. CMBS were the greatest contributors to performance over the trailing 12 months, returning 23.2%.
- Instruments with 10+ year maturities experienced the strongest performance during the quarter and trailing 12 months. The 5-7 year and 7-10 maturities both were additive, returning double digits over the past year.
- Bonds across all quality spectrums were additive this quarter, but lower quality issues outperformed their higher quality counterparts. BAA-rated issues were the greatest performers, returning 14.9%.

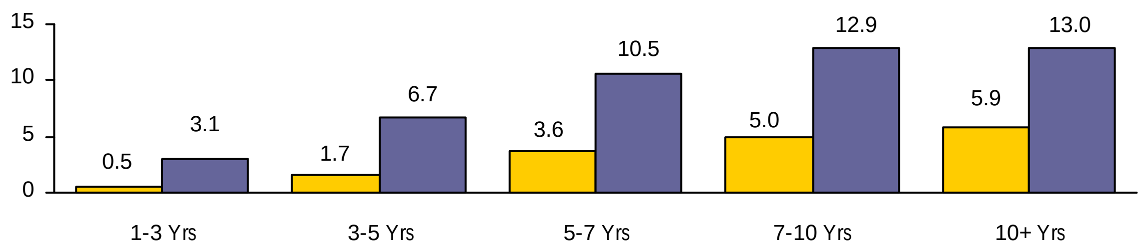
Sector Weights (%)



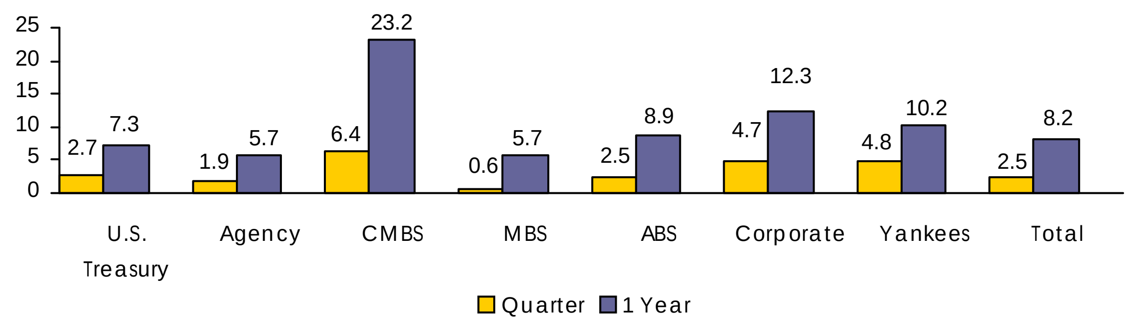
Quality Performance (%)



Duration Performance (%)



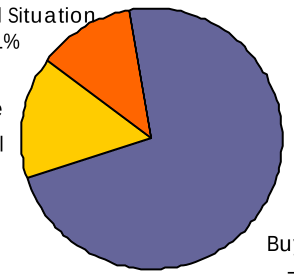
Sector Performance (%)



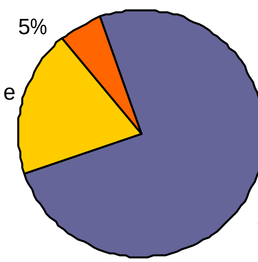
State Street Private Equity Index

- For the first quarter of 2010 (the most recent date available), the State Street Private Equity Index gained 2.2%, which led to a overall return of 22.7% for the calendar year.
- Mezzanine, Distressed, and Special Situation ("MDSS") strategies continued to register the strongest gains over the last 12 months, returning 38.2%. Venture Capital returned 12.7% and trailed the overall Private Equity Index return by 10%.
- European Private Equity lost 1.9% in the first quarter, while the U.S. and the rest of the world returned a 3.1% and 4.0%, respectively. U.S. Buyouts continued to be the largest contributor to value added over both the quarter and trailing year. However, MDSS, which is only a twelfth of the index weight, contributed a third of the first quarter's return.

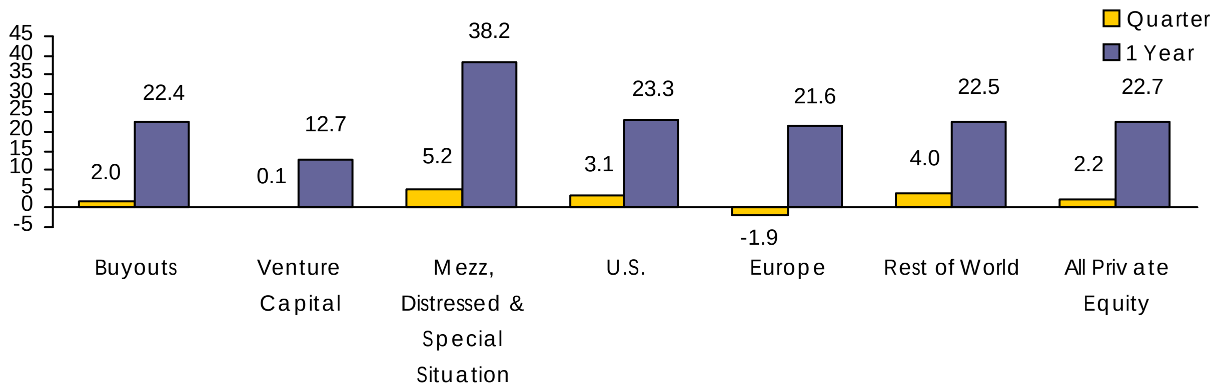
Total Capitalization Weights by Strategy



Total Capitalization Weights by Region Weights



IRR Returns (%)*



Contribution to Return:

Qtr.	1.4	0.0	0.8	2.3	-0.4	0.2
1 Yr.	15.3	1.7	5.7	17.4	3.6	1.7

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

ENVIRONMENT

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