Finalist Report
Large Cap Core Equity Manager Search

for

Miami Beach Employees' Retirement Plan

August 7, 2012

by

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Search Overview

During the April 10th Board Meeting, there was discussion about the performance of ICC Capital's large cap value-oriented portfolio. Although ICC's portfolio performance was above the benchmarks (Russell 1000 Value and S&P 500) in the quarter ending March 31, 2012, intermediate term results have not been competitive with the benchmarks and comparative style group rankings have been weak.

Milliman was instructed to look at the universe of large cap core investment managers to see if there were managers who had better performance results versus the overall stock market, as measured by the S&P 500. The results of our statistical screening and questionnaire summaries are attached.

Manager Search Process

We initially analyzed our investment manager database[1] to come up with a group of Large Cap Core equity products that we identified as appropriate candidates for the Board to consider. In developing the initial list of managers, we focused on firms whose products met the following criteria as of March 31, 2012:

- Products in the eA Large Cap Core Equity universe
- Products without a focused style bias (e.g. Large Cap Core only products were considered)
- Open products with a three and five year performance history, information ratio, Sharpe ratio and a standard deviation less than the S&P 500

The initial search identified 22 products. We then reviewed the list of products and removed those that had a unique style bias, and did not fit the mandate for a diversified portfolio by market capitalization. Products which were closed to new investors were also removed from the initial screening list. These additional constraints removed 3 products for a total of 18 products.

Milliman thoroughly reviewed the 18 screened products and compared each manager's trailing and calendar year performance history along with various risk statistics which included the information ratio, Sharpe ratio and standard deviation against the S&P 500.

Following this extensive performance and risk review, we selected 8 firms to consider further in the search process. Also, one firm declined to respond.

Questionnaire Candidates

Firm Name	Product
Brown Brothers Harriman & Co.	BBH Core Select
Neuberger Berman	Socially Responsive Investing
Nicholas Company, Inc.	Nicholas Multi Cap Growth Equity
PIMCO	StockPLUS Total Return
PNC Capital Advisors, LLC	Large Cap Core Advantage
TIAA-CREF Asset Management	Large Cap Core
Waddell & Reed Investment Management	Core Equity Composite
Wellington Management Company	Dividend Growth

Firm Name	Reason for exclusion
Neuberger Berman	Poor risk adjusted returns and strategy is social responsible
Nicholas	Due to style bias towards undervalue growth

[1] Our database is based on manager statistics in the eVestment universe. This universe is comprised of information from 1,631 companies and 10,542 products.

Pros and Cons of 6 Finalist firms

Firm	Pros	Cons
Brown Brother	• Product has grown from $43,873 to $49,018 million over the last 5 years. • Ownership consists of 41 general partners, and no single partner owns more than 10% of the firm. • 3 portfolio manager and 10 sector analyst in the core investment team. • Limited personnel turnover since inception of the strategy. • Invest in stocks with $>5bn market cap. • Fundamental bottom up process with no top down overlays. • Buy and hold approach, typically owning a company 3-5 years. • Highest return in the bear market of 2008 of candidate firms of -20.74%, this shows good downside protection.	• Lead portfolio manager, Timothy Hartch also manages separate accounts and a small cap investment partnership. May not allow enough attention on the core product. • Fee of 1.0% is high for mandate of approximately $50 mm. • Return trails the benchmark for the latest quarter ending March 31, 2012. • Concentrated portfolio of 20-30 stocks. • One of the lower information ratio for 3 & 5 years. • In September 2007, BBH and NY State Banking Department entered into a written agreement to which BBH agreed to take certain actions to remedy deficiencies in its Bank Secrecy Act/Anti Money-laundering compliance program.
PIMCO	• On a cumulative basis, the product has consistently outperformed the benchmark past the past 7 years. • Total of six portfolio managers, all with extensive investment experience • Larger financial institutions which have its own research platform. • Unique strategy of using equity futures to obtain exposure in combination of their fixed income to back the derivatives. • Leveraging their fixed income expertise • Highest information ratio for 3 and 5 years. • Strong upside market capture • Highly liquid structure	• In annual periods from 2009 to 2012, there have been more accounts lost than gained. • The StockPlus equity product asset losses over each of the years 2008 to 2012 were larger than respective gains. • Only offer in a mutual fund vehicle. • Highest standard deviation and beta amongst all candidate firms for trailing 3 and 5 year period. • High turnover ratio as expected for this strategy
PNC	• Strong product growth from assets of $675.9 to $2,379.5mm over the last 5 years. • The Large Cap Core equity strategy is led by 1 managing director and 2 portfolio managers, all have been with the product for 8 years each. • Uses a quantitative and fundamental approach to stock selection. • Believes earnings drive stock prices • Each stock is subject to risk analysis to determine each other's correlation and construct a portfolio with the best reward/risk ratio. • Tracking ratio is 3-4%, which is conservative.	• Vehicle offer only in separate account and mutual fund, but no commingled fund. • Initial universe includes all stocks with market cap $2.0 billion or greater, which means it can purchase mid cap stocks. • Lowest information ratio for all candidate firms for past 3 and 5 year. • Annual performance trails the benchmark in 2009.

	• Bottom up stock pickers. • Proprietary investment process in place, which means less susceptible to personnel turnover. • Largest account size is $50.6 million, roughly the same size of the mandate.	
TIAA-CREF	• Product has grown from a low of $924mm in 2008 to $2,797 mm as of March 2012. • Fundamental bottom up, valuation driven (Growth At Reasonable Price) approach to stock selection. • Unique focus on structural and lifecycle changes in a company (management or business composition). Suggest it goes beyond the reported metrics. • 2 portfolio manager and 39 sector analyst in the core investment team. • Tracking error within 2-4% • Fee of 0.50% for $50 mm account	• Portfolio team is split in two locations (S.F & NYC). It can be an issue with collaboration. • Co- portfolio manager, Thomas Franks has only been with the product for 2 years. • Can invest in market capitalization $1bn or greater which suggest a broad universe. • Low information ratio for 3 year. • International holdings can be comprised upwards of 20% of holdings. • High turnover rate of between of 110% to 135% for the past 3 years. • Annual performance trails the benchmark in 2010. • The firm risk/reward is similar to the S&P500 index
Waddell	• Good product growth for the past 5 years from $416 to $1,298mm. • Zero accounts lost for the past 5 years. Six accounts gained in 2011. • 2 portfolios managers with 34 investment analyst. • Concentrated portfolio with 40-50 holdings. • Believes in long term earnings power drives stock prices. • Focus is within 2-3 years; do not believe in enough of metrics to go beyond forecasting above a 3 year time frame. • Bottom up stock selection with top down thematic sources. • Based upon review of firm annual returns, in 2008 there was strong downside protection in the bear market. • On an annualized basis, portfolio beat the index every year except for 2011. • Conservative tracking ratio of 3-5%	• Currently party to one lawsuit • SEC was on site for examination of the firm's trading activity related to the market events of May 6th 2010. (Flash Crash) • Had to implement new procedures for "Code of Ethics" for access persons after an audit by the SEC in the Fall of 2009. • No assets in commingled pool. • Audits of performance verify only through December 2010. • Annual performance trails the benchmark in 2011.

Wellington	• Ownership consists of 128 partners, all whom are fully active in the firm. • Total firm assets recovered nicely from the bear market of 2008 from $419 to $718 mm as of March 2012. • Believes dividend factors are the key to superior total returns over time. • A Large financial institution able to distinguish itself from its peers in terms of research and proprietary data. • Bottom up fundamental approach • The level of equity turnover appears reasonable and suggests a longer term investment orientation. • A dividend growth product comprised of stocks with market capitalization above $5 billion. • Based upon review of the firm's annual returns, in 2008 there was strong downside protection in the bear market. • Lowest standard deviation and beta of candidate firms over the trailing three and five year periods, may limit losses during down years.	• SEC initiated an investigation in May 2012 into stock purchases executed by the firm in 2008. • Small number of investors at 5 • 1 investor holds majority of the assets. • Low information ratio candidate firms for 3 years. • On cumulative basis, the firm underperforms the benchmark S&P 500 for the 3 year period. • Annual performance trails the benchmark in 2010 and current YTD. • Benchmarked against the Russell 1000, suggesting

Product Comparison

Firm	Product Assets 03/31/2012 ($MM)	Team Size (PM/ Analysts)	Investment Approach (Style)	Wtd Avg Market Cap ($BB)	Fee for Acct
Brown Brothers Harriman	$49,018	3/10	• Fundamental Bottom-up	$91,619	1.00%
PIMCO	$22,910	6/130	• Fundamental Bottom-up	-	0.64%
PNC Capital	$2,379	3/6	• Fundamental Bottom-up	$122,116	0.55%
TIAA-CREF	$2,797	2/39	• Fundamental Bottom-up	$103,150	0.50%
Waddell & Reed	$1,298	2/34	• Fundamental Bottom-up	$87,248	0.55%
Wellington	$10,672	1/5	• Fundamental Bottom-up	$92,781	0.55%

Performance of Large Cap Core Managers
Cumulative Performance Results (Gross)

Periods Ending June 30, 2012

Firm	Quarter	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Brown Brothers	-0.47	8.07	18.65	18.71	8.10	6.62	---	---
PIMCO	-0.01	10.71	23.40	26.33	9.17	5.28	7.01	8.79
PNC Capital Advisors	-3.83	5.35	18.93	16.25	4.49	2.29	5.49	---
TIAA-CREF	-3.96	5.15	18.60	16.10	4.64	2.86	6.97	7.15
Waddell & Reed	-3.07	3.92	19.73	18.85	5.15	3.64	7.17	7.12
Wellington	-1.18	7.83	18.34	16.25	6.34	3.57	7.09	---
S&P 500	-2.75	5.45	17.39	16.40	3.86	0.22	4.09	5.33
**ICC*	-6.37	-5.04	8.92	11.53	0.58	-1.37	3.04	4.82

Calendar Year Performance Results (Gross)

Periods Ending June 30, 2012

Firm	YTD	2011	2010	2009	2008	2007	2006	2005
Brown Brothers	10.45	6.45	15.99	22.97	-20.74	13.80	14.08	---
PIMCO	15.97	3.47	26.21	42.18	-42.59	9.25	14.63	4.91
PNC Capital Advisors	8.31	4.67	15.95	22.79	-33.53	13.35	14.14	7.18
TIAA-CREF	9.93	3.50	13.75	27.38	-34.87	19.11	17.23	6.66
Waddell & Reed	11.17	1.90	21.63	23.46	-33.71	15.25	17.10	10.16
Wellington	6.47	9.77	11.79	22.08	-25.43	7.34	19.87	4.61
S&P500	9.49	2.11	15.06	26.46	-37.00	5.49	15.79	4.91
**ICC*	5.70	-6.55	13.08	28.62	-36.03	9.50	15.65	7.01

**Composite returns for ICC.*

ICC Capital Management was hired in October, 1993.

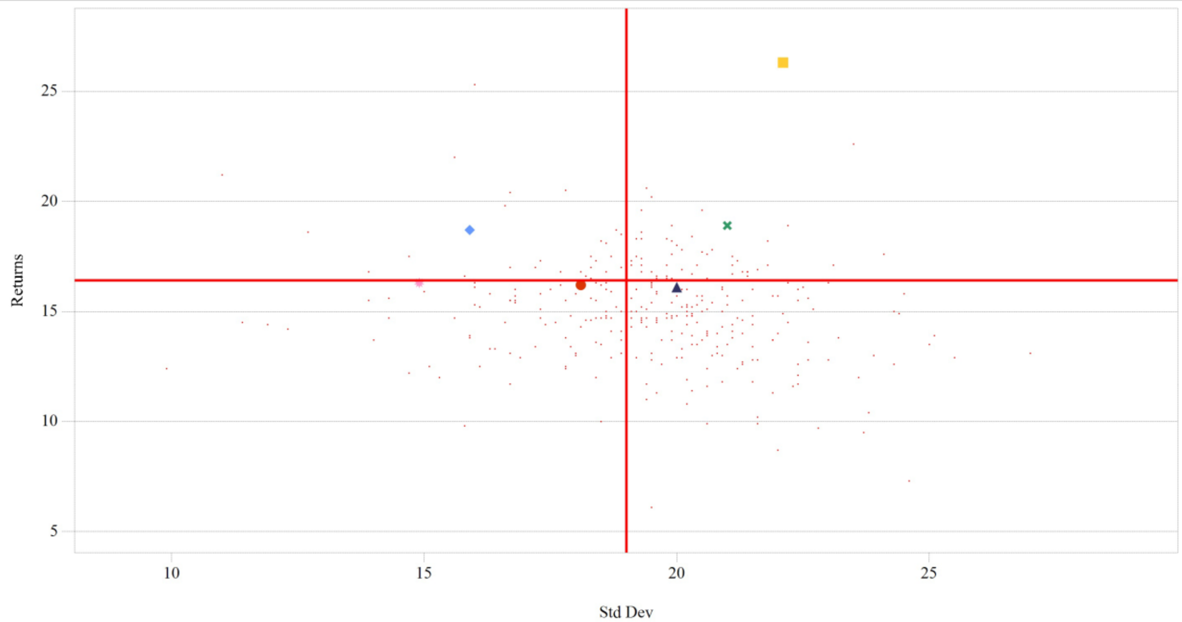
Risk Statistics
Annualized Three Years
Periods Ending June 30, 2012

Firm	Excess	Std Dev	Trk Err	Info	Sharpe	Alpha	Beta	R-Sqr
Brown Brothers	2.31	15.87	4.62	0.50	1.17	4.71	0.82	0.96
PIMCO	9.93	22.12	5.05	1.96	1.19	6.89	1.14	0.96
PNC Capital Advisors	-0.15	18.12	2.56	-0.06	0.89	0.66	0.94	0.98
TIAA-CREF	-0.30	19.97	2.16	-0.14	0.80	-0.86	1.04	0.99
Waddell & Reed	2.46	21.02	3.55	0.69	0.89	0.94	1.09	0.98
Wellington	-0.15	14.92	5.62	-0.03	1.08	3.30	0.76	0.95
S&P500	0.00	19.02	0.00	---	0.86	0.00	1.00	1.00

Annualized Five Years
Periods Ending June 30, 2012

Firm	Excess	Std Dev	Trk Err	Info	Sharpe	Alpha	Beta	R-Sqr
Brown Brothers	6.40	17.76	5.99	1.07	0.32	6.11	0.80	0.95
PIMCO	5.06	27.24	7.59	0.67	0.16	5.74	1.22	0.95
PNC Capital Advisors	2.07	19.55	4.24	0.49	0.07	1.92	0.88	0.97
TIAA-CREF	2.64	21.28	3.61	0.73	0.09	2.62	0.97	0.97
Waddell & Reed	3.42	22.73	4.55	0.75	0.12	3.56	1.02	0.96
Wellington	3.35	16.61	6.23	0.54	0.16	3.00	0.75	0.97
S&P500	0.00	21.75	0.00	---	-0.03	0.00	1.00	1.00

Three Year Risk Reward



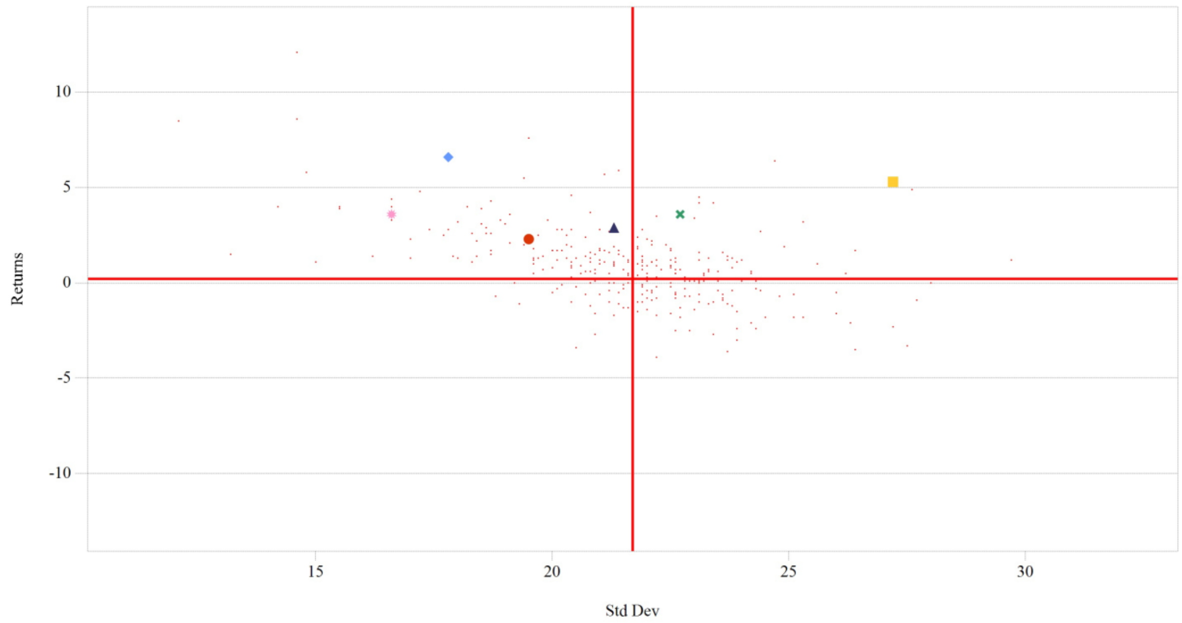
Universe: eA US Large Cap Core Equity

As Of: June 30, 2012

	Returns	Std Dev
Brown Brothers Harriman & Co.	18.7	15.9
Pimco	26.3	22.1
PNC Capital Advisors, LLC	16.2	18.1
TIAA-CREF Asset Management	16.1	20.0
Waddell & Reed Investment Management Company	18.9	21.0
Wellington Management Company, LLP	16.3	14.9
S&P 500	16.4	19.0

Results displayed in US Dollar (USD)

Five Year Risk Reward



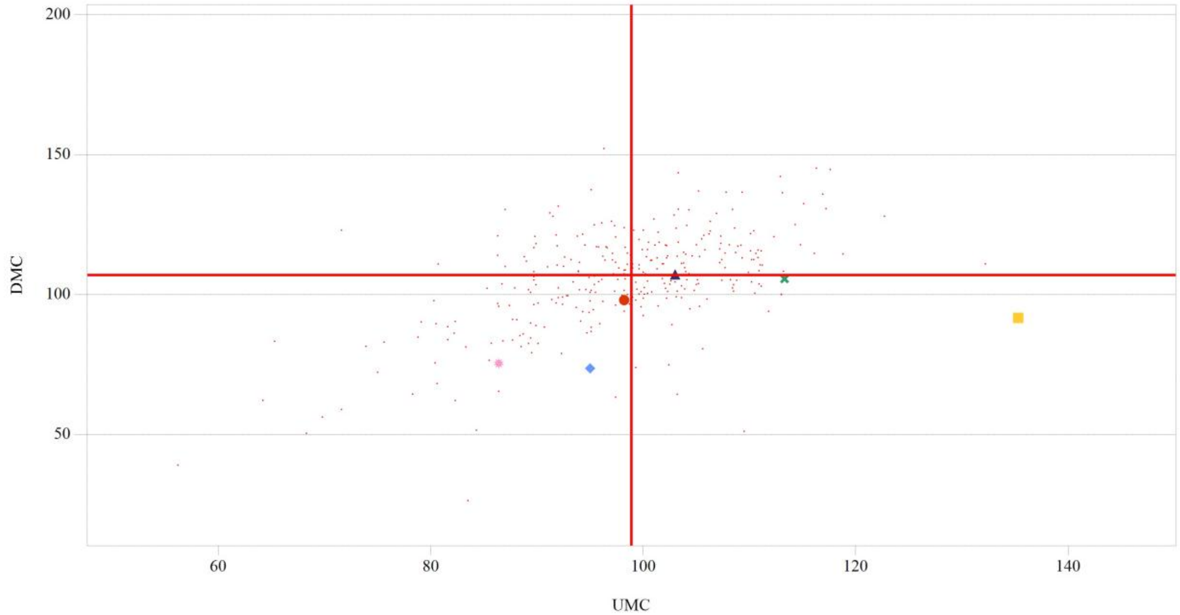
Universe: eA US Large Cap Core Equity

As Of: June 30, 2012

	Returns	Std Dev
Brown Brothers Harriman & Co.	6.6	17.8
Pimco	5.3	27.2
PNC Capital Advisors, LLC	2.3	19.5
TIAA-CREF Asset Management	2.9	21.3
Waddell & Reed Investment Management Company	3.6	22.7
Wellington Management Company, LLP	3.6	16.6
S&P 500	0.2	21.7

Results displayed in US Dollar (USD)

Three Year Upside-Downside Market Capture



Universe: eA US Large Cap Core Equity

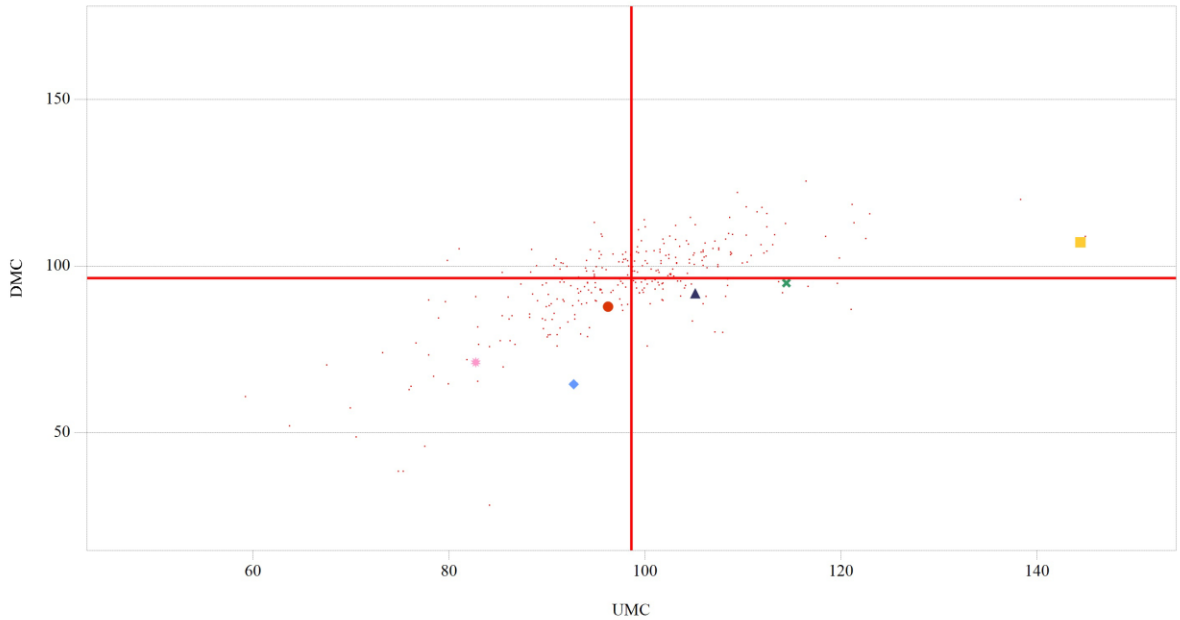
As Of: June 30, 2012

	DMC	UMC
Brown Brothers Harriman & Co.	73.6	95.0
Pimco	91.6	135.3
PNC Capital Advisors, LLC	98.0	98.2
TIAA-CREF Asset Management	107.2	103.0
Waddell & Reed Investment Management Company	105.6	113.3
Wellington Management Company, LLP	75.4	86.4
Universe Median	106.9	98.9

Results displayed in US Dollar (USD)

S&P 500

Five Year Upside-Downside Market Capture



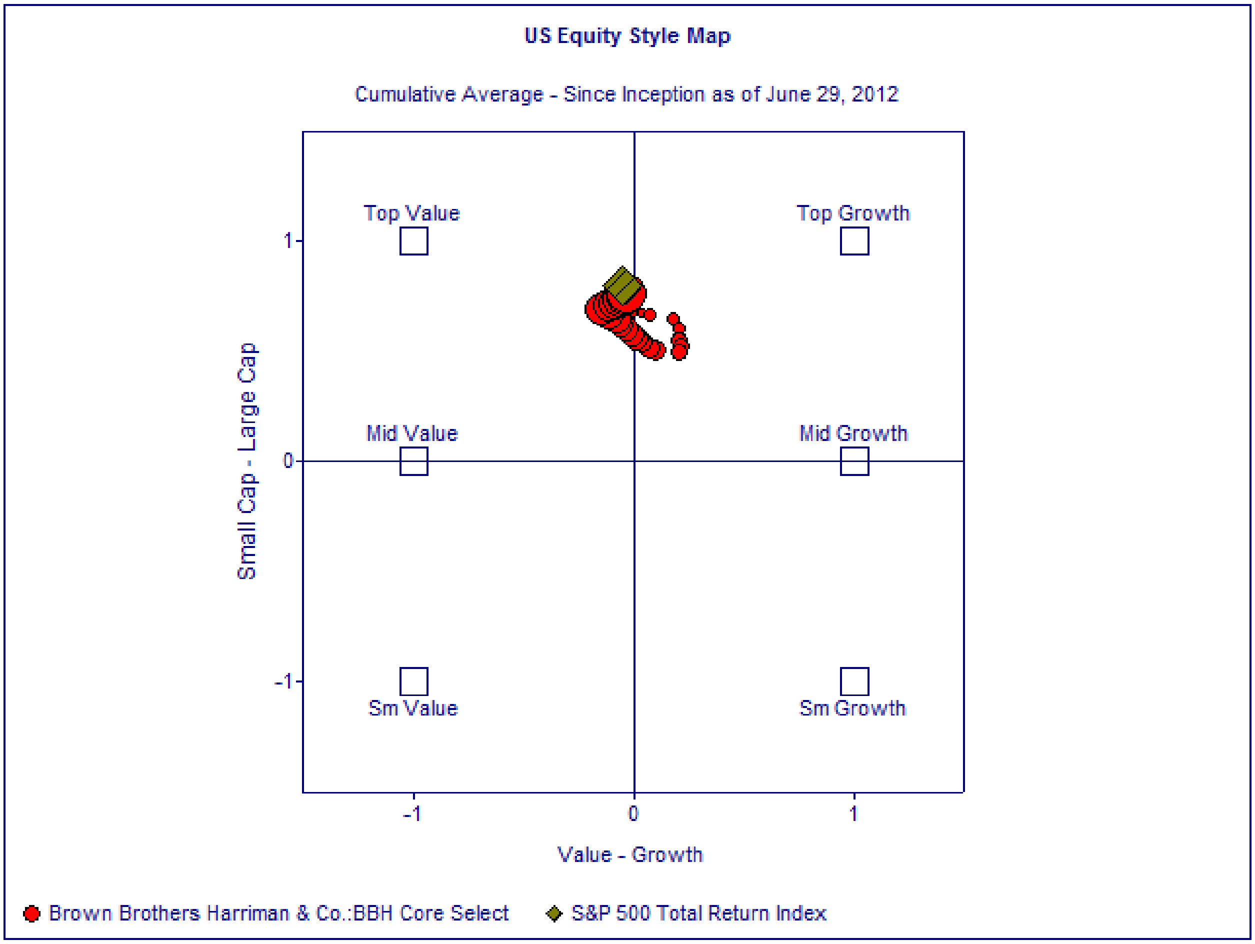
Universe: eA US Large Cap Core Equity

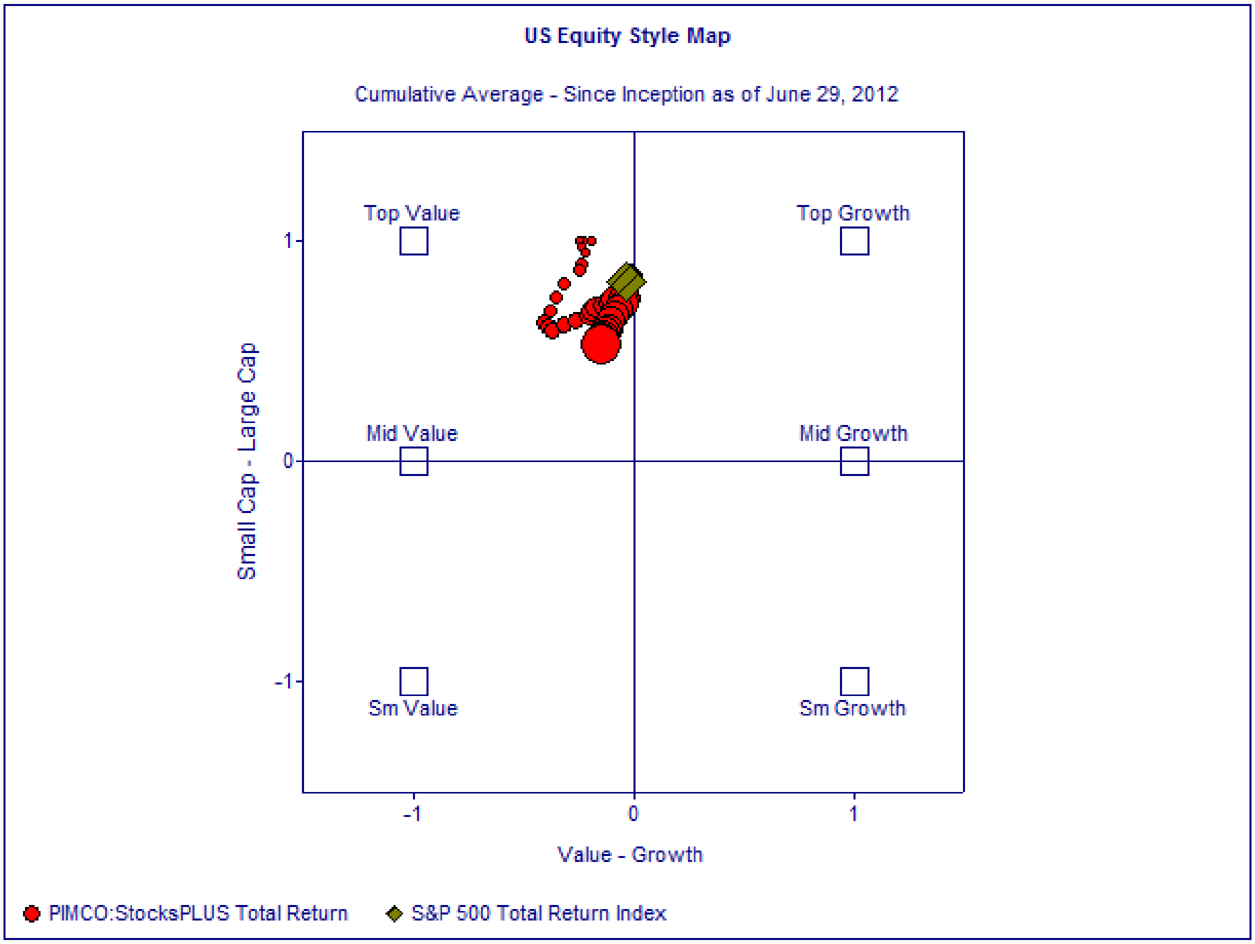
As Of: June 30, 2012

	DMC	UMC
Brown Brothers Harriman & Co.	64.5	92.7
Pimco	107.1	144.4
PNC Capital Advisors, LLC	87.8	96.2
TIAA-CREF Asset Management	91.8	105.1
Waddell & Reed Investment Management Company	94.9	114.4
Wellington Management Company, LLP	71.1	82.7
Universe Median	96.3	98.6

Results displayed in US Dollar (USD)

S&P 500


US Equity Style Map
Cumulative Average - Since Inception as of June 29, 2012
Top Value
Top Growth
Mid Value
Mid Growth
Sm Value
Sm Growth
Small Cap - Large Cap
Value - Growth
1
0
-1
-1
0
1
Brown Brothers Harriman & Co.:BBH Core Select
S&P 500 Total Return Index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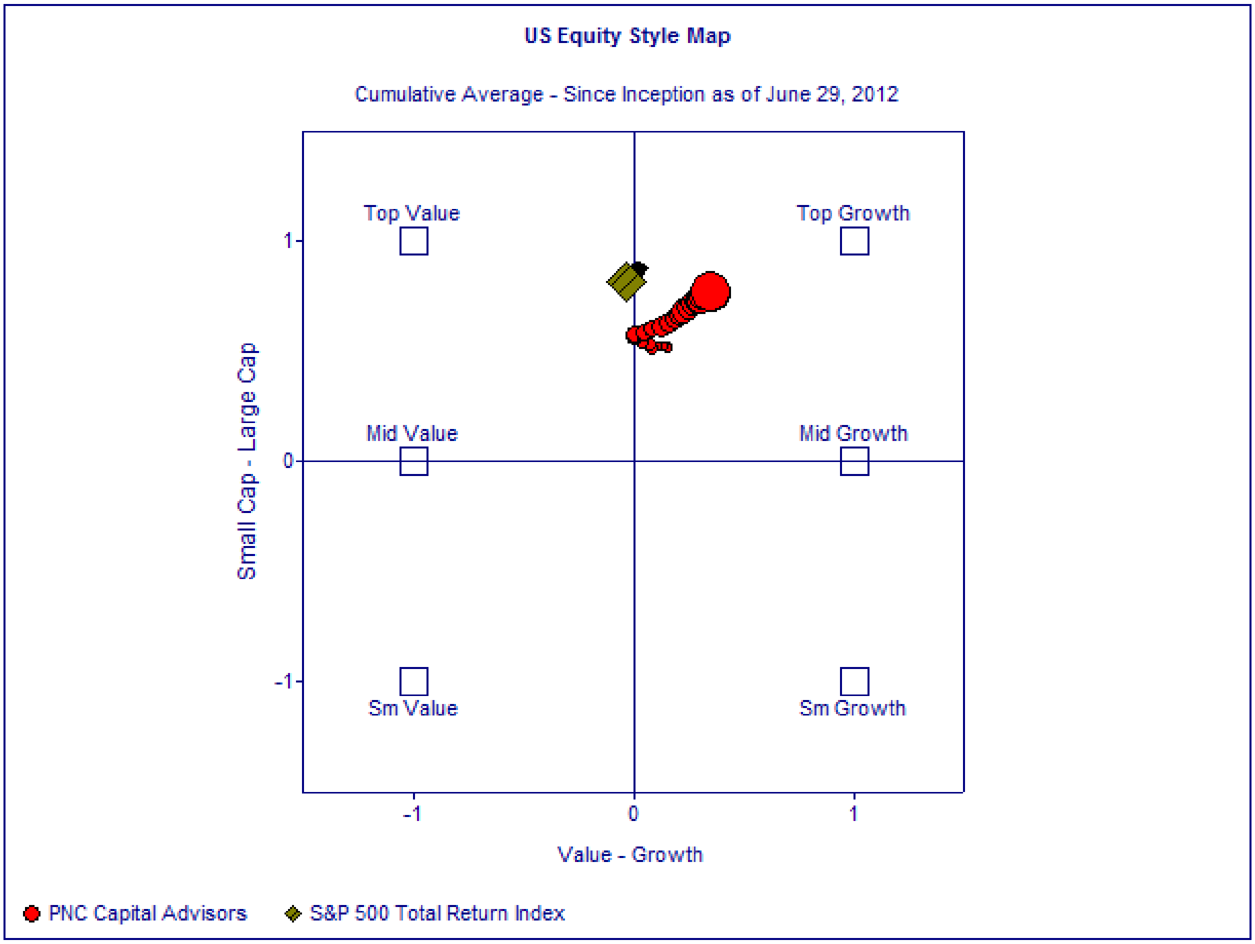
Small Cap - Large Cap
Value - Growth
PIMCO:StocksPLUS Total Return
S&P 500 Total Return Index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Top Growth
Mid Value
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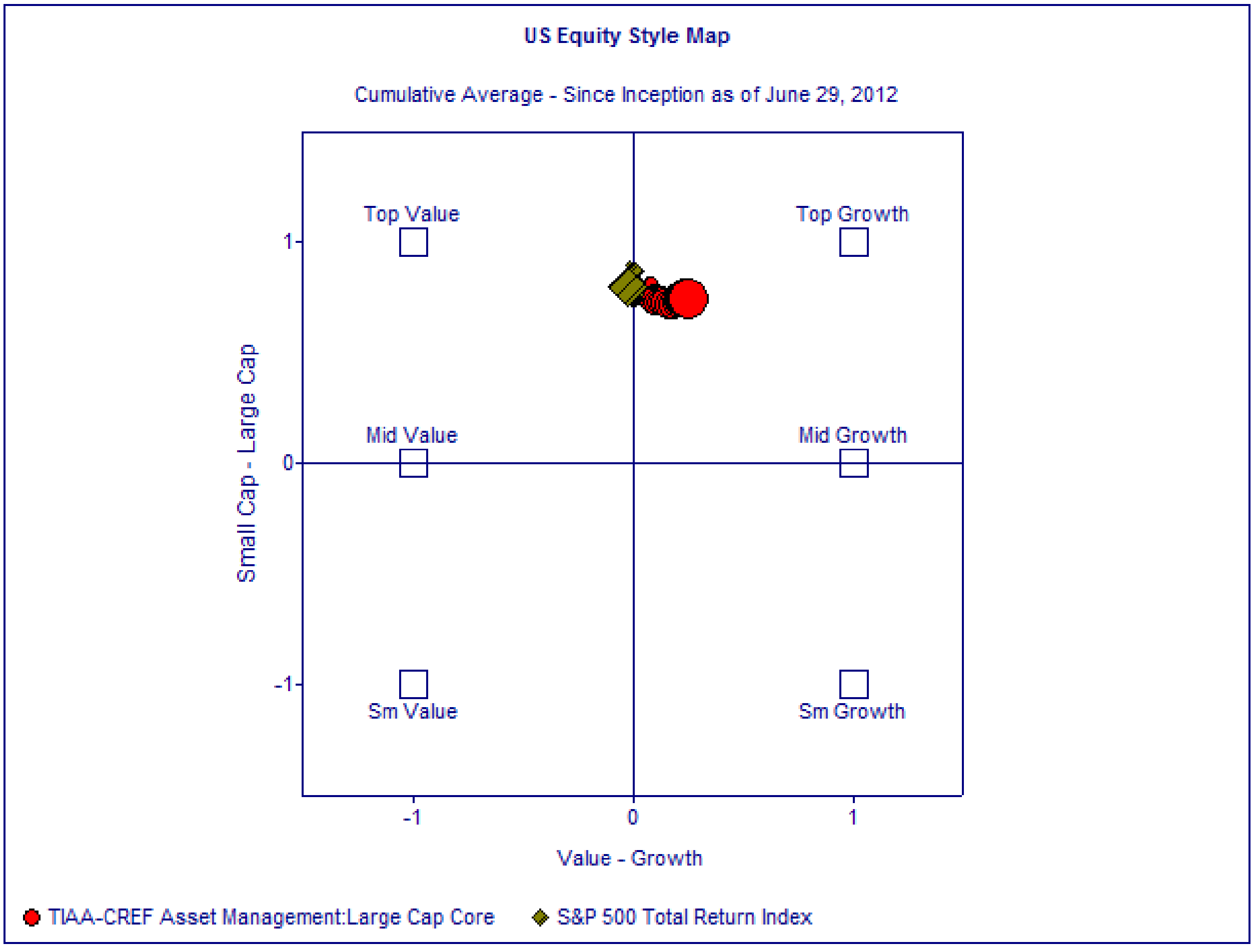
Sm Growth
Small Cap - Large Cap
Value - Growth
1
0
-1
-1
0
1
PNC Capital Advisors
S&P 500 Total Return Index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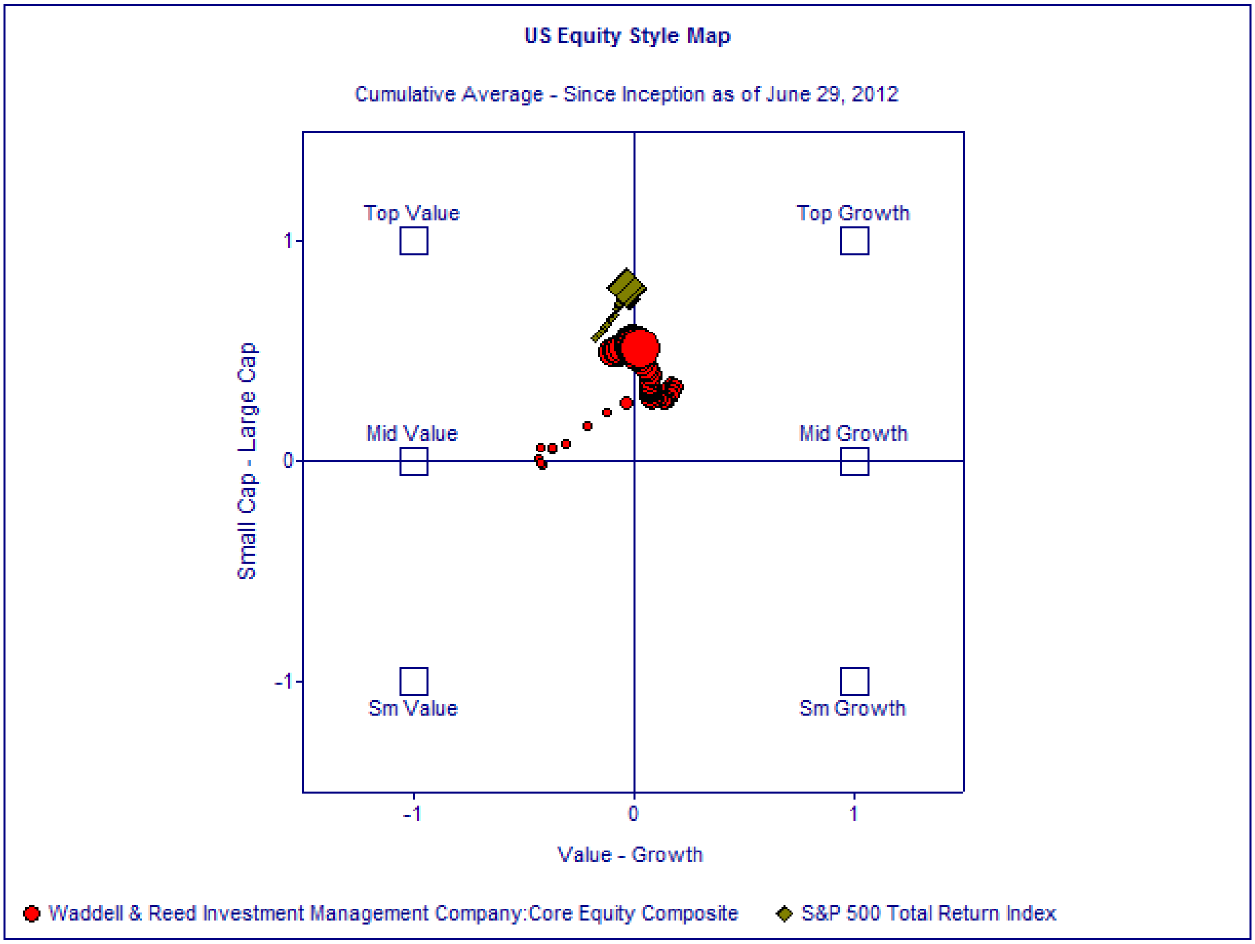
Top Growth
Mid Value
Mid Growth
Sm Value
Sm Growth
Small Cap - Large Cap
Value - Growth
1
0
-1
TIAA-CREF Asset Management:Large Cap Core
S&P 500 Total Return Index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Cumulative Average - Since Inception as of June 29, 2012
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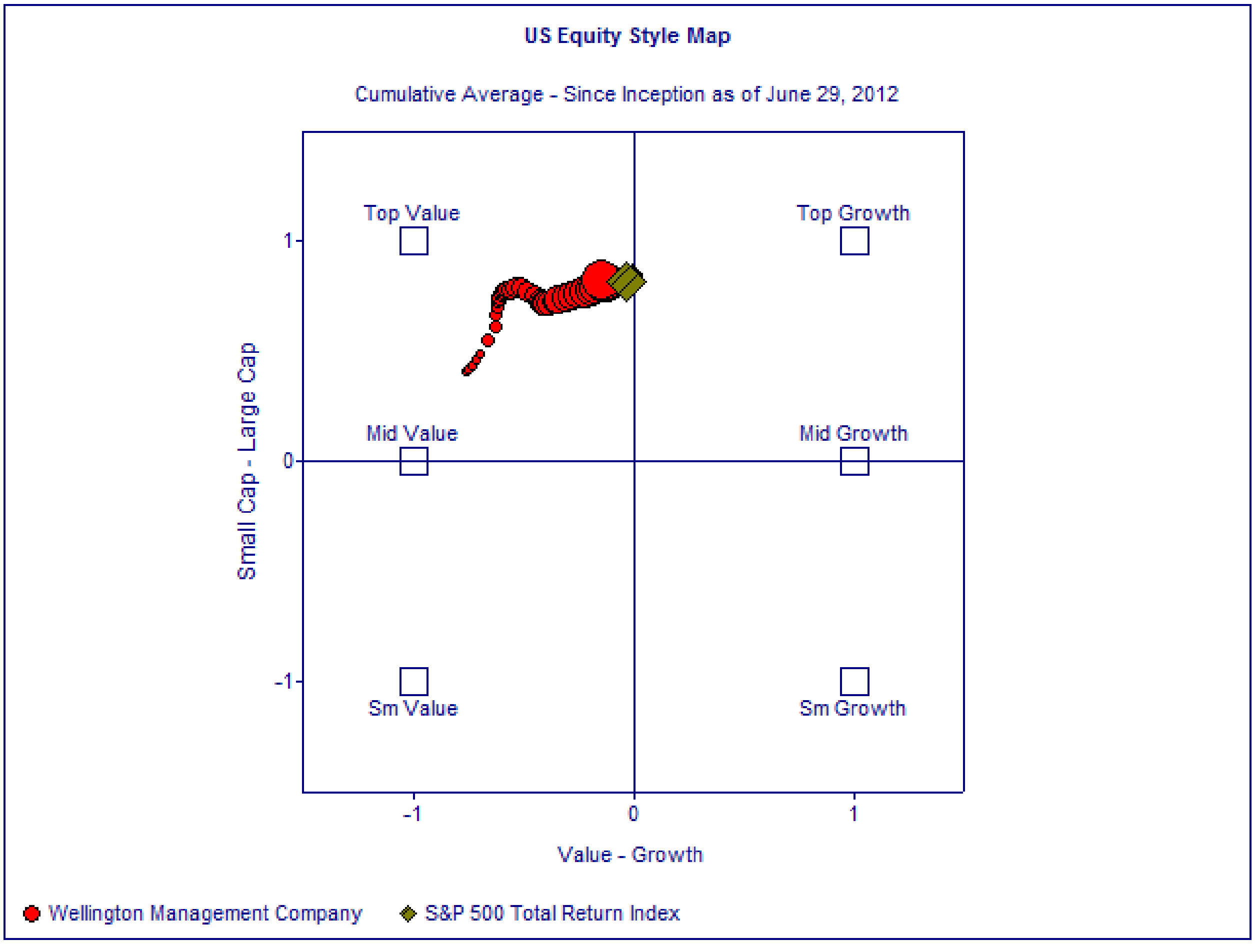
Top Growth
Mid Value
Mid Growth
Sm Value
Sm Growth
Small Cap - Large Cap
Value - Growth
1
0
-1
Waddell & Reed Investment Management Company:Core Equity Composite
S&P 500 Total Return Index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Top Growth
Mid Value
Mid Growth
Sm Value
Sm Growth
1
0
-1
-1
0
1
Small Cap - Large Cap
Value - Growth
Wellington Management Company
S&P 500 Total Return Index

Large Cap Core Equity
INVESTMENT MANAGER QUESTIONNAIRE
As of March 31, 2012

Organizational Background

1. Firm name, address, and telephone and fax numbers of main and branch offices:

   Brown Brothers Harriman & Co.
   Brown Brothers Harriman Trust Company, N.A.
   140 Broadway
   New York, New York 10005-1101
   (212) 483-1818

2. Firm's new business contact and database/questionnaire contacts:

Name	New Business Contact	Questionnaire Contact
Title	John Nelson	Ben Strickberger
Office	Managing Director	Business Analyst
Phone	140 Broadway New York, NY 10005	140 Broadway New York, NY 10005
Fax	1.212.493.8246	1.212.493.7864
Email	(212) 493-8791	
	john.nelson@bbh.com	benjamin.strickberger@bbh.com

3. Firm founded: Registered with the SEC:

   BBH was founded in 1818.

   BBH is a private bank authorized under the laws of the State of New York, primarily regulated by the New York Department of Financial Services (NYDFS), and is a member of the Financial Industry Regulatory Authority ("FINRA"). As a bank, BBH conducts an investment advisory business which is exempt from registration with the Securities and Exchange Commission ("SEC"). BBH has; however, registered with the SEC a "Separately Identifiable Department" ("SID") called the Brown Brothers Harriman Mutual Fund Advisory Department. The SID is a registered Investment Advisor and provides investment advice to the BBH proprietary mutual funds, including the BBH Core Select fund.

4. Firm's ownership structure and changes over the past five years.

   BBH occupies a unique position in the financial community. The firm is (as of 6/1/12) 100% owned and managed by 41 General Partners, who are both collectively and individually responsible for the firm's policies and management. General Partners carry unlimited personal liability for the firm's obligations and they take an active role in the day-to-day management of the business. As of 6/1/12, no single Partner owned more than 10% of the firm. Other than the retirement of existing partners and the naming of new partners, there have been no changes in the firm's ownership structure in the last five years.

5. Carriers and the limits of errors and omissions and fiduciary liability insurance:

   As of 6/4/12, the Errors and Omissions Insurance of BBH & Co. was:
   Coverage: $100 Million
   Deductible: $10 million, Investment Advisory $5 million
   Primary Carrier: Vigilant Insurance Company (a subsidiary of Chubb Group of Insurance Companies)

   As of 6/4/12, the Fund Directors and Officers/Errors and Omissions Insurance of BBH & Co. was:

$10 Million Limit of Liability
Deductible: $500,000
Primary Carrier: Vigilant Insurance Company (a subsidiary of Chubb Group of Insurance Companies)

Regarding fiduciary liability insurance, BBH has purchased, as of 6/4/12, the Fiduciary Fidelity Bond for Employee Benefits Plan from Chubb that meets the requirements of ERISA Section 412.

6. Litigation:

BBH from time to time becomes involved in litigation matters typical of similar service providers in the industry. BBH currently has no pending litigation matters that would materially affect its ability to provide the services requested.

7. Judgements:

BBH from time to time becomes involved in regulatory matters typical of similar service providers in the industry. BBH currently has no pending regulatory matters that would materially affect BBH's ability to provide the services requested.

In September 2007, Brown Brothers Harriman and the New York State Banking Department ("NYSBD") entered into a written agreement pursuant to which BBH agreed to take certain actions to remedy deficiencies in its Bank Secrecy Act / Anti-Money Laundering compliance program. BBH was not found to be participating in any wrongdoing and there was no fine associated with the agreement.

Effective September 23, 2009, the NYSBD lifted its Written Agreement with BBH. The lifting of the Written Agreement was a formal acknowledgement by the NYSBD that BBH has implemented improvements to its Bank Secrecy / Anti-Money Laundering compliance program and demonstrated that all aspects of the program are effective and sustainable.

8. Market value of assets under management for the firm for each of the past five calendar years as well as the year-to-date ending March 31, 2012.

	Total Firm Assets				
	Market Value $(Millions)	**# Accounts Gained**	**Assets Gained $(Millions)**	**#Accounts Lost**	**Assets Lost $(Millions)**
Dec 31, 2007	$29,323	*	*	*	*
Dec 31, 2008	$25,156	*	*	*	*
Dec 31, 2009	$25,314	*	*	*	*
Dec 31, 2010	$26,962	*	*	*	*
Dec 31, 2011	$32,348	*	*	*	*
Mar 31, 2012	$34,367	*	*	*	*

* We generally do not disclose these data.
** These data are approximate and these data relate to Institutional Investment Management, which claims GIPS compliance, and are not for BBH & Co.

9. Market value of assets under management for the recommended product for each of the past five calendar years as well as the year-to-date ending March 31, 2012.

	Specified Domestic Equity Product				
	Market Value (Millions)	**Accounts Gained**	**Assets Gained (Millions)**	**Accounts Lost**	**Assets Lost (Millions)**
Dec 31, 2007	$43,873	*	*	*	*
Dec 31, 2008	$36,868	*	*	*	*
Dec 31, 2009	$38,216	*	*	*	*
Dec 31, 2010	$40,199	*	*	*	*
Dec 31, 2011	$45,355	*	*	*	*
Mar 31, 2012	$49,018	*	*	*	*

Large Cap Core Equity Investment Services

10. Name of the product described in the remainder of this response:

The firm Large Cap Core Equity strategy is called BBH Core Select.

11. Firm's key members of the large cap core equity portfolio management team:

Name	Title	Yrs. w/ Product	Yrs. W/ Firm	Yrs. Inv. Exp.
Timothy Hartch	Partner, Portfolio Manager	16	7	16
Michael Keller	Managing Director, Portfolio Manager	7	7	13
Scott Hill	Managing Director, Analyst	9	7	24
Regina Lombardi	Managing Director, Analyst	10	7	25
Marla Sims	Senior Vice President, Analyst	7	7	16
Hayley Xuereb	Senior Vice President, Analyst	8	7	12
Mark Curnin	Analyst	6	7	16
Gwen Dillman	Vice President, Analyst	1	1	11
Howard Blum III	Assistant Vice President, Analyst	4	4	6
Neel Panchal	Assistant Vice President, Analyst	7	7	7
Tatiana Vasilyev	Assistant Vice President, Analyst	1	1	4
Sercan Ozcan	Associate, Research Associate	1	1	2
John McDevitt	Central Account Team Leader (Trading)	20	7	13
Michael Ott	Buy-Side Trader	6	2	6
Peter Kelly	Buy-Side Trader	20	10	19

12. Level of personnel turnover for investment professionals at both the firm and product levels:

Year	**Firm-wide**		**Product Specific**	
	Employees Added	Employees Lost	Employees Added	Employees Lost
Dec 31, 2007	*	*	0	0
Dec 31, 2008	*	*	1	0
Dec 31, 2009	*	*	0	0
Dec 31, 2010	*	*	0	0
Dec 31, 2011	*	*	3	0
Mar 31, 2012	*	*	0	0

* This data is unavailable currently.

13. As of March 31, 2012, the number of accounts, assets under management, median account size, and number of portfolio managers in the product.

$ Assets Under Mgt	**Number of Investors**	**Median Client Size**	**Largest Client Size**	**Number of Portfolio Mgrs**	**Number of Inv Analysts**
$12,770 million	2,550****	$1.47	$1,926	3	10

**** This data relates to accounts and not clients.

14. Vehicles through which your large cap core product is offered:

	Offered? (Y/N)	Assets ($MM)	Acct Minimum
Separate Account	Y	$11,015	$10 million
Commingled Fund	N	N/A	N/A
Mutual Fund	Y	$1,755	$10,000 (Class N)
Other (specify)	N/A	N/A	N/A

15. Asset limit:

They currently estimate the capacity of the Core Select strategy to be approximately $20 - $25 billion, which encompasses all distribution channels. This figure is based on their desire to preserve the alpha contributed by their investment team, prevent adverse dilution effects of material oversubscription, and maintain their ability to invest in a concentrated portfolio of approximately 20 - 30 businesses that each have a market capitalization of at least $5 billion without owning more than 10% of each company's outstanding shares.

As they approach capacity, they would expect to communicate the closing verbally and in writing to their clients to ensure that the closing is a smooth transition. They would anticipate that the initial stages of the closing would allow for continued use of the BBH Core Select mutual fund by existing clients.

Large Cap Core Equity Investment Philosophy

16. Investment philosophy/strategy, style and distinguishing characteristics of this product:

BBH Core Select employs a long-term business ownership approach within a discount to estimated intrinsic value framework. Their objective is to provide attractive returns while reducing the risk of permanent capital loss in each individual investment.

Their objective with regard to the specific mandate is:

1) Avoid permanent loss of capital on any single investment
2) Achieve attractive long-term investment returns
3) Outperform in weak markets

They believe companies that possess the following business attributes, management attributes, and financial attributes are well positioned to create value for investors through varying economic and market environments. Purchasing the equity of such businesses with a meaningful margin of safety reduces the likelihood of permanent capital loss on any single investment.

Business Attributes includes

- Essential products and services
- Loyal customers
- Leadership in an attractive market niche or industry
- Sustainable competitive advantages

Management Attributes

- Strong operators with integrity
- Favorable capital allocation -
- Meaningful share ownership

Financial Attributes

- Strong balance sheet and free cash flow
- High returns on capital

Ability to Grow

They believe that the quality of a business and its ability to grow over time are closely linked. Their selection process focuses on owning businesses with leading competitive positions in healthy, growing industries. They focus closely on understanding the cash flow characteristics of each business. It is their expectation that revenue growth, free cash flow growth and management's ability to effectively allocate capital will be key drivers of a business' ability to increase its intrinsic value over the long-term.

Margin of Safety

A margin of safety exists when each of the above criteria has been met and there is a meaningful discount between the market price at which a company's shares trade and their estimate of a company's intrinsic value. They typically seek to purchase businesses at 75% of their estimate of intrinsic value. The benefit of investing with a margin of safety is that it 1) provides added downside protection against permanent capital loss and 2) provides the potential for significant value creation.

Summary

They view their investment strategy as a low-risk approach to investing in equities. They believe that they have a repeatable and consistent investment process that provides greater objectivity and enhances the likelihood of rational decision making. They also believe that their investment criteria are powerful and differentiated. By applying their criteria and sticking to their process, they aim to provide attractive risk-adjusted absolute results for their clients over the long term.

17. Style bias:

The Core Select strategy is managed according to a methodical and repeatable investment process, which is not modified to fit a particular style bias. They do not explicitly claim that Core Select displays any type of style bias, though sometimes the strategy is viewed as having a long-term core emphasis.

18. Portfolio approach to the level of cash and equivalent holdings:

The stated objective of the Core Select strategy is to fully invest in high quality businesses that meet their stringent investment criteria for attractive long-term returns. Typically the cash position of Core Select falls between 4% and 8%. As of 3/31/12, cash and cash equivalents composed 7.4% of BBH Core Select Class N.

19. How the firm defines the large cap core equity market for the purposes of this product:

The large capitalization universe the Core Select investment team searches is publicly traded equities with market capitalizations of $5 billion or higher.

20. How does the firm assess the liquidity of individual equity markets:

There is typically ample liquidity available for the large capitalization stocks that Core Select owns. Furthermore, they believe BBH Core Select is less sensitive to liquidity constraints than most other strategies due to its long term "business ownership" approach and focused portfolio construction. Because they intend to own each position for several years, they have the opportunity to gradually build or decrease positions in staged increments at prices that they find compelling.

21. Securities other than common stock and cash equivalents in product:

Core Select has the authority to invest in foreign securities (including European Depository Receipts ("EDRs"), Global Depository Receipts ("GDRs") and American Depository Receipts ("ADRs")), or other securities representing underlying shares of foreign companies.

22. Benchmark:

The Core Select strategy is not managed in relation to any benchmark. The S&P 500 represents the best performance benchmark for their style. Their performance will typically not resemble that of a given benchmark or index over the short- and intermediate-term time periods, as BBH Core Select's portfolio construction does not aim to mirror any benchmark or index. With that said, they believe that the S&P 500 is a reasonable benchmark to compare BBH Core Select with over the long term because of its constituents' typically large capitalizations and global revenue streams.

23. Expected tracking error of this product compared to the Standard and Poor's 500 Index:

They do not specifically target the tracking error of Core Select in relation to any benchmark. They also do not develop any expectations regarding tracking error. Historically, an ex-post basis, Core Select's tracking error has been 5.4% for the last 5 years.

24. Does the product target a particular level of volatility (index-relative or absolute)?

They do not target any particular level of volatility whether on a relative or absolute basis.

Large Cap Core Equity Research Process

25. Process for identifying attractive securities:

Their process is completely bottom-up with no top-down overlays. Fundamental analysis is the core of their equity research process, as they seek public equities that (i) provide essential products and services; (ii) have loyal customers; (iii) exhibit leadership in an attractive market niche or industry; (iv) command sustainable competitive advantages; (v) yield high returns on invested capital; (vi) generate strong free cash flow. These are not just desired characteristics, but required attributes. They believe that businesses with these attributes are favorably positioned to protect and grow capital through a range of economic and market environments. There are approximately 150 companies that they have identified which meet their stringent investment criteria and are on their watch list.

Their experienced analysts follow specific industries and work collaboratively to identify, analyze, and monitor specific companies. Each analyst conducts extensive analysis of industry structure and communicates regularly with knowledgeable industry participants and company management teams to assess whether a business meets Core Select's selection criteria. In addition, their approach to managing risk has several facets, which are deeply embedded into the research process: (i) adherence to their criteria and process; (ii) focus on businesses and situations that they can understand; (iii) identify and analyze factors outside of management's control; (iv) avoid exposure to low probability, high severity events; (v) hold cash at times when valuations do not provide a suitable margin of safety; (vi) require a meaningful discount to estimated intrinsic value in price.

For companies that meet the BBH Core Select criteria and are under consideration for investment, their analysts undertake further due diligence activities. The portfolio managers may participate in some or all of these activities, summarized as follows:

A. Review public filings and transcripts from meetings and conference calls
B. Review industry specific publications, journals, and research
C. Meetings and conversations with senior management
D. Meetings and conversations with customers and former employees
E. Meetings and conversations with third parties such as consultants, competitors, suppliers
F. Meetings and conversations with knowledgeable industry contacts and subject matter experts

26. Number of securities regularly followed by security analysts and/or portfolio managers:

Their Core Select equity analysts monitor the universe of public equities with market capitalizations of $5 billion or above on an ongoing basis. Their analysts are organized around specific industry segments and work collaboratively to identify, analyze, and monitor specific companies.

The Core Select investment team maintains an ongoing watch list of approximately 150 companies with minimum market capitalizations of $5 billion that generally meet their investment criteria. This universe of 150 companies does not change often. Thus, their analysts are tracking a defined universe of high quality companies, waiting for an opportunity to purchase them at a discount to their estimate of intrinsic value.

27. Processes in place to detect accounting irregularities at companies held in the portfolio.

Core Select portfolio managers and analysts undertake a rigorous due diligence process that involves thorough analyses of the company's 10-Qs, 10-Ks, and other financial documents in addition to meetings with its management and discussions with primary suppliers, key customers, key competitors, former employees, and other knowledgeable parties. This disciplined research process provides their investment team with an in-depth, nuanced, and thorough understanding of the business under consideration.

Furthermore, their stringent investment criteria select for companies of the highest quality, which are generally well known, established, and respected businesses in their respective industries. They only consider investing in businesses with competent managers that have integrity. They also prefer businesses with material insider ownership so that the interests of management are aligned with those of investors. In all, the aforementioned investment processes greatly minimize the likelihood that companies in the Core Select portfolio are executing irregular accounting methods.

28. Does the firm use any technical and/or price momentum research?

The Core Select strategy does not use any technical or price momentum research as part of its due diligence process. Technical and price momentum analyses are not incorporated into the Core Select investment approach.

Portfolio Construction and Management

29. Portfolio construction and management process:

Their Core Select investment process is predicated on a team approach that emphasizes collaboration. They approach and analyze each potential investment as a private equity “deal team” would and apply private equity investment methods to evaluating securities.

Fundamental analysis and a discount to estimated intrinsic value framework provide the basis for each Core Select investment. They look for companies with all, or most, of the following business and financial attributes: (i) essential products and services; (ii) loyal customers; (iii) leadership in an attractive market niche or industry; (iv) sustainable competitive advantages; (v) high returns on invested capital; (vi) strong free cash flow. They believe businesses possessing these traits are favorably positioned to protect and grow capital through varying economic and market environments. In addition, they seek to invest in companies whose managers have high levels of integrity, are excellent operators, and are good capital allocators. When a company meets these criteria, they will consider establishing a position when its market price reaches 75% or less of our intrinsic value estimate. They maintain a buy-and-own approach, typically owning a company’s shares for 3 – 5 years or longer. Investments are usually sold if they appreciate to levels near their proprietary estimate of intrinsic value or in the event of deterioration in fundamentals.

The portfolio managers determine the portfolio weights in consultation with the analyst team. Subsequent decisions to add to, trim, or sell a position are also considered collectively. Final responsibility for decision making and accountability lies with the portfolio management team.

Core Select's investment criteria and focused portfolio construction are designed to ensure that the threshold for inclusion in the portfolio is quite high. When a business is added to the portfolio, the portfolio managers and the investment analyst(s) who have analyzed the business will each agree that the company represents a prudent long-term investment. Given their goal of protecting against permanent capital loss in each individual investment, they believe that it is prudent to refrain from allocating capital in situations where the level of conviction regarding the expected outcome of an investment is not shared by each of the investment professionals involved in the decision making process.

30. Current number, typical number and range of securities held in the product:

As of March 31, 2012	Typical Number	Range
28	20-30 equities	20-30 equities

31. As of March 31, 2012, the typical portfolio allocation to equities in various market capitalization ranges:

Market Capitalization Range	**Allocation as of March 31, 2012**	**Typical Allocation**	**Possible Range of Allocation**
Less than $100 million	0.0%	*	*
Between $100 mil. and $500 mil.	0.0%	*	*
Between $500 mil. and $1 bil.	0.0%	*	*
Between $1 bil. and $3 bil.	0.0%	*	*
Between $3 bil. and $5 bil.	0.0%	*	*
Between $5 bil. and $10 bil.	4.5%	*	*
Between $10 and $20 billion	18.8%	*	*
Greater than $20 billion	76.7%	*	*
Median Market Capitalization	$69,120 million	*	*
Weighted Average Market Capitalization	$91,619 million	*	*

* We do not target any specific market cap allocations; we invest in businesses with market capitalizations of $5 billion or greater.

32. Sell discipline:

They begin to trim a holding as it approaches 90% of their estimate of intrinsic value. They also trim or sell a position if it increases beyond a size that is commensurate with their assessment of risk/reward.

They exit a position entirely when the market price reaches their estimate of intrinsic value or if there is a deterioration of fundamentals.

Core Select is a low turnover strategy by design and practice. They purchase high quality businesses at attractive prices and expect to hold these positions for 3 – 5 years. Their average turnover over the past 5 years was 25.6%, implying an average holding period of approximately 4 years. Their annual turnover was 21.9%, 15.6%, 20.5%, 40.3%, and 29.6% in 2011, 2010, 2009, 2008, and 2007, respectively.

33. Average large cap core equity turnover for each of the last five years and the current year to date:

Year	**Turnover (annual)**
2007	29.6%
2008	40.3%
2009	20.5%
2010	15.6%
2011	21.9%
YTD	21%*

Investment Management Fees

34. Fee schedules for the international equity product:

	Market Value	Fee in Percent
First	On the first $50 million	100
Next	On the next $50 million	75
Next	On the next $50 million	60
Over	On the balance	50

35. Has the firm entered into incentive fee arrangements?

The Core Select strategy does not generally enter into incentive fee arrangements.

36. Does the firm use any service, information, or merchandise paid for with directed commissions?

BBH may allocate a percentage or portion of client commissions to specific brokers or dealers or other providers to pay for research or services which can help BBH provide investment and wealth management services to clients. Research and services may include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, credit analysis, risk measurement analysis, performance analysis, and analysis of corporate responsibility issues.

The use of a broker that provides useful research and securities transaction services may result in a higher commission than offered by a broker who does not provide research services. BBH's "soft dollar" practices and its policies and procedures are intended to comply with the safe harbor rules of Section 28(e) of the Exchange Act.

An oversight committee, consisting of BBH partners and senior risk management and compliance personnel, meets quarterly to ensure compliance with best execution rules. Analysts vote to establish a budget and allocation model to research providers based on the value and importance of the research which is approved by the best execution committee.

37. ADV Review:

As a bank, they are not required to file form ADV with the SEC. However, they have prepared a detailed client disclosure document that is used in lieu of Form ADV. They are prepared to submit this document if they are selected as a semi-finalist.

38. Performance review:

BBH IIM has been independently verified for the periods January 1, 1996 – June 30, 2011. The verification report is available upon request.

Large Cap Core Equity
INVESTMENT MANAGER QUESTIONNAIRE
As of March 31, 2012

Organizational Background

1. Firm name, address, and telephone and fax numbers of main and branch offices:

PIMCO LLC

840 Newport Center Drive
Newport Beach, CA 92660
USA

Phone: 949-720-6000
Fax: 949-720-1376

2. Firm's new business contact and database/questionnaire contacts:

Name	Mark Romano	Ryan Hart
Title	Executive Vice President, Account Manager	Vice President, Account Manager
Office	840 Newport Center Drive, Suite 100 Newport Beach, CA 92660	840 Newport Center Drive, Suite 100 Newport Beach, CA 92660
Phone	949-720-6010	(949) 720-6644
Fax	(949) 720-6332	(949) 718-5911
Email	Mark.Romano@pimco.com	Ryan.Hart@pimco.com

3. Firm founded: Registered with the SEC:

PIMCO was founded in Newport Beach, California in 1971. The firm's SEC registration date was March 8, 1971.

4. Firm's ownership structure and changes over the past five years.

PIMCO is not, and has not been in the past five years, the subject of any lawsuit which can reasonably be expected to have a material adverse effect on PIMCO's ability to provide investment management services.

5. Carriers and the limits of errors and omissions and fiduciary liability insurance:

Carrier: National Union Fire Insurance Company of Pittsburgh, PA
Single Loss Limit of Liability: $25,000,000
Single Loss Deductible: $250,000
Aggregate Limit: $25,000,000
Bond Number: 6214332
Bond or Form Name: Investment Company Blanket Bond
Bond Period: 7/1/2011 to 7/1/2012

Carrier: Federal Insurance Company
Single Loss Limit of Liability: $25,000,000 excess of $25,000,000 plus deductible
Aggregate Limit: $25,000,000
Bond Number: 82126616
Bond Period: 7/1/2011 to 7/1/2012

Carrier: Continental Insurance Company
Single Loss Limit of Liability: $15,000,000 excess of $50,000,000 plus deductible

Aggregate Limit: $15,000,000
Bond Number: 267860356
Bond Period: 7/1/2011 to 7/1/2012

Carrier: St. Paul Mercury Insurance Company
Single Loss Limit of Liability: $20,000,000 excess of $65,000,000 plus deductible
Aggregate Limit: $20,000,000
Bond Number: 490PB2958
Bond Period: 7/1/2011 to 7/1/2012

6. Litigation:

PIMCO is not, and has not been in the past five years, the subject of any lawsuit which can reasonably be expected to have a material adverse effect on PIMCO's ability to provide investment management services.

7. Judgements:

PIMCO has not been the subject of any regulatory action or judgments by the SEC or other regulatory agency or body in the past five years.

8. Market value of assets under management for the firm for each of the past five calendar years as well as the year-to-date ending March 31, 2012.

	Total Firm Assets				
	Market Value $(Millions)	**# Accounts Gained**	**Assets Gained $(Millions)**	**#Accounts Lost**	**Assets Lost $(Millions)**
Dec 31, 2007	746,301	176	28,840	107	12,207
Dec 31, 2008	712,049	305	43,303	134	9,002
Dec 31, 2009	1,000,108	460	65,224	180	16,493
Dec 31, 2010	1,242,121	320	74,224	140	20,650
Dec 31, 2011	1,357,231	332	60,709	203	20,794
Mar 31, 2012	1,419,025	65	10,412	39	5,078

9. Market value of assets under management for the recommended product for each of the past five calendar years as well as the year-to-date ending March 31, 2012.

	Specified Domestic Equity Product				
	Market Value (Millions)	**Accounts Gained**	**Assets Gained (Millions)**	**Accounts Lost**	**Assets Lost (Millions)**
Dec 31, 2007	35,945	5	894	5	550
Dec 31, 2008	18,478	11	1,199	15	599
Dec 31, 2009	18,154	6	516	15	3,171
Dec 31, 2010	26,175	-	-	3	428
Dec 31, 2011	20,873	4	237	10	1,850
Mar 31, 2012	22,910	-	-	2	290

Large Cap Core Equity Investment Services

10. Name of the product described in the remainder of this response:

For this mandate PIMCO is proposing the StocksPLUS Total Return Fund.

11. Firm's key members of the large cap core equity portfolio management team:

Name	Title	Yrs. w/ Product	Yrs. W/ Firm	Yrs. Inv. Exp.
William Gross, CFA	Co-CIO, Managing Director, Portfolio Manager	Since Inception	40	42
Andrew Balls	Managing Director, Portfolio Manager	5	5	13
Chris Dialynas	Managing Director, Portfolio Manager	Since Inception	29	34
Mohamed El-Erian	CEO, Co-CIO, Managing Director, Portfolio Manager	Since Inception	11	27
Scott Mather	Managing Director, Portfolio Manager	Since Inception	13	17
Saumil Parikh	Managing Director, Portfolio Manager	Since Inception	11	13
Marc Seidner	Managing Director, Portfolio Manager	2	2	23
Christian Stracke	Managing Director, Global Head of Credit Research	4	4	14
Chuck Lahr	Managing Director, Portfolio Manager	2	2	18
Josh Thimons	Executive Vice President, Portfolio Manager	1	1	13
Eve Tournier	Executive Vice President, Portfolio Manager	4	4	13

12. Level of personnel turnover for investment professionals at both the firm and product levels:

Year	**Firm-wide**		**Product Specific**	
	Employees Added	Employees Lost	Employees Added	Employees Lost
Dec 31, 2007	41	24	-	-
Dec 31, 2008	70	32	-	-
Dec 31, 2009	52	38	-	-
Dec 31, 2010	93	35	-	-
Dec 31, 2011	150	35	-	-
Mar 31, 2012	21	17	-	-

13. As of March 31, 2012, the number of accounts, assets under management, median account size, and number of portfolio managers in the product.

$ Assets Under Mgt	**Number of Investors**	**Median Client Size**	**Largest Client Size**	**Number of Portfolio Mgrs**	**Number of Inv Analysts**
$22,910 mm	46 accounts	$190 mm	$832 million	6*	130*

* Represents the number of lead portfolio managers within the strategy.
** Represents firmwide analysts. The StocksPLUS strategy utilizes the experience and expertise of the entire group of analysts

14. Vehicles through which your large cap core product is offered:

	Offered? (Y/N)	Assets ($MM)	Acct Minimum
Separate Account	Yes	5,768	$150 million*
Commingled Fund	Yes	3,056	$5 million
Mutual Fund	Yes	14,085	$ 1 million
Other (specify)	-	-	-

*Represents the minimum investment for a StocksPLUS Total Return separate account. The minimum investment may change for other strategies within the StocksPLUS suite of products. Please contact your PIMCO representative for additional information.

15. Asset limit:

PIMCO does not foresee any particular Fund level at this time that may pose difficulty for the Fund to efficiently and successfully pursue its investment objective. The fixed income and equity derivatives markets continue to be large and liquid enough to permit us the necessary flexibility to manage the Fund effectively. Furthermore, they feel their present organizational capacity is more than enough to accommodate the effective management and servicing of their moderately growing account load. They will limit the amount of investments in the Fund if they believe a capacity constraint exists.

Large Cap Core Equity Investment Philosophy

16. Investment philosophy/strategy, style and distinguishing characteristics of this product:

They feel the PIMCO StocksPLUS Total Return Fund is a unique, risk-managed equity strategy that combines PIMCO's 25+ years of experience managing StocksPLUS and 40-plus years of experience managing Total Return bond portfolios. As opposed to managers who construct portfolios of physical stocks with weightings that differ from their benchmark indexes, PIMCO manages the StocksPLUS Total Return Fund by combining a non-leveraged position in equity index derivatives with a low to intermediate duration fixed income portfolio.

In the case of the S&P 500, they employ futures and/or total return swaps to obtain equity market exposure. As their name implies, total return swaps provide the total return of a given equity index in exchange for a financing cost, usually around 3-month LIBOR. Because the equity index derivatives are priced such that a combination of these instruments and money market investments should produce a return equal to that of the equity index, their active management of the fixed income collateral seeks to outperform money market rates, thereby generating an incremental return over the equity index. The structure of a StocksPLUS Total Return portfolio is depicted in the following diagram.

*Duration range: Normally ranges from a minimum of negative three years to a positive eight years.

The majority of the buyers of stock index futures contracts use the contracts as a means to gain market exposure over short, uncertain time horizons. Examples are: 1) stock index arbitrage and 2) the use of futures by equity portfolio managers to maintain market exposure by temporarily replacing stocks they have sold. In both cases, the period over which futures are held is short and uncertain. Thus, the contracts must be backed with relatively risk-free fixed income securities, which provide nearly perfect liquidity, since the entire portfolio must be able to be liquidated on a moment's notice. This is why, in practice, the computation of the fair value of a stock index futures contract uses a short-term money market rate, typically around LIBOR, with a maturity equal to the expiration date of the futures contract.

StocksPLUS Total Return, on the other hand, uses stock index futures and/or swaps as a permanent means of obtaining market exposure. This long time horizon helps allow PIMCO to use their fixed income and associated risk management skill set to seek out attractive yields from diversified sources relative to money market financing rates on a portion of the fixed income securities they use to back the derivatives. Since they only require sufficient liquidity to meet a worst case margin outflow caused by a stock market decline, a portion of their fixed income portfolio can be invested in higher yielding securities. In addition, they generally look to take advantage of the typical upward slope of the yield curve by normally maintaining their portfolio duration between a minimum of negative three years and a maximum of positive eight years. They also feel that it is appropriate in most market environments to focus on capturing both the credit yield premium that may be provided by holding a portion of the fixed income portfolio in corporate securities and the volatility yield premium that may be provided by holding high quality mortgage securities. Importantly, they believe they are a very innovative total return style fixed income manager with both a high degree of quantitative skills for analyzing more complex securities and a tremendous depth and breadth of fixed income sector expertise. The StocksPLUS Total Return investment philosophy, therefore, incorporates their ability to use a broad range of fixed income securities and sectors across all different fixed income environments to construct what they feel is a highly diversified fixed income portfolio that is designed to provide an incremental yield and total return over money market rates. They are also able to implement a diversified set of strategies in the fixed income portfolio including sector rotation, yield-curve positioning, and duration management.

They believe success in this style depends overwhelmingly on fixed income skills, which they have carefully honed over our 40-year history as a fixed income manager. As a testament to the attractive relative performance generated by our StocksPLUS family of mutual funds, PIMCO has been awarded the Large Company Equity Manager of the year by Lipper for three consecutive years (2009, 2010 and 2011).

17. Style bias:

The StocksPLUS strategy would be categorized as core. PIMCO maintains exposure to the S&P 500 Index approximately equal to 100% of the Fund's market value primarily through the use of the equity index futures. As such, their individual equity security exposure should be effectively equal to the securities included in the index at all times. There is no growth or value bias except to the extent such a bias exists in the index itself.

18. Portfolio approach to the level of cash and equivalent holdings:

As the StocksPLUS Total Return strategy seeks to maintain 100% of the Fund's value equitized at all times (predominantly through the use of equity futures), typical concerns regarding cash in an equity mandate do not apply. They do, however, maintain approximately 20 – 25 percent of the fixed income portfolio backing an equity index futures in cash, cash equivalents and other highly liquid, same or next day settlement fixed income instruments in order to meet margin calls on their equity futures positions in the event of an equity market decline. Cash levels are monitored very closely by the lead portfolio manager, the short-term desk and the cash desk to insure appropriate liquidity is available to meet potential margin calls at all times.

19. How the firm defines the large cap core equity market for the purposes of this product:

For the purposes of the proposed product, the Large Cap Core equity market is defined as the securities included in the S&P 500 index.

20. How does the firm assess the liquidity of individual equity markets:

Given the Fund's approach to gaining equity market exposure, this question is not applicable. The StocksPLUS Total Return strategy gains exposure to the equity markets through the use of equity index futures and/or swaps, which are large and liquid. Their liquidity analysis is focused on the fixed income portfolio and the equity derivatives markets.

21. Securities other than common stock and cash equivalents in product:

The Fund invests in S&P 500 Index derivatives, backed by a portfolio of fixed income instruments. "Fixed income instruments" include bonds, debt securities and similar instruments issued by various U.S. and non-U.S. public-or private-sector entities. The types of securities that are used in the fixed income collateral portfolio may include:

- Money Market Instruments
- U.S. Treasury and Agency Notes and Bonds
- Municipal Bonds
- Corporate Securities
- Bank Loans
- Yankee and Euro Bonds
- Mortgage-Backed Securities (including CMOs and REMICs)

- Mortgage Derivatives
- Asset-Backed Securities
- Preferred Stock
- Non-U.S. Dollar-denominated Securities
- Emerging Market Securities
- Futures and Forwards (Including Exchange Traded Swaps Futures)
- Currencies
- Options, Caps and Floors
- Swaps
- Credit Default Swaps (Buy Protection and Sell Protection)

Please see the Fund's prospectus and statement of additional information for more details. The Fund's investments are governed by its prospectus, statement of additional information and applicable laws and regulations.

22. Benchmark:

The Fund is benchmarked to the S&P 500 Index

23. Expected tracking error of this product compared to the Standard and Poor's 500 Index:

The Fund's tracking error relative to the S&P 500 as of March 31, 2012 is provided in the following table. They believe that average tracking error of 3 to 6% is a reasonable expectation.

1 year	3 years	5 years	Since Inception*
4.79	4.83	6.95	5.38

*The Fund incepted in June 2002.

24. Does the product target a particular level of volatility (index-relative or absolute)?

On an absolute basis, the dominant source of volatility in a StocksPLUS Total Return portfolio is the equity market volatility gained through a constant holding of approximately 100% of the portfolio's market value in equity index derivatives. With respect to equity exposure, StocksPLUS Total Return portfolios will have price exposure equal to all index stocks and volatility should track the index closely.

On an index-relative basis, the source of tracking error is the fixed income collateral portfolio, as the equity derivatives should accurately replicate the total return of the equity index with little or no tracking error. StocksPLUS Total Return seeks to deliver reliable alpha over a three- to five-year time horizon with moderate tracking error and overall volatility that is similar to that of the index.

Large Cap Core Equity Research Process

25. Process for identifying attractive securities:

With respect to the Fund's fixed income investments, PIMCO's investment process includes both top-down and bottom-up decision-making. The first and most important step in their process is to get the long run right. They believe that analyzing secular economic and political influences is fundamental to sound portfolio decisions. Holding a definitive, long-term view helps guard against becoming caught up in periodic bouts of euphoria and depression that often characterize financial markets. They are much more optimistic about their skill in identifying long-run value through fundamental economic and credit analysis than their ability to time short-term market movements.

They consider secular analysis so important that they devote three days each year to what they call their "Secular Forum," at which they formulate our outlook for global bond markets over the next three to five years. Selected members of the investment staff are assigned secular topics to monitor, including monetary and fiscal policy, inflation, demographics, technology, productivity trends, and global trade. Secular researchers tackle their subjects on a global basis and approach them over a multi-year horizon. At the Secular Forum their secular researchers summarize their findings for all the firm's investment professionals. In addition, they invite external analysts and scholars to share their expertise with them on financial and economic issues that are germane to the outlook. These external presentations combined with their internal research serve as background for further discussion and debate by the group. The investment process as a whole including the role of the secular outlook is illustrated in the graphic below:

Investment process: Portfolio construction

The next step in their process is the analysis of cyclical or business cycle trends. PIMCO investment professionals meet quarterly in "Economic Forums" to evaluate growth and inflation over the business cycle horizon of the next 6-12 months. They evaluate, from a bottom-up perspective, the research and economic data from presentations by the firm's three regional portfolio committees [Asia-Pacific Portfolio Committee (APC), the Europe Portfolio Committee (EPC) and the Americas Portfolio Committee (AmPC)] and the Emerging Markets team. These presentations are followed by discussion and debate, the purpose of which is to develop an outlook for each region over the cyclical horizon. Their conclusions help refine and update their forecasts for shorter-term economic trends.

Following their Secular and Economic Forums, the Investment Committee, comprised of senior portfolio managers and headed by PIMCO's Co-Chief Investment Officers (Bill Gross is the formal Chairman), works on a consensus basis to develop major strategies that serve as a model for all portfolios. The Investment Committee makes use of the top-down outlook provided by the Forums as well as bottom-up input from specialists who focus on various fixed income sectors and the regional portfolio committees. The Investment Committee sets targets for portfolio characteristics such as duration, yield curve exposure, convexity, sector concentration and credit quality and ensures themes are consistently applied across all portfolios.

Their portfolio management group, through the incorporation of the Investment Committee's model portfolio characteristics, will then construct individual portfolios. The structure of this group resembles a hub and spoke system, with senior portfolio managers comprising the hub and a group of sector specialists the spokes. PIMCO assigns a primary portfolio manager to each fund. It is the primary portfolio manager's responsibility to see that the Fund is structured to reflect the model portfolio defined by the Investment Committee. Portfolio managers are given some latitude in terms of timing and issue selection, but are required to keep portfolio characteristics within a moderate range around model targets. Portfolio managers receive input and strategic ideas from sector specialist teams that cover every pocket of the global fixed income universe, including government, mortgage, corporate, non-dollar, emerging market, convertible and inflation–protected markets. These sector teams are led by seasoned portfolio managers who typically have a decade or more of experience in their sector. The Fund's primary portfolio manager is ultimately responsible for all purchases and sales in the Fund, but may direct sector specialist portfolio managers to assist with execution.

Bottom-up security selection is an important aspect of portfolio construction. Sector specialists are charged with determining relative value within their sectors and play a key role in security selection. An important resource for the sector specialists is PIMCO's staff of highly seasoned analysts who conduct independent security analysis. PIMCO also utilizes an extensive library of proprietary analytical software to help quantify risks and relative value in different securities.

26. Number of securities regularly followed by security analysts and/or portfolio managers:

Given the Fund's approach to gaining equity market exposure, this question is not applicable. With respect to the fixed income collateral portfolio, PIMCO considers the full-spectrum of global fixed income sectors (subject to Fund guidelines) when evaluating individual securities for inclusion in the Fund.

27. Processes in place to detect accounting irregularities at companies held in the portfolio.

PIMCO places a great deal of importance on independent analysis when evaluating corporate credits and never relies on rating agencies alone. Their staff of seasoned credit analysts rates every credit that we hold.

As its primary objective, PIMCO's analysis of corporate financial statements seeks: 1) to quantify cash flows and 2) to develop a true picture of the balance sheet fully loaded with assets employed and liabilities incurred. In regard to cash flows, they define free cash flow as changes in net debt, which makes proper accounting for off-balance sheet debt and financial derivative instruments mandatory elements of their analysis. Typically, they exclude non-cash and mark-to-market income contributed by financial derivatives from their calculation of cash flow. They will also make adjustments to calculations of EBITDA and leverage to account for items such as unfunded pension liabilities, asset sale gains, and other items, which flow through the assessment of the credit.

How companies report their financial and operating results is relevant to the extent that they provide or obscure the information they need to analyze cash flow and the balance sheet. The use of pro forma information is often helpful because it provides additional information beyond what is reported in the financial statements; however, they do not rely on it as a true representation of company performance. The accounting for stock options is less relevant for their analysis because options 1) are generally non-cash expenses 2) are subordinated to claims of debt holders. Stock options dilute the residual value of an enterprise after all its debt have been paid, and, as such, are an important issue primarily for equity holders rather than bond holders.

28. Does the firm use any technical and/or price momentum research?

Their approach is primarily qualitative in that it involves their best judgment about global macroeconomic and industry trends. Their process involves top-down macroeconomic analysis to determine an outlook for bond markets worldwide. With that outlook in mind they then construct model portfolios with exposures to duration, curve, sector, credit, etc. that reflect our outlook. They construct these positions using securities that are attractively priced based on fundamental, bottom-up credit research and analysis. However, in relying on proprietary analytical models to measure and monitor risk exposures and identify undervalued securities, their process incorporates a quantitative nature as well.

Portfolio Construction and Management

29. Portfolio construction and management process:

Their equity index replication process involves going long quarterly equity index futures contracts (while sometimes using total return swap contracts to replicate a long futures position) in an amount sufficient to cover approximately 100% of the value of a portfolio. These futures contracts are typically rolled throughout each quarter prior to expiration. Their focus in managing their equity exposure is to maintain consistent replication of the equity index at the lowest possible financing cost.

With respect to the fixed income collateral portfolio, major macro or structural strategies in their portfolios, such as duration, convexity, sector concentration, yield curve exposure and credit risk are set by the Investment Committee on a consensus basis. Portfolios, including the Fund, are then structured with securities that, in aggregate, seek to optimally achieve the target characteristics. In selecting these securities, PIMCO considers the entire global fixed income universe. Many members of PIMCO's portfolio management group are specialists within a particular sector of the bond market, and the group will rely heavily on these specialists for knowledge and execution within each sector. They draw primarily on in-house resources to support their issue selection, especially teams of highly seasoned credit analysts and financial engineers that supply both fundamental and quantitative analysis. Proprietary models are used to compare embedded risks and determine a theoretical fair value for every security held in the Fund. Portfolio managers can use these models, while also relying on teams of sector specialists, to determine the optimal issue to include in portfolios.

30. Current number, typical number and range of securities held in the product:

As of March 31, 2012	Typical Number	Range
550	605	550 - 643

31. As of March 31, 2012, the typical portfolio allocation to equities in various market capitalization ranges:

This table has been intentionally left blank. The StocksPLUS Total Return strategy employs index derivatives to gain passive exposure to the underlying index. The index derivatives exposure is backed by a short to intermediate duration fixed income portfolio. As such, the requested equity statistics will be nearly identical to that of the equity index.

Market Capitalization Range	**Allocation as of March 31, 2012**	**Typical Allocation**	**Possible Range of Allocation**
Less than $100 million			
Between $100 mil. and $500 mil.			
Between $500 mil. and $1 bil.			
Between $1 bil. and $3 bil.			
Between $3 bil. and $5 bil.			
Between $5 bil. and $10 bil.			
Between $10 and $20 billion			
Greater than $20 billion			
Median Market Capitalization			
Weighted Average Market Capitalization			

32. Sell discipline:

They do not employ automated or mechanical selling procedures. Securities are sold, however, when their credit analysis indicates that a company or a particular issue will become fundamentally flawed. Current holdings are constantly re-evaluated for their relative attractiveness versus investments available in the marketplace. Securities are sold when they individually no longer represent good value, when superior risk/return potential exists in substitute positions (factoring in transaction costs), or when they no longer fit with the macroeconomic or structural strategies in the portfolio.

33. Average large cap core equity turnover for each of the last five years and the current year to date:

Year	**Turnover (annual)**
2007	284%
2008	411%
2009	521%
2010	609%
2011	476%
YTD	601%

Investment Management Fees

34. Fee schedules for the international equity product:

Separate Account

The following table provides the fee schedule for a StocksPLUS Total Return separate account. These fees are provided for informational purposes only as they are proposing a mutual fund for this mandate. The minimum investment for a StocksPLUS Total Return separate account is $150 million.

Performance Based Fees

	Percent Per Annum
Base Fee (Draw Quarterly)	0.150%
Participation rate over Index	15%

No Cap/Rolling 1 year evaluation period

Mutual Fund

A fee schedule for the PIMCO StocksPLUS Total Return Fund, institutional share class, is provided below:

Shareholder Fees (fees paid directly from your investment): None

Annual Fund Operating Expenses

Share Class	Management Fees	Distribution and/or Service (12b-1) Fees	Total Annual Fund Operating Expenses
Institutional	0.64%	N/A	0.64%

Minimum investment for inclusion in the Fund is $1 million. For complete details, please refer to Exhibit I, *PIMCO Funds Prospectus*. The Fund's investments are governed by its prospectus, Statement of Additional Information, and applicable laws and regulations. The Fund's fees are not negotiable.

Private Commingled Fund (for institutional investors only)

While most of this RFP has detailed information about the StocksPLUS Total Return mutual fund, we also offer the strategy in a private fund (LLC) format. Below is the fee schedule.

Performance Based Fees

	Percent Per Annum
Base Fee (Draw Monthly)	0.225%
Participation rate over Index	15%

No Cap/Rolling 1 year evaluation period

35. Has the firm entered into incentive fee arrangements?

Please see the response provided directly above for the Fund's fee schedule.

36. Does the firm use any service, information, or merchandise paid for with directed commissions?

PIMCO prohibits entering into written soft dollar arrangements or commission sharing arrangements.

37. ADV Review:

The firm's ADV was reviewed, no additional information was found.

38. Performance review:

Performance numbers are audited on a monthly basis by the Fund Statistics Group to ensure data integrity. An external auditor, PricewaterhouseCoopers, audits performance numbers at least annually.

Large Cap Core Equity
INVESTMENT MANAGER QUESTIONNAIRE
As of March 31, 2012

Organizational Background

1. Firm name, address, and telephone and fax numbers of main and branch offices:

PNC Capital Advisors, LLC
Firm Geography

Location	Address	Investment Strategy Responsibility
Headquarters:		
Baltimore, Maryland	Two Hopkins Plaza Baltimore, Maryland 21201 Phone: 410.237.5309 Fax: 410.230.9186	1. Taxable Fixed Income
Regional Locations:		
Cleveland, Ohio	1900 East Ninth Street Cleveland, Ohio 44114 Phone: 216.222.8699 Fax: 216.222.3123	1. Taxable Fixed Income 2. International Equity 3. Fundamental Value Equity a. Large Cap b. Large Cap Focused c. Mid Cap Equity 4. Focused Equity
St. Louis, Missouri	120 South Central Avenue Suite 140 Clayton, Missouri 63106 Phone: 314.898.1522 Fax: 314.726.0593	1. Small Cap Equity 2. All Cap
Philadelphia, Pennsylvania	1600 Market Street Philadelphia, Pennsylvania 19103 Phone: 215.585.4646 Fax: 215.585.5696	1. Municipal Fixed Income 2. Large Cap Advantage Equity a. Growth b. Value c. Core d. Dividend Focused e. Concentrated f. SRI
Chicago, Illinois	1 North Franklin Suite 750 Chicago, Illinois 60606	1. Fundamental Value Equity a. Large Cap b. Large Cap Focused

Phone: 312.424.4109
Fax: 312.384.8262

c. Mid Cap Equity
2. Structured Equity
a. Value
b. Growth
c. Core
d. SMID Core
3. Indexed Equity
a. S&P 500
b. Russell 3000
4. Focused Equity

2. Firm's new business contact and database/questionnaire contacts:

Name	Jeffrey Duncan	David Gorny, CFA
Title	Director: Consultant Relations	Director
Office	Chicago, Illinois	Cleveland, Ohio
Phone	312.338.5210	216.222.9742
Fax	312.384.8262	216.222.9314
Email	jeffrey.duncan@pnc.com	david.gorny@pnc.com

3. Firm founded: Registered with the SEC:

Effective Date: September 30, 2009

PNC Capital Advisors, LLC commenced advisory operations on September 30, 2009. PNC Capital Advisors, LLC was formed as a result of the business combination of Allegiant Asset Management Company ("Allegiant") and PNC Capital Advisors, Inc. ("PNC Capital") into PNC Capital Advisors, LLC on September 29, 2009. ***Allegiant and PNC Capital were investment advisers registered under the Investment Adviser Act of 1940 and collectively have managed assets since January 1, 1995.***

Please Note: The former corporate parent of the Allegiant Asset Management Company, National City Corporation, completed a merger with The PNC Financial Services Group, Inc. in December 2008.

I. Firm Registration

PNC Capital Advisors, LLC

SEC Registration Date: September 29, 2009

IARD/CRD Number: 151829
SEC Number: 801-70684

4. Firm's ownership structure and changes over the past five years.

I. Ownership

PNC Capital Advisors, LLC
Ownership

Owner	Percentage Ownership
PNC Bank, N.A.	100%

PNC Capital Advisors, LLC is owned by PNC Bank, N.A. and is an indirect subsidiary of The PNC Financial Services Group, Inc., a publicly traded banking and financial services holding company (NYSE Ticker Symbol: PNC). PNC is one of the nation's top ten banking/financial service organizations, with December 31, 2011 assets in excess of $271 billion.

PNC Bank, N.A. is a wholly owned subsidiary of The PNC Financial Services Group, Inc.

II. Ownership History

PNC Capital Advisors, LLC has an effective date of September 2009, formed as a result of the business combination of Allegiant Asset Management Company ("Allegiant") and PNC Capital Advisors, Inc. ("PNC Capital"). Allegiant and PNC Capital have managed assets collectively for institutional clients since January 1, 1995.

Please Note: The former corporate parent of the Allegiant Asset Management Company, National City Corporation, completed a merger with The PNC Financial Services Group, Inc. in December 2008.

III. Firm Affiliations

The PNC Financial Services Group, Inc., (PNC) indirect corporate parent of PNC Capital Advisors, LLC, is involved in a wide variety of financial service businesses. Affiliates include:

Affiliated Company	Relationship
• Allegheny Capital Partners, LLC	Indirect Subsidiary of PNC
• Allegheny Capital Partners II, LLC	Indirect Subsidiary of PNC
• Allegheny Mezzanine Partners, LLC	Indirect Subsidiary of PNC
• Harris Williams, LLC	Subsidiary of PNC
• National City Equity Partners, Inc.	Indirect, wholly owned subsidiary of PNC
• PNC Capital Finance, LLC	Indirect, wholly owned subsidiary of PNC
• PNC Capital Markets, LLC	Indirect, wholly owned subsidiary of PNC
• PNC IG Fund GP, LLC	Wholly owned subsidiary of PNC Capital Advisors, LLC.
• PNC Insurance Services, LLC	Wholly owned subsidiary of PNC Bank
• PNC Investments, LLC	Wholly owned subsidiary of PNC Bank
• PNC Mezzanine Management Corp.	Wholly owned subsidiary of PNC
• PNC Realty Investors, Inc.	Wholly owned subsidiary of PNC

Please Note: PNC Capital Advisors, LLC generally does not direct security transactions to affiliated brokers.

5. Carriers and the limits of errors and omissions and fiduciary liability insurance:

Coverage: $150 million single aggregate limit subject to a deductible of $25 million per loss ($50 million for investment banking professional liability errors and omissions coverage).

The PNC Financial Services Group, Inc. maintains professional errors and omissions coverage, which is under the Blended Executive Risk Program. On December 1, 2011, PNC affected a one-year non-cancelable Blended Executive Risk financial products insurance program. PNC's Blended Executive Risk Program includes coverage for Directors and Officers Liability Insurance, Professional Liability Errors and Omissions, Employment Practices Liability, Fidelity Bond, Computer Crime and Fiduciary Bond coverage.

This policy covers PNC and its subsidiaries, its Directors & Officers, and employees for sums PNC becomes legally obligated to pay as damages by reason of a claim first made against PNC during the policy period by third parties for liability resulting directly from any act, error or omission on the part of PNC or any other person or entity whose actions PNC is legally responsible in rendering or failing to render professional services.

6. Litigation:

None

PNC Capital Advisors, LLC commenced advisory operations on September 30, 2009. PNC Capital Advisors, LLC was formed as a result of the business combination of Allegiant Asset Management Company ("Allegiant") and PNC Capital Advisors, Inc. ("PNC Capital") into PNC Capital Advisors, LLC on September 29, 2009. Allegiant and PNC Capital were investment advisers registered under the Investment Adviser Act of 1940 and collectively have managed assets since January 1, 1995.

PNC Capital Advisors, LLC has been the subject of no litigation since its September, 2009 effective date.

The firm anticipates no litigation into the foreseeable future.

7. Judgements:

Past Judgements: None
Current Investigations: None

8. Market value of assets under management for the firm for each of the past five calendar years as well as the year-to-date ending March 31, 2012.

	Total Firm Assets				
	Market Value $(Millions)	**# Accounts Gained**	**Assets Gained $(Millions)**	**#Accounts Lost**	**Assets Lost $(Millions)**
Dec 31, 2007	*$30,333.2*	---	---	---	---
Dec 31, 2008	*$27,675.4*	---	---	---	---
Dec 31, 2009	$34,065.6	250	$ 580.3	174	$ 337.3
Dec 31, 2010	$33,654.4	964	$3,573.4	526	$1,780.6
Dec 31, 2011	$34,846.3	1,219	$2,745.4	503	$1,233.0
Mar 31, 2012	$34,514.3	453	$ 681.3	120	$ 659.2

9. Market value of assets under management for the recommended product for each of the past five calendar years as well as the year-to-date ending March 31, 2012.

	Specified Domestic Equity Product				
	Market Value (Millions)	**Accounts Gained**	**Assets Gained (Millions)**	**Accounts Lost**	**Assets Lost (Millions)**
Dec 31, 2007	*$ 675.9*	---	---	---	---
Dec 31, 2008	*$ 480.4*	---	---	---	---
Dec 31, 2009	$1,591.0	120	$ 55.7	60	$ 40.5
Dec 31, 2010	$1,826.3	365	$211.1	183	$127.0
Dec 31, 2011	$2,070.2	571	$330.6	173	$106.5
Mar 31, 2012	$2,379.5	239	$ 97.5	51	$ 38.2

Please Note: 1. PNC Capital Advisors, LLC was formed as a result of the business combination of Allegiant Asset Management Company ("Allegiant") and PNC Capital Advisors, Inc. ("PNC Capital") into PNC Capital Advisors, LLC on September 29, 2009. Allegiant and PNC Capital were investment advisers registered under the Investment Adviser Act of 1940 and have collectively managed assets since January 1, 1995.

Allegiant Asset Management Company's former parent organization, National City Corporation, completed a merger with The PNC Financial Services Group, Inc. in December 2008.

2. Data presented in the table above prior to 2009 reflects the experience of the Large Cap Core Advantage strategy under the management of the Large Cap Advantage Team while with PNC Capital Advisors,Inc. and is presented in italic font.

3. Data presented in the table above for December 31, 2009 represents the experience of PNC Capital Advisors, LLC, for the period September 30, 2009 through December 31, 2009.

Large Cap Core Equity Investment Services

10. Name of the product described in the remainder of this response:

Large Cap Core Advantage

11. Firm's key members of the large cap core equity portfolio management team:

Name	Title	Yrs. w/ Product	Yrs. W/ Firm	Yrs. Inv. Exp.
Douglas Roman, CFA	Managing Director	8	10	25
Ruairi O'Neill, CFA	Co-Portfolio Manager	8	13	17
Mark Batty, CFA	Co-Portfolio Manager	8	9	22
Steven Baumgarten	Equity Analyst	5	5	14
Paul Crovo	Equity Analyst	5	5	27
William Gorman, CFA	Equity Analyst	8	27	30
Joseph Jordan, CFA	Equity Analyst	8	23	32
Michael Rocco	Equity Analyst	5	5	26
Michael Coleman	Investment Research Associate	1	1	1

12. Level of personnel turnover for investment professionals at both the firm and product levels:

Year	**Firm-wide**		**Product Specific**	
	Employees Added	Employees Lost	Employees Added	Employees Lost
Dec 31, 2007	---	---	0	0
Dec 31, 2008	---	---	0	0
Dec 31, 2009	0	2	0	0
Dec 31, 2010	4	4	0	0
Dec 31, 2011	1	2	0	0
Mar 31, 2012	1	0	1	0

13. As of March 31, 2012, the number of accounts, assets under management, median account size, and number of portfolio managers in the product.

$ Assets Under Mgt	**Number of Investors**	**Median Client Size**	**Largest Client Size**	**Number of Portfolio Mgrs**	**Number of Inv Analysts**
$2,379.6	2,889	$0.3	$50.6	3	6

14. Vehicles through which your large cap core product is offered:

	Offered? (Y/N)	Assets ($MM)	Acct Minimum
Separate Account	Y	$2,357.2 Million	$2 Million
Commingled Fund	N	---	---
Mutual Fund	Y	$22.4 Million	$1,000.00
Other (specify)	---	---	---

15. Asset limit:

No

PNC Capital Advisors, LLC has not set maximum assets under management limit relative to its Large Cap Core Advantage strategy.

Large Cap Core Equity Investment Philosophy

16. Investment philosophy/strategy, style and distinguishing characteristics of this product:

I. Investment Philosophy

Philosophy Statement: They Believe Earnings Drive Stock Prices

The Large Cap Advantage investment team believes:

1. Quantitative multi-factor models can refine a broad stock universe to a reasonable subset for subsequent fundamental analysis.

2. Stock price performance is correlated more closely with earnings than any other factor. Constructing a portfolio of stocks with a high potential for earnings growth/surprise, as well as improving fundamentals and attractive current valuations, will best maximize reward-to-risk potential while maintaining style consistency.

3. A clearly defined set of decision making rules that encompass multi-factor modeling and fundamental analysis can result in consistently strong performance relative to benchmark performance levels.

II. Distinguishing Characteristics: Large Cap Advantage Strategy

Value Added via Portfolio Construction Discipline

Key Focus: Total Portfolio Risk/Reward Structure

The Large Cap Advantage investment strategy seeks to construct portfolios that participate in market advances, but also protect against market declines. In positioning the portfolio to achieve this goal, any stock that has cleared the initial quantitative screen and proven sound under fundamental analysis, is subject to extensive risk analysis within the context of the overall portfolio. They seek to construct a portfolio with the best reward/risk ratio.

Specifically, they seek to quantify how a specific stock candidate will perform in the company of other portfolio holdings. Many managers focus solely on identifying stocks and then adding them to the portfolio with little attention to the characteristics of the resulting portfolio. Instead, their primary goal is to systematically examine how stocks interact with each other within the portfolio by using a risk model that decomposes both overall portfolio risk, as well as each stock's contribution to risk. This model is designed to facilitate the understanding of risk, regardless of whether it is intentional or unintentional. This approach to risk management within the context of the overall portfolio ensures they are taking the active exposures that they intend and desire.

17. Style bias:

Style Bias: Core

18. Portfolio approach to the level of cash and equivalent holdings:

The Large Cap Advantage investment team approaches large cap core equity investment with a fully invested orientation. The firm defines fully invested as money market/cash balances of less than 5% of total portfolio assets.

PNC Capital Advisors, LLC
Large Cap Core Advantage Strategy
Cash Positioning
(Three Years Ending March 31, 2012)

Average Position	0.54%	
Maximum Position	0.92%	(December 31, 2011)
Minimum Position	0.27%	(September 30, 2009)

19. How the firm defines the large cap core equity market for the purposes of this product:

The Large Cap Advantage strategy defines its initial investment universe as all stocks (US Domestic) with a market capitalization of $2.0 billion or greater.

20. How does the firm assess the liquidity of individual equity markets:

Key Liquidity Metric: Average Daily Trading Volume

The Large Cap Advantage strategy requires a minimum daily trading volume of $8.0 million.

21. Securities other than common stock and cash equivalents in product:

The Large Cap Advantage strategy invests in traditional equity securities.

The strategy has the flexibility to invest in REITs. ADRs are permitted under the Large Cap Advantage strategy, although they are seldom used.

Options, derivatives, fixed income or commodity investments are prohibited.

22. Benchmark:

Benchmark: Standard & Poor's 500

PNC Capital Advisors, LLC benchmarks its Large Cap Core Advantage strategy to the Standard & Poor's 500 Index, as we believe the index best reflects the elements of large capitalization and core orientation.

23. Expected tracking error of this product compared to the Standard and Poor's 500 Index:

The Large Cap Advantage portfolio's tracking error is managed to a range of 3% to 4%.

24. Does the product target a particular level of volatility (index-relative or absolute)?

The Large Cap Advantage portfolio's tracking error is managed to a range of 3% to 4%

Large Cap Core Equity Research Process

25. Process for identifying attractive securities:

I. Security Selection Overview

The Large Cap Advantage strategy is primarily a bottom-up approach to stock selection. While portfolio managers and analysts are aware of top-down influences on the overall equity markets, these top-down factors are not significant elements in the strategy's investment process.

The Large Cap Advantage investment process integrates both quantitative and fundamental analysis within a rigorous decision-making framework. The ultimate goal of the investment process is to identify candidates with the potential for positive earnings surprises and to build a portfolio of these stocks that will best maximize reward-to-risk potential while maintaining style consistency. Critical to their process is a clearly defined set of decision making rules that encompass multi-factor modeling, fundamental analysis, and portfolio construction. The adherence to a rules-based philosophy has been a cornerstone to their process since inception.

Purchase Criteria: Key Stock Selection Characteristics

Multi-Factor Model Score: The top quintile of stocks evaluated by their multi-factor model is considered eligible for further analysis. The goal of this model is to identify those stocks with the potential for positive earnings surprise, based on ten factors, grouped by stability of earnings, growth, and valuation.

Earnings Estimates: This estimate starts with a careful examination of a firm's balance sheet and financial strength. Using pro forma earnings analysis, the Team's analysts focus on key metrics to calculate a revised earnings figure with special attention on the quality of these earnings.

Reward/Risk Ratio: The Team's analysts construct a list of three key merits and risks, which are rigorously questioned by a senior analyst to ensure conviction. Using these in combination with the earnings estimates, a high and low price target is calculated, based on historical multiples best suited for each industry. The ratio of this high and low price, adjusted for dividends, is the reward/risk ratio. Candidates with reward/risk ratios above one are eligible for the portfolio.

Portfolio Tracking Error: Each candidate has its potential impact on total portfolio tracking error estimated and evaluated within the context of the total portfolio.

Valuation: They look at valuation as a function of the underlying earnings of a stock, believing that valuations correlate to earnings more so than any other factor. Their multi-factor model for our Large Cap Core Advantage strategy has a 1/3 allocation to value factors, including:

Price/Earnings Ratio
Price/Book Ratio
Price/Cash Flow Ratio
Price/Sales Ratio
Sector Relative Value

Their estimate of price targets are based on the historic valuation metrics of each specific sector. A stock trading below their low price estimate is sold. Stocks trading above their high price estimates are automatically subject to review with an immediate intention to sell.

Step One: Multi-Factor Model Screening

Initial Universe: The Large Cap Advantage strategy defines its initial investment universe as all stocks (US Domestic) with a market capitalization of $2.0 billion or greater.

Their process starts with a proprietary multi-factor model which provides an objective methodology to compare investment opportunities. Their model, which was originally constructed in 2003 and used consistently since, has served as a validation to their philosophy that stock prices correlate more closely with earnings than any other factor. Their objective was to develop a parsimonious model that possesses consistent predictive ability, based upon principles of fundamental analysis.

In total, their model contains 10 factors that have not been altered regarding factor definition or weighting since inception. They believe in our model's persistency and have been careful to not include short-term factors that can be cyclical in nature.

They use the model to identify both buy and sell candidates. By evaluating both buys and sells with the same criteria, they eliminate potential valuation biases in a sell discipline. They realize that multi-factor models cannot always capture the economic reality of a company, but they do believe that models can evaluate and refine stock universes to a reasonable subset for subsequent fundamental analysis.

Their model includes factors classified in three categories: Growth Factors, Stability of Earnings Factors and Value Factors. With respect to the Large Cap Core Advantage strategy, these factors are weighted:

Factor Classification	Factor	Weighting
Growth Factors		1/3
	Earnings Surprises	
	Earnings Estimate Revisions	
	Relative Strength	
Stability of Earnings Factors		1/3
	Growth of Earnings	
	Stability of Earnings Growth	
Value Factors		1/3
	Price/Earnings Ratio	
	Price/Book Ratio	
	Price/Cash Flow Ratio	
	Price/Sales Ratio	
	Sector Relative Value	

.

This first step of their process narrows down their initial universe of stocks from approximately 1,000 stocks to 300 stocks.

Step Two: Fundamental Analysis

Key Focus: Deriving a Proprietary Earnings Estimate

Candidates identified by their multi-factor model are those which they have objectively identified as having compelling valuation characteristics and the highest probability of a positive earnings surprise. Once these candidates have been identified, the Team's sector analysts are assigned to study each stock, with the ultimate goal being the calculation of a reward/risk ratio for each stock, using the derivation of their proprietary earnings estimate.

Their teams of analysts have specific sector assignments. This sector emphasis is critical in that it allows each analyst to focus on fundamentals that are most important to each company. Their fundamental analysis may be unique to each sector, but it is performed within a standard convention with consistent outputs.

Each analyst starts with a careful examination of a firm's balance sheet and financial strength. Using select key metrics to calculate a revised earnings figure, special attention is paid to the quality of these earnings. If their analyst's earnings estimates are above consensus estimates, the candidate stock has the potential to surprise and is further considered for inclusion in the portfolio.

Specifically, the analyst constructs a list of three key merits and risks, which are rigorously questioned by a senior analyst to ensure conviction. Using these in combination with the earnings estimates, a high and low price target is calculated for the candidate stock, based on historical multiples best suited for each industry. The ratio of this high and low price, adjusted for dividends, is the reward/risk ratio. Candidate stocks with reward/risk ratios above one are eligible for the portfolio.

Each stock that is reviewed by an analyst carries a corresponding candidate for additional report. This is a systemized review document that entails all of the criteria which is a critical input into the portfolio construction process.

III. Research Approach

Internal Sources: 80%
External Sources: 20%

Research analysts provide stock recommendations that meet the strategy's quantitative and fundamental screens. The Team's multi-factor quantitative screen focuses on key momentum, valuation and stability of earnings variables. With respect to fundamental analysis, Team analysts must have conviction in a company's ability to deliver upside earnings surprises in conjunction with a favorable reward/risk orientation, defined as upside price potential greater than downside price risk.

Two Senior Analysts/Portfolio Managers each allocate approximately 70% of their time to research, while five analysts allocate 100% of their time to research. The firm maintains a comprehensive suite of financial applications and databases that are utilized by the Large Cap Advantage Equity team, including FactSet, Baseline and Bloomberg. Approximately 20% of research is from external sources such as independent research organizations and sell-side banks.

The Team's analysts have specific sector responsibilities. This sector emphasis is critical in that it allows each analyst to focus on fundamentals that are most important to each company. Their fundamental analysis may be unique to each sector, but it is performed within a standard convention with consistent outputs.

26. Number of securities regularly followed by security analysts and/or portfolio managers:

Initial Universe: 1,000 Stocks
Working List: 300 Stocks

27. Processes in place to detect accounting irregularities at companies held in the portfolio.

The Large Cap Advantage Equity team has no formal process in place to detect accounting irregularities.

However, team members have extensive experience with financial statement analysis, and the stocks within their sectors of responsibility. Through detailed discussions with an investment candidate's industry competitors, suppliers and Wall Street sector analysts, the team has developed a strong sense and/or suspicion relative to published financial data.

28. Does the firm use any technical and/or price momentum research?

No

The Large Cap Advantage strategy is primarily a bottom-up approach to stock selection. Technical analysis is not utilized.

Portfolio Construction and Management

29. Portfolio construction and management process:

I. Portfolio Construction

The Large Cap Advantage investment strategy seeks to construct portfolios that participate in market advances, but also protect against market declines. In positioning the portfolio to achieve this goal, any stock that has cleared the initial quantitative screen and proven sound under fundamental analysis, is subject to extensive risk analysis within the context of the overall portfolio. They seek to construct a portfolio with the best reward/risk ratio.

Specifically, they seek to quantify how a specific stock candidate will perform in the company of other portfolio holdings. Many managers focus solely on identifying stocks and then adding them to the portfolio with little attention to the characteristics of the resulting portfolio. Instead, their primary goal is to systematically examine how stocks interact with each other within the portfolio by using a risk model that decomposes both overall portfolio risk, as well as each stock's contribution to risk. This model is designed to facilitate the understanding of risk, regardless of whether it is intentional or unintentional. This approach to risk management within the context of the overall portfolio ensures they are taking the active exposures that they intend and desire.

Portfolio construction parameters include:

Tracking Error: Portfolio tracking error is managed to a range of 3% to 4%. Each stock is evaluated on a contribution to the total portfolio tracking error basis.

Sector Allocation: Security selection via the multi-factor model drives sector weightings.

Index Sector Allocation	Portfolio Allocation Range
0% to 5%	0.0% to 2.0X Index Weighting
5% to 10%	0.5X to 1.5X Index Weighting
10% Plus	0.8X to 1.2X Index Weighting

Individual Security Weighting: The Large Cap Core Advantage strategy will normally maintain a range of 40 to 75 securities.

Each security is subject to a 3% active weighting constraint (+/- 3%) relative to the Standard & Poor's 500 benchmark.

Security weights are determined using the multi-factor model, as well as a timeliness overlay consisting of both Time Weighted Revisions (TWR) and Standard Unexpected Earnings (SUE). These measures are used to quantify near-term earnings behavior, for better downside protection and upside capture.

Cash Allocation: The Large Cap Advantage investment team approaches large cap core equity investment with a fully invested orientation. The firm defines fully invested as money market/cash balances of less than 5% of total portfolio assets.

30. Current number, typical number and range of securities held in the product:

As of March 31, 2012	Typical Number	Range
64	65	40-75

31. As of March 31, 2012, the typical portfolio allocation to equities in various market capitalization ranges:

Market Capitalization Range	**Allocation as of March 31, 2012**	**Typical Allocation**	**Possible Range of Allocation**
Less than $100 million	0.0%	0.0%	0.0%
Between $100 mil. and $500 mil.	0.0%	0.0%	0.0%
Between $500 mil. and $1 bil.	0.0%	0.0%	0.0%
Between $1 bil. and $3 bil.	0.0%	0.0%	No Formal Policy
Between $3 bil. and $5 bil.	1.1%	0.9%	No Formal Policy
Between $5 bil. and $10 bil.	11.4%	14.1%	No Formal Policy
Between $10 and $20 billion	18.4%	18.7%	No Formal Policy
Greater than $20 billion	69.1%	66.3%	No Formal Policy
Median Market Capitalization	$ 59,129.2	$38,865.1	No Formal Policy
Weighted Average Market Capitalization	$122,116.1	$96,937.1	No Formal Policy

32. Sell discipline:

The Large Cap Advantage Team's sell discipline is systematic and rules-based. Securities are monitored on a continuing basis, with:

1. Multi-factor model run on a daily basis
2. Portfolio holdings reviewed weekly during team strategy sessions
3. Stocks re-evaluated as earnings are reported

If a security falls below their low price target, and it meets one of three key criteria, it will be reviewed with an intention to sell. These three key criteria are:

1. Security scores in bottom quintile in multi-factor model
2. Analyst projects earnings estimates below consensus
3. Deterioration in near-term consensus earnings estimates into bottom quintile of universe based on percentage change

Additional individual security review triggers include:

1. A security that exceeds their reasonable price target
2. The multi-factor model identifies a better opportunity

33. Average large cap core equity turnover for each of the last five years and the current year to date:

Year	**Turnover (annual)**
2007	---
2008	---
2009	69.7%
2010	49.0%
2011	60.1%
YTD	16.8%

Investment Management Fees

34. Fee schedules for the international equity product:

	Market Value	Fee in Percent
First	$ 5 Million	0.75%
Next	$10 Million	0.60%
Next	$35 Million	0.50%
Over	Balance	0.45%

Minimum portfolio size and portfolio management fees are negotiable on a case-by-case basis due to potential growth, size and services rendered.

II. Mutual Fund Vehicle

PNC Capital Advisors, LLC
Expense Ratio: Large Cap Core Advantage Strategy
(Mutual Fund Vehicle)

Expense Ratio:	1.28%
Waiver and Reimbursement:	0.34%
Net Expense Ratio:	0.94%

35. Has the firm entered into incentive fee arrangements?

No.

36. Does the firm use any service, information, or merchandise paid for with directed commissions?

I. Soft Dollar Policies

PNC Capital Advisors, LLC has an obligation to obtain "best execution" for client transactions under the circumstances of the particular transaction. When several brokers can satisfy PNC Capital Advisors, LLC's obligation to obtain "best execution", the Equity Securities Trading Team may place the order with a broker that provides PNC Capital Advisors, LLC with brokerage and research services and/or products, either directly or through a third party, subject to the following requirements:

- Except as noted elsewhere in the Policy, research or other services received using client commission arrangements must be approved by the Brokerage and Client Commission Arrangements Committee.
- PNC Capital Advisors, LLC must be vested with investment discretion over the accounts used to generate the brokerage commissions.
- The brokerage placed must be for securities transactions.
- Only commissions may be used for client commission arrangements. No transactions done on a principal basis can be used for client commission arrangements. In addition, a trade for a fixed income security or OTC security shall be done on an agency basis only if it would not result in a broker-dealer unnecessarily being inserted (i.e., "interpositioned") between PNC Capital Advisors, LLC and the market marker or dealer for that security. Fees paid for transactions done on a riskless principal basis may be used for client commission arrangements, if both legs are executed at the same price and the transactions are reported under the NASD's trade reporting rules.

- The transaction is otherwise consistent with PNC Capital Advisors, LLC's trade allocation procedures.

  The Committee must approve all new client commission arrangements before they can be entered into. The Committee is authorized to approve a client commission arrangement if the conditions listed below have been satisfied.

- The client commission arrangement must satisfy the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.
- With respect to client commission arrangements that involve a product/service determined to be a mixed-use item (i.e., a product or service that has both research and non-research uses), the Committee is responsible for determining the allocation of cost between the amount to be paid out of the Adviser's revenues, and using client commissions.
- The client commission arrangement must be consistent with the firm's disclosure in its Form ADV.
- The client commission arrangement must not be with an affiliated broker.

Only PNC Capital Advisors, LLC's Board of Directors may approve client commission arrangements that fall outside of the Section 28(e) safe harbor (e.g., using concessions generated on fixed price offerings to obtain research). The Committee periodically reviews PNC Capital Advisors, LLC's existing client commission arrangements and determines for each such arrangement: (a) if the product or service is needed, (b) whether it provides legitimate assistance in the investment decision-making process and (c) whether the commissions paid are reasonable in relation to the services provided.

II. Soft Dollar Commitments

PNC Capital Advisors, LLC has committed to soft dollar (CCA) obligations. Calendar year 2011's CCA obligations were approximately $800,000.00.

Acknowledging competitive considerations, PNC Capital Advisors LLC does not present details of its soft-dollar relationships in the request for information response process.

37. ADV Review:

THE OFFICE OF THE COMPTROLLER OF THE CURRENCY (OCC) STATED THAT IT HAD IDENTIFIED UNSAFE OR UNSOUND PRACTICES RELATED TO RESIDENTIAL MORTGAGE LOAN SERVICING AND THE INITIATION AND HANDLING OF FORECLOSURE PROCEEDINGS. THE BANK NEITHER ADMITTED NOR DENIED ANY WRONGDOING.

38. Performance review:

PNC is GIPS complaint from inception of the company Feb 11, 2008 through September 29, 2009.

Large Cap Core Equity
INVESTMENT MANAGER QUESTIONNAIRE
As of March 31, 2012

Organizational Background

1. Firm name, address, and telephone and fax numbers of main and branch offices:

The TIAA-CREF organization has nearly 70 offices, which serve all 48 states in the continental United States, in Alaska, Hawaii, Puerto Rico, the U.S. Virgin Islands and in London. These offices serve the broad retirement and financial planning needs of the organization's clients.

The organization has 308 investment professionals* supporting equity, fixed income and real estate as of March 31, 2012, who are primarily located in New York City, Charlotte, NC, Newport Beach, CA, San Francisco and London.

TIAA-CREF Investment Professionals			
City/State	Street Address	Function	Number of Investment Professionals
New York, NY *(Headquarters)*	730 Third Avenue	Acquisitions, Asset Management, Capital Markets Sales & Financing, Portfolio Management, Equity and Fixed Income Research and Trading,	161
Charlotte, NC	8500 Carnegie Blvd.	Acquisitions, Asset Management, Portfolio Management, Fixed Income Research	77
San Francisco, CA	560 Mission Street	Portfolio Management, Equity and Fixed Income Research and Trading,	39
Newport Beach, CA	4675 MacArthur Court	Acquisitions, Asset Management, Capital Markets Sales & Financing, Portfolio Management	21
London, England	33 Cavendish Square	Acquisitions, Asset Management, Capital Markets Sales & Financing	6
Other:			
Boston	One Beacon Street	Global Public Markets, Global Private Markets	2
Houston, TX	6400 Fannin Street	Global Private Markets	1
Remote	---	Global Private Markets	1
Total			**308**

Susan Kempler, CPA the lead portfolio manager for the Large Cap Core strategy is located in our San Francisco office. Thomas Franks, CFA, is located in our New York City headquarters.

2. Firm's new business contact and database/questionnaire contacts:

	New Business Contact	Questionnaire Contact
Name	Andrew Rasmusen, CFA	Trey Eno
Title	Managing Director, Consultant Relations	Director, Consultant Relations
Office	35 North Lake Avenue Suite 800 Pasadena, CA 91101	8500 Andrew Carnegie Blvd. Charlotte, NC 28262
Phone	626-432-6318	704-988-4670
Fax	626-304-1091	704-988-4918
Email	arasmusen@tiaa-cref.org	treno@tiaa-cref.org

3. Firm founded: 1918 Registered with the SEC: July 21, 1984

4. Firm's ownership structure and changes over the past five years.

The strategy's advisor, Teachers Advisors, Inc. (TAI), is a registered investment advisor and directly owned subsidiary of TIAA-CREF Asset Management, Inc. ("TIAA-CREF Asset Management") and an indirect wholly owned subsidiary of Teachers Insurance and Annuity Association (TIAA). TIAA-CREF Asset Management is a holding company wholly owned by TIAA that provides investment advice and portfolio management services for the TIAA-CREF group of companies through its investment advisory subsidiaries, including TAI. TIAA is a stock life insurance company organized under New York law that operates without profit by the terms of its charter. All of the outstanding stock of TIAA is held by the TIAA Board of Overseers.

5. Carriers and the limits of errors and omissions and fiduciary liability insurance:

TAI is covered by the TIAA-CREF corporate insurance coverage program. Please see below for current coverage details:

Errors & Omissions coverage of at least $10 million. This coverage is underwritten by National Union Fire Insurance Company of Pittsburgh, PA. The policy provides coverage for errors and omissions committed by company and/or its employees.

Fidelity Bonding (also known as a Financial Institution Bond) with coverage limits of at least $10 million. This coverage is underwritten by Vigilant Insurance Company, a subsidiary of The Chubb Group of Insurance Companies. The policy provides protection against fidelity losses committed by company employees as well as the theft of money or securities.

In addition, as a prudent organization, the TIAA-CREF group of companies maintain a number of other property and casualty insurance coverages (i.e., worker's compensation insurance, directors' and officers' liability insurance, public liability insurance, auto liability insurance, etc.) to protect the assets of the organization against lawsuits and other hazards.

Fiduciary Liability Insurance Coverage (also known as Pension Trust Liability Insurance) which TIAA purchases only applies to the trustees of TIAA's own pension plan for its employees. It does not apply to nor does it protect the Trustees of our customers' pension plans. We believe it is the responsibility of the Trustees of a pension plan to evaluate their plan's exposure to risk and purchase the appropriate coverage to meet their individual needs.

6. Litigation:

Within the past 10 years, there have been no formal administrative complaints, hearings, regulatory actions or proceedings by the Securities and Exchange Commission (SEC), Department of Labor (DOL), or state insurance departments or other regulators related to the types of investment services they are proposing in this RFP.

However, as set forth in TAI's most recent Form ADV (March 30, 2012), one of TAI's senior equity traders (along with 11 other defendants) is the subject of litigation pending in Mumbai, India, arising from the alleged non-payment of loans that occurred in Mumbai, India.* The action disclosed in the ADV is specific to the individual and is not directed at the firm or any of its principals. No enforcement actions have been taken against TAI, its officers or directors. TAI's Form ADV Part I, ADV Brochure (aka Part 2A) can be accessed through the SEC website.

Teachers Advisors, Inc. was added to a complaint in 2011 that is seeking to certify a class action. The complaint stems from participants within the TIAA-CREF retirement platform and is not directly related to our asset management business. The real party-in-interest is TIAA, the parent company; however, the plaintiff has decided to add additional entities. At this time, they do not view this litigation as being material (as to TIAA or Teachers Advisors, Inc.). The complaint alleges that TIAA-CREF delays transactions and keeps any gains that seem to occur for itself while giving its participants only the value on the effective "in good order" date.

7. Judgements:

Within the past 10 years, there have been no formal administrative complaints, hearings, regulatory actions or proceedings by the Securities and Exchange Commission (SEC), Department of Labor (DOL), or state insurance departments or other regulators related to the types of investment services they are proposing in this RFP.

8. Market value of assets under management for the firm for each of the past five calendar years as well as the year-to-date ending March 31, 2012.

	Total Firm Assets				
	Market Value $(Millions)	**# Accounts Gained**	**Assets Gained $(Millions)**	**#Accounts Lost**	**Assets Lost $(Millions)**
Dec 31, 2007	$439,855	0	$0	0	$0
Dec 31, 2008	$363,409	1	$129	0	$0
Dec 31, 2009	$414,635	1	$7	0	$0
Dec 31, 2010	$453,431	3	$593	0	$0
Dec 31, 2011	$464,434	1	$462	1	$61
Mar 31, 2012	$487,095	0	$0	0	$0

9. Market value of assets under management for the recommended product for each of the past five calendar years as well as the year-to-date ending March 31, 2012.

	Specified Domestic Equity Product				
	Market Value (Millions)	**Accounts Gained**	**Assets Gained (Millions)**	**Accounts Lost**	**Assets Lost (Millions)**
Dec 31, 2007	$1,098	*	*	*	*
Dec 31, 2008	$924	*	*	*	*
Dec 31, 2009	$1,603	*	*	*	*
Dec 31, 2010	$2,053	*	*	*	*
Dec 31, 2011	$2,341	*	*	*	*
Mar 31, 2012	$2,797	*	*	*	*

*As of the date of submission, all investments in the strategy are through the mutual fund vehicle. The Fund does not publish clients/accounts gained or lost.

Large Cap Core Equity Investment Services

10. Name of the product described in the remainder of this response:

They are proposing the TIAA-CREF Asset Management Large-Cap Core strategy. This strategy is offered as a separate account and through the TIAA-CREF Growth and Income Fund.

11. Firm's key members of the large cap core equity portfolio management team:

Name	Title	Yrs. w/ Product	Yrs. W/ Firm	Yrs. Inv. Exp.
Susan Kempler, CPA	Lead Portfolio Manager	7	7	24
Thomas Franks, CFA	Portfolio Manager	2	11	15

12. Level of personnel turnover for investment professionals at both the firm and product levels:

Year	Firm-wide		Product Specific	
	Employees Added	Employees Lost	Employees Added	Employees Lost
Dec 31, 2007	8	25	0	0
Dec 31, 2008	5	9	0	0
Dec 31, 2009	1	2	0	0
Dec 31, 2010	8	5	1	1
Dec 31, 2011	13	9	0	0
Mar 31, 2012	2	3	0	0

13. As of March 31, 2012, the number of accounts, assets under management, median account size, and number of portfolio managers in the product.

$ Assets Under Mgt	Number of Investors	Median Client Size	Largest Client Size	Number of Portfolio Mgrs	Number of Inv Analysts
$2,797	N/A*	N/A*	N/A*	2	39**

*As of the date of submission, all investments in the strategy are through the mutual fund vehicle. The Fund does not publish client details.
**Support all equity products

14. Vehicles through which your large cap core product is offered:

	Offered? (Y/N)	Assets ($MM)	Acct Minimum
Separate Account	Y	$0.0	$50 million
Commingled Fund	N	N/A	N/A
Mutual Fund	Y	$2,797	$2 million (institutional share class)
Other (specify)	N	N/A	N/A

15. Asset limit:

Given the large-capitalization focus of the strategy, liquidity is typically not an issue. Therefore, they anticipate no capacity constraints up to approximately $6 billion, at which point they would reevaluate.

Large Cap Core Equity Investment Philosophy

16. Investment philosophy/strategy, style and distinguishing characteristics of this product:

INVESTMENT OBJECTIVE
The Large-Cap Core strategy seeks a favorable long-term total return, mainly through capital appreciation, primarily from equity securities of large U.S. companies.

INVESTMENT PHILOSOPHY
The portfolio management team believes that investment opportunities exist when a stock's fundamentals are not reflected in its valuation. Consistent relative outperformance can be captured through rigorous research and analysis that focuses on identifying stocks with clear growth drivers and attractive relative valuations. This philosophy leads the portfolio to emphasize equity securities of larger, well-established, mature-growth companies that the management team believes are attractively valued, show the potential to appreciate faster than the rest of the market and offer a growing stream of dividend income. The team concentrates on finding companies that are leaders in their respective industries and have sustainable competitive advantages. They also look for companies with management teams that are dedicated to creating shareholder value.

INVESTMENT STRATEGY
They employ a bottom-up, valuation-driven approach to identify companies that, in general, have:

- Accelerating earnings profiles
- Sound business structures and practices

- Strong market position with defensible franchises
- Shareholder-oriented management teams that understand how to redeploy cash flow

- The strategy generally employs a GARP (growth at a reasonable price) approach to stock selection, which is expressed in one of two ways:

- Traditional GARP approach. They define this as buying something for less than it will be worth in the future. More specifically, they look for companies with accelerating revenues and/or earnings that exceed expectations along with a consistently strong financial profile (margins, cash flows, debt, cash, etc.). This typically leads to a sustainable multiple or multiple expansion. Exercising discipline with portfolio purchases and sales is critical to success, as they aim neither to overpay for the anticipated growth rate, nor to hold stocks that have appreciated to or beyond their price targets.

- Structural or lifecycle change. More specifically, these are companies with growth potential that is masked and requires change to unlock their full value (for example, new management or new business composition). The keys here are recognizing that there has been a change, understanding the potential value creation, and being able to determine the revaluation that has not yet been fully priced in by the market.

17. Style bias:

The general investment approach is <u>Core</u> with a GARP (growth at a reasonable price) bias.

18. Portfolio approach to the level of cash and equivalent holdings:

Cash held typically ranges from 1% to 3%. The maximum level of cash that the portfolio can hold is 5%, and the portfolio has not held more than 5% at any time during the last five years.

19. How the firm defines the large cap core equity market for the purposes of this product:

The universe includes the S&P 500® Index (the strategy's benchmark) and any other U.S. listed equities greater than $1 billion in market capitalization.

20. How does the firm assess the liquidity of individual equity markets:

Liquidity is not typically an issue associated with the strategy, as the focus is on primarily large-cap U.S. companies.

21. Securities other than common stock and cash equivalents in product:

The strategy invests primarily in common stocks and ADRs. In addition, index futures are sometimes employed in order to put excess cash to work on a timely basis to ensure market participation.

22. Benchmark:

The benchmark for this strategy is the S&P 500® Index.

23. Expected tracking error of this product compared to the Standard and Poor's 500 Index:

The strategy targets a tracking error range between 200 and 400 basis points relative to its benchmark (the S&P 500 Index). Since Susan Kempler took over management of the product in 2005, the tracking error has ranged from approximately 200 to 350 basis points. The portfolio has been able to outperform its benchmark and peers without requiring a high tracking error.

24. Does the product target a particular level of volatility (index-relative or absolute)?

The strategy does not target a particular level of volatility.

Large Cap Core Equity Research Process

25. Process for identifying attractive securities:

INVESTMENT UNIVERSE
The investment process starts with defining the investable universe, which is derived from the constituents in the benchmark (S&P 500) as a primary universe as well as any other U.S. listed stocks that are greater than $1 billion in market capitalization. Approximately 1,200 stocks fall into the combination of these two. Their disciplined analytical approach and understanding of the primary growth drivers within sectors and industries allows them to narrow down the investable universe by focusing on those stocks of higher perceived quality, which narrows the potential investment opportunities to approximately 800 stocks. They perform disciplined, fundamental analysis on the stocks that hold investment appeal on a preliminary basis because of the industry exposure they offer and consensus estimates of their growth and valuation.

FUNDAMENTAL RESEARCH AND ANALYSIS
The strategy employs a bottom-up security selection process to identify stocks that they believe have the ability to substantially outperform relative to securities represented in the S&P 500. In doing so, they leverage a network of resources that includes TIAA-CREF's centralized research team and other TIAA-CREF portfolio managers. This part of the process focuses on the following criteria:

- Industry. Identify the growth characteristics of the industry in which the company operates to determine whether the industry is growing and whether the growth is cyclical or secular. Understanding the growth characteristics and opportunities available among companies within that industry is a critical component of their process.
- Management. Evaluate management's ability to consistently deliver on financial targets and to successfully redeploy cash flow to maintain or accelerate growth.
- Competitive Positioning. Determine whether the company has competitive advantages; if there are barriers to entry; and whether it has leading products and a good product roadmap. Their goal is to capture sustainable trends that are and will be drivers of future growth.

- Structural or Lifecycle change. They also seek to identify and invest in companies where something has fundamentally changed within the company (management or business composition) that makes it a worthwhile investment.

In pursuing a more detailed understanding of fundamentals, they conduct extensive interviews not only with top-level company management, but also with the company's competitors and suppliers, and with industry experts that may have a bearing on an investment decision. This level of access, afforded by TIAA-CREF's scale, breadth and depth of experience as an institutional investor, provides them with deeper insight into company operations and industry developments and has proven over time to be a significant value-added component of their investment process. In the majority of cases, company meetings are conducted on location and are important in validating their investment thesis for that company.

FINANCIAL ANALYSIS
They focus their analysis on financial targets and valuation, using a modeling process to develop detailed five- and 10-year forecasts on the following:

- Revenues – a company's ability to grow volumes and potential to raise prices
- Margins – the potential to maintain or expand profit margins
- Cash flows – the ability to grow and redeploy effectively
- Expected return on capital
- Other balance sheet metrics, such as cash and debt levels

VALUATION ANALYSIS
The modeling process described above, coupled with the qualitative analysis garnered by meeting with management teams, provides an initial indication of a security's relative value. A valuation is assigned to a company based on the following:

- Its historical valuation range
- Valuation of comparable companies if the historical valuation is not relevant
- Discounted future cash flows
- Net asset value

ACQUISITION ANALYSIS
To be included in the portfolio, a stock must offer a clear investment thesis with identifiable drivers of growth, while also trading at an attractive valuation. For each stock considered, a price target is established and the stock is added to the portfolio if their estimate of its value is not currently reflected in the price of the stock or if the earnings estimates have upside, resulting in incorrect current valuation.

BUY DISCIPLINE
When purchasing a stock for the portfolio, the entry point is critical and typically requires approximately 20% upside to target price. If the entry point is attractive enough to buy the stock, then it also provides a margin of safety in a poor market environment or if the investment thesis doesn't evolve as expected. Even if a company exhibits definitive growth prospects, strong margins, uses capital efficiently, and has a strong balance sheet, they still must believe there is value that is not fully reflected in the stock price.

Once a stock is bought, they continually monitor the price movements and fundamentals to assess the ongoing risk/reward potential. They perform this analysis at both the company level and at the portfolio level.

Macro-economic forecasts are not factored into the portfolio construction. The strategy employs a bottom-up security selection process to identify stocks that they believe have the ability to substantially outperform relative to securities represented in the benchmark.

26. Number of securities regularly followed by security analysts and/or portfolio managers:

Depending on the sector, whether or not the sector coverage is global, and the size of the respective benchmark, an individual analyst might have responsibility for 30 to 60 companies on average.

27. Processes in place to detect accounting irregularities at companies held in the portfolio.

An in-depth, bottom-up analysis of the financials (income statement, balance sheet and cash flow statement) and comments in SEC filings for each company under coverage is performed by the portfolio management team and/or in-house analysts, (who have, on average, 14 years of industry-specific experience). In addition, following management teams over time, including their history at prior organizations, provides insight as to their quality.

28. Does the firm use any technical and/or price momentum research?

The strategy relies primarily on bottom-up, fundamental analysis as the basis for investment decisions, and technical and price momentum research does not play a significant role in the selection of investments.

Portfolio Construction and Management

29. Portfolio construction and management process:

As Lead Portfolio Manager, Susan Kempler is always responsible for buy and sell decisions, drawing on inputs from the analysts in making her decisions. Please see below for a detailed description of the process.
PORTFOLIO CONSTRUCTION
The portfolio is constructed by following a disciplined process to provide the best opportunity for delivering superior risk-adjusted returns. Specific portfolio construction guidelines are followed in order to achieve appropriate balance with respect to sector and security-level exposures as well as liquidity considerations and risk characteristics.

Sector management. The portfolio is managed with an acute awareness of industry sector weightings relative to the benchmark. While there are no hard-and-fast sector limits for the strategy, a self-imposed range of +/- 300 basis points serves as a risk threshold that is rarely approached. Limiting the relative sector exposures in the portfolio allows their competitive advantage of bottom-up stock selection to make the most significant positive impact on performance. Sector weightings are a derivative of stock selection, not a function of top-down analysis.

Individual position management. Individual positions are managed within a +/- 300 bps range vs. the S&P 500. This limit helps ensure that a few positions do not dominate the portfolio. Additionally, limiting position size focuses the decision to trim winners to lock in gains and minimizes the risk of maintaining a few relatively outsized positions following rapid price appreciation.

Positions are typically initiated with an overweight that corresponds to the confidence they have in their investment thesis and the market capitalization of the stock. If they do not have a long history with the company, they will initiate a "starter" position that is increased or decreased over time after assessing one or two quarterly results for that company. Most of the overweight's in the portfolio range from 25 bps to 100 bps.

Liquidity. Liquidity is monitored very closely to ensure that positions of the desired size can be established and removed with relative speed and with minimum negative impact on the price of the security.

Thesis drift. If the original investment thesis (the rationale for adding a stock to the portfolio) is no longer intact, the stock will be sold. Portfolio holdings are routinely monitored for thesis drift.

Event risk. Occasionally, fundamental events occur at a company that have broad implications. Such events are evaluated, and the stock sold, if the investment thesis is impaired.

Review of holders/short interest levels. The top holders of a portfolio's securities are monitored, as are short interest levels.

Cash. The portfolio is permitted to hold up to 5% of its assets in cash, but cash is typically kept to <1%. This level allows typical inflows and outflows to occur without requiring the trading of any holdings. Cash is not used on a tactical basis.

Quantity and concentration of holdings. The portfolio's typical range of investments is about 125-175 holdings across all S&P 500 sectors. The top 10 holdings in the portfolio typically comprise 20%-25% of the portfolio's assets. Internationally domiciled holdings may comprise up to 20% of the portfolio's assets by prospectus, but there is generally no specific effort made to search for direct international exposure. Instead, international stocks typically make their way into the portfolio as the result of a dearth of superior U.S. investment opportunities within a specific sector/industry, causing the portfolio management team to look elsewhere. Recently, foreign holdings have represented less than 5% of the portfolio.

30. Current number, typical number and range of securities held in the product:

As of March 31, 2012	Typical Number	Range
172	125-175	133-173

31. As of March 31, 2012, the typical portfolio allocation to equities in various market capitalization ranges:

Market Capitalization Range	Allocation as of March 31, 2012	Typical Allocation	Possible Range of Allocation
Less than $100 million	0%	0%	0%
Between $100 mil. and $500 mil.	0.09%	0-0.25%	0%-0.75%
Between $500 mil. and $1 bil.	0.14%	0% - 0.50%	0%-0.75%
Between $1 bil. and $3 bil.	1.98%	2% - 5%	0-10%
Between $3 bil. and $5 bil.	5.15%	5% - 7%	0%-10%
Between $5 bil. and $10 bil.	10.57%	5% - 10%	5%-15%
Between $10 and $20 billion	16.48%	5% - 15%	5%-20%
Greater than $20 billion	65.59%	65% -75%	55%-85%
Median Market Capitalization	$41.9 B	$15 - $30 B	$10-$35 B
Weighted Average Market Capitalization	$103.2 B	$75 – $105 B	>$65 B

32. Sell discipline:

Positions may be sold for a number of reasons, the most important of which is a fundamental deterioration that cannot be corrected. Other reasons for selling a portfolio holding may include:

- The stock appreciates to its full value
- Another stock represents a more compelling risk/reward opportunity
- Due to appreciation, the position reaches its size limit within the context of the overall portfolio

Their disciplined approach to portfolio construction stems from their desire to avoid making mistakes when possible and to minimize the effect of a mistake if one is made.

33. Average large cap core equity turnover for each of the last five years and the current year to date:

Year	Turnover (annual)
2007	84%
2008	132%
2009	133%
2010	126%
2011	116%
YTD	N/A

Investment Management Fees

34. Fee schedules for the international equity product:

	Market Value	Fee in Percent
First	$50 million	0.50%
Next	$25 million	0.48%
Next	$75 million	0.45%
Over		

Minimum annual fee: $250,000

POOLED FUND
The strategy is also offered through the TIAA-CREF Growth & Income Fund.

The Institutional share class is available with a minimum investment of $2 million.

The expense ratio for Institutional shares is 0.47%.

35. Has the firm entered into incentive fee arrangements?

There are no incentive fee arrangements related to the Large-Cap Core strategy. However; certain of TAI's real estate joint ventures disclosed in TAI's Form ADV Part 1 charge performance-based fees as follows:

- A percentage of members' excess returns above the NCREIF return
- Leasing success incentive fee upon the income of the Joint Venture reaching a defined level
- Other incentive fees as defined in the Joint Venture's operating documents

Performance-based fees can create certain conflicts of interest as managers of accounts with performance-based fees may have an incentive to take less conservative asset allocation unlike non-performance based fee accounts. TAI has policies and procedures to mitigate the conflict of interest associated with managing both performance-based fee and asset-based fee accounts.

36. Does the firm use any service, information, or merchandise paid for with directed commissions?

They do not direct trades to broker/dealers at the client's request. They feel that client directed trading might interfere with their best execution obligation and, therefore, they do not recommend clients to direct trades.

37. ADV Review:

One of TAI's senior equity traders (along with 11 other defendants) is the subject of litigation pending in Mumbai, India, arising from the alleged non-payment of loans that occurred in Mumbai, India.*

38. Performance review:

The TIAA-CREF group of companies has been independently verified for the period December 31, 1993, through December 31, 2011, by ACA Compliance Group – Beacon Verification Services.

Large Cap Core Equity
INVESTMENT MANAGER QUESTIONNAIRE
As of March 31, 2012

Organizational Background

1. Firm name, address, and telephone and fax numbers of main and branch offices:

Firm Name: Waddell & Reed Investment Management Company (WRIMCO)
Address: 6300 Lamar Ave., Overland Park, KS 66202
Telephone: 913-236-2288
Fax: 913-236-1888

2. Firm's new business contact and database/questionnaire contacts:

Name	Amy Scupham	Bryce Kohl
Title	VP, Institutional Consultant Relations	AVP, Institutional Marketing
Office	WRIMCO	WRIMCO
Phone	913-236-2288	913-236-1747
Fax	913-236-1888	913-236-1888
Email	ascupham@waddell.com	bkohl@waddell.com

3. Firm founded: Registered with the SEC:

Waddell & Reed, established in 1937, either directly or through its investment management subsidiaries, has provided continuous investment management services for over 70 years. The Asset Management Group within WRIMCO was formed for the purpose of offering investment management services to the institutional marketplace. Waddell & Reed has been providing services to the institutional marketplace since 1972. WRIMCO was registered under the Investment Advisors Act in 1991.

4. Firm's ownership structure and changes over the past five years.

WRIMCO is a wholly owned, indirect subsidiary of Waddell & Reed Financial, Inc. WRIMCO has several affiliations and subsidiaries, all of whom are wholly owned by parent companies. Please see Appendix I for organizational chart.

WRIMCO's ultimate parent, Waddell & Reed Financial, Inc. (Ticker: WDR) is a publicly traded company on the New York Stock Exchange. There have been no changes in the ownership structure of the firm over the past five years and we do not anticipate any changes in ownership going forward.

5. Carriers and the limits of errors and omissions and fiduciary liability insurance:

Waddell & Reed maintains three types of insurance coverage: Fidelity Bonding, Fiduciary Liability, and D&O/E&O. As a matter of internal policy, they are unable to disclose amounts of insurance within policies listed below. However, they do maintain commercially reasonable amounts of coverage.

Fidelity Bond:
Continental Casualty Company (CNA)
-For a Financial Institution Bond
ICI Mutual Insurance
-For a Blanket Bond

Errors/Omissions
Continental Casualty Company (CNA)
-For Securities Broker/Dealers Professional Liability Insurance

ICI Mutual Insurance
-For Directors and Officers/Errors and Omissions Liability

Fiduciary Liability:

They have fiduciary liability coverage in addition to errors and omissions insurance, fidelity insurance, and ERISA fidelity insurance. It is not a separate policy, but is explicitly included by endorsement in our directors and officers & errors and omissions insurance from ICI Mutual. This fiduciary liability coverage applies to both ERISA and non-ERISA accounts.

6. Litigation:

Waddell & Reed Investment Management Company ("WRIMCO") is currently party to one lawsuit, which does not involve WRIMCO's investment advisory services. Waddell & Reed is not expecting any new litigation.

7. Judgements:

On May 18, 2010 through May 19, 2010 the SEC was on-site as part of their examination of the firm's trading activities related to the market events of May 6, 2010. The firm received a letter from the SEC's Denver Regional Office in late July stating that the examination identified no apparent deficiencies or weaknesses relating to the Investment Advisers Act of 1940 or the rules thereunder. In addition, the SEC's Division of Enforcement also requested information related to the events surrounding May 6th. All requests from the SEC's Division of Enforcement for documentation and information related to the events surrounding May 6th have been satisfied.

The most recent SEC full-scale examination of WRIMCO was concluded in the fall 2009. This audit was a routine exam that they believe was similar to that which is given to similarly situated registered investment advisors / fund shops. As a result of the exam and some SEC comments, they took the following affirmative steps:

1) internal procedures have been enhanced under the Code of Ethics to more timely identify and review the job descriptions of new employees and to gather required information if they are deemed Access Persons under the firm's Code of Ethics;

2) WRIMCO has implemented an automated personal trading system which automates a number of the functions related to the pre-clearance process and tracking of employee personal securities transactions under the Code of Ethics;

3) to strengthen current monitoring of possible style drift, compliance has instituted quarterly meetings with investment management personnel and will review each Fund's holdings and primary characteristics to ensure that each applicable Fund's investments are in line with the Fund's disclosure; and

4) WRIMCO and its affiliates have also taken steps to review and update its website content and additional enhancements have been taken with regard to the Funds' website.

8. Market value of assets under management for the firm for each of the past five calendar years as well as the year-to-date ending March 31, 2012.

	Total Firm Assets				
	Market Value $(Millions)	**# Accounts Gained**	**Assets Gained $(Millions)**	**#Accounts Lost**	**Assets Lost $(Millions)**
Dec 31, 2007	$8,296	4	$146	19	$410
Dec 31, 2008	$6,141	1	$66	16	$134
Dec 31, 2009	$7,594	11	$204	13	$176
Dec 31, 2010	$9,727	10	$865	5	$604

Dec 31, 2011	$10,409	10	$806	10	$317
Mar 31, 2012	$11,895	2	$300	2	$4

*Includes institutional assets under management. The firm also has a retail mutual fund division with an additional $81.8 billion in assets under management as of March 31, 2012. All mutual fund information is provided as supplemental information.

9. Market value of assets under management for the recommended product for each of the past five calendar years as well as the year-to-date ending March 31, 2012.

	Specified Domestic Equity Product				
	Market Value (Millions)	**Accounts Gained**	**Assets Gained (Millions)**	**Accounts Lost**	**Assets Lost (Millions)**
Dec 31, 2007	$416	0	$0	7	$28
Dec 31, 2008	$272	0	$0	0	$0
Dec 31, 2009	$334	2	$12	0	$0
Dec 31, 2010	$412	0	$0	0	$0
Dec 31, 2011	$1,147	6	$695	0	$0
Mar 31, 2012	$1,298	0	$0	0	$0

Large Cap Core Equity Investment Services

10. Name of the product described in the remainder of this response:

Core Equity Composite

11. Firm's key members of the large cap core equity portfolio management team:

Name	Title	Yrs. w/ Product	Yrs. W/ Firm	Yrs. Inv. Exp.
Erik Becker	SVP, Portfolio Manager	6	12	13
Gus Zinn	SVP, Portfolio Manager	6	13	13

12. Level of personnel turnover for investment professionals at both the firm and product levels:

Year	**Firm-wide**		**Product Specific**	
	Employees Added	Employees Lost	Employees Added	Employees Lost
Dec 31, 2007	7	4	0	0
Dec 31, 2008	9	13	0	0
Dec 31, 2009	1	2	0	0
Dec 31, 2010	8	2	0	0
Dec 31, 2011	4	2	0	0
Mar 31, 2012	2	0	0	0

13. As of March 31, 2012, the number of accounts, assets under management, median account size, and number of portfolio managers in the product.

$ Assets Under Mgt	**Number of Investors**	**Median Client Size**	**Largest Client Size**	**Number of Portfolio Mgrs**	**Number of Inv Analysts**
$1,298 million	18	$12 million	$277 million	2	34*

*Includes both assistant portfolio managers and research analysts, which provide fundamental research for all of the firm's product offerings.

14. Vehicles through which your large cap core product is offered:

	Offered? (Y/N)	Assets ($MM)	Acct Minimum
Separate Account	Y	$1,298	$50 million
Commingled Fund	Y	$0	None**
Mutual Fund	Y	$3,858	None**
Other (specify)	n/a	n/a	n/a

The Core Equity CIT was funded on April 13, 2012 with assets totaling approximately $56 million.

*Collective Investment Trust offering
** Must meet eligibility requirements
***Includes the WRA Core Investment, Ivy Core Equity and Ivy VIP Core Equity Portfolio Funds. Ivy Funds are managed by Ivy Investment Management Company, an affiliate of WRIMCO. VIP portfolios are only available as an investment option in variable life and variable annuity contracts issued by life insurance companies. All mutual fund information is provided as supplemental information.

15. Asset limit:

There is currently no formal limit; however, if they believe the size of assets under management is outgrowing their ability to find quality opportunities, they will restrict the mandate's size.

Large Cap Core Equity Investment Philosophy

16. Investment philosophy/strategy, style and distinguishing characteristics of this product:

The Core Equity style's investment process is driven by the core belief that changes in expectations for long-term earnings power drive stock prices. Therefore, the goal is a relatively concentrated portfolio of companies expected to produce long-term earnings power above expectations. Stocks also must possess stable to improving competitive advantages. Sources of competitive advantage include, but are not limited to, superior technology, brand, scale and capital advantages. The managers believe that focusing on companies with such advantages increases the likelihood that an earnings catalyst is likely to materialize and helps to manage downside risk when they are wrong.

Our Process
They believe that constructing a portfolio of companies that they expect to produce long-term earnings power above expectations will increase client wealth. Their focus on long-term earnings catalysts, from both bottom-up and top-down/thematic sources, differentiates them from their competitors. Their definition of long-term is two to three years as they do not believe there is adequate visibility beyond a three year time frame, and quarter to quarter projections include a lot of short term noise. Whether they originated from bottom-up research or a current theme, all holdings in the portfolio must have a 2 to 3 year earnings potential that is at a premium to the current expectations. Often if they miss on an earnings estimate, their mistakes result in consensus, which does not negatively affect stock prices.

Balance/Diversification
They believe another competitive strength lies in the balanced nature of securities according to their earnings profile. Roughly half the portfolio contains companies leveraged to identified top down themes while the other half has company specific drivers that are expected to produce better than 2-3 year earnings. They believe this diversification of earnings drivers within the portfolio is an important balance and helps reduce volatility of returns.

Unique Return Stream
Their view on risk management provides a return stream that will participate well in up markets and protect in down markets. For the five years ending March 31, 2012, the portfolio's up capture ratio was 115.3%, while the downside capture was 94.4% versus the S&P 500 Index. Through intense fundamental research, they work to identify companies with a high or strengthening competitive advantage. A company's competitive strength provides protection on the downside when they may be wrong. The compounding effect of this protection is a differentiator.

17. Style bias:

Waddell & Reed's Core Equity discipline has a core style bias. The investment team focuses on companies where they believe their 2-3 year earnings power is significantly better than what the market expects. Based on the team's earnings power forecasts, the team incorporates valuation measures to gauge whether the market is underestimating what they believe will occur.

18. Portfolio approach to the level of cash and equivalent holdings:

In general, cash is a residual of the product's bottom-up stock selection process. They employ a fully invested mandate, however, limited amounts of cash can be held as a means to participate in attractive purchasing opportunities. Typically, less than 5% of portfolio value is held in cash reserves.

19. How the firm defines the large cap core equity market for the purposes of this product:

Generally, a broad universe of all domestic securities with a market capitalization above $5 billion.

20. How does the firm assess the liquidity of individual equity markets:

Due to the large capitalization nature of the Core Equity product, liquidity is not a primary attribute assessed by the investment team; however, the team does monitor average daily trading volume of current/potential securities to ensure that positions can be filled/exited in a timely manner.

21. Securities other than common stock and cash equivalents in product:

Additionally, the team may invest in ADRs, which may compose up to 20% of portfolio holdings (if permitted by client). Generally, ADR exposure is less than 5%.

22. Benchmark:

The S&P 500 Index. This Index best represents the types of companies that are representative under the firm's large cap core investment style. The product's performance returns have historically maintained a high correlation to this Index. In addition, it is typical to share a large number of holdings with the Index.

23. Expected tracking error of this product compared to the Standard and Poor's 500 Index:

Additionally, the team may invest in ADRs, which may compose up to 20% of portfolio holdings (if permitted by client). Generally, ADR exposure is less than 5%.

24. Does the product target a particular level of volatility (index-relative or absolute)?

The Core Equity product does not target a particular level of volatility. All investment-related decisions are a bi-product of the team's bottom-up stock selection approach; however, the product does impose the following portfolio constraints:

- Minimum market capitalization generally $5 billion
- Sector weights generally range from ½ to 2 times the benchmark weights and are highly dependent on emphasized themes
- Initial position sizes of 0.5 to 1%; generally trimmed if they reach 6%
- International companies may compose up to 20% of the portfolio (if permitted by client)
- Cash typically below 5%
- Generally, 40-50 stocks are held in the portfolio

Large Cap Core Equity Research Process

25. Process for identifying attractive securities:

Erik Becker and Gus Zinn have full discretion on all investment decisions relating to this strategy. However, both Erik and Gus leverage the Firm's global research staff for detailed economic and company specific research.

The portfolio managers utilizes the firm's extensive in-house staff of equity research analysts, who are not dedicated to any investment style, but rather supplement the portfolio managers' initial findings on individual securities during the investment process. Internal research is based on bottom-up, fundamental analysis performed by the research staff. The analysts regularly meet with company executives to discuss all aspects of the companies' financial statements and operations.

Action Reports
Each analyst follows a specific industry(s) and sector(s) and is required to follow names across the market capitalization within his/her area of expertise. A formal action report is prepared to support their recommendations. Periodically the analyst will provide an industry overview to compliment their efforts and keep all portfolio managers apprised of changes within their industry.

Investment Management Morning Meetings
Firm wide, each morning there is a meeting of the entire equity staff, headed by the Chief Investment Officer, to discuss industry and company overviews. This daily morning meeting allows all of the firm's equity investment professionals to collaborate and exchange ideas freely and is a cornerstone of the research process at Waddell & Reed. At this meeting, their economists provide a summary of economic and monetary trends of the world. Additionally, industry-specific analysts provide input on situations of change (or anticipated change) to the portfolio managers. Areas of discussion often surround:

- Economic and monetary trends inside and outside the U.S.
- Political, legal, or other macro factors that influence sector or company fundamentals
- Sector or industry specific trends and developments
- Company specific events
- Specific action recommendations from internal research analysts

26. Number of securities regularly followed by security analysts and/or portfolio managers:

The Core Equity portfolio managers typically follow 150-250 securities.

27. Processes in place to detect accounting irregularities at companies held in the portfolio.

Their fundamental analysis is focused on evaluating business models of a company. This includes a detailed review of a company's financials with a focus on balance sheets and cash flow statements. Both analysts and portfolio managers review all statements and the notes to the financial statements on an ongoing basis. As part of the process, they speak with third party accounting experts to find out what is on their watch lists that they may not see in the financial statements, such as higher future pension obligations. In addition to third party accounting firms, they subscribe to newsletters and services that may alert us to accounting issues, such as "Behind the Numbers".

An important part of their process is their discussions with management teams. They are looking for well established management teams and look to build a high level of trust with them through ongoing meetings. They believe their low investment professional turnover provides them with a deep knowledge base. The majority of their portfolio managers began their careers at Waddell & Reed as analysts. The intellectual capital as well as relationships with managements that is built during their tenure as analysts remain with the firm giving them a long history of not only company business models, but also management track records.

28. Does the firm use any technical and/or price momentum research?

No. The Core Equity team primarily utilizes a fundamental bottom-up stock selection approach to construct the product.

Portfolio Construction and Management

29. Portfolio construction and management process:

Erik Becker and Gus Zinn are responsible for managing the Core Equity product. The selection process begins with a broad universe of all securities above $5 billion in market capitalization.

They focus on companies where they believe their 2-3 year earnings power is significantly better than what the market expects. Attractive stocks are identified when they have an earnings power story that they believe is underappreciated and importantly have a strong competitive position which increases the probability that these forecasts can be achieved.

Each company in the portfolio will have an expected long-term (2 to 3 year) earnings forecast that in their view is a significant premium to market, as well as an already strong or strengthening competitive advantage. They believe an earnings catalyst can be either company specific or thematic.

Examples of company specific earnings catalysts are:
- A new product
- Cost restructuring
- New management team
- Improved capital management

Examples of thematic catalysts are:
- Major macro-economic and political forces
- Cyclical inflections
- Changes in consumer behavior
- Technology shifts

On-site company visits are also an important aspect of the research process for Core Equity. The portfolio managers and research staff meet regularly with management teams of prospective and current holdings.

Portfolio managers, Erik Becker and Gus Zinn are responsible for valuation comparisons. They utilize a variety of valuation approaches dependent upon the appropriate industry. Valuation measures are viewed based on the team's 2-3 year earnings power forecasts to gauge whether the market is underestimating what they believe will occur. In addition, parameters such as P/E, Relative P/E, Price/Sales, Relative Price/Sales and Price to Cash Flow are used. These parameters are looked at over a long time horizon and analyzed using statistical levels of significance to determine if a security may be under/overvalued. Please note they are merely individual components within their comprehensive decision-making process. They believe valuation is very important in the statistical extremes, both high and low, and use tools to determine when and if they are at extreme levels.

Buy Decision
Initial security weightings in the portfolio typically start at 0.5% to 1%. There are no quantitative methods used in determining security weightings. However, the Portfolio Managers determine the weightings by analyzing the degree to which the new security meets the selection criteria. The greater the degree to which the new stock meets their selection criteria, the greater they allocate the initial weightings in the portfolio.

30. Current number, typical number and range of securities held in the product:

As of March 31, 2012	Typical Number	Range
46	45	Typically 40-50

31. As of March 31, 2012, the typical portfolio allocation to equities in various market capitalization ranges:

Market Capitalization Range	Allocation as of March 31, 2012	Typical Allocation	Possible Range of Allocation
Less than $100 million	0.0%	0%	0-100%
Between $100 mil. and $500 mil.	0.0%	0%	0-100%
Between $500 mil. and $1 bil.	0.0%	0%	0-100%
Between $1 bil. and $3 bil.	0.0%	0%	0-100%
Between $3 bil. and $5 bil.	1.6%	0-3%	0-100%
Between $5 bil. and $10 bil.	7.1%	3-10%	0-100%
Between $10 and $20 billion	22.3%	15-25%	0-100%
Greater than $20 billion	69.0%	60-80%	0-100%
Median Market Capitalization	$27,584	$20-$30 B	n/a
Weighted Average Market Capitalization	$87,248	$50-$90 B	n/a

32. Sell discipline:

Their methodology for stocks that drop significantly in price is to constantly review the original thesis for which they bought the stock in the first place. Stocks move lower for a number of reasons, including varying time horizons for market participants. When they still feel confident that the earnings catalyst will play out over long-term basis (2-3 years) and the competitive dynamics have not changed they are likely to hold or increase their position. If they determine that the long-run earnings catalyst or competitive advantages of the firm have diminished, they will sell the stock even if it means taking a loss for the portfolio.

33. Average large cap core equity turnover for each of the last five years and the current year to date:

Year	Turnover (annual)
2007	97%
2008	117%
2009	106%
2010	115%
2011	79%
YTD	15%

Investment Management Fees

34. Fee schedules for the international equity product:

Institutional Separate Account:

- 60 bps on the first $25 million
- 50 bps on the next $25 million
- 40 bps on the balance

Investment management fees on separate accounts with more than $100 million in assets are negotiable.

Collective Investment Trust (CIT):
The maximum total fee for a collective investment of $20 million to $100 million in the Waddell & Reed Core Equity CIT Class 2 is 60 basis points. This fee includes both operating expenses and advisor fees. For an account of $50 million, the advisor fee equals 45 basis points and the operating expenses (includes custody fees) cannot exceed 15 basis points. The total fee can fall below 60 basis points, if the actual operating expenses of the fund fall below 15 basis points, but will never exceed 60 basis points.

Performance based fees are not available for the CIT. Please see Appendix IV for a copy of the CIT disclosure memorandum.

35. Has the firm entered into incentive fee arrangements?

The very small number of performance based fee arrangements they have had have been initiated by their clients; therefore the firm does not maintain a standard performance based fee schedule.

Any agreement would be custom tailored to meet the clients concerns and manager's expectations of a fair return for superior results.

36. Does the firm use any service, information, or merchandise paid for with directed commissions?

Soft dollar commissions are generated in our complex for two types of research – broker provided research and third-party research as outlined below:

To effect the portfolio transactions, WRIMCO is authorized to engage broker-dealers (brokers) which, in its best judgment based on all relevant factors, will implement the policy of the portfolio to seek best execution (prompt and reliable execution at the best price obtainable) for reasonable and competitive commissions. WRIMCO need not seek competitive commission bidding but is expected to minimize the commissions paid to the extent consistent with the interests and policies of the portfolio. Such policies include the selection of brokers which provide execution and/or research services and other services (research and brokerage services) considered by WRIMCO to be useful or desirable for its investment management of the portfolio and/or the other portfolios and accounts over which WRIMCO has investment discretion.

Research and brokerage services are, in general, defined by reference to Section 28(e) of the Securities Exchange Act of 1934 as including (1) advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing or selling securities and the availability of securities and purchasers or sellers; (2) furnishing analyses and reports; or (3) effecting securities transactions and performing functions incidental thereto (such as clearance, settlement and custody). Such investment research includes information on particular companies and industries as well as market, economic or institutional activity areas. Such research may be supplied by either the executing broker or a third party. Broker provided research is research primarily provided by the same broker/dealers with whom we trade securities. Third party research is research provided by “research boutiques” or other service providers but paid for with commissions generated from trading with broker/dealers that have entered into arrangements with those entities. It serves to broaden the scope and supplement the research activities of WRIMCO, serves to make available additional views for consideration and comparisons, and enables WRIMCO to obtain market information on the price of securities held in the portfolio or being considered for purchase.

The investment research provided by a particular broker may be useful only to one or more of the other advisory accounts of WRIMCO, and investment research received for the commissions of those other accounts may be useful both to the portfolio and one or more of such other accounts. To the extent that electronic or other products provided by such brokers to assist WRIMCO in making investment management decisions are used for administration or other non-research purposes, a reasonable allocation of the cost of the product attributable to its non-research use is made and this cost is paid by WRIMCO. For mixed-use items, appropriate personnel of WRIMCO shall make a good faith effort, under all the circumstances, to allocate the costs of anticipated research and brokerage service uses and non-research uses, including an explanation of the methodology used to allocate these costs and the percentage allocated to hard and soft dollars.

All arrangements with respect to third party research commitments are privately negotiated and factor in each broker’s execution capabilities, including but not limited to: speed, efficiency, confidentiality, and the willingness and ability of the broker to provide useful and/or desirable investment research and/or special execution services in light of Section 28(e) of the Securities Exchange Act of 1934.

WRIMCO does not generate or earn credit toward commitments incurred by it for third party research and services from commissions generated on transactions for its institutional accounts, including mutual funds for which WRIMCO serves as sub-advisor. However, to achieve best execution, trades for such accounts may be combined or aggregated with fund trades that do generate third party research commission credits for third party research and, therefore, the institutional accounts may pay the commission rates applicable to such trades.

37. ADV Review:

ADV Reviewed and the following was found:

CLASS PLAINTIFFS ALLEGE THAT MR. MILLER, AS SENIOR PORTFOLIO MANAGER AND CHIEF INVESTMENT OFFICER, WAS REQUIRED TO APPROVE MARKET TIMING ARRRANGEMENT AT INVESCO FUNDS GROUP, INC., WHICH ALLEGEDLY RESULTED IN (I) VIOLATIONS OF SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10B-5 PROMULGATED THEREUNDER; (II) AIDING AND ABETTING BREACHES OF FIDUCIARY DUTY; AND (III) UNJUST ENRICHMENT. DERIVATIVE PLAINTIFFS ALLEGE THAT MR. MILLER, AS SENIOR PORTFOLIO MANAGER AND CHIEF INVESTMENT OFFICER, WAS REQUIRED TO APPROVE MARKET TIMING ARRANGEMENTS, AND BASED ON THIS CONDUCT ALLEGE THAT MR. MILLER WAS UNJUSTLY ENRICHED ALONG WITH ALL OTHER DEFENDANTS AND ENGAGED IN A CIVIL CONSPIRACY TO COMMIT TORTIOUS OR ILLEGAL ACTS.

38. Performance review:

The firm has verified its claim of compliance with the GIPS® standards for the period beginning January 1, 1995 and ended December 31, 2010. The independent third party firm performing the verification was Deloitte & Touche LLP.

Large Cap Core Equity
INVESTMENT MANAGER QUESTIONNAIRE
As of March 31, 2012

Organizational Background

1. Firm name, address, and telephone and fax numbers of main and branch offices:

280 Congress Street
Boston, MA 02210 USA Telephone: +1-617-951-5000
Fax: +1-617-263-4100
www.wellington.com
4 Radnor Corporate Center, Suite 500
Radnor, PA 19087 USA Telephone: +1-610-631-3500
Fax: +1-610-631-3569
222 West Adams, Suite 2100
Chicago, IL 60606 USA Telephone: +1-312-845-1400
Fax: +1-312-845-1450
Two Embarcadero Center, Suite 1645
San Francisco, CA 94111 USA Telephone: +1-415-627-1800
Fax: +1-415-627-1801

2. Firm's new business contact and database/questionnaire contacts:

	New Business Contact	Questionnaire Contact
Name	Greg Williams	James DiGiuseppe
Title	Business Development Manager	Business Development Analyst
Office	Chicago, IL	Chicago, IL
Phone	312-845-1413	312-845-1405
Fax	617-428-5306	617-428-5323
Email	GLWilliams@wellington.com	JDiGiuseppe@wellington.com

3. Firm founded: Registered with the SEC:

Important dates and events in Wellington Management's history are:
1928 — Wellington Fund is established as the first balanced mutual fund in the United States.
1933 — Wellington Management Company is incorporated.
1967 — Wellington Management merges with Thorndike, Doran, Paine & Lewis, an independent investment counseling firm founded in Boston, Massachusetts in 1960.
1979 — Wellington Management is purchased by its key employees and a partnership structure is established.
1996 — Wellington Management becomes a limited liability partnership under Massachusetts partnership law.

Wellington Management Company, llp including its predecessor entities, has been registered as an investment adviser with the US Securities and Exchange Commission (SEC) since 1960. When Wellington Management became a partnership in 1979, a new registration was required by the SEC and was completed October 30, 1979. Our SEC file number is 801-15908.

4. Firm's ownership structure and changes over the past five years.

Wellington Management has been an independent, private partnership since 1979, and no changes to the firm's form of ownership structure are contemplated. The firm is owned by 128 partners, all of whom are fully active in the firm. New partners are elected annually, and current partners retire in either June or December, after pre-notification to the managing partners and development of a succession plan. The managing partners are responsible for the governance of the partnership. Oversight of the business of the company is the responsibility of Perry Traquina, CEO, and the Executive Committee.

5. Carriers and the limits of errors and omissions and fiduciary liability insurance:

Overview
Wellington Management maintains an extensive professional insurance program covering the firm and its global affiliates and subsidiaries. The program, as summarized below, is designed reasonably to protect the firm against undue financial burdens from insurable events in its business or geographic locations.

Errors & Omissions/Directors & Officers
Wellington Management's combined Errors & Omissions/Directors & Officers Liability (E&O/D&O) policy covers errors in client accounts and management liability in oversight of the firm and its affiliates. The customized policy is placed with St. Paul Travelers (St. Paul Surplus Lines Insurance Company) as lead insurer, in a syndicate with 21 other insurers.

The firm currently maintains a one-year, claims-made policy, with a single- and aggregate-loss limit in excess of US$100 million. Wellington Management is responsible for a US$10 million self-insured retention.

Fidelity Bond
The firm's Financial Institution Bond (more commonly, "Fidelity Bond") covers Wellington Management against various forms of crime. The bond has a single- and aggregate-loss limit of US$25 million, a US$100,000 per-event deductible, and a term of one year. Coverage is provided by two insurers, with the Chubb Group (Federal Insurance Company) as the lead.

ERISA Bond
Certain tax-qualified US client accounts of Wellington Management are subject to regulation under ERISA and require special bonding in amounts up to US$1,000,000 per plan. In such instances, coverage is provided under a co-surety arrangement of seven carriers, with the Chubb Group (Federal Insurance Company) as the lead. The policy, which is renewable annually, carries no deductible per law.

6. Litigation:

From time to time, Wellington Management is involved in litigation that arises in the ordinary course of its business, none of which is material with respect to the firm's investment management business or its clients.

In the last five years, Wellington Management was involved in the following litigation: In 2004, Wellington Management was named as a defendant in a number of class action lawsuits brought by shareholders of certain mutual funds sponsored by the Hartford Financial Services Group for which Wellington Management serves as sub-adviser. In February 2008, the complaint was dismissed.

7. Judgements:

Wellington Management periodically receives requests for information and subpoenas from various governmental entities, including the US Securities and Exchange Commission, regarding Wellington Management's trading activities, securities of companies followed by the firm, clients of the firm, and industry practices. To the best of their knowledge, Wellington Management is not the subject of any investigation or administrative proceeding that is material to the firm's investment management business.

However, they would note that in July 2010 the SEC's Office of Compliance, Inspections and Examinations(SEC Staff) began an examination of Wellington Management that focused, in part, on the firm's policies and practices regarding material non-public information. In October 2011, Wellington Management received a letter from the SEC staff informing us that they had concluded their exam. The letter identified two potential weaknesses related to our compliance program. They also questioned the timing of a specific set of transactions executed by the firm in 2008. Having considered the SEC staff's points, they do not believe that any of these issues are material compliance matters. Prior to their being raised by the SEC staff, Wellington Management had already implemented controls and/or systems enhancements to address the potential weaknesses. They have described these controls and enhancements to the SEC staff in our response letter.

During the exam and in the letter, the SEC staff questioned the timing of a specific set of stock purchases executed by the firm in 2008. These transactions related to an issuer that was acquired by another company. The issuer announced the acquisition five days after the purchases in question. Prior to responding to the SEC Staff's letter in October 2011, Wellington Management conducted a thorough review of the situation and concluded that the trading was appropriate and that no further action was required.

In May 2012, the SEC staff initiated an investigation into these same transactions. They continue to believe that the trading was appropriate. They will, of course, cooperate with the SEC staff to facilitate its review.

8. Market value of assets under management for the firm for each of the past five calendar years as well as the year-to-date ending March 31, 2012.

	Total Firm Assets				
	Market Value $(Millions)	**# Accounts Gained**	**Assets Gained $(Millions)**	**#Accounts Lost**	**Assets Lost $(Millions)**
Dec 31, 2007	588,376	231	11,690	183	28,123
Dec 31, 2008	419,627	249	6,894	114	10,978
Dec 31, 2009	537,360	281	25,530	175	11,761
Dec 31, 2010	633,918	306	17,211	105	11,513
Dec 31, 2011	651,432	291	12,401	98	7,604
Mar 31, 2012	718,633	71	5,029	28	1,051

9. Market value of assets under management for the recommended product for each of the past five calendar years as well as the year-to-date ending March 31, 2012.

	Specified Domestic Equity Product				
	Market Value (Millions)	**Accounts Gained**	**Assets Gained (Millions)**	**Accounts Lost**	**Assets Lost (Millions)**
Dec 31, 2007	1,372	0	0	0	0
Dec 31, 2008	1,760	0	0	0	0
Dec 31, 2009	2,754	0	0	0	0
Dec 31, 2010	4,769	3	57	0	0
Dec 31, 2011	8,180	1	151	0	0
Mar 31, 2012	10,672	0	0	0	0

Large Cap Core Equity Investment Services

10. Name of the product described in the remainder of this response:

Dividend Growth

11. Firm's key members of the large cap core equity portfolio management team:

Name	Title	Yrs. w/ Product	Yrs. W/ Firm	Yrs. Inv. Exp.
Donald J. Kilbride	Sr VP/ Equity Portfolio Manager	10	10	23
Edward P. Bousa, CFA	Sr VP/ Portfolio Manager/ Analyst	10	12	30
Matthew G. Baker	VP/ Equity Portfolio Manager/ Analyst	8	8	15
Peter C. Fisher	VP/ Equity Research Analyst	<1	7	17
Nataliya Kofman	VP/ Equity Research Analyst	6	6	12
Mark E. Vincent	VP/ Equity Research Analyst	4	4	9
Ellen Chae	VP/ Investment Director	<1	1	16
51 Global Industry Analysts	Global Industry Analysts		10[1]	18[1]

[1]Years experience for the group are averages

12. Level of personnel turnover for investment professionals at both the firm and product levels:

Year	Firm-wide		Product Specific	
	Employees Added	Employees Lost	Employees Added	Employees Lost
Dec 31, 2007	1,982[1]	NA[2]	0	0
Dec 31, 2008	1,842[1]	NA[2]	0	0
Dec 31, 2009	1,790[1]	NA[2]	1	0
Dec 31, 2010	1,844[1]	NA[2]	0	0
Dec 31, 2011	1,977[1]	NA[2]	0	0
Mar 31, 2012	1,983[1]	NA[2]	1	0

[1]Represents the number of individuals employed at Wellington Management at each year-end and as of 31 March 2012.
[2]The firm's turnover for investment professionals has averaged 7% annually for the five years ended 31 March 2012.

13. As of March 31, 2012, the number of accounts, assets under management, median account size, and number of portfolio managers in the product.

$ Assets Under Mgt	Number of Investors	Median Client Size	Largest Client Size	Number of Portfolio Mgrs	Number of Inv Analysts
$10,672	5	$88	$10,137	1	5

14. Vehicles through which your large cap core product is offered:

	Offered? (Y/N)	Assets ($MM)	Acct Minimum
Separate Account	Y	10,672	US$25 mil
Commingled Fund	N	-	-
Mutual Fund	N	-	-
Other (specify)			

15. Asset limit:

Their Dividend Growth style invests in large, liquid companies that can absorb a high degree of institutional ownership. They see no immediate limit to the assets that can be managed in this investment approach.

Large Cap Core Equity Investment Philosophy

16. Investment philosophy/strategy, style and distinguishing characteristics of this product:

Philosophy/Strategy
The Dividend Growth investment process is based on the belief that above-average growth in dividends is an effective and often overlooked indicator of high quality, shareholder-oriented companies which produce consistent, above-average returns over time. In order to grow dividends, companies need to produce not only growth in reported earnings but also growth in free cash flow, which requires prudent management of balance sheet accruals as well as margins. Companies also need to allocate free cash flow effectively by reinvesting capital selectively, and returning excess capital to shareholders. Historically, companies which have returned excess capital to shareholders via dividends have produced higher returns on capital over time. They believe that a portfolio of high-quality stocks with superior prospects for dividend growth, selling at reasonable valuation levels, can produce superior total returns over time.

Style
Dividend Growth is a large cap core investment approach.

Distinguishing Characteristics
They believe three main distinguishing characteristics are the firm's ownership structure as a private partnership, their commitment to fundamental research, and the rigorous fundamental analysis performed by the investment team.

Their firm's commitment to proprietary, independent research also distinguishes them from their peers. In addition to covering every sector of the public equity markets, research at Wellington is a senior career path to partner, which allows their research and industry analysts to provide extensive depth and insight for portfolio managers to use in the portfolio. As one of the largest equity managers in the industry, researchers have access to over 10,000 management meetings annually. Having this level of access gives their Dividend Growth Team insight into how management teams deploy capital and their plans for returning excess capital to shareholders going forward. Members of the Dividend Growth Team conduct their own bottom-up fundamental research and have access to the broad research resources of Wellington Management, including 51 global industry analysts, 31 fixed income credit analysts, 23 global equity traders, 6 macroanalysts, and other analysts and portfolio managers at that firm that support specific investment strategies. These experts offer tremendous support to the team's research efforts and serve to test their conviction, while offering unique perspectives based on their particular areas of proficiency. Wellington Management's substantial investment in global research resources underlies the team's ability to understand companies and their respective industries and to add value through intensive bottom-up, fundamental analysis.

Finally, the rigor of the fundamental analysis conducted by the Dividend Growth Team is a key differentiator. The team performs fundamental equity analysis to determine high-quality companies with the earnings prospects and the management perspective to grow their dividend over time; they are not simply focused on companies that solely pay high dividends. In a low yield world, there are strategies that focus on stocks with high dividend yields but these yields are unsustainable because the companies will not generate sufficient free cash flow to sustain and/or grow the dividend over time. It is the combination of quality and dividend growth that leads to superior total return over time.

17. Style bias:

Dividend Growth has a core style.

18. Portfolio approach to the level of cash and equivalent holdings:

The portfolio is generally fully invested, and cash is typically less than 5%.

19. How the firm defines the large cap core equity market for the purposes of this product:

For the purposes of the Dividend Growth product, they consider the large cap core equity market to include large cap companies with market capitalizations of US$5 billion or more. The vast majority of the portfolio will be invested in companies with market capitalizations greater than US$20 billion. The portfolio will not have a growth or value style tilt over time; rather, it will generally maintain a core investment style.

20. How does the firm assess the liquidity of individual equity markets:

The companies in the Dividend Growth Portfolio are large cap, highly liquid companies; therefore, overall liquidity of the entire portfolio is not an issue.

On a broad scale (i.e., across their client portfolios) they review each investment strategy's capacity at inception and on an ongoing basis, considering a wide range of factors including product market cap range, current asset base, pace of cash flows, firmwide ownership in portfolio names, days of volume held in portfolio names, and the investment team's qualitative input. They have demonstrated a willingness to close approaches to new business when they felt that impending liquidity constraints could impair their ability to add value for existing clients. To the extent that assets and accounts grow such that it begins to limit the availability of desired investments or trading in the style, or their ability to service the product, they will consider closing the product.

Specifically on the equity side (at the strategy level), they regularly review their liquidity exposure using Barra's liquidity factor present in both the US and global models (USE3, and GEM2, respectively). In addition, their Global Trading department assesses liquidity in the aggregation and allocation of executions. Any insights are relayed back to the portfolio management teams as part of the regular risk review process.

21. Securities other than common stock and cash equivalents in product:

The Dividend Growth Portfolio will typically be fully invested in common stocks. Derivatives are not expected to be a principal investment tool in the Dividend Growth investment process; however, for the purposes of reducing risk and/or obtaining efficient investment exposure, the portfolio may invest in ETFs and derivative securities including, but not limited to, forward contracts, futures contracts, options contracts, currency derivatives, and swaps. In addition, in order to gain efficient investment exposure to issuers in certain countries or geographic regions, the portfolio may invest in market-access products subject to client guidelines.

22. Benchmark:

The Russell 1000 Index is the benchmark for the Dividend Growth investment approach. The approach seeks to provide a total return in excess of the broader market, which they believe is accurately represented by this index.

23. Expected tracking error of this product compared to the Standard and Poor's 500 Index:

While they do monitor significant changes in projected tracking risk, they do not have specific targets or manage tracking risk directly. Historically, the projected tracking risk has been the range of 4% – 8%.

24. Does the product target a particular level of volatility (index-relative or absolute)?

The Dividend Growth approach does not target a particular level of volatility. Given the high-quality nature of the stocks in the portfolio, they expect that the volatility of the portfolio will typically be less than the broad market, as measured by the Russell 1000 Index, over time. For the five years ended 31 March 2012, the annualized standard deviation of the Dividend Growth Portfolio was 15.1%, versus 19.3% for the Russell 1000 Index.

Large Cap Core Equity Research Process

25. Process for identifying attractive securities:

The investment process is based on the belief that above-average growth in dividends is an effective and often overlooked indicator of high quality, shareholder-oriented companies which produce consistent, above-average returns over time with lower volatility then the broad market. In order to grow dividends, companies need to produce not only growth in reported earnings but also growth in free cash flow, which requires prudent management of balance sheet accruals as well as margins. Companies also need to allocate free cash flow effectively by reinvesting capital selectively and returning excess capital to shareholders. Historically, companies which have returned excess capital to shareholders via dividends have produced higher returns on capital over time. They believe that a portfolio of high-quality stocks with superior prospects for dividend growth, selling at reasonable valuation levels, can produce superior total returns over time.

Leveraging the firm's global industry analysts, the Dividend Growth Team focuses on identifying high-quality companies that have the ability, propensity, and commitment to return capital to shareholders in the form of a growing dividend. From a financial perspective, the approach seeks to identify companies with a below average debt/capital ratio relative to their industry, higher than average and improving returns on capital, modest reinvestment needs, positive balance sheet trends, and free cash flow conversion. The unifying characteristic among the companies held in the Dividend Growth Portfolio will be quality cash flow characteristics. Importantly, they will also pay close attention to insider activity and management compensation schemes in order to judge the proper alignment of shareholder interests with those of the senior executives.

High-quality companies that meet their dividend and valuation criteria are ranked on a similar basis. While dividend growth is an important focus of the investment process, capital appreciation is also considered in determining the attractiveness of the valuation for each security. In order to evaluate each company, all stocks are rated on the basis of upside return potential relative to downside risk over a 12 to 24 month period based on their fundamental and qualitative analysis of each company. They monitor the risk/reward profile of each stock, but the most important driver of purchase and sale decisions is the potential for dividend growth and the fundamentals that support that analysis.

Typically, the portfolio has a "barbell" composition in its approach to finding dividend growth, balancing steady dividend growers (companies growing dividends along with earnings) with companies shifting to a more mature stage of growth and initiating dividend payments or allocating higher proportions of their earnings to dividends. To be clear, these are still very high-quality companies with compelling long-term prospects, but they are going through a subtle shift in capital allocation. These companies tend to be in a more advanced stage of their life cycles, such that "growth" capital requirements of the businesses are diminishing. These businesses are in a position of accelerating free cash flow growth, but the choices of how to deploy the cash are skewed toward the shareholder and away from the business itself. Simply put, these companies are slowly moving toward the harvest stage and away from the rapid growth stage.

Research
The primary source of their information is their own bottom-up, proprietary research. Leveraging the firm's global industry analysts, the Dividend Growth Team focuses on identifying high-quality companies that have the ability, propensity, and commitment to return capital to shareholders in the form of a growing dividend. From a financial perspective, the approach seeks to identify companies with a below average debt/capital ratio relative to their industry, higher than average and improving returns on capital, modest reinvestment needs, positive balance sheet trends, and free cash flow conversion. Each member of the Dividend Growth Team is responsible for research on companies within his/her industries of expertise. The team members create earnings models based on their knowledge of and projections for the company as well as the broader industry in which it operates, and their meetings with company management, competitors, suppliers, and customers. Each company's financial metrics (e.g., market share, return on capital, cash flow, EPS growth) and qualitative factors (e.g., management strength, business strategy, new product pipeline, sustainable advantage) are analyzed to differentiate both organizational quality and security upside

appreciation potential. Upside potential is determined by combining a target valuation multiple with proprietary earnings expectations while downside risk is evaluated relative to current valuation, stage of industry cycle, and degree of company specific financial and operational risk. Key to the process is an understanding of a company's ability and willingness to pay and grow their dividend.

The team takes a fundamental, bottom-up approach to investing. Although macroanalysis is not a key input into the investment process, the research provided by the firm's macroanalysts is available throughout the firm and can complement the fundamental research conducted by the global industry analysts and the Dividend Growth Team analysts.

26. Number of securities regularly followed by security analysts and/or portfolio managers:

The Dividend Growth Portfolio generally holds between 40 and 60 stocks. Most positions in the portfolio are large-capitalization, highly liquid stocks with a market capitalization of US$5 billion or more.

27. Processes in place to detect accounting irregularities at companies held in the portfolio.

Detection of accounting irregularities would generally occur as part of their fundamental research process.

28. Does the firm use any technical and/or price momentum research?

Technical analysis or price momentum research is not part of the Dividend Growth investment process.

Portfolio Construction and Management

29. Portfolio construction and management process:

The Dividend Growth investment process stresses a team-oriented approach to fundamental research and a broad sharing of investment ideas. Members of the team conduct equity research on companies within their assigned industries and leverage the work of the firm's global industry analysts, who are more specialized with respect to industry coverage and can offer more granular industry perspectives at times. This structure allows the Dividend Growth team analysts to focus their attention more broadly across multiple industries. Fundamental analysis is critical to the investment process and research ideas are fully discussed and considered before decisions are made within the portfolio. The team meets regularly to discuss all purchase and sale recommendations with Portfolio Manager Donald Kilbride, who has final responsibility for buy/sell decisions within the Dividend Growth Portfolio.

30. Current number, typical number and range of securities held in the product:

As of March 31, 2012	Typical Number	Range
48	50	40 – 60

31. As of March 31, 2012, the typical portfolio allocation to equities in various market capitalization ranges:

Market Capitalization Range	**Allocation as of March 31, 2012**	**Typical Allocation**	**Possible Range of Allocation**
Less than $100 million	0%	0%	
Between $100 mil. and $500 mil.	0	0	
Between $500 mil. and $1 bil.	0	0	
Between $1 bil. and $3 bil.	0	0	
Between $3 bil. and $5 bil.	0	0.5	
Between $5 bil. and $10 bil.	0	1.7	

Between $10 and $20 billion	16	15.3	
Greater than $20 billion	84	82.5	
Median Market Capitalization	US$48,416 mil	US$45,944 mil	
Weighted Average Market Capitalization	US$92,781 mil	US$87,972 mil	

32. Sell discipline:

High-quality companies that meet their dividend and valuation criteria are ranked on a similar basis. While dividend growth is an important focus of the investment process, capital appreciation is also considered in determining the attractiveness of the valuation for each security. In order to evaluate each company, all stocks are ranked on the basis of upside return potential relative to downside risk over a 12– to 24–month period based on their fundamental and qualitative analysis of each company. Upside potential is determined by combining a target valuation multiple with proprietary earnings expectations while downside risk is evaluated relative to current valuation, stage of industry cycle, and degree of company specific financial and operational risk. Companies exhibiting superior upside return versus downside risk are purchased while portfolio holdings demonstrating the contrary profile are reduced and eliminated.

While they monitor the risk/reward profile of each stock, the most important driver of purchase and sale decisions is the potential for dividend growth and the fundamentals that support that analysis. Typical reasons for selling a security include price target achievement, new capital/competitors enter the industry, or the company initiates a new business strategy inconsistent with their core sustainable advantage.

33. Average large cap core equity turnover for each of the last five years and the current year to date:

Year	Turnover (annual)
2007	37%
2008	29
2009	26
2010	16
2011	12
YTD	27

Investment Management Fees

34. Fee schedules for the international equity product:

	Market Value	Fee in Percent
First	On the first US$25 million	0.60%
Next	On the next US$25 million	0.50
Next	Over US$50 million	0.40
Over		

35. Has the firm entered into incentive fee arrangements?

They do not offer standard performance-based fee schedules for most of our investment approaches. However, they are willing to discuss such solutions as the search progresses.

36. Does the firm use any service, information, or merchandise paid for with directed commissions?

Wellington Management receives internally generated broker research and third-party research services from brokers with whom they execute trades. Trades are placed with brokers who, in the judgment of Trading, can provide best available price and most favorable execution at a commission rate based on the execution requirements of the trade. The selection responsibility lies with the individual trader and these selections are reviewed regularly by the director of Equity Trading. In selecting a broker or dealer to execute a transaction, Wellington Management may consider the research services provided by a broker or dealer only when they reasonably determine that more than one broker or dealer can offer the brokerage and execution services needed to seek best available price and most favorable execution on that transaction. The research services they obtain through commission arrangements may include written research material and access to industry analysts and other experts in a variety of fields, such as corporate management, government officials, doctors, medical researchers, and scientists. The commission rate paid is based on the execution requirements of the trade without regard to research. Roughly 5% of Wellington Management's firmwide equity commissions are used for the payment of qualified third-party research services.

Wellington Management uses their largest broker counterparties for the bulk of our third-party research services. In addition, Wellington Management receives proprietary broker research as part of an overall bundled relationship with certain brokerage firms.

37. ADV Review:

The firm's ADV was reviewed, no additional information was found.

38. Performance review:

Wellington Management claims compliance with the GIPS for the period 1 January 1993 through 31 December 2011.

Definitions

<u>Excess Returns</u> - Returns in excess of the risk-free rate, a benchmark or in excess of another manager. A positive excess return indicates that the manager outperformed the benchmark for that period.

Given two return series (typically a manger and a benchmark), $x_1, \ldots, x_n$ and $y_1, \ldots, y_n$, the excess return series is defined as $er_1, \ldots, er_n = x_1 - y_1, \ldots, x_n - y_n$

Annualized Excess Return = Annualized Manager Return - Annualized Index Return

<u>Standard Deviation</u> - A measure of the average deviations of a return series from its mean; often used as a risk measure. A large standard deviation implies that there have been large swings or volatility in the manager's return series.

$$StDev_{(SD)} = \frac{[\Sigma (x_i - X)^2]^{1/2}}{n} \quad \text{or Square Root of the Variance} = \sqrt{(Var)}$$

$$\text{Ann StDev} = SD * \sqrt{(N_y)}$$

x_i = the *ith* observation
X = mean return for series
n = the number of observations
N_y = the number of periods in a year (4 if quarterly data, 12 if monthly data)

<u>Tracking Error</u> - A measure of the amount of active risk that is being taken by a manager. This statistic is computed by subtracting the return of a specified benchmark or index from the manager's return for each period and then calculating the standard deviation of those differences. A higher tracking error indicates a higher level of risk – not necessarily a higher level of return - being taken relative to the specified benchmark. Tracking error only accounts for deviations away from the benchmark, but does not signal in which directions these deviations occur (positive or negative).

TE = Standard Deviation of Excess Return

<u>Information Ratio</u> - This statistic is computed by subtracting the return of the market from the return of the manager to determine the excess return. The excess return is then divided by the standard deviation of the excess returns (or Tracking Error) to produce the information ratio. This ratio is a measure of the value added per unit of active risk by a manager over an index. Managers taking on higher levels of risk are expected to then generate higher levels of return, so a positive IR would indicate "efficient" use of risk by a manager. This is similar to the Sharpe Ratio, except this calculation is based on excess rates of return versus a benchmark instead of a risk-free rate.

$$IR = \frac{\text{Excess Return}}{\text{Tracking Error}}$$

<u>Sharpe Ratio</u> - This statistic is computed by subtracting the return of the risk-free index (typically 91-day T-bill or some other cash benchmark) from the return of the manager to determine the risk-adjusted excess return. This excess return is then divided by the standard deviation of the manager. A manager taking on risk, as opposed to investing in cash, is expected to generate higher returns and Sharpe measures how well the manager generated returns with that risk. In other words, it is a measurement of efficiency utilizing the relationship between annualized risk-free return and standard deviation. The higher the Sharpe Ratio, the greater efficiency produced by this manager. For example, a Sharpe Ratio of 1 is better than a ratio of 0.5.

$$\text{Sharpe} = \frac{\text{Ann Rtn}(x) - \text{Ann Rtn}(R_f)}{\text{Standard Deviation of } x}$$

R_f = Risk-free rate

Alpha - The incremental return of a manager when the market is stationary. In other words, it is the extra return due to non-market factors. This risk-adjusted factor takes into account both the performance of the market as a whole and the volatility of the manager. A positive alpha indicates that a manager has produced returns above the expected level at that risk level, and vice versa for a negative alpha. Alpha is the Y intercept of the regression line.

$$\text{Alpha}_{(\alpha)} = X - [\text{Beta} * Y]$$

X = the mean return for the manager
Y = the mean return for the index

Beta - This is a measure of a portfolio's volatility. Statistically, beta is the covariance of the portfolio in relation to the market. A beta of 1.00 implies perfect historical correlation of movement with the market. A higher beta manager will rise and fall more rapidly than the market, whereas a lower beta manager will rise and fall slower. For example, a 1.10 beta portfolio has historically been 10% more volatile than the market.

$$\text{Beta}_{(\beta)} = \frac{[(n) * \Sigma(x_i * y_i)] - (\Sigma\, x_i)(\Sigma\, y_i)}{[(n) * \Sigma(y_i^2)] - (\Sigma\, y_i)^2}$$

n = the number of observations
xi = the return of the first data series (*ith* observation)
yi = the return of the second data series (*ith* observation)
Generally, xi = the manager's return series and yi will be a specified index (benchmark)

R-Squared - Otherwise known as the *Coefficient of Determination*, this statistic, like beta, is a measure of a manager's movement in relation to the market. Generally, the R-Squared of a manager versus a benchmark is a measure of how closely related the variance of the manager returns and the variance of the benchmark returns are. In other words, the R-Squared measures the percent of a manager's return patterns that are "explained" by the market and ranges from 0 to 1. For example, an r-squared of 0.90 means that 90% of a portfolio's return can be explained by movement in the broad market (benchmark).

$$\text{R-Squared} = (r)^2$$

r = correlation coefficient