EXHIBITS C

Kent County Water Board Meeting

May 19, 2011

MEMO

To: **Board as Pension Trustees**
From: **Timothy Brown**
Subject: **Investment Option Changes, Plan Option Changes, Contract Changes for Board Approval at the next Board meeting.**
Date: **May 12, 2011**

Attached please find a package of material of all the changes to our Pension Plan which will in essence reduce fees and increase investment options to the Authority. It is important as trustees that the Board review this material and understand it prior to action at the next Board meeting. I cannot stress how important these changes are for the Board's understanding as you are the trustees and have certain requirements and liabilities on approval of anything of this nature. This is in accordance with the discussions of Mr. Bonasera and the investment changes the Board authorized at the last meeting.

Timothy Brown

From: Joseph Bonasera [JBonasera@summitfinancialcorp.com]
Sent: Friday, April 22, 2011 9:25 AM
To: Timothy Brown
Cc: Audit-002
Subject: Investment options
Attachments: Kent County IPS draft 11.18.03.doc; Kent County Water District Market Update presentation A 4.2011.ppt; REIT. Metals.Commodities.pdf; Active managers MS. LG.LV.EM.IB.SV.FB.pdf

Tim
The IPS does not preclude any specific investment alternative. Thus the commercial RE and commodities funds are allowable. I've sent the power point slides to give you a comparison of the current funds and allocation and the proposed new funds.

Nationwide is improving their product and reducing fees. I didn't feel yesterday was the appropriate time to discuss as it would have taken more time from the board. Generally, the All Pro Fund managers are changing to other institutional lower cost managers. I've listed the funds that we should be considering as we move forward. I want to discuss with you in detail before anything is implemented. Have a good weekend and we can talk next week.
Joe

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KENT COUNTY
DEFINED BENEFIT PLAN

INVESTMENT POLICY STATEMENT

DRAFT

MAY 12, 2011

IMPORTANT NOTICE

These materials are not intended to serve as legal, tax, investment, accounting or other professional advice. You should consult with a professional advisor experienced with the subject matter of these materials and the information provided herein before taking any actions.

- The pension investment program shall at all times comply with existing and future applicable state and federal regulations including, but not limited to, the Employee Retirement Income Security Act of 1974 (ERISA), as it may be amended.

PURPOSE

This document provides the framework for the management of Kent County Defined Benefit Plan. The document is divided into five sections.

1. Investment goals and responsibilities,
2. Investment policies and procedures,
3. Asset allocation policies and investment allocations,
4. Performance objectives, and
5. Investment guidelines and review.

INVESTMENT GOALS AND RESPONSIBILITIES

- The investment goals state the mission of the retirement plan and its investment program. They articulate the philosophy and process for the management of plan assets.

- The overall goal of Kent County Defined Benefit Plan (the "Plan") is to provide benefits, as anticipated under the retirement Plan, to its participants and their beneficiaries through a carefully planned and executed investment program.

- Kent County Water Authority, with assistance from Summit Financial and Nationwide, shall be responsible for the creation of the investment policies of the Plan and provide oversight for the management of the Plan's assets.

- Kent County Water Authority will make the necessary contributions as determined by the actuary to fulfill benefit obligations provided by the Plan document. Benefits will be funded through a combination of company contributions and investment earnings on the Plan's assets.

- The Kent County Water Authority, with assistance from Summit Financial and Nationwide, shall select investments with specific objectives and guidelines to manage the Plan's assets.

- The investment philosophy of the Plan is to create a management process with sufficient flexibility to capture investment opportunities as they may occur, yet maintain reasonable parameters to ensure prudence and care in the execution of the investment program.

- The Plan Sponsor seeks to produce a return on investment which is based on levels of investment risk that are prudent and reasonable given prevailing capital market conditions. While the Plan Sponsor recognizes the importance of the preservation of capital, it also recognizes modern portfolio theory, which maintains that varying degrees of investment risk will be rewarded with compensating returns. Consequently, prudent risk-taking is warranted and justifiable.

INVESTMENT POLICIES AND PROCEDURES

The policies and procedures of the investment program guide its implementation and outline the specific responsibilities of the Plan Sponsor and its investment managers. The investment policies of the Plan shall be based on a program that will consider:

- The financial condition of the Plan
- The expected long term capital market outlook
- The Plan Sponsor's risk tolerance
- Future growth of active and retired participants
- Expected inflation
- Expected costs and benefit payments

The financial planning process considers alternative investment policies and measures their potential impact on the financial condition of the Plan and future pension costs.

Based on the financial plan it will be the responsibility of the Plan Sponsor, the Plan's fiduciary, to determine the specific allocation of the investments (the asset policy mix) among the various asset classes considered prudent given the Plan's liability structure. The long-term allocation guidelines shall be expressed in terms of a target and ranges for each asset class to provide sufficient flexibility to take advantage of shorter-term market opportunities as they may occur.

The asset policy mix shall be sufficiently diversified to maintain a reasonable level of risk as determined by the Plan Sponsor without imprudently sacrificing return. The Plan Sponsor shall review the asset allocation, as it deems necessary to ensure the current asset mix will achieve the long-term goals of the retirement program.

In accordance with the asset allocation guidelines, the Plan Sponsor will select investment options that will be responsible for the implementation of the Plan's investment policies.

The Plan Sponsor will allocate funds across investments to develop the most efficient investment structure for each asset class. The Plan Sponsor will set guidelines for these options and review their investment performance against stated objectives as deemed necessary.

The procedures for the management of the Plans assets are:

1. The Plan Sponsor will exercise its fiduciary responsibilities in regard to the investment program in accordance with the provisions of the Plan document.

2. The Plan Sponsor will conduct a formal review of the Plan's asset allocation policies and investment structure as deemed necessary.

3. The investments of the Plan shall be reviewed no less than **annually** (more often if unusual market conditions dictate) to ensure that policy guidelines continue to be appropriate and are met. The Plan Sponsor shall monitor investment returns on both an absolute and comparative basis.

ASSET ALLOCATION POLICIES AND INVESTMENT ALLOCATIONS

The Plan Sponsor has adopted the following asset allocation policies and manager allocations on November 19, 2003:

Asset Class	Target Allocation	Permitted Range
Domestic Stocks	40%	+/- 5%
International Stocks	10%	+/- 5%
Total Stocks	50%	+/- 10%
Bonds	35%	+/- 5%
Cash	15%	+/- 5%
Target Return	6.5%	
Maximum 1-Year Loss	10%	

PERFORMANCE OBJECTIVES

The Plan's performance objectives shall be set forth at the total Plan level. All objectives will be incorporated in the **annual** review of the Plan's performance. Rates of return will be calculated based on a time-weighted rate of return formula.

The performance of the overall fund will be measured relative to:

- The actuarial rate of interest,
- Inflation rate, and
- The Plan's stated target return

The first objective is achieving a rate of return equal to or greater than the Plans actuarial interest rate. If the Plan's assets grow at a rate equal to or greater than the actuarial rate, the Plans funding condition will be maintained. Earning a lower return will generally result in increased levels of contributions.

The second objective is achieving a real return above inflation. The Plan's liabilities are sensitive to inflation as benefits are ultimately determined by future salaries. Failing to achieve the necessary real return may increase pension costs.

The third objective is to equal or exceed the Plan's stated target rate of return.

INVESTMENT GUIDELINES & REVIEW

The Plan Sponsor has selected a number of investment options to implement its investment policies. Each option is retained to invest a specific allocation in accordance with its style and investment process as specified in the investment guidelines. On an ongoing basis, the Plan Sponsor will monitor the investment managers for compliance with the investment guidelines and specific objectives.

Modifications may occur for the following reason:

1. Plan objectives have changed and the current investment program is no longer appropriate.
2. Asset class expectations have changed and the Plan's policy needs to be updated.

ADOPTION OF INVESTMENT POLICY STATEMENT

Dated this _____ day of _____, 2003.

Kent County Defined Benefit Plan

Approved by: _____

Print Name: _____

Title: _____

Approved by: _____

Print Name: _____

Title: _____

Kent County Water Authority DB PLAN (60%-40%)

EQUITIES 60%

	VALUE	BLEND	GROWTH
LARGE-CAP 29% **International 12%**	American Funds American Mutual R6 – 7% Vanguard Value Index – 7%	Oppenheimer Developing Markets Y – 4% American Funds EuroPacific Growth R6 – 4% Vanguard Developed Markets Index – 4%	American Funds AMCAP R6 – 7% Vanguard Growth Index – 8%
MID-CAP 9%		Vanguard Mid Cap Index – 9%	
SMALL-CAP 6%	American Beacon Small Value I – 1% Vanguard Small Value Index – 2%		T. Rowe Price New Horizons – 1% Vanguard Small Growth Index – 2%

FIXED INCOME 40%

	SHORT TERM	INTERMEDIATE TERM	LONG TERM
HIGH QUALITY	Fixed Fund 15%	Vanguard Total Bond Market Index – 10%	Vanguard Inflation Protected Securities -3%
MEDIUM QUALITY		Oppenheimer International Bond Y – 4%	
LOW QUALITY		Vanguard High Yield Corporate Bond – 8%	

Specialty (4%): Vanguard REIT Index – 2%
Vanguard Precious Metals and Mining – 1%
Goldman Sachs Commodity Strategy - 1%

Goldman Sachs Commodity Strategy Instl

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★ (36)	03-30-07	MF	$642 mil	Commodities Broad Basket (MF)

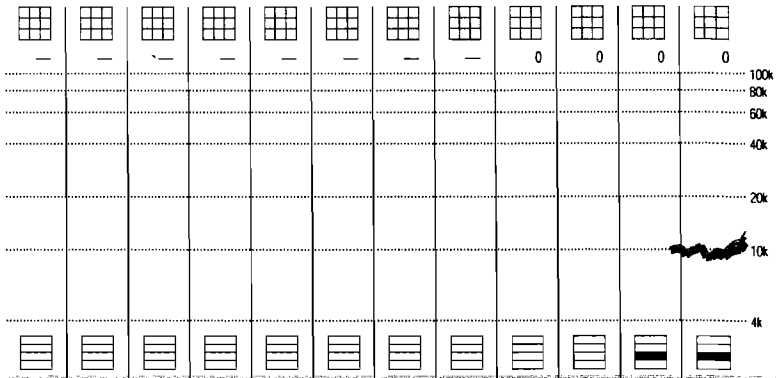
Standard Index Mstar Lng-Only Commdty

Category Index DJ UBS Commodity TR USD

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	8.92	28.86	-30.79	-47.56	-49.06
2009	-8.21	18.25	-1.27	9.03	16.84
2010	-1.25	-9.22	7.24	13.24	8.85

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	8.85	-13.47	—	—	-5.47
Std 12-31-2010	8.85	—	—	—	-5.47
Total Return	8.85	-13.47	—	—	-5.47
+/- Std Index	-14.77	-12.42	—	—	—
+/- Cat Index	-7.98	-9.80	—	—	—
% Rank Cat	74	60	—	—	—
No. in Cat	56	36	28	5	—
7-day Yield	—				



Investment Style
Equity
Stock %

Growth of $10,000
- Goldman Sachs Commodity Strategy Instl $11,173
- Category Average $11,999
- Standard Index $12,939

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
—	—	—	—	—	—	—	—	0	0	0	0	
—	—	—	—	—	—	—	—	12.26	5.44	6.19	6.04	NAV
—	—	—	—	—	—	—	—	—	-49.06	16.84	8.85	Total Return %
—	—	—	—	—	—	—	—	—	-15.29	-1.48	-14.77	+/- Standard Index
—	—	—	—	—	—	—	—	—	-13.41	-2.07	-7.98	+/- Category Index
—	—	—	—	—	—	—	—	—	—	73	74	% Rank Cat
—	—	—	—	—	—	—	—	—	—	50	56	No. of Funds in Cat

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-621-2550 or visit www.goldmansachsfunds.com..

Fees and Expenses

Sales Charges	
Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses	
Management Fees %	0.50
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.83**

Risk and Return Profile

	3 Yr 36 funds	5 Yr 28 funds	10 Yr 5 funds
MorningstarRating™	3★	—	—
Morningstar Risk	Avg	—	—
Morningstar Return	-Avg	—	—

	3 Yr	5 Yr	10 Yr
Standard Deviation	31.90	—	—
Mean	-13.47	—	—
Sharpe Ratio	-0.30	—	—

MPT Statistics	Standard Index	Best Fit Index Mstar Energy Commodty Idx
Alpha	-11.63	2.87
Beta	1.18	0.88
R-Squared	90.00	94.00

12-Month Yield	11.11%
30-day SEC Yield	-0.19
Potential Cap Gains Exp	-12.00% Assets

Portfolio Analysis 09-30-2010

Composition %	Long %	Short%	Net %
Cash	67.5	0.0	67.5
U.S. Stocks	0.0	0.0	0.0
Non-U.S. Stocks	0.0	0.0	0.0
Bonds	32.5	0.0	32.5
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	—	—	—
P/C Ratio TTM	—	—	—
P/B Ratio TTM	—	—	—
Geo Avg Mkt Cap $mil	—	—	—

Fixed-Income Style
Short Int Long
High Med Low

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	2.08
Avg Wtd Price	102.12

Credit Analysis NA	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

Share Chg since 06-30-2010	Share Amount	0 Total Stocks, 284 Total Fixed-Income, 116% Turnover Ratio	% Net Assets
	30 mil	FHLBA FRN	5.36
	25 mil	FNMA 3%	4.51
	18 mil	US Treasury Note 0.625%	3.16
	17 mil	FHLBA 1.875%	3.08
	15 mil	FNMA 3.125%	2.70
	10 mil	US Treasury Note 1%	1.79
	8 mil	FNMA CMO 5%	1.54
	8 mil	Genl Elec Cap Corp Fdic Tlgp	1.45
	7 mil	Citigroup Fdg Inc Fdic Tlgp F	1.33
	7 mil	Genl Elec Cap Corp Fdic Tlgp	1.33
	5 mil	FHLMC 5%	0.97
	3 mil	US Treasury Note 3%	0.78
	3 mil	FHLMC FRN	0.57
	3 mil	FHLBA 1.75%	0.51
	2 mil	FNMA 4%	0.40

Sector Weightings	Stocks %	Rel Std Index
Information Economy	—	—
Software	—	—
Hardware	—	—
Media	—	—
Telecommunication	—	—
Service Economy	—	—
Healthcare Services	—	—
Consumer Services	—	—
Business Services	—	—
Financial Services	—	—
Manufacturing Economy	—	—
Consumer Goods	—	—
Industrial Goods	—	—
Energy	—	—
Utilities	—	—

Operations

Family:	Goldman Sachs	Objective:	Income	Minimum IRA Purchase:	$0
Manager:	Finkelstein/Johnson/Lucas	Ticker:	GCCIX	Min Auto Investment Plan:	$0
Tenure:	2.8 Years	Minimum Intitial Purchase:	$10,000,000	Purchase Constraints:	T/

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MORNINGSTAR®

Vanguard REIT Index Inst

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
☆☆☆ (245)	12-02-03	MF	$1,542 mil	Real Estate (MF)

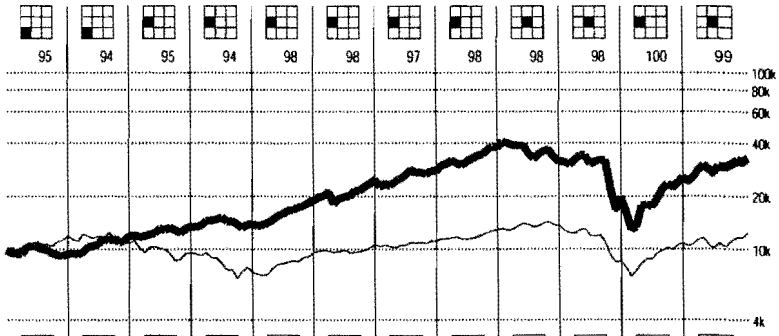
Standard Index S&P 500

Category Index DJ US Select REIT TR US

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	2.19	-5.32	5.34	-38.14	-36.95
2009	-32.01	30.02	34.56	9.09	29.76
2010	10.12	-3.95	13.09	7.48	28.56

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	28.56	1.70	3.52	—	8.48
Std 12-31-2010	28.56	—	3.52	—	8.48
Total Return	28.56	1.70	3.52	*10.68*	8.48
+/- Std Index	13.50	4.56	1.23	*9.27*	—
+/- Cat Index	0.49	1.69	1.20	*0.26*	—
% Rank Cat	29	25	19	*29*	—
No. in Cat	267	245	211	108	—
7-day Yield	—				



Investment Style
Equity
Stock %

Growth of $10,000
- Vanguard REIT Index Inst $33,437
- Category Average $31,852
- Standard Index $12,660

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
5.01	*6.34*	*7.12*	*7.39*	*10.02*	12.41	13.08	16.89	13.50	8.01	9.80	12.14	NAV
-4.04	*26.35*	*12.35*	*3.75*	*35.65*	30.93	12.05	35.15	-16.38	-36.95	29.76	28.56	Total Return %
-25.08	*35.45*	*24.24*	*25.85*	*6.96*	20.05	7.14	19.36	-21.87	0.05	3.30	13.50	+/- Standard Index
-1.46	*-4.69*	*0.00*	*0.17*	*-0.53*	-2.23	-1.77	-0.82	1.18	2.25	1.30	0.49	+/- Category Index
—	—	—	—	—	65	53	44	50	30	46	29	% Rank Cat
125	138	152	168	206	252	279	306	372	265	262	267	No. of Funds in Cat

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

Fees and Expenses

Sales Charges	
Front-End Load %	**NA**
Deferred Load %	**NA**
Fund Expenses	
Management Fees %	0.06
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.09**

Risk and Return Profile

	3 Yr 245 funds	5 Yr 211 funds	10 Yr *108 funds*
MorningstarRating™	3★	3★	3☆
Morningstar Risk	+Avg	+Avg	*Avg*
Morningstar Return	+Avg	+Avg	*+Avg*

	3 Yr	5 Yr	10 Yr
Standard Deviation	39.96	32.76	*25.12*
Mean	1.70	3.52	*10.68*
Sharpe Ratio	0.23	0.20	*0.45*

MPT Statistics	Standard Index	Best Fit Index DJ US Select REIT
Alpha	10.83	1.31
Beta	1.47	0.96
R-Squared	67.00	100.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	29.00% Assets

Portfolio Analysis 09-30-2010

Composition %	Long %	Short%	Net %
Cash	0.6	0.0	0.7
U.S. Stocks	99.4	0.0	99.3
Non-U.S. Stocks	0.0	0.0	0.0
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	41.3	2.66	1.07
P/C Ratio TTM	—	—	—
P/B Ratio TTM	2.0	0.91	1.00
Geo Avg Mkt Cap $mil	5255	0.11	0.98

Fixed-Income Style
Short Int Long
High Med Low

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis NA	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	100.0	1.00
Greater Europe	0.0	—
Greater Asia	0.0	—

Share Chg since 06-30-2010	Share Amount	99 Total Stocks, 0 Total Fixed-Income, 16% Turnover Ratio	% Net Assets
⊕	15 mil	Simon Property Group, Inc.	9.61
⊕	7 mil	Public Storage	4.96
⊕	8 mil	Vornado Realty Trust Shs of B	4.96
⊕	15 mil	Equity Residential	4.77
⊕	7 mil	Boston Properties, Inc.	4.09
⊕	15 mil	HCP, Inc.	3.75
⊕	32 mil	Host Hotels & Resorts, Inc.	3.24
⊕	4 mil	AvalonBay Communities, Inc.	3.05
⊕	8 mil	Ventas, Inc.	2.86
⊕	21 mil	Kimco Realty Corporation	2.26
⊕	7 mil	Health Care REIT, Inc.	2.22
⊕	25 mil	ProLogis Trust	1.99
⊕	7 mil	Macerich Company	1.97
⊕	4 mil	Digital Realty Trust, Inc.	1.85
⊕	3 mil	Federal Realty Investment Tru	1.77

Sector Weightings	Stocks %	Rel Std Index
Information Economy	**0.0**	**0.00**
Software	0.0	0.00
Hardware	0.0	0.00
Media	0.0	0.00
Telecommunication	0.0	0.00
Service Economy	**99.9**	**2.56**
Healthcare Services	0.0	0.00
Consumer Services	0.0	0.00
Business Services	0.0	0.00
Financial Services	99.9	6.09
Manufacturing Economy	**0.1**	**0.00**
Consumer Goods	0.0	0.00
Industrial Goods	0.1	0.01
Energy	0.0	0.00
Utilities	0.0	0.00

Operations

Family:	Vanguard	Objective:	Specialty--Real Estate	Minimum IRA Purchase:	$0
Manager:	O'Reilly, Gerard	Ticker:	VGSNX	Min Auto Investment Plan:	$5,000,000
Tenure:	14.7 Years	Minimum Intitial Purchase:	$5,000,000	Purchase Constraints:	T/

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Disclosure for Standardized and Tax Adjusted Returns

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit http://advisor.morningstar.com/familyinfo.asp

An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. The current yield quotation more closely reflects the current earnings of the money market fund than the total return quotation. Although money markets seek to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund.

Standardized Returns assume reinvestment of dividends and capital gains. It depicts performance without adjusting for the effects of taxation, but are adjusted to reflect sales charges and ongoing fund expenses. If adjusted for taxation, the performance quoted would be significantly reduced. For variable annuities, additional expenses will be taken in account, including M&E risk charges, fund-level expenses such as management fees and operating fees, and policy-level administration fees, charges such as surrender, contract and sales charges.

After-tax returns are calculated using the highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Actual after tax returns depend on the investor's tax situation and may differ from those shown. The after tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or an IRA. After-tax returns exclude the effects of either the alternative minimum tax or phase-out of certain tax credits. Any taxes due are as of the time the distributions are made, and the taxable amount and tax character of each distribution is as specified by the fund on the dividend declaration date. Due to foreign tax credits or realized capital losses, after-tax returns may be greater than before tax returns. After-tax returns for exchange-traded funds are based on net asset value.

Annualized returns 12-31-2010

Standardized Returns (%)	7-day Yield	1Yr	5Yr	10Yr	Since Inception	Inception Date	Max Front Load %	Max Back Load %	Net Exp Ratio %	Gross Exp Ratio %
Goldman Sachs Commodity Strategy Instl	--	8.85	--	--	-5.47	03-30-07	NA	NA	0.59 [1]	0.83
Vanguard REIT Index Inst	--	28.56	3.52	--	8.48	12-02-03	NA	NA	0.09	0.09
Standard & Poor's 500	--	**15.06**	**2.29**	**1.41**	--	--				
BarCap's Agg Bond Index	--	**6.54**	**5.80**	**5.84**	--	--				
MSCI EAFE Index Ndtr_D	--	**7.75**	**2.46**	**3.50**	--	--				
3 Month T-Bill	--	**0.14**	**2.31**	**2.27**	--	--				

1. Contractual waiver that expires 04/30/2011.

Returns after Taxes (%)	on Distribution					on Distribution and Sales of Shares			
	1Yr	5Yr	10Yr	Since Inception	Inception Date	1Yr	5Yr	10Yr	Since Inception
Goldman Sachs Commodity Strategy Instl	4.85	--	--	-7.96	03-30-07	5.65	--	--	-6.00
Vanguard REIT Index Inst	26.91	2.04	--	6.73	12-02-03	18.47	2.14	--	6.34

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Mutual Fund Detail Report Disclosure Statement

The Mutual Fund Detail Report is to be used as supplemental sales literature, and therefore must be preceded or accompanied by the fund's current prospectus and a disclosure statement. Please read the prospectus carefully. In all cases, this disclosure statement should accompany the Mutual Fund Detail Report. Portfolio information is based on the most recent information available to Morningstar.

Morningstar Associates, LLC, a regsitered investment advisor and wholly owned subsidiary of Morningstar, Inc., provides various institutional investment consulting services, including asset allocation advice to investment advisors who have or will be creating a fund-of-fund/asset allocation product. However, despite the fact that such a relationship may exist, the information displayed for those products will not be influenced as they are objective measures and/or derived by quantitative driven formulas (i.e., Morningstar Rating). For more information on these Morningstar relationships, please visit the Release Notes section of this product.

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Pre-inception Returns
The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the fund's actual inception. These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect the fees and expenses of this share class. These fees and expenses are referenced in the report's Performance section.

When pre-inception data are presented in the report, the header at the top of the report will indicate this. In addition, the pre-inception data included in the report will appear in italics.

While the inclusion of pre-inception data provides valuable insight into the probable long-term behavior of newer share classes of a fund, investors should be aware that an adjusted historical return can only provide an approximation of that behavior. For example, the fee structures between a retail share class will vary from that of an institutional share class, as retail shares tend to have higher operating expenses and sales charges. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

Performance
The performance data given represents past perfomance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's shares when redeemed may be worth more or less than the original investmant. Fund portfolio statistics change over time. The fund is not FDIC-insured, may lose value and is not guaranteed by a bank or other financial institution.

Total return reflects performance without adjusting for sales charges or the effects of taxation, but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Standardized Total Return is reflected as of month- and quarter-end time periods. It depicts performance without adjusting for the effects of taxation, but is adjusted for sales charges, all ongoing fund expenses, and assumes reinvestment of dividends and capital gains. If adjusted for the effects of taxation, the performance quoted would be reduced. The sales charge used in the calculation was obtained from the fund's most recent prospectus and/or shareholder report available to Morningstar. Standardized returns never include pre-inception history.

Morningstar % Rank within Morningstar Category does not account for a fund's sales charge (if applicable). Rankings will not be provided for periods less than one year.

Growth of $10,000
The graph compares the growth of $10,000 in a fund with that of an index and with that of the average for all funds in its Morningstar category. The total returns are not adjusted to reflect sales charges or the effects of taxation, but are adjusted to reflect actual ongoing fund expenses, and assume reinvestment of dividends and capital gains. If adjusted, sales charges would reduce the performance quoted. The index is an unmanaged portfolio of specified securities and cannot be invested in directly. The index and the category average do not reflect any initial or ongoing expenses. A fund's portfolio may differ significantly from the securities in the index. The index is chosen by Morningstar.

If pre-inception data is included in the analysis, it will be graphed.

Risk and Return
The Morningstar Rating is calculated for funds with at least a three-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a mutual fund is derived from a weighted average of the performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics.

Please note that some Morningstar proprietary calculations, including the Morningstar Rating, may be calculated based on adjusted historical returns (pre-inception returns). If the extended performance rating is in effect, the "stars" are represented as unshaded stars. For each mutual fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's adjusted monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. This investment's independent Morningstar Rating metric is then compared against the open-end mutual fund universe's actual performance breakpoints to determine its extended performance rating. The Overall Morningstar Rating for a mutual fund is derived from a weighted average of the actual performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics.

Morningstar Return rates a mutual fund's performance relative to other funds in its Morningstar Category. It is an assessment of a fund's excess return over a risk-free rate (the return of the 90-day Treasury Bill), after adjusting for all applicable loads and sales charges, in comparison with the mutual funds in its Morningstar Category. In each Morningstar Category, the top 10% of funds earn a High Morningstar Return (HIGH), the next 22.5% Above Average (+AVG), the middle 35% Average (AVG), the next 22.5% Below Average

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(-AVG), and the bottom 10% Low (LOW). Morningstar Return is measured for up to three time periods (three-, five-, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the mutual fund. Funds with less than three years of performance history are not rated.

Morningstar Risk evaluates a mutual fund's downside volatility relative to that of other funds in its Morningstar Category. It is an assessment of the variations in a fund's monthly returns, with an emphasis on downside variations, in comparison with the mutual funds in its Morningstar Category. In each Morningstar Category, the 10% of funds with the lowest measured risk are described as Low Risk (LOW), the next 22.5% Below Average (-AVG), the middle 35% Average (AVG), the next 22.5% Above Average (+AVG), and the top 10% High (HIGH). Morningstar Risk is measured for up to three time periods (three-, five-, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the mutual fund. Funds with less than three years of performance history are not rated.

If pre-inception returns are included in this analysis, the risk and return profile data calculated on the basis of these returns will appear in italics.

Risk Measures

The risk measures below are calculated for funds with at least a three-year history.

Standard deviation is a statistical measure of the volatility of the fund's returns.

Mean represents the annualized geometric return for the period shown.

The Sharpe ratio uses standard deviation and excess return to determine reward per unit of risk.

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk (as measured by beta). Alpha is often seen as a measure of the value added or subtracted by a portfolio manager.

Beta is a measure of a fund's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market, and a portfolio with a beta less than 1 is less volatile than the market

R-squared reflects the percentage of a fund's movements that are explained by movements in its benchmark index, showing the degree of correlation between the fund and the benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

Risk measures calculated using pre-inception data, if included in the analysis, will be presented in italics.

Portfolio Analysis

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

Composition

The weighting of the portfolio in various asset classes, including "Other," is shown in this table. "Other" includes security types that are not neatly classified in the other asset classes, such as convertible bonds and preferred stocks.

In the table, allocation to the classes is shown for long positions, short positions, and net (long positions net of short) positions. These statistics summarize what the managers are buying and how they are positioning the portfolio. When short positions are captured in these portfolio statistics, investors get a more robust description of the funds' exposure and risk.

Most managed product portfolios hold fairly conventional securities, such as long positions in stocks and bonds. Other portfolios use other investment strategies or securities, such as short positions or derivatives, to reduce transaction costs, enhance returns, or reduce risk. Some of these securities and strategies behave like conventional securities, while others have unique return and risk characteristics.

Most portfolios take long positions in securities. Long positions involve buying the security outright and then selling it later, with the hope that the security price rises over time. In contrast, short positions are taken to benefit from anticipated price declines. In this type of transaction, the investor borrows the security from another investor, sells it and receives cash, and then is obligated to buy it back at some point in the future. If the price falls after the short sale, the investor will have sold high and can now buy low to close the short position and lock in a profit. However, if the price of the security increases after the short sale, the investor will experience losses by buying it at a higher price than the sale price.

The strategy of selling securities short is prevalent in specialized portfolios, such as long-short, market-neutral, bear-market, and hedge funds. Most conventional portfolios do not typically short securities, although they may reserve the right to do so under special circumstances. Funds may also short derivatives, and this is sometimes more efficient than shorting individual securities. Short positions produce negative exposure to the security that is being shorted. This means that when the security rises in value, the short position will fall in value and vice versa. Morningstar's portfolio statistics will capture this negative exposure. For example, if a fund has many short stock positions, the percent of assets in stocks in the asset allocation breakdown may be negative. Funds must provide their broker with cash collateral for the short position, so funds that short often have a large cash position, sometimes even exceeding 100% cash.

Note that all other portfolio statistics presented in this report are based on the long holdings of the fund only.

Equity Portfolio Statistics

The referenced data elements below are a weighted average of the equity holdings in the portfolio.

The Price/Earnings ratio is a weighted average of the price/earnings ratios of the stocks in the underlying fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12-months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a fund's portfolio. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

The Price/Book ratio is a weighted average of the price/book ratios of all the stocks in the underlying fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation.

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The geometric average market capitalization of a fund's equity portfolio offers a measure of the size of the companies in which the mutual fund invests.

Fixed-Income Portfolio Statistics
The referenced data elements below are a weighted average of the fixed income holdings in the portfolio.

Duration is a time measure of a bond's interest rate sensitivity. Average effective duration is a weighted average of the duration of the underlying fixed income securities within the portfolio.

Average effective maturity is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security.

Average credit quality is calculated by taking the weighted average of the credit rating for each bond in the portfolio.

Average weighted coupon is generated from the fund's portfolio by weighting the coupon of each bond by its relative size in the portfolio. Coupons are fixed percentages paid out on a fixed-income security on an annual basis.

Average weighted price is generated from the fund's portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the fund favors bonds selling at prices above or below face value (premium or discount securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

Turnover Ratio is a decent proxy for how frequently a manager trades his or her portfolio. The inverse of a fund's turnover ratio is the average holding period for a security in the fund. As turnover increases, a fund's brokerage costs typically rise as well.

Operations
Purchase constraints denote if a mutual fund has any of the following qualities: Qualified Access (A), Institutional (T), Closed to New Investments, (C) or Closed to All Investments (L). Because these qualities can all act as restrictions and/or requirements for investment, they are grouped together.

Potential capital gains exposure is the percentage of a mutual fund's total assets that represent capital appreciation.

Investment Risk
International Funds/Emerging Market Funds: The investor should note that funds that invest in international securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Sector Funds: The investor should note that funds that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Non-Diversified Funds: The investor should note that funds that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

Small-Cap Funds: The investor should note that funds that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility that the overall market average.

Mid Cap Funds: The investor should note that funds that invest in companies with market capitalization below $10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

High-Yield Bond Funds: The investor should note that funds that invest in lower-rated debt securities (commonly referred as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

Tax-Free Municipal Bond Funds: The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

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Benchmark Disclosure

DJ UBS Commodity TR USD
The DJ UBS Commodity TR USD Index consists of futures contracts on 19 physical commodities. Unlike equities, which entitle the holder to a continuing stake in a corporation, commodity futures contracts specify a delivery date for the underlying physical commodity. In order to avoid delivery and maintain a long futures position, nearby contracts must be sold and contracts that have not yet reached the delivery period must be purchased. This process is known as ""rolling" a futures position. The particular index is a "rolling index".

DJ US Select REIT TR USD

Morningstar Energy Commodty Idx
The Energy Commodity Index is a fully collateralized commodity futures index that is long all eligible commodities in the energy sector.

Morningstar Lng-Only Commdty TR
The Morningstar Long-Only Commodity Index is a fully collateralized commodity futures index that is long all in eligible commodities. This index provides investors with a means of understanding the performance of the commodity futures markets and serves as a benchmark for investment performance of commodities as an asset class.

S&P 500 TR
A market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market.

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American Beacon Small Cp Val Inst

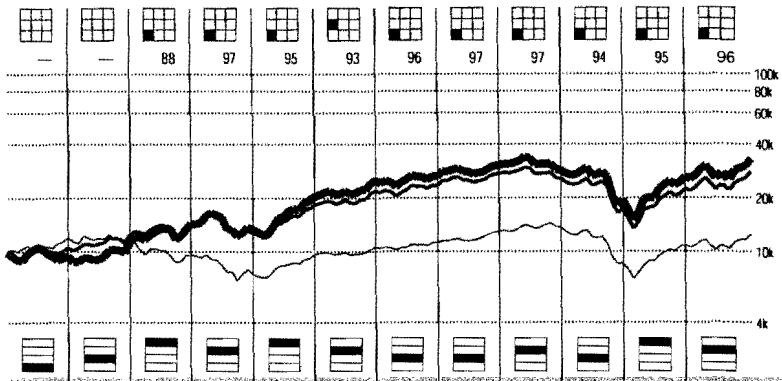
Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★ (307)	12-31-98	MF	$1,691 mil	Small Value (MF)

Standard Index S&P 500 — **Category Index** Rus 2000Value

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-4.83	-1.79	-2.07	-25.63	-31.92
2009	-15.04	22.00	24.26	5.10	35.37
2010	10.61	-10.96	10.83	15.61	26.19

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	26.19	5.16	4.53	11.43	10.58
Std 12-31-2010	26.19	—	4.53	11.43	10.58
Total Return	26.19	5.16	4.53	11.43	10.58
+/- Std Index	11.13	8.02	2.24	10.02	—
+/- Cat Index	1.69	2.97	1.01	3.01	—
% Rank Cat	43	36	42	15	—
No. in Cat	342	307	241	135	—
7-day Yield	—				



1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
9.30	10.68	12.77	11.60	17.08	20.25	20.40	21.63	17.61	11.77	15.84	19.90	NAV
-4.79	18.99	27.99	-6.80	51.77	23.51	5.79	14.68	-6.44	-31.92	35.37	26.19	Total Return %
-25.83	28.09	39.88	15.30	23.08	12.63	0.88	-1.11	-11.93	5.08	8.91	11.13	+/- Standard Index
-3.30	-3.84	13.97	4.63	5.74	1.26	1.08	-8.80	3.34	-3.00	14.79	1.69	+/- Category Index
80	52	12	31	14	27	62	62	50	54	24	43	% Rank Cat
229	241	261	273	303	307	348	389	438	438	370	342	No. of Funds in Cat

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-658-5811 or visit www.americanbeaconfunds.com.

Fees and Expenses

Sales Charges	
Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses	
Management Fees %	0.46
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.85**

Risk and Return Profile

	3 Yr 307 funds	5 Yr 241 funds	10 Yr 135 funds
MorningstarRating™	3★	3★	4★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	Avg	Avg	+Avg

	3 Yr	5 Yr	10 Yr
Standard Deviation	29.18	23.61	20.82
Mean	5.16	4.53	11.43
Sharpe Ratio	0.30	0.21	0.52

MPT Statistics	Standard Index	Best Fit Index Mstar Small Cap TR
Alpha	10.00	1.03
Beta	1.25	1.01
R-Squared	90.00	99.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	8.00% Assets

Portfolio Analysis 10-31-2010

Composition %	Long %	Short%	Net %
Cash	4.2	0.0	4.2
U.S. Stocks	90.5	0.0	90.5
Non-U.S. Stocks	5.3	0.0	5.3
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style (Value Blend Growth; Large Mid Small)

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	12.3	0.79	0.85
P/C Ratio TTM	7.1	0.76	0.97
P/B Ratio TTM	1.3	0.59	1.00
Geo Avg Mkt Cap $mil	1378	0.03	1.21

Fixed-Income Style (Short Int Long; High Med Low)

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis NA	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	99.3	0.99
Greater Europe	0.7	—
Greater Asia	0.0	—

Share Chg since 09-30-2010	Share Amount	464 Total Stocks, 0 Total Fixed-Income, 61% Turnover Ratio	% Net Assets
⊕	171,800	Russell 2000 Mini Index Ftrs	4.28
⊕	111 mil	Jp Morgan Us Government Ogvxx	3.93
⊕	847,400	Valassis Communications	0.99
	534,360	Tidewater, Inc.	0.87
	1 mil	Terex Corporation	0.82
⊕	888,748	Rent-A-Center, Inc.	0.79
	754,900	Aspen Insurance Holdings Ltd	0.76
	2 mil	Vishay Intertechnology	0.76
⊕	955,170	Portland General Electric Com	0.71
⊖	476,230	Amerigroup Corporation	0.71
	2 mil	PolyOne Corporation	0.70
⊕	1 mil	Great Plains Energy, Inc.	0.70
⊕	970,900	Gentex Corporation	0.69
	891,174	EZCorp, Inc.	0.68
	518,150	Endo Pharmaceutical Holdings,	0.68

Sector Weightings	Stocks %	Rel Std Index
Information Economy	**14.0**	**0.58**
Software	3.4	0.76
Hardware	5.8	0.63
Media	2.0	0.63
Telecommunication	2.8	0.39
Service Economy	**53.0**	**1.36**
Healthcare Services	8.6	0.78
Consumer Services	10.2	1.21
Business Services	9.6	3.00
Financial Services	24.7	1.51
Manufacturing Economy	**33.1**	**0.90**
Consumer Goods	9.0	1.01
Industrial Goods	12.4	1.02
Energy	5.6	0.45
Utilities	6.0	1.82

Operations

Family:	American Beacon	Objective:	Small Company	Minimum IRA Purchase:	$0
Manager:	Walter/Posada/Whelan/Crumpler/McGee	Ticker:	AVFIX	Min Auto Investment Plan:	$0
Tenure:	7.1 Years	Minimum Initial Purchase:	$250,000	Purchase Constraints:	T/

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American Funds AMCAP R6

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
☆☆☆☆ (1504)	05-01-09	MF	$612 mil	Large Growth (MF)

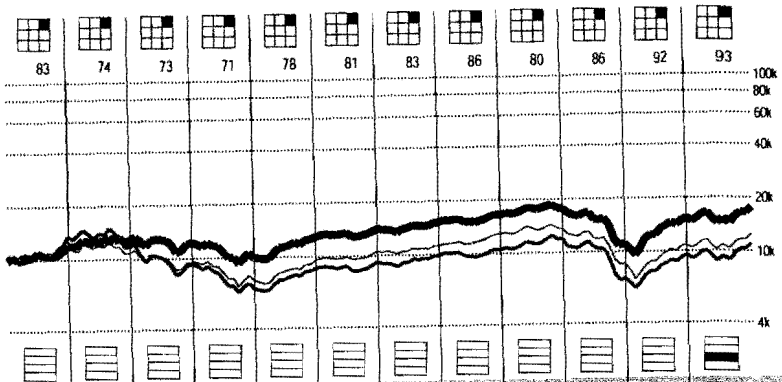
Standard Index S&P 500

Category Index Rus 1000Growth

Performance 12-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-10.02	-4.63	-6.26	-22.53	-37.68
2009	-5.05	18.71	16.28	6.46	39.52
2010	5.77	-12.05	10.41	11.31	14.33

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	—	—	—	—	26.38
Std 12-31-2010	—	—	—	—	26.38
Total Return	14.33	-0.20	3.03	3.17	26.38
+/- Std Index	-0.73	2.66	0.74	1.76	—
+/- Cat Index	-2.38	0.27	-0.72	3.15	—
% Rank Cat	58	20	43	9	—
No. in Cat	1718	1504	1286	787	—
7-day Yield	—				



Investment Style
Equity
Stock %

Growth of $10,000
- American Funds AMCAP R6 $17,880
- Category Average $11,159
- Standard Index $12,660

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
—	—	—	—	—	—	—	—	—	—	16.65	18.89	NAV
21.78	7.50	-5.01	-18.66	29.64	9.80	6.98	8.63	7.50	-37.68	39.52	14.33	Total Return %
0.74	16.60	6.88	3.44	0.95	-1.08	2.07	-7.16	2.01	-0.68	13.06	-0.73	+/- Standard Index
-11.38	29.92	15.41	9.22	-0.11	3.50	1.72	-0.44	-4.31	0.76	2.31	-2.38	+/- Category Index
—	—	—	—	—	—	—	—	—	—	—	58	% Rank Cat
633	805	1064	1234	1311	1400	1495	1642	1748	1809	1796	1718	No. of Funds in Cat

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance date current to the most recent month-end, please call 800-421-0180 or visit www.americanfunds.com.

Fees and Expenses

Sales Charges	
Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses	
Management Fees %	0.33
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.42**

Risk and Return Profile

	3 Yr 1504 funds	5 Yr 1286 funds	10 Yr 787 funds
MorningstarRating™	4☆	3☆	5☆
Morningstar Risk	Avg	-Avg	-Avg
Morningstar Return	+Avg	Avg	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	22.72	18.10	16.29
Mean	-0.20	3.03	3.17
Sharpe Ratio	0.08	0.13	0.14

MPT Statistics	Standard Index	Best Fit Index NA
Alpha	2.81	—
Beta	1.01	—
R-Squared	97.00	—

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	11.00% Assets

Portfolio Analysis 09-30-2010

Composition %	Long %	Short%	Net %
Cash	7.2	0.0	7.2
U.S. Stocks	89.2	0.0	89.2
Non-U.S. Stocks	3.7	0.0	3.7
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	16.6	1.07	0.90
P/C Ratio TTM	10.6	1.14	0.91
P/B Ratio TTM	2.4	1.09	0.83
Geo Avg Mkt Cap $mil	24238	0.50	0.79

Fixed-Income Style
Short Int Long
High Med Low

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis NA	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	96.8	0.97
Greater Europe	2.7	—
Greater Asia	0.5	—

Share Chg since 06-30-2010	Share Amount	148 Total Stocks, 0 Total Fixed-Income, 29% Turnover Ratio	% Net Assets
⊕	962,100	Google, Inc.	2.61
	21 mil	Microsoft Corporation	2.60
	4 mil	Precision Castparts Corp.	2.47
⊖	17 mil	Oracle Corporation	2.38
⊖	9 mil	Accenture PLC	1.99
	20 mil	Corning Inc.	1.89
	6 mil	Schlumberger, Ltd.	1.87
	10 mil	Medtronic, Inc.	1.68
	23 mil	Yahoo, Inc.	1.67
	4 mil	Union Pacific Corporation	1.61
⊕	8 mil	J.P. Morgan Chase & Co.	1.58
	9 mil	Johnson Controls, Inc.	1.48
	4 mil	General Dynamics	1.41
⊕	6 mil	Best Buy Co., Inc.	1.35
⊕	6 mil	Hewlett-Packard Company	1.34

Sector Weightings	Stocks %	Rel Std Index
Information Economy	**28.8**	**1.19**
Software	8.2	1.82
Hardware	9.1	0.99
Media	2.8	0.87
Telecommunication	8.6	1.19
Service Economy	**47.4**	**1.22**
Healthcare Services	13.0	1.18
Consumer Services	11.6	1.38
Business Services	11.7	3.66
Financial Services	11.2	0.68
Manufacturing Economy	**23.8**	**0.65**
Consumer Goods	7.0	0.79
Industrial Goods	9.2	0.76
Energy	7.6	0.61
Utilities	0.0	0.00

Operations

Family:	American Funds	Objective:	Growth	Minimum IRA Purchase:	$0
Manager:	Crosthwaite/Armour/Shanahan/Huntington		RAFGX	Min Auto Investment Plan:	$0
Tenure:	12.3 Years	Minimum Intitial Purchase:	$0	Purchase Constraints:	A/

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