

August 2011

Quarterly Asset Allocation Tables

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Flirting With A "Bear Market?"

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Table A.1
U.S. Strategic Broad Asset Allocations (August 15, 2011)*

Broad Asset Class	Current Weighting	Commentary
Equities	Overweight 65% (55% Neutral)	Strong earnings growth and continuing low interest rates support the Equity Overweight. Periodic corrections likely, some potentially quite sizeable, but over time more than offset by strong earnings. Productivity-driven profits growth is a main reason for the big multiple of earnings growth to GDP growth. Non-U.S. revenues and earnings a big help as is a lower U.S. dollar. Essentially zero returns on Cash & Equivalent are supportive to the Equity Overweight. Exceptions are during times of great uncertainty, stress, and high risk. More-and-more, an even longer horizon for zero interest rates and maintenance of the Federal Reserve's balance sheet at current levels seems likely. This is supportive to Equities.
Fixed Income	Slight Underweight 30% (35% Neutral)	Long-term interest rates typically turn up in a business upturn. Expectations for inflation to-come often dominate. But in the current episode, long-term interest rates are to remain low for some time on Fed policy; hence, on Fixed Income only a Slight Underweight. Tight corporate credit spreads should remain, except for munis, given strong company balance sheets in the economy upcycle. At times of economy concern and risks, spreads can temporarily widen on perceived macro risks to corporations. Going forward, stocks should produce higher returns than fixed income, strategically what tends to occur on a sustained economic expansion.
Cash & Equivalent	Underweight 5% (10% Neutral)	Safety of principal concerns remain, especially during times of financial distress and uncertainty. But little or no returns make Cash & Equivalent a Strong Underweight.
Alternative Assets*	Equal Weight 5% Commodities (Positive) Distressed Assets (Neutral) Gold (Positive) Hedge Funds (Neutral) Private Equity(Neutral)	Bullish allocation to Gold continues, as an allocation, moved by its status as a currency substitute and hedge against inflation. The intermediate-term target for Gold has been $1800, still cheap on an inflation-adjusted basis. Commodities as an asset class Somewhat Overweight within Alternatives but not so strongly as before on increased risks to the U.S. and global economic upturn.
Sectors (Equities)	Allocations reflect the Second Phase of a Cyclical Equity Bull Market but are more defensive than typically on the very considerable macro risks that exist.	Info Tech still the strongest Sector Overweight, a global view; followed by Industrials, Health Care, and Materials. U.S. and global expansion and a weak dollar that supports exports are some reasons. Energy still Somewhat Overweight on Developing Countries' demand and high crude oil prices. Health Care upgraded despite the threat of major cutbacks in federal government outlays to the Health Care Sector, and to individuals served by it. But this is not until 2013 and beyond. Defensive Sectors upgraded in latest allocations on increased downside economic risk–Consumer Staples (now Overweight) and Utilities. Financials, previously a Slight Underweight, now is solidly Underweight.
Country and Global Regions	Sustained economic upturns expected in most Countries and Global Regions, but increased downside risks. Asia ex-Japan and Developing World growth much stronger relatively; most of G-7 considerably weaker; Eurozone the weakest except Germany and France.	Global stock markets still strategically bullish, but have had severe Corrections. Some are in Bear Market territory. Investors can scale-in on dips, with relative outperformance over time expected from high growth countries. Asian equity markets ex-Japan still the largest global Overweight. China outlook remains positive relative to other countries despite numerous risks that can impede for awhile.

*Alternative Asset Allocations out of existing Broad Asset Allocations as between Equities, Fixed Income, and Cash & Equivalent, at discretion of investor.

Table A.2
Broad Global Equity Asset Allocation*
(Percent of Total)

Country or Global Region	DE Current (8/15/11)	MSCI Current (6/30/11)	DE Previous (5/15/11)	DE Previous (2/15/11)
U.S.	41.4	42.64	39.3	40.0
Japan	6.9	7.83	5.4	7.0
U.K.	7.6	8.33	8.2	8.4
Eurozone	12.0	12.3	12.9	10.9
Germany	4.5	3.52	4.4	3.7
France	4.06	3.96	4.2	3.0
Italy	0.90	1.05	1.1	1.27
EU	21.5	22.6	23.6	20.6
China	3.5	2.36	3.7	3.7
Developing Asia	9.4	7.9	9.7	10.4
Asia Ex-Japan	11.2	9.7	11.5	12.2
Latin America	3.1	3.1	3.2	3.2
Brazil	2.2	2.1	2.3	2.5
Chile	0.26	0.23	0.24	0.23
BRICs	7.8	6.4	8.3	8.9

*Based on MSCI Global All-Country Index.

Eurozone Countries in Table 2: France, Germany, Spain, Italy, Netherlands, Finland, Belgium, Luxembourg, Greece, Austria, Portugal, Ireland.

EU Countries: U.K., France, Germany, Spain, Italy, Netherlands, Sweden, Finland, Belgium, Denmark, Luxembourg, Greece, Poland, Austria, Portugal, Ireland, Hungary, Czech Republic, Bulgaria, Cyprus, Estonia, Latvia, Lithuania, Malta, Romania, Slovakia, Slovenia.

Developing Asia Countries: China, South Korea, India, Indonesia, Philippines, Taiwan, Malaysia, Thailand.

Asia ex-Japan Countries: China, South Korea, India, Hong Kong, Singapore, Indonesia, Philippines, Taiwan, Malaysia, Thailand.

Latin America Countries: Brazil, Chile, Columbia, Mexico, Peru, Argentina.

Table A.3
U.S. Economic Forecast:
Selected Measures—"Baseline"
(Ann. Pct. Chg., Unless Otherwise Noted)
August 15, 2011

	2010	2011F	2012F	2013F
Economy				
Real GDP	2.9	2.3	2.6	2.7
Real Consumption	1.7	2.4	2.6	2.5
Real Capital Spending	5.7	6.4	6.8	5.9
Net Trade (2005 $ bils.)	-423	-397	-402	-391
Housing Starts (mils. units)	0.585	0.592	0.718	0.924
Vehicle Sales (mils. units)	11.5	12.3	12.8	13.5
Industrial Production	5.3	3.9	4.3	3.5
Inflation				
CPI-All Urban (%)	1.6	3.3	2.7	2.2
Core PCE Deflator (%)	1.3	1.4	2.1	2.0
Unemployment Rate (Q4 Avg.)	9.6	9.0	8.5	8.0
Interest Rates				
Fed Funds Rate (end-yr. yield)	0.18	0.15	0.22	0.75
10-Year Treas. (end-yr. yield)	3.20	2.55	3.24	3.60
Currency and Stock Market				
U.S. Dollar (Major Curr.)Deprec.	-3.0	-8.1	-3.4	+4.4
S&P500 Oper. EPS	$87	$99	$110	$116
Pct. Chg.	32.9	13.8	11.3	5.7
S&P500 Index (Ann. Avg.)	1,126	1,310	1,413	1,508
Pct. Chg. (Y-o-Y)	18.9	16.3	7.9	6.7
S&P500 Index (Year End)	1,204	1,330	1,432	1,508
Pct. Chg. (Y-o-Y)	18.9	10.5	7.7	5.3
Budget Deficit (Unified)				
(Bils. $s)	-1,294	-1,300	-1,150	-1,063
(% of GDP)	-8.8	-8.5	-7.1	-6.3
Debt (Gross Public)				
(Bils. $s)	13,167	14,467	15,617	15,890
(% of GDP)	89.8	94.5	96.9	93.9
Current Account				
(Bils. $s)	-470.9	-492.3	-493.9	-529.0
(% of GDP)	-3.2	-3.2	-3.1	-3.1

F-Forecast
Source: Decision Economics, Inc. (DE).

Table A.4
DE Global Economic Outlook—"Baseline"
(Ann. Pct. Chg., August 15, 2011)

	2008	2009	2010	2011F	2012F
World*	1.9	-1.9	4.2	3.1	3.3
U.S.	0.4	-2.4	2.9	2.3	2.6
U.K.	0.5	-4.9	1.3	1.6	1.5
Eurozone	0.5	-4.1	1.7	1.4	1.8
Canada	0.4	-2.5	3.1	3.2	3.0
Mexico	1.5	-6.6	5.5	4.5	3.8
Japan	-1.2	-5.3	4.0	-2.1	1.2
EMG	7.0	6.4	9.6	7.5	7.0
Brazil	5.2	-0.6	7.5	4.7	4.8
Russia	5.2	-7.8	4.0	5.2	4.7
India	5.1	9.1	10.4	7.5	8.5
China	9.6	9.1	10.4	9.1	8.0

*Weighted average of country economic growth. Division between Expansion/Recession is 2% growth in real GDP, below the corresponding IMF measure of 2-1/2% to 3% which uses purchasing power parity weights for the global GDP calculation.

F - Forecast

Source: Decision Economics, Inc. (DE).

Table A.5
DE Baseline and Alternative Risk
Scenarios and Probabilities
(August 15, 2011)

	Current	Previous
Baseline—"Muddle-Through" or Uptilted "L"	60%	70%
"Double-Dip"—Another Full-Fledged Recession Some Time in 2011-12	5%	5%
"Double-Dip" Growth Recession with Low Inflation—"Japan-Like"	20%	10%
U.S. Sovereign Debt Crisis	10%	10%
"Delayed Takeoff"—Lags in Spending Hold Economy Back But Then a "Takeoff" on Positive Effects from Previous Massive Monetary and Fiscal Stimulus	5%	5%

Table A.6
Broad Asset and S&P500 Sector Strategic Allocations
(August 15, 2011)

			DE Weights (%)				Market Weights (%)			
	Relative to Market*		8/15/11	5/15/11	2/15/11	8/15/10	7/31/11	4/31/11	1/31/11	8/31/10
Broad Asset Allocation (1)										
	Curr	*Prev*								
Equities	*1.27*	*1.36*	65	75	75	60	55	55	55	55
Fixed Income	*0.71*	*0.57*	30	20	20	30	35	35	35	35
Cash & Equiv.	*0.50*	*0.00*	5	0	0	5	10	10	10	10
Alternative Assets**	*1.00*	*1.00*	5	5	5	5	--	--	--	--
S&P500 Sector Allocations (2)										
	Curr	*Prev*								
Info Technology	*1.10*	*1.12*	20.6	20.4	21.3	20.2	18.8	18.2	19.0	18.3
Industrials	*1.06*	*1.10*	11.3	12.3	12.0	10.6	10.7	11.2	11.2	10.5
Health Care	*1.04*	*1.02*	11.8	11.7	10.1	12.5	11.3	11.5	10.6	11.7
Materials	*1.03*	*1.08*	3.7	3.9	3.8	3.2	3.6	3.6	3.7	3.6
Consumer Staples	*1.02*	*0.98*	10.8	10.3	9.9	11.3	10.6	10.5	10.1	11.8
Energy	*1.01*	*1.01*	13.1	12.5	13.0	10.9	13.0	12.4	12.5	10.9
Consumer Discr.	*0.98*	*1.01*	10.4	10.8	10.7	9.3	10.7	10.7	10.6	10.3
Financials	*0.95*	*0.99*	14.2	15.2	16.5	16.3	14.9	15.4	16.3	15.9
Telecom Services	*0.70*	*0.63*	2.1	1.9	1.8	2.7	3.0	3.0	2.9	3.2
Utilities	*0.60*	*0.30*	2.0	1.0	0.9	3.0	3.4	3.3	3.1	3.8
S&P500			100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*Market-Weight = 1.00; based on Institutional Equity balanced portfolio weights—55% equities, 35% fixed income, 10% cash and equivalent

**Includes but not limited to: Hedge Funds; Commodities; Real Estate; Private Equity; Venture Capital, Distressed Assets, Gold

(1) Fundamental macroeconomic top-down, based on economic and financial market cycles and risks.

(2) Fundamental macroeconomic top-down driven S&P500 industry sales and earnings, disciplined by sector and industry business cycle analyses.

**Alternative Asset Allocations out existing Broad Asset Allocations as between Equities, Fixed Income and Cash & Equivalent, at discretion of investor.

Table A.7
DE S&P500 Sector and Industry Allocations*
(August 15, 2011)

	Strong Overweight (10%+)	Overweight (1% to 10%)	Market Weight (0% +/- 1%)	Underweight (-1% to -10%)	Strong Underweight (-10%-or-More)
Sectors	**Info Tech**	**Consumer Staples** **Energy** **Health Care** **Industrials** **Materials**		**Consumer Discretionary** **Financials**	**Telecom Services** **Utilities**
Industries in Sectors					
Consumer Discretionary	Internet Retail Restaurants	Computer & Electr Retail Education Srvs. Leisure Products Movies & Entertainment Specialty Stores	Cable & Satellite Casinos & Gaming Consumer Electronics Distributors Footwear General Merch. Stores Home Improv. Retail Hotels Specialized Consumer Srvs.	Advertising Apparel & Accessories Apparel Retail Automotive Retail Automobile Mftrs. Auto Parts & Equip. Broadcasting Department Stores Homebuilding Home Furnishings Home Furnishings Retail Household Appliances Housewares & Specialties Publishing	Motorcycle Mftrs. Photographic Products Tires & Rubber
Consumer Staples	Personal Products	Drug Retail Food Distributors Household Products Soft Drinks	Agricultural Products Hypermarkets & Supercenters Packaged Foods	Brewers Distillers & Vintners Food Retail Tobacco	
Energy		Coal & Consumable Fuels Integrated Oil & Gas Oil & Gas Equip. & Srvs.	Oil & Gas Expl./Prod. Oil & Gas Refining Oil & Gas Storage & Transportation	Oil & Gas Drilling	
Financials		Asset Mgmt. & Custody Divers. Banks	Consumer Finance Insurance Brokers Multi-Line Insurance Multi-Sector Holdings Office REITs Property & Casualty Insur. Regional Banks Residential REITs Retail REITs Specialized Finance Specialized REITs	Divers. REITs Industrial REITs Invest Banking & Brkg. Life & Health Insurance Other Divers Fin'l Srvs. Real Estate Srvs. Thrifts & Mortgage Fin	
Health Care	Biotechnology Health Care Equipment Health Care Srvs. Health Care Technology Life Science Tools & Srvs.	Health Care Supplies	Health Care Distributors Health Care Facilities Pharmaceuticals	Managed Health Care	
Industrials	Airfreight & Logistics Constr. & Farm Machinery Industrial Machinery	Environmental & Facilities Srvs. HR & Employ. Srvs Industrial Conglomerates Railroads	Constr & Engineering Electrical Cpts. & Equip. Research & Consulting Srvs. Trade Comps & Distribs. Trucking	Airlines Building Products Comm'l Printing Divers. Support Srvs. Office Srvs. & Supplies	Aerospace & Defense
Information Technology	Application Software Computer Hardware Internet Sftwr. & Srvs. IT Consulting & Srvs.	Computer Storage & Perip Semiconductors Systems Software	Communications Equip. Electronic Components Electron. Equip Mftrs. Software Semiconductor Equip.	Data Proc. & Outsourced Electronic Manufacturing Srvs.	Office Electronics Srvs. Home Entertainment
Materials	Chemicals	Divers. Metals & Mining Diversified Chemicals Fertilizers & Ag Gold Industrial Gases	Metal & Glass Containers Specialty Chemicals	Aluminum Construction Materials Paper Packaging Paper Products Steel	Forest Prods.
Telecom Services			Integrated Telecom Srvs.	Wireless Telecom Srvs.	
Utilities		Independent Power Prods.& Energy Trade	Gas Utilities Electric Utilities	Multi Utilities	

*Fundamental economic top-down equity allocations based on DE U.S. and Global economic prospects—integrating expected return and economic risk.

Weights relative to S&P 500 Sector and Industry market caps.

Table A.8
DE Broad and S&P500 Sector and Industry Allocations—Upgrades and Downgrades
(As of August 15, 2011; Compared with Mid-May 2011)*

	Adjustment	New Allocation (Weight)	Old Allocation (Weight)
		Asset Classes (Relative to Market=1.00)	
Equities	**Downgrade**	**Overweight (1.27)**	**Strong Overweight (1.36)**
Fixed Income	**Upgrade**	**Underweight (0.71)**	**Strong Underweight (0.57)**
		Sectors/Industries (Relative to Market =1.00)	
Health Care	**Upgrade**	**Overweight (1.04)**	**Overweight (1.02)**
Health Care Equipment	Upgrade	Strong Overweight	Overweight
Health Care Supplies	Upgrade	Overweight	Market Weight
Health Care Facilities	Upgrade	Market Weight	Underweight
Health Care Distributors	Downgrade	Market Weight	Overweight
Utilities	**Upgrade**	**Strong Underweight (0.60)**	**Strong Underweight (0.30)**
Independent Power Producers	Upgrade	Overweight	Market Weight
Electric Utilities	Upgrade	Market Weight	Underweight
Consumer Staples	**Upgrade**	**Overweight (1.02)**	**Underweight (0.98)**
Personal Products	Upgrade	Strong Overweight	Overweight
Soft Drinks	Upgrade	Overweight	Market Weight
Agricultural Products	Downgrade	Market Weight	Overweight
Telecom Services	**Upgrade**	**Strong Underweight (0.70)**	**Strong Underweight (0.63)**
Industrials	**Downgrade**	**Overweight (1.06)**	**Strong Overweight (1.10)**
Airfreight & Logistics	Upgrade	Strong Overweight	Overweight
Environmental & Facilities Srvcs.	Upgrade	Market Weight	Overweight
Industrial Conglomerates	Downgrade	Overweight	Strong Overweight
Aerospace & Defense	Downgrade	Strong Underweight	Underweight
Consumer Discretionary	**Downgrade**	**Underweight (0.98)**	**Overweight (1.01)**
Restaurants	Upgrade	Strong Overweight	Overweight
Distributors	Upgrade	Market Weight	Strong Underweight
Home Improvement Retail	Upgrade	Market Weight	Underweight
Hotels	Downgrade	Market Weight	Overweight
Automotive Retail	Downgrade	Underweight	Market Weight
Education Services	Downgrade	Overweight	Strong Overweight
Automobile Manufacturers	Downgrade	Underweight	Market Weight
Financials	**Downgrade**	**Underweight (0.95)**	**Underweight (0.99)**
Specialized Finance	Upgrade	Market Weight	Underweight
Property & Casualty Insurance	Downgrade	Market Weight	Overweight
Residential REITS	Downgrade	Market Weight	Overweight
Other Diversified Financial Srvs.	Downgrade	Underweight	Overweight
Materials	**Downgrade**	**Overweight (1.03)**	**Overweight (1.08)**
Diversified Metals & Mining	Upgrade	Overweight	Market Weight
Info Tech	**Downgrade**	**Strong Overweight (1.10)**	**Strong Overweight (1.12)**
Communications Equipment	Downgrade	Overweight	Market Weight
Home Entertainment Software	Downgrade	Market Weight	Strong Underweight

Table A.8 (Cont.'d)

	Adjustment	New Allocation (Weight)	Old Allocation (Weight)
Energy	**No Change**	**Overweight (1.01)**	**Overweight (1.01)**
Integrated Oil & Gas	Upgrade	Overweight	Market Weight
Oil & Gas Equipment and Services	Upgrade	Overweight	Market Weight
Oil & Gas Refining	Upgrade	Market Weight	Underweight
Oil & Gas Storage and Trans.	Upgrade	Market Weight	Underweight
Oil & Gas Exploration/Production	Downgrade	Market Weight	Overweight
Global Regions (Relative to Market = 1.00)			
Latin America (Incl. Mexico)	Upgrade	Market Weight (1.00)	Underweight (0.97)
North America	Upgrade	Overweight (1.01)	Underweight (0.99)
Far East (Inc. Japan)	Upgrade	Underweight (0.91)	Strong Underweight (0.69)
Pacific Ex-Japan	Upgrade	Overweight (1.04)	Overweight (1.02)
Pacific (Inc. Japan)	Upgrade	Underweight (0.95)	Strong Underweight (0.77)
Europe Ex-UK	Downgrade	Underweight (0.99)	Overweight (1.09)
Eurozone	Downgrade	Underweight (0.98)	Strong Overweight (1.12)
Europe	Downgrade	Underweight (0.97)	Overweight (1.05)
EMG	Downgrade	Strong Overweight (1.23)	Strong Overweight (1.31)
EAFE	No Change	Overweight (1.13)	Overweight (1.13)
Countries (MSCI All-Country Global Index—Relative to Market = 1.00)			
South Korea	Upgrade	Strong Overweight (1.38)	Strong Overweight (1.34)
Germany	Upgrade	Strong Overweight (1.28)	Strong Overweight (1.21)
Indonesia	Upgrade	Strong Overweight (1.20)	Strong Overweight (1.10)
New Zealand	Upgrade	Strong Overweight (1.20)	Market Weight (1.00)
Singapore	Upgrade	Strong Overweight (1.17)	Overweight (1.03)
Chile	Upgrade	Strong Overweight (1.13)	Overweight (1.09)
Australia	Upgrade	Overweight (1.07)	Overweight (1.04)
Malaysia	Upgrade	Overweight (1.05)	Overweight (1.03)
Switzerland	Upgrade	Overweight (1.04)	Underweight (0.98)
Mexico	Upgrade	Underweight (0.95)	Underweight (0.90)
Japan	Upgrade	Strong Underweight (0.88)	Strong Underweight (0.66)
China	Downgrade	Strong Overweight (1.48)	Strong Overweight (1.50)
Canada	Downgrade	Strong Overweight (1.35)	Strong Overweight (1.45)
Denmark	Downgrade	Strong Overweight (1.10)	Strong Overweight (1.13)
Russia	Downgrade	Overweight (1.06)	Strong Overweight (1.10)
Brazil	Downgrade	Overweight (1.05)	Strong Overweight (1.10)
India	Downgrade	Overweight (1.05)	Strong Overweight (1.25)
France	Downgrade	Overweight (1.03)	Overweight (1.06)
Norway	Downgrade	Overweight (1.03)	Overweight (1.08)
Belgium	Downgrade	Market Weight (1.00)	Overweight (1.05)
Finland	Downgrade	Market Weight (1.00)	Overweight (1.05)
Sweden	Downgrade	Underweight (0.98)	Market Weight (1.00)
Netherlands	Downgrade	Underweight (0.96)	Overweight (1.01)
Turkey	Downgrade	Underweight (0.95)	Market Weight (1.00)
Hong Kong	Downgrade	Underweight (0.92)	Market Weight (1.00)
United Kingdom	Downgrade	Underweight (0.91)	Underweight (0.93)
Italy	Downgrade	Strong Underweight (0.85)	Market Weight (1.00)

Table A.8 (Cont.'d)

	Adjustment	New Allocation (Weight)	Old Allocation (Weight)
South Africa	Downgrade	Strong Underweight (0.80)	Market Weight (1.00)
Poland	Downgrade	Strong Underweight (0.78)	Market Weight (1.00)
Taiwan	Downgrade	Strong Underweight (0.60)	Strong Underweight (0.66)
Spain	Downgrade	Strong Underweight (0.28)	Strong Underweight (0.55)
Israel	No Change	Overweight (1.05)	Overweight (1.05)
Austria	No Change	Market Weight (1.00)	Market Weight (1.00)
Colombia	No Change	Market Weight (1.00)	Market Weight (1.00)
Czech Republic	No Change	Market Weight (1.00)	Market Weight (1.00)
Luxemburg	No Change	Market Weight (1.00)	Market Weight (1.00)
Philippines	No Change	Market Weight (1.00)	Market Weight (1.00)
Thailand	No Change	Market Weight (1.00)	Market Weight (1.00)
United States	No Change	Underweight (0.97)	Underweight (0.97)
Hungary	No change	Strong Underweight (0.83)	Strong Underweight (0.83)
Ireland	No Change	Strong Underweight (0.50)	Strong Underweight (0.50)
Egypt	No Change	Strong Underweight (0.00)	Strong Underweight (0.00)
Greece	No Change	Strong Underweight (0.00)	Strong Underweight (0.00)
Morocco	No Change	Strong Underweight (0.00)	Strong Underweight (0.00)
Peru	No Change	Strong Underweight (0.00)	Strong Underweight (0.00)
Portugal	No Change	Strong Underweight (0.00)	Strong Underweight (0.00)
Argentina	No Change	Strong Underweight (0.00)	Strong Underweight (0.00)

*Allocations relative to benchmark or to market. Benchmarks used are Institutional Equity Balanced Portfolio, S&P500 Sector/Industry Market Caps, and MSCI All-Country Global Index.

Table A.10
Global Regional and Index Allocation Weight Summary
(Relative to MSCI All-Country World Index, Based on DE Country-Specific Weights)
(August 15, 2011)

	DE Relative Weights (Mkt=1.00)	DE Market Weights (Pct)	MSCI Market Weights (Pct)	Previous DE Relative Weights 5/15/10	Change in DE Relative Weight*
Regions:					
Latin America (Incl. Mex)	1.00	3.1	3.1	0.97	+
North America	1.01	47.6	47.2	0.99	0
Europe Ex-UK	0.99	17.4	17.6	1.09	--
Pacific Ex-Japan	1.04	5.4	5.2	1.02	0
Eurozone	0.98	12.0	12.3	1.12	--
Europe	0.97	25.0	25.9	1.05	--
Far East	0.91	8.7	9.6	0.69	++
Pacific	0.95	12.3	13.0	0.77	++
MSCI Indexes:					
EMG	1.23	15.8	12.8	1.31	--
EAFE	1.13	42.7	37.9	1.13	0

*Change in Relative Weight: "++" and "- -" represent 5 point or more difference from prior weighting; "+" and "-"= 2 to 4 point difference; "0" = 0 to 2 point difference.

Weights from DE and Morgan Stanley Capital International (MSCI) All-Country World Index.

Table A.11
Decision Economics, Inc.
Global Equity Asset Allocation by Country*
(Percent)

Country	Relative to Market *		DE Allocations			Market Weight		
	Curr.	Prev.	8/15/11	5/15/11	2/15/11	6/30/11	4/31/11	1/31/11
Overweight								
China	1.48	1.50	3.5	3.5	3.7	2.36	2.33	2.35
South Korea	1.38	1.34	2.75	2.7	2.9	2.00	2.01	1.93
Canada	1.35	1.45	6.2	6.8	7.0	4.60	4.68	4.55
Germany	1.28	1.21	4.5	4.3	3.8	3.52	3.54	3.13
Indonesia	1.20	1.10	0.42	0.36	0.32	0.35	0.33	0.29
New Zealand	1.20	1.00	0.06	0.03	0.04	0.05	0.04	0.04
Singapore	1.17	1.03	0.77	0.7	0.7	0.66	0.68	0.67
Chile	1.13	1.09	0.26	0.24	0.23	0.23	0.22	0.21
Denmark	1.10	1.13	0.45	0.45	0.28	0.41	0.42	0.39
Australia	1.07	1.04	3.6	3.6	3.8	3.36	3.45	3.43
Russia	1.06	1.10	1.0	1.1	1.0	0.94	0.97	0.93
Brazil	1.05	1.10	2.2	2.3	2.5	2.10	2.10	2.07
India	1.05	1.25	1.05	1.2	1.7	1.00	0.96	1.15
Israel	1.05	1.05	0.29	0.28	0.33	0.28	0.27	0.30
Malaysia	1.05	1.03	0.45	0.4	0.3	0.43	0.39	0.39
Switzerland	1.04	0.98	3.4	3.1	3.4	3.26	3.17	3.21
France	1.03	1.06	4.06	4.2	3.0	3.96	3.96	3.80
Norway	1.03	1.08	0.37	0.4	0.3	0.36	0.37	0.34
Market Weight (Neutral)								
Austria	1.00	1.00	0.13	0.13	0.22	0.13	0.13	0.13
Belgium	1.00	1.05	0.37	0.4	0.4	0.37	0.38	0.36
Colombia	1.00	1.00	0.11	0.1	0.1	0.11	0.11	0.11
Czech Republic	1.00	1.00	0.05	0.05	0.05	0.05	0.05	0.05
Finland	1.00	1.05	0.38	0.45	0.43	0.38	0.43	0.45
Luxemburg	1.00	1.00	0.20	0.2	0.2	0.19	0.20	0.20
Philippines	1.00	1.00	0.08	0.08	0.06	0.08	0.08	0.06
Thailand	1.00	1.00	0.23	0.24	0.1	0.23	0.24	0.22
Underweight								
Sweden	0.98	1.00	1.2	1.3	0.50	1.22	1.30	1.30
United States	0.97	0.97	41.4	40.8	40.3	42.64	42.22	42.25
Netherlands	0.96	1.01	1.0	1.1	1.2	1.04	1.09	1.11
Turkey	0.95	1.00	0.18	0.2	0.1	0.19	0.20	0.19
Mexico	0.95	0.90	0.57	0.53	0.32	0.60	0.59	0.52
Hong Kong	0.92	1.00	1.0	1.1	1.1	1.09	1.09	1.05
United Kingdom	0.91	0.93	7.6	7.9	8.5	8.33	8.50	8.40
Japan	0.88	0.66	6.9	5.0	6.8	7.83	7.61	8.51
Italy	0.85	1.00	0.90	1.13	1.27	1.05	1.13	1.08
Hungary	0.83	0.83	0.05	0.05	0.0	0.06	0.06	0.05
South Africa	0.80	1.00	0.79	1.03	1.06	0.99	1.03	1.04
Poland	0.78	1.00	0.18	0.24	0.21	0.23	0.24	0.22
Taiwan	0.60	0.66	0.9	1.01	1.13	1.51	1.53	1.62
Ireland	0.50	0.50	0.05	0.05	0.45	0.10	0.10	0.09
Spain	0.28	0.55	0.4	0.8	0.0	1.41	1.45	1.43
Egypt	0.00	0.00	0.00	0.0	0.0	0.05	0.04	0.05
Greece	0.00	0.00	0.00	0.0	0.0	0.09	0.10	0.11
Morocco	0.00	0.00	0.00	0.0	0.0	0.02	0.02	0.02
Peru	0.00	0.00	0.00	0.0	0.0	0.06	0.07	0.09
Portugal	0.00	0.00	0.00	0.0	0.0	0.10	0.11	0.11
Argentina	0.00	0.00	0.00	0.0	0.0	0.00	0.00	0.00
TOTAL			**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

*Market Weight = 1.00.

Weights from DE and Morgan Stanley Capital International (MSCI) All-Country World Index.

Fundamental macroeconomic top-down Global Regional and Country equity allocations based on integrated DE Global Economic and Financial Markets Baseline Forecasts and Analyses.

"Baseline" forecasts—47 countries covered, about 93% of world output, 46 for asset allocation.

Table A.12
Decision Economics, Inc.
Equity Asset Allocation by Country: EAFE*
(Percent)

Country and Region	DE Weightings					MSCI EAFE Weights		
	Relative to Market							
	Curr. (8/15/11)	Prev. (5/15/11)	8/15/11	5/15/11	2/15/11	6/30/11	4/31/11	1/31/11
Overweight								
China	1.50	1.50	0.45	0.03	0.03	0.03	0.02	0.02
Germany	1.50	1.50	13.50	13.5	10.3	9.00	8.99	8.34
Singapore	1.27	1.23	2.06	2.0	1.9	1.62	1.62	1.59
Switzerland	1.15	1.09	9.6	8.8	8.0	8.35	8.05	7.81
Australia	1.11	1.15	9.5	10.1	8.8	8.59	8.75	8.36
France	1.10	1.10	11.1	11.1	9.0	10.12	10.05	9.58
New Zealand	1.08	1.00	0.13	0.11	0.1	0.12	0.11	0.10
Israel	1.06	1.01	0.75	0.7	0.8	0.71	0.69	0.76
Netherlands	1.01	1.12	2.6	3.0	3.0	2.58	2.67	2.61
Sweden	1.01	1.02	3.1	3.3	3.3	3.06	3.23	3.21
Market Weight								
Austria	1.00	1.00	0.34	0.33	0.33	0.34	0.33	0.33
Belgium	1.00	0.94	0.96	0.9	0.9	0.96	0.96	0.90
Denmark	1.00	1.02	1.06	1.1	1.0	1.06	1.08	0.99
Hong Kong	1.00	1.01	2.79	2.8	3.0	2.79	2.77	2.90
Luxembourg	1.00	0.60	0.50	0.3	0.0	0.50	0.50	0.50
Norway	1.00	1.06	0.91	1.0	0.9	0.91	0.94	0.87
Russia	1.00	1.00	0.03	0.03	0.05	0.03	0.03	0.04
Underweight								
United Kingdom	0.95	1.05	20.2	22.6	22.2	21.23	21.50	21.18
Italy	0.90	1.01	2.4	2.9	2.7	2.67	2.88	2.74
Japan	0.85	0.70	17.1	13.45	21.39	20.03	19.29	21.63
Finland	0.85	1.01	0.82	1.1	1.1	0.97	1.09	1.13
Ireland	0.48	0.50	0.10	0.13	0.1	0.25	0.26	0.23
Spain	0.00	0.20	0.00	0.72	1.1	3.60	3.67	3.62
Portugal	0.00	0.00	0.00	0.0	0.0	0.26	0.27	0.27
Greece	0.00	0.00	0.00	0.0	0.0	0.22	0.25	0.29
Total			**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

*Weights from DE and Morgan Stanley Capital International (MSCI) EAFE Index.

DE Fundamental macroeconomic top-down Global Regional and Country equity allocations based on integrated DE Global Economic and Financial Markets "Baseline" Forecasts—47 countries covered, about 93% of world output, 47 countries in asset allocation.

Table A.13
Decision Economics, Inc.
Equity Asset Allocation by Country: EMG *
(Percent)

Country	Relative to Market Curr. (8/15/11)	Relative to Market Curr. (5/15/11)	DE Weightings 8/15/11	DE Weightings 5/15/11	DE Weightings 2/15/11	MSCI EMG Weights 6/30/11	MSCI EMG Weights 4/31/11	MSCI EMG Weights 1/31/11
Overweight								
Indonesia	1.15	1.07	3.0	2.6	2.1	2.60	2.43	2.12
Malaysia	1.14	1.02	3.6	2.9	2.1	3.15	2.85	2.95
China	1.07	1.04	18.5	17.9	19.1	17.34	17.17	17.60
Chile	1.06	1.06	1.8	1.7	1.8	1.70	1.60	1.57
South Korea	1.05	1.09	15.5	16.2	14.5	14.75	14.86	14.50
Russia	1.03	1.06	7.0	7.5	7.2	6.82	7.09	6.86
India	1.02	1.02	7.5	7.2	7.20	7.36	7.08	7.14
Brazil	1.01	1.02	15.7	15.8	15.98	15.53	15.49	15.61
Turkey	1.01	1.05	1.4	1.55	1.2	1.38	1.48	1.40
Market Weight								
Colombia	1.00	0.80	0.84	0.63	0.64	0.84	0.79	0.80
Czech Republic	1.00	1.03	0.38	0.4	0.32	0.38	0.39	0.36
Egypt	1.00	0.32	0.34	0.10	0.19	0.34	0.31	0.38
Mexico	1.00	0.83	4.40	3.64	4.5	4.40	4.36	4.50
Thailand	1.00	1.06	1.7	1.87	1.60	1.68	1.76	1.59
Underweight								
Poland	0.94	1.06	1.6	1.86	1.75	1.70	1.76	1.67
Hungary	0.90	1.00	0.38	0.45	0.0	0.42	0.45	0.41
South Africa	0.90	1.05	6.6	8.0	7.0	7.30	7.59	7.05
Philippines	0.90	0.89	0.50	0.5	0.48	0.55	0.56	0.48
Taiwan	0.80	0.77	8.9	8.7	12.3	11.13	11.28	12.17
Peru	0.77	0.93	0.36	0.5	0.0	0.47	0.54	0.64
Morocco	0.00	0.00	0.00	0.0	0.0	0.15	0.15	0.16
Hong Kong	0.00	--	0.00	--	0.04	0.00	0.00	0.04
Total			**100.00**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

*Weights from DE and Morgan Stanley Capital International (MSCI) EMG Index.

**End-April and ex-Israel.

DE Fundamental macroeconomic top-down Global Regional and Country equity allocations based on integrated DE Global Economic and Financial Markets "Baseline" Forecasts—47 countries covered, about 93% of world output, 47 countries in asset allocation.