

**MINUTES**  
**FINANCE/AUDIT COMMITTEE**  
**UNIVERSITY OF SOUTHERN INDIANA**  
**BOARD OF TRUSTEES**

**September 6, 2007**

The Finance/Audit Committee of the University of Southern Indiana Board of Trustees met on Thursday, September 6, 2007, in Carter Hall in the University Center. In attendance were Chair Jeffrey L. Knight and Trustees Frank F. McDonald II, and James L. Will Sr. Trustee Mark A. Day joined the meeting in session. Also in attendance were Vice President for Business Affairs and Treasurer Mark Rozewski and Vice President for Governmental Relations Cynthia S. Brinker.

Committee Chair Jeff Knight called the meeting to order at 8:30 a.m.

**1. APPROVAL OF RECOMMENDATION FOR 2008-2009 HOUSING RATES**

Mr. Knight called on Vice President Rozewski for a review of a recommendation for 2008-2009 housing rates. Mr. Rozewski reported that the University offers 578 apartments in 43 buildings and 236 suites in four residence halls with a current occupancy rate of 95.3 percent. He reported that the housing operation is a self-supporting auxiliary service with a budget of \$8.8 million. The recommendation for 2008-2009 rates includes increases ranging from \$33 to \$74 per semester. Mr. Rozewski noted that the cost of the housing and dining options most frequently selected by USI students continue to be at or below the cost of similar housing and dining options at other Indiana public universities.

On a motion by Mr. Will, seconded by Mr. McDonald, a recommendation to the Board of Trustees for approval of the following 2008-2009 housing rates was approved.

		<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>EFFECTIVE DATE</u>
<b><u>FALL OR SPRING SEMESTER</u></b>				
<b><u>McDONALD or O'DANIEL APARTMENT</u></b>				
Two Bedroom:	Two students per bedroom	\$1,642	\$1,675	7-01-08
	One student per bedroom	2,941	3,000	7-01-08
One Bedroom:	Two students	1,983	2,023	7-01-08
	One student	3,691	3,765	7-01-08
<b><u>GOVERNORS, NEWMAN, O'BANNON, or RUSTON HALL</u></b>				
One and Two Bedroom: Two students per bedroom		\$1,642	\$1,675	7-01-08

**SUMMER SESSIONS**

Summer session rates are indexed to semester rates. The rate for each five-week summer session is one-third of the academic year semester rate.

**2. APPROVAL OF RECOMMENDATION FOR 2008-2009 MEAL PLAN RATES**

Chair Knight asked Vice President Rozewski to review a recommendation for 2008-2009 meal plan rates. Mr. Rozewski noted that food service at the University of Southern Indiana has been operated for many years by Sodexho, Inc. and that dining services, like housing, is part of the University's auxiliary system and self-supporting from revenues. He noted that the administration is pleased with the current management of food services.

Students who live in the Residence Halls (Newman Hall, Governors Hall, O'Bannon Hall, and Ruston Hall) are required to purchase a Resident Meal Plan. Mr. Rozewski noted that of the three plans from which students can choose, the Blue Plan is the most popular. The proposed rates allow for normal increases in food and labor costs and range from \$20 to \$45 per semester.

Vice President Rozewski reported that the University has engaged a food service consultant, Envision Strategies, for a comprehensive review of the dining operation. This review will help in the preparation of a facilities plan for food service as part of the University Center Expansion project and will assess the dining operation from all perspectives. Mr. Rozewski informed the Trustees that the University also is engaged in a comprehensive external review of the University bookstore.

On a motion by Mr. McDonald, seconded by Mr. Will, a recommendation to the Board of Trustees for approval of the following 2008-2009 meal plan rates was approved.

**FALL OR SPRING SEMESTER**

	<b>CURRENT RATE</b>	<b>PROPOSED RATE</b>	<b>EFFECTIVE DATE</b>
Red Eagle Plan	\$1,629	\$1,649	7-01-08
White Eagle Plan	1,569	1,610	7-01-08
Blue Eagle Plan	1,435	1,480	7-01-08

**SUMMER SESSIONS**

Meal plans are not offered during summer sessions.

**3. APPROVAL OF BUDGET APPROPRIATIONS FOR FISCAL YEAR 2006-2007**

Mr. Knight called on Vice President Rozewski to review the 2006-2007 budget appropriations. Mr. Rozewski reported that Attachment A is a summary of various appropriations of new revenue throughout the year and the year-end transfer of budgetary surplus to reserves.

On a motion by Mr. Will, seconded by Mr. McDonald, the budget appropriations for fiscal year 2006-2007 in Attachment A were approved.

**4. REPORT ON THE VOLUNTARY EMPLOYEES' BENEFIT ASSOCIATION (VEBA) TRUST FUND**

Mr. Knight called on Vice President Brinker, who reported that the Voluntary Employees' Benefit Association (VEBA) Trust was created in 1995 to establish a long-term investment vehicle to partially fund future retiree benefit costs for medical, dental, and life insurance coverage. The current allocation of the trust is with Old National Bank and Fifth Third Bank with Old National acting as the trustee. The initial investment policy was approved by the Finance Committee, on behalf of the Board of Trustees, in August 1995. The investment policy was revised in 2000 and March 2006.

Ms. Brinker introduced Neil Heppler, Principal with Asset Performance Partners, for a report on the performance of the VEBA Trust Fund for fiscal year 2006-2007. Mr. Heppler referred the Committee members

to a report titled *USI VEBA Trust – Investment Portfolio Analysis – June 30, 2007*. A copy of this report was provided to the Committee prior to the meeting and a copy is appended to the file copy of these minutes. Mr. Heppler reviewed the Performance Summary Table on page 2 of the report. He reviewed the asset mix on page 3 and reported that the total assets of the fund were \$7,287,221 on June 30, 2007.

Following a discussion concerning the performance of the trust, Mr. Day moved to delegate the staff to consult with Mr. Heppler and advise the Committee, at its next meeting, regarding options for alternative managers for the fixed income portion of the trust so the Committee can make a decision at its next meeting. Mr. Will seconded the motion, which was approved. Mr. Knight abstained.

Mr. Will requested that Mr. Heppler analyze the performance of the fixed income portion of the trust for the past five years and report to the Committee. Mr. Heppler will provide this information in a memo to Vice President Brinker.

Mr. McDonald requested the results of discussions between Mr. Heppler and the fund managers regarding fees and any resulting changes in the fee structure. Mr. Heppler will include this information in his memo to Vice President Brinker.

#### **5. APPROVAL OF RECOMMENDATION TO TRANSFER FUNDS TO THE VEBA (VOLUNTARY EMPLOYEES' BENEFIT ASSOCIATION) TRUST**

Mr. Knight called on Vice President Rozewski, who reported that the VEBA Trust Investment Policy requires the approval of the Board of Trustees for a transfer of funds to the VEBA Trust. He recommended the transfer of \$500,000. Vice President Rozewski reminded the Trustees that the general operating budget, approved by the Board at its meeting in July 2007, included the allocation of \$300,000 to the VEBA Trust. The approval of a \$500,000 transfer will increase the total deposited in the VEBA Trust this year to \$800,000.

On a motion by Mr. Will, seconded by Mr. McDonald, a recommendation to the Board of Trustees to transfer \$500,000 to the VEBA Trust was approved.

There being no further business, the meeting adjourned at 9:45 a.m.

**Fiscal Year 2006-2007 Budget Appropriations**

From:	Appropriation of transfer from the library acquisitions reserve for the purchase of library reference materials	
To:	Library	\$ 68,288
From:	Appropriation of USI Foundation support	
To:	Faculty Enhancement, Student Programs, and Historic Southern Indiana Programs	193,821
From:	Appropriation of increased enrollment funding for Summer 2005-2006, Fall 2006, and Spring 2007	
To:	Academic Units	126,445
From:	Appropriation of additional revenue collected from services	
To:	Nursing and Health Professions Certificate Programs	80,468
From:	Appropriation of additional childcare fees collected from services	
To:	Children's Center Operations	39,138
From:	Appropriation of fund balance to cover expenses	
To:	Extended Services Programs	38,387
From:	Appropriation of additional support from Student Services Fee, USI Foundation, and NCAA reimbursements for additional GLVC tournament costs and related support expenses	
To:	Athletics	218,934
From:	Appropriation of transfers from current operating year-end savings to reserves	2,930,000
To:	Special Projects	1,500,000
To:	Reserve - Self Insurance	400,000
To:	Reserve - Science and Engineering Equipment	230,000
To:	Reserve - Revolving Funds	50,000
To:	Reserve - Equipment Replacement	250,000
To:	Employee Benefits Revolving Fund (Voluntary Employees' Benefit Association [VEBA] Trust)	500,000
From:	Appropriation of transfer from technology fee revenue to reserve	
To:	Reserve - Technology Initiatives	400,000
From:	Appropriation of transfer of bookstore revenue to reserves	643,442
To:	Bookstore Reserve	443,442
To:	Reserve - University Initiatives	200,000
From:	Appropriation of transfer from food service revenue to reserves	507,808
To:	Dining Reserve	421,953
To:	University Center Expansion	85,855
From:	Appropriation of transfer from University Center year-end debt service savings to reserve	
To:	University Center Expansion	152,359
From:	Appropriation of transfer from residence life year-end surplus to reserve	
To:	General Housing Reserve	431,557

From:	Appropriation of transfer from residence life year-end debt service savings to reserve	
To:	Housing Debt Reserve	309,425
From:	Appropriation of transfer from insurance budget to reserve	
To:	Reserve – Worker's Compensation	154,461
From:	Appropriation of transfer from energy savings to reserve	
To:	Reserve – Energy Management Controls	153,186
From:	Appropriation of transfer from medical insurance savings to reserve	
To:	Reserve – Medical Premiums	430,588
From:	Appropriation of additional transportation fee revenue to reserve	
To:	Reserve – Parking	849,849
From:	Appropriation of year-end revenue to reserve	
To:	Reserve – Mailroom Equipment	171,000



**USI VEBA Trust**  
Investment Performance Analysis  
June 30, 2007

**Neil Heppler**

# USI VEBA Trust

## Table of Contents

	<u>Tab</u>	<u>Page(s)</u>
<b>Performance Analysis</b>	<b>I</b>	<b>1-9</b>
Market Overview		
Performance Summary Table		
Asset Allocation Mix		
Sources of Growth		
Asset Allocation Stack Bar Graph		
Total Composite Comparison		
Equity Style Map		
Total Equity Summary Statistics		
<b>Manager Analysis</b>	<b>II</b>	<b>10-22</b>
<i>Domestic Equity</i>		
Fifth Third Bank		
Fidelity Spartan S&P 500		
Waddell & Reed Small-Cap		
<i>International Equity</i>		
Fidelity Diversified Intl.		
<i>Fixed Income</i>		
Old National Bank		

# USI VEBA Trust Market Overview Quarter Ending June 30, 2007

The second quarter of 2007 was a strong quarter for equity markets as the global merger and acquisition boom remained at full strength. Total deal volume around the globe amounted to \$1.7 trillion and eclipsed the first quarter of 2000 as the largest three month period in history. Low interest rates, solid balance sheets, and strong operational cash flow have driven this period of corporate consolidation and private equity buyouts. With this as a tailwind for equities, the S&P 500 Index gained +6.3% and the Dow Jones Industrial Average soared to new highs in the quarter. Year to date, the S&P 500 has appreciated +7.0%. International markets performed equally well in the second quarter and gained +6.4%. Emerging markets were higher by +11%. China's and India's markets continue to soar despite headline grabbing volatility.

Despite the giddiness of the equity markets in April and May, doubt crept into investors' minds in June as the market gave back some of its quarterly gains. Subprime mortgage fears gripped the market once again as it did in February. Two large hedge funds run by Bear Stearns, which focused heavily on subprime debt, teetered on the brink of collapse as pricing questions arose in relation to the securities these funds were holding. The general fear was that these thinly traded securities would be repriced at lower values and, in turn, would affect other large hedge funds and cause a "repricing of risk" in all markets.

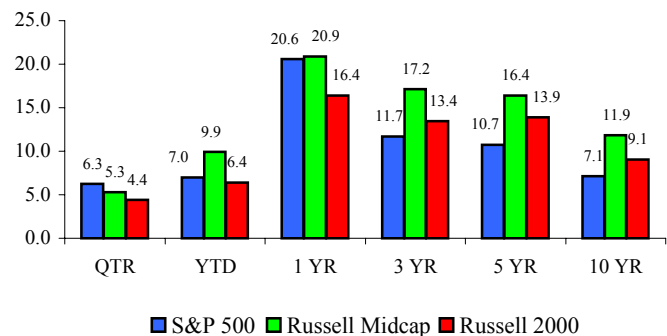
In addition to the subprime issues, fixed income yields and gas prices added to investor angst in June. Yields rose sharply across most maturities in the second quarter shortly after Federal Reserve Chairman Bernanke gave indication that there would be no rate cuts in the near term. This was opposed to the consensus thinking among most fixed income investors. The Federal Reserve kept the Fed Funds Rate steady at 5.25% at its June meeting. The Lehman Aggregate Bond Index fell -0.5% in the second quarter and is now positive by just 1% through June. The yield curve remains relatively flat but has moved from an inverted state to take a more natural shape over the past six months.

\$70 per barrel of oil also weighed on investor optimism in June as the renewed fears of oil pinching consumer spending was suddenly an issue after being benign for much of the past six to nine months. Other commodities, such as lead, copper, and aluminum also rallied in the second quarter due to the continued demand from China and other emerging economies.

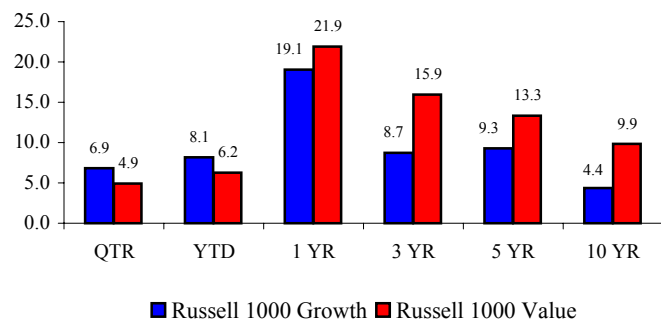
## Domestic Equity Markets

- Large cap stocks outgained smaller cap stocks in the second quarter. The S&P 500 Index gained +6.3%, the Russell Midcap Index added +5.3%, and the small cap Russell 2000 Index appreciated +4.4% in the quarter. However, longer term results continue to remain favorable to smaller cap equities.
- Large cap growth outperformed value equities in the second quarter by 2%. However, the spread was greater in small cap stocks. Small growth equities outperformed small cap value by over 400 basis points.
- Top performing sectors in the second quarter were energy (+14.8%), technology (+10.4%), and industrial stocks (+9.8%). Oil prices rose modestly to close at \$70.44 per barrel. Construction demand overseas boosted industrials in the quarter.
- Underperforming sectors were financials (+2.1%), utilities (-0.4%), and consumer staples (+2.7%). Financials continued their struggles from the first quarter and lagged behind the overall market. Subprime worries have capped the upside in the near term for financials.
- The buyout wave continued in the second quarter. Newspaper stocks were in the news as the Chicago Tribune was sold and an unsolicited bid was made for Dow Jones, the publisher of the Wall Street Journal.
- REITS suffered in the second quarter (-9.0%) as residential real estate markets remain weak. Homebuilders declined -7.8% in the quarter.

### Domestic Equity Indices



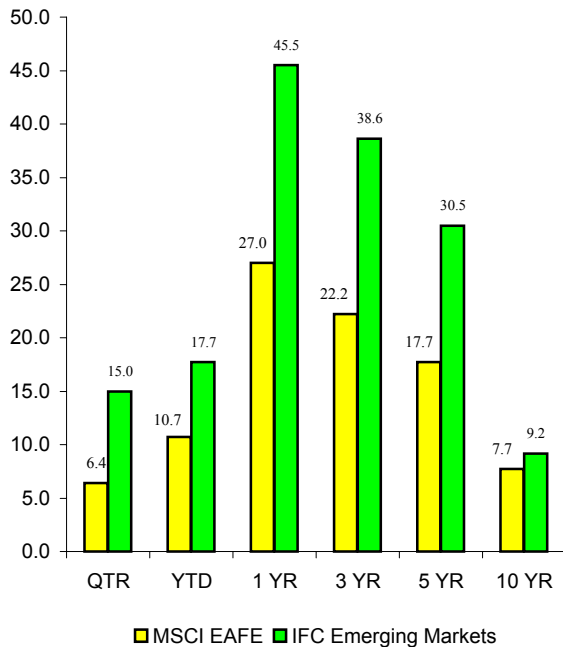
### Large-Cap Style Comparison





## International Equity Markets

**Developed vs. Emerging Markets**

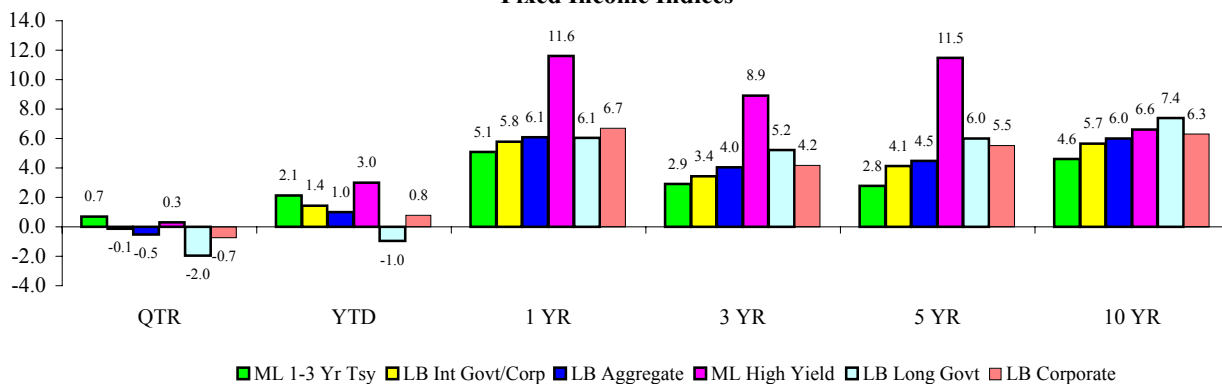


- International equities continued their strong performance in the second quarter (+6.4%). Year to date the MSCI EAFE Index is up +10.7%, besting domestic equities yet again. Emerging markets, despite the higher volatility, have produced the more attractive returns over the past five years.
- European stocks (+8.3%) outperformed their regional peers in the second quarter. Germany was particularly strong due to technology and industrial gains.
- Japan gained +4.9% in the second quarter but trailed most regions. Corporate profits were steady and the economy continued to expand; yet the lack of domestic investment in the Japanese market has limited gains.
- Within emerging markets, India, China, and Brazil continue to post extraordinary gains amid the current global expansion. India gained +25%. China and Brazil rose +24%.
- The U.S. dollar resumed its decline against the euro. However, year to date, the dollar has appreciated relative to the yen.
- The European Central Bank and the Bank of England both raised interest rates in the second quarter.

## Fixed Income Markets

- Bond yields rose across almost all maturities in the second quarter as market expectations for future Federal Reserve actions changed drastically. The 10 year Treasury finished the quarter yielding 5.03%, up from 4.64% at the end of the first quarter.
- The yield curve remains flat on a historical basis, although it has begun to take on a more normal shape after experiencing an extended period of inversion or near inversion.
- Credit and mortgage spreads widened to multi-year highs as subprime concerns fueled overall credit concerns.
- The Lehman Aggregate Index posted a decline of -0.5% during the quarter. Emerging market debt was the worst performing credit sector with a loss of -1.4%.
- Corporates, mortgages, and TIPS underperformed the overall fixed income market while government, high-yield securities and cash outperformed.

**Fixed Income Indices**



USI VEBA Trust  
Performance Summary Table  
Quarter Ending June 30, 2007  
(Investment Returns are Shown Net of Fees)

	<i>Annualized</i>								<i>Risk Analysis <sup>1</sup></i>			
	<u>QTR</u>	<u>YTD</u>	<u>1 YR</u>	<u>3 YR</u>	<u>5 YR</u>	<u>7 YR</u>	<u>10 YR</u>	<u>Inception</u>	<u>Date</u>	<u>Beta</u>	<u>Alpha</u>	<u>S.D.</u>
<b>VEBA Trust Composite</b>	<b>5.6%</b>	<b>7.8%</b>	<b>13.9%</b>	<b>10.4%</b>	<b>9.1%</b>	<b>6.8%</b>	<b>6.2%</b>	<b>5.9%</b>	<b>Dec-95</b>	<b>0.91</b>	<b>0.83</b>	<b>8.37</b>
<i>Balanced Index <sup>2</sup></i>	4.4	5.3	16.0	9.2	9.0	5.2	5.3	5.2	Dec-95	1.00	0.00	9.26
<i>Diversified Balanced Index <sup>3</sup></i>	4.2	5.9	16.7	11.3	10.6	6.7	6.4	6.2	Dec-95	-	-	10.29
<i>Consumer Price Index</i>	1.5	3.2	2.7	3.2	3.0	2.7	2.6	2.7	Dec-95	-	-	1.90
<b><u>Domestic Equity</u></b>												
<b>Fifth Third Bank</b>	<b>9.7</b>	<b>11.7</b>	<b>17.7</b>	<b>11.6</b>	<b>11.4</b>	-	-	<b>7.4</b>	<b>Dec-00</b>	<b>0.95</b>	<b>0.56</b>	<b>13.41</b>
<b>Fidelity Spartan S&amp;P 500 Index</b>	-	-	-	-	-	-	-	-	<b>Jun-07</b>	-	-	-
<i>S&amp;P 500 Index</i>	6.3	7.0	20.6	11.7	10.7	2.2	7.1	3.8	Dec-00	1.00	0.00	13.54
<b>Waddell &amp; Reed Small-Cap</b>	<b>6.5</b>	<b>9.8</b>	<b>14.3</b>	<b>12.6</b>	<b>12.8</b>	-	-	<b>4.4</b>	<b>Dec-00</b>	<b>0.77</b>	<b>(1.32)</b>	<b>16.09</b>
<i>Russell 2000 Index</i>	4.4	6.5	16.4	13.5	13.9	8.4	9.1	10.1	Dec-00	1.00	0.00	19.02
<i>Russell 2000 Growth Index</i>	6.7	9.3	16.8	11.8	13.1	0.9	5.3	5.2	Dec-00	-	-	20.08
<i>Russell Mid-Cap Growth Index</i>	6.8	11.0	19.7	14.5	15.4	0.5	8.7	4.3	Dec-00	-	-	15.34
<b><u>International Equity</u></b>												
<b>Fidelity Diversified Intl <sup>4</sup></b>	<b>7.8</b>	<b>11.1</b>	<b>25.7</b>	<b>21.4</b>	<b>15.1</b>	-	-	<b>6.4</b>	<b>Dec-00</b>	<b>0.98</b>	<b>(2.20)</b>	<b>17.49</b>
<i>MSCI EAFE Index</i>	6.4	10.7	27.0	22.2	17.7	6.6	7.7	9.0	Dec-00	1.00	0.00	17.55
<b><u>Fixed Income</u></b>												
<b>Old National Bank</b>	<b>(0.1)</b>	<b>2.3</b>	<b>6.8</b>	<b>3.7</b>	<b>3.1</b>	<b>3.7</b>	<b>4.4</b>	<b>4.3</b>	<b>Dec-95</b>	<b>0.82</b>	<b>(0.89)</b>	<b>2.95</b>
<i>LB Int. Govt/Corp Index</i>	<b>(0.1)</b>	1.5	5.8	3.4	4.1	5.7	5.7	5.5	Dec-95	1.00	0.00	3.34

<sup>1</sup> Beta and alpha are measured using quarterly data over 5 years. For periods where investment manager or index returns do not exceed the risk free rate of return, alpha is not a meaningful measurement of risk adjusted performance.

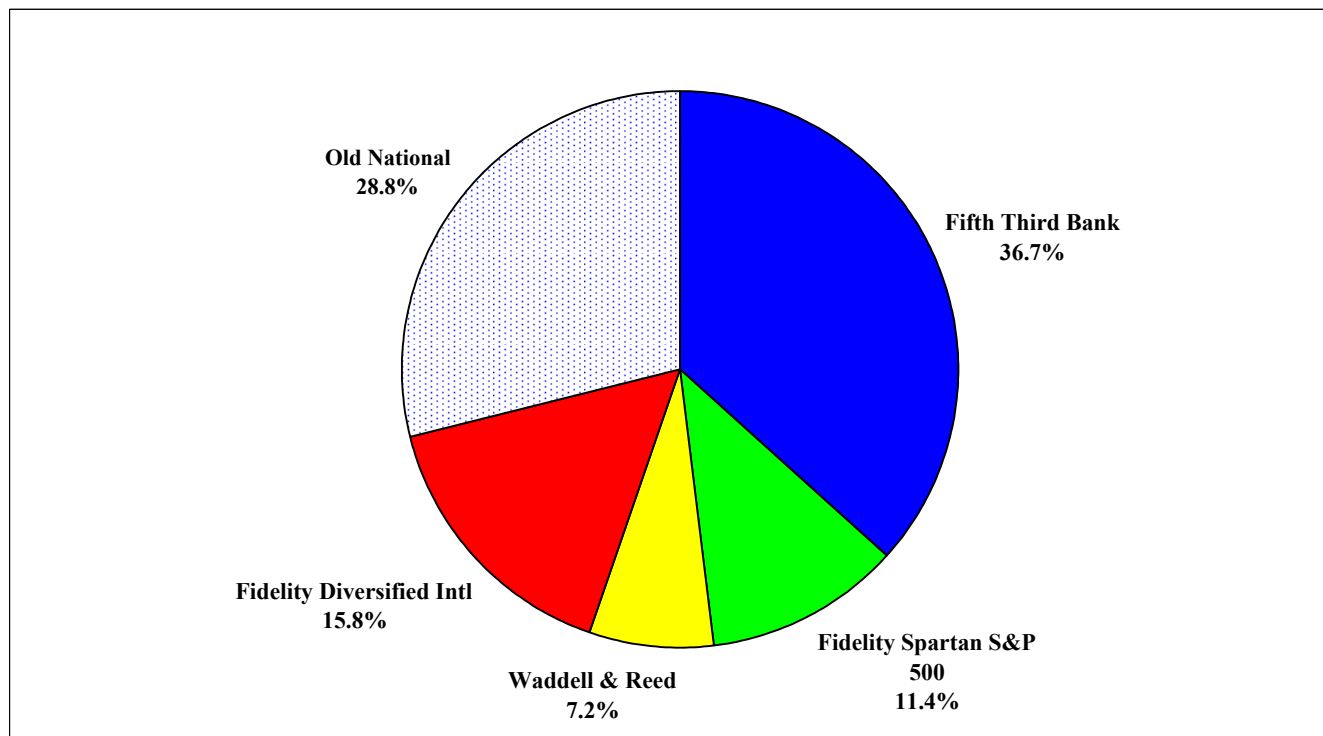
<sup>2</sup> The Balanced Index is comprised of 100% LB Intermediate Govt/Corp Index from 1/1/1996 through 3/31/2001 and 30% LB Intermediate Govt/Corp Index and 70% S&P 500 Stock Index from 4/1/2001 forward.

<sup>3</sup> The Diversified Balanced Index is comprised of 100% LB Intermediate Govt/Corp Index from 1/1/1996 through 3/31/2001 and 30% LB Intermediate Govt/Corp Index, 42% S&P 500 Stock Index, 18% MSCI EAFE Index, and 10% Russell 2000 Index from 4/1/2001 forward.

<sup>4</sup> The returns for the Fidelity Diversified International Fund represents returns for the Managers International fund from 12/2001 to 1/5/2006 and the Fidelity Diversified International Fund from 1/5/2006 forward.

USI VEBA Trust  
Asset Mix  
Periods Ending June 30, 2007

Total Assets: \$7,287,221



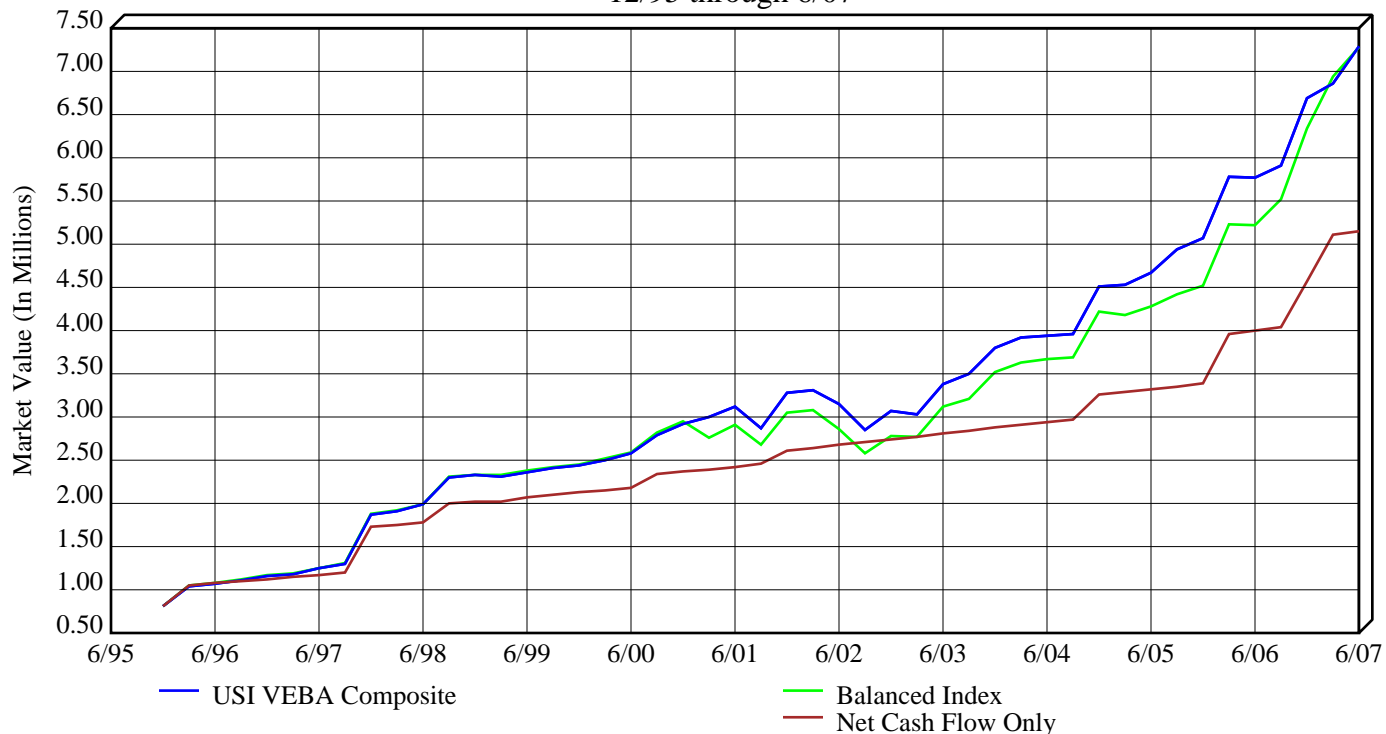
	<u>Domestic Large-Cap</u>	<u>Domestic Mid-Cap</u>	<u>Domestic Small-Cap</u>	<u>International Equity</u>	<u>Fixed Income</u>	<u>Cash</u>	<u>Total</u>
Fifth Third Bank	\$1,722,213	\$524,163	\$34,040	\$378,961	-	\$18,340	\$2,677,718
Fidelity Spartan 500 Index	\$833,621	-	-	-	-	-	\$833,621
Waddell & Reed	-	\$187,128	\$338,218	-	-	-	\$525,346
Fidelity Diversified Intl	-	-	-	\$1,150,013	-	-	\$1,150,013
Old National Bank	-	-	-	-	\$1,952,213	\$148,310	\$2,100,523
<b>Total</b>	<b>\$2,555,833</b>	<b>\$711,292</b>	<b>\$372,258</b>	<b>\$1,528,974</b>	<b>\$1,952,213</b>	<b>\$166,650</b>	<b>\$7,287,221</b>
<b>% of Total</b>	<b>35%</b>	<b>10%</b>	<b>5%</b>	<b>21%</b>	<b>27%</b>	<b>2%</b>	<b>100%</b>
<b>Target</b>	<b>40%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>30%</b>	<b>0%</b>	

# USI VEBA Trust

## Sources of Portfolio Growth

### USI VEBA Composite

12/95 through 6/07

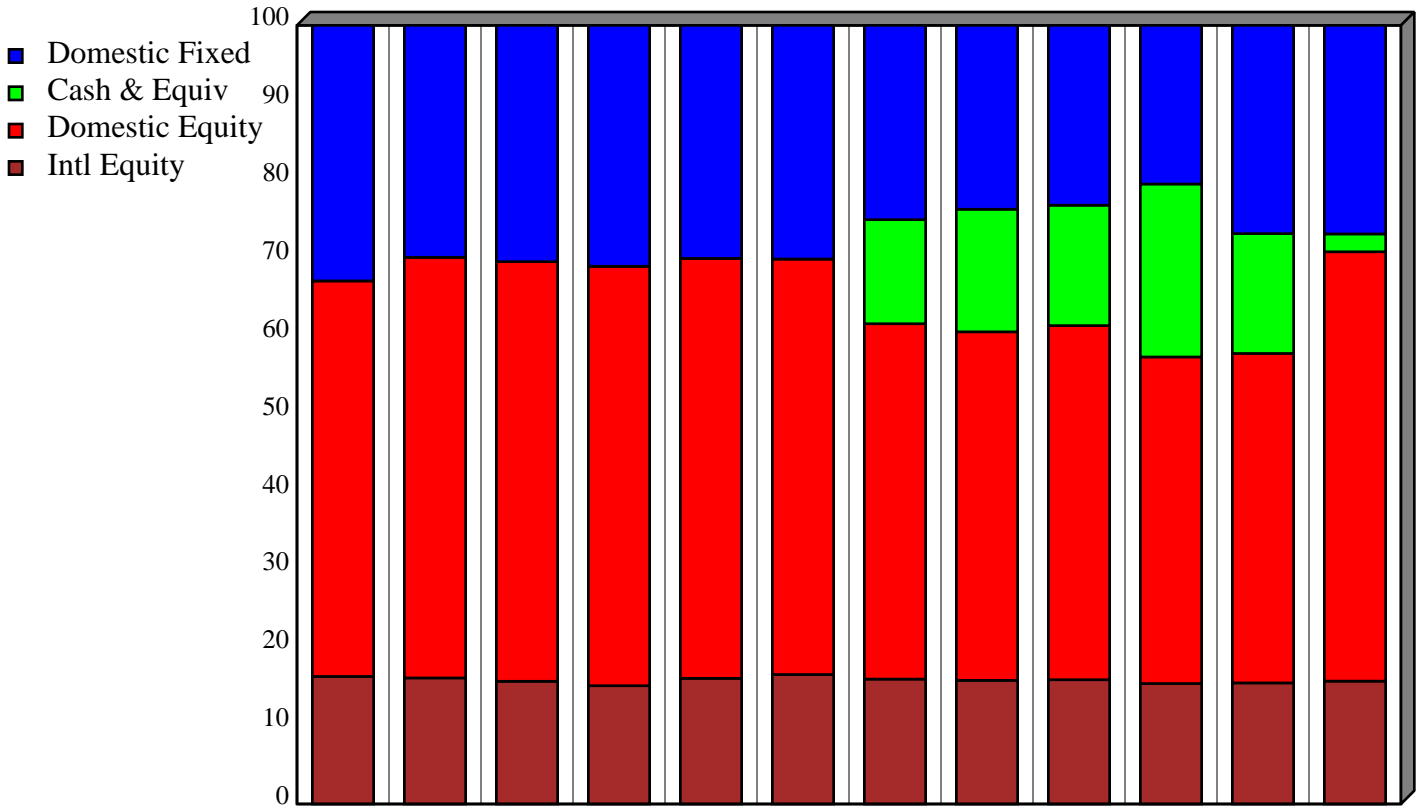


Period Ending	Beginning Value \$(000)	Net Cash Flow	Investment Increment	Ending Value \$(000)	Return	Unit Value
12/95				806		100.00
3/96	806	247	-13	1,040	-1.33	98.67
6/96	1,040	24	8	1,072	0.72	99.38
9/96	1,072	22	14	1,108	1.30	100.67
12/96	1,108	23	32	1,164	2.86	103.54
3/97	1,164	26	-6	1,184	-0.51	103.02
6/97	1,184	25	40	1,249	3.33	106.45
9/97	1,249	26	29	1,304	2.25	108.85
12/97	1,304	530	36	1,869	2.69	111.77
3/98	1,869	17	25	1,911	1.33	113.26
6/98	1,911	33	44	1,989	2.28	115.84
9/98	1,989	221	91	2,300	4.24	120.76
12/98	2,300	18	7	2,325	0.30	121.12
3/99	2,325	-2	-12	2,312	-0.51	120.51
6/99	2,312	56	-8	2,360	-0.35	120.08
9/99	2,360	27	18	2,405	0.76	121.00
12/99	2,405	26	11	2,442	0.44	121.53
3/00	2,442	27	27	2,497	1.11	122.87
6/00	2,497	29	51	2,576	2.00	125.33
9/00	2,576	153	62	2,791	2.37	128.30
12/00	2,791	29	99	2,919	3.52	132.82
3/01	2,919	29	51	2,999	1.68	135.05
6/01	2,999	31	91	3,121	3.04	139.15

**USI VEBA Trust**  
**Sources of Portfolio Growth**  
**USI VEBA Composite**

Period Ending	Beginning Value \$(000)	Net Cash Flow	Investment Increment	Ending Value \$(000)	Return	Unit Value
9/01	3,121	31	-284	2,868	-9.05	126.56
12/01	2,868	156	257	3,281	8.64	137.50
3/02	3,281	32	-1	3,312	-0.02	137.47
6/02	3,312	32	-198	3,146	-5.95	129.29
9/02	3,146	33	-329	2,849	-10.39	115.86
12/02	2,849	33	183	3,065	6.38	123.25
3/03	3,065	34	-65	3,034	-2.10	120.67
6/03	3,034	34	307	3,375	10.05	132.79
9/03	3,375	33	87	3,495	2.57	136.21
12/03	3,495	34	269	3,798	7.63	146.60
3/04	3,798	34	91	3,923	2.38	150.09
6/04	3,923	31	-14	3,940	-0.36	149.54
9/04	3,940	33	-16	3,957	-0.40	148.95
12/04	3,957	283	273	4,513	6.77	159.04
3/05	4,513	33	-18	4,528	-0.39	158.42
6/05	4,528	33	113	4,674	2.48	162.35
9/05	4,674	32	231	4,937	4.92	170.33
12/05	4,937	32	97	5,067	1.96	173.67
3/06	5,067	573	144	5,784	3.95	180.53
6/06	5,784	34	-53	5,765	-1.21	178.36
9/06	5,765	41	106	5,913	1.79	181.55
12/06	5,913	536	244	6,693	3.91	188.65
3/07	6,693	537	-364	6,865	2.11	192.63
6/07	6,865	38	384	7,287	5.61	203.44
Total	806	4,341	2,140	7,287	103.44	203.44

# USI VEBA Trust Asset Allocation USI VEBA Composite



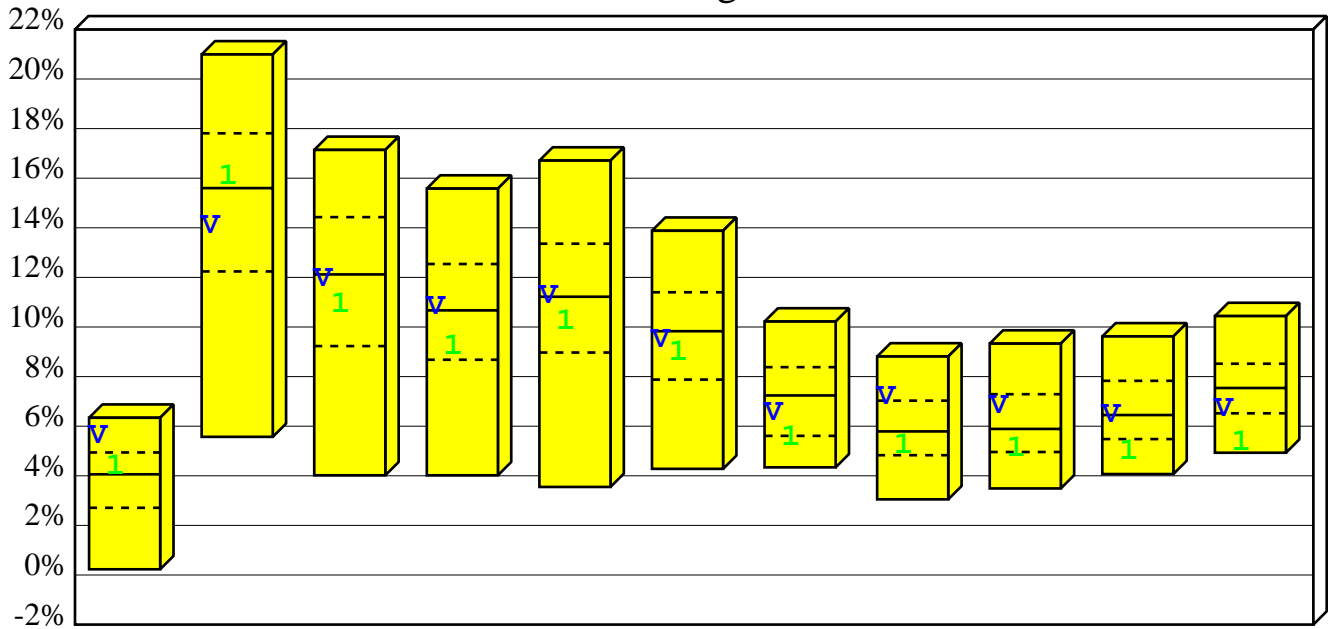
	9/04	12/04	3/05	6/05	9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07
Domestic Fixed %	32.8	29.8	30.4	30.9	29.9	30.0	25.0	23.6	23.1	20.4	26.7	26.8
Cash & Equiv %							13.4	15.7	15.5	22.2	15.4	2.3
Domestic Equity %	50.8	54.0	53.9	53.9	53.9	53.4	45.6	44.8	45.5	41.9	42.3	55.1
Intl Equity %	16.4	16.2	15.8	15.2	16.1	16.6	16.0	15.9	16.0	15.5	15.5	15.8
Total Value (\$mil)	4.0	4.5	4.5	4.7	4.9	5.1	5.8	5.8	5.9	6.7	6.9	7.3

# USI VEBA Trust

## Cumulative Performance Comparison

### Total Returns of Total Fund Portfolios

#### Periods Ending 6/07



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years
High	6.34	20.99	17.14	15.58	16.71	13.88	10.22	8.81	9.33	9.62	10.44
1st Qt	4.94	17.81	14.43	12.54	13.36	11.40	8.38	7.03	7.29	7.83	8.52
Median	4.06	15.60	12.12	10.67	11.22	9.83	7.24	5.79	5.89	6.45	7.54
3rd Qt	2.71	12.24	9.23	8.68	8.97	7.88	5.61	4.83	4.96	5.48	6.52
Low	0.23	5.57	4.02	4.02	3.55	4.28	4.34	3.05	3.49	4.07	4.93

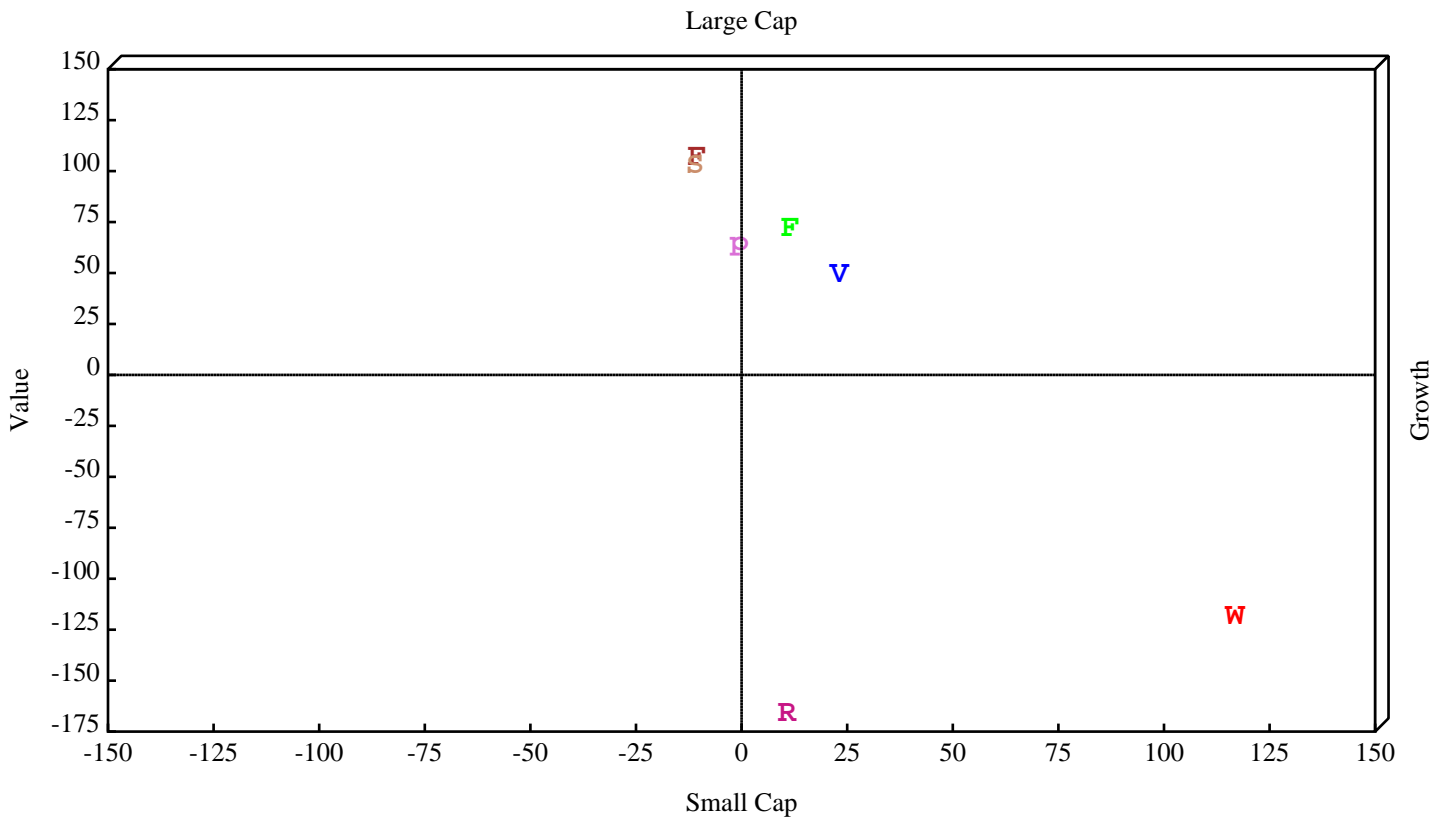
**v** USI VEBA Composite

Return	5.61	14.07	11.94	10.80	11.25	9.49	6.53	7.16	6.81	6.46	6.69
Rank	11	64	51	47	49	55	63	23	32	49	69

**1** Balanced Index

Return	4.35	16.03	10.87	9.21	10.19	8.95	5.52	5.18	5.06	4.96	5.31
Rank	39	46	62	67	63	62	77	64	72	84	91

# USI VEBA Trust Equity Style Map Quarter Ended 6/30/07



	Growth-Value	Size
<b>V</b> USI VEBA Composite	24.38	49.06
<b>F</b> Fifth Third Bank	12.66	71.49
<b>W</b> Waddell & Reed Small Cap	118.04	-118.92
<b>S</b> Fidelity Spartan S&P 500 Index	-9.41	106.63
<b>R</b> Russell 2000	12.02	-166.37
<b>S</b> Standard & Poors 500	-9.80	102.71
<b>P</b> Wilshire 5000	0.57	64.26



**USI VEBA Trust**  
**Equity Summary Statistics**  
**USI VEBA Composite**  
**Period Ending 6/07**

	<u>Portfolio</u>	<u>Wilshire 5000</u>
Total Number Of Securities	575	4,922
Equity Market Value	4,018,344	
Average Capitalization \$(000)	57,840,121	82,740,224
Median Capitalization \$(000)	12,676,226	430,319
Equity Segment Yield	1.45	1.67
Equity Segment P/E - Average	19.63	19.35
Equity Segment P/E - Median	19.87	16.97
Equity Segment Beta	0.91	1.09
Price/Book Ratio	3.03	2.82
Debt/Equity Ratio	40.65	41.20
Five Year Earnings Growth	15.74	13.71

Ten Largest Holdings	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Fedex Corp	101,427	2.76	3.39
United Technologies	86,960	2.36	9.55
Coca Cola Co	85,004	2.31	9.70
National-Oilwell Inc	81,411	2.21	34.00
Bank New York Inc	74,468	2.02	2.74
Conocophillips	74,418	2.02	15.49
Micros Sys Inc	73,712	2.00	0.76
Air Prods & Chems In	71,047	1.93	9.18
Siemens A G	69,384	1.89	33.45
Questar Corp	66,115	1.80	18.76

Ten Best Performers	<u>Quarterly Ret</u>	Ten Worst Performers	<u>Quarterly Ret</u>
Amazon Com Inc	71.93	LSI Logic Corp	-28.07
Dow Jones & Co Inc	67.82	Officemax Inc Del	-25.21
Nvidia Corp	43.54	Panera Bread Co	-22.01
Avaya Inc	42.59	Kimco Realty Corp	-21.32
General Cable Corp D	41.77	Network Appliance In	-20.04
Slm Corp	40.78	Circuit City Store I	-18.40
Cummins Engine Inc	40.15	Public Storage Inc	-18.36
Bucyrus Intl Inc New	37.55	Vital Images Inc	-18.34
Capella Education Co	37.24	General Growth Pptys	-17.41
Portfolio Recovery A	36.90	Sovereign Bancorp In	-16.63

**USI VEBA Trust**  
**Equity Summary Statistics**  
**Fidelity Spartan S&P 500 Index**  
**Period Ending 6/07**

	<u>Portfolio</u>	<u>Standard &amp; Poors 500</u>
Total Number Of Securities	501	500
Equity Market Value	833,621	
Average Capitalization \$(000)	103,237,744	102,991,152
Median Capitalization \$(000)	13,714,594	13,711,914
Equity Segment Yield	1.83	1.82
Equity Segment P/E - Average	17.65	17.64
Equity Segment P/E - Median	19.29	19.40
Equity Segment Beta	1.00	1.00
Price/Book Ratio	2.87	2.88
Debt/Equity Ratio	42.22	42.60
Five Year Earnings Growth	14.66	14.69

Ten Largest Holdings	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Exxon Mobil Corp	29,358	3.52	11.66
General Elec Co	24,499	2.94	9.04
At&T Inc	16,019	1.92	6.20
Citigroup Inc	15,849	1.90	0.90
Microsoft Corp	15,442	1.85	6.08
Bank Amer Corp	13,543	1.63	-3.12
Procter & Gamble Co	11,993	1.44	-2.59
American Intl Group	11,275	1.35	4.42
Chevrontexaco Corp	11,204	1.35	14.72
Pfizer Inc	11,200	1.34	2.31

Ten Best Performers	<u>Quarterly Ret</u>	Ten Worst Performers	<u>Quarterly Ret</u>
Amazon Com Inc	71.93	LSI Logic Corp	-28.07
Dow Jones & Co Inc	67.82	Officemax Inc Del	-25.21
Nvidia Corp	43.54	Kimco Realty Corp	-21.32
Avaya Inc	42.59	Network Appliance In	-20.04
Slm Corp	40.78	Circuit City Store I	-18.40
Cummins Engine Inc	40.15	Public Storage Inc	-18.36
Bausch & Lomb Inc	35.99	General Growth Pptys	-17.41
National-Oilwell Inc	34.00	Sovereign Bancorp In	-16.63
Janus Cap Group Inc	33.35	Pinnacle West Cap Co	-16.53
Apollo Group Inc	33.10	Starbucks Corp	-16.33

**USI VEBA Trust**  
**Equity Summary Statistics**  
**Fifth Third Bank**  
**Period Ending 6/07**

	<u>Portfolio</u>	<u>Standard &amp; Poors 500</u>
Total Number Of Securities	45	500
Equity Market Value	2,659,377	
Average Capitalization \$(000)	54,223,999	102,991,152
Median Capitalization \$(000)	31,156,331	13,711,914
Equity Segment Yield	1.61	1.82
Equity Segment P/E - Average	18.58	17.64
Equity Segment P/E - Median	19.11	19.40
Equity Segment Beta	0.82	1.00
Price/Book Ratio	2.98	2.88
Debt/Equity Ratio	44.56	42.60
Five Year Earnings Growth	16.22	14.69

Ten Largest Holdings	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Fedex Corp	99,318	4.28	3.39
United Technologies	82,633	3.56	9.55
National-Oilwell Inc	80,265	3.46	34.00
Coca Cola Co	78,465	3.38	9.70
Bank New York Inc	72,520	3.12	2.74
Air Prods & Chems In	69,922	3.01	9.18
Siemens A G	69,384	2.99	33.45
Conocophillips	66,333	2.86	15.49
Questar Corp	65,534	2.82	18.76
Basf Ag	64,048	2.76	19.39

Ten Best Performers	<u>Quarterly Ret</u>	Ten Worst Performers	<u>Quarterly Ret</u>
National-Oilwell Inc	34.00	Marriott Intl Inc Ne	-11.54
China Pete & Chem Co	33.84	Progress Energy Inc	-8.53
Siemens A G	33.45	Hershey Foods Corp	-6.91
Hdfc Bank Ltd	31.58	Wachovia Corp 2nd Ne	-5.95
China Mobile (Hk)	22.74	Southern Co	-5.44
Honeywell Intl Inc	22.71	Church & Dwight Inc	-3.62
Weatherford Internat	22.48	Bank Amer Corp	-3.12
Encana Corp	21.76	American Capital Str	-2.12
Basf Ag	19.39	Amgen	-1.06
Questar Corp	18.76	Capitalsource Inc	0.19

**USI VEBA Trust**  
**Equity Sector Attribution Analysis**  
**Fifth Third Bank**  
**Quarter Ending 6/07**

GICS Sectors	Weight		Return		Selection		
	Portfolio	Index	Portfolio	Index	Stock	Sector	Total
Energy	9.74	10.05	24.20	14.85	0.91	-0.03	0.88
Materials	0.00	3.07		7.14	0.00	-0.03	-0.03
Industrials	17.86	10.87	16.85	9.73	1.27	0.24	1.52
Consumer Discretionary	5.67	10.45	2.62	3.63	-0.06	0.13	0.07
Consumer Staples	11.73	9.94	8.57	2.86	0.67	-0.06	0.61
Health Care	16.55	11.85	7.52	4.71	0.46	-0.07	0.39
Financials	22.94	21.55	1.16	2.11	-0.22	-0.06	-0.27
Information Technology	7.56	14.80	5.18	10.33	-0.39	-0.30	-0.69
Telecom. Services	2.31	3.71	22.74	7.65	0.35	-0.02	0.33
Utilities	5.65	3.72	8.56	-0.39	0.51	-0.13	0.38
	100.00	100.00	9.43	6.24	3.51	-0.32	3.19

Index - Standard & Poors 500

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

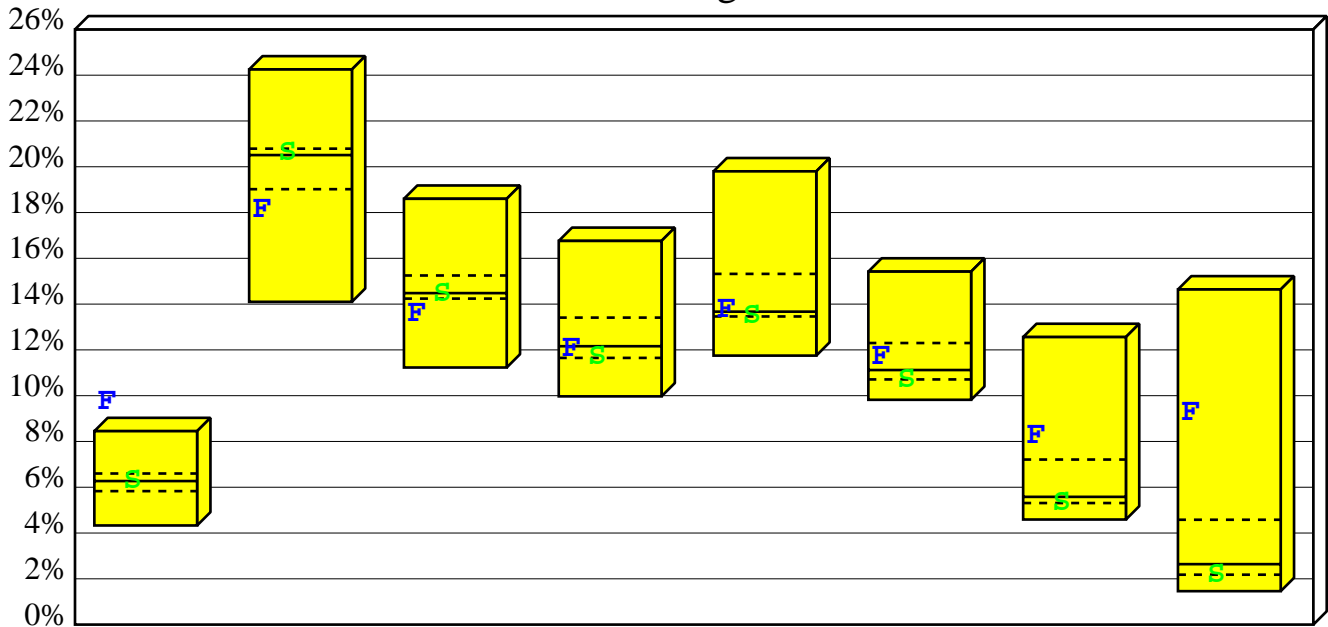
Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

Trading Effect 0.31%

[ Actual Return 9.74% ] - [ Buy Hold Return 9.43% ]

**USI VEBA Trust**  
**Large Neutral Cumulative Performance Comparisons**  
**Total Returns of Equity Portfolios**  
**Periods Ending 6/07**



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years
High	8.45	24.25	18.60	16.76	19.80	15.42	12.56	14.64
1st Qt	6.60	20.79	15.25	13.41	15.32	12.30	7.21	4.58
Median	6.27	20.51	14.48	12.16	13.67	11.12	5.58	2.64
3rd Qt	5.83	19.02	14.24	11.65	13.46	10.71	5.31	2.18
Low	4.33	14.10	11.23	9.97	11.75	9.82	4.59	1.46

**F** Fifth Third Bank

Return	9.74	18.09	13.57	12.03	13.72	11.68	8.22	9.23
Rank	2	82	87	51	49	35	16	12

**S** Standard & Poors 500

Return	6.28	20.59	14.45	11.67	13.49	10.70	5.30	2.16
Rank	44	38	58	70	69	77	78	78

**USI VEBA Trust**  
**Equity Summary Statistics**  
**Waddell & Reed Small Cap**  
**Period Ending 6/07**

	<u>Portfolio</u>	<u>Russell 2000</u>
Total Number Of Securities	56	1,953
Equity Market Value	525,346	
Average Capitalization \$(000)	1,859,821	1,283,250
Median Capitalization \$(000)	1,435,625	691,961
Equity Segment Yield	0.11	1.19
Equity Segment P/E - Average	34.33	35.88
Equity Segment P/E - Median	29.08	18.18
Equity Segment Beta	1.19	1.21
Price/Book Ratio	3.62	2.31
Debt/Equity Ratio	20.24	32.00
Five Year Earnings Growth	15.26	9.87

Ten Largest Holdings	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Portfolio Recovery A	21,127	4.02	36.90
Resources Connection	17,917	3.41	3.72
Pss World Med Inc	16,999	3.23	-13.81
Transaction Sys Arch	16,460	3.13	3.92
Drs Technologies Inc	15,807	3.01	9.84
Micros Sys Inc	15,776	3.00	0.76
Scientific Games Cor	15,518	2.95	6.46
Blackboard Inc	13,942	2.65	25.25
Healthways Inc	13,027	2.48	1.33
Checkfree Corp New	12,985	2.47	8.38

Ten Best Performers	<u>Quarterly Ret</u>	Ten Worst Performers	<u>Quarterly Ret</u>
General Cable Corp D	41.77	Panera Bread Co	-22.01
Bucyrus Intl Inc New	37.55	Vital Images Inc	-18.34
Capella Education Co	37.24	P F Changs China Bis	-15.95
Portfolio Recovery A	36.90	American Med Sys Hld	-14.79
Martek Biosciences C	25.95	Pss World Med Inc	-13.81
Blackboard Inc	25.25	United Nat Foods Inc	-13.25
Oceanering Intl Inc	24.98	Energy Conver Device	-11.79
Heartland Pmt Sys In	24.31	Thq Inc	-10.73
Pike Elec Corp	23.78	Sonic Solutions	-10.57
Core Laboratories N	21.31	Dts Inc	-10.15

**USI VEBA Trust**  
**Equity Sector Attribution Analysis**  
**Waddell & Reed Small Cap**  
**Quarter Ending 6/07**

GICS Sectors	Weight		Return		Selection		
	Portfolio	Index	Portfolio	Index	Stock	Sector	Total
Energy	6.09	5.03	9.32	13.03	-0.23	0.09	-0.13
Materials	0.00	4.95		9.92	0.00	-0.28	-0.28
Industrials	21.20	14.22	10.63	11.41	-0.17	0.50	0.33
Consumer Discretionary	13.29	16.10	3.14	2.89	0.03	0.04	0.07
Consumer Staples	1.29	3.29	-13.25	1.57	-0.19	0.05	-0.14
Health Care	25.39	11.69	1.58	1.96	-0.10	-0.31	-0.41
Financials	6.69	22.02	28.10	-2.25	2.03	1.00	3.03
Information Technology	26.05	18.24	9.43	7.13	0.60	0.22	0.82
Telecom. Services	0.00	1.58		5.99	0.00	-0.03	-0.03
Utilities	0.00	2.88		-5.48	0.00	0.28	0.28
	100.00	100.00	7.81	4.26	1.99	1.56	3.55

Index - Russell 2000

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

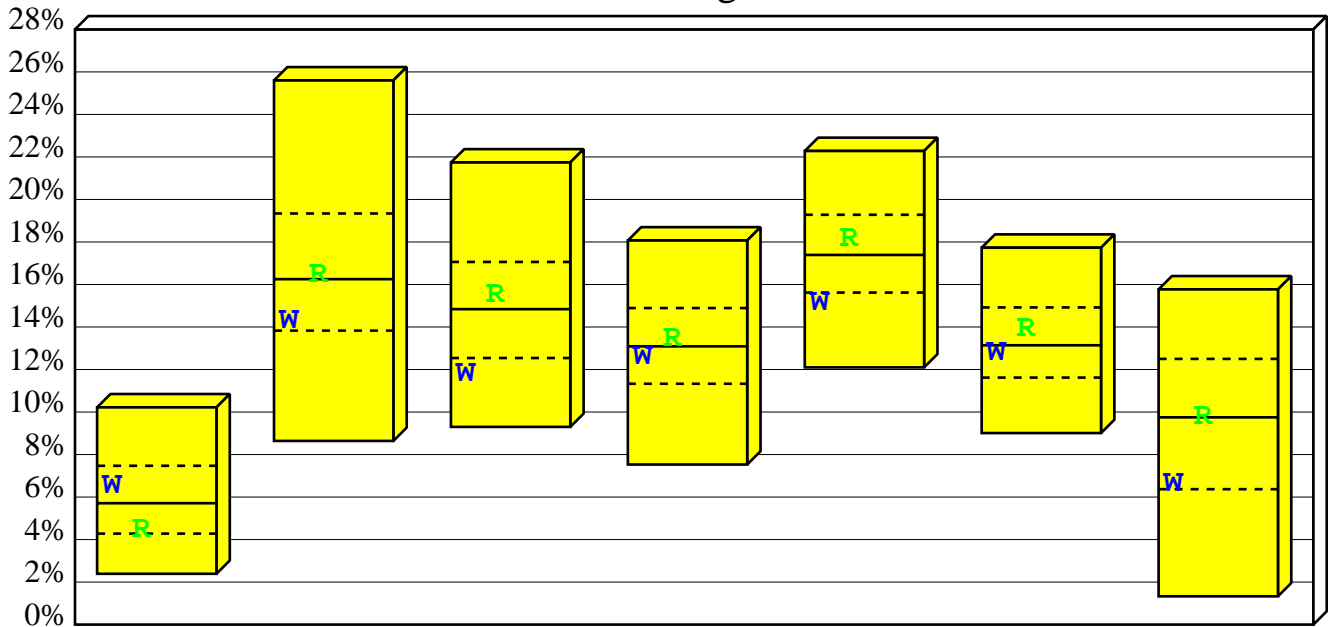
Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

Trading Effect -1.31%

[ Actual Return 6.50% ] - [ Buy Hold Return 7.81% ]

**USI VEBA Trust**  
**Cumulative Performance Comparison**  
**Total Returns of All Small Cap Mutual Funds**  
**Periods Ending 6/07**



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years
High	10.22	25.60	21.74	18.07	22.28	17.73	15.77
1st Qt	7.47	19.34	17.06	14.89	19.28	14.92	12.50
Median	5.71	16.25	14.84	13.09	17.39	13.14	9.75
3rd Qt	4.28	13.83	12.54	11.33	15.62	11.62	6.37
Low	2.39	8.64	9.30	7.53	12.10	9.01	1.33

**W** Waddell & Reed Small Cap

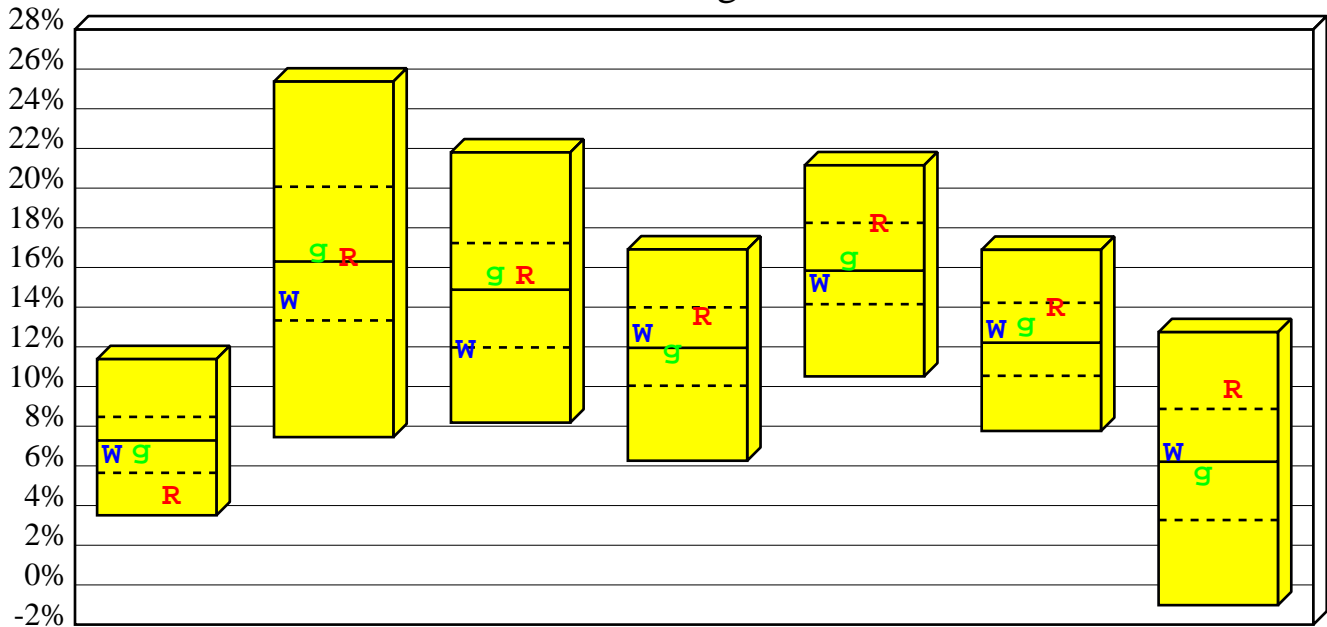
Return	6.50	14.28	11.77	12.57	15.13	12.79	6.62
Rank	37	71	82	59	79	55	73

**R** Russell 2000

Return	4.43	16.44	15.50	13.45	18.13	13.88	9.78
Rank	72	47	41	43	39	38	49



**USI VEBA Trust**  
**Cumulative Performance Comparison**  
**Total Returns of Small Cap Growth Mutual Funds**  
**Periods Ending 6/07**



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years
High	11.38	25.37	21.80	16.91	21.15	16.89	12.74
1st Qt	8.47	20.07	17.23	13.99	18.25	14.22	8.87
Median	7.28	16.30	14.88	11.95	15.84	12.21	6.21
3rd Qt	5.65	13.33	11.97	10.04	14.15	10.54	3.27
Low	3.51	7.45	8.18	6.26	10.51	7.76	-1.02

**W** Waddell & Reed Small Cap

Return	6.50	14.28	11.77	12.57	15.13	12.79	6.62
Rank	62	66	76	41	61	39	45

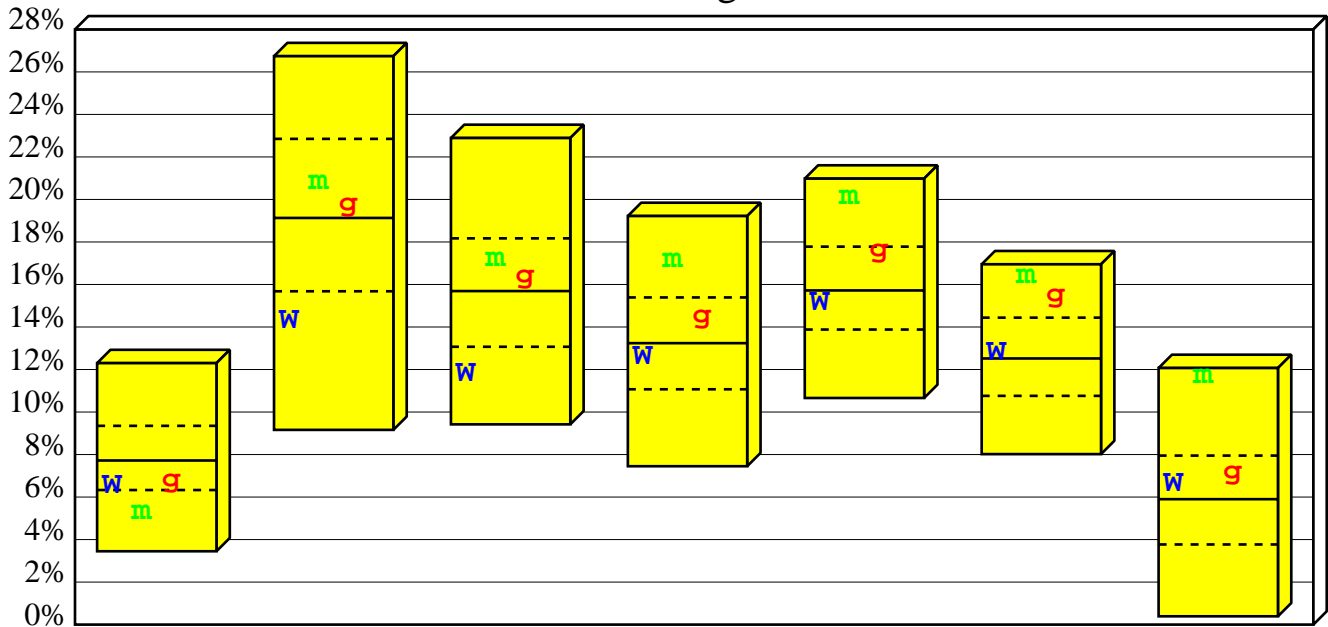
**g** Russell 2000 Growth

Return	6.69	16.82	15.69	11.76	16.41	13.08	5.60
Rank	60	45	40	53	43	35	57

**R** Russell 2000

Return	4.43	16.44	15.50	13.45	18.13	13.88	9.78
Rank	89	48	42	30	25	28	17

**USI VEBA Trust**  
**Cumulative Performance Comparison**  
**Total Returns of Mid Cap Growth Mutual Funds**  
**Periods Ending 6/07**

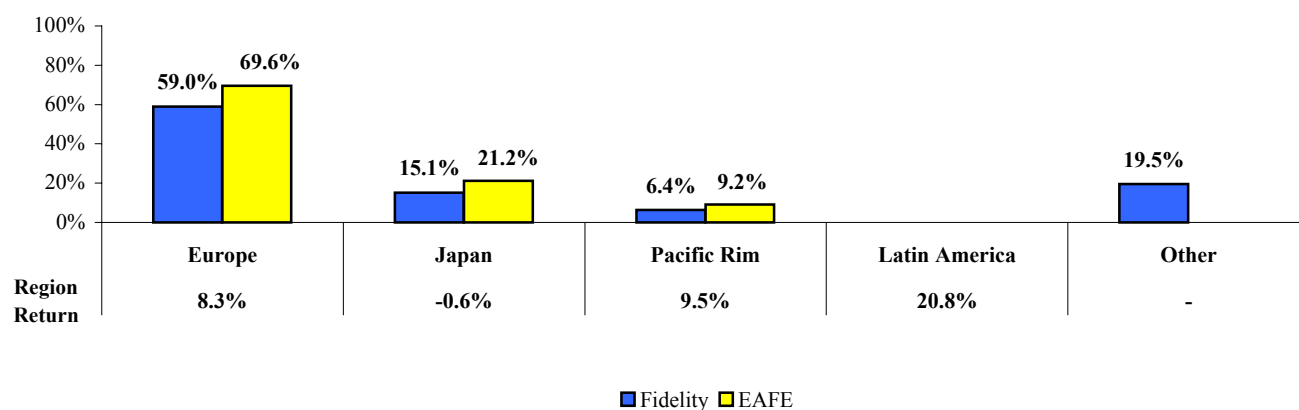


	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years
High	12.30	26.74	22.89	19.22	20.98	16.95	12.07
1st Qt	9.35	22.85	18.17	15.39	17.78	14.44	7.95
Median	7.72	19.13	15.69	13.24	15.72	12.52	5.90
3rd Qt	6.33	15.68	13.07	11.07	13.88	10.76	3.77
Low	3.45	9.16	9.42	7.45	10.66	8.02	0.39
<b>W</b> Waddell & Reed Small Cap							
Return	6.50	14.28	11.77	12.57	15.13	12.79	6.62
Rank	72	82	83	59	58	46	40
<b>m</b> Russell MidCap							
Return	5.30	20.83	17.19	17.17	20.11	16.39	11.67
Rank	87	38	34	12	8	8	5
<b>g</b> Russell MidCap Growth							
Return	6.75	19.72	16.33	14.47	17.56	15.44	7.12
Rank	68	45	42	34	28	16	35

**USI VEBA Trust**  
**International Summary Statistics**  
**Fidelity Diversified International**  
**Period Ending June 30, 2007**

	<u>Fidelity</u>	<u>MSCI EAFE</u>
Total Number of Securities	365	1,140
Total Market Value	\$1,150,013	-
Median Capitalization \$(000)	\$16,800,000	\$6,400,000
Average Capitalization \$(000)	\$54,300,000	\$61,504,968
Equity Segment Yield	1.80	2.52
Equity Segment P/E	18.10	15.85
Price/Book Ratio	3.00	2.49

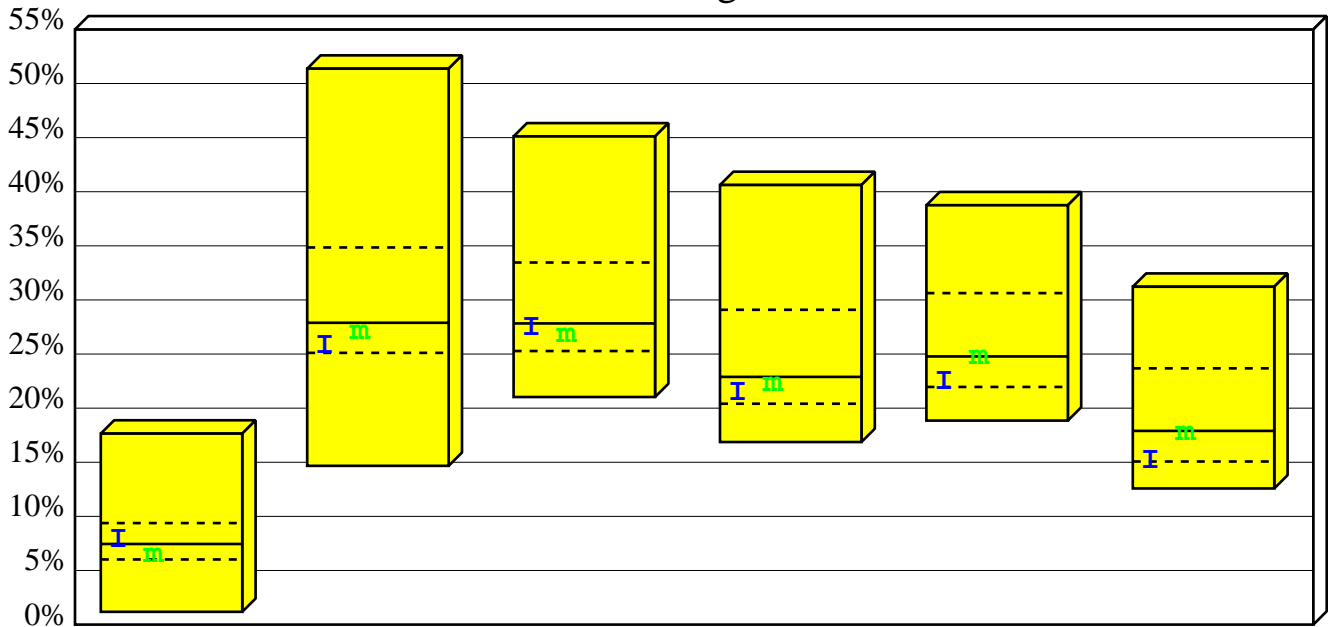
**Regional Allocation**



**Sector Allocation**

<u>Sector</u>	<u>Fidelity</u>	<u>MSCI EAFE</u>
Consumer Staples	8.9%	7.8%
Energy	7.3%	7.6%
Healthcare	8.0%	6.3%
Industrials	12.7%	12.1%
Information Technology	8.8%	5.5%
Materials	8.9%	9.5%
Telecommunication Services	5.2%	5.4%
Utilities	4.2%	5.3%
Consumer Discretionary	11.5%	11.8%
Financials	20.9%	28.7%
Cash	3.6%	0.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**USI VEBA Trust**  
**Cumulative Performance Comparison**  
**Total Returns of International Equity Mutual Funds**  
**Periods Ending 6/07**



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years
High	17.65	51.37	45.11	40.62	38.75	31.22
1st Qt	9.38	34.85	33.46	29.09	30.63	23.68
Median	7.45	27.89	27.83	22.89	24.78	17.90
3rd Qt	6.02	25.11	25.28	20.41	21.96	15.07
Low	1.18	14.67	21.03	16.87	18.85	12.58

**I** Fidelity International Equity Fund

Return	7.77	25.71	27.36	21.39	22.40	15.09
Rank	43	69	54	65	71	74

**m** MSCI EAFE (Net)

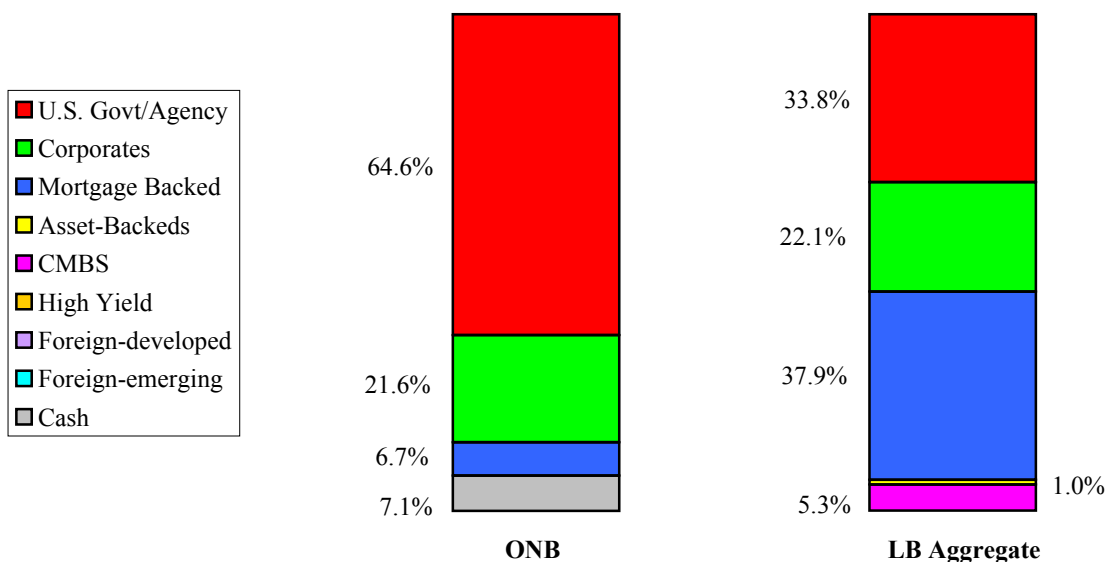
Return	6.40	27.00	26.77	22.24	24.70	17.73
Rank	67	58	60	55	50	51

**USI VEBA Trust**  
**Fixed Income Summary Statistics**  
**Old National Bank**  
 Period Ending June 30, 2007

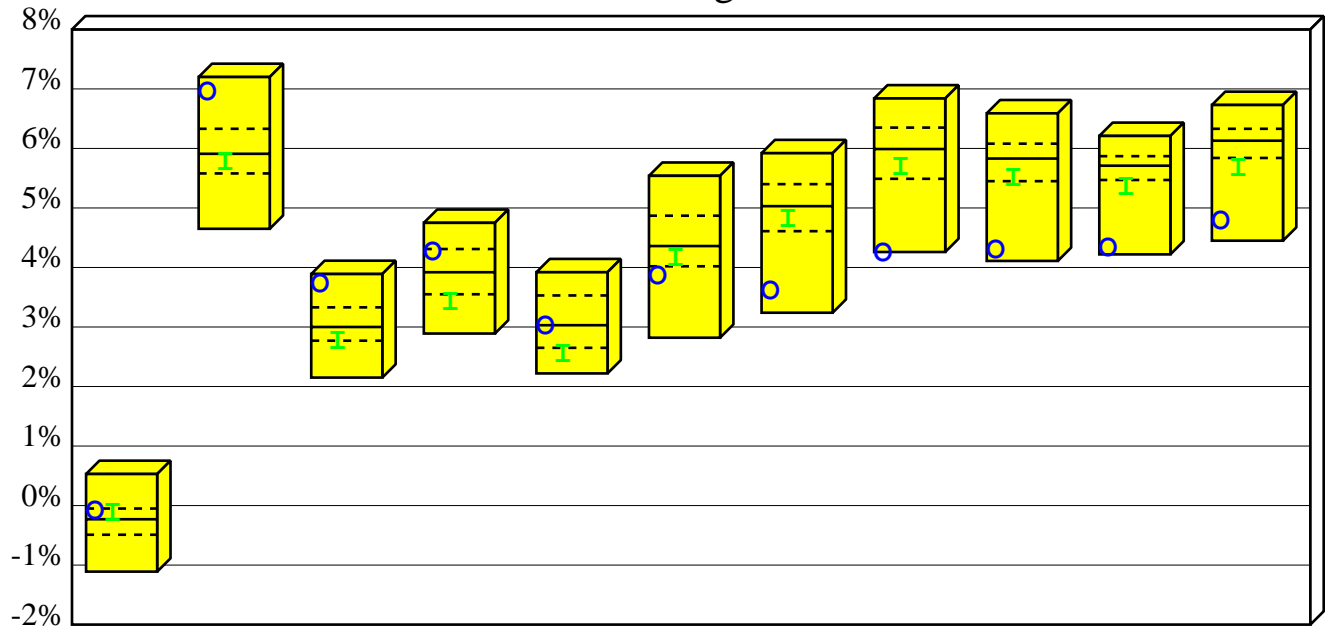
	<u>Old National</u>	<u>LB Aggregate</u>
Total Number of Securities	30	8,956
Total Market Value (\$)	2,100,523	-
Yield to Maturity	5.41	5.67
Current Coupon	4.81	5.40
Average Credit Quality	AAA	AA1/AA2
Effective Duration	3.69	4.70

**Sector Attribution**

<u>Sector</u>	<u>Quarterly Sector</u>	<i>Sector Allocation</i>	
	<u>Return</u>	<u>Old National</u>	<u>LB Aggregate</u>
U.S. Govt/Agency	(0.3%)	64.6%	33.8%
Corporates	(0.7%)	21.6%	22.1%
Mortgage Backed	(0.5%)	6.7%	37.9%
Asset-Backed	0.0%	0.0%	1.0%
CMBS	(1.1%)	0.0%	5.3%
High Yield	0.2%	0.0%	0.0%
Foreign-developed	(2.1%)	0.0%	0.0%
Foreign-emerging	(1.9%)	0.0%	0.0%
Cash	1.3%	<u>7.1%</u>	<u>0.0%</u>
		100.0%	100.0%



**USI VEBA Trust**  
**Intermediate Term Cumulative Performance Comparisons**  
**Total Returns of Fixed Income Portfolios**  
**Periods Ending 6/07**



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years
High	0.53	7.20	3.89	4.75	3.92	5.54	5.92	6.84	6.59	6.21	6.73
1st Qt	-0.05	6.33	3.33	4.31	3.53	4.87	5.40	6.35	6.08	5.87	6.33
Median	-0.23	5.91	3.00	3.92	3.03	4.36	5.03	5.99	5.83	5.71	6.13
3rd Qt	-0.49	5.58	2.77	3.55	2.65	4.02	4.61	5.49	5.45	5.47	5.84
Low	-1.11	4.65	2.15	2.89	2.22	2.82	3.24	4.26	4.11	4.22	4.45

○ Old National Bank

Return	-0.11	6.93	3.71	4.25	3.00	3.84	3.59	4.23	4.27	4.31	4.77
Rank	33	8	9	30	52	83	93	95	91	91	93

I LB Int Govt/Corp

Return	-0.14	5.76	2.74	3.41	2.53	4.14	4.80	5.67	5.49	5.34	5.66
Rank	40	62	77	82	84	68	66	68	71	79	81

# Statement of Disclosure

The information contained in this analysis is believed to be accurate based on the asset and transaction data reported to us by trustees, custodians and/or investment managers retained by the client. Calculations are subject to the accuracy of the source data provided.

In compliance with SEC Rule 204-3, a copy of the Form ADV for Asset Performance Partners is available to all clients upon written request to the following address: 211 Garrard Street, Covington, KY 41011.

# Privacy Statement

Asset Performance Partners (“APP”) does not disclose any nonpublic personal information about our clients or former clients to third parties other than as described below.

As part of the Wilshire Cooperative, we provide market values and return data for our clients’ portfolios to Wilshire Associates, a large California-based provider of performance measurement software, for blind inclusion in their performance universes. While certain individuals at Wilshire Associates may be familiar with our clients’ names and the size of their investment assets, our contract with Wilshire prohibits them from sharing that data with any subsequent third parties. We do not otherwise provide information about our clients to outside firms, organizations or individuals, except as required by law.

We restrict access to nonpublic personal information about our clients to our employees, who need to know that information in order to provide services to them. We further maintain physical, electronic and procedure safeguards to guard our clients’ personal information.