

**Saint John’s Episcopal Church
Of Ouray, Colorado
Endowment and Investment Policy
January 2009
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Overview. As authorized by Article ___ of the [Amended and Restated] Bylaws (“Bylaws”) of St. John’s Episcopal Church of Ouray (“St. John’s”), St. John’s Vestry, in its desire to preserve and protect the future endowment of St. John’s, has adopted this Endowment/Investment Policy (“Policy”) to govern the receipt, investment and management of charitable donations to St. John’s endowment fund (“Endowment Fund”).

An “endowment” is an accumulation of the gifts of assets made by parishioners for permanent management and investment by a designated committee or institution. [In addition, all gifts and bequests to St. John’s in excess of \$ [\$10,000] that are not part of annual giving will become part of the Endowment Fund unless otherwise directed by the donor and will, therefore, become subject to this and any other policies that provide for the investment, designation, distribution, or other aspects of the Endowment Fund.]

St. John’s Endowment Committee. The Vestry has established the St. John’s Endowment Committee (“Committee”) to invest and manage funds received by St. John’s for permanent management and investment, i.e., the Endowment Fund.

The investment of the Endowment Fund shall conform to the concepts of the Uniform Prudent Investor Act. These concepts include safety and liquidity as well as seeking a return consistent with preservation of purchasing power of the Endowment Fund’s principal and accumulated earnings. These concepts also call for minimizing costs.

All investments shall be made into the Colorado Episcopal Foundation (“COEF”) Equity and Bond Funds as determined by the Committee and consistent with this Policy. unless the [Vestry and the] Committee concur[s] that a different investment vehicle is preferable based upon sound investment criteria. (See “Why the Colorado Episcopal Foundation”, p. ___)

Service on the Committee shall be in accordance with Section ___ of the Bylaws. The Committee shall also cause to be prepared from time to time any suggested communications/brochure for approval by the Vestry for distribution to the congregation.

- ***Bonding.*** Members of the Committee shall be bonded at the cost of St. John’s, by a carrier and for whatever amount selected by the Vestry, once the Endowment funds reach the level of at least [\$500,000].
- ***Conflicts of Interest and Confidentiality.*** Each member of the Committee shall be subject to provisions of Article ___ of the Bylaws as if he/she were a Vestry member. [Bylaw provisions will require disclosure of material facts related to a potential conflict of interest, will incorporate provision of Colo. Rev. Stat. ‘7-128-501, will provide an opportunity of the body to which such disclosure is made to determine whether the disclosure shows that an actual conflict exists, will prohibit acting or influencing deliberations, will reflect disclosure and abstention in the minutes and whether quorum was present, will include a definition of confidential information and a standard for maintenance of such information as confidential]

This Policy. This Policy is designed to be consistent with the provisions of the Investment Policy of the COEF dated _____200[8], as applicable. (See Exhibits A and B to this Policy) The Committee shall meet [semi-annually] to review the COEF Equity and Bond Fund performance and to make any changes indicated in accordance [with the discretion of the Committee] [with the investment goals established by the Vestry] [other standard]. The Committee shall follow the investment, sale and other procedures required of investors such as St. John's by the COEF.

The Committee shall also review, within [thirty days] of receipt, any changes in the investment policy of the COEF and shall recommend to the Vestry for review and approval any indicated amendment to this Policy or its exhibits at its next regularly scheduled meeting following the Committee's review.

This Policy may be amended by a 75% majority of the entire Vestry, at any meeting for which at least _____days' prior written notice outlining the proposed changes to this Policy has been provided to the Vestry. Notice of any approved amendment to this Policy shall be provided to the entire congregation on a timely basis (at least at the Annual Meeting), except for amendments dealing with changes to the Exhibits.

Potential Gifts to the St. John's Endowment Fund. Gifts to St. John's Endowment Fund may be in the following forms, by example and not by limitation: cash, appreciated property, such as securities, real estate or tangible personal property. Gifts may be made *via* a variety of vehicles during the life of the donor or at death. St. John's will not attempt to provide donors with tax or other legal advice and encourages potential donors to seek personal legal counsel for such advice. Gifts made to any capital campaign or as a result of another special appeal by St. John's shall not be considered permanent gifts, and therefore, will not be accepted for the St. John's Endowment Fund. It is desirable that gifts be unrestricted as to use. At its discretion, the Committee may decide to accept proposed restricted gifts. In the event that the Committee does accept a restricted gift and the donor's designated endowment is insufficient at the time of the gift to meet the intended purpose, the gift, together with any return on the gift shall be retained in the Endowment Fund. However, if after five years from the date of the initial designated gift, the accumulated designated gift, earnings and additional gifts received designated for the same purpose have not been received to carry out the donor's intended purpose, these designated funds shall be re-characterized as undesignated funds. A copy of the foregoing provision of this policy shall be provided to any donor of a designated gift accepted by the Committee.

Distributions from the St. John's Endowment Fund. Any distribution from the Endowment Fund shall be authorized by the Vestry and made in accordance with the limitations of this Policy for spending according to the following criteria:

- Until and unless the Endowment Fund reaches the amount of \$[100,000], no distributions may be made from the Endowment Fund for any purpose without the approval of a 75% majority of the entire Vestry;
- Permissible uses of distributions from the Endowment Fund (not to override any designation that may have been placed on funds by their donor, as accepted by the Committee now or in the future): [capital improvements and building programs, major maintenance of the parish, church-related conferences, scholarships, outreach to the local or worldwide community, training which enables members of St. John's to grow in the Christian faith and service to God's people, uses in accordance with the terms of restricted gifts accepted by the Committee for the Endowment fund, others?];

- Emergency uses of distributions from the Endowment Fund: it is the goal of St. John’s that regular offerings to St. John’s, and not the Endowment Fund, be utilized to cover all operational expenses. Only upon the approval of a 75% majority of the entire Vestry may any portion of the Endowment Fund be spent for operational purposes. [Address vacancies on the vestry in bylaw amendments];
- As long as the other criteria contained in this Policy section are met, amounts available for spending will be determined by applying a rate of 5% to the three-year moving average of the fair market value of the Endowment Fund [as of September 30; this timing will permit the Vestry to anticipate an exact distribution amount, if any, in preparing the coming year’s operating and capital budget];
- Should the parish close without succession ~~for should the parish leave or otherwise not continue to participate in the Diocese of Colorado-Dick- we need to discuss this wording, please~~, all invested and uninvested, liquid or illiquid amounts in the Endowment Fund shall revert to the corporation known as the Bishop and Diocese of Colorado, Inc., also known as the Episcopal Diocese of Colorado, to be placed in its general endowment, with the income to be spent according to the determination of the Ecclesiastical Authority of the Colorado Diocese, his or her designated committee, or his or her successor;
- **Recordkeeping.**
 - **Gifts.** The Treasurer of St. John’s, or other communicant appointed by the Vestry (“Recordkeeper”), shall maintain a recordkeeping system including pertinent information about each gift to the Endowment Fund such as:
 - Name
 - Anonymous (yes/no)
 - Mailing address and street address, if different
 - Phone/cell phone
 - E-mail address
 - Date notification of gift received
 - Thank you note sent (yes/no)
 - Vehicle (will, retirement account, trust, life insurance policy, other)
 - Deceased (yes/no)
 - Gift received (yes/no)
 - Amount
 - Other pertinent information
 - **Distributions.** The Recordkeeper shall maintain records of each distribution authorized and made by the Vestry in accordance with this Policy, including, at a minimum: the amount available for distribution at the time of the authorization; the purpose for the distribution; the amount of the distribution.
 - **Annual Report of St. John’s.** The Recordkeeper shall provide to the Treasurer (if not the same person as the Treasurer) information that the Treasurer shall include in each annual report, including, without limitation, the cumulative amount of gifts received by the Endowment Fund, the amount received during the current year, the cumulative balance of the fair market value of all such gifts, and the amount and purpose of any

distributions made during the year. It is anticipated that all donors will remain anonymous, unless a donor should specify in writing that his/her/its identity be disclosed to the congregation.

Why the Colorado Episcopal Foundation?

A significant challenge facing a small parish that wishes to establish a legacy program is how to provide professional supervision of the investments in accordance with the highest standards of fiduciary responsibility. The difficulty is putting together (finding) a group of individuals in the parish, with the requisite financial credentials, to give responsibility for the investment of the funds (and, as well, sustaining such a group over time). A parish might seek the services of a local stock broker or financial advisor; however, it is difficult for lay people to evaluate their professional credentials.

Fortunately, the Colorado Episcopal Foundation¹ provides a variety of consulting, financial and investment services. The full nature and scope of these services are described in the Foundation's Statement of Information beginning on page 9. It operates two investment funds; an equity and bond fund. The responsibility for these funds rests with the Foundations Board of Trustees with ongoing oversight provided by the Foundations Investment Committee. Day to day activities are carried out by one or more investment advisors and or managers selected by the Investment Committee. Regular reports are provided to the Foundation's Board. The advantages of using the foundation include:

- Simply, the diocese is better able to pull together the resources for managing the endowment (better even than a large parish might be able to do). The diocese enjoys a larger universe of individuals to draw from in filling out the Trustee Board. Building institutional memory is important in the ongoing management of investments and the diocese is better equipped to do that.
- The Foundation has reporting and administrative procedures in place. Very importantly it also provides continuous periodic monitoring of the investment managers taking into account past performance, risk and how well they are positioned for the future
- No costs are incurred by participants in purchasing or selling units of the funds. The Foundation receives no payment for any services it provides to or on behalf of the funds. There are Advisory, Administrative and Custodial Fees incurred by the funds. See **"About Expenses"** on page 15.
- An independent research organization, Morningstar, reports the funds currently selected by the Foundation have excellent return and risk characteristics over both short and long term time periods. A complete description of the current funds begins on page 26.
- The Foundation also has a good, written "Statement of Investment Policy". It begins on page 21.

¹ In this section the "Colorado Episcopal Foundation" and "Diocese" are used interchangeably. The Colorado Episcopal Foundation, however, is actually a separate legal entity under the aegis of the Diocese.

Strategic Asset Allocation

The consensus among most financial professionals is that asset allocation is the most important decision investors make (asset allocation explains more than 90% of the portfolio returns). . The selection of individual securities is secondary to the way one allocates their investments between stocks, bonds or other asset classes.

Strategic Asset Allocation is method for managing a portfolio that involves periodically rebalancing the portfolio in order to maintain a long-term goal for asset allocation. At the inception of the portfolio, a "base policy mix" is established using expected returns of the asset classes used in the portfolio. Because the value of assets can change given market conditions, the portfolio constantly needs to be re-adjusted to meet the policy.

The table below has been prepared to assist Saint John's in selecting the Target Allocations for its Asset Mix. These "rolling periods" returns have been compiled from the Asset Allocation Scenario Tests beginning on page 42.

Compound Return Comparison by Asset Allocation

1993 through 2007

Compound Average Annual Return	Number of Periods	100% Equities		80 Equities/20% Bonds	
		Worst	Best	Worst	Best
One Year	15	-22.10%	37.60%	-15.60%	33.80%
Three Years	13	-14.60%	31.20%	-9.60%	27.00%
Five Years	11	-2.30%	28.60%	-0.30%	24.40%
Ten Years	6	5.90%	12.10%	5.90%	11.20%
\$10,000 Invested for Ten Years @ Ten year Return		\$17,740	\$31,336	\$17,740	\$28,910

Compound Average Annual Return	Number of Periods	60% Equities/40% Bonds	
		Worst	Best
One Year	15	9.20%	29.90%
Three Years	13	-4.70%	22.90%
Five Years	11	1.70%	20.20%
Ten Years	6	5.90%	10.30%
\$10,000 Invested for Ten Years @ Ten year Return		\$17,740	\$26,653

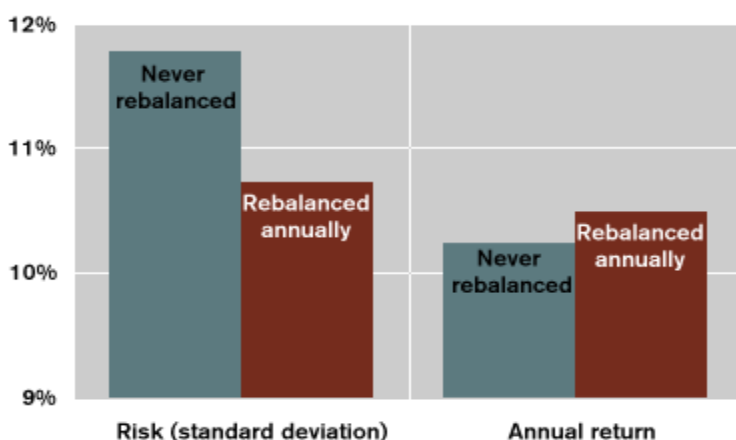
Compound Return Comparison, 1993 through 2007 (Continued)

Compound Average Annual Return	Number of Periods	40% Equities/60% Bonds		100% Bonds	
		Worst	Best	Worst	Best
One Year	15	-2.70%	26.10%	-2.90%	18.50%
Three Years	13	0.20%	18.70%	3.60%	10.40%
Five Years	11	3.70%	16.10%	4.40%	7.70%
Ten Years	6	5.90%	9.50%	6.00%	7.70%
\$10,000 Invested for Ten Years @ Ten year Return		\$17,740	\$24,782	\$17,908	\$20,996

Rebalancing lowers risk and increases returns²

Rebalancing is also a technique to control risk and avoid poorly timed emotional decisions. When you rebalance, you sell some of the asset classes that have performed well and move funds to asset classes that haven't done so well—in other words, you buy low and sell high. It's like pruning an overgrown garden.

A regular rebalancing plan also helps instill discipline in the investing process. To show the value of this discipline, the Schwab Center for Financial Research with data from Ibbotson Associates analyzed the risk and return of annually rebalanced portfolios versus portfolios that were not rebalanced. In most cases, a rebalanced portfolio had lower risk and similar to slightly higher returns. The chart below shows what happened when a portfolio with a moderate risk profile was rebalanced annually from 1970 through 2006.



² Source: This section on Rebalancing was developed with information from The Schwab Center for Financial Research with data provided to Schwab from Ibbotson Associates, Inc.



INVESTMENT FUNDS Statement of Information

March 15, 2007

INTRODUCTION

The Colorado Episcopal Foundation operates two pooled investment funds that are designed as long-term investment vehicles. They are the Colorado Episcopal Foundation **Equity Fund** and the Colorado Episcopal Foundation **Bond Fund**.

This Statement of Information for the Colorado Episcopal Foundation Investment Funds describes the material terms of the operation of both Funds and should be thoroughly reviewed before an investment is made in either Fund.

In many ways the Funds are operated similarly. However, in many ways the Funds are dramatically different. This Statement of Information should make clear the similarities and differences of the Colorado Episcopal Foundation Equity and Bond Funds.

THE COLORADO EPISCOPAL FOUNDATION

The Colorado Episcopal Foundation is a charitable religious organization. A Board of Trustees that includes, among others, the Bishop of the Episcopal Diocese of Colorado, ultimately oversees its activities. The Foundation's day-to-day activities are managed by its President and executive staff.

It is the mission of the Colorado Episcopal Foundation to leverage the vision and resources of local congregations to build the Church in Colorado, helping men and women to be ever more effective witnesses to Christ in their communities.

The Colorado Episcopal Foundation accomplishes this mission by employing a variety of consulting and financial services. In this way, the Foundation helps to strengthen congregations while bringing financial stability to parishes and missions.

The financial and consulting services offered by the Foundation include planned giving services, various loan and grant programs, and investment services. The investment services include the operation of the Limited Maturity Income Fund and the operation of the Investment Funds described in this Statement of Information.

THE INVESTMENT FUNDS

The Colorado Episcopal Foundation operates two pooled investment funds that are designed as long-term investment vehicles. They are the Colorado Episcopal Foundation Equity Fund and the Colorado Episcopal Foundation Bond Fund. Each of these Funds is distinctly separate from the other, and in no way are the assets of one fund commingled with the assets of the other fund.

The Colorado Episcopal Foundation operates the Funds primarily for the benefit of the Episcopal Diocese of Colorado and its parishes and missions. Currently, many parishes and missions participate in the Funds along with the Diocese and the Foundation. Participation in the Funds is accomplished through the ownership of units (shares) in one or both of the Funds.

The ultimate responsibility for the operation of the Funds rests with the Foundation's Board of Trustees. The Colorado Episcopal Foundation Investment Committee was established to assist the Foundation's Board of Trustees with overseeing the operation of the Funds.

THE INVESTMENT COMMITTEE

The Colorado Episcopal Foundation Investment Committee is composed of at least five but not more than seven qualified members. One member is appointed by the Bishop, with the remaining members appointed by the Foundation's Board of Trustees. As stated in the Foundation's by-laws, the chair of the Committee will also be a member of the Foundation's Board of Trustees. Members of the Committee serve one-year terms and may be reappointed for successive one-year terms, with a maximum of six one-year terms. The Foundation's Board of Trustees annually designates a member of the Committee to be the Committee's Chairperson.

The Investment Committee is directly responsible to the Foundation's Board of Trustees. It is responsible for making safekeeping, management, and investment decisions of the Funds. It is also responsible for making recommendations to the Board as to any changes to the Fund's Statement of Investment Policy that it feels are in the best interests of the Funds and its participants.

The day-to-day investment activities of the Colorado Episcopal Foundation Investment Funds are managed by one or more investment advisors and/or managers chosen and retained by the Investment Committee. Such management may be in the form of mutual funds. The Committee acts as the liaison between the Board and any such managers and as such is responsible for the regular monitoring of such managers in relation to the investment policy and will make regular reports to the Foundation's Board.

INVESTMENT OBJECTIVES

One of the most notable differences between the Colorado Episcopal Bond and Equity Funds relates to their respective investment objectives. It is recognized that there is always volatility in equity and bond investments and that such investments can decline in value at any time. With this in mind, the preservation of capital and purchasing power is a primary objective of both Funds. Therefore, each Fund's investments will be of such quality and diversification so that over the long-term adverse or negative events from any single investment or group of investments will not materially impair the total capital invested by either Fund.

The Colorado Episcopal Foundation **Equity Fund** is a pooled investment fund seeking long-term growth of capital. Income is a secondary consideration. The Equity Fund invests primarily in publicly traded equity securities (stocks) and mutual funds that focus on equity investments. It is the goal of the Equity Fund to produce, over the long-term, a total return that exceeds the total return of the S&P 500 Stock Index on a risk-adjusted basis and a minimum total return that exceeds the rate of inflation by seven percentage points.

The Colorado Episcopal Foundation **Bond Fund** is a pooled investment fund seeking to provide current income. Capital appreciation is a secondary consideration. The Bond Fund invests primarily in publicly traded fixed income securities (bonds) and mutual funds that focus on fixed income investments. It is the goal of the Bond Fund to produce, over the long-term, a total return that exceeds the total return of the Lehman Brothers Aggregate Bond Index on a risk-adjusted basis and a minimum total return that exceeds the rate of inflation by two percentage points.

RISK FACTORS

There are risks in all investments. The value of an investment may fluctuate and at times the current value of an investment may be less than the amount of the original investment. The principal risk factor associated with an investment in units of either of the Funds is that the market value of the Funds' underlying investment holdings may decrease, resulting in a decrease in the value of the Funds' units and, therefore, the participant's investment.

The Colorado Episcopal Foundation can provide no guarantee that either the Equity Fund or the Bond Fund will meet their respective investment objectives or that the value of an investment in units of either Fund will not decline.

Even though there are risks in all investments it is generally agreed that the risks associated with equity investments (stocks) are greater than those associated with fixed income investments (bonds). It is also generally agreed that, over the long-term, the total return generated by equity investments should be greater than the total return generated by fixed income investments. Therefore, an investment in units of the Colorado Episcopal Foundation Equity Fund is generally considered to be riskier than an investment in units of the Colorado Episcopal Foundation Bond Fund and should, over the long-term, generate a higher rate of total return, although it might not.

A unique risk associated with an investment in either Fund exists because units of both Funds can only be sold at the end of a calendar quarter. This means that a participant's investment will remain "at risk" until the end of the calendar quarter even though the participant might not want it to be. It is for this reason that **the Colorado Episcopal Foundation Investment Funds should only be used as long-term investment vehicles.**

WHO SHOULD INVEST IN THE FUNDS

An investment in units of either of the Colorado Episcopal Foundation Investment Funds can be made by any qualified charitable organization, at the discretion of the Foundation's Board of Trustees. **Individuals cannot invest in the Funds.** Generally, any parish or mission within the Episcopal Diocese of Colorado may invest the assets of their general endowment or other funds in units of either the Colorado Episcopal Foundation Bond or Equity Fund. This is not to say that an investment in units of either of the Funds is necessarily an appropriate investment for all parishes and missions within the Episcopal Diocese of Colorado.

Before investing in either the Colorado Episcopal Foundation Equity or Bond Fund an investor should thoroughly review this Statement of Information and carefully consider not only the specific and unique nature of the funds to be invested but also the risks associated with an investment in either Fund.

The Colorado Episcopal Foundation **Equity Fund** is intended to be used by investors seeking long-term growth of capital. Very little, if any, income is generated by the Equity Fund. The Equity Fund invests primarily in publicly traded equity securities (stocks) and mutual funds that focus on equity investments. As discussed above, it is generally recognized that these types

of investments are considered to be riskier than some other investments. Therefore, investors in the Equity Fund must be prepared to accept the higher levels of risk generally attributed to equity investments.

The Colorado Episcopal Foundation **Bond Fund** is intended to be used by investors seeking current income. The long-term growth of capital generated by the Bond Fund, if any, will be minimal. The Bond Fund invests primarily in publicly traded fixed income securities (bonds) and mutual funds that focus on fixed income investments. As discussed above, it is generally agreed that these types of investments are considered to be less risky than stocks, but do have a meaningful level of risk. Therefore, investors in the Bond Fund must be prepared to accept the level of risk generally attributed to fixed income investments.

HOW AN INVESTMENT IN THE FUNDS CAN BE MADE

An investment in units of either of the Funds can be requested at any time by forwarding a written request to the Foundation accompanied by the funds to be invested. A request to purchase units must be fully funded and received by the Foundation before 12:00 Noon on the last business day of a calendar quarter in order to be processed using that quarter's ending unit price. Although a request to purchase units of either Fund can be made at any time, it should be noted that the actual purchases are only made at the end of a calendar quarter.

Requests to purchase units must be made in writing and must clearly indicate the exact amount to be invested and which Fund's units are to be purchased. To avoid confusion it is required that the request be made on a Buy or Sell Form provided by the Foundation. A fully completed Initial Investment Designation Form and a properly executed Account Resolution Form must also accompany an initial purchase. Any initial purchase must be no less than \$2,000. **Purchase requests that are not fully funded before 12:00 Noon on the last business day of the calendar quarter will not be honored.**

HOW AN INVESTMENT IN THE FUNDS CAN BE SOLD

An investment in units of either of the Funds can be fully or partially sold at any time by forwarding a written request to the Foundation. A request to sell units must be received by the Foundation before 12:00 Noon on the last business day of a calendar quarter in order to be processed using that quarter's ending unit price. Although a request to sell units of either Fund can be made at any time, it should be noted that the actual sales are only made at the end of a calendar quarter. The proceeds from a sale of units will generally be made available to the selling participant within fifteen days of the end of the calendar quarter.

Requests to sell units must be made in writing and must clearly indicate the exact number of units or dollar amount of units to be sold and which Fund's units are to be sold. To avoid confusion it is required that the request be made on a Buy or Sell Form provided by the Foundation. It is generally required that account balances be at least \$1,000. **Sale requests that are not received before 12:00 Noon on the last business day of the calendar quarter will not be honored.**

HOW MONEY CAN BE MOVED FROM ONE FUND TO THE OTHER

Money can be moved from one of the Colorado Episcopal Foundation Investment Funds to the other Fund by simply making a request to sell units of one Fund and simultaneously making a request to purchase units of the other Fund. Such requests must be made on a Buy or Sell Form provided by the Foundation.

Many participants choose to own units of both of the Funds in specific relative dollar proportions (for example, 60% Equity Fund and 40% Bond Fund). Those participants can request that the relative dollar proportion of their holdings in both Funds be adjusted at any time. Such requests must be made in writing and must be received by the Foundation before 12:00 Noon on the last business day of the calendar quarter in order to be processed using that quarter's ending unit prices. Although a request to adjust the relative dollar proportion of holdings in both Funds can be made at any time, it should be noted that the actual adjustments are only made at the end of a calendar quarter. **The Foundation will not automatically adjust the relative dollar proportion of a participant's holdings in both Funds.**

Requests to adjust the relative dollar proportion of holdings in both Funds must be made in writing and must clearly indicate the dollar proportions of each Fund. To avoid confusion it is required that the request be made on a Re-Balance form provided by the Foundation. **Requests to adjust the relative dollar proportion of holdings in both Funds that are not received by the Foundation before 12:00 Noon on the last business day of the calendar quarter will not be honored.**

HOW THE FUNDS' UNIT PRICES ARE DETERMINED

The unit prices of both of the Colorado Episcopal Foundation Bond and Equity Funds are determined in a similar manner. Both Funds use a cash basis accounting method. At the end of each calendar quarter the market value of each Fund's underlying investment holdings, including all cash and

cash equivalents, as provided by the Funds' various custodians, are totaled. These total market values are then reduced by each Fund's net investment income for the quarter, resulting in each Fund's total net assets. Each Fund's unit price is then calculated by dividing each Fund's total net assets by the number of each Fund's units outstanding. These unit prices are then used in the processing of any purchases or sales of units, as well as to calculate the value of each participant's account.

ABOUT INCOME

As previously mentioned, the Colorado Episcopal Foundation Bond Fund seeks to provide its participants with current income. Income is a secondary consideration for the Colorado Episcopal Foundation Equity Fund. Both Funds do, however, calculate and distribute net investment income in the same manner.

At the end of each calendar quarter each Fund's total investment income is determined by totaling all dividend and interest payments received by each Fund during the quarter. These total investment incomes are then reduced by the total of all expenses paid by each Fund during the quarter, resulting in each Fund's net investment income for the quarter. Each Fund's income per unit is then calculated by dividing each Fund's net investment income by the number of each Fund's units outstanding. Should either Fund's net investment income be negative it will be charged off against the Fund's net assets at the end of the quarter.

Each participant's total income is determined by multiplying the income per unit by the total number of units owned by that participant. Each participant's total income is then either paid to the participant in cash or reinvested in additional units of the Fund at the option of the participant. The participant's income option (payout or reinvest) must be indicated at the time of initial purchase on the Initial Investment Designation Form. The income option can be changed at any time by forwarding a written request to the Foundation before 12:00 Noon on the last business day of the calendar quarter. In order to avoid confusion it is required that the request be made on an Option Designation Form provided by the Foundation. **Requests to change a participant's income option that are not received before 12:00 Noon on the last business day of the calendar quarter will not be honored.**

ABOUT EXPENSES

No costs are incurred by participants in purchasing or selling units of the Colorado Episcopal Foundation Bond or Equity Funds or in maintaining a holding in either Fund. Each Fund does, however, incur various expenses in

the normal course of business. These expenses fall into two general categories, namely, transaction fees and operating expenses.

The transaction fees incurred by each Fund consist of the brokerage commissions that are paid to the firms that execute the actual purchase and sale transactions of each Fund's underlying investments. Transaction fees for purchases are added to the cost of the investment. Transaction fees for sales are deducted from the proceeds of the sale.

There are three primary types of operating expenses incurred by the Funds and they are as follows:

Advisory Fees – These are the fees paid to the investment advisors and/or managers retained by the Funds to handle the day-to-day management of the Funds' investments and other matters.

Administrative Fees – These are the fees paid to any providers of administrative services to the Funds. These services consist mainly of the ongoing recordkeeping associated with unit pricing and participant accounting.

Custodial Fees – These are the fees, if any, that are paid to the firms that provide the Funds with custodial and/or safekeeping services.

The Colorado Episcopal Foundation receives no payment of any kind for any services that it might provide to or on behalf of the Funds.

THE FUNDS' INVESTMENT MANAGERS

The Foundation's Investment Committee has chosen to invest the assets of the Colorado Episcopal Foundation **Equity Fund** in seven different professionally managed no-load mutual funds. They are the Vanguard Institutional Index Fund, the Dodge & Cox Stock Fund, the Harbor Capital Appreciation Fund, the Janus Mid-Cap Value Fund, The Columbia Acorn Fund (Z shares), the Harbor International Institutional Fund, and the UMB Scout WorldWide Fund. Roughly 40% of the assets of the Equity Fund are invested in the Vanguard Institutional Index Fund with the other 60% equally divided among the other six mutual funds. The Vanguard Institutional Index Fund attempts to mimic the risk and return characteristics of the S&P 500 Index by investing in a portfolio of stocks that mirror that index. The Dodge & Cox Stock Fund invests in portfolios of large-cap stocks that display value characteristics and the Harbor Capital Appreciation Fund invest in portfolios of large-cap stocks that display growth characteristics. The Janus Mid-Cap Value Fund invests primarily in mid-cap stocks that display value characteristics and the Columbia Acorn Fund invests in mid and small-cap stocks that display growth characteristics. The Harbor International

Institutional Fund invests in large-cap international stocks that display value characteristics and the UMB Scout WorldWide Fund invests in large-cap international stocks that display growth characteristics. More complete descriptions of each of these funds can be found in their respective prospectuses, copies of which can be requested from the Foundation.

The Foundation's Board of Trustees, on the recommendation of the Investment Committee, has chosen to invest the assets of the Colorado Episcopal Foundation **Bond Fund** in three different professionally managed no-load mutual funds. They are the Pimco Total Return Institutional Fund, the Dodge & Cox Income Fund and the Western Asset Core Bond Institutional Fund. The assets of the Bond Fund are invested equally in the three mutual funds noted above.

THE FUNDS' ADMINISTRATIVE SERVICES PROVIDERS

The Colorado State Bank and Trust provides the Funds with various administrative services that consist mainly of the ongoing recordkeeping associated with unit pricing and participant accounting. This means that the Colorado State Bank and Trust has been retained to provide all quarter end unit price calculations, including unit income, as well as to maintain those records necessary to track each participant's holdings of the Funds.

As the operator of the Funds, the Foundation also provides the Funds with a variety of administrative services. These services relate primarily to "Participant Services," meaning that the Foundation is the only point of contact between the Funds and the participants. It should be noted, however, that the **Colorado Episcopal Foundation receives no payment of any kind for any services that it might provide to or on behalf of the Funds.**

THE FUNDS' CUSTODIANS

The assets of the Colorado Episcopal Foundation **Equity Fund and Bond Fund** are custodied with the Colorado State Bank and Trust. The Equity Fund pays Colorado State Bank and Trust a nominal fee for this service.

The custodian has been recommended by the Investment Committee and approved by the Board of Trustees and has been deemed to provide superior service and adequate protection and safekeeping of the Funds' assets.

PARTICIPANT REPORTING

Participants in the Colorado Episcopal Foundation Investment Funds receive a quarterly statement showing their investment in each Fund. The statements include the total number of units held in each Fund, each Fund's unit price, the current value of the participant's holding in each Fund, the income

generated by each Fund, and a summary of the Participant's total account with the Colorado Episcopal Foundation Investment Funds.

Additionally, each participant receives a quarterly Investment Summary Sheet for both Funds that provides a snapshot of the Funds' investment holdings, investment performance, and other information.

HOW THE FUNDS CAN BE CONTACTED

The Colorado Episcopal Foundation Investment Funds can only be contacted through the offices of the Colorado Episcopal Foundation, which are as follows:

The Colorado Episcopal Foundation
1300 Washington Street
Denver, Colorado 80204
(303) 534-6778
Attn: Scott Asper, Finance Director

ADDITIONAL INFORMATION

A variety of additional information regarding the Colorado Episcopal Foundation Investment Funds is available and should be considered an integral part of this Statement of Information. Such additional information can be requested from the Foundation and includes the following:

Quarterly Investment Summary Sheets for each Fund
The Investment Funds' Statement of Investment Policy
Biographical information on the Foundation's Trustees
Biographical information on the Investment Committee

Enhancements to Foundation Investment Funds

The Colorado Episcopal Foundation has made changes in the allocation of its Bond and Equity Funds and in the investment management of its Bond Fund. The Foundation's Board of Trustees and Investment Committee regularly review the Funds' allocation and performance, taking into account past performance, risk and how well the Funds are positioned for the future. The mutual funds selected for both the Bond and Equity Funds have exhibited excellent return and risk characteristics over short and long-term time periods. The Foundation's Board of Trustees and Investment Committee believe that the new investment allocations position both Funds very well to meet or exceed their objectives in the future.

Bond Fund

The Colorado Episcopal Foundation Bond Fund is a pooled investment fund seeking to provide current income. Capital appreciation is a secondary consideration. The Bond Fund invests primarily in publicly traded fixed income securities and mutual funds that focus on fixed income investments. It is the goal of the Bond Fund to produce, over the long-term, a total return that exceeds the total return of the Lehman Brothers Aggregate Bond Index on a risk-adjusted basis and a minimum total return that exceeds the rate of inflation by two percentage points.

Previously, the Bond Fund was invested in individual fixed income securities, managed by a professional investment firm in Boulder. The Bond Fund is now managed by the Foundation's Investment Committee, which is advised by a professional investment manager. The Bond Fund is now invested in three no-load fixed-income mutual funds.

Bond Fund – New Allocation

PIMCO Total Return Institutional Fund	60%
Dodge & Cox Income Fund	20%
Western Asset Core Bond Institutional Fund	20%

Equity Fund

The Colorado Episcopal Foundation Equity Fund is a pooled investment fund seeking long-term growth of capital. Income is a secondary consideration. The Equity Fund invests primarily in publicly traded equity securities and mutual funds that focus on equity investments. It is the goal of the Equity Fund to produce, over the long-term, a total return that exceeds the total return of the S&P 500 Index on a risk-adjusted basis and a minimum total return that exceeds the rate of inflation by seven percentage points.

The Equity Fund is also managed by the Foundation's Investment Committee. Previously, the Equity Fund was invested in five no-load large-cap mutual funds. The Equity Fund now allocates a portion of its assets to small and mid-cap investments as well as international investments. The Equity Fund is now invested in seven no-load mutual funds.

Equity Fund – New Allocation

Large Cap – 60%		
	Vanguard Institutional Index Fund	40%
	Dodge & Cox Stock Fund	10%
	Harbor Capital Appreciation Fund	10%
Small & Mid-Cap – 20%		
	Janus Mid Cap Value Fund	10%
	Columbia Acorn Fund (Z shares)	10%
International – 20%		
	Harbor International Institutional Fund	10%
	UMB Scout WorldWide Fund	10%

For Further Information . . .

Before investing in any of the Foundation's Funds, please read the statement of information for the specific fund, which is available at www.coef.org, or call 303.534.6778. Contact Scott Asper at scott@coef.org or by calling the Foundation if you have any questions about the Foundation's investment products and services.

THE COLORADO EPISCOPAL FOUNDATION

INVESTMENT FUNDS Statement of Investment Policy

March 15, 2007

I. INTRODUCTION

The Colorado Episcopal Foundation operates two pooled investment funds that are designed as long-term investment vehicles for the parishes and missions of the Diocese who choose to participate. They are the Colorado Episcopal Foundation **Equity Fund** and the Colorado Episcopal Foundation **Bond Fund**.

Both of the Investment Funds have been organized for the benefit of the Episcopal Diocese of Colorado and its parishes and missions. Each fund is entirely separate from the other and is managed to meet its own objectives. The purpose of this document is to set forth these objectives and the various policies and guidelines that are to govern the investment of the assets of each fund.

The ultimate responsibility for the operation of the Colorado Episcopal Foundation Investment Funds rests with the Colorado Episcopal Foundation's Board of Trustees. As the primary participants in the Funds, the Foundation and the Diocese have established the Colorado Episcopal Foundation Investment Committee to assist the Foundation's Board of Trustees with overseeing the operation of the Fund.

II. THE INVESTMENT COMMITTEE

The Colorado Episcopal Foundation Investment Committee is composed of at least five but not more than seven qualified members. One member is appointed by the Bishop, with the remaining members appointed by the Foundation's Board of Trustees. As stated in the Foundation's by-laws, the chair of the committee will also be a member of the Foundation's Board of Trustees. Members of the Committee serve one-year terms and may be reappointed for successive one-year terms, with a maximum limit of six one-year terms. The Foundation's Board of Trustees annually designates a member of the Committee to be the Committee's Chairman.

The Investment Committee is directly responsible to the Foundation's Board of Trustees. It is responsible for making safekeeping, management, and investment decisions of the Investment Funds. It is also responsible for making recommendations to the Board as to any changes to this Statement of Investment Policy that it feels are in the best interests of the Funds and their participants.

The day to day investment activities of the Colorado Episcopal Foundation Investment Funds are managed by one or more investment advisors and/or managers chosen and retained by the Investment Committee. The Investment Committee will act as the liaison between the Board and any such managers and, as such, will be responsible for the regular monitoring of such managers in relation to this investment policy, and will make regular reports to the Foundation's Board.

III. ETHICS AND CONFLICTS OF INTEREST

Trustees, Committee members and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the President of the Foundation any material financial interest that they may have in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Colorado Episcopal Foundation Investment Funds' portfolios.

IV. INVESTMENT OBJECTIVES

One of the most notable differences between the two Colorado Episcopal Investment Funds relates to their respective investment objectives. It is recognized that there is always volatility (risk) in equity and bond investments and that such investments can decline in value at times in market cycles. With this in mind, the preservation of capital and purchasing power is a primary objective of both Funds.

A. Equity Fund

It is the objective of the Colorado Episcopal Foundation Equity Fund to produce long-term growth of capital with income being a secondary consideration. The primary return objective for the Equity Fund is to attain a net "real" rate of total return over a market cycle of three to five years commensurate with the level of risk assumed by the Fund. The minimum net "real" rate of total return for the Fund shall be an average of 7% per annum (CPI plus 7%). A secondary return objective for the Equity Fund is to generate a net rate of total return over a market cycle of three to five years that exceeds the rate of total return of the S&P 500 Stock Index on a risk-adjusted basis as measured using a capital market line analysis.

B. Bond Fund

It is the objective of the Colorado Episcopal Foundation Bond Fund to produce current income with capital appreciation being a secondary consideration. The primary return objective for the Bond Fund is to attain a net “real” rate of total return over a market cycle of three to five years commensurate with the level of risk assumed by the Fund. The minimum net “real” rate of total return for the Fund shall be an average of 2% per annum (CPI plus 2%). A secondary return objective for the Bond Fund is to generate a net rate of total return over a market cycle of three to five years that exceeds the rate of total return of the Lehman Brothers Aggregate Bond Index on a risk-adjusted basis as measured using a capital market line analysis.

V. ASSET ALLOCATION

Both the Colorado Episcopal Foundation Equity Fund and the Colorado Episcopal Foundation Bond Fund are designed to be fully invested investment vehicles. Neither Fund will employ a “market timing” investment approach. It is understood, however, that temporary deviations from a fully invested position may occur for a variety of reasons. Therefore, up to 25% of the total net assets of each Fund may be temporarily held in cash and cash equivalents. For the purposes of this section, any investment in a commingled fund (bank or mutual) will be treated as fully invested regardless of the underlying cash position of the commingled fund.

VI. INVESTMENT GUIDELINES

A. General Guidelines

Investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and consistent with the Colorado Uniform Prudent Investor Act, and familiar with these matters would use in the conduct of a fund of like character and aims.

Investments shall be diversified so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.

Additionally, investments shall possess a sufficient level of liquidity/marketability so as to minimize the risk of loss in the event of adverse market conditions. Acceptable levels of liquidity/marketability are generally

expressed as functions of quality, market capitalization, and location and frequency of trading of a given security.

B. Permissible Investments

The Funds' assets will primarily be invested in publicly-traded common and preferred stocks, convertible bonds, commingled funds (bank or mutual) and/or fixed income securities, whether interest-bearing or discount instruments, including money market instruments.

C. Prohibited Investments

The Funds' assets generally may not be invested in any of the following categories of investments. It is understood, however, that many acceptable mutual funds may, at times, invest in some or all of these categories as disclosed in their Prospectus and/or Statement of Additional Information.

1. Short Sales
2. Private Placements
3. Commodities
4. Direct investment/holding in real estate
5. Leveraged Derivatives
6. Margin Purchases or other forms of borrowing
7. Direct loans
8. Warrants
9. Options or Futures Contracts
10. Unregistered or Restricted Securities

VII. REVIEW PROCEDURES

A. Statement of Investment Policy

Understanding that this Statement of Investment Policy is intended to be a dynamic, working document, it can be amended at any time by a majority of the Colorado Episcopal Foundation's Board of Trustees. Whenever the Board, the Investment Committee or any of their other advisors view any part of this statement to be in conflict with overall market or economic conditions or the best interests of the Funds or their participants, they will recommend changes to this Statement.

B. Adherence to Investment Policies and Guidelines

The Colorado Episcopal Foundation's Board of Trustees and/or the Investment Committee shall regularly review (no less than annually) compliance with this policy.

C. Return Objectives

The Colorado Episcopal Foundation's Board of Trustees and/or the Investment Committee will review on a periodic basis the performance of the Fund and its managers relative to the return objectives described herein.

D. Meetings With and Reporting By the Investment Managers

To the extent practical, investment managers are expected to meet at least ~~semi~~-annually with the Investment Committee to review their portfolios and investment results in the context of this Statement of Investment Policy. Additionally, they are expected to provide, at least quarterly (semi-annually for mutual funds), a detailed report showing all of their portfolio's holdings, along with their costs, current market values and any other information necessary to assure compliance with this Statement of Investment Policy.

E. Custody of Assets

The Staff of the Colorado Episcopal Foundation will receive and review monthly statements from the custodians of the Funds' assets showing the entirety of the assets held by each such custodian.

VIII. ADOPTION

This Statement of Investment Policy for the Colorado Episcopal Foundation Investment Funds is hereby duly adopted by the Board of Trustees of the Colorado Episcopal Foundation this 15th day of March 2007.

Chairman

Secretary



Bond Fund – Performance (1st Quarter 2008)

Objective:

The Colorado Episcopal Foundation Bond Fund is a pooled investment fund seeking to provide current income. Capital appreciation is a secondary consideration. The Fund invests primarily in publicly traded fixed income securities and mutual funds that focus on fixed income investments. It is the goal of the Fund to produce, over the long-term, a total return that exceeds the total return of the Lehman Brothers Aggregate Bond Index on a risk-adjusted basis and a minimum total return that exceeds the rate of inflation by two percentage points.

Management:

The Colorado Episcopal Foundation Investment Committee has been established to assist the Foundation's Board of Trustees with overseeing the operation of the Bond Fund. The Investment Committee has six members and reports directly to the Board of Trustees. The Investment Committee, with the approval of the Board of Trustees, has invested the majority of the assets of the Bond Fund in three different fixed income mutual funds. They are the Dodge & Cox Income Fund, the PIMCO Total Return Fund, and the Western Asset Core Bond Fund.

Investment Review:

Bond market investors continued their "flight to quality" as recession fears and uncertainties regarding mortgage related losses persisted. Treasury prices climbed and yields fell as a result. At quarter end, 3 month T-Bills yielded just 1.3% and the ten year note was at 2.6%. Meanwhile, yield spreads (the difference between low risk/risk free Treasuries and higher risk corporate bonds) grew dramatically. This resulted in a greatly segmented market with Treasuries performing much better than other market sectors. The Investment Committee continues to closely monitor the Fund's holdings and believes that the Bond Fund is well positioned to meet its objectives over the long term. Please remember a primary objective of the Colorado Episcopal Foundation Bond Fund is to produce current income. The Bond Fund produced a current income yield of 5.0% for the twelve months ended March 31, 2008.

Performance:

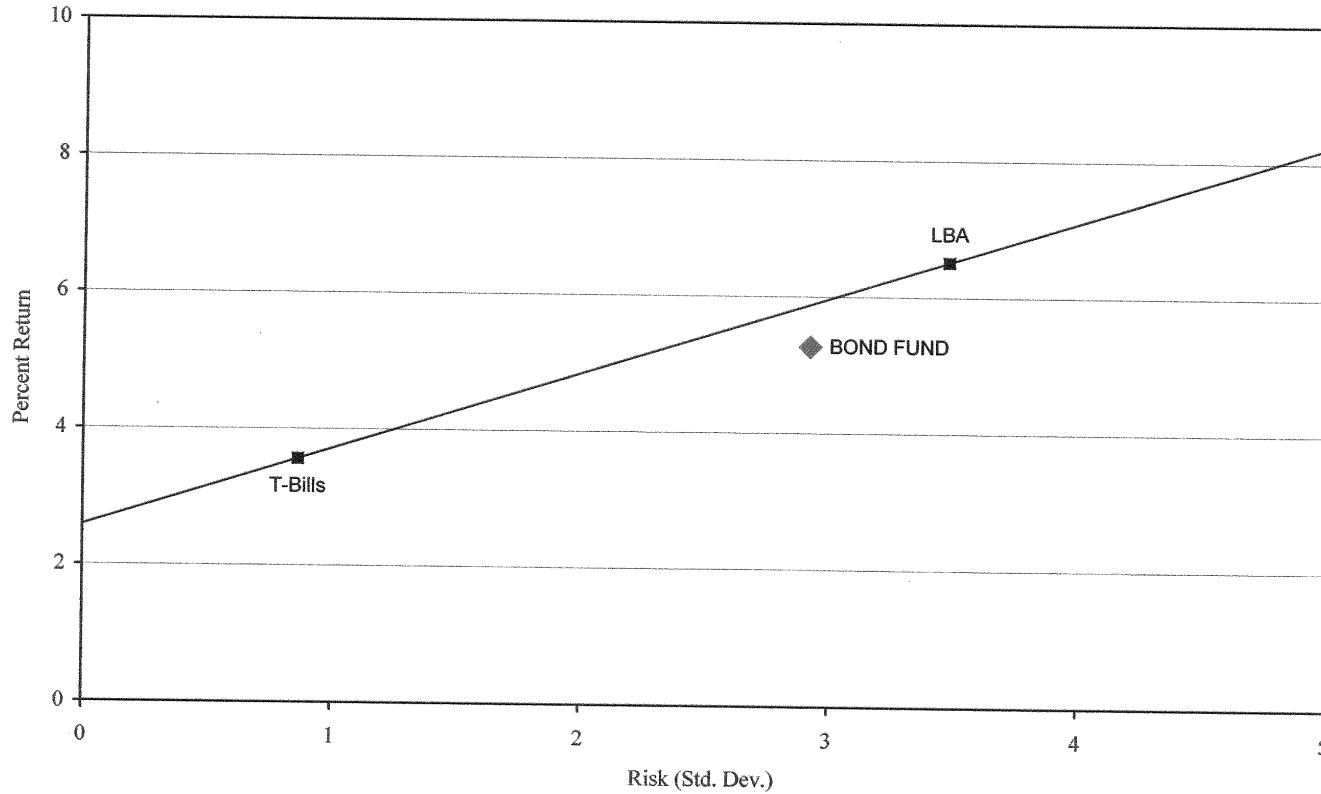
	2008 First Quarter	Average Annual Returns For Periods Ended 03-31-08		
		1 Year	3 Years	5 Years
Bond Fund	0.6%	4.0%	4.1%	3.5%
Lehman Bros. Aggr. Bond Index	2.2%	7.7%	5.5%	4.6%
Consumer Price Index	0.9%	4.2%	3.4%	3.0%

Schedule of Net Assets:

	March 31, 2008 Market Value	Percent of Net Assets
Cash and Money Market Funds	\$89,800.52	1.2%
Mutual Funds		
Dodge & Cox Income Fund	\$2,404,425.16	33.3%
PIMCO Total Return Fund	\$2,447,459.15	33.9%

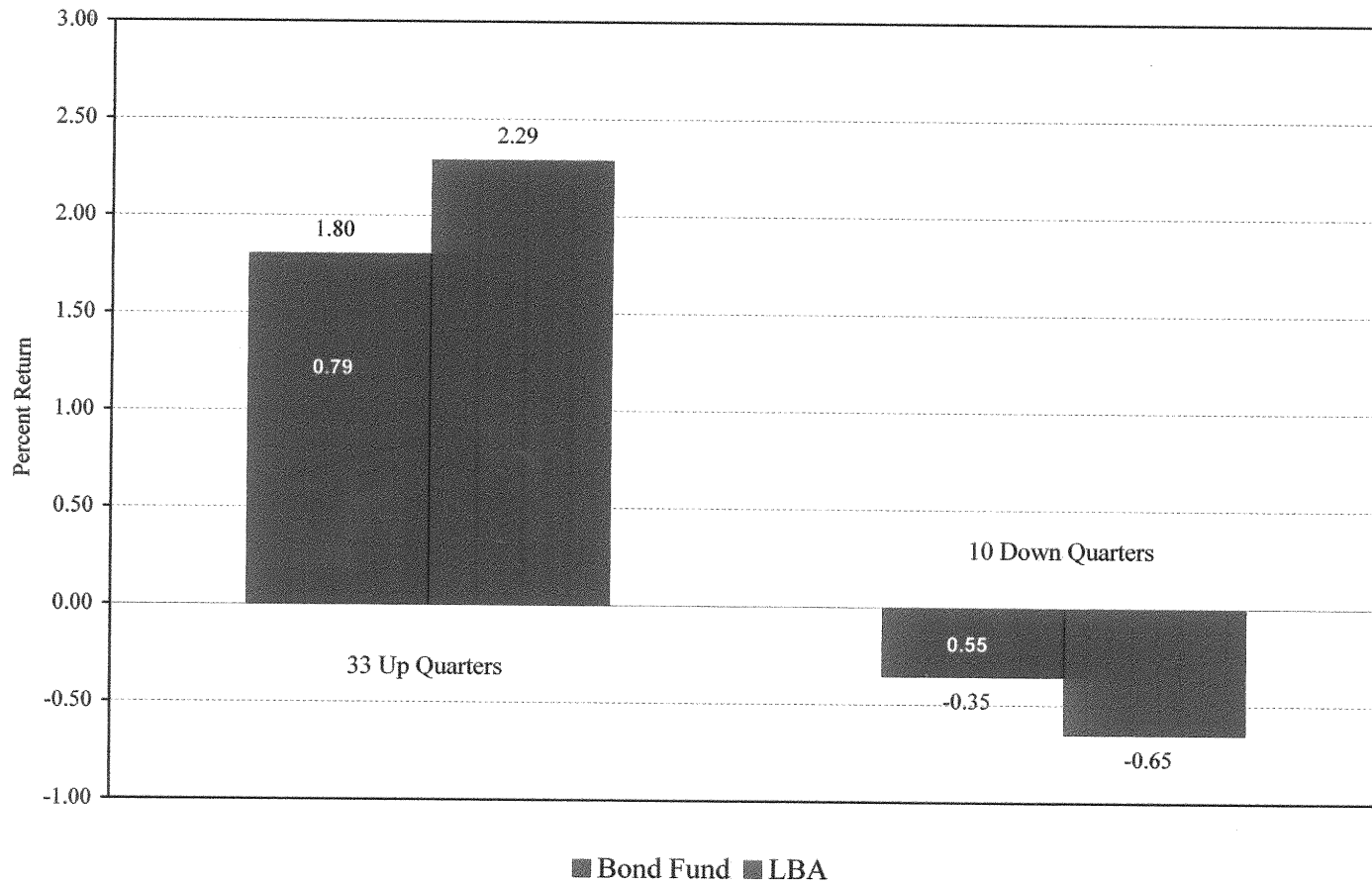
COLORADO EPISCOPAL FOUNDATION

BOND FUND Capital Market Line



43 Quarters Ended December 31, 2007

COLORADO EPISCOPAL FOUNDATION
BOND FUND
 Capture Ratios



43 Quarters Ended December 31, 2007

PIMCO Total Ret Instl

Overall Morningstar Rtg
★★★★
974 Intermediate-Term Bond

Incept 05-11-87 **Type** MF **Total Assets** \$75,467 mil **Morningstar Cat** Intermediate-Term Bond

Performance 03-31-2008						
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %	
2006	-0.53	-0.29	3.88	0.93	3.99	
2007	1.70	-1.33	4.59	3.92	9.07	
2008	3.32	—	—	—	3.32	

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	10.81	—	5.57	6.91	8.42
Std Quarterly	10.81	—	5.57	6.91	8.42
Total Return	10.81	6.54	5.57	6.91	8.42
+/- LB Agg	3.14	1.06	0.99	0.87	—
+/- LB 5-10Yr	1.68	0.62	0.49	0.26	—
% Rank Cat	1	1	5	1	—
No. in Cat	1118	974	830	433	—
7-day Yield	—				

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 800-927-4648 or visit www.allianzinvestors.com.

Fees and Expenses

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

Fund Expenses	
Management Fees %	0.25
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	0.43

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	5★	5★	5★
Morningstar Risk	High	+Avg	+Avg
Morningstar Return	High	High	High

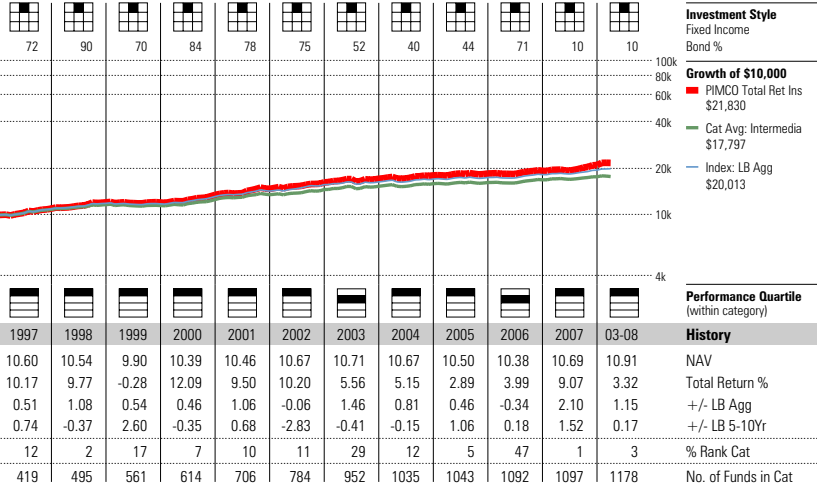
	3 Yr	5 Yr	10 Yr
Standard Deviation	3.61	4.02	3.87
Mean	6.54	5.57	6.91
Sharpe Ratio	0.59	0.59	0.82

MPT Statistics	Standard Index	Best Fit Index
	LB Agg	LB Mortgage-B
Alpha	0.79	0.19
Beta	1.22	1.40
R-Squared	88.00	89.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	4.00% Assets

Operations

Family:	PIMCO Funds	Objective:	Corp Bond-General	Minimum IRA Purchase:	\$0
Manager:	Gross, William H.	Ticker:	PTTRX	Min Auto Investment Plan:	\$0
Tenure:	20.9 Years	Minimum Initial Purchase:	\$5,000,000	Purchase Constraints:	T/



Portfolio Analysis 09-30-2007

Composition %

- Cash 88.60
- U.S. Stocks 0.00
- Non-U.S. Stocks 0.00
- Bonds 10.30
- Other 1.10

Share Chg since 06-30-2007: 14423 Total Stocks 257% Total Fixed-Income Turnover Ratio

Amount	Instrument	% Net Assets
6 bil	FNMA 5.5%	5.94
5 bil	FNMA	4.83
5 bil	Fin Fut Fed Fnd Cbt 10/31/07	4.46
4 bil	FNMA 5.5%	3.96
4 bil	FHLMC 5.5%	3.74
3 bil	FNMA 6%	2.93
6 bil	Brazilian Real-Ndf	2.92
2 bil	Fin Fut Uk 90day Lif 12/19/07	2.88
3 bil	FNMA 5%	2.57
4 mil	Brazil Ntn-F	2.07
2 bil	FNMA 5%	1.57
2 bil	FNMA 5%	1.39
2 bil	Brazilian Real-Ndf	1.08
1 bil	FNMA 5.5%	0.92
2 bil	Brazilian Real-Ndf	0.81

Equity Style

Value Blend Growth	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Large Mid Small	P/E Ratio TTM	—	—	—
	P/C Ratio TTM	—	—	—
	P/B Ratio TTM	—	—	—
	Geo Avg Mkt Cap \$mil	—	—	—

Fixed-Income Style

Short Int Long	Avg Eff Duration	5.30
	Avg Eff Maturity	6.60
	Avg Credit Quality	AA
	Avg Wtd Coupon	5.49
	Avg Wtd Price	98.90

Credit Analysis 03-31-2008

	Bond %
AAA	64.00
AA	16.00
A	7.00
BBB	4.00
BB	7.00
B	2.00
Below B	0.00
NR/NA	0.00

Regional Exposure

	Stocks %	Rel LB Agg
Americas	0.0	—
Greater Europe	100.0	—
Greater Asia	0.0	—

Sector Weightings

	Stocks %	Rel LB Agg
Information Economy	0.0	—
Software	0.0	—
Hardware	0.0	—
Media	0.0	—
Telecommunication	0.0	—
Service Economy	100.0	—
Healthcare Services	0.0	—
Consumer Services	0.0	—
Business Services	0.0	—
Financial Services	100.0	—
Manufacturing Economy	0.0	—
Consumer Goods	0.0	—
Industrial Goods	0.0	—
Energy	0.0	—
Utilities	0.0	—

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Dodge & Cox Income

Analyst Pick: Ticker DODIX, Load None, NAV \$12.64, Yield 5.0%, SEC Yield —, Total Assets \$16,413 mil, Mstar Category Intermediate-Term Bond

Governance and Management

Stewardship Grade: A

Portfolio Manager(s)

A deep, nine-member management team is responsible for the fund and all of the firm's institutional fixed-income accounts. Sector specialists on the team have both research and trading responsibilities. Dodge & Cox's 20-member analyst staff provides individual credit analysis and also supports the firm's equity products.

Strategy

Management strives to better its boggy, the Lehman Brothers Aggregate Bond Index, mainly through security selection. Thus, the fund is typically overweighted in corporate bonds, especially midgrade issues. Management targets corporate bonds and mortgage-backed securities with call-protection features so that it can hold on to its bonds for the long haul.

Performance 02-29-08

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2003	1.42	2.82	0.54	1.08	5.97
2004	1.86	-2.07	2.69	1.17	3.64
2005	-0.47	2.14	-0.24	0.55	1.98
2006	0.08	0.00	3.43	1.73	5.30
2007	1.43	-0.23	2.10	1.32	4.68

Trailing	Total Return%	+/- LB Aggreg	+/- LB 5-10YR	%Rank Cat	Growth of \$10,000
3 Mo	1.08	-1.03	-2.86	57	10,108
6 Mo	3.44	-2.23	-2.77	65	10,344
1 Yr	4.27	-3.03	-2.07	58	10,427
3 Yr Avg	4.23	-0.95	-0.50	43	11,323
5 Yr Avg	4.25	-0.25	-1.26	36	12,313
10 Yr Avg	5.98	-0.06	-0.59	10	17,875
15 Yr Avg	6.48	0.14	-0.59	9	25,646

Tax Analysis	Tax-Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	3.41	12	0.79	7
5 Yr (estimated)	3.29	12	0.92	7
10 Yr (estimated)	4.22	5	1.66	24

Potential Capital Gain Exposure: 0% of assets

Morningstar's Take by Dan Culloton 02-28-08

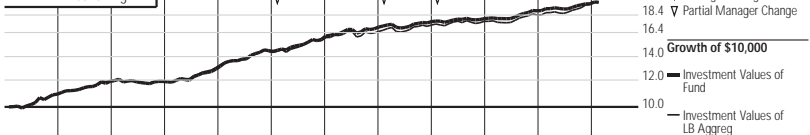
You can still trust Dodge & Cox Income.

The past few months have been rough for this fund. The housing-sector collapse crumbled complex securities with regard to subprime mortgages, and triggered credit and liquidity crises. This fund had no direct exposure to subprime securities or other dicey structured securities, but it has lagged its peers and Lehman Aggregate Bond Index benchmark due to its above-average stake in corporate bonds and mortgage-backed securities. The fund usually prides itself on careful security selection and government-sponsored entities guarantee its mortgage bonds, but both stakes suffered as investors fled anything with a hint of risk or exposure to housing. The fund's shorter-than-average duration also hasn't helped as the flight to quality pushed interest rates lower.

As difficult as this period has been for investors who have come to expect clockworklike consistency from this fund, it has set the offering up nicely for the future. Partly from recent opportunistic

Historical Profile

Return: Above Avg
Risk: Low
Rating: ★★★★★ Above Avg



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	02-08	History
NAV	12.08	12.25	11.40	11.80	12.20	12.77	12.92	12.84	12.54	12.57	12.51	12.64	NAV
Total Return %	10.00	8.08	-0.81	10.70	10.32	10.75	5.97	3.64	1.98	5.30	4.68	1.04	Total Return %
+/-LB Aggreg	0.35	-0.61	0.01	-0.93	1.88	0.50	1.87	-0.70	-0.45	0.97	-2.29	-0.78	+/-LB Aggreg
+/-LB 5-10YR	0.57	-2.06	2.07	-1.74	1.50	-2.28	0.00	-1.66	0.15	1.49	-2.87	-6.28	+/-LB 5-10YR
Income Return %	6.40	6.11	5.94	7.02	6.42	5.52	4.78	4.25	4.35	5.00	5.15	0.00	Income Return %
Capital Return %	3.60	1.97	-6.75	3.68	3.90	5.23	1.19	-0.61	-2.37	0.30	-0.47	1.04	Capital Return %
Total Rtn % Rank Cat	15	34	34	34	5	5	25	61	41	11	63	57	Total Rtn % Rank Cat
Income \$	0.73	0.72	0.71	0.78	0.74	0.66	0.60	0.54	0.55	0.62	0.64	0.00	Income \$
Capital Gains \$	0.00	0.06	0.04	0.00	0.06	0.05	0.00	0.00	0.00	0.00	0.00	0.00	Capital Gains \$
Expense Ratio %	0.49	0.47	0.46	0.46	0.45	0.45	0.45	0.44	0.44	0.44	0.44	—	Expense Ratio %
Income Ratio %	6.32	6.00	6.10	6.67	6.18	5.67	4.81	3.61	3.99	4.77	—	—	Income Ratio %
Turnover Rate %	28	35	24	34	40	31	41	30	24	30	27	—	Turnover Rate %
Net Assets \$mil	705	952	974	1,021	1,512	3,405	5,697	7,870	9,610	11,972	15,895	16,413	Net Assets \$mil

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	4.27			
3 Yr	4.23	Avg	Low	★★★★
5 Yr	4.25	Avg	Low	★★★★
10 Yr	5.98	+ Avg	Low	★★★★★
Incept	7.75			

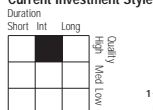
Other Measures

	Standard Index LB Aggr	Best Fit Index LB. U.S. Univ. Bd
Alpha	-0.6	-0.7
Beta	0.64	0.70
R-Squared	82	89
Standard Deviation	2.04	
Mean	4.23	
Sharpe Ratio	-0.07	

Portfolio Analysis 12-31-07

Total Fixed-Income: 460	Date of Maturity	Amount \$000	Value \$000	% Net Assets
US Treasury Note 3.25%	01-15-09	300,000	300,516	1.89
Gmac 6.875%	09-15-11	336,175	287,596	1.81
US Treasury Note 4.75%	02-28-09	250,000	254,610	1.60
Ford Motor Credit 7.375%	02-01-11	273,833	245,219	1.54
At&T 8%	11-15-31	159,915	196,387	1.23
FNMA 5.5%	08-01-35	194,992	195,341	1.23
Ford Motor Credit 7.25%	10-25-11	220,905	191,339	1.20
Aol Time Warner 7.625%	04-15-31	168,188	186,120	1.17
FNMA 6%	04-01-35	180,275	183,428	1.15
FNMA 5.5%	05-01-34	181,924	182,059	1.14
Slm Stud Ln Tr 2007-2 FR	07-25-17	183,000	181,339	1.14
FNMA 6.5%	12-01-32	163,845	169,429	1.06
FNMA 6%	03-01-22	163,466	167,386	1.05
Aol Time Warner 7.7%	05-01-32	149,823	166,462	1.04
FNMA	07-01-35	153,138	156,016	0.98
FNMA 6%	06-01-35	152,476	155,524	0.98
FNMA 6%	03-01-36	151,350	154,613	0.97
Wachovia FRN	04-23-12	154,460	149,731	0.94
FNMA 6%	04-01-35	141,405	144,231	0.91
FNMA 6%	04-01-35	139,290	141,907	0.89

Current Investment Style



Avg Eff Duration ¹	4.1 Yrs
Avg Eff Maturity	6.6 Yrs
Avg Credit Quality	AA
Avg Wtd Coupon	6.10%
Avg Wtd Price	100.50% of par

Coupon Range	% of Bonds	Rel Cat
0% PIK	0.0	0.0
0% to 6%	58.7	0.8
6% to 8%	39.1	1.7
8% to 10%	2.2	0.6
More than 10%	0.0	0.0

1.00 = Category Average

Credit Analysis	% bonds 12-31-07
AAA	61
AA	6
A	6
BBB	12

Sector Breakdown % of assets

US Treasuries	3
TIPS	0
US Agency	4
Mortgage Pass-Throughs	43
Mortgage CMO	3
Mortgage ARM	0
US Corporate	32
Asset-Backed	4
Convertible	0
Municipal	0
Corporate Inflation-Protected	0
Foreign Corporate	1
Foreign Govt	0

Composition

Cash	9.7	Bonds	90.2
Stocks	0.0	Other	0.1

Special Securities

Restricted/Illiquid Secs	2
Exotic Mortgage-Backed	0
Emerging-Markets Secs	0
Options/Futures/Warrants	0

Address: 555 California St, San Francisco, CA 94104
 Web Address: www.dodgeandcox.com
 Inception: 01-03-89
 Advisor: Dodge & Cox
 Subadvisor: None
 NIF Plans: N/A

Minimum Purchase: \$2500
 Add: \$100
 IRA: \$1000
 Min Auto Inv Plan: \$2500
 Add: \$100
 Sales Fees: No-load
 Management Fee: 0.50% mx./0.40% mn.
 Actual Fees: Mgt: 0.40% Dist: —
 Expense Projections: 3Yr: \$141 5Yr: \$246 10Yr: \$555
 Income Distrib: Quarterly

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Western Asset Cr Bd Inst

Overall Morningstar Rtg: **★★★**
 974 Intermediate-Term Bond

Incept: 09-04-90
 Type: MF
 Total Assets: \$5,122 mil
 Morningstar Cat: Intermediate-Term Bond

Performance 03-31-2008					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2006	-0.39	-0.13	4.59	2.09	6.24
2007	1.48	-0.92	1.33	-0.15	1.74
2008	-2.13	—	—	—	-2.13
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	-1.88	—	3.55	5.64	7.49
Std Quarterly	-1.88	—	3.55	5.64	7.49
Total Return	-1.88	2.85	3.55	5.64	7.49
+/- LB Agg	-9.55	-2.63	-1.03	-0.40	—
+/- LB 5-10Yr	-11.01	-3.07	-1.53	-1.01	—
% Rank Cat	92	85	63	19	—
No. in Cat	1118	974	830	433	—
7-day Yield	—				

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 888-425-6432 or visit www.westernasset.com.

Fees and Expenses

Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.41
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	0.47

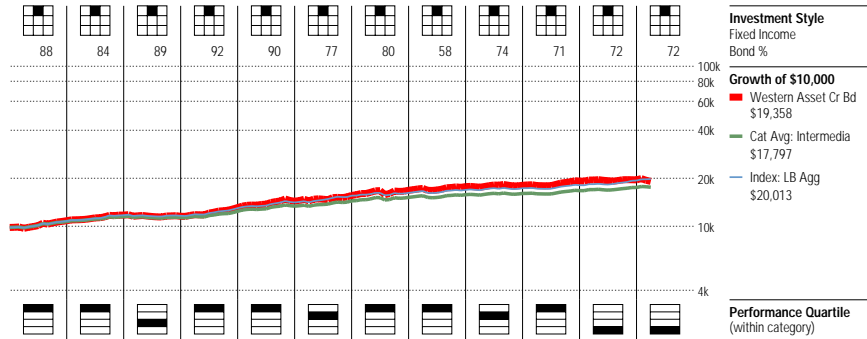
Risk and Return Profile

Morningstar Rating™	2★	3★	4★
Morningstar Risk	High	High	High
Morningstar Return	-Avg	Avg	+ Avg
	3 Yr	5 Yr	10 Yr
	974 funds	830 funds	433 funds
Standard Deviation	3.50	4.70	4.44
Mean	2.85	3.55	5.64
Sharpe Ratio	-0.40	0.10	0.46
MPT Statistics	Standard Index	Best Fit Index	
	LB Agg	LB Credit	
Alpha	-2.36	-1.38	
Beta	0.87	0.83	
R-Squared	51.00	65.00	

12-Month Yield	5.46%
30-day SEC Yield	5.36
Potential Cap Gains Exp	-7.00% Assets

Operations

Family:	Western Asset	Objective:	Corp Bond-General	Minimum IRA Purchase:	\$0
Manager:	Walsh/Eichstaedt/Lindbloom/Leech/Tidwell		WATFX	Min Auto Investment Plan:	\$0
Tenure:	13.5 Years	Minimum Initial Purchase:	\$1,000,000	Purchase Constraints:	T/A/



Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	03-08	History
NAV	11.41	11.12	10.28	10.87	11.10	11.37	11.59	11.48	11.21	11.34	10.91	10.54	NAV
Total Return %	10.13	8.36	-1.70	13.34	9.48	8.70	7.77	5.30	1.91	6.24	1.74	-2.13	Total Return %
+/- LB Agg	0.47	-0.33	-0.88	1.71	1.04	-1.56	3.67	0.96	-0.52	1.91	-5.23	-4.30	+/- LB Agg
+/- LB 5-10Yr	0.70	-1.78	1.18	0.90	0.66	-4.33	1.80	0.00	0.08	2.43	-5.81	-5.28	+/- LB 5-10Yr
% Rank Cat	13	24	60	1	10	43	15	9	45	6	94	91	% Rank Cat
No. of Funds in Cat	419	495	561	614	706	784	952	1035	1043	1092	1097	1178	No. of Funds in Cat

Portfolio Analysis 12-31-2007

Composition %													
○ Cash	22.10	Share Chg since 09-30-2007	2 bil	0 Total Stocks	1614	Total Fixed-Income	432%	Turnover Ratio		% Net Assets			
● U.S. Stocks	0.00	⊕	2 bil	FNMA 5%						16.21			
● Non-U.S. Stocks	0.00	⊕	2 bil	EuroDollar (Fut)						15.76			
● Bonds	72.00	⊕	839 mil	EuroDollar (Fut)						8.70			
● Other	5.80	⊕	494 mil	FNMA 6%						5.41			
		⊕	335 mil	Owp065535 Irs Usd R F 5.25000						3.70			
		⊕	332 mil	FHLMC 5%						3.50			
		⊕	316 mil	Owp072614 Irs Usd R F 4.75000						3.45			
		⊕	271 mil	FNMA 5.5%						2.92			
		⊕	221 mil	FNMA						2.41			
		⊕	207 mil	Owp021256 Western Irs Rec Fix						2.28			
		⊕	150 mil	Owp061153 Irs Usd R F 5.56545						1.73			
		⊕	157 mil	Owp055155 Irs Usd R F 5.39300						1.73			
		⊕	133 mil	FNMA						1.42			
		⊕	133 mil	FNMA 5%						1.40			
		⊕	123 mil	FNMA 6%						1.36			

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

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	—	—	—
Large Mid Small	P/C Ratio TTM	—	—	—
	P/B Ratio TTM	—	—	—
	Geo Avg Mkt	—	—	—
	Cap \$mil	—	—	—

Fixed-Income Style	Short Int	Long	Avg Eff Duration	4.70
			Avg Eff Maturity	7.90
			Avg Credit Quality	AA
			Avg Wtd Coupon	4.41
			Avg Wtd Price	98.83

Credit Analysis 03-31-2008	Bond %
AAA	76.71
AA	4.68
A	5.46
BBB	9.82
BB	1.55
B	1.60
Below B	0.18
NR/NA	0.00

Regional Exposure	Stocks %	Rel LB Agg
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

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Equity Fund – Performance (1st Quarter 2008)

Objective:

The Colorado Episcopal Foundation Equity Fund is a pooled investment fund seeking long-term growth of capital. Income is a secondary consideration. The Fund invests primarily in publicly traded equity securities and mutual funds that focus on equity investments. It is the goal of the Fund to produce, over the long-term, a total return that exceeds the total return of the S&P 500 Index on a risk-adjusted basis and a minimum total return that exceeds the rate of inflation by seven percentage points.

Management:

The Colorado Episcopal Foundation Investment Committee has been established to assist the Foundation's Board of Trustees with overseeing the operation of the Equity Fund. The Investment Committee has six members and reports directly to the Board of Trustees. The Investment Committee, with the approval of the Board of Trustees, has invested the majority of the assets of the Equity Fund in seven different mutual funds. They are the Vanguard Institutional Index Fund, the Dodge & Cox Stock Fund, the Harbor Capital Appreciation Fund, the Columbia Acorn Fund, the Janus Mid Cap Value Fund, the Harbor International Fund, and the UMB Scout International Fund.

Investment Review:

The stock markets struggled during the first quarter, with the S&P 500 posting its worst quarterly performance since 2002, down 9.5%. The stock market's struggles are due mainly to uncertainties surrounding the economy and the housing and mortgage markets. The Federal Reserve has helped to stabilize the markets somewhat through a variety of actions, all of which are intended to ease the growing strains on the financial system. As is shown below, the Equity Fund held up a little better than the S&P 500 in the first quarter, and its longer term results also compare favorably to those of the S&P 500. The Investment Committee and the Board of Trustees continue to be pleased with the Fund's results and to believe that the Fund is well positioned to meet its objectives over the long term.

Performance:

	2008 First Quarter	Average Annual Returns For Periods Ended 03-31-08		
		1 Year	3 Years	5 Years
Equity Fund	-8.7%	-2.7%	8.1%	12.4%
S&P 500 Index	-9.5%	-5.1%	5.9%	11.3%
Consumer Price Index	0.9%	4.2%	3.4%	3.0%

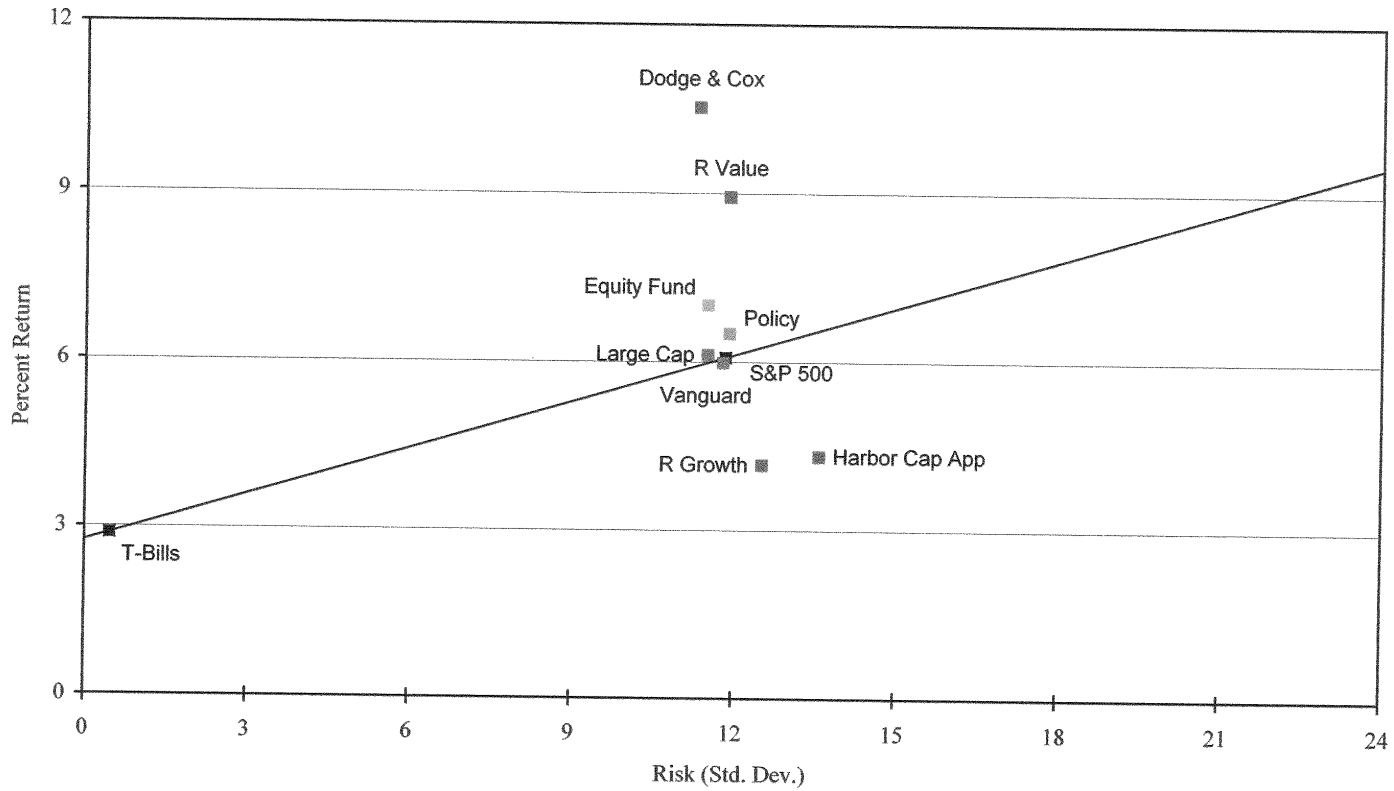
Schedule of Net Assets:

	March 31, 2008 Market Value	Percent of Net Assets
Cash and Money Market Funds	\$60,741.37	0.6%
Mutual Funds		
Large-Cap Funds		
Vanguard Institutional Index	\$4,378,697.97	39.4%

COLORADO EPISCOPAL FOUNDATION

EQUITY FUND

Capital Market Line

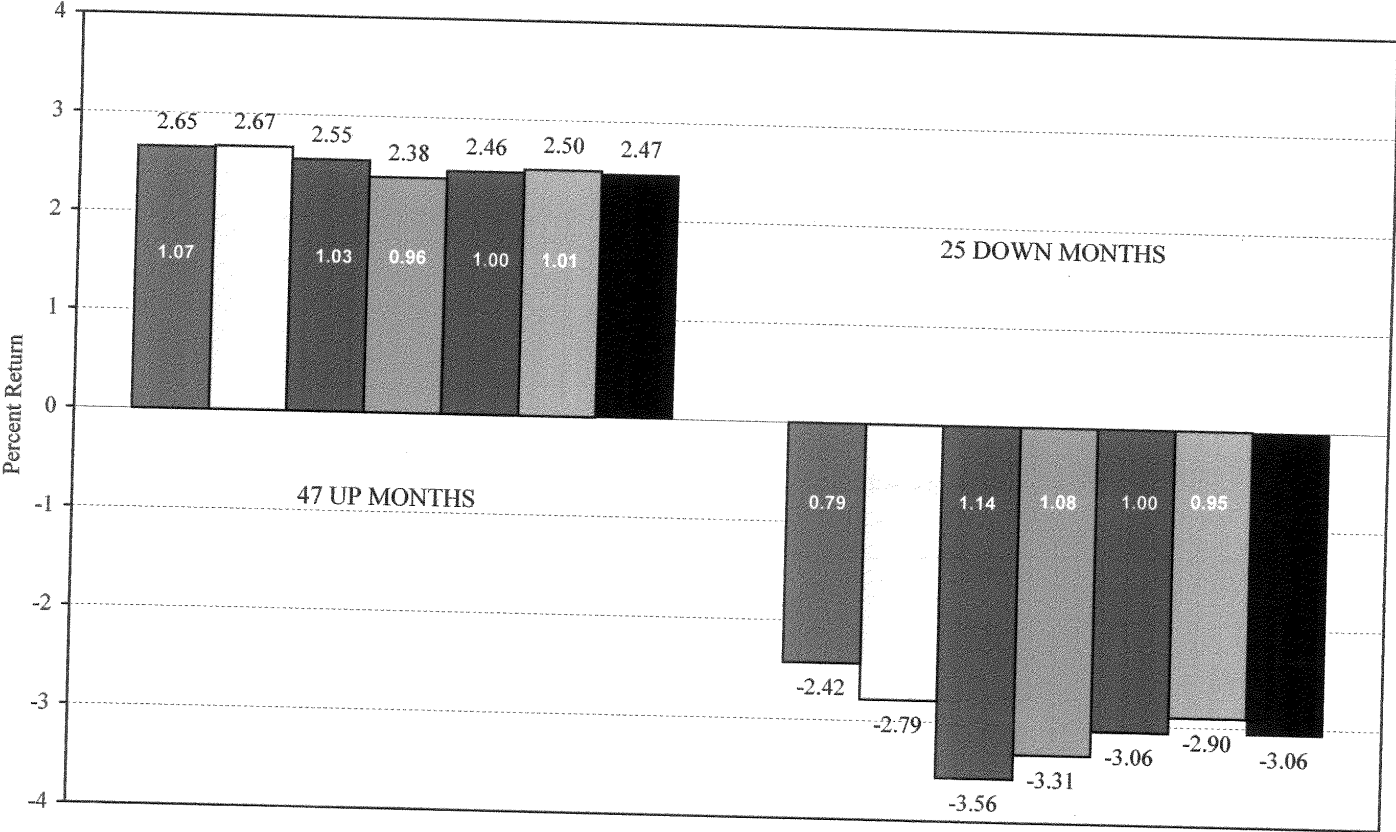


72 Months Ended December 31, 2007

COLORADO EPISCOPAL FOUNDATION

EQUITY FUND

Capture Ratios



Dodge & Cox
 Russell 1000 Value
 Harbor Cap App
 Russell 1000 Growth
 Vanguard
 Equity Fund
 S&P 500

72 Months Ended December 31, 2007

UMB Scout International

Overall Morningstar Rtg™ **★★★★★**
 557 Foreign Large Blend
 Incept 09-14-93 Type MF Total Assets \$3,711 mil Morningstar Cat Foreign Large Blend

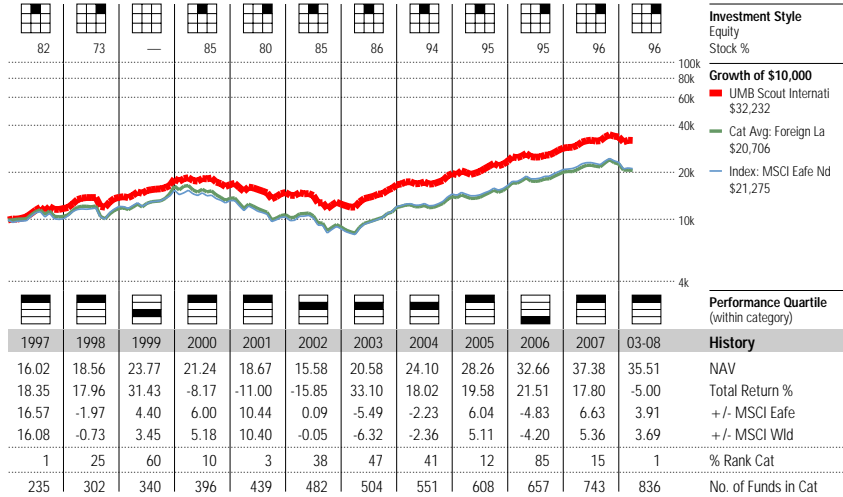
Performance 03-31-2008						
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %	
2006	7.93	-1.52	3.36	10.62	21.51	
2007	3.92	8.13	4.71	0.12	17.80	
2008	-5.00	—	—	—	-5.00	
Trailing Returns						
	1 Yr	3 Yr	5 Yr	10 Yr	Incept	
Std Monthly	7.68	—	21.65	9.10	11.39	
Std Quarterly	7.68	—	21.65	9.10	11.39	
Total Return	7.68	16.95	21.65	9.10	11.39	
+/- MSCI Eafe	10.38	3.63	0.25	2.91	—	
+/- MSCI Wld	8.97	3.08	-0.16	2.57	—	
% Rank Cat	6	13	22	5	—	
No. in Cat	747	557	459	231	—	
7-day Yield	—	—	—	—	—	

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 800-996-2862 or visit www.umb.com.

Fees and Expenses	
Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.80
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	0.97

Risk and Return Profile			
	3 Yr	5 Yr	10 Yr
MorningstarRating™	5★	4★	5★
Morningstar Risk	-Avg	Low	Low
Morningstar Return	+ Avg	+ Avg	High
	3 Yr	5 Yr	10 Yr
Standard Deviation	10.61	10.53	13.30
Mean	16.95	21.65	9.10
Sharpe Ratio	1.14	1.62	0.45
MPT Statistics	Standard Index	Best Fit Index	
	MSCI Eafe Ndt	MSCI Wld x USN	
Alpha	3.75	3.41	
Beta	0.93	0.92	
R-Squared	92.00	93.00	

Operations	
Family:	Scout
Manager:	Moffett/Anderson
Tenure:	9.6 Years
Objective:	Foreign Stock
Ticker:	UMBWX
Minimum Initial Purchase:	\$1,000
Minimum IRA Purchase:	\$100
Min Auto Investment Plan:	\$100
Purchase Constraints:	NA



Portfolio Analysis 12-31-2007																										
Composition %	<ul style="list-style-type: none"> Cash: 0.00 U.S. Stocks: 3.00 Non-U.S. Stocks: 92.60 Bonds: 4.40 Other: 0.00 																									
Equity Style	<table border="1"> <tr> <th>Value Blend Growth</th> <th>Portfolio Statistics</th> <th>Port Avg</th> <th>Rel Index</th> <th>Rel Cat</th> </tr> <tr> <td>Large Mid Small</td> <td>P/E Ratio TTM</td> <td>19.4</td> <td>1.58</td> <td>1.29</td> </tr> <tr> <td></td> <td>P/C Ratio TTM</td> <td>14.4</td> <td>1.76</td> <td>1.45</td> </tr> <tr> <td></td> <td>P/B Ratio TTM</td> <td>3.8</td> <td>1.58</td> <td>1.27</td> </tr> <tr> <td></td> <td>Geo Avg Mkt Cap \$mil</td> <td>31576</td> <td>0.96</td> <td>0.99</td> </tr> </table>	Value Blend Growth	Portfolio Statistics	Port Avg	Rel Index	Rel Cat	Large Mid Small	P/E Ratio TTM	19.4	1.58	1.29		P/C Ratio TTM	14.4	1.76	1.45		P/B Ratio TTM	3.8	1.58	1.27		Geo Avg Mkt Cap \$mil	31576	0.96	0.99
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Fixed-Income Style	<table border="1"> <tr> <th>Short Int</th> <th>Long</th> <th>Avg Eff Duration</th> <th>Avg Eff Maturity</th> <th>Avg Credit Quality</th> <th>Avg Wtd Coupon</th> <th>Avg Wtd Price</th> </tr> <tr> <td></td> <td></td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> </tr> </table>	Short Int	Long	Avg Eff Duration	Avg Eff Maturity	Avg Credit Quality	Avg Wtd Coupon	Avg Wtd Price			—	—	—	—	—											
Short Int	Long	Avg Eff Duration	Avg Eff Maturity	Avg Credit Quality	Avg Wtd Coupon	Avg Wtd Price																				
		—	—	—	—	—																				
Credit Analysis 03-31-2008	<table border="1"> <tr> <th>Bond %</th> </tr> <tr> <td>AAA</td> <td>—</td> </tr> <tr> <td>AA</td> <td>—</td> </tr> <tr> <td>A</td> <td>—</td> </tr> <tr> <td>BBB</td> <td>—</td> </tr> <tr> <td>BB</td> <td>—</td> </tr> <tr> <td>B</td> <td>—</td> </tr> <tr> <td>Below B</td> <td>—</td> </tr> <tr> <td>NR/NA</td> <td>—</td> </tr> </table>	Bond %	AAA	—	AA	—	A	—	BBB	—	BB	—	B	—	Below B	—	NR/NA	—								
Bond %																										
AAA	—																									
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BB	—																									
B	—																									
Below B	—																									
NR/NA	—																									
Regional Exposure	<table border="1"> <tr> <th>Stocks %</th> <th>Rel MSCI Eafe</th> </tr> <tr> <td>Americas</td> <td>15.2</td> </tr> <tr> <td>Greater Europe</td> <td>62.2</td> </tr> <tr> <td>Greater Asia</td> <td>22.6</td> </tr> </table>	Stocks %	Rel MSCI Eafe	Americas	15.2	Greater Europe	62.2	Greater Asia	22.6																	
Stocks %	Rel MSCI Eafe																									
Americas	15.2																									
Greater Europe	62.2																									
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Share Chg since 09-30-2007	Share Amount	91 Total Stocks	1 Total Fixed-Income	19% Turnover Ratio	% Net Assets
★	162 mil	FHLBA			4.38
	3 mil	ABB			2.47
	625,200	Potash Corp of Saskatchewan			2.44
⊕	2 mil	CSL Ltd			2.01
	618,194	Petroleo Brasileiro			1.93
	1 mil	Imperial Chemical Industries			1.91
	585,700	Mettler-Toledo Intl			1.81
	561,600	BG Group PL			1.74
⊕	1 mil	COCA-COLA HELLENIC BOTTLING C			1.74
	1 mil	Terumo			1.69
	3 mil	Allianz			1.56
	585,368	Telefonica, S.A.			1.55
	802,180	American Beverage (ABV)			1.55
	2 mil	Tesco PLC (ADR)			1.50
	1 mil	Canon			1.47

Sector Weightings	Stocks %	Rel MSCI Eafe
Information Economy	10.8	0.89
Software	1.4	2.80
Hardware	4.3	1.10
Media	0.0	0.00
Telecommunication	5.1	0.84
Service Economy	43.1	1.01
Healthcare Services	17.4	2.64
Consumer Services	5.6	1.17
Business Services	4.1	0.79
Financial Services	15.9	0.61
Manufacturing Economy	46.1	1.02
Consumer Goods	16.5	1.23
Industrial Goods	19.8	1.08
Energy	8.0	1.03
Utilities	1.8	0.32

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Janus Mid Cap Val Inv

Overall Morningstar Rtg™ **★★★★★**
 287 Mid-Cap Value
 Incept 08-12-98 Type MF Total Assets \$5,701 mil Morningstar Cat Mid-Cap Value

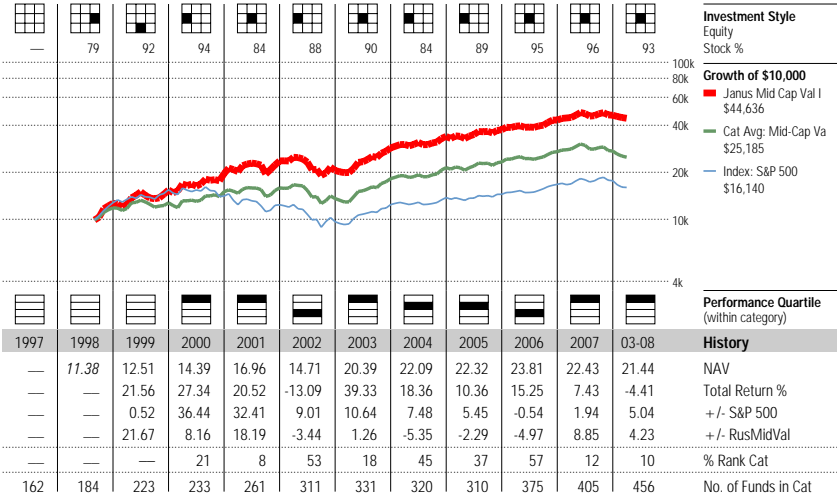
Performance 03-31-2008						
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %	
2006	5.33	-1.23	2.67	7.90	15.25	
2007	3.86	6.03	-0.27	-2.18	7.43	
2008	-4.41	—	—	—	-4.41	
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept	
Std Monthly	-1.13	—	17.30	—	15.46	
Std Quarterly	-1.13	—	17.30	—	15.46	
Total Return	-1.13	9.23	17.30	—	15.46	
+/- S&P 500	3.95	3.38	5.98	—	—	
+/- RusMidVal	12.99	2.66	0.53	—	—	
% Rank Cat	4	5	11	—	—	
No. in Cat	406	287	215	64	—	
7-day Yield	—	—	—	—	—	

Performance Disclosure
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 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 800-525-0020 or visit www.janus.com.

Fees and Expenses	
Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.58
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	0.87

Risk and Return Profile				
	3 Yr	5 Yr	10 Yr	
Morningstar Rating™	5★	5★	—	
Morningstar Risk	Low	-Avg	—	
Morningstar Return	High	+ Avg	—	
	287 funds	215 funds	64 funds	
Standard Deviation	8.16	9.59	—	
Mean	9.23	17.30	—	
Sharpe Ratio	0.61	1.38	—	
MPT Statistics	Standard Index S&P 500	Best Fit Index Mstar Mid Cap		
Alpha	3.43	2.45		
Beta	0.82	0.72		
R-Squared	76.00	93.00		

Operations	
Family:	Janus
Manager:	Perkins/Kautz
Tenure:	7.9 Years
Objective:	Growth
Ticker:	JMCVX
Minimum Initial Purchase:	\$2,500
Minimum IRA Purchase:	\$1,000
Min Auto Investment Plan:	\$500
Purchase Constraints:	NA



Portfolio Analysis 01-31-2008			
Composition %			
○ Cash	7.50	Share Chg since 12-31-2007	146
● U.S. Stocks	89.40	Share Amount	0
● Non-U.S. Stocks	3.20	Total Stocks	146
● Bonds	0.00	Total Fixed-Income	0
● Other	0.00	95% Turnover Ratio	
		2 mil AllianceBernstein Hlding	1.94
		22,500 Berkshire Hathaway (BRK.B)	1.57
		2 mil Protective Life	1.42
		2 mil Kinder Morgan Energy Ptrn	1.32
		2 mil Dover	1.31
		2 mil Covidien	1.30
		3 mil DPL	1.28
		3 mil Invesco PLC	1.27
		1 mil Equitable Resources	1.24
		2 mil J.C. Penney	1.24
		1 mil General Mills	1.20
		2 mil Ball	1.20
		5 mil Old Republic Intl	1.18
		2 mil PPL	1.17
		1 mil Anadarko Petroleum	1.17

Sector Weightings		
	Stocks %	Rel S&P 500
Information Economy	9.6	0.48
Software	0.3	0.08
Hardware	6.2	0.63
Media	1.2	0.39
Telecommunication	1.9	0.54
Service Economy	53.8	1.33
Healthcare Services	10.7	0.91
Consumer Services	9.6	1.32
Business Services	9.2	2.09
Financial Services	24.3	1.45
Manufacturing Economy	36.6	0.93
Consumer Goods	8.7	0.99
Industrial Goods	9.7	0.71
Energy	14.5	1.07
Utilities	3.7	1.03

Credit Analysis 03-31-2008			
	Bond %		
AAA	—		
AA	—		
A	—		
BBB	—		
BB	—		
B	—		
Below B	—		
NR/NA	—		

Regional Exposure			
	Stocks %	Rel S&P 500	
Americas	99.7	1.00	
Greater Europe	0.3	—	
Greater Asia	0.0	—	

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Harbor Capital App Instl

Overall Morningstar Rtg™ **★★★★**
 1442 Large Growth
 Incept 12-29-87 Type MF Total Assets \$7,382 mil Morningstar Cat Large Growth

Performance 03-31-2008						
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %	
2006	1.26	-7.32	4.57	4.28	2.33	
2007	1.20	3.61	6.23	0.77	12.25	
2008	-11.02	—	—	—	-11.02	

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	-1.30	—	11.21	3.13	11.77
Std Quarterly	-1.30	—	11.21	3.13	11.77
Total Return	-1.30	7.23	11.21	3.13	11.77

	S&P 500	Rus 1000G	% Rank Cat	No. in Cat	7-day Yield
+/- S&P 500	3.78	1.38	-0.11	-0.37	—
+/- Rus 1000G	-0.55	0.90	1.25	1.85	—
% Rank Cat	50	30	31	42	—
No. in Cat	1755	1442	1207	564	—
7-day Yield	—	—	—	—	—

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 800-422-1050 or visit www.harborfunds.com.

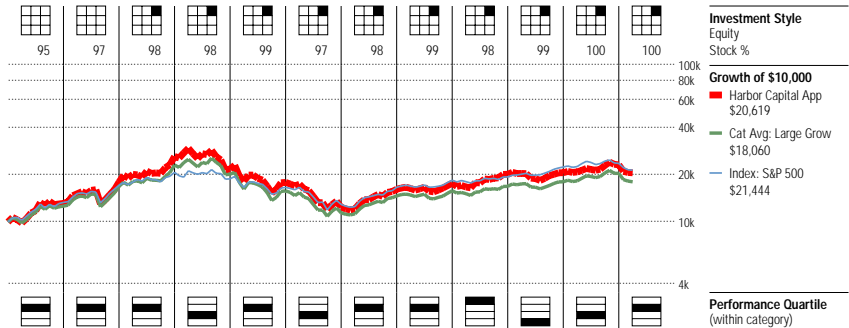
Fees and Expenses	
Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.60
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	0.67

Risk and Return Profile				
	3 Yr	5 Yr	10 Yr	
	1442 funds	1207 funds	564 funds	
MorningstarRating™	4★	4★	3★	
Morningstar Risk	Avg	Avg	+ Avg	
Morningstar Return	+ Avg	Avg	Avg	

	3 Yr	5 Yr	10 Yr
Standard Deviation	11.64	11.77	19.51
Mean	7.23	11.21	3.13
Sharpe Ratio	0.29	0.70	0.07

MPT Statistics	Standard Index S&P 500	Best Fit Index Mstar Large G
Alpha	1.32	2.40
Beta	1.15	1.00
R-Squared	72.00	92.00

Operations			
Family:	Harbor	Objective:	Growth
Manager:	Segalas, Spiros	Ticker:	HACAX
Tenure:	17.9 Years	Minimum Initial Purchase:	\$50,000
		Minimum IRA Purchase:	\$0
		Min Auto Investment Plan:	\$0
		Purchase Constraints:	T/



Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	03-08	History
NAV	29.47	37.99	50.65	35.58	29.23	20.21	26.32	28.67	32.66	33.35	37.31	33.20	NAV
Total Return %	31.46	36.80	45.81	-17.00	-17.74	-30.73	30.47	9.34	14.02	2.33	12.25	-11.02	Total Return %
+/- S&P 500	-1.90	8.22	24.77	-7.90	-5.85	-8.63	1.78	-1.54	9.11	-13.46	6.76	-1.57	+/- S&P 500
+/- Rus 1000G	0.97	-1.91	12.65	5.42	2.68	-2.85	0.72	3.04	8.76	-6.74	0.44	-0.84	+/- Rus 1000G
% Rank Cat	29	35	27	67	33	74	30	34	8	85	54	39	% Rank Cat
No. of Funds in Cat	314	470	633	805	1064	1234	1311	1400	1495	1642	1748	1883	No. of Funds in Cat

Portfolio Analysis 12-31-2007

Composition %

- Cash: 0.40
- U.S. Stocks: 87.10
- Non-U.S. Stocks: 12.60
- Bonds: 0.00
- Other: 0.00

Share Chg since 09-30-2007: 645,400

Share Amount: 68 mil

Total Stocks: 69%

Total Fixed-Income: 0%

Turnover Ratio: 69%

Company	Share Amount	% Net Assets
Google	8 mil	4.76
Gilead Sciences	10 mil	3.99
Microsoft	2 mil	3.73
Apple	3 mil	3.65
Research in Motion	10 mil	3.11
Cisco Systems	2 mil	2.77
Monsanto Company	5 mil	2.75
Hewlett-Packard	5 mil	2.49
Adobe Systems	4 mil	2.40
Abbott Laboratories	6 mil	2.40
Walt Disney	3 mil	2.20
United Technologies	5 mil	2.12
General Electric	2 mil	2.02
Colgate-Palmolive	7 mil	2.00
Charles Schwab		1.98

Equity Style
 Value Blend Growth

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	25.6	1.64	1.22
P/C Ratio TTM	18.8	1.90	1.31
P/B Ratio TTM	4.9	2.04	1.29
Geo Avg Mkt Cap \$mil	54462	1.10	1.55

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 03-31-2008

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

Regional Exposure

	Stocks %	Rel S&P 500
Americas	93.4	0.93
Greater Europe	6.0	—
Greater Asia	0.6	—

Sector Weightings

Sector	Stocks %	Rel S&P 500
Information Economy	30.8	1.52
Software	7.7	1.97
Hardware	18.8	1.92
Media	4.3	1.39
Telecommunication	0.0	0.00
Service Economy	45.0	1.12
Healthcare Services	23.1	1.96
Consumer Services	8.4	1.15
Business Services	4.8	1.09
Financial Services	8.6	0.51
Manufacturing Economy	24.2	0.61
Consumer Goods	8.0	0.91
Industrial Goods	10.8	0.79
Energy	5.4	0.40
Utilities	0.0	0.00

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Dodge & Cox Stock

Analyst Pick: **None** Ticker: **DODGX** Load: **None** NAV: **\$125.77** Yield: **1.7%** Total Assets: **\$56,481 mil** Mstar Category: **Large Value**

Governance and Management

Stewardship Grade: **A**

Portfolio Manager(s)

This fund has an experienced and deep management team. The Dodge & Cox equity investment policy committee, which runs this fund, has nine members. The team is supported by roughly 20 analysts and about 10 research assistants.

Strategy

This fund's management team invests in mostly large-cap stocks that look cheap on a range of valuation measures. It favors companies with good management, dominant competitive positions, and good growth potential, but it usually doesn't get interested until these stocks are under some sort of cloud. Because management takes such a long-term view, the fund's turnover is just a fraction of the large-value category average.

Performance 02-29-08

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2003	-5.29	16.59	5.24	13.88	32.34
2004	4.96	1.06	-0.26	12.64	19.17
2005	0.12	0.56	5.45	3.01	9.37
2006	5.30	0.81	4.82	6.54	18.53
2007	1.72	5.41	-1.92	-4.78	0.14

Trailing	Total Return%	+/- S&P 500	+/- Russ 1000 VI	%Rank Cat	Growth of \$10,000
3 Mo	-11.25	-1.57	-2.33	85	8,875
6 Mo	-11.49	-2.70	-1.11	70	8,851
1 Yr	-9.24	-5.64	-1.33	73	9,076
3 Yr Avg	5.46	0.09	-0.33	40	11,729
5 Yr Avg	14.47	2.83	0.58	14	19,654
10 Yr Avg	9.87	5.80	3.63	2	25,633
15 Yr Avg	13.46	3.82	2.49	1	66,472

Tax Analysis	Tax-Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	4.35	29	1.05	29
5 Yr (estimated)	13.39	12	0.94	34
10 Yr (estimated)	8.19	2	1.53	58

Potential Capital Gain Exposure: 11% of assets

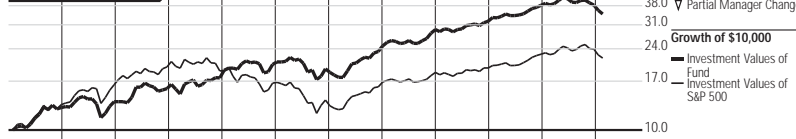
Morningstar's Take by Dan Culloton 02-04-08

Step right up. Dodge & Cox Stock is open again. This fund reopened to new investors Feb. 4, 2008, after being closed for four years. Its managers have said that since the spring of 2007, shareholders have been selling the fund, which for much of the decade had been one of the biggest asset gatherers in the fund business. The redemptions coincided with a rare slump for this fund and a rise in market volatility overall. Dodge & Cox says that the turbulence also has exposed a number of new opportunities and made existing holdings more attractive. The firm reopened the fund so it would not have to sell stocks that it owns to buy new ones.

This is a good opportunity to buy a fine fund. Sure, it's coming off a rough year in which the subprime-lending debacle injured some of the fund's holdings, such as Citigroup and Wachovia, and holdings in other sectors, such as Motorola, Comcast, and Sprint, also hurt. The bout of underperformance should not come as a surprise,

Historical Profile

Return: Above Avg
Risk: Average
Rating: ★★★★★ Above Avg



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	02-08	History
NAV	94.57	90.70	100.52	96.67	100.51	88.05	113.78	130.22	137.22	153.46	138.26	125.77	NAV
Total Return %	28.40	5.40	20.21	16.31	9.33	-10.54	32.34	19.17	9.37	18.53	0.14	-9.03	Total Return %
+/- S&P 500	-4.96	-23.18	-0.83	25.41	21.22	11.56	3.66	8.29	4.46	2.74	-5.35	0.02	+/- S&P 500
+/- Russ 1000 VI	-6.78	-10.23	12.86	9.30	14.92	4.98	2.31	2.68	2.32	-3.72	0.31	-1.00	+/- Russ 1000 VI
Income Return %	1.89	1.68	1.66	2.18	1.82	1.51	1.85	1.35	1.32	1.56	1.54	0.00	Income Return %
Capital Return %	26.51	3.72	18.55	14.13	7.51	-12.05	30.49	17.82	8.05	16.97	-1.40	-9.03	Capital Return %
Total Rtn % Rank Cat	38	88	6	15	3	4	18	4	18	47	62	75	Total Rtn % Rank Cat
Income \$	1.49	1.56	1.48	2.09	1.73	1.51	1.62	1.53	1.70	2.12	2.34	0.00	Income \$
Capital Gains \$	6.09	7.42	6.70	17.10	3.20	0.42	0.84	3.65	3.34	6.91	13.26	0.00	Capital Gains \$
Expense Ratio %	0.57	0.57	0.55	0.54	0.54	0.54	0.54	0.53	0.52	0.52	—	—	Expense Ratio %
Income Ratio %	1.67	1.63	1.46	2.13	1.80	1.74	1.72	1.32	1.29	1.48	—	—	Income Ratio %
Turnover Rate %	19	19	18	32	10	13	8	11	12	14	27	—	Turnover Rate %
Net Assets \$mil	4,087	4,400	4,625	5,728	9,396	14,036	29,437	43,266	52,184	66,185	63,026	56,481	Net Assets \$mil

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	-9.24			
3 Yr	5.46	Avg	-Avg	★★★★
5 Yr	14.47	+Avg	Avg	★★★★★
10 Yr	9.87	High	Avg	★★★★★
Incept	11.79			

Other Measures	Standard Index S&P 500	Best Fit Index Russ 1000 VI
Alpha	0.2	-0.1
Beta	0.88	0.88
R-Squared	86	87
Standard Deviation	8.29	
Mean	5.46	
Sharpe Ratio	0.17	

Portfolio Analysis 12-31-07

Share change since 09-07	Total Stocks:87	Sector	PE	Tot Ret%	% Assets
⊖	Hewlett-Packard Company	Hardware	17.8	-13.39	4.41
⊕	Comcast Corporation A	Media	23.5	-0.55	4.00
⊕	Wal-Mart Stores, Inc.	Consumer	16.1	6.75	3.44
⊕	Wachovia Corporation	Financial	9.4	1.16	3.27
⊖	Sanofi-Aventis ADR	Health	16.6	-18.54	3.06
⊖	Sony Corporation ADR	Goods	40.8	-12.52	3.01
⊕	News Corporation, Ltd. A	Media	11.2	-7.91	3.00
⊕	Motorola, Inc.	Hardware	83.3	-28.30	2.96
⊕	Matsushita Electric Indu	Ind Mtrls	21.9	4.50	2.94
⊖	Chevron Corporation	Energy	9.9	-10.80	2.81
⊕	Time Warner, Inc.	Media	14.4	-4.97	2.64
⊖	Pfizer Inc.	Health	22.1	2.77	2.54
⊕	Novartis AG ADR	Health	17.5	-6.48	2.54
⊖	WellPoint, Inc.	Health	12.6	-10.86	2.53
⊕	GlaxoSmithKline PLC ADR	Health	11.7	-5.97	2.50
⊕	Cardinal Health, Inc.	Health	25.6	0.43	2.13
⊖	The Dow Chemical Company	Ind Mtrls	12.6	-1.98	2.11
⊕	American International G	Financial	19.6	-5.71	1.83
⊖	The Travelers Companies,	Financial	6.8	-10.59	1.79
⊖	Occidental Petroleum Cor	Energy	12.8	-11.94	1.76

Current Investment Style

Value	Blnd	Growth	Market Cap %
Large	33.7		
Mid	9.3		
Small	0.1		
Micro	0.0		
Avg \$mil:	51,449		

Value Measures	Rel Category
Price/Earnings	12.34 0.98
Price/Book	1.74 0.88
Price/Sales	0.97 0.82
Price/Cash Flow	7.58 0.89
Dividend Yield %	1.70 0.72
Growth Measures	% Rel Category
Long-Term Emgs	11.13 1.08
Book Value	5.66 0.75
Sales	6.06 1.07
Cash Flow	1.37 0.23
Historical Emgs	18.55 1.21

Sector Weightings	% of Stocks	Rel S&P 500	3 Year High Low
Info	26.83	1.35	
Software	3.38	0.91	4 3
Hardware	10.83	1.12	11 7
Media	11.18	3.56	11 9
Telecom	1.44	0.44	3 1
Service	47.65	1.18	
Health	21.10	1.73	21 15
Consumer	8.79	1.25	9 5
Business	3.72	0.87	6 4
Financial	14.04	0.83	20 14
Mfg	25.52	0.64	
Goods	4.94	0.53	7 5
Ind Mtrls	10.51	0.79	15 10
Energy	9.83	0.72	11 8
Utilities	0.24	0.07	3 0

Profitability	% Rel Category
Return on Equity	15.91 0.78
Return on Assets	6.20 0.88
Net Margin	10.36 0.77

Address: 555 California St
San Francisco, CA 94104
800-621-3979
Web Address: www.dodgeandcox.com
Inception: 01-04-65
Advisor: Dodge & Cox
Subadvisor: None
NTF Plans: Schwab Instl NTF

Minimum Purchase: \$2500
Add: \$100 IRA: \$1000
Min Auto Inv Plan: \$2500
Add: \$100
Sales Fees: No-load
Management Fee: 0.50%
Actual Fees: Mgt:0.50%
Expense Projections: 3Yr:\$167 5Yr:\$291 10Yr:\$653
Income Distrib: Quarterly

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Columbia Acorn Z

Overall Morningstar Rtg
★★★★★
827 Mid-Cap Growth

Incept 06-10-70 **Type** MF **Total Assets** \$11,587 mil **Morningstar Cat** Mid-Cap Growth

Performance 03-31-2008

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2006	9.90	-3.73	0.47	7.66	14.45
2007	4.54	6.70	-0.24	-3.22	7.70
2008	-9.86	—	—	—	-9.86

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	-7.15	—	17.97	11.02	15.74
Std Quarterly	-7.15	—	17.97	11.02	15.74
Total Return	-7.15	8.37	17.97	11.02	15.74
+/- S&P 500	-2.07	2.52	6.65	7.52	—
+/- Rus MidGr	-2.60	0.60	2.77	5.86	—
% Rank Cat	68	39	8	5	—
No. in Cat	972	827	694	305	—
7-day Yield	—	—	—	—	—

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 800-345-6611 or visit www.columbiafunds.com.

Fees and Expenses

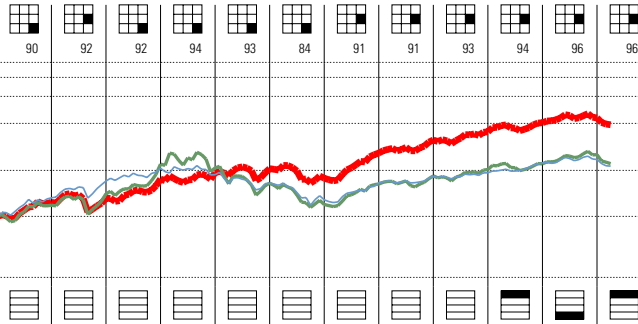
Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.64
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	0.75

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	5★	5★
Morningstar Risk	-Avg	-Avg	Low
Morningstar Return	Avg	High	High
Standard Deviation	11.59	12.11	16.33
Mean	8.37	17.97	11.02
Sharpe Ratio	0.39	1.17	0.51
MPT Statistics	Standard Index S&P 500	Best Fit Index DJ Wil 4500	
Alpha	2.29	0.44	
Beta	1.20	0.99	
R-Squared	80.00	96.00	
12-Month Yield	—	—	—
30-day SEC Yield	—	—	—
Potential Cap Gains Exp	29.00% Assets		

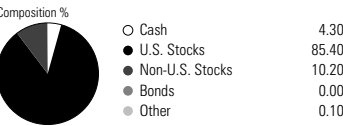
Operations

Family:	Columbia
Manager:	McQuaid/Mohn
Tenure:	8.9 Years



Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	03-08	History
16.99	16.85	18.53	17.21	17.88	15.50	22.56	26.45	28.17	29.71	29.61	26.69	NAV	
24.98	6.02	33.38	10.06	6.14	-13.31	45.68	21.51	13.11	14.45	7.70	-9.86	Total Return %	
-8.38	-22.56	12.34	19.16	18.03	8.79	16.99	10.63	8.20	-1.34	2.21	-0.41	+/- S&P 500	
2.44	-11.84	-17.91	21.81	26.29	14.10	2.97	6.03	1.01	3.79	-3.73	1.09	+/- Rus MidGr	
—	—	—	—	—	—	—	—	—	—	13	84	% Rank Cat	
336	376	420	549	714	786	890	903	936	994	967	1033	No. of Funds in Cat	

Portfolio Analysis 02-29-2008



Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	19.5	1.25	0.87
Large Mid Small	P/C Ratio TTM	12.2	1.23	0.83
	P/B Ratio TTM	2.6	1.08	0.72
	Geo Avg Mkt Cap \$mil	2592	0.05	0.41

Fixed-Income Style	Avg Eff Duration	Avg Eff Maturity	Avg Credit Quality	Avg Wtd Coupon	Avg Wtd Price
Short Int Long	—	—	—	—	—
High Med Low	—	—	—	—	—

Credit Analysis 03-31-2008	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel S&P 500
Americas	91.3	0.91
Greater Europe	6.0	—
Greater Asia	2.7	—

Share Chg since 01-31-2008	Share Amount	Total Stocks	Total Fixed-Income	Turnover Ratio	% Net Assets
—	5 mil	FMC Technologies	—	—	1.70
—	4 mil	Fugro	—	—	1.65
—	3 mil	Abercrombie & Fitch	—	—	1.37
—	13 mil	People's United Financial	—	—	1.26
—	7 mil	Coach	—	—	1.25
—	6 mil	Expeditors Intl of WA	—	—	1.21
—	5 mil	Ametek	—	—	1.19
—	3 mil	Ultra Petroleum	—	—	1.19
—	3 mil	XTO Energy	—	—	1.04
—	4 mil	BOK Financial	—	—	1.02
—	4 mil	Donaldson	—	—	0.99
—	5 mil	Crown Castle Intl	—	—	0.91
—	6 mil	FLIR Systems	—	—	0.89
—	6 mil	SEI Investments	—	—	0.87
—	2 mil	Equitable Resources	—	—	0.83

Sector Weightings	Stocks %	Rel S&P 500
Information Economy	16.4	0.81
Software	4.3	1.10
Hardware	6.2	0.63
Media	1.8	0.58
Telecommunication	4.2	1.20
Service Economy	53.7	1.33
Healthcare Services	11.1	0.94
Consumer Services	12.4	1.70
Business Services	15.7	3.57
Financial Services	14.5	0.86
Manufacturing Economy	29.9	0.76
Consumer Goods	5.8	0.66
Industrial Goods	14.1	1.03
Energy	9.5	0.70
Utilities	0.4	0.11

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Vanguard Inst Idx

Overall Morningstar Rtg **★★★**
 1664 Large Blend
 Incept 07-31-90 Type MF Total Assets \$42,782 mil Morningstar Cat Large Blend

Performance 03-31-2008						
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %	
2006	4.21	-1.44	5.66	6.69	15.79	
2007	0.63	6.27	2.05	-3.34	5.48	
2008	-9.45	—	—	—	-9.45	
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept	
Std Monthly	-5.09	—	11.31	3.55	9.98	
Std Quarterly	-5.09	—	11.31	3.55	9.98	
Total Return	-5.09	5.84	11.31	3.55	9.98	
+/- S&P 500	-0.01	-0.01	-0.01	0.05	—	
+/- Rus 1000	0.32	-0.35	-0.55	-0.28	—	
% Rank Cat	42	40	40	38	—	
No. in Cat	2124	1664	1314	621	—	
7-day Yield	—					

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 800-997-2798 or visit www.vanguard.com.

Fees and Expenses

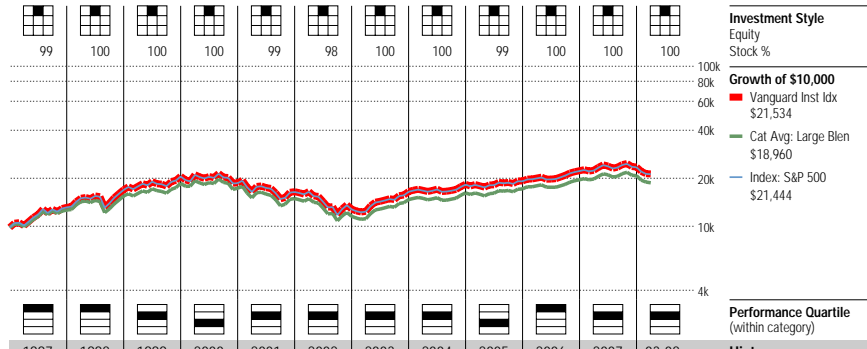
Sales Charges	NA
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.05
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	0.05

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
MorningstarRating™	3★	3★	3★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	Avg	Avg	Avg
	1664 funds	1314 funds	621 funds
	3 Yr	5 Yr	10 Yr
Standard Deviation	8.68	9.18	14.69
Mean	5.84	11.31	3.55
Sharpe Ratio	0.21	0.87	0.07
MPT Statistics	Standard Index S&P 500	Best Fit Index S&P 500	
Alpha	-0.01	-0.01	
Beta	1.00	1.00	
R-Squared	100.00	100.00	

Operations

Family:	Vanguard
Manager:	Butler, Donald
Tenure:	2.9 Years



Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	03-08	History
NAV	89.56	112.85	134.01	120.72	104.89	80.45	101.78	110.70	114.01	129.59	134.14	120.86	NAV
Total Return %	33.36	28.79	21.17	-8.94	-11.93	-22.03	28.66	10.86	4.91	15.79	5.48	-9.45	Total Return %
+/- S&P 500	0.00	0.21	0.13	0.16	-0.04	0.07	-0.03	-0.02	0.00	0.00	-0.01	0.00	+/- S&P 500
+/- Rus 1000	0.51	1.77	0.26	-1.15	0.52	-0.38	-1.23	-0.55	-1.36	0.33	-0.29	0.03	+/- Rus 1000
% Rank Cat	11	14	36	52	36	39	26	34	57	21	49	41	% Rank Cat
No. of Funds in Cat	674	804	989	1089	1345	1468	1526	1611	1743	1980	2090	2219	No. of Funds in Cat

Portfolio Analysis 12-31-2007

Composition %	Value	Blend	Growth	Large	Mid	Small
Cash	0.20					
U.S. Stocks	99.80					
Non-U.S. Stocks	0.00					
Bonds	0.00					
Other	0.00					
Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat		
P/E Ratio TTM	16.5	1.06	1.02			
P/C Ratio TTM	11.6	1.17	1.06			
P/B Ratio TTM	2.7	1.13	1.00			
Geo Avg Mkt	56030	1.13	1.41			
Cap \$mil						
Fixed-Income Style	Short	Int	Long	Avg Eff Duration		
				—		
				Avg Eff Maturity		
				—		
				Avg Credit Quality		
				—		
				Avg Wtd Coupon		
				—		
				Avg Wtd Price		
				—		

Credit Analysis 03-31-2008

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

Regional Exposure

	Stocks %	Rel S&P 500
Americas	100.0	1.00
Greater Europe	0.0	—
Greater Asia	0.0	—

Share Chg since 09-30-2007	Share Amount	505 Total Stocks	2 Total Fixed-Income	% Net Assets
+	30 mil	ExxonMobil		3.97
+	56 mil	General Electric		2.91
+	45 mil	Microsoft		2.22
+	34 mil	AT&T		1.96
+	17 mil	Procter & Gamble		1.77
+	12 mil	Chevron		1.53
+	16 mil	Johnson & Johnson		1.48
+	25 mil	Bank of America		1.42
+	5 mil	Apple		1.35
+	34 mil	Cisco Systems		1.27
+	1 mil	Google		1.24
+	12 mil	Altria Group		1.24
+	32 mil	Intel		1.21
+	38 mil	Pfizer		1.20
+	8 mil	IBM		1.16

Sector Weightings

	Stocks %	Rel S&P 500
Information Economy	20.9	1.03
Software	4.1	1.05
Hardware	10.2	1.04
Media	2.9	0.94
Telecommunication	3.6	1.03
Service Economy	40.7	1.01
Healthcare Services	12.0	1.02
Consumer Services	6.8	0.93
Business Services	4.4	1.00
Financial Services	17.5	1.04
Manufacturing Economy	38.5	0.97
Consumer Goods	9.1	1.03
Industrial Goods	13.1	0.96
Energy	12.6	0.93
Utilities	3.7	1.03

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HIGH COUNTRY CAPITAL MANAGEMENT
RETURNS COMPARISON **1993 THRU 2007**



175 S&P 500 Composite Total Return

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1993	10.1														
1994	5.6	1.3													
1995	15.3	18.1	37.6												
1996	17.2	19.7	30.1	23.0											
1997	20.3	23.0	31.2	28.1	33.4										
1998	21.6	24.1	30.5	28.2	30.9	28.6									
1999	21.5	23.6	28.6	26.4	27.6	24.8	21.1								
2000	17.2	18.3	21.3	18.3	17.2	12.3	4.9	(9.1)							
2001	13.5	14.0	15.9	12.7	10.7	5.7	(1.0)	(10.5)	(11.9)						
2002	9.3	9.3	10.3	6.9	4.4	(0.6)	(6.8)	(14.6)	(17.1)	(22.1)					
2003	11.0	11.1	12.2	9.4	7.6	3.8	(0.6)	(5.3)	(4.0)	0.1	28.7				
2004	11.0	11.0	12.1	9.5	8.0	4.8	1.3	(2.3)	(0.5)	3.6	19.4	10.9			
2005	10.5	10.5	11.4	9.1	7.6	4.8	1.8	(1.1)	0.5	3.9	14.4	7.8	4.9		
2006	10.9	10.9	11.8	9.7	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8	
2007	10.5	10.5	11.3	9.3	8.1	5.9	3.6	1.7	3.3	6.1	12.8	9.2	8.6	10.5	5.5

HIGH COUNTRY CAPITAL MANAGEMENT
RETURNS COMPARISON 1993 THRU 2007



S&P 500 Composite Total Return

80%

Lehman Brothers Aggregate Bond

20%

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1993	10.0														
1994	5.1	0.5													
1995	13.9	15.9	33.8												
1996	15.1	16.9	26.2	19.1											
1997	17.7	19.8	27.0	23.8	28.6										
1998	18.8	20.7	26.4	24.0	26.6	24.6									
1999	18.5	20.0	24.4	22.2	23.2	20.6	16.7								
2000	15.2	15.9	18.7	16.0	15.2	11.1	5.0	(5.0)							
2001	12.3	12.6	14.4	11.5	10.0	5.9	0.4	(6.4)	(7.8)						
2002	9.0	8.9	10.0	7.0	5.1	1.0	(4.0)	(9.6)	(11.8)	(15.6)					
2003	10.2	10.2	11.4	8.9	7.5	4.4	0.9	(2.6)	(1.7)	1.5	23.8				
2004	10.2	10.2	11.2	9.0	7.8	5.1	2.3	(0.3)	0.9	4.1	16.4	9.6			
2005	9.7	9.7	10.6	8.5	7.4	5.0	2.5	0.5	1.6	4.2	12.2	6.9	4.4		
2006	10.0	10.0	10.8	8.9	8.0	5.9	3.8	2.2	3.5	6.0	12.5	9.1	8.8	13.5	
2007	9.7	9.7	10.4	8.7	7.8	5.9	4.1	2.6	3.8	5.9	11.1	8.2	7.8	9.5	5.8

HIGH COUNTRY CAPITAL MANAGEMENT
RETURNS COMPARISON 1993 THRU 2007



S&P 500 Composite Total Return

60%

Lehman Brothers Aggregate Bond

40%

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1993	9.9														
1994	4.7	(0.4)													
1995	12.4	13.7	29.9												
1996	13.1	14.2	22.4	15.2											
1997	15.2	16.5	22.9	19.5	23.9										
1998	16.0	17.3	22.3	19.9	22.2	20.6									
1999	15.5	16.5	20.2	17.9	18.8	16.4	12.3								
2000	13.1	13.6	16.2	13.6	13.2	9.9	5.0	(0.8)							
2001	11.0	11.1	12.9	10.3	9.4	6.1	1.9	(2.3)	(3.8)						
2002	8.6	8.5	9.6	7.0	5.8	2.7	(1.2)	(4.7)	(6.6)	(9.2)					
2003	9.5	9.4	10.6	8.4	7.5	5.1	2.3	0.2	0.6	2.9	18.9				
2004	9.4	9.3	10.3	8.4	7.6	5.5	3.2	1.7	2.4	4.6	13.4	8.3			
2005	8.9	8.9	9.7	7.9	7.2	5.3	3.3	2.0	2.7	4.4	10.1	6.1	3.9		
2006	9.1	9.0	9.8	8.2	7.5	5.9	4.3	3.3	4.0	5.7	10.4	7.7	7.5	11.2	
2007	8.9	8.8	9.6	8.0	7.4	5.9	4.5	3.6	4.3	5.8	9.5	7.3	7.0	8.6	6.1

HIGH COUNTRY CAPITAL MANAGEMENT
RETURNS COMPARISON 1993 THRU 2007



S&P 500 Composite Total Return

40%

Lehman Brothers Aggregate Bond

60%

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1993	9.9														
1994	4.2	(1.2)													
1995	11.0	11.6	26.1												
1996	11.0	11.5	18.5	11.4											
1997	12.6	13.3	18.7	15.2	19.1										
1998	13.3	14.0	18.2	15.7	17.9	16.6									
1999	12.5	12.9	16.1	13.7	14.5	12.2	7.9								
2000	11.1	11.3	13.6	11.2	11.2	8.7	5.1	3.3							
2001	9.7	9.7	11.4	9.1	8.7	6.4	3.4	1.8	0.3						
2002	8.2	8.1	9.3	7.1	6.5	4.3	1.6	0.2	(1.3)	(2.7)					
2003	8.7	8.6	9.7	7.9	7.4	5.7	3.7	3.0	2.9	4.3	13.9				
2004	8.6	8.4	9.5	7.8	7.4	5.9	4.2	3.7	3.8	5.2	10.3	7.0			
2005	8.2	8.0	8.9	7.3	6.9	5.5	4.1	3.6	3.7	4.7	7.9	5.2	3.4		
2006	8.2	8.1	8.9	7.5	7.1	5.9	4.7	4.3	4.5	5.5	8.2	6.4	6.1	8.9	
2007	8.1	8.0	8.7	7.4	7.0	5.9	4.9	4.6	4.8	5.7	7.8	6.4	6.2	7.6	6.4

HIGH COUNTRY CAPITAL MANAGEMENT
RETURNS COMPARISON 1993 THRU 2007



85 **Lehman Brothers Aggregate Bond**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1993	9.8														
1994	3.2	(2.9)													
1995	8.1	7.2	18.5												
1996	6.9	6.0	10.8	3.6											
1997	7.5	6.9	10.4	6.6	9.7										
1998	7.7	7.3	10.0	7.3	9.2	8.7									
1999	6.4	5.9	7.7	5.2	5.7	3.8	(0.8)								
2000	7.1	6.7	8.4	6.5	7.2	6.4	5.2	11.6							
2001	7.2	6.9	8.4	6.8	7.4	6.9	6.3	10.0	8.4						
2002	7.5	7.3	8.6	7.3	7.9	7.5	7.3	10.1	9.3	10.3					
2003	7.2	6.9	8.1	6.9	7.3	7.0	6.6	8.6	7.6	7.1	4.1				
2004	7.0	6.7	7.7	6.6	7.0	6.6	6.2	7.7	6.8	6.2	4.2	4.3			
2005	6.6	6.3	7.2	6.2	6.4	6.1	5.7	6.8	5.9	5.2	3.6	3.4	2.4		
2006	6.4	6.2	7.0	6.0	6.2	5.9	5.5	6.5	5.6	5.1	3.8	3.7	3.4	4.3	
2007	6.5	6.2	7.0	6.1	6.3	6.0	5.7	6.5	5.8	5.4	4.4	4.5	4.6	5.6	7.0