



**West Virginia College Prepaid Tuition and Savings Program**  
**A Program of the State of West Virginia**  
**Quarterly Status Report**  
**Period Ending June 30, 2011**  
**4th Quarter FY2011**

As authorized by §18-30 of the West Virginia Code, the State Treasurer administers all the programs of the nine-member Board of Trustees (the Board) of the West Virginia College Prepaid Tuition and Savings Program (the Program) and serves as Board Chairman. Current Board members are: Dr. Brian Noland (representing the WV Higher Education Policy Commission: Colleges & Universities); Secretary Kay Goodwin (representing the Department of Education and the Arts); Dr. Joe Badgley (representing the WV Higher Education Policy Commission: Council for Community and Technical Education); Steve Davis (representing the interests of private institutions of higher education); Professor andre'cumings; Marty Gargano; Georgette George; and Donna Kuhn.

In March 2003, the West Virginia Legislature created the Prepaid Tuition Trust Escrow Account, to guarantee payment of Prepaid Tuition Plan contracts, and suspended further enrollments in the Plan.

The Program uses the *SMART529* brand name for all college savings products offered and the Program Manager is The Hartford Life Insurance Company.

**Office of West Virginia State Treasurer**  
**John D. Perdue, Treasurer**

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# West Virginia College Prepaid Tuition and Savings Program

## Quarterly Status Report

### Period Ending June 30, 2011

During the quarter, the SMART529 Savings Plan added 2,589 new accounts, and received \$50,372,664 in contributions. At the end of the quarter, SMART529 WV Direct had a total investment of \$ 115,560,281. The Select plan's assets totaled \$232,182,694, and The Hartford SMART529 plan had \$1,224,647,129 assets under management, for a grand total of \$1,572,390,103 SMART529 Savings Plan assets. Of the 112,996 accounts nationwide, 21,538 were West Virginia resident accounts, with a value of \$259,203,216.

The West Virginia Prepaid Tuition Plan ended this period with 6,063 active accounts, and trust fund assets valued at \$86,100,556. During the quarter, the Prepaid Tuition Trust disbursed more than 117 qualified tuition benefit distributions totaling more than \$252,000, and received regular contract installment payments of \$158,852. Prepaid Tuition Trust Fund investments earned \$1,345,316 during the quarter.

During the quarter, Treasury employees staffed sponsorships and information booths at Money Smart Week events (Charleston & Weirton), the YMCA Healthy Kid's Day (Charleston), a Community Egg Hunt (Pinch), the Thomas Hospital Kidoodle (South Charleston), the Baby & Me Day event (Bridgeport), the Baby and Family Expo (Charleston), the Investing 101 Conference for the Division of Banking (Charleston), and the School Guidance Counselor's Conference (Charleston).

Marketing efforts included the College Day at Preschool Program. Over 100 West Virginia preschools participated with over 5,300 4 and 5 year old students. The purpose of the event is to encourage parents to open a SMART529 account with money saved in childcare expenses when their child starts kindergarten.

The *When I Grow Up* awards ceremony was held May 4th. Media coverage included the twelve o'clock news in several locations, and many other stations featured the newsfeed via satellite truck. Several newspaper articles concerning the event were also published. Treasurer's Office staff, Hartford staff, and Manahan representatives were in attendance. This year's ceremony boasted the largest number yet of attendee family members, teachers, and school principals. The grand prize winner was from Parkersburg, and the winning teacher was from Monongah Elementary in Marion County. Fourteen regional winners were awarded \$500 for their college savings accounts, while the grand prize winner received a \$5,000 scholarship award.

In June, the Program's quarterly status report for March was distributed to the chairs of the Joint Committee on Government and Finance and the Legislative Oversight Commission on Education Accountability in compliance with S.B. 477 (amending W. Va. Code §4-1-23), which requires document submission through the Legislative Librarian.

### Prepaid Tuition Trust Fund Escrow Account Summary

	Quarter Ended March 31, 2011	Quarter Ended June 30, 2011	Fiscal Year to Date
Market Value	\$ 13,981,918	\$13,984,878	\$13,984,878
Change from previous quarter/year	\$ 62,106	\$2,960	\$1,220,434

### Administrative Account Summary

The Administrative Account, established in the State Treasurer's Office, is used for the purpose of implementing, operating, and maintaining the Trust Funds and the Program. It may receive funds from a variety of sources including fees, charges, and penalties collected by the Board.

Beginning balance, March 31, 2011	\$1,189,541
Administrative charges to the Prepaid Tuition Trust Fund	-
Receipts from Savings Plan Trust (WV Administrative Charge)	259,140
Disbursements to pay expenses	<u>(161,768)</u>
Ending Balance, June 30, 2011	\$1,286,913

# Operating Report

## For the Quarter Ending June 30, 2011

Cash & Investments		Rates of Return	
<b>Prepaid Tuition Trust Fund</b>	\$ 86,100,556	<b>Prepaid Tuition Trust Fund</b>	
<b>Savings Plan Trust Fund</b>	\$ 1,572,390,103	Ending Quarter	1.61%
<b>Administrative Account</b>	\$ 1,286,913	FY2011 To Date	19.73%
		Annualized since investing July 1999	6.64%

Note: See Quarterly Investment Performance Review for detail. Rates are not annualized unless otherwise noted.

Program Operating Activities			
	Prepaid Tuition Trust Fund	Savings Plan Trust Fund	Administrative Account
Receipts	\$ 158,852	\$ 50,372,664	\$ -
Investment earnings (loss)	1,345,316	(2,131,992)	-
Legislative appropriations	-	-	20,377
Treasurer's subsidy	-	-	-
Savings Plan admin. fees	-	-	259,140
<b>Total Receipts</b>	<b>1,504,168</b>	<b>48,240,672</b>	<b>279,517</b>
Expenses/Fees	-	(5,230,444)	(182,145)
Cancellations/Rollovers	(402,852)	(7,352,360)	-
Regular distributions	(258,106)	(10,913,614)	-
<b>Total Disbursements</b>	<b>(660,958)</b>	<b>(23,496,418)</b>	<b>(182,145)</b>
Net change	843,210	24,744,253	97,372
Beginning cash & investments	85,257,346	1,547,645,850	1,189,541
<b>Ending cash &amp; investments</b>	<b>\$ 86,100,556</b>	<b>\$ 1,572,390,103</b>	<b>\$ 1,286,913</b>

Note: Quarterly Report is based upon unaudited numbers and may reflect rounding.

**Comparison of Program Administrative Expenses  
FY 2011 - FY 2010**

<b>Account</b>	<b>FY2011 YTD</b>	<b>FY2010 YTD</b>	<b>Over (Under)</b>
<b>Administrative Expenses:</b>			
Office expense	\$ 1,682	\$ 2,940	\$ (1,258)
Printing & binding expense	88	1,048	(960)
Telecommunications	4,865	6,277	(1,412)
Cellular charges	667	450	217
Travel expense	38,543	32,178	6,365
Miscellaneous advertising expense	3,579	9,623	(6,044)
Hospitality expense	301	627	(326)
Building rental expense	7,196	7,144	52
Machine rental expense	-	25	(25)
Miscellaneous expense	725	481	244
Training & development	117	2,060	(1,943)
Postage & freight expense	1,866	2,165	(299)
Salaries & wages	301,283	295,960	5,323
Benefits	99,043	85,031	14,012
Computer services & supplies	6,435	2,226	4,209
Computer equipment	-	1,795	(1,795)
Computer software	4,073	399	3,674
Vehicle rental	-	266	(266)
Vehicle maintenance	8	842	(834)
Vehicle fuel charges	228	1,117	(889)
Maintenance contracts	2,846	795	2,051
Dues & subscriptions	4,290	4,835	(545)
<b>Contractual &amp; Professional:</b>			
Actuarial expense	22,401	22,520	(119)
Marketing & advertising	16,401	15,413	988
Miscellaneous contractual	2,263	1,837	426
Investment consultant	180,000	180,000	-
Records administration	87,307	47,276	40,031
External auditor	67,000	66,000	1,000
<b>Total disbursements</b>	<b>\$ 853,207</b>	<b>\$ 791,330</b>	<b>\$ 61,877</b>

**Source of Disbursements**

<b>Source</b>			
Appropriations	\$ 121,405	\$ 178,636	(57,231)
Treasurer's Office subsidy	2,220	10,199	(7,979)
Administrative Account:			
Prepaid Tuition Trust	-	-	-
Savings Plan Trust	729,582	602,495	127,087
<b>Total</b>	<b>\$ 853,207</b>	<b>\$ 791,330</b>	<b>\$ 61,877</b>

## Program Active Accounts - Summary

Activity	Prepaid Tuition Plan			Savings Plan		
	Last Quarter	This Quarter	FYTD	Last Quarter	This Quarter	FYTD
<b>Beginning</b>	6,301	6,121		109,659	111,542	
New/Redefined	-	-	-	3,129	2,589	11,781
Full Distribution	(169)	(18)	(353)	(496)	(440)	(2,323)
Cancelled	(11)	(40)	(113)	(322)	(286)	(1,221)
Internal Rollover	-	-	-	-	-	-
External Rollover	-	-	-	(428)	(409)	(1,411)
<b>Ending</b>	<b>6,121</b>	<b>6,063</b>		<b>111,542</b>	<b>112,996</b>	

## Prepaid Tuition Plan – Account Status Detail

Status	Last Quarter	This Quarter
Mature, not in payout	1,051	1,017
Mature, payout in process	1,875	1,851
Not mature yet	3,195	3,195
<b>Active Accounts Sub-Total</b>	<b>6,121</b>	<b>6,063</b>
Depleted	1,724	1,742
Cancelled / rolled over	1,892	1,932
<b>Closed Accounts Sub-Total</b>	<b>3,616</b>	<b>3,674</b>
<b>Total Accounts (since inception)</b>	<b>9,737</b>	<b>9,737</b>

## Savings Plan Detail

<b>Quarterly Numbers Summary – Management Basis</b>				
<b>Activity</b>	<b>Last Quarter</b>	<b>This Quarter</b>	<b>FY 2011 To Date</b>	<b>Since Inception</b>
<b>Beginning Active Accounts</b>	109,659	111,542	106,170	
New accounts	3,129	2,589	11,781	140,212
Closed	(1,246)	(1,135)	(4,955)	(25,713)
<b>Ending Active Accounts</b>	<b>111,542</b>	<b>112,996</b>	<b>112,996</b>	

<b>Beginning Balance</b>	\$ 1,453,812,729	\$ 1,547,645,850	\$ 1,194,395,906	
<b>Contributions</b>	63,649,971	50,372,664	228,953,165	
<b>Distributions:</b>				
Cancellations/Rollovers	(9,248,655)	(7,352,360)	(29,324,056)	
Regular Distributions	(14,570,733)	(10,913,614)	(71,999,423)	
<b>Total Distributions</b>	<b>(23,819,388)</b>	<b>(18,265,974)</b>	<b>(101,323,479)</b>	<b>(429,430,479)</b>
<b>Fees &amp; Charges:</b>				
Up-Front Sales Charge	(989,750)	(806,048)	(3,605,710)	(30,429,522)
Deferred Sales Charge	(29,933)	(27,865)	(144,304)	(866,565)
Broker Distribution Charge	(1,255,571)	(1,293,170)	(4,889,098)	(27,797,593)
Annual Maintenance Fee	(22,012)	(19,540)	(1,213,277)	(6,199,580)
Investment Mgmt Charges	(1,896,862)	(1,969,276)	(7,272,087)	(37,550,203)
Hartford Administrative Fee	(785,121)	(828,223)	(3,008,931)	(15,163,924)
WV Administrative Fee	(246,171)	(257,472)	(946,721)	(5,503,829)
Cancellation Fee	(31,125)	(28,850)	(96,825)	(666,056)
<b>Total Fees &amp; Charges</b>	<b>(5,256,545)</b>	<b>(5,230,444)</b>	<b>(21,176,953)</b>	<b>(124,177,273)</b>
<b>Change in Investment Value</b>	<b>\$ 59,259,083</b>	<b>\$ (2,131,992)</b>	<b>\$ 271,541,463</b>	<b>\$ 428,801,852</b>
<b>Ending Balance</b>	<b>\$ 1,547,645,850</b>	<b>\$ 1,572,390,103</b>	<b>\$ 1,572,390,103</b>	

*Totals may reflect rounding differences*

## Savings Trust Assets by Investment Plan & Option

	The Hartford SMART529	SMART529 WV Direct	SMART529 Select	Totals
<b>Age-Based Portfolios</b>				
0-8	\$ 175,897,544	\$18,479,556	\$ -	\$ 194,377,101
9-13	216,243,135	18,511,272	-	234,754,407
14-15	83,964,548	6,813,843	-	90,778,392
16-17	81,530,633	7,998,065	-	89,528,698
18+	84,917,054	9,543,699	-	94,460,753
DFA 0-3	-	-	12,475,076	12,475,076
DFA 4-6	-	-	21,250,049	21,250,049
DFA 7-9	-	-	22,626,155	22,626,155
DFA 10-12	-	-	19,251,437	19,251,437
DFA 13-15	-	-	18,670,917	18,670,917
DFA 16-18	-	-	12,134,127	12,134,127
DFA 19+	-	-	5,282,538	5,282,538
<b>TOTAL</b>	<b>\$ 642,552,915</b>	<b>\$ 61,346,436</b>	<b>\$ 111,690,299</b>	<b>\$ 815,589,650</b>
<b>Static Portfolios</b>				
Static Agg Growth	\$ 58,272,213	\$ 16,149,317	-	\$ 74,421,530
Static Growth	84,462,582	12,534,755	-	96,997,337
Static Balanced	48,556,707	8,398,308	-	56,955,015
Static Checks & Bal	27,910,275	-	-	27,910,275
Static Cnsv Balanced	607,623	2,069,706	-	2,677,329
Static Cnsv Bond	-	1,808,334	-	1,808,334
All Equity DFA	-	-	\$ 50,469,850	50,469,850
Agg Growth DFA	-	-	18,726,283	18,726,283
Moderate Agg DFA	-	-	6,057,785	6,057,785
Growth DFA	-	-	14,851,539	14,851,539
Moderate Grw DFA	-	-	8,738,148	8,738,148
Balanced DFA	-	-	5,987,973	5,987,973
Conservative DFA	-	-	3,521,240	3,521,240
Moderate Cnsv DFA	-	-	3,076,366	3,076,366
Fixed Income DFA	-	-	5,976,498	5,976,498
1-Year Fixed DFA	-	-	3,086,713	3,086,713
<b>TOTAL</b>	<b>\$ 219,809,399</b>	<b>\$ 40,960,421</b>	<b>\$ 120,492,394</b>	<b>\$ 381,262,215</b>

Chart continued on next page.

## Savings Trust Assets by Investment Plan & Option - Continued

	The Hartford SMART529	SMART529 WV Direct	SMART529 Select	Totals
<b>Individual 529 Funds</b>				
Hartford Capital Appreciation	\$ 103,213,653	\$ -	\$ -	\$ 103,213,653
Hartford Dividend & Growth	60,581,948	-	-	\$ 60,581,948
Hartford Equity Income	10,973,714	-	-	\$ 10,973,714
Hartford Growth Opportunities Fund	4,998,417	-	-	\$ 4,998,417
Hartford High Yield	6,947,200	-	-	\$ 6,947,200
Hartford Inflation Plus	9,383,936	-	-	\$ 9,383,936
Hartford Intl Opportunities Fund	9,590,777	-	-	\$ 9,590,777
Hartford MidCap	48,190,971	-	-	\$ 48,190,971
Hartford MidCap Value	7,775,453	-	-	\$ 7,775,453
Hartford Small Company Fund	5,069,634	-	-	\$ 5,069,634
Hartford Total Return Bond	23,452,410	-	-	\$ 23,452,410
Hartford Value Fund	1,506,773	-	-	\$ 1,506,773
Goldman Sachs Lg Cap Value	556,478	-	-	\$ 556,478
MFS Total Return	726,060	-	-	\$ 726,060
MFS Value	482,112	-	-	\$ 482,112
MFS Global Equity Fund	10,615,158	-	-	\$ 10,615,158
SMART529 500 Index Fund	-	3,602,634	-	\$ 3,602,634
<b>TOTALS</b>	<b>\$ 304,064,695</b>	<b>\$ 3,602,634</b>	<b>\$ -</b>	<b>\$ 307,667,329</b>
<b>Stable Value Funds</b>				
SMART529 Stable Value	\$ 58,220,120	\$ 9,650,790	\$ -	\$ 67,870,910
<b>TOTALS</b>	<b>\$ 58,220,120</b>	<b>\$ 9,650,790</b>	<b>\$ -</b>	<b>\$ 67,870,910</b>
<b>GRAND TOTALS</b>	<b>\$ 1,224,647,129</b>	<b>\$ 115,560,281</b>	<b>\$232,182,694</b>	<b>\$1,572,390,103</b>

*Totals may reflect rounding differences*

## Savings Trust Assets by Share Class

Share Class	The Hartford SMART529	SMART529 WV Direct	SMART529 Select	% of Assets
A Shares	\$ 774,419,462	\$ -	\$ -	49%
B Shares	168,784,612	-	-	11%
C Shares	192,113,932	-	-	12%
D Shares	-	115,560,281	232,182,694	22%
E Shares	89,329,122	-	-	6%
<b>Total</b>	<b>\$ 1,224,647,129</b>	<b>\$ 115,560,281</b>	<b>\$ 232,182,694</b>	<b>100%</b>

## Contributions & Accounts by Channel

Channel	Total Contributions		New Accounts	
	Quarter	Inception To Date	Quarter	Inception To Date
Advisor	\$ 36,091,362	\$ 1,349,053,923	1,951	121,141
Direct	14,281,302	350,929,530	638	19,071
<b>Total</b>	<b>\$ 50,372,664</b>	<b>\$ 1,699,983,453</b>	<b>2,589</b>	<b>140,212</b>

## New Account Activity By Channel WV Owner or Beneficiary

Quarter	Contributions by Channel			Accounts by Channel		
	Advisor	Direct	Total	Advisor	Direct	Total
2008 December	4,775,626	5,902,073	10,677,699	308	342	650
2009 March	3,595,154	4,049,611	7,644,765	219	227	446
2009 June	3,110,445	2,435,023	5,545,468	222	133	355
2009 September	3,007,574	3,431,349	6,438,923	245	160	405
2009 December	5,329,815	6,790,325	12,120,140	327	352	679
2010 March	3,763,078	4,545,886	8,308,964	298	271	569
2010 June	3,583,061	3,393,432	6,976,493	280	188	468
2010 September	4,027,300	3,394,766	7,422,065	352	222	574
2010 December	6,234,743	7,285,187	13,519,929	538	429	967
2011 March	5,466,857	5,607,354	11,074,211	387	406	793
2011 June	4,141,775	3,782,889	7,924,664	364	267	631

## Top 10 Investing Firms – West Virginia

### WV Owner or Beneficiary

Firm Ordered by "New Accounts" for quarter	Quarter		Since Inception	
	Investment \$	New Accounts	Total Investment \$	Accounts
Edward Jones	418,087	47	17,836,659	2,002
Chase Investment Services Corp	320,725	47	4,877,905	653
BB&T Investment Services Inc	349,277	37	19,445,649	1,848
Northwestern Mutual Investment Ser	72,058	19	1,324,583	200
Morgan Stanley Smith Barney	312,965	18	11,930,927	635
Uvest Financial Services	37,214	17	2,445,325	255
First Clearing Corporation	319,688	16	14,593,720	1,122
Huntington Investment Co	82,983	13	5,419,449	525
Merrill Lynch	95,949	12	2,568,120	254
Raymond James Financial Services	80,790	11	2,349,626	264

## Top 10 Investing Firms – Nationwide

Firm Ordered by "New Accounts" for quarter	Quarter		Since Inception	
	Investment \$	New Accounts	Total Investment \$	Accounts
Edward Jones	12,934,491	918	364,955,654	31,964
First Clearing Corporation	2,063,102	90	66,183,379	7,581
LPL Financial Corporation	1,827,869	85	45,998,756	4,636
Woodbury Financial Services	878,400	75	57,603,247	4,456
Raymond James Financial Services	882,531	65	34,104,732	2,786
Chase Investment Services Corp	456,936	61	6,302,247	901
Huntington Investment Co	358,412	60	21,364,325	2,267
BB&T Investment Services Inc	626,504	58	43,251,678	3,845
Morgan Stanley Smith Barney Llc	1,371,041	50	43,455,721	1,627
Morgan Keegan & Co., Inc.	884,846	41	15,222,489	1,883

## Top 10 Investing States

State By residence of account owner	Quarter		Since Inception	
	Investment \$	Percent	Investment \$	Percent
West Virginia	7,872,441	15.63%	288,306,274	16.96%
<i>Direct (D)</i>	3,757,960	7.46%	135,501,530	7.97%
<i>Broker (ABCE)</i>	4,114,481	8.17%	152,804,745	8.99%
California	5,743,528	11.40%	172,121,129	10.12%
Texas	5,798,346	11.51%	129,634,742	7.62%
North Carolina	1,415,052	2.81%	99,246,132	5.84%
Florida	1,035,997	2.06%	61,899,381	3.64%
Illinois	1,072,545	2.13%	61,294,133	3.61%
Minnesota	1,757,101	3.49%	59,933,218	3.53%
Pennsylvania	2,289,385	4.54%	58,949,740	3.47%
Connecticut	1,670,785	3.32%	54,789,210	3.22%
Tennessee	1,265,700	2.51%	54,338,011	3.20%

## Assets in Underlying Funds by Product Line

Mutual Fund Name	The Hartford SMART529	SMART529 Select	Total	Equivalent Shares
	SMART529 WV Direct			
Goldman Sachs Lg Cap Val	\$ 556,397	\$ -	\$ 556,397	45,756
Hartford Small Cap Growth	38,368,141	-	38,368,141	1,064,303
Hartford Growth Opps	7,930,039	-	7,930,039	267,095
Hartford Small Co	7,291,749	-	7,291,749	307,150
Hartford High Yield	14,648,023	-	14,648,023	1,958,292
Hartford Capital Apprec	217,612,950	-	217,612,950	5,835,692
Hartford MidCap	85,941,810	-	85,941,810	3,337,546
Hartford Total Return Bond	124,012,589	-	124,012,589	11,589,962
Hartford Dividend Growth	121,979,038	-	121,979,038	6,047,548
Hartford International Opps	78,109,575	-	78,109,575	4,866,640
Hartford Value	118,867,209	-	118,867,209	9,988,841
Hartford Fundamental Growth	68,688,241	-	68,688,241	5,767,275
Hartford MidCap Value	67,421,976	-	67,421,976	5,287,998
Hartford Intl Small Company	27,831,539	-	27,831,539	2,000,830
Hartford Floating Rate	22,833,602	-	22,833,602	2,580,068
Hartford Inflation Plus	64,352,487	-	64,352,487	5,486,146
Hartford Corporate Opportunities	19,239,733	-	19,239,733	1,935,587
Hartford Equity Income	10,972,182	-	10,972,182	807,372
MFS Total Return	724,700	-	724,700	49,842
MFS Value	482,045	-	482,045	20,161
MFS Global Equity	10,613,509	-	10,613,509	408,369
Vanguard 500 Index Fund	3,601,403	-	3,601,403	35,842
Invesco Stable Value	227,253,076	-	227,253,076	15,760,608
DFA International Core Equity	-	33,322,001	33,322,001	2,877,548
DFA US Core Equity 2	-	130,322,661	130,322,661	11,225,035
DFA Emerging Markets Core	-	7,819,319	7,819,319	353,815
DFA One Year Fixed Income	-	12,693,252	12,693,252	1,226,401
DFA Two Year Global	-	9,832,853	9,832,853	963,061
DFA Intermediate Govt	-	21,615,128	21,615,128	1,741,751
DFA Five Yr Global Bond	-	16,586,999	16,586,999	1,483,631
<b>Total Market Value</b>	<b>\$ 1,339,332,011</b>	<b>\$ 232,192,214</b>	<b>\$ 1,571,524,225</b>	

Cash & Investments	\$ 1,572,390,103
Assets in Underlying Funds	\$ 1,571,524,225
Difference due to market timing/seed money	\$ 865,878

## West Virginia Resident versus Non West Virginia Resident

	WV				Non WV				Total of All	
	\$	%	#	%	\$	%	#	%	\$	#
<b>Owner Type</b>										
Regular	252,863,238	98%	21,112	98%	1,273,249,553	97%	88,672	97%	1,526,112,792	109,784
Custodial (UGMA/UTMA)	6,339,978	2%	426	2%	39,937,335	3%	2,786	3%	46,277,313	3,212
<b>Total</b>	<b>259,203,216</b>	<b>100%</b>	<b>21,538</b>	<b>100%</b>	<b>1,313,186,888</b>	<b>100%</b>	<b>91,458</b>	<b>100%</b>	<b>1,572,390,104</b>	<b>112,996</b>
<b>Account Balance</b>										
\$0-\$500	539,147	0%	2,129	10%	1,474,084	0%	4,566	5%	2,013,231	6,695
\$500-\$1,000	1,339,315	1%	1,806	8%	4,350,462	0%	5,812	6%	5,689,777	7,618
\$1,000-\$2,500	6,348,308	2%	3,782	18%	21,794,150	2%	12,983	14%	28,142,458	16,765
\$2,500-\$5,000	12,799,502	5%	3,513	16%	54,376,603	4%	14,775	16%	67,176,105	18,288
\$5,000-\$10,000	27,334,760	11%	3,842	18%	134,809,862	10%	18,778	21%	162,144,621	22,620
\$10,000-\$25,000	58,798,578	23%	3,756	17%	316,113,946	24%	20,196	22%	374,912,525	23,952
\$25,000-\$50,000	56,704,077	22%	1,638	8%	298,060,632	23%	8,607	9%	354,764,708	10,245
\$50,000-\$100,000	54,634,570	21%	793	4%	299,213,765	23%	4,416	5%	353,848,335	5,209
\$100,000-\$200,000	31,385,119	12%	241	1%	162,150,471	12%	1,239	1%	193,535,589	1,480
\$200,000+	9,319,841	4%	38	0%	20,842,914	2%	86	0%	30,162,754	124
<b>Total</b>	<b>259,203,216</b>	<b>100%</b>	<b>21,538</b>	<b>100%</b>	<b>1,313,186,888</b>	<b>100%</b>	<b>91,458</b>	<b>100%</b>	<b>1,572,390,104</b>	<b>112,996</b>
<b>Age of Beneficiary</b>										
<1	747,230	0%	396	2%	3,901,668	0%	1,348	1%	4,648,898	1,744
1	2,348,874	1%	820	4%	11,036,853	1%	2,792	3%	13,385,727	3,612
2	4,123,632	2%	818	4%	17,035,146	1%	2,279	2%	21,158,778	3,097
3	6,117,809	2%	1,029	5%	25,877,685	2%	3,001	3%	31,995,494	4,030
4	8,383,952	3%	1,201	6%	36,935,449	3%	3,684	4%	45,319,401	4,885
5	9,054,076	3%	1,296	6%	45,737,870	3%	4,394	5%	54,791,946	5,690
6	12,247,173	5%	1,307	6%	57,373,010	4%	5,087	6%	69,620,183	6,394
7	13,016,095	5%	1,383	6%	69,450,615	5%	5,794	6%	82,466,710	7,177
8	13,902,268	5%	1,297	6%	77,767,240	6%	5,942	6%	91,669,508	7,239
9	14,366,654	6%	1,264	6%	82,230,127	6%	5,910	6%	96,596,782	7,174
10	15,155,031	6%	1,181	5%	85,638,352	7%	5,652	6%	100,793,383	6,833
11	13,454,326	5%	1,116	5%	81,597,149	6%	5,399	6%	95,051,475	6,515
12	14,623,908	6%	1,096	5%	81,783,314	6%	5,130	6%	96,407,222	6,226
13	14,423,519	6%	912	4%	83,710,390	6%	4,969	5%	98,133,910	5,881
14	15,738,726	6%	1,038	5%	85,202,076	6%	4,813	5%	100,940,803	5,851
15	14,529,424	6%	824	4%	82,610,857	6%	4,588	5%	97,140,282	5,412
16	16,985,037	7%	872	4%	81,573,973	6%	4,337	5%	98,559,010	5,209
17	15,826,482	6%	780	4%	83,272,464	6%	3,936	4%	99,098,946	4,716
18	14,910,807	6%	659	3%	70,409,970	5%	3,430	4%	85,320,777	4,089
19	11,650,663	4%	561	3%	52,941,267	4%	2,777	3%	64,591,930	3,338
20	8,012,019	3%	476	2%	35,953,323	3%	2,117	2%	43,965,342	2,593
21	6,503,341	3%	375	2%	22,756,443	2%	1,474	2%	29,259,784	1,849
22	3,464,993	1%	219	1%	11,207,644	1%	829	1%	14,672,637	1,048
23+	9,617,176	4%	618	3%	27,184,003	2%	1,776	2%	36,801,179	2,394
<b>Total</b>	<b>259,203,216</b>	<b>100%</b>	<b>21,538</b>	<b>100%</b>	<b>1,313,186,888</b>	<b>100%</b>	<b>91,458</b>	<b>100%</b>	<b>1,572,390,104</b>	<b>112,996</b>

Continued on next page.

<b>West Virginia Resident versus Non West Virginia Resident continued</b>										
	<b>WV</b>				<b>Non WV</b>				<b>Total of All</b>	
	\$	%	#	%	\$	%	#	%	\$	#
<b>By Product</b>										
The Hartford	134,122,700	52%	12,094	56%	1,090,524,430	83%	83,645	91%	1,224,647,130	95,739
WV Direct	107,076,433	41%	8,519	40%	8,483,848	1%	503	1%	115,560,281	9,022
Select	18,004,084	7%	925	4%	214,178,610	16%	7,310	8%	232,182,694	8,235
<b>Total</b>	<b>259,203,216</b>	<b>100%</b>	<b>21,538</b>	<b>100%</b>	<b>1,313,186,888</b>	<b>100%</b>	<b>91,458</b>	<b>100%</b>	<b>1,572,390,104</b>	<b>112,996</b>
<b>By Payment Method</b>										
Auto Invest	72,496,755	28%	7,640	34%	315,881,147	24%	26,894	28%	388,377,902	34,534
Check	186,706,461	72%	13,898	66%	997,305,741	76%	64,564	72%	1,184,012,203	78,462
<b>Total</b>	<b>259,203,216</b>	<b>100%</b>	<b>21,538</b>	<b>100%</b>	<b>1,313,186,888</b>	<b>100%</b>	<b>91,458</b>	<b>100%</b>	<b>1,572,390,104</b>	<b>112,996</b>
<b>By Portfolio*</b>										
Age Based Portfolio	142,297,459	55%	14,427	60%	673,292,191	51%	52,321	53%	815,589,650	66,748
Individual Funds	42,225,952	16%	3,722	15%	327,945,004	25%	24,011	24%	370,170,956	27,733
Static Portfolio	74,679,805	29%	5,962	25%	311,949,694	24%	22,147	22%	386,629,498	28,109
<b>Total</b>	<b>259,203,216</b>	<b>100%</b>	<b>24,111</b>	<b>100%</b>	<b>1,313,186,888</b>	<b>100%</b>	<b>98,479</b>	<b>100%</b>	<b>1,572,390,104</b>	<b>122,590</b>

\*An individual account owner may invest in more than one Portfolio category.

<b>New Account Activity in the Quarter</b>						
	<b>WV</b>		<b>Non WV</b>		<b>Grand Totals</b>	
	#	%	#	%	#	%
<b>By Application Type</b>						
Online	204	32%	139	7%	343	13%
Paper	427	68%	1,819	93%	2,246	87%
<b>Total</b>	<b>631</b>	<b>100%</b>	<b>1,958</b>	<b>100%</b>	<b>2,589</b>	<b>100%</b>
<b>By Channel</b>						
Advisor	364	58%	1,584	81%	1,948	75%
Direct	267	42%	374	19%	641	25%
<b>Total</b>	<b>631</b>	<b>100%</b>	<b>1,958</b>	<b>100%</b>	<b>2,589</b>	<b>100%</b>
<b>By Product</b>						
The Hartford	364	58%	1,584	81%	1,948	75%
Select	33	5%	371	19%	404	16%
WV Direct	234	37%	3	0%	237	9%
<b>Total</b>	<b>631</b>	<b>100%</b>	<b>1,958</b>	<b>100%</b>	<b>2,589</b>	<b>100%</b>

# **West Virginia College Prepaid Tuition and Savings Program**

## **Investment Performance Report Period Ending June 30, 2011**

**Prepared by  
Callan Associates Inc.**

# Market Environment

Period Ending June 30, 2011

## U.S. Equity

### Active vs. the Index

After a surprisingly robust first quarter, the second quarter of 2011 delivered fewer gains, primarily influenced by the continuing European sovereign debt concern, slowing growth, and rising inflation in developing markets around the globe, especially China. This "soft patch" in the economy was caused, in part, by sluggish job growth, as well as an increase in initial unemployment claims and the general unemployment rate in the U.S. In addition to these economic maladies, the U.S. also endured a rough spring teeming with natural disasters and a spike in oil and other commodity prices. However, the tail end of the second quarter showed positive improvements in the equity markets with cooling commodity prices and a rebound in stocks. The S&P 500 managed to finish in the black with a 0.10% return for the quarter ended June 30, 2011. The median Large Cap Core manager posted a 0.06% return, 4 basis points behind the S&P 500 index return. The median Mid Cap Broad manager yielded a return of -0.30% for the quarter, 43 basis points ahead of the S&P Mid Cap's return of -0.73%. Finally, the median Small Cap Broad manager finished the quarter with a -0.51% return, falling 35 basis points behind the -0.16% return generated by the S&P 600.

### Large Cap vs. Small Cap

The second quarter of 2011 saw a slight shift in the previous trend among the Large, Mid, and Small Cap funds. The median Large Cap manager continued to produce the least volatile returns ranging from -0.47% (Large Cap Value) to 0.54% (Large Cap Growth) or 101 basis points, whereas returns for the median Mid and Small Cap managers were fairly volatile and ranged from -1.83% (Small Cap Value) to 0.59% (Small Cap Growth) or 242 basis points. Small and Mid Cap funds continued to dominate Large Cap funds over the past twelve months as well. For the year ended June 30, 2011, the median Small Cap Broad manager returned 38.46%, or 856 basis points ahead of the median Large Cap Core manager's return of 29.90%. The S&P 600 yielded a return of 37.03% for the same period, well ahead of the S&P 500's return of 30.69%.

### Growth vs. Value

During the second quarter of 2011, growth stocks outperformed value stocks across all capitalizations. The median Small Cap Growth manager returned 0.59%, or 242 basis points ahead of the median Small Cap Value manager's return of -1.83%. Similarly, the Mid Cap Growth manager outperformed the Mid Cap Value manager, generating a return of 0.08%, or 128 basis points ahead of the -1.20% Mid Cap Value return. The median Large Cap Growth manager posted a return of 0.54%, 101 basis points ahead of Large Cap Value's median fund return of -0.47%. Growth funds continued to outperform Value funds for the year ended June 30, 2011. The largest return difference over the last twelve months was Mid Cap, with the median Mid Cap Growth manager achieving a remarkable 41.55% return, 845 basis points above the median Mid Cap Value manager's return of 33.10%.

## International Equity

### Active vs. the Index

International equity markets lost momentum during the second quarter of 2011 with renewed uncertainty about the global economic recovery and continued concerns over European debt, particularly in Greece. Global tightening of monetary policies strained investor confidence as well as the stability of the markets. For the quarter ended June 30, 2011, Europe led the way with a median fund return of 2.41%, while the median Emerging Markets manager slipped into negative territory with a loss of 0.53%. For the one year ended June 30, 2011, the median Europe manager led all groups returning 37.67%, which outperformed the MSCI AC World Index by nearly 7%.

### Europe

European stocks held the lead of the developed markets during the second quarter despite instability surrounding the sovereign debt crisis and concerns over rising inflation. Expected interest rate increases

by the European Central Bank, coupled with recent austerity measures passed by the Greek Parliament to secure further financial aid, helped the euro achieve its second quarterly gain against the U.S. dollar. For the quarter ended June 30, 2011, the median manager gained 2.41%, trailing the MSCI Europe Index by only 3 basis points. For the one year ended June 30, 2011, the median manager bested the index by 1.65%.

### **Pacific**

Japan rebounded from the devastation of the March earthquake largely as a result of auto manufacturers restoring their operations at plants affected by the disaster. The median Japan fund return for the second quarter of 2011 showed a gain of 1.05%, beating the MSCI Pacific Index return of 0.01%. For the one year ended June 30, 2011, the median Japan fund yielded 14.15%, underperforming the index's return of 20.87%. In the southern region of the Pacific, Australia suffered from high interest rates, an overvalued Australian dollar, and residual effects from the prior quarter's cyclones and floods. For the quarter ended June 30, 2011, the median Pacific Basin manager was up 0.41%, while the MSCI Pacific Index was flat at 0.01%. For the one year ended June 30, 2011, the median Pacific Basin manager returned 24.36%, outperforming the MSCI Pacific Index by 3.49%.

### **Emerging Markets**

Emerging Markets fell during the quarter amid troubles concerning the debt crisis in Europe and fears of global economic declines. China led the group's descent as speculation about interest rate increases and slow growth forecasts put pressure on Chinese equities. Brazil also declined as interest rates rose for the fourth time this year. Rising oil and commodity prices worldwide further hampered growth in the developing regions. For the quarter ended June 30, 2011, the return for the median manager showed a loss of 0.53%, yet managed to beat the MSCI Emerging Markets Index return of -1.04%. For the one year ended June 30, 2011, the median manager yielded 27.65%, underperforming the index's return of 28.17%.

## **Fixed Income**

### **Active vs. the Index**

With slowing concerns about the U.S. economy's recovery and the European debt crisis, the domestic fixed-income markets continued its modest, yet positive 2011 performance through the second quarter. The continued positive performance can be linked to investors moving away from the euro and yen and towards U.S. Treasuries. Extended Maturity was the top performer of the quarter, slowing toward the end of June due to the rise in interest rates. The median Core Bond Fund posted a return of 2.07%, which was outperformed by the Barclays Capital Aggregate Index by 22 basis points. For the year ended June 30, 2011, the median fund finished ahead of the index with a return of 4.84%, 94 basis points ahead of the Barclays Capital Aggregate return of 3.90%.

### **Short vs. Long Duration**

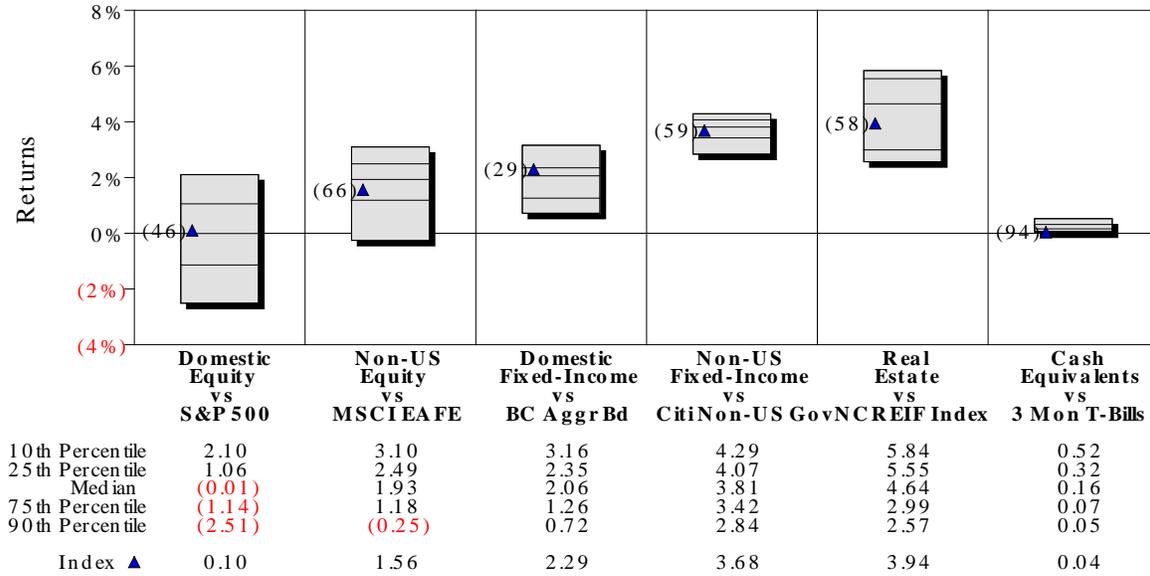
Both Extended Maturity and Intermediate bond markets displayed strong second quarter performance recording much higher gains than the first quarter of 2011. The median Extended Maturity Fund gained 3.10% in the quarter ended June 30, 2011, 139 basis points above the median Intermediate Fund which gained 1.71% for the quarter. For the twelve months ended June 30, 2011, the median Extended Maturity fund showed a return of 0.60%, 309 basis points behind the median Intermediate Fund's return of 3.69%.

### **Mortgages and High Yield**

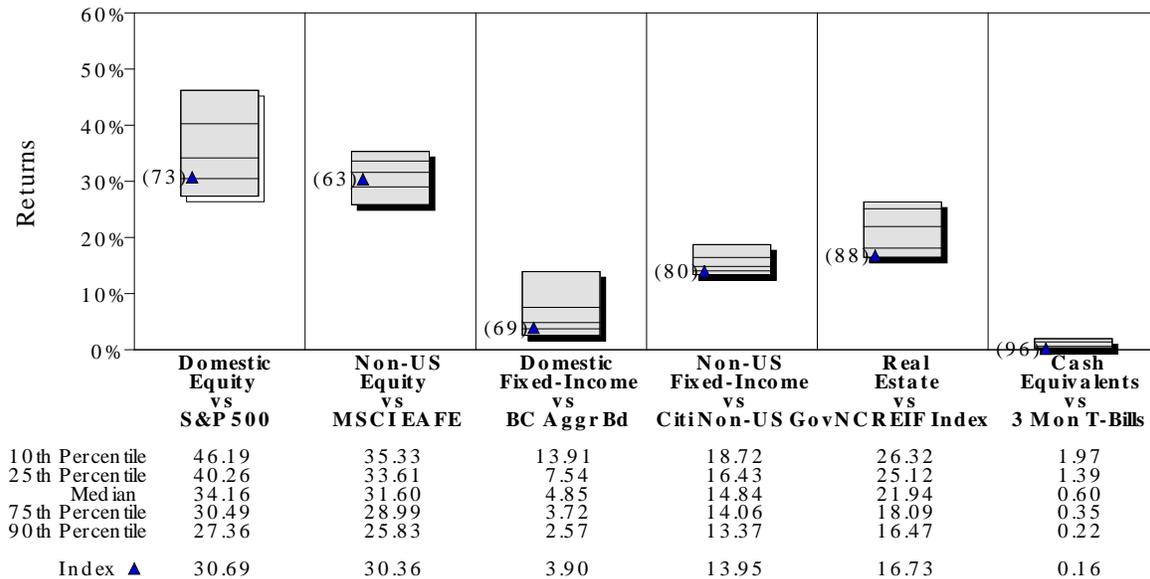
The High Yield market was hit the hardest in the second quarter of 2011 as the BC High Yield index fell 97 basis points in June. Housing sales and starts remained at an all-time low despite record low 30 year mortgage rates. The median Mortgage-Backed Fund posted a positive return of 2.48% for the second quarter of 2011, outperforming the Barclays Mortgage Index's return of 2.28% by 20 basis points. For the year ended June 30, 2011, the median Mortgage-Backed Fund outperformed the Barclays Mortgage Index generating a return of 4.58%, 81 basis points higher than the 3.77% index return. High Yield funds were the worst performing group in the second quarter of 2011 with the median fund returning 0.64%, lagging the Barclays High Yield Index by 41 basis points. For the twelve months ended June 30, 2011, the median High Yield Fund produced a healthy return of 15.00%, slightly lagging the Barclays High Yield Index, which returned 15.63%.

## Separate Account Style Group Median Returns

### Range of Separate Account Manager Returns by Asset Class One Quarter Ended June 30, 2011



### Range of Separate Account Manager Returns by Asset Class One Year Ended June 30, 2011



# **West Virginia Prepaid Tuition Trust Fund**

## **Quarterly Investment Performance Review Period Ending June 30, 2011**

Returns for periods longer than one year are annualized.

## Fund Performance Summary

### Period Ending June 30, 2011

	1 Quarter	1-Year	3-Years	5-Years
<b>Prepaid Tuition</b>	<b>1.60%</b>	<b>19.81%</b>	<b>6.74%</b>	<b>5.99%</b>
<b>Prepaid Policy Index*</b>	<b>1.19%</b>	<b>18.64%</b>	<b>4.89%</b>	<b>5.12%</b>
<b>WVIMB Domestic Equity Composite</b>	<b>0.93%</b>	<b>35.27%</b>	<b>4.34%</b>	<b>3.55%</b>
<b>Russell 3000 Index</b>	<b>(.03)%</b>	<b>32.37%</b>	<b>4.00%</b>	<b>3.35%</b>
<b>Median Domestic Equity Composite</b>	<b>0.02%</b>	<b>33.15%</b>	<b>4.33%</b>	<b>3.44%</b>
<b>WVIMB International Equity Composite</b>	<b>1.22%</b>	<b>30.94%</b>	<b>5.63%</b>	<b>6.53%</b>
<b>MSCI ACWI Ex-US Index</b>	<b>0.61%</b>	<b>30.27%</b>	<b>0.11%</b>	<b>4.14%</b>
<b>Median International Equity Composite</b>	<b>1.23%</b>	<b>30.52%</b>	<b>0.16%</b>	<b>3.51%</b>
<b>WVIM Fixed Income Composite</b>	<b>2.29%</b>	<b>5.26%</b>	<b>7.97%</b>	<b>7.01%</b>
<b>BC Aggregate Index**</b>	<b>2.29%</b>	<b>3.90%</b>	<b>6.47%</b>	<b>6.57%</b>
<b>Median Fixed Income Composite</b>	<b>2.17%</b>	<b>5.74%</b>	<b>7.19%</b>	<b>6.77%</b>

The Total Fund returned 1.60%, outperforming the Policy Index, which returned 1.19%. Manager effect had a positive contribution of 46 basis points; outperformance came in domestic and international equities. Asset allocation detracted 5 basis points from performance.

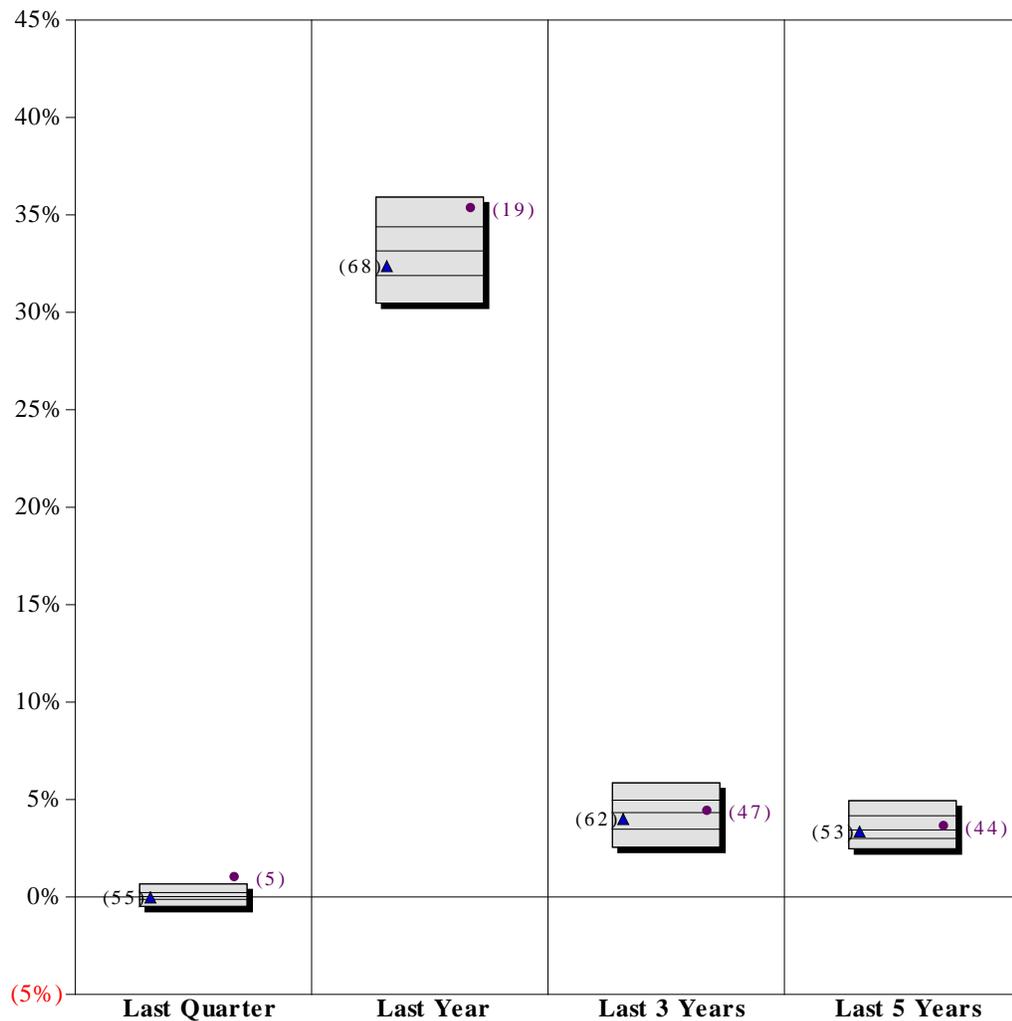
For the past year, the Total Fund advanced 19.81%, ahead of the Policy Index's 18.64% gain. Outperformance was due to manager effect (+1.65%); fixed income contributed the most (+0.67%), followed by small/mid cap (+0.58%). Asset allocation detracted 48 basis points from performance, mostly due to an underweight in large cap equities and the allocation to cash.

The Fund's annualized five-year return of 5.99% beat the Policy Target's return of 5.12%. Both manager effect (+0.80%) and asset allocation effect (+0.08%) contributed to the Fund beating its benchmark. Strong excess returns by the Fund's international equity managers were the greatest contributors to outperformance.

\* *Policy Index = 48.0% BC Aggregate Index, 27% S&P 500 Index, 18% MSCI ACWI Ex-US Index, and 7% Russell 2500 Index.*

\*\* *Fixed Income Index = 100% BC Aggregate as of 03/31/10. From 03/31/2008 to 12/31/2009 it was the BC Universal Index. Before 03/31/2008 it was the BC Aggregate.*

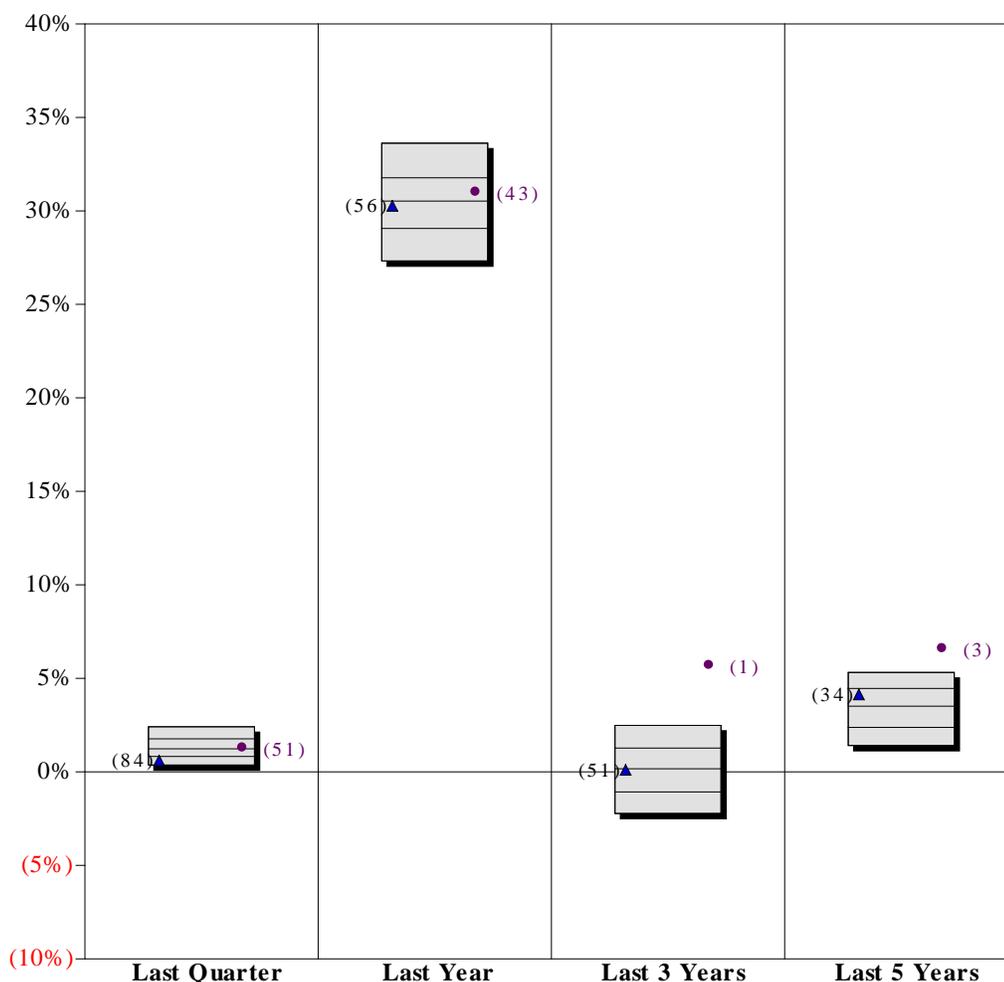
## WVIMB Domestic Equity Composite Versus Public Fund Domestic Equity Programs Period Ending June 30, 2011



	Last Quarter	Last Year	Last 3 Years	Last 5 Years
10th Percentile	0.67	35.92	5.85	4.94
25th Percentile	0.23	34.39	4.97	4.17
Median	0.02	33.15	4.33	3.44
75th Percentile	(0.12)	31.89	3.48	3.00
90th Percentile	(0.48)	30.47	2.55	2.47
<b>Domestic Equity</b> ●	0.93	35.27	4.34	3.55
Russell 3000 Index ▲	(0.03)	32.37	4.00	3.35

- For the second quarter of 2011, the Domestic Equity Composite gained 0.93%, outperforming the benchmark by 96 basis points. The Fund's performance placed it in the 5<sup>th</sup> percentile of the Public Fund Domestic Equity Programs peer group.
- For the trailing one-, three- and five-year periods, the Fund outperformed the benchmark and ranked in the 19<sup>th</sup>, 47<sup>th</sup> and 44<sup>th</sup> percentiles, respectively.

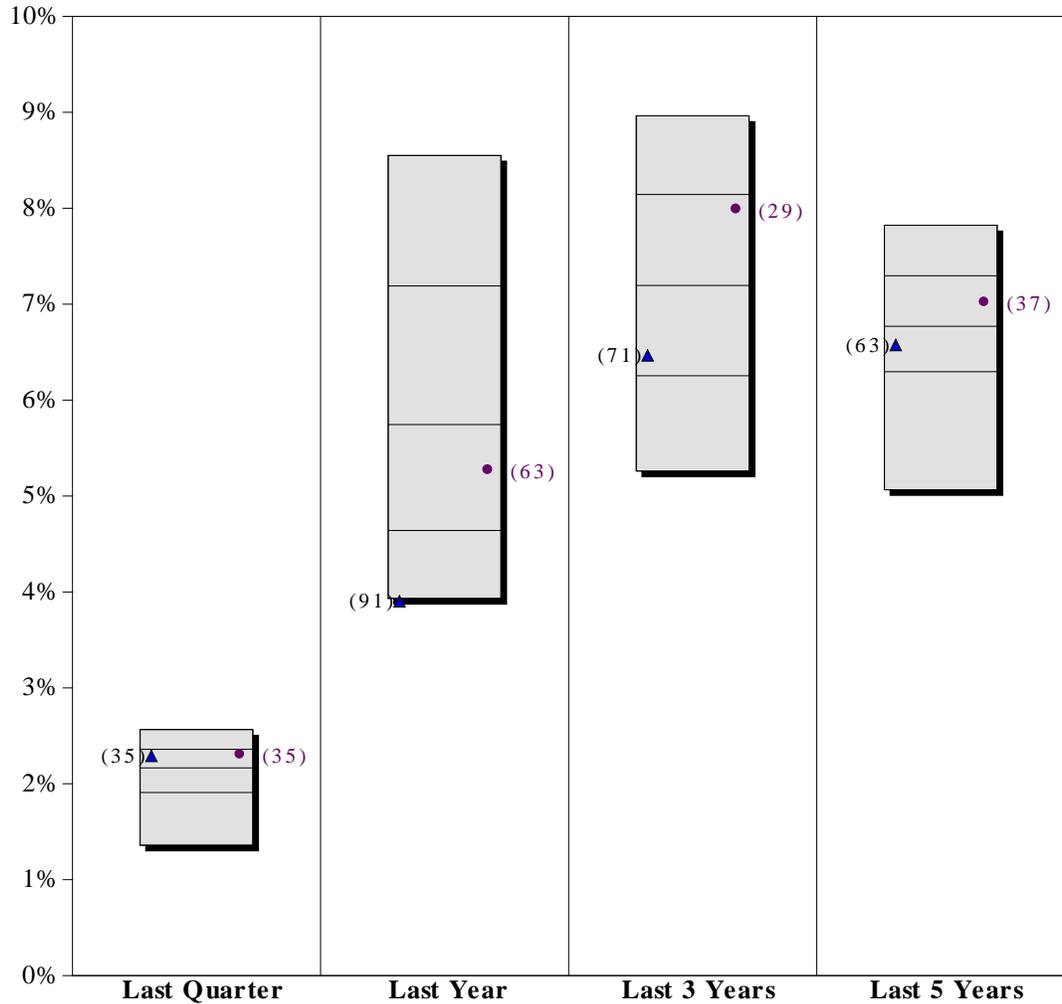
## WVIMB International Equity Composite Versus Public Fund International Equity Programs Period Ending June 30, 2011



	Last Quarter	Last Year	Last 3 Years	Last 5 Years
10th Percentile	2.41	33.62	2.48	5.31
25th Percentile	1.77	31.77	1.27	4.46
Median	1.23	30.52	0.16	3.51
75th Percentile	0.82	29.06	(1.07)	2.38
90th Percentile	0.36	27.32	(2.23)	1.41
<b>International Equity</b> •	1.22	30.94	5.63	6.53
MSCI ACWI ex-US Index ▲	0.61	30.27	0.11	4.14

- In the second quarter, the International Equity Composite advanced 1.22%, outperforming the MSCI ACWI ex-U.S., which returned 0.61%. The fund's performance ranked in the 51<sup>st</sup> percentile of the Public Fund International Equity Programs peer group.
- For the trailing one-year period the composite slightly outperformed the index and ranked in the 43<sup>rd</sup> percentile. Longer term performance continued to significantly outperform the index and rank in the top decile of the peer group.

## WVIMB Fixed Income Composite Versus Public Fund Fixed Income Programs Period Ending June 30, 2011



	Last Quarter	Last Year	Last 3 Years	Last 5 Years
10th Percentile	2.57	8.55	8.96	7.82
25th Percentile	2.36	7.19	8.14	7.30
Median	2.17	5.74	7.19	6.77
75th Percentile	1.91	4.64	6.25	6.30
90th Percentile	1.36	3.93	5.26	5.06
<b>Fixed Income</b> •	2.29	5.26	7.97	7.01
Fixed Income Index ▲	2.29	3.90	6.47	6.57

- The Fixed Income Composite gained 2.29% in the second quarter, in line with the Barclays Aggregate Index and placed in the 35<sup>th</sup> percentile of the Public Fund Fixed Income Programs peer group.
- For the trailing one-year period, the portfolio outperformed the benchmark by 1.36% and ranked in the 63<sup>rd</sup> percentile of the peer group. The trailing 3- and 5-year periods outperformed the benchmark and place in the 29<sup>th</sup> and 37<sup>th</sup> percentiles, respectively.

# **West Virginia Savings Plan Trust Fund**

## **Quarterly Investment Performance Review Period Ending June 30, 2011**

Returns for periods longer than one year are annualized.

## SMART529 WV Direct – D Share Performance Net of Fees

### Returns for Periods Ending June 30, 2011

	Last Quarter	Last Year	Last 3 Years	Last 5 Years
<b>Age-Based Portfolios</b>				
Age-Based 0-8	(0.51%)	25.20%	2.28%	4.52%
Age Based 0-8 Benchmark	0.53%	27.87%	5.18%	5.18%
Age-Based 9-13	(0.18%)	21.03%	3.09%	4.30%
Age Based 9-13 Benchmark	0.85%	23.54%	6.11%	5.60%
Age-Based 14-15	0.18%	17.10%	-	-
Age Based 14-15 Benchmark	1.15%	19.05%	6.49%	5.76%
Age-Based 16-17	0.37%	-	-	-
Age Based 16-17 benchmark	1.23%	10.68%	5.34%	5.41%
Age-Based 18+	0.60%	8.47%	-	-
Age Based 18+ Benchmark	1.35%	7.92%	4.41%	4.45%
<b>Static Portfolios</b>				
Aggressive Growth	(0.84%)	32.47%	1.08%	2.78%
Aggressive Growth Benchmark	(0.11%)	33.96%	4.16%	3.57%
Growth	(0.47%)	25.19%	2.38%	3.83%
Growth Benchmark	0.53%	27.87%	5.18%	5.18%
Balanced	(0.19%)	21.06%	3.06%	3.86%
Balanced Benchmark	0.85%	23.54%	6.11%	5.60%
Conservative Balanced	0.55%	8.49%	1.76%	3.31%
Conservative Balanced Benchmark	1.35%	7.92%	4.41%	4.45%
Conservative Bond	1.21%	4.70%	4.56%	5.27%
Conservative Bond Benchmark	1.77%	4.22%	5.01%	5.85%
<b>Fixed Income</b>				
Stable Value	0.82%	3.52%	4.14%	4.12%
LB Govt/Cred 1-5 Year Idx	1.49%	2.84%	4.60%	5.29%
<b>Domestic Equity</b>				
Vanguard 500 Index	0.07%	30.51%	3.28%	2.86%
S&P 500 Index	0.10%	30.69%	3.34%	2.94%

## The Hartford SMART529 – A Share Performance Net of Fees

### Returns for Periods Ending June 30, 2011

	Last Quarter	Last Year	Last 3 Years	Last 5 Years
<b>Domestic Equity Funds</b>				
<b>Large Cap</b>				
Hartford Equity Income	0.98%	30.05%	5.71%	4.79%
Hartford Div. & Growth Fund	(0.40%)	28.57%	3.59%	4.56%
S&P 500 Index	0.10%	30.69%	3.34%	2.94%
Hartford Value	(1.16%)	28.14%	2.62%	3.71%
Goldman Lg Cap Val	(1.46%)	25.23%	(1.01%)	1.24%
MFS Value	(0.42%)	26.77%	2.18%	3.11%
Russell 1000 Value Index	(0.50%)	28.94%	2.28%	1.15%
Hartford Growth Opportunities	(2.24%)	36.01%	(0.15%)	4.76%
Russell 3000 Growth Index	0.64%	35.68%	5.28%	5.36%
<b>Mid Cap</b>				
Hartford Midcap Fund	(0.69%)	33.14%	4.63%	6.70%
S&P MidCap 400 Index	(0.73%)	39.38%	7.82%	6.60%
Hartford MidCap Value	(2.15%)	34.76%	9.81%	4.82%
Russell MidCap Value Idx	(0.69%)	34.28%	6.35%	4.01%
Hartford Capital Appreciation	(3.19%)	24.67%	(1.42%)	2.69%
60% Rus. 2500 / 40% S&P 500	(0.31%)	35.81%	6.26%	4.34%
<b>Small Cap</b>				
Hartford Small Company Fund	0.72%	44.76%	6.25%	5.21%
Russell 2000 Growth Index	(0.59%)	43.50%	8.35%	5.79%
<b>Domestic Hybrid</b>				
Hartford Checks & Balance	(0.67%)	18.40%	2.83%	-
MFS Total Return	0.53%	17.53%	4.04%	3.85%
60% S&P/40% BC Agg	0.98%	19.57%	5.36%	4.90%
<b>International Equity</b>				
MFS Global Equity	4.19%	34.33%	5.01%	5.52%
MSCI World	0.68%	31.19%	1.04%	2.85%
Hartford Intl Opportunities	1.07%	31.99%	0.73%	5.59%
MSCI EAFE Growth	2.31%	31.65%	(1.49%)	2.88%

## The Hartford SMART529 – A Share Performance Net of Fees - Continued

### Returns for Periods Ending June 30, 2011

	Last Quarter	Last Year	Last 3 Years	Last 5 Years
<b>Intermediate-Term Bond</b>				
Hartford Total Return Bond Fund	1.59%	4.27%	5.66%	5.33%
BC Aggregate Index	2.29%	3.90%	6.46%	6.52%
<b>TIPS</b>				
Hartford Inflation Plus Fund	3.51%	7.06%	5.49%	7.06%
BC US TIPS Index	3.66%	7.74%	5.28%	6.91%
<b>High Yield</b>				
Hartford High Yield Fund	1.09%	16.14%	11.04%	8.27%
BC High Yield Idx	1.05%	15.63%	12.68%	9.30%
<b>Stable Value</b>				
Stable Value Fund	0.69%	3.22%	3.89%	3.97%
BC Govt/Cred 1-5 Year Idx	1.49%	2.84%	4.60%	5.29%
<b>Age-Based Portfolios</b>				
Age-Based 0-8	(0.52%)	24.85%	2.03%	4.20%
Age-Based 0-8 Benchmark	0.53%	27.87%	5.05%	5.11%
Age-Based 9-13	(0.25%)	20.68%	2.80%	3.98%
Age-Based 9-13 Benchmark	0.85%	23.54%	6.11%	5.60%
Age-Based 14-15	0.13%	16.78%	-	-
Age-Based 14-15 Benchmark	1.12%	18.89%	6.44%	5.73%
Age-Based 16-17	0.28%	-	-	-
Age Based 16-17	1.23%	10.68%	5.34%	5.41%
Age-Based 18+	0.54%	8.17%	-	-
Age-Based 18+ Benchmark	1.35%	7.92%	4.41%	4.45%
<b>Static Portfolios</b>				
Aggressive Growth	(0.92%)	32.08%	0.74%	2.41%
Aggressive Growth Benchmark	0.05%	34.82%	4.39%	3.70%
Growth Portfolio	(0.55%)	24.94%	2.04%	3.46%
Growth Benchmark	0.53%	27.87%	5.05%	5.11%
Balanced Portfolio	(0.26%)	20.79%	2.78%	3.54%
Balanced Benchmark	0.85%	23.54%	6.11%	5.60%
Conservative Balanced	0.30%	-	-	-
Conservative Balanced Benchmark	1.35%	7.92%	4.41%	4.45%

## SMART529 Select – D Share Performance Net of Fees

### Returns for Periods Ending June 30, 2011

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 6-3/4 Years
<b>Age-Based &amp; Static Portfolios</b>					
<b>Age-Based Portfolio 0-3</b>					
Aggressive Growth	(1.00%)	34.02%	4.78%	2.36%	6.00%
Benchmark	0.24%	31.82%	5.12%	3.23%	6.51%
<b>Age-Based Portfolio 4-6</b>					
Moderately Aggressive	(0.73%)	30.67%	5.18%	2.92%	6.03%
Benchmark	0.41%	28.84%	5.50%	3.74%	6.53%
<b>Age-Based Portfolio 7-9</b>					
Growth	(0.40%)	27.28%	4.38%	2.74%	5.50%
Benchmark	0.57%	25.67%	5.58%	4.06%	6.41%
<b>Age-Based Portfolio 10-12</b>					
Moderate Growth	0.07%	20.77%	4.42%	3.18%	5.23%
Benchmark	0.77%	21.16%	5.42%	5.21%	7.40%
<b>Age-Based Portfolio 13-15</b>					
Balanced	0.36%	15.81%	4.33%	3.54%	4.92%
Benchmark	0.88%	16.50%	5.19%	4.53%	5.68%
<b>Age-Based Portfolio 16-18</b>					
Mod. Conservative	0.66%	12.68%	4.96%	4.26%	4.86%
Benchmark	1.05%	12.09%	4.99%	5.63%	6.62%
<b>Age-Based Portfolio 19+</b>					
Conservative	1.06%	8.18%	4.68%	4.47%	4.40%
Benchmark	1.23%	7.78%	4.63%	4.86%	4.83%
All Equity	(1.02%)	33.83%	4.62%	2.73%	6.62%
Benchmark	(0.02%)	31.60%	5.79%	4.08%	7.47%
Fixed Income	1.57%	2.50%	3.61%	3.71%	3.12%
Benchmark	1.55%	2.64%	4.51%	5.11%	4.27%
1-Year Fixed	0.26%	0.52%	1.55%	2.58%	2.45%
ML 1 Yr T-Note	0.20%	0.58%	1.53%	3.02%	2.85%

## The Hartford SMART529 Blended Benchmarks

<b>Age-Based Portfolio 0-8</b>		<b>Aggressive Growth Portfolio</b>	
Russell 1000 Growth	8.2%	Russell 1000 Growth	8.5%
Russell 1000 Value	15.4%	Russell 1000 Value	16.5%
Russell Mid Cap Value	8.2%	Russell Mid Cap Value	9.0%
Russell 2000 Growth	5.5%	Russell 2000 Growth	12.5%
Russell 2500	8.3%	Russell 2500	8.5%
S & P 500	13.8%	Russell 3000 Growth	3.9%
S & P Mid Cap 400	7.6%	S & P 500	15.3%
MSCI EAFE	8.9%	S & P Mid Cap 400	9.5%
S & P EPAC Small Cap Index	4.2%	MSCI EAFE	10.1%
Barclays Capital TIPS Index	3.2%	S & P EPAC Small Cap Index	6.2%
Barclays Capital Aggregate	16.8%		
<b>Age-Based Portfolio 9-13</b>		<b>Growth Portfolio</b>	
Russell 1000 Growth	7.9%	Russell 1000 Growth	8.2%
Russell 1000 Value	12.7%	Russell 1000 Value	15.4%
Russell Mid Cap Value	6.1%	Russell Mid Cap Value	8.2%
Russell 2000 Growth	4.3%	Russell 2000 Growth	5.5%
Russell 2500	8.7%	Russell 2500	8.3%
S & P 500	11.5%	S & P 500	13.8%
S & P Mid Cap 400	3.0%	S & P Mid Cap 400	7.6%
MSCI EAFE	7.2%	MSCI EAFE	8.9%
S & P EPAC Small Cap Index	3.7%	S & P EPAC Small Cap Index	4.2%
Barclays G/C 1-5 Years	6.6%	Barclays Capital TIPS Index	3.2%
Barclays Capital TIPS Index	9.0%	Barclays Capital Aggregate	16.8%
Barclays Capital Aggregate	15.5%		
Credit Suisse Leveraged Loan Index	4.0%	<b>Balanced Portfolio</b>	
<b>Age Based Portfolio 14 -15</b>		Russell 1000 Growth	7.9%
Russell 1000 Growth	7.9%	Russell 1000 Value	12.7%
Russell 1000 Value	11.4%	Russell Mid Cap Value	6.1%
Russell Mid Cap Value	6.0%	Russell 2000 Growth	4.3%
Russell 2000 Growth	3.0%	Russell 2500	8.7%
Russell 2500	5.9%	S & P 500	11.5%
S & P 500	8.4%	S & P Mid Cap 400	3.0%
MSCI EAFE	7.6%	MSCI EAFE	7.2%
Barclays G/C 1-5 Years	12.6%	S & P EPAC Small Cap Index	3.7%
Barclays Capital High Yield Index	2.4%	Barclays G/C 1-5 Years	6.6%
Barclays Capital TIPS Index	11.9%	Barclays Capital TIPS Index	9.0%
Barclays Capital Aggregate	18.9%	Barclays Capital Aggregate	15.5%
Credit Suisse Leveraged Loan Index	4.3%	Credit Suisse Leveraged Loan Index	4.0%
<b>Age Based Portfolio 16-17</b>			
Russell 1000 Growth	5.4%		
Russell 1000 Value	8.2%		
Russell Mid Cap Value	3.6%		
Russell 2500	1.8%		
S & P 500	1.2%		
MSCI EAFE	4.7%		
Barclays G/C 1-5 Years	63.8%		
Barclays Capital High Yield Index	3.0%		
Barclays Capital TIPS Index	4.9%		
Credit Suisse Leveraged Loan Index	3.4%		
<b>Age Based Portfolio 18+</b>			
Russell 1000 Growth	3.3%		
Russell 1000 Value	5.7%		
Russell Mid Cap Value	3.1%		
MSCI EAFE	3.0%		
Barclays G/C 1-5 Years	73.0%		
Barclays Capital High Yield Index	3.0%		
Barclays Capital TIPS Index	4.6%		
Credit Suisse Leveraged Loan Index	4.4%		

<b>The Hartford Check And Balances Fund</b>		
S&P 500	33.0%	
Russell 3000	33.0%	
Barclays Capital Aggregate Bond	34.0%	
<b>The Hartford Capital Appreciation Fund</b>		
Russell 2500	60.0%	
S&P 500	40.0%	
<b>MFS Total Return</b>		
S&P 500	60.0%	
Barclays Capital Aggregate Bond	40.0%	

## SMART529 WV Direct Blended Benchmarks

<b>Age-Based Portfolio 0-8</b>		<b>Aggressive Growth Portfolio</b>	
Russell 1000 Growth	8.2%	Russell 1000 Growth	8.5%
Russell 1000 Value	15.4%	Russell 1000 Value	16.5%
Russell Mid Cap Value	8.2%	Russell Mid Cap Value	9.0%
Russell 2000 Growth	5.5%	Russell 2000 Growth	12.5%
Russell 2500	8.3%	Russell 2500	8.5%
S & P 500	13.8%	Russell 3000 Growth	3.9%
S & P Mid Cap 400	7.6%	S & P 500	15.3%
MSCI EAFE	8.9%	S & P Mid Cap 400	9.5%
S & P EPAC Small Cap Index	4.2%	MSCI EAFE	10.1%
Barclays Capital TIPS Index	3.2%	S & P EPAC Small Cap Index	6.2%
Barclays Capital Aggregate	16.8%		
<b>Age-Based Portfolio 9-13</b>		<b>Growth Portfolio</b>	
Russell 1000 Growth	7.9%	Russell 1000 Growth	8.2%
Russell 1000 Value	12.7%	Russell 1000 Value	15.4%
Russell Mid Cap Value	6.1%	Russell Mid Cap Value	8.2%
Russell 2000 Growth	4.3%	Russell 2000 Growth	5.5%
Russell 2500	8.7%	Russell 2500	8.3%
S & P 500	11.5%	S & P 500	13.8%
S & P Mid Cap 400	3.0%	S & P Mid Cap 400	7.6%
MSCI EAFE	7.2%	MSCI EAFE	8.9%
S & P EPAC Small Cap Index	3.7%	S & P EPAC Small Cap Index	4.2%
Barclays G/C 1-5 Years	6.6%	Barclays Capital TIPS Index	3.2%
Barclays Capital TIPS Index	9.0%	Barclays Capital Aggregate	16.8%
Barclays Capital Aggregate	15.5%		
Credit Suisse Leveraged Loan Index	4.0%	<b>Balanced Portfolio</b>	
		Russell 1000 Growth	7.9%
<b>Age Based Portfolio 14 -15</b>		Russell 1000 Value	12.7%
Russell 1000 Growth	7.9%	Russell Mid Cap Value	6.1%
Russell 1000 Value	11.4%	Russell 2000 Growth	4.3%
Russell Mid Cap Value	6.0%	Russell 2500	8.7%
Russell 2000 Growth	3.0%	S & P 500	11.5%
Russell 2500	5.9%	S & P Mid Cap 400	3.0%
S & P 500	8.4%	MSCI EAFE	7.2%
MSCI EAFE	7.6%	S & P EPAC Small Cap Index	3.7%
Barclays G/C 1-5 Years	12.6%	Barclays G/C 1-5 Years	6.6%
Barclays Capital High Yield Index	2.4%	Barclays Capital TIPS Index	9.0%
Barclays Capital TIPS Index	11.9%	Barclays Capital Aggregate	15.5%
Barclays Capital Aggregate	18.9%	Credit Suisse Leveraged Loan Index	4.0%
Credit Suisse Leveraged Loan Index	4.3%		
<b>Age Based Portfolio 16-17</b>		<b>Conservative Balanced Portfolio</b>	
Russell 1000 Growth	5.4%	Russell 1000 Growth	3.3%
Russell 1000 Value	8.2%	Russell 1000 Value	5.7%
Russell Mid Cap Value	3.6%	Russell Mid Cap Value	3.1%
Russell 2500	1.8%	MSCI EAFE	3.0%
S & P 500	1.2%	Barclays G/C 1-5 Years	73.0%
MSCI EAFE	4.7%	Barclays Capital High Yield Index	3.0%
Barclays G/C 1-5 Years	63.8%	Barclays Capital TIPS Index	4.6%
Barclays Capital High Yield Index	3.0%	Credit Suisse Leveraged Loan Index	4.4%
Barclays Capital TIPS Index	4.9%		
Credit Suisse Leveraged Loan Index	3.4%	<b>Conservative Bond Portfolio</b>	
<b>Age Based Portfolio 18+</b>		Barclays Capital TIPS	10.9%
Russell 1000 Growth	3.3%	Barclays Capital GC 1-5 Years	70.0%
Russell 1000 Value	5.7%	Barclays Capital Aggregate	11.6%
Russell Mid Cap Value	3.1%	Barclays Capital High Yield	2.7%
MSCI EAFE	3.0%	Credit Suisse Leveraged Loan	4.8%
Barclays G/C 1-5 Years	73.0%		
Barclays Capital High Yield Index	3.0%		
Barclays Capital TIPS Index	4.6%		
Credit Suisse Leveraged Loan Index	4.4%		

### SMART529 Select Blended Benchmarks

<b>Select Age-Based Portfolio 0-3</b>		<b>Select Aggressive Growth Portfolio</b>	
Russell 3000	75%	Russell 3000	75%
MSCI EAFE	20%	MSCI EAFE	20%
MSCI Emerging Markets	5%	MSCI Emerging Markets	5%
<b>Select Age-Based Portfolio 4-6</b>		<b>Select Moderately Aggressive Portfolio</b>	
Russell 3000	70%	Russell 3000	70%
MSCI EAFE	16%	MSCI EAFE	16%
MSCI Emerging Markets	4%	MSCI Emerging Markets	4%
Barclays Capital Interm. Gov't.	5%	Barclays Capital Interm. Gov't.	5%
Barclays Capital Aggregate	5%	Barclays Capital Aggregate	5%
<b>Select Age-Based Portfolio 7-9</b>		<b>Select Growth Portfolio</b>	
Russell 3000	61%	Russell 3000	61%
MSCI EAFE	16%	MSCI EAFE	16%
MSCI Emerging Markets	3%	MSCI Emerging Markets	3%
Barclays Capital Interm. Gov't.	10%	Barclays Capital Interm. Gov't.	10%
Barclays Capital Aggregate	5%	Barclays Capital Aggregate	5%
Merrill 1-3 US Gov't.	5%	Merrill 1-3 US Gov't.	5%
<b>Select Age-Based Portfolio 10-12</b>		<b>Select Moderate Growth Portfolio</b>	
Russell 3000	52%	Russell 3000	52%
MSCI EAFE	13%	MSCI EAFE	13%
Barclays Capital Interm. Gov't.	15%	Barclays Capital Interm. Gov't.	15%
Barclays Capital Aggregate	10%	Barclays Capital Aggregate	10%
Merrill 1-3 US Gov't.	5%	Merrill 1-3 US Gov't.	5%
90 Day T-Bills	5%	90 Day T-Bills	5%
<b>Select Age-Based Portfolio 13-15</b>		<b>Select Balanced Portfolio</b>	
Russell 3000	40%	Russell 3000	40%
MSCI EAFE	10%	MSCI EAFE	10%
Barclays Capital Interm. Gov't.	20%	Barclays Capital Interm. Gov't.	20%
Barclays Capital Aggregate	10%	Barclays Capital Aggregate	10%
Merrill 1-3 US Gov't.	10%	Merrill 1-3 US Gov't.	10%
90 Day T-Bills	10%	90 Day T-Bills	10%
<b>Select Age-Based Portfolio 16-18</b>		<b>Select Moderately Conservative Portfolio</b>	
Russell 3000	28%	Russell 3000	28%
MSCI EAFE	7%	MSCI EAFE	7%
Barclays Capital Interm. Gov't.	25%	Barclays Capital Interm. Gov't.	25%
Barclays Capital Aggregate	15%	Barclays Capital Aggregate	15%
Merrill 1-3 US Gov't.	10%	Merrill 1-3 US Gov't.	10%
90 Day T-Bills	15%	90 Day T-Bills	15%
<b>Select Age-Based Portfolio 19+</b>		<b>Select Conservative Portfolio</b>	
Russell 3000	16%	Russell 3000	16%
MSCI EAFE	4%	MSCI EAFE	4%
Barclays Capital Interm. Gov't.	30%	Barclays Capital Interm. Gov't.	30%
Barclays Capital Aggregate	20%	Barclays Capital Aggregate	20%
Merrill 1-3 US Gov't.	10%	Merrill 1-3 US Gov't.	10%
90 Day T-Bills	20%	90 Day T-Bills	20%

<b>Select All-Equity Portfolio</b>	
Russell 3000	75%
MSCI EAFE	10%
MSCI Emerging Markets	15%
<b>Select Fixed Income Portfolio</b>	
Barclays Capital Aggregate	60%
Merrill 1-3 US Gov't.	20%
90 Day T-Bills	20%