

West Virginia College Prepaid Tuition and Savings Program  
A Program of the State of West Virginia  
Quarterly Status Report  
Period Ending March 31, 2011  
Third Quarter FY2011



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 March 31, 2011**

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

During the quarter, the SMART529 Savings Plan added 3,129 new accounts, and received \$63,649,971 in contributions. At the end of the quarter, SMART529 WV Direct investments totaled \$113,483,685. The SMART529 Select Plan's assets were \$223,289,286, and The Hartford SMART529 Plan had \$1,210,872,878 in assets under management, for a total of \$1,547,645,850 SMART529 Savings Plan assets. Of the 111,542 accounts nationwide, 21,133 were West Virginia resident accounts, with a value of \$255,246,769.

In March 2003, the West Virginia Legislature created the Prepaid Tuition Trust Escrow Account, to guarantee payment of the West Virginia Prepaid Tuition Plan (the Plan) contracts, and suspended further enrollments in the Plan. The Plan ended the 2011 third quarter with 6,121 active accounts, and trust fund assets valued at \$85,257,346. During the quarter, the Prepaid Tuition Trust disbursed more than 770 qualified tuition benefit distributions totaling more than \$1,900,000, and received regular contract installment payments of \$168,640. Prepaid Tuition Trust Fund investments earned \$2,863,239 during the third quarter of 2011.

From January through March 31, 2011, Treasury employees staffed sponsorships and information booths at the Big Atlantic Classic Basketball Tournament (Beckley), the West Virginia School Guidance Counselor Conference (Charleston), the Pepsi Bottling Health Fair (Nitro), several Imagination Library events (Man, Chapmanville, Logan), the Gazette Mail Regional Spelling Bee (South Charleston), the Sharon Dawes Elementary School Fair (Miami), and a 457 Meeting for Payroll Coordinators (South Charleston).

Treasurer Perdue kicked off the "When I Grow Up" essay contest in January at Overbrook Elementary in Charleston. The essay contest launch was moved from September to January at the recommendation of educators who indicated the contest could be used as a pre-test for the yearend WESTEST administered in all third through eleventh grade classrooms. With the assistance of elementary school teachers, lesson plans were also created for each grade level to encourage participation in the essay contest. New to "When I Grow Up" this year was a

teacher’s essay contest. Teachers submitted essays explaining the manner in which the lesson plans would be implemented in their classroom.

Other marketing efforts this quarter included a direct mail piece sent to 60,000 West Virginia households announcing the “When I Grow Up” essay contest. In addition, a post-card was mailed to a purchased list of West Virginia elementary school teachers providing them with information about both essay contests, and referring them to the Program’s website for further resources and contest forms.

In February, the Program’s quarterly status report was distributed to the Chairs of the Joint Committee on Government and Finance, and the Legislative Oversight Commission on Education Accountability, consistent with S.B. 477 (amending §4-1-23), requiring the submission of reports through the Legislative Librarian.

### Prepaid Tuition Trust Fund Escrow Account Summary

	Quarter Ended <u>December 31, 2010</u>	Quarter Ended <u>March 31, 2011</u>	Fiscal Year to Date
Market Value	\$13,919,812	\$13,981,918	\$13,981,918
Change from previous quarter/year	\$1,044,675	\$62,106	\$1,217,474

### 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, December 31, 2010	\$1,012,324
Administrative charges to the Prepaid Tuition Trust Fund	-
Receipts from Savings Plan Trust (WV Administrative Charge)	429,372
Disbursements to pay expenses	<u>(252,155)</u>
Ending Balance, March 31, 2011	\$1,189,540

# Operating Report

## For the Quarter Ending March 31, 2011

Cash & Investments		Rates of Return	
<b>Prepaid Tuition Trust Fund</b>	\$ 85,257,346	<b>Prepaid Tuition Trust Fund</b>	
<b>Savings Plan Trust Fund</b>	\$ 1,547,645,850	Ending Quarter	3.55%
<b>Administrative Account</b>	\$ 1,189,540	FY2011 To Date	17.82%
		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	\$ 168,640	\$ 63,649,971	\$ -
Investment earnings (loss)	2,863,239	-	-
Legislative appropriations	-	-	36,073
Treasurer's subsidy	-	-	-
Savings Plan admin. fees	-	-	393,299
<b>Total Receipts</b>	<b>3,031,879</b>	<b>63,649,971</b>	<b>429,372</b>
Expenses/Fees	-	(5,256,545)	(252,155)
Cancellations/Rollovers	(91,947)	(9,248,655)	-
Regular distributions	(2,290,696)	(14,570,733)	-
<b>Total Disbursements</b>	<b>(2,382,643)</b>	<b>(29,075,933)</b>	<b>(252,155)</b>
Net change	649,236	93,833,121	177,217
Beginning cash & investments	84,608,110	1,453,812,729	1,012,323
<b>Ending cash &amp; investments</b>	<b>\$ 85,257,346</b>	<b>\$ 1,547,645,850</b>	<b>\$ 1,189,540</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	\$ 1,505	\$ 3,800	\$ (2,295)
Printing & binding expense	88	1,048	(960)
Telecommunications	4,832	5,104	(272)
Cellular charges	540	360	180
Travel expense	32,682	23,748	8,934
Miscellaneous advertising expense	3,012	8,995	(5,983)
Hospitality expense	301	514	(213)
Building rental expense	2,935	5,383	(2,448)
Machine rental expense	-	25	(25)
Miscellaneous expense	725	61	664
Training & development	117	1,510	(1,393)
Postage & freight expense	1,149	1,702	(553)
Salaries & wages	227,594	221,896	5,698
Benefits	72,227	61,130	11,097
Computer services & supplies	3,678	2,022	1,656
Computer equipment	-	1,795	(1,795)
Computer software	4,073	399	3,674
Vehicle rental	-	266	(266)
Vehicle maintenance	-	842	(842)
Vehicle fuel charges	-	1,117	(1,117)
Maintenance contracts	2,846	795	2,051
Dues & subscriptions	4,100	4,750	(650)
<b>Contractual &amp; Professional:</b>			
Actuarial expense	21,868	20,077	1,791
Marketing & advertising	16,401	2,697	13,704
Miscellaneous contractual	1,859	1,837	22
Investment consultant	135,000	135,000	-
Records administration	66,529	47,276	19,253
External auditor	67,000	66,000	1,000
<b>Total disbursements</b>	<b>\$ 671,061</b>	<b>\$ 620,149</b>	<b>\$ 50,912</b>

**Source of Disbursements**

<b>Source</b>			
Appropriations	\$ 101,028	\$ 135,396	\$ (34,368)
Treasurer's Office subsidy	2,220	8,829	(6,609)
Administrative Account:			
Prepaid Tuition Trust	-	-	-
Savings Plan Trust	567,813	475,924	91,889
<b>Total</b>	<b>\$ 671,061</b>	<b>\$ 620,149</b>	<b>\$ 50,912</b>

## Program Active Accounts - Summary

Activity	Prepaid Tuition Plan			Savings Plan		
	Last Quarter	This Quarter	FYTD	Last Quarter	This Quarter	FYTD
<b>Beginning</b>	6,428	6,301		107,518	109,659	
New/Redefined	-	-	-	3,218	3,129	9,192
Full Distribution	(104)	(169)	(335)	(500)	(496)	(1,883)
Cancelled	(23)	(11)	(34)	(242)	(322)	(935)
Internal Rollover	-	-	-	-	-	-
External Rollover	-	-	-	(335)	(428)	(1,002)
<b>Ending</b>	<b>6,301</b>	<b>6,121</b>		<b>109,659</b>	<b>111,542</b>	

## Prepaid Tuition Plan – Account Status Detail

Status	Last Quarter	This Quarter
Mature, not in payout	534	1,051
Mature, payout in process	2,033	1,875
Not mature yet	3,734	3,195
<b>Active Accounts Sub-Total</b>	<b>6,301</b>	<b>6,121</b>
Depleted	1,555	1,724
Cancelled / rolled over	1,881	1,892
<b>Closed Accounts Sub-Total</b>	<b>3,436</b>	<b>3,616</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>	107,518	109,659	106,170	
New accounts	3,218	3,129	9,192	137,623
Closed	(1,077)	(1,246)	(3,820)	(24,578)
<b>Ending Active Accounts</b>	<b>109,659</b>	<b>111,542</b>	<b>111,542</b>	

<b>Beginning Balance</b>	\$ 1,318,391,487	\$ 1,453,812,729	\$ 1,194,395,906	
<b>Contributions</b>	63,135,635	63,649,971	178,580,502	\$ 1,649,610,788
<b>Distributions:</b>				
Cancellations/Rollovers	(7,072,195)	(9,248,655)	(21,971,696)	
Regular Distributions	(18,802,760)	(14,570,733)	(61,085,809)	
<b>Total Distributions</b>	<b>(25,874,956)</b>	<b>(23,819,388)</b>	<b>(83,057,505)</b>	<b>(411,164,505)</b>
<b>Fees &amp; Charges:</b>				
Up-Front Sales Charge	(992,118)	(989,750)	(2,799,662)	(29,623,474)
Deferred Sales Charge	(40,064)	(29,933)	(116,439)	(838,700)
Broker Distribution Charge	(1,216,584)	(1,255,571)	(3,595,928)	(26,504,424)
Annual Maintenance Fee	(1,147,350)	(22,012)	(1,193,737)	(6,180,040)
Investment Mgmt Charges	(1,796,451)	(1,896,862)	(5,302,811)	(35,580,928)
Hartford Administrative Fee	(734,772)	(785,121)	(2,180,708)	(14,335,701)
WV Administrative Fee	(232,707)	(246,171)	(689,249)	(5,246,357)
Cancellation Fee	(18,400)	(31,125)	(67,975)	(637,206)
<b>Total Fees &amp; Charges</b>	<b>(6,178,446)</b>	<b>(5,256,545)</b>	<b>(15,946,509)</b>	<b>(118,946,829)</b>
<b>Change in Investment Value</b>	<b>\$ 104,339,008</b>	<b>\$ 59,259,083</b>	<b>\$ 273,673,455</b>	<b>\$ 430,933,844</b>
<b>Ending Balance</b>	<b>\$ 1,453,812,729</b>	<b>\$ 1,547,645,850</b>	<b>\$ 1,547,645,850</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	\$ 182,361,434	\$18,748,880	\$ -	\$ 201,110,314
9-13	210,647,175	18,471,464	-	229,118,638
14-15	81,082,940	6,468,358	-	87,551,298
16-17	79,504,462	7,663,105	-	87,167,567
18+	76,469,863	8,867,913	-	85,337,776
DFA 0-3	-	-	12,318,036	12,318,036
DFA 4-6	-	-	20,966,892	20,966,892
DFA 7-9	-	-	20,772,247	20,772,247
DFA 10-12	-	-	18,251,287	18,251,287
DFA 13-15	-	-	17,693,678	17,693,678
DFA 16-18	-	-	10,677,793	10,677,793
DFA 19+	-	-	4,422,330	4,422,330
<b>TOTAL</b>	<b>\$ 630,065,874</b>	<b>\$ 60,219,719</b>	<b>\$ 105,102,264</b>	<b>\$ 795,387,857</b>
<b>Static Portfolios</b>				
Static Agg Growth	\$ 59,434,412	\$ 16,086,458	-	75,520,871
Static Growth	84,914,345	12,516,374	-	97,430,720
Static Balanced	48,733,505	8,406,307	-	57,139,812
Static Checks & Bal	26,998,848	-	-	26,998,848
Static Cnsv Balanced	9,945	2,056,807	-	2,066,752
Static Cnsv Bond	-	1,745,506	-	1,745,506
All Equity DFA	-	-	\$ 50,319,688	50,319,688
Agg Growth DFA	-	-	18,562,080	18,562,080
Moderate Agg DFA	-	-	6,031,093	6,031,093
Growth DFA	-	-	14,839,360	14,839,360
Moderate Grw DFA	-	-	8,444,425	8,444,425
Balanced DFA	-	-	5,673,550	5,673,550
Conservative DFA	-	-	3,065,668	3,065,668
Moderate Cnsv DFA	-	-	2,812,674	2,812,674
Fixed Income DFA	-	-	5,550,611	5,550,611
1-Year Fixed DFA	-	-	2,887,873	2,887,873
<b>TOTAL</b>	<b>\$ 220,091,055</b>	<b>\$ 40,811,452</b>	<b>\$ 118,187,023</b>	<b>\$ 379,089,530</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	\$ 107,143,582	\$ -	\$ -	\$ 107,143,582
Hartford Dividend & Growth	61,045,865	-	-	61,045,865
Hartford Equity Income	10,814,525	-	-	10,814,525
Hartford Growth Opportunities Fund	4,752,709	-	-	4,752,709
Hartford High Yield	6,902,287	-	-	6,902,287
Hartford Inflation Plus	8,827,958	-	-	8,827,958
Hartford Intl Opportunities Fund	9,033,549	-	-	9,033,549
Hartford MidCap	48,909,534	-	-	48,909,534
Hartford MidCap Value	7,673,643	-	-	7,673,643
Hartford Small Company Fund	4,693,805	-	-	4,693,805
Hartford Total Return Bond	23,234,501	-	-	23,234,501
Hartford Value Fund	1,449,793	-	-	1,449,793
Goldman Sachs Lg Cap Value	568,036	-	-	568,036
MFS Total Return	724,865	-	-	724,865
MFS Value	474,652	-	-	474,652
MFS Global Equity Fund	10,143,311	-	-	10,143,311
SMART529 500 Index Fund	-	3,379,077	-	3,379,077
<b>TOTALS</b>	<b>\$ 306,392,614</b>	<b>\$ 3,379,077</b>	<b>\$ -</b>	<b>\$ 309,771,692</b>
<b>Stable Value Funds</b>				
SMART529 Stable Value	\$ 54,323,335	\$ 9,073,436		\$ 63,396,771
<b>TOTALS</b>	<b>\$ 54,323,335</b>	<b>\$ 9,073,436</b>		<b>\$ 63,396,771</b>
<b>GRAND TOTALS</b>	<b>\$ 1,210,872,878</b>	<b>\$ 113,483,685</b>	<b>\$223,289,286</b>	<b>\$1,547,645,850</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	\$ 756,573,746	\$ -	\$ -	49%
B Shares	176,081,423	-	-	11%
C Shares	189,503,830	-	-	12%
D Shares	-	113,483,685	223,289,286	22%
E Shares	88,713,879	-	-	6%
<b>Total</b>	<b>\$ 1,210,872,878</b>	<b>\$ 113,483,685</b>	<b>\$ 223,289,286</b>	<b>100%</b>

## Contributions & Accounts by Channel

Channel	Total Contributions		New Accounts	
	Quarter	Inception To Date	Quarter	Inception To Date
Advisor	\$ 41,649,998	\$ 1,312,962,561	2,325	119,190
Direct	21,999,973	336,648,228	804	18,433
<b>Total</b>	<b>\$ 63,649,971</b>	<b>\$ 1,649,610,789</b>	<b>3,129</b>	<b>137,623</b>

## New Account Activity By Channel WV Owner or Beneficiary

Quarter	Contributions by Channel			Accounts by Channel		
	Advisor	Direct	Total	Advisor	Direct	Total
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

## 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	574,521	65	17,424,375	1,960
BB&T Investment Services Inc	589,827	53	19,092,186	1,814
Chase Investment Services Corp	318,428	23	4,557,250	606
Morgan Stanley Smith Barney	341,526	20	11,627,670	619
Merrill Lynch	312,370	20	2,473,471	260
Uvest Financial Services	37,330	20	2,408,449	235
First Clearing Corporation	496,924	18	14,284,182	1,119
AXA Advisors Llc	101,088	12	1,065,191	132
Woodbury Financial Services	232,524	12	2,676,172	357
Northwestern Mutual Investment Ser	104,816	11	1,252,679	180

## Top 10 Investing Firms – Nationwide

Firm Ordered by "New Accounts" for quarter	Quarter		Since Inception	
	Investment \$	New Accounts	Total Investment \$	Accounts
Edward Jones	14,278,430	1,232	352,021,163	31,143
First Clearing Corporation	2,458,999	97	64,120,277	7,365
LPL Financial Corporation	1,350,942	83	44,170,888	4,439
BB&T Investment Services Inc	923,876	81	42,625,174	3,798
Woodbury Financial Services	1,443,336	75	56,724,847	4,396
Morgan Stanley Smith Barney Llc	3,395,009	73	42,084,680	1,584
Raymond James Financial Services	1,081,415	65	33,222,201	2,716
Chase Investment Services Corp	648,175	53	5,845,311	803
Huntington Investment Co	435,726	48	21,005,913	2,208
Uvest Financial Services	350,515	45	18,748,138	1,483

## Top 10 Investing States

State By residence of account owner	Quarter		Since Inception	
	Investment \$	Percent	Investment \$	Percent
West Virginia	11,014,839	17.31%	280,506,975	17.00%
<i>Direct (D)</i>	5,577,291	8.76%	131,781,276	7.99%
<i>Broker (ABCE)</i>	5,437,547	8.54%	148,725,699	9.01%
California	8,758,401	13.76%	166,640,568	10.10%
Texas	5,210,265	8.19%	123,754,972	7.50%
North Carolina	2,441,514	3.84%	97,683,680	5.92%
Florida	2,020,014	3.17%	60,686,356	3.68%
Illinois	1,450,114	2.28%	60,222,258	3.65%
Minnesota	1,690,420	2.66%	58,221,917	3.53%
Pennsylvania	3,117,874	4.90%	56,610,169	3.43%
Connecticut	1,316,557	2.07%	53,148,569	3.22%
Tennessee	1,632,360	2.56%	53,002,687	3.21%

## 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	\$ 568,083	\$ -	\$ 568,083	46,036
Hartford Small Cap Growth	38,561,515	-	38,561,515	1,096,744
Hartford Growth Opps	7,727,791	-	7,727,791	254,455
Hartford Small Co	6,929,018	-	6,929,018	293,976
Hartford High Yield	14,164,209	-	14,164,209	1,881,037
Hartford Capital Apprec	220,489,454	-	220,489,454	5,724,025
Hartford MidCap	87,189,441	-	87,189,441	3,362,493
Hartford Total Return Bond	124,313,755	-	124,313,755	11,694,615
Hartford Dividend Growth	122,155,517	-	122,155,517	6,005,679
Hartford International Opps	76,856,174	-	76,856,174	4,839,809
Hartford Value	117,810,143	-	117,810,143	9,784,896
Hartford Fundamental Growth	67,976,159	-	67,976,159	5,522,028
Hartford MidCap Value	67,224,763	-	67,224,763	5,159,230
Hartford Intl Small Company	27,808,048	-	27,808,048	2,043,207
Hartford Floating Rate	22,053,444	-	22,053,444	2,466,828
Hartford Inflation Plus	63,001,886	-	63,001,886	5,464,171
Hartford Corporate Opportunity	18,908,276	-	18,908,276	1,908,000
Hartford Equity Income	10,816,316	-	10,816,316	798,842
MFS Total Return	723,546	-	723,546	49,762
MFS Value	474,589	-	474,589	19,684
MFS Global Equity	10,140,205	-	10,140,205	406,258
Vanguard 500 Index Fund	3,377,560	-	3,377,560	33,481
Invesco Stable Value	213,465,744	-	213,465,744	14,933,734
DFA International Core Equity	-	32,196,155	32,196,155	2,751,808
DFA US Core Equity 2	-	126,722,927	126,722,927	10,739,231
DFA Emerging Markets Core	-	7,777,269	7,777,269	348,913
DFA One Year Fixed Income	-	11,692,184	11,692,184	1,131,867
DFA Two Year Global	-	9,169,796	9,169,796	901,652
DFA Intermediate Govt	-	20,209,598	20,209,598	1,653,813
DFA Five Yr Global Bond	-	15,489,918	15,489,918	1,419,791
<b>Total Market Value</b>	<b>\$ 1,322,735,638</b>	<b>\$ 223,257,846</b>	<b>\$ 1,545,993,484</b>	

Cash & Investments	\$ 1,547,645,850
Assets in Underlying Funds	\$ 1,545,993,484
Difference due to market timing/seed money	\$ 1,652,366

## West Virginia Resident versus Non West Virginia Resident

	WV				Non WV				Total of All	
	\$	%	#	%	\$	%	#	%	\$	#
<b>Owner Type</b>										
Regular	248,849,711	97%	20,704	98%	1,252,405,680	97%	87,623	97%	1,501,255,392	108,327
Custodial (UGMA/UTMA)	6,397,058	3%	429	2%	39,993,400	3%	2,786	3%	46,390,458	3,215
<b>Total</b>	<b>255,246,769</b>	<b>100%</b>	<b>21,133</b>	<b>100%</b>	<b>1,292,399,080</b>	<b>100%</b>	<b>90,409</b>	<b>100%</b>	<b>1,547,645,850</b>	<b>111,542</b>
<b>Account Balance</b>										
\$0-\$500	504,071	0%	2,057	10%	1,432,698	0%	4,371	5%	1,936,769	6,428
\$500-\$1,000	1,297,592	1%	1,762	8%	4,229,991	0%	5,682	6%	5,527,583	7,444
\$1,000-\$2,500	6,218,265	2%	3,706	17%	21,761,033	2%	12,945	14%	27,979,298	16,651
\$2,500-\$5,000	12,649,708	5%	3,474	16%	53,858,181	4%	14,638	16%	66,507,888	18,112
\$5,000-\$10,000	26,676,220	10%	3,760	18%	133,395,806	10%	18,627	20%	160,072,027	22,387
\$10,000-\$25,000	58,156,124	23%	3,717	17%	313,703,803	24%	20,071	22%	371,859,927	23,788
\$25,000-\$50,000	54,961,284	22%	1,590	7%	292,833,109	23%	8,461	9%	347,794,393	10,051
\$50,000-\$100,000	54,337,262	21%	790	4%	293,384,684	23%	4,330	5%	347,721,946	5,120
\$100,000-\$200,000	31,192,654	12%	239	1%	157,554,680	12%	1,201	1%	188,747,333	1,440
\$200,000+	9,253,590	4%	38	0%	20,245,096	2%	83	0%	29,498,686	121
<b>Total</b>	<b>255,246,769</b>	<b>100%</b>	<b>21,133</b>	<b>100%</b>	<b>1,292,399,080</b>	<b>100%</b>	<b>90,409</b>	<b>99%</b>	<b>1,547,645,850</b>	<b>111,542</b>
<b>Age of Beneficiary</b>										
<1	775,833	0%	333	2%	4,138,785	0%	919	1%	4,914,618	1,252
1	2,255,568	1%	634	3%	10,748,397	1%	1,935	2%	13,003,964	2,569
2	4,394,074	2%	828	4%	18,031,730	1%	2,299	3%	22,425,804	3,127
3	6,696,166	3%	1,182	6%	27,180,257	2%	3,113	3%	33,876,423	4,295
4	7,949,474	3%	1,256	6%	38,605,883	3%	3,746	4%	46,555,357	5,002
5	9,968,308	4%	1,376	7%	47,645,954	4%	4,532	5%	57,614,263	5,908
6	12,193,002	5%	1,292	6%	58,680,070	5%	5,213	6%	70,873,072	6,505
7	12,731,871	5%	1,344	6%	73,280,230	6%	5,940	7%	86,012,101	7,284
8	14,438,667	6%	1,254	6%	77,688,556	6%	5,884	7%	92,127,223	7,138
9	13,708,184	5%	1,254	6%	80,073,576	6%	5,755	6%	93,781,761	7,009
10	14,323,639	6%	1,119	5%	83,478,898	6%	5,558	6%	97,802,536	6,677
11	14,543,689	6%	1,111	5%	80,550,228	6%	5,233	6%	95,093,918	6,344
12	14,031,057	5%	1,039	5%	81,958,693	6%	5,107	6%	95,989,750	6,146
13	14,306,940	6%	922	4%	82,306,831	6%	4,818	5%	96,613,771	5,740
14	16,006,197	6%	953	5%	80,441,019	6%	4,722	5%	96,447,216	5,675
15	14,225,548	6%	851	4%	82,296,500	6%	4,563	5%	96,522,048	5,414
16	16,439,204	6%	855	4%	80,332,375	6%	4,142	5%	96,771,579	4,997
17	15,153,074	6%	729	3%	79,809,336	6%	3,880	4%	94,962,410	4,609
18	14,800,982	6%	657	3%	66,888,158	5%	3,349	4%	81,689,140	4,006
19	11,223,019	4%	550	3%	48,997,547	4%	2,662	3%	60,220,566	3,212
20	7,307,759	3%	456	2%	32,595,334	3%	2,001	2%	39,903,093	2,457
21	5,633,706	2%	350	2%	20,481,975	2%	1,344	1%	26,115,681	1,694
22	3,230,058	1%	199	1%	10,460,703	1%	758	1%	13,690,761	957
23+	8,910,750	3%	589	3%	25,728,044	2%	2,936	3%	34,638,794	3,525
<b>Total</b>	<b>255,246,769</b>	<b>100%</b>	<b>21,133</b>	<b>100%</b>	<b>1,292,399,080</b>	<b>100%</b>	<b>90,409</b>	<b>100%</b>	<b>1,547,645,850</b>	<b>111,542</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	132,460,789	52%	12,059	57%	1,078,412,089	83%	82,913	92%	1,210,872,878	94,972
WV Direct	105,096,060	41%	8,174	39%	8,387,625	1%	501	1%	113,483,685	8,675
Select	17,689,920	7%	900	4%	205,599,366	16%	6,995	8%	223,289,286	7,895
<b>Total</b>	<b>255,246,769</b>	<b>100%</b>	<b>21,133</b>	<b>100%</b>	<b>1,292,399,080</b>	<b>100%</b>	<b>90,409</b>	<b>100%</b>	<b>1,547,645,850</b>	<b>111,542</b>
<b>By Payment Method</b>										
Auto Invest	69,384,929	27%	6,974	33%	304,696,281	24%	24,410	27%	374,081,210	31,384
Check	185,861,840	73%	14,159	67%	987,702,799	76%	65,999	73%	1,173,564,640	80,158
<b>Total</b>	<b>255,246,769</b>	<b>100%</b>	<b>21,133</b>	<b>100%</b>	<b>1,292,399,080</b>	<b>100%</b>	<b>90,409</b>	<b>100%</b>	<b>1,547,645,850</b>	<b>111,542</b>
<b>By Portfolio*</b>										
Age Based Portfolio	138,908,790	54%	14,080	60%	656,479,067	51%	51,487	53%	795,387,857	65,567
Individual Funds	41,717,403	16%	3,708	16%	326,304,430	25%	23,932	25%	368,021,833	27,640
Static Portfolio	74,620,576	29%	5,865	25%	309,615,584	24%	21,949	23%	384,236,160	27,814
<b>Total</b>	<b>255,246,769</b>	<b>100%</b>	<b>23,653</b>	<b>100%</b>	<b>1,292,399,080</b>	<b>100%</b>	<b>97,368</b>	<b>100%</b>	<b>1,547,645,850</b>	<b>121,021</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	312	39%	177	8%	489	16%
Paper	481	61%	2,159	92%	2,640	84%
<b>Total</b>	<b>793</b>	<b>100%</b>	<b>2,336</b>	<b>100%</b>	<b>3,129</b>	<b>100%</b>
<b>By Channel</b>						
Advisor	387	49%	1,843	79%	2,230	71%
Direct	406	51%	493	21%	899	29%
<b>Total</b>	<b>793</b>	<b>100%</b>	<b>2,336</b>	<b>100%</b>	<b>3,129</b>	<b>100%</b>
<b>By Product</b>						
The Hartford	387	49%	1,843	79%	2,230	71%
Select	60	8%	492	21%	552	18%
WV Direct	346	44%	1	0%	347	11%
<b>Total</b>	<b>793</b>	<b>100%</b>	<b>2,336</b>	<b>100%</b>	<b>3,129</b>	<b>100%</b>

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

## **Investment Performance Report Period Ending March 31, 2011**

**Prepared by  
Callan Associates Inc.**



# Market Environment

Period Ending March 31, 2011

## U.S. Equity

### Active vs. the Index

With the nuclear crisis in Japan and continued political turmoil in North Africa and the Middle East in the first quarter of 2011, conditions seemed right for a significant dip in the domestic equity market. However, U.S. stocks were able to overcome these events and post positive returns for the third consecutive quarter. The S&P 500 managed its largest first quarter percentage gain since 1998 with a return of 5.92% for the quarter ended March 31, 2011. The median Large Cap Core manager posted a 6.43% return, 51 basis points ahead of the S&P 500 Index return. The median Mid Cap Broad manager, however, fell well below its benchmark, yielding an 8.10% return for the quarter, 126 basis points behind the S&P Mid Cap's return of 9.36%. The median Small Cap Growth Manager was again the highest performer for the quarter with a return of 10.40%, besting its benchmark, the S&P 600 Growth index, by 126 basis points. For the year ended March 31, 2011, the median Large Cap Core manager (15.41%) and the median Mid Cap Broad manager (25.21%) both underperformed their respective benchmarks, the S&P 500 (15.65%) and the S&P Mid Cap (26.95%). The median Small Cap manager (28.58%), however, managed to beat its benchmark, the S&P 600 (25.27%), by 331 basis points.

### Large Cap vs. Small Cap

Small and Mid Cap funds continued their superiority over Large Cap funds in the first quarter of 2011. Returns for median Small and Mid Cap managers ranged from 7.55% (Mid Cap Value) to 10.40% (Small Cap Growth), whereas returns for the median Large Cap managers ranged from 6.03% (Large Cap Growth) to 6.84% (Large Cap Value). The benchmarks reflected this tilt as the S&P 600 and the S&P Mid Cap indexes posted returns of 7.71% and 9.36%, respectively. Small and Mid Cap funds were also ahead of Large Cap funds for the previous twelve months. The median Small Cap Broad manager returned 28.58%, 1,317 basis points ahead of the median Large Cap Core manager's return of 15.41%. The S&P 600 yielded a return of 25.27% for the same period, well ahead of the S&P 500's return of 15.65%.

### Growth vs. Value

For the first quarter of 2011, growth stocks were more favorable than value stocks for Small and Mid Cap funds, but the opposite was true for Large Cap funds. The median Small Cap Growth fund returned 10.40%, 282 basis points ahead of the median Small Cap Value fund's return of 7.58%. Similarly, the Mid Cap Growth manager outperformed the Mid Cap Value manager, posting an 8.13% return, 58 basis points ahead of the 7.55% Mid Cap Value return. However, the median Large Cap Growth manager yielded a 6.03% return, which fell short of the median Large Cap Value manager's return of 6.84%. All growth funds significantly outperformed their value fund counterparts over the year ended March 31, 2011. The biggest spread difference came from Small Cap with the median Small Cap Growth manager returning an impressive 31.53% return, 753 basis points ahead of the median Small Cap Value manager's return of 24.00%.

## International Equity

### Active vs. the Index

International Equity markets were generally positive during the first quarter of 2011 with high variability among specific regions and countries. Markets in North Africa and the Middle East were significantly affected by geopolitical troubles, while Japan was shaken by a natural disaster and an ongoing nuclear crisis. For the quarter ended March 31, 2011, the MSCI ACW Ex-US was up 3.49%, Europe leading the way with a median manager return of 6.08%, while the median Japan manager was down 3.77%. For the one year ended March 31, 2011, the median Emerging Markets manager led all groups returning 18.28%.

### Europe

European stocks led all developed markets even with the continuing government debt crisis. During the first quarter, Portugal evolved as the biggest worry for many investors as it was expected to be the next European country to require an emergency bailout. Unlike the decline of the euro during the Greece

bailout, the euro gained 6% in the first quarter against the U.S. dollar. For the quarter ended March 31, 2011, the median manager gained 6.08%, trailing the MSCI Europe Index by 38 basis points. For the one year ended March 31, 2011, the median manager bested the index by 1.95%.

### **Pacific**

Pacific region markets were down largely because of the natural disaster and nuclear crisis in Japan. In Australia, the market made modest gains led by large mining companies despite the disastrous flooding that devastated several Australian regions. For the quarter ended March 31, 2011, the median Pacific Basin manager was down 0.67%, while the MSCI Pacific Index had a loss of 2.03%. For the twelve months ended March 31, 2011, the median manager (12.63%) bested the MSCI Pacific Index (6.87%) by 5.76%.

### **Emerging Markets**

Emerging Markets performance varied widely with double digit losses in Egypt and Peru that were attributable to political and civil unrest. In contrast, Russia posted double digit gains due to rising oil prices and not being located in the Middle East. As a whole, Emerging Market stock returns lagged during the quarter primarily due to growing inflation concerns about rising oil and food prices. For the quarter ended March 31, 2011, returns were positive for the median manager at 1.22%, trailing the MSCI Emerging Markets Index return of 2.10%. For the one year ended March 31, 2011, the median manager yielded 18.28%, slightly underperforming the index's return of 18.78%.

## **Fixed Income**

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

Despite significant unrest and instability in the Middle East, a devastating earthquake and threat of nuclear disaster in Japan, and the re-emergence of sovereign debt concerns in Europe, the domestic fixed-income markets were generally optimistic in the first quarter of 2011. The domestic fixed-income performance seen in the quarter is likely to be attributed to an improved outlook for the U.S. economy and the notion that further quantitative easing may no longer be necessary. The median Core Bond Fund posted a return of 0.75%, which outperformed the Barclays Capital Aggregate Index by 33 basis points. For the year ended March 31, 2011, the median fund finished ahead of the index with a return of 6.04%, 92 basis points ahead of the Barclays Capital Aggregate return of 5.12%.

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

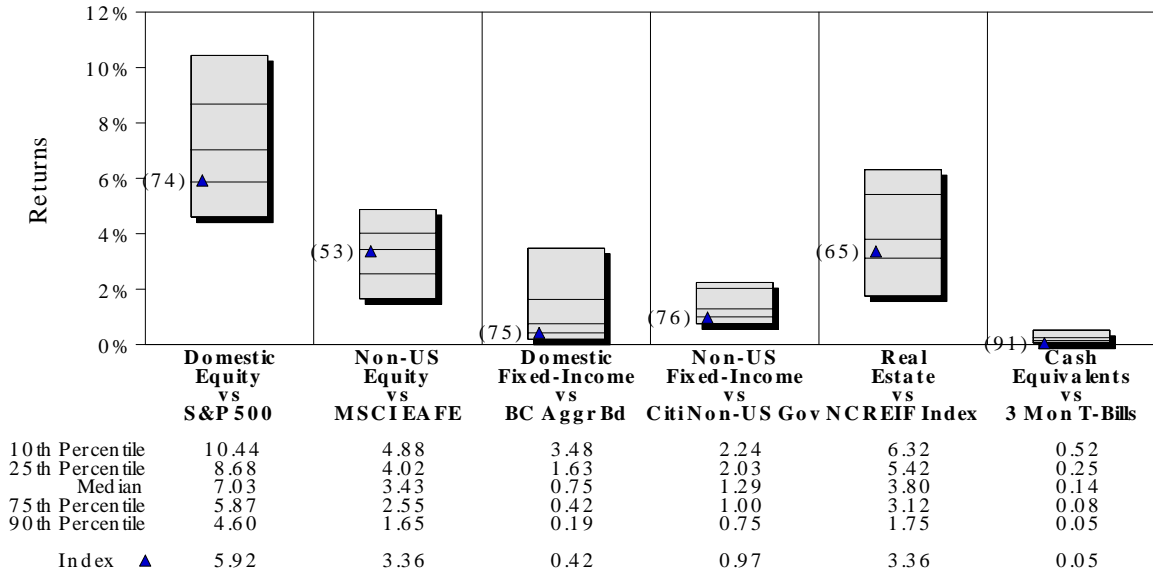
The Extended Maturity bond market continued to display lackluster performance in the first quarter of 2011, while the Intermediate market gained this period. The median Extended Maturity Fund gained 0.24% in the quarter ended March 31, 2011, 40 basis points behind the median Intermediate Fund which gained 0.64% for the quarter. For the twelve months ended March 31, 2011, the median Extended Maturity fund showed positive results with a return of 8.99%, 390 basis points ahead of the median Intermediate Fund's return of 5.09%.

### **Mortgages and High Yield**

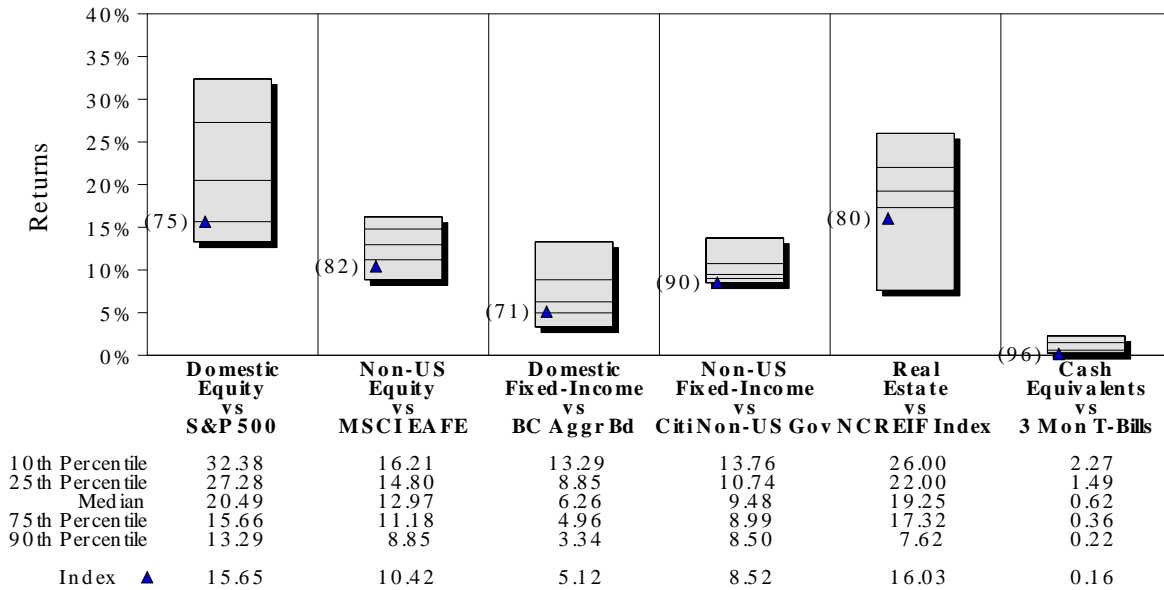
In the first quarter of 2011, Mortgage-backed bonds saw an improved return compared to the fourth quarter of 2010; however, the market remained slow-moving as February saw the fewest new home starts in nearly 2 years and a 9.6% plunge in existing home sales. The median Mortgage-Backed Fund posted a slightly positive return (0.62%) for the first quarter of 2011, slightly outperforming the Barclays Mortgage Index's return (0.58%) by 4 basis points. For the year ended March 31, 2011, the median Mortgage-Backed Fund outperformed the Barclays Mortgage Index generating a return of 5.56%, 119 basis points higher than the 4.37% index return. High Yield funds were the best performing group in the first quarter of 2011 (3.93%), besting the Barclays High Yield Index (3.88%) by 5 basis points. For the twelve months ended March 31, 2011, the median High Yield Fund produced a healthy return of 14.54%, outperforming the Barclays High Yield Index which returned 14.31%.

## Separate Account Style Group Median Returns

### Range of Separate Account Manager Returns by Asset Class One Quarter Ended March 31, 2011



### Range of Separate Account Manager Returns by Asset Class One Year Ended March 31, 2011



# **West Virginia Prepaid Tuition Trust Fund**

## **Quarterly Investment Performance Review Period Ending March 31, 2011**

Returns for periods longer than one year are annualized.

## Fund Performance Summary

### Period Ending March 31, 2011

	1 Quarter	1-Year	3-Years	5-Years
<b>Prepaid Tuition</b>	<b>3.60%</b>	<b>12.97%</b>	<b>5.79%</b>	<b>5.39%</b>
<b>Prepaid Policy Index*</b>	<b>3.04%</b>	<b>11.64%</b>	<b>4.16%</b>	<b>4.63%</b>
<b>WVIMB Domestic Equity Composite</b>	<b>7.51%</b>	<b>19.38%</b>	<b>4.00%</b>	<b>2.92%</b>
<b>Russell 3000 Index</b>	<b>6.38%</b>	<b>17.41%</b>	<b>3.42%</b>	<b>2.95%</b>
<b>Median Domestic Equity Composite</b>	<b>6.42%</b>	<b>18.44%</b>	<b>3.97%</b>	<b>2.82%</b>
<b>WVIMB International Equity Composite</b>	<b>3.82%</b>	<b>17.03%</b>	<b>3.82%</b>	<b>5.99%</b>
<b>MSCI ACWI Ex-US Index</b>	<b>3.42%</b>	<b>13.61%</b>	<b>0.38%</b>	<b>4.05%</b>
<b>Median International Equity Composite</b>	<b>3.39%</b>	<b>13.46%</b>	<b>0.55%</b>	<b>3.42%</b>
<b>WVIM Fixed Income Composite</b>	<b>0.80%</b>	<b>5.11%</b>	<b>7.03%</b>	<b>6.44%</b>
<b>BC Aggregate Index**</b>	<b>0.42%</b>	<b>5.12%</b>	<b>5.30%</b>	<b>6.03%</b>
<b>Median Fixed Income Composite</b>	<b>.92%</b>	<b>6.44%</b>	<b>6.06%</b>	<b>6.22%</b>

The Total Fund returned 3.60%, besting the Policy Index, which returned 3.04%. Manager effect had a positive contribution of 53 basis points; outperformance came in domestic equities and fixed income. Asset allocation contributed 3 basis points, with positive effects from an overweight to small cap and an underweight to fixed income being mostly offset by an overweight to cash and underweight to large cap.

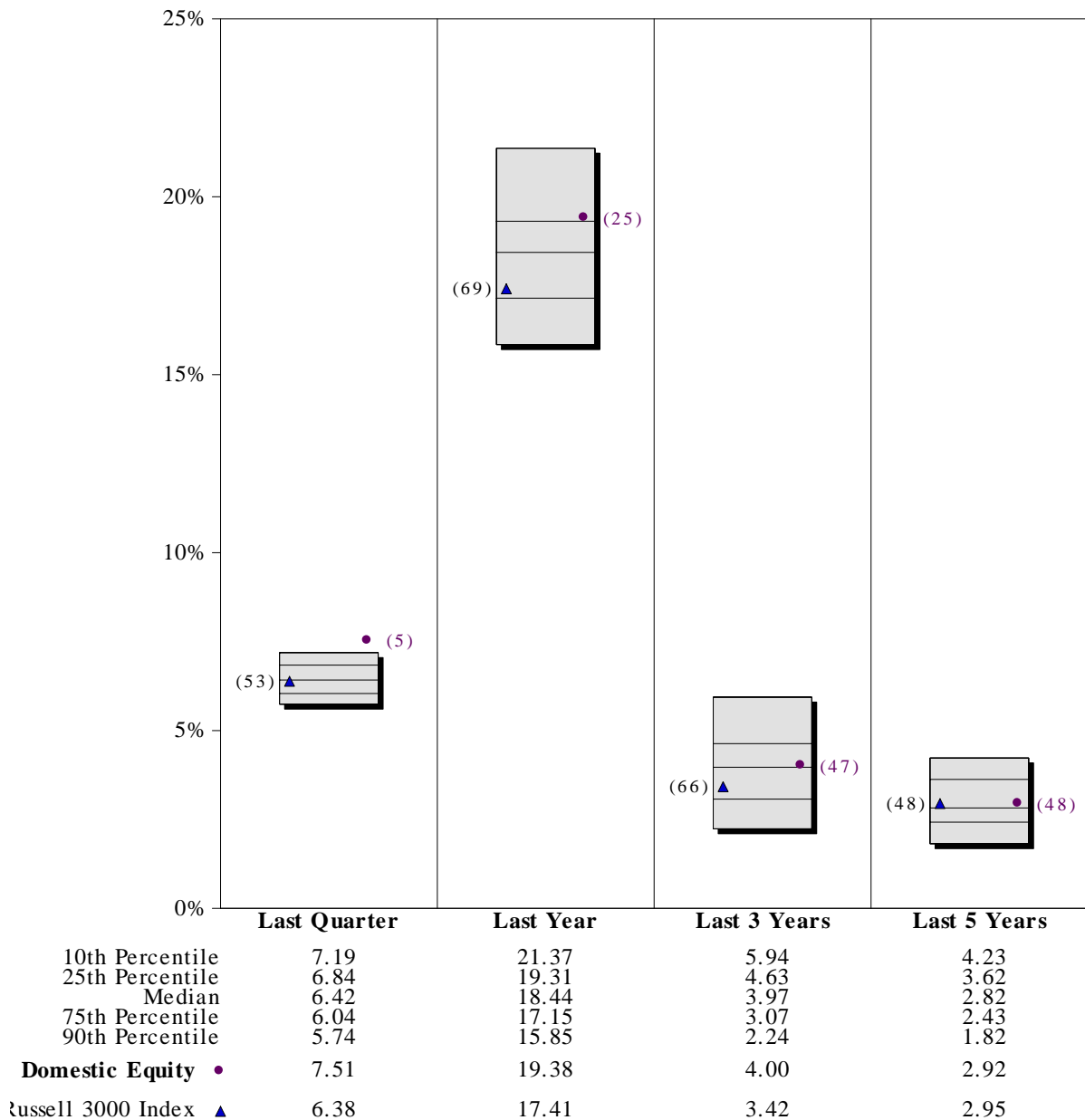
For the past year, the Total Fund advanced 12.97%, ahead of the Policy Index's 11.64% gain. Outperformance was due to manager effect (+1.14%); international equity contributed the most (+0.61%), followed by small/mid cap (+0.34%). Asset allocation contributed 19 basis points to performance.

The Fund's annualized five-year return of 5.39% outpaces the Policy Target's return of 4.63%. Both manager effect (+0.64%) and asset allocation effect (+0.12%) have 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 = 45% BC Aggregate Index, 29% S&P 500 Index, 19% MSCI ACWI Ex-US Index, and 7% Russell 2500 Index.*

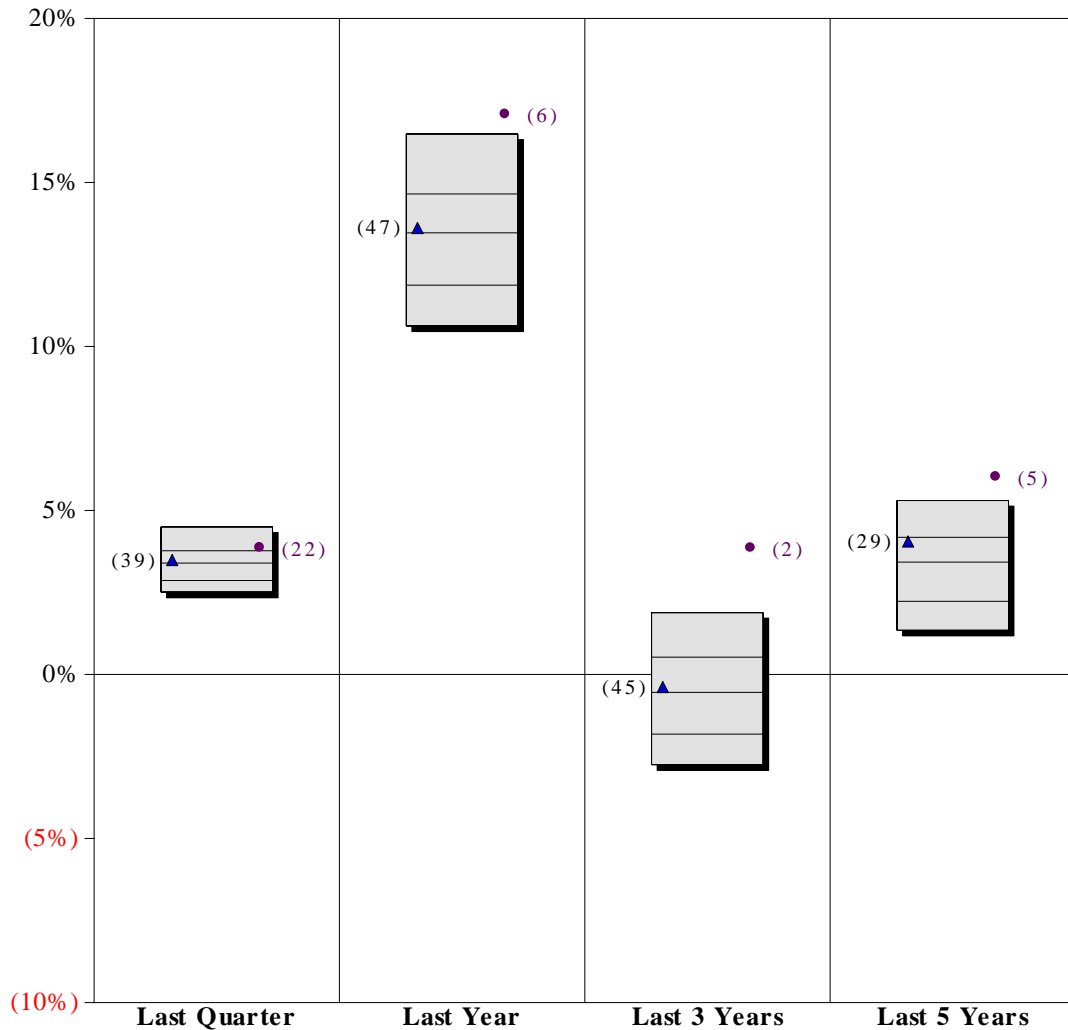
\*\* *Fixed Income Index = 100% BC Aggregate as of 03/31/10. From 03/31/2008 to 12/31/2009 it was the BC Universal Index. Before 03/31/2008 it was the BC Aggregate.*

## WVIMB Domestic Equity Composite Versus Public Fund Domestic Equity Programs Period Ending March 31, 2011



- For the first quarter of 2011, the Domestic Equity Composite gained 7.51%, outperforming the benchmark by 113 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-year and three-year periods, the Fund has outperformed the benchmark and ranks in the 25<sup>th</sup> and 47<sup>th</sup> percentiles respectively. For the trailing five-year period, the Fund is slightly behind the benchmark and ranks above median.

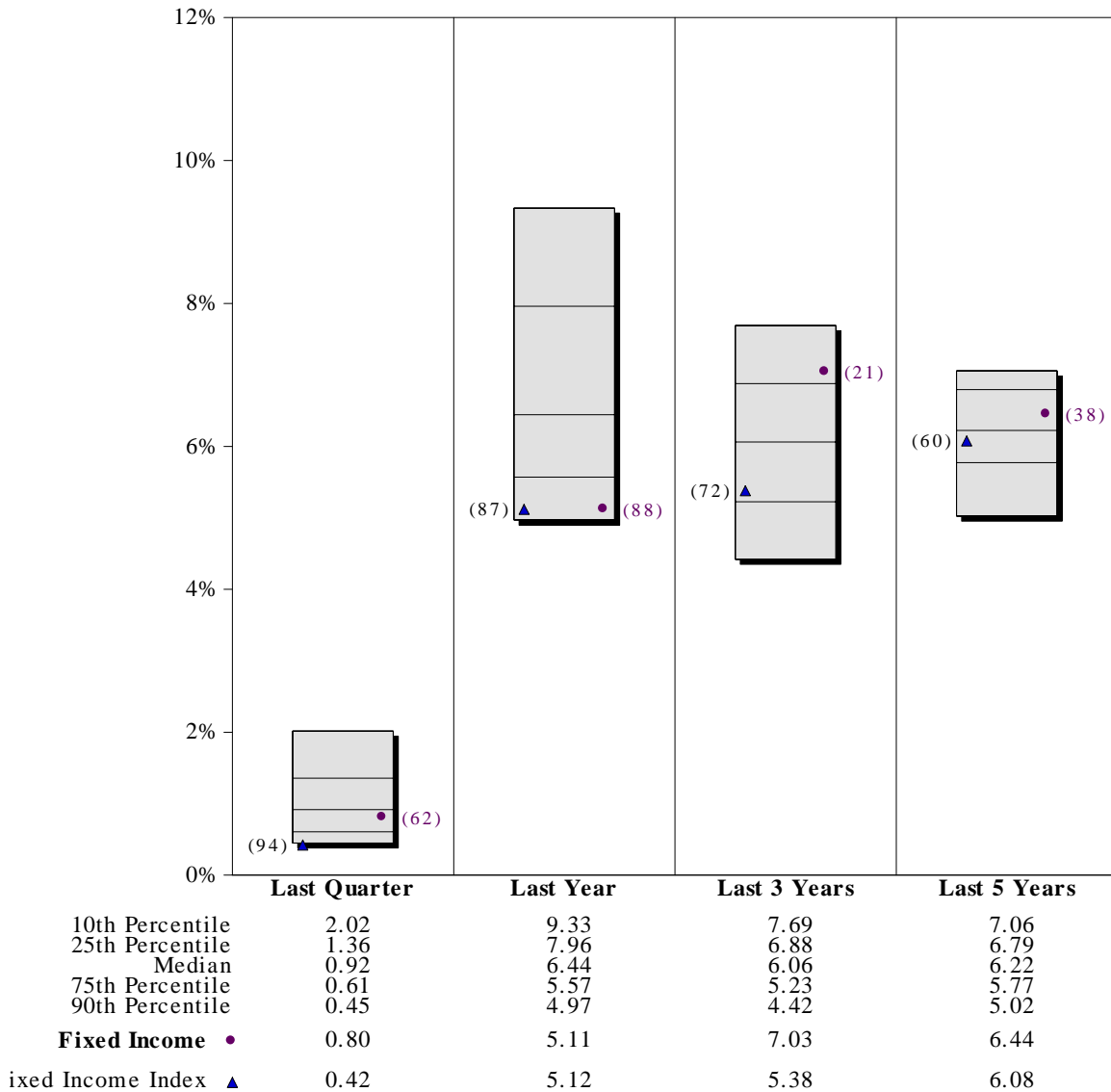
## WVIMB International Equity Composite Versus Public Fund International Equity Programs Period Ending March 31, 2011



	Last Quarter	Last Year	Last 3 Years	Last 5 Years
10th Percentile	4.50	16.48	1.89	5.30
25th Percentile	3.77	14.65	0.53	4.18
Median	3.39	13.46	(0.55)	3.42
75th Percentile	2.86	11.87	(1.82)	2.23
90th Percentile	2.51	10.62	(2.75)	1.35
<b>International Equity</b> ●	3.82	17.03	3.82	5.99
MSCI ACWI ex-US Index ▲	3.49	13.61	(0.38)	4.05

- In the first quarter, the International Equity Composite advanced 3.82%, outperforming the MSCI ACWI ex-U.S., which returned 3.49%. The fund's performance ranked in the 22<sup>nd</sup> percentile of the Public Fund International Equity Programs peer group.
- Longer term performance is also strong; the International Equity Composite has significantly outperformed its benchmark over the trailing one-year, three-year, and five-year periods, and ranks in the top decile for each period.

## WVIMB Fixed Income Composite Versus Public Fund Fixed Income Programs Period Ending March 31, 2011



- The Fixed Income Composite gained 0.80% in the first quarter, outperforming the Barclays Aggregate Index by 38 basis points. The Fund placed in the 62<sup>nd</sup> percentile of the Public Fund Fixed Income Programs peer group.
- For the trailing one-year period, the portfolio is in line with the benchmark and ranked in the 88<sup>th</sup> percentile of the peer group. The trailing 3- and 5-year periods outperform the benchmark and place in the 21<sup>st</sup> and 38<sup>th</sup> percentiles, respectively.



# **West Virginia Savings Plan Trust Fund**

## **Quarterly Investment Performance Review Period Ending March 31, 2011**

Returns for periods longer than one year are annualized.

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

### Returns for Periods Ending March 31, 2011

	Last Quarter	Last Year	Last 3 Years	Last 5 Years
<b>Age-Based Portfolios</b>				
Age-Based 0-8	4.27%	13.78%	2.45%	4.16%
Age Based 0-8 Benchmark	5.48%	17.17%	4.74%	4.67%
Age-Based 9-13	3.66%	12.92%	3.17%	4.03%
Age Based 9-13 Benchmark	4.64%	15.47%	5.62%	5.15%
Age-Based 14-15	3.08%	-	-	-
Age Based 14-15 Benchmark	3.78%	13.23%	5.97%	5.36%
Age-Based 16-17	1.90%	-	-	-
Age Based 16-17 benchmark	2.00%	7.56%	4.56%	5.19%
Age-Based 18+	1.61%	-	-	-
Age Based 18+ Benchmark	1.44%	4.63%	3.88%	4.21%
<b>Static Portfolios</b>				
Aggressive Growth	5.56%	16.95%	1.50%	2.40%
Aggressive Growth Benchmark	6.63%	19.14%	4.01%	3.11%
Growth	4.25%	13.78%	2.52%	3.48%
Growth Benchmark	5.48%	17.17%	4.74%	4.67%
Balanced	3.62%	12.75%	3.15%	3.67%
Balanced Benchmark	4.64%	15.47%	5.62%	5.15%
Conservative Balanced	1.68%	5.93%	1.72%	3.07%
Conservative Balanced Benchmark	1.44%	4.63%	3.88%	4.21%
Conservative Bond	1.07%	4.93%	4.41%	4.99%
Conservative Bond Benchmark	0.71%	4.50%	4.20%	5.50%
<b>Fixed Income</b>				
Stable Value	0.75%	3.70%	4.23%	4.13%
LB Govt/Cred 1-5 Year Idx	0.27%	3.13%	3.70%	5.08%
<b>Domestic Equity</b>				
Vanguard 500 Index	5.88%	15.49%	2.30%	2.54%
S&P 500 Index	5.92%	15.65%	2.35%	2.62%

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

### Returns for Periods Ending March 31, 2011

	Last Quarter	Last Year	Last 3 Years	Last 5 Years
<b>Domestic Equity Funds</b>				
<b>Large Cap</b>				
Hartford Equity Income	5.91%	16.25%	3.77%	5.08%
Hartford Div. & Growth Fund	6.00%	14.29%	3.07%	4.78%
S&P 500 Index	5.92%	15.65%	2.35%	2.62%
Hartford Value	5.52%	13.26%	2.52%	4.22%
Goldman Lg Cap Val	4.66%	9.78%	(0.08%)	1.57%
MFS Value	5.99%	13.01%	1.74%	3.38%
Russell 1000 Value Index	6.46%	15.15%	0.60%	1.38%
Hartford Growth Opportunities	8.31%	21.39%	2.52%	4.11%
Russell 3000 Growth Index	6.30%	19.24%	5.58%	4.32%
<b>Mid Cap</b>				
Hartford Midcap Fund	7.64%	22.89%	7.42%	5.93%
S&P MidCap 400 Index	9.36%	26.95%	10.00%	6.07%
Hartford MidCap Value	6.45%	21.00%	10.31%	4.98%
Russell MidCap Value Idx	7.42%	22.26%	6.61%	4.04%
Hartford Capital Appreciation	2.50%	11.68%	0.64%	2.95%
60% Rus. 2500 / 40% S&P 500	7.59%	21.85%	6.27%	3.73%
<b>Small Cap</b>				
Hartford Small Company Fund	12.13%	29.22%	7.39%	3.83%
Russell 2000 Growth Index	9.24%	31.04%	10.16%	4.34%
<b>Domestic Hybrid</b>				
Hartford Checks & Balance	3.06%	10.35%	3.07%	-
MFS Total Return	3.68%	10.04%	3.28%	3.62%
60% S&P/40% BC Agg	3.72%	11.95%	4.30%	4.51%
<b>International Equity</b>				
MFS Global Equity	3.53%	12.73%	2.11%	5.02%
MSCI World	4.91%	14.03%	0.34%	2.64%
Hartford Intl Opportunities	1.93%	13.26%	0.15%	5.50%
MSCI EAFE Growth	2.30%	12.88%	(2.16%)	2.50%

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

### Returns for Periods Ending March 31, 2011

	<b>Last Quarter</b>	<b>Last Year</b>	<b>Last 3 Years</b>	<b>Last 5 Years</b>
<b>Intermediate-Term Bond</b>				
Hartford Total Return Bond Fund	0.94%	5.59%	4.83%	4.96%
LB Aggregate Index	0.42%	5.12%	5.30%	6.03%
<b>TIPS</b>				
Hartford Inflation Plus Fund	1.86%	7.67%	4.14%	6.38%
LB US TIPS Index	2.08%	7.91%	3.93%	6.25%
<b>High Yield</b>				
Hartford High Yield Fund	4.13%	14.68%	11.05%	8.10%
LB High Yield Idx	3.88%	14.31%	12.94%	9.12%
<b>Stable Value</b>				
Stable Value Fund	0.77%	3.48%	4.03%	4.01%
LB Govt/Cred 1-5 Year Idx	0.27%	3.13%	3.70%	5.08%
<b>Age-Based Portfolios</b>				
Age-Based 0-8	4.20%	13.38%	2.14%	3.82%
Age-Based 0-8 Benchmark	5.48%	16.70%	4.61%	4.59%
Age-Based 9-13	3.55%	12.42%	2.88%	3.71%
Age-Based 9-13 Benchmark	4.64%	15.47%	5.62%	5.15%
Age-Based 14-15	3.09%	-	-	-
Age-Based 14-15 Benchmark	3.74%	13.11%	5.93%	5.34%
Age-Based 16-17	1.81%	-	-	-
Age Based 16-17	2.00%	7.56%	4.56%	5.19%
Age-Based 18+	1.49%	-	-	-
Age-Based 18+ Benchmark	1.44%	4.63%	3.88%	4.21%
<b>Static Portfolios</b>				
Aggressive Growth	5.52%	16.66%	1.13%	2.04%
Aggressive Growth Benchmark	6.79%	19.72%	4.18%	3.21%
Growth Portfolio	4.24%	13.43%	2.18%	3.11%
Growth Benchmark	5.48%	16.70%	4.61%	4.59%
Balanced Portfolio	3.58%	12.54%	2.87%	3.35%
Balanced Benchmark	4.64%	15.47%	5.62%	5.15%

## SMART529 Select – D Share Performance Net of Fees

Returns for Periods Ending March 31, 2011

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 6-1/2 Years
<b>Age-Based &amp; Static Portfolios</b>					
<b>Age-Based Portfolio 0-3</b>					
Aggressive Growth	6.53%	19.52%	3.75%	2.11%	6.40%
Benchmark	5.56%	16.12%	3.92%	2.87%	6.73%
<b>Age-Based Portfolio 4-6</b>					
Moderately Aggressive	6.09%	18.23%	4.15%	2.66%	6.38%
Benchmark	5.11%	15.29%	4.30%	3.38%	6.73%
<b>Age-Based Portfolio 7-9</b>					
Growth	5.32%	16.47%	3.36%	2.47%	5.78%
Benchmark	4.52%	13.93%	4.38%	3.70%	6.57%
<b>Age-Based Portfolio 10-12</b>					
Moderate Growth	4.21%	13.33%	3.41%	2.89%	5.43%
Benchmark	3.81%	12.05%	4.27%	4.99%	7.57%
<b>Age-Based Portfolio 13-15</b>					
Balanced	3.14%	10.49%	3.39%	3.28%	5.06%
Benchmark	2.94%	9.94%	4.14%	4.23%	5.76%
<b>Age-Based Portfolio 16-18</b>					
Mod. Conservative	2.47%	8.92%	4.03%	4.02%	4.94%
Benchmark	2.10%	7.94%	4.00%	5.47%	6.71%
<b>Age-Based Portfolio 19+</b>					
Conservative	1.46%	6.36%	3.78%	4.23%	4.40%
Benchmark	1.26%	5.86%	3.71%	4.61%	4.82%
All Equity	6.40%	19.59%	3.57%	2.46%	7.05%
Benchmark	5.44%	16.98%	4.72%	3.75%	7.77%
Fixed Income	0.08%	2.11%	2.98%	3.56%	2.99%
Benchmark	0.27%	3.43%	3.73%	4.86%	4.19%
1-Year Fixed	0.09%	0.43%	1.64%	2.72%	2.51%
ML 1 Yr T-Note	0.15%	0.63%	1.40%	3.15%	2.93%

## 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>	
<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>		<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%	<b>Conservative Bond Portfolio</b>	
Credit Suisse Leveraged Loan Index	3.4%	Barclays Capital TIPS	10.9%
<b>Age Based Portfolio 18+</b>		Barclays Capital GC 1-5 Years	70.0%
Russell 1000 Growth	3.3%	Barclays Capital Aggregate	11.6%
Russell 1000 Value	5.7%	Barclays Capital High Yield	2.7%
Russell Mid Cap Value	3.1%	Credit Suisse Leveraged Loan	4.8%
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%		



### 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%