

AIM Basic Value A

Overall Morningstar Rtg™ **★★★**
 716 Large Value
 Incept 10-1995 Type MF Total Assets \$4,366 mil Morningstar Cat Large Value

| Performance 05-31-2004 | | | | | |
|------------------------|---------|---------|---------|---------|---------|
| Quarterly Returns | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Total % |
| 2000 | 4.61 | -1.44 | 10.69 | 5.35 | 20.24 |
| 2001 | -1.54 | 8.25 | -17.33 | 13.64 | 0.12 |
| 2002 | 4.50 | -13.86 | -20.82 | 7.84 | -23.13 |
| 2003 | -6.31 | 20.99 | 4.23 | 13.20 | 33.76 |
| 2004 | 3.21 | — | — | — | 2.70 |

| Trailing Returns | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Incept |
|------------------|-------|-------|------|-------|--------|
| Std Monthly | 15.08 | -2.38 | 5.82 | — | 12.58 |
| Std Quarterly | 39.26 | 0.66 | 9.02 | — | 12.91 |
| Total Return | 21.78 | -0.52 | 7.03 | — | 13.32 |

| | +/- S&P 500 | +/- Russ 1000 | % Rank Cat | No. in Cat | 7-day Yield |
|--|-------------|---------------|------------|------------|-------------|
| | 3.46 | 1.62 | 8.55 | — | — |
| | 1.96 | -1.93 | 5.05 | — | — |
| | 16 | 49 | 4 | — | — |
| | 964 | 716 | 530 | — | — |

Performance Disclosure
 The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For more current information please call 800-347-4246 or visit www.aiminvestments.com.

| Fees and Expenses | |
|----------------------|------|
| Sales Charges | |
| Front-End Load % | 5.50 |
| Deferred Load % | NA |
| Fund Expenses | |
| Management Fees % | 0.66 |
| 12b1 Expense % | 0.35 |
| Expense Ratio % | 1.34 |

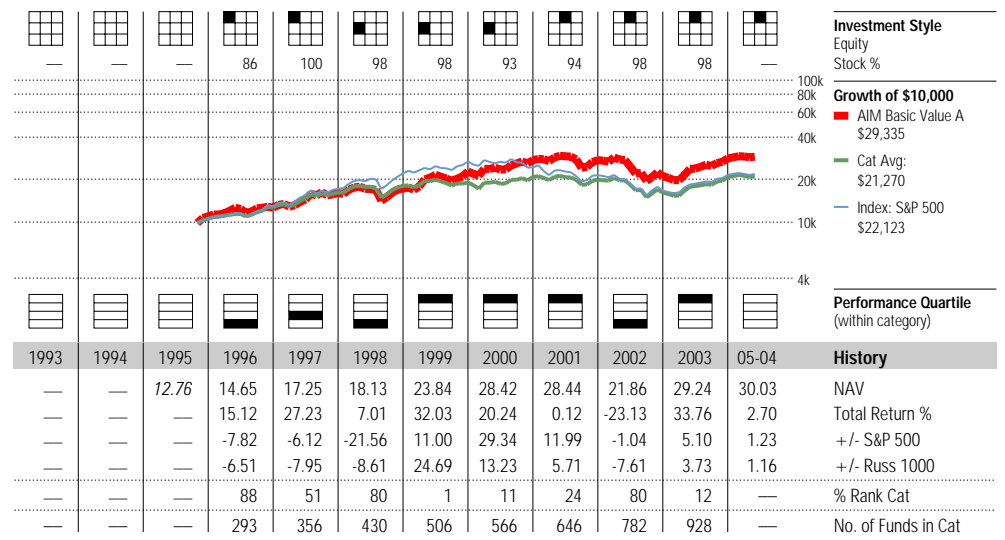
| Risk and Return Profile | | | | |
|-------------------------|------|------|-------|-----------|
| | 3 Yr | 5 Yr | 10 Yr | |
| MorningstarRating™ | 2★ | 4★ | — | 716 funds |
| Morningstar Risk | High | High | — | 530 funds |
| Morningstar Return | -Avg | High | — | |

| | 3 Yr | 5 Yr | 10 Yr |
|--------------------|-------|-------|-------|
| Standard Deviation | 20.24 | 19.74 | — |
| Mean | -0.52 | 7.03 | — |
| Sharpe Ratio | -0.11 | 0.20 | — |

| MPT Statistics | Standard Index S&P 500 | Best Fit Index Russ 1000 Val |
|----------------|------------------------|------------------------------|
| Alpha | 2.70 | -1.36 |
| Beta | 1.15 | 1.21 |
| R-Squared | 90.18 | 92.16 |

| | |
|-------------------------|--------------|
| 12-Month Yield | 0.00% |
| 30-day SEC Yield | — |
| Potential Cap Gains Exp | 6.73% Assets |

Operations
 Family: AIM Investments
 Manager: Bret W. Stanley
 Tenure: 5.8 Years



Portfolio Analysis 02-29-2004

| Composition % | Share Chg since 01-2004 | Share Amount | Total Stocks | % Net Assets |
|-------------------|-------------------------|--------------|--------------|--------------|
| ○ Cash | 4.58 | — | 48 | — |
| ● U.S. Stocks | 91.55 | — | 0 | — |
| ● Non-U.S. Stocks | 3.85 | 11 mil | 20% | 4.42 |
| ● Bonds | 0.00 | 9 mil | — | 3.49 |
| ● Other | 0.00 | 3 mil | — | 2.99 |

| Equity Style | Portfolio Value Blend Growth | Port Statistics | Port Avg | Rel Index | Rel Cat |
|--------------|------------------------------|-----------------|----------|-----------|---------|
| Large Mid | P/E Ratio | 33.3 | 1.33 | 1.36 | — |
| Small | P/C Ratio | 16.7 | 1.00 | 1.25 | — |
| | P/B Ratio | 4.3 | 0.96 | 1.28 | — |
| | Geo Avg Mkt | 20117 | 0.44 | 0.65 | — |
| | Cap \$mil | — | — | — | — |

| Fixed-Income Style | Short Int | Long | Avg Eff Duration | Rel S&P 500 |
|--------------------|-----------|------|------------------|-------------|
| High | — | — | — | — |
| Med | — | — | — | — |
| Low | — | — | — | — |

| Credit Analysis | Bond % |
|-----------------|--------|
| US Government | — |
| AAA | — |
| AA | — |
| A | — |
| BBB | — |
| BB | — |
| B | — |
| Below B | — |
| NR/NA | — |

| Regional Exposure | Stocks % | Rel S&P 500 |
|-------------------|----------|-------------|
| Americas | 96.0 | 0.96 |
| Greater Europe | 4.0 | — |
| Greater Asia | 0.0 | — |

| Share Chg since 01-2004 | Share Amount | Company | % Net Assets |
|-------------------------|--------------|-------------------------------|--------------|
| + | 11 mil | Tyco International | 4.42 |
| + | 9 mil | Computer Associates Internati | 3.49 |
| + | 3 mil | Fannie Mae | 2.99 |
| + | 5 mil | First Data | 2.98 |
| + | 4 mil | Citigroup | 2.88 |
| + | 3 mil | Cardinal Health | 2.78 |
| + | 11 mil | Interpublic Group of Companie | 2.78 |
| + | 7 mil | Waste Management | 2.76 |
| + | 2 mil | Omnicom Group | 2.60 |
| + | 2 mil | Aventis | 2.58 |
| + | 8 mil | Cendant | 2.47 |
| + | 4 mil | ACE | 2.42 |
| + | 4 mil | Target | 2.39 |
| + | 4 mil | Waters | 2.38 |
| + | 3 mil | Merrill Lynch & Company | 2.38 |

| Sector Weightings | Stocks % | Rel S&P 500 |
|------------------------------|-------------|-------------|
| Information Economy | 8.4 | 0.38 |
| Software | 3.7 | 0.84 |
| Hardware | 2.6 | 0.25 |
| Media | 2.2 | 0.56 |
| Telecommunication | 0.0 | 0.00 |
| Service Economy | 72.7 | 1.54 |
| Healthcare Services | 16.2 | 1.17 |
| Consumer Services | 11.9 | 1.31 |
| Business Services | 21.2 | 5.45 |
| Financial Services | 23.4 | 1.14 |
| Manufacturing Economy | 18.9 | 0.62 |
| Consumer Goods | 1.9 | 0.19 |
| Industrial Goods | 9.3 | 0.81 |
| Energy | 7.3 | 1.14 |
| Utilities | 0.4 | 0.14 |

AllianceBernstein Growth B

Overall Morningstar Rtg™ **★★**
 998 Large Growth
 Incept 10-1987 Type MF Total Assets \$877 mil Morningstar Cat Large Growth

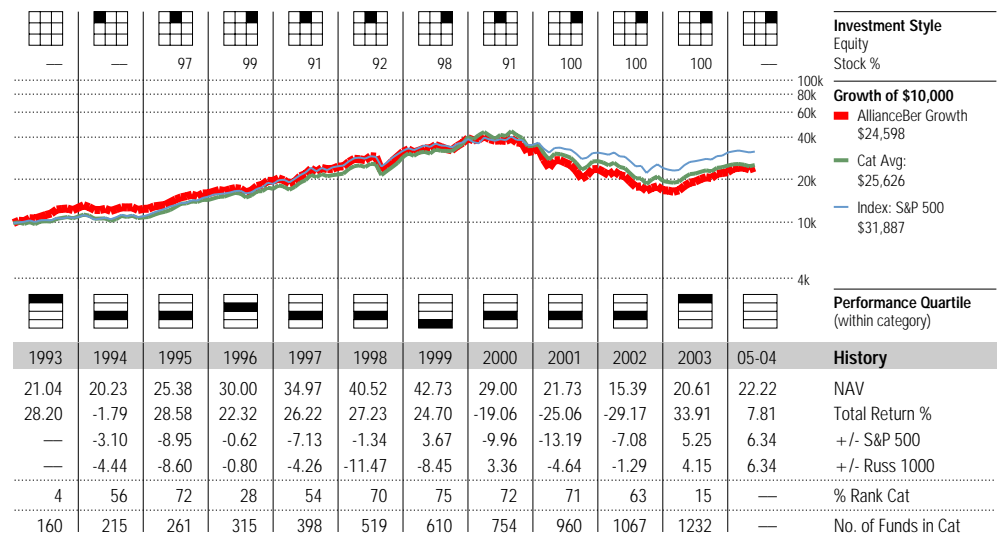
| Performance 05-31-2004 | | | | | |
|------------------------|---------|---------|---------|---------|---------|
| Quarterly Returns | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Total % |
| 2000 | 3.58 | -7.00 | -3.18 | -13.21 | -19.06 |
| 2001 | -23.75 | 8.72 | -22.83 | 17.14 | -25.06 |
| 2002 | -3.35 | -15.95 | -13.42 | 0.72 | -29.17 |
| 2003 | -0.19 | 15.16 | 5.82 | 10.09 | 33.91 |
| 2004 | 7.95 | — | — | — | 7.81 |
| Trailing Returns | | | | | |
| | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Incept |
| Std Monthly | 24.77 | -4.28 | -5.99 | 6.92 | 12.12 |
| Std Quarterly | 41.86 | -0.12 | -5.34 | 7.13 | 12.26 |
| Total Return | 27.77 | -3.96 | -5.99 | 6.92 | 12.12 |
| +/- S&P 500 | 9.45 | -1.82 | -4.47 | -4.41 | — |
| +/- Russ 1000 | 9.73 | 0.92 | -0.56 | -2.73 | — |
| % Rank Cat | 2 | 27 | 75 | 75 | — |
| No. in Cat | 1273 | 998 | 655 | 232 | — |
| 7-day Yield | — | | | | |

Performance Disclosure
 The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For more current information please call 800-227-4618 or visit www.alliancecapital.com.

| Fees and Expenses | |
|----------------------|------|
| Sales Charges | |
| Front-End Load % | NA |
| Deferred Load % | 4.00 |
| Fund Expenses | |
| Management Fees % | 0.75 |
| 12b1 Expense % | 1.00 |
| Expense Ratio % | 2.41 |

| Risk and Return Profile | | | |
|-------------------------|------------------------|------------------------------|-----------|
| | 3 Yr | 5 Yr | 10 Yr |
| MorningstarRating™ | 3★ | 2★ | 2★ |
| Morningstar Risk | + Avg | Avg | Avg |
| Morningstar Return | + Avg | -Avg | -Avg |
| | 998 funds | 655 funds | 232 funds |
| Standard Deviation | 18.32 | 20.64 | 21.08 |
| Mean | -3.96 | -5.99 | 6.92 |
| Sharpe Ratio | -0.31 | -0.46 | 0.13 |
| MPT Statistics | Standard Index S&P 500 | Best Fit Index Russ Midcap G | |
| Alpha | -1.38 | -4.30 | |
| Beta | 1.03 | 0.79 | |
| R-Squared | 81.70 | 89.67 | |
| 12-Month Yield | 0.00% | | |
| 30-day SEC Yield | — | | |
| Potential Cap Gains Exp | -70.00% Assets | | |



| Portfolio Analysis 03-31-2004 | | | | |
|-------------------------------|----------------------|----------|-----------|---------|
| Composition % | | | | |
| ○ Cash | 0.00 | | | |
| ● U.S. Stocks | 96.99 | | | |
| ● Non-U.S. Stocks | 3.00 | | | |
| ● Bonds | 0.00 | | | |
| ● Other | 0.00 | | | |
| Equity Style | | | | |
| Value Blend Growth | Portfolio Statistics | Port Avg | Rel Index | Rel Cat |
| | P/E Ratio | 33.3 | 1.33 | 0.86 |
| | P/C Ratio | 33.3 | 2.00 | 1.39 |
| | P/B Ratio | 6.3 | 1.37 | 1.05 |
| | Geo Avg Mkt | 15910 | 0.35 | 0.47 |
| | Cap \$mil | | | |

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

| Credit Analysis | | Bond % |
|-----------------|--|--------|
| US Government | | — |
| AAA | | — |
| AA | | — |
| A | | — |
| BBB | | — |
| BB | | — |
| B | | — |
| Below B | | — |
| NR/NA | | — |

| Regional Exposure | | |
|-------------------|----------|-------------|
| | Stocks % | Rel S&P 500 |
| Americas | 97.0 | 0.97 |
| Greater Europe | 0.6 | — |
| Greater Asia | 2.4 | — |

| Share Chg since 02-2004 | Share Amount | 62 Total Stocks | 0 Total Fixed-Income | 29% Turnover Ratio | % Net Assets |
|-------------------------|--------------|------------------------------|----------------------|--------------------|--------------|
| ⊕ | 1 mil | Legg Mason | | | 4.70 |
| ⊕ | 2 mil | Marvell Technology | | | 4.55 |
| ⊕ | 4 mil | Juniper Networks | | | 4.54 |
| ⊖ | 2 mil | Citigroup | | | 4.17 |
| ⊖ | 1 mil | Forest Laboratories | | | 4.03 |
| ⊖ | 1 mil | eBay | | | 3.92 |
| ⊖ | 1 mil | American International Group | | | 3.69 |
| ⊖ | 640,500 | WellPoint Health Networks | | | 3.27 |
| ⊕ | 1 mil | Symantec | | | 3.09 |
| ⊕ | 2 mil | Broadcom | | | 3.06 |
| ⊖ | 1 mil | Career Education | | | 3.00 |
| ⊖ | 1 mil | Harley-Davidson | | | 2.80 |
| ⊖ | 2 mil | Dell | | | 2.75 |
| ⊖ | 645,300 | Stryker | | | 2.56 |
| ⊖ | 2 mil | MBNA | | | 2.42 |

| Sector Weightings | | |
|------------------------------|-------------|-------------|
| | Stocks % | Rel S&P 500 |
| Information Economy | 32.3 | 1.46 |
| Software | 9.3 | 2.14 |
| Hardware | 21.1 | 2.03 |
| Media | 1.9 | 0.47 |
| Telecommunication | 0.0 | 0.00 |
| Service Economy | 62.7 | 1.33 |
| Healthcare Services | 20.1 | 1.46 |
| Consumer Services | 16.3 | 1.79 |
| Business Services | 2.6 | 0.66 |
| Financial Services | 23.8 | 1.16 |
| Manufacturing Economy | 4.9 | 0.16 |
| Consumer Goods | 3.3 | 0.33 |
| Industrial Goods | 1.1 | 0.10 |
| Energy | 0.5 | 0.08 |
| Utilities | 0.0 | 0.00 |

| Operations | | | |
|------------|-------------------|---------------------------|---------|
| Family: | AllianceBernstein | Objective: | Growth |
| Manager: | Alan Levi | Ticker: | AGBBX |
| Tenure: | 3.5 Years | Minimum Initial Purchase: | \$1,000 |
| | | Minimum IRA Purchase: | \$1,000 |
| | | Min Auto Investment Plan: | \$25 |
| | | Purchase Constraints: | — |



Calamos Growth A

Overall Morningstar Rtg™ **★★★★★**
 607 Mid-Cap Growth
 Incept 09-1990 Type MF Total Assets \$6,297 mil Morningstar Cat Mid-Cap Growth

| Performance 05-31-2004 | | | | | |
|------------------------|---------|---------|---------|---------|---------|
| Quarterly Returns | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Total % |
| 2000 | 34.89 | 5.66 | 2.65 | -13.48 | 26.58 |
| 2001 | -8.56 | 6.23 | -15.27 | 12.17 | -7.67 |
| 2002 | 0.64 | -4.43 | -10.98 | -1.74 | -15.88 |
| 2003 | 0.69 | 16.16 | 10.59 | 10.02 | 42.33 |
| 2004 | 6.34 | — | — | — | 5.49 |
| Trailing Returns | | | | | |
| | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Incept |
| Std Monthly | 24.40 | 4.30 | 18.90 | 20.67 | 18.53 |
| Std Quarterly | 43.18 | 6.99 | 18.61 | 21.26 | 18.85 |
| Total Return | 30.61 | 6.00 | 20.06 | 21.26 | 18.95 |
| +/- S&P 500 | 12.29 | 8.14 | 21.58 | 9.93 | — |
| +/- Russ Midc | 3.48 | 6.28 | 18.52 | 11.04 | — |
| % Rank Cat | 5 | 4 | 1 | 1 | — |
| No. in Cat | 772 | 607 | 402 | 139 | — |
| 7-day Yield | — | | | | |

Performance Disclosure
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Current performance may be lower or higher than return data quoted herein. For more current information please call 800-823-7386 or visit www.calamos.com.

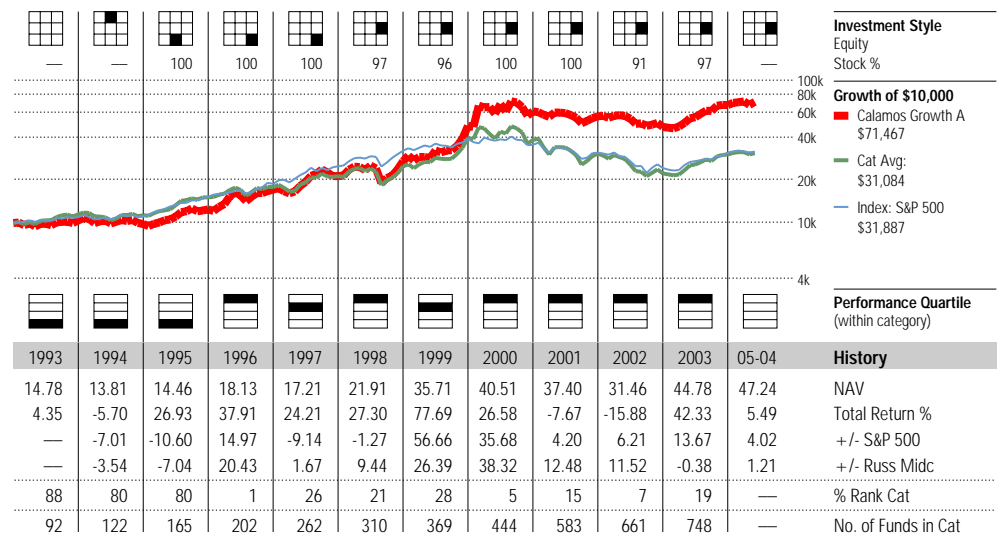
| Fees and Expenses | |
|----------------------|------|
| Sales Charges | |
| Front-End Load % | 4.75 |
| Deferred Load % | NA |
| Fund Expenses | |
| Management Fees % | 0.87 |
| 12b1 Expense % | 0.25 |
| Expense Ratio % | 1.40 |

| Risk and Return Profile | | | |
|-------------------------|------|------|-------|
| | 3 Yr | 5 Yr | 10 Yr |
| Morningstar Rating™ | 5★ | 5★ | 5★ |
| Morningstar Risk | Low | Avg | Avg |
| Morningstar Return | High | High | High |

| | 3 Yr | 5 Yr | 10 Yr |
|--------------------|-------|-------|-------|
| Standard Deviation | 15.70 | 36.85 | 31.92 |
| Mean | 6.00 | 20.06 | 21.26 |
| Sharpe Ratio | 0.28 | 0.47 | 0.55 |

| MPT Statistics | Standard Index S&P 500 | Best Fit Index Wil 4500 |
|----------------|------------------------|-------------------------|
| Alpha | 7.27 | 1.56 |
| Beta | 0.71 | 0.76 |
| R-Squared | 61.46 | 85.89 |

| Operations | |
|------------|-----------------|
| Family: | Calamos |
| Manager: | John P. Calamos |
| Tenure: | 13.8 Years |



| Portfolio Analysis 03-31-2004 | | | | |
|-------------------------------|-------------------------|--------------|----------------------|--------------|
| Composition % | Share Chg since 12-2003 | Share Amount | 195 Total Stocks | % Net Assets |
| ○ Cash | 0.64 | | 0 Total Fixed-Income | |
| ● U.S. Stocks | 94.61 | | 60% Turnover Ratio | |
| ● Non-U.S. Stocks | 4.73 | 5 mil | | 2.55 |
| ● Bonds | 0.00 | 3 mil | | 2.48 |
| ● Other | 0.00 | 5 mil | | 2.27 |
| | | 4 mil | | 2.27 |
| | | 8 mil | | 2.25 |
| | | 6 mil | | 2.07 |
| | | 9 mil | | 1.85 |
| | | 6 mil | | 1.79 |
| | | 3 mil | | 1.76 |
| | | 2 mil | | 1.72 |
| | | 3 mil | | 1.70 |
| | | 6 mil | | 1.67 |
| | | 1 mil | | 1.60 |
| | | 1 mil | | 1.58 |
| | | 4 mil | | 1.41 |

| Equity Style | | | | |
|--------------------|----------------------|----------|-----------|---------|
| Value Blend Growth | Portfolio Statistics | Port Avg | Rel Index | Rel Cat |
| Large Mid Small | P/E Ratio | 50.0 | 2.00 | 1.22 |
| | P/C Ratio | 25.0 | 1.50 | 1.06 |
| | P/B Ratio | 7.1 | 1.57 | 1.26 |
| | Geo Avg Mkt | 6833 | 0.15 | 1.49 |
| | Cap \$mil | | | |

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

| Credit Analysis | | |
|-----------------|--------|--|
| | Bond % | |
| US Government | — | |
| AAA | — | |
| AA | — | |
| A | — | |
| BBB | — | |
| BB | — | |
| B | — | |
| Below B | — | |
| NR/NA | — | |

| Regional Exposure | | |
|-------------------|----------|-------------|
| | Stocks % | Rel S&P 500 |
| Americas | 99.1 | 0.99 |
| Greater Europe | 0.0 | — |
| Greater Asia | 0.9 | — |

| Sector Weightings | Stocks % | Rel S&P 500 |
|------------------------------|-------------|-------------|
| Information Economy | 38.7 | 1.75 |
| Software | 7.2 | 1.66 |
| Hardware | 24.2 | 2.33 |
| Media | 4.3 | 1.09 |
| Telecommunication | 2.9 | 0.84 |
| Service Economy | 47.7 | 1.01 |
| Healthcare Services | 19.3 | 1.40 |
| Consumer Services | 16.1 | 1.77 |
| Business Services | 4.6 | 1.19 |
| Financial Services | 7.6 | 0.37 |
| Manufacturing Economy | 13.6 | 0.44 |
| Consumer Goods | 5.3 | 0.53 |
| Industrial Goods | 4.7 | 0.40 |
| Energy | 3.6 | 0.57 |
| Utilities | 0.0 | 0.00 |

Mutual Fund Detail Report

Disclosure Statement

The Mutual Fund Detail Report is to be used as supplemental sales literature, and therefore must be preceded or accompanied by the fund's current prospectus and a disclosure statement. Please read the prospectus carefully. In all cases, this disclosure statement should accompany the Mutual Fund Detail Report. Morningstar is not itself an NASD-member firm. Portfolio information is based on the most recent information available to Morningstar.

Pre-inception Returns

The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the fund's actual inception. These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect the fees and expenses of this share class. These fees and expenses are referenced in the report's Performance section.

When pre-inception data are presented in the report, the header at the top of the report will indicate this. In addition, the pre-inception data included in the report will appear in italics.

While the inclusion of pre-inception data provides valuable insight into the probable long-term behavior of newer share classes of a fund, investors should be aware that an adjusted historical return can only provide an approximation of that behavior. For example, the fee structures between a retail share class will vary from that of an institutional share class, as retail shares tend to have higher operating expenses and sales charges. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

Performance

The performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's shares when redeemed may be worth more or less than the original investment. Fund portfolio statistics change over time. The fund is not FDIC-insured, may lose value and is not guaranteed by a bank or other financial institution.

Total return reflects performance without adjusting for sales charges or the effects of taxation, but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Standardized Total Return is reflected as of month- and quarter-end time periods. It depicts performance without adjusting for the effects of taxation, but is adjusted for sales charges, all ongoing fund expenses, and assumes reinvestment of dividends and capital gains. If adjusted for the effects of taxation, the performance quoted would be reduced. The sales charge used in the calculation was obtained from the fund's most recent prospectus and/or shareholder report available to Morningstar. Standardized returns never include pre-inception history.

Morningstar % Rank within Morningstar Category does not account for a fund's sales charge (if applicable). Rankings will not be provided for periods less than one year.

Growth of \$10,000

The graph compares the growth of \$10,000 in a fund with that of an index and with that of the average for all funds in its Morningstar category. The total returns are not adjusted to reflect sales charges or the effects of taxation, but are adjusted to reflect actual ongoing fund expenses, and assume reinvestment of dividends and capital gains. If adjusted, sales charges would reduce the performance quoted. The index is an unmanaged portfolio of specified securities and cannot be invested in directly. The index and the category average do not reflect any initial or ongoing expenses. A fund's portfolio may differ significantly from the securities in the index. The index is chosen by Morningstar.

If pre-inception data is included in the analysis, it will be graphed.

Risk and Return

The Morningstar Rating is calculated for funds with at least a three-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a mutual fund is derived from a weighted average of the performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics.

Please note that some Morningstar proprietary calculations, including the Morningstar Rating, may be calculated based on adjusted historical returns (pre-inception returns). If the extended performance rating is in effect, the "stars" are represented as unshaded stars. For each mutual fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's adjusted monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. This investment's independent Morningstar Rating metric is then compared against the open-end mutual fund universe's actual performance breakpoints to determine its extended performance rating. The Overall Morningstar Rating for a mutual fund is derived from a weighted average of the actual performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics.

Morningstar Return rates a mutual fund's performance relative to other funds in its Morningstar Category. It is an assessment of a fund's excess return over a risk-free rate (the return of the 90-day Treasury Bill), after adjusting for all applicable loads and sales charges, in comparison with the mutual funds in its Morningstar Category. In each Morningstar Category, the top 10% of funds earn a High Morningstar Return (HIGH), the next 22.5% Above Average (+AVG), the middle 35% Average (AVG), the next 22.5% Below Average (-AVG), and the bottom 10% Low (LOW). Morningstar Return is measured for up to three time periods (three-, five-, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the mutual fund. Funds with less than three years of performance history are not rated.

Morningstar Risk evaluates a mutual fund's downside volatility relative to that of other funds in its Morningstar Category. It is an assessment of the variations in a fund's monthly returns, with an emphasis on downside variations, in comparison with the mutual funds in its Morningstar Category. In each Morningstar Category, the 10% of funds with the lowest measured risk are described as Low Risk (LOW), the next 22.5% Below Average (-AVG), the middle 35% Average (AVG), the next 22.5% Above Average (+AVG), and the top 10% High (HIGH). Morningstar Risk is measured for up to three time periods

(three-, five-, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the mutual fund. Funds with less than three years of performance history are not rated.

If pre-inception returns are included in this analysis, the risk and return profile data calculated on the basis of these returns will appear in italics.

Risk Measures

The risk measures below are calculated for funds with at least a three-year history.

Standard deviation is a statistical measure of the volatility of the fund's returns.

Mean represents the annualized geometric return for the period shown.

The Sharpe ratio uses standard deviation and excess return to determine reward per unit of risk.

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk (as measured by beta). Alpha is often seen as a measure of the value added or subtracted by a portfolio manager.

Beta is a measure of a fund's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market, and a portfolio with a beta less than 1 is less volatile than the market.

R-squared reflects the percentage of a fund's movements that are explained by movements in its benchmark index, showing the degree of correlation between the fund and the benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

Risk measures calculated using pre-inception data, if included in the analysis, will be presented in italics.

Portfolio Analysis

The Morningstar Style Box reveals a fund's investment strategy. For equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend or growth). For fixed-income funds the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate or long).

Equity Portfolio Statistics

The referenced data elements below are a weighted average of the equity holdings in the portfolio.

The Price/Earnings ratio is a weighted average of the price/earnings ratios of the stocks in the underlying fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12-months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a fund's portfolio. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

The Price/Book ratio is a weighted average of the price/book ratios of

all the stocks in the underlying fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation.

The geometric average market capitalization of a fund's equity portfolio offers a measure of the size of the companies in which the mutual fund invests.

Fixed-Income Portfolio Statistics

The referenced data elements below are a weighted average of the fixed income holdings in the portfolio.

Duration is a time measure of a bond's interest rate sensitivity. Average effective duration is a weighted average of the duration of the underlying fixed income securities within the portfolio.

Average effective maturity is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security.

Average credit quality is calculated by taking the weighted average of the credit rating for each bond in the portfolio.

Average weighted coupon is generated from the fund's portfolio by weighting the coupon of each bond by its relative size in the portfolio. Coupons are fixed percentages paid out on a fixed-income security on an annual basis.

Average weighted price is generated from the fund's portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the fund favors bonds selling at prices above or below face value (premium or discount securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

Turnover Ratio is a decent proxy for how frequently a manager trades his or her portfolio. The inverse of a fund's turnover ratio is the average holding period for a security in the fund. As turnover increases, a fund's brokerage costs typically rise as well.

Operations

Purchase constraints denote if a mutual fund has any of the following qualities: Qualified Access (A), Institutional (T), Closed to New Investments, (C) or Closed to All Investments (L). Because these qualities can all act as restrictions and/or requirements for investment, they are grouped together.

Potential capital gains exposure is the percentage of a mutual fund's total assets that represent capital appreciation.

Investment Risk

International Funds/Emerging Market Funds: The investor should note that funds that invest in international securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Sector Funds: The investor should note that funds that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Non-Diversified Funds: The investor should note that funds that invest more

of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

Small-Cap Funds: The investor should note that funds that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

Mid Cap Funds: The investor should note that funds that invest in companies with market capitalization below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

High-Yield Bond Funds: The investor should note that funds that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

Tax-Free Municipal Bond Funds: The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

Index Definitions

Lehman Brothers Aggregate Bond Index: composed of the Lehman Brothers Govt/Credit Index, the Mortgage-backed Securities Index, and the Asset-backed Securities Index.

MSCI EAFE Index Ndrt_D: Listed for foreign stock funds (EAFE refers to Europe, Australasia and Far East). Widely accepted as a benchmark for international stock performance, the EAFE Index is an aggregate of 21 individual country indexes that collectively represent many of the major markets of the world.

Standard & Poor's 500: A market capitalization-weighted index of the 500 widely held stocks often used as a proxy for the stock market.

Russell 1000: Consists of the 1000 largest companies within the Russell 3000 index. Also known as the Market-oriented Index, because it represents the group of stocks from which most active money managers choose. The returns for the index are total returns, which include reinvestment of dividends.

