SEI New ways. New answers.®

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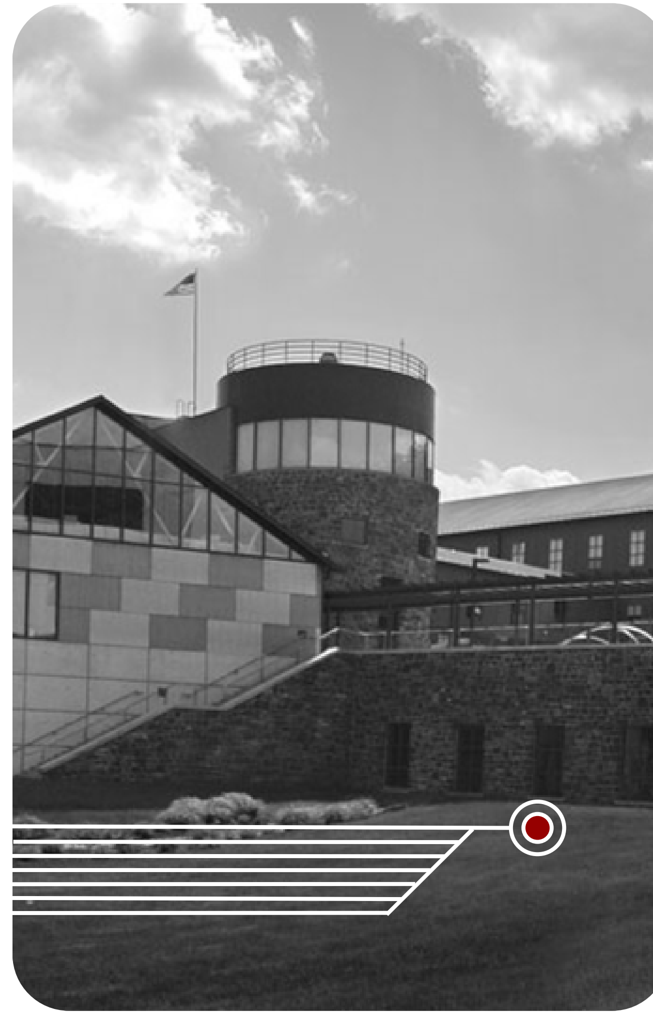
International Union of Operating Engineers Local #487

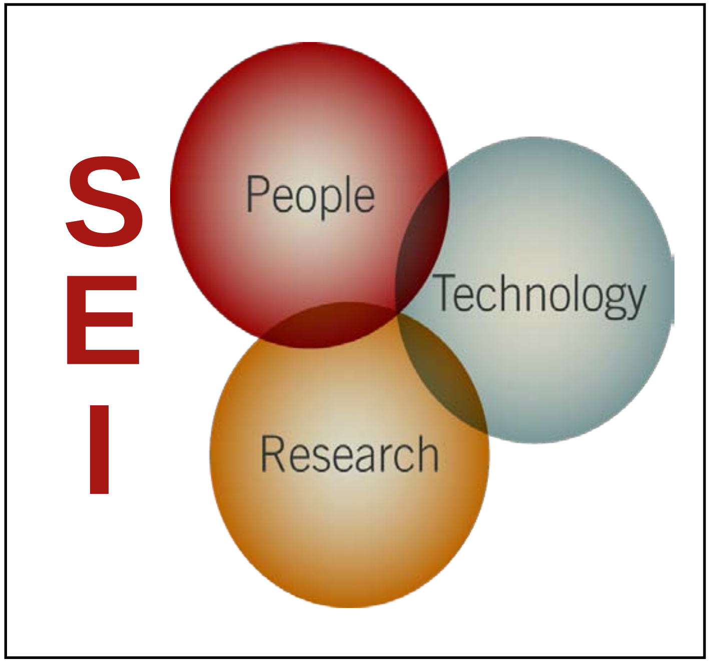
Improve Focus. Manage Risk. Build Efficiency.



August 23, 2012

Agenda

- Capital Markets Review
- Plan Assets & Metrics
- Real Estate
- Appendix



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Capital Markets Review

Executive Summary for IUOE Local #487
2012 executive summary, 7/31/2012

Summary

- Pension Plan assets totaled $48.9 million at July 31, 2012
- Pension Plan return year to date was 8.1% and 4.8% for the one year period
- H&W Plan assets totaled $2.7 million at July 31, 2012
- H&W Plan return year to date was 6.9% and 6.5% for the one year period
- A&T Plan assets totaled $610,231 at July 31, 2012
- A&T Plan return year to date was 6.0% and 7.7% for the one year period

2012 Portfolio Highlights

- Despite Eurozone debt crisis and weaker US economic data in Q2, the portfolios achieved positive gains in 2012 and is outperforming the respective portfolio indexes year to date through 06/30/12.
- High Yield Bonds and Emerging Markets Debt continue to add value through diversification and yield pickup.

Market and Economic Outlook

- U.S. continues to grow, but risks of slowdown have increased due to European debt crisis, looming US November elections and year end US fiscal policy challenges.
- International uncertainties (Europe and emerging economies) weigh on growth prospects in the near-term.
- While data is softening, we do not anticipate a return to recession in the U.S.
- Markets in the near term will be choppy and news driven opposed to focused on fundamentals.

Global market review:
Markets become defensive

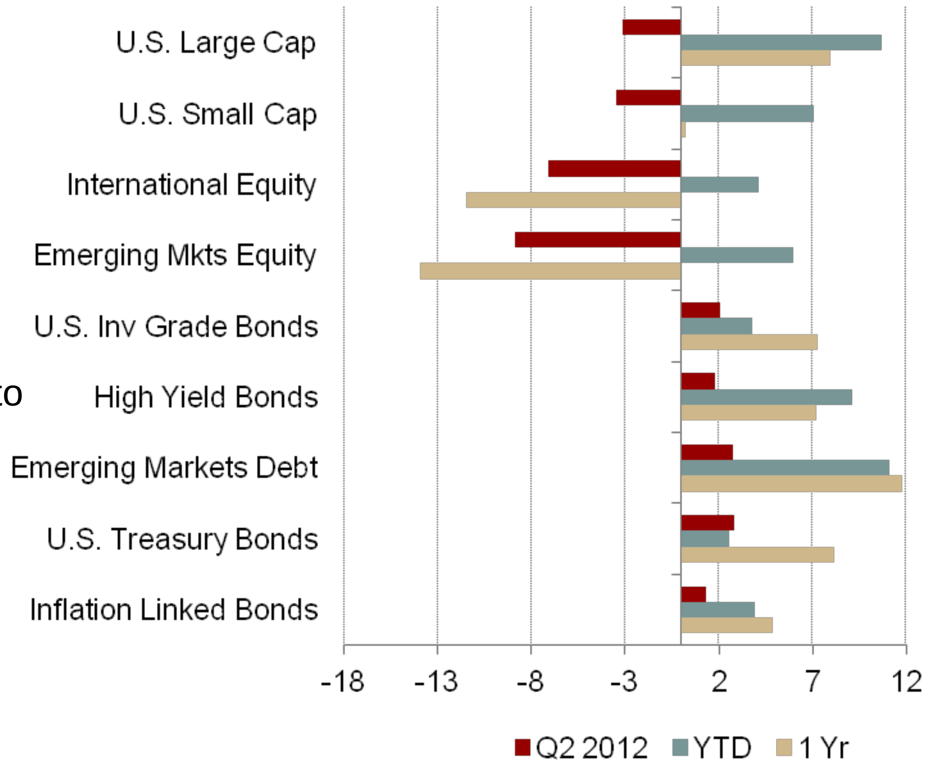
Market Review

- A deepening European debt crisis combined with worldwide economic softening weighed on investors in the quarter.
- Fixed income markets saw a flight to safe haven sovereign bonds (U.S., Germany, UK).
- U.S. equity markets gave back some of their earlier gains but outperformed non-U.S. markets. Investors became defensive by buying high-quality stocks with high dividend yields.

SEI Outlook:

- Despite near term softening, the U.S. should continue to grow modestly and inflation should remain low.
- Risks posed by the European debt crisis and the uncertainties surrounding the U.S. "fiscal cliff" are real.
- Stocks, particularly non-U.S., are attractive. However, we are waiting for a catalyst to become more bullish.

Financial Markets Performance as of 7/31/12
Selected Markets Q2, YTD and 1 Year (%)



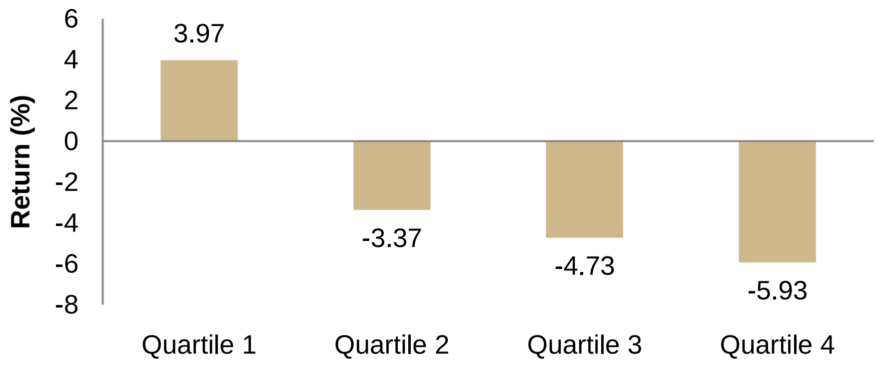
U.S. Large Cap = Russell 1000, U.S. Small Cap = Russell 2000, International Equity = MSCI EAFE, Emerging Markets Equity = MSCI EME, U.S. Investment Grade Bonds = Barclays Capital U.S. Aggregate, High Yield = BofA ML Master II HY Constrained, Emerging Markets Debt = JP Morgan EMBI Global Diversified, Treasury = Treasury component of the Barclays U.S. Aggregate, Inflation Linked = Barclays 1-10 Year TIPS

Source: SEI, FactSet

Equity market review: Investors take refuge

- Stocks sold off in May amid concerns over the European debt crisis, the sustainability of monetary and fiscal stimulus and a hard landing in China
  - The S&P 500 experienced its worst May since 2010 only to rebound into its best June since 1999
- Investors stayed invested but rotated sharply to high quality and high dividend-paying stocks

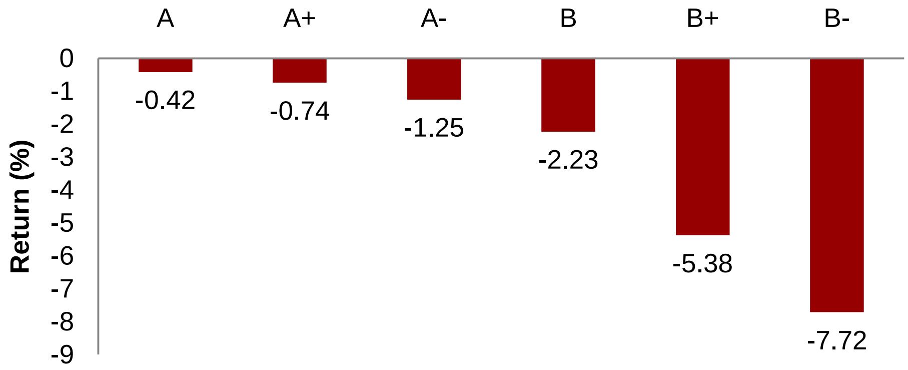
Dividend Yield (S&P 500)



•Portfolio Impact

- Domestic equity portfolios were slightly underweight the defensive areas that did well, causing broad underperformance
- Investment managers generally remained committed to market segments they believe offer better long-term valuation or growth opportunities
- Broad underweights to Utilities, the best performing sector, detracted from returns

Quality (S&P 500)



Sources: FactSet

Fixed income market review: Investors flee to safe havens

- Flight to safety into the sovereign bond market led to yields lower than the 2008 financial panic in certain perceived safe havens.
- In the U.S., the curve flattened and spreads generally widened on signs of slowing economic growth.
- Corporate bond spreads are attractive relative to historical norms and underlying fundamentals. U.S. financials remain particularly attractive given regulatory reform that should benefit bond holders.

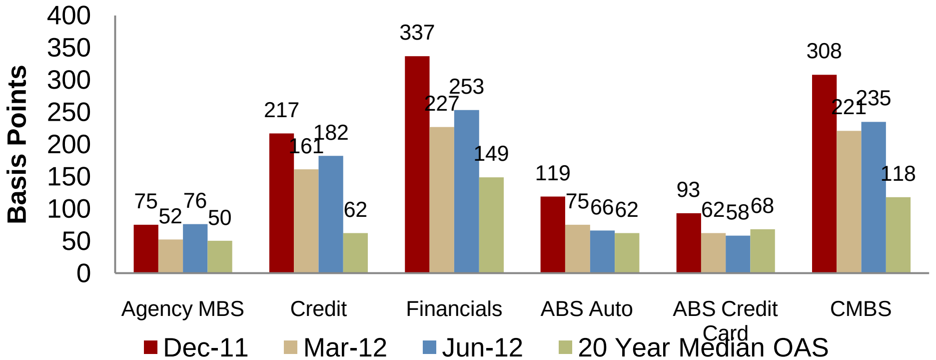
•Portfolio Impact:

- SEI strategies produced positive absolute returns for clients, relative returns were mixed
  - Core Fixed Income outperformed as a result of excellent security selection despite an underweight to Treasurys
  - High Yield relative returns were flat but preserved gains from the prior quarter as a result of a move up in quality
  - EMD underperformed due to exposure to higher yielding sovereigns and corporate credit

Historic Yield Levels Reached in 2Q

Bond	Yield	Context
U.S. Ten-Year Treasury	1.45%	Record low (220 years)
U.K. Gilts	3.60%	60+ year low
German Ten-Year Bunds	1.20%	Record low (200 years, excluding hyperinflation of 1923-24)
French Ten-Year Bond	2.30%	Record low (260 years)
Dutch Ten-Year Bond	1.53%	Record low (500 years)

Yield Spread Levels



Sources: Merrill Lynch (Yield), Barclays (Spreads)

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Plan Assets and Metrics

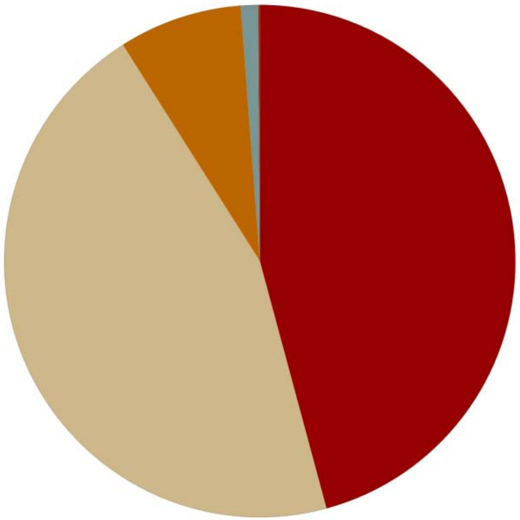
Fund Performance
YTD Returns through 7/31/12

	SEI (%)	Index (%)	Difference
Large Cap	9.64	10.68	-1.04
Small Cap	6.05	7.03	-0.98
World Equity ex-US	5.16	4.22	0.94
Core Fixed Income	5.65	3.78	1.87
High Yield Bond	9.96	9.09	0.87
Emerging Market Debt	11.17	11.09	0.08
Enhanced LIBOR Opportunities	4.47	0.32	4.15
Short Duration Government	2.67	1.45	1.22

Large Cap Equity = Russell 1000, Small Cap Index = Russell 2000, World Equity ex U.S. Index = MSCI All Country ex US (net), Core Fixed Income Index = Barclays Capital U.S. Aggregate, High Yield Bond Index = BofA ML Master II HY Constrained, Emerging Markets Debt Index = JP Morgan EMBI Global Diversified; Short Duration Govt Index = BofA ML Treasury 1-2.99, Enhanced LIBOR Opportunity = ML 3 Month Con Mat LIBOR ;

Asset Allocation – Pension Total Portfolio 7/31/12

Current Portfolio Allocation



Asset Class		Total Market Value	% Allocation
Fixed Income	$	23,261,275	47.4%
US Equity	$	21,466,425	43.9%
Int Equity	$	3,645,932	7.5%
Other	$	560,000	1.1%
Cash & Equivalents	$	1,262	0.1%
TOTAL	**$**	**48,934,894**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI CORE FIXED INCOME FUND	Core Fixed Income	$	18,276,679	37.3%
SEI LARGE CAP FUND	Large Cap	$	17,770,287	36.3%
SEI SMALL CAP FUND	Small Cap	$	3,696,138	7.6%
SEI WORLD EQUITY EX-US FUND	World Equity x-US	$	3,645,932	7.5%
SEI HIGH YIELD BOND FUND	High-Yield	$	2,966,003	6.1%
SEI EMERGING MARKETS DEBT FUND	Emerging Markets Fixed Income	$	2,018,593	4.1%
AUCTION RATE SECURITIES*	Other	$	560,000	1.1%
CASH & ACCRUED INCOME		$	1,262	0.0%
	TOTALS	**$**	**48,934,894**	**100%**

*Auction Rate Security values based on bid prices.

Portfolio Performance – Pension Total Portfolio 7/31/12

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	0.96%	-0.74%	7.32%	4.62%	-0.80%	7.66%
TOTAL PORTFOLIO RETURNS (Net)	0.91%	-0.90%	7.00%	3.98%	-1.01%	7.02%
TOTAL INDEX	*1.14%*	*0.40%*	*6.35%*	*5.47%*	*0.63%*	*8.99%*

* Inception Date: 5/31/10

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (03/31)	Since Inception (05/31/10)
Beginning Market Value	$48,541,620	$49,677,762	$46,802,164	$49,890,142	$27,182,868
Net Cash Flows	($69,987)	($363,524)	($1,288,490)	($495,903)	$13,885,308
Net Funds for Investment	$48,471,633	$49,314,238	$45,513,674	$49,394,239	$41,068,175
Investment Gain/Loss	$463,261	($379,343)	$3,421,221	($459,345)	$7,866,719
Ending Market Value	**$48,934,894**	**$48,934,894**	**$48,934,894**	**$48,934,894**	**$48,934,894**

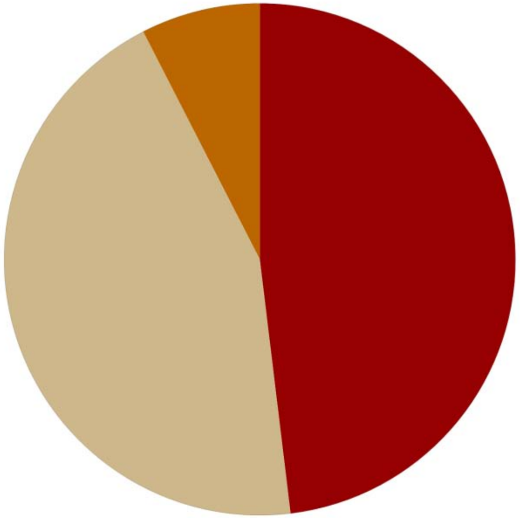
Current Blended Benchmark (Total Index)

01/01/12 - 07/31/12

55.30% BARCLAYS US AGGREGATE INDEX
31.50% RUSSELL 1000
6.60% MSCI ALL COUNTRY WORLD EX US INDEX (NET) (USD)
6.60% RUSSELL 2000

Asset Allocation – Pension SEI Only Portfolio 7/31/12

Current Portfolio Allocation



Asset Class		Total Market Value	% Allocation
Fixed Income	$	23,261,275	48.1%
US Equity	$	21,466,425	44.4%
World Equity x-US	$	3,645,932	7.5%
TOTAL	**$**	**48,373,632**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI CORE FIXED INCOME FUND	Core Fixed Income	$	18,276,679	37.8%
SEI LARGE CAP FUND	Large Cap	$	17,770,287	36.7%
SEI SMALL CAP FUND	Small Cap	$	3,696,138	7.6%
SEI WORLD EQUITY EX-US FUND	World Equity x-US	$	3,645,932	7.5%
SEI HIGH YIELD BOND FUND	High-Yield	$	2,966,003	6.1%
SEI EMERGING MARKETS DEBT FUND	Emerging Markets Fixed Income	$	2,018,593	4.2%
CASH & ACCRUED INCOME		$	0	0.0%
	TOTALS	**$**	**48,373,632**	**100%**

Portfolio Performance – Pension SEI Only Portfolio 7/31/12

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	0.98%	-0.81%	8.14%	4.76%	-0.86%	10.26%
TOTAL PORTFOLIO RETURNS (Net)	0.93%	-0.97%	7.77%	4.12%	-1.08%	9.62%
TOTAL INDEX	*1.09%*	*-0.02%*	*6.85%*	*4.53%*	*0.02%*	*9.38%*

* Inception Date: 5/31/10

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (03/31)	Since Inception (05/31/10)
Beginning Market Value	$47,917,743	$49,117,762	$38,526,665	$49,328,994	$18,296,533
Net Cash Flows	($70,000)	($317,956)	$6,454,164	($495,903)	$21,846,377
Net Funds for Investment	$47,847,743	$48,799,806	$44,980,829	$48,833,091	$40,142,909
Investment Gain/Loss	$525,889	($426,174)	$3,392,803	($459,459)	$8,230,723
Ending Market Value	**$48,373,632**	**$48,373,632**	**$48,373,632**	**$48,373,632**	**$48,373,632**

Portfolio Note

Market Value 7/31/12 - $48,373,632
Net Cash Flows – $0
Net Funds for Investment - 48,373,632
Market Value 8/15/12 - $ 48,947,419

Gain of $ 573,787 – approx. 1.19%

3/31/12 FY Return: 5.94%

1/1/12 U/W to Int'l added 50 bps

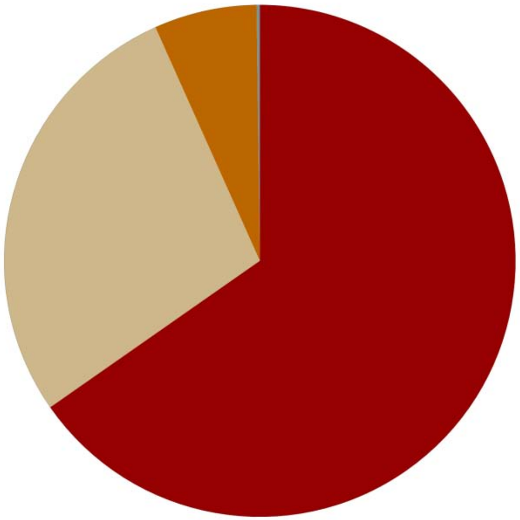
Current Blended Benchmark (Total Index)

01/01/12 - 07/31/12

46.00% BARCLAY US AGG TRIX
38.00% RUSSELL 1000 TR
8.00% MSCI AC WRLD X US NR USD
8.00% RUSSELL 2000 TR

Asset Allocation – H&W Total Portfolio 7/31/12

Current Portfolio Allocation



Asset Class		Total Market Value	% Allocation
Fixed Income	$	1,791,722	66.5%
US Equity	$	722,564	26.8%
Other	$	175,000	6.5%
Cash & Equivalents	$	4,626	0.2%
TOTAL	**$**	**2,693,911**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI CORE FIXED INCOME FUND	Core Fixed Income	$	1,348,156	50.0%
SEI LARGE CAP FUND	Large Cap	$	597,484	22.2%
SEI ENHANCED LIBOR OPPS FUND	Other Fixed Income	$	316,716	11.8%
SEI HIGH YIELD BOND FUND	High-Yield	$	131,076	4.9%
AUCTION RATE SECURITIES*	Other	$	175,000	6.5%
SEI SMALL CAP FUND	Small Cap	$	125,080	4.6%
CASH & ACCRUED INCOME		$	4,626	0.2%
	TOTALS	**$**	**2,693,911**	**100%**

*Auction Rate Security values based on bid prices.

Portfolio Performance – H&W Total Portfolio 7/31/12

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	1.0%	0.7%	6.5%	6.1%	0.9%	4.8%
TOTAL PORTFOLIO RETURNS (Net)	1.0%	0.6%	6.3%	5.7%	0.8%	4.4%
TOTAL INDEX	*1.0%*	*1.0%*	*5.2%*	*5.6%*	*1.4%*	*6.7%*

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (03/31)	Since Inception (05/31/10)
Beginning Market Value	$2,691,826	$2,677,273	$2,534,492	$2,665,064	$2,942,818
Net Cash Flows	$11	($993)	($1,977)	$208	($484,013)
Net Funds for Investment	$2,691,837	$2,676,281	$2,532,516	$2,665,272	$2,458,805
Investment Gain/Loss	$2,074	$17,631	$161,396	$28,639	$235,107
Ending Market Value	**$2,693,911**	**$2,693,911**	**$2,693,911**	**$2,693,911**	**$2,693,911**

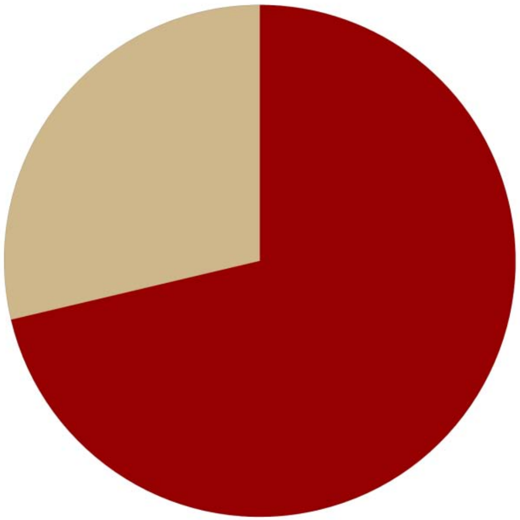
Current Blended Benchmark (Total Index)

12/01/11 - 07/31/12

60.00% BARCLAYS US AGGREGATE INDEX
23.30% RUSSELL 1000
12.00% BOFA ML 3M CON-MAT LIBOR
4.70% RUSSELL 2000

Asset Allocation – H&W SEI Only Portfolio 7/31/12

Current Portfolio Allocation



Asset Class		Total Market Value	% Allocation
Fixed Income	$	1,795,947	71.3%
US Equity	$	722,564	28.7%
TOTAL	**$**	**2,518,511**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI CORE FIXED INCOME FUND	Core Fixed Income	$	1,348,156	53.5%
SEI LARGE CAP FUND	Large Cap	$	597,484	23.7%
SEI ENHANCED LIBOR OPPS FUND	Other Fixed Income	$	316,716	12.6%
SEI HIGH YIELD BOND FUND	High-Yield	$	131,076	5.2%
SEI SMALL CAP FUND	Small Cap	$	125,080	5.0%
CASH & ACCRUED INCOME		$	0	0.0%
	TOTALS	**$**	**2,518,511**	**100%**

Portfolio Performance – H&W SEI Only Portfolio 7/31/12

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	1.10%	0.67%	6.89%	6.49%	1.03%	8.42%
TOTAL PORTFOLIO RETURNS (Net)	1.07%	0.57%	6.65%	6.09%	0.90%	8.02%
TOTAL INDEX	*1.02%*	*0.89%*	*5.29%*	*5.41%*	*1.31%*	*6.84%*

* Inception Date: 5/31/10

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (03/31)	Since Inception (05/31/10)
Beginning Market Value	$2,487,403	$2,502,273	$2,359,492	$2,493,707	$2,311,721
Net Cash Flows	$0	$104	($776)	$208	($187,070)
Net Funds for Investment	$2,487,403	$2,502,377	$2,358,716	$2,493,915	$2,124,651
Investment Gain/Loss	$31,108	$16,134	$159,795	$24,596	$393,860
Ending Market Value	**$2,518,511**	**$2,518,511**	**$2,518,511**	**$2,518,511**	**$2,518,511**

Current Blended Benchmark (Total Index)

12/01/11 - 07/31/12

57.00% BARCLAY US AGG TRIX
25.00% RUSSELL 1000 TR
13.00% BOFAML USD LIBOR 3M CON MAT TR
5.00% RUSSELL 2000 TR

Portfolio Note

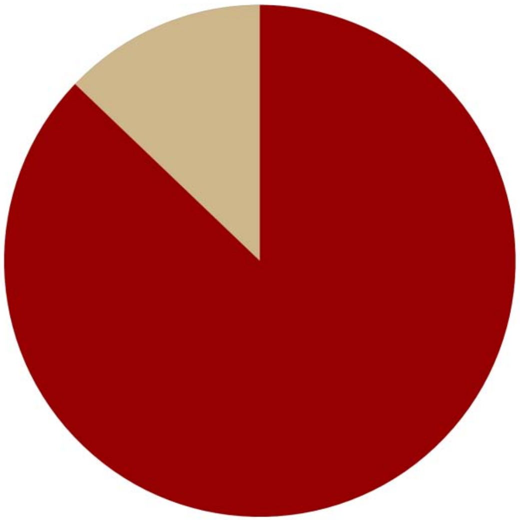
Market Value 7/31/12 - $2,518,511
Net Cash Flows – $0
Net Funds for Investment - $2,518,511
Market Value 8/15/12 - $2,529,578

Gain of $11,067– approx. 0.44%

3/31/12 FY Return: 7.00%

Asset Allocation – A&T Total Portfolio 7/31/12

Current Portfolio Allocation



Asset Class		Total Market Value	% Allocation
Fixed Income	$	531,736	87.1%
US Equity	$	78,495	12.9%
TOTAL	**$**	**610,231**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI CORE FIXED INCOME FUND	Core Fixed	$	314,740	51.6%
SEI SHORT-DURATION GOVERNMENT FUND	Other Fixed Income #1	$	86,332	14.2%
SEI LARGE CAP FUND	Large Cap	$	78,495	12.9%
SEI HIGH YIELD BOND FUND	High-Yield	$	51,419	8.4%
SEI ENHANCED LIBOR OPPS FUND	Enhanced LIBOR Opps Fund	$	47,482	7.8%
SEI EMERGING MARKETS DEBT FUND	Emerging Debt	$	31,763	5.2%
CASH & ACCRUED INCOME		$	0	0.0%
	TOTALS	**$**	**610,231**	**100%**

Portfolio Performance – A&T Total Portfolio 7/31/12

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	1.33%	1.59%	5.99%	7.69%	2.25%	6.74%
TOTAL PORTFOLIO RETURNS (Net)	1.30%	1.49%	5.75%	7.29%	2.11%	6.34%
TOTAL INDEX	*1.08%*	*1.42%*	*3.85%*	*5.87%*	*2.12%*	*4.87%*

* Inception Date: 5/31/10

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (03/31)	Since Inception (05/31/10)
Beginning Market Value	$601,241	$600,905	$595,928	$612,047	$502,056
Net Cash Flows	$0	$25	($20,174)	($14,950)	$31,567
Net Funds for Investment	$601,241	$600,930	$575,754	$597,097	$533,623
Investment Gain/Loss	$8,990	$9,301	$34,477	$13,134	$76,608
Ending Market Value	**$610,231**	**$610,231**	**$610,231**	**$610,231**	**$610,231**

Current Blended Benchmark (Total Index)

12/01/11 - 07/31/12

65.00% BARCLAY US AGG TRIX
15.00% BOFAML 1-3Y US TRS TRIX
12.00% RUSSELL 1000 TR
8.00% BOFAML USD LIBOR 3M CON MAT TR

Portfolio Note

Market Value 7/31/12 - $610,231
Net Cash Flows – $0
Net Funds for Investment - $610,231
Market Value 8/15/12 - $610,020

Loss of $211

3/31/13 FY Return: 7.53%

Auction Rate Securities - Remaining

				Cost Basis	MV as of 5/31/10	7/31/2012		"Cost"
Plan	Name	Acquired	Units	Karpus	Karpus	Bid	Estimated Principal	Bank
H&W	ALLIANCEBERNSTEIN NATL	6/18/2008	8	$ 187,000.00	$ 187,000.00	70	$ 140,000.00	$ (47,000.00)
Pension	WESTERN ASSET MANAGED MU	6/17/2008	7	$ 163,625.00	$ 163,625.00	70	$ 122,500.00	$ (41,125.00)
Pension	WESTERN ASSET MANAGED MU	6/17/2008	10	$ 233,750.00	$ 233,750.00	70	$ 175,000.00	$ (58,750.00)
H&W	AGIC CONV & INC PFD	8/5/2008	2	$ 46,000.00	$ 30,000.00	70	$ 35,000.00	$ (11,000.00)
Pension	AGIC CVT & INC II PFD SER D	8/5/2008	7	$ 161,000.00	$ 161,000.00	70	$ 122,500.00	$ (38,500.00)
Pension	PUTNAM MUNICIPAL OPPORTU	3/17/2010	8	$ 181,125.00	$ 178,000.00	70	$ 140,000.00	$ (41,125.00)
	TOTAL			**$ 972,500.00**	**$ 953,375.00**		**$ 735,000.00**	**$(237,500.00)**

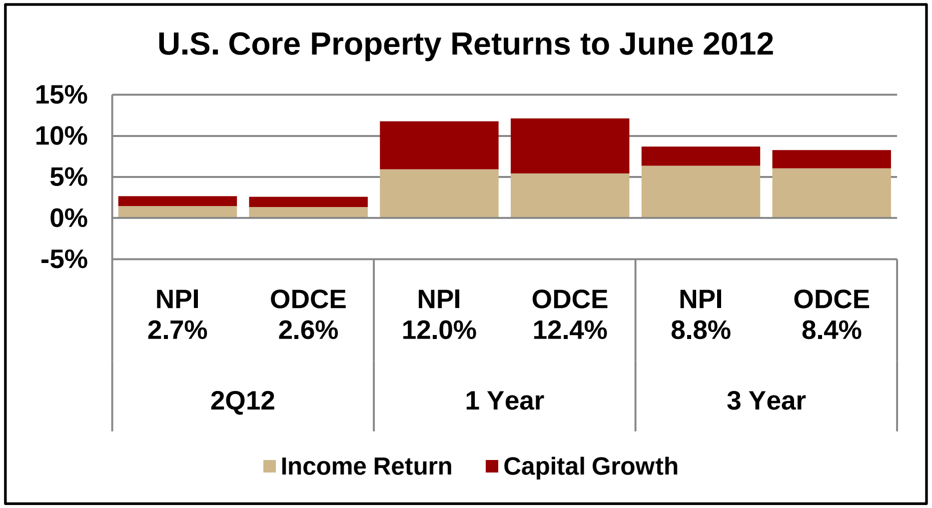
Auction Rate Securities - Sold

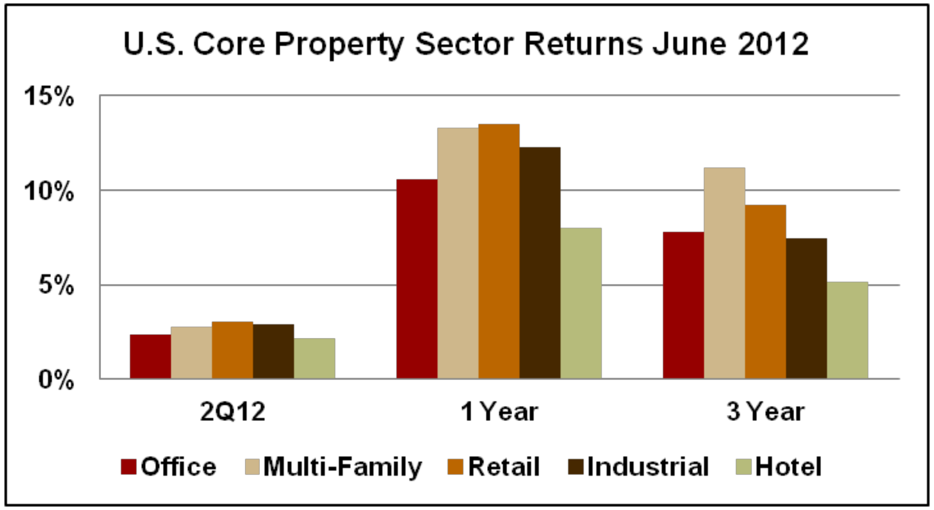
				Sold			Redeemed	
Plan	**Name**	**Units**	**Cost Basis**	**Principal**	**Commission**	**NET**	**NET**	**Gain/Loss**
Pension	BLACKROCK FL MUNI INC TR	17	$ 361,250.00	$ 340,000.00	$ 408.00	$ 339,592.00		**$ (21,658.00)**
Pension	BLACKROCK MUNI BOND TRUS	7	$ 148,750.00	$ 140,000.00	$ 168.00	$ 139,832.00		**$ (8,918.00)**
H&W	BLACKROCK VA MUNI BOND	1	$ 21,250.00	$ 20,000.00	$ 24.00	$ 19,976.00		**$ (1,274.00)**
Pension	BLACKROCK VA MUNI BOND	9	$ 191,250.00	$ 180,000.00	$ 216.00	$ 179,784.00		**$ (11,466.00)**
Pension	BLACKROCK NJ MUNI BOND	7	$ 148,750.00	$ 140,000.00	$ 168.00	$ 139,832.00		**$ (8,918.00)**
H&W	BLACKROCK CRED ALLOC IV	2	$ 42,500.00	$ 44,000.00	$ 52.80	$ 43,947.20		**$ 1,447.20**
H&W	BLACKROCK MUNI NY INSUR	1	$ 21,250.00	$ 20,000.00	$ 24.00	$ 19,976.00		**$ (1,274.00)**
Pension	BLACKROCK MUNI NY INSUR	8	$ 150,000.00	$ 160,000.00	$ 192.00	$ 159,808.00	-	**$ 9,808.00**
Pension	BLACKROCK MUNI NY INSUR	17	$ 361,250.00	$ 340,000.00	$ 408.00	$ 339,592.00		**$ (21,658.00)**
Pension	WESTERN ASSET VARIABLE RATE	11,032	$ 184,730.84			$ 171,105.63		**$ (13,625.21)**
H&W	WESTERN ASSET VARIABLE RATE	1,435	$ 24,053.27			$ 22,199.00		**$ (1,854.27)**
Training	WESTERN ASSET VARIABLE RATE	307	$ 5,026.20			$ 5,001.83		**$ (24.37)**
Pension	BLACKROCK MUNI INTER DUR	5	$ 106,250.00	$ 100,000.00	$ 120.00	$ 99,880.00		**$ (6,370.00)**
H&W	NUVEEN ARIZONA DVD ADV	4	$ 67,000.00	$ 83,000.00	$ 99.60	$ 82,900.40	-	**$ 15,900.40**
Training	NUVEEN INSURED OPPORTUNT	1	$ 23,000.00	$ 21,750.00	$ 26.10	$ 21,723.90		**$ (1,276.10)**
Training	NUVEEN INSURED OPPORTUN	1	$ 22,000.00	$ 21,750.00	$ 26.10	$ 21,723.90	-	**$ (276.10)**
Pension	NUVEEN INSD QUAL	14	$ 234,500.00	$ 290,500.00	$ 348.60	$ 290,151.40	-	**$ 55,651.40**
Training	NUVEEN SELECT QUALITY	1	$ 22,000.00	$ 21,750.00	$ 26.10	$ 21,723.90	-	**$ (276.10)**
H&W	NUVEEN SELECT QUALITY	3	$ 66,000.00	$ 65,250.00	$ 78.30	$ 65,171.70		**$ (828.30)**
Pension	NUVEEN QUAL INCM	22	$ 484,000.00	$ 473,000.00	$ 567.60	$ 472,432.40		**$ (11,567.60)**
Pension	NUVEEN CA DIV ADV MUNI 3	1	$ 22,000.00	$ 21,500.00	$ 25.80	$ 21,474.20	-	**$ (525.80)**
Pension	PIMCO MUNI INCOME FD II	4	$ 75,000.00	$ 72,000.00	$ 86.40	$ 71,913.60		**$ (3,086.40)**
Pension	PUTNAM MUNICIPAL OPPORTU	1	$ 22,500.00	$ 20,000.00	$ 24.00	$ 19,976.00		**$ (2,524.00)**
H&W	ING PRIME RATE TRUST	4	$ 83,000.00	$ 83,250.00	$ 99.90	$ 83,150.10	-	**$ 150.10**
Pension	ING PRIME RATE TRUST	3	$ 62,250.00	-	-	-	$75,000.00	**$ 12,750.00**
Pension	ING PRIME RATE TRUST	15	$ 311,250.00	$ 312,187.50	$ 374.63	$ 311,812.87	-	**$ 562.87**
Training	BLACKROCK MUNI BOND TRUS	1.00	$ 23,375.00	$ 22,000.00	$ 26.40	$ 21,973.60	-	**$ (1,401.40)**
	TOTAL		**$3,284,185.31**	**$2,991,937.50**		**$3,186,653.63**	**$75,000.00**	**$ (22,531.68)**

New ways.
New answers.®

Real Estate

U.S. property market returns: Commentary – June 2012





- The second quarter was another positive quarter for the US property market. Both income and capital growth contributed to gains.
- Continued investor interest in core properties once again drove demand for assets and pushed prices up. Appreciation contributed1.2% of the ODCE's 2.6% total return.
- All five groups had gains of over 2%. Retail led the way, followed closely by Industrial and Multi-Family Office. Hotels lagged.
- Rounding out the real estate marketplace, the West region has the best showing, with a rise of 3.1%. Both the occupancy rate and net operating income improved.

Source: NCREIF; NPI is a quarterly time series composite total rate of return measure of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only on an unlevered basis. The ODCE (Open-End Diversified Core Equity) is a fund-level capitalization weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage

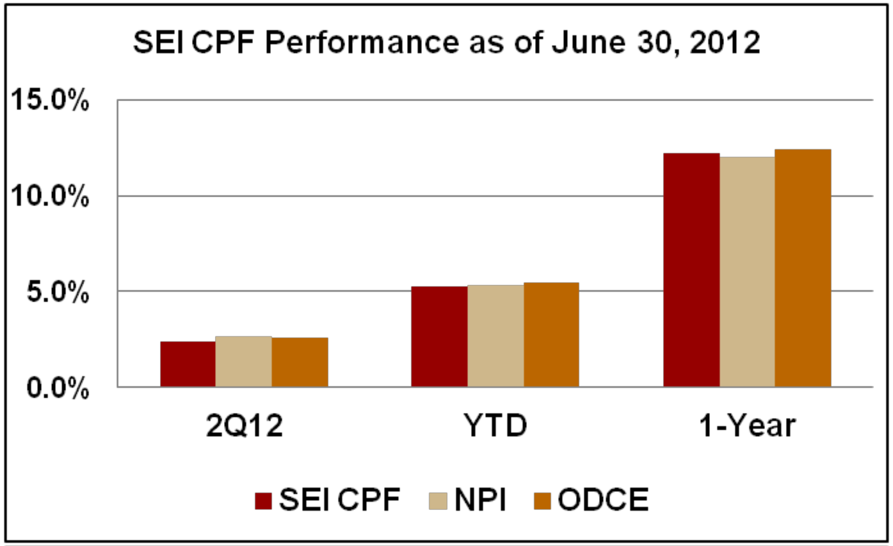
Core Property Fund: Performance review

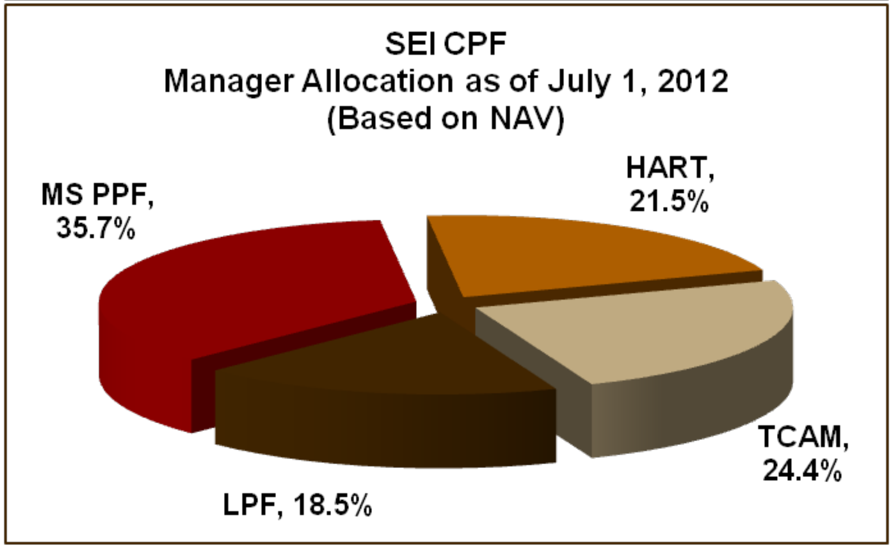
Contributors

- Two of the three managers outperformed both the NPI benchmark and the ODCE peer group, with gains of over 3%
- Gains were broad-based. All four of the primary sectors, as well as the non-core sectors posted strong, positive returns
- New leases signed to fill vacant space led to additional appreciation. A large lease restructuring resulted in both additional income and appreciation.

Detractors

- Portfolio-level cash drag was the primary overall detractor, as the fund held a higher than normal cash balance to fund expected transactions that ultimately got pushed into July
- The negative impact associated with debt valuation, or marking the debt to market rates, mitigated some during the quarter but still impeded performance.





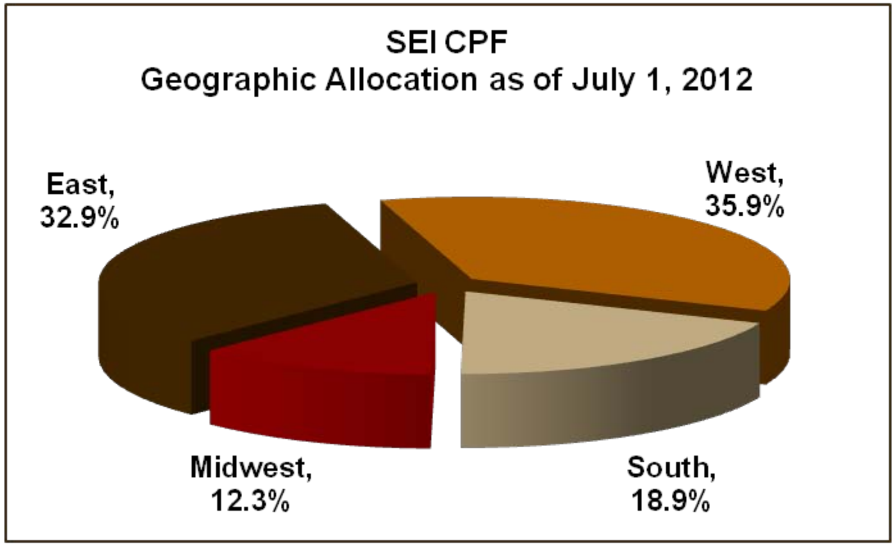
Core Property Fund: Positioning and actions

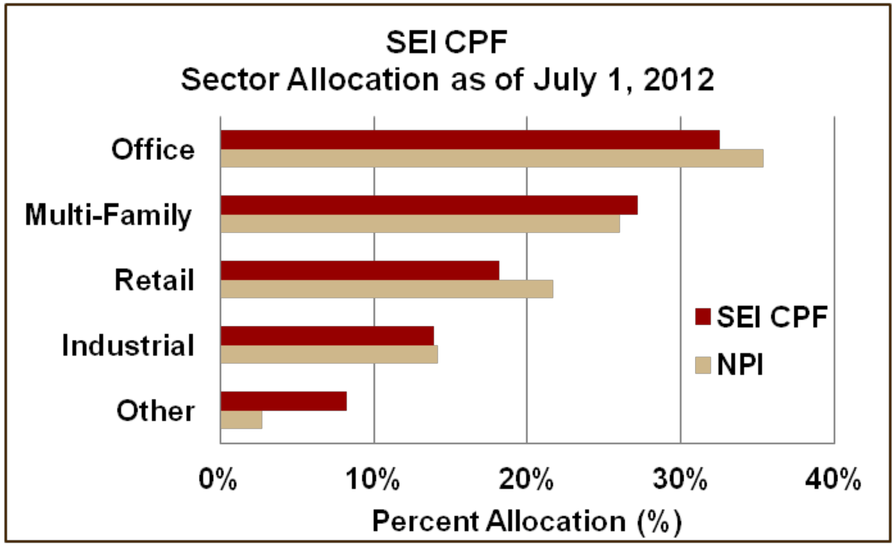
Positioning

- The fund's regional and sector exposures are broadly in-line with the NPI, although it does maintain slight off-benchmark allocations to hotels, self storage and land
- Fund level leverage at 28.4% and occupancy at 93.2% are higher than the corresponding ODCE figures by 540 and 330 basis points, respectively

Actions

- CPF received additional commitments of $42 m during the second quarter, bringing the total NAV to over $380m.
- The Fund cleared the prior quarter's investment queue. It also accepting all second-quarter commitments
- One new manager was added to the Fund. Additional investments were made to two existing managers during the quarter





Source: SEI, NPI. Based on actual invested position of money drawn by managers and excluding cash; "Other" includes predominantly self-storage, hotel and land.

Core Property Quarterly Performance

	2Q12	1Q12	4Q11	3Q11	2Q11	1Q11
Core Property Fund	2.42	2.81	2.37	4.13	2.76	2.05
NCREIF	2.68	2.59	2.96	3.3	3.94	3.36

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Appendix

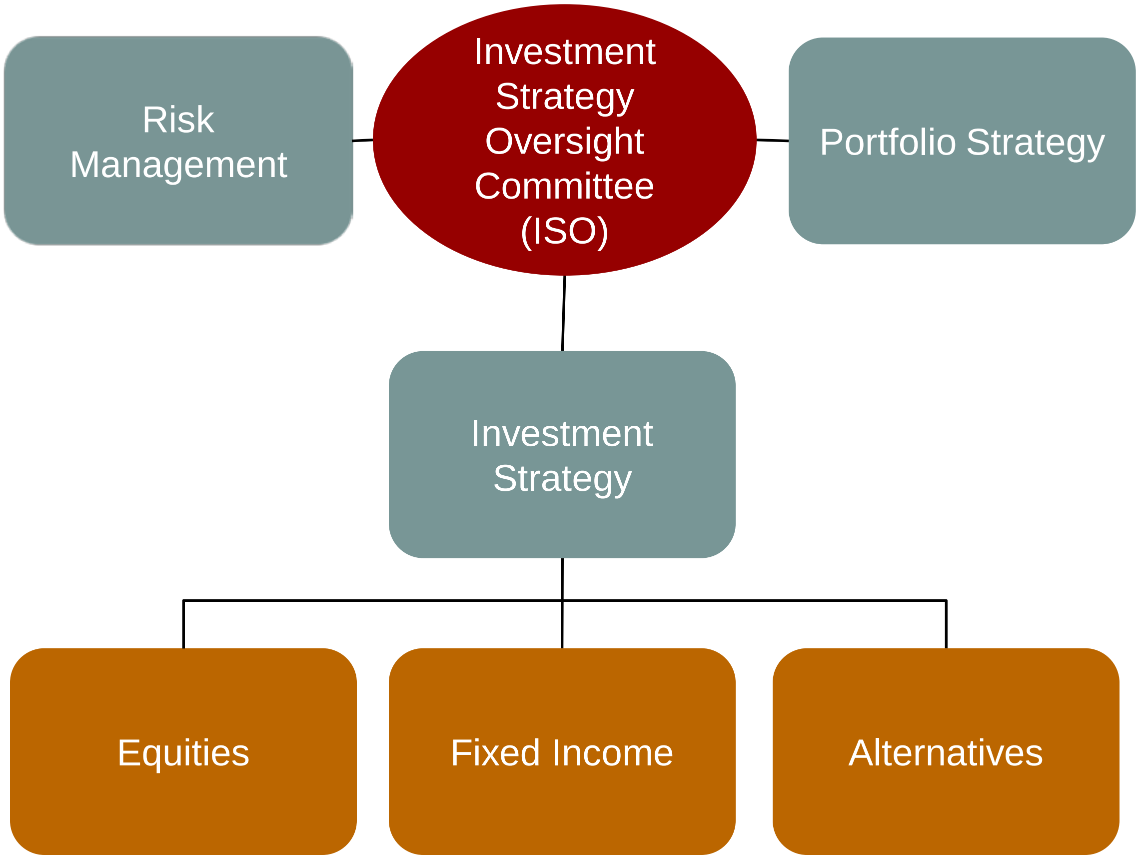
Portfolio Changes for Int’l Union of Operating Engineers Pension (5/30/12)

Asset Class	Current - post J for Jobs redemption	Add 10% CP	Add 5% CP
Large Cap Equity	38.0	33.8	36.3
Small Cap Equity	8.0	7.1	7.6
World Equity Ex-US	8.0	7.1	7.6
Core Fixed Income	36.0	32.8	34.0
High Yield Debt	6.0	5.5	5.7
Emerging Markets Debt	4.0	3.7	3.8
Enhanced LIBOR	-	9.1	9.4
J for Jobs	-	-	-
Core Property	-	10.0	5.0
Equity Exposure	54.0	48.0	51.5
Expected Return (net)	8.2%	8.1%	8.1%
Risk	12.2%	10.8%	11.4%

Active Risk Management and Monitoring

Internal oversight and state-of-the-art risk management tools provide continuous management of risks at all levels

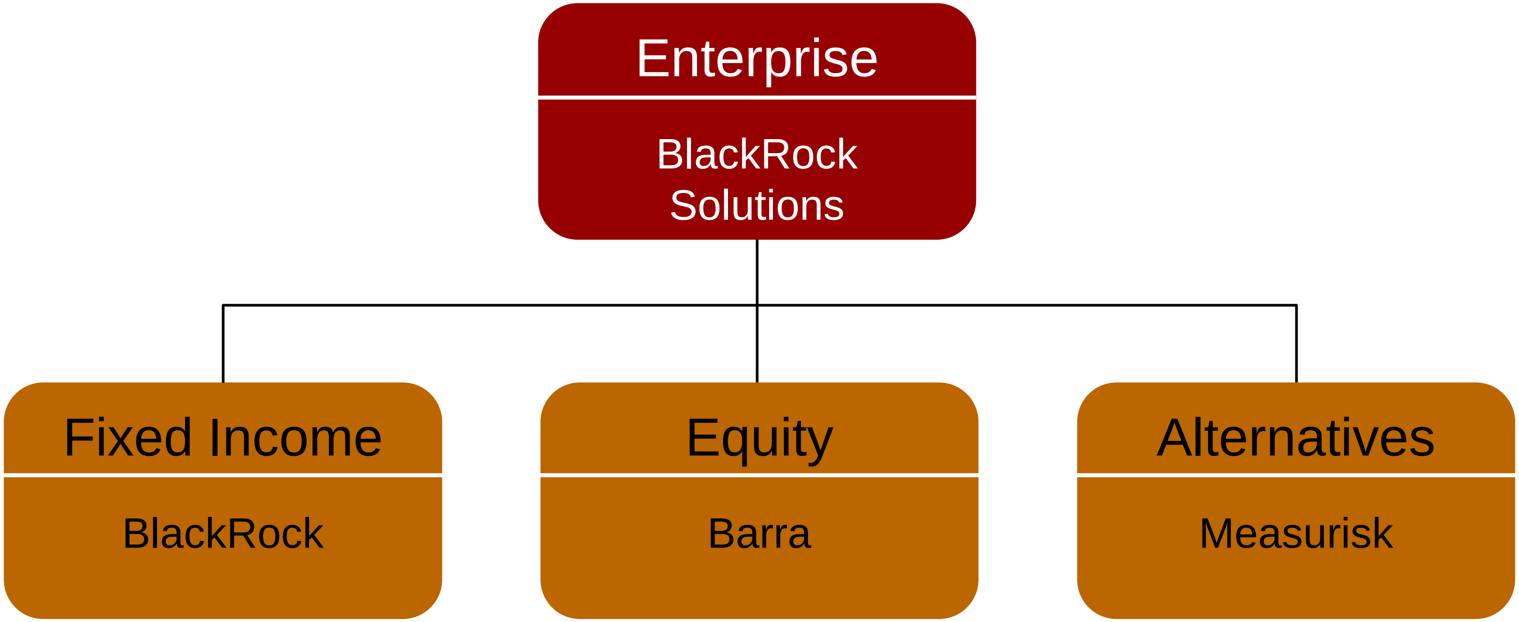
SEI Investment Management Unit



- Our ISO committee provides independent review and oversight of all investment decisions
- We have made a significant investment in an enterprise risk management system to proactively monitor risk across asset classes and the total client portfolio
- Well-defined policies and procedures enforce discipline to defined risk parameters
- Processes prevent a single manager from dominating the risk of a multi-manager portfolio
- Stress testing is used to reveal non-linear behavior from large changes to risk factor

Enterprise risk management system provides a consistent view across asset classes

- Understand and manage portfolio risk across all asset classes
- Evaluate investment decisions in dynamic, continually evolving markets
- Risk management analysis at the security, fund, and manager level
- Monitoring for more than 1,200 risk factors
- Parametric VaR model
- Nonparametric stress-testing functionality



Risk Monitoring Technology

Risk Monitoring and Technology

In order to provide the best solutions for our clients, our analysts use SEI's proprietary risk management and monitoring technology that incorporates some of the leading software in the industry. Among this software, we use BlackRock Solutions, Factset, BondEdge and MSCI BARRA to provide real-time detailed information to make well informed decisions to benefit our clients.

BlackRock Solutions: Provides real-time access to evaluate risk at the manager, fund and portfolio level. The system provides holdings-level portfolio analysis for the underlying funds in SEI's Manager of Managers investment implementation. This enables us to not only see individual holdings, but also enables us to conduct risk analysis across portfolios. The system also enables real-time monitoring of client funding positions and stress testing of client portfolios. BlackRock Solutions performs extensive quality control on all reports including reconciling risk parameter and pricing changes and performing numerous 'sanity checks' on all security master, pricing and market data.

FactSet: Updated daily with each equity manager's holdings and allows our investment team to understand and analyze investment exposures at a sub-adviser and portfolio level on a real-time basis.

BondEdge: Updated weekly with each fixed income manager's holdings, allows our investment team to understand and analyze investment exposures at a sub-adviser and portfolio level on a real-time basis.

MSCI BARRA: Provides exposures to various risks, allows our investment team to evaluate ex-ante tracking error when constructing portfolios and to minimize the impact of "uncompensated risk".

Other risk systems utilized are Northfield, Statpro, FinAnalytica, BearRisk and Measurisk.

Risk management analysis at multiple levels

Manager Level Analysis

Metric	Description	Frequency
Security Level Holdings Analysis	Access to portfolio holdings	Daily
Tracking error	Aggregates risk from all active exposures relative to a benchmark	Weekly
Manager contribution to risk	Measures how the active risk budget is allocated	Weekly
Manager risk-adjusted return	Provides an objective measure of manager alpha	Monthly

Portfolio Level Analysis

Metric	Description	Frequency
VaR model integrity	Compare manager return forecast with results	Daily
Portfolio benchmark-relative exposure guidelines	Controls tracking error by setting limits on relative exposures	Daily
Counterparty risk	Monitors exposure to dealers from OTC derivative transactions	Daily
Relative value at risk	Identifies excessive risk-taking relative to benchmark	Daily
Cover	Measures the amount of capital in excess of the liabilities created by derivative exposures	Daily
Tracking error	Aggregates risk from all active exposures relative to a benchmark	Weekly
Stress testing	Uses stress scenarios to identify non-linear behavior	Monthly

Note: Risk management protocols customized for SMA clients.

SEI risk management and monitoring process

- Robust risk management process allows stress testing
- Transparency at holdings level enables more insight into portfolio exposures
- Detailed analysis used to monitor manager- and strategy level risks

Green Package

SEI Multi Asset Sectors Key Rate Duration Sector Gap Report SIIT Long Duration Fund **2/28/2011**

Market Date	1M Libor	3M Libor	FGPC YLD	1Yr TSY	2Yr TSY	3Yr TSY	5Yr TSY	10Yr TSY	30Yr TSY	5Y SwSp	10Y SwSp	3X5 SwVol
2/28/2011	0.261	0.3095	4.1869	0.2408	0.688	1.164	2.138	3.414	4.489	20.9	11.6	1.11

							Key Rate Durations										
Sector	**Portfolio**	**%NAV**	**OAS**	**Convexity**	**Duration**	**Duration Contribution**	**3M**	**1Yr**	**2Yr**	**3Yr**	**5Yr**	**7Yr**	**10Yr**	**15Yr**	**20Yr**	**25Yr**	**30Yr**
SIIT_LNGDR	SIIT_LNGDR	100.00	121	2.21	11.72	11.72	0.01	0.05	0.05	0.20	0.33	1.04	1.75	1.70	1.40	2.21	2.97
	BC60LC_GOV	100.00	96	2.15	11.91	11.91	0.01	0.05	0.11	0.25	0.47	0.73	1.70	2.25	1.97	2.35	2.02
	Gap	0.00	24	0.05	-0.18	-0.18	0.00	0.00	-0.05	-0.05	-0.14	0.31	0.06	-0.55	-0.58	-0.13	0.95
TOTAL ASSETS	SIIT_LNGDR	100.37	120	2.20	11.68	11.72	0.01	0.05	0.05	0.20	0.33	1.04	1.75	1.70	1.39	2.21	2.96
	BC60LC_GOV	100.00	96	2.15	11.91	11.91	0.01	0.05	0.11	0.25	0.47	0.73	1.70	2.25	1.97	2.35	2.02
	Gap	0.37	24	0.05	-0.23	-0.18	0.00	0.00	-0.05	-0.05	-0.14	0.31	0.05	-0.55	-0.58	-0.14	0.94
CASH	SIIT_LNGDR	-0.37	0	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	BC60LC_GOV	0.00	0	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Gap	-0.37	0	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fixed Income	SIIT_LNGDR	99.11	122	2.12	11.42	11.31	0.01	0.05	0.10	0.24	0.48	1.10	1.74	1.62	1.32	1.98	2.77
	BC60LC_GOV	100.00	96	2.15	11.91	11.91	0.01	0.05	0.11	0.25	0.47	0.73	1.70	2.25	1.97	2.35	2.02
	Gap	-0.89	26	-0.03	-0.49	-0.59	0.00	0.00	-0.01	-0.01	0.01	0.37	0.05	-0.63	-0.66	-0.37	0.75
Derivatives	SIIT_LNGDR	0.00	0	0.00	-10.31	0.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	BC60LC_GOV	0.00	0	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Gap	0.00	0	0.00	-10.31	0.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short Term	SIIT_LNGDR	1.27	0	0.00	0.02	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	BC60LC_GOV	0.00	0	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Gap	1.27	0	0.00	0.02	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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SEI risk management and monitoring process

- Additional example of risk management oversight, which indentifies fund-level metrics that our team monitors on a consistent basis

Green Package

SEI Multi Asset Sectors Exposure Report SIIT Long Duration Fund **2/28/2011**

Market Date	1M Libor	3M Libor	FGPC YLD	1Yr TSY	2Yr TSY	3Yr TSY	5Yr TSY	10Yr TSY	30Yr TSY	5Y SwSp	10Y SwSp	3X5 SwVol
2/28/2011	0.261	0.3095	4.1869	0.2408	0.688	1.164	2.138	3.414	4.489	20.9	11.6	1.11

			%NAV			Duration			Duration Contribution			Convexity			Spread Duration			Yield			OAS		
Fund/ Sector	Market Value (m)	Count	Port	Bench	Active	Port	Bench	Active	Port	Bench	Active	Port	Bench	Active	Port	Bench	Active	Port	Bench	Active	Port	Bench	Active
SIIT_LNGDR	2,935,002	467	100.00	100.00		11.72	11.91	-0.18	11.72	11.91	-0.18	2.21	2.15	0.05	7.66	7.35	0.31	5.25	5.20	0.05	121	96	24
TOTAL ASSETS	2,945,957	467	100.37	100.00	0.37	11.68	11.91	-0.23	11.72	11.91	-0.18	2.20	2.15	0.05	7.64	7.35	0.28	5.23	5.20	0.03	120	96	24
CASH	-10,956	0	-0.37		-0.37													0.26		0.26	-8		-8
Fixed Income	2,908,773	455	99.11	100.00	-0.89	11.42	11.91	-0.49	11.31	11.91	-0.59	2.12	2.15	-0.03	7.73	7.35	0.38	5.24	5.20	0.04	122	96	26
Government	880,049	24	29.98	40.82	-10.83	13.77	12.74	1.03	4.13	5.20	-1.07	2.82	2.40	0.42	0.78	1.21	-0.44	4.29	4.28	0.01	5	4	1
Municipal and Local Authority	147,845	36	5.04	7.96	-2.92	11.50	10.86	0.64	0.58	0.86	-0.29	2.09	1.80	0.29	11.74	11.08	0.66	6.02	6.11	-0.09	172	189	-17
Credit	1,832,046	365	62.42	51.22	11.20	10.42	11.41	-0.99	6.51	5.84	0.66	1.83	2.01	-0.18	10.76	11.66	-0.90	5.64	5.80	-0.16	170	155	15
Agency Mortgages	24,936	8	0.85		0.85	10.93		10.93	0.09		0.09	1.09		1.09	11.13		11.13	4.27		4.27	42		42
Non-Agency Mortgages	6,775	14	0.23		0.23	0.01		0.01	0.00		0.00	0.01		0.01	3.34		3.34	13.82		13.82	1,291		1,291
Commercial Mortgages	3,255	2	0.11		0.11	4.44		4.44	0.00		0.00	0.23		0.23	4.72		4.72	4.01		4.01	177		177
Asset Backed	13,867	6	0.47		0.47	0.70		0.70	0.00		0.00	0.03		0.03	3.47		3.47	2.72		2.72	215		215
Derivatives	0	5				-10.31		-10.31	0.41		0.41	-2.61		-2.61				-1.40		-1.40	0		0
Short Term	37,184	7	1.27		1.27	0.02		0.02	0.00		0.00	0.00		0.00	0.00		0.00	0.25		0.25	0		0

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On-site due diligence to assess skill at the stock level

Company Explorer - Springboard
Force Protection Inc.
FRPT 345203202 B064LH9 NASDAQ Nat'l Market Common stock

14-Sep-2007
Source: Compustat / I/B/E/S
Currency: U.S. Dollar

Summary Information

Price		Valuation	
Latest	16.26	P/E	31.9
Previous Close	16.55	FY1 P/E	24.7
1 Day Chg (%)	-1.8	P/Bk	5.0
1 Yr Chg (%)	131.3	P/CF	-
52 Week Range	6.35 - 31.16	P/Sales	3.3
VWAP	16.46	EV/EBITDA	31.4
Current Volume	323,582	EV/Sales	3.2
3Mo Avg Volume	2,281,337	Div Yld	0.00

Size		Financials	
Mkt Val (mil)	1,109	Sales (mil)	340
Entrpr Val (mil)	1,072	Assets (mil)	320
Shs Out (mil)	68.2	Income (mil)	30
Float (%)	94.4	EPS (diluted)	0.51
		EPS FY1	0.66

At a Glance

Company Tearsheet (Quick Look) — Peer Analysis
Price, Sales & Earnings — Deal Synopsis
Issue Summary — Research Reports
Valuation Spotlight — Operating Results (Headlines)
Index Membership — Debt Summary

Price Analysis — **Estimate Analysis**

Price Chart With Indicators — Consensus Outlook
Historical Prices — Earnings Growth
Composite & Multiple Co Prices — Sales Growth
Histogram — Broker Revisions
Exchange Rates — Surprise History

Financial Analysis

Financial Statements — Dupont Analysis
Filings — Credit Analysis
As Reported Tables (FactSet Fundamentals)

Price Performance

Corporate Information

Dividends & Splits — Company Press Releases
Ownership Information — Insider Activity
Corporate Website — M&A Deals (Headlines)
Events — Global Reports

Business Description

Force Protection, Inc. and its subsidiaries engage in the manufacture of ballistic and blast protected vehicles. The company's products are used to protect personnel during transport, removal of unexploded ordnance, route clearance, humanitarian de-mining, and other missions that require protection from landmines and hostile fire. Its products include The Buffalo series, which is designed for route clearing activities; and The Cougar series for troop transport, explosive ordnance disposal, command and control, artillery prime mover, recovery and ambulance duty, urban patrol, route clearance support, utility transport, and special unit activities. The company also offers The Cheetah series for reconnaissance, forward command and control, and urban operations. It serves the United States Army, the U.S. Marine Corps, and the U.S. Department of Defense, as well as the Iraqi Army and the British Military of Defense. The company was founded in 1996 and is based in Ladson, South Carolina.

Stock Analysis

- We have the information, resources, and experience to engage the manager on their level - the stock level
  - We use the same tools that the managers use themselves
  - We staff ex-Wall Street analysts and have access to deep sell side resources
  - The illustration to the left is just one example of the many individual stock reports we can access through FactSet
- We can test the manager's thesis relative to the conventional view and what the market is pricing in
  - For example, if a stock is a cost cutting thesis, we can speak directly to the expense figures, testing their knowledge and insight into the stock
- Full transparency engenders a much more valuable on-site conversation

SEI New ways. New answers.®

Scalability of MoM

Understand the facts about the advantages of integrated solutions

MYTH	FACT
Manager of Managers is more expensive	• More than 80% of SEI's "Financial Management Analyses" demonstrated we were less expensive • Our tremendous buying power provides our clients with significant savings, and access to top manager talent
The plan sponsor loses control	• By delegating manager selection to SEI, you gain: – more control over strategy and portfolio outcome – more time for strategic decisions – more leverage and access to world class managers – the shared risk of a co-fiduciary
There are potential conflicts of interest	• SEI implements a well documented, rigorous, and objective manager selection process • All managers are paid based on contractual fee schedules, and SEI receives no compensation for selecting managers
Integrated solutions are not flexible	• The foundation of every SEI pension plan is a customized strategy and implementation process • We will work with you to build the right plan for you and your organization

Minimum account size to replicate on your own

Asset Class	Minimum Required Assets to Achieve Diversification	Number of Managers
US Large Cap	$171,000,000	7
US Small/Mid Cap	$305,000,000	11
International Equity	$235,000,000	6
US Core Plus Fixed Income	$900,000,000	13
Total	**$1,611,000,000**	**37**

As of December 2011

Distinguishing the Difference between Manager of Managers and Fund of funds

Manager of Managers

Client

.65% client fee

SEI

Proprietary Fund[1]

Mgr. A	Mgr. B	Mgr.C	Mgr. D	
55 bps	70 bps	65 bps	75 bps	
(W%) +	(X%) +	(Y%) +	(Z%)	=**100%**

Avg. **:** 70 bps

Combined allocation fund weighted fees are less than .65%

Fund of Funds

Client

Investment Company

Fund - 30 BPS fee

Fund A[1]	Fund B[1]	Fund C[1]
Fee: 90bps	Fee: 80bps	Fee: 100bps

Total: 90 bps (avg.) + 30 bps = 120bps

1- denotes SEC registered fund

-SEI's economies of scale for manager fees and proprietary fund management are able to be passed on to the client in form of lower fees

Fee Reconciliation

Investment Management Agreement – Schedule C

SCHEDULE C

Investment Management Services:

Market Value	Fees
First $25 Million	.66%
Next $25 Million	.62%
Next $50 Million	.58%

Trust Services to be Provided by SEI Private Trust Company:

Market Value	Fees
Waived	

Oversight Services

The fees for the Oversight Services contemplated hereunder provided to the Client and the Oversight Fund(s) shall be paid from the fees for services received from SIMC with respect to the Investment Management Agreement signed between SIMC and the Client. No additional fees for the Oversight Services will be charged.

Quarterly Invoices for FY ending March 31, 2012

6/30/2011	AVG MKT VALUE*	BPS FEE	ANN FEE	QTR FEE
	$ 40,930,384.57			
	$ 25,000,000.00	0.66%	$ 165,000.00	$ 41,250.00
	$ 15,930,384.57	0.62%	$ 98,768.38	$ 24,692.10
	6/30/11 QTR FEE			**$ 65,942.10**
	FUND REBATE**			$ 28,917.43
	INVOICE AMOUNT			$ 37,024.67

9/30/2011	AVG MKT VALUE*	BPS FEE	ANN FEE	QTR FEE
	$ 39,464,390.32			
	$ 25,000,000.00	0.66%	$ 165,000.00	$ 41,250.00
	$ 14,464,390.32	0.62%	$ 89,679.22	$ 22,419.80
	9/30/11 QTR FEE			**$ 63,669.80**
	FUND REBATE**			$ 27,813.91
	INVOICE AMOUNT			$ 35,855.89

12/31/2011	AVG MKT VALUE*	BPS FEE	ANN FEE	QTR FEE
	$ 38,280,506.49			
	$ 25,000,000.00	0.66%	$ 165,000.00	$ 41,250.00
	$ 13,280,506.49	0.62%	$ 82,339.14	$ 20,584.79
	12/31/11 QTR FEE			**$ 61,834.79**
	FUND REBATE**			$ 26,850.69
	INVOICE AMOUNT			$ 34,984.10

3/31/2012	AVG MKT VALUE*	BPS FEE	ANN FEE	QTR FEE
	$ 45,992,690.47			
	$ 25,000,000.00	0.66%	$ 165,000.00	$ 41,250.00
	$ 20,992,690.47	0.62%	$ 130,154.68	$ 32,538.67
	3/31/12 QTR FEE			**$ 73,788.67**
	FUND REBATE**			$ 30,228.86
	INVOICE AMOUNT			$ 43,559.81

Summary Reconciliation for FY ending March 31, 2012

INVOICED FEES

DATE	AVG MKT VALUE*	QTR FEES
6/30/2011	$ 40,930,384.57	$ 65,942.10
9/30/2011	$ 39,464,390.32	$ 63,669.80
12/31/2011	$ 38,280,506.49	$ 61,834.79
3/31/2012	$ 45,992,690.47	$ 73,788.67
AVG ANN	$ 41,166,992.96	**$ 265,235.36**

SCHEDULE C

MARKET VALUE	BPS FEE	ANN FEES
$ 25,000,000.00	0.66%	$ 165,000.00
$ 16,166,992.96	0.62%	$ 100,235.36
$ 41,166,992.96		**$ 265,235.36**

SEI SIIT Large Cap Equity

SIIT Large Cap Fund: Performance review

Overview

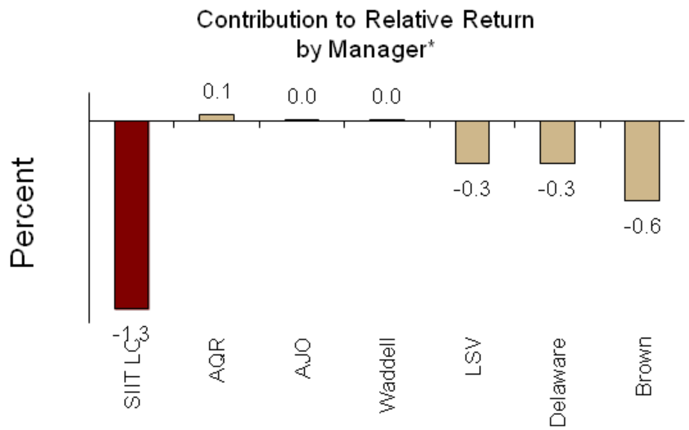
- SIIT Large Cap underperformed the Russell 1000 Index, returning -4.42% vs. -3.12%.
- 4 of 8 managers underperformed, driven by the more aggressive managers.
- Sector performance was negative, driven by volatility. Stock selection hurt, strongly negative payoffs to volatility and weak guidance did too.

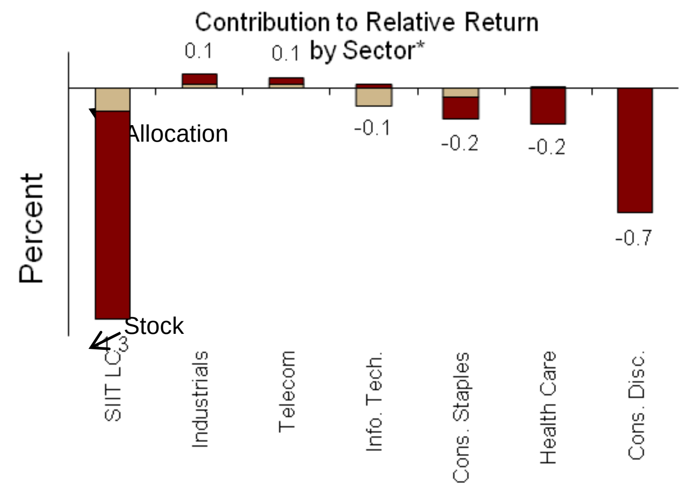
Manager Performance

- Brown's underperformance was not surprising as they are our most aggressive growth manager. Higher volatility Consumer Discretionary /Technology names and reactions to poor guidance from a few notable holdings drove results.
- Since value outperformed growth, Delaware's underperformance was also expected.
- Despite a modest tailwind for value, LSV's deeper value and more risk-on posture detracted.
- AQR's Consumer Staples names proved modestly accretive.

Sector Performance

- Discretionary stocks, our largest overweight, led underperformance.
- Allocation and selection within industrials were additive.
- Telecommunications was the best performing sector in the benchmark. The Fund's slight overweight and superior picks contributed as a result.





** Versus Fund benchmark; top 3/bottom 3 only*

In Base Currency, Gross of Fees
Past Performance is Not a Guarantee of Future Performance
Index = Russell 1000 Index

SIIT Large Cap Fund: Outlook and positioning

Outlook

- Macroeconomic concerns dictated performance in the second quarter. As evidenced by first quarter performance, we believe we are well positioned for an eventual abating of macro headwinds.
- We continue to believe the U.S. economy is in for an extended period of low growth but not an outright recession.

Manager Positioning

- Our preference for growth over value has been largely tempered as uncertainty has increased in both growth- and value-oriented sectors.
- We believe sector allocation and macro concerns will continue to dominate and are holding to macro-leaning manager weights.
- We are also holding weights to those that have lost in this current risk-off environment but will seek to opportunistically reduce exposures (growth/volatility) if U.S. economic data continues to weaken.

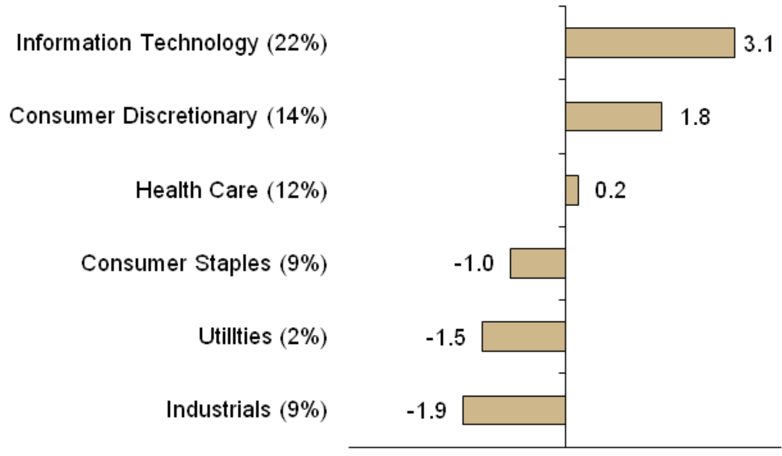
Sector Positioning

- Technology remains the largest overweight. We have seen mild trimming in Consumer Discretionary but it remains an overweight.
- Despite the market's increasing concerns over Europe and slower growth, managers have not lessened their underweights to defensive sectors relative to last quarter.

Manager Allocations (%)

AJO	18
AQR	15
LSV	15
Delaware	13
Brown	12
WestEnd	11

Active Sector Allocation *



Figures in parenthesis are actual fund weights as of June 30, 2012; top 3/bottom 3 only. Cash represented 2.0% of Fund assets.

SEI SIIT Small Cap Equity

SIIT Small Cap Fund: Performance review

Overview

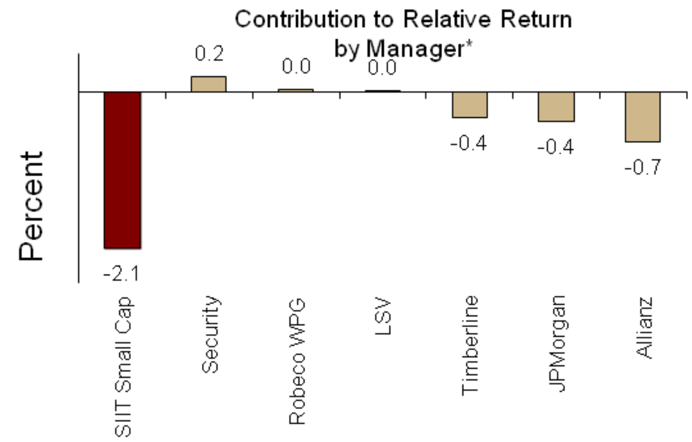
- The Fund returned -5.5% versus -3.5% for the Russell 2000 Index.
- 9 of 13 managers (including all five growth managers) detracted from performance. The environment favored value managers, as the Russell 2000 Value Index declined less than the Russell 2000 Growth Index (-3.0% versus -3.9%).
- Both sector allocation and stock selection weighed on performance.

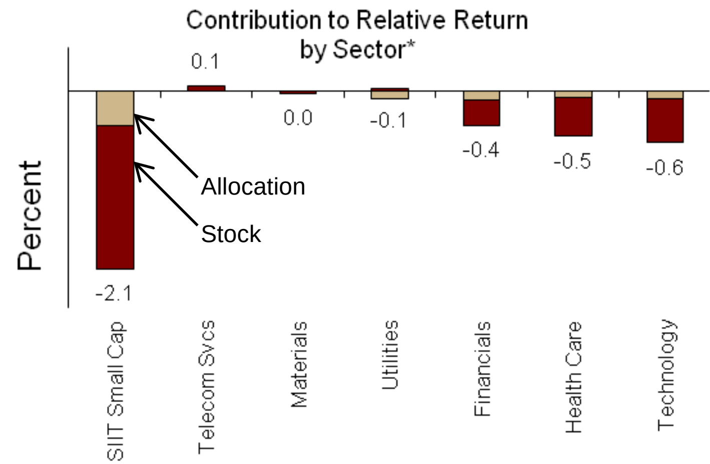
Manager Performance

- Growth manager Allianz was a material drag due to its contrarian style and poor execution. While Timberline's contrarian growth style also hurt, the magnitude of underperformance was mitigated by better risk management.
- Growth manager JPMorgan owned the wrong stocks in Health Care.
- Dedicated REIT manager Security Capital benefited from investor preference for yield and was the only material contributor.

Sector Performance

- Stock selection was broadly negative. Health Care (underexposed to select biotechnology names), Information Technology (struggling in all areas except semiconductors) and Financials (mainly banks) were most affected.
- The Fund's modest overweight to Energy—the weakest sector of the Index, with a decline of 15.7%—detracted. Underweight positions in Health Care and Utilities—the strongest sectors with gains of 4.8% and 3.6%, respectively—were headwinds.





** top 3 and bottom 3 only*

SIIT Small Cap Fund: Outlook and positioning

Outlook

- We continue to anticipate modest growth through the balance of the year which should help small cap equities.
- Valuations are reasonable relative to their own history (NTM P/E of 17x vs 10-year average of 20x) and large caps (33% premium relative to 10-year average of 39%).
- Volatility driven by global macroeconomics, particularly out of Europe, remains the primary risk to performance.

Manager Positioning

- Given the mixed outlook, our allocation between value and growth managers remains balanced.
- We took capital from Allianz and redirected it to Timberline (a more risk-sensitive version of Allianz' contrarian style) and Janus (quality growth offering downside insulation). We plan to continue reducing our allocation to Allianz.
- We edged up our allocation to relative value manager William Blair.

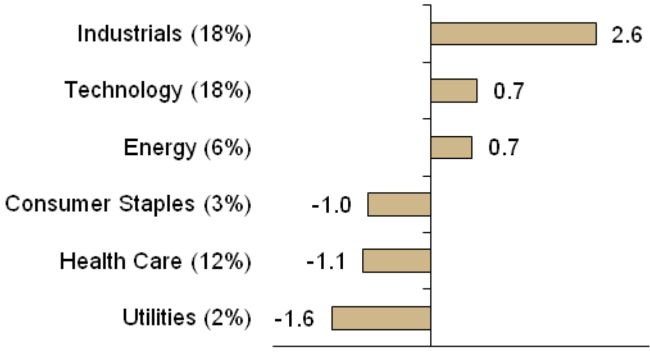
Sector Positioning

- A slight pro-cyclical stance via sector weightings could detract if U.S. economic data disappoints.
- Managers eliminated their underweight to real estate within the Financials sector, seeking to benefit from improving fundamentals and attractive yields.
- The Fund's overweight to Technology has been cut by two-thirds, largely through reduced exposure to hardware and semiconductors.

Manager Allocations (%)

AQR Capital Management	13
Lee Munder Capital Group	10
Janus Capital Group	10
JPMorgan	9
Robeco WPG	8
William Blair	8
Timberline	8
AllianceBernstein	7
Artisan Partners	7
Allianz	7
LSV	6
Security	3
Wellington	1

Active Sector Allocation *



** Figures in parentheses are actual fund weights as of June 30, 2012; top 3 and bottom 3 sectors only. Cash represented 3.9% of Fund assets.*

SEI SIIT World Equity Ex-US

SIIT World Equity ex-U.S. Fund: Performance review

Overview

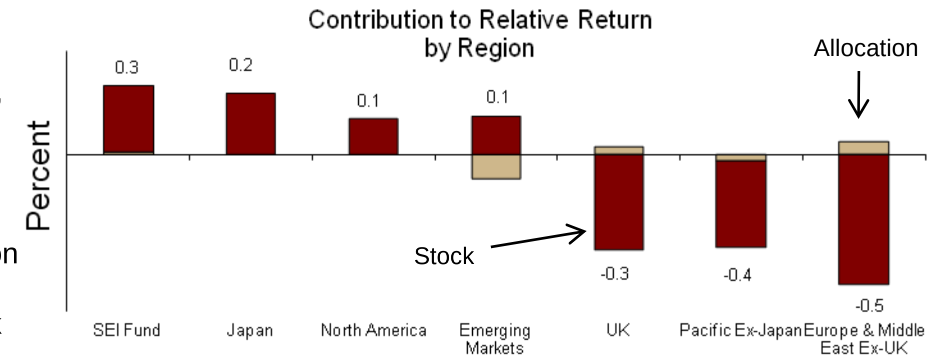
- The Fund returned -7.34%, outperforming its benchmark the MSCI ACWI ex-US Index, which returned -7.61%.
- Manager performance was driven by outperformance of the Fund's highest weighted, value-biased manager NFJ (21% weight in fund), which had strong stock selection in the Materials sector.
- Acadian (20%) and McKinley (6%) were flat for the quarter, while Thornburg (18%) modestly outperformed.
- Earnest Partners (19%) underperformed due to weak stock selection in the Industrials and Financials sectors. JO Hambro (16%) underperformed to due their overweight positioning and weak stock selection in the Information Technology sector.

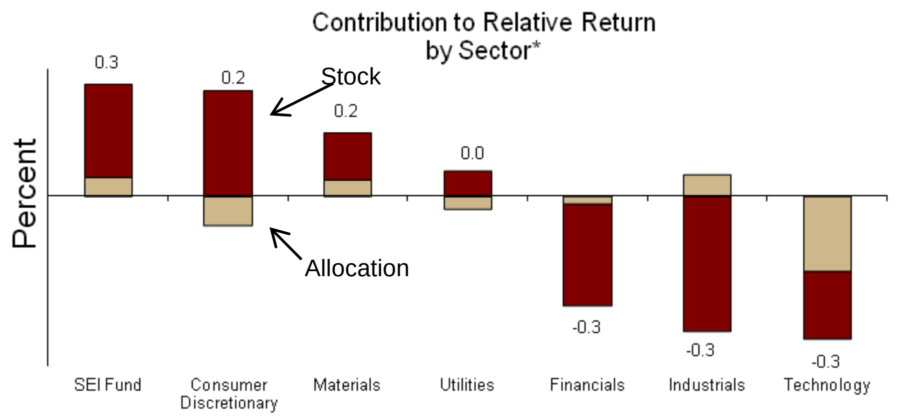
Regional Performance

- Our managers have found pockets of strength in Japan, particularly in the Technology space, which led to a positive effect on performance.
- Emerging market exposure was beneficial overall, particularly within resource rich Brazil. Bermuda based companies also added to performance.
- Stock selection in Europe was a drag on performance, with France the single greatest detractor from performance.

Sector Performance

- Strong stock selection in Consumer Discretionary was the largest positive contributor to fund performance, with selection in Materials aiding results as well.
- An overweight and weak stock selection in the Information Technology sector moderated returns as did weak selection in Industrials.





** Versus Fund benchmark; top 3/bottom 3 only*

In Base Currency, Gross of Fees
Past Performance is Not a Guarantee of Future Performance
Index = MSCI ACWI ex US Index

SIIT World Equity ex-U.S. Fund: Outlook and positioning

Outlook

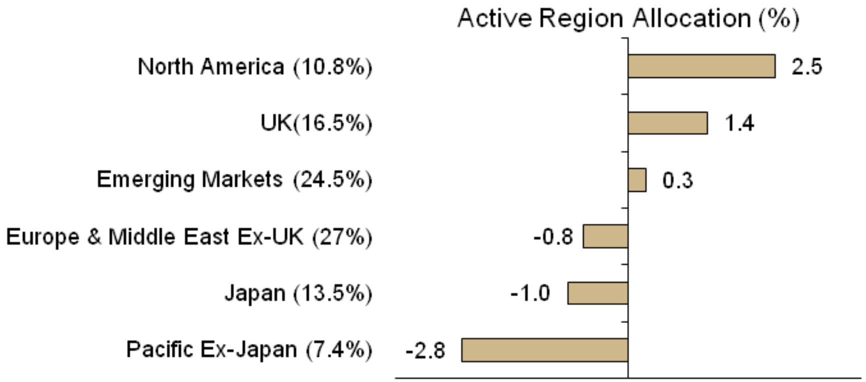
- Despite a resurgence of European sovereign debt concerns we remain confident the issues will "muddle through" as we believe the ECB stands ready to be the lender of last resort. We rely on our managers ability to invest shrewdly in Europe
- We continue to believe that emerging markets will be the source of global growth. However, without a path to resolution in Europe, emerging markets could suffer in the short term as many are still heavily export dependent.

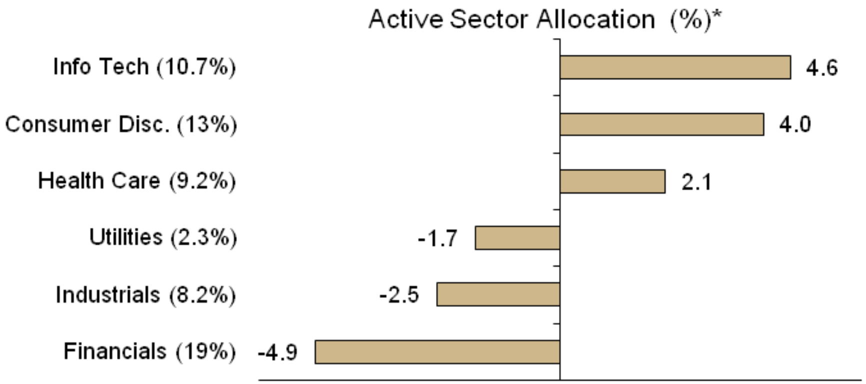
Regional Positioning

- Given our outlook our managers collectively are underweight to peripheral Europe and selectively positioned in emerging markets, with an overweight to Brazil and underweight to Russia.
- The Fund's underweight to the Pacific ex-Japan region is primarily a result of an underweight to Australian financials.

Sector Positioning

- In the aggregate, managers prefer Information Technology, Consumer Discretionary and Health Care. No change from prior quarter.
- Continued concerns for the prospects of the Financials sector has led our managers to remain underweight the sector relative to the benchmark.





Figures in parenthesis are actual fund weights as of June 30, 2012; top 3/bottom 3 only. Cash represented 3% of Fund assets

SEI SIIT Core Fixed Income

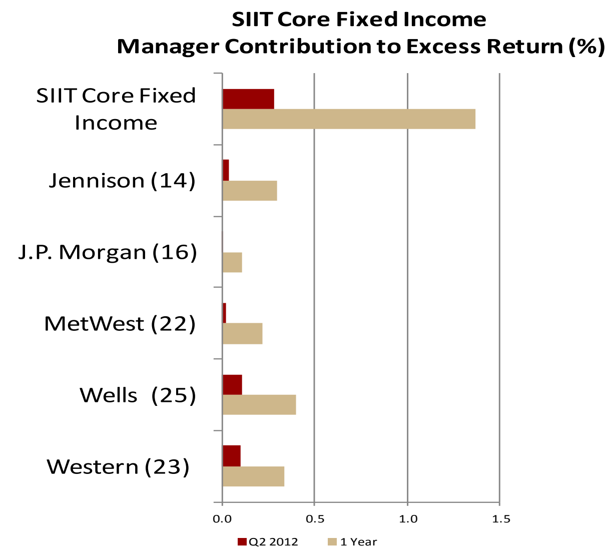
SIIT Core Fixed Income Fund: Performance review

Contributors

- Jennison and Western's yield-curve posture (flattener) contributed to performance
- Wells' security selection within the agency MBS and Corporate sectors was beneficial
- MetWest, Western and J.P. Morgan's overweight to non-agency MBS was a contributor to performance as sector continues to hold up well
- An overweight to high quality commercial mortgage-backed securities (CMBS) from MWAM and Wells contributed to results

Detractors

- The Fund's underweight to agency debt detracted
- MetWest, Western, and Jennison's overweight to Corporate bonds (Financials) detracted
- The Fund's short duration posture (MetWest, J.P. Morgan, Western) relative to the benchmark had a negative impact



In Base Currency, Gross of Fees
Past Performance is Not a Guarantee of Future Performance
(#) indicates the percent allocation in the Fund
Index = Barclays Capital US Aggregate Index

SIIT Core Fixed Income Fund: Positioning and actions

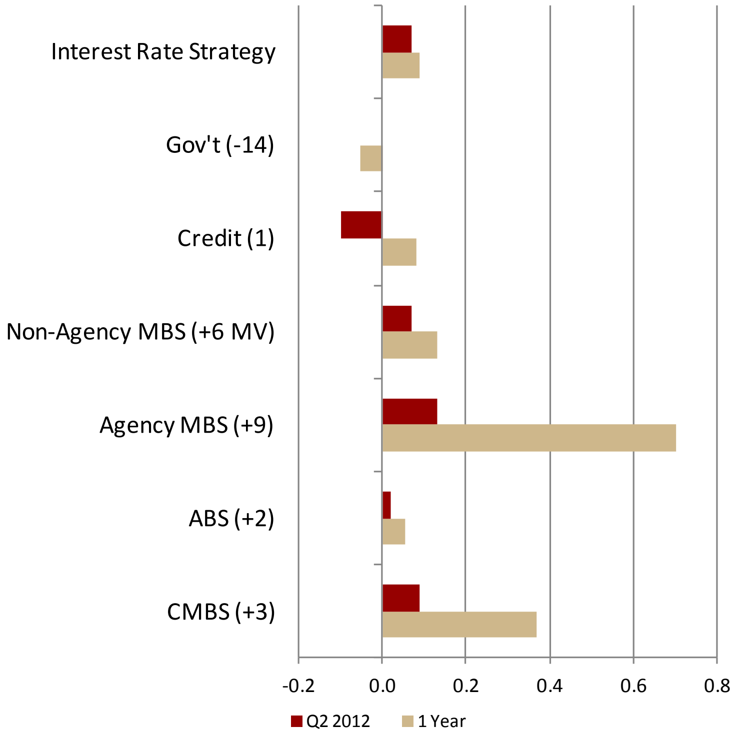
Positioning

- Managers continue to emphasize overweight positions to non-agency MBS, Corporate bonds (Financials) and CMBS (lower beta)
- The Fund increased its overweight to agency MBS and the Corporate sector as spreads widened during the quarter
- We expect managers to continue to tactically trade agency MBS given the dislocations created by perceived and actual government policy
- The Fund modestly reduced its allocation to Non-Agency MBS given the continued strength of the sector
- The Fund is underweight to the government sector (Treasurys and agencies) as risk premiums still remain historically high in other sectors

Actions

- Allocations to opportunistic, higher-tracking-error managers (Western & MetWest) are currently being maintained

SIIT Core Fixed Income
Sector Contribution to Excess Return (%)



(#) indicates the relative CTD % weight to the benchmark

In Base Currency, Gross of Fees
Sources: SEI
Index = Barclays Capital US Aggregate Index

SEI SIIT High Yield Bond

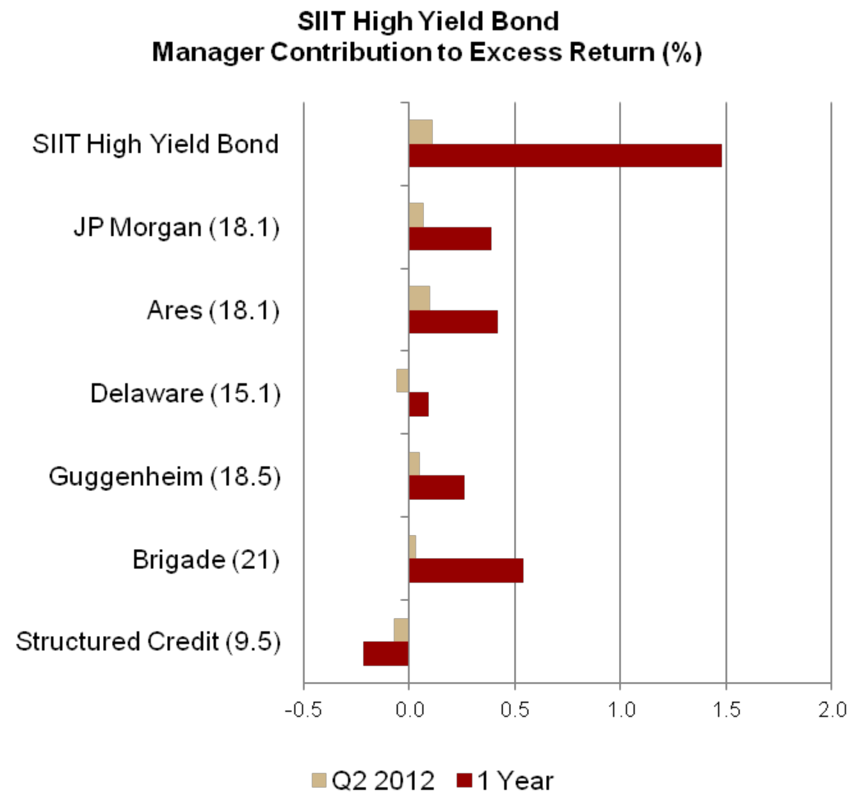
SIIT High Yield Bond: Performance review

Contributors

- An overweight to and security selection in the outperforming Consumer Cyclical sector helped performance.
- Security selection in the Services sector, particularly regional gaming companies which are expanding as states seek additional revenues, boosted performance.
- The Fund benefitted from an underweight to the underperforming Energy sector combined with strong security selection via no exposure to an oil and gas company that saw its bonds fall by double digits on issues with senior management.
- An overweight to healthcare enhanced performance as improving operations and the U.S. Supreme Court decision upholding the new healthcare legislation (which was viewed as positive for the sector) were beneficial.

Detractors

- While the fundamentals in the CLO market continue to improve, loan prices lagged bond prices during the quarter, and the Structured Credit allocation subtracted.
- An underweight to the outperforming Automotive sector was a negative.
- Despite downgrades from Moody's, the Banking sector outperformed. The Fund's underweight subtracted.

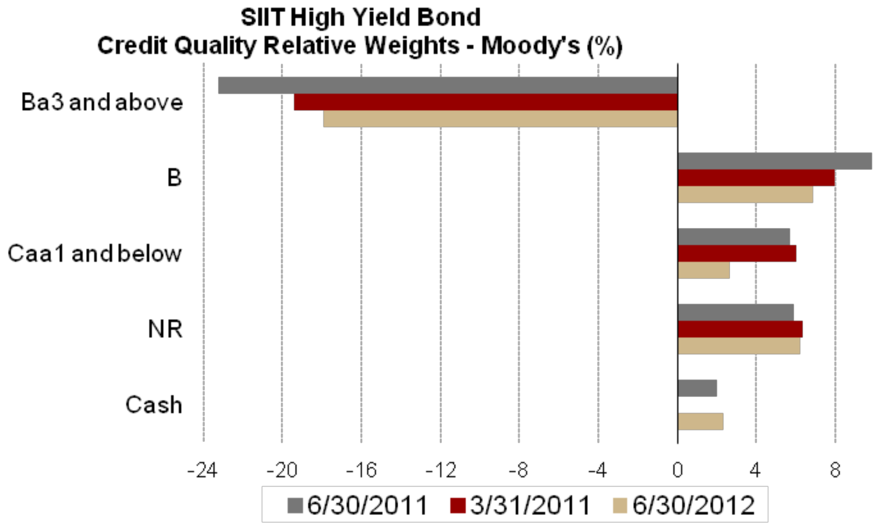


In Base Currency, Gross of Fees
Past Performance is Not a Guarantee of Future Performance
(#) indicates the percent allocation in the Fund
Index = ML US High Yield Master II Constrained

SIIT High Yield Bond: Positioning and actions

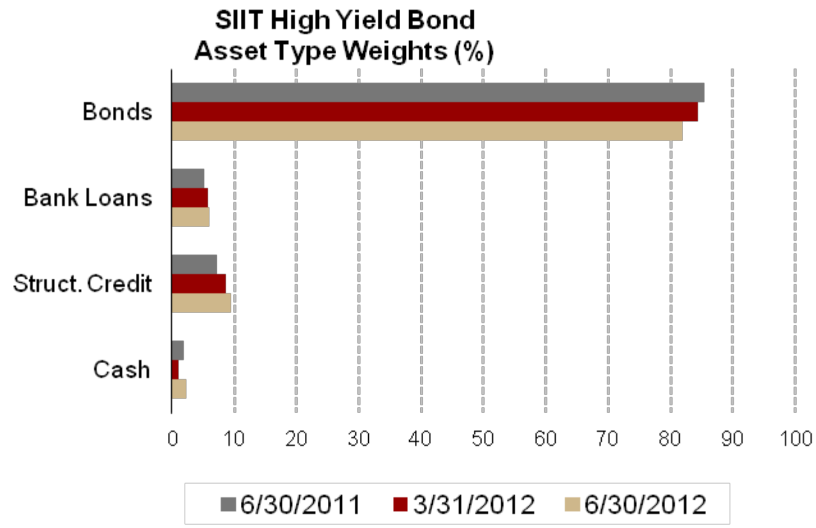
Positioning

- The Fund maintains a slightly more defensive posture versus the benchmark, with an allocation to bank loans, a high-yield credit default swap short position and cash
- It is underweight the Energy and Utility sectors on valuations, overweight the Technology sector on capital investment, and underweight Banking and Financial Services on operational concerns
- It is underweight to BB-rated securities due to their higher interest rate sensitivity and lower yield, although that underweight has been reduced as managers have rotated out of riskier names



Actions

- Fundamentals for the market remain strong, so managers will add to positions with the strongest conviction as volatility subsides and liquidity improves
- As economic growth in the U.S. has slowed and a recession in Europe is probable, managers are more cautious on the Industrial sector especially companies with exposure to Europe
- The Energy and Utility sectors have underperformed due to record low natural gas prices, creating potential opportunities in oil, gas, and coal companies



Source: SEI, Factset
Index = ML US High Yield Master II Constrained

SEI SIIT Emerging Market Debt

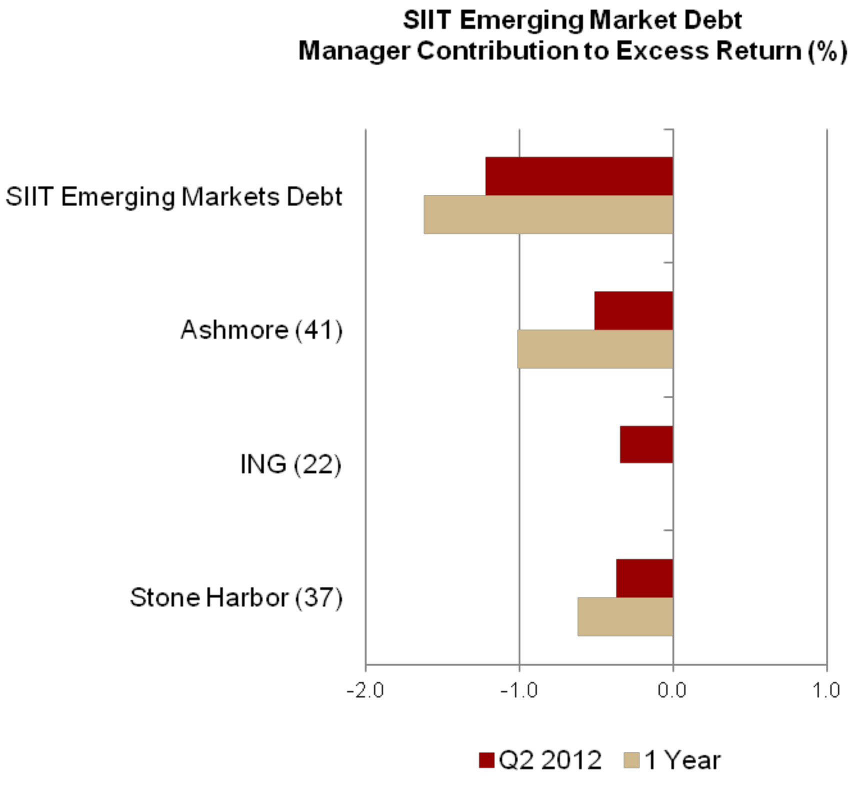
SIIT Emerging Market Debt: Performance review

Contributors

- Security selection in local currency issues, an underweight to Lebanon and an overweight to Qatar benefited returns
- Ashmore added thanks to an underweight to Lebanon, security selection in China and an overweight to Mexico
- ING benefited from overweights to the Ivory Coast and Qatar and an underweight to Lebanon
- Stone Harbor added via security selection in Mexico and South Africa and an underweight to Lebanon

Detractors

- An allocation to corporate debt and security selection in high yield credits detracted from relative returns
- Ashmore suffered from security selection in Brazil and Ukraine and overweights to India and Venezuela
- ING underperformed from overweights to Argentina and Venezuela and an underweight to Hungary
- Stone Harbor detracted due to security selection in Argentina and overweights to Brazil and Russia



In Base Currency, Gross of Fees
Past Performance is Not a Guarantee of Future Performance
(#) indicates the percent allocation in the Fund
Index = JPM EMBIGD Index

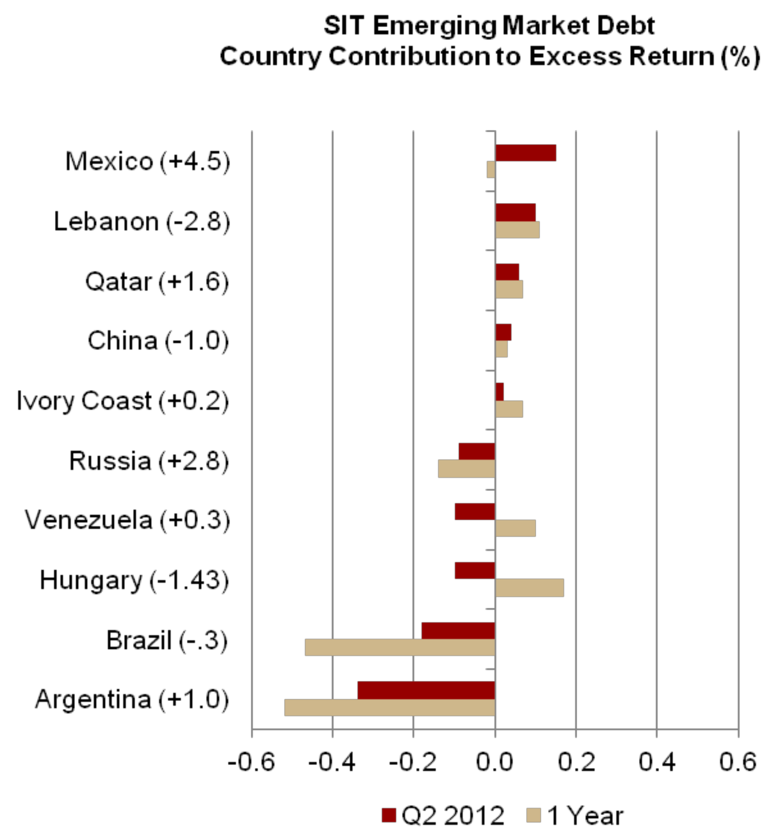
SIIT Emerging Markets Debt: Positioning and actions

Positioning

- Fund managers have a favorable view of high yield external debt valuations and remain overweight the asset class
- Exposure to local currency debt increased at the expense of both corporate and external debt
- The Fund maintains its short-duration posture as external debt yields fell to record lows

Actions

- Corporate debt was strategically reduced in favor of sovereign debt
- Local currency exposure was reduced early in the quarter before increasing to 22%
- Corporate debt was reduced but remains a strategic investment, with managers increasing their exposure to higher quality credits



(#) indicates the relative weight to the benchmark
Sources: SEI, Factset
Index = JPM EMBIGD Index

SEI SIIT Enhanced LIBOR Opportunities

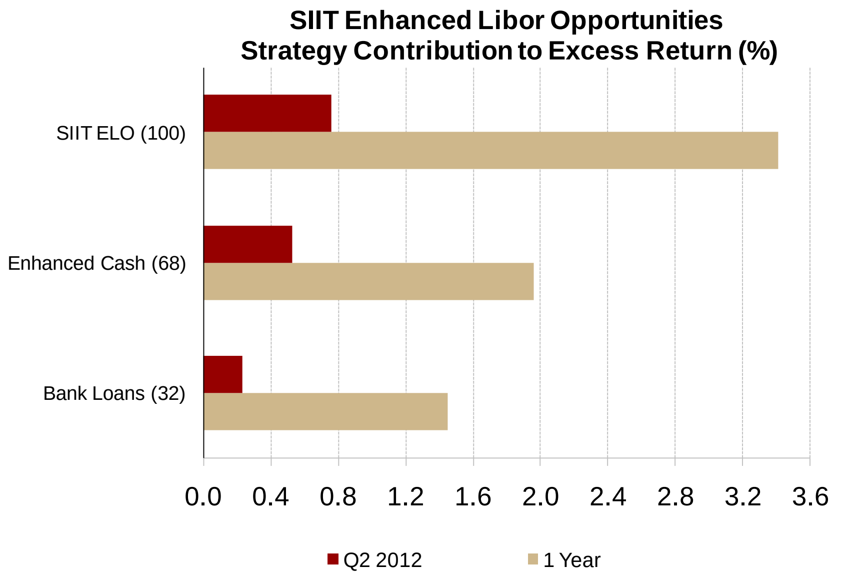
SIIT Enhanced Libor Opportunities Fund: Performance review

Contributors

- The bank loan allocation contributed to relative performance, as leveraged loans returned 0.92%
- An allocation to and security selection within non-agency mortgage-backed securities (MBS), added to performance as U.S. housing fundamentals are showing signs of stability and technicals remain supportive
- An allocation to and security selection within commercial mortgage-backed securities (CMBS) added to performance as the fund's allocation to super senior CMBS generated positive excess returns versus similar duration Treasurys

Detractors

- The Fund's allocation to corporates detracted from performance



In Base Currency, Gross of Fees
Past Performance is No Guarantee of Future Performance
(#) indicates the percent allocation in the Fund
Index = Merrill Lynch Three-Month Constant Maturity LIBOR

SIIT Enhanced Libor Opportunities Fund: Positioning and actions

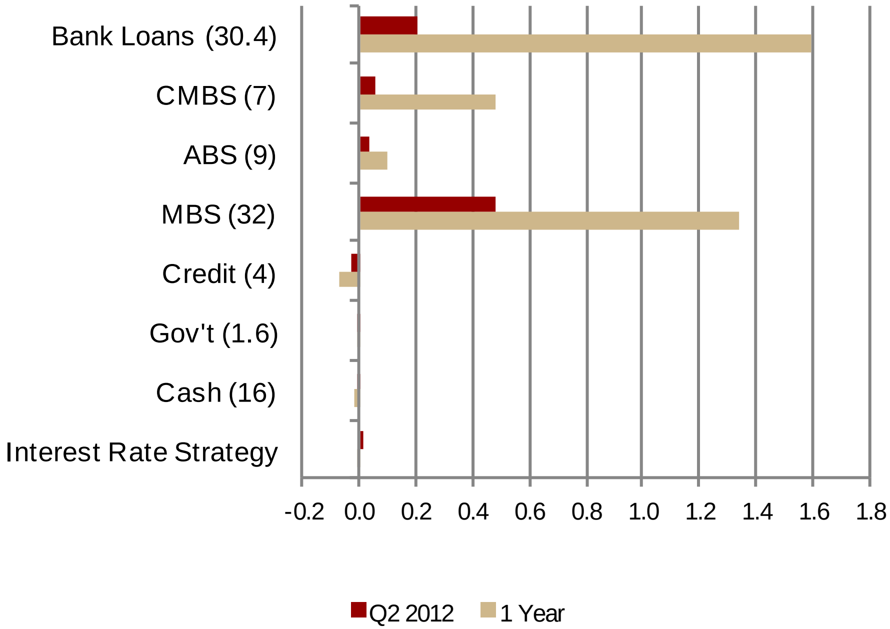
Positioning

- Our enhanced cash managers are focusing on seasoned, short-average-life securities at the top of the capital structure that provide attractive yields and solid default and loss protection. These types of securities have seen favorable price performance in the near term, and their return prospects remain positive. However, we expect returns going forward to be driven less by price appreciation and more by the yield advantage of these securities versus the benchmark.

Actions

- The Fund has derisked and taken profits at the margin within CMBS and non-agency RMBS as these sectors have remained well-bid by investors and traded well despite a risk-off market in the second quarter of the year.
- The Fund has been using the new-issue bank loan market to source deals with good covenants and the secondary market for lower-priced securities.

SIIT Enhanced Libor Opportunities Sector Contribution to Excess Return (%)



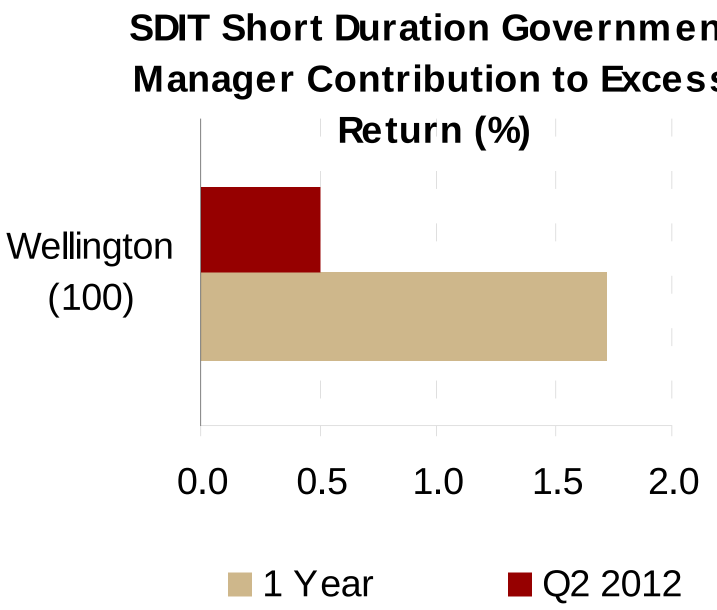
Source: SEI, BondEdge
(#) indicates the relative weight to the benchmark
Index = ML 3M Constant Maturity LIBOR

SEI SDIT Short Duration Gov’t Fund

SDIT Short Duration Government
Performance Review

Contributors
- The Fund's barbell yield-curve position added to relative performance as the Treasury yield curve flattened during the quarter.
- Security selection within agency MBS also added to performance, as 15-year conventional mortgages outperformed 30-year counterparts.

Detectors
- None.

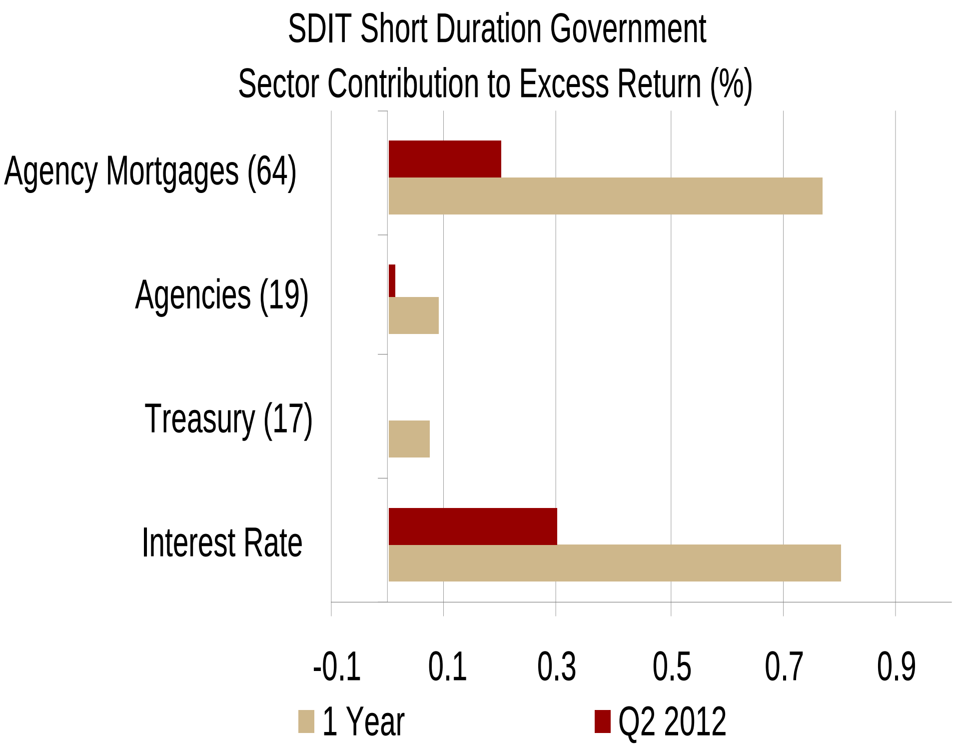


In Base Currency, Gross of Fees
Past Performance is No Guarantee of Future Performance.
(#) indicates the percent allocation in the Fund.
Index = ML 1-3 Year US Treasuries

SDIT Short Duration Government
Positioning and Actions

Positioning and Actions

- The Fund continues to hold agency MBS, intermediate agency debentures and agency multi-family sectors.
- The Fund increased its allocation to agency mortgages as spreads widened during the quarter and both fundamentals and technicals remain supportive of the sector.
- The Fund continues to favor agency MBS as changes in the mortgage capital market have reduced cash-flow variability and supply/demand technicals continue to support the asset class. In addition, the Federal Reserve's announcement to reinvest the proceeds of maturing agency debt and MBS back into MBS (rather than Treasurys) serves as a modest positive technical to the mortgage market.



(#) indicates the relative weight to the benchmark.
Sources: SEI, BlackRock Solutions
Index = ML 1-3 Year US Treasuries

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