PFG commentary on Investments from Alton Fryer:

Large Cap Value – Oppenheimer Equity Income A

The one-year performance has lagged significantly, but the 3, 5 and 10 still look pretty good. As of the end of Q2, the 3 year number looks like it's starting to slip. This fund was a fairly recent addition and the 3 and 5 year percentile rankings haven't deteriorated. For these two reasons, I believe that we should continue to watch this option at this time.

Large Cap Growth – American Funds Growth Fund of America

We have discussed this option each of the last few meetings. The numbers have remained in the 3rd and 4th quartile for the 3 and 5 year periods. The Q2 numbers have improved the one year number, but the 3 and 5 still haven't improved much. If there were one option that I would suggest changing, this might be it. In the past we have talked about the Principal Large Cap Growth sub-advised by T. Rowe Price and Brown Advisory as a possible alternative.

International Small Cap sub-advised by PGI & DFA

This investment option's performance is in the 3rd quartile more or less across the board. It is beating the index over the 1, 3, and 10 year periods, but underperforming relative to the peers. There aren't many significantly better alternatives at this time, and given the pending RFP, I would suggest continuing to watch this option.

High Yield Bond – Fidelity Advisor High Income Advantage T

This option continues to be up and down. The 3 and 10 year numbers look very good, but the 1 and 5 year numbers are not. As of the end of Q2, the 1 year number has improved a little bit. Another one that warrants watching.

Intermediate Term Bond – PIMCO Core Plus

This option continues to suffer from the fact that it was started at one of the worst times to start a bond fund. This, combined with the missteps of PIMCO last year has hurt their performance. That being said, PIMCO continues to be one of the most well respected and recognized bond managers. Fortunately participants do have the Bond & Mortgage option also available to them.

LifeTime – I thought I'd just add a quick comment about LifeTime. The numbers continue to improve with most of the longer duration LifeTime options (2030 and longer) in the top half for the 5 year and top quartile for the 3 year. The shorter duration options are about to roll off some of the worst quarters from 2007 and 2008 from their 5 year numbers, which should show significant improvement as that happens. The 3 year numbers look good across the board.