

Smith-Kettlewell Eye Research Institute Employees' Pension Plan

Summary Performance Information - Managed Portfolios and Individual Funds

Second Quarter 2006 Market Summary

Prospects for higher interest rates and oil prices, as well as slowing economic growth, took their toll in the second quarter, as equities and bonds declined or eked out small gains. After peaking in May, the S&P 500 ended the quarter with a 1.4% loss. However, for the year-to-date period, the major equity indices, with the exception of the Nasdaq remain in the black. The yield on the 10-year Treasury note continued to rise, from 4.86% on March 31 to 5.16% on June 30, and the benchmark Lehman Brothers Aggregate Bond Index posted a 0.1% loss.

Small cap stocks led the way down after being leaders on the upside in the first quarter. Value stocks were stronger than growth as the energy,

consumer staples and utility sectors managed to post positive returns. By contrast, technology (-9.8%) and health care (-4.6%) experienced the biggest declines.

Overseas stocks suffered as well in the second quarter. U.S. investors were spared bigger declines by the weak dollar, which turned a 4.2% loss in local currencies for the MSCI EAFE benchmark into a 0.7% gain (in US\$). Japan, a large part of the index, fell 7.6% locally and 4.6% in US\$. Emerging markets provided no refuge, as the MSCI Emerging Markets Index gave back 4.3%. However, both overseas indices remain nicely ahead for the year-to date period.

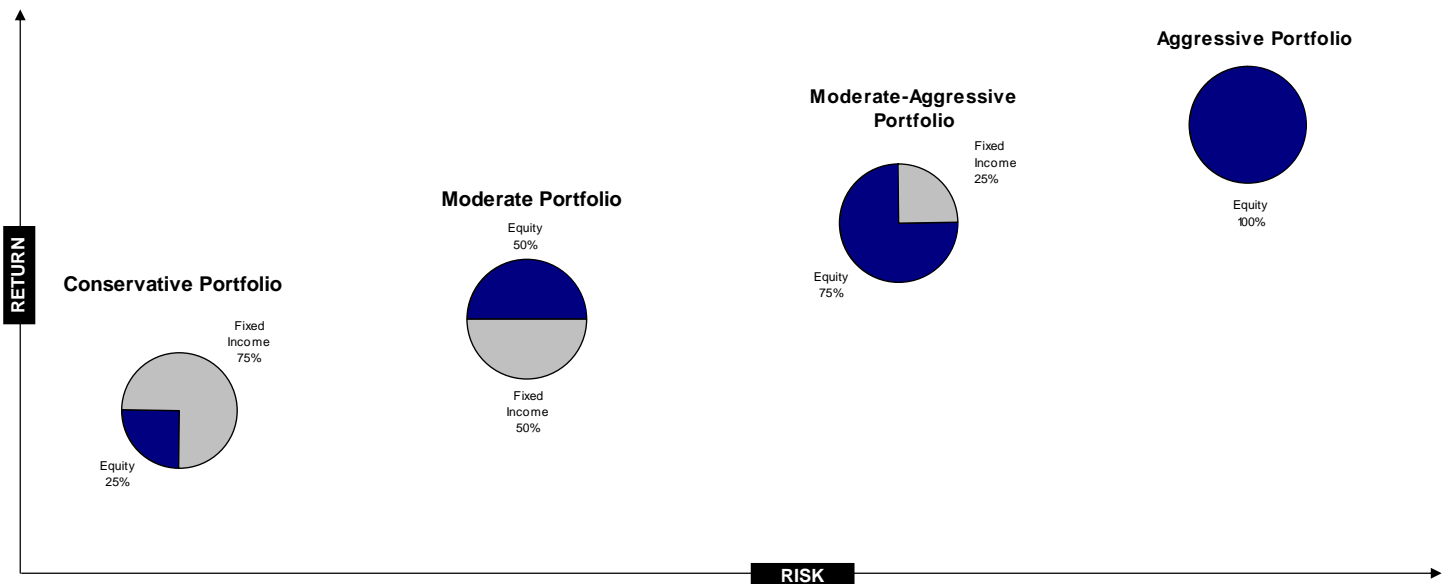
The weak dollar also allowed unhedged international fixed income to post healthy gains for the quarter. The benchmark Salomon Non-US World Government Bond Index (unhedged) rose 4.0%. Emerging markets debt, on the other hand, which is denominated in US\$, fell 2.4%. High yield bonds were almost flat for the quarter, as the CS First Boston High Yield Index logged a 0.4% return.

Many of the areas that had recently produced superior returns saw declines in the second quarter, underscoring the need to avoid overcommitting to "hot" asset classes. Investors with well-diversified portfolios experienced modest losses and remain well-positioned for future advances.

Managed Portfolio Returns

MANAGED PORTFOLIOS	Periods Ending June 30, 2006				
	Last 3 Months	Last 12 Months	Last 3 Years (Annualized)	Last 5 Years (Annualized)	Last 10 Years (Annualized)
Conservative Portfolio	-0.38	4.57	6.83	6.31	--
<i>Conservative Benchmark*</i>	-0.09	4.28	6.41	5.83	6.89
Moderate Portfolio	-1.00	8.64	10.81	7.21	--
<i>Moderate Benchmark*</i>	-0.60	8.22	10.31	6.61	7.60
Moderate-Aggressive Portfolio	-1.68	12.88	14.97	8.02	--
<i>Moderate-Aggressive Benchmark*</i>	-1.11	12.29	14.33	7.27	8.14
Aggressive Portfolio	-2.31	17.08	18.61	8.17	10.51
<i>Aggressive Benchmark*</i>	-1.70	16.33	17.85	7.24	8.33

**The blended benchmarks shown above represent a blend of market indices appropriate to each asset class held within the portfolios, weighted proportionally to the asset allocation of the respective portfolios. See next page and the Portfolio Packet for indices, portfolio allocations, and important disclosures.*



Individual Fund Returns

Periods Ending June 30, 2006

EQUITY	Ticker	Last 3 Months	Last 12 Months	Last 3 Years (Annualized)	Last 5 Years (Annualized)	Last 10 Years (Annualized)
Large/Mid Cap						
Vanguard 500 Admiral Shares	VFIAX	-1.45	8.59	11.16	2.45	8.26
Dodge & Cox Stock	DODGX	0.81	15.30	18.36	10.58	14.20
Harbor Capital Appreciation	HACAX	-7.32	6.67	10.87	-0.08	7.62
Ariel Appreciation	CAAPX	-3.03	1.79	9.97	7.23	13.00
Westcore Midco Growth	WTMGX	-6.22	11.68	11.48	5.84	8.00
S&P 500 Index		-1.44	8.63	11.22	2.49	8.32
Russell Mid-Cap Index		-2.58	13.66	19.87	9.92	12.06
Small Cap						
DFA US Small Cap Value	DFSVX	-3.40	19.77	26.51	16.66	15.83
SEI Small Cap Growth	SSCGX	-8.98	12.47	14.42	1.42	6.39
Russell 2000 Index		-5.02	14.58	18.70	8.50	9.05
International						
Amer Beacon Int'l Equity Inst'l	AAIEX	1.33	25.22	24.47	11.41	9.83
American Funds EuroPac Gr R5	RERFX	-0.61	28.71	24.85	11.08	10.76
MSCI EAFE Index		0.70	26.56	23.94	10.02	6.36
Emerging Markets						
SSgA Emerging Markets	SSEMXX	-4.66	39.40	35.96	21.69	9.19
MSCI Emerging Markets Free Index		-4.27	35.91	34.77	21.54	6.66
FIXED INCOME						
Core Fixed Income						
PIMCO Total Ret II Instl	PMBIX	-0.32	-1.25	1.90	5.22	6.55
Lehman Brothers Aggregate Bond Index		-0.08	-0.81	2.05	4.97	6.22
Stable Value						
Schwab Stable Value Fund - Retirement	N/A	1.05	4.14	3.87	4.26	5.00
Ryan Labs 3yr GIC Index		0.90	3.39	3.51	4.43	5.36
High Yield Fixed Income						
PIMCO High Yield - Institutional	PHIYX	-0.82	4.05	7.67	7.84	7.31
CS First Boston High Yield Index		0.38	5.02	8.92	9.65	7.10
International Fixed Income						
PIMCO Foreign Bond (Unhedged)	PFUIX	3.84	0.63	5.35	10.21	5.05
Citigroup Non-US Government Bond Index		4.05	0.00	5.05	9.61	4.94
Emerging Markets Bond						
SEI Emerging Markets Debt	SITEX	-2.46	6.73	12.77	15.05	--
JP Morgan Emerging Markets Bond Plus Index		-2.39	5.24	10.20	11.42	11.92

Managed Portfolio Target Allocation Matrix

EQUITY	Conservative	Moderate	Moderate-Aggressive	Aggressive
Large/Mid Cap				
Vanguard 500 Admiral Shares	7%	15%	21%	27%
Dodge & Cox Stock	4%	6%	9%	11%
Harbor Capital Appreciation	3%	4%	6%	7%
Ariel Appreciation	0%	1%	2%	3%
Westcore Midco Growth	0%	1%	2%	3%
Small Cap				
DFA US Small Cap Value	2%	4%	6%	8%
SEI Small Cap Growth	2%	4%	6%	8%
International				
Amer Beacon Int'l Equity Inst'l	3%	6%	9%	13%
American Funds EuroPac Gr R5	3%	6%	9%	13%
Emerging Markets				
SSgA Emerging Markets	1%	3%	5%	7%
FIXED INCOME				
Core Fixed Income				
PIMCO Total Ret II Instl	44%	27%	9%	0%
Stable Value				
Schwab Stable Value Fund - Retirement	22%	13%	4%	0%
High Yield Fixed Income				
PIMCO High Yield - Institutional	3%	4%	6%	0%
International Fixed Income				
PIMCO Foreign Bond (Unhedged)	4%	4%	4%	0%
Emerging Markets Bond				
SEI Emerging Markets Debt	2%	2%	2%	0%
Portfolio Totals:	100%	100%	100%	100%
Weighted Average Expense Ratio:	0.52%	0.54%	0.57%	0.58%

PERFORMANCE DISCLOSURE: Returns data represents past performance and does not predict or guarantee future results. Returns presented are net of fund management and operating expenses. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Please refer to the Important Disclosure Information set forth in the Portfolio Packet for further details.