



**Pacific Lutheran University
Retirement Fund Advisory Committee
Participant Communications**

Announcements

The retirement fund advisory committee met in May with its fiduciary consultant to review Retirement Plan fund performance. As communicated previously, the committee has selected “core funds” that are open to new investments. The committee focuses its primary energy on these core funds.

In addition to the core funds, many plan participants have funds in legacy investment funds. Legacy investment funds are funds that were invested through the plan prior to 2009. The University cannot require participants to move money out of these funds, although participants can voluntarily move money out of these funds into the core funds. The exception is TIAA annuities. These funds can be moved out over 10 years. The University cannot take any action with regard to these legacy funds or any amounts invested in those funds. As a result, it is important that you understand that you are solely responsible for the investments and the monitoring of those investments in the legacy funds.

Some of the legacy funds have underperformed the core funds in the same asset category. Although past performance is not guarantee of future performance, the committee encourages all participants to review the returns information included in this communication to ensure that all decisions to remain in the legacy funds reflect a conscious and informed choice by each participant.

Current Stock Market and Bond Market Performance

Global capital markets continued to show gains during the first quarter, despite a poor start to the year. The U.S. stock market gave back some of its 2009 gains during January and early February before righting itself to post another strong quarter. The S&P 500 Index finished up 5.39% for the quarter, and is up 76.8% from the March 2009 low. While the stock market continued to improve, it was still down 20.9% from the prior peak in 2007, showing that investors still have a ways to go until they can put the pain of the last bear market behind them.

From a global perspective, the U.S. lead the way as troubles rose in Europe regarding the sovereign debt of Greece, and a few other countries. While the market rise signaled its expectations for an economic recovery, the economic data communicated a mixed



message. High unemployment rates, as well as large U.S. government deficits cause many to worry that the economic recovery may not be as strong as previous recoveries. Fourth Quarter 2009 GDP growth came in at 5.6% annualized, but much of that growth was the result of companies rebuilding their inventory levels, rather than an increase in consumer spending. As a result, the Fed continued its aggressive monetary policy and signaled that they would continue to do so for the foreseeable future until the recovery is well in place.

Core Investment Funds

As of the end of the 1st quarter of 2010, all core funds are performing within policy expectations. No funds have been placed on the watch list nor have any funds been slated for replacement at this time. A fund may be watch listed if its performance begins to decline but the committee has not determined that the fund should be replaced. Being on the watch list means that a fund will be evaluated with an even higher degree of scrutiny each quarter until the fund is either replaced or its performance improves so that the committee determines that the fund no longer needs to be on the watch list.

Investment Return History

Attached to this summary are two investment return history pages. The first page shows the returns on the core funds for the most recent quarter along with year-to-date, 1 year, 3 year, 5 year and 10 year periods. Note that not all funds will have a 10 year history. In addition, the expense ratio is shown. The expense ratio is how much is deducted from the fund by the fund manager to operate the fund and reduces the net return that you receive. All performance numbers shown are net of the fund expenses.

The second page shows the same type of return information for the legacy funds which are not evaluated by the committee.

Note: This information is provided to plan participants to help them as they make their plan investment decisions and is not intended to constitute investment advice to any plan participant. Plan participants are solely responsible for the results of their plan investment decisions and are advised to consult with professional investment advisors if they are not comfortable with making these decisions on their own.

Please contact Teri Phillips at 253-535-7187 or phillitp@plu.edu if you have any questions about the information contained in this communication.

Pacific Lutheran University 403(b) Retirement Plan (Open to new contributions)

	Annualized Returns						Expense Ratio (%)	Ticker
	Qtr	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs		
Money Market/Stable Value								
CREF Money Market	0.00	0.00	0.01	2.06	2.90	2.71	0.46	NA
<i>Merrill Lynch 3-Month T-Bill</i>	<i>0.01</i>	<i>0.01</i>	<i>0.17</i>	<i>1.99</i>	<i>2.91</i>	<i>2.85</i>		
Intermediate Bond								
PIMCO Total Return Admin	2.91	2.91	15.20	9.36	7.27	7.46	0.71	PTRAX
<i>Barclays Capital Aggregate Bond</i>	<i>1.78</i>	<i>1.78</i>	<i>7.69</i>	<i>6.14</i>	<i>5.44</i>	<i>6.29</i>		
Inflation Protected Bond								
TIAA-CREF Infl Link Bd Ret	0.36	0.36	5.42	5.26	4.29	NA	0.60	TIKRX
<i>Barclays Capital US TIPS</i>	<i>0.57</i>	<i>0.57</i>	<i>6.18</i>	<i>6.01</i>	<i>4.82</i>	<i>7.30</i>		
Moderate Allocation								
CREF Social Choice	3.62	3.62	35.46	0.19	3.71	2.62	0.53	NA
<i>60%/40% Index</i>	<i>4.28</i>	<i>4.28</i>	<i>33.24</i>	<i>0.64</i>	<i>4.06</i>	<i>2.95</i>		
Large Value								
Eaton Vance Large Cap Value A	5.81	5.81	44.15	-4.51	3.09	5.43	1.00	EHSTX
<i>Russell 1000 Value</i>	<i>6.78</i>	<i>6.78</i>	<i>53.56</i>	<i>-7.33</i>	<i>1.05</i>	<i>3.10</i>		
Large Blend								
CREF Stock	4.84	4.84	54.82	-4.12	2.97	0.23	0.58	NA
TIAA-CREF Equity Index Ret	5.83	5.83	51.74	-4.21	2.19	-0.17	0.34	TIQRX
TIAA-CREF S&P 500 Index Ret	5.28	5.28	49.18	-4.41	1.61	NA	0.34	TRSPX
<i>S&P 500 Index</i>	<i>5.39</i>	<i>5.39</i>	<i>49.77</i>	<i>-4.17</i>	<i>1.92</i>	<i>-0.65</i>		
Large Growth								
American Funds Grth Fund of Amer R4	4.17	4.17	45.96	-2.25	4.08	1.09	0.70	RGAEX
<i>Russell 1000 Growth</i>	<i>4.65</i>	<i>4.65</i>	<i>49.75</i>	<i>-0.78</i>	<i>3.42</i>	<i>-4.21</i>		
Small Value								
Northern Small Cap Value	8.46	8.46	58.27	-3.75	3.44	7.66	1.00	NOSGX
<i>Russell 2000 Value</i>	<i>10.02</i>	<i>10.02</i>	<i>65.07</i>	<i>-5.71</i>	<i>2.75</i>	<i>8.90</i>		
Small Blend								
TIAA-CREF Small Blend Idx Ret	8.70	8.70	61.84	-4.17	3.10	NA	0.34	TRBIX
<i>Russell 2000</i>	<i>8.85</i>	<i>8.85</i>	<i>62.76</i>	<i>-3.99</i>	<i>3.36</i>	<i>3.68</i>		
Small Growth								
Hartford Small Company HLS IB	7.20	7.20	54.92	-3.70	5.95	0.26	0.96	HDMBX
<i>Russell 2000 Growth</i>	<i>7.61</i>	<i>7.61</i>	<i>60.32</i>	<i>-2.42</i>	<i>3.82</i>	<i>-1.53</i>		
Direct Real Estate								
TIAA Real Estate	-1.94	-1.94	-22.58	-12.65	-2.35	2.65	0.81	NA
<i>NCREIF Fund Index - ODCE</i>	<i>0.75</i>	<i>0.75</i>	<i>-17.94</i>	<i>-10.74</i>	<i>-0.02</i>	<i>4.81</i>		
International Large Cap								
American Funds EuroPacific Gr R4	0.74	0.74	52.20	-1.27	7.88	3.29	0.85	REREX
<i>S&P Developed x U.S. LargeMid Cap</i>	<i>1.49</i>	<i>1.49</i>	<i>57.91</i>	<i>-4.92</i>	<i>5.25</i>	<i>2.44</i>		

As of March 31, 2010

Pacific Lutheran University 403(b) Retirement Plan (Open to new contributions)

	Qtr	YTD	Annualized Returns				Expense Ratio (%)	Ticker
			1 Yr	3 Yrs	5 Yrs	10 Yrs		
Target Date Funds								
T. Rowe Price Retirement 2005	3.64	3.64	34.54	1.75	5.03	NA	0.60	TRRFX
T. Rowe Price Retirement 2010	3.94	3.94	39.46	0.75	4.83	NA	0.64	TRRAX
T. Rowe Price Retirement 2015	4.22	4.22	44.19	0.12	4.72	NA	0.69	TRRGX
T. Rowe Price Retirement 2020	4.45	4.45	48.45	-0.69	4.50	NA	0.73	TRRBX
T. Rowe Price Retirement 2025	4.62	4.62	51.96	-1.33	4.34	NA	0.76	TRRHX
T. Rowe Price Retirement 2030	4.83	4.83	54.48	-1.85	4.30	NA	0.78	TRRCX
T. Rowe Price Retirement 2035	4.88	4.88	56.05	-2.17	4.09	NA	0.79	TRRJX
T. Rowe Price Retirement 2040	4.95	4.95	56.25	-2.13	4.12	NA	0.79	TRRDY
T. Rowe Price Retirement 2045	4.95	4.95	56.15	-2.08	NA	NA	0.79	TRRKX
T. Rowe Price Retirement 2050	4.95	4.95	56.13	-2.14	NA	NA	0.79	TRRMX
T. Rowe Price Retirement 2055	4.89	4.89	56.22	-2.19	NA	NA	0.79	TRRNX
T. Rowe Price Retirement Income	3.21	3.21	29.97	2.43	4.89	NA	0.58	TRRIX

Pacific Lutheran University 403(b) - Legacy Assets (Not open to new contributions)

	Qtr	YTD	Annualized Returns				Expense Ratio (%)	Ticker
			1 Yr	3 Yrs	5 Yrs	10 Yrs		
Intermediate Bond								
CREF Bond Market	1.93	1.93	8.56	4.91	4.61	5.82	0.50	NA
<i>Barclays Capital Aggregate Bond</i>	1.78	1.78	7.69	6.14	5.44	6.29		
Inflation Protected Bond								
CREF Inflation-Linked Bond	0.32	0.32	5.53	5.41	4.29	6.81	0.49	NA
<i>Barclays Capital US TIPS</i>	0.57	0.57	6.18	6.01	4.82	7.30		
Large Value								
TIAA-CREF Large Cap Value Ret	7.88	7.88	61.62	-6.23	1.72	NA	0.77	TRLCX
TIAA-CREF Lg Cp Val Idx Ret	6.73	6.73	53.10	-7.54	0.74	NA	0.34	TRCVX
<i>Russell 1000 Value</i>	6.78	6.78	53.56	-7.33	1.05	3.10		
Large Blend								
CREF Equity Index	5.82	5.82	51.79	-4.34	2.00	-0.40	0.48	NA
TIAA-CREF Growth & Income Ret	4.97	4.97	44.11	-0.02	5.21	0.29	0.77	TRGIX
TIAA-CREF Soc Choice Eq Ret	5.56	5.56	55.26	-3.06	2.90	0.16	0.47	TRSCX
<i>S&P 500 Index</i>	5.39	5.39	49.77	-4.17	1.92	-0.65		
Large Growth								
CREF Growth	4.35	4.35	48.39	-0.34	3.26	-5.12	0.57	NA
TIAA-CREF Large Gr Idx Ret	4.50	4.50	49.27	-1.12	3.06	NA	0.34	TRIRX
<i>Russell 1000 Growth</i>	4.65	4.65	49.75	-0.78	3.42	-4.21		
Mid Cap Value								
TIAA-CREF Mid Cap Value Ret	7.17	7.17	61.72	-4.35	4.23	NA	0.81	TRVRX
<i>Russell Midcap Value</i>	9.61	9.61	72.41	-5.22	3.71	8.46		
Mid Cap Growth								
TIAA-CREF MidCap Growth Ret	7.80	7.80	62.81	-1.31	3.54	NA	0.79	TRGMX
<i>Russell Midcap Growth</i>	7.67	7.67	63.00	-2.04	4.27	-1.69		
Small Blend								
TIAA-CREF Sm Cap Eq Ret	9.06	9.06	62.39	-5.31	2.21	NA	0.80	TRSEX
<i>Russell 2000</i>	8.85	8.85	62.76	-3.99	3.36	3.68		
Real Estate								
TIAA-CREF Real Estate Ret	11.13	11.13	105.30	-11.97	1.50	NA	0.84	TRRSX
<i>DJ US Select Real Estate Secs Index</i>	10.15	10.15	114.84	-12.12	3.08	11.22		
International Large Cap								
TIAA-CREF Intl Eq Idx Ret	0.82	0.82	53.41	-7.16	3.53	NA	0.41	TRIEX
TIAA-CREF Intl Eq Ret	2.45	2.45	59.66	-9.05	3.28	-0.41	0.84	TRERX
<i>S&P Developed x U.S. LargeMid Cap</i>	1.49	1.49	57.91	-4.92	5.25	2.44		
World Stock								
CREF Global Equities	3.25	3.25	54.53	-5.07	2.86	-1.30	0.64	NA
<i>S&P Developed BMI</i>	3.87	3.87	56.60	-4.64	3.90	1.74		

As of March 31, 2010

Pacific Lutheran University 403(b) - Legacy Assets (Not open to new contributions)

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			1 Yr	3 Yrs	5 Yrs	10 Yrs		
Target Date Funds								
TIAA-CREF Lifecycle 2010 Ret	3.26	3.26	30.17	0.02	3.46	NA	0.65	TCLEX
TIAA-CREF Lifecycle 2015 Ret	3.68	3.68	34.21	-0.74	3.22	NA	0.67	TCLIX
TIAA-CREF Lifecycle 2020 Ret	3.94	3.94	37.97	-1.78	2.81	NA	0.67	TCLTX
TIAA-CREF Lifecycle 2025 Ret	4.23	4.23	41.93	-2.77	2.41	NA	0.69	TCLFX
TIAA-CREF Lifecycle 2030 Ret	4.42	4.42	45.68	-3.75	2.03	NA	0.71	TCLNX
TIAA-CREF Lifecycle 2035 Ret	4.63	4.63	48.69	-4.10	2.00	NA	0.72	TCLRX
TIAA-CREF Lifecycle 2040 Ret	4.65	4.65	48.77	-3.96	2.36	NA	0.72	TCLOX