



**IMPORTANT NOTICE OF CHANGES**  
**UPAL POOLED FUNDS & ASSET ALLOCATION MODELS**  
**EFFECTIVE July 1 and October 1, 2010**

**Background**

UPAL retains the services of Sovereign Investment Advisors, LLC, an independent, outside investment advisor, to provide advice and counsel regarding UPAL Pooled Funds and Asset Allocation Models. Sovereign monitors the performance of UPAL investment managers to insure they are achieving the investment goals for which each was hired. Sovereign advisors have over 65 years of financial industry experience.

Sovereign has an association with The Independent Adviser Group, a division of Callan Associates. Callan is an acknowledged leader in the investment consulting industry, having over 35 years of experience providing guidance to institutional investors with nearly \$1 trillion in assets. Sovereign is able to leverage Callan’s quality research, deep specialty consulting resources and collaborative support for the benefit of clients such as UPAL.

Sovereign has recommended several changes to the core investments offered as part of the UPAL Retirement Program. The UPAL Financial Management Committee and Executive Committee have adopted these recommendations, and in turn, have requested that the trustee, Bank of Oklahoma, implement these changes effective July 1 and October 1, 2010.

**Changes to UPAL Pooled Funds**

These changes are intended to more closely align performance with the Fund investment objective, improve performance, reduce volatility and provide more asset diversification.

<b>Fund Name</b>	<b>Fund Changes</b>						
<b>Small/Mid Cap Fund Effective 7-1-10</b>	<ul style="list-style-type: none"> <li>● Replace Eagle and Champlain with Vanguard Extended Market Index, Vanguard Selected Value, Morgan Stanley Mid-Cap Growth, Royce Opportunity and TCW Small Cap Growth.</li> </ul>						
<b>International Equity Fund Effective 10-1-10</b>	<ul style="list-style-type: none"> <li>● Add International mid-cap exposure by utilizing Manning and Napier World Opportunities.</li> <li>● Add Blue-Chip large-cap core and emerging market strategies by adding Harbor International.</li> </ul>						
<b>Real Return Fund Effective 10-1-10</b>	<ul style="list-style-type: none"> <li>● Add JP Morgan Market Neutral which takes long and short positions in different securities of mid-to large-cap stocks.</li> </ul>						
<b>Fixed Managed Income Model Effective 10-1-10</b>	<table> <tr> <td>Core Bond Fund</td> <td>80% (was 40%)</td> </tr> <tr> <td>Short Term Fund</td> <td>15% (was 50%)</td> </tr> <tr> <td>Money Market Fund</td> <td>5% (was 10%)</td> </tr> </table>	Core Bond Fund	80% (was 40%)	Short Term Fund	15% (was 50%)	Money Market Fund	5% (was 10%)
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*Past performance of any fund, model or allocation is not a guarantee of future results. Investment returns and principal value will fluctuate, so that investors' units, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited in the past. See current performance data on the UPAL Web site under Investments to compare the most recent investment performance of all UPAL Funds, Models and Target Date Funds. The views and opinions of Sovereign Investment Advisors, LLC as to re-allocation of any Model or the retention of any investment manager is Program advice and it does not constitute individual investment advice.*

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