



IMPORTANT NOTICE OF CHANGES

UPAL ASSET ALLOCATION MODELS AND FUNDS EFFECTIVE OCTOBER 3, 2011

PLEASE READ THIS NOTICE

It contains important information concerning changes to the UPAL Asset Allocation Models and UPAL Funds

Background

As you may know, UPAL retains the services of Sovereign Investment Advisors, LLC, an independent, outside investment advisor, to provide advice and counsel regarding the 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 Advisor 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.

Fund Changes **NO ACTION IS NECESSARY – CHANGES WILL BE MADE AUTOMATICALLY**

Sovereign has recommended several changes to the Funds offered as part of the UPAL Retirement Program. The UPAL Financial Management Committee and Board of Directors have adopted these recommendations, and in turn, have requested that the trustee, Bank of Oklahoma, consider implementation of these changes effective October 3, 2011.

- Add two new investment strategies to the UPAL Asset Allocation Models: "Real Return 3" and "Volatility Hedge." These additions will better target inflation and market volatility.

Real Return 3 with underlying managers comprised of: Vanguard Inflation-Protected Institutional Fund; Principal Dividend Real Asset; Cavanal Hill Cash Management.

Volatility Hedge with underlying managers comprised of: PIMCO All Asset All Authority; JP Morgan Market Neutral; Hussman Strategic Growth; Cavanal Hill Cash Management.

NOTE: These strategies are available only as part of the Models and not available as separate, standalone investment funds.

- Change the composition of the Absolute Return Fund with underlying managers comprised of: PIMCO All Asset All Authority; JP Morgan Research Market Neutral; Hussman Strategic Growth; Principal Diversified Real Asset; Vanguard Inflation-Protected Securities; Cavanal Hill Cash Management.
- Replace T. Rowe Price Equity Income Fund with WHG Income Opportunity Fund in the UPAL Large Cap Value Fund and re-align manager weightings. The Large Cap Value Fund is managed by Vanguard, Mainstay and WHG.

Model Change **NO ACTION IS NECESSARY – CHANGES WILL BE MADE AUTOMATICALLY**

Sovereign has also recommended revisions to the underlying Model allocations, effective October 3, 2011. See Page 2.

Contact

Please Call Lea Ann Nunley, Vice President, Retirement Plan Services at 918-747-5585 with any questions.



New Model Allocations

Effective October 3, 2011

	Fixed Income		Conservative		Balanced		Aggressive	
	Current	New	Current	New	Current	New	Current	New
UPAL Pooled Funds								
UPAL S&P 500 Indexed Equity	0%	0%	5%	4%	11%	7%	16%	11%
UPAL Large Cap Growth Fund	0%	0%	3%	3%	8%	5%	12%	8%
UPAL Large Cap Value Fund	0%	0%	3%	3%	8%	5%	12%	8%
UPAL Small/Mid Cap Equity	0%	0%	5%	3%	11%	8%	17%	12%
UPAL Int'l Equity	0%	0%	9%	7%	20%	15%	30%	21%
% Equity	0%	0%	25%	20%	58%	40%	87%	60%
UPAL Core Bond Fund	90%	90%	60%	49%	30%	30%	3%	11%
UPAL Short Term Fixed Income Fund	5%	5%	5%	4%	0%	3%	0%	1%
UPAL Money Market Fund	5%	5%	0%	0%	0%	0%	0%	0%
% Fixed Income	100%	100%	65%	53%	30%	33%	3%	12%
UPAL Global Public Real Estate Fund	0%	0%	2%	1%	3%	2%	3%	1%
UPAL Absolute Return Fund	0%	0%	8%	0%	9%	0%	7%	0%
% Real Estate & Alternative Investments	0%	0%	10%	1%	12%	2%	10%	1%
UPAL Real Return 3 (New)	0%	0%	0%	7%	0%	15%	0%	8%
UPAL Volatility Hedge (New)	0%	0%	0%	19%	0%	10%	0%	19%

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.