



BACCALAUREATE EDUCATION SYSTEM TRUST

**MONTHLY REVIEW**

DECEMBER 31, 2010

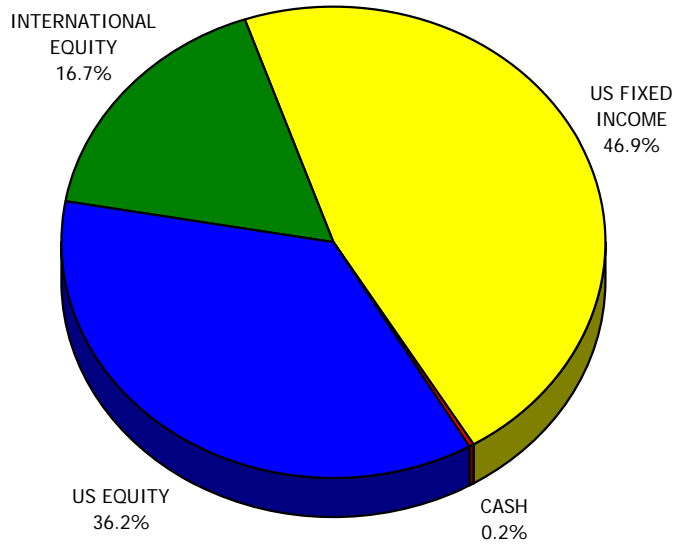
STRATEGIC INVESTMENT SOLUTIONS, INC.

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**BACCALAUREATE EDUCATION SYSTEM TRUST**  
**ASSET ALLOCATION ANALYSIS**  
**AS OF DECEMBER 31, 2010**  
**TOTAL PLAN**

**CURRENT ALLOCATION BY ASSET CLASS**



<u>ASSET ALLOCATION</u>	<u>MARKET VALUE</u>	<u>%</u>
US EQUITY	36,679,631	36.2%
INTERNATIONAL EQUITY	16,954,206	16.7%
US FIXED INCOME	47,513,406	46.9%
CASH	187,980	0.2%
<b>TOTAL</b>	<b>101,335,221</b>	<b>100.0%</b>

<u>ASSET ALLOCATION</u>	<u>11/30/2010</u>	<u>12/31/2010</u>	<u>DIFF</u>
US EQUITY	34.5%	36.2%	1.7%
INTERNATIONAL EQUITY	15.7%	16.7%	1.0%
US FIXED INCOME	48.1%	46.9%	-1.2%
CASH	1.7%	0.2%	-1.5%

**BACCALAUREATE EDUCATION SYSTEM TRUST**  
**TOTAL RATES OF RETURN FOR PERIODS ENDING 12/31/2010**

	<u>1 Month</u>	<u>1 Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>3 FYTD</u>
<b>BEST Composite</b>	<b>3.09</b>	<b>4.16</b>	<b>8.72</b>	<b>1.01</b>	<b>3.92</b>	<b>3.58</b>
<i>Policy Index *</i>	<i>3.41</i>	<i>4.43</i>	<i>10.29</i>	<i>0.97</i>	<i>3.99</i>	<i>3.53</i>
<b>SSgA S&amp;P 500 Index Fund</b>	<b>6.68</b>	<b>10.76</b>	<b>15.11</b>	<b>-2.82</b>	<b>2.32</b>	<b>1.66</b>
<i>S&amp;P 500 Index</i>	<i>6.68</i>	<i>10.76</i>	<i>15.06</i>	<i>-2.86</i>	<i>2.29</i>	<i>1.61</i>
<b>SSgA EAFE Index Fund</b>	<b>8.09</b>	<b>6.61</b>	<b>7.74</b>	<b>-7.03</b>		<b>-4.02</b>
<i>MSCI EAFE Net</i>	<i>8.10</i>	<i>6.61</i>	<i>7.75</i>	<i>-7.02</i>		<i>-4.00</i>
<b>SSgA Passive Bond Index Fund</b>	<b>-1.06</b>	<b>-1.26</b>	<b>6.48</b>	<b>5.95</b>	<b>5.81</b>	<b>6.69</b>
<i>Barclays Aggregate</i>	<i>-1.08</i>	<i>-1.30</i>	<i>6.54</i>	<i>5.90</i>	<i>5.80</i>	<i>6.63</i>
<b>US Fixed Income</b>	<b>-1.06</b>	<b>-1.26</b>	<b>6.48</b>	<b>5.95</b>	<b>5.81</b>	<b>6.69</b>
<i>Barclays Aggregate **</i>	<i>-1.08</i>	<i>-1.30</i>	<i>6.54</i>	<i>5.90</i>	<i>5.80</i>	<i>6.63</i>
<b>Cash</b>	<b>0.00</b>	<b>0.01</b>	<b>0.02</b>	<b>0.69</b>	<b>2.38</b>	<b>0.31</b>
<i>91 Day T-Bills Index</i>	<i>0.02</i>	<i>0.04</i>	<i>0.13</i>	<i>0.79</i>	<i>2.43</i>	<i>0.47</i>

\* Effective 9/1/06, Policy Index is 35% S&P500/ 44% Barclays Agg/ 19% MSCI EAFE/ 2% Citi 3 Mo Treasury.

\*\* Effective 7/1/05. Prior was Lehman Intermediate Government/Credit ex BBB.