



December 2009

QDIA Validation

Maxim Lifetime Asset Allocation
Portfolio II

DALBAR, Inc.
Audit & Due Diligence Division



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QDIA Validation - Status as of December 30, 2009

DALBAR APPROVED

VALIDATED for QDIA

DALBAR has evaluated the Maxim Lifetime Asset Allocation Portfolio II offered by GWFS Equities, Inc. to determine if it complies with the requirements to be used as a qualified default investment alternative (QDIA) as defined by the Employee Retirement Income Security Act of 1974, as amended [ERISA] Section 404(c)(5) and associated regulations.





The Maxim Lifetime Asset Allocation Portfolio II (Investment), an open end regulated investment company managed collectively by Maxim Capital Management, LLC (Manager) was examined in relation to requirements for use as a Qualified Default Investment Alternative under ERISA Section 404(c)(5). Findings are:

è Validation Grid

The following table summarizes the ways in which the Maxim Lifetime Asset Allocation Portfolio II qualifies as a QDIA.

In each case the Investment being validated may be applicable as the only one used (stand alone) or may be used in conjunction with other investments (sleeve) in a model portfolio managed by an investment adviser that qualifies under ERISA section 3(38). The QDIA validation determines which QDIA alternative(s) apply and whether the Investment may be used stand-alone and/or as a sleeve in a portfolio.

MAXIM LIFETIME ASSET ALLOCATION PORTFOLIO II			
QDIA Alternative		Stand Alone	Sleeve of portfolio
1	Age Based	Yes	No
2	Risk Based	No	No
3	Managed Account	No	No
4	Short Term	No	No
5	Grandfathered	No	No

NOTEWORTHY OBSERVATIONS:

- The expense ratios of the following holdings are higher than the average for their respective asset classes:
 - BlackRock US Opportunities Inv A at 1.76% compared to 1.50%
 - Janus Aspen Perkins Mid Cap Value Svc at 1.63% versus 1.42%
- Van Kampen Small Cap Growth A underperformed its peer group average by more than 5% (for a total of -6.42% below the peer group average) for the one-year period ended 9/30/09.
- We consider an allocation of over 5% of High Yield investments (Junk Bonds) to be significant:

Maxim Lifetime II Portfolio: High Yield Bond Allocation					
	2015	2025	2035	2045	2055
JPMorgan High Yield Bond A	2.80%	1.81%	0.85%	0.60%	0.55%
Maxim High Yield Bond	2.80%	1.81%	0.85%	0.60%	0.55%
Total:	6.80%	3.62%	1.70%	1.20%	1.10%



Introduction

This report contains DALBAR's independent analysis of the Maxim Lifetime Asset Allocation Portfolio II and Maxim Capital Management, LLC and is intended to supplement the duty of fiduciaries to prudently select investments for use as a qualified default investment alternative. Since this is a supplement, the content of this report is intended as a guideline and is not a substitute for the evaluation required by regulations.

As an independent expert, DALBAR has no affiliation with the Maxim Lifetime Asset Allocation Portfolio II or Maxim Capital Management, LLC and has the training, experience and proficiency to conduct this analysis. DALBAR has a 30-year history recognized by industry and government as an independent third-party expert in the business of providing evaluations, ratings and due diligence. DALBAR certifications are recognized as marks of excellence in adviser services, communications, electronic and telephone services. DALBAR is the only ratings firm with an SEC no-action letter exempting certain of its evaluations from the testimonial rule.

This analysis consists of four separate evaluations that are designed to validate if the Maxim Lifetime Asset Allocation Portfolio II and Maxim Capital Management, LLC meet requirements of ERISA section 404(c)(5) and related regulations. These evaluations are:

- A. An Age Based asset allocation analysis to determine if the Investment's equity allocation is in line with industry norms.
- B. A determination of which class or classes of QDIA are appropriate uses of the Maxim Lifetime Asset Allocation Portfolio II.
- C. An evaluation of the qualifications of Maxim Capital Management, LLC to meet the regulatory requirements for a QDIA manager.
- D. An assessment of whether Maxim Lifetime Asset Allocation Portfolio II meets the DALBAR standard of reasonableness.

For more information concerning this report, please contact DALBAR at:

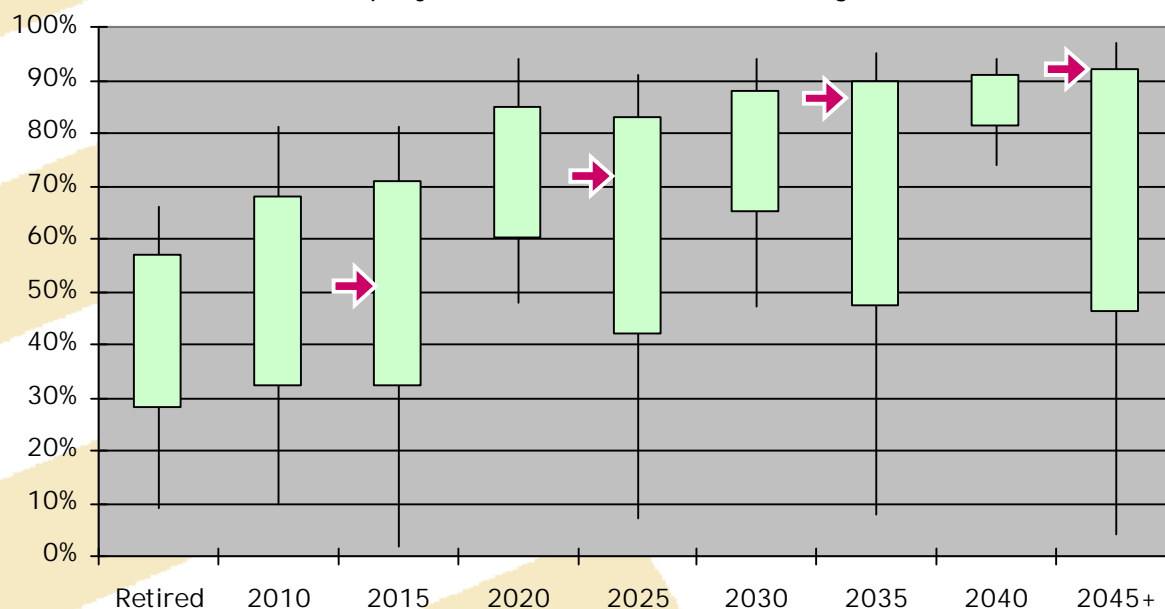
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Age Based Asset Allocation Analysis

While the allocation of equity and fixed income assets in age based funds and computer models vary widely, a study of age based (target date) funds across the mutual fund industry was used to compute norms for these allocations. The chart below shows these norms. The marker (→) on the chart illustrates the equity allocation of the Maxim Lifetime Asset Allocation Portfolio II

Norms for Equity Allocations Across All Target Date Funds



Equity Allocation Ranges and Norms of All Target Date Funds									
	2000 - 2010	2011 - 2015	2016 - 2020	2021 - 2025	2026 - 2030	2031 - 2035	2036 - 2040	2041 - 2045	2046+
Highest	66%	81%	81%	94%	91%	94%	95%	94%	97%
Norm -Hi	57%	68%	71%	83%	83%	88%	90%	91%	92%
Norm -Low	28%	32%	32%	60%	42%	65%	47%	81%	46%
Lowest	9%	10%	2%	48%	7%	47%	8%	74%	4%



è Validation Process

The purpose of QDIA Validation is to establish which QDIA applications are appropriate for an investment model, fund or system. The Investment being validated is examined in three ways:

- A. Applicability to QDIA Alternatives as a stand-alone offering or as a sleeve that is complemented by other investments.
- B. Qualification under QDIA regulations.
- C. Reasonableness as an investment.

The Applicability phase of the QDIA Validation examines the Investment to determine if all requirements are met for the applicable QDIA alternative(s) and form (fund or model portfolio). The Maxim Lifetime Asset Allocation Portfolio II consists of the following individual funds:

- Maxim Lifetime 2015 II
- Maxim Lifetime 2025 II
- Maxim Lifetime 2035 II
- Maxim Lifetime 2045 II
- Maxim Lifetime 2055 II



Applicability as QDIA Alternative


There are five types of investments that are named as possible QDIA alternatives. In each case the Investment being validated may be applicable as the only one used (stand alone) or may be used in conjunction with other investments (sleeve). The alternatives are:

1. Age Based
2. Risk Based
3. Managed Account
4. Short Term
5. Grandfathered


The Applicability phase of the QDIA validation examines the Investment to determine which alternatives apply and whether it may be used stand-alone and/or as a sleeve.

A. APPLICABILITY AS QDIA ALTERNATIVE			
REQUIREMENT FOR QDIA ALTERNATIVE	STAND ALONE	SLEEVE	COMMENTS
1. Age Based - An investment fund product or model portfolio that:			
a) ...applies generally accepted investment theories,	Yes	N/A	Each Lifetime Asset Allocation Portfolio seeks capital appreciation and income consistent with its current asset allocation. After the "transition year" (year designated in the name of the Lifetime Asset Allocation Portfolio), the investment objective is to seek income and secondarily, capital growth. Portfolio II series are generally expected to pursue a more conservative allocation strategy relative to the Portfolio III or Portfolio IIII series.
b) ...is diversified so as to minimize the risk of large losses,	Yes	N/A	<u>Investment</u> is diversified among funds, asset classes, industries and geographic regions.




A. APPLICABILITY AS QDIA ALTERNATIVE			
REQUIREMENT FOR QDIA ALTERNATIVE	STAND ALONE	SLEEVE	COMMENTS
c) ...is designed to provide varying degrees of long-term appreciation and capital preservation	Yes	N/A	Over time, each Lifetime Asset Allocation Portfolio's asset allocation strategy will generally become more conservative, with greater emphasis on investments that provide for income and preservation of capital, and less on those offering the potential for growth.
d) ...through a mix of equity and fixed income exposures	Yes	N/A	Equity allocation varies from 30% to 95%
e) ...based on the participant's age, target retirement date (such as normal retirement age under the plan) or life expectancy.	Yes	N/A	<u>Investment</u> provides an asset allocation strategy and is designed to meet certain investment goals based on an investor's investment horizon (such as projected retirement date), risk tolerance, and personal objectives.
f) Such products and portfolios change their asset allocations and associated risk levels over time with the objective of becoming more conservative (i.e., decreasing risk of losses) with increasing age.	Yes	N/A	<u>Investment</u> asset allocation strategy will generally become more conservative, with greater emphasis on investments that provide for income and preservation of capital, and less on those offering the potential for growth.
 SUMMARY: The Maxim Lifetime Asset Allocation Portfolio II qualifies to be used as an AGE-BASED QDIA but may not be used as part of a qualified model portfolio in conjunction with other investments.			




A. APPLICABILITY AS QDIA ALTERNATIVE			
REQUIREMENT FOR QDIA ALTERNATIVE	STAND ALONE	SLEEVE	COMMENTS
2. Risk Based - An investment fund product or model portfolio that:			
a) ...applies generally accepted investment theories	N/A	N/A	
b) ...is diversified so as to minimize the risk of large losses	N/A	N/A	
c) ...is designed to provide long-term appreciation and capital preservation	N/A	N/A	
d) ...through a mix of equity and fixed income exposures	N/A	N/A	
e) ...consistent with a target level of risk appropriate for participants of the plan as a whole.	N/A	N/A	
 SUMMARY: The Maxim Lifetime Asset Allocation Portfolio II does not qualify to be used as a RISK-BASED QDIA either as a standalone investment or when used as part of a qualified model portfolio in conjunction with other investments.			




A. APPLICABILITY AS QDIA ALTERNATIVE			
REQUIREMENT FOR QDIA ALTERNATIVE	STAND ALONE	SLEEVE	COMMENTS
3. Managed Account - An investment management service with respect to which:			
a) ...a fiduciary that is either, I. an investment manager, within the meaning of section 3(38) of ERISA; II. a trustee of the plan that meets the requirements of section 3(38)(A), (B) and (C) of ERISA; or III. the plan sponsor who is a named fiduciary, within the meaning of section 402(a)(2) of ERISA,	N/A	N/A	
b) ...applying generally accepted investment theories,	N/A	N/A	
c) ...allocates the assets of a participant's individual account	N/A	N/A	
d) ...to achieve varying degrees of long-term appreciation and capital preservation,	N/A	N/A	
e) ...through a mix of equity and fixed income exposures,	N/A	N/A	
f) ...offered through investment alternatives available under the plan,	N/A	N/A	
g) ...based on the participant's age, target retirement date (such as normal retirement age under the plan) or life expectancy.	N/A	N/A	
h) Such portfolios are diversified so as to minimize the risk of large losses and	N/A	N/A	
i) ...change their asset allocations and associated risk levels for an individual account over time with the objective of becoming more conservative (i.e., decreasing risk of losses) with increasing age.	N/A	N/A	
 SUMMARY: The Maxim Lifetime Asset Allocation Portfolio II does not qualify to be used in a MANAGED-ACCOUNT QDIA only or when used as part of a qualified model portfolio in conjunction with other investments.			



A. APPLICABILITY AS QDIA ALTERNATIVE			
REQUIREMENT FOR QDIA ALTERNATIVE	STAND ALONE	SLEEVE	COMMENTS
4. Short Term -an investment product or fund...			
a) ...designed to preserve principal and	N/A	N/A	
b) ...provide a reasonable rate of return, whether or not such return is guaranteed, consistent with liquidity.	N/A	N/A	
Such investment product shall for purposes of this paragraph:			
c) Seek to maintain, over the term of the investment, the dollar value that is equal to the amount invested in the product; and	N/A	N/A	
d) Be offered by a State or federally regulated financial institution.	N/A	N/A	
e) An investment product described in this paragraph shall constitute a qualified default investment alternative for not more than 120 days after the date of the participant's first elective contribution.	N/A	N/A	
 SUMMARY: The Maxim Lifetime Asset Allocation Portfolio II does not qualify to be used as a SHORT-TERM QDIA.			



A. APPLICABILITY AS QDIA ALTERNATIVE			
REQUIREMENT FOR QDIA ALTERNATIVE	STAND ALONE	SLEEVE	COMMENTS
5. Grandfathered - an investment product or fund...			
a) ...designed to preserve principal and	N/A	N/A	
b) ...provide a rate of return generally consistent with that earned on intermediate investment grade bonds	N/A	N/A	
c) ...while providing liquidity for withdrawals by participants and beneficiaries, including transfers to other investment alternatives.	N/A	N/A	
Such investment product or fund shall, for purposes of this paragraph, meet the following requirements:			
d) There are no fees or surrender charges imposed in connection with withdrawals initiated by a participant or beneficiary; and	N/A	N/A	
e) The product or fund must invest primarily in investment products that are backed by a State or federally regulated financial institution.	N/A	N/A	
f) An investment product or fund described in this paragraph shall constitute a qualified default investment alternative solely for purposes of assets invested in such product or fund before December 24, 2007.	N/A	N/A	
 SUMMARY: The Maxim Lifetime Asset Allocation Portfolio II does not qualify to be used as a GRANDFATHERED QDIA.			



Qualification Analysis

No violations of self-dealing prohibitions were found and The Maxim Lifetime Asset Allocation Portfolio II was found to meet the QDIA requirements for the alternatives shown in the table above. The analysis included the following findings:

B. QUALIFICATION ANALYSIS			
REGULATORY GUIDELINE	DALBAR EVALUATION	RESULT	COMMENTS
1. SELF-DEALING PROHIBITIONS - A fiduciary with respect to a plan shall not:			
a) ...deal with the assets of the plan in his own interest or for his own account,	Does <u>Manager</u> have discretion to vary its compensation based on changing holdings within the <u>Investment</u> ?	Pass ¹	<u>Manager's</u> compensation is consistent, 12 bps for each Lifetime Asset Allocation Portfolio, and its compensation from this fund does not change based on changes in the underlying portfolios. <u>Manager</u> can vary compensation received from others by selecting certain underlying funds that pay a fee to <u>Manager</u> . See Item B.1.c below.
b) ...in his individual or in any other capacity act in any transaction involving the plan on behalf of a party (or represent a party) whose interests are adverse to the interests of the plan or the interests of its participants or beneficiaries, or	Does <u>Manager</u> have interests that are adverse to those of participants?	Pass	<u>Manager's</u> interests are not adverse to participants' by virtue of the fact that <u>Manager's</u> compensation increases with growth in asset value in participants' accounts and decreases if assets decline.

¹ As with most available target date funds, the manager uses underlying investments that pay fees to that manager. The Department of Labor confirmed this practice in response to an inquiry from Avatar Associates on December 4, 2009 (AO 2009-04A).



B. QUALIFICATION ANALYSIS																																										
REGULATORY GUIDELINE	DALBAR EVALUATION	RESULT	COMMENTS																																							
c) ...receive any consideration for his own personal account from any party dealing with such plan in connection with a transaction involving the assets of the plan.	Does <u>Manager</u> receive compensation from another party for managing the <u>Investment</u> ?	Pass	Compensation is received only from certain underlying registered investment companies that are managed by the <u>Manager</u> . These are designated "Maxim Funds".																																							
2. CONDITIONS FOR QDIA FIDUCIARY RELIEF																																										
a) Consider investment fees and expenses in choosing a QDIA	Do expenses for this <u>Investment</u> fall within the normal range of other investments of this type?	Pass	Expense comparison for Maxim Lifetime Portfolio 1 <table border="1"> <thead> <tr> <th>Year</th> <th>Exp.</th> <th>Peer Group</th> </tr> </thead> <tbody> <tr> <td colspan="3"><u>T Shares:</u></td> </tr> <tr> <td>2015</td> <td>95</td> <td>96 - 152</td> </tr> <tr> <td>2025</td> <td>101</td> <td>99 - 158</td> </tr> <tr> <td>2035</td> <td>108</td> <td>105 - 162</td> </tr> <tr> <td>2045</td> <td>111</td> <td>108 - 176</td> </tr> <tr> <td>2055</td> <td>123</td> <td>109 - 132</td> </tr> <tr> <td colspan="3"><u>T1 Shares</u></td> </tr> <tr> <td>2015</td> <td>106</td> <td>96 - 152</td> </tr> <tr> <td>2025</td> <td>111</td> <td>99 - 158</td> </tr> <tr> <td>2035</td> <td>118</td> <td>105 - 162</td> </tr> <tr> <td>2045</td> <td>121</td> <td>108 - 176</td> </tr> <tr> <td>2055</td> <td>122</td> <td>109 - 132</td> </tr> </tbody> </table>	Year	Exp.	Peer Group	<u>T Shares:</u>			2015	95	96 - 152	2025	101	99 - 158	2035	108	105 - 162	2045	111	108 - 176	2055	123	109 - 132	<u>T1 Shares</u>			2015	106	96 - 152	2025	111	99 - 158	2035	118	105 - 162	2045	121	108 - 176	2055	122	109 - 132
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b) Material is provided to participant relating to his/her QDIA.	Is <u>Investment</u> material appropriate for plan participants?	Pass	Material is clearly written to be understood by participants and presumes only minimal investment knowledge.																																							
c) Notice must be written in a manner calculated to be understood by the average plan participant.	Is the information provided for inclusion in the required notice understandable to an average participant? <u>Note: Plan fiduciary must determine that the entire notice can be understood.</u>	Pass	Under most circumstances, the average plan participant will be able to understand the information contained in materials.																																							



B. QUALIFICATION ANALYSIS			
REGULATORY GUIDELINE	DALBAR EVALUATION	RESULT	COMMENTS
3. QDIA Requirements			
a) QDIA shall not permit employer securities except as investments within regulated investment companies or as employer match.	Does <u>Investment</u> permit use of employer securities outside of the QDIA exceptions?	Pass	<u>Investments</u> are registered investment companies and qualify under the exemption applicable to employer securities.
b) QDIA may not impose financial penalties or restrict the ability of a participant to transfer.	Are there restrictions or fees to transfer out of <u>Investment</u> which are prohibited under QDIA regulations?	Pass	No restrictions, except that <u>Manager</u> reserves the right to use restrictions in the event that market timing is discovered.
c) QDIA is either managed by an investment manager, as defined in section 3(38) of ERISA, or plan trustee, or plan sponsor who is a named fiduciary or is a registered investment company or a stable value fund under State or federal regulation.	Does the <u>Manager</u> meet the criteria appropriate for the type of QDIA being validated?	Pass	<u>Investments</u> are registered investment companies.



Reasonableness Investment Analysis

QDIA regulations require that investments be reasonable, which DALBAR has further defined as falling within a normal range of comparable investments. The Reasonableness Analysis presented reflects this standard.

Plan fiduciaries are responsible for reviewing current investment information and making the determination that the Maxim Lifetime Asset Allocation Portfolio II is a reasonable investment for the plan. Plan fiduciaries, including plan sponsors, are encouraged to seek independent expert advice in making the selection and monitoring of investments. In order to assist in the determination DALBAR provides the following observations based on information available at the time of this evaluation.

Portfolio Manager:

NAME	TITLE	Total Years Exp.	Yrs With Firm
Mark Corbett	Chairman, Manager and President	12	22

OR

Portfolio Manager (Underlying Funds):

UNDERLYING FUND	PORTFOLIO MANAGER	Total Years Exp.	Yrs With Fund
Maxim Bond Index	Cathy Tocher	22	5
Maxim Short Duration Bond			6
Maxim Money Market Portfolio			9
Maxim Federated Bond Portfolio			
Maxim High Yield Bond			
Maxim Index 600 Portfolio			
Maxim Invesco ADR			
Maxim Large Cap Growth			
Maxim Loomis Sayles SmallCap Value			
Maxim MFS International Growth Portfolio			
Maxim S&P 500 Index Portfolio			
Maxim T. Rowe Price Equity Income			
Maxim T. Rowe Price MidCap Growth			



Annualized Returns: Holdings vs. Peer Group

	Underlying Asset	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Expense Ratio (%)
	Peer Group	(9/30/09)	(9/30/09)	(9/30/09)	(9/30/09)	(9/30/09)
1	Allianz NFJ Small Cap Value A	-7.55	-0.31	6.02	10.72	1.22
	Small Value	-6.40	-4.72	2.30	8.34	1.55
2	American Century Growth Inv	-3.06	-1.09	2.83	-0.92	1.00
	Large Growth	-2.69	-3.25	1.77	-0.64	1.40
3	American Century Infl-Adj Bond Inv	6.02	5.48	4.57	6.98	0.49
	Inflation-Protected Bond	4.79	4.25	4.16	6.28	1.01
4	BlackRock US Opportunities Inv A	1.16	2.97	9.13	6.79	1.76
	Mid-Cap Growth	-3.10	-2.83	3.14	2.88	1.50
5	Calvert Short Duration Income A	9.21	5.59	4.96		1.17
	Short-Term Bond	6.85	3.54	3.13	4.16	1.00
6	Harbor International Inv	2.26	1.03	10.02	7.69	1.19
	Foreign Large Blend	1.06	-3.95	5.78	2.53	1.62
7	JPMorgan High Yield Fund A	16.97	4.67	5.85	6.10	1.32
	High Yield Bond	13.16	2.57	4.11	4.47	1.24
8	Goldman Sachs Mid Cap Value A	-4.34	-3.95	3.65	9.19	1.16
	Mid-Cap Value	-2.81	-4.34	2.83	7.34	1.42
9	Maxim Bond Index	11.65	6.77	5.16	5.92	0.50
	Intermediate-Term Bond	11.81	4.47	3.82	5.38	1.05
10	Maxim Federated Bond Portfolio	13.36	7.17	5.44		0.70
	Intermediate-Term Bond	11.81	4.47	3.82	5.38	1.05
11	Maxim Global Bond	13.24	11.57	9.77	7.89	1.30
	World Bond	14.82	6.86	5.44	6.27	1.30
12	Putnam (Maxim) High Yield Bond	11.26	0.65	2.78		1.10
	High Yield Bond	13.16	2.57	4.11	4.47	1.24
13	Maxim Index 600 Portfolio	-10.85	-4.38	2.36	6.39	0.60
	Small Blend	-6.97	-5.19	2.02	6.79	1.49
14	Maxim Invesco ADR	1.64	-4.33	5.00	3.35	1.14
	Foreign Large Value	2.20	-3.76	5.48	4.67	1.49



	Underlying Asset	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Expense Ratio (%)
	Peer Group	(9/30/09)	(9/30/09)	(9/30/09)	(9/30/09)	(9/30/09)
15	Maxim Janus Large Cap Growth	3.48	2.08	6.88		1.05
	Large Growth	-2.69	-3.25	1.77	-0.64	1.40
16	Maxim Loomis Sayles SmallCap Value	-6.71	-2.77	3.77	8.36	1.09
	Small Blend	-6.97	-5.19	2.02	6.79	1.49
17	Maxim MFS International Growth Portfolio	4.24	-1.73	7.50		1.20
	Foreign Large Blend	1.06	-3.95	5.78	2.53	1.62
18	Maxim Money Market Portfolio	0.27		2.84	2.80	0.46
	Money Market Taxable	0.46	2.66	2.83	2.71	
19	Maxim S&P 500 Index Portfolio	-7.33	-5.99	0.44		0.60
	Large Blend	-5.46	-5.13	1.22	0.69	1.35
20	Maxim Short Duration Bond	10.21	5.46	4.46	4.89	0.60
	Short-Term Bond	6.85	3.54	3.13	4.16	1.00
21	Maxim T. Rowe Price Equity Income	-7.60	-5.56	1.22	3.52	0.83
	Large Value	-7.18	-6.72	0.85	2.51	1.31
22	Maxim T. Rowe Price MidCap Growth	2.55	0.60	5.67	6.67	1.06
	Mid-Cap Growth	-3.10	-2.83	3.14	2.88	1.50
23	MFS Value A	-7.16	-3.66	3.22	5.13	1.00
	Large Value	-7.18	-6.72	0.85	2.51	1.31
24	Oppenheimer International Bond A	16.83	10.40	9.92	11.33	0.93
	World Bond	14.82	6.86	5.44	6.27	1.30
25	(Janus Aspen) Perkins Mid Cap Value S	2.10	2.02	6.57		1.64
	Mid-Cap Value	-2.81	-4.34	2.83	7.34	1.42
26	Sentinel Small Company A	-7.36	-1.11	4.08	9.85	1.22
	Small Growth	-5.25	-4.00	1.94	2.98	1.62
27	Van Kampen Small Cap Growth A	-11.67	-2.76	4.70		1.40
	Small Growth	-5.25	-4.00	1.94	2.98	1.62



	Underlying Asset	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Expense Ratio (%)
	Peer Group	(9/30/09)	(9/30/09)	(9/30/09)	(9/30/09)	(9/30/09)
28	Virtus Foreign Opportunities A	-4.41	-3.90	7.63	3.70	1.39
	Foreign Large Growth	2.07	-2.92	6.13	2.81	1.56

Note: Items in BOLD indicate at or above average peer group results.



⦿ Ten Year Risk/Return Analysis of Holdings of Maxim Lifetime Asset Allocation Portfolio II

	Underlying Fund	No. Up Years	No. Down Years	Avg. of Up Years (%)	Avg. of Down Years (%)	Best % Return	Worst % Return
1	Allianz NFJ Small Cap Value A	8	2	16.33	-16.64	23.08	-26.45
2	American Century Growth Inv	6	4	16.79	-24.34	34.68	-37.84
3	American Century Infl-Adj Bond Inv	9	1	7.26	-1.02	12.08	-1.02
4	BlackRock US Opportunities Inv A	6	4	56.39	-24.19	220.11	-39.03
5	Calvert Short Duration Income A	5	1	5.30	-0.95	8.62	-0.95
6	Goldman Sachs Mid Cap Value A	7	3	18.22	-10.61	31.76	-36.73
7	Harbor International Inv	6	4	25.88	-16.79	40.34	-42.87
8	JPMorgan High Yield Fund A	7	3	7.76	-9.25	25.61	-22.67
9	Maxim Bond Index	9	1	5.29	-0.02	11.37	-0.02
10	Maxim Federated Bond Portfolio	5	0	3.67	-	6.68	1.85
11	Maxim Global Bond	9	0	7.63	-	14.85	0.62
12	Maxim High Yield Bond	4	1	5.58	-32.35	10.09	-32.35
13	Maxim Index 600 Portfolio	7	3	15.64	-15.80	38.11	-31.35
14	Maxim Invesco ADR	6	4	19.34	-20.04	31.27	-40.19
16	Maxim Janus Large Cap Growth	4	1	17.79	-45.13	31.06	-45.13
17	Maxim Loomis Sayles SmallCap Value	7	3	17.51	-16.08	34.28	-32.64
18	Maxim MFS International Growth Portfolio	4	1	17.11	-35.49	27.67	-35.49
19	Maxim Money Market Portfolio	10	0	3.17	-	6.07	0.73
20	Maxim S&P 500 Index Portfolio	4	1	8.64	-37.46	15.21	-37.46



	Underlying Fund	No. Up Years	No. Down Years	Avg. of Up Years (%)	Avg. of Down Years (%)	Best % Return	Worst % Return
21	Maxim Short Duration Bond	10	0	4.34	-	7.93	0.33
22	Maxim T. Rowe Price Equity Income	8	2	10.63	-24.63	25.65	-36.21
23	Maxim T. Rowe Price MidCap Growth	7	3	17.90	-21.11	37.87	-40.37
24	MFS Value A	7	3	15.78	-18.11	29.39	-32.85
25	Oppenheimer International Bond A	9	1	11.98	-0.68	25.87	-0.68
26	Perkins Mid Cap Value S	5	1	17.23	-27.90	36.14	-27.90
27	Sentinel Small Company A	8	2	18.09	-23.22	38.09	-32.29
28	Van Kampen Small Cap Growth A	6	3	21.53	-33.86	39.00	-38.93
29	Virtus Foreign Opportunities A	6	4	28.25	-24.43	30.16	-41.92
	Summary	77.14%*	22.85%*	15.04	-21.74	31.89	-25.35

[*represents the % of years with positive and negative return over the 10-year period observed]

C. REASONABLENESS INVESTMENT ANALYSIS	
DALBAR INVESTMENT CRITERIA	OBSERVATIONS
1. Minimum track record	
The average history for each underlying asset class investment strategy should be at least three years.	The history of underlying asset classes is well over three years.
2. Stability of the organization	
The average tenure of the portfolio management team for each underlying asset class investment strategy should be at least two years.	Tenure of management of each underlying asset class investment strategy exceeds the threshold.
3. Assets in the product	
The average underlying asset class investment strategy should have at least \$75 million under management (can include assets in other funds with the same strategy).	The assets under management of each underlying asset class exceed the threshold.



C. REASONABLENESS INVESTMENT ANALYSIS	
DALBAR INVESTMENT CRITERIA	OBSERVATIONS
4. Holdings consistent with style	
a) The allocation to equities is evaluated against the peer group - highest allocation to least - the screening threshold being set at the bottom quartile;	The equity allocation of each <u>Maxim Lifetime Asset Allocation Portfolio II</u> fund is within or below the norm for corresponding Target Date funds.
b) The allocation to fixed income is evaluated against the peer group - highest allocation to least - the screening threshold being set at the bottom quartile.	The fixed income allocation of each <u>Maxim Lifetime Asset Allocation Portfolio II</u> fund is within or above the norm for corresponding Target Date funds.
5. Correlation to style or peer group	
The number of asset classes that make up the ODIA are evaluated against the peer group - most asset classes to least - the screening threshold being set at the peer group median.	The funds of <u>Maxim Lifetime Asset Allocation Portfolio II</u> include 17 asset classes, which exceeds the peer group median of 9 classes.
6. Expense ratios/fees	
a) The wrapper expense is evaluated against the peer group - cheapest to most expensive - the screening threshold being set at the bottom quartile.	Total expenses for the <u>Maxim Lifetime Asset Allocation Portfolio II</u> range from 98 to 123 bps, which is inclusive of a 12 bps wrapper expense, which are within the norms of 109 bps to 123bps for all target date funds.
b) The average expense ratio of each underlying asset class investment strategy is evaluated against the peer group - cheapest to most expensive - the screening threshold being set at the bottom quartile.	The expense ratio of each asset class is below the average for its class with the exception of: <ul style="list-style-type: none"> • BlackRock US Opportunities Inv A at 1.76% compared to 1.50% and • Janus Aspen Perkins Mid Cap Value Svc at 1.63% versus 1.42%
7. Performance relative to assumed risk	
This analysis evaluates historical performance within the context of overall risk. It examines the number of positive and negative annual returns, the average of the positive and negative annual returns, and the best and worst annual returns, for a minimum of three years (max: 10 years).	Over the ten years ended 12/31/08, the underlying investments had positive returns 77% of years and negative in 23%. Average positive return: +15.04% Average negative return: -21.74% Best annual return: +220.11% Worst annual return: -45.13%



C. REASONABLENESS INVESTMENT ANALYSIS	
DALBAR INVESTMENT CRITERIA	OBSERVATIONS
8. Performance relative to a peer group	
The average 1-, 3-, and 5-year performance of each asset class investment strategy is evaluated against the peer group's median.	Underlying asset classes exceed the peer group average for 1, 3, 5 and 10 years by more than 75% of cases. Maximum underperformance in any period was -6.42 percentage points over the peer group average (see Holdings - Van Kampen Small Cap Growth A)