MUTUAL OF OMAHA RETIREMENT SERVICES

Fourth Quarter 2010

Market & Economic Conditions

Major Indices	4Q 2010 Returns	YTD 2010
S&P 500	10.8%	15.1%
Dow Jones	8.0%	14.1%
NASDAQ	12.3%	18.2%
Russell 1000-Growth	11.8%	16.7%
Russell 1000-Value	10.5%	15.5%
Russell 2000	16.3%	26.9%
MSCI EAFE	6.6%	7.8%
BarCap Aggregate	-1.3%	6.6%
BarCap 2% Issue Constrained High Yield	3.2%	14.9%

Equities around the world rose sharply in the closing quarter of 2010 bringing full year results well into double digit advances across nearly all equity categories. October commenced with the Fed's QE2 widely anticipated and equity markets rose nicely during the month leading up to the official announcement on November 2nd. At that point, equities took a bit of a breather with the S&P 500 flat and international stocks falling for the month while mid and small cap issues rose. Buyers returned to equity markets with enthusiasm in December as a number of positive economic reports emerged and the holiday shopping season was reasonably encouraging.

In fixed income markets, the anticipation of QE2 drove yields down sharply with the 10-year US Treasury hitting a low of 2.38% in mid-October and dropping to 2.48% just after the official Fed announcement of its 6-month $600 billion Treasury purchase plans. Yields quickly rose after the announcement as traders "sold the news." By year-end, the yield had risen significantly to 3.30%. As a result of the spike in rates post-QE2, fixed income returns for the quarter were negative with the exception of high yield, which enjoyed its equity market correlation and rose 3%.

Within the U.S. equity markets, results were strong across the board. Growth eclipsed value across the capitalization range (Russell 1000 Growth: +11.8%, Russell 1000 Value: +10.5%). From a capitalization perspective, performance was inversely related to size as microcaps led the way while the largest stocks trailed (Russell 2000: +16.3%, S&P Midcap 400: +13.5%, S&P 500: +10.8%). Within the GICS classification of the S&P 500, Energy and Materials stocks performed best with a rise of 21% and 19% respectively, while defensive sectors Utilities and Health Care were laggards at 1.1% and 3.6% respectively.

Foreign equity markets (MSCI EAFE: +6.6%) also rose to add gains to their third quarter advance, but results lagged US returns. Japan and Canada (both +12%) posted the strongest performance within the developed world while Greece (-10.2%) recaptured the bottom rung from Ireland as both countries continued to struggle under the weight of their debt woes. Emerging markets (MSCI Emerging Markets: +7.4%) held a small advantage over developed markets but fell well short of US results. Taiwan and Peru were the strongest countries in the emerging world (both +17%) while Hungary fell nearly 10%.

To round out equity performance, securitized real estate trailed the broad US equity markets for the quarter but outpaced most categories for the full year. The NAREIT Equity Index rose 7.4% in the quarter and 28% for the year.

The sharp reversal in the direction of interest rates had a negative impact on the fixed income markets during the quarter. The 10-year treasury backed up nearly 100 basis points between the announcement of QE2 and the end of the year. That sent the Barclays Aggregate Bond Index down about 2% post-QE2 and down 1.3% for the full quarter. Further down the credit quality spectrum, High Yield bonds (Barclays Capital 2% Issue Constrained High Yield: +3.2%) enjoyed its equity market correlation and rallied to a 14.9% rise for the full year.

Mutual of Omaha Retirement Program Product (0.00% Class as of 12/31/10)

- For the quarter, all of the investment options in the product other than the intermediate term bond funds produced a positive return, led by the Lord Abbett Developing Growth Fund (+17.76%).

- For the year, all of the investment options produced positive returns, ranging from +3.08% (Lifetime Guaranteed Income Account) to +36.66% (Lord Abbett Developing Growth Fund).

- Causeway International Value Fund and Harbor International Fund have both outperformed the MSCI EAFE Index over each the 1, 3, and 5-year periods. For calendar year 2010, the 11.8% return of each fund was more than 4% above the Index.

- Both of the actively managed intermediate-term high quality fixed income investment options have outperformed the Barclays Capital Aggregate Bond Index over each the 1, 3, 5 and 10-year periods. For the year, Metropolitan West Total Return Bond Fund returned 11.22%, outperforming the Index by 4.66%.

- Consistent with the theme of long-term investing, for the actively managed stand-alone investment options that have at least a 10-year performance record, 88% have outperformed their benchmark over that time period.

- Mutual Directions, the series of five risk-based asset allocation models, continues to offer investors the possibility of excess return for incremental levels of added risk. For the quarter, the most aggressive Mutual Directions 5 (+11.15%) outperformed the most conservative Mutual Directions 1 (+1.79%) by 9.36%. For the year, Mutual Directions 5 (+17.11%) outpaced Mutual Directions 1 (+5.77%) by 11.34%.

- Mutual GlidePath, the series of eleven time-based asset allocation models, invest in a diversified mix of asset classes and styles, become increasingly conservative over time and continue along the glidepath for an additional 20 years beyond the target retirement date. For the quarter, the most aggressive Mutual

GlidePath 2055 (+9.75%) outperformed the most conservative Mutual GlidePath 2005 (+5.25%) by 4.5%. For the year, Mutual GlidePath 2055 (+15.54%) outpaced Mutual GlidePath 2005 (+11.08%) by 4.46%.

Despite strong results across asset classes since the beginning of 2009, the global economic environment remains cloudy. Government deficits threaten to strain growth and recession-fighting monetary and fiscal policy could spur inflation. Acknowledging these risks, consideration should be given to prudent asset allocation and risk assessment based on future capital needs for both plan sponsors and individual investors. Due diligence reviews and an adherence to a well-developed investment policy remain a prudent long-term course for investors.