

STATE OF DELAWARE

06.30.2019 - Fiduciary Due Diligence Report

Due Diligence Begins with Careful Oversight

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INTRODUCTION

For most plan sponsors, concern over the fulfillment of fiduciary responsibilities continues to be a primary focus for the Retirement Plan Committee. Because of enhanced scrutiny, regulatory changes and the outcomes of highly publicized participant lawsuits, plan sponsor committees have worked to incorporate due diligence procedures and to implement best practices for the development, administration and oversight of their plans.

Cammack Retirement Group is dedicated to assisting you in meeting your fiduciary obligations, and in adopting and maintaining an ongoing process for review and management of your retirement program. We anticipate the potential problems for your plan and provide you with relevant, timely information to enable your committee to make decisions and take action.

Within the pages of the following comprehensive report, we have an analysis of the most salient issues confronting your plan related to: plan investments, fees and expenses, plan design, industry trends and regulations, participant communication, compliance and/or other topics that are vital to maintaining a plan to foster positive retirement outcomes for your participants.

Cammack Retirement Group also continues to improve its technological capabilities to bring you critical data in a clear and concise manner. We have invested in enhanced analytical tools and report-building technology to deliver more timely and robust information. In addition to better data reporting, this innovative technology will allow you to maintain a secure online file to capture and store the documents that are important to the fulfillment of your fiduciary responsibilities.

We appreciate your business, and we look forward to continuing to strengthen our relationship as your trusted partner in serving your retirement plan.

CAMMACK RETIREMENT GROUP

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EXECUTIVE SUMMARY

Plan Review

- As of June 30, 2019, the State of Delaware Deferred Compensation Plans held approximately \$838.5 million¹ in total active plan assets, representing an increase of approximately \$32.5 million (4% change) over total assets as of March 31, 2019. Quarterly contributions to the Plans were approximately \$15.4 million (Q2 2018 contributions totaled approximately \$14.4 million).
 - \$692.3 million was invested in the State of Delaware 457(b) Deferred Compensation Plan
 - \$124.1 million was invested in the State of Delaware 403(b) Plan
 - \$22.1 million was invested in the State of Delaware 401(a) Match Plan
- The weighted average expense ratio of the funds (excluding the Voya Fixed Plus Account) is 0.34%, as compared to the 2018 NAGDCA Perspectives in Practice Survey average of 0.49% for similarly sized Plans (\$500 million-\$1.5 billion).
- There is an asset-based fee of eight basis points (0.08%) charged to each participant; this fee pays for Voya recordkeeping and administrative services. There is an asset-based fee of five basis points (0.05%) (not to exceed \$200 annually) charged to each participant; this fee pays the State of Delaware's administrative fee². In the 2018 NAGDCA Perspectives in Practice Survey, the average net administrative fee for similarly sized Plans (\$500 million-\$1.5 billion) was 0.16%.
- The Plan Expense Reimbursement Account balances as of June 30, 2019 were as follows:
 - \$151,415 in the State of Delaware 457(b) Deferred Compensation Plan
 - \$43,421 in the State of Delaware 403(b) Plan
 - \$3,966 in the State of Delaware 401(a) Match Plan

¹ Does not include assets held in individual accounts at previous/legacy providers/contracts. 403(b) legacy vendor assets are valued at approximately \$288.6 million as of 06.30.2019.

² Effective June 2019, the administrative fee will not be charged to 457 Plan participants for four quarters. This fee will be paid using legacy plan-level assets, the process will be re-evaluated by the Plans Management Board in June 2020.

EXECUTIVE SUMMARY (CONTINUED)

Investment Highlights

- Based on the analysis of funds under the Plans, using the criteria outlined in the Investment Policy Statement, the following fund recommendations are being made for consideration by the Committee:
 - Templeton Global Bond R6 – Place on Watch
During the February 2019 meeting, Cammack Retirement discussed potentially placing this fund on watch due to a recent manager change. The committee members discussed their opinions concluding not to place the fund on watch at that time. While we still maintain the "Place on Watch" recommendation, we are not overly concerned with the new manager change with Michael Hasenstab, the lead manager, still at the helm. We do not expect any changes to the strategy or investment process.
 - JPMorgan US Small Company R6 – Remain on Watch
The fund employs a quantitative and fundamental process to construct a portfolio of attractively valued companies with conservative management teams and high-quality earnings. Each stock is ranked based on its valuation, earnings quality, and capital deployment attributes; the stocks with the strongest score are candidates for purchase. The fund's longer-term performance is impacted negatively by the fund's bottom quartile performance in 2017, due primarily to the strong growth bias in the market. Although the marketplace has rewarded momentum over value, we want to monitor the fund to see how management responds in a late cycle environment.
- The recommendation for the remaining investments is: Not for Watch.
- Additional commentary is provided for funds performing in the bottom quartile for the 3-, 5-, or 10-year period:
 - Lazard International Equity R6 – Maintain (Not for Watch).
The fund's relative value approach with high quality focus has experienced challenges in rapidly rising markets when the low quality and more expensive valued securities outperformed. The focus on higher-quality securities leads to downside risk protection. The fund's performance improved over recent quarters as market volatility picked up. However, the recent relative improvement was not enough to bring 3-year performance close to the fund's more aggressive category peer group.
- Based on the Committee's recommendation to the Board, effective May 23, 2019 ClearBridge Mid Cap Growth IS was replaced by Champlain Mid Cap Institutional. Assets and future contributions were mapped to the new investment.

EXECUTIVE SUMMARY (CONTINUED)

Investment Highlights (continued)

Tier One Highlights (Target Date Suite)

- Approximately \$634.9 million was invested in the American Funds Target Date Retirement Fund series (represents 76% of assets). The target date series is designated as the Plans' default investment, which is to be used in the event a participant does not make an investment election.
 - 91% of unique Plan participants (across all plans) were invested in the target date series (19,277 unique participants).
 - The target date series received approximately 73.6% (\$11.3 million) of new contributions within the quarter.
 - Across the target date series, the average annualized returns rank in the top quartile for the 3-year, 5-year, and 10-year performance periods for most vintages.³
 - The exceptions were the 3-year average annualized returns for the 2010, 2015, 2020, and 2025 vintages, which ranked between the 33th-52th percentile.
 - Across the target date series, the average Sharpe Ratio ranks in the top quartile for most vintages.³
 - The exceptions were the 3-year Sharpe Ratio for the 2010 and 2015 vintages, which ranked in the 45th-53th percentile.

Tier Two Highlights (Core Fund Array)

- \$184.1 million was invested in Tier Two (represents 22% of assets).
 - Tier Two received approximately 26.4% (\$4.1 million) of new contributions within the quarter.
- Approximately \$18.3 million was invested in the Voya Fixed Plus Account III (across all Plans)
 - Across all Plans, the crediting rate for the Voya Fixed Plus Account is 1.75%. The minimum guaranteed crediting rate is 1.00%.

³The 2055 vintage is excluded from 10-year rankings (introduced 2/1/2010), and the 2060 vintage is excluded from 5- and 10-year rankings (introduced 3/27/2015).

EXECUTIVE SUMMARY (CONTINUED)

Investment Highlights (continued)

Tier Two Highlights (Continued)

- Approximately \$165.8 million was invested in the Tier Two mutual fund options:
 - For the 3-year period, 85% of the funds (11 of 13 funds) rank above the median; 46% (6 of 13 funds) rank in the top-quartile; 8% (1 of 13 funds) rank in the bottom quartile
 - For the 5-year period, 85% of the funds (11 of 13 funds) rank above the median; 62% (8 of 13 funds) rank in the top-quartile; no funds rank in the bottom quartile
 - For the 10-year period, 92% of the funds (12 of 13 funds) rank above the median; 77% (10 of 13 funds) rank in the top-quartile; no funds rank in the bottom quartile
- As of June 30, 2019, there were approximately \$9.8 million (1.2% of total Plan assets) invested in the Managed Account feature, representing 454 participant accounts.

Tier Three Highlights (Self Directed Brokerage Account)

- The TD Ameritrade Self Directed Brokerage Account held approximately \$19.6 million (represents 2.3% of assets), across 466 participant accounts.

Fiduciary Best Practices

- Annual review of Investment Policy Statement (IPS) November 2019 Meeting
- Annual Fiduciary Training TBD*

Ongoing Review of Plan Investments

- Annual target date suite review August 2019 Meeting
- Annual investment structure review August 2019 Meeting

**To be completed with tax counsel*

Plan Allocation And Economic Review

PLAN FINANCIALS: ASSETS AND CONTRIBUTIONS

Fund Name	Ticker	Quarterly Contribution		Assets			
		04/01/2019 - 06/30/2019		06/30/2019		03/31/2019	
Fixed Account							
Voya Fixed Plus Account III		\$552,335	4%	\$18,245,209	2%	\$18,384,295	2%
Subtotal		\$552,335	4%	\$18,245,209	2%	\$18,384,295	2%
Money Market							
Vanguard Federal Money Market Investor	VMFXX	\$202,412	1%	\$12,063,097	1%	\$12,398,130	2%
Subtotal		\$202,412	1%	\$12,063,097	1%	\$12,398,130	2%
Bond							
PIMCO Total Return Instl	PTTRX	\$105,447	<1%	\$5,249,877	<1%	\$4,847,183	<1%
Vanguard Interm-Term Bond Index I	VBIMX	\$247,049	2%	\$13,971,534	2%	\$12,632,832	2%
Templeton Global Bond R6	FBNRX	\$73,422	<1%	\$2,847,058	<1%	\$2,856,049	<1%
Subtotal		\$425,918	3%	\$22,068,468	3%	\$20,336,064	3%
Large Cap Equity U.S.							
American Funds Washington Mutual R6	RWMGX	\$162,490	1%	\$9,315,201	1%	\$8,881,385	1%
Vanguard Institutional Index I	VINIX	\$1,134,191	7%	\$57,501,053	7%	\$53,942,650	7%
T. Rowe Price Blue Chip Growth I	TBCIX	\$614,455	4%	\$23,021,433	3%	\$21,146,523	3%
Subtotal		\$1,911,135	12%	\$89,837,687	11%	\$83,970,558	10%
Mid Cap Equity U.S.							
Vanguard Extended Market Index Instl	VIEIX	\$338,547	2%	\$16,174,438	2%	\$15,745,271	2%
Champlain Mid Cap Institutional*	CIPIX	\$41,261	<1%	\$3,340,728	<1%	\$0	0%
ClearBridge Mid Cap Growth IS*	LCMIX	\$35,890	<1%	\$0	0%	\$3,192,923	<1%
Subtotal		\$415,699	3%	\$19,515,166	2%	\$18,938,194	2%
Small Cap Equity U.S.							
JPMorgan US Small Company R6	JUSMX	\$134,681	<1%	\$5,413,575	<1%	\$5,358,928	<1%
Subtotal		\$134,681	<1%	\$5,413,575	<1%	\$5,358,928	<1%
International Equity							
Lazard International Equity R6	RLIEX	\$70,274	<1%	\$2,778,284	<1%	\$2,625,003	<1%
Vanguard Total Intl Stock Index I	VTSNX	\$279,508	2%	\$10,272,401	1%	\$9,706,678	1%
Subtotal		\$349,782	2%	\$13,050,686	2%	\$12,331,681	2%

*Per Committee's decision, ClearBridge Mid Cap Growth IS was removed from the array on May 23, 2019. Assets and allocations were mapped to Champlain Mid Cap Institutional.

Please note that due to rounding, percentages may not add up to 100%

Data Source: Voya as of 06.30.2019

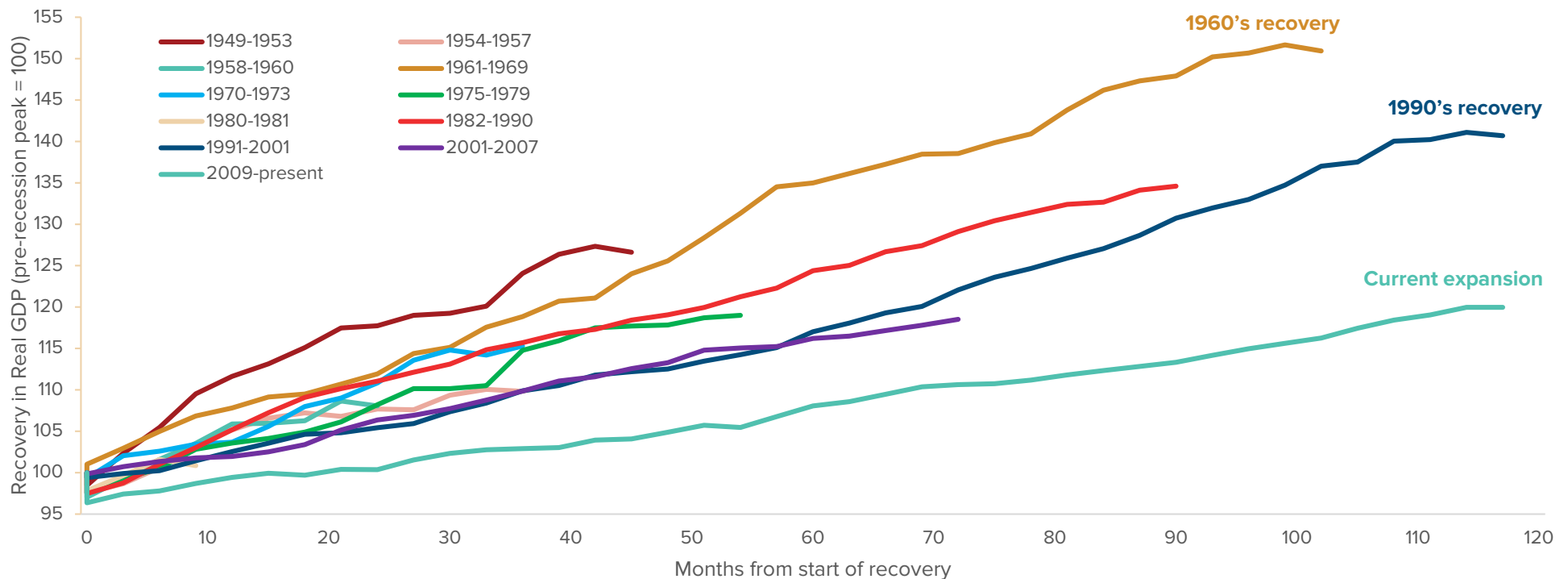
Plan Number: 664095, 664093, 664094

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PLAN FINANCIALS: ASSETS AND CONTRIBUTIONS

Fund Name	Ticker	Quarterly Contribution		Assets			
		04/01/2019 - 06/30/2019		06/30/2019		03/31/2019	
Specialty							
TIAA-CREF Real Estate Sec Instl	TIREX	\$70,474	<1%	\$3,871,384	<1%	\$3,599,908	<1%
Subtotal		\$70,474	<1%	\$3,871,384	<1%	\$3,599,908	<1%
Target Dates							
American Funds 2010 Trgt Date Retire R6	RFTTX	\$133,019	<1%	\$28,460,273	3%	\$27,853,814	3%
American Funds 2015 Trgt Date Retire R6	RFJTX	\$275,716	2%	\$46,946,473	6%	\$46,196,542	6%
American Funds 2020 Trgt Date Retire R6	RRCTX	\$1,366,432	9%	\$108,029,360	13%	\$105,265,911	13%
American Funds 2025 Trgt Date Retire R6	RFDTX	\$1,892,395	12%	\$114,375,306	14%	\$110,905,283	14%
American Funds 2030 Trgt Date Retire R6	RFETX	\$1,735,609	11%	\$105,952,194	13%	\$102,817,420	13%
American Funds 2035 Trgt Date Retire R6	RFFTX	\$1,970,774	13%	\$100,071,784	12%	\$95,915,542	12%
American Funds 2040 Trgt Date Retire R6	RF GTX	\$1,248,134	8%	\$60,970,980	7%	\$58,392,481	7%
American Funds 2045 Trgt Date Retire R6	RFHTX	\$1,427,237	9%	\$40,502,786	5%	\$38,176,939	5%
American Funds 2050 Trgt Date Retire R6	RFITX	\$755,122	5%	\$19,591,346	2%	\$18,404,751	2%
American Funds 2055 Trgt Date Retire R6	RFKTX	\$420,034	3%	\$7,905,823	<1%	\$6,544,561	<1%
American Funds 2060 Trgt Date Retire R6	RFUTX	\$116,168	<1%	\$2,091,932	<1%	\$1,951,452	<1%
Subtotal		\$11,340,639	74%	\$634,898,256	76%	\$612,424,697	76%
Other							
Self-Directed Brokerage		\$0	0%	\$19,550,102	2%	\$18,296,125	2%
Subtotal		\$0	0%	\$19,550,102	2%	\$18,296,125	2%
Totals		\$15,403,074	100%	\$838,513,631	100%	\$806,038,579	100%

ECONOMIC REVIEW: THE LONGEST, YET SLOWEST, RECOVERY ON RECORD



Source: Federal Reserve Bank of St. Louis, National Bureau of Economic Research

Market Observations

- The U.S. economy reached a milestone in June, officially registering as the longest-ever expansion in American history according to the National Bureau of Economic Research. This cycle, which started in June 2009, now surpasses the 120 consecutive months of economic growth during the 1990's recovery. Although it has been a long recovery, growth has been relatively weak by historic standards.
- While deep recessions are generally followed by steep recoveries, the current expansion has not followed the traditional playbook. During this cycle, the economy has only grown at an average rate of 2.3%, significantly below the 4.3% pace of the 10 previous expansions. Theories on why the recovery has been so weak include criticism towards the government's inadequate fiscal policy response to the crisis, as well as increased globalization, technological advances, stagnating wages and weak productivity growth.
- Wall Street is divided on how much longer this expansion will last. Ongoing trade disputes have weakened the global growth outlook, and mixed signals from the U.S. economy have raised concerns that a recession may be on the horizon. While there are warning signs, most economists agree that economic expansions simply don't die of "old age", there is usually some type of event that triggers a recession. Since predicting the "next trigger" or the precise timing of the next downturn is virtually impossible, it may be worthwhile to review whether your asset allocation decisions remain appropriate.

Investment Analysis

INVESTMENT ANALYSIS: VOYA FIXED PLUS ACCOUNT III - ALL PLANS

RECOMMENDATION:

Not on Watch

OBJECTIVE

- Stability of principal is the primary objective of this investment option

LIQUIDITY

- Employer: If a full withdrawal is requested, the Voya Fixed Plus Account III will pay amounts with interest, in five annual payments
- Employee: No charges or restrictions for benefit sensitive withdrawals

RESTRICTIONS

- Equity wash rules may apply if plan offers competing funds (money market, short-term high quality bond or brokerage window)
- Liquidity - restricts transfer of assets to outside providers

Basic Characteristics

Product Type	General Account
Manager	Voya Retirement Insurance and Annuity Company
Guarantor	Voya Retirement Insurance and Annuity Company
Crediting Rate as of 06.30.2019	1.75%
Minimum Guarantee	1.00%

Financial Strength – Ratings

	Ratings	
Fitch	A	(6 th of 19)
Moody's	A2	(6 th of 21)
S&P	A+	(5 th of 22)

*Voya has decided to discontinue its A.M. Best rating. The 2018 sale of Voya's individual annuity business and Voya's decision to cease new individual life insurance sales has diminished the company's need to maintain the ratings from A.M. Best. This discontinuance was based on Voya's business decision and does not reflect any concerns from A.M. Best about Voya's creditworthiness or its ability to meet its ongoing obligations. Prior to this decision, A.M. Best had affirmed its previous strong ratings of Voya. This information was released on April 11, 2019.

Data provided by Voya as of 06.30.2019

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INVESTMENT ANALYSIS: COMMENTARY

Vanguard Federal Money Market Investor - **Not on Watch**

Peergroup/ Investment Name	Ticker	Manager Tenure	Total Return(% rank in peergroup)						Risk	Risk Adj Return	R-Squared	Expense Ratio Vs-Peers	Overall Mstar Rating
			Qtr	YTD	1 Year	3 Year	5 Year	10 Year					
Money Market-Taxable													
Vanguard Federal Money Market Investor	VMFXX	11.50	0.58	1.16	2.20(5)	1.30(4)	0.82(2)	0.42(5)	0.21	-1.73	90.16	0.11	-
Category Average		14.95	0.49	0.99	1.84	0.98	0.60	0.30	0.21	-6.35	60.82	0.47	-
FTSE Treasury Bill 3 Mon USD		-	0.61	1.21	2.30	1.36	0.84	0.46	0.23	-0.65	100	-	-

Manager: Vanguard Group, Inc.

Market Value: \$125.6 Billion

Current Yield: 2.28%

Q2 2019 Recommendation: Not on Watch

Strategy

The fund seeks to provide current income while maintaining liquidity and a stable share price of \$1. The fund invests primarily in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities. The fund generally invests 100% of its assets in government securities and therefore, will satisfy the 99.5% requirement for designation as a government money market fund.

Liquidity

By law, money market fund investments must mature within 397 days from the date of acquisition. Average weighted maturity must be 90 days or less. The "cost" of a money market fund is its expense ratio. Returns shown are "total returns", which are net of fees.

Restrictions

If there is a fixed account also in the array, transfers between the fixed and money market accounts may be subject to an "equity wash" provision. Monies may not be able to move directly between the fixed and money market funds but must pass through an equity fund. Money market funds may also be the medium by which transfers to a brokerage account may be made.

INVESTMENT ANALYSIS: SCORECARD

Fund Category	Fund Name	Ticker	Manager Tenure	Performance vs. Index			Category Ranking			Risk	Risk Adj Return	R-Squared	Expense Ratio vs. Peers	Overall Mstar Rating	Recommendation
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr						
Intermediate Core-Plus Bond	PIMCO Total Return Instl	PTTRX	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	***	Not on Watch	
Intermediate Core Bond	Vanguard Interm-Term Bond Index I	VBIMX	✓	✓	✓	NA	✓	✓	✓	✓	✓	✓	****	Not on Watch	
World Bond	Templeton Global Bond R6	FBNRX	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	****	Watch	
Large Blend	American Funds Washington Mutual R6	RWMGX	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	****	Not on Watch	
Large Blend	Vanguard Institutional Index I	VINIX	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	****	Not on Watch	
Large Growth	T. Rowe Price Blue Chip Growth I	TBCIX	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	****	Not on Watch	
Mid-Cap Blend	Vanguard Extended Market Index Instl	VIEIX	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	****	Not on Watch	
Mid-Cap Growth	Champlain Mid Cap Institutional*	CIPIX	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	****	Not on Watch	
Small Blend	JPMorgan US Small Company R6	JUSMX	✓	✗	✗	✓	✗	✗	✓	✓	✗	✓	***	Watch	
Foreign Large Blend	Lazard International Equity R6	RLIEX	✓	✗	✓	✓	✗	✗	✓	✓	✗	✓	**	Not on Watch	
Foreign Large Blend	Vanguard Total Intl Stock Index I	VTSNX	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	***	Not on Watch	
Real Estate	TIAA-CREF Real Estate Sec Instl	TIREX	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	****	Not on Watch	

*ClearBridge Mid Cap Growth IS is scheduled was removed from the array effective May 23, 2019. Assets and allocations will be transferred to Champlain Mid Cap Institutional.

INVESTMENT ANALYSIS: COMMENTARY

Templeton Global Bond R6 - Place on Watch

Fund Name	Ticker	Manager Tenure	Performance vs. Index			Category Ranking			Risk	Risk Adj Return	R-Squared	Expense Ratio vs. Peers	Overall Mstar Rating
			3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr					
Templeton Global Bond R6	FBNRX	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	✓	****

Peergroup/ Investment Name	Ticker	Manager Tenure	Total Return(% rank in peergroup)						Risk	Risk Adj Return	R-Squared	Expense Ratio Vs-Peers	Overall Mstar Rating
			Qtr	YTD	1 Year	3 Year	5 Year	10 Year					
World Bond													
Templeton Global Bond R6	FBNRX	17.50	0.80	2.82	5.69(42)	4.73(4)	1.64(20)	4.88(15)	6.02	0.56	9.74	0.57	4
Category Average		10.23	2.96	5.43	5.02	2.20	0.58	3.11	5.15	0.26	64.49	0.93	3
FTSE WGBI USD		-	3.57	5.38	5.48	1.00	0.85	2.21	5.28	-0.05	100	-	-

Q2 2019 Recommendation

We continue to recommend this fund for watch due to recent changes on the management team. In December 2018, Sonal Desai, one of the fund's co-managers, stepped down from her day-to-day responsibilities on this strategy to take on an expanded role as Franklin Templeton's Chief Investment Officer. Calvin Ho, one of the fund's long-tenured analysts, joined Michael Hasenstab as a listed co-manager upon Desai's departure. We are not overly concerned with the recent manager turnover as Michael Hasenstab remains the lead decision maker on the fund. The watch recommendation is a precautionary measure.

Sector review, securities selection, and risk management

This strategy prefers to invest in high real-yielding sovereign markets and currencies, with limited exposure to the low- and negative-yielding developed market countries which make up a significant portion of global bond indices. While the fund lists its benchmark as the FTSE World Government Bond Index, the manager follows a more unconstrained approach and has significant leeway in the strategy's portfolio composition and investments. These differences can sometimes cause the fund to look out of step with the benchmark; however, the manager continues to deliver strong absolute and relative returns over a full market cycle. The fund's short-duration posture relative to the index detracted from performance in the 2nd quarter as concerns about lower than expected inflation and rising trade tensions saw global bond yields decline sharply during the quarter. The fund's net negative position in the Euro also modestly detracted as the market began to price in Fed rate cuts this year, which depressed the value of the U.S. dollar in recent months.

Management and additional details

Michael Hasenstab has been the lead manager on this strategy since 2001. Calvin Ho joins Michael Hasenstab as a co-manager following Sonal Desai's promotion to Franklin's Chief Investment Officer at the end of 2018. Sonal Desai was co-manager on the strategy from 2011 through 2018. Calvin Ho has worked alongside Michael Hasenstab as a lead research analyst and a core part of the Global Macro Team since 2005.

INVESTMENT ANALYSIS: COMMENTARY

JPMorgan US Small Company R6 - Watch

Fund Name	Ticker	Manager Tenure	Performance vs. Index			Category Ranking			Risk	Risk Adj Return	R-Squared	Expense Ratio vs. Peers	Overall Mstar Rating
			3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr					
JPMorgan US Small Company R6	JUSMX	✓	✗	✗	✓	✗	✗	✓	✗	✓	✓	***	

Peergroup/ Investment Name	Ticker	Manager Tenure	Total Return(% rank in peergroup)						Risk	Risk Adj Return	R-Squared	Expense Ratio Vs-Peers	Overall Mstar Rating
			Qtr	YTD	1 Year	3 Year	5 Year	10 Year					
Small Blend													
JPMorgan US Small Company R6	JUSMX	14.83	-0.24	11.87	-8.20(84)	8.69(73)	5.46(62)	13.83(25)	17.19	0.49	98.48	0.73	3
Category Average		8.98	2.21	15.74	-3.76	10.09	5.65	12.70	16.79	0.58	93.70	1.11	3
Russell 2000 TR USD		-	2.10	16.98	-3.31	12.30	7.06	13.45	17.11	0.68	100	-	-

Q2 2019 Recommendation

We recommend continuing this fund on watch due to underperformance versus the benchmark and the peer group. The fund employs a quantitative and fundamental process to construct a portfolio of attractively valued companies with conservative management teams and high-quality earnings. Each stock is ranked based on its valuation, earnings quality, and capital deployment attributes; the stocks with the strongest score are candidates for purchase. The fund's longer-term performance is impacted negatively by the fund's bottom quartile performance in 2017, due primarily to the strong growth bias in the market. Although the marketplace has rewarded momentum over value, we want to monitor the fund to see how management responds in a late-cycle environment.

Sector review, securities selection, and risk management

The fund strategy is underpinned by the belief that investors are prone to behavioral biases that cause them to overreact to negative news and underreact to positive news. When analyzing risk, various indicators show that the fund has had above-average risk and below-average return for the past 3 years. The beta and the downside-capture ratios compare unfavorably to the peer group. Since the inception of the fund's mandate with the current team, the fund has delivered strong risk-adjusted returns. While we acknowledge that the valuation factor has hurt relative performance versus more growth-oriented peers, the magnitude of recent underperformance has caused us to continue to evaluate the fund and talk to management about outlook and strategy. The fund continued to have issues with stock selection during the second quarter, specifically in the healthcare and basic material sectors.

Management and additional details

The fund is managed by Dennis Ruhl and Phil Hart, with support from the U.S. Behavioral Finance Team. The team believes that investors overreact to negative news and underreact to good news, and look to exploit the pricing inefficiencies caused by investor behavior.

INVESTMENT ANALYSIS:

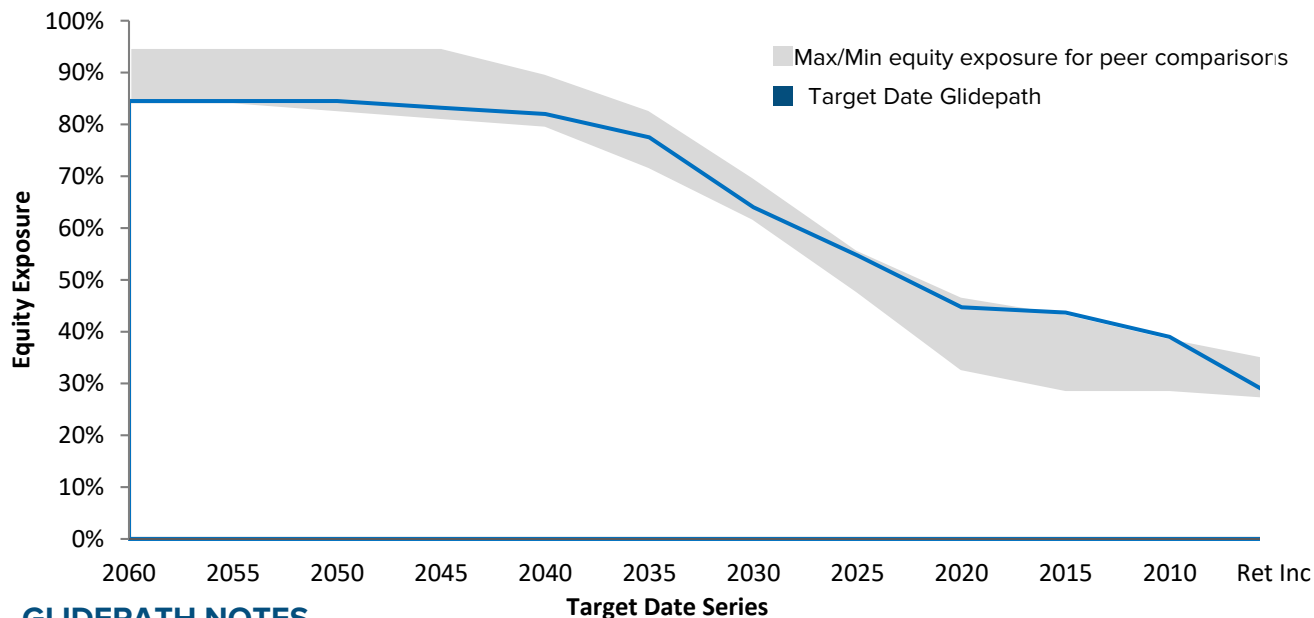
TARGET DATE SUMMARY: AMERICAN FUNDS TARGET DATE RETIREMENT

RECOMMENDATION : Not on watch

FUND STRATEGY : To help participants balance goals of building and preserving wealth while effectively managing market-risk and longevity risk using low cost active management. The managers employ a “glidepath-within-a-glidepath” approach.

PRESERVATION OF CAPITAL			EXTENSION OF CAPITAL		
Target date series are managed more conservatively to provide downside protection			Target date series are managed more aggressively to address longevity risk		
Most Conservative	Conservative	Moderately Conservative	Moderately Aggressive	Aggressive	Most Aggressive

EQUITY GLIDEPATH



GLIDEPATH NOTES

- Equity at retirement (age 65) is 45% and Equity at landing point (age 95) is 30
- Glidepath-within-a-Glidepath: glidepath distinguishes between the types of equity or fixed income investments in terms of the role they can play in a portfolio
- Diversifies the type of equity throughout the glide-path by shifting over time from growth-oriented to dividend-focused funds. Equity gradually shifts to higher yielding funds with a history of lower volatility
- Deploys different types of bonds at various stages in the glide-path to mitigate risk but provide meaningful equity exposure approaching and throughout retirement without increasing volatility

ASSET ALLOCATION

Equity

U.S. Large Cap	A
U.S. Mid Cap	A
U.S. Small Cap	A
International Equity	A
Emerging Markets Equity	A

Fixed Income

U.S. Fixed Income	A
U.S. TIPs	A
High Yield	A
Emerging Markets Debt	A
International Fixed Income	A

Alternative

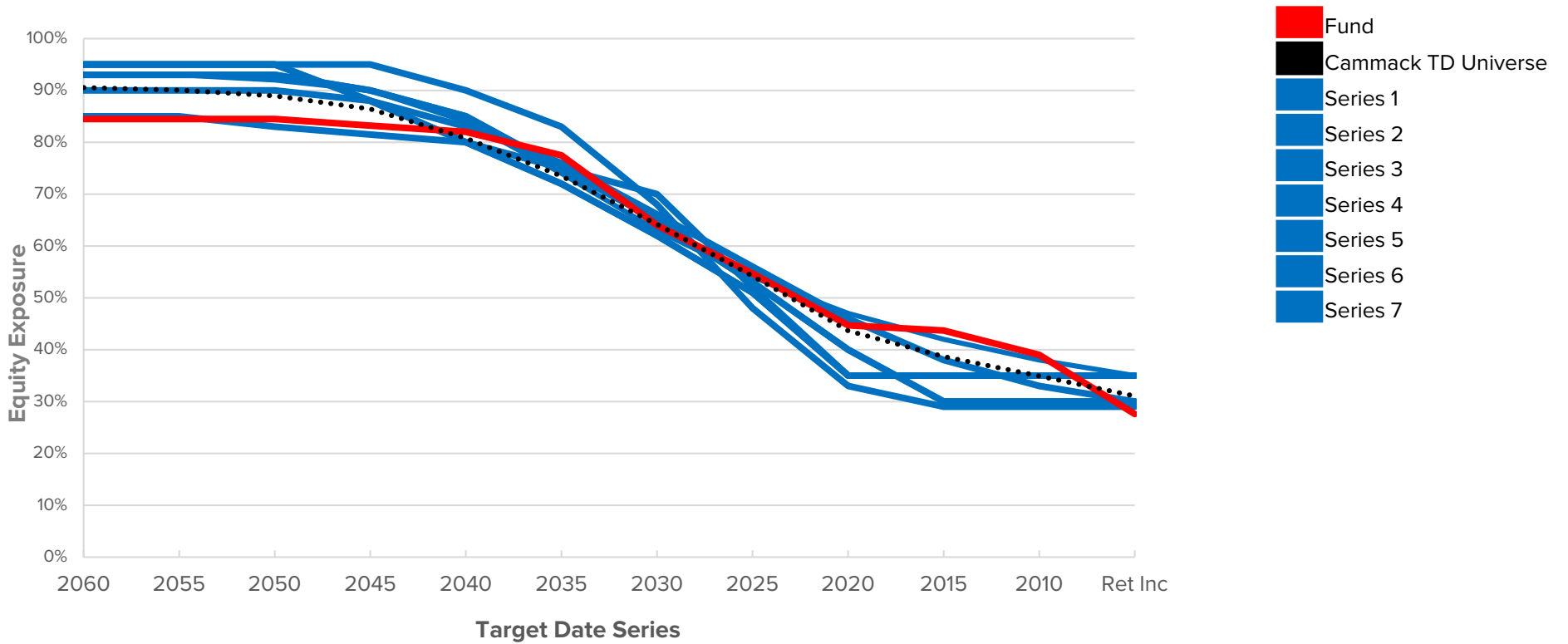
Commodities	
Real Estate	A

A = Active Management
P = Passive Management

INVESTMENT ANALYSIS:

TARGET DATE SUMMARY: AMERICAN FUNDS TARGET DATE RETIREMENT

PRESERVATION OF CAPITAL – MODERATELY CONSERVATIVE



INVESTMENT ANALYSIS:

TARGET DATE SUMMARY: AMERICAN FUNDS TARGET DATE RETIREMENT

Peergroup/ Investment Name	Ticker	Manager Tenure	Total Return						Risk	Risk Adj Return	R-Squared	Expense Ratio vs-Peers	Overall Mstar Rating
			Qtr	YTD	1 Year	3 Year	5 Year	10 Year					
Target-Date 2000-2010													
American Funds 2010 Trgt Date Retire R6	RFTTX	12.33	2.68	8.80	6.57	6.01	4.76	8.22	4.53	1.01	71.70	0.33	4
Category Average			2.85	9.03	6.98	4.91	3.82	6.58	4.32	0.81	79.37	0.26	2
DJ Target 2010 TR USD			2.16	5.63	4.89	3.11	2.56	5.04	2.66	0.66	100	-	-
Target-Date 2015													
American Funds 2015 Trgt Date Retire R6	RFJTX	12.33	2.70	9.36	6.66	6.43	5.05	8.70	4.95	1.01	73.21	0.33	4
Category Average			2.83	9.83	6.59	5.82	4.39	7.60	5.07	0.86	77.21	0.33	2
DJ Target 2015 TR USD			2.45	6.56	5.33	3.65	3.10	5.91	3.26	0.70	100	-	-
Target-Date 2020													
American Funds 2020 Trgt Date Retire R6	RRCTX	12.33	2.79	9.80	6.51	7.27	5.51	9.45	5.41	1.07	81.61	0.34	4
Category Average			3.04	10.21	6.33	6.64	4.52	7.83	5.46	0.96	84.17	0.47	2
DJ Target 2020 TR USD			2.86	8.17	6.02	4.88	3.77	7.02	4.04	0.86	100	-	-
Target-Date 2025													
American Funds 2025 Trgt Date Retire R6	RFDTX	12.33	2.97	11.07	6.34	8.39	6.05	10.49	6.51	1.06	91.47	0.36	5
Category Average			3.19	11.64	6.22	7.81	5.13	9.16	6.77	0.94	92.18	0.48	3
DJ Target 2025 TR USD			2.95	9.55	6.04	6.22	4.46	8.20	5.08	0.95	100	-	-
Target-Date 2030													
American Funds 2030 Trgt Date Retire R6	RFETX	12.33	3.13	12.41	6.27	9.88	6.90	11.25	7.76	1.08	96.17	0.38	5
Category Average			3.30	12.99	6.04	8.92	5.69	9.75	8.03	0.93	96.47	0.49	3
DJ Target 2030 TR USD			2.99	11.19	5.92	7.75	5.21	9.33	6.52	0.97	100	-	-
Target-Date 2035													
American Funds 2035 Trgt Date Retire R6	RFFTX	12.33	3.17	14.16	6.15	11.13	7.54	11.62	9.15	1.05	97.39	0.39	5
Category Average			3.33	14.10	5.80	9.79	6.05	10.34	9.12	0.92	97.78	0.50	3
DJ Target 2035 TR USD			3.00	12.82	5.61	9.04	5.76	10.22	8.02	0.95	100	-	-

INVESTMENT ANALYSIS:

TARGET DATE SUMMARY: AMERICAN FUNDS TARGET DATE RETIREMENT

Peergroup/ Investment Name	Ticker	Manager Tenure	Total Return						Risk	Risk Adj Return	R-Squared	Expense Ratio vs-Peers	Overall Mstar Rating
			Qtr	YTD	1 Year	3 Year	5 Year	10 Year					
Target-Date 2040													
American Funds 2040 Trgt Date Retire R6	RFGTK	12.33	3.22	14.77	6.06	11.57	7.74	11.79	9.65	1.04	97.71	0.40	5
Category Average			3.32	14.73	5.57	10.25	6.24	10.70	9.80	0.91	98.21	0.50	3
DJ Target 2040 TR USD			2.99	14.22	5.36	10.11	6.21	10.87	9.32	0.93	100	-	-
Target-Date 2045													
American Funds 2045 Trgt Date Retire R6	RFHTX	12.33	3.30	14.96	6.08	11.83	7.90	11.86	9.87	1.04	97.60	0.40	5
Category Average			3.34	15.12	5.34	10.51	6.31	10.78	10.25	0.89	98.25	0.50	3
DJ Target 2045 TR USD			2.97	15.17	5.08	10.81	6.51	11.20	10.28	0.92	100	-	-
Target-Date 2050													
American Funds 2050 Trgt Date Retire R6	RFITX	12.33	3.30	15.14	6.09	11.95	7.97	11.90	9.98	1.04	97.52	0.41	5
Category Average			3.36	15.28	5.31	10.58	6.38	10.64	10.39	0.89	98.23	0.51	3
DJ Target 2050 TR USD			2.95	15.71	4.92	11.12	6.64	11.30	10.81	0.90	100	-	-
Target-Date 2055													
American Funds 2055 Trgt Date Retire R6	RFKTX	9.33	3.26	15.13	5.99	11.92	7.94	-	10.01	1.04	97.59	0.42	5
Category Average			3.36	15.25	5.30	10.57	6.44	10.78	10.38	0.89	98.26	0.51	2
DJ Target 2055 TR USD			2.95	15.80	4.90	11.13	6.65	11.30	10.89	0.90	100	-	-
Target-Date 2060+													
American Funds 2060 Trgt Date Retire R6	RFUTX	4.25	3.34	15.15	6.01	11.90	-	-	9.98	1.04	97.61	0.44	5
Category Average			3.49	15.53	5.73	10.81	-	-	10.33	0.92	98.41	0.51	3
DJ Target 2060 TR USD			2.95	15.80	4.90	11.13	6.65	11.30	10.89	0.90	100	-	-

Investment Analysis Details

INVESTMENT ANALYSIS DETAILS: PERFORMANCE VS. BENCHMARKS

Peergroup/ Investment Name	Ticker	Manager Tenure	Total Return(% rank in peergroup)						Risk	Risk Adj Return	R-Squared	Expense Ratio vs-Peers	Overall Mstar Rating
			Qtr	YTD	1 Year	3 Year	5 Year	10 Year					
Intermediate-Term Bond													
PIMCO Total Return Instl	PTTRX	4.75	3.21	6.08	7.64(46)	3.18(34)	3.02(42)	4.69(55)	2.89	0.64	89.32	0.55	3
Category Average			2.93	6.40	7.35	2.95	2.84	4.82	2.77	0.59	83.93	0.78	3
BBgBarc US Agg Bond TR USD			3.08	6.11	7.87	2.31	2.95	3.90	3.03	0.33	100	-	-
Vanguard Interm-Term Bond Index I	VBIMX	11.17	3.73	7.70	10.01(1)	2.43(26)	3.47(3)	5.12(7)	3.77	0.30	99.44	0.05	5
Category Average			2.83	5.77	7.24	2.09	2.55	3.86	2.81	0.27	93.31	0.64	3
BBgBarc US 5-10Y GovCredit FIAdj TR USD			3.91	7.77	10.11	2.54	3.54	-	3.72	0.33	100	-	-
World Bond													
Templeton Global Bond R6	FBNRX	17.50	0.80	2.82	5.69(42)	4.73(4)	1.64(20)	4.88(15)	6.02	0.56	9.74	0.57	4
Category Average			2.96	5.43	5.02	2.20	0.58	3.11	5.15	0.26	64.49	0.93	3
FTSE WGBI USD			3.57	5.38	5.48	1.00	0.85	2.21	5.28	-0.05	100	-	-
Large Blend													
American Funds Washington Mutual R6	RWMGX	21.91	4.15	15.01	10.47(26)	13.30(46)	9.94(34)	14.28(27)	10.52	1.11	95.31	0.27	4
Category Average			3.82	17.22	8.22	12.51	8.74	13.24	12.48	0.90	93.80	0.90	3
S&P 500 TR USD			4.30	18.54	10.42	14.19	10.71	14.70	12.19	1.04	100	-	-
Vanguard Institutional Index I	VINIX	18.49	4.30	18.54	10.39(28)	14.15(18)	10.68(12)	14.68(10)	12.19	1.04	100.00	0.04	5
Category Average			3.82	17.22	8.22	12.51	8.74	13.24	12.48	0.90	93.80	0.90	3
S&P 500 TR USD			4.30	18.54	10.42	14.19	10.71	14.70	12.19	1.04	100	-	-
Large Growth													
T. Rowe Price Blue Chip Growth I	TBCIX	26.00	4.07	20.93	10.48(44)	21.87(7)	15.02(6)	17.53(7)	14.30	1.37	83.67	0.57	5
Category Average			4.63	21.10	10.01	16.92	11.27	14.67	13.83	1.11	86.26	1.05	3
S&P 500 TR USD			4.30	18.54	10.42	14.19	10.71	14.70	12.19	1.04	100	-	-
Mid-Cap Blend													
Vanguard Extended Market Index Instl	VEIX	21.50	3.04	19.51	2.06(52)	13.18(12)	7.82(24)	14.68(12)	15.23	0.80	100.00	0.06	4
Category Average			3.04	17.52	2.41	9.98	6.04	12.87	14.25	0.65	89.95	1.01	3
S&P Completion TR USD			3.02	19.49	1.88	13.05	7.69	14.55	15.24	0.79	100	-	-

INVESTMENT ANALYSIS DETAILS: PERFORMANCE VS. BENCHMARKS

Peergroup/ Investment Name	Ticker	Manager Tenure	Total Return(% rank in peergroup)						Risk	Risk Adj Return	R-Squared	Expense Ratio vs-Peers	Overall Mstar Rating
			Qtr	YTD	1 Year	3 Year	5 Year	10 Year					
Mid-Cap Growth													
Champlain Mid Cap Institutional*	CIPIX	11.00	3.00	19.76	14.58(25)	17.50(30)	12.90(12)	15.91(22)	12.21	1.28	91.29	0.90	5
Category Average			5.61	24.97	9.88	15.59	9.78	14.53	15.03	0.96	87.02	1.15	3
Russell Mid Cap TR USD			4.13	21.35	7.83	12.16	8.63	15.16	13.43	0.82	100	-	-
Small Blend													
JPMorgan US Small Company R6	JUSMX	14.83	-0.24	11.87	-8.20(84)	8.69(73)	5.46(62)	13.83(25)	17.19	0.49	98.48	0.73	3
Category Average			2.21	15.74	-3.76	10.09	5.65	12.70	16.79	0.58	93.70	1.11	3
Russell 2000 TR USD			2.10	16.98	-3.31	12.30	7.06	13.45	17.11	0.68	100	-	-
Foreign Large Blend													
Lazard International Equity R6	RLIEX	27.41	5.05	15.52	2.56(18)	6.35(87)	1.77(64)	7.43(16)	10.37	0.51	90.27	0.80	2
Category Average			2.98	13.58	-0.05	8.13	2.03	6.44	11.53	0.62	92.42	0.98	3
MSCI EAFE NR USD			3.68	14.03	1.08	9.11	2.25	6.90	11.08	0.72	100	-	-
Vanguard Total Intl Stock Index I	VTSNX	10.83	2.75	13.29	0.62(42)	8.98(28)	2.34(34)	6.62(48)	11.44	0.69	98.91	0.08	3
Category Average			2.98	13.58	-0.05	8.13	2.03	6.44	11.53	0.62	92.74	0.98	3
FTSE Global All Cap ex US TR USD			2.99	13.58	0.81	9.51	2.70	7.26	11.34	0.74	100	-	-
Real Estate													
TIAA-CREF Real Estate Sec Instl	TIREX	13.50	2.92	20.71	14.02(15)	7.63(6)	9.55(4)	16.17(11)	12.24	0.55	98.42	0.51	5
Category Average			1.93	18.33	10.45	4.66	7.23	14.53	12.62	0.33	92.43	1.11	3
FTSE Nareit All Equity REITs TR USD			1.79	19.27	13.01	5.92	8.88	16.03	12.71	0.41	100	-	-

*Per Committee's decision, ClearBridge Mid Cap Growth IS was removed from the array on May 23, 2019. Assets and allocations were mapped to Champlain Mid Cap Institutional.

INVESTMENT ANALYSIS DETAILS: PERFORMANCE VS. BENCHMARKS - PASSIVE ONLY

Peergroup/ Investment Name	Ticker	Manager Tenure	Total Return(% rank in peergroup)						Risk	Risk Adj Return	R-Squared	Expense Ratio vs-Peers	Overall Mstar Rating
			Qtr	YTD	1 Year	3 Year	5 Year	10 Year					
Intermediate Core Bond													
Vanguard Interm-Term Bond Index I	VBIMX	11.17	3.73	7.70	10.01(1)	2.43(7)	3.47(2)	5.12(1)	3.77	0.30	99.44	0.05	5
Category Passive Average*			3.01	6.02	7.75	2.00	2.67	3.63	3.08	0.21	96.26	0.28	2
BBgBarc US 5-10Y GovCredit FIAdj TR USD			3.91	7.77	10.11	2.54	3.54	-	3.72	0.33	100	-	-
Large Blend													
Vanguard Institutional Index I	VINIX	18.49	4.30	18.54	10.39(34)	14.15(18)	10.68(17)	14.68(14)	12.19	1.04	100.00	0.04	5
Category Passive Average*			4.07	18.13	10.01	13.42	10.08	14.29	12.32	0.98	96.89	0.40	3
S&P 500 TR USD			4.30	18.54	10.42	14.19	10.71	14.70	12.19	1.04	100	-	-
Mid-Cap Blend													
Vanguard Extended Market Index Instl	VIEIX	21.50	3.04	19.51	2.06(43)	13.18(6)	7.82(34)	14.68(19)	15.23	0.80	100.00	0.06	4
Category Passive Average*			2.98	17.82	2.82	10.84	7.26	14.04	14.33	0.70	93.63	0.44	3
S&P Completion TR USD			3.02	19.49	1.88	13.05	7.69	14.55	15.24	0.79	100	-	-
Foreign Large Blend													
Vanguard Total Intl Stock Index I	VTSNX	10.83	2.75	13.29	0.62(65)	8.98(45)	2.34(37)	6.62(61)	11.44	0.69	98.91	0.08	3
Category Passive Average*			3.08	13.10	1.26	8.84	2.70	6.63	10.91	0.71	93.20	0.39	3
FTSE Global All Cap ex US TR USD			2.99	13.58	0.81	9.51	2.70	7.26	11.34	0.74	100	-	-

*Category Passive Average includes only index investment options

Data Sources: Morningstar as of 06.30.2019

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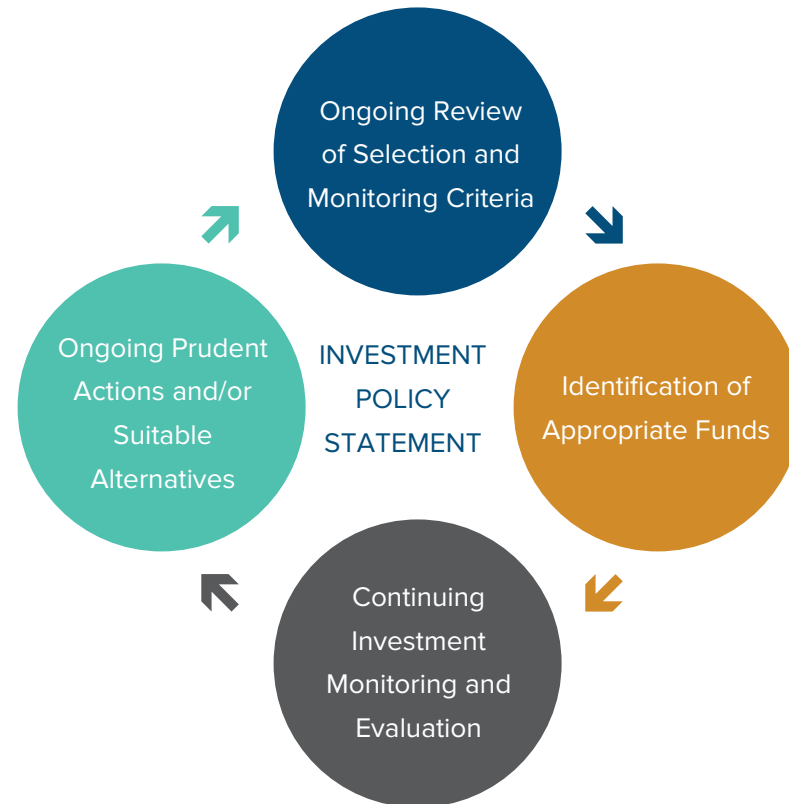
Appendices

Due Diligence Methodology and Process

INVESTMENT ANALYSIS: MONITORING CRITERIA

In evaluating investments, the process is driven by your Investment Policy Statement. We review:

- Performance vs. Peers (Category)
- Performance vs. Indexes
- Risk Characteristics
- Expenses vs. Peers
- Style Purity
- Investment Objectives
- Manager Tenure
- Management Team



INVESTMENT ANALYSIS: SCORECARD METHODOLOGY

SCORECARD

Tests	Requirement to Pass Screen
Manager Tenure	Lead Manager with greater than two years of experience with fund or similar asset class.
Performance vs.Benchmark Index:3-,5- and 10-Year	Returns no worse than 100 bps below the respective index over 3-,5- and 10- year periods
Category Ranking:3-,5- and 10-Year	Ranking of less than or equal to 60th percentile over 3-,5- and 10- year periods(the lower the category rank percentile, the better)
Risk(3-Year Standard Deviation)	Standard Deviation less than or equal to 1.1x the respective benchmark
Risk-Adjusted Return(3-Year Sharpe)	Returns greater than or equal to 0.9x the respective benchmark
R-Squared	Greater than or equal to R-Squared value of 70 when compared to respective index
Expense Ratio(Prospectus Net)	Expense ratio below the Morningstar peer group average
Morningstar Rating(Overall)	Rating greater than or equal to 3 Stars.

Glossary and Standard Disclosures

GLOSSARY AND STANDARD DISCLOSURES

CREATING CAMMACK LARHETTE ADVISORS' PROPRIETARY TARGET DATE ANALYSIS

STEP 1:	Break down each TDF suite using Morningstar asset classes, based on equity exposure.
STEP 2:	Take the average equity exposure for each Morningstar category & calculate the deviation from that average for each fund.
STEP 3:	Weight the deviations based on the position within the glide path (e.g., weighting the age 45–65 age period more heavily than deviations at younger ages).
STEP 4:	Calculate a score for each target date series based on the individual asset weighting scores (standard deviation x weighting) for each fund within the target date series. The Cammack Target Date Universe is the average of 47 Target Date fund families. Assign each TDF to one of the six categories, based on their relative scores. <u>Preservation – Most Conservative:</u> Invesco Balanced Risk Retirement, Great-West Lifetime Conservative, JHancock Multi-Index Preservation, Harbor Target Retirement, USAA Target Retirement, Manning & Napier, Dimensional Target Date Retirement <u>Preservation – Conservative:</u> T. Rowe Price Target, American Century One Choice, Goldman Sachs Target Date, JP Morgan SmartRetirement® Blend, JPMorgan Smart Retirement®, MassMutual RetireSMART, PIMCO RealPath Blend, Putnam RetirementReady <u>Preservation – Moderately Conservative:</u> Voya Solution Portfolio, Voya Index Solution Portfolio, Franklin LifeSmart Retirement Target, AllianzGI Retirement, American Funds Target Date Retirement, Wells Fargo Target Date, MFS Lifetime, Great-West Lifetime <u>Extension – Moderately Aggressive:</u> TIAA-CREF Lifecycle Retirement, MainStay Retirement, Schwab Target Index Series, Schwab Target, Principal LifeTime, Principal Lifetime Hybrid, Mutual of America Retirement, TIAA-CREF Lifecycle Index Retirement <u>Extension – Aggressive:</u> Vanguard Target Retirement, BlackRock® LifePath Smartbeta, BlackRock® Lifepath Index, BlackRock® LifePath Dynamic, Great-West SecureFoundation®, T. Rowe Price Retirement, Fidelity Freedom®, Fidelity Freedom® Index Investor <u>Extension – Most Aggressive:</u> BMO Target Retirement, AB Multimanager Select, JHancock Multi-Index Lifetime, JHancock Multimanager Lifetime, Wells Fargo Dynamic Target Date, GuideStone Funds MyDestination, Nationwide Destination

TARGET DATE ANALYSIS DEFINITIONS

Terms	Definition & Application
-------	--------------------------

Target Date Index

Dow Jones S&P Target Date Indices are designed to measure the performance of multi-asset-class portfolios. The indices were designed as benchmarks for the growing category of "lifecycle" funds, which are typically used to plan for retirement or other long-term savings goals. The indices automatically adjust their asset allocations over time to reflect reductions in potential risk as an investor's target date approaches.

Target Date Index Asset Allocation

	Equity	Fixed Income
Dow Jones Target Today Index	20.00%	80.00%
Dow Jones Target 2005	20.00%	80.00%
Dow Jones Target 2010	22.11%	77.89%
Dow Jones Target 2015	28.19%	71.81%
Dow Jones Target 2020	37.50%	62.50%
Dow Jones Target 2025	48.92%	51.08%
Dow Jones Target 2030	61.08%	38.92%
Dow Jones Target 2035	72.50%	27.50%
Dow Jones Target 2040	81.81%	18.19%
Dow Jones Target 2045	87.89%	12.11%
Dow Jones Target 2050	90.00%	10.00%
Dow Jones Target 2055	90.00%	10.00%
Dow Jones Target 2060	90.00%	10.00%

DEFINITIONS

Terms	Definition and Application
Alpha	Alpha is a measure of a manager's effectiveness. It is the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. Positive alpha indicates that the fund has performed better than its beta would predict. Negative alpha indicates the fund underperformed given the expectations established by the fund's beta.
Beta	Beta is a measure of the volatility of a security compared to the market as a whole. The market holds a beta of 1. When beta is greater than 1, the fund will move ahead of its indexed market when the market is moving up, ultimately performing better than the market; however, when the market moves down, the fund will underperform the market. When beta is less than 1 the opposite is true. The higher the beta, the greater the volatility. The lower the beta, the lower the volatility.
Down Capture	Calculated by taking the fund's monthly return during the periods of negative benchmark performance and dividing it by the benchmark return. A ratio of less than 100 indicates that a fund has lost less than its benchmark in periods when the benchmark has been in the red.
Up Capture	Calculated by taking the fund's monthly return during the periods of positive benchmark performance and dividing it by the benchmark return. A ratio higher than 100 indicates the fund has outperformed the benchmark during periods of positive returns for the benchmark.
Effective Duration	Duration adjusted for embedded options. A measure of a bond's price sensitivity to interest rate movement.
Effective Maturity	Maturity adjusted for embedded options.
Information ratio	Information Ratio is a benchmark related statistic and measures a fund's outperformance and consistency. The information ratio should be positive. A range between 0.40 and 0.60 equates to a good value while a value of 1.00 is exceptional and rare. This metric is a measure of relative risk and not absolute risk.
Net Expense Ratio	Represents the percentage of a fund's assets that are used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund. Brokerage costs and sales charges are not included. Value should be lower than the fund's respective Morningstar peer group.
Overall Morningstar Rating	Proprietary Morningstar data point. Values are from 1 (lowest) to 5 (highest) and are based on how well the fund has performed, after adjusting for risk and accounting sales charges, in comparison to similar funds.

DEFINITIONS(cont.)

Terms	Definition and Application
Risk/Return	Graph that charts risk (as defined by standard deviation) on the X-axis and return on the Y-axis. It shows the fund's return per unit of risk taken. The higher and to left on the graph depicts higher returns for less risk.
R-Squared	Reflects the percentage of a fund's movements that can be explained by movements in its benchmark index. A value near 100 indicates all movements can be explained by movements in the benchmark index. An index fund will be close to 100. A low value indicates that very few of the fund's movements can be explained by movements in the benchmark index.
Sharpe Ratio	Also known as risk-adjusted return. This is a risk-adjusted measure that is calculated by using standard deviation and excess return to determine reward per unit of risk. Calculated for a past 36-month period by dividing a fund's annualized excess returns (excess returns are defined by the fund's actual returns minus a risk-free rate) by the standard deviation of a fund's annualized excess returns. The higher the value, the better the fund's historical risk-adjusted performance. The lower the value, the worse the fund's historical risk-adjusted performance.
Standard Deviation	Statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time. This metric is used to try and predict the range of returns for a given fund. A high value signifies greater volatility, as the predicted range of performance is wide. A low value signifies lower volatility, as the predicted range of performance is more focused.
Style Drift	The movement of a mutual fund from one asset category into another. This graph charts inconsistency with style, as defined by a fund's stated category. The smaller dots on the graph represent the starting point for the time period shown and the larger dots represent the most recent time periods.
Turnover Ratio	A measure of a fund's trading activity, calculated by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by the average monthly net assets. A ratio of 100% or higher represents considerable buying and selling of securities. A low ratio indicates a buy-and-hold strategy.

GLOSSARY AND STANDARD DISCLOSURES

Morningstar information was obtained from "Morningstar, Inc."

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