



MEMORANDUM

Date: March 21, 2016

To: State of Delaware Office of the State Treasurer
Deferred Compensation Council Investment Sub Committee

From: Cammack Retirement Group

Re: Investment Structure, Investment and Fee Recommendations

This memo summarizes the investment review and selection process conducted by Cammack Retirement Group and the State of Delaware Deferred Compensation Council Investment sub-Committee.

About Cammack Retirement Group

Cammack Retirement Group established its business nearly fifty years ago to meet the needs of the evolving tax-exempt retirement plan marketplace.

- Dedicated solely to helping retirement plan sponsors by providing consulting and advisory services to more than 140 clients with \$75 billion in total plan assets.
- Fees are completely transparent and fully disclosed. Fees are paid by clients. The Firm has no affiliations with asset managers, recordkeepers or other interested third-parties.
- The Firm is completely independent and does not manage assets on behalf of its clients.
- Long-standing working relationships with all of the major service providers, granting the Firm insights that benefit its clients.
- Consistently ranked as one of the top advisors to defined contribution plans in various publications. Named as PLANADVISER's Top 100 Retirement Plan Advisors in 2012, 2013, 2014, 2015, and 2016.
- Unique process that allows clients to implement best practices across all aspects of their plan while, at the same time, mitigating their fiduciary risk.
- Client longevity averages over 12 years.

Cammack Retirement works in a team environment, bringing together a group of experienced and knowledgeable consultants to ensure the overall satisfaction for our clients. The team dynamic is well-organized and efficient in order to provide a seamless transition into the ongoing process of updating our clients' retirement plans.

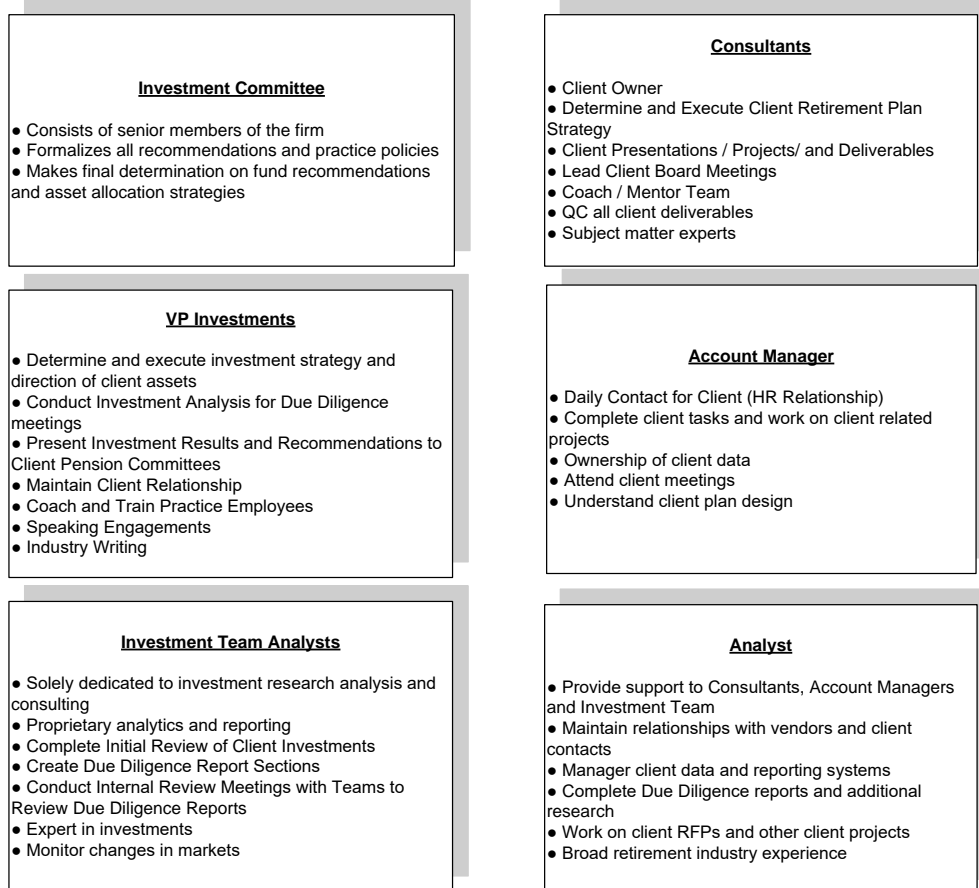
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Like the clients the Firm serves, Cammack Retirement has the highest ideals and has implemented professional standards and a code of conduct that govern associate professionalism and integrity. The Firm's standards are similar to the CFA Institute's Code of Ethics and associates understand their responsibilities to provide investment analysis and recommendations devoid of all conflicts of interests. All aspects of the advisory services operation are reviewed by an internal compliance department to ensure adherence to all relevant statutes and self-regulatory organization rules and tenets.

Cammack Retirement maintains its independence from all investment management and recordkeeping firms in order to remain clear from any conflicts of interest and unethical behavior. The Firm does not hold any affiliations, nor is it subject to any direct or indirect ownership by any other companies that may give the appearance of, or constitute an actual, conflict of interest for our clients. The Firm's independence allows it to engage and negotiate with any investment provider, third-party administrator, and insurance company in order to obtain the most

comprehensive and cost-effective programs for our clients. These similar services might not be offered by other investment advisory firms.

Cammack Retirement maintains scrupulous oversight of all of its activities with its clients. The Firm is a Registered Investment Advisor with the SEC and carefully follows all of its regulations. The Firm has hired an outside firm to oversee employees and all of the internally required proceedings, as well as our external interactions with plan sponsors and participants in our advisory capacity. Cammack Retirement maintains written supervisory procedures with specific guidelines requiring ethical behavior.

Investment Review and Fund Recommendation Process

As part of its engagement to assist the State of Delaware Deferred Compensation Council (“DCC”), and the Office of the State Treasurer to select a new recordkeeper, Cammack Retirement Group also reviewed and evaluated the 401(a), 403(b) and 457(b) investment structures to ensure that, post-transition, the Plans would offer employees and teachers the optimal opportunity to plan and save for their retirement.

As part of the recordkeeping search process, Cammack Retirement Group conducted an **Initial Needs Assessment** at the beginning of the engagement. Cammack Retirement Group reviewed all documents, contracts, agreements and reports associated with the State of Delaware retirement plans. The Initial Needs Assessment included high level fund analysis and recommendations.

Members of the Cammack Retirement Investment and Research Team reviewed the current investment arrays offered in the Plans across the multiple vendor structure and performed a detailed and careful analysis based on a multitude of objectives:

- The goals as set forth by the DCC and the Investment sub-Committee during the initial phases of the project
- The current asset classes utilized by participants in the Plans
- Investment behavior of the participants, including the Plans’ stable value/fixed annuity fund
- Current industry best practices and trends for public governmental defined contribution and defined contribution plans, in general.
- The identification of opportunities to reduce costs to participant.

Conference calls lasting between one (1) and two (2) hours were held on the following dates:

Meeting – Conference call Date	Topic(s)
December 8, 2015	Introductions, and Process Overview
December 22, 2015	Continued discussions on forming sub-Committee, review of proposed timeline
January 6, 2016	Review of timeline, program overview, key goals and considerations, investment structure and Investment Policy Statement
January 26, 2016	Investment structure: tier 1 – default options and Investment Policy

February 2, 2016	Review of the Self-Directed Brokerage Option, tier 1 – advantages and disadvantages of target date funds
February 9, 2016	Further review of target-date funds and other default options for tier 1
February 16, 2016	Review of tier 2 investments – asset classes and sample investment array
March 3, 2016	Review of alternative fee structures and selection of default investment option
March 10, 2016	Final decisions with regards to paying Plan fees and investment selection

Cammack Retirement Group, acting as a co-fiduciary to the Plans employed a comprehensive qualitative and quantitative screening process. This process was utilized to recommend the funds outlined in recommendations **#3** and **#4** to the Office of the State Treasurer and the DCC.

- **Stage One**

- The Investment and Research Team compiled qualitative and quantitative information from Morningstar®, Lipper®, FinaConnect®, Fi360® and a variety of other investment management industry sources for the entire investment universe.
- Senior investment staff regularly conduct risk management and investment evaluation meetings with portfolio managers of various investment firms to gather both qualitative and quantitative information for the fund universe.
- Researched findings were vetted through the Firm’s Investment Committee.

- **Stage Two**

- The Investment and Research Team worked closely with the lead consultant(s) to prepare an investment analysis report that is tailored to the proposed investment structure (recommendation #1.) Since there is no current Investment Policy Statement (IPS), funds were screened based on the Cammack Retirement IPS template.
- The Team and the Consultant worked with the OST to review investment alternatives on an asset class by asset class and fund by fund basis.

Cammack Retirement Group’s Investment Philosophy

The Firm’s investment philosophy has been built around helping employers design industry-leading investment arrays for use in their employee-directed retirement plans. The Investment and Research team focus on the long term, looking for stability, consistency, appropriate levels of risk, strong risk-adjusted returns, reasonable fees, and reliable performance. The Team pays close attention to correlation and style purity. The goal is to create an investment lineup that will enable all participants, from the savvy investor to the investment novice, to establish an appropriately diversified allocation that will help achieve strong retirement outcomes.

Behavioral finance also drives the Firm's investment philosophy. The participant experience is of the utmost importance. The Firm recognizes that retirement planning is daunting for many, and therefore endeavors to provide investment options that are easy to understand, while offering ample opportunity to effectively diversify in a variety of market conditions. The objective is to help the fiduciary meet and exceed its obligations as retirement plan fiduciaries through providing industry-leading guidance rooted in helping employees reach their retirement goals.

The investments should ideally be an array of diverse asset classes with different investment managers. These asset classes should be chosen to provide the participant with variety and preferably should be as non-correlated as possible. The choices should be sufficient to achieve this objective, but not so extensive as to cause the participant confusion. This means that typically only one investment option is included within each asset class offered. Multiple investment options are recommended in the same asset class only if one of those options is actively managed and one is passively managed. While the Firm typically does not include active and passive investments in every asset class, it is important to offer enough passively managed options for a participant to establish an entirely indexed array of diversified asset classes, if that is what is desired.

More volatile asset classes, such as emerging markets equity, may or may not be appropriate for inclusion in the investment array. Depending on the employee population, they may be better suited as part of a target date or lifecycle portfolio, allowing the manager of that investment to assess the appropriate allocation percentage to achieve the optimal risk/return tradeoff.

Once the investment array is chosen, investment analysts review the performance and various metrics of the managers on a quarterly basis. This is both a quantitative and qualitative process that starts with comparing risk and return of the portfolio versus the stated benchmark and the category average. The qualitative process includes reviewing holdings, assessing style purity and speaking regularly with investment management.

Cammack Retirement Group conducts its own investment research. Fund data is received from independent sources, such as Morningstar and Lipper, and processed through a reporting system. Client reporting is tailored to the specifics of the client IPS.

Investment Analysis Criteria Used in the Fund Selection and Recommendation Process

The Investment and Research team utilize both quantitative and qualitative criteria to analyze the ongoing performance of an investment and its manager, since understanding both types of criteria provides insight as to any given investment's return/performance.

On a quantitative basis, the Investment and Research Team focused on annualized and rolling performance versus the benchmark and peer universe. Additionally, the following criteria were given more significance throughout the process.

- **Total Assets in the Fund:** The fund had at least \$75 million of Assets under Management.
- **Stability of the organization:** There were no perceived organizational issues e.g. the same portfolio manager or senior-most manager, in a management team setting, is in place for at least two years. If there was a manager change, the fund performed with positive returns and consistency after the manager change.
- **Style consistency:** The fund had no more than 20% of the portfolio invested in "unrelated" asset class securities.

- **Correlation to style or peer group:** The fund was highly correlated to the asset class of the investment option (R-squared.)
- **Expense ratio:** The fund's expense ratio was below the median of the peer group.
- **Performance relative to assumed risk:** The fund's performance consistently outperformed the benchmark over the 3-, 5-, and 10- year period.
- **Performance relative to peer group:** The fund's performance met at least the 40th percentile vs. the peer group for the 5- and 10- year periods.
- **Information ratio:** The fund's Information Ratio was positive vs. the category.
- **Upside and Downside Capture:** Downside capture ratios over the 5- and 10-year time periods were less than the category.

Specialty Fund Review and Evaluation

In addition to the criteria above, the Investment and Research Team employed additional screens for the following specialty funds:

- **Target Date Funds (TDF):** Cammack Retirement Group has developed a procedure to help clients select the most appropriate target date product and monitor that investment going forward. This begins with a review of the plan investment behavior and demographics to ensure the proper glide path is being utilized. Members of the team then provide a disciplined process for selecting and monitoring investments, and documenting compliance with the fiduciary standards for the investment committee. The Firm uses its analysis of participant demographics to determine the potential merit of installing customized asset allocation and target date solutions.

In serving the interests of our clients, the Firm has assisted in the development of customized Target Date Funds. For these engagements, the Team provides recommendations for elements such as the equity glide path, the underlying asset classes and the individual investments to be incorporated into these customized funds. The Team has also assisted clients seeking customized investment solutions, such as white label funds.

Designing a target date glide path requires an in-depth analysis of plan demographics, participant behavior, and other retirement benefits available. For example, a client with an active DB plan could have a more aggressive TD glide path, since deferred compensation savings will supplement other indexes.

A few Frequently Asked Questions (FAQ) with regards to target date funds:

- **How often does the Team reassess the asset allocation process and target date glide path strategy, and rationale?**

The Investment Team reviews the target date on a quarterly basis. Strategic allocation is reviewed once a year. Tactical shifts in allocation may be made intra-quarter.

- **What changes does the Firm foresee in the industry (including any regulatory developments) regarding Target Date Funds over a 5-10 year horizon?**

Based on our current work with clients, these are the four (4) key trends in the development of future “off-the-shelf” and custom target-date funds:

- Open architecture to allow the best managers per asset class.
- Use of Qualified Longevity Annuity Contract rules issued by the Internal Revenue Service and the Department of Labor in 2014 that allow for the use of deferred income annuities to ensure the individual participant does not outlive their retirement assets.
- Greater diversification across an even broader number of asset classes, including alternative investments
- Risk management overlays to mitigate any severe/significant market volatility.

The following is excerpted from a column written by Jeffrey H. Snyder and Denise Burns, Chief Investment Officer, for the periodical Money Management Intelligence entitled “Staying Ahead of the Curve: Anticipating Changes in the Target-Date Fund Marketplace”

“With close to \$7 trillion in total assets as of December 31, 2015, the defined contribution market continues to see tremendous year-over-year growth. Many employers—corporations, tax-exempt and governmental organizations— have migrated their retirement benefits from the defined benefit to the defined contribution plan, transferring the investment risk from the employer to the participant. Participants must now construct a diversified portfolio from a multitude of investment options within the program. Studies have shown that time and time again, participants fail to (a) start participation early enough, (b) contribute at a high enough rate and (c) diversify properly to mitigate the risk of losses. To combat this problem, plan sponsors began implementing auto features (e.g. auto enrollment and auto increase) and including target-date or asset allocation funds in their lineups. Since their inclusion as a Qualified Default Investment Alternative under the Pension Protection Act of 2006, these funds have seen an explosion of growth, with assets topping \$442 billion on March 31, 2014.

This acceleration in growth is mainly due to the appeal to participants of professional management with respect to the asset allocation, fund selection and glidepath. Participants can adopt a “set it and forget it” approach to investing for retirement, with the professional manager selecting the underlying funds and adjusting the asset allocation over time to become more defensive as the participant nears retirement. Despite their appeal, adoption and use, 2008 proved to be a watershed moment for many target-date funds. High equity exposure in “near to retirement” date funds resulted in surprising volatility and principal loss. Many participants needed to reassess their retirement date and income assumptions. As a result, many managers have spent considerable time, effort and money developing newer products and services designed to provide additional

protection from similar market events and to meet participant desires for a steady stream of income through retirement.

In the development of these new products, asset managers, recordkeepers, consultants and other third-party product and service providers are focusing on three key areas: (1) guaranteed income products developed to deliver a continuous stream of income in retirement, (2) asset allocation tools and services that utilize an employer's underlying investment products to properly allocate a participant's account and possibly provide a continuous stream of income in retirement and (3) custom portfolios allowing the plan sponsor to specify both the underlying investment options and the glidepath. Of the three, currently the asset allocation tools and services have the highest current usage and adoption rate by plan sponsors and participants. Still, the Firm expects increased customization of target-date portfolios to become an even greater trend.

Due to the increased usage and popularity of target-date funds, investment managers and vendors are thinking about the next step. Traditionally, target-date funds were invested in underlying proprietary funds. Now managers are increasingly considering open architecture, incorporating funds of competitors with unique capabilities that complement their own. This "unbundling" would mirror what has already occurred in the core investment lineup over the past two decades in defined contribution plans. Further, managers are also evaluating passive versus active management preferring passive management in efficient asset classes (e.g. largecap core) and active management in asset classes with greater potential for generating Alpha. Some target-date managers are even exploring the inclusion of alternative investments and fixed income sectors with low interest rate sensitivity.

Employers today have the ability to customize many aspects of their plans. This includes the core investment menu, plan design features and even targeted communications to participants. After an analysis of participant demographics and behavior, many plan sponsors have approached investment managers to develop customized glidepaths. Vendors and managers today are developing methods to allow customization at the individual level as well. Today, the choice of target-date fund is reflective of the participant's desired retirement age. However, age may not be the only consideration. The next evolution of these funds will allow the participant to customize the glidepath given a variety of considerations such as risk tolerance and total net worth.

At the end of the day, plan sponsors and their participants are looking for a way to make their defined contribution plan look and feel more like a defined benefit plan. Vendors are exploring ways to make this happen. While annuities have suffered from an image problem, retirees desire an income stream that can cover fixed costs. The next generation of products may incorporate an insurance guarantee around an investment portfolio. The adoption of these products, however, has been modest at best due to several factors, including a lack of safe harbor protection by the federal government, portability issues when a record

keeper change is enacted and overall fees. It is expected that these issues will be addressed through additional regulation and product development.”

Additionally, the Firm has interviewed industry thought leaders to get their insight in to the future of target-date funds. One such interview with Glenn Dial, an industry expert who designs and manages both off the shelf and custom Target Date Funds discusses the future of target-date development and design. Parts I and II of the interview may be viewed at the following links:

Staying Ahead of the Curve: Interview with Glenn Dial | Part 1
<https://www.youtube.com/watch?v=OE7yX2PiR74>

Staying Ahead of the Curve: Interview with Glenn Dial | Part II
<https://www.youtube.com/watch?v=bQnikxd-Cyl>

- **Describe how the Firm benchmarks the performance of the TDFs it designs, including the use of simple (e.g., equity/bond) or composite (weighted index) benchmarks. What is the best way to evaluate different Target Date Funds (performance relative to benchmark, glide path, asset allocation, fees, other TDFs)?**

In order to gauge the manager and total fund performance, the Firm applies peer group analysis through its performance measurement system. The Fund is then evaluated qualitatively, because many funds vary from standard benchmarks and universes.

Cammack Retirement also provides customized evaluations of investments that fall outside the standard scope and therefore become difficult to benchmark. Cammack Retirement delivers customized metrics and benchmarks to give the plan committee for a deeper look into how these particular funds are performing. For Target Date Funds, Cammack Retirement Group benchmarks the fund characteristics and performance versus true peers. An analysis of the equity exposure and establish customized clusters of Target Date Fund suites that are most similar to each other during the critical pre-retirement age period. Then a comparison of the performance of the plan’s Target Date Funds to the performance benchmark of the cluster. This yields a better comparison since the extent of the equity exposure is very similar among the Target Date peer group, thereby eliminating this as the primary differentiator among the peer group performance, and enabling manager skill to be better evaluated.

The Firm also looks at the composite returns of the funds included in the Target Date Fund vs. their prospectus defined benchmark. Using this method allows the Team to analyze whether the specific funds generated additional alpha. Performance is analyzed to see if return is generated by the glide path, the funds, or both.

- **What level of passive management is recommended for custom or off the shelf TDFs?**

The Firm's philosophy includes employing passive management in the Large Blend asset category in custom target dates (that are benchmarked against S&P 500). Passive management is more appropriate in efficient asset classes. Passive management is also recommended in REIT funds due to the limited number of potential holdings as well as the large percentage holdings of the top five selections. Active management is recommended in less efficient asset classes, such as small value and international equity, because additional alpha can be generated in those asset classes by active management.

- **When would an asset class ever be removed from the glide path? If so, how would that be determined?**

Asset class changes would occur due to changes in participant demographics of the plan. Cammack consultants annually review participant demographics and behavior; this may lead to change in asset allocation.

- **How does the Target Date Fund glide path construction and investment process take into account participants' level of defined benefit plan income or Social Security benefits?**

A proper assessment of the dynamics of the Plan is essential. An argument can be made that given the presence of a DB plan, the DC plan's glide path could be more aggressive. Participant behavior would also help determine whether the glide path should continue to or through age 65. However, an aggressive approach may not be suitable for all participants. Depending on the Committee's goals and objectives a single participant statement incorporating both DB and Social Security benefits is desirable, which can be an extremely useful tool to drive the conversation and education of participants in determining their retirement readiness.

Some questions Committee members should be asking with regards to the glide path include:

- Is this plan the sole retirement benefit for our employees?
- Is the Normal Retirement Age of the Plan appropriate given the demographics of our workforce?
- What are the various populations within our workforce (e.g. gender, ages, salary, etc.) and how do we best reach them?
- What is the expected replacement ratio of the Plan today and what should it be in the future?
- Are there additional design features that could be added to the Plan such as auto enrollment, auto re-enrollment or auto escalation to help people reach their retirement objectives?

- Is there a distribution strategy for retirees? If not, does the average participant withdrawal all or a portion of their retirement savings or leave their savings in the Plan? Do participants annuitize?
 - Are there any significant events on the horizon that might affect the Plan characteristics (i.e. large block of employees retiring, launching automatic enrollment, etc...)
- **How does the investment process and Target Date Fund glide path construction account for participant behavior (not saving enough, not diversifying appropriately, taking loans/early withdrawals, etc.)?**

If participant behavior has a detrimental effect on the savings rate, the Team reviews the current plan analytics to assess the glide path and create a glide path that gives the participants the best opportunity to meet their income goals. This can be achieved by partnering with the Plan's vendor(s) to gather important data points, such as the ones below:

- Average contribution rate by source type (employee and employer) in the Plan broken down by different contribution rate strata (e.g. 0%, 1-5%, 6-10%, 11-15%, 16-20% and greater than 20%)
 - Average participant income replacement ratio
 - Average account balance
 - Average annual total eligible compensation by age group
 - Average age
 - Average tenure
 - Average participant age
 - Loan usage
 - Withdrawals
 - Average annual retirement income (i.e. defined benefit pension plan or other non-defined contribution plan related source offered by the entity)
 - Number of active and inactive participants in the Plan broken down by different age ranges
 - Participants by gender
- **Stable Value/Fixed Fund Analysis:** Stable value funds account for a large portion of a plan's total assets. It is therefore important to follow ERISA best practices and review and evaluate stable value at regular intervals. Cammack Retirement Group analyzes the portfolio structure for the stable value option, whether it is a true stable value account, separate account, general account, or collective trust. The Team evaluates the custodian and its agreement, the financial strength of the wrap provider, the exit provisions and ultimately the performance and fees. **Please note that due to platform limitation the analysis and recommendation of the stable value fund investment offering will occur once the DCC formally selects a recordkeeper(s) for the Plans.**

An analysis of stable value products includes the following:

- Credit ratings of the insurance company
- Book to market ratio
- Performance of fixed income manager(s)

- Net crediting rate
- Portfolio characteristics (average yield, duration and credit quality)
- Crediting frequency
- Liquidation provisions, e.g. Equity wash provisions
- Investment Policy Statement

Cammack Retirement regularly evaluates a stable value program by routinely performing due diligence on both the investment manager and the wrap provider. Through regular contact with the major stable value investment managers, current industry trends as well as economic conditions that impact the fixed income market. In addition, our clients ask us to perform searches to identify fund alternatives. The participants' crediting rate and the expenses that are incurred to achieve the crediting rate must be balanced by a portfolio of assets that can perform well in a variety economic scenarios. The pool of assets is clearly interest rate sensitive. The balance is to select a mandate with a healthy net crediting (interest) rate and a strong underlying portfolio to achieve the crediting rate. The role of the fiduciary is to select a prudent investment option that offers capital preservation and long-term solvency.

In addition, our analysis will include a comparison of the credit ratings of the entities providing the guaranteed "floor". The Firm believes this is critical, especially given the consolidation in the stable value market since 2008. Many firms, mostly banks and investment managers, have exited the business resulting in capacity issues and higher fees. The Team pays careful attention to the market to book ratio. This ratio, which signifies the interest rate being credited to participant accounts versus the value of the underlying fixed income portfolio of the fund, helps to determine a fund's long term health and the ability to deliver a consistent crediting rate.

Recommendation #1: Tiered investment structure

Based on the in-depth analysis performed, Cammack Retirement recommends that the State and the DCC adopt an investment menu structure that satisfies different investor types, and allows for an optimal usage of the Plans post transition. Communication and education is a core tenet of a defined contribution plan's success, and therefore we recommend that the State organize the new arrays in the following manner:

- **Tier 1: Target Date Suite**
Since the Pension Protection Act of 2006, target date funds have become a fixture in defined contribution plans across all markets and segments. This asset class is for individuals seeking an asset allocation or "set-it-and-forget-it" approach/solution.
- **Tier 2: Array of active and passive investments**
The offering should also include core investment options in a wide variety of asset classes, both passive and active to allow those individuals wishing to select an asset allocation on their own, or with a financial planner.
- **Tier 3: Self Directed Brokerage Window**
This offering allows participants the opportunity to investment Plan monies outside the Tier 1 and Tier 2 investments either alone, or in concert with a financial advisor. Participants may

invest in mutual funds and individual securities (401(a) and 457(b) only), subject only to trading costs and commissions for transactions.

This recommendation is consistent with recent academic research (e.g. Drs Benartzi, Thaler and Choi) in the area of behavioral finance. Employee populations can be segregated in to those that prefer a “do it for me” and those that prefer a “do it myself” approach. Understanding employee behavior and the impact of “paralysis by analysis” by having too many investment options, can deter from Plan usage and participant performance.

Adding a self directed brokerage options allows more sophisticated investors (or those that are working with an independent investment advisor) the opportunity to further diversify their Plan investments, and is also considered a “release valve” for the vocal employees who believe that reduction of investment choice limits their retirement opportunities.

- There are distinct differences in what investment types/vehicles are allowed for each plan type under IRC code. This requires additional education to participants who participate in multiple plans:
 - 457(b) & 401(a): Individual stocks and bonds, exchange traded funds (ETFs) and mutual funds are available. Variable annuities are not offered.
 - 403(b): Only mutual funds are available. Variable annuities, individual stocks/bonds, or ETFs are not offered.
- Fees (e.g. annual participant and trading costs) apply and vary by recordkeeper/third party provider. Fees are expected to be approximately \$50/year annual fee as well as applicable brokerage account transaction fees
- Communication and education of the service (e.g. enrollment materials, Summary Plan Description) is a necessity to ensure that the participant is aware of the costs and risks associated with the service
- The Plans’ Investment Policy Statement should contain language that documents the oversight of investments purchased through the window.

Recommendation #2: Tier 2 Asset Classes

Following several detailed conversations between Cammack Retirement and the DCC Investment sub-Committee, Cammack Retirement recommends that in order to best serve the needs of the average State employee and school teacher, the State should offer the following core asset classes:

- Stable Value
- US Government Money Market
- Intermediate term bond (passive and active)
- World Bond
- Large Cap Value
- Large Cap Blend (passive)
- Large Cap Growth
- Mid-Cap Blend (passive)
- Mid-Cap Growth

- Small Blend
- Foreign Large Blend (passive and active)
- Real Estate Investment Trust

Cammack Retirement recommends passive management in asset classes where active management is not producing enough Alpha to warrant higher management expenses. Passive investments are included across major asset classes to allow participants to create a completely passive portfolio, if desired. The inclusion of both passive and active investment options will also satisfy the requirements for a Managed Account service, designed specifically for participants who want to select a more customized, yet professionally managed investment array using the Tier 2 investments that are monitored by the DCC on a regular basis.

Academic research supports the notion that employees who wish to self select their investments be provided a broad array of diversified, non-correlated asset classes. The selection of the asset classes above provides opportunities to preserve principal, as well as domestic and foreign fixed income and equity opportunities. The inclusion of a Real Estate Investment Trust allows participants to mitigate investment risk in a rising rate environment by tapping in to the real estate marketplace.

Research shows that while it is important to offer a broad enough array of funds in a wide variety of asset classes, having too much choice can negatively impact employees as well. Therefore, it is recommended that providing the broad asset classes above is optimal and those wishing to diversify further can take advantage of the self-directed brokerage option.

Additionally, a managed account service will be offered to participants. A Managed Account is a service that provides participants with the option to have their retirement account managed professionally by a third party utilizing the Tier 2 investment array.

Some of the differentiating characteristics of Managed Accounts include:

- Factors unique to the participant are considered: the service will consider factors like risk tolerance, anticipated date of retirement, and life expectancy when creating a custom asset allocation and glide path for the participant.
 - Theoretically, each participant can have a unique asset allocation and glide path based on the Tier 2 array.
- Fee structure: a management fee is charged on top of the expense ratios of the underlying funds either as an explicit fee, generally paid in flat dollar or tiered depending on assets.
 - We anticipate the cost of the managed account to be 50 bps. 50% of this fee (25 bps) will go to the vendor and 50% will go to the managed account provider.
- Governed by a Managed Account Agreement (MAA) which sets forth the terms and conditions that will apply to the managed account service. Items detailed in the MAA include:
 - Fees charged for the service. These fees are generally non-negotiable and apply to a vendor's entire book of business.

- The types of investment vehicles that are allowed to be used in managing the account
- Other rules and procedures that govern the Managed Account

Recommendation #3 – Select the American Funds Target Date series for Tier 1

Based on the investment selection process noted above, Cammack Retirement recommends the following target-date fund be offered in Tier 1.

Rationale: Based on conversations with the sub-Committee, it is the desire for participants to continue to take advantage of the institutional pricing by leaving their account balances in the defined contribution plans (401(a), 403(b) and 457(b)) through retirement. The American Funds target date series is designed to manage assets through retirement and employs a risk mitigation strategy which reduces the susceptibility of the holdings to poor performance during market declines versus other target date funds with similar equity exposures. The series rebalances along its asset-allocation glide path more frequently than other target date funds within the “through” category. The prospectus allows the portfolio manager the ability to make tactical moves within a range of +/- 10% of the current allocations. Volatility management is a key tenet of the portfolio management team, which will serve the participants in the Plans well, given the projected ongoing market volatility.

Target Date Series	Ticker	Category
American Funds 2010 Trgt Date Retire R6	RFTTX	Target Date 2000-2010
American Funds 2015 Trgt Date Retire R6	RFJTX	Target Date 2011-2015
American Funds 2020 Trgt Date Retire R6	RRCTX	Target Date 2016-2020
American Funds 2025 Trgt Date Retire R6	RFDTX	Target Date 2021-2025
American Funds 2030 Trgt Date Retire R6	RFETX	Target Date 2026-2030
American Funds 2035 Trgt Date Retire R6	RFFTX	Target Date 2031-2035
American Funds 2040 Trgt Date Retire R6	RFGTX	Target Date 2036-2040
American Funds 2045 Trgt Date Retire R6	RFHTX	Target Date 2041-2045
American Funds 2050 Trgt Date Retire R6	RFITX	Target Date 2046-2050
American Funds 2055 Trgt Date Retire R6	RFKTX	Target Date 2051+
American Funds 2060 Trgt Date Retire R6	RFUTX	Target Date 2051+

Recommendation #4 – Selection of the Tier 2 investment options

Based on the investment selection process noted above, Cammack Retirement recommends the following funds be offered in Tier 2.

Actively Managed Investments

TBD Separate Account Stable Value Fund (Stable Value)

Rationale: The sub-Committee expressed the key objectives of (1) principal preservation, (2) a market based interest rate, and (3) the avoidance of any risk associated with the potential bankruptcy of the insurance company backstopping the guarantee. It is a requirement to select a Stable Value fund that is available across all plan types – 401(a), 403(b) and 457(b), and is a separately managed fund. Additionally, the portfolio composition must include mostly investment grade securities, which meets the long term objectives of the asset category. Careful attention will

be paid to the credit ratings of wrap issuer as well as favorable liquidity/termination restrictions. Upon selection of the recordkeeper, Cammack Retirement will work with the sub-Committee to select an appropriate option for the Plans.

Vanguard Federal Money Fund (Money Market) - VMFXX

Rationale: The fund is considered a Government money market fund which will be required to hold 99.5% of assets in cash, government securities, and/or repurchase agreements that are collateralized solely by government securities or cash. This low cost fund (11bps) invests in high-quality U.S. government securities, avoiding any future liquidity fees or redemption gates under the new SEC Money Market Reform, expected in October 2016.

PIMCO Total Return (Intermediate Bond) - PTTRX

Rationale: This fund currently exists in the 457(b) plan with significant assets. Historically, it has been a strong performer with both exposure to benchmark sectors, high yield and emerging markets securities. It has been a year since Bill Gross' departure from PIMCO. The portfolio looks different post Gross; volatility has been declining, greater allocations to agency mortgages and lighter exposure to U.S. Treasuries and non-U.S. developed-markets bonds, none of which is out of character versus the fund's history. The fund management has been restructured to use a three-manager team consisting of PIMCO veterans Scott Mather, Mark Kiesel, and Mihir Worah, with Mather responsible for final decision-making. PIMCO's depth of investment talent continues to inspire confidence and consistent performance making it a worthy option in a defined contribution retirement plan.

Templeton Global Bond (World Bond) - FBNRX

Rationale: This fund has a strong long term record; in the short term, performance has been impacted by emerging market volatility. Templeton Global invests predominantly in bonds issued by governments and government agencies. It may also invest in inflation-indexed securities and securities or structured products that are linked to or derive their value from another security, asset or currency of any nation. The fund may invest up to 25% in below investment grade debt, including emerging markets. This fund is co-managed by Michael Hasenstab and Sonal Hesai. Given the growth of the fund in recent years, the firm has added resources to assist as the manager insists on being very “boots on the ground” in the countries in which they invest.. This strategy has caused the managers to be “benchmark agnostic” meaning they will invest in countries with improving fundamentals. This go-anywhere approach can lead to slightly higher volatility, but not enough to warrant exclusion from a defined contribution retirement plan.

American Funds Washington Mutual (Large Value) - RWMGX

Rationale: The Fund's strong downside protection is due to its strict investment criteria and focus on investment-grade companies with a long history of paying dividends. The fund's objective is to produce income and to provide an opportunity for growth of principal making it more than suitable for a defined contribution retirement plan. The stocks held in the portfolio are screened for balance sheet and income statement parameters. As a result, the portfolio tends to be large cap companies with competitive advantages and higher-than- average Return on Equity versus the category.

T. Rowe Price Blue Chip Growth (Large Growth) - TBCIX

Rationale: The fund has consistently produced strong returns relative to its peers. In recent years, that's included a significant stake in healthcare stocks, which has boosted results. The fund's objective is to provide long-term capital growth, income is a secondary objective. The fund primarily invests in the common stocks of large and medium-sized blue chip companies that have the potential for above-average earnings growth and are well established in their respective industries, though it is more invested in more speculative growth stocks than its peers. Still, the fund is more than appropriate for a defined contribution retirement plan.

Clearbridge Mid Cap Growth (Mid Cap Growth) - LCMIX

Rationale: The fund seeks long-term capital appreciation and consistently superior return versus the Russell Mid Cap Growth Index. The portfolio managers focus on managing a style-pure strategy, ideal for retirement plan participants, which looks for free cash flow, strong balance sheets, undervalued growth potential, and management teams that are disciplined with capital allocation.

JP Morgan US Small Company (Small Cap Blend) - JUSMX

Rationale: The fund seeks undervalued companies with leading competitive positions, predictable and durable business models, and management that can achieve sustained growth. The portfolio managers target companies based on: Quality - high quality earnings; Capital allocation - looking for skilled management teams that prudently deploy capital; and Valuation - companies that trade at a discount relative to peers. The fact that there is a focus on style purity makes this fund appropriate for a defined contribution retirement plan.

Lazard International Equity (Foreign Large Blend) - RLIEX

Rationale: The Fund seeks to generate strong relative returns over a long-term time horizon by investing in companies with strong financial productivity at attractive valuations. The portfolio typically invests at least 80% of its assets in equity securities with a market capitalization of \$3 billion or greater that are domiciled in those countries that comprise the MSCI EAFE Index. A bottom-up approach to stock selection and fundamental analysis considers sustainability of returns, while accounting validation examines companies' stated financial statistics. Screening seeks to identify companies that are attractively priced relative to their financial returns. Careful stock selection has historically provided downside protection and strong upside participation, considered essential for a defined contribution retirement plan.

TIAA Real Estate Securities (Real Estate) - TIREX

Rationale: A top-down asset allocation framework helps to identify those property types and regional areas that offer the best relative value. The strategy usually holds securities with lower price-to-net asset value and price-to-cash flow multiples versus the benchmark in seeking to achieve a portfolio with a higher dividend yield. Though the portfolio management team often takes a contrarian approach, it seeks to generate long-term total returns that outpace those of its benchmark. The portfolio management team believes that investing in undervalued securities and property types can generate returns that outperform its index over time.

Passively Managed Investments

Vanguard Intermediate -Term Bond Index (Intermediate Bond) - *VBILX*

Vanguard 500 Index (Large Cap Blend) - *VFIAX*

Vanguard Extended Market Index (M Blend) – *VEXAX*

Vanguard Total International Stock Index (Foreign Large Blend) - *VTIAX*

The Vanguard suite of passively managed investments is recommended based on brand recognition, tracking error relative to the benchmark and lowest cost.

Recommendation #5: Apply an asset based fee to participant accounts to pay for recordkeeping expenses of the Plans to allow for the selection of the lowest share class available for each recommended investment.

- **Current Plan Fee Structure**

- Fidelity has established a Required Revenue of 0.20% (20 basis points) across all three plans. Required Revenue is the amount of assets needed by Fidelity to provide recordkeeping services to the plans.
- Since the revenue received from the mutual funds to offset Fidelity's fees amounts to 29 basis points, there is an excess of 9 basis points, or approximately \$550,000 in 2015. This difference is being used to fund a Revenue Credit Account that can be used to pay for legitimate plan expenses (audit, consulting, certain legal fees, etc.).
- Excess revenue will be impacted (reduced or increased) through changes in the fund line up.
 - If a lower-priced share class of an investment is implemented, the revenue sharing will be reduced and the excess revenue going into the account will also be reduced.
 - Similarly, if new funds are added or funds are replaced by those that provide more or less revenue sharing, the excess funds will be impacted accordingly.

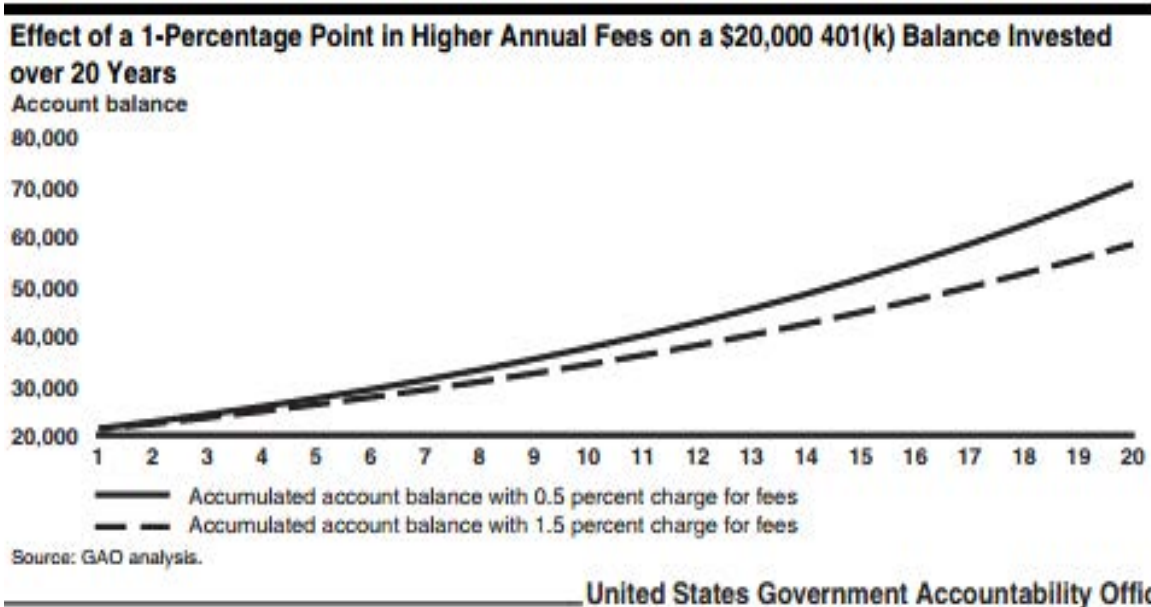
- **Non-Fidelity Vendors**

- None of the other vendors have established required revenue figures. Any excess revenue received from the investments is retained by the providers.
- This, along with the usage of variable annuity products, is the primary reason why fees at the majority of non-Fidelity vendors are well above benchmark.
- Vendors that include proprietary products within the fund line up will have less required revenue than those that do not. While this may make some service providers appear less expensive, it also prevents the plan from maintaining a completely open-architecture investment platform.

- **Current Plan Fees by Vendor**

Vendor	Lowest Fund Expense	Highest Fund Expense	Max Admin Fee	Max Surrender Charge	Fee range assuming a \$10,000 account balance	Fee range assuming a \$100,000 account balance
AXA Equitable	1.82%	2.75%	\$ 30.00	6%	\$212-\$305	\$1,820-\$2,750
MetLife	1.51%	2.86%	\$ 30.00	9%	\$181-\$316	\$1,540-\$2,890
Security Benefit	1.35%	2.60%	\$ 20.00	Unknown	\$155-\$280	\$1,350-\$2,600
Horace Mann	1.25%	3.27%	\$ 25.00	5%	\$150-\$352	\$1,250-\$3,270
VALIC	2.05%	3.01%	\$ 15.00	5%	\$220-\$316	\$2,065-\$3,016
VOYA	0.76%	2.76%	\$ 20.00	5%	\$76-\$296	\$760-\$2,780
Mass Mutual	0.20%	1.38%	\$ -	5%	\$20-\$138	\$200-\$1,380
Great American	1.77%	2.66%	\$ 30.00	14%	\$207-\$296	\$1,870-\$2,660
Lincoln Investment Planning	0.95%	3.01%	\$ 35.00	0%	\$130-\$331	\$985-\$3,045
New York Life	1.87%	3.95%	\$ 30.00	7%	\$217-\$425	\$1,870-\$3,950
Lincoln Financial	0.40%	2.88%	\$ 25.00	7%	\$40-\$303	\$400-\$2,905
First Investors*	1.15%	1.66%	\$ 30.00	1%	\$115-\$196	\$1,150-\$1,960
Kades Margolis**	1.30%	3.14%	\$ -	0%	\$130-\$314	\$1,150-\$2,990
Fidelity	0.04%	1.71%	\$ -	0%	\$4-\$171	\$40-\$1,710

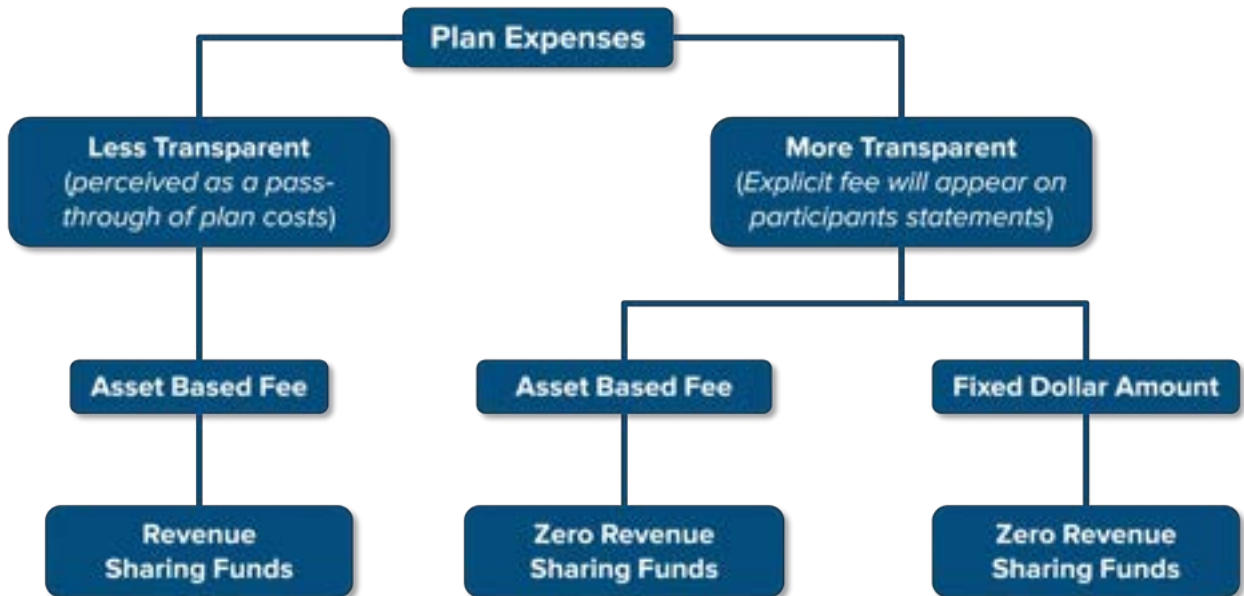
Investment and Administrative fees have a dramatic impact on retirement Plan balances. Illustrated below is a chart taken from the General Accountability Office study performed in 1998 showing the impact of a 1.00% point fee.



- The amount of fees paid by participants through investments or administrative expenses can dramatically impact the amount of retirement savings accumulated over time.
- Assuming a 6.50% average annual net return (a 7.00% investment return minus a 0.50% percent charge for fees) the \$20,000 will grow to about \$70,500 over a 20 year period.
- However, if fees are 1.50% percent annually, the average net return is reduced to 5.50%, and the \$20,000 will grow to only about \$58,400. The additional 1.00% annual charge for fees would reduce the account balance at retirement by about 17 percent.

SOURCE: United States Government Accountability Office: Changes Needed to Provide 401(k) Plan Participants and the Department of Labor Better Information on Fees
<http://www.gao.gov/assets/260/253638.pdf>

- **Options for Paying Plan Expenses Going Forward**



- **Asset Based Fee**

- This fee may be paid using the plan’s investments through revenue sharing, or applied directly to participant accounts as a percentage of their total balance. Revenue received by the service provider exceeding this specific percentage will be deposited into an Expense Reimbursement Account for future use by the plan. Shortfalls will either be billed to the plan or to participants.
- Asset-based fees are more common and give service providers a strong incentive to boost participant returns and offer a greater array of services. However, participants within the plan with higher account balances may not find these kinds of fees to be as equitable for them compared to participants with smaller balances.

- **Fixed Dollar Fee**

- The service provider will quote their fee as a fixed, per-participant cost. This fee is typically deducted directly from participant accounts on a quarterly basis. Although, this more explicit fee deduction from accounts may be viewed negatively by participants who, in the past, may have been unaware of any administrative fees.
- A per-head charge can be an attractive option for participants that don’t require ongoing advice or an extensive array of services from their provider. However, the application of a fixed dollar fee may be more impactful to participants with small account balances and may not be perceived as fair.

As a result of several fee studies, the Department of Labor authored and released fee disclosure regulations in 2012. These regulations required ERISA plans to disclose plan expenses to participants in the form of an annual statement. Fees, which have always been a key issue for fiduciaries, were pressed even further to the forefront of Committee conversations. In addition, there is great concern with regards to recent fee litigation. Examples of litigation include:

Tibble versus Edison International

Background

Edison International (Edison) added three retail share class mutual funds to its 401(k) plan investment lineup in 1999 and again in 2002. Plaintiffs (Tibble and other beneficiaries of the plan) sued Edison in 2007, arguing that Edison could have added identical but lower-cost institutional class mutual funds in each case, but refused to do so, thus breaching their fiduciary duty to pay only reasonable plan expenses.

Edison argued that the alleged initial breach, which occurred in 1999, was time-barred since ERISA requires a breach of fiduciary claim to be filed no more than six years following the “date of last action which constitutes a part of the breach or violation” or “in the case of an omission, the latest date on which the fiduciary could have cured the breach or violation.”

Decision

- Trial court initially ruled in favor of Edison. On appeal, the 9th U.S. Circuit Court of Appeals upheld the decision.
- Plaintiffs then appealed the decision to the Supreme Court. The Supreme Court unanimously ruled that the Circuit Court erred by applying the statutory period only to the initial decision to add the retail class share funds to the plan.
- Citing trust law, the High Court stated that there is clearly an ongoing duty to monitor such investments.
- The Supreme Court also stated that they “expressed no view on the scope of the defendant’s fiduciary duty in the case.” The rest of the case was sent back to the Circuit Court to decide.
- The decision from the High Court was viewed as a significant victory for the Plaintiffs, since the trial court had previously ruled in their favor regarding the fund additions.

Tussey versus ABB, Inc.

On remand, ABB wins fund change case due to a procedural error by plaintiffs. In the long-running Tussey v. ABB lawsuit, the district court found that ABB breached its fiduciary duties, but since the plaintiffs in the case failed to prove p p damages using the appropriate calculation mandated by the 8th Circuit Court, judgment was entered in favor of ABB.

Background:

The U.S. District Court originally ruled in favor of the plaintiffs in 2012, ordering ABB to pay \$21.8 million in losses from the decision to transfer about \$120 million in participants' assets from the Vanguard Wellington Fund to the Fidelity Freedom target date funds.

On Appeal, the 8th Circuit Court agreed with the original ruling that ABB fiduciaries had caused participant losses by the asset transfer. Also noted was that Fidelity, the recordkeeper for ABB's defined contribution plans, proposed a substantial reduction in its recordkeeping fees if the assets in the Wellington Fund were transferred to Fidelity Freedom funds.

Key observations:

- Fees for the Vanguard Wellington Fund were lower than fees for the Freedom funds.
- The Wellington Fund contributed less in revenue sharing offsets than do the Freedom funds.
- Records show that an ABB Plan trustee cited deteriorating performance as the basis for removing the
- Wellington Fund, but provided no evidence to support that rationale.
- ABB needed to make an exception to the Plan's Investment Policy Statement (IPS) in order to transfer the assets into the Freedom funds.

Conclusion:

The 8th Circuit Court believes that ABB defendants knew that removing the Wellington Fund and transferring the assets to the Freedom Funds would result in increased revenues to Fidelity that would ultimately benefit ABB.

However spite of concluding that ABB acted in breach of its responsibilities. However, in of its fiduciary responsibilities, the Court concluded that plaintiffs "failed to satisfy their burden of proof on the issue of damages".

Based on the current litigious environment, and the significant impact that fees have on participant accounts, Cammack Retirement recommends that the State employ a fixed asset based fee to each participant's account. The fee is transparent to participants and allows the Plans to utilize the lowest share class available to minimize costs and impact to participant account balances. Upon the selection of the vendor,

Cammack Retirement will work with the selected vendor to ensure that the lowest share class is available based on the size of the assets is available while maintaining an ability to support the Plan economics agreed to in the terms of the proposal.

Recommendation #6 – Perform a re-enrollment of the Plans upon Plan transition

Cammack Retirement recommends that where available the State should map/transfer existing and future contributions into the Plans' Tier 1 (TDF) selection. This allows participants a window of time to make their own investment selection, retaining their current asset allocation intact or selecting investment options from the new, streamlined array. Further it allows for defaulted participants to have a professionally managed asset allocation that is designed for a specified age.

Evidence of the success of driving better participation and diversification results as a result of this transition method is evident in a recent Vanguard study – [“Improving plan diversification through reenrollment in a QDIA.”](#)

“Successful retirement investing depends on appropriately diversifying holdings and allocating assets. In participant-directed defined contribution (DC) plans, where employees manage their retirement assets, some participants are not well-diversified, concentrating their portfolio in specific market segments or styles. Others adopt extreme asset allocation positions, investing too aggressively or conservatively. Plan sponsors have traditionally used education programs to improve participants' portfolio diversification. Yet such strategies often result in only modest changes because of participant inertia. Today, many more plan sponsors are considering the plan design strategy of reenrollment, through which current participants' holdings are transferred into a qualified default investment alternative (QDIA), subject to the right to opt out. Reenrollment can improve portfolio diversification rapidly while limiting plan sponsor fiduciary liability.”

This transition method was also cited in the Defined Contribution Institutional Investment Association white paper entitled [“Defined Contribution Plan Success Factors.”](#) Within the whitepaper, a recommended course of action to improve Plan success is to utilize re-enrollment in order “to get non-participating employees enrolled, and existing participants appropriately diversified and saving at a robust level, can be the most important actions plan sponsors take to help employees achieve retirement readiness. Note, however, that plan sponsors may need to take special care when considering implementing re-enrollment — when, for instance, the re-enrollment affects certain investment options, such as stable value, company stock, managed accounts, and/or brokerage accounts.”

STATE OF DELAWARE

12.31.2015 - Fiduciary Due Diligence Report

Due Diligence Begins with Careful Oversight

Investment Analysis

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	Status
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr						
Intermediate-Term Bond	PIMCO Total Return Instl	PTRX	✘	✔	✔	✔	✔	✔	✔	✘	✘	✔	✔	****	Not on Watch
World Bond	Templeton Global Bond R6	FBNRX	✔	✔	✔	✔	✔	✔	✔	✘	✔	✘	✔	****	Not on Watch
Large Value	American Funds Washington Mutual R6	RWMGX	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	*****	Not on Watch
Large Growth	T. Rowe Price Blue Chip Growth I	TBCIX	✔	✔	✔	✔	✔	✔	✔	✘	✔	✔	✔	*****	Not on Watch
Mid-Cap Growth	ClearBridge Mid Cap Growth IS	LCMIX	✔	✔	✔	NA	✔	✔	NA	✘	✔	✔	✔	****	Not on Watch
Small Blend	JPMorgan US Small Company R6	JUSMX	✔	✔	✔	✔	✔	✔	✔	✘	✔	✔	✔	*****	Not on Watch
Foreign Large Blend	Lazard International Equity R6	RLIEX	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	****	Not on Watch
Real Estate	TIAA-CREF Real Estate Sec Instl	TIREX	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	***	Not on Watch

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
Money Market-Taxable													
Vanguard Federal Money Market Inv	VMFXX	8.01	0.03	0.04	0.04(15)	0.02(23)	0.02(24)	1.27(21)	0.01	-1.55	82.41	0.11	-
Category Average			0.01	0.02	0.02	0.02	0.02	1.14	0.00	-1.56	90.18	0.54	-
Citi Treasury Bill 3 Mon USD			0.01	0.03	0.03	0.04	0.05	1.17	0.01	-0.79	100	-	-
Intermediate-Term Bond													
PIMCO Total Return Instl	PTTRX	1.26	0.48	0.73	0.73(16)	1.13(51)	3.52(35)	5.76(3)	3.71	0.31	84.31	0.46	4
Category Average			-0.60	-0.26	-0.26	1.16	3.22	4.18	2.98	0.39	85.77	0.85	2
Barclays US Agg Bond TR USD			-0.57	0.55	0.55	1.44	3.25	4.51	2.92	0.49	100	-	-
Vanguard Interm-Term Bond Index Adm	VBILX	7.69	-0.95	1.27	1.27(8)	1.51(30)	4.39(8)	5.49(7)	4.41	0.35	98.48	0.10	5
Category Average			-0.60	-0.26	-0.26	1.16	3.22	4.18	2.98	0.39	86.39	0.85	2
Barclays US 5-10Y GovCredit FIAdj TR USD			-0.94	1.26	1.26	1.52	4.45	-	4.27	0.36	100	-	-
World Bond													
Templeton Global Bond R6	FBNRX	14.01	2.29	-3.91	-3.91(43)	0.10(26)	2.55(26)	7.34(1)	5.79	0.04	2.34	0.51	4
Category Average			-0.49	-4.00	-4.00	-1.51	1.30	3.93	4.57	-0.23	45.74	1.04	2
Citi WGBI USD			-1.23	-3.57	-3.57	-2.70	-0.08	3.44	4.45	-0.60	100	-	-
Large Value													
American Funds Washington Mutual R6	RWMGX	17.51	7.38	0.12	0.12(8)	13.90(13)	12.35(6)	7.14(15)	10.21	1.33	93.76	0.30	5
Category Average			4.74	-4.04	-4.04	11.63	9.75	5.61	11.00	1.06	92.50	1.12	3
Russell 1000 Value TR USD			5.64	-3.83	-3.83	13.08	11.27	6.16	10.83	1.19	100	-	-
Large Blend													
Vanguard 500 Index Admiral	VFIAX	24.02	7.04	1.36	1.36(20)	15.09(18)	12.53(13)	7.30(20)	10.62	1.38	100.00	0.05	4
Category Average			5.56	-1.07	-1.07	13.22	10.75	6.44	10.97	1.19	93.86	1.08	2
S&P 500 TR USD			7.04	1.38	1.38	15.13	12.57	7.31	10.62	1.38	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
Large Growth													
T. Rowe Price Blue Chip Growth I	TBCIX	22.52	9.86	11.15	11.15(3)	19.80(3)	15.63(1)	9.33(8)	12.29	1.54	89.50	0.58	5
Category Average			6.73	3.60	3.60	15.27	11.70	7.34	11.58	1.29	89.78	1.19	2
Russell 1000 Growth TR USD			7.32	5.67	5.67	16.83	13.53	8.53	10.85	1.49	100	-	-
Mid-Cap Blend													
Vanguard Extended Market Idx Adm	VEXAX	18.01	3.16	-3.27	-3.27(46)	12.91(31)	10.46(33)	7.80(23)	12.54	1.03	100.00	0.10	3
Category Average			2.37	-4.75	-4.75	11.44	9.09	6.49	11.71	0.98	85.83	1.20	2
S&P Completion TR USD			3.10	-3.35	-3.35	12.83	10.37	7.68	12.52	1.02	100	-	-
Mid-Cap Growth													
ClearBridge Mid Cap Growth IS	LCMIX	5.34	5.28	0.51	0.51(37)	14.00(35)	12.78(8)	-	13.18	1.06	92.59	0.80	4
Category Average			3.31	-0.95	-0.95	12.83	9.59	7.16	12.21	1.06	88.48	1.29	3
Russell Mid Cap Growth TR USD			4.12	-0.20	-0.20	14.88	11.54	8.16	11.47	1.27	100	-	-
Small Blend													
JPMorgan US Small Company R6	JUSMX	11.42	4.89	-3.05	-3.05(28)	14.02(8)	11.67(3)	7.85(13)	14.69	0.97	97.52	0.74	5
Category Average			2.68	-5.39	-5.39	10.35	8.22	6.28	13.69	0.79	91.10	1.25	2
Russell 2000 TR USD			3.59	-4.41	-4.41	11.65	9.19	6.80	14.16	0.85	100	-	-
Foreign Large Blend													
Lazard International Equity R6	RLIEX	23.93	2.77	1.67	1.67(16)	5.55(17)	6.02(5)	4.40(16)	11.58	0.52	89.66	0.80	4
Category Average			3.58	-1.59	-1.59	3.67	2.58	2.78	11.96	0.36	90.31	1.19	2
MSCI ACWI Ex USA NR USD			3.24	-5.66	-5.66	1.50	1.06	2.92	12.30	0.18	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					
Vanguard Total Intl Stock Index Admiral	VTIAX	7.41	2.74	-4.26	-4.26(80)	1.84(83)	1.31(83)	2.86(43)	11.99	0.21	98.40	0.14	2
Category Average			3.58	-1.59	-1.59	3.67	2.58	2.78	11.96	0.36	90.18	1.19	2
FTSE Global All Cap ex US TR USD			3.65	-4.03	-4.03	2.52	1.78	3.90	12.09	0.26	100	-	-
Real Estate													
TIAA-CREF Real Estate Sec Instl	TIREX	10.01	7.04	4.62	4.62(10)	10.88(37)	11.76(29)	6.85(53)	13.49	0.83	98.09	0.52	3
Category Average			6.59	2.41	2.41	10.14	11.10	6.61	13.63	0.79	95.86	1.29	2
DJ US Select REIT TR USD			7.54	4.48	4.48	11.76	12.32	7.20	14.76	0.82	100	-	-

INVESTMENT ANALYSIS: MONEY MARKET

Vanguard Federal Money Market Inv

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 Inv	VMFXX	8.01	0.03	0.04	0.04(17)	0.02(20)	0.02(28)	1.27(21)	0.01	-1.55	82.41	0.11	-	
Category Average		12.66	0.01	0.02	0.02	0.02	0.02	1.14	0.00	-1.56	18.18	0.54	-	
Citi Treasury Bill 3 Mon USD		-	0.01	0.03	0.03	0.04	0.05	1.17	0.01	-0.79	100	-	-	

Manager: Vanguard Group, Inc.

Market Value: \$5.0 Billion

Current Yield: 0.26%

Strategy

The Fund invests primarily in high quality, short-term money market instruments. These include: short-term U.S. government obligations, corporate bonds and notes, bank obligations, commercial paper, asset-backed securities, and repurchase agreements

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.

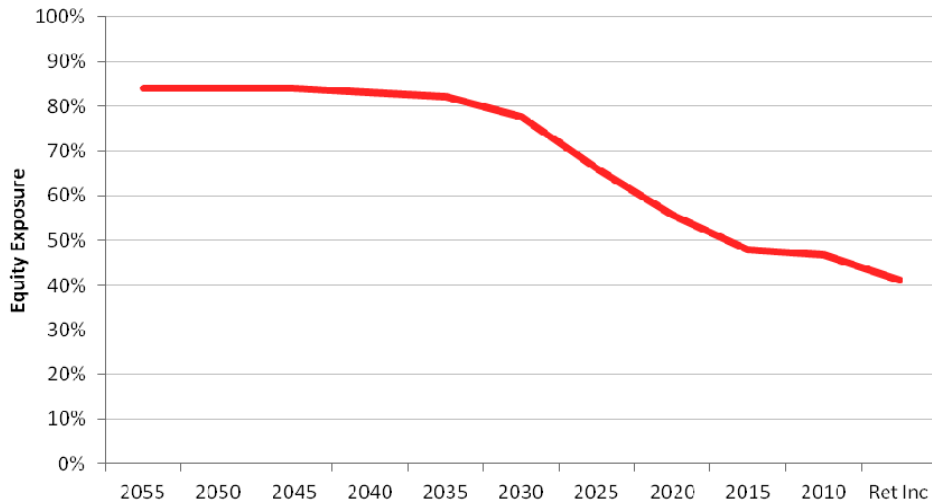
INVESTMENT ANALYSIS:

TARGET DATE SUMMARY: AMERICAN FUNDS TARGET DATE RETIREMENT

OBJECTIVE

There are 10 American Funds Target Date Retirement Funds which allow participants to choose the time horizon that works best for their specific financial goals consistent with the approximate retirement year in the fund's name. These funds automatically rebalance their holdings over time, shifting from more aggressive investments early to more conservative investments as the target date nears.

GLIDE PATH



BASIC CHARACTERISTICS

Series Name	American Funds Target Date Ret.
Fund Inception Date	2007
Fund Oversight	Alan N. Berro
Structure	Proprietary Fund of Funds
Investment Style	Active
Number of Asset Classes	9
Glide Path End Age – Traditional Classification	95 - Through Retirement
Glide Path Max Equity	84.1%
Glide Path Equity At Age 65	47.9%
Glide Path Equity At Landing Point	30.3%

PRESERVATION OF CAPITAL			EXTENSION OF CAPITAL		
Target date series are managed with a more conservative approach to maximize downside			Target date series are managed with a more aggressive approach to alleviate longevity risk		
Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive

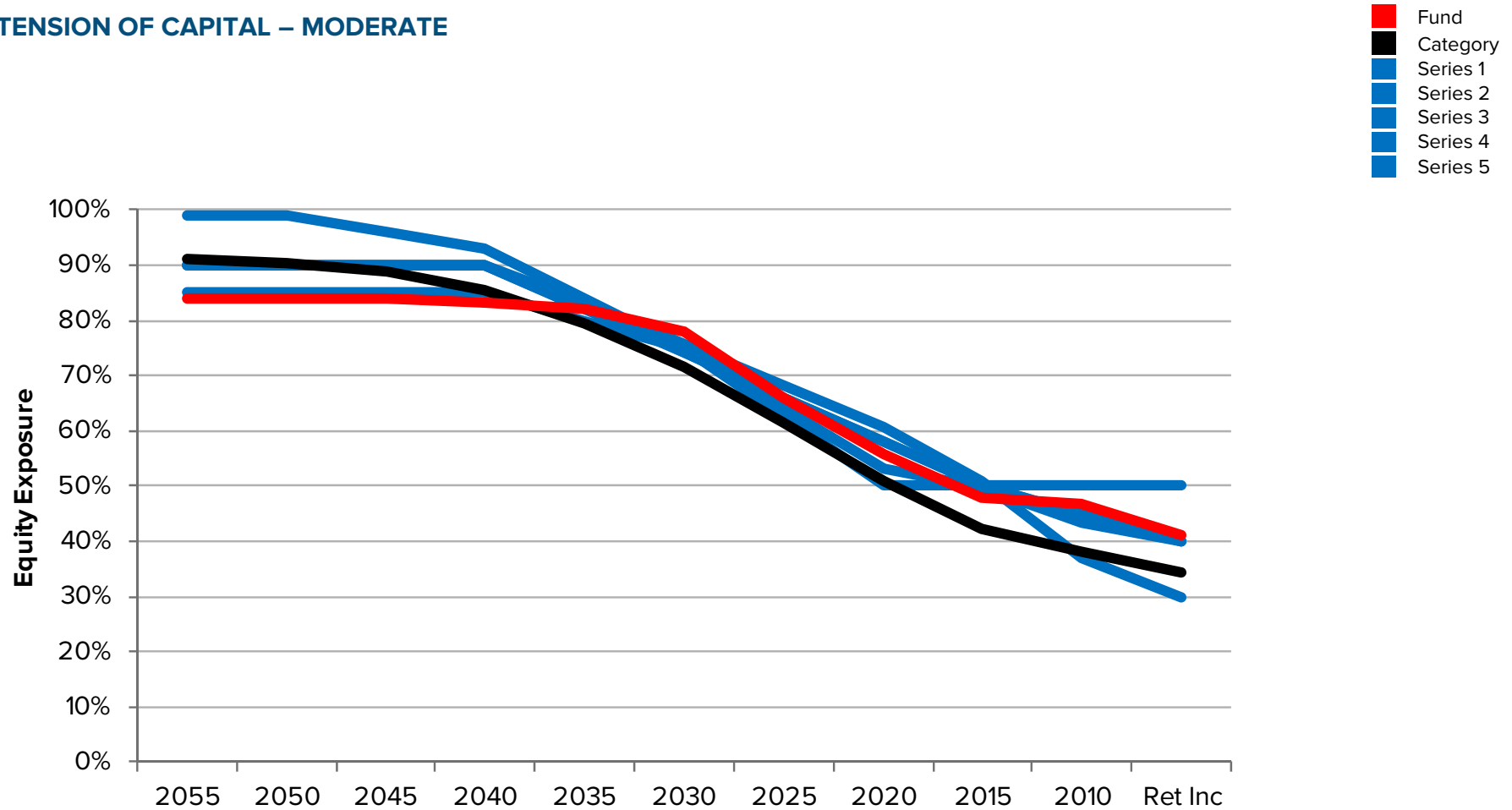
Most Conservative



Most Aggressive

INVESTMENT ANALYSIS: TARGET DATE SUMMARY: AMERICAN FUNDS TARGET DATE RETIREMENT

EXTENSION OF CAPITAL – MODERATE



INVESTMENT ANALYSIS DETAILS: PERFORMANCE VS. BENCHMARKS

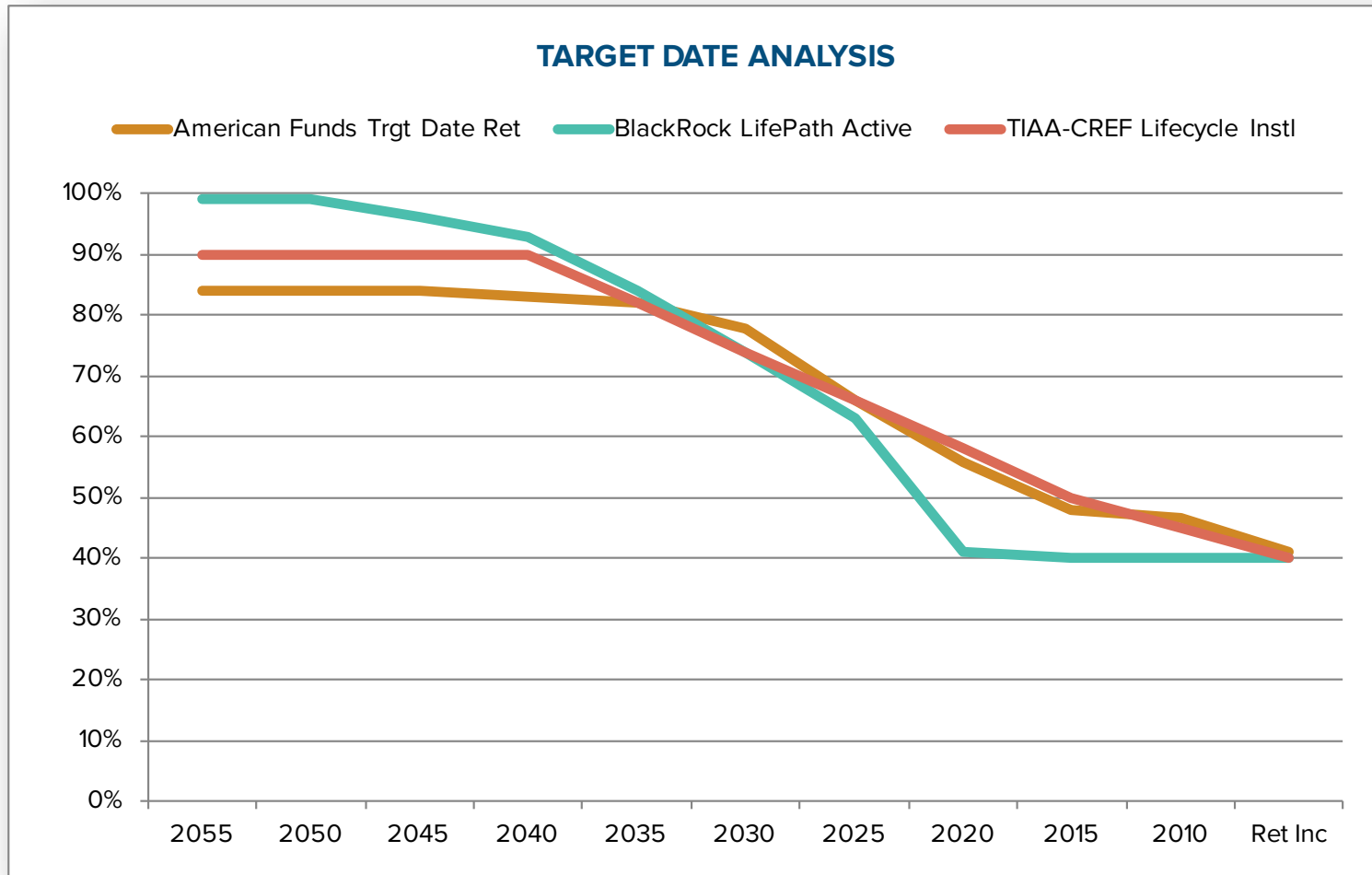
Peergroup/ Investment Name	Ticker	Manager Tenure	Total Return(% rank in peergroup)						Risk	Risk Adj Return	R-Squared	Expense Ratio vs-Peers	Overall Mstar Rating
			Qtr	YTD	1 Year	3 Year	5 Year	10 Year					
Target Date 2000-2010													
American Funds 2010 Trgt Date Retire R6	RFCTX	8.92	2.23	-0.84	-0.84	6.02	6.43	-	5.54	1.07	69.75	0.36	5
Category Average			1.89	-0.34	-0.34	5.23	5.71	5.07	5.24	0.99	71.99	0.30	4
DJ Target 2010 TR USD			0.42	-0.72	-0.72	2.14	3.45	4.40	3.30	0.64	100	-	-
Target Date 2011-2015													
American Funds 2015 Trgt Date Retire R6	RFJTX	8.92	2.35	-0.62	-0.62	7.04	6.96	-	5.98	1.16	78.66	0.36	5
Category Average			2.29	-0.35	-0.35	6.04	6.16	5.25	5.91	1.01	80.21	0.31	4
DJ Target 2015 TR USD			0.61	-0.97	-0.97	2.96	3.97	4.52	3.79	0.77	100	-	-
Target Date 2016-2020													
American Funds 2020 Trgt Date Retire R6	RRCTX	8.92	3.04	0.19	0.19	8.28	7.72	-	6.73	1.21	87.89	0.37	5
Category Average			2.51	-0.54	-0.54	6.24	6.34	4.51	6.33	0.97	90.07	0.46	3
DJ Target 2020 TR USD			1.11	-1.04	-1.04	4.19	4.74	4.88	4.65	0.89	100	-	-
Target Date 2021-2025													
American Funds 2025 Trgt Date Retire R6	RFDTX	8.92	3.51	0.13	0.13	9.75	8.63	-	7.81	1.23	92.28	0.40	5
Category Average			3.19	-0.39	-0.39	7.88	7.26	5.36	7.53	1.04	93.52	0.32	4
DJ Target 2025 TR USD			1.75	-1.11	-1.11	5.47	5.52	5.26	5.75	0.95	100	-	-
Target Date 2026-2030													
American Funds 2030 Trgt Date Retire R6	RFETX	8.92	4.41	0.47	0.47	10.56	9.10	-	8.70	1.19	94.48	0.41	5
Category Average			3.58	-0.67	-0.67	7.90	7.26	4.52	8.09	0.97	95.90	0.48	3
DJ Target 2030 TR USD			2.50	-1.21	-1.21	6.71	6.21	5.57	6.97	0.96	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					
Target Date 2031-2035													
American Funds 2035 Trgt Date Retire R6	RFFTX	8.92	4.86	0.59	0.59	10.69	9.13	-	9.06	1.16	95.64	0.42	5
Category Average			4.24	-0.57	-0.57	9.17	7.95	5.56	9.11	1.00	96.70	0.33	4
DJ Target 2035 TR USD			3.14	-1.61	-1.61	7.67	6.72	5.79	8.13	0.94	100	-	-
Target Date 2036-2040													
American Funds 2040 Trgt Date Retire R6	RFCTX	8.92	4.97	0.58	0.58	10.87	9.22	-	9.25	1.16	96.24	0.42	5
Category Average			4.36	-0.77	-0.77	8.90	7.75	4.70	9.28	0.96	97.07	0.49	3
DJ Target 2040 TR USD			3.64	-1.94	-1.94	8.36	7.10	5.97	9.03	0.93	100	-	-
Target Date 2041-2045													
American Funds 2045 Trgt Date Retire R6	RFHTX	8.92	5.09	0.64	0.64	10.89	9.24	-	9.31	1.15	96.13	0.44	5
Category Average			4.54	-0.67	-0.67	9.49	8.14	5.93	9.57	0.99	97.42	0.33	3
DJ Target 2045 TR USD			3.95	-2.15	-2.15	8.72	7.31	6.09	9.57	0.92	100	-	-
Target Date 2046-2050													
American Funds 2050 Trgt Date Retire R6	RFITX	8.92	5.12	0.65	0.65	10.91	9.25	-	9.37	1.15	96.36	0.44	5
Category Average			4.42	-0.50	-0.50	9.45	8.14	-	9.45	1.00	97.46	0.42	4
DJ Target 2050 TR USD			4.06	-2.23	-2.23	8.76	7.33	6.10	9.71	0.91	100	-	-
Target Date 2051+													
American Funds 2055 Trgt Date Retire R6	RFKTX	5.92	5.13	0.63	0.63	10.88	9.23	-	9.37	1.15	96.23	0.47	5
American Funds 2060 Trgt Date Retire R6	RFUTX	0.76	5.00	-	-	-	-	-	-	-	-	0.47	-
Category Average			4.55	-0.92	-0.92	9.42	-	-	9.56	0.99	98.30	0.36	4
DJ Target 2055 TR USD			4.06	-2.23	-2.23	8.76	7.33	6.10	9.71	0.91	100	-	-

Target Date Comparison

Glidepath Analysis



Data Source: Morningstar as of 12/31/2015

Target Date Comparison

Annual Performance

Target Date Series	Ticker	Category	2015	2014	2013	2012	2011	2010	2009	2008	2007
BlackRock LifePath® Retirement K	LPSAX	Retirement Income	-1.28	5.24	6.54	9.03	4.26	9.83	18.53	-14.95	4.5
TIAA-CREF Lifecycle Retire Inc Instl	TLRIX	Retirement Income	0.25	4.53	9.85	11.51	2.78	10.69	16.33	-17.26	-

Target Date Series	Ticker	Category	2015	2014	2013	2012	2011	2010	2009	2008	2007
American Funds 2010 Trgt Date Retire R6	RFTTX	Target Date 2000-2010	-0.84	6.79	12.55	10.51	3.71	9.98	23.5	-27.45	-
TIAA-CREF Lifecycle 2010 Instl	TCTIX	Target Date 2000-2010	0.38	4.59	12	12.67	1.69	11.84	19.52	-23.33	9.53

Target Date Series	Ticker	Category	2015	2014	2013	2012	2011	2010	2009	2008	2007
American Funds 2015 Trgt Date Retire R6	RFJTX	Target Date 2011-2015	-0.62	6.64	15.72	11.58	2.31	10.21	24.75	-29.08	-
BlackRock LifePath® Active Retire K	BIPBX	Target Date 2011-2015	-1.6	4.67	10.87	12.94	0.48	13.4	25.47	-25.51	-
TIAA-CREF Lifecycle 2015 Instl	TCNIX	Target Date 2011-2015	0.42	4.78	13.96	13.47	0.74	12.69	21.55	-26.78	9.71

Target Date Series	Ticker	Category	2015	2014	2013	2012	2011	2010	2009	2008	2007
American Funds 2020 Trgt Date Retire R6	RRCTX	Target Date 2016-2020	0.19	6.74	18.71	12.98	1.1	11.3	26.95	-32.46	-
BlackRock LifePath® Active 2020 K	BIPCX	Target Date 2016-2020	-1.51	4.56	13.33	13.38	0.03	13.68	26.37	-28.09	-
TIAA-CREF Lifecycle 2020 Instl	TCWIX	Target Date 2016-2020	0.42	4.86	16.5	14.62	-0.29	13.45	23.37	-30.1	9.39

Target Date Series	Ticker	Category	2015	2014	2013	2012	2011	2010	2009	2008	2007
American Funds 2025 Trgt Date Retire R6	RFDTX	Target Date 2021-2025	0.13	6.66	23.76	15.58	-0.97	12.68	29.6	-34.75	-
BlackRock LifePath® Active 2025 K	BIPDX	Target Date 2021-2025	-1.8	5.04	15.7	13.65	-0.4	13.67	26.91	-30.69	-
TIAA-CREF Lifecycle 2025 Instl	TCYIX	Target Date 2021-2025	0.36	4.87	19.33	15.6	-1.29	13.99	25.4	-33.29	9.46

Target Date Series	Ticker	Category	2015	2014	2013	2012	2011	2010	2009	2008	2007
American Funds 2030 Trgt Date Retire R6	RFETX	Target Date 2026-2030	0.47	7.06	25.64	16.49	-1.82	13.15	31.08	-35.19	-
BlackRock LifePath® Active 2030 K	BIPEX	Target Date 2026-2030	-1.76	4.32	17.73	13.81	-1.32	13.9	28.99	-33.9	-
TIAA-CREF Lifecycle 2030 Instl	TCRIX	Target Date 2026-2030	0.38	4.71	22.07	16.53	-2.32	14.74	27.01	-36.39	9.63

Data Source: Morningstar as of 12/31/2015



Target Date Comparison

Annual Performance

Target Date Series	Ticker	Category	2015	2014	2013	2012	2011	2010	2009	2008	2007
American Funds 2035 Trgt Date Retire R6	RFFTX	Target Date 2031-2035	0.59	7.02	25.97	16.64	-2.13	13.06	31.66	-35.53	-
BlackRock LifePath® Active 2035 K	BIPGX	Target Date 2031-2035	-2.57	4.31	19.44	14.07	-2.59	14.36	28.62	-35.58	-
TIAA-CREF Lifecycle 2035 Instl	TCIIX	Target Date 2031-2035	0.24	4.67	24.76	17.32	-3.37	15.26	28.65	-38.04	10.06

Target Date Series	Ticker	Category	2015	2014	2013	2012	2011	2010	2009	2008	2007
American Funds 2040 Trgt Date Retire R6	RF GTX	Target Date 2036-2040	0.58	6.96	26.66	16.71	-2.28	13.01	31.78	-35.62	-
BlackRock LifePath® Active 2040 K	BIPHX	Target Date 2036-2040	-2.36	4.31	20.89	14.18	-2.65	14.48	29.02	-35.61	-
TIAA-CREF Lifecycle 2040 Instl	TCOIX	Target Date 2036-2040	0.09	4.63	26.33	17.52	-3.58	15.45	28.64	-37.93	10.48

Target Date Series	Ticker	Category	2015	2014	2013	2012	2011	2010	2009	2008	2007
American Funds 2045 Trgt Date Retire R6	RFHTX	Target Date 2041-2045	0.64	7.09	26.51	16.8	-2.29	12.98	31.72	-35.56	-
BlackRock LifePath® Active 2045 K	BIPJX	Target Date 2041-2045	-2.45	3.76	22.44	15.11	-2.39	13.94	28.73	-34.97	-
TIAA-CREF Lifecycle 2045 Instl	TTFIX	Target Date 2041-2045	0.13	4.61	26.25	17.56	-3.63	15.4	28.57	-38.75	-

Target Date Series	Ticker	Category	2015	2014	2013	2012	2011	2010	2009	2008	2007
American Funds 2050 Trgt Date Retire R6	RFITX	Target Date 2046-2050	0.65	7.02	26.65	16.72	-2.28	13.07	31.71	-35.62	-
BlackRock LifePath® Active 2050 K	BIPKX	Target Date 2046-2050	-2.36	3.78	23.9	14.61	-2.71	14.44	28.62	-37.28	-
TIAA-CREF Lifecycle 2050 Instl	TFTIX	Target Date 2046-2050	0.18	4.59	26.25	17.53	-3.56	15.32	28.35	-38.76	-

Target Date Series	Ticker	Category	2015	2014	2013	2012	2011	2010	2009	2008	2007
American Funds 2055 Trgt Date Retire R6	RFKTX	Target Date 2051+	0.63	7.01	26.59	16.76	-2.29	-	-	-	-
American Funds 2060 Trgt Date Retire R6	RFUTX	Target Date 2051+	-	-	-	-	-	-	-	-	-
BlackRock LifePath® Active 2055 K	BIPLX	Target Date 2051+	-1.99	3.73	-	-	-	-	-	-	-
TIAA-CREF Lifecycle 2055 Instl	TTRIX	Target Date 2051+	0.13	4.58	26.24	17.65	-	-	-	-	-
TIAA-CREF Lifecycle 2060 Institutional	TLXNX	Target Date 2051+	0.19	-	-	-	-	-	-	-	-

Data Source: Morningstar as of 12/31/2015



Appendices

PIMCO TOTAL RETURN INSTL

DECEMBER 2015 ASSET VALUE: \$0.00

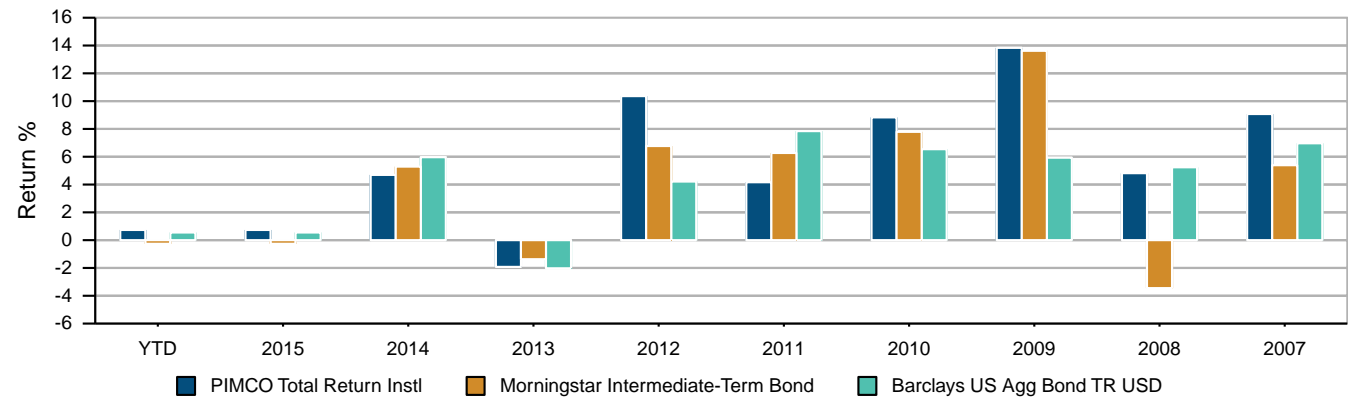
Ticker	PTTRX
Net Assets (M)	\$91,977.68
Category/Universe	Morningstar Intermediate-Term Bond
Benchmark	Barclays US Agg Bond TR USD

Asset Allocation	Fund(%)	Category(%)
Domestic Stock	0.00	0.21
Foreign Stock	0.00	0.04
Domestic Bond	119.89	81.90
Foreign Bond	12.92	10.61
Preferred Bond	0.51	0.59
Convertible Bond	0.01	0.35
Cash	-37.17	5.50
Other	3.84	0.80

Credit Quality	Fund(%)	Category(%)
AAA	63.00	50.95
AA	7.00	5.74
A	10.00	12.69
BBB	13.00	19.13
BB	3.00	4.86
B	1.00	2.38
Below B	3.00	1.35
Not Rated	-	2.90

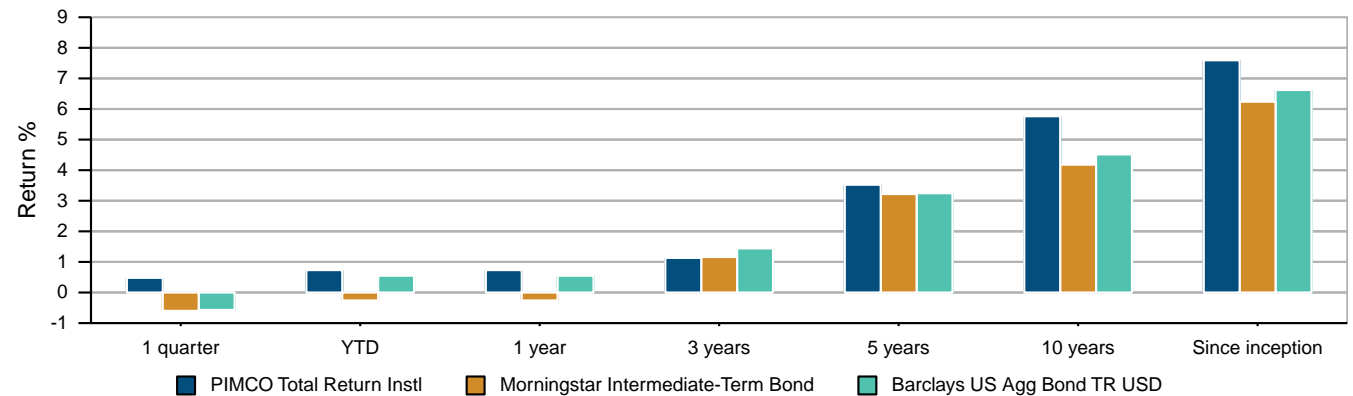
Sector Exposure	Fund(%)	Category(%)
Government	43.87	19.64
Gov.	47.25	17.82
Gov. Related	-3.38	1.82
Municipal	3.37	1.64
Corporate	15.33	35.33
Bank Loan	0.29	0.37
Convertible	0.00	0.26
Corporate Bond	15.04	34.40
Preferred Stock	0.00	0.31
Securitized	49.63	36.47
Cash and Equivalents	63.15	6.99
Derivatives	-79.95	-1.29

Calendar Year Returns



	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007
PIMCO Total Return Instl	0.73	0.73	4.69	-1.92	10.36	4.16	8.83	13.83	4.82	9.07
Morningstar Intermediate-Term Bond	-0.26	-0.26	5.29	-1.37	6.77	6.27	7.79	13.62	-3.45	5.39
Barclays US Agg Bond TR USD	0.55	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	5.24	6.97
% Rank in Category	15	15	74	62	6	93	26	45	12	1

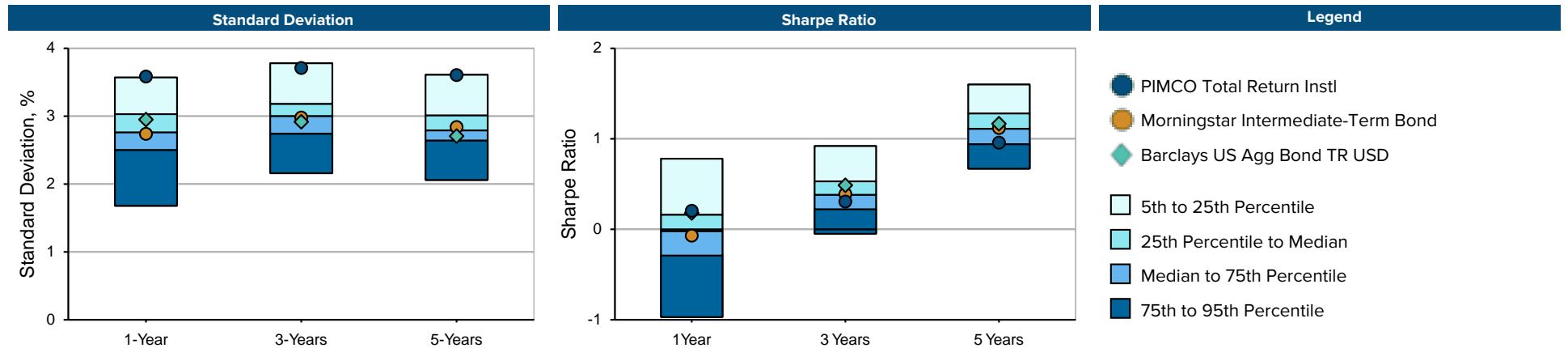
Annualized Returns



	1 quarter	YTD	1 year	3 years	5 years	10 years	Since inception
PIMCO Total Return Instl	0.48	0.73	0.73	1.13	3.52	5.76	7.59
Morningstar Intermediate-Term Bond	-0.60	-0.26	-0.26	1.16	3.22	4.18	6.24
Barclays US Agg Bond TR USD	-0.57	0.55	0.55	1.44	3.25	4.51	6.62
% Rank in Category	4	15	15	51	34	3	2

PIMCO TOTAL RETURN INSTL

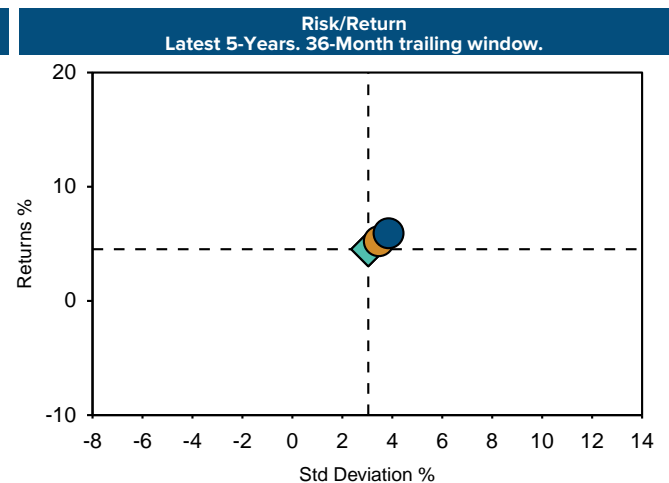
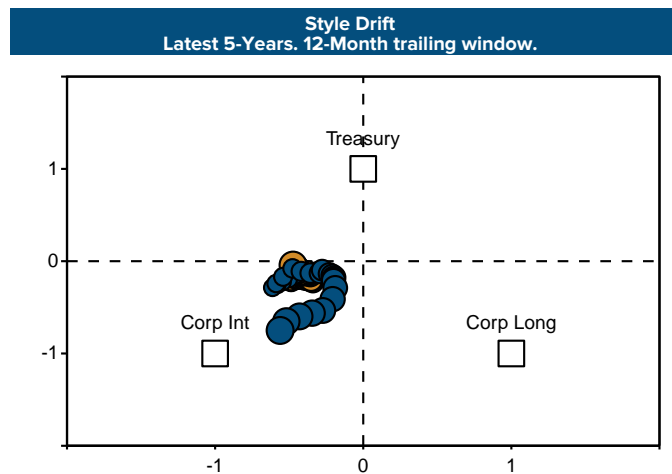
DECEMBER 2015 ASSET VALUE: \$0.00



	YTD	1-Year	3-Years	5-Years
PIMCO Total Return Instl	3.58	3.58	3.71	3.61
Morningstar Intermediate-Term Bond	2.74	2.74	2.98	2.84
Barclays US Agg Bond TR USD	2.95	2.95	2.92	2.71
Managers	1,042	1,042	947	830

	YTD	1-Year	3-Years	5-Years
PIMCO Total Return Instl	0.20	0.20	0.31	0.96
Morningstar Intermediate-Term Bond	-0.07	-0.07	0.39	1.12
Barclays US Agg Bond TR USD	0.18	0.18	0.49	1.17
Managers	1,042	1,042	947	830

Metrics	Fund	Category
Prospectus Net. Exp.	0.46	0.85
Overall Morningstar Rating	4	2
Manager Tenure Longest	1.26	9.15
Turnover Ratio	265	231
Average Credit Quality	-	BBB
Effective Duration	4.95	5.05
Effective Maturity	7.80	7.59



Metrics 3-Years	Fund	Category
Alpha (%)	-0.52	-0.19
Beta (%)	1.17	0.94
R-Squared (%)	84.31	85.77
Up Capture (%)	114.11	92.79
Down Capture (%)	128.26	98.35
Information Ratio	-0.20	-0.44

VANGUARD INTERM-TERM BOND INDEX ADM

DECEMBER 2015 ASSET VALUE: \$0.00

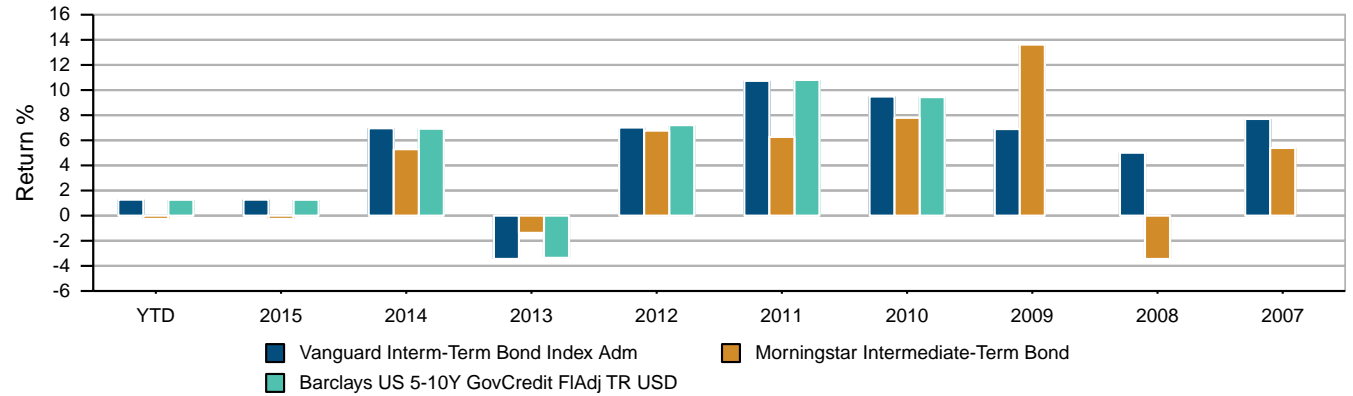
Ticker VBILX
 Net Assets (M) \$22,483.02
 Category/Universe Morningstar Intermediate-Term Bond
 Benchmark Barclays US 5-10Y GovCredit FIAAdj TR USD

Asset Allocation	Fund(%)	Category(%)
Domestic Stock	0.00	0.21
Foreign Stock	0.00	0.04
Domestic Bond	86.97	81.90
Foreign Bond	12.28	10.61
Preferred Bond	0.00	0.59
Convertible Bond	0.00	0.35
Cash	0.75	5.50
Other	0.00	0.80

Credit Quality	Fund(%)	Category(%)
AAA	56.47	50.95
AA	4.23	5.74
A	16.40	12.69
BBB	22.90	19.13
BB	0.00	4.86
B	0.00	2.38
Below B	0.00	1.35
Not Rated	0.00	2.90

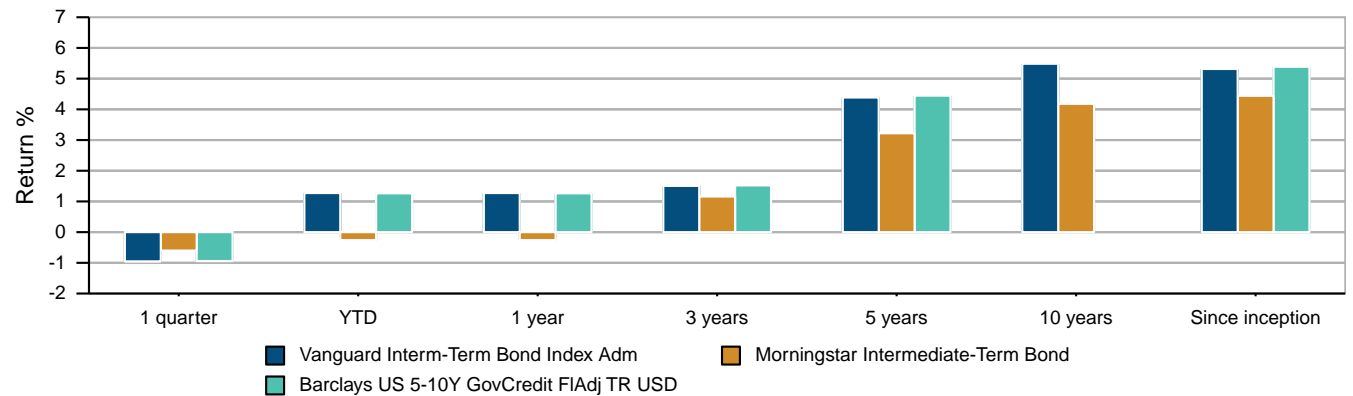
Sector Exposure	Fund(%)	Category(%)
Government	48.58	19.64
Gov.	45.26	17.82
Gov. Related	3.33	1.82
Municipal	0.20	1.64
Corporate	49.70	35.33
Bank Loan	0.00	0.37
Convertible	0.20	0.26
Corporate Bond	49.49	34.40
Preferred Stock	0.00	0.31
Securitized	0.76	36.47
Cash and Equivalents	0.75	6.99
Derivatives	0.00	-1.29

Calendar Year Returns



	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007
Vanguard Interm-Term Bond Index Adm	1.27	1.27	6.96	-3.45	7.02	10.73	9.49	6.89	5.01	7.70
Morningstar Intermediate-Term Bond	-0.26	-0.26	5.29	-1.37	6.77	6.27	7.79	13.62	-3.45	5.39
Barclays US 5-10Y GovCredit FIAAdj TR USD	1.26	1.26	6.92	-3.36	7.21	10.81	9.44	-	-	-
% Rank in Category	8	8	8	97	46	1	19	86	11	6

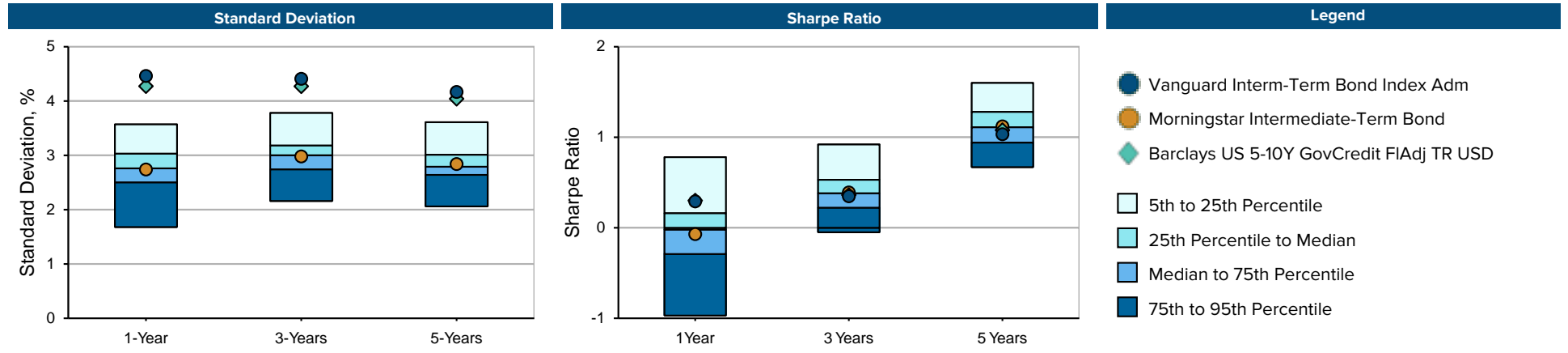
Annualized Returns



	1 quarter	YTD	1 year	3 years	5 years	10 years	Since inception
Vanguard Interm-Term Bond Index Adm	-0.95	1.27	1.27	1.51	4.39	5.49	5.31
Morningstar Intermediate-Term Bond	-0.60	-0.26	-0.26	1.16	3.22	4.18	4.44
Barclays US 5-10Y GovCredit FIAAdj TR USD	-0.94	1.26	1.26	1.52	4.45	-	5.39
% Rank in Category	87	8	8	30	8	7	17

VANGUARD INTERM-TERM BOND INDEX ADM

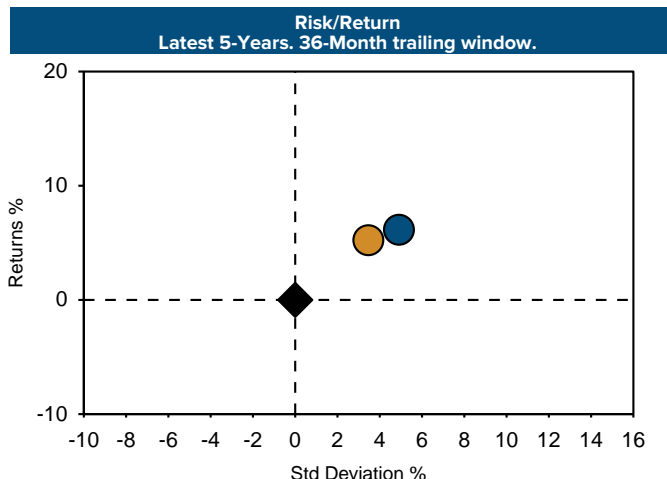
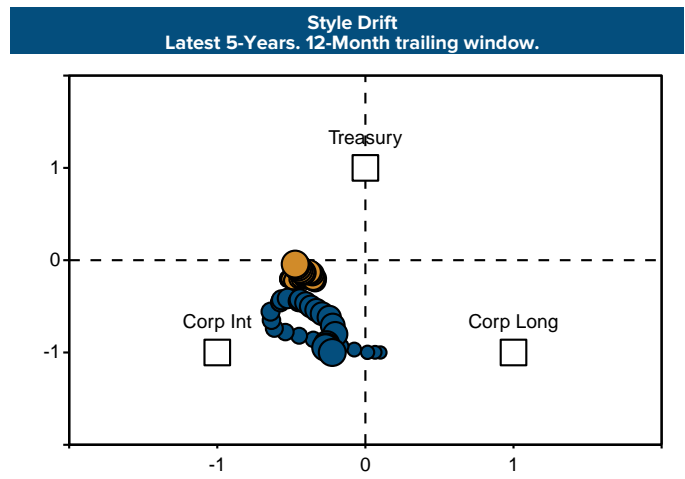
DECEMBER 2015 ASSET VALUE: \$0.00



	YTD	1-Year	3-Years	5-Years
Vanguard Interm-Term Bond Index Adm	4.46	4.46	4.41	4.17
Morningstar Intermediate-Term Bond	2.74	2.74	2.98	2.84
Barclays US 5-10Y GovCredit FIAAdj TR USD	4.27	4.27	4.27	4.04
Managers	1,042	1,042	947	830

	YTD	1-Year	3-Years	5-Years
Vanguard Interm-Term Bond Index Adm	0.29	0.29	0.35	1.03
Morningstar Intermediate-Term Bond	-0.07	-0.07	0.39	1.12
Barclays US 5-10Y GovCredit FIAAdj TR USD	0.30	0.30	0.36	1.08
Managers	1,042	1,042	947	830

Metrics	Fund	Category
Prospectus Net. Exp.	0.10	0.85
Overall Morningstar Rating	5	2
Manager Tenure Longest	7.69	9.15
Turnover Ratio	60	231
Average Credit Quality	A	BBB
Effective Duration	6.49	5.05
Effective Maturity	7.20	7.59



Metrics 3-Years	Fund	Category
Alpha (%)	-0.05	0.14
Beta (%)	1.02	0.64
R-Squared (%)	98.48	86.39
Up Capture (%)	100.91	64.92
Down Capture (%)	101.40	63.21
Information Ratio	-0.03	-0.21

TEMPLETON GLOBAL BOND R6

DECEMBER 2015 ASSET VALUE: \$0.00

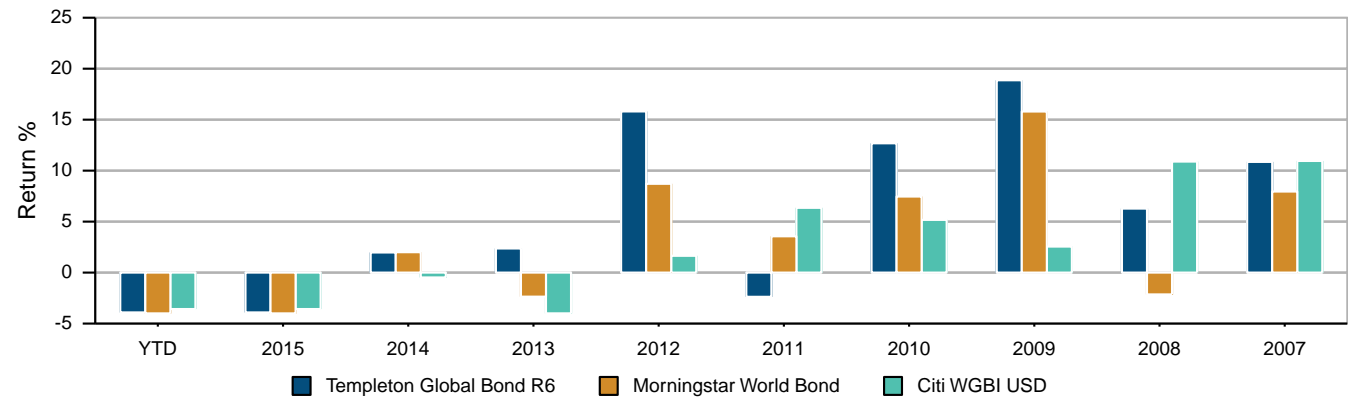
Ticker FBNRX
 Net Assets (M) \$58,792.26
 Category/Universe Morningstar World Bond
 Benchmark Citi WGBI USD

Asset Allocation	Fund(%)	Category(%)
Domestic Stock	-0.25	0.19
Foreign Stock	0.00	0.16
Domestic Bond	0.00	21.94
Foreign Bond	46.86	60.98
Preferred Bond	0.00	0.30
Convertible Bond	0.00	0.56
Cash	50.36	13.45
Other	3.03	2.42

Credit Quality	Fund(%)	Category(%)
AAA	5.33	24.76
AA	18.94	12.66
A	36.35	17.87
BBB	19.18	24.03
BB	11.94	8.73
B	2.63	4.44
Below B	5.63	2.05
Not Rated	0.00	9.03

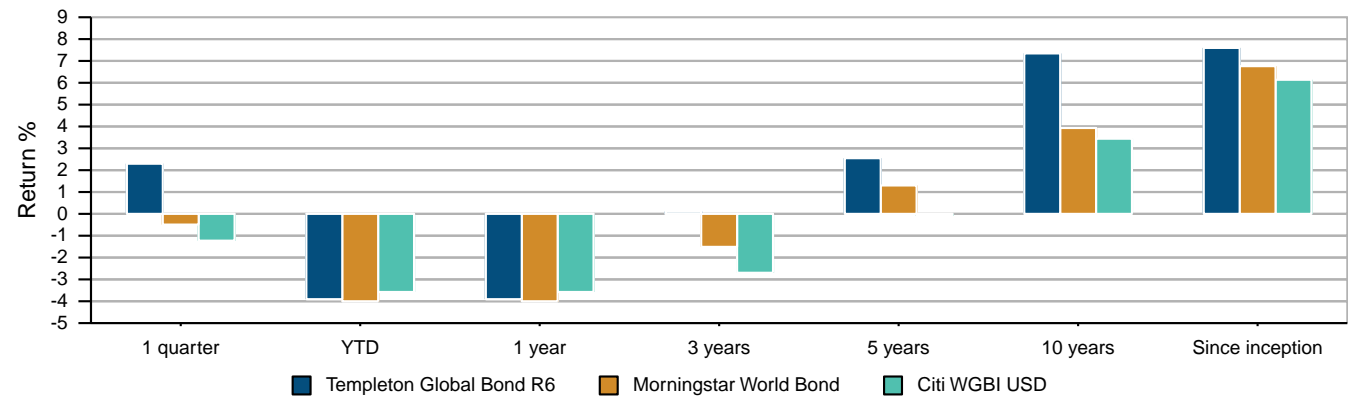
Sector Exposure	Fund(%)	Category(%)
Government	43.95	41.41
Gov.	43.64	41.86
Gov. Related	0.31	-0.45
Municipal	0.00	1.00
Corporate	0.57	30.24
Bank Loan	0.00	0.40
Convertible	0.00	0.24
Corporate Bond	0.57	29.54
Preferred Stock	0.00	0.06
Securitized	0.00	9.39
Cash and Equivalents	43.23	14.53
Derivatives	0.00	-1.97

Calendar Year Returns



	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007
Templeton Global Bond R6	-3.91	-3.91	1.97	2.36	15.81	-2.37	12.68	18.68	6.28	10.86
Morningstar World Bond	-4.00	-4.00	2.00	-2.36	8.71	3.56	7.46	15.80	-2.14	7.95
Citi WGBI USD	-3.57	-3.57	-0.48	-4.00	1.65	6.35	5.17	2.55	10.89	10.95
% Rank in Category	43	43	45	6	5	97	8	29	16	7

Annualized Returns

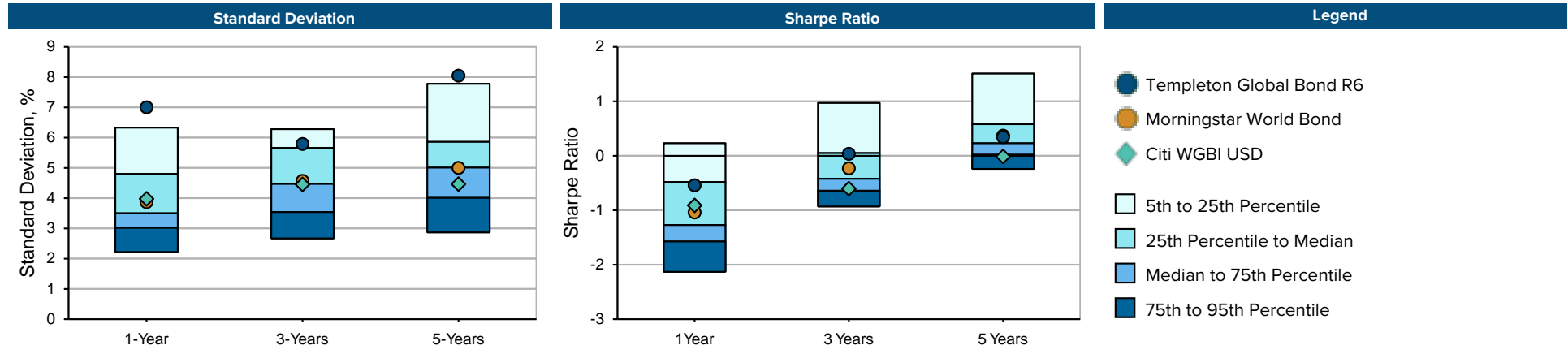


	1 quarter	YTD	1 year	3 years	5 years	10 years	Since inception
Templeton Global Bond R6	2.29	-3.91	-3.91	0.10	2.55	7.34	7.60
Morningstar World Bond	-0.49	-4.00	-4.00	-1.51	1.30	3.93	6.76
Citi WGBI USD	-1.23	-3.57	-3.57	-2.70	-0.08	3.44	6.14
% Rank in Category	4	43	43	26	26	1	1



TEMPLETON GLOBAL BOND R6

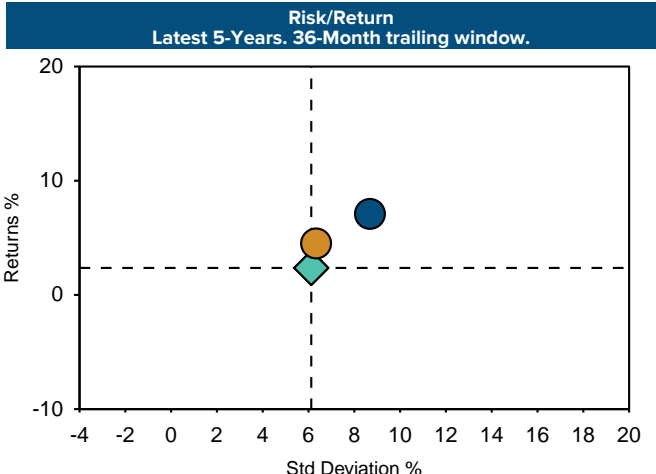
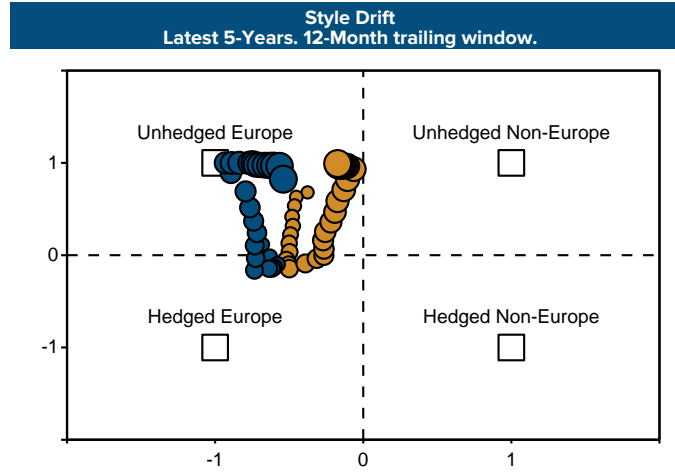
DECEMBER 2015 ASSET VALUE: \$0.00



	YTD	1-Year	3-Years	5-Years
Templeton Global Bond R6	7.00	7.00	5.79	8.05
Morningstar World Bond	3.87	3.87	4.57	5.00
Citi WGBI USD	3.98	3.98	4.45	4.46
Managers	367	367	324	243

	YTD	1-Year	3-Years	5-Years
Templeton Global Bond R6	-0.54	-0.54	0.04	0.34
Morningstar World Bond	-1.04	-1.04	-0.23	0.37
Citi WGBI USD	-0.91	-0.91	-0.60	-0.01
Managers	367	367	324	243

Metrics	Fund	Category
Prospectus Net. Exp.	0.51	1.04
Overall Morningstar Rating	4	2
Manager Tenure Longest	14.01	7.67
Turnover Ratio	43	138
Average Credit Quality	BB	BBB
Effective Duration	-0.10	5.67
Effective Maturity	2.50	8.53



Metrics 3-Years	Fund	Category
Alpha (%)	0.75	0.32
Beta (%)	0.20	0.68
R-Squared (%)	2.34	45.74
Up Capture (%)	5.33	66.44
Down Capture (%)	2.20	63.35
Information Ratio	0.41	0.24



AMERICAN FUNDS WASHINGTON MUTUAL R6

DECEMBER 2015 ASSET VALUE: \$0.00

Ticker	RWMGX
Net Assets (M)	\$76,123.82
Category/Universe	Morningstar Large Value
Benchmark	Russell 1000 Value TR USD

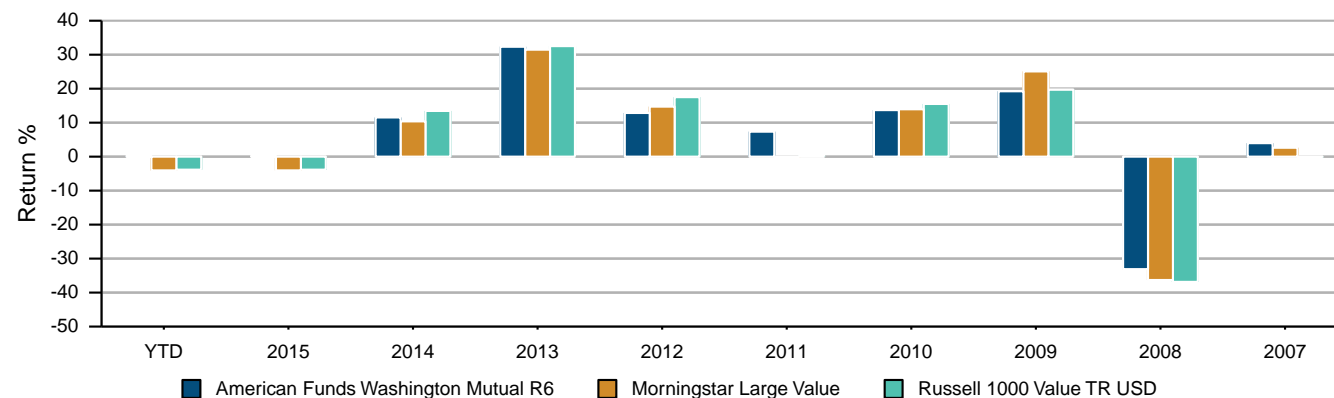
Asset Allocation	Fund(%)	Category(%)
Domestic Stock	91.83	89.97
Foreign Stock	5.23	6.22
Domestic Bond	0.00	0.19
Foreign Bond	0.00	0.03
Preferred Bond	0.00	0.24
Convertible Bond	0.00	0.11
Cash	2.45	2.81
Other	0.49	0.42

Capitalization	Fund(%)	Category(%)
Giant	60.31	42.76
Large	33.25	33.21
Mid	6.44	19.79
Small	0.00	3.73
Micro	0.00	0.51

Sector Exposure	Fund(%)	Category(%)
Cyclicals Total	29.19	36.40
Basic Materials	3.61	3.13
Cons. Cyclicals	10.12	9.22
Financials	15.46	22.03
Real Estate	0.00	2.03
Defensive Total	26.44	25.92
Cons. Defensive	10.13	8.62
Health Care	13.15	13.04
Utilities	3.16	4.26
Sensitive Total	44.38	37.67
Communications	6.48	3.99
Energy	8.59	10.11
Industrials	17.99	11.28
Technology	11.32	12.30

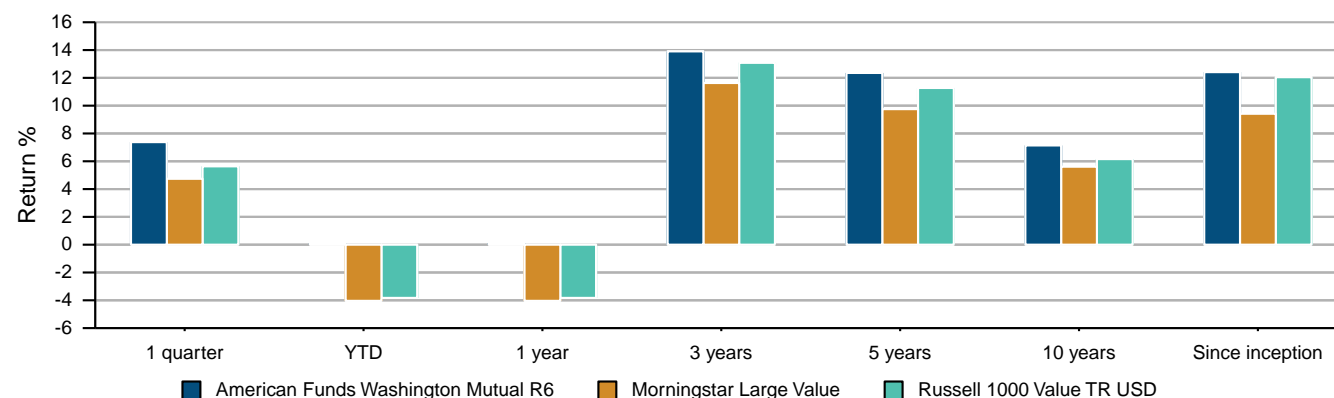
Sub-Regional Exposure	Fund(%)	Category(%)
U.S.	91.83	90.17
Canada	1.78	0.95
Latin America	0.00	0.05
U.K.	1.70	2.00
EuroZone	0.49	1.06
Europe ex-EuroZone	1.13	1.09
Developed Asia	0.00	0.28
Emerging Asia	0.00	0.18
Emerging Europe	0.00	0.01
Africa	0.00	0.03
Middle East	0.00	0.38
Japan	0.12	0.14
Australasia	0.00	0.07

Calendar Year Returns



	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007
American Funds Washington Mutual R6	0.12	0.12	11.53	32.34	12.85	7.35	13.69	19.24	-33.10	3.97
Morningstar Large Value	-4.04	-4.04	10.38	31.48	14.72	-0.21	13.94	25.08	-36.30	2.62
Russell 1000 Value TR USD	-3.83	-3.83	13.45	32.53	17.51	0.39	15.51	19.69	-36.85	-0.17
% Rank in Category	8	8	36	41	72	7	46	74	25	38

Annualized Returns



	1 quarter	YTD	1 year	3 years	5 years	10 years	Since inception
American Funds Washington Mutual R6	7.38	0.12	0.12	13.90	12.35	7.14	12.41
Morningstar Large Value	4.74	-4.04	-4.04	11.63	9.75	5.61	9.42
Russell 1000 Value TR USD	5.64	-3.83	-3.83	13.08	11.27	6.16	12.05
% Rank in Category	4	8	8	13	6	15	8

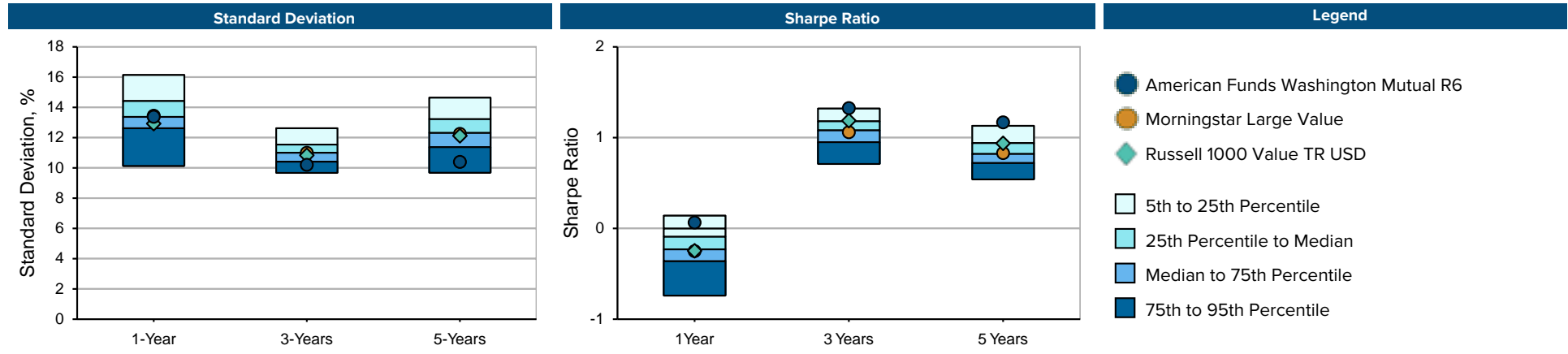
Data Sources: Morningstar as of 12.31.2015

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AMERICAN FUNDS WASHINGTON MUTUAL R6

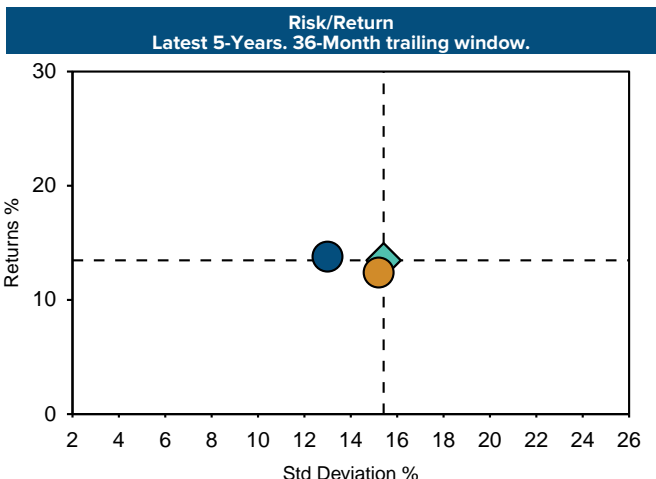
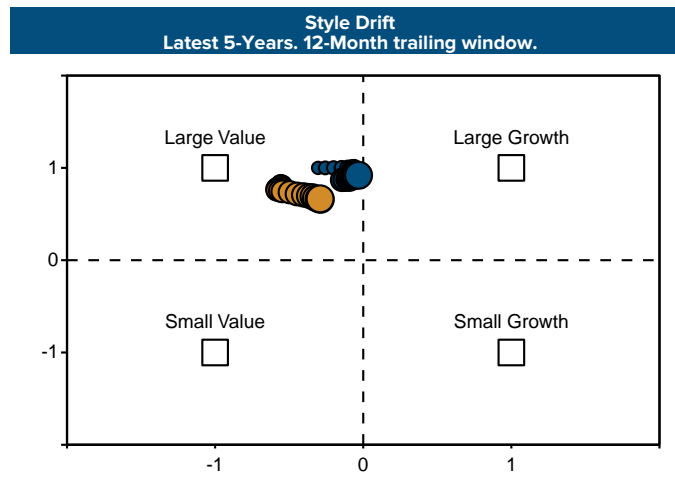
DECEMBER 2015 ASSET VALUE: \$0.00



	YTD	1-Year	3-Years	5-Years
American Funds Washington Mutual R6	13.38	13.38	10.21	10.40
Morningstar Large Value	13.45	13.45	11.00	12.25
Russell 1000 Value TR USD	12.93	12.93	10.83	12.12
Managers	1,378	1,378	1,193	1,045

	YTD	1-Year	3-Years	5-Years
American Funds Washington Mutual R6	0.07	0.07	1.33	1.17
Morningstar Large Value	-0.25	-0.25	1.06	0.83
Russell 1000 Value TR USD	-0.25	-0.25	1.19	0.94
Managers	1,378	1,378	1,193	1,045

Metrics	Fund	Category
Prospectus Net. Exp.	0.30	1.12
Overall Morningstar Rating	5	3
Manager Tenure Longest	17.51	8.47
Turnover Ratio	24	55
Price/Earnings	18.10	16.22
Price/Book	2.47	1.81
Holdings	190	112



Metrics 3-Years	Fund	Category
Alpha (%)	1.80	-0.99
Beta (%)	0.91	0.98
R-Squared (%)	93.76	92.50
Up Capture (%)	96.63	94.18
Down Capture (%)	86.96	100.83
Information Ratio	0.30	-0.47



VANGUARD 500 INDEX ADMIRAL

DECEMBER 2015 ASSET VALUE: \$0.00

Ticker VFIAX
 Net Assets (M) \$219,267.58
 Category/Universe Morningstar Large Blend
 Benchmark S&P 500 TR USD

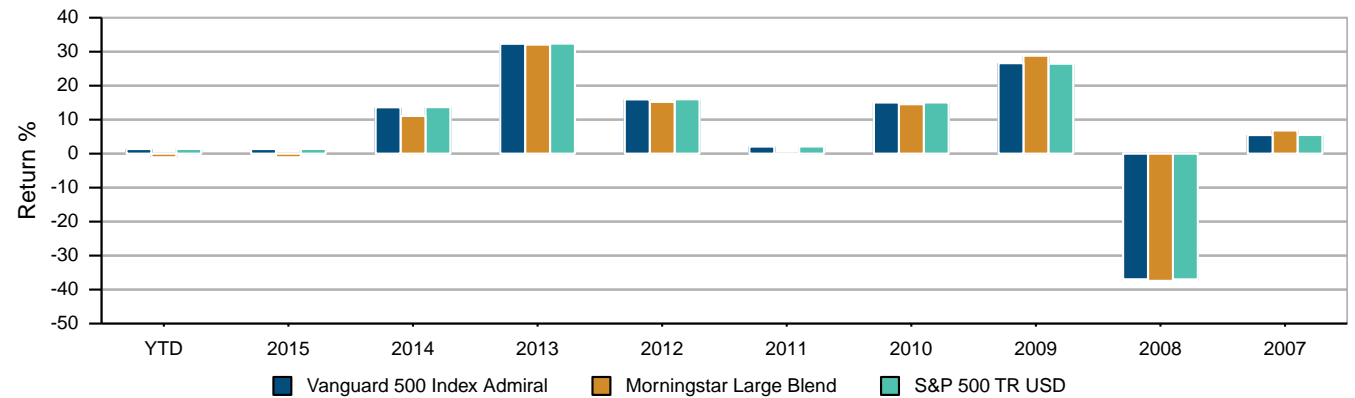
Asset Allocation	Fund(%)	Category(%)
Domestic Stock	98.97	90.40
Foreign Stock	0.70	5.00
Domestic Bond	0.00	-0.53
Foreign Bond	0.00	0.54
Preferred Bond	0.00	0.07
Convertible Bond	0.00	0.01
Cash	0.33	3.61
Other	0.00	0.89

Capitalization	Fund(%)	Category(%)
Giant	50.72	43.76
Large	36.42	34.25
Mid	12.71	18.17
Small	0.15	3.11
Micro	0.00	0.71

Sector Exposure	Fund(%)	Category(%)
Cyclicals Total	31.64	34.64
Basic Materials	2.73	3.02
Cons. Cyclicals	11.43	12.88
Financials	15.39	16.68
Real Estate	2.09	2.06
Defensive Total	27.45	26.90
Cons. Defensive	9.51	9.64
Health Care	15.08	14.92
Utilities	2.86	2.34
Sensitive Total	40.91	38.46
Communications	4.14	3.58
Energy	7.06	6.23
Industrials	10.90	11.79
Technology	18.81	16.87

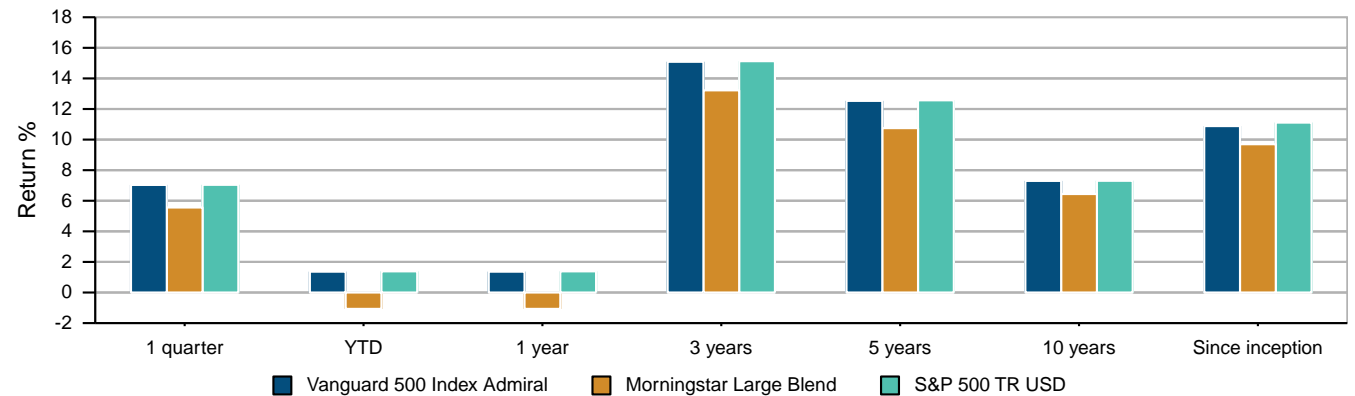
Sub-Regional Exposure	Fund(%)	Category(%)
U.S.	98.97	90.28
Canada	0.00	0.52
Latin America	0.00	0.11
U.K.	0.23	1.18
EuroZone	0.00	1.02
Europe ex-EuroZone	0.23	0.96
Developed Asia	0.06	0.22
Emerging Asia	0.18	0.45
Emerging Europe	0.00	0.02
Africa	0.00	0.02
Middle East	0.00	0.20
Japan	0.00	0.27
Australasia	0.00	0.04

Calendar Year Returns



	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007
Vanguard 500 Index Admiral	1.36	1.36	13.64	32.33	15.96	2.08	15.05	26.62	-36.97	5.47
Morningstar Large Blend	-1.07	-1.07	11.10	32.08	15.23	-0.42	14.54	28.82	-37.43	6.82
S&P 500 TR USD	1.38	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00	5.49
% Rank in Category	20	20	18	45	40	19	36	54	39	54

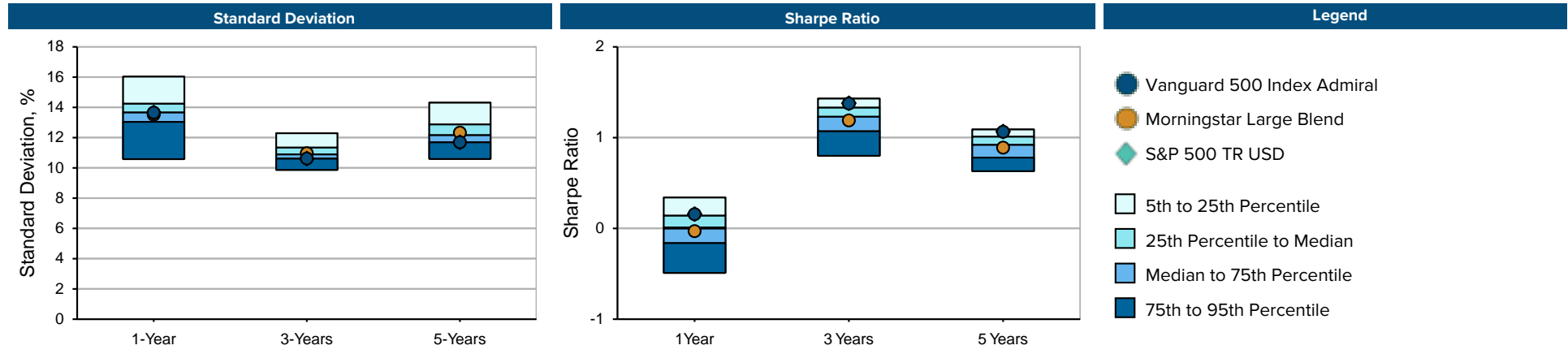
Annualized Returns



	1 quarter	YTD	1 year	3 years	5 years	10 years	Since inception
Vanguard 500 Index Admiral	7.04	1.36	1.36	15.09	12.53	7.30	10.88
Morningstar Large Blend	5.56	-1.07	-1.07	13.22	10.75	6.44	9.70
S&P 500 TR USD	7.04	1.38	1.38	15.13	12.57	7.31	11.11
% Rank in Category	14	20	20	18	13	20	57

VANGUARD 500 INDEX ADMIRAL

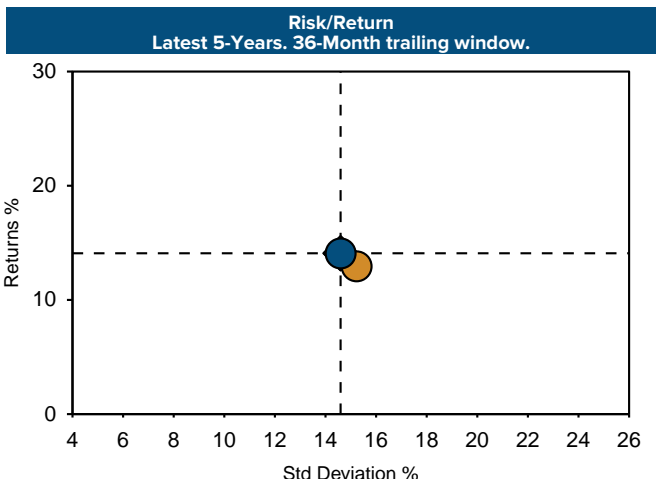
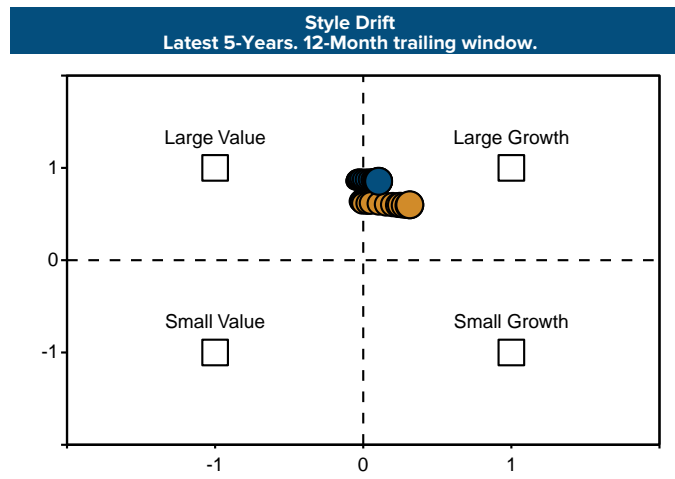
DECEMBER 2015 ASSET VALUE: \$0.00



	YTD	1-Year	3-Years	5-Years
Vanguard 500 Index Admiral	13.66	13.66	10.62	11.70
Morningstar Large Blend	13.52	13.52	10.97	12.33
S&P 500 TR USD	13.66	13.66	10.62	11.70
Managers	1,606	1,606	1,409	1,240

	YTD	1-Year	3-Years	5-Years
Vanguard 500 Index Admiral	0.16	0.16	1.38	1.06
Morningstar Large Blend	-0.03	-0.03	1.19	0.89
S&P 500 TR USD	0.16	0.16	1.38	1.07
Managers	1,606	1,606	1,409	1,240

Metrics	Fund	Category
Prospectus Net. Exp.	0.05	1.08
Overall Morningstar Rating	4	2
Manager Tenure Longest	24.02	8.64
Turnover Ratio	3	65
Price/Earnings	19.31	17.93
Price/Book	2.51	2.36
Holdings	510	243



Metrics 3-Years	Fund	Category
Alpha (%)	-0.03	-1.67
Beta (%)	1.00	1.00
R-Squared (%)	100.00	93.86
Up Capture (%)	99.87	95.05
Down Capture (%)	100.07	106.50
Information Ratio	-2.86	-1.50



T. ROWE PRICE BLUE CHIP GROWTH I

DECEMBER 2015 ASSET VALUE: \$0.00

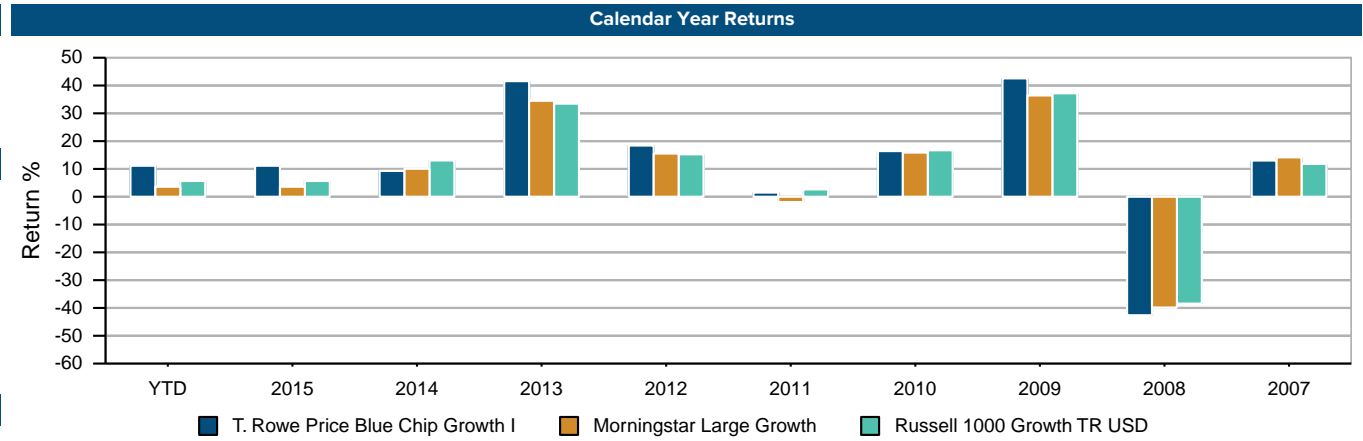
Ticker	TBCIX
Net Assets (M)	\$31,007.20
Category/Universe	Morningstar Large Growth
Benchmark	Russell 1000 Growth TR USD

Asset Allocation	Fund(%)	Category(%)
Domestic Stock	91.90	89.63
Foreign Stock	7.84	6.52
Domestic Bond	0.00	0.06
Foreign Bond	0.00	0.01
Preferred Bond	0.00	0.04
Convertible Bond	0.00	0.00
Cash	0.26	3.10
Other	0.00	0.64

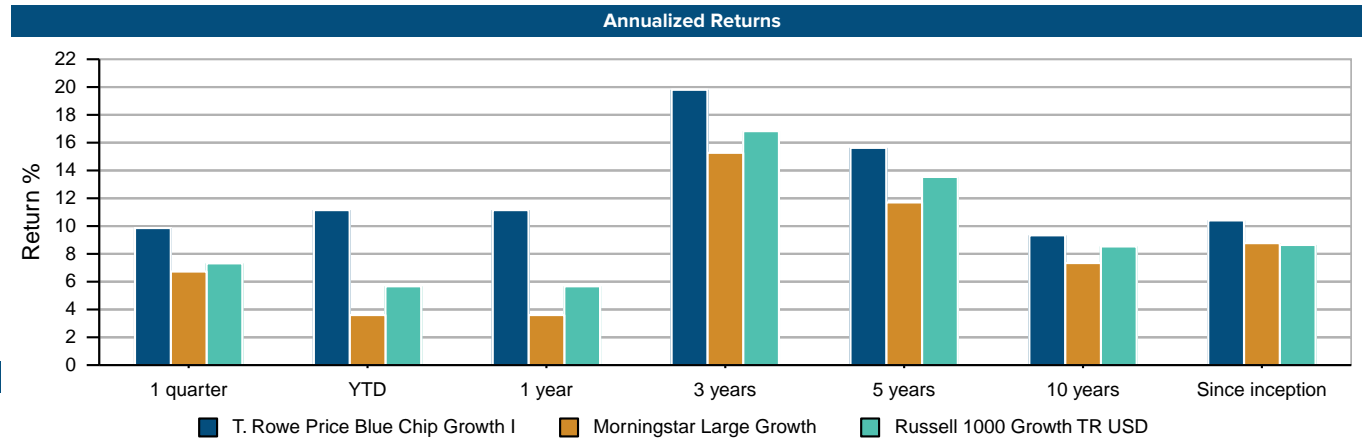
Capitalization	Fund(%)	Category(%)
Giant	46.10	41.87
Large	46.53	34.65
Mid	7.38	20.24
Small	0.00	2.72
Micro	0.00	0.51

Sector Exposure	Fund(%)	Category(%)
Cyclicals Total	38.06	33.09
Basic Materials	1.47	2.45
Cons. Cyclicals	26.02	18.79
Financials	10.57	10.78
Real Estate	0.00	1.06
Defensive Total	28.32	25.92
Cons. Defensive	1.96	7.22
Health Care	26.36	18.30
Utilities	0.00	0.40
Sensitive Total	33.62	40.99
Communications	3.17	3.16
Energy	0.54	2.47
Industrials	10.66	9.97
Technology	19.25	25.38

Sub-Regional Exposure	Fund(%)	Category(%)
U.S.	91.90	89.63
Canada	2.09	0.67
Latin America	0.00	0.09
U.K.	0.17	1.28
EuroZone	2.33	1.57
Europe ex-EuroZone	0.00	0.64
Developed Asia	0.00	0.17
Emerging Asia	3.25	1.47
Emerging Europe	0.00	0.01
Africa	0.00	0.04
Middle East	0.00	0.29
Japan	0.00	0.28
Australasia	0.00	0.02



	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007
T. Rowe Price Blue Chip Growth I	11.15	11.15	9.28	41.57	18.41	1.50	16.42	42.57	-42.62	13.02
Morningstar Large Growth	3.60	3.60	10.06	34.51	15.54	-1.91	15.88	36.43	-39.85	14.16
Russell 1000 Growth TR USD	5.67	5.67	13.05	33.48	15.26	2.64	16.71	37.21	-38.44	11.81
% Rank in Category	3	3	61	8	20	20	43	24	74	49

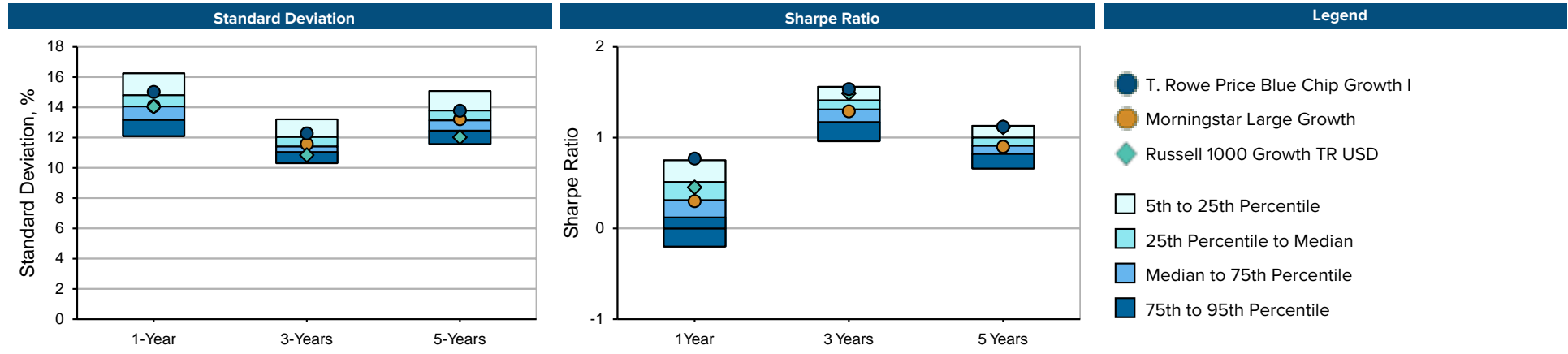


	1 quarter	YTD	1 year	3 years	5 years	10 years	Since inception
T. Rowe Price Blue Chip Growth I	9.86	11.15	11.15	19.80	15.63	9.33	10.41
Morningstar Large Growth	6.73	3.60	3.60	15.27	11.70	7.34	8.77
Russell 1000 Growth TR USD	7.32	5.67	5.67	16.83	13.53	8.53	8.64
% Rank in Category	3	3	3	3	1	8	11



T. ROWE PRICE BLUE CHIP GROWTH I

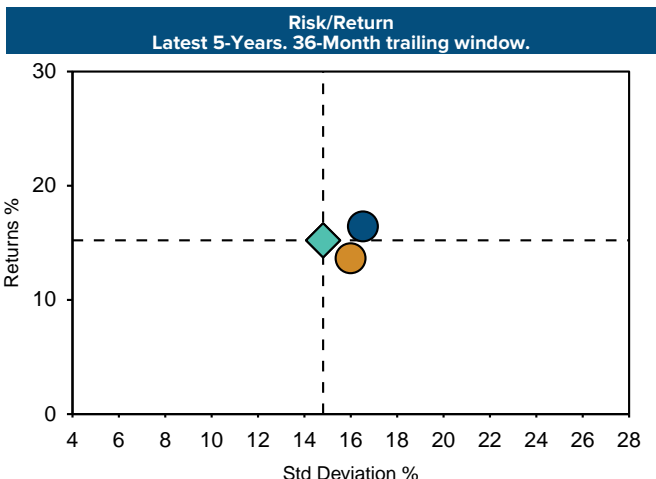
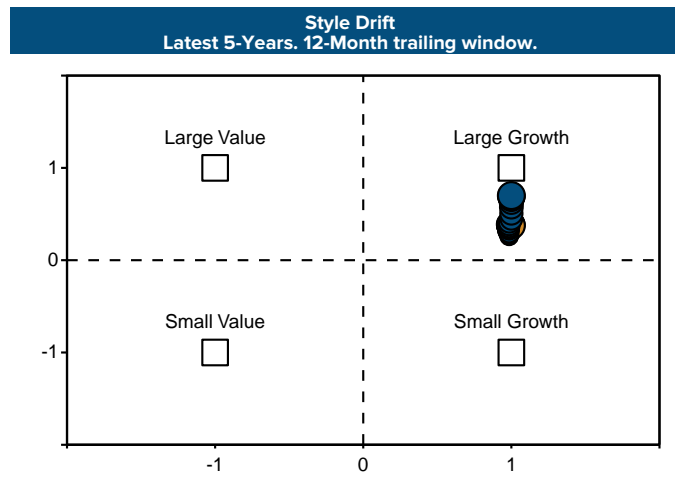
DECEMBER 2015 ASSET VALUE: \$0.00



	YTD	1-Year	3-Years	5-Years
T. Rowe Price Blue Chip Growth I	15.02	15.02	12.29	13.78
Morningstar Large Growth	14.08	14.08	11.58	13.22
Russell 1000 Growth TR USD	14.05	14.05	10.85	12.02
Managers	1,681	1,681	1,542	1,326

	YTD	1-Year	3-Years	5-Years
T. Rowe Price Blue Chip Growth I	0.77	0.77	1.54	1.12
Morningstar Large Growth	0.30	0.30	1.29	0.90
Russell 1000 Growth TR USD	0.45	0.45	1.49	1.11
Managers	1,681	1,681	1,542	1,326

Metrics	Fund	Category
Prospectus Net. Exp.	0.58	1.19
Overall Morningstar Rating	5	2
Manager Tenure Longest	22.52	9.14
Turnover Ratio	33	66
Price/Earnings	24.48	23.09
Price/Book	4.09	3.87
Holdings	126	113



Metrics 3-Years	Fund	Category
Alpha (%)	1.56	-1.43
Beta (%)	1.07	1.01
R-Squared (%)	89.50	89.78
Up Capture (%)	109.39	96.36
Down Capture (%)	94.44	105.99
Information Ratio	0.73	-0.51



VANGUARD EXTENDED MARKET IDX ADM

DECEMBER 2015 ASSET VALUE: \$0.00

Ticker VEXAX
 Net Assets (M) \$42,603.19
 Category/Universe Morningstar Mid-Cap Blend
 Benchmark S&P Completion TR USD

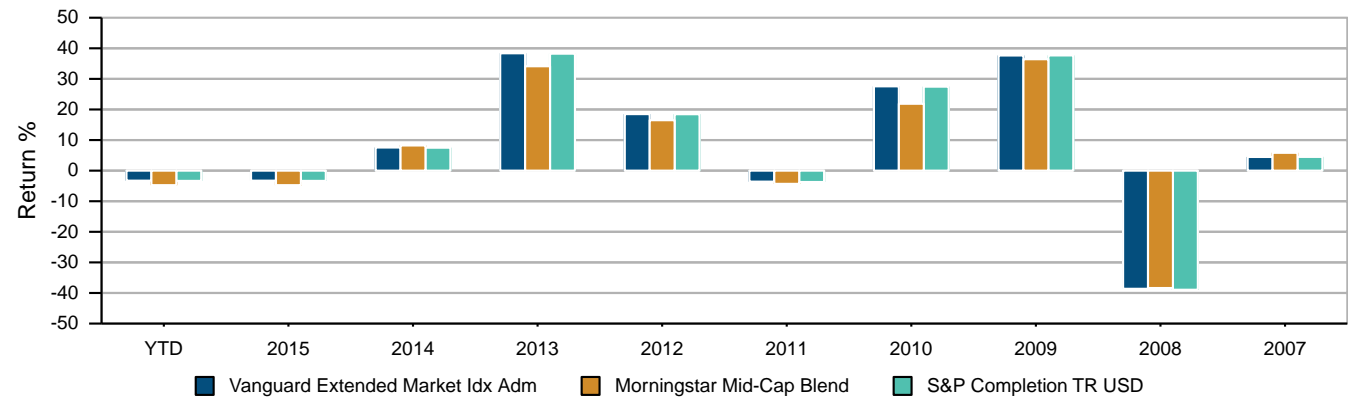
Asset Allocation	Fund(%)	Category(%)
Domestic Stock	98.07	88.65
Foreign Stock	1.73	4.91
Domestic Bond	0.00	0.67
Foreign Bond	0.00	0.06
Preferred Bond	0.00	0.15
Convertible Bond	0.00	0.02
Cash	0.18	4.91
Other	0.02	0.63

Capitalization	Fund(%)	Category(%)
Giant	0.20	5.73
Large	4.96	16.49
Mid	46.32	52.34
Small	33.86	20.34
Micro	14.66	5.09

Sector Exposure	Fund(%)	Category(%)
Cyclicals Total	44.82	42.73
Basic Materials	4.46	4.79
Cons. Cyclicals	14.64	16.49
Financials	14.80	15.53
Real Estate	10.92	5.92
Defensive Total	19.14	19.61
Cons. Defensive	3.86	5.69
Health Care	12.10	10.46
Utilities	3.18	3.45
Sensitive Total	36.04	37.66
Communications	2.91	2.16
Energy	3.90	4.84
Industrials	13.78	16.43
Technology	15.45	14.23

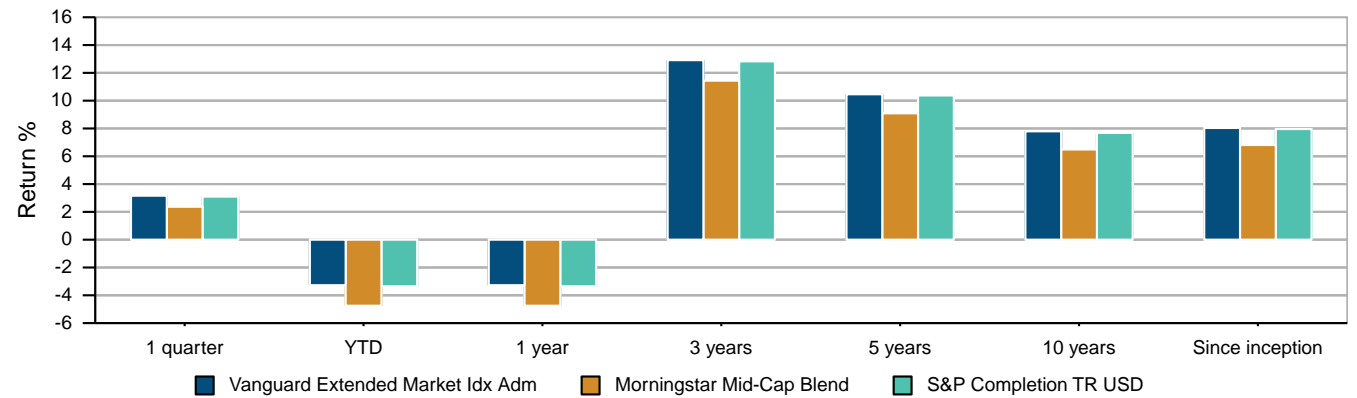
Sub-Regional Exposure	Fund(%)	Category(%)
U.S.	98.07	88.26
Canada	0.00	0.77
Latin America	0.13	0.14
U.K.	0.94	1.32
EuroZone	0.06	1.21
Europe ex-EuroZone	0.45	0.34
Developed Asia	0.01	0.24
Emerging Asia	0.12	0.29
Emerging Europe	0.00	0.02
Africa	0.02	0.01
Middle East	0.00	0.29
Japan	0.00	0.18
Australasia	0.00	0.09

Calendar Year Returns



	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007
Vanguard Extended Market Idx Adm	-3.27	-3.27	7.56	38.37	18.48	-3.59	27.57	37.65	-38.63	4.48
Morningstar Mid-Cap Blend	-4.75	-4.75	8.23	34.13	16.49	-4.32	21.87	36.43	-38.38	5.83
S&P Completion TR USD	-3.35	-3.35	7.50	38.24	18.45	-3.71	27.46	37.67	-38.94	4.50
% Rank in Category	46	46	64	21	27	52	10	27	57	58

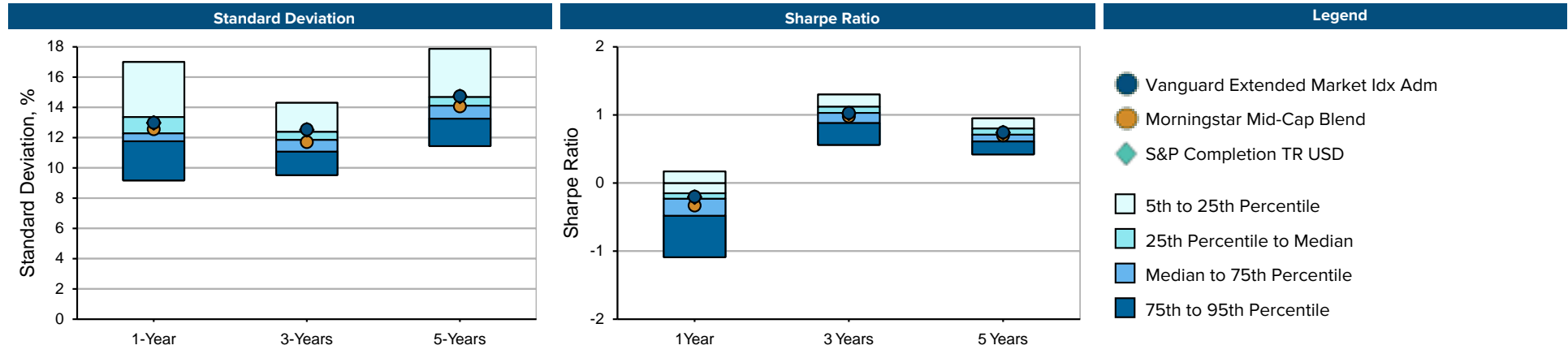
Annualized Returns



	1 quarter	YTD	1 year	3 years	5 years	10 years	Since inception
Vanguard Extended Market Idx Adm	3.16	-3.27	-3.27	12.91	10.46	7.80	8.04
Morningstar Mid-Cap Blend	2.37	-4.75	-4.75	11.44	9.09	6.49	6.81
S&P Completion TR USD	3.10	-3.35	-3.35	12.83	10.37	7.68	7.96
% Rank in Category	37	46	46	31	33	23	26

VANGUARD EXTENDED MARKET IDX ADM

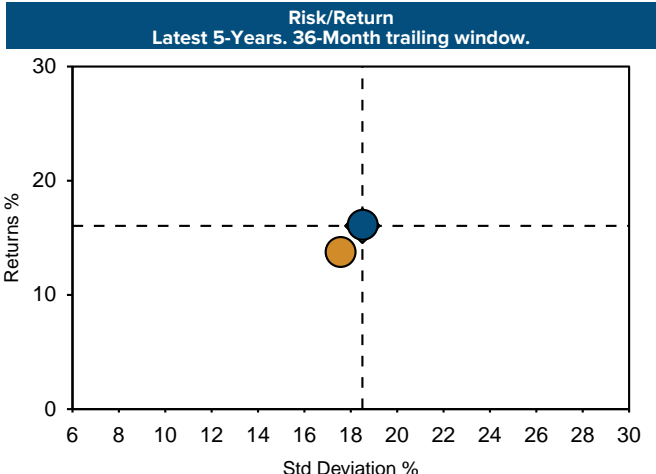
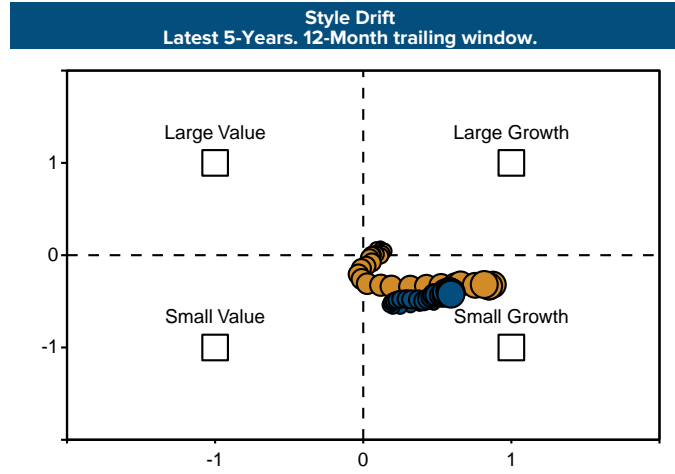
DECEMBER 2015 ASSET VALUE: \$0.00



	YTD	1-Year	3-Years	5-Years
Vanguard Extended Market Idx Adm	12.99	12.99	12.54	14.75
Morningstar Mid-Cap Blend	12.56	12.56	11.71	14.07
S&P Completion TR USD	12.98	12.98	12.52	14.72
Managers	432	432	390	324

	YTD	1-Year	3-Years	5-Years
Vanguard Extended Market Idx Adm	-0.20	-0.20	1.03	0.74
Morningstar Mid-Cap Blend	-0.33	-0.33	0.98	0.70
S&P Completion TR USD	-0.21	-0.21	1.02	0.74
Managers	432	432	390	324

Metrics	Fund	Category
Prospectus Net. Exp.	0.10	1.20
Overall Morningstar Rating	3	2
Manager Tenure Longest	18.01	8.30
Turnover Ratio	6	68
Price/Earnings	20.27	18.34
Price/Book	2.00	2.02
Holdings	3357	236



Metrics 3-Years	Fund	Category
Alpha (%)	0.05	0.37
Beta (%)	1.00	0.86
R-Squared (%)	100.00	85.83
Up Capture (%)	100.41	86.48
Down Capture (%)	100.10	86.40
Information Ratio	0.94	-0.23



CLEARBRIDGE MID CAP GROWTH IS

DECEMBER 2015 ASSET VALUE: \$0.00

Ticker	LCMIX
Net Assets (M)	\$99.18
Category/Universe	Morningstar Mid-Cap Growth
Benchmark	Russell Mid Cap Growth TR USD

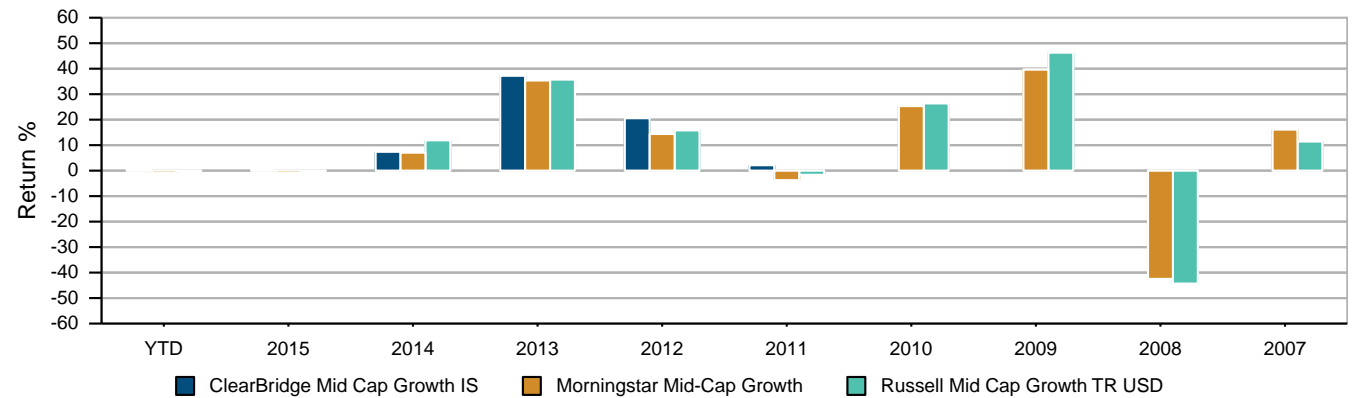
Asset Allocation	Fund(%)	Category(%)
Domestic Stock	92.73	91.47
Foreign Stock	3.42	4.13
Domestic Bond	0.00	0.04
Foreign Bond	0.00	0.15
Preferred Bond	0.00	0.07
Convertible Bond	0.00	0.00
Cash	3.85	3.40
Other	0.00	0.74

Capitalization	Fund(%)	Category(%)
Giant	0.00	2.26
Large	13.22	20.07
Mid	76.92	60.36
Small	9.87	14.96
Micro	0.00	2.36

Sector Exposure	Fund(%)	Category(%)
Cyclicals Total	37.16	36.85
Basic Materials	1.70	3.01
Cons. Cyclicals	26.31	21.24
Financials	6.74	8.92
Real Estate	2.41	3.68
Defensive Total	18.64	21.05
Cons. Defensive	2.83	6.02
Health Care	15.81	14.48
Utilities	0.00	0.54
Sensitive Total	44.20	42.10
Communications	2.58	1.98
Energy	2.76	2.21
Industrials	14.24	18.35
Technology	24.62	19.56

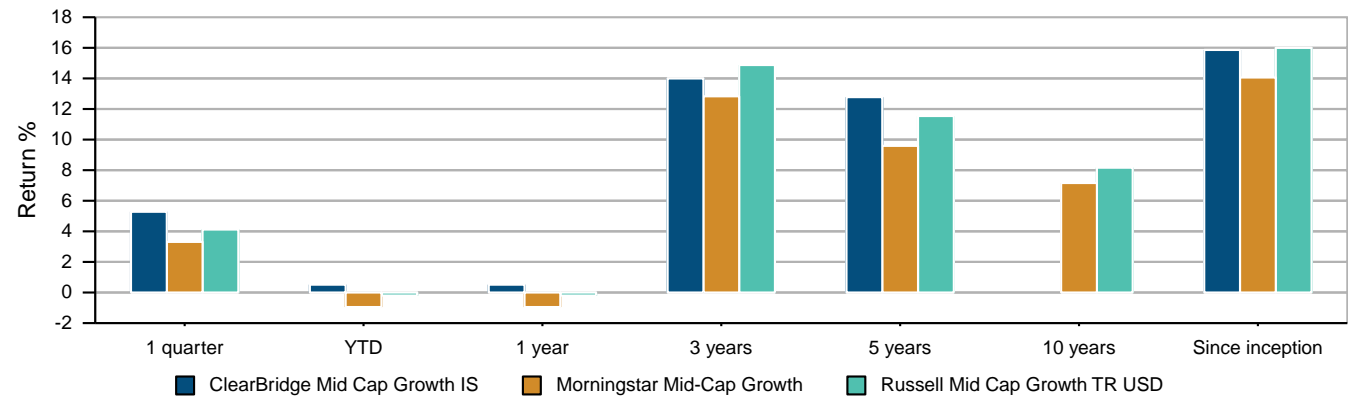
Sub-Regional Exposure	Fund(%)	Category(%)
U.S.	92.73	91.41
Canada	0.00	0.94
Latin America	1.38	0.23
U.K.	0.00	0.80
EuroZone	0.00	0.86
Europe ex-EuroZone	0.00	0.22
Developed Asia	0.00	0.03
Emerging Asia	0.00	0.65
Emerging Europe	0.00	0.01
Africa	0.00	0.01
Middle East	2.04	0.30
Japan	0.00	0.06
Australasia	0.00	0.02

Calendar Year Returns



	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007
ClearBridge Mid Cap Growth IS	0.51	0.51	7.40	37.22	20.57	2.13	-	-	-	-
Morningstar Mid-Cap Growth	-0.95	-0.95	7.06	35.38	14.39	-3.74	25.33	39.63	-42.48	16.12
Russell Mid Cap Growth TR USD	-0.20	-0.20	11.90	35.74	15.81	-1.65	26.38	46.29	-44.32	11.43
% Rank in Category	37	37	49	32	6	13	-	-	-	-

Annualized Returns

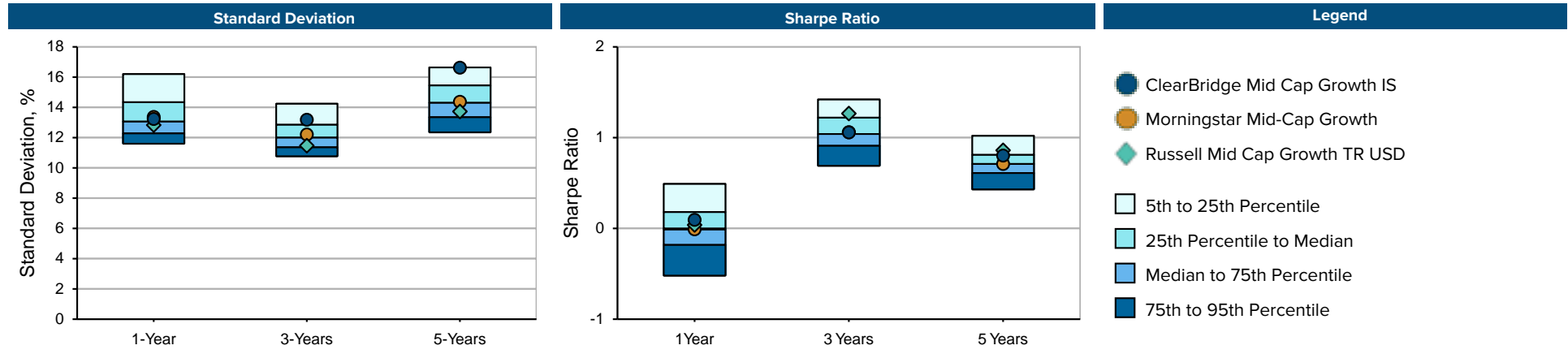


	1 quarter	YTD	1 year	3 years	5 years	10 years	Since inception
ClearBridge Mid Cap Growth IS	5.28	0.51	0.51	14.00	12.78	-	15.86
Morningstar Mid-Cap Growth	3.31	-0.95	-0.95	12.83	9.59	7.16	14.06
Russell Mid Cap Growth TR USD	4.12	-0.20	-0.20	14.88	11.54	8.16	16.00
% Rank in Category	10	37	37	35	8	-	18



CLEARBRIDGE MID CAP GROWTH IS

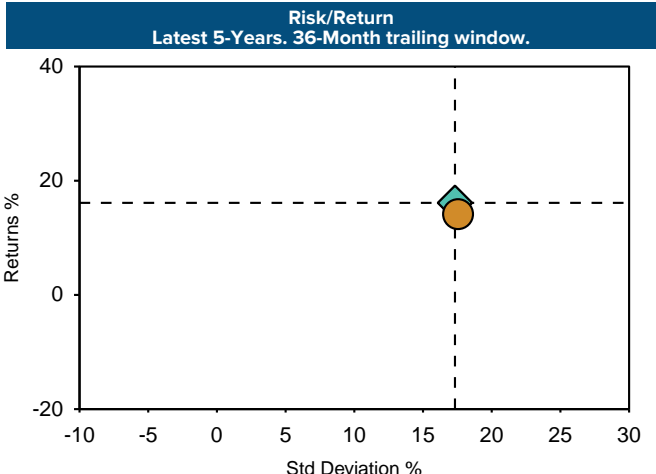
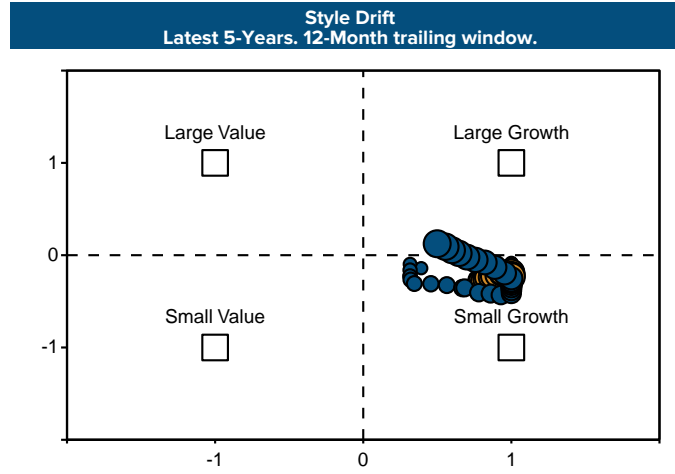
DECEMBER 2015 ASSET VALUE: \$0.00



	YTD	1-Year	3-Years	5-Years
ClearBridge Mid Cap Growth IS	13.23	13.23	13.18	16.62
Morningstar Mid-Cap Growth	13.37	13.37	12.21	14.37
Russell Mid Cap Growth TR USD	12.83	12.83	11.47	13.73
Managers	732	732	643	577

	YTD	1-Year	3-Years	5-Years
ClearBridge Mid Cap Growth IS	0.09	0.09	1.06	0.80
Morningstar Mid-Cap Growth	-0.01	-0.01	1.06	0.71
Russell Mid Cap Growth TR USD	0.04	0.04	1.27	0.86
Managers	732	732	643	577

Metrics	Fund	Category
Prospectus Net. Exp.	0.80	1.29
Overall Morningstar Rating	4	3
Manager Tenure Longest	5.34	9.53
Turnover Ratio	35	67
Price/Earnings	23.28	24.18
Price/Book	4.29	3.42
Holdings	53	109



Metrics 3-Years	Fund	Category
Alpha (%)	-2.11	-1.72
Beta (%)	1.11	1.00
R-Squared (%)	92.59	88.48
Up Capture (%)	103.29	96.17
Down Capture (%)	113.36	108.80
Information Ratio	-0.23	-0.54



JPMORGAN US SMALL COMPANY R6

DECEMBER 2015 ASSET VALUE: \$0.00

Ticker	JUSMX
Net Assets (M)	\$1,101.56
Category/Universe	Morningstar Small Blend
Benchmark	Russell 2000 TR USD

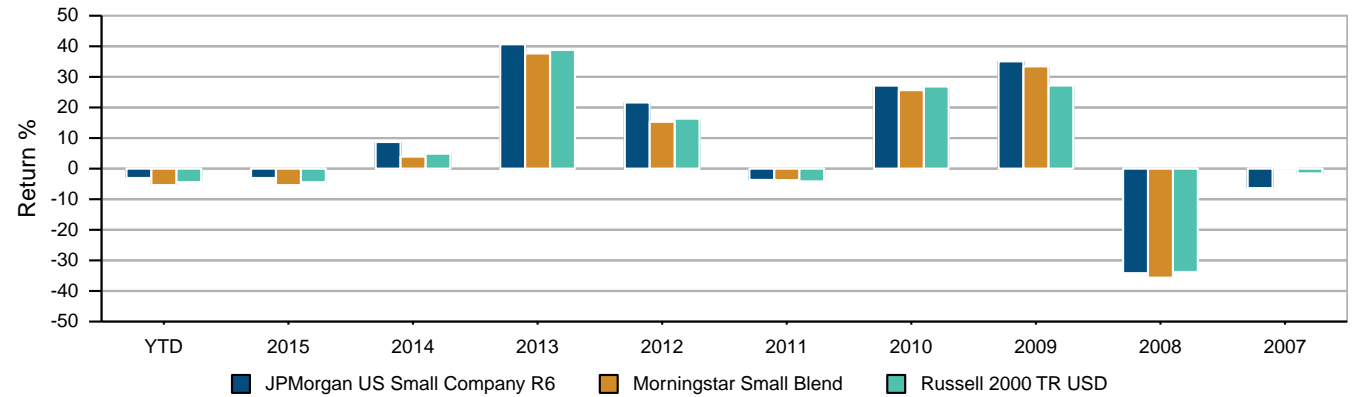
Asset Allocation	Fund(%)	Category(%)
Domestic Stock	94.89	93.35
Foreign Stock	1.21	2.61
Domestic Bond	0.00	-1.94
Foreign Bond	0.00	0.47
Preferred Bond	0.00	0.02
Convertible Bond	0.00	0.00
Cash	3.90	5.11
Other	0.00	0.38

Capitalization	Fund(%)	Category(%)
Giant	0.00	0.06
Large	0.00	0.76
Mid	10.81	18.85
Small	44.56	48.44
Micro	44.63	31.89

Sector Exposure	Fund(%)	Category(%)
Cyclicals Total	39.88	45.38
Basic Materials	2.16	4.71
Cons. Cyclicals	13.88	15.81
Financials	15.44	18.04
Real Estate	8.40	6.82
Defensive Total	23.58	17.48
Cons. Defensive	4.45	4.45
Health Care	15.56	10.18
Utilities	3.57	2.86
Sensitive Total	36.54	37.14
Communications	3.20	1.24
Energy	2.30	3.23
Industrials	14.51	17.19
Technology	16.53	15.49

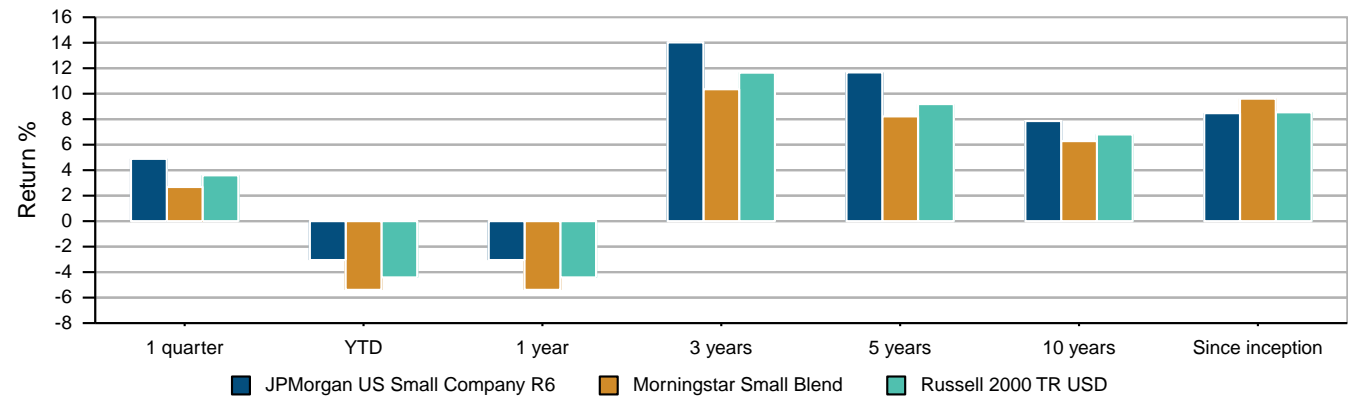
Sub-Regional Exposure	Fund(%)	Category(%)
U.S.	94.89	92.94
Canada	0.21	0.79
Latin America	0.19	0.30
U.K.	0.38	0.38
EuroZone	0.43	0.37
Europe ex-EuroZone	0.00	0.14
Developed Asia	0.00	0.05
Emerging Asia	0.00	0.19
Emerging Europe	0.00	0.00
Africa	0.00	0.03
Middle East	0.00	0.14
Japan	0.00	0.07
Australasia	0.00	0.14

Calendar Year Returns



	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007
JPMorgan US Small Company R6	-3.05	-3.05	8.71	40.66	21.63	-3.69	27.15	35.08	-34.18	-6.36
Morningstar Small Blend	-5.39	-5.39	3.93	37.66	15.32	-3.75	25.67	33.44	-35.66	0.31
Russell 2000 TR USD	-4.41	-4.41	4.89	38.82	16.35	-4.18	26.85	27.17	-33.79	-1.57
% Rank in Category	28	28	7	24	6	52	34	33	44	88

Annualized Returns

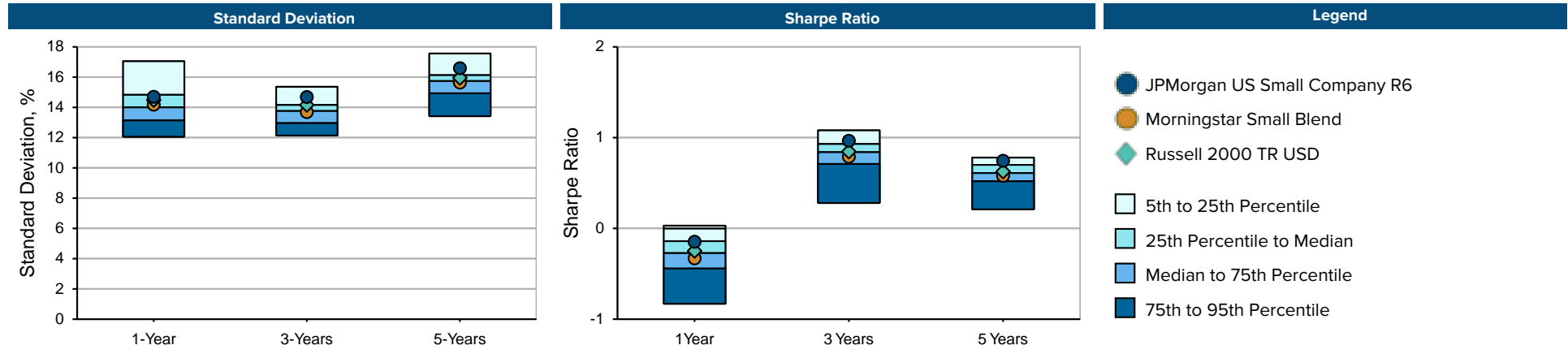


	1 quarter	YTD	1 year	3 years	5 years	10 years	Since inception
JPMorgan US Small Company R6	4.89	-3.05	-3.05	14.02	11.67	7.85	8.47
Morningstar Small Blend	2.68	-5.39	-5.39	10.35	8.22	6.28	9.61
Russell 2000 TR USD	3.59	-4.41	-4.41	11.65	9.19	6.80	8.54
% Rank in Category	8	28	28	8	3	13	77



JPMORGAN US SMALL COMPANY R6

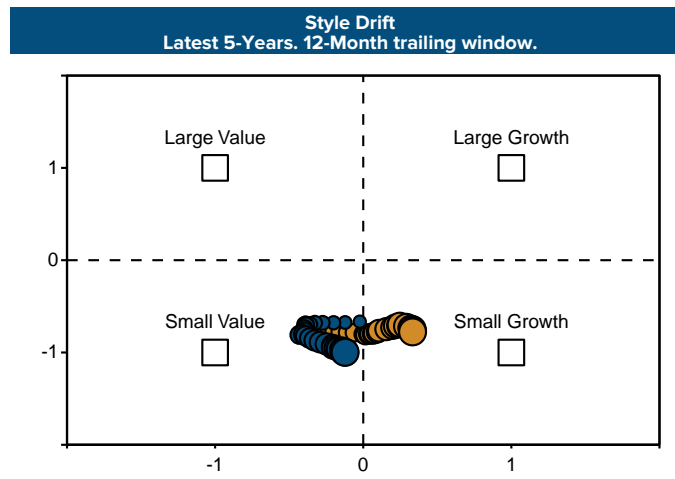
DECEMBER 2015 ASSET VALUE: \$0.00



	YTD	1-Year	3-Years	5-Years
JPMorgan US Small Company R6	14.70	14.70	14.69	16.59
Morningstar Small Blend	14.18	14.18	13.69	15.64
Russell 2000 TR USD	14.48	14.48	14.16	15.95
Managers	779	779	639	564

	YTD	1-Year	3-Years	5-Years
JPMorgan US Small Company R6	-0.15	-0.15	0.97	0.75
Morningstar Small Blend	-0.33	-0.33	0.79	0.58
Russell 2000 TR USD	-0.25	-0.25	0.85	0.63
Managers	779	779	639	564

Metrics	Fund	Category
Prospectus Net. Exp.	0.74	1.25
Overall Morningstar Rating	5	2
Manager Tenure Longest	11.42	8.13
Turnover Ratio	56	68
Price/Earnings	17.75	18.39
Price/Book	1.78	1.77
Holdings	370	368



Metrics 3-Years	Fund	Category
Alpha (%)	1.90	-0.33
Beta (%)	1.02	0.92
R-Squared (%)	97.52	91.10
Up Capture (%)	107.58	89.92
Down Capture (%)	98.09	92.75
Information Ratio	1.01	-0.54



LAZARD INTERNATIONAL EQUITY R6

DECEMBER 2015 ASSET VALUE: \$0.00

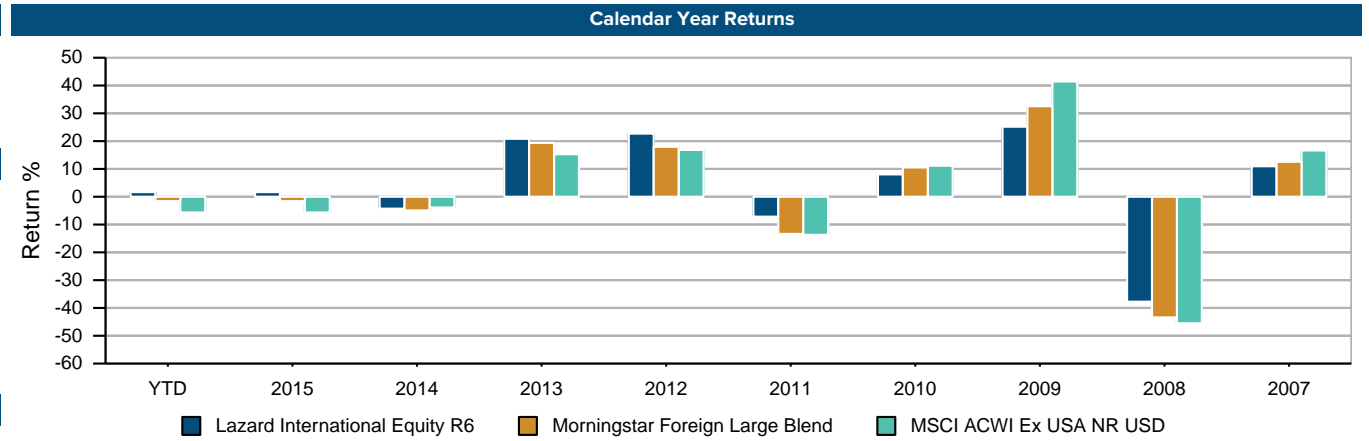
Ticker	RLIEX
Net Assets (M)	\$864.19
Category/Universe	Morningstar Foreign Large Blend
Benchmark	MSCI ACWI Ex USA NR USD

Asset Allocation	Fund(%)	Category(%)
Domestic Stock	2.95	5.59
Foreign Stock	89.53	89.91
Domestic Bond	0.00	-2.33
Foreign Bond	0.00	0.85
Preferred Bond	0.00	0.04
Convertible Bond	0.00	0.02
Cash	4.69	4.66
Other	2.84	1.26

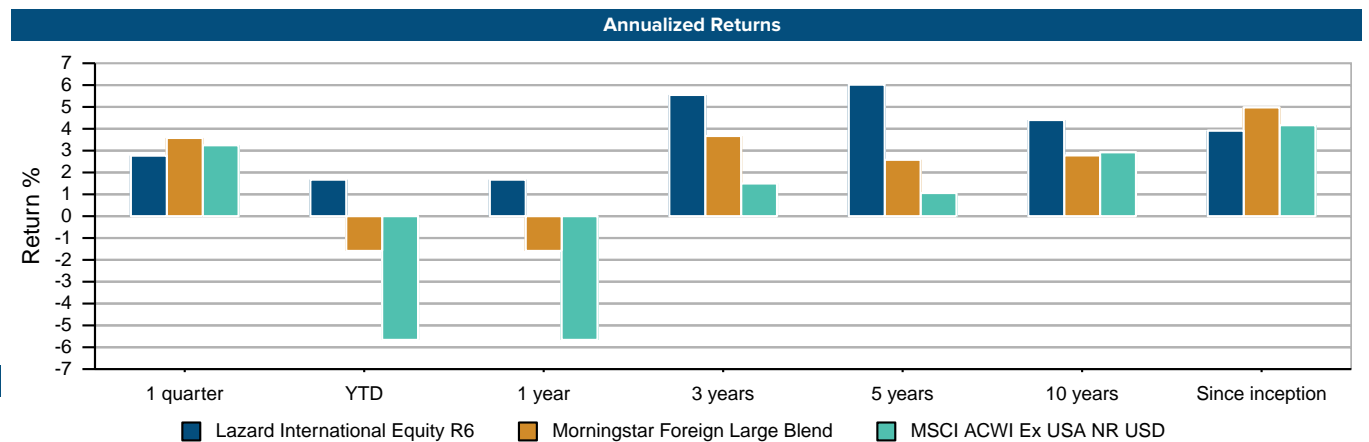
Capitalization	Fund(%)	Category(%)
Giant	46.65	49.59
Large	39.68	34.30
Mid	13.68	14.16
Small	0.00	1.75
Micro	0.00	0.20

Sector Exposure	Fund(%)	Category(%)
Cyclicals Total	42.30	43.23
Basic Materials	3.85	6.50
Cons. Cyclicals	12.59	13.84
Financials	22.71	20.01
Real Estate	3.15	2.88
Defensive Total	28.70	24.99
Cons. Defensive	14.38	11.17
Health Care	13.20	11.17
Utilities	1.12	2.64
Sensitive Total	29.00	31.78
Communications	7.64	5.71
Energy	5.56	4.62
Industrials	8.80	11.93
Technology	7.00	9.52

Sub-Regional Exposure	Fund(%)	Category(%)
U.S.	2.95	2.92
Canada	0.97	2.34
Latin America	0.45	1.13
U.K.	22.20	17.75
EuroZone	26.01	25.28
Europe ex-EuroZone	12.01	12.09
Developed Asia	1.62	5.46
Emerging Asia	1.36	4.59
Emerging Europe	0.88	0.51
Africa	0.00	0.36
Middle East	2.12	1.00
Japan	19.73	17.89
Australasia	2.18	3.33



	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007
Lazard International Equity R6	1.67	1.67	-4.29	20.84	22.70	-7.17	8.04	25.19	-37.75	10.96
Morningstar Foreign Large Blend	-1.59	-1.59	-4.93	19.34	17.96	-13.37	10.54	32.56	-43.40	12.58
MSCI ACWI Ex USA NR USD	-5.66	-5.66	-3.87	15.29	16.83	-13.71	11.15	41.45	-45.53	16.65
% Rank in Category	16	16	35	38	10	7	72	85	6	60

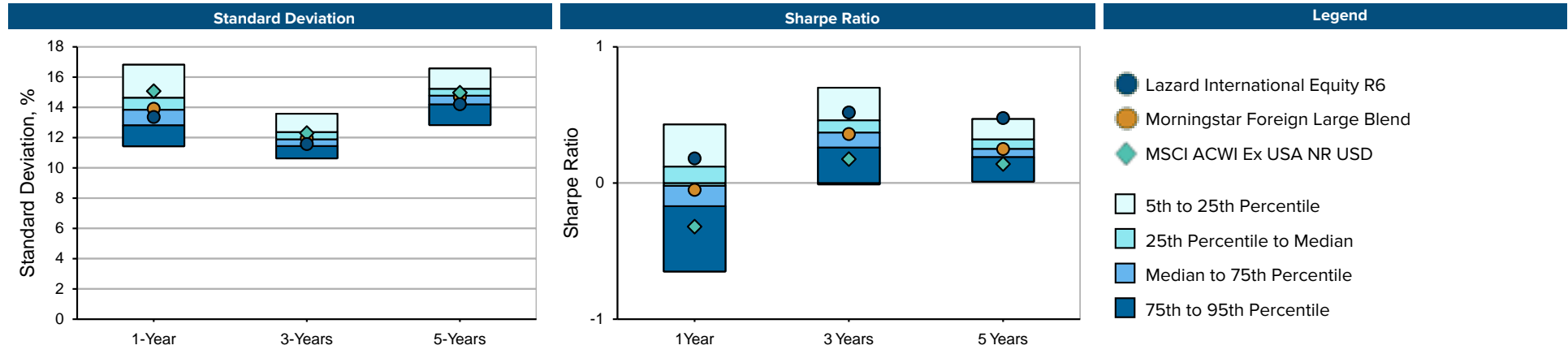


	1 quarter	YTD	1 year	3 years	5 years	10 years	Since inception
Lazard International Equity R6	2.77	1.67	1.67	5.55	6.02	4.40	3.91
Morningstar Foreign Large Blend	3.58	-1.59	-1.59	3.67	2.58	2.78	4.98
MSCI ACWI Ex USA NR USD	3.24	-5.66	-5.66	1.50	1.06	2.92	4.16
% Rank in Category	79	16	16	17	5	16	48



LAZARD INTERNATIONAL EQUITY R6

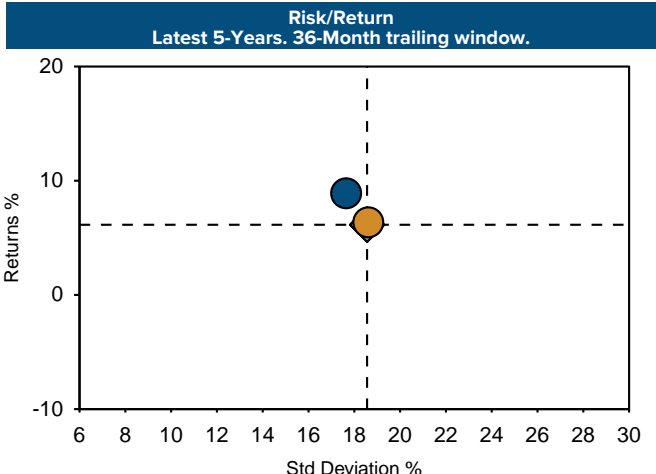
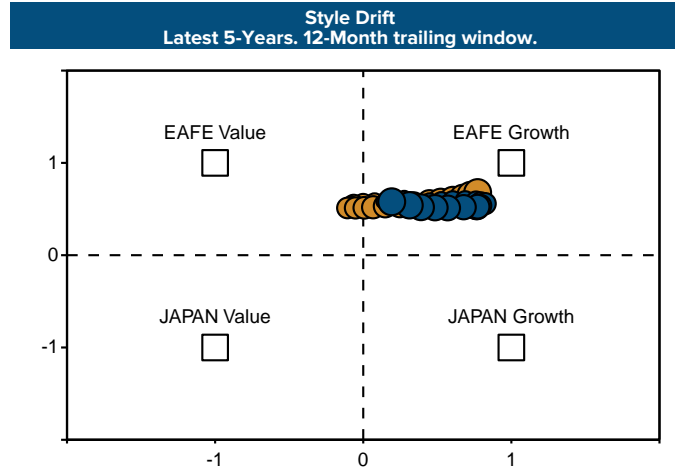
DECEMBER 2015 ASSET VALUE: \$0.00



	YTD	1-Year	3-Years	5-Years
Lazard International Equity R6	13.36	13.36	11.58	14.21
Morningstar Foreign Large Blend	13.91	13.91	11.96	14.69
MSCI ACWI Ex USA NR USD	15.07	15.07	12.30	14.97
Managers	788	788	694	605

	YTD	1-Year	3-Years	5-Years
Lazard International Equity R6	0.18	0.18	0.52	0.48
Morningstar Foreign Large Blend	-0.05	-0.05	0.36	0.25
MSCI ACWI Ex USA NR USD	-0.32	-0.32	0.18	0.14
Managers	788	788	694	605

Metrics	Fund	Category
Prospectus Net. Exp.	0.80	1.19
Overall Morningstar Rating	4	2
Manager Tenure Longest	23.93	6.76
Turnover Ratio	36	72
Price/Earnings	16.71	15.99
Price/Book	2.02	1.74
Holdings	73	342



Metrics 3-Years	Fund	Category
Alpha (%)	4.08	2.22
Beta (%)	0.89	0.92
R-Squared (%)	89.66	90.31
Up Capture (%)	101.41	98.21
Down Capture (%)	78.16	85.81
Information Ratio	1.02	0.56



VANGUARD TOTAL INTL STOCK INDEX ADMIRAL

DECEMBER 2015 ASSET VALUE: \$0.00

Ticker	VTIAX
Net Assets (M)	\$186,910.75
Category/Universe	Morningstar Foreign Large Blend
Benchmark	FTSE Global All Cap ex US TR USD

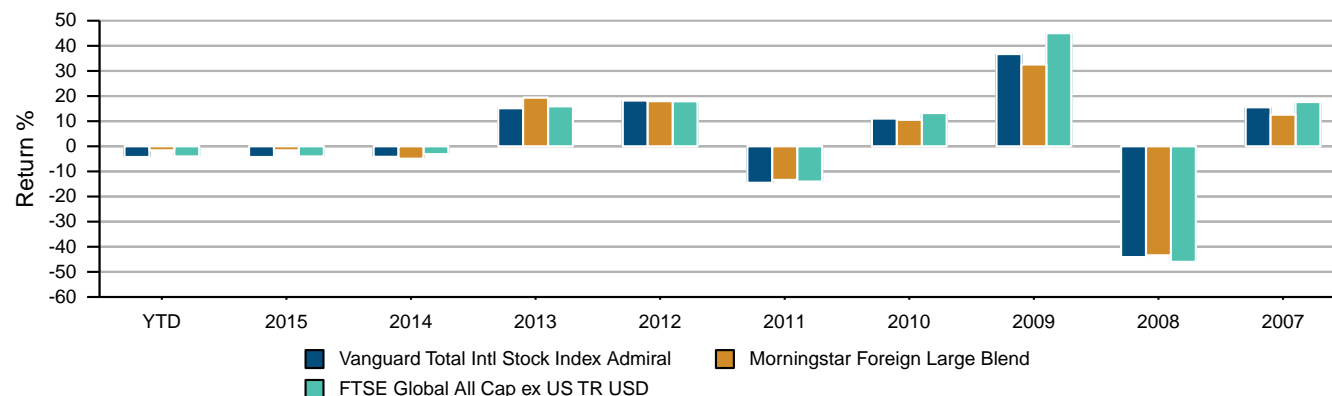
Asset Allocation	Fund(%)	Category(%)
Domestic Stock	0.43	5.59
Foreign Stock	98.81	89.91
Domestic Bond	0.00	-2.33
Foreign Bond	0.00	0.85
Preferred Bond	0.09	0.04
Convertible Bond	0.00	0.02
Cash	0.48	4.66
Other	0.20	1.26

Capitalization	Fund(%)	Category(%)
Giant	49.21	49.59
Large	29.84	34.30
Mid	16.60	14.16
Small	4.13	1.75
Micro	0.23	0.20

Sector Exposure	Fund(%)	Category(%)
Cyclicals Total	45.34	43.23
Basic Materials	7.78	6.50
Cons. Cyclicals	12.40	13.84
Financials	21.28	20.01
Real Estate	3.88	2.88
Defensive Total	22.95	24.99
Cons. Defensive	10.41	11.17
Health Care	9.25	11.17
Utilities	3.29	2.64
Sensitive Total	31.71	31.78
Communications	5.00	5.71
Energy	5.82	4.62
Industrials	11.78	11.93
Technology	9.11	9.52

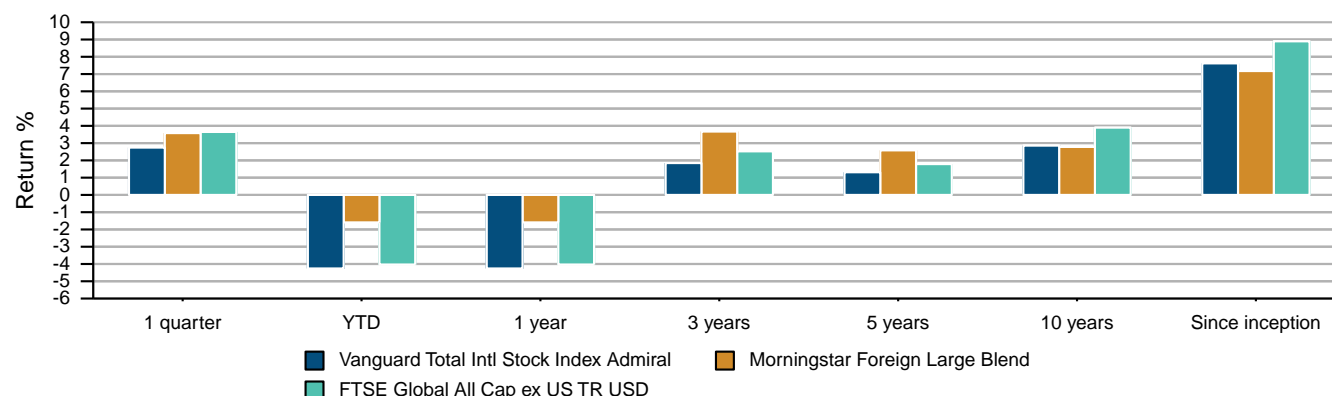
Sub-Regional Exposure	Fund(%)	Category(%)
U.S.	0.42	2.92
Canada	6.09	2.34
Latin America	2.29	1.13
U.K.	14.54	17.75
EuroZone	20.97	25.28
Europe ex-EuroZone	10.07	12.09
Developed Asia	8.24	5.46
Emerging Asia	8.33	4.59
Emerging Europe	1.00	0.51
Africa	1.48	0.36
Middle East	0.68	1.00
Japan	17.80	17.89
Australasia	4.81	3.33

Calendar Year Returns



	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007
Vanguard Total Intl Stock Index Admiral	-4.26	-4.26	-4.17	15.14	18.21	-14.52	11.04	36.73	-44.10	15.52
Morningstar Foreign Large Blend	-1.59	-1.59	-4.93	19.34	17.96	-13.37	10.54	32.56	-43.40	12.58
FTSE Global All Cap ex US TR USD	-4.03	-4.03	-3.12	15.90	17.92	-14.03	13.23	45.04	-46.01	17.63
% Rank in Category	80	80	33	82	44	66	43	21	57	20

Annualized Returns



	1 quarter	YTD	1 year	3 years	5 years	10 years	Since inception
Vanguard Total Intl Stock Index Admiral	2.74	-4.26	-4.26	1.84	1.31	2.86	7.62
Morningstar Foreign Large Blend	3.58	-1.59	-1.59	3.67	2.58	2.78	7.17
FTSE Global All Cap ex US TR USD	3.65	-4.03	-4.03	2.52	1.78	3.90	8.89
% Rank in Category	80	80	80	83	83	43	30

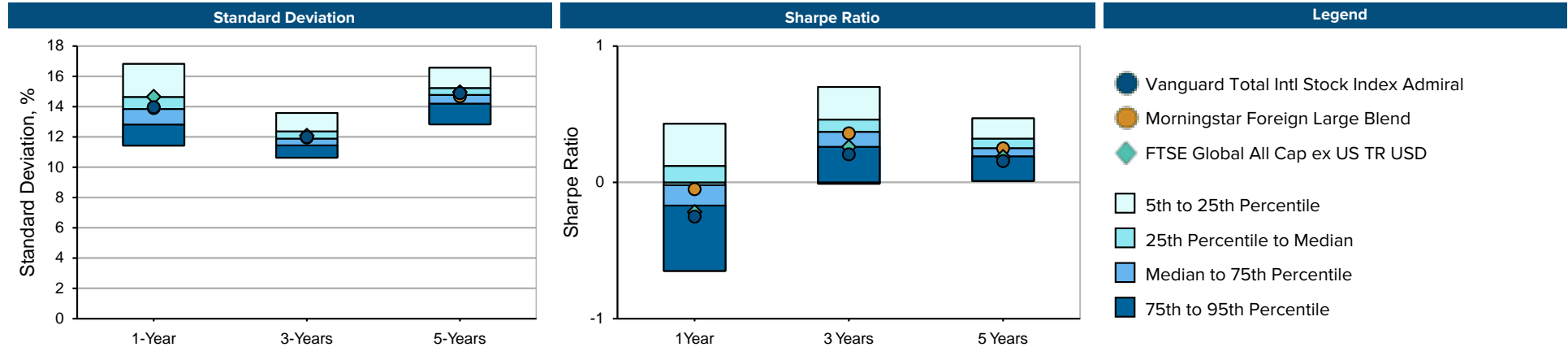
Data Sources: Morningstar as of 12.31.2015

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VANGUARD TOTAL INTL STOCK INDEX ADMIRAL

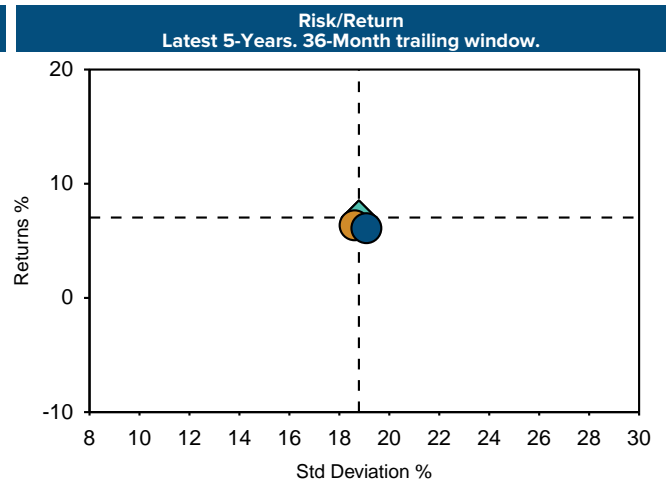
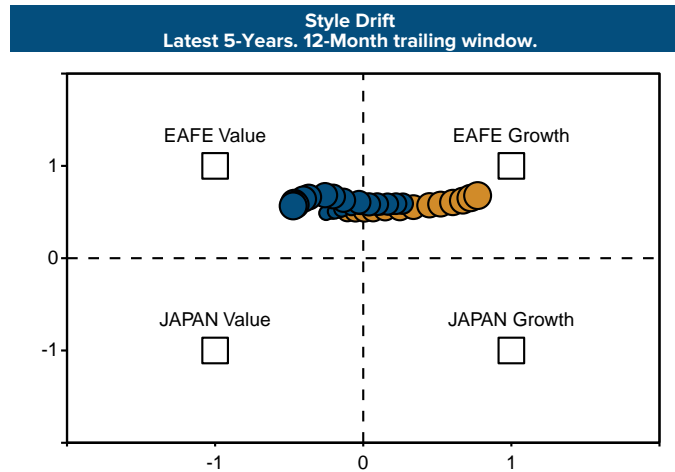
DECEMBER 2015 ASSET VALUE: \$0.00



	YTD	1-Year	3-Years	5-Years
Vanguard Total Intl Stock Index Admiral	13.96	13.96	11.99	14.89
Morningstar Foreign Large Blend	13.91	13.91	11.96	14.69
FTSE Global All Cap ex US TR USD	14.66	14.66	12.09	14.96
Managers	788	788	694	605

	YTD	1-Year	3-Years	5-Years
Vanguard Total Intl Stock Index Admiral	-0.25	-0.25	0.21	0.16
Morningstar Foreign Large Blend	-0.05	-0.05	0.36	0.25
FTSE Global All Cap ex US TR USD	-0.22	-0.22	0.26	0.19
Managers	788	788	694	605

Metrics	Fund	Category
Prospectus Net. Exp.	0.14	1.19
Overall Morningstar Rating	2	2
Manager Tenure Longest	7.41	6.76
Turnover Ratio	3	72
Price/Earnings	14.84	15.99
Price/Book	1.55	1.74
Holdings	5947	342



Metrics 3-Years	Fund	Category
Alpha (%)	-0.63	1.27
Beta (%)	0.98	0.94
R-Squared (%)	98.40	90.18
Up Capture (%)	97.73	97.25
Down Capture (%)	101.84	90.29
Information Ratio	-0.44	0.27

TIAA-CREF REAL ESTATE SEC INSTL

DECEMBER 2015 ASSET VALUE: \$0.00

Ticker	TIREX
Net Assets (M)	\$1,830.28
Category/Universe	Morningstar Real Estate
Benchmark	DJ US Select REIT TR USD

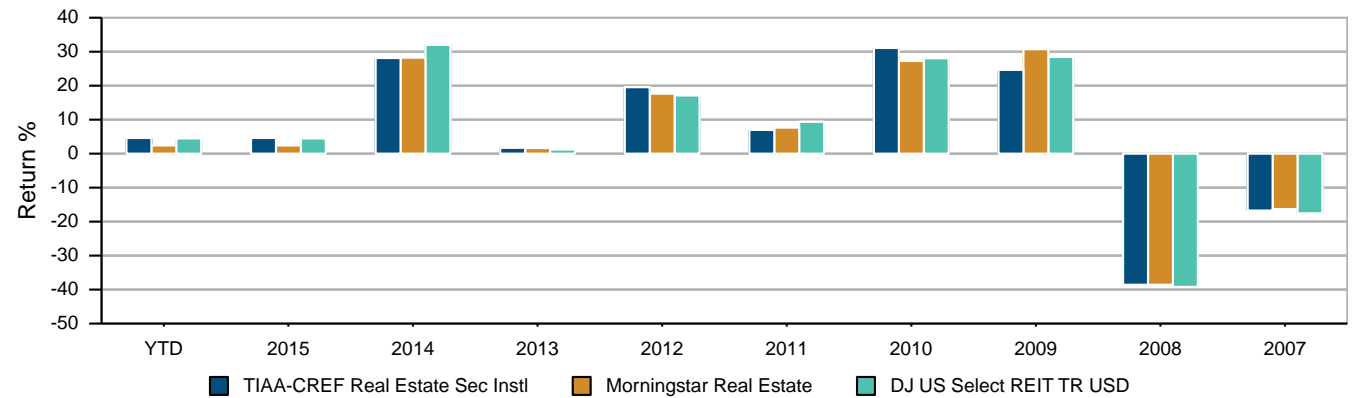
Asset Allocation	Fund(%)	Category(%)
Domestic Stock	95.38	91.90
Foreign Stock	0.00	0.80
Domestic Bond	0.00	3.45
Foreign Bond	0.00	0.12
Preferred Bond	0.00	2.42
Convertible Bond	0.00	0.14
Cash	4.62	-1.08
Other	0.00	2.24

Capitalization	Fund(%)	Category(%)
Giant	0.00	0.22
Large	49.08	40.74
Mid	32.35	36.67
Small	13.33	19.09
Micro	5.24	3.28

Sector Exposure	Fund(%)	Category(%)
Cyclicals Total	95.17	98.08
Basic Materials	0.44	0.56
Cons. Cyclicals	1.06	1.97
Financials	0.86	0.21
Real Estate	92.81	95.33
Defensive Total	0.46	0.24
Cons. Defensive	0.00	0.00
Health Care	0.46	0.11
Utilities	0.00	0.13
Sensitive Total	4.37	1.68
Communications	4.36	1.48
Energy	0.00	0.05
Industrials	0.01	0.12
Technology	0.00	0.03

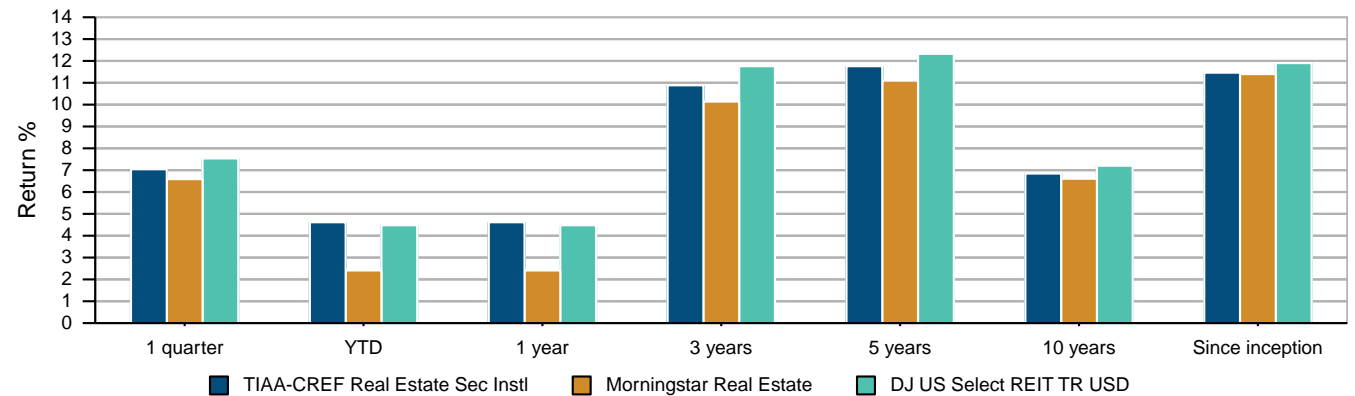
Sub-Regional Exposure	Fund(%)	Category(%)
U.S.	95.38	91.84
Canada	0.00	0.47
Latin America	0.00	0.02
U.K.	0.00	0.04
EuroZone	0.00	0.04
Europe ex-EuroZone	0.00	-
Developed Asia	0.00	0.16
Emerging Asia	0.00	0.01
Emerging Europe	0.00	-
Africa	0.00	-
Middle East	0.00	-
Japan	0.00	0.00
Australasia	0.00	0.04

Calendar Year Returns



	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007
TIAA-CREF Real Estate Sec Instl	4.62	4.62	28.13	1.71	19.55	6.97	31.10	24.65	-38.58	-16.74
Morningstar Real Estate	2.41	2.41	28.24	1.64	17.64	7.66	27.27	30.73	-38.57	-16.29
DJ US Select REIT TR USD	4.48	4.48	32.00	1.22	17.12	9.37	28.07	28.46	-39.20	-17.55
% Rank in Category	10	10	72	48	12	65	9	83	59	57

Annualized Returns

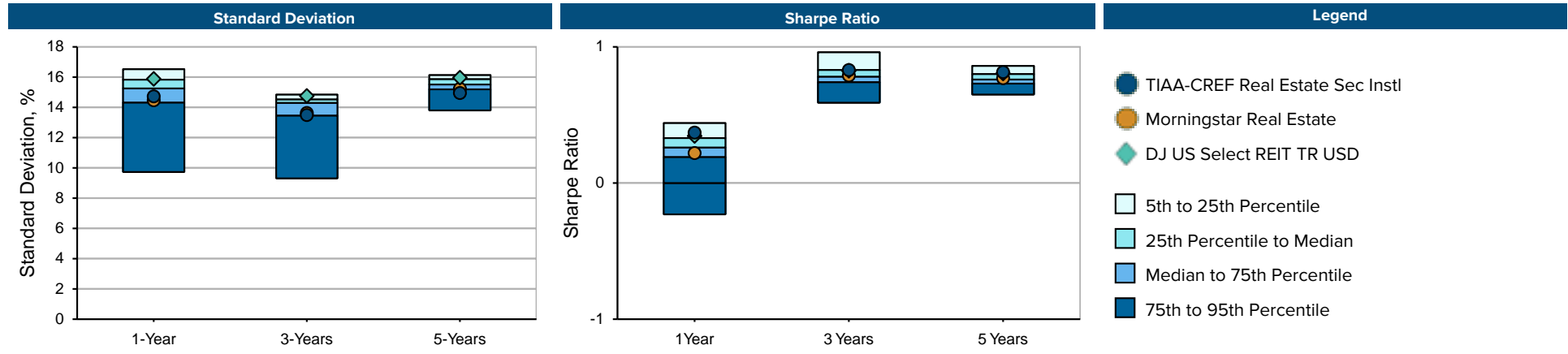


	1 quarter	YTD	1 year	3 years	5 years	10 years	Since inception
TIAA-CREF Real Estate Sec Instl	7.04	4.62	4.62	10.88	11.76	6.85	11.46
Morningstar Real Estate	6.59	2.41	2.41	10.14	11.10	6.61	11.40
DJ US Select REIT TR USD	7.54	4.48	4.48	11.76	12.32	7.20	11.90
% Rank in Category	49	10	10	37	29	53	51



TIAA-CREF REAL ESTATE SEC INSTL

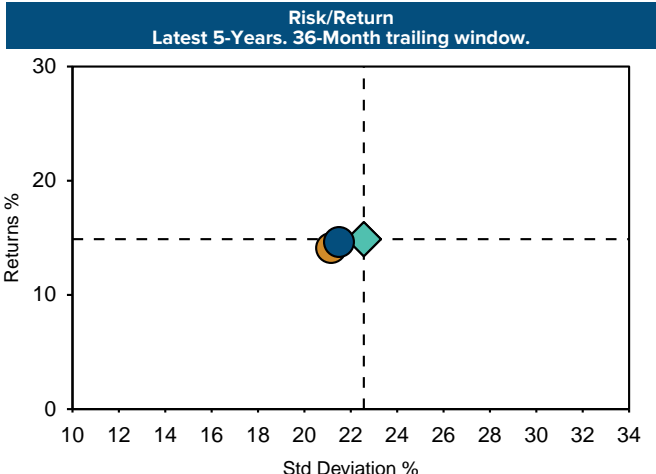
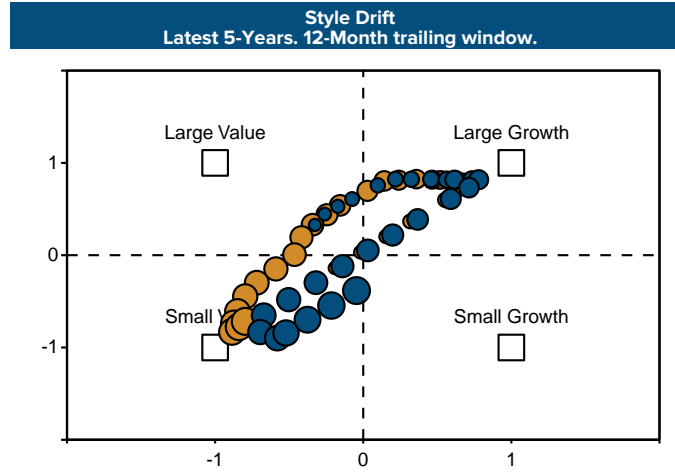
DECEMBER 2015 ASSET VALUE: \$0.00



	YTD	1-Year	3-Years	5-Years
TIAA-CREF Real Estate Sec Instl	14.73	14.73	13.49	14.95
Morningstar Real Estate	14.47	14.47	13.63	15.23
DJ US Select REIT TR USD	15.88	15.88	14.76	15.96
Managers	282	282	242	208

	YTD	1-Year	3-Years	5-Years
TIAA-CREF Real Estate Sec Instl	0.37	0.37	0.83	0.81
Morningstar Real Estate	0.22	0.22	0.79	0.77
DJ US Select REIT TR USD	0.35	0.35	0.82	0.80
Managers	282	282	242	208

Metrics	Fund	Category
Prospectus Net. Exp.	0.52	1.29
Overall Morningstar Rating	3	2
Manager Tenure Longest	10.01	10.07
Turnover Ratio	29	71
Price/Earnings	36.30	32.01
Price/Book	2.54	2.33
Holdings	55	75



Metrics 3-Years	Fund	Category
Alpha (%)	0.18	-0.46
Beta (%)	0.91	0.91
R-Squared (%)	98.09	95.86
Up Capture (%)	89.16	88.94
Down Capture (%)	89.36	92.41
Information Ratio	-0.38	-0.68



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 is in the lowest 60th percentile of the respective Morningstar peer group
Risk-Adjusted Return(3-Year Sharpe)	Sharpe Ratio is in the highest 60th percentile of the respective Morningstar peer group
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

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 and 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. Assign each TDF to one of the six categories, based on their relative scores. <u>Preservation – Conservative:</u> AlliaAllianzGI Retirement, Great-West Lifetime I, Harbor Target Retirement Instl, JHancock2 Retirement Choices, Manning & Napier Target C, PIMCO RealPath A (formerly RealRetirement), PIMCO RealPath Blend, Putnam RetirementReady A, Wells Fargo Advantage DJ Target A <u>Preservation – Moderate:</u> American Century One Choice, Great-West Lifetime II, Invesco Balanced-Risk Retire A, MFS Lifetime A, Principal LifeTime Instl, Russell LifePoints R1, T. Rowe Price Target Retirement, USAA Target Retirement <u>Preservation – Aggressive:</u> AB Multi Manager Select, Franklin LifeSmart Retire Trgt, Voya Index Solution Port I, JPMorgan SmartRetirement A, JPMorgan SmartRetirement Blend, Voya Solution Port I
STEP 5:	<u>Extension – Conservative:</u> BlackRock LifePath Active, BlackRock Lifepath Index Retire, BlackRock LifePath Portfolio, MainStay Retirement A, Nationwide Destination A, Schwab Target, Vantagepoint Milestone Inv M <u>Extension – Moderate:</u> American Funds Trgt Date Ret, PNC I, State Farm LifePath Legacy A, TIAA-CREF Lifecycle Index Inst, TIAA-CREF Lifecycle Instl, Vanguard Target Retirement Inv <u>Extension – Aggressive:</u> BMO Target Retirement, Fidelity Freedom, Fidelity Freedom Index, Great-West Lifetime III, Great-West SecureFoundation LT, GuideStone Funds MyDestination GS4, JHancock2 Retire Living through A, MassMutual RetireSMART A, Strategic Advisers Multi-Mgr, T. Rowe Price Retirement

GLOSSARY AND STANDARD DISCLOSURES

TARGET DATE ANALYSIS DEFINITIONS

Terms	Definition and Application
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Target Date Index

Dow Jones 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

	Stock	Bond	Cash
Dow Jones Target Today Index	15.00%	50.50%	34.50%
Dow Jones Target 2005	15.00%	50.50%	34.50%
Dow Jones Target 2010	17.04%	55.66%	27.30%
Dow Jones Target 2015	23.06%	70.87%	6.07%
Dow Jones Target 2020	32.32%	63.68%	4.00%
Dow Jones Target 2025	44.40%	51.60%	4.00%
Dow Jones Target 2030	58.76%	37.24%	4.00%
Dow Jones Target 2035	71.31%	24.69%	4.00%
Dow Jones Target 2040	81.21%	14.79%	4.00%
Dow Jones Target 2045	87.59%	8.41%	4.00%
Dow Jones Target 2050	89.84%	6.16%	4.00%
Dow Jones Target 2055	89.84%	6.16%	4.00%

GLOSSARY AND STANDARD DISCLOSURES

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.

GLOSSARY AND STANDARD DISCLOSURES

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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