

# STATE OF DELAWARE

03.31.2018 - Fiduciary Due Diligence Report

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## Due Diligence Begins with Careful Oversight

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# INTRODUCTION

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

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

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

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

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

# CAMMACK RETIREMENT GROUP

## CONTACTS

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# EXECUTIVE SUMMARY

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## Plan Review

- As of March 31, 2018, the State of Delaware Deferred Compensation Plans held approximately \$747.3 million in total assets, representing an increase of approximately \$5.7 million (0.77% change) over total assets as of December 31, 2017. Quarterly contributions to the Plan were approximately \$16.3 million.
  - \$638.7 million was invested in the State of Delaware 457(b) Deferred Compensation Plan
  - \$86.7 million was invested in the State of Delaware 403(b) Plan <sup>1</sup>
  - \$21.8 million was invested in the State of Delaware 401(a) Match Plan
- The weighted average expense ratio of the funds (excluding the Voya Fixed Plus Account) is 0.35%, as compared to the 2017 NAGDCA Perspectives in Practice Survey average of 0.32% for similarly sized Plans (\$700 million-\$2 billion).
- There is an asset-based fee of eight basis points (0.08%)<sup>2</sup> charged to each participant; this fee pays for Voya recordkeeping and administrative services. There is an asset-based fee of five basis points (0.05%) (not to exceed \$200.00 annually) charged to each participant; this fee pays the State of Delaware's administrative fee. In the 2017 NAGDCA Perspectives in Practice Survey, the average net administrative fee for similarly sized Plans (\$700 million-\$2 billion) was 0.14%.
- The Plan Expense Reimbursement Account balances as of March 31, 2018 were as follows:
  - \$96,355 in the State of Delaware 457(b) Deferred Compensation Plan
  - \$11,979 in the State of Delaware 403(b) Plan
  - \$3,381 in the State of Delaware 401(a) Match Plan

<sup>1</sup> Active contract only; excludes assets held in individual accounts at previous/legacy providers/contracts.

<sup>2</sup> For 2018, there is an asset-based fee of 0.076% charged to each participant, reduced temporarily from 0.08% in light of performance guarantees.

## EXECUTIVE SUMMARY (CONTINUED)

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### Investment Highlights

- Based on the analysis of funds under the Plans, using the criteria outlined in the Investment Policy Statement, the following fund recommendation is being made for consideration by the Committee:
  - ClearBridge Mid Cap Growth IS: Recommend for Watch.  
*We recommend continuing this fund on watch due to its relative underperformance to the benchmark over the near term. The fund's approach of investing in a wide range of growth companies has protected capital in challenging markets, but it also has participated in strong markets. However, the fund's recent underperformance is worth monitoring. The fund has higher earnings growth than the benchmark, which should help relative performance going forward. The last 12 months have seen marked improvement in performance and we expect to see that continue.*
- The remainder of the funds in the array are recommended to be maintained (*Not for Watch*). Additional commentary is provided for the following funds:
  - Templeton Global Bond R6: Recommend to maintain (*Not for Watch*).  
*This fund differs from the traditional world bond fund as the manager prefers to invest in high-yielding sovereign markets and currencies, and traditionally has limited exposure to the low-and-negative yielding developed market countries (i.e., Europe and Japan). As a result, the fund's performance can differ meaningfully against its peers and benchmark. The key detractor from returns in recent months has come from the fund's currency positioning, which has generally favored a stronger U.S. Dollar relative to the Euro and the Japanese Yen. Over the long term, the manager has delivered strong returns on both an absolute and relative basis.*
  - Lazard International Equity R6: Recommend to maintain (*Not for Watch*).  
*The fund focuses on the tradeoff between valuation and financial productivity. The fund's historic pattern of performance is one where it protects capital in down markets; it also performs well in fundamentally driven markets, but lags in low quality, rapidly rising markets. The fund's 3- and 5-year trailing returns were hurt by underperformance in 2016 and the first half of 2017 as its conservative higher quality orientation struggled during the low-quality rally. The fund invests in pure developed international equity, with limited exposure to emerging markets. This underweight exposure, compared to the category peers, hurt the performance of the strategy, as emerging markets outperformed developed equities. Despite the recent underperformance, the fund has delivered strong returns.*

## EXECUTIVE SUMMARY (CONTINUED)

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### Investment Highlights (continued)

#### *Tier One Highlights (Target Date Suite)*

- Approximately \$585.3 million was invested in the American Funds Target Date Retirement Fund series (represents 78.3% of assets). The target date series is designated as the Plans' default investment, which is to be used in the event a participant does not make an investment election.
  - 93% of unique Plan participants (across all plans) were invested in the target date series (19,209 unique participants).
  - The target date series received approximately 79.5% (\$13.0 million) of new contributions within the quarter.
  - Across the target date series, the average annualized returns (with the exception of the 10-year period for the 2010 and 2015 funds) rank in the top quartile for the 3-year, 5-year, and 10-year performance periods for all vintages.<sup>3</sup> The 2010 and 2015 funds are close to the top quartile, each ranking in the 27<sup>th</sup> percentile for the 10-year performance period.
  - Across the target date series, the average Sharpe Ratio (with the exception of the 10-year period for the 2015 fund) ranks in the top quartile for the 3-year, 5-year, and 10-year performance periods for all vintages.<sup>3</sup> The 2010 fund is close to the top quartile, ranking in the 26<sup>th</sup> percentile for the 10-year performance period.
- Effective January 1, 2018, the net expense ratios for the American Funds Target Date Retirement Series were reduced between 1 and 3 basis points across all vintages.

#### *Tier Two Highlights (Core Fund Array)*

- \$147.1 million was invested in Tier Two (represents 19.7% of assets).
  - Tier Two received approximately 20.5% (\$3.3 million) of new contributions within the quarter.
- Approximately \$15.4 million was invested in the Voya Fixed Plus Account III (across all Plans)
  - In the 403(b) Plan, the crediting rate for the Voya Fixed Plus Account is 2.50%. The minimum guaranteed crediting rate is 2.50%.
  - In the 401(a) and the 457(b) Plans, the crediting rate for the Voya Fixed Plus Account is 1.75%. The minimum guaranteed crediting rate is 1.00%.

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

## EXECUTIVE SUMMARY (CONTINUED)

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### Investment Highlights (continued)

#### *Tier Two Highlights (Core Fund Array) (continued)*

- Approximately \$131.7 million was invested in the Tier Two mutual fund options (excluding the Voya Fixed Plus Account)
  - For the 3-year period, 62% of the funds (8 of 13 funds) rank above the median; 46% (6 of 13 funds) rank in the top-quartile; 8% (1 of 13 funds) rank in the bottom quartile
  - For the 5-year period, 92% of the funds (12 of 13 funds) rank above the median; 46% (6 of 13 funds) rank in the top-quartile; no funds rank in the bottom quartile
  - For the 10-year period, 100% of the funds (12 of 12 funds) rank above the median; 92% (11 of 12 funds) rank in the top-quartile; no funds rank in the bottom quartile
- As of March 31, 2018, there were approximately \$3.72 million (0.50% of total Plan assets) invested in the Managed Account feature, representing 180 participant accounts.
- The following 4 fund offerings in Tier Two experienced a share class reduction effective January 23, 2018:
  - Vanguard 500 Index (0.005% (0.5 bps) reduction)
  - Vanguard Extended Market Index (0.02% (2 bps) reduction)
  - Vanguard Intermediate-Term Bond Index (0.02% (2 bps) reduction)
  - Vanguard Total International Stock Index (0.02% (2 bps) reduction)

#### *Tier Three Highlights (Self Directed Brokerage Account)*

- The TD Ameritrade Self Directed Brokerage Account held approximately \$14.8 million (represents 2.0% of assets), across 226 participant accounts.



## Fiduciary Best Practices

- Annual review of Investment Policy Statement (IPS)
- Conduct Annual Fiduciary Training

May 2018 Meeting\*

TBD\*\*

## Ongoing Review of Plan Investments

- Annual target date suite review
- Annual investment structure review

Aug/Sept 2018 Meeting\*

Aug/Sept 2018 Meeting\*

\* *Proposed dates; pending Committee approval*

\*\* *To be completed with tax counsel*

# Plan Allocation

# PLAN FINANCIALS: ASSETS AND CONTRIBUTIONS

| Fund Name                                | Ticker | Quarterly Contribution  |               | Assets              |               |                     |               |
|--|--------|-------------------------|---------------|---------------------|---------------|---------------------|---------------|
|  |        | 01/01/2018 - 03/31/2018 |               | 03/31/2018          |               | 12/31/2017          |               |
| <b>Fixed Account</b>                     |        |                         |               |                     |               |                     |               |
| Voya Fixed Plus Account III              |        | \$316,449               | 2%            | \$15,403,506        | 2%            | \$13,951,062        | 2%            |
| <b>Subtotal</b>                          |        | <b>\$316,449</b>        | <b>2%</b>     | <b>\$15,403,506</b> | <b>2%</b>     | <b>\$13,951,062</b> | <b>2%</b>     |
| <b>Money Market</b>                      |        |                         |               |                     |               |                     |               |
| Vanguard Federal Money Market Investor   | VMFXX  | \$214,180               | 1%            | \$10,301,435        | 1%            | \$10,612,475        | 1%            |
| <b>Subtotal</b>                          |        | <b>\$214,180</b>        | <b>1%</b>     | <b>\$10,301,435</b> | <b>1%</b>     | <b>\$10,612,475</b> | <b>1%</b>     |
| <b>Bond</b>                              |        |                         |               |                     |               |                     |               |
| PIMCO Total Return Instl                 | PTTRX  | \$91,308                | <1%           | \$3,973,680         | <1%           | \$4,130,948         | <1%           |
| Vanguard Interm-Term Bond Index Adm *    | VBILX  | \$70,172                | <1%           | \$0                 | 0%            | \$10,210,315        | 1%            |
| Vanguard Interm-Term Bond Index I *      | VBIMX  | \$140,554               | <1%           | \$10,096,822        | 1%            | \$0                 | 0%            |
| Templeton Global Bond R6                 | FBNRX  | \$59,634                | <1%           | \$2,278,903         | <1%           | \$1,839,836         | <1%           |
| <b>Subtotal</b>                          |        | <b>\$361,669</b>        | <b>2%</b>     | <b>\$16,349,405</b> | <b>2%</b>     | <b>\$16,181,100</b> | <b>2%</b>     |
| <b>Large Cap Equity U.S.</b>             |        |                         |               |                     |               |                     |               |
| American Funds Washington Mutual R6      | RWMGX  | \$177,109               | 1%            | \$7,904,438         | 1%            | \$7,918,910         | 1%            |
| Vanguard 500 Index Admiral *             | VFIAX  | \$327,210               | 2%            | \$0                 | 0%            | \$48,048,189        | 6%            |
| Vanguard Institutional Index I *         | VINIX  | \$692,212               | 4%            | \$47,625,253        | 6%            | \$0                 | 0%            |
| T. Rowe Price Blue Chip Growth I         | TBCIX  | \$369,403               | 2%            | \$15,248,494        | 2%            | \$13,195,716        | 2%            |
| <b>Subtotal</b>                          |        | <b>\$1,565,935</b>      | <b>10%</b>    | <b>\$70,778,185</b> | <b>9%</b>     | <b>\$69,162,814</b> | <b>9%</b>     |
| <b>Mid Cap Equity U.S.</b>               |        |                         |               |                     |               |                     |               |
| Vanguard Extended Market Index Admiral * | VEXAX  | \$89,138                | <1%           | \$0                 | 0%            | \$12,827,854        | 2%            |
| Vanguard Extended Market Index Instl *   | VIEIX  | \$214,964               | 1%            | \$12,876,137        | 2%            | \$0                 | 0%            |
| ClearBridge Mid Cap Growth IS            | LCMIX  | \$65,598                | <1%           | \$2,297,057         | <1%           | \$2,129,757         | <1%           |
| <b>Subtotal</b>                          |        | <b>\$369,700</b>        | <b>2%</b>     | <b>\$15,173,194</b> | <b>2%</b>     | <b>\$14,957,610</b> | <b>2%</b>     |
| <b>Small Cap Equity U.S.</b>             |        |                         |               |                     |               |                     |               |
| JPMorgan US Small Company R6             | JUSMX  | \$131,848               | <1%           | \$4,629,808         | <1%           | \$4,988,997         | <1%           |
| <b>Subtotal</b>                          |        | <b>\$131,848</b>        | <b>&lt;1%</b> | <b>\$4,629,808</b>  | <b>&lt;1%</b> | <b>\$4,988,997</b>  | <b>&lt;1%</b> |
| <b>International Equity</b>              |        |                         |               |                     |               |                     |               |
| Lazard International Equity R6 Vanguard  | RLIEX  | \$61,259                | <1%           | \$2,314,225         | <1%           | \$2,176,375         | <1%           |
| Total Intl Stock Idx Instl Pls *         | VTPSX  | \$180,748               | 1%            | \$9,430,720         | 1%            | \$0                 | 0%            |

\* These funds were part of a share class reduction which became effective January 23, 2018

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

Data Source: Voya as of 03.31.2018

Plan Number: 664095, 664093, 664094

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# PLAN FINANCIALS: ASSETS AND CONTRIBUTIONS

| Fund Name                                 | Ticker | Quarterly Contribution  |               | Assets               |               |                      |               |
|---|--------|-------------------------|---------------|----------------------|---------------|----------------------|---------------|
|   |        | 01/01/2018 - 03/31/2018 |               | 03/31/2018           |               | 12/31/2017           |               |
| Vanguard Total Intl Stock Index Admiral * | VTIAX  | \$83,229                | <1%           | \$0                  | 0%            | \$8,968,569          | 1%            |
| <b>Subtotal</b>                           |        | <b>\$325,237</b>        | <b>2%</b>     | <b>\$11,744,945</b>  | <b>2%</b>     | <b>\$11,144,945</b>  | <b>2%</b>     |
| <b>Specialty</b>                          |        |                         |               |                      |               |                      |               |
| TIAA-CREF Real Estate Sec Instl           | TIREX  | \$63,803                | <1%           | \$2,759,720          | <1%           | \$3,054,817          | <1%           |
| <b>Subtotal</b>                           |        | <b>\$63,803</b>         | <b>&lt;1%</b> | <b>\$2,759,720</b>   | <b>&lt;1%</b> | <b>\$3,054,817</b>   | <b>&lt;1%</b> |
| <b>Target Dates</b>                       |        |                         |               |                      |               |                      |               |
| American Funds 2010 Trgt Date Retire R6   | RFTTX  | \$193,023               | 1%            | \$30,374,079         | 4%            | \$31,569,472         | 4%            |
| American Funds 2015 Trgt Date Retire R6   | RFJTX  | \$492,742               | 3%            | \$49,408,618         | 7%            | \$51,722,965         | 7%            |
| American Funds 2020 Trgt Date Retire R6   | RRCTX  | \$1,937,760             | 12%           | \$107,519,654        | 14%           | \$109,484,293        | 15%           |
| American Funds 2025 Trgt Date Retire R6   | RFDTX  | \$2,167,559             | 13%           | \$107,610,286        | 14%           | \$107,340,614        | 14%           |
| American Funds 2030 Trgt Date Retire R6   | RFETX  | \$2,198,795             | 13%           | \$96,999,614         | 13%           | \$96,466,536         | 13%           |
| American Funds 2035 Trgt Date Retire R6   | RFFTX  | \$1,983,277             | 12%           | \$86,845,736         | 12%           | \$84,853,142         | 11%           |
| American Funds 2040 Trgt Date Retire R6   | RFGTX  | \$1,415,561             | 9%            | \$52,220,236         | 7%            | \$50,157,331         | 7%            |
| American Funds 2045 Trgt Date Retire R6   | RFHTX  | \$1,279,542             | 8%            | \$33,188,466         | 4%            | \$32,038,434         | 4%            |
| American Funds 2050 Trgt Date Retire R6   | RFITX  | \$774,502               | 5%            | \$14,705,444         | 2%            | \$14,575,709         | 2%            |
| American Funds 2055 Trgt Date Retire R6   | RFKTX  | \$433,280               | 3%            | \$4,834,089          | <1%           | \$4,470,456          | <1%           |
| American Funds 2060 Trgt Date Retire R6   | RFUTX  | \$97,411                | <1%           | \$1,578,761          | <1%           | \$1,474,950          | <1%           |
| <b>Subtotal</b>                           |        | <b>\$12,973,451</b>     | <b>79%</b>    | <b>\$585,284,983</b> | <b>78%</b>    | <b>\$584,153,902</b> | <b>79%</b>    |
| <b>Other</b>                              |        |                         |               |                      |               |                      |               |
| Self-Directed Brokerage                   |        | \$0                     | 0%            | \$14,826,233         | 2%            | \$13,366,197         | 2%            |
| <b>Subtotal</b>                           |        | <b>\$0</b>              | <b>0%</b>     | <b>\$14,826,233</b>  | <b>2%</b>     | <b>\$13,366,197</b>  | <b>2%</b>     |
| <b>Totals</b>                             |        | <b>\$16,322,270</b>     | <b>100%</b>   | <b>\$747,251,414</b> | <b>100%</b>   | <b>\$741,573,920</b> | <b>100%</b>   |

\* These funds were part of a share class reduction which became effective January 23, 2018

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

Data Source: Voya as of 03.31.2018

Plan Number: 664095, 664093, 664094

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# Investment Analysis

# INVESTMENT ANALYSIS:

## VOYA FIXED PLUS ACCOUNT III - 403(b) PLAN

### RECOMMENDATION:

Not on Watch

### OBJECTIVE

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

### LIQUIDITY

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

### RESTRICTIONS

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

### Basic Characteristics

|                                |   |
|--------------------------------|---|
| Product Type                   | General Account                               |
| Manager                        | Voya Retirement Insurance and Annuity Company |
| Guarantor                      | Voya Retirement Insurance and Annuity Company |
| Crediting Rate as of 3.31.2018 | 2.50%   |
| Minimum Guarantee              | 2.50% for 2018                                |

### Financial Strength – Ratings

|         | Ratings |                         |
|---------|---------|-------------------------|
| AM Best | A       | (3 <sup>rd</sup> of 16) |
| Fitch   | A       | (6 <sup>th</sup> of 19) |
| Moody's | A2      | (6 <sup>th</sup> of 21) |
| S&P     | A       | (6 <sup>th</sup> of 22) |

## INVESTMENT ANALYSIS:

### VOYA FIXED PLUS ACCOUNT III - 457(b) and 401(a) PLANS

#### RECOMMENDATION:

Not on Watch

#### OBJECTIVE

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

#### LIQUIDITY

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

#### RESTRICTIONS

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

#### Basic Characteristics

|                                |   |
|--------------------------------|---|
| Product Type                   | General Account                               |
| Manager                        | Voya Retirement Insurance and Annuity Company |
| Guarantor                      | Voya Retirement Insurance and Annuity Company |
| Crediting Rate as of 3.31.2018 | 1.75%   |
| Minimum Guarantee              | 1.00%   |

#### Financial Strength – Ratings

|         | Ratings |                         |
|---------|---------|-------------------------|
| AM Best | A       | (3 <sup>rd</sup> of 16) |
| Fitch   | A       | (6 <sup>th</sup> of 19) |
| Moody's | A2      | (6 <sup>th</sup> of 21) |
| S&P     | A       | (6 <sup>th</sup> of 22) |

# INVESTMENT ANALYSIS: MONEY MARKET

## Vanguard Federal Money Market Investor

| Peergroup/ Investment Name             | Ticker | Manager Tenure | Total Return(% rank in peergroup) |      |         |         |         |         | Risk | Risk Adj Return | R-Squared | Expense Ratio Vs-Peers | Overall Mstar Rating |
|--|--------|----------------|-----------------------------------|------|---------|---------|---------|---------|------|-----------------|-----------|------------------------|----------------------|
|  |        |                | Qtr                               | YTD  | 1 Year  | 3 Year  | 5 Year  | 10 Year |      |                 |           |                        |                      |
| Money Market-Taxable                   |        |                |                                   |      |         |         |         |         |      |                 |           |                        |                      |
| Vanguard Federal Money Market Investor | VMFXX  | 10.25          | 0.33                              | 0.33 | 1.02(5) | 0.49(3) | 0.30(2) | 0.35(6) | 0.12 | -0.85           | 88.29     | 0.11                   | -                    |
| Category Average                       |        | 14.11          | 0.24                              | 0.24 | 0.67    | 0.27    | 0.17    | 0.21    | 0.09 | -3.65           | 45.59     | 0.49                   | -                    |
| Citi Treasury Bill 3 Mon USD           |        | -              | 0.35                              | 0.35 | 1.07    | 0.49    | 0.31    | 0.31    | 0.13 | -0.87           | 100       | -                      | -                    |

[Manager:](#) Vanguard Group, Inc.  
[Market Value:](#) \$92.5 Billion  
[Current Yield:](#) 1.57%  
[Q1 2018 Recommendation:](#) Not on Watch

### Strategy

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

### Liquidity

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

### Restrictions

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



# INVESTMENT ANALYSIS: SCORECARD

| Fund Category          | Fund Name                              | Ticker | Manager Tenure | Performance vs. Index |      |       | Category Ranking |      |       | Risk | Risk Adj Return | R-Squared | Expense Ratio vs. Peers | Overall Mstar Rating | Recommendation |
|------------------------|--|--------|----------------|-----------------------|------|-------|------------------|------|-------|------|-----------------|-----------|-------------------------|----------------------|----------------|
|                        |  |        |                | 3 Yr                  | 5 Yr | 10 Yr | 3 Yr             | 5 Yr | 10 Yr |      |                 |           |                         |                      |                |
| Intermediate-Term Bond | PIMCO Total Return Instl               | PTTRX  | ✓              | ✓                     | ✓    | ✓     | ✓                | ✓    | ✓     | ✓    | ✓               | ✓         | ****                    | Not on Watch         |                |
| Intermediate-Term Bond | Vanguard Interm-Term Bond Index I      | VBIMX  | ✓              | ✓                     | ✓    | NA    | ✓                | ✓    | ✓     | ✓    | ✗               | ✓         | ✓                       | ****                 | 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 Blend            | Vanguard Institutional Index I         | VINIX  | ✓              | ✓                     | ✓    | ✓     | ✓                | ✓    | ✓     | ✓    | ✓               | ✓         | ✓                       | ****                 | Not on Watch   |
| Large Growth           | T. Rowe Price Blue Chip Growth I       | TBCIX  | ✓              | ✓                     | ✓    | ✓     | ✓                | ✓    | ✓     | ✗    | ✓               | ✓         | ✓                       | ****                 | Not on Watch   |
| Mid-Cap Blend          | Vanguard Extended Market Index Instl   | VIEIX  | ✓              | ✓                     | ✓    | ✓     | ✓                | ✓    | ✓     | ✓    | ✓               | ✓         | ✓                       | ****                 | Not on Watch   |
| Mid-Cap Growth         | ClearBridge Mid Cap Growth IS          | LCMIX  | ✓              | ✗                     | ✗    | NA    | ✓                | ✓    | NA    | ✗    | ✗               | ✓         | ✓                       | ***                  | Watch          |
| Small Blend            | JPMorgan US Small Company R6           | JUSMX  | ✓              | ✗                     | ✓    | ✓     | ✗                | ✓    | ✓     | ✓    | ✗               | ✓         | ✓                       | ***                  | Not on Watch   |
| Foreign Large Blend    | Lazard International Equity R6         | RLIEX  | ✓              | ✗                     | ✓    | ✓     | ✗                | ✗    | ✓     | ✓    | ✗               | ✓         | ✓                       | ***                  | Not on Watch   |
| Foreign Large Blend    | Vanguard Total Intl Stock Idx InstlPIs | VTPSX  | ✓              | ✓                     | ✓    | ✓     | ✓                | ✓    | ✓     | ✓    | ✓               | ✓         | ✓                       | ***                  | Not on Watch   |
| Real Estate            | TIAA-CREF Real Estate Sec Instl        | TIREX  | ✓              | ✓                     | ✓    | ✓     | ✓                | ✓    | ✓     | ✓    | ✓               | ✓         | ✓                       | ****                 | Not on Watch   |

The following funds are not included in this scorecard, but are shown on separate individual pages within the report: Voya Fixed Plus Account III, Vanguard Federal Money Market, and the American Funds Target Date Retirement Suite.

# INVESTMENT ANALYSIS: COMMENTARY

## ClearBridge Mid Cap Growth IS - Watch

| Fund Name                     | Ticker | Manager Tenure | Performance vs. Index |      |       | Category Ranking |      |       | Risk | Risk Adj Return | R-Squared | Expense Ratio vs.Peers | Overall Mstar Rating |
|-------------------------------|--------|----------------|-----------------------|------|-------|------------------|------|-------|------|-----------------|-----------|------------------------|----------------------|
|                               |        |                | 3 Yr                  | 5 Yr | 10 Yr | 3 Yr             | 5 Yr | 10 Yr |      |                 |           |                        |                      |
| ClearBridge Mid Cap Growth IS | LCMIX  | ✓              | ✗                     | ✗    | NA    | ✓                | ✓    | NA    | ✗    | ✗               | ✓         | ✓                      | ***                  |

| Peergroup/ Investment Name    | Ticker | Manager Tenure | Total Return(% rank in peergroup) |      |           |          |           |         | Risk  | Risk Adj Return | R-Squared | Expense Ratio Vs-Peers | Overall Mstar Rating |
|-------------------------------|--------|----------------|-----------------------------------|------|-----------|----------|-----------|---------|-------|-----------------|-----------|------------------------|----------------------|
|                               |        |                | Qtr                               | YTD  | 1 Year    | 3 Year   | 5 Year    | 10 Year |       |                 |           |                        |                      |
| Mid-Cap Growth                |        |                |                                   |      |           |          |           |         |       |                 |           |                        |                      |
| ClearBridge Mid Cap Growth IS | LCMIX  | 7.58           | 3.29                              | 3.29 | 19.56(39) | 8.12(55) | 12.11(46) | -       | 13.03 | 0.63            | 92.36     | 0.75                   | 3                    |
| Category Average              |        | 9.98           | 2.15                              | 2.15 | 18.34     | 8.28     | 11.94     | 9.39    | 11.81 | 0.70            | 84.73     | 1.18                   | 3                    |
| Russell Mid Cap Growth TR USD |        | -              | 2.17                              | 2.17 | 19.74     | 9.17     | 13.31     | 10.61   | 10.99 | 0.81            | 100       | -                      | -                    |

### Q1 2018 Recommendation

We recommend continuing this fund on watch due to its relative underperformance to the benchmark over the near term. The fund's approach of investing in a different spectrum of growth companies has protected capital in challenging markets, but it also has participated in strong markets. However, the fund's recent underperformance is worth monitoring. The fund has higher earnings growth than the benchmark, which should help relative performance going forward. The last 12 months have seen marked improvement in performance and we would like to see follow-through on that trend.

### Sector review, securities selection, and risk management

The fund is a high-quality growth fund that invests in companies with sustainable competitive advantages. The fund focuses on cash flow and valuation returns to minimize the risk of chasing momentum-driven stocks. The fund tries to diversify the end market, business model and growth profile of its investments by investing in different spectrums of growth. The fund invests in steady growers (45-50%), middle growers (30-35%), and hyper-growth (20-25%). The fund outperformed the Russell Midcap Growth Index in Q1 2018. On an absolute basis, the fund had gains in four of nine sectors in which it was invested during the first quarter (out of 11 sectors total). The primary contributor to performance was the IT sector. The main detractors from returns during the quarter were the healthcare and industrials sectors. In relative terms, the fund outperformed its benchmark, driven by stock selection and sector allocation. Stock selection in the IT sector was the largest contributor to relative results. Stock selection caused the real estate sector to outperform on a relative basis. Conversely, stock selection in the healthcare sector hurt relative performance the most. Stock selection in industrials also detracted from relative performance. The uptick in volatility has created better entry points for stocks the PM team has been pursuing.

### Management and additional details

The team consists of four portfolio managers. The focus on cash and valuation leads to the exclusion of momentum-driven stocks that have performed well in the past two years. The fund's inception date is 08/31/2010.

# INVESTMENT ANALYSIS:

## TARGET DATE SUMMARY: AMERICAN FUNDS TARGET DATE RETIREMENT

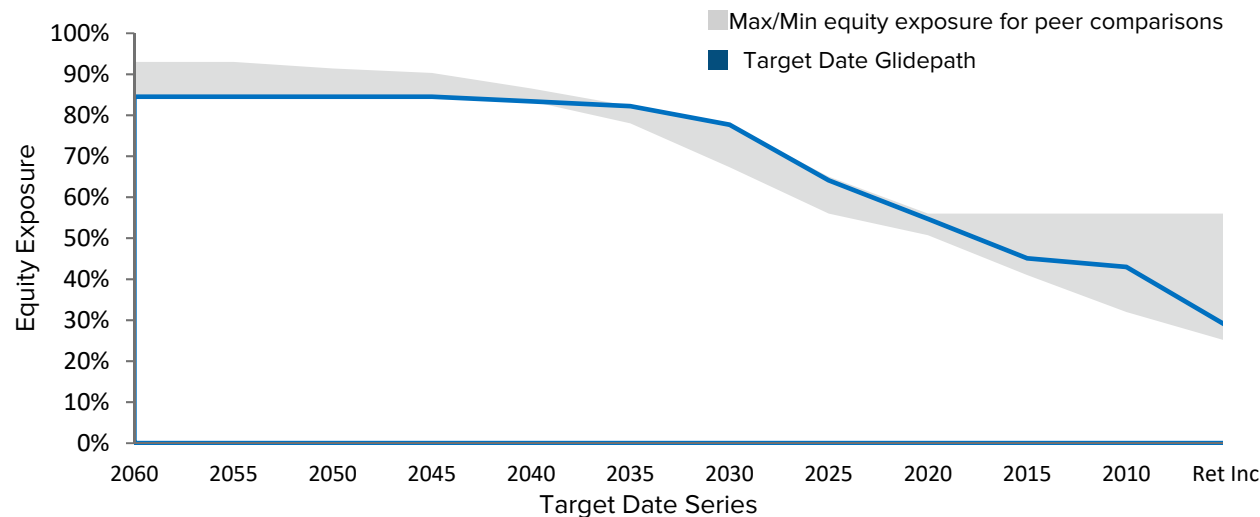
**RECOMMENDATION :** Not on watch

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

### CAMMACK RETIREMENT CLASSIFICATION

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

### EQUITY GLIDEPATH



### ASSET ALLOCATION

#### Equity

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

#### Fixed Income

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

#### Alternative

|             |   |
|-------------|---|
| Commodities |   |
| Real Estate | A |

### GLIDEPATH NOTES

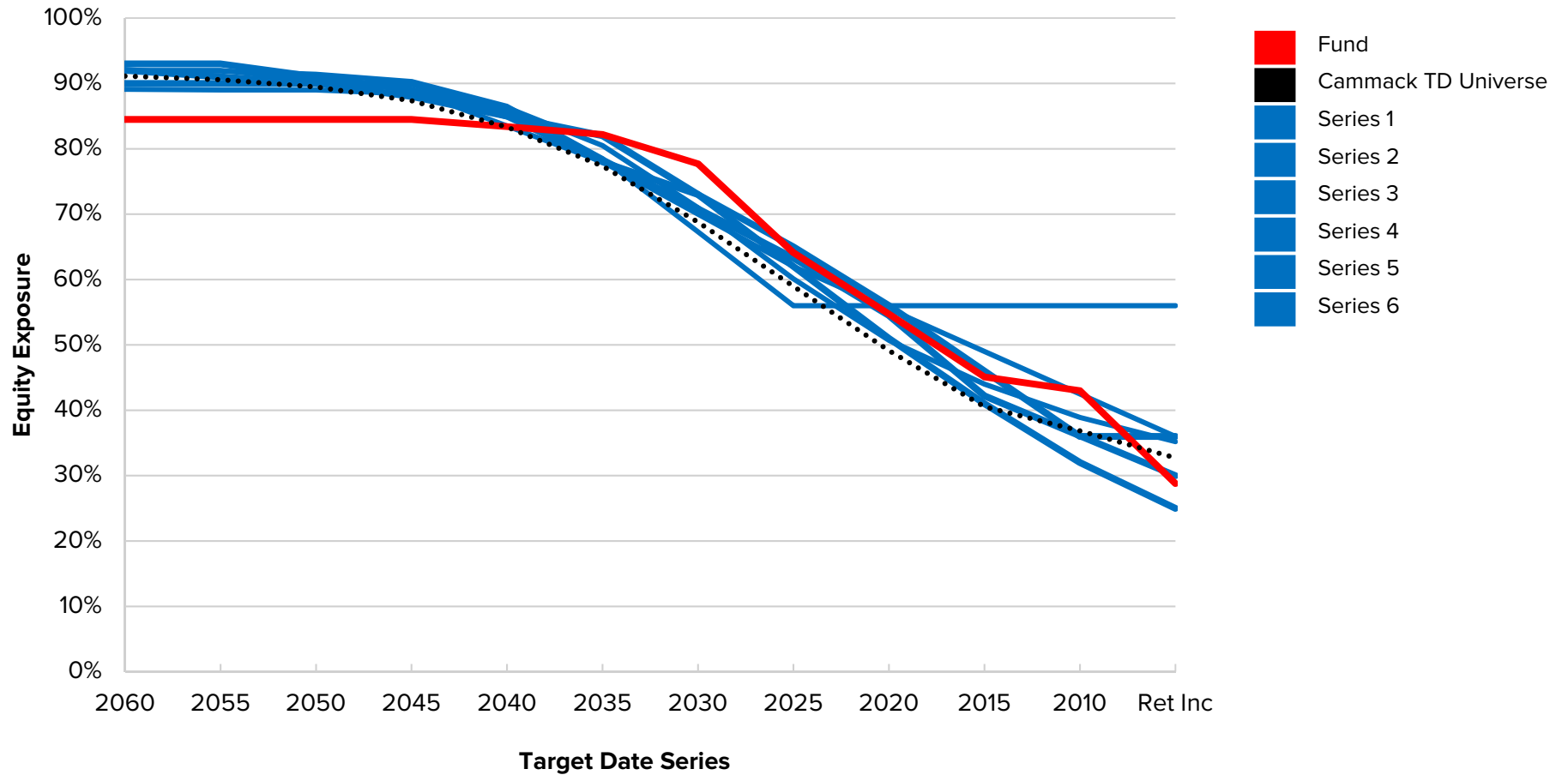
- Equity at retirement (age 65) is 45% and Equity at landing point (age 95) is 30
- Glidepath-within-a-Glidepath: glidepath distinguishes between the types of equity or fixed income investments in terms of the role they can play in a portfolio
- Diversifies the type of equity throughout the glide-path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

A = Active Management  
P = Passive Management

# INVESTMENT ANALYSIS:

## TARGET DATE SUMMARY: AMERICAN FUNDS TARGET DATE RETIREMENT

### EXTENSION OF CAPITAL – MODERATELY AGGRESSIVE



## INVESTMENT ANALYSIS DETAILS: PERFORMANCE VS. BENCHMARKS

| Peergroup/ Investment Name              | Ticker | Manager Tenure | Total Return |       |        |        |        |         | Risk | Risk Adj Return | R-Squared | Expense Ratio vs-Peers | Overall Mstar Rating |
|---|--------|----------------|--------------|-------|--------|--------|--------|---------|------|-----------------|-----------|------------------------|----------------------|
|   |        |                | Qtr          | YTD   | 1 Year | 3 Year | 5 Year | 10 Year |      |                 |           |                        |                      |
| Target-Date 2000-2010                   |        |                |              |       |        |        |        |         |      |                 |           |                        |                      |
| American Funds 2010 Trgt Date Retire R6 | RFTTX  | 11.09          | -1.01        | -1.01 | 5.87   | 4.84   | 6.06   | 5.33    | 4.98 | 0.87            | 70.18     | 0.34                   | 5                    |
| Category Average                        |        |                | -1.04        | -1.04 | 5.23   | 4.12   | 5.25   | 4.73    | 4.50 | 0.81            | 66.21     | 0.65                   | 3                    |
| DJ Target 2010 TR USD                   |        |                | 0.19         | 0.19  | 4.44   | 2.62   | 2.96   | 3.85    | 2.80 | 0.76            | 100       | -                      | -                    |
| Target-Date 2015                        |        |                |              |       |        |        |        |         |      |                 |           |                        |                      |
| American Funds 2015 Trgt Date Retire R6 | RFJTX  | 11.09          | -0.95        | -0.95 | 6.47   | 5.18   | 6.74   | 5.61    | 5.16 | 0.90            | 73.37     | 0.33                   | 5                    |
| Category Average                        |        |                | -0.77        | -0.77 | 6.90   | 4.77   | 5.95   | 5.28    | 5.25 | 0.82            | 66.78     | 0.64                   | 3                    |
| DJ Target 2015 TR USD                   |        |                | 0.15         | 0.15  | 5.41   | 3.32   | 3.77   | 4.27    | 3.56 | 0.79            | 100       | -                      | -                    |
| Target-Date 2020                        |        |                |              |       |        |        |        |         |      |                 |           |                        |                      |
| American Funds 2020 Trgt Date Retire R6 | RRCTX  | 11.09          | -0.63        | -0.63 | 7.83   | 5.80   | 7.60   | 6.02    | 5.75 | 0.92            | 82.42     | 0.35                   | 5                    |
| Category Average                        |        |                | -0.75        | -0.75 | 7.91   | 5.32   | 6.82   | 5.84    | 5.94 | 0.82            | 78.25     | 0.59                   | 4                    |
| DJ Target 2020 TR USD                   |        |                | 0.10         | 0.10  | 6.96   | 4.14   | 4.86   | 4.85    | 4.24 | 0.86            | 100       | -                      | -                    |
| Target-Date 2025                        |        |                |              |       |        |        |        |         |      |                 |           |                        |                      |
| American Funds 2025 Trgt Date Retire R6 | RFDTX  | 11.09          | -0.30        | -0.30 | 9.86   | 6.75   | 8.83   | 6.82    | 6.62 | 0.94            | 90.97     | 0.37                   | 5                    |
| Category Average                        |        |                | -0.66        | -0.66 | 9.13   | 5.90   | 7.48   | 6.27    | 6.77 | 0.81            | 89.73     | 0.66                   | 3                    |
| DJ Target 2025 TR USD                   |        |                | 0.10         | 0.10  | 8.34   | 5.00   | 6.00   | 5.52    | 5.22 | 0.87            | 100       | -                      | -                    |
| Target-Date 2030                        |        |                |              |       |        |        |        |         |      |                 |           |                        |                      |
| American Funds 2030 Trgt Date Retire R6 | RFETX  | 11.09          | 0.00         | 0.00  | 12.14  | 7.86   | 9.94   | 7.49    | 7.95 | 0.93            | 94.77     | 0.39                   | 5                    |
| Category Average                        |        |                | -0.69        | -0.69 | 10.29  | 6.60   | 8.46   | 6.88    | 7.63 | 0.81            | 93.84     | 0.60                   | 4                    |
| DJ Target 2030 TR USD                   |        |                | 0.06         | 0.06  | 9.93   | 5.97   | 7.20   | 6.19    | 6.48 | 0.85            | 100       | -                      | -                    |

## INVESTMENT ANALYSIS DETAILS: PERFORMANCE VS. BENCHMARKS

| Peergroup/ Investment Name              | Ticker | Manager Tenure | Total Return |       |        |        |        |         | Risk | Risk Adj Return | R-Squared | Expense Ratio vs-Peers | Overall Mstar Rating |
|---|--------|----------------|--------------|-------|--------|--------|--------|---------|------|-----------------|-----------|------------------------|----------------------|
|   |        |                | Qtr          | YTD   | 1 Year | 3 Year | 5 Year | 10 Year |      |                 |           |                        |                      |
| Target-Date 2035                        |        |                |              |       |        |        |        |         |      |                 |           |                        |                      |
| American Funds 2035 Trgt Date Retire R6 | RFFTX  | 11.09          | 0.34         | 0.34  | 14.29  | 8.86   | 10.63  | 7.80    | 8.71 | 0.96            | 96.21     | 0.40                   | 5                    |
| Category Average                        |        |                | -0.51        | -0.51 | 11.76  | 7.19   | 8.94   | 6.88    | 8.61 | 0.79            | 96.28     | 0.68                   | 3                    |
| DJ Target 2035 TR USD                   |        |                | 0.00         | 0.00  | 11.35  | 6.71   | 8.19   | 6.73    | 7.74 | 0.81            | 100       | -                      | -                    |
| Target-Date 2040                        |        |                |              |       |        |        |        |         |      |                 |           |                        |                      |
| American Funds 2040 Trgt Date Retire R6 | RFGTX  | 11.09          | 0.39         | 0.39  | 15.02  | 9.20   | 10.93  | 7.95    | 8.99 | 0.97            | 96.65     | 0.41                   | 5                    |
| Category Average                        |        |                | -0.52        | -0.52 | 12.41  | 7.68   | 9.54   | 7.30    | 8.96 | 0.81            | 96.48     | 0.62                   | 3                    |
| DJ Target 2040 TR USD                   |        |                | -0.05        | -0.05 | 12.53  | 7.33   | 8.96   | 7.18    | 8.77 | 0.79            | 100       | -                      | -                    |
| Target-Date 2045                        |        |                |              |       |        |        |        |         |      |                 |           |                        |                      |
| American Funds 2045 Trgt Date Retire R6 | RFHTX  | 11.09          | 0.45         | 0.45  | 15.35  | 9.41   | 11.07  | 8.01    | 9.15 | 0.98            | 96.75     | 0.41                   | 5                    |
| Category Average                        |        |                | -0.43        | -0.43 | 13.11  | 7.80   | 9.47   | 7.10    | 9.44 | 0.79            | 97.09     | 0.69                   | 3                    |
| DJ Target 2045 TR USD                   |        |                | -0.10        | -0.10 | 13.36  | 7.77   | 9.46   | 7.48    | 9.45 | 0.79            | 100       | -                      | -                    |
| Target-Date 2050                        |        |                |              |       |        |        |        |         |      |                 |           |                        |                      |
| American Funds 2050 Trgt Date Retire R6 | RFITX  | 11.09          | 0.53         | 0.53  | 15.60  | 9.53   | 11.12  | 8.04    | 9.20 | 0.98            | 96.71     | 0.42                   | 5                    |
| Category Average                        |        |                | -0.49        | -0.49 | 13.10  | 7.98   | 9.77   | 7.13    | 9.36 | 0.81            | 96.74     | 0.63                   | 3                    |
| DJ Target 2050 TR USD                   |        |                | -0.12        | -0.12 | 13.76  | 7.99   | 9.63   | 7.58    | 9.72 | 0.79            | 100       | -                      | -                    |
| Target-Date 2055                        |        |                |              |       |        |        |        |         |      |                 |           |                        |                      |
| American Funds 2055 Trgt Date Retire R6 | RFKTX  | 8.09           | 0.53         | 0.53  | 15.60  | 9.51   | 11.12  | -       | 9.20 | 0.98            | 96.69     | 0.42                   | 5                    |
| Category Average                        |        |                | -0.26        | -0.26 | 13.84  | 7.99   | 9.43   | -       | 9.60 | 0.80            | 97.73     | 0.75                   | 3                    |
| DJ Target 2055 TR USD                   |        |                | -0.12        | -0.12 | 13.79  | 8.01   | 9.64   | 7.58    | 9.72 | 0.79            | 100       | -                      | -                    |
| Target-Date 2060+                       |        |                |              |       |        |        |        |         |      |                 |           |                        |                      |
| American Funds 2060 Trgt Date Retire R6 | RFUTX  | 3.00           | 0.56         | 0.56  | 15.57  | 9.49   | -      | -       | 9.14 | 0.98            | 96.72     | 0.45                   | 5                    |
| Category Average                        |        |                | -0.33        | -0.33 | 13.55  | 8.17   | 9.85   | -       | 9.40 | 0.83            | 97.33     | 0.61                   | 3                    |
| DJ Target 2060 TR USD                   |        |                | -0.12        | -0.12 | 13.79  | 8.00   | 9.64   | 7.58    | 9.72 | 0.79            | 100       | -                      | -                    |

# Investment Analysis Details

## INVESTMENT ANALYSIS DETAILS: PERFORMANCE VS. BENCHMARKS

| Peergroup/ Investment Name              | Ticker | Manager Tenure | Total Return(% rank in peergroup) |       |           |           |           |          | Risk  | Risk Adj Return | R-Squared | Expense Ratio vs-Peers | Overall Mstar Rating |
|---|--------|----------------|-----------------------------------|-------|-----------|-----------|-----------|----------|-------|-----------------|-----------|------------------------|----------------------|
|   |        |                | Qtr                               | YTD   | 1 Year    | 3 Year    | 5 Year    | 10 Year  |       |                 |           |                        |                      |
| <b>Intermediate-Term Bond</b>           |        |                |                                   |       |           |           |           |          |       |                 |           |                        |                      |
| PIMCO Total Return Instl                | PTTRX  | 3.50           | -1.27                             | -1.27 | 2.13(15)  | 1.62(30)  | 1.83(42)  | 4.76(13) | 2.89  | 0.39            | 72.18     | 0.46                   | 4                    |
| Category Average                        |        |                | -1.32                             | -1.32 | 1.31      | 1.27      | 1.73      | 3.81     | 2.64  | 0.29            | 84.73     | 0.76                   | 3                    |
| BBgBarc US Agg Bond TR USD              |        |                | -1.46                             | -1.46 | 1.20      | 1.20      | 1.82      | 3.63     | 2.69  | 0.26            | 100       | -                      | -                    |
| Vanguard Interm-Term Bond Index I       | VBIMX  | 9.92           | -1.98                             | -1.98 | 0.54(82)  | 1.17(54)  | 1.78(44)  | 4.48(20) | 3.63  | 0.19            | 99.22     | 0.05                   | 4                    |
| Category Average                        |        |                | -1.32                             | -1.32 | 1.31      | 1.27      | 1.73      | 3.81     | 2.64  | 0.29            | 82.57     | 0.76                   | 3                    |
| BBgBarc US 5-10Y GovCredit FIAdj TR USD |        |                | -1.88                             | -1.88 | 0.67      | 1.26      | 1.86      | -        | 3.51  | 0.22            | 100       | -                      | -                    |
| <b>World Bond</b>                       |        |                |                                   |       |           |           |           |          |       |                 |           |                        |                      |
| Templeton Global Bond R6                | FBNRX  | 16.25          | 1.39                              | 1.39  | -0.45(98) | 2.17(68)  | 1.95(34)  | 5.34(7)  | 6.57  | 0.28            | 6.86      | 0.52                   | 2                    |
| Category Average                        |        |                | 1.13                              | 1.13  | 5.85      | 2.80      | 1.43      | 3.05     | 4.97  | 0.50            | 53.06     | 0.92                   | 3                    |
| Citi WGBI USD                           |        |                | 2.50                              | 2.50  | 8.49      | 3.45      | 1.18      | 1.97     | 5.85  | 0.52            | 100       | -                      | -                    |
| <b>Large Value</b>                      |        |                |                                   |       |           |           |           |          |       |                 |           |                        |                      |
| American Funds Washington Mutual R6     | RWMGX  | 20.67          | -1.32                             | -1.32 | 13.90(8)  | 10.53(5)  | 12.75(3)  | 9.09(14) | 9.91  | 1.01            | 96.09     | 0.30                   | 5                    |
| Category Average                        |        |                | -2.55                             | -2.55 | 9.07      | 7.65      | 10.32     | 7.66     | 10.91 | 0.69            | 84.83     | 0.98                   | 3                    |
| S&P 500 TR USD                          |        |                | -0.76                             | -0.76 | 13.99     | 10.78     | 13.31     | 9.49     | 10.26 | 1.00            | 100       | -                      | -                    |
| <b>Large Blend</b>                      |        |                |                                   |       |           |           |           |          |       |                 |           |                        |                      |
| Vanguard Institutional Index I          | VINIX  | 17.25          | -0.77                             | -0.77 | 13.96(35) | 10.75(12) | 13.28(12) | 9.50(21) | 10.26 | 1.00            | 100.00    | 0.04                   | 4                    |
| Category Average                        |        |                | -0.97                             | -0.97 | 12.86     | 8.91      | 11.74     | 8.59     | 10.55 | 0.82            | 91.96     | 0.91                   | 3                    |
| S&P 500 TR USD                          |        |                | -0.76                             | -0.76 | 13.99     | 10.78     | 13.31     | 9.49     | 10.26 | 1.00            | 100       | -                      | -                    |
| <b>Large Growth</b>                     |        |                |                                   |       |           |           |           |          |       |                 |           |                        |                      |
| T. Rowe Price Blue Chip Growth          | TBCIX  | 24.75          | 5.74                              | 5.74  | 30.90(3)  | 15.32(5)  | 18.38(4)  | 12.61(8) | 13.39 | 1.10            | 89.70     | 0.58                   | 5                    |
| Category Average                        |        |                | 2.30                              | 2.30  | 20.40     | 10.63     | 13.79     | 9.87     | 11.80 | 0.88            | 88.06     | 1.08                   | 3                    |
| Russell 1000 Growth TR USD              |        |                | 1.42                              | 1.42  | 21.25     | 12.90     | 15.53     | 11.34    | 11.03 | 1.11            | 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   |       |                 |           |                        |                      |
| <b>Mid-Cap Blend</b>                   |        |                |                                   |       |           |          |           |           |       |                 |           |                        |                      |
| Vanguard Extended Market Index Instl   | VIEIX  | 20.25          | 0.16                              | 0.16  | 13.14(19) | 8.08(35) | 11.88(21) | 10.44(22) | 12.18 | 0.66            | 100.00    | 0.06                   | 4                    |
| Category Average                       |        |                | -1.03                             | -1.03 | 10.13     | 6.51     | 10.43     | 8.88      | 11.43 | 0.57            | 85.20     | 1.04                   | 3                    |
| S&P Completion TR USD                  |        |                | 0.12                              | 0.12  | 13.09     | 7.97     | 11.77     | 10.29     | 12.17 | 0.65            | 100       | -                      | -                    |
| <b>Mid-Cap Growth</b>                  |        |                |                                   |       |           |          |           |           |       |                 |           |                        |                      |
| ClearBridge Mid Cap Growth IS          | LCMIX  | 7.58           | 3.29                              | 3.29  | 19.56(39) | 8.12(55) | 12.11(46) | -         | 13.03 | 0.63            | 92.36     | 0.75                   | 3                    |
| Category Average                       |        |                | 2.15                              | 2.15  | 18.34     | 8.28     | 11.94     | 9.39      | 11.81 | 0.70            | 84.73     | 1.18                   | 3                    |
| Russell Mid Cap Growth TR USD          |        |                | 2.17                              | 2.17  | 19.74     | 9.17     | 13.31     | 10.61     | 10.99 | 0.81            | 100       | -                      | -                    |
| <b>Small Blend</b>                     |        |                |                                   |       |           |          |           |           |       |                 |           |                        |                      |
| JPMorgan US Small Company R6           | JUSMX  | 13.58          | -0.54                             | -0.54 | 8.55(65)  | 6.82(62) | 11.61(26) | 10.89(14) | 14.15 | 0.50            | 97.79     | 0.72                   | 3                    |
| Category Average                       |        |                | -0.93                             | -0.93 | 9.66      | 7.21     | 10.29     | 9.15      | 13.35 | 0.55            | 89.62     | 1.14                   | 3                    |
| Russell 2000 TR USD                    |        |                | -0.08                             | -0.08 | 11.79     | 8.39     | 11.47     | 9.84      | 13.89 | 0.61            | 100       | -                      | -                    |
| <b>Foreign Large Blend</b>             |        |                |                                   |       |           |          |           |           |       |                 |           |                        |                      |
| Lazard International Equity R6         | RLIEX  | 26.16          | -0.20                             | -0.20 | 16.21(37) | 4.17(86) | 5.80(65)  | 4.01(17)  | 10.85 | 0.38            | 89.53     | 0.80                   | 3                    |
| Category Average                       |        |                | -0.86                             | -0.86 | 15.20     | 5.75     | 6.21      | 2.64      | 11.72 | 0.50            | 90.31     | 1.01                   | 3                    |
| MSCI EAFE NR USD                       |        |                | -1.53                             | -1.53 | 14.80     | 5.55     | 6.50      | 2.74      | 12.25 | 0.46            | 100       | -                      | -                    |
| Vanguard Total Intl Stock Idx InstlPIs | VTPSX  | 9.58           | -0.45                             | -0.45 | 17.11(25) | 6.97(17) | 6.45(44)  | 2.86(41)  | 11.73 | 0.59            | 98.19     | 0.07                   | 3                    |
| Category Average                       |        |                | -0.86                             | -0.86 | 15.20     | 5.75     | 6.21      | 2.64      | 11.72 | 0.50            | 89.77     | 1.01                   | 3                    |
| MSCI ACWI Ex USA NR USD                |        |                | -1.18                             | -1.18 | 16.53     | 6.18     | 5.89      | 2.70      | 12.47 | 0.50            | 100       | -                      | -                    |
| <b>Real Estate</b>                     |        |                |                                   |       |           |          |           |           |       |                 |           |                        |                      |
| TIAA-CREF Real Estate Sec Instl        | TIREX  | 12.25          | -5.35                             | -5.35 | 3.45(6)   | 3.34(10) | 7.64(3)   | 6.77(23)  | 13.01 | 0.28            | 97.50     | 0.51                   | 5                    |
| Category Average                       |        |                | -6.89                             | -6.89 | -2.30     | 1.26     | 5.55      | 5.88      | 13.06 | 0.13            | 91.88     | 1.14                   | 3                    |
| FTSE NAREIT All Equity REITs TR USD    |        |                | -6.66                             | -6.66 | -1.09     | 2.90     | 6.66      | 6.88      | 13.18 | 0.24            | 100       | -                      | -                    |

# Appendices

# Investment Fund Fact Sheets

# CLEARBRIDGE MID CAP GROWTH IS

## MARCH 2018

### Overview

|                   |                               |
|-------------------|-------------------------------|
| Ticker            | LCMIX                         |
| Net Assets (M)    | \$99.14                       |
| Category/Universe | Morningstar Mid-Cap Growth    |
| Benchmark         | Russell Mid Cap Growth TR USD |

| Asset Allocation | Fund(%) | Category(%) |
|------------------|---------|-------------|
| Domestic Stock   | 92.98   | 93.02       |
| Foreign Stock    | 6.48    | 4.05        |
| Domestic Bond    | 0.00    | 0.25        |
| Foreign Bond     | 0.00    | 0.08        |
| Preferred Bond   | 0.00    | 0.08        |
| Convertible Bond | 0.00    | 0.01        |
| Cash             | 0.54    | 2.08        |
| Other            | 0.00    | 0.43        |

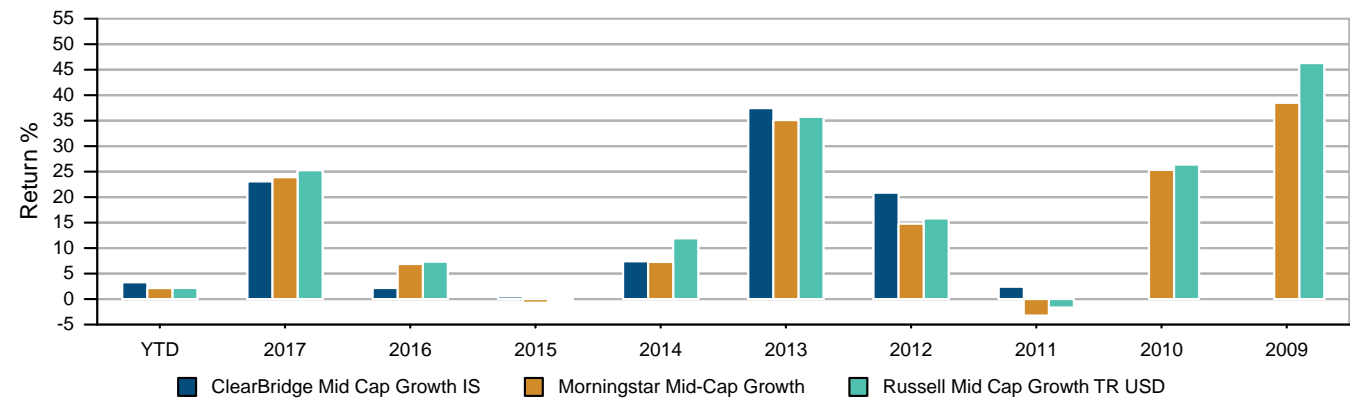
| Capitalization | Fund(%) | Category(%) |
|----------------|---------|-------------|
| Giant          | 0.00    | 2.54        |
| Large          | 19.46   | 23.25       |
| Mid            | 73.93   | 60.46       |
| Small          | 6.50    | 11.94       |
| Micro          | 0.11    | 1.81        |

| Sector Exposure | Fund(%) | Category(%) |
|-----------------|---------|-------------|
| Cyclicals Total | 37.76   | 35.77       |
| Basic Materials | 2.74    | 3.92        |
| Cons. Cyclicals | 23.21   | 16.88       |
| Financials      | 9.49    | 11.36       |
| Real Estate     | 2.32    | 3.61        |
| Defensive Total | 20.83   | 18.44       |
| Cons. Defensive | 4.15    | 4.27        |
| Health Care     | 16.68   | 13.68       |
| Utilities       | 0.00    | 0.49        |
| Sensitive Total | 41.42   | 45.79       |
| Communications  | 3.37    | 1.23        |
| Energy          | 2.43    | 2.43        |
| Industrials     | 11.99   | 18.08       |
| Technology      | 23.63   | 24.04       |

### Sub-Regional Exposure

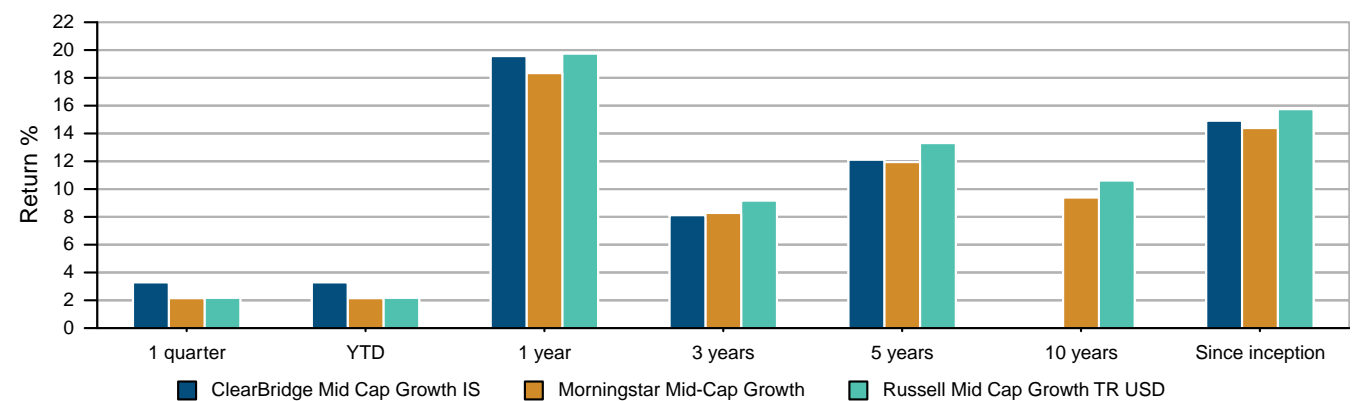
| Sub-Regional Exposure | Fund(%) | Category(%) |
|-----------------------|---------|-------------|
| U.S.                  | 92.98   | 92.82       |
| Canada                | 0.00    | 1.14        |
| Latin America         | 3.37    | 0.35        |
| U.K.                  | 0.00    | 0.48        |
| EuroZone              | 2.26    | 0.43        |
| Europe ex-EuroZone    | 0.00    | 0.14        |
| Developed Asia        | 0.00    | 0.06        |
| Emerging Asia         | 0.00    | 0.94        |
| Emerging Europe       | 0.00    | 0.05        |
| Africa                | 0.00    | 0.04        |
| Middle East           | 0.85    | 0.26        |
| Japan                 | 0.00    | 0.11        |
| Australasia           | 0.00    | 0.05        |

### Calendar Year Returns



|                               | YTD  | 2017  | 2016 | 2015  | 2014  | 2013  | 2012  | 2011  | 2010  | 2009  |
|-------------------------------|------|-------|------|-------|-------|-------|-------|-------|-------|-------|
| ClearBridge Mid Cap Growth IS | 3.29 | 23.08 | 2.17 | 0.51  | 7.40  | 37.45 | 20.86 | 2.41  | -     | -     |
| Morningstar Mid-Cap Growth    | 2.15 | 23.90 | 6.88 | -0.70 | 7.28  | 35.11 | 14.78 | -3.23 | 25.34 | 38.50 |
| Russell Mid Cap Growth TR USD | 2.17 | 25.27 | 7.33 | -0.20 | 11.90 | 35.74 | 15.81 | -1.65 | 26.38 | 46.29 |
| % Rank in Category            | 35   | 57    | 81   | 40    | 50    | 27    | 7     | 11    | -     | -     |

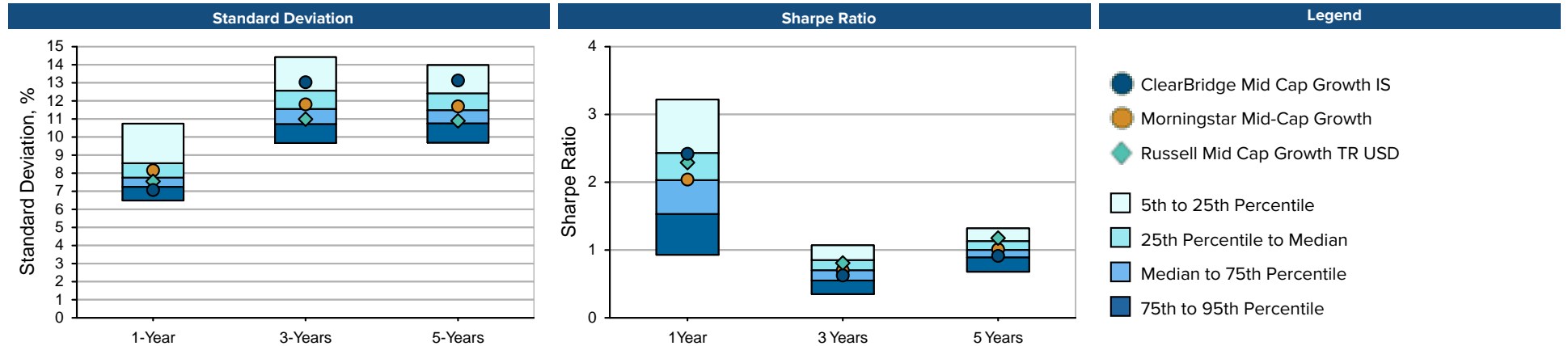
### Annualized Returns



|                               | 1 quarter | YTD  | 1 year | 3 years | 5 years | 10 years | Since inception |
|-------------------------------|-----------|------|--------|---------|---------|----------|-----------------|
| ClearBridge Mid Cap Growth IS | 3.29      | 3.29 | 19.56  | 8.12    | 12.11   | -        | 14.92           |
| Morningstar Mid-Cap Growth    | 2.15      | 2.15 | 18.34  | 8.28    | 11.94   | 9.39     | 14.39           |
| Russell Mid Cap Growth TR USD | 2.17      | 2.17 | 19.74  | 9.17    | 13.31   | 10.61    | 15.75           |
| % Rank in Category            | 35        | 35   | 39     | 55      | 46      | -        | 36              |

# CLEARBRIDGE MID CAP GROWTH IS

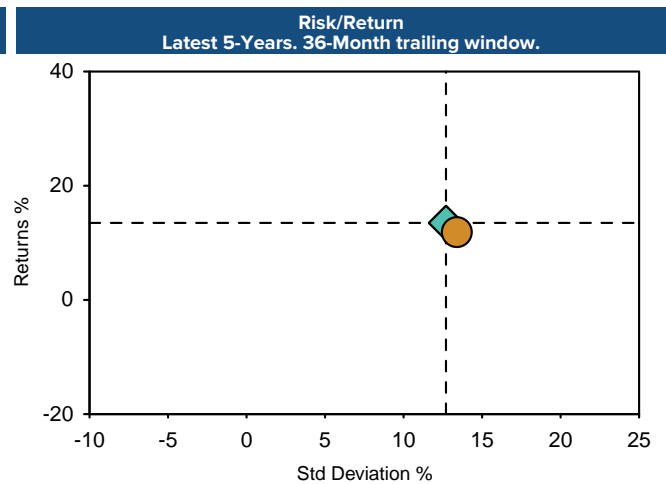
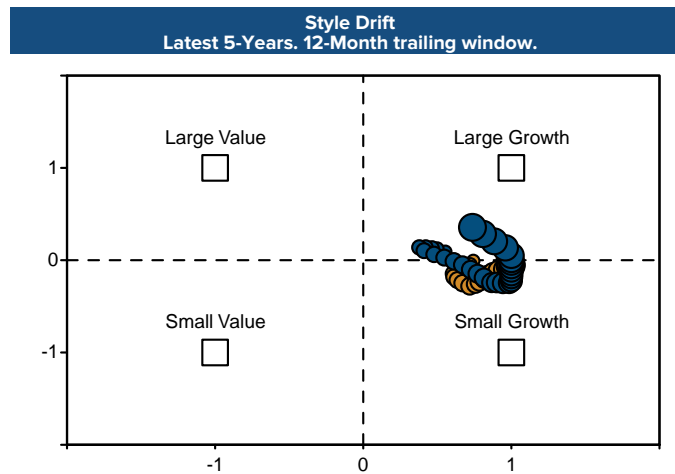
## MARCH 2018



|                               | YTD   | 1-Year | 3-Years | 5-Years |
|-------------------------------|-------|--------|---------|---------|
| ClearBridge Mid Cap Growth IS | 14.03 | 7.07   | 13.03   | 13.13   |
| Morningstar Mid-Cap Growth    | 15.12 | 8.16   | 11.81   | 11.70   |
| Russell Mid Cap Growth TR USD | 15.50 | 7.55   | 10.99   | 10.90   |
| Managers                      | 627   | 613    | 549     | 485     |

|                               | YTD  | 1-Year | 3-Years | 5-Years |
|-------------------------------|------|--------|---------|---------|
| ClearBridge Mid Cap Growth IS | 0.87 | 2.42   | 0.63    | 0.91    |
| Morningstar Mid-Cap Growth    | 0.57 | 2.04   | 0.70    | 1.01    |
| Russell Mid Cap Growth TR USD | 0.52 | 2.29   | 0.81    | 1.18    |
| Managers                      | 627  | 613    | 549     | 485     |

| Metrics                    | Fund  | Category |
|----------------------------|-------|----------|
| Prospectus Net. Exp.       | 0.75  | 1.18     |
| Overall Morningstar Rating | 3     | 3        |
| Manager Tenure Longest     | 7.58  | 9.98     |
| Turnover Ratio             | 27    | 61       |
| Price/Earnings             | 29.32 | 28.02    |
| Price/Book                 | 4.75  | 3.94     |
| Holdings                   | 54    | 113      |



| Metrics 3-Years   | Fund   | Category |
|-------------------|--------|----------|
| Alpha (%)         | -1.97  | -0.60    |
| Beta (%)          | 1.14   | 0.98     |
| R-Squared (%)     | 92.36  | 84.73    |
| Up Capture (%)    | 101.72 | 95.70    |
| Down Capture (%)  | 111.76 | 100.53   |
| Information Ratio | -0.27  | -0.29    |

# Due Diligence Methodology and Process

# PLAN FINANCIALS: ASSET CLASSES

This chart is based on current best practices for defined contribution plans and is designed to offer investors the ability to build a well diversified portfolio

## Categories

|  |   |
|--|---|
| 1. Cash and/or Fixed Account                 | ✓ |
| 2. Multisector and/or Intermediate-Term Bond | ✓ |
| 3. Inflation-Protected Securities            |   |
| 4. International Bond                        | ✓ |
| 5. High Yield Bond                           |   |
| 6. Large Value Equity                        | ✓ |
| 7. Large Blend Equity                        | ✓ |
| 8. Large Growth Equity                       | ✓ |
| 9. Mid-Cap Equity                            | ✓ |
| 10. Small-Cap Equity                         | ✓ |
| 11. International-Equity                     | ✓ |
| 12. Emerging Markets Equity                  |   |
| 13. Real Estate                              | ✓ |
| 14. Risk/Time-Based Allocation Models        | ✓ |

## Other Categories

|                        |   |
|------------------------|---|
| a. Bond Index          | ✓ |
| b. Large Cap Index     | ✓ |
| c. Mid Cap Index       | ✓ |
| d. Small Cap Index     |   |
| e. International Index | ✓ |
| f. Brokerage Account   | ✓ |

To satisfy fiduciary guidelines, Plan Sponsors should have three broadly-defined asset classes in their participant array:

- Money market/fixed account
- Bond or fixed income fund
- Stock or equity fund

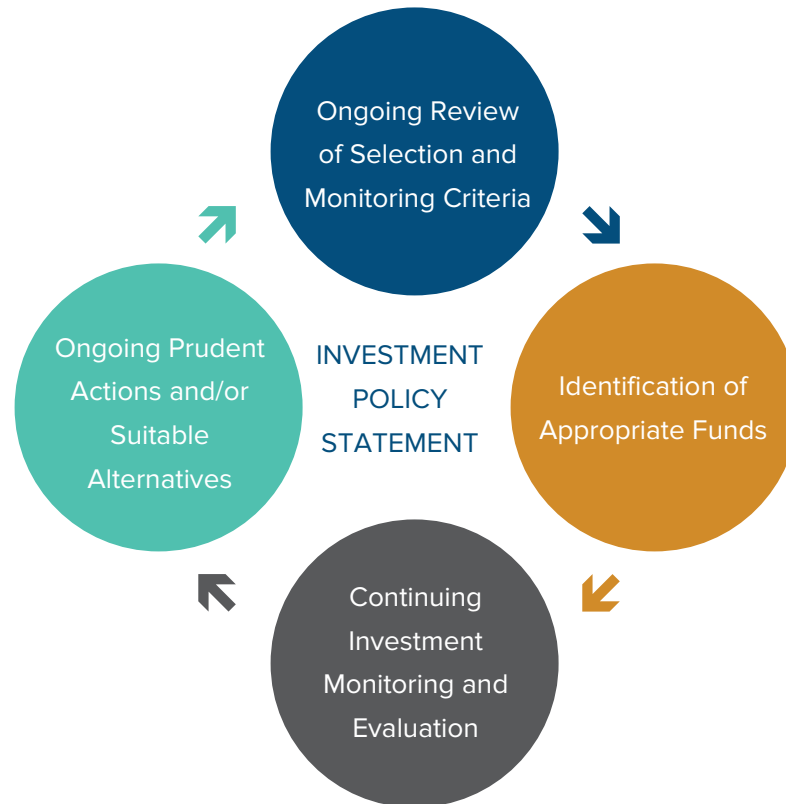
Most Plan Sponsors have many asset categories in their array to improve diversification opportunities; however the exclusion of certain asset categories is sometimes warranted and is not necessarily indicative of any issues with construction of a plan's investment array.

# INVESTMENT ANALYSIS: MONITORING CRITERIA

---

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

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





# INVESTMENT ANALYSIS: SCORECARD METHODOLOGY

## SCORECARD

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

# Glossary and Standard Disclosures

## CREATING CAMMACK LARHETTE ADVISORS' PROPRIETARY TARGET DATE ANALYSIS

- STEP 1:** Break down each TDF suite using Morningstar asset classes, based on equity exposure.
- 
- STEP 2:** Take the average equity exposure for each Morningstar category & calculate the deviation from that average for each fund.
- 
- STEP 3:** Weight the deviations based on the position within the glide path (e.g., weighting the age 45–65 age period more heavily than deviations at younger ages).
- 
- STEP 4:** Calculate a score for each target date series based on the individual asset weighting scores (standard deviation x weighting) for each fund within the target date series. The Cammack Target Date Universe is the average of 47 Target Date fund families.
- 
- Assign each TDF to one of the six categories, based on their relative scores.
- Preservation – Most Conservative: American Century One Choice, Great-West Lifetime Conservative, Harbor Target Retirement, Invesco Balanced Risk Retirement ,JHancock Multi-Index Preservation, Manning & Napier, Putnam Retirement Ready, USAA Target Retirement
- Preservation – Conservative: AllianzGI Retirement, Franklin Life Smart Retire Target, MFS Lifetime, T. Rowe Price Target, Voya Index Solution Portfolio, Voya Solution, Wells Fargo Target Date
- Preservation – Moderately Conservative: AB Multi Manager Select, JPMorgan SmartRetirement®, JPMorgan SmartRetirement® Blend,, Main Stay Retirement, PIMCO RealPath™, PIMCO RealPath Blend, Principal Lifetime Hybrid, Principal LifeTime, Schwab Target, Schwab Target Index
- STEP 5:**
- Extension – Moderately Aggressive: American Funds Target Date, Great-West Lifetime Fund, Great-West Secure Foundation, GuideStone Funds MyDestination,, Mutual of America Retirement, Nationwide Destination, Vanguard Target Retirement Inv
- Extension – Aggressive: BlackRock® LifePath Dynamic, BlackRock® Lifepath Index, BlackRock® LifePath Smartbeta, JHancock Multimanager Lifetime, TIAA Lifecycle Retirement, TIAA Lifecycle Index Retire
- Extension – Most Aggressive: BMO Target Retirement, Fidelity Freedom®, Fidelity Freedom® Index,, MassMutual RetireSMART, State Farm LifePath, T. Rowe Price Retirement, Wells Fargo Dynamic Target Date

## TARGET DATE ANALYSIS DEFINITIONS

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

**Target Date Index**

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

**Target Date Index Asset Allocation**

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

## DEFINITIONS

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

## DEFINITIONS(cont.)

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

## GLOSSARY AND STANDARD DISCLOSURES

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