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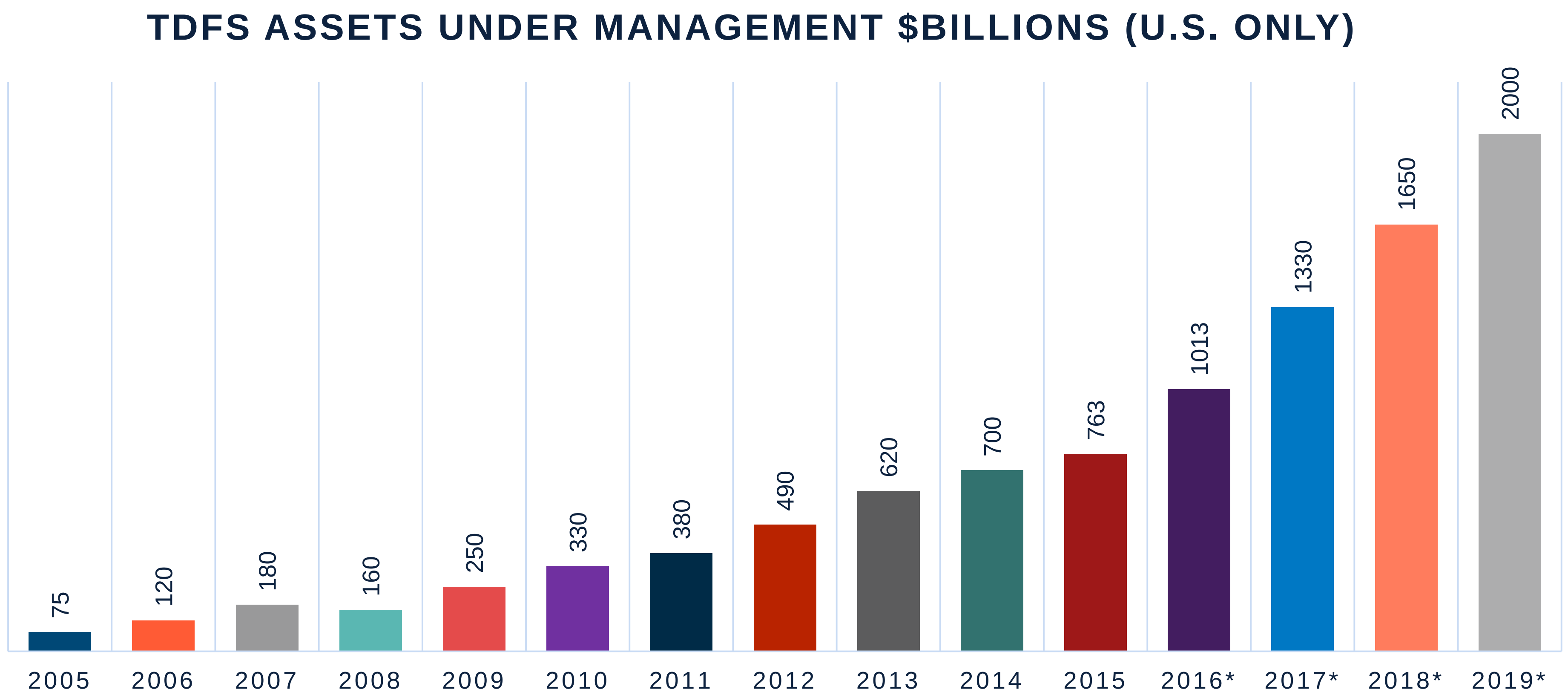
TDF Education

TDFs represent one of the most critical decisions fiduciaries must make about an investment lineup. While TDFs represent a growing share of retirement plan assets, these investments have a high degree of variability and are commonly misunderstood.

Proliferation of Target Date Funds (TDFs)

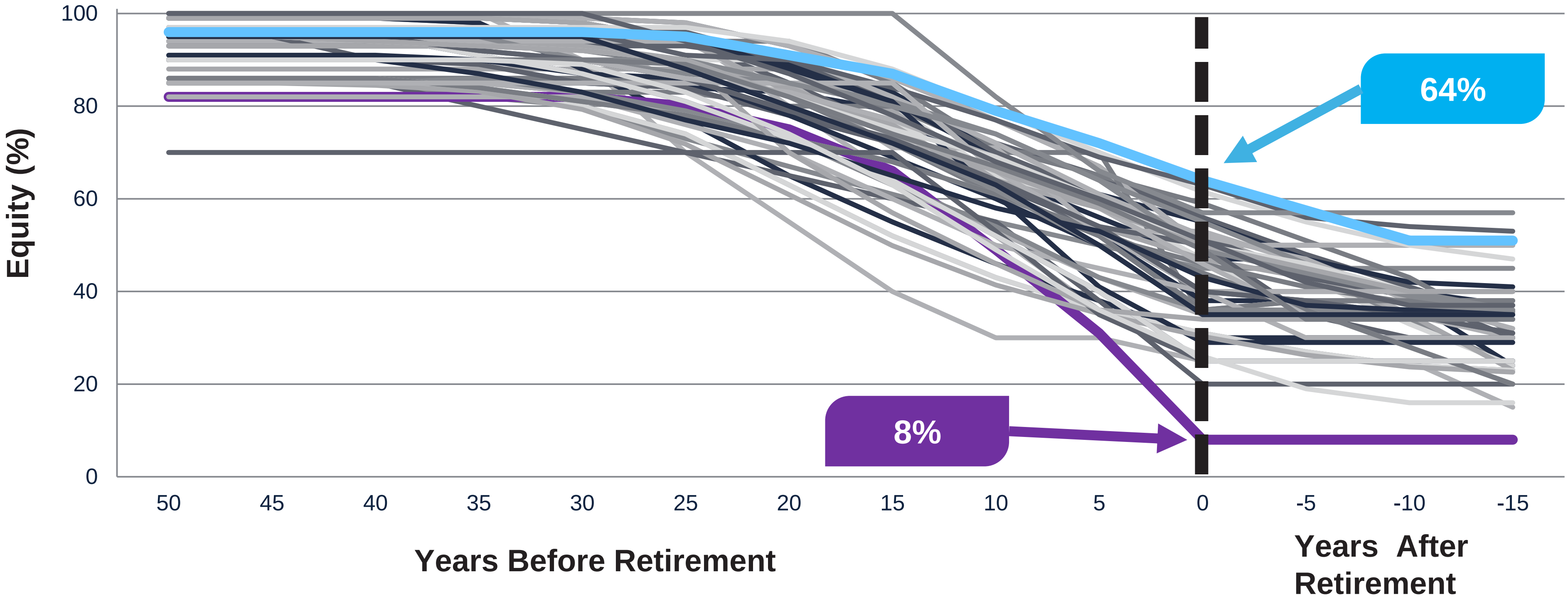
- One of the most widely used investment options in defined contribution plans
- $880 billion in total assets[1]
- Projecting 88% of new contributions and representing 35% of total 401(k) assets by 2019[2]
- Through our research, we find that prolific TDF prevalence necessitates increased due diligence by fiduciaries



[1]As of 12/31/16; Morningstar 2017 Target-Date Fund Landscape
[2]Center for Due Diligence Source: Morningstar mutual fund data, Elston Consulting compilation and illustration © Elston Consulting Ltd. (UK)

Differences Among Off-the-Shelf TDF Glidepaths

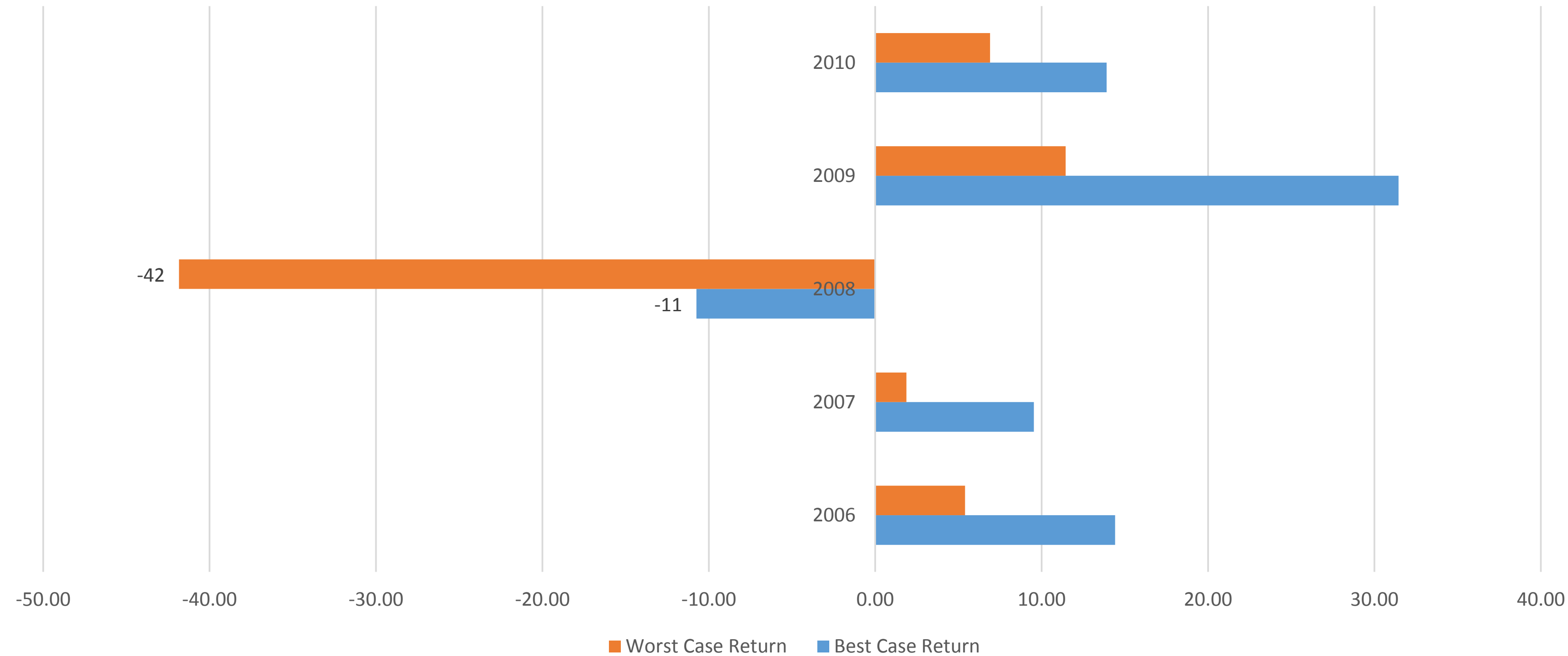
- TDFs have never been more widely available or more diverse[1]
- Use of recordkeeper's TDF down from 70% → 32% from 2011-2015[2]
- TDF equity allocations at retirement can vary by as much as 56%



Data as of 9/30/2015. Source: Morningstar, Inc. The multiple lines represent various TDF glidepath options available within the market place.
1 Morningstar 2017 Target-Date Fund Landscape
2 Defined Contribution Trends Survey, Callan Investments Institute, 2010-2015 reports
Past performance is not indicative of future results.

Varying Allocations Leads to Varying Results

Calendar Year Range of Returns for 2010-dated TDFs (2006-2010)[1]



31%
difference in 2008

Extreme differences in returns creates significant risks:

- Do participants understand the riskiness of their glidepath?

- Can plan sponsors support and defend their decision?

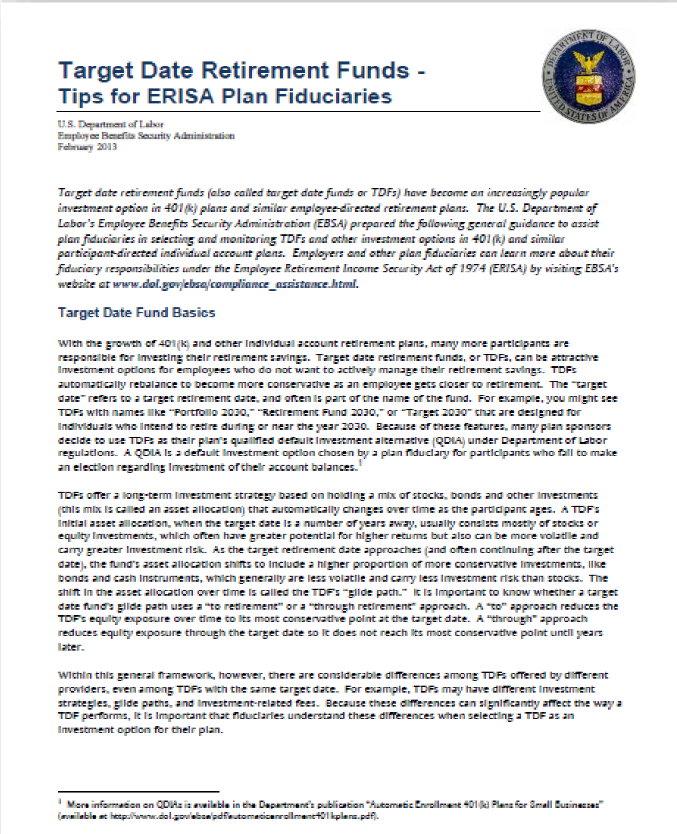
[1]Morningstar, Inc., Open End Funds, Category “US OE Target Date 2000-2010” containing “2010” in fund name, calendar year returns 2006-2010..

Fiduciary Duties

Given the importance of this unique asset class, fiduciaries must take the necessary steps to ensure proper selection, due diligence and documentation.

TDF Fiduciary Checklist

In response to the growing popularity of TDFs and general lack of understanding on the part of fiduciaries, the Department of Labor (DOL) issued specific guidance regarding TDF selection and monitoring.



Target Date Retirement Funds - Tips for ERISA Plan Fiduciaries

U.S. Department of Labor
Employee Benefits Security Administration
February 2013

*Target date retirement funds (also called target date funds or TDFs) have become an increasingly popular investment option in 401(k) plans and similar employee-directed retirement plans. The U.S. Department of Labor's Employee Benefits Security Administration (EBSA) prepared the following general guidance to assist plan fiduciaries in selecting and monitoring TDFs and other investment options in 401(k) and similar participant-directed individual account plans. Employers and other plan fiduciaries can learn more about their fiduciary responsibilities under the Employee Retirement Income Security Act of 1974 (ERISA) by visiting EBSA's website at **www.dol.gov/ebsa/compliance_assistance.html**.*

Target Date Fund Basics

With the growth of 401(k) and other individual account retirement plans, many more participants are responsible for investing their retirement savings. Target date retirement funds, or TDFs, can be attractive investment options for employees who do not want to actively manage their retirement savings. TDFs automatically rebalance to become more conservative as an employee gets closer to retirement. The "target date" refers to a target retirement date, and often is part of the name of the fund. For example, you might see TDFs with names like "Portfolio 2030," "Retirement Fund 2030," or "Target 2030" that are designed for individuals who intend to retire during or near the year 2030. Because of these features, many plan sponsors decide to use TDFs as their plan's qualified default investment alternative (QDIA) under Department of Labor regulations. A QDIA is a default investment option chosen by a plan fiduciary for participants who fail to make an election regarding investment of their account balances.[1]

TDFs offer a long-term investment strategy based on holding a mix of stocks, bonds and other investments (this mix is called an asset allocation) that automatically changes over time as the participant ages. A TDF's initial asset allocation, when the target date is a number of years away, usually consists mostly of stocks or equity investments, which often have greater potential for higher returns but also can be more volatile and carry greater investment risk. As the target retirement date approaches (and often continuing after the target date), the fund's asset allocation shifts to include a higher proportion of more conservative investments, like bonds and cash instruments, which generally are less volatile and carry less investment risk than stocks. The shift in the asset allocation over time is called the TDF's "glide path." It is important to know whether a target date fund's glide path uses a "to retirement" or a "through retirement" approach. A "to" approach reduces the TDF's equity exposure over time to its most conservative point at the target date. A "through" approach reduces equity exposure through the target date so it does not reach its most conservative point until years later.

Within this general framework, however, there are considerable differences among TDFs offered by different providers, even among TDFs with the same target date. For example, TDFs may have different investment strategies, glide paths, and investment-related fees. Because these differences can significantly affect the way a TDF performs, it is important that fiduciaries understand these differences when selecting a TDF as an investment option for their plan.

[1] More information on QDIAs is available in the Department's publication "Automatic Enrollment 401(k) Plans for Small Businesses" (available at http://www.dol.gov/ebsa/pdf/automaticenrollment401kplans.pdf).

- Align TDF and participant characteristics
- Understand underlying investments
- Review fees and investment expenses
- Consider custom or non-proprietary options
- Develop effective employee communications
- Document the process

See full list of DOL Tips in the appendix of this report

TDF Evaluation Methodology

A TDF is largely defined by its broad based allocations, or glidepath, and the specific investments utilized to achieve those allocations. The RPAG Risk Index classifies TDFs into risk levels based on their glidepath. Underlying funds scores give insight into the quality of the investments within each asset class.

Process for Selecting TDFs

1 **Fit Analysis**

- Plan Objectives
- Plan Demographics
- Participant Behavior

2 **Qualitative Considerations**

- Active[1] / Passive[2]
- Single Manager[3] / Multi Manager[4]
- Asset Class Coverage

3 **Scorecard™ Analysis**

- Risk/Return Comparisons
- Underlying Fund Performance
- Fund Fees

[1]Fund manager is trying to add value and outperform (for that style of investing). Typically, these investment strategies have higher associated costs due to the active involvement in the portfolio management process by the fund manager(s).
[2]Fund manager is trying to track or replicate some area of the market. These types of strategies may be broad-based in nature (e.g., the fund manager may be trying to track/replicate the technology sector). These investment strategies typically have lower costs than active investment strategies due to their passive nature of investing and are commonly referred to as index funds.
[3]One manager manages the underlying funds within the suite.
[4]Multiple managers manage the underlying funds within the suite.

RPAG Glidepath Segmentation

To assist fiduciaries with glidepath identification and selection, TDFs are categorized into one of three risk postures. Several factors are taken into consideration including equity exposure at various points and the rate of transition away from riskier investments.

Conservative

- Objective: stability
- Lower equity exposure at retirement
- Incorporates a long and gradual transition away from risky assets

Moderate

- Objective: balance
- Moderate equity exposure at retirement
- Incorporates a more steady transition away from risky assets

Aggressive

- Objective: growth
- Higher equity exposure at retirement
- Incorporates a faster transition away from risky assets

RPAG TDF Risk Index

The RPAG TDF Risk Index helps identify the overall risk posture of a TDF glidepath using a quantitative and qualitative review of the series. The Risk Index incorporates four key measures:

Metric	Description	Index Weight
Equity exposure at retirement (age 65)	Equity risk is responsible for a large portion of the volatility in broadly diversified portfolios. The time around retirement is an especially critical period for participants, and thus this metric has the highest weighting in the index.	**65%**
Glidepath slope	A steeper glidepath that transitions away from high-risk to risk-free assets near retirement age limits the ability to recover large losses and is more susceptible to sequencing risk.	**25%**
Equity at the start of the glidepath	A glidepath's beginning equity percentage.	**2.5%**
Equity at end of the glidepath	A glidepath's ending equity percentage, which may be at retirement age or past retirement age depending on the structure of the glidepath.	**7.5%**

The TDF Risk Index produces a number between 0 and 100—the higher the number, the more aggressive the strategy. Next, each TDF series is categorized into a risk category depending on it's risk index score:

Conservative
<54

Moderate
55 - 69

Aggressive
>70

TDF data is updated at least annually, and the risk index for any particular fund may change to reflect updated information. The risk index is limited to only target date fund asset allocation series. IMPORTANT: The projections or other information generated by the risk index regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

Evaluating The TDFs Underlying Funds

TDFs are typically structured as a “fund-of-funds”, comprised of underlying funds in various asset classes. While broad based asset class exposure is responsible for the majority of a TDF’s performance, the underlying fund performance can be a meaningful contributor or detractor to overall results, and as such, is an important fiduciary consideration. The DOL, in their tip sheet to plan fiduciaries released in 2013, referenced the importance of understanding and evaluating a TDF’s underlying investments.

As such, each TDF series receives an Average Underlying Fund Score, which is a statistical average of each underlying fund within a TDF series. This score can be an effective way to help measure the quality of each TDF’s underlying investments.

Active Funds		
30% Style	Avg. Style	Falls within professed quadrant.
	Style Drift	Generally passes if analytic is < 20. Blends and mid cap pass if analytic is < 25.
	R^2	> 80%
30% Risk/ Return	Risk/ Return	Less risk or stronger return than the benchmark.
	Up/ Down	Numerator must exceed denominator.
	Info Ratio	Positive IR
20% Peer Group	Return Rank	Ranked in the top 50th percentile (lower number indicates better ranking).
	Info Ratio Rank	Ranked in the top 50th percentile (lower number indicates better ranking).
20% Qualitative	• Manager < 1½ years tenure, deduct 2 points • Manager < 3½ years tenure, deduct 1 point • For a fund to be awarded full 2 points, its expense ratio must be below category average for asset class.	

Passive Funds		
40% Style & Tracking	Average Style	Falls within professed quadrant (stringent as manager only tracks benchmark, as opposed to trying to outperform it)
	Style Drift	Generally pass if analytic is < 5 (stringent as index funds are designed to have very little drift)
	R^2	> 95%. If not, may want to determine the index the fund is tracking.
	Tracking Error	< 4%. If larger, fund can lose additional points (see qualitative scoring below)
40% Peer Group Rankings	Tracking Error Rank	Ranks in the top 75th percentile (lower number indicates better ranking).
	Expense Rank	Ranks in the top 75th percentile (lower number indicates better ranking).
	Return Rank	Ranks in the top 75th percentile (lower number indicates better ranking).
	Sharpe Ratio Rank	Ranks in the top 75th percentile (lower number indicates better ranking).
20% Qualitative	• If tracking error > 6, deduct 1 point • If tracking error > 7, deduct 2 points • If expense ranks in the bottom decile, deduct 1 point	

TDF Fit Analysis

Plan sponsors must understand the plan's objectives, demographics and participant behavior in order to select a suitable TDF. A TDF Fit Analysis aims to identify the proper glidepath risk for a particular plan based on key plan-specific factors.

TDF Fit Analysis

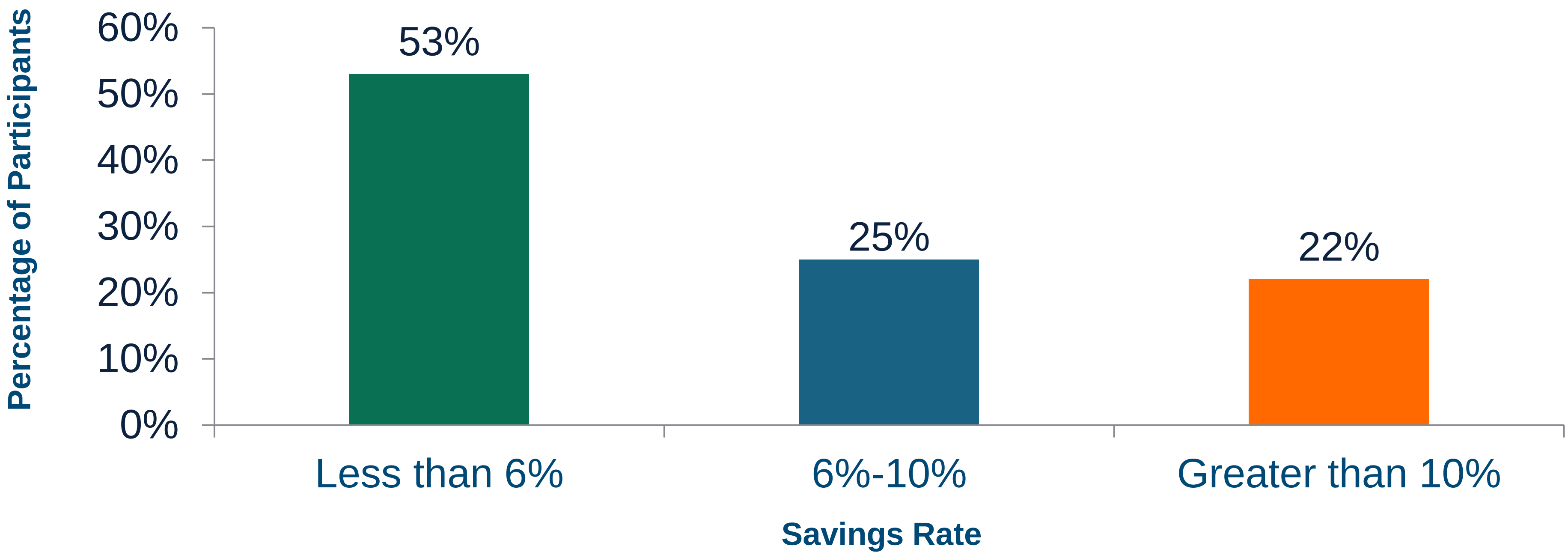
Plan Objective(s)		
Plan objectives impact participant savings and their ability to take risk. It is important that the plan's glidepath aligns with the plan's structure, including whether or not supplemental savings plans exist and the level to which these other plans provide income in retirement.	Is this retirement plan a supplement to another retirement savings plan?	No
	Do participants generally stay in the plan through retirement?	No
	Does the company's other retirement savings plan, if one exists, offer significant income in retirement?	Yes
	Glidepath Risk Consideration	**Conservative**

Plan Demographics		
Plan demographics drive glidepath strategy based on the funded status of the participants, which is primarily driven by contribution rates and account balances. These factors, in addition to the sophistication of the participants, dictate their need to take risk.	Do plan participants have above average investment knowledge?	Yes
	Does the plan have high average contribution rates?	No
	Does the plan have high average account balances at retirement?	No
	Glidepath Risk Consideration	**Aggressive**

Participant Behavior		
Participant behavior influences optimal glidepath strategy to the extent that participants are more or less engaged with their retirement plan. Their expectations regarding the timing of distributions and overall willingness to take risk are also key factors.	Does the plan have high participant involvement?	No
	Do participants expect to stay in the plan through retirement?	Yes
	Are participants generally risk-averse?	No
	Glidepath Risk Consideration	**Aggressive**

Distribution of Participant Savings Rates

Savings rate is a primary driver of funded status for a participant, and can thus be a good indicator of the optimal amount of risk that participant should assume. Higher savings rates allow for more conservative investing while lower savings rates require more aggressive investing in order to potentially achieve higher income replacement in retirement.

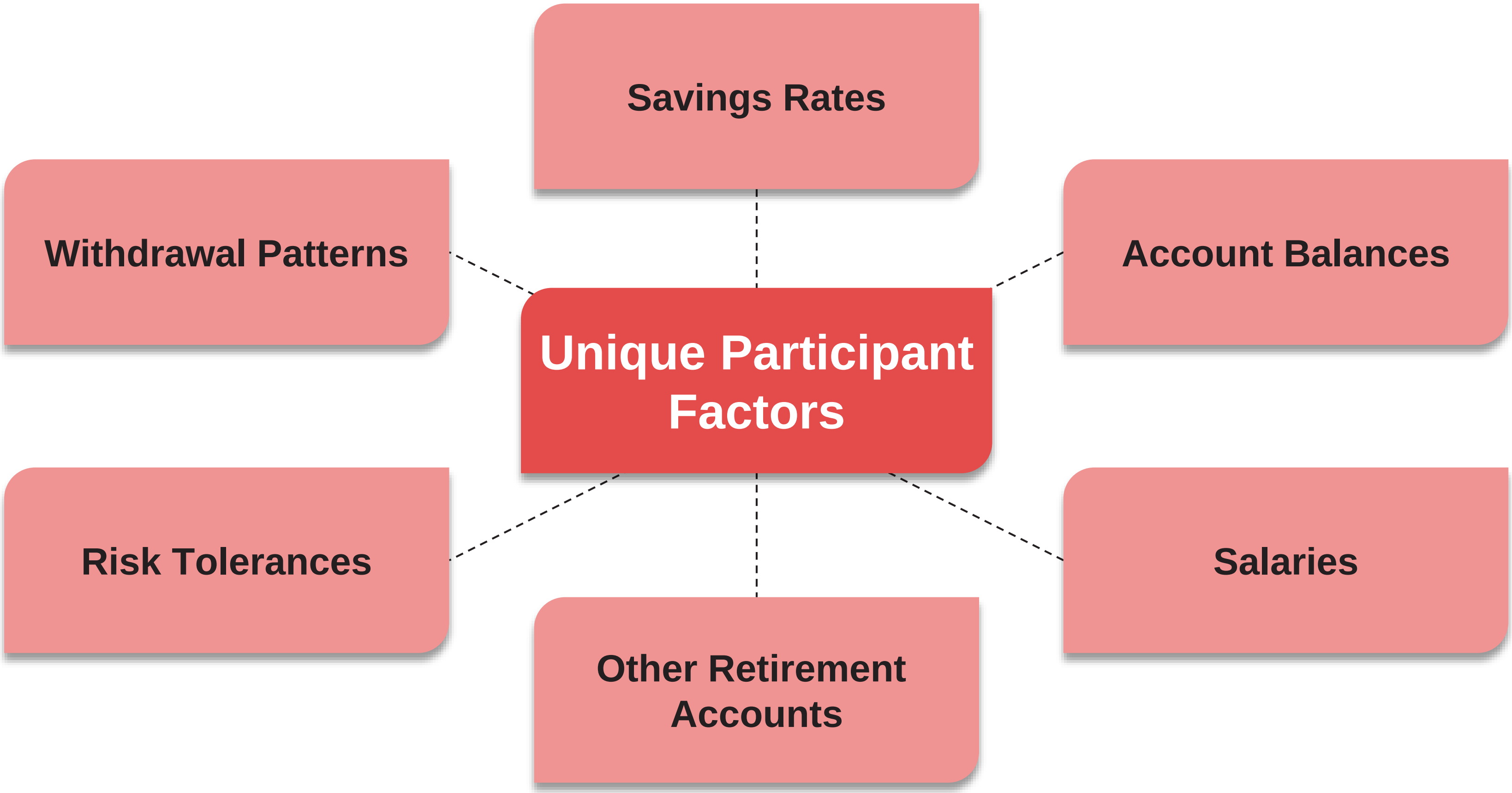


Best-fit Glidepath: Aggressive[1] | Moderate[1] | Conservative[1]

[1] Best-fit risk postures are based solely on funding adequacy. Conservative: RPAG Risk Index less than or equal to 54. Moderate: RPAG Risk Index between 55-69. Aggressive: RPAG Risk Index greater than or equal to 70. Source: Vanguard, "How America Saves 2015" figure 30, Vanguard.com, "Vanguard Defined Contribution Plans Permitting Employee-Elective Deferrals, 2014"
For Illustrative Purposes Only

The Challenge of Aligning TDF to Participants

One size does not fit all.
Participants within a plan may have diverse needs and preferences.

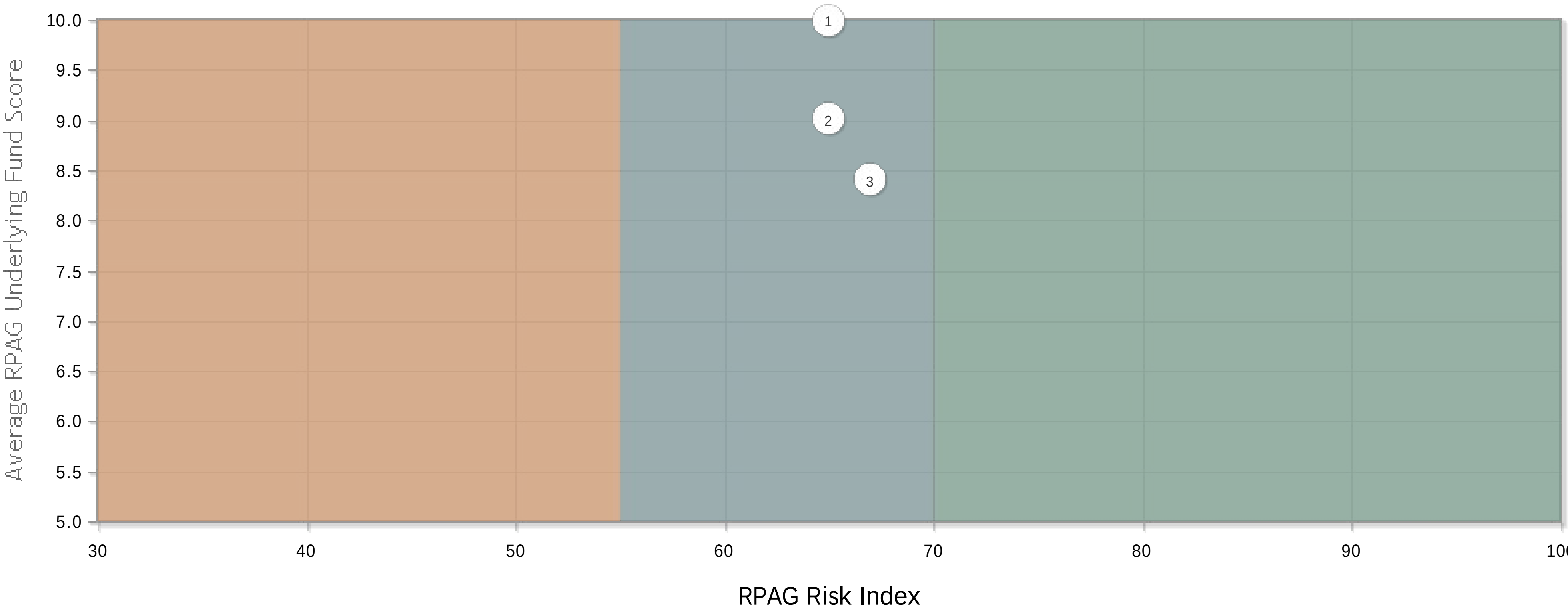


Solution: A TDF that is flexible enough to account for participant uniqueness

TDF Evaluation

In order to evaluate and select a TDF series, fiduciaries should conduct a thorough quantitative and Scorecard analysis. Important factors include glidepath risk, underlying funds, fees and asset class coverage.

Risk Index & Underlying Score



1 flexPATH Index Moderate

2 Blackrock LifePath Index

3 T. Rowe Price Target Retire

Glidepath Risk Category: Conservative | Moderate | Aggressive

TDF Matrix

TDF Series Name	Glidepath Risk	Risk Index	Equity Glide Path (Approx.)		Roll Down Age		Approx. Equity Exposure at 65	Management Style	Investment Type	Equity Tactical (+/-)
			Starting Eq	Ending Eq	Begin	End				
Blackrock LifePath Index	Moderate	65	99%	40%	35	65	40%	Passive	Proprietary Funds	0%
T. Rowe Price Target Retire	Moderate	67	90%	20%	30	95	43%	Active with little Passive Exposure	Proprietary Funds	5%
flexPATH Index Moderate	Moderate	65	99%	40%	35	65	40%	Passive	Open Architecture	0%
Industry Average	Moderate	67	91%	32%	36	72	41%			4%

TDF Matrix Definitions

TDF Series Name: Name of the TDF series.

TDF Design Analysis: each series is placed into a risk category (aggressive, moderate, conservative) based on the Glidepath Risk Index.

Glidepath Risk Index: A glidepath describes the transition from equity assets to fixed-income investments as an investor approaches retirement. The Glidepath Risk Index quantifies a glidepath's overall aggressiveness by considering four key factors, as explained below:

Equity exposure at retirement (age 65): Equity risk is responsible for a large portion of the volatility in broadly diversified portfolios. This represents 65 percent of the risk index weight.

Glidepath slope: a steeper glidepath that transitions away from equity assets to fixed-income investments near retirement age limits the ability to recover large losses and is more susceptible to sequencing risk. Sequencing risk is the risk of experiencing negative returns in a period when withdrawals are being made. A steeper transition away from equity assets in this case would make it subsequently more difficult for the investor to recoup losses experienced during this time. This represents 25 percent of the index weight.

Equity at the start of the glidepath. This represents 2.5 percent of the index weight.

Equity at the end of the glidepath. This represents 7.5 percent of the risk index weight.

Starting Eq: A glidepath's beginning equity percentage

Ending Eq: A glidepath's ending equity percentage, which may be at retirement age or past retirement age depending on the structure of the glidepath.

Begin Roll Down Age: the participant age corresponding to the glidepath's first decline in equity percentage

End Roll Down Age: the participant age corresponding to the time when the glidepath reaches its lowest and final equity percentage point

Approx. Equity Exposure at 65: the glidepath's approximate equity percentage at participant age 65 (assumed retirement age)

Active/Passive: describes the management style of the underlying funds within the TDF series. Active: fund manager attempts to implement a particular strategy with the goal to outperform a benchmark. Passive: fund manager implements a strategy to match, not outperform, the performance of a particular benchmark, gross of fees.

Investment Type: describes the structure of the underlying funds within the series

Tactical Asset Allocation: A glidepath can be strategic or tactical. Every TDF has a policy glidepath, which specifies the asset allocations at given time and serves as the base glidepath to which the portfolios are rebalanced periodically. Managers implementing a strategic glidepath do not actively deviate from these policy levels, although the policy weights can change slightly over time due to changes in long term capital market expectations. Managers implementing a tactical glidepath can actively deviate from policy allocations to act on their short term outlooks for certain asset classes in an attempt to outperform the policy allocation, in addition to changing the policy weights over time based on long term capital market expectations. This metric describes the maximum percentage deviation from the glidepath the manager is allowed to implement.

Investment Types

Proprietary Funds: a TDF is labeled proprietary if the underlying funds comprising the TDF series are managed by the same investment company managing the TDF itself.

Collective Trusts: a collective investment fund is a fund that is operated by a trust company or a bank and handles a pooled group of trust accounts. Collective investment funds combine the assets of various individuals and organizations to create a larger, well-diversified portfolio. Collective Investment trusts are not registered products.

MultiManager: a TDF is labeled multimanager if the underlying funds comprising the TDF series are managed by various investment companies, at least some of which are not the same investment company as the company managing the TDF itself.

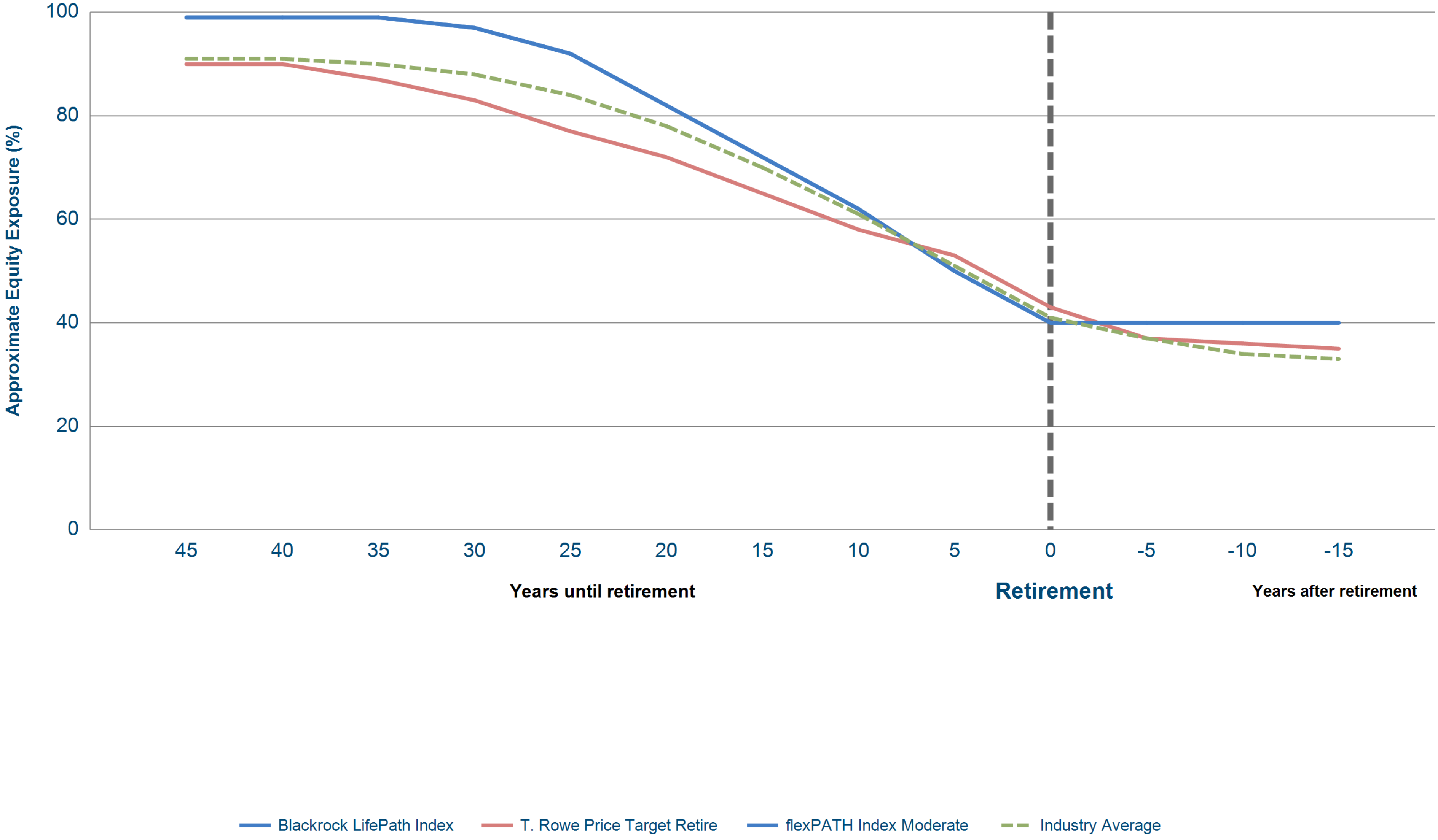
Disclaimers

Investments in target date funds are subject to the risks of their underlying funds. The investment risk of target date funds change over time as its asset allocation changes. Asset allocation and diversification do not protect against market loss. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the funds' target dates. The target date is typically the date in which the participant is expecting to retire.

Past performance does not guarantee future results.

Mutual funds are sold by prospectus only. Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of a mutual fund. The fund prospectus provides this and other important information. Please contact your representative or the Company to obtain a prospectus. Please read the prospectus carefully before investing or sending money.

TDF Glidepath Comparision



Asset Class Coverage

TDF Series	Blackrock LifePath Index	T. Rowe Price Target Retire	flexPATH Index
US Large Equity	✓	✓	✓
US Mid Equity		✓	✓
US Small Equity	✓	✓	✓
International Equity	✓	✓	✓
Emerging Market Equity	✓	✓	✓
US Fixed Income	✓	✓	✓
US Tips	✓	✓	✓
International Fixed Income		✓	
REITs	✓		✓
Commodities		✓	✓

Source: Morningstar
Information is for illustrative purposes only and cannot be guaranteed now or in the future

Scorecard™ - Style Box Summary

Blackrock LifePath Index: Underlying Fund Scores

U.S. Large Cap	U.S. Mid/Small Cap	International Large Cap Equity
iShares Russell 1000 Large-Cap Idx Inv A (10)	iShares Russell 2000 Small-Cap Idx Inv A (10)	iShares Core MSCI Total Intl Stk ETF (8)
		iShares MSCI Total Intl Idx Inv A (7)

International Mid/Small Cap Equity	REITs	Commodities
	iShares Developed Real Estate Idx K	

Core Fixed Income	Other Fixed Income	Specialty/Other
iShares US Aggregate Bond Index Inv A (10)	iShares TIPS Bond ETF (9)	

Only ten funds will appear in each style box category for spacing purposes.

Scorecard™ - Style Box Summary

T. Rowe Price Target Retire: Underlying Fund Scores

U.S. Large Cap	U.S. Mid/Small Cap	International Large Cap Equity
T. Rowe Price Equity Index 500 I (10)	T. Rowe Price Mid-Cap Growth I (10)	T. Rowe Price Overseas Stock I (10)
T. Rowe Price Value I (10)	T. Rowe Price Mid-Cap Value I (9)	T. Rowe Price International Value Eq I (9)
T. Rowe Price Growth Stock I (9)	T. Rowe Price New Horizons I (9)	T. Rowe Price International Stock I (8)
	T. Rowe Price Small-Cap Value I (8)	
	T. Rowe Price Small-Cap Stock I (6)	

International Mid/Small Cap Equity	REITs	Commodities

Core Fixed Income	Other Fixed Income	Specialty/Other
T. Rowe Price New Income I (8)	T. Rowe Price High Yield I (10)	T. Rowe Price Emerging Markets Stock I (10)
	T. Rowe Price International Bond I (5)	T. Rowe Price Real Assets I (9)
	T. Rowe Price Ltd Dur Infl Focus Bd I (3)	
	T. Rowe Price Emerging Markets Bond I	

Only ten funds will appear in each style box category for spacing purposes.

Scorecard™ - Style Box Summary

flexPATH Index: Underlying Fund Scores

U.S. Large Cap	U.S. Mid/Small Cap	International Large Cap Equity
BlackRock Russell 1000 Index Fund F (10)	BlackRock Russell 2000 Index Fund F (10)	BlackRock MSCI ACWI ex-U.S. IMI Index Fund F (10)
International Mid/Small Cap Equity	**REITs**	**Commodities**
	BlackRock Developed Real Estate Index Fund F (10)	BlackRock Commodity Index Daily Fund F (10)
Core Fixed Income	**Other Fixed Income**	**Specialty/Other**
BlackRock U.S. Debt Index Fund F (10)	BlackRock U.S. Treasury Inflation Protected Securities Fund F (10)	

Only ten funds will appear in each style box category for spacing purposes.

Scorecard™ - Asset Allocation Underlying Funds

Glidepath Risk	Asset Allocation Series	Average Underlying Fund Score			
		Q4 2017	Q3 2017	Q2 2017	Q1 2017
65	**Blackrock LifePath Index**	**9**	**8.7**	**9.3**	**9.3**

Asset Class	Underlying Funds - Passive	Ticker ID	Style				Peer Group				Qual	Score			
			Style	Style Drift	R2	Tracking Error	TE Rank	Expense Rank	Return Rank	SR Rank	2pt Max	Q4 2017	Q3 2017	Q2 2017	Q1 2017
LCB-P	iShares Russell 1000 Large-Cap Idx Inv A	BRGAX	1	1	1	1	1	1	1	1	2	**10**	**10**	**10**	**10**
			-0.1/ 99.3	0.8	100.0	0.1	1.0	50.0	46.0	47.0		LCB-P	LCB-P	LCB-P	LCB-P
SCB-P	iShares Russell 2000 Small-Cap Idx Inv A	MDSKX	1	1	1	1	1	1	1	1	2	**10**	**10**	**10**	**10**
			-0.8/ -99.7	0.7	100.0	0.2	37.0	33.0	41.0	51.0		SCB-P	SCB-P	SCB-P	SCB-P
IE-P	iShares MSCI Total Intl Idx Inv A	BDOAX	1	1	1	1	1	0	1	0	1	**7**	**5**	**8**	**8**
			16.5/ 30.6	4.5	98.4	1.6	18.0	94.0	69.0	79.0	E	IE-P	IE-P	ILCB-P	ILCB-P
ILCB-P	iShares Core MSCI Total Intl Stk ETF	IXUS	1	1	0	1	0	1	1	1	2	**8**	**8**	**9**	**8**
			-13.2/ 19.4	14.4	94.8	2.7	82.0	12.0	10.0	14.0		ILCB-P	ILCB-P	ILCB-P	ILCB-P
CFI-P	iShares US Aggregate Bond Index Inv A	BMOAX	1	1	1	1	1	1	1	1	2	**10**	**10**	**10**	**10**
			-15.7/ 39.1	3.5	99.7	0.2	31.0	56.0	43.0	41.0		CFI-P	CFI-P	CFI-P	CFI-P
UGT-P	iShares TIPS Bond ETF	TIP	1	1	1	1	1	0	1	1	2	**9**	**9**	**9**	**10**
			-98.3/ 99.3	0.6	99.9	0.1	33.0	83.0	39.0	42.0		UGT-P	UGT-P	UGT-P	UGT-P
GRE-P	iShares Developed Real Estate Idx K	BKRDX										**-**	**-**	**-**	**-**
												-	-	-	-

Blue shading represents the most recent quarter score. Red shading represents failing criteria.

Scorecard™ - Asset Allocation Underlying Funds

Glidepath Risk	Asset Allocation Series	Average Underlying Fund Score			
		Q4 2017	Q3 2017	Q2 2017	Q1 2017
67	**T. Rowe Price Target Retire**	**8.4**	**8.4**	**8.3**	**8.3**

Asset Class	Underlying Funds - Active	Ticker ID	Style			Risk/Return			Peer Group		Qual	Score			
			Style	Style Drift	R2	Risk/ Return	Up/ Down	Info Ratio	Return Rank	Info Ratio Rank	2pt Max	Q4 2017	Q3 2017	Q2 2017	Q1 2017
LCV	T. Rowe Price Value I	TRPIX	1	1	1	1	1	1	1	1	2	**10**	**10**	**10**	**10**
			-33.9/ 95.3	12.0	93.9	10.0/ 15.2	99.4/ 86.8	0.45	31.0	31.0		LCV	LCV	LCV	LCV
LCG	T. Rowe Price Growth Stock I	PRUFX	1	1	1	1	0	1	1	1	2	**9**	**10**	**9**	**8**
			100.0/ 89.9	7.2	87.2	11.5/ 18.0	105.1/ 106.7	0.15	7.0	7.0		LCG	LCG	LCG	LCG
MCV	T. Rowe Price Mid-Cap Value I	TRMIX	1	1	1	1	1	0	1	1	2	**9**	**9**	**9**	**10**
			-93.9/ -3.5	10.1	94.0	10.3/ 14.4	96.3/ 94.8	-0.12	16.0	12.0		MCV	MCV	MCV	MCV
MCG	T. Rowe Price Mid-Cap Growth I	RPTIX	1	1	1	1	1	1	1	1	2	**10**	**10**	**10**	**10**
			92.6/ -11.5	10.9	95.0	10.5/ 17.1	101.9/ 87.6	0.72	2.0	1.0		MCG	MCG	MCG	MCG
SCB	T. Rowe Price Small-Cap Value I	PRVIX	0	1	1	1	1	0	1	1	2	**8**	**7**	**5**	**5**
			-71.5/ -71.7	5.8	93.6	12.4/ 13.2	85.9/ 82.0	-0.25	35.0	35.0		SCB	SCB	SCB	SCB
SCG	T. Rowe Price New Horizons I	PRJIX	1	0	1	1	1	1	1	1	2	**9**	**9**	**9**	**9**
			95.7/ -37.7	22.9	89.3	12.5/ 18.6	92.0/ 66.1	0.7	4.0	3.0		SCG	SCG	SCG	SCG
SCG	T. Rowe Price Small-Cap Stock I	OTIIX	0	1	1	1	1	0	1	1	0	**6**	**6**	**6**	**7**
			0.1/ -71.8	11.8	94.8	12.4/ 14.3	84.4/ 78.6	-0.23	18.0	18.0	T	SCG	SCG	SCG	SCG

Blue shading represents the most recent quarter score. Red shading represents failing criteria.

Scorecard™ - Asset Allocation Underlying Funds

continued

Asset Class	Underlying Funds - Active	Ticker ID	Style			Risk/Return			Peer Group		Qual	Score			
			Style	Style Drift	R2	Risk/ Return	Up/ Down	Info Ratio	Return Rank	Info Ratio Rank	2pt Max	Q4 2017	Q3 2017	Q2 2017	Q1 2017
IE	T. Rowe Price International Stock I	PRIUX	0	1	1	1	1	1	1	1	1	**8**	**8**	**8**	**9**
			57.5/ 51.2	15.3	92.6	11.2/ 8.2	95.9/ 84.9	0.44	7.0	5.0	T	IE	IE	ILCG	ILCG
ILCV	T. Rowe Price International Value Eq I	TRTIX	0	1	1	1	1	1	1	1	2	**9**	**9**	**9**	**8**
			-2.3/ 43.6	15.9	90.9	10.7/ 6.6	80.8/ 74.2	0.09	43.0	44.0		ILCV	ILCV	ILCV	ILCV
ILCB	T. Rowe Price Overseas Stock I	TROIX	1	1	1	1	1	1	1	1	2	**10**	**10**	**10**	**10**
			5.2/ 51.2	17.7	95.5	10.6/ 8.3	92.4/ 87.0	0.14	38.0	33.0		ILCB	ILCB	ILCB	ILCB
EME	T. Rowe Price Emerging Markets Stock I	PRZIX	1	1	1	1	1	1	1	1	2	**10**	**10**	**10**	**10**
			88.4/ -99.2	6.6	93.2	14.6/ 6.5	105.7/ 94.9	0.57	4.0	2.0		EME	EME	EME	EME
CFI	T. Rowe Price New Income I	PRXEX	1	1	1	1	0	0	1	1	2	**8**	**9**	**9**	**10**
			-41.8/ 39.4	8.7	95.2	3.0/ 2.1	100.7/ 101.4	-0.01	41.0	47.0		CFI	CFI	CFI	CFI
UGT	T. Rowe Price Ltd Dur Infl Focus Bd I	TRLDX	0	1	0	1	0	0	0	1	0	**3**	**3**	**4**	**3**
			-33.8/ 28.8	5.5	61.2	1.7/ 0.0	29.2/ 31.3	-0.04	77.0	29.0	T/S	UGT	UGT	UGT	UGT
HY	T. Rowe Price High Yield I	PRHIX	1	1	1	1	1	1	1	1	2	**10**	**9**	**9**	**9**
			88.5/ -88.5	4.9	95.9	4.9/ 5.8	96.9/ 93.2	0.02	21.0	28.0		HY	HY	HY	HY
GFI	T. Rowe Price International Bond I	RPISX	1	1	1	0	0	0	0	0	2	**5**	**5**	**5**	**4**
			90.4/ 72.4	10.3	90.8	7.0/ -0.1	138.4/ 158.9	-0.34	83.0	84.0		GFI	GFI	GFI	GFI

Blue shading represents the most recent quarter score. Red shading represents failing criteria.

Scorecard™ - Asset Allocation Underlying Funds

continued

Asset Class	Underlying Funds - Active	Ticker ID	Style			Risk/Return			Peer Group		Qual	Score			
			Style	Style Drift	R2	Risk/ Return	Up/ Down	Info Ratio	Return Rank	Info Ratio Rank	2pt Max	Q4 2017	Q3 2017	Q2 2017	Q1 2017
SFI	T. Rowe Price Emerging Markets Bond I	PRXIX										**-**	**-**	**-**	**-**
												-	-	-	-
NR	T. Rowe Price Real Assets I	PRIKX	1	1	0	1	1	1	1	1	2	**9**	**9**	**9**	**9**
			-42.1/ -13.9	7.8	60.4	12.4/ 2.8	57.9/ 55.2	0.15	11.0	9.0		NR	NR	NR	NR

Asset Class	Underlying Funds - Passive	Ticker ID	Style				Peer Group				Qual	Score			
			Style	Style Drift	R2	Tracking Error	TE Rank	Expense Rank	Return Rank	SR Rank	2pt Max	Q4 2017	Q3 2017	Q2 2017	Q1 2017
LCB-P	T. Rowe Price Equity Index 500 I	PRUIX	1	1	1	1	1	1	1	1	2	**10**	**10**	**10**	**10**
			4.5/ 97.7	2.0	99.7	0.6	26.0	14.0	15.0	13.0		LCB-P	LCB-P	LCB-P	LCB-P

Blue shading represents the most recent quarter score. Red shading represents failing criteria.

Scorecard™ - Asset Allocation Underlying Funds

Glidepath Risk	Asset Allocation Series	Average Underlying Fund Score			
		Q4 2017	Q3 2017	Q2 2017	Q1 2017
65	**flexPATH Index**	**10**	**10**	**9.9**	**9.7**

Asset Class	Underlying Funds - Passive	Ticker ID	Style				Peer Group				Qual	Score			
			Style	Style Drift	R2	Tracking Error	TE Rank	Expense Rank	Return Rank	SR Rank	2pt Max	Q4 2017	Q3 2017	Q2 2017	Q1 2017
LCB-P	BlackRock Russell 1000 Index Fund F	R1000F.brcf	1	1	1	1	1	1	1	1	2	**10**	**10**	**10**	**10**
			0.3/ 99.6	0.6	100.0	0.0	0.0	0.0	14.0	15.0		LCB-P	LCB-P	LCB-P	LCB-P
SCB-P	BlackRock Russell 2000 Index Fund F	R2000F.brcf	1	1	1	1	1	1	1	1	2	**10**	**10**	**10**	**10**
			-1.2/ -99.7	0.5	100.0	0.1	1.0	0.0	20.0	31.0		SCB-P	SCB-P	SCB-P	SCB-P
IE-P	BlackRock MSCI ACWI ex-U.S. IMI Index Fund F	ACWIIMIF.brcf	1	1	1	1	1	1	1	1	2	**10**	**10**	**9**	**8**
			10.0/ 45.3	3.8	98.9	1.3	8.0	0.0	2.0	2.0		IE-P	IE-P	ILCB-P	ILCB-P
CFI-P	BlackRock U.S. Debt Index Fund F	USDebtF.brcf	1	1	1	1	1	1	1	1	2	**10**	**10**	**10**	**10**
			-19.1/ 34.7	0.7	99.9	0.1	18.0	0.0	10.0	8.0		CFI-P	CFI-P	CFI-P	CFI-P
UGT-P	BlackRock U.S. Treasury Inflation Protected Securities Fund F	USTIPSF.brcf	1	1	1	1	1	1	1	1	2	**10**	**10**	**10**	**10**
			-99.5/ 99.3	0.5	99.8	0.2	42.0	0.0	3.0	11.0		UGT-P	UGT-P	UGT-P	UGT-P
CBB-P	BlackRock Commodity Index Daily Fund F	689516.brcf	1	1	1	1	1	1	1	1	2	**10**	**10**	**10**	**10**
			99.5/ 99.9	0.2	100.0	0.1	4.0	0.0	42.0	50.0		CBB-P	CBB-P	CBB-P	CBB-P
GRE-P	BlackRock Developed Real Estate Index Fund F	680579.brcf	1	1	1	1	1	1	1	1	2	**10**	**10**	**10**	**10**
			-12.6/ 83.6	6.4	95.5	2.6	30.0	0.0	55.0	50.0		GRE-P	GRE-P	GRE-P	GRE-P

Blue shading represents the most recent quarter score. Red shading represents failing criteria.

TDF Comparison Summary

TDF Series	Blackrock LifePath Index	T. Rowe Price Target Retire	flexPATH Index
Strategy Investment Expense	0.12%	0.68%	0.15%
Glidepath Risk	Moderate	Moderate	Moderate
Management Style	Passive	Active with little Passive Exposure	Passive
Average Underlying Fund Score	9.0	8.4	10.0
Number of Underlying Funds Scoring Watchlist or Below	1	4	0
3(38) Independent Manager Selection	No	No	Yes

Information is for illustrative purposes only and cannot be guaranteed now or in the future.
Source: Retirement Plan Advisory Group

Appendix

DOL TIPS

What to Remember When Choosing Target Date Funds

• ***Establish a process for comparing and selecting TDFs***. In general, plan fiduciaries should engage in an objective process to obtain information that will enable them to evaluate the prudence of any investment option made available under the plan. For example, in selecting a TDF you should consider prospectus information, such as information about performance (investment returns) and investment fees and expenses. You should consider how well the TDF's characteristics align with eligible employees' ages and likely retirement dates. It also may be helpful for plan fiduciaries to discuss with their prospective TDF providers the possible significance of other characteristics of the participant population, such as participation in a traditional defined benefit pension plan offered by the employer, salary levels, turnover rates, contribution rates and withdrawal patterns.

• ***Establish a process for the periodic review of selected TDFs.*** Plan fiduciaries are required to periodically review the plan's investment options to ensure that they should continue to be offered. At a minimum, the review process should include examining whether there have been any significant changes in the information fiduciaries considered when the option was selected or last reviewed. For instance, if a TDF's investment strategy or management team changes significantly, or if the fund's manager is not effectively carrying out the fund's stated investment strategy, then it may be necessary to consider replacing the fund. Similarly, if your plan's objectives in offering a TDF change, you should consider replacing the fund.

• ***Understand the fund's investments – the allocation in different asset classes (stocks, bonds, cash), individual investments, and how these will change over time.*** Have you looked at the fund's prospectus or offering materials? Do you understand the principal strategies and risks of the fund, or of any underlying asset classes or investments that may be held by the TDF? Make sure you understand the fund's glide path, including when the fund will reach its most conservative asset allocation and whether that will occur at or after the target date. Some funds keep a sizeable investment in more volatile assets, like stocks, even as they pass their "target" retirement dates. Since these funds continue to invest in stock, your employees' retirement savings may continue to have some investment risk after they retire. These

funds are generally for employees who don't expect to withdraw all of their 401(k) account savings immediately upon retirement, but would rather make periodic withdrawals over the span of their retirement years. Other TDFs are concentrated in more conservative and less volatile investments at the target date, assuming that employees will want to cash out of the plan on the day they retire. If the employees don't understand the fund's glide path assumptions when they invest, they may be

surprised later if it turns out not to be a good fit for them.

• ***Review the fund's fees and investment expenses.*** TDF costs can vary significantly, both in the amount and types of fees. Small differences in investment fees and costs can have a serious impact on reducing long term retirement savings. 2 Do you understand the fees and expenses, including any sales loads, for the TDF? If the TDF invests in other funds, did you consider the fees and expenses for both the TDF and the underlying funds? If the expense ratios of the individual component funds are

substantially less than the overall TDF, you should ask what services and expenses make up the difference. Added expenses may be for asset allocation, rebalancing and access to special investments that can smooth returns in uncertain markets, and may be worth it, but it is important to ask. 2 A difference of just one percentage point in fees (1.5% as compared with 0.5%) over 35 years dramatically affects overall returns. If a worker with a 401(k) account balance of $25,000 averages a seven percent return, the worker will have $227,000 at retirement with the lower fee and $163,000 with the higher fee, assuming no further contributions. U.S. Department of Labor, Employee Benefits Security Administration, A Look At 401(k) Plan Fees, at http://www.dol.gov/ebsa/publications/401k_employee.html.

• ***Inquire about whether a custom or non-proprietary target date fund would be a better fit for your plan.*** Some TDF vendors may offer a pre-packaged product which uses only the vendor's proprietary funds as the TDF component investments. Alternatively, a "custom" TDF may offer advantages to your plan participants by giving you the ability to incorporate the plan's existing core funds in the TDF. Nonproprietary TDFs could also offer advantages by including component funds that are managed by fund managers other than the TDF provider itself, thus diversifying participants' exposure to one investment provider. There are some costs and administrative tasks involved in creating a custom or nonproprietary TDF, and they may not be right for every plan, but you should ask your investment provider whether it offers them.

• ***Develop effective employee communications.*** Have you planned for the employees to receive appropriate information about TDFs in general, as a retirement investment option, and about individual TDFs available in the plan? Just as it is important for the plan fiduciary to understand TDF basics when choosing a TDF investment option for the plan, employees who are responsible for investing their individual accounts need information too. Disclosures required by law also must be considered. The Department published a final rule that, starting for most plans in August 2012, requires that participants in 401(k)-type individual account retirement plans receive greater information about the fees and expenses associated with their plans, including specific fee and expense information about TDFs and other investment options available under their plans. The Department of Labor is also working on regulations to improve the disclosures that must be made to participants specifically about TDFs. For example, in addition to general information about TDFs, the proposed regulations call for disclosures to include an explanation that an investment in a TDF is not guaranteed and that participants can lose money in the fund, including at and after the target date. Check EBSA's website for updates on regulatory disclosure requirements.

DOL TIPS

• ***Take advantage of available sources of information to evaluate the TDF and recommendations you received regarding the TDF selection.*** While TDFs are relatively new investment options, there are an increasing number of commercially available sources for information and services to assist plan fiduciaries in their decision-making and review process.

• ***Document the process.*** Plan fiduciaries should document the selection and review process, including how they reached decisions about individual investment options.

Related Information

From the Department of Labor:

• Investor Bulletin: Target Date Retirement Funds

• A Look at 401(k) Plan Fees

• Meeting Your Fiduciary Responsibilities

• Understanding Retirement Plan Fees and Expenses

• Understanding Your Retirement Plan Fees

• Selecting and Monitoring Pension Consultants – Tips for Plan Fiduciaries

From the SEC:

• Beginners' Guide to Asset Allocation, Diversification, and Rebalancing

• Invest Wisely: An Introduction to Mutual Funds

• Mutual Fund Fees and Expenses

From the Financial Industry Regulatory Authority (FINRA):

• Fund Analyzer

Disclosure

The information contained herein has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or to participate in any trading strategy. This document was produced by and the opinions expressed are those of NFP Retirement as of the date of writing and are subject to change. This research is based on NFP Retirement proprietary research and analysis of global markets and investing. The information and/or analysis contained in this material have been compiled or arrived at from sources believed to be reliable, however NFP Retirement does not make any representation as their accuracy or completeness and does not accept liability for any loss arising from the use hereof. Past performance is no guarantee of future results. The use of tools cannot guarantee performance. Any decision to invest according to investment advice provided by NFP Retirement should be made after conducting such investigations as the investor deems necessary and consulting the investor's own investment, legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment.

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Market indexes are included in this report only as context reflecting general market results during the period. NFP Retirement may provide research on funds that are not represented by such market indexes. Accordingly, no representations are made that the performance or volatility of any fund where NFP Retirement provides research will track or reflect any particular index. Market index performance calculations are gross of management and performance incentive fees.

Investing involves risks, including the lost of principal

The principal value of the funds is not guaranteed at any time including at and after the target date. Asset allocation models and diversification do not promise any level of performance or guarantee against loss of principal. Investment in the funds is subject to the risks of the underlying funds

The target date is the approximate date when investors plan to start withdrawing their money. Generally, the asset allocation of each fund will change on an annual basis with the asset allocation becoming more conservative as the fund nears the target retirement date.

The TDF Series included in the TDF Analyzer are mutual fund and CIT vehicles that are included in the RPAG Practice Management Portal (PMP) system, which may not include all TDF Series in the universe. Those TDFs not considered may have characteristics similar or superior to those being analyzed. The RPAG PMP system is an online technology platform for retirement advisors and delivers quantitative and qualitative metrics on 25,000+ funds and dozens of investment platforms. Data included in the RPAG PMP system is gathered from Morningstar or directly from the fund company. Data is updated periodically to reflect changes in glidepath allocations. The TDFs included in the industry are subject to change.

[Securities disclosure]

Scorecard Disclosure

Scorecard System Methodology™

The Scorecard System Methodology incorporates both quantitative and qualitative factors in evaluating fund managers and their investment strategies. The Scorecard System is built around pass/fail criteria, on a scale of 0 to 10 (with 10 being the best) and has the ability to measure active, passive and asset allocation investing strategies. Active and asset allocation strategies are evaluated over a five-year time period, and passive strategies are evaluated over a three-year time period.

Eighty percent of the fund's score is quantitative (made up of eight unique factors), incorporating modern portfolio theory statistics, quadratic optimization analysis, and peer group rankings (among a few of the quantitative factors). The other twenty percent of the score is qualitative, taking into account things such as manager tenure, the fund's expense ratio relative to the average fund expense ratio in that asset class category, and the fund's strength of statistics (statistical significance). Other criteria that may be considered in the qualitative score includes the viability of the firm managing the assets, management or personnel issues at the firm, and/or whether there has been a change in direction of the fund's stated investment strategy. The following pages detail the specific factors for each type of investing strategies.

Combined, these factors are a way of measuring the relative performance, characteristics, behavior and overall appropriateness of a fund for inclusion into a plan as an investment option. General fund guidelines are shown in the "Scorecard Point System" table below. The Scorecard Point System is meant to be used in conjunction with our sample Investment Policy Statement, in order to help identify what strategies need to be discussed as a "watch-list" or removal candidate; what strategies continue to meet some minimum standards and continue to be appropriate; and/or identify new top-ranked strategies for inclusion into a plan.

Scorecard Point System	
Good	9-10 Points
Acceptable	7-8 Points
Watch List	5-6 Points
Poor	0-4 Points

Scorecard Disclosures

Investment objectives and strategies vary among fund, and may not be similar for funds included in the same asset class.

All definitions are typical category representations. The specific share classes or accounts identified above may not be available or chosen by the plan. Share class and account availability is unique to the client's specific circumstances. There may be multiple share classes or accounts available to the client from which to choose. All recommendations are subject to vendor/provider approval before implementation into the plan

The performance data quoted may not reflect the deduction of additional fees, if applicable. If reflected, additional fees would reduce the performance quoted. Performance data is subject to change without prior notice.

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

The information used in the analysis has been taken from sources deemed to be reliable, including, third-party providers such as *Markov Processes International, Morningstar,* firms who manage the investments, and/or the retirement plan providers who offer the funds.

Every reasonable effort has been made to ensure completeness and accuracy; however, the final accuracy of the numbers and information is the responsibility of the investment manager(s) of each fund and/or the retirement plan providers offering these funds. Discrepancies between the figures reported in this analysis, and those reported by the actual investment managers and/or retirement plan providers, may be caused by a variety of factors, including: Inaccurate reporting by the manager/provider; Changes in reporting by the manager/provider from the time this report was prepared to a subsequent retro-active audit and corrected reporting; Differences in fees and share-classes impacting net investment return; and, Scriveners error by your advisor in preparing this report.

The enclosed Investment Due Diligence report, including the ScorecardSM System, is intended for plan sponsor and/or institutional use only. The materials are not intended for participant use.

The purpose of this report is to assist fiduciaries in selecting and monitoring investment options. A fund's score is meant to be used by the plan sponsor and/or fiduciaries as a tool for selecting the most appropriate fund.

Fund scores will change as the performance of the funds change and as certain factors measured in the qualitative category change (e.g., manager tenure). Fund scores are not expected to change dramatically from each measured period, however, there is no guarantee this will be the case. Scores will change depending on the changes in the underlying pre-specified Scorecard factors.

Neither past performance nor statistics calculated using past performance are guarantees of a fund's future performance. Likewise, a fund's score using the ScorecardSM System does not guarantee the future performance or style consistency of a fund.

This report was prepared with the belief that this information is relevant to the plan sponsor as the plan sponsor makes investment selections.

Fund selection is at the discretion of the investment fiduciaries, which are either the plan sponsor or the committee appointed to perform that function. Cash Alternatives (e.g., money market fund) and some specialty funds are not scored by the ScorecardSM System.

The enclosed Investment Due Diligence report and Scorecard is not an offer to sell mutual funds. An offer to sell may be made only after the client has received and read the appropriate prospectus.

For the most current month-end performance, please contact your advisor.

The Strategy Review notes section is for informational purposes only. The views expressed here are those of your advisor and do not constitute an offer to sell an investment. An offer to sell may be made only after the client has received and read the appropriate prospectus.

Carefully consider the investment objectives, risk factors and charges and expenses of the investment company before investing. This and other information can be found in the fund's prospectus, which may be obtained by contacting your Investment Advisor/Consultant or Vendor/Provider. Read the prospectus carefully before investing.

For a copy of the most recent prospectus, please contact your Investment Advisor/Consultant or Vendor/Provider.

Scorecard Disclosure

Scorecard System Methodology™ - Asset Allocation Group Score

Asset allocation strategies are investment strategies that invest in a broad array of asset classes that may include U.S. equity, international equity, emerging markets, real estate, fixed income, high yield bonds and cash (to name a few asset classes). These strategies are typically structured in either a risk-based format (the strategies are managed to a level of risk, e.g., conservative or aggressive) or, in an age-based format (these strategies are managed to a retirement date or life expectancy date, typically growing more conservative as that date is approached). For this type of investment strategy, the **Scorecard System** is focused on how well these managers can add value from both asset allocation and manager selection.

Multisector Bond (MSB) asset class follows the same evaluation criteria with some slightly different tolerance levels where noted. These managers are also evaluated on both their asset allocation and security selection.

Weightings	Asset Allocation Strategies	Maximum Points
Style Factors 30%	**Risk Level:** The fund's standard deviation is measured against the category it is being analyzed in. The fund passes if it falls within the range for that category.	1
	Style Diversity: Fund passes if it reflects appropriate style diversity (returns-based) among the four major asset classes (Cash, Fixed Income, U.S. & International Equity) for the given category. *MSB* funds pass if reflect some level of diversity among fixed income asset classes (Cash, U.S. Fixed Income, Non-U.S. Fixed Income and High Yield/Emerging Markets).	1
	R-Squared: Measures the percentage of a fund's returns that are explained by the benchmark. Fund passes with an R-squared greater than 90%. This statistic measures whether the benchmark used in the analysis is appropriate.	1
Risk/Return Factors 30%	**Risk/Return:** Fund passes if its risk is less than the benchmark or its return is greater than the benchmark. Favorable risk/return characteristics are desired.	1
	Up/Down Capture Analysis: Measures the behavior of a fund in up and down markets. Fund passes with an up capture greater than its down capture. This analysis measures the relative value by the manager in up and down markets.	1
	Information Ratio: Measures a fund's relative risk and return. Fund passes if ratio is greater than 0. This statistic measures the value added above the benchmark, adjusted for risk.	1
Peer Group Rankings 20%	**Returns Peer Group Ranking:** Fund passes if its median rank is above the 50th percentile.	1
	Sharpe Ratio Peer Group Ranking: Fund passes if its median rank is above the 50th percentile. This ranking ranks risk adjusted excess return.	1
Qualitative Factors 20%	Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered. It is important to take into account non-quantitative factors, which may impact future performance.	2
	Total	10

Glossary

Active strategies: investment strategies where the fund manager is trying to add value and out-perform the market averages (for that style of investing). Typically, these investment strategies have higher associated costs due to the active involvement in the portfolio management process by the fund manager(s). For this type of investment strategy, the ScorecardSM System is trying to identify those managers who can add value on a consistent basis within their own style of investing.

Alpha: a measure used to quantify a fund manager's value added. Alpha measures the difference between a portfolio's actual returns and what it might be expected to deliver based on its level of risk. A positive alpha means the fund has beaten expectations and implies a skillful manager. A negative alpha means that the manager failed to match performance with the given risk level.

Asset allocation strategies: investment strategies that invest in a broad array of asset classes that may include U.S. equity, international equity, emerging markets, real estate, fixed income, high yield bonds and cash (to name a few asset classes). These strategies are typically structured in either a risk-based format (the strategies are managed to a level of risk, e.g., conservative or aggressive) or, in an age-based format (these strategies are managed to a retirement date or life expectancy date, typically growing more conservative as that date is approached). For this type of investment strategy, the ScorecardSM System is focused on how well these managers can add value from both asset allocation and manager selection.

Beta: a measure of risk that gauges the sensitivity of a manager to movements in the benchmark (market). If the market returns change by some amount x, then the manager returns can be expected to change by Beta times x. A Beta of 1 implies that you can expect the movement of a fund's return series to match that of the benchmark. A portfolio with a beta of 2 would move approximately twice as much as the benchmark.

Downside Deviation: also referred to as downside risk. The downside standard deviation shows the average size of the deviations (from the mean) when the return is negative.

Excess Return: the difference between the returns of a mutual fund and its benchmark.

Explained Variance: the explained variance measures the variance of the fund that is explained by the benchmark (similar to the R-squared statistic).

Information Ratio: a measure of the consistency of excess return. The ratio is calculated by taking the annualized excess return over a benchmark (numerator) and dividing it by the standard deviation of excess return (denominator). The result is a measure of the portfolio management's performance against risk and return relative to a benchmark. This is a straightforward way to evaluate the return a fund manager achieves, given the risk they take on.

Median Rank: refers to the midpoint of the range numbers that are arranged in order of value (lowest to highest).

Passive strategies: investment strategies where the fund manager is trying to track or replicate some area of the market. These types of strategies may be broad-based in nature (e.g., the fund manager is trying to track/replicate the entire U.S. equity market like the S&P 500) or may be more specific to a particular area of the market (e.g., the fund manager may be trying to track/replicate the technology sector). These investment strategies typically have lower costs than active investment strategies due to their passive nature of investing and are commonly referred to as index funds. For this type of investment strategy, the ScorecardSM System is focused on how well these managers track and/or replicate a particular area of the market with an emphasis on how they compare against their peers

R-squared: measures (on a scale of 0 to 100) the amount of movement of a fund's return that can be explained by that fund's benchmark. An R-squared of 100 means that all movements of a fund are completely explained by movements in the associated index (benchmark).

Returns Based Style Analysis: uses a fund's return series to help identify the style of the fund. This is done by comparing those returns across a specific time period to a series of index returns of various styles (Large Cap Growth, Small Cap Value, etc.) over the same period. Through quadratic optimization, the best fit style is calculated. Once the best fit is found, the fund's style can then be analyzed and weightings toward each asset class can be made.

Sharpe Ratio: a ratio developed by Bill Sharpe to measure risk-adjusted performance. It is calculated by subtracting the risk free rate from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns to measure reward on a per unit of risk basis. For example if a bond fund returns 6% and has a standard deviation of 4% and the risk free rate is 2% then the Sharpe Ratio for this fund will be 1. (6-2)/4 = 1.

Significance Level: indicates the level of confidence (on a percentage basis) with which the statement "the manager's annualized excess return over the benchmark is positive" or "the manager's annualized excess return over the benchmark is negative," as the case may be, holds true.

Standard Deviation: of return measures the average deviations of a return series from its mean (average) return. A large standard deviation implies that there have been large swings in the return series of the manager. The larger the swing, the more volatile the fund's returns and hence more implied risk. For smaller swings the opposite is true. Standard deviation helps us analyze risk by revealing how much the return on the fund is deviating.

Style Drift: is the tendency of a fund to deviate from its investment style over time is style drift. This generally occurs because of a change in the fund's strategy, the manager's philosophy or even a portfolio manager change. During the 1990's dotcom boom, for example, many managers – regardless of the strategies they were initially bound by – were able to justify buying tech stocks for their portfolio, in hopes of capitalizing on the tech boom in the market at that time. Consequently, their styles "drifted" from their original strategy.

Tracking Error: refers to the standard deviation of excess returns or the divergence between the return behavior of a portfolio and the return behavior of a benchmark. Tracking error is reported as a "standard deviation percentage" difference that accounts for the volatility between the return of a fund versus its benchmark.

Volatility of Rank: is measured by taking the median of a series of numbers, or taking the absolute value of the distance of each individual number to that median, then finding the median of those distances. Volatility is used because it makes a better companion to the median than the standard deviation. Standard deviation is commonly used when measuring volatility around the mean (average), while volatility of rank is used for medians.

Up/Down Capture: a measure of how well a manager was able to replicate or improve on periods of positive benchmark returns, and how badly the manager was affected by periods of negative benchmark returns. For example, if a fund has an up capture of 120 that means that the fund goes up 12% when the benchmark moves up 10%. The same fund has a down capture of 90 so that means the fund returns a -9% when the benchmark returns a -10%.

Asset Class Definitions

Conservative (CON): a diversified asset allocation strategy including equity with an emphasis on fixed income. Demonstrates a lower overall volatility (risk) level when compared to the other asset allocation categories.
Moderate Conservative (MC): a diversified asset allocation strategy including equity and fixed income. Demonstrates a higher overall volatility (risk) level when compared to CON, but lower volatility level when compared to MOD, MA and AGG.
Moderate (MOD): a diversified asset allocation strategy including equity and fixed income. Demonstrates a higher overall volatility (risk) level when compared to CON and MC, but lower volatility level when compared to MA and AGG.
Moderate Aggressive (MA): a diversified asset allocation strategy including equity and fixed income. Demonstrates a higher overall volatility (risk) level when compared to CON, MC, and MOD, but lower volatility level when compared to AGG.
Aggressive (AGG): a diversified asset allocation strategy including fixed income with an emphasis on equity. Demonstrates a higher overall volatility (risk) level when compared to the other asset allocation categories.
Large Cap Value (LCV): large capitalization companies who have lower prices in relation to their earnings or book value.
Large Cap Blend (LCB): large capitalization companies who display both value and growth-like characteristics.
Large Cap Growth (LCG): large capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher forecasted or expected growth rate.
Mid Cap Value (MCV): mid-capitalization companies who have lower prices in relation to their earnings or book value.
Mid Cap Blend (MCB): mid-capitalization companies who display both value and growth-like characteristics.
Mid Cap Growth (MCG): mid-capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher expected growth rate.
Small Cap Value (SCV): small capitalization companies who have lower prices in relation to their earnings or book value.
Small Cap Blend (SCB): small capitalization companies who display both value and growth-like characteristics.
Small Cap Growth (SCG): small capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher forecasted or expected growth rate.
SMid Value (SMCV): includes any fund categorized as SCV or MCV within Morningstar and whose primary prospectus benchmark is the Russell 2500 Value, which consists primarily of small and mid-capitalization companies who have lower prices in relation to their earnings or book value
SMid Growth (SMCG): includes any fund categorized as SCG or MCG within Morningstar and whose primary prospectus benchmark is the Russell 2500 Growth, which consists primarily of small and mid-capitalization companies who have higher prices in relation to their earnings or book value, generally due to a higher forecasted or expected growth rate.
SMid Blend (SMCB): includes any fund categorized as SCB or MCB within Morningstar and whose primary prospectus benchmark is the Russell 2500, which consists primarily of small and mid-capitalization companies who display both value and growth-like characteristics.
Bank Loans (BL): an array of loans to corporations made by banks and other financial outfits that do not pay a fixed interest rate but rather an adjustable one and are therefore often referred to as floating rate loans.
International Equity (IE): includes any fund whose primary prospectus benchmark is the MSCI ACWI ex USA, which includes both developed and emerging markets, and is intended to provide a broad measure of stock performance throughout the world, with the exception of U.S. based companies.

International Large Cap Value (ILCV): primarily large capitalization foreign companies displaying both value-like characteristics.
International Large Cap Blend (ILCB): primarily large capitalization foreign companies displaying both value and growth-like characteristics.
International Large Cap Growth (ILCG): primarily large capitalization foreign companies displaying both growth-like characteristics.
International Small-Mid Cap Value (ISMV): primarily small and mid capitalization foreign companies displaying both value-like characteristics. **International Small-Mid Cap Growth (ISMG):** primarily small and mid capitalization foreign companies displaying both growth-like characteristics. **Emerging Market Equity (EME):** foreign companies in countries that are not considered to have fully developed markets or economies.
Global Equity (GE): large capitalization domestic and foreign companies displaying both value and growth-like characteristics.
Core Fixed Income (CFI): domestic fixed income securities representing a broad array of fixed income securities including government, credit and mortgage backed securities.
Intermediate Government (IG): domestic Government or Government-backed fixed income securities.
U.S. Government TIPS (UGT): treasury inflation protected securities which are Government securities designed to offer inflation protection by adjusting the principal based on changes in the Consumer Price Index.
Short-Term Bond (STB): a broad array of fixed income securities that have short durations and/or maturities (typically 1-3 years).
High Yield (HY): below investment grade domestic fixed income securities, which have a higher likelihood of default.
Global Fixed Income (GFI): a broad array of fixed income securities across many different countries.
Multisector Bond (MB): a broad array of fixed income securities across many different sectors including domestic government, corporate, sovereign and emerging markets debt. They generally have few limitations when it comes to domicile, sectors, maturities or credit ratings.
Specialty Fixed Income (SFI): a particular segment of the stock market focused on utility companies.
Stable Value (SV): a conservative fixed income strategy that is designed to preserve capital.
Money Market (MM): conservative, short-term oriented money market securities.
Guaranteed Investment Contract (GIC): products that have some type of guarantee from the issuer or provider.
REIT (RE): real estate securities traded on a stock exchange.
Technology (TEC): a particular segment of the stock market focused on technology related companies.
Natural Resources (NR): a particular segment of the stock market focused on natural resource related companies.
HealthCare (HC): a particular segment of the stock market focused on healthcare related companies.
Communication (COM): a particular segment of the stock market focused on communications related companies.
Financial Services (FS): a particular segment of the stock market focused on financial services companies.
Utilities (UTI): a particular segment of the stock market focused on utility companies.
Specialty (SPC): a unique area of the market.
-P: Asset Class abbreviations with a "-P" after the abbreviation indicate that the strategy was classified as passively managed. When not indicated, all other strategies are classified as actively managed and/or asset allocation.

Index Disclosure

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

Citigroup Corporate Bond is an index which serves as a benchmark for corporate bond performance. You cannot invest directly in an index.

Citigroup Mortgage Master is an index which serves as a benchmark for U.S. mortgage- backed securities performance.

Citigroup WGBI Index is an index which serves as a benchmark for global bond performance, including 22 different government bond markets.

Credit Suisse High Yield Index is an unmanaged, trader priced index constructed to mirror the characteristics of the high yield bond market.

BC (Barclays Capital) U.S. Aggregate Bond Index represents securities that are U. S., domestic, taxable, and dollar denominated. The index covers the U. S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

BC Credit Bond Index includes publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

BC U.S. Corporate Investment Grade represents investment grade corporate securities that are U. S., domestic, taxable, and dollar denominated.

BC High Yield Corporate Bond represents below investment grade corporate securities that are U. S., domestic, taxable, and dollar denominated.

BC TIPS Index includes publicly issued U.S. government treasury inflation protected securities that meet the specified maturity, liquidity and other requirements.

BC Mortgage Backed Securities covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARMs) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

BC Muni Bond covers the USD-denominated long term tax exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds,and pre-refunded bonds.

BC Government Index includes publicly issued U.S. government securities that meet the specified maturity, liquidity and other requirements.

BarCap U.S. Aggregate 1-3 Yr. TR USD Index represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 1 to 3 years.

BarCap U.S. Aggregate 3-5 Yr. TR USD Index represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 3 to 5 years.

BarCap U.S. Aggregate 5-7 Yr. TR USD Index represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 5-7 years.

BarCap U.S. Aggregate 7-10 Yr. TR USD Index represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 7 to 10 years.

BarCap U.S. Aggregate 10+ Yr. TR USD Index represents securities in the BC U.S. Aggregate Index that have maturity dates over 10 years.

DJW 5000 (Full Cap) Index measures the performance of all U.S. common equity securities, and serves as an index of all stock trades in the United States.

MSCI FI Emerging Markets is a rules-based index which serves as a benchmark for emerging country fixed income performance.

MSCI FI EAFE International is a rules-based index which serves as a benchmark for developed international country fixed income performance.

MSCI EAFE Index is listed for foreign stock funds (EAFE refers to Europe, Australia, and Far East). Widely accepted as a benchmark for international stock performance, it is an aggregate of 21 individual country indexes.

MSCI EAFE Large Value represents the large cap value stocks within the MSCI EAFE Index.

MSCI EAFE Large Growth represents the large cap growth stocks within the MSCI EAFE Index.

MSCI EAFE Mid Value represents the mid cap value stocks within the MSCI EAFE Index.

MSCI EAFE Mid Growth represents the mid cap growth stocks within the MSCI EAFE Index.

MSCI EAFE Small Value represents the small cap value stocks within the MSCI EAFE Index.

MSCI EAFE Small Growth represents the small cap growth stocks within the MSCI EAFE Index.

MSCI EM (Emerging Markets) Index serves as a benchmark for each emerging country. The average size of these companies is (U.S.) $400 million, as compared with $300 billion for those companies in the World index.

MSCI World Index is a rules-based index that serves as a benchmark for the developed global equity markets.

MSCI Europe ex UK Index is a rules-based index that serves as a benchmark for the Europe's equity markets, excluding the United Kingdom.

MSCI Pacific ex Japan Index is a rules-based index that serves as a benchmark for Asia Pacific's equity markets, excluding Japan.

MSCI United Kingdom Index is a rules-based index that serves as a benchmark for the United Kingdom's equity markets.

MSCI Japan is a rules-based index that serves as a benchmark for Japan's equity markets.

NAREIT All REIT Index includes all tax-qualified REITs with common shares that trade on the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market List.

3-Month T-bills (90 Day T-Bill Index) are government-backed short-term investments considered to be risk-free and as good as cash because the maturity is only three months.

Russell 1000 Growth Index is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

Russell Top 200 Growth Index is a market-capitalization weighted index of those firms in the Russell Top 200 with higher price-to-book ratios and higher forecasted growth values.

Russell Top 200 Value Index is a market-capitalization weighted index of those firms in the Russell Top 200 with lower price-to-book ratios and lower forecasted growth values.

Index Disclosure

Russell 2000 Growth Index is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratio and higher forecasted growth values.

Russell 2000 Index consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization.

Russell 2000 Value Index is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values.

Russell MidCap Growth Index is a market-weighted total return index that measures the performance of companies within the Russell MidCap Index having higher price-to-book ratios and higher forecasted growth values.

Russell Mid-Cap Index includes firms 201 through 1000, based on market capitalization, from the Russell 3000 Index.

Russell MidCap Value Index is a market-weighted total return index that measures the performance of companies within the Russell MidCap index having lower price-to-book ratios and lower forecasted growth values.

Russell Top 200 Index consists of the 200 largest securities in the Russell 3000 Index.

Russell 3000 Index is a market-capitalization weighted index, consisting of 3,000 U.S. common equity securities, reflective of the broad U.S. equity market.

Salomon 1-10 Yr. Governments is an index which serves as a benchmark for U.S. Government bonds with maturities ranging from 1 to 10 years.

S&P 500 Index measures the performance of the largest 500 U.S. common equity securities, and serves as an index of large cap stocks traded in the United States.

S&P 500 Energy Index measures the performance of the energy sector in the S&P 500 Index.

S&P 500 Industrials measures the performance of the industrial sector in the S&P 500 Index.

S&P 500 Financials measures the performance of the financials sector in the S&P 500 Index.

S&P 500 Utilities measures the performance of the utilities sector in the S&P 500 Index.

S&P 500 Consumer Discretionary Index measures the performance of the consumer discretionary sector in the S&P 500 Index.

S&P 500 Consumer Staples Index measures the performance of the consumer staples sector in the S&P 500 Index.

S&P 500 Information Technology measures the performance of the information technology sector in the S&P 500 Index.

S&P 500 Materials measures the performance of the materials sector in the S&P 500 Index.

S&P 500 Health Care measures the performance of the health care sector in the S&P 500 Index.

S&P 500 Telecommunications Services Index measures the performance of the telecommunications services sector in the S&P 500 Index.

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Consider the investment objectives, risks, and charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. Please contact your advisor for the most recent prospectus. Prospectus should be read carefully before investing.

International/Emerging Markets: The investor should note that funds that invest in international securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Sector Funds: The investor should note that funds that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Non-Diversified Funds: The investor should note that funds that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

Small-Cap Stocks: The investor should note that funds that invest in stocks of small cap companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

Mid-Cap Stocks: The investor should note that funds that invest in companies with market capitalization below $10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

High-Yield Bonds: The investor should note that funds that invest in lower- rated debt securities (commonly referred to as junk bonds) involve additional

risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

Bond/Fixed Income Funds: The investor should note that funds that invest in bonds (fixed income securities), including government, corporate and mortgage- backed securities, involve additional risks. Interest rate risk may cause bonds to lose their value. The investor should be aware that it is possible in a rising rate environment for investment grade bond strategies to lose value and experience negative returns over certain time periods.

Stable Value Funds: The investor should note that these funds invest in short to intermediate term securities that can and may lose value. These funds, while managed to protect principal, do not guarantee the investor’s principal, nor are they insured or guaranteed by the FDIC or any other government agency.

Money Market Funds: The investor should note that these funds invest in short term securities that can and may lose value. These funds, while managed to protect principal, do not guarantee the investor’s principal, nor are they insured or guaranteed by the FDIC or any other government agency.

Guaranteed Investment Contract (GIC): Contract that guarantees the repayment of principal and a fixed or floating rate over a specified period of time. The guarantee is backed by the provider, typically an insurance company.

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