



CITY OF LIVONIA

Request for Proposal Investment Consulting Services; Defined Contribution (401) and Deferred Compensation (457) Plan Review and Service Provider Search May 2015

**Response to Request for Proposal
For
Retirement Plan Advisor Search
By
Advanced Capital Group, Inc.**



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Note: This Response is a firm and irrevocable offer by Advanced Capital Group, Inc. which shall remain valid for a period of one hundred eighty (180) days beginning on May 12, 2015.



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WHAT MAKES US DIFFERENT – AND WILL YOU THINK IT'S MATERIAL?

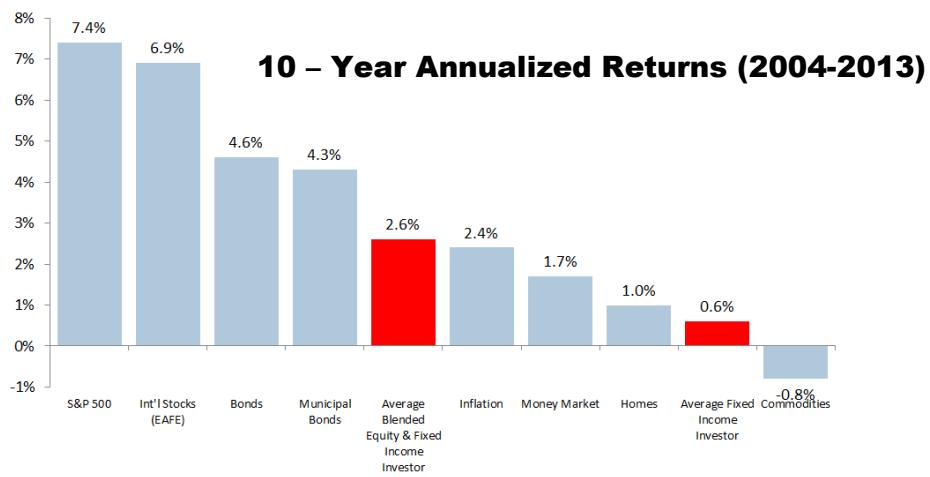
We are writing this Introduction because a number of your questions focus on how many clients just like you do we have? Frankly, while we provide the exact kind of fiduciary investment advice you are seeking to more than 100 large employer-sponsored defined-contribution pension-plans (403b, 401a and 457) with total Plan assets in excess of \$13 Billion - we don't have any government city clients just like you. (See Exhibit #1). So, if form-over-function will dictate your decision making process – then we will have saved you the trouble of reading any further and respectfully thank you for your consideration.

But if the substance of what you seek (independent, no-conflicts, fee-only, honest-to-goodness fiduciary investment advice) is more important – then that kind of clear and concise goal is something which we can absolutely address. So, we'll take the risk of putting it all-up-front, of laying it out there, because we think we have a dynamic story to tell. And, while you may not ultimately agree, we'll at least be doing you the favor of letting you decide if you want to read the rest of our answers – or not?

The starting point is that all defined-contribution pension-plans, regardless of IRS code-type, have the exact same challenge: E.g. how can their Participants overcome the dual-burdens of self-funding and self-management to achieve a meaningful retirement? That we understand the full breadth and depth of that challenge is reflected in our Mission Statement¹:

"We Teach And Empower Defined-Contribution Plan-Participants To Be Pension-Managers – Because That Is Exactly What They Are."

Survey after survey after survey concludes that most individual investors sorely underperform the market.



¹ Long before the IRS and DOL addressed this subject last year, we have been advocating the use of "Longevity Annuities" in defined-contribution retirement-plans to provide a source of guaranteed lifetime income. (See Exhibit #2) And we aren't alone. While the attached product from Hartford died in development as a victim of the 2008 crash, it still serves as a good visual of how this "idea" – providing pension-like benefits in a defined contribution plan - could one day become "reality." (See Exhibit #3)



In implementation, our goal isn't to outperform the market but, rather, to empower Participants to materially improve their outcomes by giving them access to easy-to-use customized Automatically Rebalanced Model Portfolios constructed from their plan's Designated Investment Alternatives. And, we charge NO additional fee because we've already done the behind-the-scenes analytics in our process of helping our clients select asset classes + Designated Investment Alternatives that reflect the risk appetite of their Participants as a whole. Elegant, dynamic, meaningful and simple to use.

Participants can
still do-it-
themselves.

Transfer the Work of the Committee

The complicated made easy and actionable

"Automatically
Rebalanced"
Model
Portfolios can
be Risk and/or
Age Based

Monitoring
"Designated
Investment
Alternatives."
Less is More

Fund Type	Fund Name	Current Elections	Model Portfolios					
			<input checked="" type="radio"/> Custom <input type="radio"/> CLEAR	Capital Preservation	Income & Growth	Moderate Growth	Growth	Aggressive Growth
Stable Value	Wilmington Trust Stable Value	0%	<input type="checkbox"/>	25%	20%	10%	5%	0%
Intermediate-Term Bond	Vanguard Total Bond Market Index Signal	0%	<input type="checkbox"/>	0%	0%	0%	0%	0%
Intermediate-Term Bond	TCW Total Return Bond N	0%	<input type="checkbox"/>	25%	20%	10%	2%	0%
Inflation-Protected Bond	PIMCO Real Return A	10%	<input type="checkbox"/> 10%	10%	10%	10%	5%	2%
Multisector Bond	Franklin Strategic Income A	5%	<input type="checkbox"/> 5%	10%	10%	5%	5%	2%
Large Value	BlackRock Equity Dividend Instl	30%	<input type="checkbox"/> 30%	10%	10%	10%	12%	15%
Large Blend	DWS Equity 500 Index S	0%	<input type="checkbox"/>	0%	0%	0%	0%	0%
Large Growth	Guggenheim US Long Short Momentum H	0%	<input type="checkbox"/>	0%	0%	2%	3%	5%
Large Growth	MainStay Large Cap Growth R1	25%	<input type="checkbox"/> 25%	5%	10%	15%	15%	15%
Mid-Cap Value	Perkins Mid Cap Value T	15%	<input type="checkbox"/> 15%	5%	5%	5%	10%	10%
Mid-Cap Growth	\$ Meridian Growth	0%	<input type="checkbox"/>	0%	0%	5%	5%	5%
Small Blend	Rove Total Return Svg	0%	<input type="checkbox"/>	5%	5%	5%	5%	5%
Mid-Cap Blend	Vanguard Extended Market Idx Signal	0%	<input type="checkbox"/>	0%	0%	0%	0%	0%
Small Growth	Brown Capital Mgmt Small Co Inv	0%	<input type="checkbox"/>	5%	5%	5%	8%	10%
Foreign Large Blend	American Funds EuroPacific Gr A	0%	<input type="checkbox"/>	0%	0%	5%	5%	5%
Foreign Large Value	Dodge & Cox International Stock	15%	<input type="checkbox"/> 15%	0%	5%	5%	6%	10%
Foreign Large Blend	\$ Vanguard Total Intl Stock Index Signal	0%	<input type="checkbox"/>	0%	0%	0%	0%	0%
Foreign Small/Mid Growth	\$ T. Rowe Price International Discovery	0%	<input type="checkbox"/>	0%	0%	2%	5%	5%
Bear Market	Federated Prudent Bear A	0%	<input type="checkbox"/>	0%	0%	3%	4%	5%
Long/Short Equity	Diamond Hill Long-Short A	0%	<input type="checkbox"/>	0%	0%	3%	5%	6%
Total		100%	100%	100%	100%	100%	100%	100%

A single click
allows a
participant to
take action
and
implement
your
Committee's
efforts.

To put that into practice, the framework against which we select and monitor investments is: how will they work together as a portfolio so as to reduce the risk of large losses? As a public plan, you're not subject to ERISA. So, it begs the question – what investment standard of care should you use? But because you are – wisely – looking to hire a fiduciary, you can use their answer to that question as a guide as to how you want to approach your own duty.

Anyone who gives investment advice for a fee is subject to the jurisdiction of the Investment Advisers Act of 1940 ("IAA") and must register (subject to certain exceptions) with either (depending on their amount of assets under management) the Federal Securities Exchange Commission ("SEC") or the corollary thereto in the adviser's state of incorporation. The heart of the IAA is that providing investment advice for a fee is a



“fiduciary” act. And the IAA itself (and the many interpretations of it by the SEC) set forth those fiduciary duties the central tenet of which is to avoid (or fairly disclose if they can’t be avoided) material conflicts of interest.

So turning to what investment standard care we would use in providing Fiduciary investment-advice to your non-ERISA retirement plan, our answer is that we would use “Modern Portfolio Theory” – which is the same investment standard used by ERISA. So even though you are not subject to ERISA, if you hire us, we would look to Modern Portfolio Theory – and by extension ERISA - as a “best practices” guide for our fiduciary investment advice.

So, what is “Modern Portfolio Theory”? To answer that question requires a history detour. Historically, investment Fiduciaries were most often associated with those who oversaw Trusts. E.g. Bank Trust officers. When ERISA was passed in 1974, the standard of care then prevailing for a Trust officer was:

“In making investments of trust funds the trustee is under a duty to the beneficiary . . . to make such investments and only such investments as a prudent man would make of his own property having in view the preservation of the estate and the amount and regularity of the income to be derived . . .”
Restatement (Second) of Trusts § 227 (1959)

Thus, each investment was to be measured on its own – apart from all others – and managed so as to maximize income and preserve capital.

But then along came a young graduate student – Harry Markowitz - at the University of Chicago whose doctoral thesis would forever change the entire landscape of fiduciary investment standards: Portfolio Selection, 7 J.Fin. 77 (1952). In it, he introduced “Modern Portfolio Theory” based on the assumption that most investors want to minimize variance of returns for a given level of expected return and maximize expected return for a given level of variance. Based on those assumptions, he concluded that efficient portfolios generally will be diversified portfolios.²

Remarkably, in 1974 ERISA broke with traditional Trust law (and, after all, safekeeping Trust assets is at the very heart of ERISA) and adopted as its standard of care Modern Portfolio Theory³:

“[A] fiduciary shall discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and—
(C) by diversifying the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.”
ERISA Title I §404(a) (1974)

Using ERISA as our Fiduciary “best practices” guide for non-ERISA plans, how do we implement “Modern Portfolio Theory”? We begin by helping our public Clients

² Years later, in 1990, Dr. Markowitz was awarded the Nobel Prize in Economics for his ground breaking work.

³ In 1992, the Restatement of Trusts 3d would adopt Modern Portfolio Theory:

“The trustee is under a duty to the beneficiaries to invest and manage the funds of the trust as a prudent investor would, in light of the purposes, terms, distribution requirements, and other circumstances of the trust.”

b. In making and implementing investment decisions, the trustee has a duty to diversify the investments of the trust unless, under the circumstances, it is prudent not to do so.” Restatement of Trusts 3d §90



understand the seminal ERISA 404c Regulation of 1992 which immunized Plan Sponsors from liability for Participant investment losses if Participants were given access to a) at least three “designated investment alternatives” (stocks, bonds and cash) sufficiently diverse in risk from one another such as would allow them to be combined in such a way as would (ordinarily) reduce the risk of large losses, b) sufficient information about those investments (initially and ongoing) such as would enable them to make independent and informed decisions and c) the opportunity to move their assets in and out of those options on a reasonably timely basis.

The next ERISA reference we review with our public clients is Department of Labor (DOL) Interpretive Bulletin 96-1 (1996) which revisited 404c and discussed the overriding need to help Participants combine their Plan’s investments into an actual portfolio. After discussing the value of Modern Portfolio Theory, IB 96-1 purposefully created a saferharbor from what would otherwise be Fiduciary “advice” re: construction of Model Portfolios (together with accompanying risk tolerance questionnaires and retirement calculators) and characterized it, instead, as non-Fiduciary “education.”⁴

Next, the value of portfolio diversification was deemed to be so essential that in the Pension Protection Act of 2006, the U.S. Congress created a safeharbor similar to 404c - but this time for “defaulted” Participants. E.g. Qualified Default Investment Alternatives (“QDIA”). In implementing that Statute, the Department of Labor described three types of QDIA’s each of which is comprised of some sort of portfolio – with an emphasis being on an age-based approach. (One of the rapidly evolving areas of retirement plan investments is the creation of “custom” target-date Model Portfolios – using the plan’s own options - for use as QDIA’s and/or “active” investment options – and because of our experience with working with many different Recordkeepers on the construction of customized “risk-based” Model Portfolios we are well positioned to help you explore which of them can also accommodate custom target-date Model Portfolios and understand their particular nuanced restrictions). **(See Exhibit #4).**

Then in 2010, the DOL issued Regulation 2550.404a-5 which required that all ERISA defined-contribution plans – and not just those which affirmatively sought 404c compliance/protection - must provide Participants with initial/ongoing fee/performance information for “each” of the Plan’s “Designated Investment Alternatives.”⁵ 2550.404a-5 (and a simultaneous amendment to 404c to the same effect) also made it expressly clear that Plan Sponsors who are subject to ERISA have an ongoing duty to monitor their “Designated Investment Alternatives.”

*“Nothing herein is intended to relieve a fiduciary from its **duty to prudently select and monitor providers of services to the plan or designated investment alternatives offered under the plan.**”*
2550.404a-5(f) Selection and monitoring

⁴ In its recently released “Definition of the Term Fiduciary” Proposed Rule (April 14, 2015), the Employee Benefits Security Administration has proposed the rescission of 96-1.

⁵ Importantly, the DOL excluded self-directed mutual fund/brokerage windows from the definition of “Designated Investment Alternatives” subject to the requirement that the fees associated with their use be communicated to Participants.



It is instructive to your RFP that in February of this year, the American Retirement Association requested a No-Action Letter from the SEC with regard to whether it could use the same Rule 2550.404a-5 “Model Form” for the delivery of Participant investment fee/performance information to Non-ERISA 403(b) Plans? The SEC answered in the affirmative and explained that Rule 2550.404a-5 “is designed to ensure that plan participants are provided with sufficient information regarding the plan and designated investment alternatives, in a comparative format, to make informed decisions when managing their accounts.” [This exchange is so instructive and timely that we are attaching both the submission and the SEC’s response]. **(See Exhibit #5).**

But if “monitoring” Designated Investment Alternatives is a Fiduciary obligation for plans governed by ERISA, how should they be “monitored?” This, of course, raises the question of Investment Policy Statements (“IPS”) – and whether Plans are required to have one? The DOL stated in IB-94-2 (1994) and reiterated using the exact same language in IB-08-2 (2008) that “[i]t is the view of the Department that compliance with the duty to monitor necessitates proper documentation of the activities that are subject to monitoring” and “[t]he maintenance by an employee benefit plan of a statement of investment policy designed to further the purposes of the plan and its funding policy is consistent with [its] fiduciary obligations.”⁶ So, if you don’t currently have an IPS, we can help you draft one using our template as a guide. **(See Exhibit #6).**

Finally, while all of that carefully orchestrated work is interesting, what is essential is whether or not Participants act on it? And as we all know, inertia is a dominating force in retirement plans. So that leads to our customized investment-education. Each year, we offer to create a customized “Education Plan” for each client. **(See Exhibit #7)** Ours is not a paternalistic approach to investment-education. That is, we don’t try to dumb-it-down. In our experience – and we have a lot of it – everyone can grasp these issues. E.g. after 60+ years of Modern Portfolio Theory permeating into our culture, people intuitively “get” the risk/reward concept of a portfolio. And we have found that participants appreciate “not” being talked down to. They just want/need the tools to effectuate it. So the follow-through to all of the above is to orchestrate customized, substantive and respectful investment-education campaigns built around the notion of: how to teach and empower your participants to be the Pension Managers they are – and then measure that effectiveness. **(See Exhibit #8).** And then repeat the process.

So in our judgment, Modern Portfolio Theory + 404c + 96-1 + QDIA’s + 404a-5 + IPS provide a “best practices” framework for public entities to use to design the selection and monitoring of investments in their own plans. And to sum that up = “Less-Is-More.” That is select just so many “Designated Investment Alternatives” as will work together to form a series of “efficient” portfolios, initially and ongoing provide participants with meaningful fee/performance information about them, monitor those investments/portfolios (making adjustments as necessary), address inevitable demands for “choice” by giving Participants access to a mutual fund window – and then present the results of that hard work to Participants in the form of customized education.

⁶ While now somewhat dated, Fred Reish, Esq. wrote a good analysis of this question: Does ERISA Require An Investment Policy Statement?, Journal of Pension Benefits (Vol. 9, Number 2, Winter 2002).



VIII. CANDIDATE QUESTIONNAIRE

Please provide responses to the following questions. Responses should repeat the question and be answered in order. Limit each response to no more than one-half page.

A. FIRM

1. Provide the name of the firm, primary contact person's name, office address, telephone and facsimile numbers and contact email address of the proposing firm. Provide the firm's other office locations; the number of employees in each office and describe the functions of and/or services provided by each office. State which office(s) would provide services to the City of Livonia if the firm is selected.

Advanced Capital Group: The Firm



The ACG team averages 18 years experience and includes:

- ◆ 6 associates with the CFA designation; 2 level II CFA candidates;
- ◆ 7 with an MBA; 1 Master of Math; 1 Master of Economics;
- ◆ 2 with the CFP® designation; 2 Juris Doctors;
- ◆ 1 Actuarial Fellow; 1 CPA and 1 Qualified Plan Financial Consultant.

Name of the Firm:

Advanced Capital Group, Inc. (hereinafter "ACG")

Primary Contact's Name:

Justin Dorsey, JD

Office Address:

50 South Sixth Street, Suite 975, Minneapolis, MN 55402

Telephone:

612.230.3009

Facsimile:

612.230.3019

Email:

idorsey@acqbiz.com

Other Locations:

301 W. Main Street, Barrington, IL 60010

Number of Employees in each office: Minneapolis (28); Barrington (1)

Functions/Services Provided by each Office:

Minneapolis = Report Writing; Investment Consulting; Relationship Management; Sales.

Barrington = Relationship Management; Sales

Which Office(s) Would Serve The City of Livonia: Minneapolis and Barrington



2. Describe the firm's history including the year it was first established, the year it began providing investment consulting services, and the year it began providing investment consulting services to tax-exempt clients and public retirement plans.

ACG was incorporated in the State of Minnesota in 1998.

ACG began providing investment consulting services to employer-sponsored retirement plans in 1998.

ACG began providing investment consulting services to public retirement plans in 2011 when it acquired Deloitte Consulting's national retirement-plan investment-consulting practice. Its practice-leader, Brad Tollandar, CFA, joined ACG as a part of that transaction. While at Deloitte, Brad worked with many public plans including: Kansas Board of Regents (KBOR), University of North Carolina (UNC), Pennsylvania State System of Higher Education (PASSHE), State of North Dakota, Minnesota State Colleges and Universities (MnSCU), State of Illinois - State Board of Investments, State of Iowa – Department of Administrative Services, Hennepin County (MN), Dakota County (MN), St. Paul k-12 Schools (MN), and Macomb County (GA). If you were to retain us, Brad would be the Investment Consultant assigned to your file.

ACG began providing tax-exempt investment consulting services in 2014 when it acquired Minnesota's largest woman-owned investment advisory firm: Berthel-Schutter. That acquisition added tax-exempt Native American Tribal Trust consulting to our suite of services and added to our existing book of tax-exempt Endowments/Foundations.

3. List the current owners of the firm in descending order of percentage ownership. Attach a chart showing the current ownership structure including any parent, affiliated, and/or subsidiary company, and any business partners. Indicate if consulting personnel in the firm are employed by or perform work for any parent, affiliate, and/or subsidiary company or business partner.

ACG is owned by four principals: Charles Langowski (30%), Justin Dorsey (30%), Patrick Larson (30%) and Daniel Schroeder (10%). There is no parent, affiliated, and/or subsidiary company or any other business partners. The same four principals own, collectively, 50% of a health-care consulting firm: ACG/BRC. None of the consulting personnel in the firm are employed by or perform work for any parent, affiliate, and/or subsidiary company or business partner.

4. Further describe your investment consulting line of business and explain how that line interrelates with other business functions carried out by the firm.

ACG has three lines of business: 1) Institutional Investment Consulting, 2) Institutional Fixed-Income Investment Management and 3) Investment Consulting/Management to High Net Worth Individuals.

Under the umbrella of Institutional Investment Consulting, we work with non-profit (403b and 457) and for-profit (401a and 401k) defined-contribution employer-sponsored



retirement plans, Endowments/Foundations, and Native American Indian Tribal Trusts. In our Institutional Fixed-Income Investment Management practice we buy/sell (and otherwise manage) fixed-income portfolios for mid-sized banks and insurance companies for both their reserves and for their short term cash accounts. In our Investment Consulting/Management to High Net Worth Individuals, we are part of Charles Schwab's midwest-region's Separate Account Network ("SAN") in which capacity we construct and oversee, primarily, customized municipal bond portfolios.

Purposefully, our Investment Consultants are part of our internal investment committee and assigned specific asset-classes + funds to monitor. One of the strategic reasons that we added fixed-income investment-management was so that our Investment Consultants could see daily (and not just at one-point-in-time at the end of the quarter) the effect of the volatility of the all-important U.S. 10 year treasury curve on those asset classes which they were assigned to monitor. We believed that, ultimately, our clients would be the beneficiaries of this skin-in-the-game perspective. And, we were right. So, it makes us our Investment Consultants very different.

But so that you are perfectly clear, we do NOT buy/sell fixed-income (or any other individual) securities in the retirement-plans on which we consult. Where we do provide both Investment Consulting and Investment Management is in tax-exempt Endowments/Foundations where preservation of principal and customized cash-management is paramount. For those clients, we both construct/oversee diversified portfolios and manage their cash reserves. By so doing, it enables us the flexibility to periodically advise those clients to take investment return off the table and actively manage it as "cash" for their known spending-policy drawdowns.

5. Attach the firm's organizational chart and describe the relationship among the components and the consultant personnel. Indicate if any consulting personnel also perform work for any other component of the firm.

The only overlap of our three (3) lines of business is that representatives from each participate in our internal Investment Committee, **(See Exhibit #9).**

6. Within the past five (5) years, have there been any changes in ownership, legal or financial restructuring, or personnel reorganizations? Are any contemplated changes in the Firm's structures anticipated, such as mergers, acquisitions, spin-offs, or strategic alliances? If the answer to any of these questions is yes, please explain.

No.

7. References: Provide the names of clients, contact person, telephone number and assets under advisement for:
 - a. Three current public retirement plan clients with at least \$10 million of assets that have used the firm's investment consulting services for at least five (5) years;

Reference #1: **State of Iowa**
Plan Types: **403(b), 401(a), 457(b)**



Plan Size: Combined assets > \$1 billion
Contact: Jennifer Sandusky, Plan Administrator
Iowa Department of Admin. Services
Office: (515) 281-0569
FAX: (515) 281-5102
jennifer.sandusky@iowa.gov

Services rendered: ACG monitors the investment options of the State's six retirement plan providers. In addition, we perform an annual fee and revenue sharing analysis of each provider to confirm fee competitiveness. Every few years we also assist the State in its bid process as it evaluates potential retirement plan providers. Brad Tollander, the proposed lead investment advisor to OSU, has worked with the State of Iowa for 10 years; six years while at Deloitte and four years as a member of Advanced Capital Group.

Reference #2: Hennepin County
Contract Period: Brad Tollander has served Hennepin County for 13 years – the last five in the role of Senior Investment Consultant for Advanced Capital Group
Plan Types: 457
Plan Size: Approximately \$275 million
Contact: Lisa Underhill, Senior Benefits Analyst
Hennepin County Human Resources
300 S. Sixth Street
Minneapolis, MN 55487
Office: 612-543-1122
Lisa.Underhill@Hennepin.US

Services rendered: Brad has served as the Lead Investment Consultant to Hennepin County over the past 10 years. During this time, he has assisted the County in the formation of an oversight Committee, the development of an Investment Policy Statement and helped to educate the Committee on their responsibilities to the Plan and its participants. Brad has assisted the Committee in a vendor review process. On a regular basis, Brad reviews the investments and fees associated with the Plan with the Committee and serves in a role of an advocate for the County if and when vendor issues arise.

Reference #3: Osseo K-12 School District
Contract Period: 2005 - Current
Plan Types: 403(b)
Plan Size: Assets > \$40 Million
Contact: Kelly Benusa
Director of Business Services
701 First Avenue
Sunnyvale CA 94089
Office: 763-391-7022
benusak@district279.org



Services rendered: ACG orchestrated a consolidation of 10+ providers – to one. Many different bargaining groups were involved. And, ACG included them in the process from the beginning. It was a collaborative and tremendous money-saving undertaking. Since that conversion, ACG has served as its investment consultant + educator.

Reference #4: Bradley University
Plan Types: 403(b)
Plan Size: Combined assets > \$250 million
Contact: Nena M. Peplow, SPHR
Director of Human Resources/AA-EEO Officer
Bradley University
Office: (309) 677 3223
FAX: (309) 677 3867
nena@fsmail.bradley.edu

Services rendered: TIAA conducted 3-4 annual meetings with plan sponsor to discuss and review data surrounding retirement readiness, business panning for the plan year with regard to proposed current activities and past year accomplishments (such as 404a notice, 5500 reporting, discrimination testing, employee education, etc.) and met with the Retirement Plan Committee to conduct annual Vendor Review/Investment Monitoring.

b. All investment consulting clients that have terminated their relationship with the firm within the last five (5) calendar years, and provide the reason for termination.

One. FSI, International (Chaska, MN) due to acquisition by Tokyo Electron.

c. Three defined contribution plan clients you have performed provider searches and due diligence reporting for within the past five (5) years.

CHS, Inc.
5500 Cenex Drive
Inver Grove Heights, MN 55077
Kevin Newton
Director of Benefits
(651) 355-5067
www.chsinc.com

Fortune 100 company (CHSCP) owned by U.S. agricultural cooperatives, farmers and ranchers. 9,000 participants + \$750 Million Plan Assets.

Briggs & Morgan, P.A.
2200 IDS Center
Minneapolis, MN 55402
Ellen Drasin
Director of Human Resources
(612) 977-8468
edrasin@briggs.com
www.briggs.com

Minneapolis based law firm. 400 participants and \$130 Million in Plan Assets.



Musco Lighting
100 1st Avenue West
Oskaloosa, Iowa 52577
Karen Keep
Controller
(641) 673-0411
Karen.keep@musco.com
www.musco.com

Manufacturing Contractor. Approximately 1,000 participants + \$130 Million Plan Assets

8. Please describe your quality assurance procedures.

We prepare detailed performance information for each fund relative to the appropriate benchmark and peer group as stated in each Client's Investment Policy. And we include in the beginning of each quarter's Investment Review an "Investment Policy Scorecard" which integrates each client's unique IPS criteria and allows us to quickly highlight for clients which funds we/they might pay special attention to. **(See Exhibit #10).**

This performance information we generally monitor includes, but is not limited to:

- Cumulative (e.g. quarter to date, one-year, three-year, etc.)
- 3 year rolling performance relative to peer group and benchmark
- Calendar year and rolling period results
- Peer group ranking trend analysis over the previous four quarters
- Top 10 holdings
- Sector exposure
- Country exposure
- Market cap exposure
- Growth of \$100
- Manager style analysis
- Risk statistics relative to returns (Beta, Alpha, standard deviation, downside deviation, Sharpe ratio, Information ratio, Sortino ratio)
- Up market and down market capture

We acquire our investment manager data from several sources; Evestment, Morningstar Direct, Bloomberg and Steele Systems are our primary sources of external data. We buttress that data by having direct contact and interviews with fund personnel and managers. We utilize Bloomberg for real time fund and industry news related to the managers and management firms used within our client's retirement plans. This news is delivered real-time to our investment consultants and research analysts for further consideration.

ACG has also developed a propriety analysis tool we refer to as Rolling Periods of Time ("RPT"). This tool allows us to analyze a manager over several unique rolling time-periods rather than just one static period of time. For example, a manager with a 4 year performance history will have only one three-year performance period to analyze. **The RPT tool allows us to construct thirteen (13) 3-year periods of time and analyze the manger's risk and return characteristics over numerous periods. And that provides**



more insight about the manager's performance over various market environments. (Exhibit #11)

In addition to these research tools ACG has also developed internal asset class valuation metrics. This tool is not utilized to anticipate the future path of economic growth. Instead, it is utilized to track the relative valuation of various asset classes and how those relationships affect the performance of the asset managers our clients utilize. By understanding the market environment that an asset manager is operating in, their performance relative to their peers and the broad market can be better understood. (Exhibit #12).

The companion to our asset class valuation report is our customized attribution report. Again, we built it so that we could gain insight as to the reason behind a manager's plus/minus performance. E.g. was it simply a sector overweighting – or was it stock selection. (Exhibit #13).

9. Provide the name and assets under advisement of each Michigan public plan client for which the firm has provided full-retainer investment consulting services during the last five (5) years.

None. It is against this backdrop that we wrote our "Introduction." E.g. we have exactly the kind of expertise and experience you are looking for – we just don't have any Michigan clients. So if form-over-function is most important to you, then we won't be the right fit. Obviously, we hope that isn't the case.

10. Provide a breakdown of the type of clients such as public funds, corporations, foundations, etc., to whom the firm provides services.

401(a): 4; 401(k) / Profit Sharing: 88; Non-Qualified DC: 9; Defined Benefit: 8; Endowments/Foundations: 8; ESPP/ESOP/Stock Option: 2; 403(b) Individual: 2; 403(b) Group: 3 457(b): 5. (See Exhibit #1).

11. What percentage of your clients utilize managers, investment funds, brokerage services or other service providers from whom your Firm receives fees or commissions?

We accept NO fees, commissions or soft dollars from ANY manager, investment fund, brokerage service or service provider utilized by our clients. Period.

12. Describe the various types of insurance and indemnification provided to protect clients of service(s) proposed, including (be sure to include carrier, amount of policy coverage, annual limits, and deductible):

- Errors and omissions
Chubb, \$3 Million, \$3 Million, \$150,000
- Professional liability
Covered by Chubb E&O
- Employee malfeasance and dishonesty
Chubb, Fidelity Bond: \$2 Million, \$2 Million, \$150,000



- Fiduciary insurance
- Covered by Chubb E&O**
- Property and casualty
- N/A**
- Including auto used for business
- State Farm: \$1,000,000 bodily injury (per accident)**
- General liability
- State Farm: \$1,000,000**
- Worker's compensation
- State Farm: \$500,000 accident / \$500,000 disease**

B. LICENSING, REGISTRATION AND LEGAL REQUIREMENTS

1. Provide a complete copy of the firm's most recent Form ADV Part I, Part 2A and 2B along with all accompanying schedules including annual financial reports filed with the SEC. Any material changes since the filing should be included.

(See Exhibit #14)

2. Provide evidence of licensing and registration compliance for your firm, the consultant and any individual who might provide advice to the City.

This is a good question because intentionally or not it raises the important, but confusing, issue of "dual registration" – a subject which is under a lot of scrutiny from Washington. To explain, the investment industry is divided between those who don't provide fiduciary advice and are generally compensated through "commissions" (broker-dealers subject to FINRA) and those who do provide fiduciary advice and are generally compensated through "hard dollar" fees (investment advisers subject to SEC).⁷ For reasons that even we don't understand, individuals and entities can choose to be registered with both FINRA/SEC – which allows them to bounce back and forth between fiduciary and non-fiduciary status + payment depending on the circumstance. Where it can become particularly troubling is where an entity provides fiduciary advice to a plan and then works with the plan's individual Participant "rollovers" (ex: retirement) on a commission-basis. Obviously, that creates issues around conflicts-of-interest. The Pension Protection Act established a specific protocol for that circumstance: Fiduciary Advisor. Without going into detail, to be a Fiduciary Advisor requires an annual audit – among other things.

Against that backdrop, neither our firm nor any of our employees are dually registered. Period. Further, some of our clients have asked us to work with their retiring Participants. While that is NOT something we seek-out, we have accommodated their requests. But so as to insulate them from the chain-of-fiduciary liability, we have also gone to the trouble and expense to comply with the Fiduciary Advisor regulations and to that end we are voluntarily audited by Dalbar on an annual basis and automatically

⁷ In 2010, the DOL issued a "proposed" Rule to broaden the definition of "fiduciary" and then on April 14, 2015, withdrew that proposed Rule and reissued an alternative "proposed" Rule re: "Definition of the Term 'Fiduciary'; Conflict of Interest Rule – Retirement Investment Advice."



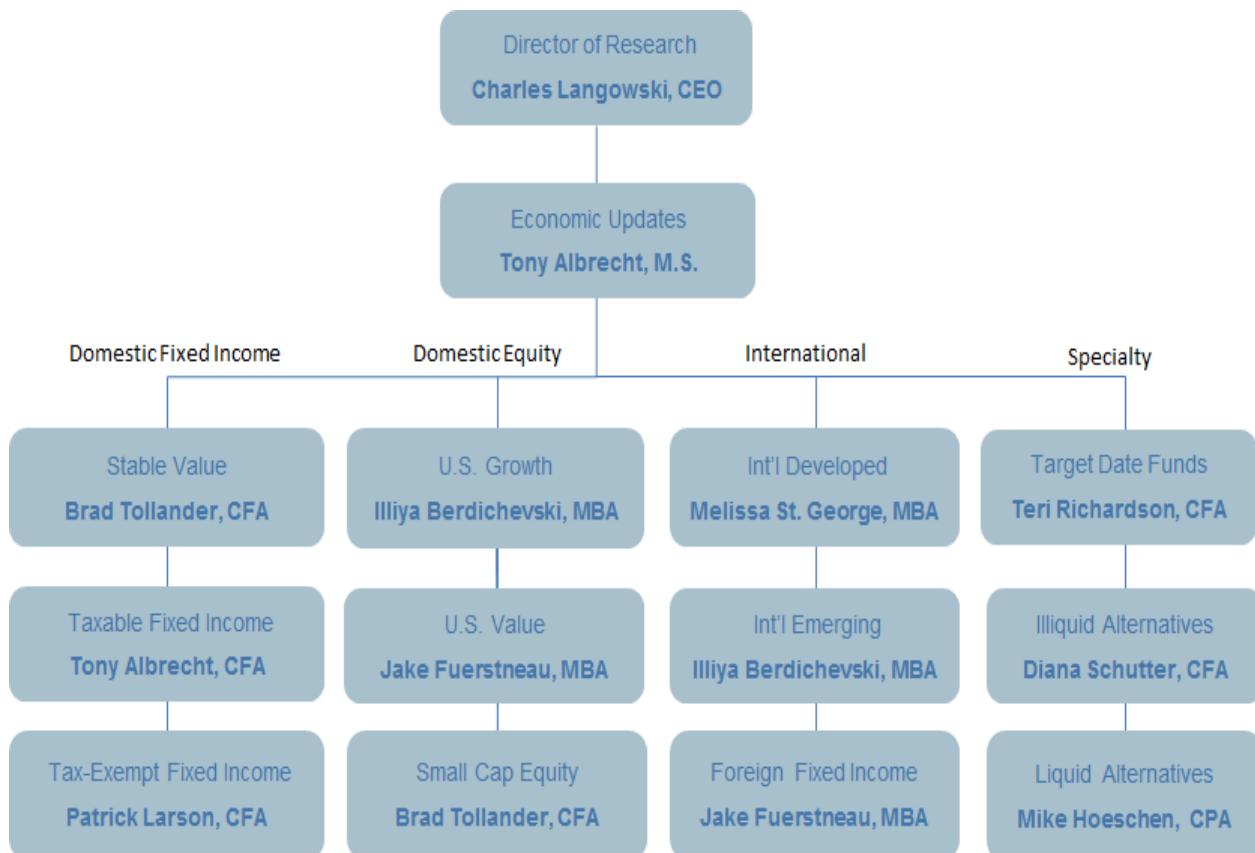
provide the results of that audit to our subscribing clients and their Participants who use that service.

Again, we are NOT dually registered and take no commissions. Thus, we are subject to the jurisdiction of the SEC and not FINRA.

C. PERSONNEL

1. State the number of investment consultants in the firm. What is the number of investment research analysts in your firm?

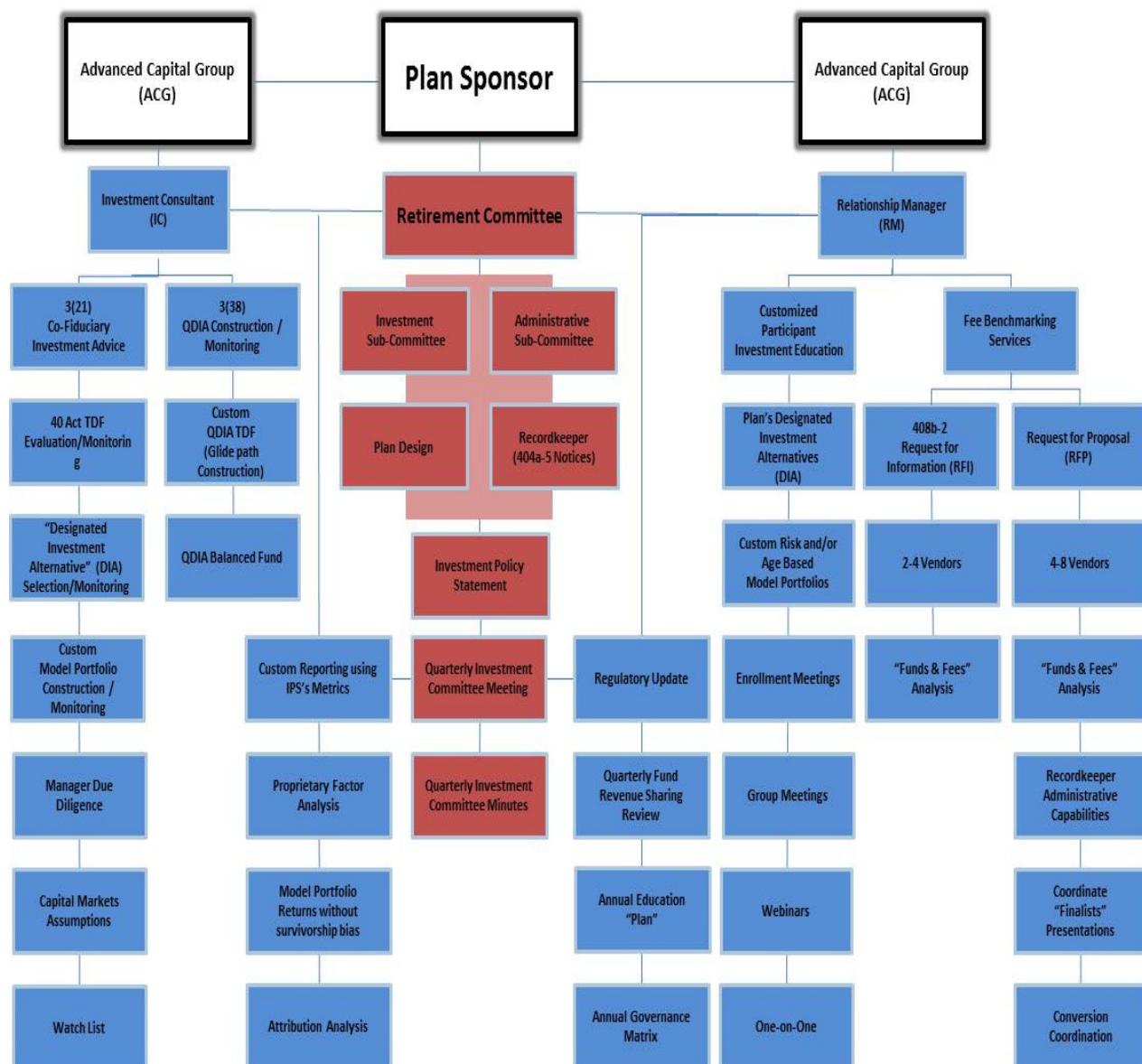
We have nine (9) Investment Consultants who work with retirement-plans. Purposefully, our Investment Consultants are also Research Analysts. E.g. we want them to know what they're talking about. We have ten (10) Research Analysts.





2. List the name and office location of the individual who will be responsible for the City of Livonia account, and attach a biography including educational qualifications, years of institutional consulting experience, years of Michigan public plan consulting experience, and total years with the firm.

We recognize that retirement plans are partly about investment management and partly about facilitating/coordinating relations with the Client's Recordkeeper. Therefore, we assign to each Client both an Investment Consultant (IC) and a Relationship Manager (RM). Some clients have their RM attend quarterly investment reviews (and they can also participate by phone) – and some don't. But even for those who don't, the RM is a valuable part of our value proposition.





Investment Consultant	Relationship Manager
Brad Tollander, CFA 	David Schmidt, Ph.D 

See attached biographies for Brad Tollander, CFA (**Exhibit #15**) and David Schmidt, Ph.D (**Exhibit #16**).

3. Identify and explain the role of any analysts or other personnel who would be involved with servicing this account, including their location, education and investment experience.

Teresa Kruse and Samantha Wetterlund coordinate our Request for Information (RFI) and Request for Proposal (RFP) services. The former focuses on Plan “fees” so is a sub-component of the full-blown RFP.

Melissa St. George oversees our Watch-List Reports. E.g. from time to time, a Designated Investment Alternative may underperform and requiring special reporting. Melissa oversees that process.

John Conway is our Investment-Education Coordinator and would help you – if you wanted – to develop an annual Education Planning Guide. This can take the form – at your election - of customized investment education or simply be coordinating off-the-shelf modules from your recordkeeper.

D. SERVICES

1. List all of the firm's services provided to institutional clients. List special services that the firm has provided to meet other needs of clients and/or services unique to the firm.
 - a. As needed, conduct full-blown Request for Proposal (RFP) for Client;
 - b. Periodically, conduct Request For Information (RFI) from vendors primarily to spot-check on-going reasonableness of fees;
 - c. Act as Client's advocate in helping to resolve Recorkeeper/Adminsitrator issues;
 - d. Help clients establish Retirement Committees – and understand the different fiduciary duties of Investment Sub-Committee and Administrative Sub-Committee;
 - e. Help clients develop Investment Policy Statement (and related year-end Governance-review matrix);
 - f. Co-Fiduciary Investment Advice for the selection and monitoring of the Plan's "Designated Investment Alternatives";
 - g. Construct and monitor Model Portfolios from the Plan's Designated Investment Alternatives;
 - h. Using as a guide, the Qualified Default Investment Alternative (QDIA) Regulation, help Clients understand the fiduciary implications of "default" accounts (being that investment decisions are being made without the Participant's express



- authorization so who is liable for resulting investment losses) and serve as a fiduciary in their construction;
 - i. (Offer to) meet (in-person or electronically – their choice) with Client quarterly to review ACG proprietary Investment Review;
 - j. When necessary, prepare formal Watch-list Report and present to Client at regularly scheduled Investment Review meeting – or interim if drastic action is required.
 - k. Annually, review the Plan's Recordkeeping expenses vs Fund-Revenue Sharing offsets; and
 - l. Annually, prepare Investment Education Plan.
 - m. Construct, deliver and measure effectiveness of customized investment education.
2. Briefly summarize the firm's philosophy relating to the consultant's relationship with its clients, the clients' staff and investment managers.

Let us be VERY CLEAR – our job is to be your independent and objective advocate. It is to you, and not the Plan's investment managers or recordkeeper, to whom we are a fiduciary and with whom our loyalty lies.

3. Describe and/or list educational programs the firm has developed or made available to clients.

At its core is a customized “Education Planning Guide” which is re-executed every year. (See Exhibit #7) This is typically discussed annually with your team and the plan's recordkeeper to identify educational areas of need. For example: Low savers or participants who are invested in only 1 or 2 funds.

We customize these campaigns for each client. E.g. This is a complicated and difficult task which cannot be accomplished in one 30 minute face-to-face meeting. In essence, there are three phases (each of which can lead – at our client's election – to subcomponents. Ex: Social Security): 1) Conversion + Introduction to Model Portfolios, 2) How Much Do I Need to Save, and 3) How Long Will My Money Last?

Our delivery methodology is to initially present these in “group meetings. In our experience, those meetings answer almost all questions. That said, we also understand the role of one-on-one meetings. So, we provide those too. We just ask that they be coordinated “after” the individual has attended the group meetings. However, we understand that some plan participants may not be able to attend the group meetings as scheduled, so online meetings using join.me.com can be held on an ad hoc basis prior to scheduling any one-on-one meetings.

Finally, we go beyond these three core-education components and, again, customize them. To that end, we will supplement them with any subject you think is pertinent. For instance, “longevity” annuities are (finally!) becoming part of the retirement-conversation and we have built a power point to educate participants about this important piece of the puzzle too.



4. Describe the firm's research, analysis and due diligence service, include the following information:

By way of introduction, we would direct you to our quarterly investment review template. (See Exhibit #17). Unlike many investment consulting firms, we design/format/create from scratch our reports in house and in their entirety. While it would be far easier and far less time consuming to buy off the shelf reports from report-writing consolidating firms, we believe (and have found) that the ultimate value of customization is just that – it can adapt and change with time and clients' needs and wishes.

- a. Approach to and due diligence for evaluating investment managers;

ACG has an experienced team of dedicated investment professionals with access to information that allows them to follow mutual funds, separate accounts, commingled funds and private managers. These professionals cover the broad spectrum of asset classes, spanning from traditional equity and fixed income funds to more complex alternative sectors. Each analyst is assigned a specific set of asset classes. This delegation of responsibilities allows for an intimate understanding of each asset class and helps identify “best of breed” managers within each asset class.

Our due diligence process focuses on an intimate understanding of each investment manager that we recommend. Each investment manager must satisfy several standards that demonstrate their ability to generate strong risk-adjusted returns relative to their respective benchmarks. Through this stringent process, we are confident that recommended investment managers will not only provide satisfactory results, but also provide process consistency that is essential to constructing a diversified investment portfolio.

- b. Include descriptions of the development and maintenance of your company database.

Research reports, investment manager analysis and detailed notes from portfolio manager meetings are stored and maintained using Morningstar Office. This program marries internally-generated research with externally-provided data that can be easily shared among the research team instantaneously. Additionally, the research team uses the system to document and support their investment manager recommendations.

- c. Other information maintained on each;

The system allows research team members to track data over time, ensuring that investment managers will be held accountable during the on-going compliance and monitoring phase. This is critical to the process as it confirms that investment manager's performance and/or portfolio characteristics are in-line with expectations.

- d. Manner by which information is obtained;

Information is obtained through several sources including investment managers and independent third parties (Morningstar and Bloomberg). Using this information, performance and analysis is generated in-house, providing customs reports that directly



address your Investment Policy Statement compliance standards.

- e. How often is information updated?

Morningstar Direct and Bloomberg provide our investment professionals with real-time access to market and benchmark data. Morningstar Direct updates its investment manager performance on a nightly basis, providing our team with daily performance data. Most investment managers provide this database with monthly portfolio characteristics.

- f Type of database used including number of years of usable data on managers and tracking of clients, and whether the database is proprietary or purchased from an affiliated entity, or an non-affiliated vendor;

The databases we utilize are purchased from non-affiliated vendors who maintain current and historical data on the entire universe of managed products (mutual funds, commingled trusts, separate accounts, ETFs) as well as individual securities like stocks and bonds. The performance data for every managed product, security, and index are updated daily and retain all performance data back to their respective inception dates. Access and availability of this wide spectrum of data is vital to our internal analysis and allows our investment professionals to review long-term trends.

- h. Provide a list of fees and services investment managers must pay and subscribe to before the manager can be included in the firm's manager database or searches.

The databases we utilize generate revenue from their end users (like us) and do not charge managers to be included in their respective database. 100% of our compensation comes directly from the plan sponsor. We do not accept any payments from investment managers for inclusion in searches and/or databases. This ensures that conflicts of interest are eliminated and that investment recommendations are in the best interest the plan and its participants.

- i. How many investment managers have made final presentations to your clients from the total search database?

Typically, we serve as an intermediary between clients and the investment managers. Given our acknowledgement as a fiduciary to the plan, our clients trust that search candidates have been properly vetted. Because of this, investment manager search discussions focus on nuances between managers and how they satisfy plan-specific requirements rather than analyzing the soundness of a manager's process.

- j. What are the criteria used to make DC provider/manager recommendations?

In the quantitative arena, consistency of performance and positive risk-adjusted returns are two of the primary features we look for in an individual manager. Long-term consistency of investment style is also critical so that over time we are assured that we are comparing a manager's performance against the appropriate peer group and industry benchmark.



Examples of qualitative features we search for include length of manager tenure, competitive expense ratios and the manager's consistency and adherence to the stated investment style. In this step we will rely on information delivered to us from our databases, as well as information gained through fund manager interviews and interactions with mutual fund representatives. The attached Manager Search and Selection diagram highlights our process for narrowing a list of potential investment managers for committee consideration. (See Exhibit #18).

- k. How long does a typical search take from start to finish?

Typically, investment manager searches are completed within one quarter; however, this process can be accelerated if needed.

A vendor search (i.e. Recordkeeper) typically takes about two quarters, but can vary based on plan complexity and number of vendors involved. Record keeper searches require more input from the plan sponsor in terms of establishing goals, evaluating the responses and reviewing finalist presentations.

5. What criteria are used to recommend termination of a DC Plan provider/manager?

ACG believes the establishment of a well formulated Investment Policy Statement is the building block of a prudent manager due diligence process. A policy statement lays the foundation for the decision making process and outlines how the retirement committee will monitor the Plan's investment options and when a manager should be placed on Watch-List.

If a manager fails to perform to the standards developed in the policy statement, that manager will be placed on formal watch list. Normally, a manager will be on "watch" for up to three quarters before ACG would recommend researching alternatives that are available in that asset class. (But, if the issue that placed a manager on "watch" is significant [example: manager departure] we may advise the replacement of that manager immediately).

Throughout the course of the Watch-List process, there may be indications that the manager is once again adhering to the IPS criteria or issue which caused the manager to be placed on watch in the first place. It is ACG's philosophy that markets move in cycles and that at certain points in the cycle managers are going to be either out- or under-performing their benchmarks. As a result, our Watch-List process is purposefully designed to allow managers time to correct the issues and provide long-term value to the plan.

6. How often do you generally meet with clients during a DC Plan review and provider/manager search?

Unless they prefer not to meet that frequently, we meet with most of our clients face-to-face on a quarterly basis to review their Plan's investments.

E. STANDARDS OF CONDUCT



1. List all services the firm, its principals, or any affiliate provide that generate revenues for the firm and indicate the applicable percent of the firm's total revenue during the last three years. Insert % under each year for each of these:

	2013	2012
Revenue from Consulting to Plan Sponsors	90%	90%
Revenues from Money Management Activities	10%	10%
Revenues from Services to Money Managers	0%	0%
Revenues from Services to Plan Sponsors and other Services such as Fund of Fund fees	0%	0%
Revenues from Broker-Dealer Affiliates or Subsidiaries	0%	0%

Did these services produce 100% of the firm's revenue during the reporting periods? If not, provide information regarding differences.

100%

2. Does the firm, its principals, or any affiliate, own any part of a money management firm, broker-dealer, or other organization that sells services to institutional investors and/or SEC registered investment advisors? If so, identify the firm(s) and describe the relationship. Does your Firm include affiliated firms in its search process or recommend any affiliated investment managers to clients?

No.

3. Is the firm owned, in whole or in part, by a money management firm or firms? Has the firm received loans from any money management firms, their subsidiaries, or principals? Does the firm manage money for the parent or affiliate? Does the firm's parent or affiliate manage money for the firm? Do you have any formal or informal business relationships with investment managers or other service providers to public retirement plans? If so, please explain.

No.

4. Does the firm, its principals or any affiliate have any strategic alliance with any broker or investment management firm? If yes, please disclose with whom and describe the nature of the alliance.

We are part of the Charles Schwab "Separate Account Network" (SAN). It's a long story, but the short version is that Charles Schwab offers its retail customers access to several platforms of Separate Account Managers. The general (but not universal) idea is that but for working with Charles Schwab, their retail customers wouldn't get access to those specialized/sophisticated managers. Its SAN program is its "regional" solution. E.g. each region has different "local" separate account managers on its SAN platform. We're on the midwest platform. It may be relevant to your question to know that not only was it a long due-diligence process to get on the SAN platform, but to participate in it we also need to submit to bi-annual audits by an independent compliance firm (NRS-INC.com).



5. Has the firm, its principals or any affiliate ever: (a) been the focus of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation from any similar federal, state or self regulatory body or organization, (b) been a party to any litigation concerning fiduciary responsibility or other investment related matters, or (c) submitted a claim to your errors & omission, fiduciary liability and/or fidelity bond insurance carrier(s)? If yes to any, please provide details.

No.

6. Are there any potential conflicts of interest your firm would have in providing services to the City of Livonia? If yes, please explain.

No.

7. Within the last five years, has the firm, an officer, or a principal or consultant been involved in litigation or other legal proceedings relating to the firm's investment consulting assignments? If so, please provide an explanation and indicate the current status or disposition.

No.

8. Does the firm hold or sponsor client conferences? If yes, please describe such events occurring in the last year, their usual frequency, and whether the costs of such events are borne by your firm, money managers or event attendees.

No.

9. Does the firm or any firm personnel receive finder's fees from any affiliated entity, investment manager, or third party? If yes, please explain. Does the firm pay any finder's fees to any affiliated entity, investment manager, employee or third party?

No.

10. List and describe any relationships and/or contacts the firm has had with any City Council member, investment committee member and/or the City of Livonia staff within the last twelve months.

None.

11. During the last three years, has the firm, affiliates or employees provided anything of value in excess of fifty dollars (\$50.00), exclusive of food and beverages provided at a meeting or items required by contract (i.e. cash, trips, lodging, campaign donations, etc.), to any public pension fund trustee, elected official or employee of the City of Livonia? If so, please explain.

No.

F. WORK PLAN



Submit a prototype work plan/timeline to accomplish the scope of the engagement. The work plan should include time estimates for each significant segment of the work and the related staff assigned to each segment. Where possible, specific individuals should be named and their titles provided. Specifically describe each process and explain the use of specialists or outside assistance as well as your expected involvement of City of Livonia staff. The work plan should identify key personnel assigned, major task descriptions, work products and expected results.

At a minimum, the Work Plan should include the following items:

1. Review the current processes, policies, and procedures followed by the City and the contract Provider(s) in administering the current benefit plan.

We are a fiduciary Investment Adviser. We are NOT a Plan Administrator. Therefore, the only processes, policies and procedures that we would “review” would be those that relate to your investments. Ex: Investment Policy Statement (“IPS”). If you don’t have an IPS we would provide you with our template – which you would be welcome to customize to your own needs. E.g. The IPS is “your” document and we will work with any IPS you choose.

2. Review the current plan documents, trust agreement, and vendor agreements.

We are not a law firm and do not otherwise give legal advice. In fact, quite the contrary is the case. That is, we advise our clients to engage the services of their lawyer to oversee these exact questions. In that arrangement, we can often add value by being a go between from our client and their lawyer and the service providers mentioned above.

3. Analyze the current Provider arrangement, operationally and from a cost perspective.

We are very familiar with Great-West/Empower. Since 2013, we have included them in 9 RFI's and 3 full-blown RFP's. Four (4) of our clients use them for recordkeeping services: The Energy Authority (457 + 401a) @ \$15 Million; Colectric Partners (457 + 401a) @ \$1.5Million; Maslon Law (401k) @ \$75 Million; and Alliant Energy (401k) @ \$1 Billion.

We provide two tiers of Provider review – one that is focused on the reasonableness of their fees (RFI) and the other a full blown “new” provider search (RFP). We'll address our RFI process in this question and our RFP process in the next question.

We are extremely conversant with the subject of fee analysis. And it has numerous facets. For instance, in our RFI process you'll see that if you factor-in the cumulative effective of reasonably inferable “Participant” expenses (loan initiations, etc.), it can have a measurable effect on the overall cost of a plan. E.g. this can be an insidious way of hiding fees. “Revenue Sharing” is a very involved subject – but one which we can walk you through. Ultimately, you will want to answer the question: how important is it that our participants don't see a hard-dollar charge? To be clear, there is no-free-lunch. So, many plans today are moving away from Revenue Sharing. We can walk you through the pros and cons. Finally, there is the question of which participants are



disadvantaged by a fixed fee charge vs those disadvantaged by a basis-points fee (with the accompanying discussion that flat fees may result in higher initial recordkeeping charges vs those recordkeepers who can allocate on per-participant basis revenue sharing generated by funds they use or don't use). Hopefully, our booklet is pretty self-explanatory. But, you are welcome to pepper us with follow up questions to clarify it further. **(See Exhibit #19)**

4. Draft an RFP for a Provider search for the Defined Contribution/Deferred Compensation Plan and develop a list of “best in class” vendors/providers.

Below is the “general” Table of Contents from our government & 501c-3 non-profit RFP Template. But we customize it for each client. For example, in your case where you only have one provider (a very good thing!), there would be no need to collect information on No. 10 – Master Administrator. Likewise, because we fully appreciate how daunting our RFP is – we work with each client to put in the front of each RFP a detailed “overview” of the Client’s census and pertinent plan design particulars. Before simply sending out, we meet with our clients to review with them the “universe” of Recordkeepers. And, they fall into general categories: Banks, Insurance Companies, Proprietary fund companies, and non-proprietary third party administrators. We share our experiences with each. But, the final decision of which to include in the search is up to the Client. E.g. this is an incredibly involved process and we want there to be no misgivings about its objectivity. Simply put, we will work with any Recordkeeper. **(See Exhibit #20).**

ACG 403b RFP Table of Contents			
1	Your Pricing Assumptions	21	Loans & Loan Processing
2	Your Pricing Philosophy	22	Automatic Enrollment
3	Your Revenue Share Philosophy	23	Payroll
4	Investment Parameters	24	Participant Statements
5	Recordkeeping, Administration and Investment Management Fees	25	Internet/VRU/CSR
6	Plan Sponsor Ancillary Fees	26	Communication & Education
7	Participant Ancillary Fees	27	Participant Distribution
8	Organization & History	28	Guidance & Advice Tools
9	457(b) and 457(f)	29	Mutual Fund Window
10	403b Master Administrator	30	Model Portfolios & Automatic Rebalancing
11	403b Information Sharing	31	Notices
12	Individual vs. Group Contracts	32	Qualified Default Investment Alternatives (QDIA's)
13	Custodian/Trustee	33	404(A)(5) Participant Fee Disclosure
14	Investment Revenue Sharing	34	Regulatory Services
15	Stable Asset Funds	35	Proxy Notices
16	Float as Revenue	36	Compliance
17	Client Service	37	Plan Sponsor Reporting & Data Mining
18	Recordkeeping	38	Quality Assurance & Service
19	3(16) Administrative Outsourcing	39	Cybersecurity & Fiduciary Insurance
20	Your Administrative Processes	40	Conversion

5. Lead the review, evaluation (including interviews of finalists), and selection of a provider(s).

Once we get-back RFP responses, we input them into a

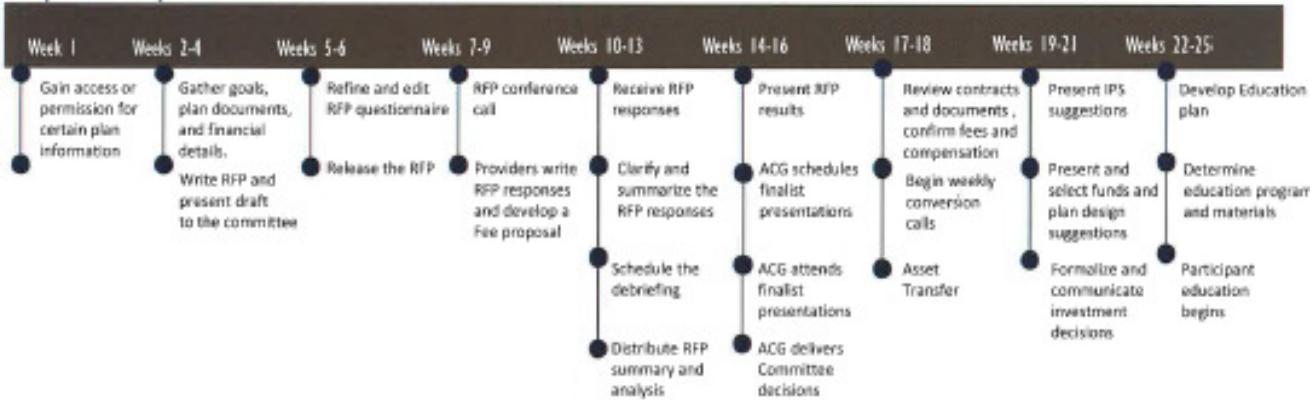


question-by-question/side-by-side comparison – and then we review all answers. Out of that comes an executive summary that we present to our client. At that meeting, the goal is to choose a finite number of finalists. We can fit four (4) responses on a horizontal sheet of paper 8 x 11. So, it's normal for us to include eight (8) carriers in the initial search. After we get the answers back and summarize them, we meet our clients to debrief them and pick finalists. Again, we share our insights – but who to choose as finalists is up to our client. The next step is to schedule finals – but in two stages. That is, we want each finalist to demonstrate its internet site – both for the Participant experience but also for the Sponsor experience (re: payroll file uploading, etc.) Normally, the Client's search committee designates a single representative (usually HR) to vet the finalists' internet sites. But, we schedule and oversee. Generally, we encourage our clients to not interview more than four (2) finalists because each finalist should be given something close to 2 hours to present – and we strongly encourage our clients to conduct the finals in one day. There is so much information that trying to carry-it-over to another day will almost inevitably disadvantage the earlier presenter. Once a finalist is chosen, we will participate in conference calls and provide input and feedback on communications until the conversion is complete. Finally, we will offer to be as involved in the Participant education process as the Client wants us to be. And, generally, speaking our educational abilities play a role in why we are hired in the first place – so our involvement in conversion education meetings is generally more, rather than less, involved. (See Exhibit #21).

Fee Benchmarking and Request for Proposal At-A-Glance



Request for Proposal Timeline





and content with examples.

Throughout this RFP, we have attached illustrations of our various processes in response to specific questions. So as to not repeat those illustrations here, we are attaching a “sample” Governance Matrix which addresses the ultimate question of fiduciary oversight of all of those processes. (See Exhibit #22)

G. FEES AND CONTRACT

1. Provide the fixed dollar fee for the services proposed by your firm. Specify each service included in your fee proposal. Your fee quote should cover all services to be performed outlined in the Scope of Services, including travel and other out-of-pocket expenses associated with the performance of the project.

Your instructions ask us to provide a bundled fee inclusive of “travel and other out-of-pocket expenses.” We want to be respectful of that direction – but we also don’t want to build into our fee travel + out of pocket expenses which might never be incurred. At this point, we just don’t know how many meetings to factor into our Fee proposal? You’ll see that our fee includes travel for the Investment Consultant assigned to you for four (4) quarterly meetings. But, will you want to meet face-to-face with your Relationship Manager too – or your Education Consultant? The point is, we’re happy to send them too. But at this point, we just don’t know how involved you want them to be? To be clear, we will meet with you in-person as requested – for which we would pass-through those expenses. But, we can also meet with you remotely via phone or video conferencing and we wouldn’t bill you for that. And even where we would bill you for travel expenses – they would be limited to air + hotel. E.g. we would pick-up our own meal, auto, out-of-pocket and misc expenses. We realize that this is not a perfect answer to your question. But, again, we are trying to be fair to you. So, we would welcome a discussion about how to get you what you want without running the risk of factoring in a cost that is never incurred.

Service	Fee Structure/Frequency
Investment Selection and Review	\$60,000 annually (Travel included for quarterly meetings with your Investment Consultant. Your Relationship Manager would be available to meet quarterly too – but travel billed separately).
Investment Policy Statement: comment, development, periodic review, and updates	Included
Selection and Monitoring of DIA's	Included
Construction and Monitoring of Model Portfolios	Included
Quarterly investment performance reporting	Included
Fiduciary responsibility acknowledged	Included
Committee Meeting attendance	Included
Ad-hoc research requests by Committee	Included
Watch List Preparation	Included
Governance matrix	Included



Participant Investment Education	Up to 4 days annually included (Travel expenses billed separately)
Over 4 allotted days	\$1,000 per day
Education Plan and consultation	Annual review and planning included
Plan Fees Request for Information (RFI)	\$7,500 (up to 4 providers) + \$1,500 for each additional provider. (Travel expenses billed separately)
Vendor Search Request for Proposal (RFP)	\$20,000 per occurrence (up to 4 providers) + \$4,000 for each additional provider. (Travel expenses billed separately)
Executive summary of Plan's current Features	Included
Customize RFP Template per client	Included
Meet with Client to review Vendor options	Included
Distribute RFP	Included
Summarize RFP and meet with Client to review	Included
Select Finalists	Included
Orchestrata Internet Demos	Included
Orchestrata Finals Presentations	Included
Conversion Support	Included

As we have noted throughout this RFP Response, we understand/appreciate that you are not regulated by ERISA. But if you were, we would be required to provide you with an annual vendor fee disclosure per §408b-2 the purpose of which would be to provide you with information sufficient to enable you to determine the “reasonableness” of our fees. (Exhibit #23).

Reasonableness of fees is one of ERISA’s bed-rock Fiduciary cornerstones. And just as we have said throughout this RFP Response that we would use ERISA as our “best practices” guideline – so too do we think it’s fair-game for us to have to provide you with that information about our own firm even if it’s not “required.” That said, 408b-2 is a retrospective filing. E.g. it looks-back on the fees paid for the last year. So, because you haven’t actually engage us – we can’t produce one for you at this time. But to try and address the reasonableness of our fees prospectively, we’re embedding into this response a comparison of our quoted fee to industry standards using a data base compiled by Ann Schleck, Assoc. (www.annschleck.com) We ran our proposed fee through it and as reflected in the outtake on the next page that software system puts it in the Lowest quartile. We do not suggest that this analysis is dispositive. But, it’s a good beginning. To that end, we are attaching as an Exhibit a full copy of the benchmarking. You will see towards the end contact information for the software company itself should you wish to contact them directly.



Plan Information

This section summarizes specific information about the plan you are benchmarking.

Defined Contribution Plan Size: \$100 million

Fee Method: Fixed Fee paid directly by plan sponsor

Services included as part of your annual retainer fee:

- Investment Policy Development
- Plan Design Consulting
- Fund Menu Design
- Compliance Oversight
- Vendor Fee/Service Reviews
- Vendor Management/Issue Resolution

- Investment Monitoring/Committee Meetings
- Education Program Strategy
- Fund Replacements/Fund Manager Search
- Asset Allocation Modeling
- Quarterly Investment Reviews

Comparison of Advisor/Consultant Annual Retainer Fees*

This section provides a summary of your annual retainer fee, compared to the database. For plans of this size the database contains 58 responses.

Your annual retainer fee for this plan: ♦\$80,000

The database average for a plan of this size:	Mean (average)	\$88,068
	Median	\$85,000

Your retainer fee compared to the database:
Due to rounding this may not equal 100% 84% are HIGHER 2% are the SAME AS 14% are LOWER

Your retainer fee compared to the database broken down by quartiles:

	1st Quartile (Lowest)	2nd Quartile	3rd Quartile	4th Quartile
Fee range for this quartile	\$38,000 - \$75,000	\$75,000 - \$85,000	\$85,000 - \$100,000	\$100,000 - \$175,000
Quartile Mean	\$57,357	\$78,667	\$95,667	\$118,333
Quartile Median	\$52,500	\$80,000	\$100,000	\$110,000
Your Fee	♦\$80,000			

(See Exhibit #24).

2. Attach a sample contract.

(See Exhibit #25).

IX. TERMS AND CONDITIONS

1. The City of Livonia makes no representations or warranties, expressed or implied, as to the accuracy or completeness of the information in the RFP and nothing contained herein is or shall be relied upon as a promise or representation, whether as to the past or the future. The RFP does not purport to contain all of the information that may be required to evaluate the RFP and any recipient hereof should conduct its own independent analysis of the City of Livonia and the data contained or referenced herein. The City of Livonia does not anticipate updating or otherwise revising the RFP. However, this RFP may be withdrawn, modified, or re-circulated at any time at the sole discretion of The City of Livonia.
2. The City of Livonia reserves the right, at its sole discretion and without giving reasons or notice, at any time and in any respect, to alter these procedures, to change and alter any and all criteria, to terminate discussions, to accept or reject any Response, in whole or in part, to negotiate modifications or revisions to a Response and to negotiate with any one or more respondents to the RFP.
3. The City of Livonia is not and will not be under any obligation to accept, review or consider ACG Response to The City of Livonia RFP – May 2015



any Response to the RFP, and is not and will not be under any obligation to accept the lowest offer submitted or any offer at all. The City of Livonia is not and will not be under any obligation to any recipient of, or any respondent to, the RFP except as expressly stated in any binding agreement ultimately entered into with one or more parties, either as part of this RFP process, or otherwise.

4. This RFP is not an offer but a request to receive qualifications and proposals of potential firms. The City of Livonia will consider a substantially completed Response as an offer to develop an agreement based upon the contents of the Response. Respondents agree that the contents of their Responses are valid for 180 days from the date of submission. The City of Livonia will not be liable for any cost incurred in the preparation of a Response and will not reimburse any respondents for their submission. Expenses related to the production of a Response to this RFP are the sole responsibility of the Respondent.
5. Any Response submitted will become the property of The City of Livonia. The City of Livonia reserves the right to retain all Responses submitted, and to use any information contained in a Response except as otherwise prohibited by law. All Responses and the contents thereof will be deemed to be public record open to public inspection after the conclusion of the RFP process and award and execution of a contract, if any; provided that all proprietary information, "trade secret", if clearly marked as such, will not be disclosed except as required by law.

X. REPRESENTATIONS AND WARRANTIES

All respondents are required to submit an executed copy of the Representations and Warranties as an attachment to their proposal:

- A. Respondent warrants that it will not delegate its fiduciary responsibilities.

Yes.

- B. Respondent warrants that it has completed, obtained, and performed all registrations, filings, approvals, authorizations, consents or examinations required by federal, state and local government or governmental authorities.

Yes.

- C. Respondent warrants that it meets all of the minimum qualifications applicable to the firm under Section III, paragraph A of this RFP as follows [list each and specifically describe how your firm meets each item]:

1. Is a registered investment advisor under the Investment Company Act 1940.

We are registered with the Securities Exchange Commission ("SEC") pursuant to the Investment Advisers Act of 1940 – not the Investment Company Act of 1940. E.g. the Investment Company Act of 1940 regulates Mutual Funds – not Investment Advisers.



2. Is not a defined contribution/deferred compensation service provider or be associated with a DC service provider in any financial manner. Must agree to act as a "fiduciary" with respect to the City of Livonia.

Yes.

3. Has been in business for a minimum of ten (10) years; if the firm has not been in business for at least ten (10) years, the senior principals of the firm must have at least ten (10) years of verifiable experience with institutional clients at an investment consulting firm.

Yes.

4. Has provided similar investment consulting services to other public retirement systems of similar participant and plan asset size to the City of Livonia.

If you were to hire us, Brad Tollander, CFA would be your Investment Consultant. As previously noted, While at Deloitte, Brad worked with a number of public plans including: Kansas Board of Regents (KBOR), University of North Carolina (UNC), Pennsylvania State System of Higher Education (PASSHE), State of North Dakota, Minnesota State Colleges and Universities (MnSCU), State of Illinois - State Board of Investments, State of Iowa – Department of Administrative Services, Hennepin County (MN), Dakota County (MN), St. Paul k-12 Schools (MN), and Macomb County (GA).

5. Employs a professional team or department dedicated to investment manager research and analysis.

Yes.

- D. Respondent warrants that it has not paid and will not pay, has not given and will not give, any remuneration or thing of value directly or indirectly to the City of Livonia or any of its board members, officers, employees, commission members, elected officials or agents, or any third party except as disclosed to the City of Livonia with its response to this RFP or otherwise, including, but not limited to, a finder's fee, cash solicitation fee, or a fee for consulting, lobbying or otherwise.

Yes.

Advanced Capital Group, Inc.

Name of Firm

Principal

May 8, 2015

Signature

Title

Date



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #1

Advanced Capital Group, Inc. (ACG) Distribution of Client-Type

Advanced Capital Group



HISTORY

Since 1998, we have been helping plan sponsors save money, improve plan performance and reduce risk. We are independent and acknowledge in writing that we are a Fiduciary for your retirement plan. By outsourcing retirement plan governance, oversight and education to us, plan sponsors get the experience and resources of a nationally recognized investment advisory firm. In 2010, we acquired the Deloitte retirement plan investment consulting practice. In 2013, we merged the Berthel Schutter LLC investment advisory practice into ACG.

PROVIDER STATISTICS

Plan Assets Under Management: \$13.5 billion

Retirement Plans Serviced: 125

Retirement Plan Participants: 143,390

PLAN TYPES

401(a): 4	ESPP/ESOP/Stock Option: 2
401(k) / Profit Sharing: 88	403(b) Individual: 2
Non-Qualified DC: 9	403(b) Group: 3
Defined Benefit: 8	457(b): 5
Endowments/Foundations: 8	457(f): 4

NUMBER OF PLANS BY INDUSTRY

Agricultural: 2	Accommodation & Food Service: 2
Mining: 1	Admin & Support: 1
Utilities: 5	Other Services: 7
Construction: 4	Manufacturing: 21
Wholesale Trade: 8	Retail Trade: 5
Information: 2	Finance & Insurance: 5
Real Estate: 5	Professional & Tech Services: 12
Management of Companies: 2	Educational Services: 5

PUBLIC PLANS

The Energy Authority - Jacksonville, FL
State of Iowa - Des Moines, IA
Hennepin County - Minneapolis, MN

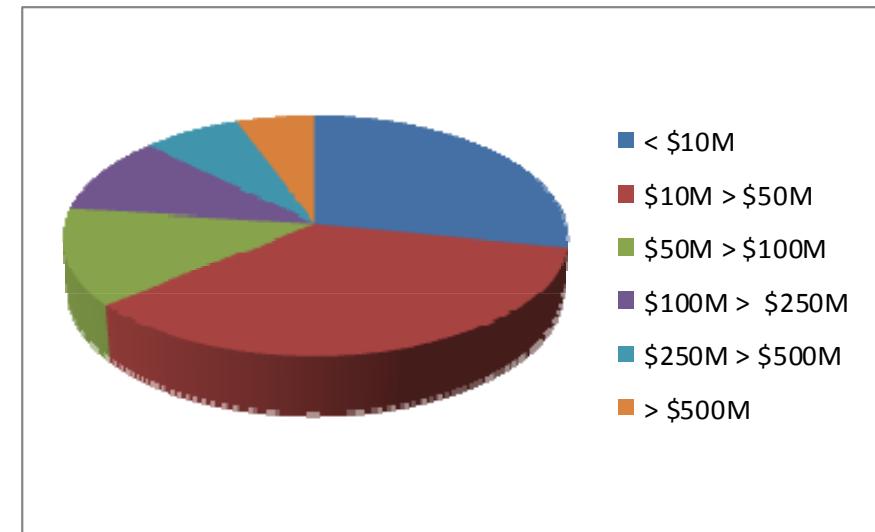
GENERAL PROVIDER INFORMATION

Corporate Offices: Minneapolis, MN

Website: www.acgbiz.com

Ticker: N/A

NUMBER OF PLANS BY PLAN ASSETS	NUMBER OF PLANS BY PARTICIPANT
< \$10M	35
\$10M > \$50M	45
\$50M > \$100M	16
\$100M > \$250M	13
\$250M > \$500M	8
> \$500M	7





Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #2

ACG Periodic “Thought Piece” Focused on the Rapidly Evolving Question of “Guaranteed Lifetime Income” as a Defined Contribution Plan Option. ACG has followed this (ongoing) evolution very closely.



“In-Plan” Deferred Fixed Annuities: What you should know & ask

In 2014, the IRS issued two (2) directives (the first a “Final Regulation,” the second a “Notice”) regarding deferred fixed annuities to be used in ERISA Defined Contribution plans. [In both cases, “variable” annuities were excluded with a footnote in the latter directive being that they would be considered for future inclusion as a component of Target Date Funds (TDF’s)]. These have received much (well-deserved) discussion in various trade publications. The purpose of this thought piece is to share our perspective on some of the questions that Plan Sponsors might want to consider as they review these developments. And the first thought that we would share is: the IRS has visited this subject before.

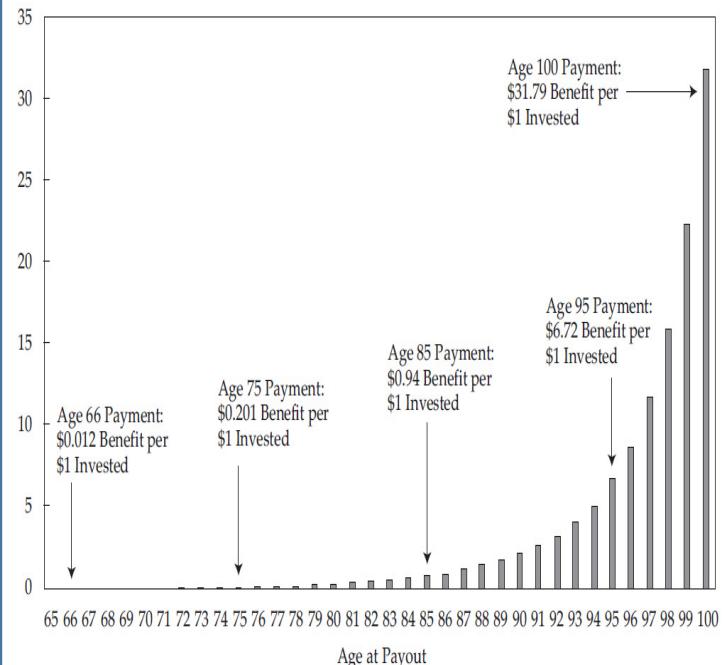
In 2012, the IRS addressed the question of how the Qualified Joint and Survivor Annuity (QJSA) and Qualified Pre-retirement Survivor Annuity (QPSA) rules apply when a deferred annuity is purchased by a Participant in a “profit sharing” plan with a Cash Or Deferred Arrangement (CODA). (See Rev. Rul. 2012-3).

In that Rev. Rul., the IRS posited three different hypotheticals involving plan designs which: 1) allowed Participants to move in and out of the deferred annuity at any time before the annuity starting date, 2) made the purchase of the deferred annuity irrevocable payable in the form of a life annuity without an option for the participant to accelerate payment of the amounts in the form of a single-sum payment, and 3) allowed “matching contributions” to be returned to the trust in the event of death before the annuity start date subject to a spouse’s notarized consent. (As we noted in a previous thought piece on this subject, several insurers were working on products for this market before the market crash of 2008).

We would suggest that the significance of this earlier Rev. Rul. is that when read with the latter two issuances, it appears that the IRS is acknowledging (encouraging?) a very wide range of plan designs using deferred annuities. And, we think that is a very good thing because it means that the various “products” that are beginning to appear will not be the “only” way to skin-the-cat.

We are very strong advocates of deferred-fixed-annuities and their use in qualified retirement plans. In our judgment, a particularly useful article on their benefits is: [The Longevity Annuity: An Annuity For Everyone?](#), Jason S. Scott, Financial Analysts Journal, Vol. 64, Number 1 (2008). The graph below is taken from that article and is

a good aid to help visualize their increasing value as annuitization is delayed.



Now, we will briefly summarize the more recent IRS issuances.

In July 2014, the IRS issued (with the DOL) a joint Final Regulation articulating a Qualified Longevity Annuity Contract (QLAC). That Regulation focused on the idea of an “individual” buying a deferred fixed annuity (“in” a retirement plan) which would begin paying out at some point “after” Required Minimum Distributions (RMD’s) would otherwise be required to begin. The Regulation discussed hypothetical beginning start dates of age 80 or 85 as examples. But no specific annuitization “starting date” was prescribed. But the net effect is to delay - but not avoid altogether - RMD’s

The “Notice” (October 2014) on the other hand, focused on a scenario in which a deferred fixed annuity would be used in a TDF - which, in turn, could be used as a QDIA and/or as a stand investment offering. The “technical” issue was whether the TDF could be structured so as to only make the deferred fixed annuity available in a *near-retirement* sleeve of the TDF (ex: 50-55 year old) which, in turn, might foreseeably result in it being used by predominately highly compensated employees. The concern was/is, this could possibly/likely cause the plan’s year-end non-discrimination testing to fail. So, the Notice (supported by an interpretative letter from the DOL) essentially created a safeharbor from this possibility.

Issues

1) Fiduciary Duties - and whose are they?

The general rule is that the Plan Sponsor is responsible for the selection of a deferred annuity issuer. Moreover, the historical rule (developed in the context of buying-out a defined benefit obligation) was “safest available annuity.” See DOL IB 95-1. The Pension Protection Act modified that in the context of Defined Contribution plans to be a five (5) step process designed to demonstrate that the choice was undertaken objectively and was reasonable. See DOL IB 95-1 (As Amended Dec. 8, 2008). Importantly, in its October Notice, the IRS shifted the fiduciary duty for the selection of the annuity (when used in a TDF) from the Plan Sponsor to the ERISA Investment Manager who was otherwise responsible for the creation and monitoring of the TDF.

2) Is there only one type of deferred annuity?

No. A deferred annuity can either be fixed or variable; an individual or group contract; or a single or blended premium. The 2012 Rev. Rul. didn’t speak to any of that. But, the more recent Final Regulation and Notice did. A QLAC can only be a deferred-fixed-annuity. For now (but it indicated that it would address this distinction prospectively) the annuity authorized for use in a TDF is also a deferred-fixed-annuity. Our own perspective is that deferred fixed annuities are preferable to deferred variable annuities. In short, we think this subject - which under either version can be plenty complicated - should be kept as simple as possible. But, we also recognize that there are many in our industry who feel the opposite.

3) What are “riders” - and what are their impact?

One of the primary impacts of focusing on the individual as a potential buyer is the corresponding need to provide a liquidation “rider.” To illustrate, the TDF as described in the Notice would allow the Participant to get in and out of the position just like s/he would any other investment. But, that liquidity will come at a cost - opaque at best. While not as frequent, the same will be true if the Plan Sponsor decides to move from one recordkeeper to another. Again, the IRS’s 2012 Rev. Rul. Arguably provides the answer in its Hypothetical #3 which did not allow a liquidation feature.

4) Can a Plan Sponsor purchase deferred annuities on behalf of Plan Participants - and, if so, can it buy them in increments or must it be a lump sum?

None of the IRS issuances directly addressed these interrelated questions. But, we think that “yes” to these questions can be inferred. That is, its TDF Notice specifically noted that the TDF (with the annuity feature) could be used as a QDIA. And - by definition - the whole point of the QDIA was to give Plan Sponsors safeharbor from what would otherwise be fiduciary liability for making an investment decision (e.g. the QDIA itself) “for” the participant in the absence of its affirmative election - and, by definition, meant that there would be incremental purchases. Finally, QDIA’s are not limited to Plan Participant “elective deferrals” but can also be used for Plan Sponsor contributions.

Frankly, we think that this is a critical question because we also think that the solution to the admirable goal of guaranteed lifetime income can be over-engineered. In other words, why not simply set up a parallel plan (like the Money Purchase Pension Plan of yesteryear) and use only Employer monies to buy deferred fixed annuities for all participants, at all ages and with incremental (ex: year-end discretionary profit sharing) contributions? Among the many problems this solves is “daily valuation.” With the simple/stupid approach, each participant could be given an annual statement. And, if a “group” contract is used it may be possible to use a “uni-sex” life expectancy table which would result in higher payouts to some Plan Participants.

5) How do I know that the chosen insurer will continue to provide a competitive crediting rate after year #1?

This is the toughest and most critical question of all - and none of the IRS’s issuances addressed it. When we began thinking about this subject years ago, we thought that it might be possible to issue an RFP requiring the responding insurers to specify (year-over-year) a floating crediting rate (set, hypothetically, Jan. 1 and applied to all contributions through 12/31) to the 10 year treasury curve - reset at the end of each year and applied for the next 12 months. For example, one carrier might say the 10 year rate less 30 bps and another might say the 10 year rate less 20 bps. After all, we thought, a number of insurance-company Guaranteed Investment Contracts (GIC’s) already do some version of this. Another possible solution would be to have the insurer commit to using a pre-agreed-upon pricing metric such as Blackrock’s CoRI annuity pricing model. But the bottom line is this: we think some sort of forward-pricing agreement is essential..



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Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #3

Example of a “Guaranteed Lifetime Income” Solution for use as an investment option in Defined Contribution Plans. This product never made it past the concept stage as its development was derailed by the crash of 2008.

The Hartford Lifetime IncomeSM

PROPRIETARY AND CONFIDENTIAL.
NOT FOR USE WITH PARTICIPANTS.



Plan Participants Face An Uphill Climb in Creating a Solid Retirement Income Plan

Longevity

- At age 65, there's a 63% chance at least one spouse will live to age 90 and a 36% chance to age 95¹



Investment Uncertainty

- From its high on Oct 9, 2007, the S&P 500 Index was down 42.3% as of December 31, 2008
- As of November 30, 2009, the S&P 500 was down 24.7% this decade



Replacing Traditional Income Sources

- Social Security tax revenues fall below program costs in 2017²
- 83,500 fewer employer pensions in 2005 than in 1985³



¹Society of Actuaries Annuity 2000 Mortality Tables

²Social Security Administration, 2008 OASDI Trustees Report

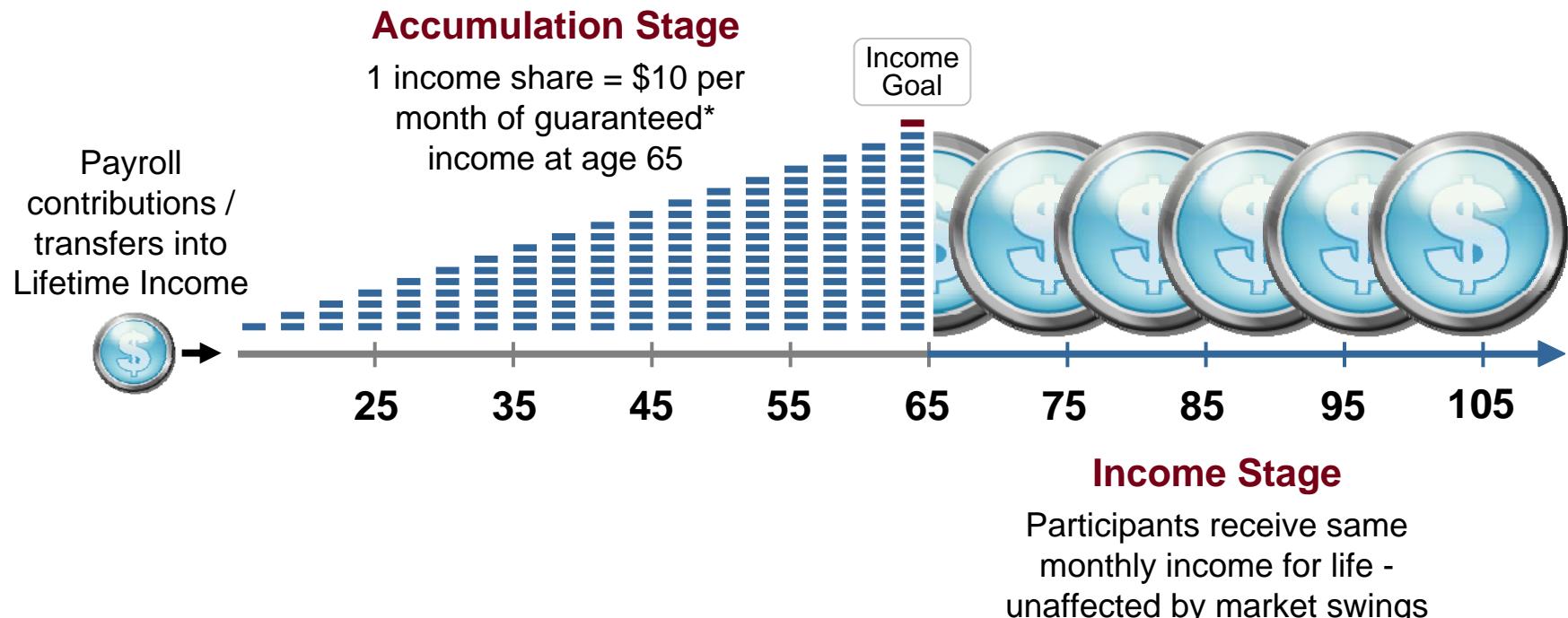
³Pension Insurance Data Book, Figure 8, PBGC-Insured Plans (1980-2006), Fall 2007

DC Plan Participants Need a Safety Net

- Key Findings from a recent Hartford survey:
 - The No. 1 financial concern in retirement is simply meeting everyday expenses, i.e. food, shelter, etc.
 - In 2009, 65.2% said meeting basic needs was top concern
 - This is up from 49.7% in 2008 and 24.5% in 2007
 - Those who planned for retirement were 3 times more likely to be confident of sufficient income in retirement

The Hartford Lifetime Income – A New Guaranteed Income Option for Retirement Plans

Simple. Certain. Guaranteed.



Hartford Lifetime IncomeSM – Patent Pending

*Guarantees are based on the claims-paying ability of Hartford Life Insurance Company.

3 NOT FOR USE WITH PARTICIPANTS.



HLI: A Complementary Fund Option

Equities

- **Goal:** seeks to provide long term growth of capital
- **Invests in:** common stocks of small, medium and large companies under moderate to high market exposure

Bonds

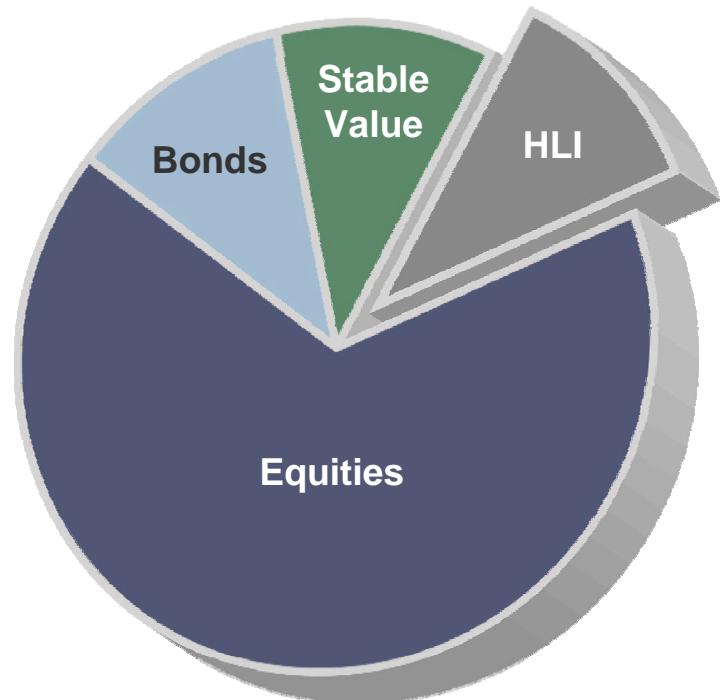
- **Goal:** seeks high current income and some capital growth
- **Invests in:** corporate and governmental debt obligations under moderate market exposure

Stable Value

- **Goal:** seeks to preserve capital while providing a relatively stable interest rate without capital appreciation
- **Invests in:** stable value investment contracts, corporate and governmental debt obligations with average durations of 3 years or less under slight market exposure

HLI

- **Goal:** provides specific and recurring guaranteed income payments for life
- **Invests in:** various corporate and governmental debt obligations with average durations of 20 years or more without market exposure when held to retirement



The Hartford Lifetime Income – Liquidity and Flexibility

Flexibility

- Start, stop, change contributions
- Receive income earlier or later than age 65
- Joint & survivor option provides spousal lifetime income
- COLA option provides inflation protection

Liquidity¹

- Transfers allowed at anytime
 - Cash-out at 96% of current purchase price
 - Allows for higher guarantees
 - Provides access to funds¹

Portability

- Participants²
 - Can take income with them
- Recordkeepers
 - Dependent upon industry adoption

Example³

Age	Participant Transaction	Share Price ³
30	Purchase 1 share	\$214.63
35	Cash-out 1 share	\$281.14
	Cash-out Value (96% of current share price)	\$269.89
	Annual realized return	4.7%

¹Taxable distributions (and certain deemed distributions) are subject to ordinary income tax and, if made prior to age 59 ½, may also be subject to a 10% federal income tax penalty. Direct withdrawals and loans are not permitted with HLI.

²If participant has accumulated less than 5 shares, Hartford will return the greater of net contributions or 100% of the current cash-out value.

³Illustrative only. Based on hypothetical purchase rates. Share prices are updated daily. Liquidity is not available once monthly income payments commence.

Return on Investment at Average Life Expectancy



¹Guaranteed payback from age 65 to average mortality age (87). Based on December 1, 2009 shares prices for each age category.

Comparison of Benefit Efficiency

Income generated by a \$100,000 transfer with payments starting at age 65

	Variable Annuity with GMWB		Hartford Lifetime Income		Net ROR Needed to Beat HLI Starting Benefit @ 65
	Guaranteed Annual Income	Annual Payout Rate	Guaranteed Annual Income	Annual Payout Rate	
Age 50	\$5,000	5.0%	\$13,348	13.3%	6.77%
Age 55	\$5,000	5.0%	\$10,772	10.8%	7.98%
Age 60	\$5,000	5.0%	\$8,602	8.6%	11.46%

HLI share prices as of 12/1/2009.

VA with GMWB is based on the minimum guaranteed withdrawal amount. The actual guaranteed withdrawal amount will depend on the account balance at retirement. The payment amount can step-up at limited distinct points during accumulation. VA payments will only commence once the participant's variable annuity holdings are exhausted.

Hartford Lifetime Income – Summary

- In-plan guaranteed income option for retirement plans
- Available to all participants
- Fills a core investment gap and may alleviate future fiduciary obligations
- Provides participants with a benefit that:
 - Is easy to understand and use effectively
 - Provides predictable and guaranteed income for life
 - Portable benefit: guaranteed income is not lost with change in employment or recordkeeper
 - Avoids participant decumulation risk of a traditional withdrawal strategy
 - Complements all other plan investments



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #4

The Department of Labor was concerned with the volatility of pre-packaged “Target Date Funds” in the 2008 Financial Crisis. After holding public hearings, it released a “Target Date Retirement Funds – Tips for ERISA Plan Fiduciaries” in 2013. In part, it raised the possibility that, “a ‘custom’ TDF may offer advantages to your plan.” Since then, there have been tremendous advancements by many recordkeepers to support “custom” TDF’s. Custom Model Portfolios have been a mainstay of our firm since inception – and we developed a custom Target Date Fund immediately after the QDIA Regulation was released in 2007.

The Move Towards Customization

DOL Fact Sheet – Feb. 2013

Target Date Retirement Funds - Tips for ERISA Plan Fiduciaries

What to Remember When Choosing Target Date Funds

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. Non-proprietary 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 non-proprietary TDF, and they may not be right for every plan, but you should ask your investment provider whether it offers them. (<http://www.dol.gov/ebsa/newsroom/fsTDF.html>)

Marketplace Trends

Callan - DC Trends: 2015:

Proprietary TDF usage:
47.5% in 2013 to 28.7% in 2014

Custom TDFs usage:
11.5% in 2013 to 22.3% in 2014.

Among the 8 DOL recommendations:

- ❖ Establish a process for comparing and selecting TDFs
- ❖ Establish a process for the periodic review of selected TDFs
- ❖ Understand the fund's investments
- ❖ **Inquire whether a custom TDF would be a better fit**
- ❖ Document the process



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #5

Government Plans are not subject to ERISA. So what guidelines should they use for the oversight of the investments in their retirement plans? In this Exhibit, one of the industry trade associations for public retirement plans asked the SEC to approve the use of ERISA “Model” templates through which to communicate investment data (fees, expenses and performance) to participants. It’s instructive that the SEC concurred.



February 9, 2015

Douglas J. Scheidt
Associate Director and Chief Counsel
Division of Investment Management
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Extension of Rule 482 Relief for Investment Information Delivered to Participants of 403(b) Programs and Other Non-ERISA Plans

Dear Mr. Scheidt:

On behalf of the American Retirement Association and its sister organizations, the American Society of Pension Professionals & Actuaries (“ASPPA”) and the National Tax-deferred Savings Association (“NTSA”), we are writing to request the views of the Division of Investment Management (the “Division”) regarding the applicability of Rule 482 (“Rule 482”) under the Securities Act of 1933 (“Securities Act”) to disclosure of certain investment-related information to participants and beneficiaries of participant-directed tax-sheltered annuity programs described by section 403(b) of the Internal Revenue Code of 1986, as amended (the “Code”) (known as “403(b) programs”) and certain other participant-directed retirement savings plans and programs that are not subject to the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) (together the non-ERISA 403(b) programs and other plans and programs described in this letter are “Non-ERISA Plans”).

In a no-action letter issued to the U.S. Department of Labor (“DOL”) on October 26, 2011 (the “DOL Letter”),¹ the Division agreed that it would treat specified investment-related information provided by a plan administrator, or a person designated by a plan administrator to act on its behalf, that is required by and complies with the requirements under DOL Rule 404a-5(d) (the “DOL Rule”) (such information, “DOL Required Investment Information”),² as if it were a communication that satisfies Rule 482 under the Securities Act. We request that you extend your

¹ Department of Labor, SEC Staff No-Action Letter (Oct. 26, 2011) available at <http://www.sec.gov/divisions/investment/noaction/2011/dol102611-482.htm>.

² See Rule 404a-5 under ERISA, 29 CFR §2550.404a-5. See also interpretative guidance subsequently issued by the DOL, including Field Assistance Bulletin Nos. 2012-02R (July 30, 2012) and 2013-02 (July 22, 2013).

Douglas J. Scheidt

Associate Director and Chief Counsel, Division of Investment Management

Re: Extension of Rule 482 Relief

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position in the DOL Letter concerning Rule 482 to certain information furnished to participants and beneficiaries in Non-ERISA Plans, under the conditions described by this request.

The American Retirement Association and its four sister organizations, ASPPA, NTSA, the National Association of Plan Advisors (“NAPA”) and the ASPPA College of Pension Actuaries (“ACOPA”), make up the premier national organization for retirement plan professionals in the industry. Based in the Washington, D.C. area, ASPPA is a non-profit professional organization with two major goals: to educate all retirement-plan and benefits professionals, and to create a framework of policy that gives every working American the ability to have a comfortable retirement. NTSA, initially formed in 1989, is a non-profit association dedicated to the 403(b) and 457(b) marketplace and includes practitioners, agencies, corporate and employer members. Our large and broad-based membership gives ASPPA and NTSA unique insight into current practical applications of retirement plans, with a particular focus on the issues faced by small-to medium-sized employers, including governmental and tax-exempt employers as well as private sector employers. The organizations’ memberships are diverse but united by a common dedication to the employer-based retirement plan system.

In support of this request, we provide below information about non-ERISA 403(b) programs and other Non-ERISA Plans and a discussion of our reasons for this request.

1. Description of 403(b) Programs and Other Non-ERISA Plans

403(b) Programs. 403(b) programs are a type of tax-deferred retirement savings program that certain employers may make available to employees of public schools, 501(c)(3) tax-exempt organizations, and churches (including certain tax exempt organizations controlled by or associated with churches) and certain members of the clergy.³ 403(b) programs can be invested in an insurance company annuity contract pursuant to Code section 403(b)(1) or invested in a custodial account invested in mutual funds pursuant to Code section 403(b)(7), or a retirement income account set up for church employees pursuant to Code section 403(b)(9) that may be

³ As discussed, infra, some 403(b) programs are subject to ERISA and others are not. In this request, the former will be referred to as “ERISA 403(b) programs”, and the latter “non-ERISA 403(b) programs”. The term “403(b) programs” may include both ERISA and non-ERISA 403(b) programs.

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invested in either annuities or mutual funds.⁴ (In this letter, references to “403(b) programs” include plans pursuant to Code section 403(b)(1), 403(b)(7) and 403(b)(9).)

403(b) programs may be funded by employee salary deferrals, employer contributions, or both. Depending on how an employer structures a 403(b) program, eligible employees (“participants”)⁵ may invest their contributions in annuity contracts or in custodial accounts invested only in mutual funds. Although some employers may limit the investment options under a 403(b) program to investments offered by one insurance company or custodial account vendor, it is common for employers to allow multiple insurance company and custodial account vendors (“Investment Vendors”) to offer a wide variety of annuity contract and mutual fund investment options to employees under their 403(b) program, and permit participants to make exchanges among these different Investment Vendors and investment options (any investment options offered under annuity contracts, and mutual funds available through a custodial account, are “Investment Options”).⁶

403(b) programs are subject to requirements under the Code that are similar (with modifications) to the tax qualification requirements imposed on 401(k) and other participant-directed plans qualified under section 401 of the Code (“tax-qualified plans”). As here relevant, regulations issued by the Department of the Treasury/Internal Revenue Service in 2007, 26 C.F.R. § 1.403(b)-0 et seq. (the “2007 Treasury Regulations”), require (among other things) that 403(b) programs (whether or not subject to ERISA) are maintained pursuant to a “written defined contribution plan” that contains certain terms and conditions for eligibility, benefits, limitations, the form and timing of distributions and contracts available under the program, and designates a party responsible for program administration. The deadline for employer sponsors of 403(b)

⁴ Though less common, a retirement income account set up for church employees pursuant to Code section 403(b)(9) and certain governmental 403(b) programs grandfathered by IRS Rev. Rul. 82-102 are not restricted to investments in either annuities or mutual funds.

⁵ In this letter, references to participant include any beneficiary permitted under the terms of a 403(b) program or other retirement plan or program to direct how to invest an account balance.

⁶ Other Non-ERISA Plans may make other investment alternatives available to plan participants to the extent allowed by law. With respect to such Other Non-ERISA Plans, the term “Investment Option” includes any such other lawful investment alternative, provided that it meets the definition of “designated investment alternative” in the DOL Rule. See Rule 404a-5(h)(4).

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programs to adopt written plans was December 31, 2009 (however, the plans were required to be effective no later than January 1, 2009).⁷

Some, but not all, 403(b) programs are subject to the fiduciary responsibility and other provisions under ERISA. In this regard, a 403(b) program that is “established or maintained” by an employer (such as a tax-exempt organization) engaged in commerce or in any industry or activity affecting commerce will generally be a “pension plan” within the meaning of section 3(2) of ERISA, and covered by ERISA. However, 403(b) programs that are “governmental plans” (see ERISA section 3(32)) and “church plans” (see ERISA section 3(33)) are excluded from coverage by ERISA under ERISA sections 4(b) (1) and (2). Also, under a DOL “safe harbor” regulation, a 403(b) program is not subject to ERISA if funded entirely with employee contributions, and the employer’s involvement with the program is so limited that the employer is not deemed to “establish or maintain” the program. *See* 29 C.F.R. § 2510.3-2(f).⁸ In Field Assistance Bulletin No. 2007-02 (July 24, 2007), the DOL explained that, even though differences between the tax rules for 403(b) programs and those governing other ERISA-covered pension plans may have diminished as a result of the “written plan” and other new requirements imposed under the 2007 Treasury Regulations, the safe harbor regulation at 29 C.F.R. section 2510.3-2(f) remains operative and compliance with those regulations would not necessarily cause a 403(b) program to become subject to ERISA.⁹

⁷ See Internal Revenue Service “Retirement Plans FAQs regarding Tax Sheltered Annuity Plans,” available at [http://www.irs.gov/Retirement-Plans/Retirement-Plans-FAQs-regarding-403\(b\)-Tax-Sheltered-Annuity-Plans](http://www.irs.gov/Retirement-Plans/Retirement-Plans-FAQs-regarding-403(b)-Tax-Sheltered-Annuity-Plans). The written plan requirement does not mean that the plan must be contained in a single document. For example, the plan can consist of multiple documents that contain the various plan provisions regarding salary reduction agreements, contracts that fund the plan, eligibility rules, how the plan will pay benefits and the nondiscrimination rules. *Id.*

⁸ Specifically, the safe harbor at 29 C.F.R. section 2510.3-2(f) states that a program for the purchase of annuity contracts or custodial accounts in accordance with provisions set forth in section 403(b) of the Code and funded solely through salary reduction agreements or agreements to forego an increase in salary, is not “established or maintained” by an employer under section 3(2) of ERISA, and, therefore, is not an employee pension benefit plan subject to Title I of ERISA, provided that certain factors are present. These factors are: (1) that participation of employees is completely voluntary, (2) that all rights under the annuity contract or custodial account are enforceable solely by the employee or beneficiary of such employee, or by an authorized representative of such employee or beneficiary, (3) that the involvement of the employer is limited to certain optional specified activities, and (4) that the employer receive no direct or indirect consideration or compensation in cash or otherwise other than reasonable reimbursement to cover expenses properly and actually incurred in performing the employer’s duties pursuant to the salary reduction agreements. If an employer, or a person acting in the interest of an employer, receives other consideration from an annuity contractor, the employer could be deemed to have “established or maintained” a plan.

⁹ 403(b) programs, whether or not subject to ERISA, also are subject to different regulation under federal securities laws than tax-qualified plans. In this regard, the registration exemption under section 3(a)(2) of the Securities Act,

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In connection with the implementation of the written plan requirement under the 2007 Treasury Regulations, employer sponsors of 403(b) programs (or recordkeepers acting on behalf of the employers¹⁰) enter written agreements with Investment Vendors to address administrative requirements for the transmittal of contributions made by payroll deduction, information sharing to facilitate contract exchanges, and compliance with the terms of the written plan and other requirements applicable to 403(b) programs. It is common, however, that employers do not have these agreements with Investment Vendors of so-called “frozen options” that were available under a 403(b) program before January 1, 2009, but not available for new employer contributions or employee salary reduction contributions on or after January 1, 2009. In this regard, historically, 403(b) programs have been operated as a collection of individual contracts with respect to which employees could engage in a range of actions without the consent or involvement of the employer. Therefore, many employers did not maintain written agreements with insurance company and custodial account vendors until the implementation of the written plan requirements under the 2007 Treasury Regulations.¹¹

which generally exempts offers and sales of interests in tax-qualified plans, is not available to 403(b) programs. The Commission, as a matter of administrative practice, has not required the registration of offers and sales of interests in 403(b) programs. *See SEC Release 33-6188, Section II.A.5* (Feb. 1, 1980); Cleveland Clinic Foundation (July 13, 1979). Also participants of 403(b) programs are generally deemed to be the “investors” in the annuity contracts and mutual funds they select for their individual accounts under a 403(b) program, who must receive delivery of prospectuses under section 5 of the Securities Act and annual and semi-annual reports under section 30(e) of the Investment Company Act of 1940. (In comparison, in the case of a tax-qualified plan covered by the Securities Act section 3(a)(2) “plan exemption,” delivery of prospectuses and shareholder reports to the plan — or a plan trustee or other representative — may satisfy these information delivery requirements.)

¹⁰ Employer sponsors of 403(b) programs typically engage a third party administration firm (“TPA”) to assist the employer with recordkeeping and other administrative responsibilities necessary to maintain the plan in compliance with tax qualification requirements applicable to 403(b) programs under the 2007 Treasury Regulations and may delegate to the TPA authority to enter into written agreements with Investment Vendors that govern plan administration and other requirements on the employer’s behalf.

¹¹ IRS has provided transition relief to employers with respect to Investment Vendors of frozen options. See Section 8 of Rev. Proc. 2007-71. In addition, DOL has provided reporting relief to the plan administrators of ERISA 403(b) programs for such “frozen options” including certain relief from requirements under DOL Rule 404a-5. *See FAB 2012-12R, Q-2*, which provides a DOL non-enforcement provision for plan administrators of ERISA 403(b) programs who conclude that it would be impracticable or impossible to provide the DOL Required Investment Information with respect to Investment Options that are “frozen” under certain conditions. This relief is consistent with FABs 2010-01 and 2009-02, which provided certain other reporting relief to plan administrators of ERISA 403(b) programs for “frozen” Investment Options.

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Other Non-ERISA Plans. Public schools and tax-exempt organization employers commonly offer other types of tax-advantaged retirement savings plans¹² in addition to a non-ERISA 403(b) program, and employees may participate in one or more of other plans at the same time that they are eligible to participate in a non-ERISA 403(b) program. These other types of Non-ERISA Plans include —

- governmental deferred compensation plans described by Code section 457(b), which are available to employees of state and local governments and agencies and instrumentalities of these and thus governmental plans as defined under Code section 414(d) and permit deferral of taxation on employee and employer plan contributions and earnings (“governmental 457(b) plans”);¹³
- Code section 401(a) plans that are governmental plans under Code section 414(d) (“governmental 401(a) plans”);¹⁴
- non-qualified governmental qualified excess benefit arrangements established pursuant to Code section 415(m) solely to provide benefits exceeding limits under Code section 415 under a governmental 414(d) plan (which would include only governmental 401(a) and 403(b) programs, as those are the only governmental plans subject to the 415 limit) (“415(m) plans”);¹⁵
- 401(a) plans that are church plans under Code section 414(e) which have not made the election to be subject to ERISA under Code section 410(d) (“church 401(a) plans”);
- non-qualified deferred compensation plans under Code section 457(b) maintained by entities tax-exempt under Code section 501; these plans must remain unfunded (*i.e.*, assets are not held in trust and remain the property of the employer) and must be limited to highly compensated employees and executives unless the employer is a church (“non-governmental 457(b) plans”);¹⁶ and

¹² These other types of plans will not be subject to ERISA if the plans are either “governmental plans” or “church plans” excluded from coverage by ERISA sections 4(b) (1) and (2). Unfunded 457(b) plans of tax-exempt entities that are for a “select group of management or highly compensated employees” are also exempt from most of ERISA, including the reporting, disclosure, funding and fiduciary requirements.

¹³ [http://www.irs.gov/Retirement-Plans/IRC-457\(b\)-Deferred-Compensation-Plans](http://www.irs.gov/Retirement-Plans/IRC-457(b)-Deferred-Compensation-Plans).

¹⁴ <http://www.irs.gov/Retirement-Plans/Governmental-Plans-Under-Internal-Revenue-Code-Section-401-a>.

¹⁵ <http://www.irs.gov/Retirement-Plans/Governmental-Plans-under-Code-%C2%A7401%28a%29-Qualified-Excess-Benefit-Arrangements>.

¹⁶ <http://www.irs.gov/Retirement-Plans/Non-Governmental-457b-Deferred-Compensation-Plans>.

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- non-qualified deferred compensation plans of governmental or tax-exempt entities that do not meet the 401(a), 403(b), 457(b) or 415(m) requirements are subject to Code sections 409A and, except for certain church plans, 457(f) (“409A plans” and “457(f) plans”).

All of these plans may be participant-directed defined contribution plans that permit participants to direct investments among the same types of Investment Options that are available under 403(b) programs, *e.g.*, annuity contract and mutual fund options. It is not unusual that employees of the same employer are able to select from similar – or even the same – Investment Vendors and Investment Options under a non-ERISA 403(b) program and one of these other Non-ERISA Plans.¹⁷

2. DOL Rule/403(b) Model Disclosure

On October 20, 2010, the DOL adopted regulations that require the “plan administrators” of ERISA-covered participant-directed plans to disclose certain plan and investment-related information, including performance information, to plan participants.¹⁸ The DOL Rule is designed to ensure that these participants are provided with sufficient information regarding their plan and the designated investment alternatives that are available under the plan to make informed decisions when managing their plan accounts. Thus, the DOL Rule requires the plan administrator to furnish to each plan participant prior to or on the date on which the participant can first direct his or her investment and at least annually thereafter, information about (a) the administrative and individual expenses that may be charged to participants’ accounts and the services to which such charges relate, and (b) certain investment-related information for each designated investment option offered under the plan, including performance data and information about fees and expenses including “shareholder type fees” such as commissions, sales loads, deferred sales charges and other fees that are not included in the total operating expenses of a designated investment

¹⁷ In the case of unfunded nonqualified defined contribution plans, even though participant accounts are hypothetical, and the assets – if there are any – are owned by the employer or held in a grantor trust for which the employer is grantor and exposed to the claims of the grantor’s creditors, the plan may permit participants to provide investment instructions with respect to hypothetical participant accounts that generate earnings or losses as if invested similarly to the employer’s 401(k) plan or 403(b) program.

¹⁸ Fiduciary Requirements for Disclosure in Participant-Directed Individual Account Plans, 75 FR 64910 (Oct. 20, 2010) (adopting Rule 404a-5) [29 CFR § 2550.404a-5] (“DOL Rule Adopting Release”). The term “plan administrator” for purposes of the disclosure requirements in the DOL Rule, is defined in Section 3(16)(A) of ERISA. See Rule 404a-5(a).

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alternative.¹⁹ The required investment-related information for each designated investment option, including performance and fee and expense information, must be presented in a chart or other comparative format.²⁰

A joint task force including representatives of the National Education Association, NTSA and ASPPA (the “Task Force”) developed the 403(b) Model Disclosure for use by public schools and other employers who offer 403(b) programs. The purpose of this form is to provide participants in non-ERISA 403(b) programs with the ability to easily compare detailed information regarding the investment options available to them under the 403(b) programs offered by their employers, especially if an employer allows multiple Investment Vendors to offer a wide variety of Investment Options. It is anticipated that an employer sponsor will require each Investment Vendor who is a recipient of employee payroll reduction contributions under the employer’s non-ERISA 403(b) program to complete the 403(b) Model Disclosure for the Investment Options offered by the Investment Vendor. Importantly, the Task Force sought to ensure that the 403(b) Model Disclosure will provide information that non-ERISA 403(b) program participants need to make investment decisions, including information that allows comparisons among the multiple Investment Vendors and Investment Options offered under a non-ERISA 403(b) program and the fees that Investment Vendors may receive in connection with the participants’ investments in the 403(b) program.

The 403(b) Model Disclosure includes three components to be delivered to non-ERISA 403(b) program participants. The first component (titled “403(b) Model Disclosure Form”) is designed to provide non-ERISA 403(b) program participants with key information needed when selecting an Investment Option, including the services to be provided to the participant, the fees to be charged to the participant, commissions payable to the persons who provide services to the

¹⁹ See 29 C.F.R. § 2550.404a-5(c) and (d). The required investment-related disclosure, among other information, includes the name, performance data, comparative benchmark, and fees and expenses of the Investment Option. 29 C.F.R. § 2550.404a-5(d).

²⁰ See 29 C.F.R. § 2550.404a-5(d)(2)(i). DOL Field Assistance Bulletins 2012-12R (July 30, 2012) and 2013-02 (July 22, 2013) provide additional interpretative guidance under the DOL Rule with respect to a range of questions raised by plan administrators and service providers. For example, FAB 2012-12R, Q-2, addresses the delivery of information under ERISA 403(b) programs, Q-15 requires that investment-related information is provided for any “closed” investment option (*i.e.*, that is not accepting new money); Q-16 provides additional guidelines for the use of an additional benchmark for an investment option; Q-23 clarifies that annual total return information furnished as of the most recently completed calendar month or quarter will satisfy the DOL Rule, so long as the same ending date is used for all plan investment options; and Q-31 provides additional guidance for disclosing the total annual operating expenses of a fund of funds. FAB 2013-02 provides transitional relief for the timing of the delivery of the DOL Required Investment Information.

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program, and other payments to third parties. This part of the 403(b) Model Disclosure describes to participants the commissions and/or other marketing or service payments that are related to the participant's purchase of (or deposits in) an Investment Option, information that the Commission has specifically identified as important to a participant's selection among investment products under a 403(b) program.²¹

The second section of the 403(b) Model Disclosure specifically incorporates the comparative chart provided in the DOL Rule (titled "DOL Model Comparative Chart"), which provides a series of tables designed to present the DOL Required Investment Information. These tables provide —

- performance information for each Investment Option that does not have a fixed or stated rate of return presented as the average annual total return ("total return") of the investment for the one-, five- and ten- calendar year periods (or for the life of the investment, if less than one of the specified periods) together with the performance of a relevant benchmark,
- the stated annual rate of return for Investment Options that have a fixed or stated rate of return and the applicable term,
- fee and expense information for each Investment Option, and
- information about annuity options provided under the non-ERISA 403(b) program.

These tables follow the safe harbor format provided by the DOL in an appendix to the DOL Rule.²² Certain statements required by the DOL Rule are also presented, e.g., a statement that additional investment-related information (including more current performance information) for each Investment Option is available at the listed Internet Web site address, a statement that an Investment Option's past performance is not necessarily an indication of how the investment will perform in the future, a statement that the cumulative effect of fees and expenses can substantially reduce the growth of retirement savings, and a statement that fees and expenses are only one of several factors to consider when making investment decisions.²³

²¹ See "Evaluating Your Retirement Options" at www.sec.gov/investor/pubs/teacheroptions.htm. This investor publication for teachers describes 403(b) programs and the choices that a teacher makes if he or she invests in a 403(b) program. The publication advises that one of three key questions should be "Does my financial professional make more money for selling one product or another?" and explains: "[r]egardless of how much you trust your financial professional, it always is legitimate to ask how – and how much – he or she receives for selling a particular product."

²² DOL Rule Adopting Release, at 75 Fed. Reg. at 64942-45.

²³ See 29 C.F.R. § 2550.404a-5(d)(1)(ii), (d)(1)(iv)(A)(4) and (5), and (d)(2)(i)(B).

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The third component of the 403(b) Model Disclosure (titled “How to Read the 403(b) Model Disclosure Form”) would be delivered to non-ERISA 403(b) program participants together with the 403(b) Model Disclosure Form and DOL Model Comparative Chart. It provides a “plain english” explanation of the 403(b) Model Disclosure, including an explanation of the importance of the information that is provided on the form and where to look on the form to obtain additional information about the non-ERISA 403(b) program and the available Investment Options. It also explains that participants may receive multiple copies of the 403(b) Model Disclosure Form, each describing different investment options that may be available under the non-ERISA 403(b) program, including (possibly) multiple forms from the same Investment Vendor.

The final component of the 403(b) Model Disclosure (titled “Instructions for Completing the 403(b) Model Disclosure Form”), which is not provided to participants, provides instructions for using the form to the individuals who will complete the form. It explains that it is expected that the employer and Investment Vendors to a non-ERISA 403(b) program will determine between them who will deliver the 403(b) Model Disclosure to participants and how it will be delivered. In keeping with the policies of the DOL Rule, employer sponsors of non-ERISA 403(b) programs are expected to arrange for delivery of the 403(b) Model Disclosure to participants before they first invest and also require the forms to be updated annually.

The American Retirement Association, ASPPA and NTSA anticipate that the 403(b) Model Disclosure document could be used as a template for providing comparative information about Investment Options (including the DOL Required Investment Information) to participants of other Non-ERISA Plans. In this regard, where employers may offer another Non-ERISA Plan in addition to a non-ERISA 403(b) program, use of comparable disclosure materials would minimize confusion and assist plan participants in comparing among plans and Investment Vendors and Investment Options.

Importantly, the 403(b) Model Disclosure (or any substantially similar format for providing the DOL Required Investment Information pursuant to other Non-ERISA Plans) would supplement the information currently available to participants of Non-ERISA Plans because these participants will still receive all information that a participant is required to receive under the federal securities laws, such as a prospectus and annual and semiannual reports. Therefore, use of the 403(b) Model Disclosure (or similar format providing the DOL Required Investment Information) would not result in a provision of less information to participants of Non-ERISA Plans than is required by current law and regulation.

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3. Discussion

Rule 482 permits an investment company registered under the Investment Company Act (a “fund”)²⁴ to include, among other things, uniformly calculated performance information in advertisements and other sales materials (“advertisements”). Under Rule 482, performance information included in an advertisement for a fund generally must meet certain requirements relating to the timeliness of the performance information calculations (“Rule 482 Timeliness Requirements”).²⁵ As here relevant, Rule 482 also requires that a quotation of a money market fund’s total return in an advertisement must be accompanied by a quotation of the fund’s current yield, requires certain specific legends in advertisements, specifies the manner of presentation, and prohibits an advertisement from being accompanied by an application to purchase shares (collectively, “Other Rule 482 Requirements”).²⁶

In connection with the DOL Rule, the DOL received questions on how compliance with the DOL Rule would be treated under the Commission’s advertising rules, including Rule 482, and consulted with Commission staff to address these questions. As explained by the Division in the DOL Rule No-Action Letter, requirements under the DOL Rule relating to the timeliness of performance information presented in a comparative chart may provide for performance information that is less current than that required under the Rule 482 Timeliness Requirements. In addition, the DOL Rule does not require a comparative chart to present a money market fund’s current yield, but only total return,²⁷ and the DOL Rule’s requirements as to specific legends and

²⁴ Mutual funds that are available through custodial accounts under a 403(b) program or other Non-ERISA Plans are open-end investment companies registered under the Investment Company Act. Annuity contracts offered under 403(b) programs or other Non-ERISA Plans offer variable investment options that are a series of separate accounts (or divisions of a separate account) maintained by the insurance company issuing the annuity contract. These separate accounts (or divisions of a separate account) may be registered under the Investment Company Act as investment trusts or management investment companies.

²⁵ Specifically, Rule 482 requires that either (A)(i) total return is current to the most recent calendar quarter ended before the advertisement is submitted for publication, and (ii) total return current to the most recent month ended seven business days prior to the date of use is provided telephonically or through a Web site address identified for that purpose; or (B) total return is current to the most recent month ended seven business days prior to the date of use of the advertisement. See Rule 482(g).

²⁶ See Rule 482 (e)(2), (b)(1), (b)(3), (4), (5) and (c).

²⁷ With respect to money market funds, under the DOL Rule, performance information for money market funds would be presented in the same manner as, and compared to, other Variable Investment Options, which are not required by the DOL Rule to disclose current yield for purposes of the comparative presentation. See 29 C.F.R. § 2550.404a-5(d)(1)(ii).

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presentation of information in the comparative format differ somewhat from the Other Rule 482 Requirements.

In the DOL Rule No-Action Letter, the Division recognizes that the requirements adopted under the DOL Rule, including requirements for the presentation of the DOL Required Investment Information in a comparative format and certain presentation requirements, are designed to facilitate a comparison of Investment Options by participants of participant-directed plans. Based on the purposes and policies behind the DOL Rule and the Division's review of the requirements under the DOL Rule that differ from requirements under Rule 482, the Division concluded that disclosure provided to plan participants that is required by and complies with the DOL Rule should not be viewed as inconsistent with the Rule 482 Timeliness Requirements or the Other Rule 482 Requirements. The Division also agreed to treat information provided by a plan administrator to participants, as required by and complying with the DOL Rule, as if it were a communication that satisfies Rule 482 under the Securities Act and also took the position that such information need not be filed pursuant to Rule 497 under the Securities Act or Section 24(b) of the Investment Company Act with the Commission or certain national securities organizations such as FINRA.²⁸

The presentation of investment-related information in the 403(b) Model Disclosure to participants in Non-ERISA Plans raises the same issues under Rule 482 that are raised by the presentation of the DOL Required Information to participants of plans covered by ERISA, but the DOL Rule No-Action Letter only applies to the extent that materials conforming to the DOL Rule are provided to participants of plans that are subject to ERISA.

This different treatment does not serve the best interest of participants of Non-ERISA Plans. In this regard, it may be difficult for these participants to sort through the currently available prospectus materials provided by Investment Vendors pursuant to existing Commission regulation and FINRA requirements to obtain an "apples to apples" comparison of the Investment Options, the fees that the participant may pay in connection with different Investment Options, and the fees that Investment Vendors may receive. Moreover, participants in non-ERISA 403(b) programs and other Non-ERISA Plans often bear more responsibility with respect to investment decisions for their plan account balances than in the case of ERISA-covered plans, under which the plan sponsor or another responsible plan fiduciary also has certain investment responsibility. The 403(b) Model Disclosure was developed by the Task Force to provide to participants of non-ERISA 403(b) programs the ability to compare information regarding Investment Vendors and Investment Options, and is specifically designed to be used in circumstances where participants may be able to select among a wide number of different Investment Vendors and Investment Options. The

²⁸ The American Retirement Association, ASPPA and NTSA are not requesting relief from requirements under Rule 497 under the Securities Act and Section 24(b) of the Investment Company Act to file materials with the Commission or certain national securities organizations such as FINRA.

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American Retirement Association, ASPPA and NTSA believe that furnishing disclosure materials similar to the 403(b) Model Disclosure also will be helpful to participants of other participant-directed Non-ERISA Plans.

Accordingly, we respectfully request that the Division extend its no-action position in the DOL Rule No-Action Letter by agreeing to treat DOL Required Investment Information furnished to Non-ERISA Plans, and the participants of Non-ERISA Plans, as if it were a communication that satisfies the requirements of Rule 482 of the Securities Act. For purposes of this request, Non-ERISA Plans would include 403(b) programs, governmental 457(b) plans, governmental 401(a) plans, 415(m) plans, church 401(a) plans, non-governmental 457(b) plans, and 409A plans or 457(f) plans of governmental or tax-exempt entities, that are not subject to ERISA. In support of this request, we make the following representations as to the furnishing of DOL Required Investment Information.

- Each Investment Vendor under a Non-ERISA Plan must enter into a written agreement to provide the DOL Required Investment Information as further described below, except employers are not required to obtain a written agreement for those Investment Vendors that solely provide “frozen” Investment Options. For this purpose, a “frozen” Investment Option means an Investment Option that received no new employer or employee contributions under a Non-ERISA Plan on or after January 1, 2009.
- An Investment Vendor that solely provides “frozen” Investment Options and does not enter into a written agreement with the employer (or its designee) to provide the DOL Required Investment Information may not rely on the relief requested herein. (For purposes of the following conditions, references to Investment Vendor excludes an Investment Vendor that solely provides “frozen” Investment Options and does not enter into a written agreement to provide the DOL Required Investment Information).
- Each Investment Vendor will provide the DOL Required Investment Information to participants in a Non-ERISA Plan²⁹ pursuant to a written agreement with the employer (or its designee)³⁰ that requires the Investment Vendor to provide the DOL Required

²⁹ Information provided by an Investment Vendor as DOL Required Investment Information shall not include information about an Investment Option prior to the effective date of the registration statement for that Investment Option.

³⁰ Investment Vendors may satisfy this “written agreement” condition by providing written notice to the employer (or its designee) on or after the date of this no-action letter that the Investment Vendor is complying with this condition as a term of an existing written agreement.

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Investment Information for each Investment Option that the Investment Vendor offers under the Non-ERISA Plan and also, to the extent available to the Investment Vendor,³¹ all fee and expense information as specified in Rules 404a-5(c)(2)(i)(A) and 404a-5(c)(3)(i)(A) under ERISA (together, the “Information”). Each written agreement will specify a date on or before which the Investment Vendor will provide the Information to all current participants in the Non-ERISA Plan.

- Each Investment Vendor under the Non-ERISA Plan will (i) provide the Information to participants initially on or before the date specified in the written agreement with the employer (or its designee), (ii) update the Information at least annually, (iii) update on at least a quarterly basis, or more frequently if required by other applicable law, the performance information to be disclosed at an Internet web site address listed pursuant to the DOL Required Investment Information, and (iv) require the contact person designated by the Investment Vendor as a source of additional information in the DOL Required Investment Information to provide upon request the information specified in the DOL Rule.³²
- The Information will be furnished to (i) new participants in the Non-ERISA Plan prior to their initial investment, and (ii) each participant at least annually in accordance with the timing requirements in the DOL Rule.³³
- Information provided by an Investment Vendor as DOL Required Investment Information will include no information other than information that would be required to comply with the DOL Rule if the Non-ERISA Plan were subject to the DOL Rule.³⁴

³¹ Investment Vendors usually will have information about all of the administrative expenses and individual expenses required to be disclosed pursuant to Rules 404a-5(c)(2)(i)(A) and 404a-5(c)(3)(i)(A) under ERISA because the participant account balances from which such expenses are paid must be held by one or more Investment Vendors, but it cannot be ruled out that an Investment Vendor will not have information about expenses (if any) when paid by a participant other than from the participant’s account with the Investment Vendor.

³² See Rule 404a-5(d)(4).

³³ See Rules 404a-5(c)(2)(i)(A), 404a-5(c)(3)(i)(A), 404a-5(d)(4)(1) of the DOL Rule, and DOL Field Assistance Bulletin 2013-02 (July 22, 2013).

³⁴ The DOL Required Investment Information may be accompanied by a plan enrollment form that includes, among other things, instructions as to how a participant in a Non-ERISA Plan may direct his or her investments among the Investment Options. To the extent that Investment Vendors provide participants in Non-ERISA Plans with information other than information provided by such Investment Vendors as DOL Required Investment Information,

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In further support of this request, we note that, generally, Rule 482 is intended to provide a means for funds to advertise investment performance information and other information, and includes standardized formulas in order to permit perspective investors to compare performance claims of competing funds and to prevent misleading claims by funds.³⁵ The 403(b) Model Disclosure, designed to comply with the DOL Rule, similarly is intended to provide a standardized approach that allows participants to compare competing investment options available under a non-ERISA 403(b) program. Further, the Commission staff has in the past interpreted the requirements of Rule 482 flexibly in regards to retirement plan arrangements, including 403(b) programs, while still giving effect to the policy aims of the rule. For example, the staff granted no-action positions that allowed “summary prospectus” materials delivered to participants of retirement plans — including participants of 403(b) programs — to be treated as satisfying the requirements under Rule 482. *See Aetna Life Insurance and Annuity Company* (Jan. 6, 1997) (relief for summary documents provided in connection with offers and sales of funds under variable annuity contracts); *Fidelity Institutional Retirement Services Co., Inc.* (Apr. 5, 1995) (relief for informational materials that supplemented information provided to participants of plans investing in mutual funds). *See also Prudential Investments Retirement Services* (Apr. 17, 1998) (no-action position under Section 5(b)(1) of the Securities Act where, in materials provided to plan sponsors and participants investing through a mutual fund asset allocation program, total return information presented for funds would be calculated to include a program-level fee in lieu of standardized total return calculated as required by Rule 482). Similarly, by extending the relief provided by the DOL Rule No-Action Letter to the furnishing of DOL Required Investment Information to non-ERISA 403(b) programs and other Non-ERISA Plans, the Division would recognize and address information needs of participants of 403(b) programs and other Non-ERISA Plans, while still giving effect to the policy intentions of Rule 482.

For the foregoing reasons, and subject to the conditions outlined above, we request that Division agree to treat DOL Required Investment Information furnished to participants of Non-ERISA Plans as if it were a communication that satisfies Rule 482 under the Securities Act.

except as set forth above, (“Other Information”), the American Retirement Association, ASPPA and NTSA do not requested the Division’s views on the applicability of Rule 482 to such Other Information.

³⁵ See Proposed Amendments to Investment Company Advertising Rules, 67 Fed. Reg. 36712, 36714 at n. 21 and accompanying text (May 24, 2002) (Release No. 33-8101).

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We thank you for your assistance and consideration. If you have any questions please contact Craig Hoffman at (703) 516-9300 or Roberta Ufford at (202) 861-6643.



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cc: Laura Solomon

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U.S. Securities and Exchange Commission

Securities Act of 1933 — Rule 482 American Retirement Association

February 18, 2015

Response of the Office of Chief Counsel
Division of Investment Management

Our Ref. No. 2012127934
File No. 132-3

In the Staff No-Action Letter to the U.S. Department of Labor ("DOL"), dated October 26, 2011 ("DOL Letter"),^[1] we agreed to treat specified investment-related information provided by a plan administrator, or a person designated by a plan administrator to act on its behalf, to participants and beneficiaries in participant-directed individual account plans, that is required by and complies with the disclosure requirements set forth in Rule 404a-5(d) ("DOL Rule")^[2] under the Employee Retirement Income Security Act of 1974 ("ERISA," and such information, "DOL Required Investment Information"), as if it were a communication that satisfies the requirements of Rule 482 under the Securities Act of 1933 ("Securities Act"). The DOL Rule is designed to ensure that plan participants are provided with sufficient information regarding the plan and designated investment alternatives, in a comparative format, to make informed decisions when managing their accounts.

Your letter dated February 9, 2015 requests that we extend our position in the DOL Letter concerning Rule 482 to certain information furnished to participants and beneficiaries in certain retirement savings plans under Section 403(b) of the Internal Revenue Code of 1986 ("Code") that are not subject to ERISA ("Non-ERISA 403(b) Plans").^[3]

Discussion

You state that participants in Non-ERISA 403(b) Plans, through payroll contributions, may invest in annuity contracts or in custodial accounts limited to open-end management investment companies ("funds") registered under the Investment Company Act of 1940 ("Investment Company Act"). You state that a Non-ERISA 403(b) Plan is maintained under a written plan that, among other things, designates a party responsible for administration of the plan. You explain that it is common for employers to allow multiple insurance company and custodial account vendors (together, "Investment Vendors") to offer annuity contracts and funds (each, an "Investment Option") to participants under their Non-ERISA 403(b) Plans pursuant to an agreement with each Investment Vendor. You state that employers offering Non-ERISA 403(b) Plans typically enter into written agreements with Investment Vendors to address administrative requirements, information sharing, and compliance with the terms of the

written plans and other requirements applicable to Non-ERISA 403(b) Plans.

You state that, although the DOL Rule does not apply in the context of Non-ERISA 403(b) Plans, participants would benefit from receiving the DOL Required Investment Information about Investment Options under Non-ERISA 403(b) Plans. You note that the DOL Required Investment Information would be in addition to any information that a participant in a Non-ERISA 403(b) Plan may be required to receive under the federal securities laws, such as a prospectus and annual and semi-annual shareholder reports. You also represent as follows:

- Each Investment Vendor^[4] will provide the DOL Required Investment Information to participants in the Non-ERISA 403(b) Plan^[5] pursuant to a written agreement with the employer (or its designee)^[6] that requires the Investment Vendor to provide the DOL Required Investment Information for each Investment Option that the Investment Vendor offers under the Non-ERISA 403(b) Plan and also, to the extent available to the Investment Vendor,^[7] all fee and expense information as specified in Rules 404a-5(c)(2)(i)(A) and 404a-5(c)(3)(i)(A) under ERISA (together, the "Information"). Each written agreement will specify a date on or before which the Investment Vendor will provide the Information to all current participants in the Non-ERISA 403(b) Plan.
- Each Investment Vendor under the Non-ERISA 403(b) Plan will (i) provide the Information to participants initially on or before the date specified in the written agreement with the employer (or its designee), (ii) update the Information at least annually, (iii) update on at least a quarterly basis, or more frequently if required by other applicable law, the performance information to be disclosed at an Internet web site address listed pursuant to the DOL Required Investment Information, and (iv) require the contact person designated by the Investment Vendor as a source of additional information in the DOL Required Investment Information to provide upon request the information specified in the DOL Rule.^[8]
- The Information will be furnished to (i) new participants in the Non-ERISA 403(b) Plan prior to their initial investment, and (ii) each participant at least annually in accordance with the timing requirements in the DOL Rule.^[9]
- Information provided by an Investment Vendor as DOL Required Investment Information will include no information other than information that would be required to comply with the DOL Rule if the Non-ERISA 403(b) Plan were subject to the DOL Rule.^[10]

Conclusion

Based on the facts and representations in your letter, we agree to treat DOL Required Investment Information furnished, in the manner described above, to Non-ERISA 403(b) Plans and participants and beneficiaries in such plans, as if it were a communication that satisfies the requirements of Rule 482 under the Securities Act.

Our views expressed in this letter also extend to retirement savings plans that similarly are not subject to ERISA and that are governmental 457(b)

plans, governmental 401(a) plans, 415(m) plans, church 401(a) plans, non-governmental 457(b) plans, and 409A plans or 457(f) plans of governmental or tax-exempt entities, as described in your letter ("Other Non-ERISA Plans").[11]

Laura L. Solomon
Senior Counsel

[1] *Department of Labor, SEC Staff No-Action Letter (Oct. 26, 2011)* available at

<http://www.sec.gov/divisions/investment/noaction/2011/dol102611-482.htm>.

[2] See Rule 404a-5 under ERISA, 29 CFR §2550.404a-5. See also interpretative guidance subsequently issued by the DOL, including Field Assistance Bulletin Nos. 2012-02R (July 30, 2012) and 2013-02 (July 22, 2013).

[3] Non-ERISA 403(b) Plans include plans pursuant to Code sections 403(b) (1), 403(b)(7) and 403(b)(9), as described in your letter.

[4] The term Investment Vendor does not include vendors of so called "frozen options" that were available under a 403(b) program before January 1, 2009, but not available for new employer contributions or employee salary reduction contributions on or after January 1, 2009 and does not enter into a written agreement to provide the DOL Required Investment Information; such vendors may not rely on the relief in this letter. You state that, historically, 403(b) programs have been operated as a collection of individual contracts with respect to which employees could engage in a range of actions without the consent or involvement of the employer. Therefore, you state that many employers did not maintain written agreements with insurance company and custodial account vendors until the implementation of the written plan requirements under the regulations issued by the Department of the Treasury/Internal Revenue Service in 2007, 26 C.F.R. § 1.403(b)-0, et seq.

[5] Information provided by an Investment Vendor as DOL Required Investment Information shall not include information about an Investment Option prior to the effective date of the registration statement for that Investment Option.

[6] Investment Vendors may satisfy this "written agreement" condition by providing written notice to the employer (or its designee) on or after the date of this letter that the Investment Vendor is complying with this condition as a term of an existing written agreement.

[7] You state that Investment Vendors usually will have information about all of the administrative expenses and individual expenses required to be disclosed pursuant to Rules 404a-5(c)(2)(i)(A) and 404a-5(c)(3)(i)(A) under ERISA because the participant account balances from which such expenses are paid must be held by one or more Investment Vendors, but it cannot be ruled out that an Investment Vendor will not have information

about expenses (if any) when paid by a participant other than from the participant's account with the Investment Vendor.

[8] See Rule 404a-5(d)(4).

[9] See Rules 404a-5(c)(2)(i)(A), 404a-5(c)(3)(i)(A) and 404a-5(d)(4)(1), and DOL Field Assistance Bulletin 2013-02 (July 22, 2013).

[10] The DOL Required Investment Information may be accompanied by a plan enrollment form that includes, among other things, instructions as to how a participant in a Non-ERISA 403(b) Plan may direct his or her investments among the Investment Options. To the extent that Investment Vendors provide participants in Non-ERISA 403(b) Plans with information other than information provided by such Investment Vendors as DOL Required Investment Information, except as set forth above ("Other Information"), you have not requested, and we do not express, any views on the applicability of Rule 482 to such Other Information.

[11] Other Non-ERISA Plans may make other investment alternatives available to plan participants to the extent allowed by law. With respect to such Other Non-ERISA Plans, the term "Investment Option" includes any such other lawful investment alternative, provided that it meets the definition of "designated investment alternative" in the DOL Rule. See Rule 404a-5(h)(4).

Incoming Letter

The Incoming Letter is in Acrobat format.

<http://www.sec.gov/divisions/investment/noaction/2015/american-retirement-ssassociation-021815-482.htm>

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Modified: 02/19/2015



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #6

Retirement Plans – even those regulated by ERISA – don't have to have an Investment Policy Statement. That said, it is widely (uniformly?) agreed that having one is an appropriate best practices. We're attaching our template. If you don't have one, we'll work with you to develop one for you – and then use it to guide our investment-oversight processes for your plans.

Retirement Plan Governing Committee Investment Policy Statement

January 1, 2015

Version 1.a

Adopted	
Amended	
Amended	
Amended	
Amended	

I. PURPOSE AND BACKGROUND

A. Introduction and Charter

University (the "University") has adopted a **Charter of the University Retirement Plan Governing Committee** (the "Charter"). This **Investment Policy Statement** ("IPS") is intended to be read and be in concert with the Charter and the terms and conditions of that Charter are incorporated by reference into this IPS. If there is a conflict of terms or interpretation, the Charter will control.

B. Mission Statement (as set forth in Charter)

It shall be the mission of the Committee to (a) establish and oversee the investment strategy and objectives of the Plans and (b) oversee the investment portfolio (c) to facilitate and oversee the administration of the Plans, and (d) evaluate plan designs in light of the many competing and valid interests of the university and its diverse employee population. It shall be the mission of the Committee, in the discharge of its duties and responsibilities, to further the plans' overriding objective: to serve as a source of retirement funds for the benefit of Plan participants.

The Committee shall coordinate its activities with (i) the University and its employees acting as "Plan administrator" and responsible for the day-to-day administration of the Plans, and (ii) the University, acting in its role as plan sponsor and settlor, as set forth below.

C. Authority of the Committee (as set forth in Charter)

The University serves as Plan Administrator of the Plan and retains the authority to amend the Plans and to make final decisions regarding the hiring, retention and termination of the Plans' service providers. The Committee shall act solely on behalf of the University as sponsor of the Plans and shall not have any duties or responsibilities of a "fiduciary," within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), with respect to the Plans. The Committee shall have the authority to make recommendations to the University with respect to the matters set forth in this charter.

D. Duties and Responsibilities of the Committee (as set forth in Charter)

The Committee shall have the following duties and responsibilities:

- (a) With respect to investments under the Plans the powers, duties and responsibilities of the Committee include the following:
 - (1) Assessing the adequacy of the University's investment structure to meet the retirement needs of the University's employees;
 - (2) Establishing the Plans' investment philosophy/objectives and establishing funds under the Plans;
 - (3) Determining the investment characteristics and objectives of each of the fund options under the Plans;
 - (4) Establishing investment guidelines for each of the funds under the Plans;
 - (5) Making recommendations regarding the selection, monitoring, and termination of investment managers and/or investment funds or limiting participation in a particular fund under the Plans;
 - (6) Monitoring and evaluating the performance of investment funds against the Plans' stated objectives and against the performance of similar funds;
 - (7) Implementing fund changes as a result of legislative changes or initiatives (e.g., ERISA section 404(c) protection);

- (8) Making recommendations regarding the selection, monitoring, and termination of any retained third party investment consultants; and
- (b) With respect to administration under the Plans, the powers, duties and responsibilities of the Committee include the following:
 - (1) Establishing and monitoring administrative procedures and rules under the Plans;
 - (2) Reviewing and developing recommendations regarding the responses to legislative and regulatory changes;
 - (3) Establishing the communication objectives for Plan participants; and
 - (4) Reviewing and monitoring the performance of service providers (including, but not limited to, third-party administrators, record-keepers, counsel, and auditors) and making recommendations to the Plan Administrator regarding the selection and retention of such service providers.
- (c) Advising the University on matters of Plan design.
- (d) Where the responsibilities otherwise assigned to the Committee are delegated to a third party, the Committee's role is to monitor and oversee the activities of the third party. The Committee is responsible for making recommendations regarding the selection, monitoring, and termination of provider of the delegated activities.
- (e) Exercising such other, similar, powers as the Committee determines to be necessary or appropriate in connection with the discharge of its duties and responsibilities under this Charter.

C. Investment Standard of Care

The Plans are Regulated by the **Employee Retirement Income Security Act of 1974** ("ERISA"). The investment standard of care to be used by the Committee will be **Modern Portfolio Theory** ("MPT").

D. Retirement Plans' Objective

The objective of the Retirement Plans' is to provide participants with 1) a sufficiently diverse risk/return array of **Designated Investment Alternatives** ("DIA's") (as that term is defined by ERISA including, but not limited to, Reg. 2550.404a-5) such as will allow them to combine those DIA's in such a way as to reduce the risk of large losses and 2) sufficient information about those DIA's such as to enable them to make independent and informed investment decisions.

E. Purpose of the Investment Policy Statement

The Committee has adopted this Investment Policy Statement ("IPS") so as to assist it with initial selection and ongoing monitoring of the Plans' DIA's.

II. COMMITTEE COMPOSITION, VOTING AUTHORITY AND MINUTES/SUMMARY

A. Membership of the Committee

The Committee shall consist of the following five members:

1. the Vice President for Finance and Administration of the University,
2. the Director of Finance of the University,
3. the Director of Human Resources of the University, and
4. Two faculty members of the University selected by the Faculty Governance Committee.

The members of the Committee will possess and/or obtain, as required, knowledge of the Plans' design, a general understanding of investments and finance, knowledge of the legal requirements of the Plans, and knowledge of the Plans' administration.

The members of the Committee shall select a member of the Committee to serve as chairperson.

B. Operation of Committee

The Committee shall operate under the following provisions:

1. *Term of Office:* Committee members shall not have a fixed term of office and shall serve at the pleasure of the Board of Trustees of the University.
2. *Meetings:* Meetings will be held quarterly, at a minimum, and on an as-needed basis.
3. *Voting:* With respect to actions authorized or taken by the Committee, approval will require an affirmative vote of an absolute majority of the Committee members.
4. *Minutes:* Formal minutes will be taken and the previous meeting's minutes will be approved at the start of each meeting.
5. *Reports to the Trustees:* The Committee shall provide an annual report to the Trustees.
6. *Subcommittees:* The Committee may establish subcommittees to address specific issues within the Committee's purview.

III. OVERVIEW OF PERTINENT ERISA REGULATIONS

A. Who is a Fiduciary

ERISA Title I Section 3(21)(A) – discretionary authority over plan assets or plan administration

Except as otherwise provided in subparagraph (B), a person is a fiduciary with respect to a plan to the extent (i) he exercises any discretionary authority or discretionary control respecting management of such plan or exercises any authority or control respecting management or disposition of its assets, (ii) he renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of such plan, or has any authority or responsibility to do so, or (iii) he has any discretionary authority or discretionary responsibility in the administration of such plan....

ERISA Title I Section 3(16)

- (A) The term "administrator" means—
- (i) the person specifically so designated by the terms of the instrument under which the plan is operated;
 - (ii) if an administrator is not so designated, the plan sponsor; or
 - (i) in the case of a plan for which an administrator is not designated and a plan sponsor cannot be identified, such other person as the Secretary may by regulation prescribe.

B. General Fiduciary Duties

ERISA Title I Section 404a - The Exclusive Purpose Rule + Expert Standard + Diversification + Plan Docs.
[A] fiduciary shall discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and –

- (A) For the exclusive purpose of:
 - (ii) providing benefits to participants and their beneficiaries; and
 - (iii) defraying reasonable expenses of administering the plan;
- (B) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;
- (C) by diversifying the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(D) in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of this subchapter...

C. Delegation of Fiduciary Duties

ERISA Title I Section 405(c)

- (c) Allocation of fiduciary responsibility; designated persons to carry out fiduciary responsibilities
 - (1) The instrument under which a plan is maintained may expressly provide for procedures
 - (A) for allocating fiduciary responsibilities (other than trustee responsibilities) among named fiduciaries, and
 - (B) for named fiduciaries to designate persons other than named fiduciaries to carry out fiduciary responsibilities (other than trustee responsibilities) under the plan.

D. Diversification

29 CFR 2550.404c-1 - ERISA section 404(c) plans

(3) Broad range of investment alternatives.

- (i) A plan offers a broad range of investment alternatives only if the available investment alternatives are sufficient to provide the participant or beneficiary with a reasonable opportunity to:
 - (A) Materially affect the potential return on amounts in his individual account with respect to which he is permitted to exercise control and the degree of risk to which such amounts are subject;
 - (B) Choose from at least three investment alternatives:
 - (1) Each of which is diversified;
 - (2) Each of which has materially different risk and return characteristics;
 - (3) Which in the aggregate enable the participant or beneficiary by choosing among them to achieve a portfolio with aggregate risk and return characteristics at any point within the range normally appropriate for the participant or beneficiary; and
 - (4) Each of which when combined with investments in the other alternatives tends to minimize through diversification the overall risk of a participant's or beneficiary's portfolio;
 - (C) Diversify the investment of that portion of his individual account with respect to which he is permitted to exercise control so as to minimize the risk of large losses, taking into account the nature of the plan and the size of participants' or beneficiaries' accounts.

E. Duty to Disclose

29 CFR 2550.404a-5 - Fiduciary requirements for disclosure in participant-directed individual account plans.

- (a) General. When the documents and instruments governing an individual account plan, described in paragraph (b)(2) of this section, provide for the allocation of investment responsibilities to participants or beneficiaries, the plan administrator, as defined in section 3(16), must take steps to ensure, consistent with section 404(a)(1)(A) and (B), that such participants and beneficiaries, on a regular and periodic basis, are made aware of their rights and responsibilities with respect to the investment of assets held in, or contributed to, their accounts and are provided sufficient information regarding the plan, including fees and expenses, and regarding **designated investment alternatives**, including fees and expenses

attendant thereto, to make informed decisions with regard to the management of their individual accounts. (Emphasis added).

- (4) **Designated investment alternative** means any investment alternative designated by the plan into which participants and beneficiaries may direct the investment of assets held in, or contributed to, their individual accounts. The term “designated investment alternative” shall not include “brokerage windows,” “self-directed brokerage accounts,” or similar plan arrangements that enable participants and beneficiaries to select investments beyond those designated by the plan. (Emphasis added).

F. Ongoing Monitoring

29 CFR 2550.404a-5 - Fiduciary requirements for disclosure in participant-directed individual account plans.

- (f) Selection and monitoring. Nothing herein is intended to relieve a fiduciary from its duty to prudently select and monitor providers of services to the plan or designated investment alternatives offered under the plan.

G. Fidelity Bond vs Fiduciary Insurance

29 CFR 2580.412(a)

Every fiduciary of an employee benefit plan and every person who handles funds or other property of such a plan (hereafter in this section referred to as ‘plan official’) shall be bonded as provided in this section.

IV. COMMITTEE DUTIES AND RESPONSIBILITIES

A. General Duties

The primary responsibilities of the Committee include:

1. Coordinate update of Plan Documents as required by pertinent regulatory entities
2. Coordinate Plan Audits
3. Oversee the Administration of the Retirement Plans
4. Adopt an IPS that is not inconsistent with Plan Documents.
5. Periodically review and amend (as needed) the IPS.
6. Decide whether to elect to comply as an ERISA §404(c) plan within the meaning of Department of Labor (“DOL”) Regulations under ERISA, as amended.
7. Hire and oversee third party service providers and other professionals, as needed.
8. Approve the selection of a broad range of asset classes which when combined will tend to minimize through diversification the overall risk of a participant's or beneficiary's portfolio.
9. Approve the selection of a broad range of “**Designated Investment Alternatives**” (DIA's) representing different investment styles and objectives which when combined will tend to minimize through diversification the overall risk of a participant's or beneficiary's portfolio..
10. Select a “Qualified Default Investment Alternative” (QDIA);
11. Monitor and compare the investment performance of the various DIA's and QDIA to appropriate benchmarks and criteria.
12. Approve the addition, deletion or changes regarding the DIA's offered.
13. Monitor DIA and QDIA compliance with the IPS.
14. Approve mapping for merged or replaced DIA's.
15. On an ongoing basis, review the costs associated with each DIA and QDIA of the Retirement Plans to confirm they are reasonable consistent with 29 CFR 2550.404a-5.

16. On an ongoing basis, review the fees of third party service providers that are borne by the Retirement Plans to confirm that they are reasonable consistent with 29 CFR 2550.408b-2.
17. Periodically review the Participant Investment Education program(s).
18. Implement and monitor Proxy voting procedure
19. Perform other functions that are necessary or desirable with respect to the investment of assets of the Retirement Plans subject to restrictions imposed by the Plan Document, trust documents, ERISA, the Internal Revenue Code, or other applicable laws.

V. ERISA §404(c) (OPTIONAL)

ERISA §404c provides a safeharbor from participant-directed investment-losses. Availing that safeharbor protection is optional and requires, among other things, an overt intent to comply. The Committee may elect to comply as an ERISA §404(c) plan within the meaning of Department of Labor ("DOL") Regulations under ERISA, as amended.

ERISA §404(c)	
Yes/No	

VI. ASSET CLASS SELECTION CRITERIA

The Committee has determined that the asset classes offered to participants in the Retirement Plans may include, but are not limited to the following:

- 1. Cash or Equivalents**
 - a. Money Market Funds
 - b. Stable Asset Funds (GIC/BIC/Synthetics)
- 2. Fixed Income Funds**
 - a. Duration Term: Short, Intermediate or Long
 - b. Style: Government, Corporate or Aggregate
 - c. Geography: Domestic, International or Global
- 3. Domestic Equity Funds**
 - a. Capitalization: Large, Medium or Small/Micro
 - b. Style: Value, Blend or Growth
- 4. International Equity Funds**
 - a. Capitalization: Large, Medium or Small/Micro
 - b. Style: Value, Blend or Growth
 - c. Geography: World, Developed, Emerging or Frontier
- 5. Pre-Set Asset Allocation Funds**

The Committee may decide to offer pre-set asset allocation funds which are intended to provide a participant with an asset allocation option that they may determine is aligned with their own age and risk and return preferences. These asset allocation type alternatives are broadly diversified by asset class, issuer, issue type and economic sector.

6. Socially Responsible or Mission-Based Funds

The Committee may decide to offer a socially responsible or mission-based fund in addition to an asset class peer. Without deference to its social screens or mission, this type of Designated Investment Alternative shall be subjected to the same selection and monitoring process and performance criteria as any other Designated Investment Alternative.

7. Alternative Investment Funds

- a. Equity focused: Long/Short or Market Neutral
- b. Fixed Income focused: Unconstrained Bonds, Convertible Bonds, TIPS or High Yield
- c. Other: Commodities, Real Return, Real Estate or Infrastructure

VII. "DESIGNATED INVESTMENT ALTERNATIVE" (DIA) SELECTION AND REVIEW CRITERIA

The Committee will take into account the following Qualitative and Quantitative Criteria when selecting and reviewing the Retirement Plans' DIA's:

Qualitative Criteria

Each DIA will be evaluated using factors that include, but are not limited to, the following.

- a. Consistent investment strategy.
- b. Changes in the DIA's organization or personnel that are deemed significant.
- c. Asset size that is appropriate for the DIA's investment objectives and plan assets.
- d. A reasonable investment fee structure.
- e. A performance track record of a minimum of three years, unless otherwise appropriate.
- f. Any investigation undertaken by any governmental or regulatory body with respect to the trading or other practices of the managers of the DIA.

Quantitative Criteria

Each DIA's performance (with the exception of money market, stable fund value, guaranteed interest funds and alternative investments) will be evaluated using the performance of a peer group. Performance will be measured over a near-term period of up to three years and a long-term period of up to ten years.

For near-term performance, the following measure will be used:

- a. **Absolute Performance.** Compares the performance of the Designated Investment Alternative against the performance of the peer group. A three year period or a time period that more appropriately represents the Designated Investment Alternative's investment style will be used.

Any DIA that falls in the bottom 10% of its peer group ranking may be placed on Watch List and undergo additional analysis, which may result in a recommendation for replacement.

For long-term performance, the following four performance measures will be used:

- a. **Absolute Performance.** Compares the performance of the DIA against the performance of the peer group. A ten year period or the longest time period available or a time period that more appropriately represents a Designated Investment Alternative's investment style will be used.
- b. **Capture Ratio.** Compares how a DIA performed against its benchmark during periods when the benchmark was positive and periods when the benchmark was negative. A ten year period or

- the longest time period available or a time period that more appropriately represents a Designated Investment Alternative's investment style will be used.
- c. **Sharpe Ratio.** Compares a DIA's performance against the benchmarks after adjusting for volatility differences. A ten year period or the longest time period available or a time period that more appropriately represents a Designated Investment Alternative's investment style will be used.
- d. **Alpha.** Compares a DIA's performance against the benchmark after adjusting for market risk differences. A ten year period or the longest time period available or a time period that more appropriately represents a DIA's investment style will be used.

These four criteria will be combined into a composite model and ranked against the peer universe. Any DIA that falls in the bottom 25% of its peer group ranking may be placed on Watch List and undergo additional analysis and review, including measuring its performance relative to its benchmark, which may result in a recommendation for replacement.

Criteria for Passively Managed (Indexed) Alternatives

The Committee will take into account the following criteria when selecting and reviewing the Retirement Plans' passively managed DIA's:

- a. A reasonable investment fee structure.
- b. Low tracking error to the appropriate benchmark.

Criteria for Money Market, Stable Value, Guaranteed Interest Fund or Alternative Investments

The Committee will take into account the following criteria when selecting and reviewing the Retirement Plans' money market, stable asset fund, guaranteed interest of alternative investment DIA's:

- a. A reasonable investment fee structure.
- b. Performance versus appropriate peers.
- c. Performance versus an appropriate index.

VIII. REPORT WRITING

The Committee will rely upon a third party service provider to prepare periodic Investment Reports. The Committee will direct the third party service provider to specify and use peer group and market index benchmarks to monitor the DIA's. Upon its request, the Investment Reports shall be made available to the Board of Directors.

IX. "DESIGNATED INVESTMENT ALTERNATIVE" (DIA) WATCH LIST

The Committee recognizes the long-term nature of retirement plan investing and the variability of investment returns. Periodic underperformance in any of the criteria outlined in this IPS will not necessarily lead to a replacement or termination of a DIA but may warrant further research and consideration of the Committee.

The Committee will review the Retirement Plans' DIA's for placement on Watch List or for immediate removal.

Watch List status calls for heightened review of the fund. During periodic reviews, the Committee may decide to maintain Watch List status, remove Watch List status or terminate the fund. A DIA that remains on Watch List status for four consecutive quarters will generally be removed unless there is

sufficient evidence that the issue that caused it to be placed on the Watch List is not systemic or the Committee determines there are other considerations that justify its retention.

The Committee may place a DIA on Watch List which calls for heightened review of the fund's performance. The Committee may decide to take action, including but not limited to the following:

- a. Extend the Watch List period.
- b. Remove the DIA from the Watch List.
- c. Terminate the DIA after four consecutive quarters unless there is sufficient evidence that the issue(s) that caused it to be placed on Watch List are not systemic or the Committee determines there are other considerations that justify its retention.

X. MODEL PORTFOLIOS (OPTIONAL)

Department of Labor Interpretive Bulletin 96-1 creates a safeharbor from fiduciary advice, by recharacterizing as non-fiduciary education, Model Portfolios – and the retirement calculators and questionnaires to be used with them. Model Portfolios are a form of customized asset allocations made available to participants and constructed from the Retirement Plans' DIA's – and which are generally automatically rebalanced. The implementation and timing of any automatic portfolio rebalancing feature that may be made available by the Retirement Plans' Service Provider(s) will be at the direction of the Committee.

The historical data, assumptions, and benchmark performance used to create each Model Portfolio will be reviewed periodically. If that review indicates that a change in asset allocation strategy may be warranted, the asset allocation recommendation for each Model Portfolio may be revised. The Committee recognizes the long-term nature of retirement plan investing and the variability of market returns. Thus periodic underperformance will not necessarily lead to an alteration of the Model Portfolios but may warrant further research and consideration of the Committee.

Each Model Portfolio will be monitored and benchmarked against a similarly weighted benchmark consisting of the three (3) asset classes articulated in 404c. E.g. cash, stock and bond.

Model Portfolios			
Risk Based		Adopted	
Age Based		Adopted	
Risk & Age Based		Adopted	
Yes/No		Adopted	
Frequency of Automatic Rebalancing			

XI. "QUALIFIED DEFAULT INVESTMENT ALTERNATIVE" (QDIA) (OPTIONAL)

QDIA

Three Types:	Must Be Overseen by:
1. Product (Mutual Fund)	1. Plan Sponsor;
2. Portfolio (Model Portfolio)	2. Investment Company Act (1940); or
3. Service (Managed Account)	3. ERISA 3(38) Investment Adviser
Must be Age Based:	
1. Product or Portfolio that takes into consideration each individual participant's age, target retirement age OR life expectancy; 2. Product or Portfolio "Balanced Fund" the target level of risk of which is appropriate for participants of the plan as a whole [as determined initially and periodically thereafter]; or 3. Investment Management Service that is based on each individual participant's age, target retirement date OR life expectancy	

If an ERISA Title I §3(38) Investment Manager (which is a bank, insurance company or adviser registered with the SEC who acknowledges in writing that it is accepting fiduciary responsibility for the discretionary management of the QDIA) is used to manage the Plan's QDIA, a separate Service Agreement will be executed setting out its QDIA management duties. Annually, the §3(38)Investment Manager shall be required provide the Committee with a fee-disclosure accounting consistent with and responsive to 29 CFR 2550.408b-2.

The Committee has elected effective _____ to use the following type of QDIA:

QDIA		
1.	Product or Portfolio that takes into consideration each individual participant's age, target retirement age OR life expectancy	
	a.	Age-Based Mutual Funds
	b.	Age-Based Model Portfolios
		Managed by Plan Sponsor
		Managed by ERISA Title I §3(38) Investment Manager
2.	Product or Portfolio "Balanced Fund" the target level of risk of which is appropriate for participants of the plan as a whole [as determined initially and periodically thereafter]	
	a.	Balanced Mutual Fund
	b.	Balanced Model Portfolio
		Managed by Plan Sponsor
		Managed by ERISA Title I §3(38) Investment Manager
3.	Investment Management Service that is based on each individual participant's age, target retirement date OR life expectancy	
		Managed by ERISA Title I §3(38) Investment Manager

XII. THIRD PARTY INVESTMENT CONSULTANT SERVICE PROVIDER (OPTIONAL)

The Committee may elect to engage the services of an independent third party to aid in the selection, monitoring (performance and reasonableness of fees), replacement and mapping (when necessary) of the Retirement Plans DIA's and the construction and monitoring, if applicable, of the Retirement Plans' Model Portfolios – and prepare periodic written reports summarizing its overview activities. It will also be expected to

That independent third party shall be an Investment Adviser who is registered with the SEC and subject to the Investment Advisers Act (1940). The Investment Adviser shall make available to the Committee upon request the most current copy of the Form ADV which it files with the SEC. The Committee will execute an Investment Advisory Service Agreement in which, in part, the Investment Adviser shall confirm in writing that it will serve in the capacity of a non-discretionary investment co-fiduciary in conformance with ERIRA Title I §3(21)(A)(ii). Annually, the Investment Adviser shall also provide the Committee with a fee-disclosure accounting consistent with and responsive to 29 CFR 2550.408b-2 so that it has a basis for evaluating the reasonableness of its fees. Periodically, the Committee shall review the reasonableness of those fees.

Co-Fiduciary Investment Adviser			
Yes/No		Date	

XIII. SELF-DIRECTED MUTUAL FUND WINDOW (OPTIONAL)

The Committee may decide to offer a self-directed mutual fund window. Investments available under the Retirement Plans' self-directed mutual fund window are not selected or monitored as DIAs' by the Committee and are not covered under this IPS.

The Committee shall provide participants with general information about the fees associated with the brokerage accounts including, but not limited to, annual account maintenance fees and general trading costs.

Self-Directed Mutual Fund Window			
Yes/No		Date	

XV. PLAN DESIGN + NOTICES

The Committee shall oversee the timely delivery of "notices" in connection with those Regulatory plan design features which are used by the Retirement Plans.

Adopted	Regulation	"Optional" Safeharbors
	404c	Participant Investment Losses
	96-1	Model Portfolios
	SBJPA	Safeharbor 401k
	QDIA	Qualified Default Investment Alternative
	EACA	Automatic Enrollment Arrangement
	ACA	Automatic Contribution Arrangement

	QACA	ACA that satisfies ADP + ACP Testing
	PPA	Fiduciary Adviser – Participant Advice
Participant investment Disclosures		
	404a-5	Designated Investment Alternatives
	QLAC	Longevity Annuities “in” Retirement Plans

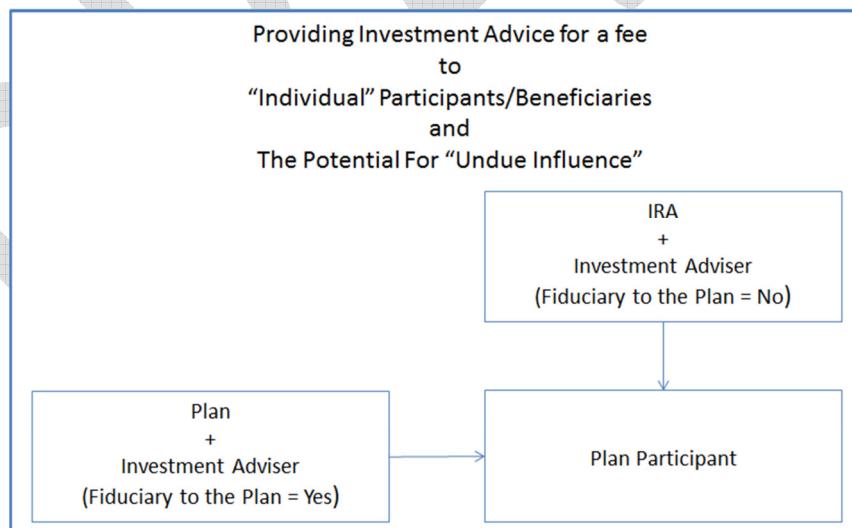
XVI. PROXY VOTING

Discuss Options: 1) Plan Sponsor retains, 2) Delegates to Investment Manager or Directed Trustee, 3) Passes through to participants.

The Committee, acting on behalf of the Plan Sponsor, may vote proxies. Suggested guidelines for voting include, but are not limited to, the following.

- a. The Committee may use the services of an independent proxy voting third party and/or may consult an investment advisor, but retain ultimate responsibility for voting.
- b. For routine matters likely to pass, or for which voting carries little or no economic value for participants (net of direct or indirect costs), the Committee may abstain.
- c. For issues warranting investigation, investigate through any means appropriate, then vote if there is reason to believe the vote can benefit participants economically.
- d. Keep copies of the completed proxy indicating the date, nature of the vote, and the actual vote cast, plus the rationale for the vote cast.
- e. Keep copies of any additional proxy materials received. If a vote is not cast, record the reasoning for this action.

XVII. FIDUCIARY ADVISER (OPTIONAL)



The Pension Protection Act (PPA) created a safe harbor for investment advice provided by a Plan Fiduciary to individual Plan Participants/Beneficiaries. The rationale was that the benefit of investment advice outweighed the potential for undue influence (which, if exercised, could be a Plan Prohibited Transaction and thereby put the plan at risk of being out of compliance with ERISA) – as long as sufficient safeguards were created and implemented. The Department of Labor then issued a “Final

Rule" articulating the specifics. (See *Investment Advice –Participants and Beneficiaries*, Federal Register Vol. 76, No. 206, pp. 66136-66167, Oct. 25, 2011).

Should the Committee wish to provide the Retirement Plans' individual participants/beneficiaries with the option of retaining (for a fee) the same Investment Adviser who provides co-fiduciary investment-advice to the Retirement Plans, the Retirement Plans' Investment Adviser will be required to comply with the provisions of the Final Rule set out above. In that event, a separate contract will be executed formalizing that service arrangement and a copy of that contract will be provided to the Board of Directors.

Investment Advice – Participants and Beneficiaries		
Yes/No		Date Last Discussed by Investment Committee

XIV. PARTICIPANT INVESTMENT EDUCATION

The Committee shall coordinate periodic participant investment education which may consist of any combination of the following:

- Onsite group meetings
- One-on-one meetings
- Newsletters (electronic and/or hard copy)
- Internet based tutorials
- Internet hosted meetings

XVIII. COORDINATION WITH PLAN DOCUMENTS

If any term of this IPS conflicts with any term of the formal documents or instruments for the Plan, the terms of such formal documents or instruments shall always control.

XIX. AMENDMENT OR TERMINATION

Prior to adopting this IPS and any amendment to it, the Committee, to the extent it deems necessary, will consult with its legal, tax and other advisors. A copy of this IPA as well as any change to it must be provided to the Board of Directors as reasonably soon after adoption as is practicable.

This Investment Policy Statement is hereby adopted and shall remain in effect until amended or terminated by the Committee.

Adopted: _____, 2015

By: _____, Committee Chair



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #7

At your option, we will meet with you at least annually to formulate a specific Education Plan. This is a good practice as it offers the opportunity to coordinate those activities with your recordkeeper. E.g. how much can they do?

2014

EDUCATION PLANNING GUIDE

Prepared for: _____

Plan Year: 2014

Purpose of the Education Planning Guide (EPG)

This Education Planning Guide (“EPG”) has been adopted by the Benefits Group (“Group”) of the _____ 401(k) Retirement Savings Plan to support the overall strategic goal(s) to raise the level of retirement readiness for all employees participating in the plan.

Periodic Evaluation

The Group will periodically meet with service providers in an Administrator Summit to review whether each of the items listed in the previous section are being satisfied. The Administrative service provider will be responsible for producing an executive plan summary to help evaluate participant behavior, trends and education effectiveness, when possible. The executive summary should:

- Measure average **participation rate** of entire plan compared to previous period.
- Measure average employee **contribution/deferral rate** of entire plan compared to previous period.
- Review plan demographic summary to identify potential areas of improvement:
 - number of eligible participants by age group (20-29, 30-39...)
 - average participation rate by age group
 - average contribution/deferral rate by age group
 - average account balances for plan by age group
 - number and /or percentage of participants with outstanding loans
 - number and/or percentage of hardship withdrawals
 - participants who have taken more than one loan or hardship withdrawal
 - participants not saving enough to receive the full matching contribution
 - Review the number of participants who have enrolled in any investment advice services that may be offered by the Plan.
- Show fund usage statistics including target-date fund, model portfolio and/or QDIA usage
- Show portfolio rebalancing usage statistics
- Reveal asset movement patterns
- Provide website and call center usage statistics
- Discuss trends, new strategies and methods of communicating and educating participants

2014 Plan Objectives/Goals

- Maximizing plan enrollment
- Increase employee deferral amounts
- Use of employer matching contribution, if offered

- Assessing the adequacy of participant benefits at retirement
- Assessing investment behavior
- Assisting participants with the process of setting, managing and monitoring their retirement goals
- General retirement education topics (e.g. saving for retirement, investment basics)
- Targeted retirement education (e.g. how social security works, maximizing retirement income)
- Identifying and/or utilizing any applicable tools and services offered by service providers
- Other: _____

2014 Time Commitment

_____ days

Methods of Education and Communication Delivery

The education program will use a variety of communication media, or methods, to educate and motivate participants to take action. The program may include, *but is not limited to*:

- On-site group meetings
- Employee conference calls
- One-on One counseling
- Recorded video vignettes
- Internet meetings or web seminars
- Video conferencing
- Print materials
- Interactive questionnaires/assessments (e.g., risk tolerance, gap analysis, how much to save, etc.)
- Display materials (posters/bulletin boards)
- Company intranet
- Email campaign
- Payroll stuffers / targeted mailings
- Interactive web tools (such as calculators)
- Custom requests

Potential Education Topics

Participant education will cover a broad range of retirement planning topics to encourage employees to take an active role in planning for their retirement. The following is a representative list of presentation topics:

- Basic enrollment and plan highlights
- Mutual Fund Basics, and when applicable, focus on:
 - DOL Interpretive Bulletin 96-1 compliant interactive education and model portfolios; and

- the Qualified Default Investment Alternative(s)
- Maximizing employer matching provisions
- The Value of Automatic Rebalancing
- 404a-5 Notices about Plan Fees
- How to read a quarterly statement
- Start Early: Time value of money and compounding
- Maximizing employer contributions
- Dollar cost averaging
- Savings Basics: Pre-tax contributions, tax deferral and the effect on your paycheck
- Roth v. Traditional contributions (if offered)
- Risk & Return: How they affect savings
- Effects of inflation on your savings
- Rollovers from other plans
- Financial market basics
- Mutual Fund basics
- Market volatility and remaining patient
- Mutual funds and their fees
- Diversification and asset allocation
- Portfolio rebalancing
- Employer stock (if offered)
- Loans (if offered)
- Retirement income planning and education
- Social Security: How it affects savings and optimizing its benefits
- Maximizing Retirement Income: Self-Management v. Income Annuities
- Retirement income planning and education: Will I outlive my money?
- Plan fees and how to read a quarterly statement
- Custom requests

Roles and Activities

Enrollment, Re-Enrollment or Ongoing Education support:

Who (delivers)	Target Audience	Topic (delivered)	When (is it delivered)	Method (of delivery)	Goal (Why do this?)
ACG	Newly eligible	Enrollment, plan highlights	Quarterly, prior to eligibility	In-person	Educate participants on plan highlights



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #8

We're well aware that it's important to gauge the effectiveness of investment education and that is a great example of how we can work together with your recordkeeper to slice and dice the participant indicative-data they have access to.



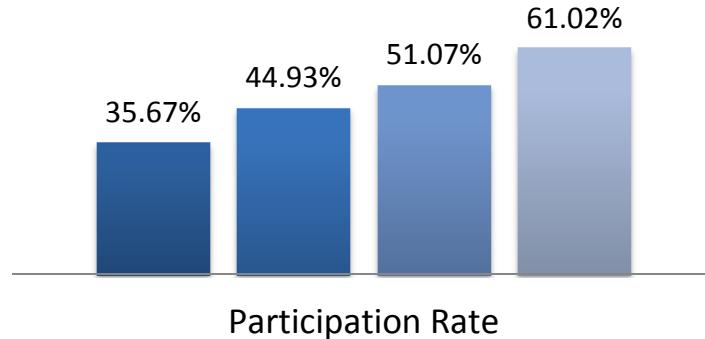
Customized Investment Education

A Case Study: 3,200 participants: Hospitality

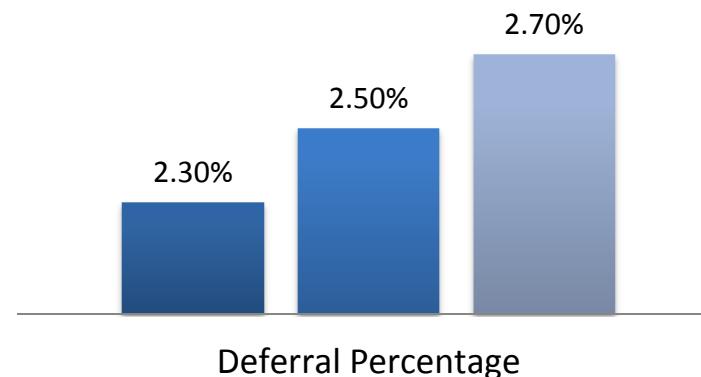
Challenge.... Reduce corrective distributions and increase the deferral limit for Highly Compensated Employees (HCEs) by increasing participation and voluntary deferral rates without implementing automatic enrollment.

Solution.... Implement an education program that provided the general manager of each location with an incentive based on enrollment success. Provided bi-lingual enrollment material consisting of enrollment booklet, EZ-enrollment form and a customized recorded presentation describing the plan and its benefits.

■ 12/31/2011 ■ 3/31/2012 ■ 6/30/2102 ■ 11/30/2012



■ 3/31/2012 ■ 6/30/2102 ■ 11/30/2012



The Results . . . HCE's were able to increase their deferrals and 81% of all participants use a model portfolio.



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

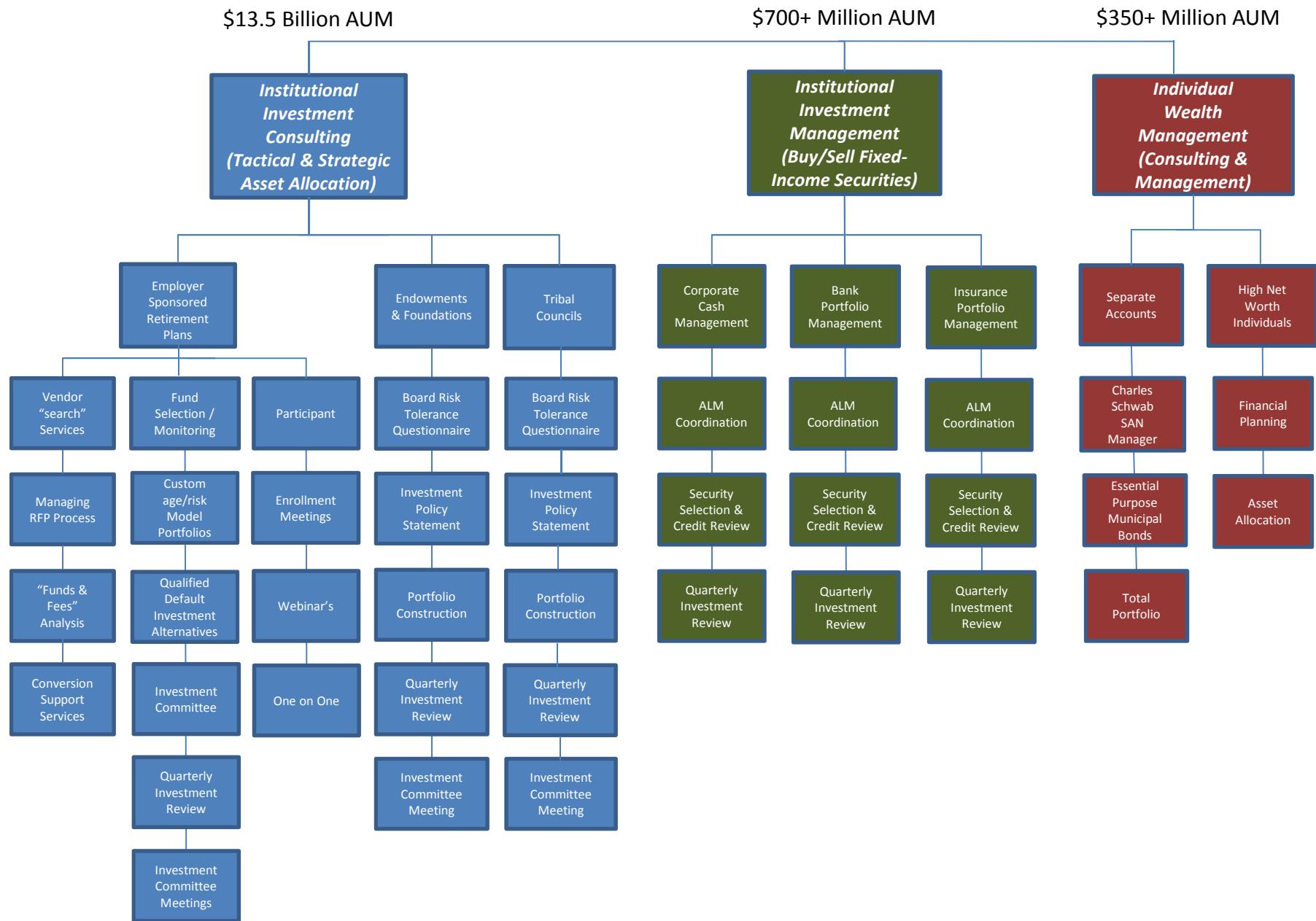
Exhibit #9

This Exhibit illustrates our three (3) lines of business



ACG's Three (3) Lines of Business

(Institutional-Focus Fee-Only Registered Investment Advisor)





Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #10

Because we develop and write our own custom Quarterly Reviews, we can modify and modernize them as we see fit. This is a good example. Each client's Quarterly Review is "linked" to their own individual Investment Policy Statement whose individualized criteria drive this component. It's a terrific way to narrow the scope of the Investment Committee Meeting. E.g. which particular funds, if any, do we have "issues" with this quarter?

Fiduciary Scorecard

	<u>Near-Term Performance</u>	<u>Long-Term Performance</u>	<u>Management</u>	<u>Operations</u>	<u>Style</u>	<u>Watch List Status</u>	
						<u>Date</u>	<u>Compliance Issue</u>
MetLife GAC 25053	●	●	●	●	●		
Vanguard Inflation-Protected Secs Adm	●	●	●	●	●		
Vanguard Interm-Term Treasury Adm	●	●	●	●	●		
Dodge & Cox Income	●	●	●	●	●		
PIMCO Foreign Bond (USD-Hedged) I	●	●	●	●	●		
Vanguard Balanced Index Adm	●	●	●	●	●		
JHancock Disciplined Value R6	●	●	●	●	●		
Vanguard 500 Index Admiral	●	●	●	●	●		
JPMorgan Large Cap Growth R6	●	●	●	●	●		
Vanguard Growth Index Adm	●	●	●	●	●		
Goldman Sachs Mid Cap Value Instl	●	●	●	●	●		
Vanguard Mid Cap Index Adm	●	●	●	●	●		
Columbia Acorn Z	●	●	●	●	●	3/31/2014	Manager Change, Near-term P
Victory Integrity Small-Cap Value R6	●	●	●	●	●		
Vanguard Small Cap Index Adm	●	●	●	●	●		
Loomis Sayles Small Cap Growth Instl	●	●	●	●	●		
AllianzGI NFJ International Value Instl	●	●	●	●	●		
American Funds Europacific Growth R6	●	●	●	●	●		
T. Rowe Price International Discovery	●	●	●	●	●		
Nuveen Real Estate Securities A	●	●	●	●	●		

IPS Review Point	Components of Criteria
Near-Term Performance	Performance score based on the fund's past 3 years.
Long-Term Performance	Performance score based on the fund's past 10 years.
Management	Material change in portfolio management and/or organization
Operations	Reasonable and competitive fees; Fund asset flows
Style	Material change in investment style, guidelines or philosophy

Fund Notes

Fund	Notes	Recommendation
PIMCO Foreign Bond (USD-Hedged) I	The new Portfolio Manager (9/26/2014) posted strong results for the quarter. The strengthening U.S. dollar provided a nice tailwind.	ACG continues to monitor events at PIMCO as well as with this fund.
Columbia Acorn Z	The lead portfolio manager retired from the fund in March 2014. Following his departure, the fund's performance has lagged its respective benchmarks by a considerable margin. While the basic philosophy and strategy remains consistent with the past regime, it's unknown whether the new lead portfolio managers will be able to execute the strategy.	Replace
Loomis Sayles Small Cap Growth Instl	For the quarter, the Fund underperformed its Benchmark, the Russell 2000 Growth Index, primarily due to stock selection in the information technology and consumer discretionary sectors and an overweight position in the energy sector. On a company basis, the three largest detractors were energy companies Oasis Petroleum, Forum Energy Technologies and Rosetta Resources. Their stock prices declined as oil prices collapsed during the quarter. For the year, stock selection in the information technology sector detracted 2.0% from performance results. Additionally, stock selection in consumer discretionary sector cost the fund 0.6% in performance. Finally, an overweight position to the energy sector detracted 0.80% from performance relative to the Russell 2000 Growth Benchmark	No Concerns



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #11

This is another of our proprietary reports. We built it to augment – not replace – traditional point-in-time (e.g. 1, 3, 5 year) returns. One of its attributes is that it lets you see how managers perform in distinctly different market environments.

Performance Analysis - Rolling Period of Time

Data as of 12/31/13

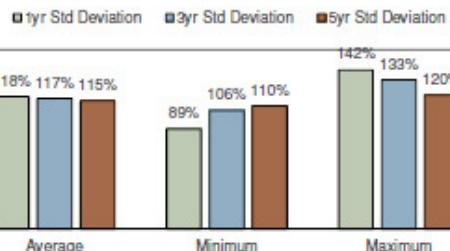
Fund Name	Comparative Index/Fund
J Hancock Disciplined Value I	100% BlackRock Equity Dividend Instl

[Home Page](#)

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Risk Analysis

Relative Standard Deviation

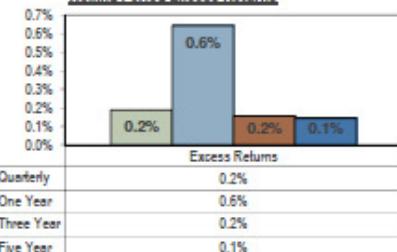


Absolute Performance Summary

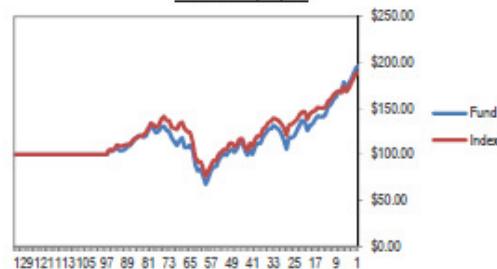
Batting Average

Period	Quarterly	One Year	Three Year	Five Year
Total Periods	95	86	62	38
Underperformance	47	44	34	23
Outperformance	48	42	28	15

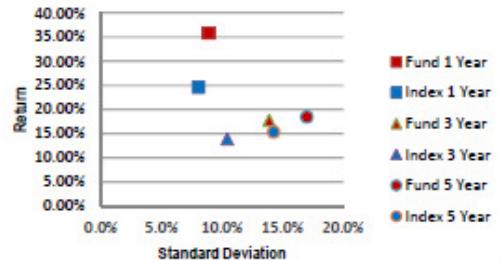
Rolling Period Excess Returns



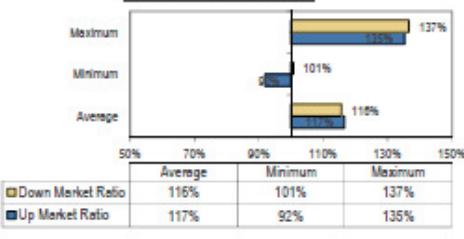
Growth of \$10,000



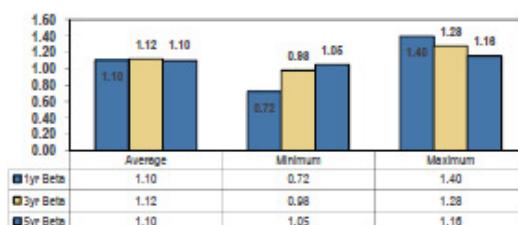
Current Risk/Return Profile



Up/Down Market Performance



Beta



Annualized Performance and Risk Statistics

	Return	Alpha	Standard Deviation	Best Qtr	Worst Qtr
Latest One Year					
J Hancock Disciplined Value I	35.93%	10.90%	8.89%	10.92%	1.94%
100% BlackRock Equity Dividend In					
	24.67%		8.01%	9.91%	-0.60%
Latest Three Years					
J Hancock Disciplined Value I	17.85%	-0.07%	13.88%	14.30%	-17.12%
100% BlackRock Equity Dividend In					
	13.99%		10.41%	12.28%	-11.72%
Latest Five Years					
J Hancock Disciplined Value I	18.51%	0.71%	17.00%	27.71%	-17.69%
100% BlackRock Equity Dividend In					
	15.44%		14.24%	22.91%	-16.73%
Latest Ten Years					
J Hancock Disciplined Value I				27.71%	-25.31%
100% BlackRock Equity Dividend In					
				22.91%	-25.91%



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #12

Another of our customized sub-components of our Quarterly Review is our market valuation. This perspective helps us gauge the “value” of the market in relative/historical terms. E.g. is it “fully” valued?

1ST QTR 2015 FACTOR ANALYSIS

Review of various economic and market variables and the relative position of each factor to its historical position

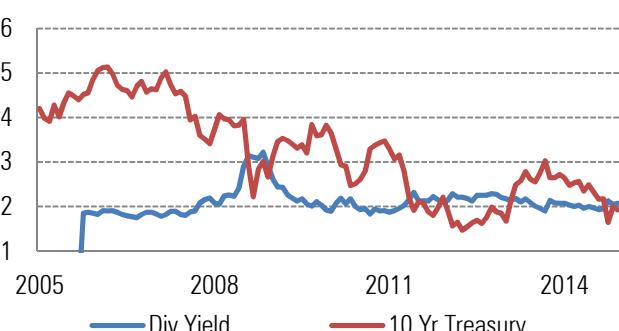
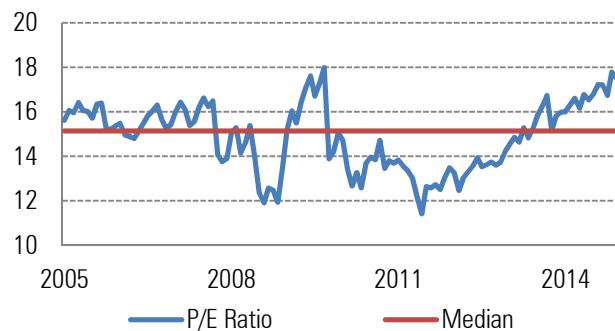


Market Valuation - US Markets

3/31/2015

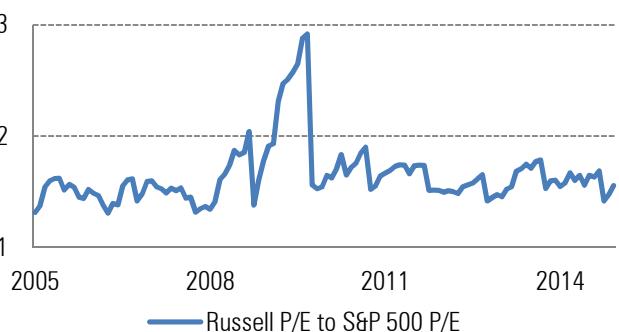
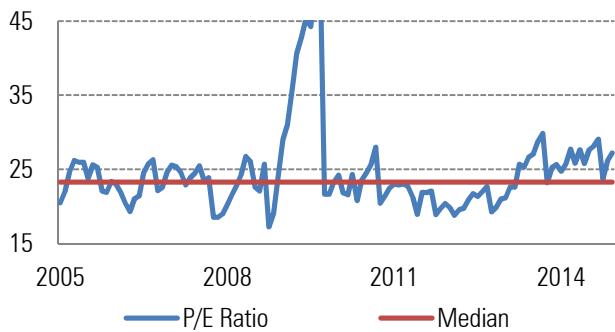
Large Caps (S&P 500)

Name	Metric	Qrt End	1 year ago	% Change	5 yr avg	10 yr avg	10 yr Low	10 yr High
Forward Price to Earnings	P/E	17.5	16.0	9.3%	14.4	14.9	11.4	18.0
Price to Book	P/B	2.8	2.6	8.6%	2.3	2.4	1.6	3.0
Price to Cash Flow	P/CF	11.3	9.3	20.8%	8.7	10.5	5.0	19.9
Dividend Yield	Div Yield	2.0	2.1	-2.7%	2.2	2.0	1.6	3.6
Cyclically adjusted P/E	CAPE	23.6	21.8	8.2%	20.4	23.0	13.3	27.7



Small Caps (Russell 2000)

Name	Metric	Quarter End	1 year ago	% Change	5 yr avg	10 yr avg	10 yr Low	10 yr High
Forward Price to Earnings	P/E	27.2	24.8	9.8%	23.4	24.6	17.2	52.5
Price to Book	P/B	2.4	2.2	8.7%	2.0	2.0	1.2	2.6
Price to Cash Flow	P/CF	11.1	14.7	-25.0%	12.7	12.7	6.0	19.6
Dividend Yield	Div Yield	1.2	1.3	-1.6%	1.3	1.2	0.8	2.2



Market Valuation - Foreign Markets

3/31/2015

Developed Markets (MSCI EAFE)

Name	Metric	Quarter End	1 year ago	% Change	5 yr avg	10 yr avg	10 yr Low	10 yr High
Forward Price to Earnings	P/E	16.6	14.5	14.8%	13.2	13.5	9.2	17.9
Price to Book	P/B	1.7	1.7	0.9%	1.5	1.7	1.0	2.4
Price to Cash Flow	P/CF	10.3	9.1	13.7%	8.1	9.1	3.4	17.9
Dividend Yield	Div Yield	3.0	3.3	-6.7%	3.5	3.4	2.7	4.9

Legend: P/E Ratio (Blue Line), Median (Red Line)

Emerging Markets (MSCI EM)

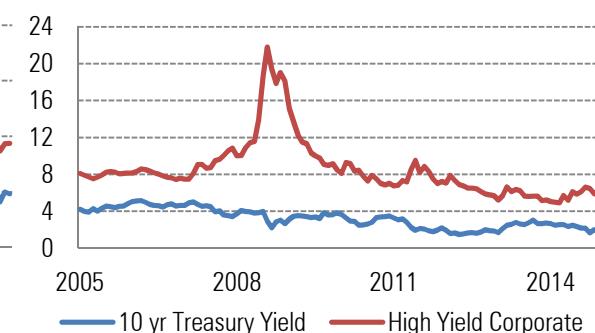
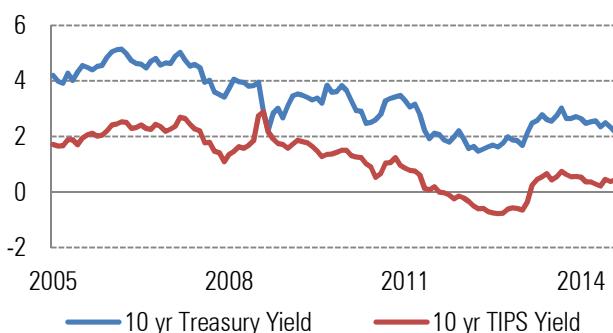
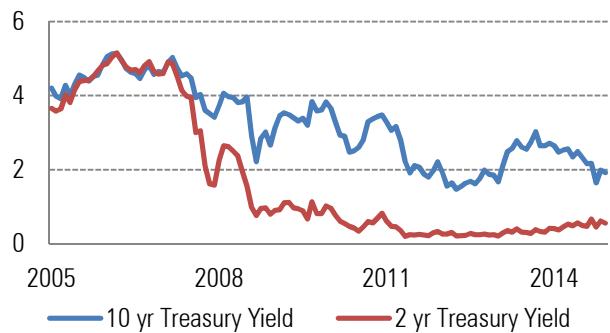
Name	Metric	Quarter End	1 year ago	% Change	5 yr avg	10 yr avg	10 yr Low	10 yr High
Forward Price to Earnings	P/E	12.4	10.8	14.6%	11.3	11.2	3.3	17.1
Price to Book	P/B	1.5	1.5	3.0%	1.6	1.9	1.2	3.0
Price to Cash Flow	P/CF	7.3	6.8	7.0%	8.1	8.4	3.8	13.8
Dividend Yield	Div Yield	2.8	3.0	-7.4%	2.9	3.0	2.0	7.8

Legend: P/E Ratio (Blue Line), Median (Red Line)

Fixed Income Yields

3/31/2015

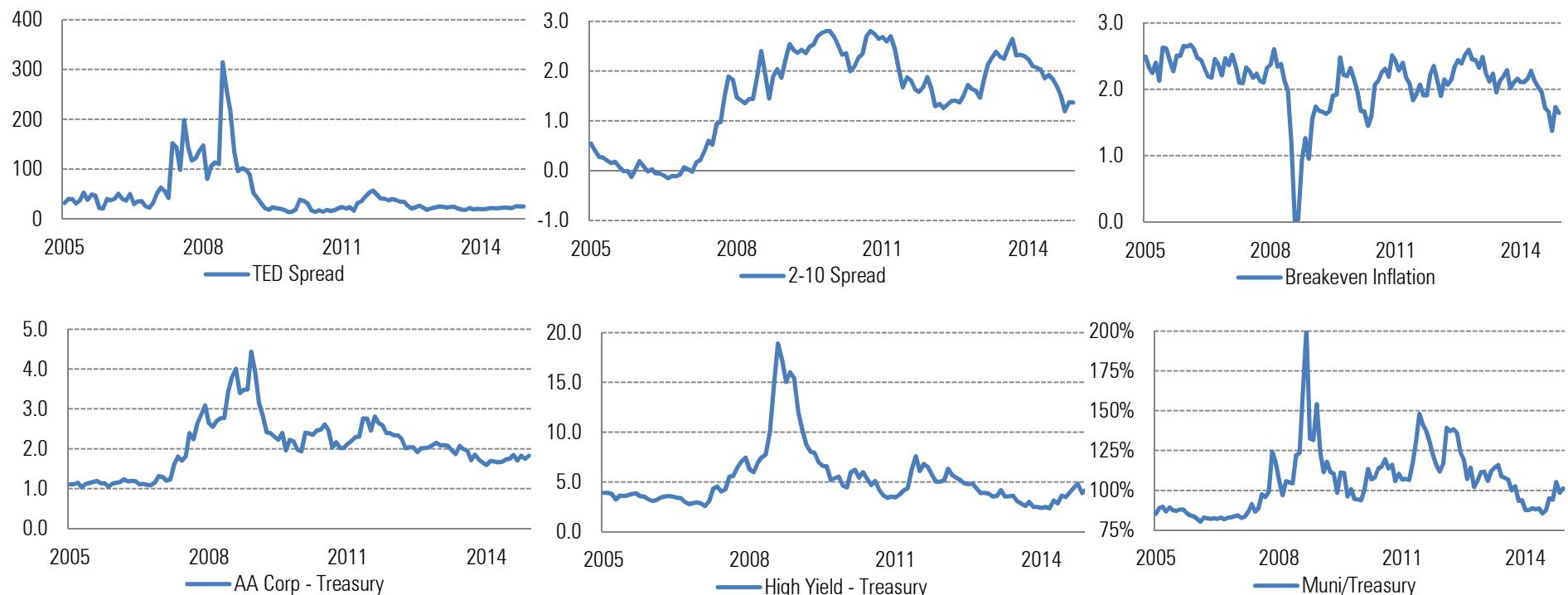
Index	Quarter End	Last Quarter	YIELDS		5 yr avg	10 yr avg	10 yr Low	10 yr High	Duration
			1 year ago						
Fed Funds Target		0.25	0.25	0.25	0.25	1.61	0.25	5.25	N/A
2 Yr Treasury		0.56	0.67	0.42	0.40	1.72	0.20	5.15	2.0
10 Yr Treasury		1.92	2.17	2.72	2.39	3.23	1.47	5.14	8.8
10 Yr TIPS		0.28	0.51	0.56	0.29	1.12	-0.77	2.89	8.2
US Aggregate		2.06	2.25	2.39	2.31	3.55	1.61	5.79	5.9
Foreign Bond		0.90	1.09	1.64	1.92	2.57	0.90	4.23	5.1
Corporates		3.75	3.88	4.37	4.50	5.28	3.47	7.75	8.4
High Yield		6.18	6.61	5.23	6.75	8.49	4.91	21.83	3.5
Munis		1.95	2.04	2.55	2.61	3.27	1.73	4.88	4.9



Fixed Income Spreads

3/31/2015

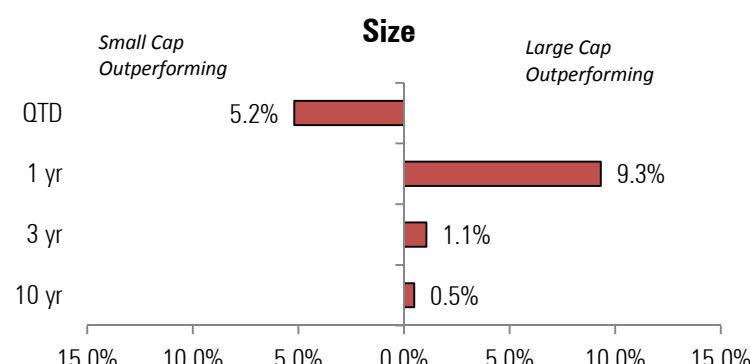
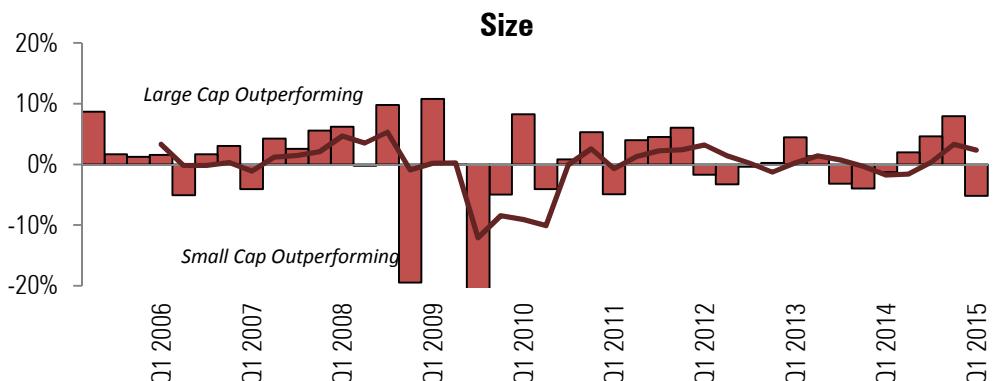
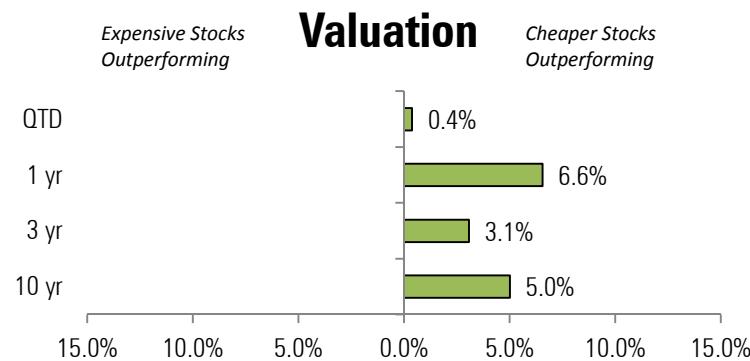
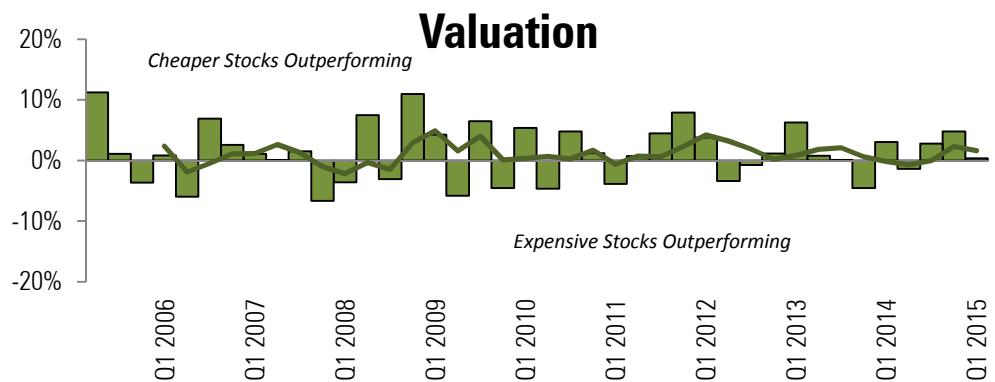
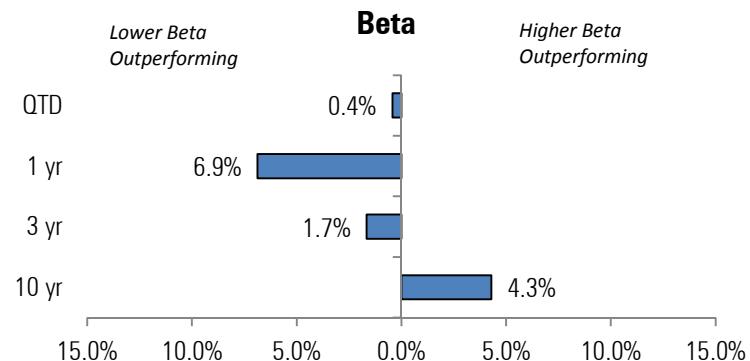
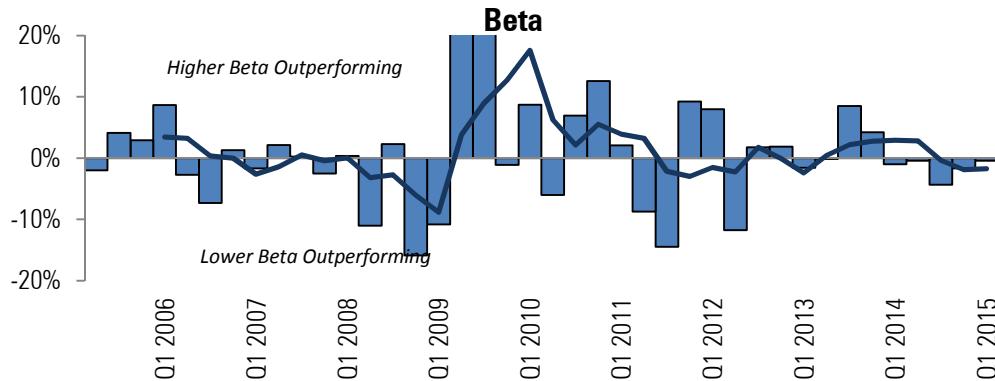
Index	Quarter End	SPREADS						Current =	Average =	10 yr High
		1 year ago	% Change	5 yr avg	10 yr avg	10 yr Low				
TED spread	0.25	0.20	25.1%	0.26	0.49	0.14	0.25	0.25	3.15	
2-10 Spread	1.37	2.30	-40.5%	1.99	1.51	-0.15	1.37	1.37	2.81	
10 yr Breakeven Inflation	1.64	2.16	-23.9%	2.10	2.10	0.03	1.64	1.64	2.67	
AA Corp - Treasury	1.83	1.65	10.6%	2.10	2.06	1.03	1.83	1.83	4.44	
High Yield - Treasury	4.26	2.51	69.5%	4.36	5.26	2.38	4.26	4.26	18.91	
Muni/Treasury	101%	94%	7.9%	110%	105%	80%	101%	101%	201%	

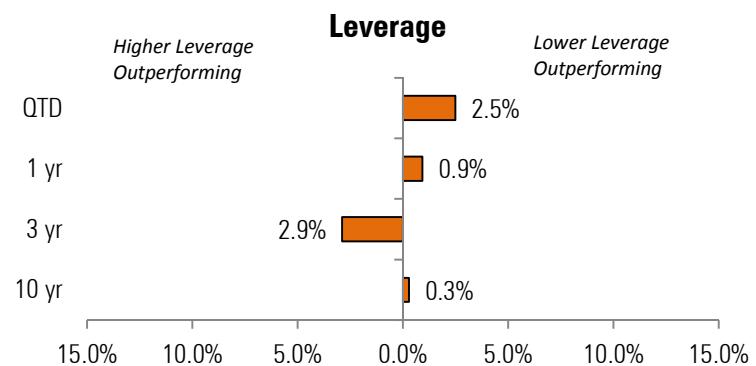
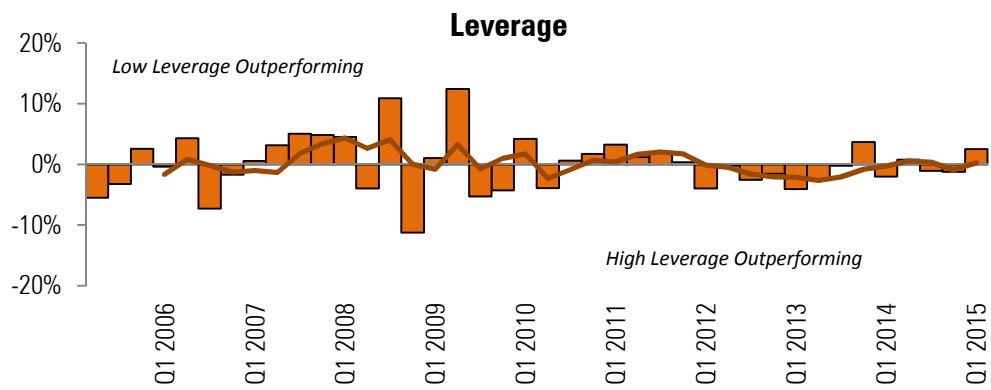
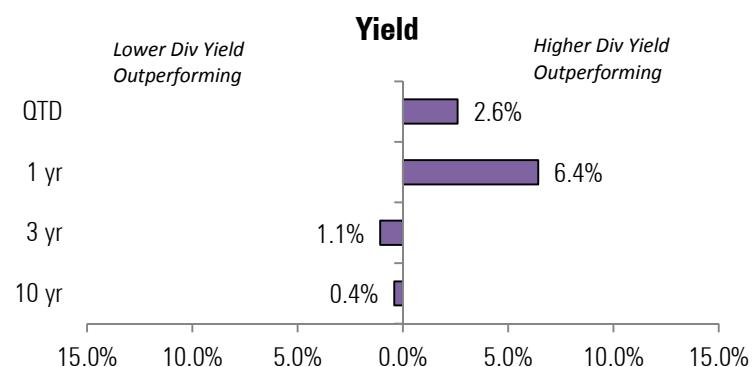
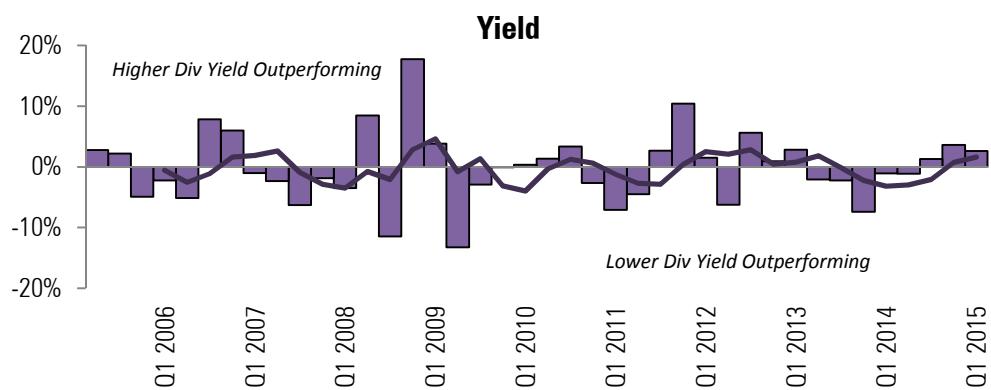
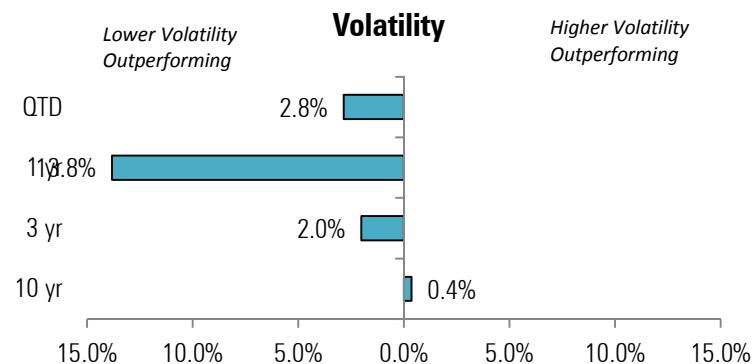
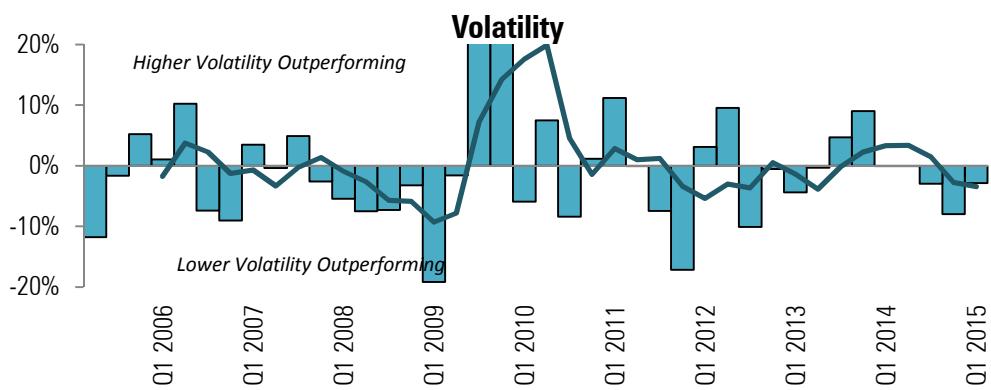


Factor Performance - U.S. Markets

Q1 2015

Russell 3000 Index, Quarterly Data

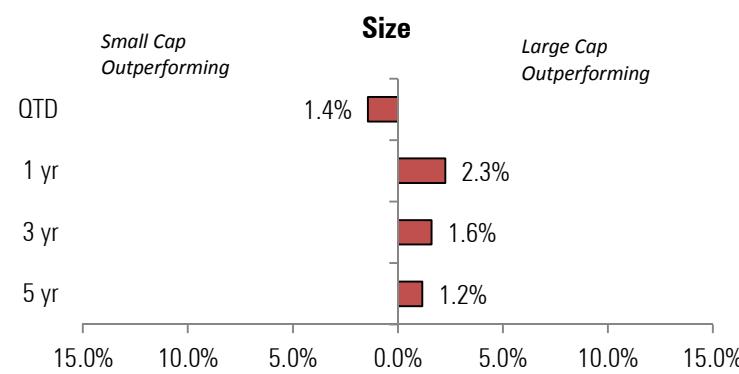
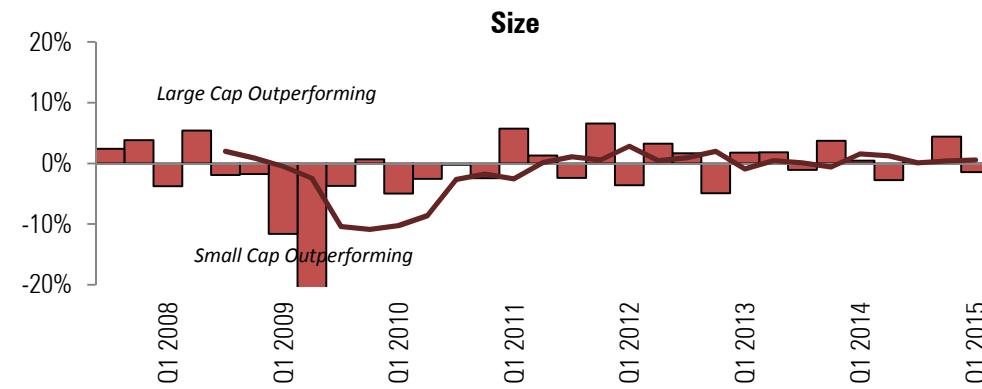
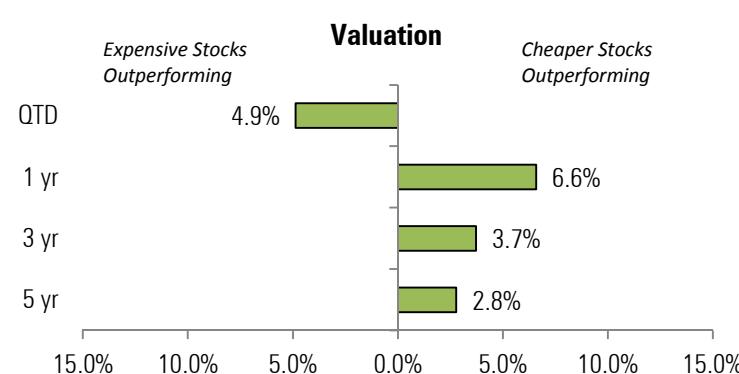
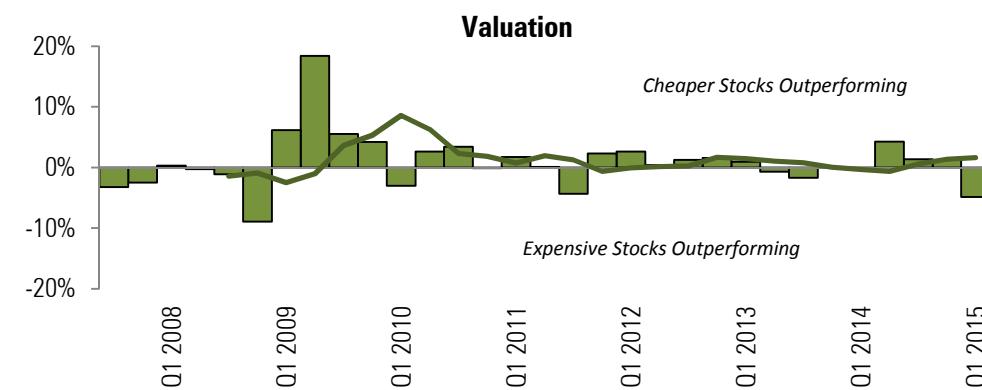
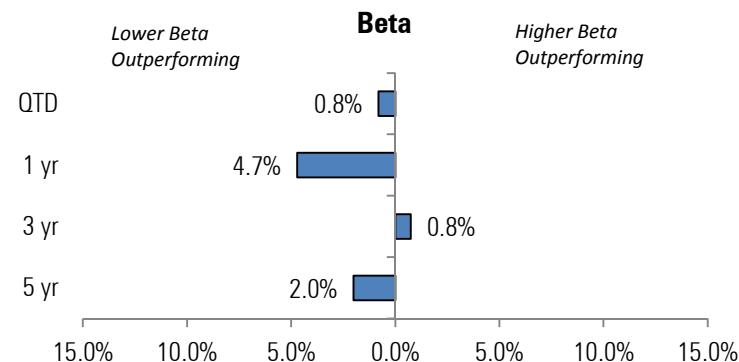
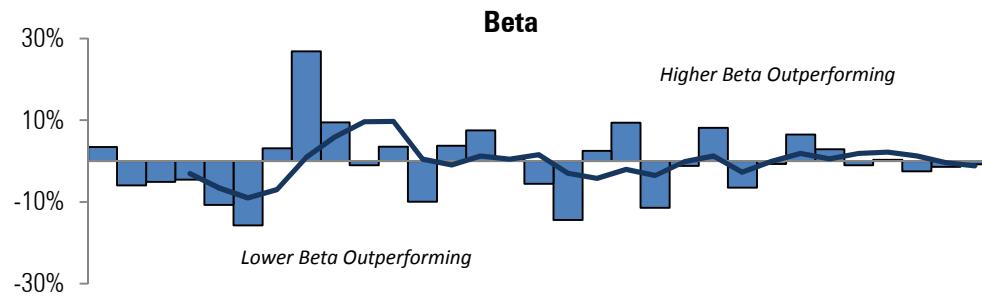


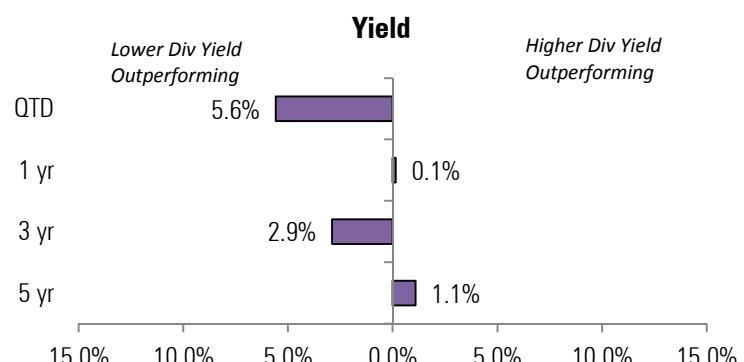
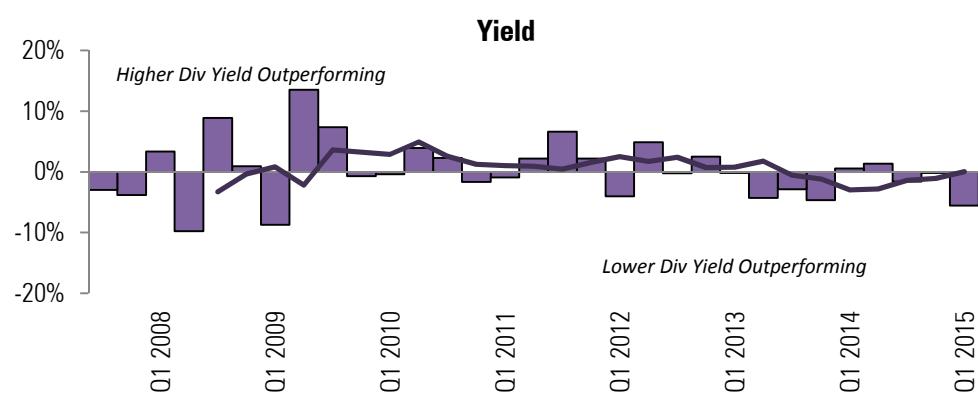
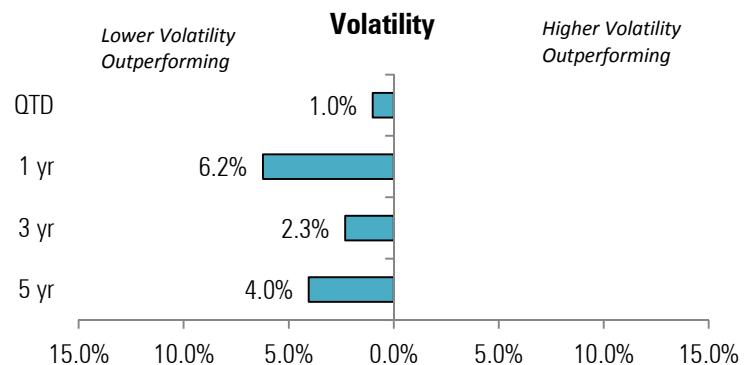
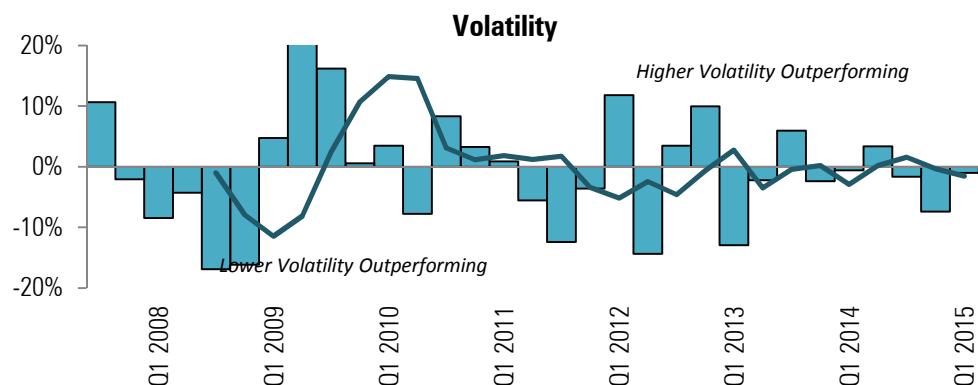


Factor Performance - Foreign Markets

Q1 2015

FTSE All World Index Index, Quarterly Data since 2007





Definitions:

The universe used is the FTSE All World Index

The return measure is the difference between the top quartile of stocks minus the bottom quartile of stocks for each factor

Beta - trailing one year Beta to the index

Valuation - trailing twelve month earnings divided by price

Size - market cap

Volatility - standard deviation over the prior one year

Yield - dividend yield

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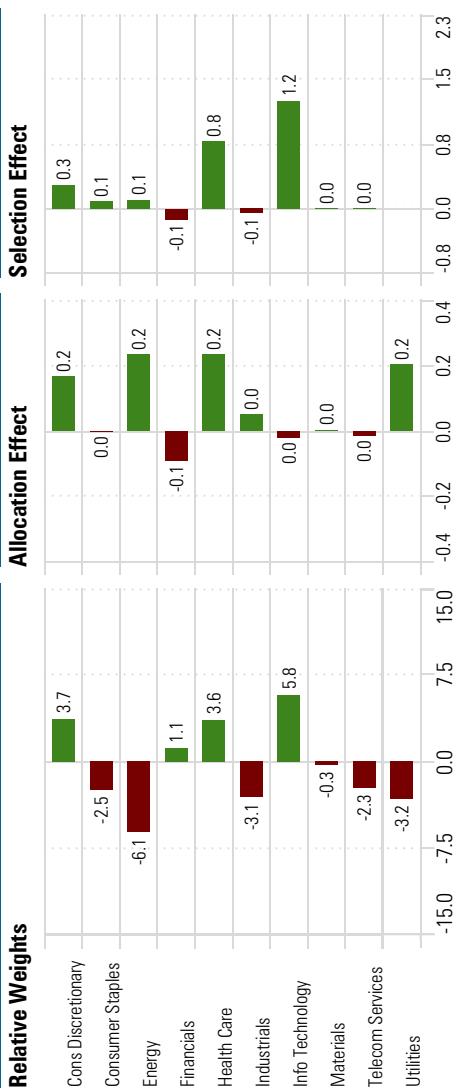
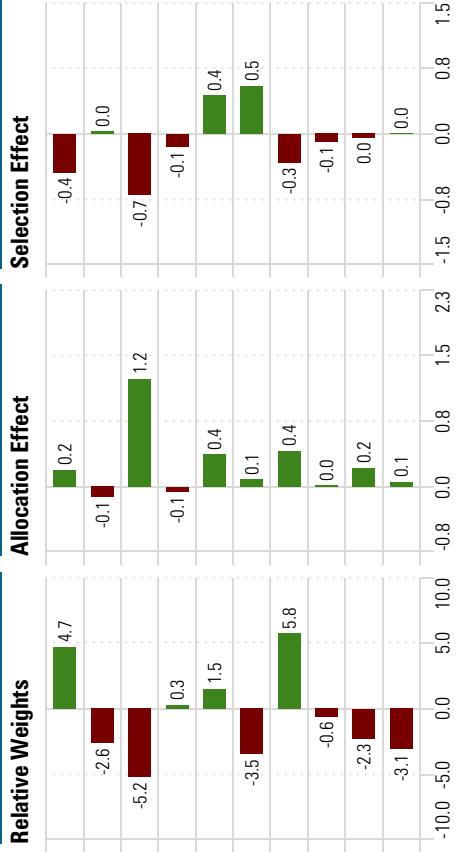
Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #13

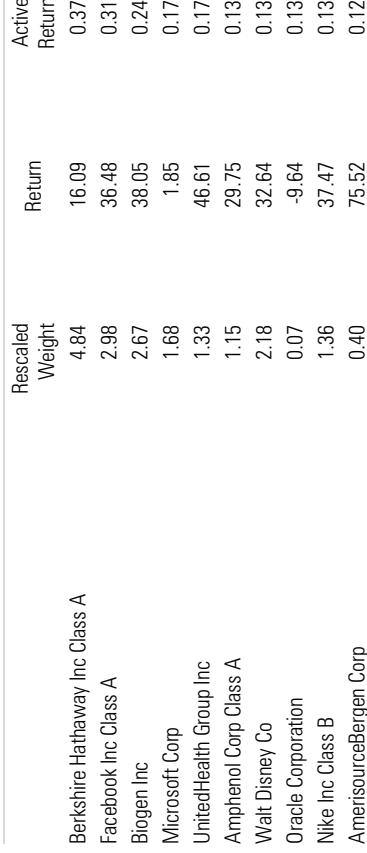
Another proprietary perspective is our Attribution analysis of each of the plan’s “Designated Investment Alternatives.” What this report helps us understand is where under/over performance came from? Was it due to over/under weighting of sectors (relative to its respective benchmark) or was it a result of good/poor security selection.

One Quarter Performance Attribution

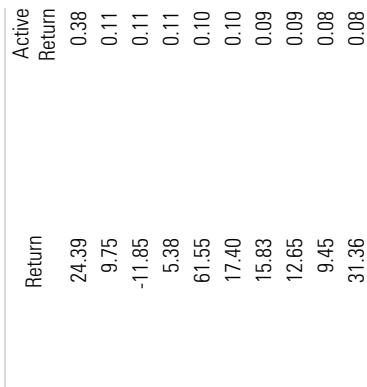
One Year Performance Attribution



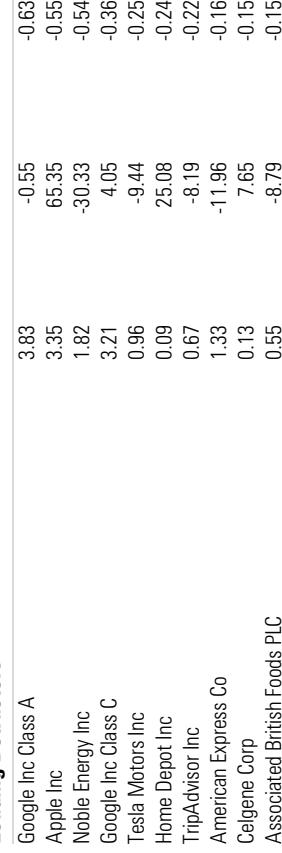
Leading Contributors



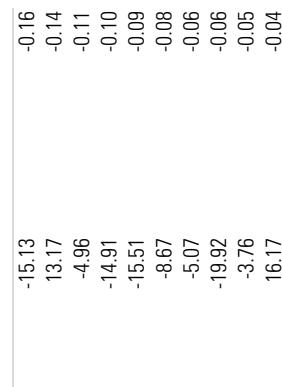
Leading Contributors



Leading Detractors



Leading Detractors





Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #14

This is our annualized SEC disclosure filing.

Advanced Capital Group, Inc.

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Minneapolis, MN 55402**

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T: 612-230-3000
F: 612-230-3019**

www.acqbiz.com

January 1, 2015

FORM ADV PART 2 FIRM BROCHURE

Item 1	Cover Page
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This brochure provides information about the qualifications and business practices of Advanced Capital Group, Inc. (hereinafter "ACG"). If you have any questions or concerns about the contents of this brochure, please contact us at TF: 866-225-5224; T: 612-230-3000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about ACG is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for ACG is 109673.

ACG is an SEC-Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2	<i>Material Changes</i>
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ACG updates this document annually or more frequently in the event of certain material changes. This section outlines and summarizes the specific changes made since the document's previous update. ACG will deliver a copy of this section to its clients within 120 days of the close of its fiscal year to make sure clients are aware of any material changes to the firm's business philosophies and practices.

ACG's clients may request a full copy of the latest version of this document at any time by contacting - Daniel Schroeder, Chief Compliance Officer, at 612.230.3003 or dschroeder@acgbiz.com.

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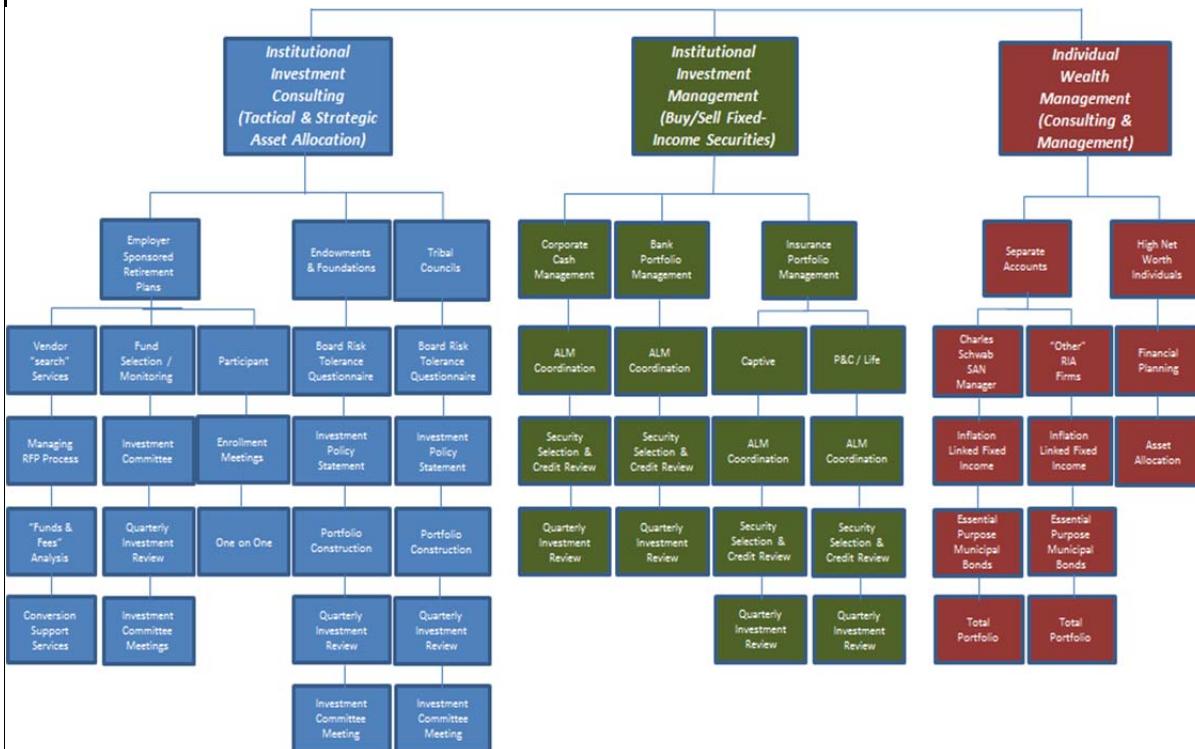
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Item 4 Advisory Business

ACG is a fee only Investment Advisor. ACG is registered with the U.S. SEC. It is NOT dually registered with FINRA. To clarify, it has no broker-dealer affiliation and accepts no commissions from registered products.

ACG was incorporated in Minnesota in 1998. Its principal owners are: Charles Langowski, Justin Dorsey and Patrick Larson.

ACG has three (3) distinct practice lines: Institutional Investment Consulting, Institutional Investment Management and Individual Wealth Management.



Institutional Investment Consulting

In its Institutional Investment Consulting practice, ACG advises clients on the hiring, monitoring and replacing of third party Investment Managers, principally mutual funds and pooled products like separate accounts and collective trust funds.

The biggest component (measured in assets-under-management) of this practice is employer sponsored retirement plans that are regulated by ERISA. In turn, most of those plans are participant-directed retirement plans (-401k, 403b, and 457) for which ACG also provides (at the option of the Plan Sponsor) participant investment-education. Generally, if a client wants ACG to provide participant investment-education it is because that same client has engaged ACG to coordinate with the plan's recordkeeper the construction of customized and automatically rebalanced Model Portfolios. In technical terms, the goal of those portfolios is to fall within the safeharbor provisions of DOL Interpretative Bulletin 96-1 and thereby be treated as "education" rather than "advice."

In addition to participant-directed retirement plans, ACG also works with employer-sponsored traditional defined benefit plans, cash balance defined benefit plans, and 409A supplemental executive compensation plans.

In terms of what kind of investment advice ACG will provide, it offers to serve as either/both an ERISA 3(21) and/or 3(38) fiduciary investment adviser. An example of the foregoing would be whereby ACG acts as a 3(21) co-fiduciary for the selection and monitoring of the plan's "Designated Investment Alternatives" (DIA's) (as that term is described in 29 CFR 2550.404a-5).

Besides providing investment advice, ACG is often asked to help a client benchmark its retirement plan. Sometimes, the scope of that exercise can be quite limited, e.g. a high-level recordkeeping fee comparison. Other times when the client is unhappy with service and wants to make a change altogether, the scope can be very extensive.

Another line of business where ACG provides institutional investment consulting is endowments/foundations. Most endowments/foundations have some sort of annualized (or smoothed) distribution target. But, making distributions in a "down" market can have profound and long-lasting negative-compounding effects – particularly if during the same down market donor contributions slow-down or cease altogether. While "alternative asset class" discussions dominate many conversations about endowment/foundation investments, ACG stresses the importance of judicious cash management. And our years of experience building strategic asset allocation portfolios and selecting/monitoring investment managers (both passive and active) for the many retirement plans with which we work is directly transferable to endowments/foundations. Finally, endowments/foundations can tactically reallocate their investments without the requisite time-delays incumbent on retirement plans because of the necessary participants' notices. That four-part approach (strategic asset allocation + customized cash management + passive/active manager selection/monitoring + tactical reallocation) is a general description of our endowment/foundation investment consulting methodology.

Our final area of institutional investment consulting is with Native American Tribal Councils. Initiatives and priorities can vary. Several disparate examples might include Minor Trusts, Trusts to buy-back reservation lands from non-tribal members or cash funds for ongoing construction projects.

Eligible Investment Advice Arrangement

The Pension Protection Act of 2006 (PPA) provided a prohibited transaction exemption for plan fiduciaries who, in addition to providing investment advice to the plan for a fee, also provide investment advice to plan participants for a fee – via a IRA rollover or otherwise. To be eligible for the exemption, the advice must be provided through an "eligible investment arrangement." An "eligible investment advice arrangement" is an arrangement that either:

- Pays level fees to the investment adviser, (meaning any fees received by the adviser entity and the individual representative of the adviser must not vary on the basis of the investment options selected), or
- Uses an objective certified computer model to provide the advice.

Subsequently, the Department of Labor (DOL) issued a "Final Rule" which provided guidance for complying with these and other conditions of the exemption. *See Investment Advice – Participants and Beneficiaries*, Federal Register, Vol. 76, No. 206, pp. 66136-66167, Tuesday, October 25, 2011.

The Final Rule establishes the conditions fiduciary advisers must follow to comply with the prohibited transaction exemption provided by the PPA. Parties eligible to be "fiduciary advisers" include banks, insurance companies, broker dealers and registered investment advisers, as well as all of their affiliates, employees, representatives and agents. In addition, a person who develops or markets the

program used to provide the advice is considered a “fiduciary adviser.”

ACG uses a Fee-Leveling arrangement to comply with the Final Rule.

The Final Rule requires a fee-leveling arrangement to meet the following conditions:

- The advice must be based on generally accepted investment theories that take into account historic returns of different asset classes over defined periods of time;
- The advice must take into account investment management and other fees and expenses of the recommended investments;
- The fiduciary adviser must request information relating to age, time horizon (e.g. life expectancy, retirement age), risk tolerance, current investments in designated investment options, or assets or sources of income, and risk preferences of the participant or beneficiary. If the participant or beneficiary provides the requested information, the adviser must take the provided information into account when providing advice; and
- The fiduciary adviser may not receive from any party, directly or indirectly, any fee or compensation that varies based on the participant's or beneficiary's selection of an investment option. Compensation includes commissions, salary, bonuses, award, promotions, or other things of value. A compensation or bonus arrangement that is based on the overall profitability of an organization may be permitted under certain circumstances.

The investment advice arrangement must be authorized by a plan fiduciary other than the person offering the arrangement. The investment activity must occur solely at the direction of the participant/beneficiary, the compensation received by the fiduciary adviser must be reasonable, and the terms of the investment activity must be at least as favorable to the plan as an arm's-length transaction. Finally, the fiduciary adviser must provide the authorizing fiduciary with a written notice that the adviser intends to comply with the conditions of the exemption and that the investment advice arrangement will be audited annually, and that the auditor will furnish a copy of the findings within 60 days of completing the audit.

ACG uses Dalbar, Inc. as its independent auditor

Before providing the advice, and annually thereafter as long as that advice continues to be given, the fiduciary adviser must give participants/beneficiaries receiving that advice a written notice (in a manner to be understood by the average participant) describing:

- The role of any party that has a material relationship with the fiduciary adviser in the development of the program and the selection of investment options available under the plan;
- The past performance and historical rates of return of the designated investment options available under the plan, if not otherwise provided;
- All fees or other compensation the fiduciary adviser or affiliates receive in connection with the advice, investment activity, or rollover of plan assets or investment of plan distributions;
- Any material relationships of the adviser or affiliates in security or other property;
- The manner and circumstances in which the participant/beneficiary information will be used;
- The types of services provided by the investment adviser in connection with the provision of investment advice;
- That the adviser is acting as a fiduciary of the plan in providing the advice, and

- That the participant/beneficiary may separately arrange for the advice by another adviser that could have no material affiliation with and receive no fees or compensation in connection with the security or other property.

Institutional Investment Management

In its Investment Management practice, ACG buys and sells individual securities, almost exclusively fixed income products. In that practice, it works with institutional clients such as banks and insurers. To illustrate, ACG might be hired by a bank to help it manage its capital reserves. In that role, the bank might ask whether ACG will conduct independent credit analysis on its holdings so as to alleviate the bank from relying solely upon credit rating agencies. ACG might also be asked to measure the "efficiency" of individual holdings in the context of their capital discount-weightings. Ongoing, ACG might be asked to make asset class relative value analysis in the context of prevailing and forecasted interest rates.

Individual Wealth Management

In its Individual Wealth Management practice, ACG services clients who engaged ACG directly or were introduced to ACG. To illustrate the latter, ACG is an Investment Manager approved by Charles Schwab to be an investment management option in its Separate Account Network (SAN) for its Midwest Region. Through it, Charles Schwab, Inc. financial consultants can utilize ACG's investment management services with their clients without further due diligence or fee negotiation. Primarily, ACG manages municipal bond portfolios for the SAN program.

Amount of Managed Assets

As of 12/31/2014, ACG was actively managing \$120,146,678 of clients' assets on a discretionary basis. An additional \$13,377,435,491 of clients' assets being managed on a non-discretionary basis.

Item 5 Fees and Compensation

ACG's fees are negotiable, as well as how ACG is paid. Clients can choose to have fees deducted from assets or be billed directly. In either case, ACG's standard arrangement for payment is quarterly. Further, ACG is paid for services rendered so if a client terminates their contract mid-quarter there are no advanced fees that are paid that would require a refund. Thus, ACG's fees are paid or deducted in arrears, not in advance.

ACG does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. It therefore has no conflict of interest with those investments, and does not recommend them based on the compensation received but, rather, on a client's needs. Clients of ACG always have the option to purchase investment products that ACG recommends through other brokers, agents or investment advisors not affiliated with ACG.

ACG does not use mutual funds or pooled products that pay upfront or deferred sales commissions.

ACG's sole source of compensation is the fee disclosed in ACG's service agreement.

ACG's clients may be charged transaction fees or a recordkeeping fee by their selected trustee or custodian. That fee may be either assessed against the client's account or paid directly by the client. It is not a fee that ACG charges – nor does ACG derive any revenue from such fee(s). Finally, the

decision of how that fee is paid is made by the client and not ACG.

Mutual funds and other types of pooled accounts generally have management fees (expressed as expense ratios) embedded in them. Expense ratios generally negatively affect the return of investment vehicles. While expense ratios are generally disclosed in advance by the pooled vehicles, other expenses embedded in them can be more difficult to discern. A case in point is actual per-share trading fees. Except for per-share trading fees, most expenses are accounted for in the fund's prospectus or in the case of a separate account are generally available upon request of the separate accounts management. ACG relies on publically available software systems to calculate expense ratios. Trading expenses and various "other" expenses are not generally tracked by those publically available software systems and ACG does not otherwise account for them.

ACG generally passes through to clients out-of-pocket expenses (out of town travel, hotels, car rental, major printing, etc.) except meals, at cost.

ACG does not accept any soft dollars.

To explain how its fees are calculated, each of ACG's three practice areas will be discussed separately.

Institutional Investment Consulting

In its Institutional Investment Consulting practice, ACG works primarily with employer sponsored retirement plans, endowments/foundations and Tribal Councils. In its retirement plan consulting practice, ACG offers three tiers of service. First, ACG helps the plan sponsor select and monitor its retirement plan(s) core funds and suggests replacements when, and if, necessary. Second, ACG offers to provide participant investment education and assistance. Finally, ACG helps employers benchmark their sponsored plan's existing features and services to confirm that the total fees paid are reasonable for the services received.

Fees may be in the form of basis points, a fixed dollar amount or a combination of both.

Some ACG clients choose to pay ACG directly while others pass ACG's fees through, in whole or in part, to the plan trust.

ACG does not have a standard fee schedule when providing its Institutional Investment Consulting services as its fees depend on many factors and complexity.

Institutional Investment Management

ACG's second business line is the providing of fixed-income investment-management (Ex: corporate cash management) to institutional (ex: banks and insurance companies) clients. Its fees are negotiable.

Individual Wealth Management

In its Wealth Management department, ACG works with individual clients to build customized portfolios given the client's unique risk tolerance. Clients are charged a basis points fee, which fee clients can choose to pay from outside their account or have deducted from their account.

ACG currently requires a \$500,000 (single account) / \$750,000 (family account) investment and its management fee begins at 75 basis points (0.75%) for the construction and oversight of a broadly diversified portfolio consisting of mutual funds and/or ETF's. ACG also has two (2) fixed-income

strategies made up of individual securities: Customized Municipal Bond Portfolio and Tactical (Taxable) Short-Term Bond Strategy. The management fee for each begins at 55 basis points (0.55%).

Item 6	Performance-Based Fees and Side-By-Side Management
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ACG does not charge performance based fees.

Item 7	Types of Clients
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Institutional Investment Consulting: ACG works primarily with employer sponsored retirement plans, foundations/endowments and Native American Tribal Councils. ACG does not have a minimum account size.

Institutional Investment Management: ACG works primarily with corporations, banks and insurers. ACG does not have a minimum account size.

Individual Wealth Management: ACG's current minimum account is \$500,000 (single) / \$750,000 (family) – but it will make exceptions to that minimum on a case by case basis.

Item 8	Methods of Analysis, Investment Strategies and Risk of Loss
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Methods of Analysis

The focus of ACG's Institutional Investment Consulting practice is on portfolio analytics. For most accounts, ACG follows the principals of Modern Portfolio Theory. ACG's goal is to build portfolios along an efficient frontier and then discuss the pros and cons of taking on more, or less, risk along that arc with each client.

ACG's Institutional Investment Management decisions for institutional clients generally take into consideration the duration of the liabilities as well as the interest rate risk of the assets. Throughout ACG's investment management practice, credit analysis is also a significant focus. Those are not the only considerations, but they are the predominant ones.

ACG's Individual Wealth Management practice is mostly comprised of two different types of clients: ones for whom ACG builds a "total" portfolio (generally comprised of mutual funds and ETF's) and others for whom it manages a fixed income portfolio (which, in turn, generally forms a component of the client's overall portfolio).

ACG's investment and portfolio analytics relies solely on historical data and do not predict future outcomes. Thus, in extraordinary events, the use of historical data may not be helpful. The financial market changes in 2008 and early 2009 are an example. In ordinary market environments ACG seeks to provide superior risk-adjusted returns compared to the broad market itself.

To assist our review process we acquire our investment manager data from several sources; eVestment, Morningstar Direct, Klein Decisions, Bloomberg and Steele Systems are our primary sources of external data. We buttress that data by having direct contact and interviews with fund personnel and managers. We utilize Bloomberg for real time fund and industry news related to the managers and management firms used within our client's retirement plans. This news is delivered real-time to our investment consultants and research analyst for further consideration.

ACG has also developed a propriety analysis tool we refer to as Rolling Periods of Time ("RPT"). This tool allows us to analyze a manager over several unique rolling time-periods rather than just one static period of time. For example, a manager with a 4-year performance history will have only one three-year performance period to analyze. The RPT tool allows us to construct thirteen (13) 3-year periods of time and analyze the mangers risk and return characteristics over those periods to determine the manager's ability to deliver value consistently rather than just one time.

In addition to these research tools, ACG has also developed internal asset class valuation metrics and on a quarterly basis we prepare our own detailed economic review. These tools are not utilized to anticipate the future path of economic growth, they are utilized to track the relative valuation of various asset classes and how those relationships affect the performance of the asset managers our clients utilize. By understanding the market environment that an asset manager is operating in, their performance relative to their peers and the broad market can be better understood.

Investment Strategies

In its Institutional Investment Consulting practice, ACG generally uses mutual funds and/or separate accounts to construct broadly diversified portfolios using the Client's Investment Policy Statement ("IPS") as its guide. Each Investment Policy Statement will vary from client to client, but in general terms will consist of the following services:

- a) Develop and oversee the Investment Policy Statement;
- b) Prepare Monitoring Reports;
- c) Attend Investment Committee Meetings;
- d) Prepare and distribute Reports for funds that fail the IPS and are recommended for replacement; and
- e) Evaluate alternative share classes and revenue sharing, if applicable.

For its employer-sponsored retirement-plan clients, ACG is often retained as an ERISA 3(21) Advisor to coordinate with the Plans' recordkeeper the construction and automatic rebalancing of Model Portfolios consistent with the safeharbors enunciated in Department of Labor Interpretive Bulletin 96-1. In conjunction with their construction, ACG is often retained to educate the Plans' participants about them. Delivery methods include, but are not limited to:

- a) In-person (e.g., group and/or one-on-one meetings),
- b) Internet based seminars,
- c) Recorded Internet Video Vignettes and/or
- d) Conference calls.

In its Institutional Investment Management practice, ACG works with mid-sized banks and insurers to deliver consultative, transactional and reporting benefits. In that capacity, ACG acts as outsourced portfolio managers and analysts. With the clients' input, ACG designs portfolio strategies that are unique to the client and recommends sectors and structures based on relative value. In consultation with the Client, ACG buys/sells fixed-income securities for the portfolios. ACG's general philosophy is buy-and-hold. That said, at different times ACG has either shortened or lengthened the duration depending on market and economic conditions. And, there have been times in ACG's Institutional Investment Management practice that fixed-income securities have been sold shortly after their purchase due to a sudden and dramatic movement in interest rates that was beneficial to its clients. Transactions are done competitively and trade execution is documented. Finally, its quarterly reports are designed to provide management with the ability to make portfolio buy/sell decisions against the

backdrop of capital reserve weightings and efficiency.

In its Individual Wealth Management practice, ACG has several different investment strategies. The most generic is to build a broadly diversified risk-based portfolio generally consisting of mutual funds. (In some instances, ETFs and/or separate accounts have also been used).

For the appropriate Individual Wealth Management client, ACG will also build customized fixed-income portfolios. To date, most of those have been built using municipal bonds and, in turn, most of ACG's individual fixed-income clients have been referred to it through ACG's participation in the Charles Schwab, Inc. SAN program. (See "Item 14" hereinafter for a complete description of the SAN program).

Risk of Loss

All investing involves risk of loss and ACG enunciates that risk in its Service Agreements.

The material risks associated with ACG's Investment Consulting practice are common to all mutual funds and pooled products like separate accounts and collective trust funds. The risks can include non-systematic risks like: a) management, or company risk, which reflect the decisions a company's managers make that affect the performance of its stock or it can be b) credit, or default risk, which is the risk the company or entity (public) fails to make bond interest or principal payments on a timely basis. The risks could also be systematic and include: a) inflation (increasing inflation can reduce the value of an investment, in particular bonds), b) the change in value of a bond due to changes in interest rates, c) the change in value of one currency versus another, d) the inability to buy or sell an investment quickly due to its lack of liquidity and/or e) the possibility that political or social unrest will affect investment performance and market function.

In ACG's Institutional Investment Management practice, risk can be a) management (company, or governmental entity, etc.) risk, which reflect the decisions the managers or civic leaders make that affect the performance of its bond or it can be b) credit, or default risk, which is the risk the company or governmental entity fails to make bond interest or principal payments on a timely basis. The risks could also be systematic and include: a) inflation (increasing inflation can reduce the value of an investment, in particular bonds), b) the change in value of a bond due to changes in interest rates, c) the change in value of one currency versus another, d) the inability to buy or sell an investment quickly due to its lack of liquidity and/or e) the possibility that political or social unrest will affect investment performance.

In its Institutional Investment Management practice, ACG also buys an assortment of taxable fixed income securities. The most common types are corporate bonds, mortgage backed (MBS), collateralized mortgage obligations(CMOs), and securities issued by government agencies like FNMA, FHLB, FHLMC and FFCB. Risk of default is the most material risk associated with corporate bonds because the issuing company is the only entity responsible for payment to the bondholder.

MBS and CMOs possess a unique risk known as prepayment risk. The securities are backed by residential mortgages which can be prepaid without penalty at any time. The individual MBS and CMOs can trade at a premium which is at risk if the mortgage prepays. This type of risk is managed by knowing the specific characteristics of the individual mortgages (such as loan size, geographic diversification, mortgage term, rate etc.) and how the specific security will react to changes in prepayment behavior. The risk unique to agency backed bonds (FNMA, FHLB, FHLMC and FFCB) is call-risk. A call feature allows the issuer to redeem the security on or after a specific date at a specific price. Unfortunately, the call feature tends to be exercised by the issuer at the time most disadvantageous to the investor. The easiest way to avoid this type of risk is by not purchasing securities with a call feature. The more common method is to purchase securities with a call feature.

as a small percentage of the total portfolio. An investor earns a higher yield if a security contains a call feature versus one that does not so there is a benefit to the investor. Call risk is very common with agency and municipal issued securities.

In ACG's Individual Wealth Management department, risk varies depending upon the Client's chosen strategy. For Client's who engage ACG to build for it a mutual-fund risk-based portfolio, the risks can include non-systematic risks like: a) management, or company risk, which reflect the decisions a company's managers make that affect the performance of its stock or it can be b) credit, or default risk, which is the risk the company fails to make bond interest or principal payments on a timely basis. The risks could also be systematic and include: a) inflation (increasing inflation can reduce the value of an investment, in particular bonds), b) the change in value of a bond due to changes in interest rates, c) the change in value of one currency versus another, d) the inability to buy or sell an investment quickly due to its lack of liquidity and/or e) the possibility that political or social unrest will affect investment performance and market function.

For its individual wealth management fixed-income clients, security selection is also a substantial risk. Today, an investor in municipal bonds needs to accept the fact that municipalities have in the past and may in the future default on their bonds. ACG works to mitigate this risk by employing a rigorous credit analysis process but this process still cannot guarantee success. Today, there is a special and opaque risk associated with the true cost of the post-retirement liabilities municipalities have promised to their retirees. That risk is substantial and buyers of municipal bonds need to be aware of it. As noted earlier, it is possible for Municipalities to default on their bonds – and even go into bankruptcy. It has happened in the past. The Great Depression saw a number of Municipalities default or declare bankruptcy. Historically, defaults of essential purpose and general obligation municipal bonds have been rare. Inflation and security specific defaults have been and will continue to be a principal risk for municipal bonds.

With regard to ACG's Rule 3a-4 "Tactical Short Term Bond" strategy, the individual securities involve default risk of principal and interest, collateral impairment, borrower industry concentration, and limited liquidity. In addition, floating rate securities are subject to interest-rate and credit risk and can lose principal value when interest rates rise.

Item 9**Disciplinary Information**

ACG is required to disclose any legal or disciplinary events that are material to a client's or prospective clients' evaluation of our advisory business or the integrity of our management.

ACG and its management personnel have no reportable disciplinary events to disclose – nor have there ever been any in the life of the company.

Item 10**Other Financial Industry Activities and Affiliations**

The principals of ACG are also shareholders in a separately incorporated benefits consulting firm d.b.a. ACG-Benefits and Risk Consulting (ACG-BRC). ACG-BRC is an insurance agency incorporated and licensed in the State of Minnesota. Most of ACG-BRC's business consists of consulting on employer-sponsored health care plans and voluntary benefits. Several of ACG's 401(k) clients are also clients of ACG-BRC, and vice versa.

Item 11	<i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</i>
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ACG's Code of Ethics is specifically intended to comply with Rule 204A-1 under the Investment Advisers Act of 1940. Structurally, its goal is to set forth standards of conduct and require compliance with federal securities laws and that reflect the fiduciary principals of the Advisers Act to wit: ACG and its personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to its spirit as well. Its Code applies to all supervised persons at ACG. Its broad categories include: Standard of Conduct and Compliance with Laws, Rules and Regulations; Protection of Material Non Public Information; Personal Securities Trading and Consequences for Failure to Comply and Reporting Certain Conduct.

In addition to its Code of Ethics, ACG also has a Compliance Manual, Business Continuity Plan, Anti-Money Laundering Policy, Insider Trading Policy, Restricted Investment List, Quarterly Personal Trading Reports, and an Identity Theft Protection Program.

ACG's Compliance Manual contains the following categories: Introduction, Jurisdiction, SEC Registration, Investment Adviser Standard of Care, Compliance Policies & Procedures – Overview, Compliance Policies and Procedures – Rule 206(4)-7, Compliance Procedures and Practices – Other, Supervision and Internal Controls and Use and Distribution of the Compliance Manual.

ACG has a formal "Insider Trading Policies and Procedures" program as a part of its overall compliance program. It reads in part:

Investment Advisers Act (1940) Rule 204A-1 requires that each director, officer and partner and access person make periodic disclosures of their personal securities transactions and holdings periodically – which it refers to as "Reportable Securities." Reportable Security means a security as defined in section 202(a)(18) of the Act (15 U.S.C. 80b-2(a)(18)). ("(18) "Security" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guaranty of, or warrant or right to subscribe to or purchase any of the foregoing.") For purposes of 204A-1, Reportable Security does not include:

1. Direct obligations of the Government of the United States;
2. Bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements;
3. Shares issued by money market funds;
4. Shares issued by open-end funds other than reportable funds; and
5. Shares issued by unit investment trusts that are invested exclusively in one or more open-end funds, none of which are reportable funds.

Prior approval must be obtained before the direct or indirect acquisition of beneficial ownership in any security in an initial public offering or in a limited offering. In general, "access person" means someone who has nonpublic information through client contact or is involved in making securities

recommendations to clients. But see the rule for its more complete definition. If you are subject to these reporting requirements, you will also be required to provide the firm with a holdings report on an annual basis.

Copies of the above will be provided to any ACG client or prospective client upon request. You may request a copy by email sent to our Chief Compliance Officer, Daniel Schroeder at dschroeder@acgbiz.com or by calling us toll free at: 866-225-5224.

Item 12 Brokerage Practices

In its Institutional Investment Consulting and Institutional Investment Management practices, ACG works with the custodian of the client's choice. In the case of the former, trades are initiated through the client's chosen custodian so seeking external best execution is not an option. In the case of the latter, ACG will generally seek best execution on the open market which entails delivery-versus-payment coordination between the external broker and the client's custodian.

In the case of Individual Wealth Management accounts, ACG recommends that clients establish brokerage accounts (to maintain custody of clients' assets and to effect trades for their accounts) with either Charles Schwab & Co., Inc. or Fidelity – both of whom are "qualified" custodians, FINRA registered broker-dealers and members of SIPC. When possible client purchases and sales are aggregated to achieve the most efficient execution. Reasonable efforts are used with the goal being that fixed-income purchases are to be allocated among accounts using the following prioritization; suitability for type of account (municipal, short-duration taxable accounts etc...), percentage of account not invested (percentage of the account in cash), duration of the position relative to account duration (in the context of the duration of the relevant benchmark duration) and finally subjective fit for a specific account (i.e. If a position were non-callable it would be most appropriate to place it in an account with a significant amount of call risk as opposed to an account comprised entirely of non-callable bonds - all proceeding factors being equal). In instances when ACG is selling securities to harvest gains/losses or reposition portfolios, as a courtesy, ACG often attempts to reach out to clients to determine whether the change is in line with each client's specific goals.

Item 13: Review of Accounts

On a quarterly basis, each of ACG's Institutional Investment Consulting clients is provided with a comprehensive investment-overview. Their preparation is a team effort – as is their internal review. But, ultimately, responsibility for them is with Charles Langowski and Dan Schroeder. Generally, meetings are held quarterly with those clients' investment committees to review those reports.

ACG's Institutional Investment Management clients receive quarterly statements. Patrick Larson and Tony Albrecht generally review these statements. In addition, it is generally the norm to offer to meet with those clients – in person or via phone – to review those reports.

ACG's quarterly reports prepared for Individual Wealth Management clients are reviewed by Charles Langowski and Patrick Larson – both principals of ACG. On a monthly basis client asset allocation positions and relative performance are reviewed and discussed by the Investment Management team. Changes in market dynamics, economic forces or a change in an investment manager within a portfolio may prompt a review of all impacted portfolios. On an ad-hoc basis spot checks are performed on individual accounts to test for best execution, block-trade distribution practices and consistency of fees being deducted with fees agreed to in the respective service agreement. Offers are made to meet with individual clients throughout the year and at year-end a request is made to

those individual clients to update ACG with any substantially changes in their lives that would make them want to change their investment goals and objectives.

For its Institutional Investment Management and Individual Wealth Management clients, ACG engages an independent third party to reconcile account activity and balances on a quarterly basis to assure accuracy of reports. On that report, clients are encouraged to compare and contrast that accounting with the reports that it gets from its Custodian.

Item 14

Client Referrals and Other Compensation

ACG receives client referrals from Charles Schwab & Co., Inc ("Schwab") through ACG's participation in the Schwab Advisor Network ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with ACG. Schwab does not supervise ACG and has no responsibility for ACG's management of client portfolios or Advisor's other advice or services. ACG pays Schwab fees to receive client referrals through the Service. ACG's participation in the Service may raise potential conflicts of interest described below.

ACG pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by ACG is a percentage of the fees the client owes to ACG or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. ACG pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to ACG quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by ACG and not by the client. ACG has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs ACG charges clients with similar portfolios who were not referred through the Service.

ACG generally pays Schwab a non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The non-Schwab Custody Fee is higher than the Participation Fees advisors generally would pay in a single year. Thus, ACG will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and non-Schwab Custody Fees will be based on assets in accounts of ACG's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, ACG will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit ACG's fees directly from the accounts.

For accounts of ACG's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from ACG's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, ACG may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. ACG nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for ACG's other clients. Thus, trades for accounts custodied at

Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

Item 15	Custody
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"Custody" as that term is used by the SEC, is very particular. To the lay person, it generally denotes physicality. But, the SEC uses it more broadly. To be specific, if an adviser has no physical possession (or right to possess/access/distribute) of a client's securities but the adviser has the authority to direct the custodian who has their physical possession to deduct its investment management fee on a periodic basis from the client's account – then the advisor technically has custody. But, in that limited situation the adviser is given safeharbor protection so long as the custodian who has physical possession of the client's assets is a "qualified" custodian (verified annually) and the advisor directs the client (on a recurring basis) to compare/contrast the statements the client might get from the advisor with those that it otherwise gets from the custodian. (Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things.)

Perhaps the easiest way to make sense of this is to ask: do any of ACG's clients authorize it to direct the client's custodian to deduct ACG's fees on a regular basis from the clients' accounts? The answer is that "yes," in some cases they do (which we previously disclosed in Item 5: Compensation). And in those cases, ACG follows the preceding guidelines.

There are additional nuances to this topic. For instance, the advisor cannot be the conduit between the client and its custodian for the delivery of securities (except checks). Ex: stock certificates. Should the client deliver securities to ACG, they are returned to the client expeditiously and ACG maintains a log to that effect. While it will not accept it as routine/ongoing practice, ACG will forward to the client's custodian occasional checks from the client and made out in the name of the custodian. Again, it will do so expeditiously and it keeps a separate log to that effect. Then there is the question of directing the custodian to make "distributions" from the account. ACG has taken great pains to formally instruct the qualified custodians with which it works to withdraw any authority it might have given ACG (with or without ACG's knowledge) to direct such distributions. One additional nuance to distributions is that ACG may be empowered to direct the movement of monies between a client's own accounts.

The goal of the foregoing is to give a comprehensive, succinct but logical overview of the SEC's Custody Rule. (See IAA Rule 206(4)-2). For an overview of it by the SEC itself, please go to: http://www.sec.gov/divisions/investment/custody_faq_030510.htm.

Item 16	Investment Discretion
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Clients may hire us to provide discretionary Investment Advisory Services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell;
- Determine the amount of the security to buy or sell; and/or
- Rebalance the client's account.

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and

may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions. Finally, ACG's service agreement directs each client to review that contract with a lawyer of their choosing.

Institutional Investment Consulting

ERISA 3(38) allows a Plan Sponsor to delegate to a Registered Investment Advisor (or bank or insurance company) its investment management oversight responsibilities. While this provision has been in place since inception, Plan Sponsors have been slow to avail themselves of it. When the Pension Protection Act was passed, it provided for Qualified Default Investment Alternatives ("QDIA") with one option being to have them customized for the Plan by a 3(38) Investment Advisor. But, that was an extension (and not a contraction) of the authority. Today, ACG serves as a 3(38) advisor to a number of customized QDIA's. More recently, it has also been asked by a limited number of Plan Sponsors to act as a 3(38) advisor for "all" of the Plans' investment offerings.

Institutional Investment Management

On a case-by-case basis, we may agree – and have agreed - to take on discretionary management of fixed income portfolios for institutional clients.

Individual Wealth Management

In our Individual Wealth Management practice area, we limit our discretionary investment management to building fixed-income portfolios. The majority – but not all - of our discretionary investment accounts are through our participation in the Charles Schwab, Inc. SAN program. (See Item #14 for a more complete description of that program).

Item 17

Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

Clients may contact us regarding a proxy question but ACG will not offer any advice as to the manner in which the client should vote.

<i>Item 18</i>	<i>Financial Information</i>
ACG has no financial circumstances to report. ACG does not require or solicit prepayment of more than \$1,200 in fees per client – six months in advance, or otherwise. ACG does exercise discretionary trading authority over certain clients' funds or securities. It does NOT exercise any custody of clients' funds or securities. And, it is unaware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. ACG has not been the subject of a bankruptcy petition at any time during the past ten years (or at any time).	

Item 1: Cover Page

Advanced Capital Group, Inc.

50 South Sixth Street, Suite 975, Minneapolis, MN 55402

301 West Main Street, Barrington, IL 60010

www.acgbiz.com

612-230-3000

1/1/2015

**FORM ADV PART 2B
BROCHURE SUPPLEMENT**

This brochure supplement provides information about “supervised persons” who provide or formulate investment advice for a *client* of Advanced Capital Group, Inc. and has direct *client* contact or who has discretionary authority over a client’s assets, even if the supervised person has no direct client contact. See SEC rule 204-3(b)(2).

“Supervised Person” means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser. See SEC rule 202 – (25)

For purposes of this Brochure Supplement, ACG’s “supervised persons” are: Tony Albrecht, Derrick Avelar, Ilya Berdichevski, Cindi Bruns, John Conway, Justin Dorsey, Jacob Fuerstneau, Michael Hoeschen, Teresa Kruse, Charles Langowski, Patrick Larson, Mark Meyer, Mary Nearhoof, Teri Richardson, Melissa St. George, David Schmidt, Dan Schroder, Diana Schutter, Brad Tollander and Samantha Wetterlund.

Other than David Schmidt, each of the “supervised persons” described in this Brochure Supplement work out of the Minneapolis office listed above. Mr. Schmidt works out of the Chicago address listed above. All “supervised persons” use as their general business number the number that is listed above.

If you have any questions about the contents of this supplement please contact us at TF: 866-225-5224; T: 612-230-3000. Advanced Capital Group’s ADV is available on the SEC’s website at www.adviserinfo.sec.gov.



Item 2: Educational Background and Business Experience

Albrecht, Tony

Year of Birth: 1957



Education:

B.S. Economics Iowa State University – 1982

M.S. Economics Iowa State University – 1984

Business Experience:

- Advanced Capital Group, Inc., Fixed Income Portfolio Manager (2012 – Present)
- Windsor Financial Group: Director – Fixed Income Group

Professional Designations:

- Chartered Financial Analyst [CFA] - 1991
This designation is issued by the CFA Institute and is granted to individuals who meet one of the following prerequisites: possess an undergraduate degree and four years of professional experience investment decision making; or four years qualified work experience (full time, but not necessarily investment related). The candidate is required to follow a self study program involving 250 hours of study for each of the following three disciplines: Level One: Ethics & Professional Standards; Level Two: Investment Tools & Asset Classes; and Level Three: Portfolio Management & Wealth Planning. Once the designation is issued, no further Continuing Education is required.

Disciplinary Information:

- None

Other Business Activities:

- None

Additional Compensation:

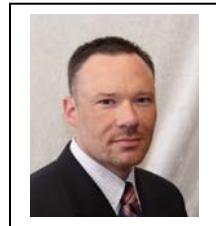
- None

Supervision:

- Mr. Albrecht is a fixed-income portfolio-manager. In that role, he buys and sells individual securities for high-net-worth individuals and for corporate/institutional clients. In that capacity, Mr. Albrecht provides investment-advice to clients – but within the framework of the internal Investment Committee. Mr. Albrecht also participates in sales presentations as part of a team. Supervisor = Patrick Larson, 612-230-3011.

Avelar, Derrick S.

Year of Birth: 1973



Education:

- University of St. Thomas, B.A., Finance, 2001

Business Experience:

- Advanced Capital Group, Financial Consultant (04/2005 – Present)

Professional Designations:

- CERTIFIED FINANCIAL PLANNER™ [CFP] - 1991.

Accredited by the National Commission for Certifying Agencies (NCCA), this designation is issued by the Certified Financial Planner Board of Standards, Inc. (CFPBS) and is granted to individuals who complete a CFP Certification Examination as well as to meet the following prerequisites: bachelor's degree from an accredited college or university and three years of full time personal financial planning experience. In order to qualify, the candidate must complete a CFP-board registered program or hold one of the following titles: CPA, ChFC, Chartered Life Underwriter (CLU), CFA, PhD in business economics, Doctor of Business Administration or Attorney's License. Once issued, the candidate is required to complete 30 hours of continuing education every two years and must continuously meet the standards administered by CFPBS.

Disciplinary Information:

- None

Other Business Activities:

- None

Additional Compensation:

- None

Supervision:

- Mr. Avelar manages client services for Advanced Capital Group's individual accounts and as such is an Investment Advisor Representative. In that role, he might also help them select suitable mutual funds and other investments. In the individual account department, a list is maintained of funds that Mr. Avelar can use to recommend to clients. Mr. Langowski has supervisory oversight responsibility of that approved fund list and meets with Mr. Avelar on a periodic basis to review it. Supervisor = Charles Langowski, 612-230-3008.

Berdichevski, Iliya

Year of Birth: 1977



Education:

- Bachelor of Science, Major: International Business, University of St. Thomas (1999)
- MBA, Major: Finance, University of St. Thomas (2003)

Business Experience:

- Advanced Capital Group, Inc., Investment Research Analyst (2012 – Present)
- Berthel Schutter LLC, Analyst (2003 – 2012)

Professional Designations

- Successfully completed Level 1 of 3 CFA examinations
- Currently studying for Level 2 of 3 CFA examinations

Disciplinary Information:

- None

Other Business Activities:

- None

Additional Compensation:

- None

Supervision:

- Mr. Berdichevski's main duties are to provide investment research, writing and support to Diane Berthel, Diana Schutter and Mike Hoeschen. From time to time, Mr. Berdichevski may attend and play a substantive role in client meetings. Predominately, the types of clients that Mr. Berdichevski supports are institutional investment consulting clients. (Ex: 401k, endowments/foundations, Tribal investment committees). Mr. Schroeder is responsible for overall supervisory functions within that area – and Charles Langowski is responsible for the investment analytics. With regard to both topics, internal periodic group meetings are held to review such subjects as investment watch-lists. Supervisor = Charles Langowski, 612-230-3008; Dan Schroeder, 612-230-3003.

Bruns, Cindi

Year of Birth: 1963



Business Experience:

- Advanced Capital Group, Inc., Fixed Income Administrator (2013 – Present)
- Quantitative Advantage, Portfolio Operations Analyst (2011-2013)
- Voyageur Asset Management, Senior Performance Analyst (2005-2009)
- Voyageur Asset Management, Manager of Portfolio Administration (1996-2005)

Disciplinary Information:

- None

Other Business Activities:

- None

Additional Compensation:

- None

Supervision:

- Ms. Bruns performs operations and trading for Mr. Larson, Mr. Langowski and Mr. Albrecht. Ms. Bruns does not provide investment-advice to clients. Supervisor = Charles Langowski, 612-230-3008.

Conway, John



Year of Birth: 1963

Education:

- University of Minnesota, B.A. Speech Communications, 1987

Business Experience:

- Advanced Capital Group, Financial Consultant (06/2004 – Present)

Disciplinary Information:

- None

Other Business Activities:

- None

Additional Compensation:

- None

Supervision:

- Mr. Conway helps with retirement-plan enrollment meetings and education seminars and in the preparation of supporting materials. Mr. Conway does not give clients advice in the context of his job duties. Supervisor = Dan Schroeder, 612-230-3003; Charles Langowski, 621-230-3008.

Dorsey, Justin

Year of Birth: 1953



Formal Education after High School:

- University of Minnesota, B.A., 1978
- University of Minnesota, J.D., 1986

Business Background for the Previous Five Years:

- Advanced Capital Group, Firm Principal, Co-Chief Compliance Officer, Director of Marketing (05/2002 – Present)

Disciplinary Information:

- None

Other Business Activities:

- Mr. Dorsey is a shareholder ACG-BRC, Inc.

Additional Compensation:

- None

Supervision:

- Justin Dorsey, Charles Langowski, Patrick Larson and Dan Schroeder are the principals and shareholders of ACG. (Their respective duties are set-out hereinbefore). As such, each has both management – and director - duties. In their respective dual-capacities, they are answerable to one-another. The contact info for each is the same as for the corporation itself and is listed on the front of this brochure.

Fuerstneau, Jacob



Year of Birth: 1981

Education:

- Bachelor of Science in Business, Emphasis in Finance, University of Kansas (2004)
- MBA Candidate, University of Minnesota-Carlson School of Management (2010-Present)

Business Experience:

- Advanced Capital Group, Investment Research Analyst (2013 – present)
- Berthel Schutter, Analyst (2005 – 2012)

Professional Designations

- Successfully completed Level 1 of 3 CFA examinations
- Currently studying for Level 2 of 3 CFA examinations

Disciplinary Information:

- None

Other Business Activities:

- None

Additional Compensation:

- None

Supervision:

- Mr. Berdichevski's main duties are to provide investment research, writing and support to institutional investment consulting clients. From time to time, Mr. Berdichevski may attend and play a substantive role in client meetings. Predominately, the types of clients that Mr. Berdichevski supports are institutional investment consulting clients. (Ex: 401k, endowments/foundations, Tribal investment committees). Mr. Schroeder is responsible for overall supervisory functions within that area – and Charles Langowski is responsible for the investment analytics. With regard to both topics, internal periodic group meetings are held to review such subjects as investment watch-lists. Supervisor = Charles Langowski, 612-230-3008; Dan Schroeder, 612-230-3003.



Hoeschen, Michael T.

Year of Birth: 1967

Education:

- *B.S. Degree in Accounting, St. Cloud State University, St. Cloud, MN, 1995*
- *Certified Public*

Business Experience:

- *Advanced Capital Group, Inc., VP Investment Consulting (2013 – Present)*
- *Berthel Schutter LLC, Principal (December 2000-2012)*
- *Berthel Schutter LLC, Analyst (July 1998-December 2000)*
- *Arthur Andersen LLP, Staff Accountant (July 1995-July 1998)*

Professional Designations:

- *Certified Public Accountant CPA (Inactive)*

Disciplinary Information:

- None

Other Business Activities:

- None

Additional Compensation:

- None

Supervision:

- Mr. Hoeschen performs both client relations and marketing functions – but predominately within the Investment Consulting Department. In connection with his client relations, Mr. Hoeschen has frequent contact with the firm's investment research analysts (particularly Iliya Berdichevski and Jacob Fuerstneau) and often gives them instructions. On investment related issues, Mr. Hoeschen ultimately reports to Charles Langowski. Mr. Hoeschen is one of ACG's Investment Advisor Representatives. With regard to marketing, Mr. Hoeschen ultimately reports to Dan Schroeder. Supervisor = Dan Schroeder, 612-230-3003; Charles Langowski, 621-230-3008.

Kruse, Teresa J.

Year of Birth: 1967



Education:

- *University of Phoenix, B.S., Business Management and Marketing, 2008*

Business Experience:

- *Advanced Capital Group, Relationship Manager, (2010 – Present)*
- *Defined Contribution Advisors, RFP/Benchmarking Analyst (2007 – 2009)*
- *Watson-Wyatt/Wachovia Corporation, Manager Client Services (2005-2007)*
- *Watson-Wyatt/Wachovia Corporation, Call Center Specialist (1995-2005)*

Disciplinary Information:

- *None*

Other Business Activities:

- *None*

Additional Compensation:

- *None*

Supervision:

- Ms. Kruse works in the Investment Consulting department – predominately with employer-sponsored retirement-plans. She is a Relationship Manager for a number of accounts. In that capacity, Ms. Kruse helps with the day-to-day issues of disseminating and collecting forms such as Service Agreements and acting as liaison between clients and their recordkeepers. Ms. Kruse also helps do market searches for new providers as one of the services that Advanced Capital Group offers its clients and prospects. In general terms, that involves disseminating a Request For Proposal (RFP), summarizing the answers in a side-by-side format, and then debriefing the client/prospect on the findings. Little if any of Ms. Kruse's work involves giving investment advice to clients. The closest Ms. Kruse comes to giving advice is in conducting enrollment seminars and investment education seminars for retirement plan participants. But even then, that communication is intended to satisfy the DOL Interpretive Bulletin 96-1 recharacterization of certain

forms of advice as education. Supervisor = Dan Schroeder, 612-230-3003.

Langowski, Charles L.



Year of Birth: 1965

Education:

- Moorhead State University, B.S. - Finance, 1993
- University of Minnesota, M.B.A., Finance – 1995

Business Experience:

- Advanced Capital Group, Inc., Firm Principal, Chief Executive Officer, Chief Investment Officer, Director Wealth Management and Co-Chief Compliance Officer (1998 – Present)

Disciplinary Information:

- None

Other Business Activities:

- Mr. Langowski is a shareholder in ACG-BRC, Inc.

Additional Compensation:

- None

Supervision:

- Justin Dorsey, Charles Langowski, Patrick Larson and Dan Schroeder are the principals and shareholders of ACG. (Their respective duties are set-out hereinbefore). As such, each has both management – and director - duties. In their respective dual-capacities, they are answerable to one-another. The contact info for each is the same as for the corporation itself and is listed on the front of this brochure.

Larson, Patrick



Year of Birth: 1967

Education:

- Drake, B.S., Finance, 1994
- St. Thomas University, M.B.A., Finance, 2001

Business Experience:

- Advanced Capital Group, Firm Principal and Director Investment Management (2007 – Present)
- Windsor Financial, Portfolio Manager, Portfolio Manager (2004 – 2007)

Professional Designations:

- Chartered Financial Analyst ['CFA'] – 2001:
This designation is issued by the CFA Institute and is granted to individuals who meet one of the following prerequisites: possess an undergraduate degree and

four years of professional experience investment decision making; or four years qualified work experience (full time, but not necessarily investment related). The candidate is required to follow a self study program involving 250 hours of study for each of the following three disciplines: Level One: Ethics & Professional Standards; Level Two: Investment Tools & Asset Classes; and Level Three: Portfolio Management & Wealth Planning. Once the designation is issued, no further Continuing Education is required.

Disciplinary Information:

- None

Other Business Activities:

- Mr. Larson is a shareholder ACG-BRC, Inc.

Additional Compensation:

- None

Supervision:

- Justin Dorsey, Charles Langowski, Patrick Larson and Dan Schroeder are the principals and shareholders of ACG. (Their respective duties are set-out hereinbefore). As such, each has both management – and director - duties. In their respective dual-capacities, they are answerable to one-another. The contact info for each is the same as for the corporation itself and is listed on the front of this brochure. Because of his management of a number of individual accounts, Mr. Larson is also one of ACG's designated Investment Advisor Representatives.

Meyer, Mark D.

Year of Birth: 1953



Education:

- University of Nebraska–Lincoln, B.S., Mathematics and Actuarial Science, 1975
- University of Minnesota Law School, J.D., 1981

Business Experience:

- Van Iwaarden Associates, Consulting Actuary (1996 – Present)
- Kelly, Hannaford & Battles, P.A., Of Counsel (1996 – Present)
- Sylvan Benefit Consultants, Managing Director (1996 – 2011)
- Advanced Capital Group Benefits and Risk Consulting, Managing Consultant (2012 - Present)

Professional Designations:

- Enrolled Actuary [EA] – 1979 – Present:

An enrolled actuary (EA) is an actuary who has been licensed by a Joint Board of the Department of the Treasury and the Department of Labor to perform a variety of actuarial tasks required of pension plans in the United States by the Employee Retirement Income

Security Act of 1974 (ERISA). The Joint Board for the Enrollment of Actuaries administers two examinations to prospective enrolled actuaries. Once the two examinations have been passed, and an individual has also obtained sufficient relevant professional experience, that individual becomes an enrolled actuary. The first exam (EA-1) tests basic knowledge of the mathematics of compound interest, the mathematics of life contingencies, and practical demographic analysis. The second (EA-2) examination consists of two segments. Segment A covers the selection of actuarial assumptions, actuarial cost methods, and the calculation of minimum (required) and maximum (tax-deductible) contributions to pension plans. Segment B tests knowledge of relevant federal pension laws (in particular, the provisions of ERISA) as they affect pension actuarial practice. An Enrolled Actuary's enrollment to practice is renewable every three years. To qualify for renewal of enrollment an Enrolled Actuary must certify that he/she has satisfied the continuing professional education (CPE) requirements specified in the Joint Board's regulations.

- *Member, American Academy of Actuaries ['MAAA'] – 1979 – Present:*
For more than 45 years, Academy members have been united in their commitment to advance the profession and serve the public. Membership denotes an elite community of professionals who have shaped public policy at the state, federal, and international levels. Academy membership also acknowledges the highest level of professionalism and actuarial principles to help address vital issues relating to risk and financial security. Membership requirements are one or more of the following: Associateship in the Casualty Actuarial Society, associateship in the Society of Actuaries, M.S.P.A. or F.S.P.A. in the American Society of Pension Professionals and Actuaries, membership in the Conference of Consulting Actuaries, enrolled actuary status under Title 3, Section C of the Employee Retirement Income Security Act of 1974, fellowship in the Canadian Institute of Actuaries, fellowship in the Institute & Faculty of Actuaries, membership in the Colegio Nacional de Actuarios in Mexico, fellowship in the Institute of Actuaries of Australia.
- *Fellow, Society of Actuaries ['FSA'] – 1982 – Present:*
*A Fellow of the Society of Actuaries has demonstrated knowledge of the business environments within which financial decisions concerning pensions, life insurance, health insurance, and investments are made including the application of mathematical concepts and other techniques to the various areas of actuarial practice. The Fellow has further demonstrated an in-depth knowledge of the application of appropriate techniques to a specific area of actuarial practice. To attain the FSA designation, a candidate must successfully complete examinations, e-Learning courses and modules, validation of educational experiences outside the SOA Education system (VEE), a professionalism seminar and the Fellowship Admissions Course. The requirement include: Exam P – Probability, Exam FM – Financial Mathematics, Exam MFE – Models for Financial Economics, Exam MLC – Models for Life Contingencies, Exam C – Construction and Evaluation of Actuarial Models, EE Economics, EE Corporate Finance, EE Applied Statistics, Fundamentals of Actuarial Practice (FAP) e-Learning Course, Associateship Professionalism Course (APC), Social Insurance Module, Financial Economics Module, Enrolled Actuaries (EA) Exams (U.S. only), Design and Accounting Exam, ERM Module*and Retirement Plan Investment and Risk Management Exam or ERM Exam.*

- *Certified Employee Benefit Specialist ['CEBS'] – 1993 – Present:*
The CEBS program offers four highly renowned designations in the U.S. and Canada covering all aspects of benefits and compensation. One of the four is CEBS — the premier designation in total compensation, considered the standard of excellence in the industry. CEBS is cosponsored by the International Foundation and the Wharton School of the University of Pennsylvania. There are six required courses: GBA 1—Group Health Plan Design, GBA 2—Group Benefits Management, RPA 1—Retirement Plan Design, RPA 2—Retirement Plan Management, CMS 1—Human Resources and Compensation Management, and CMS 2—Compensation Concepts and Principles. Two electives are required (Any two of the following CEBS courses): RPA 3—Asset Management, RPA 4—Personal Wealth Management, GBA 3—Health Care Financing and Economics and CMS 3—Executive Compensation and Compensation Issues.

Disciplinary Information:

- None

Other Business Activities:

- Independent of ACG, Mark Meyer performs work for ACG-BRC, a local pension-actuarial firm and law firm.

Additional Compensation:

- *Mr. Meyer derives additional compensation from ACG-BRC, a local pension-actuarial firm and law firm.*

Supervision:

- Mr. Meyer supports the retirement-plan investment-consulting department. In particular he consults with clients on "Settlor" functions. Supervisor = Dan Schroeder, 612-230-3003.

Nearhoof, Mary

Year of Birth: 1958



Education:

University of North Dakota, B.S. Business Administration, 1981

Business Experience:

- *Advanced Capital Group, Fixed Income Administrator (2010 – Present)*
- *Markman Capital Management, Administrative Assistant (1994 – 2010)*

Professional Designations:

- **CERTIFIED FINANCIAL PLANNER™ [CFP] – 1992:**
Accredited by the National Commission for Certifying Agencies (NCCA), this designation is issued by the Certified Financial Planner Board of Standards, Inc. (CFPBS) and is granted to individuals who complete a CFP Certification Examination as well as to meet the following prerequisites: bachelor's degree from an accredited college or university and three years of full time personal financial planning experience. In order to qualify, the candidate must complete a CFP-board registered program or hold one of the following titles: CPA, ChFC, Chartered Life Underwriter (CLU), CFA, PhD in business economics, Doctor of

Business Administration or Attorney's License. Once issued, the candidate is required to complete 30 hours of continuing education every two years and must continuously meet the standards administered by CFPBS.

Disciplinary Information:

- None

Other Business Activities:

- None

Additional Compensation:

- None

Supervision:

- Ms. Nearhoof performs operations and trading for Mr. Larson, Mr. Langowski and Mr. Albrecht. Ms. Nearhoof does not provide investment-advice to clients.
Supervisor = Charles Langowski, 612-230-3008.

Richardson, Teri

Year of Birth: 1961



Education:

- University of Minnesota B.S.(1984)
- University of Minnesota M.B.A.(2001)

Business Experience:

- Advanced Capital Group, Senior Investment Consultant (2014 – Present)
- Minnesota State Board of Investments (2008-2012)
- Northwest Airlines, Director of Cash & Pension Investments (1995-2008)
- Mercer Consulting, Consultant/Analyst (1983-1995)

Professional Designations:

- Chartered Financial Analyst (1999).
- Member, CFA Society of Minnesota and CFA Institute, Charlottesville, VA
- Board Member, CFA Society of Minnesota (2015)
- Women's Foundation of Minnesota, Board Member (2003-2009); Investment Committee (2001-2009)

Disciplinary Information:

- None

Other Business Activities:

- None

Additional Compensation:

- None

Supervision:

- Ms. Richardson works in the Investment Consulting department at ACG where she works predominately with institutional retirement plan clients. An example of her duties would be to meet with clients at the end of the quarter to review the performance of their plan's individual investment offerings and portfolio performance. In that capacity, Mr. Richardson interacts with and reports to Mr. Langowski and Mr. Schroeder. Supervisor = Charles Langowski – 612.230.3008; Dan Schroeder – 612.230.3003.

St. George, Melissa

Year of Birth: 1969



Education:

- *University of Wisconsin, B.S. Finance, 1994*
- *University of St. Thomas, M.B.A, 2000*

Business Experience:

- *Advanced Capital Group, Senior Investment Research Analyst (2008 – Present)*
- *LarsonAllen Financial, Investment Consultant / Research Analyst, (2000 – 2007)*
- *Piper Jaffray, Due Diligence Analyst, (1994 – 2000)*

Disciplinary Information:

- None

Other Business Activities:

- None

Additional Compensation:

- None

Supervision:

- Ms. St. George reports, separately, to Mr. Langowski and Mr. Larson. In her duties under Mr. Langowski, Ms. St. George consults with Mr. Langowski on Investment Consulting clients. For example, Ms. St. George often prepares interim reports on funds that are on "watch-list." In some instances, Ms. St. George will also meet with the actual client to present that report. Before doing so, however, she will have reviewed that report internally with Mr. Langowski. From time to time, Ms. St. George will also meet with specific retirement plan consulting clients for their quarterly investment review meetings. Again, she will have taken part in the internal retirement department meetings before hand to review the scope of that report.

Schmidt, David

Year of Birth: 1948



Education:

- Michigan State University B.A.
- Indiana University MA, Ph.D.

Business Experience:

- Advanced Capital Group, Managing Consultant (2015– Present)
- TIAA-CREF 2007-2014
- AIG-Valic2002-2007
- ING 2000-2002
- Morgan Stanley 1998-2000

Professional Designations:

- None

Disciplinary Information:

- None

Other Business Activities:

- None

Additional Compensation:

- None

Supervision:

- Mr. Schmidt works in the non-profit Investment Consulting department at ACG. Brad Tollander oversees that department. So, Mr. Schmidt reports to Mr. Tollander. Brad Tollander = 612.230.3022

Schroeder, Daniel

Year of Birth: 1960



Education:

- University of Northern Iowa, B.A., Education, 1983

Business Experience:

- Advanced Capital Group, Firm Principal and Director Investment Consulting (2005– Present)

Professional Designations:

- Qualified Plan Financial Consultant (“QPFC”) - 2012:
The QPFC is the professional credential issued by the American Society of Pension Professionals and Actuaries (ASPPA) for financial professionals who sell, advise, market or support qualified retirement plans – and who successfully pass

a series of ASPPA exams. The QPFC program provides an understanding of general retirement planning concepts, terminology, distinctive features of qualified plans and the role of retirement plan professionals. QPFC is not an entry-level credential. A candidate will be expected to demonstrate a general proficiency of plan administration, compliance, investment, fiduciary, and ethics issues.

Disciplinary Information:

- None

Other Business Activities:

- Mr. Schroeder is a shareholder ACG-BRC, Inc.

Additional Compensation:

- None

Supervision:

- Justin Dorsey, Charles Langowski, Patrick Larson and Dan Schroeder are the principals and shareholders of ACG. (Their respective duties are set-out hereinbefore). As such, each has both management – and director - duties. In their respective dual-capacities, they are answerable to one-another. The contact info for each is the same as for the corporation itself and is listed on the front of this brochure.

Schutter, Diana

Year of Birth: 1951



Education:

- B.S. Degree, University of Minnesota, Minneapolis, MN, 1980
- M.B.A. in Finance, University of Minnesota-Curtis L. Carlson School of Management, 1983

Business Experience:

- Advanced Capital Group, Inc., VP Investment Consulting (2012 – Present)
- Berthel Schutter LLC, Principal, 1998-Present
- Arthur Anderson Manager Investment Advisory Services (1996-1998)
- Thomson Reuters (aka West Publishing), Investment Manager (1984-1996)
- Thomson Reuters, Chair of Investment Committee (1988-1996)
- Thomson Reuters, Pension Plan Trustee (1990-1996)
- Minneapolis Teachers Retirement Fund, Assistant Investment Manager (1974-1982)

Professional Designations:

- Chartered Financial Analyst [CFA] – 1994.:
This designation is issued by the CFA Institute and is granted to individuals who meet one of the following prerequisites: possess an undergraduate degree and four years of professional experience investment decision making; or four years qualified work experience (full time, but not necessarily investment related). The candidate is required to follow a self study program involving 250 hours of study for each of the following three disciplines: Level One: Ethics & Professional Standards; Level Two: Investment Tools & Asset Classes; and Level Three:

Portfolio Management & Wealth Planning. Once the designation is issued, no further Continuing Education is required.

- Member, CFA Society of Minnesota and CFA Institute, Charlottesville, VA
- Investment Committee Member of the Bigelow Foundation, St. Paul, MN since 2006

Disciplinary Information:

- None

Other Business Activities:

- None

Additional Compensation:

- None

Supervision:

- Ms. Schutter performs wide ranging client relations and marketing functions – but predominately within the Investment Consulting Department. In connection with her client relations, Ms. Schutter has frequent contact with the firm's investment research analysts (particularly Ilya Berdichevski and Jacob Fuerstneau) and often gives them instructions. On investment related issues, Ms. Schutter ultimately reports to Charles Langowski. With regard to marketing, Ms. Berthel ultimately reports to Dan Schroeder. Supervisor = Dan Schroeder, 612-230-3003; Charles Langowski, 621-230-3008.

Tollander, Brad



Year of Birth: 1967

Education:

- University of Minnesota, B.S., Management, 1990

Business Experience:

- Advanced Capital Group, Senior Investment Manager (2010 – Present)
- Deloitte Investment Advisors, Senior Manager, (1998 – 2010)

Professional Designations:

- Chartered Financial Analyst [‘CFA’] - 1999:

This designation is issued by the CFA Institute and is granted to individuals who meet one of the following prerequisites: possess an undergraduate degree and four years of professional experience investment decision making; or four years qualified work experience (full time, but not necessarily investment related). The candidate is required to follow a self study program involving 250 hours of study for each of the following three disciplines: Level One: Ethics & Professional Standards; Level Two: Investment Tools & Asset Classes; and Level Three: Portfolio Management & Wealth Planning. Once the designation is issued, no further Continuing Education is required.

Disciplinary Information:

- None

Other Business Activities:

- None

Additional Compensation:

- None

Supervision:

- Mr. Tollander is a senior investment analyst and in that capacity he is responsible for regularly meeting with Investment Consulting clients and debriefing them as to the performance of their investments. The Investment Consulting department meets internally on a regular basis at the end of each quarter to, among other things, review funds that might need to be put on monitor or watch lists. The purpose of that procedure is to review the scope of advice that can be given to clients in their investment committee meetings. To this question, the scope of Mr. Tollander's subsequent meetings with clients is dictated by this supervisory overview. Separately, Mr. Tollander oversees ACG's non-profit Investment Consulting department – which is a subset of the Investment Consulting department. Supervisor = Charles Langowski, 612-230-3008.

Wetterlund, Samantha



Year of Birth: 1987

Education:

- University of North Dakota, B.S. Aeronautics (2009)

Business Experience:

- Advanced Capital Group, RFP Coordinator (2013-present)
- Wells Fargo, Retirement Service Associate (2010-2013)

Disciplinary Information:

- None

Other Business Activities:

- None

Additional Compensation:

- None

Supervision:

- Ms Wetterlund works with ACG's investment consulting group where she works with accumulating and analyzing information in response to fee summary and requests for proposals. In that capacity, she reports directly to Dan Schroeder , 612-230-30003.



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #15

This is the Biography of the Investment Consultant (Bradley Tollander, CFA) who we would proposed to assign to your account should you retain us.

Bradley (Brad) Tollander, CFA
Senior Investment Consultant
50 South Sixth Street, #975
Minneapolis, MN 55402
T: 612.230.3009
E: BTollander@acgbiz.com



In 2010, our firm bought Deloitte's national retirement-consulting practice. (That year, Deloitte divested itself of both its retirement-consulting and high-net-worth-investor consulting practices and it sold the latter to a California firm). Deloitte's retirement-consulting practice was headquartered in Minneapolis. Brad was its national retirement-plans practice-leader. As you can imagine, Brad's clients were scattered across the entire U.S. And, much of it was working on files just like yours. Examples include: Kansas Board of Regents (KBOR), University of North Carolina (UNC), Pennsylvania State System of Higher Education (PASSHE), State of North Dakota, Minnesota State Colleges and Universities (MnSCU), State of Illinois - State Board of Investments, State of Iowa – Department of Administrative Services, Hennepin County (MN), Dakota County (MN), St. Paul k-12 Schools (MN), and Macomb County (GA).

- Overall experience with employer-sponsored retirement plans: 20 years
- Overall experience with state sponsored retirement plans: 18 years
- Overall experience with alternative retirement plans: 18 years
- Commitment to the retirement plans business: 100% of time
- Education, honors, designations and other credentials: CFA
- Regular activities to stay current on market and regulatory developments: CFA Society of Minnesota, CUPA, CACUBO
- Areas of expertise: Investments
- Years with the firm: Five (5) years
- Role at the firm: Senior Investment Consultant and 403b Department Head
- Number of plans supported: Fifteen (15)
- Average size of plans supported: \$500 Million



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #16

As we explained in the text of our RFP Response, we assign a Relationship Manager to each account – in addition to an Investment Consultant. How much you want to make use of your Relationship Manager is up to you. The only “cost” associated with this assignment would be the reimbursement of their actual “travel” (transportation and hotel) overhead.

David Schmidt, Ph.D.
Managing Consultant
Advanced Capital Group, Inc.
301 West Main Street
Barrington, IL 60010
T: 612.532.0771
E: dschmidt@acqbiz.com



David has an extremely sophisticated and relevant educational and investment industry background. Prior to joining us, David was a Managing Consultant with TIAA-CREF in Chicago serving both public and private institutional clients in Illinois, Wisconsin and Iowa. There, he provided sponsors of 403b/457/401a plans with consulting services on fiduciary responsibility, IRS/DOL compliance, plan design, employee education/communication, benefit administration, remittance processing, employee counseling/investment advice, wealth management services, planned giving and endowment management.

Formerly, David had similar responsibilities as a Retirement Plan Consultant for Valic. He also worked for ING and Morgan Stanley in their Wealth Management departments.

David's educational background includes a BA (Political Science) from Michigan State University and both MA and Ph.D. "Political Science with Economics minor" from Indiana University. He has taught university curriculum at Roosevelt University, College of DuPage and Indiana University.

In addition to his professional interest in financial services and retirement planning, David's civic involvement includes elected positions held at the local level in Cook County as Township Committeeman, Township Trustee and Village Trustee and appointed positions held at the state level in Springfield as Public Member of the State Board of Financial and Professional Regulation as well as Chair of the Investment Advisory Committee to the Illinois Public Pension Division which is responsible for input/review of legislation, regulation and investments for public pensions [police and fire] in the State of Illinois. David has been published in both May Trends and Business Horizons.

Examples of Public and Higher Ed (ERISA and Non-ERISA) institutions which he has served as a Relationship Manager include: Illinois State University, University of Wisconsin, State of Iowa, Lake Forest, University of Chicago, Elmhurst College, Illinois Wessleyen, Bradley University, Monmouth College, McKendry University, Agustana College, Carthage College, St. Ambrose University, Central College, Superior College, Coe College, Cornell College, Luther College, Drake University, and the Iowa Association of Community Colleges.

- Overall experience with employer-sponsored retirement plans: 30+ years
- Overall experience with state sponsored retirement plans: 20+ years
- Overall experience with alternative retirement plans: 20+ years
- Commitment to the retirement plans business: 100%
- Education, honors, designations and other credentials: MA, Ph.D.
- Regular activities to stay current on market and regulatory developments: CUPA, CACUBO
- Areas of expertise: Relationship Management

- Years with the firm: One. (7 with TIAA-CREF before that)
- Role at the firm: Managing Consultant
- Number of plans supported: ?
- Average size of plans supported: ?



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #17

This is an example of our complete Quarterly Investment Review.

Sample Client

Quarterly Investment Review

As of 3/31/2015

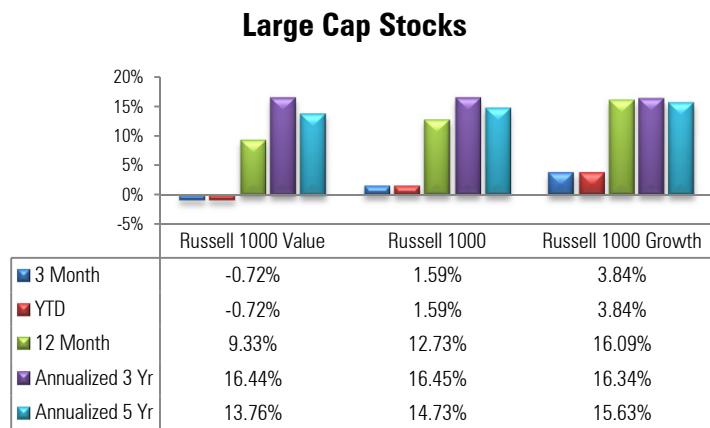


Advisor
advisor@acgbiz.com

Relationship Manager
relationshipmanager@acgbiz.com

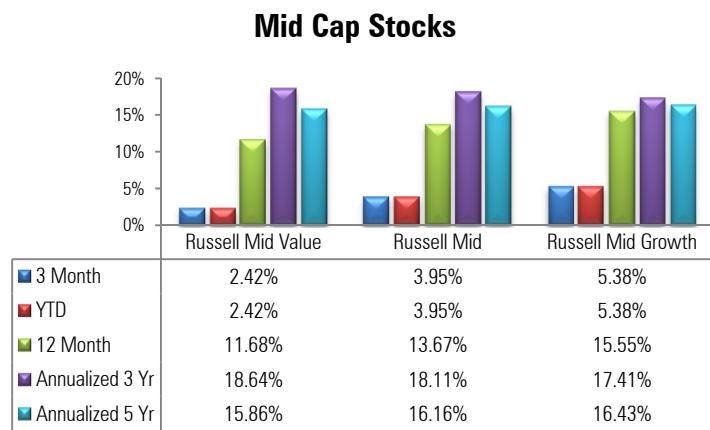
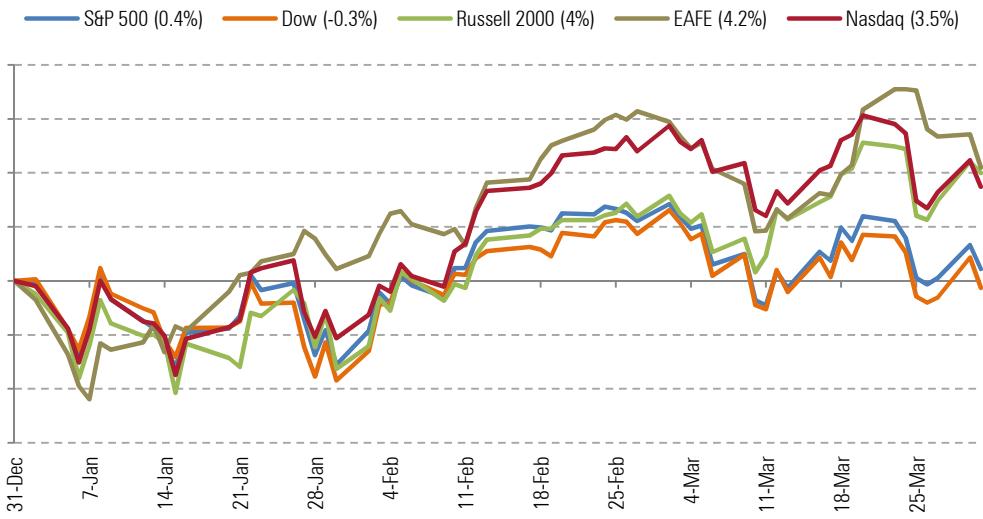
Advanced Capital Group | 50 South 6th Street, Suite 975 | Minneapolis, MN 55402 | 612.230.3000 | 866.225.5224

Q1 2015: The Markets



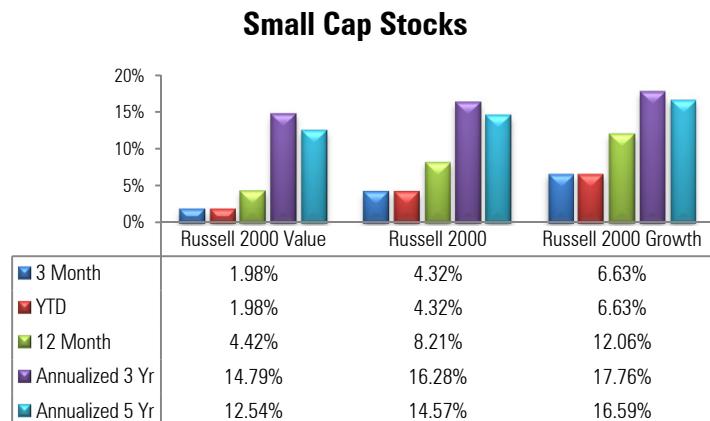
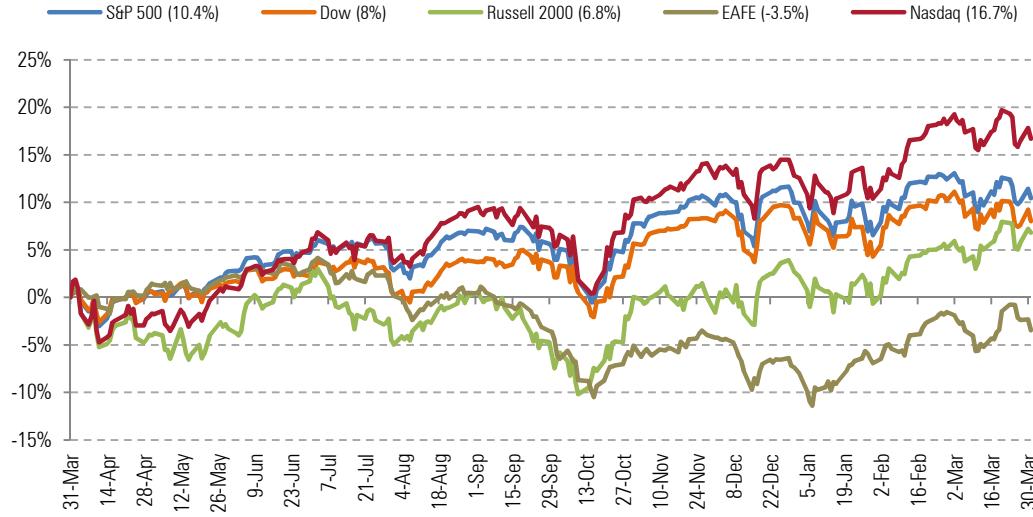
1st Quarter 2015

Cumulative Price Return of Major Indices



Last 12 Months

Cumulative Price Return of Major Indices



Sample Client

Quarterly Investment Review

As of 3/31/2015



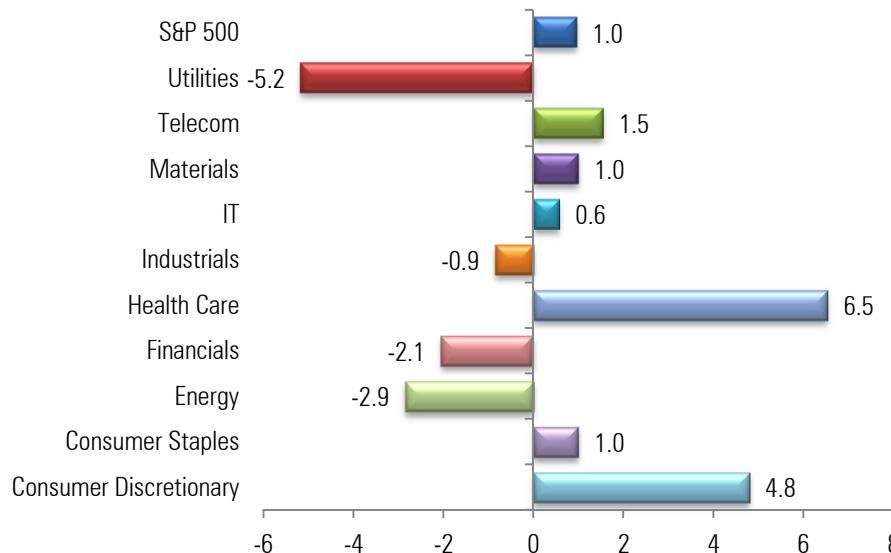
Advisor
advisor@acgbiz.com

Relationship Manager
relationshipmanager@acgbiz.com

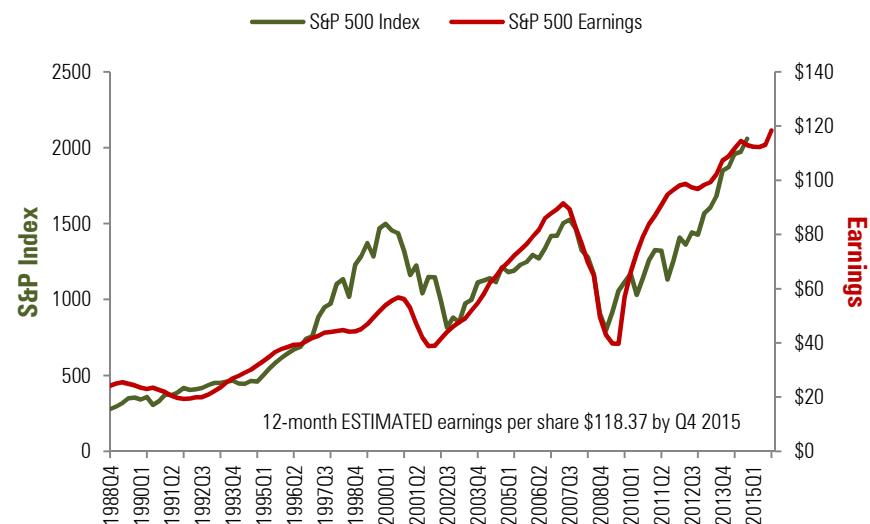
Advanced Capital Group | 50 South 6th Street, Suite 975 | Minneapolis, MN 55402 | 612.230.3000 | 866.225.5224

Q1 2015: The Markets

Quarter: S&P 500 Sector Total Returns

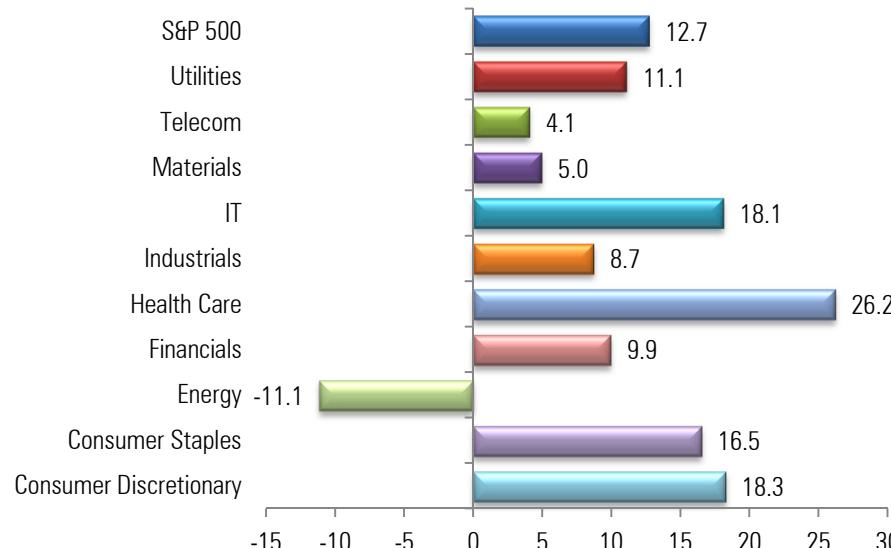


S&P 500 Index & Earnings



Actual S&P 500 index price and earnings data through Q4 2014. Estimated bottom-up S&P 500 12-month earnings per share from Q4 2014 through Q1 2015. Source: Standard & Poors

1 Year: S&P 500 Sector Total Returns



Initial Q1 2015 Reports

Of the 19 issues with full operating comparative data for Q1 2015

- 16 beat,
- 1 missed, and
- 2 met their estimates

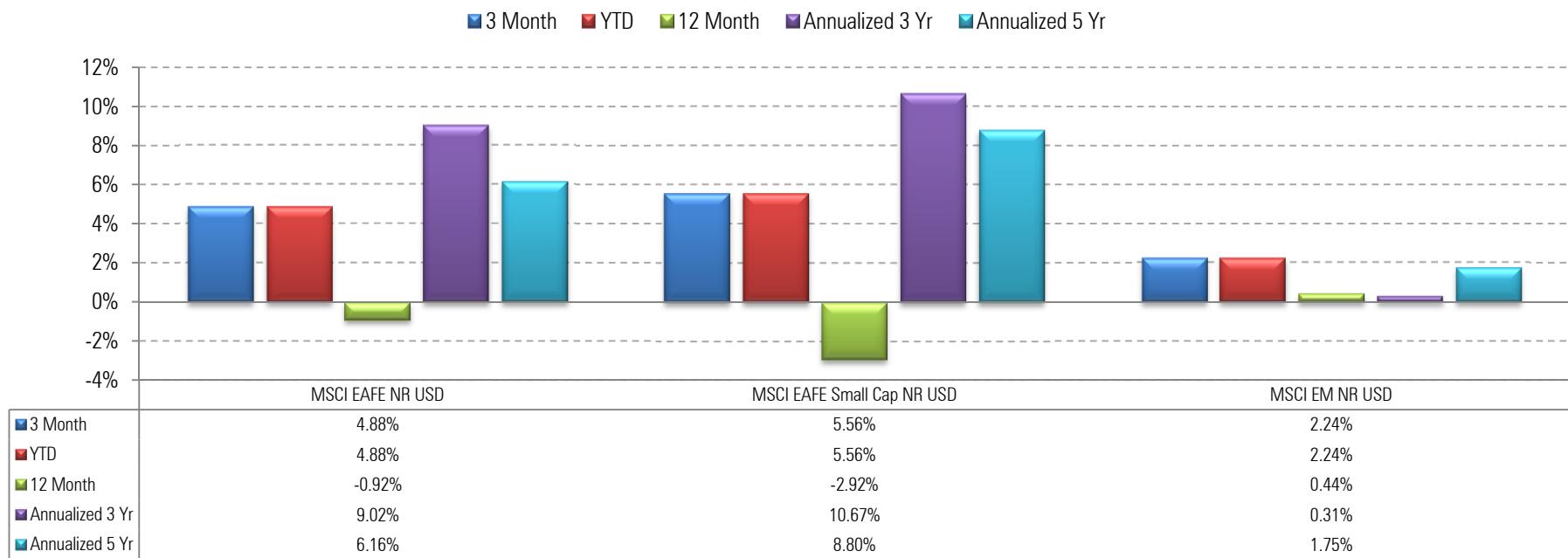
Q4 2014 Reports

Of the 500 issues with full operating comparative data for Q4 2014

SECTOR	REPORTED	BEAT	MISSSED	MET
S&P 500	500	343	105	52
Utilities	30	16	11	3
Telecommunication Services	6	2	1	3
Materials	29	23	2	4
Information Technology	64	54	4	6
Industrials	64	46	7	11
Health Care	55	39	9	7
Financials	85	51	28	6
Energy	43	28	15	0
Consumer Staples	40	26	8	6
Consumer Discretionary	84	58	20	6

Q1 2015: The Markets

International Market Returns



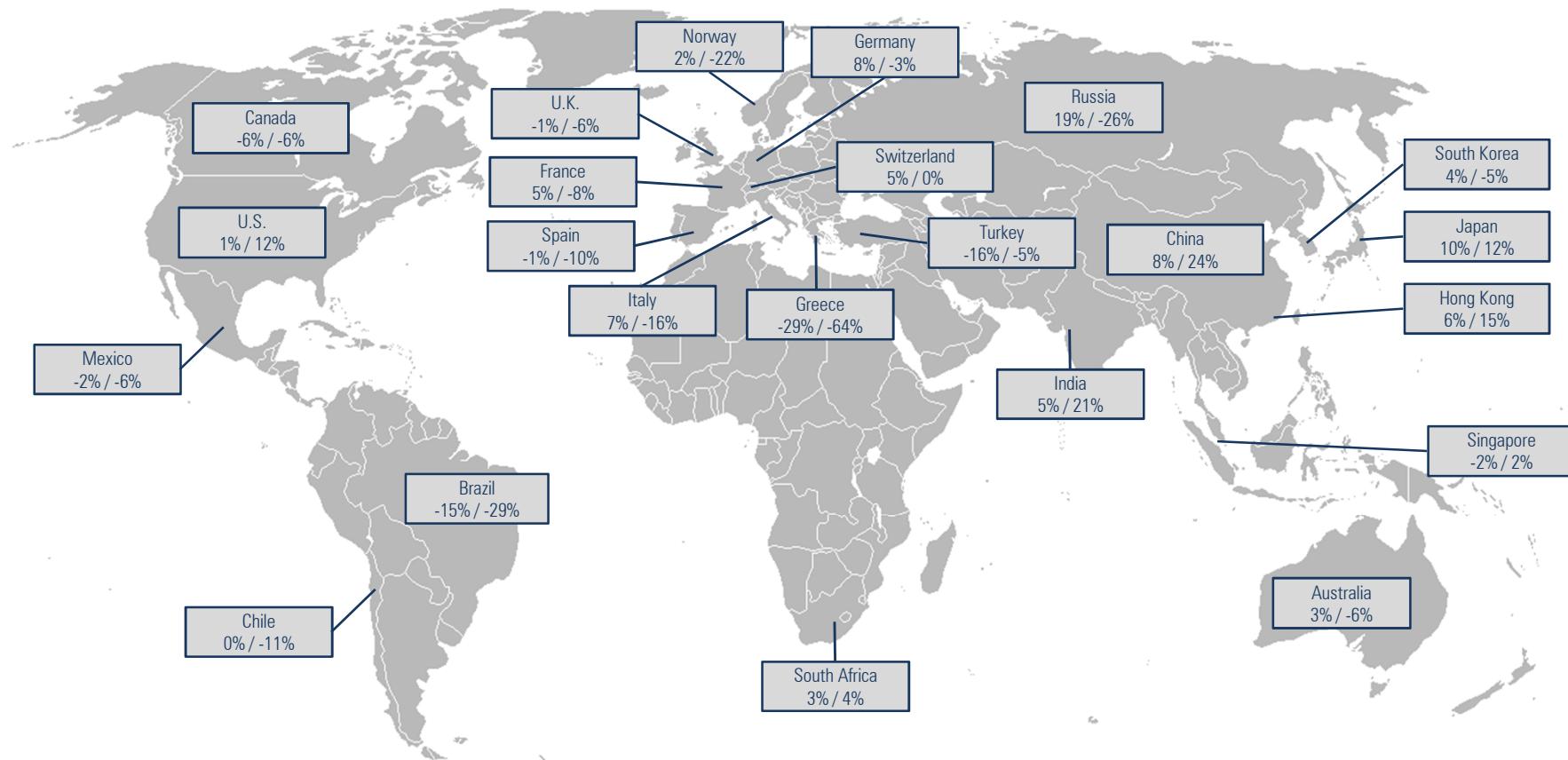
Commodity Prices (CRB)



U.S. Dollar Index



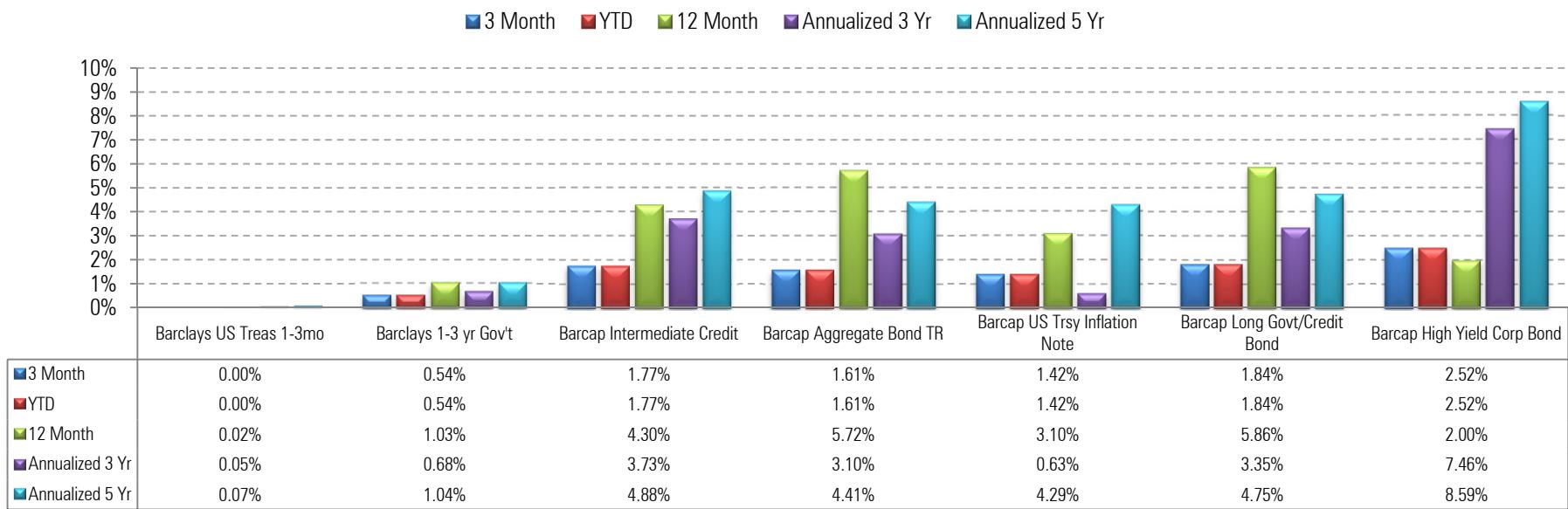
Q1 2015: The Markets



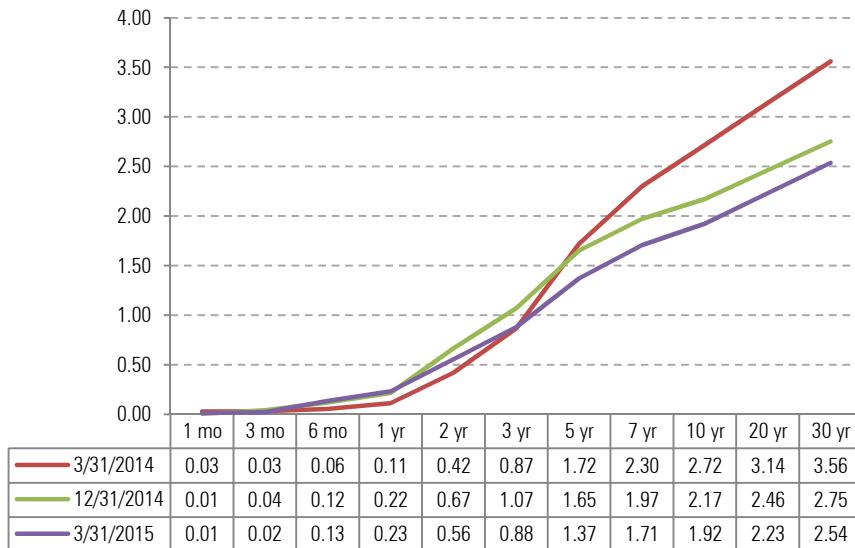
Country Name
Quarter Return % / Year Return %

Q1 2015: The Markets

Fixed Income Index Returns



Treasury Yield Curve

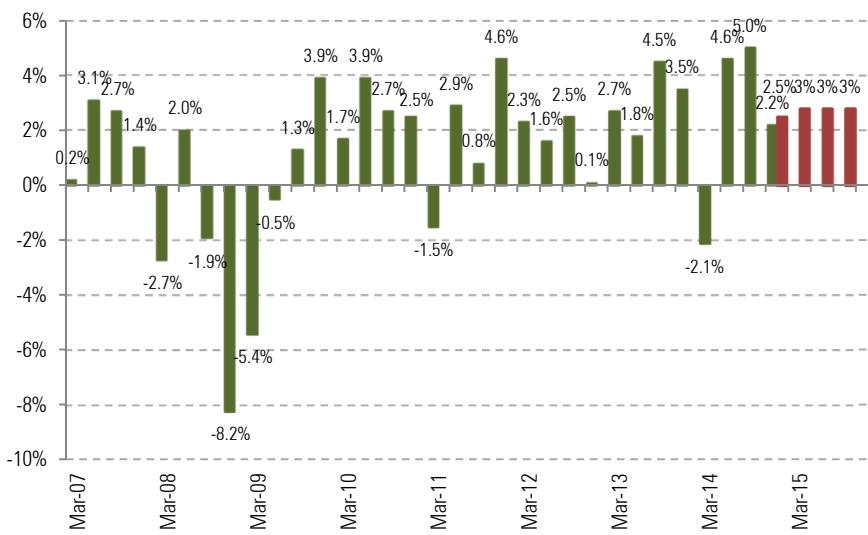


Yield Spread



Q1 2015: U.S. Economy - GDP and Prices

Gross Domestic Product



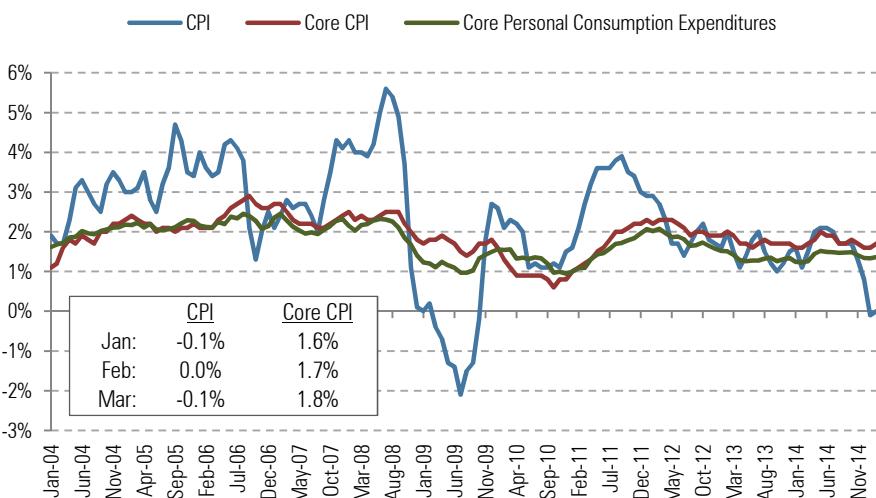
Fourth quarter GDP was expected to grow at 2.5% but actually came in at a 2.2% annualized rate, following the third quarter's strong 5.0% reading. For 2015, GDP is forecasted to grow at nearly 3% through mid-2016.

Despite the growth in GDP inflation remains at bay: the Consumer Price Index fell to -0.1% in the month of March, with the core index moving to 1.8%. The Fed's preferred inflation gauge, the PCE Index, rose only 1.36% in February, the 35th straight month it has been below the Fed's target of 2%.

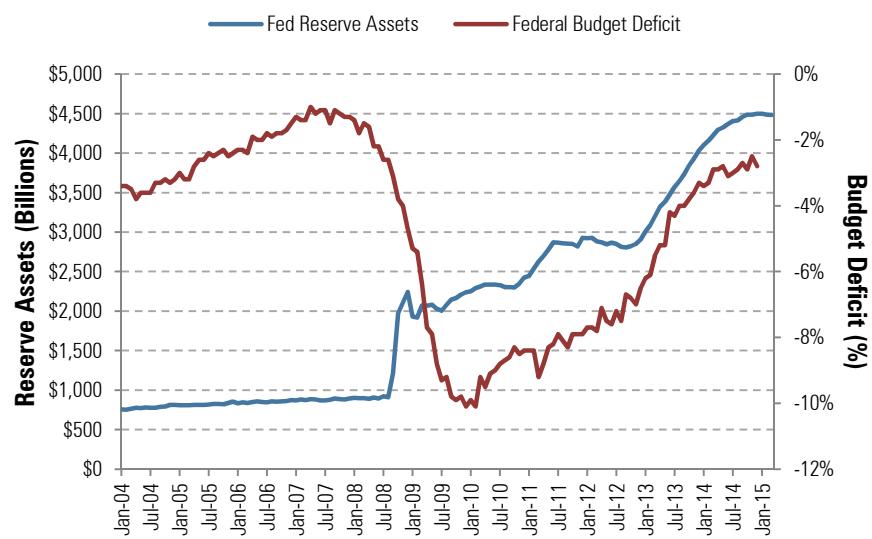
For the March 25 week, the Fed balance sheet contracted \$15.3 billion after growing \$6.6 billion the prior week. The Fed's balance sheet will take a long time for its portfolio to shrink, as the Fed does not anticipate actively selling securities from the portfolio. The Federal Budget deficit shrank again to only negative 2.8% of GDP.

Consumer Prices

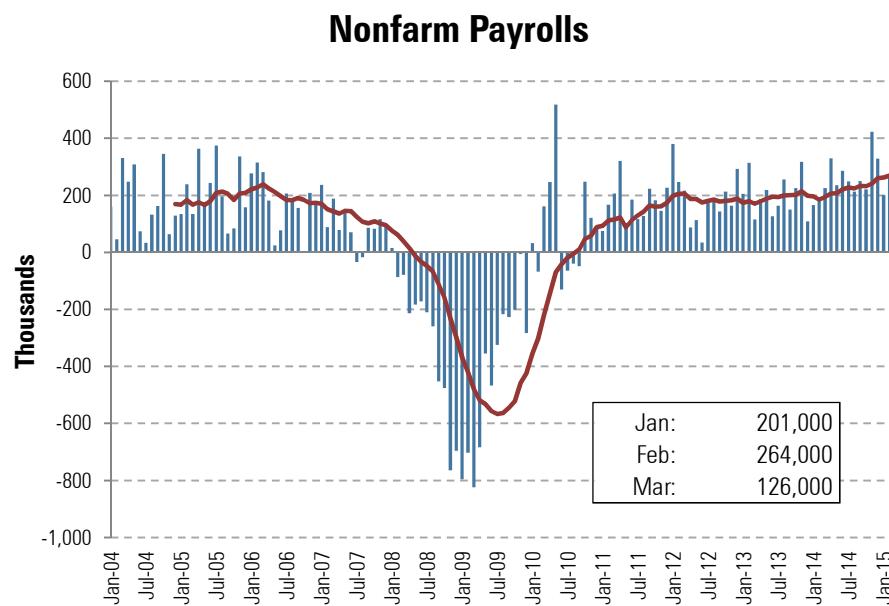
(Year over Year in Percent)



Federal Reserve and Treasury



Q1 2015: U.S. Economy - Employment and Income

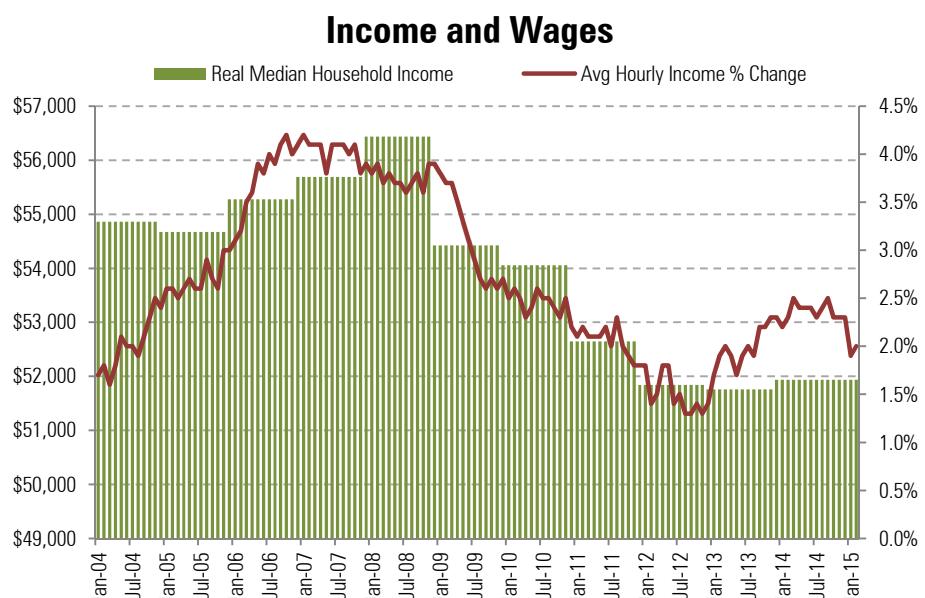
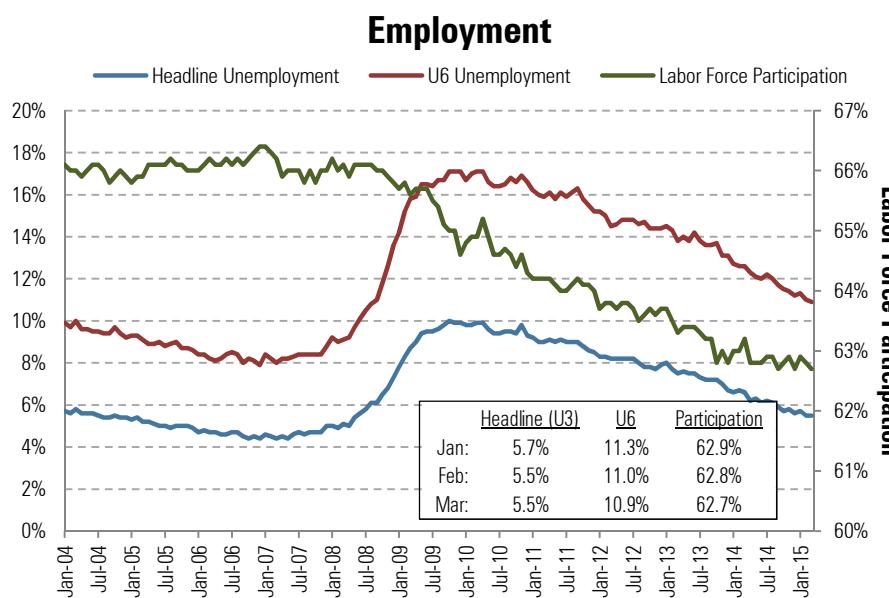


The labor market has softened in several aspects. Payroll jobs increased a mere 126,000 in March after increases of 264,000 in February and 201,000 in January. January and February were revised down a net 69,000. Market expectations for March were for a 247,000 increase.

The unemployment rate held steady at 5.5% and matched expectations. The labor force participation rate edged down marginally to 62.7% from 62.8% in March.

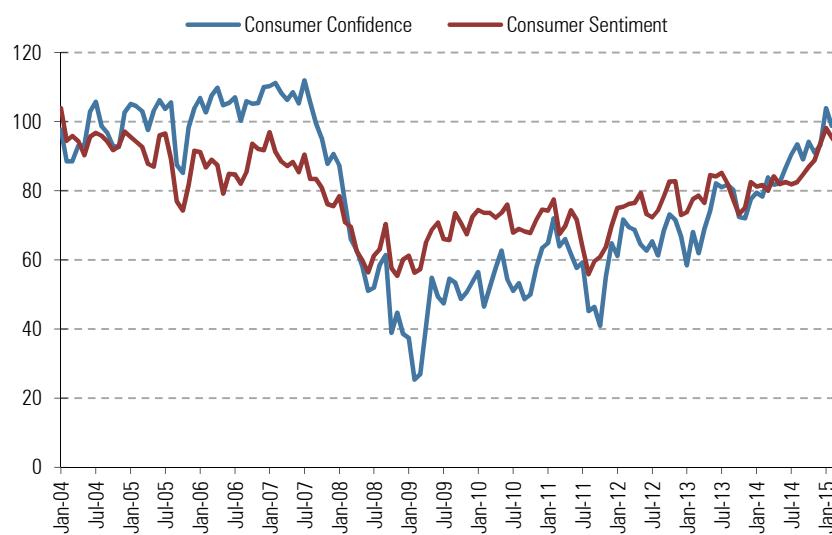
Average hourly earnings rose 0.3%, topping expectations for 0.2%. The average workweek slipped to 34.5 hours versus 34.6 in February and coming in below forecasts for 34.6 hours

The latest employment report clearly is soft and will add to arguments by Fed doves to delay rate hikes.



Q1 2015: The Economy - Consumer Debt and Confidence

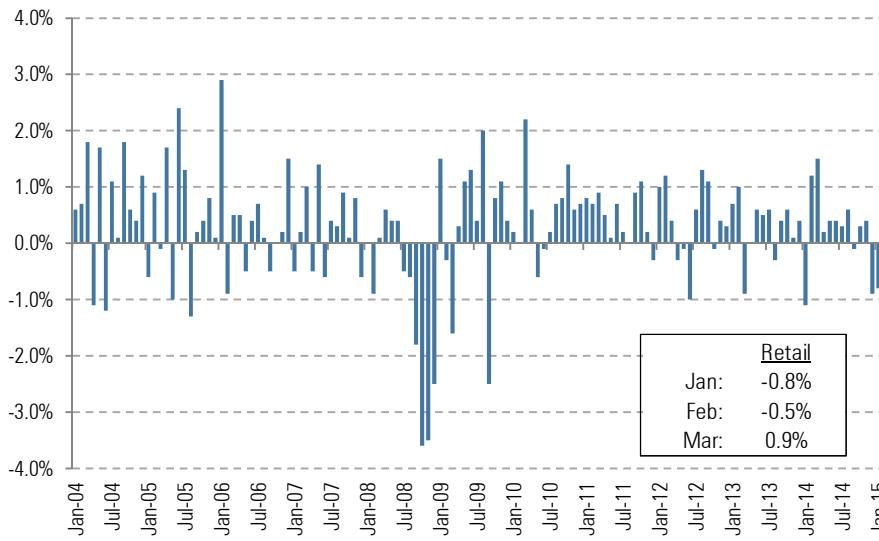
Consumer Confidence



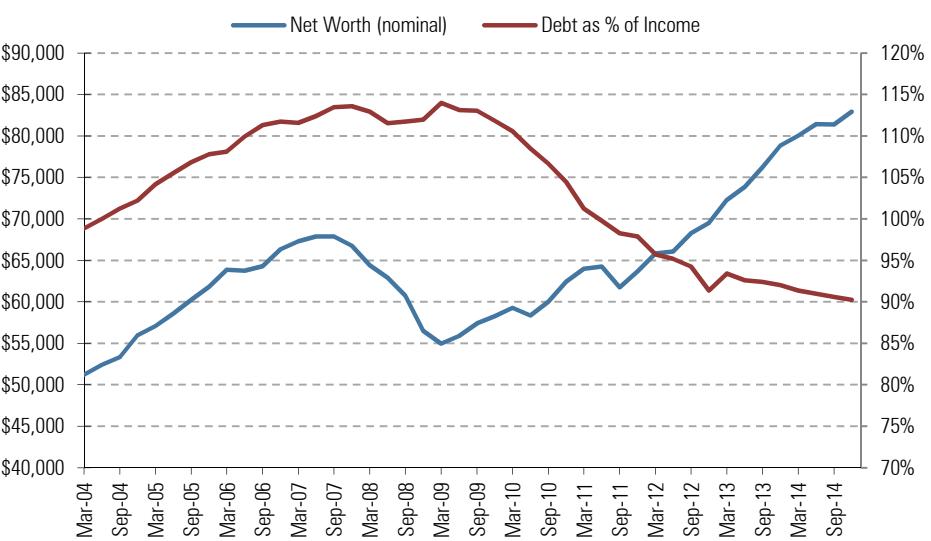
Consumer spending may be relatively flat but consumer confidence which jumped to 101.3 in March from an upwardly revised 98.8 in February. March's reading is close to January's 7 1/2 year high of 103.8.

Weather effects may be fading with healthy sales numbers in March. Retail sales in March rebounded 0.9% after dropping 0.5% in February. By components, strength was seen in motor vehicles (up 2.7%), furniture, clothing, department stores, and miscellaneous store retailers. Importantly, the consumer sector is still carrying the economy.

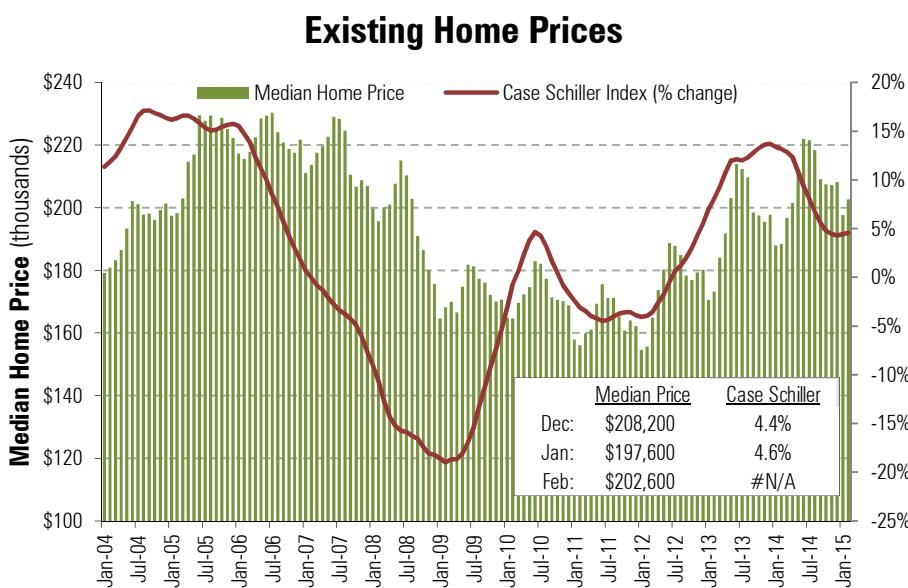
Retail Sales



Household Net Worth and Debt



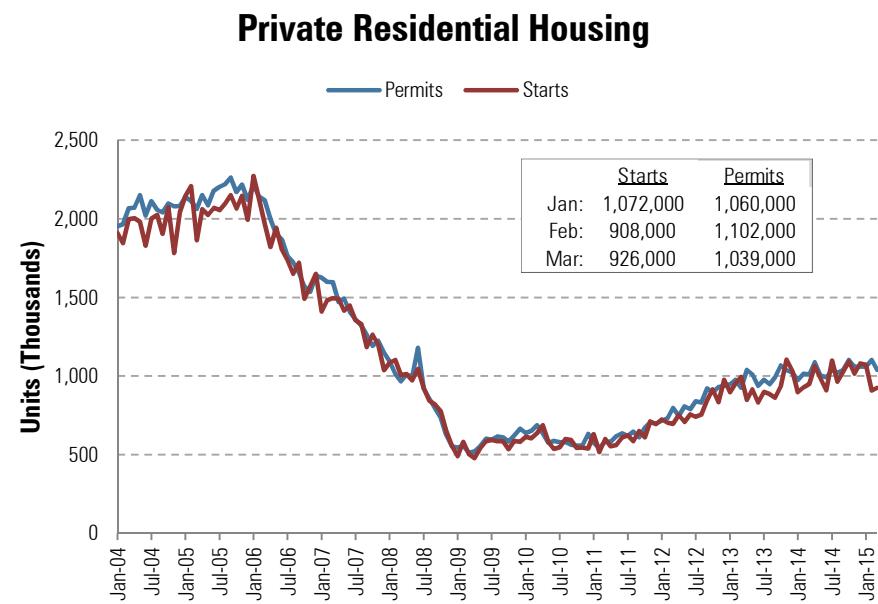
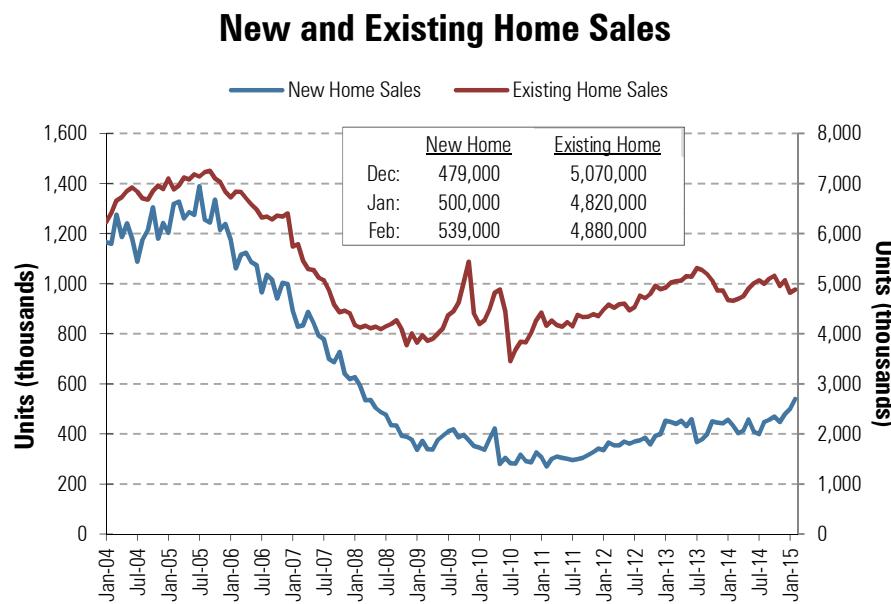
Q1 2015: U.S. Economy - Housing



Supply is still limiting sales. Existing homes on the market are still on the scarce side, at 4.6 months of supply and unchanged from January. A year ago, the rate was 4.9 months. Prices firmed in the latest report, up 2.5% to a median \$202,600 and a respectable 7.5% ahead of a year ago. Note, however, that price data in this report are subject to volatility. Still the year-on-year reading is the best since February last year.

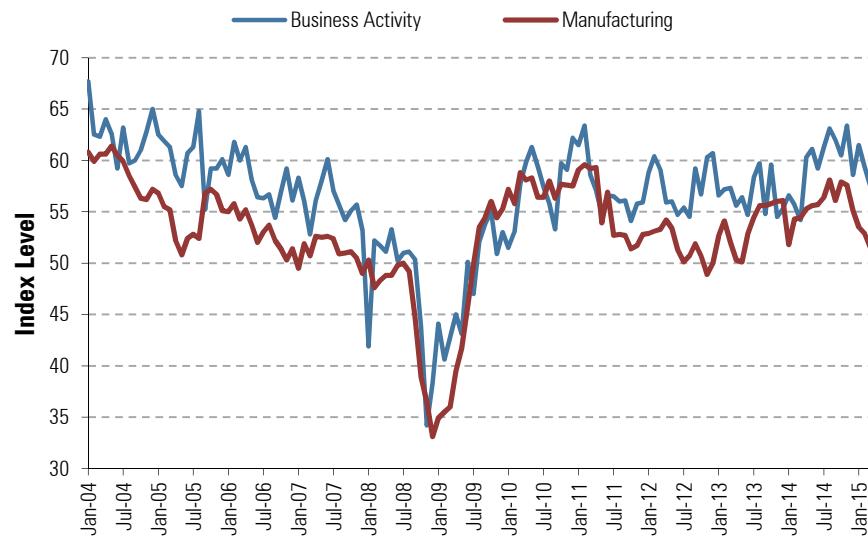
New home sales picked up sharply in February to a 539,000 annual rate. Adding to the good news was a big upward revision to January, to 500,000 from 481,000. These are the first two 500,000 readings going all the way back to April and May of 2008.

Housing starts unexpectedly fell sharply in February. This was the lowest starts level since January 2014. Housing permits, however, increased 4% from January to February only to fall 6% in March.



Q1 2015: U.S. Economy - Manufacturing and Services

ISM Business Activity & Manufacturing



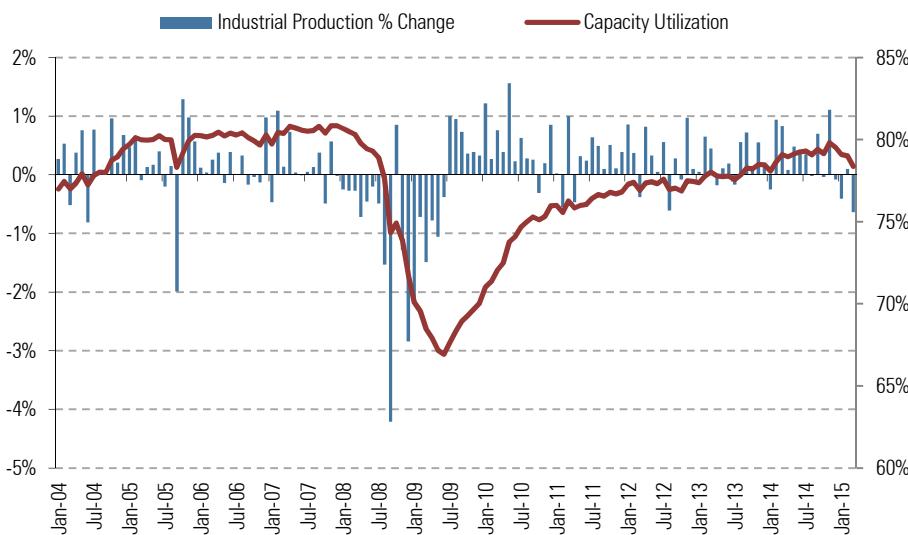
Weak exports are pulling down ISM's manufacturing sample whose index fell 1.4 points to 51.5. This is the lowest reading since May 2013. This reflects another month of trouble for government data on manufacturing, a sector that, due to weak foreign demand, appears to be pulling down the nation's growth.

The factory sector may be soft right now but not the rest of the economy, based on the ISM non-manufacturing report where the headline index is at a very healthy 56.5. With employment trends solid, consumers appear to be doing their share.

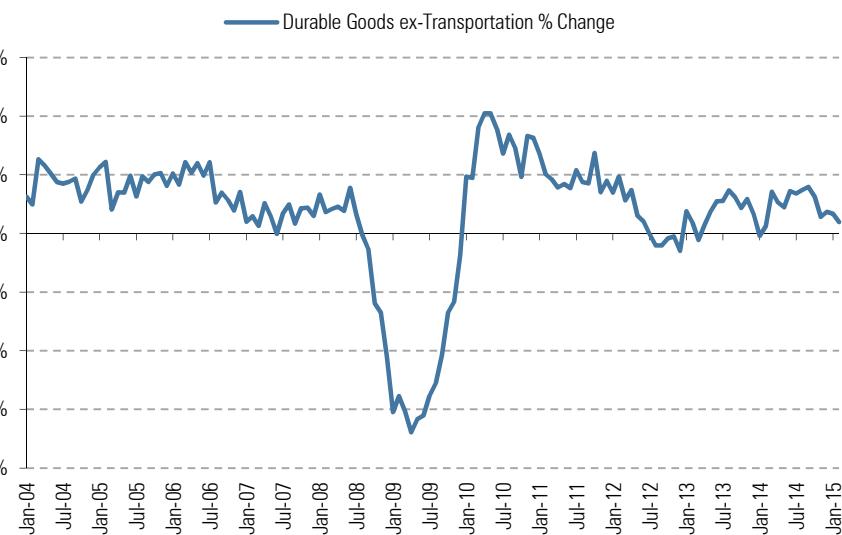
Industrial production for March fell 0.6% after a February rise of 0.1%. The March drop was largely due to utilities although manufacturing was soft.

Durables orders fell 1.4% in February after rebounding 2.8% the month before. Market expectations were for a 0.2% gain. Excluding transportation, the core declined 0.4%, following a 0.9% drop in January. Analysts projected a 0.3% gain in February.

Industrial Production

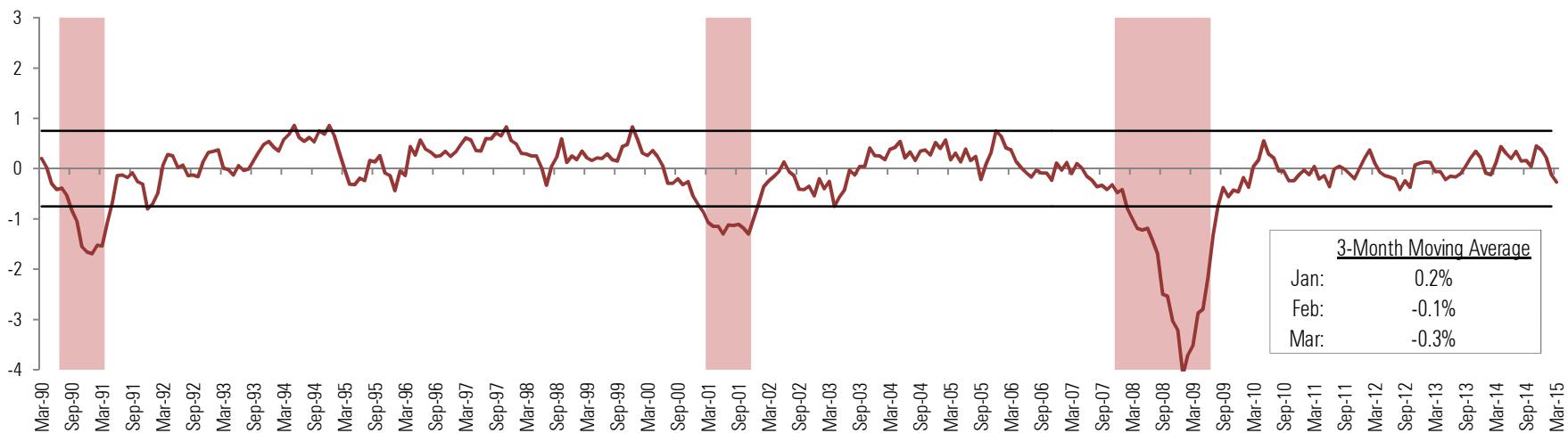


Durable Goods Orders



Q1 2015: U.S. Economic Summary

CFNAI: (3-Month Moving Average)



These readings offer tangible confirmation that both housing and manufacturing are pulling down economic growth.

The Chicago Fed National Activity Index (CFNAI) provides a single summary measure of national economic data. As such, historical movements in this CFNAI closely track periods of economic expansion and contraction, as well as periods of increasing and decreasing inflationary pressure. The index is a weighted average of 85 indicators of national economic activity drawn from four broad categories of data: 1) production and income; 2) employment, unemployment, and hours; 3) personal consumption and housing; and 4) sales, orders, and inventories.

A zero value for the index indicates that the national economy is expanding at its historical trend rate of growth; negative values indicate below average growth; and positive values indicate above average growth.

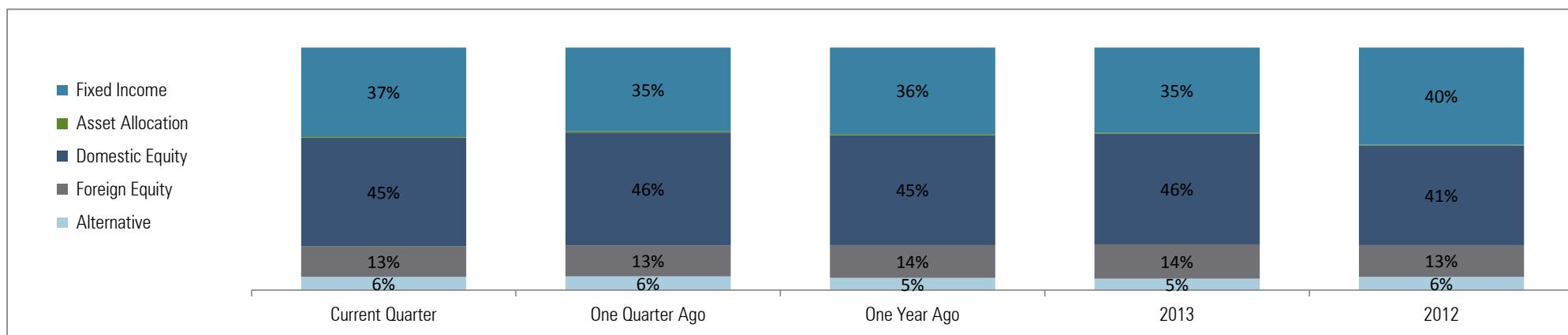
When the CFNAI value moves below -0.70 following a period of economic expansion, there is an increasing likelihood that a recession has begun. Conversely, when the CFNAI value moves above -0.70 following a period of economic contraction, there is an increasing likelihood that a recession has ended. When the CFNAI value moves above +0.70 more than two years into an

DEFINITIONS

GDP and Prices	
Gross Domestic Product	Gross Domestic Product (GDP) measures the final market value of all goods and services produced within a country. It is calculated in the U.S. by the Bureau of Economic Analysis.
Consumer Price Index	Consumer Prices are a measure of prices paid by consumers on a basket of consumer goods and services. The yearly growth represents the inflation rate in an economy. This index is from the Bureau of Labor Statistics (BLS) in the U.S.
Core Consumer Price Index	The Core Consumer Price Index excludes the volatile food and energy sectors from the basket of goods used to measure prices paid by consumers. Also from the BLS.
Core Personal Consumption Expenditures	The Personal consumption expenditures (PCE) index measures the goods and services purchased by residents in the United States. The core index excludes food and energy. This index is measured by the Bureau of Economic Analysis.
Federal Reserve Assets	Total assets held by the Federal Reserve Banking system of the United States, including securities, loans, Gold and currency. This data is released by the Federal Reserve.
Treasury Budget Deficit	A measure of income less expenditure for the U.S. federal government, divided by total GDP. A deficit indicates expenses are higher than income. This index is measured by the U.S. Treasury.
Employment and Income	
Nonfarm Payrolls	This indicator from the Bureau of Labor Statistics measures the change in the number of employees on business payrolls.
Headline (U3) Unemployment	This BLS index measures the US unemployment rate on a monthly basis. The unemployment rate represents the number of unemployed persons as a percent of the labor force.
U6 Unemployment	This BLS index measures total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force, plus all marginally attached workers. Marginally attached workers are persons who currently are neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the recent past.
Labor Force Participation	The Labor Force Participation Rate reported by the BLS is the total labor force as a percent of the working age population. The labor force is the sum of employed workers and unemployed workers who are actively seeking work.
Median Household Income	The U.S. Census Bureau tracks all income received by households including such things as wages and salaries, investment income, rental income, transfer payments, etc. This index is adjusted for inflation.
Average Hourly Income Change	This BLS index measures the year over year growth in earnings. Earnings are the usual weekly earnings of wage and salary workers. All self-employed persons are excluded, regardless of whether their businesses are incorporated.
Consumer Debt and Confidence	
Consumer Confidence	Consumer confidence tracks sentiment among households or consumers. The results are based on surveys conducted among a random sample of households. Measured by the Conference Board and the University of Michigan.
Retail Sales	The Retail Sales index tracks the sale of new and used goods to the general public for personal consumption. This index is measured by the U.S. Census Bureau.
Household Net Worth	Average net worth of all households in the U.S., as measured by the Federal Reserve. Net worth is the sum of all assets, including the market value of real estate, less liabilities, such as mortgage debt.
Household Debt as % of Income	This measures household debt, such as mortgages, auto loans and credit card debt, as a percent of total household income. It is measured by the Federal Reserve.
Housing	
Median Home Price	A measure of the median price of an existing home sold in a given month. This index is produced by the National Association of Realtors.
Case-Schiller Index	The S&P/Case-Shiller Home Price Index measures the change in the value of residential real estate in 20 major metropolitan regions.
New Home Sales	This index is produced by the U.S. Census Bureau and indicates the number of new homes that were closed during the last month.
Existing Home Sales	This index is produced by the National Association of Realtors and indicates the number of existing homes that were closed during the last month.
New Home Permits	This index measures permits issued for new housing units in the last month. Produced by the U.S. Census Bureau.
New Home Starts	This index measures new housing units that began construction in the last month. Produced by the U.S. Census Bureau.
Manufacturing and Services	
ISM Business Activity	The Institute for Supply Management's measurement of the non-manufacturing (service) sector in the U.S. A level below 50 indicates decline, a level above 50 indicates growth.
ISM Manufacturing Index	The Institute for Supply Management's measurement of the manufacturing sector in the U.S. A level below 50 indicates decline, a level above 50 indicates growth.
Industrial Production	Industrial production is a measure of output of the industrial sector of the economy. The industrial sector includes manufacturing, mining, and utilities. This index is produced by the Federal Reserve.
Capacity Utilization	A measure of output relative to normal capacity. A number of less than 100% indicates spare capacity. This index is produced by the Federal Reserve.
Durable Goods Orders ex-Transportation	New orders for durable goods. Durable goods are goods that last at least three years, such as machinery, computer equipment and industrial items. This index is produced by the U.S. Census Bureau and excludes transportation.

Asset Summary (in thousands)

	Current Quarter		One Quarter Ago		One Year Ago		2013	2012	2011	2010	2009
MetLife GAC 25053	\$ 10,364	18%	\$ 8,832	15%	\$ 8,881	16%	\$ 8,787	\$ 7,962	\$ -	\$ -	\$ -
Vanguard Inflation-Protected Secs Adm	3,283	6%	3,175	6%	3,070	6%	2,968	3,162	0	0	0
Vanguard Interm-Term Treasury Adm	281	0%	324	1%	458	1%	418	205	0	0	0
Dodge & Cox Income	4,996	8%	4,884	9%	4,619	9%	4,337	4,796	0	0	0
PIMCO Foreign Bond (USD-Hedged) I	2,686	5%	2,651	5%	2,344	4%	2,297	2,382	0	0	0
Vanguard Balanced Index Adm	295	1%	278	0%	251	0%	201	153	0	0	0
JHancock Disciplined Value R6	7,565	13%	7,868	14%	7,312	13%	7,281	5,878	0	0	0
Vanguard 500 Index Admiral	519	1%	484	1%	338	1%	222	179	0	0	0
JPMorgan Large Cap Growth R6	5,544	9%	5,573	10%	4,952	9%	5,192	4,156	0	0	0
Vanguard Growth Index Adm	1,206	2%	1,154	2%	982	2%	848	630	0	0	0
Goldman Sachs Mid Cap Value Instl	2,786	5%	2,898	5%	2,584	5%	2,599	2,062	0	0	0
Vanguard Mid Cap Index Adm	927	2%	886	2%	751	1%	589	403	0	0	0
Columbia Acorn Z	2,586	4%	2,622	5%	2,527	5%	2,641	2,029	0	0	0
Victory Integrity Small-Cap Value R6	2,644	4%	2,632	5%	2,587	5%	2,632	2,023	0	0	0
Vanguard Small Cap Index Adm	343	1%	326	1%	296	1%	151	27	0	0	0
Loomis Sayles Small Cap Growth Instl	2,246	4%	2,236	4%	2,251	4%	2,220	1,617	0	0	0
AllianzGI NFJ International Value Instl	2,125	4%	2,155	4%	2,063	4%	2,069	1,876	0	0	0
American Funds Europacific Growth R6	3,426	6%	3,336	6%	3,321	6%	3,509	2,697	0	0	0
T. Rowe Price International Discovery	1,911	3%	1,879	3%	1,951	4%	1,950	1,459	0	0	0
Nuveen Real Estate Securities A	3,250	6%	3,259	6%	2,757	5%	2,553	2,567	0	0	0
	\$ 58,981	100%	\$ 57,453	100%	\$ 54,295	100%	\$ 53,465	\$ 46,263	\$ -	\$ -	\$ -



Fiduciary Scorecard

	<u>Near-Term Performance</u>	<u>Long-Term Performance</u>	<u>Management</u>	<u>Operations</u>	<u>Style</u>	<u>Watch List Status</u>	
						<u>Date</u>	<u>Compliance Issue</u>
MetLife GAC 25053	●	●	●	●	●		
Vanguard Inflation-Protected Secs Adm	●	●	●	●	●		
Vanguard Inter-Term Treasury Adm	●	●	●	●	●	3/31/2015	Manager Change
Dodge & Cox Income	●	●	●	●	●		
PIMCO Foreign Bond (USD-Hedged) I	●	●	●	●	●		
Vanguard Balanced Index Adm	●	●	●	●	●		
JHancock Disciplined Value R6	●	●	●	●	●		
Vanguard 500 Index Admiral	●	●	●	●	●		
JPMorgan Large Cap Growth R6	●	●	●	●	●		
Vanguard Growth Index Adm	●	●	●	●	●		
Goldman Sachs Mid Cap Value Instl	●	●	●	●	●		
Vanguard Mid Cap Index Adm	●	●	●	●	●		
Columbia Acorn Z	●	●	●	●	●	3/31/2014	Manager Change, Near-term Perf.
Victory Integrity Small-Cap Value R6	●	●	●	●	●		
Vanguard Small Cap Index Adm	●	●	●	●	●		
Loomis Sayles Small Cap Growth Instl	●	●	●	●	●		
AllianzGI NFJ International Value Instl	●	●	●	●	●		
American Funds Europacific Growth R6	●	●	●	●	●		
T. Rowe Price International Discovery	●	●	●	●	●		
Nuveen Real Estate Securities A	●	●	●	●	●		

IPS Review Point	Components of Criteria
Near-Term Performance	Performance score based on the fund's past 3 years.
Long-Term Performance	Performance score based on the fund's past 10 years.
Management	Material change in portfolio management and/or organization
Operations	Reasonable and competitive fees; Fund asset flows
Style	Material change in investment style, guidelines or philosophy

Performance Summary - Core Funds

	Quarter			YTD			1 Year			3 Years			5 Years			10 Years		
	Return	Rank	+/- Idx	Rtn	Rank	+/- Idx	Return	Rank	+/- Idx	Return	Rank	+/- Idx	Return	Rank	+/- Idx	Return	Rank	+/- Idx
Stable Value																		
MetLife GAC 25053	0.63	2	0.36	0.63	2	0.36	2.43	2	1.38	2.63	2	1.50	3.11	1	1.34	4.14	1	1.16
Ryan Labs 3 Year GIC	0.27			0.27			1.04			1.13			1.76			2.98		
Average	0.30			0.30			1.14			1.25			1.64			2.73		
Inflation-Protected Bond																		
Vanguard Inflation-Protected Secs Adm	1.27	49	-0.16	1.27	49	-0.16	3.16	14	0.05	0.60	7	-0.03	4.23	6	-0.06	4.42	14	-0.13
Barclays US Treasury US TIPS TR USD	1.42			1.42			3.11			0.63			4.29			4.55		
Average	1.13			1.13			1.44			-0.16			3.24			3.66		
Intermediate Government																		
Vanguard Interm-Term Treasury Adm	1.86	2	-0.37	1.86	2	-0.37	5.01	20	-1.71	2.19	27	-0.59	4.30	7	-1.02	5.11	7	-0.46
BofAML US Treasuries 5-10 Yr TR USD	2.23			2.23			6.72			2.78			5.32			5.57		
Average	1.08			1.08			4.32			1.84			3.27			4.11		
Intermediate-Term Bond																		
Dodge & Cox Income	1.29	78	-0.31	1.29	78	-0.31	4.43	68	-1.29	4.07	26	0.97	4.97	38	0.56	5.47	19	0.54
Barclays US Agg Bond TR USD	1.61			1.61			5.72			3.10			4.41			4.93		
Average	1.53			1.53			4.72			3.45			4.64			4.70		
World Bond																		
PIMCO Foreign Bond (USD-Hedged) I	2.57	3	0.98	2.57	3	0.98	11.20	1	5.61	7.75	1	4.75	7.51	1	3.23	6.81	4	1.83
Citi WBIG USD Hdg USD	1.60			1.60			5.59			3.00			4.28			4.97		
Average	-0.53			-0.53			-1.02			1.61			3.33			4.27		
Moderate Allocation																		
Vanguard Balanced Index Adm	1.74	57	-0.07	1.74	57	-0.07	9.72	8	-0.04	11.01	21	-0.05	10.77	9	0.00	7.43	13	-0.03
40% BarCap-60% CRSP US Total Mkt	1.81			1.81			9.76			11.05			10.78			7.46		
Average	1.81			1.81			6.17			9.42			8.99			6.32		
Large Value																		
JHancock Disciplined Value R6	-0.21	62	0.51	-0.21	62	0.51	7.99	52	-1.34	16.55	14	0.11	14.06	13	0.30	9.24	3	2.03
Russell 1000 Value TR USD	-0.72			-0.72			9.33			16.44			13.75			7.21		
Average	0.18			0.18			7.90			14.48			12.35			6.88		
Large Blend																		
Vanguard 500 Index Admiral	0.94	54	-0.01	0.94	54	-0.01	12.69	21	-0.04	16.07	29	-0.04	14.43	20	-0.04	8.00	26	-0.01
S&P 500 TR USD	0.95			0.95			12.73			16.11			14.47			8.01		
Average	1.13			1.13			10.33			14.89			12.99			7.37		
Large Growth																		
JPMorgan Large Cap Growth R6	4.49	27	0.66	4.49	27	0.66	17.63	14	1.54	14.11	70	-2.23	16.38	9	0.74	10.18	14	0.83
Russell 1000 Growth TR USD	3.84			3.84			16.09			16.34			15.63			9.36		
Average	3.45			3.45			13.32			15.08			13.91			8.51		

	Quarter			YTD			1 Year			3 Years			5 Years			10 Years		
	Return	Rank	+/- Idx	Rtn	Rank	+/- Idx	Return	Rank	+/- Idx	Return	Rank	+/- Idx	Return	Rank	+/- Idx	Return	Rank	+/- Idx
Large Growth																		
Vanguard Growth Index Adm	3.44	46	-0.02	3.44	46	-0.02	16.63	20	-0.06	16.47	25	0.50	15.68	16	0.95	9.40	27	0.13
CRSP US Large Cap Growth TR USD	3.46			3.46			16.69			15.97			14.73			9.27		
Average	3.45			3.45			13.32			15.08			13.91			8.51		
Mid-Cap Value																		
Goldman Sachs Mid Cap Value Instl	1.92	70	-0.50	1.92	70	-0.50	11.68	21	-0.02	17.43	34	-1.17	14.49	39	-1.35	9.15	36	-0.46
Russell Mid Cap Value TR USD	2.42			2.42			11.70			18.60			15.84			9.61		
Average	2.58			2.58			8.90			16.31			13.76			8.56		
Mid-Cap Blend																		
Vanguard Mid Cap Index Adm	4.28	40	-0.03	4.28	40	-0.03	14.87	7	-0.08	17.93	22	-0.25	16.08	11	-0.38	9.97	16	-0.02
CRSP US Mid Cap TR USD	4.32			4.32			14.95			18.18			16.46			10.00		
Average	3.31			3.31			8.82			15.68			13.77			8.40		
Mid-Cap Growth																		
Columbia Acorn Z	3.97	77	-1.19	3.97	77	-1.19	4.86	92	-5.21	11.90	89	-5.23	12.64	83	-2.85	8.95	63	-0.66
Russell 2500 TR USD	5.17			5.17			10.07			17.13			15.48			9.62		
Average	5.35			5.35			11.20			14.94			14.45			9.32		
Small Value																		
Victory Integrity Small-Cap Value R6	3.96	16	1.98	3.96	16	1.98	9.77	3	5.34	18.05	5	3.26	15.12	7	2.59	9.67	7	2.14
Russell 2000 Value TR USD	1.98			1.98			4.43			14.79			12.54			7.53		
Average	2.29			2.29			4.01			14.36			12.61			8.03		
Small Blend																		
Vanguard Small Cap Index Adm	4.81	25	0.01	4.81	25	0.01	9.83	21	0.01	17.57	23	-0.21	15.81	22	-0.45	10.07	9	-0.50
CRSP US Small Cap TR USD	4.79			4.79			9.82			17.78			16.26			10.57		
Average	3.60			3.60			6.14			15.02			13.80			8.20		
Small Growth																		
Loomis Sayles Small Cap Growth Instl	6.29	39	-0.34	6.29	39	-0.34	5.74	72	-6.32	16.20	34	-1.54	17.50	17	0.92	11.79	5	1.77
Russell 2000 Growth TR USD	6.63			6.63			12.06			17.74			16.58			10.02		
Average	5.78			5.78			8.07			15.21			15.16			9.38		
Foreign Large Value																		
AllianzGI NFJ International Value Instl	0.79	90	-2.70	0.79	90	-2.70	-5.01	77	-3.99	4.33	91	-2.07	4.82	54	0.00	7.01	5	1.55
MSCI ACWI Ex USA NR USD	3.49			3.49			-1.01			6.40			4.82			5.46		
Average	4.09			4.09			-3.29			7.33			4.97			4.26		
Foreign Large Growth																		
American Funds Europacific Growth R6	5.97	29	2.48	5.97	29	2.48	2.80	34	3.82	9.95	19	3.54	7.11	45	2.29	7.54	10	2.07
MSCI ACWI Ex USA NR USD	3.49			3.49			-1.01			6.40			4.82			5.46		
Average	5.08			5.08			1.29			8.24			6.86			5.80		
Foreign Small/Mid Growth																		
T. Rowe Price International Discovery	4.15	71	0.45	4.15	71	0.45	1.11	16	3.80	11.50	36	3.19	10.27	39	3.00	9.33	11	2.01
S&P Global Ex US Small TR USD	3.70			3.70			-2.69			8.31			7.27			7.32		
Average	5.28			5.28			-2.05			10.43			9.95			7.94		
Real Estate																		
Nuveen Real Estate Securities A	4.11	67	-0.38	4.11	67	-0.38	23.47	55	0.74	13.68	28	0.83	15.55	29	0.98	10.80	5	
MSCI US REIT NR USD	4.48			4.48			22.73			12.85			14.57					
Average	4.38			4.38			22.60			13.15			14.93			8.71		

Performance Summary - Calendar Year

	2014				2013				2012				2011				2010				2009				
	Rtn	Rank	+/- Idx	Rtn	Rank	+/- Idx	Rtn	Rank	+/- Idx																
Stable Value																									
MetLife GAC 25053	2.4	1	1.34	2.5	2	1.49	3.2	2	1.76	3.7	5	1.24	4.1	6	0.54	4.7	1	0.17	5.5	2	0.66				
Ryan Labs 3 Year GIC	1.0				1.1				1.5			2.4			3.5			4.5			4.8				
Average	1.1				1.2				1.7			2.1			2.5			2.6			4.2				
Inflation-Protected Bond																									
Vanguard Inflation-Protected Secs Adm	4.0	12	0.33	-8.9	59	-0.26	6.9	19	-0.08	13.3	8	-0.27	6.3	25	0.00	11.0	30	-0.45	-2.8	60	-0.43				
Barclays US Treasury US TIPS TR USD	3.6				-8.6				7.0			13.6			6.3			11.4			-2.4				
Average	2.0				-7.8				6.3			10.9			5.8			10.4			-3.4				
Intermediate Government																									
Vanguard Inter-Term Treasury Adm	4.4	65	-1.73	-3.0	64	1.45	2.8	38	-0.79	9.9	3	-2.97	7.5	8	-1.14	-1.6	93	3.04	13.5	4	-3.33				
BofAML US Treasuries 5-10 Yr TR USD	6.2				-4.4				3.6			12.9			8.6			-4.6			16.8				
Average	4.8				-2.7				2.7			6.8			5.7			5.5			5.8				
Intermediate-Term Bond																									
Dodge & Cox Income	5.5	50	-0.48	0.6	9	2.66	7.9	29	3.73	4.8	85	-3.08	7.2	62	0.63	16.1	30	10.12	-0.3	39	-5.53				
Barclays US Agg Bond TR USD	6.0				-2.0				4.2			7.8			6.5			5.9			5.2				
Average	5.2				-1.4				6.7			6.2			7.9			13.9			-3.5				
World Bond																									
PIMCO Foreign Bond (USD-Hedged) I	11.2	1	5.41	0.9	16	2.92	11.2	23	7.11	6.8	11	-0.89	9.2	33	3.07	19.0	29	14.69	-2.4	58	-10.15				
Citi WBIG USD Hdg USD	5.7				-2.0				4.1			7.7			6.1			4.3			7.7				
Average	1.8				-2.2				8.8			3.4			7.6			16.3			-2.6				
Moderate Allocation																									
Vanguard Balanced Index Adm	10.0	8	0.02	18.1	38	-0.14	11.5	66	0.04	4.3	7	0.43	13.3	27	-0.50	20.1	85	0.35	-22.1	10	-0.12				
40% BarCap-60% CRSP US Total Mkt	10.0				18.2				11.4			3.9			13.8			19.8			-22.0				
Average	6.2				16.9				11.9			0.0			12.3			25.3			-27.7				
Large Value																									
JHancock Disciplined Value R6	11.0	43	-2.41	36.0	12	3.45	20.1	3	2.57	0.4	45	0.02	13.1	54	-2.38	26.3	34	6.57	-33.1	26	3.77				
Russell 1000 Value TR USD	13.5				32.5				17.5			0.4			15.5			19.7			-36.8				
Average	10.3				31.4				14.5			0.1			13.8			24.4			-36.0				
Large Blend																									
Vanguard 500 Index Admiral	13.6	19	-0.05	32.3	43	-0.06	16.0	38	-0.04	2.1	20	-0.03	15.1	33	-0.01	26.6	52	0.16	-37.0	39	0.03				
S&P 500 TR USD	13.7				32.4				16.0			2.1			15.1			26.5			-37.0				
Average	11.0				31.9				15.1			-0.4			14.3			28.7			-37.3				
Large Growth																									
JPMorgan Large Cap Growth R6	11.1	39	-1.92	33.0	60	-0.45	12.4	84	-2.88	3.2	9	0.54	22.7	7	5.97	34.8	48	-2.40	-39.6	48	-1.12				
Russell 1000 Growth TR USD	13.0				33.5				15.3			2.6			16.7			37.2			-38.4				
Average	10.0				34.1				15.5			-1.9			15.9			36.3			-39.8				

	2014			2013			2012			2011			2010			2009			2008		
	Rtn	Rank	+/- Idx	Rtn	Rank	+/- Idx	Rtn	Rank	+/- Idx	Rtn	Rank	+/- Idx	Rtn	Rank	+/- Idx	Rtn	Rank	+/- Idx	Rtn	Rank	+/- Idx
Large Growth																					
Vanguard Growth Index Adm	13.6	14	-0.07	32.4	65	0.65	17.0	31	1.81	1.9	17	1.29	17.1	36	1.35	36.4	41	0.50	-38.2	37	0.45
CRSP US Large Cap Growth TR USD	13.7			31.7			15.2			0.6		15.8			35.9			-38.7			
Average	10.0			34.1			15.5			-1.9		15.9			36.3			-39.8			
Mid-Cap Value																					
Goldman Sachs Mid Cap Value Instl	13.7	13	-1.03	33.0	63	-0.49	18.5	24	0.03	-6.3	70	-4.88	24.9	22	0.10	33.2	62	-1.02	-36.5	42	1.98
Russell Mid Cap Value TR USD	14.7			33.5			18.5			-1.4		24.8			34.2			-38.4			
Average	9.4			34.8			17.1			-4.3		22.2			37.7			-38.1			
Mid-Cap Blend																					
Vanguard Mid Cap Index Adm	13.8	6	-0.06	35.2	43	-0.12	16.0	59	-0.70	-2.0	31	-0.17	25.6	26	-0.57	40.5	15	3.58	-41.8	80	0.05
CRSP US Mid Cap TR USD	13.8			35.3			16.7			-1.8		26.2			36.9			-41.8			
Average	7.9			34.5			15.8			-3.4		22.3			35.4			-37.9			
Mid-Cap Growth																					
Columbia Acorn Z	0.8	91	-6.25	30.9	77	-5.89	17.9	18	0.06	-4.6	59	-2.10	26.0	47	-0.70	39.6	51	5.26	-38.5	27	-1.76
Russell 2500 TR USD	7.1			36.8			17.9			-2.5		26.7			34.4			-36.8			
Average	7.0			35.1			14.4			-3.4		25.3			39.4			-41.8			
Small Value																					
Victory Integrity Small-Cap Value R6	7.5	6	3.28	41.2	16	6.69	14.0	68	-4.09	-2.9	31	2.59	29.4	14	4.94	33.6	41	13.00	-31.3	40	-2.33
Russell 2000 Value TR USD	4.2			34.5			18.1			-5.5		24.5			20.6			-28.9			
Average	3.5			36.0			16.2			-5.2		25.3			35.1			-33.0			
Small Blend																					
Vanguard Small Cap Index Adm	7.5	13	-0.04	37.8	47	-0.66	18.2	21	-0.35	-2.7	46	-0.84	27.9	25	-0.09	36.3	26	-3.78	-36.0	59	0.81
CRSP US Small Cap TR USD	7.5			38.5			18.6			-1.9		28.0			40.1			-36.8			
Average	3.9			37.4			15.5			-3.2		25.5			32.5			-35.4			
Small Growth																					
Loomis Sayles Small Cap Growth Instl	1.1	68	-4.55	47.7	14	4.41	10.3	86	-4.30	3.2	9	6.11	31.4	31	2.32	31.9	71	-2.56	-39.8	42	-1.26
Russell 2000 Growth TR USD	5.6			43.3			14.6			-2.9		29.1			34.5			-38.5			
Average	2.4			41.5			13.8			-2.7		28.5			37.0			-40.5			
Foreign Large Value																					
AllianzGI NFJ International Value Instl	-5.3	36	-1.44	10.6	93	-4.70	21.9	3	5.03	-10.9	24	2.83	11.0	16	-0.17	42.0	7	0.55	-44.5	64	1.07
MSCI ACWI Ex USA NR USD	-3.9			15.3			16.8			-13.7		11.2			41.4			-45.5			
Average	-6.3			20.5			16.2			-12.4		7.9			30.6			-42.8			
Foreign Large Growth																					
American Funds Europacific Growth R6	-2.3	27	1.57	20.6	45	5.29	19.6	39	2.81	-13.3	50	0.40	9.8	86	-1.39	39.4	26	-2.09	-40.5	16	5.00
MSCI ACWI Ex USA NR USD	-3.9			15.3			16.8			-13.7		11.2			41.4			-45.5			
Average	-4.0			19.5			18.7			-12.1		13.6			36.3			-43.7			
Foreign Small/Mid Growth																					
T. Rowe Price International Discovery	-0.4	15	2.69	24.4	62	3.67	26.0	12	5.65	-14.1	48	3.32	20.5	86	-2.49	55.7	12	-1.15	-49.9	61	-0.08
S&P Global Ex US Small TR USD	-3.1			20.7			20.3			-17.4		23.0			56.8			-49.8			
Average	-5.4			26.8			22.6			-13.4		24.5			48.0			-49.0			
Real Estate																					
Nuveen Real Estate Securities A	30.9	23	2.12	1.0	66	-0.22	18.1	23	1.60	7.7	55	0.21	30.2	14	3.27	30.2	36	3.91	-35.0	21	4.10
MSCI US REIT NR USD	28.8			1.3			16.5			7.5		27.0			26.3			-39.1			
Average	28.1			1.8			17.6			7.6		27.3			30.9			-38.7			

Risk Summary

	Beta			Alpha			Standard Deviation			Up Capture Ratio			Down Capture Ratio		
	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years
Stable Value															
MetLife GAC 25053	1.87	0.66	0.76	0.5	1.9	1.5	0.1	0.2	0.3						
Inflation-Protected Bond															
Vanguard Inflation-Protected Secs Adm	1.02	1.01	1.00	0.0	-0.1	-0.1	5.5	5.3	6.4	101	99	98	102	100	99
Average	0.87	0.89	0.97	-0.7	-0.6	-0.8	4.9	4.9	6.4	80	85	92	90	92	100
Intermediate Government															
Vanguard Interm-Term Treasury Adm	0.79	0.78	0.82	0.0	0.1	0.3	3.5	3.8	4.7	78	80	85	78	78	79
Average	0.52	0.47	0.44	0.4	0.7	0.8	2.6	2.6	3.0	55	52	55	48	41	35
Intermediate-Term Bond															
Dodge & Cox Income	0.70	0.64	0.83	1.8	2.1	1.1	2.3	2.5	3.7	95	93	96	53	52	65
Average	0.92	0.89	0.93	0.6	0.7	0.1	2.9	2.9	3.9	101	100	98	89	88	103
World Bond															
PIMCO Foreign Bond (USD-Hedged) I	0.77	0.80	0.71	5.2	3.9	2.8	2.9	3.2	3.9	147	128	108	21	36	50
Average	0.88	0.78	1.00	-0.9	0.1	-0.5	4.7	5.7	6.6	85	88	103	122	108	139
Moderate Allocation															
Vanguard Balanced Index Adm	0.99	0.99	1.00	0.0	0.1	0.0	5.8	7.8	9.3	100	100	100	100	99	100
Average	1.09	1.12	1.11	-2.4	-2.8	-1.6	6.7	9.0	10.6	96	99	104	121	123	119
Large Value															
JHancock Disciplined Value R6	1.03	1.03	0.96	-0.4	-0.1	2.1	10.7	14.2	15.3	101	103	103	103	103	94
Average	0.97	0.97	0.94	-1.3	-0.8	0.0	10.1	13.4	15.2	93	94	94	101	98	94
Large Blend															
Vanguard 500 Index Admiral	1.00	1.00	1.00	0.0	0.0	0.0	9.6	13.0	14.8	100	100	100	100	100	100
Average	1.01	1.02	1.01	-1.2	-1.5	-0.6	10.1	13.6	15.3	97	98	99	104	106	103
Large Growth															
JPMorgan Large Cap Growth R6	1.10	1.01	1.02	-3.3	0.6	0.7	11.6	14.1	16.0	97	101	103	116	96	100
Average	1.04	1.05	1.03	-1.6	-2.1	-0.9	10.9	14.5	16.2	98	99	101	107	111	106
Large Growth															
Vanguard Growth Index Adm	0.99	1.00	1.00	0.5	0.9	0.1	10.2	13.9	15.2	101	102	100	98	97	99
Average	1.01	1.01	1.02	-0.8	-0.8	-0.7	10.9	14.5	16.2	97	99	100	100	104	105

	Beta			Alpha			Standard Deviation			Up Capture Ratio			Down Capture Ratio		
	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years
Mid-Cap Value															
Goldman Sachs Mid Cap Value Instl	0.95	1.02	0.91	-0.1	-1.4	0.2	9.8	14.7	16.6	96	98	95	101	104	96
Average	1.02	1.04	0.98	-2.3	-2.3	-0.7	10.8	15.3	18.1	96	98	98	115	110	102
Mid-Cap Blend															
Vanguard Mid Cap Index Adm	1.01	1.02	1.01	-0.3	-0.6	-0.1	10.5	14.8	17.7	99	100	101	101	102	102
Average	1.01	1.04	0.99	-2.2	-2.8	-1.3	11.2	15.6	17.9	95	97	96	111	110	102
Mid-Cap Growth															
Columbia Acorn Z	0.97	0.98	0.95	-4.2	-2.3	-0.3	11.7	16.3	18.0	88	93	95	113	103	96
Average	0.92	0.92	0.90	-0.6	0.3	0.5	11.8	15.7	17.9	91	92	92	96	91	90
Small Value															
Victory Integrity Small-Cap Value R6	0.97	1.01	0.98	3.2	2.3	2.1	13.0	17.8	19.8	105	103	102	89	94	94
Average	0.92	0.95	0.94	0.7	0.7	0.8	12.8	17.1	19.5	95	97	95	93	94	92
Small Blend															
Vanguard Small Cap Index Adm	1.00	1.02	1.02	-0.2	-0.7	-0.6	12.0	16.9	19.6	100	100	101	102	103	103
Average	1.03	1.01	0.96	-2.8	-2.2	-1.8	12.9	17.2	19.1	96	96	93	112	105	100
Small Growth															
Loomis Sayles Small Cap Growth Instl	0.98	0.89	0.91	-0.9	2.4	2.3	14.6	16.9	19.0	91	92	95	91	83	87
Average	0.93	0.93	0.93	-1.0	-0.2	0.0	13.8	17.7	19.6	90	92	93	94	93	93
Foreign Large Value															
AllianzGI NFJ International Value Instl	0.97	0.96	1.03	-1.8	0.2	1.5	12.4	15.9	19.8	96	97	107	109	96	101
Average	1.01	1.00	0.97	0.9	0.2	-1.0	13.2	16.8	18.9	106	104	97	102	104	102
Foreign Large Growth															
American Funds Europacific Growth R6	0.89	0.94	0.91	4.0	2.4	2.2	11.4	15.5	17.4	100	98	97	75	87	87
Average	0.90	0.95	0.94	2.4	2.2	0.5	11.9	16.1	18.3	97	98	96	83	88	94
Foreign Small/Mid Growth															
T. Rowe Price International Discovery	0.81	0.87	0.91	4.3	3.6	2.3	10.4	15.1	19.1	91	92	95	61	74	86
Average	0.88	0.90	0.92	2.9	3.2	1.1	11.9	16.1	20.0	97	96	96	79	81	93
Real Estate															
Nuveen Real Estate Securities A	0.96	0.97		1.2	1.2		12.8	15.8	24.1	99	100		93	95	
Average	0.91	0.95		1.3	1.0		12.4	15.6	24.4	95	97		88	92	

Risk Based Custom Model Portfolios

	<u>Income</u>	<u>Conservative</u>	<u>Moderate</u>	<u>Growth</u>	<u>Aggressive</u>
Jhancock Disciplined Value	0.0	8.0	10.0	12.0	16.0
JPMorgan Large Cap Growth	0.0	6.0	8.0	10.0	15.0
Goldman Sachs Mid Cap Value	0.0	4.0	6.0	8.0	12.0
Columbia Acorn	0.0	4.0	6.0	8.0	12.0
Munder Veracity Small-Cap Value	0.0	2.0	4.0	8.0	10.0
Loomis Sayles Small Cap Growth	0.0	2.0	4.0	7.0	10.0
Nuveen Real Estate	10.0	5.0	5.0	5.0	0.0
Allianz NFJ International Value	0.0	2.0	5.0	7.0	10.0
American Funds EuroPacific Growth	0.0	2.0	5.0	7.0	10.0
T. Rowe Price International Discovery	0.0	0.0	2.0	3.0	5.0
TOTAL EQUITY	10.0	35.0	55.0	75.0	100.0
Vanguard Inflation-Protected Secs	20.0	15.0	10.0	5.0	0.0
Dodge & Cox Income	25.0	20.0	15.0	10.0	0.0
PIMCO Foreign Bond	15.0	10.0	5.0	5.0	0.0
TOTAL BONDS	60.0	45.0	30.0	20.0	0.0
MetLife Stable Value	30.0	20.0	15.0	5.0	0.0
TOTAL CASH	30.0	20.0	15.0	5.0	0.0
TOTAL FUND	100.0	100.0	100.0	100.0	100.0

Performance Summary - Model Portfolios

Portfolio Inception Date: 10/1/2012

Beta	Quarter		1 Year		3 Year		5 Year		10 Year		Inception	
	Return	+/- Idx	Return	+/- Idx	Return	+/- Idx	Return	+/- Idx	Return	+/- Idx	Return	+/- Idx
Income												
Gray Income Portfolio	-0.03	1.56	0.42	6.44	1.42						3.79	0.23
Best Fit Index - Gray Income	0.06	1.14		5.03		3.91		4.70		4.84		3.57
90% BarCap-10% S&P500	0.04	1.54		6.41		4.39		5.51		5.37		3.78
Conservative												
Gray Conservative Portfolio	0.29	1.87	0.43	6.80	0.19						7.24	-0.27
Best Fit Index - Gray Conservative	0.31	1.43		6.61		7.17		7.27		6.15		7.52
65% BarCap-35% S&P500	0.30	1.38		8.15		7.62		8.17		6.37		7.66
Moderate												
Gray Moderate Portfolio	0.49	2.27	0.60	6.86	-0.27						9.57	-0.46
Best Fit Index - Gray Moderate	0.50	1.67		7.13		9.14		8.70		6.83		10.04
45% BarCap-55% S&P500	0.52	1.25		9.55		10.22		10.20		7.02		10.81
Growth												
Gray Growth Portfolio	0.70	2.81	0.88	7.57	-0.71						12.30	-0.60
Best Fit Index - Gray Growth	0.70	1.93		8.28		11.48		10.50		7.47		12.89
25% BarCap-75% S&P500	0.73	1.11		10.96		12.84		12.16		7.55		14.01
Aggressive												
Gray Aggressive Portfolio	1.01	3.26	1.03	7.34	-1.77						15.22	-0.91
Best Fit Index - Gray Aggressive	0.95	2.22		9.12		14.01		12.31		7.77		16.13
0% BarCap-100% S&P500	1.00	0.95		12.74		16.13		14.47		8.01		18.06
Indices												
Ryan Labs 3 Year GIC		0.27		1.04		1.14		1.76		2.98		1.07
Barclays US Agg Bond TR USD		1.61		5.72		3.11		4.41		4.93		2.25
Russell 3000 TR USD		1.80		12.38		16.44		14.71		8.38		18.70
MSCI ACWI Ex USA NR USD		3.49		-1.01		6.41		4.82		5.46		8.08
S&P 500 TR USD		0.95		12.74		16.13		14.47		8.01		18.06

Gray Income Portfolio

Portfolio Inception Date: 10/1/2012

Best Fit Index: Best Fit Index - Gray Income

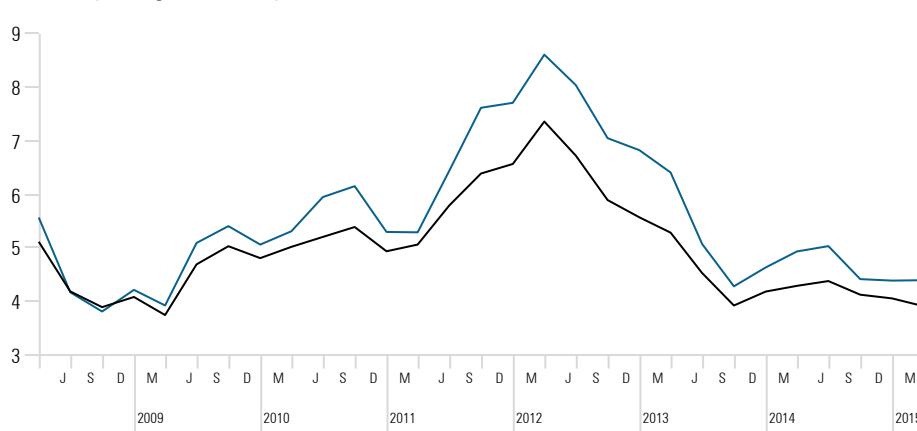
Broad Based Index: 90% BarCap-10% S&P500

Return Date: 3/31/2015

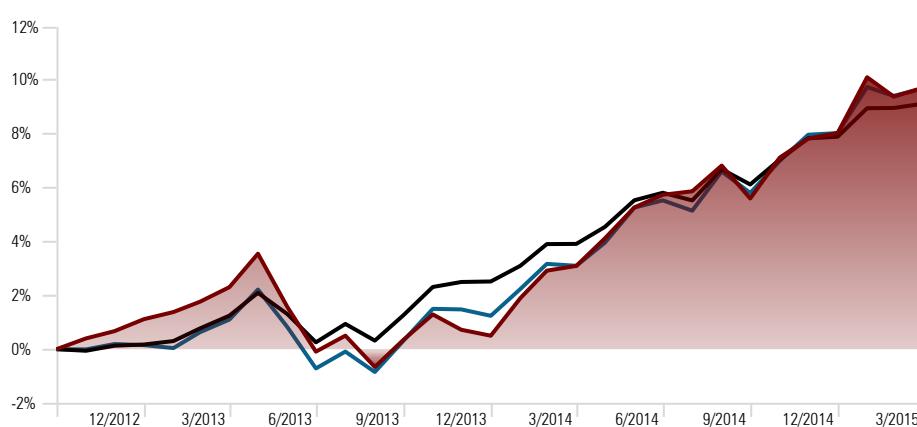
Performance Summary

	Return					
	Qtr	1 Year	3 Years	5 Years	10 Years	Inception
Portfolio	1.6	6.4				3.8
Best Fit Index	1.1	5.0	3.9	4.7	4.8	3.6
90% BarCap-10% S&P500	1.5	6.4	4.4	5.5	5.4	3.8

Returns (Rolling 36 Months)



Cumulative Returns



■ Portfolio

— Best Fit Index

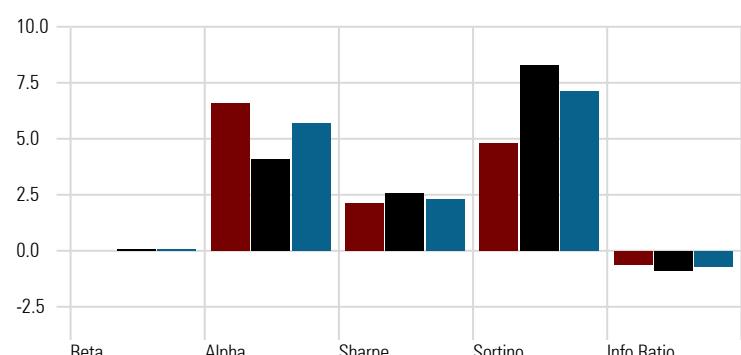
— 90% BarCap-10% S&P500

Sector Allocation (%)

Energy	0.0
Materials	0.0
Industrials	0.0
Cons Discretionary	0.0
Consumer Staples	0.0
Healthcare	0.2
Financials	99.5
Technology	0.0
Telecom Services	0.3
Utilities	0.0

Risk Statistics

	Beta	Std Dev	Down Dev	Alpha	Sharpe	Sortino	Info
Portfolio	-0.03	3.0	7.7	6.6	2.1	4.7	-0.6
Best Fit Index	0.06	1.9	7.3	4.1	2.6	8.2	-0.9
90% BarCap-10% S&P500	0.04	2.7	7.3	5.7	2.3	7.0	-0.7
S&P 500 TR USD	1.00	9.1	0.0	0.0	1.4	3.2	



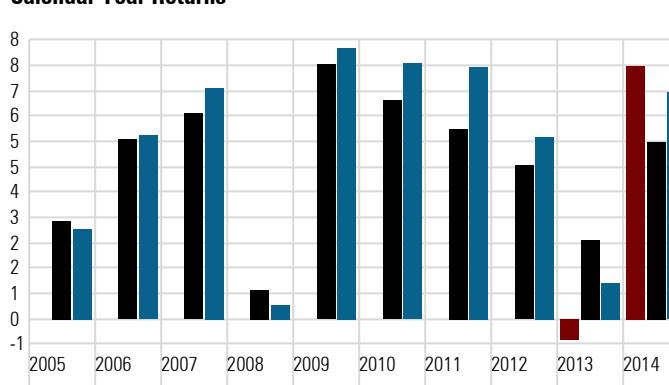
Portfolio Characteristics

Net Expense Ratio	0.47
Gross Expense Ratio	0.48
Effective Duration	6.1
Effective Maturity	7.9
P/E Ratio	35.5
30 Day SEC Yield	0.66
Dividend Yield	3.78

Performance Analysis

	Up Period	Down Period	Best Quarter	Worst Quarter	Up Capture	Down Capture
Portfolio	72.4	27.6	2.6	-2.3	7.2	3.1
Best Fit Index	72.4	27.6	1.8	-1.0	8.4	5.0
90% BarCap-10% S&P500	71.5	28.5	2.4	-1.8	6.2	1.9

Calendar Year Returns



Asset Allocation

Portfolio Date: 3/31/2015



Allocation - Last Change

Portfolio Date: 6/17/2014

MetLife GAC 25053	30
Dodge & Cox Income	25
Vanguard Inflation-Protected Secs Adm	20
PIMCO Foreign Bond (USD-Hedged) I	15
Nuveen Real Estate Securities A	10

Gray Conservative Portfolio

Portfolio Inception Date: 10/1/2012

Best Fit Index: Best Fit Index - Gray Conservative

Broad Based Index: 65% BarCap-35% S&P500

Return Date: 3/31/2015

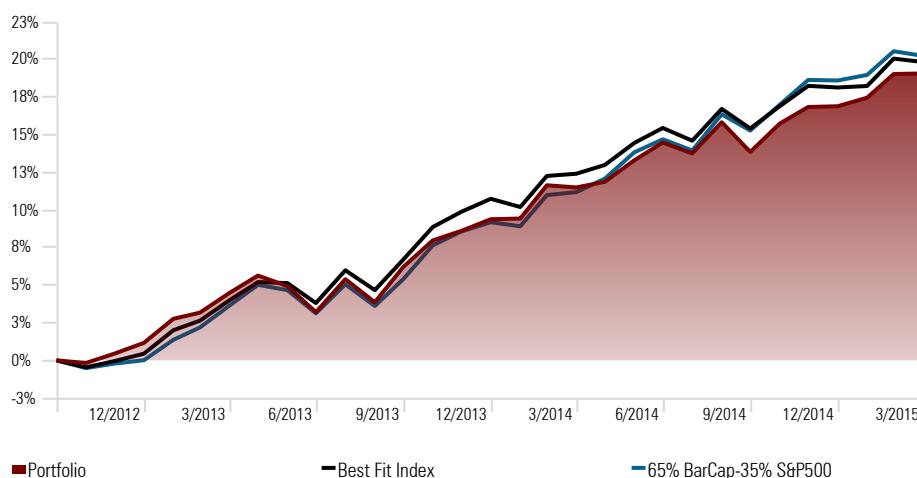
Performance Summary

	Return					
	Qtr	1 Year	3 Years	5 Years	10 Years	Inception
Portfolio	1.9	6.8				7.2
Best Fit Index	1.4	6.6	7.2	7.3	6.1	7.5
65% BarCap-35% S&P500	1.4	8.2	7.6	8.2	6.4	7.7

Returns (Rolling 36 Months)



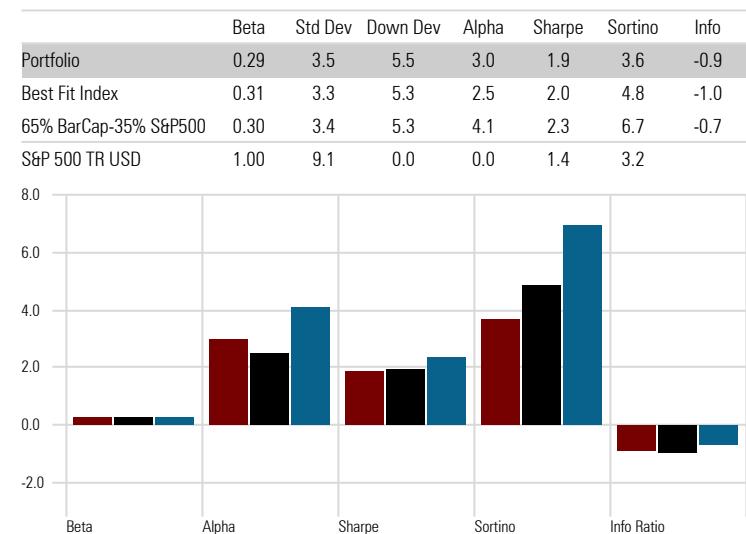
Cumulative Returns



Sector Allocation (%)

Energy	4.7
Materials	3.3
Industrials	10.7
Cons Discretionary	12.1
Consumer Staples	3.7
Healthcare	14.1
Financials	31.7
Technology	16.9
Telecom Services	1.2
Utilities	1.7

Risk Statistics



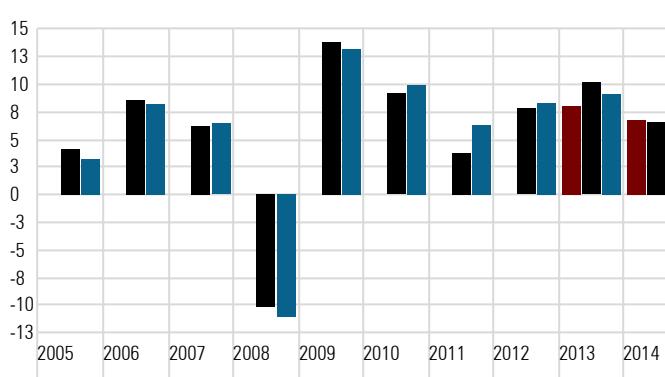
Portfolio Characteristics

Net Expense Ratio	0.55
Gross Expense Ratio	0.55
Effective Duration	6.0
Effective Maturity	7.9
P/E Ratio	21.4
30 Day SEC Yield	0.70
Dividend Yield	1.89

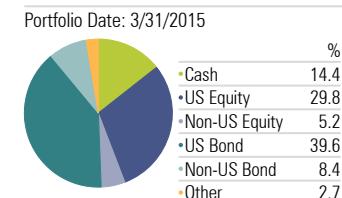
Performance Analysis

	Up Period	Down Period	Best Quarter	Worst Quarter	Up Capture	Down Capture
Portfolio	70.4	29.6	3.3	-1.2	34.4	32.4
Best Fit Index	69.8	30.2	3.8	-0.2	33.4	30.8
65% BarCap-35% S&P500	71.2	28.8	3.6	-0.5	32.5	29.3

Calendar Year Returns



Asset Allocation



Allocation - Last Change

Portfolio Date	Allocation Change
6/17/2014	20
Dodge & Cox Income	20
MetLife GAC 25053	20
Vanguard Inflation-Protected Secs Adm	15
PIMCO Foreign Bond (USD-Hedged) I	10
JHancock Disciplined Value R6	8
JPMorgan Large Cap Growth R6	6
Nuveen Real Estate Securities A	5
Columbia Acorn Z	4
Goldman Sachs Mid Cap Value Instl	4
AllianzGI NFJ International Value Instl	2
American Funds Europacific Growth R6	2
Loomis Sayles Small Cap Growth Instl	2
Victory Integrity Small-Cap Value R6	2

Gray Moderate Portfolio

Portfolio Inception Date: 10/1/2012

Best Fit Index: Best Fit Index - Gray Moderate

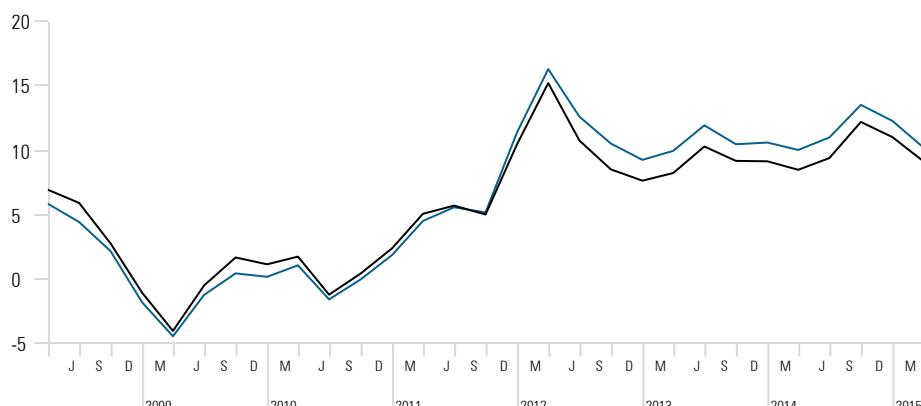
Broad Based Index: 45% BarCap-55% S&P500

Return Date: 3/31/2015

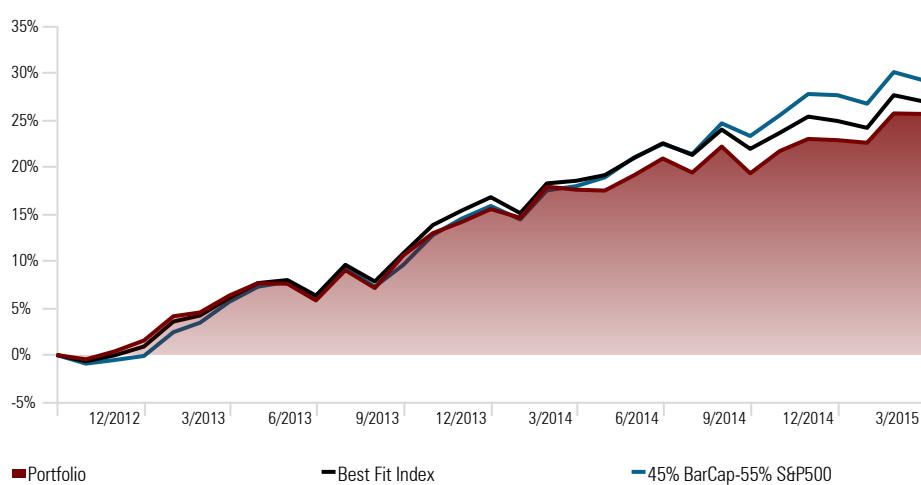
Performance Summary

	Return					
	Qtr	1 Year	3 Years	5 Years	10 Years	Inception
Portfolio	2.3	6.9				9.6
Best Fit Index	1.7	7.1	9.1	8.7	6.8	10.0
45% BarCap-55% S&P500	1.2	9.6	10.2	10.2	7.0	10.8

Returns (Rolling 36 Months)



Cumulative Returns

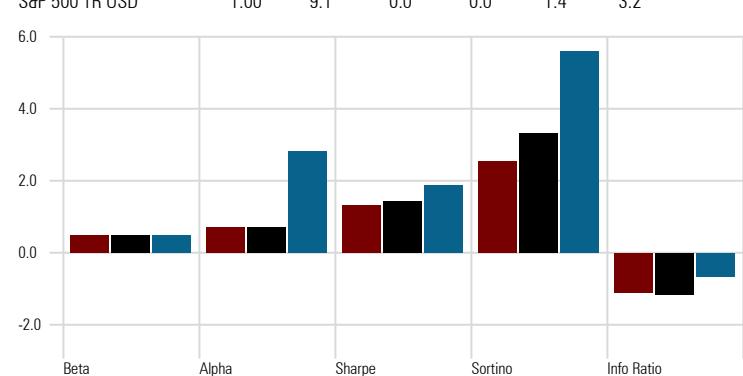


Sector Allocation (%)

Sector	Allocation (%)
Energy	4.9
Materials	3.7
Industrials	11.8
Cons Discretionary	13.1
Consumer Staples	4.0
Healthcare	14.1
Financials	27.9
Technology	17.1
Telecom Services	1.5
Utilities	1.9

Risk Statistics

	Beta	Std Dev	Down Dev	Alpha	Sharpe	Sortino	Info
Portfolio	0.49	5.2	4.3	0.7	1.3	2.5	-1.1
Best Fit Index	0.50	4.8	4.0	0.7	1.4	3.3	-1.2
45% BarCap-55% S&P500	0.52	4.9	3.7	2.8	1.9	5.4	-0.7
S&P 500 TR USD	1.00	9.1	0.0	0.0	1.4	3.2	



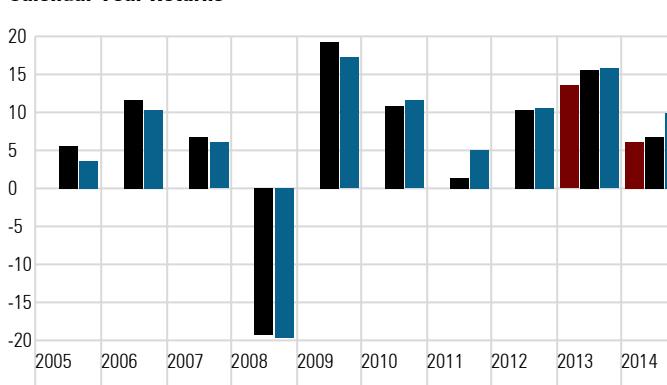
Portfolio Characteristics

Net Expense Ratio	0.65
Gross Expense Ratio	0.65
Effective Duration	5.9
Effective Maturity	7.7
P/E Ratio	20.5
30 Day SEC Yield	1.03
Dividend Yield	1.83

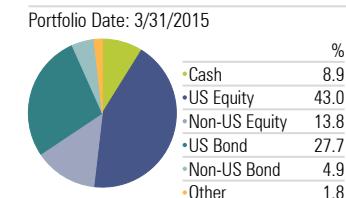
Performance Analysis

	Up Period	Down Period	Best Quarter	Worst Quarter	Up Capture	Down Capture
Portfolio	70.7	29.3	4.7	-1.3	53.0	52.6
Best Fit Index	70.0	30.0	5.4	-0.5	50.0	48.1
45% BarCap-55% S&P500	70.0	30.0	5.8	-0.1	53.3	51.2

Calendar Year Returns



Asset Allocation



Allocation - Last Change

Portfolio Date: 6/17/2014	
Dodge & Cox Income	15
MetLife GAC 25053	15
JHancock Disciplined Value R6	10
Vanguard Inflation-Protected Secs Adm	10
JPMorgan Large Cap Growth R6	8
Columbia Acorn Z	6
Goldman Sachs Mid Cap Value Instl	6
AllianzGI NFJ International Value Instl	5
American Funds Europacific Growth R6	5
Nuveen Real Estate Securities A	5
PIMCO Foreign Bond (USD-Hedged) I	5
Loomis Sayles Small Cap Growth Instl	4
Victory Integrity Small-Cap Value R6	4
T. Rowe Price International Discovery	2

Gray Growth Portfolio

Portfolio Inception Date: 10/1/2012

Best Fit Index: Best Fit Index - Gray Growth

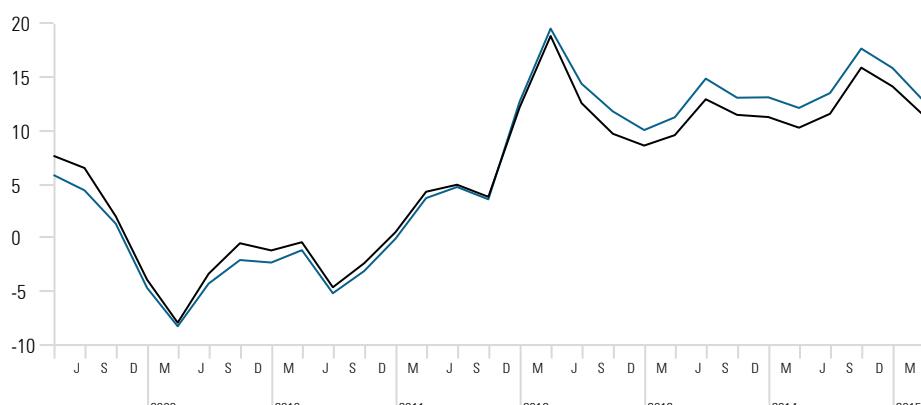
Broad Based Index: 25% BarCap-75% S&P500

Return Date: 3/31/2015

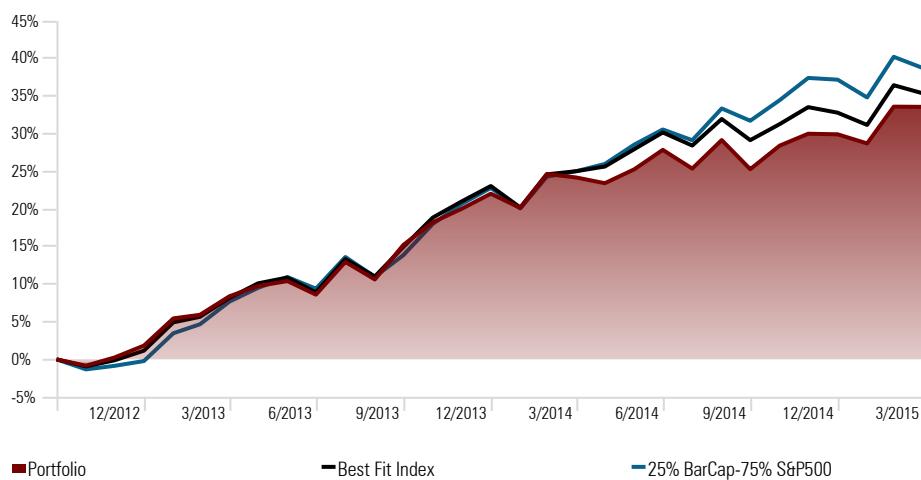
Performance Summary

	Return					
	Qtr	1 Year	3 Years	5 Years	10 Years	Inception
Portfolio	2.8	7.6				12.3
Best Fit Index	1.9	8.3	11.5	10.5	7.5	12.9
25% BarCap-75% S&P500	1.1	11.0	12.8	12.2	7.5	14.0

Returns (Rolling 36 Months)



Cumulative Returns



Sector Allocation (%)

Energy	4.9
Materials	3.7
Industrials	12.3
Cons Discretionary	13.6
Consumer Staples	4.0
Healthcare	14.3
Financials	26.1
Technology	17.5
Telecom Services	1.5
Utilities	2.0

Risk Statistics

	Beta	Std Dev	Down Dev	Alpha	Sharpe	Sortino	Info
Portfolio	0.70	7.2	3.5	-1.1	1.0	2.0	-1.2
Best Fit Index	0.70	6.6	2.7	-0.5	1.2	2.7	-1.4
25% BarCap-75% S&P500	0.73	6.7	2.1	1.6	1.6	4.0	-0.7
S&P 500 TR USD	1.00	9.1	0.0	0.0	1.4	3.2	

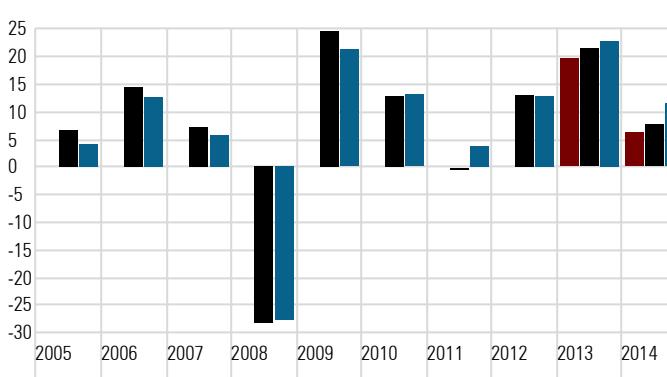
Portfolio Characteristics

Net Expense Ratio	0.73
Gross Expense Ratio	0.74
Effective Duration	5.8
Effective Maturity	7.8
P/E Ratio	20.2
30 Day SEC Yield	1.20
Dividend Yield	1.75

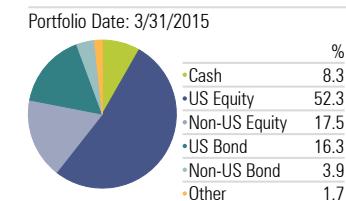
Performance Analysis

	Up Period	Down Period	Best Quarter	Worst Quarter	Up Capture	Down Capture
Portfolio	70.8	29.2	6.4	-2.0	72.6	73.5
Best Fit Index	70.0	30.0	7.0	-0.8	67.7	66.4
25% BarCap-75% S&P500	70.1	29.9	7.9	-0.2	74.1	72.9

Calendar Year Returns



Asset Allocation



Allocation - Last Change

Portfolio Date: 6/17/2014

JHancock Disciplined Value R6	12
Dodge & Cox Income	10
JPMorgan Large Cap Growth R6	10
Columbia Acorn Z	8
Goldman Sachs Mid Cap Value Instl	8
Victory Integrity Small-Cap Value R6	8
AllianzGI NFJ International Value Instl	7
American Funds Europacific Growth R6	7
Loomis Sayles Small Cap Growth Instl	7
MetLife GAC 25053	5
Nuveen Real Estate Securities A	5
PIMCO Foreign Bond (USD-Hedged) I	5
Vanguard Inflation-Protected Secs Adm	5
T. Rowe Price International Discovery	3

Gray Aggressive Portfolio

Portfolio Inception Date: 10/1/2012

Best Fit Index: Best Fit Index - Gray Aggressive

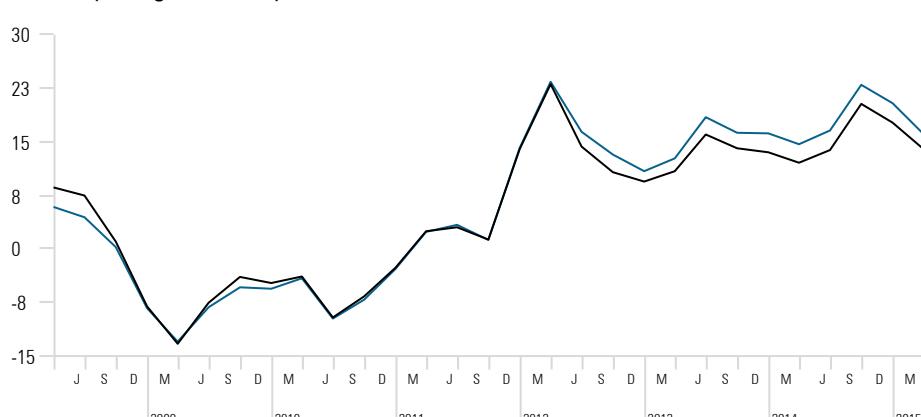
Broad Based Index: 0% BarCap-100% S&P500

Return Date: 3/31/2015

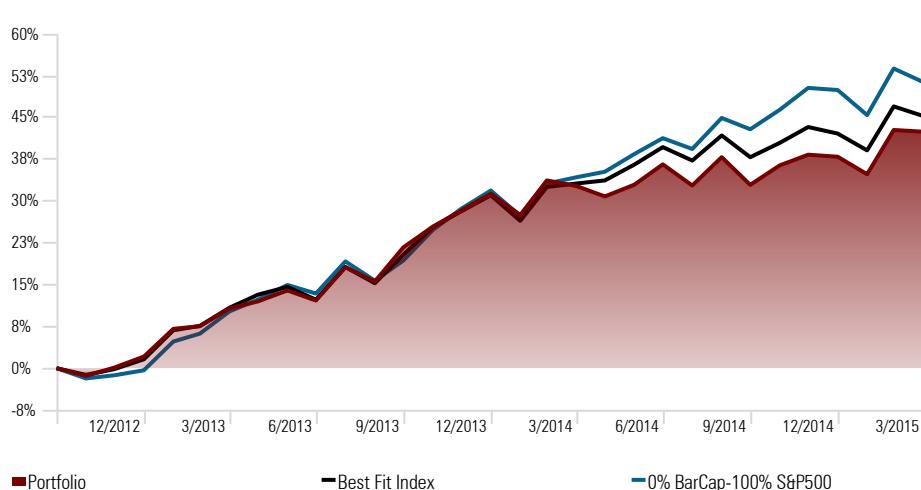
Performance Summary

	Return					
	Qtr	1 Year	3 Years	5 Years	10 Years	Inception
Portfolio	3.3	7.3				15.2
Best Fit Index	2.2	9.1	14.0	12.3	7.8	16.1
0% BarCap-100% S&P500	1.0	12.7	16.1	14.5	8.0	18.1

Returns (Rolling 36 Months)



Cumulative Returns

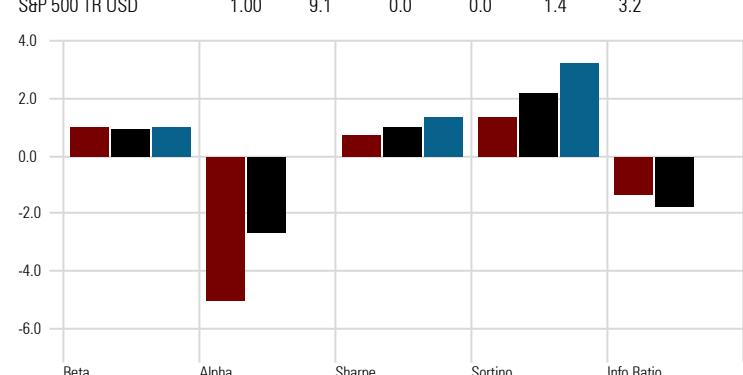


Sector Allocation (%)

Energy	5.2
Materials	4.1
Industrials	13.4
Cons Discretionary	14.7
Consumer Staples	4.3
Healthcare	15.4
Financials	20.3
Technology	19.0
Telecom Services	1.6
Utilities	2.1

Risk Statistics

	Beta	Std Dev	Down Dev	Alpha	Sharpe	Sortino	Info
Portfolio	1.01	10.0	3.7	-5.0	0.8	1.4	-1.3
Best Fit Index	0.95	8.8	1.9	-2.6	1.0	2.2	-1.8
0% BarCap-100% S&P500	1.00	9.1	0.0	0.0	1.4	3.2	0.9
S&P 500 TR USD	1.00	9.1	0.0	0.0	1.4	3.2	



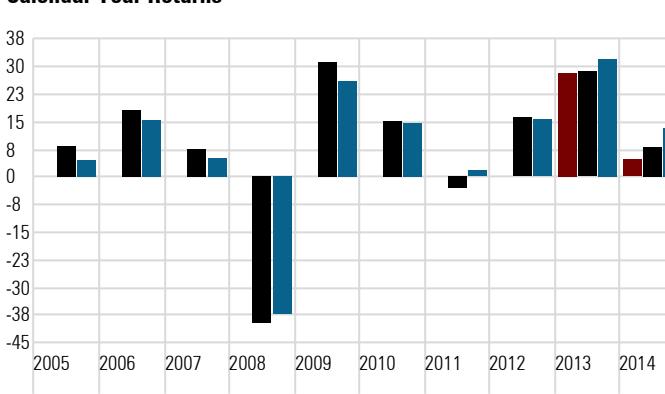
Portfolio Characteristics

Net Expense Ratio	0.79
Gross Expense Ratio	0.80
Effective Duration	1.8
Effective Maturity	2.5
P/E Ratio	19.7
30 Day SEC Yield	1.48
Dividend Yield	1.58

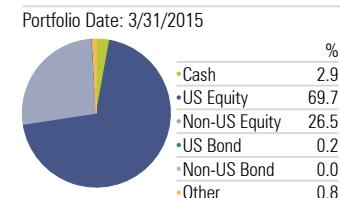
Performance Analysis

	Up Period	Down Period	Best Quarter	Worst Quarter	Up Capture	Down Capture
Portfolio	71.2	28.8	8.5	-2.7	97.7	101.1
Best Fit Index	70.0	30.0	9.1	-1.3	88.8	88.5
0% BarCap-100% S&P500	70.6	29.4	10.6	-0.4	100.0	100.0

Calendar Year Returns



Asset Allocation

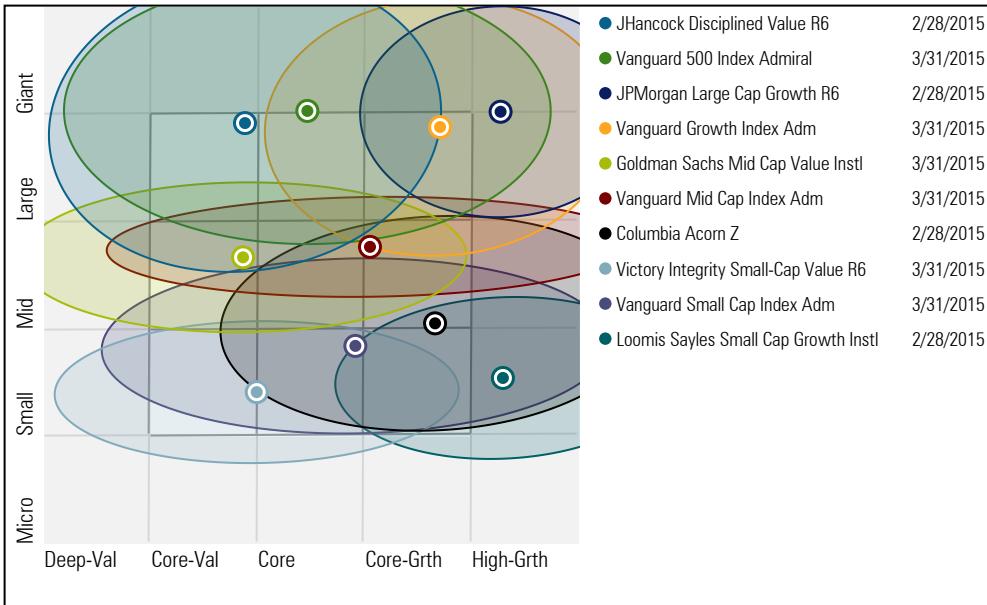


Allocation - Last Change

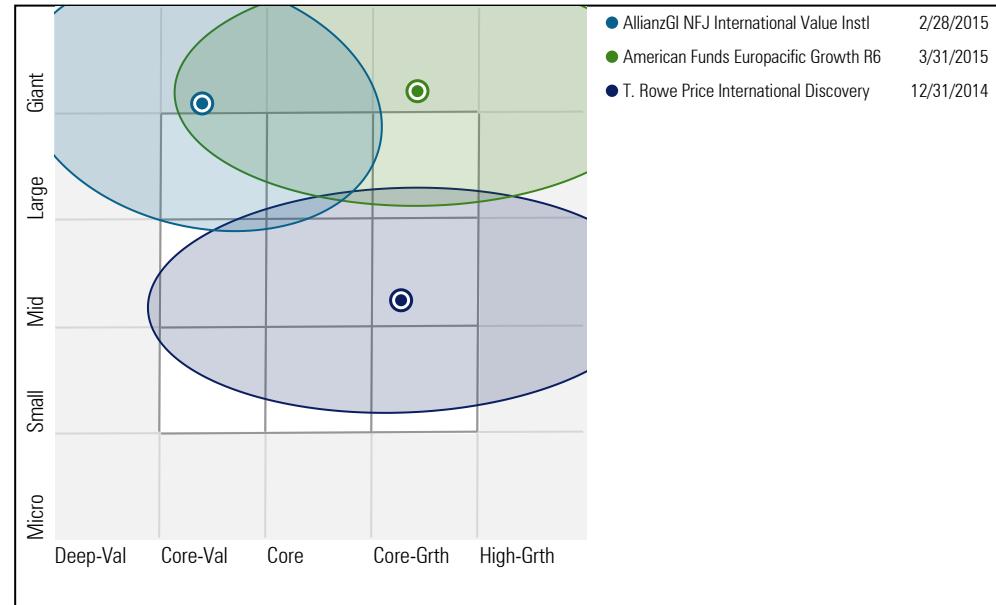
Portfolio Date	Allocation Change
6/17/2014	16
JHancock Disciplined Value R6	15
JPMorgan Large Cap Growth R6	12
Columbia Acorn Z	12
Goldman Sachs Mid Cap Value Instl	12
AllianzGI NFJ International Value Instl	10
American Funds Europacific Growth R6	10
Loomis Sayles Small Cap Growth Instl	10
Victory Integrity Small-Cap Value R6	10
T. Rowe Price International Discovery	5

Equity Fund Style Analysis

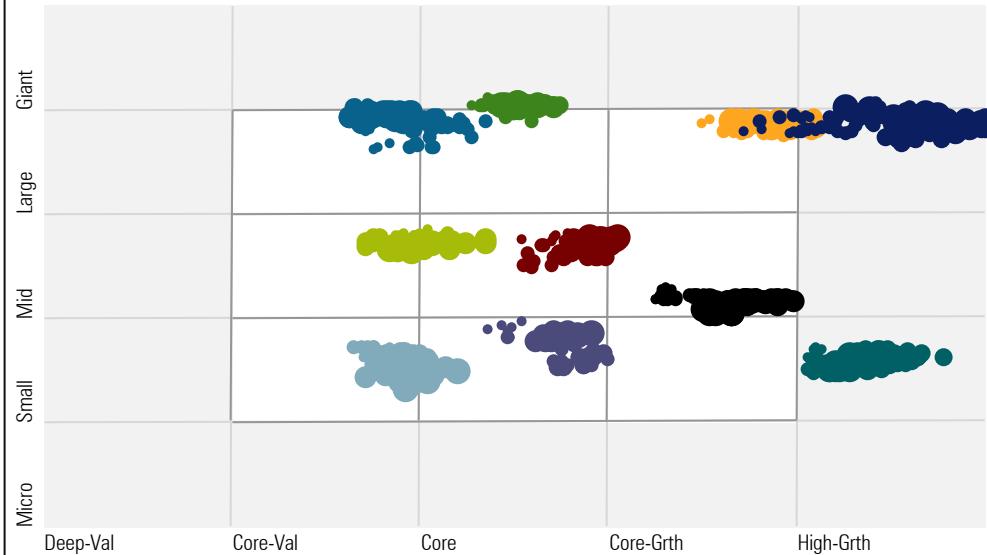
Domestic Equities



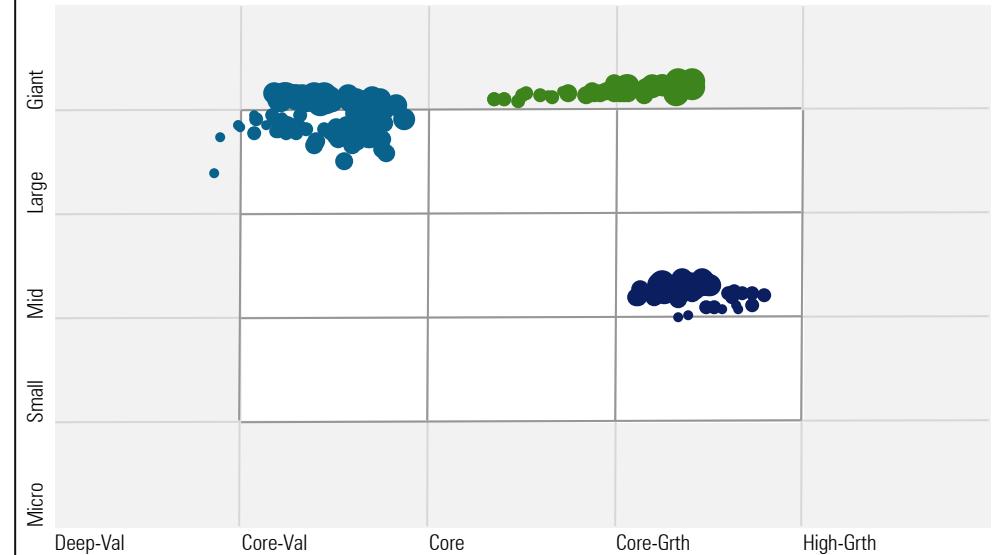
Foreign Equities



Time Period: 4/30/2005 to 3/31/2015



Time Period: 4/30/2005 to 3/31/2015

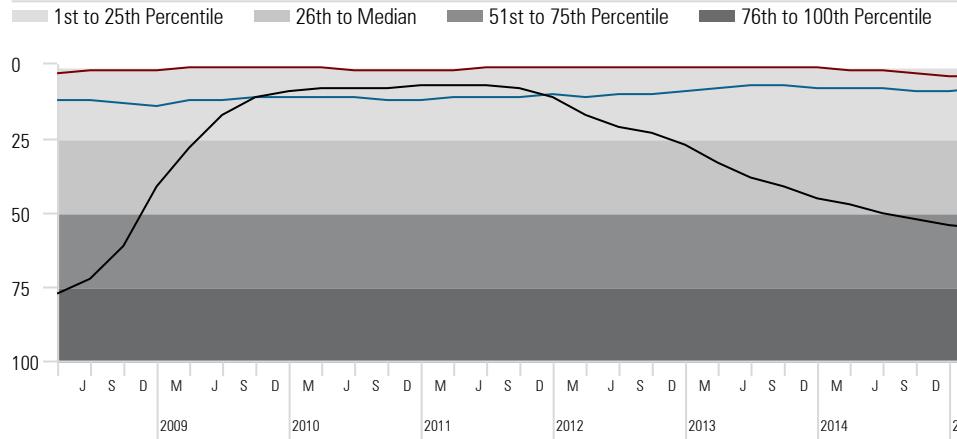


MetLife GAC 25053

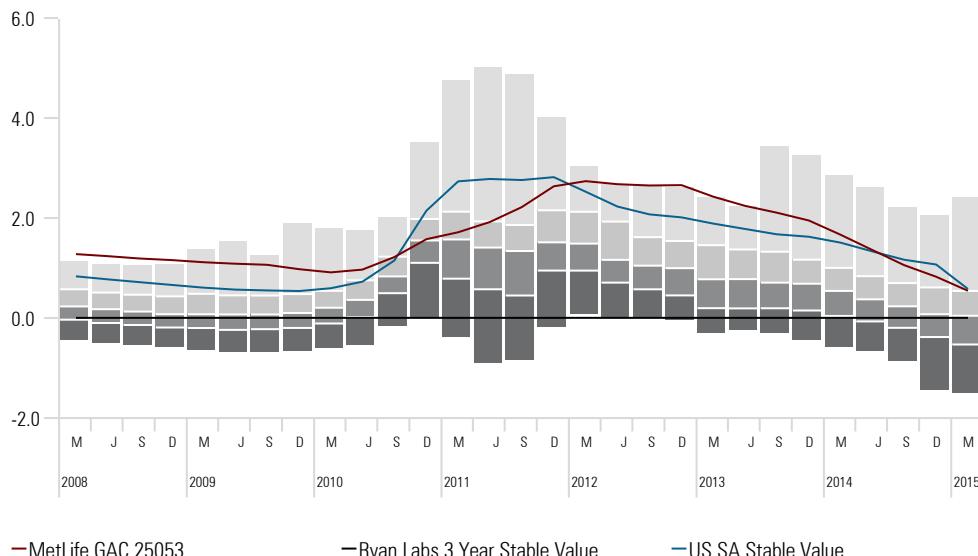
Index: Ryan Labs 3 Year Stable Value
Category: US SA Stable Value
 Return Date: 3/31/2015

Fund Performance vs. Peer Group (Rolling 36 Months)

Peer Group (5-95%): Separate Accounts/CITs - U.S. - Stable Value

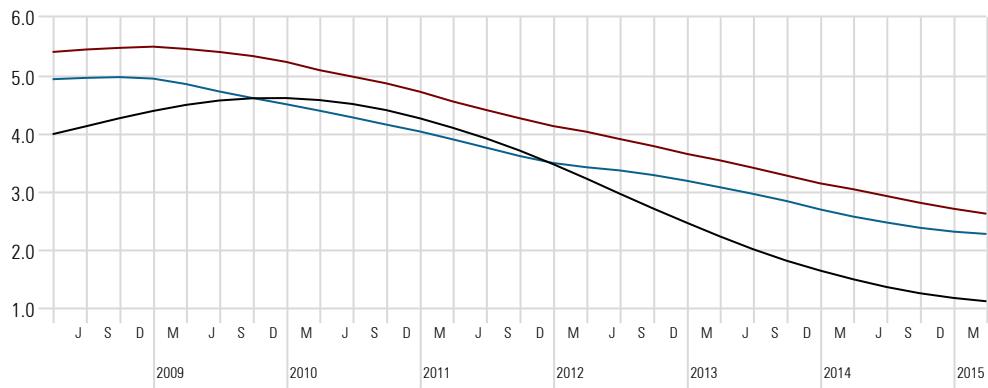


Alpha (Rolling 36 Months)

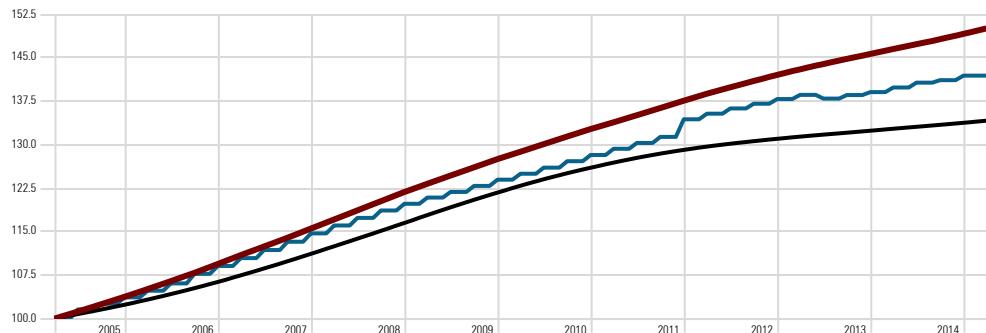


NOTE: Performance data shown on this page is calculated on a gross of fees basis. The rest of the report uses net of fees data to stay consistent with performance measures for other investments.

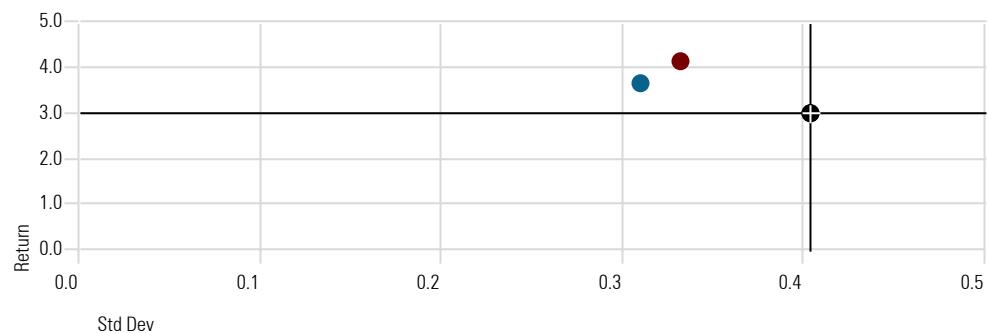
Returns (Rolling 36 Months)



Growth of \$100



Risk-Reward



Vanguard Inflation-Protected Secs Adm

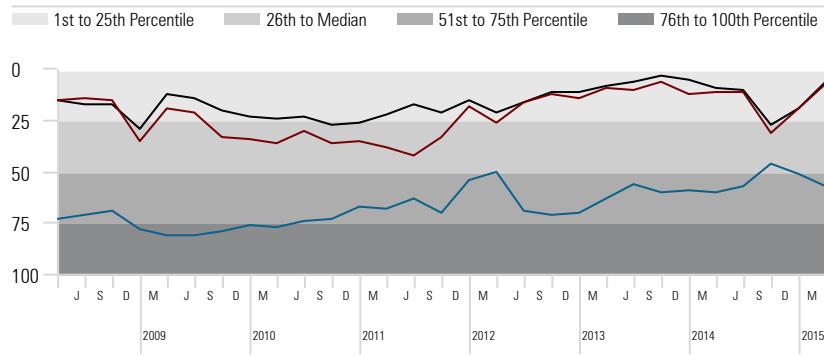
VAIPX

Index: Barclays US Treasury US TIPS TR USD

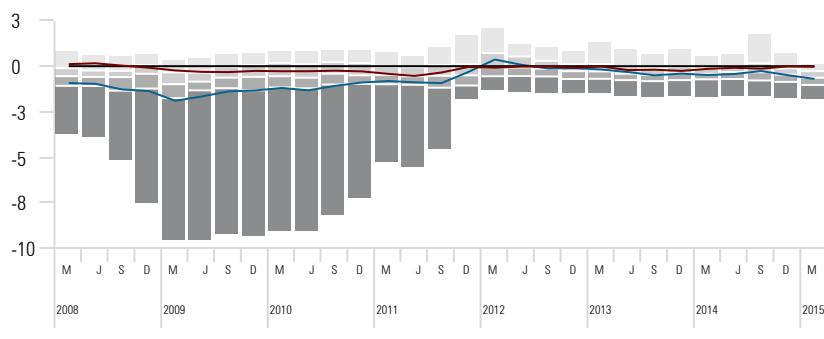
Category: US OE Inflation-Protected Bond

Return Date: 3/31/2015

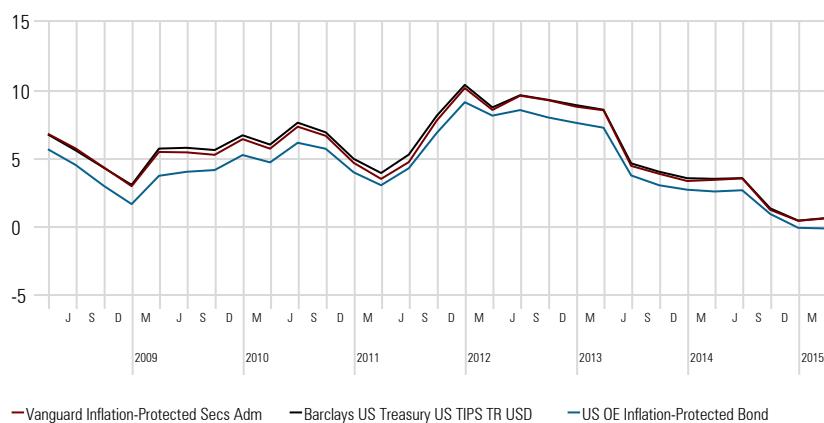
Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



Sector Allocation (%)

	Fund	Avg	Idx
Cash & Equivalents	3	11	0
Government	97	94	99
Govt Related	0	-4	0
Muni Taxable	0	0	0
Muni Tax-Exempt	0	0	0
Bank Loan	0	0	0
Convertible	0	0	0
Corporate Bond	0	3	0
Preferred Stock	0	0	0
Agency MBS	0	1	0
Non-Agency MBS	0	1	0
Commercial MBS	0	1	0
Covered Bond	0	0	0
Asset-Backed	0	1	0

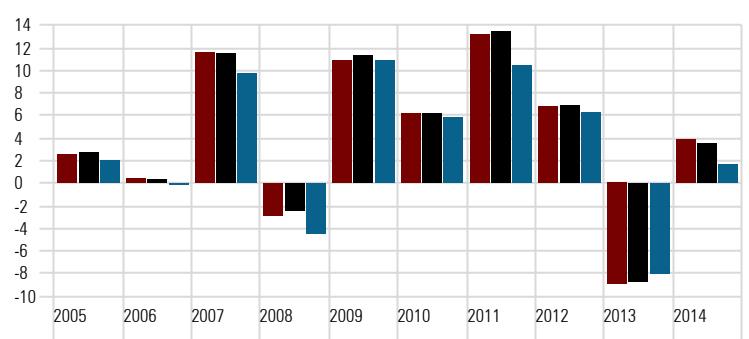
Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Bonds	40	383	36
Holdings - Other	1	104	3
Total Assets (\$MMM)	25		13
Turnover Ratio	39	151	47
Net Expense Ratio	0.10	0.82	0.20
Gross Expense Ratio	0.10	0.95	0.20
Effective Duration	7.9	7.7	7.6
Effective Maturity	8.6	8.4	
Avg Credit Quality	AAA	AA	AA
30 Day SEC Yield	-0.1	-2.9	-5.1

Regional Exposure (%)

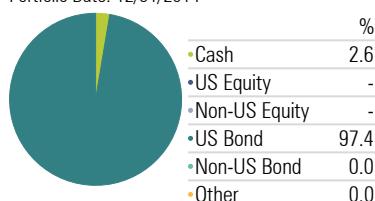
	Fund	Avg	Idx
United States	97	95	99
United Kingdom	0	1	0
Japan	0	0	0
Canada	0	0	0
Switzerland	0	0	0
Australia	0	0	0
Germany	0	1	0
France	0	0	0
China	0	0	0
South Korea	0	0	0

Calendar Year Returns



Asset Allocation

Portfolio Date: 12/31/2014



Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	5.5	0.8	5.3	0.7
Down Deviation	0.3	-0.4	0.4	-0.4
Beta	1.0	0.1	1.0	0.1
Alpha	0.0	0.7	-0.1	0.4
Sharpe	0.1	0.1	0.8	0.1
Sortino	0.2	0.2	1.2	0.2
Info Ratio	-0.1	0.9	-0.1	1.1
Down Capture	102	12	100	9
Up Capture	101	21	99	15

Maturity Breakdown (%)

	Fund	Avg	Idx
1-3 Years	14	39	12
3-5 Years	15	37	23
5-7 Years	15	-1	12
7-10 Years	27	0	32
10-15 Years	17	17	10
15-20 Years	1	1	1
20-30 Years	9	7	10
30+ Years	0	1	0

Credit Quality (%)

	Fund	Avg	Idx
AAA	100	100	100
AA	0	0	0
A	0	0	0
BBB	0	0	0
BB	0	0	0
B	0	0	0
Below B	0	0	0
Not Rated	0	0	0

— Vanguard Inflation-Protected Secs Adm — Barclays US Treasury US TIPS TR USD — US OE Inflation-Protected Bond

Vanguard Inter-Term Treasury Adm

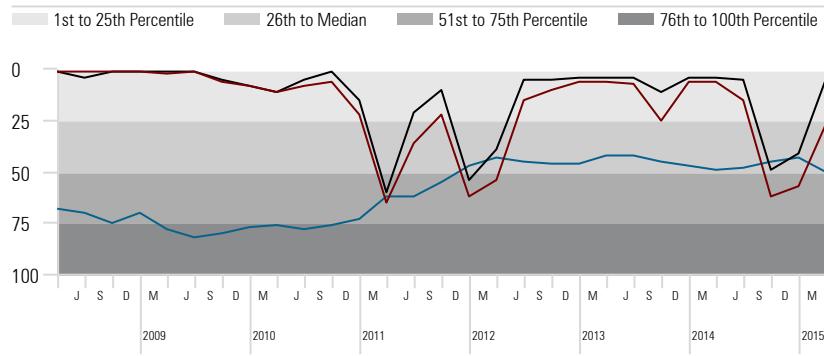
VFIUX

Index: BofAML US Treasuries 5-10 Yr TR USD

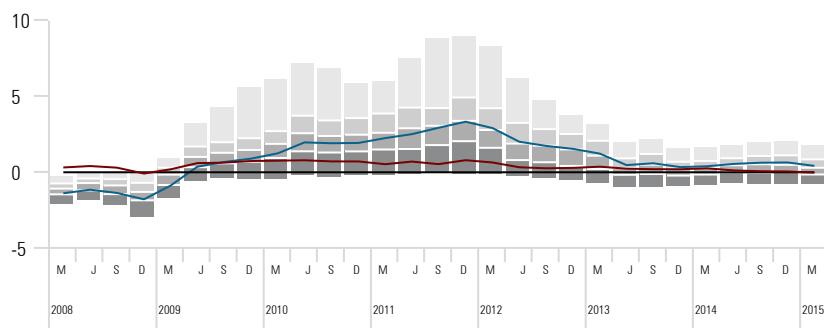
Category: US OE Intermediate Government

Return Date: 3/31/2015

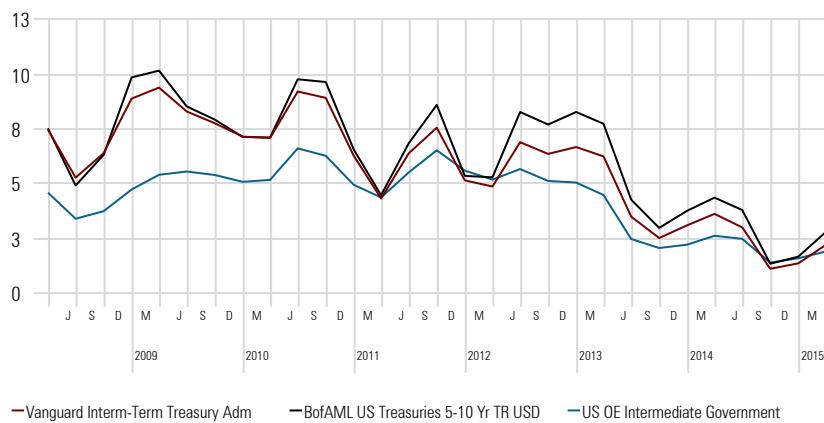
Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



Vanguard Inter-Term Treasury Adm

BofAML US Treasuries 5-10 Yr TR USD

US OE Intermediate Government

Sector Allocation (%)

	Fund	Avg	Idx
Cash & Equivalents	0	15	1
Government	94	35	93
Govt Related	0	16	6
Muni Taxable	0	0	0
Muni Tax-Exempt	0	0	0
Bank Loan	0	0	0
Convertible	0	0	0
Corporate Bond	0	1	0
Preferred Stock	0	0	0
Agency MBS	0	26	0
Non-Agency MBS	0	0	0
Commercial MBS	5	20	0
Covered Bond	0	0	0
Asset-Backed	0	1	0

Portfolio Characteristics

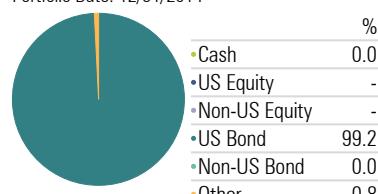
	Fund	Avg	Idx
Holdings - Bonds	81	397	160
Holdings - Other	7	80	1
Total Assets (\$MMM)	6		1
Turnover Ratio	63	385	43
Net Expense Ratio	0.10	0.95	0.12
Gross Expense Ratio	0.10	1.02	0.12
Effective Duration	5.2	4.3	5.3
Effective Maturity	5.9	6.5	5.6
Avg Credit Quality	AA	AA	AAA
30 Day SEC Yield	1.4	1.4	1.4

Regional Exposure (%)

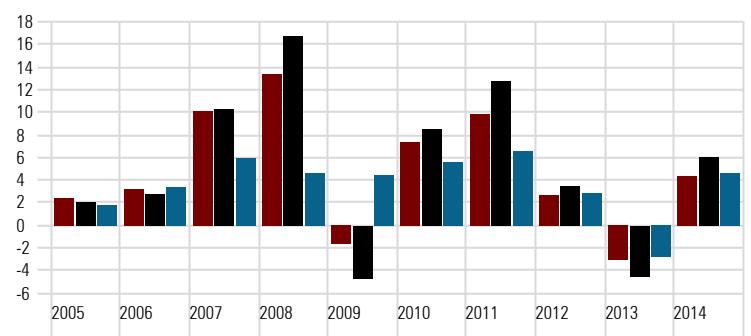
	Fund	Avg	Idx
United States	99	94	99
United Kingdom	0	0	0
Japan	0	0	0
Canada	0	0	0
Switzerland	0	0	0
Australia	0	0	0
Germany	0	0	0
France	0	0	0
China	0	0	0
South Korea	0	0	0

Asset Allocation

Portfolio Date: 12/31/2014



Calendar Year Returns



Risk Statistics

	3 Year	5 Year		
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	3.5	1.1	3.8	1.5
Down Deviation	0.8	-1.0	1.0	-1.3
Beta	0.8	0.3	0.8	0.3
Alpha	0.0	-0.4	0.1	-0.6
Sharpe	0.6	-0.2	1.1	-0.2
Sortino	1.0	-0.2	2.0	-0.4
Info Ratio	-0.6	-0.2	-0.9	-0.1
Down Capture	78	31	78	37
Up Capture	78	23	80	27

Maturity Breakdown (%)

	Fund	Avg	Idx
1-3 Years	0	1	0
3-5 Years	46	14	46
5-7 Years	26	15	33
7-10 Years	22	14	20
10-15 Years	0	1	0
15-20 Years	0	5	0
20-30 Years	0	36	0
30+ Years	0	4	0

Credit Quality (%)

	Fund	Avg	Idx
AAA	99	72	100
AA	0	27	0
A	0	0	0
BBB	0	0	0
BB	0	0	0
B	0	0	0
Below B	0	0	0
Not Rated	1	0	0

Dodge & Cox Income

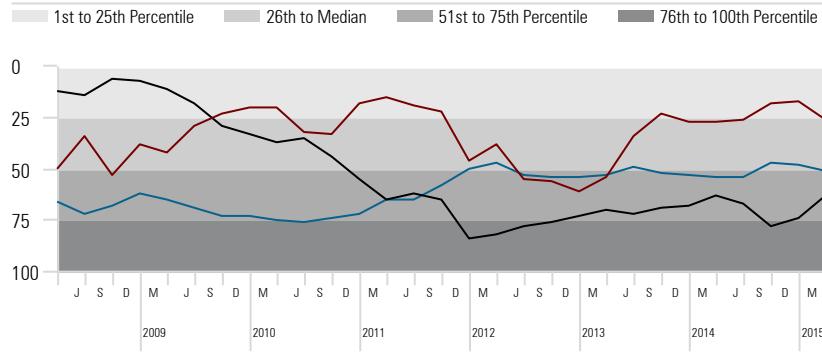
DODIX

Index: Barclays US Agg Bond TR USD

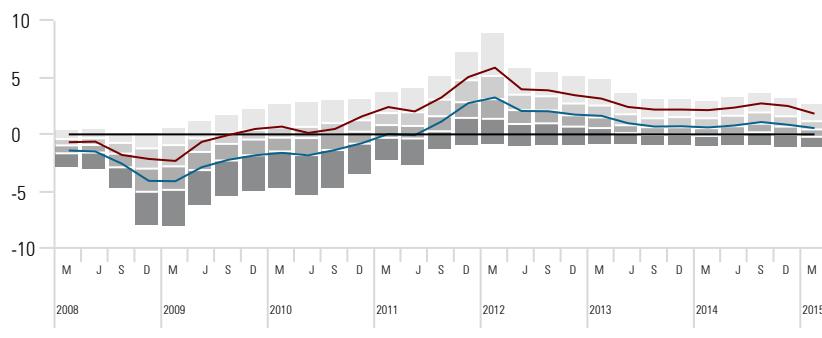
Category: US OE Intermediate-Term Bond

Return Date: 3/31/2015

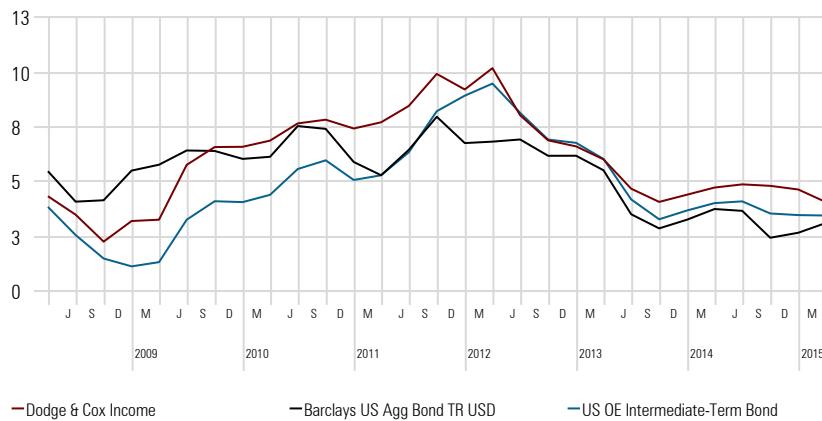
Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



Sector Allocation (%)

	Fund	Avg	Idx
Cash & Equivalents	3	12	17
Government	12	23	32
Govt Related	1	6	4
Muni Taxable	4	1	1
Muni Tax-Exempt	0	0	0
Bank Loan	0	0	0
Convertible	0	0	0
Corporate Bond	40	29	19
Preferred Stock	1	0	0
Agency MBS	34	6	25
Non-Agency MBS	0	2	0
Commercial MBS	0	20	1
Covered Bond	0	0	0
Asset-Backed	5	4	0

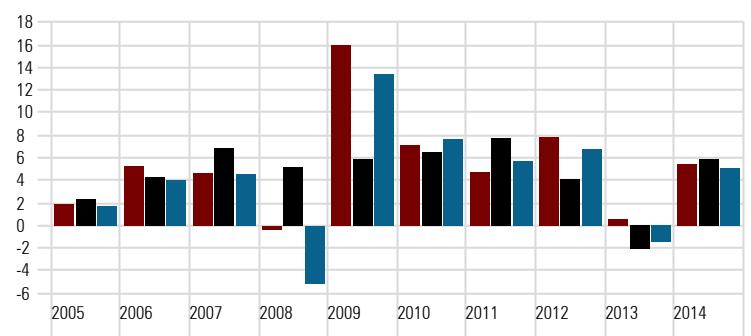
Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Bonds	869	555	3,567
Holdings - Other	18	229	57
Total Assets (\$MMM)	43		24
Turnover Ratio	27	224	180
Net Expense Ratio	0.43	0.88	0.08
Gross Expense Ratio	0.43	1.08	0.09
Effective Duration	4.2	4.9	5.3
Effective Maturity	6.8	6.7	
Avg Credit Quality	A	BBB	A
30 Day SEC Yield	1.9	1.8	

Regional Exposure (%)

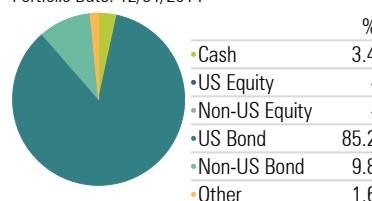
	Fund	Avg	Idx
United States	85	80	71
United Kingdom	4	1	1
Japan	0	0	0
Canada	0	1	1
Switzerland	0	0	0
Australia	0	0	0
Germany	0	0	1
France	1	0	0
China	0	0	0
South Korea	0	0	0

Calendar Year Returns



Asset Allocation

Portfolio Date: 12/31/2014



Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	2.3	-0.5	2.5	-0.2
Down Deviation	0.8	0.3	1.4	0.5
Beta	0.7	-0.2	0.6	-0.2
Alpha	1.8	1.3	2.1	1.4
Sharpe	1.7	0.5	2.0	0.3
Sortino	3.2	1.2	4.0	1.0
Info Ratio	0.7	0.3	0.3	0.1
Down Capture	53	-38	52	-40
Up Capture	95	-7	93	-7

Maturity Breakdown (%)

	Fund	Avg	Idx
1-3 Years	13	3	18
3-5 Years	13	10	13
5-7 Years	8	8	8
7-10 Years	12	29	8
10-15 Years	8	3	2
15-20 Years	15	1	5
20-30 Years	26	31	20
30+ Years	1	4	10

Credit Quality (%)

	Fund	Avg	Idx
AAA	50	26	71
AA	7	13	4
A	15	33	10
BBB	23	21	13
BB	6	6	0
B	0	0	0
Below B	0	0	0
Not Rated	0	1	2

PIMCO Foreign Bond (USD-Hedged) I

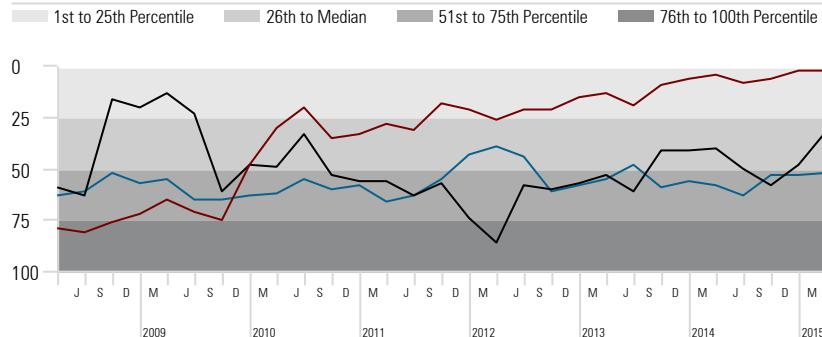
PFORX

Index: Citi WBIG USD Hdg USD

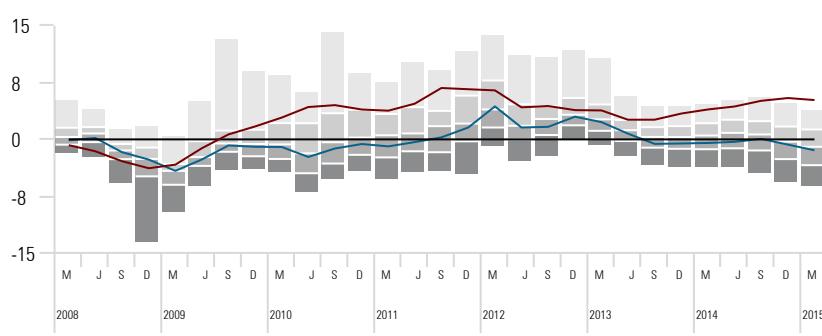
Category: US OE World Bond

Return Date: 3/31/2015

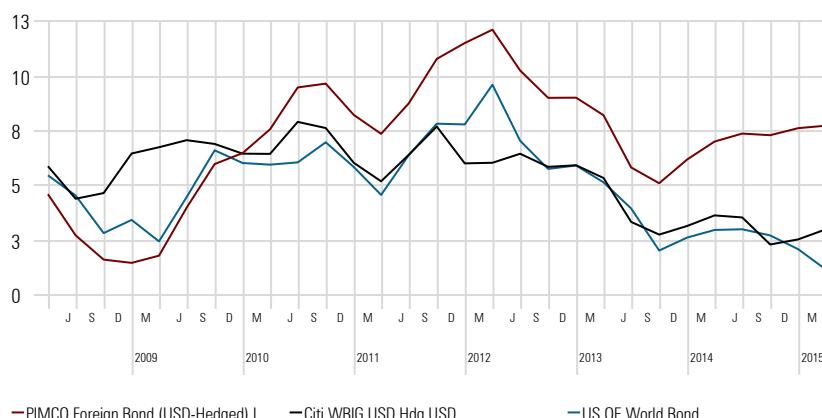
Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



— PIMCO Foreign Bond (USD-Hedged) I — Citi WBIG USD Hdg USD

— US OE World Bond

Sector Allocation (%)

	Fund	Avg	Idx
Cash & Equivalents	116	15	4
Government	66	51	5
Govt Related	-21	19	0
Muni Taxable	2	1	0
Muni Tax-Exempt	0	0	0
Bank Loan	1	0	0
Convertible	0	0	0
Corporate Bond	4	22	80
Preferred Stock	0	0	0
Agency MBS	-2	-1	0
Non-Agency MBS	3	1	0
Commercial MBS	0	6	0
Covered Bond	0	0	0
Asset-Backed	1	1	0

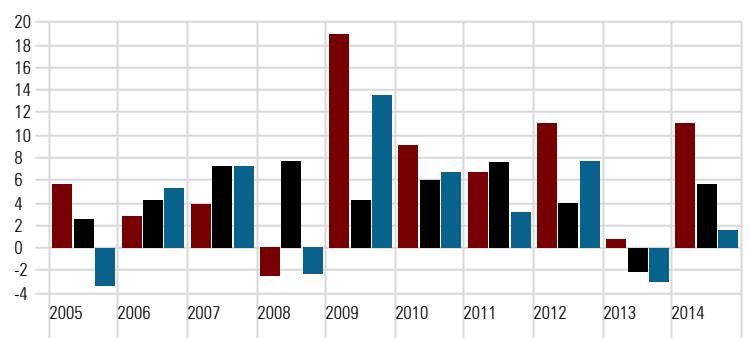
Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Bonds	588	475	2,360
Holdings - Other	256	147	96
Total Assets (\$MMM)	9	0	0
Turnover Ratio	175	131	26
Net Expense Ratio	0.50	1.07	0.20
Gross Expense Ratio	0.52	1.48	
Effective Duration	7.7	5.2	5.9
Effective Maturity	9.9	8.6	
Avg Credit Quality	BBB	BBB	
30 Day SEC Yield	0.8	1.5	

Regional Exposure (%)

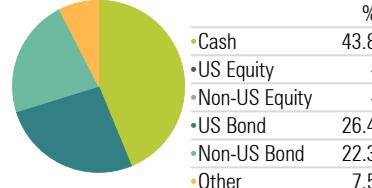
	Fund	Avg	Idx
United States	6	21	50
United Kingdom	2	5	8
Japan	0	3	3
Canada	2	3	5
Switzerland	0	0	1
Australia	1	2	3
Germany	1	3	2
France	4	2	5
China	0	0	0
South Korea	0	1	0

Calendar Year Returns



Asset Allocation

Portfolio Date: 12/31/2014



Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	2.9	-1.2	3.2	-1.8
Down Deviation	0.6	-2.1	1.1	-2.4
Beta	0.8	-0.1	0.8	0.0
Alpha	5.2	6.6	3.9	4.3
Sharpe	2.7	2.4	2.3	1.8
Sortino	4.8	4.4	5.1	4.3
Info Ratio	2.4	3.0	1.4	1.7
Down Capture	21	-107	36	-79
Up Capture	147	67	128	44

Maturity Breakdown (%)

	Fund	Avg	Idx
1-3 Years	-29	6	18
3-5 Years	11	9	20
5-7 Years	0	8	14
7-10 Years	30	33	19
10-15 Years	13	6	4
15-20 Years	16	6	4
20-30 Years	15	8	15
30+ Years	-11	4	3

Credit Quality (%)

	Fund	Avg	Idx
AAA	82	26	1
AA	10	21	15
A	0	19	35
BBB	0	30	43
BB	3	2	1
B	2	1	0
Below B	3	0	0
Not Rated	0	1	5

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Vanguard Balanced Index Adm

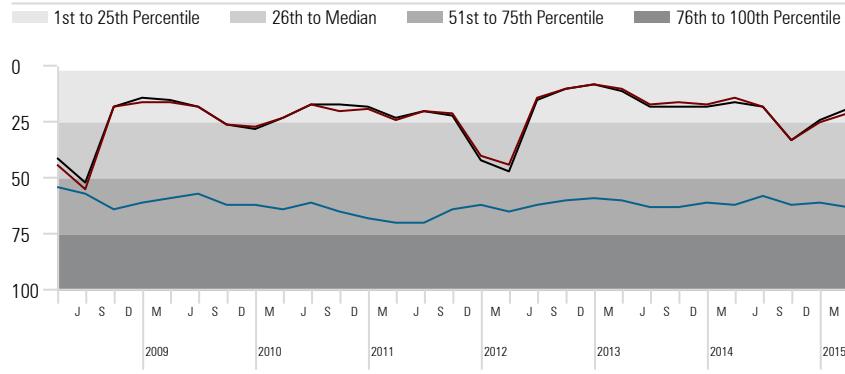
VBIAX

Index: 40% BarCap-60% CRSP US Total Mkt

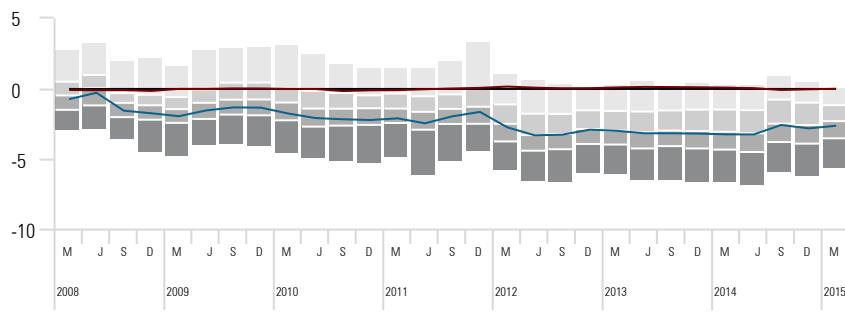
Category: US OE Moderate Allocation

Return Date: 3/31/2015

Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



— Vanguard Balanced Index Adm

— -40% BarCap-60% CRSP US Total Mkt

— US OE Moderate Allocation

Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	3,339	190	0
Holdings - Bonds	8,108	95	0
Holdings - Other	86	386	2
Turnover Ratio	53.0	55.2	
Net Expense Ratio	0.09	1.26	
Gross Expense Ratio	0.09	3.66	
LT Earnings Growth	10.4	10.1	10.4
Avg Mkt Cap (\$MMM)	39.7	47.7	39.7
Total Assets (\$MMM)	26		
P/E Ratio	19.4	18.2	19.4
P/B Ratio	2.7	2.4	2.7
P/S Ratio	1.7	1.6	1.7
P/CF Ratio	11.7	11.1	11.8
ROE %	18.9	18.0	18.9
ROA %	7.0	7.2	7.0
Dividend Yld	2.1	2.4	2.1

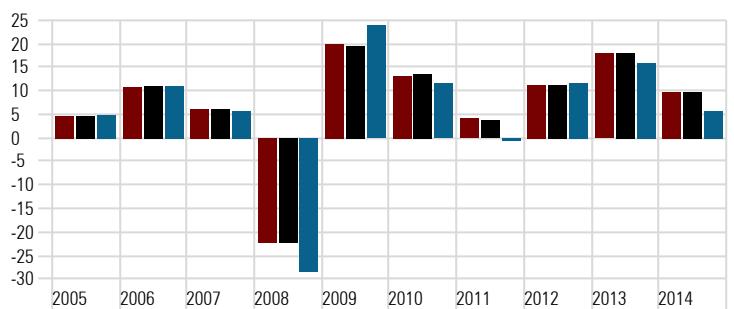
Sector Allocation (%)

	Inv	Avg	Idx	Fund %
Energy	7	8	7	CMT Market Liquidity Rate
Materials	4	4	4	Apple Inc
Industrials	11	12	11	Exxon Mobil Corporation
Cons Discretionary	13	14	13	Microsoft Corp
Consumer Staples	8	10	8	Wells Fargo & Co
Healthcare	15	13	15	Johnson & Johnson
Financials	18	19	18	General Electric Co
Info Technology	19	16	19	Berkshire Hathaway Inc Class B
Telecom Services	2	2	2	JPMorgan Chase & Co
Utilities	3	3	3	Procter & Gamble Co

Top 10 Holdings

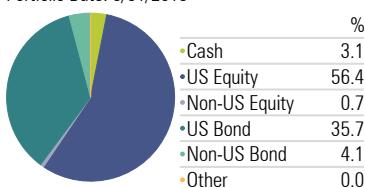
	Fund %
CMT Market Liquidity Rate	3.0
Apple Inc	1.8
Exxon Mobil Corporation	0.9
Microsoft Corp	0.8
Wells Fargo & Co	0.7
Johnson & Johnson	0.7
General Electric Co	0.6
Berkshire Hathaway Inc Class B	0.6
JPMorgan Chase & Co	0.6
Procter & Gamble Co	0.6

Calendar Year Returns



Asset Allocation

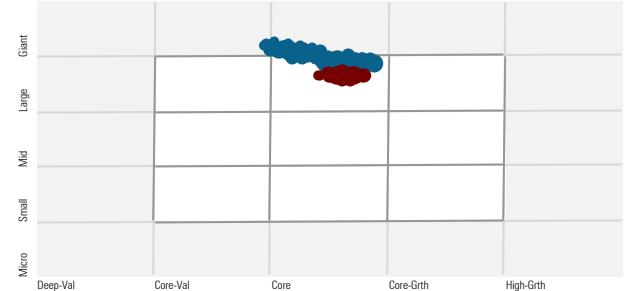
Portfolio Date: 3/31/2015



Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	5.8	-0.5	7.8	-0.9
Down Deviation	0.1	-1.1	0.2	-1.2
Beta	1.0	-0.1	1.0	-0.1
Alpha	0.0	2.6	0.1	3.2
Sharpe	1.9	0.5	1.4	0.4
Sortino	3.7	1.2	2.5	0.9
Info Ratio	-0.3	1.4	0.0	1.7
Down Capture	99.7	-20.1	99.4	-23.7
Up Capture	99.6	6.5	99.7	3.4

Holdings-Based Style Trail



JHancock Disciplined Value R6

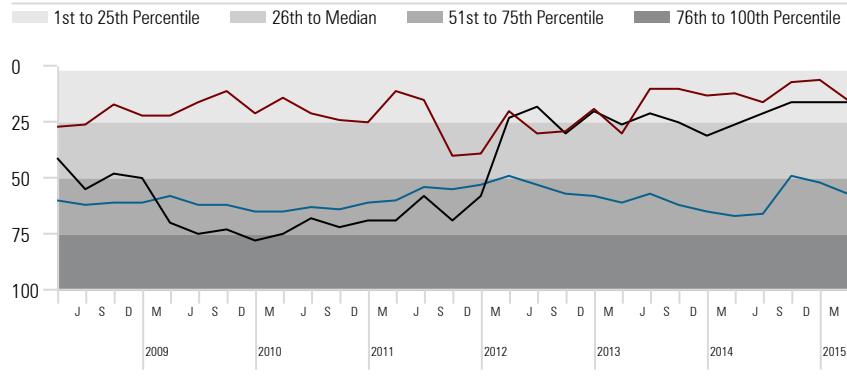
JDVWX

Index: Russell 1000 Value TR USD

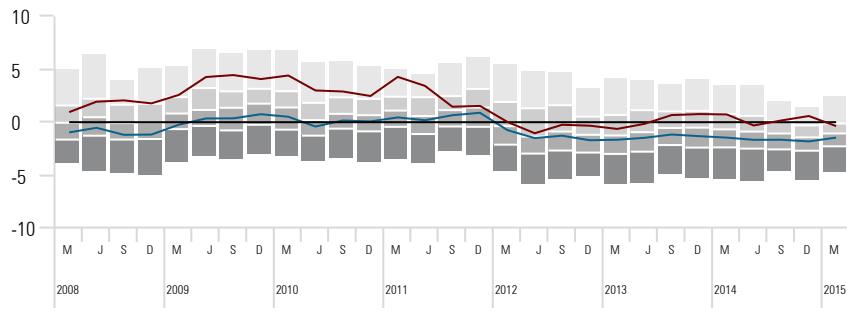
Category: US OE Large Value

Return Date: 3/31/2015

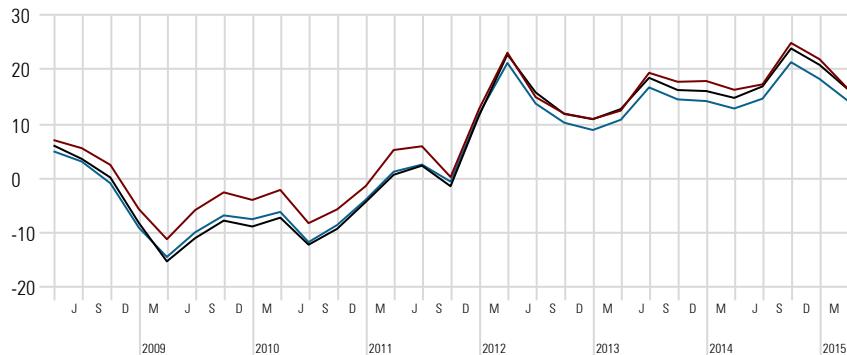
Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



— JHancock Disciplined Value R6

— Russell 1000 Value TR USD

— US OE Large Value

Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	94	311	700
Holdings - Bonds	0	16	0
Holdings - Other	2	181	0
Turnover Ratio	45.0	52.9	
Net Expense Ratio	0.71	1.15	
Gross Expense Ratio	0.74	1.62	
LT Earn Growth	8.9	6.3	8.8
Avg Mkt Cap (\$MMM)	59.9	84.7	51.4
Total Assets (\$MMM)	13		
P/E Ratio	17.3	16.0	17.2
P/B Ratio	2.2	2.1	1.8
P/S Ratio	1.4	1.6	1.4
P/CF Ratio	10.7	9.8	9.6
ROE %	18.6	18.0	12.4
ROA %	6.3	6.4	4.8
Dividend Yld	2.1	3.1	2.6

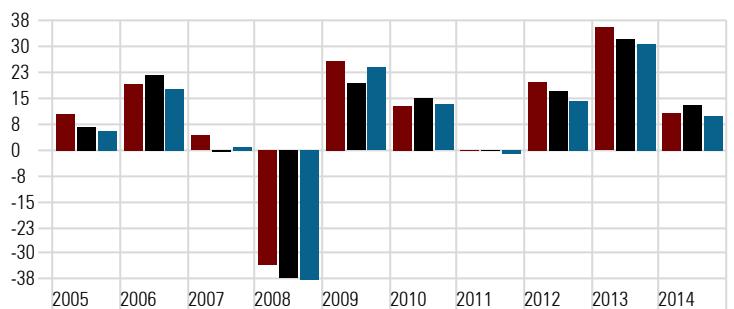
Sector Allocation (%)

	Inv	Avg	Idx	Fund %
Energy	9	11	11	Berkshire Hathaway Inc Class B
Materials	3	3	3	Wells Fargo & Co
Industrials	10	11	10	JPMorgan Chase & Co
Cons Discretionary	10	10	7	Pfizer Inc
Consumer Staples	4	10	7	Apple Inc
Healthcare	18	13	14	Capital One Financial Corp
Financials	27	23	29	Johnson & Johnson
Info Technology	17	12	9	Citigroup Inc
Telecom Services	1	4	2	CVS Health Corp
Utilities	1	5	6	Cisco Systems Inc

Top 10 Holdings

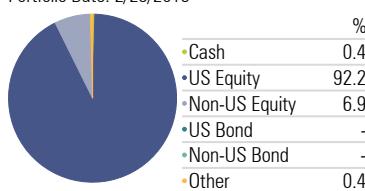
	Fund %
Berkshire Hathaway Inc Class B	4.0
Wells Fargo & Co	3.9
JPMorgan Chase & Co	3.6
Pfizer Inc	3.2
Apple Inc	3.0
Capital One Financial Corp	2.9
Johnson & Johnson	2.4
Citigroup Inc	2.4
CVS Health Corp	2.4
Cisco Systems Inc	2.4

Calendar Year Returns



Asset Allocation

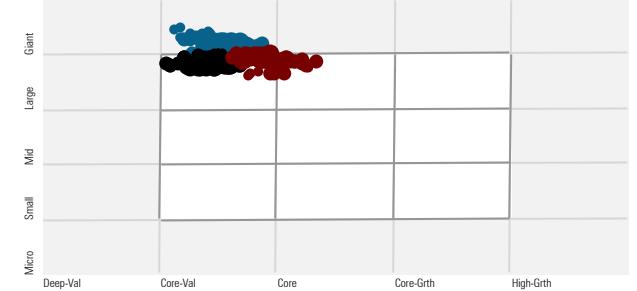
Portfolio Date: 2/28/2015



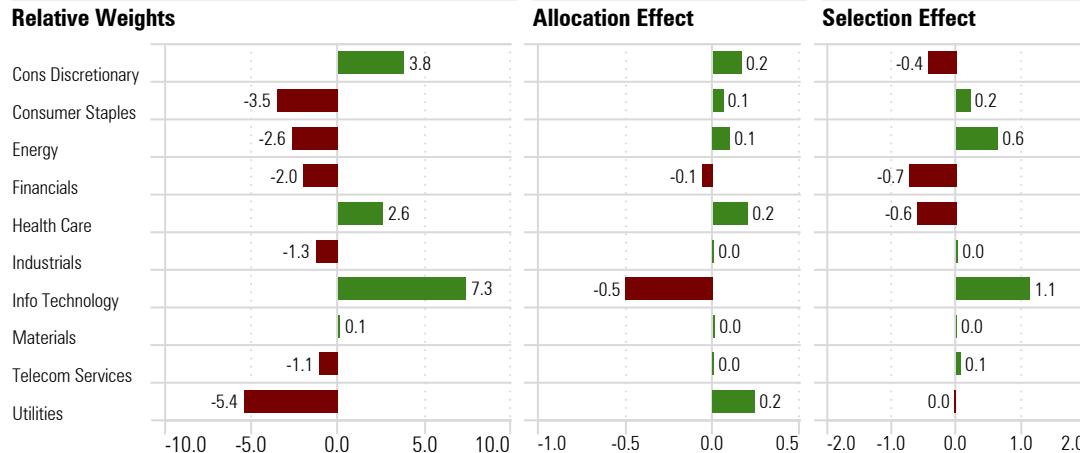
Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	10.7	0.9	14.2	0.9
Down Deviation	2.1	0.9	2.0	0.8
Beta	1.0	0.1	1.0	0.1
Alpha	-0.4	1.1	-0.1	1.2
Sharpe	1.5	0.1	1.0	0.1
Sortino	2.6	0.1	1.7	0.2
Info Ratio	0.0	1.8	0.1	1.4
Down Capture	102.7	1.6	103.2	3.2
Up Capture	101.4	9.0	102.7	8.5

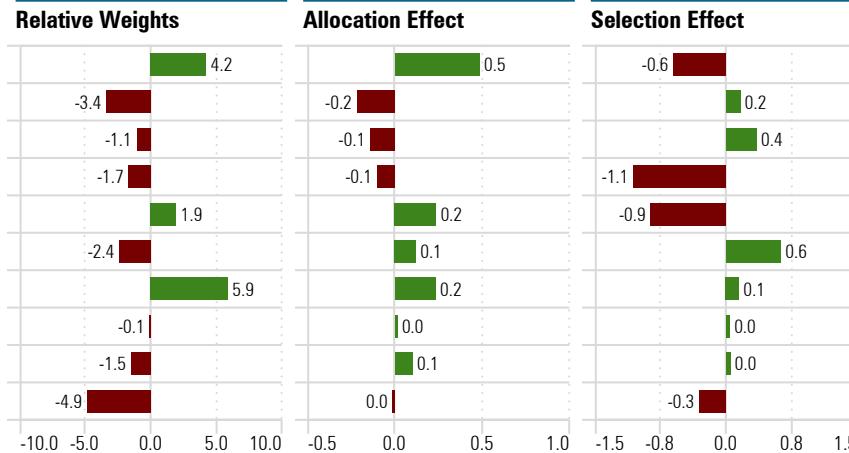
Holdings-Based Style Trail



One Quarter Performance Attribution



One Year Performance Attribution



Leading Contributors

	Rescaled Weight	Return	Active Return
Apple Inc	2.86	13.17	0.55
Phillips 66	1.70	10.35	0.22
TE Connectivity Ltd	1.05	13.69	0.20
NXP Semiconductors NV	0.51	31.36	0.19
Marathon Petroleum Corp	1.09	13.99	0.18
Activision Blizzard Inc	0.88	13.93	0.17
Lockheed Martin Corp	2.09	6.18	0.13
EQT Corp	0.75	9.51	0.10
ON Semiconductor Corp	0.36	19.55	0.08
Liberty Global PLC Class C	1.75	3.10	0.07

Leading Contributors

	Rescaled Weight	Return	Active Return
Apple Inc	2.42	50.40	0.61
Lockheed Martin Corp	1.94	28.25	0.42
Marathon Petroleum Corp	0.83	12.43	0.36
Liberty Global PLC Class C	1.52	22.35	0.35
Phillips 66	2.00	4.64	0.30
Allstate Corp	1.64	28.03	0.24
NXP Semiconductors NV	0.21	46.17	0.23
United Continental Holdings Inc	0.30	63.74	0.20
Home Depot Inc	0.86	45.91	0.19
CVS Health Corp	2.28	39.84	0.17

Leading Detractors

	Rescaled Weight	Return	Active Return
Apollo Education Group Inc Class A	0.58	-44.53	-0.28
AbbVie Inc	1.05	-9.85	-0.19
Discover Financial Services	1.45	-13.59	-0.12
Express Scripts Holding Co	1.76	2.48	-0.09
Western Digital Corp	1.17	-17.34	-0.09
Citigroup Inc	2.99	-4.77	-0.09
Fifth Third Bancorp	0.86	-6.85	-0.08
Gilead Sciences Inc	0.67	4.11	-0.08
Seagate Technology PLC	0.50	-21.05	-0.07
Scripps Networks Interactive Inc	0.56	-8.63	-0.07

Leading Detractors

	Rescaled Weight	Return	Active Return
Tyson Foods Inc Class A	1.17	-12.27	-0.37
Apollo Education Group Inc Class A	0.52	-44.74	-0.35
Fifth Third Bancorp	1.29	-15.75	-0.35
Qualcomm Inc	0.90	-10.09	-0.34
The AES Corporation	1.22	-8.33	-0.27
Scripps Networks Interactive Inc	0.40	-14.81	-0.17
Barrick Gold Corp	0.23	-38.93	-0.17
EMC Corp	1.71	-5.19	-0.17
QEP Resources Inc	0.77	-28.97	-0.15
Capital One Financial Corp	2.86	3.73	-0.12

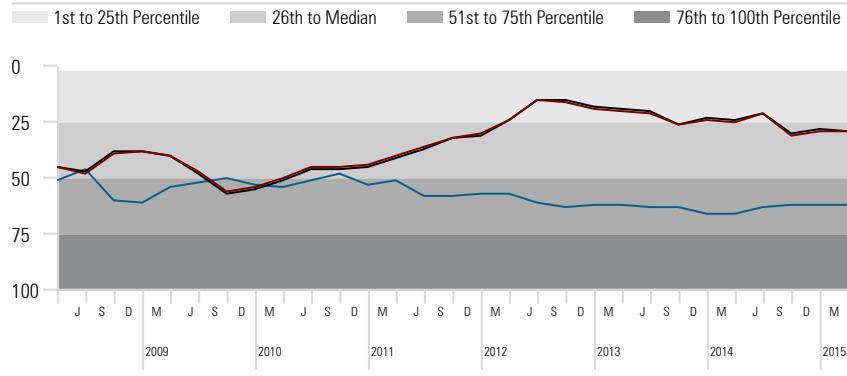
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Vanguard 500 Index Admiral

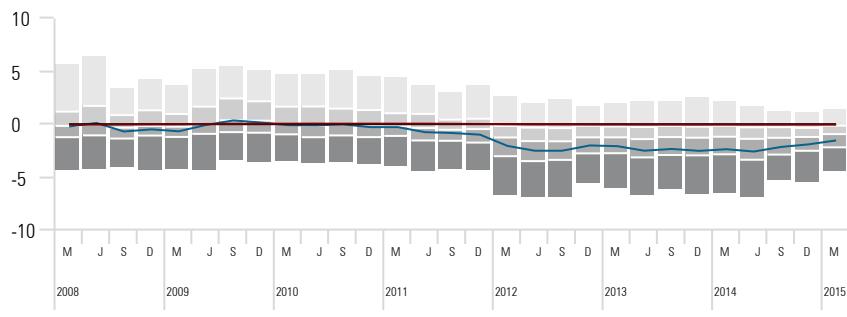
VFIAX

Index: S&P 500 TR USD
Category: US OE Large Blend
 Return Date: 3/31/2015

Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	505	175	502
Holdings - Bonds	0	11	0
Holdings - Other	4	289	0
Turnover Ratio	3.0	60.0	
Net Expense Ratio	0.05	1.14	
Gross Expense Ratio	0.05	1.65	
LT Earnings Growth	10.2	6.4	10.2
Avg Mkt Cap (\$MMM)	71.4	104.1	71.4
Total Assets (\$MMM)	207		
P/E Ratio	19.1	17.5	19.1
P/B Ratio	2.8	2.6	2.8
P/S Ratio	1.8	1.9	1.8
P/CF Ratio	11.8	11.5	11.8
ROE %	20.7	19.0	20.7
ROA %	8.0	8.0	8.0
Dividend Yld	2.2	2.4	2.2

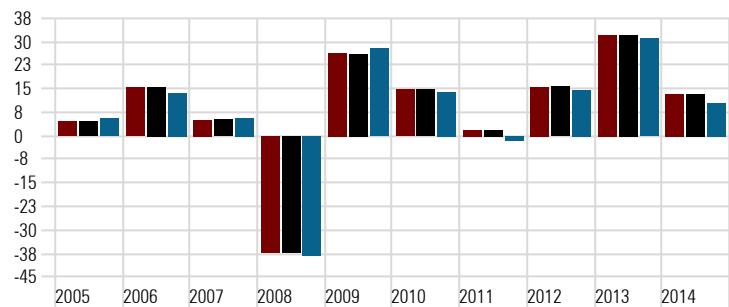
Sector Allocation (%)

	Inv	Avg	Idx
Energy	8	8	8
Materials	3	3	3
Industrials	10	12	10
Cons Discretionary	13	14	13
Consumer Staples	10	14	10
Healthcare	15	11	15
Financials	16	16	16
Info Technology	20	18	20
Telecom Services	2	2	2
Utilities	3	2	3

Top 10 Holdings

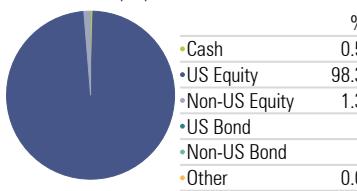
	Fund %
Apple Inc	3.9
Exxon Mobil Corporation	1.9
Microsoft Corp	1.8
Johnson & Johnson	1.5
Wells Fargo & Co	1.4
General Electric Co	1.4
Berkshire Hathaway Inc Class B	1.3
JPMorgan Chase & Co	1.2
Procter & Gamble Co	1.2
Pfizer Inc	1.2

Calendar Year Returns



Asset Allocation

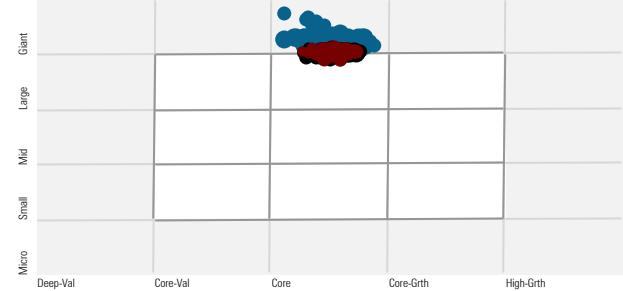
Portfolio Date: 3/31/2015



Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	9.6	-0.1	13.0	-0.4
Down Deviation	0.0	-0.9	0.0	-1.0
Beta	1.0	0.0	1.0	0.0
Alpha	0.0	1.5	0.0	1.9
Sharpe	1.7	0.2	1.1	0.2
Sortino	3.0	0.4	1.9	0.3
Info Ratio	-3.6	-1.9	-2.5	-0.7
Down Capture	100.1	-5.7	100.1	-7.0
Up Capture	99.9	3.9	99.9	3.0

Holdings-Based Style Trail



JPMorgan Large Cap Growth R6

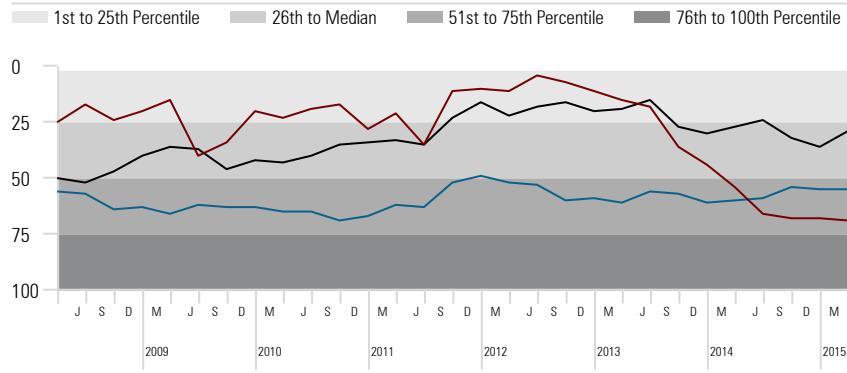
JLGMX

Index: Russell 1000 Growth TR USD

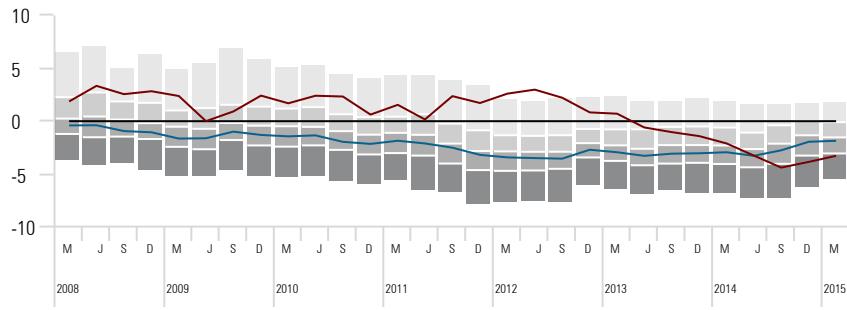
Category: US OE Large Growth

Return Date: 3/31/2015

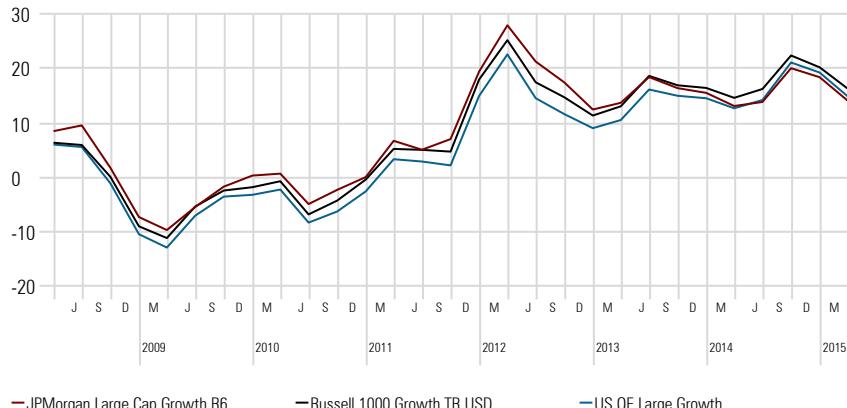
Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)

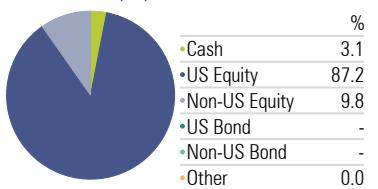


Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	64	269	679
Holdings - Bonds	0	2	0
Holdings - Other	1	271	0
Turnover Ratio	39.0	68.9	
Net Expense Ratio	0.61	1.22	
Gross Expense Ratio	0.61	1.43	
LT Earn Growth	16.1	17.7	11.9
Avg Mkt Cap (\$MMM)	65.1	73.6	55.9
Total Assets (\$MMM)	16		
P/E Ratio	26.8	21.3	21.6
P/B Ratio	6.6	4.7	5.3
P/S Ratio	2.3	2.9	2.2
P/CF Ratio	17.5	15.5	14.1
ROE %	24.0	23.8	27.0
ROA %	10.7	11.3	10.3
Dividend Yld	0.8	1.3	1.7

Asset Allocation

Portfolio Date: 2/28/2015



Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	11.6	1.2	14.1	-0.1
Down Deviation	3.6	2.0	3.0	1.4
Beta	1.1	0.1	1.0	0.0
Alpha	-3.3	-1.4	0.6	3.1
Sharpe	1.2	-0.2	1.2	0.2
Sortino	2.1	-0.5	2.2	0.5
Info Ratio	-0.5	0.2	0.2	1.3
Down Capture	116.0	7.8	96.5	-16.0
Up Capture	97.2	-0.3	100.8	1.9

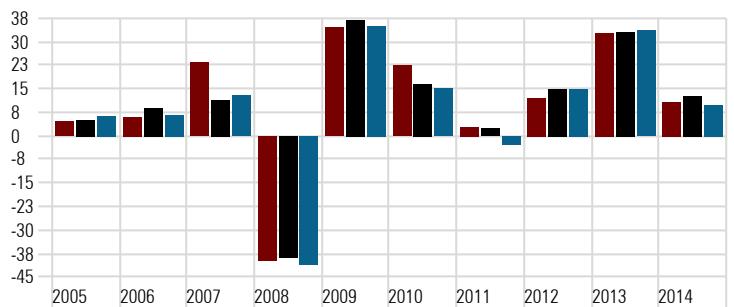
Sector Allocation (%)

	Inv	Avg	Idx
Energy	2	4	4
Materials	6	3	4
Industrials	8	10	12
Cons Discretionary	21	19	19
Consumer Staples	5	6	11
Healthcare	23	19	14
Financials	4	7	5
Info Technology	31	31	29
Telecom Services	0	1	2
Utilities	0	0	0

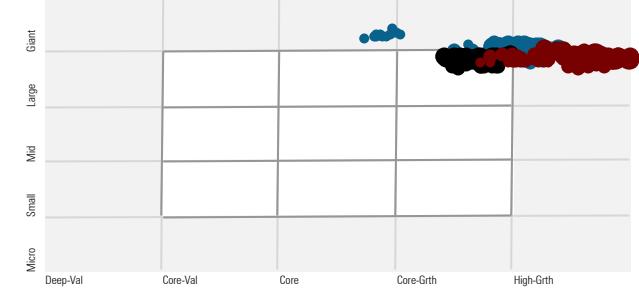
Top 10 Holdings

	Fund %
Apple Inc	5.3
Facebook Inc Class A	4.1
Home Depot Inc	4.0
MasterCard Inc Class A	3.4
Celgene Corp	3.4
JPMorgan Liquid Assets Money Market Ins	3.1
Gilead Sciences Inc	3.0
Visa Inc Class A	3.0
Valeant Pharmaceuticals International Inc	2.8
Google Inc Class C	2.6

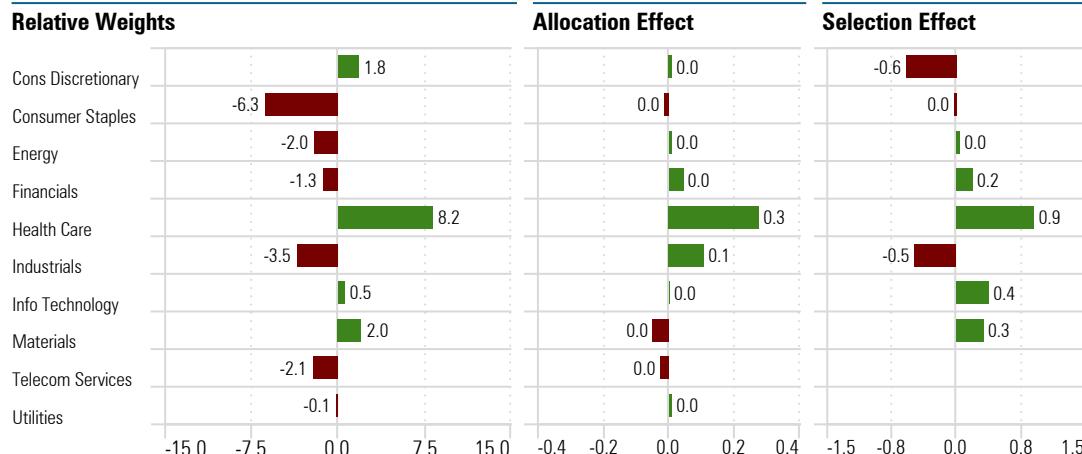
Calendar Year Returns



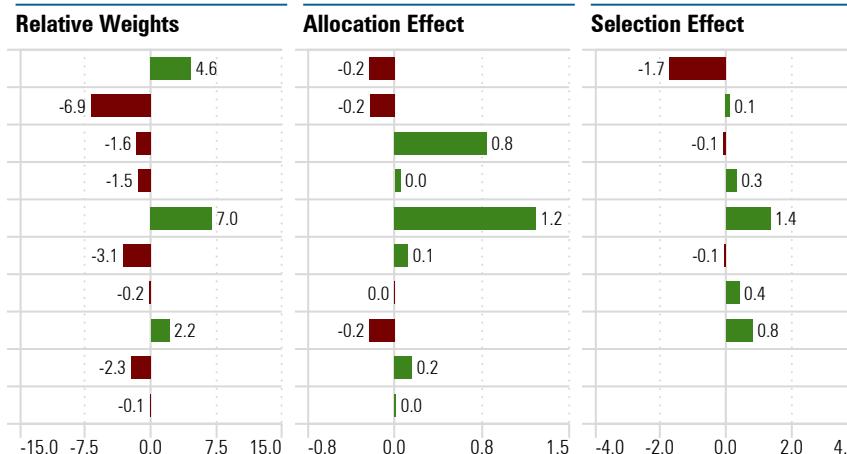
Holdings-Based Style Trail



One Quarter Performance Attribution



One Year Performance Attribution



Leading Contributors

	Rescaled Weight	Return	Active Return
Valeant Pharmaceuticals International Inc	2.50	37.57	0.66
Avago Technologies Ltd	1.86	26.60	0.33
AmerisourceBergen Corp	1.61	26.44	0.23
Sherwin-Williams Co	2.42	8.41	0.14
Biogen Inc	2.02	24.39	0.14
Moody's Corporation	1.41	8.71	0.10
Home Depot Inc	4.03	8.80	0.10
Starbucks Corp	1.56	15.83	0.09
Salix Pharmaceuticals Ltd	0.40	50.35	0.09
Salesforce.com Inc	1.38	12.65	0.09

Leading Contributors

	Rescaled Weight	Return	Active Return
Avago Technologies Ltd	1.19	82.24	0.78
Sherwin-Williams Co	2.05	45.77	0.65
Home Depot Inc	3.49	46.61	0.58
Facebook Inc Class A	4.11	36.48	0.46
Celgene Corp	2.94	65.16	0.40
Valeant Pharmaceuticals International Inc	2.23	49.93	0.39
AmerisourceBergen Corp	1.24	75.52	0.37
Qualcomm Inc	0.20	-4.17	0.29
Regeneron Pharmaceuticals Inc	1.99	50.35	0.27
Costco Wholesale Corp	1.38	41.76	0.25

Leading Detractors

	Rescaled Weight	Return	Active Return
Tesla Motors Inc	1.39	-15.13	-0.26
Alexion Pharmaceuticals Inc	2.32	-6.34	-0.23
Kansas City Southern Inc	1.26	-16.11	-0.22
Delta Air Lines Inc	2.00	-8.42	-0.20
Michael Kors Holdings Ltd	1.18	-12.45	-0.19
ASML Holding NV ADR	1.71	-6.31	-0.19
Twenty-First Century Fox Inc Class A	1.53	-11.51	-0.18
Apple Inc	4.49	13.17	-0.18
Union Pacific Corp	2.25	-8.67	-0.15
Keurig Green Mountain Inc	0.77	-15.22	-0.15

Leading Detractors

	Rescaled Weight	Return	Active Return
Apple Inc	2.76	65.35	-1.03
Michael Kors Holdings Ltd	1.76	-29.51	-0.83
Las Vegas Sands Corp	1.07	-27.86	-0.45
Tesla Motors Inc	1.49	-9.44	-0.38
ARM Holdings PLC ADR	0.87	-2.68	-0.38
Flowserv Corp	0.83	-27.16	-0.36
Alexion Pharmaceuticals Inc	2.27	13.92	-0.32
Priceline Group Inc	2.61	-2.33	-0.26
Twenty-First Century Fox Inc Class A	0.42	-7.65	-0.26
Google Inc Class C	2.60	4.05	-0.24

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Vanguard Growth Index Adm

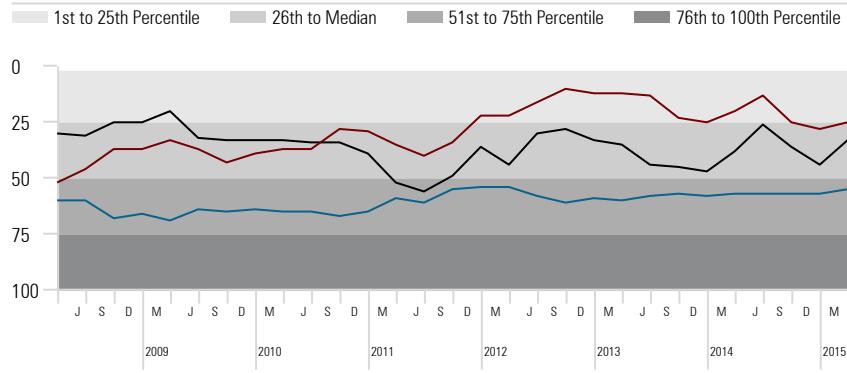
VIGAX

Index: CRSP US Large Cap Growth TR USD

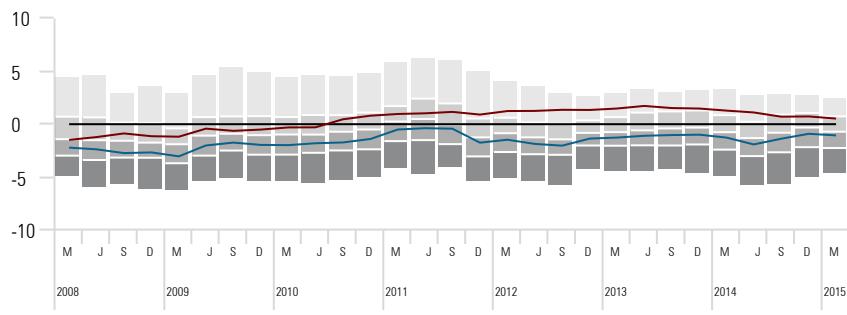
Category: US OE Large Growth

Return Date: 3/31/2015

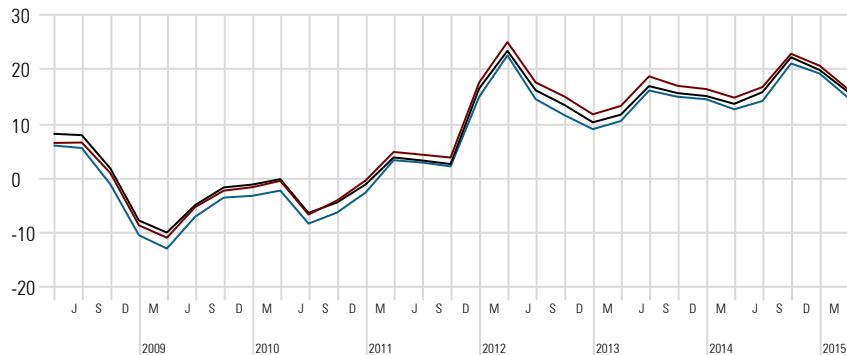
Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



— Vanguard Growth Index Adm

— CRSP US Large Cap Growth TR USD

— US OE Large Growth

Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	373	269	360
Holdings - Bonds	0	2	0
Holdings - Other	4	271	0
Turnover Ratio	9.0	68.9	
Net Expense Ratio	0.09	1.22	
Gross Expense Ratio	0.09	1.43	
LT Earn Growth	12.9	17.7	12.9
Avg Mkt Cap (\$MMM)	56.3	73.6	56.3
Total Assets (\$MMM)	48		
P/E Ratio	23.0	21.3	23.0
P/B Ratio	4.6	4.7	4.6
P/S Ratio	3.0	2.9	3.0
P/CF Ratio	15.1	15.5	15.1
ROE %	23.7	23.8	23.7
ROA %	10.4	11.3	10.4
Dividend Yld	1.5	1.3	1.5

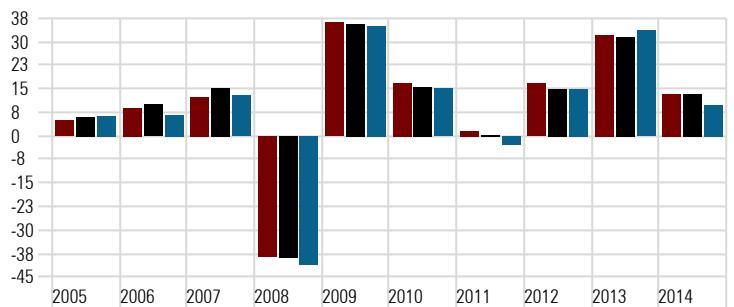
Sector Allocation (%)

	Inv	Avg	Idx	Fund %
Energy	5	4	5	7.9
Materials	3	3	3	1.9
Industrials	9	11	9	1.7
Cons Discretionary	21	19	21	1.7
Consumer Staples	6	6	6	1.7
Healthcare	14	19	14	1.7
Financials	10	7	10	1.6
Info Technology	30	29	30	1.6
Telecom Services	0	1	0	1.5
Utilities	0	0	0	1.5

Top 10 Holdings

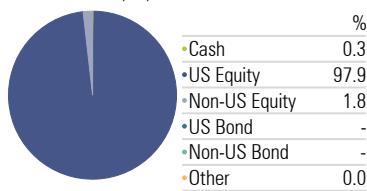
	Fund %
Apple Inc	7.9
Facebook Inc Class A	1.9
Walt Disney Co	1.7
Coca-Cola Co	1.7
Google Inc Class A	1.7
Google Inc Class C	1.7
Home Depot Inc	1.6
Gilead Sciences Inc	1.6
Oracle Corporation	1.5
Amazon.com Inc	1.5

Calendar Year Returns



Asset Allocation

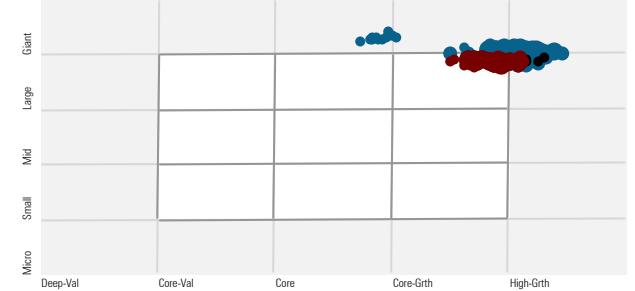
Portfolio Date: 3/31/2015



Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	10.2	-0.3	13.9	-0.3
Down Deviation	0.1	-1.2	0.3	-1.0
Beta	1.0	0.0	1.0	0.0
Alpha	0.5	1.6	0.9	2.1
Sharpe	1.6	0.2	1.1	0.2
Sortino	3.1	0.5	2.0	0.3
Info Ratio	1.4	2.0	1.3	2.0
Down Capture	97.6	-3.7	97.1	-8.1
Up Capture	101.0	4.4	101.8	2.9

Holdings-Based Style Trail

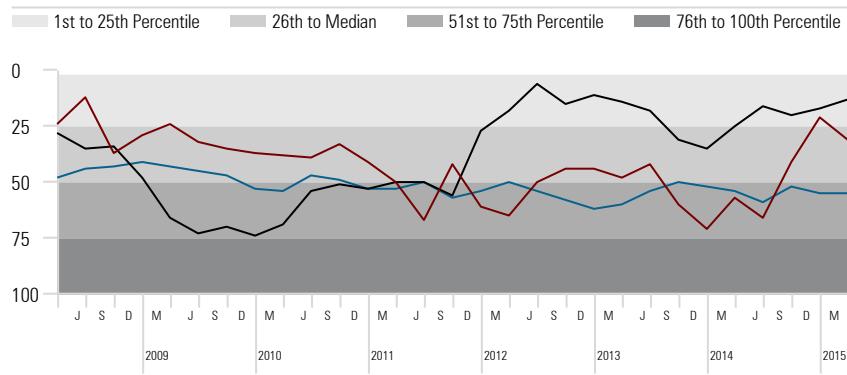


Goldman Sachs Mid Cap Value Instl

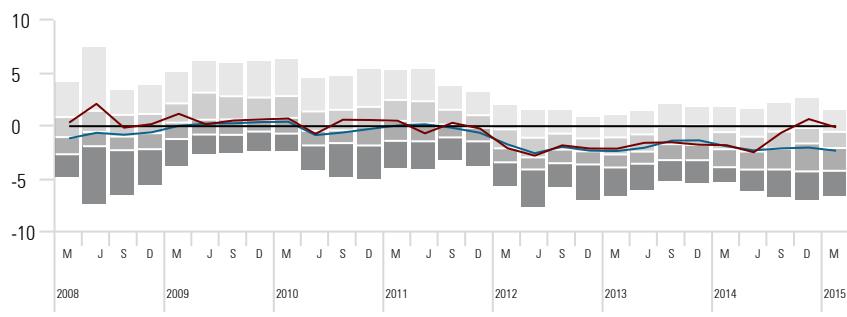
GSMCX

Index: Russell Mid Cap Value TR USD
Category: US OE Mid-Cap Value
 Return Date: 3/31/2015

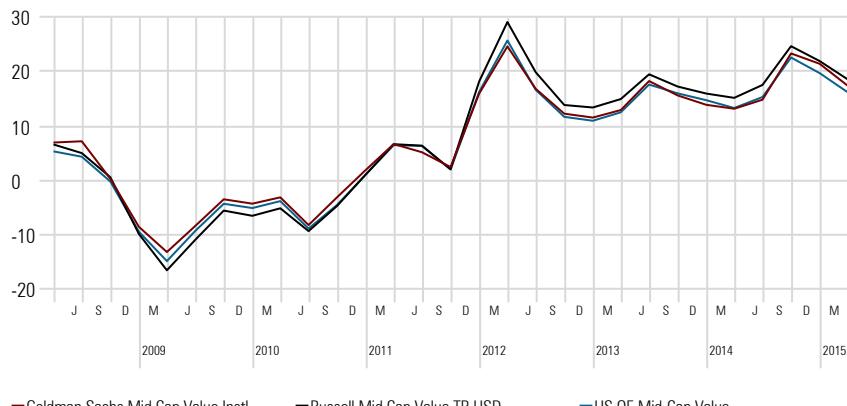
Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	98	487	574
Holdings - Bonds	0	8	0
Holdings - Other	2	126	0
Turnover Ratio	87.0	60.8	
Net Expense Ratio	0.74	1.27	
Gross Expense Ratio	0.74	1.73	
LT Earnings Growth	10.3	10.1	9.0
Avg Mkt Cap (\$MMM)	10.1	9.2	10.0
Total Assets (\$MMM)	10		
P/E Ratio	18.0	18.9	19.1
P/B Ratio	2.0	1.7	1.9
P/S Ratio	1.4	1.0	1.3
P/CF Ratio	9.8	8.9	9.9
ROE %	11.8	11.5	10.7
ROA %	3.9	3.9	3.9
Dividend Yld	1.9	1.9	2.3

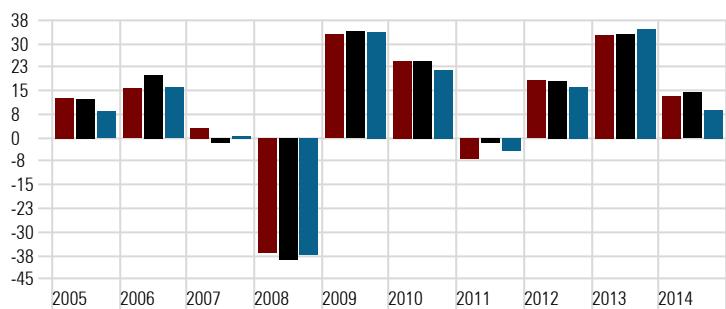
Sector Allocation (%)

	Inv	Avg	Idx
Energy	5	6	4
Materials	4	7	7
Industrials	11	13	9
Cons Discretionary	16	13	11
Consumer Staples	7	4	3
Healthcare	10	9	10
Financials	28	26	33
Info Technology	13	14	11
Telecom Services	0	1	0
Utilities	7	7	12

Top 10 Holdings

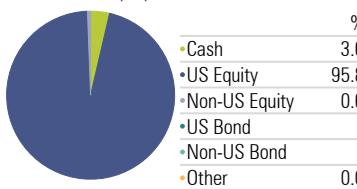
	Fund %
Goldman Sachs FS Government FST	3.6
Sempra Energy	2.0
Lincoln National Corp	1.9
Cigna Corp	1.8
Navient Corp	1.8
Huntington Bancshares Inc	1.7
Brixmor Property Group Inc	1.7
Gap Inc	1.7
Devon Energy Corp	1.6
FirstEnergy Corp	1.5

Calendar Year Returns



Asset Allocation

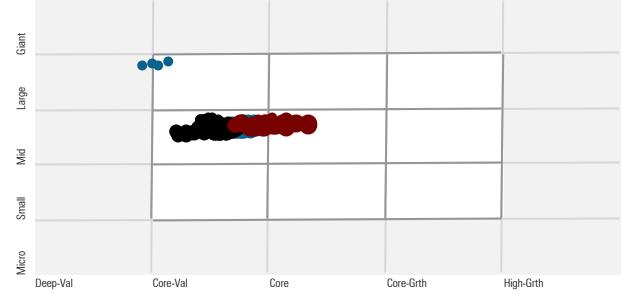
Portfolio Date: 3/31/2015



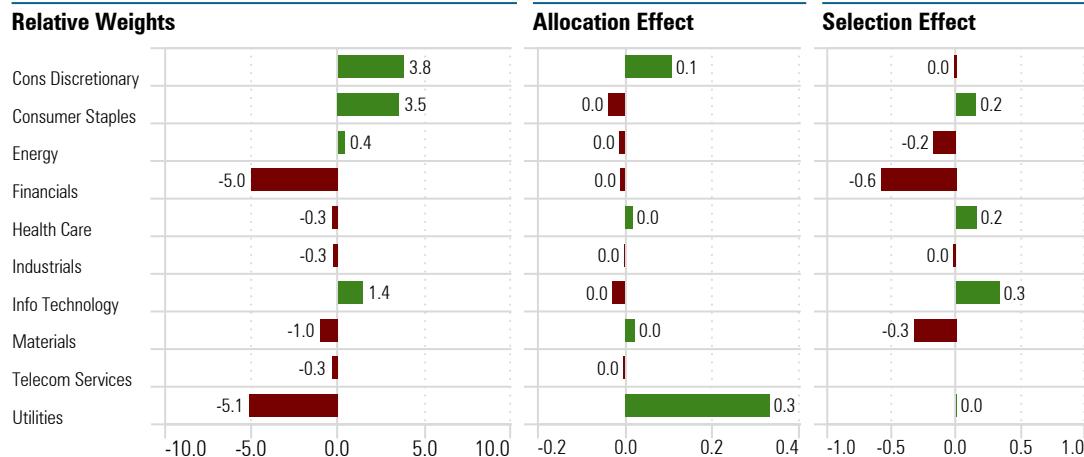
Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	9.8	-0.5	14.7	0.1
Down Deviation	2.1	0.5	2.2	0.6
Beta	0.9	-0.1	1.0	0.0
Alpha	-0.1	2.2	-1.4	0.7
Sharpe	1.8	0.2	1.0	0.0
Sortino	3.2	0.5	1.7	0.1
Info Ratio	-0.4	0.7	-0.5	0.6
Down Capture	101.4		104.3	-3.1
Up Capture	96.3		97.8	0.7

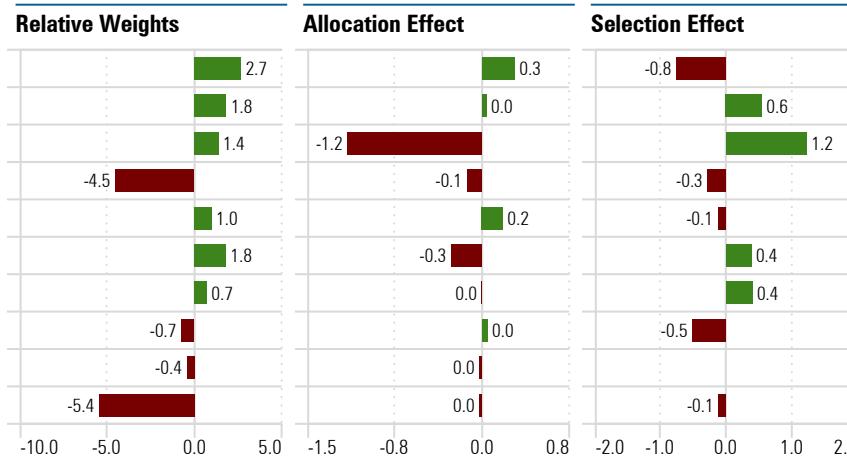
Holdings-Based Style Trail



One Quarter Performance Attribution



One Year Performance Attribution



Leading Contributors

	Rescaled Weight	Return	Active Return
Orbital ATK Inc	1.46	41.81	0.46
Tesoro Corp	1.04	23.36	0.20
Endo International PLC	1.66	24.38	0.17
Kroger Co	0.89	19.70	0.16
Maxim Integrated Products Inc	1.61	10.11	0.16
AMC Networks Inc Class A	1.18	20.18	0.16
Urban Outfitters Inc	0.72	29.95	0.16
Cigna Corp	1.94	25.82	0.13
Altera Corp	0.92	16.77	0.12
Armstrong World Industries Inc	0.84	12.42	0.11

Leading Contributors

	Rescaled Weight	Return	Active Return
Tesoro Corp	1.08	83.67	0.77
Kroger Co	1.32	77.85	0.57
Orbital ATK Inc	0.36	41.81	0.53
United Continental Holdings Inc	0.88	50.68	0.49
NASDAQ OMX Group, Inc.	1.10	39.82	0.28
Staples Inc	0.69	53.77	0.24
Cimarex Energy Co	1.22	-2.86	0.24
Valspar Corp	1.00	18.12	0.23
GNC Holdings Inc	0.48	45.63	0.21
Urban Outfitters Inc	0.18	29.95	0.17

Leading Detractors

	0.63	-25.55	-0.22
Fossil Group Inc	1.16	-13.07	-0.21
Hertz Global Holdings Inc	0.99	-27.29	-0.19
Chesapeake Energy Corp	1.28	-15.02	-0.17
Southwestern Energy Co	1.13	-11.10	-0.17
Triumph Group Inc	0.66	-20.70	-0.16
Carpenter Technology Corp	0.81	-16.11	-0.15
Kansas City Southern Inc	0.60	-16.83	-0.13
PVH Corp	0.41	-28.18	-0.13
TimkenSteel Corp	1.16	-8.93	-0.12
SLM Corp			

Leading Detractors

Terex Corp	0.75	-39.57	-0.36
Hertz Global Holdings Inc	0.80	-22.65	-0.31
PVH Corp	0.95	-14.49	-0.27
Fossil Group Inc	0.53	-21.12	-0.25
TimkenSteel Corp	0.23	-42.57	-0.24
MGM Resorts International	0.88	-18.68	-0.21
NRG Energy Inc	0.43	-16.47	-0.17
Gap Inc	1.16	5.89	-0.16
Louisiana-Pacific Corp	0.33	-19.44	-0.16
Agilent Technologies Inc	1.40	3.10	-0.16

Goldman Sachs Mid Cap Value Instl | Russell Mid Cap Value TR USD

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Vanguard Mid Cap Index Adm

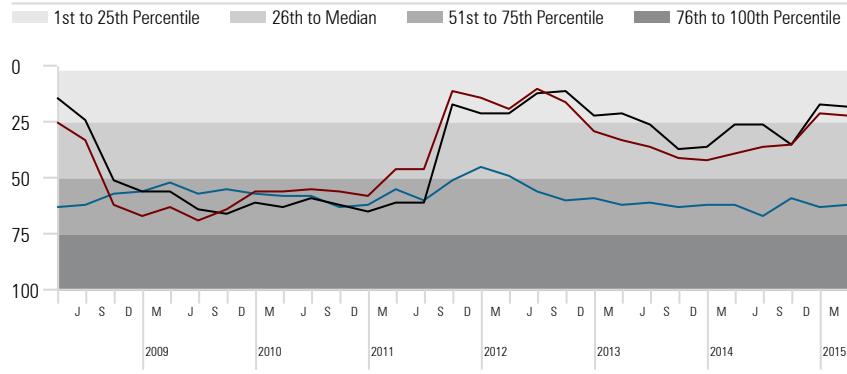
VIMAX

Index: CRSP US Mid Cap TR USD

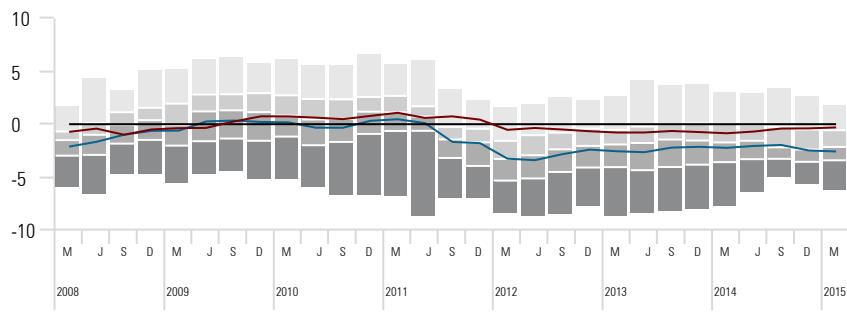
Category: US OE Mid-Cap Blend

Return Date: 3/31/2015

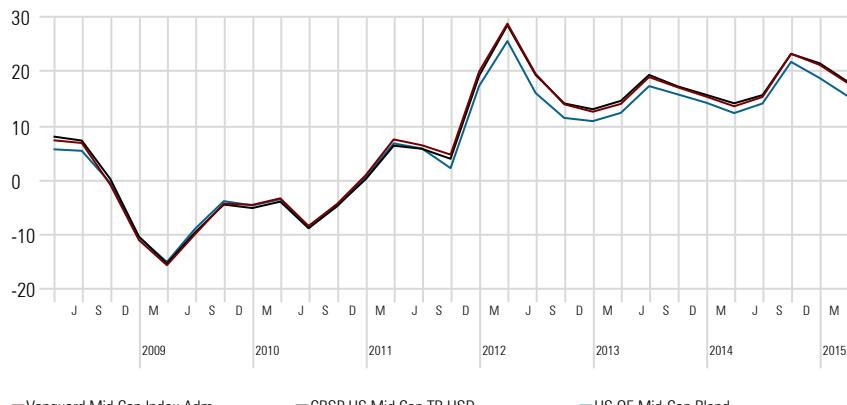
Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



— Vanguard Mid Cap Index Adm

— CRSP US Mid Cap TR USD

— US OE Mid-Cap Blend

Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	367	303	365
Holdings - Bonds	0	0	0
Holdings - Other	3	144	0
Turnover Ratio	11.0	73.6	
Net Expense Ratio	0.09	1.24	
Gross Expense Ratio	0.09	1.87	
LT Earn Growth	11.0	10.1	11.0
Avg Mkt Cap (\$MMM)	11.5	7.6	11.5
Total Assets (\$MMM)	64		
P/E Ratio	21.9	20.6	21.9
P/B Ratio	2.8	2.4	2.8
P/S Ratio	1.6	1.2	1.6
P/CF Ratio	12.4	11.0	12.4
ROE %	16.8	15.5	16.7
ROA %	6.4	5.3	6.3
Dividend Yld	1.6	1.6	1.6

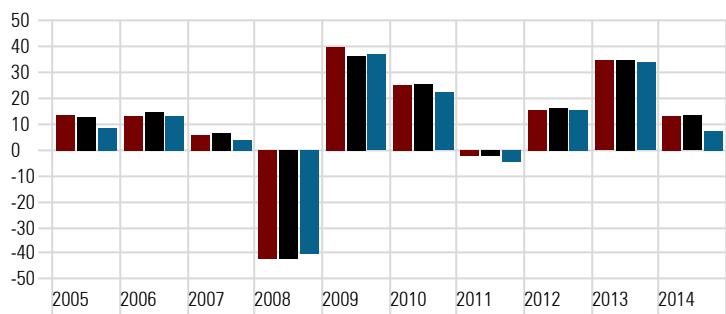
Sector Allocation (%)

	Inv	Avg	Idx
Energy	6	6	6
Materials	6	6	6
Industrials	12	15	12
Cons Discretionary	20	16	20
Consumer Staples	6	3	6
Healthcare	12	11	12
Financials	17	21	17
Info Technology	15	17	15
Telecom Services	1	1	1
Utilities	5	3	5

Top 10 Holdings

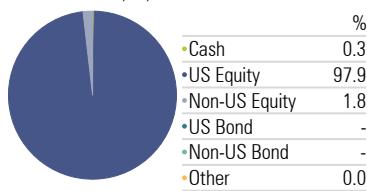
	Fund %
AmerisourceBergen Corp	0.7
Boston Scientific Inc	0.7
Delphi Automotive PLC	0.7
AvalonBay Communities Inc	0.7
Cerner Corp	0.7
Moody's Corporation	0.6
Monster Beverage Corp	0.6
Ross Stores Inc	0.6
O'Reilly Automotive Inc	0.6
Chipotle Mexican Grill Inc Class A	0.6

Calendar Year Returns



Asset Allocation

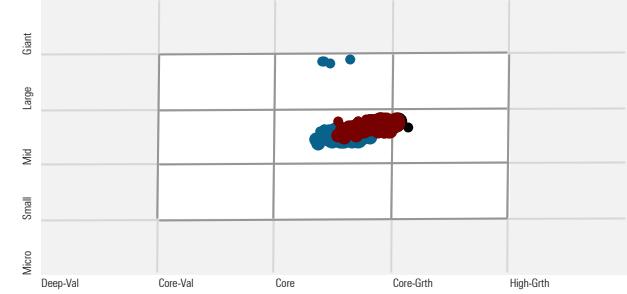
Portfolio Date: 3/31/2015



Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	10.5	-0.3	14.8	-0.4
Down Deviation	0.3	-1.3	0.6	-1.1
Beta	1.0	0.0	1.0	0.0
Alpha	-0.3	2.3	-0.6	2.5
Sharpe	1.7	0.3	1.1	0.2
Sortino	3.2	0.7	1.9	0.4
Info Ratio	-0.8	0.7	-0.5	1.1
Down Capture	100.8	-12.0	102.5	-9.5
Up Capture	99.4	4.5	100.0	3.2

Holdings-Based Style Trail

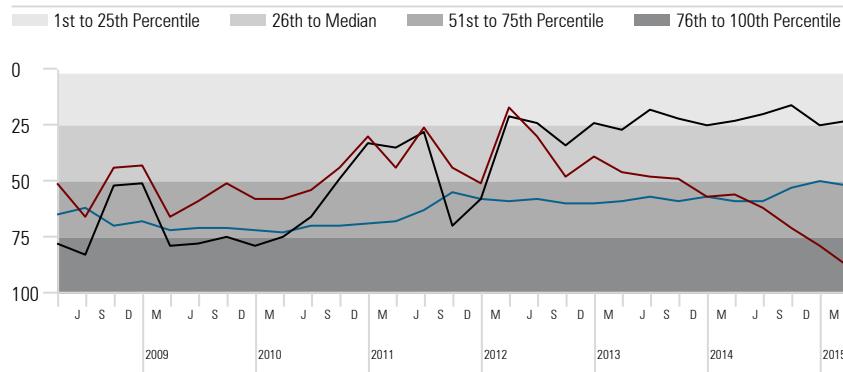


Columbia Acorn Z

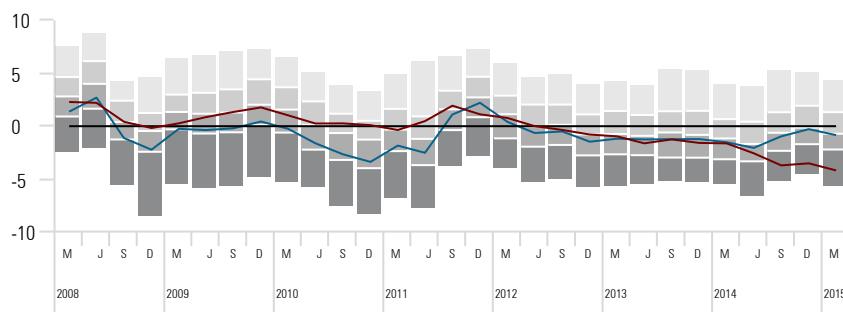
ACRNX

Index: Russell 2500 TR USD
Category: US OE Mid-Cap Growth
 Return Date: 3/31/2015

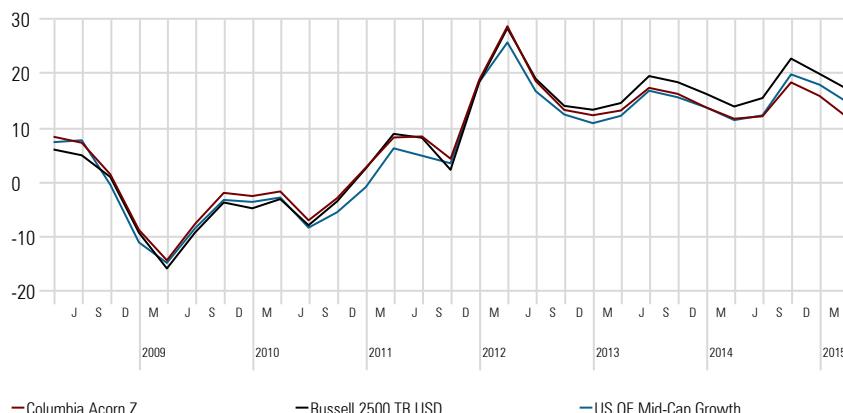
Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	218	412	2,504
Holdings - Bonds	0	8	0
Holdings - Other	3	174	2
Turnover Ratio	17.0	70.5	
Net Expense Ratio	0.79	1.34	
Gross Expense Ratio	0.79	2.11	
LT Earnings Growth	13.5	12.3	11.6
Avg Mkt Cap (\$MMM)	3.9	9.4	3.4
Total Assets (\$MMM)	14		
P/E Ratio	23.6	25.6	20.5
P/B Ratio	3.1	4.1	2.4
P/S Ratio	2.0	2.3	1.3
P/CF Ratio	14.1	17.0	12.0
ROE %	12.6	18.5	11.6
ROA %	4.6	6.6	3.7
Dividend Yld	0.8	0.6	1.5

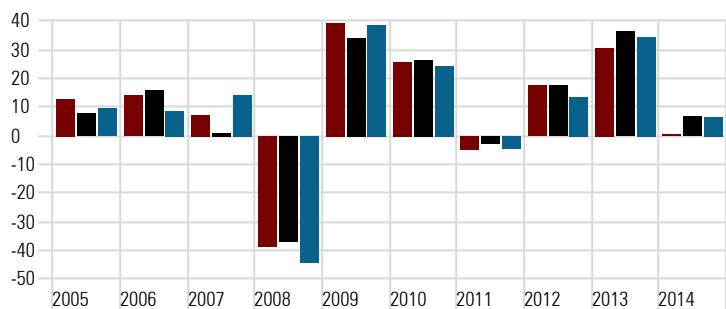
Sector Allocation (%)

	Inv	Avg	Idx
Energy	3	4	4
Materials	1	3	6
Industrials	28	18	15
Cons Discretionary	12	19	15
Consumer Staples	2	5	3
Healthcare	14	16	13
Financials	15	13	24
Info Technology	22	21	16
Telecom Services	3	1	1
Utilities	1	1	4

Top 10 Holdings

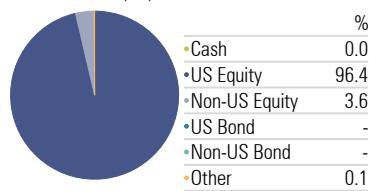
	Fund %
Ametek Inc	2.5
Mettler-Toledo International Inc	2.2
SEI Investments Company	2.2
Cepheid	2.0
Donaldson Co Inc	2.0
Amphenol Corp Class A	1.7
Nordson Corp	1.6
Synageva BioPharma Corp	1.5
Ansys Inc	1.4
Avis Budget Group Inc	1.4

Calendar Year Returns



Asset Allocation

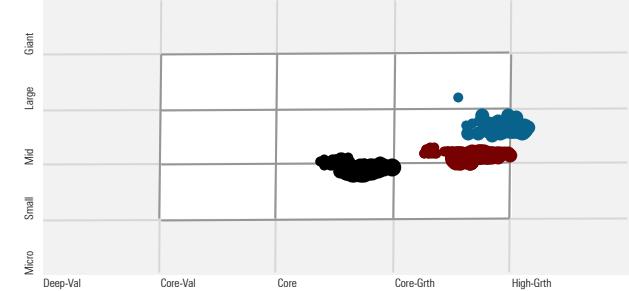
Portfolio Date: 2/28/2015



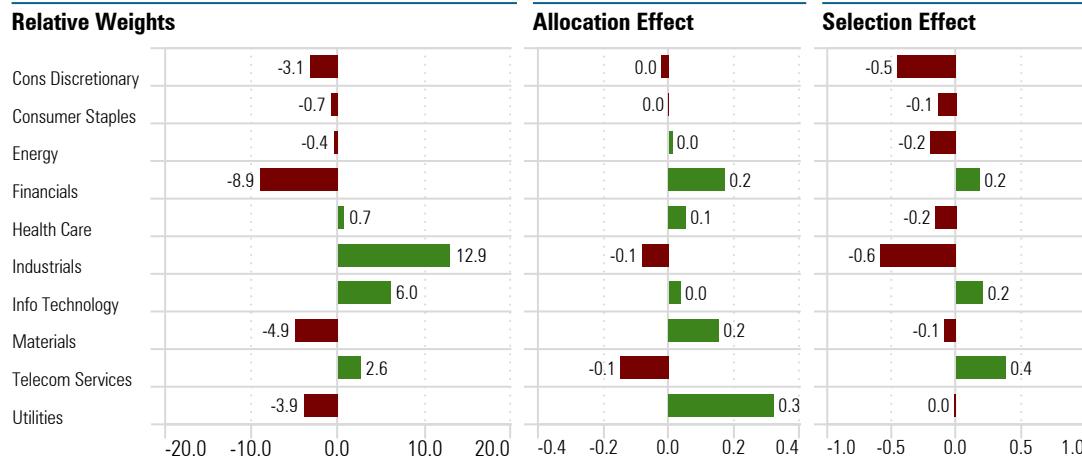
Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	11.7	0.5	16.3	1.0
Down Deviation	2.2	0.0	2.2	-0.2
Beta	1.0	0.1	1.0	0.1
Alpha	-4.2	-3.3	-2.3	-2.2
Sharpe	1.0	-0.3	0.8	-0.2
Sortino	1.8	-0.6	1.4	-0.2
Info Ratio	-2.5	-1.7	-1.0	-0.6
Down Capture	113.4	16.3	103.0	10.9
Up Capture	87.8	-2.9	93.3	1.5

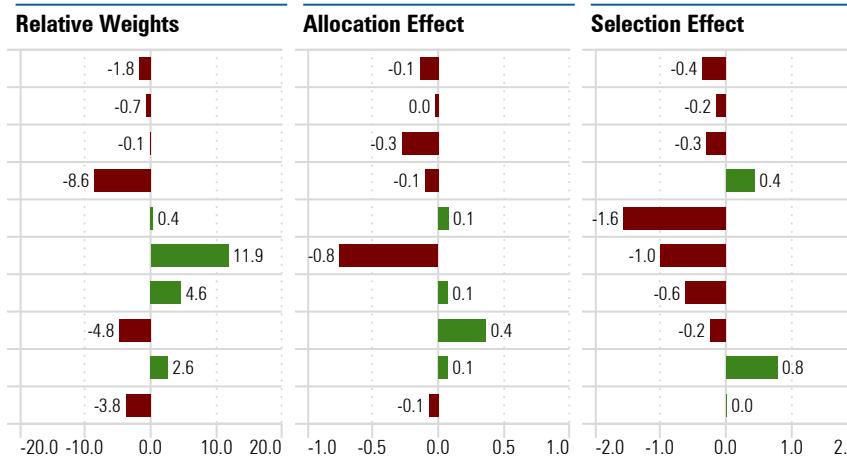
Holdings-Based Style Trail



One Quarter Performance Attribution



One Year Performance Attribution



Leading Contributors

	Rescaled Weight	Return	Active Return
Intercept Pharmaceuticals Inc	0.42	80.78	0.18
Akorn Inc	1.21	31.24	0.18
SEI Investments Company	2.04	10.78	0.15
Globalstar Inc	0.56	21.09	0.14
IPG Photonics Corp	0.83	23.73	0.12
Informatica Corp	1.17	15.00	0.11
Acuity Brands Inc	0.93	20.16	0.10
Drew Industries Inc	0.58	24.45	0.10
Ultradynex Pharmaceutical Inc	0.51	41.50	0.09
SBA Communications Corp	1.11	5.72	0.09

Leading Contributors

	Rescaled Weight	Return	Active Return
Akorn Inc	1.04	115.95	0.41
SEI Investments Company	1.57	33.66	0.36
Amphenol Corp Class A	1.77	29.75	0.33
FMC Technologies Inc	0.83	-28.32	0.31
SBA Communications Corp	1.32	28.74	0.25
tw telecom inc	0.40	30.33	0.22
Bally Technologies Inc	0.42	21.77	0.19
iGate Corp	0.81	35.26	0.18
Burlington Stores Inc	0.25	101.29	0.16
Avis Budget Group Inc	1.33	21.18	0.15

Leading Detractors

	Rescaled Weight	Return	Active Return
Cepheid	1.99	5.10	-0.20
Avis Budget Group Inc	1.43	-11.03	-0.19
Lumber Liquidators Holdings Inc	0.27	-53.58	-0.18
Mettler-Toledo International Inc	2.25	8.66	-0.14
Synageva BioPharma Corp	1.54	5.11	-0.13
LKQ Corp	1.08	-9.10	-0.12
Donaldson Co Inc	2.00	-1.95	-0.11
Rush Enterprises Inc Class A	0.52	-14.63	-0.11
zulily Inc Class A	0.17	-44.49	-0.10
ShawCor Ltd Class A	0.37	-23.81	-0.10

Leading Detractors

	Rescaled Weight	Return	Active Return
Seattle Genetics Inc	0.87	-22.41	-0.48
Cepheid	1.58	10.31	-0.33
Pandora Media Inc	0.42	-51.19	-0.29
Donaldson Co Inc	1.90	-9.55	-0.28
Chicago Bridge & Iron Company	0.54	-46.83	-0.27
zulily Inc Class A	0.15	-74.12	-0.26
Trimble Navigation Ltd	0.72	-35.17	-0.25
Sarepta Therapeutics Inc	0.29	-44.74	-0.25
Allscripts Healthcare Solutions Inc	0.51	-33.67	-0.23
Boulder Brands Inc	0.29	-45.91	-0.22

Victory Integrity Small-Cap Value R6

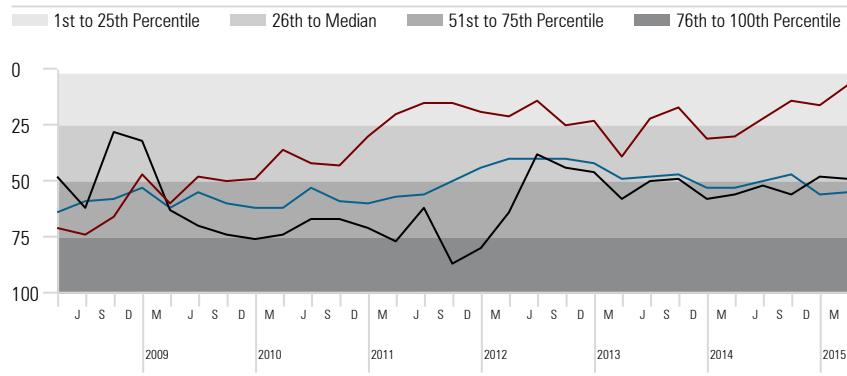
MVSSX

Index: Russell 2000 Value TR USD

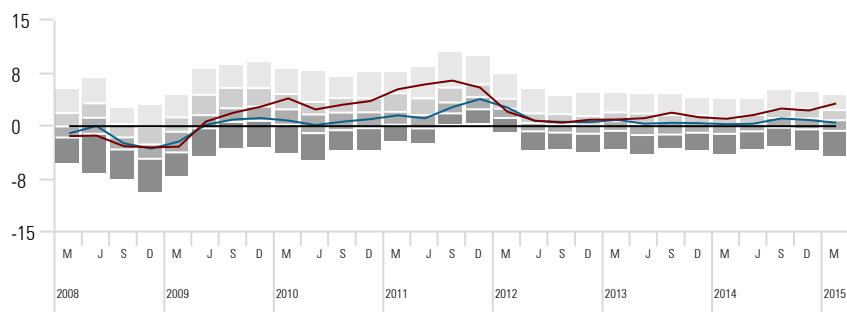
Category: US OE Small Value

Return Date: 3/31/2015

Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



— Victory Integrity Small-Cap Value R6

— Russell 2000 Value TR USD

— US OE Small Value

Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	118	491	1,355
Holdings - Bonds	0	1	0
Holdings - Other	1	64	2
Turnover Ratio	101.0	68.1	
Net Expense Ratio	1.08	1.38	
Gross Expense Ratio	1.08	2.09	
LT Earn Growth	10.3	11.8	10.2
Avg Mkt Cap (\$MMM)	1.9	2.6	1.4
Total Assets (\$MMM)	1		
P/E Ratio	17.1	19.4	18.2
P/B Ratio	1.8	1.6	1.5
P/S Ratio	1.0	0.8	1.1
P/CF Ratio	10.1	10.5	9.5
ROE %	12.3	9.5	5.9
ROA %	4.1	3.5	1.5
Dividend Yld	1.7	1.9	2.3

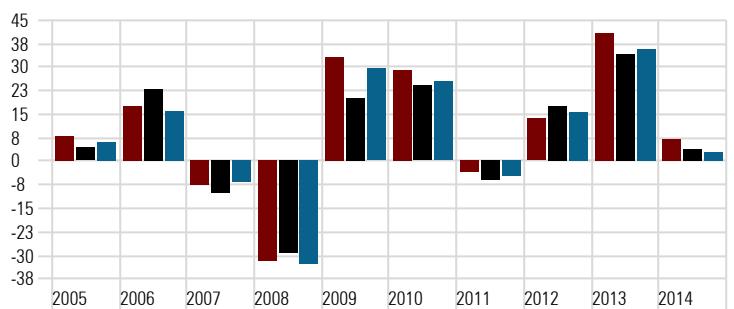
Sector Allocation (%)

	Inv	Avg	Idx
Energy	4	5	4
Materials	3	8	4
Industrials	14	19	13
Cons Discretionary	16	13	12
Consumer Staples	2	3	3
Healthcare	9	6	6
Financials	34	30	41
Info Technology	13	12	10
Telecom Services	0	0	1
Utilities	5	4	7

Top 10 Holdings

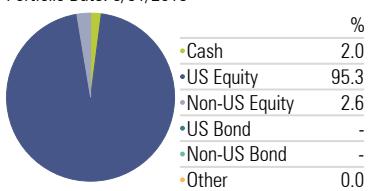
	Fund %
Federated Treasury Obligs Instl	2.0
Marriott Vacations Worldwide Corp	1.5
Ryland Group Inc	1.5
Radian Group Inc	1.4
Western Alliance Bancorp	1.4
Synovus Financial Corp	1.4
Molina Healthcare Inc	1.3
ALLETE Inc	1.2
First Horizon National Corp	1.2
Amsurg Corp	1.2

Calendar Year Returns



Asset Allocation

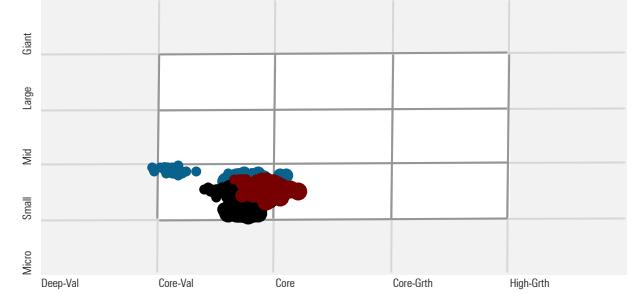
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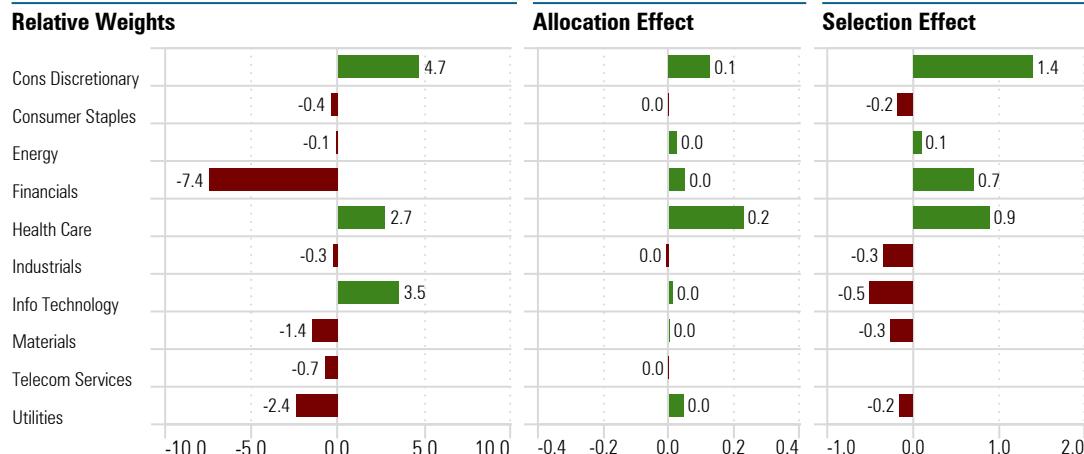
Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	13.0	0.6	17.8	1.1
Down Deviation	1.6	-0.3	1.7	0.0
Beta	1.0	0.0	1.0	0.1
Alpha	3.2	2.7	2.3	1.4
Sharpe	1.4	0.2	0.8	0.1
Sortino	2.3	0.4	1.4	0.1
Info Ratio	1.2	1.5	0.9	0.8
Down Capture	88.6	-5.9	93.6	0.1
Up Capture	104.8	9.3	103.5	6.5

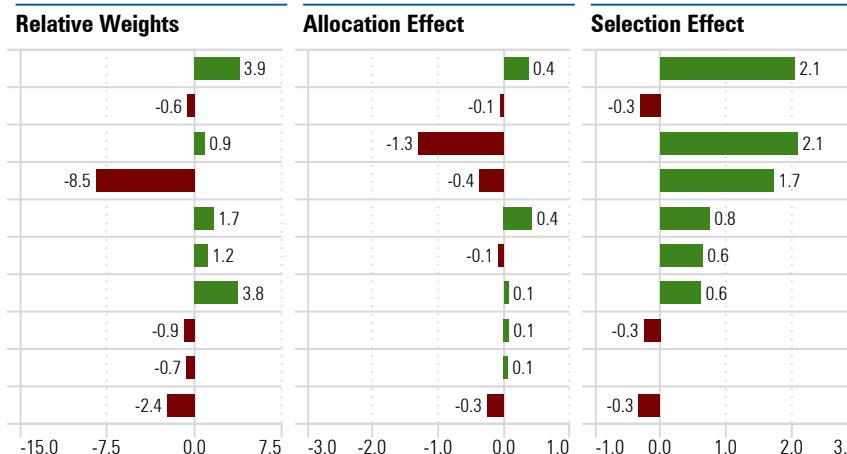
Holdings-Based Style Trail



One Quarter Performance Attribution



One Year Performance Attribution



Leading Contributors

	Rescaled Weight	Return	Active Return
Investment Technology Group Inc	0.90	45.58	0.35
Dycom Industries Inc	0.90	39.18	0.33
Carrizo Oil & Gas Inc	1.00	19.35	0.26
Carmike Cinemas Inc	0.92	27.90	0.19
Ryland Group Inc	1.31	26.50	0.19
Ryman Hospitality Properties Inc	1.28	16.72	0.16
Molina Healthcare Inc	1.13	25.71	0.16
Pharmerica Corp	0.71	36.12	0.16
Impax Laboratories Inc	0.77	47.95	0.14
Cooper Tire & Rubber Co	0.93	23.97	0.11

Leading Contributors

	Rescaled Weight	Return	Active Return
Carrizo Oil & Gas Inc	1.10	-7.13	0.65
Synergy Resources Corp	0.78	10.23	0.62
Dycom Industries Inc	0.82	54.51	0.46
Jack In The Box Inc	0.95	64.65	0.38
Investment Technology Group Inc	0.82	50.05	0.37
Molina Healthcare Inc	0.96	79.15	0.37
Janus Capital Group Inc	0.95	61.90	0.36
Greenbrier Companies Inc	0.92	18.40	0.33
Saia Inc	1.22	15.94	0.32
Deluxe Corp	1.07	34.73	0.31

Leading Detractors

	Rescaled Weight	Return	Active Return
Saia Inc	1.00	-19.98	-0.23
Engility Holdings Inc	0.74	-29.81	-0.21
Unisys Corp	0.63	-21.27	-0.15
Primoris Services Corp	0.49	-25.87	-0.14
Meritor Inc	0.69	-16.77	-0.13
AK Steel Holding Corp	0.44	-24.75	-0.12
Swift Transportation Co	1.19	-9.12	-0.12
Tech Data Corp	0.96	-8.64	-0.11
Sanderson Farms Inc	0.77	-4.95	-0.09
Lexington Realty Trust	0.96	-8.93	-0.09

Leading Detractors

	Rescaled Weight	Return	Active Return
Primoris Services Corp	0.72	-42.28	-0.32
AK Steel Holding Corp	0.24	-44.19	-0.30
Engility Holdings Inc	0.57	-33.32	-0.28
General Cable Corp	0.52	-39.42	-0.28
Sanderson Farms Inc	0.57	-16.97	-0.24
Rait Financial Trust	0.76	-11.44	-0.21
Lattice Semiconductor Corp	0.70	-19.13	-0.21
Delek US Holdings Inc	0.00	0.00	-0.18
Post Holdings Inc	0.30	-39.80	-0.18
Lexington Realty Trust	0.90	-3.91	-0.15

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Vanguard Small Cap Index Adm

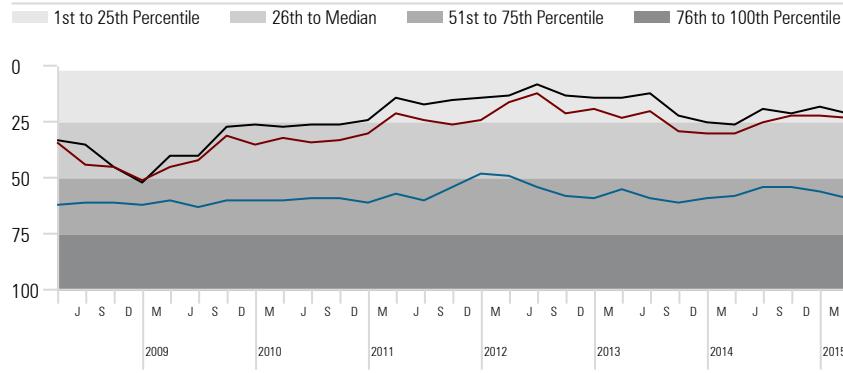
VSMAX

Index: CRSP US Small Cap TR USD

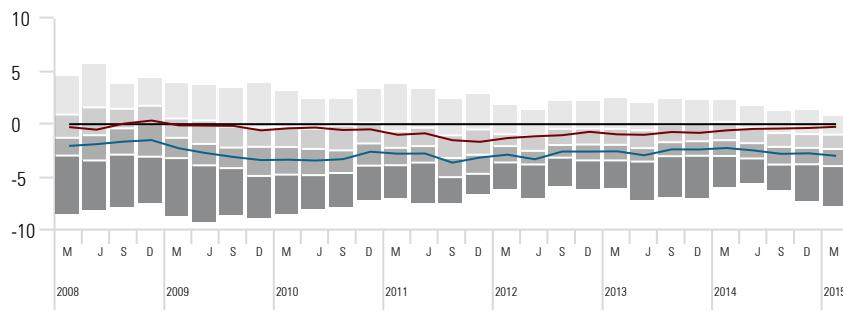
Category: US OE Small Blend

Return Date: 3/31/2015

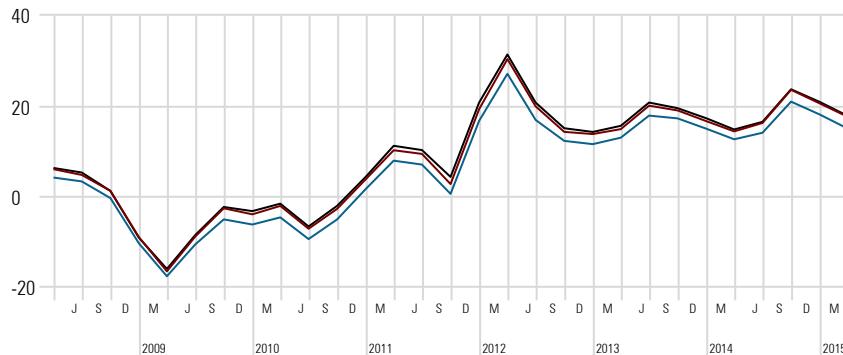
Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



— Vanguard Small Cap Index Adm

— CRSP US Small Cap TR USD

— US OE Small Blend

Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	1,486	406	1,471
Holdings - Bonds	0	36	0
Holdings - Other	4	103	1
Turnover Ratio	10.0	62.3	
Net Expense Ratio	0.09	1.28	
Gross Expense Ratio	0.09	1.74	
LT Earn Growth	11.6	7.7	11.6
Avg Mkt Cap (\$MMM)	3.1	2.9	3.1
Total Assets (\$MMM)	55		
P/E Ratio	20.3	21.3	20.3
P/B Ratio	2.3	2.3	2.3
P/S Ratio	1.3	1.0	1.3
P/CF Ratio	11.4	11.7	11.4
ROE %	11.6	13.2	11.6
ROA %	3.6	4.7	3.6
Dividend Yld	1.7	1.4	1.7

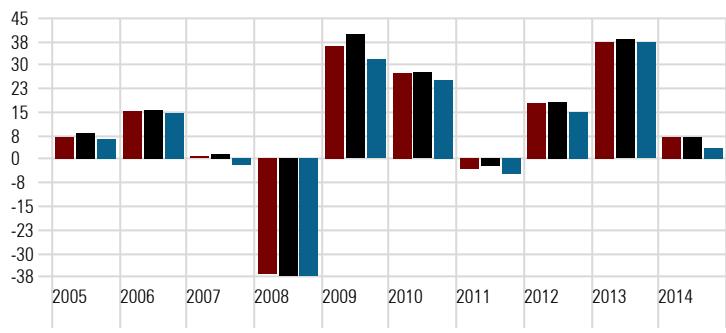
Sector Allocation (%)

	Inv	Avg	Idx
Energy	4	4	4
Materials	5	6	5
Industrials	16	16	16
Cons Discretionary	15	17	15
Consumer Staples	3	3	3
Healthcare	12	11	12
Financials	24	23	24
Info Technology	17	17	17
Telecom Services	0	1	0
Utilities	4	3	4

Top 10 Holdings

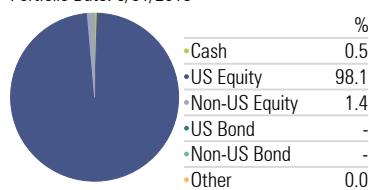
	Fund %
Cooper Companies	0.3
Alaska Air Group Inc	0.3
Snap-on Inc	0.3
Rite Aid Corp	0.3
Gannett Co Inc	0.3
E*Trade Financial Corp	0.3
The Whitewave Foods Company	0.3
Arthur J Gallagher & Co	0.3
Packaging Corp of America	0.3
United Therapeutics Corp	0.3

Calendar Year Returns



Asset Allocation

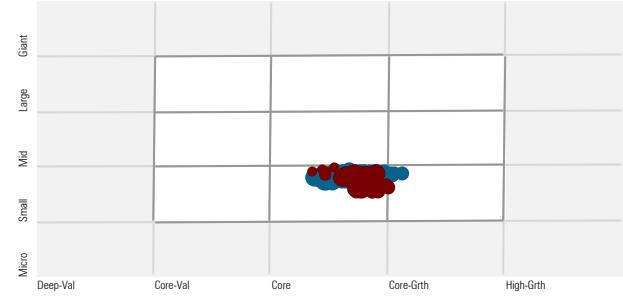
Portfolio Date: 3/31/2015



Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	12.0	-0.5	16.9	-0.1
Down Deviation	0.4	-1.4	0.6	-1.0
Beta	1.0	0.0	1.0	0.0
Alpha	-0.2	2.7	-0.7	2.0
Sharpe	1.5	0.3	0.9	0.1
Sortino	2.6	0.6	1.6	0.2
Info Ratio	-0.4	1.1	-0.6	0.9
Down Capture	101.9	-11.4	103.2	-4.3
Up Capture	100.1	3.9	100.4	3.8

Holdings-Based Style Trail



Loomis Sayles Small Cap Growth Instl

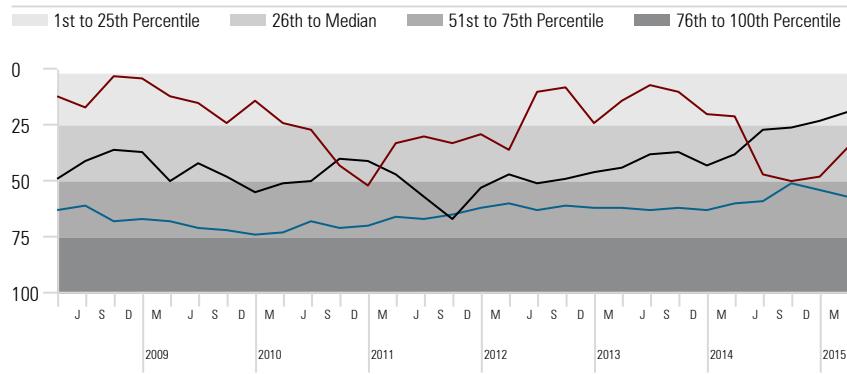
LSSIX

Index: Russell 2000 Growth TR USD

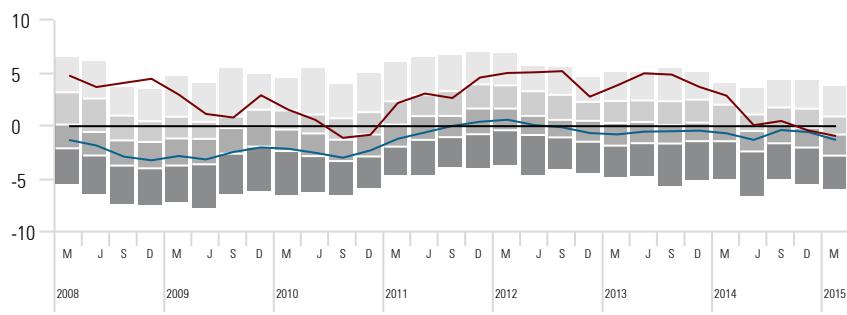
Category: US OE Small Growth

Return Date: 3/31/2015

Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



— Loomis Sayles Small Cap Growth Instl

— Russell 2000 Growth TR USD

— US OE Small Growth

Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	107	462	1,187
Holdings - Bonds	0	0	0
Holdings - Other	1	106	1
Turnover Ratio	63.0	83.9	
Net Expense Ratio	0.94	1.39	
Gross Expense Ratio	0.94	1.85	
LT Earn Growth	17.2	13.9	14.7
Avg Mkt Cap (\$MMM)	2.1	2.9	1.9
Total Assets (\$MMM)	1		
P/E Ratio	32.7	27.7	24.6
P/B Ratio	4.1	3.9	4.2
P/S Ratio	2.7	2.3	1.7
P/CF Ratio	19.0	18.2	14.6
ROE %	8.1	9.8	10.7
ROA %	2.2	3.3	1.8
Dividend Yld	0.4	0.6	0.7

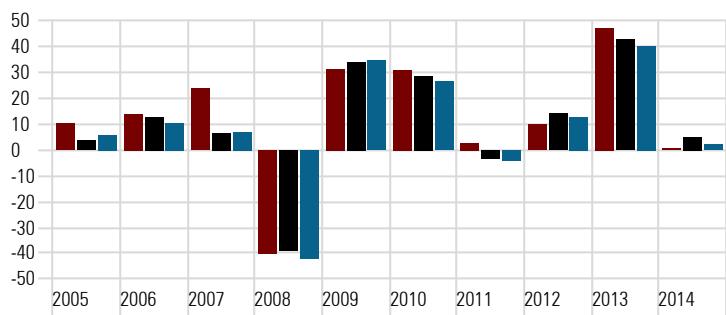
Sector Allocation (%)

	Inv	Avg	Idx
Energy	4	3	3
Materials	1	4	4
Industrials	17	12	14
Cons Discretionary	14	16	16
Consumer Staples	2	3	4
Healthcare	25	22	25
Financials	8	13	7
Info Technology	30	26	26
Telecom Services	0	0	1
Utilities	0	1	0

Top 10 Holdings

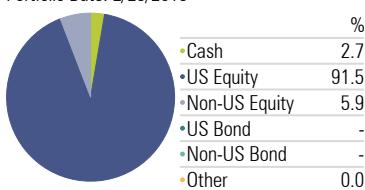
	Fund %
Guidewire Software Inc	1.6
The Spectranetics Corp	1.5
Ultimate Software Group Inc	1.4
XPO Logistics Inc	1.4
Acadia Healthcare Co Inc	1.4
WageWorks Inc	1.4
Proofpoint Inc	1.3
FleetMatics Group PLC	1.3
Amsurg Corp	1.3
CoStar Group Inc	1.2

Calendar Year Returns



Asset Allocation

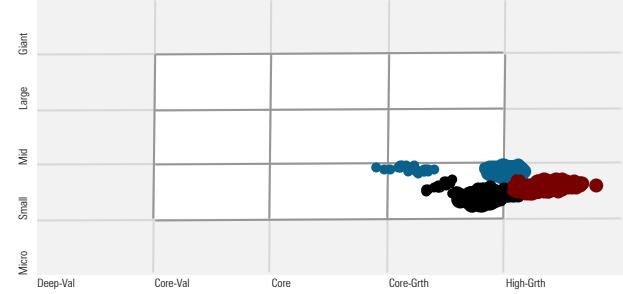
Portfolio Date: 2/28/2015



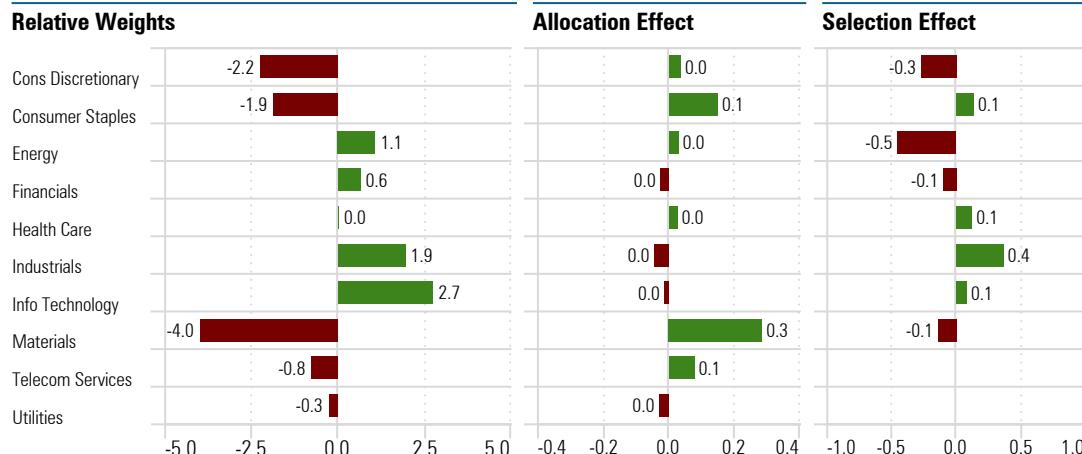
Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	14.6	1.4	16.9	-0.3
Down Deviation	3.5	1.6	3.4	1.6
Beta	1.0	0.1	0.9	0.0
Alpha	-0.9	0.4	2.4	3.3
Sharpe	1.1	0.0	1.0	0.2
Sortino	2.0	0.0	1.8	0.4
Info Ratio	-0.3	1.1	0.2	1.2
Down Capture	90.7	-3.5	82.6	-12.2
Up Capture	91.2	2.1	92.5	0.8

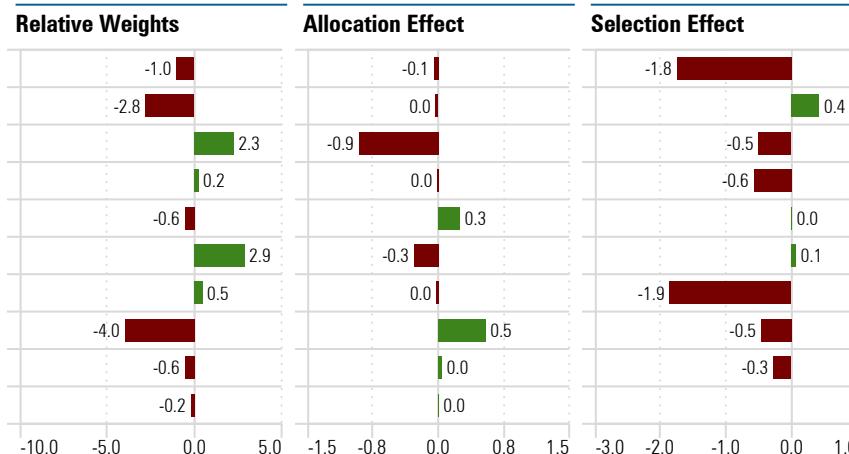
Holdings-Based Style Trail



One Quarter Performance Attribution



One Year Performance Attribution



Leading Contributors

	Rescaled Weight	Return	Active Return
Cambrex Corp	0.98	83.30	0.52
Anacor Pharmaceuticals Inc	0.86	79.38	0.45
Tesaro Inc	0.84	54.34	0.27
Impax Laboratories Inc	0.88	47.95	0.24
Oxford Industries Inc	0.86	37.18	0.22
PDC Energy Inc	0.99	30.94	0.22
Trex Co Inc	0.99	28.06	0.22
Nord Anglia Education Inc	1.06	19.08	0.21
FleetMatics Group PLC	1.23	26.37	0.21
IPG Photonics Corp	1.12	23.73	0.21

Leading Contributors

	Rescaled Weight	Return	Active Return
Anacor Pharmaceuticals Inc	0.58	247.45	0.90
XPO Logistics Inc	1.47	54.61	0.71
Receptos Inc	0.42	222.37	0.52
Exact Sciences Corp	0.51	69.87	0.47
Apogee Enterprises Inc	1.08	31.47	0.44
Measurement Specialties Inc	0.63	26.75	0.40
Cavium Inc	1.20	61.95	0.36
Cambrex Corp	0.77	93.41	0.36
Proofpoint Inc	0.72	67.90	0.35
Neurocrine Biosciences Inc	0.71	146.65	0.35

Leading Detractors

	Rescaled Weight	Return	Active Return
Lands' End Inc	0.30	-35.71	-0.32
Helix Energy Solutions Group Inc	0.70	-31.06	-0.32
Insulet Corp	0.33	-36.19	-0.31
Deckers Outdoor Corp	0.37	-27.45	-0.30
WageWorks Inc	1.57	-17.41	-0.27
Acorda Therapeutics Inc	0.90	-18.57	-0.25
HMS Holdings Corp	0.97	-26.92	-0.23
The Spectranetics Corp	1.59	0.52	-0.21
DeVry Education Group Inc	0.59	-23.00	-0.20
Dealertrack Technologies Inc	1.09	-13.07	-0.18

Leading Detractors

	Rescaled Weight	Return	Active Return
Novadaq Technologies Inc	0.95	-27.11	-0.67
Impervya Inc	0.09	-58.92	-0.61
Dealertrack Technologies Inc	1.32	-21.69	-0.46
Insulet Corp	0.75	-38.02	-0.46
Manitowoc Co Inc	0.71	-33.74	-0.44
HomeAway Inc	0.88	-32.33	-0.41
RigNet Inc	0.36	-48.60	-0.41
Noodles & Co Class A	0.29	-50.42	-0.40
Wright Medical Group Inc	0.85	-16.96	-0.39
LifeLock Inc	0.20	-34.42	-0.36

Loomis Sayles Small Cap Growth Instl | Russell 2000 Growth TR USD

AllianzGI NFJ International Value Instl

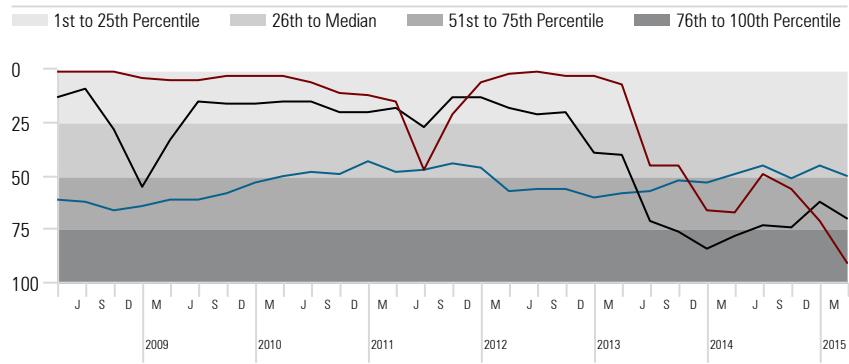
ANJIX

Index: MSCI ACWI Ex USA NR USD

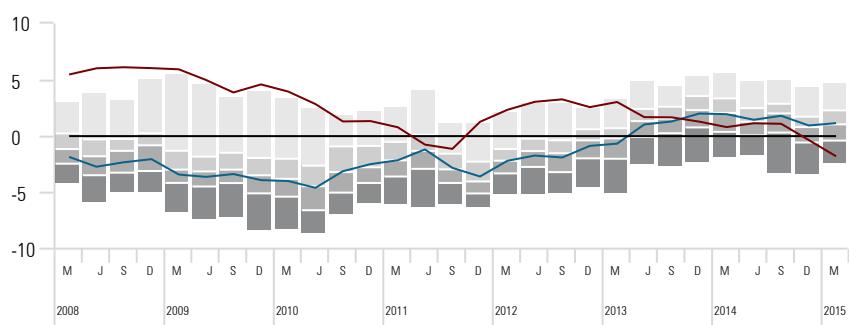
Category: US OE Foreign Large Value

Return Date: 3/31/2015

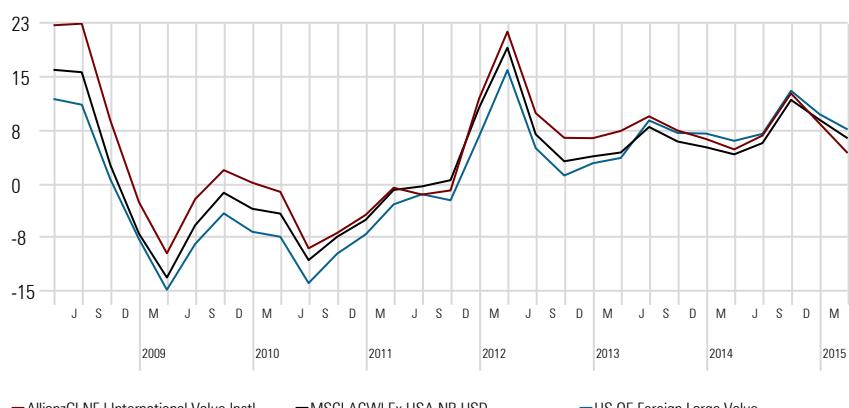
Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



— AllianzGI NFJ International Value Instl

— MSCI ACWI Ex USA NR USD

— US OE Foreign Large Value

Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	57	811	1,811
Holdings - Bonds	0	0	0
Holdings - Other	4	33	30
Turnover Ratio	33.0	57.6	
Net Expense Ratio	0.92	1.31	
Gross Expense Ratio	0.94	1.88	
LT Earn Growth	9.8	10.4	11.1
Avg Mkt Cap (\$MMM)	32.6	32.9	30.5
Total Assets (\$MMM)	3		
P/E Ratio	12.7	15.7	16.6
P/B Ratio	1.4	1.4	1.7
P/S Ratio	1.0	0.9	1.2
P/CF Ratio	6.5	7.7	9.0
ROE %	14.4	13.0	15.0
ROA %	4.8	4.8	5.9
Dividend Yld	3.5	3.7	3.2

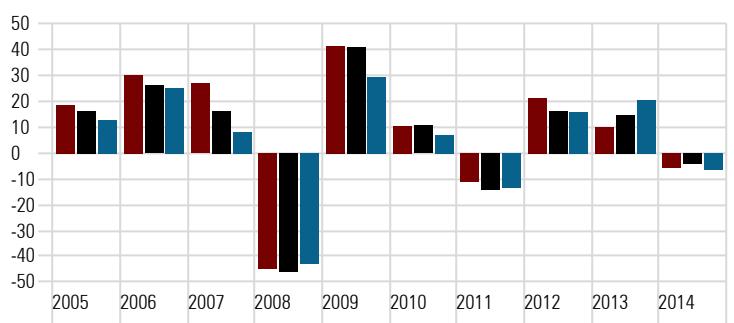
Sector Allocation (%)

	Inv	Avg	Idx
Energy	15	10	7
Materials	10	7	8
Industrials	8	11	11
Cons Discretionary	10	12	11
Consumer Staples	6	7	10
Healthcare	5	10	9
Financials	32	26	27
Info Technology	6	7	8
Telecom Services	5	7	5
Utilities	3	4	3
Not Classified	0	0	0

Regional Allocation (%)

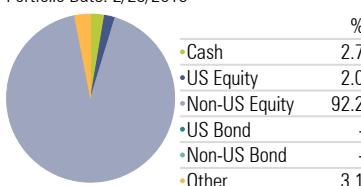
	Fund	Avg	Idx
Europe	18	39	32
United Kingdom	20	19	14
Asia	9	6	9
Japan	10	14	16
United States	2	4	0
Canada	7	3	7
Germany	3	8	6
France	3	10	7
Emerging	21	5	15
Not Classified	0	0	0

Calendar Year Returns



Asset Allocation

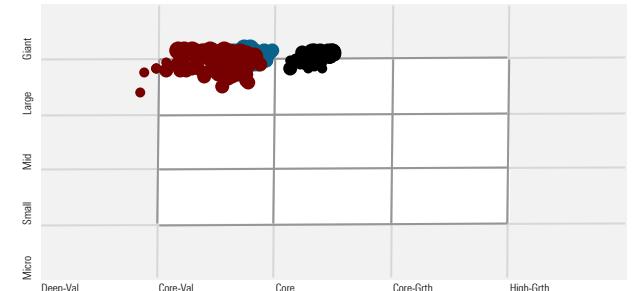
Portfolio Date: 2/28/2015



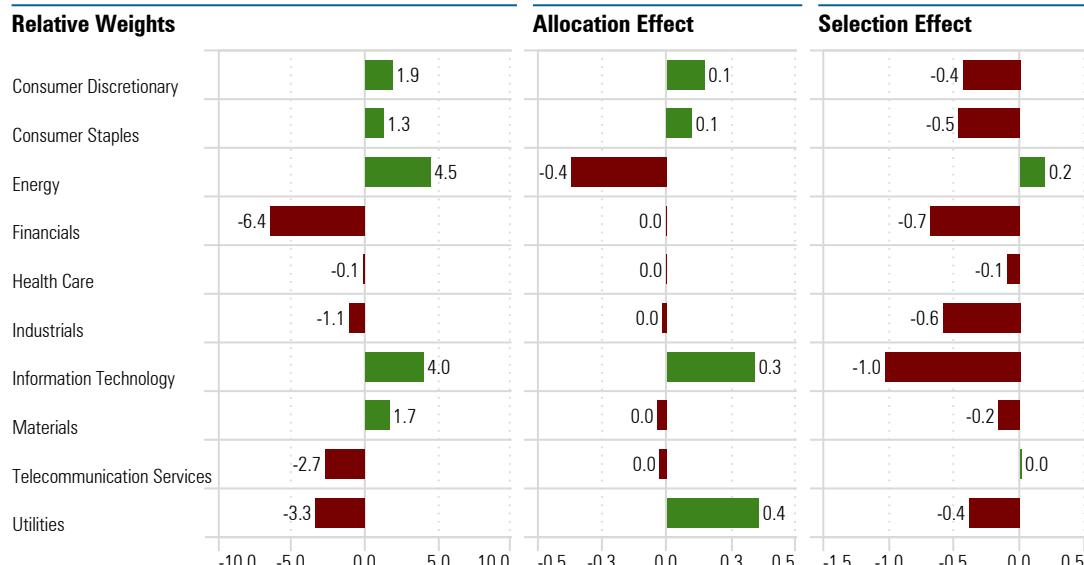
Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	12.4	-0.4	15.9	-0.4
Down Deviation	2.2	0.7	2.1	0.2
Beta	1.0	0.0	1.0	0.0
Alpha	-1.8	-2.9	0.2	0.0
Sharpe	0.3	-0.2	0.3	0.0
Sortino	0.6	-0.4	0.6	0.0
Info Ratio	-0.8	-1.3	0.0	-0.1
Down Capture	108.9	8.2	96.1	-7.6
Up Capture	96.0	-10.5	96.8	-7.0

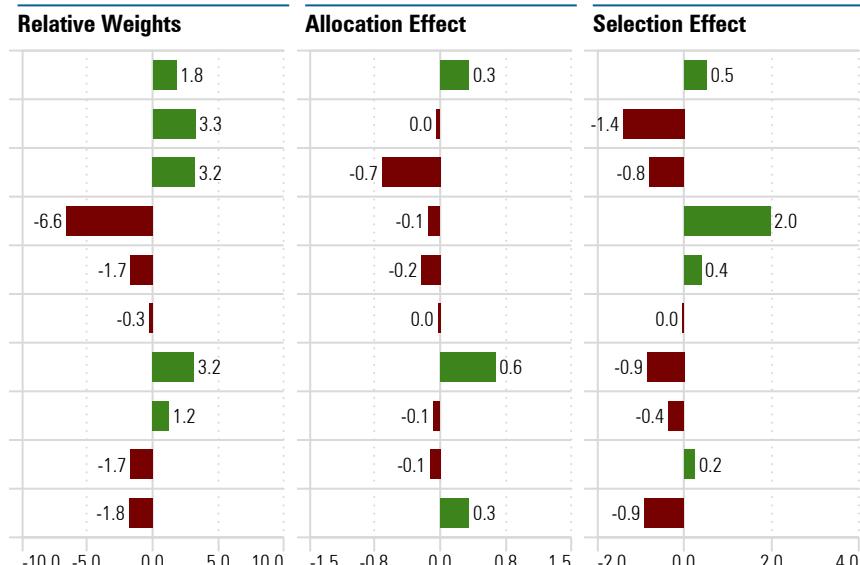
Holdings-Based Style Trail



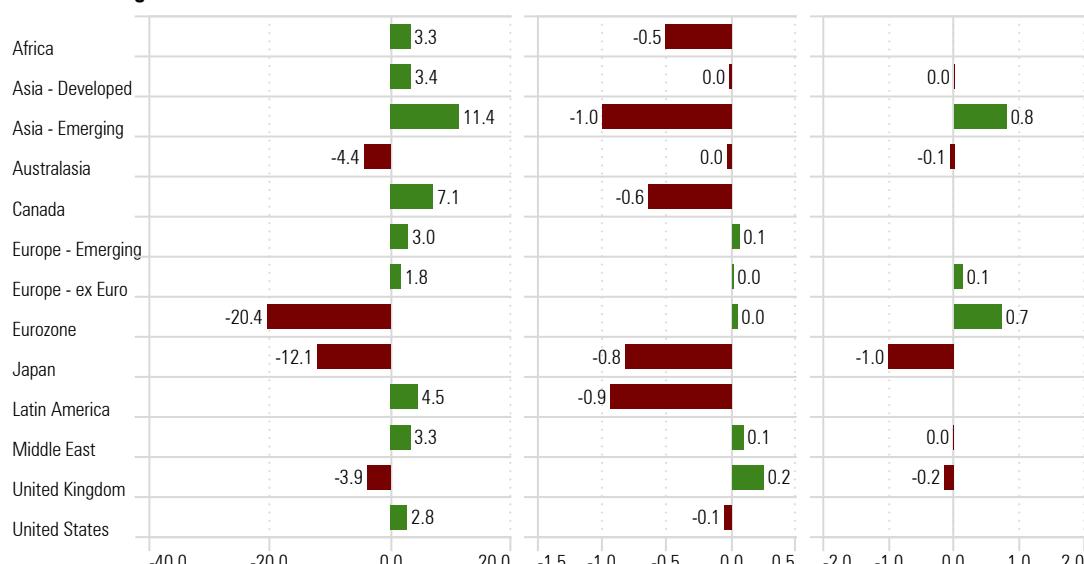
One Quarter Performance Attribution



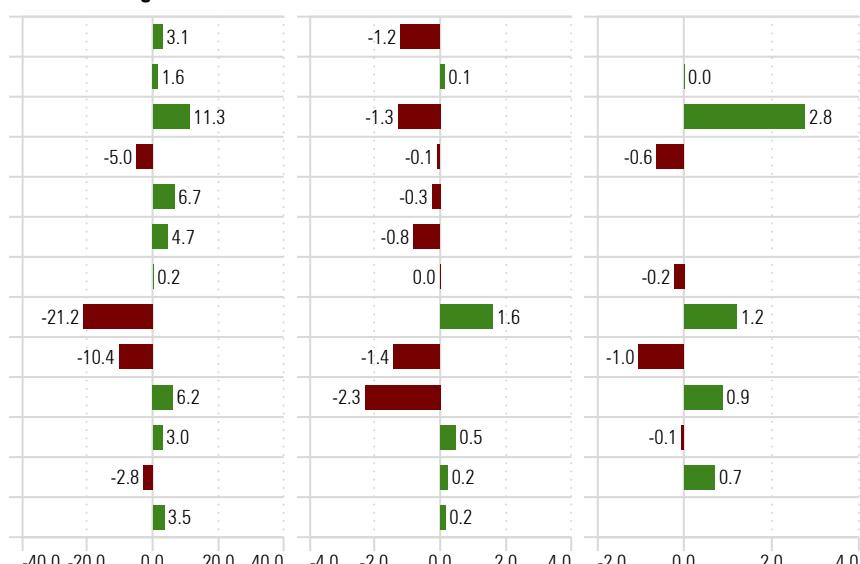
One Year Performance Attribution



Relative Weights



Relative Weights



American Funds Europacific Growth R6

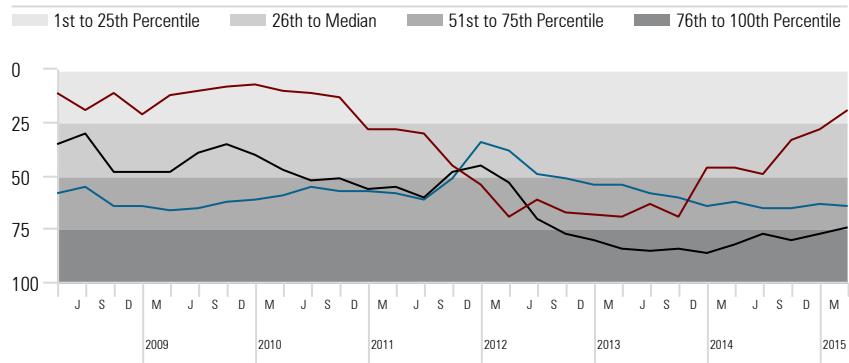
RERGX

Index: MSCI ACWI Ex USA NR USD

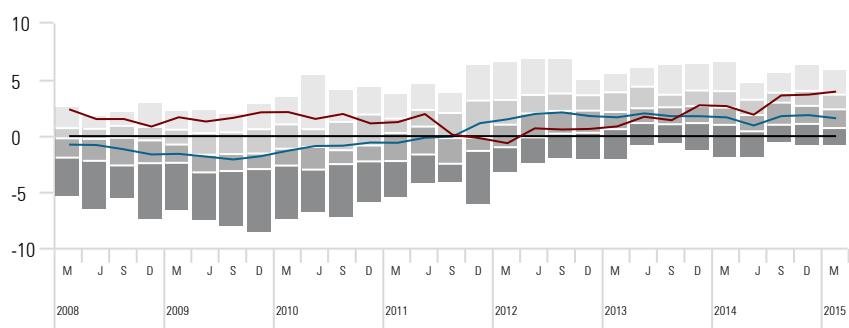
Category: US OE Foreign Large Growth

Return Date: 3/31/2015

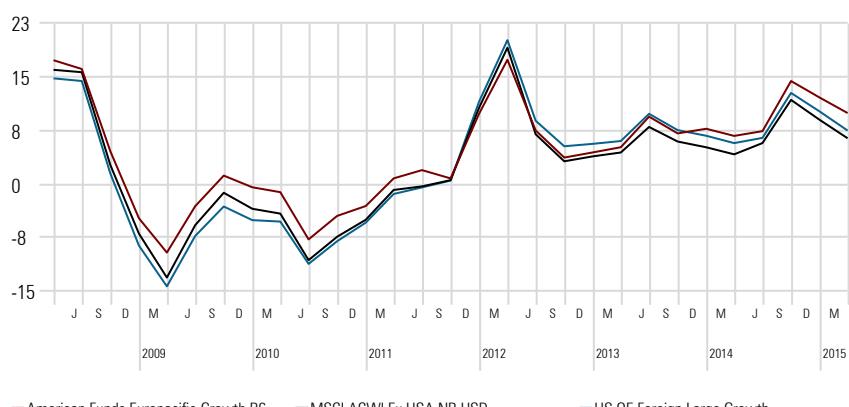
Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	261	803	1,811
Holdings - Bonds	4	0	0
Holdings - Other	203	30	30
Turnover Ratio	28.0	63.2	
Net Expense Ratio	0.49	1.38	
Gross Expense Ratio	0.49	1.67	
LT Earn Growth	12.5	7.6	11.1
Avg Mkt Cap (\$MMM)	35.2	30.5	30.5
Total Assets (\$MMM)	134		
P/E Ratio	17.3	19.7	16.6
P/B Ratio	2.1	2.5	1.7
P/S Ratio	1.6	1.7	1.2
P/CF Ratio	11.4	12.9	9.0
ROE %	19.4	19.2	15.0
ROA %	8.4	8.0	5.9
Dividend Yld	1.8	2.6	3.2

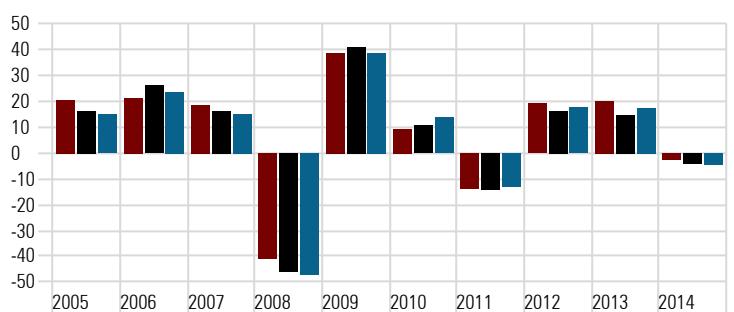
Sector Allocation (%)

	Inv	Avg	Idx
Energy	3	5	7
Materials	3	6	8
Industrials	9	14	11
Cons Discretionary	16	17	12
Consumer Staples	8	11	10
Healthcare	15	12	9
Financials	23	18	28
Info Technology	15	13	8
Telecom Services	5	2	5
Utilities	3	2	3
Not Classified	0	0	0

Regional Allocation (%)

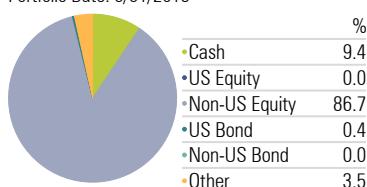
	Fund	Avg	Idx
Europe	31	36	32
United Kingdom	14	18	14
Asia	9	7	9
Japan	11	13	16
United States	0	7	0
Canada	3	4	7
Germany	6	8	6
France	6	7	7
Emerging	16	10	15
Not Classified	0	0	0

Calendar Year Returns



Asset Allocation

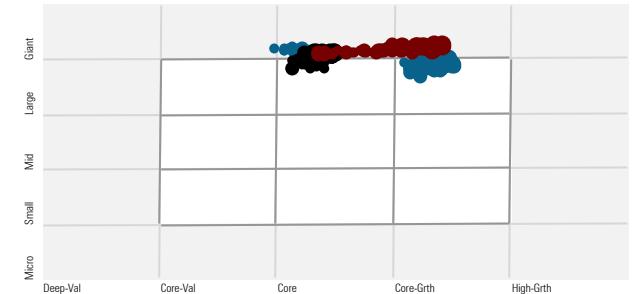
Portfolio Date: 3/31/2015



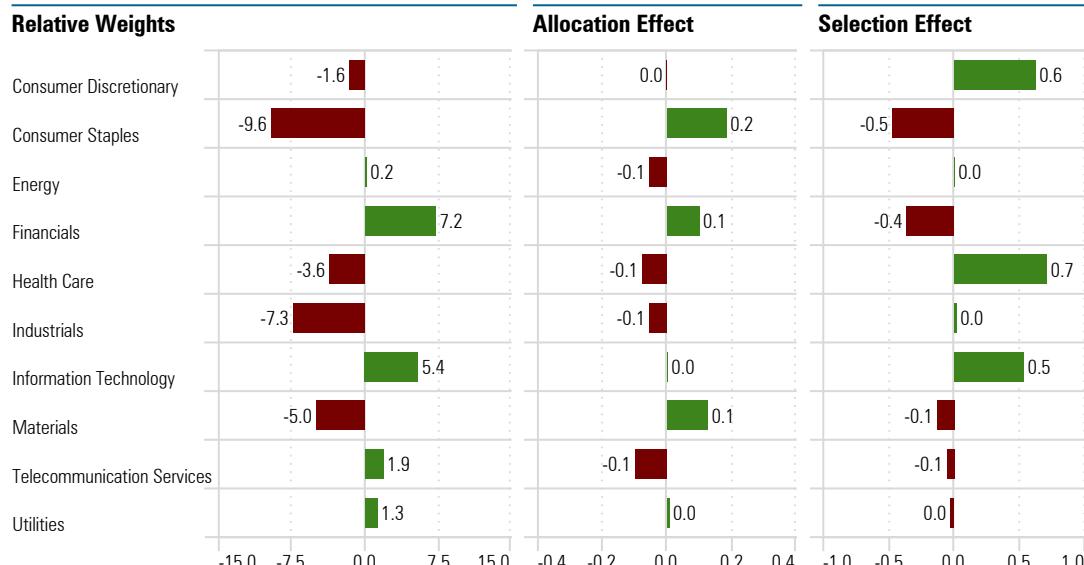
Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	11.4	-0.1	15.5	-0.3
Down Deviation	1.6	-0.4	1.6	-0.3
Beta	0.9	0.0	0.9	0.0
Alpha	4.0	2.4	2.4	0.7
Sharpe	0.9	0.2	0.5	0.0
Sortino	1.4	0.4	0.8	0.1
Info Ratio	1.1	0.7	0.8	0.2
Down Capture	75.4	-9.7	86.6	-2.5
Up Capture	99.8	4.9	98.3	0.6

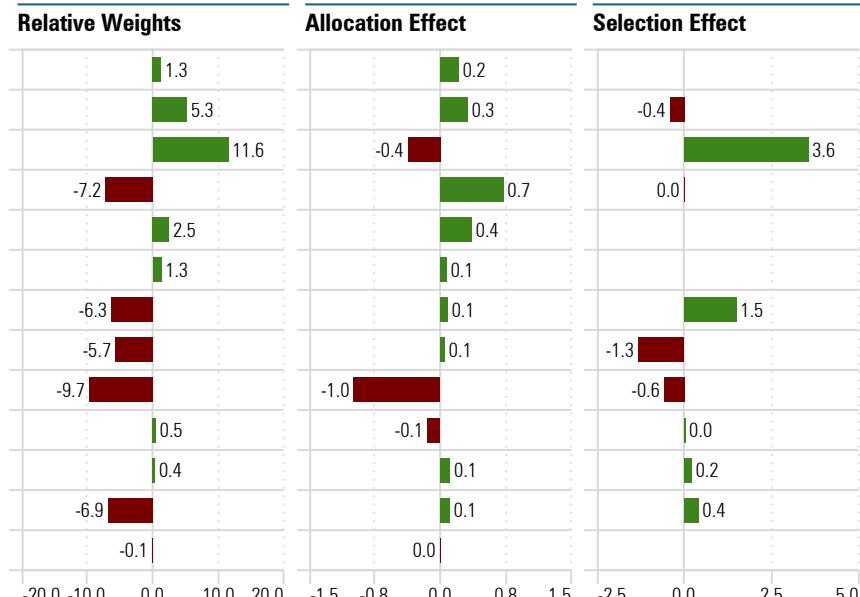
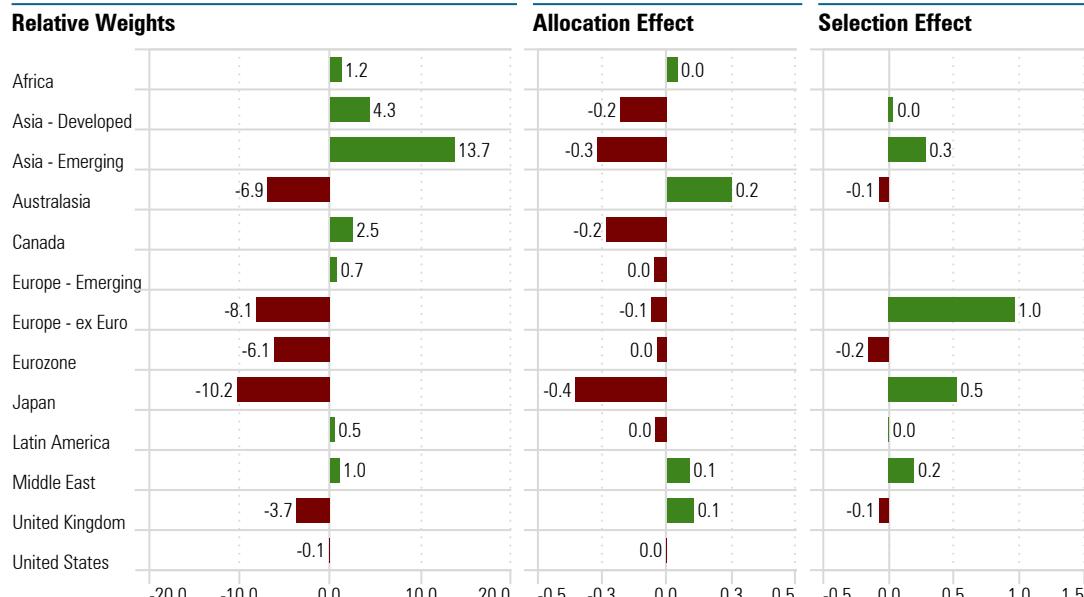
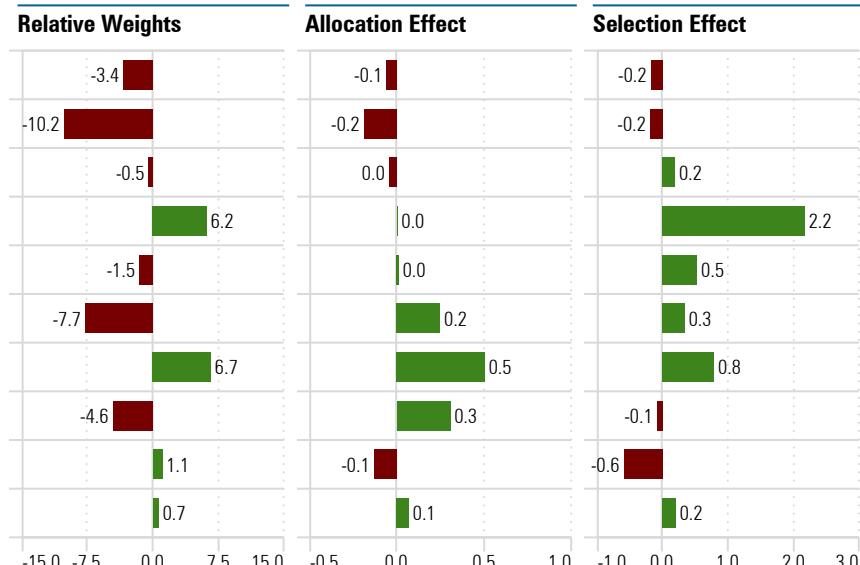
Holdings-Based Style Trail



One Quarter Performance Attribution



One Year Performance Attribution

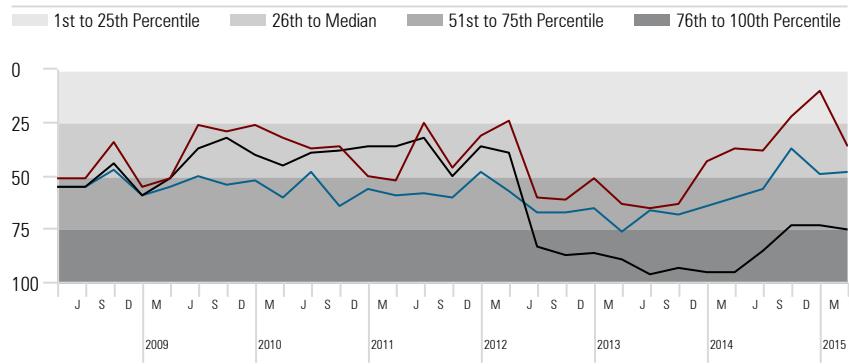


T. Rowe Price International Discovery

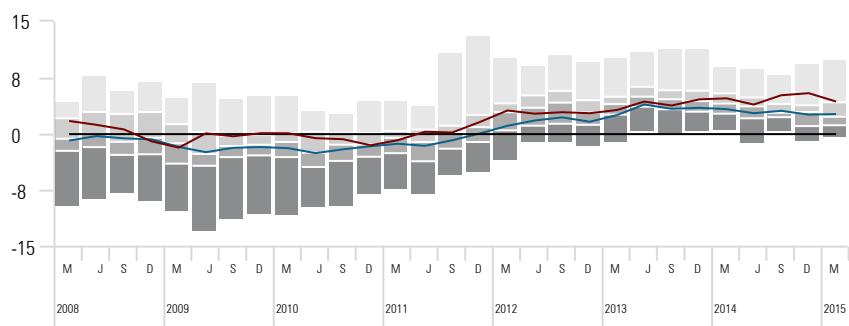
PRIDX

Index: S&P Global Ex US Small TR USD
Category: US OE Foreign Small/Mid Growth
 Return Date: 3/31/2015

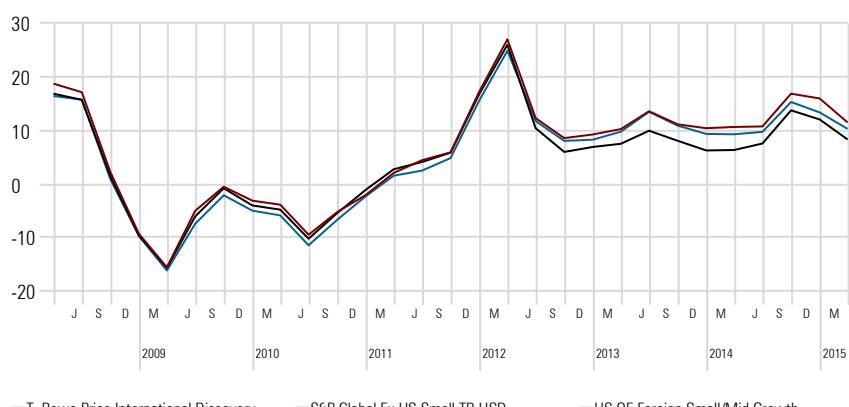
Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



T. Rowe Price International Discovery

S&P Global Ex US Small TR USD

US OE Foreign Small/Mid Growth

Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	204	1,003	5,905
Holdings - Bonds	3	0	0
Holdings - Other	6	15	114
Turnover Ratio	41.6	62.3	
Net Expense Ratio	1.21	1.54	
Gross Expense Ratio	1.21	1.80	
LT Earn Growth	12.9	12.5	13.3
Avg Mkt Cap (\$MMM)	1.8	4.3	1.6
Total Assets (\$MMM)	4		
P/E Ratio	18.5	20.6	16.2
P/B Ratio	2.1	2.6	1.5
P/S Ratio	1.2	1.7	0.9
P/CF Ratio	9.8	13.5	8.2
ROE %	15.8	18.5	11.8
ROA %	7.7	9.1	5.3
Dividend Yld	2.0	2.2	2.6

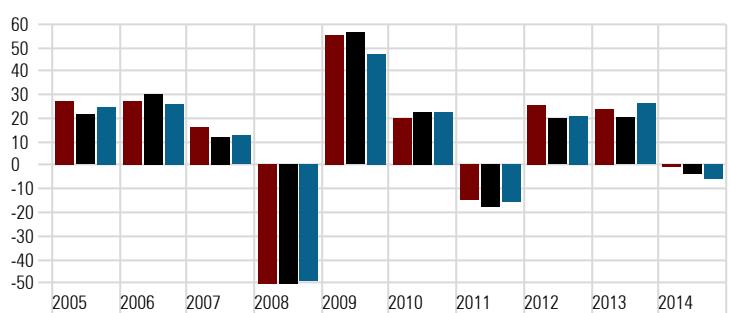
Sector Allocation (%)

	Inv	Avg	Idx
Energy	0	2	3
Materials	8	7	10
Industrials	22	20	20
Cons Discretionary	23	20	17
Consumer Staples	5	8	6
Healthcare	10	10	7
Financials	13	17	21
Info Technology	17	15	10
Telecom Services	1	1	1
Utilities	0	1	3

Regional Allocation (%)

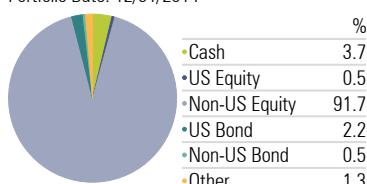
	Fund	Avg	Idx
Europe	26	34	30
United Kingdom	16	17	15
Asia	7	7	10
Japan	20	15	17
United States	1	3	0
Canada	2	3	6
Germany	6	5	6
France	3	7	6
Emerging	18	12	14
Not Classified	0	0	0

Calendar Year Returns



Asset Allocation

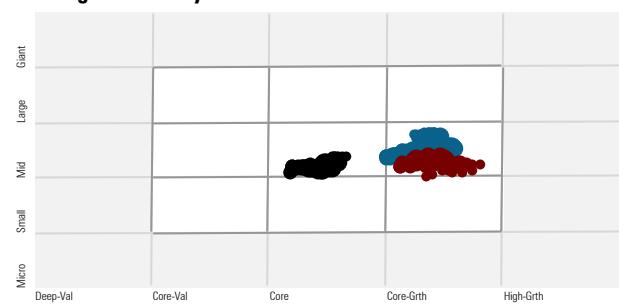
Portfolio Date: 12/31/2014



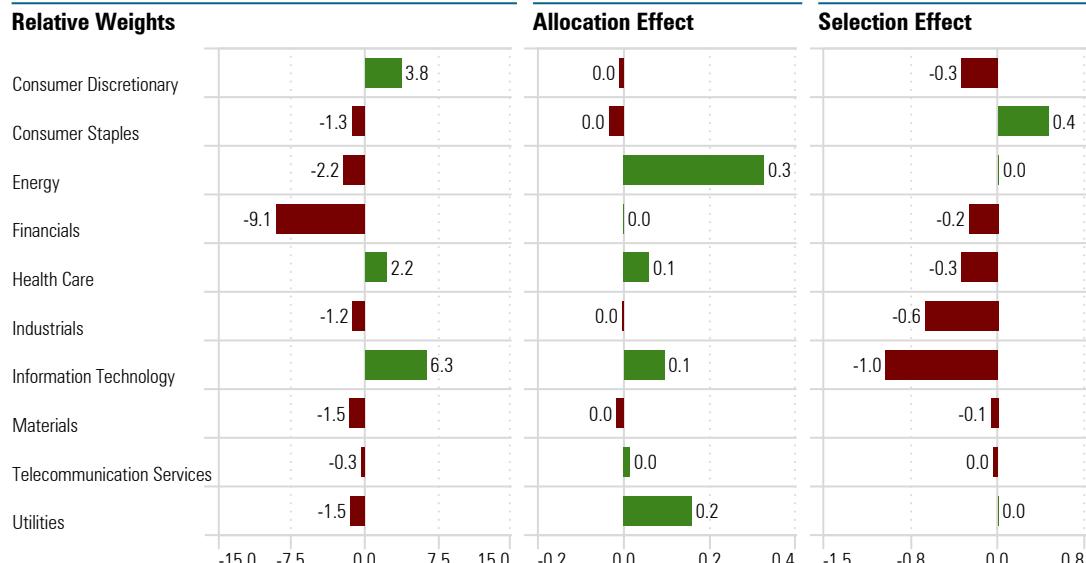
Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	10.4	-1.0	15.1	-0.8
Down Deviation	1.6	0.0	2.0	0.3
Beta	0.8	-0.1	0.9	-0.1
Alpha	4.3	1.7	3.6	1.3
Sharpe	1.1	0.2	0.7	0.1
Sortino	1.7	0.3	1.1	0.1
Info Ratio	0.9	0.3	0.8	0.2
Down Capture	60.7	-19.9	73.7	-12.3
Up Capture	90.7	-6.6	91.7	-5.1

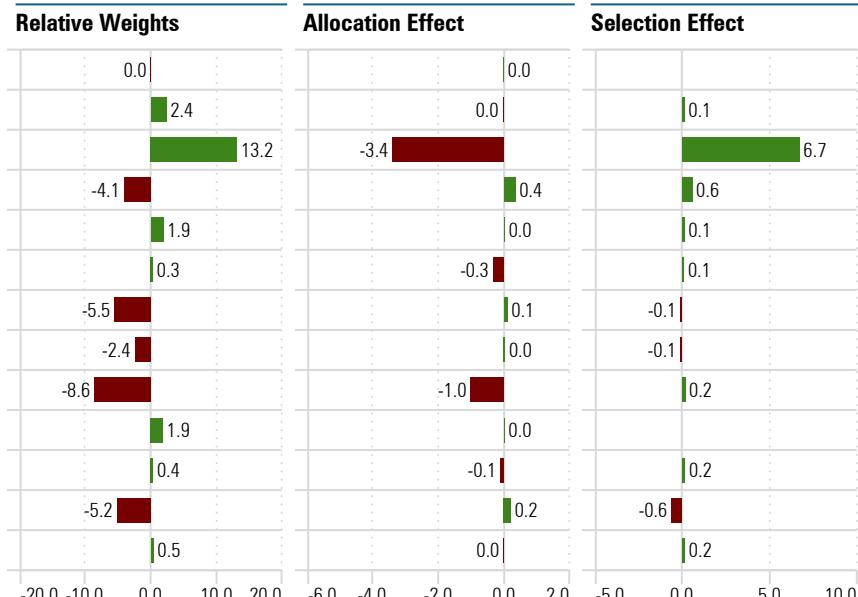
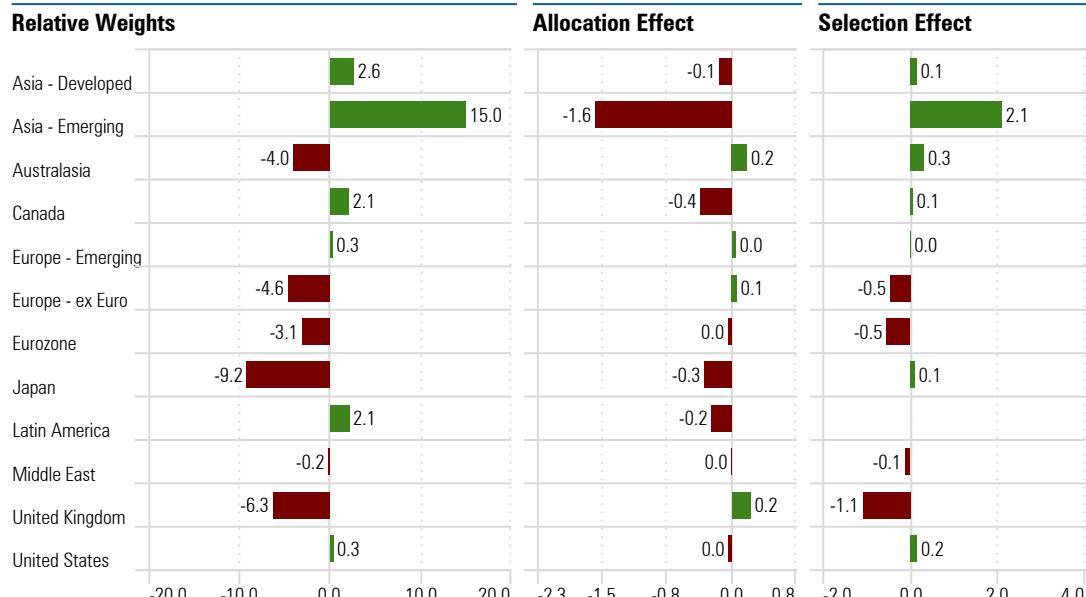
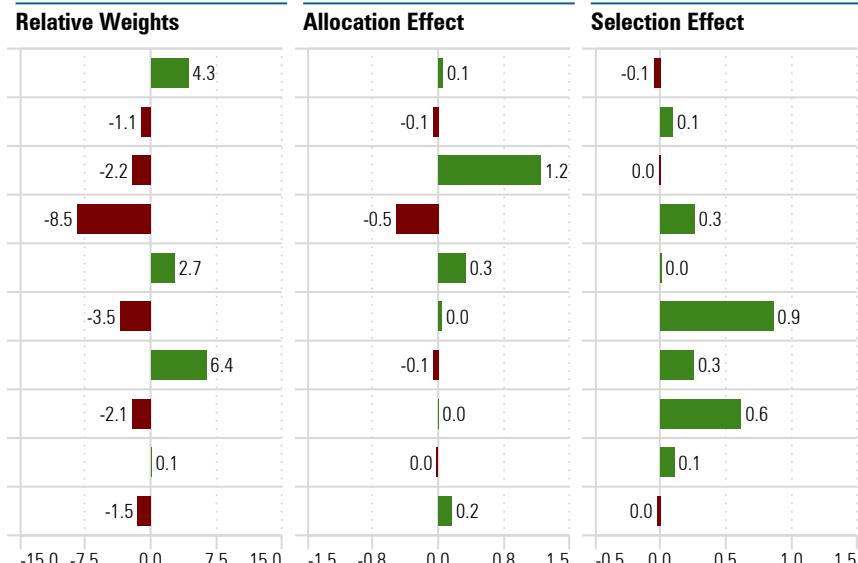
Holdings-Based Style Trail



One Quarter Performance Attribution



One Year Performance Attribution



Nuveen Real Estate Securities A

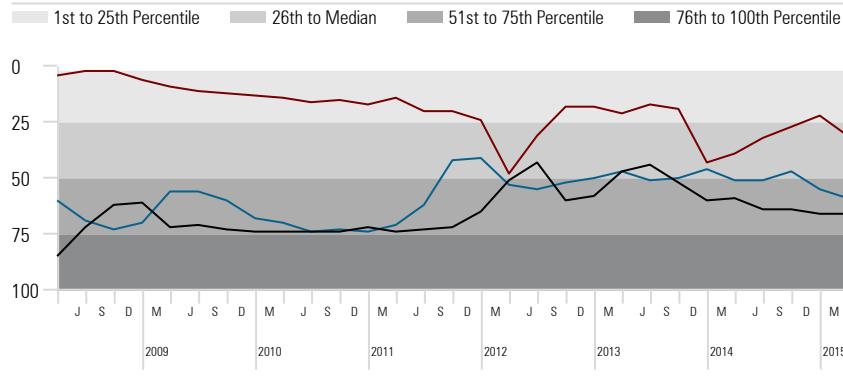
FREAX

Index: MSCI US REIT NR USD

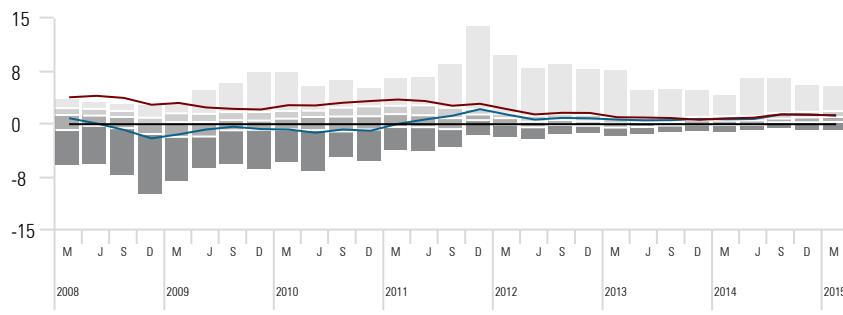
Category: US OE Real Estate

Return Date: 3/31/2015

Fund Performance vs. Peer Group (Rolling 36 Months)



Alpha (Rolling 36 Months)



Returns (Rolling 36 Months)



— Nuveen Real Estate Securities A

— MSCI US REIT NR USD

— US OE Real Estate

Portfolio Characteristics

	Fund	Avg	Idx
Holdings - Stocks	117	211	139
Holdings - Bonds	0	172	0
Holdings - Other	6	130	1
Turnover Ratio	89.0	65.4	
Net Expense Ratio	1.25	1.32	
Gross Expense Ratio	1.25	1.68	
LT Earnings Growth	6.8	7.9	6.3
Avg Mkt Cap (\$MMM)	9.2	12.8	10.2
Total Assets (\$MMM)	5		
P/E Ratio	35.5	35.7	34.9
P/B Ratio	2.6	2.6	2.6
P/S Ratio	7.4	7.2	7.2
P/CF Ratio			
ROE %	10.1	10.4	10.3
ROA %	3.6	3.7	3.5
Dividend Yld	3.8	3.5	4.1

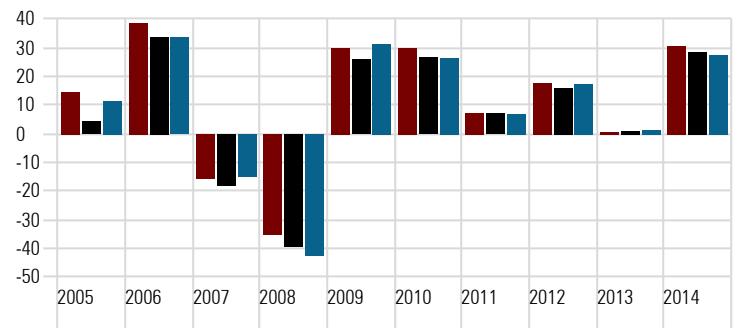
Sector Allocation (%)

	Inv	Avg	Idx
Energy	0	0	0
Materials	0	0	0
Industrials	0	0	0
Cons Discretionary	0	2	0
Consumer Staples	0	0	0
Healthcare	0	0	0
Financials	99	98	100
Info Technology	0	0	0
Telecom Services	0	0	0
Utilities	0	0	0

Top 10 Holdings

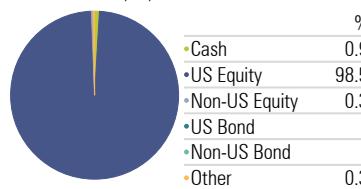
	Fund %
Simon Property Group Inc	8.4
Public Storage	5.9
AvalonBay Communities Inc	5.0
Health Care REIT, Inc.	3.5
Prologis Inc	3.2
Vornado Realty Trust	3.1
Host Hotels & Resorts Inc	2.9
Ventas Inc	2.4
General Growth Properties Inc	2.3
Equity Residential	2.3

Calendar Year Returns



Asset Allocation

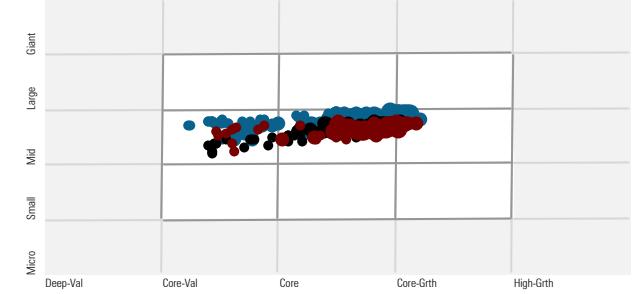
Portfolio Date: 2/28/2015



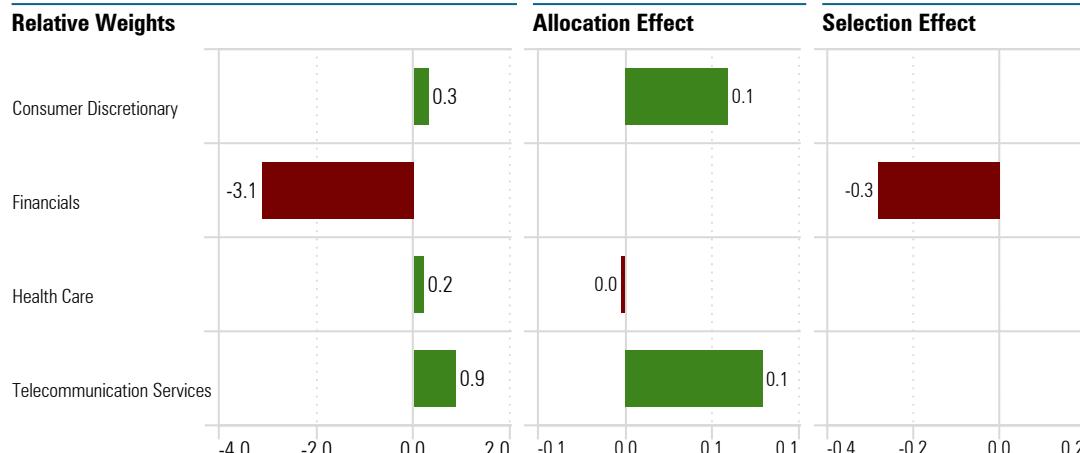
Risk Statistics

	3 Year		5 Year	
	Fund	+/- Avg	Fund	+/- Avg
Std Deviation	12.8	0.7	15.8	0.6
Down Deviation	0.6	-0.5	0.6	-0.4
Beta	1.0	0.1	1.0	0.0
Alpha	1.2	-0.1	1.2	0.2
Sharpe	1.1	0.0	1.0	0.0
Sortino	1.8	0.0	1.7	0.0
Info Ratio	0.8	0.7	1.0	0.9
Down Capture	92.9	5.9	95.0	4.8
Up Capture	99.1	5.4	100.0	5.2

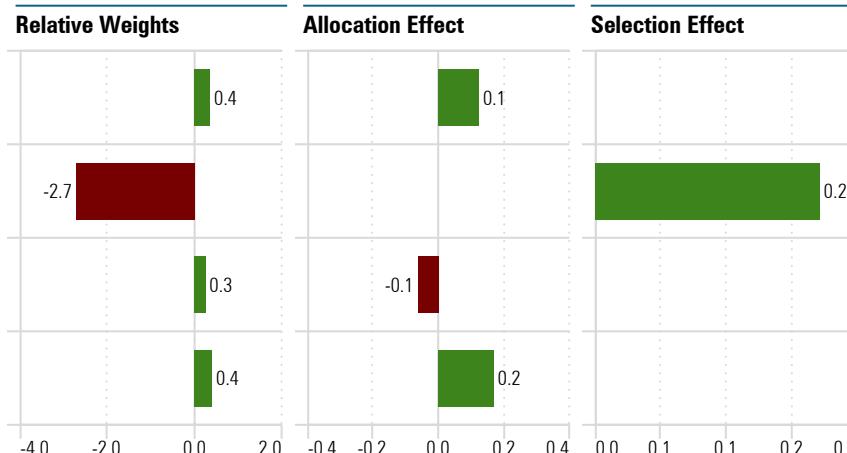
Holdings-Based Style Trail



One Quarter Performance Attribution



One Year Performance Attribution



Leading Contributors

	Rescaled Weight	Return	Active Return
HCP Inc	1.39	-0.64	0.09
Terreno Realty Corp	1.14	10.52	0.07
Public Storage	5.94	7.44	0.05
AvalonBay Communities Inc	5.02	7.41	0.05
Ventas Inc	2.78	2.92	0.05
Acadia Realty Trust	1.04	9.66	0.05
Macerich Co	0.62	1.87	0.04
Digital Realty Trust Inc	0.55	0.80	0.04
Empire State Realty Trust Inc Class A	0.79	7.51	0.03
Retail Properties of America Inc Class A	0.21	-2.94	0.03

Leading Contributors

	Rescaled Weight	Return	Active Return
American Realty Capital Properties Inc Class A	0.10	-16.43	0.96
HCP Inc	1.79	17.23	0.15
Summit Hotel Properties Inc	0.70	58.10	0.14
AvalonBay Communities Inc	4.12	36.79	0.12
Ventas Inc	2.51	25.98	0.12
Senior Housing Properties Trust	0.14	-5.17	0.11
Acadia Realty Trust	0.96	37.59	0.10
EastGroup Properties Inc	0.00	5.52	0.09
Lexington Realty Trust	0.03	-12.36	0.08
Simon Property Group Inc	9.58	30.69	0.08

Leading Detractors

	Rescaled Weight	Return	Active Return
RLJ Lodging Trust	1.80	-5.61	-0.13
Cousins Properties Inc	1.32	-6.52	-0.12
Hersha Hospitality Trust	1.20	-6.97	-0.11
American Tower Corp	0.96	-4.75	-0.10
Tanger Factory Outlet Centers Inc	1.43	-4.27	-0.09
Realty Income Corp	0.04	14.22	-0.06
Equity Residential	2.30	9.13	-0.06
UDR Inc	0.39	11.32	-0.05
Boston Properties Inc	2.00	9.67	-0.05
American Realty Capital Properties Inc Class A	0.13	8.84	-0.04

Leading Detractors

	Rescaled Weight	Return	Active Return
Cousins Properties Inc	1.47	-5.13	-0.43
PS Business Parks Inc	1.89	5.35	-0.33
Macerich Co	0.61	40.24	-0.19
Prologis Inc	4.33	10.24	-0.16
Tanger Factory Outlet Centers Inc	1.23	3.16	-0.16
Alexandria Real Estate Equities Inc	0.33	25.68	-0.12
Hersha Hospitality Trust	0.57	15.59	-0.12
Realty Income Corp	0.02	21.97	-0.11
Blackstone Mortgage Trust Inc Class A	0.60	5.90	-0.11
Parkway Properties Inc	0.52	-1.08	-0.10

March 2015: Regulatory Update

US Labor Department seeks public comment on proposal to protect consumers from conflicts of interest in retirement advice

The U.S. Department of Labor has released a proposed rule that will protect retirement plan and IRA investors by mitigating the effect of conflicts of interest in the retirement investment marketplace. A White House Council of Economic Advisers analysis found that these conflicts of interest result in annual losses of about 1 percentage point for affected investors — or about \$17 billion per year in total.

Under the proposed rule, retirement advisers will be required to put their clients' best interests before their own profits. Those who wish to receive payments from companies selling products they recommend and forms of compensation that create conflicts of interest will need to rely on one of several proposed prohibited transaction exemptions.

"This boils down to a very simple concept: - if someone is paid to give you retirement investment advice, that person should be working in your best interest," said Secretary of Labor Thomas E. Perez. "As commonsense as this may be, laws to protect consumers and ensure that financial advisers are giving the best advice in a complex market have not kept pace. Under the proposed rule, retirement advisers can be paid in various ways, as long as they are willing to put their customers' best interest first." (www.dol.gov)

Suitability or Fiduciary Standard?

Regarding this new Fiduciary Rule proposed by the DOL, the majority of the public doesn't understand the two different rules under which financial advisors operate. Failing to be aware of this difference can have negative financial impacts. More specifically, broker dealers, insurance salespersons and other financial representatives operate under the "Suitability Standard," which is:

- Know your client and their financial situation.
- Recommend products that are suitable for their situation.

Registered Investment Advisors (RIA) or an ERISA appointed Fiduciary must operate under the "Fiduciary Standard," which is:

- Put the client's best interest first.
- Act with prudence—with the skill, diligence and good judgment of a professional.
- Do not mislead clients; provide full and fair disclosure of all important facts.
- Avoid conflicts of interest.
- Fully disclose and fairly manage, in the client's favor, unavoidable conflicts.

Regarding the standard of care under current securities laws, a broker-dealer needs only to determine that an investment is suitable for the client. However, the fiduciary standard of care requires that the advisor take into account a number of considerations, such as whether the fees are reasonable, whether the investments are adequately diversified, whether there are conflicts of interest, whether the investments are consistent with the provisions of the trust or other governing document, etc. Furthermore, the process that the advisor uses in developing the recommendation is measured by a prudent and reasonable person who is knowledgeable about investments, portfolio concepts and the purpose of the investments.

General example of this difference: An "advisor" determines that an S&P Index 500 fund is suitable for the client. The advisor's firm has a proprietary fund that pays a 5% commission out of the sale amount with high ongoing annual fees. An identical fund from another company pays 2.5% commission. Or, the advisor could recommend that the client obtain the identical fund from Vanguard or Fidelity with no commissions at all and lower ongoing expenses. Under the suitability rule, the advisor can legitimately "sell" the high priced fund and the Suitability Standard has been satisfied. Under the Fiduciary Standard, the advisor would recommend the Vanguard or Fidelity fund because that is what is best for the client. (*M. Chamberlain, www.401khelpcenter.com*)

Supreme Court Hears Tibble v. Edison International

The U.S. Supreme Court has heard arguments in a case that could have broad implications for the way millions of Americans save for retirement.

The court will focus on a narrow issue concerning the statute of limitations in the case, *Tibble v. Edison International*, which is, does ERISA's six-year statute of repose bar a claim that plan fiduciaries breached their duty of prudence by offering higher-cost mutual funds to plan participants, even though identical lower-cost mutual funds were available, when fiduciaries initially chose the higher-cost mutual funds more than six years before the claim was filed?

ERISA bars claims against plan sponsors, unless those claims are brought within a six-year period. ERISA also imposes on employers a continuing legal duty to ensure investment options available to plan participants are prudent.

The initial issue in *Tibble*, upon which the Supreme Court granted review, was whether the employer, Edison International, had a continuing duty to periodically monitor investment options available to plan participants for prudence, or whether that duty ended when the investment was initially made. Specifically, employees of the company alleged their retirement plan kept retail shares of certain funds (originally purchased more than six years before the claim was brought) in the plan, even though identical, lower-cost institutional shares of those funds were available.

Tibble is one of 13 class-action lawsuits filed in the past eight years that have accused U.S. companies of failing to act in the best interest of employees who participate in their retirement plans. The issues include failing to monitor excessive fees, favoring some high-cost retail mutual funds over lower-cost options, and funneling employee savings into investment products managed by affiliate companies. (www.wsj.com)

Key Trends for 2015

Looking back on the defined contribution industry and the U.S. retirement system in 2014, we have highlighted trends that plan sponsors, committee members, and plan participants can expect in 2015.

1. More money will flow into 401(k)-type plans, especially from government plans — similar to what we saw in the shift from DB to DC 10 years ago. The shift to defined contribution plans as a primary retirement vehicle has already occurred in the corporate and tax-exempt marketplaces. This trend is now carrying over to the governmental marketplace.

2. Continued focus on behavioral finance and outcomes. Plan sponsors continue to evaluate auto features like auto enrollment and auto escalation and it is expected the typical default rate of 3% will be increased to assist participants in achieving retirement readiness.

3. Fewer funds on investment menus. As plan sponsors are focusing on applying the principals of behavioral finance in an effort to maximize plan usage and successful participant outcomes, consolidation of plan investment lineups will accelerate. A typical consolidated plan investment menu may range from 15-20 investment options, with a TDF suite counting as just one fund.

4. More asset classes on investment menus. Having reduced the number of funds in each asset class, plan sponsors continue to consider additional asset classes as a hedge against rising inflation or interest rates as a path to greater diversification.

5. A move to less expensive actively managed funds and incorporating index funds into the investment line up, resulting from fee disclosure and closer scrutiny of fees. Plan sponsors are considering alternative investment vehicle structures that carry lower expense ratios. A focus on fee disclosure in 2014 led committees to review and evaluate alternative structures in an effort to reduce overall plan costs.

6. Growing demand for guaranteed income at retirement. Surveys continue to indicate that participants desire a guaranteed stream of income at retirement, similar to that of a defined benefit pension plan.

7. Continued regulatory and legislative scrutiny. Retirement plans will remain heavily regulated in 2015. Regulatory bodies such as Treasury and Internal Revenue Service continue to issue new rules designed to enhance retirement security and provide protections to both plan sponsors and participants.

DOL Adds Flexibility to Participant Investment & Fee Disclosure Requirements

The U.S. Department of Labor's Employee Benefits Security Administration (EBSA) announced a direct final rule that provides a two-month grace period for participant-directed individual account plans to provide annual investment and plan-related information to participants.

According to EBSA, the rule changes the requirement that annual disclosures be made at least once in any 12-month period to at least once in any 14-month period. The DOL also announced a temporary enforcement policy that is "effective immediately and generally will apply until the direct final rule takes effect."

EBSA, as an enforcement matter, will treat a plan administrator as satisfying the current 12-month rule if annual disclosures are made within the new 14-month deadline, provided that the plan administrator reasonably determines that doing so benefits the plan's participants and beneficiaries. (www.planadvisor.com)

Government Accountability Office Recommends Greater Protections Needed for Forced Transfers and Inactive Accounts

Why GAO Did This Study—Millions of employees change jobs each year and some leave their savings in their former employers' retirement plans. If their accounts are small enough and they do not instruct the plan to do otherwise, plans can transfer their savings into an IRA without their consent. GAO was asked to examine implications for retirement plan participants of being forced out of plans and into these IRAs.

What the GAO Found—When a participant has saved less than \$5,000 in a retirement plan and changes jobs without indicating what should be done with the money, the plan can transfer the account savings—a forced transfer—into an individual retirement account (IRA). Savings in these IRAs are intended to be preserved by the conservative investments allowed under DOL regulations. However, GAO found that because fees outpaced returns in most of the IRAs analyzed, these account balances tended to decrease over time. Without alternatives to forced-transfer IRAs, current law permits billions in participant savings to be poorly invested for the long-term. GAO also found that a provision in law allows a plan to disregard previous rollovers when determining if a balance is small enough to force out. For example, a plan can force out a participant with a balance of \$20,000 if less than \$5,000 is attributable to contributions other than rollover contributions.

What GAO Recommends—GAO recommends Congress consider (1) amending current law to permit alternative default destinations to use when transferring participant accounts out of plans, and (2) repealing a provision that allows plans to disregard rollovers when identifying balances eligible for transfer to an IRA. Among other things, GAO also recommends that DOL convene a taskforce to explore the possibility of establishing a national pension registry. (*Highlights of GAO-15-73*)

ACG is not a law firm, does not provide legal advice or practice law.

Glossary of Terms

% Top 10 Holdings/Top 10 Holdings Weight: The aggregate assets, expressed as a percentage, of the fund's top 10 portfolio holdings.

Alpha: A measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.

Average Manager Tenure: This represents the number of years that the current portfolio manager has been managing the fund. For funds with more than one manager, the average tenure is shown.

Average Market Cap: The average market capitalization of a fund's equity portfolio gives you a measure of the size of the companies in which the fund invests. Market capitalization is calculated by multiplying the number of a company's shares outstanding by its price per share.

Average Up/Down Return: To calculate this statistic, the program partitions the series in two parts, one made up of the positive returns, the other of the zero and negative returns. The average up and down returns are the respective averages of these two series.

Batting Average vs. Style: A statistical measure used to measure an investment manager's ability to meet or beat a style index. Batting average is calculated by dividing the number of months in which the manager beats or matches the index by the total number of months in the period of question and multiplying that factor by 100.

Best and Worst Period Returns: The best period return for a time window is the maximum of the returns inside this window. The worst period return is the minimum of the returns inside this window.

Beta: A measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

Distribution Yield: Morningstar computes this figure by summing the trailing 12-month's income distributions and dividing the sum by the last month's ending NAV, plus any capital gains distributed over the same period. Income refers only to interest payments from fixed-income securities and dividend payoffs from common stocks.

Down Market Performance: A measure of managers' performance in down markets relative to the market itself. The lower the ratio the better the manager protected capital during a decline. A value of 90 suggests that losses were only 90% of the market loss. A negative ratio indicates that returns rose while the market declined.

Down Market Capture: Downside Capture Ratio measures manager's performance in down markets. A down-market is defined as those periods (months or quarters) in which market return is less than 0. In essence, it tells you what percentage of the down-market was captured by the manager. For example, if the ratio is 110%, the manager has captured 110% of the down-market and therefore underperformed the market on the downside.

Downside Deviation: Used as a risk measure similar to standard deviation, but downside deviation focuses only on the volatility of returns that are below the minimum acceptable return (typically cash).

Expense Ratio: A measure of what it costs an investment company to operate a mutual fund. An expense ratio is determined through an annual calculation, where a fund's operating expenses are divided by the average dollar value of its assets under management. Operating expenses are taken out of a fund's assets and lower the return to a fund's investors.

Gain to Loss Ratio: Ratio of the Average Gain in a gain period divided by the Average Loss in a losing period.

Information Ratio: A ratio of portfolio returns above the returns of a benchmark to the volatility of those returns. The information ratio (IR) measures a portfolio manager's ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the investor. The higher the IR the more consistent a manager is.

Max Drawdown: The peak-to-trough decline during a specific record period of an investment, fund or commodity. A drawdown is usually quoted as the percentage between the peak and the trough.

Max Drawdown Length: The number of periods (months) an investment declined from peak to trough.

Observations: The total number of periods (months) for that analysis.

Portfolio Date: Mutual funds are required to publish investment holdings on a periodic basis (usually once each year). The Top 10 Holdings, Sector, Market, Sub-Regional and Fixed Income exposure are effective through this date.

Price/Book Ratio: The price/book (P/B) ratio compares a stock's market price with its book value. (Book value is the equity balance on a firm's balance sheet divided by the number of shares outstanding.) Conservative investors often prefer the P/B ratio, because it offers a more tangible measure of a company's value than earnings do. Legendary investor Benjamin Graham, one of Warren Buffett's mentors, was a big advocate of book value and P/B in valuing stocks.

Price/Cash Flow Ratio: The price/cash flow (P/CF) ratio is not as commonly used or as well known as the other measures we've discussed. It's calculated similarly to P/E, except that it uses operating cash flow instead of net income as the denominator. Cash flow can be less subject to accounting shenanigans than earnings because it measures actual cash, not paper or accounting profits. P/CF can be helpful for firms such as utilities and cable companies, which can have more cash flow than reported earnings. P/CF can also be used in place of P/E when there are so many one-time expenses that reported earnings are negative.

Price/Earnings Ratio: The price/earnings (P/E) ratio is the most popular valuation ratio used by investors. It is equal to a stock's market price divided by the earnings per share for the most recent four quarters. The nice thing about P/E is that accounting earnings are a much better proxy for cash flow than sales. Moreover, earnings per share results and estimates about the future are easily available from just about any financial data source.

Sharpe Ratio: A ratio developed by Nobel Laureate William F. Sharpe to measure risk-adjusted performance. The Sharpe ratio is calculated by subtracting the risk-free rate - such as that of the 10-year U.S. Treasury bond - from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns.

Sortino: The Sortino ratio is similar to the Sharpe ratio, except it uses downside deviation for the denominator instead of standard deviation, the use of which doesn't discriminate between up and down volatility.

Standard Deviation: A risk statistic that measures an investment's volatility around the mean return. A highly volatile investment will have a higher standard deviation. A fund's returns fell within 1 standard deviation of the average 68% of the time and within 2 standard deviations 95% of the time for the time period measured.

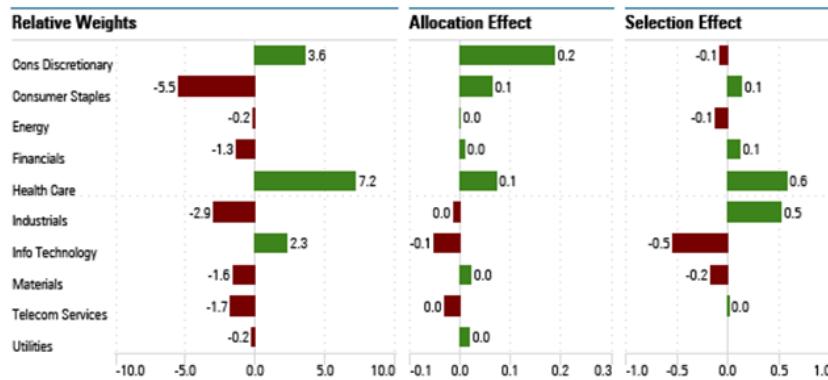
Upside Capture Ratio: This ratio measures a manager's performance in up markets relative to the market (benchmark) itself. It is calculated by taking the security's upside capture return and dividing it by the benchmark's upside capture return.

Data Source: All information and calculations contained herein are a product of Morningstar Direct.

Understanding an Equity Attribution Report

An attribution report is a useful way for investors to understand and visualize the sources of a portfolio's performance relative to its benchmark. It is a holdings-based report that highlights a portfolio manager's success in sector allocation (choosing to overweight Sector X and underweight Sector Y) and ability to pick stocks within a sector (choosing to invest in Stock A and not Stock B within Sector X).

Quarter Performance Attribution



Leading Contributors

	Rescaled Weight	Return	Active Return
Vertex Pharmaceuticals	1.83	45.64	0.52
Precision Castparts Corp.	1.99	19.21	0.27
Illumina, Inc.	0.92	38.64	0.24
Whole Foods Market, Inc.	1.50	18.96	0.23
Boeing Co	1.92	19.94	0.21
Google, Inc. Class A	4.07	10.85	0.18
Priceline.com, Inc.	2.04	20.13	0.18
Apple Inc	3.48	-9.82	0.13
Biogen Idec Inc	2.44	11.72	0.11
Splunk Inc	0.65	15.81	0.11

Leading Detractors

Allergan, Inc.	1.91	-24.50	-0.36
Industria De Diseno Textil SA	1.94	-6.35	-0.25
Salesforce.com, Inc.	1.53	-14.60	-0.18
VMware, Inc.	1.16	-15.07	-0.17
Rackspace Hosting, Inc.	0.57	-24.94	-0.14
Concho Resources, Inc.	1.15	-14.07	-0.14
Monsanto Company	2.33	-6.13	-0.14
ARM Holdings PLC ADR	1.05	-14.25	-0.13
Diageo PLC	1.17	-9.50	-0.13
Novo Nordisk A/S ADR	1.76	-4.04	-0.13

Definitions

Time Period: Shown above the report. This identifies the period for which the data is calculated.

Relative Weights: Reflects the portfolio manager's decision to allocate to different sectors/regions relative to its index. Green bars represent an active overweight to the sector/region in percent, while red represents an underweight to that sector/region.

Allocation Effect: Represents how the sector/regional allocation decisions impacted relative performance. If a manager was overweight to a strong-performing sector or underweight a poor-performing sector, a green bar appears. Conversely, if the fund was underweight a strong-performing sector or overweight a poor-performing sector, a red bar appears.

Selection Effect: Shows the manager's success in picking stocks within a given sector. If a fund's holdings in Sector X had a better average return than the benchmark's holdings in Sector X, a green bar will show the positive net effect of the active stock selection. If a fund's holdings within a sector lagged the benchmark, a red bar shows the negative net effect for that sector.

Leading Contributors: (Only shown for domestic equity funds) The leading contributors are the active stock positions that contributed the most to relative performance. The report shows its average weight for the period (Rescaled Weight), the stock's absolute return for the period (Return), and the net contribution directly attributed to holding that particular stock (Active Return).

Leading Detractors: (Only shown for domestic equity funds) The leading detractors are the active stock positions that detracted the most from relative performance. The report shows the average weight for the period (Rescaled Weight), the stock's absolute return for the period (Return), and the net deduction directly attributed to holding that particular stock (Active Return).

Deviations from actual results: Sometimes, the numbers shown in an attribution report may not reconcile with actual observed performance. Errors can typically be traced to holding inference assumptions. Attribution is based on the holdings reported to Morningstar, which can be reported monthly, quarterly, or less frequently. Generally, the more frequently holdings are reported to Morningstar, the more accurate the report will be. For periods in which holdings data is not available, the holdings are inferred on a forward basis. Example: The mutual fund reports holdings only twice per year, on December 31 and June 30. The fund has a high turnover (they trade stocks frequently). A report run on March 31st, will look at the holdings as of December 31st, and infer that these were the holdings of the fund for the period. If this fund bought and sold a stock within the period, its performance would not be captured in the attribution. Other components that could cause deviations include cash positions or mutual fund fees.

Model Portfolio Investment Return Disclaimers and Disclosures

Securities and Exchange Commission (SEC) Model Portfolio Investment Return Disclaimers and Disclosures

The SEC has written extensively about the potential for published investment returns to be used as false or misleading advertising. Its seminal No Action Letter on this subject is, Clover Capital Management, Inc., File No. 801-27041 (October 28, 1986). Clover listed eleven (11) disclosure criteria for investment advisors to use in conjunction with publishing their investment returns to avoid those publications being deemed to be false or misleading. We will take them in the order in which they appear in Clover. Moreover, we encourage you to discuss any or all of them with us if you have additional questions:

1. Advanced Capital Group (ACG) is showing returns on actual accounts and the composite of all of our accounts without editing them to a specific time horizon. Thus, we have made no attempt to limit the time horizon so as to manipulate the material market or economic conditions on the results portrayed.
2. The represented portfolios were constructed using '40 Act mutual funds, separate accounts, collective trusts and /or exchange traded funds (ETF). The various expenses associated with those investment options are reflected in the portfolio returns. In other words, those returns are net of fees. That said, the portfolio returns have not been adjusted for ACG fees, if any fees are assessed. As ERISA accounts, ACG has no control over how its fee is paid. In other words, that is a plan sponsor decision and it can choose to pay that fee itself, pass it through to the Trust or some combination of the two.
3. To the best of knowledge all of the investments in the portfolios reinvested their dividends or other earnings.
4. The portfolios in question have the potential for loss in addition to having the potential for profit;
5. Portfolio returns have been compared to a benchmark of stocks, bonds and cash. The genesis of that benchmark is Department of Labor Regulation 404(c) which created a fiduciary safeharbor from participant-directed investment-losses, in part, as long as the participant could allocate their investments among at least three investment options (cash, stocks and bonds) so as to minimize the risk of large losses. The volatility of our portfolios is different from the volatility of that benchmark. One indicia of volatility is standard deviation. In addition to investment return, we list the standard deviations of our portfolios and the benchmark;
6. The investment strategy of the portfolios is, ultimately, dictated by ACG clients. But, what they have in common is a long term perspective because they are retirement accounts. They differ from client to client because some seek a greater or lesser range of portfolio aggressiveness depending upon their employee demographics. One criterion that is used to gauge portfolio aggressiveness is Beta. In simplistic terms, a Beta of 1 would, in normal markets, equate to the market itself as represented by the S&P 500. ACG shows the Beta of both the portfolios and benchmark.
7. The returns do not reflect actual trading. To illustrate the impact of this limitation, cash flows (e.g. bi-weekly payroll deductions) can have a dramatic (negative and positive) impact on investment returns. Moreover, they don't reflect how material economic and market factors might have affected actual participants' investment decisions.
8. The returns do not suffer from survivorship bias because ACG carries forward the impact of a manager who may have been replaced or a portfolio reallocation. That said, what is not possible to see are the dates in which those portfolio changes were implemented. With regard to the two specific portfolios (but not the composite) we would be happy to provide that information upon request.
9. ACG oversees the types of strategies used in the sample portfolios. The construction of these kinds of portfolios is the foundation of ACG's retirement plan consulting practice.
10. The composition of these portfolios reflect our overall approach to retirement plan investment consulting, their results to do not differ materially from the returns of the many other retirement plan portfolios that ACG manages. To that end, if you would like additional samples they can be provided upon request.
11. While these portfolio returns are reasonably representative of the rest of our retirement plan consulting clients, we also manage monies for individuals and institutions whose investment strategies may be materially different from portfolios constructed for retirement plans.

Client Information Privacy Notice

We Respect Your Privacy

Advanced Capital Group, Inc. has always placed a high value on the trust and confidence our clients place in us. We believe that confidence must be earned and validated through time. In today's world, when technology allows the sharing of information at light speeds, trust must be reinforced by our sincere pledge to take the steps necessary to ensure that the information you share with us is treated with respect and confidentiality.

Our Pledge to Our Clients

We collect only the information we need to service your account and administer our business. We are committed to keeping your information confidential and we place strict limits and controls on the use and sharing of your information. We make every effort to ensure the accuracy of your information.

Categories of Information We Disclose and Parties to Whom We Disclose

We do not disclose any nonpublic personal information about our current or former clients to nonaffiliated third parties, except as required or permitted by law.

We Place Strict Limits and Controls on the Use and Sharing of Your Information

We restrict access to nonpublic information about your plan to authorized employees who need the information to administer your business. We maintain physical, electronic and procedural safeguards that comply with federal standards to protect this information.



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #18

This is a “Sample” search for a “new” (or replacement) manager.

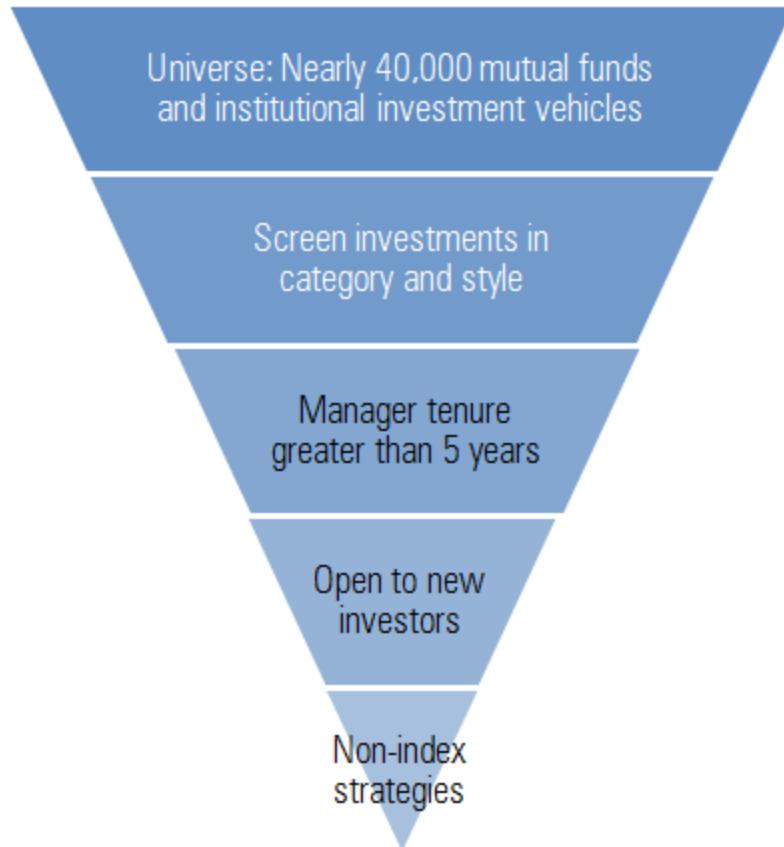
Sample U.S. Large Cap Value Search



Advanced Capital Group | 50 South 6th Street, Suite 975 | Minneapolis, Minnesota 55402 | 612.230.3000 | 866.225.5223

Investment Screening and Selection Process

Basic screening method:



Other factors considered in final candidate selection:

- Performance versus the index
- Performance versus the peer group
- Risk (beta, standard deviation, up capture, down capture)
- Style consistency
- Relative positioning with other plan/portfolio investment options
- Fund assets
- Expense ratios
- Portfolio managers' extended track record
- Special circumstances

US OE Large Value

Vanguard Equity-Income Adm

Investment Strategy

The investment seeks to provide an above-average level of current income and reasonable long-term capital appreciation. The fund invests mainly in common stocks of mid-size and large companies whose stocks typically pay above-average levels of dividend income and are, in the opinion of the purchasing advisor, undervalued relative to other stocks. In addition, the advisors generally look for companies that they believe are committed to paying dividends consistently. Under normal circumstances, the fund will invest at least 80% of its assets in equity securities. The fund uses multiple investment advisors.

Manager Biography

James P. Stetler since 12/31/2003

W. Michael Reckmeyer since 8/15/2007

James D. Troyer since 1/27/2012

Michael R. Roach since 1/27/2012

Vanguard Equity-Income Adm - Operations

	MainStay ICAP Select Equity I - Operations		Invesco Comstock R5 - Operations		JHancock Disciplined Value I - Operations
Inception Date	8/13/2001	Inception Date	12/31/1997	Inception Date	6/1/2010
Fund Size (\$mm)	19,012	Fund Size (\$mm)	4,629	Fund Size (\$mm)	13,954
Annual Report Net Expense Ratio	0.20	Annual Report Net Expense Ratio	0.90	Annual Report Net Expense Ratio	0.49
Prospectus Net Expense Ratio	0.20	Prospectus Net Expense Ratio	0.90	Prospectus Net Expense Ratio	0.50
Prospectus Gross Expense Ratio	0.20	Prospectus Gross Expense Ratio	0.98	Prospectus Gross Expense Ratio	0.51
Ticker	VEIRX	Ticker	ICSLX	Ticker	ACSHX
Manager Tenure (Longest)	11.33	Manager Tenure (Longest)	17.33	Manager Tenure (Longest)	15.67
Manager Tenure (Average)	6.38	Manager Tenure (Average)	5.35	Manager Tenure (Average)	9.00
Morningstar Inst Cat	Giant Value	Morningstar Inst Cat	Giant Value	Morningstar Inst Cat	Giant Value
Other Notes:	Other Notes:		Other Notes:		Other Notes:
None	None		None		None

MainStay ICAP Select Equity I

Investment Strategy

The investment seeks total return. The fund invests primarily in U.S. dollar-denominated equity securities of U.S. and foreign companies with market capitalizations (at the time of investment) of at least \$3 billion. It seeks to achieve a total return greater than the Russell 1000® Value Index over longer periods of time and indices comprised of value-oriented stocks over shorter periods of time. The fund will typically hold between 25 and 30 securities. Under normal circumstances, it will invest at least 80% of its assets (net assets plus borrowings for investment purposes) in common stocks and other equity securities.

Manager Biography

Jerrold K. Senser since 12/31/1997

Thomas M. Cole since 9/28/2012

Andrew P. Starr since 7/9/2014

Matthew T. Swanson since 7/9/2014

Operations

	MainStay ICAP Select Equity I - Operations		Invesco Comstock R5 - Operations		JHancock Disciplined Value I - Operations
Inception Date	8/13/2001	Inception Date	12/31/1997	Inception Date	6/1/2010
Fund Size (\$mm)	19,012	Fund Size (\$mm)	4,629	Fund Size (\$mm)	13,954
Annual Report Net Expense Ratio	0.20	Annual Report Net Expense Ratio	0.90	Annual Report Net Expense Ratio	0.49
Prospectus Net Expense Ratio	0.20	Prospectus Net Expense Ratio	0.90	Prospectus Net Expense Ratio	0.50
Prospectus Gross Expense Ratio	0.20	Prospectus Gross Expense Ratio	0.98	Prospectus Gross Expense Ratio	0.51
Ticker	VEIRX	Ticker	ICSLX	Ticker	ACSHX
Manager Tenure (Longest)	11.33	Manager Tenure (Longest)	17.33	Manager Tenure (Longest)	15.67
Manager Tenure (Average)	6.38	Manager Tenure (Average)	5.35	Manager Tenure (Average)	9.00
Morningstar Inst Cat	Giant Value	Morningstar Inst Cat	Giant Value	Morningstar Inst Cat	Giant Value
Other Notes:	Other Notes:		Other Notes:		Other Notes:
None	None		None		None

Invesco Comstock R5

Investment Strategy

The investment seeks total return through growth of capital and current income. The fund invests, under normal circumstances, at least 80% of its net assets (plus any borrowings for investment purposes) in common stocks, and in derivatives and other instruments that have economic characteristics similar to such securities. It may invest in securities of issuers of any market capitalization; however, a substantial number of the issuers in which the fund invests are large-capitalization issuers. The fund may invest up to 10% of its net assets in real estate investment trusts (REITs).

Manager Biography

Kevin C. Holt since 8/1/1999

Devin E. Armstrong since 7/31/2007

James N. Warwick since 7/31/2007

Matthew W. Seinsheimer since 6/25/2010

Operations

	Invesco Comstock R5 - Operations		JHancock Disciplined Value I - Operations
Inception Date	6/1/2010	Inception Date	1/2/1997
Fund Size (\$mm)	13,954	Fund Size (\$mm)	13,409
Annual Report Net Expense Ratio	0.49	Annual Report Net Expense Ratio	0.83
Prospectus Net Expense Ratio	0.50	Prospectus Net Expense Ratio	0.84
Prospectus Gross Expense Ratio	0.51	Prospectus Gross Expense Ratio	0.84
Ticker	ACSHX	Ticker	JVLIX
Manager Tenure (Longest)	15.67	Manager Tenure (Longest)	18.25
Manager Tenure (Average)	9.00	Manager Tenure (Average)	13.96
Morningstar Inst Cat	Giant Value	Morningstar Inst Cat	Large Core Value
Other Notes:	Other Notes:		Other Notes:
None	None		None

JHancock Disciplined Value I

Investment Strategy

The investment seeks to provide long-term growth of capital primarily through investment in equity securities; current income is a secondary objective. The fund normally invests at least 80% of its net assets in a diversified portfolio consisting primarily of equity securities, such as common stocks, of issuers with a market capitalization of \$1 billion or greater and identified by the subadviser as having value characteristics. It may also invest up to 20% of its total assets in foreign currency-denominated securities. The fund may participate as a purchaser in initial public offerings of securities (IPO).

Manager Biography

Mark E. Donovan since 1/2/1997

David J. Pyle since 8/8/2005

Portfolio Analysis

Vanguard Equity-Income Adm

Style Allocation

Portfolio Date: 12/31/2014

	Value	Blend	Growth	Large	Mid	Small
Market Cap	%	26	35	27	Large	Mid
Market Cap Giant	64			Market Cap Giant	56	
Market Cap Large	25	6	6	Market Cap Large	32	
Market Cap Mid	9	0	0	Market Cap Mid	12	
Market Cap Small	1			Market Cap Small	0	
Market Cap Micro	0			Market Cap Micro	0	

MainStay ICAP Select Equity I

Style Allocation

Portfolio Date: 2/28/2015

	Value	Blend	Growth	Large	Mid	Small
Market Cap	%	26	35	27	Large	Mid
Market Cap Giant	64			Market Cap Giant	56	
Market Cap Large	25	6	6	Market Cap Large	32	
Market Cap Mid	9	0	0	Market Cap Mid	12	
Market Cap Small	1			Market Cap Small	0	
Market Cap Micro	0			Market Cap Micro	0	

Invesco Comstock R5

Style Allocation

Portfolio Date: 12/31/2014

	Value	Blend	Growth	Large	Mid	Small
Market Cap	%	45	30	9	Large	Mid
Market Cap Giant	49			Market Cap Giant	49	
Market Cap Large	36	8	4	Market Cap Large	36	
Market Cap Mid	14	1	1	Market Cap Mid	14	
Market Cap Small	1			Market Cap Small	1	
Market Cap Micro	0			Market Cap Micro	0	

JHancock Disciplined Value I

Style Allocation

Portfolio Date: 2/28/2015

	Value	Blend	Growth	Large	Mid	Small
Market Cap	%	35	33	16	Large	Mid
Market Cap Giant	48			Market Cap Giant	49	
Market Cap Large	36	8	4	Market Cap Large	36	
Market Cap Mid	15	1	1	Market Cap Mid	14	
Market Cap Small	2			Market Cap Small	1	
Market Cap Micro	0			Market Cap Micro	0	

Valuation Data

Display Benchmark 1: Russell 1000 Value TR USD

	Inv	Bmk1		Inv	Bmk1
Average Market Cap (bil)	86.3	51.4	Average Market Cap (bil)	67.0	51.4
Forward P/E	16.1	17.0	Forward P/E	17.6	17.0
P/E Ratio (TTM)	17.0	17.2	P/E Ratio (TTM)	20.6	17.2
LT Earn Growth	7.7	8.8	LT Earn Growth	10.8	8.8
P/B Ratio (TTM)	2.6	1.8	P/B Ratio (TTM)	2.3	1.8
Dividend Yield	3.2	2.6	Dividend Yield	1.8	2.6
ROE %	22.8	12.4	ROE %	16.3	12.4
ROA %	7.6	4.8	ROA %	5.7	4.8
Debt to Capital %	39	37	Debt to Capital %	42	37

Valuation Data

Display Benchmark 1: Russell 1000 Value TR USD

	Inv	Bmk1		Inv	Bmk1
Average Market Cap (bil)	67.0	51.4	Average Market Cap (bil)	67.0	51.4
Forward P/E	17.6	17.0	Forward P/E	17.6	17.0
P/E Ratio (TTM)	20.6	17.2	P/E Ratio (TTM)	20.6	17.2
LT Earn Growth	10.8	8.8	LT Earn Growth	10.8	8.8
P/B Ratio (TTM)	2.3	1.8	P/B Ratio (TTM)	2.3	1.8
Dividend Yield	1.8	2.6	Dividend Yield	1.8	2.6
ROE %	16.3	12.4	ROE %	16.3	12.4
ROA %	5.7	4.8	ROA %	5.7	4.8
Debt to Capital %	42	37	Debt to Capital %	42	37

Valuation Data

Display Benchmark 1: Russell 1000 Value TR USD

	Inv	Bmk1		Inv	Bmk1
Average Market Cap (bil)	62.7	51.4	Average Market Cap (bil)	62.7	51.4
Forward P/E	14.4	17.0	Forward P/E	14.4	17.0
P/E Ratio (TTM)	16.8	17.2	P/E Ratio (TTM)	16.8	17.2
LT Earn Growth	8.9	8.8	LT Earn Growth	8.9	8.8
P/B Ratio (TTM)	1.7	1.8	P/B Ratio (TTM)	1.7	1.8
Dividend Yield	2.2	2.6	Dividend Yield	2.2	2.6
ROE %	14.1	12.4	ROE %	14.1	12.4
ROA %	4.5	4.8	ROA %	4.5	4.8
Debt to Capital %	39	37	Debt to Capital %	39	37

Valuation Data

Display Benchmark 1: Russell 1000 Value TR USD

	Inv	Bmk1		Inv	Bmk1
Average Market Cap (bil)	59.9	51.4	Average Market Cap (bil)	59.9	51.4
Forward P/E	15.7	17.0	Forward P/E	15.7	17.0
P/E Ratio (TTM)	17.3	17.2	P/E Ratio (TTM)	17.3	17.2
LT Earn Growth	8.9	8.8	LT Earn Growth	8.9	8.8
P/B Ratio (TTM)	2.2	1.8	P/B Ratio (TTM)	2.2	1.8
Dividend Yield	2.1	2.6	Dividend Yield	2.1	2.6
ROE %	18.6	12.4	ROE %	18.6	12.4
ROA %	6.3	4.8	ROA %	6.3	4.8
Debt to Capital %	39	37	Debt to Capital %	39	37

Portfolio Data

	Inv	Bmk1		Inv	Bmk1
Turnover Ratio	33		Turnover Ratio	65	
# of Stock Holdings	163	700	# of Stock Holdings	30	700
% in Top 10	29.7	23.6	% in Top 10	45.5	23.6
Cash %	2.0	0.0	Cash %	1.6	0.0
Developed %	97.3	100.0	Developed %	98.4	100.0
US Equity %	87.0	99.3	US Equity %	91.1	99.3
Non-US Equity %	10	1	Non-US Equity %	7	1
Emerging Mkt %	0.0	0.0	Emerging Mkt %	0.0	0.0

Portfolio Data

	Inv	Bmk1		Inv	Bmk1
Turnover Ratio	11		Turnover Ratio	65	
# of Stock Holdings	77	700	# of Stock Holdings	77	700
% in Top 10	24.4	23.6	% in Top 10	45.5	23.6
Cash %	4.9	0.0	Cash %	1.6	0.0
Developed %	95.1	100.0	Developed %	98.4	100.0
US Equity %	83.6	99.3	US Equity %	91.1	99.3
Non-US Equity %	12	1	Non-US Equity %	7	1
Emerging Mkt %	0.0	0.0	Emerging Mkt %	0.0	0.0

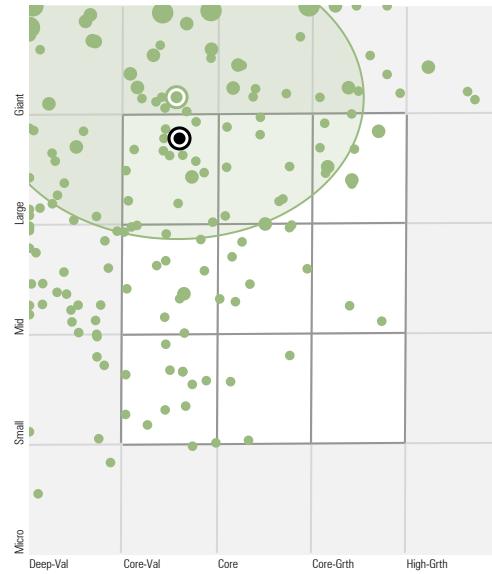
Portfolio Data

	Inv	Bmk1		Inv	Bmk1
Turnover Ratio	45		Turnover Ratio	11	
# of Stock Holdings	94	700	# of Stock Holdings	77	700
% in Top 10	30.0	23.6	% in Top 10	45.5	23.6
Cash %	0.4	0.0	Cash %	1.6	0.0
Developed %	99.2	100.0	Developed %	98.4	100.0
US Equity %	92.2	99.3	US Equity %	91.1	99.3
Non-US Equity %	7	1	Non-US Equity %	7	1
Emerging Mkt %	0.0	0.0	Emerging Mkt %	0.0	0.0

Holdings-Based Style Analysis

Vanguard Equity-Income Adm

Holdings-Based Style Map



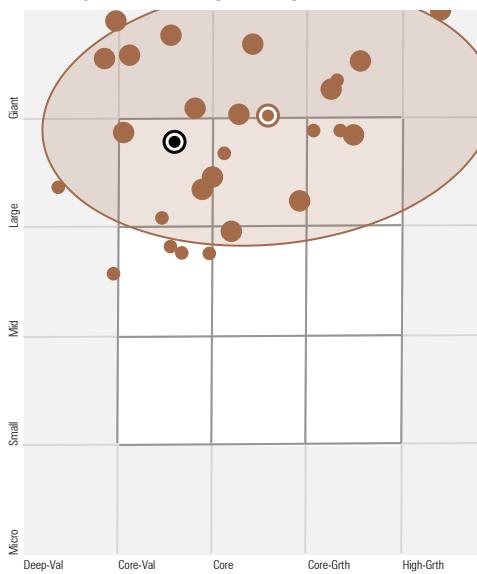
© Vanguard Equity-Income Adm

12/31/2014 ● Russell 1000 Value TR USD

3/31/2015

MainStay ICAP Select Equity I

Holdings-Based Style Map

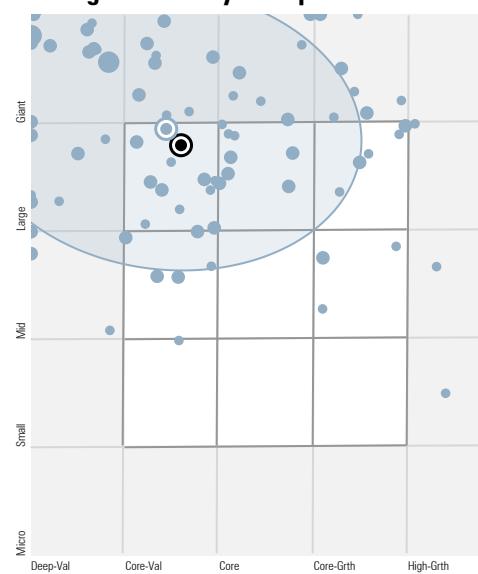


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2/28/2015 ● Russell 1000 Value TR USD

Invesco Comstock R5

Holdings-Based Style Map

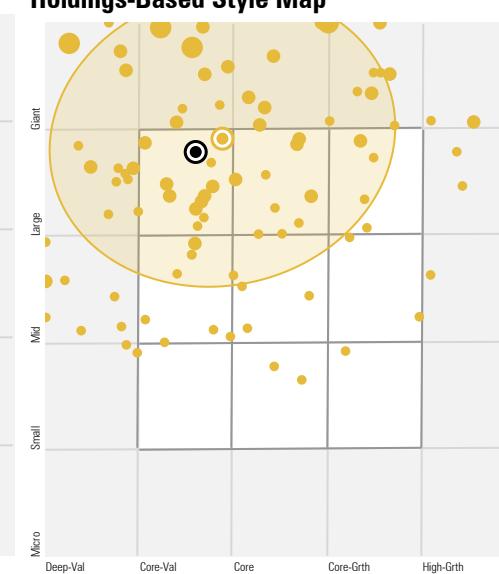


© Invesco Comstock R5

12/31/2014 ● Russell 1000 Value TR USD

JHancock Disciplined Value I

Holdings-Based Style Map



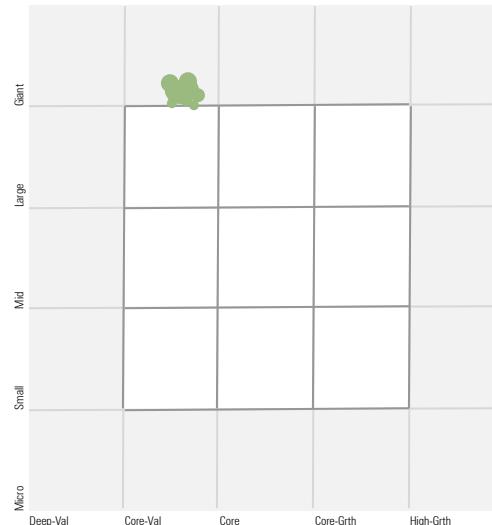
© JHancock Disciplined Value I

2/28/2015 ● Russell 1000 Value TR USD

3/31/2015

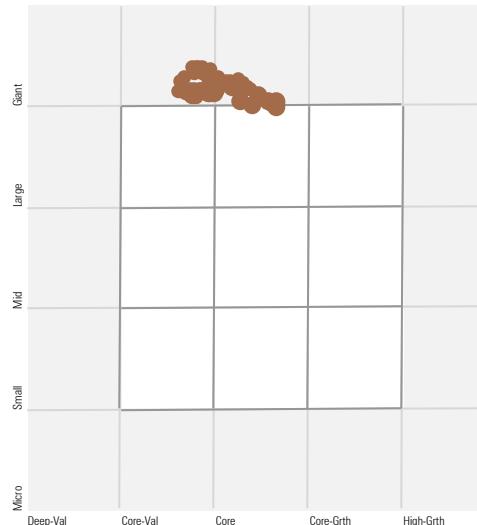
Holdings-Based Style Trail

Time Period: 6/30/2010 to 12/31/2014



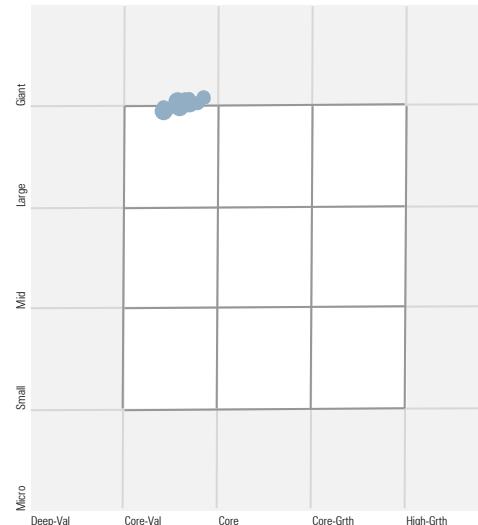
Holdings-Based Style Trail

Time Period: 4/30/2010 to 2/28/2015



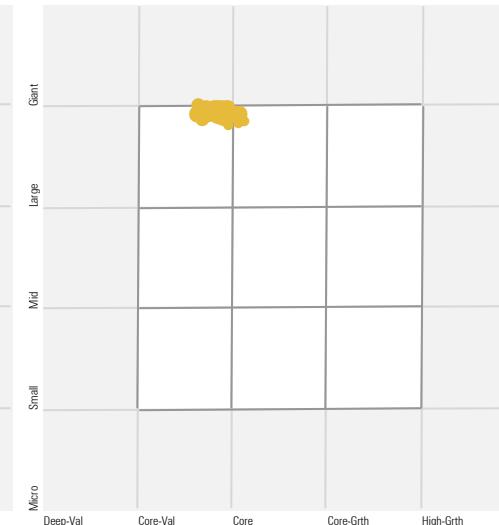
Holdings-Based Style Trail

Time Period: 6/30/2010 to 12/31/2014



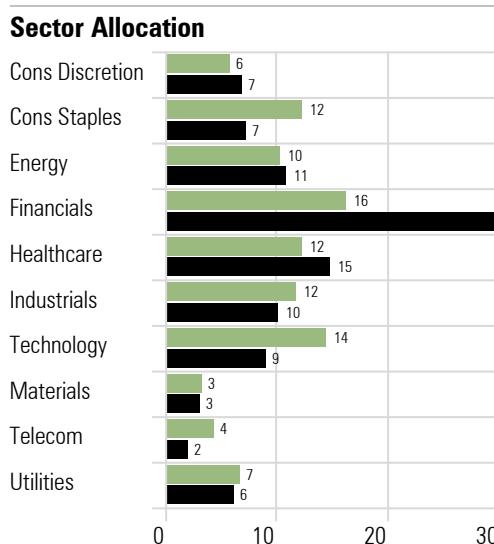
Holdings-Based Style Trail

Time Period: 4/30/2010 to 2/28/2015

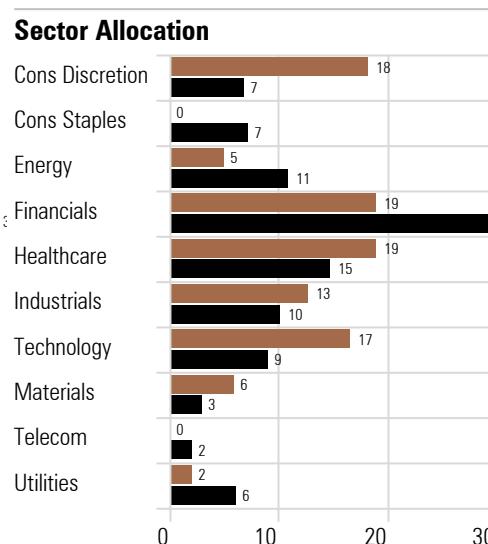


Sector Exposure and Top 15 Holdings

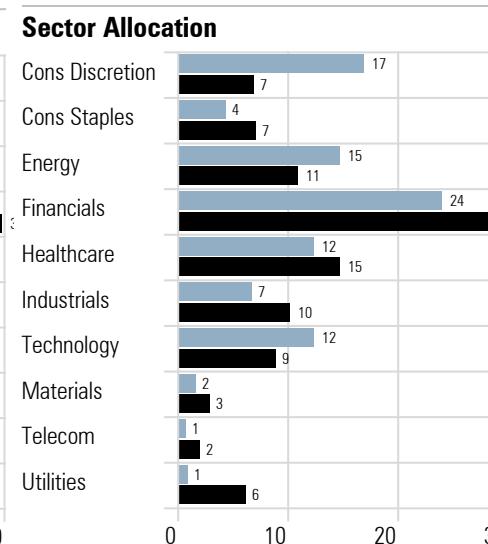
Vanguard Equity-Income Adm



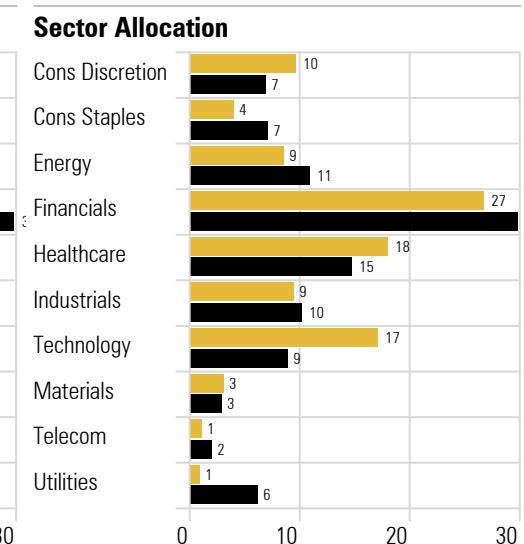
MainStay ICAP Select Equity I



Invesco Comstock R5



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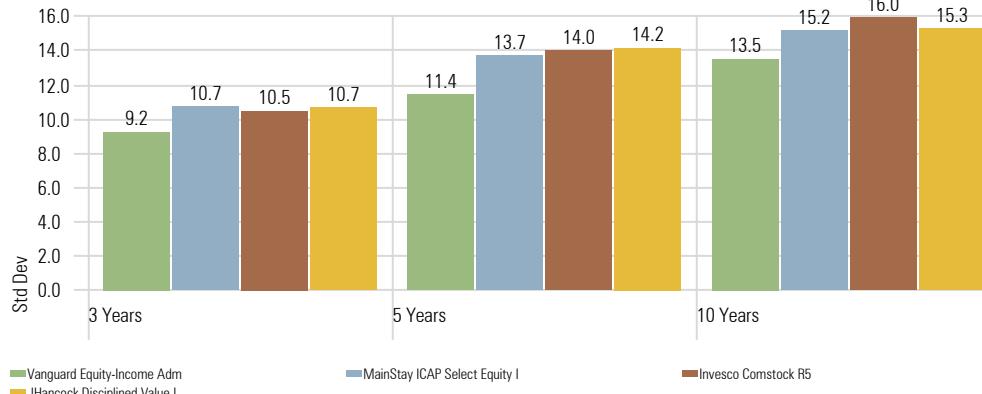
Vanguard Equity-Income Adm - Top Holdings

Portfolio Date: 12/31/2014

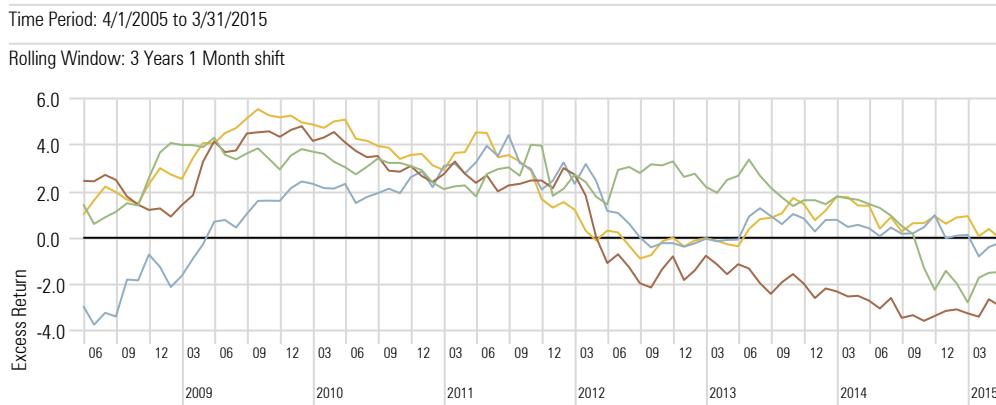
	Equity Style Box	Portfolio Weighting %		Equity Style Box	Portfolio Weighting %		Equity Style Box	Portfolio Weighting %		Equity Style Box	Portfolio Weighting %
Wells Fargo & Co	■	3.9	Comcast Corp Class A	■	6.2	Citigroup Inc	■	4.4	Berkshire Hathaway Inc Class B	■	4.0
Microsoft Corp	■	3.6	General Electric Co	■	6.1	JPMorgan Chase & Co	■	3.1	Wells Fargo & Co	■	3.9
Johnson & Johnson	■	3.4	Medtronic PLC	■	4.8	General Electric Co	■	2.5	JPMorgan Chase & Co	■	3.6
JPMorgan Chase & Co	■	3.1	Bank of America Corporation	■	4.4	Suncor Energy Inc	■	2.3	Pfizer Inc	■	3.2
Exxon Mobil Corporation	■	3.1	Citigroup Inc	■	4.1	Royal Dutch Shell PLC ADR Class A	■	2.2	Apple Inc	■	3.0
Verizon Communications Inc	■	2.8	Monsanto Co	■	4.1	Carnival Corp	■	2.2	Capital One Financial Corp	■	2.9
Chevron Corp	■	2.5	Google Inc Class C	■	4.0	Cisco Systems Inc	■	1.9	Johnson & Johnson	■	2.4
Merck & Co Inc	■	2.5	Boeing Co	■	4.0	Bank of America Corporation	■	1.9	Citigroup Inc	■	2.4
Apple Inc	■	2.5	Johnson Controls Inc	■	4.0	Merck & Co Inc	■	1.9	CVS Health Corp	■	2.4
Intel Corp	■	2.2	Pfizer Inc	■	3.9	Wells Fargo & Co	■	1.9	Cisco Systems Inc	■	2.4
Marsh & McLennan Companies Inc	■	2.2	Goldman Sachs Group Inc	■	3.9	Microsoft Corp	■	1.9	Microsoft Corp	■	2.1
Home Depot Inc	■	2.1	Viacom Inc Class B	■	3.7	Viacom Inc Class B	■	1.8	Lockheed Martin Corp	■	2.1
Pfizer Inc	■	2.0	Occidental Petroleum Corp	■	3.5	Johnson Controls Inc	■	1.8	Medtronic PLC	■	2.0
General Electric Co	■	1.9	Northern Trust Corp	■	3.4	General Motors Co	■	1.7	Allstate Corp	■	1.9
Cisco Systems Inc	■	1.8	Oracle Corporation	■	3.3	BP PLC ADR	■	1.7	EMC Corp	■	1.8

Risk/Return Performance Analysis

Standard Deviation

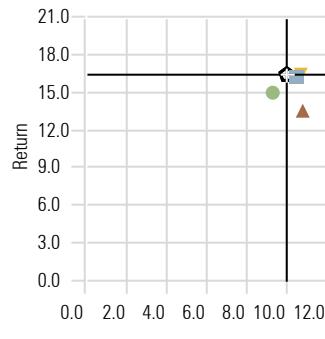


3 Year Relative Rolling Returns



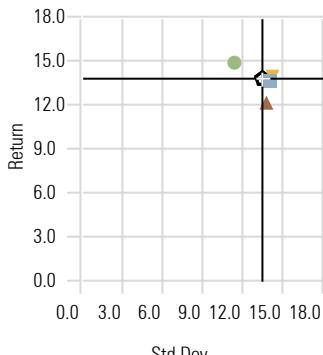
3 Year Risk-Reward

Time Period: 4/1/2012 to 3/31/2015



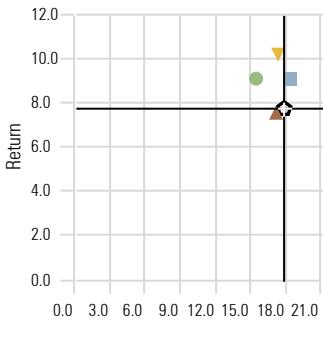
5 Year Risk-Reward

Time Period: 4/1/2010 to 3/31/2015



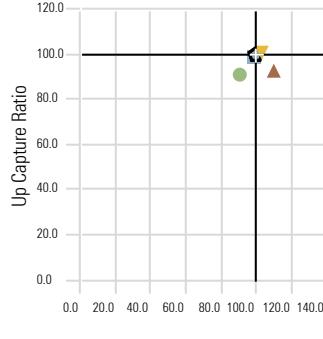
7 Year Risk-Reward

Time Period: 4/1/2008 to 3/31/2015



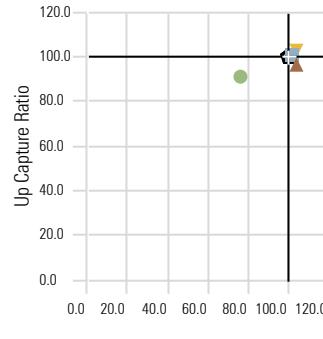
3 Year Market Capture

Time Period: 4/1/2012 to 3/31/2015



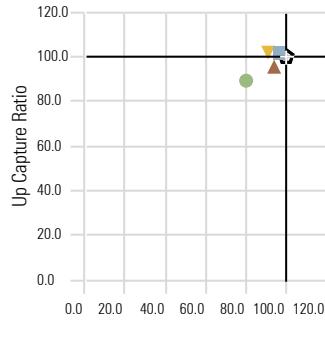
5 Year Market Capture

Time Period: 4/1/2010 to 3/31/2015



7 Year Market Capture

Time Period: 4/1/2008 to 3/31/2015

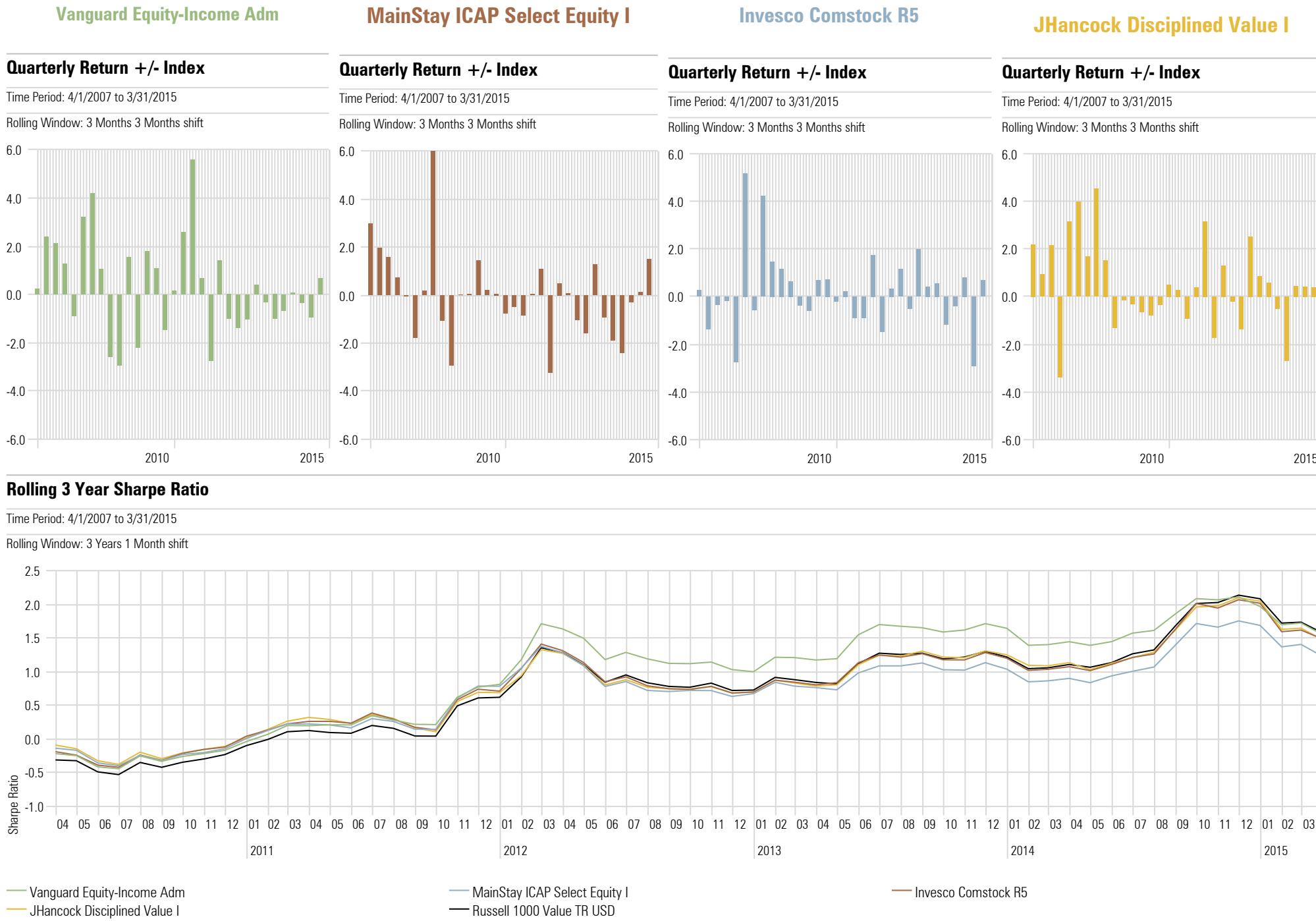


Annualized Performance & Risk Statistics - Since Common Inception

Time Period: 7/1/2010 to 3/31/2015

	Return	Std Dev	Alpha	Beta	R2	Best Quarter	Worst Quarter	Sharpe Ratio	Tracking Error
Vanguard Equity-Income Adm	18.2	10.7	3.4	0.82	94	13.8	-10.6	1.68	3.4
MainStay ICAP Select Equity I	15.3	13.2	-2.2	1.02	96	13.1	-17.0	1.15	2.7
Invesco Comstock R5	17.5	13.4	-0.6	1.05	97	12.9	-17.1	1.30	2.4
JHancock Disciplined Value I	17.8	13.6	-0.4	1.05	96	14.3	-17.1	1.31	2.7
Russell 1000 Value TR USD	17.4	12.6	0.0	1.00	100	13.1	-16.2	1.37	0.0

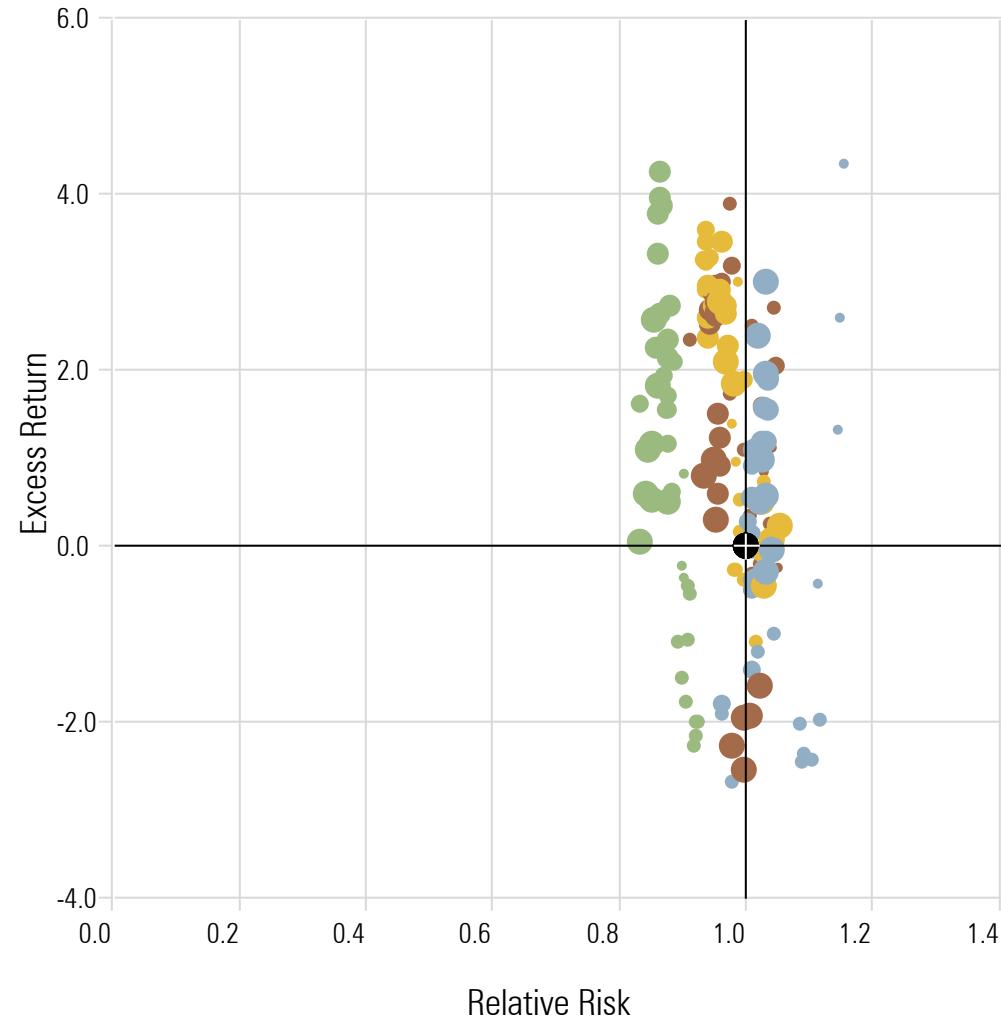
Performance Analysis



5 Year Rolling Relative Risk/Return & Market Capture

Risk-Reward

Time Period: 4/1/2000 to 3/31/2015



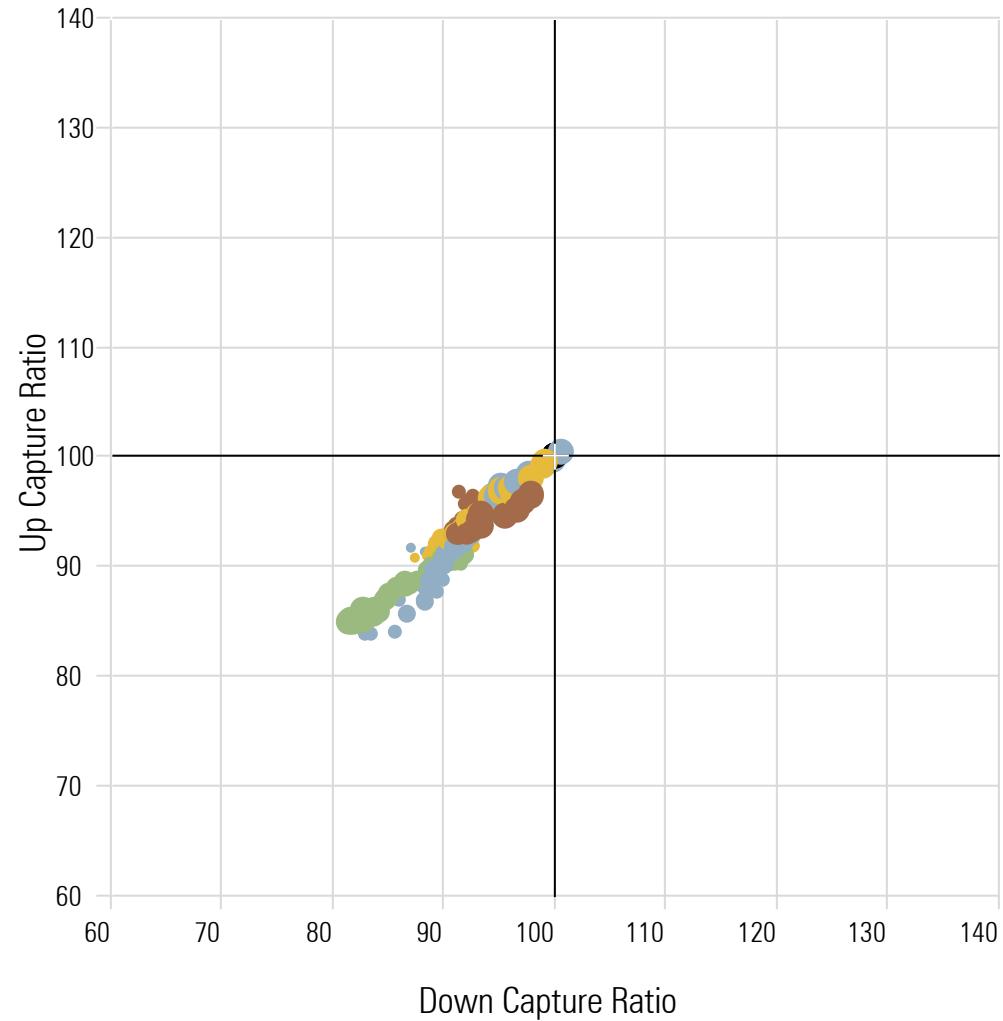
- Vanguard Equity-Income Adm ● MainStay ICAP Select Equity I ● Invesco Comstock R5
- JHancock Disciplined Value I ● Russell 1000 Value TR USD

Northwest Quadrant : Return in excess of index with below index risk /*best*/
 Northeast Quadrant: Return in excess of index with above index risk
 Southwest Quadrant: Return below index with below index risk
 Southeast Quadrant: Return below index with above index risk /*worst*/

Source: Morningstar Direct

Market Capture

Time Period: 4/1/2000 to 3/31/2015



- Vanguard Equity-Income Adm ● MainStay ICAP Select Equity I ● Invesco Comstock R5
- JHancock Disciplined Value I ● Russell 1000 Value TR USD

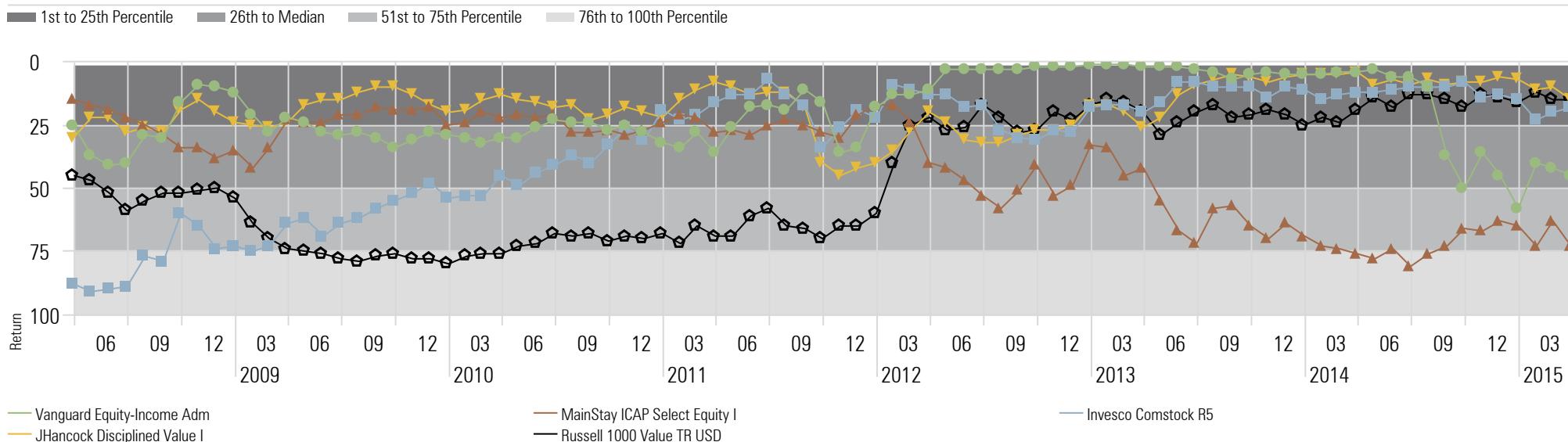
Northwest Quadrant : High up market capture with low down market capture /*best*/
 Northeast Quadrant: High up market capture with high down market capture
 Southwest Quadrant: Low up market capture with low down market capture
 Southeast Quadrant: Low up market capture with high down market capture /*worst*/

Rolling Peer Group Rankings

Rolling Returns (Descending Rank)

Time Period: 4/1/2005 to 3/31/2015

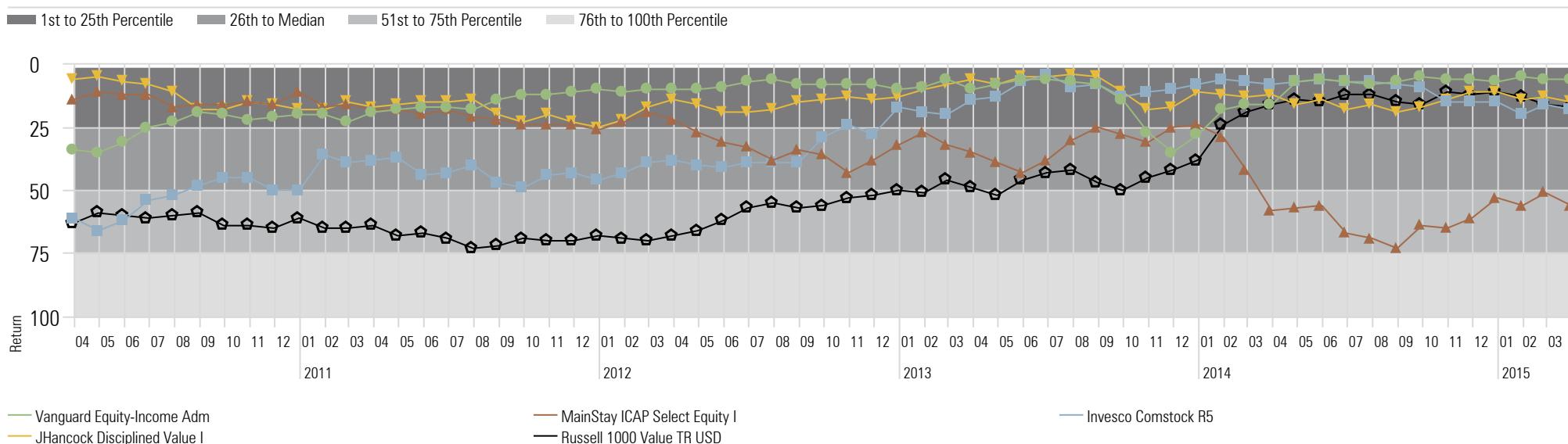
Rolling Window: 3 Years 1 Month shift



Rolling Returns (Descending Rank)

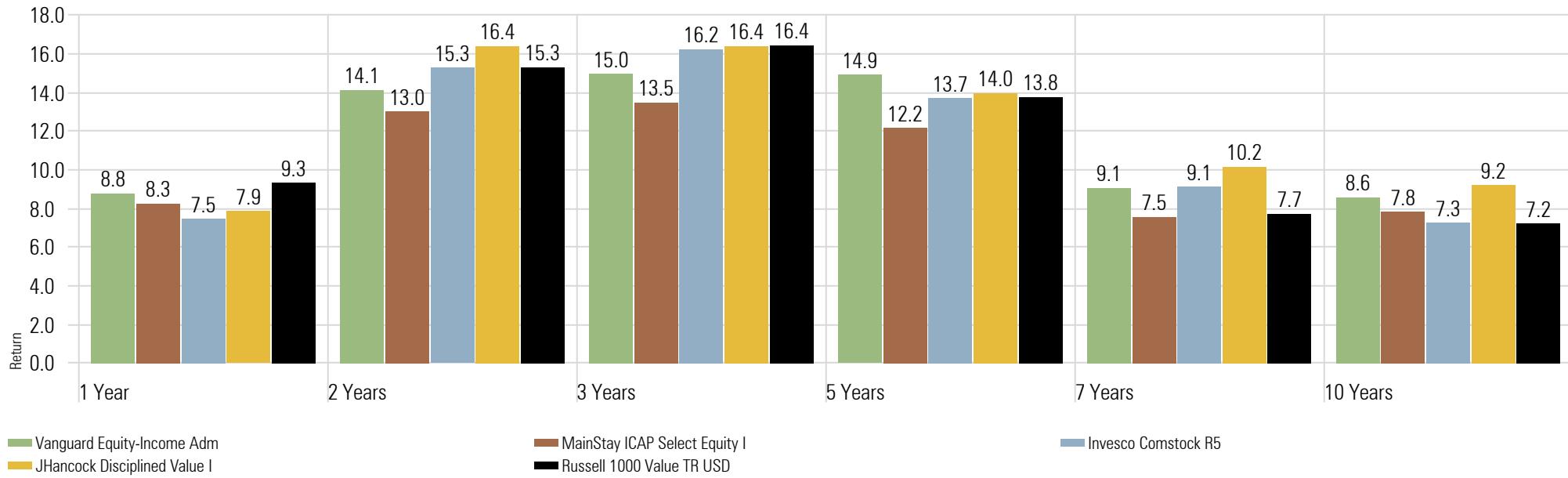
Time Period: 4/1/2005 to 3/31/2015

Rolling Window: 5 Years 1 Month shift

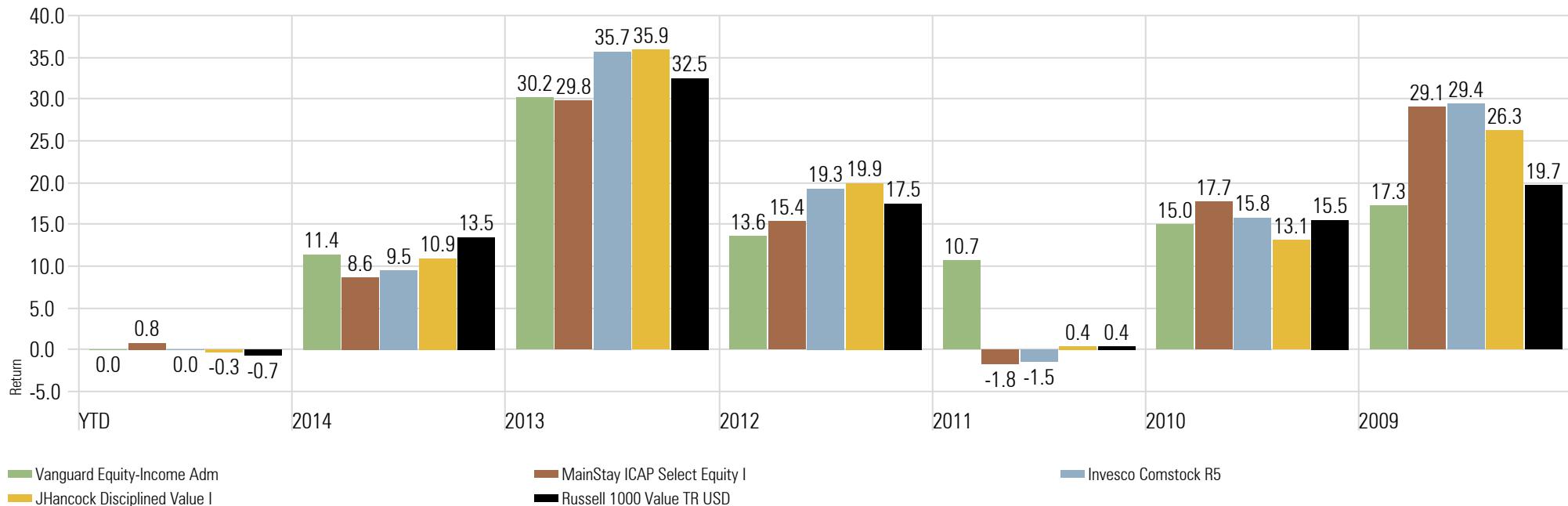


Trailing Performance

Cumulative Returns



Annual Returns



Performance Summary - Cumulative Periods

	Quarter			YTD			1 Year			3 Years			5 Years			10 Years		
	Return	Rank	+/- Idx	Rtn	Rank	+/- Idx	Return	Rank	+/- Idx	Return	Rank	+/- Idx	Return	Rank	+/- Idx	Return	Rank	+/- Idx
Large Value																		
Vanguard Equity-Income Adm	0.0	54	0.68	0.0	54	0.68	8.8	39	-0.55	15.0	45	-1.48	14.9	6	1.15	8.6	9	1.37
MainStay ICAP Select Equity I	0.8	29	1.50	0.8	29	1.50	8.3	48	-1.08	13.5	73	-2.96	12.2	56	-1.59	7.8	25	0.62
Invesco Comstock R5	0.0	54	0.69	0.0	54	0.69	7.5	60	-1.87	16.2	18	-0.22	13.7	18	-0.05	7.3	38	0.05
JHancock Disciplined Value I	-0.3	65	0.41	-0.3	65	0.41	7.9	54	-1.47	16.4	15	-0.04	14.0	15	0.21	9.2	4	1.99
Russell 1000 Value TR USD	-0.7			-0.7			9.3			16.4			13.8			7.2		
Average	0.2			0.2			7.9			14.5			12.4			6.9		

Performance Summary - Calendar Year Periods

	Return			Return			Return			Return			Return			Return			Return		
	2014	Rank	+/- Idx	2013	Rank	+/- Idx	2012	Rank	+/- Idx	2011	Rank	+/- Idx	2010	Rank	+/- Idx	2009	Rank	+/- Idx	2008	Rank	+/- Idx
Large Value																					
Vanguard Equity-Income Adm	11.4	36	-2.08	30.2	64	-2.34	13.6	64	-3.93	10.7	3	10.30	15.0	30	-0.52	17.3	85	-2.43	-30.9	16	5.98
MainStay ICAP Select Equity I	8.6	78	-4.80	29.8	68	-2.71	15.4	42	-2.15	-1.8	61	-2.15	17.7	12	2.21	29.1	19	9.38	-37.4	67	-0.57
Invesco Comstock R5	9.5	68	-3.96	35.7	14	3.19	19.3	6	1.77	-1.5	59	-1.86	15.8	22	0.30	29.4	18	9.76	-35.9	49	0.96
JHancock Disciplined Value I	10.9	45	-2.55	35.9	13	3.41	19.9	3	2.44	0.4	45	0.00	13.1	54	-2.38	26.3	34	6.57	-33.1	26	3.77
Russell 1000 Value TR USD	13.5			32.5			17.5			0.4			15.5			19.7			-36.8		
Average	10.3			31.4			14.5			0.1			13.8			24.4			-36.0		



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #19

For our clients who are subject to ERISA, we prepare an annual fee disclosure of our own fees. Even though you are not subject to ERISA, we think it is a good “best practice” so if retained by you we would offer to prepare one for you annually.

ERISA 408(b)(2) Recordkeeping Fee Analysis

Sample Client



TABLE OF CONTENTS

Market-Based Fees

Recordkeeping Provider Fee Comparison

1

- Shows multiple recordkeeping provider proposed annual fees
- Additional plan sponsor fees and participant transactional fees
- Provides a true comparison of total estimated annual recordkeeping revenue
- Report is driven from a blind fee-benchmarking study, customized to your plan

Employer-Based Fees

Plan Sponsor Current Fee Analysis

2

- This fee analysis provides balance by fund, annual investment expense ratios as a comparison to peers, and estimated annual revenue sharing, which is typically used to offset recordkeeping fees
- This is a custom analysis of your plan fees

Share Class Analysis – Current Investment Lineup & Lowest Expense Investment Lineup

3-4

- These two pages show the difference in the investment expenses based on a plan's current investment line-up in comparison to using the lowest investment expense ratio share classes, as well as and how excess or lack of revenue affects how fees are paid

Fee Philosophy Considerations - Reasonable Allocation of Fees

Flat Per Participant Fees vs. Basis Point Fees

5

- Reasonable fees that benefit Plan Participants are properly allocable to the Plan. That's a fancy way of saying that those fees can be passed through to Plan Participants. In the prior sections, we walked you through our worksheets to analyze the reasonableness of the "Plan's" fees. This page addresses the last piece of the puzzle. E.g. should fees be borne by participants as a flat dollar charge or as a percentage of the account balance? There is no absolute right or wrong answer. But, the starting point is to appreciate that the choice impacts different Participants differently. That is, a flat fee disadvantages those with low account balances and a fee based on a percentage of assets disadvantages those with large account balances. Besides helping you understand this subject, the value of using this tool is that it documents a process that you used to make a "reasonable" decision.

Recordkeeping Provider Fee Comparison

SAMPLE Retirement Plan

Estimated Plan Assets \$100,000,000
Loan Balance \$1,967,000
Estimated Participants 1,000

Color key:
 Lowest cost
 Mid-range cost
 Highest cost

Estimated Recordkeeping Costs

	Provider A	Provider B	Provider C	Provider D	Provider E	Provider F
Proposed Annual Recordkeeping*	\$120,000 0.12% \$131	\$140,000 0.14% \$156	\$160,000 0.16% \$170	\$180,000 0.18% \$197	\$190,000 0.19% \$205	\$230,000 0.23% \$241
Additional Sponsor Fees						
Standard Non-Discrimination Testing	0	0	0	0	0	0
Fund Changes	7,500	0	0	5,000	0	0
Form 5500	5,000	0	0	0	0	0
SAR/SPD	0	0	0	0	0	0
Notices/Disclosures	0	0	0	0	0	0
Trustee Services	0	0	0	4,500	0	0
Employee Meetings	0	0	0	0	0	0
Enrollment Kits	0	0	0	0	0	0
Brokerage Window Fees	0	0	0	0	0	0
Sponsor Estimated Fees	12,500					0
Additional Participant Fees	Activity					
Loan Setup	239	11,950	17,925	0	23,900	17,925
Loan Maintenance	681	17,025	0	27,240	0	17,025
In-Service Withdrawals	66	0	0	2,640	1,320	0
Hardship Withdrawals	33	4,950	0	1,320	0	825
Distributions - Lump Sum	385	13,475	0	15,400	7,700	9,625
Distributions - Installments	48	0	0	120	0	1,200
Distributions - RMDs	213	7,455	0	8,520	0	0
Mutual Fund Window Annual	77	3,850	0	9,240	3,850	3,850
Participant Estimated Fees	58,705	17,925	64,480	36,770	17,925	52,100
Total Estimated Annual RK Revenue	\$191,205	\$157,925	\$224,480	\$226,270	\$207,925	\$282,100
Weighted % of plan assets:	0.191%	0.158%	0.224%	0.226%	0.208%	0.282%
Estimated per participant cost:	\$191	\$158	\$224	\$226	\$208	\$282

Often overlooked plan costs are the additional plan sponsor and plan participant fees, which increase the revenue received by the recordkeeping provider. By comparing all revenue received by the recordkeeper, you can better understand the recordkeeper's true cost.

*Proposed recordkeeping fee calculated based on provider basis point fee quote.

Plan Sponsor Current Fee Analysis

Fund	Balance	Percent of Assets	(\$)	Annual Expense Ratio		+/ - Peers	Estimated Annual Revenue Sharing	
				(%)	Peers		(%)	(\$)
Diversified Stable Pooled Fund	11,770,440	11.8%	104,757	0.89%	0.01	0.55%	64,737	
PIMCO Real Return Admin.	1,237,710	1.2%	8,664	0.70%	0.01	0.28%	3,466	
Dreyfus Bond Market Index Inv.	6,635,840	6.6%	26,543	0.40%	0.00	0.49%	32,516	
PIMCO Total Return Admin.	6,540,000	6.5%	46,434	0.71%	0.01	0.28%	18,312	
PIMCO High Yield Admin.	2,539,750	2.5%	20,318	0.80%	0.01	0.28%	7,111	
T. Rowe Price Retirement Balanced	8,103,800	8.1%	46,192	0.57%	0.01	0.15%	12,156	
Allianz NFJ Dividend Value A	9,748,820	9.7%	102,363	1.05%	0.01	0.50%	48,744	
American Funds Fundamental Investor R4	3,566,500	3.6%	23,539	0.66%	0.01	0.35%	12,483	
Vanguard Institutional Index	11,308,340	11.3%	4,523	0.04%	0.00	0.00%	-	
JPMorgan Large Cap Growth A	2,740,680	2.7%	30,147	1.10%	0.01	0.50%	13,703	
Federated Mid Cap Index Instl. Svc.	2,208,000	2.2%	11,923	0.54%	0.01	0.30%	6,624	
Lord Abbett Value Opportunities A	2,171,840	2.2%	27,365	1.26%	0.01	0.40%	8,687	
Victory Integrity Small Cap Value - Y	9,033,580	9.0%	112,920	1.25%	0.01	0.25%	22,584	
Columbia Small Cap Index A	2,479,540	2.5%	11,158	0.45%	0.00	0.35%	8,678	
Franklin Small Cap Growth - Adv.	2,549,350	2.5%	22,944	0.90%	0.01	0.25%	6,373	
Dreyfus International Stock Index	3,289,000	3.3%	19,734	0.60%	0.01	0.49%	16,116	
American Funds EuroPacific Growth R4	7,877,230	7.9%	66,169	0.84%	0.01	0.35%	27,570	
Fidelity Emerging Markets	1,661,690	1.7%	17,780	1.07%	0.01	0.25%	4,154	
Nuveen Real Estate Securities I	2,570,890	2.6%	25,709	1.00%	0.01	0.25%	6,427	
T. Rowe Price Retirement Target Date Suite	1,967,000	2.0%	14,152	0.72%	0.01	0.15%	2,951	
Total	\$ 100,000,000	100%	743,334	0.74%	0.00	0.01	0.32%	323,393

Estimated Annual Plan Cost	
Estimated number of participants:	1000
Recordkeeper Base Fee:	0
Recordkeeper Flat Per Participant Fee:	0
Recordkeeper Asset-based Fee:	0.21%

Sub-Total Estimated Annual Plan Costs:

Record Keeping Costs	
\$	-
\$	-
\$	210,000

The Expense Ratio comparison provides a basis for determining the reasonableness of current investment fees.

Total Estimated Annual Plan Cost (Excluding Expense Ratio):	\$ 210,000	0.21%
Total Estimated Annual Plan Revenue Sharing:	\$ (323,393)	0.32%
Estimated Annual (Surplus)/Deficit:	\$ (113,393)	-0.11%

Share Class Analysis - Current Investment Lineup

Fund Name	Plan Assets	Percent of Plan Assets	Expense Ratio	Fund Expenses	Revenue Share	Revenue Dollars
Diversified Stable Pooled Fund	\$11,770,440	11.77%	0.89%	\$104,757	0.55%	\$64,737
PIMCO Real Return Admin.	1,237,710	1.24%	0.70%	8,664	0.28%	3,466
Dreyfus Bond Market Index Inv.	6,635,840	6.64%	0.40%	26,543	0.49%	32,516
PIMCO Total Return Admin.	6,540,000	6.54%	0.71%	46,434	0.28%	18,312
PIMCO High Yield Admin.	2,539,750	2.54%	0.80%	20,318	0.28%	7,111
T. Rowe Price Retirement Balanced	8,103,800	8.10%	0.57%	46,192	0.15%	12,156
Allianz NFJ Dividend Value A	9,748,820	9.75%	1.05%	102,363	0.50%	48,744
American Funds Fundamental Investor R4	3,566,500	3.57%	0.66%	23,539	0.35%	12,483
Vanguard Institutional Index	11,308,340	11.31%	0.04%	4,523	0.00%	0
JPMorgan Large Cap Growth A	2,740,680	2.74%	1.10%	30,147	0.50%	13,703
Federated Mid Cap Index Instl. Svc.	2,208,000	2.21%	0.54%	11,923	0.30%	6,624
Lord Abbett Value Opportunities A	2,171,840	2.17%	1.26%	27,365	0.40%	8,687
Victory Integrity Small Cap Value - Y	9,033,580	9.03%	1.25%	112,920	0.25%	22,584
Columbia Small Cap Index A	2,479,540	2.48%	0.45%	11,158	0.35%	8,678
Franklin Small Cap Growth - Adv.	2,549,350	2.55%	0.90%	22,944	0.25%	6,373
Dreyfus International Stock Index	3,289,000	3.29%	0.60%	19,734	0.49%	16,116
American Funds EuroPacific Growth R4	7,877,230	7.88%	0.84%	66,169	0.35%	27,570
Fidelity Emerging Markets	1,661,690	1.66%	1.07%	17,780	0.25%	4,154
Nuveen Real Estate Securities I	2,570,890	2.57%	1.00%	25,709	0.25%	6,427
T. Rowe Price Retirement Target Date Suite	1,967,000	1.97%	0.72%	14,152	0.15%	2,951
Total Plan Assets	\$100,000,000	100%	0.74%	\$743,334	0.32%	\$323,393

Efficiency (Net Difference Between Expense and Revenue Share): 0.42%

Total Participants with a Balance 1,000

Cost Comparison - Recordkeeping Only

Provider Recordkeeping Fee (0.14% of plan assets)	\$210,000
Revenue Share Available to Offset Fees	<u>\$323,393</u>
Total Expenses (Excess Revenue)/Additional Cost	(\$113,393)

Cost Comparisons - Recordkeeping + Investment Expense

Provider Recordkeeping Fee (0.14% of plan assets)	\$210,000
Fund Investment Expense	<u>\$743,334</u>
Subtotal	<u>\$953,334</u>
Revenue Share Available to Offset Fees	<u>(\$323,393)</u>
Total Expenses (Recordkeeping + Investment)	\$629,940

Weighted % of plan assets	0.63%
Estimated cost per participant	\$630

Share Class Analysis - Lowest Expense Investment Lineup

Fund Name	Plan Assets	Percent of Plan Assets	Expense Ratio	Fund Expenses	Revenue Share	Revenue Dollars
Diversified Stable Pooled Fund	\$11,770,440	11.77%	0.49%	\$57,675	0.15%	\$17,656
PIMCO Real Return Admin.	1,237,710	1.24%	0.45%	5,570	0.03%	371
Dreyfus Bond Market Index	6,635,840	6.64%	0.15%	9,954	0.09%	5,972
PIMCO Total Return Admin.	6,540,000	6.54%	0.46%	30,084	0.03%	1,962
PIMCO High Yield	2,539,750	2.54%	0.55%	13,969	0.03%	762
T. Rowe Price Retirement Balanced	8,103,800	8.10%	0.57%	46,192	0.15%	12,156
Allianz NFJ Dividend Value	9,748,820	9.75%	0.70%	68,242	0.10%	9,749
American Funds Fundamental Investor R4	3,566,500	3.57%	0.31%	11,056	0.00%	0
Vanguard Institutional Index	11,308,340	11.31%	0.04%	4,523	0.00%	0
JPMorgan Large Cap Growth	2,740,680	2.74%	0.68%	18,637	0.00%	0
Federated Mid Cap Index Instl. Svc.	2,208,000	2.21%	0.31%	6,845	0.05%	1,104
Lord Abbett Value Opportunities	2,171,840	2.17%	0.92%	19,981	0.10%	2,172
Victory Integrity Small Cap Value	9,033,580	9.03%	1.07%	96,659	0.00%	0
Columbia Small Cap Index	2,479,540	2.48%	0.25%	6,199	0.10%	2,480
Franklin Small Cap Growth	2,549,350	2.55%	0.72%	18,355	0.00%	0
Dreyfus International Stock Index	3,289,000	3.29%	0.60%	19,734	0.49%	16,116
American Funds EuroPacific Growth	7,877,230	7.88%	0.47%	37,023	0.00%	0
Fidelity Emerging Markets	1,661,690	1.66%	1.07%	17,780	0.25%	4,154
Nuveen Real Estate Securities	2,570,890	2.57%	1.00%	25,709	0.25%	6,427
T. Rowe Price Retirement Target Date Suite	1,967,000	1.97%	0.72%	14,162	0.15%	2,951
Total Plan Assets	\$100,000,000	100%	0.53%	\$528,348	0.08%	\$84,031
Efficiency (Net Difference Between Expense and Revenue Share):						0.44%
Total Participants with a Balance	1,000					
Cost Comparison - Recordkeeping Only						
Provider Recordkeeping Fee (0.14% of plan assets)						\$210,000
Revenue Share Available to Offset Fees						\$84,031
Total Expenses (Excess Revenue)/Additional Cost						\$125,969
Cost Comparisons - Recordkeeping + Investment Expense						
Provider Recordkeeping Fee (0.14% of plan assets)						\$210,000
Fund Investment Expense						\$528,348
Subtotal						\$738,348
Revenue Share Available to Offset Fees						(\$84,031)
Total Expenses (Recordkeeping + Investment)						\$654,317
Weighted % of plan assets						0.65%
Estimated cost per participant						\$654

Flat Per Participant Fees vs. Basis Point Fees

Number of Plan Participants with a Balance:	1,000
Quoted Annual Flat Per Participant Fee:	\$137
Quoted Annual Basis Point Fee:	0.14%
Current Core Fund Assets:	\$100,000,000
Average Participant Account Balance:	\$100,000

Breakeven Participant Account Balance: **\$97,857**

A.) This means if a participant has a balance that is **less than** the "Breakeven" - Basis Points provides a lower cost than the Flat Fee alternative.

B.) If a participant has a balance **greater than** the "Breakeven" the Flat Fee alternative provides a lower cost than the Basis Points alternative.

Effect of *Flat Dollar Fees* on a Participant's Account

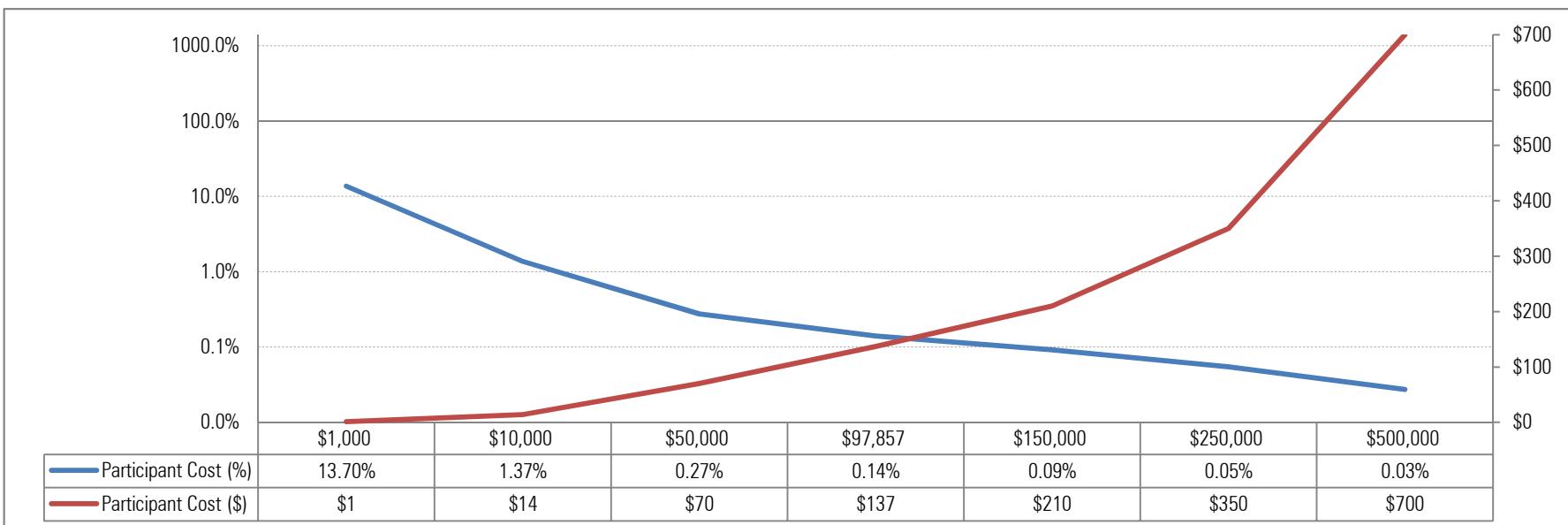
Account Balance	Quoted Flat Fee	Participant Cost (%)
\$1,000	\$137	13.70%
\$10,000	\$137	1.37%
\$50,000	\$137	0.27%
\$97,857	\$137	0.14%
\$150,000	\$137	0.09%
\$250,000	\$137	0.05%
\$500,000	\$137	0.03%

716 pts pay a higher cost using the flat fee method of paying fees

Effect of *Basis Points Fees* on a Participant's Account

Account Balance	Quoted BPS	Participant Cost (\$)
\$1,000	0.14%	\$1
\$10,000	0.14%	\$14
\$50,000	0.14%	\$70
\$97,857	0.14%	\$137
\$150,000	0.14%	\$210
\$250,000	0.14%	\$350
\$500,000	0.14%	\$700

284 pts pay a higher cost using the basis point method of paying fees





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Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #20

This is our not-for-profit RFP. It is constantly evolving. A case in point is CyberSecurity. E.g. while not in this template, we have written a “new” section getting at what processes Recordkeepers have in place to secure participant data – but what financial commitments/limitations they make re: breaches?



Advanced Capital Group

REQUEST FOR PROPOSAL

403b Retirement Plan Recordkeeping and Administration Services

REQUEST FOR PROPOSAL

INTRODUCTION

Advanced Capital Group (ACG) has been hired by Lawrence University to complete a comprehensive Request for Proposal (RFP) project on their behalf. Lawrence University is seeking proposals for the administration of their 403(b) Tax-Deferred Savings plan and 457(b) Deferred Compensation plans – there are five (5) plans in total. ACG is assisting with this process and should be your sole point of contact for clarification or questions that may arise.

Your ACG contacts are:

Samantha Wetterlund
E: switterlund@acgbiz.com
T: 612-230-6946

Back-up:

Teresa Kruse
E: tkruse@acgbiz.com
T: 612-230-6943

DELIVERY OF PROPOSAL

RESPONSE DUE DATE: MONTH XX 2015,

Please respond to this proposal by submitting one (1) electronic copy as a Microsoft Word document and one (1) hard copy mailed to the address below. Please note that the hard copy does not need to meet the deadline above, but should be received in ACG offices within 7 business days of the response due date.

Advanced Capital Group
Attention: Samantha Wetterlund
50 South Sixth Street, Suite 975
Minneapolis, MN 55402

TERMS AND CONDITIONS

By responding to this Request for Proposal (RFP), you are offering to provide the services you have noted to the client, at the costs you have indicated. You also agree your response to this RFP and the fee schedule will become a part of the final service agreement.

The client reserves the right to seek clarification of each proposal submitted, or to make a service provider decision without further discussion of the proposals received. Therefore, it is important each proposal be submitted initially in the most complete, clear and favorable manner possible.

The client may cancel or postpone the RFP at any time and reserves the right to reject any or all proposals.

The cost of developing the proposal, attendance at an interview, and any other costs associated with the RFP process are entirely the responsibility of your firm and will not be reimbursed by the client or ACG.

Your firm, employees, and agents agree to keep all information contained within this RFP **confidential**, except as necessary in obtaining information to submit your proposal.

ADDITIONAL DOCUMENTS

Please provide a sample of the following items with your response:

- Client contract and service agreement
- Participant statement
- Participant enrollment form
- Communication materials included in your fees
- Operations and call center service standards
- Copy of your most current SSAE16

FEE SCHEDULE

This Fee Schedule is intended to identify all costs involved in providing recordkeeping services to the client. **As the client is specifically looking for an open architecture investment structure, you should not include or assume any proprietary fund revenue as part of your fees.**

If the items listed on the below Fee Schedule do not cover all of your costs, please identify additional costs you would charge under item #36:

PLEASE ENTER YOUR PRICING ASSUMPTIONS		
1	Participants:	
2	Plan Balance:	
3	Annual Cash Flow:	
YOUR PRICING PHILOSOPHY		
4	Would you be willing to provide recordkeeping / administrative services for an all-inclusive basis point fee ? If so, please indicate the basis-point total as a percentage here and whether it is applied to loan and / or brokerage balances.	
5	Would you be willing to provide recordkeeping / administrative services for an all-inclusive flat per-participant fee ? If so, please indicate the per-participant dollar amount here.	
6	Would you be willing to give the plan sponsor the choice of either option listed above?	
7	Would you be willing to give the plan sponsor the option of combining the fixed bps and flat dollar fee?	
YOUR REVENUE SHARE PHILOSOPHY		
8	Will you credit 100% of revenue share from non-proprietary funds to the plan to cover your required fees?	
9	Will you credit 100% of revenue share from your proprietary funds to the plan to cover your required fees?	
10	If revenue share EXCEEDS your fees, will you create a Plan Expense Reimbursement Account (expense account) the sponsor may use to pay for qualified plan expenses?	
11	If revenue share EXCEEDS your fees, will you allocate the excess to participant accounts?	
12	If you are able to allocate revenue share to participant accounts, can you identify and allocate revenue share to the fund that generated the revenue share? If so, how often.	
13	If you are able to allocate revenue share to participant accounts, can you identify and allocate revenue share to the participant that generated the revenue share? If so, how often?	
14	Will you allow 100% of revenue share to reduce your fee, only billing the client if revenue falls short?	
15	Will you allow 100% of revenue share to be applied back to participant accounts, billing the client for your total fee?	
16	Will you allow 100% of revenue share to be applied back to participant accounts, then applying the fee (either bps or flat dollar) to participant accounts?	
17	Describe how your firm can work with a client to level fees for participants, ensuring each participant is paying his/her fair share of plan administration costs.	
INVESTMENT PARAMETERS		
18	Total number of available investment options on your platform available to the client	
	<i>Number of Proprietary Funds</i>	
	<i>Number of Alliance Funds</i>	
19	Are proprietary funds required? (Yes or No)	
	<i>List required funds, and/or</i>	
	<i>Identify percent of assets required in proprietary funds</i>	

20	Will you give this client access to NSCC at inception and if so, at what selling agreement cost?	
21	What % of assets mapped to your proprietary funds are you assuming for your pricing?	
22	Does pricing assume the use of your stable asset or guaranteed account? <i>If so and your stable asset or guaranteed account is not used, will your quoted fee change?</i>	
23	Do you require use of proprietary fixed annuities?	
24	Plan Expense guarantee: if hired, how long do you guarantee not to raise your fee?	
25	Termination Fee (For cause)	
26	Termination Fee (Not for cause)	

RECORDKEEPING, ADMINISTRATION AND INVESTMENT MANAGEMENT FEES

27	One-Time Conversion Fee	
28	First Year Annual Base Recordkeeping Fee, if applicable <i>Ongoing Annual Base Recordkeeping Fee, if different from first year fee</i>	
29	First Year Annual Per Participant Recordkeeping Charge, if applicable <i>Ongoing Annual Per Participant Recordkeeping Charge, if different from first year fee</i>	
	<i>Are Per Participant fees based on actual participant (with a balance) or eligible employees?</i>	
30	First Year Annual Asset-based Fee, if applicable <i>Ongoing Annual Asset-based Fee, if different from first year fees</i>	
31	First Year Corporate Trustee Fee, if applicable <i>Ongoing Corporate Trustee Fee</i>	
32	First Year fees associated with administering custodial accounts <i>Ongoing fees associated with administering custodial accounts</i>	
33	Anticipated Offset Fees (e.g. 12b-1, Sub T/A, etc.) – please note as a dollar amount.	

PLAN SPONSOR ANCILLARY FEES

34	Signature Ready 5500 Preparation	
35	Compliance Testing <i>Annual ACP</i>	
	<i>Coverage Testing</i>	
	<i>415 Limit Testing</i>	
	<i>Hourly testing fee, if not included</i>	
36	Self-Directed Mutual Fund Window – plan sponsor cost	
37	Advice and/or guidance product – plan sponsor cost	
38	Managed discretionary account product – plan sponsor cost	
39	Fund change fee	
40	Document support cost <i>Prototype (standard / non-standard)</i>	
	<i>Volume submitter</i>	
	<i>Individually Designed / Attorney Drafted</i>	
41	Amendment Fee – regulatory requirement <i>Your document</i>	
	<i>Individually Designed / Attorney Drafted</i>	
42	Amendment Fee – sponsor requested change <i>Your document</i>	

	<i>Individually Designed / Attorney Drafted</i>	
43	Eligibility tracking cost	
44	Beneficiary tracking cost	
45	QDRO setup or processing – plan sponsor cost	
46	Postage charges for hardcopy mailings:	
	<i> Quarterly statements</i>	
	<i> Summary Plan Description</i>	
	<i> Summary of Material Modification</i>	
	<i> Summary Annual Report</i>	
	<i> Enrollment kits</i>	
47	Fee for extra employee meeting days NOT included in the pricing of this proposal, indicate how many meetings you'll provide each day and whether travel costs are extra	

PARTICIPANT ANCILLARY FEES

48	Loan Set Up (indicate if additional fee for conversion)	
49	Loan Maintenance (per year)	
50	In-Service Withdrawals	
51	Hardship Withdrawals	
52	Annuity Settlement Options	
53	Death Benefits	
54	Distributions – Lump Sum	
55	Distributions – Installments	
56	Distributions – RMDs	
57	QDRO Administration (splitting only)	
58	DRO Qualification (your firm qualifies and splits the DRO)	
59	Self-Directed Mutual Fund Window – participant cost	
60	Advice and/or guidance product – participant cost	
61	Managed account product – participant cost	

OTHER FEES – LIST ANY ADDITIONAL FEES IN THIS SECTION

	Description of Service	Amount

RECORDKEEPING & ADMINISTRATION SERVICES

ORGANIZATION & HISTORY		
1	Defined Contribution Recordkeeping (year began)	
2	Daily Valuation Recordkeeping (year began)	
3	Defined Contribution Trust Services (year began)	
4	What Trust Company Do you currently use – since when	
5	Total Defined Contribution plan assets recordkept by your firm	
6	Number of D/C Plans: <100 employees	
7	Number of D/C Plans: 100-499 employees	
8	Number of D/C Plans: 500-999 employees	
9	Number of D/C Plans: 1,000-4,999 employees	
10	Number of D/C Plans: >5,000 employees	
11	Total Number of Qualified Retirement Plans	
12	Total Number of Qualified Retirement Plans that are 501c3 403(b) plans	
13	Number of participants in your recordkeeping system	
457(b) and 457(f)		
14	Describe your 501c3 457b and 457f recordkeeping capabilities.	
15	For 501c3 457b plans which allow elective deferrals, do you monitor those limits, what notice to participants do you provide if they are exceeded, and what corrective actions do you take?	
16	Can the plan use the exact same fund lineup in the 457b and 457f as in the 403b plan?	
17	Do you run 457b "Catch-up" calculations for those within 3 years of normal retirement age to determine unused deferrals and other IRS provisions? Do you provide the participant and/or employer with a copy of that calculation?	
18	Describe the Federal and State tax reporting you provide for 501c3 457b and 457f plans	
19	Do you administer 457b "hardship withdrawals" requests and if so, describe?	
20	Do you administer 457b "termination" distribution elections and if so, describe?	
21	Do you administer Federal Income Tax withholding for 457b and 457f plans, and if so describe?	
22	Do you administer State Income Tax withholding for 457b and 457f plans, and if so describe?	
	<i>What State do you use for that purpose – domicile or state of employment?</i>	
403b MASTER ADMINISTRATOR		
<p>The term "Master Administrator" is intended to apply to a situation where more than one recordkeeper is used by the institution – but the institution wants to roll-up all report-writing, participant statements, data mining, internet viewing into a single source.</p>		
23	Can (and will) you serve as the Master Recordkeeper/Administrator if this client wishes to retain one or more existing investment provider platforms?	
24	Are there conditions to you serving in this capacity (for instance, all new monies must go to you) and if so, describe those conditions	
25	If you serve in that capacity, will you be able to provide your full suite of data mining (plan sponsor + plan participant) and report writing?	
26	In the context of others like you who may be able to provide this service, what – if anything – do you think differentiates your capabilities?	
27	Describe in detail, including timing, how your system processes withdrawals (i.e. in-service and hardship withdrawals) when there are legacy vendors.	

28	Describe any situation that would impose a cost for using this Master Administrator service.	
403b INFORMATION SHARING		
To differentiate "Information Sharing" from "Master Administrator," the term "Information Sharing" applies to a situation where the Plan Sponsor decides to go to a single recordkeeper on a go-forward basis but assets remain with one or more of the prior carriers either because there are surrender charges, liquidity lockup, and/or are in individual contracts, which either the Plan Sponsor is unable (or elects not) to direct to a group contract and the individual contract holder takes no affirmative action to move her/his assets to the new recordkeeper.		
29	If the Plan Sponsor were to elect – on a go forward basis – to move to a single carrier and some account balances were left in "existing" individual contracts, can you describe your ability to account for those "old" account balances on a go forward basis on the Participant Statements you prepare?	
30	Please confirm the process that will be used in sharing data with legacy vendors, primarily for purposes of processing new loans and hardship withdrawals, assuming that participants will still be able to request new loans and hardship withdrawals from the legacy vendors.	
31	Has your firm developed its information sharing solution in-house or through a third party? Please explain.	
32	How many different Recordkeepers do you have an information sharing agreement with?	
33	How many different Recordkeepers has your firm executed information sharing test files with?	
INDIVIDUAL VS. GROUP CONTRACTS		
34	Explain your ability to facilitate employees' voluntary elections to transfer funds from any existing annuity contracts to the new 403(b) Plan fund line up, including time frame and controls.	
35	Is a "black-out" period required? If yes, what is restricted or not available during that time? How long is the "black-out" period?	
36	What involvement will be required from the Plan Sponsor and the current vendors in order to accommodate voluntary transfers?	
37	Do you have any limitations as to the format/media of transfer records?	
38	How are investments handled during the transfer process?	
39	Do you provide a dedicated conversion team? If yes, please describe.	
40	Describe your process to ensure accurate transfer of all historical data, such as contribution source.	
41	Describe your process for consulting with participants about moving from an individual contract to a group contract, is there a fee for this service?	
CUSTODIAN / TRUSTEE		
42	Will you act as custodian for, or provide annuity services to, the 403(b) Plan – and if not you, who?	
43	If you provide custodian/trustee services, what are your fiduciary responsibilities?	
44	Is your custodial/trust accounting system integrated with your record keeping system?	
45	Will you act as custodian for outside mutual funds?	
46	Do you provide the Plan Sponsor with an annual (at least) custodian/trustee reconciliation report of plan assets?	
INVESTMENT "REVENUE SHARING"		
47	Do you accept soft dollars from any source and for any use? If so, please explain.	
48	Do you credit 100% of revenue-sharing dollars received? If not, please explain.	
49	Do you credit revenue sharing received from all sources? If not, please explain.	
50	If you have proprietary funds, what amount of revenue	

	sharing will you credit against the Plan Sponsor's recordkeeping costs for those proprietary, a) equity funds and, b) fixed income funds?	
51	If we want to use an NSCC fund with which you do not have a trading agreement, under what circumstances will you allow us to do so and at what cost?	
52	If we want to use an NSCC fund with which you do not have a trading agreement, under what circumstances will you not allow us to do so?	
STABLE ASSET FUNDS		
The purpose of this Section is to see what alternatives you would make available to the Plan Sponsor in the "stable value" space understanding that 403b plans cannot use stable value funds per se.		
53	What Stable Asset Funds are available through your company?	
54	Do you or your parent company offer a proprietary Stable Asset Fund and if so, what are its policies for: <i>Participant-initiated withdrawals</i> <i>Plan sponsor-initiated withdrawals</i> <i>Inter-fund transfers</i>	
55	For your proprietary Stable Asset Fund, please list its composition as follows: <i>Insurance Company General Account Assets %</i> <i>Traditional GICs %</i> <i>Synthetic GICs %</i> <i>Insurance Company Separate Account Assets %</i> <i>BICs %</i> <i>STIF/Cash Equivalents %</i> <i>Other %</i> <i>Total (100%)</i>	
56	For your proprietary Stable Asset Fund, please list its liquidity management as follows: <i>Percentage of holdings in cash – normal range</i> <i>Percentage of contracts with benefit responsive features</i> <i>Percentage of contracts with one-year put options</i> <i>Weighted average maturity – normal range</i>	
57	For your proprietary Stable Asset Fund, please list its "best execution" procedure as follows: <i>Do you buy/sell any securities through a broker-dealer with which you are affiliated or in which you have a shared ownership – and if so explain</i> <i>Do you have a formal/written "best execution" procedure and if so what is it and do you follow it for every transaction?</i>	
58	For GIC or separate account products, provide the average credit quality of the portfolio and percentage in each investment grade as categorized by S&P and Moody's.	
59	If your fund is a general account annuity product, provide your company's A.M. Best, S&P, Moody's, and Duff & Phelps ratings. <i>What is the adjusted capital and surplus as a percentage of the general account assets?</i> <i>What is the risk-based capital ratio?</i>	
60	Provide the portfolio's average maturity and duration as of December 31 for each of the last five years.	
61	Does your proprietary Stable Asset Fund product offer a contractually guaranteed long-term interest rate? If so, how long does it remain in force?	
62	State the interest rate currently in effect and the date through which that rate is effective. This rate should be stated as an effective annual yield.	
63	Provide a complete history of your company's actual	

	interest crediting rates for the 12-month period ending on December 31, 2014.	
64	Describe your company's interest crediting method. If other than the portfolio method, include above the effective annual yield credited for each band, cell or investment year.	
65	What is the frequency of crediting rate changes	
66	What are the consequences (to the Plan Participants and plan Sponsor) if the Plan Sponsor chooses to move to a different Stable Value fund on your platform?	
67	What are the consequences (to the Plan Participants and Plan Sponsor) if the Plan Sponsor terminates services with your company?	
68	What amount of revenue-sharing will be credited your proprietary Stable Asset Fund?	
69	Describe your Stable Asset Fund Notice ("put") requirement and whether in last five years you have triggered a put requirement, if applicable.	
70	Please describe all options your firm would provide to manage a Stable Asset Fund during a "put" period, as well as any cost.	
FLOAT AS REVENUE		
71	How does your firm use bank accounts for plan recordkeeping?	
72	How long do funds attributable to contributions remain in the omnibus or other bank account?	
73	How long do funds attributable to exchanges remain in the omnibus or other bank account?	
74	How long do funds attributable to loans, withdrawals and distributions remain in the omnibus or other bank account?	
75	How fast does your organization remit withholding and mail loan, withdrawal or distribution checks?	
76	How fast does your organization transfer funds for direct rollovers?	
77	How do you handle uncashed checks?	
78	How do you handle "float" revenue gained on these transactions?	
CLIENT SERVICE		
79	Where is (are) your operation offices located?	
80	Where is your call center located? Include back-up locations.	
81	Where are your Client Service Administrators and Relationship Managers located?	
82	Total number of Client Service Administrators	
83	Will there be a dedicated client service manager assigned to this account and who will be the main contact for the daily administrative needs of this plan?	
84	Average Client Service Administrator tenure	
85	Average number of plans per Client Service Administrator	
86	Client Service Administrator turnover during last 3 years	
87	Total number of Relationship Managers	
88	Will there be a dedicated Relationship Manager assigned to this account?	
89	Average Relationship Manager tenure	
90	Average number of plans per Relationship Manager	
91	Relationship Manager turnover during last 3 years	
92	Are your plans managed by one person or a team?	
93	Are the Client Service Administrators or Relationship Managers compensated according to plan retention and customer satisfaction?	
94	What is the average client (e.g. Plan Sponsor) tenure for all retirement plans serviced by your organization?	

	Please provide a number and a percent.	
95	How many clients have you lost in the past 3 years for <u>all retirement plans</u> serviced by your organization? Please provide a number and a percent.	
96	What is the average client (e.g. Plan Sponsor) tenure for <u>403(b)</u> plans serviced by your organization? Please provide a number and a percent.	
97	How many clients have you lost in the past 3 years for <u>403(b)</u> plans serviced by your organization? Please provide a number and a percent.	
98	How many clients were lost due to service issues with your company? Please describe.	
99	How many clients were lost due to service issues with your alliance partners, if applicable? Please describe.	
RECORDKEEPING		
100	What recordkeeping platform do you use (Schwab Retirement Technologies; SunGard; WySTAR, etc.) – and since when?	
	<i>Is the same platform used for both qualified and non-qualified plans?</i>	
101	Systems Limitations - number of investment options	
102	Systems Limitations - number of money types / sources	
103	Systems Limitations - number of loans per participant	
104	Systems Limitations - fund transfer frequency	
105	Fully integrated in real-time – VRU, Web, R/K	
106	Do all clients receive all enhancements simultaneously	
107	Have upgrades ever caused blackouts and if so explain	
108	Can the Plan Sponsor limit participant fund transfers	
109	Number of different vesting schedules your system is able to maintain	
110	Fund Transfer allocation methods - %, \$ or both	
111	Describe in detail, including timing, how your system processes:	
	<i>Lump-sum distributions</i>	
	<i>Systematic payments/installments</i>	
	<i>Annuities conversion/distributions</i>	
	<i>Rollovers to another plan or an IRA</i>	
	<i>In-service transfers and rollovers into the plan</i>	
	<i>Retroactive account adjustments</i>	
112	There will be both employee and employer contributions. Please confirm your ability to track separately employee and employer contributions.	
123	Please provide specifications for the transfer of data.	
124	Please describe how your safeguard data-exchanges and are these exchanges always encrypted?	
3(16) ADMINISTRATIVE OUTSOURCING		
125	Will you act – in whole or in part – the plan's designated 3(16) "Administrator" and if so please paste as your answer the verbiage in your Service Agreement in which you acknowledge that acceptance	
126	Will you agree to serve as the plan's "Named Fiduciary"	
127	Does your Service Agreement limit the scope or liability of acting as the plan's 3(16) Administrator and if so please paste as your answer that limiting language.	
128	For the administration of the plan that you agree to undertake, how will you help the Plan Sponsor differentiate between "Settlor" vs "Ministerial" Administrative functions to ensure that participants are not covering "Settlor" costs?	
	Which of the following administrative functions will you agree to perform	
129	Form 5500 Filings	

	<i>Prepare</i>	
	<i>Sign</i>	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
	<i>Please note any additional cost for this service.</i>	
130	Monitor deposits to ensure that they are remitted in a timely manner	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
131	Maintain plan document as it relates to plan amendments and changes	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
132	QDRO determinations/approval	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
133	Hardship withdrawal determination	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
134	Benefit payments	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
135	Loan review and approval administration	
136	Do you execute and maintain a written loan procedure, if so do you ensure that they are followed?	
137	Do you set the interest rate on the loan?	
138	Do you establish default procedures for loans	
139	Monitoring # of outstanding loans and balances	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
140	Eligibility determinations and notification	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
141	Preparation of enrollment packages for newly eligible participants	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
	Paperless enrollment	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
142	Approval of rollovers into the Plan	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
143	Determination of participant disability	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
144	Distribution of Notices to participants/beneficiaries	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
145	Preparation of Summary Annual Reports (SAR)	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
146	Preparation of Summary Plan Descriptions (SPD)	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
147	Comply with 404(a)(5) disclosures	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	
148	Vesting Calculation	
	<i>Will you accept 3(16) Administrator designation?</i>	
	<i>Will you accept 3(21) Fiduciary delegation?</i>	

149	Re-Hire vesting	
	Will you accept 3(16) Administrator designation?	
	Will you accept 3(21) Fiduciary delegation?	
150	Beneficiary Designation	
	Will you accept 3(16) Administrator designation?	
	Will you accept 3(21) Fiduciary delegation?	
151	In-Service Withdrawal Approval	
	Will you accept 3(16) Administrator designation?	
	Will you accept 3(21) Fiduciary delegation?	
152	RMD Administration	
	Will you accept 3(16) Administrator designation?	
	Will you accept 3(21) Fiduciary delegation?	
153	Payroll deduction election	
	Will you accept 3(16) Administrator designation?	
	Will you accept 3(21) Fiduciary delegation?	
154	Safe Harbor Hardship Approval	
	Will you accept 3(16) Administrator designation?	
	Will you accept 3(21) Fiduciary delegation?	
155	Termination and distribution of de minimis balances	
	Will you accept 3(16) Administrator designation?	
	Will you accept 3(21) Fiduciary delegation?	
156	404a-5 disclosures	
	Will you accept 3(16) Administrator designation?	
	Will you accept 3(21) Fiduciary delegation?	
YOUR ADMINISTRATIVE PROCESSES		
157	Will you track eligibility and if so at what cost and ongoing input from Plan Sponsor	
	Specify/describe electronic, manual or both	
158	Describe your process(es) for tracking beneficiary designations	
	Specify/describe electronic, manual or both	
159	Will you track beneficiary designations <u>online</u> and if so at what cost	
160	Will you track beneficiary designations through <u>paper forms</u> and if so at what cost	
	If yes, do you require your form?	
	If yes, will you use the plan sponsor's form?	
161	Will you track beneficiary designations using both methods	
162	If client's ERISA counsel wants, 1) a full set of prospectuses, and 2) the SPD to be sent to each newly eligible participant, will you include these items with your enrollment kit? Note any additional cost.	
	Specify/describe electronic, manual or both	
163	Are you able to track a participant's initial purchase of an investment and then send a prospectus? Note any additional cost.	
	Specify/describe electronic, manual or both	
164	If you do track investments and send out prospectuses – do you do so for all funds, e.g. proprietary and non-proprietary?	
	Specify/describe electronic, manual or both	
165	Are you able to support, in a manner compliant with recently revised regulations, annuity contract exchanges?	
	Specify/describe electronic, manual or both	
166	To what extent will you fully outsource QDRO's? Are you able to both qualify and / or split a DRO?	
167	Will you approve and administer hardship withdrawals? If so, please describe your process.	
	Specify/describe electronic, manual or both	
168	Will you require hardship documentation from the participant before approving a withdrawal? Will you	

	process a hardship withdrawal without documentation?	
	<i>Specify/describe electronic, manual or both</i>	
169	List administrative-outsourcing won't you take-on.	
170	What divisions of your organization, or your service partner organizations, use offices located outside the U.S. for <u>any</u> administration, operations and recordkeeping or call center services? Note division and off-shore location(s).	
171	What divisions of your organization, or your service partner organizations, are looking at off-shoring as an option? Note division and possible off-shore location(s).	
172	Do you use independent contractors to help you provide services? If so, please identify below the company and how long they have been a partner.	
	<i>Recordkeeping</i>	
	<i>Administration</i>	
	<i>Compliance Testing</i>	
	<i>VRU or Call Center</i>	
	<i>Internet</i>	
	<i>Participant Statements</i>	
	<i>Participant Newsletters</i>	
	<i>Plan Sponsor Regulatory Newsletters</i>	
	<i>Participant Enrollment Kits</i>	
	<i>Financial Planning/Advisory Software</i>	
	<i>Form 5500 Preparation</i>	
	<i>1099R Tax Forms & Filings</i>	
	<i>Other (Specify):</i>	
LOANS & LOAN PROCESSING		
173	Briefly describe your paperless loan process.	
174	Through what medium(s) can a participant initiate a paperless loan (e.g. Call Center, VRU, Internet)?	
175	For paperless loans, how long between time participant initiates the loan and your firm mails the check?	
176	For paperless loans, is the Plan Sponsor's administrative role eliminated? If not, please describe.	
177	Notwithstanding your paperless loan capability, can the client continue to use a fully paper-driven process if desired? Briefly describe this process.	
178	Through what medium(s) can a participant initiate a paper-driven loan (e.g. Call Center, VRU, Internet)?	
179	Describe loan repayment methods you are able to accommodate (e.g. payroll deduction, check from participant, money order, ACH, etc.)	
180	Are you able to manage loan payments after separation from service? If so, briefly describe your process.	
181	Will you manage and update loan interest rates on your system as stated in the plan document? If not, how are interest rates updated in your system.	
182	How do you handle delinquent and/or defaulted loans?	
183	What responsibility does the Plan Sponsor retain for initial and on-going loan servicing?	
184	Do you maintain all loan documentation (i.e., promissory notes) as part of your files?	
AUTOMATIC ENROLLMENT & DEFERRAL STEP-UP		
185	Describe your automatic enrollment process.	
186	Describe your automatic elective deferral step-up process.	
187	Describe your process to implement these features during conversion, including any additional cost.	
188	Because it would lend itself to an annual education campaign, if we wanted deferral step-ups to all occur at same time year-after-year, would you accommodate?	
PAYROLL		

189	Briefly describe your payroll process.	
190	What methods are available for the plan sponsor to submit payroll/contributions files? Include your preferred method as well as other options available to the client.	
191	Are you able to accept feeds directly from a payroll provider? If so, please indicate which providers and briefly summarize the process. Note any additional cost.	
192	How long does your Service Agreement allow you to scrub payroll files? How long does it usually take you to scrub payroll files?	
193	Will you process partial payroll/contributions files if the file has a minor flaw such as a wrong social security number?	
194	Do you need control totals from the plan sponsor?	
195	What is your preferred contribution remittance method, meaning how would you like the receive funding? What other methods will you allow? (E.g. ACH, check, wire)	
196	Do you charge for excessive payroll files? If so, please note cost and describe what you consider excessive.	

PARTICIPANT STATEMENTS

197	Do you provide the plan sponsor the option of using paper and / or electronic statements? Is there a cost for either?	
198	Which method(s) of providing your standard statement is included in this proposal at no additional cost, meaning what is your default statement method?	
199	How can a participant request a duplicate statement?	
200	Do you have Statements-on-Demand?	
201	Can you accommodate multiple plans on 1 statement?	
202	Can you accommodate multiple plans with multiple vesting schedules on 1 statement?	
203	Do you show Personalized Rates of Return on the statements? Include frequency available (e.g. monthly, quarterly, annually, etc.)	
204	Can you show comparable indices (e.g., S&P 500, etc.)?	
205	Can we specify which indices to use?	
206	Can you show beneficiary designations?	
207	Can you show elective deferral percentage?	
208	Can you show contributions since inception with your organization?	
209	Can you show contributions since inception (life-time contributions) if data is provided from prior recordkeeper(s)?	
210	There will be both employee and employer contributions. Please confirm your ability show both separately (per contribution period and cumulatively) employee and employer contributions	
211	Describe in detail your system's vesting capability with regard to employer contributions.	
212	Can you provide consolidated statements that account for the:	
	<i>Core 403(b) benefit?</i>	
	<i>Employer 403(b) match benefit?</i>	
	<i>Employer pre-tax contributions?</i>	
	<i>Employee after-tax (Roth) savings?</i>	
	<i>Transfer/rollover 403(b) contributions?</i>	
	<i>Nonqualified 457(b) and 457(f) Plans</i>	
	What information, and at what frequency, would you require in order to prepare these consolidated statements?	

INTERNET / VRU / CSR

213	Provide the address & password for the participant	
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	demonstration web-site.	
214	Provide the address & password for the plan sponsor demonstration web-site.	
215	Can the website accommodate multiple plans with 1 PIN?	
216	Can participants request information or help via chat with your call center?	
217	Can participants request information via e-mail with your call center?	
218	Average time your call center has to respond to participant inquiries via e-mail.	
219	Do you provide for participant enrollment via Internet?	
220	Do you provide for participant enrollment via VRU?	
221	Do you provide for participant enrollment via CSR?	
222	Do you provide for participant enrollment via paper forms? If so, briefly describe the process.	
223	Are all participant and plan sponsor forms on Internet?	
224	Are personalized rates of return available through the VRU, Internet & CSR? Specify which.	
225	Can participants customize the timeframe of personalized rates of return on the VRU, Internet & CSR? Specify which.	
226	Is VRU, Internet & call center integrated such that if participant enters a change through the call center it will immediately appear on internet and/or VRU?	
227	Is the internet transparent such that CSR's can see exactly where participant's cursor is so as to be able to ensure that s/he is doing what s/he intends to be doing?	
228	What are the hours of CSR availability? Please specify for the Central Time Zone .	
229	Are the CSR's your employees or are they contracted?	
230	Average CSR Tenure.	
231	CSR turnover – last 3 years.	
232	CSR Licensure requirements.	
233	What is the average length of on-hold time? (Not average speed of answer or your call center service standard)	
234	What is the average abandon rate?	
235	Number of CSR's.	
236	How many foreign language interpreters do you have on staff in your call center? What languages do they speak (do not include the Language Line in this answer)	
237	Do you offer your clients the use of the Language Line for interpretation services? Is there a cost to the plan sponsor?	
238	What is your CSR to Participant ratio?	
239	Process for replacing lost or forgotten PIN.	
240	If participant wants, can the plan sponsor look-up the participant's lost or forgotten PIN.	
241	Do you offer a mobile phone application for participant account access? If so, is the app read only or does it provide transaction capabilities?	
COMMUNICATION & EDUCATION		
242	Are you able to send enrollment booklets to newly eligible employees' homes (as they become eligible), or is the sponsor responsible for distributing?	
243	Describe what is included in your standard education and communication plan. Attach samples (please do not insert samples or charts into this questionnaire).	
244	Can the Plan Sponsor customize a section of your quarterly newsletter?	
245	Can the Plan Sponsor insert materials to be sent with participant statements?	
246	How many foreign language interpreters do you have on staff in your communications/education department?	

	(Not call center). Include languages.	
247	What foreign language written material can you provide?	
248	Do you charge extra - and if so, how much - for foreign language written material?	
249	Do you subscribe to some form of web-based communication system (e.g. WebEx) and if so, can our client use it to host education seminars?	
250	How many education days for initial enrollment have you factored into this proposal?	
251	How many education days on an ongoing annual basis have you factored into this proposal?	
	<i>For ongoing education, please list types of seminars available. Include whether budgeting, housing, and/or other financial wellness seminars are included.</i>	
252	If you charge for travel, what is your fee policy?	
253	Please give two (2) quantitatively measurable success stories evidencing the success of your communication and education (and plan design)	
254	Can you create customized hypothetical retirement projections for participants utilizing their existing account balances and current deferral percentage? If so, please provide a sample.	

PARTICIPANT DISTRIBUTION

255	Do you provide Participant Distribution counseling to participants?	
256	When you are providing distribution recommendations, will you agree to act as a fiduciary to the plan and the participant?	
257	Do you account for pre-1987 contributions and earnings when calculating Required Minimum Distributions (RMD's) so as to be able apply the age 75 rule to them?	
258	Do you have a RMD program that makes the calculations for the participant and makes the withdrawals automatically on their behalf?	
259	Describe in detail how your system processes Required Minimum Distributions. Do you provide participants with guidance on determining the required minimum annual distribution and annual re-computations?	

GUIDANCE & ADVICE TOOLS

260	Do you provide investment advice to the Plan Sponsor?	
261	Do you provide investment advice to plan participants?	
262	Describe your guidance product and cost. (Guidance means to provides asset classes in which participant should invest).	
	<i>Is there a Spanish component to this product?</i>	
263	Describe your advice product and cost. (Advice means provides specific funds within core lineup in which participants should invest).	
	<i>Is there a Spanish component to this product?</i>	
264	Is the Advice product in the preceding question formatted to execute the advice automatically at the end of the sequence if the participant chooses to accept the advice?	
265	Describe your discretionary managed account service and cost. (Assumes discretionary control over participant's account).	
	<i>Is the core-fund lineup used for this product?</i>	
	<i>Is there a Spanish component to this product?</i>	
266	Do you have a "probability" based wealth-accumulation retirement calculator?	
267	Do you have a "probability" based wealth-depletion retirement calculator?	

MUTUAL FUND WINDOW		
268	Describe your -Mutual Fund Window (MFW) option(s). Include whether contributions can be sent directly to the MFW or whether contributions need to be initially invested in the core funds.	
269	Is there a minimum balance required to open an account?	
270	What investment options are available?	
271	Can the plan sponsor limit the available investment options?	
272	Can the plan sponsor limit the percent of a participant's account balance available for transfer to the MFW?	
273	Can the plan sponsor limit the money sources available for transfer to the MFW?	
274	What are the plan sponsor and/or participant fees for MFWs? How are participant fees collected?	
275	If your firm collects recordkeeping fees through plan assets, how do you propose to charge an equitable fee to participants with 100% of assets in the MFW?	
MODEL PORTFOLIOS & AUTOMATIC REBALANCING		
PLEASE INCLUDE ATTACHED TO YOUR RESPONSE INTERNET SCREENSHOTS THAT SHOW THE FOLLOWING:		
1)	HOW AN RIA'S MODEL PORTFOLIOS WILL LOOK;	
2)	HOW A PARTICIPANT CHANGES FUTURE CONTRIBUTIONS;	
3)	HOW A PARTICIPANT CHANGES EXISTING BALANCES.	
276	Can you accommodate unitized custom model portfolios?	
	<i>If so, how many portfolios are allowed?</i>	
	<i>What is the initial and ongoing cost?</i>	
277	Can you accommodate / administer RIA developed custom RISK-BASED asset allocation model portfolios? How many portfolios are allowed?	
278	Can you accommodate / administer RIA developed custom AGE-BASED (target date) asset allocation model portfolios? How many portfolios are allowed?	
279	Describe how your system manages the glide path for the RIA developed AGE-BASED model portfolios. Meaning does the recordkeeping system move participants through the glide path or is the RIA responsible for adjusting the allocation for each age band?	
280	Can your system be structured such that by choosing a Model Portfolio a participant's future contribution election AND existing balance are allocated to the chosen Model?	
281	Can you automatically rebalance RIA Custom Model Portfolios? What frequency is available?	
282	Can RIA Custom Model Portfolios be structured to supersede all other elections such that all monies will be rolled into it upon Automatic Rebalancing?	
283	Can the RIA Custom Model Portfolios be set up such that they become an all-or-nothing choice? In other words, we do not want a participant to place 50% of their money in Portfolio 1 and 50% in Portfolio 2.	
284	Can the system be set up so that all participants are automatically enrolled to have their accounts rebalanced, regardless of whether or not they are in a model?	
285	Can a rebalancing be completed at the end of the blackout period so as to honor participants' new investment instructions collected during the conversion?	
286	Can participants choose their own custom allocation and elect to have it automatically rebalanced?	
287	If we add a fund to a model that we do not want available in the core fund line-up, can you <u>exclude</u> the fund so participants cannot select it as an investment option?	
288	Can you <u>limit</u> the use of a certain select fund to a set	

	percentage of a participant's <u>existing balance</u> ? This limit would be set by the Plan.	
289	Can you <u>limit</u> the use of a certain select fund to a set percentage of a participant's <u>future contribution</u> election? This limit would be set by the Plan.	
290	We would like the flexibility of offering our clients the option of passing our fees through to participants. To be precise, we would like only those participants who use one of our Model Portfolios (or QDIA) to be charged a fee and we would like that fee to be deducted pro rata from each user's account quarterly. Please confirm you would be able to, 1) identify participants in our Model Portfolios (or QDIA), and 2) deduct a fee from only those participants' accounts.	
291	Do these customized target date and/or asset allocation models automatically provide for age migration on your system as participant nears retirement? Note: this question does NOT apply to target date, lifestyle, or asset allocation funds. It applies ONLY to customized asset allocation and/or target date models .	

NOTICES

The Pension Protection Act (PPA) approved several new plan designs which require initial and ongoing Notices. The Department of Labor also issued final regulations pertaining to the delivery of plan materials. **Ultimately, the client would hope that the recordkeeper it hires would take ownership of both preparing and delivering all Notices.** The purpose of this section is to find out whether those expectations are consistent with yours.

292	UNIVERSAL AVAILABILITY	
	Will you provide the plan sponsor with a complete notice (final version) or a template the plan sponsor must modify? Please indicate if this is initial, ongoing, or both	
	How will you distribute this notice:	
	<i>Post to web</i>	
	<i>Deliver to plan sponsor to distribute</i>	
	<i>Deliver to plan participant via Email</i>	
	<i>Deliver to plan participant via US Mail</i>	
	What is your typical postage cost per participant and is this passed through to the plan?	
293	404(C) NOTICE	
	Will you provide the plan sponsor with a complete notice (final version) or a template the plan sponsor must modify? Please indicate if this is initial, ongoing, or both	
	How will you distribute this notice:	
	<i>Post to web</i>	
	<i>Deliver to plan sponsor to distribute</i>	
	<i>Deliver to plan participant via Email</i>	
	<i>Deliver to plan participant via US Mail</i>	
	What is your typical postage cost per participant and is this passed through to the plan?	
294	SARBANES-OXLEY BLACKOUT	
	Will you provide the plan sponsor with a complete notice (final version) or a template the plan sponsor must modify? Please indicate if this is initial, ongoing, or both	
	How will you distribute this notice:	
	<i>Post to web</i>	
	<i>Deliver to plan sponsor to distribute</i>	
	<i>Deliver to plan participant via Email</i>	
	<i>Deliver to plan participant via US Mail</i>	
	What is your typical postage cost per participant and is this passed through to the plan?	
295	QUALIFIED DEFAULT INVESTMENT ALTERNATIVE (QDIA)	
	Will you provide the plan sponsor with a complete notice (final version) or a template the plan sponsor must modify? Please indicate if this is initial, ongoing, or both	
	How will you distribute this notice:	

	<i>Post to web</i>	
	<i>Deliver to plan sponsor to distribute</i>	
	<i>Deliver to plan participant via Email</i>	
	<i>Deliver to plan participant via US Mail</i>	
	What is your typical postage cost per participant and is this passed through to the plan?	
296	AUTOMATE CONTRIBUTION ARRANGEMENT (ACA)	
	Will you provide the plan sponsor with a complete notice (final version) or a template the plan sponsor must modify? Please indicate if this is initial, ongoing, or both	
	How will you distribute this notice:	
	<i>Post to web</i>	
	<i>Deliver to plan sponsor to distribute</i>	
	<i>Deliver to plan participant via Email</i>	
	<i>Deliver to plan participant via US Mail</i>	
	What is your typical postage cost per participant and is this passed through to the plan?	
297	ELIGIBLE AUTO CONTRIBUTION ARRANGEMENT (EACA)	
	Will you provide the plan sponsor with a complete notice (final version) or a template the plan sponsor must modify? Please indicate if this is initial, ongoing, or both	
	How will you distribute this notice:	
	<i>Post to web</i>	
	<i>Deliver to plan sponsor to distribute</i>	
	<i>Deliver to plan participant via Email</i>	
	<i>Deliver to plan participant via US Mail</i>	
	What is your typical postage cost per participant and is this passed through to the plan?	
298	QUALIFIED AUTO CONTRIBUTION ARRANGEMENT (QACA)	
	Will you provide the plan sponsor with a complete notice (final version) or a template the plan sponsor must modify? Please indicate if this is initial, ongoing, or both	
	How will you distribute this notice:	
	<i>Post to web</i>	
	<i>Deliver to plan sponsor to distribute</i>	
	<i>Deliver to plan participant via Email</i>	
	<i>Deliver to plan participant via US Mail</i>	
	What is your typical postage cost per participant and is this passed through to the plan?	
299	SAFE HARBOR NOTICE	
	Will you provide the plan sponsor with a complete notice (final version) or a template the plan sponsor must modify? Please indicate if this is initial, ongoing, or both	
	How will you distribute this notice:	
	<i>Post to web</i>	
	<i>Deliver to plan sponsor to distribute</i>	
	<i>Deliver to plan participant via Email</i>	
	<i>Deliver to plan participant via US Mail</i>	
	What is your typical postage cost per participant and is this passed through to the plan?	
300	404(a)(5) PARTICIPANT FEE DISCLOSURE - ANNUAL	
	Will you provide the plan sponsor with a complete notice (final version) or a template the plan sponsor must modify? Please indicate if this is initial, ongoing, or both	
	How will you distribute this notice:	
	<i>Post to web</i>	
	<i>Deliver to plan sponsor to distribute</i>	
	<i>Deliver to plan participant via Email</i>	
	<i>Deliver to plan participant via US Mail</i>	
	What is your typical postage cost per participant and is this passed through to the plan?	

301	404(a)(5) PARTICIPANT FEE DISCLOSURE - CHANGES	
	Will you provide the plan sponsor with a complete notice (final version) or a template the plan sponsor must modify? Please indicate if this is initial, ongoing, or both	
	How will you distribute this notice:	
	<i>Post to web</i>	
	<i>Deliver to plan sponsor to distribute</i>	
	<i>Deliver to plan participant via Email</i>	
	<i>Deliver to plan participant via US Mail</i>	
	What is your typical postage cost per participant and is this passed through to the plan?	
302	SUMMARY PLAN DESCRIPTION (SPD)	
	Will you provide the plan sponsor with a complete notice (final version) or a template the plan sponsor must modify? Please indicate if this is initial, ongoing, or both	
	How will you distribute this notice:	
	<i>Post to web</i>	
	<i>Deliver to plan sponsor to distribute</i>	
	<i>Deliver to plan participant via Email</i>	
	<i>Deliver to plan participant via US Mail</i>	
	What is your typical postage cost per participant and is this passed through to the plan?	
303	SUMMARY OF MATERIAL MODIFICATION (SMM)	
	Will you provide the plan sponsor with a complete notice (final version) or a template the plan sponsor must modify? Please indicate if this is initial, ongoing, or both	
	How will you distribute this notice:	
	<i>Post to web</i>	
	<i>Deliver to plan sponsor to distribute</i>	
	<i>Deliver to plan participant via Email</i>	
	<i>Deliver to plan participant via US Mail</i>	
	What is your typical postage cost per participant and is this passed through to the plan?	
304	SUMMARY ANNUAL REPORT (SAR)	
	Will you provide the plan sponsor with a complete notice (final version) or a template the plan sponsor must modify? Please indicate if this is initial, ongoing, or both	
	How will you distribute this notice:	
	<i>Post to web</i>	
	<i>Deliver to plan sponsor to distribute</i>	
	<i>Deliver to plan participant via Email</i>	
	<i>Deliver to plan participant via US Mail</i>	
	What is your typical postage cost per participant and is this passed through to the plan?	
QUALIFIED DEFAULT INVESTMENT ALTERNATIVES (QDIA'S)		
The QDIA Regulation describes three (3) kinds of acceptable solutions for a Qualified Default Investment Alternative: 1) Product, 2) Portfolio, and 3) Service. The purpose of this section is to find out which of these versions you can support on your recordkeeping platform, on the Internet and in your participant statements.		
305	If a Target Date mutual fund (e.g. "product") is used as a QDIA – and it is also offered, separately, as a "Designated Investment Alternative" – can and do you track which participants are in it as a QDIA and which are in it as a DIA?	
306	Are you able to track a participant who is in a QDIA who subsequently makes an elective/voluntary/affirmative investment decision (example: directs "future" contributions), thereby no longer being deemed to be a "defaulted" participant and thereby no longer a QDIA participant/beneficiary?	
307	When a participant/beneficiary who is in a QDIA but thereafter makes an affirmative investment election, how do you show them on their statement and/or alert them that the monies previously held in a QDIA are no longer QDIA monies?	

308	If you have proprietary target-date life-style funds, describe the assumptions they use for their target allocations, meaning at what age do they become the most conservative (e.g. "to retirement" – age 65, or "through retirement" – past age 65).	
309	If Advanced Capital Group creates a customized risk- or age-based model portfolio for our client, will your system allow this set of portfolios to be the plan's QDIA.	

404(A)(5) PARTICIPANT FEE DISCLOSURE

310	Will you accept (in whole) the designation of you by the Plan Administrator to act on its behalf to provide directly (e.g. without involvement of the Plan Administrator) to each participant or beneficiary the plan-related information described in paragraphs (c)(1) through (4) on or before the date on which a participant or beneficiary can first direct his or her investments and at least annually thereafter? <i>(C)(1)(i): General Information</i> <i>(C)(2)(i)(A): Administrative Expenses</i> <i>(C)(3)(i)(A): Individual Expenses/Fees</i> <i>(C)(4): Disclosures on or before first investment</i>	
311	What form of disclosure will you use to satisfy paragraphs (c)(1)(i), (c)(2)(i)(A), and (c)(3)(i)(A) above. E.g. the Rule specifies that the information required in the paragraphs above to be disclosed to each participant/beneficiary on or before the date of her/his first investment can be via the Plan's Summary Plan Description or pension benefit statement. What medium will you use?	
312	If you will require the ongoing involvement of the Plan Administrator in the foregoing in any way, please describe.	
313	Will you accept (in whole) the designation of you by the Plan Administrator to act on its behalf to provide directly (e.g. without involvement of the Plan Administrator) to each participant or beneficiary the investment-related information described in paragraph (d)(1) on or before the date on which a participant or beneficiary can first direct his or her investments and at least annually thereafter for each designated investment alternative?	
314	Information to be provided automatically for each designated investment alternative. <i>Identifying information</i> <i>Performance Data</i> <i>Benchmarks</i> <i>Fee and expense information</i> <i>Internet Web site address</i> <i>Glossary</i> <i>Annuity Options</i> <i>Identifying information</i>	
315	What form of disclosure will you use to satisfy paragraph (d)(1) above. E.g. the Rule specifies that the information required in paragraph (d)(1) above to be disclosed to each participant/beneficiary on or before the date of her/his first investment can be via the "Comparative Format" set out in (d)(2) . What medium will you use? <i>Model Comparative Chart attached to Rule as "Appendix"</i> <i>Other (describe)</i>	
316	If you will require the ongoing involvement of the Plan Administrator in the foregoing in any way, please describe.	
317	Will you accept (in whole) the designation of you by the Plan Administrator to act on its behalf to provide directly (e.g. without involvement of the Plan Administrator) to each investing participant or beneficiary, subsequent to an	

	investment in a designated investment alternative, and as set forth in paragraph (d)(3) any materials provided to the plan relating to the exercise of voting, tender and similar rights appurtenant to the investment, to the extent that such rights are passed through to such participant or beneficiary under the terms of the plan?	
318	If you will require the ongoing involvement of the Plan Administrator in the foregoing in any way, please describe.	
319	Will you accept (in whole) the designation of you by the Plan Administrator to act on its behalf to provide directly (e.g. without involvement of the Plan Administrator) to each participant or beneficiary upon request the following information relating to designated investment alternatives as set forth in paragraph (d)(4)?	
	<i>Copies Prospectuses or summary prospectus</i>	
	<i>Financial statements if provided to the plan</i>	
	<i>Statement of the value of a share/unit of each designated investment alternative and valuation date</i>	
	<i>List of assets comprising the portfolio of each designated investment alternative</i>	
320	If you will require the ongoing involvement of the Plan Administrator in the foregoing in any way, please describe.	
321	Do you have any limitations on what “Designated Investment Alternatives” for which you will provide the foregoing information? For example, will you only provide this information for your own proprietary funds?	
	<i>Will you provide this information for all 40 Act Mutual Funds and if not why not?</i>	
	<i>Will you provide this information for all Annuities and if not why not?</i>	
	<i>Will you provide this information for all Stable Value Funds (ex: GIC) and if not why not?</i>	
	<i>Are there any other types of investments for which you will not provide this information?</i>	
REGULATORY SERVICES		
322	Will you offer a 403b “Specimen” Plan Document for the Plan Sponsor to use and if so what kind of document(s) do you offer (standard or non-standard prototype, volume submitter).	
323	Will you also offer an Adoption Agreement – and work through the various decision-trees with the Plan Sponsor?	
324	Do you provide Plan Document, SPD and SMM support? (standard or non-standard prototype, volume submitter)	
325	If the Plan Sponsor uses your document, how will you ensure the 403b plan remains in compliance?	
326	Do you provide plan design consultation and support? Is there a cost?	
327	Will you provide a determination letter and is there a cost?	
328	Do you have ERISA staff attorneys and if so how many?	
329	Can Plan Sponsors consult with your ERISA staff attorneys? At what cost?	
330	Do you write a Plan Sponsor regulatory newsletter? If so, how is it distributed to Plan Sponsors and how often?	
331	Do you host regulatory seminars for Plan Sponsors? If so, how often?	
332	Briefly describe how you communicate legislative updates	
333	Describe what is included in your plan sponsor audit package. When / how it is sent?	
334	What is the name of the firm that conducts audits of <u>your organization</u> and how often?	

335	Describe any audit problem areas noted in the past 2 years. Please do not direct us to another document.	
PROXY NOTICES		
Rule 404a-5 specifies "Information to be provided subsequent to investment" as follows: "Furnish to each investing participant or beneficiary, subsequent to an investment in a designated investment alternative, any materials provided to the plan relating to the exercise of voting, tender and similar rights appurtenant to the investment, to the extent that such rights are passed through to such participant or beneficiary under the terms of the plan." The following questions are to identify the procedure you use for proxies.		
336	Does your prototype (or other plan which you sponsor) plan document + adoption agreement provide (statically or as an option) that such rights can or shall be passed through to participants/beneficiaries?	
337	If the "terms of the plan" provide for this option, describe how you will satisfy it and how will you actually deliver this information to each participant/beneficiary?	
338	If the "terms of the plan" provide for this option, describe what – if any – role the Plan Administrator will need to play ongoing to ensure that such rights are actually passed through.	
339	ERISA Title I Section 403(b) provides that: "[The] authority to manage, acquire, or dispose of assets of the plan [can be] delegated to one or more investment managers pursuant to section 402(c)(3)." In practice, do the 40 Act Mutual Fund companies (or annuities) with which you have selling agreements on your Recordkeeping platform vote proxies and if so how to they obtain that authority from the Plan Sponsor?	
340	Department of Labor Interpretive Bulletin 98-2 states, "a named fiduciary, in delegating investment management authority to an investment manager, could reserve to itself the right to direct a trustee with respect to the voting of all proxies or reserve to itself the right to direct a trustee as to the voting of only those proxies relating to specified assets or issues." In practice, do the 40 Act Mutual Funds (or annuities) with which you have selling agreements allow Plan Sponsors to vote their own proxies (or pass them through to participants) and if so can you describe the process?	
341	In your SPD do you (or can you) provide an explanation of Proxy voting procedures?	
342	Do you recordkeep any defined-contribution plans which "pass through" Proxies to participants, and if so: 1) How many plans, 2) what is the approximate per-participant per proxy cost, and 3) how is the pass-through cost paid?	
343	Do you recordkeep any defined-contribution plans in which the Plan Sponsor signs off on a form with each Mutual Fund Investment Manager used by the Plan delegating specific Proxy voting authority to each individual Investment Manager, if so how many plans?	
344	Do you recordkeep any defined-contribution plans in which the Plan Sponsor signs off on some sort of form with the Directed Trustee used by the Plan delegating specific Proxy voting authority to that Directed Trustee, if so how many plans?	

COMPLIANCE

345	Please note whether the follow tests ARE or ARE NOT included in your pricing. If the tests are not included, please indicate any additional costs if the tests were requested.	
	401(a)(4) – Non-Discrimination	
	401(a)(17) – limit on compensation	
	401(m) – ACP	
	<i>Do you make intra-quarter "projections" and if so describe</i>	
	<i>Describe your corrective measures</i>	
	402(g) – Deferral Limit Monitoring	
	404(a)(3)(A) – Deduction Limits	

	410(b) – Minimum Coverage	
	410(b) – Average Benefits Test (if necessary)	
	410(b) – General Test (if Average Benefits Test fails)	
	414(q) – HCE Determination	
	414(s) – Compensation (if definition is non-standard)	
	414(v) – Universal Availability Tests	
	415(c) - Annual Additions Limits	
346	What capabilities do you have to test for, monitor, cap and/or resolve the “Maximum Amount Contributable” (MAC) for 403(b) participants?	
	<i>IRC 402(g) elective deferral limit</i>	
	<i>IRC 402(g)(8) - \$3,000 catch-up for long-service employees</i>	
	<i>IRC 415(c) limitations, including 415(c)(4)</i>	
347	What capabilities do you have to test for, monitor, cap and/or resolve the “Maximum Amount Contributable” (MAC) for 457b participants?	
348	What capabilities do you have to test for, monitor, cap and/or resolve the “Maximum Amount Contributable” (MAC) for 457f participants?	
349	Do you monitor actual contributions relative to maximum annual contribution limits and restrict participant contributions to their maximum limit or correct participant’s accounts that exceed Internal Revenue Code limits?	
	<i>Minimum distribution requirements under 403(b)(10)</i>	
	<i>Distribution restrictions applicable to SRAs under 403(b)(11)</i>	
	<i>Non-discrimination requirements of section 403(b)(12)</i>	
350	Do you include 410(b) minimum coverage requirement testing as part of your annual testing?	
351	How do you address violations for the testing covered?	
352	Describe the type of legal support included in your proposal and any additional fees that may apply.	
353	What fiduciary responsibility including, but not limited to ERISA fiduciary responsibility does your organization assume?	
354	How do you ensure that your record keeping system is in compliance with all regulations?	
355	Describe any past or pending litigation (or regulatory investigations) relating to defined contribution plan administration in which your organization has been a party within the last 5 years.	
356	Describe how you have assisted your 403(b) clients, financially and/or with internal support, during any audits performed by the IRS or DOL	
357	Do you perform “Includible Compensation” calculations for participants and if so do you charge separately for this service and do you provide them with a completed worksheet?	
358	Do you perform “15-Year” Special 403b Catch-up calculations for participants and if so do you charge separately for this service? Do you provide the plan sponsor with a completed worksheet?	
359	If this client converts mid-year will you prepare tax filings, Form 5500 and compliance testing for the full year? If so, is there a cost?	
360	What is your turn around time for requested information relating to a 5500 audit	
361	Do you provide hold-harmless agreements to your sponsors regarding your compliance testing and if so what of the above tests are not covered? Please do not	

	direct us to another document.	
362	Describe any additional testing / compliance costs <u>not</u> included in your stated fees.	
363	Describe the support you provide in the event of an IRS or DOL plan audit. Please specifically identify any costs associated with these services in the Fees and Expenses portion of your response.	
PLAN SPONSOR REPORTING & DATA MINING		
364	Describe the standard reporting package that you would provide to the client (please provide samples). At what frequency can reports be provided (monthly, annually, etc.)?	
365	Describe any customized or ad hoc reporting capabilities.	
366	Describe how and when you provide reports to the plan sponsor? (E.g. hard copy, email, plan sponsor website)	
367	Is the plan sponsor required to proactively search your website for reports or are reports sent via email or a link via email?	
368	Can the plan sponsor do participant data mining via Internet? For example, can the sponsor search on your website at any time for such things as contribution levels by age?	
369	List five (5) examples of Reports that the client can data mine on your internet.	
370	Can the plan sponsor download data mined reports on-demand?	
371	Can Plan Sponsor have real-time access (via Internet or direct connection) to participant account information, such as account balances (i.e., employee deferrals, employer match, etc.), contributions, rollovers, etc.?	
372	Describe the flexibility, if any, of your data mining used to prepare Plan Participant retirement readiness reports	
373	Would you be able to create Plan Participant retirement readiness reports in the first year – or would you require a full year of indicative data before preparing?	
374	What makes your Plan Participant retirement readiness report unique?	
375	Is your ability to create Plan Participant retirement readiness reports conditioned on you being the “only” recordkeeper?	
376	Will you provide Plan Sponsor with a notebook containing samples of all Plan Sponsor and Plan Participant reports you are able create and all ad hoc reports the Plan Sponsor will be able to create?	
QUALITY ASSURANCE & SERVICE		
Please provide your service standards, meaning the timeliness (e.g., days) and the frequency (e.g., monthly, quarterly, etc.) for the following items. NOTE: We are not asking for government required timelines, we are asking you for your standards.		
377	Mailing Plan Sponsor reports.	
378	Mailing of participant statements.	
379	Mailing of trust financial statements.	
380	Compliance Testing.	
381	Completing the Form 5500.	
382	Completing the SAR.	
383	Mailing of 1099s.	
384	Contribution posting after receipt of clean payroll.	
385	Notification of contribution confirms.	
386	Mailing of distributions.	
387	Posting of transactions initiated before 4:00 Eastern Time (or Market Close).	
388	Mailing participant confirmation statements.	
389	Rollover processing (paperwork complete).	
390	Will you incorporate these standards into your Service Agreement?	

391	Are you willing to put your fees at risk (reduce your recordkeeping fees) for missing your stated service standards? Please provide examples.	
CYBERSECURITY & FIDUCIARY INSURANCE		
392	Describe your organization's bonding, E&O, and similar insurance coverages applicable to the services proposed	
393	Describe your errors/omissions liability insurance and coverage. Describe the various types of insurance coverage and indemnification provided to protect clients, plan sponsors and participants.	
394	Describe any litigation or regulatory action involving the proposed services by your organization within the past five years	
CONVERSION		
395	Briefly describe your conversion process, include a general timeline encompassing a 90-day conversion (this may be attached – please do not insert a chart into the questionnaire).	
396	Predicated on the assumption you receive clean data from the prior recordkeeper, will you commit to a specific blackout time frame at your end – and if so how many days?	
397	How are investments handled during the conversion process? <i>Re-Registering within the Same Investment</i> <i>Mapping to Similar Investments</i> <i>Cashing Out the Investments</i> <i>Other</i>	
398	Will you allow a re-enrollment conversion?	
399	During a re-enrollment conversion, will you allow any participants NOT electing new investments to be mapped into "like" funds?	
400	During a re-enrollment conversion, will you allow any participants NOT electing new investments to be defaulted into the QDIA?	
401	During a re-enrollment conversion, will you allow both online enrollment and form enrollment to be used?	
402	If you allow forms, describe your process for entering this data into your systems, meaning will you take the forms and enter participant elections or will you require the plan sponsor to enter the elections.	
403	Will you process paper enrollment forms ongoing? Describe your process. Note any cost.	
404	For those participants who choose a RIA Custom Model Portfolio, can you honor this new investment instruction for future contributions and existing balances before the plan blackout lifts?	
405	For those participants who create their own portfolio, can you honor these new investment instructions for future contributions and existing balances before the plan blackout lifts?	
406	Do you have any limitations as to the format/media of transfer records?	
407	Describe your process to ensure accurate transfer of all historical data, such as contribution source.	
408	How does your system handle conversion/set-ups of pre-existing loans from another recordkeeping system?	
409	How do you monitor the effectiveness and quality of your conversion process and team	
ADVANCED CAPITAL GROUP		
410	ACG prepares a two-page (front-and-back) quarterly newsletter for its clients. If we send you a PDF of it each quarter, will you print hard-copies and include it with your quarterly participant statement?	

411	Would there be a cost for this service? If so, please define for black/white and color copies.	
412	What is your deadline for receiving the newsletter in order to add it to the statement mailing?	
413	Can you post ACG's newsletter on your internet site?	
414	ACG prepares a 404(a)(5) Participant Disclosure Notice for some clients. If we send you a PDF, will you print hard-copies and include it in a participant statement mailing?	
415	Would there be a cost for this service? If so, please define for black/white and color copies.	
416	What is your deadline for receiving the 404(a)(5) Participant Disclosure Notice in order to add it to the statement mailing?	
417	Can you post ACG's 404(a)(5) Participant Disclosure Notice on your internet site?	
418	For some clients, ACG prepares a customized enrollment kit. If ACG were to provide copies of it to you, would your fulfillment center send it out with the issuance of PIN's (at inception and ongoing) – and if so at what cost?	
419	Alternatively, can ACG have its materials printed into your enrollment booklet rather than being a "stuffer"? Where possible we like the ability to augment your pre-existing material to better customize the participant enrollment kit. Specifically, we would like to add pages describing such things as the beta and standard deviation of our RIA Custom Model Portfolios. Is this possible and would there be a cost?	
420	Are you able to produce and send a report to ACG including: participant name, address, DOB, DOH, employment status, account balance by fund, total account balance? Indicate any cost associated with this.	
421	Would you work with ACG to institute personalized communication campaigns that would include the information from the above question, which would allow the participant to make an investment change via a return postcard to your office? Specifically, we would like your assistance to provide us with a personal data feed, and then request you receive and enter participant investment changes via postcard election. Indicate any cost associated with this process.	
422	Please state whether you have ever paid ACG compensation of any sort for including you in an RFP search.	
423	Has ACG asked you to compensate it for including you in this search?	



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #21

This is a pretty good template of our RFP timeline. Obviously, each case is slightly different. But, this gives you a pretty good feel for the breadth/depth of our involvement and the time it takes to conduct such a search from beginning to end.

**Request for Proposal
Timeline**

SAMPLE

Phase 1: Timeline up to the release of an RFP

	ACTION ITEM	WEEK	1	2	3	4	5	6
1.	Be granted access to information by the respective Recordkeeper/Trustee							
2.	Retrieve select information from the current Recordkeeper/Trustee							
3.	Gain complete understanding of the goals and objectives for the plan							
4.	Document desired features and services along with those the Plan Sponsor wishes to avoid							
5.	Gather specific financial details about the Plan(s). For example: <ul style="list-style-type: none"> 1. Investments and shares classes used 2. Revenue sharing received from each investment option 3. Assets in each investment option offered 4. Contribution flow 5. Number of participants 							
6.	Gather all Trust and Plan documents							
7.	Begin drafting the RFP							
8.	Discuss the different types of Recordkeeper/Trustees							
9.	Provide market intelligence and discuss potential Recordkeeper/Trustees							
10.	Gather indications of interest on a blind basis							
11.	Report and discuss the indications of interest and availability							
12.	Continue drafting the RFP incorporating information gathered							
13.	Present a draft RFP							
14.	Solicit edits and refinements from the Plan Sponsor							
15.	Receive edits and refinements							
16.	Incorporate all edits and refinements into the RFP							
17.	Finalize the list of Recordkeeper/Trustees who will receive the RFP							
18.	Release the RFP to the approved list of Recordkeeper/Trustees							

Phase 2: RFP Responses, Summary and Analysis

ACTION ITEM	WEEK									
	7	8	9	10	11	12	13	14	15	16
1. Co-host a conference call with the Plan Sponsor (or its delegates) to allow each prospective Recordkeeper/Trustees to answer any questions. <i>(Alternatively, questions could be gathered via email and answers to each question asked could be provided to the entire group of respondents simultaneously.)</i>	1									
2. Prospective Recordkeeper/Trustees complete their responses and pricing		1	1							
3. Receive RFP responses and pricing in both print and electronic format				1						
4. Schedule a meeting with the Plan Sponsor to discuss the results of the RFP summary and fee analysis				1						
5. Summarize and analyze the RFP answers and proposed fees				1	1	1				
6. Distribute RFP summary and fee analysis to the Plan Sponsor							1			
7. Meet with the Plan Sponsor (face-to-face) to present and explain the results and findings in the RFP summary and fee analysis								1		
8. Choose finalist Administrator/Record keeper(s)										
9. Determine the delegates to attend a "day-to-day" administrative finalists conference call/Webex								1		
10. Set schedule for "day-to-day" administrative finalist call/Webex								1		
11. Set schedule for face-to-face finalist presentations with the Plan Sponsor								1		
12. Notify all respondents of Plan Sponsor decisions								1		
13. Coordinate and schedule finalists presentations with the Plan Sponsor								1		
14. Deliver presentation expectations and focus topics to each finalist								1		
15. Attend all finalists presentations									1	1
16. Site visits (<i>If site visits are desired by the Plan Sponsor, a sub-committee would be selected to accompany ACG. This step would add time to the process.</i>)										
17. Notify all respondents of final Plan Sponsor decisions										1

Phase 3: Implementation Following Administrator/Record keeper Selection

If the Plan Sponsor decides to remain with the incumbent, the implementation of service enhancements and/or fee concessions gained during the RFP process will be seamless to participants and implemented as soon as it is administratively feasible – much of Phase 3 will be unnecessary.

ACTION ITEM	WEEK								
	17	18	19	20	21	22	23	24	25
1. Schedule weekly conversion conference calls and help determine who should attend									
2. Attend each conversion call to monitor progress and help coordinate the process of providing or transferring data (<i>if necessary</i>)									
3. Assist with the review of any contracts or administrative documents that need to be executed or renewed between the Plan Sponsor and Recordkeeper/Trustee									
4. Present suggestions for the Investment Policy Statement: <ul style="list-style-type: none"> – Improvement in language and structure – Appropriate benchmarks for performance, risk and management fees – Performance reports to use on an ongoing basis 									
5. Present suggestions for investment asset classes									
6. Review investment options made available by the Administrator/Record keeper and make recommendations to the Plan Sponsor regarding the appropriate mix of funds									
7. Communicate investment decisions to the Administrator/Record keeper									
8. Review all Authorization Forms that require signatures									
9. Determine the education program(s) to be delivered and develop the first annual Education Plan ("EP"). The EP addresses: <ul style="list-style-type: none"> – Who – Topic – When – Where – Method of delivery – Measurement 									
10. Review and suggest edits to print material intended for use with participants									
11. Participant education begins									
12. Follow up with all parties involved with education to gather the agreed upon metrics that determine success or failure (<i>depends on completion of education</i>)									
13. Report Measurements to the Plan Sponsor (<i>depends on completion of education</i>)									
14. Ongoing investment advisory and consulting services begin (<i>depends on completion of education</i>)									



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #22

Employer-sponsored retirement-plans have a lot of moving parts. So, it makes sense to periodically review them. And, that is purpose of our Governance Matrix. Again, it is customizable to you.

INVESTMENT COMMITTEE GOVERNANCE CHECKLIST: 2015

	Annual Review	Assigned to	Date	COMPLETED
1 ◀	Investment Committee Oversight <ul style="list-style-type: none"> • Investment Review Meetings <ul style="list-style-type: none"> ○ First Quarter ○ Second Quarter ○ Third Quarter ○ Fourth Quarter • Minutes Kept <ul style="list-style-type: none"> ○ First Quarter ○ Second Quarter ○ Third Quarter ○ Fourth Quarter • “Other” Committee Meetings • “Other” Committee Meeting Minutes kept 			
2 ◀	Investment Oversight Process <ul style="list-style-type: none"> • Annual Review of IPS • File investment reports • Fund changes/mapping <ul style="list-style-type: none"> ○ ○ • Watch List <ul style="list-style-type: none"> ○ ○ ○ • Review investment management fees for reasonableness • Review Revenue Sharing • Review most recent asset allocation study 			
3 ◀	Fiduciary Insurance & Bonds <ul style="list-style-type: none"> • Review ERISA fidelity bond coverage levels • Document fidelity bond and insurance coverage for each plan 			



INVESTMENT COMMITTEE GOVERNANCE CHECKLIST: 2015

Annual Review	Assigned to	Date	COMPLETED
<ul style="list-style-type: none"> • Consult with liability insurance provider for updates on coverage 			

4 ◀◀ 408b-2 Service Agreements

<ul style="list-style-type: none"> • Collect and Review provider fees and services for reasonableness 			
--	--	--	--

5 ◀◀ Compliance

<ul style="list-style-type: none"> • Review annual compliance due dates (e.g., Form 5500, plan testing, etc.) 			
<ul style="list-style-type: none"> • SSAE 16 report received from service provider 			
<ul style="list-style-type: none"> • Prepare, file and retain records related to Form 5500 Annual Report (including plan audit if required) 			
<ul style="list-style-type: none"> • Establish a process of records management 			

7 ◀◀ ERISA Notices

<ul style="list-style-type: none"> • Summary Annual Report to participants 			
<ul style="list-style-type: none"> • Summary Plan Description with 404c description 			
<ul style="list-style-type: none"> • 404c 			
<ul style="list-style-type: none"> • QDIA 			
<ul style="list-style-type: none"> • 404a-5 <ul style="list-style-type: none"> ○ 404a-5 DIA "Change" Notice ○ 404a-5 DIA "Change" Notice 			

7 ◀◀ Employee Education

<ul style="list-style-type: none"> • Education Plan Review 			
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INVESTMENT COMMITTEE GOVERNANCE CHECKLIST: 2015

Periodic Review	Assigned to	Last Reviewed
Periodic Review		
• Review ERISA 404a Fiduciary Duties		
• Payroll Set-Up matches Plan provisions		
○ Compensation definition		
○ Participation Requirements		
○ IRS annual limits		
• Confirm Employer Contributions made according to Plan documents to appropriate employees		
• Timeliness of Payroll Contributions		
• Beneficiary Designation Forms		
• Beneficiary Designation Forms		
• Force-Outs		
• Forfeitures		
• QDRO		
• Hardships		

7





Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #23

As we explained in our Response, we know/appreciate that you are not subject to ERISA. But if you were, reasonableness of fees is one of its cornerstones. This Exhibit illustrates how we disclose our own fees on an annual basis to our clients. While you don't have to have us prepare one for you – you may also like the idea very much. E.g. it's your call.

ADVANCED CAPITAL GROUP

ERISA Section 408(b)(2) Notice

This document (Notice) includes a description of the services that we are offering to you with respect to the **Example Retirement Plan (the “Plan”)** and the compensation that we would expect to receive in connection with these services.

COVERED SERVICE PROVIDER

Advanced Capital Group, Inc. (ACG)

DATE

January 28, 2015

DESCRIPTION OF SERVICES

- A. ACG is a Registered Investment Advisor (“RIA”). As such it is registered with the Securities and Exchange Commission (“SEC”) pursuant to The Investment Advisors Act of 1940.
- B. ACG acknowledges in writing that it is a Fiduciary as defined by ERISA Title I §3(21)(A)(ii) to the extent that it, “renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of such plan, or has any authority or responsibility to do so.”
- C. Further, ACG may be appointed, as a Registered Investment Advisor registered under the Investment Advisers Act of 1940, to manage the Plan’s Qualified Default Investment Alternative (“QDIA”) as an investment manager within the meaning of ERISA Title I §3(38) of the Act. (See §2550.404-5(e)(3)(i)).
 ACG is **not** appointed to manage this Plan’s QDIA.
 ACG is appointed to manage this Plan’s QDIA.
- D. In the performance of its services as a co-fiduciary with regard to investment oversight, and subject to the following limitations, ACG agrees to adhere to a standard of care as “someone familiar with such matters.” To wit, “A fiduciary shall discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and with the care, skill, prudence, and diligence under the circumstances then prevailing that a **prudent man acting in a like capacity and familiar with such matters** would use in the conduct of an enterprise of a like character and with like aims; by diversifying the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so....” ERISA Title I §404(a).
 1. ACG’s services are limited to the selection, recommendation and monitoring of publicly traded mutual funds; insurance company separate accounts (including but not limited to guaranteed investment contracts which may be part of the insurance company’s general account); and bank collective trust funds (including but not limited to stable value funds) which are made available through the directed trustee or custodian of the Plan’s third party administrator. While ACG reviews those managers’ portfolio composition for style consistency, it does not review those managers’ buy/sell decisions with regard to their choice of individual securities nor does (or can) it monitor those trades for best-execution;
 2. ACG relies on the accuracy and reliability of certain publicly available software systems to help it monitor publicly traded mutual funds; insurance company separate accounts; and bank collective trust funds and does not perform audits on the information provided by these systems. Further, ACG may receive information directly from the investment companies themselves and relies on the accuracy and reliability of the information provided directly by the investment company.

3. ACG is a co-fiduciary and as such does not have discretionary trading authority. Rather, changing investment options in a Plan will be done in consultation with and at the direction of the Plan's Investment Committee;
4. ACG does not vote, distribute or otherwise accept responsibility for the handling of Proxies issued in conjunction with any of the investments of this Plan;
5. ACG is not expected to review nor exercise any control over which custodian the respective investment vehicles use;
6. ACG is not expected to review securities lending or use of derivatives by any of the respective investment vehicles and the client expressly acknowledges that if it has any questions regarding those subjects it will pursue those on its own and without any reliance on ACG;
7. ACG's co-fiduciary duties extend only to those plan assets to which it gives investment advice. Thus, if a plan offers self-directed brokerage accounts or has a separate plan altogether (such as a Money Purchase Pension Plan) ACG will not provide investment review or guidance in either illustration and the Plan Sponsor understands and agrees that ACG will not be a co-fiduciary with respect to those assets;
8. ACG's duties hereunder do not extend to the fulfillment of Title 29, Part 2550, 29 CFR 2550.404(c). In other words, it is expressly understood that 404(c) compliance is the Plan Sponsor's option and that compliance with 404(c) has not been delegated to ACG in any way. As such, the client agrees to hold harmless and indemnify ACG for any claims alleged against it arising out of or involving that code section;
9. ACG is not the "administrator" of the Plan. ACG does not complete ministerial duties including but not limited to discrimination testing; tax form preparation such as Form 5500 or its related schedules; payroll file accuracy or contribution timeliness; provide prospectuses or any forms that may be used by the clients' record keeper and/or administrator;
10. ACG may help with the preliminary drafting of Notices that may be required. ACG does not take on the duty to prepare such Notices or deliver them to Plan Participants.

ACG CORE FUND SELECTION AND MONITORING

The particular "deliverables" of this section are set forth in the Investment Policy Statement ("IPS"). Each Investment Policy Statement will vary from client to client, but in general terms will consist of the following services:

- A. Develop and oversee the Investment Policy Statement;
- B. Prepare Monitoring Reports;
- C. Attend Investment Committee Meetings; and
- D. Prepare and distribute Reports for funds that fail the IPS and are recommended for replacement.

ACG PORTFOLIO CONSTRUCTION AND MONITORING

The guiding principles behind ACG's Portfolio construction and participant education are the safe harbors enunciated in Department of Labor Interpretive Bulletin 96-1.

ACKNOWLEDGEMENT OF FIDUCIARY STATUS

ACG expects to provide its investment advisory services as a Plan fiduciary, within the meaning of Section 3(21)(A)(ii) of ERISA, and an investment advisor registered under the Investment Advisers Act of 1940, as amended (Advisers Act). In no event would ACG have any discretionary control over the assets of the Plan.

The ancillary assistance with respect to the Plan's design and operation and the selection of administrative service providers, by their nature, will not be fiduciary services.

If ACG provides Portfolio construction and education services to this Plan, the guiding principles behind those services are the “advice” safe harbors enunciated in Department of Labor Interpretive Bulletin 96-1 or Pension Protection Act of 2006.

COMPENSATION PAID BY THE PLAN SPONSOR

The annual fee of \$60,000 is invoiced quarterly.

DIRECT COMPENSATION PAYABLE FROM PLAN

ACG does not receive compensation for its advisory services directly from the Plan nor does ACG have any information that would suggest the Plan reimburses the plan sponsor.

INDIRECT COMPENSATION PAYABLE FROM OTHER SOURCES

ACG does not receive compensation for its advisory services from any sources other than the Plan or, if applicable, the Plan’s Sponsor.

ACG is independent and accepts no Transaction Compensation, which is compensation paid among related parties if it is set on a transaction basis (e.g. commissions, soft dollars, finder’s fees or other similar incentive compensation based on business placed or retained) or charged directly against the plan’s investments and reflected in the net value of the investments (e.g., Rule 12b-1 fees); including identification of the services for which the indirect compensation will be paid and identification of the payers and recipients of such compensation (including the status of a payer or recipient as an affiliate or a subcontractor).

COMPENSATION FOR TERMINATION OF SERVICES

ACG will not receive any additional compensation in connection with the termination of its advisory services.

PROPOSED MANNER OF RECEIPT OF COMPENSATION

- a) Compensation is deducted from the Plan’s total investable assets at the end of each preceding quarter and applied on a pro rata basis,
- b) Compensation is deducted from a Plan Participants account at the end of each preceding quarter and/or
- c) Compensation is received as a result of an invoice that is issued to the Plan’s sponsor.

Important Note:

Any services provided to you on behalf of the Plan would be governed by the written terms of an investment advisory Services and Fee Agreement with the firm. The information included in the Notice, including but not limited to the statements under Description of Services and Fiduciary Status, is not intended to replace or modify any prospective or existing agreement relating to the Plan.



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #24

While Fee Disclosure is one thing, determining their reasonableness is another. The attached report is generated by an independent and well regarded third party: Ann Schleck and Company. But, there are “other” like fees services too. The essential point is that we just want you to know that we appreciate that our fees must be reasonable – and that we have made an effort to vet them.

Fee Benchmark™ Advisor/Consultant Fee Comparison Report for: City of Livonia

Dan Schroeder
Advanced Capital Group
50 South 6th Street
Suite 975
Minneapolis, 55402

Date:
May 6, 2015

Plan Information

This section summarizes specific information about the plan you are benchmarking.

Defined Contribution Plan Size: \$115 million	Fee Method: Fixed Fee paid directly by plan sponsor
Services included as part of your annual retainer fee:	<ul style="list-style-type: none">• Investment Policy Development• Fund Menu Design• Vendor Fee/Service Reviews• Investment Monitoring/Committee Meetings• Fund Replacements/Fund Manager Search• Asset Allocation Modeling• Quarterly Investment Reviews

Comparison of Advisor/Consultant Annual Retainer Fees*

This section provides a summary of your annual retainer fee, compared to the database. For plans of this size the database contains 36 responses.

Your annual retainer fee for this plan:	\$60,000
The database average for a plan of this size:	Mean (average) \$92,131 Median \$89,750
Your retainer fee compared to the database: <i>Due to rounding this may not equal 100%</i>	81% are HIGHER 6% are the SAME AS 14% are LOWER

Your retainer fee compared to the database broken down by quartiles:

	1st Quartile (Lowest)	2nd Quartile	3rd Quartile	4th Quartile
Fee range for this quartile	\$40,000 - \$73,750	\$73,750 - \$89,750	\$89,750 - \$115,000	\$115,000 - \$172,500
Quartile Mean	\$55,833	\$81,075	\$100,150	\$127,650
Quartile Median	\$57,500	\$80,000	\$100,000	\$115,000
Your Fee	\$60,000			

KEY DEFINITIONS:

Mean: Calculated by adding all the reported fees and then dividing by the number of fees in the database.

Median: The fee that is in the middle of all database points; that is, half the fees fall below this number; half are above.

Quartile Mean, Median: Reflects average/median just for the quartile.

*PLEASE NOTE:

Fees may range considerably for a particular plan based on the type of fiduciary services and level of participant services provided.

It is important to itemize all the services being delivered to the plan and also to evaluate the quality and value of the services to get an accurate understanding of how they may affect the fees being charged.

Fee Benchmarker™ Advisor/Consultant Fee Comparison Report for: City of Livonia

Dan Schroeder
Advanced Capital Group
50 South 6th Street
Suite 975
Minneapolis, 55402

Plan Size:	\$115 million
Your Annual Retainer Fee for this plan	◆ \$60,000
The database average for a plan of this size:	Mean (average) \$92,131
	Median \$89,750

Detailed Fee Comparison

Fees By Advisor/Consultant Business Model

This section compares annual retainer fees by business models for a \$115M Plan.

Business Model	Practices Represented	Fee Range	Fee Mean	Fee Median
Wirehouse or Bank Affiliated	8	\$70,000 to \$172,500	\$106,406	\$95,500
Independent FA/RIA	17	\$45,000 to \$172,500	\$94,853	\$100,000
Fee-Only RIA/Consultant ◆	11	\$40,000 to \$115,000	\$77,545	\$80,000

Fees by Region

This section compares annual retainer fees by region for a \$115M Plan.

Region*	Practices Represented	Fee Range	Fee Mean	Fee Median
Northeast	15	\$50,000 to \$172,500	\$95,166	\$86,250
South	5	\$45,000 to \$115,000	\$81,250	\$86,250
Midwest	12	\$40,000 to \$126,500	\$89,417	\$91,000
West	4	\$80,000 to \$115,000	\$102,500	\$107,500

* See Page 4 for list of states assigned to each region

Fees By Advisor/Consultant Practice Size

This section compares annual retainer fees by size of firm, where size is measured by total DC assets under advisement.

Your firm's total DC assets under advisement: ◆ \$13 billion

Total DC plan assets under advisement	Practices Represented	Fee Range	Fee Mean	Fee Median
Up to \$100 million	1	\$100,000 to \$100,000	\$100,000	\$100,000
\$101 to \$500 million	5	\$45,000 to \$172,500	\$109,700	\$112,500
\$501 million to \$1 billion	9	\$57,500 to \$172,500	\$103,194	\$99,000
over \$1 billion ◆	21	\$40,000 to \$115,000	\$82,833	\$80,000

Fee Benchmark™ Advisor/Consultant Fee Comparison Report for: City of Livonia

Dan Schroeder
 Advanced Capital Group
 50 South 6th Street
 Suite 975
 Minneapolis, 55402

Plan Size:	\$115 million	
Your Annual Retainer Fee for this Plan	◆ \$60,000	
The database average for a plan of this size:	Mean (average)	\$92,131
	Median	\$89,750

Scope of Services

Annual Retainer Services for a \$115 million DC Plan

Service	% of firms that include service in retainer	% of firms that provide service but charge separately	% of firms that do not offer the service
Investment Policy Development	100 %	0 %	0 %
Fund Menu Design	100 %	0 %	0 %
Act as Investment Fiduciary (3(21)) to the Plan	97 %	3 %	0 %
Act as Discretionary Fiduciary (3(38)) to the Plan	28 %	31 %	42 %
Act as Fiduciary to Company Stock	3 %	3 %	94 %
Act as Investment Fiduciary to Participants	14 %	6 %	81 %
Investment Monitoring/Committee Meetings	97 %	0 %	3 %
Fund Replacements/Fund Manager Search	100 %	0 %	0 %
Asset Allocation Modeling	86 %	0 %	14 %
Plan Design Consulting	86 %	0 %	14 %
Compliance Oversight	75 %	0 %	25 %
Vendor Search	89 %	8 %	3 %
Transition Services to Recordkeeper	89 %	3 %	8 %
Vendor Fee/Service Reviews	97 %	3 %	0 %
Vendor Management/Issue Resolution	100 %	0 %	0 %
Education Program Strategy	100 %	0 %	0 %
Employee Meetings	81 %	14 %	6 %
Annual Investment Reviews	3%		
Semi-Annual Investment Reviews	11%		
Quarterly Investment Reviews	86%		

One-time Consulting Project Fees

This chart displays fee ranges, averages, and medians for the services commonly provided on a project or a la carte basis.

Services	Fee Range	Fee Mean	Fee Median
Vendor Search	\$3,500 to \$55,000	\$16,357	\$15,000
Provider Fee and Service Reviews	\$1,500 to \$15,000	\$6,717	\$7,500
Investment Policy Development	\$500 to \$10,000	\$3,588	\$3,000
Employee Meetings	\$500 to \$3,000 per day	\$1,473/day	\$1,500/day

Hourly Rates	Fee Range	Fee Mean	Fee Median
Principal Rate	\$100 - \$475 per hour	\$315 per hour	\$310 per hour
Non-Principal Rate	\$100 - \$375 per hour	\$207 per hour	\$200 per hour

Fee Benchmark™ Advisor/Consultant Fee Comparison Report for: City of Livonia

Methodology

The Monarch Fee Benchmark™ database is based on a quantitative study conducted by Ann Schleck & Company, LLC, an independent consulting and market research firm serving the retirement marketplace.

Data contained in the database includes fee schedules from over 158 retirement practices representing over \$257 billion total retirement assets under advisement.

The database is refreshed regularly, with new fee schedules added to the database throughout the year. The data represented in the database represents Advisors' fee schedules and services for 401(k) plans. To ensure the integrity of the data, we restrict the data to include only fees where an advisor has a plan of that asset size. Great care has been taken to ensure the quality of the database.

Regional Division of States:

<u>Northeast</u>	<u>South</u>	<u>Midwest</u>	<u>West</u>
Connecticut	Alabama	Illinois	Alaska
Delaware	Arkansas	Indiana	Arizona
District of Columbia	Florida	Iowa	California
Maine	Georgia	Kansas	Colorado
Maryland	Kentucky	Michigan	Hawaii
Massachusetts	Louisiana	Minnesota	Idaho
New Hampshire	Mississippi	Missouri	Montana
New Jersey	North Carolina	Nebraska	Nevada
New York	Oklahoma	North Dakota	New Mexico
Pennsylvania	South Carolina	Ohio	Oregon
Rhode Island	Tennessee	South Dakota	Utah
Vermont	Texas	Wisconsin	Washington
	Virginia		Wyoming
	West Virginia		

Disclaimers

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For information about the Monarch™ Sales & Client Retention System go to
www.annschleck.com

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schleck
& co.



Response to Request for Proposal For Retirement Plan Advisor Search (2015)

Exhibit #25

ACG Sample Service and Fee Agreement

INVESTMENT ADVISORY SERVICES AND FEE AGREEMENT

PREPARED BY



50 South 6th Street, Suite 975
Minneapolis, Minnesota 55402

INVESTMENT ADVISORY SERVICES AND FEE AGREEMENT

This Services and Fee Agreement ("Agreement") is made this _____ by and between the _____ ("Client") and **Advanced Capital Group, Inc.** ("ACG").

I. ADVANCED CAPITAL GROUP'S ACKNOWLEDGEMENT OF FIDUCIARY STATUS AND STATEMENT OF ITS LIMITATIONS

- A. ACG is a Registered Investment Adviser ("RIA"). As such it is registered with the Securities and Exchange Commission ("SEC") pursuant to The Investment Advisers Act of 1940 (IAA). That Act requires that part of its registration's Q&A process be provided to each client. That information is known as Form ADV Part II, and it is attached to this Service Agreement as **Appendix A**.
- B. In the performance of its role as an RIA, ACG acknowledges that it owes its clients the duty to provide "disinterested" advice and in so doing avoid material conflicts of interest and when unavoidable to disclose them to the Client.
- C. Through this Service Agreement, ACG acknowledges herewith in writing that it is a Fiduciary as defined by ERISA Title I §3(21)(A)(ii) to the extent that it, "renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of such plan, or has any authority or responsibility to do so."
- D. Further, the Plan Sponsor may appoint ACG (subject to ACG's acceptance) to manage the Plan's Qualified Default Investment Alternative ("QDIA") as an investment manager within the meaning of ERISA Title I §3(38) of the Act. (See §2550.404-5(e)(3)(i)).
- E. In the performance of its services as a co-fiduciary with regard to investment oversight, and subject to the following limitations, ACG agrees to adhere to a standard of care as "someone familiar with such matters." To wit, "A fiduciary shall discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; by diversifying the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so...." ERISA Title I §404(a).
- F. All Investment Advisers adopt certain procedures to effectuate the IAA and SEC fiduciary goals of client loyalty. Ultimately, those procedures are negotiable. The parties to this Service Agreement agree that ACG's fiduciary duties shall be articulated and limited as follows:
 1. What the parties agree ACG will do:
 - a. Offer, and if accepted, to help the Client develop an Investment Policy Statement ("IPS") and review it with Client as requested;
 - b. In consultation with Client, give investment advice as to the selection, recommendation and monitoring of both asset classes and corresponding "Designated Investment Alternatives" (DIA's) consistent with the parameters of the IPS;
 1. It is specifically understood and agreed-to that while ACG will review the DIA's for Style Consistency, it does not review the DIA's managers' buy/sell decisions with regard to their choice of individual securities;
 2. It is specifically understood and agreed-to that self-directed brokerage accounts and/or

- mutual fund windows, are not DIA's and thus not within the scope of ACG's duties to monitor.
 - c. At the direction of Client, initiate the buy/sells of the Plan's DIA's;
 - d. Create a quarterly investment review of the DIA's and offer to meet quarterly with Client to review;
 - e. Respect the confidentiality of Client information as set-forth in the Privacy Pledge;
 - f. Make full and fair disclosure to Client of all material facts about conflicts of interest; and
 - g. Charge a reasonable fee for services rendered.
2. What the parties agree ACG will not do:
- a. Review buy/sell decisions of individual securities of DIA Investment Managers hired with regard to their choice of individual securities
 - b. Provide copies of prospectuses;
 - c. Vote, distribute or otherwise accept responsibility for the handling of Proxies;
 - d. Give investment advice to anything other than DIA's;
 - e. Give legal advice; and
 - f. Give tax advice.

G. In the performance of ACG's duties, the Client understands and agrees that:

1. ACG's services are limited to the selection, recommendation and monitoring of DIA's made up, in turn, of publicly traded mutual funds; insurance company separate accounts (including but not limited to guaranteed investment contracts which may be part of the insurance company's general account); and bank collective trust funds (including but not limited to stable value funds) which are made available through the directed trustee or custodian of the Plan's third party administrator. While ACG reviews the DIA's portfolio composition for style consistency, it does not review their managers' buy/sell decisions with regard to their choice of individual securities nor does (or can) it monitor those trades for best-execution;
2. ACG relies on the accuracy and reliability of certain publicly available software systems to help it monitor publicly traded mutual funds; insurance company separate accounts; and bank collective trust funds and does not perform audits on the information provided by these systems. Further, ACG may receive information directly from the investment companies themselves and relies on the accuracy and reliability of the information provided directly by the investment company.
3. ACG is a co-fiduciary and as such does not have discretionary trading authority (except if appointed to manage the Plan's QDIA). Rather, changing investment options in a Plan will be done in consultation with and at the direction of the Plan's Investment Committee;
4. ACG is not expected to review nor exercise any control over which custodian the DIA's use;
5. ACG is not expected to review securities lending or use of derivatives by any of the respective DIA's and the Client expressly acknowledges that if it has any questions regarding those subjects it will pursue those on its own and without any reliance on ACG;
6. ACG's co-fiduciary duties extend only to those DIA's to which it gives investment advice for a fee. Thus, if a plan offers self-directed brokerage accounts or has a separate plan altogether (such as a Money Purchase Pension Plan) ACG will not provide investment review or guidance in either illustration and the Plan Sponsor understands and agrees that ACG will not be a co-fiduciary with respect to those assets;
7. ACG's duties hereunder do not extend to the fulfillment of Title 29, Part 2550, 29 CFR 2550.404(c). In other words, it is expressly understood that 404(c) compliance is the Plan Sponsor's duty and that it has not been delegated to ACG in any way. As such, the Client agrees to hold harmless and indemnify ACG for any claims alleged against it arising out of or involving that code section;
8. This Agreement does not include the delegation to, or control over by, ACG of plan record keeping

- and/or administration, and ACG is not the "administrator" of the Plan. ACG does not complete ministerial duties including but not limited to discrimination testing; tax form preparation such as Form 5500 or its related schedules; payroll file accuracy or contribution timeliness; provide prospectuses or any forms that may be used by the clients' record keeper and/or administrator;
- 9. ACG may help the Client from time to time with the preliminary drafting of Notices that may be required by ERISA or any of its regulatory/enforcement agencies including but not limited to the Department of Labor, it does not by doing so take on the duty to prepare such Notices or deliver them to Plan Participants and by signing this Agreement the Plan Sponsor specifically acknowledges that it is its duty, and not ACG's, to prepare and disseminate such Notices; and
 - 10. ACG only takes on its investment co-fiduciary status prospectively as of the date of the execution of this Agreement and is expressly exempted from any liability arising out of the management of this plan prior to its retention.
- H. This Service Agreement is intended to comply with the Reasonable Contract or Arrangement Under Section 408(b)(2) Fee Disclosure. 408(b)(2) requires the written disclosure of all direct and indirect compensation, or fees, and potential conflicts of interest. To that end, ACG does not receive any compensation other than that specified in the Fee Section (IX) of this Service Agreement. And, it has no ownership interest in and exercises no corporate authority over any of the other service providers or investment companies associated with this plan. At its discretion, the Client can choose to pay ACG directly or pass its fees on to the Trust and through it to the Plan Participants. However, if the Plan Sponsor chooses to pass ACG's fees through to the Trust (and Plan Participants) the Plan Sponsor will need to account for them accordingly on the 5500.
- I. Each party's liability under this Agreement shall be limited to actual damages; consequential and/or punitive damages shall not be recoverable. The Client shall release ACG from liability and indemnify and hold it harmless against any consequences of any action taken or omitted by ACG in good faith or in reliance upon the direction of the Client or its authorized representative in performing services under the terms of the Agreement, including all Exhibits. ACG agrees to indemnify and hold the Client harmless from and against any and all damages incurred by the Client and resulting from ACG's breach of its co-fiduciary duties.
- J. Unless directed by the Plan Sponsor otherwise, ACG will not solicit or accept rollovers from plan participants or beneficiaries.
- K. ACG directs the Client to review this Service Agreement and the operation of its Plan with its own ERISA counsel and tax advisor.

II. ACG DIA SELECTION AND MONITORING

The particular "deliverables" of this section are set forth in the Investment Policy Statement ("IPS"). Each Investment Policy Statement will vary from client to client, but in general terms will consist of the following services:

- A. Consult with Client on the development of the Client's the Investment Policy Statement;
- B. Provide Investment Advice regarding the selection of assets classes and representative DIA's in those asset classes;
- C. Prepare quarterly DIA Monitoring Reports;
- C. Attend Investment Committee Meetings; and
- D. Prepare and distribute Reports for DIA's that fail the IPS and are recommended for replacement.

III. ACG MODEL PORTFOLIO CONSTRUCTION AND MONITORING

The guiding principles behind ACG's Model Portfolio construction and participant education are the *Investment Advisory Services and Fee Agreement*

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safeharbors enunciated in Department of Labor Regulation 404c and Interpretive Bulletin 96-1.

- A. Develop custom asset allocation model portfolios from DIA's;
- B. Develop a custom Education Plan;
- C. Schedule and present customized enrollment or introductory meetings. Delivery methods include, but are not limited to:
 1. In-person (e.g., group and/or one-on-one meetings),
 2. Internet based seminars,
 3. Recorded Financial Education Presentations, and/or
 4. Conference calls.
- D. Create and deliver Department of Labor Interpretive Bulletin 96-1 compliant education materials, such as:
 1. Custom presentations regarding plan-specific information,
 2. Custom asset allocation modeling information and materials (e.g., pie charts, graphs, etc.), and
 3. Custom interactive investment materials (e.g., questionnaires, worksheets, etc.)
- E. Create and conduct ongoing investment education

IV. RECORDKEEPER REQUEST FOR PROPOSAL (RFP)

At the Client's request, ACG will orchestrate a detailed Recordkeeper Request for Proposal (RFP) encompassing administrative capabilities and fees including, but not necessarily limited to, the following areas:

- A. Meet with Client to review vendor list
- B. Customize and distribute the Request for Proposal ("RFP")
- C. Prepare RFP Summary
 1. Objective Portfolio Based Investment Comparison
 2. Full Fee Disclosure and Comparison
 3. Quantitative Comparison of Vendor Capabilities, Services and Features
 4. Qualitative Comparison of Vendor Capabilities, Services and Features
- D. Present RFP Summary to Client
- E. Coordinate and Oversee "Finalists" Presentations
- F. Serve as the Client's advocate in the conversion process from one Recordkeeper to another.

V. RECORDKEEPER REQUEST FOR INFORMATION (RFI)

At the Client's request, ACG will orchestrate a limited Recordkeeper Request for Information (RFI) focusing on fees.

- A. Meet with Client to review vendor list
- B. Prepare Client Detail & Plan Provision Report
- C. Summarize Fee Benchmark Responses
- D. Review Results with Plan Sponsor & Determine Next Steps

VI. PLAN DESIGN AND OTHER SETTLOR SERVICES

In general terms, Settlor functions are those which primarily benefit the Plan Sponsor and not necessarily the Plan Participants. As such, fees incurred as a result of Settlor functions must be paid by the Plan Sponsor and not passed through to the Plan Participants. Plan design, plan termination and plan mergers are examples of Settlor functions. On a case by case basis, ACG may consult with the Client about Settlor functions including plan design, assessment and evaluation of plan design, industry developments and best practices, and related issues. In so doing, ACG advises the Client to review ACG's consultative recommendations with regard to Plan Design with a competent lawyer of the Client's own choosing and the Client acknowledges that it understands that ACG is not a law firm and does not practice law and does not give legal advice.

VII. PLAN EXPENSES

In general terms, plan expenses that generally benefit the plan participants may be charged to the plan participants, in whole or in part. While ACG will help the Plan Sponsor ascertain those plan expenses, ACG does not give advice on which expenses should be passed through to participants, in whole or in part. ACG will help the Client compare and contrast different share classes that might be available to it including, but not limited to, those with 12b-1 fees, shareholder servicing fees, sub-transfer agency fees and revenue sharing. Ultimately, ACG will educate, but not advise, the Plan Sponsor on the allocation of plan expenses or revenue sharing to plan participants.

VIII. ACG FEES

Service	Fee Structure/Frequency
Investment Selection and Review	
Investment Policy Statement: comment, development, periodic review, and updates	
Selection and Monitoring of DIA's	
Construction and Monitoring of Model Portfolios	
Monitoring QDIA's	
Quarterly investment performance reporting	
Fiduciary responsibility acknowledged	
Quarterly Committee Meeting attendance	
Ad-hoc research requests by Committee	
Watch List Preparation and In-Person Presentation	
Governance matrix	
Participant Investment Education	
Over allotted days	
Education Plan and consultation	
Periodic Request for Information (RFI) Services	
Formal Request for Proposal (RFP) Services	

IX. CONTRACT TERMINATION

The Plan sponsor may terminate this contract at any time with, or without, written notice. Compensation to ACG will cease immediately thereafter. ACG may terminate this contract only upon the issuance of ninety (90) days written notice.

X. JURISDICTION AND VENUE

The parties mutually agree that any dispute arising out of this Service Agreement shall be resolved in the State of Minnesota in the following order of their mutual preference: 1) by binding arbitration, 2) in State Court, or 3) in Federal District Court. To the extent not precluded by the IAA (or its regulatory agencies) or ERISA the parties expressly agree that any controversy or claim arising out of this Service Agreement shall first be submitted to non-binding mediation and if unsuccessful then settled by arbitration in accordance with the Commercial Rules of the American Arbitration Association, before one arbitrator in Minneapolis, Minnesota and judgment upon the award rendered by the arbitrator shall be final and may be entered in any court having jurisdiction. If mutually agreed upon mediation/arbitration is not allowed by the IAA (or its regulatory agencies) or ERISA, the parties agree that any legal claim made against ACG shall be filed first in Minnesota State Court and only after a legal determination by that Court that it does not have jurisdiction shall it be filed in Federal Court for the District of Minnesota. Regardless of outcome, each side agrees to pay their own attorneys' fees.

XI. SEVERABILITY

If any provision of this Agreement is held to be unenforceable, then this Agreement will be deemed amended to the extent necessary to render the otherwise unenforceable provision, and the rest of the Agreement, valid and enforceable. If a court declines to amend this Agreement as provided herein, the invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of the remaining provisions, which shall be enforced as if the offending provision had not been included in this Agreement.

XII. PLAN ACCEPTANCE AND ATTORNEY REVIEW

By signing below, the Plan's representative warrants that s/he is empowered to bind the company to this contract and that s/he has been encouraged to review this contract with a lawyer of the Plan's choosing and that the Plan was under no time constraint to execute that review.

Agreed to by:

Charles Langowski
Advanced Capital Group
50 South 6th Street, Suite 975
Minneapolis, MN 55402
T: (612) 230 – 3008
E: clangowski@acgbiz.com

Signature

Print Name

Title

Company

Date

APPENDIX A

FORM ADV PART II