



PORTFOLIO REVIEW

1Q18

## Littleton Public Schools

Wendy Dominguez, MBA

Elizabeth Stemper, AIF<sup>®</sup>, QPFC

Peter Mustian



Prepared by: T.J. Berge

# INNOVEST FIRM UPDATE

## 2017 in Review

- Another record year at Innovest
  - We have grown 21 of 22 years
- Won “Best Places to Work” by *Pensions & Investments* (3<sup>rd</sup> time in 4 years)
- 8 new hires
  - Ended year with 45 employees
  - Attrition-based hiring
- Formalized Mentor Program for professional development and growth
- Converted to a new software program to improve portfolio accounting
- Have maintained a 97% five-year average client retention rate

## Client Survey

- Overall satisfaction with our services was 4.7 (1-5 scale)
- Highest scores
  - Treatment by our entire team: 4.8
  - Knowledge and experience of our consultants: 4.8
- Lowest score
  - Timeliness of the delivery of our services: 4.6

## 2018-2019 Priorities

- Continue to provide the highest quality investment advice and be stewards for existing clients
- Develop next generation of leaders
- Continue to strengthen our research process
- Grow our business through client referrals

# INNOVEST'S HISTORY WITH LITTLETON PUBLIC SCHOOLS

## 2014-2017

- Signed contract between LPS and Innovest Portfolio Solutions, LLC in the 4th Quarter of 2014
- Negotiated new contract with TIAA after RFI process
- Assisted with conversion
- Created new investment menu
- Coordinated the education efforts of the rollout
- Designed custom model portfolios as education tool for asset allocation.
- Replaced money market fund due to money market reforms.

## 2018

- Replaced Blackrock Mid Cap Value fund with Vanguard Selected Value fund.
- Conducted Fiduciary Education
- Presented annual asset allocation study

# RETIREMENT PLANS TOPICS AND TRENDS

## HEALTH CARE IN RETIREMENT

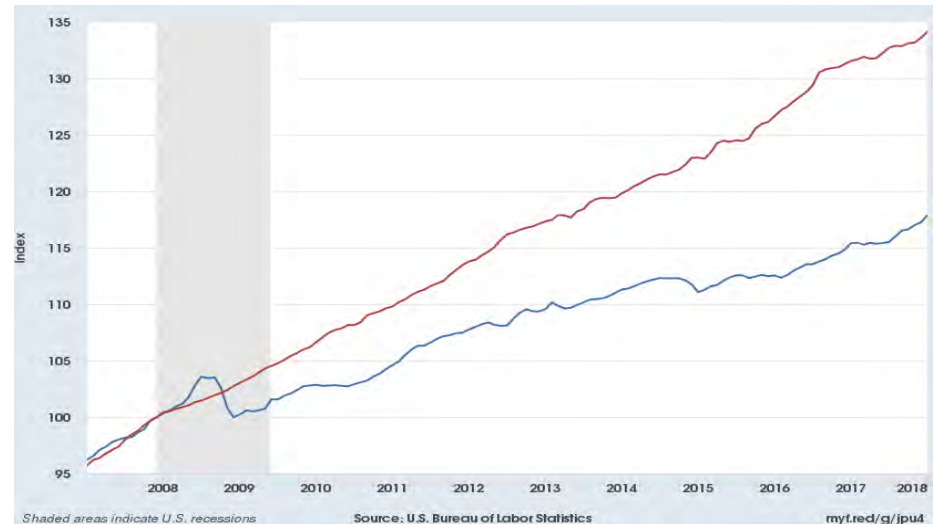
### Health Care in Retirement:

- Health care costs have dramatically outpaced inflation<sup>1</sup>.

— - Consumer Price Index for All Urban Consumers: Medical Care, Dec 2007 – Jan 2018

— - Consumer Price Index for All Urban Consumers: All Items Dec 2007 – Jan 2018

<sup>1</sup>Source: U.S. Bureau of Labor statistics



### Out-of-Pocket Medical Expenses Have Increased 30% for Seniors Since 2000<sup>2</sup>:

- The amount of money a 65 year old person needs to save to cover insurance premiums and median drug expenses is significant:

	65-Year-Old Man	65-Year-Old Woman
50% Probability	\$73,000 saved	\$95,000 saved
90% Probability	\$131,000 saved	\$147,000 saved

<sup>2</sup>Plan Sponsor Magazine – EBRI Institute

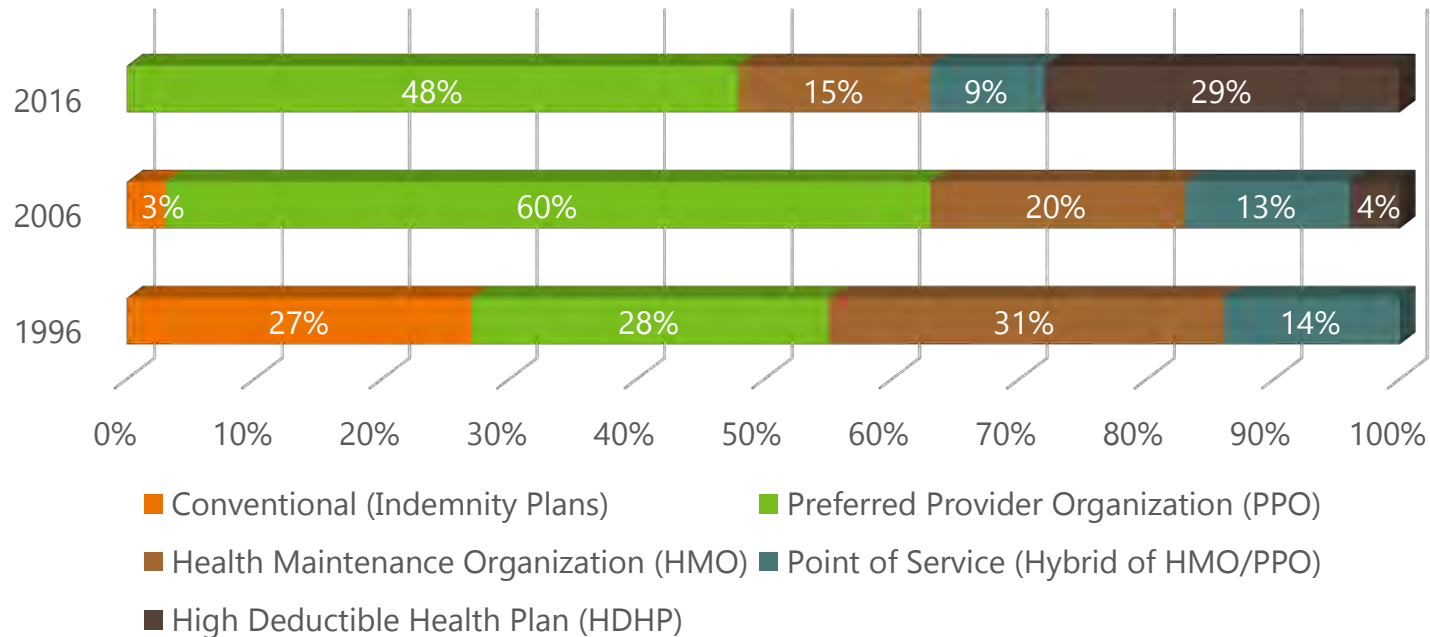
# RETIREMENT PLANS TOPICS AND TRENDS

## HEALTH CARE IN RETIREMENT

### Health Care Costs are Taking Up a Larger Portion of Retirement Savings Which Means Participants May Need to Save More:

- **49%** of workers retired earlier than expected<sup>1</sup> which creates a gap for when employees are eligible for Medicare
- **72%** of large employers do not offer retiree health care to active employees<sup>1</sup>
- **38%** of employers plan to discontinue retiree health insurance for pre-65 retirees<sup>1</sup>

### High Deductible Plans on the Rise<sup>2</sup>:



<sup>1</sup>Source: Fidelity – Health Care in Retirement 2018

<sup>2</sup>Source: JPMorgan Guide to Retirement Health Care Module 2017

# LITTLETON PUBLIC SCHOOLS 401(A) PLAN SUMMARY

	Current Structure	Considerations and Next Steps
Plan Provisions	<ul style="list-style-type: none"> <li>• Plan Type: 401(a)</li> <li>• Vesting Schedule: Immediate</li> <li>• Eligibility Requirements: Employment</li> <li>• Roth: N/A</li> <li>• Safe Harbor: N/A</li> <li>• Normal Retirement Age: 65 years</li> </ul>	
Governance	<ul style="list-style-type: none"> <li>• IPS Updated: March 2017</li> <li>• Governance Documents:</li> <li>• Plan Documents: Established April 2, 1996, Amended and effective July 1, 2012</li> <li>• Fiduciary Education: March 2018</li> <li>• Recordkeeper Contract: TIAA, May 13, 2006, amended 2015</li> <li>• Innovest Contract: December 2014</li> </ul>	
Contributions	<ul style="list-style-type: none"> <li>• Contribution Rate: Dependent on employee classification: Superintendent – Per annual employment contract; Superintendent staff: 2.5% + \$7,496.64; Administrators: 2.5% + \$1,300; Administrative Staff 2.5%; Technical support 2.0%</li> <li>• Match Provision: N/A</li> <li>• Enrollment: Mandatory</li> <li>• Automatic Enrollment: N/A</li> <li>• Auto-Escalation: N/A</li> </ul>	
Distributions	<ul style="list-style-type: none"> <li>• Loans: No</li> <li>• Hardships: No</li> <li>• Installments: Yes</li> <li>• In-Service Withdrawals: No</li> </ul>	
Costs	<ul style="list-style-type: none"> <li>• Fee Leveling: No, fee 0.42% - excess revenue sharing sent to Revenue Credit Account</li> <li>• Annual Plan Fee Analysis: December 2017</li> <li>• Competitive Pricing April 2015</li> <li>• Other Fees: Brokerage fees</li> <li>• Share Class Review: March 2018</li> </ul>	
Investments	<ul style="list-style-type: none"> <li>• Investment Direction: Participant</li> <li>• # of Investment Options: 19</li> <li>• QDIA/DIA: Yes, age-appropriate target date fund</li> <li>• Re-enrollment: No</li> <li>• Managed Accounts: No</li> <li>• Self-Directed Brokerage Window: Yes</li> <li>• GMWB Options: TIAA Traditional</li> </ul>	
Education	<ul style="list-style-type: none"> <li>• Participant Education Plan: TIAA – 27 days of on-site education</li> <li>• Participant Retirement Readiness Review: Yes</li> </ul>	

# LITTLETON PUBLIC SCHOOLS 403(b) PLAN SUMMARY

	Current Structure	Considerations and Next Steps
Plan Provisions	<ul style="list-style-type: none"> <li>Plan Type: 403(b)</li> <li>Vesting Schedule: Immediate</li> <li>Eligibility Requirements: Immediately Eligible</li> <li>Roth: Yes, effective July 1, 2017</li> <li>Safe Harbor: No</li> <li>Normal Retirement Age: 65 years</li> </ul>	
Governance	<ul style="list-style-type: none"> <li>IPS Updated: March 2017</li> <li>Governance Documents:</li> <li>Plan Documents: Effective: July 1 1983; amended and restated January 1, 2015</li> <li>Fiduciary Education: March 2018</li> <li>Recordkeeper Contract: TIAA, May 13, 2006, amended 2015</li> <li>Innovest Contract: December 2014</li> </ul>	
Contributions	<ul style="list-style-type: none"> <li>Contribution Rate: EE - voluntary up to \$18,000; catch-up contribution up to \$6,000</li> <li>Match Provision: Yes, discretionary set by PERA</li> <li>Enrollment: Participant Elected</li> <li>Automatic Enrollment: No</li> <li>Auto-Escalation: No</li> </ul>	
Distributions	<ul style="list-style-type: none"> <li>Loans: Yes</li> <li>Unforeseen Emergencies: Yes</li> <li>Installments: Yes</li> <li>In-Service Withdrawals: Yes at age 59.5</li> </ul>	
Costs	<ul style="list-style-type: none"> <li>Fee Leveling: No, fee 0.42% - excess revenue sharing sent to Revenue Credit Account</li> <li>Annual Plan Fee Analysis: December 2017</li> <li>Competitive Pricing April 2015</li> <li>Other Fees: Brokerage fees</li> <li>Share Class Review: March 2018</li> </ul>	
Investments	<ul style="list-style-type: none"> <li>Investment Direction: Participant</li> <li># of Investment Options: 19</li> <li>QDIA/DIA: Yes, age-appropriate target date fund</li> <li>Re-enrollment: No</li> <li>Managed Accounts: No</li> <li>Self-Directed Brokerage Window: Yes</li> <li>GMWB Options: TIAA Traditional</li> </ul>	
Education	<ul style="list-style-type: none"> <li>Participant Education Plan: TIAA, 27 on-site meetings</li> <li>Participant Retirement Readiness Review: Yes</li> </ul>	

# LITTLETON PUBLIC SCHOOLS 457(b) PLAN SUMMARY

	Current Structure	Considerations and Next Steps
Plan Provisions	<ul style="list-style-type: none"> <li>• Plan Type: 457(b)</li> <li>• Vesting Schedule: Immediate</li> <li>• Eligibility Requirements: Immediately Eligible</li> <li>• Roth: Yes, effective July 1, 2017</li> <li>• Safe Harbor: N/A</li> <li>• Normal Retirement Age: Combination of age + years of service credit specified by PERA</li> </ul>	
Governance	<ul style="list-style-type: none"> <li>• IPS Updated: March 2017</li> <li>• Governance Documents:</li> <li>• Plan Documents: Effective: July 1, 2002; restated July 1, 2005; restated July 1, 2008, amended November 2015</li> <li>• Fiduciary Education: March 2018</li> <li>• Recordkeeper Contract: TIAA, May 13, 2006, amended 2015</li> <li>• Innovest Contract: December 2014</li> </ul>	
Contributions	<ul style="list-style-type: none"> <li>• Contribution Rate: EE – voluntary up to \$18,000; catch up contribution up to \$6,000</li> <li>• Match Provision:</li> <li>• Enrollment: Participant Elected</li> <li>• Automatic Enrollment: No</li> <li>• Auto-Escalation: No</li> </ul>	
Distributions	<ul style="list-style-type: none"> <li>• Loans: No</li> <li>• Unforeseen Emergencies: No</li> <li>• Installments: Yes</li> <li>• In-Service Withdrawals: No</li> </ul>	
Costs	<ul style="list-style-type: none"> <li>• Fee Leveling: No, fee 0.42% - excess revenue sharing sent to Revenue Credit Account</li> <li>• Annual Plan Fee Analysis: December 2017</li> <li>• Competitive Pricing April 2015</li> <li>• Other Fees: Brokerage fees</li> <li>• Share Class Review: March 2018</li> </ul>	
Investments	<ul style="list-style-type: none"> <li>• Investment Direction: Participant</li> <li>• # of Investment Options: 19</li> <li>• QDIA/DIA: Yes, age-appropriate target date fund</li> <li>• Re-enrollment: No</li> <li>• Managed Accounts: No</li> <li>• Self-Directed Brokerage Window: Yes</li> <li>• GMWB Options: TIAA Traditional</li> </ul>	
Education	<ul style="list-style-type: none"> <li>• Participant Education Plan: TIAA, 27 on-site meetings</li> <li>• Participant Retirement Readiness Review: Yes</li> </ul>	



# Littleton Public Schools Combined Annual Fee Review

	<b>Plan</b>	<b>Benchmark*</b>
Plan assets as of 12/31/2017	\$ 11,451,688	Similarly Sized
<b>Investment, Recordkeeping and Administrative Costs</b>	<b>0.63%</b>	<b>1.09%</b>
Estimated Total Plan Expenses	0.87%	N/A

	Provider	Employer Paid		Employee Paid		Total	
		Fee (in \$)	Fee (in %)	Fee (in \$)	Fee (in %)	Fee (in \$)	Fee (in %)
Expense ratio retained by fund manager	Fund Managers			\$ 23,574	0.21%	\$ 23,574	0.21%
Revenue sharing sent to recordkeeper	TIAA			\$ 2,327	0.02%	\$ 2,327	0.02%
Gross Investment Management Fees		\$ -	0.00%	\$ 25,901	0.23%	\$ 25,901	0.23%
Recordkeeping/Administration Fee	TIAA			\$ 45,770	0.40%	\$ 45,770	0.40%
Gross Recordkeeping and Administrative Fees		\$ -	0.00%	\$ 45,770	0.40%	\$ 45,770	0.40%
Total Investment, Recordkeeping and Administrative Costs		\$ -	0.00%	\$ 71,671	0.63%	\$ 71,671	0.63%
Investment Consultant	Innovest	\$ 28,419	0.25%			\$ 28,419	0.25%
Total Plan Expenses		\$ 28,419	0.25%	\$ 71,671	0.63%	\$ 100,090	0.87%

\*The plan's estimated investment, recordkeeping and administrative costs of 0.63% as shown above, compare favorably to 401(k) Source data, a universe of 66 similarly sized 401(k) plans with an average investment, recordkeeping and administrative cost of 1.09%.

This review illustrates estimated plan costs based on available data.

## 401(a) Retirement Plan Statistics and Menu Coverage

### Industry Averages\*

Average Number Investment Options	19
Average Contribution Rate	5.5%/7.0%*
Average Account Balance	\$114,465

### Plan Averages

Number Investment Options	18
Average Contribution Rate	NA
Average Account Balance	\$21,073

\*Contribution rate for lower compensated/higher compensated employees as defined by ADP tests  
 Source: PCSA's 59th Annual Survey of Profit Sharing and 401(k) Plans (2015)

### Menu Coverage

Fixed Income		Domestic Equity			Specialty	
		Large	Value	Core	Growth	
Metropolitan West Total Return Bond	Vanguard Total Bond Market Index		Dodge & Cox Stock	Vanguard S&P 500 Index	Harbor Capital Appreciation	TIAA-CREF Social Choice Equity
TIAA Traditional Retirement Choice		Mid	Vanguard Selected Value	Vanguard Mid Cap Index	Janus Enterprise	
		Small	DFA U.S. Small Cap Value	Vanguard Small Cap Index	Voya Small Cap Opportunities	
Cash Equivalents		International Equity				
	Vanguard Federal Money Market		Value	Core	Growth	
			American Beacon International	Vanguard Total International Stock Index	American Funds Europacific	
Target Date Portfolios						
	Vanguard Target Retirement Income	Vanguard Target Retirement 2015	Vanguard Target Retirement 2020	Vanguard Target Retirement 2025	Vanguard Target Retirement 2030	
Vanguard Target Retirement 2035	Vanguard Target Retirement 2040	Vanguard Target Retirement 2045	Vanguard Target Retirement 2050	Vanguard Target Retirement 2055	Vanguard Target Retirement 2060	

## 403(b) & 457 Retirement Plan Statistics and Menu Coverage

### Industry Averages\*

Average Number Investment Options	19
Average Contribution Rate	5.5%/7.0%*
Average Account Balance	\$114,465

### Plan Averages

Number Investment Options	19
Average Account Balance-403(b)	\$26,167
Average Account Balance-457	\$45,111

\*Contribution rate for lower compensated/higher compensated employees as defined by ADP tests  
Source: PCSA's 59th Annual Survey of Profit Sharing and 401(k) Plans (2015)

### Menu Coverage

#### Fixed Income

Metropolitan West Total Return Bond	Vanguard Total Bond Market Index
TIAA Traditional	

#### Domestic Equity

	Value	Core	Growth
Large	Dodge & Cox Stock	Vanguard S&P 500 Index	Harbor Capital Appreciation
Mid	Vanguard Selected Value	Vanguard Mid Cap Index	Janus Enterprise
Small	DFA U.S. Small Cap Value	Vanguard Small Cap Index	Voya Small Cap Opportunities

#### Specialty

TIAA-CREF Social Choice Equity
--------------------------------

#### Cash Equivalents

Vanguard Federal Money Market
-------------------------------

#### International Equity

Value	Core	Growth
American Beacon International	Vanguard Total International Stock Index	American Funds Europacific

#### Target Date Portfolios

Vanguard Target Retirement Income	Vanguard Target Retirement 2015	Vanguard Target Retirement 2020	Vanguard Target Retirement 2025	Vanguard Target Retirement 2030	
Vanguard Target Retirement 2035	Vanguard Target Retirement 2040	Vanguard Target Retirement 2045	Vanguard Target Retirement 2050	Vanguard Target Retirement 2055	Vanguard Target Retirement 2060

## Asset Allocation - 401(a)

### Asset Allocation

	Dec-2017		Mar-2018	
	(\$)	%	(\$)	%
<b>Large Cap Equity</b>				
Dodge & Cox Stock	33,716	0.98	34,495	1.00
Vanguard S&P 500	198,390	5.75	196,451	5.72
Harbor Capital Appreciation Instl	85,888	2.49	89,527	2.61
<b>Total Large Cap Equity</b>	<b>317,994</b>	<b>9.22</b>	<b>320,473</b>	<b>9.33</b>
<b>Mid Cap Equity</b>				
BlackRock Mid Cap Value Opportunities	1,864	0.05	-	0.00
Vanguard Select Value	-	0.00	1,776	0.05
Vanguard Mid Cap Index	9,827	0.28	9,818	0.29
Janus Enterprise	68,366	1.98	71,683	2.09
<b>Total Mid Cap Equity</b>	<b>80,057</b>	<b>2.32</b>	<b>83,278</b>	<b>2.42</b>
<b>Small Cap Equity</b>				
DFA US Small Cap Value	8,843	0.26	8,627	0.25
Vanguard Small Cap Index	38,007	1.10	37,889	1.10
Voya Small Cap Opportunities	-	0.00	-	0.00
<b>Total Small Cap Equity</b>	<b>46,850</b>	<b>1.36</b>	<b>46,516</b>	<b>1.35</b>
<b>International Equity</b>				
American Beacon Intl Equity Instl	16,242	0.47	15,922	0.46
Vanguard Total Intl Stock Index	116,679	3.38	115,933	3.38
American Funds EuroPacific Gr	63,374	1.84	63,963	1.86
<b>Total International Equity</b>	<b>196,295</b>	<b>5.69</b>	<b>195,818</b>	<b>5.70</b>
<b>Fixed Income</b>				
Met West Total Return	33,150	0.96	32,694	0.95
Vanguard Total Bond Market Idx	37,452	1.09	35,374	1.03
TIAA Traditional Retirement Choice	84,855	2.46	85,656	2.49
<b>Total Fixed Income</b>	<b>155,457</b>	<b>4.51</b>	<b>153,724</b>	<b>4.48</b>

### Asset Allocation

	Dec-2017		Mar-2018	
	(\$)	%	(\$)	%
<b>Specialty</b>				
TIAA-CREF Social Choice	7,459	0.22	7,380	0.21
<b>Cash &amp; Equivalents</b>				
Vanguard Federal Money Market	1,027	0.03	1,029	0.03
<b>Target Date Funds</b>				
Vanguard Target Retirement Income	225,362	6.53	223,913	6.52
Vanguard Target Retirement 2015	272,801	7.91	271,100	7.89
Vanguard Target Retirement 2020	298,122	8.64	296,108	8.62
Vanguard Target Retirement 2025	429,591	12.45	426,598	12.42
Vanguard Target Retirement 2030	307,231	8.91	305,180	8.88
Vanguard Target Retirement 2035	610,676	17.70	606,506	17.66
Vanguard Target Retirement 2040	337,075	9.77	334,937	9.75
Vanguard Target Retirement 2045	132,559	3.84	131,657	3.83
Vanguard Target Retirement 2050	25,646	0.74	25,478	0.74
Vanguard Target Retirement 2055	5,268	0.15	5,233	0.15
<b>Total Target Date Funds</b>	<b>2,644,331</b>	<b>76.66</b>	<b>2,626,710</b>	<b>76.47</b>
<b>LPS 401(a) Total Fund</b>	<b>3,449,470</b>	<b>100.00</b>	<b>3,434,928</b>	<b>100.00</b>

## Asset Allocation - 403(b)

### Asset Allocation

	Dec-2017		Mar-2018	
	(\$)	%	(\$)	%
<b>Large Cap Equity</b>				
Dodge & Cox Stock	109,953	1.92	110,878	1.91
Vanguard S&P 500	557,775	9.75	570,415	9.82
Harbor Capital Appreciation Instl	175,398	3.06	187,568	3.23
<b>Total Large Cap Equity</b>	<b>843,126</b>	<b>14.73</b>	<b>868,861</b>	<b>14.96</b>
<b>Mid Cap Equity</b>				
BlackRock Mid Cap Value Opportunities	3,642	0.06	-	0.00
Vanguard Select Value	-	0.00	5,882	0.10
Vanguard Mid Cap Index	53,457	0.93	53,260	0.92
Janus Enterprise	256,427	4.48	222,973	3.84
<b>Total Mid Cap Equity</b>	<b>313,526</b>	<b>5.48</b>	<b>282,116</b>	<b>4.86</b>
<b>Small Cap Equity</b>				
DFA US Small Cap Value	23,628	0.41	24,294	0.42
Vanguard Small Cap Index	145,042	2.53	149,341	2.57
Voya Small Cap Opportunities	2,665	0.05	2,796	0.05
<b>Total Small Cap Equity</b>	<b>171,335</b>	<b>2.99</b>	<b>176,432</b>	<b>3.04</b>
<b>International Equity</b>				
American Beacon Intl Equity Instl	39,114	0.68	39,958	0.69
Vanguard Total Intl Stock Index	224,430	3.92	224,856	3.87
American Funds EuroPacific Gr	184,317	3.22	191,619	3.30
<b>Total International Equity</b>	<b>447,861</b>	<b>7.83</b>	<b>456,433</b>	<b>7.86</b>
<b>Fixed Income</b>				
Met West Total Return	131,884	2.30	137,275	2.36
Vanguard Total Bond Market Idx	127,188	2.22	128,946	2.22
TIAA Traditional Retirement Choice Plus	615,359	10.75	625,354	10.77
<b>Total Fixed Income</b>	<b>874,432</b>	<b>15.28</b>	<b>891,575</b>	<b>15.35</b>

### Asset Allocation

	Dec-2017		Mar-2018	
	(\$)	%	(\$)	%
<b>Specialty</b>				
TIAA-CREF Social Choice	48,546	0.85	50,844	0.88
<b>Cash &amp; Equivalents</b>				
Vanguard Federal Money Market	9,875	0.17	10,390	0.18
<b>Target Date Funds</b>				
Vanguard Target Retirement Income	310,077	5.42	307,448	5.29
Vanguard Target Retirement 2015	86,584	1.51	81,834	1.41
Vanguard Target Retirement 2020	529,446	9.25	529,485	9.11
Vanguard Target Retirement 2025	644,211	11.26	655,556	11.28
Vanguard Target Retirement 2030	186,506	3.26	196,817	3.39
Vanguard Target Retirement 2035	527,718	9.22	549,366	9.46
Vanguard Target Retirement 2040	481,065	8.41	490,110	8.44
Vanguard Target Retirement 2045	88,293	1.54	92,986	1.60
Vanguard Target Retirement 2050	156,807	2.74	164,364	2.83
Vanguard Target Retirement 2055	3,960	0.07	4,225	0.07
Vanguard Target Retirement 2060	-	0.00	260	0.00
<b>Total Target Date Funds</b>	<b>3,014,666</b>	<b>52.67</b>	<b>3,072,450</b>	<b>52.89</b>
<b>LPS 403(b) Total Fund</b>	<b>5,723,367</b>	<b>100.00</b>	<b>5,809,101</b>	<b>100.00</b>

## Asset Allocation - 457

### Asset Allocation

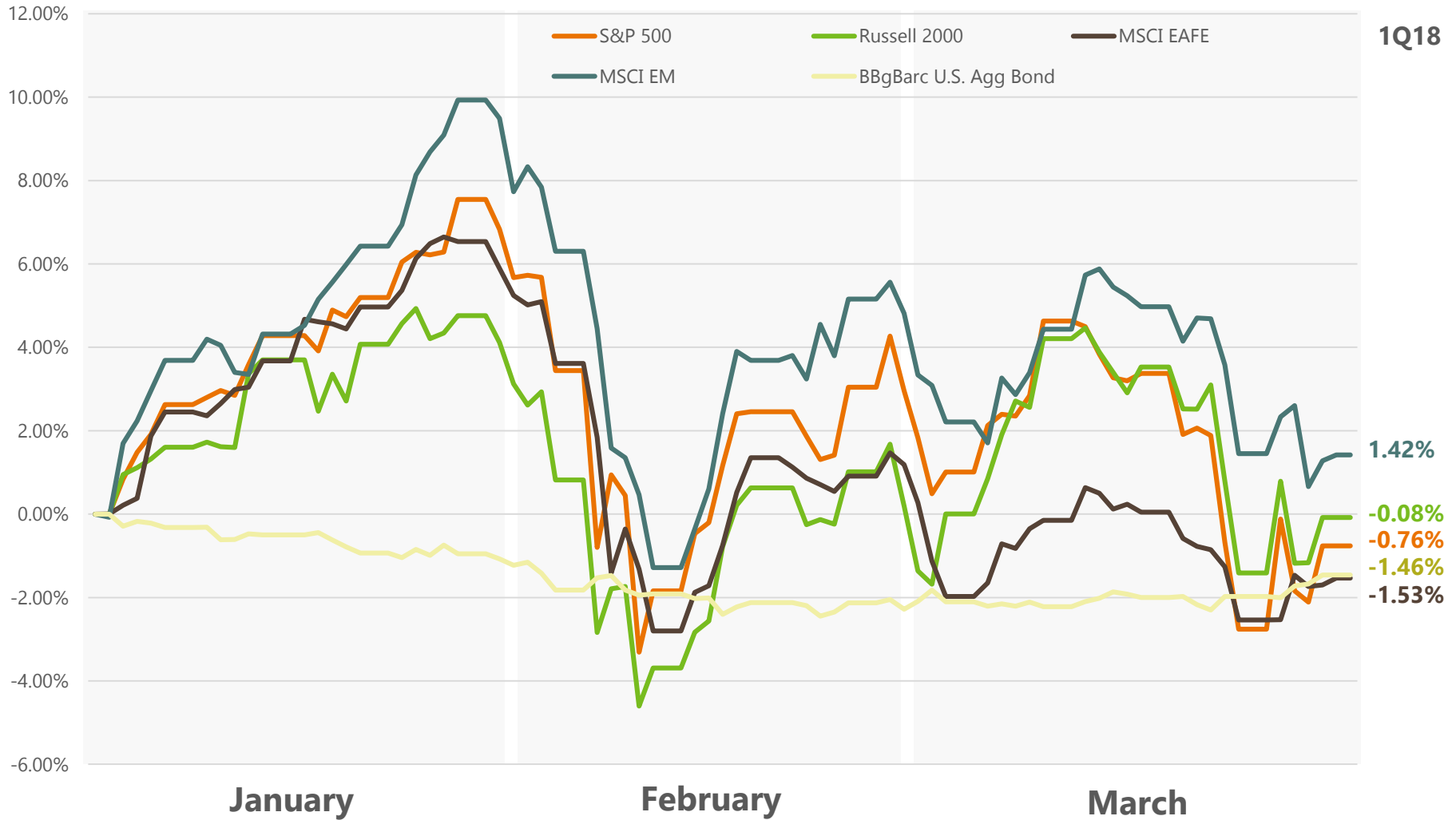
	Dec-2017		Mar-2018	
	(\$)	%	(\$)	%
<b>Large Cap Equity</b>				
Dodge & Cox Stock	26,823	1.18	240,596	10.46
Vanguard S&P 500	118,144	5.18	122,905	5.34
Harbor Capital Appreciation Instl	406,191	17.82	432,117	18.78
<b>Total Large Cap Equity</b>	<b>551,158</b>	<b>24.19</b>	<b>795,618</b>	<b>34.58</b>
<b>Mid Cap Equity</b>				
BlackRock Mid Cap Value Opportunities	1,029	0.05	-	0.00
Vanguard Select Value	-	0.00	1,015	0.04
Vanguard Mid Cap Index	4,265	0.19	4,278	0.19
Janus Enterprise	39,787	1.75	42,583	1.85
<b>Total Mid Cap Equity</b>	<b>45,081</b>	<b>1.98</b>	<b>47,877</b>	<b>2.08</b>
<b>Small Cap Equity</b>				
DFA US Small Cap Value	887	0.04	894	0.04
Vanguard Small Cap Index	42,225	1.85	47,141	2.05
Voya Small Cap Opportunities	1,123	0.05	1,117	0.05
<b>Total Small Cap Equity</b>	<b>44,235</b>	<b>1.94</b>	<b>49,153</b>	<b>2.14</b>
<b>International Equity</b>				
American Beacon Intl Equity Instl	52	0.00	51	0.00
Vanguard Total Intl Stock Index	66,181	2.90	70,565	3.07
American Funds EuroPacific Gr	34,963	1.53	36,184	1.57
<b>Total International Equity</b>	<b>101,197</b>	<b>4.44</b>	<b>106,801</b>	<b>4.64</b>
<b>Fixed Income</b>				
Met West Total Return	40,416	1.77	41,320	1.80
Vanguard Total Bond Market Idx	68,938	3.03	70,880	3.08
TIAA Traditional Retirement Choice Plus	144,883	6.36	147,506	6.41
<b>Total Fixed Income</b>	<b>254,237</b>	<b>11.16</b>	<b>259,706</b>	<b>11.29</b>

### Asset Allocation

	Dec-2017		Mar-2018	
	(\$)	%	(\$)	%
<b>Specialty</b>				
TIAA-CREF Social Choice	3,282	0.14	3,350	0.15
<b>Cash &amp; Equivalents</b>				
Vanguard Federal Money Market	234,559	10.29	5,416	0.24
<b>Target Date Funds</b>				
Vanguard Target Retirement Income	168,986	7.42	167,976	7.30
Vanguard Target Retirement 2015	294,657	12.93	268,180	11.66
Vanguard Target Retirement 2020	211,815	9.29	212,333	9.23
Vanguard Target Retirement 2025	69,170	3.04	74,936	3.26
Vanguard Target Retirement 2030	37,445	1.64	37,195	1.62
Vanguard Target Retirement 2035	-	0.00	-	0.00
Vanguard Target Retirement 2040	93,481	4.10	97,343	4.23
Vanguard Target Retirement 2045	95,018	4.17	99,473	4.32
Vanguard Target Retirement 2050	74,531	3.27	75,281	3.27
Vanguard Target Retirement 2055	-	0.00	-	0.00
<b>Total Target Date Funds</b>	<b>1,045,103</b>	<b>45.86</b>	<b>1,032,718</b>	<b>44.89</b>
<b>LPS 457 Total Fund</b>	<b>2,278,851</b>	<b>100.00</b>	<b>2,300,639</b>	<b>100.00</b>

# THE MARKETS

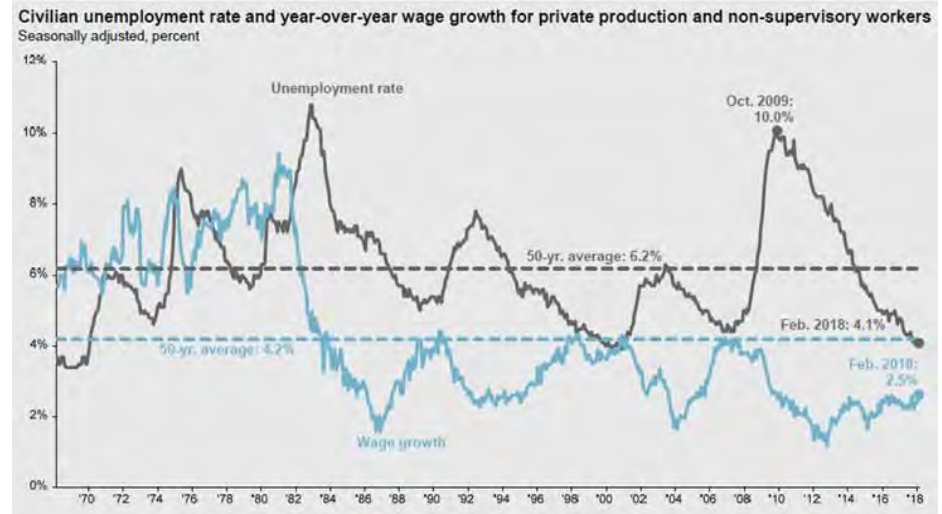
## Investment Returns First Quarter 2018



# JOBS, INFLATION AND GDP GROWTH

- The national unemployment rate is at a 17-year low of 4.1%. This is accompanied by an increase in personal income due to wage growth and a reduction in the personal tax rate.
- Core CPI is up 1.8% in the past year and is showing clear acceleration in recent months, prompting equity market volatility.
- In the U.S., Real GDP increased by 2.3% in 2017 (versus a 1.5% increase in 2016). A broad based cyclical global recovery is underway with all major regions across the world experiencing growth in GDP.

## Unemployment vs Wage Growth



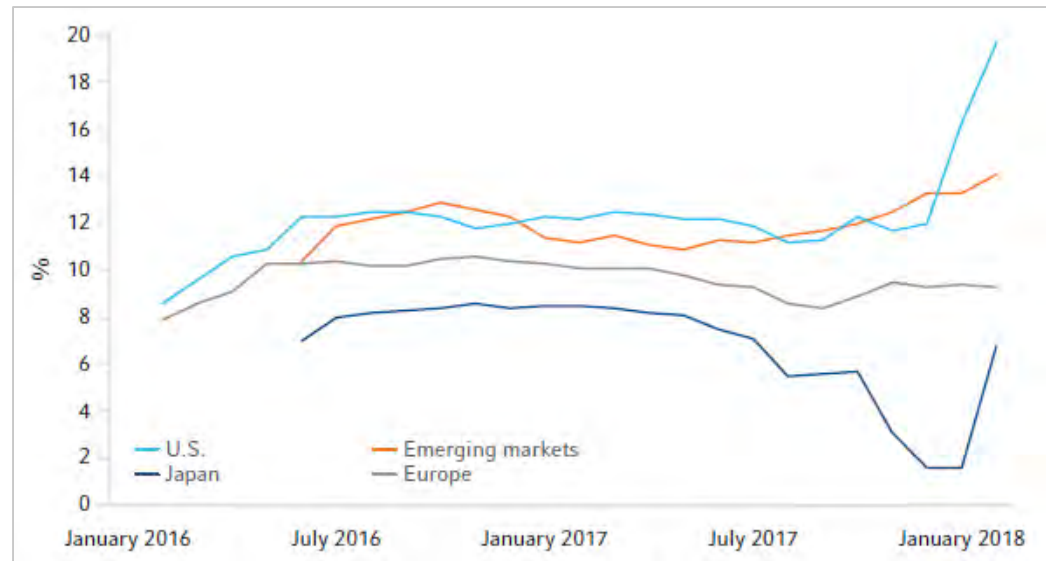
Source: As of 3/31/2018. Sources: BLS, FactSet, and J.P. Morgan Asset Management.



# CORPORATE EARNINGS

- Following strong corporate profits in 2017, forecasted earnings have been revised higher in 2018 due to organic growth and corporate tax cuts.
- Strong profits point to continued strength from risk assets, but high expectations minimize the margin for error and could contribute to continued market volatility.
- A potential global trade war could lead to slower economic growth and reduced corporate profitability.

## Forecasted 2018 EPS Growth

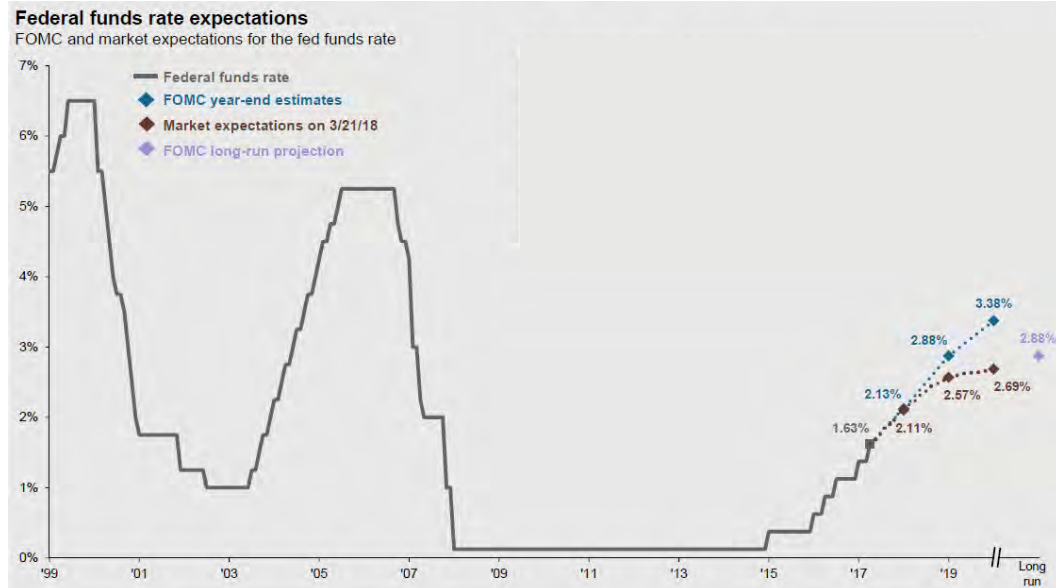


Source: Russell Investments, MSCI and Institutional Brokers' Estimate System (IBES). February 2018.

# MONETARY POLICY

- The Fed continues to gradually raise the Federal Funds rate in hopes of heading off rising inflation.
- An increase in the Fed Funds rate typically leads to higher credit card interest rates and bank lending rates.
- At its March meeting, the Fed raised its forecast for the number of rate hikes likely over the coming few years, though the financial markets expect a somewhat more measured pace.

## Fed Funds Rate Expectations



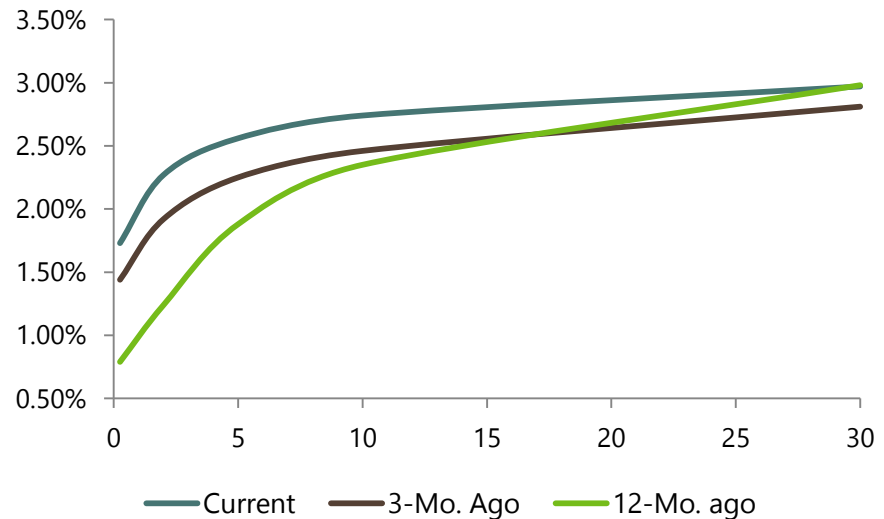
As of 3/31/2018. Market expectations are the federal funds rates priced into the fed futures market as of the date of the March 2018 FOMC meeting. Sources: FactSet, Federal Reserve, Bloomberg, and J.P. Morgan Asset Management.

# TREASURY YIELDS

- Rates have risen over the previous 12 months for 3-month and 10-year U.S. Treasuries.
- The biggest change occurred for short-term rates.
- The yield curve is flattening, which is typical in the latter stages of an economic cycle.

## U.S. Treasury Yield Curves and Yields

Security	Current	3-Mo. Ago	12-Mo. ago
3-mo. Treasury	1.73	1.44	0.79
10Yr. Treasury	2.74	2.46	2.35



Source FactSet, Federal Reserve, Bloomberg, Morningstar, U.S. Dept. of the Treasury as of 3/29/18.

# ASSET CLASS FUNDAMENTALS

## Equity Valuations Drive Long-Term Returns

### U.S.

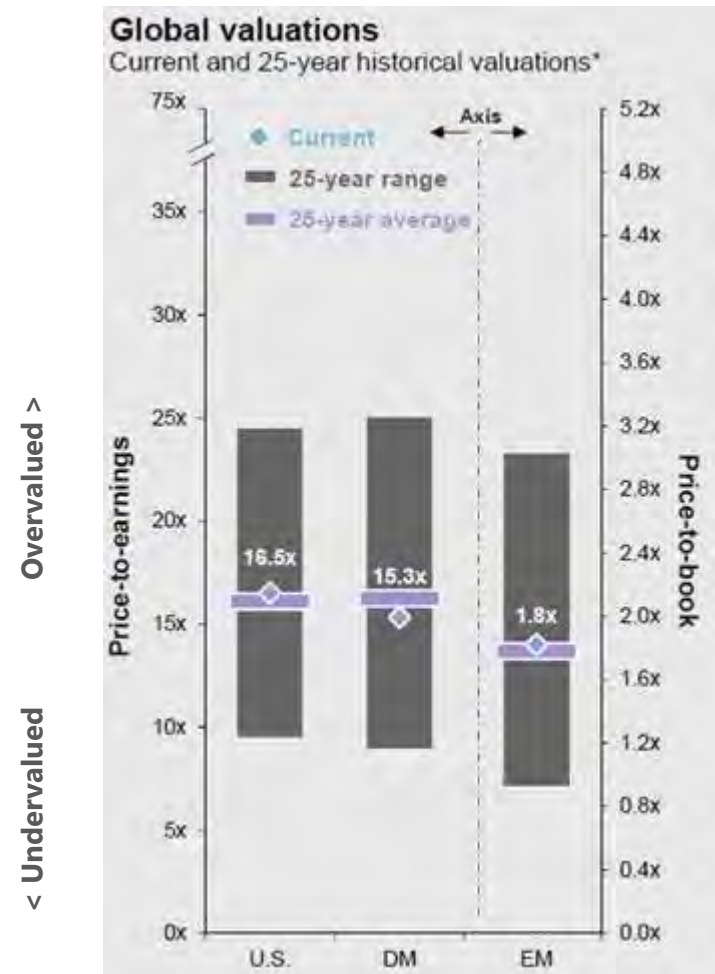
Slightly above long-term averages

### Developed Markets

Slightly below long-term averages

### Emerging Markets

At long-term averages



DM = Developed Markets; EM = Emerging Markets  
Valuations refer to NTMA P/E for U.S. and Developed Markets, and P/B for Emerging Markets. Data as of 3/31/2018. Sources: IBES, FactSet, MSCI, Standard & Poor's, and J.P. Morgan Asset Management.

# GLOBAL EQUITY INDICES

## 1st Quarter 2018

	Domestic Equity		
	Value	Core	Growth
Large	-3.6%	-0.8%	1.9%
Mid	-2.5%	-0.5%	2.2%
Small	-2.6%	-0.1%	2.3%

Developed International Equity		
Value	Core	Growth
-2.0%	-1.5%	-1.0%

Emerging Markets
1.4%

## YTD as of March 31, 2018

	Domestic Equity		
	Value	Core	Growth
Large	-3.6%	-0.8%	1.9%
Mid	-2.5%	-0.5%	2.2%
Small	-2.6%	-0.1%	2.3%

Developed International Equity		
Value	Core	Growth
-2.0%	-1.5%	-1.0%

Emerging Markets
1.4%

## 1 Year

	Domestic Equity		
	Value	Core	Growth
Large	7.7%	14.0%	19.7%
Mid	6.5%	12.2%	19.7%
Small	5.1%	11.8%	18.6%

Developed International Equity		
Value	Core	Growth
12.2%	14.8%	17.5%

Emerging Markets
24.9%

## 3 Year Annualized

	Domestic Equity		
	Value	Core	Growth
Large	8.4%	10.8%	12.7%
Mid	7.2%	8.0%	9.2%
Small	7.9%	8.4%	8.8%

Developed International Equity		
Value	Core	Growth
4.3%	5.6%	6.7%

Emerging Markets
8.8%

## 5 Years Annualized

	Domestic Equity		
	Value	Core	Growth
Large	10.9%	13.3%	15.4%
Mid	11.1%	12.1%	13.3%
Small	10.0%	11.5%	12.9%

Developed International Equity		
Value	Core	Growth
5.8%	6.5%	7.1%

Emerging Markets
5.0%

## 10 Years Annualized

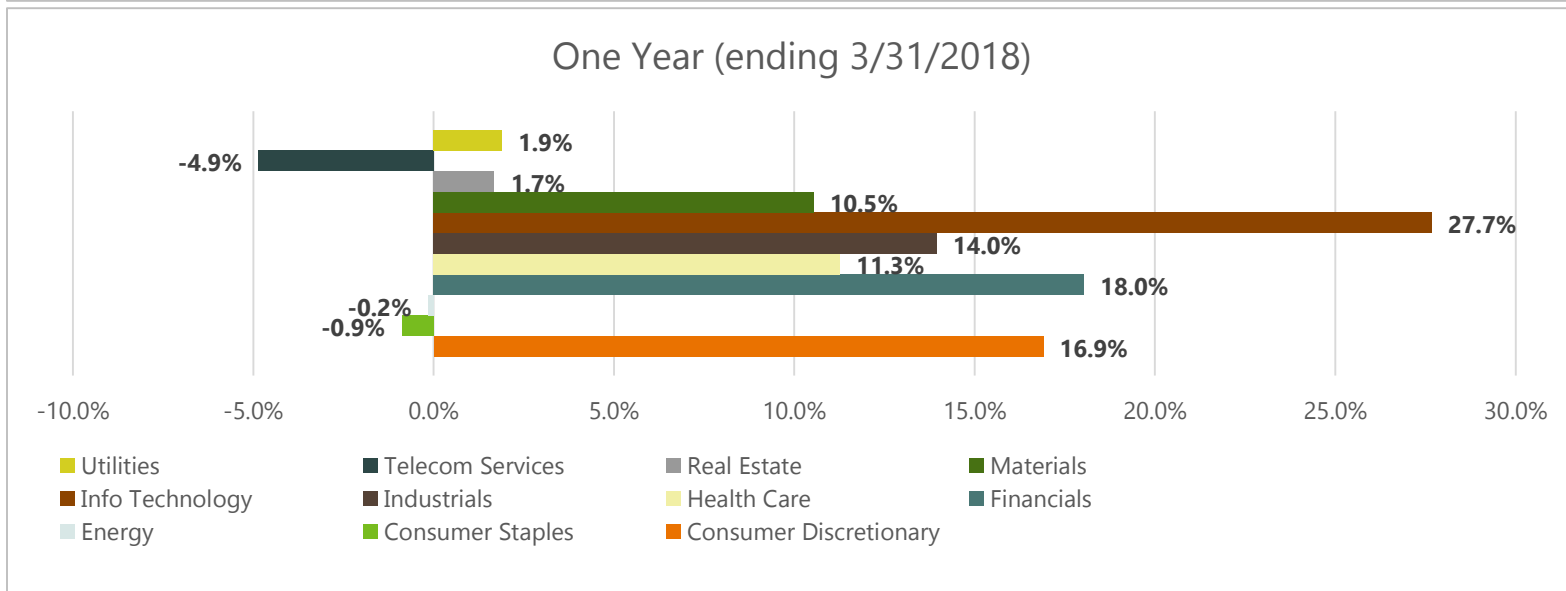
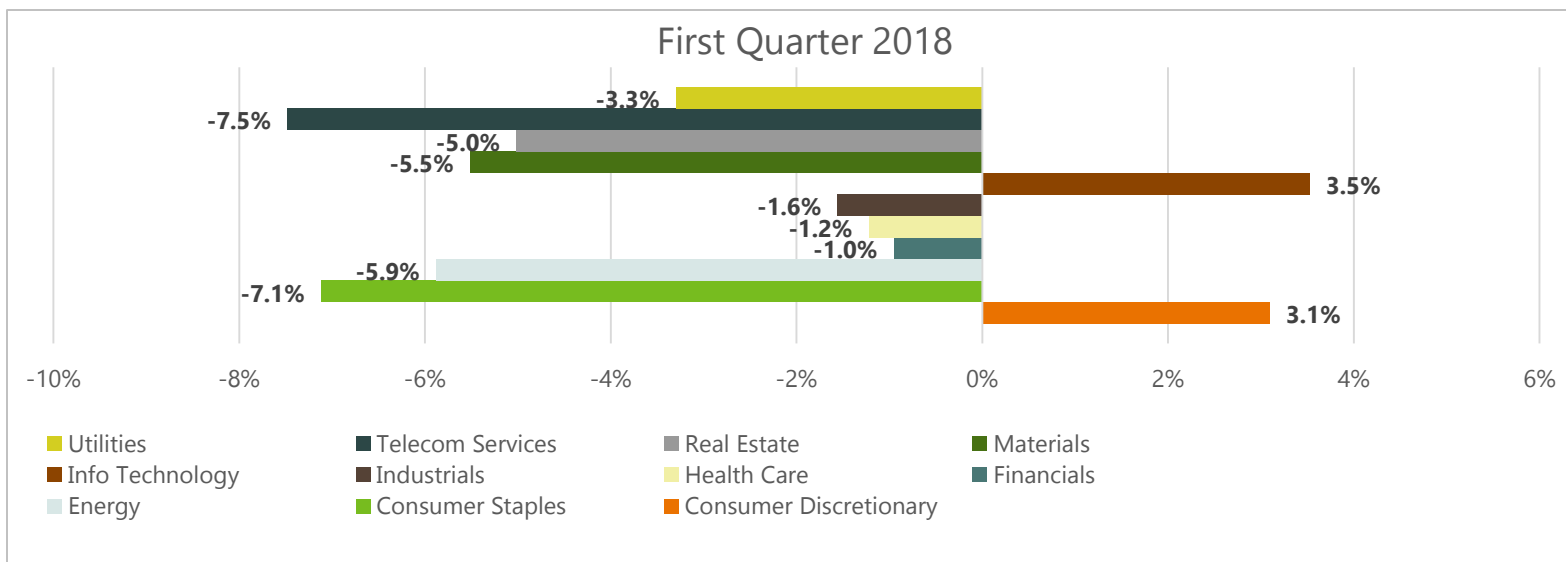
	Domestic Equity		
	Value	Core	Growth
Large	7.4%	9.5%	11.4%
Mid	9.8%	10.2%	10.6%
Small	8.6%	9.8%	11.0%

Developed International Equity		
Value	Core	Growth
2.0%	2.7%	3.4%

Emerging Markets
3.0%

Returns sourced from the S&P 500, S&P 500 Value, S&P 500 Growth, Russell Mid Cap, Russell Mid Cap Value, Russell Mid Cap Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EAFE Value, MSCI EAFE Growth, and MSCI EM indices. Dark green indicates returns at or greater than 10%, light green indicates returns 0-4%, light pink indicates returns 0% to -5%, light dark red indicates returns down more than 10. Returns for time periods of 3 years or longer are annualized. Source: Morningstar Direct.

# DOMESTIC EQUITY SECTOR PERFORMANCE



Returns are based off return data for the eleven sectors according to the S&P 500. Source: Morningstar Direct.

# FIXED INCOME AND ADDITIONAL ASSET CLASSES

## FIXED INCOME INDICES

### Barclays Agg U.S. Bond

QTD	YTD	1 Year	3 Year	5 Year	10 Year
-1.5%	-1.5%	1.2%	1.2%	1.8%	3.6%

### Barclays U.S. Government 1-3 Year

QTD	YTD	1 Year	3 Year	5 Year	10 Year
-0.2%	-0.2%	0.0%	0.4%	0.5%	1.1%

### Barclays Municipal Bond

QTD	YTD	1 Year	3 Year	5 Year	10 Year
-1.1%	-1.1%	2.7%	2.3%	2.7%	4.4%

### Credit Suisse Leveraged Loan

QTD	YTD	1 Year	3 Year	5 Year	10 Year
1.6%	1.6%	4.6%	4.3%	4.2%	5.4%

### Barclays U.S. Corporate High Yield

QTD	YTD	1 Year	3 Year	5 Year	10 Year
-0.9%	-0.9%	3.8%	5.2%	5.0%	8.3%

### Credit Spreads

Category	Median	Current	High	Low
Floating Rate Corp Loans	537	372	2474	222
High Yield Corporate	473	379	2147	241

Credit Spreads sourced from Eaton Vance as of 3/31/18.

## ADDITIONAL ASSET CLASSES

### HFRI Fund of Fund Index

QTD	YTD	1 Year	3 Year	5 Year	10 Year
0.9%	0.9%	6.2%	2.1%	3.5%	1.6%

### Bloomberg Commodity

QTD	YTD	1 Year	3 Year	5 Year	10 Year
-0.4%	-0.4%	3.7%	-3.2%	-8.3%	-7.7%

### Alerian MLP Infrastructure

QTD	YTD	1 Year	3 Year	5 Year	10 Year
-11.5%	-11.5%	-22.5%	-11.7%	-5.4%	6.3%

### S&P Developed Property

QTD	YTD	1 Year	3 Year	5 Year	10 Year
-4.4%	-4.4%	5.2%	3.2%	5.6%	4.8%

Returns sourced from the BBgBarc U.S. Agg Bond, BBgBarc U.S. Corporate High Yield, BBgBarc U.S. Govt 1-3 Yr, Credit Suisse Leveraged Loan, BBgBarc Municipal, Bloomberg Commodity, Alerian MLP Infrastructure, HFRI Fund of Fund Index, and the S&P Developed Property indices. Dark green indicates returns at or greater than 4%, light green indicates returns 0-4%, light pink indicates returns 0% to -5%, light dark red indicates returns down more than 10%. Returns for time periods of 3 years or longer are annualized. Source: Morningstar Direct and InvestmentMetrics. Credit spreads source: Eaton Vance and Factset as of 3/31/18. Spread history measures past 15 years. All fixed-income spreads are measured in basis points and measure option-adjusted yield spread relative to comparable U.S. Treasuries using daily data. Loan index spread represents the three-year discounted spread over LIBOR. Floating-Rate Loans represented by S&P/LSTA Leveraged Loan Index. High Yield represented by BofA Merrill Lynch U.S. High Yield index. Dark green indicates current spreads greater than 1.25x the median, light green indicates spreads from 0.76 to 1.24x the median, and red indicates spreads at 0.75x the median or less.

THIS PAGE LEFT INTENTIONALLY BLANK



## Table of Returns

	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Large Cap Equity</b>									
Dodge & Cox Stock	-1.75 (21)	-1.75 (21)	10.76 (33)	10.88 (2)	13.34 (1)	12.69 (2)	8.90 (14)	16.79 (6)	10/01/2015
S&P 500 Value	-3.57 (90)	-3.57 (90)	7.69 (71)	8.40 (34)	10.87 (36)	10.85 (31)	7.42 (52)	13.91 (36)	
IM U.S. Large Cap Value Equity (MF) Median	-2.47	-2.47	9.23	7.67	10.43	10.26	7.45	13.23	
<b>Vanguard S&amp;P 500</b>									
Vanguard S&P 500	-0.77 (44)	-0.77 (44)	13.95 (41)	10.75 (15)	13.27 (15)	12.67 (13)	9.49 (18)	15.95 (18)	10/01/2015
S&P 500 Index	-0.76 (43)	-0.76 (43)	13.99 (40)	10.78 (14)	13.31 (14)	12.71 (12)	9.49 (18)	15.99 (18)	
IM U.S. Large Cap Core Equity (MF) Median	-1.11	-1.11	13.31	9.25	12.05	11.44	8.51	14.33	
<b>Harbor Capital Appreciation Instl</b>									
Harbor Capital Appreciation Instl	4.32 (26)	4.32 (26)	28.79 (7)	14.02 (10)	17.24 (7)	14.84 (9)	11.92 (12)	18.35 (17)	10/01/2015
S&P 500 Growth	1.93 (68)	1.93 (68)	19.69 (72)	12.66 (28)	15.37 (29)	14.32 (14)	11.35 (21)	17.54 (30)	
IM U.S. Large Cap Growth Equity (MF) Median	2.82	2.82	21.55	11.44	14.51	12.72	10.11	16.61	
<b>Mid Cap Equity</b>									
Vanguard Select Value	-4.32 (94)	-4.32 (94)	8.12 (27)	8.10 (20)	11.43 (12)	11.20 (10)	10.32 (14)	-4.32 (94)	01/01/2018
Russell Midcap Value Index	-2.50 (70)	-2.50 (70)	6.50 (53)	7.23 (31)	11.11 (19)	11.21 (10)	9.81 (29)	-2.50 (70)	
IM U.S. Mid Cap Value Equity (MF) Median	-1.98	-1.98	6.58	6.16	9.98	9.85	8.89	-1.98	
<b>Vanguard Mid Cap Index</b>									
Vanguard Mid Cap Index	0.01 (21)	0.01 (21)	12.31 (25)	7.86 (34)	12.26 (13)	11.29 (16)	10.14 (19)	13.49 (41)	10/01/2015
CRSP U.S. Mid Cap TR Index	0.03 (21)	0.03 (21)	12.36 (24)	7.90 (32)	12.31 (11)	11.55 (11)	9.96 (23)	13.53 (39)	
IM U.S. Mid Cap Core Equity (MF) Median	-1.20	-1.20	9.21	6.65	10.42	9.67	8.80	13.03	
<b>Janus Enterprise</b>									
Janus Enterprise	4.96 (17)	4.96 (17)	24.03 (18)	12.98 (2)	15.69 (4)	N/A	N/A	19.59 (3)	10/01/2015
Russell Midcap Growth Index	2.17 (64)	2.17 (64)	19.74 (49)	9.17 (44)	13.31 (29)	11.92 (25)	10.61 (25)	15.39 (42)	
IM U.S. Mid Cap Growth Equity (MF) Median	2.95	2.95	19.59	8.64	12.23	10.70	9.48	14.73	
<b>Small Cap Equity</b>									
DFA US Small Cap Value	-2.34 (43)	-2.34 (43)	6.13 (65)	6.51 (57)	9.90 (48)	9.49 (33)	9.20 (32)	13.36 (56)	10/01/2015
Russell 2000 Value Index	-2.64 (48)	-2.64 (48)	5.13 (67)	7.87 (42)	9.96 (48)	9.42 (33)	8.61 (51)	15.15 (42)	
IM U.S. Small Cap Value Equity (MF) Median	-2.71	-2.71	7.86	7.04	9.48	9.01	8.62	14.53	
<b>Vanguard Small Cap Index</b>									
Vanguard Small Cap Index	-0.21 (31)	-0.21 (31)	11.82 (34)	8.06 (50)	11.66 (38)	10.96 (28)	10.72 (14)	14.89 (44)	10/01/2015
CRSP U.S. Small Cap TR Index	-0.22 (32)	-0.22 (32)	11.80 (34)	8.03 (52)	11.65 (39)	11.12 (26)	11.13 (8)	14.87 (44)	
IM U.S. Small Cap Core Equity (MF) Median	-0.66	-0.66	10.58	8.05	10.62	9.98	8.89	14.61	
<b>Voya Small Cap Opportunities</b>									
Voya Small Cap Opportunities	-0.44 (70)	-0.44 (70)	10.95 (67)	7.79 (41)	N/A	N/A	N/A	14.54 (39)	10/01/2015
Russell 2000 Growth Index	2.30 (33)	2.30 (33)	18.63 (31)	8.77 (31)	12.90 (24)	11.29 (28)	10.95 (32)	16.07 (31)	
IM U.S. Small Cap Growth Equity (MF) Median	0.86	0.86	11.97	6.77	10.87	9.56	10.26	14.04	
<b>International Equity</b>									
American Beacon Intl Equity Instl	-1.87 (76)	-1.87 (76)	14.52 (27)	4.65 (42)	6.42 (15)	5.20 (19)	3.17 (15)	9.71 (55)	10/01/2015
MSCI EAFE Value Index (Net)	-2.03 (77)	-2.03 (77)	12.19 (89)	4.29 (64)	5.78 (46)	4.44 (48)	1.97 (43)	10.48 (6)	
IM International Large Cap Value Equity (MF) Median	-1.49	-1.49	13.34	4.49	5.56	4.33	1.81	9.75	

TIAA Traditional Annuity Returns show current quarter's credit rate.

## Table of Returns

	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Vanguard Total Intl Stock Index	-0.46 (59)	-0.46 (59)	17.05 (60)	6.92 (50)	6.41 (50)	4.67 (55)	N/A	13.27 (48)	10/01/2015
FTSE Global ex USA All Cap Index	-1.09 (75)	-1.09 (75)	17.05 (60)	7.09 (48)	6.73 (43)	4.94 (50)	3.51 (42)	13.61 (46)	
IM International Equity (MF) Median	-0.07	-0.07	18.28	6.85	6.39	4.92	3.08	13.02	
American Funds EuroPacific Gr	1.03 (12)	1.03 (12)	21.18 (10)	7.93 (13)	8.80 (5)	6.67 (8)	N/A	13.70 (14)	10/01/2015
MSCI EAFE Growth Index (Net)	-1.04 (59)	-1.04 (59)	17.51 (43)	6.73 (42)	7.14 (32)	6.11 (26)	3.44 (56)	11.70 (40)	
IM International Large Cap Growth Equity (MF) Median	-0.70	-0.70	16.10	6.33	6.36	5.48	3.68	11.13	
Fixed Income									
Met West Total Return	-1.30 (26)	-1.30 (26)	1.17 (46)	1.14 (46)	2.03 (22)	3.76 (6)	5.34 (1)	1.65 (53)	10/01/2015
Blmbg. Barc. U.S. Aggregate Index	-1.46 (46)	-1.46 (46)	1.20 (45)	1.20 (40)	1.82 (35)	2.92 (46)	3.63 (54)	1.63 (54)	
IM U.S. Broad Market Core Fixed Income (MF) Median	-1.48	-1.48	1.11	1.10	1.64	2.87	3.70	1.69	
Vanguard Total Bond Market Idx	-1.47 (48)	-1.47 (48)	1.11 (50)	1.12 (49)	1.73 (43)	2.86 (51)	3.57 (58)	1.60 (56)	10/01/2015
Blmbg. Barc. U.S. Aggregate Index	-1.46 (46)	-1.46 (46)	1.20 (45)	1.20 (40)	1.82 (35)	2.92 (46)	3.63 (54)	1.63 (54)	
IM U.S. Broad Market Core Fixed Income (MF) Median	-1.48	-1.48	1.11	1.10	1.64	2.87	3.70	1.69	
TIAA Traditional Annuity RC-401(a)	1.01 (1)	1.01 (1)	4.27 (1)	4.22 (1)	4.14 (1)	4.05 (1)	4.22 (1)	4.22 (1)	10/01/2015
Ryan 3 Yr GIC Master Index	0.44 (88)	0.44 (88)	1.67 (94)	1.44 (96)	1.28 (98)	1.41 (100)	2.21 (74)	1.50 (96)	
IM U.S. GIC/Stable Value (SA+CF) Median	0.49	0.49	1.92	1.87	1.82	2.03	2.46	1.86	
TIAA Traditional Annuity RCP-403(b) & 457	0.82 (1)	0.82 (1)	3.51 (1)	3.45 (1)	3.36 (1)	3.28 (1)	3.42 (1)	3.45 (1)	10/01/2015
Ryan 3 Yr GIC Master Index	0.44 (88)	0.44 (88)	1.67 (94)	1.44 (96)	1.28 (98)	1.41 (100)	2.21 (74)	1.50 (96)	
IM U.S. GIC/Stable Value (SA+CF) Median	0.49	0.49	1.92	1.87	1.82	2.03	2.46	1.86	
Specialty									
TIAA-CREF:Soc Ch Eq;Inst	-0.21 (33)	-0.21 (33)	14.83 (28)	9.88 (22)	12.05 (44)	11.73 (34)	9.35 (25)	15.94 (13)	10/01/2015
S&P 500 Index	-0.76 (56)	-0.76 (56)	13.99 (37)	10.78 (6)	13.31 (16)	12.71 (10)	9.49 (22)	15.99 (12)	
IM U.S. Multi-Cap Core Equity (MF) Median	-0.64	-0.64	13.02	8.34	11.76	10.90	8.35	13.73	
Cash & Equivalents									
Vanguard Federal Money Market	0.33 (13)	0.33 (13)	1.02 (14)	0.49 (13)	0.30 (13)	0.22 (14)	0.35 (17)	4.22 (36)	08/01/1981
90 Day U.S. Treasury Bill	0.35 (9)	0.35 (9)	1.11 (10)	0.49 (13)	0.31 (12)	0.24 (11)	0.32 (22)	4.28 (25)	
IM U.S. Taxable Money Market (MF) Median	0.27	0.27	0.74	0.29	0.17	0.13	0.23	4.12	
Target Date Funds									
Vanguard Target Retirement Income	-0.50 (14)	-0.50 (14)	5.35 (61)	3.68 (69)	4.33 (86)	5.07 (75)	4.93 (68)	5.72 (82)	10/01/2015
Vanguard Target Income Composite Index	-0.52 (20)	-0.52 (20)	5.56 (57)	3.86 (63)	4.53 (85)	5.22 (71)	5.03 (66)	5.93 (81)	
IM Retirement Income (MF) Median	-0.77	-0.77	5.87	4.26	5.94	5.79	5.39	7.42	
Vanguard Target Retirement 2015	-0.52 (26)	-0.52 (26)	7.30 (38)	4.73 (37)	6.17 (28)	6.44 (23)	5.74 (11)	7.66 (48)	10/01/2015
Vanguard Target 2015 Composite Index	-0.56 (27)	-0.56 (27)	7.43 (29)	4.91 (28)	6.37 (19)	6.57 (20)	5.80 (10)	7.91 (37)	
IM Mixed-Asset Target 2015 (MF) Median	-0.86	-0.86	6.90	4.56	5.70	5.84	4.97	7.63	

TIAA Traditional Annuity Returns show current quarter's credit rate.

## Table of Returns

	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Vanguard Target Retirement 2020	-0.57 (25)	-0.57 (25)	8.95 (11)	5.65 (10)	7.26 (5)	7.23 (7)	6.22 (5)	9.19 (14)	10/01/2015
Vanguard Target 2020 Composite Index	-0.63 (30)	-0.63 (30)	9.14 (8)	5.84 (6)	7.47 (3)	7.46 (3)	6.36 (3)	9.44 (9)	
IM Mixed-Asset Target 2020 (MF) Median	-0.87	-0.87	7.64	4.70	5.73	5.83	5.09	8.12	
Vanguard Target Retirement 2025	-0.59 (41)	-0.59 (41)	10.20 (17)	6.30 (15)	7.96 (12)	7.76 (14)	6.48 (14)	10.27 (18)	10/01/2015
Vanguard Target 2025 Composite Index	-0.67 (44)	-0.67 (44)	10.33 (12)	6.48 (11)	8.17 (7)	7.99 (9)	6.64 (11)	10.52 (11)	
IM Mixed-Asset Target 2025 (MF) Median	-0.83	-0.83	9.26	5.54	6.65	6.68	5.65	9.41	
Vanguard Target Retirement 2030	-0.56 (38)	-0.56 (38)	11.19 (33)	6.83 (21)	8.60 (13)	8.23 (14)	6.71 (15)	11.22 (24)	10/01/2015
Vanguard Target 2030 Composite Index	-0.68 (41)	-0.68 (41)	11.34 (28)	7.01 (17)	8.81 (9)	8.46 (7)	6.87 (11)	11.47 (18)	
IM Mixed-Asset Target 2030 (MF) Median	-0.81	-0.81	10.60	6.07	7.34	7.09	5.76	10.47	
Vanguard Target Retirement 2035	-0.58 (48)	-0.58 (48)	12.23 (45)	7.35 (29)	9.22 (16)	8.68 (20)	7.02 (21)	12.17 (32)	10/01/2015
Vanguard Target 2035 Composite Index	-0.68 (56)	-0.68 (56)	12.34 (38)	7.54 (25)	9.44 (11)	8.92 (10)	7.18 (17)	12.43 (23)	
IM Mixed-Asset Target 2035 (MF) Median	-0.62	-0.62	11.99	6.74	8.08	7.73	6.30	11.63	
Vanguard Target Retirement 2040	-0.53 (41)	-0.53 (41)	13.25 (30)	7.86 (23)	9.73 (12)	9.10 (12)	7.34 (13)	13.13 (20)	10/01/2015
Vanguard Target 2040 Composite Index	-0.69 (51)	-0.69 (51)	13.35 (28)	8.06 (18)	9.97 (7)	9.35 (7)	7.49 (10)	13.38 (12)	
IM Mixed-Asset Target 2040 (MF) Median	-0.68	-0.68	12.54	6.98	8.45	7.86	6.21	12.12	
Vanguard Target Retirement 2045	-0.58 (51)	-0.58 (51)	13.68 (37)	8.10 (24)	9.88 (14)	9.20 (16)	7.40 (16)	13.45 (21)	10/01/2015
Vanguard Target 2045 Composite Index	-0.70 (59)	-0.70 (59)	13.82 (32)	8.31 (15)	10.12 (9)	9.46 (10)	7.57 (15)	13.72 (12)	
IM Mixed-Asset Target 2045 (MF) Median	-0.58	-0.58	13.24	7.51	8.87	8.26	6.60	12.76	
Vanguard Target Retirement 2050	-0.55 (44)	-0.55 (44)	13.69 (37)	8.11 (22)	9.88 (13)	9.20 (15)	7.41 (17)	13.44 (22)	10/01/2015
Vanguard Target 2050 Composite Index	-0.70 (53)	-0.70 (53)	13.82 (34)	8.31 (17)	10.12 (9)	9.46 (9)	7.57 (14)	13.72 (11)	
IM Mixed-Asset Target 2050 (MF) Median	-0.66	-0.66	13.33	7.34	8.99	8.20	6.50	12.67	
Vanguard Target Retirement 2055	-0.56 (48)	-0.56 (48)	13.69 (49)	8.05 (37)	9.85 (20)	9.21 (21)	N/A	13.43 (32)	10/01/2015
Vanguard Target 2055 Composite Index	-0.70 (60)	-0.70 (60)	13.82 (42)	8.31 (24)	10.12 (13)	9.46 (14)	N/A	13.72 (18)	
IM Mixed-Asset Target 2055+ (MF) Median	-0.59	-0.59	13.65	7.74	9.19	8.49	N/A	13.10	

TIAA Traditional Annuity Returns show current quarter's credit rate.

## Manager Score Card

	Criteria								Costs		
	Organization	People	Philosophy & Process	Style Consistency	Asset Base	Performance	Expenses	Overall	Exp Ratio (%)	Median Exp Ratio (%)	Ratio of Exp to Median (%)
Dodge & Cox Stock (DODGX)	█	█	█	█	█	█	█	█	0.52	1.04	50.00
Vanguard 500 Index;Adm (VFIAX)	█	█	█	█	█	█	█	█	0.04	0.99	4.04
Harbor:Cap Apprec;Inst (HACAX)	█	█	█	█	█	█	█	█	0.66	1.06	62.26
BlackRock:Md Cp Div;I (MARFX)	█	█	█	█	█	█	█	█	0.85	1.10	77.27
Vanguard Md-Cp Idx;Adm (VIMAX)	█	█	█	█	█	█	█	█	0.06	1.12	5.36
Jns Hndsn:Enterprise;N (JDMNX)	█	█	█	█	█	█	█	█	0.68	1.23	55.28
DFA US Small Cap Val;I (DFS VX)	█	█	█	█	█	█	█	█	0.52	1.31	39.69
Vanguard Sm-Cp Idx;Adm (VSMAX)	█	█	█	█	█	█	█	█	0.06	1.23	4.88
Voya:SmCp Oppty;R6 (ISOZX)	█	█	█	█	█	█	█	█	0.97	1.46	66.44
Am Beacon:Intl Eq;Inst (AAIEX)	█	█	█	█	█	█	█	█	0.70	1.14	61.40
Vanguard Tot I Stk;Adm (VTIAX)	█	█	█	█	█	█	█	█	0.11	1.09	10.09
American Funds EuPc;R6 (RERGX)	█	█	█	█	█	█	█	█	0.50	1.16	43.10
Met West:Total Return;I (MWTIX)	█	█	█	█	█	█	█	█	0.44	0.74	59.46
Vanguard Tot Bd;Adm (VBTLX)	█	█	█	█	█	█	█	█	0.05	0.74	6.76
TIAA-Traditional	█	█	█	█	█	█	█	█	0.00	0.00	0.00
TIAA-CREF:Soc Ch Eq;Inst (TISCX)	█	█	█	█	█	█	█	█	0.18	1.09	16.51
Vanguard Fed MM;Inv (VMFXX)	█	█	█	█	█	█	█	█	0.11	0.55	16.36
Vanguard Target Date (VTHR)	█	█	█	█	█	█	█	█	0.15	0.87	17.24

█	No/Minimum Concerns	█	New No/Minimum Concerns
█	Minor Concern	█	Upgrade to Minor Concern
█	Major Concern	█	Downgrade to Minor Concern
█	Under Review	█	New Major Concern

Manager	Score Factor	Comments
Harbor:Cap Apprec;Inst (HACAX)	Style Consistency	The fund has a significant overweight to IT and recently it's weighting in the sector has hit the highest level since inception. The significant overweight warrants additional monitoring and due diligence, although we remain confident in the manager's ability to perform over the long term.
BlackRock:Md Cp Div;I (MARFX)	People	Because of a change of the entire investment team in mid-2017, we are recommending that clients replace it.
BlackRock:Md Cp Div;I (MARFX)	Philosophy & Process	Both the investment team and the investment approach changed in mid-2017, and so we are recommending that clients replace the fund.
BlackRock:Md Cp Div;I (MARFX)	Asset Base	The fund lost about one-third of its assets in 2017.
BlackRock:Md Cp Div;I (MARFX)	Performance	This fund's performance has been hampered by stock selection, especially in the consumer discretionary, materials, and industrials sectors.
BlackRock:Md Cp Div;I (MARFX)	Overall	Due to the dramatic changes to the fund, we are recommending that clients replace it.
Voya:SmCp Oppty;R6 (ISOZX)	Asset Base	The fund has experienced significant inflows over a short period of time. In response to inflows, the fund is now closed to large mandates, which was a prudent decision by management.

The Expense Ratio and Median Expense Ratio for Hedge Fund of Funds and Private Equity Fund of Funds excludes underlying fund expenses; the expenses shown are only at the Fund of Funds level.

## Manager Score Card

Manager	Score Factor	Comments
Met West:Total Return;I (MWTIX)	Organization	Effective on December 27th, 2017, TCW altered its ownership structure via an acquisition which included The Carlyle Group, a global alternative asset manager, and Nippon Life, Japan's leading private life insurer. TCW management and employees upped their stake in TCW from 40% to 44.07%, while The Carlyle Group reduced its ownership to 31.18% from 60%. Nippon Life became a minority owner purchasing 24.75%. Presently, we are not concerned by the ownership changes given the increase in employee ownership and board presence, along with the additional assurance that there will be no change in day-to-day management and investment philosophy and process.
TIAA-Traditional	Organization	TIAA was recently portrayed in the media as having questionable sales practices for the individuals who provide advice and guidance to plan participants. Innovest had an open conversation about this portrayal with TIAA. We believe that the article's allegations of conflicts are concerning but likely fall into the category of "normal" during the course of business for a large, diversified, and evolving financial organization. That said, there is a pending subpoena related to their sales practices by the New York Attorney General's Office. While a subpoena is only a formal request for information and constitutes no wrongdoing, we believe the combination of headline risk illustrated through this article, and the ongoing subpoena warrant a minor concern. Innovest has reached out for an update and TIAA has confirmed that they are fully cooperating with the regulators. We will continue to monitor this situation going forward.
TIAA-Traditional	Exp Ratio (Basis Points)	Expenses cannot be determined as it is a spread product.
TIAA-CREF:Soc Ch Eq;Inst (TISCX)	Organization	TIAA was recently portrayed in the media as having questionable sales practices for the individuals who provide advice and guidance to plan participants. Innovest had an open conversation about this portrayal with TIAA. We believe that the article's allegations of conflicts are concerning but likely fall into the category of "normal" during the course of business for a large, diversified, and evolving financial organization. That said, there is a pending subpoena related to their sales practices by the New York Attorney General's Office. While a subpoena is only a formal request for information and constitutes no wrongdoing, we believe the combination of headline risk illustrated through this article, and the ongoing subpoena warrant a minor concern. Innovest has reached out for an update and TIAA has confirmed that they are fully cooperating with the regulators. We will continue to monitor this situation going forward.

The Expense Ratio and Median Expense Ratio for Hedge Fund of Funds and Private Equity Fund of Funds excludes underlying fund expenses; the expenses shown are only at the Fund of Funds level.

## Asset Allocation - 401(a) Legacy

	Dec-2017		Mar-2018	
	(\$)	%	(\$)	%
<b>Large Cap Equity</b>				
CREF Equity Index	82,632	3.48	81,997	3.46
CREF Growth	106,008	4.47	108,275	4.56
Total Large Cap Equity	188,640	7.95	190,273	8.02
<b>Global Equity</b>				
CREF Global Equities	223,610	9.42	221,840	9.35
CREF Stock	747,279	31.49	743,180	31.32
Total Global Equity	970,889	40.92	965,020	40.67
<b>Fixed Income</b>				
CREF Bond Market	41,324	1.74	40,710	1.72
CREF Inflation-Linked Bond	10,514	0.44	10,450	0.44
Total Fixed Income	51,837	2.18	51,160	2.16
<b>Fixed Account</b>				
TIAA Traditional GRA	806,620	33.99	852,053	35.91
<b>Real Estate</b>				
TIAA Real Estate	157,123	6.62	158,559	6.68
<b>Specialty Equity</b>				
CREF Social Choice	49,566	2.09	48,849	2.06
<b>Cash</b>				
CREF Money Market	148,129	6.24	107,021	4.51
LPS 401(a) Legacy Total Fund	2,372,804	100.00	2,372,935	100.00

## Asset Allocation - 403(b) Legacy

	Dec-2017		Mar-2018	
	(\$)	%	(\$)	%
<b>Large Cap Equity</b>				
CREF Equity Index	513,882	6.41	510,193	6.46
CREF Growth	306,071	3.82	311,589	3.94
Large Cap Equity	819,953	10.23	821,782	10.40
<b>Global Equity</b>				
CREF Global Equities	517,379	6.45	492,006	6.23
CREF Stock	2,044,235	25.50	1,983,710	25.10
Global Equity	2,561,614	31.95	2,475,716	31.33
<b>Fixed Income</b>				
CREF Bond Market	225,215	2.81	219,841	2.78
CREF Inflation-Linked Bond	93,805	1.17	91,564	1.16
Fixed Income	319,020	3.98	311,405	3.94
<b>Fixed Account</b>				
TIAA Traditional GSRA	3,511,575	43.80	3,493,006	44.21
<b>Real Estate</b>				
TIAA Real Estate	389,583	4.86	385,331	4.88
<b>Specialty Equity</b>				
CREF Social Choice	227,820	2.84	226,567	2.87
<b>Cash &amp; Equivalents</b>				
CREF Money Market	179,909	2.24	180,204	2.28
Loan Default Fund	7,639	0.10	7,718	0.10
Cash & Equivalents	187,549	2.34	187,921	2.38
LPS 403(b) Legacy	8,017,113	100.00	7,901,728	100.00

## Asset Allocation - 457 Legacy

	Dec-2017		Mar-2018	
	(\$)	%	(\$)	%
<b>Large Cap Equity</b>				
CREF Equity Index	100,039	4.05	99,271	4.03
CREF Growth	108,916	4.41	96,614	3.93
<b>Total Large Cap Equity</b>	<b>208,955</b>	<b>8.45</b>	<b>195,885</b>	<b>7.96</b>
<b>Global Equity</b>				
CREF Global Equities	48,855	1.98	48,468	1.97
CREF Stock	351,961	14.24	350,217	14.23
<b>Total Global Equity</b>	<b>400,816</b>	<b>16.21</b>	<b>398,685</b>	<b>16.20</b>
<b>Fixed Income</b>				
CREF Bond Market	59,718	2.42	58,830	2.39
CREF Inflation-Linked Bond	34,232	1.38	34,026	1.38
<b>Total Fixed Income</b>	<b>93,950</b>	<b>3.80</b>	<b>92,856</b>	<b>3.77</b>
<b>Fixed Account</b>				
TIAA Traditional GSRA	1,613,812	65.27	1,617,741	65.74
<b>Real Estate</b>				
TIAA Real Estate	102,853	4.16	103,833	4.22
<b>Specialty Equity</b>				
CREF Social Choice	43,819	1.77	43,478	1.77
<b>Cash</b>				
CREF Money Market	8,183	0.33	8,197	0.33
<b>457(b) Legacy Total Fund</b>	<b>2,472,388</b>	<b>100.00</b>	<b>2,460,675</b>	<b>100.00</b>



## Table of Returns

	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Large Cap Equity</b>									
CREF Equity Index	-0.71	-0.71	13.48	9.88	12.63	11.98	9.23	9.44	05/01/1994
S&P 500 Index	-0.76	-0.76	13.99	10.78	13.31	12.71	9.49	9.79	
<b>CREF Growth</b>									
CREF Growth	2.19	2.19	23.40	12.19	15.72	13.96	10.93	8.83	05/01/1994
S&P 500 Growth	1.93	1.93	19.69	12.66	15.37	14.32	11.35	10.35	
<b>Global Equity</b>									
CREF Global Equities	-0.75	-0.75	16.20	7.96	9.82	8.73	6.00	7.76	05/01/1992
MSCI World (net)	-1.28	-1.28	13.59	7.97	9.70	8.65	5.90	7.55	
<b>CREF Stock</b>									
CREF Stock	-0.44	-0.44	15.04	8.92	10.75	9.68	7.45	9.87	08/01/1952
MSCI AC World IMI (Net)	-0.89	-0.89	15.03	8.27	9.34	7.99	5.90	N/A	
<b>Fixed Income</b>									
CREF Bond Market	-1.44	-1.44	1.51	1.55	1.97	3.03	3.51	5.78	04/01/1990
Blmbg. Barc. U.S. Aggregate Index	-1.46	-1.46	1.20	1.20	1.82	2.92	3.63	6.00	
<b>CREF Inflation-Linked Bond</b>									
CREF Inflation-Linked Bond	-0.56	-0.56	0.14	0.68	-0.43	2.01	2.42	4.87	06/01/1997
Bloomberg Barclays U.S. TIPS Index	-0.79	-0.79	0.92	1.30	0.05	2.50	2.93	5.33	
<b>Fixed Account</b>									
TIAA Traditional GRA-401(a)	0.94	0.94	4.01	3.95	3.83	3.73	3.88	3.74	06/01/2010
Ryan 3 Yr GIC Master Index	0.44	0.44	1.67	1.44	1.28	1.41	2.21	1.60	
<b>TIAA Traditional GSRA-403(b) &amp; 457</b>									
TIAA Traditional GSRA-403(b) & 457	0.76	0.76	3.34	3.75	3.71	3.64	N/A	3.64	04/01/2012
Ryan 3 Yr GIC Master Index	0.44	0.44	1.67	1.44	1.28	1.41	2.21	1.29	
<b>Real Estate</b>									
TIAA Real Estate	0.94	0.94	4.18	5.20	8.84	9.37	3.07	6.58	11/01/1995
NCREIF ODCE	2.19	2.19	8.06	9.99	11.42	11.79	5.11	9.24	
<b>Specialty Equity</b>									
CREF Social Choice	-0.73	-0.73	9.23	5.76	7.09	7.39	6.44	8.28	04/01/1990
20%S&P500,20%S&P500V,60%BCAgg	-1.21	-1.21	6.07	4.91	6.30	6.83	6.27	7.82	
<b>Cash &amp; Equivalents</b>									
CREF Money Market	0.32	0.32	0.96	0.46	0.28	0.21	0.39	1.87	08/01/1999
90 Day U.S. Treasury Bill	0.35	0.35	1.11	0.49	0.31	0.24	0.32	1.76	

TIAA Traditional Annuity Returns show current quarter's credit rate.