RETIREMENT REPORT

Littleton Public Schools
403(b) and 457 Retirement Plans

Summer 2018

Littleton Public Schools
big enough to serve you; small enough to know you

In the Driver's Seat

When it comes to investing for retirement, it's up to you to decide how to manage your plan

Your company offers a major benefit through its retirement plan — a powerful vehicle that helps you save. It's up to you to decide how to make the most of its many features, including deciding on your investments. But you don't have to go it alone… whether you want to "do it yourself," have a professional "do it for you" or "get some help doing it," most plans offer a wealth of resources to get you started and keep you on track.

Drive the "car" yourself

If you're interested in learning about the investment markets and comfortable making the choices that are right for you, you may want to be more involved in managing your plan. When you choose to "do it yourself," you:

- Mix and match individual funds from your plan's investment menu.
- Select an asset allocation fund that invests in accordance with your tolerance for risk, and then decide when you want to change to another fund when your risk tolerance or new financial circumstances warrant.
- May want to consider a target-date fund if you are interested in an "all-in-one" type of investment that automatically invests according to your time horizon to retirement and beyond.

Uber your future!

Would you rather focus your time on interests outside of investing, taking more of a hands-off approach to managing money? Maybe you're a "do it for me" investor. This option may be appealing to you if your finances are complex. Say your financial goals include buying a first home, having children or caring for parents. As a "do it for me" investor, you can have an investment professional select and manage the funds in your account for an annual cost and provide financial planning to help you pursue your goals.

Maybe ridesharing is more your speed

Maybe you'd like to keep control over the funds you select in your account but would like someone to talk to about your decision. This describes the "get some help doing it" investor. Most retirement plans offer access to online advice tools, or a toll-free Call Center that you can call for guidance about the investments offered under your plan, how to allocate them, and when it may make sense for you to rebalance.

Enjoy the journey — and the destination

No matter how you choose to manage your retirement plan, it's important to stay active and on top of your retirement plan. Remember, it's very important to:

- Periodically review your portfolio and rebalance to your preferred target allocation if necessary.
- Think about combining accounts to take advantage of potentially lower fees and built-in fund monitoring that's available in your current company's plan.
- Update beneficiary designations after major life events (e.g., having a child, entering into marriage or going through divorce).
- Choose income options that fit your needs (e.g., systematic, partial, lump-sum withdrawals — or keep investing if you don't need income right away).

Bond Funds May Help Diversify Your Portfolio

Most investment experts talk about the benefits of diversification — essentially, mixing some stocks, bonds and cash in your portfolio. Having too many eggs in one basket, so the reasoning goes, means that you could wind up with broken eggs if the basket falls.

Bonds and bond funds are common in retirement portfolios because they typically perform differently than stocks. When you own a stock, you own a share of ownership in a company. But when you buy a bond, you are simply making a loan to a government body or to a corporation. The borrower promises to pay back the bond holder the amount of the loan, plus interest. Bonds issued by government agencies (the U.S. Treasury, for example) are generally considered among the safest investments you can buy, since they are backed by the “full faith and credit” of the United States, one of the world’s largest and most stable economies.

So, what do bonds do for you?

There are a number of potential benefits to owning bonds:

- Current income: Most bonds pay a fixed rate of interest for a certain period of time, say, 3% a year for 10 years. At the end of that period, you get your principal investment back.
- Diversification: Bond prices often move in opposite direction to stock prices, meaning that when bonds are rising in price, stocks can be moving down. This can provide a stabilizing effect on your portfolio. (In another twist, when bond prices move up, their yields go down.)
- Priority payment: Another benefit to bonds is that if the company issuing them goes bankrupt, bond holders get paid before stock holders. Bonds generally have low default rates, meaning that companies tend to make it a priority to pay the interest due on any loans outstanding.

To be fair, bonds have certain drawbacks. For one, they do not offer growth potential. You know what to expect with a bond — your money back plus interest.

Second, some bonds are callable, meaning that the issuer can redeem (take back) the bond prior to maturity. Companies tend to do this when interest rates are low, and they can reduce their borrowing costs. You get your money back, but no interest for the remaining term of the bond.

Third, the value of your bond will fluctuate depending on current interest rates. When rates rise, the value of the bond falls. In a rising interest rate environment, choosing a bond or bond fund with shorter than average duration (that is, its sensitivity to current interest rates) will make it less likely that its value will fluctuate.

There are some key differences between owning individual bonds and bond funds. Return of principal is not guaranteed in bond funds and the interest can fluctuate with changes to the underlying bond portfolio. Interest rate payment frequency varies between individual bonds and bond funds and there are additional fees and expenses associated with bond funds that do not apply to individual bond ownership.

Diversification, asset allocation, and rebalancing do not assure profits or protect against losses.

Whom do I call for help?

Contact TIAA-CREF for the following:

> Balances

> Investment changes

> Change personal info

800.842.2009

www.tiaa-cref.org

The Plan’s Investment Consultant

Innovest Portfolio Solutions

4643 S. Ulster St., Suite 1040
Denver, CO 80237

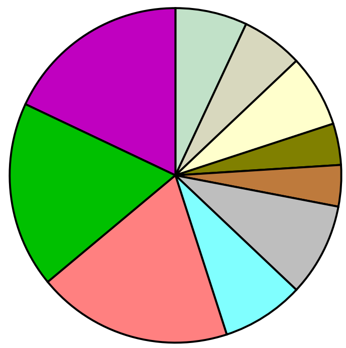
303.694.1900 | www.innovestinc.com

Littleton Public School Conservative 06/30/18

Who typically uses this portfolio?

Current Age:	over 60
Risk Level:	Low
Expected Return:	Low
Time Horizon:	
Years to Age 65:	under 5
Years to Age 85:	under 25
Expense Ratio (%)	0.29

Portfolio Allocation (%)



Dodge & Cox Stock (DODGX)	7.0
Vanguard 500 Index;Adm (VFIAX)	6.0
Harbor:Cap Apprec;Inst (HACAX)	7.0
Vanguard Md-Cp Idx;Adm (VIMAX)	4.0
Vanguard Sm-Cp Idx;Adm (VSMAX)	4.0
Am Beacon:Intl Eq;Inst (AAIEX)	9.0
American Funds EuPc;R6 (RERGX)	8.0
Met West:Total Return;I (MWTIX)	19.0
Vanguard Tot Bd;Adm (VBTLX)	18.0
TIAA Traditional	18.0

Past Performance (%)*

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Littleton Public School Conservative	0.91	0.59	6.27	5.54	6.62	N/A

Understanding Your Professionally-Managed Portfolios

Who typically uses this portfolio?

Current Age: The age (today) of an average investor with time horizon, risk level, and return expectations of the Conservative Portfolio.

Time Horizon: Indicates the number of years (time horizon) to the average retirement age of 65, when the investor will begin spending the money in their account, and the number of years to assumed life expectancy of age 85.

Risk Level: The amount of expected risk in the Conservative Portfolio. Risk is measured by the potential loss over a 12-month period that an investor might expect in the Conservative Portfolio, and is calculated via a statistical process consistent with 95% probability.

Low: -8% to **-14%**

Expected Return: The level of expected investment return from the Conservative Portfolio. The range of returns shown below indicates the potential gain that an investor might expect each year, on average, over a 5-year period. This is also referred to as the "mean" return, and is calculated using a statistical process to determine a range of probabilities.

Low: 4% to **6%**

Past Performance

Investment performance results shown above represent past performance and are not indicative of future results. Please read the information contained in the applicable fund prospectuses carefully before investing money.

How is the portfolio diversified?

The pie chart and accompanying data shown for each portfolio illustrates the percentage allocated to each fund.

*Innovest relies on 3rd party data for these returns.

**Returns using TIAA Traditional Annuity - GRA contract

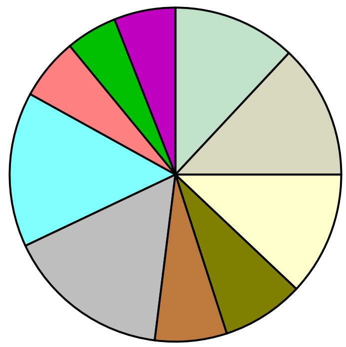
Littleton Public School Moderate

06/30/18

Who typically uses this portfolio?

Current Age:	40 - 60
Risk Level:	Moderate
Expected Return:	Moderate
Time Horizon:	
Years to Age 65:	5 - 25
Years to Age 85:	25 - 45
Expense Ratio (%)	0.36

Portfolio Allocation (%)



Dodge & Cox Stock (DODGX)	12.0
Vanguard 500 Index;Adm (VFIAX)	13.0
Harbor:Cap Apprec;Inst (HACAX)	12.0
Vanguard Md-Cp Idx;Adm (VIMAX)	8.0
Vanguard Sm-Cp Idx;Adm (VSMAX)	7.0
Am Beacon:Intl Eq;Inst (AAIEX)	16.0
American Funds EuPc;R6 (RERGX)	15.0
Met West:Total Return;I (MWTIX)	6.0
Vanguard Tot Bd;Adm (VBTLX)	5.0
TIAA Traditional	6.0

Past Performance (%)*

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Littleton Public School Moderate	1.53	1.51	11.03	8.21	9.83	N/A

Understanding Your Professionally-Managed Portfolios

Who typically uses this portfolio?

Current Age: : The age (today) of an average investor with time horizon, risk level, and return expectation of the Moderate Portfolio.

Time Horizon: Indicates the number of years (time horizon) to the average retirement age of 65, when the investor will begin spending the money in their account, and the number of years to assumed life expectancy of age 85.

Risk Level: The amount of expected risk in the Moderate Portfolio. Risk is measured by the potential loss over a 12-month period that an investor might expect in the Moderate Portfolio, and is calculated via a statistical process consistent with 95% probability.

Moderate: -13% to -19%

Expected Return: The level of expected investment return from the Moderate Portfolio. The range of returns shown below indicates the potential gain that an investor might expect each year, on average, over a 5-year period. This is also referred to as the "mean" return, and is calculated using a statistical process to determine a range of probabilities.

Moderate: 5% to 7%

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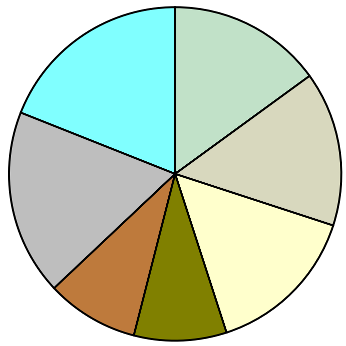
**Returns using TIAA Traditional Annuity - GRA contract

Littleton Public School Aggressive — 06/30/18

Who typically uses this portfolio?

Current Age:	30 - 50
Risk Level:	High
Expected Return:	High
<u>Time Horizon:</u>	
Years to Age 65:	15 - 35
Years to Age 85:	35 - 55
Expense Ratio (%)	0.42

Portfolio Allocation (%)



Fund	%
Dodge & Cox Stock (DODGX)	15.0
Vanguard 500 Index;Adm (VFIAX)	15.0
Harbor:Cap Apprec;Inst (HACAX)	15.0
Vanguard Md-Cp Idx;Adm (VIMAX)	9.0
Vanguard Sm-Cp Idx;Adm (VSMAX)	9.0
Am Beacon:Intl Eq;Inst (AAIEX)	18.0
American Funds EuPc;R6 (RERGX)	19.0
Met West:Total Return;I (MWTIX)	0.0
Vanguard Tot Bd;Adm (VBTLX)	0.0
TIAA Traditional	0.0

Past Performance (%)*

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Littleton Public School Aggressive	1.83	1.96	13.26	9.39	11.30	N/A

Understanding Your Professionally-Managed Portfolios

Who typically uses this portfolio?

Current Age: : The age (today) of an average investor with time horizon, risk level, and return expectation of the Aggressive Portfolio.

Time Horizon: Indicates the number of years (time horizon) to the average retirement age of 65, when the investor will begin spending the money in their account, and the number of years to assumed life expectancy of age 85.

Risk Level: The amount of expected risk in the Aggressive Portfolio. Risk is measured by the potential loss over a 12-month period that an investor might expect in the Aggressive Portfolio, and is calculated via a statistical process consistent with 95% probability.

High: -17% to -23%

Expected Return: The level of expected investment return from the Aggressive Portfolio. The range of returns shown below indicates the potential gain that an investor might expect each year, on average, over a 5-year period. This is also referred to as the "mean" return, and is calculated using a statistical process to determine a range of probabilities.

High: 6% to 8%

Past Performance

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How is the portfolio diversified?

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**Returns using TIAA Traditional Annuity - GRA contract