



# Fiduciary Investment Review™

*Prepared for:*

## **City of Madison 457 Deferred Compensation Plan**

*Prepared by:*

**Alliance Benefit Group of Illinois, Inc.**

456 Fulton Street, Suite 345

Peoria, IL 61602

***CONFIDENTIAL***

**3rd Quarter - 2014**

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# Market Review - 3rd Quarter 2014

The third quarter gave pause to the steady rise that had characterized the equity markets over the last five years. As a result, U.S. equities finished the third quarter flat (Russell 3000 Index). International equities fared worse, finishing down 5.8 percent (MSCI EAFE Index). Fixed income, like U.S. equities, also took a pause as rates held steady over the quarter. The yield on the 10-year Treasury bond, a proxy for long-term interest rates, finished at 2.5 percent, where it was a quarter ago. Domestic fixed income, however, returned a positive total return of 0.2 percent for the third quarter (Barclays Capital Aggregate Bond Index), inching higher due to coupon payments received over the quarter. As long-term bond yields remained stable, the Fed continued to reduce the amount of long-term bonds it was purchasing through its quantitative easing program.

In September, the Fed tapered another \$10 billion from bond purchases which put their total bond purchases at \$15 billion per month. This is expected to end in late October, which would put an end to the current quantitative easing program which began back in the fall of 2012. This is good news for the economy, as it indicates the Fed's belief that the economy is improving and should continue to do so. Many economic measures, with the notable exception of housing, have continued to show improvement. Unemployment, for example, one of the Fed's key considerations in setting monetary policy, dropped to 5.9 percent in September. This is just under its long-term average of 6.1 percent (50-year average, J.P. Morgan) and well below the Fed's initial 6.5 percent target set a couple of years ago as the level where it would stop suppressing rates, which is currently being done through quantitative easing. The Fed has been comfortable slowly reducing bond purchases while inflation remains below their 2 percent target.

While the U.S. has continued to show signs of improvement, it has been the Fed's monetary policy that has introduced more volatility as investors question how fast and by how much the Fed will tighten monetary policy. This is the next biggest monetary policy issue after the Fed ends its quantitative easing program, likely in late October. More important, may be the issues abroad and the extent they impact the global economy. Not only did the third quarter see more geo-political risk in Russia/Ukraine and the Middle East, but some foreign economies are beginning to slow, posting little to negative growth. This is sparking foreign central banks to consider easing monetary policy at a time when the U.S. is doing just the opposite.

## U.S. Equity

While the broad U.S. equity market was flat for the quarter, the various U.S. equity styles posted very different results. Large cap stocks, which were generally positive over the quarter, outperformed small cap stocks, which experienced large negative returns. Large cap growth was the best performing U.S. equity style, at 1.5 percent (Russell 1000 Growth). The worst performing style was small value, returning a negative 8.6 percent (Russell 2000 Value).

## International Equity

Developed international equity underperformed U.S. equity over the quarter, returning a negative 5.8 percent (MSCI EAFE). All international equity styles experienced negative returns for the quarter. The best performing region was Japan, which returned a negative 2.2 percent for the quarter (MSCI EM and Japan). Europe ex UK was the worst performing region, returning a negative 7.4 percent (MSCI Europe ex UK).

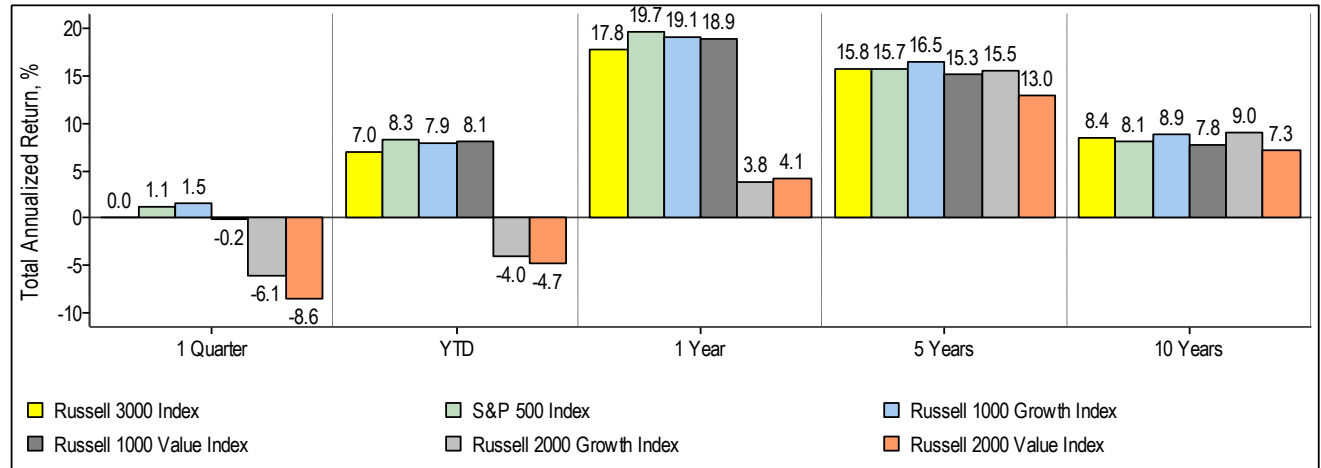
## Fixed Income

The broad U.S. fixed income market posted a small gain for the quarter, returning a positive 0.2 percent (Barclays Capital U.S. Aggregate). Municipal bonds were the best performing sector, returning a positive 1.5 percent (BC Muni Bond). TIPS were the worst performing sector, returning a negative 2.0 percent (BC TIPS). Global fixed income underperformed the broad U.S. fixed income market, returning a negative 2.6 percent (BofA ML Global Broad Market) for the quarter.

# Market Review - 3rd Quarter 2014

## Domestic Equity Overview

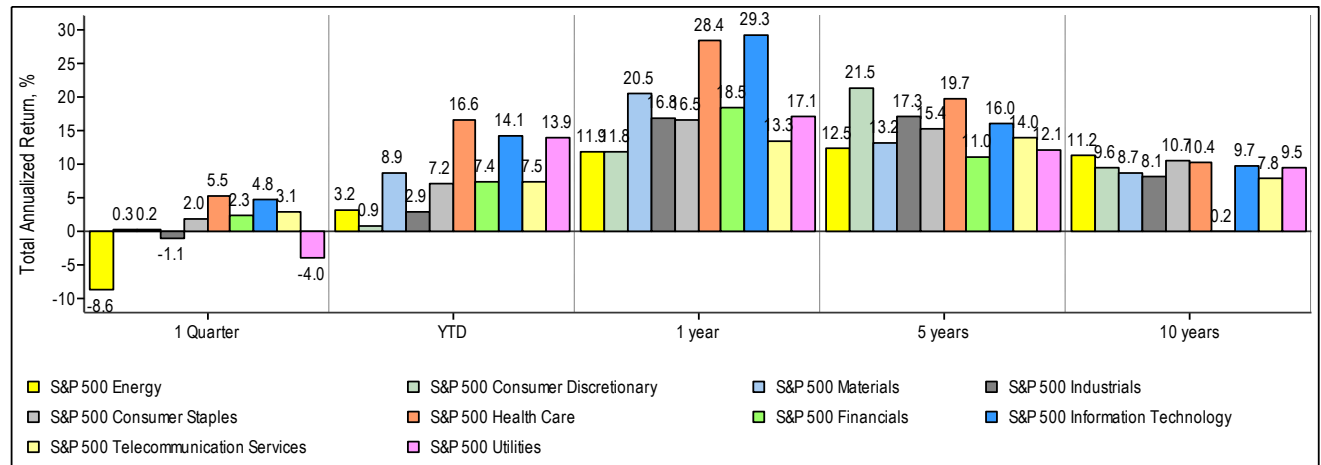
### U.S. Equity Index Performance



- U.S. equity styles posted mixed results for the quarter
- Large cap outperformed small cap
  - Large cap growth was the best performing, up 1.5%
  - Small cap value was the worst performing, down 8.6%

- Best performing sectors for the quarter:
  - Health Care, up 5.5%
  - Information Technology, up 4.8%

### U.S. Equity Sector Performance



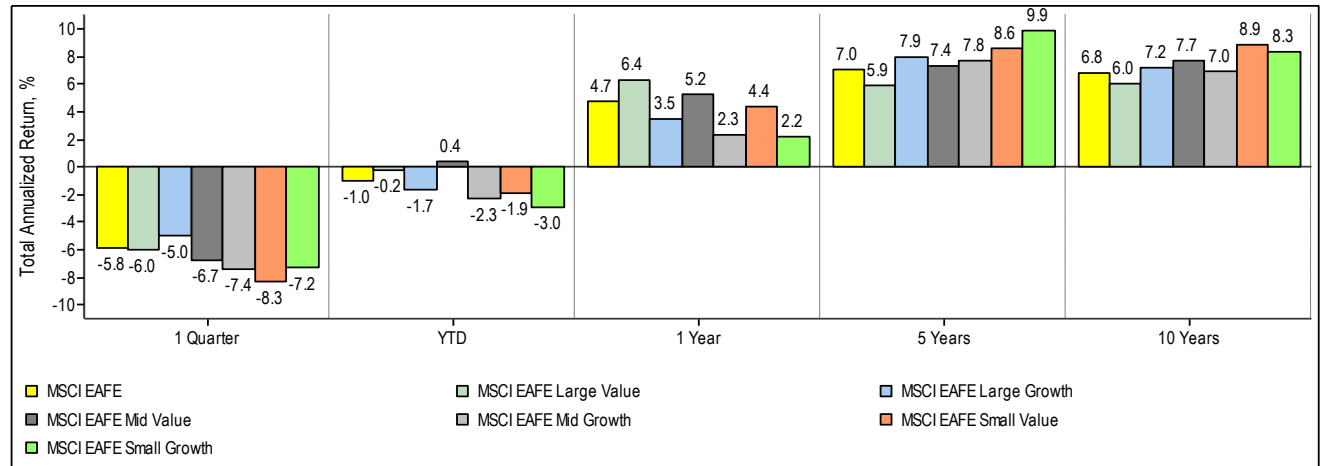
- Worst performing sectors for the quarter:
  - Energy, down 8.6%
  - Utilities, down 4.0%

# Market Review - 3rd Quarter 2014

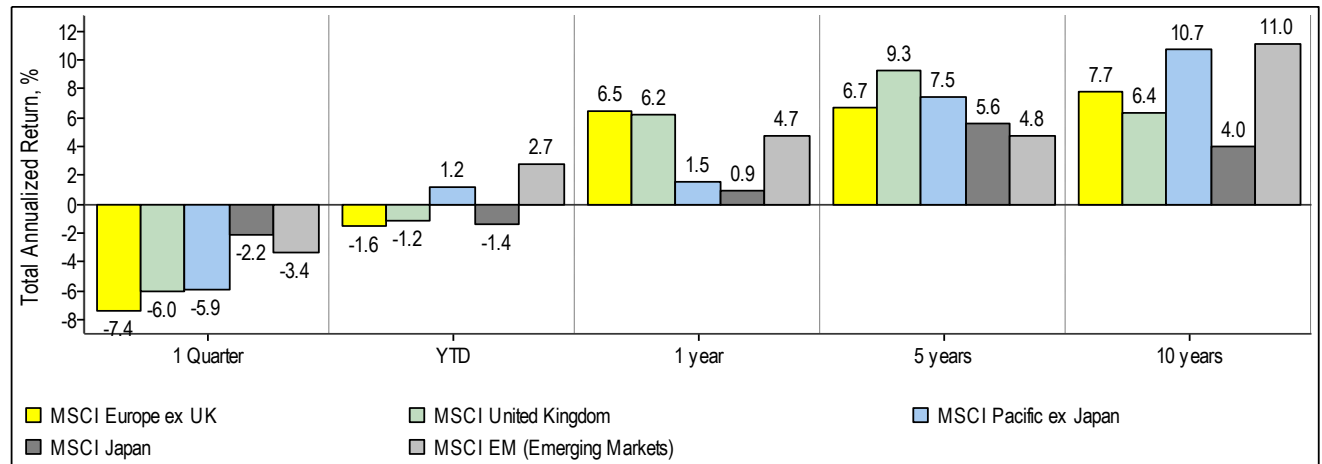
## International Equity Overview

- All international styles posted negative returns for the quarter
- The best performing style for the quarter:
  - Large growth, down 5.0%
- The worst performing style for the quarter:
  - Small value, down 8.3%
- Best performing region for the quarter:
  - Japan, down 2.2%
- Worst performing region for the quarter:
  - Europe ex UK, down 7.4%

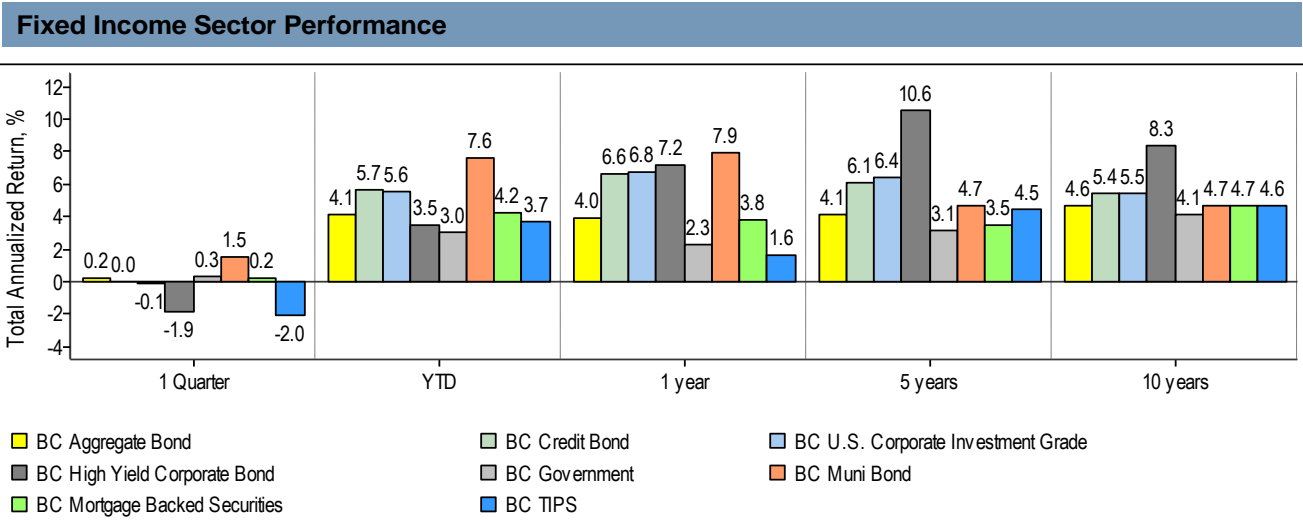
### International Index Performance by Style and Capitalization



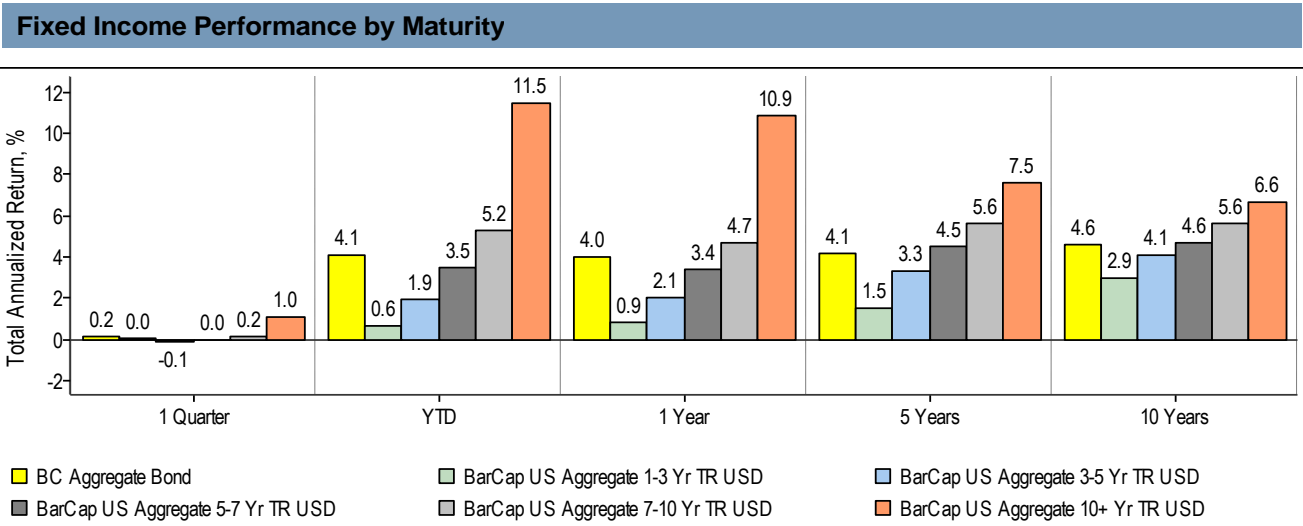
### International Index Performance by Region



- Fixed income performance was mixed across all sectors
- Yields remained stable over the quarter
- The best performing sector for the quarter:
  - Muni Bonds, up 1.5%
- The worst performing sector for the quarter:
  - TIPS, down 2.0%



- As yields remained steady over the quarter, longer term maturities outperformed in part due to their higher yields



# Market Review - 3rd Quarter 2014

## Annualized Style Box Performance

1 Quarter (%)			
Value	Blend	Growth	
0.89	1.71	2.52	Large
-2.65	-1.66	-0.73	Mid
-8.58	-7.36	-6.13	Small
Int'l Equity	Global Equity	Core Fixed Income	3-Month T-Bill
-5.83	-2.16	0.17	0.01

3 Year (Annualized %)			
Value	Blend	Growth	
23.59	23.00	22.41	Large
24.72	23.79	22.74	Mid
20.61	21.26	21.91	Small
Int'l Equity	Global Equity	Core Fixed Income	3-Month T-Bill
14.16	17.93	2.43	0.07

Year to Date (%)			
Value	Blend	Growth	
8.05	8.46	8.88	Large
8.20	6.87	5.73	Mid
-4.74	-4.41	-4.05	Small
Int'l Equity	Global Equity	Core Fixed Income	3-Month T-Bill
-0.99	3.89	4.10	0.03

5 Year (Annualized %)			
Value	Blend	Growth	
14.39	15.39	16.37	Large
17.24	17.19	17.12	Mid
13.02	14.29	15.51	Small
Int'l Equity	Global Equity	Core Fixed Income	3-Month T-Bill
7.04	10.86	4.12	0.10

1 Year (%)			
Value	Blend	Growth	
19.53	20.46	21.40	Large
17.46	15.83	14.43	Mid
4.13	3.93	3.79	Small
Int'l Equity	Global Equity	Core Fixed Income	3-Month T-Bill
4.70	12.20	3.96	0.05

10 Year (Annualized %)			
Value	Blend	Growth	
6.86	7.73	8.57	Large
10.17	10.34	10.24	Mid
7.25	8.19	9.03	Small
Int'l Equity	Global Equity	Core Fixed Income	3-Month T-Bill
6.80	7.12	4.62	1.59

Performance as of September 30, 2014. Data is for informational purposes only and cannot be guaranteed. Past performance does not guarantee future results. Russell Top 200, Top 200 Growth, and Top 200 Value used for Large Blend, Large Growth and Large Value categories. Russell Mid-cap, Mid-cap Growth and Mid-Cap Value used for Mid Blend, Mid Value and Mid Growth categories. Russell 2000, 2000 Growth and 2000 Value used for Small Blend, Small Growth and Small Value categories. MSCI EAFE used for International Equity category. MSCI Global used for World equity category.

# Market Review - 3rd Quarter 2014

## Kaleidoscope: Changing Leadership

The following chart exhibits the volatility of asset class returns from year to year by ranking certain key indices in order of performance. Also included in the chart is a balanced index, which represents a mix of U.S. equity, international equity and fixed income indices. The chart graphically displays the volatility of asset class returns from year to year, highlighting the importance of diversification. Top-performing asset classes in a given year do not tend to repeat their stellar performance in subsequent years. Accordingly, the worst performing asset classes in a given year often tend to outperform in future years. Said differently, past performance is not a good indicator of future performance. Diversification, demonstrated by the balanced index, helps reduce return volatility and the uncertainty that accompanies trying to pick the best asset class (or avoid the worst) in any given year.

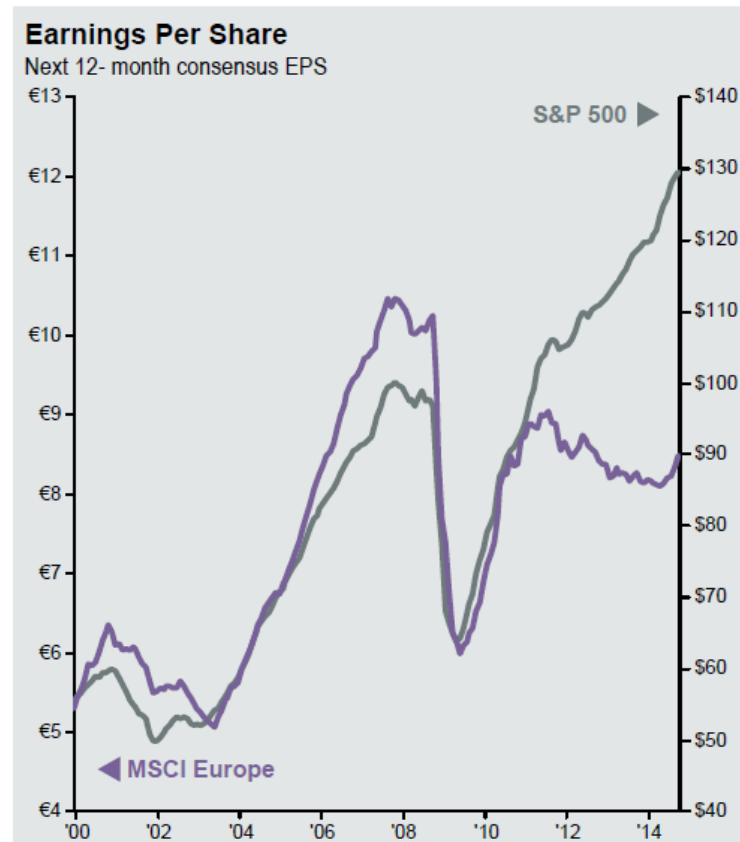
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD
48.54 Russell 2000 Growth	22.25 Russell 2000 Value	14.02 MSCI EAFE USD	26.86 MSCI EAFE USD	11.81 Russell 1000 Growth	5.24 BarCap US Agg	37.21 Russell 1000 Growth	29.09 Russell 2000 Growth	7.84 BarCap US Agg	18.05 Russell 2000 Value	43.30 Russell 2000 Growth	8.07 Russell 1000 Value
46.03 Russell 2000 Value	20.70 MSCI EAFE USD	7.05 Russell 1000 Value	23.48 Russell 2000 Value	11.63 MSCI EAFE USD	-22.48 Balanced Index*	34.47 Russell 2000 Growth	24.50 Russell 2000 Value	3.04 Balanced Index*	17.90 MSCI EAFE USD	34.52 Russell 2000 Value	7.89 Russell 1000 Growth
39.17 MSCI EAFE USD	16.49 Russell 1000 Value	5.45 Balanced Index*	22.25 Russell 1000 Value	7.05 Russell 2000 Growth	-28.92 Russell 2000 Value	32.46 MSCI EAFE USD	16.71 Russell 1000 Growth	2.64 Russell 1000 Growth	17.51 Russell 1000 Value	33.48 Russell 1000 Growth	5.02 Balanced Index*
30.03 Russell 1000 Value	14.31 Russell 2000 Growth	5.26 Russell 1000 Growth	13.35 Russell 2000 Growth	6.97 BarCap US Agg	-36.85 Russell 1000 Value	20.58 Russell 2000 Value	15.51 Russell 1000 Value	0.39 Russell 1000 Value	15.26 Russell 1000 Growth	32.53 Russell 1000 Value	4.10 BarCap US Agg
29.75 Russell 1000 Growth	9.84 Balanced Index*	4.71 Russell 2000 Value	12.17 Balanced Index*	6.61 Balanced Index*	-38.44 Russell 1000 Growth	20.05 Balanced Index*	12.47 Balanced Index*	-2.91 Russell 2000 Growth	14.59 Russell 2000 Growth	23.29 MSCI EAFE USD	-0.99 MSCI EAFE USD
20.80 Balanced Index*	6.30 Russell 1000 Growth	4.15 Russell 2000 Growth	9.07 Russell 1000 Growth	-0.17 Russell 1000 Value	-38.54 Russell 2000 Growth	19.69 Russell 1000 Value	8.21 MSCI EAFE USD	-5.50 Russell 2000 Value	11.79 Balanced Index*	17.42 Balanced Index*	-4.05 Russell 2000 Growth
4.10 BarCap US Agg	4.34 BarCap US Agg	2.43 BarCap US Agg	4.33 BarCap US Agg	-9.78 Russell 2000 Value	-43.06 MSCI EAFE USD	5.93 BarCap US Agg	6.54 BarCap US Agg	-11.73 MSCI EAFE USD	4.22 BarCap US Agg	-2.02 BarCap US Agg	-4.74 Russell 2000 Value

\*Balanced Index comprised of 50% Russell 3000, 10% MSCI EAFE and 40% Barclays Capital U.S. Aggregate, rebalanced quarterly.



## U.S. versus Europe: Earnings Per Share

Earnings Per Share (EPS) is a measure of a company's earnings, or revenue, per each unit, or share, of their company stock. Everything else being equal, the higher the EPS, the better. EPS, and specifically EPS growth can help indicate the health of a company. The chart below shows the historical consensus estimates for the next 12-month earnings for both U.S. companies (S&P 500) and European companies (MSCI Europe). Over the last few years, the chart below shows that earnings for U.S. companies have taken a much different path than that of their European counterparts.



# Market Review - 3rd Quarter 2014

## Disclosures

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Market Review - 3rd Quarter 2014

*Disclosures*

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# CITY OF MADISON

## 457 DEFERRED COMPENSATION

FUTURE CONTRIBUTIONS	<input type="checkbox"/> YES	<input type="checkbox"/> NO
REALLOCATION OF EXISTING BALANCES	<input type="checkbox"/> YES	<input type="checkbox"/> NO
AUTO REBALANCE	<input type="checkbox"/> QUARTERLY <input type="checkbox"/> SEMI-ANNUAL <input type="checkbox"/> ANNUAL	

Employee Name \_\_\_\_\_ Social Security # XXX-XX-\_\_\_\_\_

You may check one portfolio model or choose to custom blend using the individual funds or choose 100% from one of the Target Date funds.

			CONSERVATIVE 80%/20%	MODERATE CONSERVATIVE 60%/40%	MODERATE 40%/60%	MODERATE AGGRESSIVE 25%/75%	AGGRESSIVE 10%/90%	CUSTOM
Funds	Investment Style		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franklin Growth A	Large Growth	FKGRX	6%	9%	11%	12%	14%	%
Calvert Equity A	Large Growth	CSIEX	0%	0%	0%	0%	0%	%
Dreyfus S&P 500 Index	Large Blend	PEOPX	0%	0%	0%	0%	0%	%
American Fundamental Investors R4	Large Blend	RFNEX	0%	0%	0%	0%	0%	%
TIAA-CREF Social Choice Equity	Large Blend	TRSCX	0%	0%	0%	0%	0%	%
BlackRock Equity Dividend I	Large Value	MADVX	7%	11%	14%	16%	17%	%
JP Morgan Mid Cap Equity Select	Mid-Cap Growth	VSNGX	0%	2%	2%	3%	4%	%
Calvert Capital Accumulation A	Mid-Cap Growth	CCAFX	0%	0%	0%	0%	0%	%
Invesco American Value Y	Mid-Cap Value	MSAIX	0%	0%	0%	0%	0%	%
Prudential Mid Cap Value Z	Mid-Cap Value	SPVZX	2%	2%	4%	5%	6%	%
Ariel Investor	Mid-Cap Blend	ARGFX	0%	0%	0%	0%	0%	%
Sentinel Small Company A	Small Growth	SAGWX	0%	0%	2%	3%	4%	%
Fidelity Advisor Small Cap Value A	Small Value	FCVAX	0%	2%	3%	4%	5%	%
Parnassus Small-Cap	Small Blend	PARSX	0%	0%	0%	0%	0%	%
EuroPacific Growth R4	Foreign Blend	REREX	5%	10%	14%	19%	23%	%
Cohen & Steers Realty Shares A	Specialty Real Estate	CSRSX	0%	2%	4%	5%	6%	***
PIMCO Commodity Real Return Str. A	Broad Commodities	PCRAX	0%	2%	4%	5%	6%	***
Oppenheimer Developing Markets Y	Divers. Emerging Mkt.	ODVYX	0%	0%	2%	3%	5%	***
American Balanced R4	Moderate Allocation	RLBEX	0%	0%	0%	0%	0%	%
Fidelity High Income	High Yield Bond	SPHIX	4%	3%	2%	0%	0%	%
PIMCO Total Return D	Inter. Term Bond	PTTDX	15%	10%	5%	5%	5%	%
Templeton Global Bond	Global Bond	TPINX	5%	5%	5%	5%	5%	%
BlackRock Inflation Protected Bond Svc	TIPS	BPRSX	16%	12%	8%	5%	0%	%
MetLife Stable Value - Class 35	Stable Value	METABG2	40%	30%	20%	10%	0%	%

INDIVIDUAL FUNDS MUST TOTAL 100%

\*\* No more than 6%

100%

**OR CHOOSE 100% IN ONE TARGET MATURITY FUND**

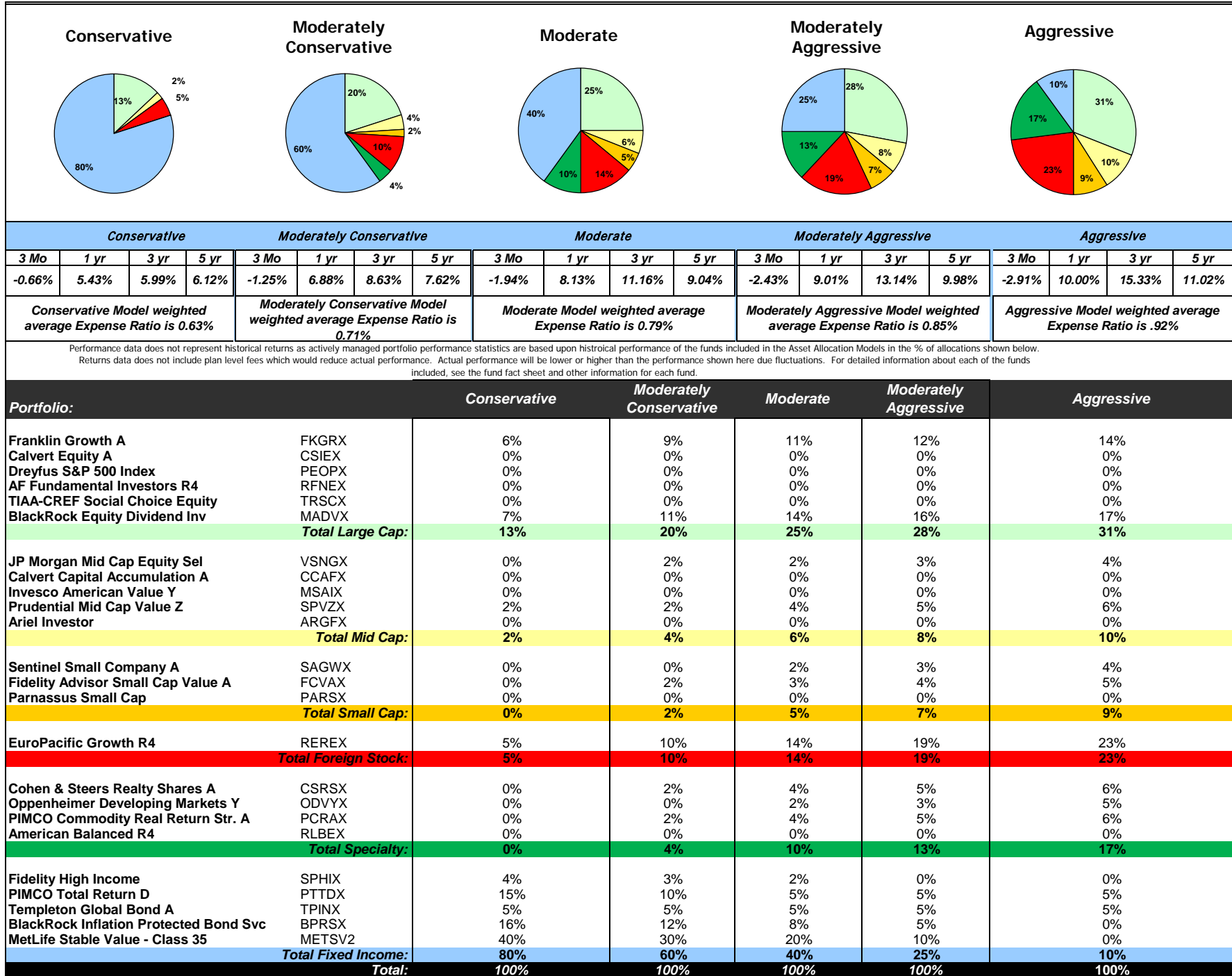
T. Rowe Price Retirement Income	Target Date	PARIX	Retirement Income	<input type="checkbox"/> 100%
T. Rowe Price Retirement 2020	Target Date	PARBX	Expected Retirement Date Between 2016—2020	<input type="checkbox"/> 100%
T. Rowe Price Retirement 2030	Target Date	PARCX	Expected Retirement Date Between 2026—2030	<input type="checkbox"/> 100%
T. Rowe Price Retirement 2040	Target Date	PARDX	Expected Retirement Date Between 2036 - 2040	<input type="checkbox"/> 100%
T. Rowe Price Retirement 2050	Target Date	PARFX	Expected Retirement Date Between 2046 - 2050	<input type="checkbox"/> 100%

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, we certify that the above information is accurate and correct.

\_\_\_\_\_  
(PARTICIPANT SIGNATURE)

**Forward completed and signed form to: Lincoln Financial Advisors, 406 Science Drive, Suite 310, Madison, WI 53711  
or fax to: (608) 287-3056 or e-mail to: Mark.Strassburger@LFG.com Call with questions: (608) 268-5100**

## City of Madison 457 Deferred Compensation Plan Model Portfolio Returns as of September 30, 2014



# INVESTMENT REPORT

FOR PERIOD ENDING 30 SEPTEMBER 2014



**SPONSOR:** CITY OF MADISON

**PLAN:** CITY OF MADISON 457 DEFERRED COMPENSATION PLAN



#### PLAN CONTACT

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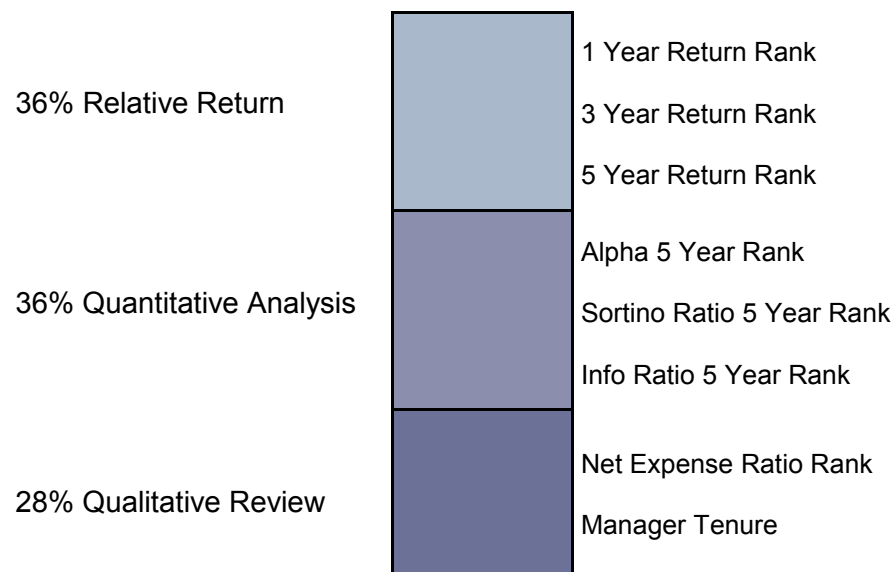
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# EVALUATION CRITERIA - Monitoring Standards

## 64 DATA POINTS

### 8 Standards - 8 Quarters



<u>Standard</u>	<u>Criteria</u>	<u>Weight</u>							
		Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Return 1 Yr Rank	Top 50%	4	4	4	3	3	3	2	2
Return 3 Yr Rank	Top 50%	4	4	4	3	3	3	2	2
Return 5 Yr Rank	Top 50%	4	4	4	3	3	3	2	2
Alpha 5 Yr Rank	Top 50%	4	4	4	3	3	3	2	2
Sortino Ratio 5 Yr Rank	Top 50%	4	4	4	3	3	3	2	2
Info Ratio 5 Yr Rank	Top 50%	4	4	4	3	3	3	2	2
Net Expense Ratio Rank	Lowest 50%	5	5	4	3	3	3	3	3
Manager Tenure	2 years or more	5	5	4	3	3	3	3	3

## INTRODUCTION

Your plan's Investment Policy Statement (IPS) requires monitoring of the plan's investments to ensure that the investments are appropriate for the plan and its participants. In your Investment Policy Statement, standards and criteria have been established for purposes of monitoring plan investments.

This Investment Report is intended to assist you in meeting your monitoring obligation. The report includes a Monitoring Report and a Performance Report. The Monitoring Report displays all of the plan's investments alphabetically by asset class. Each investment displays the standards and criteria specified in the IPS and how the investment has performed with respect to those criteria over the current and seven previous periods.

## INVESTMENT REPORT

CITY OF MADISON  
CITY OF MADISON 457 DEFERRED  
COMPENSATION PLAN  
FOR PERIOD ENDING 30 SEPTEMBER 2014

## HOW TO USE THIS REPORT: MONITORING REPORT SAMPLE

Investment		Monitor Score		Monitor History							
ABC Growth Fund (I)		87		Monitor History							
Fund Category: Large Growth		Standards	Criteria	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
<b>Notes:</b> The investment committee decided (3/31/2008) that this fund required special attention since the fund's long-time manager was recently replaced. Even though manager tenure is not an IPS standard, we want to watch this fund given the comparative inexperience of the new management team.		Total Return 1 year	Top 20%	28%	26%	18%	17%	17%	13%	14%	9%
		Total Return 3 year	Top 10%	9%	9%	8%	8%	8%	6%	7%	5%
		Standard Deviation 3 year	Lowest 20%	24%	18%	26%	16%	17%	14%	13%	16%
		Sharpe Ratio	Top 20%	19%	16%	25%	19%	14%	18%	19%	19%
		Expense Ratio	Lowest 10%	9%	18%	7%	9%	10%	8%	9%	11%
		Total Assets	\$500 million plus	\$1,222KK	\$1,206KK	\$1,156KK	\$1,029KK	\$932KK	\$900KK	\$872KK	\$750KK
		Morningstar Rating	4 stars	3 stars	4 stars	4 stars	4 stars	4 stars	4 stars	4 stars	4 stars
		<b>Investment Note</b> Investment committee decisions and comments concerning an investment made during the previous committee meeting.		<b>Standards</b> Each standard identified in the investment policy statement for purposes of monitoring an investment is listed.		<b>Criteria</b> The IPS expectation with respect to how an investment ranks within its asset class for each selected standard.		<b>Period Highlight</b> Indicates where an investment has underperformed a selected standard/criteria pair for the current period.			



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The Monitoring Report identifies investments that may merit your attention in three ways:



**1. Period Highlight** — Where an investment underperforms a standard/criteria in a particular time period, that period is highlighted in blue. For example, if your IPS specifies that an investment have a Morningstar rank of 4 stars and the investment has a 3 star rank for the most recent period, that period is highlighted in blue.

This approach is implemented for all time periods and standards. Investments that warrant attention are readily identifiable.

**2. Monitor Score** — The score is based on the weights assigned to each standard and reporting period item (see following page for actual weight values). The score is a percentage calculated using the sum of the weights of the standards that meet the specified criteria over the total sum of all the weights.

For some standards/periods, data may not be available. This report is configured to not include these items in the calculation of the score.

Based on the calculated investment score, each investment will be classified using the following table

	Score	Description
	0 to 68	 Review
	69 or greater	 Satisfactory

**3. Investment Note** — The Monitor Report includes notes from previous investment reviews you have conducted and recorded. An investment may or may not have a note attached, based on your own prior decisions. The notes enable you to call attention to considerations about an investment that may be independent of the standards and criteria specified in the IPS.

The Performance Report provides additional detail concerning your plan's investments. It includes in-depth performance information for each investment and its benchmark, as well as risk/expense and other data.

YOUR PLAN'S STANDARDS AND CRITERIA

**INVESTMENT  
REPORT**

CITY OF MADISON  
CITY OF MADISON 457 DEFERRED COMPENSATION  
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Standards	Criteria	Weight							
		Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Return 1 Yr Rank	Top 50%	4	4	4	3	3	3	2	2
Return 3 Yr Rank	Top 50%	4	4	4	3	3	3	2	2
Return 5 Yr Rank	Top 50%	5	5	5	4	4	4	3	3
Alpha 3 Yr Rank	Top 50%	0	0	0	0	0	0	0	0
RSquared 3 Yr Value	75% or greater	4	4	4	4	4	4	4	4
Sharpe Ratio 3 Yr Rank	Top 50%	0	0	0	0	0	0	0	0
Info Ratio 5 Yr Rank	Top 50%	0	0	0	0	0	0	0	0
Net Expense Ratio Rank	Lowest 55%	3	3	3	3	3	3	3	3
Manager Tenure	2 years or more	5	5	5	4	4	4	3	3



## YOUR PLAN'S SCORECARD

## MONITORING

## REPORT

CITY OF MADISON

CITY OF MADISON 457 DEFERRED

COMPENSATION PLAN

FOR PERIOD ENDING 30 SEPTEMBER 2014

Investment	Score
Sentinel Small Company Fund (A)	46 - Review
Fidelity High Income Fund	54 - Review
Calvert Equity Fund (A)	55 - Review
BlackRock Equity Dividend Fund (I)	57 - Review
Goldman Sachs Mid Cap Value Fund (A)	59 - Review
Cohen & Steers Realty Shares	62 - Review
Parnassus Small Cap Fund	62 - Review
PIMCO Total Return Fund (D)	63 - Review
American Funds Fundamental Investors (R4)	65 - Review
Calvert Capital Accumulation Fund (A)	66 - Review
BlackRock Infla. Protected Bond Fund (Svc)	73 - Satisfactory
Franklin Growth Series (A)	75 - Satisfactory
Templeton Global Bond Fund (A)	79 - Satisfactory
Fidelity Advisor Small Cap Value Fund (A)	84 - Satisfactory
PIMCO Commodity RealReturn Stgy. Fund (A)	86 - Satisfactory
Invesco American Value Fund (Y)	89 - Satisfactory
American Funds EuroPacific Growth Fund (R4)	90 - Satisfactory
Ariel Fund (Inv)	91 - Satisfactory
TIAA-CREF Social Choice Equity Fund (R)	91 - Satisfactory
Dreyfus S&P 500 Index Fund	92 - Satisfactory
Prudential Mid-Cap Value Fund (Z)	95 - Satisfactory
American Funds American Balanced Fund (R4)	100 - Satisfactory
JPMorgan Mid Cap Equity Fund (Sel)	100 - Satisfactory
Oppenheimer Developing Markets Fund (Y)	100 - Satisfactory

## YOUR PLAN'S SCORECARD

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CITY OF MADISON

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The following fund(s) are included in the monitoring report, but no monitoring score is being calculated. Please ask your plan representative or advisor for more information.

	<b>Investment</b>
	T. Rowe Price Retirement 2020 Fund (Adv)
	T. Rowe Price Retirement 2030 Fund (Adv)
	T. Rowe Price Retirement 2040 Fund (Adv)
	T. Rowe Price Retirement 2050 Fund (Adv)
	T. Rowe Price Retirement Income Fund (Adv)

# IPS STANDARDS AND CRITERIA: STATUS REPORT

## MONITORING REPORT

CITY OF MADISON  
CITY OF MADISON 457 DEFERRED COMPENSATION PLAN  
FOR PERIOD ENDING 30 SEPTEMBER 2014

BlackRock Equity Dividend Fund (I)		Ticker: MADVX		Monitor History						
Fund Category: Large Value	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Large Cap Value Fund in Asset Allocation Model Portfolios. MDDVX replaced Allianz NFJ Dividend Value (PNEAX) as the result action taken during 1Q2010 review. (07/01/2010) Changed from Share Class A to Share Class I. (06/20/2013) Q1-2012 Score 93; Q3-2012 Score 92; Q1-2013 Score 90 (09/30/2013)	Category		LV	LV	LV	LV	LV	LV	LV	LV
	Return 1 Yr Rank	Top 50%	73%	93%	89%	93%	94%	95%	86%	80%
	Return 3 Yr Rank	Top 50%	91%	84%	77%	66%	73%	54%	31%	26%
	Return 5 Yr Rank	Top 50%	63%	76%	77%	66%	56%	65%	38%	20%
	Alpha 3 Yr Rank	Top 50%	58%	35%	31%	23%	24%	20%	20%	18%
	RSquared 3 Yr Value	75% or greater	93.39%	94.36%	94.71%	94.67%	94.77%	95.26%	96.1%	96.16%
	Sharpe Ratio 3 Yr Rank	Top 50%	63%	38%	34%	22%	24%	19%	19%	18%
	Info Ratio 5 Yr Rank	Top 50%	65%	78%	80%	72%	61%	67%	39%	19%
	Net Expense Ratio Rank	Lowest 55%	21%	21%	20%	20%	19%	18%	18%	17%
	Manager Tenure	2 years or more	12.9 years	12.7 years	12.4 years	12.2 years	11.9 years	11.7 years	11.4 years	11.2 years
	Monitor Score		57	61	66	70	79	--	--	--

Category Codes: LV=Large Value

American Funds Fundamental Investors (R4)		Ticker: RFNEX		Monitor History						
Fund Category: Large Blend	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Fund received balances mapped from American Funds Investment Company of America as the result of action taken during the 1Q2012 review. (06/06/2012) Fund received balances mapped from Eaton Vance Div Bldr (EVTMX) as the result of action during the 1Q2013 review. (06/20/2013)	Category		LB	LB	LB	LB	LB	LB	LB	LB
	Return 1 Yr Rank	Top 50%	61%	62%	52%	58%	28%	28%	30%	18%
	Return 3 Yr Rank	Top 50%	53%	63%	68%	55%	55%	53%	55%	48%
	Return 5 Yr Rank	Top 50%	57%	57%	54%	28%	33%	69%	64%	48%
	Alpha 3 Yr Rank	Top 50%	44%	67%	71%	60%	62%	59%	56%	50%
	RSquared 3 Yr Value	75% or greater	95.69%	96.51%	96.64%	96.45%	96.78%	97.89%	97.82%	97.94%
	Sharpe Ratio 3 Yr Rank	Top 50%	42%	65%	68%	58%	62%	56%	56%	50%
	Info Ratio 5 Yr Rank	Top 50%	55%	53%	49%	29%	31%	60%	53%	39%
	Net Expense Ratio Rank	Lowest 55%	22%	21%	21%	21%	21%	21%	20%	20%
	Manager Tenure	2 years or more	21.6 years	21.4 years	21.1 years	29.4 years	29.2 years	28.9 years	28.7 years	28.4 years
	Monitor Score		65	68	72	59	76	76	79	81

Category Codes: LB=Large Blend

# IPS STANDARDS AND CRITERIA: STATUS REPORT

## MONITORING REPORT

CITY OF MADISON  
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Dreyfus S&P 500 Index Fund		Ticker: PEOPX		Monitor History						
Fund Category: Large Blend	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Notes:  92	Category		LB	LB	LB	LB	LB	LB	LB	LB
	Return 1 Yr Rank	Top 50%	27%	49%	54%	54%	68%	60%	44%	48%
	Return 3 Yr Rank	Top 50%	44%	37%	38%	36%	37%	31%	30%	28%
	Return 5 Yr Rank	Top 50%	32%	34%	39%	44%	44%	40%	43%	42%
	Alpha 3 Yr Rank	Top 50%	29%	29%	34%	31%	35%	27%	29%	30%
	RSquared 3 Yr Value	75% or greater	100%	100%	100%	100%	100%	100%	100%	100%
	Sharpe Ratio 3 Yr Rank	Top 50%	21%	22%	30%	28%	29%	27%	26%	27%
	Info Ratio 5 Yr Rank	Top 50%	98%	98%	98%	98%	98%	98%	98%	99%
	Net Expense Ratio Rank	Lowest 55%	15%	14%	14%	15%	14%	14%	14%	13%
	Manager Tenure	2 years or more	14.5 years	14.3 years	14 years	13.8 years	13.5 years	13.3 years	13 years	12.8 years
	Monitor Score		92	91	91	92	95	97	98	--

Category Codes: LB=Large Blend

TIAA-CREF Social Choice Equity Fund (R)		Ticker: TRSCX		Monitor History						
Fund Category: Large Blend	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Notes:  91  Socially Responsible Fund added as the result of action taken during a special meeting of the DC Committee. (08/19/2013)	Category		LB	LB	LB	LB	LB	LB	LB	LB
	Return 1 Yr Rank	Top 50%	57%	54%	64%	28%	17%	18%	15%	69%
	Return 3 Yr Rank	Top 50%	50%	45%	45%	50%	40%	43%	35%	47%
	Return 5 Yr Rank	Top 50%	37%	26%	24%	24%	28%	21%	18%	23%
	Alpha 3 Yr Rank	Top 50%	60%	53%	52%	55%	49%	47%	39%	47%
	RSquared 3 Yr Value	75% or greater	96.39%	97.35%	97.45%	97.07%	97.26%	97.7%	98.09%	98.34%
	Sharpe Ratio 3 Yr Rank	Top 50%	56%	51%	49%	55%	48%	46%	39%	46%
	Info Ratio 5 Yr Rank	Top 50%	34%	25%	23%	23%	28%	21%	14%	21%
	Net Expense Ratio Rank	Lowest 55%	12%	12%	13%	13%	12%	12%	12%	12%
	Manager Tenure	2 years or more	9.2 years	8.9 years	9.5 years	9.2 years	9 years	8.7 years	8.5 years	8.2 years
	Monitor Score		91	93	93	93	93	--	--	--

Category Codes: LB=Large Blend

# IPS STANDARDS AND CRITERIA: STATUS REPORT

## MONITORING REPORT

CITY OF MADISON  
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Calvert Equity Fund (A)		Ticker: CSIEX	Monitor History							
Fund Category: Large Growth	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Notes:	Category		LG	LG	LG	LG	LG	LG	LG	LG
	Return 1 Yr Rank	Top 50%	35%	85%	86%	78%	86%	59%	47%	46%
	Return 3 Yr Rank	Top 50%	86%	89%	80%	69%	85%	64%	50%	40%
	Return 5 Yr Rank	Top 50%	73%	71%	57%	62%	76%	46%	36%	23%
	Alpha 3 Yr Rank	Top 50%	64%	76%	66%	53%	64%	43%	40%	30%
	RSquared 3 Yr Value	75% or greater	90.29%	92.38%	92.14%	91.82%	90.59%	91.22%	93.02%	93.12%
	Sharpe Ratio 3 Yr Rank	Top 50%	59%	76%	66%	54%	67%	47%	43%	33%
	Info Ratio 5 Yr Rank	Top 50%	76%	76%	59%	62%	77%	50%	34%	19%
	Net Expense Ratio Rank	Lowest 55%	58%	57%	57%	56%	56%	55%	54%	53%
	Manager Tenure	2 years or more	8.2 years	7.9 years	7.7 years	7.4 years	7.2 years	6.9 years	6.7 years	6.4 years
	Monitor Score		55	58	63	59	76	85	88	87

Category Codes: LG=Large Growth

Franklin Growth Series (A)		Ticker: FKGRX	Monitor History							
Fund Category: Large Growth	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Notes:	Category		LG	LG	LG	LG	LG	LG	LG	LG
Fund added following 1Q2011 investment review. Large Cap Growth Fund in the Asset Allocation Model Portfolios (08/01/2011)	Return 1 Yr Rank	Top 50%	20%	47%	57%	86%	65%	62%	48%	67%
This fund received balances mapped from American Funds Growth Fund of America as the result of action taken during the 1Q2012 review. (06/06/2012)	Return 3 Yr Rank	Top 50%	62%	54%	50%	66%	77%	74%	67%	45%
	Return 5 Yr Rank	Top 50%	53%	41%	38%	65%	48%	18%	24%	15%
	Alpha 3 Yr Rank	Top 50%	17%	26%	28%	38%	49%	49%	50%	36%
	RSquared 3 Yr Value	75% or greater	92.56%	94.08%	94.07%	94.14%	93.96%	94.9%	95.81%	96.2%
	Sharpe Ratio 3 Yr Rank	Top 50%	14%	23%	23%	36%	48%	48%	50%	33%
	Info Ratio 5 Yr Rank	Top 50%	64%	48%	42%	--	45%	16%	19%	10%
	Net Expense Ratio Rank	Lowest 55%	32%	32%	31%	34%	33%	33%	31%	28%
	Manager Tenure	2 years or more	22.8 years	22.5 years	22.3 years	48.9 years	48.6 years	48.4 years	48.1 years	47.9 years
	Monitor Score		75	75	76	75	83	86	88	88

Category Codes: LG=Large Growth



# IPS STANDARDS AND CRITERIA: STATUS REPORT

## MONITORING REPORT

CITY OF MADISON  
CITY OF MADISON 457 DEFERRED COMPENSATION PLAN  
FOR PERIOD ENDING 30 SEPTEMBER 2014

Goldman Sachs Mid Cap Value Fund (A)		Ticker: GCMAX	Monitor History							
Fund Category: Mid-Cap Value	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> This fund was placed on Watchlist AND SUSPENDED from receiving new contributions during 1Q2014 Investment Committee meeting. (06/16/2014)	Category		MV	MV	MV	MV	MV	MV	MV	MV
	Return 1 Yr Rank	Top 50%	28%	61%	62%	72%	54%	54%	48%	31%
	Return 3 Yr Rank	Top 50%	51%	71%	63%	78%	70%	54%	55%	51%
	Return 5 Yr Rank	Top 50%	45%	67%	73%	73%	63%	70%	57%	56%
	Alpha 3 Yr Rank	Top 50%	38%	58%	52%	60%	56%	45%	50%	51%
	RSquared 3 Yr Value	75% or greater	90.09%	92.46%	92.47%	92.69%	93.71%	94.65%	94.82%	94.7%
	Sharpe Ratio 3 Yr Rank	Top 50%	38%	58%	53%	63%	56%	42%	49%	50%
	Info Ratio 5 Yr Rank	Top 50%	45%	61%	68%	67%	52%	72%	55%	52%
	Net Expense Ratio Rank	Lowest 55%	47%	46%	43%	44%	43%	43%	42%	42%
	Manager Tenure	2 years or more	12 years	11.8 years	11.5 years	11.3 years	11 years	10.8 years	10.5 years	10.3 years
	Monitor Score		59	57	59	55	65	68	73	75

Category Codes: MV=Mid-Cap Value

Invesco American Value Fund (Y)		Ticker: MSAIX	Monitor History							
Fund Category: Mid-Cap Value	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> This fund was added to the menu during the 1Q2014 Investment Committee meeting. (06/16/2014)	Category		MV	MV	MV	MV	MV	MV	MV	MV
	Return 1 Yr Rank	Top 50%	65%	62%	59%	55%	49%	74%	47%	39%
	Return 3 Yr Rank	Top 50%	29%	27%	30%	23%	17%	28%	18%	13%
	Return 5 Yr Rank	Top 50%	31%	23%	32%	19%	34%	28%	44%	40%
	Alpha 3 Yr Rank	Top 50%	16%	18%	24%	21%	18%	20%	15%	13%
	RSquared 3 Yr Value	75% or greater	83.73%	88.78%	89.63%	89.12%	90.24%	90.81%	91.68%	91.56%
	Sharpe Ratio 3 Yr Rank	Top 50%	27%	25%	29%	24%	20%	23%	16%	14%
	Info Ratio 5 Yr Rank	Top 50%	31%	24%	27%	12%	35%	29%	44%	42%
	Net Expense Ratio Rank	Lowest 55%	32%	34%	30%	30%	29%	38%	37%	35%
	Manager Tenure	2 years or more	9.1 years	8.8 years	8.6 years	8.3 years	8.1 years	7.8 years	7.6 years	7.3 years
	Monitor Score		89	--	--	--	--	--	--	--

Category Codes: MV=Mid-Cap Value

# IPS STANDARDS AND CRITERIA: STATUS REPORT

## MONITORING REPORT

CITY OF MADISON  
CITY OF MADISON 457 DEFERRED COMPENSATION PLAN  
FOR PERIOD ENDING 30 SEPTEMBER 2014

Prudential Mid-Cap Value Fund (Z)		Ticker: SPVZX		Monitor History						
Fund Category: Mid-Cap Value	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> This fund is the Mid Cap Value Fund within the Asset Allocation Model Portfolios. (06/16/2014) This fund was added to replace Perkins Mid Cap Value T (JMCVX) during the 1Q2014 Investment Committee meeting. (06/16/2014)	Category		MV	MV	MV	MV	MV	MV	MV	MV
	Return 1 Yr Rank	Top 50%	9%	16%	38%	28%	30%	12%	8%	71%
	Return 3 Yr Rank	Top 50%	21%	23%	28%	30%	30%	19%	22%	39%
	Return 5 Yr Rank	Top 50%	12%	12%	16%	32%	27%	36%	21%	25%
	Alpha 3 Yr Rank	Top 50%	15%	15%	23%	26%	26%	21%	26%	37%
	RSquared 3 Yr Value	75% or greater	89.09%	92.44%	92.6%	92.5%	93.14%	94.22%	94.89%	95.41%
	Sharpe Ratio 3 Yr Rank	Top 50%	12%	15%	24%	26%	28%	19%	25%	34%
	Info Ratio 5 Yr Rank	Top 50%	12%	10%	14%	23%	26%	33%	17%	22%
	Net Expense Ratio Rank	Lowest 55%	32%	31%	31%	30%	29%	28%	67%	68%
	Manager Tenure	2 years or more	7.7 years	7.4 years	7.2 years	6.9 years	6.7 years	6.4 years	6.2 years	5.9 years
	Monitor Score		95	--	--	--	--	--	--	--

Category Codes: MV=Mid-Cap Value

Ariel Fund (Inv)		Ticker: ARGFX		Monitor History						
Fund Category: Mid-Cap Blend	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Socially Responsible Fund added as the result of action taken during a special meeting of the DC Committee. (08/19/2013)	Category		MB	MB	MB	MB	MB	MB	MB	MB
	Return 1 Yr Rank	Top 50%	22%	12%	37%	4%	14%	15%	12%	13%
	Return 3 Yr Rank	Top 50%	4%	38%	67%	39%	63%	32%	60%	67%
	Return 5 Yr Rank	Top 50%	26%	4%	1%	5%	21%	8%	37%	54%
	Alpha 3 Yr Rank	Top 50%	57%	91%	91%	88%	90%	88%	86%	87%
	RSquared 3 Yr Value	75% or greater	83.52%	87.5%	87.76%	86.98%	87.07%	89.22%	89.92%	89.47%
	Sharpe Ratio 3 Yr Rank	Top 50%	44%	84%	87%	78%	86%	82%	81%	82%
	Info Ratio 5 Yr Rank	Top 50%	33%	16%	21%	36%	57%	27%	58%	63%
	Net Expense Ratio Rank	Lowest 55%	42%	42%	42%	45%	45%	43%	42%	40%
	Manager Tenure	2 years or more	27.9 years	27.7 years	27.4 years	27.2 years	26.9 years	26.7 years	26.4 years	26.2 years
	Monitor Score		91	88	83	67	77	--	--	--

Category Codes: MB=Mid-Cap Blend

# IPS STANDARDS AND CRITERIA: STATUS REPORT

## MONITORING REPORT

CITY OF MADISON  
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Calvert Capital Accumulation Fund (A)		Ticker: CCAFV		Monitor History							
Fund Category: Mid-Cap Growth		Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Socially Responsible Fund added as the result of action taken during a special meeting of the DC Committee. (08/19/2013)		Category		MG	MG	MG	MG	MG	MG	MG	MG
		Return 1 Yr Rank	Top 50%	72%	76%	89%	92%	62%	70%	37%	33%
		Return 3 Yr Rank	Top 50%	51%	61%	51%	33%	15%	22%	12%	7%
		Return 5 Yr Rank	Top 50%	14%	18%	35%	50%	34%	43%	26%	16%
		Alpha 3 Yr Rank	Top 50%	80%	80%	72%	59%	40%	48%	27%	15%
		RSquared 3 Yr Value	75% or greater	82.48%	86.8%	88.46%	87.19%	85.98%	86.92%	86.46%	87.41%
		Sharpe Ratio 3 Yr Rank	Top 50%	67%	74%	66%	53%	37%	45%	30%	18%
		Info Ratio 5 Yr Rank	Top 50%	16%	25%	40%	56%	40%	41%	31%	20%
		Net Expense Ratio Rank	Lowest 55%	71%	70%	70%	74%	73%	73%	73%	73%
		Manager Tenure	2 years or more	9 years	8.8 years	8.5 years	8.3 years	8 years	7.8 years	7.5 years	7.3 years
		Monitor Score			66	70	75	78	81	--	--

Category Codes: MG=Mid-Cap Growth

JPMorgan Mid Cap Equity Fund (Sel)		Ticker: VSNGX		Monitor History							
Fund Category: Mid-Cap Growth		Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Fund added to replace BlackRock Opportunities Inv A (BMEAX) as the result of action taken during the 1Q2013 review. (06/30/2013)		Category		MG	MG	MG	MG	MG	MG	MG	MG
		Return 1 Yr Rank	Top 50%	6%	14%	19%	34%	35%	12%	13%	15%
		Return 3 Yr Rank	Top 50%	6%	6%	8%	15%	19%	17%	22%	25%
		Return 5 Yr Rank	Top 50%	10%	10%	18%	39%	34%	22%	26%	30%
		Alpha 3 Yr Rank	Top 50%	8%	10%	10%	20%	24%	22%	28%	28%
		RSquared 3 Yr Value	75% or greater	87.88%	91.48%	92.45%	92.85%	92.76%	93.75%	93.66%	93.78%
		Sharpe Ratio 3 Yr Rank	Top 50%	6%	6%	7%	15%	18%	14%	22%	25%
		Info Ratio 5 Yr Rank	Top 50%	6%	3%	8%	20%	24%	20%	17%	24%
		Net Expense Ratio Rank	Lowest 55%	20%	20%	20%	19%	18%	18%	18%	17%
		Manager Tenure	2 years or more	11.8 years	11.5 years	11.3 years	11 years	10.8 years	10.5 years	10.3 years	10 years
		Monitor Score			100	100	100	100	98	--	--

Category Codes: MG=Mid-Cap Growth

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Fidelity Advisor Small Cap Value Fund (A)		Ticker: FCVAX	Monitor History							
Fund Category: Small Value	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Added following 1Q2011 fund review. Small Cap Value in the Asset Allocation Model Portfolios (08/01/2011)	Category	SV	SV	SV	SV	SV	SV	SV	SV	SV
	Return 1 Yr Rank	Top 50%	76%	71%	94%	45%	21%	31%	4%	20%
	Return 3 Yr Rank	Top 50%	34%	19%	24%	20%	35%	30%	8%	20%
	Return 5 Yr Rank	Top 50%	45%	48%	41%	27%	15%	6%	5%	10%
	Alpha 3 Yr Rank	Top 50%	21%	13%	15%	15%	18%	16%	9%	15%
	RSquared 3 Yr Value	75% or greater	79.16%	86.97%	87.88%	87.16%	85.77%	87.57%	87.06%	85.4%
	Sharpe Ratio 3 Yr Rank	Top 50%	22%	13%	14%	12%	17%	15%	10%	17%
	Info Ratio 5 Yr Rank	Top 50%	43%	50%	41%	20%	15%	6%	4%	17%
	Net Expense Ratio Rank	Lowest 55%	57%	56%	55%	55%	55%	58%	58%	58%
	Manager Tenure	2 years or more	6.3 years	6.1 years	5.8 years	5.6 years	5.3 years	5.1 years	4.8 years	4.6 years
	Monitor Score		84	85	86	86	84	83	81	79

Category Codes: SV=Small Value

Parnassus Small Cap Fund		Ticker: PARSX	Monitor History							
Fund Category: Small Blend	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Socially Responsible Fund added as the result of action taken during a special meeting of the DC Committee. (08/19/2013)	Category	SB	SB	SB	SB	SB	SB	SB	SB	SB
	Return 1 Yr Rank	Top 50%	92%	84%	95%	95%	90%	93%	97%	18%
	Return 3 Yr Rank	Top 50%	95%	97%	97%	94%	94%	92%	92%	47%
	Return 5 Yr Rank	Top 50%	92%	85%	82%	39%	46%	24%	5%	3%
	Alpha 3 Yr Rank	Top 50%	94%	95%	96%	96%	96%	93%	92%	47%
	RSquared 3 Yr Value	75% or greater	70.69%	77.86%	79.82%	82.01%	82.91%	82.4%	82.71%	83.75%
	Sharpe Ratio 3 Yr Rank	Top 50%	95%	97%	97%	95%	95%	94%	95%	58%
	Info Ratio 5 Yr Rank	Top 50%	87%	83%	83%	55%	55%	34%	16%	11%
	Net Expense Ratio Rank	Lowest 55%	48%	46%	48%	48%	47%	45%	45%	44%
	Manager Tenure	2 years or more	3.4 years	3.2 years	8.9 years	8.7 years	8.4 years	8.2 years	7.9 years	7.7 years
	Monitor Score		62	67	71	60	74	--	--	--

Category Codes: SB=Small Blend

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Sentinel Small Company Fund (A)		Ticker: SAGWX		Monitor History							
Fund Category: Small Growth		Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Small Cap Growth fund in Asset Allocation Models (01/01/2009) This fund was placed "Under Scrutiny" during the 1Q2014 Investment Committee meeting. (06/16/2014)	46	Category		SG	SG	SG	SG	SG	SG	SG	SG
		Return 1 Yr Rank	Top 50%	35%	67%	80%	83%	68%	37%	41%	76%
		Return 3 Yr Rank	Top 50%	81%	52%	55%	61%	69%	55%	43%	49%
		Return 5 Yr Rank	Top 50%	66%	66%	86%	88%	76%	44%	50%	31%
		Alpha 3 Yr Rank	Top 50%	25%	20%	24%	24%	28%	19%	20%	31%
		RSquared 3 Yr Value	75% or greater	80.9%	87.42%	89.5%	86.79%	86.62%	88.63%	89.59%	89.78%
		Sharpe Ratio 3 Yr Rank	Top 50%	18%	14%	20%	20%	21%	16%	16%	23%
		Info Ratio 5 Yr Rank	Top 50%	80%	66%	84%	83%	67%	32%	33%	19%
		Net Expense Ratio Rank	Lowest 55%	40%	40%	39%	38%	37%	37%	25%	25%
		Manager Tenure	2 years or more	1.5 years	1.3 years	1 years	0.8 years	0.5 years	0.3 years	--	0.4 years
		Monitor Score		46	48	54	59	69	78	80	77

Category Codes: SG=Small Growth

Cohen & Steers Realty Shares		Ticker: CSRSX		Monitor History							
Fund Category: Real Estate		Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Added following 2Q2011 fund review as the Specialty Real Estate fund for the enhanced Asset Allocation Model Portfolios. (08/01/2011) Fund placed "Under Scrutiny" during DC Committee's 1Q13 investment review. (06/20/2013) Fund remains "Under Scrutiny" as the result of 3Q13 fund review. (12/12/2013) This fund remained "Under Scrutiny" as the result of the 1Q2014 Investment Committee review. (06/16/2014)	62	Category		SR	SR	SR	SR	SR	SR	SR	SR
		Return 1 Yr Rank	Top 50%	35%	27%	21%	17%	21%	30%	48%	77%
		Return 3 Yr Rank	Top 50%	55%	69%	67%	66%	51%	59%	72%	78%
		Return 5 Yr Rank	Top 50%	61%	44%	43%	40%	23%	23%	19%	20%
		Alpha 3 Yr Rank	Top 50%	65%	80%	79%	76%	71%	69%	82%	84%
		RSquared 3 Yr Value	75% or greater	45.73%	56.03%	56.22%	61.15%	65.44%	67.72%	68.42%	69.3%
		Sharpe Ratio 3 Yr Rank	Top 50%	54%	79%	75%	71%	66%	69%	82%	88%
		Info Ratio 5 Yr Rank	Top 50%	65%	47%	46%	41%	22%	22%	22%	22%
		Net Expense Ratio Rank	Lowest 55%	33%	32%	33%	34%	31%	32%	33%	33%
		Manager Tenure	2 years or more	8.8 years	8.5 years	8.3 years	8 years	7.8 years	7.5 years	21.8 years	21.5 years
		Monitor Score		62	64	62	63	60	62	63	63

Category Codes: SR=Real Estate

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American Funds EuroPacific Growth Fund (R4)		Ticker: REREX		Monitor History							
Fund Category: Foreign Large Blend		Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Foreign Large Cap Blend in Plan's Asset Allocation Model Portfolios. (01/01/2009) Changed from Share Class A to Share Class R4. (06/20/2013) Q1-2012 Score 94; Q3-2012 Score 95; Q1-2013 Score 93 (09/30/2013)	90	Category		FB	FB	FB	FB	FB	FB	FB	FB
		Return 1 Yr Rank	Top 50%	13%	38%	25%	47%	70%	60%	51%	31%
		Return 3 Yr Rank	Top 50%	31%	44%	42%	42%	65%	64%	51%	47%
		Return 5 Yr Rank	Top 50%	39%	44%	48%	23%	22%	15%	16%	14%
		Alpha 3 Yr Rank	Top 50%	25%	42%	41%	39%	57%	51%	45%	44%
		RSquared 3 Yr Value	75% or greater	94.91%	96.34%	96.9%	96.91%	94.86%	95.38%	96.13%	96.25%
		Sharpe Ratio 3 Yr Rank	Top 50%	20%	39%	40%	37%	59%	53%	44%	44%
		Info Ratio 5 Yr Rank	Top 50%	36%	40%	--	22%	22%	14%	15%	13%
		Net Expense Ratio Rank	Lowest 55%	22%	21%	22%	21%	19%	19%	19%	19%
		Manager Tenure	2 years or more	22.8 years	22.5 years	30 years	29.7 years	29.5 years	29.2 years	29 years	28.7 years
		Monitor Score		90	89	88	81	86	--	--	--

Category Codes: FB=Foreign Large Blend

Oppenheimer Developing Markets Fund (Y)		Ticker: ODVYX		Monitor History							
Fund Category: Diversified Emerging Mkts		Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Diversified Emerging Market fund within the Plan's Asset Allocation Model Portfolio (08/01/2011) Changed from Share Class A to Share Class Y. (06/20/2013) Q1 & Q3 2012 Score 100; Q1-2013 Score 100 (09/30/2013)	100	Category		EM	EM	EM	EM	EM	EM	EM	EM
		Return 1 Yr Rank	Top 50%	29%	12%	10%	12%	12%	23%	31%	21%
		Return 3 Yr Rank	Top 50%	10%	8%	12%	9%	7%	6%	10%	8%
		Return 5 Yr Rank	Top 50%	3%	3%	4%	4%	4%	4%	5%	5%
		Alpha 3 Yr Rank	Top 50%	14%	9%	12%	12%	11%	11%	11%	9%
		RSquared 3 Yr Value	75% or greater	89.65%	91.72%	92.46%	85.46%	75.99%	78.53%	79.18%	80.67%
		Sharpe Ratio 3 Yr Rank	Top 50%	13%	9%	12%	11%	9%	10%	10%	10%
		Info Ratio 5 Yr Rank	Top 50%	1%	1%	2%	1%	3%	3%	4%	3%
		Net Expense Ratio Rank	Lowest 55%	18%	17%	17%	17%	16%	16%	16%	16%
		Manager Tenure	2 years or more	7.4 years	7.2 years	6.9 years	6.7 years	6.4 years	6.2 years	5.9 years	5.7 years
		Monitor Score		100	100	100	100	100	--	--	--

Category Codes: EM=Diversified Emerging Mkts

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PIMCO Commodity RealReturn Stgy. Fund (A)		Ticker: PCRAX	Monitor History							
Fund Category: Commodities Broad Basket	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Added following the 2Q2011 fund review as the Broad Commodities fund in the enhanced Asset Allocation Model Portfolios. (08/01/2011)	Category		BB	BB	BB	BB	BB	BB	BB	BB
	Return 1 Yr Rank	Top 50%	56%	25%	91%	91%	90%	85%	7%	8%
	Return 3 Yr Rank	Top 50%	57%	47%	42%	53%	47%	40%	9%	11%
	Return 5 Yr Rank	Top 50%	11%	7%	9%	7%	11%	17%	10%	10%
	Alpha 3 Yr Rank	Top 50%	52%	42%	33%	50%	50%	46%	9%	11%
	RSquared 3 Yr Value	75% or greater	79.66%	83.45%	84.14%	83.47%	85.39%	88.36%	92.43%	92.58%
	Sharpe Ratio 3 Yr Rank	Top 50%	46%	39%	32%	52%	46%	41%	9%	10%
	Info Ratio 5 Yr Rank	Top 50%	18%	5%	7%	--	11%	19%	15%	8%
	Net Expense Ratio Rank	Lowest 55%	49%	49%	47%	50%	51%	51%	52%	52%
	Manager Tenure	2 years or more	6.8 years	6.5 years	6.3 years	6 years	5.8 years	5.5 years	5.3 years	5 years
	Monitor Score		86	89	88	86	94	95	98	98

Category Codes: BB=Commodities Broad Basket

PIMCO Total Return Fund (D)		Ticker: PTTDX	Monitor History							
Fund Category: Intermediate-Term Bond	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Fund added to replace Delaware Diversified Income A (DPDFX) as the result of action taken during the 1Q2013 review. (06/20/2013)	Category		CI	CI	CI	CI	CI	CI	CI	CI
	Return 1 Yr Rank	Top 50%	85%	59%	94%	71%	46%	44%	18%	14%
	Return 3 Yr Rank	Top 50%	26%	53%	56%	46%	46%	45%	34%	33%
	Return 5 Yr Rank	Top 50%	52%	50%	52%	45%	23%	19%	17%	11%
	Alpha 3 Yr Rank	Top 50%	41%	61%	62%	53%	53%	48%	30%	28%
	RSquared 3 Yr Value	75% or greater	79.82%	53.06%	52.94%	51.3%	51.17%	51%	32.44%	32.11%
	Sharpe Ratio 3 Yr Rank	Top 50%	53%	86%	87%	79%	75%	75%	73%	74%
	Info Ratio 5 Yr Rank	Top 50%	63%	64%	65%	56%	12%	10%	9%	8%
	Net Expense Ratio Rank	Lowest 55%	47%	47%	47%	47%	46%	45%	46%	46%
	Manager Tenure	2 years or more	--	27.2 years	26.9 years	26.7 years	26.4 years	26.2 years	25.9 years	25.7 years
	Monitor Score		63	66	70	78	75	--	--	--

Category Codes: CI=Intermediate-Term Bond

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Fidelity High Income Fund		Ticker: SPHIX	Monitor History							
Fund Category: High Yield Bond	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Added following the 2Q2011 fund review as the High Yield Bond fund in the enhanced Asset Allocation Model Portfolios. (08/01/2011)	Category		HY	HY	HY	HY	HY	HY	HY	HY
	Return 1 Yr Rank	Top 50%	66%	62%	67%	49%	68%	63%	52%	45%
	Return 3 Yr Rank	Top 50%	53%	56%	57%	45%	47%	49%	51%	52%
	Return 5 Yr Rank	Top 50%	57%	52%	43%	37%	37%	34%	25%	17%
	Alpha 3 Yr Rank	Top 50%	56%	57%	54%	44%	49%	50%	43%	42%
	RSquared 3 Yr Value	75% or greater	18.25%	1.7%	2.02%	1.86%	1.26%	1.12%	1.26%	1.41%
	Sharpe Ratio 3 Yr Rank	Top 50%	75%	70%	69%	60%	63%	64%	67%	70%
	Info Ratio 5 Yr Rank	Top 50%	66%	66%	62%	46%	49%	41%	31%	26%
	Net Expense Ratio Rank	Lowest 55%	19%	19%	18%	19%	19%	18%	23%	23%
	Manager Tenure	2 years or more	14.3 years	14.1 years	13.8 years	13.6 years	13.3 years	13.1 years	12.8 years	12.6 years
	Monitor Score		54	61	67	75	70	70	73	76

Category Codes: HY=High Yield Bond

BlackRock Infla. Protected Bond Fund (Svc)		Ticker: BPRSX	Monitor History							
Fund Category: Inflation-Protected Bond	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> BMEAX added as TIPS fund in the Plan's Asset Allocation Model Portfolios. (08/01/2011) Fund placed on Watchlist during DC Committee's 1Q13 investment review. (06/20/2013) Q1-2012 Score 52; Q3-2012 Score 47; Q1-2013 Score 45 (09/30/2013) Changed from Share Class A to Svc Share Class. (10/01/2013) Fund was removed from "Wathclist", but will remain "Under Scrutiny" per 3Q2013 investment review meeting. (12/12/2013) Fund showed continued improvement. It will remain "Under Scrutiny" as the result of the 1Q2014 Investment Committee review. (06/16/2014)	Category		IP	IP	IP	IP	IP	IP	IP	IP
	Return 1 Yr Rank	Top 50%	50%	34%	36%	33%	28%	34%	50%	41%
	Return 3 Yr Rank	Top 50%	37%	29%	46%	43%	41%	46%	56%	62%
	Return 5 Yr Rank	Top 50%	42%	43%	45%	43%	24%	24%	33%	27%
	Alpha 3 Yr Rank	Top 50%	37%	37%	40%	38%	35%	36%	41%	27%
	RSquared 3 Yr Value	75% or greater	76.37%	76.67%	70.36%	66.52%	64.9%	61.54%	42.69%	40.26%
	Sharpe Ratio 3 Yr Rank	Top 50%	42%	22%	43%	44%	37%	43%	36%	29%
	Info Ratio 5 Yr Rank	Top 50%	43%	41%	47%	40%	24%	31%	--	20%
	Net Expense Ratio Rank	Lowest 55%	58%	57%	56%	58%	58%	57%	55%	55%
	Manager Tenure	2 years or more	4.2 years	4 years	9.2 years	8.9 years	8.7 years	8.4 years	8.2 years	7.9 years
	Monitor Score		73	70	67	84	63	--	--	--

Category Codes: IP=Inflation-Protected Bond



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Templeton Global Bond Fund (A)		Ticker: TPINX		Monitor History						
Fund Category: World Bond	Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Added following the 2Q2011 investment review as the Global Bond fund in the enhanced Asset Allocation Model Portfolios. (08/01/2011)	Category		IB	IB	IB	IB	IB	IB	IB	IB
	Return 1 Yr Rank	Top 50%	16%	51%	37%	7%	7%	4%	6%	4%
	Return 3 Yr Rank	Top 50%	7%	31%	28%	14%	11%	12%	25%	19%
	Return 5 Yr Rank	Top 50%	13%	21%	22%	14%	4%	1%	1%	1%
	Alpha 3 Yr Rank	Top 50%	5%	10%	9%	8%	4%	3%	2%	2%
	RSquared 3 Yr Value	75% or greater	6.47%	1.33%	1.57%	3.36%	2.38%	1.6%	0.54%	1.37%
	Sharpe Ratio 3 Yr Rank	Top 50%	36%	61%	60%	46%	34%	39%	64%	63%
	Info Ratio 5 Yr Rank	Top 50%	27%	39%	42%	34%	14%	8%	9%	8%
	Net Expense Ratio Rank	Lowest 55%	44%	45%	44%	43%	44%	46%	41%	41%
	Manager Tenure	2 years or more	12.8 years	12.5 years	12.3 years	12 years	11.8 years	11.5 years	12.3 years	12 years
	Monitor Score		79	79	80	89	79	77	76	75

Category Codes: IB=World Bond

T. Rowe Price Retirement Income Fund (Adv)		Ticker: PARIX		Monitor History						
Fund Category: Conservative Allocation	Standards		Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> The investment category for this fund may have changed since your last review. The previous category for this plan fund was Retirement Income.	Category		CA	RI	RI	RI	RI	RI	RI	RI
	Return 1 Yr Rank		49%	32%	33%	32%	33%	33%	54%	35%
	Return 3 Yr Rank		42%	35%	39%	32%	34%	34%	53%	54%
	Return 5 Yr Rank		53%	40%	39%	38%	39%	26%	20%	24%
	Alpha 3 Yr Rank		74%	84%	82%	78%	77%	77%	71%	68%
	RSquared 3 Yr Value		97.95%	98.52%	98.67%	98.63%	98.63%	98.72%	99.01%	99.08%
	Sharpe Ratio 3 Yr Rank		67%	71%	74%	64%	60%	65%	70%	67%
	Info Ratio 5 Yr Rank		85%	93%	96%	63%	53%	26%	22%	20%
	Net Expense Ratio Rank		20%	44%	43%	44%	43%	42%	41%	40%
	Manager Tenure		12 years	11.8 years	11.5 years	11.3 years	11 years	10.8 years	10.5 years	10.3 years

Category Codes: CA=Conservative Allocation, RI=Retirement Income

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American Funds American Balanced Fund (R4)		Ticker: RLBEX		Monitor History							
Fund Category: Moderate Allocation		Standards	Criteria	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b> Changed from Share Class A to Share Class R4. (06/20/2013) Q1-2012 Score 95; Q3-2012 Score 100; Q1-2013 Score 100 (09/30/2013)	100	Category		MA	MA	MA	MA	MA	MA	MA	MA
		Return 1 Yr Rank	Top 50%	9%	32%	9%	8%	15%	13%	12%	14%
		Return 3 Yr Rank	Top 50%	5%	4%	3%	3%	4%	5%	6%	6%
		Return 5 Yr Rank	Top 50%	4%	8%	14%	18%	18%	9%	15%	15%
		Alpha 3 Yr Rank	Top 50%	8%	8%	6%	3%	6%	4%	8%	8%
		RSquared 3 Yr Value	75% or greater	91.98%	94.72%	94.92%	94.96%	95.64%	96.49%	97.54%	97.52%
		Sharpe Ratio 3 Yr Rank	Top 50%	10%	8%	6%	3%	6%	4%	6%	7%
		Info Ratio 5 Yr Rank	Top 50%	1%	3%	6%	10%	12%	4%	11%	15%
		Net Expense Ratio Rank	Lowest 55%	8%	8%	8%	7%	8%	7%	7%	8%
		Manager Tenure	2 years or more	17.8 years	17.5 years	17.3 years	17 years	16.8 years	16.5 years	16.3 years	16 years
		Monitor Score		100	100	100	100	100	--	--	--

Category Codes: MA=Moderate Allocation

T. Rowe Price Retirement 2020 Fund (Adv)		Ticker: PARBX		Monitor History							
Fund Category: Target Date 2016-2020		Standards		Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Notes:</b>		Category		TE	TE	TE	TE	TE	TE	TE	TE
		Return 1 Yr Rank		5%	3%	4%	3%	5%	5%	20%	1%
		Return 3 Yr Rank		1%	4%	5%	3%	1%	1%	10%	11%
		Return 5 Yr Rank		1%	1%	2%	1%	1%	6%	7%	19%
		Alpha 3 Yr Rank		38%	61%	61%	54%	52%	69%	78%	79%
		RSquared 3 Yr Value		97.65%	98.45%	98.51%	98.51%	98.56%	98.75%	98.88%	98.95%
		Sharpe Ratio 3 Yr Rank		36%	42%	47%	34%	37%	52%	73%	69%
		Info Ratio 5 Yr Rank		6%	6%	6%	2%	3%	--	--	12%
		Net Expense Ratio Rank		51%	51%	51%	48%	48%	45%	44%	45%
		Manager Tenure		12 years	11.8 years	11.5 years	11.3 years	11 years	10.8 years	10.5 years	10.3 years

Category Codes: TE=Target Date 2016-2020

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T. Rowe Price Retirement 2030 Fund (Adv)		Ticker: PARCX		Monitor History					
Fund Category: Target Date 2026-2030	Standards	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Notes:	Category	TH	TH	TH	TH	TH	TH	TH	TH
	Return 1 Yr Rank	8%	3%	6%	4%	10%	7%	28%	3%
	Return 3 Yr Rank	5%	8%	8%	7%	5%	6%	13%	11%
	Return 5 Yr Rank	4%	1%	1%	1%	1%	7%	5%	11%
	Alpha 3 Yr Rank	25%	39%	39%	35%	34%	52%	69%	66%
	RSquared 3 Yr Value	96.56%	97.64%	97.68%	97.7%	97.7%	98.01%	98.36%	98.39%
	Sharpe Ratio 3 Yr Rank	25%	29%	28%	29%	28%	38%	54%	50%
	Info Ratio 5 Yr Rank	11%	10%	9%	6%	5%	7%	5%	10%
	Net Expense Ratio Rank	49%	49%	49%	48%	47%	45%	44%	43%
	Manager Tenure	12 years	11.8 years	11.5 years	11.3 years	11 years	10.8 years	10.5 years	10.3 years

Category Codes: TH=Target Date 2026-2030

T. Rowe Price Retirement 2040 Fund (Adv)		Ticker: PARDX		Monitor History					
Fund Category: Target Date 2036-2040	Standards	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Notes:	Category	TJ	TJ	TJ	TJ	TJ	TJ	TJ	TJ
	Return 1 Yr Rank	10%	2%	4%	7%	14%	19%	36%	5%
	Return 3 Yr Rank	3%	5%	9%	8%	5%	10%	17%	13%
	Return 5 Yr Rank	1%	1%	1%	1%	2%	9%	5%	10%
	Alpha 3 Yr Rank	22%	26%	31%	25%	25%	38%	42%	38%
	RSquared 3 Yr Value	95.87%	97.1%	97.15%	97.19%	97.22%	97.62%	98.15%	98.2%
	Sharpe Ratio 3 Yr Rank	19%	23%	29%	22%	24%	30%	36%	29%
	Info Ratio 5 Yr Rank	10%	11%	9%	5%	4%	9%	--	10%
	Net Expense Ratio Rank	54%	52%	51%	50%	49%	47%	45%	45%
	Manager Tenure	12 years	11.8 years	11.5 years	11.3 years	11 years	10.8 years	10.5 years	10.3 years

Category Codes: TJ=Target Date 2036-2040

# IPS STANDARDS AND CRITERIA: STATUS REPORT

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T. Rowe Price Retirement 2050 Fund (Adv)		Ticker: PARFX		Monitor History						
Fund Category: Target Date 2046-2050		Standards	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Notes:		Category	TN	TN	TN	TN	TN	TN	TN	TN
		Return 1 Yr Rank	14%	5%	7%	13%	22%	34%	47%	8%
		Return 3 Yr Rank	5%	6%	9%	7%	5%	6%	15%	12%
		Return 5 Yr Rank	2%	1%	1%	1%	2%	12%	9%	14%
		Alpha 3 Yr Rank	19%	23%	27%	24%	24%	27%	34%	31%
		RSquared 3 Yr Value	95.85%	97.09%	97.14%	97.18%	97.24%	97.61%	98.18%	98.21%
		Sharpe Ratio 3 Yr Rank	20%	23%	26%	20%	20%	22%	32%	27%
		Info Ratio 5 Yr Rank	11%	10%	6%	4%	6%	12%	8%	11%
		Net Expense Ratio Rank	51%	49%	50%	48%	47%	45%	44%	45%
		Manager Tenure	7.8 years	7.5 years	7.3 years	7 years	6.8 years	6.5 years	6.3 years	6 years

Category Codes: TN=Target Date 2046-2050



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Fund Performance and Benchmarks

Fund Name	Ticker	3 Month Total	% Rank	YTD	% Rank	1 Year Total	% Rank	3 Year Annual	% Rank	5 Year Annual	% Rank	10 Year Annual	% Rank	
												1,225 funds in category		
<b>LARGE VALUE</b>														
BlackRock Equity Dividend Fund (I)	57	MADVX	0.15%	25%	4.90%	81%	15.29%	73%	17.97%	91%	13.45%	63%	9.18%	9%
Category Average			-0.53%	--	6.42%	--	16.40%	--	21.46%	--	13.82%	--	7.36%	--
Russell 1000 Value Index			-0.19%	--	8.07%	--	18.89%	--	23.93%	--	15.26%	--	7.84%	--
												1,552 funds in category		
<b>LARGE BLEND</b>														
American Funds Fundamental Investors (R4)	65	RFNEX	0.47%	49%	5.82%	66%	16.30%	61%	21.93%	53%	14.09%	57%	9.27%	9%
Dreyfus S&P 500 Index Fund	92	PEOPX	1.02%	25%	7.96%	25%	19.16%	27%	22.41%	44%	15.17%	32%	7.62%	50%
TIAA-CREF Social Choice Equity Fund (R)	91	TRSCX	-0.30%	66%	6.70%	53%	16.71%	57%	22.09%	50%	14.99%	37%	8.14%	28%
Category Average			-0.06%	--	6.32%	--	16.79%	--	21.55%	--	14.14%	--	7.59%	--
Russell 1000 Index			0.65%	--	7.97%	--	19.01%	--	23.23%	--	15.90%	--	8.46%	--
												1,571 funds in category		
<b>LARGE GROWTH</b>														
Calvert Equity Fund (A)	55	CSIEX	1.62%	29%	4.83%	63%	17.63%	35%	18.86%	86%	13.60%	73%	7.90%	60%
Franklin Growth Series (A)	75	FKGRX	1.03%	47%	8.18%	15%	19.08%	20%	20.91%	62%	14.66%	53%	9.22%	25%
Category Average			0.72%	--	5.47%	--	16.34%	--	21.31%	--	14.69%	--	8.31%	--
Russell 1000 Growth Index			1.49%	--	7.89%	--	19.15%	--	22.45%	--	16.50%	--	8.94%	--
												434 funds in category		
<b>MID-CAP VALUE</b>														
Goldman Sachs Mid Cap Value Fund (A)	59	GCMAX	-1.17%	7%	7.24%	11%	15.55%	28%	22.89%	51%	15.53%	45%	9.43%	38%
Invesco American Value Fund (Y)	89	MSAIX	-3.30%	50%	4.16%	55%	12.41%	65%	24.32%	29%	16.07%	31%	10.43%	9%
Prudential Mid-Cap Value Fund (Z)	95	SPVZX	-2.09%	19%	8.71%	4%	18.53%	9%	24.71%	21%	17.01%	12%	9.74%	24%
Category Average			-3.42%	--	4.23%	--	13.70%	--	22.90%	--	15.10%	--	8.84%	--
Russell Mid Cap Value Index			-2.65%	--	8.20%	--	17.46%	--	24.72%	--	17.24%	--	10.17%	--
												372 funds in category		
<b>MID-CAP BLEND</b>														
Ariel Fund (Inv)	91	ARGFX	-2.96%	47%	2.24%	61%	15.52%	22%	27.77%	4%	16.46%	26%	7.18%	83%
Category Average			-3.30%	--	3.06%	--	12.27%	--	21.98%	--	15.02%	--	8.79%	--
Russell Mid Cap Index			-1.66%	--	6.87%	--	15.83%	--	23.79%	--	17.19%	--	10.34%	--
												705 funds in category		
<b>MID-CAP GROWTH</b>														
Calvert Capital Accumulation Fund (A)	66	CCAFX	-2.63%	63%	1.65%	54%	7.90%	72%	20.24%	51%	16.90%	14%	7.82%	82%
JPMorgan Mid Cap Equity Fund (Sel)	100	VSNEX	-2.06%	47%	6.05%	6%	15.93%	6%	24.45%	6%	17.31%	10%	10.22%	31%
Category Average			-2.29%	--	1.68%	--	10.04%	--	20.09%	--	14.87%	--	9.23%	--
Russell Mid Cap Growth Index			-0.73%	--	5.73%	--	14.43%	--	22.74%	--	17.12%	--	10.24%	--
												378 funds in category		
<b>SMALL VALUE</b>														
Fidelity Advisor Small Cap Value Fund (A)	84	FCVAX	-7.89%	68%	-4.54%	75%	4.31%	76%	22.48%	34%	14.06%	45%	--	--
Category Average			-7.13%	--	-2.73%	--	6.23%	--	21.12%	--	13.62%	--	8.13%	--
Russell 2000 Value Index			-8.58%	--	-4.74%	--	4.13%	--	20.61%	--	13.02%	--	7.25%	--

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# PERFORMANCE REPORT

CITY OF MADISON  
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## Fund Performance and Benchmarks

Fund Name	Ticker	3 Month Total	% Rank	YTD	% Rank	1 Year Total	% Rank	3 Year Annual	% Rank	5 Year Annual	% Rank	10 Year Annual	% Rank			
												1719 funds in category				
												✓	✓	✓		
<b>SMALL BLEND</b>																
												719 funds in category				
Parnassus Small Cap Fund	62 ■	PARSX	-8.33%	87%	-6.84%	92%	1.79%	92%	16.10%	95%	11.15%	92%	--	--		
Category Average			-6.73%	--	-3.24%	--	5.67%	--	21.02%	--	14.22%	--	8.05%	--		
Russell 2000 Index			-7.36%	--	-4.41%	--	3.93%	--	21.26%	--	14.29%	--	8.19%	--		
<b>SMALL GROWTH</b>																
												679 funds in category				
Sentinel Small Company Fund (A)	46 ■	SAGWX	-6.57%	68%	-2.25%	20%	4.38%	35%	17.97%	81%	14.06%	66%	8.95%	48%		
Category Average			-5.85%	--	-4.98%	--	2.79%	--	20.06%	--	14.84%	--	8.76%	--		
Russell 2000 Growth Index			-6.13%	--	-4.05%	--	3.79%	--	21.91%	--	15.51%	--	9.03%	--		
<b>REAL ESTATE</b>																
												274 funds in category				
Cohen & Steers Realty Shares	62 ■	CSRSX	-3.23%	58%	13.52%	45%	13.38%	35%	15.71%	55%	14.77%	61%	9.05%	20%		
Category Average			-3.05%	--	13.04%	--	12.73%	--	15.88%	--	14.97%	--	7.73%	--		
S&P 1500 REIT Industry Index			-2.44%	--	13.85%	--	12.97%	--	16.70%	--	16.46%	--	8.34%	--		
<b>FOREIGN LARGE BLEND</b>																
												743 funds in category				
American Funds EuroPacific Growth Fund (R4)	90 ■	REREX	-4.29%	12%	-0.95%	33%	6.62%	13%	14.04%	31%	6.75%	39%	8.25%	13%		
Category Average			-5.60%	--	-1.91%	--	3.85%	--	13.07%	--	6.26%	--	6.25%	--		
MSCI All Country World Ex-USA NR Index			-5.27%	--	0.00%	--	4.77%	--	11.79%	--	6.03%	--	7.06%	--		
<b>DIVERSIFIED EMERGING MKTS</b>																
												785 funds in category				
Oppenheimer Developing Markets Fund (Y)	100 ■	ODVYX	-3.52%	42%	2.29%	44%	6.06%	29%	11.93%	10%	9.05%	3%	14.55%	1%		
Category Average			-3.47%	--	2.14%	--	4.64%	--	7.88%	--	4.36%	--	9.84%	--		
MSCI Emerging Markets NR Index			-3.49%	--	2.43%	--	4.30%	--	7.19%	--	4.42%	--	10.68%	--		
<b>COMMODITIES BROAD BASKET</b>																
												144 funds in category				
PIMCO Commodity RealReturn Sty. Fund (A)	86 ■	PCRAX	-13.51%	94%	-5.03%	35%	-7.23%	56%	-4.76%	57%	1.40%	11%	0.46%	29%		
Category Average			-11.49%	--	-5.79%	--	-6.88%	--	-4.06%	--	-0.66%	--	-2.25%	--		
S&P 500 Index			1.13%	--	8.34%	--	19.73%	--	22.99%	--	15.70%	--	8.11%	--		
<b>INTERMEDIATE-TERM BOND</b>																
												955 funds in category				
PIMCO Total Return Fund (D)	63 ■	PTTDX	-0.43%	86%	3.11%	84%	2.99%	85%	4.26%	26%	4.77%	52%	5.67%	10%		
Category Average			-0.08%	--	4.03%	--	4.35%	--	3.47%	--	4.86%	--	4.51%	--		
Barclays U.S. Aggregate Bond Index			0.17%	--	4.10%	--	3.96%	--	2.43%	--	4.12%	--	4.62%	--		
<b>HIGH YIELD BOND</b>																
												688 funds in category				
Fidelity High Income Fund	54 ■	SPHIX	-2.09%	58%	2.08%	77%	5.65%	66%	10.00%	53%	9.31%	57%	7.68%	20%		
Category Average			-2.03%	--	2.71%	--	6.01%	--	9.99%	--	9.41%	--	6.96%	--		
Barclays U.S. Corporate High Yield Index			-1.87%	--	3.49%	--	7.20%	--	11.09%	--	10.57%	--	8.33%	--		
<b>INFLATION-PROTECTED BOND</b>																
												212 funds in category				
BlackRock Infla. Protected Bond Fund (Svc)	73 ■	BPRSX	-2.34%	70%	3.13%	40%	0.94%	50%	1.06%	37%	3.94%	42%	4.60%	12%		
Category Average			-2.13%	--	2.69%	--	0.92%	--	0.89%	--	3.72%	--	4.02%	--		
Barclays U.S. Treasury TIPS Index			-2.04%	--	3.67%	--	1.59%	--	1.34%	--	4.48%	--	4.63%	--		

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**Fund Performance and Benchmarks**

Fund Name	Ticker	3 Month Total	% Rank	YTD	% Rank	1 Year Total	% Rank	3 Year Annual	% Rank	5 Year Annual	% Rank	10 Year Annual	% Rank
												<i>378 funds in category</i>	
<b>WORLD BOND</b>													
Templeton Global Bond Fund (A)	79 ■ TPINX	0.00%	18%	3.32%	35%	6.13%	16%	7.36%	7%	6.68%	13%	8.63%	2%
Category Average		-2.01%	--	2.80%	--	3.39%	--	3.25%	--	3.96%	--	4.87%	--
Barclays Global Aggregate Index		-3.14%	--	1.64%	--	1.19%	--	1.16%	--	2.69%	--	4.38%	--
												<i>645 funds in category</i>	
<b>CONSERVATIVE ALLOCATION</b>													
T. Rowe Price Retirement Income Fund (Adv)	PARIX	-1.36%	58%	3.08%	55%	6.60%	49%	8.98%	42%	7.07%	53%	5.67%	33%
Category Average		-1.48%	--	3.36%	--	6.50%	--	8.34%	--	7.18%	--	5.25%	--
S&P Target Risk Conservative Index		-1.18%	--	2.67%	--	5.50%	--	6.47%	--	5.85%	--	--	--
												<i>756 funds in category</i>	
<b>MODERATE ALLOCATION</b>													
American Funds American Balanced Fund (R4)	100 ■ RLBEX	0.59%	5%	5.50%	26%	13.24%	9%	16.50%	5%	12.49%	4%	7.23%	20%
Category Average		-1.30%	--	4.05%	--	9.77%	--	13.26%	--	9.77%	--	6.40%	--
S&P Target Risk Moderate Index		-1.53%	--	2.82%	--	6.88%	--	8.77%	--	6.91%	--	--	--
												<i>226 funds in category</i>	
<b>TARGET DATE 2016-2020</b>													
T. Rowe Price Retirement 2020 Fund (Adv)	PARBX	-1.59%	62%	3.90%	22%	10.03%	5%	14.76%	1%	10.62%	1%	7.21%	2%
Category Average		-1.53%	--	3.32%	--	7.63%	--	10.97%	--	8.46%	--	5.43%	--
S&P Target Date 2020 GR Index		-1.35%	--	3.83%	--	8.83%	--	12.69%	--	9.59%	--	6.59%	--
												<i>227 funds in category</i>	
<b>TARGET DATE 2026-2030</b>													
T. Rowe Price Retirement 2030 Fund (Adv)	PARCX	-1.77%	47%	4.01%	25%	11.44%	8%	17.39%	5%	11.95%	4%	7.76%	3%
Category Average		-1.88%	--	3.38%	--	9.14%	--	13.83%	--	9.75%	--	5.91%	--
S&P Target Date 2030 GR Index		-1.79%	--	3.80%	--	10.00%	--	15.22%	--	10.85%	--	7.06%	--
												<i>226 funds in category</i>	
<b>TARGET DATE 2036-2040</b>													
T. Rowe Price Retirement 2040 Fund (Adv)	PARDX	-1.87%	45%	3.91%	36%	12.14%	10%	18.68%	3%	12.54%	1%	7.91%	3%
Category Average		-2.12%	--	3.37%	--	10.01%	--	15.51%	--	10.48%	--	6.20%	--
S&P Target Date 2040 GR Index		-2.08%	--	3.78%	--	10.87%	--	16.84%	--	11.65%	--	7.29%	--
												<i>212 funds in category</i>	
<b>TARGET DATE 2046-2050</b>													
T. Rowe Price Retirement 2050 Fund (Adv)	PARFX	-1.89%	46%	3.93%	36%	12.11%	14%	18.63%	5%	12.52%	2%	--	--
Category Average		-2.20%	--	3.43%	--	10.34%	--	16.06%	--	10.67%	--	6.52%	--
Target Date 2050+ Index		-1.17%	--	5.58%	--	13.70%	--	18.67%	--	12.86%	--	14.72%	--

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**Historical Performance (Previous 8 Years)**

Fund Name	Ticker	2013	% Rank	2012	% Rank	2011	% Rank	2010	% Rank	2009	% Rank	2008	% Rank	2007	% Rank	2006	% Rank
<b>LARGE VALUE</b> <span style="float: right;">1,225 funds in category</span>																	
BlackRock Equity Dividend Fund (I)	57 ■ MADVX	24.67%	93%	12.18%	78%	5.92%	15%	13.26%	54%	22.18%	58%	-32.57%	22%	14.78%	3%	19.25%	43%
Category Average		31.29%	--	14.52%	--	0.20%	--	13.83%	--	24.21%	--	-36.08%	--	2.68%	--	18.38%	--
Russell 1000 Value Index		32.53%	--	17.51%	--	0.39%	--	15.51%	--	19.69%	--	-36.85%	--	-0.17%	--	22.25%	--
<b>LARGE BLEND</b> <span style="float: right;">1,552 funds in category</span>																	
American Funds Fundamental Investors (R4)	65 ■ RFNEX	31.47%	58%	17.13%	19%	-1.92%	70%	14.02%	57%	33.31%	20%	-39.70%	73%	13.51%	8%	19.12%	12%
Dreyfus S&P 500 Index Fund	92 ■ PEOPX	31.76%	54%	15.45%	51%	1.65%	28%	14.56%	45%	26.04%	63%	-37.28%	49%	5.03%	61%	15.24%	48%
TIAA-CREF Social Choice Equity Fund (R)	91 ■ TRSCX	33.89%	28%	13.86%	72%	-0.26%	54%	15.55%	27%	32.01%	25%	-36.30%	32%	3.79%	75%	14.09%	69%
Category Average		31.68%	--	15.07%	--	-0.55%	--	14.36%	--	28.87%	--	-37.35%	--	6.23%	--	14.95%	--
Russell 1000 Index		33.11%	--	16.42%	--	1.50%	--	16.10%	--	28.43%	--	-37.60%	--	5.77%	--	15.46%	--
<b>LARGE GROWTH</b> <span style="float: right;">1,571 funds in category</span>																	
Calvert Equity Fund (A)	55 ■ CSIEX	30.42%	79%	15.52%	48%	-2.23%	56%	17.23%	35%	33.41%	60%	-35.53%	16%	9.94%	74%	10.16%	36%
Franklin Growth Series (A)	75 ■ FKGRX	29.39%	86%	13.69%	70%	0.63%	28%	14.87%	59%	34.25%	53%	-33.39%	9%	7.13%	87%	14.16%	15%
Category Average		34.02%	--	15.42%	--	-1.82%	--	16.00%	--	36.28%	--	-39.91%	--	14.49%	--	8.58%	--
Russell 1000 Growth Index		33.48%	--	15.26%	--	2.64%	--	16.71%	--	37.21%	--	-38.44%	--	11.81%	--	9.07%	--
<b>MID-CAP VALUE</b> <span style="float: right;">434 funds in category</span>																	
Goldman Sachs Mid Cap Value Fund (A)	59 ■ GCMAX	32.43%	70%	18.03%	32%	-6.61%	73%	24.36%	22%	32.70%	63%	-36.73%	49%	2.91%	41%	15.61%	50%
Invesco American Value Fund (Y)	89 ■ MSAIX	34.36%	53%	17.32%	41%	0.82%	10%	22.18%	46%	39.60%	30%	-40.87%	73%	7.77%	8%	20.47%	6%
Prudential Mid-Cap Value Fund (Z)	95 ■ SPVZX	37.32%	26%	14.84%	74%	-0.44%	21%	21.06%	63%	37.61%	43%	-34.89%	32%	-0.61%	72%	10.93%	91%
Category Average		34.90%	--	16.81%	--	-4.17%	--	21.90%	--	36.99%	--	-37.82%	--	1.57%	--	15.63%	--
Russell Mid Cap Value Index		33.46%	--	18.51%	--	-1.38%	--	24.75%	--	34.21%	--	-38.44%	--	-1.42%	--	20.22%	--
<b>MID-CAP BLEND</b> <span style="float: right;">372 funds in category</span>																	
Ariel Fund (Inv)	91 ■ ARGFX	44.68%	4%	20.32%	13%	-11.34%	95%	25.97%	24%	63.42%	2%	-48.25%	91%	-1.70%	87%	10.35%	77%
Category Average		34.70%	--	16.12%	--	-3.20%	--	22.86%	--	36.79%	--	-38.45%	--	5.97%	--	13.97%	--
Russell Mid Cap Index		34.76%	--	17.28%	--	-1.55%	--	25.48%	--	40.48%	--	-41.46%	--	5.60%	--	15.26%	--
<b>MID-CAP GROWTH</b> <span style="float: right;">705 funds in category</span>																	
Calvert Capital Accumulation Fund (A)	66 ■ CCAFV	28.86%	91%	15.83%	35%	2.20%	14%	30.02%	14%	30.35%	81%	-36.90%	21%	9.56%	79%	6.14%	82%
JPMorgan Mid Cap Equity Fund (Sel)	100 ■ VSNEX	36.74%	34%	18.10%	16%	-1.80%	39%	24.02%	61%	34.18%	67%	-38.51%	29%	9.81%	77%	14.27%	18%
Category Average		34.90%	--	14.27%	--	-3.24%	--	25.25%	--	39.24%	--	-41.39%	--	16.02%	--	10.16%	--
Russell Mid Cap Growth Index		35.74%	--	15.81%	--	-1.65%	--	26.38%	--	46.29%	--	-44.32%	--	11.43%	--	10.66%	--
<b>SMALL VALUE</b> <span style="float: right;">378 funds in category</span>																	
Fidelity Advisor Small Cap Value Fund (A)	84 ■ FCVAX	36.72%	44%	19.80%	22%	-3.98%	45%	24.77%	63%	36.46%	35%	-30.52%	38%	0.78%	20%	15.33%	74%
Category Average		36.22%	--	16.47%	--	-5.25%	--	25.42%	--	35.21%	--	-32.81%	--	-4.74%	--	17.25%	--
Russell 2000 Value Index		34.52%	--	18.05%	--	-5.50%	--	24.50%	--	20.58%	--	-28.92%	--	-9.78%	--	23.48%	--
<b>SMALL BLEND</b> <span style="float: right;">719 funds in category</span>																	
Parnassus Small Cap Fund	62 ■ PARSX	28.35%	96%	18.41%	18%	-13.30%	98%	37.41%	2%	42.48%	19%	-25.08%	4%	-3.92%	76%	18.78%	20%
Category Average		37.63%	--	15.37%	--	-3.28%	--	25.43%	--	32.40%	--	-35.45%	--	-0.24%	--	15.62%	--
Russell 2000 Index		38.82%	--	16.35%	--	-4.18%	--	26.85%	--	27.17%	--	-33.79%	--	-1.57%	--	18.37%	--

**PERFORMANCE  
REPORT**

CITY OF MADISON  
CITY OF MADISON 457 DEFERRED COMPENSATION PLAN  
FOR PERIOD ENDING 30 SEPTEMBER 2014

**Historical Performance (Previous 8 Years)**

Fund Name	Ticker	2013	% Rank	2012	% Rank	2011	% Rank	2010	% Rank	2009	% Rank	2008	% Rank	2007	% Rank	2006	% Rank
<b>SMALL GROWTH</b> <span style="float: right;">679 funds in category</span>																	
Sentinel Small Company Fund (A)	46 ■ SAGWX	34.73%	83%	11.07%	80%	2.84%	11%	23.02%	87%	27.27%	87%	-32.28%	7%	8.28%	55%	15.46%	24%
Category Average		41.18%	--	13.76%	--	-2.80%	--	28.47%	--	37.05%	--	-40.30%	--	9.49%	--	12.30%	--
Russell 2000 Growth Index		43.30%	--	14.59%	--	-2.91%	--	29.09%	--	34.47%	--	-38.54%	--	7.05%	--	13.35%	--
<b>REAL ESTATE</b> <span style="float: right;">274 funds in category</span>																	
Cohen & Steers Realty Shares	62 ■ CSRSX	3.09%	19%	15.72%	77%	6.18%	73%	27.14%	54%	32.50%	22%	-34.40%	15%	-19.19%	84%	37.13%	13%
Category Average		1.75%	--	17.74%	--	7.55%	--	27.26%	--	30.78%	--	-38.62%	--	-16.31%	--	32.94%	--
S&P 1500 REIT Industry Index		1.92%	--	19.12%	--	9.86%	--	28.23%	--	26.50%	--	-36.88%	--	-17.17%	--	37.47%	--
<b>FOREIGN LARGE BLEND</b> <span style="float: right;">743 funds in category</span>																	
American Funds EuroPacific Growth Fund (R4)	90 ■ RREX	20.17%	48%	19.22%	34%	-13.61%	50%	9.39%	64%	39.13%	18%	-40.56%	13%	18.87%	15%	21.83%	89%
Category Average		19.54%	--	18.33%	--	-13.89%	--	10.93%	--	33.43%	--	-43.90%	--	13.04%	--	25.82%	--
MSCI All Country World Ex-USA NR Index		15.29%	--	16.83%	--	-13.71%	--	11.15%	--	41.45%	--	-45.53%	--	16.65%	--	26.65%	--
<b>DIVERSIFIED EMERGING MKTS</b> <span style="float: right;">785 funds in category</span>																	
Oppenheimer Developing Markets Fund (Y)	100 ■ ODVYX	8.68%	13%	21.29%	24%	-17.85%	28%	27.39%	6%	82.10%	22%	-47.84%	16%	34.30%	67%	25.70%	96%
Category Average		-0.18%	--	18.79%	--	-19.55%	--	19.61%	--	73.34%	--	-53.47%	--	36.95%	--	32.85%	--
MSCI Emerging Markets NR Index		-2.60%	--	18.22%	--	-18.42%	--	18.88%	--	78.51%	--	-53.33%	--	39.42%	--	32.14%	--
<b>COMMODITIES BROAD BASKET</b> <span style="float: right;">144 funds in category</span>																	
PIMCO Commodity RealReturn Stgy. Fund (A)	86 ■ PCRAX	-15.02%	93%	4.81%	8%	-8.10%	49%	23.50%	10%	39.50%	9%	-43.71%	34%	23.17%	68%	-3.46%	47%
Category Average		-8.76%	--	0.52%	--	-8.08%	--	14.15%	--	20.62%	--	-45.28%	--	26.83%	--	-5.43%	--
S&P 500 Index		32.39%	--	16.00%	--	2.11%	--	15.06%	--	26.46%	--	-37.00%	--	5.49%	--	15.79%	--
<b>INTERMEDIATE-TERM BOND</b> <span style="float: right;">955 funds in category</span>																	
PIMCO Total Return Fund (D)	63 ■ PTTDX	-2.21%	72%	10.04%	7%	3.86%	93%	8.52%	29%	13.50%	46%	4.48%	17%	8.73%	3%	3.66%	73%
Category Average		-1.41%	--	6.68%	--	6.20%	--	7.83%	--	13.70%	--	-3.22%	--	5.43%	--	4.19%	--
Barclays U.S. Aggregate Bond Index		-2.02%	--	4.21%	--	7.84%	--	6.54%	--	5.93%	--	5.24%	--	6.97%	--	4.33%	--
<b>HIGH YIELD BOND</b> <span style="float: right;">688 funds in category</span>																	
Fidelity High Income Fund	54 ■ SPHIX	6.68%	50%	14.87%	46%	3.43%	50%	13.73%	61%	51.46%	31%	-23.72%	43%	2.32%	40%	10.78%	37%
Category Average		6.92%	--	14.60%	--	2.97%	--	14.33%	--	46.68%	--	-24.81%	--	2.01%	--	10.35%	--
Barclays U.S. Corporate High Yield Index		7.44%	--	15.81%	--	4.98%	--	15.12%	--	58.21%	--	-26.16%	--	1.87%	--	11.85%	--
<b>INFLATION-PROTECTED BOND</b> <span style="float: right;">212 funds in category</span>																	
BlackRock Infla. Protected Bond Fund (Svc)	73 ■ BPRSX	-8.34%	34%	6.58%	38%	11.55%	61%	5.90%	44%	10.19%	50%	0.14%	4%	11.79%	5%	0.82%	18%
Category Average		-7.80%	--	6.30%	--	11.07%	--	5.83%	--	10.46%	--	-3.49%	--	10.24%	--	0.23%	--
Barclays U.S. Treasury TIPS Index		-8.61%	--	6.98%	--	13.56%	--	6.31%	--	11.41%	--	-2.35%	--	11.64%	--	0.41%	--
<b>WORLD BOND</b> <span style="float: right;">378 funds in category</span>																	
Templeton Global Bond Fund (A)	79 ■ TPINX	2.22%	9%	15.81%	5%	-2.37%	97%	12.68%	10%	18.86%	30%	6.28%	16%	10.86%	9%	13.51%	2%
Category Average		-2.15%	--	8.78%	--	3.36%	--	7.47%	--	15.97%	--	-2.70%	--	7.88%	--	6.02%	--
Barclays Global Aggregate Index		-2.60%	--	4.32%	--	5.64%	--	5.54%	--	6.93%	--	4.79%	--	9.48%	--	6.64%	--

**PERFORMANCE  
REPORT**

CITY OF MADISON  
CITY OF MADISON 457 DEFERRED COMPENSATION PLAN  
FOR PERIOD ENDING 30 SEPTEMBER 2014

**Historical Performance (Previous 8 Years)**

Fund Name	Ticker	2013	% Rank	2012	% Rank	2011	% Rank	2010	% Rank	2009	% Rank	2008	% Rank	2007	% Rank	2006	% Rank
<b>CONSERVATIVE ALLOCATION</b>																	
<i>645 funds in category</i>																	
T. Rowe Price Retirement Income Fund (Adv)	PARIX	8.96%	36%	9.78%	51%	1.10%	60%	9.82%	61%	21.86%	46%	-18.58%	44%	5.84%	39%	9.72%	29%
Category Average		7.42%	--	9.64%	--	1.71%	--	10.21%	--	21.75%	--	-19.79%	--	4.96%	--	8.85%	--
S&P Target Risk Conservative Index		6.71%	--	6.59%	--	4.35%	--	7.28%	--	9.38%	--	-9.28%	--	--	--	--	--
<b>MODERATE ALLOCATION</b>																	
<i>756 funds in category</i>																	
American Funds American Balanced Fund (R4)	100 ■ RLBEX	21.68%	7%	14.14%	11%	3.80%	9%	13.01%	35%	21.10%	76%	-25.75%	32%	6.50%	48%	11.78%	39%
Category Average		16.49%	--	11.78%	--	0.00%	--	12.29%	--	25.44%	--	-27.70%	--	6.62%	--	11.47%	--
S&P Target Risk Moderate Index		10.47%	--	8.59%	--	2.26%	--	8.22%	--	13.81%	--	-17.58%	--	--	--	--	--
<b>TARGET DATE 2016-2020</b>																	
<i>226 funds in category</i>																	
T. Rowe Price Retirement 2020 Fund (Adv)	PARBX	17.75%	5%	14.78%	1%	-1.45%	73%	14.46%	5%	33.77%	6%	-33.62%	78%	6.52%	44%	14.37%	10%
Category Average		11.92%	--	11.63%	--	0.16%	--	12.27%	--	25.94%	--	-30.52%	--	5.71%	--	12.12%	--
S&P Target Date 2020 GR Index		15.04%	--	11.76%	--	0.83%	--	13.21%	--	20.25%	--	-24.60%	--	6.86%	--	13.42%	--
<b>TARGET DATE 2026-2030</b>																	
<i>227 funds in category</i>																	
T. Rowe Price Retirement 2030 Fund (Adv)	PARCX	22.69%	7%	16.56%	3%	-2.96%	66%	15.77%	8%	37.74%	1%	-38.01%	70%	6.58%	41%	15.88%	12%
Category Average		17.06%	--	13.62%	--	-1.91%	--	13.64%	--	29.38%	--	-35.82%	--	6.03%	--	13.82%	--
S&P Target Date 2030 GR Index		19.44%	--	13.71%	--	-0.92%	--	14.80%	--	24.01%	--	-30.31%	--	6.94%	--	15.57%	--
<b>TARGET DATE 2036-2040</b>																	
<i>226 funds in category</i>																	
T. Rowe Price Retirement 2040 Fund (Adv)	PARDX	25.61%	8%	17.29%	5%	-3.69%	48%	16.13%	15%	38.79%	1%	-39.02%	69%	6.53%	54%	15.99%	31%
Category Average		20.34%	--	14.67%	--	-3.10%	--	14.39%	--	31.10%	--	-37.78%	--	6.16%	--	14.86%	--
S&P Target Date 2040 GR Index		22.40%	--	14.98%	--	-1.93%	--	15.67%	--	26.28%	--	-33.84%	--	7.25%	--	16.69%	--
<b>TARGET DATE 2046-2050</b>																	
<i>212 funds in category</i>																	
T. Rowe Price Retirement 2050 Fund (Adv)	PARFX	25.59%	14%	17.21%	8%	-3.68%	36%	16.09%	18%	38.72%	2%	-39.03%	64%	6.62%	56%	--	--
Category Average		21.34%	--	15.05%	--	-3.44%	--	14.54%	--	31.49%	--	-38.07%	--	6.01%	--	15.33%	--
Target Date 2050+ Index		23.77%	--	16.03%	--	-2.11%	--	14.86%	--	30.90%	--	8.60%	--	9.17%	--	17.46%	--

# PERFORMANCE REPORT

CITY OF MADISON  
CITY OF MADISON 457 DEFERRED COMPENSATION PLAN  
FOR PERIOD ENDING 30 SEPTEMBER 2014

## Risk / Expense

Fund Name	Ticker	3 Year Std. Dev.	% Rank	5 Year Std. Dev.	% Rank	Mstar 3 year Rating	Mstar 3 year Risk	Mstar 5 year Rating	Mstar 5 year Risk	Mstar Overall Rating	Gross Expense Ratio	% Rank	12b-1 Fee	Mgmt. Expense	Other Expenses
<b>LARGE VALUE</b>															1,225 funds in category
BlackRock Equity Dividend Fund (I)	57 ■ MADVX	9.42%	12%	11.82%	16%	2	2	3	2	4	0.74%	18%	--	0.54%	0.20%
<b>LARGE BLEND</b>															1,552 funds in category
American Funds Fundamental Investors (R4)	65 ■ RFNEX	10.87%	38%	13.77%	56%	3	3	3	3	4	0.66%	19%	0.25%	0.25%	0.16%
Dreyfus S&P 500 Index Fund	92 ■ PEOPX	10.55%	21%	13.20%	29%	3	2	4	2	3	0.51%	14%	--	0.25%	0.26%
TIAA-CREF Social Choice Equity Fund (R)	91 ■ TRSCX	11.36%	60%	13.71%	53%	3	3	3	3	4	0.43%	11%	--	0.15%	0.28%
<b>LARGE GROWTH</b>															1,571 funds in category
Calvert Equity Fund (A)	55 ■ CSIEX	11.31%	19%	13.67%	16%	1	2	2	2	2	1.23%	50%	0.25%	0.70%	0.28%
Franklin Growth Series (A)	75 ■ FKGRX	10.47%	5%	13.50%	10%	2	1	3	2	3	0.93%	27%	0.25%	0.46%	0.22%
<b>MID-CAP VALUE</b>															434 funds in category
Goldman Sachs Mid Cap Value Fund (A)	59 ■ GCMAX	11.84%	24%	15.43%	45%	2	2	3	3	3	1.14%	41%	0.25%	0.68%	0.21%
Invesco American Value Fund (Y)	89 ■ MSAIX	12.27%	39%	14.93%	31%	4	3	4	3	4	0.96%	28%	--	0.69%	0.27%
Prudential Mid-Cap Value Fund (Z)	95 ■ SPVZX	12.04%	28%	15.27%	37%	4	3	4	3	4	1.09%	38%	--	0.83%	0.26%
<b>MID-CAP BLEND</b>															372 funds in category
Ariel Fund (Inv)	91 ■ ARGFX	16.32%	96%	20.98%	97%	5	5	3	5	2	1.03%	37%	0.25%	0.59%	0.19%
<b>MID-CAP GROWTH</b>															705 funds in category
Calvert Capital Accumulation Fund (A)	66 ■ CCAFX	14.98%	78%	17.13%	72%	2	4	3	3	2	1.48%	61%	0.25%	0.90%	0.33%
JPMorgan Mid Cap Equity Fund (Sel)	100 ■ VSNGX	12.70%	23%	15.20%	27%	5	2	5	2	5	1.24%	45%	--	0.65%	0.59%
<b>SMALL VALUE</b>															378 funds in category
Fidelity Advisor Small Cap Value Fund (A)	84 ■ FCVAX	14.36%	36%	17.42%	40%	3	3	3	3	3	1.37%	44%	0.25%	0.84%	0.28%
<b>SMALL BLEND</b>															719 funds in category
Parnassus Small Cap Fund	62 ■ PARSX	15.90%	89%	18.89%	84%	1	4	1	4	1	1.20%	40%	--	0.86%	0.34%
<b>SMALL GROWTH</b>															679 funds in category
Sentinel Small Company Fund (A)	46 ■ SAGWX	12.13%	2%	14.65%	3%	2	1	3	1	3	1.21%	30%	0.30%	0.63%	0.28%
<b>REAL ESTATE</b>															274 funds in category
Cohen & Steers Realty Shares	62 ■ CSRSX	14.64%	50%	16.93%	78%	3	3	2	4	3	0.97%	26%	--	0.78%	0.19%
<b>FOREIGN LARGE BLEND</b>															743 funds in category
American Funds EuroPacific Growth Fund (R4)	90 ■ REREX	12.98%	14%	15.92%	20%	4	2	4	2	5	0.84%	19%	0.25%	0.42%	0.17%
<b>DIVERSIFIED EMERGING MKTS</b>															785 funds in category
Oppenheimer Developing Markets Fund (Y)	100 ■ ODVYX	15.94%	34%	17.80%	25%	4	3	5	2	5	1.08%	15%	--	0.77%	0.31%
<b>COMMODITIES BROAD BASKET</b>															144 funds in category
PIMCO Commodity RealReturn Stgy. Fund (A)	86 ■ PCRAX	14.34%	79%	17.05%	57%	2	4	3	3	3	1.35%	44%	0.25%	0.94%	0.16%
<b>INTERMEDIATE-TERM BOND</b>															955 funds in category
PIMCO Total Return Fund (D)	63 ■ PTTDX	3.78%	94%	3.61%	94%	4	5	3	5	4	0.75%	38%	0.25%	0.50%	0.00%
<b>HIGH YIELD BOND</b>															688 funds in category
Fidelity High Income Fund	54 ■ SPHIX	5.97%	73%	6.65%	76%	3	4	3	4	4	0.72%	16%	--	0.56%	0.16%
<b>INFLATION-PROTECTED BOND</b>															212 funds in category
BlackRock Infla. Protected Bond Fund (Svc)	73 ■ BPRSX	5.03%	44%	4.94%	20%	3	3	3	2	4	0.89%	59%	0.25%	0.36%	0.28%

# PERFORMANCE REPORT

CITY OF MADISON  
CITY OF MADISON 457 DEFERRED COMPENSATION PLAN  
FOR PERIOD ENDING 30 SEPTEMBER 2014

## Risk / Expense

Fund Name	Ticker	3 Year Std. Dev.	% Rank	5 Year Std. Dev.	% Rank	Mstar 3 year Rating	Mstar 3 year Risk	Mstar 5 year Rating	Mstar 5 year Risk	Mstar Overall Rating	Gross Expense Ratio	% Rank	12b-1 Fee	Mgmt. Expense	Other Expenses
<b>WORLD BOND</b>															<i>378 funds in category</i>
Templeton Global Bond Fund (A)	79 ■ TPINX	7.84%	94%	8.17%	91%	4	5	4	5	5	0.89%	33%	0.25%	0.39%	0.25%
<b>CONSERVATIVE ALLOCATION</b>															<i>645 funds in category</i>
T. Rowe Price Retirement Income Fund (Adv)	PARIX	5.83%	70%	6.69%	71%	3	3	3	3	3	0.82%	15%	0.25%	--	0.57%
<b>MODERATE ALLOCATION</b>															<i>756 funds in category</i>
American Funds American Balanced Fund (R4)	100 ■ RLBEX	7.67%	56%	8.95%	40%	5	3	5	3	5	0.65%	7%	0.25%	0.24%	0.16%
<b>TARGET DATE 2016-2020</b>															<i>226 funds in category</i>
T. Rowe Price Retirement 2020 Fund (Adv)	PARBX	8.99%	97%	11.06%	92%	5	5	5	5	5	0.92%	30%	0.25%	--	0.67%
<b>TARGET DATE 2026-2030</b>															<i>227 funds in category</i>
T. Rowe Price Retirement 2030 Fund (Adv)	PARCX	10.52%	97%	12.99%	87%	5	5	5	5	5	0.98%	31%	0.25%	--	0.73%
<b>TARGET DATE 2036-2040</b>															<i>226 funds in category</i>
T. Rowe Price Retirement 2040 Fund (Adv)	PARDX	11.27%	97%	13.80%	93%	5	5	5	5	5	1.01%	30%	0.25%	--	0.76%
<b>TARGET DATE 2046-2050</b>															<i>212 funds in category</i>
T. Rowe Price Retirement 2050 Fund (Adv)	PARFX	11.20%	81%	13.78%	75%	5	4	5	4	5	1.01%	25%	0.25%	--	0.76%

# PERFORMANCE REPORT

CITY OF MADISON  
CITY OF MADISON 457 DEFERRED COMPENSATION PLAN  
FOR PERIOD ENDING 30 SEPTEMBER 2014

## Management

Fund Name	Ticker	Inception	Product History	Total Assets (\$mil)	Average Market Cap (\$mil)	Manager	Manager Tenure	Number of Holdings	Turnover Ratio	% Rank	% In Top 10	Style Drift Score	
<b>LARGE VALUE</b>												1,225 funds in category	
BlackRock Equity Dividend Fund (I)	57	MADVX	11/25/1987	26.8	\$29,501.32	\$85,411.35	Robert Shearer	12.9	93	6%	3%	26.62%	0
<b>LARGE BLEND</b>												1,552 funds in category	
American Funds Fundamental Investors (R4)	65	RFNEX	08/01/1978	36.2	\$70,284.35	\$65,608.58	Dina Perry	21.6	249	34%	44%	23.46%	0
Dreyfus S&P 500 Index Fund	92	PEOPX	01/02/1990	24.7	\$2,856.57	\$69,997.20	Thomas Durante	14.5	506	2.92%	3%	17.50%	0
TIAA-CREF Social Choice Equity Fund (R)	91	TRSCX	07/01/1999	15.2	\$2,613.51	\$35,224.94	Phillip Campagna	9.2	848	12%	20%	13.33%	0
<b>LARGE GROWTH</b>												1,571 funds in category	
Calvert Equity Fund (A)	55	CSIEX	08/24/1987	27.1	\$2,885.60	\$63,104.82	Richard England	8.2	103	32%	26%	33.69%	0
Franklin Growth Series (A)	75	FKGRX	03/29/1948	66.5	\$10,360.44	\$39,670.60	Conrad Herrmann	22.8	162	0.83%	1%	16.74%	0
<b>MID-CAP VALUE</b>												434 funds in category	
Goldman Sachs Mid Cap Value Fund (A)	59	GCMAX	08/01/1995	19.2	\$9,888.04	\$9,528.61	Dolores Bamford	12	107	87%	68%	17.42%	0
Invesco American Value Fund (Y)	89	MSAIX	10/18/1993	21	\$2,074.70	\$7,556.90	Thomas Copper	9.1	50	46%	35%	27.89%	0
Prudential Mid-Cap Value Fund (Z)	95	SPVZX	08/19/1998	16.1	\$428.76	\$8,388.47	John Leib	7.7	172	83%	67%	11.97%	0
<b>MID-CAP BLEND</b>												372 funds in category	
Ariel Fund (Inv)	91	ARGFX	11/06/1986	27.9	\$2,150.55	\$4,227.12	John Rogers, Jr.	27.9	38	30%	32%	33.79%	0
<b>MID-CAP GROWTH</b>												705 funds in category	
Calvert Capital Accumulation Fund (A)	66	CCAFX	10/30/1994	19.9	\$412.25	\$4,245.94	Clayman/Paull	9	46	73%	60%	30.36%	0
JPMorgan Mid Cap Equity Fund (Sel)	100	VSNGX	12/31/1996	17.7	\$2,881.79	\$10,571.81	Jonathan Simon	11.8	194	47%	44%	11.68%	1
<b>SMALL VALUE</b>												378 funds in category	
Fidelity Advisor Small Cap Value Fund (A)	84	FCVAX	11/02/2004	9.9	\$2,675.33	\$1,980.06	Charles Myers	6.3	72	26%	13%	25.99%	0
<b>SMALL BLEND</b>												719 funds in category	
Parnassus Small Cap Fund	62	PARSX	04/29/2005	9.4	\$584.03	\$1,887.82	Ryan Wilsey	3.4	34	49.36%	52%	49.68%	0
<b>SMALL GROWTH</b>												679 funds in category	
Sentinel Small Company Fund (A)	46	SAGWX	03/01/1993	21.6	\$1,034.32	\$2,478.30	Jason Ronovech	1.5	82	23%	10%	17.24%	0
<b>REAL ESTATE</b>												274 funds in category	
Cohen & Steers Realty Shares	62	CSRSX	07/02/1991	23.2	\$5,576.55	\$8,509.49	Joseph Harvey	8.8	58	73%	65%	45.49%	0
<b>FOREIGN LARGE BLEND</b>												743 funds in category	
American Funds EuroPacific Growth Fund (R4)	90	REREX	04/16/1984	30.5	\$123,479.88	\$39,574.60	Mark Denning	22.8	430	28%	32%	21.39%	0
<b>DIVERSIFIED EMERGING MKTS</b>												785 funds in category	
Oppenheimer Developing Markets Fund (Y)	100	ODVYX	11/18/1996	17.9	\$42,273.24	\$20,805.99	Justin Leverenz	7.4	122	26%	23%	24.05%	0
<b>COMMODITIES BROAD BASKET</b>												144 funds in category	
PIMCO Commodity RealReturn Styg. Fund (A)	86	PCRAX	06/28/2002	12.3	\$13,065.83	\$20,085.80	Mihir Worah	6.8	531	49%	36%	80.80%	0
<b>INTERMEDIATE-TERM BOND</b>												955 funds in category	
PIMCO Total Return Fund (D)	63	PTTDX	05/11/1987	27.4	\$201,585.26	--	Worah/Kiesel/Mather	--	17740	227%	62%	76.79%	0
<b>HIGH YIELD BOND</b>												688 funds in category	
Fidelity High Income Fund	54	SPHIX	08/29/1990	24.1	\$5,830.12	\$1,342.27	Fred Hoff	14.3	607	56%	42%	8.51%	0

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**Management**

Fund Name	Ticker	Inception	Product History	Total Assets (\$mil)	Average Market Cap (\$mil)	Manager	Manager Tenure	Number of Holdings	Turnover Ratio	% Rank	% In Top 10	Style Drift Score	
											212 funds in category		
<b>INFLATION-PROTECTED BOND</b>													
BlackRock Infla. Protected Bond Fund (Svc)	73	BPRSX	06/28/2004	10.3	\$2,556.54	--	Martin Hegarty	4.2	89	86%	71%	62.44%	0
											378 funds in category		
<b>WORLD BOND</b>													
Templeton Global Bond Fund (A)	79	TPINX	09/18/1986	28	\$72,638.67	--	Michael Hasenstab	12.8	227	35%	20%	18.27%	0
											645 funds in category		
<b>CONSERVATIVE ALLOCATION</b>													
T. Rowe Price Retirement Income Fund (Adv)		PARIX	09/30/2002	12	\$3,742.95	\$35,742.50	Jerome Clark	12	17	13.2%	22%	93.49%	1
											756 funds in category		
<b>MODERATE ALLOCATION</b>													
American Funds American Balanced Fund (R4)	100	RLBEX	07/25/1975	39.2	\$76,454.18	\$96,157.53	John Smet	17.8	1207	55%	62%	21.42%	0
											226 funds in category		
<b>TARGET DATE 2016-2020</b>													
T. Rowe Price Retirement 2020 Fund (Adv)		PARBX	09/30/2002	12	\$23,581.37	\$32,008.72	Jerome Clark	12	19	13.6%	26%	84.45%	0
											227 funds in category		
<b>TARGET DATE 2026-2030</b>													
T. Rowe Price Retirement 2030 Fund (Adv)		PARCX	09/30/2002	12	\$21,914.38	\$30,348.75	Jerome Clark	12	19	12.4%	33%	87.09%	0
											226 funds in category		
<b>TARGET DATE 2036-2040</b>													
T. Rowe Price Retirement 2040 Fund (Adv)		PARDX	09/30/2002	12	\$14,966.73	\$29,602.09	Jerome Clark	12	19	13.4%	32%	89.54%	0
											212 funds in category		
<b>TARGET DATE 2046-2050</b>													
T. Rowe Price Retirement 2050 Fund (Adv)		PARFX	12/29/2006	7.8	\$4,614.43	\$29,529.57	Jerome Clark	7.8	19	15.5%	29%	89.44%	1

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## Additional Statistics (3 Year)

Fund Name	Ticker	3 Year Sharpe	% Rank	3 Year Alpha	% Rank	3 Year Beta	% Rank	3 Year R Square	% Rank	3 Year Sortino	% Rank	3 Year Treynor	% Rank	3 Year Info Ratio	% Rank
<i>1,225 funds in category</i>															
<b>LARGE VALUE</b>			✓		✓			✓							
BlackRock Equity Dividend Fund (I)	57 ■ MADVX	1.80%	63%	-1.38%	58%	0.86%	15%	93.39%	58%	3.53%	78%	20.79%	65%	-1.77%	96%
<i>1,552 funds in category</i>															
<b>LARGE BLEND</b>															
American Funds Fundamental Investors (R4)	65 ■ RFNEX	1.89%	42%	-0.98%	44%	1.01%	37%	95.69%	50%	3.99%	54%	21.74%	45%	-0.47%	46%
Dreyfus S&P 500 Index Fund	92 ■ PEOPX	1.98%	21%	-0.45%	29%	1.00%	31%	100.00%	2%	4.41%	23%	22.38%	29%	-11.20%	98%
TIAA-CREF Social Choice Equity Fund (R)	91 ■ TRSCX	1.82%	56%	-1.85%	60%	1.06%	64%	96.39%	43%	4.01%	52%	20.87%	60%	-0.40%	43%
<i>1,571 funds in category</i>															
<b>LARGE GROWTH</b>															
Calvert Equity Fund (A)	55 ■ CSIEX	1.59%	59%	-3.74%	64%	1.02%	22%	90.29%	28%	3.22%	71%	18.49%	69%	-1.17%	92%
Franklin Growth Series (A)	75 ■ FKGRX	1.87%	14%	-0.74%	17%	0.95%	4%	92.56%	20%	4.48%	8%	21.88%	19%	-0.72%	76%
<i>434 funds in category</i>															
<b>MID-CAP VALUE</b>															
Goldman Sachs Mid Cap Value Fund (A)	59 ■ GCMAX	1.81%	38%	-1.30%	38%	1.06%	22%	90.09%	33%	4.29%	25%	21.48%	38%	-0.03%	52%
Invesco American Value Fund (Y)	89 ■ MSAIX	1.84%	27%	-0.06%	16%	1.06%	22%	83.73%	81%	4.55%	10%	22.84%	17%	0.27%	31%
Prudential Mid-Cap Value Fund (Z)	95 ■ SPVZX	1.90%	12%	-0.03%	15%	1.08%	35%	89.09%	46%	4.38%	19%	22.93%	15%	0.42%	18%
<i>372 funds in category</i>															
<b>MID-CAP BLEND</b>															
Ariel Fund (Inv)	91 ■ ARGFX	1.59%	44%	-4.18%	57%	1.41%	99%	83.52%	70%	3.57%	39%	19.63%	39%	0.60%	6%
<i>705 funds in category</i>															
<b>MID-CAP GROWTH</b>															
Calvert Capital Accumulation Fund (A)	66 ■ CCAFX	1.31%	67%	-7.92%	80%	1.29%	91%	82.48%	32%	3.15%	42%	15.68%	74%	-0.40%	46%
JPMorgan Mid Cap Equity Fund (Sel)	100 ■ VSNGX	1.79%	6%	-1.28%	8%	1.13%	33%	87.88%	6%	4.39%	4%	21.64%	7%	0.31%	4%
<i>378 funds in category</i>															
<b>SMALL VALUE</b>															
Fidelity Advisor Small Cap Value Fund (A)	84 ■ FCVAX	1.49%	22%	-4.44%	21%	1.21%	37%	79.16%	78%	2.96%	39%	18.54%	21%	-0.07%	33%
<i>719 funds in category</i>															
<b>SMALL BLEND</b>															
Parnassus Small Cap Fund	62 ■ PARSX	1.02%	95%	-10.83%	94%	1.26%	51%	70.69%	96%	1.86%	95%	12.68%	96%	-0.76%	87%
<i>679 funds in category</i>															
<b>SMALL GROWTH</b>															
Sentinel Small Company Fund (A)	46 ■ SAGWX	1.42%	18%	-4.75%	25%	1.03%	4%	80.90%	8%	2.99%	22%	17.36%	34%	-0.94%	94%
<i>274 funds in category</i>															
<b>REAL ESTATE</b>															
Cohen & Steers Realty Shares	62 ■ CSRSX	1.07%	54%	2.50%	65%	0.82%	69%	45.73%	30%	1.97%	69%	19.18%	65%	-0.08%	52%
<i>743 funds in category</i>															
<b>FOREIGN LARGE BLEND</b>															
American Funds EuroPacific Growth Fund (R4)	90 ■ REREX	1.08%	20%	3.28%	25%	0.88%	19%	94.91%	23%	1.90%	18%	15.87%	23%	0.66%	26%
<i>785 funds in category</i>															
<b>DIVERSIFIED EMERGING MKTS</b>															
Oppenheimer Developing Markets Fund (Y)	100 ■ ODVYX	0.78%	13%	-0.28%	14%	1.05%	44%	89.65%	6%	1.32%	13%	11.29%	14%	0.03%	10%
<i>144 funds in category</i>															
<b>COMMODITIES BROAD BASKET</b>															
PIMCO Commodity RealReturn Styg. Fund (A)	86 ■ PCRAX	-0.27%	46%	-2.90%	52%	0.96%	76%	79.66%	79%	-0.37%	47%	-5.00%	50%	-0.45%	48%
<i>955 funds in category</i>															
<b>INTERMEDIATE-TERM BOND</b>															
PIMCO Total Return Fund (D)	63 ■ PTTDX	1.11%	53%	1.18%	41%	1.27%	97%	79.82%	78%	1.78%	55%	3.32%	48%	0.99%	47%
<i>688 funds in category</i>															
<b>HIGH YIELD BOND</b>															
Fidelity High Income Fund	54 ■ SPHIX	1.62%	75%	7.41%	56%	0.96%	80%	18.25%	49%	3.32%	71%	10.40%	67%	1.40%	69%

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CITY OF MADISON 457 DEFERRED COMPENSATION PLAN  
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**Additional Statistics (3 Year)**

Fund Name	Ticker	3 Year Sharpe	% Rank	3 Year Alpha	% Rank	3 Year Beta	% Rank	3 Year R Square	% Rank	3 Year Sortino	% Rank	3 Year Treynor	% Rank	3 Year Info Ratio	% Rank
															212 funds in category
<b>INFLATION-PROTECTED BOND</b>			✓		✓			✓							
BlackRock Infla. Protected Bond Fund (Svc)	73 ■ BPRSX	0.22%	42%	-2.80%	37%	1.65%	43%	76.37%	58%	0.30%	41%	0.61%	42%	-0.46%	38%
<b>WORLD BOND</b>															
Templeton Global Bond Fund (A)	79 ■ TPINX	0.94%	36%	5.58%	5%	0.75%	20%	6.47%	95%	1.54%	36%	9.77%	4%	0.65%	27%
<b>CONSERVATIVE ALLOCATION</b>															
T. Rowe Price Retirement Income Fund (Adv)	PARIX	1.50%	67%	-0.45%	74%	0.80%	78%	97.95%	3%	3.02%	63%	11.22%	73%	-1.75%	86%
<b>MODERATE ALLOCATION</b>															
American Funds American Balanced Fund (R4)	100 ■ RLBEX	2.03%	10%	3.88%	8%	1.01%	51%	91.98%	65%	4.40%	18%	16.22%	10%	2.09%	5%
<b>TARGET DATE 2016-2020</b>															
T. Rowe Price Retirement 2020 Fund (Adv)	PARBX	1.58%	36%	0.04%	38%	1.22%	97%	97.65%	23%	3.30%	36%	12.01%	37%	1.31%	10%
<b>TARGET DATE 2026-2030</b>															
T. Rowe Price Retirement 2030 Fund (Adv)	PARCX	1.58%	25%	0.16%	25%	1.42%	93%	96.56%	65%	3.34%	23%	12.17%	24%	1.49%	14%
<b>TARGET DATE 2036-2040</b>															
T. Rowe Price Retirement 2040 Fund (Adv)	PARDX	1.58%	19%	0.22%	22%	1.52%	96%	95.87%	61%	3.32%	19%	12.24%	21%	1.52%	18%
<b>TARGET DATE 2046-2050</b>															
T. Rowe Price Retirement 2050 Fund (Adv)	PARFX	1.58%	20%	0.29%	19%	1.51%	70%	95.85%	68%	3.34%	17%	12.29%	19%	1.53%	18%

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FOR PERIOD ENDING 30 SEPTEMBER 2014

**Additional Statistics (5 Year)**

Fund Name	Ticker	5 Year Sharpe	% Rank	5 Year Alpha	% Rank	5 Year Beta	% Rank	5 Year R Square	% Rank	5 Year Sortino	% Rank	5 Year Treynor	% Rank	5 Year Info Ratio	% Rank	
															1,225 funds in category	
<b>LARGE VALUE</b>															✓	
BlackRock Equity Dividend Fund (I)	57	MADVX	1.12%	28%	-0.21%	25%	0.88%	18%	95.46%	56%	1.96%	26%	15.30%	26%	-0.74%	65%
															1,552 funds in category	
<b>LARGE BLEND</b>																
American Funds Fundamental Investors (R4)	65	RFNEX	1.02%	62%	-1.80%	63%	1.03%	53%	97.41%	45%	1.72%	63%	13.61%	62%	-0.72%	55%
Dreyfus S&P 500 Index Fund	92	PEOPX	1.14%	23%	-0.45%	29%	1.00%	36%	100.00%	2%	1.98%	26%	15.10%	29%	-8.74%	98%
TIAA-CREF Social Choice Equity Fund (R)	91	TRSCX	1.09%	43%	-0.97%	45%	1.03%	53%	97.83%	38%	1.88%	42%	14.52%	45%	-0.34%	34%
															1,571 funds in category	
<b>LARGE GROWTH</b>																
Calvert Equity Fund (A)	55	CSIEX	1.00%	52%	-1.72%	53%	1.00%	15%	92.49%	39%	1.67%	60%	13.58%	55%	-0.56%	76%
Franklin Growth Series (A)	75	FKGRX	1.08%	26%	-0.85%	35%	1.00%	12%	95.34%	14%	1.92%	23%	14.61%	34%	-0.36%	64%
															434 funds in category	
<b>MID-CAP VALUE</b>																
Goldman Sachs Mid Cap Value Fund (A)	59	GCMAX	1.01%	43%	-1.79%	45%	1.13%	49%	92.98%	18%	1.72%	40%	13.72%	45%	-0.04%	45%
Invesco American Value Fund (Y)	89	MSAIX	1.07%	25%	-0.41%	19%	1.06%	22%	88.39%	78%	1.83%	23%	15.05%	20%	0.07%	31%
Prudential Mid-Cap Value Fund (Z)	95	SPVZX	1.10%	16%	-0.32%	18%	1.11%	37%	92.75%	22%	1.88%	17%	15.20%	18%	0.30%	12%
															372 funds in category	
<b>MID-CAP BLEND</b>																
Ariel Fund (Inv)	91	ARGFX	0.83%	87%	-5.56%	90%	1.49%	100%	87.72%	53%	1.36%	86%	11.01%	87%	0.08%	33%
															705 funds in category	
<b>MID-CAP GROWTH</b>																
Calvert Capital Accumulation Fund (A)	66	CCAFX	1.00%	37%	-1.18%	36%	1.18%	68%	82.94%	64%	1.80%	31%	14.24%	35%	0.16%	16%
JPMorgan Mid Cap Equity Fund (Sel)	100	VSNGX	1.13%	8%	0.21%	14%	1.10%	39%	90.54%	5%	2.01%	9%	15.74%	13%	0.33%	6%
															378 funds in category	
<b>SMALL VALUE</b>																
Fidelity Advisor Small Cap Value Fund (A)	84	FCVAX	0.84%	37%	-3.46%	30%	1.17%	26%	78.82%	90%	1.38%	36%	11.93%	30%	-0.20%	43%
															719 funds in category	
<b>SMALL BLEND</b>																
Parnassus Small Cap Fund	62	PARSX	0.65%	95%	-7.03%	93%	1.25%	60%	76.39%	95%	1.07%	94%	8.86%	94%	-0.47%	87%
															679 funds in category	
<b>SMALL GROWTH</b>																
Sentinel Small Company Fund (A)	46	SAGWX	0.97%	20%	-1.44%	27%	1.01%	4%	83.32%	8%	1.64%	25%	13.80%	29%	-0.27%	80%
															274 funds in category	
<b>REAL ESTATE</b>																
Cohen & Steers Realty Shares	62	CSRSX	0.90%	74%	5.71%	71%	0.89%	85%	59.57%	34%	1.51%	86%	16.46%	79%	0.43%	65%
															743 funds in category	
<b>FOREIGN LARGE BLEND</b>																
American Funds EuroPacific Growth Fund (R4)	90	REREX	0.48%	38%	0.93%	37%	0.95%	20%	96.83%	18%	0.74%	35%	7.01%	34%	0.24%	36%
															785 funds in category	
<b>DIVERSIFIED EMERGING MKTS</b>																
Oppenheimer Developing Markets Fund (Y)	100	ODVYX	0.57%	5%	2.97%	6%	1.01%	34%	87.07%	12%	0.91%	4%	8.88%	6%	0.47%	1%
															144 funds in category	
<b>COMMODITIES BROAD BASKET</b>																
PIMCO Commodity RealReturn Styg. Fund (A)	86	PCRAX	0.16%	12%	-1.93%	18%	1.02%	90%	88.85%	24%	0.23%	12%	1.30%	14%	-0.37%	18%
															955 funds in category	
<b>INTERMEDIATE-TERM BOND</b>																
PIMCO Total Return Fund (D)	63	PTTDX	1.29%	81%	0.73%	59%	0.98%	77%	59.32%	86%	2.15%	84%	4.78%	62%	0.28%	63%
															688 funds in category	
<b>HIGH YIELD BOND</b>																
Fidelity High Income Fund	54	SPHIX	1.36%	73%	8.44%	47%	0.16%	38%	0.45%	72%	2.33%	68%	58.44%	33%	0.74%	66%

✓ The checked column denotes that the field is being monitored for this plan. Shaded values indicate that the value did not meet the criteria.

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**Additional Statistics (5 Year)**

Fund Name	Ticker	5 Year Sharpe	% Rank	5 Year Alpha	% Rank	5 Year Beta	% Rank	5 Year R Square	% Rank	5 Year Sortino	% Rank	5 Year Treynor	% Rank	5 Year Info Ratio	% Rank
<b>INFLATION-PROTECTED BOND</b>															212 funds in category
BlackRock Infla. Protected Bond Fund (Svc)	73 ■ BPRSX	0.79%	28%	-1.72%	26%	1.41%	20%	64.98%	81%	1.22%	28%	2.75%	34%	-0.06%	43%
<b>WORLD BOND</b>															378 funds in category
Templeton Global Bond Fund (A)	79 ■ TPINX	0.82%	42%	5.93%	4%	0.20%	5%	0.49%	96%	1.22%	43%	32.81%	4%	0.30%	27%
<b>CONSERVATIVE ALLOCATION</b>															645 funds in category
T. Rowe Price Retirement Income Fund (Adv)	PARIX	1.05%	74%	-0.03%	79%	0.78%	75%	98.70%	1%	1.82%	72%	9.02%	79%	-1.00%	85%
<b>MODERATE ALLOCATION</b>															756 funds in category
American Funds American Balanced Fund (R4)	100 ■ RLBEX	1.36%	6%	2.92%	7%	1.02%	42%	94.90%	60%	2.51%	6%	12.19%	9%	1.66%	1%
<b>TARGET DATE 2016-2020</b>															226 funds in category
T. Rowe Price Retirement 2020 Fund (Adv)	PARBX	0.96%	58%	-0.95%	66%	1.28%	93%	98.43%	14%	1.64%	56%	8.22%	60%	0.54%	6%
<b>TARGET DATE 2026-2030</b>															227 funds in category
T. Rowe Price Retirement 2030 Fund (Adv)	PARCX	0.93%	34%	-1.48%	43%	1.50%	87%	97.62%	60%	1.57%	27%	7.92%	35%	0.60%	11%
<b>TARGET DATE 2036-2040</b>															226 funds in category
T. Rowe Price Retirement 2040 Fund (Adv)	PARDX	0.92%	24%	-1.66%	29%	1.59%	94%	97.25%	63%	1.55%	18%	7.84%	27%	0.62%	10%
<b>TARGET DATE 2046-2050</b>															212 funds in category
T. Rowe Price Retirement 2050 Fund (Adv)	PARFX	0.92%	23%	-1.66%	32%	1.59%	76%	97.27%	54%	1.55%	16%	7.84%	29%	0.62%	11%

✓ The checked column denotes that the field is being monitored for this plan. Shaded values indicate that the value did not meet the criteria.

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## Additional Statistics (Best Fit)

Fund Name	Ticker	Best Fit Alpha	% Rank	Best Fit Beta	% Rank	Best Fit R Square	% Rank
<b>LARGE VALUE</b> <span style="float: right;">1,225 funds in category</span>							
BlackRock Equity Dividend Fund (I)	MADVX	-0.30%	33%	0.84%	11%	95.07%	54%
<b>LARGE BLEND</b> <span style="float: right;">1,552 funds in category</span>							
American Funds Fundamental Investors (R4)	RFNEX	-0.86%	52%	0.99%	30%	96.50%	56%
Dreyfus S&P 500 Index Fund	PEOPX	-0.45%	37%	1.00%	47%	100.00%	2%
TIAA-CREF Social Choice Equity Fund (R)	TRSCX	-1.19%	58%	1.02%	58%	98.01%	32%
<b>LARGE GROWTH</b> <span style="float: right;">1,571 funds in category</span>							
Calvert Equity Fund (A)	CSIEX	-2.66%	72%	0.98%	34%	93.26%	65%
Franklin Growth Series (A)	FKGRX	0.18%	29%	0.93%	17%	96.52%	26%
<b>MID-CAP VALUE</b> <span style="float: right;">434 funds in category</span>							
Goldman Sachs Mid Cap Value Fund (A)	GCMAX	0.81%	38%	0.92%	19%	98.35%	5%
Invesco American Value Fund (Y)	MSAIX	5.26%	3%	0.81%	5%	93.33%	76%
Prudential Mid-Cap Value Fund (Z)	SPVZX	-0.20%	54%	1.01%	67%	97.92%	8%
<b>MID-CAP BLEND</b> <span style="float: right;">372 funds in category</span>							
Ariel Fund (Inv)	ARGFX	1.47%	23%	1.10%	87%	91.48%	70%
<b>MID-CAP GROWTH</b> <span style="float: right;">705 funds in category</span>							
Calvert Capital Accumulation Fund (A)	CCAFX	-1.42%	43%	0.97%	42%	91.50%	75%
JPMorgan Mid Cap Equity Fund (Sel)	VSNGX	2.26%	11%	0.96%	37%	97.60%	10%
<b>SMALL VALUE</b> <span style="float: right;">378 funds in category</span>							
Fidelity Advisor Small Cap Value Fund (A)	FCVAX	-0.72%	63%	0.99%	43%	96.16%	44%
<b>SMALL BLEND</b> <span style="float: right;">719 funds in category</span>							
Parnassus Small Cap Fund	PARSX	-3.49%	90%	0.96%	36%	84.52%	96%
<b>SMALL GROWTH</b> <span style="float: right;">679 funds in category</span>							
Sentinel Small Company Fund (A)	SAGWX	-0.01%	43%	0.80%	4%	94.89%	32%
<b>REAL ESTATE</b> <span style="float: right;">274 funds in category</span>							
Cohen & Steers Realty Shares	CSRSX	-0.02%	51%	0.97%	44%	99.40%	34%
<b>FOREIGN LARGE BLEND</b> <span style="float: right;">743 funds in category</span>							
American Funds EuroPacific Growth Fund (R4)	REREX	1.41%	27%	0.94%	27%	96.33%	30%
<b>DIVERSIFIED EMERGING MKTS</b> <span style="float: right;">785 funds in category</span>							
Oppenheimer Developing Markets Fund (Y)	ODVYX	5.16%	6%	0.88%	25%	89.96%	74%
<b>COMMODITIES BROAD BASKET</b> <span style="float: right;">144 funds in category</span>							
PIMCO Commodity RealReturn Styg. Fund (A)	PCRAX	1.24%	11%	1.09%	95%	92.59%	46%
<b>INTERMEDIATE-TERM BOND</b> <span style="float: right;">955 funds in category</span>							
PIMCO Total Return Fund (D)	PTTDX	-0.09%	58%	3.41%	100%	88.64%	84%
<b>HIGH YIELD BOND</b> <span style="float: right;">688 funds in category</span>							
Fidelity High Income Fund	SPHIX	-1.51%	78%	1.06%	72%	98.60%	26%
<b>INFLATION-PROTECTED BOND</b> <span style="float: right;">212 funds in category</span>							
BlackRock Infla. Protected Bond Fund (Svc)	BPRSX	-0.21%	34%	0.95%	44%	98.94%	42%

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## Additional Statistics (Best Fit)

Fund Name	Ticker	Best Fit Alpha	% Rank	Best Fit Beta	% Rank	Best Fit R Square	% Rank
<b>WORLD BOND</b>							<i>378 funds in category</i>
Templeton Global Bond Fund (A)	TPINX	-1.60%	76%	0.56%	17%	74.05%	51%
<b>CONSERVATIVE ALLOCATION</b>							<i>645 funds in category</i>
T. Rowe Price Retirement Income Fund (Adv)	PARIX	-0.45%	73%	0.78%	50%	98.11%	4%
<b>MODERATE ALLOCATION</b>							<i>756 funds in category</i>
American Funds American Balanced Fund (R4)	RLBEX	0.38%	47%	0.71%	36%	96.48%	54%
<b>TARGET DATE 2016-2020</b>							<i>226 funds in category</i>
T. Rowe Price Retirement 2020 Fund (Adv)	PARBX	0.30%	36%	0.93%	80%	98.56%	13%
<b>TARGET DATE 2026-2030</b>							<i>227 funds in category</i>
T. Rowe Price Retirement 2030 Fund (Adv)	PARCX	0.62%	25%	1.00%	77%	98.20%	37%
<b>TARGET DATE 2036-2040</b>							<i>226 funds in category</i>
T. Rowe Price Retirement 2040 Fund (Adv)	PARDX	0.89%	16%	1.03%	79%	97.90%	59%
<b>TARGET DATE 2046-2050</b>							<i>212 funds in category</i>
T. Rowe Price Retirement 2050 Fund (Adv)	PARFX	0.95%	13%	1.03%	67%	97.89%	52%

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## Asset Allocation

Fund Name	Ticker	Domestic Stock	Foreign Stock	Domestic Bond	Foreign Bond	Convertibles	Preferreds	Cash	Other	As Of Date
<b>LARGE VALUE</b>										
BlackRock Equity Dividend Fund (I)	57 ■ MADVX	91.54%	7.07%	0%	0%	0%	0%	1.06%	0.33%	09/30/2014
<b>LARGE BLEND</b>										
American Funds Fundamental Investors (R4)	65 ■ RFNEX	81.89%	11.78%	0%	0%	0%	0%	2.89%	3.43%	09/30/2014
Dreyfus S&P 500 Index Fund	92 ■ PEOPX	98.00%	0.28%	0%	0%	0%	0%	1.66%	0.05%	09/30/2014
TIAA-CREF Social Choice Equity Fund (R)	91 ■ TRSCX	98.22%	1.30%	0%	0%	0%	0%	0.48%	0%	08/31/2014
<b>LARGE GROWTH</b>										
Calvert Equity Fund (A)	55 ■ CSIEX	95.15%	0.86%	0%	0%	0%	0%	2.95%	1.04%	09/30/2014
Franklin Growth Series (A)	75 ■ FKGRX	85.68%	4.45%	0%	0%	0%	0%	9.86%	0%	09/30/2014
<b>MID-CAP VALUE</b>										
Goldman Sachs Mid Cap Value Fund (A)	59 ■ GCMAX	98.03%	0.83%	0%	0%	0%	0%	1.14%	0%	09/30/2014
Invesco American Value Fund (Y)	89 ■ MSAIX	88.83%	6.30%	0%	0%	0%	0%	4.87%	0%	06/30/2014
Prudential Mid-Cap Value Fund (Z)	95 ■ SPVZX	98.45%	0%	0%	0%	0%	0%	1.55%	0%	09/30/2014
<b>MID-CAP BLEND</b>										
Ariel Fund (Inv)	91 ■ ARGFX	94.19%	0%	0%	0%	0%	0%	4.91%	0.89%	09/30/2014
<b>MID-CAP GROWTH</b>										
Calvert Capital Accumulation Fund (A)	66 ■ CCAFV	97.70%	0%	0%	0%	0%	0%	1.96%	0.34%	09/30/2014
JPMorgan Mid Cap Equity Fund (Sel)	100 ■ VSNGX	96.18%	1.91%	0%	0%	0%	0%	1.91%	0%	09/30/2014
<b>SMALL VALUE</b>										
Fidelity Advisor Small Cap Value Fund (A)	84 ■ FCVAX	97.66%	0.91%	0%	0%	0%	0%	0.36%	1.07%	07/31/2014
<b>SMALL BLEND</b>										
Parnassus Small Cap Fund	62 ■ PARSX	88.83%	11.17%	0%	0%	0%	0%	0%	0%	10/31/2014
<b>SMALL GROWTH</b>										
Sentinel Small Company Fund (A)	46 ■ SAGWX	92.00%	6.68%	0%	0%	0%	0%	1.31%	0%	08/31/2014
<b>REAL ESTATE</b>										
Cohen & Steers Realty Shares	62 ■ CSRSX	99.33%	0%	0%	0%	0%	0%	0.67%	0%	09/30/2014
<b>FOREIGN LARGE BLEND</b>										
American Funds EuroPacific Growth Fund (R4)	90 ■ REREX	1.10%	80.28%	0.20%	0.09%	0%	0.04%	10.07%	8.23%	09/30/2014
<b>DIVERSIFIED EMERGING MKTS</b>										
Oppenheimer Developing Markets Fund (Y)	100 ■ ODVYX	1.42%	91.88%	0%	0%	0%	1.88%	4.82%	0%	09/30/2014
<b>COMMODITIES BROAD BASKET</b>										
PIMCO Commodity RealReturn Stgy. Fund (A)	86 ■ PCRAX	0%	0%	59.05%	0%	0%	0%	0%	40.95%	06/30/2014
<b>INTERMEDIATE-TERM BOND</b>										
PIMCO Total Return Fund (D)	63 ■ PTTDX	0%	0%	0%	99.20%	0%	0%	0%	0.80%	06/30/2014
<b>HIGH YIELD BOND</b>										
Fidelity High Income Fund	54 ■ SPHIX	0.26%	0%	62.02%	31.86%	0.32%	1.89%	3.65%	0%	07/31/2014
<b>INFLATION-PROTECTED BOND</b>										
BlackRock Infla. Protected Bond Fund (Svc)	73 ■ BPRSX	0%	0%	98.47%	0%	0%	0%	0%	1.53%	08/31/2014

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## Asset Allocation

Fund Name	Ticker	Domestic Stock	Foreign Stock	Domestic Bond	Foreign Bond	Convertibles	Preferreds	Cash	Other	As Of Date
<b>WORLD BOND</b>										
Templeton Global Bond Fund (A)	79 ■ TPINX	0%	0%	0%	58.05%	0%	0%	40.67%	1.29%	09/30/2014
<b>CONSERVATIVE ALLOCATION</b>										
T. Rowe Price Retirement Income Fund (Adv)	PARIX	26.68%	11.88%	46.91%	9.22%	0.03%	0.16%	4.63%	0.49%	09/30/2014
<b>MODERATE ALLOCATION</b>										
American Funds American Balanced Fund (R4)	100 ■ RLBEX	57.50%	6.67%	23.98%	2.36%	0%	0.02%	9.16%	0.32%	09/30/2014
<b>TARGET DATE 2016-2020</b>										
T. Rowe Price Retirement 2020 Fund (Adv)	PARBX	42.80%	20.64%	23.17%	7.83%	0.04%	0.24%	4.70%	0.58%	09/30/2014
<b>TARGET DATE 2026-2030</b>										
T. Rowe Price Retirement 2030 Fund (Adv)	PARCX	51.69%	25.65%	12.87%	4.95%	0.04%	0.27%	3.98%	0.55%	09/30/2014
<b>TARGET DATE 2036-2040</b>										
T. Rowe Price Retirement 2040 Fund (Adv)	PARDX	57.46%	29.10%	6.71%	2.55%	0.03%	0.28%	3.34%	0.52%	09/30/2014
<b>TARGET DATE 2046-2050</b>										
T. Rowe Price Retirement 2050 Fund (Adv)	PARFX	57.40%	29.05%	6.74%	2.58%	0.03%	0.28%	3.39%	0.52%	09/30/2014

Investment Categories

EQUITY			
Domestic			
	Value	Blend	Growth
Large	MADVX	PEOPX RFNEX TRSCX	CSIEX FKGRX
Medium	GCMAX MSAIX SPVZX	ARGFX	CCAFX VSNXG
Small	FCVAX	PARSX	SAGWX
Global			
Foreign			
ODVYX REREX			
Specialty			
CSRSX PCRAX			

FIXED INCOME			
Domestic			
	Short	Intermediate	Long
High		BPRXS PTTDX	
Medium			
Low			SPHIX
Global			
TPINX			
OTHER			
Balanced		Target	
PARIX RLBEX		PARBX PARCX PARDX PARFX	
Cash Equivalent			

Notes

This grid provides a visual representation of the categories covered by the plan's investments. For domestic equity funds, the vertical axis shows the market capitalization of the fund's investments, and the horizontal axis shows the investment style. For domestic fixed income funds, the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond's duration. Global, foreign, and specialty equity funds, as well as global fixed income funds, are also represented in the category grid. Three "Other" categories are displayed to distinguish balanced, target and cash investment types.

Category assignment is based on information provided by Morningstar, your plan representative, or other sources, and may not always be consistent with information provided in the fund's prospectus.

Fund References

ARGFX	Ariel Fund (Inv)	Mid-Cap Blend
BPRXS	BlackRock Infla. Protected Bond Fund (Svc)	Inflation-Protected Bond
CCAFX	Calvert Capital Accumulation Fund (A)	Mid-Cap Growth
CSIEX	Calvert Equity Fund (A)	Large Growth
CSRSX	Cohen & Steers Realty Shares	Real Estate
FCVAX	Fidelity Advisor Small Cap Value Fund (A)	Small Value
FKGRX	Franklin Growth Series (A)	Large Growth
GCMAX	Goldman Sachs Mid Cap Value Fund (A)	Mid-Cap Value
MADVX	BlackRock Equity Dividend Fund (I)	Large Value
MSAIX	Invesco American Value Fund (Y)	Mid-Cap Value
ODVYX	Oppenheimer Developing Markets Fund (Y)	Diversified Emerging Mkts
PARBX	T. Rowe Price Retirement 2020 Fund (Adv)	Target Date 2016-2020
PARCX	T. Rowe Price Retirement 2030 Fund (Adv)	Target Date 2026-2030
PARDX	T. Rowe Price Retirement 2040 Fund (Adv)	Target Date 2036-2040
PARFX	T. Rowe Price Retirement 2050 Fund (Adv)	Target Date 2046-2050
PARIX	T. Rowe Price Retirement Income Fund (Adv)	Conservative Allocation
PARSX	Parnassus Small Cap Fund	Small Blend
PCRAX	PIMCO Commodity RealReturn Styg. Fund (A)	Commodities Broad Basket
PEOPX	Dreyfus S&P 500 Index Fund	Large Blend
PTTDX	PIMCO Total Return Fund (D)	Intermediate-Term Bond
REREX	American Funds EuroPacific Growth Fund (R4)	Foreign Large Blend
RFNEX	American Funds Fundamental Investors (R4)	Large Blend
RLBEX	American Funds American Balanced Fund (R4)	Moderate Allocation
SAGWX	Sentinel Small Company Fund (A)	Small Growth
SPHIX	Fidelity High Income Fund	High Yield Bond
SPVZX	Prudential Mid-Cap Value Fund (Z)	Mid-Cap Value
TPINX	Templeton Global Bond Fund (A)	World Bond
TRSCX	TIAA-CREF Social Choice Equity Fund (R)	Large Blend
VSNXG	JPMorgan Mid Cap Equity Fund (Sel)	Mid-Cap Growth

The investment category for the following funds may have changed since your last review. The previous category is listed below.

PARIX	T. Rowe Price Retirement Income Fund (Adv)	Retirement Income
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(continued on next page)





Fund References

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## DEFINITIONS

**Alpha** is a measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. A positive alpha figure indicates the portfolio has performed better than its beta would predict. In contrast, a negative alpha indicates the portfolio has underperformed, given the expectations established by beta.

**Asset Classes** are the broad groupings of similar Morningstar categories and include Stock, Bond, Blended, and Cash/Stable Value.

**Average Market Capitalization** – Morningstar defines the overall "size" of a stock fund's portfolio as the geometric mean of the market capitalization for all of the stocks it owns. It's calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as average market capitalization. This number is different from the fund's median market cap--the capitalization of the median stock in its portfolio. The geometric mean better identifies the portfolio's "center of gravity." That is, it provides more accurate insight into how market trends (as defined by capitalization) might affect the portfolio.

**Benchmark** is the index against which funds within a category are compared.

**Beta** is a measure of a fund's sensitivity to market movements. The beta of the market is 1.00 by definition. Morningstar calculates beta by comparing a fund's excess return over Treasury bills to the market's excess return over Treasury bills, so a beta of 1.10 shows that the fund has performed 10% better than its benchmark index in up markets and 10% worse in down markets, assuming all other factors remain constant. Conversely, a beta of 0.85 indicates that the fund's excess return is expected to perform 15% worse than the market's excess return during up markets and 15% better during down markets.

**Category** identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is new and has no portfolio, Morningstar estimates where the Fund will fall before assigning a more permanent category. When necessary, Morningstar may change a category assignment based on current information.

**Category Average** provides the simple average of all fund returns within a particular Morningstar category.

**Expense Ratio** is the percentage of fund assets paid for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's net asset value (NAV). Sales charges are not included in the expense ratio. The net expense ratio reflects the expenses currently being charged by a fund, taking into account any applicable expense and fee waivers. The gross expense ratio does not reflect any fee or expense waivers that may be in effect.

**Information Ratio** is a risk-adjusted performance measure and excess return and risk relative to a specific benchmark index.

**Manager Tenure** indicates the period of time the lead manager has been managing the fund portfolio. For funds without a lead manager, tenure of the manager who has been with the fund the longest is reported. In the case of multiple lead managers, the tenure of the lead manager with the longest tenure is reported.

**Morningstar Risk** is an assessment of the variations in a fund's monthly returns, with an emphasis on downward variation. It is calculated as the difference between Morningstar Return and Morningstar Risk-Adjusted Return. It is similar to standard deviation; the key difference is that standard deviation gives the same weight to upside and downside variation. Funds are ranked within their categories.

## DEFINITIONS

**Peers** include all of the funds that comprise a Morningstar category.

**R-squared** reflects the percentage of a fund's movements that can be explained by movements in its benchmark index. An R-squared of 100 indicates that all movements of a fund can be explained by movements in the index. Thus, index funds that invest only in S&P 500 stocks will have an R-squared very close to 100. Conversely, a low R-squared indicates that very few of the fund's movements can be explained by movements in its benchmark index. An R-squared measure of 35, for example, means that only 35% of the fund's movements can be explained by movements in the benchmark index.

**Rankings** — returns and statistics for each fund are ranked relative to the returns and statistics for all other funds in each category.

**Sharpe Ratio** is a risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance. It can be used to compare two portfolios directly on how much excess return each portfolio achieved for a certain level of risk.

**Sortino Ratio** is similar to the Sharpe Ratio except it uses downside risk (downside deviation) in the denominator. Since upside variability is not necessary undesirable, the Sortino ratio is sometimes preferable to a Sharpe ratio. It measures the annualized rate of return for a given level of downside risk.

**Standard Deviation** is the statistical measurement of dispersion about an average, which depicts how widely a stock or portfolio's returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that is most likely for a given investment. When a stock or portfolio has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

**Style Drift Score** is the number of times the Morningstar category for a fund has changed during the previous 36 months. This number includes Morningstar changes due to changes in fund composition and administrative changes that occur when Morningstar adds, removes, or modifies a category.

**Total Return** is determined each month by taking the change in monthly net asset value, reinvesting all income and capital gains distributions during that month, and dividing by the starting net asset value. Reinvestments are made using the actual reinvestment net asset value, and daily payoffs are reinvested monthly. Morningstar does not adjust total returns for sales charges. Total return does account for management, administrative, 12b-1 fees and other costs taken out of fund assets. Returns for periods longer than one year are expressed as annualized returns.

**Treynor Ratio** is a measurement of the returns earned in excess of that which could have been earned on a riskless investment (i.e. Treasury Bill) per each unit of market risk assumed. The Treynor ratio (sometimes called reward-to-volatility ratio) relates excess return over the risk-free rate to the additional risk taken; however systematic risk instead of total risk is used. The higher the Treynor ratio, the better the performance under analysis.

**Turnover Ratio** is a measure of the fund's trading activity which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets. A turnover ratio of 100% or more does not necessarily suggest that all securities in the portfolio have been traded. In practical terms, the resulting percentage loosely represents the percentage of the portfolio's holdings that have changed over the past year.

## CATEGORIES

Morningstar categories identify funds based on their actual investment styles as measured by their underlying portfolio holdings over a three-year period. If a fund does not have a portfolio history, Morningstar originally estimates its category identification before giving it a more permanent category assignment. Morningstar defines the driving principles behind its category classification system as:

- Individual portfolios within a category invest in similar types of securities and, therefore, share the same risk factors,
- Individual portfolios within a category can, in general, be expected to behave more similarly to one another than to portfolios outside the category,
- The aggregate performance of different categories differs materially over time,
- Categories have enough constituents to form the basis for reasonable peer group comparisons, and
- The distinctions between categories are meaningful to investors and assist in their pursuit of investing goals.

## STOCK FUNDS

Funds that primarily invest in U.S. stocks and other equity securities are generally subdivided based on market capitalization and position on the growth-value spectrum, but also include specialty funds that invest predominantly in one market sector.

### Market Capitalization:

- **Large-Cap Funds** invest primarily in companies that rank in the top 70% of the capitalization of the U.S. equity market.
- **Mid-Cap Funds** focus on medium-size companies or own a mix of small-, mid- and large-cap stocks. The mid-cap range for market capitalization typically falls between \$1 billion and \$8 billion and represents 20% of the capitalization of the U.S. equity market.
- **Small-Cap Funds** invest primarily in companies that rank in the bottom 10% of the capitalization of the U.S. equity market.

### Growth-Value Spectrum:

Funds are assigned an overall style through an asset-weighted average of the value/growth scores of the stocks in the portfolio.

- **Value Funds** include a predominance of stocks with low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).
- **Blend Funds** hold portfolios in which neither growth nor value characteristics predominate.
- **Growth Funds** include a predominance of stocks with fast growth measures (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields).

### International Funds

**International Stock Funds** that do not specialize in particular regions are categorized as Foreign Funds and further classified according to market capitalization and value/growth characteristics:

- **Foreign Large Funds** primarily invest in stocks that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios typically have less than 20% of assets invested in U.S. stocks.
- **Foreign Small/Mid Funds** primarily invest in stocks that fall in the bottom 30% of each economically integrated market (such as Europe or Asia ex-Japan). These portfolios typically will have less than 20% of assets invested in U.S. stocks.

## CATEGORIES

### STOCK FUNDS (cont.)

**Foreign Large Funds** may be classified as value, blend or growth funds, while Foreign Small/Mid Funds are categorized as either growth or value funds:

- **Value funds** primarily hold stocks with low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).
- **Blend funds** hold portfolios in which neither growth nor value characteristics predominate.
- **Growth funds** primarily hold stocks with fast growth measures (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields).

More specialized international equity funds include:

- **Europe Stock Funds** invest at least 70% of total assets in equities and at least 75% of stocks in Europe. Many of these funds emphasize the region's larger and more developed markets, including Britain, the Netherlands, Germany, France, and Switzerland. Many also invest in the region's smaller markets, including the emerging markets of eastern Europe.
- **Latin America Stock Funds** invest at least 70% of total assets in equities and invest at least 75% of stock assets in Latin America. Most of these funds strongly favor the area's large markets, specifically Brazil, Mexico, and Argentina. Smaller markets such as Peru or Columbia generally aren't as well represented in these funds.
- **China Region Funds** invest at least 70% of total assets in equities and invest at least 75% of stock assets in one specific region or a combination of China, Taiwan, and/or Hong Kong.
- **India Equity Funds** invest at least 70% of total assets in equities and invest at least 75% of stock assets in India.
- **Diversified Emerging Markets Funds** invest at least 70% of total assets in equities and invest at least 50% of stock assets in emerging markets. These funds tend to divide their assets among 20 or more nations, although they tend to focus on the emerging markets of Asia and Latin America rather than on those of the Middle East, Africa, or Europe.
- **Diversified Pacific/Asia Funds** invest at least 70% of total assets in equities and invest at least 75% of stock assets in Pacific countries, including at least 10% in Japan. These funds have a wider investment range than other Asia-oriented portfolios. These funds can invest throughout the Pacific Rim, including Australia and New Zealand. As a result, country weightings for these portfolios vary tremendously, though most retain some exposure to Japan and Hong Kong.
- **Pacific/Asia (ex Japan) Stock Funds** invest at least 70% of total assets in equities and at least 75% of stock assets in Pacific countries, with less than 10% in Japan. Most of these funds focus on export-oriented nations such as Hong Kong, Singapore, Taiwan, and Korea.
- **Japan Stock Funds** invest at least 70% of total assets in equities and at least 75% of stock assets in Japan. The Japanese stock market is one of the largest in the world, so Japan Stock Funds holdings vary significantly. Some funds concentrate on Japan's larger companies, while others concentrate on smaller firms.
- **World Stock Funds** have few geographical limitations. It is common for these funds to invest the majority of their assets in the U.S., Europe, and Japan, with the remainder divided among the globe's smaller markets. These funds typically have 20%-60% of assets in U.S. stocks.
- **Global Real Estate Funds** invest primarily in non-U.S. real estate securities, but may also invest in U.S. real estate securities. These portfolios may include debt & equity securities, convertible securities, and securities issued by real estate investment trust and REIT-like entities and by real estate operating companies.
- **Miscellaneous Region** stock portfolios invest in countries or smaller regions that do not have their own category. They typically have a narrow geographical range.

## CATEGORIES

### STOCK FUNDS (cont.)

#### Sector Funds:

**Sector Funds** invest primarily in stocks of companies within a specific sector of the market and are classified by their stated investment objective. Covered sectors include: Communications, Financial, Health, Natural Resources, Real Estate, Technology, Utilities, Consumer Cyclical, Consumer Defensive, Industrials, and Miscellaneous Sectors.

#### Alternative Funds:

**Long-Short Funds** include funds that hold sizable stakes in both long and short positions in equity and debt securities and related futures. Some of these portfolios are market neutral, which means that they divide their exposure equally between long and short positions in an attempt to earn a modest return that is not tied to the market's fortunes. Other portfolios that are not market neutral will shift their exposure to long and short positions depending upon their macro outlook or the opportunities they uncover through research. Alternative funds also include precious metals portfolios that focus on mining stocks. Covered strategies include Bear Market, Single Currency, Multicurrency, Long/Short Equity, Market Neutral, Multialternative, Managed Futures, Volatility and Equity Precious Metals.

**Commodity Funds** invest primarily in equity securities and related derivatives of various commodity markets. Covered markets include: Agriculture, Broad Basket, Energy, Industrial Metals, Miscellaneous, and Precious Metals.

**Trading Funds** seek returns that are equal to a fixed multiple of the short-term returns of an equity, debt, or commodity index. Trading Funds are designed for active traders and are not suitable for long-term investors. Covered strategies include Trading-Leveraged Commodities, Debt, and Equity; Trading-Inverse Commodities, Debt, and Equity; and Trading-Miscellaneous.

### BLENDED FUNDS

Blended (Balanced) Funds usually provide a blend of capital appreciation and income by investing in a combination of stocks, bonds, and cash. Blended funds also include Target-Date and Lifestyle Funds.

- **Conservative Allocation Funds** invest in stocks, bonds, and cash, and tend to hold smaller positions in stocks than Moderate Allocation Funds. These funds typically have 20% to 50% of assets in equities and 50% to 80% of assets in fixed income and cash.
- **Moderate Allocation Funds** invest in stocks, bonds, and cash, and tend to hold larger positions in stocks than Conservative Allocation Funds. These funds typically have 50% to 70% of assets in equities and the remainder in fixed income and cash.
- **Aggressive Allocation Funds** invest in stocks, bond, and cash, and tend to hold larger positions in stocks than Moderate Allocation Funds. These funds typically have 70% to 80% of assets in equities and the remainder in fixed income and cash.
- **World Allocation Funds** invest in stocks, bonds, and cash. While World Allocation Funds explore the whole world, most focus on the U.S., Canada, Japan, and the larger markets in Europe. These funds typically have at least 10% of assets in bonds, less than 70% of assets in stocks, and at least 40% of assets in non-U.S. stocks or bonds.
- **Tactical Allocation Funds** seek to provide capital appreciation and income by actively shifting allocations between asset classes. These portfolios have material shifts across equity regions and bond sectors on a frequent basis.

## CATEGORIES

### BLENDED FUNDS (cont.)

**Target-Date Funds** provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind for retirement or another goal. These funds aim to provide investors with an optimal level of return and risk, based solely on the target date. Over time, management adjusts the allocation among asset classes to more conservative mixes as the target date approaches.

**Convertible Funds** are designed to offer some of the capital-appreciation potential of stock funds while also supplying some of the safety and yield of bond funds. To do so, they focus on convertible bonds and convertible preferred stocks. Convertible bonds allow investors to convert the bonds into shares of stock, usually at a preset price. These securities thus act a bit like stocks and a bit like bonds.

### BOND FUNDS

Bond Funds invest primarily in fixed-income securities.

**Government Funds** have at least 90% of their bond holdings invested in bonds backed by the U.S. government or by government-linked agencies, and are further divided by duration:

- **Long Funds** invest in securities with a duration of greater than 6 years or (if duration is unavailable) an average effective maturity of greater than or equal to 10 years.
- **Intermediate Funds** invest in securities with a duration of 3.5 to 6 years or (if duration is unavailable) an average effective maturity of 4 to 10 years.
- **Short Funds** invest in securities with a duration of 1 to 3.5 or (if duration is unavailable) an average effective maturity of 1 to 4 years.

**Long-Term Bond Funds** invest primarily in corporate and other investment-grade U.S. fixed-income issues with a duration greater than 6 years or (if duration is unavailable) an average effective maturity greater than 10 years.

**Intermediate-Term Bond Funds** invest primarily in corporate and other investment-grade U.S. fixed-income issues with a duration of 3.5 to 6 years or (if duration is unavailable) an average effective maturity of 4 to 10 years.

**Short-Term Bond Funds** invest primarily in corporate and other investment-grade U.S. fixed-income issues with a duration of 1 to 3.5 years or (if duration is unavailable) an average effective maturity of 1 to 4 years.

**Ultrashort Bond Funds** invest primarily in investment-grade U.S. fixed-income issues with a duration of less than 1 year or (if duration is unavailable) an average effective maturity of less than 1 year. This category includes corporate and government bond funds, but excludes international, convertible, multisector, and high yield bond funds.

**Corporate Bond Funds** concentrate on bonds issued by corporations. These tend to have more credit risk than government or agency-backed bonds. These portfolios hold more than 65% of assets in corporate bonds, hold less than 40% of assets in foreign bonds, hold less than 35% of assets in high yield bonds, and have an effective duration greater than 75% of the securities in the Morningstar Core Bond Index.

**Bank Loan Funds** primarily invest in floating-rate bank loans instead of bonds. In exchange for their credit risk, these loans offer high interest payments that typically float above a common short-term benchmark such as the London interbank offered rate, or LIBOR.

**Muni Bond Funds** primarily invest in bonds issued by state and/or local governments to fund public projects. The income from such bonds is generally free from federal taxes and, in certain cases, from state taxes in the issuing state. Given the variety of states and municipalities, the duration and quality of the Muni Bond Funds can vary significantly.

## CATEGORIES

### BOND FUNDS (cont.)

**High Yield Bond Funds** concentrate on lower-quality bonds. These funds primarily invest in U.S. high-income fixed-income securities where at least 65% or more of bond assets are not rated or are rated by a major agency at the level of BB (considered speculative for taxable bonds) and below.

**Multisector Bond Funds** seek income by diversifying their assets among several fixed-income sectors, usually U.S. government obligations, U.S. corporate bonds, foreign bonds, and high-yield U.S. debt securities. These funds typically hold 35% to 65% of bond assets in securities that are not rated or are rated by a major agency at the level of BB (considered speculative for taxable bonds) and below.

**Inflation-Protected Bond Funds** primarily invest in debt securities that adjust their principal values in line with the rate of inflation. These bonds can be issued by any organization, but the U.S. Treasury is currently the largest issuer of these types of securities.

**World Bond Funds** invest 40% or more of their assets in foreign bonds. Some funds follow a conservative approach, favoring high-quality bonds from developed markets. Others are more adventurous and own some lower-quality bonds from developed or emerging markets. Some funds invest exclusively outside the U.S., while others regularly invest in both U.S. and non-U.S. bonds.

**Emerging Markets Bond Funds** invest more than 65% of assets in foreign bonds from developing countries. The largest portion of the emerging-markets bond market comes from Latin America, followed by Eastern Europe. Africa, the Middle East, and Asia make up the rest.

**Nontraditional Bond Funds** pursue strategies divergent in one or more ways from conventional practice in the broader bond-fund universe. Funds within this category often will use credit default swaps and other fixed income derivatives to a significant level within their portfolios.

**Preferred Stock Funds** concentrate on preferred stocks and perpetual bonds. These portfolios tend to have more credit risk than government or agency-backed bonds and effective durations longer than other bond portfolios. These portfolios hold more than 65% of assets in preferred stocks and perpetual bonds.

### CASH/STABLE VALUE FUNDS

**Taxable Money Market Funds** invest in short-term money market securities to provide a level of current income consistent with the preservation of capital.

**Tax-Free Money Market Funds** invest in short-term municipal money market securities that are often exempt from some federal and state taxes. These funds provide current income and aim to preserve capital.

**Stable Value Funds** typically invest in guaranteed investment contracts (GICs) and Synthetic GICs. Traditional GICs are contracts between insurance firms and a retirement plan guaranteeing investors a fixed rate of return. The more common synthetic GICs are high-quality, short- to intermediate-term bonds that are bound by insurance "wrappers." If a stable value portfolio falls below the rate of return set by the wrapper, the insurer pays the difference, keeping the fund stable.

The following statistics are not available for Money Market and Stable Value Funds: Alpha, Beta, R-squared, Treynor Ratio, Turnover Ratio, Morningstar Risk 3-Year and Morningstar Rating 3-Year.



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Performance quoted represents past performance and cannot guarantee future results. Current performance may be lower or higher than the performance shown. Investment return and principal value will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original purchase price. Performance includes the reinvestment of dividends and capital gains. Performance may be hypothetical performance from an older share class and restated by Morningstar to reflect any expense differences between the share classes.

Unless otherwise noted, data displayed are from Morningstar, Inc., or are based on Morningstar data. Historical data may be from S&P or be based on S&P data. All peer group ranks are calculated or assigned by Newkirk. Peer group ranks for performance, Standard Deviation, Beta, Alpha, R-Squared, Treynor, Sharpe, Sortino, and Expense Ratio are truncated to clarify when a standard has been met or surpassed. For example, funds with 24.1% and 24.9% peer group ranks for 1-Year Returns are listed as 24% to indicate that they would fail a 25% standard. Net Assets and Manager Tenure data also are truncated. For example, \$49.1 million and \$49.9 million for Net Assets are listed as \$49 million to indicate that they would fail a \$50-million standard.

The portfolio manager is the individual (or individuals) responsible for the overall fund strategy, as well as the buying and selling decisions of the securities in a fund's portfolio. If one manager is considered the lead manager for the fund, that individual's name, along with the individual's tenure, is listed. If more than one manager is designated as a lead manager, the lead manager with the longest tenure is listed. If no manager is identified as lead manager, the manager with the longest tenure is listed.

Total Assets displayed prior to 2/28/2009 reflect only the assets in the individual share class. Beginning with 2/28/2009 data, Total Assets displayed include the assets for all share classes of a fund. Total Assets are reported as of the end of the most recent month available to Morningstar.

The Morningstar Rating for funds, commonly called the Star Rating, is a measure of a fund's risk-adjusted return, relative to funds in its category. Funds are ranked from one to five stars. Funds are ranked within their categories and stars are assigned as follows: Top 10% – 5 Stars; Next 22.5% – 4 Stars; Middle 35% - 3 Stars; Next 22.5% - 2 Stars; Bottom 10% - 1 Star.

Alpha, Beta and R-squared statistics are calculated using the broad-based benchmark as determined by Morningstar. Morningstar does not provide Alpha, Beta and R-squared statistics using the broad-based benchmark for money market funds, and therefore these statistics do not appear for money market funds.

Morningstar groups funds in categories based on the fund's underlying portfolio holdings (portfolio statistics and compositions over the past three years). If a fund is new, Morningstar will estimate where the fund will fall until a more permanent category can be assigned. A fund's category may change based on current information.

An asterisk (\*) next to a fund name indicates that the data for the fund has been provided by sources outside of Morningstar, Newkirk/MasteryPOINT and their content providers and is not warranted to be accurate, complete or timely. Please contact your specific plan representative for more information regarding this data.

# METLIFE STABLE VALUE FUND

MetLife Series 25157 - Class 35

A Reliance Trust Company Collective Investment Fund

9/30/2014



## Fund Statistics

Morningstar Category	US SA Stable Value
Inception Date	1/3/2000
CUSIP	759522303
Benchmark	US Money Market-Taxable
Net Expense Ratio	0.94
Trustee	Reliance Trust Company
Morningstar Rating Overall	★★★★★

## Investment Strategy

### Investment Objective

The Fund's objective is the safety and preservation of principal and accumulated interest for participant-initiated transactions. The interest credited to balances in the Fund will reflect both current market conditions and performance of the underlying investments in the Fund.

### Investment Strategy

The Fund invests entirely in the MetLife Group Annuity Contract 25157 which consists of separately managed investment portfolios directed by Reliance Trust Company.

### About Metropolitan Life Insurance Company

For over 140 years, MetLife has been one of the most trusted financial institutions in the United States and is a leading global provider of insurance, employee benefits and other financial services.

### Important Information

The Fund is a bank collective trust fund for which Reliance Trust Company serves as trustee and investment manager. The Fund is not FDIC-insured or registered with the Securities and Exchange Commission.

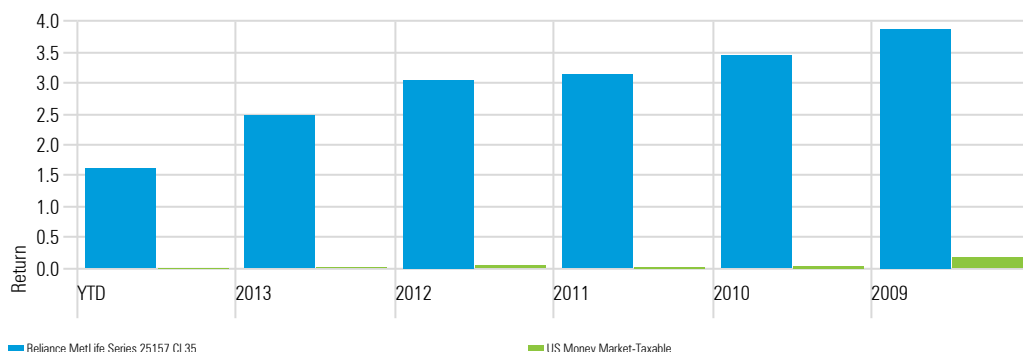
Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain an offering circular containing this and other information, contact us at [CITGroup@relco.com](mailto:CITGroup@relco.com).

**\*Not FDIC Insured**

**\* May Lose Value**

**\* No Bank Guarantee**

## Performance



	YTD Actual	Qtr. Actual	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
1 Reliance MetLife Series 25157 CI 35	1.61	0.54	2.18	2.66	2.94	4.02	4.65	1/3/2000
US Money Market-Taxable	0.00	0.00	0.01	0.02	0.03	1.41	4.46	10/1/1972

1 The Fund's returns are net of operating expenses applicable to the share class. Current performance may be lower or higher. Investment value will fluctuate, and shares, when redeemed, may be worth more or less than original cost.

2 Morningstar Money Market Average. This is an average of all the Money Market Funds in the Morningstar Principia database.

Current Fund crediting rates and rates of return are available by contacting [CITGroup@relco.com](mailto:CITGroup@relco.com).

## Portfolio Characteristics

Duration	5.28
Avg. Credit Quality	AA-
Turnover Ratio %*	165.00
Market/Book Ratio	102.43

\*Prior Quarter Data

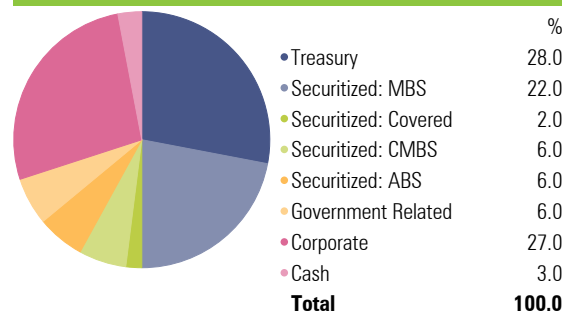
## Insurer Ratings

AMBest	A+
Fitch	AA-
Moody's Investors	Aa3
Standard & Poor's	AA-

## Investment Allocation by Separate Acct.

Black Rock, Inc.	46.00%
Loomis, Sayles & Co.	31.00%
MetLife Guaranteed Interest Contract	13.00%
T. Rowe Price	10.00%

## Sector Allocation\*



## Top 15 Holdings

	Portfolio Weighting %
Metlife Short Term Investment	12.14
US Treasury Note 0.25%	3.25
US Treasury Note 0.625%	2.74
FNMA 4% TBA	1.58
US Treasury Note 1.5%	1.43
US Treasury Bond 3.75%	1.33
Mexico(Utd Mex St) 6.5%	1.25
US Treasury Note 2.75%	1.13
Ls Senior Loan Fund	0.93
GNMA 4%	0.93
US Treasury Bond 8.75%	0.81
US Treasury Bond 2.75%	0.80
US Treasury Note 1.25%	0.80
US Treasury Bond 4.5%	0.74
Govt Natl Mtg Asso 3.5%	0.70

## Current Annualized and Historical Guaranteed Crediting Rates

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
2014	2.20	2.20	2.17	2.24
2013	2.80	2.55	2.35	2.25
2012	3.18	3.05	3.10	2.85
2011	2.98	3.13	3.18	3.28
2010	3.63	3.43	3.48	3.28
2009	3.93	3.83	3.88	3.88
2008	5.48	5.28	5.23	4.93



# METLIFE STABLE VALUE FUND

MetLife Series 25157 - Class 35

A Reliance Trust Company Collective Investment Fund

9/30/2014



## General

This Fund is a bank collective trust fund for which Reliance Trust Company ("RTC") serves as trustee and investment manager. The Fund is not FDIC insured and is not guaranteed by Reliance Trust nor guaranteed by any governmental agency.

Participation in this Collective Trust Fund is limited to Eligible Trusts that are accepted by the Trustee as Participating Trusts. As more fully described in the Declaration of Trust, Eligible Trusts include (i) certain employee benefit trusts exempt from federal income taxation under Code Section 501(a); (ii) certain governmental plans or units described in Code Section 414(d), Code Section 457(b), and Code Section 818(a) (6); (iii) certain commingled trust funds exempt from federal income taxation under Code Section 501(a); and (iv) certain insurance company separate accounts as defined in Investment Company Act Section 2(a) (17). Units of beneficial interest in the Fund are not registered under the Securities Act in reliance on an exemption under that Act for interests in a collective trust fund maintained by a bank for certain types of employee benefit trusts.

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain an offering circular containing this and other information, contact us at CITGroup@relico.com. Please carefully read the offering circular and recent financial statements for important information before investing.

## Performance

The performance information provided is historical and past performance and is not a guarantee of future results. Current performance may be lower or higher than performance information shown.

RTC charges a total annualized fee for investment and administrative services equivalent to 0.94% of assets invested in the Fund. The fee will be calculated and accrued daily in the Fund's net asset value and will be paid from the Fund's assets monthly or quarterly as determined by RTC. These charges are reflected in the returns presented. Returns also include all income, realized and unrealized capital gains and losses, and all transactional and contract execution costs.

## Definitions and Commonly Used Terms

**Average Maturity.** The dollar-weighted average length of time until bonds held by a portfolio reach maturity and are repaid. In general, the longer the average maturity, the more a portfolio's share price will fluctuate in response to changes in market interest rates.

**Average Credit Quality.** The combined credit rating for all bonds held in a portfolio based on each bond's credit rating, adjusted for its relative weighting in the portfolio.

**Benefit Responsive Protection.** The Fund receives protection of principal through benefit-responsive investment contracts. Under these contracts, participant-directed withdrawals for benefit payments, loans or exchanges to other non-competing investment-plan options are made at book value. Please consult the Fund's offering circular for more information before investing.

**Book Value.** Typically defined as amortized cost (initial principal investment amount) adjusted for subsequent deposits and withdrawals including credited interest.

**Competing Fund Rule.** To address arbitrage risk, the Fund prohibits participant transfers to other investment plan options such as other stable value funds, money market funds and short-to-intermediate duration bond funds (typically with durations less than 3 1/2 years). Please consult the Fund's offering circular for more information before investing.

**Crediting Rate.** The rate of return received by participants invested in the Fund. The initial crediting rate is roughly equal to the security's yield to maturity. The Fund's crediting rate is reset on a periodic basis, usually quarterly using the expected yield of maturity of the underlying securities.

**Duration.** A measure of a security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive than securities of shorter duration.

**Insurer Ratings.** A current and independent opinion of the financial security characteristics of an insurance organization with respect to its ability to pay under its insurance policies and contracts in accordance with their terms. The explanation for ratings can be found at: [www.ambest.com](http://www.ambest.com); [www.fitchratings.com](http://www.fitchratings.com); [www.moodys.com](http://www.moodys.com); and [standardandpoors.com](http://standardandpoors.com).

**Market to Book Value.** This ratio divides the market value of the underlying assets by their current book value and is a measure of the Fund's credit exposure to the benefit-responsive group annuity contract.

**Wrap contract issuer or wrapper.** A financial institution (typically a bank or insurance company) that issues the benefit responsive investment contract. Wrap guarantees are subject to the financial strength and claims paying ability of the underlying financial institution underwriting the wrap contract.

**Yield to Maturity.** The rate of return anticipated on a bond if it is held until the maturity date. The calculation of YTM takes into account the current market price, par value, coupon interest rate and time to maturity.

Material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. This material does not constitute a recommendation of the suitability of any investment strategy for a particular investor.

## Consider these risks before investing:

The Fund is not intended as a complete investment program, and there can be no guarantee that it will achieve its goal. The Fund's return will fluctuate. The Fund is not insured or guaranteed by any government agency, by Reliance Trust Company, or by the Contract Issuer.

The Group Annuity Contract (GAC) purchased by the Fund permit the Fund to account for the fixed income securities held in the separate accounts at book value (principal plus interest accrued to date). Through the use of book value accounting, there is no immediate recognition of investment gains and losses on the Fund's underlying investment in securities of the separate accounts. Instead, gains and losses are recognized over time by periodically adjusting the interest rate credited to the Fund under the GAC. However, while the Fund seeks to preserve your principal investment, it is possible to lose money by investing in this Fund. The GAC provides for the payment of certain participant-benefit responsive withdrawals and exchanges at book value during the term of the GAC. In order to maintain the GAC issuers' promise to pay such withdrawals and exchanges at book value, the GAC subject the Fund and its participants to certain restrictions. For example, withdrawals prompted by certain events (e.g., layoffs, early retirement windows, spin-offs, sale of a division, facility closing, plan terminations, partial plan terminations, changes in laws or regulations) may be paid at the market value of the Fund's separate accounts, which may be less than your book value balance.

For use with Institutions (Plan Fiduciary, Investment Professional and Authorized Agents of Plan Fiduciary) only, not for use with retail investors or the general public.

## ERISA 404(a) FEE AND EXPENSE DISCLOSURE

### Total Annual Operating Expense

	Type of Option	As a Percent	Per \$1,000
Reliance MetLife Series 25157 CI 35	Stable Value	0.94%	\$9.40

Source: Morningstar Direct



# The Aftermath of Bill Gross' Departure

## PIMCO Recap: Flows, Ratings, and Firm-Level Views

November 11, 2014

- ▶ Jon Hale, Director of Manager Research, North America
- ▶ Russ Kinnel, Director of Mutual Fund Research
- ▶ Michael Herbst, Director of Manager Research, Active Strategies
- ▶ Sumit Desai, Analyst, Manager Research, Active Strategies

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## Morningstar Manager Research's Response to Bill Gross' Departure

### What we've done so far:

- ▶ PIMCO advised and sub-advised funds under review on Sept. 26, 2014
- ▶ Initial webinar on Oct. 8, 2014
- ▶ Since then:
  - ▶ Updated the Morningstar Analyst Rating™ on 50 PIMCO advised and sub-advised funds domiciled in North America
  - ▶ Updated PIMCO Morningstar® Stewardship Grade<sup>SM</sup>
  - ▶ Published 20+ additional pieces on related changes, fund flows, etc.
- ▶ On Nov. 11, 2014, published in-depth PIMCO Recap white paper summarizing our fund-level and firm-level findings

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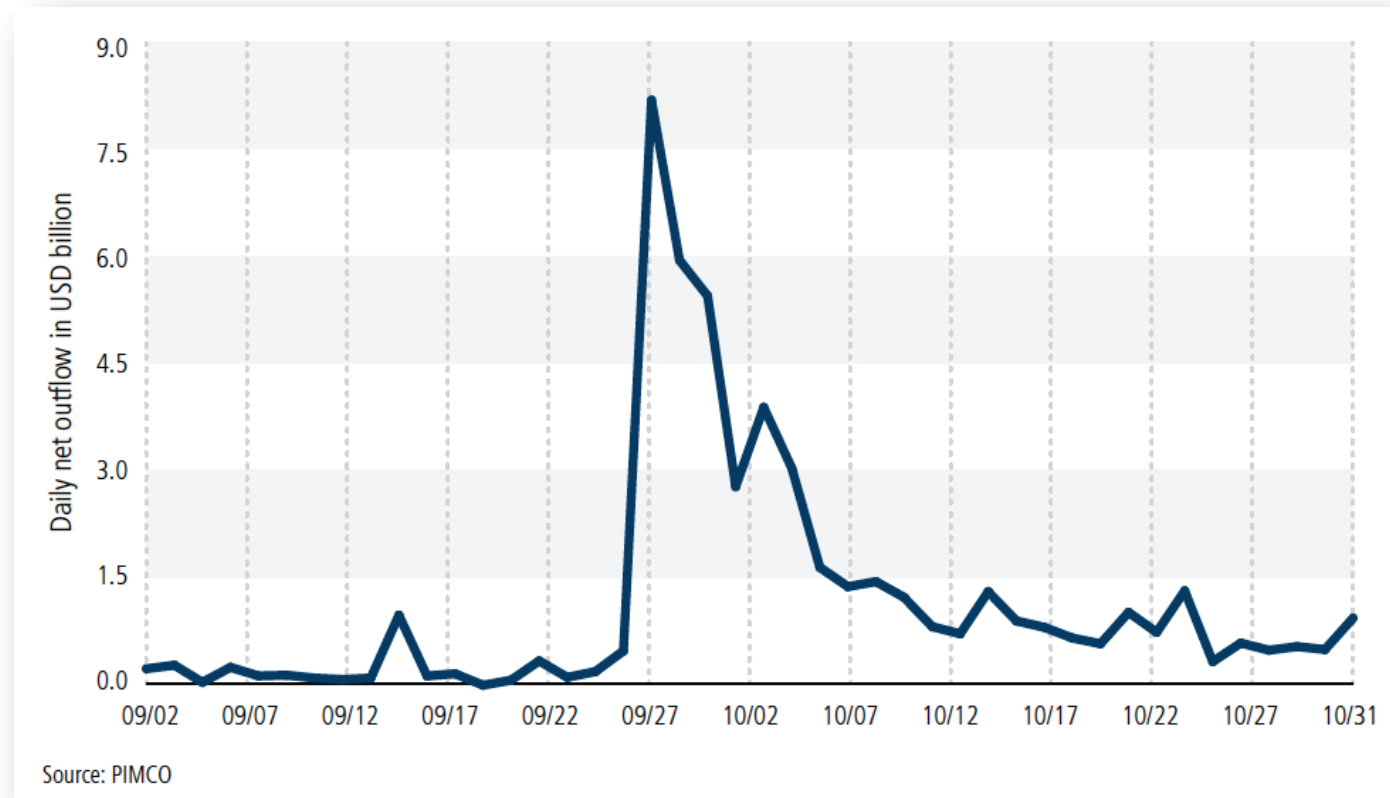
# Agenda

## **In this webinar, we will:**

- ▶ Assess recent PIMCO fund flows through October
- ▶ Recap our ratings changes and current views on PIMCO's portfolio management operation
- ▶ Provide our framework for assessing PIMCO's financial stability

## Flows Update

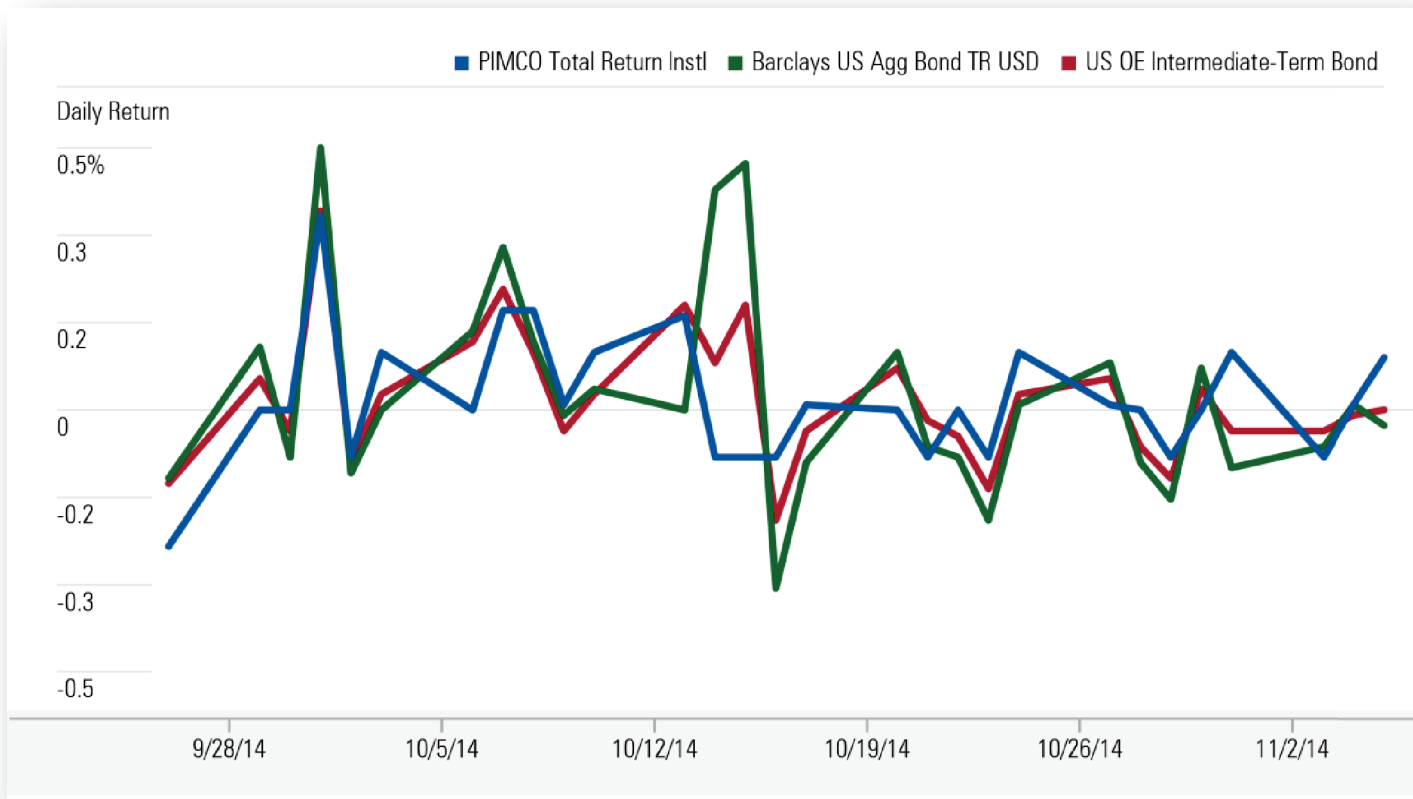
- ▶ PIMCO Total Return saw \$32.3 billion in outflows in October
  - ▶ Heaviest in 5 days following Gross' departure
  - ▶ Beginning to taper off to ~\$1 billion per day by month end
  - ▶ At \$170.9 billion, has shrunk by ~40% since mid-2013 peak



## Flows Update

### Outflows do not appear to have harmed recent performance:

- ▶ Daily returns not far out of step with the Barclays US Agg Bond, average peer
- ▶ 0.80% return in October, lands at category's midpoint
- ▶ Portfolio composition hasn't changed markedly, liquidity remains good

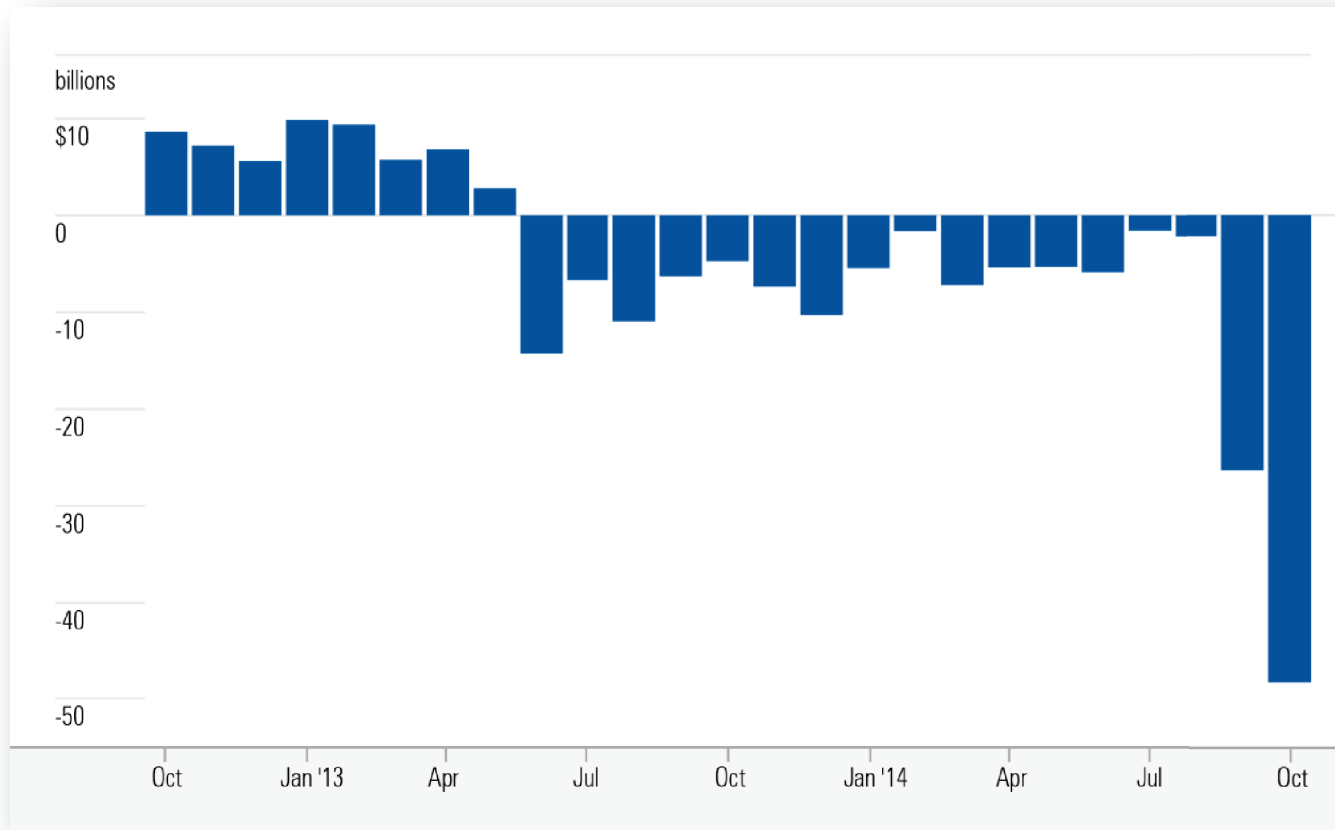




## Flows Update

### Firm-wide outflows appear manageable, but bear watching:

- ▶ \$1.9 trillion AUM as of Sept. 30, 2014
- ▶ PIMCO Total Return now ~40% firm's U.S. fund assets
- ▶ \$48 billion in U.S-domiciled fund outflows in October (~7%)



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## Ratings Recap

- ▶ Re-rated 50 PIMCO advised/sub-advised funds domiciled in North America
- ▶ Focused on direct and indirect ripple effects from Gross' departure
  - ▶ Manager changes—resulting workloads
  - ▶ Related strategy changes
  - ▶ Past and potential impact of Investment Committee
- ▶ Summary of activity
  - ▶ 29 affirmations
  - ▶ 20 downgrades
  - ▶ 1 upgrade

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## Ratings Recap

- ▶ Funds most affected
  - ▶ Total Return, Unconstrained, Low Duration
  - ▶ Foreign/Global strategies
  - ▶ Other absolute-return oriented strategies
  
- ▶ Funds less directly affected
  - ▶ Real return, global multi-asset strategies
  - ▶ Income, credit-related strategies
  - ▶ Long Duration

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## Ratings Recap

- ▶ Funds less affected
  - ▶ All Asset strategies
  - ▶ Diversified/Floating Income
  - ▶ Emerging Markets
  - ▶ EqS equity funds
  - ▶ Municipal bonds
  
- ▶ How to interpret the ratings changes
  - ▶ In many but not all cases, funds remain Morningstar Medalists
  - ▶ Confidence in research and portfolio management depth
  - ▶ Recognition of higher level of uncertainty in the near term
  - ▶ Watching closely over next year

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## Firm-Level Implications

- ▶ Continuity is promising, new duties and roles, and bear watching
  - ▶ Deputy CIOs now CIOs
  - ▶ Investment Committee
  - ▶ Doug Hodge, Jay Jacobs
  - ▶ Explicit support from corporate parent Allianz
  
- ▶ Initial changes under Group CIO Dan Ivascyn are encouraging
  - ▶ More open lines of communication on trading floor, and in investment committee
  - ▶ Some veterans returning (Seidner, Banet)
  - ▶ No additional departures so far, likely a small handful coming
  
- ▶ \$279 million retention program rolled out, hiring continues unabated

## Firm-Level Implications

- ▶ At what point do outflows become problematic?
  - ▶ Gauge effect on bonus pool, operating margins
  - ▶ Assessment of relationship with Allianz
- ▶ PIMCO is starting from a profitable position:

	<b>AUM (\$ bil)</b>	<b>Revenue (\$ mil)</b>	<b>Op. Profit (\$ mil)</b>	<b>Op Margin (%)</b>
PIMCO	1,870	8,611*	3,167*	36.80
BlackRock	4,525	10,697	4,622	43.21
Franklin Resources	898	8,491	3,221	37.94
T. Rowe Price	731	3,890	1,851	47.58
Legg Mason	708	2,298	467	20.32
AllianceBernstein	473	2,865	535	18.67
Eaton Vance Corp	294	1,358	453	33.36
Janus	177	925	276	29.84

\*Estimates in euros based on Allianz's asset-management segment data.

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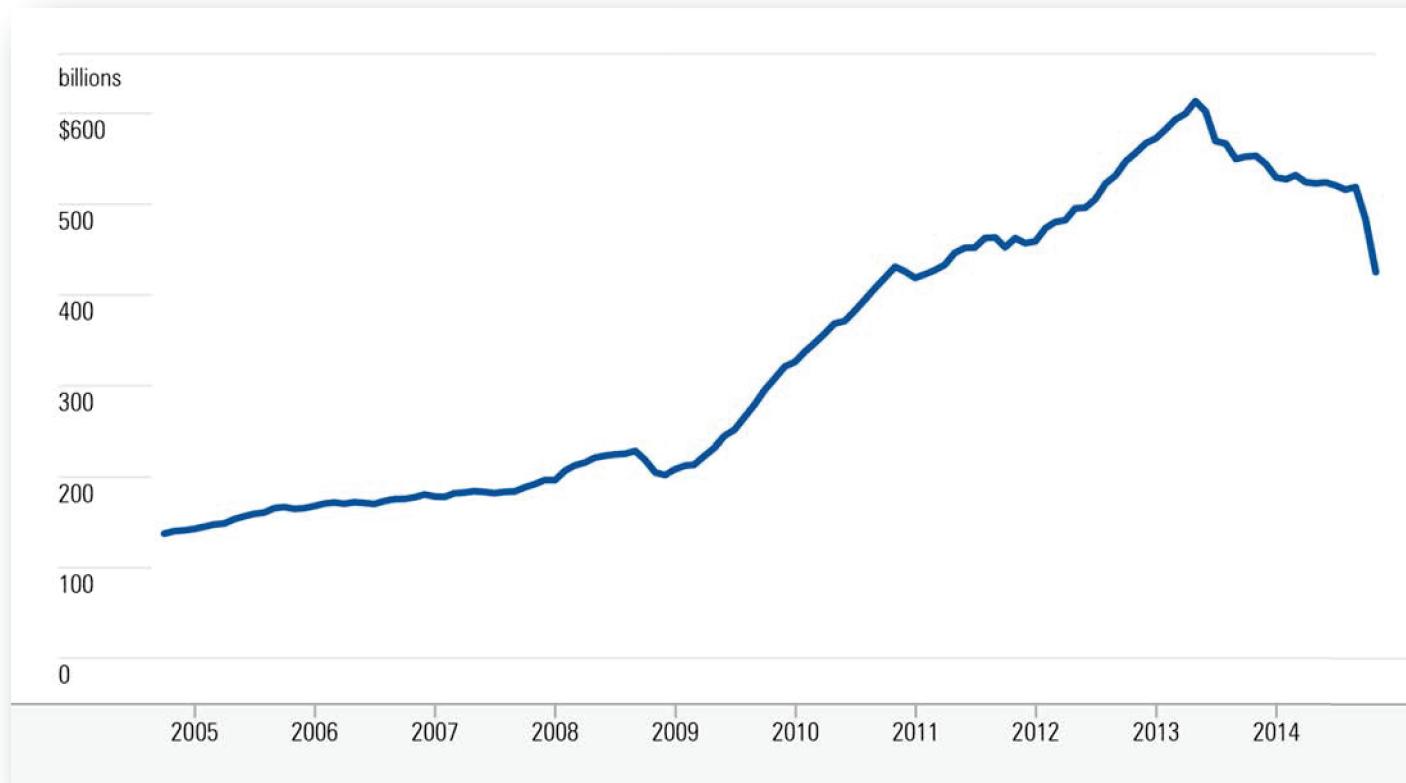
## Firm-Level Implications

- ▶ Very lean cost structure—outsourced back office operations to State Street in 2000
- ▶ Very competitive on compensation
  - ▶ Assuming well above industry average
  - ▶ Current retention program is powerful
  - ▶ Broad equity ownership across 400+ individuals
  - ▶ Precedent for managing directors to push down equity and cash
- ▶ Beneficial relationship with Allianz gives PIMCO a longer leash
  - ▶ Allianz is otherwise in a solid financial position
  - ▶ Allianz has expressed support for PIMCO

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## Firm-Level Implications

**Potential impact of outflows is real:**



*May see uptick in outflows in early 2015, Q4 2015*



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## Firm-Level Implications

- ▶ We estimate PIMCO could withstand additional outflows of approximately \$300-350 billion over the next two years before its portfolio management operation is impaired
  
- ▶ Estimated based on potential impact of outflows on bonus pool, operating margins
  
- ▶ Contingent on:
  - ▶ Orderly outflows
  - ▶ Continued support from Allianz
  - ▶ Strong firm-wide fund performance
  
- ▶ Wild cards—bond market volatility, rebalancing out of fixed income
  
- ▶ Will continue to monitor flows and update our view if necessary

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## About Morningstar Manager Research Services

Morningstar Manager Research provides independent, fundamental analysis on managed investment strategies. Analyst views are expressed in the form of Analyst Ratings, which are derived through research of five key pillars—Process, Performance, Parent, People, and Price. A global research team issues detailed analyst reports on strategies that span vehicle, asset class, and geography.

Morningstar Manager Research Services combines the firm's fund research reports, ratings, software, tools, and proprietary data with access to Morningstar's manager research analysts. It complements internal due diligence functions for institutions such as banks, wealth managers, insurers, sovereign wealth funds, pensions, endowments, and foundations.

For more information, contact Dan Lefkowitz at [dan.lefkowitz@morningstar.com](mailto:dan.lefkowitz@morningstar.com)



City of Madison Deferred Compensation Plan

*Retirement Plan Summary  
for September 30, 2013 through September 30, 2014*



## Summary of Plan Activity

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<b>Beginning Balance as of September 30, 2013</b>	<b>\$66,420,119.80</b>
Employee Contributions	3,153,416.10
Employer Contributions	
Transfers and Rollovers	438,914.26
Withdrawals	(3,155,974.51)
Forfeitures	0.00
Earnings	5,737,009.12
Loan Activity	0.00
Expenses	(67,930.51)
<b>Ending Balance as of September 30, 2014</b>	<b>\$72,525,554.26</b>
<b>Vested Balance as of September 30, 2014</b>	<b>\$72,525,554.26</b>

At the beginning of the period there were 950 participants with account balances. During the period 622 made contributions, 52 entered the plan and 46 left the plan. As of the end of the period, there are 956 participants with account balances.

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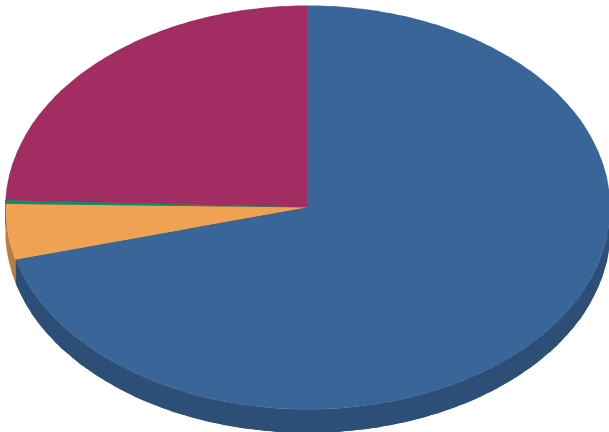
<b>Ending Balance as of September 29, 2013</b>	<b>\$66,420,119.80</b>
<b>Ending Balance as of September 30, 2012</b>	<b>\$57,943,578.12</b>

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# Account Totals

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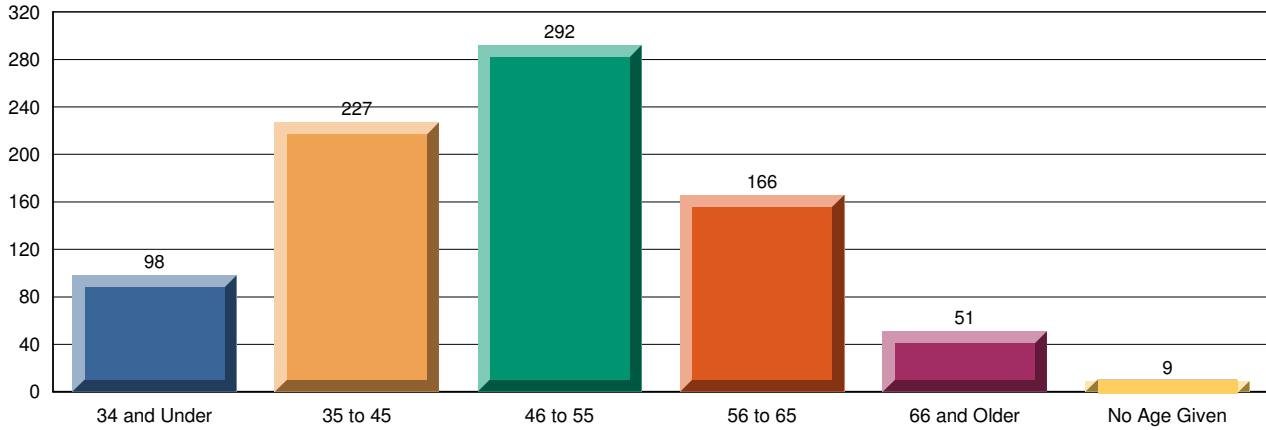


EMPLOYEE DEFERRAL	70.8%
ROLLOVER	4.4%
ROTH	0.4%
ROTH ROLLOVER	0.0%
TRANSFER	24.3%
<b>Total:</b>	<b>100.0%</b>

Source Type	Amount	Percent
EMPLOYEE DEFERRAL	51,380,039.88	70.8%
ROLLOVER	3,196,231.23	4.4%
ROTH	283,827.39	0.4%
ROTH ROLLOVER	17,163.36	0.0%
TRANSFER	17,648,292.40	24.3%
<b>Source Totals as of September 30, 2014</b>	<b>\$72,525,554.26</b>	<b>100.0%</b>

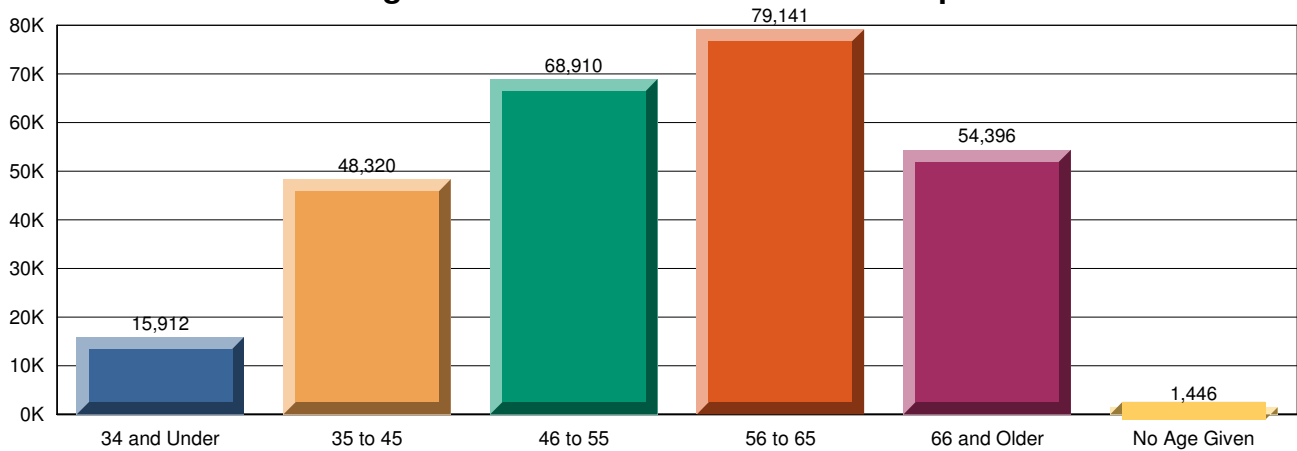
# Participation Summary

## Number of Active Participants



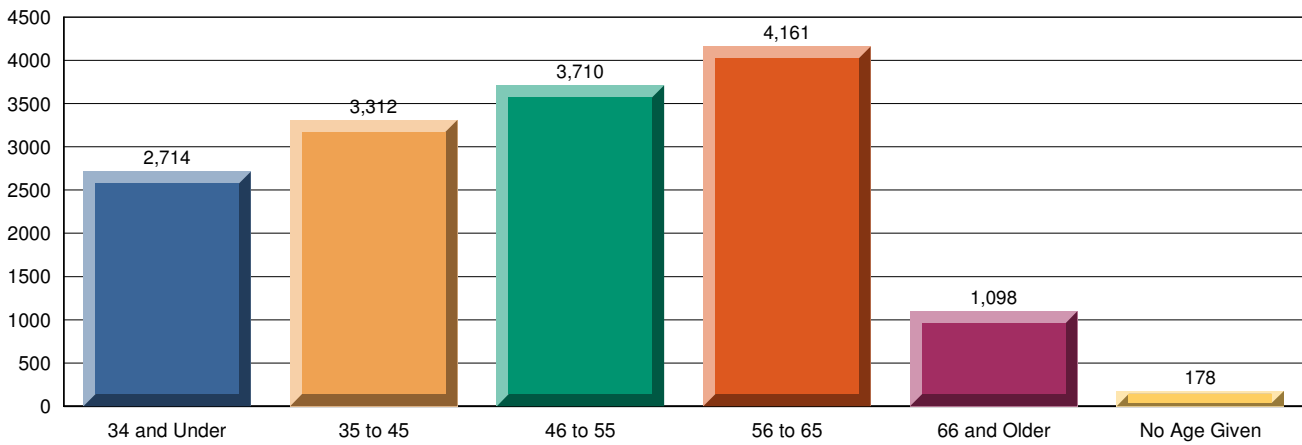
Total Number of Active Participants: 843  
Plan Average Age: 48.6

## Average Account Balance of Active Participants



Plan Average Account Balance: \$57,621

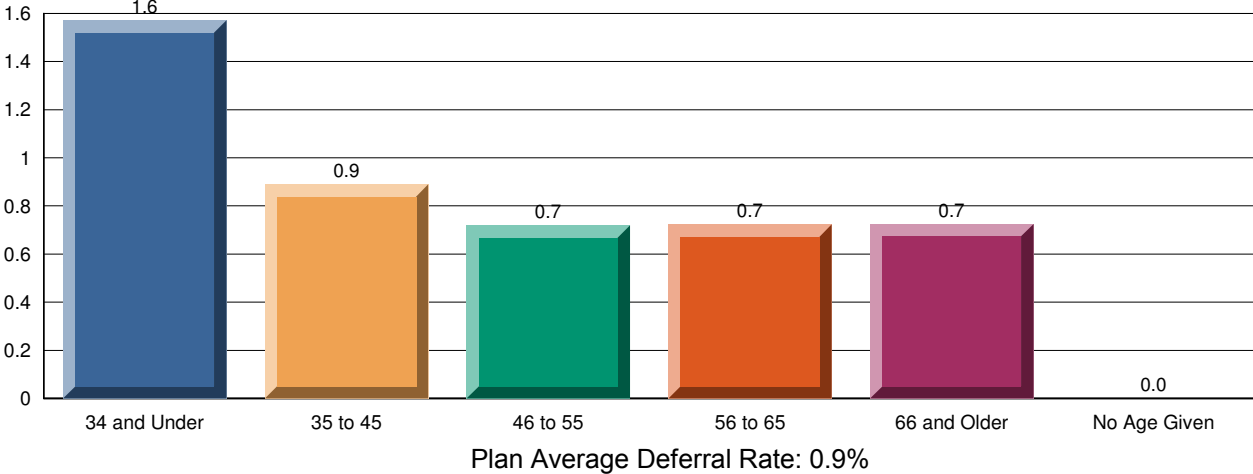
## Average Amount Contributed During Report Period by Active Participants



Plan Average Employee Contribution: \$3,380

# Participation Summary (continued)

### Average Deferral Rate of Active Participants



# Investment Option Totals

Investment Option	No. of Participants	Amount	Percent
AMERICAN FUNDS AM BALANCED R4	32	440,801.66	0.6 %
AMERICAN FUNDS EUROPACIFIC R4	743	8,154,106.16	11.2 %
AMERICAN FUNDS FUND INVESTORS	427	5,439,114.14	7.5 %
ARIEL	13	79,586.81	0.1 %
BLACKROCK EQUITY DIVIDEND	611	6,730,206.94	9.3 %
BLACKROCK INFLATION PROTECTED	263	2,073,730.85	2.9 %
CALVERT CAPITAL ACCUMULATION A	10	26,371.42	0.0 %
CALVERT EQUITY PORTFOLIO A	95	1,386,228.89	1.9 %
COHEN & STEERS REALTY SHARES	356	1,288,901.69	1.8 %
DREYFUS S&P 500 INDEX	119	1,936,152.98	2.7 %
FIDELITY ADVISOR SMALL CAP A	355	1,169,995.14	1.6 %
FIDELITY CONTRAFUND	1	181.37	0.0 %
FIDELITY HIGH INCOME	176	853,501.78	1.2 %
FIRST TRUST CASH	3	138.41	0.0 %
FRANKLIN GROWTH A	743	8,332,555.92	11.5 %
GOLDMAN SACHS MID VALUE	254	1,596,271.99	2.2 %
JP MORGAN MID CAP EQTY SELECT	621	2,903,643.23	4.0 %
METLIFE STABLE VALUE II	675	13,603,135.85	18.8 %
OPPENHEIMER DEVELOPING MARKET Y	313	946,366.08	1.3 %
PARNASSUS SMALL-CAP	12	101,701.14	0.1 %
PIMCO COMMOD REAL RETURN STRAT	344	889,516.34	1.2 %
PIMCO TOTAL RETURN D	706	6,801,221.55	9.4 %
PRUDENTIAL MID CAP VALUE Z	500	1,350,372.58	1.9 %
SENTINEL SMALL COMPANY A	643	4,067,543.46	5.6 %
T ROWE PRICE RET 2020 ADV	6	117,323.91	0.2 %
T ROWE PRICE RET 2030 ADV	9	155,652.37	0.2 %
T ROWE PRICE RET 2040 ADV	9	146,945.63	0.2 %
T ROWE PRICE RET INCOME	3	15,258.33	0.0 %
TEMPLETON GLOBAL BOND	384	1,735,103.50	2.4 %
TIAA-CREF SOCIAL CHOICE EQUITY	15	183,924.14	0.3 %
<b>Investment Option Totals as of September 30, 2014</b>		<b>\$72,525,554.26</b>	<b>100.0%</b>



# Investment Option / Participation by Age

This page presents participant balances by age and option as of September 30, 2014.

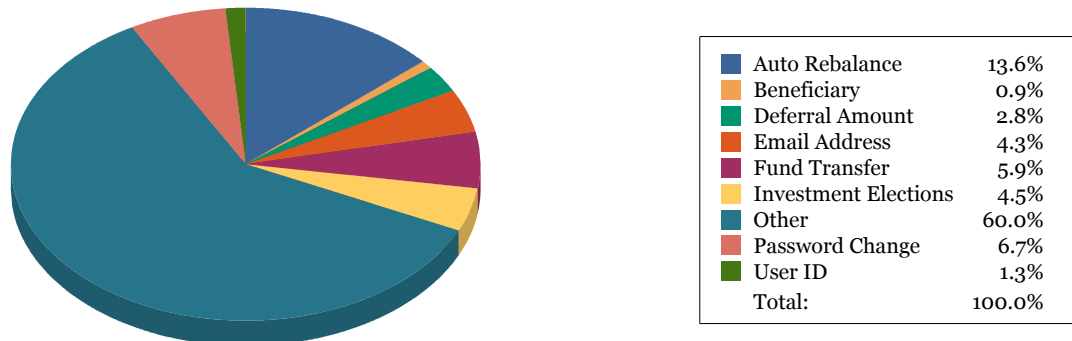
Illustrated are total dollars held, with a count and percentage of participants with balances below. Please note that a participant may have a balance in more than one option. The figures represented below may include management accounts within the plan, i.e. forfeiture and cash management accounts.

<b>Demographic Investment Analysis as of September 30, 2014</b>						<b>\$72,525,554.26</b>
<b>Option / Age Range</b>	<b>34 &amp; Under</b>	<b>35 to 45</b>	<b>46 to 55</b>	<b>56 to 65</b>	<b>66 &amp; Over</b>	<b>Total</b>
AMERICAN FUNDS AM BALANCED R4	9,740	99,382	155,653	111,460	64,566	<b>440,802</b>
	2	9	9	5	7	<b>32</b>
	2%	4%	3%	2%	6%	<b>3%</b>
AMERICAN FUNDS EUROPACIFIC R4	261,407	1,863,557	2,862,034	2,420,503	746,605	<b>8,154,106</b>
	92	191	220	187	53	<b>743</b>
	94%	88%	77%	75%	46%	<b>77%</b>
AMERICAN FUNDS FUND INVESTORS	109,558	840,546	1,816,387	1,309,884	1,362,740	<b>5,439,114</b>
	30	99	123	115	60	<b>427</b>
	30%	46%	43%	46%	52%	<b>44%</b>
ARIEL	0	15,630	35,091	28,865	0	<b>79,587</b>
	0	6	4	3	0	<b>13</b>
	0%	2%	1%	1%	0%	<b>1%</b>
BLACKROCK EQUITY DIVIDEND	234,430	1,389,993	2,206,879	2,353,194	545,710	<b>6,730,207</b>
	91	153	169	158	40	<b>611</b>
	93%	71%	59%	63%	35%	<b>63%</b>
BLACKROCK INFLATION PROTECTED	19,551	169,112	461,878	982,531	440,658	<b>2,073,731</b>
	31	48	84	81	19	<b>263</b>
	31%	22%	29%	32%	16%	<b>27%</b>
CALVERT CAPITAL ACCUMULATION A	0	10,378	716	15,278	0	<b>26,371</b>
	0	7	1	2	0	<b>10</b>
	0%	3%	0%	0%	0%	<b>1%</b>
CALVERT EQUITY PORTFOLIO A	16,495	231,107	458,725	476,582	203,321	<b>1,386,229</b>
	3	27	28	22	15	<b>95</b>
	3%	12%	9%	8%	13%	<b>9%</b>
COHEN & STEERS REALTY SHARES	44,551	347,195	447,961	381,453	67,741	<b>1,288,902</b>
	66	98	109	70	13	<b>356</b>
	68%	45%	38%	28%	11%	<b>37%</b>
DREYFUS S&P 500 INDEX	67,288	434,219	660,888	543,835	229,923	<b>1,936,153</b>
	5	24	47	34	9	<b>119</b>
	5%	11%	16%	13%	7%	<b>12%</b>
FIDELITY ADVISOR SMALL CAP A	35,107	285,403	385,256	384,760	79,470	<b>1,169,995</b>
	66	95	103	78	13	<b>355</b>
	68%	44%	36%	31%	11%	<b>37%</b>
FIDELITY CONTRAFUND	0	0	0	181	0	<b>181</b>
	0	0	0	1	0	<b>1</b>
	0%	0%	0%	0%	0%	<b>0%</b>
FIDELITY HIGH INCOME	4,588	33,951	337,748	341,068	136,147	<b>853,502</b>
	16	23	52	66	19	<b>176</b>
	16%	10%	18%	26%	16%	<b>18%</b>
FIRST TRUST CASH	0	0	0	0	138	<b>138</b>
	0	0	0	0	3	<b>3</b>
	0%	0%	0%	0%	2%	<b>0%</b>
FRANKLIN GROWTH A	223,131	1,547,888	3,062,943	2,520,444	978,151	<b>8,332,556</b>
	91	177	229	186	60	<b>743</b>
	93%	82%	80%	74%	52%	<b>77%</b>
GOLDMAN SACHS MID VALUE	43,500	262,755	566,227	556,084	167,706	<b>1,596,272</b>
	26	65	83	61	19	<b>254</b>
	26%	30%	29%	24%	16%	<b>26%</b>

	<b>34 &amp; Under</b>	<b>35 to 45</b>	<b>46 to 55</b>	<b>56 to 65</b>	<b>66 &amp; Over</b>	<b>Total</b>
JP MORGAN MID CAP EQTY SELECT	72,724	549,354	1,252,335	821,414	207,816	<b>2,903,643</b>
	88	164	207	133	29	<b>621</b>
	90%	76%	72%	53%	25%	<b>64%</b>
METLIFE STABLE VALUE II	90,889	631,734	2,340,584	5,689,794	4,850,135	<b>13,603,136</b>
	56	122	189	210	98	<b>675</b>
	57%	56%	66%	84%	85%	<b>70%</b>
OPPENHEIMER DEVELOPING MKRT Y	33,972	326,888	304,702	246,317	34,487	<b>946,366</b>
	63	100	90	57	3	<b>313</b>
	64%	46%	31%	22%	2%	<b>32%</b>
PARNASSUS SMALL-CAP	0	30,630	24,018	47,054	0	<b>101,701</b>
	0	7	2	3	0	<b>12</b>
	0%	3%	0%	1%	0%	<b>1%</b>
PIMCO COMMOD REAL RETURN STRAT	33,633	246,876	296,254	271,192	41,561	<b>889,516</b>
	66	95	102	69	12	<b>344</b>
	68%	44%	35%	27%	10%	<b>35%</b>
PIMCO TOTAL RETURN D	158,950	730,376	1,770,477	2,720,912	1,420,506	<b>6,801,222</b>
	93	168	193	176	76	<b>706</b>
	95%	78%	67%	70%	66%	<b>73%</b>
PRUDENTIAL MID CAP VALUE Z	44,390	348,926	465,469	410,482	81,107	<b>1,350,373</b>
	82	140	158	101	19	<b>500</b>
	84%	65%	55%	40%	16%	<b>52%</b>
SENTINEL SMALL COMPANY A	108,972	852,629	1,580,242	1,218,351	307,350	<b>4,067,543</b>
	86	177	205	145	30	<b>643</b>
	88%	82%	72%	58%	26%	<b>67%</b>
T ROWE PRICE RET 2020 ADV	7,942	3,087	10,367	95,928	0	<b>117,324</b>
	1	2	1	2	0	<b>6</b>
	1%	0%	0%	0%	0%	<b>0%</b>
T ROWE PRICE RET 2030 ADV	846	73,287	64,029	17,490	0	<b>155,652</b>
	1	3	4	1	0	<b>9</b>
	1%	1%	1%	0%	0%	<b>0%</b>
T ROWE PRICE RET 2040 ADV	26,217	77,263	0	43,466	0	<b>146,946</b>
	3	4	0	2	0	<b>9</b>
	3%	1%	0%	0%	0%	<b>0%</b>
T ROWE PRICE RET INCOME	0	79	0	82	15,098	<b>15,258</b>
	0	1	0	1	1	<b>3</b>
	0%	0%	0%	0%	0%	<b>0%</b>
TEMPLETON GLOBAL BOND	36,330	298,229	578,846	631,293	190,405	<b>1,735,104</b>
	67	101	110	87	19	<b>384</b>
	69%	46%	38%	34%	16%	<b>40%</b>
TIAA-CREF SOCIAL CHOICE EQUITY	0	45,824	3,651	127,165	7,284	<b>183,924</b>
	0	7	1	6	1	<b>15</b>
	0%	3%	0%	2%	0%	<b>1%</b>
<b>Total</b>	<b>\$1,684,211</b>	<b>\$11,746,298</b>	<b>\$22,149,357</b>	<b>\$24,767,063</b>	<b>\$12,178,625</b>	<b>\$72,525,554</b>
	<b>97</b>	<b>215</b>	<b>284</b>	<b>249</b>	<b>114</b>	<b>959</b>
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# Web/VRU Activity Summary

This chart represents participant initiated Web/VRU transactions from September 30, 2013 through September 30, 2014 as a percentage of all participant initiated transactions.



Description	Participants	Transactions	Percentage
Auto Rebalance	135	173	13.6%
Beneficiary	12	12	0.9%
Deferral Amount	22	36	2.8%
Email Address	55	55	4.3%
Fund Transfer	45	75	5.9%
Investment Elections	44	57	4.5%
Other	178	765	60.0%
Password Change	45	85	6.7%
User ID	17	17	1.3%
	<b>270</b>	<b>1,275</b>	<b>100.0%</b>

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FULL DISCLOSURE COST REVIEW		9/30/2014		City of Madison Deferred Compensation Plan				CMD	
Plan Assets & Allocation		TD Ameritrade							
Asset Class	Plan Assets \$	%	Fund Name	TICKER	Expense Ratio	Total Cost	PER %	Plan Expense Reimburse	
LARGE GROWTH	8,332,555.92	11%	FRANKLIN GROWTH FUND CL A	FKGRX	0.92%	76,660	0.40%	\$ 33,330	
LARGE GROWTH	1,386,228.89	2%	CALVERT EQUITY A	CSIEX	1.23%	17,051	0.35%	\$ 4,852	
LARGE BLEND	1,936,152.98	3%	DREYFUS S&P 500 INDEX	PEOPX	0.50%	9,681	0.35%	\$ 6,777	
LARGE BLEND	5,439,114.14	7%	AMERICAN FUNDS FUNDAMENTAL INVS R4	RFNEX	0.66%	35,898	0.25%	\$ 13,598	
LARGE BLEND	183,924.14	0%	TIAA-CREF SOCIAL CHOICE EQ RETIRE	TRSCX	0.43%	791	0.00%	\$ -	
LARGE VALUE	6,730,206.94	9%	BLACKROCK EQUITY DIVIDEND INSTL	MADVX	0.74%	49,804	0.25%	\$ 16,826	
MID-CAP GROWTH	2,903,643.23	4%	JPMORGAN MID CAP EQUITY SELECT	VSNEX	0.91%	26,423	0.25%	\$ 7,259	
MID-CAP GROWTH	26,371.42	0%	CALVERT CAPITAL ACCUMULATION A	CCAFX	1.48%	390	0.35%	\$ 92	
MID-CAP VALUE	0.00	0%	INVESCO AMERICAN VALUE Y	MSAIX	0.95%	0	0.25%	\$ -	
MID-CAP VALUE	1,350,372.58	2%	PRUDENTIAL MID CAP VALUE Z	SPVZX	0.94%	12,694	0.25%	\$ 3,376	
MID-CAP BLEND	79,586.81	0%	ARIEL FUND INV	ARGFX	1.03%	820	0.25%	\$ 199	
SMALL GROWTH	4,067,543.46	6%	SENTINEL SMALL COMPANY A	SAGWX	1.21%	49,217	0.40%	\$ 16,270	
SMALL VALUE	1,169,995.14	2%	FIDELITY ADVISOR SMALL CAP VALUE A	FCVAX	1.36%	15,912	0.25%	\$ 2,925	
SMALL BLEND	101,701.14	0%	PARNASSUS SMALL-CAP	PARSX	1.20%	1,220	0.00%	\$ -	
FOREIGN LARGE BLEND	8,154,106.16	11%	AMERICAN FUNDS EUROPACIFIC GROWTH R4	RREX	0.84%	68,494	0.25%	\$ 20,385	
REAL ESTATE	1,288,901.69	2%	COHEN & STEERS REALTY SHARES	CSRSX	0.97%	12,502	0.05%	\$ 644	
COMMODITIES BROAD BASKET	889,516.34	1%	PIMCO COMMODITY REAL RETURN STRAT A	PCRAX	1.19%	10,585	0.40%	\$ 3,558	
DIVERSIFIED EMERGING MKTS	946,366.08	1%	OPPENHEIMER DEVELOPING MARKETS Y	ODVYX	1.05%	9,937	0.25%	\$ 2,366	
MODERATE ALLOCATION	440,801.66	1%	AMERICAN FUNDS AMERICAN BALANCED R4	RLBEX	0.65%	2,865	0.25%	\$ 1,102	
HIGH YIELD BOND	853,501.78	1%	FIDELITY HIGH INCOME	SPHIX	0.72%	6,145	0.00%	\$ -	
INTERMEDIATE-TERM BOND	6,801,221.55	9%	PIMCO TOTAL RETURN D	PTTDX	0.75%	51,009	0.35%	\$ 23,804	
WORLD BOND	1,735,103.50	2%	TEMPLETON GLOBAL BOND FUND CL A	TPINX	0.88%	15,269	0.40%	\$ 6,940	
INFLATION-PROTECTED BOND	2,073,730.85	3%	BLACKROCK INFLATION PROTECTED BOND SVC	BPRSX	0.75%	15,553	0.50%	\$ 10,369	
STABLE VALUE	13,603,135.85	19%	METLIFE STABLE VALUE CLASS 35	QVMJ2	0.35%	47,611	0.35%	\$ 47,611	
RETIREMENT INCOME	15,258.33	0%	T. ROWE PRICE RETIREMENT INCOME ADV	PARIX	0.82%	125	0.15%	\$ 23	
TARGET DATE 2016-2020	117,323.91	0%	T. ROWE PRICE RETIREMENT 2020 ADV	PARBX	0.94%	1,103	0.15%	\$ 176	
TARGET DATE 2026-2030	155,652.37	0%	T. ROWE PRICE RETIREMENT 2030 ADV	PARCX	1.00%	1,557	0.15%	\$ 233	
TARGET DATE 2036-2040	146,945.63	0%	T. ROWE PRICE RETIREMENT 2040 ADV	PARDX	1.03%	1,514	0.15%	\$ 220	
TARGET DATE 2046-2050	0.00	0%	T. ROWE PRICE RETIREMENT 2050 ADV	PARFX	1.03%	0	0.15%	\$ -	
MID-CAP VALUE	1,596,271.99	2%	GOLDMAN SACHS MID CAP VALUE INSTL	GSMCX	0.74%	11,812	0.00%	\$ -	
LARGE GROWTH	181.37	0%	FIDELITY CONTRA FUND	FCNTX	0.67%	1	0.15%	\$ 0	
MONEY MARKET	138.41	0%	FIRST TRUST CASH	0	0.00%	0	0.00%	\$ -	
<b>TOTAL</b>	<b>\$ 72,525,554</b>	<b>100%</b>			<b>0.76%</b>	<b>\$ 552,643</b>	<b>0.31%</b>	<b>\$ 222,936</b>	
	Participants	956	<u>Weighted Average Expense Ratio</u>		0.76%	\$ 552,643			
			<u>Plan Expense Reimbursement Offset</u>		-0.31%	\$ (222,936)			
			<u>Expense Sub-Total</u>		<b>0.45%</b>	<b>\$ 329,706</b>			
			<u>Administration/Recordkeeping</u>						
			Recordkeeping & TPA Services Asset Based		0.10%	\$ 72,526			
			Recordkeeping & TPA Annual Flat Base		0.00%	\$ -			
			Plan Level Per Capita Fees @ \$0		0.00%	\$ -			
			<u>Investment Advisory and Other Services</u>						
			Investment Advisory		0.05%	\$ 36,263			
			Education and Participant Service Provider		0.20%	\$ 145,051			
			<u>Trustee/Custodial Services</u>						
			Custody & Trading Asset Based		0.02%	\$ 14,505			
			Custodial Base Fee		0.00%	\$ -			
			Corporate Trustee Fee		0.00%	\$ -			
					<b>0.82%</b>	<b>\$ 598,051</b>			



**PREPARED FOR:** City of Madison 457 Deferred Compensation Plan

**PREPARED BY:** John Blossom  
Alliance Benefit Group

**DATE:** 12/09/2014

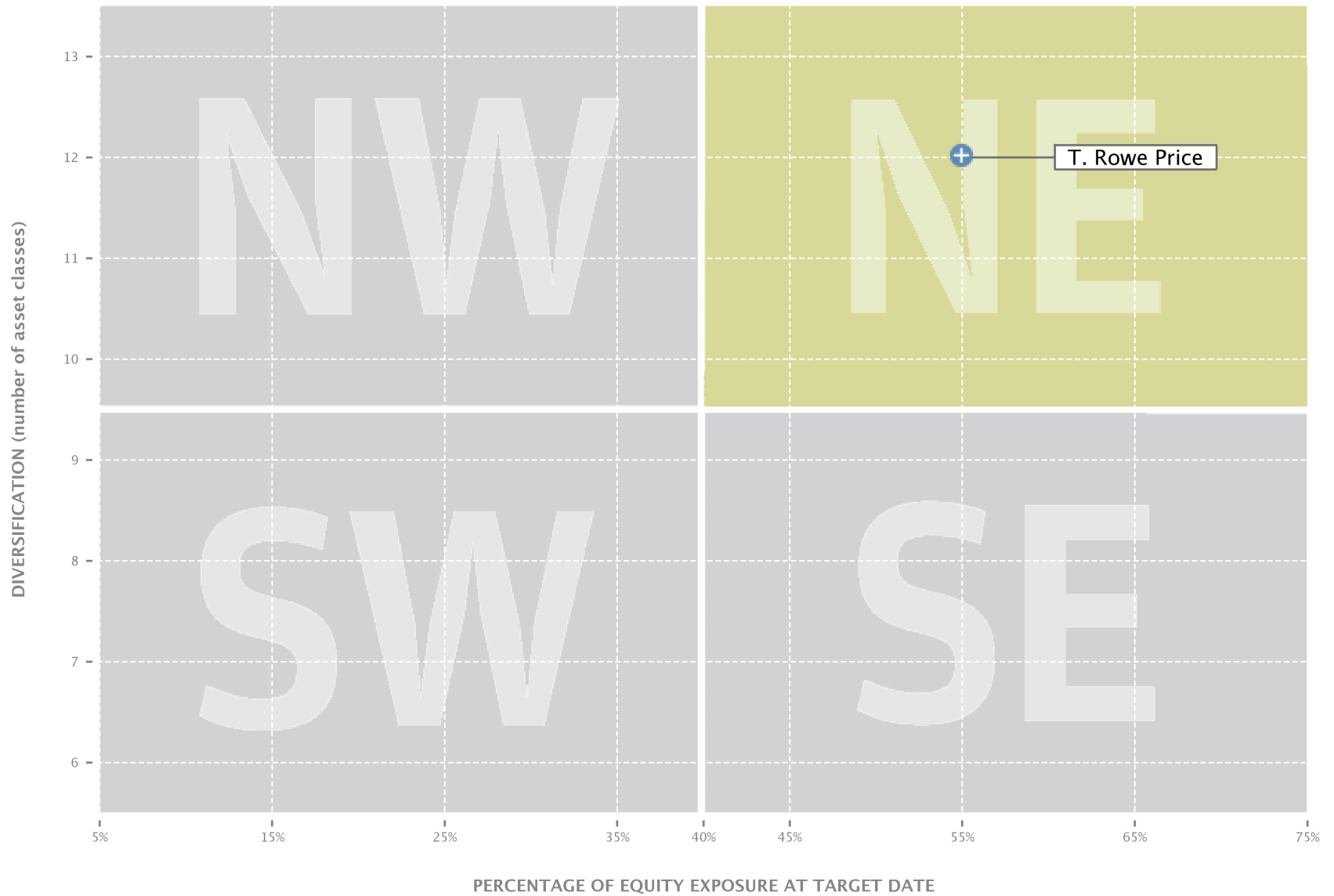
➤ 3Q 2014

## Target Date Analysis

T. Rowe Price Retirement

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# ASSET CLASS SUMMARY



## T. Rowe Price Retirement

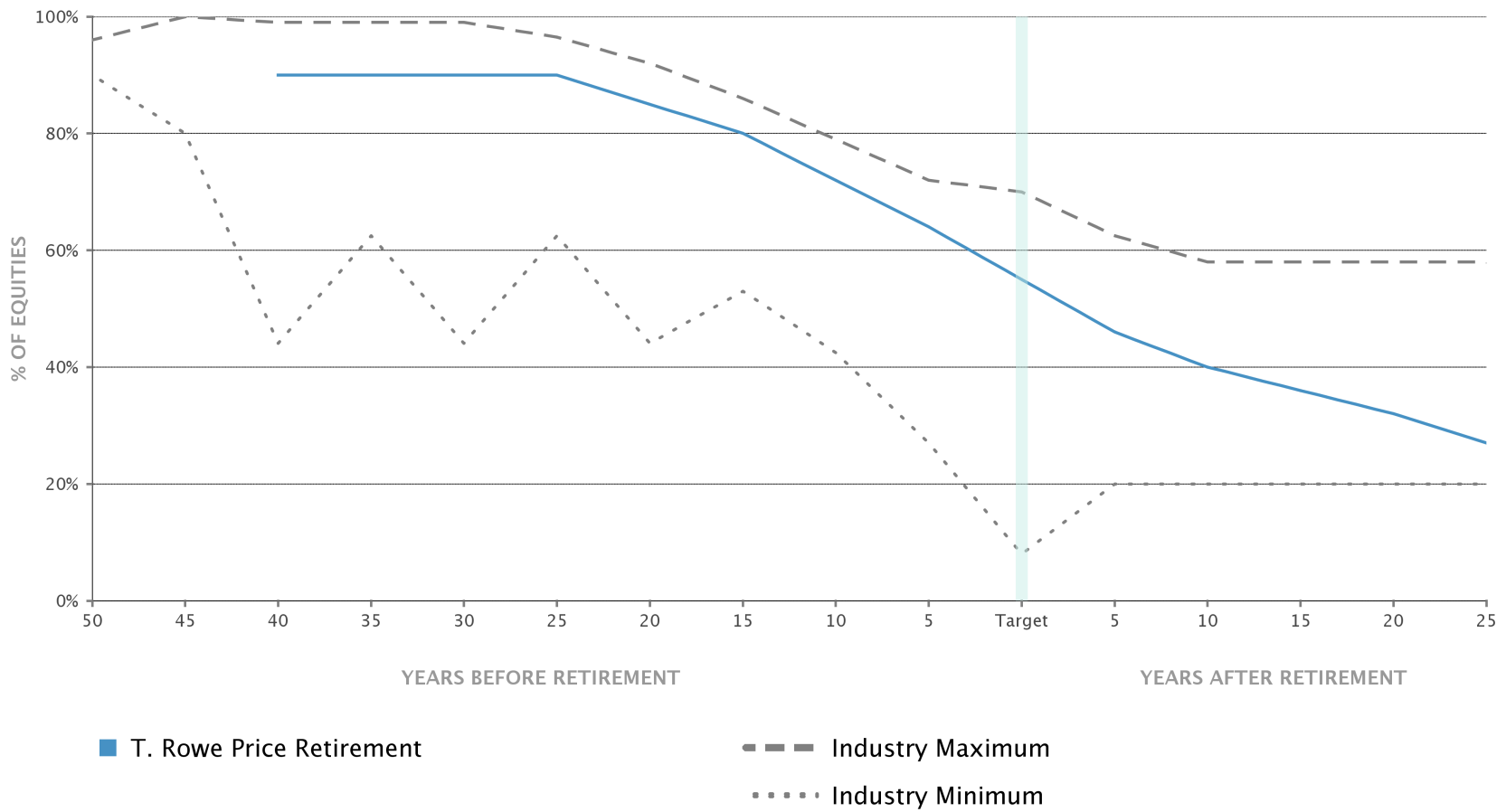
U.S. large cap	✓
U.S. mid cap	✓
U.S. small cap	✓
International equity	✓
Emerging markets equity	✓
U.S. fixed income	✓
U.S. TIPS	✓
High yield fixed income	✓
International fixed income	✓
Emerging markets debt	✓
REITs	✓
Commodities	✓

The fund companies displayed in the chart above appear based upon advisor request. Asset class diversification: Calculated using the target date funds' asset allocation breakdown to 12 J.P. Morgan-defined separate asset classes as reported to Morningstar, Inc. through asset allocation, capitalization, credit quality, sector, region and country data as well as underlying fund categorization. The 12 asset classes include: U.S. large cap equity, U.S. mid cap equity, U.S. small cap equity, International equity, Emerging markets equity, REITs, Commodities, U.S. fixed income, High yield, U.S. TIPS, International fixed income and Emerging markets debt. High yield exposure is checked if any of the funds within the target date strategy are assigned to Morningstar Categories High yield bond or High yield muni. Please see Target Date Methodology book for additional information.





Percent of equities vs. years before/after retirement



As of 09/30/2014 with the exception of Industry Equity Range (Min, Max), which is as of 06/30/2014.  
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## T. Rowe Price Retirement

### MUTUAL FUND ASSETS

(\$mm) as of 09/30/2014	\$120,483.17
Earliest inception date	09/2002

### GLIDE PATH

% of equity at age 65	55%
# of asset classes	12
Glide path end (age)	95
Tactical (Y/N)	Yes

### FUND STRUCTURE

Fund of funds	Yes
Open architecture (%)	0%
Active Exposure (%)	86.29%

### UNDERLYING FUND INFORMATION

# of underlying funds	19
Average manager tenure (years)	9.55
Longest manager tenure (years)	22.83



# CALENDAR YEAR PERFORMANCE



Target Date Fund Name	2013 Total Return	2012 Total Return	2011 Total Return	2010 Total Return	2009 Total Return	2008 Total Return	2007 Total Return	2006 Total Return	2005 Total Return	2004 Total Return
<b>RETIREMENT INCOME</b>										
<i>S&amp;P Target Date Retirement Income TR USD</i>	6.28	7.51	3.98	9.09	11.37	(13.09)	6.19	8.77	3.53	7.05
<b>TARGET DATE 2000-2010</b>										
T. Rowe Price Retirement 2005 Adv	9.60	11.01	1.08	11.34	24.26	(22.43)	6.38	11.22	5.31	-
T. Rowe Price Retirement 2010 Adv	11.61	12.16	0.28	12.46	27.60	(26.88)	6.42	12.52	6.05	10.80
<i>S&amp;P Target Date 2010 TR USD</i>	9.42	8.94	2.61	10.56	14.61	(17.42)	6.40	10.48	3.97	8.88
<b>TARGET DATE 2011-2015</b>										
T. Rowe Price Retirement 2015 Adv	14.82	13.58	(0.66)	13.63	30.86	(30.37)	6.56	13.44	6.43	-
<i>S&amp;P Target Date 2015 TR USD</i>	12.16	10.32	1.53	11.85	17.48	(21.32)	6.50	11.92	4.37	9.98
<b>TARGET DATE 2016-2020</b>										
T. Rowe Price Retirement 2020 Adv	17.75	14.78	(1.45)	14.46	33.77	(33.62)	6.52	14.37	6.91	12.59
<i>S&amp;P Target Date 2020 TR USD</i>	14.76	11.48	0.58	12.93	19.95	(24.78)	6.59	13.13	4.71	10.89
<b>TARGET DATE 2021-2025</b>										
T. Rowe Price Retirement 2025 Adv	20.39	15.70	(2.32)	15.13	35.99	(36.08)	6.55	15.15	7.16	-
<i>S&amp;P Target Date 2025 TR USD</i>	17.03	12.51	(0.28)	13.82	22.03	(27.75)	6.64	14.21	5.28	11.77
<b>TARGET DATE 2026-2030</b>										
T. Rowe Price Retirement 2030 Adv	22.69	16.56	(2.96)	15.77	37.74	(38.01)	6.58	15.88	7.87	13.93
<i>S&amp;P Target Date 2030 TR USD</i>	19.14	13.43	(1.17)	14.52	23.70	(30.48)	6.67	15.28	5.58	12.29
<b>TARGET DATE 2031-2035</b>										
T. Rowe Price Retirement 2035 Adv	24.54	17.05	(3.51)	16.08	38.65	(39.03)	6.62	15.89	7.78	-
<i>S&amp;P Target Date 2035 TR USD</i>	20.84	14.12	(1.71)	15.02	24.99	(32.60)	6.75	15.92	5.81	12.66



# CALENDAR YEAR PERFORMANCE



Target Date Fund Name	2013 Total Return	2012 Total Return	2011 Total Return	2010 Total Return	2009 Total Return	2008 Total Return	2007 Total Return	2006 Total Return	2005 Total Return	2004 Total Return
<b>TARGET DATE 2036-2040</b>										
T. Rowe Price Retirement 2040 Adv	25.61	17.29	(3.69)	16.13	38.79	(39.02)	6.53	15.99	7.83	13.82
S&P Target Date 2040 TR USD	22.10	14.69	(2.17)	15.38	25.97	(34.00)	6.98	16.40	6.00	12.97
<b>TARGET DATE 2041-2045</b>										
T. Rowe Price Retirement 2045 Adv	25.64	17.21	(3.66)	16.08	38.75	(38.94)	6.56	15.86	-	-
S&P Target Date 2045 TR USD	23.14	15.15	(2.56)	15.62	26.40	(35.24)	6.97	16.82	-	-
<b>TARGET DATE 2046-2050</b>										
T. Rowe Price Retirement 2050 Adv	25.59	17.21	(3.68)	16.09	38.72	(39.03)	6.62	-	-	-
S&P Target Date 2050 TR USD	24.13	15.49	(2.87)	15.62	26.40	(35.24)	6.97	-	-	-
<b>TARGET DATE 2051+</b>										
T. Rowe Price Retirement 2055 Adv	25.57	17.20	(3.56)	16.07	38.71	(39.08)	6.61	-	-	-
S&P Target Date 2055+ TR USD	24.96	15.81	(2.87)	15.62	26.40	(35.24)	-	-	-	-



# PERFORMANCE & RANKINGS



Target Date Fund Name	Total Ret 3 mo.	% Rank Cat	Total Ret 1 yr	% Rank Cat	Total Ret 3 yr	% Rank Cat	Total Ret 5 yr	% Rank Cat	Total Ret 10 yr	% Rank Cat	Since Incept Ret	Incept Date
<b>RETIREMENT INCOME</b>												
<i>S&amp;P Target Date Retirement Income TR USD</i>	-0.69	-	5.74	-	7.11	-	6.42	-	4.92	-	4.59	12/29/00
<b>TARGET DATE 2000-2010</b>												
T. Rowe Price Retirement 2005 Adv	-1.26	44	7.47	28	10.03	34	7.93	41	6.21	12	4.41	05/31/07
T. Rowe Price Retirement 2010 Adv	-1.34	59	8.24	8	11.36	7	8.73	10	6.49	3	6.67	10/31/03
<i>S&amp;P Target Date 2010 TR USD</i>	-0.95	-	6.74	-	9.05	-	7.49	-	5.52	-	4.57	12/29/00
<b>TARGET DATE 2011-2015</b>												
T. Rowe Price Retirement 2015 Adv	-1.46	61	9.21	4	13.19	1	9.76	1	6.90	6	4.49	05/31/07
<i>S&amp;P Target Date 2015 TR USD</i>	-1.19	-	7.74	-	10.86	-	8.47	-	5.98	-	4.74	12/29/00
<b>TARGET DATE 2016-2020</b>												
T. Rowe Price Retirement 2020 Adv	-1.59	61	10.03	4	14.76	1	10.62	1	7.21	3	7.43	10/31/03
<i>S&amp;P Target Date 2020 TR USD</i>	-1.41	-	8.56	-	12.41	-	9.32	-	6.33	-	4.83	12/29/00
<b>TARGET DATE 2021-2025</b>												
T. Rowe Price Retirement 2025 Adv	-1.67	53	10.86	5	16.17	5	11.31	6	7.46	8	4.55	05/31/07
<i>S&amp;P Target Date 2025 TR USD</i>	-1.67	-	9.13	-	13.73	-	10.00	-	6.62	-	4.95	12/29/00
<b>TARGET DATE 2026-2030</b>												
T. Rowe Price Retirement 2030 Adv	-1.77	45	11.44	5	17.39	4	11.95	4	7.76	3	7.98	10/31/03
<i>S&amp;P Target Date 2030 TR USD</i>	-1.85	-	9.72	-	14.94	-	10.57	-	6.79	-	4.98	12/29/00



# PERFORMANCE & RANKINGS



Target Date Fund Name	Total Ret 3 mo.	% Rank Cat	Total Ret 1 yr	% Rank Cat	Total Ret 3 yr	% Rank Cat	Total Ret 5 yr	% Rank Cat	Total Ret 10 yr	% Rank Cat	Since Incept Ret	Incept Date
<b>TARGET DATE 2031-2035</b>												
T. Rowe Price Retirement 2035 Adv	-1.81	44	11.86	9	18.20	3	12.33	3	7.80	8	4.67	05/31/07
<i>S&amp;P Target Date 2035 TR USD</i>	<i>-2.01</i>	<i>-</i>	<i>10.25</i>	<i>-</i>	<i>15.86</i>	<i>-</i>	<i>11.04</i>	<i>-</i>	<i>6.90</i>	<i>-</i>	<i>5.01</i>	<i>12/29/00</i>
<b>TARGET DATE 2036-2040</b>												
T. Rowe Price Retirement 2040 Adv	-1.87	43	12.14	9	18.68	2	12.54	1	7.91	3	8.13	10/31/03
<i>S&amp;P Target Date 2040 TR USD</i>	<i>-2.14</i>	<i>-</i>	<i>10.59</i>	<i>-</i>	<i>16.55</i>	<i>-</i>	<i>11.37</i>	<i>-</i>	<i>7.03</i>	<i>-</i>	<i>5.06</i>	<i>12/29/00</i>
<b>TARGET DATE 2041-2045</b>												
T. Rowe Price Retirement 2045 Adv	-1.88	44	12.15	12	18.62	5	12.55	1	-	-	4.82	05/31/07
<i>S&amp;P Target Date 2045 TR USD</i>	<i>-2.25</i>	<i>-</i>	<i>10.86</i>	<i>-</i>	<i>17.09</i>	<i>-</i>	<i>11.61</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>6.56</i>	<i>05/31/05</i>
<b>TARGET DATE 2046-2050</b>												
T. Rowe Price Retirement 2050 Adv	-1.89	46	12.11	12	18.63	6	12.52	2	-	-	5.75	12/29/06
<i>S&amp;P Target Date 2050 TR USD</i>	<i>-2.35</i>	<i>-</i>	<i>11.17</i>	<i>-</i>	<i>17.54</i>	<i>-</i>	<i>11.78</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>6.12</i>	<i>05/31/06</i>
<b>TARGET DATE 2051+</b>												
T. Rowe Price Retirement 2055 Adv	-1.83	41	12.16	16	18.64	9	12.55	5	-	-	4.80	05/31/07
<i>S&amp;P Target Date 2055+ TR USD</i>	<i>-2.41</i>	<i>-</i>	<i>11.41</i>	<i>-</i>	<i>17.90</i>	<i>-</i>	<i>11.98</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>4.19</i>	<i>05/31/07</i>

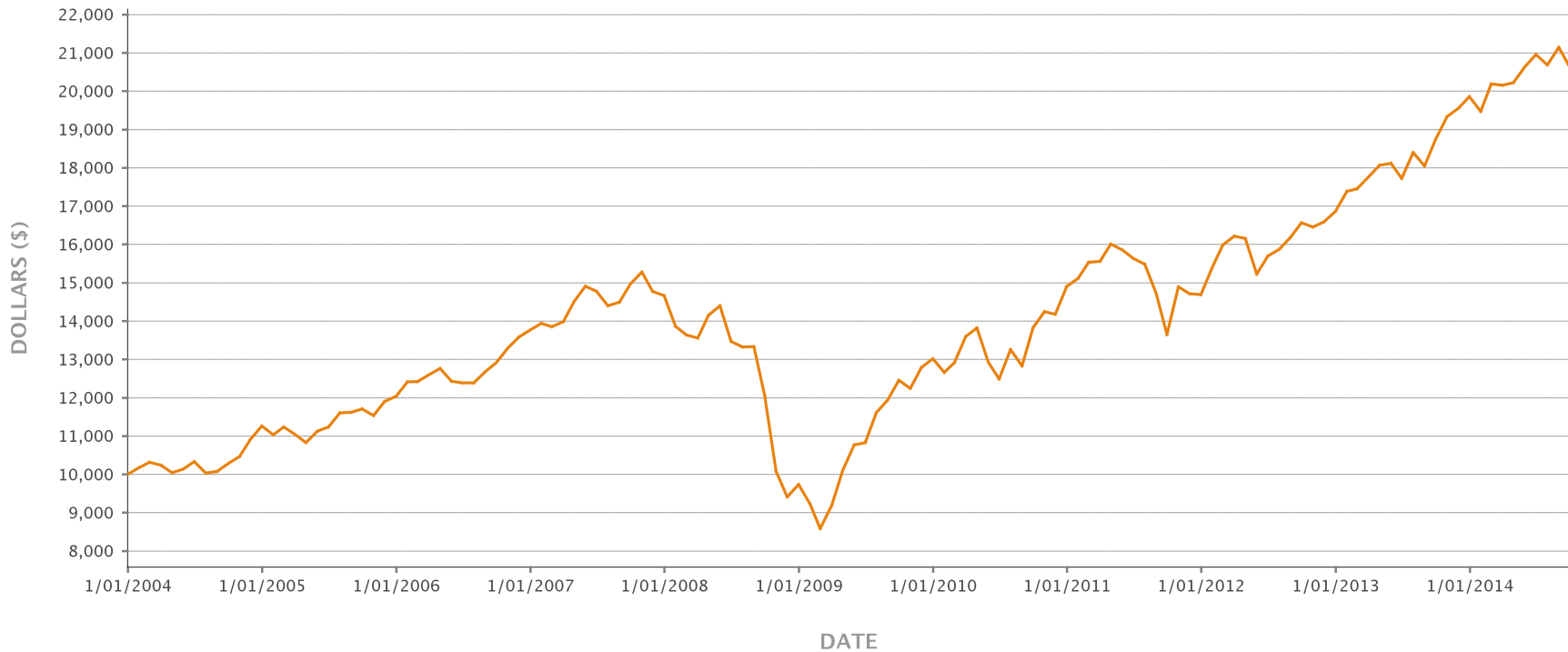
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**2020 Target date comparison (oldest common inception date)**

(12/31/2003 - 09/30/2014)



2020 Funds	Ending value
■ T. Rowe Price	\$20,628.55



**2030 Target date comparison (oldest common inception date)**

(12/31/2003 - 09/30/2014)



2030 Funds	Ending value
■ T. Rowe Price	\$21,661.82





**2040 Target date comparison (oldest common inception date)**

(12/31/2003 - 09/30/2014)

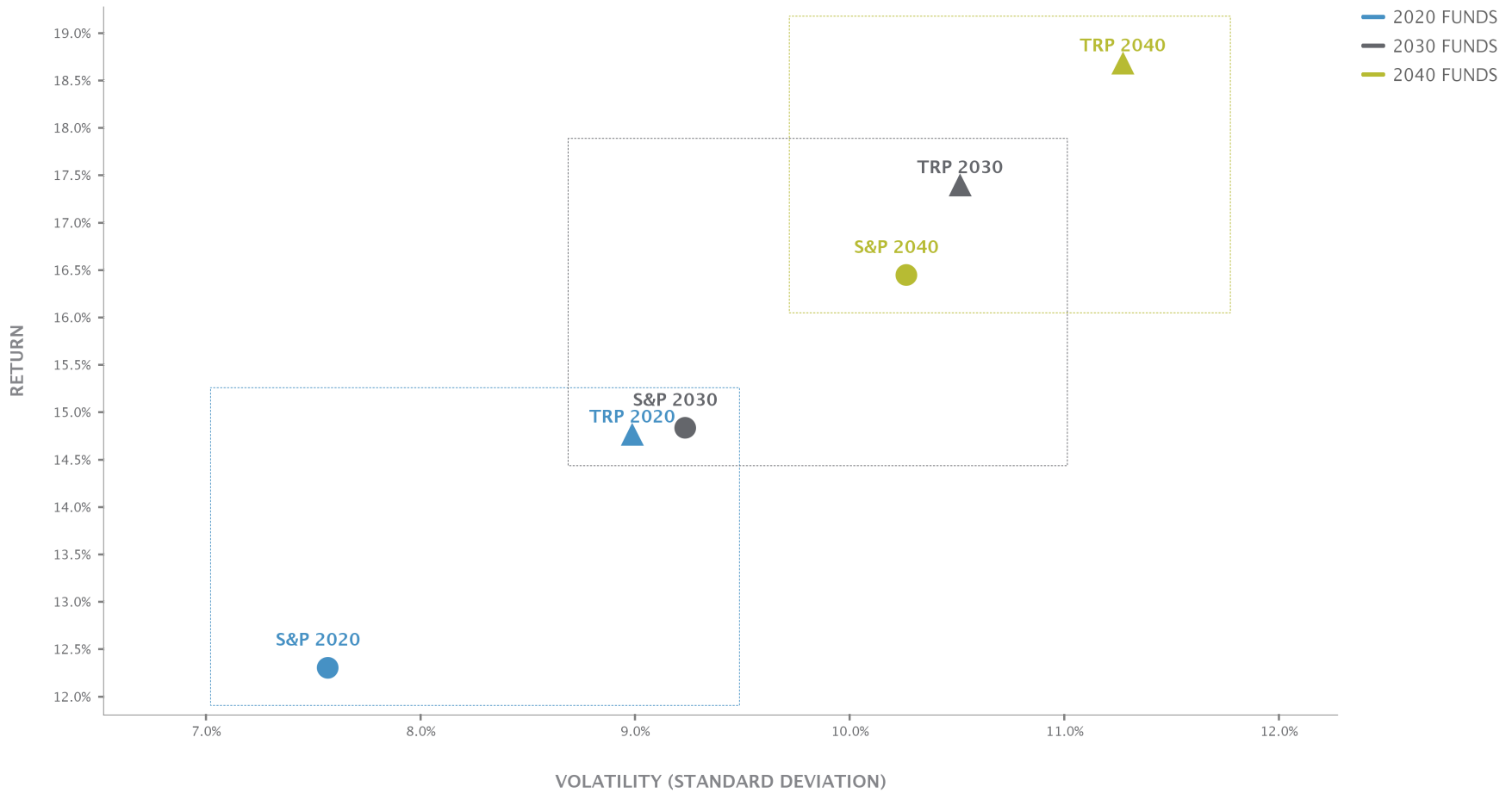


2040 Funds	Ending value
■ T. Rowe Price	\$21,979.34



### 3 Year risk/return comparison of target date strategies

Monthly return data (net of fees)





### 5 Year risk/return comparison of target date strategies

Monthly return data (net of fees)





# RISK/RETURN STATISTICS



Target Date Fund Name	3 year total returns	3 year standard deviation	3 year sharpe ratio	3 year information ratio	5 year total returns	5 year standard deviation	5 year sharpe ratio	5 year information ratio
<b>TARGET DATE 2016-2020</b>								
T. Rowe Price Retirement 2020 Adv	14.76	8.99	1.58	1.33	10.62	11.06	0.96	0.66
S&P Target Date 2020 TR USD	12.41	7.52	1.59	-	9.32	9.31	1.00	-
<b>TARGET DATE 2026-2030</b>								
T. Rowe Price Retirement 2030 Adv	17.39	10.51	1.58	1.32	11.95	12.99	0.93	0.71
S&P Target Date 2030 TR USD	14.94	9.19	1.56	-	10.57	11.45	0.93	-
<b>TARGET DATE 2036-2040</b>								
T. Rowe Price Retirement 2040 Adv	18.68	11.27	1.58	1.14	12.54	13.80	0.92	0.66
S&P Target Date 2040 TR USD	16.55	10.22	1.55	-	11.37	12.70	0.91	-

# FEE SUMMARY



Target Date Fund Name	Ticker	Net expense ratio	Gross expense ratio
<b>TARGET DATE 2000-2010</b>		<b>CATEGORY MEAN EXPENSE: 0.91</b>	
T. Rowe Price Retirement 2005 Adv	PARGX	0.84	0.84
T. Rowe Price Retirement 2010 Adv	PARAX	0.85	0.85
<b>TARGET DATE 2011-2015</b>		<b>CATEGORY MEAN EXPENSE: 0.94</b>	
T. Rowe Price Retirement 2015 Adv	PARHX	0.90	0.90
<b>TARGET DATE 2016-2020</b>		<b>CATEGORY MEAN EXPENSE: 0.98</b>	
T. Rowe Price Retirement 2020 Adv	PARBX	0.94	0.94
<b>TARGET DATE 2021-2025</b>		<b>CATEGORY MEAN EXPENSE: 0.96</b>	
T. Rowe Price Retirement 2025 Adv	PARJX	0.97	0.97
<b>TARGET DATE 2026-2030</b>		<b>CATEGORY MEAN EXPENSE: 1.03</b>	
T. Rowe Price Retirement 2030 Adv	PARCX	1.00	1.00
<b>TARGET DATE 2031-2035</b>		<b>CATEGORY MEAN EXPENSE: 0.99</b>	
T. Rowe Price Retirement 2035 Adv	PARKX	1.02	1.02

Target Date Fund Name	Ticker	Net expense ratio	Gross expense ratio
<b>TARGET DATE 2036-2040</b>		<b>CATEGORY MEAN EXPENSE: 1.05</b>	
T. Rowe Price Retirement 2040 Adv	PARDX	1.03	1.03
<b>TARGET DATE 2041-2045</b>		<b>CATEGORY MEAN EXPENSE: 1.01</b>	
T. Rowe Price Retirement 2045 Adv	PARLX	1.03	1.03
<b>TARGET DATE 2046-2050</b>		<b>CATEGORY MEAN EXPENSE: 1.05</b>	
T. Rowe Price Retirement 2050 Adv	PARFX	1.03	1.03
<b>TARGET DATE 2051+</b>		<b>CATEGORY MEAN EXPENSE: 0.97</b>	
T. Rowe Price Retirement 2055 Adv	PAROX	1.03	1.03

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The gross expense ratio is the fund's total annual operating costs, expressed as a percentage of the fund's average net assets over a given time period. The net expense ratio is the expense ratio after the application of any waivers or reimbursement. Category mean expense is calculated by using prospectus net expense ratios for all funds within the identified category universe. Please carefully read the fund prospectus for this and other important information.



# TARGET DATE QUADRANTS DEFINED



## NW

### QUADRANT CHARACTERISTICS:

- Lower equity level at target date
- Higher number of asset classes tend to include a higher number of extended asset classes

### INVESTMENT ORIENTATION:

- Focus on ensuring income replacement at retirement.
- Focus on managing volatility more efficiently.
- Believe higher diversification can potentially create more optimal portfolios.

### PLAN PROFILE:

- Seek to maximize participants' savings to retirement
- May have participants who exhibit typical savings behavior
- Prefer target date strategies that seek to minimize downside risk
- Believe broad diversification may improve portfolio outcomes
- Believe diversification can be achieved by extending beyond traditional asset classes

## NE

### QUADRANT CHARACTERISTICS:

- Higher equity level at target date
- Higher number of asset classes-tend to include a higher number of extended asset classes

### INVESTMENT ORIENTATION:

- Focus on managing longevity risk post-retirement
- Focus on managing growth more efficiently
- Believe higher diversification can potentially create more optimal portfolios

### PLAN PROFILE:

- Seek to maximize participants' savings throughout their lifetimes
- May have participants who more closely exhibit optimal behavior
- Prefer target date strategies that seek to maximize upside return potential
- Believe broad diversification may improve portfolio outcomes
- Believe diversification can be achieved by extending beyond traditional asset classes

## SW

### QUADRANT CHARACTERISTICS:

- Lower equity level at target date
- Lower number of asset classes-tend to maintain focus on core asset classes

### INVESTMENT ORIENTATION:

- Focus on ensuring income replacement at retirement
- Focus on managing volatility
- Believe lower diversification can provide appropriate levels of portfolio optimization

### PLAN PROFILE:

- Seek to maximize participants' savings to retirement
- May have participants who exhibit typical savings behavior
- Prefer target date strategies seeking to minimize downside risk
- Believe broad diversification may not improve portfolio outcomes
- Believe diversification can be achieved primarily with traditional asset classes, such as stocks, bonds and cash

## SE

### QUADRANT CHARACTERISTICS:

- Higher equity level at target date
- Lower number of asset classes-tend to maintain focus on core asset classes

### INVESTMENT ORIENTATION:

- Focus on managing longevity risk post-retirement
- Focus on managing growth
- Believe lower diversification can provide appropriate levels of portfolio optimization

### PLAN PROFILE:

- Seek to maximize participants' savings throughout their lifetimes
- May have participants who more closely exhibit optimal behavior
- Prefer target date strategies seeking to maximize upside return potential
- Believe broad diversification may not improve portfolio outcomes
- Believe diversification can be achieved primarily with traditional asset classes, such as stocks, bonds and cash

FUND PERFORMANCE - Performance data is total return, and is preliminary and subject to revision.

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STANDARD DEVIATION: The standard deviation is a gauge of the variance of a manager's return over its average or mean. Statistically, it is the square root of the variance. Because it measures total variation of the return, standard deviation is a measure of total risk, unlike beta, which measures only market risk. Investors use the standard deviation to try to predict the range of returns that is most likely for a given investment. When a portfolio has a high standard deviation, the predicted range of performance is wide, implying greater volatility. The converse, a low standard deviation, implies that the portfolio will exhibit lower volatility.

SHARPE RATIO: Measures a manager's excess return over the risk-free rate of return (normally the cash return), divided by the standard deviation. It is a statistical measure that incorporates return and risk into a single number. The ratio describes how much excess return you are receiving for the extra volatility that you endure for holding a riskier asset. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance.

INFORMATION RATIO: A risk-adjusted performance measure defined as excess return divided by tracking error. Information ratio is a special version of the Sharpe Ratio where the benchmark does not have to be the risk-free rate. Since this ratio considers the annualized standard deviation of both series (measures of risks inherent in owning either a portfolio or the benchmark), the ratio shows the risk-adjusted excess return of the portfolio over the benchmark. The higher the Information Ratio, the higher the excess return of a portfolio given the amount of risk involved.

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U.S. Patents No. 8,255,308; 8,386,361 and patent(s) pending for Target Date Compass