



# Plan Investments Report

## Criteria Instruction Form

**Client Name:**

**Date:**

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The report shows how funds have performed measured against certain Morningstar, Inc. metrics, and can be used by plan sponsors to evaluate funds made available by their retirement plan. The plan sponsor may change the metrics measured in the report at any time.

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ICMA-RC's role with respect to the Plan Investments Review Report is to provide administrative and clerical support by serving as the interface between the plan sponsor and UpTick Data Technologies. ICMA-RC associates will be able to provide factual information about the contents of the report, including the different metrics that can be used, but cannot advise the plan sponsor on the selection or retention of any particular funds or investment options.

## INSTRUCTIONS

- 1** Select up to 12 metrics for which you want fund adherence reported by either:
  - a) clicking on the Peer Group Median or Percentile Rank box of a metric, or
  - b) entering a value for metrics that do not have Peer Group Median or Percentile Rank boxes.
- 2** The default value of the Percentile Rank on which funds would be measured can be customized as follows:
  - a) The Percentile Rank on which funds would be measured can be changed to the plan's specifications. For example, the one-year Percentile Rank default of 50% can be modified to 75% (which would measure whether the fund is in the top 75 percent of its peers for that period).
  - b) The metric can be measured either a) on a greater than/equal to or less than/equal basis. To change the default, click on the box and select the alternative from a drop down menu.
- 3** Return this form by email to your ICMA-RC Director of Strategic Relations or Regional Vice President.

**1. ANNUALIZED PERFORMANCE****1.1 ANNUALIZED PERFORMANCE IN MORNINGSTAR CATEGORY**

		≤ or ≥	Peer Group Median	Percentile Rank	Value (default = 50)
1.1.1	1 Month		<input type="checkbox"/>	<input type="checkbox"/>	
1.1.2	3 Month		<input type="checkbox"/>	<input type="checkbox"/>	
1.1.3	6 Month		<input type="checkbox"/>	<input type="checkbox"/>	
1.1.4	YTD		<input type="checkbox"/>	<input type="checkbox"/>	
1.1.5	1 Year		<input type="checkbox"/>	<input type="checkbox"/>	
1.1.6	3 Year		<input type="checkbox"/>	<input type="checkbox"/>	
1.1.7	5 Year		<input type="checkbox"/>	<input type="checkbox"/>	
1.1.8	10 Year		<input type="checkbox"/>	<input type="checkbox"/>	

**1.2 ANNUALIZED PERFORMANCE VS. MORNINGSTAR CATEGORY BENCHMARK**

			Benchmark Value (YES or NO)	
1.2.1	1 Year		<input type="checkbox"/> YES	<input type="checkbox"/> NO
1.2.2	3 Year		<input type="checkbox"/> YES	<input type="checkbox"/> NO
1.2.3	5 Year		<input type="checkbox"/> YES	<input type="checkbox"/> NO
1.2.4	10 Year		<input type="checkbox"/> YES	<input type="checkbox"/> NO

**2. PERFORMANCE CONSISTENCY****2.1 UP MARKET CAPTURE RATIO**

		≤ or ≥	Peer Group Median	Percentile Rank	Value (default = 50)
2.1.1	3 Year Up Market Capture Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
2.1.2	5 Year Up Market Capture Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
2.1.3	10 Year Up Market Capture Ratio		<input type="checkbox"/>	<input type="checkbox"/>	

**2.2 DOWN MARKET CAPTURE RATIO**

		≤ or ≥	Peer Group Median	Percentile Rank	Value (default = 50)
2.2.1	3 Year Down Market Capture Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
2.2.2	5 Year Down Market Capture Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
2.2.3	10 Year Down Market Capture Ratio		<input type="checkbox"/>	<input type="checkbox"/>	

**3. RISK****3.1 BATTING AVERAGE**

		≤ or ≥	Peer Group Median	Percentile Rank	Value (default = 50)
3.1.1	3 Year Batting Average		<input type="checkbox"/>	<input type="checkbox"/>	
3.1.2	5 Year Batting Average		<input type="checkbox"/>	<input type="checkbox"/>	
3.1.3	10 Year Batting Average		<input type="checkbox"/>	<input type="checkbox"/>	

**3.2 BETA**

		≤ or ≥	Peer Group Median	Percentile Rank	Value (default = 50)
3.2.1	3 Year Beta		<input type="checkbox"/>	<input type="checkbox"/>	
3.2.2	5 Year Beta		<input type="checkbox"/>	<input type="checkbox"/>	
3.2.3	10 Year Beta		<input type="checkbox"/>	<input type="checkbox"/>	

**3.3 TREYNOR RATIO**

		≤ or ≥	Peer Group Median	Percentile Rank	Value (default = 50)
3.3.1	3 Year Treynor Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
3.3.2	5 Year Treynor Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
3.3.3	10 Year Treynor Ratio		<input type="checkbox"/>	<input type="checkbox"/>	

Criteria Options (Check or Enter Value)*					
<b>3.4 STANDARD DEVIATION</b>		≤ or ≥	Peer Group Median	Percentile Rank	Value (default = 50)
3.4.1	3 Year Standard Deviation		<input type="checkbox"/>	<input type="checkbox"/>	
3.4.2	5 Year Standard Deviation		<input type="checkbox"/>	<input type="checkbox"/>	
3.4.3	10 Year Standard Deviation		<input type="checkbox"/>	<input type="checkbox"/>	
<b>3.5 STANDARD DEVIATION VS. CATEGORY BENCHMARK</b>		Benchmark Value (Yes or No)			
3.5.1	3 Year		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
3.5.2	5 Year		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
3.5.3	10 Year		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
<b>4. RISK ADJUSTED PERFORMANCE</b>					
<b>4.1 ALPHA</b>		≤ or ≥	Peer Group Median	Percentile Rank	Value (default = 50)
4.1.1	3 Year Alpha		<input type="checkbox"/>	<input type="checkbox"/>	
4.1.2	5 Year Alpha		<input type="checkbox"/>	<input type="checkbox"/>	
4.1.3	10 Year Alpha		<input type="checkbox"/>	<input type="checkbox"/>	
<b>4.2 INFORMATION RATIO</b>		≤ or ≥	Peer Group Median	Percentile Rank	Value (default = 50)
4.2.1	3 Year Information Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
4.2.2	5 Year Information Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
4.2.3	10 Year Information Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
<b>4.3 SHARPE RATIO</b>		≤ or ≥	Peer Group Median	Percentile Rank	Value (default = 50)
4.3.1	3 Year Sharpe Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
4.3.2	5 Year Sharpe Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
4.3.3	10 Year Sharpe Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
<b>4.4 SHARPE RATIO VS. MORNINGSTAR CATEGORY BENCHMARK</b>		Benchmark Value (Yes or No)			
4.4.1	3 Year		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
4.4.2	5 Year		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
4.4.3	10 Year		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
<b>4.5 SORTINO RATIO</b>		≤ or ≥	Peer Group Median	Percentile Rank	Value (default = 50)
4.5.1	3 Year Sortino Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
4.5.2	5 Year Sortino Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
4.5.3	10 Year Sortino Ratio		<input type="checkbox"/>	<input type="checkbox"/>	
<b>5. STYLE</b>					
<b>5.1 R-SQUARED</b>		≤ or ≥	Peer Group Median	Percentile Rank	Value (default = 50)
5.1.1	3 Year R-Squared		<input type="checkbox"/>	<input type="checkbox"/>	
5.1.2	5 Year R-Squared		<input type="checkbox"/>	<input type="checkbox"/>	
5.1.3	10 Year R-Squared		<input type="checkbox"/>	<input type="checkbox"/>	
<b>5.2 TRACKING ERROR</b>		≤ or ≥	Peer Group Median	Percentile Rank	Value (default = 50)
5.2.1	3 Year Tracking Error		<input type="checkbox"/>	<input type="checkbox"/>	
5.2.2	5 Year Tracking Error		<input type="checkbox"/>	<input type="checkbox"/>	
5.2.3	10 Year Tracking Error		<input type="checkbox"/>	<input type="checkbox"/>	

**6. CATEGORY ASSIGNMENT****6.1 MORNINGSTAR CATEGORY CHANGE**

Enter Y for Pass / N for Fail

6.1.1 Previous 12 months =  YES  NO**7. RATINGS****7.1 MORNINGSTAR RATING**

Enter a Value (1-5)

7.1.1 Overall ≥

7.1.2 3 Year ≥

7.1.3 5 Year ≥

7.1.4 10 Year ≥

**8. EXPENSES**

≤ or ≥ Peer Group Median Percentile Rank Value (default = 50)

8.1 Gross Expense Ratio  8.2 Net Expense Ratio  8.3 Management Fee  8.4 Front Load  8.5 Deferred Load  8.6 Redemption Fee  8.7 12b-1 Fee  **9. PORTFOLIO**

≤ or ≥ Peer Group Median Percentile Rank Value (default = 50)

9.1.1 Turnover Ratio  9.1.2 % Assets in Top 10 Holdings  **MANAGEMENT**

≤ or ≥ Enter Value

9.2.1 Total Assets

9.2.2 Years Since Inception

9.2.3 Manager Tenure

Enter Y / N

9.3.1 Closed to New Investors =  YES  NO9.3.2 Closed to All Investors =  YES  NO

# GLOSSARY

**Alpha:** 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.

**Batting Average:** a measure of a manager's ability to consistently beat the market. It is calculated by dividing the number of months in which the manager beat or matched an index by the total number of months in the period. For example, a manager who meets or outperforms the market every month in a given period would have a batting average of 100. A manager who beats the market half of the time would have a batting average of 50.

**Beta:** a measure of a portfolio's sensitivity to market movements. The beta of the market is 1.00 by definition. Morningstar calculates beta by comparing a portfolio's excess return over T-bills to the benchmark's excess return over T-bills, so a beta of 1.10 shows that the portfolio has performed 10% better than its benchmark in up markets and 10% worse in down markets, assuming all other factors remain constant. Conversely, a beta of 0.85 indicates that the portfolio's excess return is expected to perform 15% worse than the benchmark's excess return during up markets and 15% better during down markets.

**Down Market Capture Ratio:** measures manager's performance in down markets. A down-market is defined as those periods (months or quarters) in which market return is less than 0. In essence, it tells you what percentage of the down-market was captured by the manager. For example, if the ratio is 110%, the manager has captured 110% of the down-market and therefore underperformed the market on the downside.

**Information Ratio:** a risk-adjusted performance measure. The information ratio is a special version of the Sharpe Ratio in that the benchmark doesn't have to be the risk-free rate.

**Peer Group Median:** comparison of the investment versus the peer group's median. The median is the number in the middle of a set of numbers; that is, half the numbers have values that are greater than the median, and half have values that are less.

**Percentile Rank:** is a standardized ranking. The first (best) observation is ranked observation with largest numerical value is ranked one; the worst one with smallest numerical value is ranked 100. The rest of the observations are placed an equal distance from each other.

**R-Squared:** reflects the percentage of a portfolio's movements that can be explained by movements in its benchmark.

**Sharpe Ratio:** 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. The Sharpe Ratio can be used to compare two portfolios directly with regard to how much excess return each portfolio achieved for a certain level of risk. Morningstar first calculates a monthly Sharpe Ratio and then annualizes it to put the number in a more useful one-year context.

**Sortino Ratio:** similar to Sharpe Ratio except it uses downside risk (Downside Deviation) in the denominator. It was developed in early 1980's by Frank Sortino. Since upside variability is not necessary a bad thing, Sortino ratio is sometimes more preferable than Sharpe ratio.

**Standard Deviation:** 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. If the returns for a stock or portfolio follow a normal distribution, then approximately 68 percent of the time they will fall within one standard deviation of the mean return, and 95 percent of the time within two standard deviations. For example, if the mean annual return is 10 percent and the standard deviation is 2 percent, you would expect the return to be between 8 and 12 percent about 68 percent of the time, and between 6 and 14 percent about 95 percent of the time."

**Tracking Error:** A measure of the volatility of excess returns relative to a benchmark.

**Treynor Ratio:** measurement of efficiency utilizing the relationship between annualized risk-adjusted return and risk. Unlike Sharpe Ratio, Treynor Ratio utilizes "market" risk (beta) instead of total risk (standard deviation). Good performance efficiency is measured by a high ratio.

**Up Market Capture Ratio:** measures a manager's performance in up markets relative to the market (benchmark) itself. It is calculated by taking the security's upside capture return and dividing it by the benchmark's upside capture return.