OTHER POST-EMPLOYMENT BENEFITS (OPEB) BOARD AGENDA

NOVEMBER 13, 2014 - 11:00 A.M.

CITY HALL CONFERENCE ROOM
15 LOOCKERMAN PLAZA
DOVER, DELAWARE

Public comments are welcomed on any item and will be permitted at appropriate times. When possible, please notify the City Clerk (736-7008 or e-mail at CityClerk@dover.de.us) should you wish to be recognized.

AGENDA ADDITIONS/DELETIONS

1. Adoption of Minutes - OPEB Board Meeting of August 14, 2014

2. Quarterly Performance Review *(Quarter Ending September 30, 2014) (Milliman, Inc.)*
   (Staff Recommends Acceptance of the Report)

3. Update on Pacific Investment Management Company (PIMCO) *(Milliman, Inc.)*

4. Adjournment by 11:55 a.m.

TO ASSURE THAT THERE WILL BE A QUORUM,
PLEASE RSVP BY CONTACTING THE CITY CLERK'S OFFICE
BY EMAIL AT CITYCLERK@DOVER.DE.US OR BY CALLING 736-7008
AS SOON AS POSSIBLE.

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THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) BOARD

The Other Post-Employment Benefits (OPEB) Board meeting was held on August 14, 2014 at 11:06 a.m with Chairwoman Mitchell presiding. Members present were Mrs. Williams and Mr. Koenig. Mr. Hare and Mrs. Hawkins were absent.

AGENDA ADDITIONS/DELETIONS
By unanimous consent, the agenda was approved as presented.

Adoption of Minutes - OPEB Board Meeting of May 1, 2014
Mr. Koenig moved for adoption of the minutes of the OPEB Board meeting of May 1, 2014, seconded by Mrs. Williams and unanimously carried.

Organizational Issues - Election of Chair
Mrs. Mitchell opened the floor for nominations for Chair of the OPEB Board.

Mr. Koenig moved to nominate Mrs. Mitchell to serve as Chair. The motion failed for lack of a second.

Mrs. Mitchell moved to nominate Mr. Koenig to serve as Chair, seconded by Mrs. Williams.

By unanimous consent, nominations were closed.

By unanimous consent, Mr. Koenig was elected to serve as Chair of the OPEB Board.

Quarterly Performance Review *(Quarter Ending June 30, 2014)*/Investment Manager *Recommendations (Milliman, Inc.)*
Mr. Jeff Marzinsky, Principal and Employee Benefits Consultant, Milliman, Inc., reviewed the Board Meeting Notes dated August 14, 2014, Mr. Marzinsky advised members that plan assets totaled approximately $18.3M, an increase from $16.8M at the end of the previous quarter, noting that contributions had been made to the fund. He indicated that performance for the quarter was approximately 4%, which was in line with the plan benchmark performance of 4.41%. Mr. Marzinsky explained that returns for the quarter were slightly low as some cash was held because of contributions made; however, since funds were now fully invested, it was expected that current returns would be generally in line with targets. The return for the last one (1) year period was approximately 15%. As discussed during the Board's previous meeting held on May 1, 2014, Mr. Marzinsky stated that the portfolio was slightly more conservative compared to "the middle of the road." Members were advised that the plan's asset allocation was in line with the allocation targets and that funds are rebalanced to the approximate asset allocation each quarter or when contributions are made to the plan.

In response to Mrs. Williams regarding why the portfolio was heavily invested in Vanguard funds, Mr. Marzinsky stated that expenses for Vanguard's actively managed funds are generally slightly lower compared to other managers and Vanguard is the standard for index funds.

Mr. Marzinsky reviewed the Quarterly Investment Monitor - Summary Report for the Quarter Ending June 30, 2014. Referring to Page 3, Market Indices - 2nd Quarter 2014, he explained that

overall and fixed income markets for the year to date had been "pretty good." Interest rates had fallen since the beginning of the year and some of the issues seen in emerging markets internationally were beginning to resolve. Mr. Marzinsky stated that the Federal Reserve had indicated that they would monitor the strength of the U.S. economy and keep interest rates low. Long-term bonds were at approximately 3% - 4% and short-term bonds at approximately 0% - 2%.

In reference to Page 9 - Asset Allocation, Mr. Marzinsky advised members that allocations were generally in line with targets.

Responding to Mrs. Williams regarding the amount of funds that the City invests in the plan, Mrs. Mitchell stated that the City invests a percentage of payroll, which varies according to the specific City Fund, e.g., approximately 60% of payroll is invested from the Electric Fund. She stated the dollar amount was approximately $831,000 for the quarter ending June 30, 2014 and $2.7M for FY 2014.

Mr. Koenig confirmed that $2.7M was contributed for the year, noting that the return was approximately 15%.

Mr. Marzinsky stated that the funded status of the plan was improving when the contributions and positive return were considered.

Mrs. Mitchell advised members that payments for retiree health care premiums are made from the City's cash account rather than from plan investments.

Responding to Mrs. Williams regarding the actual return on the plan, Mr. Marzinsky explained, for example, that if a contribution is made on the fifth day of the month, its return is counted on the day this activity happens. Since newly invested contributions are time weighted, 15% was the actual return for the fund last year.

Referring to Page 10 - Investment Policy Review - Active Management, Mr. Marzinsky explained that it was desired for funds to rank from 0 - 50 and to have a return in excess of their indices. Generally, funds met these goals, and some ranked in the top 3% - 5%, including the Oppenheimer International Growth Y Fund. He noted that the Target Small Capitalization Value T Fund was slightly more conservative and diversified than other funds and showed slight underperformance; however, its relative standard deviation of 0.91 indicated that this fund was less risky than the market index, and three (3) year Alpha and Sharpe values showed good manager effectiveness. Other investments ranked in the top half or better in their categories. Mr. Marzinsky stated that there were no recommendations for changes in the plan at this time.

In reference to Page 12 - Investment Option Return Summary, Mr. Marzinsky informed members that the Net Return revealed an approximate 4% return for the quarter, 6.5% for the year to date, 15% for the last year, and over 8% for the last three (3) years, which he stated were "pretty good" returns.

Annual Review of Investment Policy

Mr. Jeff Marzinsky, Principal and Employee Benefits Consultant, Milliman, Inc., reviewed the draft Investment Policy Statement - City of Dover OPEB Board, August 2014, which he stated had been

prepared by streamlining the Board's current policy. He explained that the policy defined the roles and responsibilities of the Board, the investment consultant, and the plan custodian and would also serve as an instruction manual for the Board on managing fund assets. Mr. Marzinsky advised members that the policy statement defined objectives; stated how assets will be invested, managers selected and monitored, and allocations developed; and established a formal policy for monitoring performance and the development of quarterly reports. It also established a timeline for the performance expectations of the plan.

Mrs. Mitchell advised members that she had compared the August 2014 draft policy with the City's current policy, as well as the draft Investment Policy Statement provided by Mr. Marzinsky during the Board's meeting held on May 1, 2014. In her opinion, the August 2014 draft streamlined and clarified the policy and was a much better document than the current policy, which was developed by Peirce Park Group, the City's previous investment manager, approximately five (5) years ago.

Mr. Marzinsky explained that the Investment Policy Statement defined the policies and procedures of the Board and the Strategic Asset Allocation Policy was Appendix A to the document. If the Board opted to change fund asset allocations, these changes would need to be made only to Appendix A, not the body of the policy.

Mrs. Williams inquired if the City's financial status would be impacted by the procedure and policy portion of the document if the financial climate became better or worse. Responding, Mr. Marzinsky stated that the investment guidelines contained in the main body of the policy would be used to invest contributions appropriately regardless of the financial climate.

Mrs. Mitchell informed members that the policy would be reviewed annually in August. Referring to Page 3 - Section II. Statement of Objectives - Item #9, she explained that members of the Civilian and Police Pension Boards, who had reviewed similar investment policies during their meetings held earlier in the day, were not comfortable with the stated objective to "Attain a funded status such that the employer has the option to terminate the plan if deemed appropriate," and amended this to read "Attain a funded status such that the employer has the option to discontinue contributions if the plan is fully funded and deemed appropriate."

Mrs. Williams felt that this objective would place control of the plan with bureaucracy, rather than elected officials who have final fiduciary responsibility. She expressed her discontent with the formation of the Board, which she felt was not balanced properly in that there were two (2) Council members and three management representatives.

Mr. Koenig stated that all union contracts allow for retirement health care; therefore, the City could not terminate the plan.

Mrs. Williams stated that if the plan were not funded, it would be essentially terminated. She felt that elected officials, by the City's charter, should have final responsibility in determining what happens to the operating assets of the City. Responding, Mr. Koenig stated that this fund was not an asset of the City but rather a trust fund. He explained that Council has the authority to adopt a

budget which indicates that an amount of money will be transferred to this trust fund; however, Council does not have the authority to close the trust and if Council did not fund it, there would be a legal claim from those involved in the trust.

Mr. Marzinsky stated that the plan funds benefits to employees which are guaranteed and would have to be paid, whether or not funds were available in the trust, possibly out of operating assets.

Mr. Koenig stated that the trust was created to show that the City was addressing the unfunded liability for OPEB, as required by Generally Accepted Accounting Principles (GAAP); therefore, there was a fiduciary responsibility on Council's part to fund the trust to offset the liability.

Mrs. Williams questioned if these funds could be accessed in a forced choice, if all of the current beneficiaries were paid out and Council needed the money for the City's survival. Responding, Mrs. Mitchell stated that funds cannot be taken out once placed in the trust.

Mr. Marzinsky questioned if new beneficiaries were entering this plan. Mrs. Mitchell responded affirmatively and noted that this would continue as long as new employees continued to receive a retirement benefit.

Mrs. Williams stated that she had changed her opinion regarding the Board's structure and, since Council's responsibility was to fund the plan, the OPEB fund should be more controlled by staff.

Mrs. Mitchell moved to change the wording of Section II. Statement of Objectives, Item #9 to read, "Attain a funded status such that the employer has the option to discontinue contributions to the plan if deemed appropriate and fully funded.

Mrs. Williams requested that the motion be amended to remove the phrase "fully funded" and Mrs. Mitchell concurred.

Mrs. Mitchell moved to amend Section II. Statement of Objectives, Item #9 of the City of Dover OPEB Board Investment Policy Statement to read, as follows: "Attain a funded status such that the employer has the option to terminate the plan if deemed appropriate", seconded by Mrs. Williams and unanimously carried.

Mr. Marzinsky reiterated that Pages 1-14 of the policy included operational and procedural language and, if approved, this portion of the document would remain standard unless different oversight or monitoring methods were required by the government. Appendix A would be revised if there were asset allocation changes.

Responding to Mrs. Williams regarding the entity responsible for asset allocation, Mrs. Mitchell stated that Council had the authority to set up the plan and establish the benefit levels; however, management and allocation of the assets were the responsibility of the Board.

Responding to Mrs. Williams, Mr. Koenig stated that the policy would be signed by the Board Chairperson.

Mrs. Mitchell moved for adoption of the Investment Policy Statement, as amended, *(Attachment #1)*, seconded by Mr. Koenig and unanimously carried.

Mr. Marzinsky reviewed the City of Dover, Delaware Other Postemployment Benefit (OPEB) Asset Allocation Study - July 2014, that was included with the Quarterly Investment Monitor - Summary Report for the Quarter Ending June 30, 2014. He explained that members had previously discussed the possibility of changing the plan's asset allocation to attempt to achieve a higher level of return. Referring to Page 2, Optimization Input Review, he informed members that, at least annually, Milliman, Inc. sets return expectations for the various asset classes. An expected level of risk is also established, and this is reflected in the Annual Standard Deviation. For example, he explained that emerging markets are expected to return approximately 11%, with an annual standard deviation of 30.05; consequently, the risk component could result in a return of approximately 40% or could decline to -20%. Mr. Marzinsky indicated that, in developing a portfolio, assets are mixed to obtain an acceptable rate of return and level of risk. Referring to Page 3 - Input Correlation, he stated that this information reflected how likely different assets are to move up or down at the same time, noting that the goal is to obtain a mix of investments.

In reference to Page 4 - Individual Constraints and Group Constraints, Mr. Marzinsky stated that minimum and maximum limitations are set so that funds are not fully invested in any one (1) category and a good mix is obtained.

Referring to Page 5 - Portfolio Options, Mr. Marzinsky explained that the fund's Current Asset Allocation of approximately 60% stocks and 40% bonds had an expected return of approximately 6.67% for the year. Noting that the plan's one (1) year return through June 30, 2014 was approximately 15%, he stated that the plan was exceeding this benchmark. He noted that the expected return was considered when developing actuarial projections and that approximately 7% - 7.5% was used for actuarial purposes. The expected return of 6.67% was slightly less; however, he noted that expectations for equities had been lowered since the markets had risen over the last few years and equities could not be anticipated to continue to rise indefinitely. Mr. Marzinsky stated that he developed three (3) alternative sample portfolios that could potentially increase returns but would also increase volatility and therefore risk. He questioned members if there was interest in adjusting the asset allocation or leaving it at the current level.

Mrs. Williams expressed concern with a more aggressive portfolio since she believed that most corporate and small business employers were waiting for the current administration in Washington, D. C. to leave office before making investments. She stated her preference to remain conservative for the next year. She felt that there could be a surge in the market in the future since companies had been sitting on cash for some time, depending on the next administration.

Mr. Marzinsky confirmed that many companies were holding onto cash and not making investments, although they were paying some dividends.

Mrs. Mitchell advised members that during meetings held earlier in the day, the Civilian Pension Board selected Sample Portfolio #1, which would modestly increase equities from 60% to approximately 67% and reduce fixed income from approximately 40% to 33% to try to attain the

actuarial assumption rate of return and improve the funded level of the plan. She stated that the Police Pension Board had opted to not make any change at this time since their Chairman was not present.

Mr. Koenig stated his preference for Sample Portfolio #2.

Mrs. Mitchell indicated that she favored Sample Portfolio #1.

Mrs. Williams stated that she preferred not to make any change from the current portfolio.

Mr. Marzinsky reminded members that asset categories and investments were not locked in and could be changed at the next meeting if desired.

Responding to Mr. Koenig regarding when payments would be made from the fund, Mrs. Mitchell stated that OPEB payments were already being made; however, they are made from the City's operating funds and the remaining contributions are invested through Milliman, Inc.

Mr. Koenig expressed his opinion that the investment cycle was on the upswing. He felt, personally, that Sample Portfolio #2 should be selected since only $18M had been set aside for the $100M OPEB liability. It was his belief that the Board should adopt a portfolio that was more aggressive; however, stated that he would concur with adopting Sample Portfolio #1 as a "middle ground."

Mrs. Mitchell moved to adopt Sample Portfolio #1, seconded by Mr. Koenig, and carried by a roll call vote of two (2) yes (Mitchell and Koenig) and one (1) no (Williams). *(City Clerk's Office Note: The City of Dover OPEB Board Strategic Asset Allocation Policy is Appendix A to the Investment Policy Statement.)*

Future Meeting Dates

Mrs. Donna Mitchell, Controller/Treasurer, moved for approval of the proposed meeting dates, as follows: November 14, 2014; February 12, 2015; May 14, 2015; and August 13, 2015, seconded by Mr. Koenig and unanimously carried. *(City Clerk's Office Note: All meetings were intended to be scheduled for the second Thursday of the month, according to the Board's previous practice. The November date was listed as the 14th due to a typographical error and the meeting was subsequently scheduled for November 13, 2014.)*

Mrs. Williams moved for adjournment, seconded by Mr. Koenig and unanimously carried.

Meeting adjourned at 11:58 a.m.

Scott D. Koenig
Chairman

SK/JS/dd
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Attachment
Attachment #1 - Investment Policy Statement - City of Dover OPEB Board - August 2014

INVESTMENT POLICY STATEMENT

CITY OF DOVER OPEB BOARD

August 2014

INVESTMENT POLICY STATEMENT

CITY OF DOVER OPEB PLAN

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I. PURPOSE & BACKGROUND

The City of Dover OPEB Plan is a post retirement employee benefit program established for the purpose of funding retiree health care and life insurance as provided for in Article VI of Chapter 2 of the City Ordinances. The OPEB fund shall constitute a trust fund that shall be separate and distinct from all other funds, including the pension funds established by Article IV of Chapter 2 (General Employee Pension Plan) and Article III of Chapter 62 (OPEB Plan) of the City Ordinances (City Code).

The purpose of this Investment Policy Statement ("IPS") is to assist the participants of the plan who serve as members of the OPEB Board of the City of Dover ("Board") under Section 2-202 of the City of Dover Code of Ordinances, this Investment Policy Statement ("Statement") presents investment objectives, policies, guidelines, and monitoring and review procedures relating to financial assets (the "Fund") of the City of Dover OPEB Plan ("Plan").

The IPS will function to:

1. State in a written document the Board's expectations, objectives, and guidelines for the investment of Plan assets which the Board judges to be appropriate and prudent, in consideration of the needs of the Plan.
2. Define and assign the responsibilities for the oversight of the Plan's assets.
3. Set forth an investment structure for managing Plan assets. This structure will help to define asset class, Investment Manager styles, asset allocation and acceptable ranges that, combined, will help to generate the risk/return profile needed to meet the objectives of this policy.
4. Encourage effective communication between the Board and the Investment Consultant, as well as any other interested parties.
5. Establish formalized performance criteria that the Investment Managers selected are expected to meet and against which they are to be measured on a regular basis.
6. Serve as a review document to guide Board and Investment Consultant oversight of the investment options of the Plan's assets.
7. Establish the relevant investment time horizon, risk tolerances and performance expectations of the Plan assets and the Board.

II. STATEMENT OF OBJECTIVES

The assets of the Plan are invested under the supervision of the Board.

After reviewing expected short-term and long-term cash flow requirements of the plan, as well as considering the investment time horizon and risk tolerance level believed to be appropriate for the invested assets, the following set of objectives has been established:

1. Preservation of capital.

2. Pay all benefit and expense obligations when due.

3. Achieve a funding cushion to reduce the impact of possible future downturns in the plan's funded status.

4. Achieve or exceed actuarial earnings assumptions.

5. If applicable, effectively manage the funded status volatility and mitigate undue risk exposure under a Liability Driven Investment (LDI) strategy. The approach can assist in managing interest rate and inflationary risks.

6. Control risk exposure through reasonable and rational diversification of the assets into various asset classes.

7. Establish policies based on total return and expected projected payouts rather than current income.

8. Contain costs of administering and managing the portfolio.

9. Attain a funded status such that the employer has the option to discontinue contributions to the plan if deemed appropriate.

III. CONTROL PROCEDURES & RESPONSIBILITIES

Disclosure

Any member of the Board, Custodian/Directed Trustee or Investment Consultant must make full disclosure of any potential conflicts of interest, including any financial gain that may be received as a result of investment decisions made by those entities, which may be required by applicable law. This disclosure should be made before the investment of the plan assets governed by this Investment Policy Statement. Disclosure should be in written form and presented to the members of the Board.

Delegation of Authority and Responsibilities

The Board is charged under Section 18-51 of the City of Dover Code of Ordinances with overall responsibility for investment of the Fund. To assist the Board in this function, it is authorized and permitted by said Ordinances to appoint an Investment Advisor, Investment Manager or IM(s), including for this purpose banks, insurance companies, and firms registered under the Investment Advisers Act of 1940 and/or Delaware State law, to manage (including the power to acquire and dispose of) Plan assets. Any appointed Investment Advisor must agree to conduct itself in accordance with all applicable City of Dover Ordinances.

The Board shall be responsible for approving any changes to this Investment Policy Statement, and shall be responsible for reviewing the implementation of the Investment Policy Statement not less frequently than annually.

These responsibilities include, but are not limited to:

Board The Board will be responsible for establishing investment objectives, investment policy and monitoring and review procedures. The establishment of standards for measuring, monitoring, evaluating and comparing absolute and relative investment performance to assure that investment returns are reviewed on a regular basis and investment return objectives are met during acceptable periods of time. The establishment of authorization, reporting, control, review and general governance procedures to assure that investment policies and guidelines are reviewed on a regular basis and conformed to at all times. All modifications of policies and/or guidelines shall be in writing, signed by all Board members, and delivered on a timely basis to any IM and/or Custodian affected by such changes. The establishment of, through contractual relationships with recognized and carefully selected professional organizations, or by alternative means satisfactory to the Board, a retirement plan management structure which will assure appropriate investment management, custody, and surveillance or compliance procedures to meet investment objectives in conformity with the Board's stated investment policies and guidelines. The Board will have discretion to select, add, replace or remove Investment Managers that will be used to meet the Plan's investment objectives, consistent with the recommendations and advice of the Investment Consultant.

Investment Consultant The Investment Consultant will be responsible for: providing recommendations to the Board for the selection of Investment Managers and appropriate asset allocation, consistent with the Investment Policy Statement objectives and guidelines; reviewing the performance of such Investment Managers over time; periodically reviewing and providing recommendations to the Board for revisions to the Investment Policy Statement; and other tasks as deemed appropriate by the Board. The Investment Consultant will act in a non-discretionary capacity.

Custodian/Directed Trustee The Custodian/Directed Trustee appointed by the Board will be responsible for the safekeeping of the fund assets, including all transaction settlements and deliveries and will perform regular accounting of all assets owned, purchased or sold, as well as transactions and movement of assets into and out of the Plan account.

Fund safekeeping and securities settlement procedures shall include direct Custodian participation in one or more appropriate securities depositories (e.g., Depository Trust Company, New York) and, as necessary, correspondent participation in other major depositories (e.g., the Federal Reserve System). The Plan's beneficial ownership of all assets shall be inviolate and in all circumstances perfected. Board or designated IM authority to direct all investment transactions shall similarly be protected.

The Directed Trustee will maintain possession of securities owned by the Plan, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Directed Trustee will also be responsible for the payments to such persons and for such purposes in order to provide benefits to plan participants and the remittance of any tax related payments to the applicable State and Federal bodies.

Fiduciary insurance, and officer liability and omissions and errors insurance coverages, of any Custodian, must meet standards set by the Board from time to time.

Investment Manager(s)
The specific responsibilities of the Investment Manager(s) relating to the investment management of the fund include:

1. Managing the Plan assets under its care, custody, and/or control in accordance with their Investment Policy Statement ('IPS') or Prospectus objectives and guidelines set forth herein.

2. Exercising investment discretion (including holding cash equivalents as an alternative) within their IPS or Prospectus objective and guidelines set forth herein.

3. Promptly communicating all significant and/or material matters and changes pertaining to the investment of Plan assets, including, but not limited to:

    i. Investment strategy.
    ii. Portfolio structure.
    iii. Tactical approaches.
    iv. Ownership.
    v. Organizational structure.

vi. Financial condition.
vii. Professional staff.
viii. All legal material and SEC and other regulatory agency proceedings affecting the firm.

4. Promptly voting all proxies and related actions in a manner consistent with the long-term interests and objectives of the Plan set forth herein. Each manager shall keep detailed records of said voting and proxies and related actions and will comply with all regulatory obligations related thereto.

5. Utilize the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like benefit plans with like aims in accordance and compliance with all applicable laws, rules, and regulations from local, state, and federal political entities as the pertain to fiduciary duties and responsibilities.

The investments should be relatively liquid, or with a reasonable amount of notice, should be capable of liquidating to cash. There should be no fees or penalties for regular trading or liquidation.

IV. INVESTMENT AND ALLOCATION POLICY

***Investment Horizon*:** The investment guidelines are based on the expectation that the investment horizon will be several years in length. Short-term variability in returns should be expected.

Because of this, the Plan's strategic asset allocation is established with moderate to long-term perspective in mind. The Plan is required to pay retirement benefits to participants as they come due. Therefore, sufficient liquid reserves must be available to satisfy this obligation.

1. The actuary will provide future benefit payment amounts, funding and contribution requirements.

2. The plan should hold a portion of assets in short-term and cash holdings to provide for the schedule of future benefit payments.

***Risk Tolerances*:** It is understood by the Board that achieving the Plan's investment objectives is not guaranteed and there will be time periods for which these objectives will not be met. The Board also recognizes that some risk must be assumed to achieve the Plan's investment objectives and accepts the inevitable fluctuations in returns that will occur. While it is understood that a certain level of risk is expected in the Plan's portfolio, the ability to withstand short and intermediate term variability was specifically considered in the development of the IPS risk tolerances. Factors considered were:

1. It is the intention to fund at least the minimum required contribution (MRC) each year providing ample liquidity.
2. Due to the amount of payouts to occur for many years into the future, the Plan's liabilities exhibit a longer duration (sensitivity to changes in interest rates). As a result, extending durations in the fixed income portion of Plan assets should be considered.
3. The cash balance portion of the plan's liabilities grows at the rate of T-bill + 1%. Future liability growth will be factored into all investment decisions.

As a result of the above-named considerations, the Board believes that the Plan can tolerate some interim variability in market value and rates of return in order to achieve its long-term objectives.

Allowable Investments: Cash and Equivalents, Mutual Funds, Separate Accounts, Options and Futures Contracts, Stocks, Bonds, Commingled Funds, and Collective Trusts, Exchange Traded Funds (ETFs)

Liquidity Policy: The trust will be required to provide periodic distributions in the form of retirement benefit payments to participants. The actuary provides annual assessments of the funding requirements and payments necessary to meet the plans benefit obligations.

Overall Asset Allocation Policy

Based on the Plan's time horizon, risk tolerances, liquidity needs, and asset class preferences and constraints, an efficient or optimal portfolio was identified. This allocation shall be reviewed at least annually and modified as necessary to meet the needs of the Board.

[See Appendix A for the Strategic Asset Allocation Policy of the Plan.]

The current allocation strategy is dynamic in nature under a Liability Drive Investment (LDI) approach. The allocation shall be reviewed periodically, at least annually, and modified as necessary to de-risk the plan, based on the funded status. The overall performance of the portfolio relative to the liabilities will be reviewed in addition to actual performance of the managers.

Rebalancing: Rebalancing is the periodic adjustment of the portfolio to restore a pre-defined Target asset allocation, and will be reviewed at least once per calendar quarter, or as such when the allocation of any asset class exceeds the range around its respective target.

Change in Funding Target Level

Based on the asset allocation glidepath and funding target levels outlined in the Asset Allocation Policy, an increase in the Plan funding ratio that elevates the plan to a new increment level will trigger a rebalancing of Plan assets to the new targets. If the Plan funding ratio decreases and meets a lower target level, the plan will not rebalance to the new target asset allocation.

Timing

Rebalancing reviews generally take place quarterly, or at a frequency determined by appropriate by the Board. Generally, the rebalancing transactions will occur over a period of time to reduce undue market timing risk.

The Plan will diversify its investment portfolio to avoid incurring unreasonable risks. Investment maturities should be scheduled to coincide with projected cash flow requirements. As funded status improves, the asset allocation policy targets will reduce equity investments and increase fixed income investments and "de-risk" the plan portfolio.

V. INVESTMENT MANAGER GUIDELINES

Every Investment Manager selected to manage Plan assets shall be selected by their policy or ability to adhere to these general guidelines; however will have discretion to meet the investment objectives of their portfolio or investment fund. Unless receiving prior Board approval, the only allowable investments of the Plan will be in cash and equivalents, mutual funds, separate accounts, commingled funds, options and futures, stocks, bonds, exchange traded funds (ETFs) and collective trusts:

Cash Policy

Cash equivalents will be invested in an appropriate cash-like fund. Returns should be equal to or better than the 90-day Treasury Bill Index (3-month).

Money market mutual funds may be used, so long as these funds meet the high standards suitable for funds of this nature.

Fixed Income Policy

Investment Objectives

These assets are to be invested in a mutual fund, commingled funds, separate accounts, or collective trusts of high-grade index or active fixed income portfolio subject to the limitations set forth below. The investment objectives of the fixed income portion in order of importance are:

1. Preservation of capital
2. Provide for regular dividend and or interest payments
3. Stability of returns – obtain fairly consistent annual returns.

Investment Guidelines

The Plan's fixed income assets will be managed in accordance with the following:

1. All funds selected for the fixed income portion must have a readily ascertainable market value and must be readily marketable.

2. Investment Managers selected will be diversified and generally conform to industry guidelines.

3. The Investment Managers shall have discretion to invest a portion of the assets in cash reserves when they deem appropriate. However, the Investment Managers will be evaluated against their peers on the performance of the total funds under their direct management.

Equity Policy

Investment Objectives

Equity assets are to be invested in mutual funds, commingled funds, separate accounts, stocks, bonds, options and futures, exchange traded funds (ETFs) or collective trusts. Within this framework, the investment objectives of the equity portion are:

1. Long Term Growth of Capital – Assets, exclusive of contribution and withdrawals, should grow in the long run and earn returns equal to the market while risk should be less than the market.

2. Follow a predefined market style (e.g. large cap vs. small cap, value vs. growth) strategy.

Investment Guidelines

The Plan's equity assets will be managed in accordance with the following:

1. All funds selected for the equity portion must have a readily ascertainable market value and must be readily marketable.

2. Investment Managers selected will be diversified and generally conform to industry guidelines.

3. The Investment Managers shall have discretion to invest a portion of the assets in cash reserves when they deem appropriate. However, the Fund Managers will be evaluated against their peers on the performance of the total funds under their direct management.

VI. SELECTION OF INVESTMENT MANAGERS

The Board, with the assistance of the Investment Consultant, will select appropriate Investment Managers to manage the Plan assets. Investment Managers must meet the following minimum criteria:

1. Is a bank, insurance company, investment management company, or investment advisor as defined by the Registered Investment Advisers Act of 1940.

2. Provide at a minimum, historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all the fully discretionary accounts of similar investment style, and reported net and gross of fees.

3. Provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the Investment Manager relative to other managers of like investment style.

4. Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel. This information can be supplied by a third party vendor comparable to Lipper or Morningstar.

5. Clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.

6. Investment Managers will be ranked within the top 50 percent of their respective styles on the Investment Consultant's internal ranking program when available.

7. Some of the measures that may be included in the statistical analysis of a fund would be:

    a. *Alpha* – a measure of fund performance compared to its expected return
    b. *Beta* – the general level of influence a fund's market has over its performance
    c. *Standard Deviation* – a measure of a fund's variation of returns over time
    d. *Sharpe Ratio* – a measure of a fund's risk-adjusted return compared to its risk
    e. *Duration* – a measure of sensitivity to interest rate fluctuations over time

8. The Board will consider replacing an actively managed fund if the rank versus its peer group remains in the bottom 50 percent for four consecutive quarters versus its peer group and if statistical analysis concludes that the fund's level of return does not provide an acceptable ratio as compared to its general level of risk.

9. The Board may consider a fund for replacement when the Investment Manager or policy of the fund is changed. In addition, if there are any substantial transactions with regard to the fund management company or holding, or other types of instabilities in the fund company, replacement will be considered.

10. The Board may also consider replacing a fund if its relative performance over a complete market cycle trails its benchmark.

VII. INVESTMENT EVALUATION

Not more than 90 days after the end of each calendar quarter, the Investment Consultant shall report investment positions and performance results to the Board, based on performance reported by each Fund Manager, to monitor and evaluate progress toward the attainment of longer-term targets.

The target rate of return for the Plan has been based on the assumption that future real returns will approximate the long-term rates of return experienced for each asset class in the IPS. The real rate of return is the return in excess of the anticipated rate of inflation as measured by the Consumer Price Index (CPI).

Total Plan Portfolio Performance: Over a complete business cycle, the Plan's overall annualized total return (net of expenses) should perform at or above the Plan Benchmark. The Plan Benchmark is a customized index composed of the following benchmarks for each target asset class and based on the current and prior target asset allocation policy for the Plan:

Asset Category	Index*
Cash & Money Market	BofA ML 3-month T-bill Total Return Index
Short-term Bond	Barclays US Govt/Credit 1-3 Yr TR USD
Inflation Protected Bond	Barclays US Treasury US TIPS TR USD
Intermediate-term Bond	Barclays US Govt 5-10 Yr TR USD
Long-term Bond	BC Long Government/Credit
High Yield Bond	BC High Yield Corporate Bond
Large Cap Value	S&P 500 Value
Large Cap Blend	S&P 500 Index
Large Cap Growth	S&P 500 Growth
Mid Cap Value	S&P 400 Value
Mid Cap Blend	S&P 400 Index
Mid Cap Growth	S&P 400 Growth
Small Cap Value	S&P 600 Value
Small Cap Blend	S&P 600 Index
Small Cap Growth	S&P 600 Growth
World Stock	MSCI AC World Index ND USD
Diversified Emerging Markets	FTSE Emerging NR USD
REIT/Real Estate	MSCI US REIT NR USD

**Or other index as designated by the fund and/or fund manager as an appropriate target benchmark for the investment portfolio or fund.*

Individual Investment Managers: During its periodic meetings but not less than annually, the Board will review the following specifics with regard to each Investment Manager:

1. The manager's adherence to their prospectus.
2. Material changes in the manager's organization, investment philosophy, and/or personnel.
3. Performance compared against an appropriate peer group and benchmark, as listed in the Executive Summary of this IPS, over various time periods.

The Board expects the following criteria to be met by each Investment Manager. If a manager fails to meet these, a further review of the manager will be warranted. The Board reserves the right to replace an Investment Manager at their discretion at any time.

1. The Investment Manager's rank (3-year and 5-year return) versus its peer group is over 50 *(where a percentile ranking of 1 would be the highest a fund could achieve and 100 would be the lowest*). If a fund or Investment Manager's rank (3-year and 5-year return) versus its peer g*roup is over 50, the fund will warrant a closer analytic review. The Board's review will* be comprised of a further analysis of the fund's statistical performance and risk measures.

2. The Investment Manager's risk over 3 to 5 years, as measured by standard deviation, should be equal to or lower than the comparative index. If the standard deviation is higher than the index, an increase in performance is expected.

3. The Investment Manager's Sharpe ratio should be positive over 3 to 5 years and ranked above the peer group median.

4. The Investment Manager's Alpha should be positive over a 3 to 5 year period and ranked above the peer group median.

SIGNATURE

This Statement of Investment Policy approved by action of the Board.

Approved by: _____
Chairman or representative of the Board

_____
Treasurer/Finance Director

Date approved: 8/14/14

APPENDIX A

This Appendix to the Investment Policy Statement has been reviewed and approved by the Board:

STRATEGIC ASSET ALLOCATION POLICY (1)

Asset Class	Target
Cash & Short-Term Bond	8%
Inflation-Protected Bond	5%
Intermediate Term Bond	6%
Long-Term Bond	7%
High Yield Bond	7%
Large Value	12%
Large Growth	13%
Mid Cap Equity	7%
Small Cap Equity	9%
Foreign Equity	10%
Diversified Emerging Mkts	9%
Real Estate	7%
	100%

The above ranges will be considered the long-term or policy allocation. The current "Policy" is the Target for such respective Asset Class of investment. There will be a Range of +/- 5% to the Target to allow for modest market fluctuations before rebalancing of the portfolio. The portfolio will be reviewed at least quarterly and adjusted as necessary to maintain alignment with the target allocations. Any deviations beyond the "Range" must have prior approval by the Board, unless caused by market actions.

To indicate approval of this amendment to the Investment Policy Statement, the appropriate designated Board member shall sign below.

This Appendix to the Statement of Investment Policy approved by action of the Board.

Approved by: Scott D. Koenig
Chairman or representative of the Board

Date approved: 8/14/14

Owen S. Mitchell
Controller/Treasurer

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Albany, NY 12203
USA

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milliman.com

MEMO

To:	City of Dover, Delaware OPEB Plan – Board
From:	Jeff Marzinsky & Matt Albano/Milliman
Re:	Board Meeting Notes

Enclosures: Milliman Quarterly Investment Monitor Report (QIM)

1. OPEB Plan Investment Review through 9/30/2014:
   a. At quarter end, the plan had assets of $18.08 million, down slightly from $18.3 million at the beginning of the quarter. During the quarter, the plan had no contributions, no withdrawals, and fees of approximately $1.3 thousand.
   b. Total performance of the plan portfolio was -1.35% net (-1.27% gross) for the quarter, generally in line with the Plan's benchmark index performance of -1.38%.

City of Dover
OPEB Trust
Quarterly Return Summary

Month End	BMV	Contribution	Withdrawls	Fees	Gain	EMV	OPEB-NET RETURN	OPEB-GROSS RETURN
10/31/2013	$ 14,133,687.50	$ 831,375.00	$ -	$ 1,250.00	$ 418,671.21	$ 15,382,483.71	2.89%	2.91%
11/30/2013	$ 15,382,483.71	$ -	$ -	$ -	$ 83,574.03	$ 15,466,057.74	0.54%	0.57%
12/31/2013	$ 15,466,057.74	$ 831,375.00	$ -	$ -	$ 143,868.07	$ 16,441,300.81	0.92%	0.94%
1/31/2014	$ 16,441,300.81	$ -	$ -	$ 1,250.00	$ (213,186.73)	$ 16,226,864.08	-1.30%	-1.27%
2/28/2014	$ 16,226,864.08	$ -	$ -	$ -	$ 510,659.53	$ 16,737,523.61	3.15%	3.17%
3/31/2014	$ 16,737,523.61	$ -	$ -	$ -	$ 74,959.75	$ 16,812,483.36	0.45%	0.47%
4/30/2014	$ 16,812,483.36	$ -	$ -	$ 1,250.00	$ 111,368.23	$ 16,922,601.59	0.66%	0.69%
5/31/2014	$ 16,922,601.59	$ -	$ -	$ -	$ 324,015.99	$ 17,246,617.58	1.91%	1.94%
6/30/2014	$ 17,246,617.58	$ 831,375.00	$ -	$ -	$ 246,653.89	$ 18,324,646.47	1.37%	1.40%
7/31/2014	$ 18,324,646.47	$ -	$ -	$ 1,250.00	$ (213,840.59)	$ 18,109,555.88	-1.17%	-1.14%
8/31/2014	$ 18,109,555.88	$ -	$ -	$ -	$ 502,641.23	$ 18,612,197.11	2.78%	2.80%
9/30/2014	$ 18,612,197.11	$ -	$ -	$ -	$ (536,229.50)	$ 18,075,967.61	-2.88%	-2.86%
		$ -	$ -	$ 1,250.00	$ (247,428.86)	Quarterly Return	-1.35%	-1.27%
		$ 2,494,125.00	$ -	$ 5,000.00	$ 1,453,155.11	One Year Return	9.53%	9.86%

   c. As of quarter end, the Plan's asset allocation was in line with the allocation targets approved at the last meeting; the plan was rebalanced on its quarterly schedule prior to quarter end.

Category Description	Fund Category	Investment Name	Target Asset Allocation	Asset Allocation Range
Money Market	CA	WELLS FARGO ADVANTAGE CASH INVESTMENT FUND	2.00%	3-13%; target 8% Cash + STB
Short Term Bonds	STB	Vanguard Short Term Bond	6.00%	3-13%; target 8% Cash + STB
Inflation Protected Bonds	TIPS	Vanguard Inflation Prot Sec	5.00%	5-10%; target of 5% TIPS
Intermediate Term Bonds	INTB	PIMCO Total Return	3.00%	1-11%; target 6% INTB
Intermediate Term Bonds	INTB	Vanguard Total Bond Mkt Index Signal	3.00%	1-11%; target 6% INTB
Long Term Bonds	LTB	PIMCO Long Duration	3.50%	2-12%; target 7% LTB
Long Term Bonds	LTB	Vanguard Long Duration	3.50%	2-12%; target 7% LTB
High Yield Bond	HYB	Ivy High Income I	7.00%	2-12%; target 7% HYB
Large Cap Value	LCV	American Funds Washington Mutual	12.00%	7-17%; target 12% LCV
Large Cap Blend	LCB	Vanguard 500 Index	0.00%	REMOVED
Large Cap Growth	LCG	Vanguard Growth Index	13.00%	8-18%; target 13% LCG
Mid Cap	MCV	Vanguard Mid Cap Value Index	7.00%	2-12%; target 7% MC
Small Cap	SCV	Target Small Cap Value	9.00%	4-14%; target 9% SC
Real Estate Investment	REIT	Vanguard REIT Index	7.00%	2-12%; target 7% REIT
Foreign Equity	GLB	American Funds New Perspective	5.00%	5-15%; target 10% FOR
Foreign Equity	FLG	Oppenheimer Intl Growth Y	5.00%	5-15%; target 10% FOR
Foreign Equity	GLB	Harding Loevner Global Equity	0.00%	REMOVED
Emerging Markets	EMG	Vanguard Emerging Mkts	9.00%	4-14%; target 9% Emg Mkts

d. The majority of the plan investments have performance and rankings in line with their peer groups and benchmarks, as well as risk analytics that rank well to their peer groups.
    i. The plan includes the PIMCO Total Return and Long Duration as bond managers.
        - During the year PIMCO has had a variety of management changes within the organization with the resignation of their CEO during March, and the recent departure of Bill Gross, manager of the Total Return fund. With the changes in management of the organization, we recommend placing a watch on all PIMCO funds to review stability of management within the organization and their investment management teams. In addition, since there was a change in management for the Total Return fund, we have included a due diligence report for review by the Board.

The analysis in this report was prepared utilizing data from third parties and other sources including but not limited to internal computer software and databases, including among others mpiStylus Pro©,, software designed by Markov Processes International. Reasonable care has been taken to assure the accuracy of the data contained herein, and comments are objectively stated and are based on facts gathered in good faith. These reports do not constitute investment advice with respect to the sale or disposition of individual securities. Milliman disclaims responsibility, financial or otherwise, for the accuracy or completeness of this report.

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Past performance is no guarantee of future results.

Unless explicitly stated in your Service Agreement, there should be no reliance on Milliman services to provide analysis or reporting on a daily basis, the changes to manager rankings, ratings or opinions thereon.

Unless explicitly stated in your Service Agreement, Milliman services are not intended to monitor investment manager compliance with individual security selection criteria, limits on security selection, and/or prohibitions to the holding of certain securities or security types.

Milliman provides a copy of its SEC Form ADV Part II to clients without charge upon request.

Quarterly Investment Monitor

Summary Report for the Quarter Ending September 30, 2014

Prepared for
City of Dover, Delaware Other Postemployment Benefit (OPEB)
GASB 45

Milliman



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Section B: Performance Summary

Section C: Core Fund Review

Section D: Glossary

Milliman | Quarterly Investment Monitor

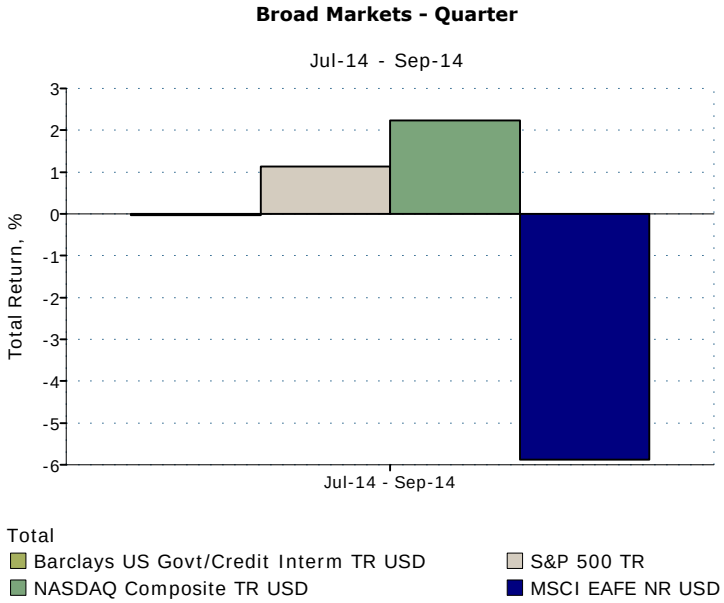
Market Indices - 3rd Quarter 2014

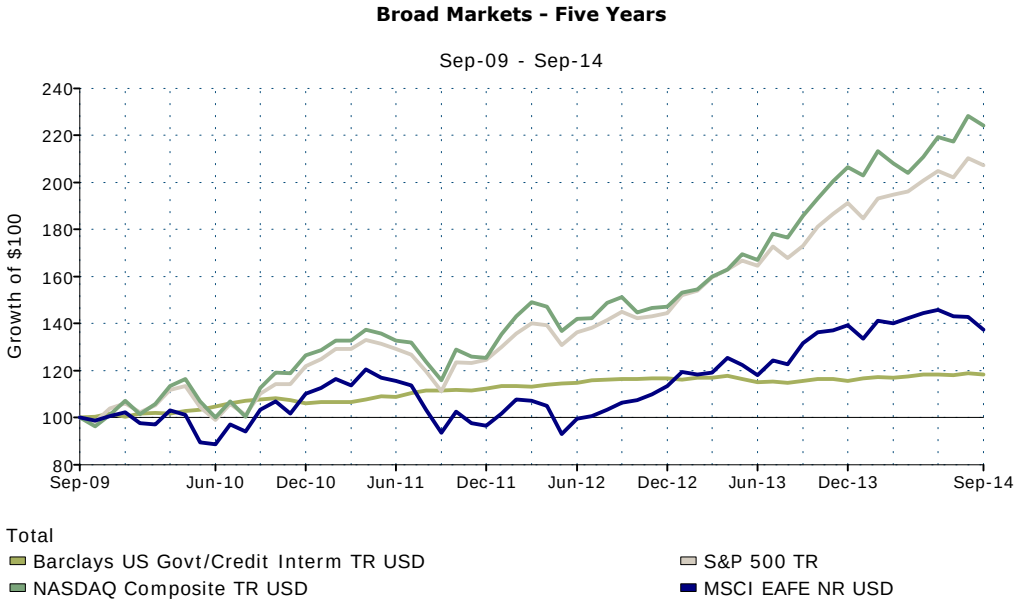


Index	3 Months	1 Year	3 Years	5 Years
BofAML US Treasury Bill 3 Mon	0.01	0.05	0.07	0.10
Barclays US Govt 1-3 Yr TR USD	0.03	0.52	0.51	1.07
Barclays US Govt/Credit Interm TR USD	-0.03	2.20	2.01	3.42
Barclays US Government Long TR USD	2.63	11.60	2.08	6.99
Barclays US Long Credit TR USD	0.17	13.58	6.71	8.67
Barclays US Corporate High Yield TR USD	-1.87	7.20	11.09	10.57
DJ Industrial Average TR USD	1.87	15.29	19.02	14.85
S&P 500 TR	1.13	19.73	22.99	15.70
NASDAQ 100 TR USD	5.53	27.52	25.36	20.01
NASDAQ Composite TR USD	2.24	20.61	24.57	17.51
Russell 1000 Value TR USD	-0.19	18.89	23.93	15.26
Russell 1000 TR USD	0.65	19.01	23.23	15.90
Russell 1000 Growth TR USD	1.49	19.15	22.45	16.50
Russell 2000 Value TR USD	-8.58	4.12	20.61	13.02
Russell 2000 TR USD	-7.36	3.93	21.26	14.29
Russell 2000 Growth TR USD	-6.13	3.79	21.91	15.51
FTSE NAREIT All REITs TR	-2.63	13.44	17.02	15.75
MSCI EAFE NR USD	-5.88	4.25	13.65	6.56
MSCI EAFE Small Cap NR USD	-7.82	3.00	14.49	8.91
MSCI EM NR USD	-3.50	4.30	7.19	4.42

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Broad Market Commentary - 3rd Quarter 2014



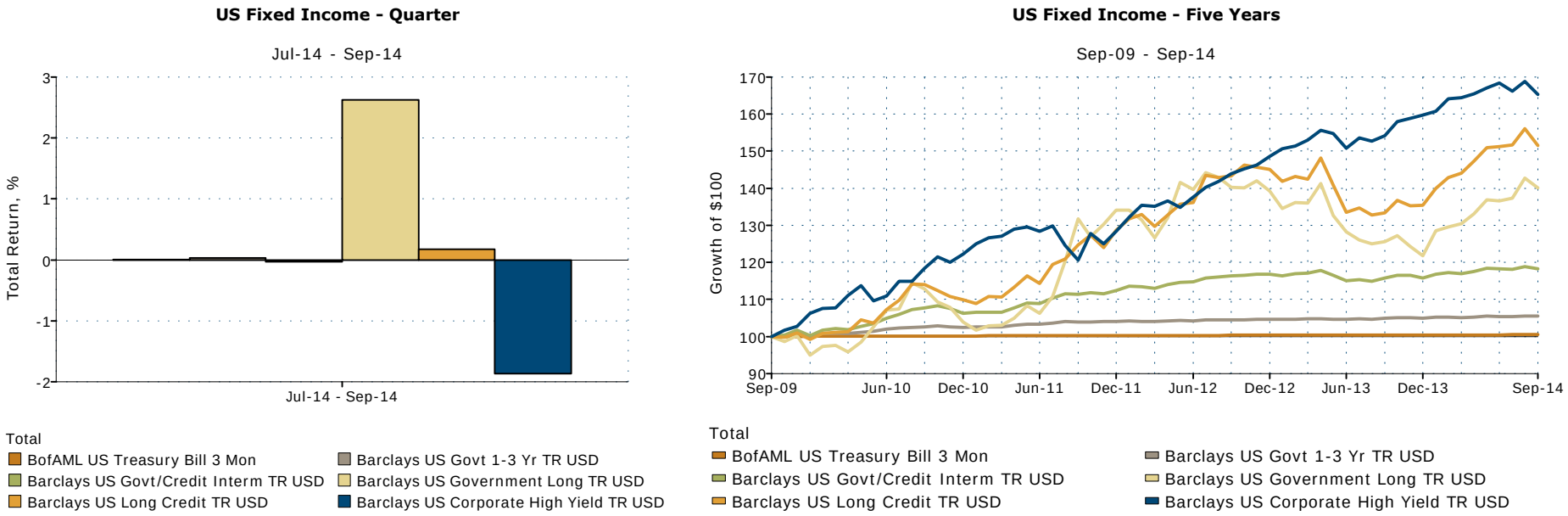


Market Commentary

- The U.S. stock market rose modestly on improving economic data, strong mergers-and-acquisitions activity and solid growth in corporate earnings.
- Developed international equity markets fell due to weak economic growth and significant deflationary pressures in Europe and Japan.
- Emerging markets declined on worries about slowing economic growth in China, the reduction of Federal Reserve stimulus, and the ongoing political crisis in Ukraine.
- The Fed continued to reduce its securities purchase from its $85 billion level in late 2013 to a target of zero by the end of October.
- Mutual fund investors increased their holdings in bonds and decreased their holdings in stocks. For the quarter, bond funds had net inflows of $17.9 billion, while stock funds had net outflows of $8.0 billion. Total money market mutual fund assets decreased by $34.4 billion to $2.591 trillion.
- The unemployment rate fell from 6.1% to 5.9%, as total employment increased by 671,000 jobs.
- The price of oil decreased from $105 per barrel to $91 during the quarter, a decline of 13.3%.

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US Fixed Income Market Commentary - 3rd Quarter 2014

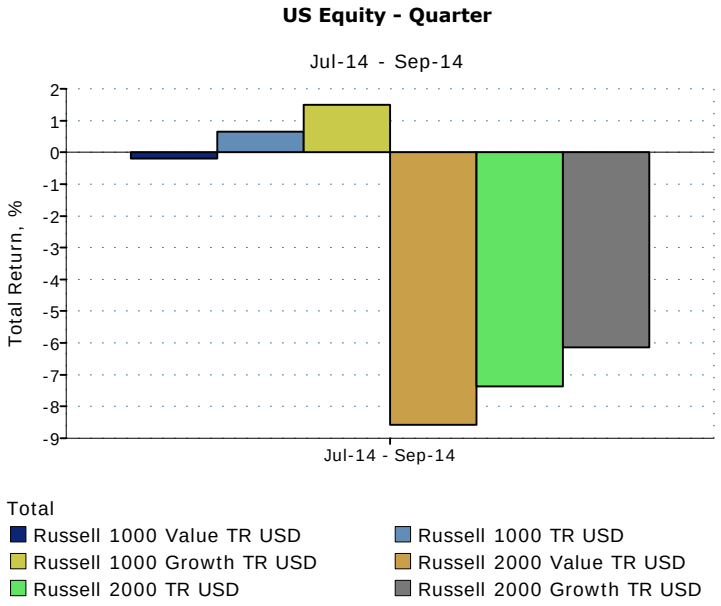


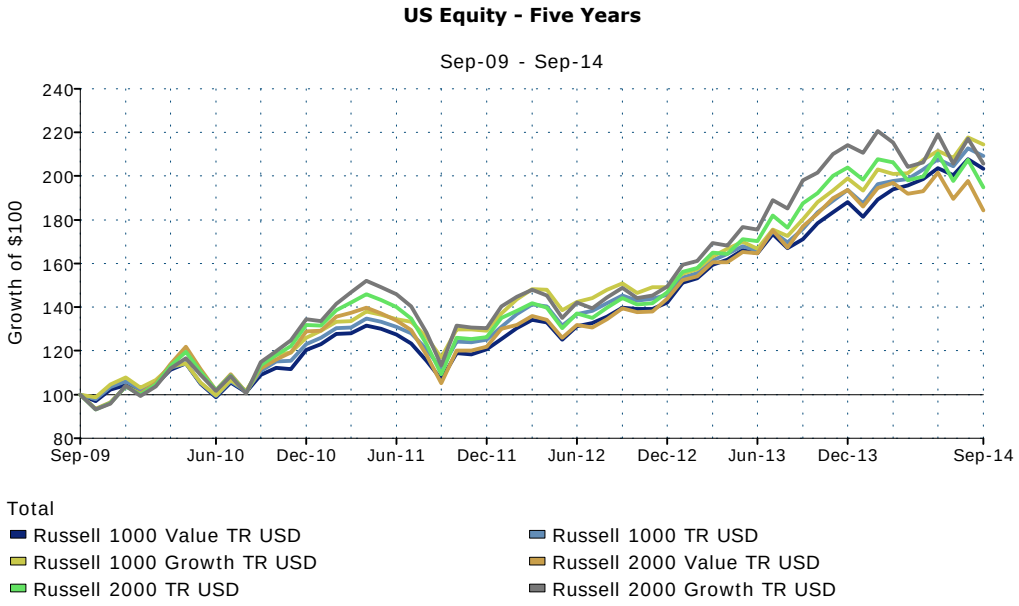
US Bond Market

- The broad fixed income market rose 0.16% in the 3rd quarter, as the coupon return of 0.77% more than offset the negative impact from a 0.14% increase in interest rates.
- The short end of the yield curve remained unchanged as the Fed maintained its near-zero interest rate policy.
- The yield curve continued to flatten as the 30-year Treasury yield fell by 0.16%, while the 3-year rose by 0.17%.
- Long-term government bonds were the best performing sector this quarter, up 2.99%, as investors favored save-haven assets.
- Long-term corporate bonds were up 0.44%, as declining yields on the long end of the curve more than offset widening spreads.
- Global bonds were the worst performing sector this quarter, down 2.84%, as most foreign currencies fell sharply against the U.S. dollar.

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US Equity Market Commentary - 3rd Quarter 2014



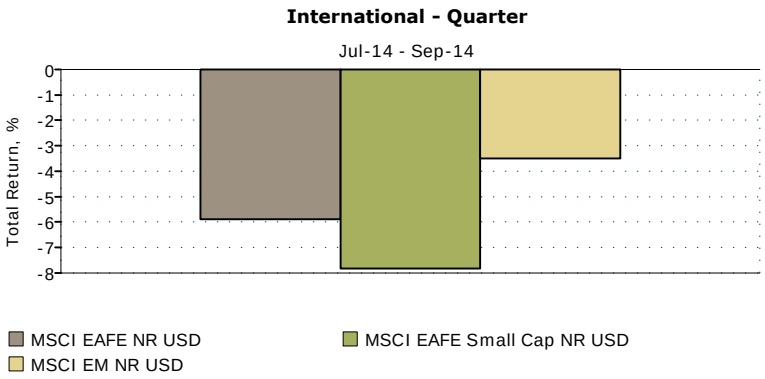


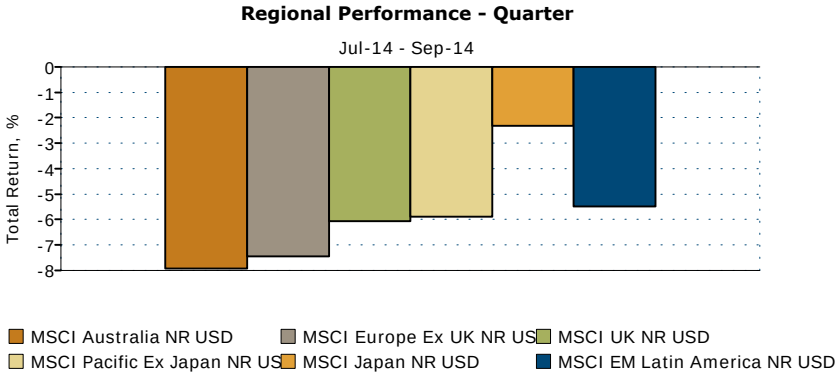
US Stock Market

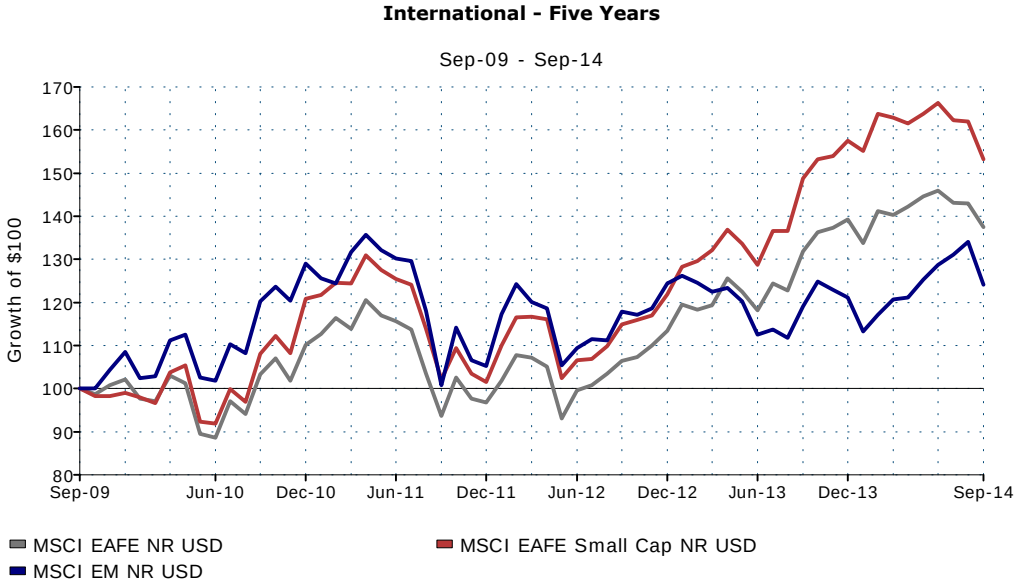
- The major domestic equity indicies were mixed for the quarter. The large-cap Russell 1000 Growth Index had the best return, up 1.49%.
- In terms of capitalization, large-cap stocks outperformed small-cap stocks.
- In comparing styles, growth outperformed value in the both large-cap and small-cap areas of the market.
- REITs fell 3.00%. as the likelihood of higher interest rates reduced demand for dividend-paying stocks. The worst performing REITs were industrial warehouses and the office sector.
- Energy was the worst performing sector, falling 8.52%, on lower oil and natural gas prices.
- Healthcare was the best performing sector, up 5.24%, on strong mergers-and-acquisitions activity and good earnings.

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International Market Commentary - 3rd Quarter 2014







International Markets

- The dollar was up strongly against the euro, yen and pound.
- For the quarter, the EAFE Index was down 5.88%, and Emerging Markets were down 3.49%. Local currency returns for the EAFE Index and Emerging Markets were 0.93% and 0.56%, respectively.
- Among the major international regions, Indian stocks had the highest return, up 2.34%, as investors anticipated more economic reforms and an improvement in GDP growth.
- Stocks in Russia had the lowest return, down 15.41% in the quarter and down 19.90% YTD, as the conflict with Ukraine continued and the West imposed greater economic sanctions.
- Large-Cap stocks, down 5.9%, outperformed small-cap stocks, down 7.8%.

Performance Summary

Milliman | Quarterly Investment Monitor

Data as of 09/30/2014

Asset Allocation

	Balances As of 09/30/2014	Percent As of 09/30/2014	Balances As of 06/30/2014	Percent As of 06/30/2014	Notes
Wells Fargo Advantage Cash Inv MMkt I	$365,071	2.02%	$365,102	1.99%	WFIXX
Vanguard Short-Term Bond Index Signal	$1,096,664	6.06%	$1,463,027	7.98%	VBSSX
Vanguard Inflation-Protected Secs I	$912,338	5.05%	$365,738	2.00%	VIPIX
PIMCO Total Return Instl	$546,765	3.02%	$915,144	4.99%	PTTRX
Vanguard Total Bond Market Index Signal	$550,307	3.04%	$916,213	5.00%	VBTSX
PIMCO Long Duration Total Return Instl	$641,776	3.55%	$915,817	5.00%	PLRIX
Vanguard Long-Term Bond Index I	$645,586	3.57%	$919,720	5.02%	VBLLX
Ivy High Income I	$1,275,976	7.06%	$1,466,826	8.00%	IVHIX
American Funds Washington Mutual R6	$2,165,026	11.97%	$2,007,669	10.95%	RWMGX
Vanguard Growth Index I	$2,350,395	13.00%	$1,833,789	10.00%	VIGIX
Vanguard Mid Cap Index Adm	$1,262,527	6.98%	$917,801	5.01%	VIMAX
Target Small Capitalization Value T	$1,612,611	8.92%	$1,473,046	8.04%	TASVX
Oppenheimer International Growth Y	$895,207	4.95%	$920,561	5.02%	OIGYX
American Funds New Perspective R6	$898,100	4.97%	$914,681	4.99%	RNPGX
Vanguard Emerging Mkts Stock Idx I	$1,584,936	8.77%	$1,835,747	10.01%	VEMIX
Vanguard REIT Index I	$1,279,094	7.07%	$1,100,016	6.00%	VGSNX
Plan Total	**$18,082,379**		**$18,330,898**		

Investment Policy Review - Active Management

Fund Name	Return Rank 3Y	Return Rank 5Y	Excess Return 3Y	Excess Return 5Y	Relative StdDev 3Y	Relative StdDev 5Y	Alpha Rank 3Y	Sharpe Rank 3Y	Alpha Rank 5Y	Sharpe Rank 5Y
Vanguard Inflation-Protected Secs I	27	16	-0.07	-0.03	1.03	1.02	34	31	37	30
PIMCO Total Return Instl	19	41	2.55	1.65	1.93	1.52	39	45	57	72
PIMCO Long Duration Total Return Instl	27	11	0.68	0.13	1.00	0.96	45	55	67	67
Ivy High Income I	9	4	1.21	0.97	0.75	0.75	2	1	1	1
American Funds Washington Mutual R6	57	9	-1.86	1.41	0.82	0.84	4	2	5	4
Target Small Capitalization Value T	58	38	-3.47	-1.00	0.91	0.88	38	30	24	18
Oppenheimer International Growth Y	25	7	1.29	2.05	1.00	1.02	20	21	7	8
American Funds New Perspective R6	30	28	1.98	1.56	0.96	0.98	25	16	30	21

Definitions

Return Rank - Fund's category percentile return rank, a value less than 50 (1 is the best and 100 is the worst) implies the fund is beating more than 50% of its peer group.

Excess Return - Fund's excess return over its benchmark, a value greater than 0 implies the fund's return is higher than its benchmark.

Relative StdDev - Fund's standard deviation relative to its benchmark, a value less than 1 implies the fund's standard deviation is lower than its benchmark.

Alpha Rank - Fund's category percentile Alpha rank, a value less than 50 (1 is the best and 100 is the worst) implies the fund is beating more than 50% of its peer group.

Sharpe Rank - Fund's category percentile Sharpe Ratio rank, a value less than 50 (1 is the best and 100 is the worst) implies the fund is beating more than 50% of its peer group.

Investment Policy Review - Passive Management

Fund Name	Excess Return 3Y	Excess Return 5Y	Beta 3Y	Tracking Error 3Y	Beta 5Y	Tracking Error 5Y	Expense Ratio
Vanguard Short-Term Bond Index Signal	0.27	0.64	2.12	0.60	1.84	0.76	0.10
Vanguard Total Bond Market Index Signal	-0.15	-0.14	1.01	0.22	1.03	0.26	0.08
Vanguard Long-Term Bond Index I	-0.06	0.00	1.02	0.85	1.03	0.88	0.07
Vanguard Growth Index I	0.66	1.12	0.99	0.54	1.00	0.79	0.08
Vanguard Mid Cap Index Adm	0.01	-0.14	1.02	0.55	1.02	0.88	0.09
Vanguard Emerging Mkts Stock Idx I	0.55	-0.17	0.98	3.08	1.03	3.10	0.12
Vanguard REIT Index I	1.29	1.33	1.00	0.22	1.00	0.19	0.08

Definitions

Excess Return - Fund's excess return over its benchmark, a value greater than 0 implies the fund's return is higher than its benchmark.

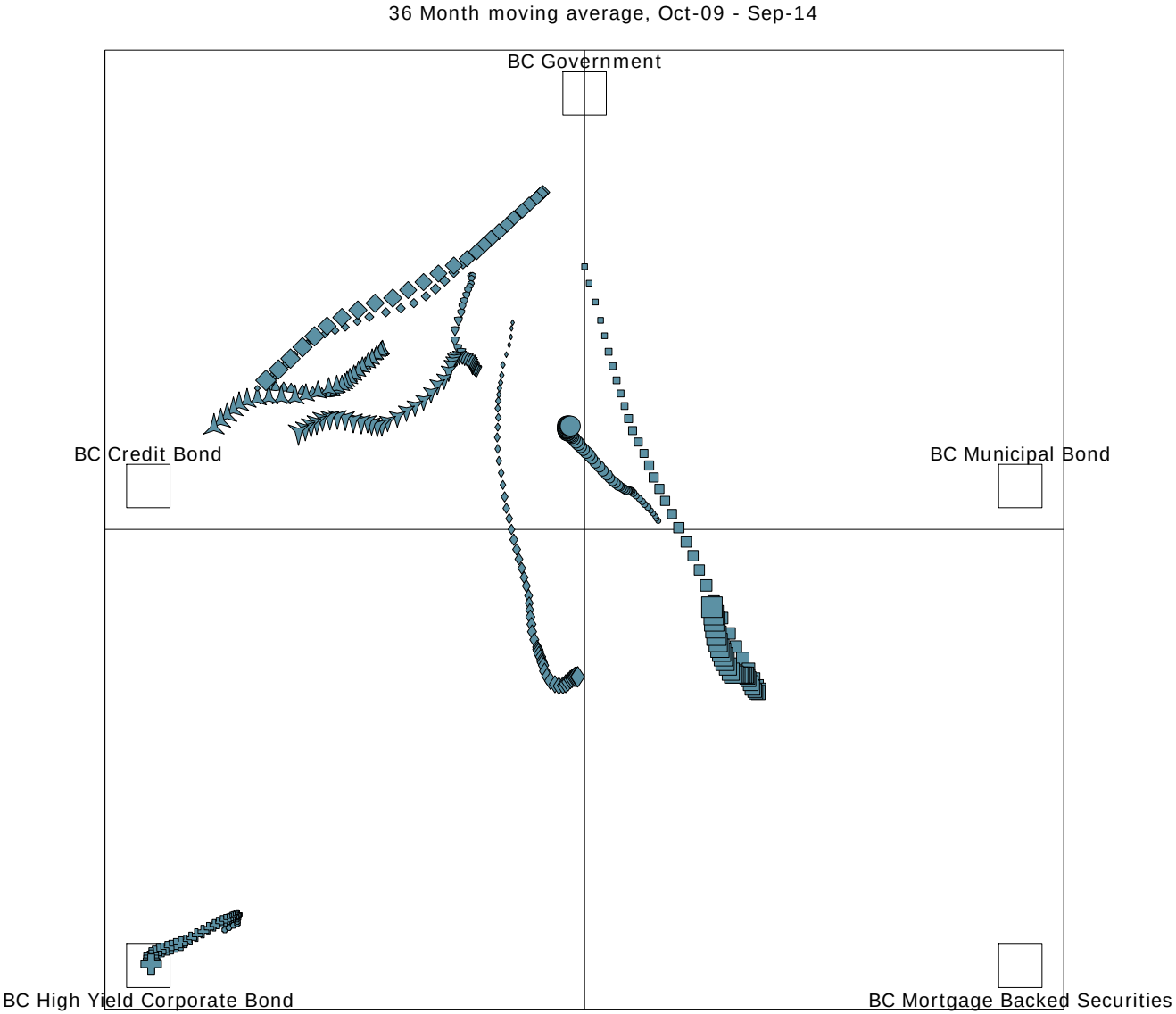
Beta - Fund's Beta or sensitivity to movements compared to its benchmark, a value of 1 implies its moving in sync with its benchmark.

Tracking Error - Fund's Tracking Error versus its benchmark, a value of 0 implies the Fund's ups and downs are the same size as its benchmark.

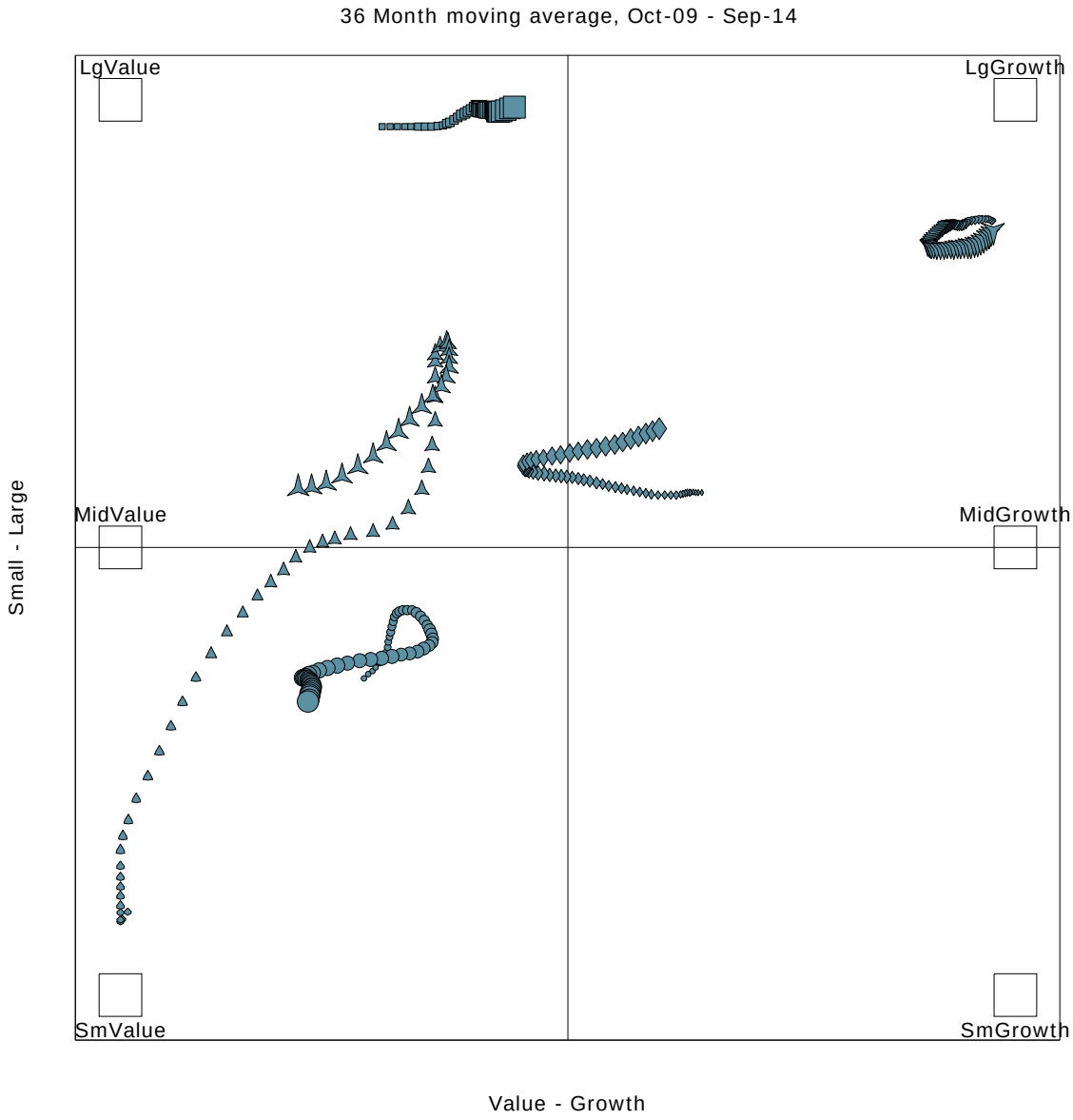
Investment Option Return Summary

Asset Class	Fund Name	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Ticker	Mstar Rating	Expense Ratio
Money Market-Taxable	Wells Fargo Advantage Cash Inv MMkt I	0.00	0.01	0.01	0.04	0.07	1.72	WFIXX	NA	0.20
	BofA ML 91-day Tbill Auction Avg	*0.01*	*0.03*	*0.05*	*0.07*	*0.10*	*1.59*	*N/A*	*NA*	*NA*
Short-term Bond	Vanguard Short-Term Bond Index Signal	(0.07)	0.91	1.04	1.19	2.09	3.27	VBSSX	3.00	0.10
	Barclays US Govt/Credit 1-3 Yr TR USD	*0.04*	*0.60*	*0.77*	*0.92*	*1.45*	*2.85*	*N/A*	*NA*	*NA*
Inflation-Protected Bond	Vanguard Inflation-Protected Secs I	(1.93)	3.87	1.53	1.27	4.45	4.52	VIPIX	4.00	0.07
	Barclays US Treasury US TIPS TR USD	*(2.04)*	*3.67*	*1.59*	*1.34*	*4.48*	*4.63*	*N/A*	*NA*	*NA*
Intermediate-term Bond	PIMCO Total Return Instl	(0.36)	3.33	3.29	4.57	5.07	5.99	PTTRX	4.00	0.46
	BC Intermediate Government/Credit	*(0.03)*	*2.22*	*2.20*	*2.01*	*3.42*	*4.05*	*N/A*	*NA*	*NA*
Intermediate-term Bond	Vanguard Total Bond Market Index Signal	0.17	4.10	3.90	2.32	4.03	4.59	VBTSX	2.00	0.08
	Barclays US Agg Float Adj TR USD	*0.16*	*4.03*	*3.96*	*2.47*	*4.17*	*NA*	*N/A*	*NA*	*NA*
Long-term Bond	PIMCO Long Duration Total Return Instl	1.22	13.29	13.05	5.43	8.17	NA	PLRIX	4.00	0.50
Long-term Bond	Vanguard Long-Term Bond Index I	1.27	13.57	13.06	4.69	8.04	7.08	VBLLX	3.00	0.07
	BC Long Government/Credit	*1.04*	*12.97*	*12.87*	*4.75*	*8.04*	*7.01*	*N/A*	*NA*	*NA*
High Yield Bond	Ivy High Income I	(1.27)	3.40	6.88	12.30	11.55	8.72	IVHIX	5.00	0.69
	BC High Yield Corporate Bond	*(1.87)*	*3.49*	*7.20*	*11.09*	*10.57*	*8.33*	*N/A*	*NA*	*NA*
Large Value	American Funds Washington Mutual R6	1.02	7.78	18.43	21.60	16.15	7.80	RWMGX	4.00	0.30
	S&P 500 Value	*0.25*	*7.23*	*17.77*	*23.46*	*14.73*	*7.56*	*N/A*	*NA*	*NA*
Large Growth	Vanguard Growth Index I	1.06	8.12	19.32	22.96	16.64	9.11	VIGIX	4.00	0.08
	CRSP US Large Cap Growth TR USD	*1.06*	*8.18*	*19.38*	*22.30*	*15.52*	*8.91*	*N/A*	*NA*	*NA*
Mid-Cap Blend	Vanguard Mid Cap Index Adm	(1.16)	6.68	15.88	23.31	17.03	10.28	VIMAX	5.00	0.09
	CRSP US Mid Cap TR USD	*(1.15)*	*6.73*	*15.94*	*23.30*	*17.17*	*10.16*	*N/A*	*NA*	*NA*
Small Value	Target Small Capitalization Value T	(5.79)	(1.27)	7.42	20.62	14.66	9.83	TASVX	4.00	0.68
	S&P 600 Value	*(6.78)*	*(2.62)*	*6.74*	*24.09*	*15.66*	*8.74*	*N/A*	*NA*	*NA*
Foreign Large Growth	Oppenheimer International Growth Y	(8.19)	(6.00)	(0.26)	14.72	9.62	9.36	OIGYX	4.00	0.90
	MSCI EAFE Large Growth NR USD	*(5.00)*	*(2.05)*	*3.11*	*13.43*	*7.56*	*6.83*	*N/A*	*NA*	*NA*
World Stock	American Funds New Perspective R6	(1.80)	1.70	10.49	18.59	11.63	9.36	RNPGX	4.00	0.45
	MSCI AC World Index ND USD	*(2.30)*	*3.73*	*11.32*	*16.61*	*10.07*	*7.28*	*N/A*	*NA*	*NA*
Diversified Emerging Mkts	Vanguard Emerging Mkts Stock Idx I	(2.43)	4.51	6.19	7.77	4.38	10.45	VEMIX	3.00	0.12
	FTSE Emerging NR USD	*(2.34)*	*4.87*	*6.50*	*7.23*	*4.55*	*11.21*	*N/A*	*NA*	*NA*
Real Estate	Vanguard REIT Index I	(3.12)	13.99	13.21	16.57	15.94	8.64	VGSNX	4.00	0.08
	MSCI US REIT NR USD	*(3.38)*	*13.04*	*11.90*	*15.28*	*14.62*	*NA*	*N/A*	*NA*	*NA*
Total Plan	OPEB-GROSS RETURN	(1.27)	5.16	9.86	12.06	NA	NA	N/A	NA	NA
Total Plan	OPEB-NET RETURN	(1.35)	4.92	9.53	11.69	NA	NA	N/A	NA	NA
	OPEB Plan Policy Index	*(1.38)*	*5.78*	*9.70*	*11.80*	*8.92*	*6.20*	*N/A*	*NA*	*NA*

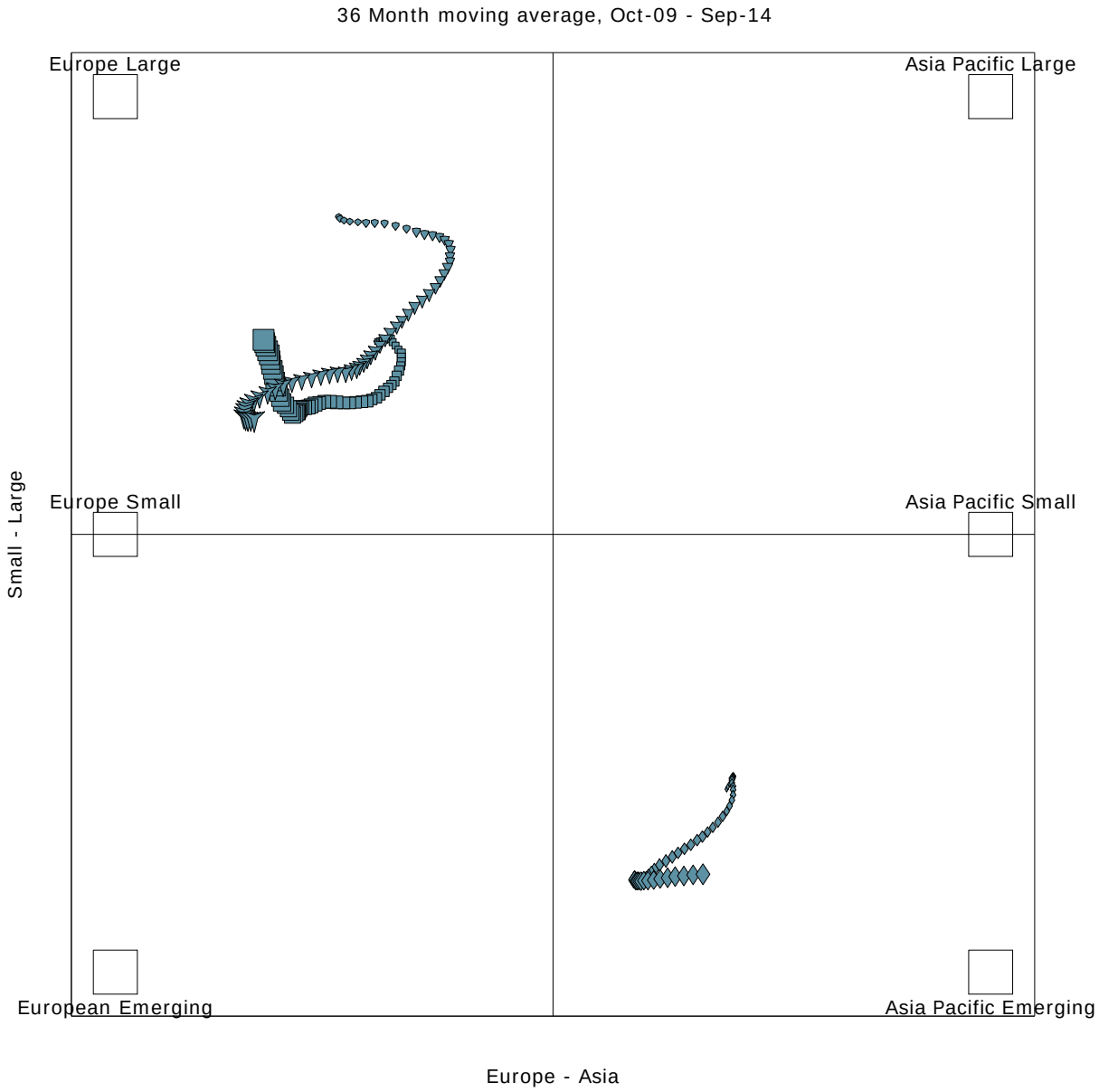
U.S. Fixed Income Style Map



U.S. Equity Style Map



International Equity Style Map

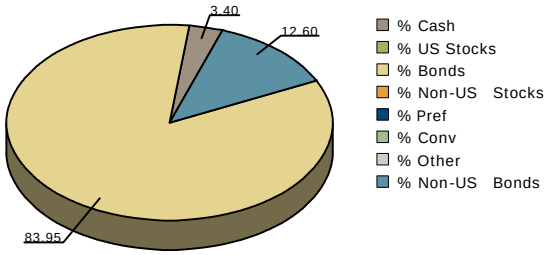


Core Fund Review

Milliman | Quarterly Investment Monitor

Data as of 09/30/2014

Vanguard Short-Term Bond Index Signal



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	3.40
% US Stocks	0.00
% Bonds	83.95
% Non-US Stocks	0.00
% Pref	0.05
% Conv	0.00
% Other	0.00
% Non-US Bonds	12.60

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

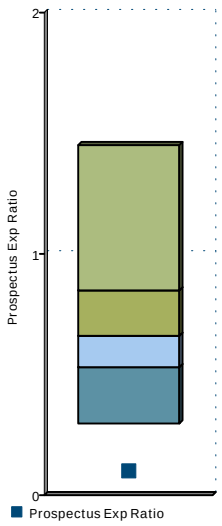
Credit Quality	
Avg Eff Duration	2.69
Effective Maturity	2.80
Avg Credit Quality	AA
AAA	72.57
AA	4.81
A	12.54
BBB	10.08
BB	0.00
B	0.00
Below B	0.00
NR/NA	0.00

Top Ten Holdings	
US Treasury Note 1.625%	1.82%
US Treasury Note 1.25%	1.47%
US Treasury Note 0.625%	1.46%
US Treasury Note 2.125%	1.37%
US Treasury Note 1.5%	1.22%
US Treasury Note 0.625%	1.20%
US Treasury Note 0.625%	1.15%
US Treasury Note 0.625%	1.10%
US Treasury Note 1.5%	1.09%
US Treasury Note 0.375%	1.07%

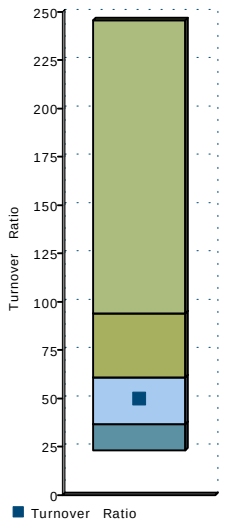
Portfolio Information	
Ticker	VBSSX
Morningstar Category	Short-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	50339.33
Net Assets $MM	37141.82
Turnover Ratio	50.00
% Assets in Top 10 Holdings	12.96
Total Number of Holdings	2061.00
Manager Name	Joshua C. Barrickman
Manager Tenure	1.60
Fund Incept Date	03/01/1994
Prospectus Exp Ratio	0.10
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★
3 Year Mstar Rating	★★
% Rank Cat 3 Yr	70
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	59
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	33

Expense Ratio vs. Peer Group



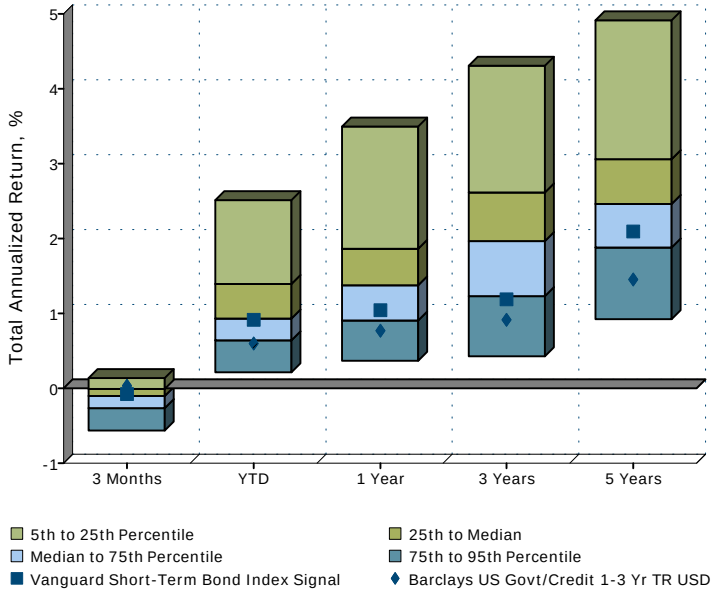
Turnover Ratio vs. Peer Group



Investment Strategy Summary

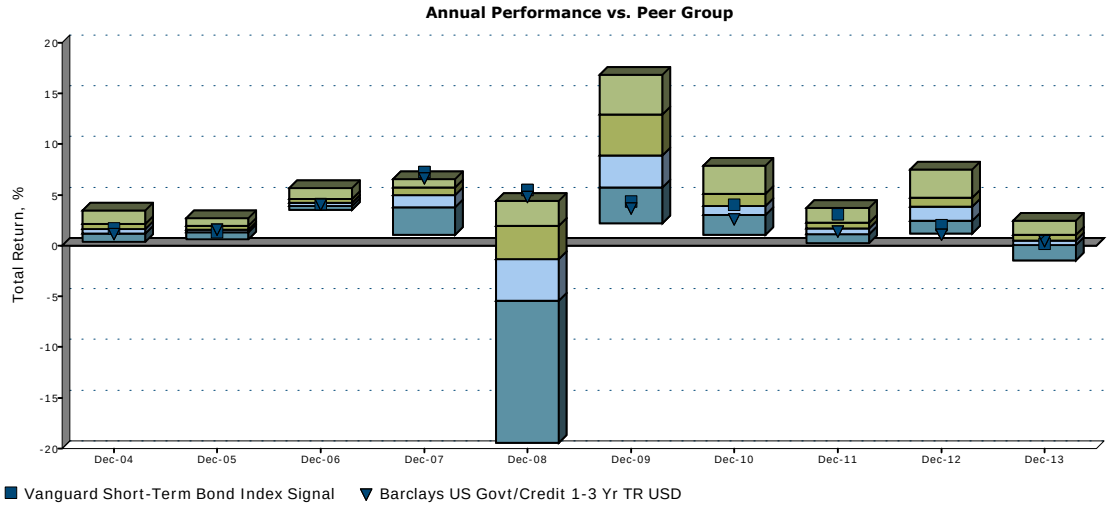
The investment seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.

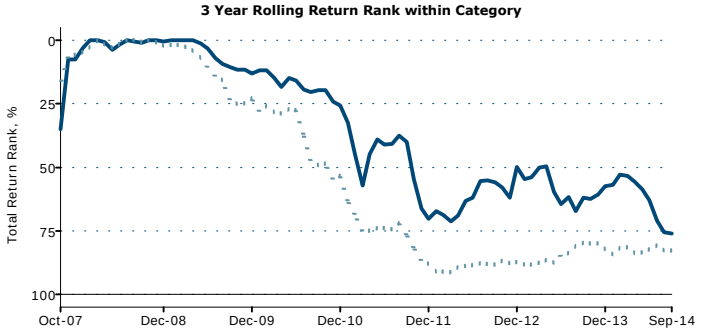
Performance vs. Peer Group



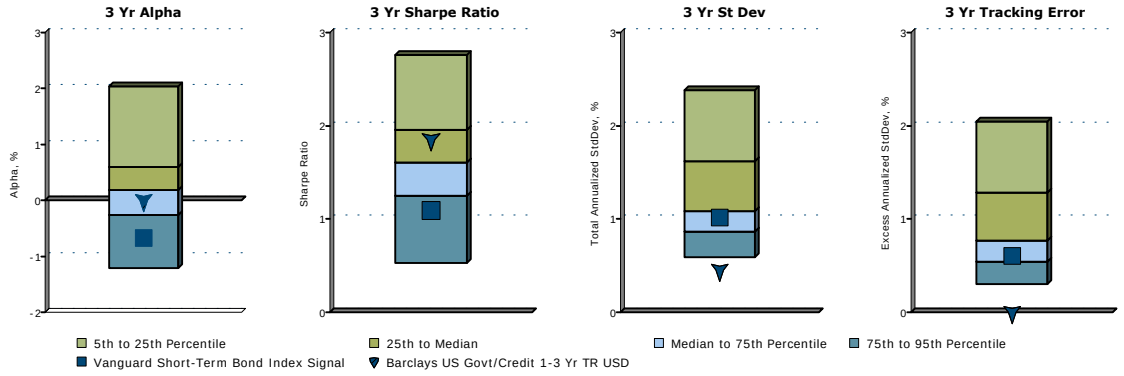
Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Short-Term Bond Index Signal	-0.07	0.91	1.04	1.19	2.09
Barclays US Govt/Credit 1-3 Yr TR USD	0.04	0.60	0.77	0.92	1.45
Universe(5%)	0.14	2.52	3.49	4.31	4.91
Universe(25%)	-0.01	1.39	1.86	2.61	3.06
Universe(Median)	-0.10	0.93	1.38	1.97	2.46
Universe(75%)	-0.26	0.64	0.91	1.23	1.88
Universe(95%)	-0.56	0.22	0.37	0.42	0.92

Vanguard Short-Term Bond Index Signal

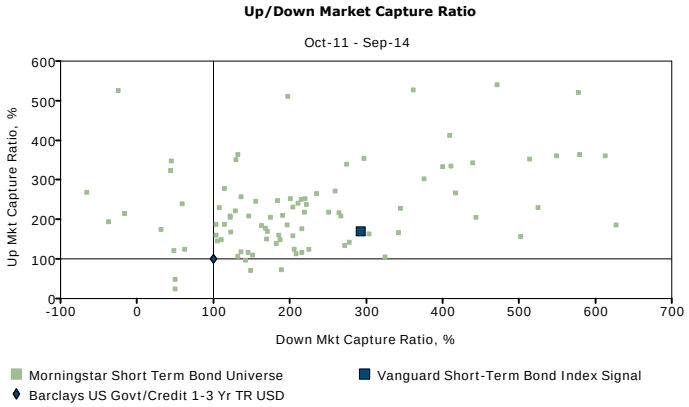


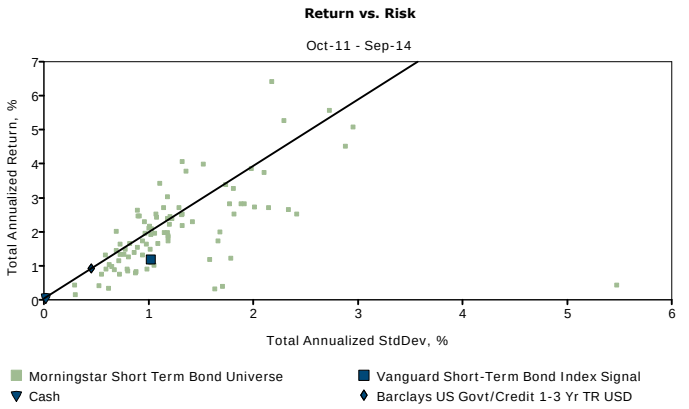


Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vanguard Short-Term Bond Index Signal	1.70	1.31	4.09	7.28	5.51	4.38	4.03	3.08	2.05	0.17
Barclays US Govt/Credit 1-3 Yr TR USD	1.30	1.77	4.25	6.83	4.97	3.82	2.80	1.59	1.26	0.64

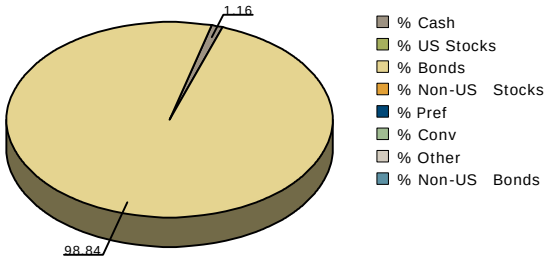


MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Short-Term Bond Index Signal	-0.67	2.12	90.30	1.09	1.02	0.60
Barclays US Govt/Credit 1-3 Yr TR USD	0.00	1.00	100.00	1.85	0.45	0.00
Universe(5%)	2.04	3.88	83.62	2.76	2.38	2.04
Universe(25%)	0.60	2.40	75.59	1.95	1.62	1.28
Universe(Median)	0.18	1.91	66.82	1.61	1.08	0.77
Universe(75%)	-0.26	1.45	53.55	1.25	0.87	0.54
Universe(95%)	-1.21	1.06	29.88	0.53	0.59	0.30





Vanguard Inflation-Protected Secs I



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	1.16
% US Stocks	0.00
% Bonds	98.84
% Non-US Stocks	0.00
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

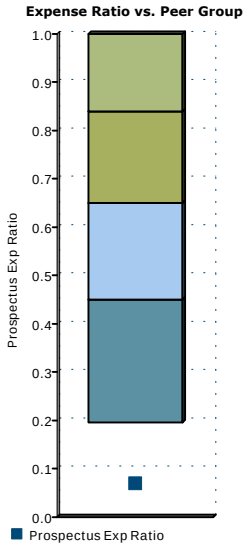
Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

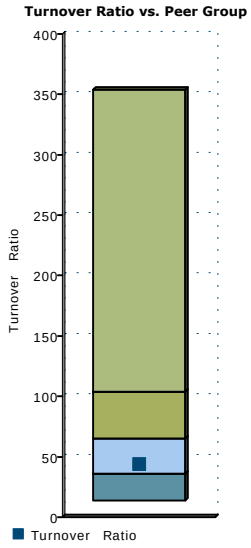
Credit Quality	
Avg Eff Duration	7.92
Effective Maturity	8.60
Avg Credit Quality	Government
AAA	100.00
AA	0.00
A	0.00
BBB	0.00
BB	0.00
B	0.00
Below B	0.00
NR/NA	0.00

Top Ten Holdings	
US Treasury TIP	5.75%
US Treasury TIP	5.29%
US Treasury TIP	4.82%
US TREASURY TIP	4.70%
US Treasury TIP	4.65%
US Treasury TIP	4.61%
US Treasury TIP 0.125%	4.58%
US TREASURY TIP	4.49%
US Treasury TIP	4.24%
US Treasury TIP 1.125%	4.05%

Portfolio Information	
Ticker	VIPIX
Morningstar Category	Inflation-Protected Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	8437.42
Net Assets $MM	25490.60
Turnover Ratio	44.00
% Assets in Top 10 Holdings	47.19
Total Number of Holdings	38.00
Manager Name	Gemma Wright-Casparius
Manager Tenure	3.12
Fund Incept Date	06/29/2000
Prospectus Exp Ratio	0.07
Phone Number	800-662-7447

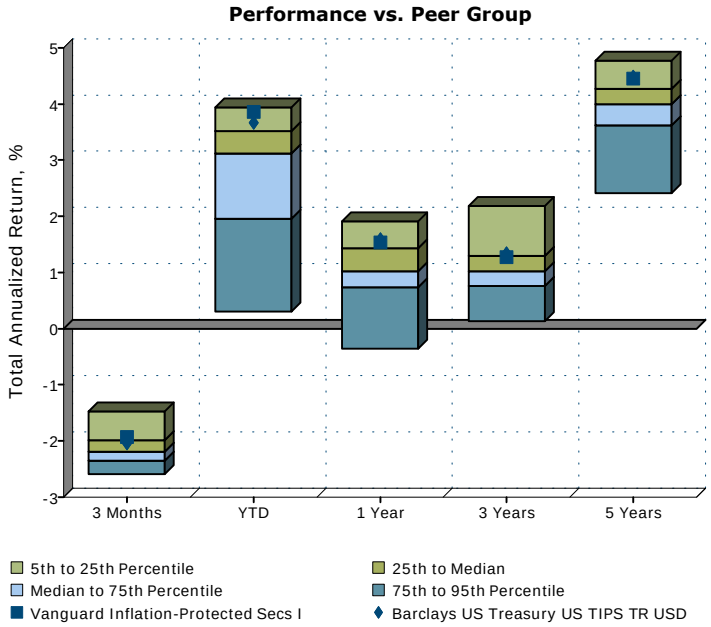
Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	29
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	10
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	18





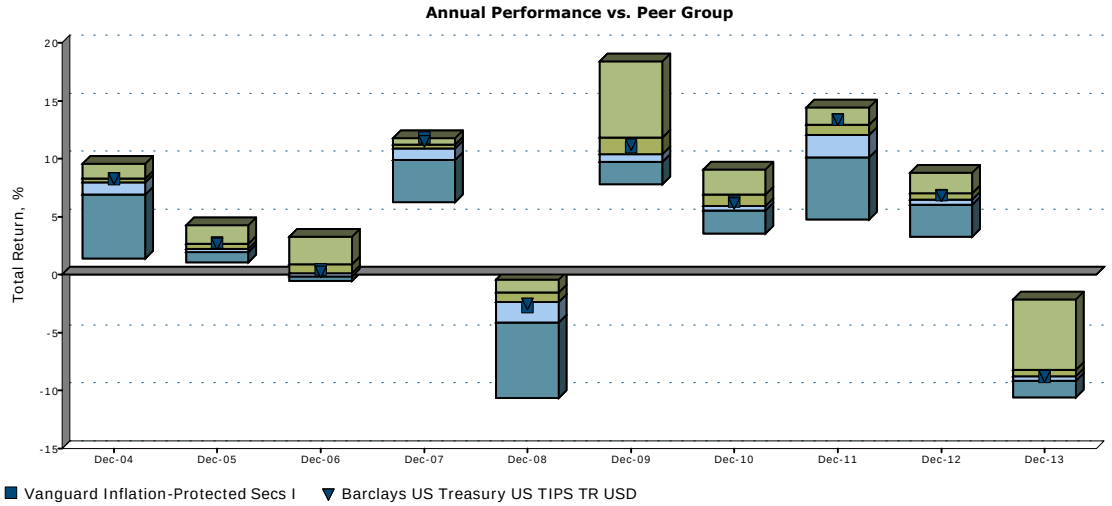
Investment Strategy Summary

The investment seeks to provide inflation protection and income consistent with investment in inflation-indexed securities. The fund invests at least 80% of its assets in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. It may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in the range of 7 to 20 years. At a minimum, all bonds purchased by the fund will be rated investment-grade or, if unrated, will be considered by the advisor to be investment-grade.

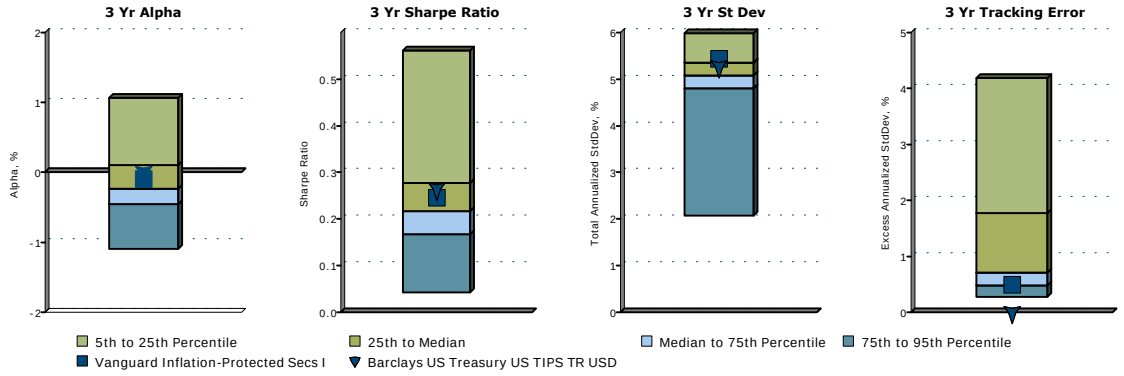


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Inflation-Protected Secs I	-1.93	3.87	1.53	1.27	4.45
Barclays US Treasury US TIPS TR USD	-2.04	3.67	1.59	1.34	4.48
Universe(5%)	-1.47	3.94	1.91	2.19	4.77
Universe(25%)	-1.98	3.52	1.43	1.30	4.27
Universe(Median)	-2.19	3.12	1.02	1.03	3.99
Universe(75%)	-2.35	1.95	0.74	0.76	3.62
Universe(95%)	-2.59	0.30	-0.35	0.13	2.41

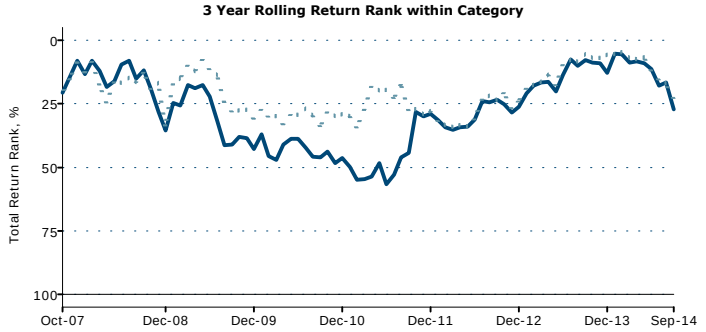
Vanguard Inflation-Protected Secs I

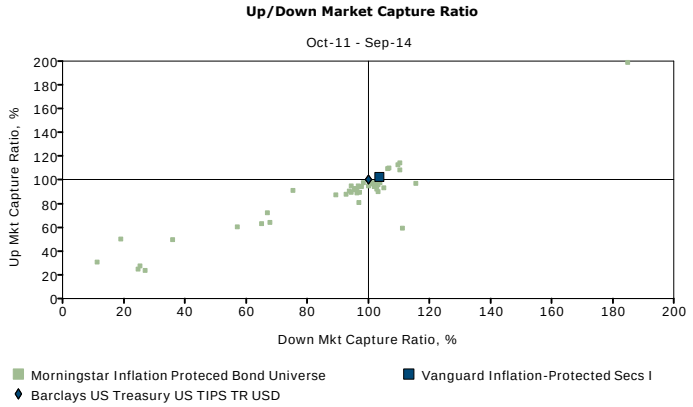


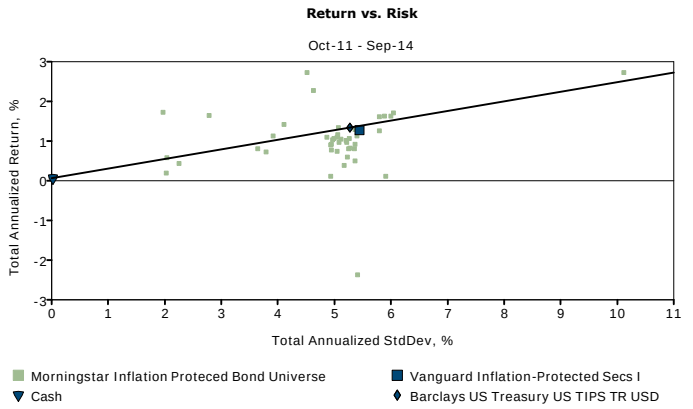
Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vanguard Inflation-Protected Secs I	8.25	2.78	0.46	11.82	-2.81	11.03	6.33	13.39	6.87	-8.83
Barclays US Treasury US TIPS TR USD	8.46	2.84	0.41	11.64	-2.35	11.41	6.31	13.56	6.98	-8.61



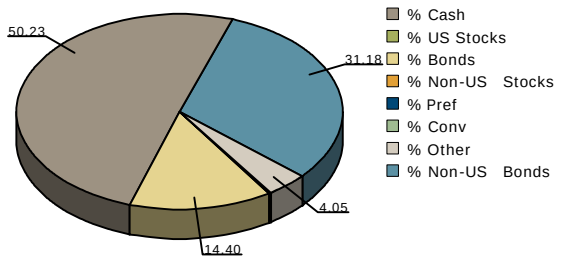
MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Inflation-Protected Secs I	-0.10	1.03	99.24	0.25	5.44	0.50
Barclays US Treasury US TIPS TR USD	0.00	1.00	100.00	0.27	5.27	0.00
Universe(5%)	1.06	1.12	99.76	0.56	5.99	4.18
Universe(25%)	0.11	1.00	99.36	0.28	5.36	1.77
Universe(Median)	-0.23	0.96	98.45	0.22	5.07	0.71
Universe(75%)	-0.45	0.90	94.64	0.17	4.80	0.48
Universe(95%)	-1.10	0.31	58.13	0.04	2.07	0.28







PIMCO Total Return Instl



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	50.23
% US Stocks	0.00
% Bonds	14.40
% Non-US Stocks	0.11
% Pref	0.03
% Conv	0.00
% Other	4.05
% Non-US Bonds	31.18

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

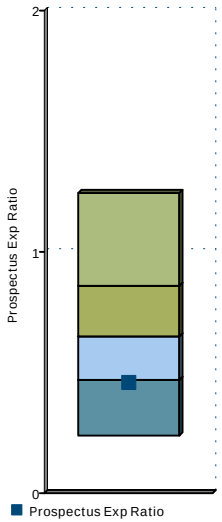
Credit Quality	
Avg Eff Duration	4.97
Effective Maturity	5.29
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
NYSE/Liffe 10 Year US Treasury Note Future Sept14	19.44%
Irs Usd 3.000 09/21/16-1y (Grn) Cme	19.23%
5 Year US Treasury Note Future Sept14	12.42%
Irs Usd 1.500 12/16/15-1y (Red) Cme	7.14%
Irs Usd 1.750 06/15/16-1y (Grn) Cme	6.66%
NYSE/Liffe 30 Year US Treasury Bond Future Sept14	2.81%
Irs Usd 2.750 06/19/13-30y Cme	2.62%
US Treasury TIP	2.34%
US TREASURY TIP	2.16%
Ois Usd Fedl01/1.0 10/15/15 Cme	1.97%

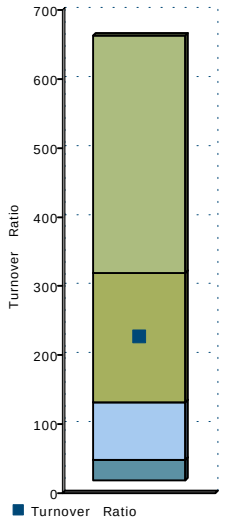
Portfolio Information	
Ticker	PTTRX
Morningstar Category	Intermediate-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	NA
Net Assets $MM	201585.25
Turnover Ratio	227.00
% Assets in Top 10 Holdings	76.79
Total Number of Holdings	17740.00
Manager Name	Mark R. Kiesel
Manager Tenure	0.01
Fund Incept Date	05/11/1987
Prospectus Exp Ratio	0.46
Phone Number	888-877-4626

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	20
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	39
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	5

Expense Ratio vs. Peer Group



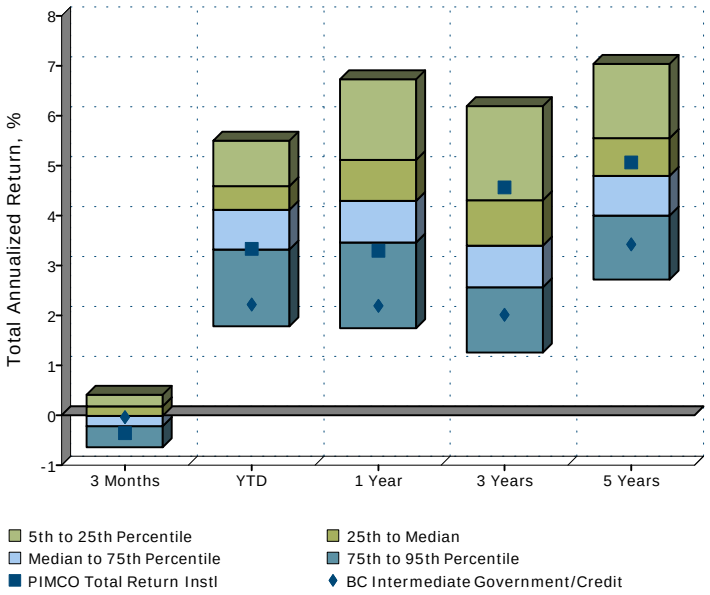
Turnover Ratio vs. Peer Group



Investment Strategy Summary

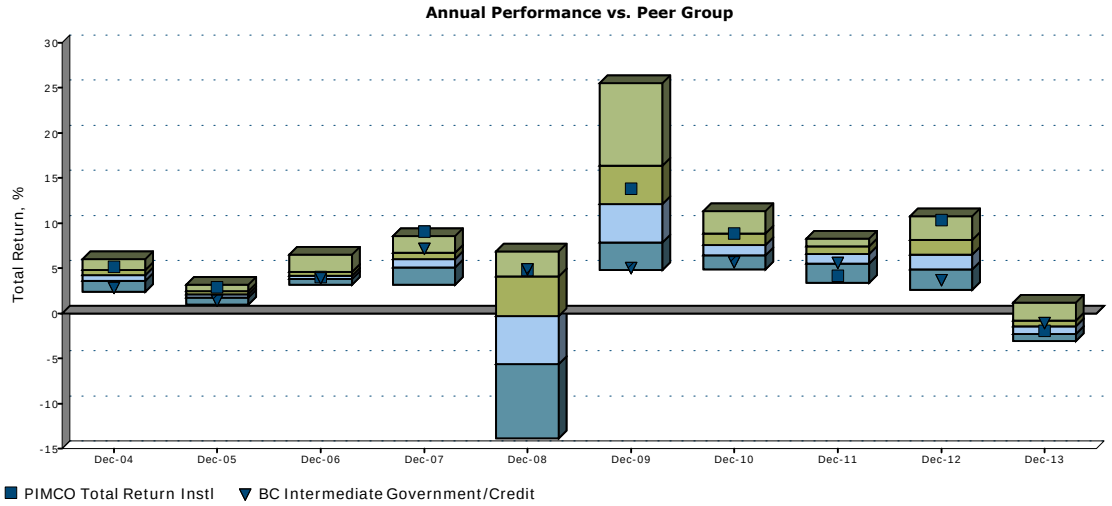
The investment seeks maximum total return, consistent with preservation of capital and prudent investment management. The fund normally invests at least 65% of its total assets in a diversified portfolio of Fixed Income Instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts, or swap agreements. It invests primarily in investment-grade debt securities, but may invest up to 10% of its total assets in high yield securities ("junk bonds") rated B or higher by Moody's, or equivalently rated by S&P or Fitch, or, if unrated, determined by PIMCO to be of comparable quality.

Performance vs. Peer Group

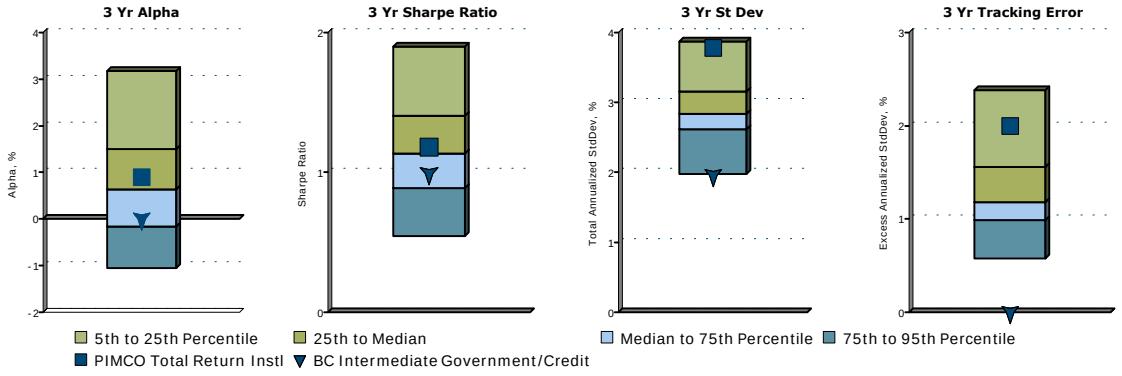


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
PIMCO Total Return Instl	-0.36	3.33	3.29	4.57	5.07
BC Intermediate Government/Credit	-0.03	2.22	2.20	2.01	3.42
Universe(5%)	0.41	5.50	6.72	6.19	7.04
Universe(25%)	0.18	4.59	5.12	4.31	5.55
Universe(Median)	-0.02	4.12	4.30	3.39	4.79
Universe(75%)	-0.22	3.33	3.46	2.56	3.99
Universe(95%)	-0.64	1.78	1.75	1.25	2.72

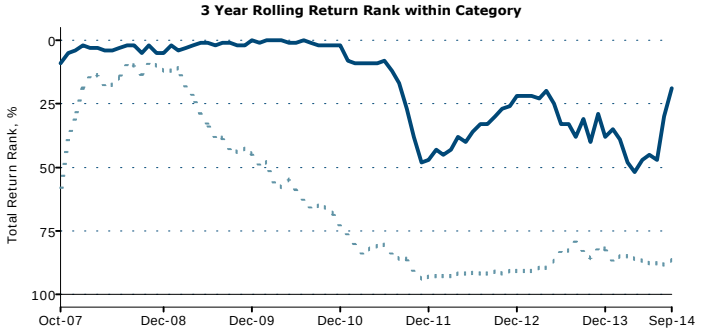
PIMCO Total Return Instl

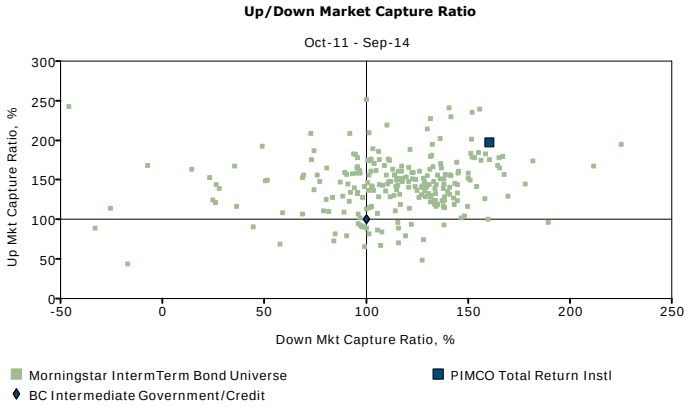


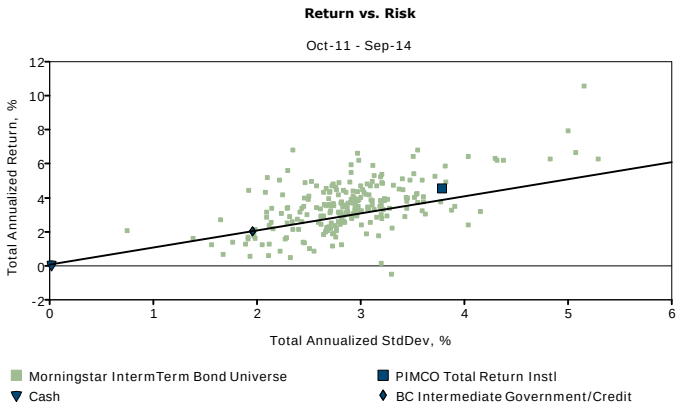
Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PIMCO Total Return Instl	5.14	2.89	3.99	9.07	4.82	13.83	8.83	4.16	10.36	-1.92
BC Intermediate Government/Credit	3.04	1.58	4.08	7.39	5.08	5.24	5.89	5.80	3.89	-0.86



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
PIMCO Total Return Instl	0.89	1.84	91.18	1.18	3.78	2.00
BC Intermediate Government/Credit	0.00	1.00	100.00	0.99	1.96	0.00
Universe(5%)	3.18	1.74	95.14	1.90	3.87	2.38
Universe(25%)	1.49	1.49	93.24	1.41	3.15	1.56
Universe(Median)	0.64	1.37	89.89	1.14	2.84	1.18
Universe(75%)	-0.16	1.21	83.52	0.89	2.62	0.99
Universe(95%)	-1.05	0.92	56.94	0.54	1.97	0.57



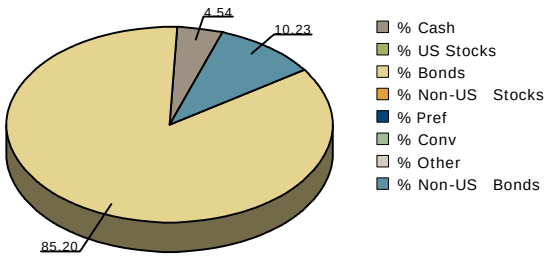




Milliman | Quarterly Investment Monitor

Data as of 09/30/2014

Vanguard Total Bond Market Index Signal



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	4.54
% US Stocks	0.00
% Bonds	85.20
% Non-US Stocks	0.00
% Pref	0.03
% Conv	0.00
% Other	0.00
% Non-US Bonds	10.23

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

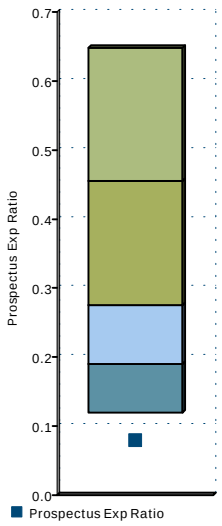
Credit Quality	
Avg Eff Duration	5.60
Effective Maturity	7.70
Avg Credit Quality	AA
AAA	69.87
AA	4.20
A	12.55
BBB	13.38
BB	0.00
B	0.00
Below B	0.00
NR/NA	0.00

Top Ten Holdings	
US Treasury Note 0.375%	0.63%
US Treasury Note 0.25%	0.57%
GNMA	0.54%
US Treasury Note 3.625%	0.54%
US Treasury Note 1.5%	0.52%
US Treasury Note 0.375%	0.51%
US Treasury Note 0.25%	0.50%
US Treasury Note 1.75%	0.47%
US Treasury Bond 6.25%	0.45%
US Treasury Note 0.625%	0.44%

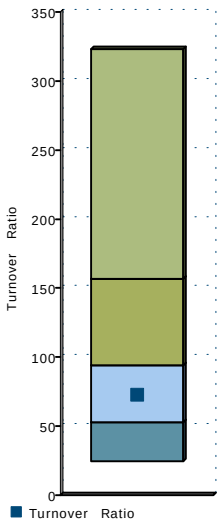
Portfolio Information	
Ticker	VBTSX
Morningstar Category	Intermediate-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	NA
Net Assets $MM	124223.64
Turnover Ratio	73.00
% Assets in Top 10 Holdings	5.19
Total Number of Holdings	16099.00
Manager Name	Joshua C. Barrickman
Manager Tenure	1.60
Fund Incept Date	12/11/1986
Prospectus Exp Ratio	0.08
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★
3 Year Mstar Rating	★★
% Rank Cat 3 Yr	78
5 Year Mstar Rating	★★
% Rank Cat 5 Yr	74
10 Year Mstar Rating	★★★
% Rank Cat 10 Yr	46

Expense Ratio vs. Peer Group



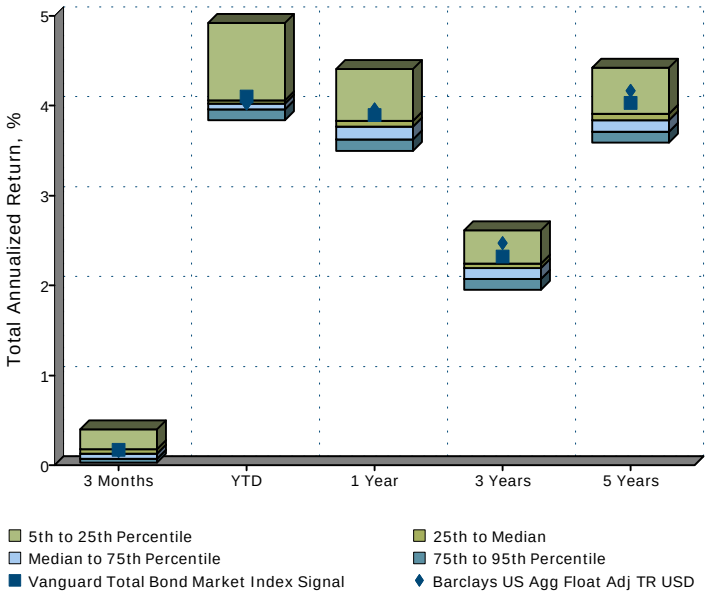
Turnover Ratio vs. Peer Group



Investment Strategy Summary

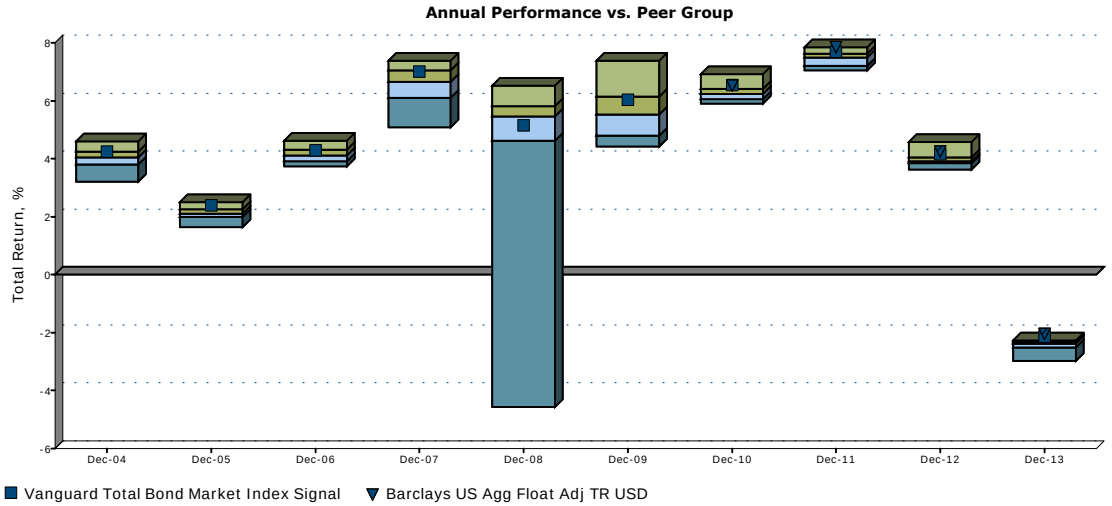
The investment seeks the performance of a broad, market-weighted bond index. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. Aggregate Float Adjusted Index. This index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States-including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities-all with maturities of more than 1 year. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.

Performance vs. Peer Group

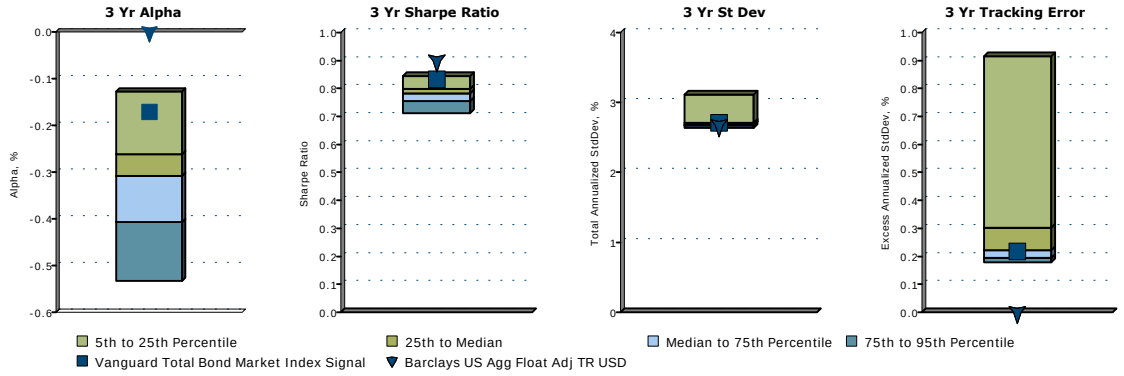


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Total Bond Market Index Signal	0.17	4.10	3.90	2.32	4.03
Barclays US Agg Float Adj TR USD	0.16	4.03	3.96	2.47	4.17
Universe(5%)	0.40	4.92	4.41	2.62	4.42
Universe(25%)	0.18	4.06	3.83	2.25	3.91
Universe(Median)	0.13	4.02	3.77	2.20	3.84
Universe(75%)	0.07	3.96	3.63	2.07	3.71
Universe(95%)	0.03	3.84	3.50	1.95	3.59

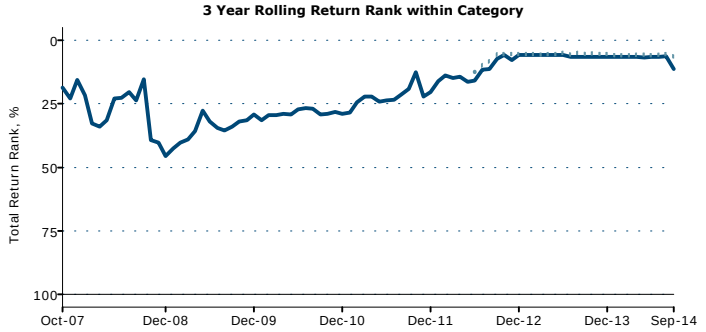
Vanguard Total Bond Market Index Signal

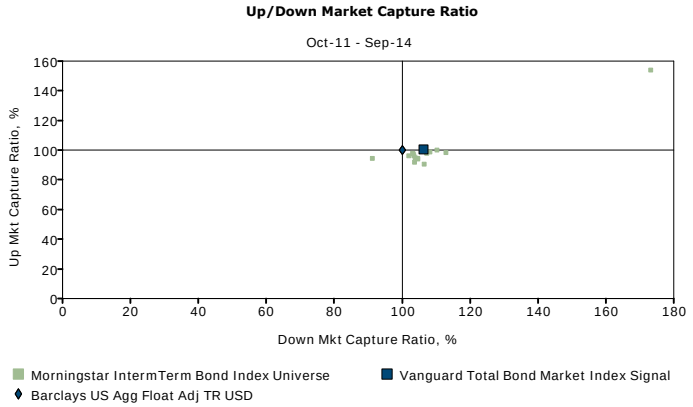


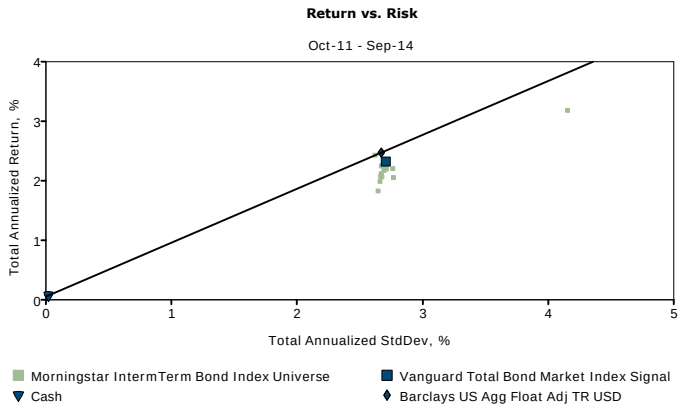
Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vanguard Total Bond Market Index Signal	4.24	2.40	4.29	7.02	5.15	6.04	6.54	7.68	4.15	-2.15
Barclays US Agg Float Adj TR USD	NA	NA	NA	NA	NA	NA	6.58	7.92	4.32	-1.97



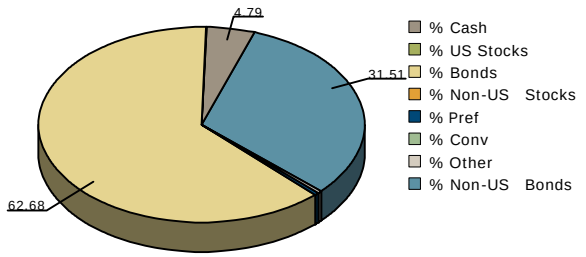
MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Total Bond Market Index Signal	-0.17	1.01	99.36	0.83	2.71	0.22
Barclays US Agg Float Adj TR USD	0.00	1.00	100.00	0.90	2.67	0.00
Universe(5%)	-0.13	1.15	99.56	0.84	3.11	0.92
Universe(25%)	-0.26	1.01	99.47	0.80	2.71	0.30
Universe(Median)	-0.31	1.00	99.33	0.78	2.69	0.22
Universe(75%)	-0.41	1.00	98.81	0.75	2.67	0.19
Universe(95%)	-0.53	0.98	95.46	0.71	2.64	0.18







PIMCO Long Duration Total Return Instl



Portfolio Region	
% United States	100.00
% Canada	0.00
% Latin America	0.00
% United Kingdom	0.00
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	4.79
% US Stocks	0.06
% Bonds	62.68
% Non-US Stocks	0.00
% Pref	0.47
% Conv	0.00
% Other	0.48
% Non-US Bonds	31.51

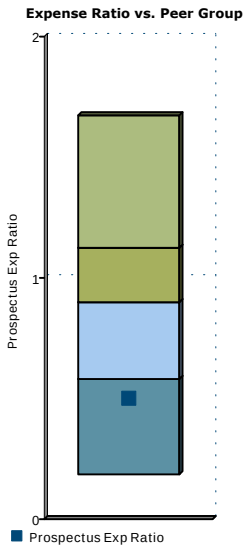
Sector Allocation	
% Basic Materials	0.00
% Communication Services	0.00
% Consumer Cyclical	0.00
% Consumer Defensive	0.00
% Healthcare	0.00
% Industrials	0.00
% Real Estate	0.00
% Technology	0.00
% Energy	0.00
% Financial Services	4.89
% Utilities	95.11

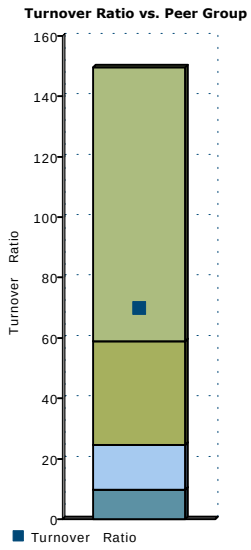
Credit Quality	
Avg Eff Duration	13.16
Effective Maturity	20.61
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Fin Fut Euro$ Cme 06/15/15	19.44%
Cdx Ig22 5y Bp Ice	9.02%
US Treasury Bond 2.75%	3.55%
US Treasury Bond 3.125%	2.73%
Resolution Fdg Fed Bk Prin Stp	2.20%
US Treasury Bond 3.125%	2.11%
U S Treas Bd Stripped Prin Pmt	2.07%
Resolution Fdg Fed Bk Prin Stp	1.71%
US Treasury Bond 4.375%	1.71%
AID 5.5%	1.67%

Portfolio Information	
Ticker	PLRIX
Morningstar Category	Long-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	NA
Net Assets $MM	5516.37
Turnover Ratio	70.00
% Assets in Top 10 Holdings	46.20
Total Number of Holdings	756.00
Manager Name	Stephen A. Rodosky
Manager Tenure	7.17
Fund Incept Date	08/31/2006
Prospectus Exp Ratio	0.50
Phone Number	888-877-4626

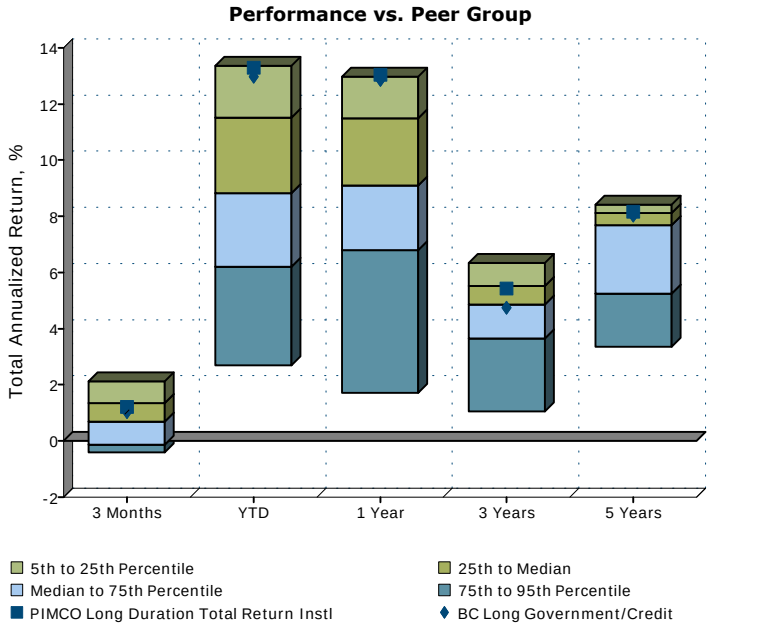
Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	10
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	8
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA





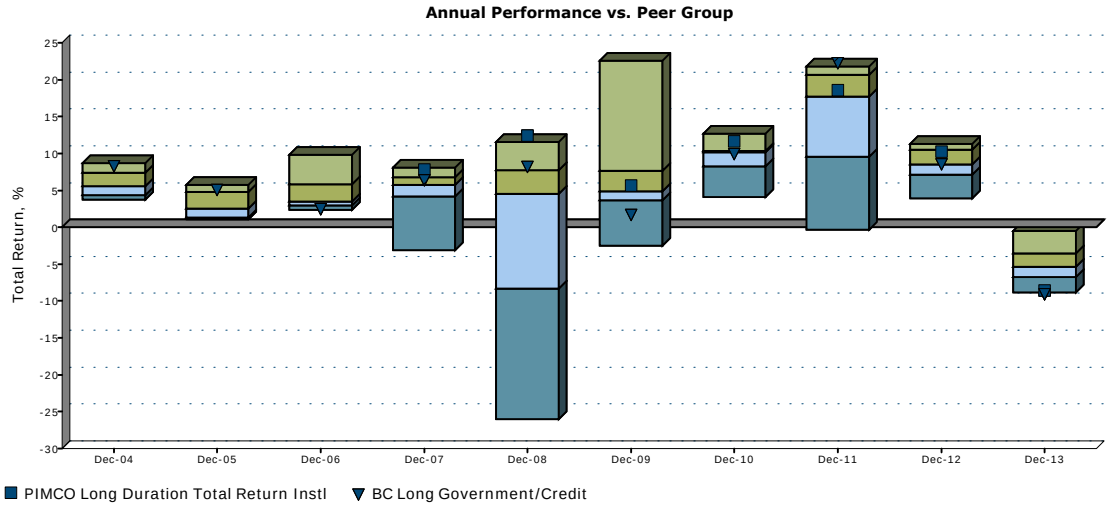
Investment Strategy Summary

The investment seeks maximum total return, consistent with prudent investment management. The fund invests at least 65% of its total assets in a diversified portfolio of Fixed Income Instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. It invests primarily in investment grade debt securities, but may invest up to 10% of its total assets in high yield securities ("junk bonds") that are rated B or higher by Moody's, or equivalently rated by S&P or Fitch, or, if unrated, determined by PIMCO to be of comparable quality.

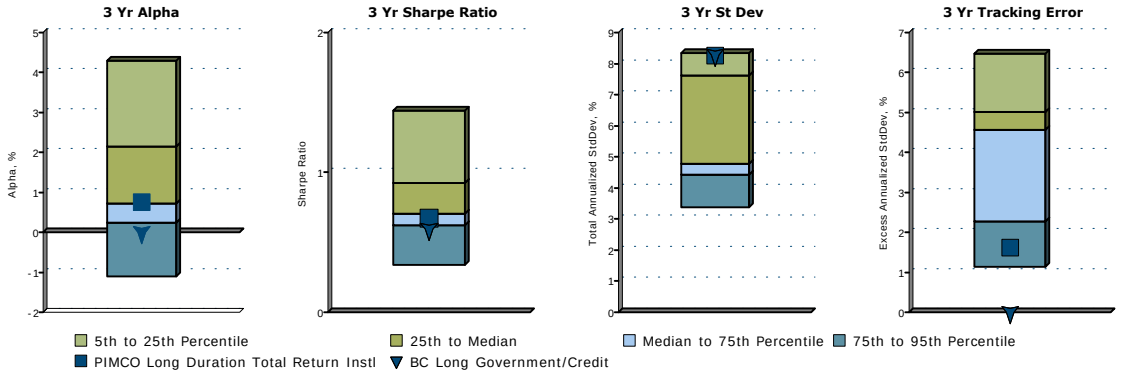


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
PIMCO Long Duration Total Return Instl	1.22	13.29	13.05	5.43	8.17
BC Long Government/Credit	1.04	12.97	12.87	4.75	8.04
Universe(5%)	2.12	13.37	12.98	6.35	8.42
Universe(25%)	1.36	11.52	11.49	5.52	8.13
Universe(Median)	0.68	8.82	9.11	4.87	7.68
Universe(75%)	-0.13	6.20	6.79	3.65	5.25
Universe(95%)	-0.40	2.70	1.72	1.06	3.36

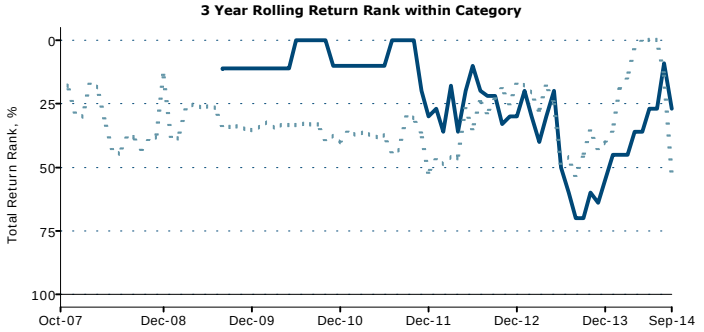
PIMCO Long Duration Total Return Instl

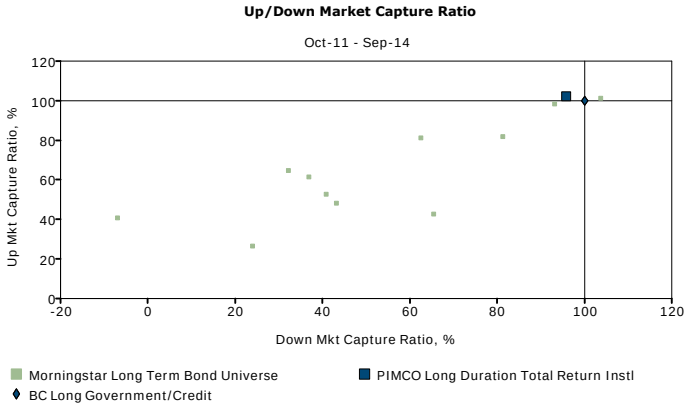


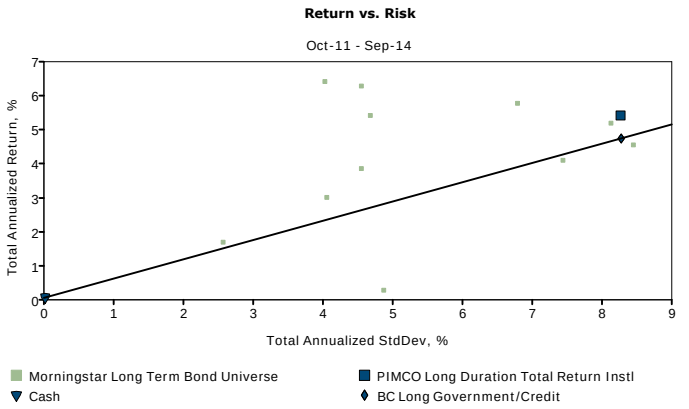
Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PIMCO Long Duration Total Return Instl	NA	NA	NA	7.83	12.38	5.62	11.64	18.57	10.28	-8.56
BC Long Government/Credit	8.56	5.33	2.71	6.60	8.44	1.92	10.16	22.49	8.78	-8.83



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
PIMCO Long Duration Total Return Instl	0.75	0.98	96.24	0.67	8.26	1.61
BC Long Government/Credit	0.00	1.00	100.00	0.59	8.27	0.00
Universe(5%)	4.30	1.00	98.03	1.44	8.34	6.47
Universe(25%)	2.14	0.89	93.32	0.92	7.61	5.01
Universe(Median)	0.73	0.51	85.78	0.70	4.78	4.56
Universe(75%)	0.24	0.46	73.95	0.62	4.42	2.28
Universe(95%)	-1.11	0.28	52.90	0.34	3.37	1.14



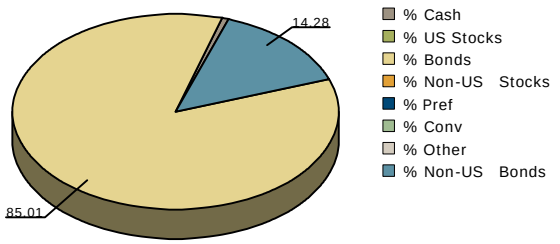




Milliman | Quarterly Investment Monitor

Data as of 09/30/2014

Vanguard Long-Term Bond Index I



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	0.68
% US Stocks	0.00
% Bonds	85.01
% Non-US Stocks	0.00
% Pref	0.03
% Conv	0.00
% Other	0.00
% Non-US Bonds	14.28

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

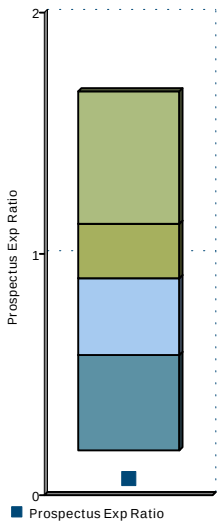
Credit Quality	
Avg Eff Duration	14.44
Effective Maturity	24.20
Avg Credit Quality	A
AAA	36.50
AA	7.03
A	25.92
BBB	30.55
BB	0.00
B	0.00
Below B	0.00
NR/NA	0.00

Top Ten Holdings	
US Treasury Bond 3.625%	2.34%
US Treasury Bond 3.125%	1.85%
US Treasury Bond 3.75%	1.76%
US Treasury Bond 2.75%	1.74%
US Treasury Bond 3.375%	1.70%
US Treasury Bond 2.75%	1.68%
US Treasury Bond 3.625%	1.35%
US Treasury Bond 4.25%	1.34%
US Treasury Bond 4.75%	1.24%
US Treasury Bond 4.375%	1.06%

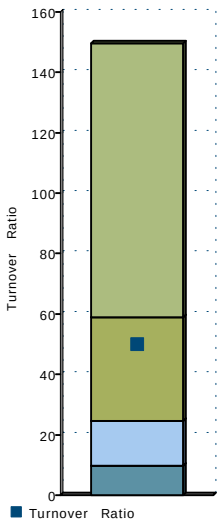
Portfolio Information	
Ticker	VBLLX
Morningstar Category	Long-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	NA
Net Assets $MM	7262.92
Turnover Ratio	50.00
% Assets in Top 10 Holdings	16.05
Total Number of Holdings	1762.00
Manager Name	Joshua C. Barrickman
Manager Tenure	1.60
Fund Incept Date	03/01/1994
Prospectus Exp Ratio	0.07
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	30
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	39
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	1

Expense Ratio vs. Peer Group



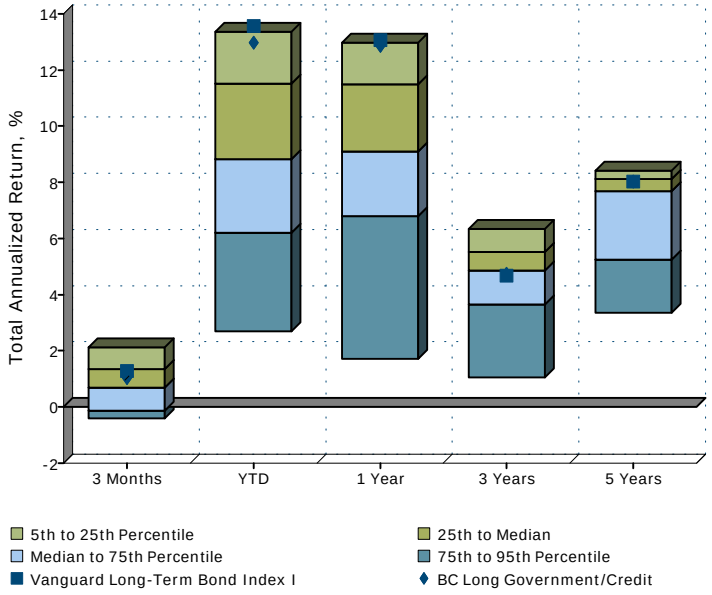
Turnover Ratio vs. Peer Group



Investment Strategy Summary

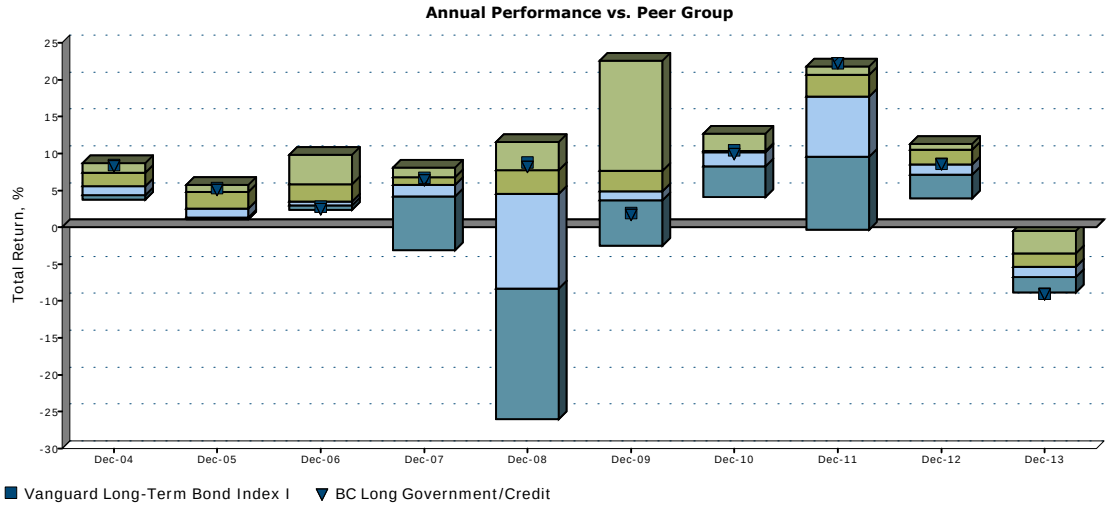
The investment seeks to track the performance of a market-weighted bond index with a long-term dollar-weighted average maturity. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. Long Government/Credit Float Adjusted Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of greater than 10 years and are publicly issued. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.

Performance vs. Peer Group

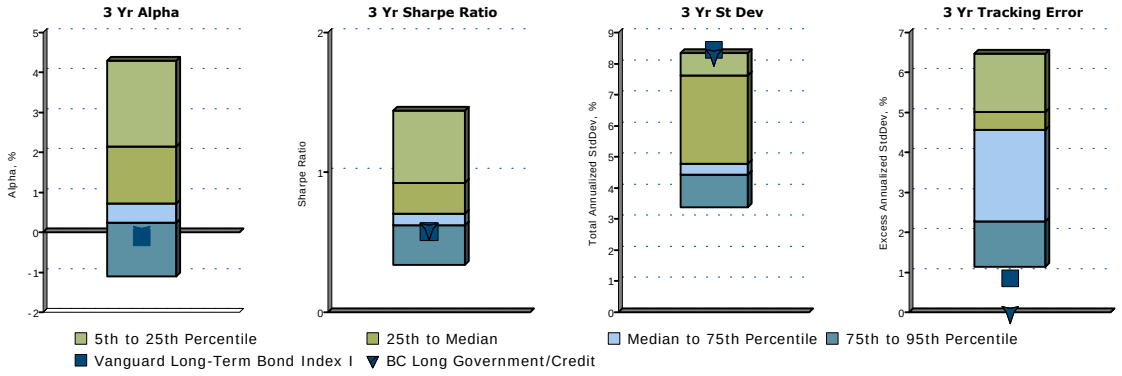


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Long-Term Bond Index I	1.27	13.57	13.06	4.69	8.04
BC Long Government/Credit	1.04	12.97	12.87	4.75	8.04
Universe(5%)	2.12	13.37	12.98	6.35	8.42
Universe(25%)	1.36	11.52	11.49	5.52	8.13
Universe(Median)	0.68	8.82	9.11	4.87	7.68
Universe(75%)	-0.13	6.20	6.79	3.65	5.25
Universe(95%)	-0.40	2.70	1.72	1.06	3.36

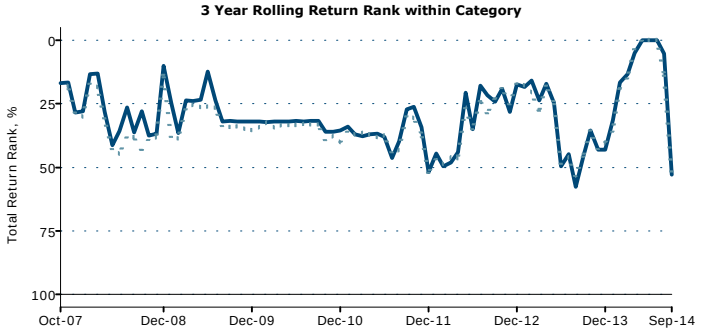
Vanguard Long-Term Bond Index I

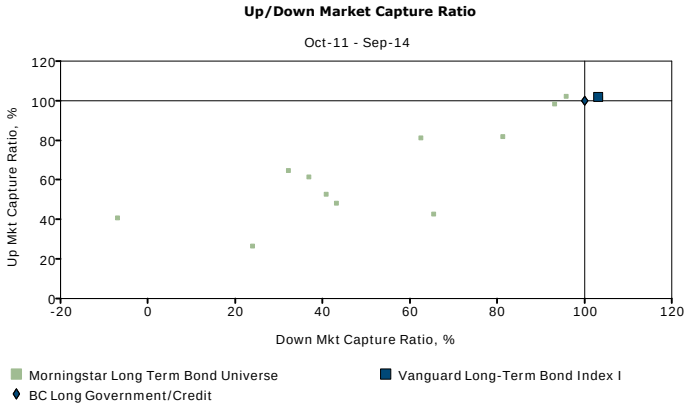


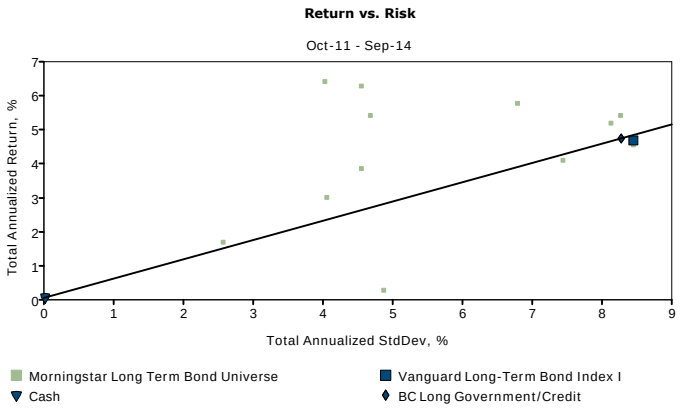
Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vanguard Long-Term Bond Index I	8.40	5.32	2.75	6.71	8.77	1.91	10.43	22.23	8.63	-9.01
BC Long Government/Credit	8.56	5.33	2.71	6.60	8.44	1.92	10.16	22.49	8.78	-8.83



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Long-Term Bond Index I	-0.12	1.02	99.01	0.58	8.45	0.85
BC Long Government/Credit	0.00	1.00	100.00	0.59	8.27	0.00
Universe(5%)	4.30	1.00	98.03	1.44	8.34	6.47
Universe(25%)	2.14	0.89	93.32	0.92	7.61	5.01
Universe(Median)	0.73	0.51	85.78	0.70	4.78	4.56
Universe(75%)	0.24	0.46	73.95	0.62	4.42	2.28
Universe(95%)	-1.11	0.28	52.90	0.34	3.37	1.14



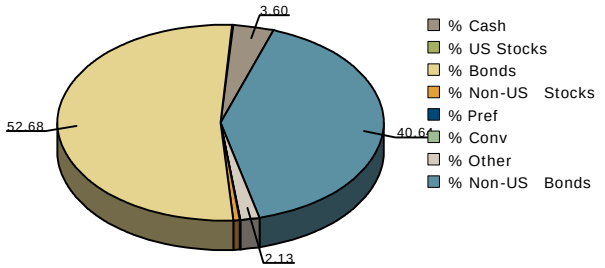




Milliman | Quarterly Investment Monitor

Data as of 09/30/2014

Ivy High Income I



Portfolio Region	
% United States	63.43
% Canada	0.00
% Latin America	0.00
% United Kingdom	36.57
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	3.60
% US Stocks	0.57
% Bonds	52.68
% Non-US Stocks	0.33
% Pref	0.02
% Conv	0.04
% Other	2.13
% Non-US Bonds	40.64

Sector Allocation	
% Basic Materials	0.00
% Communication Services	56.75
% Consumer Cyclical	43.25
% Consumer Defensive	0.00
% Healthcare	0.00
% Industrials	0.00
% Real Estate	0.00
% Technology	0.00
% Energy	0.00
% Financial Services	0.00
% Utilities	0.00

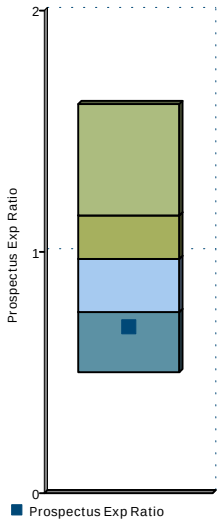
Credit Quality	
Avg Eff Duration	3.90
Effective Maturity	4.65
Avg Credit Quality	B
AAA	0.00
AA	0.00
A	1.02
BBB	1.76
BB	20.12
B	41.38
Below B	35.28
NR/NA	0.44

Top Ten Holdings	
Magic 2 Lien (Misys Plc)	2.02%
Laureate Educ 144A 9.25%	1.71%
Formula 1 (Proj Green Ii)	1.41%
Hd Sply 11.5%	1.12%
Tmx Fin Llc/Titlemax Fin 144A 8.5%	1.02%
Eagle Midco 144A 9%	0.98%
Onex Usi Acquisition 144A 7.75%	0.94%
Jo-Ann Stores 144A 9.75%	0.88%
Bakercorp Intl 144A 8.25%	0.84%
Pinnacle Operating Corporation 144A 9%	0.84%

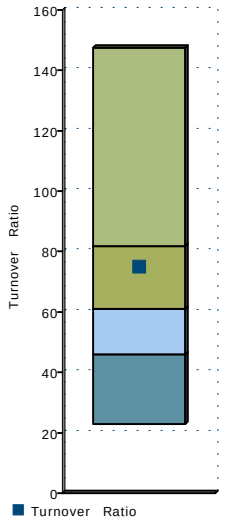
Portfolio Information	
Ticker	IVHIX
Morningstar Category	High Yield Bond
Avg Mkt Cap $MM	23763.36
Cat Med Mkt Cap $MM	12586.60
Net Assets $MM	10636.43
Turnover Ratio	75.00
% Assets in Top 10 Holdings	11.77
Total Number of Holdings	422.00
Manager Name	Chad A. Gunther
Manager Tenure	0.23
Fund Incept Date	07/31/1997
Prospectus Exp Ratio	0.69
Phone Number	800-777-6472

Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★★
% Rank Cat 3 Yr	8
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	3
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	2

Expense Ratio vs. Peer Group



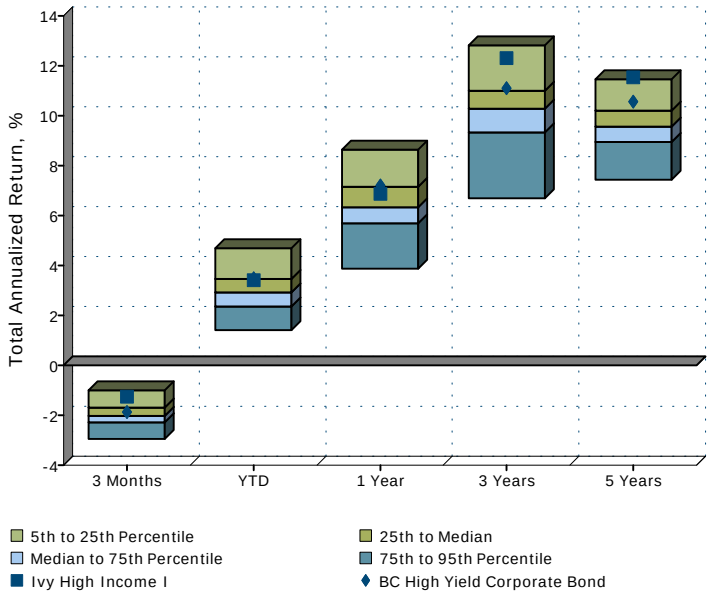
Turnover Ratio vs. Peer Group



Investment Strategy Summary

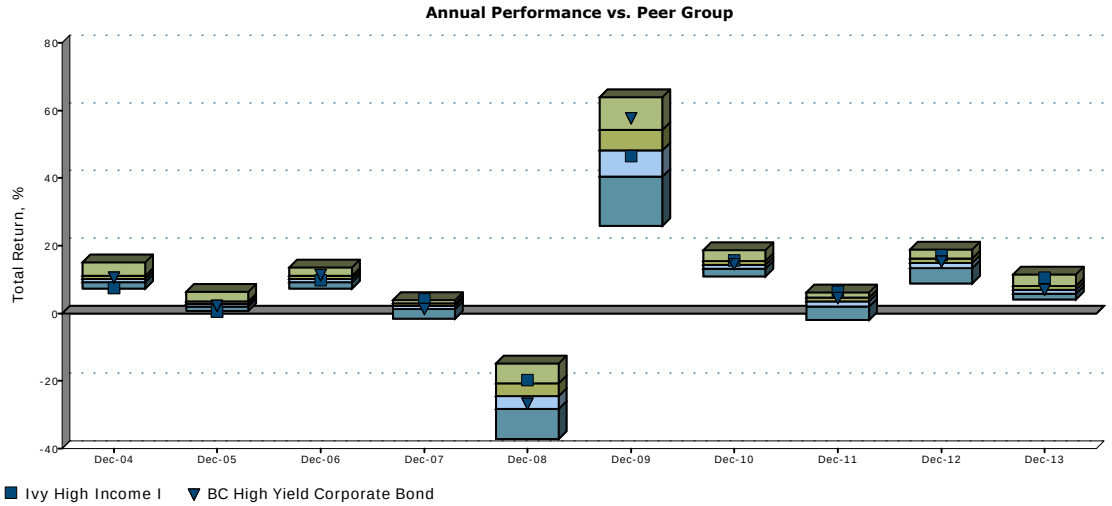
The investment seeks to provide total return through a combination of high current income and capital appreciation. The fund invests primarily in a diversified portfolio of high-yield, high-risk, fixed income securities, including secured and unsecured loan assignments, loan participations and other loan instruments (loans), of U.S. and foreign issuers, the risks of which are, in the judgment of the adviser consistent with the fund's objective. It invests primarily in lower quality debt securities, which include debt securities rated BBB+ or lower.

Performance vs. Peer Group

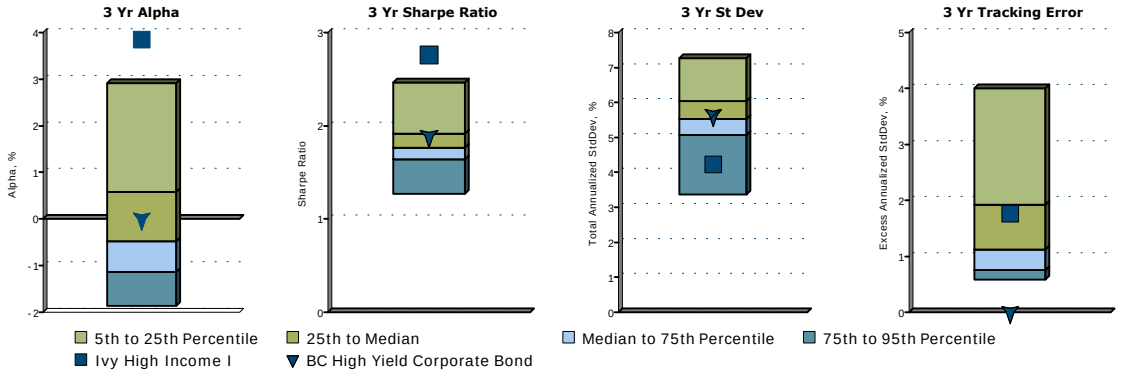


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Ivy High Income I	-1.27	3.40	6.88	12.30	11.55
BC High Yield Corporate Bond	-1.87	3.49	7.20	11.09	10.57
Universe(5%)	-0.99	4.69	8.65	12.82	11.46
Universe(25%)	-1.69	3.47	7.14	11.00	10.20
Universe(Median)	-2.02	2.93	6.33	10.28	9.57
Universe(75%)	-2.27	2.37	5.69	9.33	8.95
Universe(95%)	-2.96	1.42	3.87	6.69	7.43

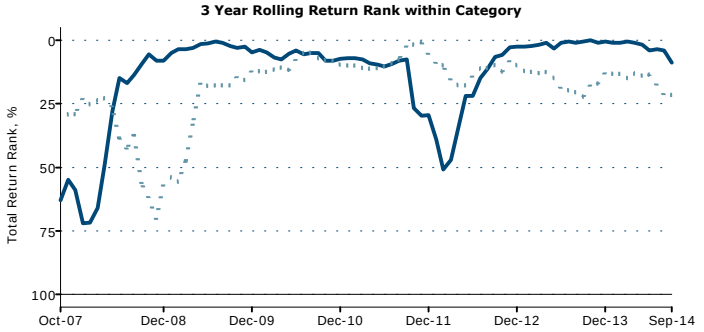
Ivy High Income I

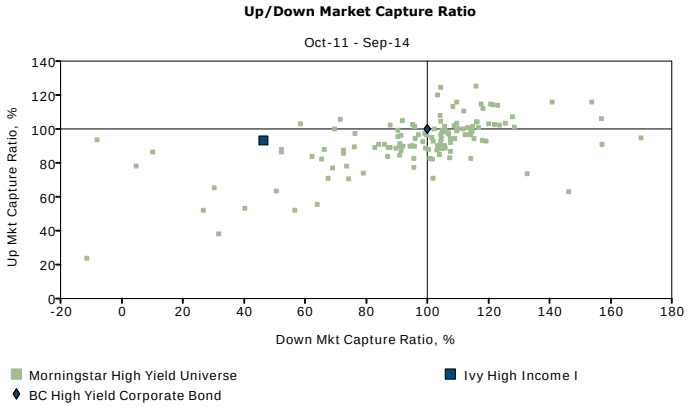


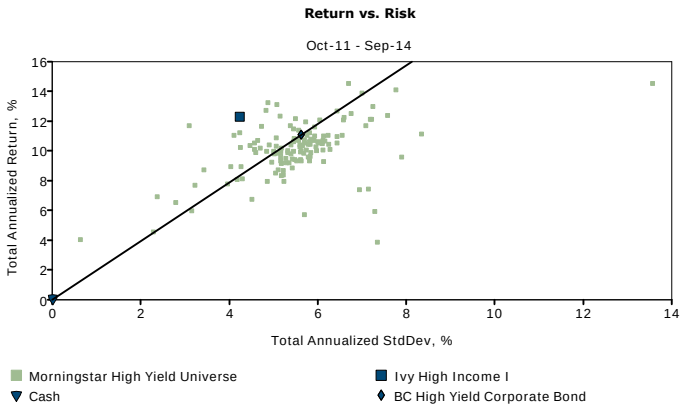
Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Ivy High Income I	7.58	0.59	9.69	4.05	-19.73	46.56	15.62	6.44	17.16	10.46
BC High Yield Corporate Bond	11.13	2.74	11.85	1.87	-26.16	58.21	15.12	4.98	15.81	7.44



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Ivy High Income I	3.85	0.73	95.29	2.76	4.23	1.76
BC High Yield Corporate Bond	0.00	1.00	100.00	1.89	5.63	0.00
Universe(5%)	2.92	1.17	99.23	2.47	7.26	4.00
Universe(25%)	0.58	1.05	98.59	1.92	6.04	1.92
Universe(Median)	-0.48	0.96	97.17	1.77	5.53	1.13
Universe(75%)	-1.14	0.87	91.57	1.64	5.06	0.75
Universe(95%)	-1.86	0.55	74.59	1.27	3.36	0.58



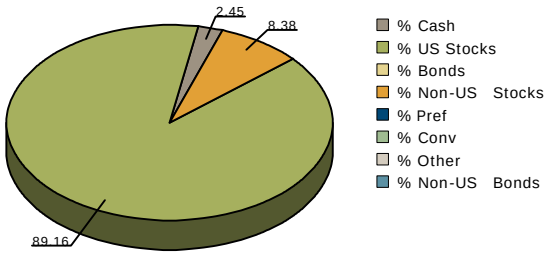




Milliman | Quarterly Investment Monitor

Data as of 09/30/2014

American Funds Washington Mutual R6



Portfolio Region	
% United States	91.41
% Canada	2.36
% Latin America	0.00
% United Kingdom	3.87
% Eurozone	0.59
% Europe - ex Euro	1.62
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.16
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	2.45
% US Stocks	89.16
% Bonds	0.00
% Non-US Stocks	8.38
% Pref	0.00
% Conv	0.00
% Other	0.01
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	4.09
% Communication Services	5.66
% Consumer Cyclical	11.02
% Consumer Defensive	9.56
% Healthcare	10.66
% Industrials	19.17
% Real Estate	0.00
% Technology	10.07
% Energy	12.23
% Financial Services	14.17
% Utilities	3.37

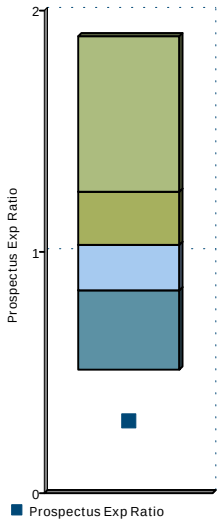
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Microsoft Corp	5.01%
Boeing Co	4.23%
Home Depot Inc	3.87%
Merck & Co Inc	3.73%
Wells Fargo & Co	3.60%
Royal Dutch Shell PLC ADR Class B	3.51%
American Express Co	2.82%
Chevron Corp	2.55%
Coca-Cola Co	2.55%
Verizon Communications Inc	2.50%

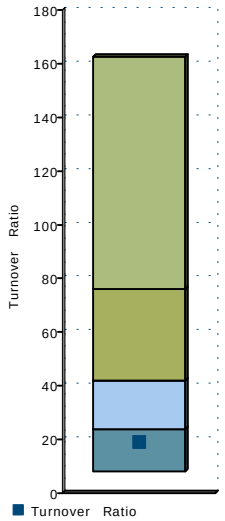
Portfolio Information	
Ticker	RWMGX
Morningstar Category	Large Value
Avg Mkt Cap $MM	94038.89
Cat Med Mkt Cap $MM	87265.57
Net Assets $MM	75577.95
Turnover Ratio	19.00
% Assets in Top 10 Holdings	34.36
Total Number of Holdings	153.00
Manager Name	Alan N. Berro
Manager Tenure	17.26
Fund Incept Date	07/31/1952
Prospectus Exp Ratio	0.30
Phone Number	800-421-4225

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	52
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	5
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	33

Expense Ratio vs. Peer Group



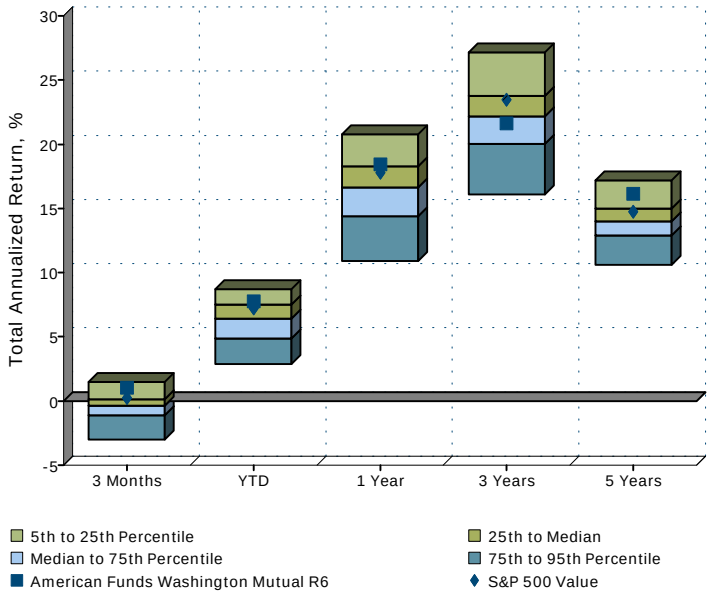
Turnover Ratio vs. Peer Group



Investment Strategy Summary

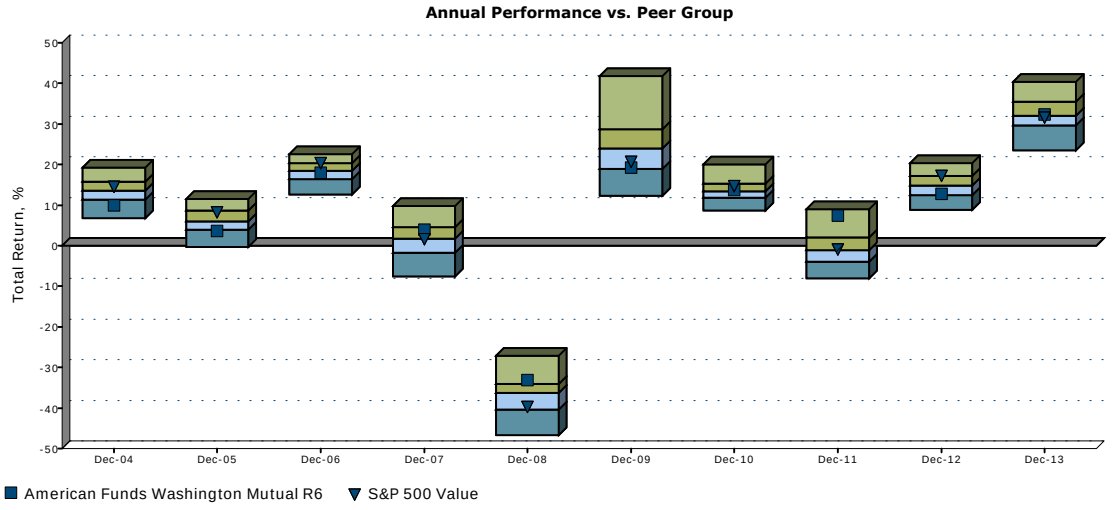
The investment seeks to produce income and to provide an opportunity for growth of principal consistent with sound common stock investing. The fund invests primarily in common stocks of established companies that are listed on, or meet the financial listing requirements of, the New York Stock Exchange and have a strong record of earnings and dividends. Its advisor strives to maintain a fully invested, diversified portfolio, consisting primarily of high-quality common stocks.

Performance vs. Peer Group

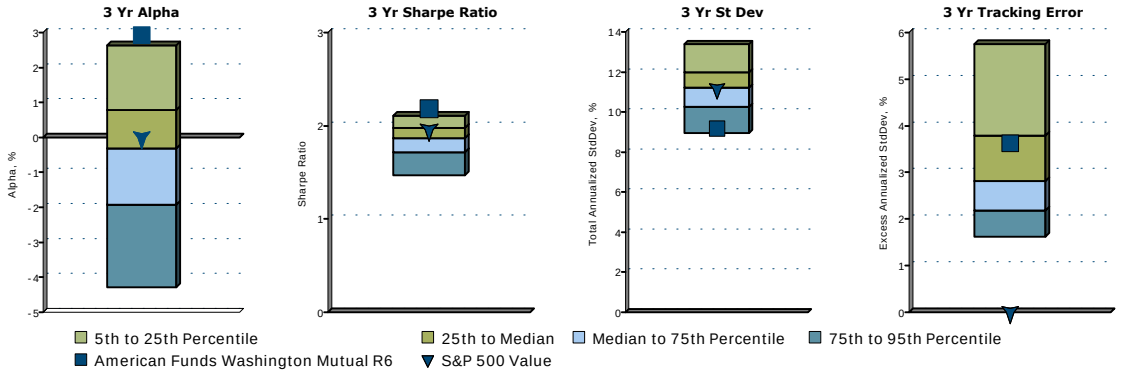


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
American Funds Washington Mutual R6	1.02	7.78	18.43	21.60	16.15
S&P 500 Value	0.25	7.23	17.77	23.46	14.73
Universe(5%)	1.49	8.71	20.77	27.16	17.18
Universe(25%)	0.12	7.50	18.27	23.75	15.00
Universe(Median)	-0.35	6.42	16.63	22.15	14.00
Universe(75%)	-1.09	4.87	14.42	20.04	12.92
Universe(95%)	-2.98	2.87	10.91	16.07	10.58

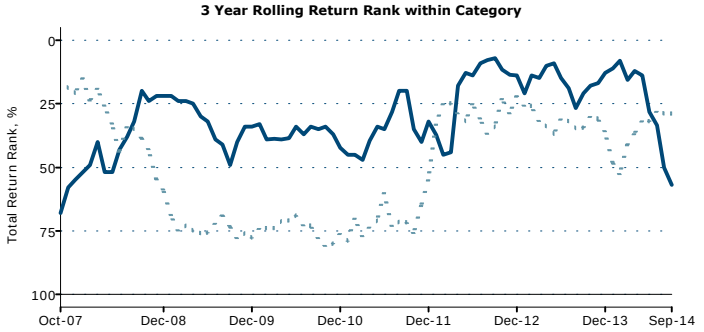
American Funds Washington Mutual R6

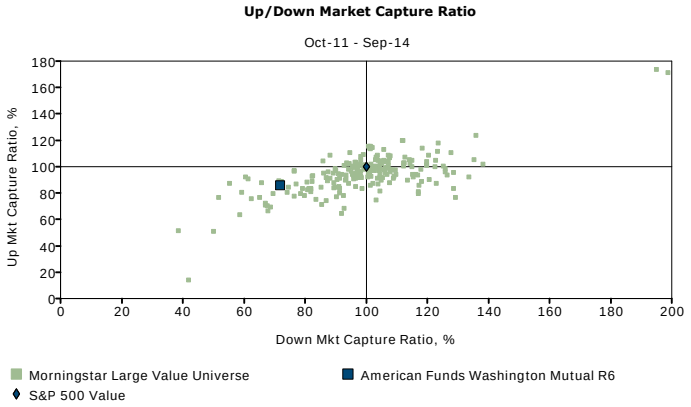


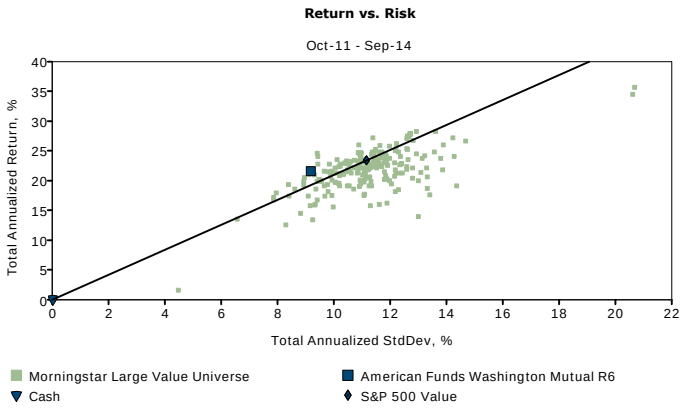
Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
American Funds Washington Mutual R6	9.92	3.55	18.04	3.97	-33.10	19.24	13.69	7.35	12.85	32.34
S&P 500 Value	15.03	8.71	20.80	1.99	-39.22	21.18	15.10	-0.48	17.68	31.99



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
American Funds Washington Mutual R6	2.92	0.79	91.13	2.18	9.19	3.63
S&P 500 Value	0.00	1.00	100.00	1.95	11.15	0.00
Universe(5%)	2.63	1.14	98.22	2.11	13.39	5.75
Universe(25%)	0.79	1.05	96.42	1.98	11.98	3.79
Universe(Median)	-0.32	0.98	94.61	1.87	11.23	2.81
Universe(75%)	-1.93	0.90	90.63	1.71	10.26	2.19
Universe(95%)	-4.28	0.74	82.67	1.47	8.94	1.63



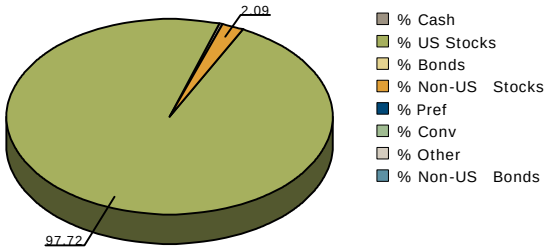




Milliman | Quarterly Investment Monitor

Data as of 09/30/2014

Vanguard Growth Index I



Portfolio Region	
% United States	97.91
% Canada	0.16
% Latin America	0.00
% United Kingdom	0.48
% Eurozone	1.05
% Europe - ex Euro	0.19
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.21
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.19
% US Stocks	97.72
% Bonds	0.00
% Non-US Stocks	2.09
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	3.07
% Communication Services	3.78
% Consumer Cyclical	17.48
% Consumer Defensive	7.12
% Healthcare	12.64
% Industrials	10.68
% Real Estate	4.99
% Technology	25.56
% Energy	8.39
% Financial Services	6.12
% Utilities	0.17

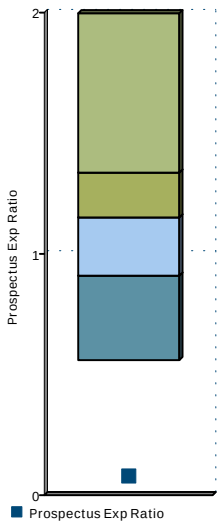
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Apple Inc	7.14%
Coca-Cola Co	1.91%
Gilead Sciences Inc	1.91%
Google Inc Class A	1.90%
Google Inc Class C	1.89%
Facebook Inc Class A	1.72%
Schlumberger NV	1.65%
Walt Disney Co	1.62%
Oracle Corporation	1.60%
Qualcomm Inc	1.48%

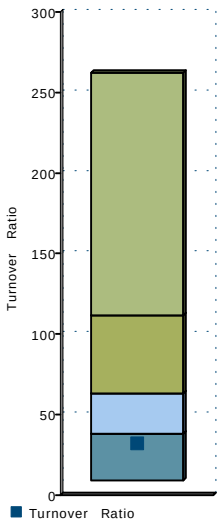
Portfolio Information	
Ticker	VIGIX
Morningstar Category	Large Growth
Avg Mkt Cap $MM	51552.71
Cat Med Mkt Cap $MM	72963.17
Net Assets $MM	41724.89
Turnover Ratio	32.00
% Assets in Top 10 Holdings	22.83
Total Number of Holdings	373.00
Manager Name	Gerard C. O'Reilly
Manager Tenure	19.76
Fund Incept Date	11/02/1992
Prospectus Exp Ratio	0.08
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	24
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	13
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	25

Expense Ratio vs. Peer Group



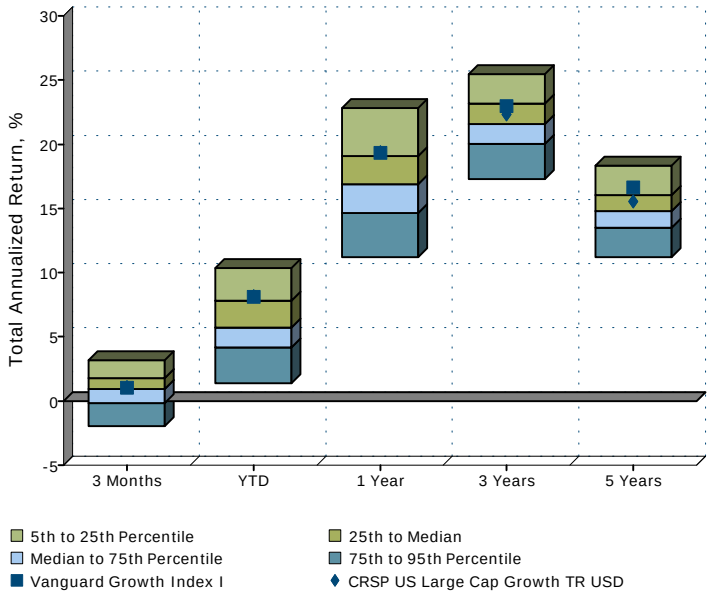
Turnover Ratio vs. Peer Group



Investment Strategy Summary

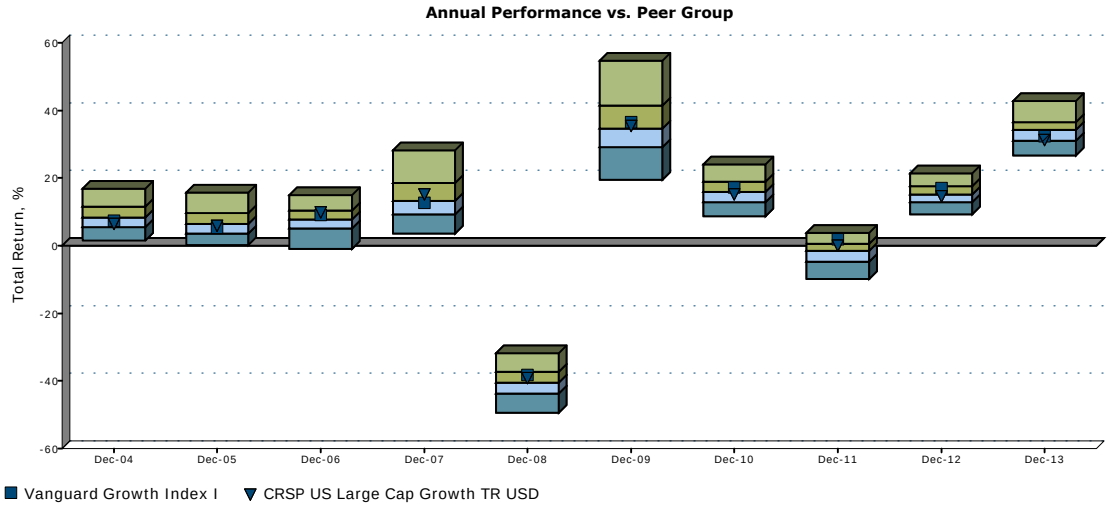
The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization growth stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP U.S. Large Cap Growth Index, a broadly diversified index predominantly made up of growth stocks of large U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Performance vs. Peer Group

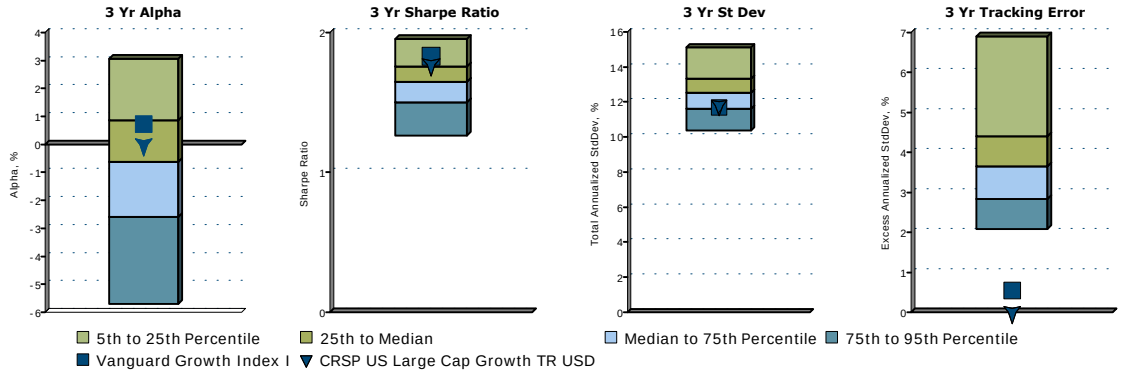


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Growth Index I	1.06	8.12	19.32	22.96	16.64
CRSP US Large Cap Growth TR USD	1.06	8.18	19.38	22.30	15.52
Universe(5%)	3.20	10.38	22.80	25.46	18.33
Universe(25%)	1.79	7.79	19.10	23.18	16.04
Universe(Median)	0.91	5.73	16.88	21.56	14.80
Universe(75%)	-0.14	4.19	14.67	20.01	13.49
Universe(95%)	-1.95	1.37	11.21	17.31	11.22

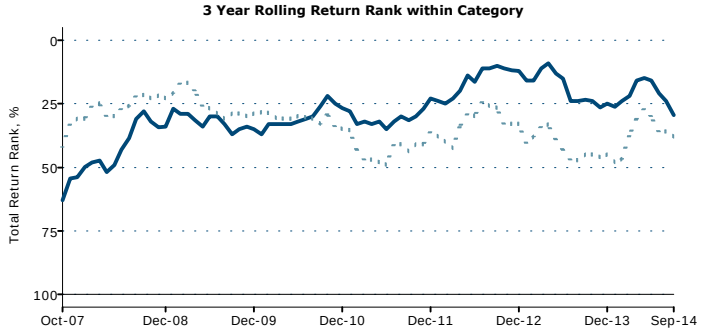
Vanguard Growth Index I

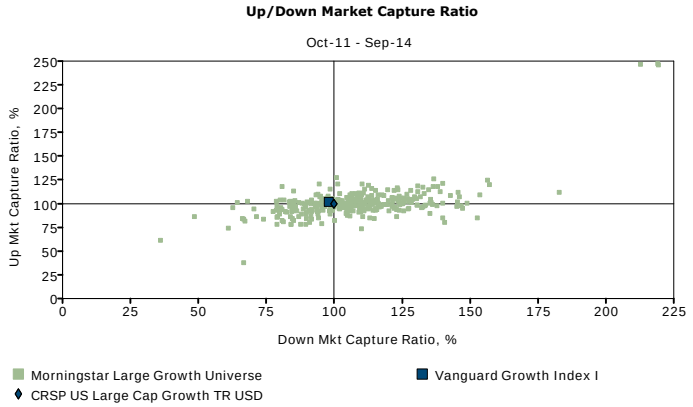


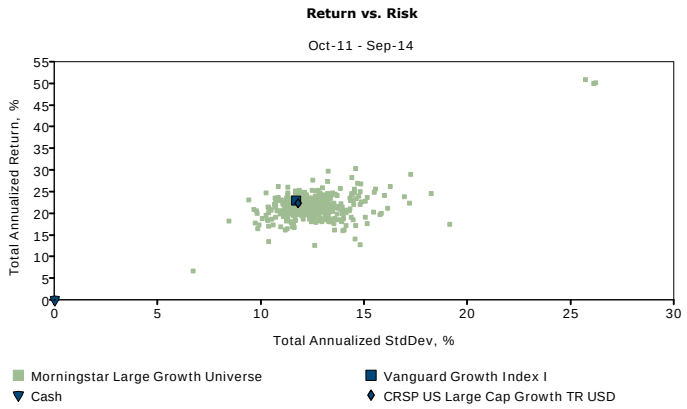
Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vanguard Growth Index I	7.34	5.24	9.16	12.73	-38.19	36.50	17.17	1.89	17.04	32.41
CRSP US Large Cap Growth TR USD	6.99	6.40	10.32	15.66	-38.67	35.92	15.77	0.58	15.20	31.75



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Growth Index I	0.73	0.99	99.79	1.83	11.70	0.54
CRSP US Large Cap Growth TR USD	0.00	1.00	100.00	1.77	11.80	0.00
Universe(5%)	3.06	1.18	97.05	1.96	15.12	6.90
Universe(25%)	0.87	1.08	95.04	1.76	13.34	4.41
Universe(Median)	-0.62	1.02	92.47	1.65	12.54	3.65
Universe(75%)	-2.59	0.95	88.61	1.50	11.62	2.83
Universe(95%)	-5.70	0.84	79.60	1.26	10.39	2.08



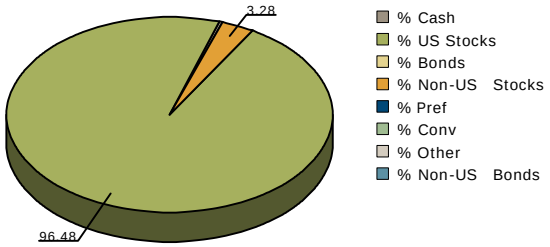




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Data as of 09/30/2014

Vanguard Mid Cap Index Adm



Portfolio Region	
% United States	96.71
% Canada	0.43
% Latin America	0.00
% United Kingdom	1.29
% Eurozone	0.74
% Europe - ex Euro	0.26
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.58
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.24
% US Stocks	96.48
% Bonds	0.00
% Non-US Stocks	3.28
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	5.90
% Communication Services	1.50
% Consumer Cyclical	17.61
% Consumer Defensive	7.04
% Healthcare	9.71
% Industrials	14.99
% Real Estate	5.63
% Technology	14.54
% Energy	7.63
% Financial Services	10.36
% Utilities	5.07

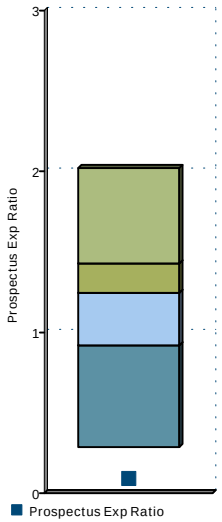
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Western Digital Corp	0.71%
Southwest Airlines Co	0.68%
Vertex Pharmaceuticals Inc	0.68%
Chipotle Mexican Grill Inc Class A	0.65%
Delphi Automotive PLC	0.65%
Health Care REIT, Inc.	0.64%
AvalonBay Communities Inc	0.62%
Moody's Corporation	0.62%
Alcoa Inc	0.60%
Seagate Technology PLC	0.60%

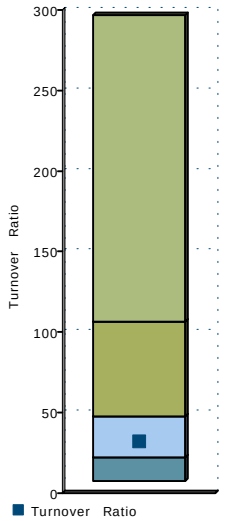
Portfolio Information	
Ticker	VIMAX
Morningstar Category	Mid-Cap Blend
Avg Mkt Cap $MM	10731.74
Cat Med Mkt Cap $MM	8270.60
Net Assets $MM	53313.89
Turnover Ratio	32.00
% Assets in Top 10 Holdings	6.46
Total Number of Holdings	378.00
Manager Name	Donald M. Butler
Manager Tenure	16.37
Fund Incept Date	05/21/1998
Prospectus Exp Ratio	0.09
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	37
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	12
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	12

Expense Ratio vs. Peer Group



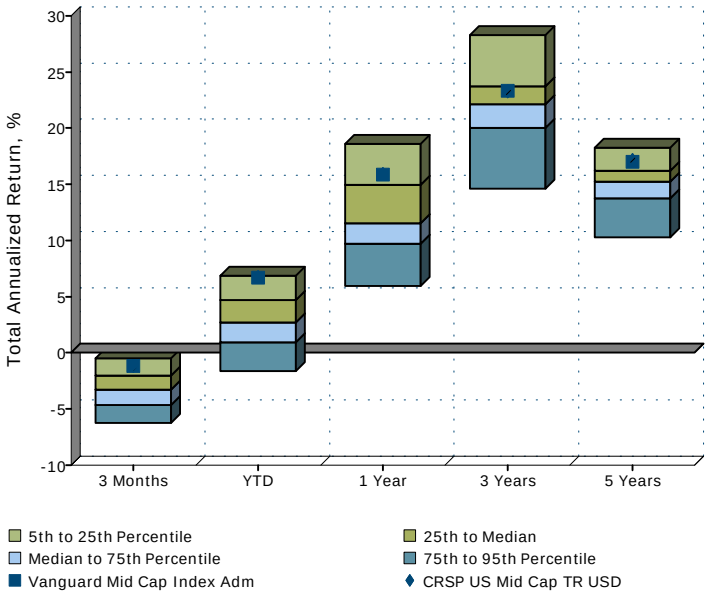
Turnover Ratio vs. Peer Group



Investment Strategy Summary

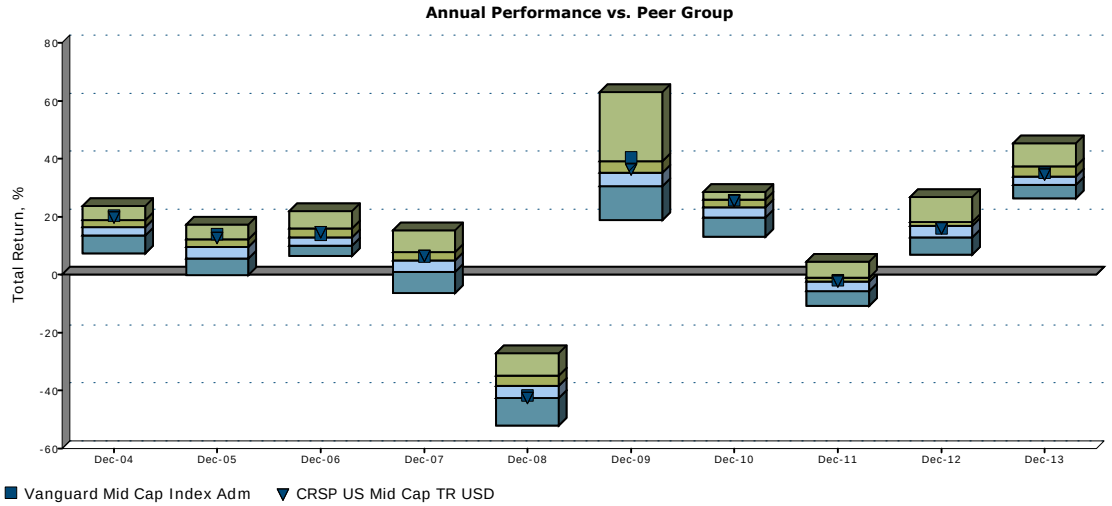
The investment seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP U.S. Mid Cap Index, a broadly diversified index of stocks of mid-size U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Performance vs. Peer Group

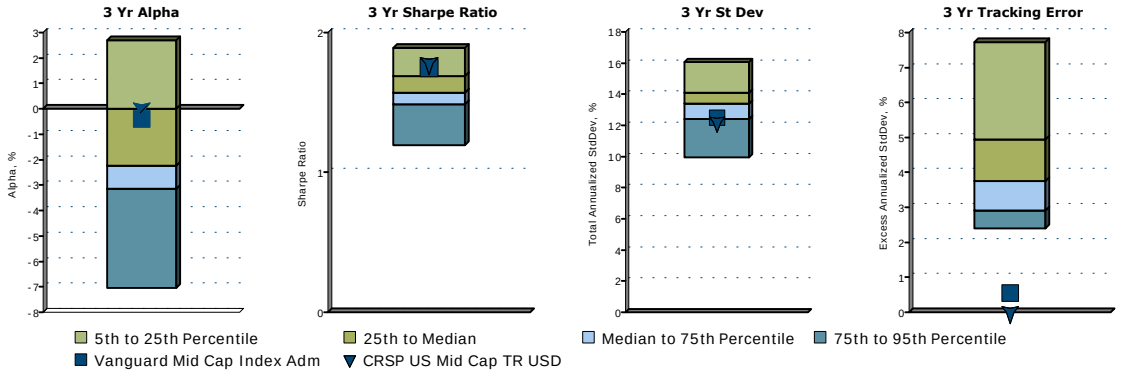


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Mid Cap Index Adm	-1.16	6.68	15.88	23.31	17.03
CRSP US Mid Cap TR USD	-1.15	6.73	15.94	23.30	17.17
Universe(5%)	-0.46	6.88	18.59	28.31	18.28
Universe(25%)	-2.00	4.71	14.94	23.75	16.23
Universe(Median)	-3.30	2.70	11.53	22.14	15.27
Universe(75%)	-4.65	0.93	9.70	20.04	13.76
Universe(95%)	-6.21	-1.62	5.93	14.61	10.30

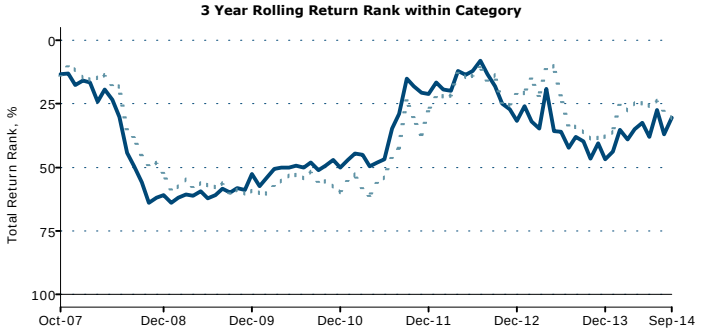
Vanguard Mid Cap Index Adm

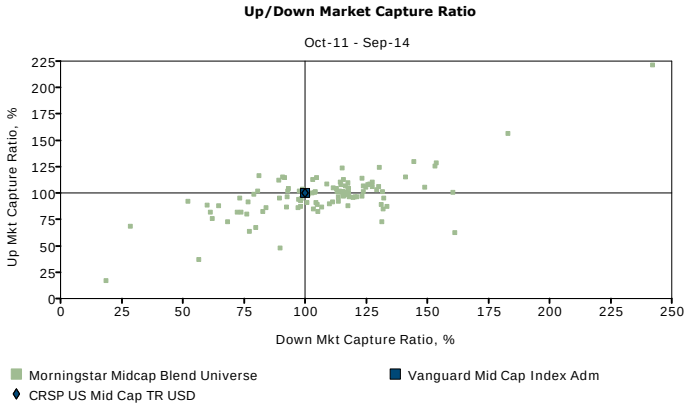


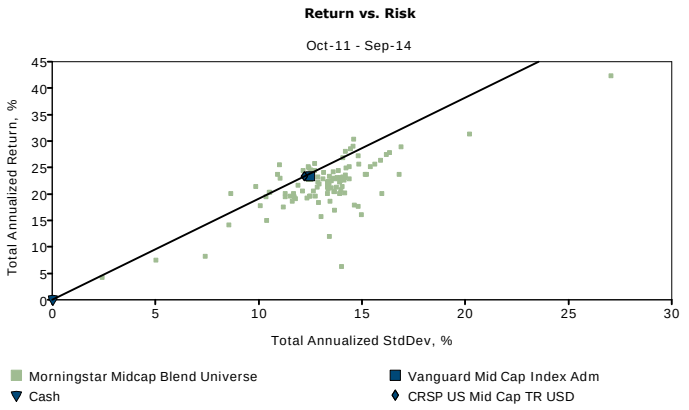
Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vanguard Mid Cap Index Adm	20.42	14.04	13.69	6.17	-41.78	40.48	25.59	-1.97	15.99	35.15
CRSP US Mid Cap TR USD	20.28	13.31	15.32	7.04	-41.83	36.90	26.16	-1.79	16.69	35.27



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Mid Cap Index Adm	-0.41	1.02	99.85	1.75	12.48	0.55
CRSP US Mid Cap TR USD	0.00	1.00	100.00	1.78	12.22	0.00
Universe(5%)	2.70	1.24	97.08	1.89	16.08	7.72
Universe(25%)	0.01	1.12	96.35	1.69	14.10	4.94
Universe(Median)	-2.24	1.07	93.12	1.57	13.38	3.75
Universe(75%)	-3.14	0.96	89.45	1.49	12.40	2.91
Universe(95%)	-7.05	0.73	76.35	1.19	9.95	2.39



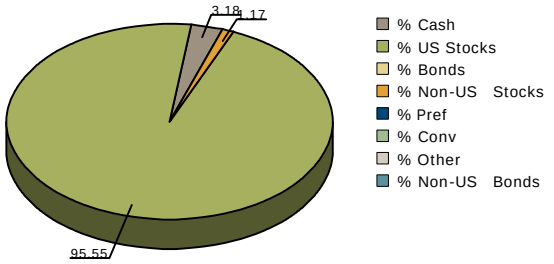




Milliman | Quarterly Investment Monitor

Data as of 09/30/2014

Target Small Capitalization Value T



Portfolio Region	
% United States	98.79
% Canada	0.65
% Latin America	0.27
% United Kingdom	0.02
% Eurozone	0.07
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.21
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	3.18
% US Stocks	95.55
% Bonds	0.00
% Non-US Stocks	1.17
% Pref	0.00
% Conv	0.00
% Other	0.10
% Non-US Bonds	0.00

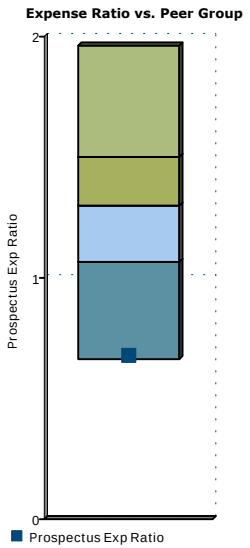
Sector Allocation	
% Basic Materials	5.92
% Communication Services	1.03
% Consumer Cyclical	11.57
% Consumer Defensive	3.52
% Healthcare	7.29
% Industrials	19.96
% Real Estate	5.58
% Technology	12.67
% Energy	5.89
% Financial Services	22.77
% Utilities	3.80

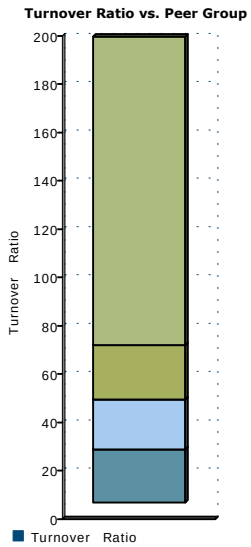
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
EnerSys	0.83%
Firstmerit Corp	0.75%
Teleflex Inc	0.75%
American Equity Investment Life Holding Co	0.74%
Bristow Group Inc	0.72%
Amsurg Corp	0.69%
Silgan Holdings Inc	0.68%
Webster Financial Corp	0.68%
GATX Corp	0.66%
KAR Auction Services Inc	0.66%

Portfolio Information	
Ticker	TASVX
Morningstar Category	Small Value
Avg Mkt Cap $MM	2187.66
Cat Med Mkt Cap $MM	2553.48
Net Assets $MM	1968.99
Turnover Ratio	NA
% Assets in Top 10 Holdings	7.16
Total Number of Holdings	778.00
Manager Name	Paul E. Viera
Manager Tenure	12.76
Fund Incept Date	01/05/1993
Prospectus Exp Ratio	0.68
Phone Number	800-225-1852

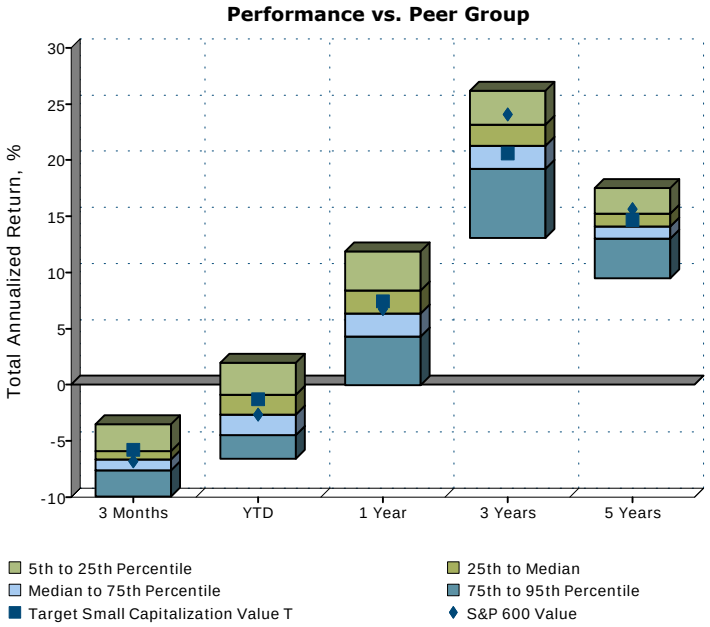
Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	58
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	25
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	10





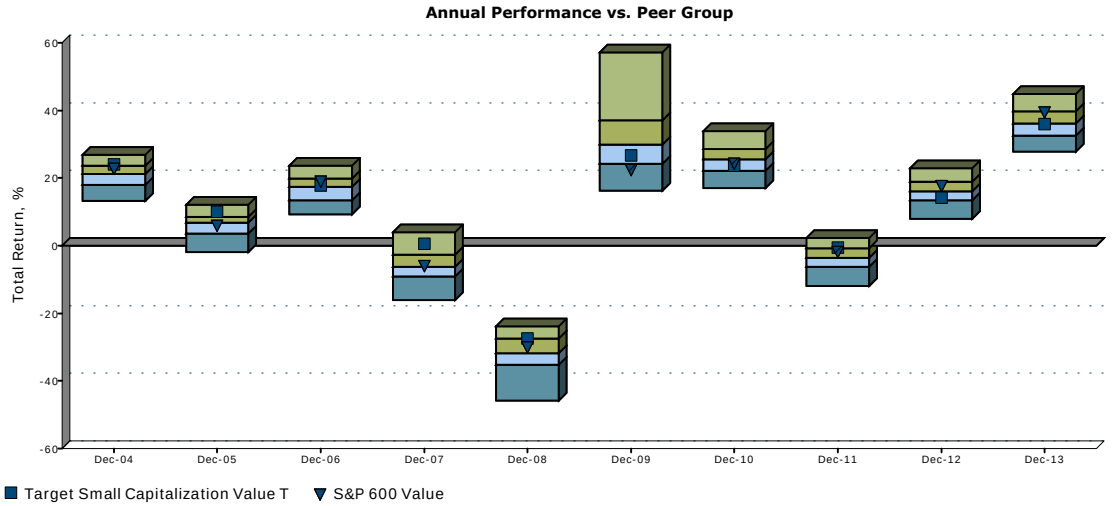
Investment Strategy Summary

The investment seeks above-average capital appreciation. The Portfolio seeks investments that will increase in value. It normally invests at least 80% of its investable assets in common stocks of small companies. Small companies are those companies with market capitalizations comparable to those in the Russell 2000 Value Index. Market capitalization is measured at the time of purchase.

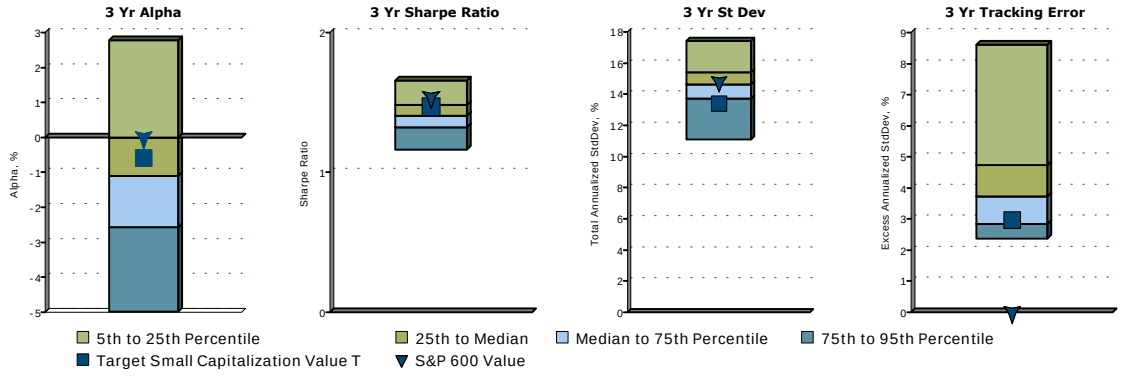


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Target Small Capitalization Value T	-5.79	-1.27	7.42	20.62	14.66
S&P 600 Value	-6.78	-2.62	6.74	24.09	15.66
Universe(5%)	-3.53	1.96	11.89	26.20	17.55
Universe(25%)	-5.88	-0.91	8.39	23.19	15.21
Universe(Median)	-6.63	-2.65	6.36	21.29	14.08
Universe(75%)	-7.60	-4.48	4.30	19.22	12.99
Universe(95%)	-9.92	-6.58	-0.03	13.07	9.51

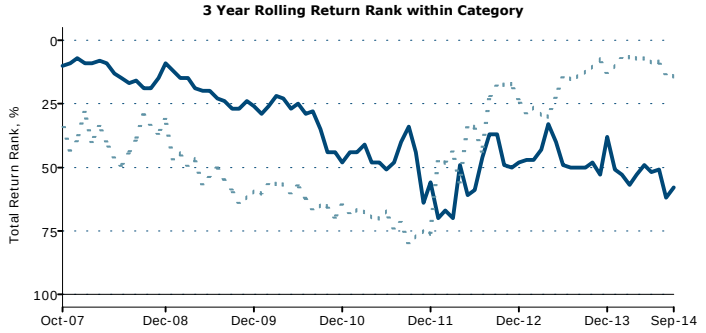
Target Small Capitalization Value T

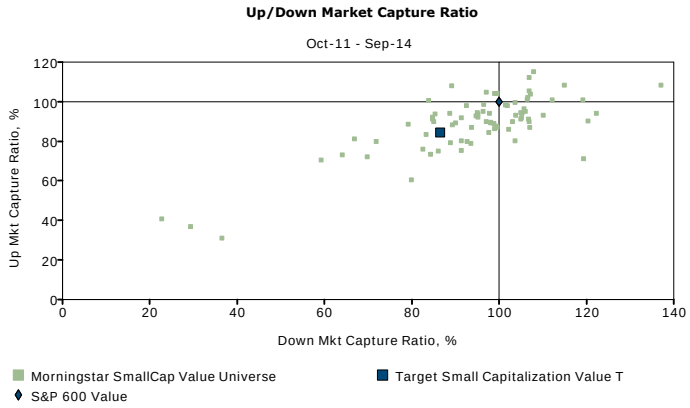


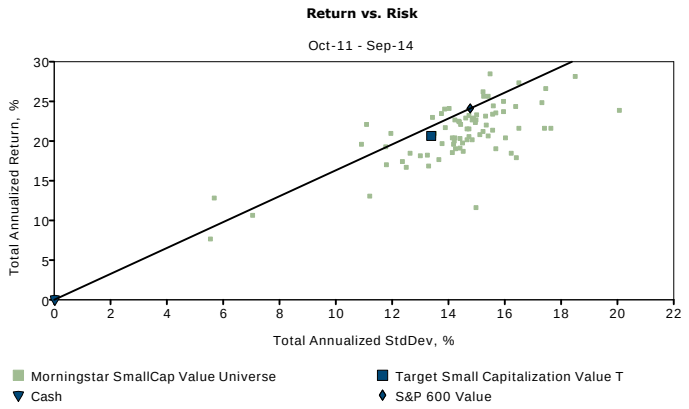
Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Target Small Capitalization Value T	24.02	10.10	17.72	0.52	-27.45	26.69	23.63	-0.48	14.14	35.87
S&P 600 Value	23.25	6.45	19.57	-5.54	-29.51	22.85	24.72	-1.38	18.21	39.98



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Target Small Capitalization Value T	-0.58	0.89	96.58	1.47	13.39	2.96
S&P 600 Value	0.00	1.00	100.00	1.54	14.78	0.00
Universe(5%)	2.79	1.15	97.84	1.66	17.41	8.62
Universe(25%)	0.00	1.02	96.48	1.48	15.43	4.74
Universe(Median)	-1.11	0.97	94.81	1.40	14.63	3.72
Universe(75%)	-2.57	0.90	91.13	1.32	13.73	2.84
Universe(95%)	-4.98	0.70	80.59	1.16	11.08	2.36



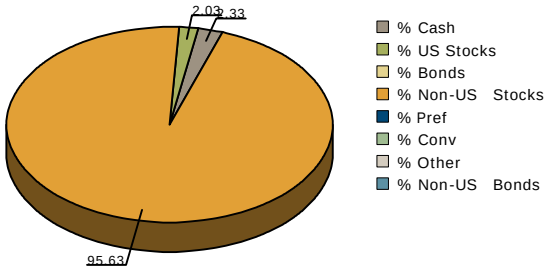




Milliman | Quarterly Investment Monitor

Data as of 09/30/2014

Oppenheimer International Growth Y



Portfolio Region	
% United States	2.08
% Canada	2.05
% Latin America	1.87
% United Kingdom	28.86
% Eurozone	34.80
% Europe - ex Euro	19.42
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	5.08
% Australasia	2.76
% Asia - Developed	0.00
% Asia - Emerging	3.08

Portfolio Structure	
% Cash	2.33
% US Stocks	2.03
% Bonds	0.00
% Non-US Stocks	95.63
% Pref	0.01
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

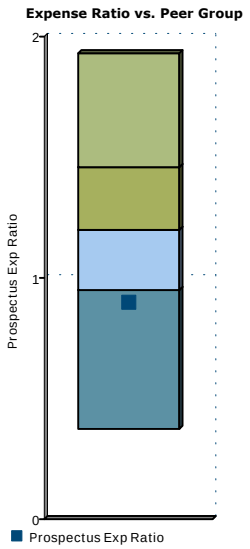
Sector Allocation	
% Basic Materials	4.37
% Communication Services	7.12
% Consumer Cyclical	19.61
% Consumer Defensive	15.11
% Healthcare	10.27
% Industrials	22.18
% Real Estate	0.00
% Technology	14.54
% Energy	2.30
% Financial Services	4.26
% Utilities	0.24

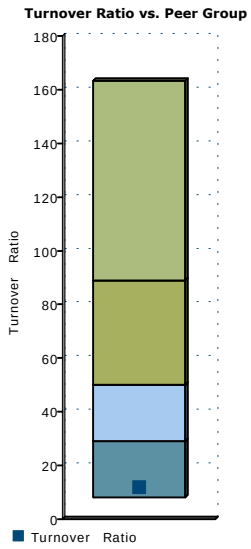
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
SAP SE	1.61%
Essentra PLC	1.57%
Royal Boskalis Westminster NV	1.51%
BT Group PLC	1.45%
Roche Holding AG	1.39%
Novo Nordisk A/S	1.38%
Syngenta AG	1.38%
Aryzta AG	1.35%
ARM Holdings PLC	1.34%
Cp All PLC	1.31%

Portfolio Information	
Ticker	OIGYX
Morningstar Category	Foreign Large Growth
Avg Mkt Cap $MM	15525.25
Cat Med Mkt Cap $MM	31370.15
Net Assets $MM	18021.18
Turnover Ratio	12.00
% Assets in Top 10 Holdings	14.29
Total Number of Holdings	112.00
Manager Name	George R. Evans
Manager Tenure	18.53
Fund Incept Date	03/25/1996
Prospectus Exp Ratio	0.90
Phone Number	800-225-5677

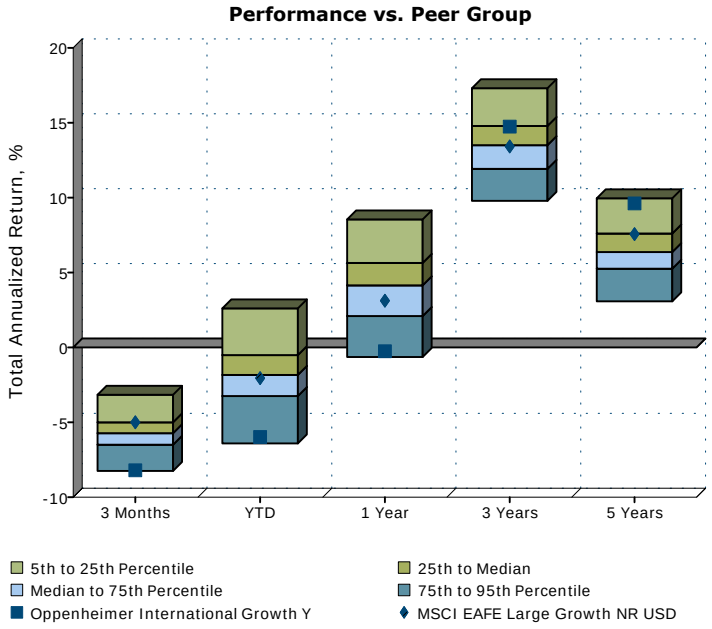
Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	26
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	15
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	1





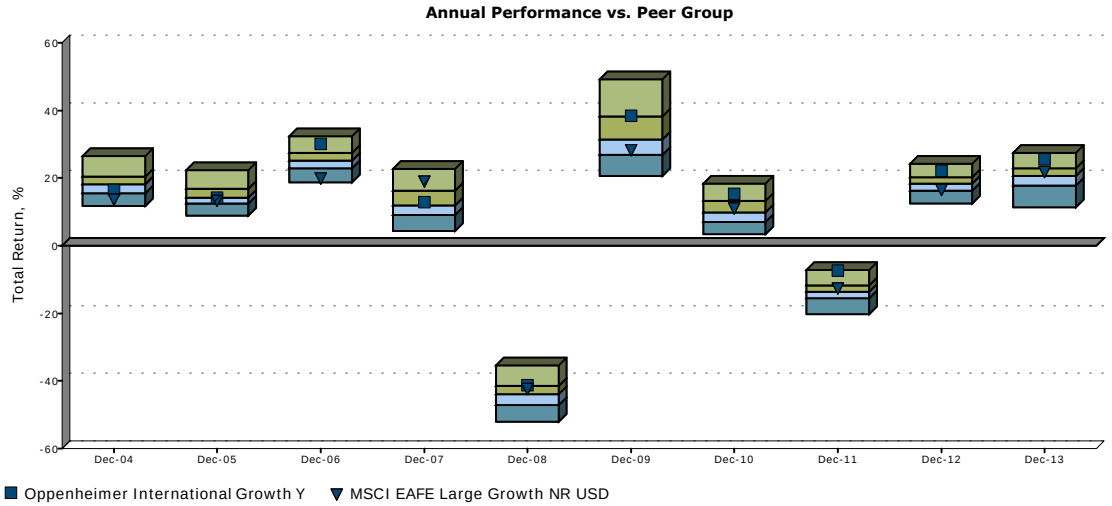
Investment Strategy Summary

The investment seeks capital appreciation. The fund mainly invests in the common stock of growth companies that are domiciled or have their primary operations outside of the United States. It may invest 100% of its assets in securities of foreign companies. The fund may invest in emerging markets as well as in developed markets throughout the world. It normally will invest at least 65% of its total assets in common and preferred stocks of issuers in at least three different countries outside of the United States, and emphasize investments in common stocks of issuers that the portfolio managers consider to be "growth" companies.

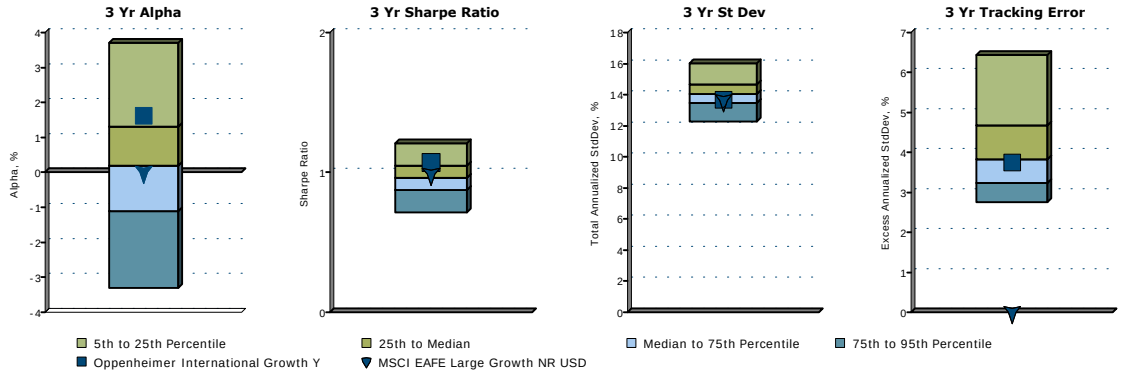


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Oppenheimer International Growth Y	-8.19	-6.00	-0.26	14.72	9.62
MSCI EAFE Large Growth NR USD	-5.00	-2.05	3.11	13.43	7.56
Universe(5%)	-3.17	2.62	8.53	17.32	9.94
Universe(25%)	-5.00	-0.51	5.64	14.77	7.61
Universe(Median)	-5.72	-1.83	4.15	13.49	6.36
Universe(75%)	-6.51	-3.27	2.11	11.93	5.26
Universe(95%)	-8.26	-6.43	-0.65	9.80	3.07

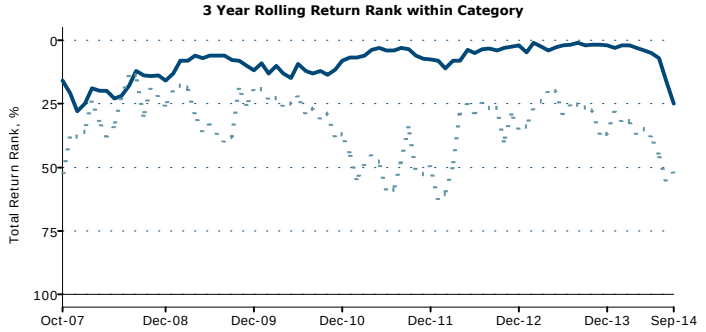
Oppenheimer International Growth Y

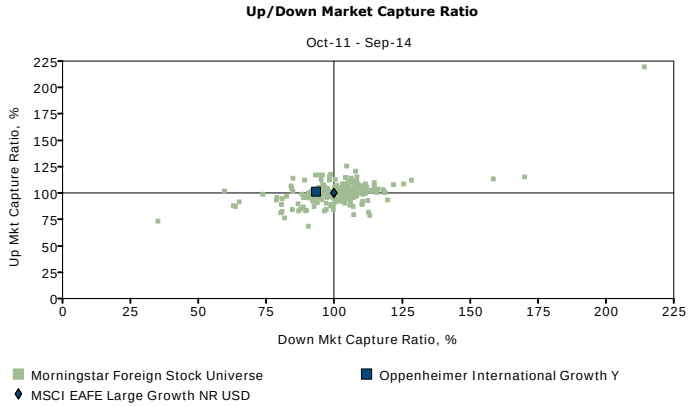


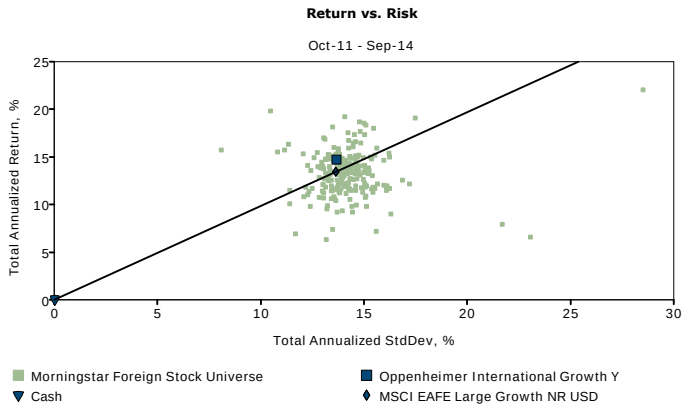
Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Oppenheimer International Growth Y	16.46	14.24	30.18	12.93	-41.22	38.44	15.35	-7.31	22.10	25.46
MSCI EAFE Large Growth NR USD	14.27	13.89	20.44	19.51	-41.74	28.81	11.48	-12.04	17.06	22.28



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Oppenheimer International Growth Y	1.63	0.96	92.64	1.07	13.68	3.74
MSCI EAFE Large Growth NR USD	0.00	1.00	100.00	0.99	13.65	0.00
Universe(5%)	3.70	1.09	96.14	1.21	16.01	6.44
Universe(25%)	1.32	1.04	94.70	1.05	14.65	4.68
Universe(Median)	0.19	0.99	92.91	0.96	14.06	3.82
Universe(75%)	-1.11	0.95	90.67	0.87	13.45	3.23
Universe(95%)	-3.30	0.86	83.63	0.72	12.28	2.76



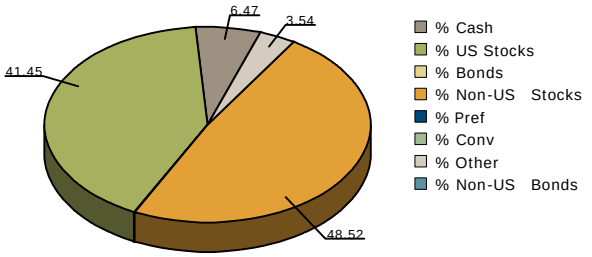




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American Funds New Perspective R6



Portfolio Region	
% United States	46.07
% Canada	2.55
% Latin America	0.31
% United Kingdom	9.02
% Eurozone	15.04
% Europe - ex Euro	11.85
% Europe - Emerging	0.00
% Africa	2.01
% Middle East	0.00
% Japan	6.75
% Australasia	1.01
% Asia - Developed	4.46
% Asia - Emerging	0.93

Portfolio Structure	
% Cash	6.47
% US Stocks	41.45
% Bonds	0.02
% Non-US Stocks	48.52
% Pref	0.00
% Conv	0.00
% Other	3.54
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	5.85
% Communication Services	2.48
% Consumer Cyclical	18.05
% Consumer Defensive	12.28
% Healthcare	14.53
% Industrials	12.68
% Real Estate	0.00
% Technology	14.68
% Energy	4.86
% Financial Services	14.59
% Utilities	0.00

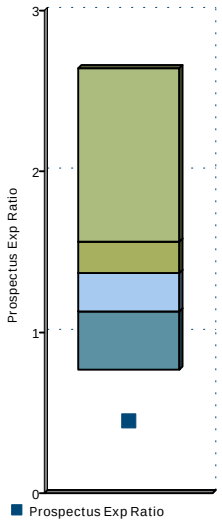
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Novo Nordisk A/S	4.81%
Amazon.com Inc	2.50%
Delta Air Lines Inc	1.44%
Microsoft Corp	1.36%
Bayer AG	1.32%
Home Depot Inc	1.32%
Naspers Ltd Class N	1.27%
Taiwan Semiconductor Manufacturing Co Ltd	1.27%
Associated Brit Foods	1.22%
British American Tobacco PLC	1.19%

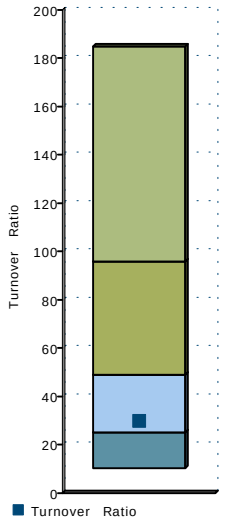
Portfolio Information	
Ticker	RNPGX
Morningstar Category	World Stock
Avg Mkt Cap $MM	52954.87
Cat Med Mkt Cap $MM	39847.08
Net Assets $MM	57769.26
Turnover Ratio	30.00
% Assets in Top 10 Holdings	17.71
Total Number of Holdings	286.00
Manager Name	Gregg E. Ireland
Manager Tenure	21.84
Fund Incept Date	03/13/1973
Prospectus Exp Ratio	0.45
Phone Number	800-421-4225

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	25
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	29
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	12

Expense Ratio vs. Peer Group



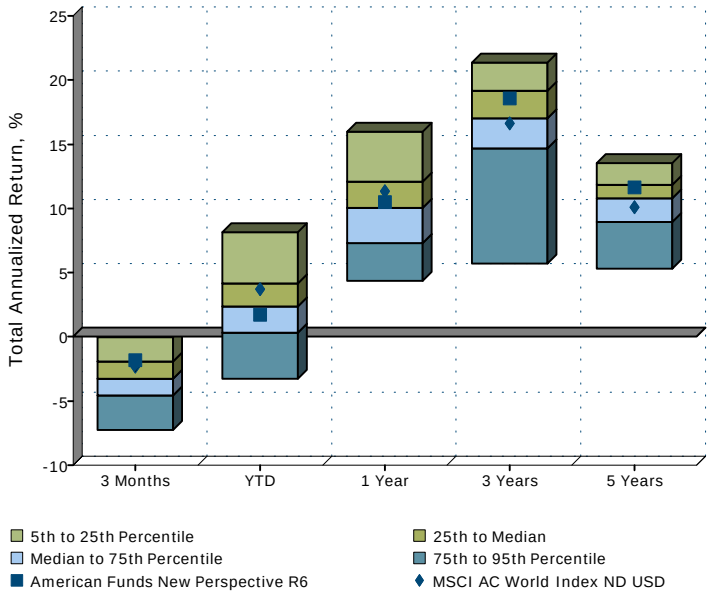
Turnover Ratio vs. Peer Group



Investment Strategy Summary

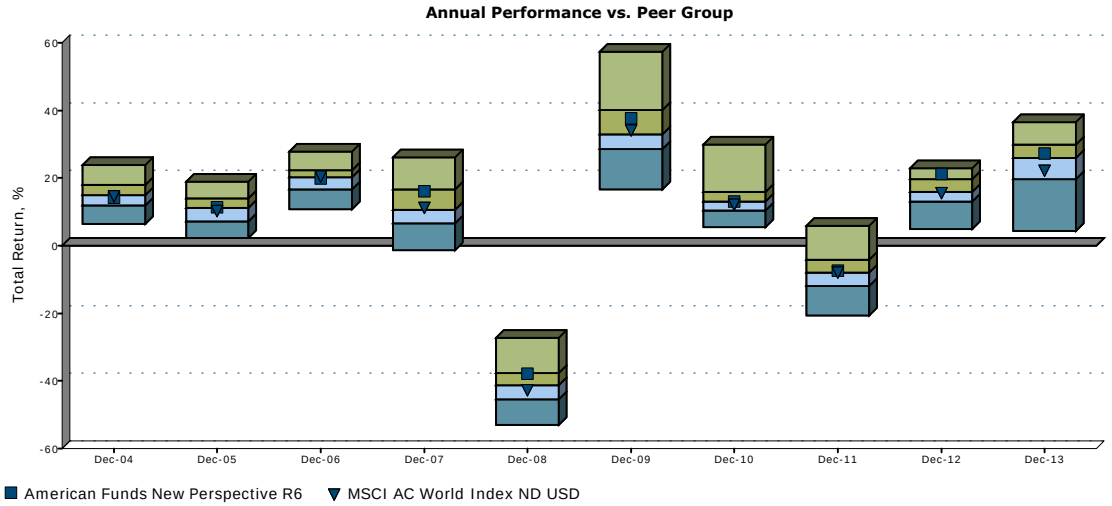
The investment seeks long-term growth of capital; future income is a secondary objective. The fund seeks to take advantage of investment opportunities generated by changes in international trade patterns and economic and political relationships by investing in common stocks of companies located around the world. In pursuing its primary investment objective, it invests primarily in common stocks that the investment adviser believes have the potential for growth. In pursuing its secondary objective, the fund invests in common stocks of companies with the potential to pay dividends in the future.

Performance vs. Peer Group

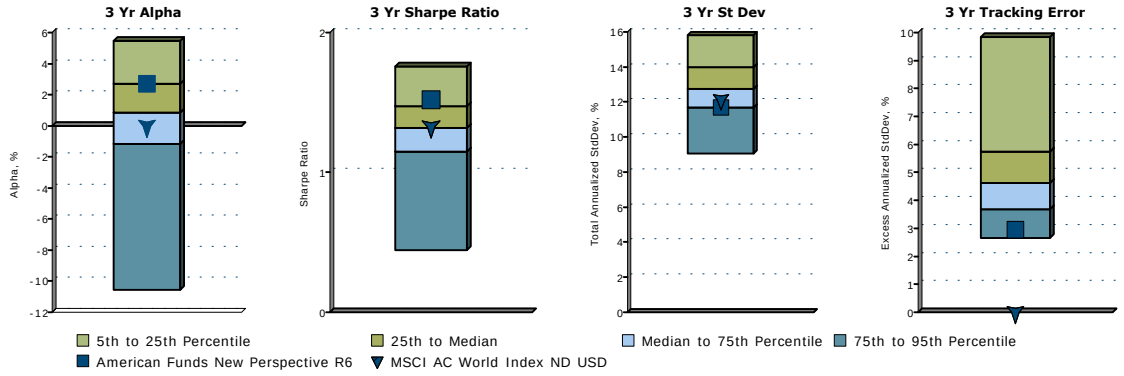


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
American Funds New Perspective R6	-1.80	1.70	10.49	18.59	11.63
MSCI AC World Index ND USD	-2.30	3.73	11.32	16.61	10.07
Universe(5%)	-0.01	8.13	15.99	21.34	13.52
Universe(25%)	-1.92	4.16	12.07	19.16	11.86
Universe(Median)	-3.29	2.35	10.05	17.02	10.78
Universe(75%)	-4.55	0.33	7.29	14.66	8.95
Universe(95%)	-7.24	-3.29	4.36	5.73	5.32

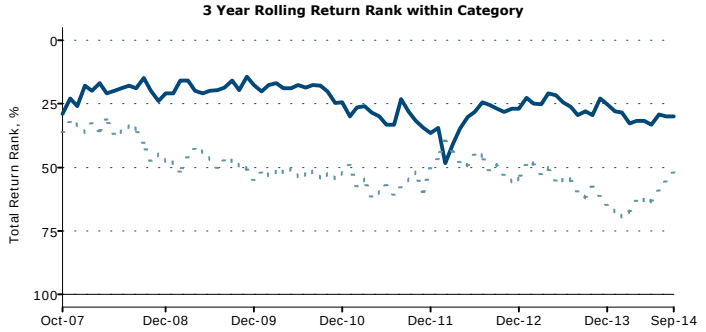
American Funds New Perspective R6

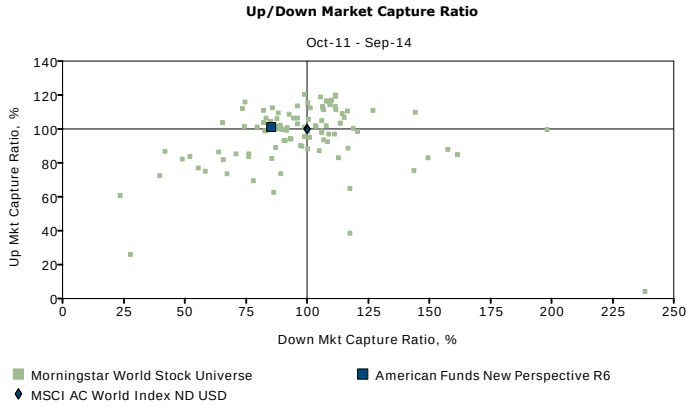


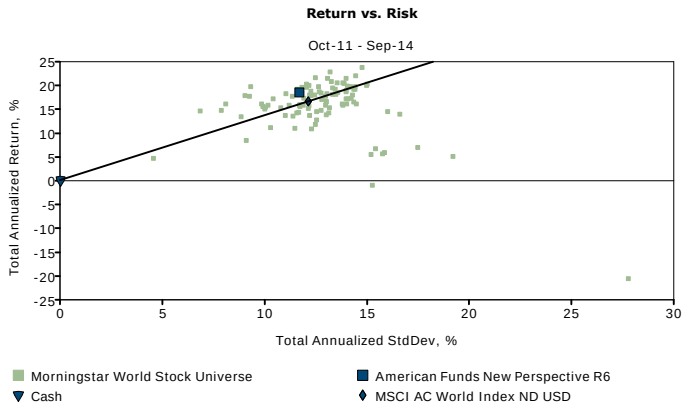
Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
American Funds New Perspective R6	14.27	11.28	19.87	16.03	-37.83	37.72	13.11	-7.33	21.19	27.23
MSCI AC World Index ND USD	15.23	10.84	20.95	11.66	-42.20	34.63	12.67	-7.35	16.13	22.80



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
American Funds New Perspective R6	2.71	0.93	94.08	1.52	11.69	2.96
MSCI AC World Index ND USD	0.00	1.00	100.00	1.33	12.14	0.00
Universe(5%)	5.45	1.17	95.40	1.76	15.83	9.83
Universe(25%)	2.72	1.07	92.70	1.47	14.00	5.74
Universe(Median)	0.83	0.98	88.27	1.32	12.75	4.63
Universe(75%)	-1.15	0.90	81.08	1.15	11.69	3.68
Universe(95%)	-10.56	0.62	55.81	0.44	9.05	2.65



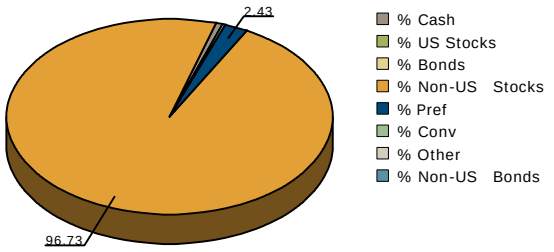




Milliman | Quarterly Investment Monitor

Data as of 09/30/2014

Vanguard Emerging Mkts Stock Idx I



Portfolio Region	
% United States	0.15
% Canada	0.00
% Latin America	21.22
% United Kingdom	0.00
% Eurozone	0.11
% Europe - ex Euro	0.03
% Europe - Emerging	9.09
% Africa	9.69
% Middle East	0.89
% Japan	0.00
% Australasia	0.00
% Asia - Developed	15.49
% Asia - Emerging	43.32

Portfolio Structure	
% Cash	0.50
% US Stocks	0.15
% Bonds	0.00
% Non-US Stocks	96.73
% Pref	2.43
% Conv	0.00
% Other	0.19
% Non-US Bonds	0.00

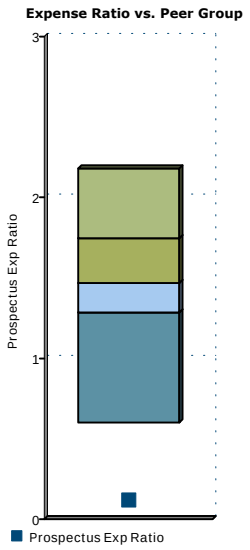
Sector Allocation	
% Basic Materials	9.46
% Communication Services	8.80
% Consumer Cyclical	7.30
% Consumer Defensive	8.41
% Healthcare	2.14
% Industrials	5.01
% Real Estate	2.71
% Technology	14.76
% Energy	10.57
% Financial Services	26.92
% Utilities	3.93

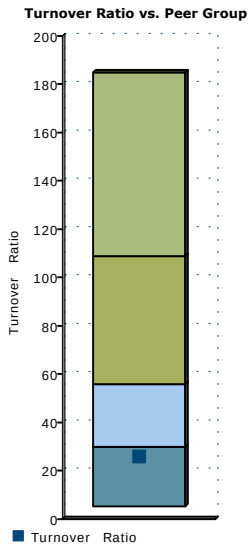
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Tencent Holdings Ltd.	2.02%
China Mobile Ltd	1.76%
Taiwan Semiconductor Manufacturing Co Ltd	1.51%
China Construction Bank Corp H Shares	1.45%
Naspers Ltd Class N	1.35%
Industrial And Commercial Bank Of China Ltd H Shares	1.29%
Taiwan Semiconductor Manufacturing Co Ltd ADR	1.19%
Hon Hai Precision Ind Co Ltd	1.17%
Mtn Group Ltd	1.10%
America Movil SAB de CV Class L	1.01%

Portfolio Information	
Ticker	VEMIX
Morningstar Category	Diversified Emerging Mkts
Avg Mkt Cap $MM	20189.54
Cat Med Mkt Cap $MM	20391.64
Net Assets $MM	64205.78
Turnover Ratio	26.00
% Assets in Top 10 Holdings	13.86
Total Number of Holdings	957.00
Manager Name	Michael Perre
Manager Tenure	6.09
Fund Incept Date	05/04/1994
Prospectus Exp Ratio	0.12
Phone Number	800-662-7447

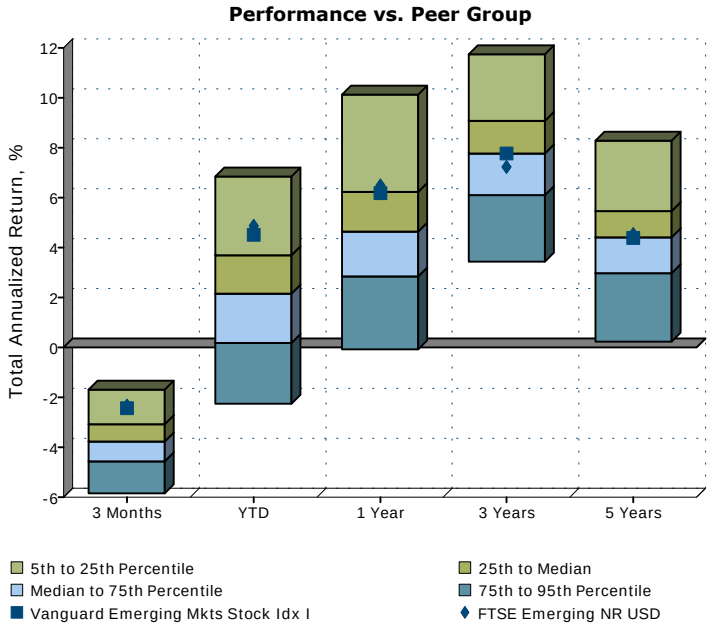
Portfolio Ratings	
Mstar Rating	★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	49
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	45
10 Year Mstar Rating	★★★
% Rank Cat 10 Yr	26





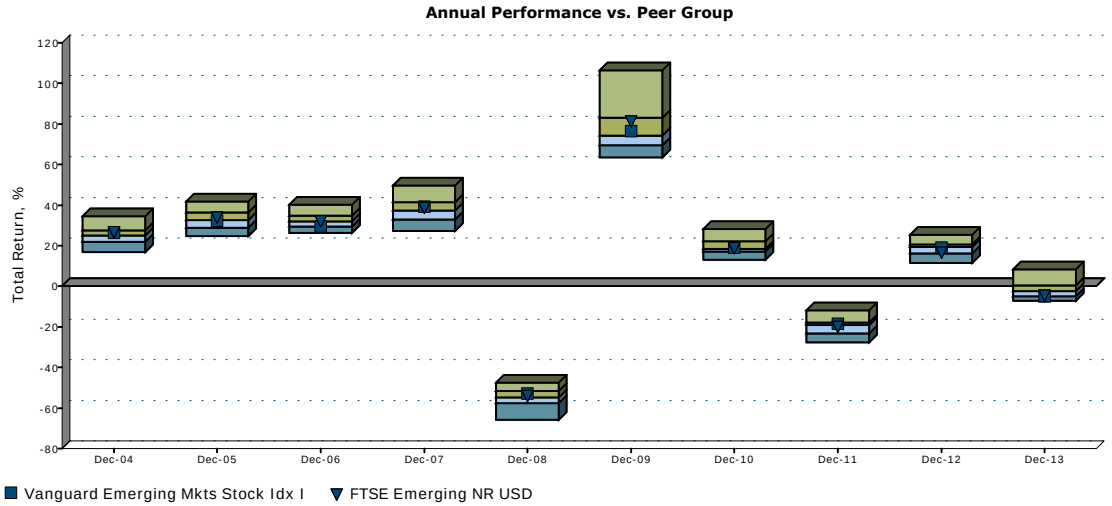
Investment Strategy Summary

The investment seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in emerging market countries. The fund employs an indexing investment approach by investing substantially all (approximately 95%) of its assets in the common stocks included in the FTSE Emerging Index, while employing a form of sampling intended to reduce risk. The FTSE Emerging Index includes approximately 851 common stocks of companies located in emerging markets around the world.

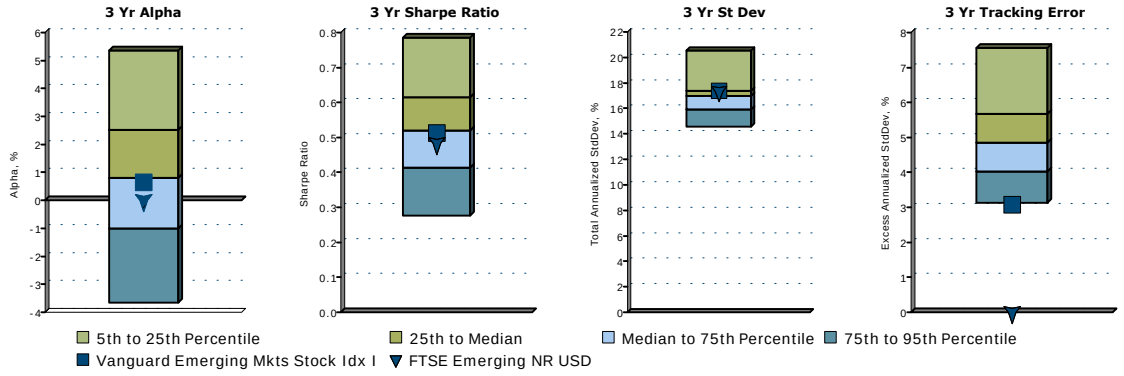


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Emerging Mkts Stock Idx I	-2.43	4.51	6.19	7.77	4.38
FTSE Emerging NR USD	-2.34	4.87	6.50	7.23	4.55
Universe(5%)	-1.71	6.85	10.13	11.75	8.27
Universe(25%)	-3.08	3.68	6.22	9.09	5.45
Universe(Median)	-3.77	2.14	4.65	7.76	4.41
Universe(75%)	-4.55	0.17	2.86	6.11	2.96
Universe(95%)	-5.84	-2.26	-0.09	3.44	0.23

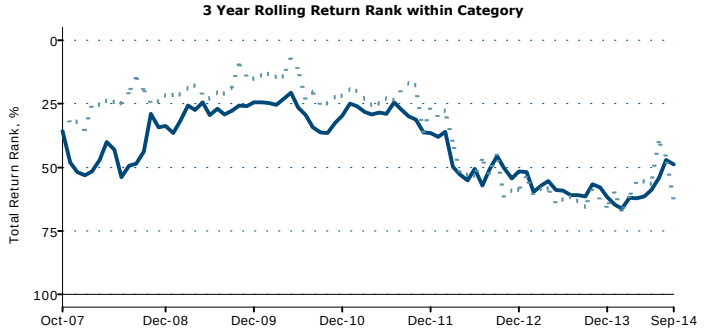
Vanguard Emerging Mkts Stock Idx I

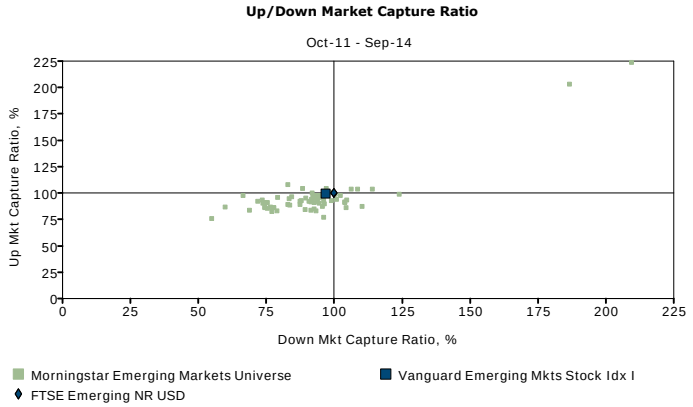


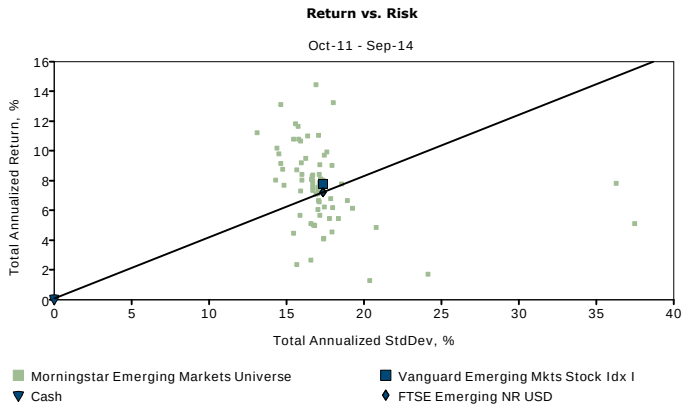
Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vanguard Emerging Mkts Stock Idx I	26.24	32.35	29.57	39.15	-52.74	76.35	19.06	-18.63	18.90	-4.99
FTSE Emerging NR USD	27.58	34.70	32.84	39.41	-53.03	82.15	19.60	-19.15	17.58	-3.79



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Emerging Mkts Stock Idx I	0.63	0.98	96.87	0.51	17.36	3.08
FTSE Emerging NR USD	0.00	1.00	100.00	0.48	17.35	0.00
Universe(5%)	5.36	1.12	96.78	0.79	20.56	7.56
Universe(25%)	2.52	0.98	94.91	0.62	17.40	5.68
Universe(Median)	0.81	0.95	92.54	0.52	16.96	4.85
Universe(75%)	-1.01	0.87	90.23	0.41	15.94	4.04
Universe(95%)	-3.65	0.78	84.30	0.28	14.57	3.12



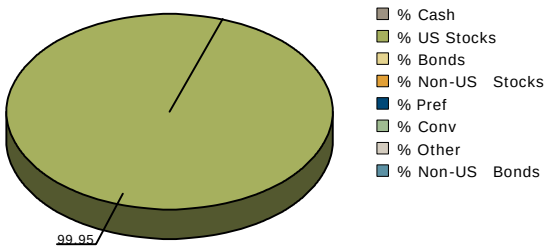




Milliman | Quarterly Investment Monitor

Data as of 09/30/2014

Vanguard REIT Index I



Portfolio Region	
% United States	100.00
% Canada	0.00
% Latin America	0.00
% United Kingdom	0.00
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.05
% US Stocks	99.95
% Bonds	0.00
% Non-US Stocks	0.00
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	0.00
% Communication Services	0.00
% Consumer Cyclical	0.00
% Consumer Defensive	0.00
% Healthcare	0.00
% Industrials	0.00
% Real Estate	100.00
% Technology	0.00
% Energy	0.00
% Financial Services	0.00
% Utilities	0.00

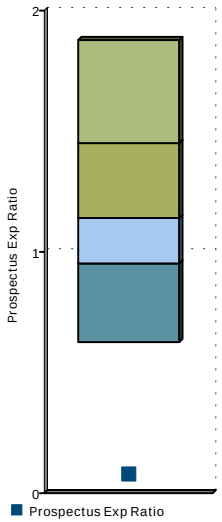
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Simon Property Group Inc	8.43%
Public Storage	4.10%
Equity Residential	3.64%
Health Care REIT, Inc.	3.31%
Prologis Inc	3.26%
AvalonBay Communities Inc	3.19%
HCP Inc	3.17%
Ventas Inc	3.09%
Boston Properties Inc	2.96%
Vornado Realty Trust	2.85%

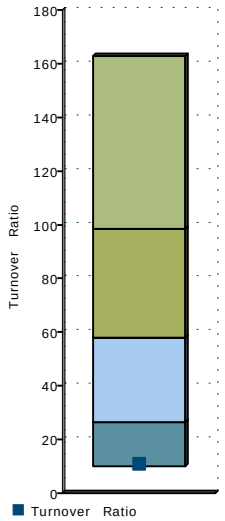
Portfolio Information	
Ticker	VGSNX
Morningstar Category	Real Estate
Avg Mkt Cap $MM	9007.48
Cat Med Mkt Cap $MM	11724.89
Net Assets $MM	43099.65
Turnover Ratio	11.00
% Assets in Top 10 Holdings	38.00
Total Number of Holdings	139.00
Manager Name	Gerard C. O'Reilly
Manager Tenure	18.39
Fund Incept Date	05/13/1996
Prospectus Exp Ratio	0.08
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	19
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	12
10 Year Mstar Rating	★★★
% Rank Cat 10 Yr	28

Expense Ratio vs. Peer Group



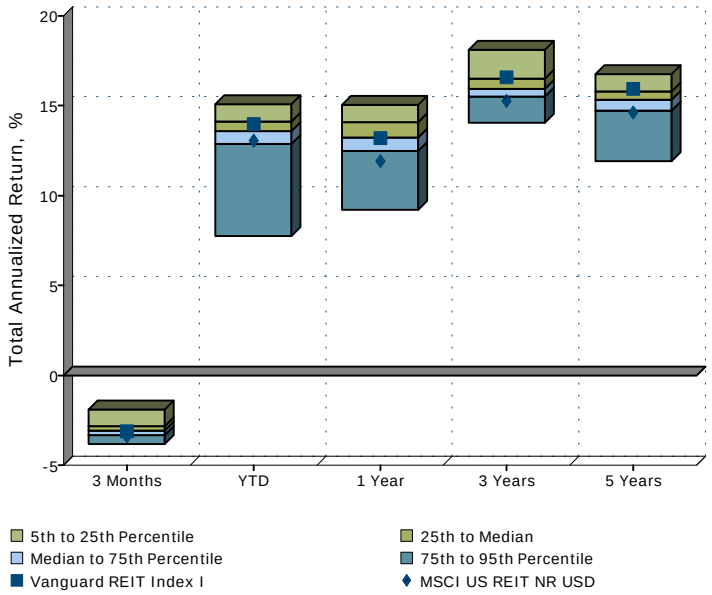
Turnover Ratio vs. Peer Group



Investment Strategy Summary

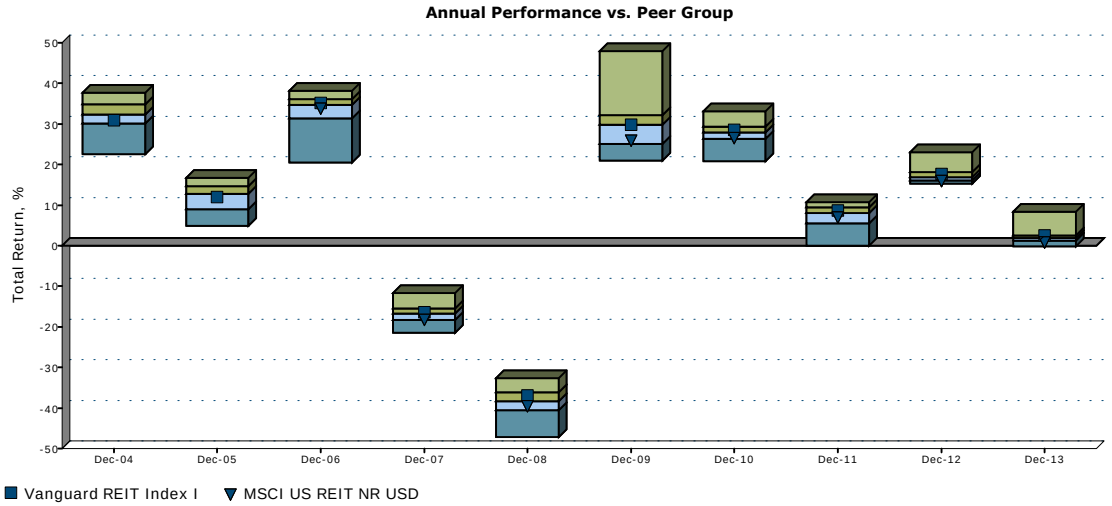
The investment seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded equity REITs. The fund employs an indexing investment approach designed to track the performance of the MSCI U.S. REIT Index. The index is composed of stocks of publicly traded equity real estate investment trusts (known as REITs). The fund attempts to replicate the index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Performance vs. Peer Group

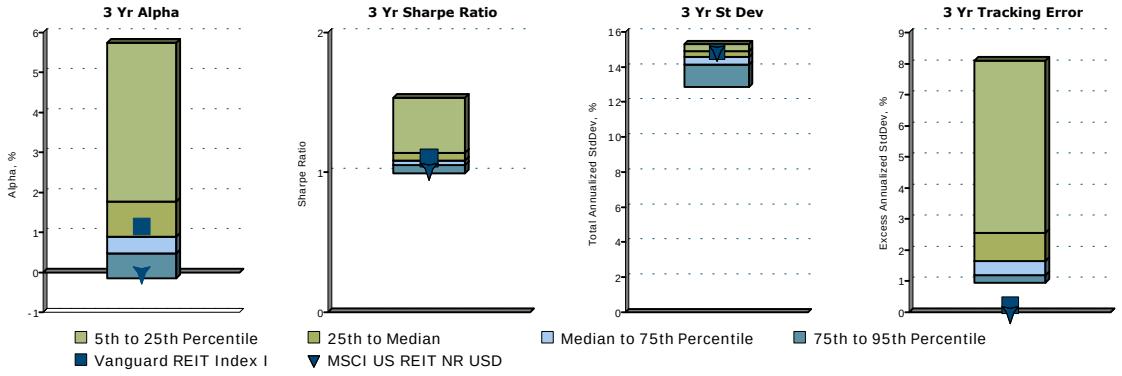


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard REIT Index I	-3.12	13.99	13.21	16.57	15.94
MSCI US REIT NR USD	-3.38	13.04	11.90	15.28	14.62
Universe(5%)	-1.89	15.08	15.04	18.11	16.75
Universe(25%)	-2.82	14.12	14.10	16.52	15.81
Universe(Median)	-3.07	13.59	13.25	15.95	15.35
Universe(75%)	-3.34	12.89	12.50	15.50	14.74
Universe(95%)	-3.83	7.75	9.21	14.06	11.91

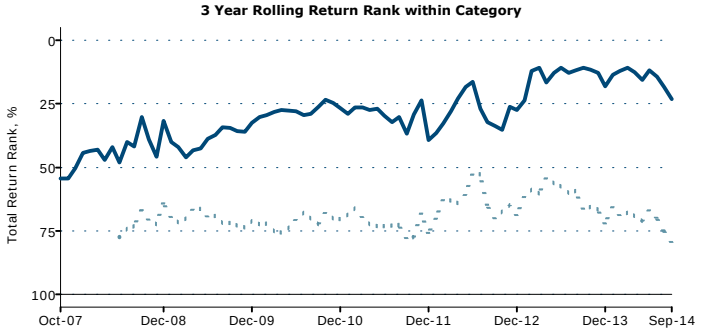
Vanguard REIT Index I

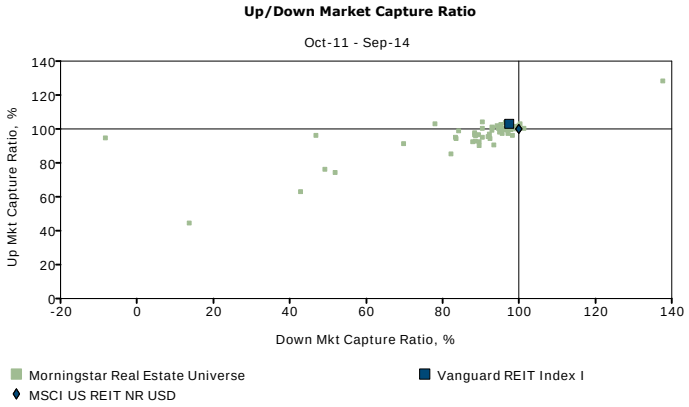


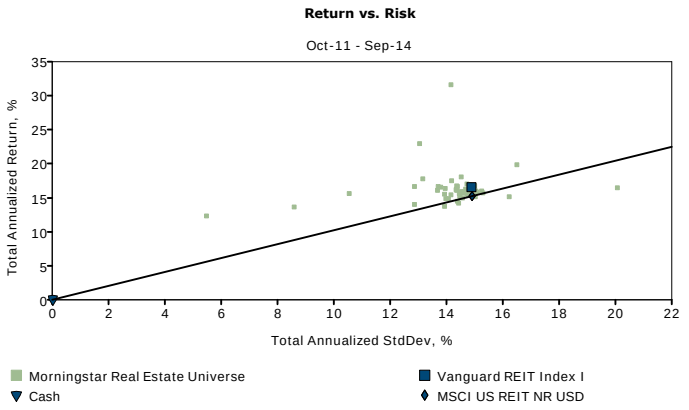
Annual Return %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vanguard REIT Index I	30.93	12.05	35.15	-16.38	-36.95	29.76	28.56	8.70	17.65	2.48
MSCI US REIT NR USD	NA	NA	34.18	-17.84	-39.05	26.27	26.97	7.48	16.47	1.26



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard REIT Index I	1.15	1.00	99.98	1.10	14.88	0.22
MSCI US REIT NR USD	0.00	1.00	100.00	1.03	14.90	0.00
Universe(5%)	5.75	1.02	99.69	1.54	15.30	8.09
Universe(25%)	1.77	1.00	99.38	1.14	14.89	2.55
Universe(Median)	0.90	0.97	98.87	1.08	14.57	1.66
Universe(75%)	0.47	0.93	97.34	1.05	14.15	1.20
Universe(95%)	-0.16	0.64	75.38	0.99	12.85	0.94







Glossary

Alpha (3 Yr)

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.

Average Effective Duration

A measure of a fund's interest-rate sensitivity--the longer a fund's duration, the more sensitive the fund is to shifts in interest rates. Duration is determined by a formula that includes coupon rates and bond maturities. Small coupons tend to increase duration, while shorter maturities and higher coupons shorten duration. The relationship between funds with different durations is straightforward: A fund with a duration of 10 years is twice as volatile as a fund with a five-year duration. Morningstar prints an average effective duration statistic that incorporates call, put, and prepayment possibilities.

Average Effective Maturity

Average effective maturity is a weighted average of all the effective maturities of the bonds in a portfolio. Effective maturity takes into consideration mortgage prepayments, puts, calls, adjustable coupons, and other features of individual bonds and is thus a more accurate measure of interest-rate sensitivity. Longer-maturity funds are generally considered more interest-rate sensitive than their shorter counterparts.

Beta

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.

The Morningstar Rating

Commonly called the Star Rating, is a measure of a fund's risk-adjusted return, relative to funds in its category. Funds are rated from one to five stars, with the best performers receiving five stars and the worst performers receiving a single star.

Risk-adjusted return is calculated by subtracting a risk penalty from each fund total return, after accounting for all loads, sales charges, and redemption fees. The risk penalty is determined by the amount of variation in the fund's monthly return, with emphasis on downward variation. The greater the variation, the larger the penalty. Funds are ranked within their categories and stars are assigned as follows: Top 10% five stars; Next 22.5% four stars; Middle 35% three stars; Next 22.5% two stars; Bottom 10% one star.

Audited Expense Ratio

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 NAV . Sales charges are not included in the expense ratio.

Geometric 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.

Net Assets

The month-end net assets of the mutual fund, recorded in millions of dollars. Net-asset figures are useful in gauging a fund's size, agility, and popularity. They help determine whether a small company fund, for example, can remain in its investment-objective category if its asset base reaches an ungainly size.

% Assets in Top 10 Holdings

The aggregate assets, expressed as a percentage, of the fund's top 10 portfolio holdings. This figure is meant to be a measure of portfolio risk. Specifically, the higher the percentage, the more concentrated the fund is in a few companies or issues, and the more the fund is susceptible to the market fluctuations in these few holdings. The figure is calculated from the most recent available fund holdings.

Price/Book Ratio TTM

The weighted average of the price/book ratios of all the stocks in a fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation. In theory, a high P/B ratio indicates that the price of the stock exceeds the actual worth of the company's assets, while a low P/B ratio indicates that the stock is a bargain.

Price/Earnings Ratio TTM

The weighted average of the price/earnings ratios of the stocks in a fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents, so that larger positions have proportionately greater influence on the fund's final P/E.

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.

Sharpe Ratio

The 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.

Standard Deviation

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.

Total Number of Holdings

The total number of different holdings of a fund. This figure is meant to be a measure of portfolio risk. Specifically, the lower the figure, the more concentrated the fund is in a few companies or issues, and the more the fund is susceptible to the market fluctuations in these few holdings. This figure also provides a context for the importance of % assets in top 10 holdings. The figure is calculated from the most recent available fund holdings. It does not include a fund's short positions.

Total Return

Expressed in percentage terms, Morningstar's calculation of 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 NAV. Reinvestments are made using the actual reinvestment NAV, and daily payoffs are reinvested monthly.

Turnover Ratio

This 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.

12-Month Yield

Also known as a distribution yield, Morningstar computes this figure by summing the trailing 12-month's income distributions and dividing the sum by the last month's ending NAV, plus any capital gains distributed over the same period. Income refers only to interest payments from fixed-income securities and dividend payoffs from common stocks.

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Dallas
San Francisco
Walnut Creek

http://us.milliman.com/solutions/investment

Memorandum

October 14, 2014

To: Clients
From: Milliman Investment Consulting
Subject: **Update on PIMCO Total Return**

Milliman Recommends Reviewing Alternatives for PIMCO Total Return and PIMCO Low Duration and Related Strategies

The surprising high level change at one of the largest investment management firms in the country demands the attention of our clients, plan fiduciaries and Milliman as your Investment Advisor. Any action (or inaction) requires thoughtful consideration of the facts as they develop. Over the short-term, we think the team in place at PIMCO and the fund liquidity they have constructed will be adequate to produce attractive risk and return. Over the longer term, we think clients would be prudent to consider their options in the intermediate fixed income asset class and each client will need to decide if PIMCO remains a prudent choice.

Milliman will continue to conduct due diligence on PIMCO. In addition to frequent contact with PIMCO via email and phone calls, we will be conducting an additional on-site visit with PIMCO in mid-October.

Overview

On Friday, September 26, 2014, Bill Gross left the firm he founded, Pacific Investment Management Company, LLC (PIMCO) to run a bond fund at Janus Capital Group. The friction between Bill Gross and former PIMCO employees is well documented. In hindsight, it may seem clear that Bill Gross was the last piece of a dysfunctional, organizational challenge that needed to be addressed. However, the departure of the firm's founder came as quite a shock to us and the investment community.

Later that day, PIMCO CEO Doug Hodge expressed gratitude for the contributions Gross provided to the firm over the years, as expected, but expressed that the firm leadership had fundamental differences regarding the best way for PIMCO to move forward.

Personnel Changes

In March 2014, Mohamed El-Erian, Chief Executive Officer (CEO) and co-CIO with Gross, suddenly departed PIMCO. The reason given at the time was so he could spend more time with his family, though later it appeared he and Gross were having trouble continuing to work together. Based on

Gross' age and El-Erian's exit, PIMCO leadership announced a succession plan and changes to the organizational structure, creating a Deputy CIO structure. This new structure included six managers in the role of deputy CIO under Gross: Dan Ivascyn, Scott Mather, Mark Kiesel, Mihir Worah, Andrew Balls, and Virginie Maisonnueve. Doug Hodge was named CEO and Jay Jacobs was named President. Paul McCulley also returned to PIMCO as the firm's Chief Economist, an addition we viewed favorably. Now, with Gross' departure, Dan Ivascyn will be Group CIO. The remaining five deputy CIOs were promoted to CIO. These CIOs mange 75% of the firm's assets.

The Portfolio Managers for the Total Return strategy (and related strategies such as Harbor Bond) will be Scott Mather, Mark Kiesel, and Mihir Worah. These three managers have been working together for more than a decade. As Group CIO, Mr. Ivascyn continues to oversee the firm's mortgage, credit, alternatives and income strategies. He was a Morningstar Fixed Income Manager of the Year in 2013 for the PIMCO Income fund. Mark Kiesel was a Morningstar Manager of the year in 2012. The Portfolio Managers for the Low Duration strategy fund will be Scott Mather and Jerome Schneider, head of PIMCO's short-term and funding desk. As we understand it, Gross is not building out the same team or structure at his new home, Janus. This and non-compete agreements (as they are structured in California) make it unlikely we'll see talent migrate to Janus.

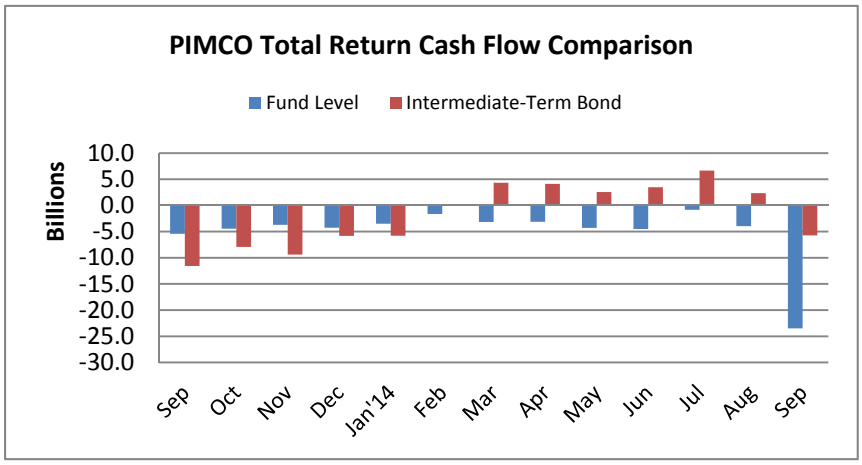
Organizational Changes

With regard to PIMCO as a firm, this could be viewed as a positive. This new structure removes the uncertainty of what the firm would look like when the 70 year old Gross retired or was no longer a Portfolio Manager. The firm has a well-established process of structuring investment decisions within the context of their secular forums for top-down macro views, and using the sector specialist for the individual security selection. This process will continue with, as PIMCO calls it, "more rigor." In our analysis and through our discussions with PIMCO, it appears Gross' process operated differently than the rest of the firm and in some respects, outside of this formalized and team structure. This may have contributed to employee dissatisfaction and perhaps recent underperformance.

Current Environment

PIMCO is a leading investment firm with a deep bench of intelligent and successful investment professionals with a long track record of top notch performance at Total Return and many other investment strategies. The teams now in place have the skill and tools to produce an attractive investment return. However they have a number of challenges to face.

Cash flow
Including September, the Total Return fund has seen 17 straight months of outflows. Low Duration has also seen steady outflows. Some of this can be explained by investors (broadly across the markets) selling bonds and some of these outflows are likely the result of El-Erian's departure. It's no surprise there was significant cash outflow following Gross' departure. Each day brings new PIMCO clients announcing their intentions. Some have already replaced PIMCO and some say they will do so in the near future. Other large plans have reiterated their commitment to PIMCO and the ongoing team. We are monitoring cash flows as closely as we can (mutual fund data is reported monthly, ETFs are reported daily) and so far, Gross' new fund at Janus has not attracted much of the cash outflow from Total Return.



We believe the PIMCO funds are prepared for this liquidity crunch, at least over the short term. As we mentioned in a prior memo, the funds are made up of thousands of highly liquid investments as well as derivatives that trade in significant volumes. Selling an open-ended mutual fund is not the same as selling an individual security and thus, market impact and cash flows must be viewed in the appropriate light. What is not yet clear is how long these outflows will last and what impact they might have on performance months down the road.

Personnel

A smaller asset base will mean lower fee revenue and may impact the firm's resources and the ability to compensate some managers. PIMCO has stated they have retention incentives in place to combat personnel departures. Time will tell if these are meaningful enough. However the team structure put in place at the beginning of the year should now be fully implemented. If Gross was difficult to work with, as some ex-employees and the press have suggested, the new environment should be a positive change. However, Gross' departure could lead to other changes among portfolio management professionals not related to fees and compensation which are hard to anticipate such as those who may find PIMCO less attractive as a firm without Gross.

Performance

While the long track record at PIMCO is very attractive, short-term performance has been disappointing. As of the end of last quarter, Total Return was in the 79th percentile of its peer group, lagging the median manager by 76 basis points and the BC Aggregate Bond Index by 77 basis points, net of fees. However, over the last three years, Total Return is in the top 20%, outperforming the median manager by 120 basis points and the BC Aggregate Bond Index by 214 basis points. As of this writing, the relative performance over the very short, 1-week time frame, Total Return is in the top 30%.

Recommendations

PIMCO is a substantial firm with significant resources and an extremely deep bench of analysts, portfolio managers and other professionals. The new portfolio managers replacing Gross have been very successful and fit well in the team structure. The fund's liquidity is well positioned for the expected negative cash flows over the near term. The firm's strategy of macro views and sector teams' security selection has been working for years and their long-term track record is among the industry's best. However, the expected loss of assets and possibly personnel demand increased scrutiny of PIMCO and an evaluation of potential candidates for our clients' fixed income assets.

Competitor Analysis Report

Core Fixed Income

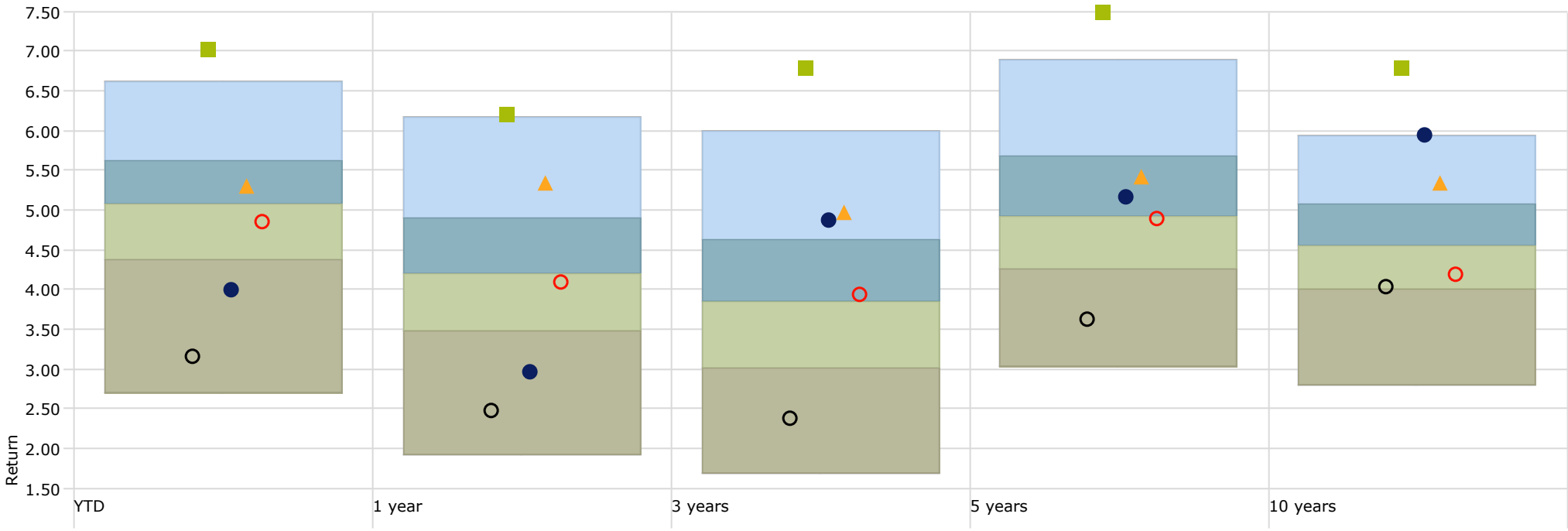
Prepared By

Milliman, Inc.



Performance Relative to Peer Group

As of Date: 10/23/2014 Peer Group (5-95%): Open End Funds - U.S. - Intermediate-Term Bond



Trailing Peer Group Performance

As of Date: 10/23/2014

	YTD	% rank	1 year	% rank	3 years	% rank	5 years	% rank	10 years	% rank
PIMCO Total Return Instl	4.01	82	2.97	84	4.89	20	5.18	42	5.96	5
Loomis Sayles Core Plus Bond Y	7.02	3	6.21	5	6.80	2	7.49	2	6.79	1
Dodge & Cox Income	5.31	38	5.35	15	4.98	18	5.44	33	5.35	17
Barclays US Gov/Corp Intermediate TR USD	3.17	92	2.48	90	2.38	87	3.63	89	4.05	73
US OE Intermediate-Term Bond	4.87	60	4.11	54	3.94	47	4.91	51	4.20	66

Calendar Year Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - Intermediate-Term Bond



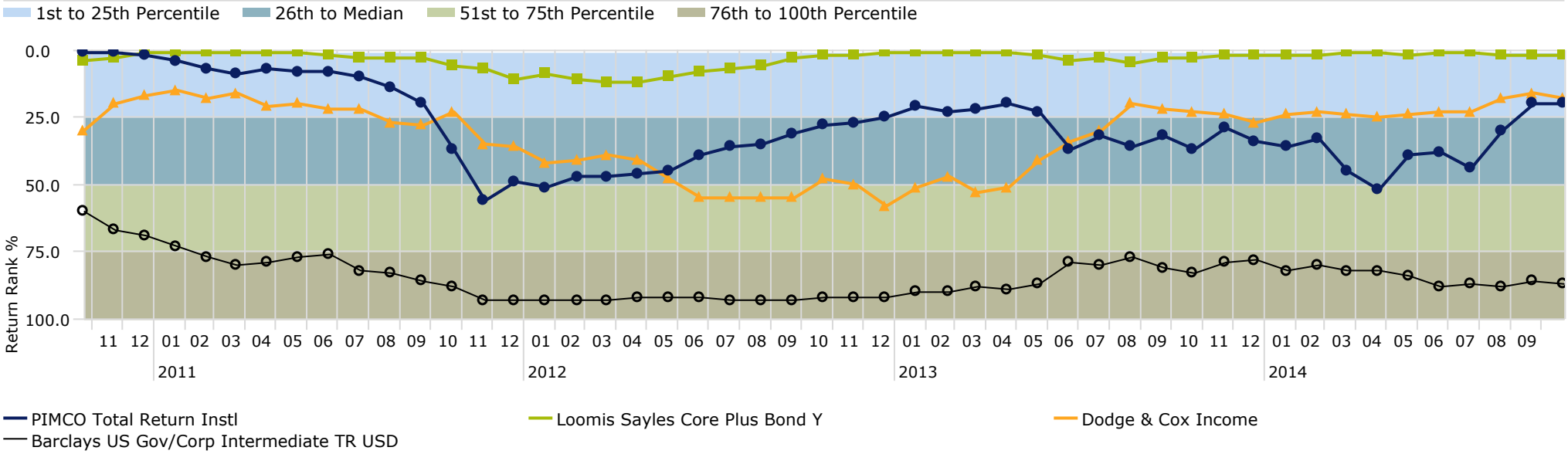
Calendar Year Returns

Data Point: Return Peer Group: Open End Funds - U.S. - Intermediate-Term Bond

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
PIMCO Total Return Instl	-1.92	10.36	4.16	8.83	13.83	4.82	9.07	3.99	2.89	5.14
Loomis Sayles Core Plus Bond Y	-0.56	11.59	7.90	10.74	16.93	0.85	6.35	5.64	1.35	5.35
Dodge & Cox Income	0.64	7.94	4.76	7.17	16.05	-0.29	4.68	5.30	1.98	3.64
Barclays US Gov/Corp Intermediate TR USD	-0.84	3.79	5.88	5.91	5.24	4.91	7.33	4.08	1.55	3.04
US OE Intermediate-Term Bond	-1.38	6.85	5.78	7.71	13.47	-5.07	4.62	4.11	1.79	3.91

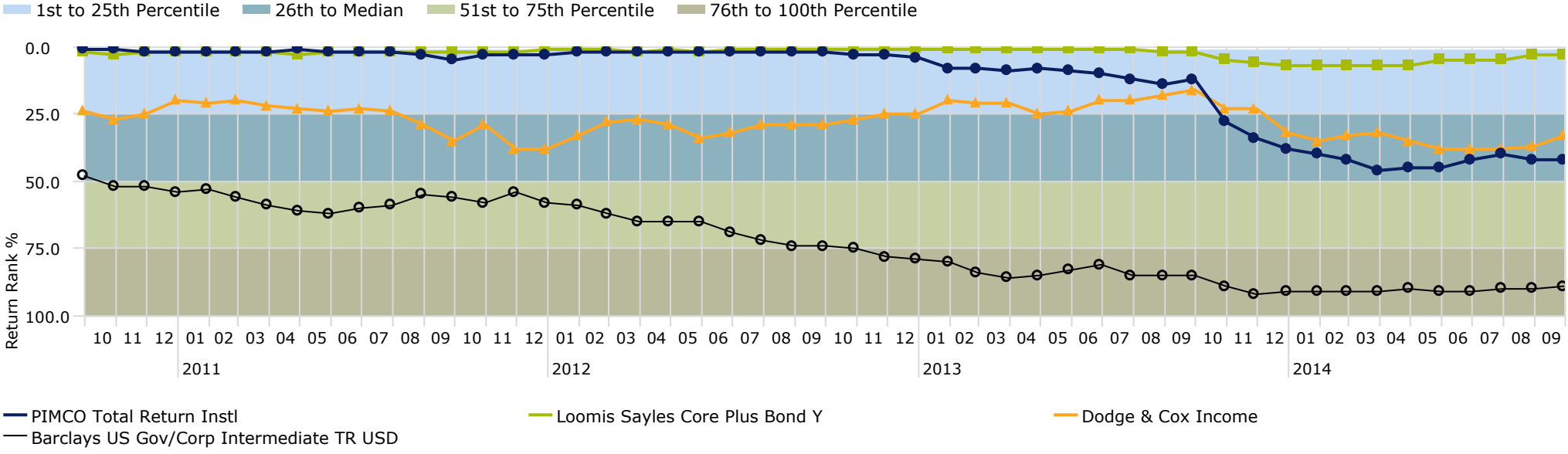
36 Month Rolling Return Quartiles

Peer Group (5-95%): Open End Funds - U.S. - Intermediate-Term Bond Rolling Window: 3 Years 1 Month shift



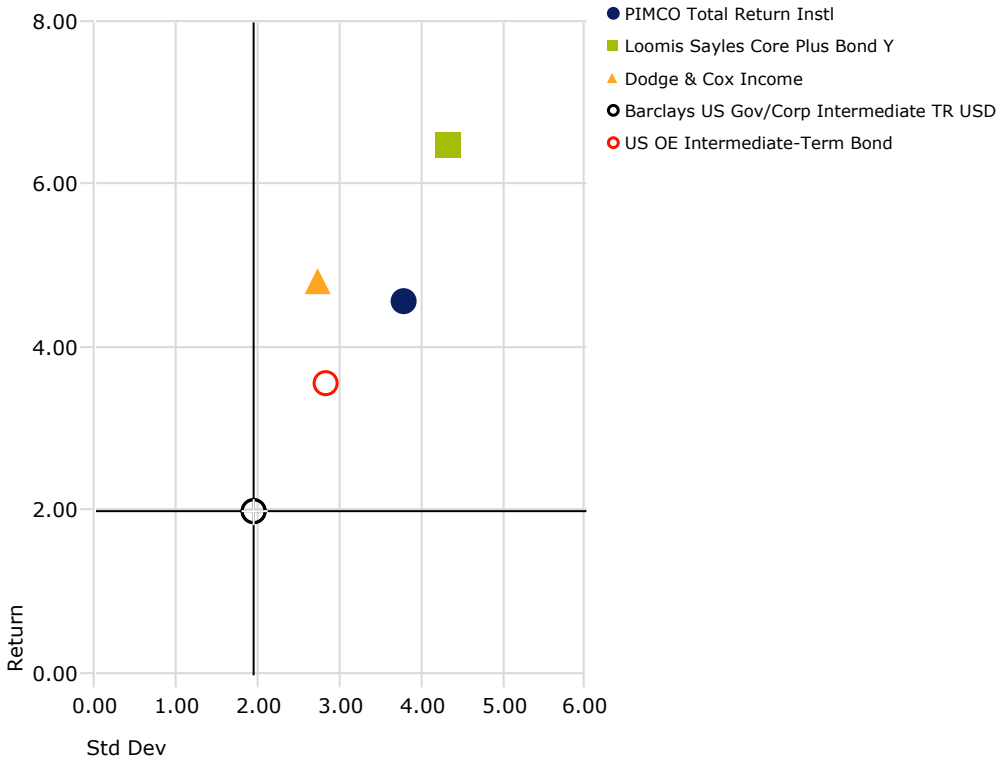
60 Month Rolling Return Quartiles

Peer Group (5-95%): Open End Funds - U.S. - Intermediate-Term Bond Rolling Window: 5 Years 1 Month shift



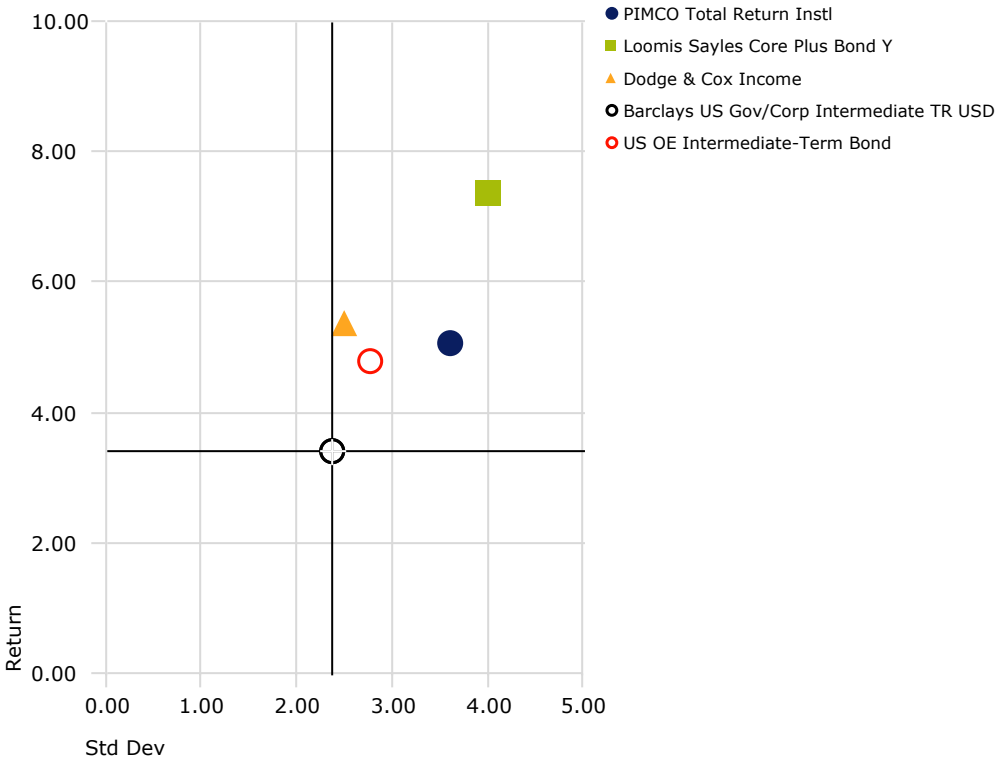
3-Year Risk-Reward

Time Period: 10/1/2011 to 9/30/2014



5-Year Risk-Reward

Time Period: 10/1/2009 to 9/30/2014



3-Year Risk

Time Period: 10/1/2011 to 9/30/2014

	Std Dev	Loss Std Dev	Tracking Error	R2
PIMCO Total Return Instl	3.78	2.69	2.03	90.01
Loomis Sayles Core Plus Bond Y	4.34	3.34	2.78	77.10
Dodge & Cox Income	2.73	2.06	1.51	71.27
Barclays US Gov/Corp Intermediate TR USD	1.95	1.25	0.00	100.00
US OE Intermediate-Term Bond	2.82	2.14	1.11	91.59

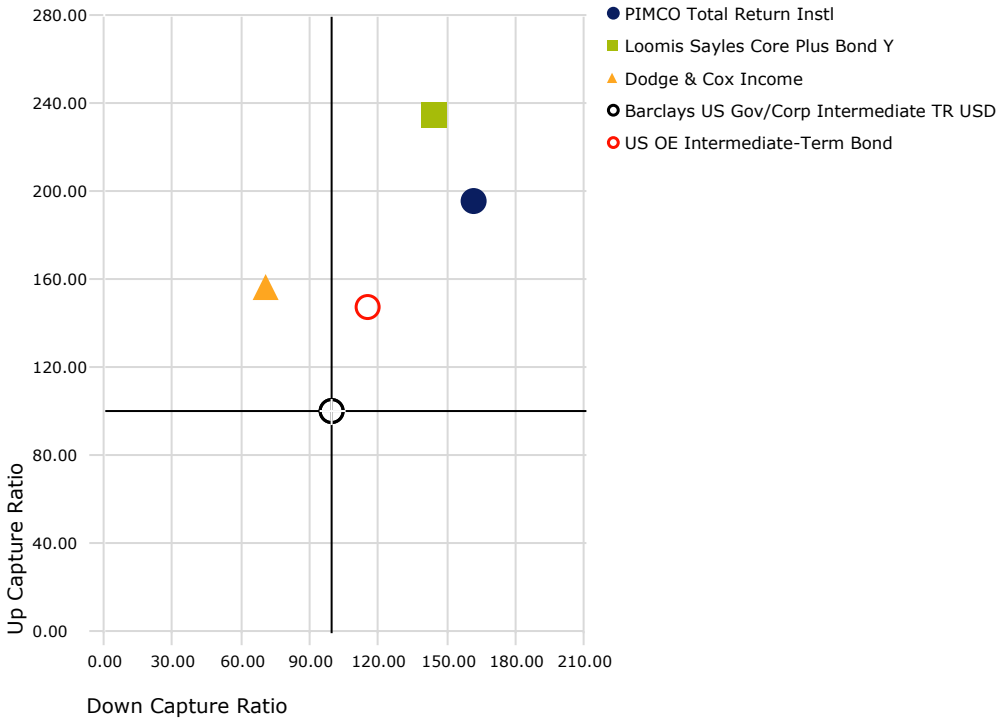
5-Year Risk

Time Period: 10/1/2009 to 9/30/2014

	Std Dev	Loss Std Dev	Tracking Error	R2
PIMCO Total Return Instl	3.61	2.43	2.17	65.92
Loomis Sayles Core Plus Bond Y	4.00	2.76	2.70	57.05
Dodge & Cox Income	2.49	1.66	1.85	50.87
Barclays US Gov/Corp Intermediate TR USD	2.38	1.52	0.00	100.00
US OE Intermediate-Term Bond	2.77	1.82	1.19	81.85

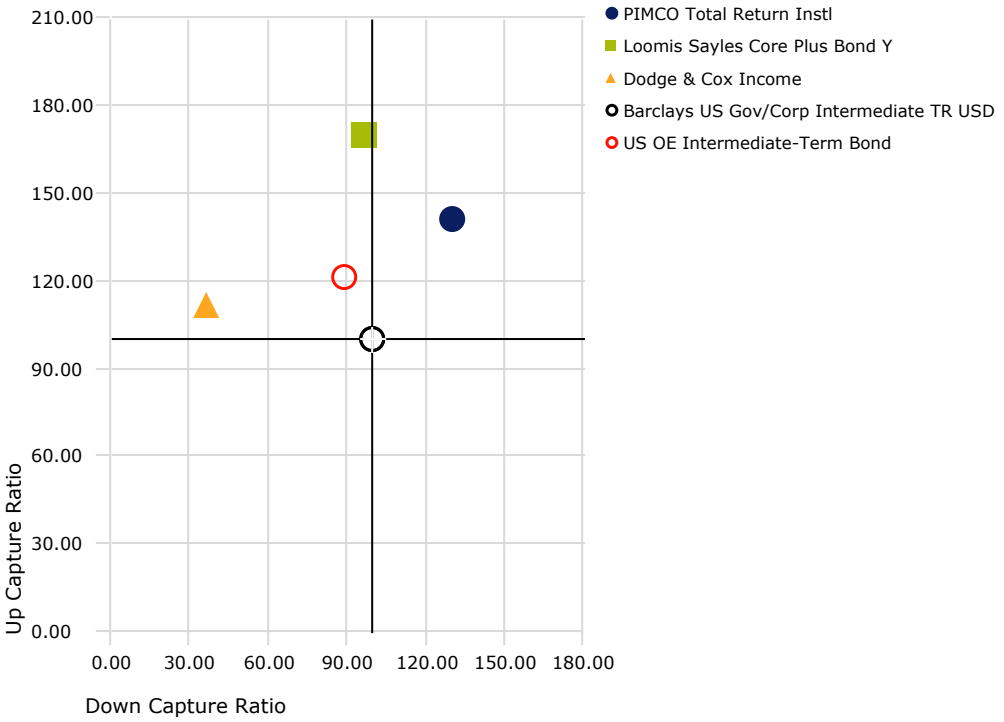
3-Year Upside-Downside Capture

Time Period: 10/1/2011 to 9/30/2014



5-Year Upside-Downside Capture

Time Period: 10/1/2009 to 9/30/2014



3-Year Market Performance

Time Period: 10/1/2011 to 9/30/2014

	Batting Average	Up Capture Ratio	Down Capture Ratio	Best Month	Worst Month
PIMCO Total Return Instl	77.78	195.57	161.97	2.58	-2.64
Loomis Sayles Core Plus Bond Y	75.00	234.17	144.25	2.31	-2.85
Dodge & Cox Income	77.78	156.67	70.89	2.11	-1.70
Barclays US Gov/Corp Intermediate TR USD	100.00	100.00	100.00	1.01	-1.17
US OE Intermediate-Term Bond	72.22	147.15	115.77	1.58	-2.06

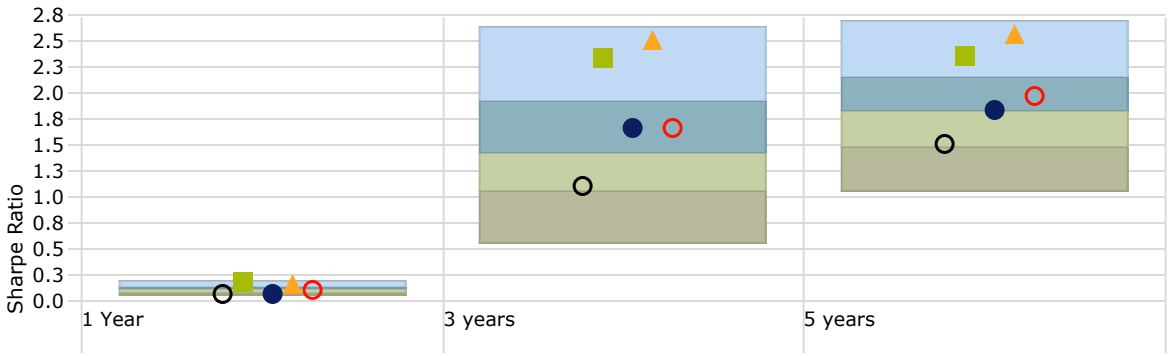
5-Year Market Performance

Time Period: 10/1/2009 to 9/30/2014

	Batting Average	Up Capture Ratio	Down Capture Ratio	Best Month	Worst Month
PIMCO Total Return Instl	71.67	141.32	130.14	2.58	-2.64
Loomis Sayles Core Plus Bond Y	75.00	169.90	96.76	2.44	-2.85
Dodge & Cox Income	65.00	111.91	36.50	2.11	-1.70
Barclays US Gov/Corp Intermediate TR USD	100.00	100.00	100.00	1.45	-1.46
US OE Intermediate-Term Bond	66.67	120.91	88.86	1.70	-2.06

Sharpe Ratio vs. Peer Group

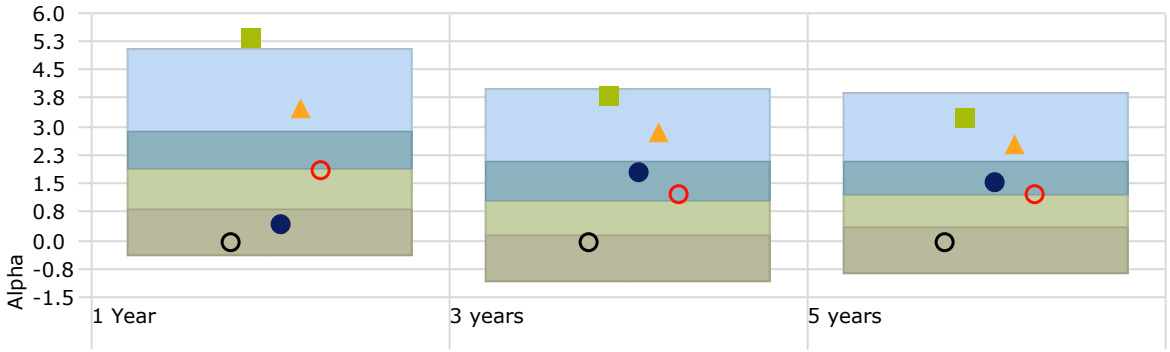
As of Date: 9/30/2014 Peer Group (5-95%): Open End Funds - U.S. - Intermediate-Term Bond



- PIMCO Total Return Instl
- Loomis Sayles Core Plus Bond Y
- Dodge & Cox Income
- Barclays US Gov/Corp Intermediate TR USD
- US OE Intermediate-Term Bond

Alpha vs. Peer Group

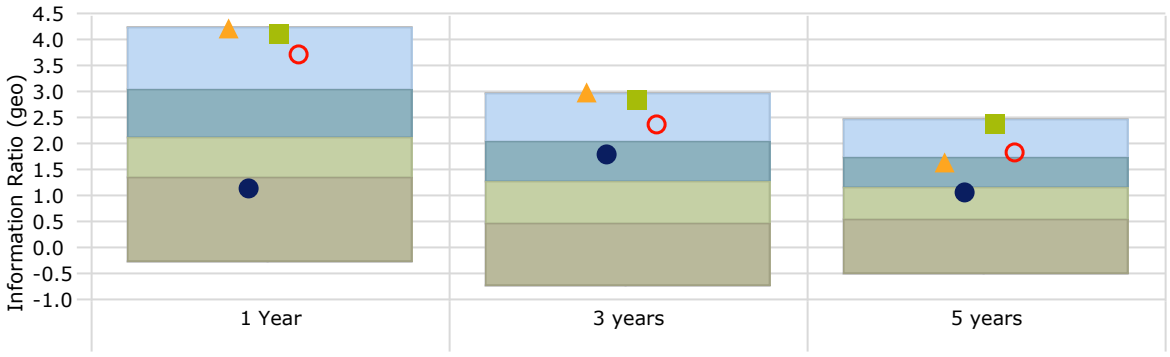
As of Date: 9/30/2014 Peer Group (5-95%): Open End Funds - U.S. - Intermediate-Term Bond



- PIMCO Total Return Instl
- Loomis Sayles Core Plus Bond Y
- Dodge & Cox Income
- Barclays US Gov/Corp Intermediate TR USD
- US OE Intermediate-Term Bond

Information Ratio vs. Peer Group

As of Date: 9/30/2014 Peer Group (5-95%): Open End Funds - U.S. - Intermediate-Term Bond

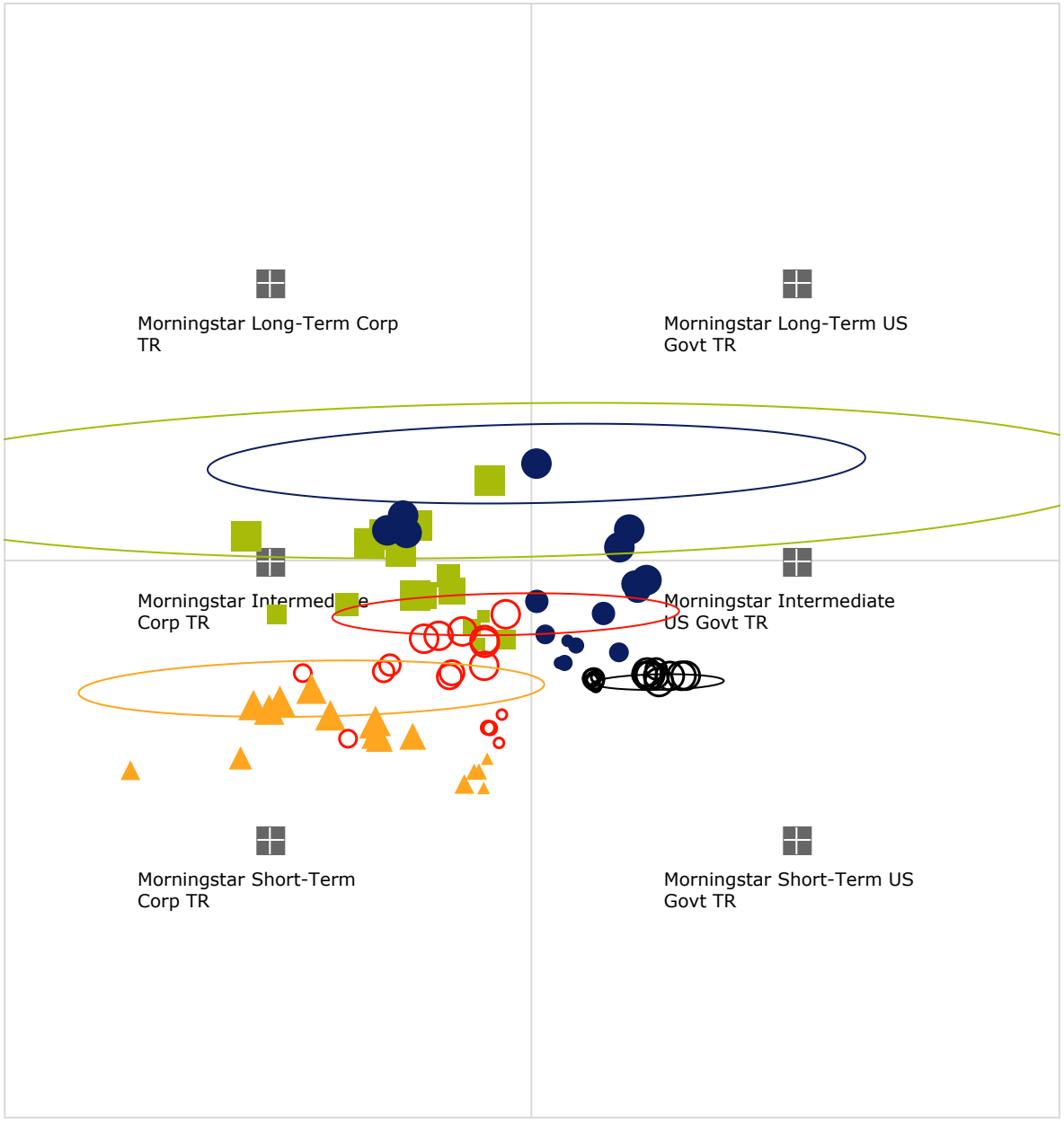


- PIMCO Total Return Instl
- Loomis Sayles Core Plus Bond Y
- Dodge & Cox Income
- Barclays US Gov/Corp Intermediate TR USD
- US OE Intermediate-Term Bond

Returns-Based Style Map

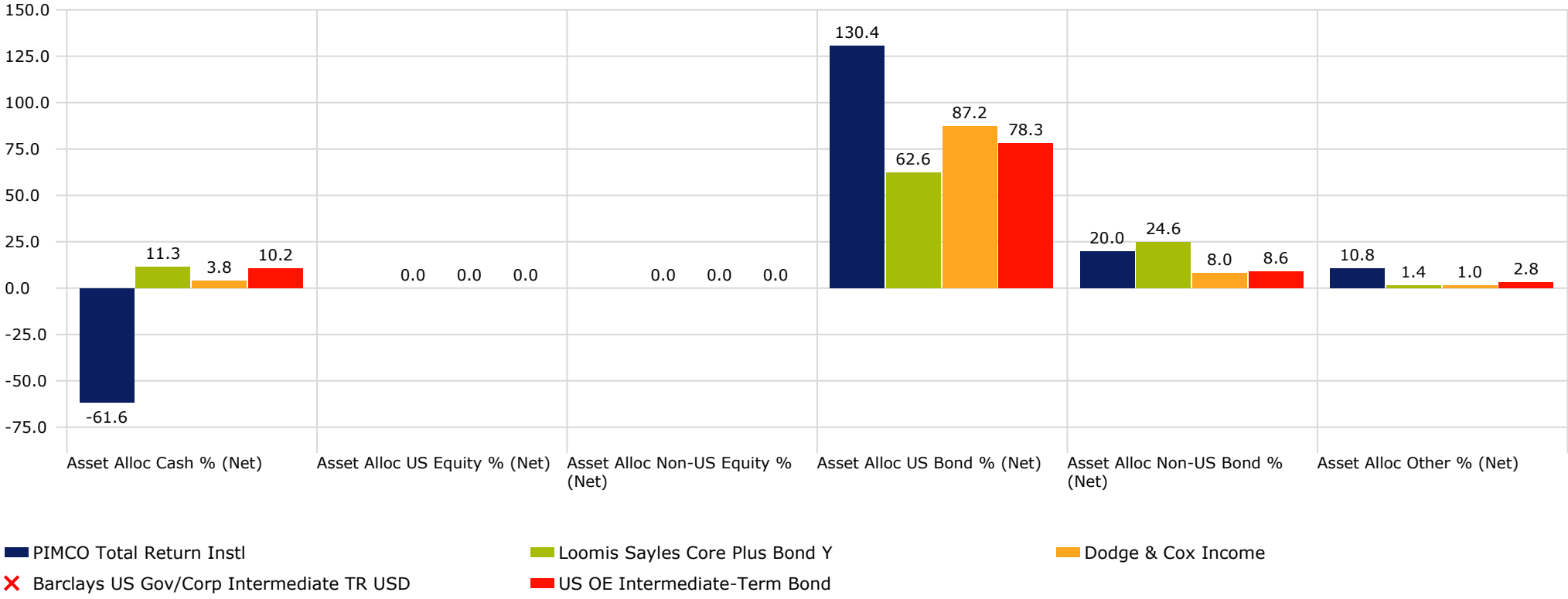
Time Period: 10/1/2007 to 9/30/2014

Rolling Window: 3 Years 3 Months shift



- PIMCO Total Return Instl
- Loomis Sayles Core Plus Bond Y
- Dodge & Cox Income
- Barclays US Gov/Corp Intermediate TR USD
- US OE Intermediate-Term Bond

Supplementary Data

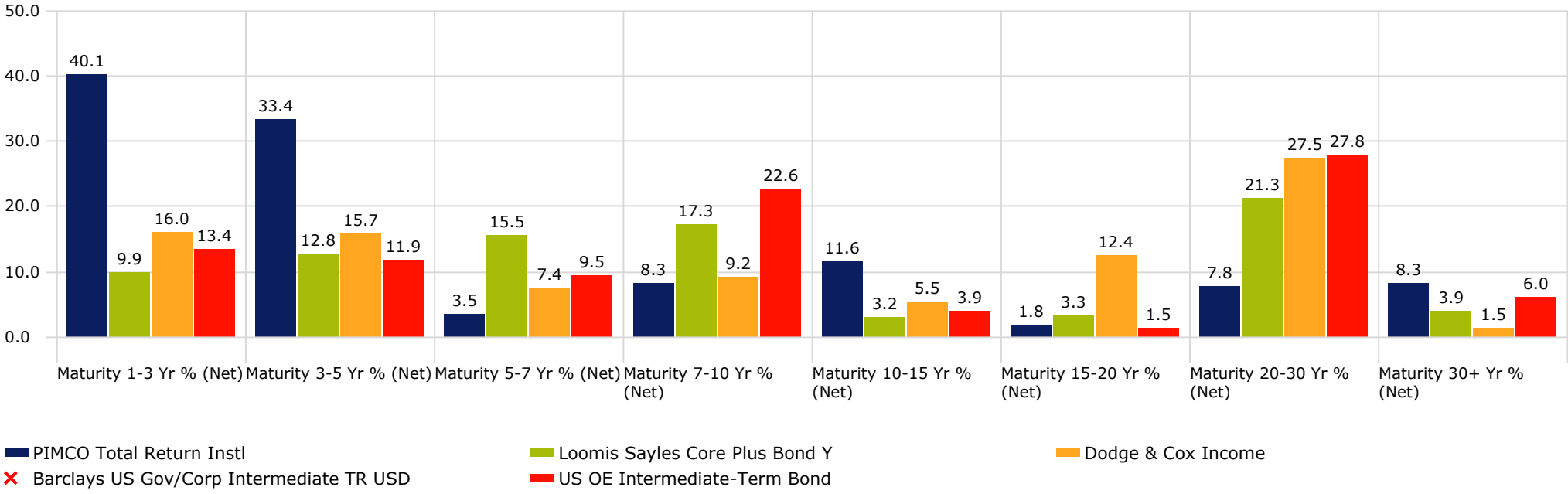


Fixed Income Sectors

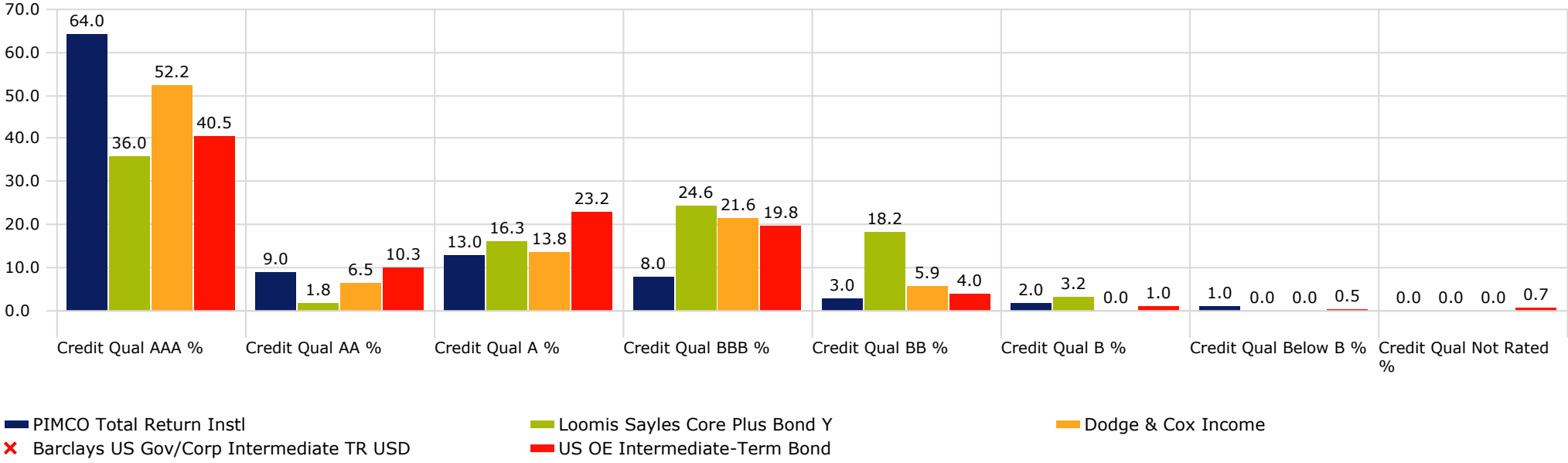
Portfolio Date: 6/30/2014

	Fixed-Inc Super Sector Government %	Fixed-Inc Super Sector Municipal %	Fixed-Inc Super Sector Corporate %	Fixed-Inc Super Sector Securitized %	Fixed-Inc Super Sector Cash & Equivalents %	Fixed-Inc Super Sector Derivative %	% Asset in Top 10 Holdings	# of Holdings	# of Stock Holdings	# of Bond Holdings	Average Eff Duration	Average Credit Quality
PIMCO Total Return Instl	100.96	3.63	13.47	23.53	-176.00	123.13	71.55	17,593	1	16,616	4.97	
Loomis Sayles Core Plus Bond Y	22.68	0.00	46.48	19.85	9.69	0.00	21.95	372	0	360	5.60	BBB
Dodge & Cox Income	15.27	5.23	37.01	36.61	5.42	0.00	13.58	800	0	774	4.24	A
Barclays US Gov/Corp Intermediate TR USD												
US OE Intermediate-Term Bond	31.28	1.27	29.94	32.18	0.71	2.48	35.07	766	6	534	4.85	BBB

Maturity Breakdown

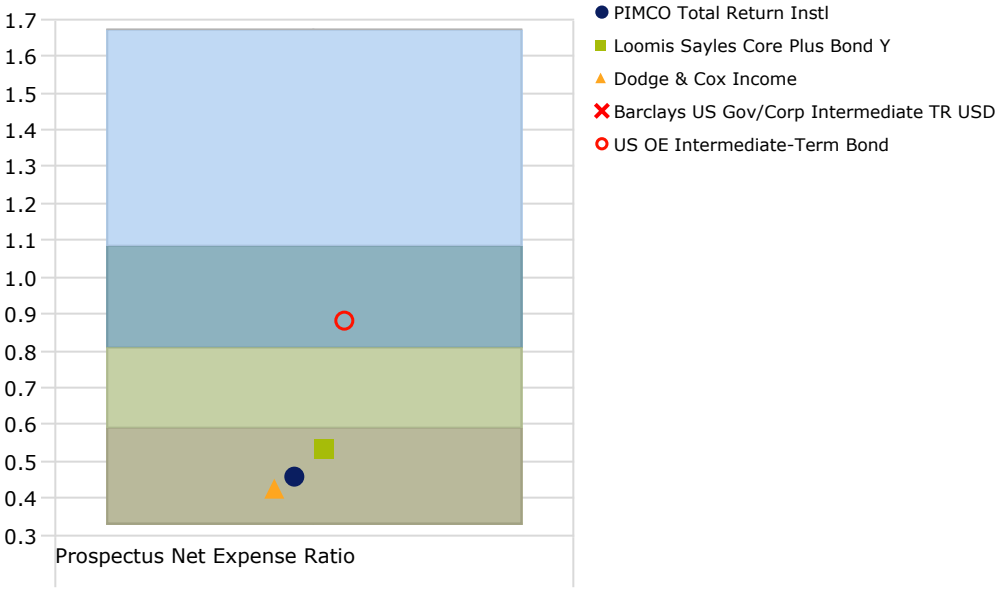


Credit Quality



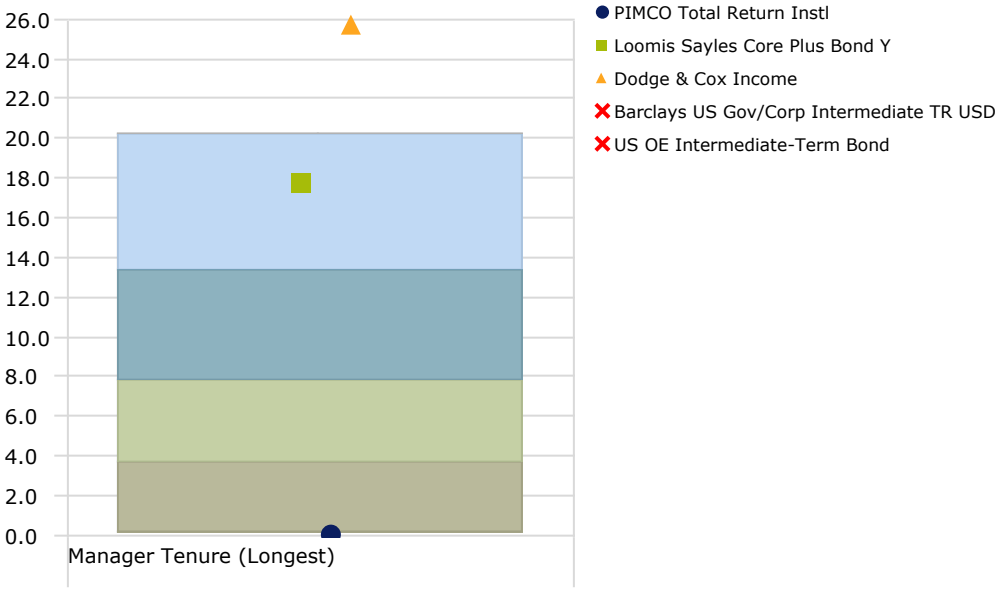
Expense Ratio Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - Intermediate-Term Bond



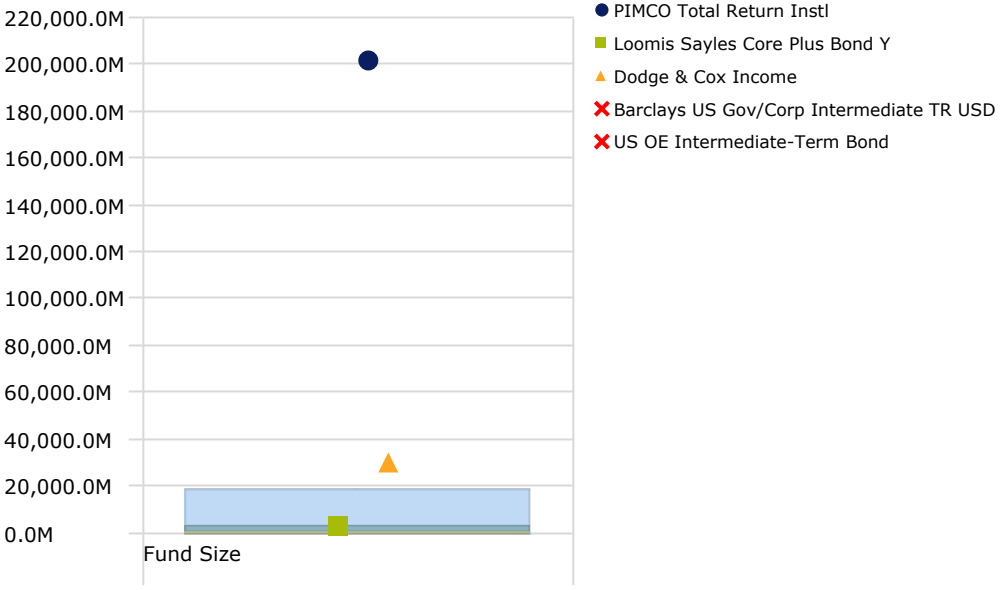
Manager Tenure Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - Intermediate-Term Bond



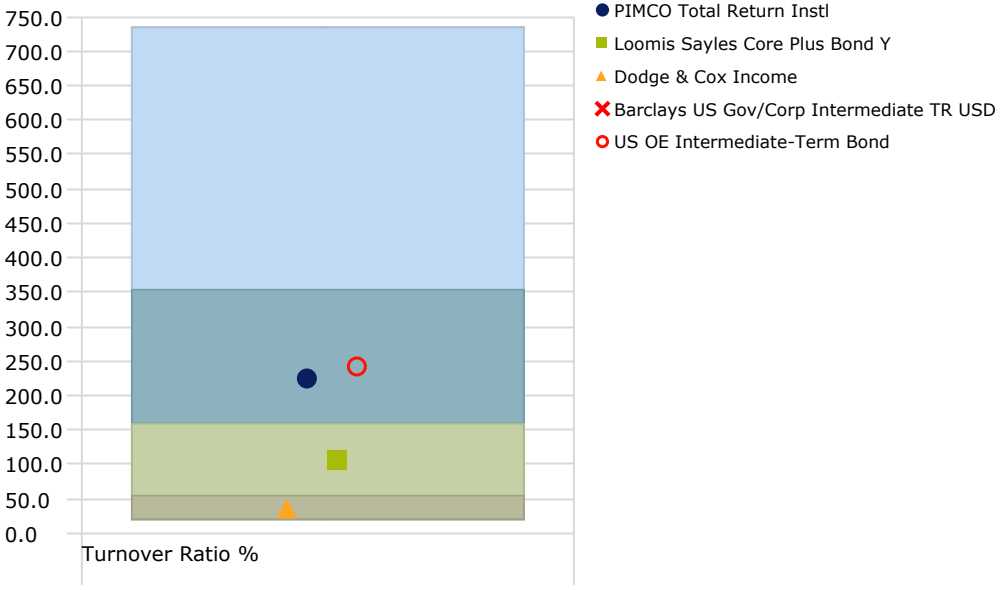
Fund Size Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - Intermediate-Term Bond



Turnover Ratio Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - Intermediate-Term Bond



Snapshot

	Ticker	Morningstar Category	Morningstar Rating Overall	Prospectus Net Expense Ratio	Inception Date	CUSIP
PIMCO Total Return Instl	PTTRX	US OE Intermediate-Term Bond	★★★★	0.46	5/11/1987	693390700
Loomis Sayles Core Plus Bond Y	NERYX	US OE Intermediate-Term Bond	★★★★★	0.54	12/30/1994	63872R764
Dodge & Cox Income	DODIX	US OE Intermediate-Term Bond	★★★★	0.43	1/3/1989	256210105
Barclays US Gov/Corp Intermediate TR USD					12/31/1998	
US OE Intermediate-Term Bond		Intermediate-Term Bond	★★★	0.89	11/1/1954	

Manager

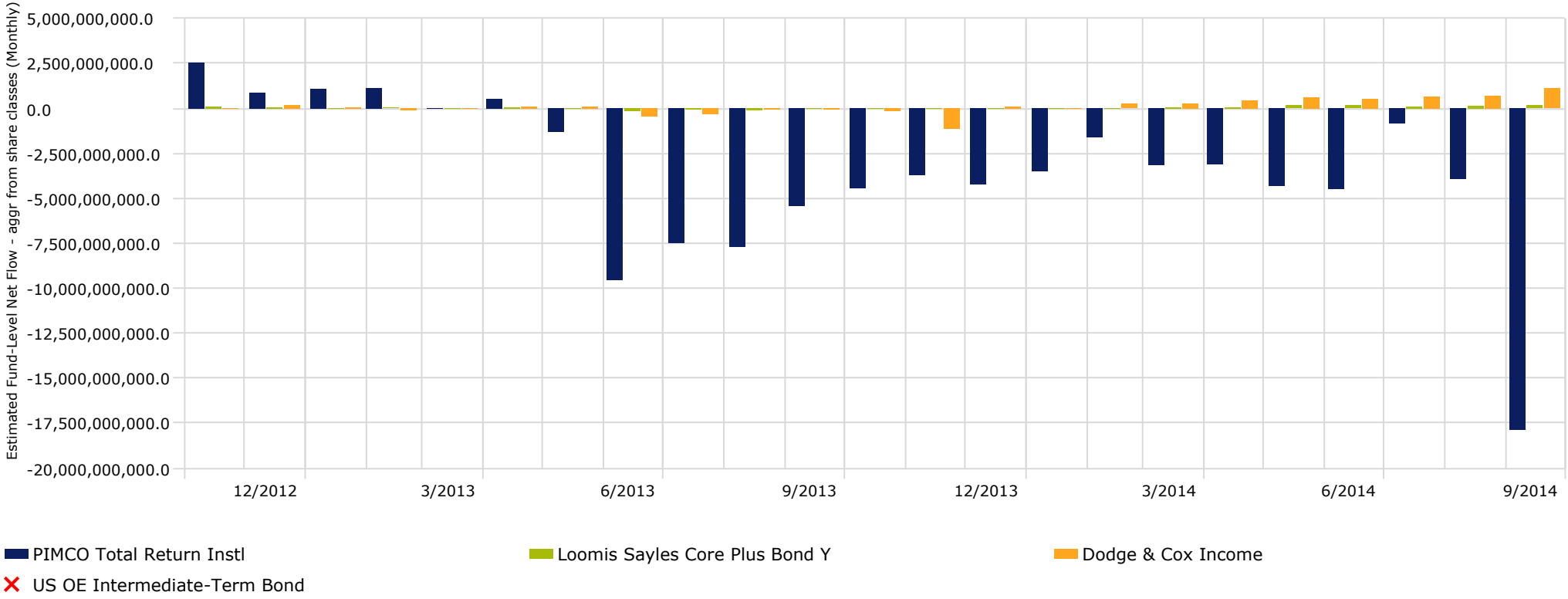
	Advisor	Subadvisor	Manager Name	Manager Ownership Level
PIMCO Total Return Instl	PIMCO LLC (US)		Multiple	Multiple
Loomis Sayles Core Plus Bond Y	Loomis Sayles & Company L.P.		Multiple	Multiple
Dodge & Cox Income	Dodge & Cox		Multiple	Multiple
Barclays US Gov/Corp Intermediate TR USD				
US OE Intermediate-Term Bond				

Firm

	Firm Manager Retention Rate 5 Year	Firm % Share Classes in Low Fee Level	Firm % Share Classes in Average Fee Level	Firm % Share Classes in High Fee Level	Firm % Assets Manager Investment $100,001-$500,000	Firm % Assets Manager Investment $500,001-$1 million	Firm % Assets Manager Investment Over $1 million	Firm Average Morningstar Rating Overall
PIMCO Total Return Instl	92	21	19	18	11	3	0	3
Loomis Sayles Core Plus Bond Y	96	14	29	9	10	29	56	3
Dodge & Cox Income	98	100	0	0	0	0	100	4
Barclays US Gov/Corp Intermediate TR USD								
US OE Intermediate-Term Bond								

Monthly Estimated Fund-Level Net Flow

Time Period: 11/1/2012 to 9/30/2014



Estimated Net Flow $Mil (Month-End)

	Fund Size	Effective Date	1 month	3 months	6 months	YTD	1 year	3 years	5 years
PIMCO Total Return Instl	201,585	9/30/2014	-17,879	-22,645	-34,553	-42,804	-55,178	-68,952	-33,538
Loomis Sayles Core Plus Bond Y	2,928	9/30/2014	165	414	799	875	842	1,606	1,828
Dodge & Cox Income	30,264	9/30/2014	1,111	2,465	4,053	4,585	3,416	3,530	7,118
US OE Intermediate-Term Bond									

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