

# Plan Investment Review

## STARS

For period ending March 31, 2014

Ed Wagner Registered Representative with and securities offered through Cetera Advisor Networks LLC, member FINRA/SIPC  
1920 Main Street, Suite 800, Irvine, CA 92614 | T 949.955.1395 | SageView is not affiliated with Cetera





# Section I

## Market Overview

The views are those of SageView Advisory Group and should not be construed as investment advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. All economic and performance information is historical and not indicative of future results. The market indices discussed are unmanaged. Investors cannot directly invest in unmanaged indices. Additional risks are associated with international investing, such as currency fluctuations, political and economic stability, and differences in accounting standards. Please consult your financial advisor for more information.

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made.

---

# Major Headlines From the Quarter

- » **Global financial markets had a decent quarter ...**
  - A late March rally helped domestic benchmarks to another quarter of gains as both volatility and uncertainty increased at the start of 2014
  - International equity indexes also posted modest gains
- » **New Federal Reserve Chairwoman but same old song ...**
  - Janet Yellen took over as the first Chairwoman of the Federal Reserve
  - Fed reiterated its commitment to keep interest rates near zero until mid-2015
- » **U.S. economy appeared to recover from a harsh winter ...**
  - An unusually cold winter had a negative impact on U.S. economic indicators
  - Markets moved past the data and anticipated a spring bounce back
- » **Global economies showed mixed trends ...**
  - European economies continued to stabilize but some southern countries continue to battle high unemployment
  - China's growth continued to show signs of slowing with the first corporate bond default exposing potential problems in its shadow banking system
  - Many developed economies remain saddled with significant debt and may be facing constrained growth prospects



# Economic Scoreboard



**Corporate Profits** Although S&P 500 operating earnings came in lower than expected, corporate profits reached a new all-time high and had positive gains for the fifth consecutive quarter. Revenue growth has slowed due to income-strapped consumers and weak revolving credit. The potential return of increased capital expenditures and labor bargaining power could support earnings growth in the future.

**Interest Rates** In January, the Federal Reserve continued with its program of slower bond purchases but maintained its commitment to keep short-term interest rates low in the near future.

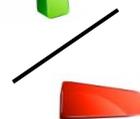
**Housing** Existing home sales declined, housing starts slowed and median home prices fell through February. Higher mortgage rates and a harsh winter may have negatively impacted home buying activity.

**US Growth** Economic growth slowed from 4.1% to 2.6% in Q4. The deceleration in Q4 reflects a decline in private inventory investment, federal and state and local government spending.

**Consumer Spending** Consumer spending rose during the quarter due to higher real disposable incomes, making up for some of the lost sales due to poor weather in the closing weeks of 2013. A rise in the personal savings rate, real wages and improving credit lending may prove to be strong tailwinds for consumption.



**Inflation** Both consumer and producer prices increased across the board in Q1. Year-over-year growth in both CPI and PPI remained muted however, increasing a modest 1.5% and 1.7%, respectively.



**Employment** Job growth averaged 178,000 per month in Q1. The unemployment rate remained unchanged at 6.7%, due to job gains only kept pace with an increase in labor force participation.

**Financial Conditions** The Federal Reserve announced additional tapering in January, slowing the pace of monthly asset purchases by another \$10 billion. The Fed has noted its inclination towards forward guidance as opposed to open market operations.

**Fiscal Drag** The federal deficit continued to decline due to an improving economy, resulting in positive job growth and therefore larger tax receipts. The increase in tax receipts is also due to record stock market gains, which resulted in large capital gain taxes. Federal, state and local governments cut spending in Q4 2013.

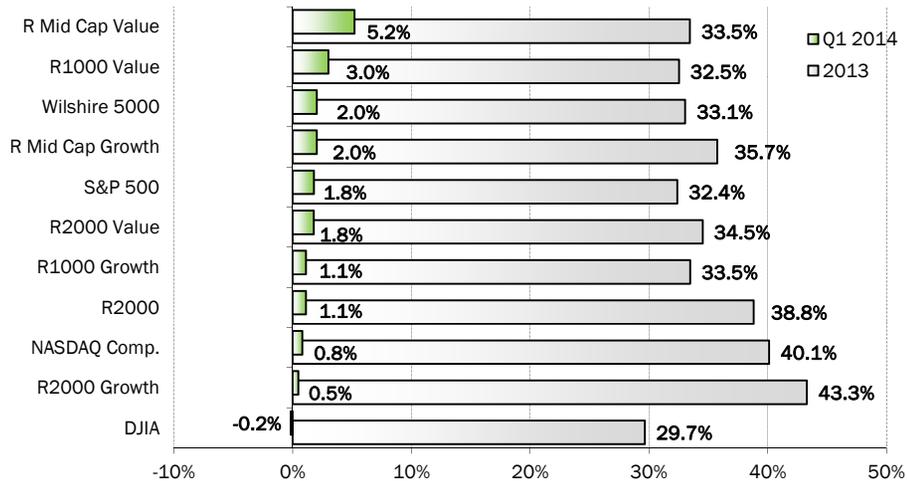


**Commercial Real Estate** Rising mortgage rates in Q4 caused a slowdown in lending and therefore sales. The percentage of nonperforming loans and delinquency rates decreased again, but vacancy rates were mostly unchanged. The apartment sector has experienced a strong rebound.



# US Equities ... continued but smaller gains

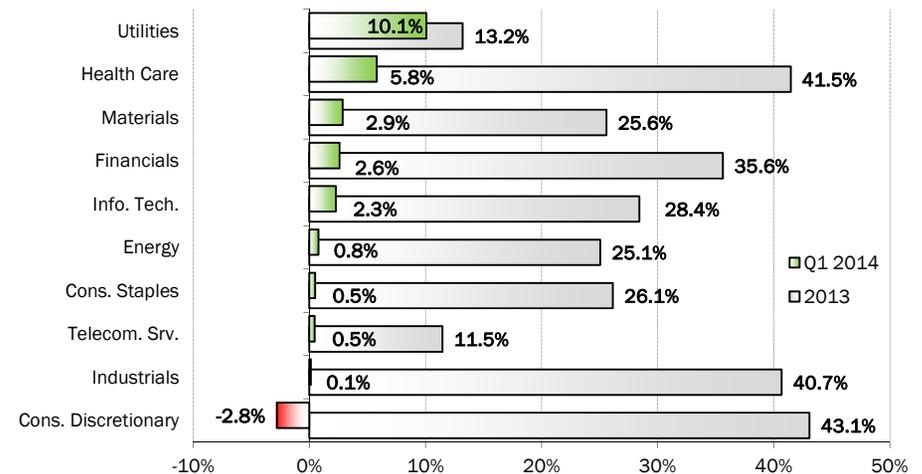
Performance of Major U.S. Equity Indexes, Q1 2014 and 2013



Source: Morningstar. Returns represent total return, including dividends.

- » The S&P 500 Index increased 1.8% during Q1 as economic data improved and Federal Reserve communication reiterated its commitment to low short-term rates.
- » With the exception of the Dow Jones Industrial Average, all major U.S. benchmarks posted positive gains for the quarter.

S&P 500 Sector Returns, Q1 2014 and 2013



Source: Morningstar. Returns represent cumulative total return, including dividends.

- » Sector performance was mixed. Utilities outperformed due to their high yields and the consumer discretionary sector trailed as the “polar vortex” kept consumers at home.
- » With the exception of consumer discretionary names, all sectors posted positive returns for Q1.



# Defined Contribution Market Legislative Update

- » In his State of the Union speech, president Obama introduced the myRA savings account that would help low-income earners save money for retirement. Below is some initial guidance provided by the White House and the Treasury Department:
- MyRA accounts would be available to individuals with an annual income below \$129,000 and households with an annual income below \$191,000.
  - Participants would have only one investment option – guaranteed government fund providing principal protection and earning interest at the same variable rate as the Government Securities Investment Fund.
  - Minimum initial contribution of \$25 and a minimum of \$5 every pay period.
  - Contributions would be in the form of a Roth contribution (after tax), though employees could qualify for a saver's tax credit under current law.
  - There would be no employer match.
  - Accounts could be used to supplement a current 401(k) plan.
  - Accounts would have a maximum balance of \$15,000, or life span of 30 years, whichever came first. Then, account would have to be rolled over into a private sector Roth IRA.
  - Contributions could be withdrawn tax-free at any time and earnings could be withdrawn after age 59 ½.
  - A pilot program is anticipated to be launched in late 2014 and the Treasury Department will provide additional guidance later this year.

Source: JPMorgan, Bloomberg.

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. Securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



# Defined Contribution Market Legislative Update (cont.)

- » Several legislative proposals were introduced that would impact retirement plans. Some of the recent proposals include the following:
  - Retirement Security Act proposed by Senators Susan Collins and Bill Nelson
    - Proposes new automatic enrollment/escalation safe harbor that would result in a total 4.5% employer match, which is above the current 3.5%.
    - Expands the availability of Multiple Employer Plans (MEPs).
  - Universal, Secure, and Adaptable (USA) Retirement Funds Act of 2014 proposed by Senator Tom Harkin
    - Requires employers with at least 10 employees to offer a retirement savings plan.
    - If a retirement savings plan exists, it must have automatic enrollment and provide a lifetime income distribution option. Otherwise, the plan must change to meet these design requirements or add the USA Retirement Fund option to the plan.
    - The USA Retirement Fund option would have the following features:
      - Employees automatically enrolled at 3% and auto-escalated to 6%
      - If employees opt out, they are automatically re-enrolled every 2 years
      - Employee contributions capped at \$10,000 annually and employer contributions capped at \$5,000 per year
      - Benefits would be only available in the form of a lifetime income stream
      - Funds would be managed and administered by an independent board of trustees

Source: JPMorgan.

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. Securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



# Defined Contribution Market Legislative Update (cont.)

- » Some reforms that have been proposed will spur much debate for the next few years and may have potentially negative tax implications on retirement savings plans if approved.
  - Pre-tax 401(k) contributions: the Tax Reform Act of 2014 would limit traditional pre-tax 401(k) contributions to 50% of the applicable limit.
  - Value of deductions: the President's fiscal 2015 budget would cap itemized deductions at 28%, which would extend to employer-provided health care and retirement savings plans.
  - Total retirement savings: the President's fiscal 2015 budget would potentially prohibit an individual from accumulating more than \$3 million in their tax-deferred retirement accounts, which equates an annuity stream needed to produce \$205,000 per year in income during retirement.
  - Contribution caps: Bipartisan commissions have proposed lowering total contributions into 401(k) to a maximum of 20% of earnings or \$20,000, whichever is lower. Catch up contributions would also be eliminated.

Source: JPMorgan.

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. Securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.





The background of the slide is a grayscale image of a globe, showing latitude and longitude lines. A large, semi-transparent teal rectangle is overlaid on the center of the globe. Inside this rectangle, the text "Section II" and "Investment Summary" is written in white, bold, sans-serif font.

## **Section II**

### **Investment Summary**

# Fund Performance Summary

## As of 03/31/2014

Fund Benchmark Category	Asset Class	(%) of Plan	3 Month	YTD	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Expense Ratio	Investment Policy Performance
UTC Stable Value Trust	Stable Value	28.99%	0.56	0.56	2.34	2.65	2.87	3.74	0.68	See Attached
Hueler Stable Value Index*			0.41	0.41	1.77	2.17	2.52	3.53		
Cat: Custom PeerGroup: Hueler Stable Value			0.41	0.41	1.77	2.17	2.52	3.53	NA	
DFA Intermediate Govt Fixed-Income I	Intermediate Government	5.88%	1.69	1.69	-1.90	3.64	3.69	4.45	0.12	2 <sup>ND</sup> QUAR
Barclays US Govt Interm TR USD*			0.64	0.64	-0.76	2.35	2.35	3.58		
Cat: Morningstar Intermediate Government			1.48	1.48	-1.22	2.56	3.34	3.69	0.96	
Dodge & Cox Income	Intermediate-Term Bond	14.16%	2.31	2.31	2.41	4.73	7.63	5.15	0.43	TOP QUAR
Barclays US Agg Bond TR USD*			1.84	1.84	-0.10	3.75	4.80	4.46		
Cat: Morningstar Intermediate-Term Bond			1.95	1.95	0.22	3.99	6.61	4.29	0.91	
DFA US Large Cap Value I	Large Value	1.67%	1.60	1.60	25.61	15.53	25.95	8.63	0.27	TOP QUAR
Russell 1000 Value TR USD*			3.02	3.02	21.57	14.80	21.75	7.58		
Cat: Morningstar Large Value			2.29	2.29	20.77	13.11	19.80	6.94	1.16	
Columbia Large Cap Index Z	Large Blend	8.89%	1.77	1.77	21.60	14.43	20.96	7.27	0.20	Index
S&P 500 TR USD*			1.81	1.81	21.86	14.66	21.16	7.42		
Cat: Morningstar Large Blend			1.70	1.70	21.17	13.08	19.97	6.91	1.17	
Fidelity® Contrafund®	Large Growth	3.84%	0.47	0.47	23.45	14.25	20.37	9.85	0.67	TOP DEC
Russell 1000 Growth TR USD*			1.12	1.12	23.22	14.62	21.68	7.86		
Cat: Morningstar Large Growth			0.48	0.48	23.60	12.96	20.23	7.46	1.24	
Neuberger Berman Socially Rspns Inv	Large Growth	1.82%	0.60	0.60	20.74	11.90	20.61	8.12	0.87	2 <sup>ND</sup> QUAR
Russell 1000 Growth TR USD*			1.12	1.12	23.22	14.62	21.68	7.86		
Cat: Morningstar Large Growth			0.48	0.48	23.60	12.96	20.23	7.46	1.24	
Vanguard Mid-Cap Value Index Inv	Mid-Cap Value	5.28%	3.84	3.84	24.87	15.24	25.99	NA	0.24	Index
CRSP US Mid Cap Value TR USD*			3.91	3.91	24.85	16.26	26.97	10.01		
Cat: Morningstar Mid-Cap Value			3.05	3.05	23.23	13.37	23.92	8.74	1.31	

\*Investment Policy Benchmark

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



# Fund Performance Summary

## As of 03/31/2014

Fund Benchmark Category	Asset Class	(%) of Plan	3 Month	YTD	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Expense Ratio	Investment Policy Performance
Columbia Mid Cap Index Z	Mid-Cap Blend	10.82%	2.99	2.99	20.97	13.15	24.60	10.03	0.21	Index
S&P MidCap 400 TR*			3.04	3.04	21.24	13.37	24.86	10.14		
Cat: Morningstar Mid-Cap Blend			2.54	2.54	22.66	12.27	22.97	8.30	1.26	
ING MidCap Opportunities I	Mid-Cap Growth	3.47%	-0.39	-0.39	18.39	11.25	23.57	10.68	0.97	TOP QUAR
Russell Mid Cap Growth TR USD*			2.04	2.04	24.22	13.52	24.73	9.47		
Cat: Morningstar Mid-Cap Growth			1.19	1.19	23.40	11.74	22.16	8.68	1.36	
DFA US Targeted Value I	Small Value	4.97%	2.17	2.17	28.26	14.61	27.29	9.90	0.37	TOP QUAR
Russell 2000 Value TR USD*			1.78	1.78	22.65	12.74	23.33	8.07		
Cat: Morningstar Small Value			1.70	1.70	23.38	12.38	24.75	8.71	1.40	
Columbia Small Cap Index Z	Small Blend	0.29%	1.06	1.06	27.41	15.73	25.98	9.97	0.23	Index
Russell 2000 TR USD*			1.12	1.12	24.90	13.18	24.31	8.53		
Cat: Morningstar Small Blend			1.45	1.45	24.09	12.73	24.08	8.60	1.32	
Vanguard Small Cap Growth Index Inv	Small Growth	0.72%	1.58	1.58	24.75	13.58	26.96	10.16	0.24	Index
CRSP US Small Cap Growth TR USD*			1.60	1.60	25.83	12.61	25.50	10.38		
Cat: Morningstar Small Growth			0.32	0.32	26.07	12.58	24.46	8.72	1.44	
Nuveen Real Estate Securities A	Real Estate	0.55%	10.41	10.41	4.51	10.06	27.75	9.59	1.28	TOP DEC
DJ US Select REIT TR USD*			10.35	10.35	4.35	10.27	28.92	8.05		
Cat: Morningstar Real Estate			9.08	9.08	3.76	9.68	27.19	7.52	1.34	
American Funds Capital World G/I R5	World Stock	1.17%	1.69	1.69	19.55	10.82	17.68	9.07	0.49	2 <sup>ND</sup> QUAR
MSCI World GR USD*			1.40	1.40	19.72	10.86	18.94	7.42		
Cat: Morningstar World Stock			1.41	1.41	18.45	9.31	18.38	7.22	1.43	
Dodge & Cox International Stock	Foreign Large Blend	6.75%	2.76	2.76	25.25	8.79	20.52	9.25	0.64	TOP DEC
MSCI ACWI Ex USA GR USD*			0.61	0.61	12.80	4.63	16.04	7.59		
Cat: Morningstar Foreign Large Blend			0.12	0.12	15.39	5.73	15.39	6.32	1.31	

\*Investment Policy Benchmark

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



# Fund Performance Summary

## As of 03/31/2014

Fund Benchmark Category	Asset Class	(%) of Plan	3 Month	YTD	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Expense Ratio	Investment Policy Performance
Vanguard Wellington™ Inv	Moderate Allocation	0.73%	2.36	2.36	14.42	11.19	15.88	8.12	0.26	TOP DEC
40% BC Aggregate and 60% Russell 1000 Value*			2.61	2.61	12.57	10.52	15.02	6.65		
Cat: Morningstar Moderate Allocation			1.64	1.64	11.84	8.40	14.53	6.02	1.31	

\*Investment Policy Benchmark

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



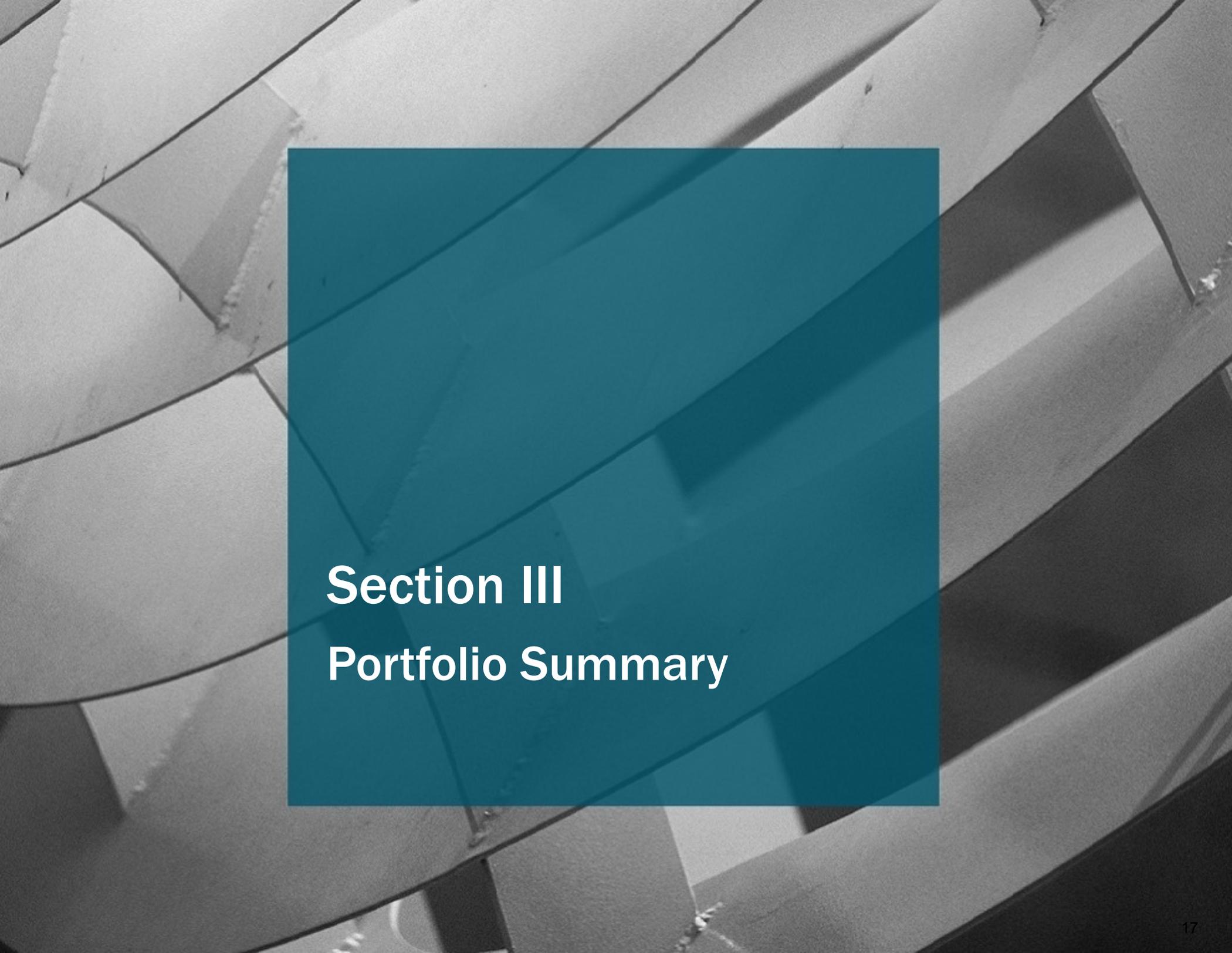
# Investment Watch List Summary

Fund Name % of Plan Assets Category	On Watch List Since	Comments	Recommendation
DFA US Large Cap Value I 1.67 Large Value	12/31/2013	In 2013, DFA announced it would be slightly modifying all of its equity portfolios (except for REITs) to include more companies that quantitatively screen well for high profitability. The goal is to maintain similar size and style characteristics as the current strategy, while expecting to improve the risk/return profile of the fund. It is expected that approximately 5-15% of the portfolios' weighted composition will change as a result. Implementation is expected to occur gradually throughout the course of 2014.	Continue On Watch
DFA US Targeted Value I 4.97 Small Value	12/31/2013	In 2013, DFA announced it would be slightly modifying all of its equity portfolios (except for REITs) to include more companies that quantitatively screen well for high profitability. The goal is to maintain similar size and style characteristics as the current strategy, while expecting to improve the risk/return profile of the fund. It is expected that approximately 5-15% of the portfolios' weighted composition will change as a result. Implementation is expected to occur gradually throughout the course of 2014.	Continue On Watch

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.





The background of the slide is a grayscale image of a globe, showing latitude and longitude lines. A large, semi-transparent teal rectangle is overlaid on the center of the globe. The text is positioned within this teal rectangle.

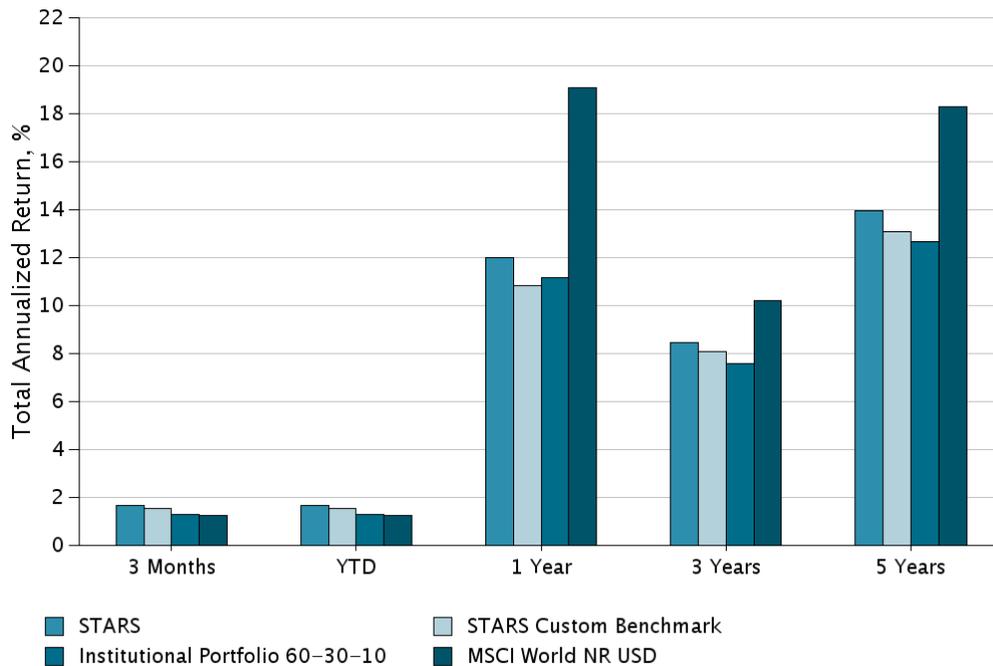
# Section III

## Portfolio Summary

# Portfolio Return vs. Custom Benchmark

## As of 03/31/2014

Performance As Of March 31, 2014	3 Month	YTD	1 Year	3 Year	5 Year	Alpha 5 Yr	Sharpe 5Yr	Std Dev 5 Yr	Prospectus Exp Ratio
STARS	1.67	1.67	11.99	8.48	13.95	4.06	1.59	8.42	0.48
STARS Custom Benchmark	1.53	1.53	10.83	8.07	13.08	3.76	1.58	7.95	NA
STARS Custom Category Averages Benchmark	1.35	1.35	11.31	7.25	12.62	3.14	5.83	9.31	1.15
Institutional Portfolio 60-30-10 <sup>2</sup>	1.31	1.31	11.18	7.58	12.68	1.66	1.31	9.37	NA
MSCI World NR USD	1.26	1.26	19.07	10.23	18.28	0.00	1.14	15.77	NA



<sup>1</sup>Industry Average Exp Ratio 1.27%. Based on plan assets \$5Mil - \$9.9Mil

Benchmark	Weight
Hueler Stable Value Index	28.99%
Barclays US Govt Intern TR USD	5.88%
Barclays US Agg Bond TR USD	14.16%
Russell 1000 Value TR USD	1.67%
S&P 500 TR USD	8.89%
Russell 1000 Growth TR USD	5.66%
CRSP US Mid Cap Value TR USD	5.28%
S&P MidCap 400 TR	10.82%
Russell Mid Cap Growth TR USD	3.47%
Russell 2000 Value TR USD	4.97%
Russell 2000 TR USD	0.29%
CRSP US Small Cap Growth TR USD	0.72%
DJ US Select REIT TR USD	0.55%
MSCI World GR USD	1.17%
MSCI ACWI Ex USA GR USD	6.75%
40% BC Aggregate and 60% Russell 1000 Value	0.73%

<sup>1</sup>Industry Average Expense Ratio Source: 401(k) Averages Book, 10th Edition, published by HR Investment Consultants

<sup>2</sup>The Institutional Portfolio 60-30-10 consists of 60% MSCI World NR USD, 30% Barclays US Agg Bond TR USD and 10% BofAML US Treasury Bill 3 Mon TR USD

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



# Management Style Analysis

As of 03/31/2014

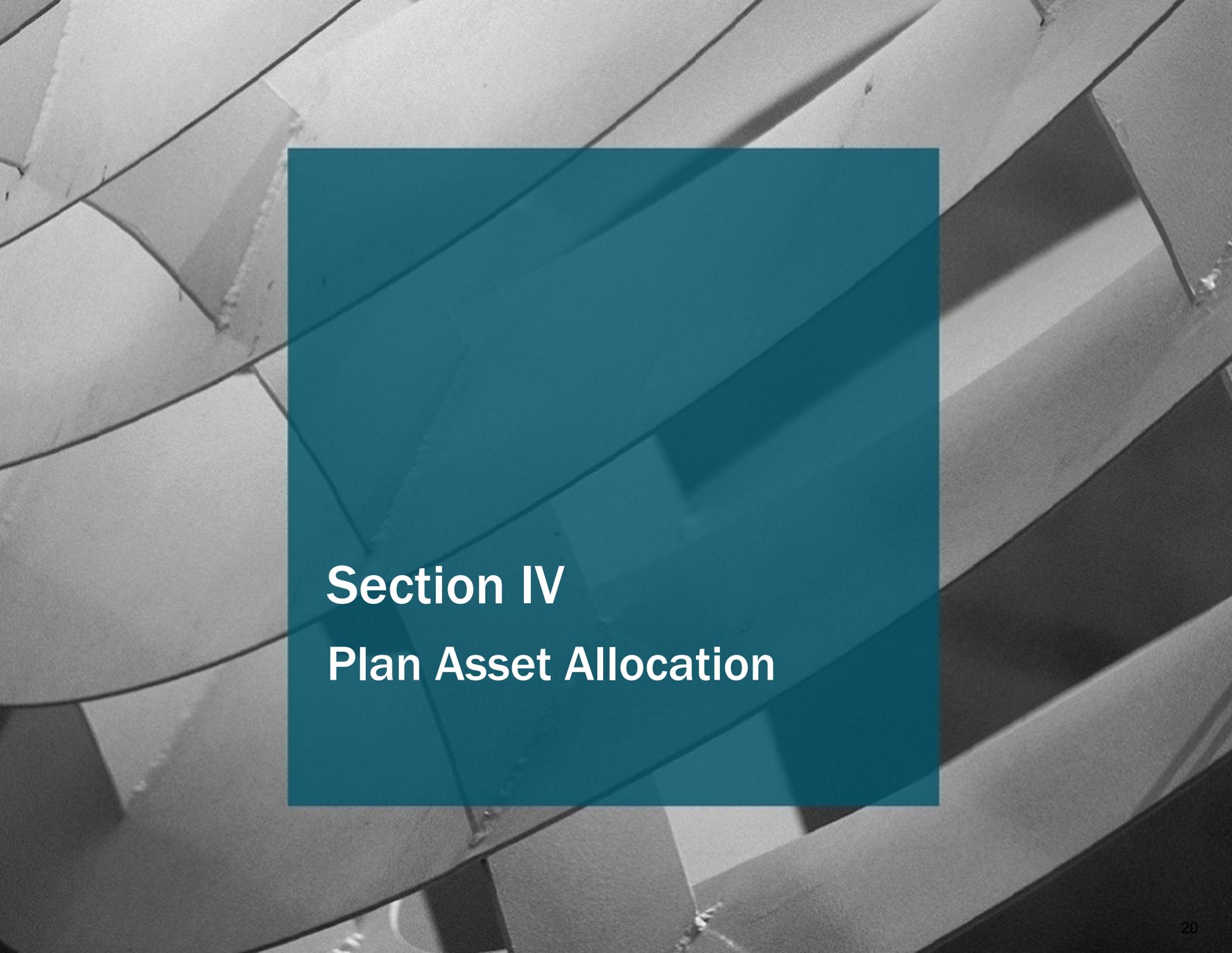
Domestic Equity Style Box

	VALUE	BLEND	GROWTH
LARGE CAP	<ul style="list-style-type: none"> <li>• DFA US Large Cap Value I(\$44.25 bn)</li> </ul>	<ul style="list-style-type: none"> <li>• Columbia Large Cap Index Z(\$66.07 bn)</li> </ul>	<ul style="list-style-type: none"> <li>• Fidelity® Contrafund®(\$63.69 bn)</li> <li>• Neuberger Berman Socially Rspns Inv (\$28.12 bn)</li> </ul>
MID CAP	<ul style="list-style-type: none"> <li>• Vanguard Mid-Cap Value Index Inv(\$9.72 bn)</li> </ul>	<ul style="list-style-type: none"> <li>• Columbia Mid Cap Index Z(\$4.68 bn)</li> </ul>	<ul style="list-style-type: none"> <li>• ING MidCap Opportunities I(\$10.89 bn)</li> </ul>
SMALL CAP	<ul style="list-style-type: none"> <li>• DFA US Targeted Value I(\$1.83 bn)</li> </ul>	<ul style="list-style-type: none"> <li>• Columbia Small Cap Index Z(\$1.52 bn)</li> </ul>	<ul style="list-style-type: none"> <li>• Vanguard Small Cap Growth Index Inv (\$3.00 bn)</li> </ul>

Average Market Cap. listed in parentheses

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.





**Section IV**  
**Plan Asset Allocation**

## Asset Allocation by Fund

As of 03/31/2014

Fund	% of Plan Assets	Total Assets
UTC Stable Value Trust	28.99%	\$2,409,499.65
Dodge & Cox Income	14.16%	\$1,176,495.52
Columbia Mid Cap Index Z	10.82%	\$899,019.85
Columbia Large Cap Index Z	8.89%	\$738,836.95
Dodge & Cox International Stock	6.75%	\$560,678.01
DFA Intermediate Govt Fixed-Income I	5.88%	\$488,871.25
Vanguard Mid-Cap Value Index Inv	5.28%	\$439,165.56
DFA US Targeted Value I	4.97%	\$413,088.77
Fidelity® Contrafund®	3.84%	\$319,440.55
ING MidCap Opportunities I	3.47%	\$288,157.93
Neuberger Berman Socially Rspns Inv	1.82%	\$150,976.58
DFA US Large Cap Value I	1.67%	\$138,643.65
American Funds Capital World G/I R5	1.17%	\$97,000.63
Vanguard Wellington™ Inv	0.73%	\$60,704.62
Vanguard Small Cap Growth Index Inv	0.72%	\$59,709.12
Nuveen Real Estate Securities A	0.55%	\$45,624.78
Columbia Small Cap Index Z	0.29%	\$24,185.18
<b>Total Market Value:</b>	<b>100.00%</b>	<b>\$8,310,098.60</b>

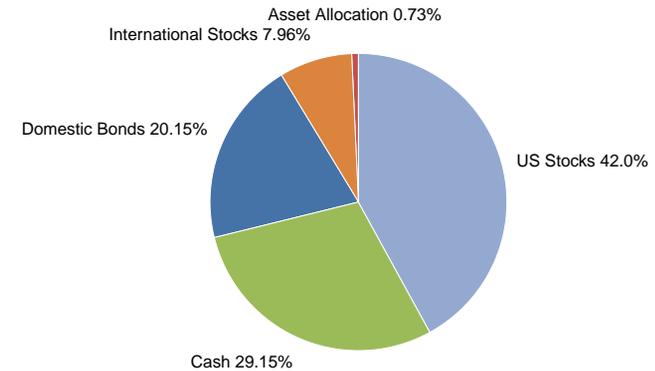
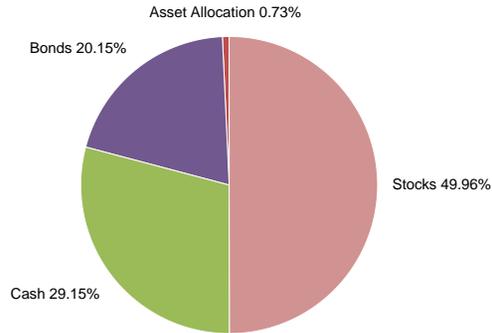
No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



# Portfolio Composition - Sector Weightings

As of 03/31/2014

## Portfolio Composition



■ Cash  
■ Asset Allocation

■ Bonds

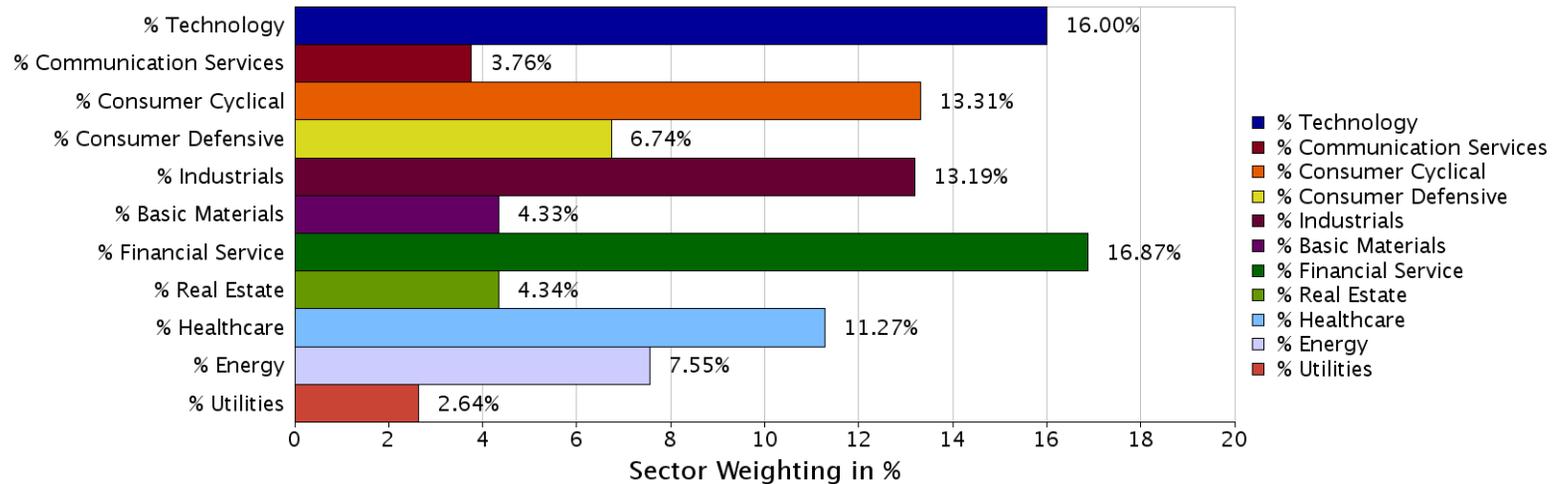
■ Stocks

■ Cash  
■ International Stocks

■ Domestic Bonds  
■ Asset Allocation

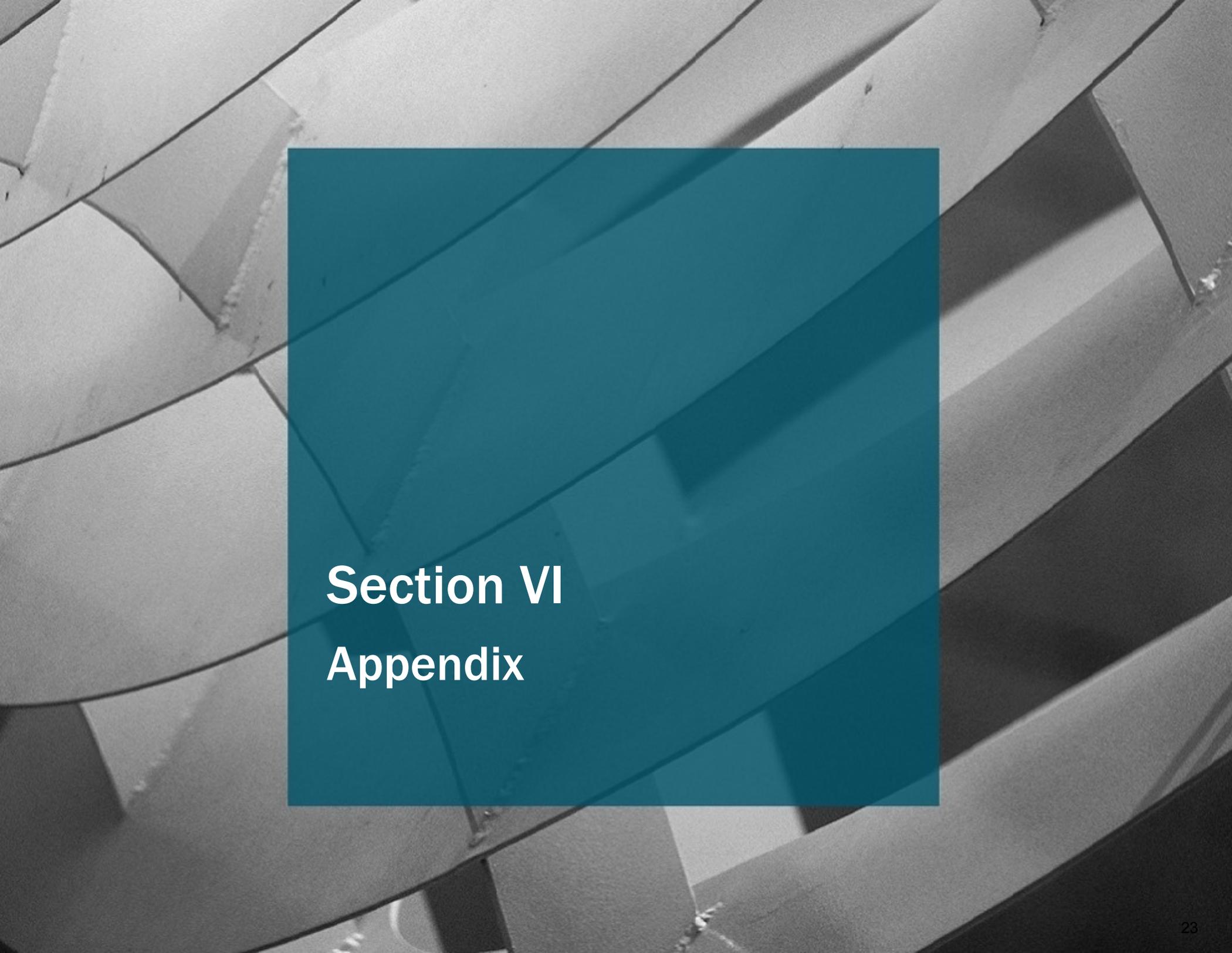
■ US Stocks

## Sector Weightings



No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



The background of the slide is a grayscale image of a globe, showing latitude and longitude lines. A large, semi-transparent teal rectangle is overlaid on the center of the globe. The text 'Section VI Appendix' is written in white, bold, sans-serif font within this teal rectangle.

# Section VI Appendix

---

## Quarterly Investment Analysis Criteria

All plan investment options are reviewed quarterly against their peer group and index benchmark to determine the performance and quality of each offering. Each are evaluated using the following criteria:

1. **Trailing 1,3,5 and 10 year returns** - Total return is the most basic measure of a fund's performance and investors tend to focus more on total return than any other measure of a fund's success or failure. Each of the returns for a fund are weighted, based on the life of a fund. Recent returns are weighted slightly higher, while older returns, which could have been produced under different conditions, are weighted less.
2. **Rolling 12-month returns (5 years)** - The use of 12-month rolling returns serves to minimize the problem of end-point sensitivity. In order to score highly, a manager must consistently out-perform his peers in a variety of market cycles, not just the most recent one.
3. **Rolling 36 month returns (10 years)** - The use of 36-month rolling returns also gives us a good view of the returns of a fund, but over longer segment's of time, thus putting more emphasis on performance across different cycles of the market.
4. **Style Consistency to the appropriate index** - We utilize R-Squared to ensure that the funds selected for the plan continue to operate and perform as expected within their appropriate asset class. R-Squared is a measure of what percentage of a fund's returns can be attributed to movements in the benchmark. All funds have some deviation between asset categories, but excess deviation could indicate a fund that is drifting away from its stated category mandate.
5. **Sharpe Ratio** - The measure of a fund's risk-adjusted performance. How much additional risk did an investor have to assume to achieve a greater return? The Sharpe Ratio is calculated by dividing the annualized return in excess of the risk free treasury bill by the standard deviation for that same time frame. We feel the Sharpe Ratio is an excellent measure in determining if an investor is being rewarded for taking on additional risk.
6. **Alpha** - The use of Alpha allows us to gauge the effectiveness of the manager. Alpha is the difference between the portfolio's actual return and its expected return given the funds level of risk as calculated by beta.
7. **Up Capture Ratio (5 years)** - The Up Capture Ratio calculates the percentage of return of an index a fund will capture during up market cycles. It is important to know that certain funds are matching or exceeding the appropriate index when the market is going up.
8. **Down Capture Ratio (5 year)** - The Down Capture Ratio calculates the percentage of return of an index a fund will capture during down market cycles. Funds that perform well in this category will tend to reduce the downside loss for investors during bear markets.
9. **Expense Ratio** - All other things being equal a lower expense ratio is preferred over a higher costing fund. The expense ratio is compared as a percentage to the appropriate category average and then given a score based upon that percentage. This ensures that low-cost funds are rewarded and high-cost funds are penalized. Although it could be argued that expense ratios are "double weighted" as performance returns are net of expenses, it is nevertheless appropriate for the fiduciaries of the plan to stress expenses.



---

## Quarterly Investment Analysis Criteria | continued

Each fund is benchmarked to a specific market index, and fund performance is evaluated and compared to a relevant peer group using Morningstar category classifications. A fund is given a peer group ranking in each criterion, shown as a percentage. A ranking of 10% indicates a fund is in the top 10% of its peer group for this criterion. The rankings for all criteria are then averaged to give a fund its average ranking score.

The lower the average ranking score the better. For example, a fund with an average ranking score of 25% would in general be a better overall fund than a comparable fund with a ranking score of 50%.

All funds with at least a three year track record are scored in the above manner. A fund is then classified as Top Decile, top Quartile, 2nd Quartile, 3rd Quartile or 4th Quartile based upon the overall score compared to all other funds within that particular asset category.



# Glossary of Contents

## 3-Month Treasury Bill

Three-month T-bills are government-backed, short-term investments considered to be risk-free and as good as cash because the maturity is only three months.

## Alpha

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. The strength of the linear relationship between the portfolio and the index, as it has been measured by r-squared important to gauging the value of the Alpha measurement.

## Annualized Returns

Returns for periods longer than one year are expressed as "annualized returns." This is equivalent to the compound rate of return which, over a certain period of time, would produce a fund's total return over that same period.

## 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.

## Growth Stocks

Investors employing a growth investment strategy buy stocks of companies with a recent history of increasing earnings, in anticipation that earnings momentum will continue. Growth stocks are often characterized by high valuation ratios (e.g., price-to-earnings ratios). See also: value stocks.

## Barclays Capital Aggregate Index

The Barclays Capital Aggregate Bond Index includes fixed rate debt issue rated investment grade or higher by Moody's, S&P, or Fitch, in that order. All issues have at least one year to maturity and an outstanding par value of at least \$100 million for US Government issues and \$50 million for all others. All returns are market value weighted inclusive of accrued interest.

## MSCI Indices

Morgan Stanley Capital International Inc. (MSCI) maintains a set of indices commonly used by institutional investors as benchmarks for international stock markets. The most commonly cited index is the Europe, Australasia, Far East Index (EAFE), which covers developing markets within the indicated regions. The MSCI EAFE is typically used as a benchmark for broadly diversified "international" or "foreign" stock funds and accounts. The MSCI World Index covers all developed markets in the world including the United States, and is typically used as a benchmark for broadly diversified "global" or "world" stock funds and accounts. MSCI maintains many specialized indices covering other developed regions, emerging markets, and specific countries.

## Mutual Fund

A type of investment company that offers for sale or has outstanding securities which it has issued and which are redeemable on demand by the fund at current net asset value. All owners in the fund share in the gains or losses of the fund.

## Net Asset Value (NAV)

Usually used in connection with investment companies to mean net asset value per share. An investment company computes its assets daily, or even twice daily, by totaling the market value of all securities owned. All liabilities are deducted, and the balance is divided by the number of shares outstanding. The resulting figure is the net asset value per share. The net asset value of a mutual fund (open-end investment company) is the bid and redemption price.

## Russell 1000 Growth Index

Market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 includes the largest 1000 firms in the Russell 3000, which represents approximately 98% of the invest-able US equity market.

## Russell 1000 Value Index

Market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 includes the largest 1000 firms in the Russell 3000, which represents approximately 98% of the invest-able US equity market.



## Glossary of Contents | continued

### Russell Mid Cap Value Index

Market-weighted total return index that measures the performance of companies within the Russell 2000 having lower price-to-book ratios and lower forecasted growth values. The Russell 2000 includes the 2000 firms in the Russell 3000 with the smallest market capitalizations. The Russell 3000 Index represents approximately 98% of the invest-able US equity market.

### Russell Mid Cap Growth Index

Market-weighted total return index that measures the performance of companies within the Russell 2000 having higher price-to-book ratios and higher forecasted growth values. The Russell 2000 includes firms 201 through 1000, based on market capitalization, from the Russell 3000. The Russell 3000 Index represents approximately 98% of the invest-able US equity market.

### S&P 400 Index

Includes approximately 10% of the capitalization of US equity securities. These are comprised of stocks in the middle capitalization range. At the original time of screening, this was a \$200 million to \$5 billion market value range. Any mid-cap stocks already included in the S&P 500 are excluded from this index, which started on December 31, 1990.

### S&P 500 Index

The S&P 500 Index consists of widely held common stocks, consisting of four broad sectors (industrials, utilities, financial, and transportation). It is a market-value weighted index (stock price times shares outstanding), with each stock affecting the index in proportion to its market value. This index, calculated by Standard & Poor's, is a total return index with dividends reinvested.

### SageView Target Date Benchmarks

- The universe is grouped by target date- funds are grouped by date (2010,2020,etc...) to compare funds with the same stated objective.
- The asset allocation by major category (large cap value, bonds,cash, etc.) is determined for each fund.
- A group's average allocation to each category is calculated.
- A group's benchmark is built using a corresponding index for each category and the average allocation for that specific category.
- The historical returns for the custom benchmark are calculated using an annual rebalancing strategy.

### Sharpe Ratio

A direct measure of reward-to-risk. Defined as:

$$S(x) = (r_x - R_f) / \text{StdDev}(x)$$

Where:

x is some investment

$r_x$  is the average annual rate of return of X

$R_f$  is the best available rate of return of a "risk-free" security

$\text{StdDev}(x)$  is the standard deviation of  $r_x$

Sharpe ratio measures the efficiency in the amount of risk taken as compared to the reward received for taking such risk.

### Standard Deviation

A statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the 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 are most likely for a given fund. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

### Value Stocks

Investors employing a value investment strategy buy stocks of companies they believe are under-priced based on their fundamental ability to generate earnings, in anticipation that the price performance of the stock will reverse. Value stocks are often characterized by low valuation ratios (e.g., price-to-earnings ratios). See also: growth stocks.

### Wilshire 5000

Measures the performance of all US common equity securities, and so serves as an index of all stock trades in the United States.

