

February 21, 2018



**CollegeCounts, Alabama 529
Savings Program
Executive Summary
Fourth Quarter 2017**

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Market Environment

Fourth Quarter Market Environment

Global Economy

In the U.S., fourth quarter real GDP growth was 2.6% (annualized), below 3.2% in the previous period and market expectations of 3 percent. As expected, the Fed hiked the Fed Funds target by 25 bps in December. Outside the U.S., developed economies continued to gain momentum.

- The Fed raised its Fed Fund target by 25 bps to a range of 1.25% - 1.50%
 - This marked as the third increase of 25 bps in 2017
 - Markets are pricing in an additional three hikes in 2018, though Fed projections are for rates to year end between 2.0% and 2.25%
 - President Trump nominated Jerome Powell to become the next Fed Chair, replacing Janet Yellen, whose term expires in February

- Inflation remained benign
 - Headline CPI +2.2% y-o-y fueled by a 16.5% increase in gasoline
 - Core CPI (ex-food and energy) +1.7% y-o-y as prices of goods fell 0.9% y-o-y with declines broad-based
 - Fed's favored measure, the PCE price deflator, gained 1.5% year-over-year, remaining below the 2% target

- Labor markets remain tight: unemployment rate at 4.1%
 - Lowest unemployment rate since 2000
 - However, average hourly earnings growth continued to languish at 2.5% for the trailing year (as of November)

- Strong retail sales during holidays
 - Fueled by high consumer confidence and a robust job market, U.S. retail sales in the holiday period rose at their best pace since 2011

- Manufacturing continued to show strength
 - ISM Index exceeded 50 (indicating expansion) for 15 consecutive months through November

- Euro zone 3rd quarter GDP growth +2.6% (y-o-y)
 - Inflation remained low (1.5% y-o-y as of November)

- ECB upgraded its 2018 forecast for growth from 1.8% to 2.3%
 - ECB kept its interest rates unchanged in the fourth quarter, but confirmed the plan to reduce asset purchases to €30bn from €60bn a month in January 2018

- Euro zone unemployment rate fell to 8.8%
 - Below 9% for the first time since 2009

- Unemployment in Germany fell to a record low of 3.6%
- Japan's economy continued to grow
 - Unemployment reached a 24-year low at 2.7%
 - Core CPI +0.9% y-o-y in November
 - Bank of Japan is expected to continue its stimulus measures in an effort to stimulate inflation

Fixed Income

The U.S. yield curve continued its flattening trend in the fourth quarter. The 2-year U.S. Treasury yield climbed 42 bps to close at 1.89%. The 30-year U.S. Treasury yield fell 12 bps during the quarter, ending the year at 2.74%. This trend reflects the Fed's tightening bias as well as benign inflation. The municipal bond market performed well in 2017 and demand remained strong even in the face of uncertainty around tax changes. Outside the U.S., quarterly returns were mostly flat in both developed and emerging markets.

- Longer-term bonds sharply outperformed short-term and intermediate-maturity bonds for the quarter and the year
 - Blmbg Barc Long U.S. Treasury Index: Q4: +2.4%; 2017: +8.5%
 - Blmbg Barc Intermediate Treasury Index: Q4: -0.4%; 2017: +1.1%
- U.S Treasury 10-year traded in a narrow 60 bps band for the year, lowest since 2000
- U.S. Aggregate Bond Index was roughly flat (+0.4%) for the quarter
 - Annual return (+3.5%) was generated largely from its coupon
 - Corporate bonds outperformed for the quarter and the year
 - Yield spreads reached a post-crisis tight of 93 bps over Treasuries
- High yield corporates continue to outperform investment grade
 - Blmbg Barc High Yield Corporate Index: Q4: +0.5%; 2017: +7.5%
- TIPS outperformed nominal Treasuries
 - Blmbg Barc U.S TIPS Index: Q4: +1.3%; 2017: +3.0%
 - 10-year breakeven spread (the difference between nominal and real yields) rose to 1.96% as of year-end
- Quarterly returns were flat in developed markets
 - Blmbg Barc Global Aggregate ex-US (unhedged): Q4: +1.6%; 2017: +10.5%
 - Blmbg Barc Global Aggregate ex-US (hedged): Q4: +1.1%; 2017: +2.5%
- Emerging markets debt delivered muted returns
 - Dollar-denominated JPM EMBI Global Diversified Index: Q4: +1.2%; 2017: +10.3%
 - Local currency-denominated JPM GBI-EM Global Diversified Index: Q4: +0.8%; 2017: +15.2%

U.S. Equity

The S&P 500 Index gained 6.6% in the fourth quarter and its 21.8% gain for the year was its best since 2013. The Index hit 62 record highs during the year and had only eight days of 1% or more fluctuations, the lowest number since 1964. Markets were fanned by strong corporate earnings, expectations for tax cuts and deregulation, and share buybacks.

- Large caps outperformed small caps across styles for the quarter and the year
 - S&P 500: Q4: +6.6%; 2017: 21.8%
 - Russell 2000: Q4: +3.3%; 2017: 14.6%
- Growth outperformed value for the quarter and the year
 - Growth: Q4: +7.9%; 2017: +30.2% vs. Russell 1000 Value: Q4: +5.3%; 2017: +13.7%
 - Growth: Q4: +4.6%; 2017: +22.2% vs. Russell 2000 Value: Q4: +2.0%; 2017: +7.8%
- Tech sector was a clear leader for the year in S&P
 - Best performing sector was Technology for the year (+38.8%); sector now makes up 24% of S&P 500 and 38% of the Russell 1000 Growth
 - High flying tech stocks “FAAMG” continue to perform well:
 - Consumer Discretionary (+9.9%) outperformed Technology (+9.0%) for the quarter
 - Energy (-1.0%) and Telecom (-1.3%) lost ground for the year

International Equity

Non-US equity annual gains were broad-based and further bolstered by a weakening U.S. dollar.

- Bolstered by a weakening dollar, non-US equity performed well
- Strong results for developed markets
 - MSCI EAFE: Q4: +4.2%; 2017: +25.0%
 - Annual gains were broad-based with several countries posting double-digit returns (U.K. +22.3%; ex-U.K. +26.8%; Japan +24.0%)
 - For the quarter, Energy (+7%) and Materials (+8%) were the best performers; Health Care and Telecommunications were laggards with results of just over 1%
 - For the year, Technology was the clear leader at +51%
- Emerging markets outperformed developed markets in the quarter and for the year
 - MSCI EM USD: Q4: +7.4%; 2017: +37.3%
 - Latin America was the only weak spot in the quarter (-2.3%) but was up a robust 23.7% for the year
 - Emerging Asia performed the best for the quarter and the year (+8.4%; +42.8%). China (+7.6%, +54.1%) and Korea (+11.4%, +47.3%) are the top two contributors

Liquid Real Assets

Most liquid real assets turned in positive performance in the 4th quarter as global economic growth continued and expectations for future inflation rose. Energy infrastructure MLPs were the exception, as the sector evolves in the wake of heightened oil price sensitivity and investors' concern over the impact of tax reform.

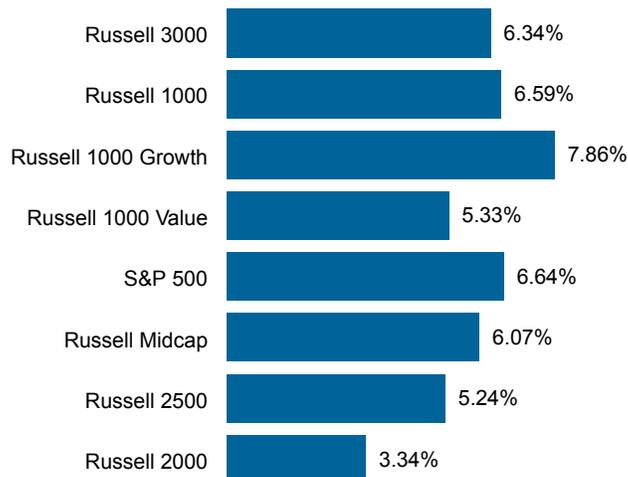
- Brent crude oil prices closed the year at \$64/barrel, the highest since 2014 and up roughly 12% for the year.
 - Global growth, improving supply/demand dynamics and OPEC agreements contributed to its rise
- Commodities indices gained
 - The energy-heavy S&P GSCI Commodity Index + 9.9%
 - More diversified Bloomberg Commodity Index +4.7%
- Gold: Q4: +1.9%; 2017: +13.7%
- The Alerian MLP Index continued to decline in spite of rising oil prices
 - Alerian MLP: Q4: -0.9%; 2017: -6.5%
 - Index was hurt due to dividend cuts by some of its constituents
 - Concerns over the impact of tax reform also weighed on MLPs
 - Fundamentals have improved as MLPs have better distribution coverage and stronger balance sheets, a response to heightened oil price sensitivity.
- REITs up modestly for the quarter and the year
 - MSCI: US REIT: Q4: +1.4%; 2017: +5.1%
 - Industrial REITs posted large gains, +20.6% for the year.
 - Retail lagged, with Shopping Centers declining 11% in 2017.
 - Global REITs gained 15%, bolstered by strengthening economies and currencies in international markets.
- TIPS outperformed nominal Treasuries
 - Bloomberg Barclays U.S. TIPS Index: Q4: +1.3%; 2017: +3.0%
- Global Infrastructure up as well
 - DJB Global Infrastructure Index: Q4: +0.5%; 2017: +15.8%
 - With 57% of the index comprised of non-US infrastructure companies, returns were aided by the relatively weak US dollar.

Capital Markets Preview

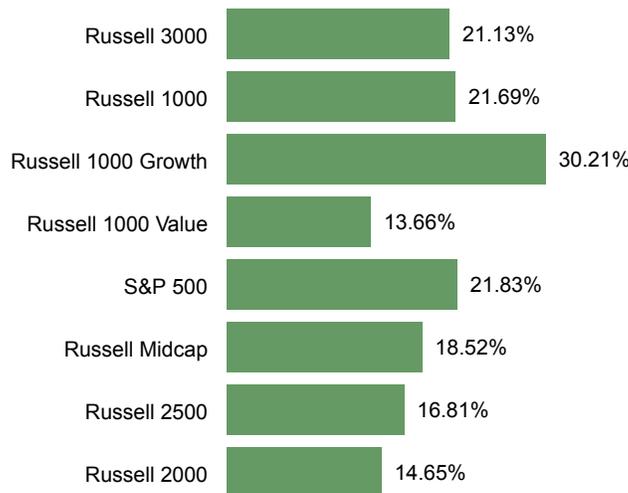
U.S. EQUITY

- The U.S. equity market continued its upward trajectory in the 4th quarter, closing out a very strong year marked by continued low volatility despite a turbulent U.S. political landscape and a record year in terms of global catastrophes. Investors embraced accelerating global economic growth as well as low interest rates and inflation. Corporate earnings registered double-digit growth for the quarter, receiving a boost from the U.S. tax reform bill that passed in late December.
- Large Cap (S&P 500 & Russell 1000: +6.6%) outperformed Small Cap (Russell 2000: +3.3%) across styles for the quarter.
- Risk assets continued to lead the equity market in the quarter. Consumer Discretionary (+9.9%) and Tech (+9%) were the strongest performers with Apple, Amazon, and Microsoft posting 10%-20% returns due to ongoing exceptional cash flow generation and growth in global markets. The Tech sector now accounts for 24% of the S&P 500 and 38% of the Russell 1000 Growth index; returns for the FAAMG stocks (Facebook, Apple, Amazon, Microsoft, and Google) ranged from 36% to 56% for 2017.
- Consumer Discretionary benefited from strong year-end retail sales as well as positive tax reform expectations as the retailing industry carries the highest industry effective tax rate at 35%. The "Amazon Effect," however, continues to threaten the sector as many large retailers have been forced to close stores or lower prices to unsustainable levels.
- The Energy sector (+6.0%) continued to improve in the 4th quarter although it closed out the year among the worst performers (-1.0%). A combination of optimism and improvements in the global economy has spurred demand in recent months. More near-term volatility is anticipated in the price of oil as U.S. output is expected to surpass production out of Saudi Arabia for the first time since the early 1990s.
- Growth outperformed Value during the quarter across the market cap range (Russell 1000 Growth: +7.9% vs Russell 1000 Value: +5.3%); Russell 2000 Growth: +4.6% vs Russell 2000 Value: +2.0%).

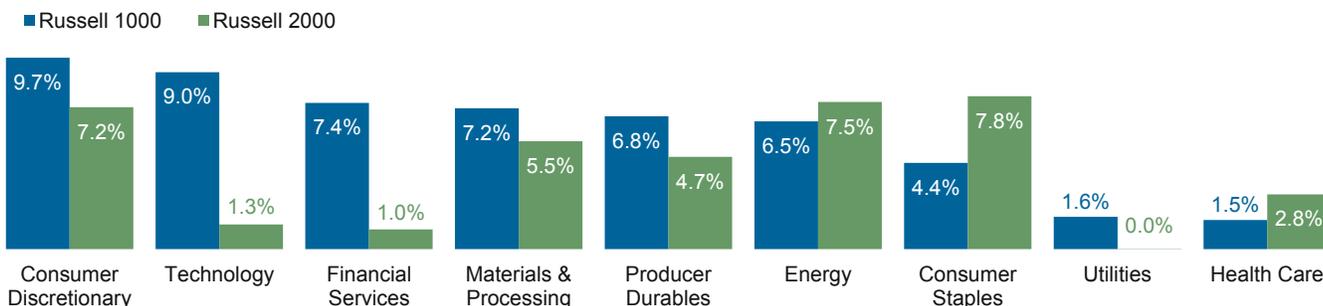
U.S. Equity: Quarterly Returns



U.S. Equity: One-Year Returns



Quarter ended December 31, 2017



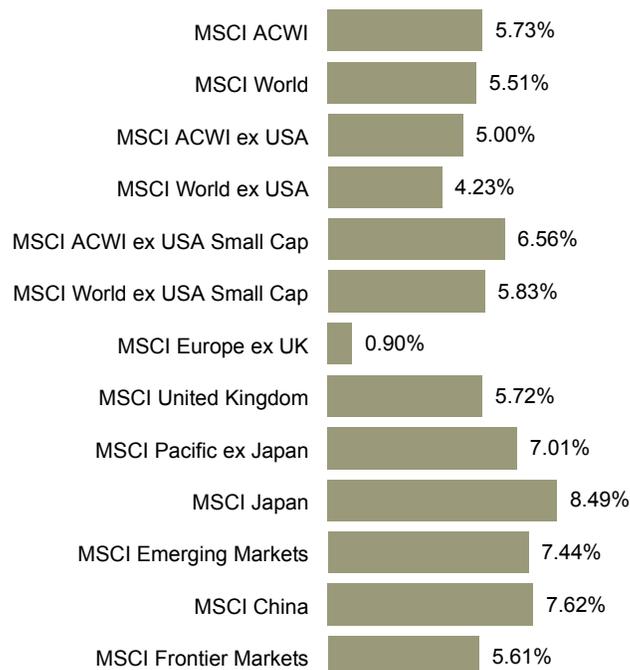
Sources: Russell Investment Group, Standard & Poor's

- The overweight to Tech and Consumer Discretionary in the Growth indices drove the outperformance. Investors favored the stronger earnings and top-line growth outlook in the Tech sector, which also benefited from positive investor sentiment following tax reform.
- Momentum-oriented stocks (MSCI Momentum Index: +37.8%) posted their biggest annual gain since 1999, leaving valuations stretched in the space; the MSCI Defensive Index rose 12.3% for 2017. Anecdotally, some momentum-oriented managers are finding their bench of ideas shrinking as they take profits on their winners while defensively oriented managers continue to sit on cash waiting for more favorable entry points.

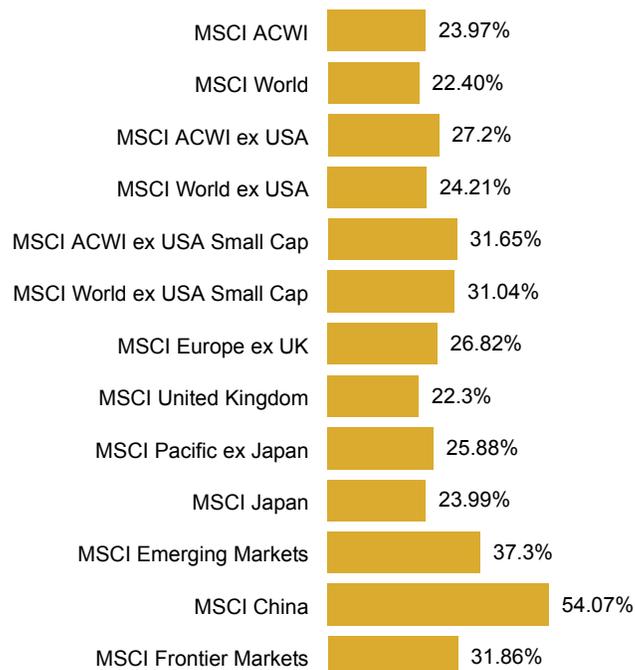
Global / Non-U.S. Equity

- Major non-U.S. markets performed largely in-line with each other during the 4th quarter, which saw a bit of an inflection point as investors were more willing to capitalize on synchronized global growth and began to rotate out of momentum winners into more cyclical areas such as Financials, Energy, and Materials. Cyclical led as tax reform, improving commodity prices, and growth projections overcame Brexit fears and election uncertainty in Germany in a risk-on quarter. Emerging markets outpaced developed ones for the fourth consecutive quarter, fueled by a soft U.S. dollar, synchronized global growth, strong oil and commodity prices, and renewed investor interest.
- Non-U.S. developed (MSCI EAFE & MSCI World ex USA: +4.2%) trailed U.S. (MSCI USA: +6.4%) after beating in the previous three quarters. The U.S. benefited late in the quarter from much anticipated tax reform and a strong consumer/holiday period.
- Europe, which led markets in the 3rd quarter on earnings growth and political stability, reverted and trailed other developed regions on Brexit negotiation concerns and political uncertainty following German elections. The European Central Bank also announced plans to curb quantitative easing in January 2018.
- Japan (+8.6%) was the best performer on elections and improved inflation expectations.
- The U.S. dollar fell against the euro and British pound, boosting dollar returns, but was flat against the Japanese yen.
- Markets favored economically sensitive sectors: IT (+8.3%), Materials (+7.8%), and Discretionary (+7.6%). Energy was also positive (6.8%) as commodity prices were supported by distribution disruptions and high LNG usage with winter's arrival. Defensive sectors lagged as markets continued to rise: Utilities (-0.44%), Health Care (+0.9%), Telecom (+1.7%).
- It was another difficult quarter for Value (MSCI World Value: +4.6% 4Q / +17.1% 2017 vs. MSCI World Growth: +6.4% 4Q / +28.0% 2017). Factor performance favored strong growth (forecasted), earnings and price momentum, high quality, and beta. Valuation factors were mixed, with price-to-book and yield detracting from performance, while earnings-based multiples contributed.

Global Equity: Quarterly Returns



Global Equity: One-Year Returns



Source: MSCI

Emerging Markets

- China (+7.6%) performed in line with broader emerging markets (MSCI Emerging Markets: +7.4%), while local China A did better (MSCI China A 50: +13.7%). October's 19th National Congress of the Communist Party solidified power around Xi Jinping, reconfirming key policy objectives. Chinese technology continued to perform well but was less of a performance outlier than in previous quarters. China's growing and less-visible debt is an increasing concern, while expectations for stronger growth are buoying the market.
- South Africa (+21.4%) was the best performer as commodity prices firmed and Jacob Zuma was replaced by reform and anti-corruption minded Cyril Ramaphosa.
- Brazil (-2%) trailed as the real sold off and stocks paused following a stellar 3rd quarter. Risks increased with upcoming elections and a resurgence of Lula da Silva putting reforms at risk.
- Mexico was the worst-performing emerging market country where the peso sold off on NAFTA negotiation concerns. Economically sensitive sectors sold off (Discretionary: -23.6%, Financials: -21.2%).
- Emerging market Health Care (+16.6%) saw very good performance with outsized contribution from China and South Korea as changing demographics continued to drive demand.
- Value factors struggled in emerging markets while growth, earnings momentum, price momentum, volatility, and beta were positive. It remains a difficult environment for emerging market value strategies.

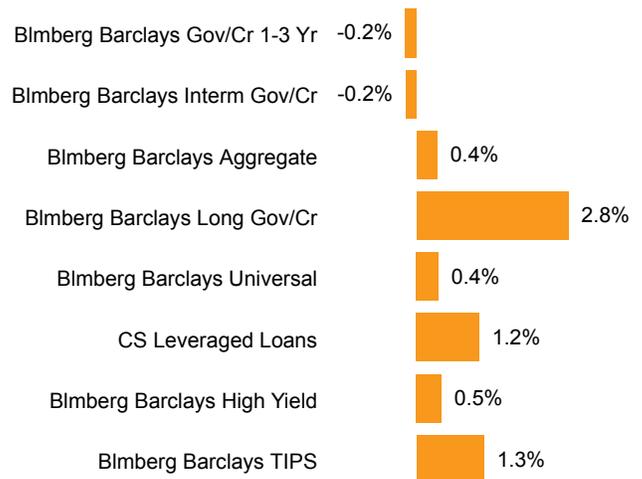
Non-U.S. Small Cap

- MSCI World ex USA Small Cap rose +5.8%; MSCI EM Small Cap jumped even more, up 9.2%.
- Developed non-U.S. small cap outperformed its large/mid counterpart modestly, led by Asia. Australian SC (+11.6%) and Japan SC (+8.7%) led the segment. Sectors were all positive for the quarter with only moderate dispersion.
- Emerging market small cap was the best-performing segment of the equity markets in the 4th quarter led by Health Care (+28%); Real Estate (-0.05%) was the laggard.

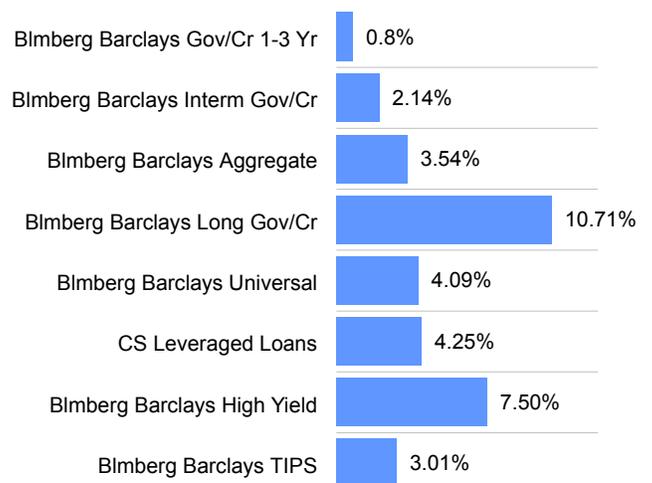
Fixed Income

- The U.S. yield curve continued its flattening trend in the 4th quarter. The 2-year U.S. Treasury yield climbed 42 bps to close at 1.89%. At the long end of the yield curve, the 30-year U.S. Treasury yield fell 12 bps during the quarter, ending the year at 2.74%. This trend reflects the Fed's bias to be less accommodative through monetary policy, as well as benign inflation in the face of a strong labor market. Spread sectors again outperformed U.S. Treasuries. Increasing comfort with credit fundamentals across corporates, consumers, and commercial real estate drove spreads tighter.

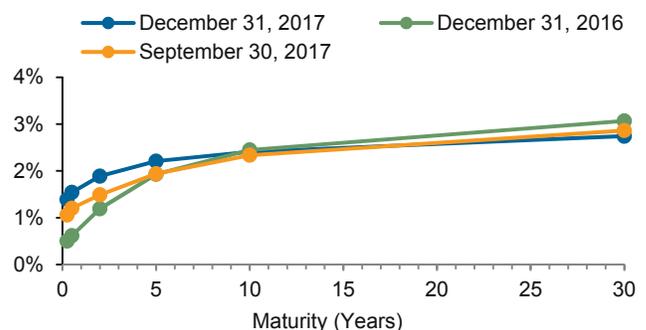
U.S. Fixed Income: Quarterly Returns



One Year ended December 31, 2017



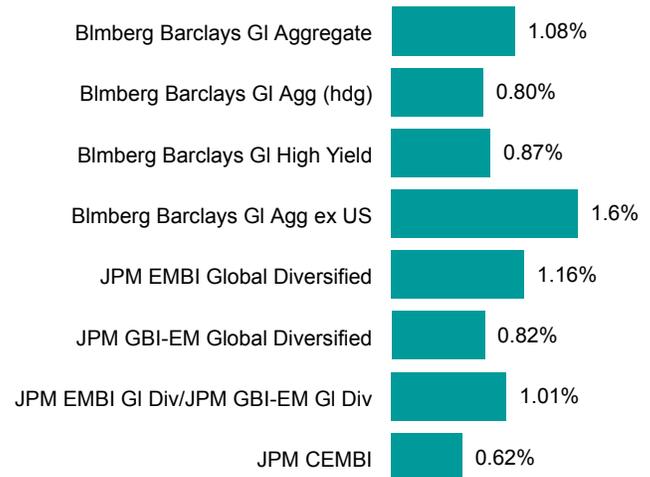
U.S. Treasury Yield Curves



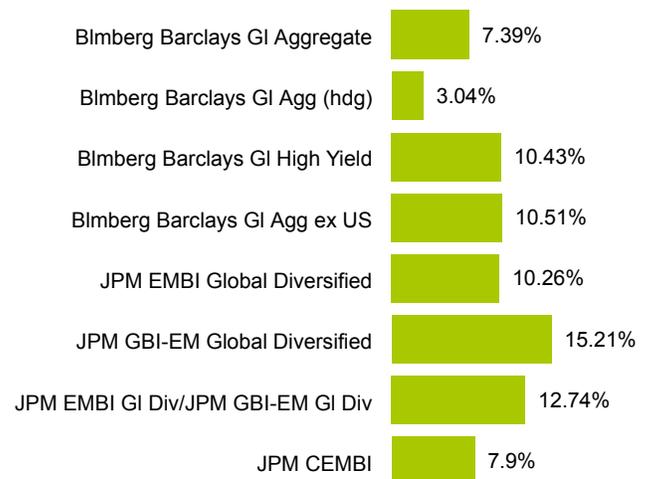
Sources: Bloomberg, Bloomberg Barclays, Credit Suisse

- The Bloomberg Barclays U.S. Aggregate Bond Index rose 0.4%.
- Volatility in fixed income markets (as well as equities) sits near historical lows.
- Overall risk appetite remains elevated driven in part by globally strong growth and loose monetary policy from central banks, as well as business and consumer confidence.
- The Fed is still struggling to estimate the size of the output gap, which is expected to indicate when growth translates into inflationary pressure. The market is pricing in three hikes for 2018, which would not be far from the Fed's own expectation of where rates will end up in the longer run. Yields on the 10-year Treasury rose modestly from 2.33% to 2.41%. The Fed's previously announced balance sheet normalization began without disruption in October.
- Corporate bonds outperformed for the quarter and the year, and yield spreads reached a post-crisis tight of 93 bps over Treasuries. Investment grade corporate credit was the strongest-performing fixed income sector; tax reform may improve profitability and negatively impact issuance, potentially supporting the sector going forward.
- High yield credit continued to perform well, aided by rising equity markets, but lagged investment grade bonds. Default rates remained benign, capping off the lowest annual default rate since 2013. A high share of the market trading "to call" relative to history indicates less potential upside from price appreciation because issuers are able to refinance at par. A significant number of high yield issuers are expected to be negatively impacted by the limit on interest deductions from tax reform, with the energy, leisure, materials, utilities, and financial services sectors being particularly affected. Issuance was robust in the fourth quarter at \$68 billion, but tax reform could negatively impact issuance.
- Within emerging market debt in hard currency sovereign, most issuers performed well, driving positive returns, with Venezuela a notable detractor. Higher commodity prices and global growth supported the asset class broadly. The local currency JPM GBI-EM Global Diversified Index rose 0.8% in the quarter. Asian countries (+5%) performed best while Latin America sank nearly 5%. Argentina (-7%), Brazil (-3%), and Mexico (-9%) lost the most. These returns were largely a function of currency depreciation rather than changes in interest rates.

Global Fixed Income: Quarterly Returns

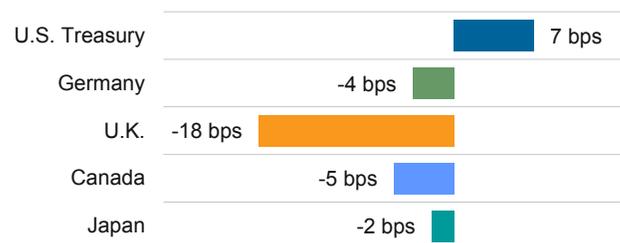


Global Fixed Income: One-Year Returns



Change in 10-Year Global Government Bond Yields

3Q17 to 4Q17



Sources: Bloomberg, Bloomberg Barclays, JP Morgan

Range of Mutual Fund Returns

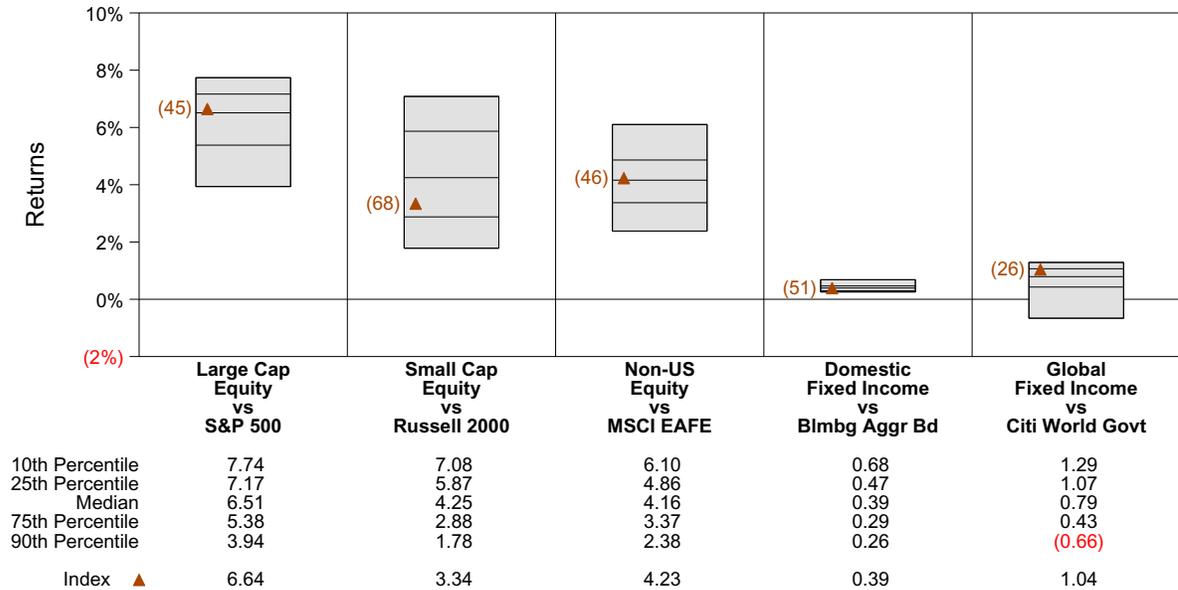
Market Overview

Active Management vs Index Returns

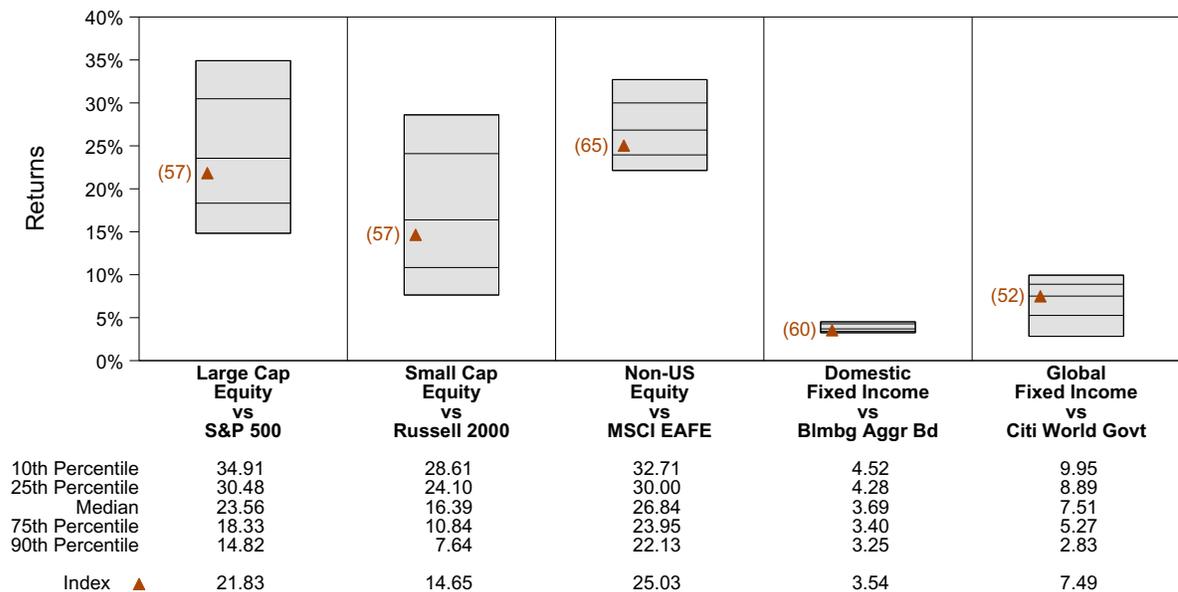
Market Overview

The charts below illustrate the range of returns across managers in Callan's Mutual Fund database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity managers over the last quarter. The triangle represents the S&P 500 return. The number next to the triangle represents the ranking of the S&P 500 in the Large Cap Equity manager database.

Range of Mutual Fund Returns by Asset Class One Quarter Ended December 31, 2017



Range of Mutual Fund Returns by Asset Class One Year Ended December 31, 2017

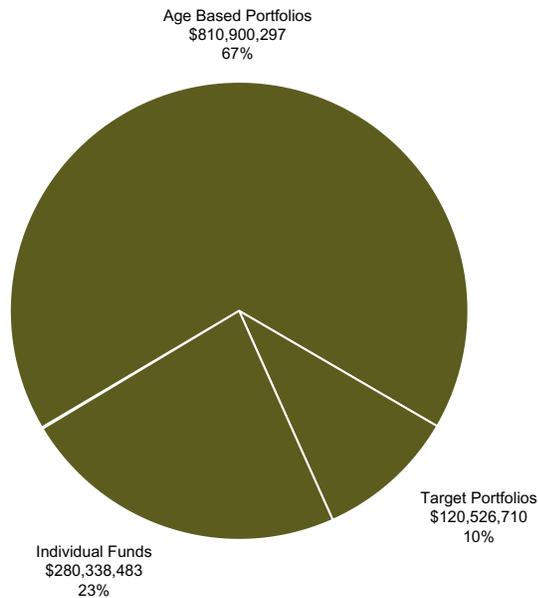


Advisor Plan Performance

Changes in Investment Fund Balances Period Ended December 31, 2017

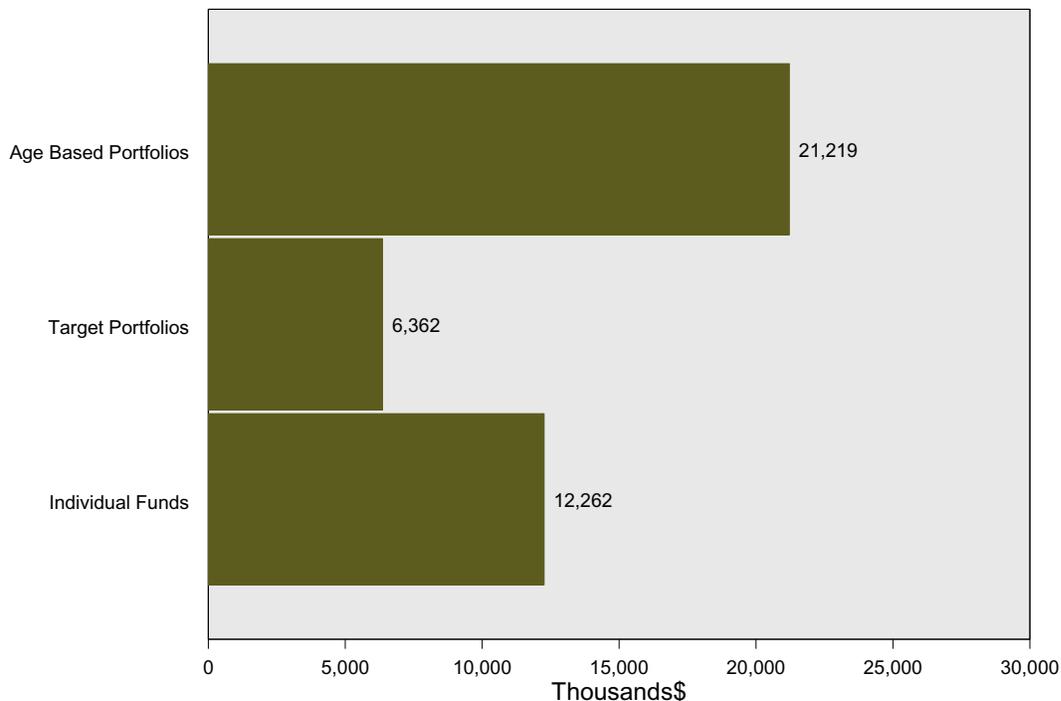
Allocation Across Investment Options

The chart below illustrates the allocation of the aggregate fund assets across the various investment options as of December 31, 2017.



Changes in Fund Values

The chart below shows the net change in fund values across the various investment options for the quarter ended December 31, 2017. The change in value for each fund is the result of a combination of 3 factors: 1) market movements; 2) contributions or disbursements into or out of the funds by the participants (and any matching done by the company); and 3) transfers between funds by the participants.



Investment Fund Balances

The table below compares the fund's investment fund balances as of December 31, 2017 with that of September 30, 2017. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Funds

	December 31, 2017			September 30, 2017		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Age Based Portfolios	\$810,900,297	66.92%	\$2,048,426	\$19,170,336	\$789,681,535	67.38%
Aggressive	\$430,293,157	35.51%	\$829,123	\$11,607,527	\$417,856,507	35.66%
0-2 years (Fund 100)	8,518,679	0.70%	(233,509)	423,357	8,328,831	0.71%
3-5 years (Fund 90)	24,885,318	2.05%	739,490	1,141,948	23,003,880	1.96%
6-8 years (Fund 80)	36,137,405	2.98%	(1,045,549)	1,514,238	35,668,716	3.04%
9-10 years (Fund 70)	40,468,970	3.34%	(217,897)	1,442,370	39,244,497	3.35%
11-12 years (Fund 60)	55,843,424	4.61%	(2,295,375)	1,775,374	56,363,425	4.81%
13-14 years (Fund 50)	82,689,221	6.82%	(267,569)	2,223,765	80,733,025	6.89%
15-16 years (Fund 40)	74,537,635	6.15%	1,479,264	1,569,216	71,489,155	6.10%
17-18 years (Fund 30)	61,752,303	5.10%	1,205,626	995,929	59,550,748	5.08%
19+ years (Fund 20)	45,460,202	3.75%	1,464,642	521,330	43,474,230	3.71%
Moderate	\$347,096,840	28.64%	\$1,481,342	\$7,193,154	\$338,422,344	28.88%
0-2 years (Fund 90)	5,734,433	0.47%	15,530	261,729	5,457,174	0.47%
3-5 years (Fund 80)	17,621,876	1.45%	262,916	726,101	16,632,859	1.42%
6-8 years (Fund 70)	30,196,616	2.49%	177,956	1,075,608	28,943,052	2.47%
9-10 years (Fund 60)	29,751,330	2.46%	(283,754)	967,308	29,067,776	2.48%
11-12 years (Fund 50)	36,163,376	2.98%	(3,221,112)	1,001,775	38,382,713	3.28%
13-14 years (Fund 40)	59,680,712	4.93%	699,104	1,248,842	57,732,766	4.93%
15-16 years (Fund 30)	60,688,085	5.01%	1,394,602	938,984	58,354,499	4.98%
17-18 years (Fund 20)	53,277,339	4.40%	2,117,925	605,143	50,554,271	4.31%
19+ years (Fund 10)	53,983,073	4.45%	318,175	367,664	53,297,234	4.55%
Conservative	\$33,510,300	2.77%	\$(262,039)	\$369,656	\$33,402,683	2.85%
0-2 years (Fund 80)	358,552	0.03%	54,351	13,368	290,833	0.02%
3-5 years (Fund 70)	658,747	0.05%	(140,224)	26,116	772,855	0.07%
6-8 years (Fund 60)	1,374,895	0.11%	51,718	43,055	1,280,122	0.11%
9-10 years (Fund 50)	1,693,940	0.14%	(13,339)	42,700	1,664,579	0.14%
11-12 years (Fund 40)	2,973,311	0.25%	60,422	63,040	2,849,849	0.24%
13-14 years (Fund 30)	3,473,959	0.29%	(221,750)	59,024	3,636,685	0.31%
15-16 years (Fund 20)	5,239,782	0.43%	(247,722)	63,101	5,424,403	0.46%
17-18 years (Fund 10)	5,164,467	0.43%	(478,928)	46,947	5,596,448	0.48%
19+ years (F.I.)	12,572,647	1.04%	673,433	12,305	11,886,909	1.01%
Target Portfolios	\$120,526,710	9.95%	\$1,298,868	\$5,062,871	\$114,164,971	9.74%
Target Fund 100 Portfolio	58,209,355	4.80%	29,976	2,970,471	55,208,908	4.71%
Target Fund 80 Portfolio	32,425,843	2.68%	785,760	1,339,148	30,300,935	2.59%
Target Fund 60 Portfolio	18,468,808	1.52%	(644,493)	594,087	18,519,214	1.58%
Target Fund 40 Portfolio	6,579,467	0.54%	805,774	124,055	5,649,638	0.48%
Target Fund 20 Portfolio	3,282,756	0.27%	429,406	33,385	2,819,965	0.24%
Target Fund Fixed Income Portfolio	1,560,481	0.13%	(107,555)	1,726	1,666,310	0.14%

Market values provided by Union Bank & Trust.

Investment Fund Balances

The table below compares the fund's investment fund balances as of December 31, 2017 with that of September 30, 2017. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Funds

	December 31, 2017		Net New Inv.	Inv. Return	September 30, 2017	
	Market Value	Weight			Market Value	Weight
Individual Funds	\$280,338,483	23.13%	\$919,841	\$11,341,836	\$268,076,806	22.87%
Money Market	\$15,856,771	1.31%	\$(485,555)	\$(1)	\$16,342,327	1.39%
State Street US Govt MM	15,856,771	1.31%	(485,555)	(1)	16,342,327	1.39%
Fixed Income	\$37,029,524	3.06%	\$539,850	\$87,587	\$36,402,087	3.11%
PIMCO Short-Term	11,390,145	0.94%	239,948	43,416	11,106,781	0.95%
Amer Cent Short Dur Infl Prot Bond	1,485,075	0.12%	(17,397)	(1,892)	1,504,364	0.13%
BlackRock Infl Protected Bond	2,157,510	0.18%	116,489	27,420	2,013,601	0.17%
Fidelity Investment Grade Bond	1,681,527	0.14%	(5,786)	3,211	1,684,102	0.14%
Northern Funds Bond Index	13,770,169	1.14%	(1,275,032)	34,741	15,010,460	1.28%
MainStay Total Return Bond	2,564,671	0.21%	1,036,009	7,726	1,520,936	0.13%
Touchstone High Yield	2,633,300	0.22%	149,293	(222)	2,484,229	0.21%
Templeton International Bond	1,347,127	0.11%	296,326	(26,813)	1,077,614	0.09%
Balanced	\$50,884,151	4.20%	\$(158,719)	\$1,714,916	\$49,327,954	4.21%
T. Rowe Price Balanced	50,884,151	4.20%	(158,719)	1,714,916	49,327,954	4.21%
Domestic Equity	\$140,731,698	11.61%	\$(103,127)	\$8,167,774	\$132,667,051	11.32%
T. Rowe Large Cap Growth	26,403,954	2.18%	379,370	1,726,566	24,298,018	2.07%
American Century Equity Growth	5,775,198	0.48%	(244,633)	367,170	5,652,661	0.48%
Northern Stock Index	23,455,881	1.94%	298,692	1,412,980	21,744,209	1.86%
Cohen & Steers Dividend Value	35,476,514	2.93%	(268,809)	2,547,822	33,197,501	2.83%
Northern Mid-Cap Index	25,153,206	2.08%	(194,524)	1,421,341	23,926,389	2.04%
T. Rowe Price QM Small Cap Growth	5,258,486	0.43%	144,252	280,425	4,833,809	0.41%
Northern Small Cap Index	6,703,095	0.55%	(36,089)	205,456	6,533,728	0.56%
William Blair Small Cap Value	12,505,364	1.03%	(181,386)	206,015	12,480,735	1.06%
International Equity	\$30,877,179	2.55%	\$1,159,883	\$1,195,005	\$28,522,291	2.43%
Northern Int'l Equity Index	9,612,812	0.79%	133,072	333,631	9,146,109	0.78%
Neuberger Berman Int'l Lrg Cp	10,922,984	0.90%	204,566	319,979	10,398,439	0.89%
DFA Int'l Small Company	2,430,010	0.20%	438,311	99,776	1,891,923	0.16%
Lazard Emerging Markets	7,911,373	0.65%	383,934	441,619	7,085,820	0.60%
Real Estate	\$4,103,446	0.34%	\$(120,754)	\$141,355	\$4,082,845	0.35%
Voya Global Real Estate	890,599	0.07%	87,075	36,996	766,528	0.07%
T. Rowe Price Real Estate	3,212,847	0.27%	(207,829)	104,359	3,316,317	0.28%
Commodities	\$855,714	0.07%	\$88,263	\$35,199	\$732,252	0.06%
Credit Suisse Commodities	855,714	0.07%	88,263	35,199	732,252	0.06%
Total Plan	\$1,211,765,490	100.0%	\$4,267,135	\$35,575,043	\$1,171,923,312	100.0%

Market values provided by Union Bank & Trust.

Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns and Rankings for Periods Ended December 31, 2017

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
Target Portfolios										
Target Fund 100										
Target Fund 100 Portfolio	5.49%	8	22.74%	8	9.25%	10	11.43%	19	9.86%	18
Target Fund 100 Blended Benchmark	5.58%	6	22.22%	11	9.64%	7	11.75%	16	10.22%	13
MS 529 Static Aggressive	4.42%		18.31%		8.07%		10.17%		8.84%	
Aggressive Age Based 0-2 yrs (Fd 100)	5.49%	19	22.74%	23	-		-		-	
Target Fund 100 Blended Benchmark	5.58%	16	22.22%	32	9.64%	25	11.75%	43	10.22%	39
MS 529 Age 0-6 High Equit	5.09%		21.01%		9.01%		11.44%		9.83%	
Target Fund 90										
Aggressive Age Based 3-5 yrs (Fd 90)	4.99%	55	20.53%	56	-		-		-	
Target Fund 90 Blended Benchmark	5.09%	50	19.76%	67	8.99%	50	11.00%	67	9.42%	65
MS 529 Age 0-6 High Equit	5.09%		21.01%		9.01%		11.44%		9.83%	
Moderate Age Based 0-2 yrs (Fd 90)	4.99%	10	20.53%	8	-		-		-	
Target Fund 90 Blended Benchmark	5.09%	8	19.76%	14	8.99%	9	11.00%	14	9.42%	15
MS 529 Age 0-6 Medium Equ	4.20%		17.39%		7.43%		9.58%		8.32%	
Target Fund 80										
Target Fund 80 Portfolio	4.46%	46	18.50%	45	7.90%	55	9.36%	71	8.56%	58
Target Fund 80 Blended Benchmark	4.54%	39	18.23%	52	8.15%	44	9.61%	63	8.83%	50
MS 529 Static Aggressive	4.42%		18.31%		8.07%		10.17%		8.84%	
Aggressive Age Based 6-8 yrs (Fd 80)	4.46%	19	18.50%	16	-		-		-	
Target Fund 80 Blended Benchmark	4.54%	14	18.23%	20	8.15%	21	9.61%	35	8.83%	26
MS 529 Age 7-12 High Equi	3.76%		16.04%		7.05%		8.96%		7.95%	
Moderate Age Based 3-5 yrs (Fd 80)	4.46%	38	18.50%	31	-		-		-	
Target Fund 80 Blended Benchmark	4.54%	32	18.23%	36	8.15%	29	9.61%	49	8.83%	32
MS 529 Age 0-6 Medium Equ	4.20%		17.39%		7.43%		9.58%		8.32%	
Conserv. Age Based 0-2 yrs (Fd 80)	4.46%	2	18.50%	6	-		-		-	
Target Fund 80 Blended Benchmark	4.54%	2	18.23%	6	8.15%	3	9.61%	8	8.83%	4
MS 529 Age 0-6 Low Equity	3.05%		12.35%		6.05%		7.26%		6.85%	
Target Fund 70										
Aggressive Age Based 9-10 yrs (Fd 70)	3.81%	48	16.03%	50	-		-		-	
Target Fund 70 Blended Benchmark	4.01%	39	16.05%	50	7.57%	38	9.01%	48	8.13%	45
MS 529 Age 7-12 High Equi	3.76%		16.04%		7.05%		8.96%		7.95%	
Moderate Age Based 6-8 yrs (Fd 70)	3.81%	13	16.03%	15	-		-		-	
Target Fund 70 Blended Benchmark	4.01%	8	16.05%	15	7.57%	10	9.01%	19	8.13%	23
MS 529 Age 7-12 Medium Eq	3.06%		13.34%		5.98%		7.60%		7.07%	
Conserv. Age Based 3-5 yrs (Fd 70)	3.81%	14	16.03%	14	-		-		-	
Target Fund 70 Blended Benchmark	4.01%	12	16.05%	14	7.57%	10	9.01%	15	8.13%	15
MS 529 Age 0-6 Low Equity	3.05%		12.35%		6.05%		7.26%		6.85%	

Performance is net of all fees, including 529 program management fees (32 bps) and state administration fees (10 bps). Performance figures provided by Union Bank & Trust.

Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns and Rankings for Periods Ended December 31, 2017

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
Target Fund 60										
Target Fund 60 Portfolio	3.30%	58	14.21%	53	6.36%	63	7.26%	78	7.13%	73
Target Fund 60 Blended Benchmark	3.50%	42	14.19%	53	6.58%	55	7.51%	74	7.39%	66
MS 529 Static Moderate Al	3.38%		14.27%		6.69%		8.50%		7.75%	
Aggressive Age Based 11-12 yrs (Fd 60)	3.30%	69	14.21%	77	-	-	-	-	-	-
Target Fund 60 Blended Benchmark	3.50%	63	14.19%	78	6.58%	65	7.51%	83	7.39%	67
MS 529 Age 7-12 High Equi	3.76%		16.04%		7.05%		8.96%		7.95%	
Moderate Age Based 9-10 yrs (Fd 60)	3.30%	38	14.21%	38	-	-	-	-	-	-
Target Fund 60 Blended Benchmark	3.50%	29	14.19%	39	6.58%	33	7.51%	52	7.39%	43
MS 529 Age 7-12 Medium Eq	3.06%		13.34%		5.98%		7.60%		7.07%	
Conserv. Age Based 6-8 yrs (Fd 60)	3.30%	6	14.21%	8	-	-	-	-	-	-
Target Fund 60 Blended Benchmark	3.50%	5	14.19%	8	6.58%	9	7.51%	11	7.39%	5
MS 529 Age 7-12 Low Equit	2.04%		8.86%		4.16%		4.77%		5.21%	
Target Fund 50										
Aggressive Age Based 13-14 yrs (Fd 50)	2.91%	35	12.60%	29	-	-	-	-	-	-
Target Fund 50 Blended Benchmark	3.08%	26	12.54%	30	6.13%	25	7.15%	32	6.79%	29
MS 529 Age 13-18 High Equi	2.61%		11.38%		5.21%		6.33%		5.97%	
Moderate Age Based 11-12 yrs (Fd 50)	2.91%	56	12.60%	55	-	-	-	-	-	-
Target Fund 50 Blended Benchmark	3.08%	49	12.54%	56	6.13%	45	7.15%	60	6.79%	56
MS 529 Age 7-12 Medium Eq	3.06%		13.34%		5.98%		7.60%		7.07%	
Conserv. Age Based 9-10 yrs (Fd 50)	2.91%	12	12.60%	11	-	-	-	-	-	-
Target Fund 50 Blended Benchmark	3.08%	10	12.54%	11	6.13%	12	7.15%	14	6.79%	7
MS 529 Age 7-12 Low Equit	2.04%		8.86%		4.16%		4.77%		5.21%	
Target Fund 40										
Target Fund 40 Portfolio	2.23%	51	10.23%	49	4.91%	52	5.35%	67	5.77%	51
Target Fund 40 Blended Benchmark	2.47%	41	9.96%	55	4.96%	50	5.49%	61	5.95%	41
MS 529 Static Conservativ	2.31%		10.09%		4.96%		5.95%		5.81%	
Aggressive Age Based 15-16 yrs (Fd 40)	2.23%	69	10.23%	63	-	-	-	-	-	-
Target Fund 40 Blended Benchmark	2.47%	61	9.96%	68	4.96%	57	5.49%	66	5.95%	51
MS 529 Age 13-18 High Equi	2.61%		11.38%		5.21%		6.33%		5.97%	
Moderate Age Based 13-14 yrs (Fd 40)	2.23%	34	10.23%	28	-	-	-	-	-	-
Target Fund 40 Blended Benchmark	2.47%	24	9.96%	33	4.96%	26	5.49%	41	5.95%	31
MS 529 Age 13-18 Medium E	1.88%		8.57%		4.21%		5.19%		5.32%	
Conserv. Age Based 11-12 yrs (Fd 40)	2.23%	39	10.23%	31	-	-	-	-	-	-
Target Fund 40 Blended Benchmark	2.47%	30	9.96%	39	4.96%	30	5.49%	36	5.95%	23
MS 529 Age 7-12 Low Equit	2.04%		8.86%		4.16%		4.77%		5.21%	
Target Fund 30										
Aggressive Age Based 17-18 yrs (Fd 30)	1.69%	85	8.18%	79	-	-	-	-	-	-
Target Fund 30 Blended Benchmark	1.96%	79	8.29%	79	4.22%	75	4.64%	78	4.71%	75
MS 529 Age 13-18 High Equi	2.61%		11.38%		5.21%		6.33%		5.97%	
Moderate Age Based 15-16 yrs (Fd 30)	1.69%	64	8.18%	53	-	-	-	-	-	-
Target Fund 30 Blended Benchmark	1.96%	48	8.29%	52	4.22%	50	4.64%	63	4.71%	63
MS 529 Age 13-18 Medium E	1.88%		8.57%		4.21%		5.19%		5.32%	
Conserv. Age Based 13-14 yrs (Fd 30)	1.69%	11	8.18%	10	-	-	-	-	-	-
Target Fund 30 Blended Benchmark	1.96%	6	8.29%	10	4.22%	10	4.64%	10	4.71%	15
MS 529 Age 13-18 Low Equi	1.07%		5.31%		2.72%		2.96%		3.49%	

Performance is net of all fees, including 529 program management fees (32 bps) and state administration fees (10 bps). Performance figures provided by Union Bank & Trust.

Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns and Rankings for Periods Ended December 31, 2017

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
Target Fund 20										
Target Fund 20 Portfolio	1.27%	95	6.06%	94	3.29%	92	3.22%	94	4.12%	90
Target Fund 20 Blended Benchmark	1.44%	90	5.83%	95	3.20%	92	3.28%	93	4.13%	90
MS 529 Static Conservativ	2.31%		10.09%		4.96%		5.95%		5.81%	
Aggressive Age Based 19+ yrs (Fd 20)										
Target Fund 20 Blended Benchmark	1.44%	13	5.83%	27	3.20%	33	3.28%	42	4.13%	30
MS 529 Age 19+ High Equit	1.16%		5.36%		3.00%		3.09%		3.94%	
Moderate Age Based 17-18 yrs (Fd 20)										
Target Fund 20 Blended Benchmark	1.44%	82	5.83%	83	3.20%	75	3.28%	85	4.13%	75
MS 529 Age 13-18 Medium E	1.88%		8.57%		4.21%		5.19%		5.32%	
Conserv. Age Based 15-16 yrs (Fd 20)										
Target Fund 20 Blended Benchmark	1.44%	25	5.83%	39	3.20%	30	3.28%	31	4.13%	22
MS 529 Age 13-18 Low Equi	1.07%		5.31%		2.72%		2.96%		3.49%	
Target Fund 10										
Moderate Age Based 19+ yrs (Fd 10)										
Target Fund 10 Blended Benchmark	0.92%	48	3.98%	55	2.24%	51	2.23%	52	2.53%	51
MS 529 Age 19+ Medium Equ	0.87%		4.27%		2.26%		2.35%		2.56%	
Conserv. Age Based 17-18 yrs (Fd 10)										
Target Fund 10 Blended Benchmark	0.92%	57	3.98%	70	2.24%	63	2.23%	66	2.53%	71
MS 529 Age 13-18 Low Equi	1.07%		5.31%		2.72%		2.96%		3.49%	
Target Fund Fixed Income										
Target Fund Fixed Income Portfolio	0.18%	45	1.23%	62	0.66%	73	0.07%	81	0.97%	68
Target Fund F.I. Blended Benchmark	0.28%	38	1.07%	66	0.65%	73	0.15%	78	1.10%	60
MS 529 Static Short-Term	0.10%		1.63%		1.08%		0.89%		1.40%	
Conserv. Age Based 19+ yrs (F.I.)										
Target Fund F.I. Blended Benchmark	0.28%	49	1.07%	73	0.65%	66	0.15%	75	1.10%	43
MS 529 Age 19+ Low Equity	0.27%		1.66%		0.91%		0.55%		1.05%	

Performance is net of all fees, including 529 program management fees (32 bps) and state administration fees (10 bps). Performance figures provided by Union Bank & Trust.

Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns and Rankings for Periods Ended December 31, 2017

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
Individual Funds Portfolios										
Money Market Funds										
State Street US Govt MM (net all)*	0.17%	79	0.52%	76	-	-	-	-	-	-
State Street US Govt MM (net mgr)	0.25%	28	0.78%	33	0.35%	33	0.21%	34	0.16%	33
3 Month Treasury Bill	0.28%	17	0.86%	30	0.41%	25	0.27%	24	0.22%	20
Callan Money Market Funds	0.22%		0.66%		0.26%		0.16%		0.12%	
Fixed Income Funds										
PIMCO Short-Term (net all)*	0.46%	2	2.06%	13	1.70%	19	1.22%	44	1.29%	72
PIMCO Short-Term (net mgr)	0.56%	1	2.43%	6	2.11%	9	1.63%	17	1.70%	46
3 Month T-Bills	0.28%	8	0.84%	82	0.38%	93	0.24%	94	0.20%	97
Blmbg Aggregate 1-3 Index	(0.20%)	83	0.86%	82	0.95%	75	0.86%	73	1.05%	80
Callan Defensive FI MFs	(0.05%)		1.53%		1.35%		1.16%		1.58%	
Amer Cent Short Dur Infl Prot (net all)*	(0.10%)	99	0.49%	98	0.91%	100	-	-	-	-
Amer Cent Short Dur Infl Prot (net mgr)	0.04%	98	0.92%	96	1.34%	85	0.07%	32	1.81%	92
Blmbg US TIPS 0-5 Index	0.21%	96	0.88%	96	1.22%	92	0.18%	22	1.10%	97
Callan TIPS MFs	1.28%		2.90%		1.84%		(0.12%)		2.61%	
BlackRock Infl Protected Bond (net all)	1.38%	23	2.71%	68	1.25%	87	(0.59%)	94	2.04%	90
BlackRock Infl Protected Bond (net mgr)	1.44%	19	3.09%	46	1.67%	64	(0.18%)	63	2.46%	58
Blmbg US TIPS Index	1.26%	54	3.01%	47	2.05%	34	0.13%	29	2.92%	18
Callan TIPS MFs	1.28%		2.90%		1.84%		(0.12%)		2.61%	
Fidelity Investment Grade Bond (net all)	0.28%	81	3.51%	62	2.07%	78	1.85%	85	-	-
Fidelity Investment Grade Bond (net mgr)	0.39%	46	3.87%	43	2.47%	31	2.24%	32	3.60%	26
Blmbg Aggregate Index	0.39%	51	3.54%	60	2.24%	66	2.10%	55	3.20%	78
Callan Core Bond MFs	0.39%		3.69%		2.34%		2.11%		3.40%	
Northern Funds Bond Index (net all)*	0.25%	91	2.96%	99	1.66%	99	1.52%	91	2.68%	99
Northern Funds Bond Index (net mgr)	0.37%	56	3.45%	66	2.09%	75	1.95%	80	3.04%	82
Blmbg Aggregate Index	0.39%	51	3.54%	60	2.24%	66	2.10%	55	3.20%	78
Callan Core Bond MFs	0.39%		3.69%		2.34%		2.11%		3.40%	
MainStay Total Return Bond (net all)*	0.47%	44	4.28%	64	2.24%	75	-	-	-	-
MainStay Total Return Bond (net mgr)	0.45%	45	4.63%	55	2.62%	68	2.35%	72	3.86%	52
Blmbg Aggregate Index	0.39%	54	3.54%	78	2.24%	75	2.10%	87	3.20%	93
Callan Core Plus MFs	0.40%		4.70%		2.82%		2.54%		3.96%	
Touchstone High Yield (net all)*	0.08%	91	6.56%	72	4.13%	97	3.84%	98	-	-
Touchstone High Yield (net mgr)	0.13%	87	6.96%	59	4.54%	92	4.28%	91	-	-
High Yield II Index	0.41%	63	7.48%	34	6.39%	12	5.80%	20	6.94%	19
Callan High Yield MFs	0.51%		7.15%		5.32%		5.07%		6.17%	
Templeton International Bond (net all)*	(2.12%)	98	2.00%	96	0.73%	80	(0.21%)	78	-	-
Templeton International Bond (net mgr)	(1.91%)	96	2.51%	94	1.19%	76	0.23%	70	1.84%	66
Citi WGBI Non-US Index	1.57%	21	10.33%	42	1.99%	54	(0.29%)	79	0.73%	83
Intl Income MFs	0.99%		9.56%		2.27%		1.17%		2.26%	
Balanced Funds										
T. Rowe Price Balanced (net all)	3.53%	78	17.69%	21	7.61%	31	9.32%	61	8.58%	57
T. Rowe Price Balanced (net mgr)	3.62%	69	18.01%	18	7.95%	18	9.71%	48	9.00%	43
Balanced Fund Blended Benchmark	4.14%	39	15.59%	37	7.78%	22	9.95%	41	9.20%	37
Callan Dom Balanced MFs	3.94%		14.32%		6.85%		9.60%		8.78%	
Domestic Equity Funds										
T. Rowe Large Cap Growth (net all)*	7.21%	29	37.27%	4	15.55%	4	19.16%	3	15.63%	10
T. Rowe Large Cap Growth (net mgr)	7.29%	22	37.82%	3	15.99%	2	19.63%	2	16.08%	5
Russell 1000 Growth Index	7.86%	9	30.21%	57	13.79%	24	17.33%	28	14.81%	25
Callan Large Cap Grwth MF	6.72%		31.46%		12.00%		15.96%		13.49%	
American Century Equity Growth (net all)	6.70%	36	21.63%	46	8.41%	90	13.80%	79	12.60%	54
American Century Equity Growth (net mgr)	6.82%	29	22.12%	40	8.91%	80	14.34%	65	13.15%	35
S&P 500	6.64%	39	21.83%	43	11.41%	15	15.79%	26	13.76%	17
Russell 3000 Growth Index	7.61%	15	29.59%	4	13.51%	1	17.16%	1	14.62%	2
Callan Large Cap Core MFs	6.39%		21.29%		10.15%		14.65%		12.80%	
Northern Stock Index (net all)*	6.54%	44	21.26%	50	10.85%	28	15.21%	32	13.19%	33
Northern Stock Index (net mgr)	6.62%	41	21.71%	45	11.31%	17	15.67%	27	13.62%	22
S&P 500	6.64%	39	21.83%	43	11.41%	15	15.79%	26	13.76%	17
Callan Large Cap Core MFs	6.39%		21.29%		10.15%		14.65%		12.80%	

(net all) indicates performance is net of all fees, including 529 program management fees (32 bps) and state administration fees (10 bps). (net mgr) performance figures provided by Union Bank & Trust.

(net mgr) indicates performance is net of manager fees.

* Indicates fund is held in the Age Based and Target Fund Portfolios.

Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns and Rankings for Periods Ended December 31, 2017

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
Cohen & Steers Dividend Value (net all)*	7.78%	9	17.61%	43	8.73%	50	13.87%	48	-	
Cohen & Steers Dividend Value (net mgr)	7.88%	7	18.07%	37	9.18%	42	14.33%	36	12.52%	32
Russell 1000 Value Index	5.33%	78	13.66%	88	8.65%	51	14.04%	42	12.46%	32
Callan Lg Cap Value MF	6.30%		16.78%		8.77%		13.78%		12.15%	
Northern Mid Cap Index (net all)*	6.09%	32	15.59%	67	10.49%	21	14.34%	38	12.24%	28
Northern Mid Cap Index (net mgr)	6.18%	29	16.04%	65	10.96%	15	14.81%	26	12.64%	22
S&P Mid Cap 400 Index	6.25%	28	16.24%	63	11.14%	14	15.01%	25	12.85%	16
Callan Mid Cap MFs	5.44%		20.39%		8.65%		13.66%		11.53%	
T Rowe Price QM Sm Cap Growth (net all)*	5.81%	25	21.78%	30	-		-		-	
T Rowe Price QM Sm Cap Growth (net mgr)	5.92%	25	22.26%	27	-		-		-	
Russell 2000 Growth Index	4.59%	46	22.17%	28	10.28%	34	15.21%	21	12.34%	25
Callan Small Cap MFs	4.25%		16.39%		9.56%		13.95%		11.29%	
Northern Small Cap Index (net all)	3.25%	69	14.17%	60	9.42%	51	13.54%	61	11.07%	56
Northern Small Cap Index (net mgr)	3.32%	68	14.59%	58	9.84%	43	13.98%	48	11.44%	49
Russell 2000 Index	3.34%	68	14.65%	57	9.96%	40	14.12%	44	11.62%	45
Callan Small Cap MFs	4.25%		16.39%		9.56%		13.95%		11.29%	
William Blair Small Cap Value (net all)	1.76%	87	7.46%	88	8.40%	63	13.02%	64	9.80%	75
William Blair Small Cap Value (net mgr)	1.84%	85	7.85%	81	8.84%	57	13.47%	56	10.24%	70
Russell 2000 Value Index	2.05%	81	7.84%	81	9.55%	46	13.01%	64	10.84%	57
Callan Sm Cap Value MF	3.37%		11.57%		9.28%		13.59%		11.04%	
International Equity										
Northern Int'l Equity Index (net all)*	3.67%	65	24.78%	67	7.44%	69	7.12%	73	5.45%	71
Northern Int'l Equity Index (net mgr)	3.83%	61	25.26%	63	7.86%	57	7.55%	60	5.89%	55
MSCI EAFE Index	4.23%	46	25.03%	65	7.80%	60	7.90%	48	6.04%	52
Callan Non US Equity MFs	4.16%		26.84%		8.21%		7.86%		6.16%	
Neuberger Berman Int'l Lrg Cp (net all)*	3.13%	81	27.01%	49	7.77%	61	7.15%	72	5.42%	72
Neuberger Berman Int'l Lrg Cp (net mgr)	3.25%	78	27.55%	45	8.19%	51	7.60%	60	5.83%	58
MSCI EAFE Index	4.23%	46	25.03%	65	7.80%	60	7.90%	48	6.04%	52
Callan Non US Equity MFs	4.16%		26.84%		8.21%		7.86%		6.16%	
DFA Int'l Small Company (net all)*	4.48%	76	29.59%	78	12.96%	41	11.23%	50	-	
DFA Int'l Small Company (net mgr)	4.61%	71	30.24%	76	13.43%	39	11.75%	45	8.35%	60
MSCI World Small Cap ex US	5.83%	39	31.04%	72	12.96%	41	11.37%	49	7.82%	71
Callan Intl Small Cap MFs	5.63%		33.94%		12.15%		11.25%		8.61%	
Lazard Emerging Markets (net all)*	6.11%	44	27.51%	96	6.75%	86	2.76%	84	2.01%	66
Lazard Emerging Markets (net mgr)	6.27%	42	28.02%	93	7.20%	85	3.21%	73	2.38%	63
MSCI Emerging Markets	7.44%	10	37.28%	53	9.10%	60	4.35%	48	2.56%	55
Callan Emerging Equity MF	5.78%		37.69%		9.63%		4.34%		2.71%	
Real Estate										
Voya Global Real Estate (net all)*	4.70%	16	9.95%	75	2.43%	99	4.75%	100	-	
Voya Global Real Estate (net mgr)	4.81%	13	10.43%	70	2.92%	98	5.24%	96	6.31%	93
FTSE EPRA/NAREIT Dev REIT	3.60%	76	10.36%	71	4.44%	67	6.32%	68	7.17%	61
Callan Gbl Real Estate MF	3.92%		11.61%		5.10%		6.80%		7.43%	
T. Rowe Price Real Estate (net all)	3.28%	24	4.17%	73	4.70%	68	8.78%	57	9.51%	72
T. Rowe Price Real Estate (net mgr)	3.28%	24	4.42%	63	5.07%	56	9.22%	31	10.03%	47
Morgan Stanley REIT Index	1.41%	81	5.07%	58	5.37%	44	9.34%	28	10.41%	24
Callan Real Estate MFs	2.38%		5.63%		5.23%		8.83%		9.98%	
Commodities										
Credit Suisse Commodities (net all)*	4.22%	86	1.36%	81	(5.35%)	83	(8.81%)	75	-	
Credit Suisse Commodities (net mgr)	4.42%	75	1.74%	76	(4.97%)	75	(8.47%)	70	(8.11%)	81
Bloomberg Commodity Total Return	4.71%	62	1.70%	77	(5.03%)	76	(8.45%)	70	(8.15%)	81
Callan Cmtdies Genl MF	5.32%		3.76%		(3.84%)		(7.60%)		(7.25%)	

(net all) indicates performance is net of all fees, including 529 program management fees (32 bps) and state administration fees (10 bps). (net mgr) performance figures provided by Union Bank & Trust.

(net mgr) indicates performance is net of manager fees.

* Indicates fund is held in the Age Based and Target Fund Portfolios.

Alabama CollegeCounts Advisor Plan, Executive Summary
Investment Manager Performance Monitoring Summary Report
December 31, 2017

Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	7 Year Risk Quadrant	7 Year Return Consistency	7 Year Excess Rtn Ratio	7 Year Sharpe Ratio
Money Market Funds									
State Street US Govt MM CAI Money Market Funds	0.3 28	0.8 33	0.3 33	0.2 34	0.2 33			-2.8 97	-0.5 32
3 Month Treasury Bill	0.3 17	0.9 30	0.4 25	0.3 24	0.2 20				0.0 20
Fixed Income Funds									
PIMCO Short-Term CAI Defensive F-I Mutual Funds	0.6 1	2.4 6	2.1 9	1.6 17	1.7 46			1.4 39	1.3 39
3 Month T-Bills	0.3 8	0.8 82	0.4 93	0.2 94	0.2 97				-0.2 98
Amer Cent Short Dur Infl Prot Bond MF - TIPS Funds	0.0 98	0.9 96	1.3 85	0.1 32	1.8 92			0.5 9	0.6 7
Blmbg US TIPS 0-5 Index	0.2 96	0.9 96	1.2 92	0.2 22	1.1 97				0.4 78
BlackRock Infl Protected Bond MF - TIPS Funds	1.4 19	3.1 46	1.7 64	-0.2 63	2.5 58			-0.7 66	0.5 47
Blmbg US TIPS Index	1.3 54	3.0 47	2.1 34	0.1 29	2.9 18				0.6 17
Fidelity Investment Grade Bond CAI Core Bond Mutual Funds	0.4 46	3.9 43	2.5 31	2.2 32	3.6 26			0.4 30	1.1 48
Blmbg Aggregate Index	0.4 51	3.5 60	2.2 66	2.1 55	3.2 78				1.0 79
Northern Funds Bond Index (i) CAI Core Bond Mutual Funds	0.4 56	3.5 66	2.1 75	1.9 80	3.0 82			-1.3 99	0.9 84
Blmbg Aggregate Index	0.4 51	3.5 60	2.2 66	2.1 55	3.2 78				1.0 79
MainStay Total Return Bond CAI Core Plus Mutual Funds	0.4 45	4.6 55	2.6 68	2.3 72	3.9 52			0.4 56	1.2 51
Blmbg Aggregate Index	0.4 54	3.5 78	2.2 75	2.1 87	3.2 93				1.0 89
Touchstone High Yield CAI High Yield F-I Mutual Fund	0.1 87	7.0 59	4.5 92	4.3 91					
High Yield II Index	0.4 63	7.5 34	6.4 12	5.8 20	6.9 19				1.1 37
Templeton International Bond Mutual Fund: Int'l Fixed Income	-1.9 96	2.5 94	1.2 76	0.2 70	1.8 66			0.1 74	0.2 65
Citi WGBI Non-US Index	1.6 21	10.3 42	2.0 54	-0.3 79	0.7 83				0.1 83

Returns:
■ above median
■ third quartile
■ fourth quartile

Risk Quadrant:


Return Consistency:
■ above median
■ third quartile
■ fourth quartile

Excess Return Ratio:
■ above median
■ third quartile
■ fourth quartile

Sharpe Ratio:
■ above median
■ third quartile
■ fourth quartile

(i) - Indexed scoring method used. Green: manager & index ranking differ by <= +/- 10%tile. Yellow: manager & index ranking differ by <= +/- 20%tile. Red: manager & index ranking differ by > +/- 20%tile.

Alabama CollegeCounts Advisor Plan, Executive Summary
Investment Manager Performance Monitoring Summary Report
December 31, 2017

Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	7 Year Risk Quadrant	7 Year Return Consistency	7 Year Excess Rtn Ratio	7 Year Sharpe Ratio
Balanced Funds									
T. Rowe Price Balanced CAI Mutual Fund: Domestic Balanced Style	3.6 69	18.0 18	8.0 18	9.7 48	9.0 43			-0.1 75	1.1 61
Balanced Fund Blended Benchmark	4.1 39	15.6 37	7.8 22	10.0 41	9.2 37				1.3 34
Domestic Equity Funds									
T. Rowe Large Cap Growth CAI Large Cap Growth Mutual Funds	7.3 22	37.8 3	16.0 2	19.6 2	16.1 5			0.3 8	1.1 19
Russell 1000 Growth Index	7.9 9	30.2 57	13.8 24	17.3 28	14.8 25				1.3 7
American Century Equity Growth CAI Core Equity Mutual Funds	6.8 29	22.1 40	8.9 80	14.3 65	13.2 35			-0.3 47	1.1 38
S&P 500	6.6 39	21.8 43	11.4 15	15.8 26	13.8 17				1.2 8
Northern Stock Index (i) CAI Core Equity Mutual Funds	6.6 41	21.7 45	11.3 17	15.7 27	13.6 22			-3.9 100	1.2 9
S&P 500	6.6 39	21.8 43	11.4 15	15.8 26	13.8 17				1.2 8
Cohen & Steers Dividend Value CAI Large Cap Value Mutual Funds	7.9 7	18.1 37	9.2 42	14.3 36	12.5 32			0.0 32	1.1 24
Russell 1000 Value Index	5.3 78	13.7 88	8.7 51	14.0 42	12.5 32				1.0 25
Northern Funds Mid Cap Index (i) CAI MF Mid Cap Broad Style	6.2 29	16.0 65	11.0 15	14.8 26	12.6 22			-2.7 100	0.9 25
S&P Mid Cap 400 Index	6.3 28	16.2 63	11.1 14	15.0 25	12.8 16				0.9 19
T Rowe Price QM Small Cap Growth CAI Small Cap MFs	5.9 25	22.3 27							
Russell 2000 Growth Index	4.6 46	22.2 28	10.3 34	15.2 21	12.3 25				0.8 34
Northern Small Cap Index (i) CAI Small Cap Broad Mutual Funds	3.3 68	14.6 58	9.8 43	14.0 48	11.4 49			-1.6 100	0.7 40
Russell 2000 Index	3.3 68	14.6 57	10.0 40	14.1 44	11.6 45				0.7 39
William Blair Small Cap Value CAI Small Cap Value Mutual Funds	1.8 85	7.8 81	8.8 57	13.5 56	10.2 70			-0.2 75	0.7 56
Russell 2000 Value Index	2.0 81	7.8 81	9.5 46	13.0 64	10.8 57				0.7 53

Returns:
■ above median
■ third quartile
■ fourth quartile

Risk Quadrant:


Return Consistency:
■ above median
■ third quartile
■ fourth quartile

Excess Return Ratio:
■ above median
■ third quartile
■ fourth quartile

Sharpe Ratio:
■ above median
■ third quartile
■ fourth quartile

(i) - Indexed scoring method used. Green: manager & index ranking differ by <= +/- 10%tile. Yellow: manager & index ranking differ by <= +/- 20%tile. Red: manager & index ranking differ by > +/- 20%tile.

Alabama CollegeCounts Advisor Plan, Executive Summary
Investment Manager Performance Monitoring Summary Report
December 31, 2017

Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	7 Year Risk Quadrant	7 Year Return Consistency	7 Year Excess Rtn Ratio	7 Year Sharpe Ratio
International Equity Funds									
Northern Int'l Equity Index CAI Non-US Equity MF MSCI EAFE Index	3.8 61	25.3 63	7.9 57	7.6 60	5.9 55			-0.1 64	0.4 50
Neuberger Berman Int'l Lrg Cp CAI Non-US Equity MF MSCI EAFE Index	3.3 78	27.5 45	8.2 51	7.6 60	5.8 58			-0.1 58	0.4 48
DFA Int'l Small Company CAI Intl Small Cap MFs MSCI World Small Cap ex US	4.6 71	30.2 76	13.4 39	11.7 45	8.4 60			0.3 29	0.5 55
Lazard Emerging Markets CAI Emerging Markets MFs MSCI Emerging Markets	6.3 42	28.0 93	7.2 85	3.2 73	2.4 63			-0.0 61	0.1 62
Real Estate Funds									
Voya Global Real Estate CAI Gbl Real Estate MFs FTSE EPRA/NAREIT Dev REIT	4.8 13	10.4 70	2.9 98	5.2 96	6.3 93			-0.5 99	0.5 88
T Rowe Price Real Estate Real Estate Mutual Funds Morgan Stanley REIT Index	3.3 24	4.4 63	5.1 56	9.2 31	10.0 47			-0.2 43	0.8 45
Commodity Funds									
Credit Suisse Commodities CAI Commodities Genl MFs Bloomberg Commodity Total Return	4.4 75	1.7 76	-5.0 75	-8.5 70	-8.1 81			0.0 83	-0.6 87
Underlying Funds									
Northern Small Cap Value CAI Small Cap Value Mutual Funds Russell 2000 Value Index	1.3 89	6.4 92	9.1 53	13.7 48	11.5 35			0.3 13	0.8 23

Returns:
■ above median
■ third quartile
■ fourth quartile

Risk Quadrant:


Return Consistency:
■ above median
■ third quartile
■ fourth quartile

Excess Return Ratio:
■ above median
■ third quartile
■ fourth quartile

Sharpe Ratio:
■ above median
■ third quartile
■ fourth quartile

Morningstar Ratings and Rankings

Plan 1 - Advisor - Fund Name	Morningstar Category	Ticker	Morningstar Rating	Market Value*
American Century Equity Growth	Large Blend	AMEIX	3	5,772,306
American Century Short Duration Inflation Protection Bond	Inflation-Protected Bond	APISX	3	68,048,927
BlackRock Inflation-Protected Bond	Inflation-Protected Bond	BPRIX	4	2,161,016
Cohen & Steers Dividend Value	Large Blend	DVFIX	2	98,031,776
Credit Suisse Commodity Return Strategy	Commodities Broad Basket	CRSOX	4	15,112,531
DFA International Small Company	Foreign Small/Mid Blend	DFISX	4	14,107,685
Fidelity Advisor Investment Grade Bond	Intermediate-Term Bond	FGBPX	3	1,970,409
Lazard Emerging Markets	Diversified Emerging Markets	LZEMX	3	26,720,490
MainStay Total Return Bond	Intermediate-Term Bond	MTMIX	4	95,589,925
Neuberger Berman Int'l Large Cap	Foreign Large Blend	NILIX	3	76,280,183
Northern Funds Bond Index	Intermediate-Term Bond	NOBOX	3	93,851,244
Northern International Equity Index	Foreign Large Blend	NOINX	3	57,626,857
Northern Mid-Cap Index	Mid-Cap Blend	NOMIX	4	69,268,366
Northern Small Cap Index	Small Blend	NSIDX	3	6,711,419
Northern Small Cap Value (underlying fund)	Small Value	NOSGX	4	12,852,688
Northern Stock Index	Large Blend	NOSIX	4	108,937,125
PIMCO Short-Term	Ultrashort Bond	PTSHX	5	134,101,386
State Street US Govt. Money Market	Money Market	GVMXX	-	46,164,746
T. Rowe Price Balanced	Moderate Allocation	RPBAX	4	56,037,228
T. Rowe Price Large Cap Growth	Large Growth	TRLGX	5	93,020,901
T. Rowe Price Real Estate Fund	Real Estate	TRREX	3	3,213,736
T. Rowe Price QM Small Cap Growth	Small Cap Growth	TQAIX	5	18,216,214
Templeton International Bond	World Bond	FIBZX	3	41,317,327
Touchstone High Yield	High Yield Bond	THIYX	2	42,984,256
Voya Global Real Estate	Global Real Estate	IGLIX	2	21,421,283
William Blair Small Cap Value	Small Blend	BVDIX	4	12,534,081

*Asset totals include age based, target portfolio assets, advisor and direct plans where applicable.

Summary of Fund Performance Status

Plan 1 - Advisor - Fund Name	Prior Quarter Status	Current Quarter Status	Market Value*
American Century Equity Growth	Watch	Watch	5,772,306
American Century Short Duration Inflation Protection Bond	Positive	Positive	68,048,927
BlackRock Inflation-Protected Bond	Watch	Watch	2,161,016
Cohen & Steers Dividend Value	Positive	Positive	98,031,776
Credit Suisse Commodity Return Strategy	Positive	Positive	15,112,531
DFA International Small Company	Positive	Positive	14,107,685
Fidelity Advisor Investment Grade Bond	Positive	Positive	1,970,409
Lazard Emerging Markets	Watch	Watch	26,720,490
MainStay Total Return Bond	Positive	Positive	95,589,925
Neuberger Berman Int'l Large Cap	Positive	Positive	76,280,183
Northern Funds Bond Index	Positive	Positive	93,851,244
Northern International Equity Index	Positive	Positive	57,626,857
Northern Mid-Cap Index	Positive	Positive	69,268,366
Northern Small Cap Index	Positive	Positive	6,711,419
Northern Small Cap Value (underlying fund)	Positive	Positive	12,852,688
Northern Stock Index	Positive	Positive	108,937,125
PIMCO Short-Term	Positive	Positive	134,101,386
State Street US Govt. Money Market	New Fund	New Fund	46,164,746
T. Rowe Price Balanced	Positive	Positive	56,037,228
T. Rowe Price Large Cap Growth	Positive	Positive	93,020,901
T. Rowe Price Real Estate Fund	Watch	Watch	3,213,736
T. Rowe QM Small Cap Growth	New Fund	New Fund	18,216,214
Templeton International Bond	Watch	Watch	41,317,327
Touchstone High Yield	Watch	Watch	42,984,256
Voya Global Real Estate	Watch	Watch	21,421,283
William Blair Small Cap Value	Positive	Positive	12,534,081

*Asset totals include age based, target portfolio assets, advisor and direct plans where applicable.

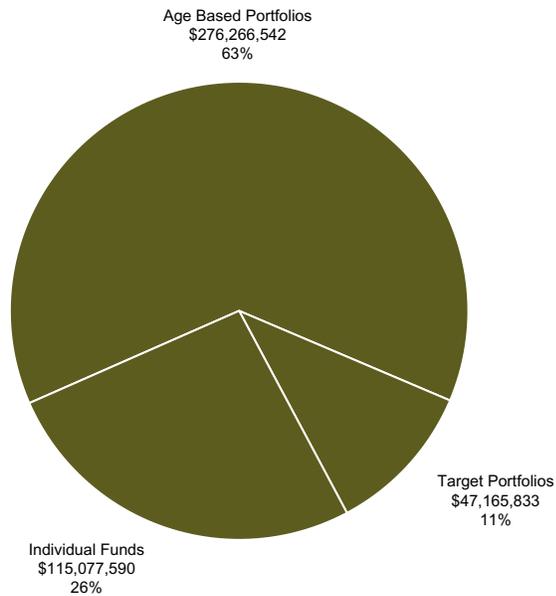
- Funds identified as “Currently on Watch” are those whose Watch status has been approved by the CollegeCounts Board.
- Watch list status based on Watch List guidelines defined in the Investment Policy Statement.

Direct Plan Performance

Changes in Investment Fund Balances Period Ended December 31, 2017

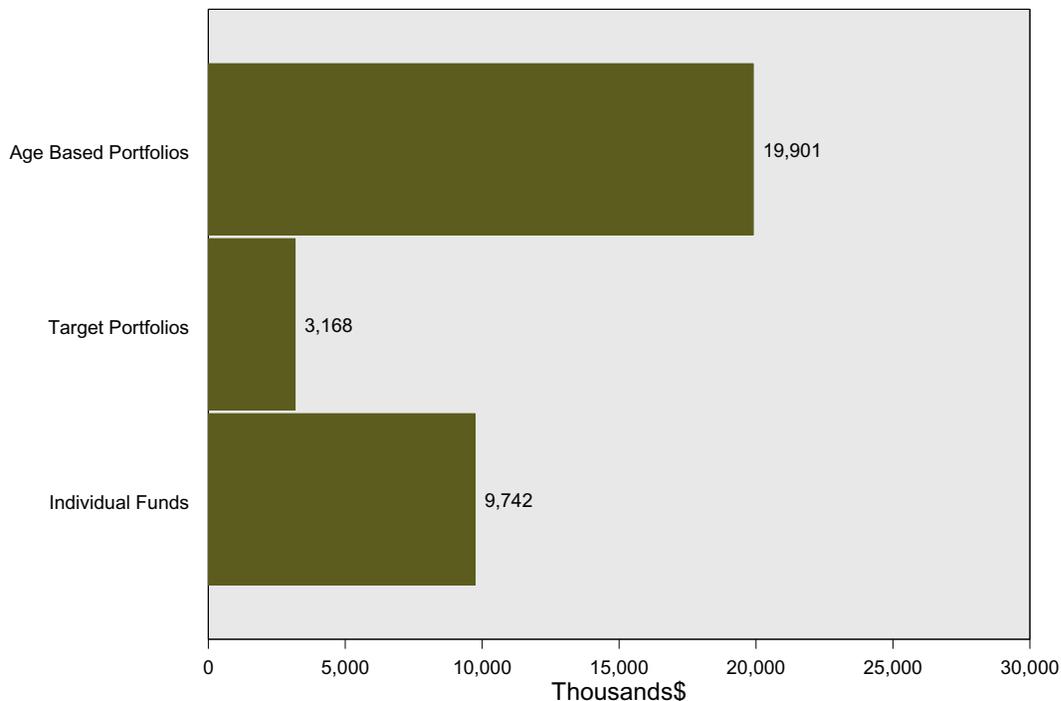
Allocation Across Investment Options

The chart below illustrates the allocation of the aggregate fund assets across the various investment options as of December 31, 2017.



Changes in Fund Values

The chart below shows the net change in fund values across the various investment options for the quarter ended December 31, 2017. The change in value for each fund is the result of a combination of 3 factors: 1) market movements; 2) contributions or disbursements into or out of the funds by the participants (and any matching done by the company); and 3) transfers between funds by the participants.



Investment Fund Balances

The table below compares the fund's investment fund balances as of December 31, 2017 with that of September 30, 2017. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Funds

	December 31, 2017			September 30, 2017		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Age Based Portfolios	\$276,266,542	63.00%	\$12,181,415	\$7,720,059	\$256,365,068	63.19%
Aggressive	\$152,662,557	34.81%	\$7,229,677	\$4,842,274	\$140,590,606	34.65%
0-2 years (Fund 100)	7,762,637	1.77%	468,870	370,783	6,922,984	1.71%
3-5 years (Fund 90)	19,311,992	4.40%	786,324	863,159	17,662,509	4.35%
6-8 years (Fund 80)	27,102,442	6.18%	1,716,812	1,105,746	24,279,884	5.98%
9-10 years (Fund 70)	19,180,745	4.37%	396,739	682,778	18,101,228	4.46%
11-12 years (Fund 60)	18,423,459	4.20%	972,343	560,045	16,891,071	4.16%
13-14 years (Fund 50)	19,421,132	4.43%	220,087	540,319	18,660,726	4.60%
15-16 years (Fund 40)	18,575,170	4.24%	1,024,820	397,924	17,152,426	4.23%
17-18 years (Fund 30)	14,273,062	3.25%	1,288,350	226,952	12,757,760	3.14%
19+ years (Fund 20)	8,611,918	1.96%	355,332	94,567	8,162,019	2.01%
Moderate	\$109,596,132	24.99%	\$3,672,729	\$2,690,887	\$103,232,516	25.45%
0-2 years (Fund 90)	4,012,160	0.91%	254,533	172,605	3,585,022	0.88%
3-5 years (Fund 80)	12,112,098	2.76%	(201,493)	512,789	11,800,802	2.91%
6-8 years (Fund 70)	15,433,644	3.52%	1,093,054	530,039	13,810,551	3.40%
9-10 years (Fund 60)	11,284,403	2.57%	56,793	354,509	10,873,101	2.68%
11-12 years (Fund 50)	13,140,299	3.00%	(157,021)	363,295	12,934,025	3.19%
13-14 years (Fund 40)	14,377,667	3.28%	1,810,206	295,869	12,271,592	3.02%
15-16 years (Fund 30)	13,501,604	3.08%	(431,412)	233,229	13,699,787	3.38%
17-18 years (Fund 20)	13,769,260	3.14%	877,700	146,826	12,744,734	3.14%
19+ years (Fund 10)	11,964,997	2.73%	370,369	81,726	11,512,902	2.84%
Conservative	\$14,007,853	3.19%	\$1,279,009	\$186,898	\$12,541,946	3.09%
0-2 years (Fund 80)	165,081	0.04%	6,273	6,282	152,526	0.04%
3-5 years (Fund 70)	564,808	0.13%	(1,517)	19,810	546,515	0.13%
6-8 years (Fund 60)	1,202,174	0.27%	104,800	35,826	1,061,548	0.26%
9-10 years (Fund 50)	1,655,745	0.38%	310,897	39,434	1,305,414	0.32%
11-12 years (Fund 40)	989,117	0.23%	118,528	20,250	850,339	0.21%
13-14 years (Fund 30)	1,674,246	0.38%	144,050	27,377	1,502,819	0.37%
15-16 years (Fund 20)	2,141,058	0.49%	297,895	19,768	1,823,395	0.45%
17-18 years (Fund 10)	2,343,497	0.53%	382,591	14,948	1,945,958	0.48%
19+ years (F.I.)	3,272,127	0.75%	(84,508)	3,203	3,353,432	0.83%
Target Portfolios	\$47,165,833	10.76%	\$1,199,374	\$1,968,380	\$43,998,079	10.85%
Target Fund 100 Portfolio	24,858,032	5.67%	(241,066)	1,258,029	23,841,069	5.88%
Target Fund 80 Portfolio	10,714,054	2.44%	423,901	445,335	9,844,818	2.43%
Target Fund 60 Portfolio	6,008,722	1.37%	367,257	181,754	5,459,711	1.35%
Target Fund 40 Portfolio	3,222,356	0.73%	651,735	66,510	2,504,111	0.62%
Target Fund 20 Portfolio	1,457,080	0.33%	(14,845)	15,925	1,456,000	0.36%
Target Fund Fixed Income Portfolio	905,589	0.21%	12,392	828	892,369	0.22%

Market values provided by Union Bank & Trust.

Investment Fund Balances

The table below compares the fund's investment fund balances as of December 31, 2017 with that of September 30, 2017. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Funds

Individual Funds	December 31, 2017		Net New Inv.	Inv. Return	September 30, 2017	
	Market Value	Weight			Market Value	Weight
Individual Funds	\$115,077,590	26.24%	\$5,063,035	\$4,679,146	\$105,335,409	25.96%
Money Market	\$8,881,649	2.03%	\$601,136	\$(625)	\$8,281,138	2.04%
Vanguard Prime Money Market	8,881,649	2.03%	601,136	(625)	8,281,138	2.04%
Fixed Income	\$15,205,565	3.47%	\$639,002	\$43,956	\$14,522,608	3.58%
PIMCO Short-Term	1,386,401	0.32%	(26,584)	7,609	1,405,377	0.35%
Vanguard Short Infl Protected	297,235	0.07%	1,543	288	295,405	0.07%
Vanguard Short Term Bond	1,513,826	0.35%	(38,286)	(6,314)	1,558,425	0.38%
Vanguard Infl Prot Securities	1,283,195	0.29%	56,245	13,111	1,213,839	0.30%
Fidelity Investment Grade Bond	292,204	0.07%	78,066	758	213,380	0.05%
Vanguard Intermediate Bond	1,309,293	0.30%	(29,132)	(36)	1,338,461	0.33%
Vanguard Total Bond Index	8,846,205	2.02%	475,410	27,876	8,342,919	2.06%
MainStay Total Return Bond	277,206	0.06%	121,741	663	154,802	0.04%
Balanced	\$5,155,760	1.18%	\$404,434	\$169,946	\$4,581,380	1.13%
T. Rowe Price Balanced	5,155,760	1.18%	404,434	169,946	4,581,380	1.13%
Domestic Equity	\$71,164,653	16.23%	\$2,694,560	\$3,982,806	\$64,487,287	15.90%
T. Rowe Large Cap Growth	3,649,427	0.83%	478,720	225,237	2,945,470	0.73%
Vanguard Growth Index	8,861,751	2.02%	774,470	481,392	7,605,889	1.87%
Vanguard Total Stock Index	12,165,408	2.77%	473,568	691,767	11,000,074	2.71%
Vanguard 500 Index	19,928,378	4.54%	611,977	1,202,288	18,114,114	4.46%
DFA US Large Cap Value	968,108	0.22%	32,197	60,363	875,548	0.22%
Vanguard Value Index	4,599,218	1.05%	43,496	293,773	4,261,949	1.05%
Vanguard Extended Market Index	1,459,992	0.33%	(28,068)	66,474	1,421,587	0.35%
Vanguard Mid Cap Index	7,302,183	1.67%	(42,768)	385,303	6,959,648	1.72%
Vanguard Explorer	618,544	0.14%	95,598	29,390	493,555	0.12%
Vanguard Small Cap Growth Index	4,536,958	1.03%	247,897	245,407	4,043,654	1.00%
Vanguard Small Cap Index	2,910,050	0.66%	191,872	135,210	2,582,969	0.64%
DFA US Small Cap Value	714,664	0.16%	(161,770)	22,348	854,085	0.21%
Vanguard Small Cap Value Index	3,449,973	0.79%	(22,629)	143,856	3,328,746	0.82%
International Equity	\$11,176,797	2.55%	\$801,042	\$436,819	\$9,938,936	2.45%
Dodge & Cox Int'l Stock	1,810,156	0.41%	188,590	21,013	1,600,553	0.39%
Vanguard Int'l Stock Index	9,366,641	2.14%	612,452	415,806	8,338,383	2.06%
Real Estate	\$3,493,165	0.80%	\$(77,140)	\$46,244	\$3,524,061	0.87%
Vanguard REIT Index	3,493,165	0.80%	(77,140)	46,244	3,524,061	0.87%
Total Direct Plan	\$438,509,965	100.0%	\$18,443,824	\$14,367,585	\$405,698,556	100.0%

Market values provided by Union Bank & Trust.

Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns and Rankings for Periods Ended December 31, 2017

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
Target Portfolios										
Target Fund 100										
Target Fund 100 Portfolio	5.30%	13	21.82%	13	9.55%	7	11.88%	15	10.32%	13
Target Fund 100 Blended Benchmark	5.65%	5	22.15%	11	9.86%	6	12.50%	9	10.83%	8
MS 529 Static Aggressive	4.42%		18.31%		8.07%		10.17%		8.84%	
Aggressive Age Based 0-2 yrs (Fd 100)	5.30%	37	21.82%	41	-		-		-	
Target Fund 100 Blended Benchmark	5.65%	14	22.15%	34	9.86%	18	12.50%	23	10.83%	22
MS 529 Age 0-6 High Equit	5.09%		21.01%		9.01%		11.44%		9.83%	
Target Fund 90										
Aggressive Age Based 3-5 yrs (Fd 90)	4.87%	66	19.74%	69	-		-		-	
Target Fund 90 Blended Benchmark	5.10%	49	20.16%	59	9.09%	45	11.35%	56	9.78%	51
MS 529 Age 0-6 High Equit	5.09%		21.01%		9.01%		11.44%		9.83%	
Moderate Age Based 0-2 yrs (Fd 90)	4.87%	14	19.74%	15	-		-		-	
Target Fund 90 Blended Benchmark	5.10%	8	20.16%	11	9.09%	8	11.35%	9	9.78%	8
MS 529 Age 0-6 Medium Equ	4.20%		17.39%		7.43%		9.58%		8.32%	
Target Fund 80										
Target Fund 80 Portfolio	4.46%	46	17.79%	62	8.14%	47	9.79%	59	8.96%	47
Target Fund 80 Blended Benchmark	4.62%	36	18.20%	52	8.35%	34	10.28%	48	9.35%	29
MS 529 Static Aggressive	4.42%		18.31%		8.07%		10.17%		8.84%	
Aggressive Age Based 6-8 yrs (Fd 80)	4.46%	19	17.79%	30	-		-		-	
Target Fund 80 Blended Benchmark	4.62%	13	18.20%	20	8.35%	16	10.28%	22	9.35%	16
MS 529 Age 7-12 High Equi	3.76%		16.04%		7.05%		8.96%		7.95%	
Moderate Age Based 3-5 yrs (Fd 80)	4.46%	38	17.79%	44	-		-		-	
Target Fund 80 Blended Benchmark	4.62%	29	18.20%	36	8.35%	25	10.28%	35	9.35%	17
MS 529 Age 0-6 Medium Equ	4.20%		17.39%		7.43%		9.58%		8.32%	
Conserv. Age Based 0-2 yrs (Fd 80)	4.46%	2	17.79%	8	-		-		-	
Target Fund 80 Blended Benchmark	4.62%	2	18.20%	6	8.35%	3	10.28%	4	9.35%	1
MS 529 Age 0-6 Low Equity	3.05%		12.35%		6.05%		7.26%		6.85%	
Target Fund 70										
Aggressive Age Based 9-10 yrs (Fd 70)	3.68%	54	15.31%	57	-		-		-	
Target Fund 70 Blended Benchmark	3.91%	42	15.73%	53	7.41%	41	9.09%	45	8.25%	41
MS 529 Age 7-12 High Equi	3.76%		16.04%		7.05%		8.96%		7.95%	
Moderate Age Based 6-8 yrs (Fd 70)	3.68%	18	15.31%	18	-		-		-	
Target Fund 70 Blended Benchmark	3.91%	10	15.73%	16	7.41%	13	9.09%	18	8.25%	20
MS 529 Age 7-12 Medium Eq	3.06%		13.34%		5.98%		7.60%		7.07%	
Conserv. Age Based 3-5 yrs (Fd 70)	3.68%	17	15.31%	18	-		-		-	
Target Fund 70 Blended Benchmark	3.91%	12	15.73%	16	7.41%	11	9.09%	13	8.25%	12
MS 529 Age 0-6 Low Equity	3.05%		12.35%		6.05%		7.26%		6.85%	

Performance is net of all fees, including 529 program management fees (25 bps). Performance figures provided by Union Bank & Trust.

Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns and Rankings for Periods Ended December 31, 2017

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
Target Fund 60										
Target Fund 60 Portfolio	3.24%	64	13.51%	70	6.39%	63	7.55%	73	7.40%	65
Target Fund 60 Blended Benchmark	3.56%	36	14.31%	49	6.80%	45	8.09%	61	7.82%	47
MS 529 Static Moderate Al	3.38%		14.27%		6.69%		8.50%		7.75%	
Aggressive Age Based 11-12 yrs (Fd 60)	3.24%	75	13.51%	85	-	-	-	-	-	-
Target Fund 60 Blended Benchmark	3.56%	61	14.31%	75	6.80%	58	8.09%	71	7.82%	54
MS 529 Age 7-12 High Equi	3.76%		16.04%		7.05%		8.96%		7.95%	
Moderate Age Based 9-10 yrs (Fd 60)	3.24%	43	13.51%	47	-	-	-	-	-	-
Target Fund 60 Blended Benchmark	3.56%	26	14.31%	36	6.80%	25	8.09%	41	7.82%	30
MS 529 Age 7-12 Medium Eq	3.06%		13.34%		5.98%		7.60%		7.07%	
Conserv. Age Based 6-8 yrs (Fd 60)	3.24%	7	13.51%	9	-	-	-	-	-	-
Target Fund 60 Blended Benchmark	3.56%	5	14.31%	8	6.80%	9	8.09%	8	7.82%	4
MS 529 Age 7-12 Low Equit	2.04%		8.86%		4.16%		4.77%		5.21%	
Target Fund 50										
Aggressive Age Based 13-14 yrs (Fd 50)	2.88%	37	11.78%	44	-	-	-	-	-	-
Target Fund 50 Blended Benchmark	2.97%	31	12.21%	37	6.02%	29	7.22%	31	6.90%	28
MS 529 Age 13-18 High Equi	2.61%		11.38%		5.21%		6.33%		5.97%	
Moderate Age Based 11-12 yrs (Fd 50)	2.88%	58	11.78%	68	-	-	-	-	-	-
Target Fund 50 Blended Benchmark	2.97%	53	12.21%	60	6.02%	49	7.22%	60	6.90%	54
MS 529 Age 7-12 Medium Eq	3.06%		13.34%		5.98%		7.60%		7.07%	
Conserv. Age Based 9-10 yrs (Fd 50)	2.88%	13	11.78%	20	-	-	-	-	-	-
Target Fund 50 Blended Benchmark	2.97%	11	12.21%	14	6.02%	13	7.22%	14	6.90%	6
MS 529 Age 7-12 Low Equit	2.04%		8.86%		4.16%		4.77%		5.21%	
Target Fund 40										
Target Fund 40 Portfolio	2.27%	51	9.62%	63	4.91%	52	5.66%	55	5.98%	40
Target Fund 40 Blended Benchmark	2.50%	40	10.26%	48	5.29%	38	6.10%	47	6.39%	31
MS 529 Static Conservativ	2.31%		10.09%		4.96%		5.95%		5.81%	
Aggressive Age Based 15-16 yrs (Fd 40)	2.27%	67	9.62%	73	-	-	-	-	-	-
Target Fund 40 Blended Benchmark	2.50%	61	10.26%	63	5.29%	48	6.10%	56	6.39%	39
MS 529 Age 13-18 High Equi	2.61%		11.38%		5.21%		6.33%		5.97%	
Moderate Age Based 13-14 yrs (Fd 40)	2.27%	32	9.62%	36	-	-	-	-	-	-
Target Fund 40 Blended Benchmark	2.50%	22	10.26%	27	5.29%	19	6.10%	29	6.39%	20
MS 529 Age 13-18 Medium E	1.88%		8.57%		4.21%		5.19%		5.32%	
Conserv. Age Based 11-12 yrs (Fd 40)	2.27%	38	9.62%	43	-	-	-	-	-	-
Target Fund 40 Blended Benchmark	2.50%	29	10.26%	31	5.29%	20	6.10%	25	6.39%	10
MS 529 Age 7-12 Low Equit	2.04%		8.86%		4.16%		4.77%		5.21%	
Target Fund 30										
Aggressive Age Based 17-18 yrs (Fd 30)	1.72%	84	7.48%	87	-	-	-	-	-	-
Target Fund 30 Blended Benchmark	1.77%	82	7.78%	83	4.22%	75	4.81%	77	5.01%	70
MS 529 Age 13-18 High Equi	2.61%		11.38%		5.21%		6.33%		5.97%	
Moderate Age Based 15-16 yrs (Fd 30)	1.72%	62	7.48%	64	-	-	-	-	-	-
Target Fund 30 Blended Benchmark	1.77%	59	7.78%	59	4.22%	50	4.81%	58	5.01%	55
MS 529 Age 13-18 Medium E	1.88%		8.57%		4.21%		5.19%		5.32%	
Conserv. Age Based 13-14 yrs (Fd 30)	1.72%	10	7.48%	19	-	-	-	-	-	-
Target Fund 30 Blended Benchmark	1.77%	9	7.78%	13	4.22%	10	4.81%	7	5.01%	9
MS 529 Age 13-18 Low Equi	1.07%		5.31%		2.72%		2.96%		3.49%	

Performance is net of all fees, including 529 program management fees (25 bps). Performance figures provided by Union Bank & Trust.

Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns and Rankings for Periods Ended December 31, 2017

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
Target Fund 20										
Target Fund 20 Portfolio	1.11%	96	5.22%	98	2.95%	93	3.17%	94	3.95%	90
Target Fund 20 Blended Benchmark	1.34%	93	5.99%	95	3.41%	90	3.58%	92	4.35%	88
MS 529 Static Conservativ	2.31%		10.09%		4.96%		5.95%		5.81%	
Aggressive Age Based 19+ yrs (Fd 20)	1.11%	70	5.22%	67	-		-		-	
Target Fund 20 Blended Benchmark	1.34%	15	5.99%	23	3.41%	27	3.58%	36	4.35%	25
MS 529 Age 19+ High Equit	1.16%		5.36%		3.00%		3.09%		3.94%	
Moderate Age Based 17-18 yrs (Fd 20)	1.11%	91	5.22%	90	-		-		-	
Target Fund 20 Blended Benchmark	1.34%	85	5.99%	82	3.41%	72	3.58%	80	4.35%	71
MS 529 Age 13-18 Medium E	1.88%		8.57%		4.21%		5.19%		5.32%	
Conserv. Age Based 15-16 yrs (Fd 20)	1.11%	45	5.22%	53	-		-		-	
Target Fund 20 Blended Benchmark	1.34%	31	5.99%	37	3.41%	25	3.58%	26	4.35%	20
MS 529 Age 13-18 Low Equi	1.07%		5.31%		2.72%		2.96%		3.49%	
Target Fund 10										
Moderate Age Based 19+ yrs (Fd 10)	0.69%	60	3.44%	61	-		-		-	
Target Fund 10 Blended Benchmark	0.72%	58	3.69%	57	2.26%	50	2.30%	51	2.74%	48
MS 529 Age 19+ Medium Equ	0.87%		4.27%		2.26%		2.35%		2.56%	
Conserv. Age Based 17-18 yrs (Fd 10)	0.69%	67	3.44%	75	-		-		-	
Target Fund 10 Blended Benchmark	0.72%	66	3.69%	73	2.26%	62	2.30%	64	2.74%	70
MS 529 Age 13-18 Low Equi	1.07%		5.31%		2.72%		2.96%		3.49%	
Target Fund Fixed Income										
Target Fund Fixed Income Portfolio	0.09%	56	1.14%	63	0.72%	69	0.17%	77	1.03%	63
Target Fund F.I. Blended Benchmark	0.11%	49	1.20%	62	0.91%	58	0.39%	70	1.27%	55
MS 529 Static Short-Term	0.10%		1.63%		1.08%		0.89%		1.40%	
Conserv. Age Based 19+ yrs (F.I.)	0.09%	75	1.14%	69	-		-		-	
Target Fund F.I. Blended Benchmark	0.11%	65	1.20%	66	0.91%	47	0.39%	61	1.27%	39
MS 529 Age 19+ Low Equity	0.27%		1.66%		0.91%		0.55%		1.05%	

Performance is net of all fees, including 529 program management fees (25 bps). Performance figures provided by Union Bank & Trust.

Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns and Rankings for Periods Ended December 31, 2017

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
Individual Funds Portfolios										
Money Market Funds										
Vanguard Prime Money Market (net all)*	0.24%	37	0.84%	30	0.42%	23	0.25%	25	0.19%	24
Vanguard Prime Money Market (net mgr)	0.32%	8	1.09%	15	0.58%	15	0.37%	14	0.30%	13
3-Month Treasury Bill	0.28%	17	0.86%	30	0.41%	25	0.27%	24	0.22%	20
Callan Money Market Funds	0.22%		0.66%		0.26%		0.16%		0.12%	
Fixed Income Funds										
PIMCO Short-Term (net all)	0.54%	1	2.19%	9	1.89%	17	1.40%	32	1.47%	60
PIMCO Short-Term (net mgr)	0.56%	1	2.43%	6	2.11%	9	1.63%	17	1.70%	46
3 Month T-Bills	0.28%	8	0.84%	82	0.38%	93	0.24%	94	0.20%	97
Blmbg Aggregate 1-3 Index	(0.20%)	83	0.86%	82	0.95%	75	0.86%	73	1.05%	80
Callan Defensive FI MFs	(0.05%)		1.53%		1.35%		1.16%		1.58%	
Vanguard Short Infl Protected (net all)*	0.10%	98	0.50%	98	0.87%	100	-	-	-	-
Vanguard Short Infl Protected (net mgr)	0.18%	96	0.83%	97	1.13%	99	0.14%	28	-	-
Blmbg US TIPS 0-5 Index	0.21%	96	0.88%	96	1.22%	92	0.18%	22	1.10%	97
Callan TIPS MFs	1.28%		2.90%		1.84%		(0.12%)		2.61%	
Vanguard Short Term Bond (net all)*	(0.38%)	97	0.97%	88	0.98%	80	-	-	-	-
Vanguard Short Term Bond (net mgr)	(0.32%)	97	1.20%	76	1.22%	66	1.03%	62	-	-
Blmbg Govt/Credit 1-5 Float	(0.30%)	96	1.27%	75	1.27%	62	1.10%	60	1.55%	63
Callan Short Inv Grade MF	0.05%		1.65%		1.48%		1.32%		1.76%	
Vanguard Infl Prot Securities (net all)	1.08%	76	2.62%	71	1.65%	64	(0.14%)	55	2.56%	53
Vanguard Infl Prot Securities (net mgr)	1.19%	70	2.91%	49	1.91%	44	0.06%	34	2.82%	29
Blmbg US TIPS Index	1.26%	54	3.01%	47	2.05%	34	0.13%	29	2.92%	18
Callan TIPS MFs	1.28%		2.90%		1.84%		(0.12%)		2.61%	
Fidelity Investment Grade Bond (net all)	0.27%	85	3.43%	68	2.23%	67	2.15%	41	-	-
Fidelity Investment Grade Bond (net mgr)	0.39%	46	3.87%	43	2.47%	31	2.24%	32	3.60%	26
Blmbg Aggregate Index	0.39%	51	3.54%	60	2.24%	66	2.10%	55	3.20%	78
Callan Core Bond MFs	0.39%		3.69%		2.34%		2.11%		3.40%	
Vanguard Intermediate Bond (net all)	(0.00%)	55	3.58%	37	2.36%	32	1.95%	44	3.80%	10
Vanguard Intermediate Bond (net mgr)	0.06%	43	3.85%	29	2.64%	25	2.24%	33	4.09%	8
Blmbg Govt/Credit 5-10	(0.00%)	55	3.81%	32	2.73%	24	2.29%	32	4.16%	8
Callan Intermediate FI MF	0.03%		2.61%		1.94%		1.82%		2.87%	
Vanguard Total Bond Index (net all)*	0.33%	67	3.29%	84	1.92%	91	1.78%	88	2.89%	86
Vanguard Total Bond Index (net mgr)	0.41%	39	3.57%	58	2.19%	69	2.04%	61	3.13%	80
Blmbg Aggregate Index	0.39%	51	3.54%	60	2.24%	66	2.10%	55	3.20%	78
Callan Core Bond MFs	0.39%		3.69%		2.34%		2.11%		3.40%	
MainStay Total Return Bond (net all)	0.28%	69	4.25%	64	2.46%	73	-	-	-	-
MainStay Total Return Bond (net mgr)	0.45%	45	4.63%	55	2.62%	68	2.35%	72	3.86%	52
Blmbg Aggregate Index	0.39%	54	3.54%	78	2.24%	75	2.10%	87	3.20%	93
Callan Core Plus MFs	0.40%		4.70%		2.82%		2.54%		3.96%	
Balanced Funds										
T. Rowe Price Balanced (net all)	3.60%	75	17.88%	18	7.77%	22	9.47%	56	8.75%	54
T. Rowe Price Balanced (net mgr)	3.62%	69	18.01%	18	7.95%	18	9.71%	48	9.00%	43
Balanced Fund Blended Benchmark	4.14%	39	15.59%	37	7.78%	22	9.95%	41	9.20%	37
Callan Dom Balanced MFs	3.94%		14.32%		6.85%		9.60%		8.78%	
Domestic Equity Funds										
T. Rowe Large Cap Growth (net all)	7.23%	29	37.47%	4	15.68%	3	-	-	-	-
T. Rowe Large Cap Growth (net mgr)	7.29%	22	37.82%	3	15.99%	2	19.63%	2	16.08%	5
Russell 1000 Growth Index	7.86%	9	30.21%	57	13.79%	24	17.33%	28	14.81%	25
Callan Large Cap Grwth MF	6.72%		31.46%		12.00%		15.96%		13.49%	
Vanguard Growth Index (net all)	6.16%	60	27.45%	80	11.61%	57	15.76%	62	13.75%	42
Vanguard Growth Index (net mgr)	6.22%	58	27.80%	78	11.90%	51	16.08%	46	14.07%	34
U.S. Large Cap Growth Benchmark	6.22%	58	27.86%	78	11.95%	51	16.15%	45	14.15%	33
Russell 1000 Growth Index	7.86%	9	30.21%	57	13.79%	24	17.33%	28	14.81%	25
Callan Large Cap Grwth MF	6.72%		31.46%		12.00%		15.96%		13.49%	
Vanguard Total Stock Index (net all)*	6.28%	55	20.86%	55	10.80%	29	15.24%	32	13.19%	33
Vanguard Total Stock Index (net mgr)	6.34%	53	21.17%	52	11.09%	21	15.55%	29	13.49%	26
U.S. Total Market Benchmark	6.34%	53	21.19%	51	11.09%	21	15.56%	29	13.49%	25
Russell 3000 Index	6.34%	53	21.13%	52	11.12%	20	15.58%	28	13.50%	25
Callan Large Cap Core MFs	6.39%		21.29%		10.15%		14.65%		12.80%	

(net all) indicates performance is net of all fees, including 529 program management fees (25 bps).

(net mgr) performance figures provided by Union Bank & Trust.

(net mgr) indicates performance is net of manager fees.

* Indicates fund is held in the Age Based and Target Fund Portfolios.

Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns and Rankings for Periods Ended December 31, 2017

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
Vanguard 500 Index (net all)	6.56%	44	21.49%	47	11.12%	20	15.45%	30	13.40%	28
Vanguard 500 Index (net mgr)	6.63%	40	21.79%	44	11.38%	15	15.76%	26	13.73%	20
S&P 500 Index	6.64%	39	21.83%	43	11.41%	15	15.79%	26	13.76%	17
Callan Large Cap Core MFs	6.39%		21.29%		10.15%		14.65%		12.80%	
DFA US Large Cap Value (net all)	7.40%	13	18.50%	34	10.66%	18	-		-	
DFA US Large Cap Value (net mgr)	7.47%	13	18.97%	31	10.93%	16	16.09%	10	13.94%	5
Russell 1000 Value Index	5.33%	78	13.66%	88	8.65%	51	14.04%	42	12.46%	32
Callan Lg Cap Value MF	6.30%		16.78%		8.77%		13.78%		12.15%	
Vanguard Value Index (net all)	6.90%	26	16.86%	47	10.45%	19	15.05%	21	12.90%	30
Vanguard Value Index (net mgr)	6.96%	24	17.13%	46	10.71%	17	15.37%	19	13.19%	28
U.S. Large Cap Value Benchmark	6.97%	24	17.16%	46	10.74%	17	15.43%	18	13.26%	28
Russell 1000 Value Index	5.33%	78	13.66%	88	8.65%	51	14.04%	42	12.46%	32
Callan Lg Cap Value MF	6.30%		16.78%		8.77%		13.78%		12.15%	
Vanguard Extended Market Index (net all)	4.80%	69	17.87%	56	9.64%	33	14.26%	39	11.96%	33
Vanguard Extended Market Index (net mgr)	4.82%	69	18.11%	56	9.88%	30	14.58%	31	12.32%	25
S&P Completion Index	4.84%	69	18.11%	56	9.80%	31	14.49%	32	12.24%	28
Callan Mid Cap MFs	5.44%		20.39%		8.65%		13.66%		11.53%	
Vanguard Mid Cap Index (net all)	5.59%	45	18.99%	55	9.11%	40	14.71%	28	12.14%	30
Vanguard Mid Cap Index (net mgr)	5.64%	44	19.25%	54	9.38%	37	15.01%	25	12.55%	23
U.S. Mid Cap Benchmark	5.65%	43	19.30%	54	9.42%	35	15.07%	24	12.61%	23
Russell MidCap Index	6.07%	33	18.52%	56	9.58%	33	14.96%	25	12.76%	18
Callan Mid Cap MFs	5.44%		20.39%		8.65%		13.66%		11.53%	
Vanguard Explorer (net all)	5.98%	37	22.84%	58	9.31%	54	-		-	
Vanguard Explorer (net mgr)	6.02%	37	23.10%	58	9.87%	45	14.82%	49	12.33%	38
Russell 2500 Growth Index	6.35%	32	24.46%	56	10.88%	38	15.47%	32	12.95%	25
Callan Sm Cap Growth MF	5.37%		25.02%		9.63%		14.68%		12.02%	
Vanguard Small Cap Growth (net all)	5.71%	41	21.60%	61	9.31%	54	13.31%	78	11.51%	63
Vanguard Small Cap Growth (net mgr)	5.75%	40	21.92%	60	9.59%	51	13.60%	73	11.89%	53
U.S. Small Cap Growth Benchmark	5.76%	40	21.90%	60	9.51%	52	13.60%	73	11.85%	54
Russell 2000 Growth Index	4.59%	70	22.17%	59	10.28%	40	15.21%	37	12.34%	38
Callan Sm Cap Growth MF	5.37%		25.02%		9.63%		14.68%		12.02%	
Vanguard Small Cap Index (net all)	5.08%	40	15.93%	52	9.56%	51	14.14%	43	11.97%	35
Vanguard Small Cap Index (net mgr)	5.10%	40	16.24%	50	9.84%	43	14.44%	37	12.34%	24
U.S. Small Cap Benchmark	5.10%	40	16.24%	50	9.81%	44	14.44%	38	12.33%	25
Russell 2000 Index	3.34%	68	14.65%	57	9.96%	40	14.12%	44	11.62%	45
Callan Small Cap MFs	4.25%		16.39%		9.56%		13.95%		11.29%	
DFA US Small Cap Value (net all)	3.11%	59	6.68%	92	7.89%	70	-		-	
DFA US Small Cap Value (net mgr)	3.13%	56	7.21%	90	8.23%	67	13.31%	58	11.20%	42
Russell 2000 Value Index	2.05%	81	7.84%	81	9.55%	46	13.01%	64	10.84%	57
Callan Sm Cap Value MF	3.37%		11.57%		9.28%		13.59%		11.04%	
Vanguard Small Cap Value Index (net all)	4.47%	35	11.37%	51	9.63%	43	14.64%	21	12.19%	16
Vanguard Small Cap Value Index (net mgr)	4.56%	34	11.80%	49	9.97%	39	14.96%	17	12.57%	4
U.S. Small Cap Value Benchmark	4.56%	34	11.83%	49	10.00%	36	15.01%	14	12.59%	3
Russell 2000 Value Index	2.05%	81	7.84%	81	9.55%	46	13.01%	64	10.84%	57
Callan Sm Cap Value MF	3.37%		11.57%		9.28%		13.59%		11.04%	
International Equity										
Dodge & Cox Int'l Stock (net all)	1.11%	100	23.54%	77	5.62%	95	-		-	
Dodge & Cox Int'l Stock (net mgr)	1.21%	100	23.94%	75	5.96%	93	8.50%	25	6.26%	48
MSCI EAFE Index	4.23%	46	25.03%	65	7.80%	60	7.90%	48	6.04%	52
MSCI ACWI ex US	5.00%	23	27.19%	47	7.83%	58	6.80%	80	4.93%	85
Callan Non US Equity MFs	4.16%		26.84%		8.21%		7.86%		6.16%	
Vanguard Int'l Stock Index (net all)*	4.78%	27	27.21%	47	8.20%	50	6.83%	79	4.97%	85
Vanguard Int'l Stock Index (net mgr)	4.87%	25	27.55%	45	8.54%	42	7.14%	73	5.21%	80
Total Int'l Stock Benchmark	5.36%	19	27.42%	46	8.50%	44	7.38%	64	5.26%	79
Callan Non US Equity MFs	4.16%		26.84%		8.21%		7.86%		6.16%	
Real Estate										
Vanguard REIT Index (net all)*	1.32%	83	4.62%	60	4.97%	59	8.97%	44	9.97%	50
Vanguard REIT Index (net mgr)	1.39%	82	4.93%	58	5.26%	48	9.26%	30	10.34%	26
Morgan Stanley REIT Index	1.41%	81	5.07%	58	5.37%	44	9.34%	28	10.41%	24
NAREIT All Equity Index	2.48%	45	8.67%	16	6.67%	16	9.83%	18	10.97%	12
Callan Real Estate MFs	2.38%		5.63%		5.23%		8.83%		9.98%	

(net all) indicates performance is net of all fees, including 529 program management fees (25 bps).

(net mgr) performance figures provided by Union Bank & Trust.

(net mgr) indicates performance is net of manager fees.

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Alabama CollegeCounts Direct Plan, Executive Summary
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Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	7 Year Risk Quadrant	7 Year Return Consistency	7 Year Excess Rtn Ratio	7 Year Sharpe Ratio
Money Market Funds									
Vanguard Prime Money Market Money Market Funds	0.3 8	1.1 15	0.6 15	0.4 14	0.3 13			1.3 6	0.4 12
3-Month Treasury Bill	0.3 17	0.9 30	0.4 25	0.3 24	0.2 20				0.0 20
Fixed Income Funds									
PIMCO Short-Term CAI Defensive F-I Mutual Funds	0.6 1	2.4 6	2.1 9	1.6 17	1.7 46			1.4 39	1.3 39
3 Month T-Bills	0.3 8	0.8 82	0.4 93	0.2 94	0.2 97				-0.2 98
Vanguard Short Infl-Protected (i) MF - TIPS Funds	0.2 96	0.8 97	1.1 99	0.1 28					
Blmbg US TIPS 0-5 Idx	0.2 96	0.9 96	1.2 92	0.2 22	1.1 97				0.4 78
Vanguard Short Term Bond (i) Mutal Fund: Short Investment Grade	-0.3 97	1.2 76	1.2 66	1.0 62					
Blmbg Govt/Cred 1-5 Float Adj	-0.3 96	1.3 75	1.3 62	1.1 60	1.6 63				1.1 64
Vanguard Infl Prot Securities MF-TIPS Funds	1.2 70	2.9 49	1.9 44	0.1 34	2.8 29			-0.3 44	0.5 32
Blmbg US TIPS Index	1.3 54	3.0 47	2.1 34	0.1 29	2.9 18				0.6 17
Fidelity Investment Grade Bond CAI Core Bond Mutual Funds	0.4 46	3.9 43	2.5 31	2.2 32	3.6 26			0.4 30	1.1 48
Blmbg Aggregate Index	0.4 51	3.5 60	2.2 66	2.1 55	3.2 78				1.0 79
Vanguard Intermediate Bond Index (i) CAI Intermediate F-I Mutual Funds	0.1 43	3.8 29	2.6 25	2.2 33	4.1 8			-0.3 29	0.9 74
Blmbg Govt/Credit 5-10	-0.0 55	3.8 32	2.7 24	2.3 32	4.2 8				1.0 72
Vanguard Total Bond Market Index (i) CAI Core Bond Mutual Funds	0.4 39	3.6 58	2.2 69	2.0 61	3.1 80			-0.4 90	0.9 84
Blmbg Aggregate Index	0.4 51	3.5 60	2.2 66	2.1 55	3.2 78				1.0 79
MainStay Total Return Bond CAI Core Plus Mutual Funds	0.4 45	4.6 55	2.6 68	2.3 72	3.9 52			0.4 56	1.2 51
Blmbg Aggregate Index	0.4 54	3.5 78	2.2 75	2.1 87	3.2 93				1.0 89

Returns:
■ above median
■ third quartile
■ fourth quartile

Risk Quadrant:


Return Consistency:
■ above median
■ third quartile
■ fourth quartile

Excess Return Ratio:
■ above median
■ third quartile
■ fourth quartile

Sharpe Ratio:
■ above median
■ third quartile
■ fourth quartile

(i) - Indexed scoring method used. Green: manager & index ranking differ by <= +/- 10%tile. Yellow: manager & index ranking differ by <= +/- 20%tile. Red: manager & index ranking differ by > +/- 20%tile.

Alabama CollegeCounts Direct Plan, Executive Summary
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Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	7 Year Risk Quadrant	7 Year Return Consistency	7 Year Excess Rtn Ratio	7 Year Sharpe Ratio
Balanced Funds									
T. Rowe Price Balanced CAI Mutual Fund: Domestic Balanced Style	3.6 69	18.0 18	8.0 18	9.7 48	9.0 43			-0.1 75	1.1 61
Balanced Fund Blended Benchmark	4.1 39	15.6 37	7.8 22	10.0 41	9.2 37				1.3 34
Domestic Equity									
T. Rowe Large Cap Growth CAI Large Cap Growth Mutual Funds	7.3 22	37.8 3	16.0 2	19.6 2	16.1 5			0.3 8	1.1 19
Russell 1000 Growth Index	7.9 9	30.2 57	13.8 24	17.3 28	14.8 25				1.3 7
Vanguard Growth Index (i) CAI Large Cap Growth Mutual Funds	6.2 58	27.8 78	11.9 51	16.1 46	14.1 34			-2.5 100	1.2 19
U.S. Large Cap Growth Benchmark	6.2 58	27.9 78	12.0 51	16.2 45	14.1 33				1.2 18
Vanguard Total Stock Index (i) CAI Core Equity Mutual Funds	6.3 53	21.2 52	11.1 21	15.6 29	13.5 26			-0.3 72	1.2 49
U.S. Total Market Benchmark	6.3 53	21.2 51	11.1 21	15.6 29	13.5 25				1.2 49
Vanguard 500 Index (i) CAI Core Equity Mutual Funds	6.6 40	21.8 44	11.4 15	15.8 26	13.7 20			-3.4 100	1.2 8
S&P 500 Index	6.6 39	21.8 43	11.4 15	15.8 26	13.8 17				1.2 8
DFA US Large Cap Value CAI Large Cap Value Mutual Funds	7.5 13	19.0 31	10.9 16	16.1 10	13.9 5			0.4 7	0.9 56
Russell 1000 Value Index	5.3 78	13.7 88	8.7 51	14.0 42	12.5 32				1.0 25
Vanguard Value Index (i) CAI Large Cap Value Mutual Funds	7.0 24	17.1 46	10.7 17	15.4 19	13.2 28			-2.1 100	1.1 24
U.S. Large Cap Value Benchmark	7.0 24	17.2 46	10.7 17	15.4 18	13.3 28				1.1 24
Vanguard Extended Market Index (i) CAI MF Mid Cap Broad Style	4.8 69	18.1 56	9.9 30	14.6 31	12.3 25			1.4 1	0.8 45
S&P Completion Index	4.8 69	18.1 56	9.8 31	14.5 32	12.2 28				0.8 50
Vanguard Mid Cap Index (i) CAI MF Mid Cap Broad Style	5.6 44	19.3 54	9.4 37	15.0 25	12.6 23			-2.5 100	1.0 33
U.S. Mid Cap Benchmark	5.6 43	19.3 54	9.4 35	15.1 24	12.6 23				1.0 33

Returns:
■ above median
■ third quartile
■ fourth quartile

Risk Quadrant:


Return Consistency:
■ above median
■ third quartile
■ fourth quartile

Excess Return Ratio:
■ above median
■ third quartile
■ fourth quartile

Sharpe Ratio:
■ above median
■ third quartile
■ fourth quartile

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Alabama CollegeCounts Direct Plan, Executive Summary
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Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	7 Year Risk Quadrant	7 Year Return Consistency	7 Year Excess Rtn Ratio	7 Year Sharpe Ratio
Vanguard Explorer CAI Small Cap Growth Mutual Funds Russell 2500 Growth Index	6.0 37	23.1 58	9.9 45	14.8 49	12.3 38			-0.4 69	0.8 21
	6.3 32	24.5 56	10.9 38	15.5 32	13.0 25				0.8 18
Vanguard Small Cap Growth Index (i) CAI Small Cap Growth Mutual Funds U.S. Small Cap Growth Benchmark	5.8 40	21.9 60	9.6 51	13.6 73	11.9 53			0.3 40	0.8 44
	5.8 40	21.9 60	9.5 52	13.6 73	11.9 54				0.8 44
Vanguard Small Cap Index (i) CAI Small Cap Broad Mutual Funds U.S. Small Cap Benchmark	5.1 40	16.2 50	9.8 43	14.4 37	12.3 24			0.7 2	0.8 33
	5.1 40	16.2 50	9.8 44	14.4 38	12.3 25				0.8 34
DFA US Small Cap Value CAI Small Cap Value Mutual Funds Russell 2000 Value Index	3.1 56	7.2 90	8.2 67	13.3 58	11.2 42			0.1 37	0.6 68
	2.0 81	7.8 81	9.5 46	13.0 64	10.8 57				0.7 53
Vanguard Small Cap Value Index (i) CAI Small Cap Value Mutual Funds U.S. Small Cap Value Benchmark	4.6 34	11.8 49	10.0 39	15.0 17	12.6 4			-0.6 91	0.9 19
	4.6 34	11.8 49	10.0 36	15.0 14	12.6 3				0.9 19
International Equity									
Dodge & Cox Int'l Stock CAI Non-U.S. Equity MF MSCI EAFE Index	1.2 100	23.9 75	6.0 93	8.5 25	6.3 48			0.0 50	0.4 61
	4.2 46	25.0 65	7.8 60	7.9 48	6.0 52				0.4 44
Vanguard Int'l Stock Index (i) CAI Non-U.S. Equity MF Total Int'l Stock Benchmark	4.9 25	27.6 45	8.5 42	7.1 73	5.2 80			-0.1 98	0.4 93
	5.4 19	27.4 46	8.5 44	7.4 64	5.3 79				0.4 91
Real Estate Funds									
Vanguard REIT Index (i) Real Estate Mutual Funds Morgan Stanley REIT Index	1.4 82	4.9 58	5.3 48	9.3 30	10.3 26			-1.0 97	0.8 37
	1.4 81	5.1 58	5.4 44	9.3 28	10.4 24				0.8 35

Returns:
■ above median
■ third quartile
■ fourth quartile

Risk Quadrant:


Return Consistency:
■ above median
■ third quartile
■ fourth quartile

Excess Return Ratio:
■ above median
■ third quartile
■ fourth quartile

Sharpe Ratio:
■ above median
■ third quartile
■ fourth quartile

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Morningstar Ratings and Rankings

Plan 2 - Direct - Fund Name	Morningstar Category	Ticker	Morningstar Rating	Market Value*
DFA U.S. Large Cap Value	Large Value	DFLVX	4	905,250
DFA U.S. Small Cap Value	Small Value	DFSVX	3	707,947
Dodge & Cox International Stock	Foreign Blend	DODFX	3	1,798,760
Fidelity Advisor Investment Grade Bond	Intermediate-Term Bond	FGBPX	3	1,970,409
Mainstay Total Return Bond	Intermediate-Term Bond	MTMIX	4	95,589,925
PIMCO Short-Term	Ultrashort Bond	PTSHX	5	134,101,386
T. Rowe Price Balanced	Moderate Allocation	RPBAX	4	56,037,228
T. Rowe Price Large-Cap Growth	Large Growth	TRLGX	5	93,020,901
Vanguard 500 Index	Large Blend	VINIX	4	19,861,088
Vanguard Explorer	Small Growth	VEXRX	4	596,166
Vanguard Extended Market Index	Mid-Cap Blend	VEXAX	3	1,448,857
Vanguard Growth Index	Large Growth	VIGAX	4	8,821,345
Vanguard Inflation-Protected Securities	Inflation-Protected Bond	VAIPX	4	1,278,875
Vanguard Intermediate-Term Bond Index	Intermediate-Term Bond	VBILX	4	1,302,932
Vanguard Mid-Cap Index	Mid-Cap Blend	VIMAX	3	7,281,359
Vanguard Prime Money Market	Taxable Money Market	VMRXX	N/A	16,568,000
Vanguard Real Estate Index(REIT Index)	Real Estate	VGSNX	4	18,244,597
Vanguard Short Term Bond	Short-Term Bond	VBITX	3	35,167,705
Vanguard Short-Term Infl-Protected	Inflation-Protected Bond	VTSPX	3	19,100,806
Vanguard Small-Cap Growth Index	Small Growth	VSGAX	3	4,553,921
Vanguard Small-Cap Index	Small Blend	VSMAX	4	2,871,853
Vanguard Small-Cap Value Index	Small Value	VSIAX	5	3,443,389
Vanguard Total Bond Market Index	Intermediate-Term Bond	VBTIX	3	83,516,463
Vanguard Total International Stock Index	Foreign Large Blend	VTSNX	3	69,302,124
Vanguard Total Stock Market Index	Large Blend	VITSX	4	123,965,711
Vanguard Value Index	Large Value	VVIAX	5	4,597,280

*Asset totals include age based, target portfolio assets, advisor and direct plans where applicable.

Summary of Fund Performance Status

Plan 2 - Direct - Fund Name	Prior Quarter Status	Current Quarter Status	Market Value*
DFA U.S. Large Cap Value	Positive	Positive	905,250
DFA U.S. Small Cap Value	Positive	Positive	707,947
Dodge & Cox International Stock	Positive	Positive	1,798,760
Fidelity Advisor Investment Grade Bond	Positive	Positive	1,970,409
Mainstay Total Return Bond	Positive	Positive	95,589,925
PIMCO Short-Term	Positive	Positive	134,101,386
T. Rowe Price Balanced	Positive	Positive	56,037,228
T. Rowe Price Large-Cap Growth	Positive	Positive	93,020,901
Vanguard 500 Index	Positive	Positive	19,861,088
Vanguard Explorer	Positive	Positive	596,166
Vanguard Extended Market Index	Positive	Positive	1,448,857
Vanguard Growth Index	Positive	Positive	8,821,345
Vanguard Inflation-Protected Securities	Positive	Positive	1,278,875
Vanguard Intermediate-Term Bond Index	Positive	Positive	1,302,932
Vanguard Mid-Cap Index	Positive	Positive	7,281,359
Vanguard Prime Money Market	Positive	Positive	16,568,000
Vanguard Real Estate Index(REIT Index)	Positive	Positive	18,244,597
Vanguard Short Term Bond	Positive	Positive	35,167,705
Vanguard Short-Term Infl-Protected	Positive	Positive	19,100,806
Vanguard Small-Cap Growth Index	Positive	Positive	4,553,921
Vanguard Small-Cap Index	Positive	Positive	2,871,853
Vanguard Small-Cap Value Index	Positive	Positive	3,443,389
Vanguard Total Bond Market Index	Positive	Positive	83,516,463
Vanguard Total International Stock Index	Positive	Positive	69,302,124
Vanguard Total Stock Market Index	Positive	Positive	123,965,711
Vanguard Value Index	Positive	Positive	4,597,280

*Asset totals include age based, target portfolio assets, advisor and direct plans where applicable.

- Funds identified as “Currently on Watch” are those whose Watch status has been approved by the CollegeCounts Board.
- Watch list status based on Watch List guidelines defined in the Investment Policy Statement.

Manager/Product Updates

Manager/Product Updates

Vanguard REIT fund changes investment objective, name, and index

Effective immediately, Vanguard® REIT Index Fund will change its investment objective and name, and begin the transition process to a new benchmark.

The new objective will allow the fund to invest in a wider array of real estate-related securities such as certain specialized REITs and real estate management and development companies. Accordingly, the fund will change its benchmark from the MSCI US REIT Index to the MSCI US Investable Market Real Estate 25/50 Index.

To ensure a smooth transition to the new benchmark, the fund will temporarily track the MSCI US Investable Market Real Estate 25/50 Transition Index. The fund is expected to complete the transition to the MSCI US Investable Market Real Estate 25/50 Index over a period of roughly six months, which will end in the third quarter of 2018.

With the adoption of the transition index, the fund's name has changed to more accurately reflect its underlying investments.

<i>Previous name</i>	<i>New name</i>
Vanguard REIT Index Fund	Vanguard Real Estate Index Fund

Vanguard does not expect the transition to result in material capital gains distributions to the fund's shareholders. However, actual results will depend on multiple variables, most importantly market conditions during the time of the transition.

Watch List

Watch List

The following Funds are recommended to be added to the Watch List:

None at this time.

The following Funds are recommended to be removed from the Watch List:

None at this time.

The following Funds are recommended to remain on the Watch List:

The BlackRock Inflation-protected Bond Fund (Advisor Plan)

Availability:	This fund is an individual option.
Issue:	Short-term performance has been in the Monitor range for more than 6 consecutive months and qualifies for “Watch” status according to the short-term performance criteria.
Analysis:	N/A
Recommendation:	Watch list
Date on Watch:	August 2015
Plan Assets:	\$2,161,016

Templeton International Bond Fund (Advisor Plan)

Availability:	This fund is offered as an individual option and an underlying fund.
Issue:	Underperformance
Analysis:	The Fund underperformed for the 4 th quarter lagging the benchmark by 3.48% and ranking in the 96 th percentile among peers. Prior to the last three quarters, performance had improved significantly which impacts the longer-term periods. The portfolio lags the benchmark by 0.80% for the last 3 years.
Recommendation:	Watch list
Date on Watch:	August 10, 2016
Plan Assets:	\$41,317,327 Combined Assets

Touchstone High Yield Fund (Advisor Plan)

Availability:	This fund is offered as an individual option and an underlying fund.
Issue:	Underperformance
Analysis:	The Fund lags the benchmark by 1.85% for the last 3 years and ranks in the 92 nd percentile among peers. This quarter the Fund lags the High Yield II Index by 0.28% and ranked in the 87 th percentile of Callan High Yield Mutual Fund peer group.
Recommendation:	Watch list
Date on Watch:	August 10, 2016
Plan Assets:	\$42,984,256

American Century Equity Growth Fund (Advisor Plan)

Availability:	This fund is offered as an individual option
Issue:	Underperformance
Analysis:	The Fund lags the S&P 500 Index by 1.45% for the last 5 years and by 2.50% for the last three years. The Fund also ranks in the 80 th percentile among peers for the three-year time-period. The Fund outperformed the S&P 500 by 0.29% for the one year period and ranks in the 40 th percentile. This quarter the Fund beat the S&P 500 Index by 0.18% and ranked in the 29 th percentile of its peer group. The longer-term underperformance is driven by the significant underperformance in 2015 and first half of 2016.
Recommendation:	Watch list
Date on Watch:	August 10, 2016
Plan Assets:	\$5,772,306

Voya Global Real Estate Fund (Advisor Plan)

Availability:	This fund is offered as an individual option and an underlying fund.
Issue:	Underperformance
Analysis:	The Fund lags the benchmark by 1.52% for the last 3 years and ranks in the bottom quartile among peers. Over the one year period the fund beat the benchmark by 0.07% and ranked in the 70 th percentile. This quarter the Fund outperformed the benchmark by 1.21% and ranked in the 13 th percentile of the peer group.
Recommendation:	Watch list
Date on Watch:	August 10, 2016
Plan Assets:	\$21,421,283 Combined Assets

T. Rowe Price Real Estate (Advisor Plan)

Availability:	This fund is offered as an individual option
Issue:	Underperformance
Analysis:	During the fourth quarter the Fund had a return of 3.28% which beat the benchmark by 1.87% and ranked in the 24 th percentile of Callan's REIT Mutual Fund peer group. For the one year period, the Fund trailed the benchmark by 0.65% and ranked in the 63 rd percentile of peers. The 3-year return trails the benchmark by 0.30% and ranks in the 56 th percentile of peers.
Recommendation:	Watch list
Date on Watch:	May 17, 2017
Plan Assets:	\$3,213,736

Lazard Emerging Markets (Advisor)

Availability:	This fund is offered as an individual option
Issue:	Underperformance
Analysis:	During the fourth quarter the Fund had a return of 6.27% which trailed the benchmark by 1.17% and ranked in the 42 nd percentile of Callan's Emerging Markets Mutual Fund peer

group. For the trailing one year period, the Fund lagged the benchmark by 9.26% and ranked in the 93rd percentile of peers. The recent underperformance has resulted in 3- and 5- year cumulative returns that are below the benchmark and median manager. The 3-year return trails the benchmark by 1.90% and ranks in the 85th percentile of peers.

Recommendation: Watch list
Date on Watch: August 16, 2017
Plan Assets: \$26,720,490

Watch List Criteria

Watch List Criteria

Performance Objectives

The Board shall evaluate investment performance on a quarterly basis relative to an assigned benchmark and peer group. Each individual fund portfolio will have an assigned benchmark and peer group and the multi-fund portfolios will have a blended benchmark.

Passive Options:

The objective of an index fund is to match the performance of its benchmark with minimal tracking error. As a result, the evaluation of index funds will focus on their ability to match the return of the benchmark on a gross-of-fee basis and to do so with minimal tracking error.

Active Options:

The objective of an actively managed fund is to outperform its benchmark over longer periods on a net-of-fee basis. Longer periods will be defined as 3 to 5 years or a full market cycle for measuring purposes. The specific objectives are as follows:

- Outperform its benchmark and rank in the top half of its peer group over the trailing 3 to 5 years or a full market cycle.
- Demonstrate percentile risk-adjusted performance above the 75th percentile as measured against its peer group over the trailing 3 to 5 years or a full market cycle.

Multi-Fund Options:

Since it is not feasible to replace the entire suit of multi-fund offerings, performance evaluation will focus on the underlying funds that are causing the under- or outperformance of the overall portfolio.

Watch List Standards

A number of factors may contribute to a portfolio's over- or under-performance at any given time, including market dynamics, investment skill, chance or a combination thereof. Because a portfolio's performance might be attributable to factors that do not reflect deficiencies in skills, strategy or investment philosophy/process, it may be unwise to recommend termination solely because a portfolio performs below expectations for a certain period of time. A "Watch List" will be utilized to identify those portfolios whose performance or other factors are cause for further assessment, possible termination, or other action by the Board.

A portfolio may be placed on Watch and an appropriate review and analysis of the investment manager may be conducted, when one or more of the following events occur:

- The portfolio fails to meet the performance objectives outlined in this Statement;
- There is a change in the investment manager's organization, investment philosophy and/or personnel;
- There is a significant change in the investment manager's assets under management in the product or firm-wide;
- There is an indication that the investment manager is deviating from his/her stated style and/or strategy;

- There is a significant increase in the portfolio's fees or expenses;
- There are legal, SEC and/or other regulatory agency proceedings affecting the manager; and/or
- Any issue or event deemed relevant by the Board.

The Board may decide to take no action or it may vote to place the individual fund portfolio on Watch. In making this decision, the Board may use quantitative or qualitative information or a combination of both. Once on Watch, the individual fund portfolio will be monitored closely. Specifically, the Program Manager will provide a quarterly report explaining causes of underperformance or improvement. Additionally, the Investment Consultant will monitor the individual fund portfolio carefully and provide additional reports as necessary. This increased level of monitoring continues quarter-by-quarter until the Board releases the individual fund portfolio from Watch or takes other corrective actions.