

Plan Investment Review

STARS

For period ending December 31, 2012

Ed Wagner Registered Representative with and securities offered through Cetera Advisor NetWorks, member SIPC
1920 Main Street, Suite 800, Irvine, CA 92614 | T 949.955.1695 | SageView is not affiliated with Cetera Advisor .



Table of Contents



Section - I	Market Overview	5
	Industry Analysis	
Section - II	Investment Summary	27
	Fund Performance Summary	
	Investment Watch List Summary	
	Historical IPS Ranking	
	Historical IPS Ranking for Alternatives	
	Historical IPS Ranking for Additions	
	IPS Performance Analysis	
Section - III	Portfolio Summary	47
	Portfolio Return vs. Custom Benchmark Overlap	
	Management Style Analysis	
	Style Map	
Section - IV	Plan Asset Allocation	61
	Asset Allocation by Fund	
	Portfolio Composition and Sector Weightings	



Table of Contents



Section - V	Mutual Fund Performance	65
	Mutual Fund Performance	
Section - VI	Appendix	147
	Quarterly Investment Analysis Criteria	
	Glossary of Terms	



Section I

Market Overview

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

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

Major Headlines From the Quarter

- » **Global stock markets mostly finished higher ...**
 - The three major U.S. equity benchmarks finished slightly down in Q4, but posted strong double digit returns for the year
 - International equity markets rallied in Q4 and outpaced domestic markets for the year
- » **President Obama was reelected to a second term ...**
 - Lawmakers reached an agreement to increase taxes on high-income earners, but leave them at current levels for 99% of households
 - The “payroll tax holiday” expired for all workers resulting in lower paychecks
- » **Fiscal cliff was barely avoided, but not resolved ...**
 - Policy makers still have to bring spending under control and raise the debt ceiling
- » **Global central banks maintained loose monetary policy ...**
 - The Federal Reserve adopted explicit unemployment and inflation rate targets
 - Newly elected Prime Minister of Japan urged more action to end Japan’s deflationary spiral; Bank of Japan expanded its asset purchase program for the fifth time in 2012
- » **U.S. economic indicators were modestly positive ...**
 - Job gains steadily continued
 - Housing market continued to improve and consumer confidence hit a four-year high
- » **European sovereign debt crisis calmed down, but remained unresolved ...**



Economic Overview

- » **GDP** grew at an annualized rate of 3.1% in Q3 (on par with long-run average). Growth reflected contributions from personal consumption expenditures (PCE), residential fixed investment, federal government spending, inventories and exports. Damage from Hurricane Sandy likely impacted Q4 growth, which is expected to be below 2.0%.
- » **Employment** growth continued in Q4. Steady job gains continued but were not fast enough to meaningfully lower the unemployment rate. The unemployment rate finished the quarter unchanged at 7.8%.
- » **Consumer** spending on an annualized basis increased to its fastest pace in over 12 months at the end of November. Declining gasoline prices and overall lower inflation increased real disposable incomes in the fourth quarter.
- » **Inflation** slowed during the quarter due to falling gas prices. Declining energy prices accounted for the majority of the fall in both consumer and producer prices in November.
- » **Confidence** by consumers reached a four-year high, but declined towards the end of 2012 as uncertainty surrounding the fiscal cliff dominated the headlines.
- » **Housing** market continued to show signs of improvement as inventory levels declined and home prices increased on a year-over-year basis. The Federal Reserve's continued purchases of mortgage backed securities helped keep mortgage rates near historic lows.
- » **Commercial Real Estate** markets held steady in the face of the sluggish economic recovery. Office vacancy rates continued to decline and the apartment market continued with its strong improvement.



Economic Scoreboard



Corporate Profits S&P 500 operating earnings reached new all-time highs, as earnings growth increased somewhat surprisingly despite having slowed the first two quarters of 2012. Forecasts for earnings growth in 2013 appear overly optimistic, as companies have likely reached their limit of growing earnings through cost cutting strategies and top line growth will be needed.

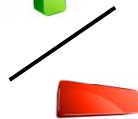
Interest Rates The Federal Reserve announced additional bond purchases and maintained its commitment to keep short-term interest rates low until specific unemployment and inflation targets are met.

US Growth Economic growth was 3.1% in Q3, extending the string of quarterly gains to thirteen. Increasing tax rates and further government spending cuts will likely limit growth in 2013.



Consumer Spending Consumers continued to spend throughout the holidays as the slowly improving housing market, lower gas prices and some discounting supported spending.

Inflation Both consumer and producer prices declined in Q4, with the majority of the decline coming from falling energy prices, which offset all other price increases.



Employment Steadily expanding job market continued in Q4 and the unemployment remained at 7.8%, the lowest level since December 2008.

Financial Conditions Central banks continued supporting modest weak global economic conditions. The Federal Reserve and European Central Bank continued with their proposed open-ended monetary stimulus to support economic and financial conditions in their respective economies.

Housing Inventory levels declined and prices rose during Q4. The Fed's monetary stimulus targeting mortgage backed securities should keep mortgage rates near record lows.

Commercial Real Estate Despite some price fluctuation during Q3 due to political uncertainty, declining vacancy rates and continued leasing activity show signs of strength in the commercial real estate market.



Fiscal Drag The "fiscal cliff" in its entirety was avoided, though markets were not unscathed. The agreed upon plan was far less than optimal and may result in economic weakness going forward.



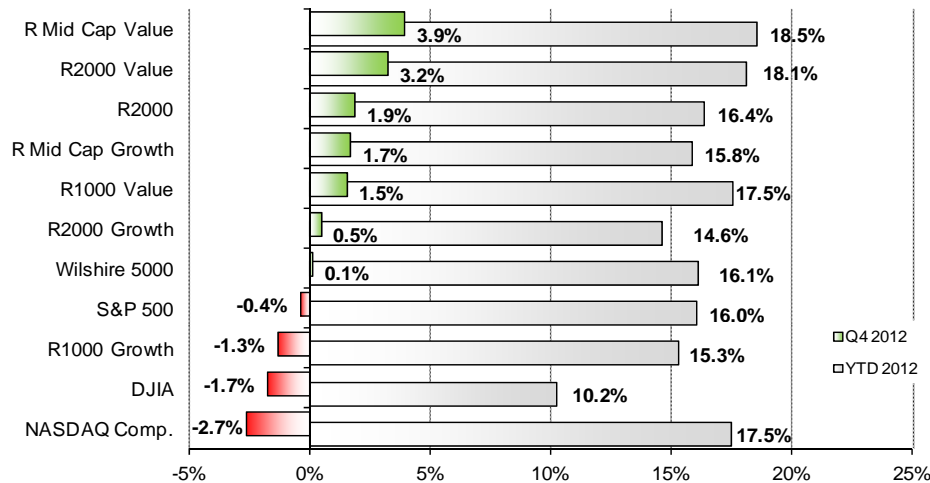
Financial Markets Overview

- » The three broad U.S. equity benchmarks (S&P 500, Dow Jones, NASDAQ) declined during the quarter, but other U.S. equity benchmarks actually rose as investors digested the outcome of the presidential election and impending fiscal cliff.
- » International equities outperformed domestic markets as risks about slowing economic growth in China and European debt problems subsided.
- » Despite several significant downside risks (U.S. fiscal cliff, European debt problems and threat of global recession) global equity markets remarkably posted double-digit returns in 2012.
- » The U.S. dollar declined during the quarter against a basket of major currencies due to Federal Reserve's additional monetary stimulus.
- » Higher risk sectors within the credit market performed well as investors sought higher yields and central banks around the globe maintained their easy monetary policies or announced additional measures.
- » Commodities declined despite global central banks maintaining their easy monetary policies. Gold suffered some steep declines despite a weaker dollar and the price of crude oil finished the quarter essentially flat.



US Equities ... a decent quarter

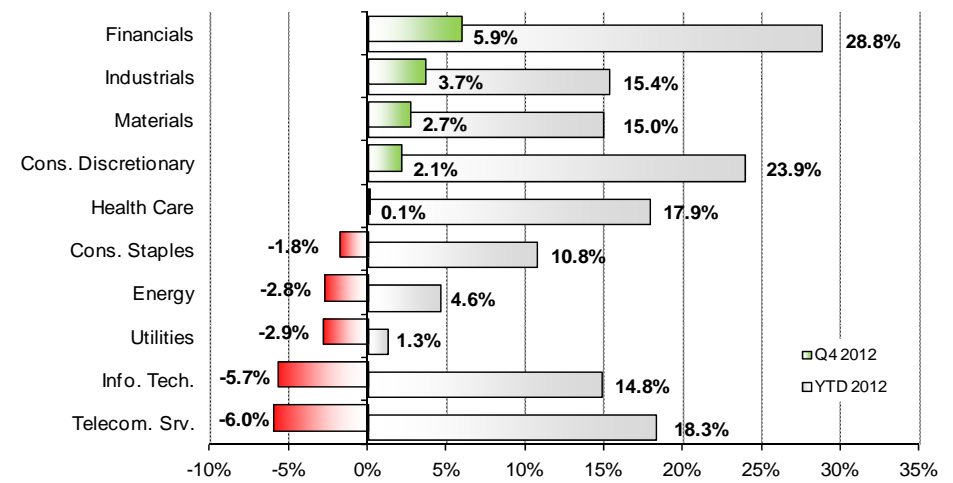
Performance of Major U.S. Equity Indexes, Q4 2012 and YTD 2012



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

- » The S&P 500 Index declined 0.38% during Q4 as fiscal issues in the U.S. dominated the headlines, but finished 2012 higher by 16%.

S&P 500 Sector Returns, Q4 2012 and YTD 2012



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

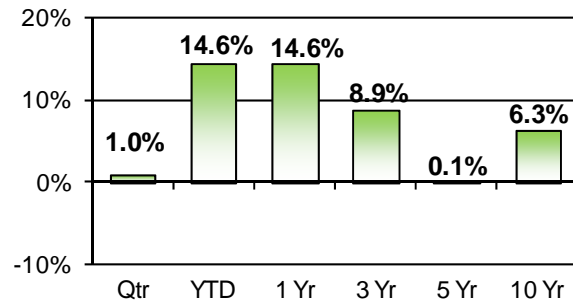
- » Cyclically sensitive sectors led the way in Q4 despite very moderate economic growth conditions.
- » The financials sector was a standout both in Q4 and for all of 2012 as low valuations at the start of the year supported the strong performance of these stocks.

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

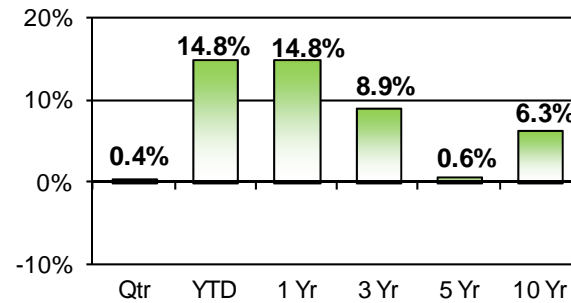


US Equities Category Performance

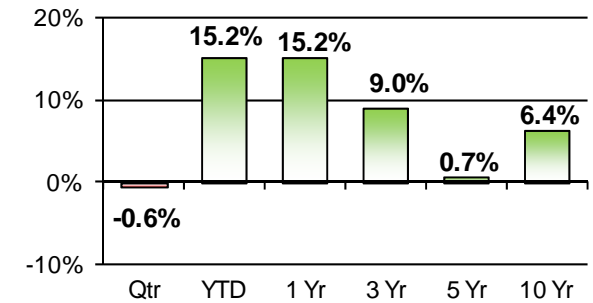
Large Cap Value



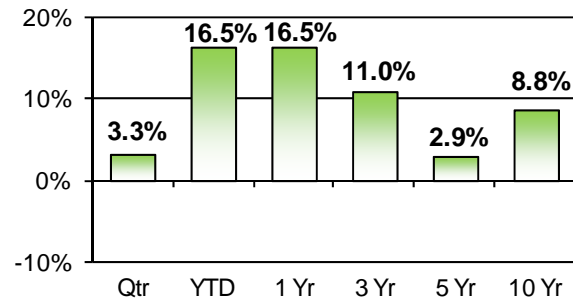
Large Cap Blend



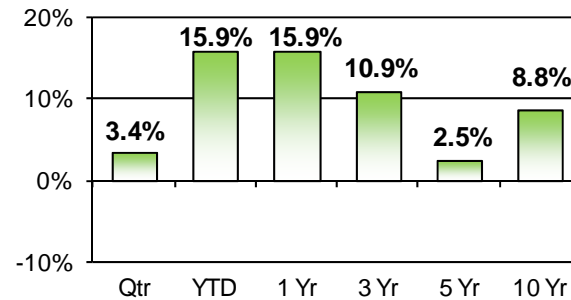
Large Cap Growth



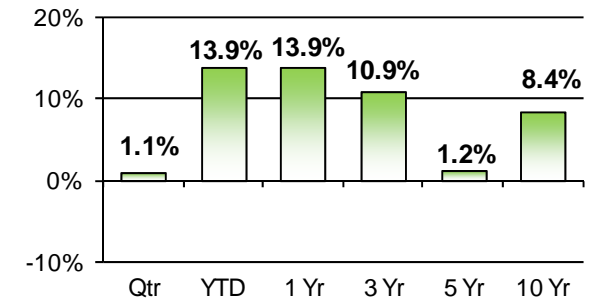
Mid Cap Value



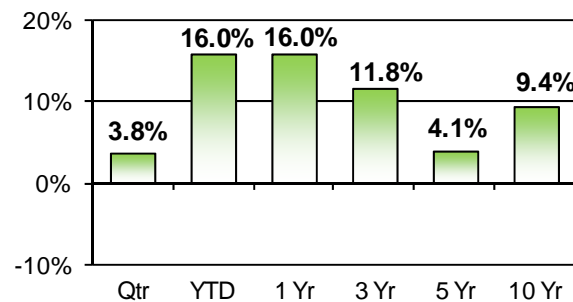
Mid Cap Blend



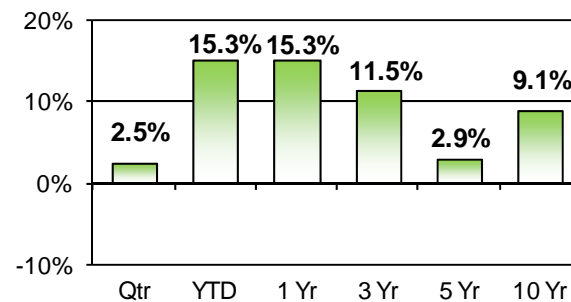
Mid Cap Growth



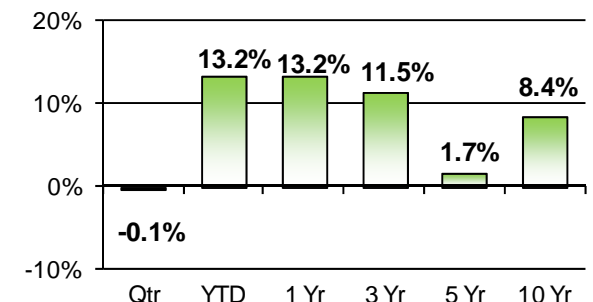
Small Cap Value



Small Cap Blend



Small Cap Growth



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



US Equity Valuation Metrics

S&P 500 Index Forward Valuation Measures

Metric	As of	1-year	Historical Averages		
	Dec-2012	Ago	5-yr.	10-yr.	15-yr.
Price to Earnings	12.5x	11.8	12.8	14.2	16.7
Price to Book	2.3x	2.1	2.2	2.5	3.0
Price to CF	8.5x	8.1	8.4	9.7	11.0
Price to Sales	1.2x	1.1	1.1	1.3	1.5
Dividend Yield	2.4%	2.3	2.3	2.1	1.9

Source: S&P, FactSet, JP Morgan Asset Management.

P/E is the S&P 500 Index divided by consensus analyst estimates of EPS for next 12 months.

P/B is price divided by book value per share. Data post-1992 include intangibles and are provided by S&P.

Price to CF is most recent price divided by consensus analyst estimates of cash flow per share for next 12 months.

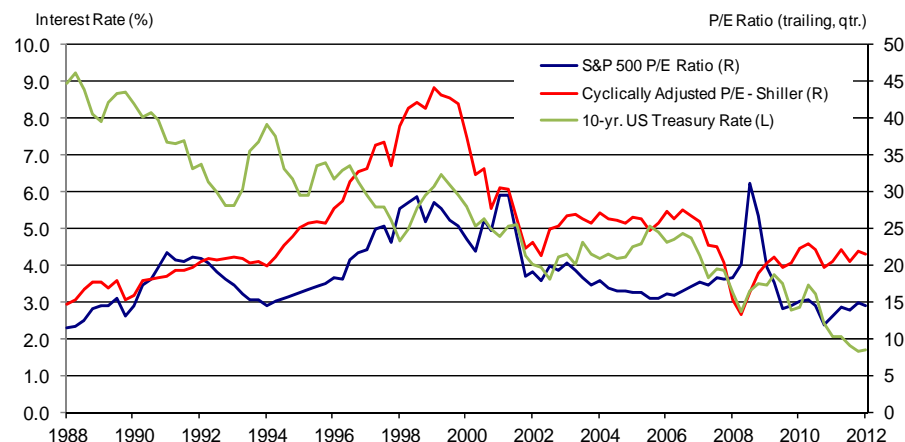
P/S is calculated as price divided by consensus analyst estimates of sales per share for next 12 months.

Dividend Yield is calculated as consensus analyst estimates of dividends for the next 12 months divided by price.

- » Current forward multiple metrics showed the S&P 500 Index to be fairly valued at the end of Q4 compared to 5-year historical averages, but slightly undervalued relative to 10 and 15-year historical averages.
- » From a bottom-up perspective, analysts are estimating companies in the S&P 500 to earn nearly \$112 in operating earnings per share for all of 2013, an estimate that has been lowered throughout 2012. For all of 2012 earnings are estimated to come in at \$99.¹

¹ Standard & Poor's.

S&P 500 Index Trailing P/E Ratio, Cyclically Adjusted P/E and 10-yr Treasury: 1988 - 2012



Source: Standard & Poor's, Robert Shiller, Federal Reserve. Data as of December 31, 2012.

Note: P/E is the S&P 500 Index divided by the last four completed quarters of operating earnings except for the most recent quarter which uses an estimate of operating earnings.

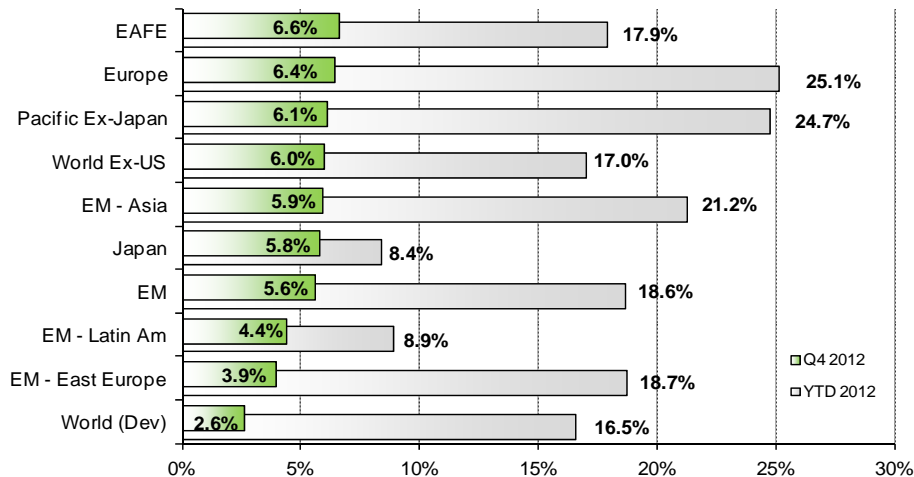
Implied S&P 500 Index Levels

P/E ratio	Operating Earnings (\$/shr)				
	\$80	\$90	\$100	\$105	\$110
10x	800	900	1,000	1,050	1,100
11x	880	990	1,100	1,155	1,210
12x	960	1,080	1,200	1,260	1,320
13x	1,040	1,170	1,300	1,365	1,430
14x	1,120	1,260	1,400	1,470	1,540
15x	1,200	1,350	1,500	1,575	1,650
16x	1,280	1,440	1,600	1,680	1,760
17x	1,360	1,530	1,700	1,785	1,870
18x	1,440	1,620	1,800	1,890	1,980
19x	1,520	1,710	1,900	1,995	2,090
20x	1,600	1,800	2,000	2,100	2,200



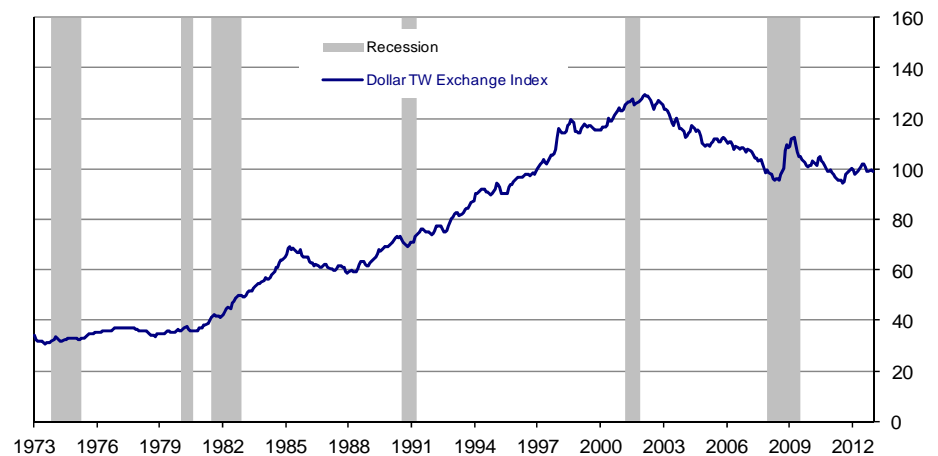
International Equities ... a strong rebound

International Equity Market Returns, Q4 2012 and YTD 2012



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

Dollar Trade Weighted Exchange Index for Broad Currencies: 1973 - 2012



Source: Federal Reserve, FRED. Data as of December 31, 2012.

- » International markets continued their strong performance in Q4 as steps the European Central Bank took in mid-year continued to have a positive impact.
- » In Q4 international markets again outperformed domestic markets after earlier declines in 2012.

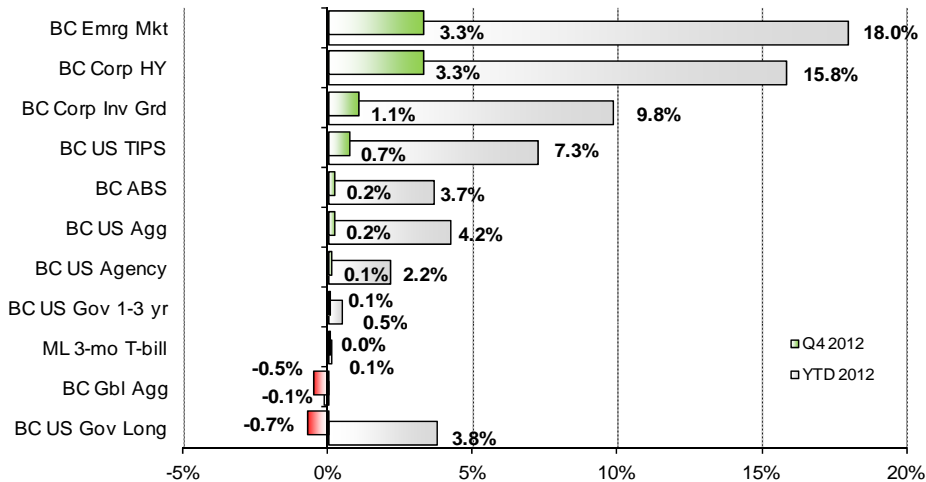
- » Emerging market equities benefited from the monetary easing by central banks and potential signs of improved economic stability.
- » Emerging markets continued to show better growth and lower leverage relative to developed markets.

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



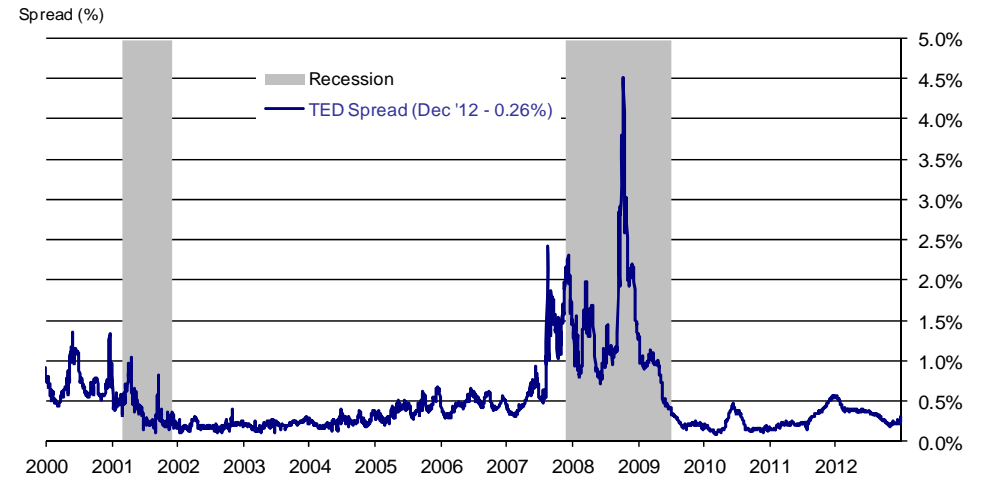
Fixed Income ... risk sectors rallied

Fixed Income Returns, Q4 2012 and YTD 2012



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

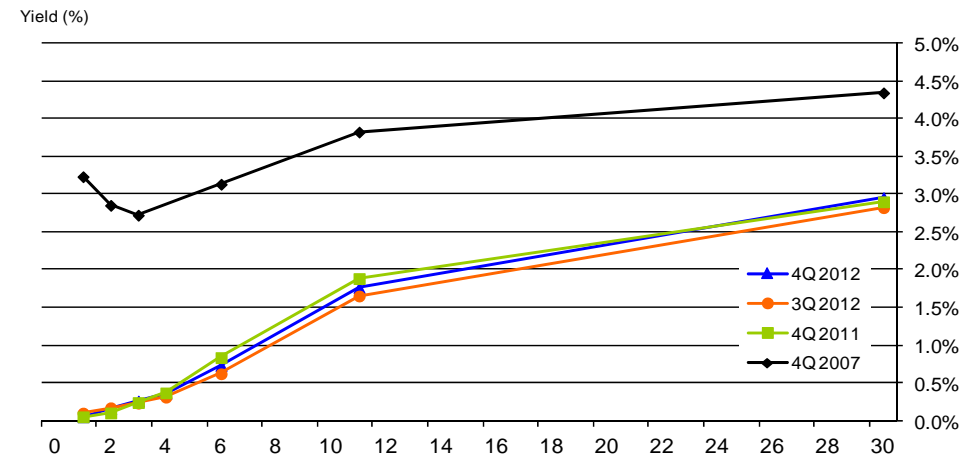
TED Spread (3-mo LIBOR - 3-mo T-bill): 2000 - 2012



Source: Board of Governors of the Federal Reserve System and mortgage-x.com/WSJ. Data as of Dec-2012.

- » Aggressive monetary policy from the Federal Reserve continued as it announced specific inflation and unemployment targets for keeping short-term rates low.
- » Fed's zero interest rate policy has forced investors to search for yield in other asset classes, potentially leading to higher inflation and market dislocations in the future.

U.S. Treasury Yield Curve



Source: WSJ Market Data. Data as of respective quarter end.

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



Commodities ... a down quarter

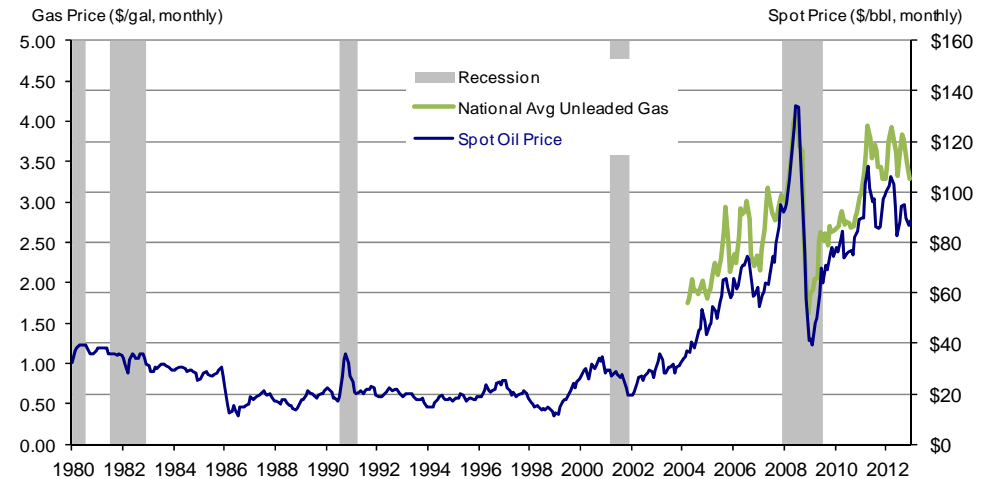
Dow Jones UBS Commodity Spot Index (DJUBSSP): 1991 - 2012



Source: Dow Jones. Data as of December 31, 2012.

- » The Dow Jones UBS Commodity Index fell 6.4% during the quarter despite additional accommodative monetary policies by central banks around the globe and a decline of the dollar.
- » Grains went from being the best performing sector group in Q3 to being the worst in Q4, losing 11.6% as government forecasts indicated better supply conditions.

U.S. National Average Gas Price (Unleaded) and Spot Oil Price (WTI): 1980 - 2012



Source: Dow Jones & Co., AAA, and Bloomberg. Data as of Dec-2012.

- » Gold prices declined 5.6% despite continued easy monetary policies by central banks around the globe. Precious metals sector suffered its worst decline in four years.
- » Oil prices declined slightly (-0.4%) as seasonally slower demand outweighed continued geopolitical tensions in the Middle East. The U.S. is starting to benefit from fracking exploration efforts.



Asset Class Returns

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	4Q12	10-yrs '03 - '12 Cum.	Ann.
MSCI EME 56.3%	REITs 31.6%	MSCI EME 34.5%	REITs 35.1%	MSCI EME 39.8%	Barclays Agg 5.2%	MSCI EME 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	MSCI EAFE 6.6%	MSCI EME 376.0%	MSCI EME 16.9%
Russell 2000 47.3%	MSCI EME 26.0%	DJ UBS Cmdty 21.4%	MSCI EME 32.6%	DJ UBS Cmdty 16.2%	Cash 1.8%	MSCI EAFE 32.5%	Russell 2000 26.9%	Barclays Agg 7.8%	MSCI EME 18.6%	MSCI EME 5.6%	REITs 204.6%	REITs 11.8%
MSCI EAFE 39.2%	MSCI EAFE 20.7%	MSCI EAFE 14.0%	MSCI EAFE 26.9%	MSCI EAFE 11.6%	Market Neutral 1.1%	REITs 28.0%	MSCI EME 19.2%	Market Neutral 4.5%	MSCI EAFE 17.9%	REITs 3.1%	Russell 2000 152.8%	Russell 2000 9.7%
REITs 37.1%	Russell 2000 18.3%	REITs 12.2%	Russell 2000 18.4%	Market Neutral 9.3%	Asset Alloc. -24.0%	Russell 2000 27.2%	DJ UBS Cmdty 16.8%	S&P 500 2.1%	Russell 2000 16.3%	Russell 2000 1.9%	MSCI EAFE 130.3%	MSCI EAFE 8.7%
S&P 500 28.7%	Asset Alloc. 12.5%	Asset Alloc. 8.3%	S&P 500 15.8%	Asset Alloc. 7.4%	Russell 2000 -33.8%	S&P 500 26.5%	S&P 500 15.1%	Cash 0.1%	S&P 500 16.0%	Asset Alloc. 1.3%	Asset Alloc. 117.7%	Asset Alloc. 8.1%
Asset Alloc. 25.1%	S&P 500 10.9%	Market Neutral 6.1%	Asset Alloc. 15.2%	Barclays Agg 7.0%	DJ UBS Cmdty -35.6%	Asset Alloc. 22.2%	Asset Alloc. 12.5%	Asset Alloc. -0.6%	Asset Alloc. 11.2%	Barclays Agg 0.2%	S&P 500 98.6%	S&P 500 7.1%
DJ UBS Cmdty 23.9%	DJ UBS Cmdty 9.1%	S&P 500 4.9%	Market Neutral 11.2%	S&P 500 5.5%	S&P 500 -37.0%	DJ UBS Cmdty 18.9%	MSCI EAFE 8.2%	Russell 2000 -4.2%	Barclays Agg 4.2%	Cash 0.0%	Barclays Agg 65.8%	Barclays Agg 5.2%
Market Neutral 7.1%	Market Neutral 6.5%	Russell 2000 4.6%	Cash 4.8%	Cash 4.8%	REITs -37.7%	Barclays Agg 5.9%	Barclays Agg 6.5%	MSCI EAFE -11.7%	Cash 0.1%	Market Neutral 0.0%	Market Neutral 60.2%	Market Neutral 4.8%
Barclays Agg 4.1%	Barclays Agg 4.3%	Cash 3.0%	Barclays Agg 4.3%	Russell 2000 -1.6%	MSCI EAFE -43.1%	Market Neutral 4.1%	Cash 0.1%	DJ UBS Cmdty -13.3%	Market Neutral 0.0%	S&P 500 -0.4%	DJ UBS Cmdty 49.3%	DJ UBS Cmdty 4.1%
Cash 1.0%	Cash 1.2%	Barclays Agg 2.4%	DJ UBS Cmdty 2.1%	REITs -15.7%	MSCI EME -53.2%	Cash 0.1%	Market Neutral -0.8%	MSCI EME -18.2%	DJ UBS Cmdty -1.1%	DJ UBS Cmdty -6.3%	Cash 18.2%	Cash 1.7%

Source: Russell, MSCI, Dow Jones, Standard & Poor's, Credit Suisse, Barclays Capital, NAREIT, FactSet, J.P. Morgan Asset Management. The "Allocation" portfolio assumes the following weights: 25% in S&P 500, 10% in Russell 2000, 15% in MSCI EAFE, 5% in MSCI EMI, 30% in Barclays Capital Aggregate, 5% in Barclays 1-3m Treasury, 5% in CS/Tremont Equity Index, 5% in DJ UBS Commodity Index and 5% in NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. All data except commodities represent total return for stated period. Past performance is not indicative of future returns. Data are as of 12/31/12, except for the CS/Tremont Equity Market Neutral Index, which reflects data through 11/30/12. "10-yrs" returns represent period of 1/1/03 - 12/31/12 showing both cumulative (Cum.) and annualized (Ann.) over the period.

Source: JPMorgan Asset Management. Data as of 12/31/2012

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



Economic Forecast

	Real Gross Domestic Product (GDP, % qtr chg, ann.)								Unemployment		Industrial Production		Cons. Prices (CPI)	
	2011	2012		2013				2012	2013 F	2012	2013 F	2012	2013 F	
		Q4 F	2012 F	Q1 F	Q2 F	Q3 F	Q4 F							2013 F
Goldman Sachs	1.8%	1.7%	1.9%	1.5%	2.0%	2.5%	2.5%	2.3%	8.1%	7.7%	4.2%	1.4%	2.1%	2.2%
Wells Fargo	1.8%	1.0%	2.2%	1.0%	1.7%	2.2%	2.4%	1.7%	8.1%	7.8%	3.6%	2.0%	2.1%	1.8%
ING	1.7%	1.0%	2.3%	0.9%	1.6%	3.1%	2.9%	1.7%	8.0%	7.8%	n/a	n/a	2.2%	2.3%
Deutsche Bank	1.8%	1.3%	2.2%	1.5%	2.0%	2.8%	3.0%	1.9%	8.1%	7.5%	5.1%	4.5%	2.1%	2.3%
Conference Board	1.8%	0.9%	1.8%	1.4%	1.5%	2.4%	2.7%	2.0%	7.9%	7.4%	n/a	n/a	1.5%	2.1%
WSJ Forecast Survey	1.7%	1.6%	2.0%	1.7%	2.2%	2.6%	2.7%	2.3%	7.9%	7.4%	n/a	n/a	2.0%	2.0%
Actual / Current	1.7%	n/a	n/a					n/a	7.8%	n/a	1.6%	n/a	1.7%	n/a

Source: Goldman Sachs (as of 1-15-2013), Wells Fargo (as of 1-9-2013), ING (as of 1-10-2013), Deutsche Bank (as of 12-14-2012), Conference Board (as of 1-9-2013), WSJ (as of 1-1-2013).

WSJ Forecast Survey polls 53 economists. Broad surveys covering 10 major economic indicators are conducted monthly.

F = forecast

» Based on the WSJ Forecast Survey, economists maintained their projections for GDP growth for 2013, while lowering their unemployment and inflation projections.

- The average GDP forecast for Q4 fell from 1.8% last quarter to 1.6%.
- The average GDP forecast for 2012 rose from 1.7% last quarter to 2.0%.



SageView's Economic Outlook

- » The following summarizes SageView Investment Committee's outlook through the end of 2013.
 - **Economy** – Economic growth will remain a sluggish 2% to 3%. The U.S. economy remains susceptible to a decline given its only modest growth prospects.
 - **Employment** – With the expectation of very modest economic growth going forward, the unemployment rate may not improve much from current levels. Job creation is currently just keeping up with population growth.
 - **Inflation** – The slow economic conditions should keep inflation contained in the short-run. However, inflation worries loom as central banks around the globe continue with their easy monetary policies. Potentially higher commodity prices could create inflationary pressures.
 - **Interest Rates** – The Federal Reserve has expressed its desire to keep short-term interest rates low for extended period of time based on specific unemployment and inflation targets it established at the end of 2012.



Important Considerations on the Horizon

- » What will be the impact of the recently enacted tax law on economic growth and investments?
- » The U.S. just barely avoided going over the fiscal cliff, but another contentious debt ceiling debate looms. Will investors experience similar volatility as in August 2011?
- » The U.S. economy continues to grow at a moderate pace. What will be the sources of economic growth as the deficit is reduced (hopefully) and effects of fiscal stimulus fade away?
- » The Federal Reserve announced additional measures of monetary easing in hopes of bringing down the high unemployment rate in the U.S. How effective will these measures be in stimulating growth? What is the potential investment impact from these actions?
- » Have politics and current demographic realities changed the landscape of investing? How long will the current environment persist?
- » How will the sovereign debt issues in Europe be ultimately resolved? What will be the impact on the euro zone's economy and the spillover effect around the globe?



Defined Contribution Market Legislative Update

- » Tax legislation passed by Congress on January 1st allows for more conversions into Roth 401(k) and 403(b) accounts.
 - This law will allow 401(k) participants to rollover any money from their traditional 401(k) account into a Roth 401(k) account, assuming the plan sponsor has made this option available. (Some plan administrators are working on being able to implement this feature.)
 - Participant contributions to traditional 401(k) accounts are tax-deferred with taxes paid when the money is withdrawn at retirement.
 - Roth 401(k) contributions are taxed upfront, but any gains are tax-free when withdrawn later on.
 - Employees interested in converting money from the traditional 401(k) account into the Roth 401(k) will be subject to paying taxes on that amount.
- » Now that elections are over, the legislative docket will quickly revive as regulators have several outstanding items to address:
 - Consider tax-deductibility of defined contributions in ongoing budget talks
 - Investment advice for participants
 - Lifetime income options (annuities)
 - Definition of fiduciary



Defined Contribution Market Legislative Update (cont.)

- » The Internal Revenue Service (IRS) update is Employee Plans Compliance Resolution System for 403(b) plan sponsors. Some of the changes include:
 - Expanded correction options for 403(b) plan failures
 - Revised submission procedures for the Voluntary Correction Program (VCP)
 - Rules for plans subject to section 436-restricted defined benefit plans
 - Changes to safe harbor correction methods and fee structure
- » The changes essentially align the correction process of failing 403(b) plans with the same way that qualified plan failures are corrected.



Defined Benefit Legislative Update

» 2012 – Year in Review

■ MAP 21 Legislation

- » Most significant legislation enacted in 2012
- » Provided interest rate stabilization for calculating required contributions
- » Also provided relief from certain funding-based restrictions on benefit payments and benefit improvements
- » Included increases in PBGC premiums, beginning in 2013
 - From \$35 to \$42 per participant in 2013
 - From \$42 to \$49 per participant in 2014
 - Indexed thereafter

■ Trends related to pension plans

- » Continued move toward risk-reduction strategies
 - Increased conversion to Cash Balance plans
 - Annuitization of a portion of plan liabilities
 - Lump sum distributions to terminated participants
 - Ongoing de-risking strategies
 - » Duration matching
 - » Dynamic liability driven investing



Current Investment “Themes” in the Retirement Industry

- » Low interest rate environment hurting savers
- » Continued adoption of target date funds (TDFs) as a QDIA option
- » High and increased correlations between US domestic equity styles, blunting the anticipated benefit from diversification
- » Home country bias by retirement plan investors continues to persist
- » Debate between “active” and “passive” investing



Correlation Matrix

Correlation Matrix

Data for 5 year time period ending December 31, 2012

		1	2	3	4	5	6	7	8	9	10
1	S&P 500	1.00									
2	Morningstar large value	1.00	1.00								
3	Morningstar large blend	1.00	0.99	1.00							
4	Morningstar large growth	0.98	0.96	0.99	1.00						
5	Morningstar mid value	0.98	0.98	0.99	0.97	1.00					
6	Morningstar mid blend	0.97	0.97	0.98	0.98	1.00	1.00				
7	Morningstar mid growth	0.96	0.95	0.97	0.99	0.97	0.99	1.00			
8	Morningstar small value	0.95	0.96	0.96	0.93	0.98	0.98	0.94	1.00		
9	Morningstar small blend	0.96	0.96	0.97	0.96	0.99	0.99	0.97	0.99	1.00	
10	Morningstar small growth	0.95	0.94	0.96	0.97	0.97	0.99	0.99	0.97	0.99	1.00

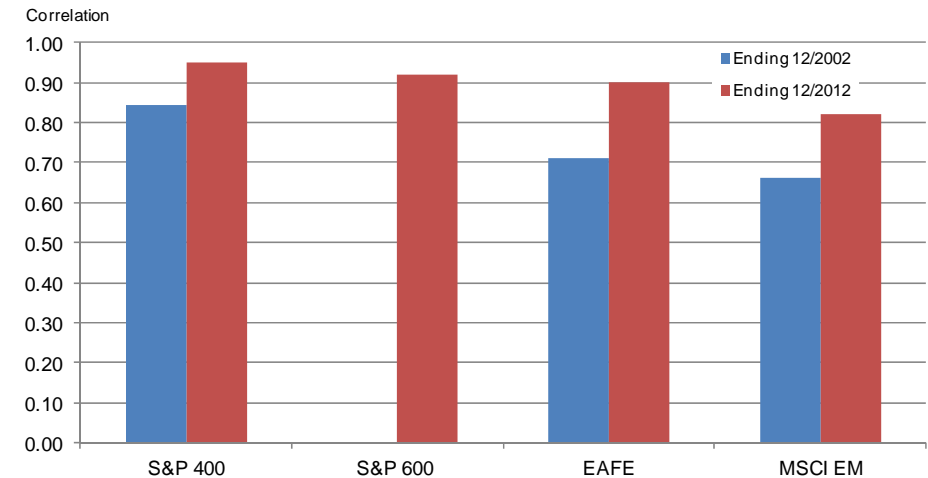
- » Correlations over the last five years among US domestic mutual funds are very high
- » Since the 9-style investment box represents the core investment lineup for the majority of retirement plan investors, diversification benefits have been minimal



Historical Correlations

Correlations		S&P 500	S&P 400 (mid cap)	S&P 600 (small cap)	EAFE (intl)	MSCI EM (emrg mkt)
S&P 500 (large cap)	10 yrs end 12/2012		0.95	0.92	0.90	0.82
	10 yrs end 12/2002		0.85	n/a	0.71	0.66
S&P 400 (mid cap)	10 yrs end 12/2012	0.95		0.97	0.86	0.82
	10 yrs end 12/2002	0.85		n/a	0.67	0.69
S&P 600 (small cap)	10 yrs end 12/2012	0.92	0.97		0.81	0.76
	10 yrs end 12/2002	n/a	n/a		n/a	n/a
EAFE (intl)	10 yrs end 12/2012	0.90	0.86	0.81		0.90
	10 yrs end 12/2002	0.71	0.67	n/a		0.66
MSCI EM (emrg mkt)	10 yrs end 12/2012	0.82	0.82	0.76	0.90	
	10 yrs end 12/2002	0.66	0.69	n/a	0.66	

Historical 10-year Correlations versus S&P 500

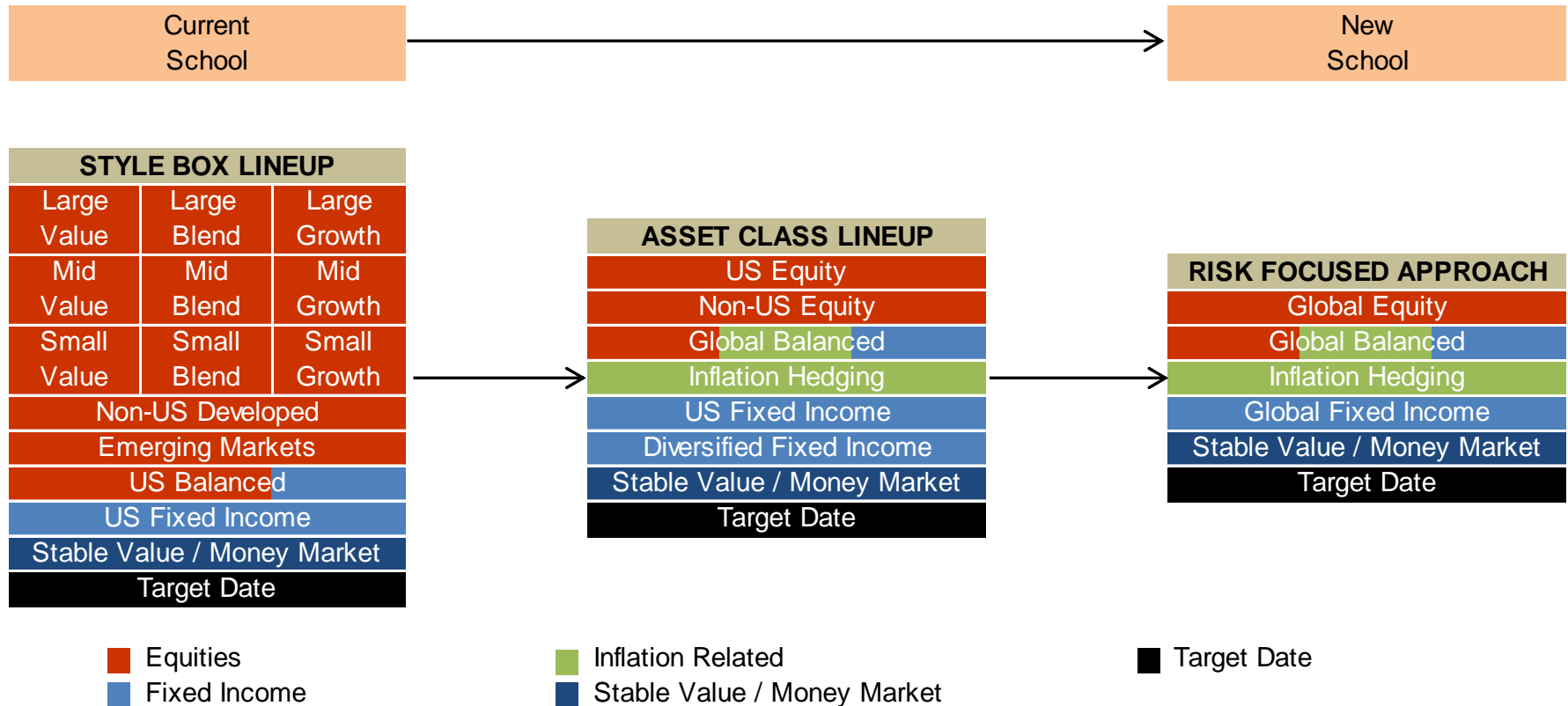


Source: Morningstar Direct.

- » Historical correlations across the major equity categories, including international, have increased over the last ten years
- » International equities provide some diversification, but the benefit has declined over the last 10 years



Evolution of Defined Contribution Lineup



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





Section II
Investment Summary

Fund Performance Summary

As of 12/31/2012

Fund Benchmark Category	Asset Class	(%) of Plan	3 Month	YTD	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Expense Ratio	Investment Policy Performance
UTC Stable Value Trust	Stable Value	35.21%	NA	NA	NA	NA	NA	NA	0.68	See Attached
Hueler Stable Value Index*			0.52	2.25	2.25	2.75	3.18	3.90		
Cat: Morningstar Stable Value			NA	NA	NA	NA	NA	NA	0.34	
DFA Intermediate Govt Fixed-Income I	Intermediate Government	7.94%	0.04	3.71	3.71	6.66	6.34	5.30	0.12	TOP QUAR
Barclays US Govt Interm TR USD*			0.03	1.73	1.73	4.25	4.51	4.10		
Cat: Morningstar Intermediate Government			-0.17	2.80	2.80	5.01	5.06	4.18	0.98	
Dodge & Cox Income	Intermediate-Term Bond	13.72%	0.97	7.94	7.94	6.62	7.00	5.64	0.43	TOP QUAR
Barclays US Agg Bond TR USD*			0.21	4.21	4.21	6.19	5.95	5.18		
Cat: Morningstar Intermediate-Term Bond			0.76	7.01	7.01	6.96	6.08	5.12	0.92	
DFA US Large Cap Value I	Large Value	1.20%	3.54	22.05	22.05	12.42	1.83	8.41	0.28	TOP QUAR
Russell 1000 Value TR USD*			1.52	17.51	17.51	10.86	0.59	7.38		
Cat: Morningstar Large Value			0.98	14.57	14.57	9.04	0.33	6.70	1.21	
Columbia Large Cap Index Z	Large Blend	7.83%	-0.42	15.78	15.78	10.69	1.53	6.95	0.20	NA
S&P 500 TR*			-0.38	16.00	16.00	10.87	1.66	7.10		
Cat: Morningstar Large Blend			0.49	14.96	14.96	9.05	0.68	6.64	1.18	
Fidelity Contrafund	Large Growth	2.82%	-1.59	16.26	16.26	10.73	1.97	9.68	0.81	TOP QUAR
Russell 1000 Growth TR USD*			-1.32	15.26	15.26	11.35	3.12	7.52		
Cat: Morningstar Large Growth			-0.65	15.34	15.34	9.29	1.13	7.14	1.28	
Neuberger Berman Socially Resp Inv	Large Growth	1.53%	1.77	10.95	10.95	9.77	1.13	7.89	0.89	3RD QUAR
Russell 1000 Growth TR USD*			-1.32	15.26	15.26	11.35	3.12	7.52		
Cat: Morningstar Large Growth			-0.65	15.34	15.34	9.29	1.13	7.14	1.28	
Vanguard Mid-Cap Value Index Inv	Mid-Cap Value	4.24%	3.53	15.91	15.91	11.96	4.12	NA	0.24	NA
Russell Mid Cap Value TR USD*			3.93	18.51	18.51	13.39	3.79	10.63		
Cat: Morningstar Mid-Cap Value			3.35	16.60	16.60	10.77	2.87	9.14	1.33	

*Investment Policy Benchmark

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



Fund Performance Summary

As of 12/31/2012

Fund Benchmark Category	Asset Class	(%) of Plan	3 Month	YTD	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Expense Ratio	Investment Policy Performance
Columbia Mid Cap Index Z	Mid-Cap Blend	10.43%	3.51	17.56	17.56	13.40	5.01	10.40	0.21	NA
S&P MidCap 400 TR*			3.61	17.88	17.88	13.62	5.15	10.53		
Cat: Morningstar Mid-Cap Blend			3.38	16.15	16.15	10.83	2.26	8.88	1.30	
Columbia Mid Cap Growth Z	Mid-Cap Growth	2.76%	-1.05	11.03	11.03	11.28	2.13	9.29	0.98	2 ND QUAR
Russell Mid Cap Growth TR USD*			1.69	15.81	15.81	12.91	3.23	10.32		
Cat: Morningstar Mid-Cap Growth			1.17	14.07	14.07	11.08	1.72	9.01	1.39	
DFA US Targeted Value I	Small Value	3.94%	4.63	19.19	19.19	12.95	4.70	11.24	0.38	2 ND QUAR
Russell 2000 Value TR USD*			3.22	18.05	18.05	11.57	3.55	9.50		
Cat: Morningstar Small Value			3.75	16.00	16.00	11.04	4.21	9.97	1.45	
Columbia Small Cap Index Z	Small Blend	0.26%	2.17	16.19	16.19	13.86	5.09	10.31	0.22	NA
Russell 2000 TR USD*			1.85	16.35	16.35	12.25	3.56	9.72		
Cat: Morningstar Small Blend			2.54	15.46	15.46	11.88	3.09	9.30	1.36	
Vanguard Small Cap Growth Index Inv	Small Growth	0.37%	1.91	17.52	17.52	14.77	5.17	11.02	0.24	NA
MSCI US Small Cap Growth GR USD*			1.91	17.57	17.57	14.81	5.17	11.62		
Cat: Morningstar Small Growth			-0.03	13.15	13.15	11.73	2.53	9.13	1.50	
Nuveen Real Estate Secs A	Real Estate	0.24%	2.45	18.07	18.07	18.31	7.00	13.15	1.29	TOP DEC
DJ US Select REIT TR USD*			2.31	17.12	17.12	17.94	5.08	11.48		
Cat: Morningstar Real Estate			2.32	17.60	17.60	17.29	4.86	10.66	1.39	
American Funds Capital World G/I R5	World Stock	0.99%	4.11	19.50	19.50	6.18	-0.38	10.52	0.50	2 ND QUAR
MSCI World GR USD*			2.63	16.54	16.54	7.53	-0.60	8.08		
Cat: Morningstar World Stock			3.42	15.84	15.84	6.66	-0.80	8.36	1.46	
Dodge & Cox International Stock	Foreign Large Blend	5.53%	9.06	21.03	21.03	4.96	-1.89	11.63	0.64	TOP QUAR
MSCI ACWI Ex USA NR USD*			5.85	16.83	16.83	3.87	-2.89	9.74		
Cat: Morningstar Foreign Large Blend			6.50	18.29	18.29	3.89	-3.59	7.91	1.40	

*Investment Policy Benchmark

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



Fund Performance Summary

As of 12/31/2012

Fund Benchmark Category	Asset Class	(%) of Plan	3 Month	YTD	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Expense Ratio	Investment Policy Performance
Vanguard Wellington Inv	Moderate Allocation	1.00%	0.96	12.57	12.57	9.05	4.25	8.20	0.27	TOP DEC
40% BC Aggregate and 60% Russell 1000 Value*			1.00	12.17	12.17	9.34	3.21	6.83		
Cat: Morningstar Moderate Allocation			1.13	11.71	11.71	7.70	2.32	6.40	1.33	

*Investment Policy Benchmark

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

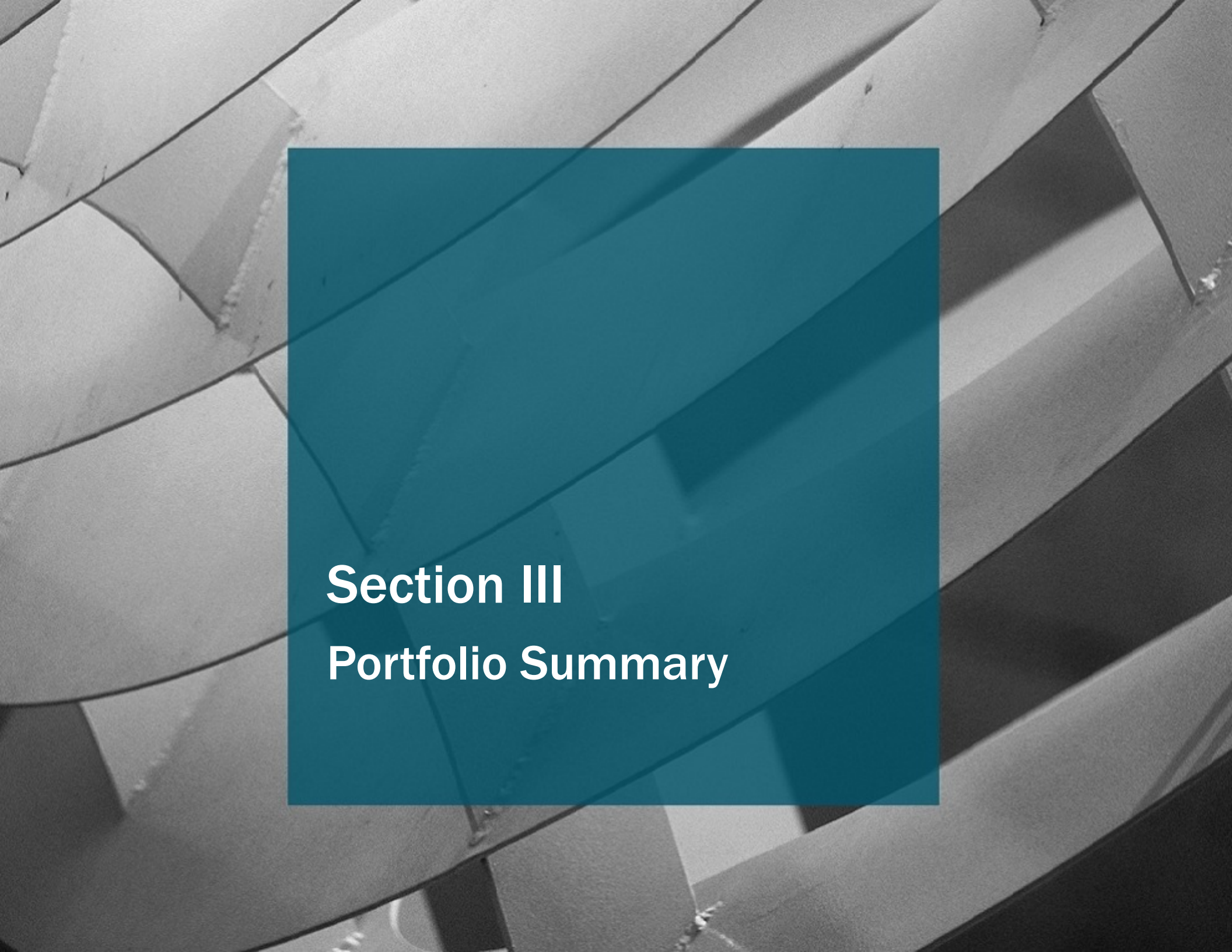


Investment Watch List Summary

Fund Name % of Plan Assets Category	On Watch List Since	Comments	Recommendation
Neuberger Berman Socially Resp Inv 1.53 Large Growth	03/31/2012	-	Continue On Watch

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



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

Section III

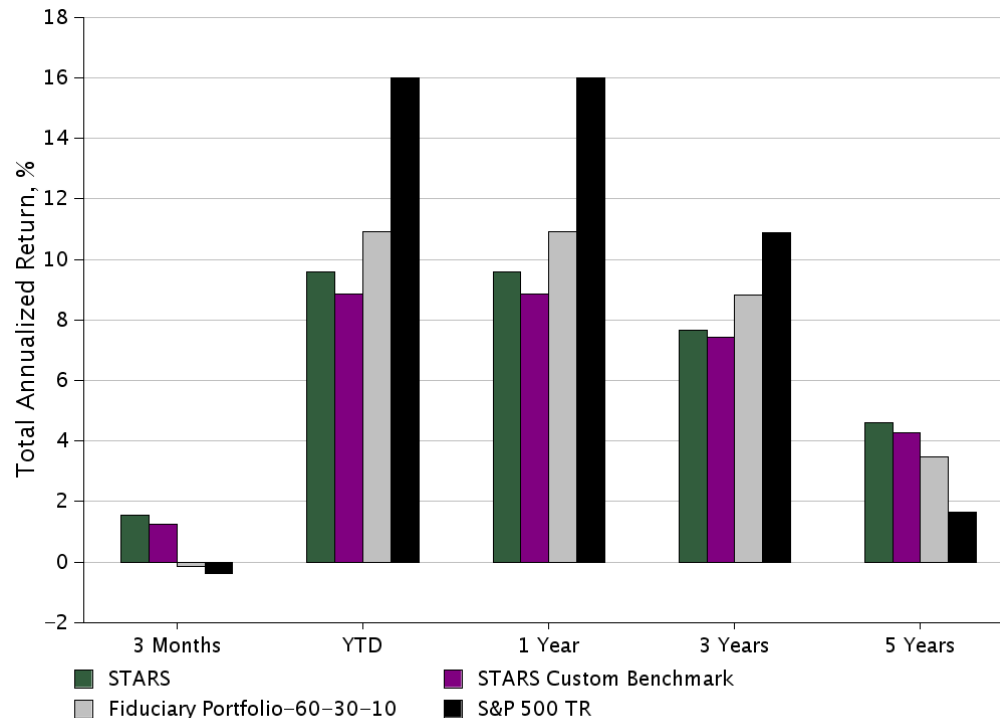
Portfolio Summary

Portfolio Return vs. Custom Benchmark

As of 12/31/2012

Performance As Of December 31, 2012	3 Month	YTD	1 Year	3 Year	5 Year	Alpha 5 Yr	Sharpe 5Yr	Std Dev 5 Yr	Prospectus Exp Ratio
STARS	1.55	9.57	9.57	7.65	4.60	2.98	0.46	9.61	0.48
STARS Custom Benchmark	1.24	8.84	8.84	7.44	4.26	2.68	0.44	9.08	NA
Fiduciary Portfolio-60-30-10	-0.16	10.93	10.93	8.81	3.46	1.76	0.31	11.50	NA
S&P 500 TR	-0.38	16.00	16.00	10.87	1.66	0.00	0.15	19.04	NA

Industry Average Exp Ratio 1.27%. Based on plan assets \$5Mil - \$9.9Mil



Benchmark	Weight
Hueller Stable Value Index	35.21%
Barclays US Govt Interm TR USD	7.94%
Barclays US Agg Bond TR USD	13.72%
Russell 1000 Value TR USD	1.20%
S&P 500 TR	7.83%
Russell 1000 Growth TR USD	4.35%
Russell Mid Cap Value TR USD	4.24%
S&P MidCap 400 TR	10.43%
Russell Mid Cap Growth TR USD	2.76%
Russell 2000 Value TR USD	3.94%
Russell 2000 TR USD	0.26%
MSCI US Small Cap Growth GR USD	0.37%
DJ US Select REIT TR USD	0.24%
MSCI World GR USD	0.99%
MSCI ACWI Ex USA NR USD	5.53%
40% BC Aggregate and 60% Russell 1000 Value	1.00%

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

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



Overlap Analysis

Fund Name	Fidelity Contrafund	Vanguard Wellington Inv	Columbia Large Cap Index Z	DFA US Large Cap Val Portfolio	Nuveen Real Est Secs A	Neuberger Berman Social Resp In	Columbia Mid Cap Index Z	Vanguard Small-Cap Grwth Index Fd	American Funds Cap Wld Gr&Inc R5	Dodge & Cox International Stock	Columbia Small Cap Index Z	Dodge & Cox Income Fund	DFA US Targeted Value I	DFA Intermediate Govt Fx Inc	Vanguard Mid-Cap Value Index Inv	Columbia Mid Cap Growth Fund Z
Fidelity Contrafund	-	12	32	5	1	11	3	2	10	1	0	0	1	0	2	13
Vanguard Wellington Inv	12	--	35	14	0	4	0	0	14	3	0	0	0	0	0	0
Columbia Large Cap Index Z	32	35	--	21	2	7	0	0	22	1	0	0	1	0	5	6
DFA US Large Cap Val Portfolio	5	14	21	--	0	1	4	1	8	2	0	0	8	0	13	3
Nuveen Real Est Secs A	1	0	2	0	--	0	7	2	0	0	6	0	0	0	9	1
Neuberger Berman Social Resp In	11	4	7	1	0	--	1	0	2	4	0	0	0	0	2	3
Columbia Mid Cap Index Z	3	0	0	4	7	1	--	18	0	0	0	0	17	0	25	14
Vanguard Small-Cap Grwth Index Fd	2	0	0	1	2	0	18	--	0	0	28	0	11	0	0	3
American Funds Cap Wld Gr&Inc R5	10	14	22	8	0	2	0	0	--	10	0	0	0	0	1	2
Dodge & Cox International Stock	1	3	1	2	0	4	0	0	10	--	0	0	0	0	0	0
Columbia Small Cap Index Z	0	0	0	0	6	0	0	28	0	0	--	0	22	0	0	0
Dodge & Cox Income Fund	0	0	0	0	0	0	0	0	0	0	0	--	0	0	0	0
DFA US Targeted Value I	1	0	1	8	0	0	17	11	0	0	22	0	--	0	14	2
DFA Intermediate Govt Fx Inc	0	0	0	0	0	0	0	0	0	0	0	0	0	--	0	0
Vanguard Mid-Cap Value Index Inv	2	0	5	13	9	2	25	0	1	0	0	0	14	0	--	11
Columbia Mid Cap Growth Fund Z	13	0	6	3	1	3	14	3	2	0	0	0	2	0	11	--

The Overlap number is the percentage of assets of each fund that are invested in identical entities.

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



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

Section IV
Plan Asset Allocation

Asset Allocation by Fund

As of 12/31/2012

Fund	% of Plan Assets	Total Assets
UTC Stable Value Trust	35.21%	\$1,898,960.08
Dodge & Cox Income	13.72%	\$740,148.65
Columbia Mid Cap Index Z	10.43%	\$562,575.42
DFA Intermediate Govt Fixed-Income I	7.94%	\$428,421.76
Columbia Large Cap Index Z	7.83%	\$422,294.61
Dodge & Cox International Stock	5.53%	\$298,190.55
Vanguard Mid-Cap Value Index Inv	4.24%	\$228,607.58
DFA US Targeted Value I	3.94%	\$212,617.38
Fidelity Contrafund	2.82%	\$151,893.15
Columbia Mid Cap Growth Z	2.76%	\$148,596.45
Neuberger Berman Socially Resp Inv	1.53%	\$82,511.90
DFA US Large Cap Value I	1.20%	\$64,696.03
Vanguard Wellington Inv	1.00%	\$54,045.55
American Funds Capital World G/I R5	0.99%	\$53,170.31
Vanguard Small Cap Growth Index Inv	0.37%	\$20,209.06
Columbia Small Cap Index Z	0.26%	\$14,036.54
Nuveen Real Estate Secs A	0.24%	\$12,717.23
Total Market Value:	100.00%	\$5,393,692.25

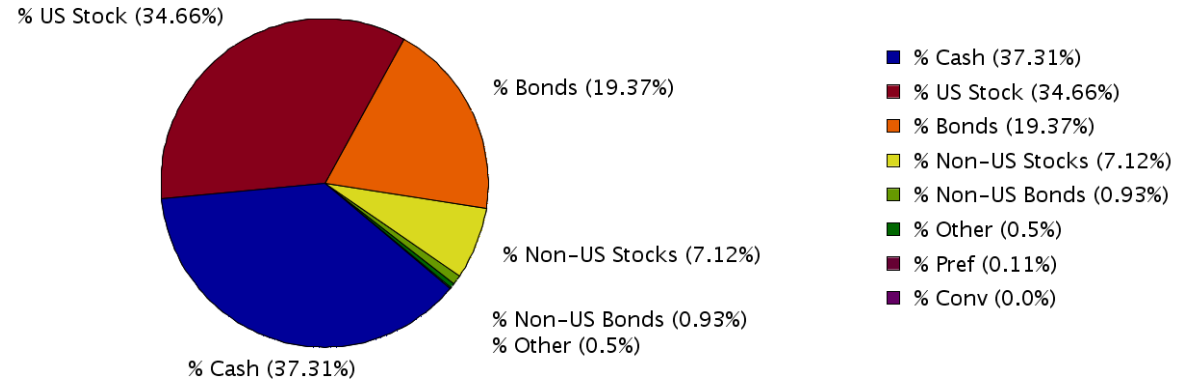
No representatives or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in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



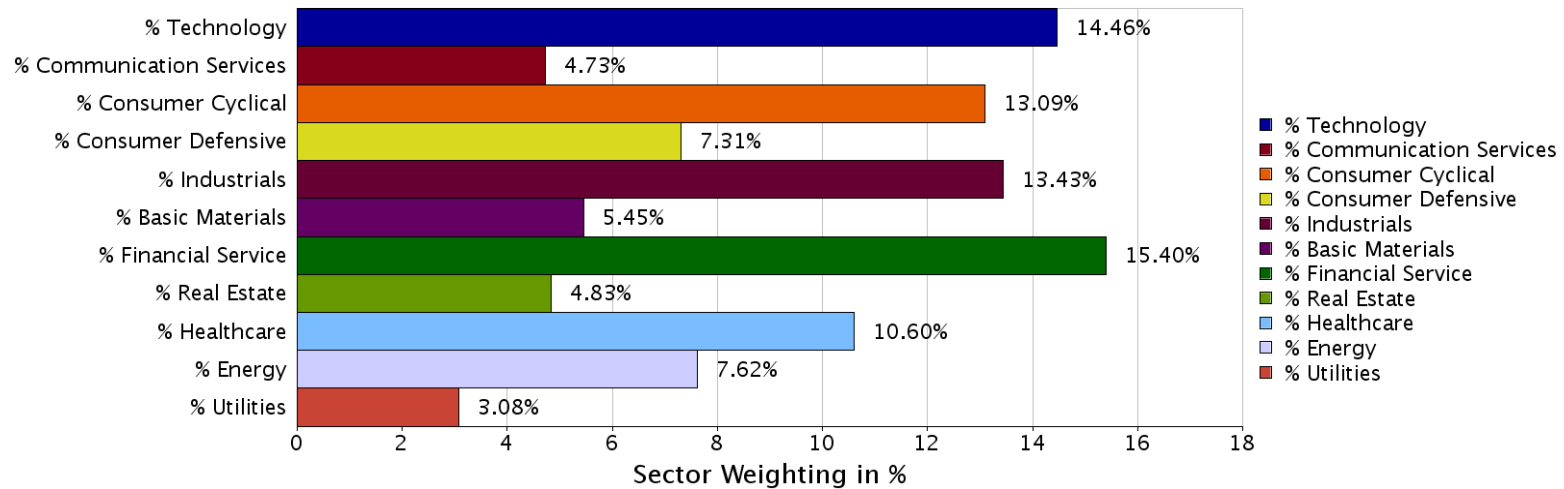
Portfolio Composition - Sector Weightings

As of 12/31/2012

Portfolio Composition



Sector Weightings



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



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

Section VI
Appendix

Quarterly Investment Analysis Criteria

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

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



Quarterly Investment Analysis Criteria | continued

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

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

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



Glossary of Contents

3-Month Treasury Bill

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

Alpha

Alpha is a measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. A positive alpha figure indicates the portfolio has performed better than its beta would predict. In contrast, a negative alpha indicates the portfolio has underperformed, given the expectations established by beta. The strength of the linear relationship between the portfolio and the index, as it has been measured by r-squared important to gauging the value of the Alpha measurement.

Annualized Returns

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

Expense Ratio

The percentage of fund assets paid for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio.

Growth Stocks

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

Barclays Capital Aggregate Index

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

MSCI Indices

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

Mutual Fund

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

Net Asset Value (NAV)

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

Russell 1000 Growth Index

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

Russell 1000 Value Index

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



Glossary of Contents | continued

Russell Mid Cap Value Index

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

Russell Mid Cap Growth Index

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

S&P 400 Index

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

S&P 500 Index

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

SageView Target Date Benchmarks

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

Sharpe Ratio

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

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

Where:

x is some investment

r_x is the average annual rate of return of X

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

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

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

Standard Deviation

A statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given fund. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

Value Stocks

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

Wilshire 5000

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

