



County of Fresno

Deferred Compensation Management Council

February 23, 2017 Agenda

MEETING TO BE HELD AT 10:00 A.M. AT THE FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION, 1111 H ST., FRESNO, CA 93721

1. Call to Order.
2. Approve Agenda.
3. Elect Chair & Vice-Chair of the Deferred Compensation Management Council.
4. Public Comment – At this time, members of the public may comment on any item, within the jurisdiction of the Deferred Compensation Management Council, not appearing on the agenda. Please limit comments to 3 minutes or less.
5. Approve Action Summary Minutes from the August 25, 2016 meeting.
6. Approve Action Summary Minutes from the December 8, 2016 special meeting.
7. Approve a pro rata distribution of \$80,000 to current Deferred Compensation Plan participants based on each participant's percentage of Deferred Compensation Plan assets as of June 30, 2016.
8. Receive and File Fiscal Year 2016-17 2nd Quarter Deferred Compensation Plan Budget Report.
9. Receive Verbal Report on the 2016 National Association of Governmental Defined Contribution Administrator's (NAGDCA) conference by Member Seymour, staff, and Northwest Capital Management.
10. Receive and File Deferred Compensation Plan Review as of December 31, 2016 prepared by Nationwide Retirement Solutions.
11. Receive and File Deferred Compensation Plan Investment Review as of December 31, 2016 prepared by Northwest Capital Management, approve keeping Templeton Global Bond fund on the Watch List and approve the placement of the Great West LifeTime Collective Trust Series and the Great West Stable Value Fund on the Watch List.
12. Introduction to Managed Account Services presented by Northwest Capital Management.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Human Resources Department at (559) 600-1810.



ITEM 5

Deferred Compensation Management Council August 25, 2016 Action Summary Minutes

Meeting was held at 10:00 a.m. at the Fresno County Employees' Retirement Association, 1111 H St., Fresno, CA 93721

Members Present: Jean Rousseau, Robert Bash, Vicki Crow, Kari Gilbert, Donald Kendig, Paul Nerland, and Lawrence Seymour

Members Absent: None

1. Call to Order

ACTION: The meeting was called to order at 10:01 a.m.

2. Public Comment Period

There were no comments from the public.

3. Approve Agenda

ACTION: The Agenda was unanimously approved.

4. Approve Action Summary Minutes from the February 25, 2016 meeting

ACTION: The Minutes were unanimously approved.

5. Approve Action Summary Minutes from the May 16, 2016 special meeting

ACTION: The Minutes were unanimously approved.

6. Approve the 2017 Regular Meeting Schedule

ACTION: The 2017 Regular Meeting Schedule was unanimously approved.

7. Receive and File the 2015-16 Fiscal Year-End Deferred Compensation Plan Budget Report

ACTION: Report received and filed.

8. Consider adding the Roth Option to the Deferred Compensation Plan

ACTION: The Deferred Compensation Management Council unanimously approved adding the Roth Option to the Deferred Compensation Plan and directed staff to move forward with the implementation process.

9. Receive verbal report regarding the 2016 Save Today Outreach Campaign presented by Nationwide Retirement Solutions

ACTION: Verbal Report received.

10. Receive and File Deferred Compensation Plan Review as of June 30, 2016 prepared by Nationwide Retirement Solutions

ACTION: Report received and filed.

11. Receive and File 2015 Plan Sponsor Fee Disclosure prepared by Nationwide Retirement Solutions

ACTION: Fee Disclosure received and filed.

12. Receive and File Deferred Compensation Plan Investment Review as of June 30, 2016 prepared by Heintzberger Payne Advisors and approve the addition of the Great West Lifetime Trust Series with 5-year increments to the Deferred Compensation Plan investment lineup

ACTION: Investment Review received and filed; the addition of Great-West Lifetime Trust Series with 5-year increments to the Deferred Compensation Plan investment lineup as unanimously approved.

The meeting was adjourned at 10:49 a.m.



ITEM 6

Deferred Compensation Management Council December 8, 2016 Action Summary Minutes

Special Meeting was held at 3:00 p.m. at the Fresno County Employees' Retirement Association, 1111 H St., Fresno, CA 93721

Members Present: Jean Rousseau, Robert Bash, Oscar Garcia, Kari Gilbert, Donald Kendig, Paul Nerland, and Lawrence Seymour

Members Absent: None

1. Call to Order

ACTION: The meeting was called to order at 3:02 p.m.

2. Approve Agenda

ACTION: The Agenda was unanimously approved.

3. Receive educational presentation from Heintzberger-Payne Advisors regarding Target Date Funds.

ACTION: Presentation received. Member Kendig made a motion to "Receive and file the report and record within this motion that the Deferred Compensation Management Council thoroughly reviewed the entire report and discussed the operational and demographic areas listed on page 11 of said report, as well as the definition of QDIA and its purpose." The motion was unanimously approved.

The meeting was adjourned at 4:50 p.m.



Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 7

DATE: February 23, 2017

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager Hollis Magill

SUBJECT: Distribution of Fiscal Year 2015-16 Budget Surplus

Background

Pursuant to Section 9.5 of the County of Fresno 457(B) Deferred Compensation Plan Document, any reasonable expenses related to the operation of the Deferred Compensation Plan (Plan), such as third-party administration, consulting, legal and County staff costs, shall be charged to Plan participants. In order to offset the costs of these Plan-related expenses, the County directs the Plan Record-keeper to charge an administrative fee to each participant. For Fiscal Year 2015-16, that fee was 0.19%.

Issue

As your Council is aware, in fiscal years where there was a surplus of funds in the Plan, your Council has approved a pro rata distribution of funds to participants based on each participant's percentage of Plan assets. As your Council can see from Attachment A, there was a surplus of approximately \$80,000 in fiscal year 2015-16.

Therefore, staff is recommending that your Council approve a pro rata distribution of these funds to current participants who had a Plan account balance as of June 30, 2016. Each participant's share of the distribution will be based on their June 30, 2016 Plan account balance. As of January 31, 2017, the Plan Expense Account balance was \$250,847.66.

Recommended Action

Approve a pro rata distribution of \$80,000 to current Deferred Compensation Plan participants based on each participant's percentage of Deferred Compensation Plan assets as of June 30, 2016.

ITEM 7 - ATTACHMENT A

County of Fresno Deferred Compensation Plan

Fiscal Year 2015-16 Revenue & Expenses as of June 30, 2016

Revenue

Category	Year to Date	Projected	YTD vs. Projected
Administrative Fees	\$213,434	\$195,000	\$18,434
Totals:	\$213,434	\$195,000	\$18,434

Discretionary Expenses

Category	Year to Date	Budgeted	YTD vs. Budgeted
Consultant Fees	(\$45,000)	\$50,000	\$5,000
Fiduciary Liability Insurance Policy	(\$10,134)	\$12,000	\$1,866
Staff Costs	(\$72,072)	\$106,000	\$33,928
NAGDCA	(\$5,703)	\$7,000	\$1,297
Contingencies	\$0	\$20,000	\$20,000
Totals:	(\$132,909)	\$195,000	\$62,091

Discretionary Totals

Expenses vs. Revenue	YTD Expenses	YTD Revenue	Difference
Grand Totals:	(\$132,909)	\$213,434	\$80,525

Mandatory Expenses

Category	Year to Date	Projected	YTD vs. Projected
Record-keeping Fees	(\$203,385)	\$220,000	\$16,615



Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 8

DATE: February 23, 2017

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager

Hollis Magill

SUBJECT: Fiscal Year 2016-17 2nd Quarter Budget Report

Background

Pursuant to Section 9.5 of the County of Fresno 457(B) Deferred Compensation Plan Document, any reasonable expenses related to the operation of the Deferred Compensation Plan, such as third-party administration, consulting, legal and County staff costs shall be charged to Plan participants. The County currently charges the Plan for the cost of the third-party administrator (Nationwide) and for consulting services (Northwest Capital Management), as well as time spent by County staff (including Human Resources and County Counsel staff) in support of Plan activities and for outside legal counsel to review Plan-related documents.

Issue

Staff has prepared a Fiscal Year 2016-17 budget report for the six-month period that ended December 31, 2016 (Attachment A). The approved Fiscal Year 2016-17 budget is attached to this Item (Attachment B) for reference.

Staff would like to note that costs associated with the Fiduciary Liability Insurance Policy and Legal Fees for the Plan Document Review will be incurred in the 3rd or 4th Quarter of FY 2016-17 and will be reflected in the corresponding quarter-end budget report.

Recommended Action

There are no recommended actions associated with this Item.

County of Fresno Deferred Compensation Plan

Fiscal Year 2016-17 Revenue & Expenses as of December 31, 2016

Revenue	Projected	Year to Date	YTD vs. Projected
Administrative Fees	\$ 175,000	\$ 93,586	\$ (81,414)
Excess FY 2013-14 Funds	\$ 25,000	\$ 25,000	\$ -
Totals:	\$ 200,000	\$ 118,586	\$ (81,414)

Discretionary Expenses	Budgeted	Year to Date	YTD vs. Budgeted
Consultant Fees	\$ 40,000	\$ 20,000	\$ (20,000)
Fiduciary Liability Insurance Policy	\$ 11,000	\$ -	\$ (11,000)
Staff Costs	\$ 102,000	\$ 33,322	\$ (68,678)
NAGDCA	\$ 7,000	\$ 4,781	\$ (2,219)
Legal Fees for Plan Document Review	\$ 20,000	\$ -	\$ (20,000)
Contingencies	\$ 20,000	\$ -	\$ (20,000)
Totals:	\$ 200,000	\$ 58,103	\$ (141,897)

Surplus (Deficit):	\$ 60,483
---------------------------	------------------

Mandatory Expenses	Projected	Year to Date	YTD vs. Projected
Record-keeping Fees	\$ 200,000	\$ 105,428	\$ (94,572)

Item 8 - Attachment B: 2016-17 Fiscal Year Deferred Compensation Plan Budget

Discretionary Items

Revenue Source	Description	Dollars	% of Revenue
Administrative Fee	0.09% of Plan Assets, based on average of ~\$195,000,000 in assets.	\$175,000	87.5%
Excess Funds from FY 2013-14	Excess funds from Fiscal Year 2013-14 to be used in FY 2016-17	\$25,000	12.5%
Total Revenue:		\$200,000	100.0%
Discretionary Expense	Description	Dollars	% of Expenses
Consultant Fees	Pursuant to Agreement # 15-597 with Heintzberger-Payne Advisors, \$40,000 annually.	\$40,000	20.0%
Fiduciary Liability Insurance	Fiduciary Liability Insurance Premium on \$5,000,000 in coverage.	\$11,000	5.5%
Staff Costs	Based on approximately 1,100 County staff hours (includes Personnel and County Counsel staff). Also includes participant communication costs, if necessary	\$102,000	51.0%
Off-Site Training Costs	Send two (2) people to the 2016 NAGDCA conference and pay annual membership fee.	\$7,000	3.5%
Plan Document Legal Review	Cost to have an outside legal firm review the Deferred Compensation Plan Document	\$20,000	10.0%
Contingencies	Any appropriate expense not included in the items in the proposed budget.	\$20,000	10.0%
Total Discretionary Expenses:		\$200,000	100.0%

Mandatory Items

Revenue Source	Description	Dollars
Nationwide Fees	0.10% of Plan Assets, based on average of ~\$195,000,000 in assets; fees are debited directly from participants' accounts on a monthly basis	\$200,000
Total Revenue:		\$200,000
Mandatory Expense	Description	Dollars
Record-keeping Fees	Pursuant to Agreement # 14-710 with Nationwide, 0.10% of Total Assets per year.	\$200,000
Total Mandatory Expenses:		\$200,000



Item 10

County of Fresno, California



February 2017 Semi Annual Report



Nationwide®
is on your side



Section One

Participant Outcomes

- I - Baseline Report
- II – Service Recap
- III - Gauging Success Report

Baseline Report

Participation Rate Goal = 45.95%

12/31/14 = 36.76%

12/31/15 = 39.37%

12/31/16 = 43.99%

Annual Enrollment Goal = 338

12/31/15 = 458 YTD

12/31/16 = 683 YTD

New Hire Close Ratio

01/01/15-12/31/15 = 23.16%

01/01/16-12/31/16 = 58.74%

Average Deferral Goal = \$3,513

12/31/14 = \$2,810

12/31/15 = \$2,836

12/31/16 = \$2,602

Fresno County, California

Nationwide Retirement Solutions Service Recap as of 12/31/2016

Plan Demographics

Total participants	5144
Total eligible participants	6888
Employee participation rate	43.99%
Participants actively deferring	3030
Participants not deferring or in payout	2114
Participants in payout	271

Accounts and Assets

2016 total plan assets (in millions)	\$217
2015 total plan assets (in millions)	\$208
2014 total plan assets	\$207
2013 total plan assets	NA
2012 total plan assets	NA

2016 Year-to-Date Plan Update

New enrollments	683
Transfers in (as of 12/31/2016)	43

Education, Workshops and Counseling

Date	Event/Activity	Results
January	FCERA Nearing Retirement	Ongoing
Jan-Dec	New Employee Training	Ongoing
July	Save Today Expo	Ongoing

2016 Year-to-Date Plan Update

- April – Asset Allocation Campaign
- July – Enrollment Campaign
- July – Increase Campaign

Nationwide Contacts

- Ed Malone – Program Director
614-327-2218
malonee@nationwide.com
- Phillip Edwards – Retirement Specialist
559-999-7971
edwarp4@nationwide.com





Gauging Success

PLAN REVIEW Fresno County, CA

As of December 31, 2016



WELCOME

Our goal is to help you objectively evaluate your plan's performance and how it performed against other plans like yours. Since Nationwide Retirement Solutions is one of the largest 457 providers in the industry we are in the unique position of being able to compare your plan to many others.

By comparing the current year information to previous years, you can see how your plan is performing, where your educational efforts are working, and what areas offer opportunities for additional improvement.

The "Peer Group" comparisons used in this report are based on NRS cases, within your region, with assets of:

\$100 million - \$1 billion

Table of Contents

3	Executive Summary
4	Plan Participation
5	Plan Assets
6	Plan Contributions
7-8	Summary
9-20	Appendix

Retirement Specialists are registered representatives of Nationwide Investment Services Corporation, member FINRA. The information they provide is for educational purposes only and is not legal, tax or investment advice.

Nationwide, the Nationwide N and Eagle, and Nationwide is on your side are service marks of Nationwide Mutual Insurance Company.

Nationwide Retirement Solutions, Inc. and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the National Association of Counties, the International Association of Fire Fighters-Financial Corporation and the National Association of Police Organizations. More information about the endorsement relationships may be found online at www.nrsforu.com.

©2015 Nationwide.

EXECUTIVE SUMMARY

Plan Contribution Limits for 2016

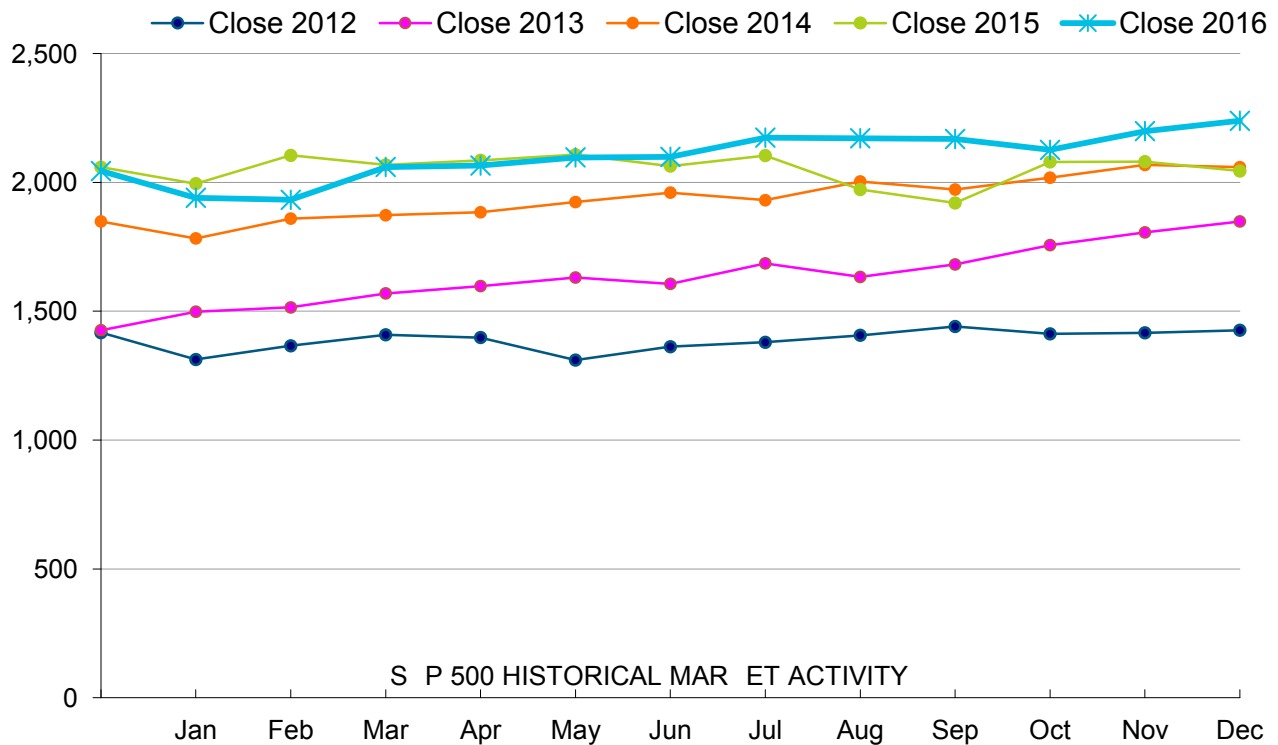
Regular Limit:	\$18,000
50 Catch-Up:	\$24,000
3-Year Catch-Up:	\$36,000

Quick Plan Facts

	Actual as of 12/31/16	% Chng from 1 year ago
Total Participant Count	5,144	9.8%
Total New Enrollments YTD Count	683	49.1%
Total Plan Assets (millions)	\$217.85	4.4%
Total Deferrals YTD (millions)	\$8.55	14.9%
Total Rollovers-In YTD (thousands)	\$741.46	-32.4%
ProAccount Assets (thousands)	\$7,666.61	66.0%
ProAccount Participant Count	256	55.2%

Market Activity

S P 500 CHANGE YTD: 9.5%



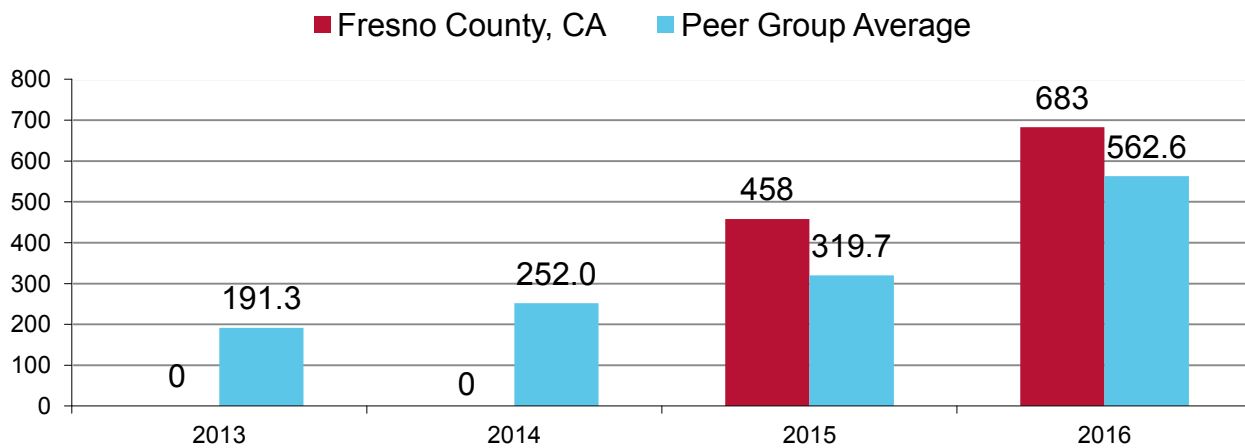
The 500 companies included in this index are selected by the S P Index committee; a few of the mitigating factors are market size, industry representation and liquidity. This index is designed to be an overall indication of the United States stock market. The 500 securities represent approximately 75% of the total market value of all U.S. stocks.

PLAN PARTICIPATION

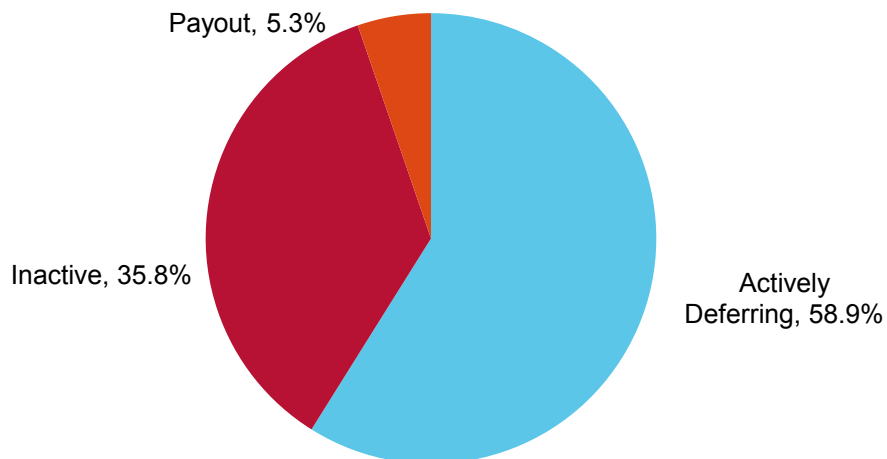
Participant Status	12/31/13	12/31/14	12/31/15	12/31/16	% Chng from 1 year ago
of Participants Actively Deferring	0	0	2,645	3,030	14.6%
of Inactive Participants*	0	0	1,795	1,843	2.7%
of Participants in Payout	0	0	243	271	11.5%
Total Participants	0	0	4,683	5,144	9.8%

* Inactive participants are those with a balance, not deferring and not in payout

New Participant Count



Total Participants as of 12/31/16

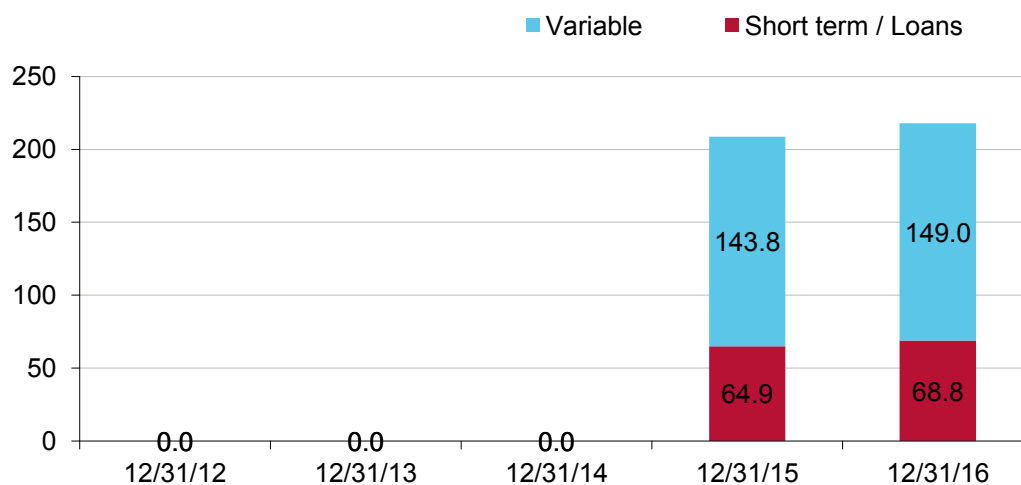


PLAN ASSETS

Total Plan Assets (Millions)

12/31/12	12/31/13	12/31/14	12/31/15	12/31/16	% Chng from 1 year ago
\$0.0	\$0.0	\$0.0	\$208.7	\$217.8	4.4%

Plan Assets Summary (Millions)



Plan Assets by Investment Class (Millions)

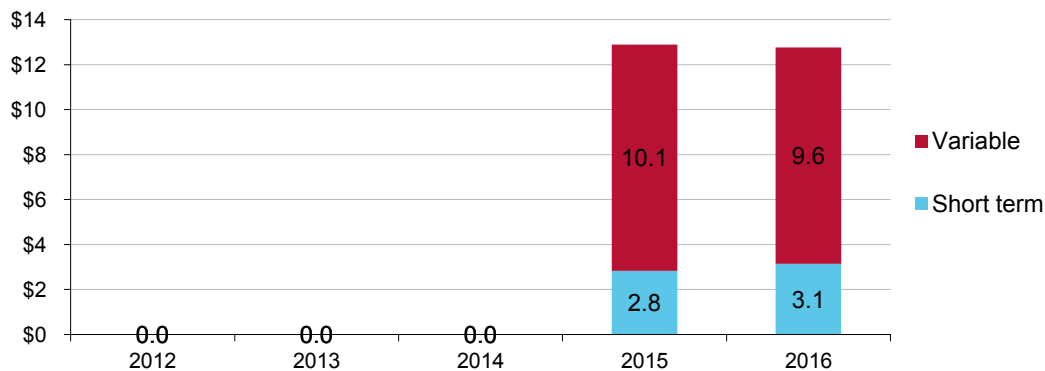
Investment Class	12/31/14	12/31/15	12/31/16	% of Total
Asset Allocation	\$0.00	\$11.46	\$15.29	7.0%
International	\$0.00	\$11.37	\$10.91	5.0%
Small Cap	\$0.00	\$7.84	\$8.86	4.1%
Mid Cap	\$0.00	\$12.74	\$12.76	5.9%
Large Cap	\$0.00	\$89.71	\$87.14	40.0%
Balanced	\$0.00	\$2.15	\$2.08	1.0%
Bonds	\$0.00	\$5.16	\$6.78	3.1%
Short term	\$0.00	\$60.53	\$64.29	29.5%
SDO	\$0.00	\$0.00	\$0.00	0.0%
Specialty	\$0.00	\$3.34	\$5.21	2.4%
Loan	\$0.00	\$4.40	\$4.52	2.1%
Total	\$0.00	\$208.70	\$217.85	100.0%

PLAN CONTRIBUTIONS

Total Contributions by Year (Millions)

	2012	2013	2014	2015	2016	% Chng from 1 year ago
Deferrals	\$0.0	\$0.0	\$0.0	\$7.4	\$8.6	14.9%
Rollovers-In	\$0.0	\$0.0	\$0.0	\$1.1	\$0.7	-32.4%
Other	\$0.0	\$0.0	\$0.0	\$4.4	\$3.5	-20.4%
Total	\$0.0	\$0.0	\$0.0	\$12.9	\$12.8	-1.1%

Plan Contributions Summary (Millions)



Plan Contributions by Investment Class (Thousands)

Investment Class	2014	2015	2016	% Total
Asset Allocation	\$0.00	\$2,102.95	\$2,490.60	19.5%
International	\$0.00	\$1,009.27	\$918.34	7.2%
Small Cap	\$0.00	\$661.57	\$515.02	4.0%
Mid Cap	\$0.00	\$1,022.64	\$955.29	7.5%
Large Cap	\$0.00	\$4,570.69	\$3,742.77	29.3%
Balanced	\$0.00	\$76.33	\$58.59	0.5%
Bonds	\$0.00	\$283.42	\$428.31	3.4%
Short term	\$0.00	\$2,824.95	\$3,138.36	24.6%
SDO	\$0.00	\$0.00	\$0.00	0.0%
Specialty	\$0.00	\$343.56	\$510.73	4.0%
Loan	\$0.00	\$0.00	\$0.00	0.0%
Total	\$0.00	\$12,895.38	\$12,758.01	100.0%

IN SUMMARY

This report contains valuable information and insights about your plan. Now it is time to take action. Here are some suggestions to get you started:

1. Identify your top three areas of focus.
2. Consider which of the following suggestions would work best for your plan:
 - Educational Workshops for your employees
 - Additional 1-on-1 meetings with your Representative
 - Benefit Fairs
 - Open Enrollment
 - Employer communication options
(e.g. emails, staff meetings...)
 - Other
3. Discuss your plan with your Nationwide Representative.

We look forward to working with you to bring even greater value to your employees through deferred compensation.

YOUR PROVEN PARTNER

When you're one of the leaders in the industry, you're called to a higher standard. Nationwide's position as an industry leader stems from nearly 40 years in service to public sector retirement plan administrators like you.

Over the years, we have maintained our industry leadership position by being one of the top providers of record-keeping, sales and marketing services to public sector retirement plans in terms of number of clients served and range of assets under management. Here's why:

- Our average client tenure is 19 years
- We partner with more than 7,700 clients * and have a 99% plan retention rate
- We provide education and service to more than 1.6 million participants *
- We manage over \$77 billion in assets *
- We have been featured in the top 10 most trusted companies for privacy by TRUSTe and Ponemon Institute *for the past nine years.*
- We offer recordkeeping, administration and investment products for:
 - 457(b) Deferred compensation plans serving city, county, special district and state employees
 - 401(a) and grandfathered 401(k) Defined employer-contribution plans serving city, county, special district and state employees
 - PEHP® Tax-free investment plan for post-employment health care expenses

Most importantly, *we are proud to serve you and your plan* through our representatives in the field and in our home office.

What does all this mean to you? Our tenure, our legacy, our service and our people make us uniquely qualified to handle your retirement plan needs. This **Gauging Success** report is just one of the ways that we work with you to understand both your needs as an administrator and your employees' needs for planning for their retirement.

*As of 12/31/16

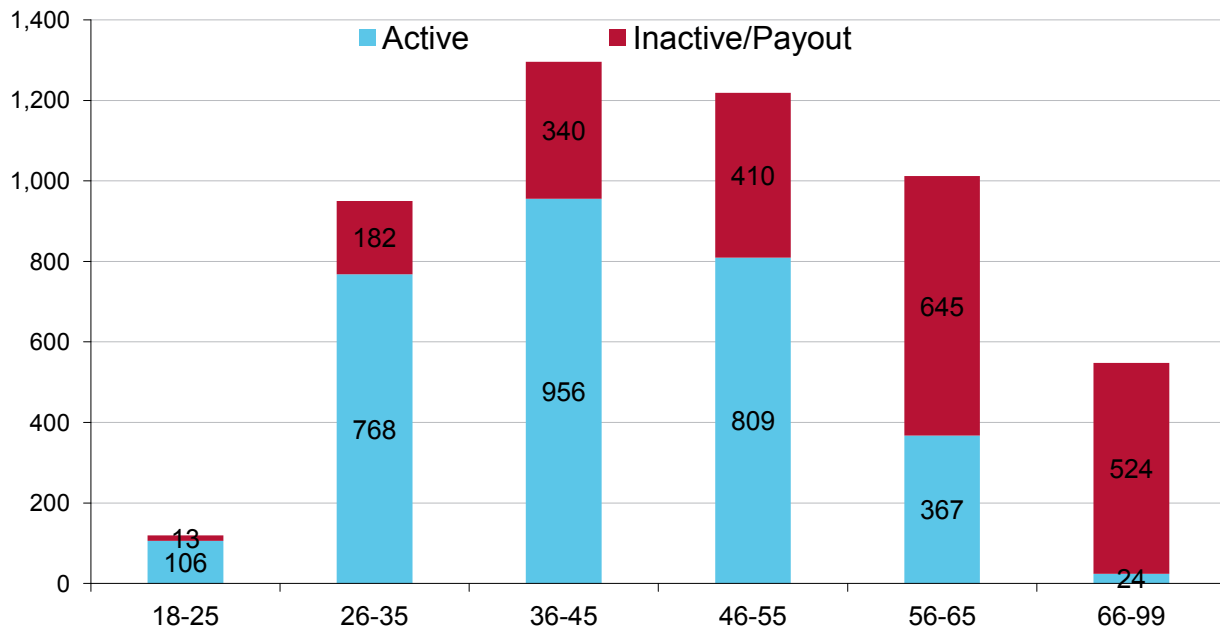
APPENDIX

PLAN PARTICIPATION

Participant Counts by Age as of 12/31/16

Age Group	Total Participant Count	Male Participant Count	Female Participant Count	Actively Def Participant Count	Inactive / Payout Count
18-25	119	59	60	106	13
26-35	950	405	545	768	182
36-45	1,296	605	691	956	340
46-55	1,219	531	688	809	410
56-65	1,012	450	562	367	645
66-99	548	313	235	24	524
Total	5,144	2,363	2,781	3,030	2,114

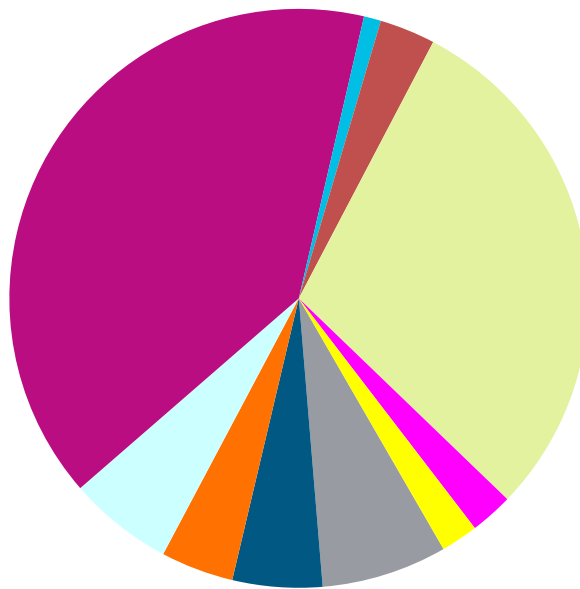
Participant Counts by Age as of 12/31/16



PLAN ASSETS

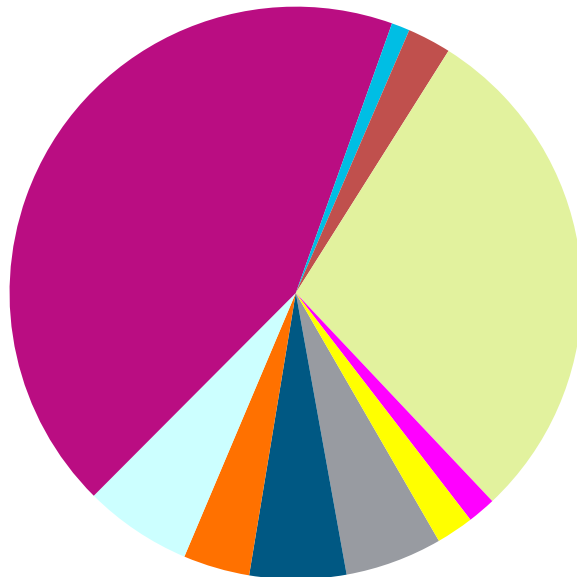
The use of asset allocation does not guarantee returns or insulate you from potential losses.

Fresno County, CA Asset Allocation as of 12/31/16



Asset Allocation	7.0%
International	5.0%
Small Cap	4.1%
Mid Cap	5.9%
Large Cap	40.0%
Balanced	1.0%
Bonds	3.1%
Short term	29.5%
SDO	0.0%
Specialty	2.4%
Loan	2.1%

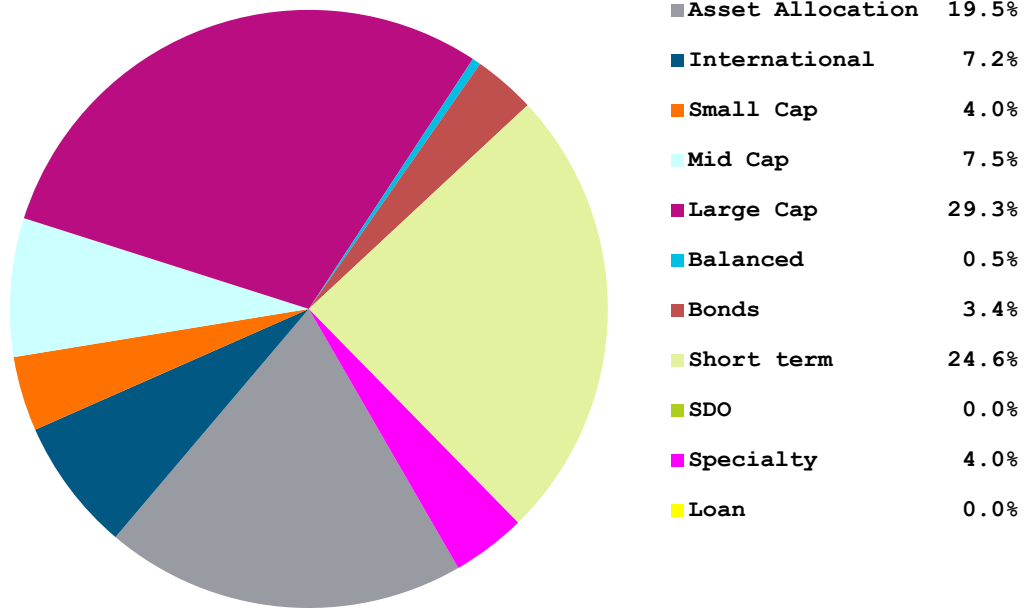
Fresno County, CA Asset Allocation as of 12/31/15



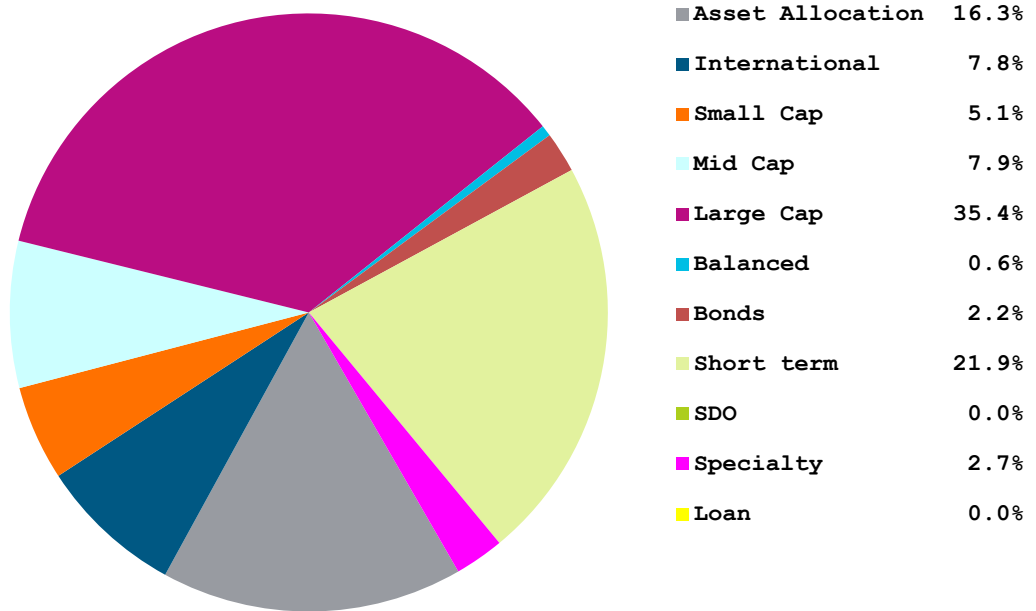
Asset Allocation	5.5%
International	5.5%
Small Cap	3.8%
Mid Cap	6.1%
Large Cap	43.0%
Balanced	1.0%
Bonds	2.5%
Short term	29.0%
SDO	0.0%
Specialty	1.6%
Loan	2.1%

PLAN CONTRIBUTIONS

Fresno County, CA Contribution Allocation 2016



Fresno County, CA Contribution Allocation 2015



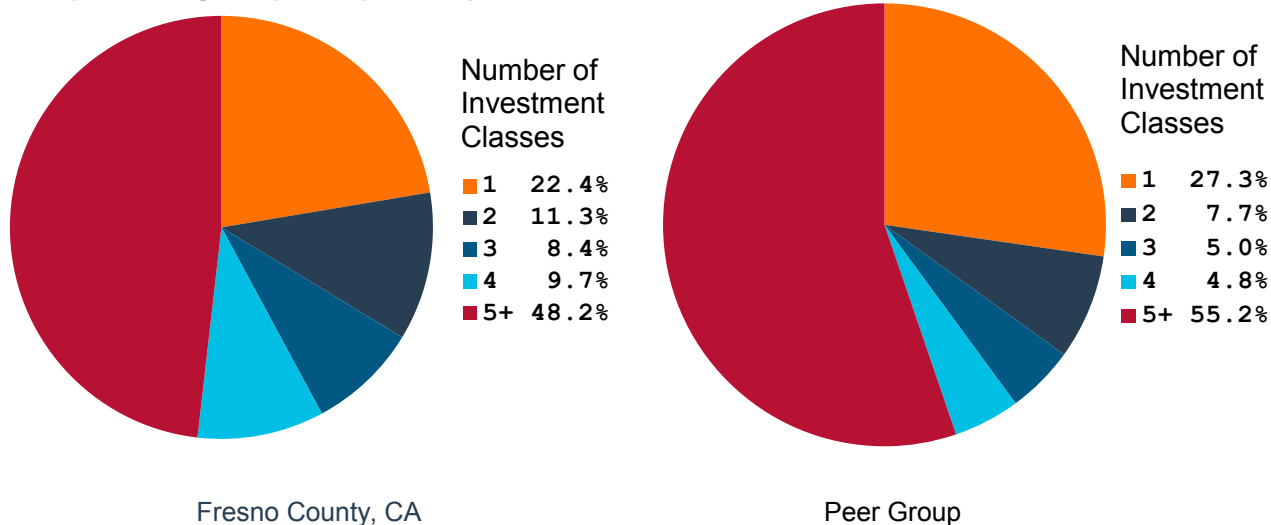
PEER COMPARISONS

Your Peer Group is NRS cases, within your region, with assets of \$100 million - \$1 billion. The peer group consists of 15 NRS cases.

	Fresno County, CA	Peer Group	Recommended
Average of asset classes	3.6	3.7	5.0
Average annualized deferrals	\$2,602	\$4,685	
Average assets	\$42,350	\$58,117	

Asset Allocation Summary as of 12/31/16

percentage of participants by number of investment classes

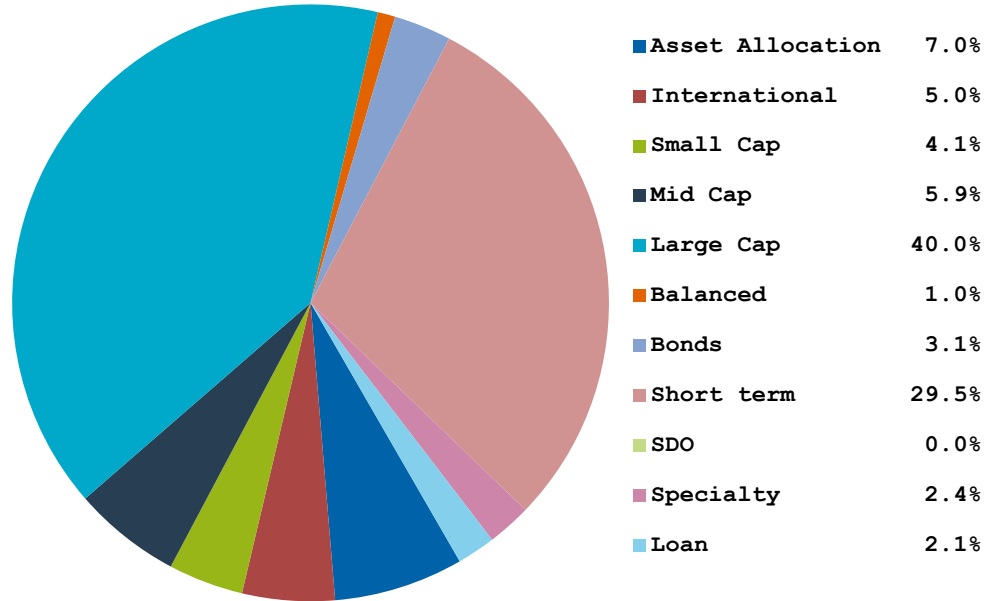


Average Account Balance and Annualized Deferrals by Age Group as of 12/31/16

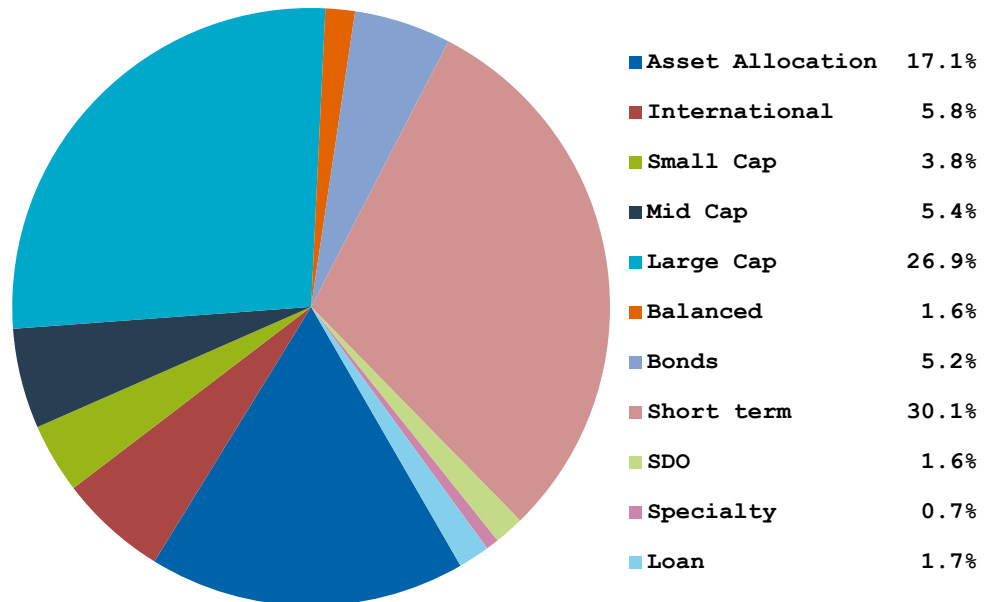
Age Group	Fresno County, CA		Peer Group	
	Account Balance	Annualized Deferrals	Account Balance	Annualized Deferrals
18-25	\$1,327	\$3,606	\$1,394	\$2,296
26-35	\$4,267	\$11,569	\$1,562	\$2,904
36-45	\$21,585	\$33,500	\$2,234	\$3,880
46-55	\$48,397	\$61,364	\$3,304	\$5,253
56-65	\$76,429	\$89,002	\$4,241	\$6,669
66-99	\$90,002	\$100,723	\$7,075	\$8,805

PEER COMPARISONS

Fresno County, CA Asset Allocation as of 12/31/16

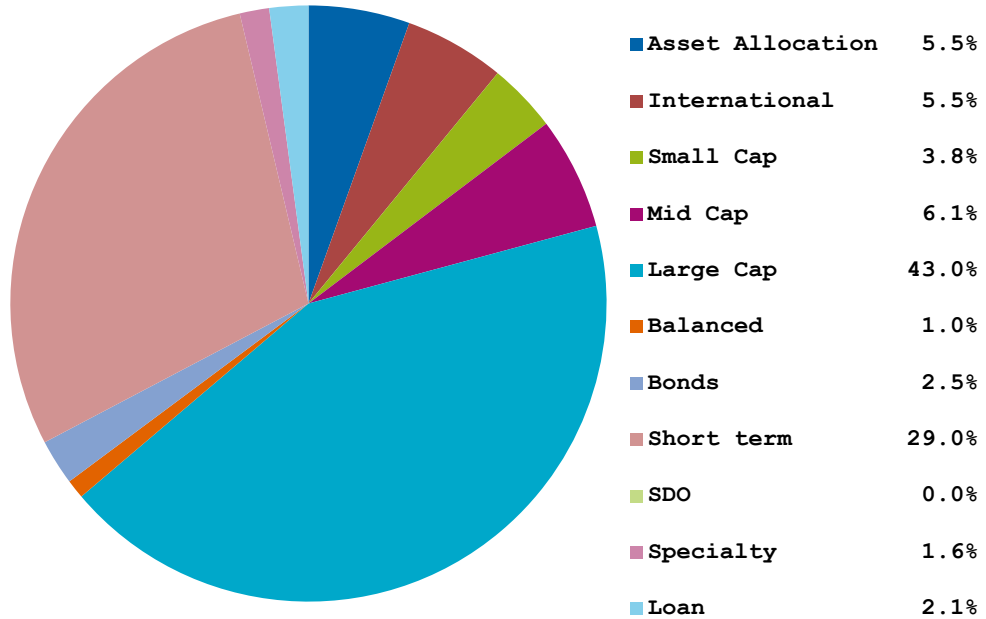


Peer Group Asset Allocation as of 12/31/16

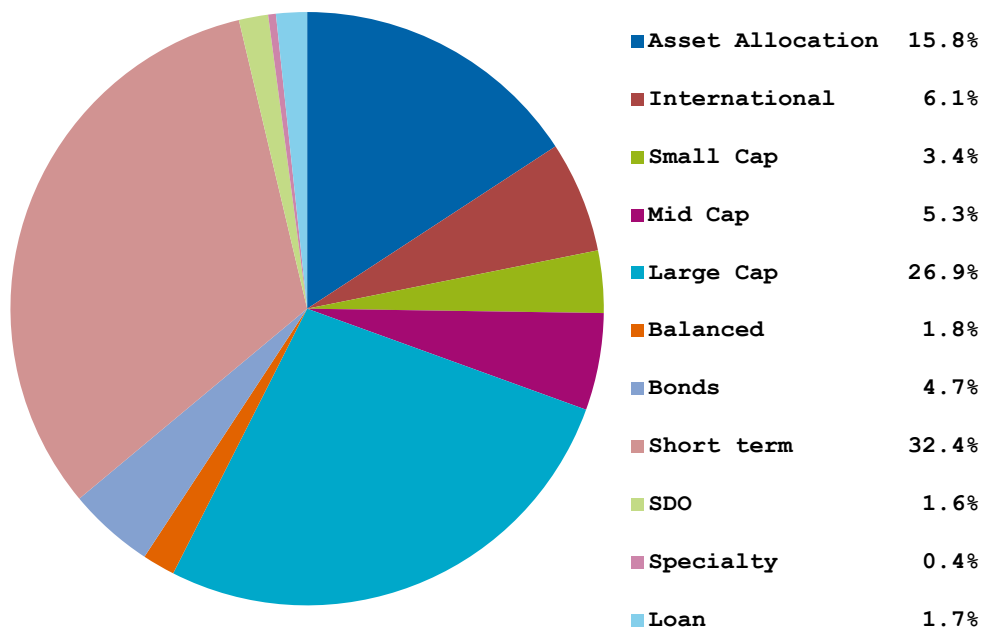


PEER COMPARISONS

Fresno County, CA Asset Allocation as of 12/31/15

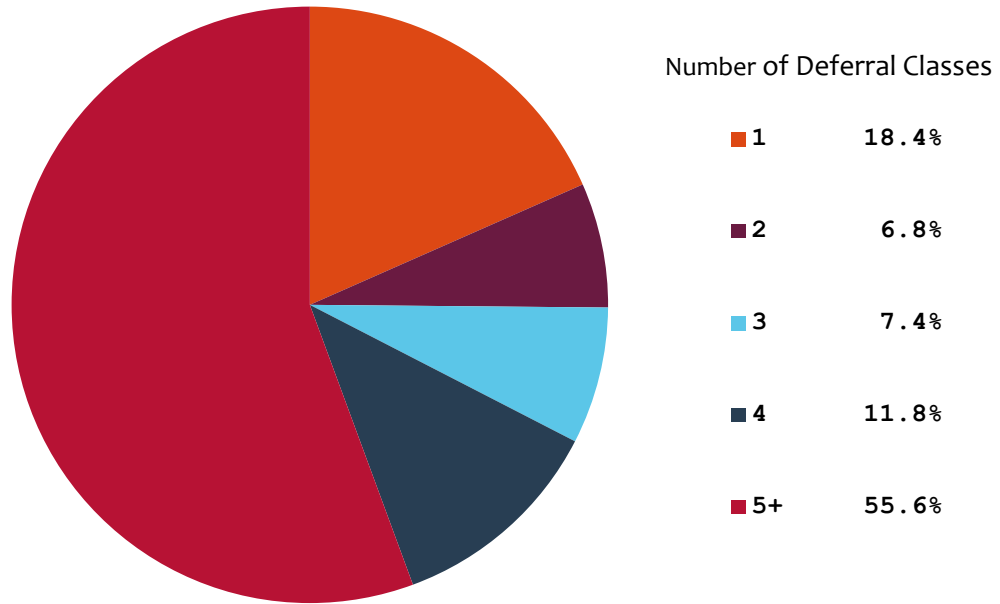


Peer Group Asset Allocation as of 12/31/15

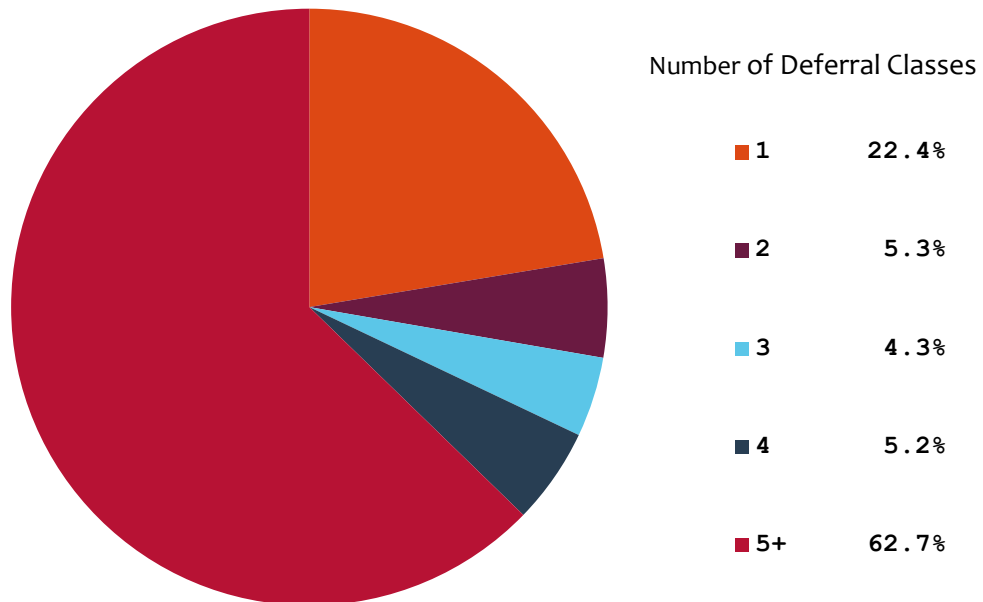


PEER COMPARISONS

Deferral allocation summary: percentage of participants by number of deferral investment classes
Fresno County, CA 2016

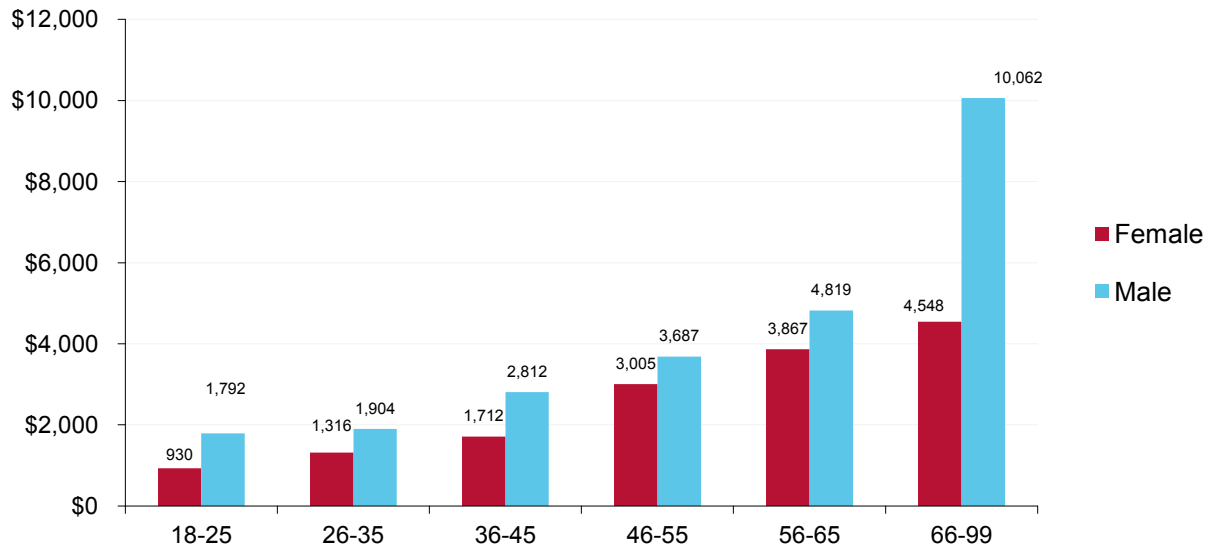


Peer Group 2016

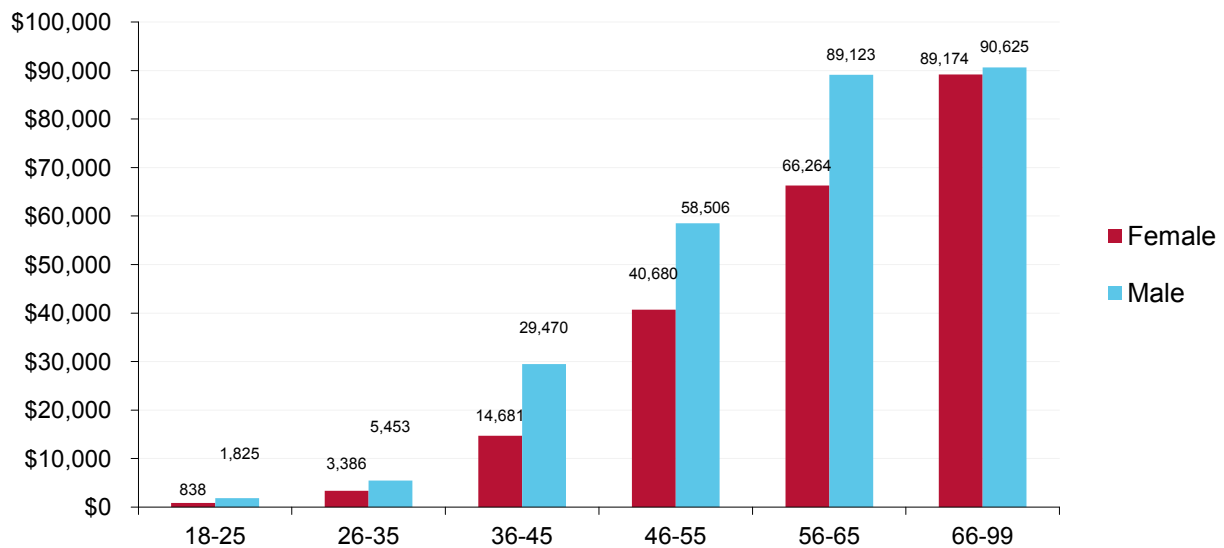


PARTICIPANT DEMOGRAPHICS

Male/Female Average Deferrals by Age

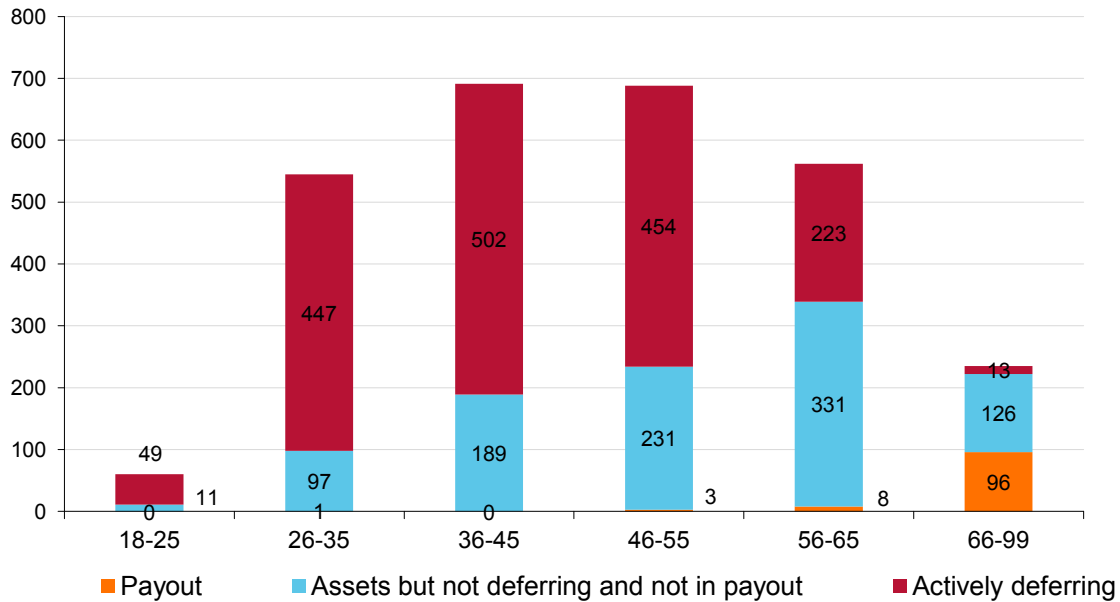


Male/Female Average Account Balance by Age as of 12/31/16

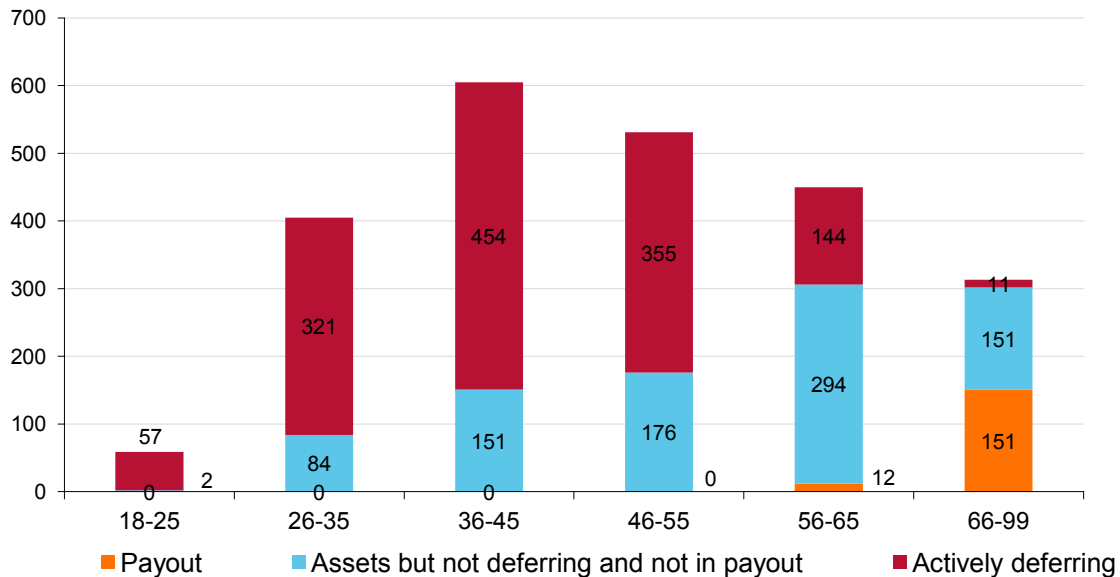


PARTICIPANT DEMOGRAPHICS

Female Participant Count by Age and Status as of 12/31/16



Male Participant Count by Age and Status as of 12/31/16



PLAN ASSETS

as of 12/31/16

Fund	Asset Value	% of Assets	Count / % of Participants	
Asset Allocation				
Great-West Lifetime 2015 Trust	2,687,256.62	1.2%	175	3.4%
Great-West Lifetime 2025 Trust	5,277,954.37	2.4%	301	5.9%
Great-West Lifetime 2035 Trust	3,762,151.32	1.7%	450	8.7%
Great-West Lifetime 2045 Trust	2,627,479.36	1.2%	539	10.5%
Great-West Lifetime 2055 Trust	935,092.34	0.4%	425	8.3%
<u>Sub-Total Asset Allocation</u>	15,289,934.01	7.0%		
Balanced				
Oakmark Equity and Income Fund (The) - Class I	2,082,090.65	1.0%	231	4.5%
<u>Sub-Total Balanced</u>	2,082,090.65	1.0%		
Bonds				
BlackRock US Debt Index Fund W	2,803,672.24	1.3%	507	9.9%
RidgeWorth Total Return Bond Fund - IS Shares	3,208,879.21	1.5%	808	15.7%
Templeton Global Bond Fund - Class R6	763,551.43	0.4%	388	7.5%
<u>Sub-Total Bonds</u>	6,776,102.88	3.1%		
International				
BlackRock EAFE Equity Index Fund T	1,383,676.64	0.6%	520	10.1%
Ivy International Core Equity Fund - Class R6	8,863,020.60	4.1%	1,407	27.4%
Oppenheimer Developing Markets I	665,436.68	0.3%	680	13.2%
<u>Sub-Total International</u>	10,912,133.92	5.0%		
Large Cap				
Alger Spectra Fund - Class Z	34,868,020.29	16.0%	2,235	43.4%
BlackRock Equity Index Fund M	40,806,192.18	18.7%	2,031	39.5%
Columbia Dividend Income Fund - Class Y	11,467,767.01	5.3%	1,346	26.2%
<u>Sub-Total Large Cap</u>	87,141,979.48	40.0%		
Loan				
Loan Outstanding Principal Balance	4,516,936.69	2.1%	749	14.6%

Please consider the funds' investment objectives, risks, and charges and expenses carefully before investing. The prospectus contains this and other important information about the investment company. Read the prospectus carefully before investing. Prospectuses may be obtained from your plan's website or by calling your plan's toll-free customer service phone number.

The use of diversification and asset allocation as part of an overall investment strategy does not assure a profit or protect against loss in a declining market.

Asset allocation funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the expenses of the asset allocation fund itself, you are indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds.

PLAN ASSETS

as of 12/31/16

Fund	Asset Value	% of Assets	Count / % of Participants	
<u>Sub-Total Loan</u>	4,516,936.69	2.1%		
Mid Cap				
BlackRock Mid Capitalization Equity Index Fund M	7,656,824.14	3.5%	1,118	21.7%
Hennessy Focus Fund Institutional Class	5,105,753.88	2.3%	496	9.6%
<u>Sub-Total Mid Cap</u>	12,762,578.02	5.9%		
Short Term Investments				
Fresno County Stable Value Fund	64,293,853.85	29.5%	1,969	38.3%
<u>Sub-Total Short Term Investments</u>	64,293,853.85	29.5%		
Small Cap				
BlackRock Russell 2000 Index Fund M	2,178,222.51	1.0%	509	9.9%
Nicholas Limited Edition Fund - Institutional Class	5,237,454.50	2.4%	506	9.8%
Perkins Small Cap Value Fund - Class N	1,443,988.27	0.7%	726	14.1%
<u>Sub-Total Small Cap</u>	8,859,665.28	4.1%		
Specialty				
Fidelity Advisor Real Estate Income Fund - Institutional Class	1,172,998.98	0.5%	164	3.2%
Franklin Utilities Fund - Class R6	4,039,978.93	1.9%	394	7.7%
<u>Sub-Total Specialty</u>	5,212,977.91	2.4%		
Total	217,848,252.69			

Please consider the funds' investment objectives, risks, and charges and expenses carefully before investing. The prospectus contains this and other important information about the investment company. Read the prospectus carefully before investing. Prospectuses may be obtained from your plan's website or by calling your plan's toll-free customer service phone number.

The use of diversification and asset allocation as part of an overall investment strategy does not assure a profit or protect against loss in a declining market.

Asset allocation funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the expenses of the asset allocation fund itself, you are indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds.



Section Two

Communication Update

Communication & Education Plan



2017 Communication and Education Plan

Prepared exclusively for:
Fresno County
January 1, 2017 - December 31, 2017



Helping Fresno County
employees prepare for and live
in retirement



Nationwide is your expert partner

With **43** years in the public sector retirement plans industry and more plans than any other provider, we are committed to helping your employees prepare for and live in retirement.

Many employees look to their employer for guidance and information on retirement savings. In fact, in a recent survey,



said that if their employer provided them with more education, they might contribute more to their plan.¹

You can have piece of mind knowing we are providing education to your employees throughout their lifetime.

We have developed a comprehensive **Communication and Education Plan** for you.

- Our goal is to motivate participants to act and improve their retirement readiness.
- It starts with a tailored approach to service your plan.
- It includes our Participant Engagement Program, targeting the right employees at the right time with the right messaging.
- Then, we support and reinforce those messages through local communications.

¹ 2010 Retirement Confidence Survey, Employee Benefit Research Institute and Matthew Greenwald & Associates



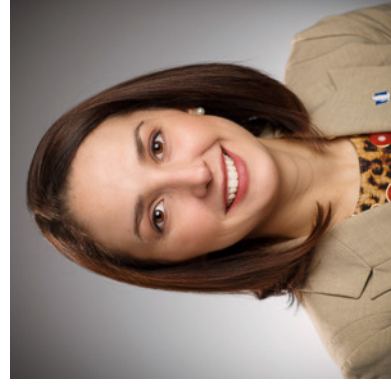
Representing Fresno County



Program Director
Ed Malone



Local Retirement Specialist
Phillip Edwards



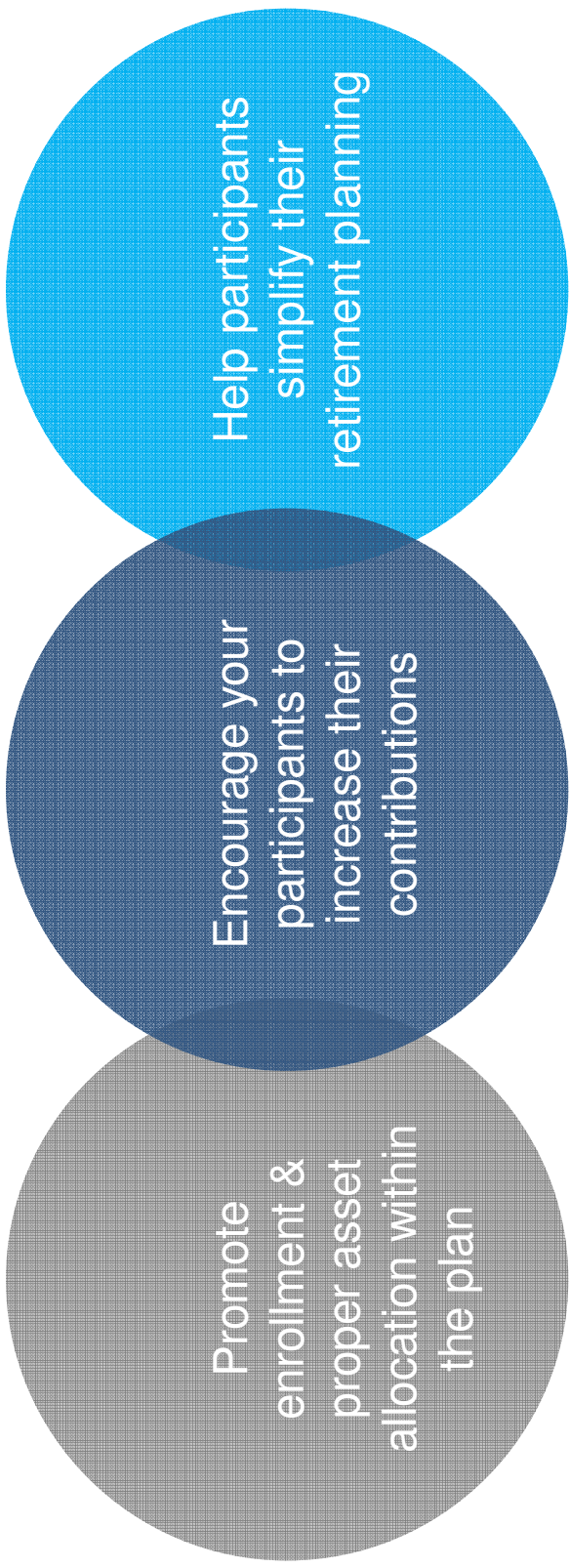
Internal Retirement Specialist
Megan Collins

Fresno County Performance Overview

Business Measure	2015	2016
Plan Assets (millions)	\$208.70	\$217.85
New Enrollments	458	683
Actively Deferring	2,645	3,030
Average Participant Assets	\$44,566	\$42,350
Average Annual Deferral	\$2,836	\$2,602
Average Asset Classes	3.4	3.6
ProAccount Assets (millions)	\$4.62	\$7.66
ProAccount Participant Count	165	256

Your Plan Objectives

Through education, including creative strategies and tactics outlined in the following plan, we can help you achieve and recommend objectives that will benefit your employees, such as:



Fresno County Plan Objectives

1

Promote Plan Enrollment

Strategy: Educate participants on the importance and benefits of proper asset allocation and encourage participating employees to consolidate their accounts.

- Provide print materials – EZ Enrollment Form
- Fresno County Save Today Expo – March 20-24
- Communicate directly with participants/individual consultations
- New Employee Orientation/County Benefits Fairs

2

Encourage your participants to increase their contributions

Strategy: Inform plan participants about taking advantage of the opportunities to increase their contributions and explore the long-term benefits of saving more now.

- Provide print materials – EZ Increase Form
- Fresno County Save Today Expo – March 20-24
- Communicate directly with key participant segments
 - Participants currently close to the max limit, age 50+ for Catch Up, or those who have not increased in the last year

3

Promote plan diversification

Strategy: Educate participants on the importance and benefits of proper asset allocation.

- Provide print materials
- Conduct group educational presentations, topic: Asset Allocation, Investor Profile
- Fresno County Save Today Expo – March 20-24, 2017

Communication Grid

1 st Quarter Campaigns	Direct Mail	Email	Workshop	Statement Messaging
EZ Enrollment				
EZ Increase				

2 nd Quarter Campaigns	Direct Mail	Email	Workshop	Statement Messaging
Asset Allocation				
Restart				

Communication Grid

3 rd Quarter Campaigns	Direct Mail	Email	Workshop	Statement Messaging
Account Review				
Online Tools				

4 th Quarter Campaigns	Direct Mail	Email	Workshop	Statement Messaging
Increase Deferrals				
50+ Catch Up				

Ongoing communication materials



Helping the Fresno County employees
prepare for and live in retirement



Nationwide Retirement Solutions and Nationwide Life Insurance Company (collectively “Nationwide”) have endorsement relationships with the National Association of Counties and the International Association of Fire Fighters-Financial Corporation. More information about the endorsement relationships may be found online at www.nrsforu.com.

Information provided by Retirement Specialists is for educational purposes only and is not intended as investment advice. Retirement specialists are Registered Representatives of Nationwide Investment Services Corporation: Member FINRA.

In MI only, Nationwide Investment Svcs. Corporation.

Nationwide and the Nationwide N and Eagle are service marks of Nationwide Mutual Insurance Company. ©2014 Retirement Specialists are registered representatives of Nationwide Investment Services Corporation, Member FINRA.

NRM-8287AO.6





Section Three

Retirement Readiness Enhancement

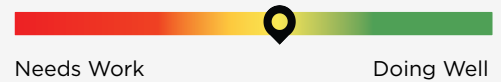
Dana Lefebvre's Retirement Readiness Report

as of 02/15/2017



This report helps you understand if you are on track for retirement and gives actions for potential improvement. The estimates are based upon the information you entered and can be further personalized by using the My Interactive Retirement Planner.

You are heading in the right direction



You're on track to receive:

What you may actually need:

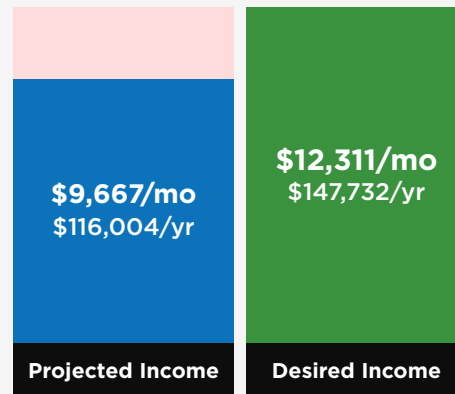
Gap
\$2,643/mo
\$31,728/yr

Projected Income

\$9,667/mo; \$116,004/yr

Based on an Investment total of \$160,678, a monthly Social Security amount of \$500 and a monthly pension amount of \$2,296

Based on spouse's Investment total of \$0, a monthly Social Security amount of \$300 and a monthly pension amount of \$800



Desired Income

\$12,311/mo; \$147,732/yr

Based on 85% of current household income (\$120,000)

The comprehensive view of your assets is dependent upon the accuracy of your inputs. Use [My Interactive Retirement Planner](#)SM to edit information. Calculations are based on information provided and assumptions.

Take action

Increase your contributions

A contribution increase of \$757 (a paycheck impact of \$568) may help to reduce the gap.

[Increase my contribution](#)

Review your investments

It's always a good idea to stay on top of your investment strategy. Contact us if we can help.

MY INFORMATION

Age: 43 **Salary:** \$75,000
Retirement Start Age: 60

Pay Frequency: Biweekly
Years in Retirement: 30

Average Annual Salary Increase: 2.5%

CORY'S INFORMATION

Age: 42 **Salary:** \$45,000
Retirement Start Age: 65

Pay Frequency: Weekly
Years in Retirement: 23

Average Annual Salary Increase: 2.5%

MY INVESTMENTS

Accounts included

Investments

\$160,678 total

457- TOWN OF RIVERHEAD	
Balance	\$155,678
Ongoing Contributions	\$466/pay
457	
Balance	\$5,000
Ongoing Contributions	1%/pay
Total Balance Included	\$160,678
Assumed Average Rate of Return Before Retirement: 6%	
Assumed Average Rate of Return After Retirement: 4%	

CORY'S INVESTMENTS

Accounts included

No information entered.	
Total Balance Included	\$0
Assumed Average Rate of Return Before Retirement: 6%	
Assumed Average Rate of Return After Retirement: 4%	

MY SOCIAL SECURITY

\$800/mo

The social security information listed below is based on an estimation.

Benefits begin at age: 67

Total Social Security: \$500/mo

CORY'S SOCIAL SECURITY

The social security information listed below is based on an estimation.

Benefits begin at age: 67

Total Social Security: \$300/mo

MY PENSION

\$3,096/mo

The pension information listed below is based on an estimation.

Job Category: Corrections: administrator

Years of service: 10

Total Pension: \$2,296/mo

CORY'S PENSION

The pension information listed below is based on an estimation.

Benefits begin at age: 62

Annual cost of living adjustment: 0%

Total Pension: \$800/mo

DESIRED INCOME

Calculated to replace 85% of your pre-retirement income.

\$12,311/mo

PROJECTED INCOME

How much you're on track to receive during retirement.

\$9,667/mo

GAP

The difference between your desired income and projected income.

\$2,643/mo

If you want to update any of the numbers listed, you can do so within the [My Interactive Retirement Planner](#). In Step 4, you can regenerate this report.

Disclosure

This material is not a recommendation to buy, sell, hold or roll over any asset, adopt an investment strategy, retain a specific investment manager or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition, or particular needs of any specific person. Investors should work with their financial professional to discuss their specific situation.

While taking all reasonable measures to protect the security of information, we assume no responsibility for the consequences of any decisions or actions taken in reliance upon, or as a result of, the information provided to or by this tool. **My Interactive Retirement PlannerSM** provides a hypothetical compounding example that is for informational purposes and is not intended to predict or project investment results of any specific investment. **The potential accuracy of the estimated retirement income is contingent upon the accuracy of the information you provide.** Investment return will vary depending upon your investment selection, market experience and existing economic conditions. Assumptions do not include fees and expenses. If fees were reflected returns would be lower. While using this tool, you may choose to submit personal and financial information. This information will be used to calculate your projected monthly retirement income, and may potentially be used for the purpose of marketing and/or sale of other Nationwide^{*} products. We will not intentionally sell, share or distribute your personal information to third parties, except as required by law.

Investing involves market risk, including the possible loss of principal. There is no guarantee investment objectives will be achieved.

My Interactive Retirement PlannerSM Methodology & Assumptions

Important: Participants are encouraged to speak with qualified professionals to learn more about their specific goals and savings needs.

My Interactive Retirement Planner (MIRP) allows participants to enter current and ongoing financial information and projected rates of return for the purpose of hypothetically projecting monthly retirement income and defining a retirement income goal against which to measure progress.

Default Projected Income Calculation

Basic participant account information and various default data assumptions are combined to establish a pre-MIRP projected retirement income. These include:

Participant information can include*:	Default data includes:
<ul style="list-style-type: none">• Combined account balances minus any defaulted loan amounts• Pension estimation• Social Security estimation• Date of birth• Contribution amount• Paycheck frequency	<ul style="list-style-type: none">• Desired retirement age of 60• 30 years in retirement• A minimum of 10 years in retirement, regardless of age• 6% assumed average rate of return before retirement• 4% assumed average rate of return after retirement• 3% annual inflation

*Some of the information above may or may not include certain estimates.

MIRP allows for personalization of most default data points. Changes are archived and retrieved upon reentry.

*Not eligible for personalization.

Personalized Projected Income Calculation

As additional and/or updated information is included, a robust and personalized projected monthly retirement income is provided. Any updates made to the default data will be archived and reflected in the projected and desired income amounts.

The personalized projected income is calculated by projecting the total retirement assets value at retirement. Then, numerous future and present value calculations are brought together to determine the total income needs at the start of retirement and for every month during retirement. Streams of income with varying start dates are incorporated to estimate projected monthly retirement income. When compared to the desired monthly retirement income, a gap or surplus is presented.

Important: MIRP provides a detailed target income gap analysis based on user provided data points & account information. This level of granular detail provides a more robust, personalized experience versus other tools that may offer basic retirement income calculations. As a result, final calculations and assumptions may differ between MIRP and other retirement income calculation tools.

General

Annual Salary & Annual Salary Increase

Combined (participant and spouse) annual salary is used to project desired income needs in retirement. MIRP assumes that annual salary will increase at an average annual rate of 2.5%, which can be adjusted by the participant.

Pre-tax Contributions

For the purpose of this projection all hypothetical illustrations are assumed to be pretax. For answers to specific questions, please consult your personal financial or tax advisor.

Rate of Return

Hypothetical rates of return before and after retirement apply only to investment options – both retirement plan and outside investments. Rates of return do not apply to other potential sources of income, including pension and Social Security. Rates of return are not guaranteed. Investing involves market risk, including the possible loss of principal.

MIRP defaults before retirement rate of return to 6% and after retirement rate of return to 4%. Participants may adjust the rate of return from -12% to 10%.

Inflation

MIRP assumes average annual inflation of 3%.

Retirement Age & Years in Retirement

Retirement Age is the age at which distributions from your retirement account are assumed to begin. MIRP defaults to a retirement age of 60, which can be adjusted by the participant. **Years in Retirement** is the number of years projected to be spent in retirement and taking distributions. Years in retirement is defaulted to 30 years, but can be adjusted by the participant.

Participant and spouse are assumed to share a retirement end date.

Today's Dollars & Retirement Dollars

Today's Dollars represents projected retirement income and desired retirement income based on the Future Dollar amount with respect to the average annual inflation rate from the selected retirement date until now. **Retirement Dollars** represents projected income, and income needs at retirement. MIRP defaults desired and projected income amounts to retirement dollars.

Required Minimum Distributions (RMD)

In retirement the IRS generally requires participants to take required minimum distribution (RMD) payouts from the account by April 1 in the year after you turn 70½. MIRP does not account for RMDs when calculating projected income in retirement. RMDs may affect the amount of retirement income participants will, or be required to, withdraw.

Projected Retirement Income & Desired Income

MIRP assumes the hypothetical total account balance to be the balance of the retirement plan accounts and other financial assets at the retirement date, taking into account ongoing investment amount(s) and growth at the assumed rates of return.

Numerous future and present value calculations account for total income needs at the start of retirement. Streams of income with varying start dates are incorporated to provide projected retirement income. When compared to the desired income, a gap or surplus is presented.

Desired income (retirement spending goal) is calculated based on combined annual income amounts. A default desired income of 85% is initially used and can be updated at any time.

The retirement readiness indicator displayed in the graph is determined by dividing the projected income by the desired income.

Other Assets

Hypothetical illustrations are contingent upon the accuracy of the information you provide and maintain over time. Financial assets are assumed to grow based on current account balance, ongoing investment amount(s) and rate(s) of return.

IRS Contribution Limits

MIRP does not restrict users from modeling hypothetical contribution changes that may exceed IRS contribution limits. These limits still apply per IRS rules. However, MIRP does not apply IRS contribution limit restrictions to nonplan assets.

Contributions

Contribution Amounts & Pay Frequency

To calculate monthly retirement income, MIRP uses pay frequency on file. If no pay frequency is on file, biweekly is assumed. For the purpose of hypothetical contribution amount modeling, MIRP uses the pay frequency of the first retirement account on file.

Employer Match

MIRP uses user defined employer match information to calculate total ongoing contributions.

'Retirement Outlook' Graph & Contribution Recommendation

If applicable, the income gap is based on the difference between desired and projected retirement income. The contribution amount needed to potentially fill the gap is based on the pay frequency file identified on the personal information page.

Pension

Income

If applicable, projected retirement income includes participant-defined pension income, pay frequency and age at which pension payouts would begin. If an annual pension amount is entered, the total is divided by 12 to project monthly income amount.

Projected annual pension benefit estimation includes factors such as:

Years of service
Compensation
Pension factor determined by the plan

This is only an estimate - provided by Still River Retirement Planning Software, Inc. Results may vary depending on unanticipated exceptions in the plan, recent retirement plan changes, differing methods for rounding ages or years of service or by future events, such as salary increases, early or delayed retirement, changes in plan structure, etc.

As retirement approaches, you're encouraged to request official pension estimates from your retirement plan administrator. The estimates provided here should not be considered fully accurate projections of future benefits.

COLA

If applicable, projected pension income assumes an annual, participant-defined cost of living adjustment beginning following the pension benefits commencement age. MIRP accepts values between 1% and 10%. If nothing is entered, 0% is assumed.

Social Security

Income

If applicable, projected retirement income includes participant-defined Social Security income, pay frequency and age at which payouts would begin. If an annual Social Security amount is entered, the total is divided by 12 to project monthly income amount.

COLA/CPI

If applicable, projected retirement income includes the Social Security Administration defined [cost of living](#) adjustment for each tax year. The SSA COLA is based on increases in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPIW). CPIWs are calculated on a monthly basis by the Bureau of Labor Statistics.

Non-factors

The following are not factored into projected retirement income. If any of the following were included, projected income may decrease.

Healthcare Expenses
Insurance Needs
Tax Payments
Unforeseen Expenses

¹Latest Cost-of-Living Adjustment, <http://www.ssa.gov/oact/cola/latestCOLA.html>. Accessed 06/02/2014.



Section Four

- I – Plan Sponsor Statement
- II – Service Level Report
- III – Fee Normalization
- IV – 1079
- V – Account Statement



Entity: 0051910
October 1, 2016 - December 31, 2016

DAVID JOSEPH
PERSONNEL ANALYST
2220 TULARE ST FL 14
FRESNO CA 93721-2122

Please review your statement carefully. Corrections may not be accepted more than 45 days after the closing date of the statement.

Questions? Contact Us!

CUSTOMER SERVICE: (877)693-2457
(ESPAÑOL): (800)649-9494
TTY: (800)848-0833
Website: www.fresno457.com
Write us at: NATIONWIDE RETIREMENT SOLUTIONS
PO BOX 182797
COLUMBUS OH 43218-2797

Nationwide Investment Services Corporation, member FINRA, In Michigan Only:
Nationwide Investment Svcs. Corporation

Activity at a Glance

Balance as of 10-01-16	<u>457(b) Plan</u> \$210,985,290.10
Contributions/Loan Payments*	\$3,321,915.78
Interest/Dividend/Cap Gain/Reimb	\$1,961,427.50
Gain/Loss	\$818,593.15
Distributions/Loan Disbursements**	-\$3,639,649.06
Charges/Fees	-\$116,261.47
Balance as of 12-31-16	\$213,331,316.00

See your loan information inside!

*Including, but not limited to, Employee and Employer Contributions, Loan Principal Payments, Rollovers and Transfers In.

**Including, but not limited to, Rollovers and Transfers Out, Partial and Lump Sum Payments.

This statement represents an aggregate of the values of active accounts for those plan participants receiving a statement for this reporting period. Values reported above represent current period totals for those participants.

Investment Option Summary - October 1, 2016 to December 31, 2016

Ending Price is as of 12/31/2016

<u>Investment Option</u>	<u>Ending Price</u>	<u>Units/Shares</u>	<u>Value</u>
457(b) Plan			
*Alger Spectra Z	16.9700	2,054,685.9415	\$34,868,020.29
*BlkRk EAFE Eq Indx T	17.4045	79,501.0040	\$1,383,676.64
*BlkRk Eq Indx M	17.7023	2,305,135.0519	\$40,806,192.18
*BlkRk MdCap Eq Indx M	17.9995	425,390.9320	\$7,656,824.14
*BlkRk Rssl 2000 Indx M	17.6662	123,298.8708	\$2,178,222.51
*BlkRk US Db Indx W	20.8914	134,202.2858	\$2,803,672.24
*Col Divd Inc Y	19.4100	590,817.4640	\$11,467,767.01
*FidAdv RealEst Inc Inst	11.7500	99,829.7022	\$1,172,998.98
*Fnkln Util R6	17.7700	227,348.2779	\$4,039,978.93
*FnklnTmp Glbl Bd R6	11.9600	63,842.0964	\$763,551.43
Fresno County Stable Value Fund			\$64,293,853.85
*Great West Lftm 2015 Tr	10.6800	251,615.7869	\$2,687,256.62
*Great West Lftm 2025 Tr	10.7400	491,429.6512	\$5,277,954.37
*Great West Lftm 2035 Tr	10.8300	347,382.3908	\$3,762,151.32
*Great West Lftm 2045 Tr	10.8600	241,941.0099	\$2,627,479.36
*Great West Lftm 2055 Tr	10.8300	86,342.7890	\$935,092.34
*Henesy Focs Inst	75.7600	67,393.7951	\$5,105,753.88
*Jns Prkns SmCap Val N	22.1800	65,103.1737	\$1,443,988.27
*Nchls Ltd Edtn Inst	23.6900	221,082.9235	\$5,237,454.50
*Okmrk Eq Inc I	30.4200	68,444.7915	\$2,082,090.65
*Opp Devl Mkt I	31.9600	20,820.9222	\$665,436.68
*RdgWrth Ttl Rtn Bd IS	10.3900	308,843.0423	\$3,208,879.21
*WR Ivy Intl Cor Eq R6	16.7800	528,189.5457	\$8,863,020.60
TOTAL			\$213,331,316.00

* Fund is valued in shares rather than units

Statement Details

Participant Account Values by Investment Option - October 1, 2016 to December 31, 2016

	Beginning Balance	Contributions/ Loan Payments	Exchanges	Distributions/ Loan Disbursements	Charges/ Credits/Fees	Interest/ Dividend/ Cap Gain/ Reimb	Gain/Loss	Ending Balance
457(b) Plan (0051910001)								
*Alger Spectra Z	\$36,478,418.67	\$394,930.33	-\$736,575.71	-\$509,836.29	-\$18,205.74	\$696,873.69	-\$1,437,584.66	\$34,868,020.29
*BlkRk EAFE Eq Indx T	\$1,342,901.79	\$47,349.64	\$14,562.46	-\$10,843.43	-\$1,805.78	\$12.56	-\$8,500.60	\$1,383,676.64
*BlkRk Eq Indx M	\$40,585,123.65	\$363,194.28	-\$948,533.42	-\$706,772.65	-\$22,214.71	\$358.46	\$1,535,036.57	\$40,806,192.18
*BlkRk MdCap Eq Indx M	\$7,290,035.90	\$146,712.12	-\$209,264.15	-\$107,002.86	-\$3,801.56	\$168.16	\$539,976.53	\$7,656,824.14
*BlkRk Rssl 2000 Indx M	\$1,973,854.84	\$43,984.52	\$739.38	-\$17,552.73	-\$1,044.96	\$68.14	\$178,173.32	\$2,178,222.51
*BlkRk US Db Indx W	\$2,684,873.96	\$49,248.75	\$179,847.70	-\$24,636.87	-\$3,067.94	\$50.23	-\$82,643.59	\$2,803,672.24
*Col Divd Inc Y	\$10,941,312.39	\$199,010.98	\$69,219.75	-\$249,892.04	-\$6,765.12	\$316,013.16	\$198,867.89	\$11,467,767.01
*FidAdv RealEst Inc Inst	\$1,179,057.45	\$18,393.17	\$1,507.36	-\$14,219.90	-\$648.15	\$20,949.16	-\$32,040.11	\$1,172,998.98
*Fnklin Util R6	\$4,200,070.76	\$156,695.21	-\$61,240.98	-\$243,312.37	-\$2,033.56	\$35,169.46	-\$45,369.59	\$4,039,978.93
*FnklinTmp Glbl Bd R6	\$639,323.69	\$16,948.64	\$57,369.14	-\$4,563.38	-\$1,144.37	\$4,397.07	\$51,220.64	\$763,551.43
Fresno County Stable Value Fund	\$63,087,857.01	\$716,240.49	\$1,325,182.98	-\$1,119,591.77	-\$31,667.46	\$367.02	\$315,465.58	\$64,293,853.85
*Great West Lfm 2015 Tr	\$2,401,253.76	\$62,722.78	\$361,824.45	-\$134,590.41	-\$1,293.39	\$16.05	-\$2,676.62	\$2,687,256.62
*Great West Lfm 2025 Tr	\$5,307,674.30	\$155,313.77	-\$118,904.10	-\$72,784.92	-\$2,727.56	\$87.32	\$9,295.56	\$5,277,954.37
*Great West Lfm 2035 Tr	\$3,492,040.15	\$166,850.17	\$86,816.99	-\$18,528.85	-\$1,952.07	\$26.72	\$36,898.21	\$3,762,151.32
*Great West Lfm 2045 Tr	\$2,330,760.23	\$235,514.18	\$58,594.32	-\$29,617.42	-\$1,679.26	\$17.23	\$33,890.08	\$2,627,479.36
*Great West Lfm 2055 Tr	\$792,440.24	\$119,606.18	\$23,598.99	-\$10,905.93	-\$602.07	\$16.83	\$10,938.10	\$935,092.34
*Henesy Focs Inst	\$5,211,864.01	\$99,171.63	-\$274,513.21	-\$64,048.46	-\$2,598.90	\$504.45	\$135,374.36	\$5,105,753.88
*Jns Prkns SmCap Val N	\$1,021,988.27	\$36,622.76	\$293,348.50	-\$25,091.46	-\$1,081.20	\$51,610.45	\$66,590.95	\$1,443,988.27
*Nchls Ltd Edtn Inst	\$5,215,082.78	\$58,158.96	-\$127,950.50	-\$53,335.48	-\$2,539.27	\$507,325.29	-\$359,287.28	\$5,237,454.50
*Okmrk Eq Inc I	\$2,011,440.25	\$15,672.66	-\$23,356.45	-\$18,737.67	-\$992.41	\$82,215.17	\$15,849.10	\$2,082,090.65
*Opp Devl Mkt I	\$617,009.70	\$25,540.86	\$61,785.77	-\$6,390.45	-\$650.70	\$4,812.16	-\$36,670.66	\$665,436.68
*RdgWrth Ttl Rtn Bd IS	\$3,153,560.88	\$55,434.18	\$152,840.88	-\$68,326.92	-\$2,541.67	\$62,406.39	-\$144,494.53	\$3,208,879.21
*WR Ivy Intl Cor Eq R6	\$9,027,345.42	\$138,599.52	-\$186,900.15	-\$129,066.80	-\$5,203.62	\$177,962.33	-\$159,716.10	\$8,863,020.60
TOTAL	\$210,985,290.10	\$3,321,915.78	\$0.00	-\$3,639,649.06	-\$116,261.47	\$1,961,427.50	\$818,593.15	\$213,331,316.00

* Fund is valued in shares rather than units

Gain/Loss is the difference between the account balance on the first and last day of the period, after allowing for the effects of transactions.

Loan Information - October 1, 2016 to December 31, 2016

Plan Type - 457(b) Plan

Loan Payments this Period

Principal Balance On 10/01/2016	Principal Paid	Principal Loan Adjustment	Principal Loan Disbursement	Principal Offset	Principal Balance On 12/31/2016	Principal Paid	Interest Paid	Finance Charges Paid	Total Payment	*Principal Default as of 12/31/2016
\$4,923,536.90	\$544,106.57	\$29.44	\$527,963.79	\$64,007.02	\$4,843,461.68	\$544,106.57	\$62,649.24	\$0.00	\$606,755.81	\$326,524.99

*Default amounts are included in Beginning and Ending Balances.

Investment Performance Information - October 1, 2016 to December 31, 2016

The following are percentage changes in Net Assets (with capital gains and income dividends reinvested) for the funds under the Plan, for the respective periods ended 12/31/2016. The results shown represent past performance and do not represent expected future performance or experience. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the data quoted. Performance data current to the most recent month-end may be obtained by visiting: WWW.FRESNO457.COM. Please consider the fund's investment objectives, risks, and charges and expenses carefully before investing. The prospectus contains this and other important information about the investment company. Prospectuses are available by calling (877)693-2457. Read the prospectus carefully before investing.

The rates of return do not reflect a maximum deduction of a 0.19% annual plan asset fee, which, if reflected, would reduce the performance shown.

Please see other important disclosures at the end of this report.

VRU #	Fixed Investment Option	Annualized Current Quarter Yield	Current Year Guaranteed Minimum Yield						Gross
1177	Fresno County Stable Value Fund	2.000%	N/A						
VRU #	Variable Investment Options	Morningstar Category	YTD	Average 1 Year	Annual Return 5 Year	10 Year	Since Inception	Inception Date	Expense Ratio
	Specialty								
1277	FidAdv RealEst Inc Inst	Real Estate	10.21%	10.21%	9.37%	6.32%	7.83%	02/04/03	0.77%
1280	Fnkln Util R6	Utilities	18.09%	18.09%	10.70%	7.81%	10.25%	09/30/48	0.47%
	Small-Cap Stocks								
1228	BkRk Rssl 2000 Indx M	Small Blend	21.58%	21.58%	14.67%	7.21%	7.57%	12/31/97	0.06%
1292	Nchls Ltd Edtn Inst	Small Growth	12.37%	12.37%	11.62%	8.61%	9.70%	05/18/87	0.86%
1293	Jns Prkns SmCap Val N	Small Value	26.58%	26.58%	13.59%	9.00%	N/A	10/21/87	0.89%
	International Stocks								
1104	Opp Devl Mkt I	Diversified Emerging Mkts	7.38%	7.38%	3.22%	N/A	3.26%	12/29/11	0.88%
1225	BkRk EAFE Eq Indx T	Foreign Large Blend	2.02%	2.02%	6.75%	0.97%	3.22%	06/30/99	0.12%
1281	WR Ivy Intl Cor Eq R6	Foreign Large Blend	1.79%	1.79%	7.98%	N/A	3.66%	04/02/07	0.83%
	Mid-Cap Stocks								
1227	BkRk MdCap Eq Indx M	Mid-Cap Blend	20.76%	20.76%	15.35%	9.22%	10.91%	06/16/97	0.05%
1170	Henesy Focs Inst	Mid-Cap Growth	7.55%	7.55%	14.28%	8.80%	13.25%	01/03/97	1.12%
	Large-Cap Stocks								
1226	BkRk Eq Indx M	Equity Index Blend	11.97%	11.97%	14.68%	7.04%	7.36%	03/05/97	0.02%
1267	Alger Spectra Z	Large Growth	0.17%	0.17%	14.34%	N/A	11.72%	12/29/10	1.04%
1269	Col Divd Inc Y	Large Value	13.63%	13.63%	13.13%	7.45%	7.69%	03/04/98	0.59%
	Balanced								
837	Okmrk Eq Inc I	Allocation--50% to 70% Equity	10.97%	10.97%	8.93%	6.64%	10.20%	11/01/95	0.75%
	Bonds								
1229	BkRk US Db Indx W	Intermediate-Term Bond	2.70%	2.70%	2.30%	4.41%	5.48%	06/06/96	0.05%
1294	RdgWrth Ttl Rtn Bd IS	Intermediate-Term Bond	3.13%	3.13%	2.33%	4.85%	5.04%	12/30/97	0.31%
1044	FnklnTmp Gbl Bd R6	World Bond	6.78%	6.78%	4.52%	6.95%	7.88%	09/18/86	0.53%
	Asset Allocation								
1509	Great West Lftm 2015 Tr (b)	Target-Date 2015	7.77%	7.77%	N/A	N/A	3.29%	12/19/14	0.47%
1510	Great West Lftm 2025 Tr (b)	Target-Date 2025	8.70%	8.70%	N/A	N/A	3.58%	12/19/14	0.47%
1511	Great West Lftm 2035 Tr (b)	Target-Date 2035	9.84%	9.84%	N/A	N/A	4.00%	12/19/14	0.47%
1513	Great West Lftm 2045 Tr (b)	Target-Date 2045	10.37%	10.37%	N/A	N/A	4.14%	12/19/14	0.47%
1514	Great West Lftm 2055 Tr (b)	Target-Date 2055	10.29%	10.29%	N/A	N/A	4.00%	12/19/14	0.47%

FEE DISCLOSURES

The Standardized illustration represents performance based on a \$10,000 hypothetical investment, and reflects the deduction of the following fees:

Gross expense ratios represent the fund's total operating expenses expressed as a percentage of the assets held in the fund. For more information about gross expense ratios, read the fund's prospectus.

Some mutual funds may impose a short term trade fee. Some funds may be subject to a trade restriction policy. Please read the underlying prospectus carefully.

FOOTNOTES

b) These funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the fund's expenses, you are indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds.

PERFORMANCE RESULTS

Investment Performance Information - October 1, 2016 to December 31, 2016

RISK DISCLOSURES

Money market funds: Money market funds are not insured or guaranteed by the FDIC or any other government agency. Although the goal of a money market is to preserve the value of an investment at \$1 per share, it is still possible to lose money.

International/emerging markets funds: Funds that invest in international stocks face risks that funds investing only in U.S. stocks do not. Currency fluctuation, political risk, differences in accounting standards and the limited availability of information may make these funds less stable.

Small company funds: Small and emerging companies may have less liquidity than larger, established companies. Therefore, funds investing in stocks of small or emerging companies may face greater price volatility and risk.

High-yield bond funds: Funds that invest in high-yield securities may have more credit risk and changes in price than funds that invest in higher-quality securities.

Non-diversified funds: Funds that invest in a single industry or small number of securities may be more volatile than those that invest more broadly.

Government bond funds: These funds invest mainly in securities of the U.S. government and its agencies; however, these entities do not guarantee the value of the funds.

Real estate funds: Funds that invest mainly in real estate are sensitive to economic and business cycles, changing demographic patterns and government actions.

IMPORTANT DISCLOSURES

"Inception Date" is the date the fund was established. The "Since Inception" column contains performance for the funds if the Inception Date was before the time period indicated.

Performance numbers in the YTD (Year To Date) column are not annualized returns and represent the total percentage change in share value from the beginning of the year to the date of this report.

Fund category data provided by Morningstar®. © 2016 Morningstar, Inc. All Rights Reserved. The Morningstar information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Although data is gathered from reliable sources, data accuracy and completeness cannot be guaranteed.

Retirement Specialists are Registered Representatives of Nationwide Investment Services Corporation, member FINRA. In MI only: Nationwide Investment Svcs. Corporation

Nationwide, the Nationwide N and Eagle, Nationwide is on your side, and other marks displayed in this message are service marks of Nationwide Mutual Insurance Company or its affiliates, unless otherwise disclosed. © 2016 Nationwide.

County of Fresno
Plan Administrator: Nathan Schroeder

Deliverable:	Service Level Agreement:	Penalty:	Frequency:	Q4: Met/Failed	Q4: Penalty	Q4: Comments
Contribution Reconciliation	Nationwide will reconcile contributions within three (3) business days from receipt of deposit	\$2,500	Per Annum	Met	\$0	Annual requirement; NRS has met this standard for 4Q2016.
Contribution Posting	Nationwide will post contributions within three (3) business days from receipt of deposit	\$2,500	Per Annum	Met	\$0	Annual requirement; NRS has met this standard for 4Q2016.
Hardship Withdrawals Paid	Nationwide will process Hardship withdrawals within three (3) business days from receipt of request	\$2,500	Per Annum	Met	\$0	Annual requirement; NRS has met this standard for 4Q2016.
Loans Funded	Nationwide will fund loans within five (5) business days from receipt of request	\$2,500	Per Annum	Met	\$0	Annual requirement; NRS has met this standard for 4Q2016.
Final Distributions Paid	Nationwide will process final distributions within five (5) business days from receipt of request	\$2,500	Per Annum	Met	\$0	Annual requirement; NRS has met this standard for 4Q2016.

Investment Fund Transfers	Nationwide will process investment fund transfers the same day if received before the close of the NYSE	\$2,500	Per Annum	Met	\$0	Annual requirement; NRS has met this standard for 4Q2016.
Rollovers into the Plan Processed and Invested	Nationwide will process and invest rollovers into the Plan within five (5) business days from receipt of deposit	\$2,500	Per Annum	Met	\$0	Annual requirement; NRS has met this standard for 4Q2016.
Participant Statements Mailed	Nationwide will mail statements to participants within twenty (20) calendar days after the end of each quarter	\$2,500	Per Annum	Met	\$0	1/13/2017
Average Wait-Time for the Call Center	Nationwide agrees to an average wait time of forty (40) seconds	\$2,500	Per Annum	Met	\$0	ASA 22 seconds
Loan Disbursements	Tracking Only	N/A	N/A	N/A	N/A	84 loans initiated in Q4
Unforseeable Emergency Stats	Tracking Only	N/A	N/A	N/A	N/A	14 Applications: 3 Approved/11 Denied

41.65% Participation Rate	Nationwide agrees to increase participation by 25% over the contract term based on a comparison to participation data as of December 31, 2014	\$12,500	\$12,500 at end of contract term with extensions (calculated by putting \$2,500 at risk for each year of the contract term with extensions, although penalties are not assessed on an annual basis)	N/A	\$0	12/31/16 Rate was 44%.
338/yr Enrollments	Nationwide agrees to increase enrollments by 25% over the contract term based on a comparison to participation data as of December 31, 2014	\$12,500	\$12,500 at end of contract term with extensions (calculated by putting \$2,500 at risk for each year of the contract term with extensions, although penalties are not assessed on an annual basis)	N/A	\$0	2016 Total was 683.
\$3,513 Avg Annual Deferral	Nationwide agrees to increase participant deferral amounts by 25% over the contract term based on a comparison to participation data as of December 31, 2014	\$12,500	\$12,500 at end of contract term with extensions (calculated by putting \$2,500 at risk for each year of the contract term with extensions, although penalties are not assessed on an annual basis)	N/A	\$0	2016 Avg. was \$2,602.

Total Q4 \$0.00



Revenue Reimbursement Account

Fresno County
Excess Revenue Report

David Joseph
Personnel Analyst
2220 Tulare St Fl 14
Fresno, CA 93721-2122

Questions? Contact Us!

Customer Service: 1-877-693-2457
TTY: 1-800-848-0833
Write us at: Nationwide Retirement Solutions
P.O. Box 182797
Columbus, Ohio 43218-2797

Please review your employer excess revenue statement carefully. For information on your Plan outside of the revenue reimbursement account, please refer to the quarterly statement from your core accounts. Corrections may not be accepted more than 45 days after the closing date of the statement.

Account Value Detail:

Units	Dollar amount	Transaction	Date	Invoice #/Explanation
300,718.54024509	301,237.55	Balance	12/31/2015	N/A
45,714.42891863	45,804.25	Unit credit	1/27/2016	Q4 Revenue
-9,426.44283567	(9,446.20)	Invoice unit withdrawal	2/9/2016	RD-1605
3,564.64952743	3,572.42	Unit credit	2/17/2016	2015 Revenue Adjustment
-11,169.42467666	(11,195.60)	Invoice unit withdrawal	3/3/2016	County Counsel #05,07/BQ116104
-596.36311674	(597.80)	Invoice unit withdrawal	3/9/2016	County Counsel #08
-8,577.32358209	(8,599.84)	Invoice unit withdrawal	3/28/2016	RD-1606
-10,312.72817681	(10,341.60)	Invoice unit withdrawal	4/12/2016	BQ216104, County Counsel #09
-7,182.63478457	(7,204.60)	Invoice unit withdrawal	5/4/2016	RD-1607
44,355.03258296	44,471.15	Unit Credit	5/5/2016	Q1 Revenue (Dec/Jan/Feb Explicit Asset Fees)
-243.22080082	(244.00)	Invoice unit withdrawal	5/16/2016	County Counsel #10
-6,542.77071256	(6,566.28)	Invoice unit withdrawal	6/16/2016	RD-1608
-10,097.09069081	(10,134.00)	Invoice unit withdrawal	6/21/2016	#478065 (FLIP)
-1,130.43995834	(1,134.60)	Invoice unit withdrawal	6/23/2016	County Counsel #11
-154,426.00471751	(155,000.00)	Excess Revenue Distribution	6/24/2016	N/A
-376.79481157	(378.20)	Invoice unit withdrawal	6/27/2016	County Counsel #12
-11,333.10962410	(11,380.60)	Invoice unit withdrawal	8/3/2016	BQ3167006/NAGDCA/County Counsel #01

45,552.55144383	45,748.15	Unit Credit	8/11/2016	Q2 Revenue (Mar/Apr/May Explicit Asset Fees)
-597.35547149	(600.00)	Invoice unit withdrawal	8/19/2016	NAGDCA Membership Dues
-12,293.12449130	(12,348.87)	Invoice unit withdrawal	8/29/2016	RD-1701
-1,099.39921775	(1,104.40)	Invoice unit withdrawal	8/30/2016	NAGDCA Airfare
-1,507.82040355	(1,514.70)	Invoice unit withdrawal	8/31/2016	NAGDCA Hotel Rooms
-145.72268243	(146.40)	Invoice unit withdrawal	9/6/2016	County Counsel #2
-754.91337928	(756.40)	Invoice unit withdrawal	9/28/2016	County Counsel #3
2.98392699	2.99	Unit Credit	10/6/2016	Fund mapping residual deposit
-131.72546174	(132.00)	Invoice unit withdrawal	10/12/2016	Seymour NAGDCA Expenses
-5,520.45822036	(5,532.01)	Invoice unit withdrawal	10/13/2016	RD-1702
47,325.79809579	47,426.01	Unit Credit	10/14/2016	Q3 Revenue (Jun/Jul/Aug Explicit Asset Fees)
-9,975.20443483	(10,000.00)	Invoice unit withdrawal	11/29/2016	BQ4161009
-389.42508986	(390.40)	Invoice unit withdrawal	12/1/2016	County Counsel #4
-857.92828324	(860.10)	Invoice unit withdrawal	12/2/2016	County Counsel #5
-12,037.46961502	(12,068.28)	Invoice unit withdrawal	12/7/2016	RD-1703
-328.62275796	(329.48)	Invoice unit withdrawal	12/12/2016	Joseph NAGDCA Expenses
-936.92647662	(939.40)	Invoice unit withdrawal	12/15/2016	County Counsel #6

Account Value Total:

Unit price Vanguard Prime Money Market Fund - Investor Shares as of 1/29/2016:	1.00200443
Total account value as of 1/29/2016:	\$347,127.37
Unit price Vanguard Prime Money Market Fund - Investor Shares as of 2/29/2016:	1.00231066
Total account value as of 2/29/2016:	\$341,358.12
Unit price Vanguard Prime Money Market Fund - Investor Shares as of 3/31/2016:	1.00265988
Total account value as of 3/31/2016:	\$321,079.83
Unit price Vanguard Prime Money Market Fund - Investor Shares as of 4/29/2016:	1.00301011
Total account value as of 4/29/2016:	\$310,848.22
Unit price Vanguard Prime Money Market Fund - Investor Shares as of 5/31/2016:	1.00339035
Total account value as of 5/31/2016:	\$348,000.37
Unit price Vanguard Prime Money Market Fund - Investor Shares as of 6/30/2016:	1.00376646
Total account value as of 6/30/2016:	\$174,907.72
Unit price Vanguard Prime Money Market Fund - Investor Shares as of 7/29/2016:	1.00415185
Total account value as of 7/29/2016:	\$174,974.88
Unit price Vanguard Prime Money Market Fund - Investor Shares as of 8/31/2016:	1.00456261
Total account value as of 8/31/2016:	\$193,853.62
Unit price Vanguard Federal Money Market Fund - Investor Class as of 9/30/2016:	1.00198601
Total account value as of 9/30/2016:	\$193,027.37

Unit price Vanguard Federal Money Market Fund - Investor Class as of 10/31/2016:	1.00224211
Total account value as of 10/31/2016:	\$234,847.35
Unit price Vanguard Federal Money Market Fund - Investor Class as of 11/30/2016:	1.00249478
Total account value as of 11/30/2016:	\$224,906.46
Unit price Vanguard Federal Money Market Fund - Investor Class as of 12/30/2016:	1.00283420
Total account value as of 12/30/2016:	\$210,391.00

This statement details the amount(s) deposited in the Fresno County Revenue Reimbursement Account.

For further information please contact your Plan Administrator, Nate Schroeder, at 1-877-677-3678 extension 4355892 or directly at 614-435-5892.

Nationwide Investment Services Corporation, member FINRA. In Michigan only: Nationwide Investment Svcs. Corporation

Nationwide Retirement Solutions and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the National Association of Counties, The United States Conference of Mayors, and the International Association of Fire Fighters-Financial Corporation. More information about the endorsement relationships may be found online at www.nrsforu.com.

© 2014 Nationwide Mutual Insurance Company and Affiliated Companies. All rights reserved. Nationwide framemark and On Your Side are service marks of Nationwide Mutual Insurance Company.



Item 11

DATE: February 23, 2017
TO: Deferred Compensation Management Council
FROM: Brent Petty, NWCM, Inc.
SUBJECT: Fourth Quarter Investment Performance Report (Executive Summary)

Capital Markets

Index	YTD (As of 8/11/16)	Q2 2016	1 Year (As of 8/11/16)
S&P 500	8.40%	2.46%	7.25%
S&P 400 MidCap	12.68%	3.99%	6.08%
S&P 600 SmallCap	11.86%	3.48%	7.34%
MSCI EAFE	1.72%	-1.46%	-5.67%
Emerging Markets	16.22%	0.66%	5.88%
Barclays US Agg Bond	5.58%	2.21%	5.28%
10 Year Treasury (yield)	1.57% (8/11/16)	1.49% (6/30/16)	2.15% (8/11/15)

Fourth Quarter

Equity and fixed income markets finished 2016 in positive territory. U.S. equity markets outperformed international equity and fixed income in the fourth quarter and for the year. GDP readings have been solid over the past two quarters, providing evidence of an expanding economy. Emerging market equities had the worst quarter, but performed well on the year lagging only U.S. equity markets. In the fourth quarter, fixed income markets were negatively affected by higher expectations for inflation and growth. However, they were still able to post modest returns in 2016, despite elevated volatility in the Treasury market. International developed equity markets had a mixed year and performed relatively poor in 2016.

Economic Factors

The surprising U.S. election results detracted attention from a U.S. economy that appears to be expanding at a healthy pace. A stable job market and increased confidence have helped fuel the recovery. Jobs were steadily added in the fourth quarter and throughout the year. The gains helped lower the unemployment rate to 4.6%. Wage growth came in below expectations; but wage growth on a year-over-year basis is above post-recession lows. This is largely a response to labor markets tightening. Core durable goods orders were up more than expected in November, and the ISM Manufacturing and Non-Manufacturing indices

continued to rise even further into expansionary territory. Rising wages, high consumer confidence, and strong consumer spending have supported prices - the Consumer Price Index was near the Fed's 2% target. Commodities ended the year higher, with oil prices receiving a boost over the fourth quarter from OPEC's decision to cut production. Oil prices further benefited from news that some non-OPEC countries, such as Russia, would also reduce their oil output.

US Equity

Equities finished 2016 strongly as the U.S. economy showed signs of improving growth in the second half of the year. Small Cap returns were particularly strong, with small and micro-cap names outperforming larger market cap stocks. As is often the case in a rising yield environment, value outperformed growth. Equity returns were lifted by increased consumer and business confidence, positive housing data, and an expectation of higher growth and inflation as the market anticipates stimulus through tax cuts and infrastructure spending promised by the incoming administration.

International Developed Equity

An emerging Italian banking crisis, pending elections in France and Germany, and the EU's uneven economic recovery have weighed on international developed equities. Developed large cap ended the quarter lower, while gains were abysmal on the year. As was experienced in the U.S., value outperformed growth. Developed large cap value had a strong fourth quarter, which helped push up returns on the year.

Emerging Markets Equity

Returns were relatively strong in 2016 for emerging market equities. However, in the fourth quarter they were led lower by Mexico, China, and South Africa. A stronger dollar, rising yields, and global trade concerns negatively affected emerging market equities. Some emerging markets benefited from higher oil prices, such as Russia. Although Russia has been in the news much lately, China continues to garner the most attention from an investment perspective. The Yuan's depreciation is exacerbating the fear that capital flight may be worsening. Also, an increasing debt burden and faltering returns on investment cast some doubt about China's ability to stimulate its economy again should it slow in the future. Increased support for protectionism/populism seen in the U.S. and abroad have some investors worried about escalating geo-political tensions over the near term.

Fixed Income Insights

Fixed income ended the quarter mostly down, largely due to a spike in interest rates following the presidential election. However, returns for 2016 were positive for major bond indices. The treasury yield curve ended 2016 higher, and the 10-year treasury finished 2016 at 2.44% in what was a volatile year for credit markets. The Fed hiked rates only once during

the year, a 25bps move higher at its December meeting. The U.S. Aggregate Bond Index finished the year with modest returns. High yield experienced equity-like returns and led bond performance. Long dated bonds outperformed short, favoring a short-duration thesis. Munis and treasuries underperformed in 2016 as increased expectations of inflation and rising yields weighed on the sectors.

Investments

All of the County's current investment options comply with investment policy performance criteria, with the exception of Templeton Global Bond Fund:

- Templeton Global Bond Fund had a tremendous quarter posting a return of 8.32%, outperforming its benchmark by 10.66%
- The fund also outperformed its peers, ranking in the 1st percentile
- A complete write-up on the fund can be found on page 21, of Attachment A
- NWCM recommends keeping the fund on Watch for at least one more quarter

Last week, Cathe Tocher from Great West (manager for the County's Stable Value separate account and fixed income component of the LifeTime Collective Target Date Series), announced her retirement—effective June 2017. Jack Brown will be assuming Cathe's responsibilities. Jack has been with Great West for 1.5 years. He previously spent 20 years at Oppenheimer Investments.

- NWCM will conduct a comprehensive review of the impact of the manager change on both products. Once the analysis is complete, NWCM will provide the DCMC a formal recommendation whether to retain or replace either product.
- NWCM, Inc. recommends placing both the County's Stable Value Separate Account and the Collective Target Date Series (County's current QDIA) on Watch, due to the manager change.

The complete Watch List can be found on page 25 of Attachment A.

Recommended Actions

- 1. Approve keeping Templeton Global Bond fund on the Watch List**
- 2. Approve the placement of the Great West LifeTime Collective Trust Series and the Great West Stable Value Fund on the Watch List**

Item 11 - Attachment A

County of Fresno

457 DC Plan



Quarterly Report - December 2016

County of Fresno
457 DC Plan

13333 SW 68th Parkway, Suite 230
Portland, OR 97223
503.597.1616

Table Of Contents

Market Overview

Market Performance Summary	1
----------------------------	---

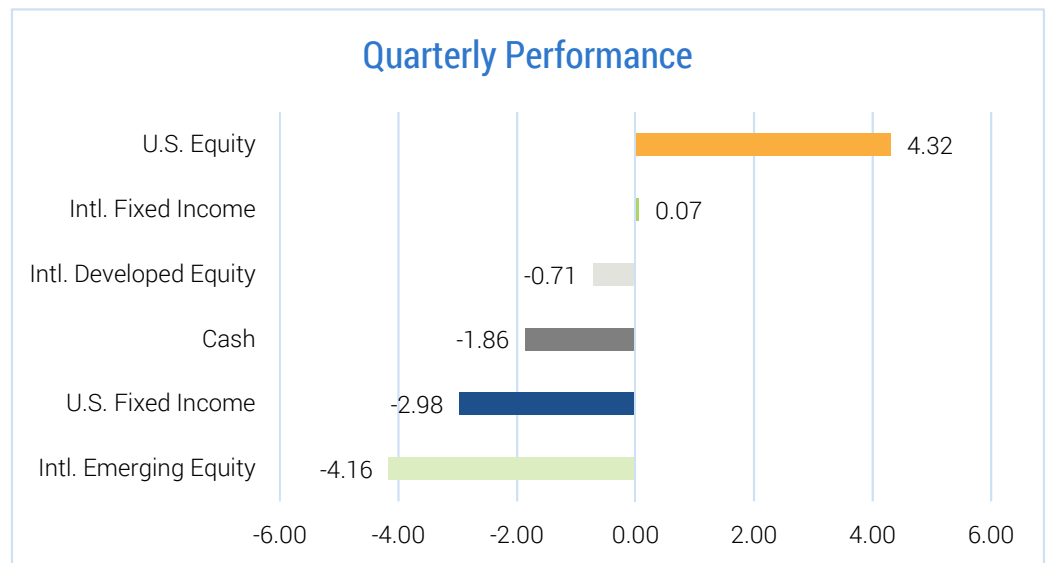
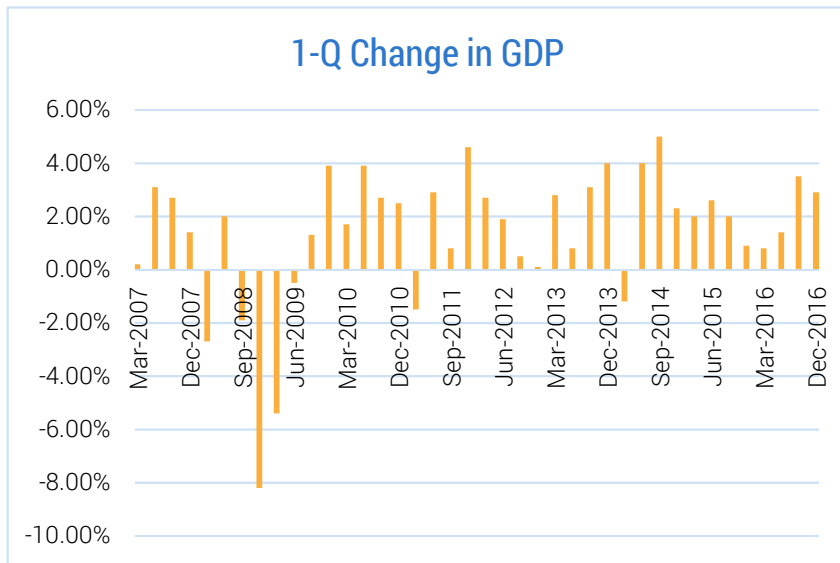
Retirement

Summary Of Assets	9
Plan Investment Summary	10
Fund Policy Compliance	12
Fund Commentary	17

Market Performance Summary

As of 12/31/2016

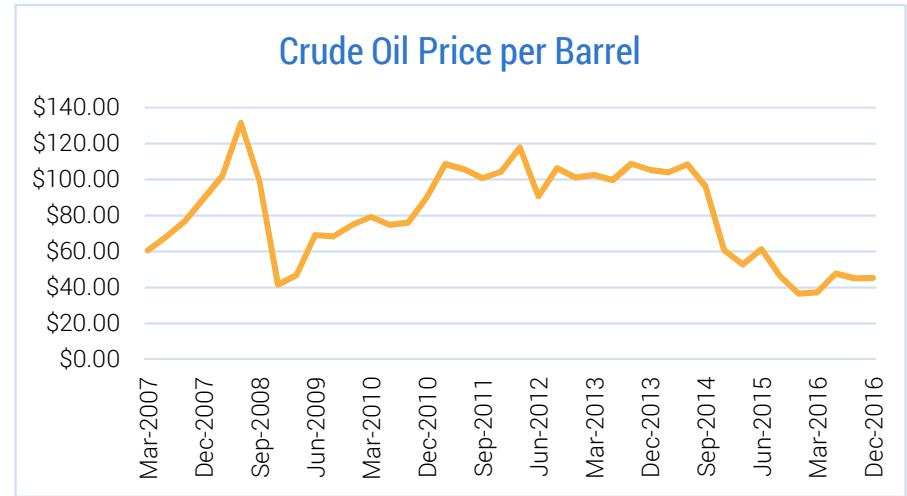
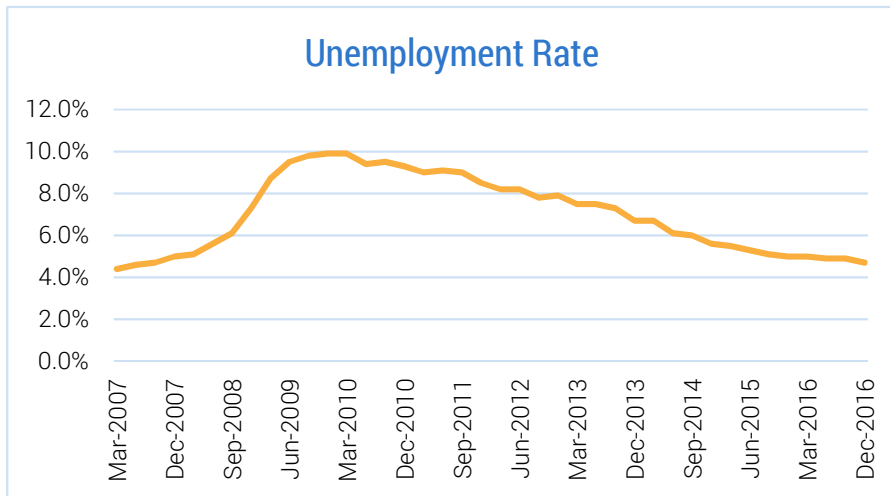
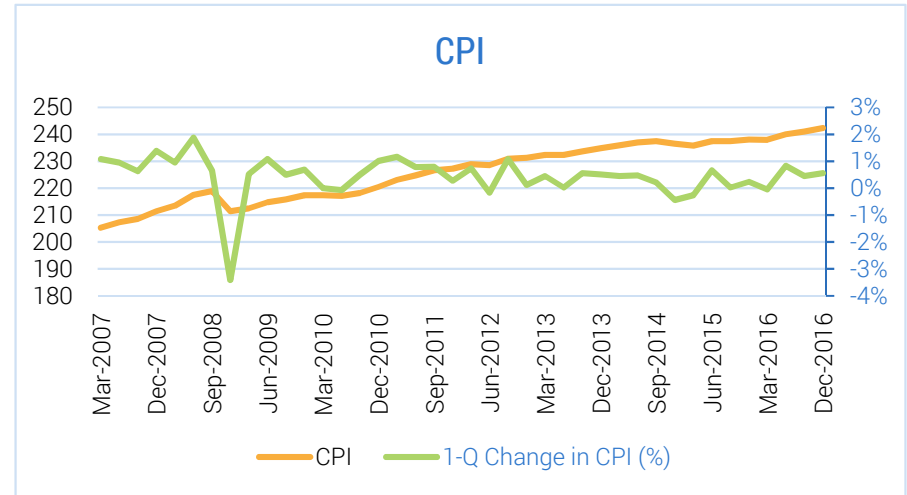
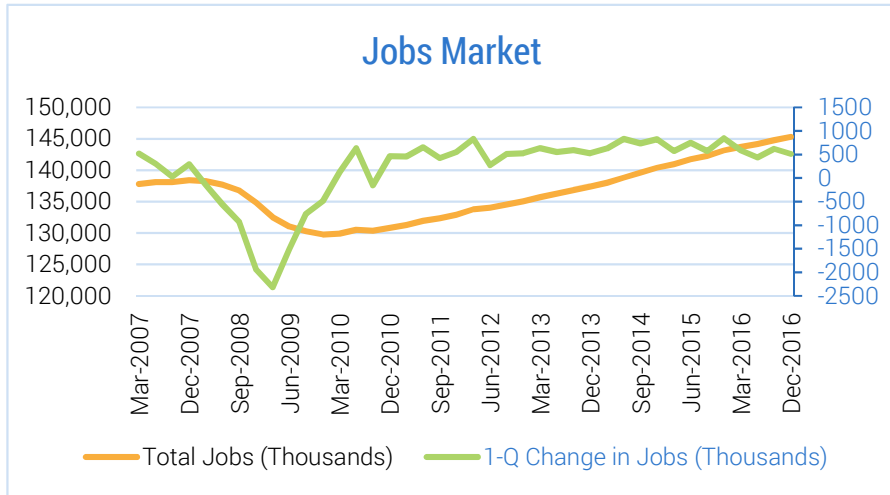
Equity and fixed income markets finished 2016 in positive territory. U.S equity markets outperformed international equity and fixed income in the fourth quarter and for the year. GDP readings have been solid over the past two quarters, providing evidence of an expanding economy. Emerging market equities had the worst quarter, but performed well on the year lagging only U.S. equity markets. In the fourth quarter, fixed income markets were negatively affected by higher expectations for inflation and growth. However, they were still able to post modest returns in 2016, despite elevated volatility in the Treasury market. International developed equity markets had a mixed year and performed relatively poor in 2016.



Economic Factors

As of 12/31/2016

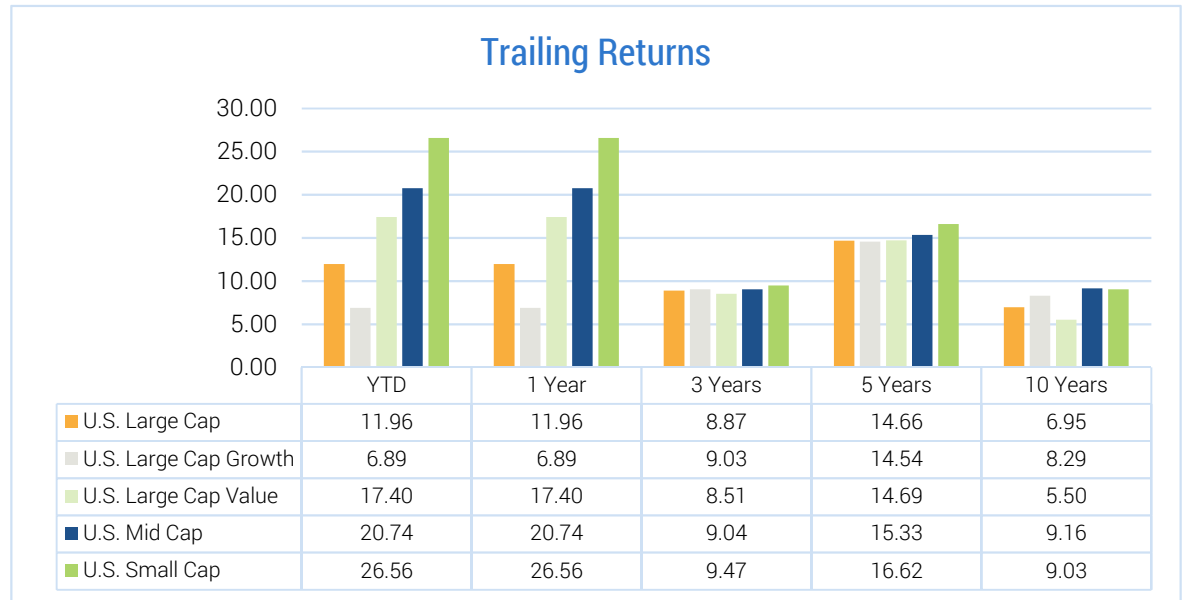
The surprising U.S. election results detracted attention from a U.S. economy that appears to be expanding at a healthy pace. A stable job market and increased confidence have helped fuel the recovery. Jobs were steadily added in the fourth quarter and throughout the year. The gains helped lower the unemployment rate to 4.6%. Wage growth came in below expectations; but wage growth on a year-over-year basis is above post-recession lows. This is largely a response to labor markets tightening. Core durable goods orders were up more than expected in November, and the ISM Manufacturing and Non-Manufacturing indices continued to rise even further into expansionary territory. Rising wages, high consumer confidence, and strong consumer spending have supported prices - the Consumer Price Index was near the Fed's 2% target. Commodities ended the year higher, with oil prices receiving a boost over the fourth quarter from OPEC's decision to cut production. Oil prices further benefited from news that some non-OPEC countries, such as Russia, would also reduce their oil output.



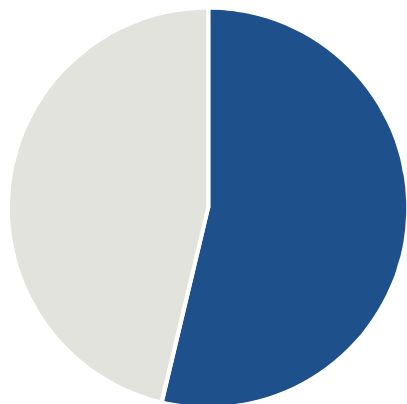
U.S. Equity

As of 12/31/2016

Equities finished 2016 strongly as the U.S. economy showed signs of improving growth in the second half of the year. Small Cap returns were particularly strong, with small and micro-cap names outperforming larger market cap stocks. As is often the case in a rising yield environment, value outperformed growth. Equity returns were lifted by increased consumer and business confidence, positive housing data, and an expectation of higher growth and inflation as the market anticipates stimulus through tax cuts and infrastructure spending promised by the incoming administration.

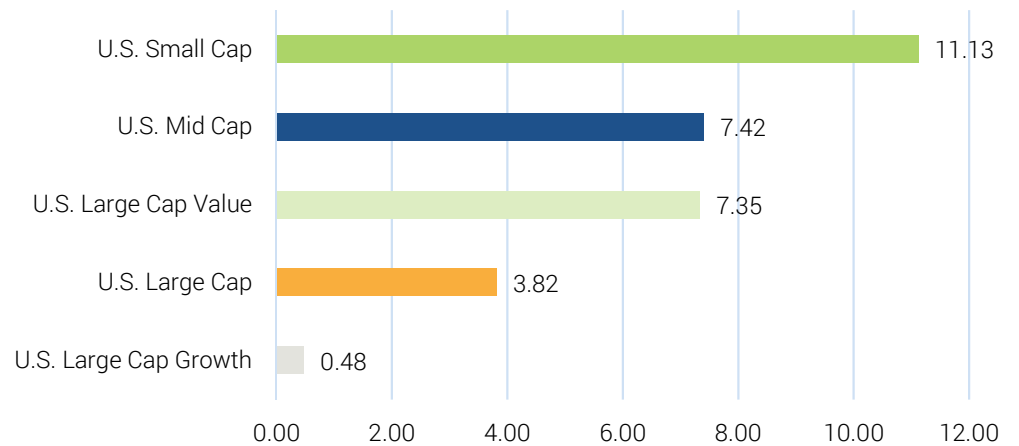


World Equity Market Capitalization



53.7%
U.S. Share of World Market

Quarterly Performance



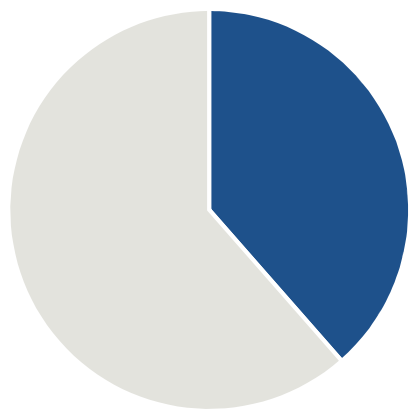
International Developed Equity

An emerging Italian banking crisis, pending elections in France and Germany, and the EU's uneven economic recovery have weighed on international developed equities. Developed large cap ended the quarter lower, while gains were abysmal on the year. As was experienced in the U.S., value outperformed growth. Developed large cap value had a strong fourth quarter, which helped push up returns on the year.

As of 12/31/2016

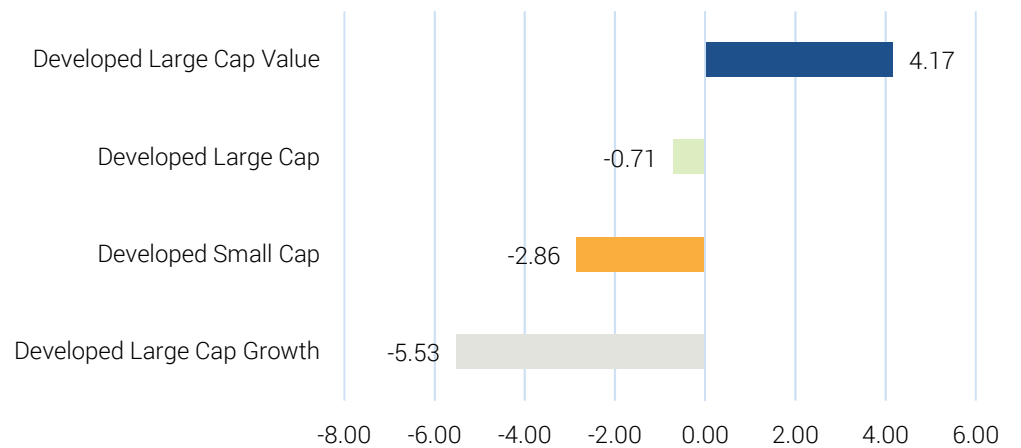


World Equity Market Capitalization



38.5%
Developed
International Share
of World Market

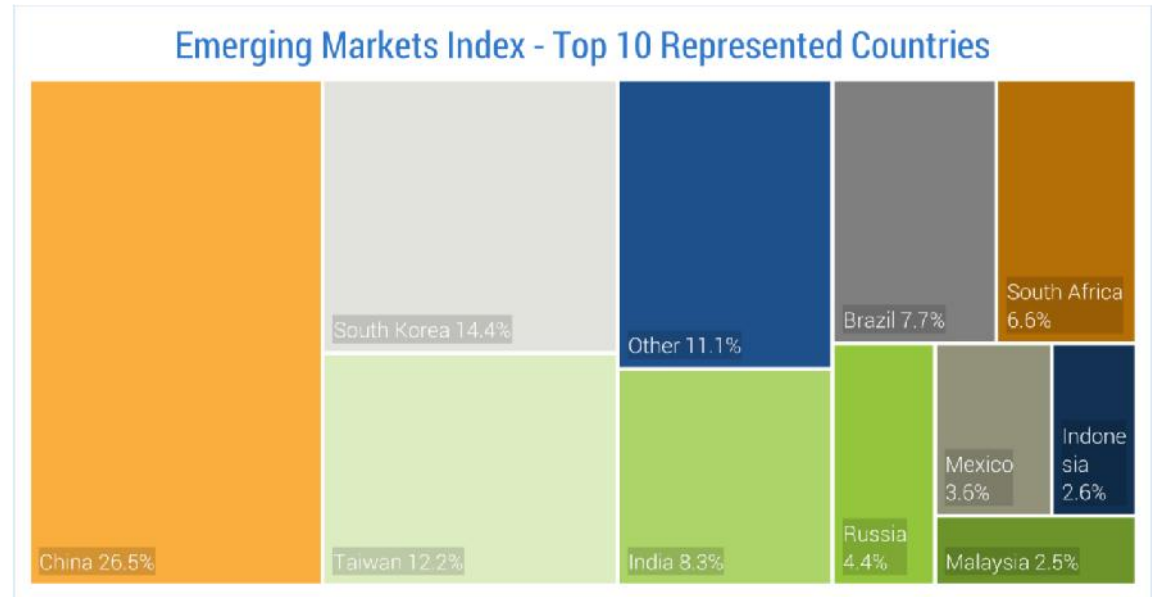
Quarterly Performance



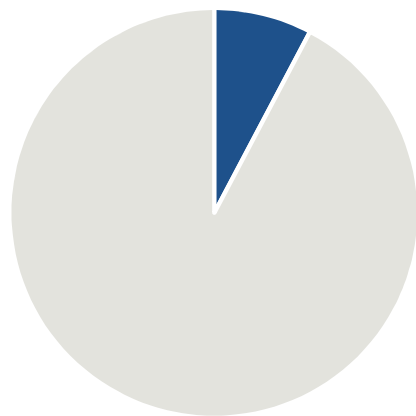
Emerging Markets Equity

As of 12/31/2016

Returns were relatively strong in 2016 for emerging market equities. However, in the fourth quarter they were led lower by Mexico, China, and South Africa. A stronger dollar, rising yields, and global trade concerns negatively affected emerging market equities. Some emerging markets benefited from higher oil prices, such as Russia. Although Russia has been in the news much lately, China continues to garner the most attention from an investment perspective. The Yuan's depreciation is exacerbating the fear that capital flight may be worsening. Also, an increasing debt burden and faltering returns on investment cast some doubt about China's ability to stimulate its economy again should it slow in the future. Increased support for protectionism/populism seen in the U.S. and abroad have some investors worried about escalating geo-political tensions over the near term.

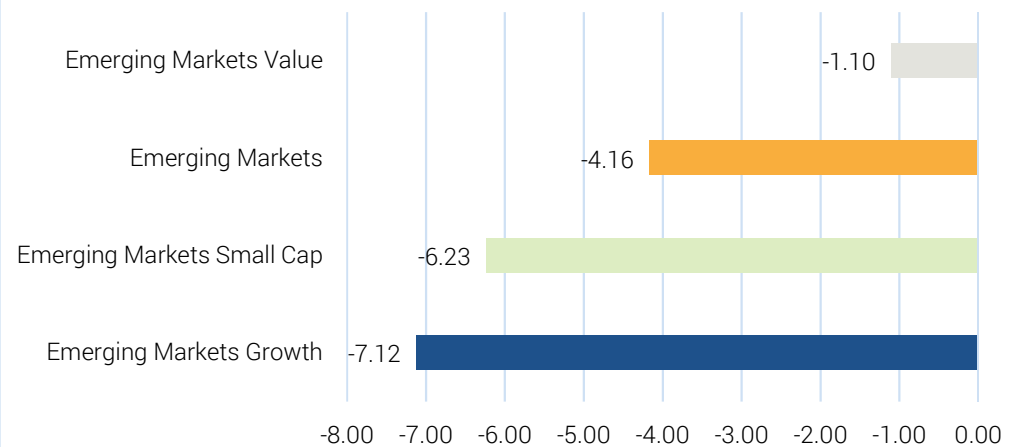


World Equity Market Capitalization



7.7%
Emerging Markets
Share of World
Market

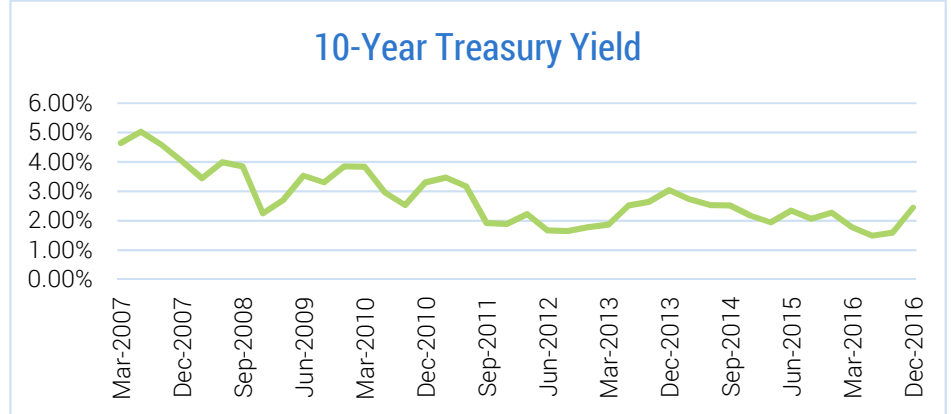
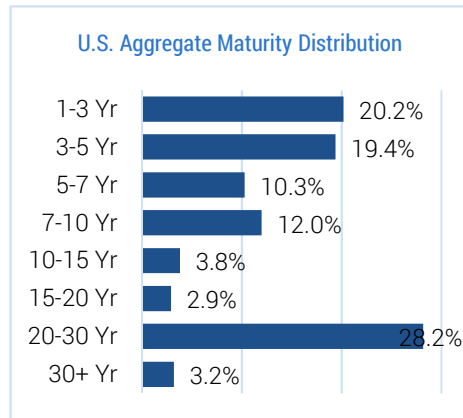
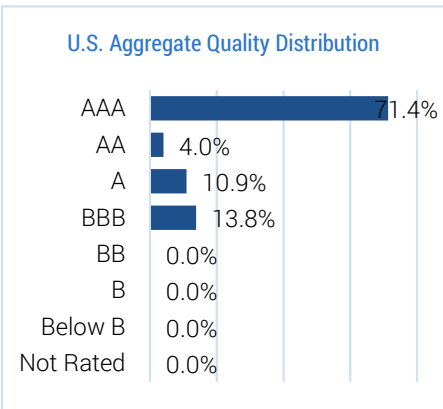
Quarterly Performance



Fixed Income

As of 12/31/2016

Fixed income ended the quarter mostly down, largely due to a spike in interest rates following the presidential election. However, returns for 2016 were positive for major bond indices. The treasury yield curve ended 2016 higher, and the 10-year treasury finished 2016 at 2.44% in what was a volatile year for credit markets. The Fed hiked rates only once during the year, a 25bps move higher at its December meeting. The U.S. Aggregate Bond Index finished the year with modest returns. High yield experienced equity-like returns and led bond performance. Long dated bonds outperformed short, favoring a short-duration thesis. Munis and treasuries underperformed in 2016 as increased expectations of inflation and rising yields weighed on the sectors.



Legislative and Regulatory Update

Fiduciary Rule Updates

- › On November 4th, the first court decision was handed down by a federal judge in Washington D.C. in which NAFA's (National Association for Fixed Annuities) attempt to kill the DOL fiduciary rule was rejected. Three days after the ruling, NAFA appealed the decision.
 - NAFA's appeal was denied by the D.C. Circuit Court of Appeals on December 15th, arguing the request did not meet the "stringent requirements" needed to halt the fiduciary rule.
- › On November 28th, the second court decision to deny a fiduciary rule opposition was issued by a Kansas federal judge. This case involved Market Synergy Group, Inc., an insurance agency that develops fixed annuities and other insurance products.
- › Cases remain pending in both Texas and Minnesota.

Tibble vs. Edison Intl.

- › December 19th, the 9th U.S. Circuit Court of Appeals ordered a district court to rehear the Tibble vs. Edison International case to review if the ERISA six-year statute of limitations had run out prior to Tibble's claim.
 - The suit, initially filed in 2007, was among the first brought by employees against employers for excessive-fees related to funds in plan lineups. The U.S. Supreme Court ruled, in May 2015, that fiduciaries have an ongoing duty to monitor plan investments.

2017 Bills

- › Several bills did not make it through the House and Senate before the end of their 2016 session. Below are just a few that may be brought up again for review, or revived in a new fashion after the next session opens in January.
 - Accredited Investor Reform: Expands the definition of accredited investor to include people who have securities licenses (e.g. investment advisers and brokers) rather than based on income and net worth.
 - Retirement Savings Reform: The Retirement Enhancement and Savings Act is meant to allow for easier inclusion of annuities in 401(k) plans as well as require lifetime income disclosures in participant statements.
 - Estate Tax Valuation Rule: Bills to curb valuation discounts for estate taxes were not approved by congress, but are likely to see some form of return in 2017 under the new administration.
 - Senior Safe Act: While passing unanimously in the House earlier this year, the bill that is meant to give liability protections to advisers reporting financial abuse of elderly investors did not make it through the Senate due to objections from just one senator.

Overtime Pay

- › The rule that would adjust the compensation level requirements relating to overtime pay set to go into effect December 1st, 2016, was blocked from going into effect by a judge in the Eastern District of Texas.
 - An estimated 4.2 million workers would have been newly eligible for overtime pay as a result of the Department of Labor's overtime rules.
 - The detrimental effects on government services that benefit the public were noted as key determinants in this ruling.

Presidential Election

- › President-elect Donald Trump was victorious over Hillary Clinton in the 2016 Presidential Election.
 - On election night, futures showed the DJIA index down more than 800 points. Market fundamentals held true, and we saw a swing of over 1,100 points by the Dow into positive territory much unlike the 48-hour recovery period after Brexit (Britain's exit of the European Union).
 - Elections may have short-term impacts on markets, but generally do not have a large impact. Until President-elect Trump makes his policy clear, long-term fundamentals should remain steady.

2017 IRS Limitations for Retirement Plans

- › Contribution limits for the 2017 calendar year remain predominantly unchanged. Limits for employees participating in an employer-sponsored 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan remains at \$18,000. Catch-up contributions for these employees, age 50 and older, also remains unchanged at \$6,000.
 - See below for a summary list of 2016 and 2017 contribution limits:

Item	IRC Reference	2016 Limit	2017 Limit
401(k) and 403(b) Employee Deferral Limit ¹	402(g)(1)	\$18,000	\$18,000
457 Employee Deferral Limit	457(e)(15)	\$18,000	\$18,000
Catch-up Contribution ²	414(v)(2)(B)(i)	\$6,000	\$6,000
Defined Contribution Dollar Limit	415(c)(1)(A)	\$53,000	\$54,000
Defined Benefit Dollar Limit	415(b)(1)(A)	\$210,000	\$215,000
Compensation Limit ³	401(a)(17); 404(l)	\$265,000	\$270,000
Highly Compensated Employee Income Limit ⁴	414(q)(1)(B)	\$120,000	\$120,000
Key Employee/Officer	416(i)(1)(A)(i)	\$170,000	\$175,000
Social Security Taxable Wage Base		\$118,500	\$127,200

¹Employee deferrals to all 401(k) and 403(b) plans must be aggregated for purposes of this limit. A lower limit applies to SIMPLE plans.

²Available to employees age 50 or older during the calendar year. A lower limit applies to SIMPLE plans.

³All compensation from a single employer (including all members of a controlled group) must be aggregated for purposes of this limit.

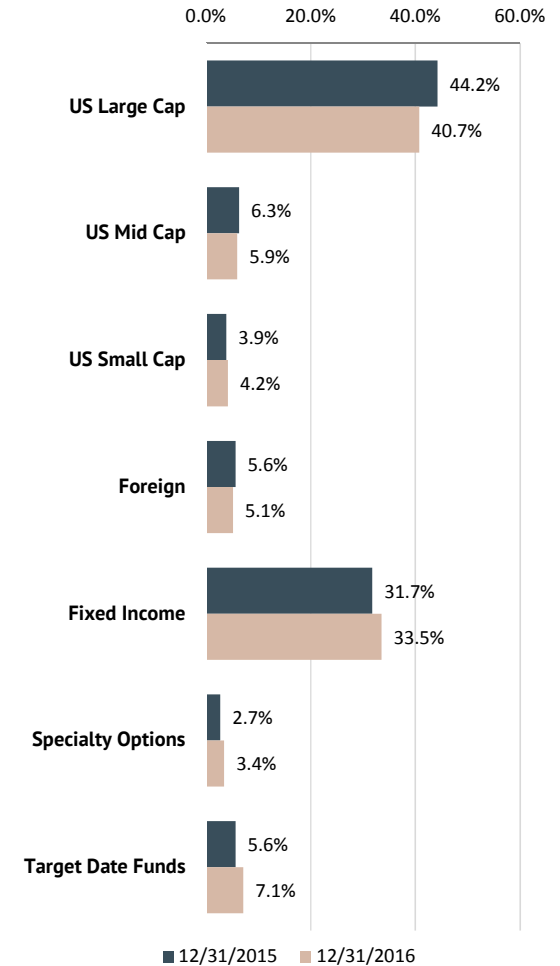
⁴For the 2018 plan year, an employee who earns more than \$120,000 in 2017 is an HCE. For the 2017 plan year, an employee who earned more than \$120,000 in 2016 is an HCE.

- › A full listing of dollar limitations can be found on the IRS website at the address listed below:
 - <https://www.irs.gov/retirement-plans/cola-increases-for-dollar-limitations-on-benefits-and-contributions>

Summary of County of Fresno 457 DC Plan - Trailing Year

Data as of 12/31/2016

Asset Class	Ticker	%	12/31/2015	Net Increases/Decreases	12/31/2016	%
US Large Cap		44.2%	\$89,713,113	(3,362,256)	\$86,350,857	40.7%
Alger Spectra Z	ASPZX	19.9%	40,486,472	(5,618,452)	34,868,020	16.4%
Columbia Dividend Income Y	CDDYX	4.8%	9,739,333	1,728,434	11,467,767	5.4%
BlackRock Equity Index - Collective F2	02CFF1	19.5%	39,487,308	527,762	40,015,070	18.9%
US Mid Cap		6.3%	\$12,743,933	(144,917)	\$12,599,015	5.9%
Hennessy Focus Fund	HFCIX	3.0%	5,988,483	(882,729)	5,105,754	2.4%
BlackRock Mid Cap Index - Collective F	03CFF2	3.3%	6,755,449	737,812	7,493,261	3.5%
US Small Cap		3.9%	\$7,838,752	961,668	\$8,800,420	4.2%
Nicholas Limited Edition I	NCLEX	2.6%	5,182,405	55,049	5,237,454	2.5%
Perkins Small Cap Value N	JDSNX	0.3%	586,968	857,020	1,443,988	0.7%
BlackRock Russell 2000 Index - Collective F	03CFF3	1.0%	2,069,379	49,598	2,118,977	1.0%
Foreign		5.6%	\$11,374,889	(508,754)	\$10,866,135	5.1%
Ivy International Core Equity R6	IINCX	4.7%	9,613,545	(750,524)	8,863,021	4.2%
Oppenheimer Developing Markets I	ODVIX	0.2%	374,639	290,798	665,437	0.3%
BlackRock EAFE Equity Index - Collective F	10CFF5	0.7%	1,386,705	(49,028)	1,337,678	0.6%
Fixed Income		31.7%	\$64,371,482	6,694,736	\$71,066,218	33.5%
RidgeWorth Seix Total Return Bond IS	SAMZX	1.3%	2,739,645	469,234	3,208,879	1.5%
BlackRock US Debt Index Fund - Coll F	04CFF4	0.9%	1,898,238	901,696	2,799,933	1.3%
Templeton Global Bond R6	FBNRX	0.3%	517,388	246,163	763,551	0.4%
County of Fresno Stable Value Fund	FRESSV	29.2%	59,216,211	5,077,643	64,293,854	30.3%
Specialty Options		2.7%	\$5,483,713	1,811,355	\$7,295,068	3.4%
Oakmark Equity & Income I	OAKBX	1.1%	2,148,559	(66,468)	2,082,091	1.0%
Fidelity Advisor Real Estate Income Inst	FRIRX	0.5%	993,346	179,653	1,172,999	0.6%
Franklin Utilities R6	FUFRX	1.2%	2,341,809	1,698,170	4,039,979	1.9%
Target Date Funds		5.6%	\$11,460,677	3,602,941	\$15,063,618	7.1%
Great-West Lifetime 2015 Trust II	C15MZR	1.1%	2,197,585	459,478	2,657,063	1.3%
Great-West Lifetime 2025 Trust II	C25MZR	2.0%	4,104,404	1,104,751	5,209,154	2.5%
Great-West Lifetime 2035 Trust II	C35MZR	1.2%	2,460,284	1,239,338	3,699,622	1.7%
Great-West Lifetime 2045 Trust II	C45MZR	1.0%	1,991,026	588,065	2,579,091	1.2%
Great-West Lifetime 2055 Trust II	C55MZR	0.3%	707,379	211,309	918,687	0.4%
Total		100%	\$202,986,559	\$9,054,773	\$212,041,332	100%



Passively-Managed and Cash Funds

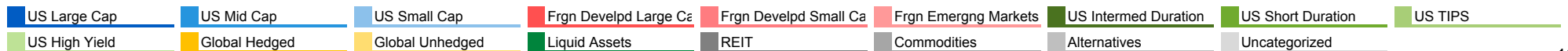
Investment	Ticker	Equities										Liquid	Other				Exp	Qtr	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr						
		US					Foreign						US		Foreign																
		L	M	S	L	S	E	I	S	T	Y		H	U	C	R										C	A	U			
BlackRock Equity Index - Collective M	02cff1	100																					0.02	3.84	12.01	12.01	6.61	8.92	14.39	14.72	
BlackRock MidCap Idx - Collective M	03cff2		100																				0.03	7.30	20.17	20.17	8.33	8.82	14.57	15.22	9.15
BlackRock Russell 2000 Index Coll M	03cff3			100																			0.03	8.89	21.65	21.65	7.97	7.01	14.29	14.75	
BlackRock EAFE Equity Index Coll T	10cff5				100																		0.10	-0.65	2.13	2.13	0.76	-1.34	4.03	6.79	
BlackRock US Debt Index Fund Coll W	04cff4								100														0.04	-2.98	2.73	2.73	1.79	3.23	1.94		
Fresno County Stable Value	fressv																				100		0.50	0.50	2.09	2.09	2.13	2.15	2.15	2.25	

Actively-Managed Funds









Style	Investment	Ticker	L	M	S	L	S	E	I	S	T	Y	H	U	C	R	C	A	U	Exp	Qtr	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	
Income	Columbia Dividend Income Y	CDDYX	87	7		1									5						0.59	4.74	13.62	13.62	7.04	8.96	13.63	13.14	7.46
Growth	Alger Spectra Z	ASPZX	75	14	2	3									6						0.89	-2.04	0.18	0.18	3.73	6.61	13.19	14.34	10.29
Utilities	Franklin Utilities R6	FUFRX	56	27	7	5									5						0.47	-0.22	18.09	18.09	4.71	11.22	11.88	10.61	7.61
Growth	Hennessy Focus Institutional	HFCIX	41	22	13	5	1								18						1.12	2.69	7.54	7.54	5.37	7.07	13.61	14.27	8.80
Balanced	Oakmark Equity And Income Investor	OAKBX	35	17	3	5			9	6			1		18					6	0.79	4.97	10.96	10.96	2.89	4.22	8.90	8.93	6.63
Blend	Perkins Small Cap Value N	JDSNX		19	74		1								6						0.89	10.28	26.58	26.58	11.15	9.95	14.64	13.55	9.11
Growth	Nicholas Limited Edition I	NCLEX		28	53	1	2	2							14						0.86	2.79	12.36	12.36	5.02	4.80	11.88	11.62	8.61
Global Blend	Ivy International Core Equity R6	IINCX	5			81		9							3					2	0.83	0.25	1.80	1.80	0.64	0.82	6.29	7.68	3.51
Emerging Growth	Oppenheimer Developing Markets I	ODVIX				22		69							7					2	0.88	-5.06	7.39	7.39	-3.71	-3.94	-0.89	3.22	4.42
Intermediate	RidgeWorth Seix Total Return Bond IS	SAMZX							74	6		1	3		16						0.31	-2.63	3.13	3.13	1.72	3.30	1.68	2.33	4.88
Real Estate	Fidelity Advisor Real Estate Income I	FRIRX	3	11	16				10	1		25			12					22	0.77	-0.96	10.21	10.21	5.93	8.07	7.11	9.37	6.31
Global Bond	Templeton Global Bond R6	FBNRX											51	46						3	0.53	8.32	6.78	6.78	1.29	1.52	1.73	4.40	6.69

Target-Date Funds

Style	Investment	Ticker	L	M	S	L	S	E	I	S	T	Y	H	U	C	R	C	A	U	Exp	Qtr	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	
Target Date	Great-West Lifetime 2045 Trust	gw2045	36	13	7	23		8	6			1	1		5						0.57	1.43	10.98	10.98	4.61	5.55	9.26	10.63	
Target Date	Great-West Lifetime 2035 Trust	gw2035	34	13	6	20		6	10	1	1	2	2		5						0.57	1.16	10.44	10.44	4.45	5.52	8.89	10.24	
Target Date	Great-West Lifetime 2055 Trust	gw2055	33	13	8	24		10	5			1	1		5						0.57	1.25	10.87	10.87	4.45	5.29	9.01	10.45	
Target Date	Great-West Lifetime 2025 Trust	gw2025	25	10	4	14		4	17	3	5	5	5		2	6					0.57	0.41	9.22	9.22	3.93	5.09	7.21	8.55	
Target	Great-West Lifetime 2015 Trust	gw2015	19	7	3	9		2	20	6	11	6	7		4	6					0.57	0.03	7.93	7.93	3.48	4.60	5.58	6.80	



CALCULATION METHODOLOGY OF OVERALL FUND¹ (Worst) — 10 (Best)

Factor	Weight	Explanation	Score Calculation
<p>RETURNS</p> <p>Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)</p>	 <p>40% Overall</p>	<p>Absolute Returns</p> <p>Peer Group Percentile Rankings: 3,5,10 Year Periods</p>	<p>Proportional Score No Score</p> <p>Ranks in the top 75% of Peer Group Ranks in the bottom 25% of Peer Group</p>
<p>RISK ADJUSTED RETURNS</p> <p>Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)</p>	 <p>20% Overall</p>	<p>Sharpe Ratio</p> <p>Peer Group Percentile Rankings: 3,5,10 Year Periods</p>	<p>Proportional Score No Score</p> <p>Ranks in top 75% of Peer Group Ranks in bottom 25% of Peer Group</p>
<p>RISK</p> <p>Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)</p>	 <p>30% Overall</p>	 <p>10% Overall</p> <p>Standard Deviation</p> <p>Peer Group Percentile Rankings: 3,5,10 Year Periods</p>	<p>Proportional Score No Score</p> <p>Ranks in top 75% of Peer Group Ranks in bottom 25% of Peer Group</p>
		 <p>20% Overall</p> <p>Upside/Downside Capture</p> <p>Peer Group Percentile Rankings: 3,5,10 Year Periods</p>	<p>Proportional Score No Score</p> <p>Ranks in top 75% of Peer Group Ranks in bottom 25% of Peer Group</p>
<p>OTHER</p> <p>Fund expense quartile rank</p> <p>Manager tenure is greater than 3 years</p>	 <p>10% Overall</p>	 <p>5% Overall</p> <p>Expense Ratio</p> <p>For current period</p>	<p>Proportional Score No Score</p> <p>Ranks in top 75% of Peer Group Ranks in bottom 25% of Peer Group</p>
		 <p>5% Overall</p> <p>Average Tenure</p> <p>Number of years</p>	<p>Full Score No Score</p> <p>Manager Tenure more than 3 years Manager Tenure less than 3 years</p>

For peer group rankings, a rank of 1-50 indicates the manager performed favorably and ranked in the top half of its peer group for that metric. For example: when measuring risk, a rank of 1 would mean the manager had a very low standard deviation compared to its peer group, whereas when measuring return, a rank of 1 would mean the manager had a very high return compared to its peer group.

County of Fresno 457 DC Plan

Summary of Fund Compliance

For the Period Ending 12/31/2016

Passively-Managed and Cash Funds

Type	Assets %	Fund Name	Ticker
LC Index	18.87%	BlackRock Equity Index - Collective M	02cff1
MC Index	3.53%	BlackRock MidCap Idx - Collective M	03cff2
SC Index	1.00%	BlackRock Russell 2000 Index Coll M	03cff3
Global	0.63%	BlackRock EAFE Equity Index Coll T	10cff5
US Debt	1.32%	BlackRock US Debt Index Fund Coll W	04cff4
Stable Value	30.32%	Fresno County Stable Value	fressv

Actively-Managed Funds

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	5.41%	Columbia Dividend Income Y	CDDYX	●	●	●	●	●
Pass	16.44%	Alger Spectra Z	ASPZX	●	●	●	●	●
Pass	1.91%	Franklin Utilities R6	FUFRX	●	●	●	●	●
Pass	2.41%	Hennessy Focus Institutional	HFCIX	●	●	●	●	●
Pass	0.98%	Oakmark Equity And Income Investor	OAKBX	●	●	○	●	●
Pass	0.68%	Perkins Small Cap Value N	JDSNX	●	●	●	●	●
Pass	2.47%	Nicholas Limited Edition I	NCLEX	●	●	●	●	●
Pass	4.18%	Ivy International Core Equity R6	IINCX	●	●	●	●	●
Pass	0.31%	Oppenheimer Developing Markets I	ODVIX	●	●	●	●	●
Pass	1.51%	RidgeWorth Seix Total Return Bond IS	SAMZX	●	●	●	●	●
Pass	0.55%	Fidelity Advisor Real Estate Income I	FRIRX	○	●	●	●	●
Watch	0.36%	Templeton Global Bond R6	FBNRX	●	●	○	●	●

Underperforming ◀ ● ○ ● ● ▶ Outperforming

Underperforming ◀ ● ○ ● ● ▶ Outperforming

Target-Date Funds

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	n/a	Great-West Lifetime 2055 Trust	gw2055	●	●	●	●	●
Pass	n/a	Great-West Lifetime 2045 Trust	gw2045	●	●	●	●	●
Pass	n/a	Great-West Lifetime 2035 Trust	gw2035	●	●	●	●	●
Pass	n/a	Great-West Lifetime 2025 Trust	gw2025	●	●	●	●	●
Pass	n/a	Great-West Lifetime 2015 Trust	gw2015	●	●	●	●	●

County of Fresno 457 DC Plan

Fund Compliance Report

For the Periods Ending 12/31/2016

Passively-Managed and Cash Funds

Type of Fund	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
				LC Index	18.87%	02cff1	BlackRock Equity Index - Collective M	4	13		5	3		33	24		16	30		21
MC Index	3.53%	03cff2	BlackRock MidCap Idx - Collective M	8	12	3	13	17	9	55	52	60	6	18	14	57	64	44	1	5
SC Index	1.00%	03cff3	BlackRock Russell 2000 Index Coll M	40	36		47	48		85	80		4	9		82	81		1	5
Global	0.63%	10cff5	BlackRock EAFE Equity Index Coll T	31	25		31	32		72	79		25	15		48	53		3	5
US Debt	1.32%	04cff4	BlackRock US Debt Index Fund Coll W	3			28			84			6			55			1	5
able Val	30.32%	fressv	Fresno County Stable Value	1	1		1	1		46	95		1	1		1	1		58	6

Actively-Managed Funds

Overall Fund Score	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
				8	5.41%	CDDYX	Columbia Dividend Income Y	8	51	6	5	9	3	12	9	9	60	78	85	8
7	16.44%	ASPZX	Alger Spectra Z	37	21	1	41	26	1	61	51	78	29	26	2	55	42	72	35	6
8	1.91%	FUFRX	Franklin Utilities R6	18	24	6	15	22	5	70	60	21	17	20	62	53	54	11	15	12
8	2.41%	HFCIX	Hennessy Focus Institutional	13	11	13	12	3	10	25	5	21	45	77	91	12	2	1	47	7
6	0.98%	OAKBX	Oakmark Equity And Income Investor	44	30	9	63	61	7	91	92	21	9	22	59	90	65	8	25	7
8	0.68%	JDSNX	Perkins Small Cap Value N	5	64	1	1	11	1	6	6	6	69	87	86	7	8	4	15	14
7	2.47%	NCLEX	Nicholas Limited Edition I	37	66	12	29	34	5	10	10	4	78	88	94	20	24	6	14	23
9	4.18%	IINCX	Ivy International Core Equity R6	5	11	6	6	11	5	68	40	30	4	15	9	35	29	16	24	10
7	0.31%	ODVIX	Oppenheimer Developing Markets I	70	20	1	69	19	1	57	44	21	51	45	50	50	32	16	12	5
6	1.51%	SAMZX	RidgeWorth Seix Total Return Bond IS	21	66	21	33	67	10	81	55	31	17	58	44	54	64	18	8	7
6	0.55%	FRIRX	Fidelity Advisor Real Estate Income I	92	89	3	1	1	1	3	3	2	97	97	98	1	1	1	19	13
7	0.36%	FBNRX	Templeton Global Bond R6	27	10	1	32	28	20	76	87	69	76	37	55	4	3	2	11	10

Target-Date Funds

Overall Fund Score	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
				8	n/a	gw2055	Great-West Lifetime 2055 Trust	1	29		5	30		55	61		2	35		41
8	n/a	gw2045	Great-West Lifetime 2045 Trust	1	16		2	18		52	47		1	29		31	38		21	5
8	n/a	gw2035	Great-West Lifetime 2035 Trust	1	15		1	19		72	64		8	31		36	50		22	5
8	n/a	gw2025	Great-West Lifetime 2025 Trust	1	28		1	19		63	42		9	44		22	32		26	5
8	n/a	gw2015	Great-West Lifetime 2015 Trust	1	44		1	22		41	23		14	60		14	34		31	5

All data except for 'Tenure - Average Years' are listed as a peer rank percenta

All Funds remain in compliance with Investment Policy and no action need be taken other than indicated in the Fund Compliance Commentary section of this

This report, along with more detailed performance data on Plan Investment Options, was reviewed by the Plan's Trustee and/or Investment Committee.

Northwest Capital Management, Inc. Date

Trustee / Committee Member Date

County of Fresno 457 DC Plan

Fund Comments

Data as of: 12/31/2016

BlackRock Equity Index - Collective M (02cff1)

Fund Type: LC Index

US Large Cap

The fund seeks to replicate the performance of U.S. Large Cap Stocks

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
02cff1	3.84%	12.01%	8.92%	14.72%	
S&P 500 TR USD	3.83%	11.97%	8.88%	14.66%	6.95%
Out/(Under) Performing	0.01%	0.04%	0.04%	0.05%	
Peer Group Ranking	42	25	4	13	

BlackRock MidCap Idx - Collective M (03cff2)

Fund Type: MC Index

US Mid Cap

The fund seeks to replicate the performance of U.S. Mid Cap Stocks

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
03cff2	7.30%	20.17%	8.82%	15.22%	9.15%
S&P MidCap 400 TR	7.42%	20.74%	9.04%	15.33%	9.16%
Out/(Under) Performing	-0.12%	-0.57%	-0.22%	-0.11%	-0.01%
Peer Group Ranking	22	10	8	12	3

BlackRock Russell 2000 Index Coll M (03cff3)

Fund Type: SC Index

US Small Cap

The fund seeks to replicate the performance of U.S. Small Cap Stocks

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
03cff3	8.89%	21.65%	7.01%	14.75%	
Russell 2000 TR USD	8.83%	21.31%	6.74%	14.46%	7.07%
Out/(Under) Performing	0.05%	0.34%	0.27%	0.29%	
Peer Group Ranking	59	38	40	36	

BlackRock EAFE Equity Index Coll T (10cff5)

Fund Type: Global

Frgn Developd Large Cap

The fund seeks to replicate performance of Foreign stock represented by the MSCI EAFE Index

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
10cff5	-0.65%	2.13%	-1.34%	6.79%	
MSCI ACWI Ex USA NR USD	-1.25%	4.50%	-1.78%	5.00%	0.96%
Out/(Under) Performing	0.61%	-2.37%	0.44%	1.79%	
Peer Group Ranking	17	32	31	25	

BlackRock US Debt Index Fund Coll W (04cff4)

Fund Type: US Debt

US Intermed Duration

The fund seeks to replicate the performance of the U.S. Bond Market

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
04cff4	-2.98%	2.73%	3.23%		
BBgBarc US Govt Intermed TR USD	-2.18%	1.05%	1.58%	1.04%	3.42%
Out/(Under) Performing	-0.80%	1.68%	1.65%		
Peer Group Ranking	68	1	3		

Fresno County Stable Value (fressv)

Fund Type: Stable Value

Liquid Assets

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
fressv	0.50%	2.09%	2.15%	2.25%	
BofAML US Treasury Bills 0-3 Mon TR USD	0.07%	0.25%	0.10%	0.08%	0.72%
Out/(Under) Performing	0.43%	1.83%	2.05%	2.16%	
Peer Group Ranking	1	1	1	1	

Columbia Dividend Income Y (CDDYX)

Fund Score: 8 (Status: Pass)

US Large Cap

The investment seeks total return, consisting of current income and capital appreciation.

The fund invests at least 80% of its net assets (including the amount of any borrowings for investment purposes) in a diversified portfolio of income-producing (dividend-paying) equity securities, which will consist primarily of common stocks but also may include preferred stocks and convertible securities. It invests principally in securities of companies believed to be undervalued but also may invest in securities of companies believed to have the potential for long-term growth. The fund may invest in companies that have market capitalizations of any size.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
CDDYX	4.74%	13.62%	8.96%	13.14%	7.46%
S&P 500 Value TR USD	7.35%	17.41%	8.52%	14.70%	5.50%
Out/(Under) Performing	-2.61%	-3.79%	0.44%	-1.56%	1.96%
Peer Group Ranking	75	59	8	51	6

Alger Spectra Z (ASPZX)

Fund Score: 7 (Status: Pass)

US Large Cap

The investment seeks long-term capital appreciation.

The fund invests primarily in the equity securities of companies of any size that Fred Alger Management, Inc. believes demonstrate promising growth potential. It can leverage, that is, borrow money to purchase additional securities. The fund can invest in foreign securities.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
ASPZX	-2.04%	0.18%	6.61%	14.34%	10.29%
S&P 500 Growth TR USD	0.48%	6.89%	9.03%	14.54%	8.29%
Out/(Under) Performing	-2.52%	-6.71%	-2.42%	-0.20%	2.00%
Peer Group Ranking	79	77	37	21	1

The Alger Spectra fund underperformed the Russell 3000 Growth index by ~330 bps in the fourth quarter of 2016. For the year, the fund underperformed the benchmark by ~730 bps. After making some ground in the third quarter, poor stock selection in the Consumer Defensive, Consumer Cyclical and Technology sectors all contributed to the underperformance in the quarter. Specific names that were detractors in the quarter included Amazon.com, which is a top 3 position within the fund. Its stock performance weakened after the company's management issued guidance for operating income that was lower than expected. Facebook was also an underperformer along with Healthcare name, Allergan. The fund has trimmed its allocation to the Healthcare sector and is now more in line with the benchmark. Additionally, the fund remains underweight the Consumer Cyclical and Industrial sectors; its major overweight remains in the Technology sector. The fund dropped to a 7 under our scoring methodology from an 8 and ranks in the second quartile of its peer group for both return and risk adjusted returns in the trailing three-, five- and ten-year periods.

Franklin Utilities R6 (FUFRR)

Fund Score: 8 (Status: Pass)

US Large Cap

The investment seeks capital appreciation and current income.

The fund normally invests at least 80% of its net assets in the securities of public utilities companies. These are companies that provide electricity, natural gas, water, and communications services to the public and companies that provide services to public utilities companies. It concentrates (invests more than 25% of its total assets) in companies operating in the utilities industry. The fund invests primarily in equity securities, which consist mainly of common stocks.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
FUFRR	-0.22%	18.09%	11.22%	10.61%	7.61%
MSCI World/Utilities NR USD	-3.15%	5.96%	4.48%	5.52%	1.33%
Out/(Under) Performing	2.93%	12.13%	6.74%	5.09%	6.28%
Peer Group Ranking	45	15	18	24	6

Hennessy Focus Institutional (HFCIX)

Fund Score: 8 (Status: Pass)

US Mid Cap

The investment seeks capital appreciation.

The fund invests primarily in U.S. securities. In addition, it may invest in foreign companies traded in the U.S. on a national securities exchange or national securities association, including American Depositary Receipts, and foreign companies traded on a foreign exchange. Investments will consist primarily of common stocks, but may include preferred stocks, warrants, options, equity-like instruments and debt instruments. The Portfolio Managers invest in the stocks of companies of any size without regard to market capitalization. The fund is non-diversified.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
HFCIX	2.69%	7.54%	7.07%	14.27%	8.80%
S&P MidCap 400 Growth TR USD	4.73%	14.79%	8.00%	14.42%	9.74%
Out/(Under) Performing	-2.05%	-7.25%	-0.93%	-0.15%	-0.95%
Peer Group Ranking	21	29	13	11	13

Oakmark Equity And Income Investor (OAKBX)

Fund Score: 6 (Status: Pass)

Uncategorized

The investment seeks income and preservation and growth of capital.

The fund invests primarily in a diversified portfolio of U.S. equity and debt securities (although the fund may invest up to 35% of its total assets in equity and debt securities of non-U.S. issuers). It is intended to present a balanced investment program between growth and income by investing approximately 40-75% of its total assets in common stock, including securities convertible into common stock, and up to 60% of its total assets in debt securities issued by U.S. or non-U.S. governments and corporate entities rated at the time of purchase within the two highest grades.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
OAKBX	4.97%	10.96%	4.22%	8.93%	6.63%
DJ Moderate TR USD	-0.64%	7.66%	3.87%	7.37%	5.08%
Out/(Under) Performing	5.61%	3.30%	0.35%	1.56%	1.56%
Peer Group Ranking	3	11	44	30	9

The Oakmark Equity & Income Fund outperformed its benchmark, the Lipper Balanced Fund, by 430 bps in the fourth quarter of 2016. For the year, the fund outperformed its benchmark by 377 bps. Major contributors to performance in equities were names such as Bank of America, General Motors, Baker Hughes and TD Ameritrade. Detractors include Consumer Defensive names such as Nestlé, Diageo and Phillip Morris. It is interesting to note that the fund sold Goldman Sachs, a name that was recently added to the portfolio. The fund did add a new equity name, VWR Corporation, which is the second largest distributor of laboratory equipment and supplies. Within the fixed income space, the fund added to its corporate bond allocation. Duration remains low at 1.61 years and the current yield on the portfolio is about 2.02%. Fund managers do note that if interest rates continue to rise, they will add duration to the portfolio. At the end of the quarter, the fund stood at ~56% in equities and ~44% in fixed income and cash. The fund's score has move to a 6 from a 5 under our scoring methodology. The fund ranks in the second quartile on a 3-, and 5-year period on an absolute return basis versus its peer group.

Perkins Small Cap Value N (JDSNX)

Fund Score: 8 (Status: Pass)

US Small Cap

The investment seeks capital appreciation.

The fund pursues its investment objective by investing primarily in the common stocks of small companies whose stock prices are believed to be undervalued by the fund's portfolio managers. It invests, under normal circumstances, at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of small companies whose market capitalization, at the time of initial purchase, is less than the 12-month average of the maximum market capitalization for companies included in the Russell 2000 Value Index. The fund may invest up to 20% of its net assets in cash or similar investments.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
JDSNX	10.28%	26.58%	9.95%	13.55%	9.11%
Russell 2000 Value TR USD	14.07%	31.74%	8.31%	15.07%	6.26%
Out/(Under) Performing	-3.79%	-5.16%	1.64%	-1.52%	2.85%
Peer Group Ranking	77	41	5	64	1

Nicholas Limited Edition I (NCLEX)

Fund Score: 7 (Status: Pass)

US Small Cap

The investment seeks to increase the value of the investment over the long-term.

The fund primarily invests in common stocks of domestic corporations with small- and medium-sized market capitalizations believed to have growth potential. The advisor believes a company's annual sales volume and market capitalization are the factors most illustrative of a company's size. The fund generally considers companies with market capitalizations up to \$2 billion as "small", between \$2 billion and \$10 billion as "medium," and greater than \$10 billion as "large."

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
NCLEX	2.79%	12.36%	4.80%	11.62%	8.61%
Russell 2000 Growth TR USD	3.57%	11.32%	5.05%	13.74%	7.76%
Out/(Under) Performing	-0.78%	1.04%	-0.26%	-2.12%	0.86%
Peer Group Ranking	52	38	37	66	12

Ivy International Core Equity R6 (IINCX)

Fund Score: 9 (Status: Pass)

Frgn Developd Large Cap

The investment seeks to provide capital growth and appreciation.

The fund invests, under normal circumstances, at least 80% of its net assets in equity securities of companies located in, or principally traded largely in, developed European and Asian/Pacific Basin markets. In seeking to enhance potential return, it also may invest in issuers located or doing business in emerging market countries. The fund may invest up to 100% of its total assets in foreign securities.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
IINCX	0.25%	1.80%	0.82%	7.68%	3.51%
MSCI ACWI Ex USA NR USD	-1.25%	4.50%	-1.78%	5.00%	0.96%
Out/(Under) Performing	1.50%	-2.69%	2.60%	2.68%	2.55%
Peer Group Ranking	7	35	5	11	6

Oppenheimer Developing Markets I (ODVIX)

Fund Score: 7 (Status: Pass)

Frgn Emergng Markets

The investment seeks capital appreciation.

The fund mainly invests in common stocks of issuers in developing and emerging markets throughout the world and at times it may invest up to 100% of its total assets in foreign securities. Under normal market conditions, it will invest at least 80% of its net assets, plus borrowings for investment purposes, in equity securities of issuers whose principal activities are in a developing market, i.e. are in a developing market or are economically tied to a developing market country. The fund will invest in at least three developing markets.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
ODVIX	-5.06%	7.39%	-3.94%	3.22%	4.42%
MSCI EM NR USD	-4.16%	11.20%	-2.55%	1.28%	1.84%
Out/(Under) Performing	-0.90%	-3.82%	-1.39%	1.94%	2.58%
Peer Group Ranking	45	55	70	20	1

RidgeWorth Seix Total Return Bond IS (SAMZX)

Fund Score: 6 (Status: Pass)

US Intermed Duration

The investment seeks to maximize long term total return through a combination of current income and capital appreciation, consistent with capital preservation.

The fund invests in various types of income-producing debt securities including mortgage- and asset-backed securities, government and agency obligations, corporate obligations and floating rate loans. It normally invests at least 80% of its net assets (plus any borrowings for investment purposes) in fixed income securities. The fund may invest up to 20% of its net assets in below investment grade, high yield debt obligations.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
SAMZX	-2.63%	3.13%	3.30%	2.33%	4.88%
BBgBarc US Agg Bond TR USD	-2.98%	2.65%	3.03%	2.23%	4.35%
Out/(Under) Performing	0.35%	0.48%	0.27%	0.09%	0.54%
Peer Group Ranking	53	46	21	66	21

Fidelity Advisor Real Estate Income I (FRIRX)

Fund Score: 6 (Status: Pass)

REIT

The investment seeks higher than average income; and capital growth is the secondary objective.

The fund normally invests primarily in preferred and common stocks of REITs; debt securities of real estate entities; and commercial and other mortgage-backed securities, with an emphasis on lower-quality debt securities (those of less than investment-grade quality, also referred to as high yield debt securities or junk bonds). It invests at least 80% of assets in securities of companies principally engaged in the real estate industry and other real estate related investments. The fund invests in domestic and foreign issuers.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
FRIRX	-0.96%	10.21%	8.07%	9.37%	6.31%
FTSE NAREIT Equity REITs TR USD	-2.90%	8.51%	13.37%	12.01%	5.08%
Out/(Under) Performing	1.95%	1.70%	-5.30%	-2.64%	1.23%
Peer Group Ranking	16	7	92	89	3

Templeton Global Bond R6 (FBNRX)

Fund Score: 7 (Status: Watch)

Global Hedged

The investment seeks current income with capital appreciation and growth of income.

Under normal market conditions, the fund invests at least 80% of its net assets in "bonds." Bonds include debt obligations of any maturity, such as bonds, notes, bills and debentures. It invests predominantly in bonds issued by governments, government-related entities and government agencies located around the world. The fund may invest up to 25% of its total assets in bonds that are rated below investment grade or, if unrated determined by the investment manager to be of comparable quality. It is non-diversified.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
FBNRX	8.32%	6.78%	1.52%	4.40%	6.69%
BBgBarc Global Aggregate TR Hdg USD	-2.34%	3.95%	4.15%	3.59%	4.39%
Out/(Under) Performing	10.66%	2.83%	-2.63%	0.82%	2.30%
Peer Group Ranking	1	14	27	10	1

Templeton Global Bond Fund advanced considerably in the fourth quarter with an 8.3% return, outperforming its benchmark, the Bloomberg Barclays Global Aggregate Bond Index which returned -2.3%. The fund also outperformed its peers, ranking in the 1st percentile. The strong performance can be largely attributed to yen and euro depreciation – the fund holds significant short positions in the currencies – and short duration positioning as Treasury rates rose across the curve. Long exposure to the Mexican peso detracted from performance as Trump's victory prompted a sharp depreciation. The outsized Q4 return more than offset negative returns over the first nine months and the fund finished the year up 6.6% compared to 4.0% for the benchmark. Fourth quarter results boosted trailing returns; the fund has outperformed most of its peers over the trailing 1-, 3-, 5-, and 10-year time periods ranking in the 14th, 29th, 11th, and 1st percentiles, respectively. The fund continues to be positioned for rising rates by maintaining low overall portfolio duration. Templeton Global Bond favors countries with fundamentally undervalued currencies with increasing inflation and healthy growth. Short euro and yen positions have been used to guard against broad-based strengthening of the US dollar, while taking long positions in select emerging market currencies that they view as having attractive long term valuations. The cash position decreased slightly quarter-over-quarter, but remains relatively high at around 23%, reinforcing the fund's defensive approach to interest rate risk.

Great-West Lifetime 2055 Trust (gw2055)

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
gw2055	1.25%	10.87%	5.29%	10.45%	
DJ Target 2055 TR USD	1.58%	10.12%	4.57%	10.32%	5.49%
Out/(Under) Performing	-0.33%	0.75%	0.73%	0.13%	
Peer Group Ranking	45	1	1	29	

Great-West Lifetime 2045 Trust (gw2045)

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
gw2045	1.43%	10.98%	5.55%	10.63%	
DJ Target 2045 TR USD	1.35%	9.85%	4.50%	10.24%	5.45%
Out/(Under) Performing	0.08%	1.14%	1.05%	0.39%	
Peer Group Ranking	30	1	1	16	

Great-West Lifetime 2035 Trust (gw2035)

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
gw2035	1.16%	10.44%	5.52%	10.24%	
DJ Target 2035 TR USD	0.12%	8.50%	4.14%	9.06%	5.07%
Out/(Under) Performing	1.04%	1.93%	1.38%	1.18%	
Peer Group Ranking	29	1	1	15	

Great-West Lifetime 2025 Trust (gw2025)

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
gw2025	0.41%	9.22%	5.09%	8.55%	
DJ Target 2025 TR USD	-1.81%	6.39%	3.42%	6.73%	4.55%
Out/(Under) Performing	2.23%	2.83%	1.67%	1.82%	
Peer Group Ranking	23	1	1	28	

Great-West Lifetime 2015 Trust (gw2015)

Fund Score: 8 (Status: Pass)

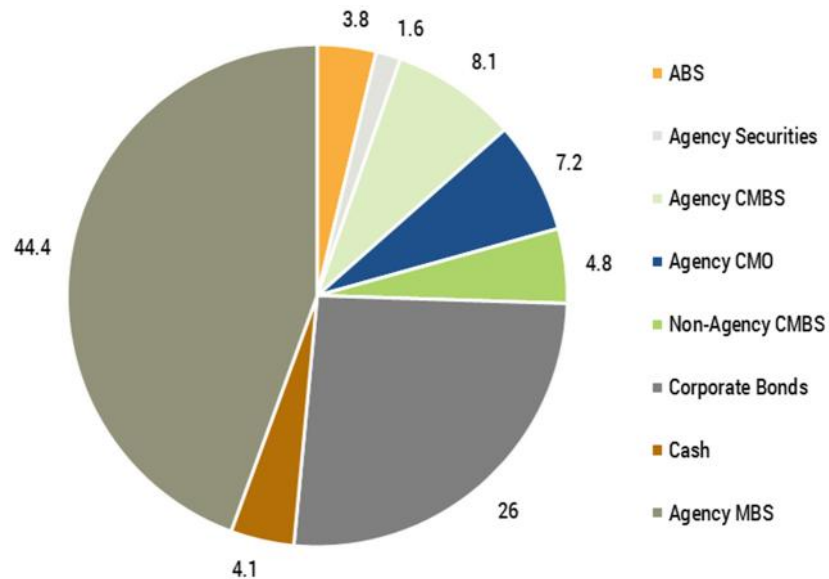
Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
gw2015	0.03%	7.93%	4.60%	6.80%	
DJ Target 2015 TR USD	-3.20%	4.52%	2.64%	4.19%	4.03%
Out/(Under) Performing	3.23%	3.41%	1.96%	2.60%	
Peer Group Ranking	26	1	1	44	

Q4 2016 Portfolio Characteristics

Composition:

A summary of the portfolio's characteristics as of the fourth quarter follows:



The portfolio's largest exposure is currently in Agency Mortgage Backed Securities at 44.4%. Corporate Bonds constitute the second largest component of the portfolio at 26.0%. The allocation to Corporate Bonds has doubled since Q4 2015.

Average Duration:

The fund's duration once again declined to 2.7 years in Q1'16. The portfolio slowly increased in duration during 2016 to end the year at 3.3 years, the same duration it ended the 2015 calendar year at. Management expects rates to stay low overall. As such, the portfolio is expected to remain duration neutral until more clarity on the path of rate hikes is determined under the new administration.

Average Credit Rating for Portfolio:

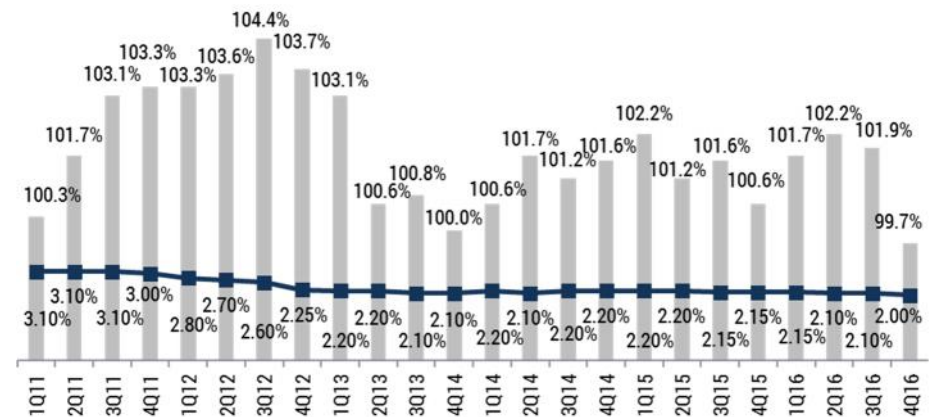
S&P AA Moody's AA+ Fitch AA+

The fund's average credit rating of AA+ as of the end of the Q4 2016 is consistent with the Investment Policy Statement's guidelines. The portfolio's lowest average credit rating, as measured by S&P, is AA. Currently, the Investment Policy Statement does not specify which ratings agencies to consider when calculating the weighted average quality.

Crediting Rate and Annuity Provider

Fourth Quarter 2016 Crediting Rate: 2.00%

Market-to-Book Ratio and Crediting Rate



Annuity Provider's Financial Strength Ratings:

A.M. Best A+ Fitch AA Moody's Aa3 S&P AA

Q4 2016 Fund Update and Positioning

The Great West managed stable value portfolio remains well diversified with no concentration of risk anywhere that is not appropriate. Interest rates are expected to stay low historically. Inflation in both the domestic and global economy has been slowly trending upwards from its bottom. Developments across Europe as “Brexit” unfolds, the supply/demand dynamics of global oil trade, China’s continued economic transition, and the tone and actions of the FOMC. Uncertainty remains in regards to new policies that may come into effect under President Trump and, as a result, heightened volatility is expected until clear plans are in place.

The Great West portfolio management team has increased the portfolio’s allocation to Corporate Bonds over the trailing year by 13.0%, doubling the exposure to 26.0% of the total portfolio as of year-end 2016. All other allocations, except cash, were reduced in order to reach the portfolio’s current positioning. In particular, Agency MBS were decreased by 5.2% though they remain the dominant allocation in the portfolio, comprising 44.4% of assets as of year-end 2016.

While U.S. interest rates are high relative to global rates, they are expected to stay low overall. A modest bear flattening (short term rates rising faster than long term rates, flattening the yield curve as the two converge) of the curve is expected through year end, and duration will stay neutral until clarification on the path of any hikes is realized. The Fed appears more hawkish on growth and inflation outlook, though uncertainty remains around President Trump’s policy implementations. Markets for new issues remain strong in this environment, allowing opportunities to purchase cheap bonds and position portfolios across the curve wherever value is found. Great-West additionally sees value particularly in Corporates, CMBS, and ABS in the coming year. Corporates earnings remain stable; CMBS have strong fundamentals and improved underwriting standards, and ABS are an attractive liquid alternative.

NWCM was notified of Catherine Tocher’s retirement from Great-West. She will be leaving the firm in June 2017, to be replaced by Jack Brown. Mr. Brown joined Great-West in 2015 and spent the past 20 years with Oppenheimer Fund.

Investment Policy Constraints

After meeting with Catherine Tocher in 2016, the County approved the following policy changes which have since been implemented:

- Allow up to 10% into BBB-rated securities; and
- Remove the 10% cap on A-rated securities (Great West commented that this is constraining because there are so few of these in the U.S. which leaves them with very few options.

As a follow-up to the announcement of Ms. Tocher’s retirement, NWCM recommends additional review of the stable value product and the upcoming manager, Mr. Brown.

County of Fresno 457 DC Plan

Current Lineup Status

Asset Class		Current Status	Placed On Watch
US Large Cap			
aspzx	Alger Spectra Z	Pass	-
cddyx	Columbia Dividend Income Y	Pass	-
02cff1	Blackrock Equity Index Fund	Index	-
US Mid Cap			
hfcix	Hennessy Focus Funds Institutional	Pass	-
03cff2	Blackrock Mid Cap Equity Index Fund	Index	-
US Small Cap			
nclex	Nicholas Limited Edition I	Pass	-
jdsnx	Perkins Small Cap Value N	Pass	-
03cff3	Blackrock Russell 2000 Index Fund	Index	-
Foreign Stocks			
iiincx	Ivy International Core Equity R6	Pass	-
odvix	Oppenheimer Developing Markets I	Pass	-
10cff5	Blackrock Eafe Equity Index Fund	Index	-
Fixed Income			
samzx	RidgeWorth Seix Total Return Bond IS	Pass	-
04cff4	Blackrock US Debt Index Fund	Index	-
fbnrx	Templeton Global Bond R6	Watch	2016 - Q2
Specialty Options			
frirx	Fidelity AdvisorReal Estate Income I	Pass	-
fufrx	Franklin Utilities R6	Pass	-
oakbx	Oakmark Equity & Income I	Pass	-
fressv	County Of Fresno Stable Value Fund	Stable Value	2017 - Q1
Target Date			
c15mzr	Great-West Lifetime 2015 Trust	TDF	2017 - Q1
c25mzr	Great-West Lifetime 2025 Trust	TDF	2017 - Q1
c35mzr	Great-West Lifetime 2035 Trust	TDF	2017 - Q1
c45mzr	Great-West Lifetime 2045 Trust	TDF	2017 - Q1
c55mzr	Great-West Lifetime 2055 Trust	TDF	2017 - Q1

Watch List History

		Current Status	Placed On Watch	Removed From Watch
All Investments				
scblx	RidgeWorth Seix Total Return Bond R	In Plan	2013 - Q4	2015 - Q2
nnlex	Nicholas Limited Edition N	In Plan	2013 - Q4	2015 - Q2
gsftx	Columbia Dividend Income Z	In Plan	2013 - Q4	2014 - Q4
oakbx	Oakmark Equity And Income Investor	In Plan	2012 - Q1	2012 - Q3
segsx	Sentinel Government Securities A	Removed	2014 - Q2	2015 - Q2
jmcvx	Perkins Mid Cap Value T	Removed	2013 - Q4	2015 - Q2
msiix	MainStay International Equity I	Removed	2012 - Q4	2015 - Q2
paxix	Pax Balanced Institutional	Removed	2012 - Q4	2013 - Q2
gtavx	Invesco Mid Cap Core Equity R5	Removed	2012 - Q1	2013 - Q2
jmvax	Perkins Mid Cap Value I	Removed	2012 - Q1	2012 - Q3
nbgnx	Neuberger Berman Genesis Inv	Removed	2012 - Q1	2012 - Q3
sdgtx	Deutsche Capital Growth I	Removed	2012 - Q1	2012 - Q3
chtvx	Invesco Charter Fund R5	Removed	2012 - Q1	2012 - Q3

Item 12



Managed Accounts 101

Fiduciary Training
February 2017

Agenda

I Introduction

II Behind the Scenes

III Managed Account Universe

IV Plan Sponsor Fiduciary Considerations

V Nationwide's Managed Account Services Overview

VI Summary

Introduction

What Are Managed Accounts

■ Background

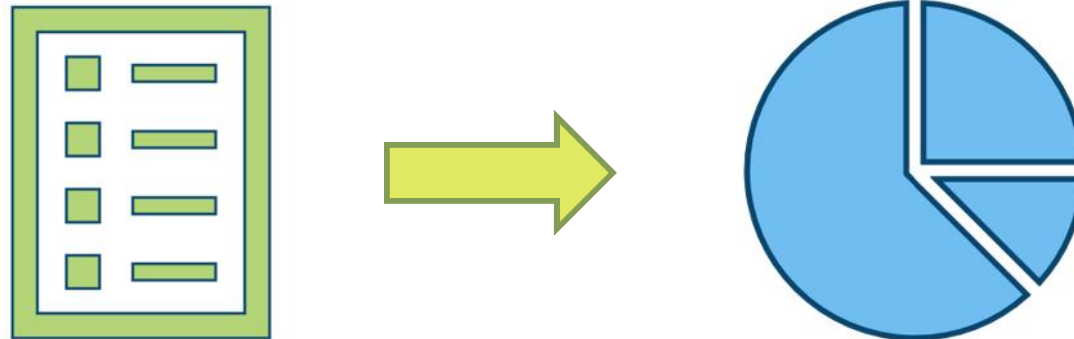
- Many retirement plans offer investments to retirement plan participants with the intent to mitigate the confusion of building a properly allocated portfolio. To date, industry adoption has centered around balanced portfolios, risk-based portfolios and target date funds (the industry's most popular retirement plan solution).
- Initially, balanced funds and risk-based portfolios were the most prevalent asset allocation strategies. Both offered a blend of equities and fixed income assets.
- Over the past decade the industry has seen the meteoric rise of age-based target-date funds in defined contribution plans.
- Managed accounts are the latest entry into the industry and seek to incorporate participant-specific information into the portfolio construction process.



What Are Managed Accounts

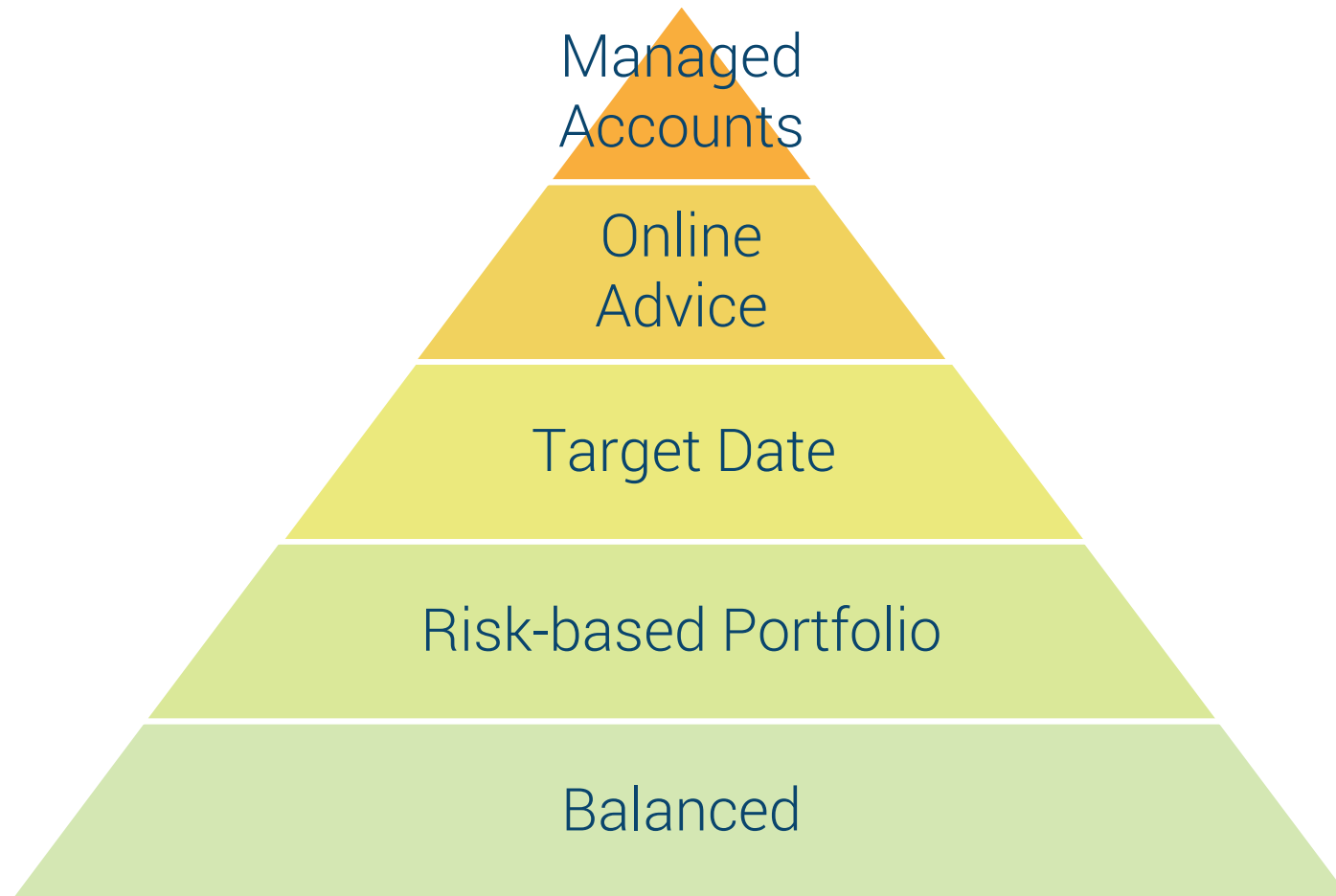
■ Introduction

- A managed account is a service where a professional investment team creates an asset allocation solution for a plan participant.
- Managed accounts are designed to hold all of an investor's plan assets in a professionally designed and diversified portfolio.
- Specific participant information, such as age, contribution rates, salary, risk tolerance, retirement date, and spending needs can be incorporated into the recommended portfolio allocation.
- Generally, portfolios are constructed using the plan's core investment menu.
- In-depth census files provide many of the variables needed to optimize the portfolio.
- Many programs will confirm, update, and attempt to gather additional participant information – no less than annually – to enhance the portfolio's efficacy.



Why Do Plan Sponsors Offer Managed Accounts

- Reasons to Offer Managed Accounts
 - Participants are intimidated when it comes to building their own investment portfolios, and rightfully so.
 - Plan's offer different solutions; managed accounts are viewed as the most personal solution to an individual's needs:



How Are Managed Accounts Used In Retirement Plans

- Managed accounts are typically offered in conjunction with one of the following:
 - Target date funds (usually serving as the plan's QDIA)
 - Risk-based portfolios (conservative, moderate, aggressive, etc.)
- Most plans offer managed accounts as an "opt-in" service.
- As fees decline, we expect to see a trend of increasing adoption of managed account programs as a plan's default investment.
- Target date funds offer participants access to portfolios based upon their age and/or expected retirement age.
- Risk-based portfolios offer participants static portfolios (allocations do not change over time) based on their tolerance for risk.
- Managed accounts take into consideration a participant's salary, deferral rate, actual retirement date, individual risk tolerance, and outside assets.
- Studies are being conducted on participant behavior in down markets as individuals approach retirement. Preliminary indications show that participants with managed accounts are less likely to "panic sell" when they have a portfolio specifically designed for their situation.

Behind The Scenes

- Building Portfolios
 - The actual analytical methodology of building portfolios varies immensely across the industry.
 - Providers may offer as few as 8 – 10 portfolios to over 100.
 - Portfolios are optimized with sophisticated analytical software.
 - Vendors typically utilize the plan's core investments, but some will incorporate additional investments that are only available through this service.

- Typical Variables Used in the Process
 - Expected retirement age
 - Social Security benefits
 - Spousal assets/benefits
 - Income replacement
 - Savings rate
 - Decumulation rate (participant distributions in retirement)
 - Life expectancy

Participant Experience

- In addition to asset allocation and portfolio management services, managed account providers typically engage with the participant no less than annually.
- The purpose of the engagement is to confirm the service is operating with the most up-to-date participant information, as they advance through their working career.
- Providers obtain the information through printed questionnaires, email, in-person interviews, and call center interactions.
- Vendors differ on the information that is being incorporated into recommended participant allocations.

Managed Account Universe

Universe Of Managed Account Providers

- Record Keeper Solutions
 - Can be a proprietary managed account solution, or
 - A private label partnership with an independent managed account provider

- Independent Providers
 - Financial Engines
 - Morningstar
 - ProManage PROgram
 - GuidedChoice

Integration into a record keeper's website and communication materials is an advantage for proprietary and private label managed accounts.

Plan Sponsor Fiduciary Considerations

Best Practices For Selecting and Monitoring Providers

- Reasonableness of fees
 - How are fees disclosed to participants?
- Investment strategy
- Provider's ability to work with the plan's record keeper
- Is call center staff specifically licensed and/or trained for the managed account program?
- Provider's independence and willingness to serve as a fiduciary
- Address potential conflicts of interests
- Reporting (both to Plan Sponsor and Participants)
- Provider's footprint within the industry
- Ability to accommodate the plan's investment options

The Plan's Investment Policy Statement should address the criteria for selecting and monitoring the managed account provider.

Evaluating Portfolio Construction

- How are portfolios being built?
 - How are the Plan's investments utilized within the managed account service?
 - How many optimized portfolios are actually available?
 - How does the methodology select active versus passive investments?
 - How many asset classes are required to build portfolios?
 - Does the provider have the ability to utilize investments not currently offered in the Plan?
 - How does the service evaluate target date funds offered within the plan?

Nationwide's Managed Account Services Overview

Nationwide ProAccount Overview

- Fresno ProAccount Usage:
 - 256 employees enrolled
 - \$7.6 million of plan assets

- Product Highlights
 - Asset based fee: 0.65% to 0.40% depending on size of account (no cap)
 - 90-day trail period before fee is assessed
 - Currently, enrollment is done via hardcopy. Online enrollment coming in Q2.
 - Dedicated call center with licensed representatives
 - Asset management outsourced to Wilshire Associates
 - Wilshire provides three glidepaths: Conservative, Moderate, and Aggressive
 - Nationwide performs annual due-diligence and performance review
 - Portfolios continue to adjust through age 87

Nationwide ProAccount Overview





A managed approach

Nationwide Investment Advisors and Wilshire work together to make institutional-quality investing available to your participants.

Nationwide Investment Advisors (NIA)	Wilshire
<ol style="list-style-type: none"> 1. Selects and monitors the Independent Financial Expert (Wilshire) 2. Implements investment advice generated by Wilshire 3. Monitors the Investment strategies used by Wilshire 4. Provides periodic communications and support 	<ol style="list-style-type: none"> 1. Researches investment strategies and asset classes to build asset allocations for the portfolios 2. Selects the specific investments for the portfolios and changes the funds and allocations in the portfolios to help keep in line with the time horizon and market changes

Participant benefits

Participants who select Nationwide ProAccount enjoy the confidence that comes from:

-  Professional fund selection and asset allocation
-  Periodic portfolio adjustments intended to help keep them on track toward their retirement goals
-  No minimum account balance or cancellation fees
-  Ongoing communications

Asset allocation does not assure a profit or prevent a loss in a down market.

Plan Sponsor benefits

Sponsors who add Nationwide ProAccount to their Plan can benefit from:

-  A valuable "do it for me" solution for your Plan and its participants
-  The expertise of an experienced Institutional investment firm
-  Assistance in meeting your fiduciary responsibility
-  No additional cost to your Plan*

*Participants electing to enroll in ProAccount are charged an investment advisory fee as more fully described in NIAs Form ADV, Part 2A.

- Wilshire Associates
 - Created and maintains 42 model portfolios
 - 14 models per glidepath (conservative, moderate, aggressive)
 - Macro market/economic strategic overlay
 - Select investments from the plan's menu based upon "projected alpha"
 - Conducted "deep-dive" analysis on the County's investments
 - Utilizes both passive and active investments
 - Two variables that drive asset allocation recommendation:
 - a. Personal risk preference (via questionnaire)
 - b. Age

- Participant Experience
 - Participants receive annual communication encouraging them to make sure their risk profile is current.

Summary

Final Thoughts

- Strengths:
 - Managed Accounts can be a positive addition to retirement plan menus.
 - Provides “do it for me” investors an additional allocation option.
 - A more customized approach than target date funds.
 - Provides asset allocation services post retirement.
 - Personalized participant experience.
 - Participants are encouraged to stay engaged through annual communication regarding the status of their risk profile.
 - Nationwide’s ProAccount does not require a cumbersome set-up process for participants.
- Weaknesses:
 - Currently the fees for managed account services are high.
 - Nationwide’s ProAccount incorporates fewer variables than some of the industry leaders. A methodology with more inputs could potentially improve the appropriateness of participant allocations.