



County of Fresno

Deferred Compensation Management Council

May 11, 2017 Agenda

THE MEETING WILL BE HELD AT 3:00 P.M. AT THE FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION, 1111 H ST., FRESNO, CA 93721

1. Call to Order.
2. 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.
3. Approve Agenda.
4. Approve Action Summary Minutes from the February 23, 2017 meeting.
5. Receive and File 2016-17 Fiscal Year Third Quarter Deferred Compensation Plan Budget Report.
6. Approve the Fiscal Year 2017-18 Deferred Compensation Plan Budget.
7. Receive Verbal Report on the 2017 Save Today campaign presented by Nationwide Retirement Solutions.
8. Receive and File Deferred Compensation Plan Review as of March 31, 2017 prepared by Nationwide Retirement Solutions.
9. Receive and File Plan Sponsor Fee Disclosure prepared by Nationwide Retirement Solutions.
10. Receive and File and Approve Actions
 - a. Receive and File items prepared by Northwest Capital Management:
 - i. Deferred Compensation Plan Investment Review as of March 31, 2017;
 - ii. Plan Fee Analysis; and
 - iii. Fiduciary Checklist.
 - b. Approve the removal of Templeton Global Bond fund from the Watch List.
 - c. Provide guidance regarding Great-West Financial's management of the County of Fresno Stable Value Fund.
11. Introduction to Income-for-Life Investments presented by Northwest Capital Management.



ITEM 4

Deferred Compensation Management Council February 23, 2017 Action Summary Minutes

The 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, 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 10:03 a.m.

2. Approve Agenda

ACTION: The Agenda was unanimously approved.

3. Elect Chair & Vice-Chair of the Deferred Compensation Management Council.

ACTION: Jean Rousseau was elected Chair and Robert Bash was elected Vice-Chair.

4. Public Comment Period

There were no comments from the public.

5. Approve Action Summary Minutes from the August 25, 2016 meeting.

ACTION: The Minutes were unanimously approved.

6. Approve Action Summary Minutes from the December 8, 2016 special meeting.

ACTION: The Minutes were unanimously approved.

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.

ACTION: Unanimously approved as recommended.

8. Receive and File Fiscal Year 2016-17 2nd Quarter Deferred Compensation Plan Budget Report.

ACTION: The Budget Report was received and filed. The Council directed staff to add a column on future reports for projected revenue and expenses.

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.

ACTION: Verbal report received.

10. Receive and File Deferred Compensation Plan Review as of December 31, 2016 prepared by Nationwide Retirement Solutions.

ACTION: Report received and filed.

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.

ACTION: The report was received and filed. The actions were unanimously approved as recommended.

12. Introduction to Managed Account Services presented by Northwest Capital Management.

ACTION: Presentation received.

The meeting was adjourned at 11:43 a.m.



Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 5

DATE: May 11, 2017

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager

SUBJECT: Fiscal Year 2016-17 3rd 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 Fiscal Year 2016-17 Deferred Compensation Plan budget was approved by your Council on February 25, 2016 and is attached to this Item (Attachment B) for reference.

Issue

Staff has prepared a Fiscal Year 2016-17 budget report for the nine-month period that ended March 31, 2017 (Attachment A).

Attachment A has three (3) columns for Revenue, Discretionary Expenses, and Mandatory Expenses:

1. "Approved" provides the dollar amounts that were originally approved by your Council at the February 25, 2016 meeting.
2. "Year to Date" provides the revenue and expenses received/incurred between July 1, 2016 and March 31, 2017.
3. "Projected" provides the dollar amounts that staff projects will be the year-end totals.

In addition, staff has provided the surplus or deficit numbers, both year to date and projected for the full year. Please note that the projections are estimates based primarily on the following:

- The trends for this fiscal year, such as increasing Plan assets leading to increasing revenues and record-keeping fees; and
- Expenses that will be incurred prior to the end of the fiscal year, such as the fiduciary liability insurance policy and Plan Document legal review.

Recommended Action

There are no recommended actions associated with this Item.

Item 5 - Attachment A

County of Fresno Deferred Compensation Plan

Fiscal Year 2016-17 Revenue & Expenses as of March 31, 2017

Revenue	Approved	Year to Date	Projected
Administrative Fees	\$ 175,000	\$ 141,322	\$ 188,000
Excess FY 2013-14 Funds	\$ 25,000	\$ 25,000	\$ 25,000
Totals:	\$ 200,000	\$ 166,322	\$ 213,000

Discretionary Expenses	Approved	Year to Date	Projected
Staff Costs	\$ 102,000	\$ 54,969	\$ 90,000
Consultant Fees	\$ 40,000	\$ 30,000	\$ 40,000
Plan Document Review Legal Fees	\$ 20,000	\$ -	\$ 7,500
Fiduciary Liability Insurance Policy	\$ 11,000	\$ -	\$ 10,134
NAGDCA	\$ 7,000	\$ 4,781	\$ 5,400
Contingencies	\$ 20,000	\$ -	\$ -
Totals:	\$ 200,000	\$ 89,749	\$ 153,034

	Year to Date	Projected
Surplus (Deficit):	\$ 76,573	\$ 59,966

Mandatory Expenses	Approved	Year to Date	Projected
Record-keeping Fees	\$ 200,000	\$ 158,949	\$ 215,000

Item 5 - Attachment B: Approved FY 2016-17 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	% of Revenue
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	



Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 6

DATE: May 11, 2017
TO: Deferred Compensation Management Council
FROM: Hollis Magill, Human Resources Manager *Hollis Magill*
SUBJECT: Proposed Fiscal Year 2017-18 Deferred Compensation Plan Budget

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 2016-17, that fee was 0.19%.

Issue

Attachment A includes a proposed budget anticipating revenue and expenses for FY 2017-18. In addition, Attachment B includes the approved FY 2016-17 budget for reference. Staff has provided additional information below regarding the budget items.

1. Administrative and Record-keeping fees

Pursuant to Agreement #14-710, the record-keeping fees are 0.10% of Plan assets per year; the prorated portion of this fee is deducted monthly from participant accounts. Your Council has set the discretionary participant fee at 0.09% of Plan assets per year, which is also deducted monthly from participant accounts on a prorated basis. Staff recommends that the discretionary portion of the annual fee remain at 0.09%.

Regarding participant fee revenue in FY 2016-17, staff is anticipating an increase from \$175,000 budgeted in FY 2016-17 to \$192,000 in FY 2017-18. This represents a \$17,000 or 10% increase from FY 2016-17. Staff anticipated total Plan assets of approximately \$195 million in FY 2016-17, while in FY 2017-18 assets are anticipated to be approximately \$220 million.

Regarding record-keeping fees, staff is anticipating approximately \$230,000 in record-keeping expenses, which represents a \$30,000 or 15% decrease from FY 2016-17 due to the increase in total Plan assets mentioned above.

2. County Staff

The proposed budget is unchanged from FY 2016-17. This budget item includes Human Resources and County Counsel staff costs, as well as participant communication costs.

3. Consultant

Pursuant to Agreement #15-597; the proposed budget is unchanged from FY 2016-17.

4. Outside Counsel

Human Resources and County Counsel staff are currently working with the law firm of Chang, Ruthenberg, and Long (“CRL”) to update the County of Fresno 457(B) Deferred Compensation Plan Document, which is the Plan’s main governing document. However, CRL have recommended a deeper review of all governing documents and service agreements related to the Plan, to ensure compliance with applicable state and federal laws and regulations, as well as to ensure that the Plan adheres to legal best practices. County Counsel agrees with CRL’s recommendation that this level of review would be beneficial to the Plan and its participants.

5. Fiduciary Liability Insurance Policy

The proposed budget is unchanged from FY 2016-17. Staff has included the anticipated cost of a \$5 million fiduciary liability insurance policy which covers both the Plan and your Council. The current policy expires July 1, 2017.

6. Off-Site Training

The proposed budget is unchanged from FY 2016-17 and assumes sending two (2) members of your Council or staff to the 2017 National Association of Governmental Defined Contribution Administrators (NAGDCA) conference in Milwaukee, Wisconsin.

7. Contingencies

The proposed budget is unchanged from FY 2016-17.

Recommended Actions

1. Approve the FY 2017-18 discretionary administrative fee of 0.09%.

The fee does not include the 0.10% record-keeping fee which Nationwide deducts directly from participant accounts. Total participant fees will equal 0.19%, which is unchanged from FY 2016-17.

2. Approve the FY 2017-18 budget (Attachment A), either as submitted or with amendments.

3. Select up to two (2) individuals to represent the Plan at the NAGDCA conference or modify or delete the Off-Site Training budget item.

Item 6 - Attachment A: Proposed 2017-18 Fiscal Year Deferred Compensation Plan Budget

Discretionary Items

Revenue Source	Description	Dollars	% of Revenue
Administrative Fee	0.09% of Plan Assets, based on approximately \$220 million in assets.	\$192,000	100%
Total Revenue:		\$192,000	100%
Expense	Description	Dollars	% of Expenses
County Staff	Human Resources and County Counsel staff time and participant communications.	\$102,000	53.1%
Consultant	Pursuant to Agreement # 15-597 with Northwest Capital Management.	\$40,000	20.8%
Outside Counsel	Cost of outside legal firm to review Deferred Compensation Plan governing documents.	\$12,000	6.3%
Fiduciary Liability Insurance	Premium on \$5 million in Fiduciary Liability Insurance coverage.	\$11,000	5.7%
Off-Site Training	Send two (2) people to the 2017 NAGDCA conference and pay annual membership fee.	\$7,000	3.6%
Contingencies	Any appropriate expense not included in the items in the proposed budget.	\$20,000	10.4%
Total Discretionary Expenses:		\$192,000	100%

Mandatory Items

Revenue Source	Description	Dollars
Nationwide Fee	0.10% of Plan Assets, based on approximately \$220 million in assets. Fees are debited directly from participants' accounts on a monthly basis.	\$230,000
Expense	Description	Dollars
Record-keeping	Pursuant to Agreement # 14-710 with Nationwide, 0.10% of Total Assets per year.	\$230,000

Item 6 - Attachment B: Approved FY 2016-17 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	% of Revenue
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 8

Fresno County

457 Deferred Compensation Plan

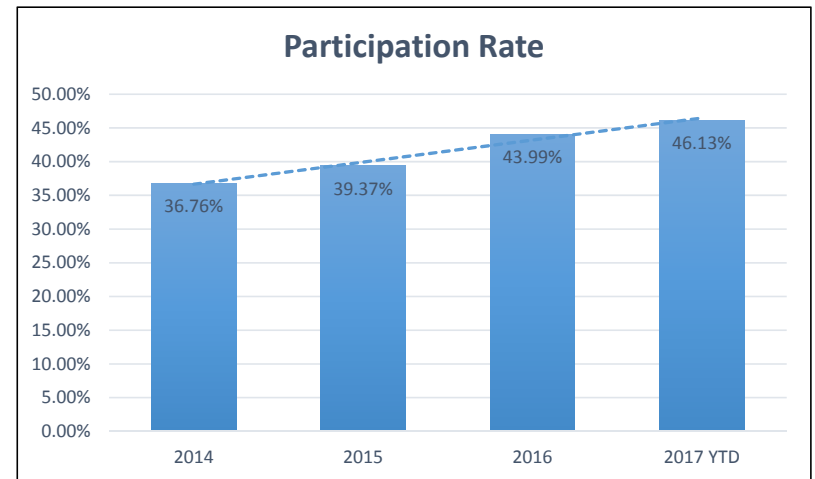
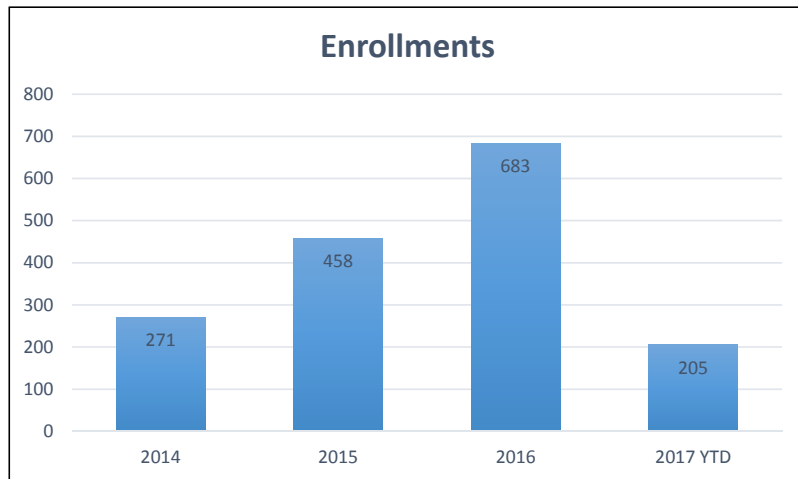
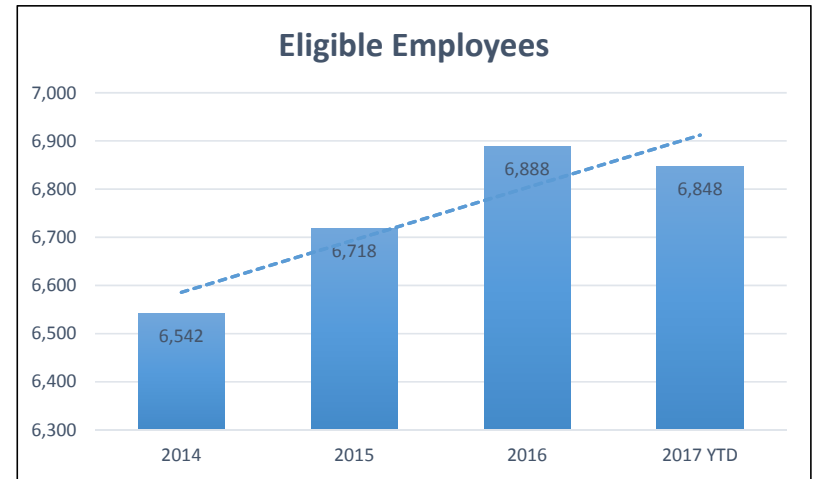
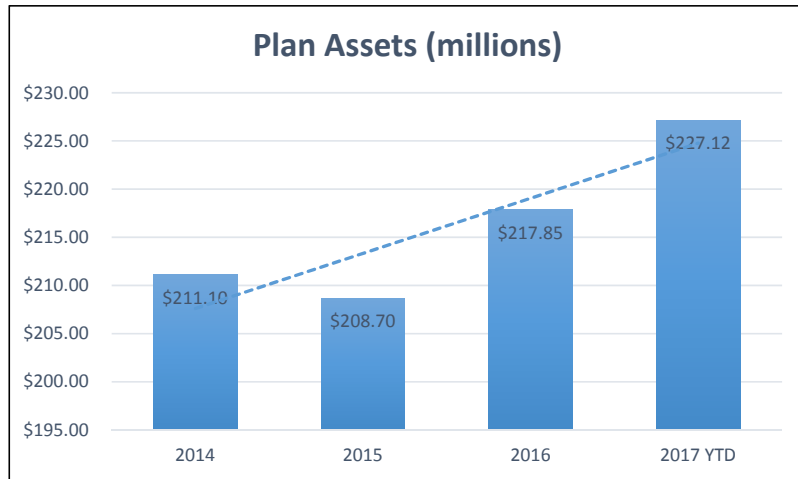
Quarterly Dashboard – March 31, 2017



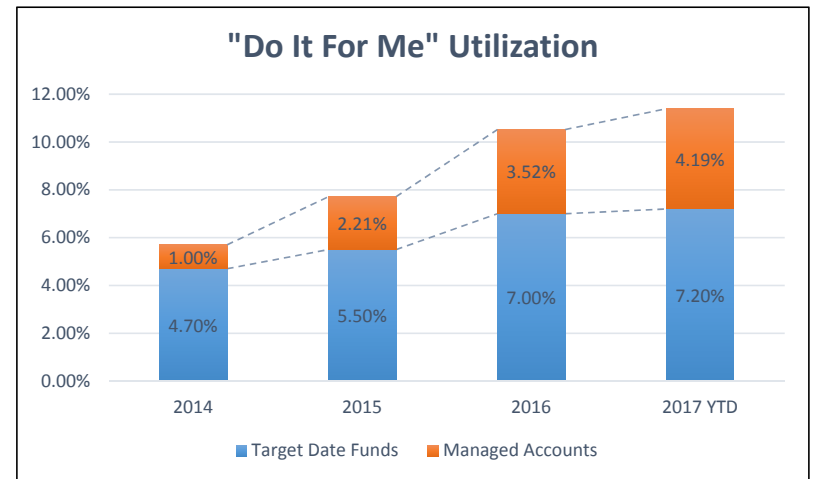
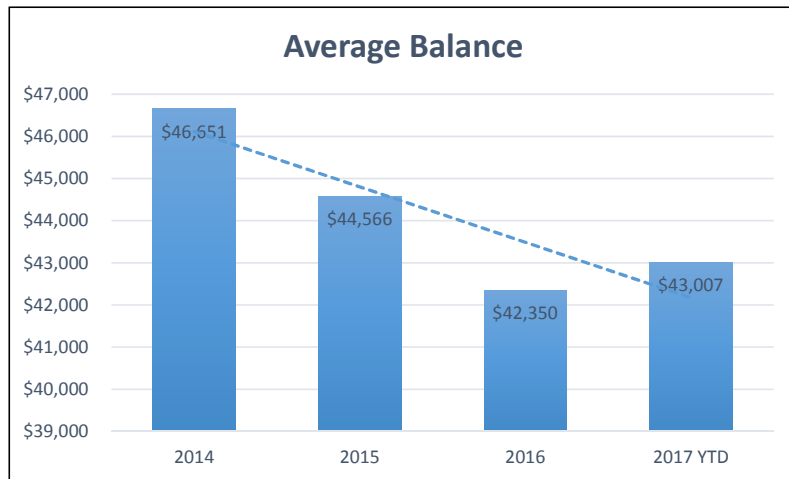
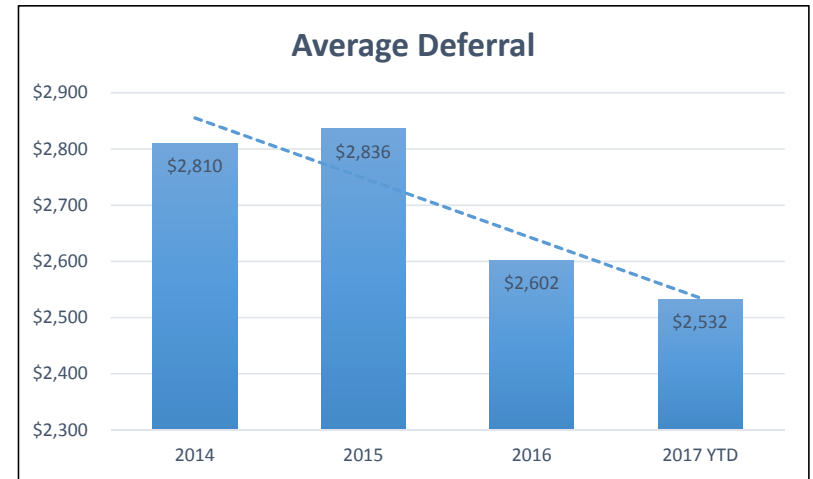
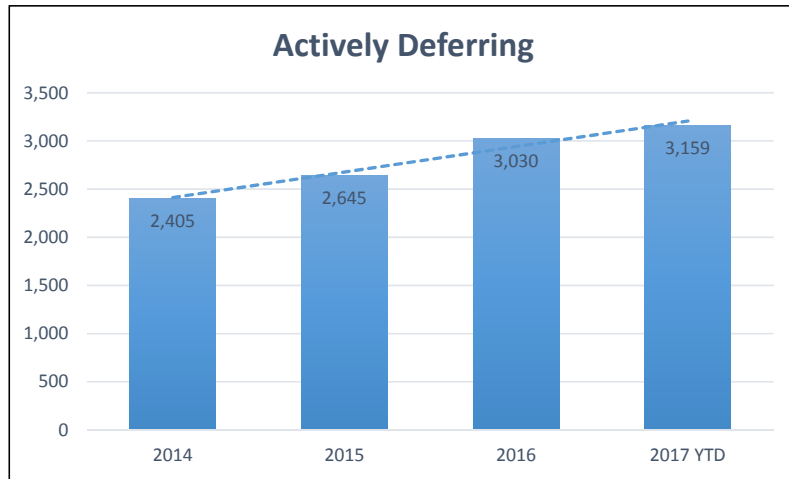
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Section 1 Executive Summary



Section 1 Executive Summary



FRESNO COUNTY SERVICE RECAP

NATIONWIDE RETIREMENT SOLUTIONS

3/31/2017

Quick Plan Facts

	As of 3/31/2017	% Change from 3/31/2016
Total Participant Count	5,281	+12.1%
New Enrollments YTD	205	+133%
Total Plan Assets (millions)	\$227.12	+8.9%
Total Deferrals YTD (millions)	\$2.18	+16.5%
Total Rollovers-In (thousands)	\$434.48	+55.5%
ProAccount Assets (millions)	\$9.519	+70.3%
ProAccount Participant Count	294	+55.6%

Education, Workshops and Counseling

Date	Event/Activity	Results
January	FCERA Nearing Retirement Workshop	Ongoing
January – March	Bi-weekly New Employee Training	Ongoing
March 20 – 26	Save Today Expo	Results Below

Save Today Expo Recap

Total Participant Contacts: 531 Employees

Total New Enrollments: 102

Total Deferral Increases: 210

Total Beneficiary Updates: 146

Education Campaigns

EZ Enrollment – All Fresno County Employees

EZ Increase – All Enrolled Fresno County Employees

Asset Allocation – 2nd Quarter 2017

Local Nationwide Service Team

Ed Malone – Program Director/614-327-2218/ malonee@nationwide.com

Phillip Edwards – Retirement Specialist/ 559-999-7971/edwarp4@nationwide.com



Fresno County Plan Objectives

Promote Plan Enrollment

1

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

Encourage your participants to increase their contributions

2

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

Promote plan diversification

3

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

Item 9

Fresno County Fee Disclosure Summary Effective 12/31/16 on 4th Quarter balance of \$212,331,316

The following are the main categories of the fees that correspond to the products and services in the retirement plan. We encourage the plan sponsor to review these fees to determine if the plan costs are in the best interest of the plan and participants.

Investment Gross Expense Fees

Investment Gross expense fees cover the operating expenses and management of the mutual funds and other investments within retirement products.

Asset Fees

Asset fees cover Nationwide's and the Plan Sponsor's day-to-day administration services, including access to investment options, access to customer service for your participants, recordkeeping and more.

Loan Fees

Loan fees will only be applicable to plans that allow participant loans. Nationwide charges a fee directly to any participant who opts to take a plan loan. This will include loans that participants take against their account balance prior to retirement or severance of service.

Managed Account Fees

Managed Account fees will only be applicable to plans that choose to utilize the services of Nationwide Investment Advisors, LLC. NIA charges a fee directly to any participant who elects to use the ProAccount service.

Other Fees

There may be additional fees that are associated with specific products, features and/or services the retirement plan. These can be found in the Plan's individual contracts.

Summary of Fees	Total Estimated Expense
Investment Gross Expense Fees	\$995,664.23
Asset Fees	\$405,329.50
Loan Fees	\$35,326.29
Managed Account Fees	\$32,148.43
Other Fees	\$755.49
Total Fees	\$1,469,223.94

Fresno County Fee Disclosure Detail

Investment option	Annual Asset Fee %	Estimated Annual Asset Fee Paid	Investment Gross Expense %	Estimated Inv Gross Expense fee paid Annually	NW Admin Reimb. from IP %	Estimate NW Admin Reimbursement Paid from IP Annually
Alger Spectra Fund- Class Z	0.19%	\$66,249.24	1.04%	362,627.41	0.00%	\$0.00
BlackRock EAFE Equity Index Fund T	0.19%	\$2,628.99	0.12%	1,660.41	0.00%	\$0.00
BlackRock Equity Index Fund M	0.19%	\$77,531.77	0.02%	8,161.24	0.00%	\$0.00
BlackRock Mid Cap Equity Index Fund M	0.19%	\$14,547.97	0.05%	3,828.41	0.00%	\$0.00
BlackRock Russell 2000 Index M	0.19%	\$4,138.62	0.06%	1,306.93	0.00%	\$0.00
BlackRock US Debt Index Fund W	0.19%	\$5,326.98	0.05%	1,401.84	0.00%	\$0.00
Columbia Dividend Income Fund- Class Y	0.19%	\$21,788.76	0.59%	67,659.83	0.00%	\$0.00
Fidelity Advisor Real Estate Income Fund- Institutional Class	0.19%	\$2,228.70	0.77%	9,032.09	0.25%	\$2,620.86
Franklin Utilities Fund- Class R6	0.19%	\$7,675.96	0.47%	18,987.90	0.00%	\$0.00
Fresno County Stable Value Fund	0.19%	\$122,158.32	0.35%	225,028.49	0.00%	\$0.00
Great-West Lifetime 2015 Trust	0.19%	\$5,105.79	0.47%	12,630.11	0.00%	\$0.00
Great-West Lifetime 2025 Trust	0.19%	\$10,028.11	0.47%	24,806.39	0.00%	\$0.00
Great-West Lifetime 2035 Trust	0.19%	\$7,148.09	0.47%	17,682.11	0.00%	\$0.00
Great-West Lifetime 2045 Trust	0.19%	\$4,992.21	0.47%	12,349.15	0.00%	\$0.00
Great-West Lifetime 2055 Trust	0.19%	\$1,776.68	0.47%	4,394.93	0.00%	\$0.00
Hennessy Focus Fund Institutional Class	0.19%	\$9,700.93	1.12%	57,184.44	0.10%	\$5,806.78
Ivy International Core Equity Fund- Class R6	0.19%	\$16,839.74	0.83%	73,563.07	0.00%	\$0.00
Loan Outstanding Principal Balance	0.00%	\$0.00	0.00%	0.00	0.00%	\$0.00
Nicholas Limited Edition Fund- Institutional Class	0.19%	\$9,951.16	0.86%	45,042.11	0.00%	\$0.00
Oakmark Equity and Income Fund (The)- Class I	0.19%	\$3,955.97	0.75%	15,615.68	0.30%	\$6,543.82
Oppenheimer Developing Markets I	0.19%	\$1,264.33	0.88%	5,855.84	0.00%	\$0.00
Perkins Small Cap Value Fund - Class N	0.19%	\$2,743.58	0.89%	12,851.50	0.00%	\$0.00
RidgeWorth Total Return Bond Fund - IS Shares	0.19%	\$6,096.87	0.31%	9,947.53	0.00%	\$0.00
Templeton Global Bond Fund - Class R6	0.19%	\$1,450.75	0.53%	4,046.82	0.00%	\$0.00
Total		\$405,329.50		\$995,664.23		\$14,284.52

Loan Fees	Estimated Expense
Annual Loan Fee	\$16,425.00
Loan Default Fee	\$2,526.29
ACH Loan Insufficient Funds Fee	\$1,625.00
Loan Initiation Fee	\$14,750.00
Total Loan Fees	\$35,326.29

Managed Account Fees	Estimated Expense
Scheduled Managed Account Fee	\$31,427.25
Transactional Managed Account Fee	\$721.18
Total Managed Account Fees	\$32,148.43

Other Fees	Expense
Overnight Fee	\$725.00
Short Term Trade Fee	\$30.49
Total Other Fees	\$755.49

The information provided in this document has been collected from sources that are deemed to be reliable. However, its accuracy cannot be guaranteed. Errors and omissions can occur. None of the information constitutes a recommendation by Nationwide or solicitation of an offer to buy or sell any securities. Except as otherwise provided by law or regulation, this information shall be treated as confidential, non-public information and shall not be disclosed by the Employer or its agent to any third party other than the plan or plan sponsor, any party providing services to the plan sponsor, or plan participants and beneficiaries without prior written consent of Nationwide.



Item 10

DATE: May 11, 2017
TO: Deferred Compensation Management Council
FROM: Brent Petty, NWCM, Inc.
SUBJECT: First Quarter Investment Performance Report (Executive Summary)

Capital Markets

Index	YTD (As of 4/30/17)	Q1 2017	1 Year (As of 4/30/17)
S&P 500	7.16%	6.07%	17.92%
S&P 400 MidCap	4.81%	3.94%	20.46%
S&P 600 SmallCap	1.98%	1.06%	24.26%
MSCI EAFE	9.97%	7.25%	11.29%
MSCI Emerging Markets	13.88%	11.45%	19.13%
BBgBarc US Agg Bond	1.59%	0.82%	0.83%
10 Year Treasury (yield)	2.29% (4/28/17)	2.40% (3/31/17)	1.83% (4/29/16)

First Quarter (Complete Quarterly Investment Report is provided as **Exhibit A**)

Stocks and Fixed Income returns were positive around the globe in the first quarter of 2017. Notably, Emerging Markets and Developed International equities lead the way.

Fixed Income markets underperformed, but still finished higher for the quarter despite the Federal Reserve's decision to raise rates in March.

Economic Factors

U.S. economy has continued to expand at a moderate pace. Strong consumer spending has continued to support growth.

The labor markets continue to tighten, with job gains helping to hold the unemployment rate of 4.7%.

Home builder sentiment was a surprise to the upside with the home builders index surging in March to levels not seen since 2005.

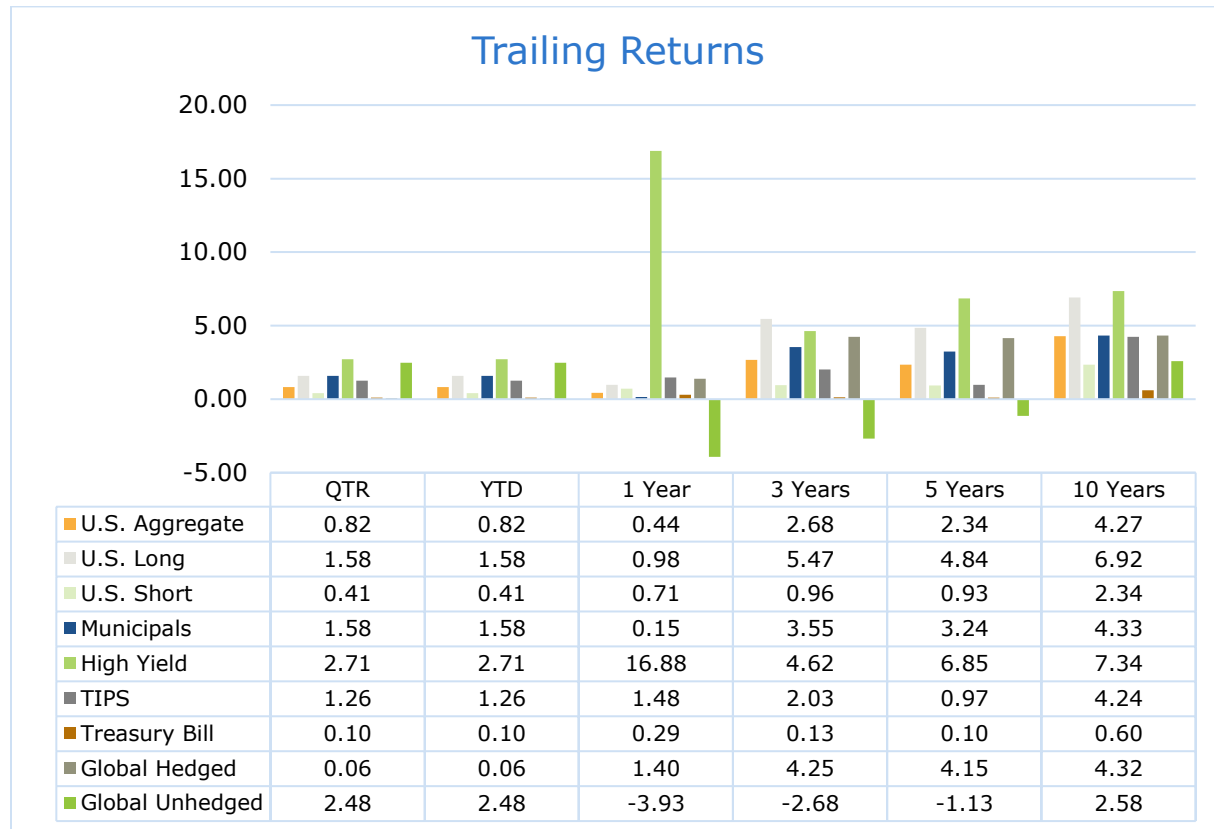
US Equity



International Developed Equity



Fixed Income Insights



Plan Fee Analysis

A plan fee summary report is provided in **Exhibit B**. Nationwide’s required annual revenue is 0.19% and NWCM’s annual fee is \$40,000 (~0.02%).

Fiduciary Checklist

An updated fiduciary checklist has been provided as **Exhibit C**.

- Documenting parties of interest is an initiative for the Q3 DCMC meeting.
- Plan document is currently under review by outside legal counsel.
- 404(a)(5) is a participant fee disclosure required for ERISA covered retirement plans. Nationwide is hoping to have an equivalent report available

Investments

All of the County’s current investment options comply with investment policy performance criteria.

- Templeton Global Bond Fund has successfully completed two consecutive quarters with performance that exceeded its investment policy criteria.

- NWCM recommends removing the fund from the Watch list; an updated fund watch report has been included as **Exhibit D**
- Great West's stable value and target date collective trusts series remain on Watch due to Cathe Tocher's retirement in June. Please refer to the Stable Value Commentary (**Exhibit E**) for further discussion regarding this matter.

Recommended Actions

1. **Approve the removal of Templeton Global Bond fund from the Watch List.**
2. **Provide guidance regarding Great-West Financial's management of the County of Fresno Stable Value Fund**

Item 10 - Exhibit A

County of Fresno

457 DC Plan



Quarterly Report - March 2017

County of Fresno
457 DC Plan

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

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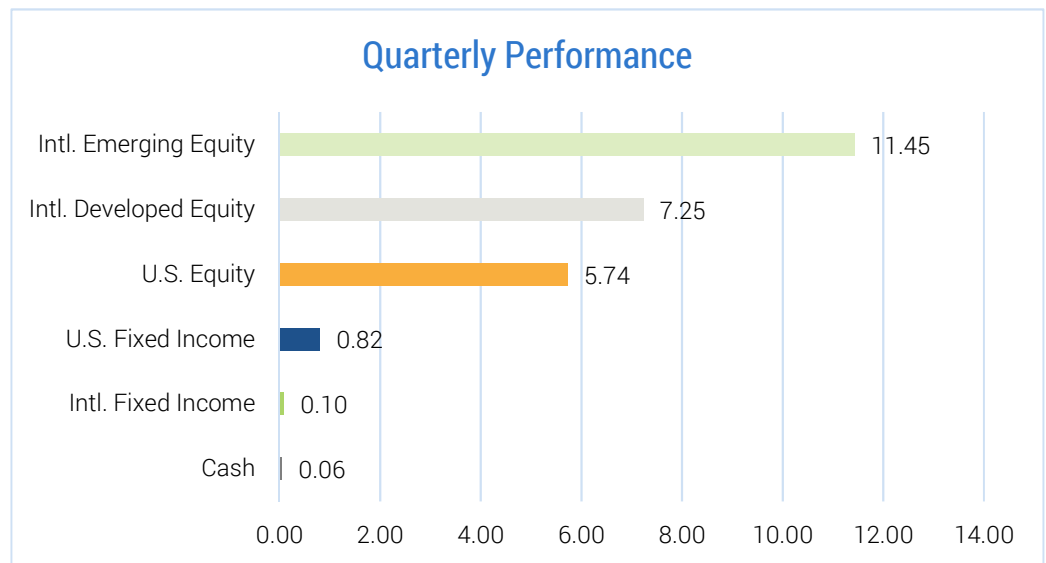
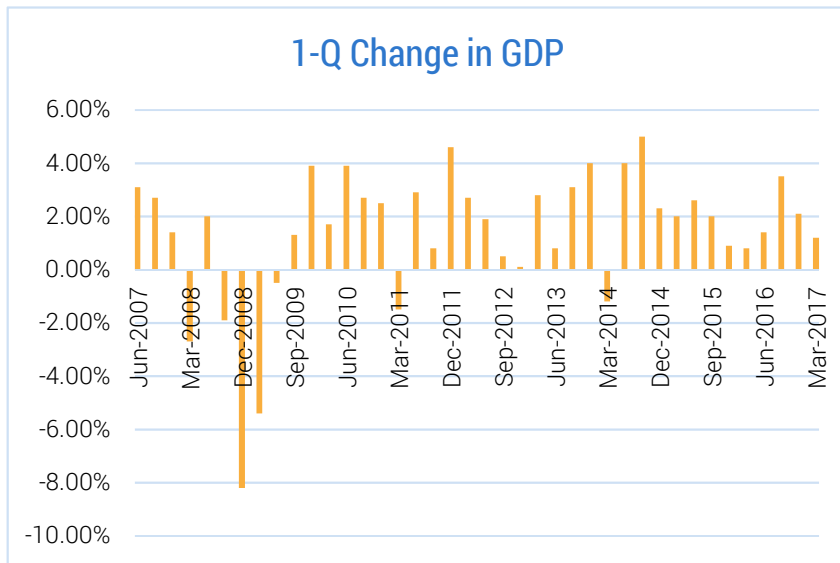
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Market Performance Summary

As of 03/31/2017

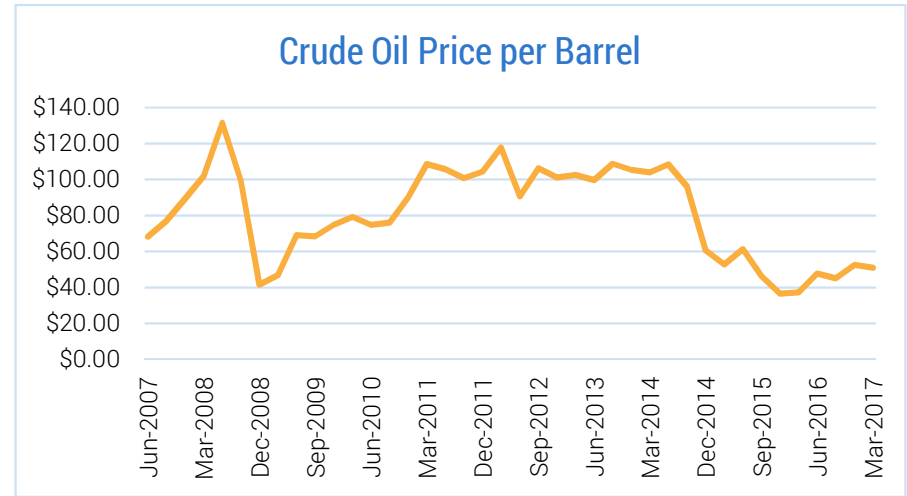
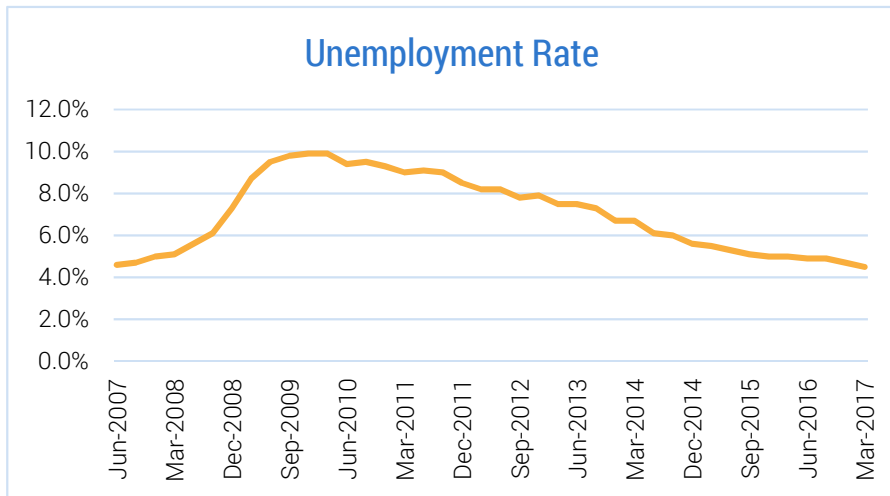
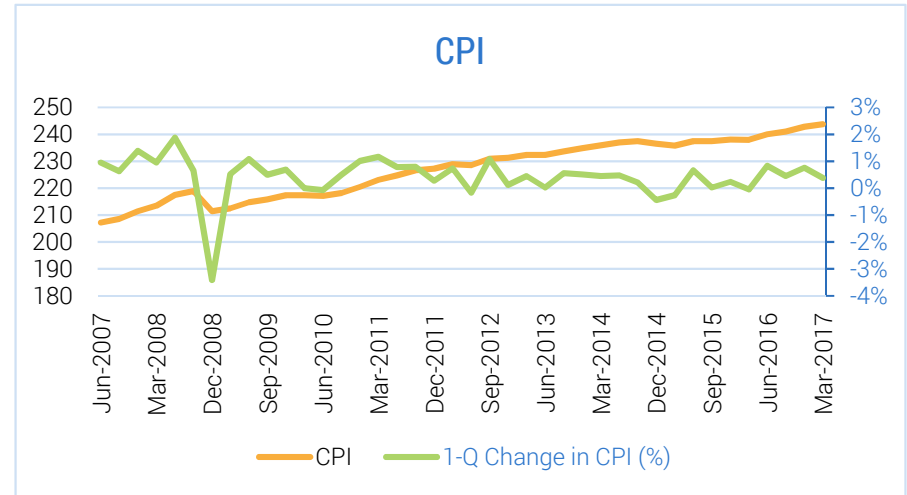
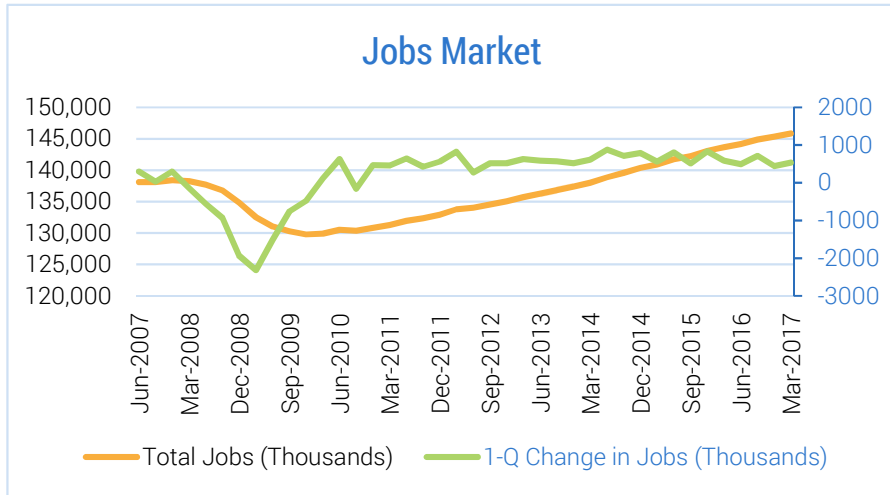
Stock and fixed income returns were positive around the globe in the first quarter, with emerging market and international developed market equities leading the way. International markets rose on the backdrop of international earnings growth and as political uncertainty abated somewhat. U.S. equity underperformed international equity but still experienced solid gains as the economy continued its moderate growth pace and confidence increased. A recent pullback in fixed investments weighed on GDP, but growth was supported by consumer spending. Fixed income markets underperformed equities, but still finished higher despite the Fed's decision to raise rates in March.



Economic Factors

As of 03/31/2017

The U.S. economy has continued to expand at a moderate pace. Strong consumer spending has continued to support growth, while business fixed investments have experienced a recent pullback. The labor market has continued to tighten, with job gains helping to hold the unemployment rate to 4.7% and fueling wage growth and consumer confidence. Home builder sentiment surprised to the upside with The National Association of Home Builders/Wells Fargo Housing Market Index surging in March to levels not seen since 2005. Both consumer and business optimism has been high, but the administration's ability to push forward with tax reform, debt ceiling negotiations and infrastructure spending will heavily influence future expectations. Durable goods orders appear to be growing at a healthy pace, with headline orders beating expectations. The Consumer Price Index remains near the Fed's 2% target while inflation expectations have risen. Commodities ended the quarter lower. Energy was the primary laggard as oil prices finished the quarter near \$50 per barrel, down from a high of \$56 in mid-February.



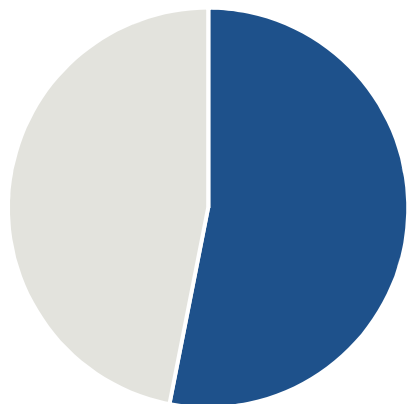
U.S. Equity

As of 03/31/2017

Strong fourth quarter earnings growth, full employment, and optimistic business and consumer sentiment supported U.S. equity markets in the first quarter. A pro-business agenda emanating from the new leadership in Washington aided business sentiment. However, the recent failure to pass a healthcare reform bill has caused markets to question the administration's ability to deliver its policy agenda and to re-evaluate would-be winners and losers. For example, large caps were the worst performers and small caps were the best performers in the fourth quarter, but that flipped in 1Q partially because big changes to trade rules that would impact larger businesses appear to have become less likely. Growth stocks came back in favor relative to value.

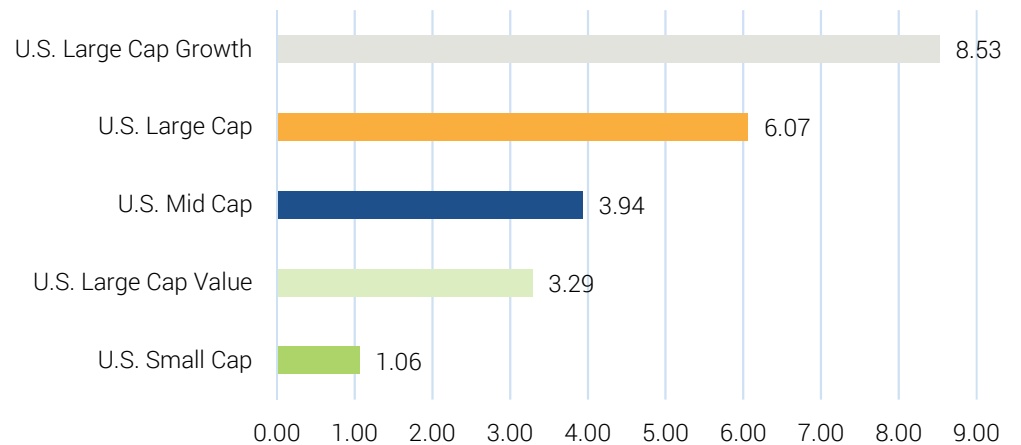


World Equity Market Capitalization



53.1%
U.S. Share of World Market

Quarterly Performance



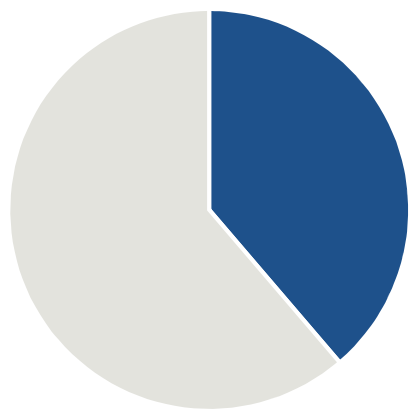
International Developed Equity

As of 03/31/2017

International developed markets benefited from improving business and consumer confidence, a pick-up in positive economic activity and subdued populist/protectionism support. International developed equities were led higher by Spain, Hong Kong and the Netherlands. In Europe, business surveys have risen to their highest levels in over five years, and elections in both Austria and the Netherlands largely rejected anti-euro politicians. Over the second quarter, close attention will be paid to elections in France where pro-euro candidate Emmanuel Macron is leading in the polls against the anti-euro candidate, Marine Le Pen. While business confidence has grown across most of Europe, it deteriorated in the UK at the start of the year. Britain officially invoked Article 50, starting an unprecedented two-year process to separate from the EU. Japanese data has been reasonably positive, but the yen has weighed on the performance of Japanese equities thus far this year.

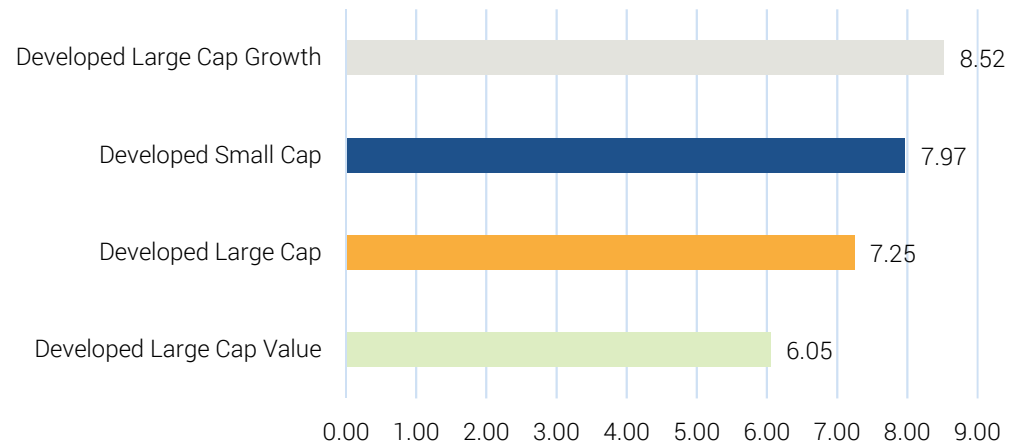


World Equity Market Capitalization



38.7%
Developed
International Share
of World Market

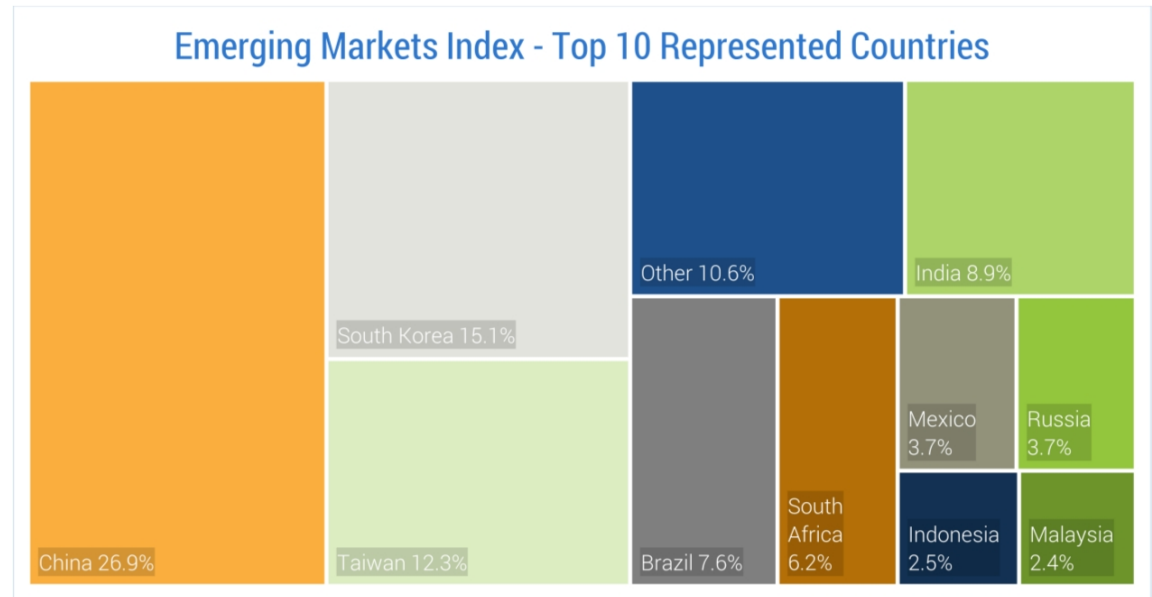
Quarterly Performance



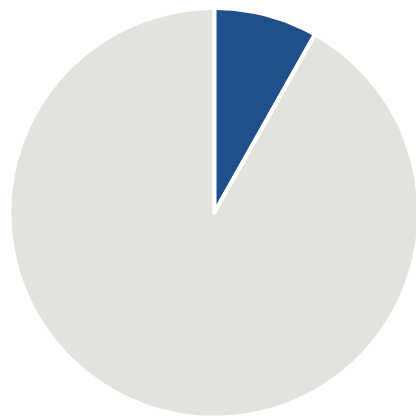
Emerging Markets Equity

As of 03/31/2017

Emerging market equities were the strongest performing asset class in the first quarter. Returns were largely driven by macroeconomic and fundamental improvements that included range bound energy prices, a weaker U.S. dollar, and a sustained global recovery and stronger earnings. Also, a pause in the upward trajectory of bond yields provided additional support. The easing of global deflation fears also appeared to benefit emerging markets. The market was led higher by India, Korea, Mexico and Singapore.

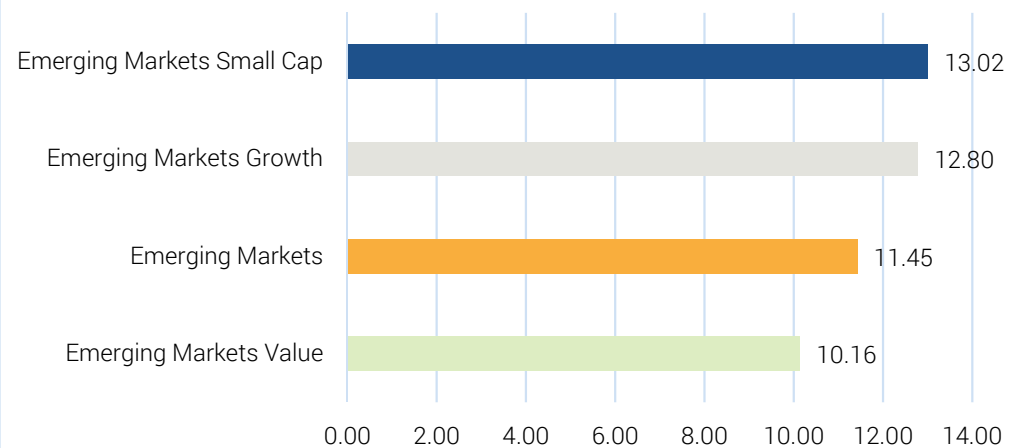


World Equity Market Capitalization



8.2%
Emerging Markets
Share of World
Market

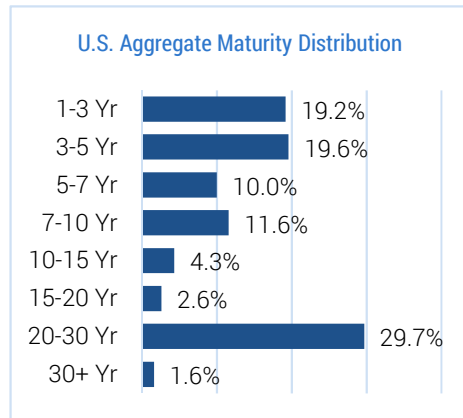
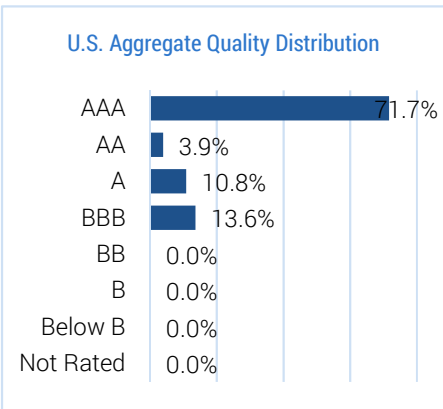
Quarterly Performance



Fixed Income

As of 03/31/2017

All major fixed income sectors ended the quarter with positive returns, but fixed income underperformed equities. Rates have been largely range bound – this is despite the Fed’s decision to raise rates 25 bps in March, an increase in inflation expectations, and positive business and consumer sentiment. Many expect yields to continue to move higher, but the 10-year Treasury yield ended the quarter 5 bps lower at 2.40% and the curve flattened on strong demand for longer duration assets. Credit spreads tightened modestly in the quarter, providing a lift to bond prices. Solid fundamentals and strong investor demand – as witnessed in heightened mutual fund and ETF inflows – supported spread tightening. Investors preferred high yielding bonds over high quality, and favored longer maturity bonds over shorter maturity bonds. Municipal bonds rose as expectations for major tax reform fell.



Legislative and Regulatory Update

Fiduciary Rule Updates

- › In lawsuits around the country, judges have continued to rule in favor of upholding the DOL fiduciary rule including cases in Dallas, Kansas, and Minnesota.
- › On April 4th, the DOL announced a delay of the fiduciary rule, officially pushing the implementation date 60 days to June 9th. The push-back of the applicability date is a result of President Trump requesting the Labor Department re-asses the financial implications of the fiduciary rule.

Financial Choice Act

- › A memo dated February 6th from the House Financial Services Chairman outlines potential changes the Financial Choice Act could undergo.
 - The head of the Consumer Financial Protection Bureau (CFPB) would be a political appointee, rather than a five-member commission;
 - The CFPB would be unable to bring cases against financial institutions;
 - The database of consumer complaints would be eliminated; and
 - The Federal Deposit Insurance Corporation (FDIC) would no longer handle living wills of banks in case of collapse.
- › The Financial Choice Act relaxes several provisions of key protectionist Acts including Dodd-Frank and the Consumer Protection Act.

State-Run Plans

- › State and city auto-IRA plans have run into hurdles as the House voted on February 15th in favor of two resolutions to overturn Labor Department rules that promoted the creation of retirement plans for workers who otherwise didn't have access to one through their employer.
 - Lawmakers argued that these regulations discouraged small businesses from offering retirement plans to employees who would then only have access to plans without the protections of the Employee Retirement Income Security Act (ERISA).
 - Proponents of the state and city plans argue that the currently working Americans that do not have a way to save for retirement out of their regular paychecks may become dependent on social safety net programs in the future, costing taxpayers more down the line.
- › Similar resolutions were introduced in the Senate on March 6th.
 - The Senate voted 50-49 in favor of overturning city auto-IRA resolutions on March 30th while a timeline for the state resolutions is not set.

The Fed & SEC

- › The central bank raised rates by a quarter point to a target range of 0.75%-1.00% with a single “no” vote in the March 15th meeting.
- › The fed further signaled that two more rate hikes are expected this year, followed by three rate hikes in 2018.
- › Jay Clayton's nomination to chairman of the SEC was approved by the Senate Committee; a full vote on the nomination is still to come.

Retirement Plans Bills

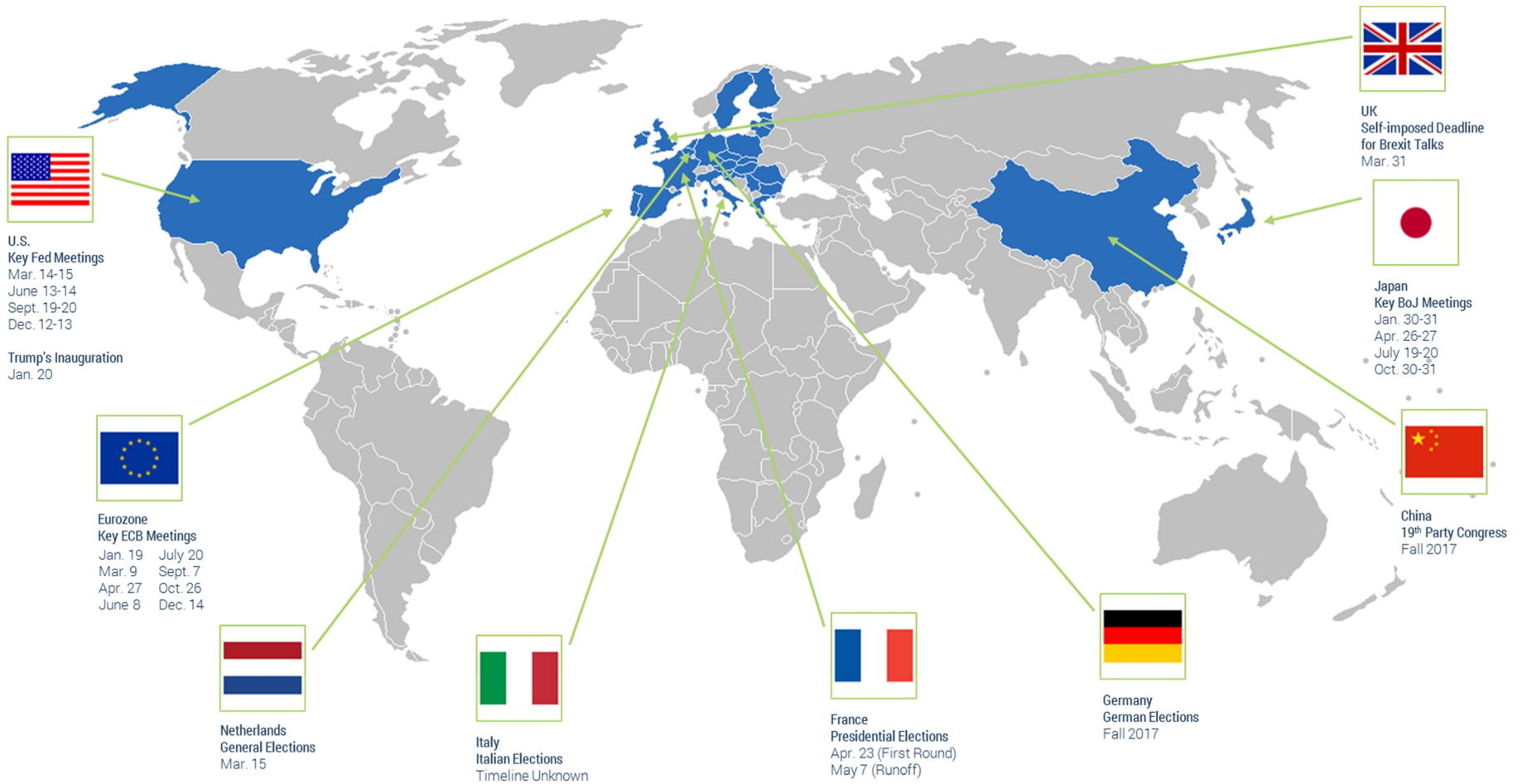
- › A newly introduced bill, the Warner-Collins Retirement Plans Bill, would allow for employers and sole-proprietors to file a single Form 5500 if retirement plans have the same trustee, fiduciary, plan administrator, plan year, and investment menu.
 - The legislation was unanimously approved by the Senate Finance Committee in the 114th Congress.
 - Votes in the House are still pending.
- › The Lifetime Income Disclosure Act is being considered by lawmakers. The bill would require employer-sponsored plans to provide participants with annual statements detailing approximate monthly income should they purchase an annuity with their retirement savings.

Brexit

- › The United Kingdom's exit from the European Union (Brexit) formally began on March 29th by Prime Minister Theresa May.
 - Prime Minister May notified EU Council President Donald Tusk of the UK's intention to leave the bloc under Article 50 of EU's Lisbon Treaty.
 - The exit is planned for late March 2019, providing two years to negotiate terms of the parting and reduce political and economic turmoil.

2017 Key Events

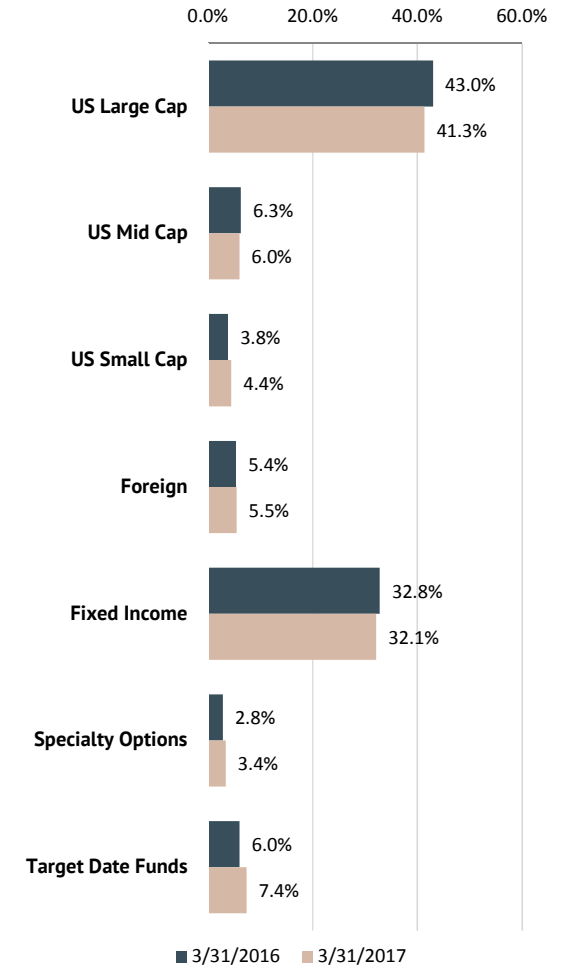
- › The 2017 political landscape is full of events that have potential to shake up the global economy. Highlighted on the map are the key areas to look out for political risks and the associated events for the coming year.



Summary of County of Fresno 457 DC Plan - Trailing Year

Data as of 3/31/2017

Asset Class	Ticker	%	3/31/2016	Net Increases/Decreases	3/31/2017	%
US Large Cap		43.0%	\$87,613,626	4,267,534	\$91,881,160	41.3%
Alger Spectra Z	ASPZX	18.7%	38,208,368	(1,299,827)	36,908,540	16.6%
Columbia Dividend Income Y	CDDYX	4.8%	9,846,429	2,536,610	12,383,039	5.6%
BlackRock Equity Index - Collective F2	02CFF1	19.4%	39,558,830	3,030,751	42,589,581	19.1%
US Mid Cap		6.3%	\$12,781,422	497,529	\$13,278,951	6.0%
Hennessy Focus Fund	HFCIX	2.9%	5,888,545	(984,058)	4,904,486	2.2%
BlackRock Mid Cap Index - Collective F	03CFF2	3.4%	6,892,878	1,481,587	8,374,465	3.8%
US Small Cap		3.8%	\$7,779,176	2,042,283	\$9,821,460	4.4%
Nicholas Limited Edition I	NCLEX	2.5%	5,139,318	236,011	5,375,328	2.4%
Perkins Small Cap Value N	JDSNX	0.3%	635,921	1,189,070	1,824,991	0.8%
BlackRock Russell 2000 Index - Collective F	03CFF3	1.0%	2,003,938	617,203	2,621,140	1.2%
Foreign		5.4%	\$10,914,720	1,234,509	\$12,149,229	5.5%
Ivy International Core Equity R6	IINCX	4.4%	8,915,624	517,822	9,433,446	4.2%
Oppenheimer Developing Markets I	ODVIX	0.2%	414,865	616,810	1,031,675	0.5%
BlackRock EAFE Equity Index - Collective F	10CFF5	0.8%	1,584,231	99,877	1,684,108	0.8%
Fixed Income		32.8%	\$66,908,297	4,540,706	\$71,449,003	32.1%
RidgeWorth Seix Total Return Bond IS	SAMZX	1.4%	2,858,595	270,434	3,129,029	1.4%
BlackRock US Debt Index Fund - Coll F	04CFF4	1.1%	2,194,883	965,307	3,160,189	1.4%
Templeton Global Bond R6	FBNRX	0.3%	563,983	413,222	977,205	0.4%
County of Fresno Stable Value Fund	FRESSV	30.0%	61,290,836	2,891,743	64,182,579	28.9%
Specialty Options		2.8%	\$5,723,844	1,750,007	\$7,473,852	3.4%
Oakmark Equity & Income I	OAKBX	1.0%	2,007,875	292,646	2,300,521	1.0%
Fidelity Advisor Real Estate Income Inst	FRIRX	0.5%	1,061,867	104,214	1,166,081	0.5%
Franklin Utilities R6	FUFRX	1.3%	2,654,102	1,353,148	4,007,250	1.8%
Target Date Funds		6.0%	\$12,247,459	4,101,935	\$16,349,394	7.4%
Great-West Lifetime 2015 Trust II	C15MZR	1.1%	2,251,142	362,065	2,613,207	1.2%
Great-West Lifetime 2025 Trust II	C25MZR	2.2%	4,447,807	1,123,860	5,571,668	2.5%
Great-West Lifetime 2035 Trust II	C35MZR	1.3%	2,644,638	1,540,865	4,185,503	1.9%
Great-West Lifetime 2045 Trust II	C45MZR	1.1%	2,178,055	715,716	2,893,771	1.3%
Great-West Lifetime 2055 Trust II	C55MZR	0.4%	725,817	359,428	1,085,245	0.5%
Total		100%	\$203,968,546	\$18,434,503	\$222,403,049	100%



Passively-Managed and Cash Funds

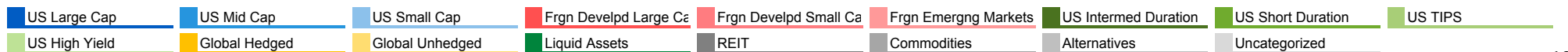
Investment	Ticker	Equities										Liquid	Other				Exp	Qtr	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr								
		US					Foreign						US		Foreign																		
		L	M	S	L	S	E	I	S	T	Y		H	U	C	R										C	A	U					
BlackRock Equity Index - Collective M	02cff1	100																						0.02	6.07	6.07	17.21	9.27	10.42	13.20	13.36		
BlackRock MidCap Idx - Collective M	03cff2		100																						0.03	3.80	3.80	20.32	7.55	9.09	12.05	13.20	8.94
BlackRock Russell 2000 Index Coll M	03cff3			100																					0.03	2.53	2.53	26.49	7.01	7.49	11.68	12.65	
BlackRock EAFE Equity Index Coll T	10cff5				100																				0.10	7.35	7.35	12.14	1.56	0.78	4.77	6.10	
BlackRock US Debt Index Fund Coll W	04cff4									100															0.04	0.84	0.84	0.52	1.41	2.87	2.15	2.51	
Fresno County Stable Value	fressv																								0.50	0.50	0.50	2.05	2.11	2.13	2.14	2.20	

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	5.07	5.07	15.50	9.88	10.01	11.96	12.47	7.77
Growth	Alger Spectra Z	ASPZX	75	14	2	3									6						0.89	11.07	11.07	15.48	6.35	10.30	13.74	13.26	10.77
Utilities	Franklin Utilities R6	FUFRX	56	27	7	5									5						0.47	6.35	6.35	9.33	10.07	10.41	10.47	11.91	7.47
Growth	Hennessy Focus Institutional	HFCIX	41	22	13	5	1								18						1.13	4.60	4.60	10.21	5.00	9.35	11.98	13.42	9.11
Balanced	Oakmark Equity And Income Investor	OAKBX	35	17	3	5			9	6			1		18				6		0.79	4.14	4.14	14.67	4.52	5.02	8.37	8.16	6.73
Blend	Perkins Small Cap Value N	JDSNX		19	74		1								6					0.89	1.80	1.80	24.09	10.38	9.83	12.12	12.17	9.02	
Growth	Nicholas Limited Edition I	NCLEX		28	53	1	2	2							14					0.86	6.17	6.17	19.50	5.73	7.04	10.57	10.42	9.08	
Global Blend	Ivy International Core Equity N	IINCX	5			81		9							3				2	0.83	8.05	8.05	14.85	1.94	3.06	7.37	7.16	3.94	
Emerging Growth	Oppenheimer Developing Markets I	ODVIX				22		69							7				2	0.88	11.07	11.07	15.68	2.10	0.04	1.69	2.51	5.34	
Intermediate	RidgeWorth Seix Total Return Bond IS	SAMZX							74	6		1	3		16					0.31	1.13	1.13	1.58	1.54	2.86	2.06	2.45	4.85	
Real Estate	Fidelity Advisor Real Estate Income I	FRIRX	3	11	16				10	1		25			12				22	0.77	2.80	2.80	9.92	6.02	7.22	6.34	8.55	6.43	
Global Bond	Templeton Global Bond R6	FBNRX											51	46					3	0.53	4.68	4.68	11.63	3.51	2.81	2.56	3.94	6.98	








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	6.23	6.23	15.89	6.07	7.08	9.08	9.63	
Target Date	Great-West Lifetime 2035 Trust	gw2035	34	13	6	20		6	10	1	1	2	2		5					0.57	5.68	5.68	14.60	5.75	6.84	8.62	9.21	
Target Date	Great-West Lifetime 2055 Trust	gw2055	33	13	8	24		10	5			1	1		5					0.57	6.44	6.44	16.02	5.97	6.94	8.94	9.48	
Target Date	Great-West Lifetime 2025 Trust	gw2025	25	10	4	14		4	17	3	5	5	5		2	6				0.57	4.72	4.72	11.89	4.94	6.02	7.05	7.70	
Target	Great-West Lifetime 2015 Trust	gw2015	19	7	3	9		2	20	6	11	6	7		4	6				0.57	3.78	3.78	9.36	4.18	5.21	5.55	6.21	



Fund Compliance Methodology

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.

Summary of Fund Compliance

Passively-Managed and Cash Funds

Type	Assets 12-31	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

Actively-Managed Funds

Underperforming ◀ (Yellow) (White) (Light Green) (Dark Green) ▶ Outperforming

Status	Assets 12-31	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 N	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	○	●	●	●	●
Pass	0.36%	Templeton Global Bond R6	FBNRX	●	●	●	●	●
Watch	30.32%	Fresno County Stable Value	fressv	●	●	●	○	●

Underperforming ◀ (Yellow) (White) (Light Green) (Dark Green) ▶ Outperforming

Target-Date Funds

Status	Assets 12-31	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Watch	n/a	Great-West Lifetime 2055 Trust	gw2055	●	●	●	●	●
Watch	n/a	Great-West Lifetime 2045 Trust	gw2045	●	●	●	●	●
Watch	n/a	Great-West Lifetime 2035 Trust	gw2035	●	●	●	●	●
Watch	n/a	Great-West Lifetime 2025 Trust	gw2025	●	●	●	●	●
Watch	n/a	Great-West Lifetime 2015 Trust	gw2015	●	●	●	●	●

Passively-Managed and Cash Funds

Type of Fund	Assets 12-31	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	9		5	3		36	25		15	25		21
MC Index	3.53%	03cff2	BlackRock MidCap Idx - Collective M	11	16	5	17	20	10	57	46	59	10	16	14	65	62	44	1	5
SC Index	1.00%	03cff3	BlackRock Russell 2000 Index Coll M	32	33		43	44		87	80		4	7		83	82		1	5
Global	0.63%	10cff5	BlackRock EAFE Equity Index Coll T	41	21		42	30		74	83		34	13		51	53		4	5
US Debt	1.32%	04cff4	BlackRock US Debt Index Fund Coll W	3	4		29	9		85	86		7	6		55	55		1	5

Actively-Managed Funds

Overall Fund Score	Assets 12-31	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	5	25	5	4	6	1	11	10	8	55	74	84	7
7	16.44%	ASPZX	Alger Spectra Z	21	16	2	28	21	2	70	54	79	17	19	3	57	42	79	36	6
8	1.91%	FUFRX	Franklin Utilities R6	19	23	8	12	17	5	70	57	21	17	23	70	53	52	11	15	12
8	2.41%	HFCIX	Hennessy Focus Institutional	8	7	14	10	3	9	22	6	20	47	63	91	6	1	1	48	7
6	0.98%	OAKBX	Oakmark Equity And Income Investor	44	25	12	64	56	8	90	93	20	14	18	64	87	64	8	25	7
8	0.68%	JDSNX	Perkins Small Cap Value N	3	44	1	1	6	1	6	6	6	67	81	84	8	8	4	14	14
7	2.47%	NCLEX	Nicholas Limited Edition I	29	59	9	21	32	3	12	9	5	70	84	92	19	25	6	14	23
9	4.18%	IINCX	Ivy International Core Equity N	6	8	6	7	8	6	70	41	31	5	13	9	40	26	16	27	10
7	0.31%	ODVIX	Oppenheimer Developing Markets I	67	23	1	67	24	1	52	46	21	57	46	53	47	37	15	12	5
6	1.51%	SAMZX	RidgeWorth Seix Total Return Bond IS	25	56	21	36	57	9	80	57	32	20	55	43	53	51	17	8	7
7	0.55%	FRIRX	Fidelity Advisor Real Estate Income I	89	62	4	1	1	1	2	2	3	97	97	98	2	1	1	19	13
8	0.36%	FBNRX	Templeton Global Bond R6	19	10	1	28	32	18	76	87	70	51	57	47	4	3	2	11	10
9	30.32%	fressv	Fresno County Stable Value	1	1		1	1		39	84		1	1		1	1		58	6

Target-Date Funds

Overall Fund Score	Assets 12-31	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	23		5	26		56	66		1	20		39
9	n/a	gw2045	Great-West Lifetime 2045 Trust	1	11		2	17		51	48		1	18		29	37		21	5
8	n/a	gw2035	Great-West Lifetime 2035 Trust	1	11		2	16		71	64		9	28		37	50		23	5
8	n/a	gw2025	Great-West Lifetime 2025 Trust	1	24		2	18		67	44		5	43		29	32		27	5
8	n/a	gw2015	Great-West Lifetime 2015 Trust	1	38		3	16		51	23		17	51		13	37		31	5

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

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 report.

Northwest Capital Management, Inc. Date

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

Trustee / Committee Member Date

County of Fresno 457 DC Plan

Fund Comments

Data as of: 03/31/2017

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	6.07%	17.21%	10.42%	13.36%	
S&P 500 TR USD	6.07%	17.19%	10.37%	13.30%	7.51%
Out/(Under) Performing	0.00%	0.02%	0.04%	0.05%	
Peer Group Ranking	28	30	4	9	

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	3.80%	20.32%	9.09%	13.20%	8.94%
S&P MidCap 400 TR	3.94%	20.92%	9.36%	13.32%	8.96%
Out/(Under) Performing	-0.13%	-0.60%	-0.27%	-0.12%	-0.03%
Peer Group Ranking	61	24	11	16	5

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	2.53%	26.49%	7.49%	12.65%	
Russell 2000 TR USD	2.46%	26.21%	7.21%	12.35%	7.12%
Out/(Under) Performing	0.07%	0.28%	0.27%	0.29%	
Peer Group Ranking	30	11	32	33	

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	7.35%	12.14%	0.78%	6.10%	
MSCI ACWI Ex USA NR USD	7.86%	13.13%	0.56%	4.36%	1.35%
Out/(Under) Performing	-0.51%	-1.00%	0.22%	1.74%	
Peer Group Ranking	70	32	41	21	

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	0.84%	0.52%	2.87%	2.51%	
BBgBarc US Govt Intermed TR USD	0.54%	-0.67%	1.55%	1.23%	3.32%
Out/(Under) Performing	0.30%	1.18%	1.31%	1.28%	
Peer Group Ranking	8	11	3	4	

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	5.07%	15.50%	10.01%	12.47%	7.77%
S&P 500 Value TR USD	3.29%	18.67%	8.88%	12.66%	5.70%
Out/(Under) Performing	1.78%	-3.17%	1.13%	-0.19%	2.07%
Peer Group Ranking	11	71	5	25	5

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	11.07%	15.48%	10.30%	13.26%	10.77%
S&P 500 Growth TR USD	8.52%	15.39%	11.52%	13.77%	9.19%
Out/(Under) Performing	2.55%	0.10%	-1.22%	-0.51%	1.57%
Peer Group Ranking	11	39	21	16	2

The Alger Spectra fund outperformed the S&P 500 Growth Index by ~250 bps in the first quarter of 2017, recovering some ground after a disappointing 2016. The fund benefitted from its overweight position and stock selection within the Technology sector. Facebook, which is a top holding for the fund, was up nearly 23.5% in the quarter. Also, shares of Broadcom were up nearly 24.4%. Stock selection within the Healthcare sector also contributed to performance in the quarter. Top detractors during the quarter included names such as Air Products and Chemicals, Qualcomm and Anadarko Petroleum. The fund noted that its overweight to the Technology and Consumer Cyclical sectors benefitted from the current wave of consumer and business confidence. The fund continues to score a 7 and ranks in the second-quartile of its peer group on a risk adjusted returns basis in the trailing three- and five-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	6.35%	9.33%	10.41%	11.91%	7.47%
MSCI World/Utilities NR USD	6.51%	3.95%	3.86%	6.52%	1.35%
Out/(Under) Performing	-0.16%	5.38%	6.55%	5.39%	6.12%
Peer Group Ranking	47	40	19	23	8

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, but may also 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	4.60%	10.21%	9.35%	13.42%	9.11%
S&P MidCap 400 Growth TR USD	5.09%	19.15%	9.03%	12.56%	9.66%
Out/(Under) Performing	-0.48%	-8.94%	0.32%	0.86%	-0.55%
Peer Group Ranking	90	92	8	7	14

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	4.14%	14.67%	5.02%	8.16%	6.73%
DJ Moderate TR USD	4.45%	9.79%	4.73%	6.78%	5.30%
Out/(Under) Performing	-0.31%	4.88%	0.29%	1.38%	1.44%
Peer Group Ranking	39	7	44	25	12

The Oakmark Equity & Income Fund underperformed the Dow Jones Moderate Index by ~30 bps in the first quarter of 2017. The fund's equity performance outperformed the S&P 500 index by ~100 bps in the first quarter and has returned nearly 17% since the election in November. The fund's equity focus on high-quality, growth-focused names, clearly helped performance. The largest contributors to performance were names such as Oracle, Philip Morris and Bank of America. Detractors included TD Ameritrade, Baker Hughes and Herman Miller. Fund managers noted that there is no common theme or discernable pattern amongst the winners and losers which supports their bottoms-up stock picking approach. Managers did add one new position, Arconic, which was a spin-off from Alcoa. Additionally, they exited three successful positions and sold due to shares exceeding their sell targets. These names included Comerica, Reinsurance Group of America and Rockwell Automation. On the fixed income side, the fund added to its longer dated Treasury position after the Fed raised interest rates. Duration remains low and consistent at 1.61 years and the current yield on the portfolio is about 2.02%. At the end of the quarter, the fund stood at about 55% in equities and 45% in fixed income and cash. The fund continues to score a 6 under our scoring methodology and ranks in the second quartile on a three-year basis for absolute performance versus its peer group. On a five- and ten-year basis, the fund ranks in the first quartile on an absolute performance basis.

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	1.80%	24.09%	9.83%	12.17%	9.02%
Russell 2000 Value TR USD	-0.13%	29.37%	7.63%	12.55%	6.09%
Out/(Under) Performing	1.93%	-5.29%	2.20%	-0.37%	2.93%
Peer Group Ranking	19	37	3	44	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 \$3 billion as "small", between \$3 billion and \$25 billion as "medium," and greater than \$25 billion as "large."

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
NCLEX	6.17%	19.50%	7.04%	10.42%	9.08%
Russell 2000 Growth TR USD	5.34%	23.02%	6.72%	12.10%	8.05%
Out/(Under) Performing	0.83%	-3.53%	0.32%	-1.68%	1.03%
Peer Group Ranking	42	76	29	59	9

Ivy International Core Equity N (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	8.05%	14.85%	3.06%	7.16%	3.94%
MSCI ACWI Ex USA NR USD	7.86%	13.13%	0.56%	4.36%	1.35%
Out/(Under) Performing	0.19%	1.72%	2.50%	2.80%	2.59%
Peer Group Ranking	33	7	6	8	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	11.07%	15.68%	0.04%	2.51%	5.34%
MSCI EM NR USD	11.44%	17.22%	1.18%	0.81%	2.72%
Out/(Under) Performing	-0.37%	-1.54%	-1.13%	1.71%	2.62%
Peer Group Ranking	63	58	67	23	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	1.13%	1.58%	2.86%	2.45%	4.85%
BBgBarc US Agg Bond TR USD	0.82%	0.45%	2.69%	2.34%	4.27%
Out/(Under) Performing	0.31%	1.14%	0.18%	0.11%	0.58%
Peer Group Ranking	36	48	25	56	21

Fidelity Advisor Real Estate Income I (FRIRX)

Fund Score: 7 (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	2.80%	9.92%	7.22%	8.55%	6.43%
FTSE NAREIT Equity REITs TR USD	1.15%	3.54%	10.25%	9.99%	4.84%
Out/(Under) Performing	1.64%	6.38%	-3.03%	-1.43%	1.59%
Peer Group Ranking	9	7	89	62	4

Templeton Global Bond R6 (FBNRX)

Fund Score: 8 (Status: Pass)

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	4.68%	11.63%	2.81%	3.94%	6.98%
BBgBarc Global Aggregate TR Hdg USD	0.45%	1.09%	3.61%	3.43%	4.32%
Out/(Under) Performing	4.24%	10.53%	-0.80%	0.51%	2.66%
Peer Group Ranking	6	2	19	10	1

Templeton Global Bond continued its advance in the first quarter with a 4.65% return, outperforming its benchmark, the Bloomberg Barclays Global Aggregate Bond Index which returned 0.45%. The fund also outperformed its peers, ranking in the 7th percentile. The strong performance can be largely attributed to yen and euro depreciation – the fund holds significant short positions in these currencies – and short duration positioning as Treasury rates rose across the curve. First quarter results boosted trailing returns; the fund has outperformed most of its peers over the trailing 1-, 3-, 5-, and 10-year time periods. 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 fund has been removed from Watch due to its significant rally over the past two quarters. We will continue to monitor the fund and assess its suitability for an investment menu given the recent volatility in currency markets and their impact on the fund's ability to represent the asset class.

Fresno County Stable Value (fressv)

Fund Score: 9 (Status: Watch)

Liquid Assets

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
fressv	0.50%	2.05%	2.13%	2.20%	
BofAML US Treasury Bills 0-3 Mon TR USD	0.11%	0.30%	0.13%	0.10%	0.60%
Out/(Under) Performing	0.39%	1.75%	2.00%	2.10%	
Peer Group Ranking	1	1	1	1	

Due to the departure of long time manager Cathe Tocher this fund has been placed on Watch.

Great-West Lifetime 2055 Trust (gw2055)

Fund Score: 8 (Status: Watch)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
gw2055	6.44%	16.02%	6.94%	9.48%	
DJ Target 2055 TR USD	6.26%	15.62%	6.10%	9.29%	5.84%
Out/(Under) Performing	0.17%	0.40%	0.84%	0.19%	
Peer Group Ranking	17	2	1	23	

Due to the departure of long time fixed-income manager Cathe Tocher, the Great-West Lifetime funds have been placed on Watch pending further review.

Great-West Lifetime 2045 Trust (gw2045)

Fund Score: 9 (Status: Watch)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
gw2045	6.23%	15.89%	7.08%	9.63%	
DJ Target 2045 TR USD	6.07%	15.02%	5.96%	9.17%	5.78%
Out/(Under) Performing	0.16%	0.87%	1.12%	0.46%	
Peer Group Ranking	28	2	1	11	

Due to the departure of long time fixed-income manager Cathe Tocher, the Great-West Lifetime funds have been placed on Watch pending further review.

Great-West Lifetime 2035 Trust (gw2035)

Fund Score: 8 (Status: Watch)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
gw2035	5.68%	14.60%	6.84%	9.21%	
DJ Target 2035 TR USD	5.07%	11.85%	5.24%	8.06%	5.30%
Out/(Under) Performing	0.60%	2.75%	1.59%	1.15%	
Peer Group Ranking	29	10	1	11	

Due to the departure of long time fixed-income manager Cathe Tocher, the Great-West Lifetime funds have been placed on Watch pending further review.

Great-West Lifetime 2025 Trust (gw2025)

Fund Score: 8 (Status: Watch)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
gw2025	4.72%	11.89%	6.02%	7.70%	
DJ Target 2025 TR USD	3.50%	6.96%	3.94%	6.00%	4.66%
Out/(Under) Performing	1.21%	4.92%	2.07%	1.70%	
Peer Group Ranking	20	12	1	24	

Due to the departure of long time fixed-income manager Cathe Tocher, the Great-West Lifetime funds have been placed on Watch pending further review.

Great-West Lifetime 2015 Trust (gw2015)

Fund Score: 8 (Status: Watch)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
gw2015	3.78%	9.36%	5.21%	6.21%	
DJ Target 2015 TR USD	2.21%	3.18%	2.69%	3.86%	4.06%
Out/(Under) Performing	1.57%	6.18%	2.52%	2.36%	
Peer Group Ranking	21	18	1	38	

Due to the departure of long time fixed-income manager Cathe Tocher, the Great-West Lifetime funds have been placed on Watch pending further review.

Item 10 - Exhibit B

County of Fresno

457 DC Plan



NWCM

Plan Fee Analysis

County of Fresno
457 DC Plan

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

County of Fresno 457 DC Plan

Plan Expense Audit

For the Period Ending 03/31/2017

Plan Expense Audit

This comprehensive review provides the plan sponsor with a detailed summary of the expenses associated with their plans. This summary looks at fixed fees; such as annual administration fees or quarterly participant fees, and asset based fees associated with the plan's investment menu. This report also helps plan sponsors fulfill their responsibility of monitoring plan expenses, as well as reconciling all revenue sharing and ensuring it is properly accounted for. Information for this Audit is obtained from the 408(b)(2) or similar notices that the plan's vendor(s) provided Northwest Capital Management, Inc., along with investment information, and the contract between Nationwide and the County of Fresno. A copy of the vendor's fee disclosure can be found in the last section of this analysis.

What is 408(b)(2)?

408(b)(2) is the disclosure the Department of Labor (DOL) has determined that Covered Service Providers will provide to ERISA plan fiduciaries to allow them to better evaluate their arrangements with the service provider to determine that "reasonable" compensation is paid for services. This rule dictates that the Vendor describe the services to be provided and all direct and indirect compensation to be received by the Vendor and its affiliates or subcontractors.

Investment Management Fee (Expense Ratio)

Investment management fee, or the expense ratio, is the costs for an investment company to operate a mutual fund. The operating expenses vary widely, but generally include expenses paid to the fund's investment manager, recordkeeping fees, custodial services, taxes, and legal expenses. The expense ratio is taken out of the fund's assets and lowers the return to a fund's investor. There may be additional fees associated with mutual funds such as loads, redemption fees, and trading fees, which are not considered in the expense ratio.

Revenue Sharing

Revenue Sharing is a portion of the Investment Management Fee (Expense ratio) that gets shared back to recordkeepers for providing certain administrative and record keeping services. Revenue sharing can take many form. The most common forms are: 12b-1 fees, sub-transfer agency fees, and finder's fee.

Plan Sponsor Acknowledgement:

The Plan Sponsor acknowledges receipt and review of the materials provided in this Audit. Further, the Plan Sponsor has determined that the fees for services provided are reasonable based on the information provided by the Vendor.

County of Fresno 457 DC Plan

Plan Summary	
Plan Assets	\$222,403,049.05
Participants (Active)	5144

^Required Vendor Fees	0.19%	\$422,565.79
Revenue sharing	0.01%	\$14,721.25
Participant Credit/Deficit	-0.18%	-\$407,844.54

Additional Fees* Breakdown

Loan Fees	0.02%	\$35,326.29
Managed Account Fees	0.01%	\$32,148.43
Other Fees	0.00%	\$755.49
Additional Fees	0.03%	\$68,230.21

Total Fee Dispersion

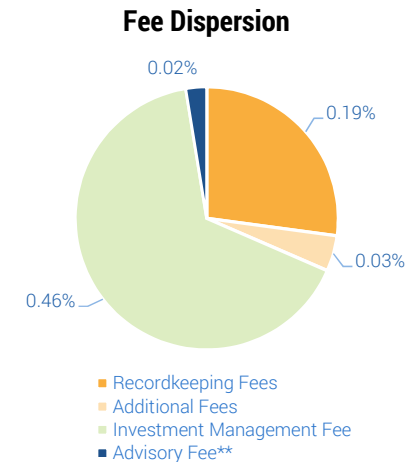
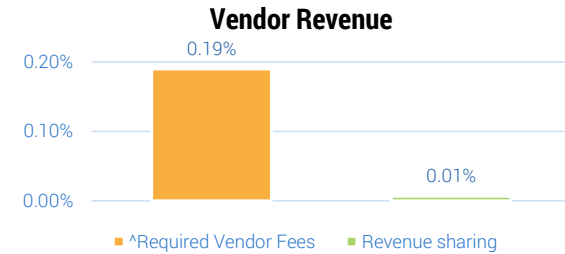
Recordkeeping Fees	0.19%	\$422,565.79
Additional Fees	0.03%	\$68,230.21
Investment Management Fee	0.46%	\$1,026,270.36
Advisory Fee**	0.02%	\$40,000.00
Annualized Fees	0.70%	\$1,557,066.36

^Required revenue is contracted as a 19 basis point charge on plan assets in addition to participant initiated fees such as distributions and loans; these fees are included separately and as defined below.

*Additional Fees include loan fees, managed account fees, and other fees (overnight and short term trade fees).

**Advisory Fee is not included in Vendor's 408(b)(2), but is provided in order for the plan sponsor to access the plans fees in it's entirety.

Summary of Plan Expenses As of 03/31/2017



Annualized Fee Review

Data as of 03/31/2017

Fund Name	Ticker	Plan Assets	Expense Ratio	Total Revenue Sharing	Investment Management Expense
Alger Spectra Z	aspzx	\$36,908,540.41	1.04%	0.00%	1.04%
Columbia Dividend Income Y	cddyx	\$12,383,039.24	0.59%	0.00%	0.59%
Blackrock Equity Index Fund M	02cff1	\$42,589,580.57	0.02%	0.00%	0.02%
Hennessy Focus Funds Institutional	hfcix	\$4,904,486.18	1.12%	0.10%	1.02%
Blackrock Mid Cap Equity Index - Fund M	03cff2	\$8,374,464.80	0.05%	0.00%	0.05%
Nicholas Limited Edition I	nclex	\$5,375,328.33	0.86%	0.00%	0.86%
Perkins Small Cap Value N	jdsnx	\$1,824,991.04	0.89%	0.00%	0.89%
Blackrock Russell 2000 Index Fund M	03cff3	\$2,621,140.37	0.06%	0.00%	0.06%
Ivy International Core Equity R6	iincx	\$9,433,446.34	0.83%	0.00%	0.83%
Blackrock Eafe Equity Index Fund T	10cff5	\$1,684,107.61	0.12%	0.00%	0.12%
Oppenheimer Developing Markets I	odvix	\$1,031,675.11	0.88%	0.00%	0.88%
RidgeWorth Seix Total Return Bond IS	samzx	\$3,129,029.16	0.31%	0.00%	0.31%
Templeton Global Bond R6	fbnrx	\$977,205.49	0.53%	0.00%	0.53%
Blackrock US Debt Index Fund W	04cff4	\$3,160,189.36	0.05%	0.00%	0.05%
County Of Fresno Stable Value Fund	fressv	\$64,182,579.26	0.35%	0.00%	0.35%
Fidelity Advisor Real Estate Income Inst	frirx	\$1,166,080.91	0.77%	0.25%	0.52%
Oakmark Equity & Income I	oakbx	\$2,300,520.91	0.75%	0.30%	0.45%
Franklin Utilities R6	fufrx	\$4,007,249.97	0.47%	0.00%	0.47%
Great-West Lifetime 2015 Trust	c15mzr	\$2,613,207.44	0.47%	0.00%	0.47%
Great-West Lifetime 2025 Trust	c25mzr	\$5,571,667.90	0.47%	0.00%	0.47%
Great-West Lifetime 2035 Trust	c35mzr	\$4,185,503.05	0.47%	0.00%	0.47%
Great-West Lifetime 2045 Trust	c45mzr	\$2,893,770.71	0.47%	0.00%	0.47%
Great-West Lifetime 2055 Trust	c55mzr	\$1,085,244.89	0.47%	0.00%	0.47%
Weighted Average			0.47%	0.01%	0.46%
Total		\$222,403,049.05	\$1,040,991.61	\$14,721.25	\$1,026,270.36

Annualized estimates are generally based on March 31, 2017 data. Projections are annualized over a 12-month period and may not match amounts billed to plan sponsor or debited from participant accounts.

Fresno County Fee Disclosure Summary

Effective 12/31/16 on 4th Quarter balance of \$212,331,316

The following are the main categories of the fees that correspond to the products and services in the retirement plan. We encourage the plan sponsor to review these fees to determine if the plan costs are in the best interest of the plan and participants.

Investment Gross Expense Fees

Investment Gross expense fees cover the operating expenses and management of the mutual funds and other investments within retirement products.

Asset Fees

Asset fees cover Nationwide's and the Plan Sponsor's day-to-day administration services, including access to investment options, access to customer service for your participants, recordkeeping and more.

Loan Fees

Loan fees will only be applicable to plans that allow participant loans. Nationwide charges a fee directly to any participant who opts to take a plan loan. This will include loans that participants take against their account balance prior to retirement or severance of service.

Managed Account Fees

Managed Account fees will only be applicable to plans that choose to utilize the services of Nationwide Investment Advisors, LLC. NIA charges a fee directly to any participant who elects to use the ProAccount service.

Other Fees

There may be additional fees that are associated with specific products, features and/or services the retirement plan. These can be found in the Plan's individual contracts.

Summary of Fees	Total Estimated Expense
Investment Gross Expense Fees	\$995,664.23
Asset Fees	\$405,329.50
Loan Fees	\$35,326.29
Managed Account Fees	\$32,148.43
Other Fees	\$755.49
Total Fees	\$1,469,223.94

Fresno County Fee Disclosure Detail

Investment option	Annual Asset Fee %	Estimated Annual Asset Fee Paid	Investment Gross Expense %	Estimated Inv Gross Expense fee paid Annually	NW Admin Reimb. from IP %	Estimate NW Admin Reimbursement Paid from IP Annually
Alger Spectra Fund- Class Z	0.19%	\$66,249.24	1.04%	362,627.41	0.00%	\$0.00
BlackRock EAFE Equity Index Fund T	0.19%	\$2,628.99	0.12%	1,660.41	0.00%	\$0.00
BlackRock Equity Index Fund M	0.19%	\$77,531.77	0.02%	8,161.24	0.00%	\$0.00
BlackRock Mid Cap Equity Index Fund M	0.19%	\$14,547.97	0.05%	3,828.41	0.00%	\$0.00
BlackRock Russell 2000 Index M	0.19%	\$4,138.62	0.06%	1,306.93	0.00%	\$0.00
BlackRock US Debt Index Fund W	0.19%	\$5,326.98	0.05%	1,401.84	0.00%	\$0.00
Columbia Dividend Income Fund- Class Y	0.19%	\$21,788.76	0.59%	67,659.83	0.00%	\$0.00
Fidelity Advisor Real Estate Income Fund- Institutional Class	0.19%	\$2,228.70	0.77%	9,032.09	0.25%	\$2,620.86
Franklin Utilities Fund- Class R6	0.19%	\$7,675.96	0.47%	18,987.90	0.00%	\$0.00
Fresno County Stable Value Fund	0.19%	\$122,158.32	0.35%	225,028.49	0.00%	\$0.00
Great-West Lifetime 2015 Trust	0.19%	\$5,105.79	0.47%	12,630.11	0.00%	\$0.00
Great-West Lifetime 2025 Trust	0.19%	\$10,028.11	0.47%	24,806.39	0.00%	\$0.00
Great-West Lifetime 2035 Trust	0.19%	\$7,148.09	0.47%	17,682.11	0.00%	\$0.00
Great-West Lifetime 2045 Trust	0.19%	\$4,992.21	0.47%	12,349.15	0.00%	\$0.00
Great-West Lifetime 2055 Trust	0.19%	\$1,776.68	0.47%	4,394.93	0.00%	\$0.00
Hennessy Focus Fund Institutional Class	0.19%	\$9,700.93	1.12%	57,184.44	0.10%	\$5,806.78
Ivy International Core Equity Fund- Class R6	0.19%	\$16,839.74	0.83%	73,563.07	0.00%	\$0.00
Loan Outstanding Principal Balance	0.00%	\$0.00	0.00%	0.00	0.00%	\$0.00
Nicholas Limited Edition Fund- Institutional Class	0.19%	\$9,951.16	0.86%	45,042.11	0.00%	\$0.00
Oakmark Equity and Income Fund (The)- Class I	0.19%	\$3,955.97	0.75%	15,615.68	0.30%	\$6,543.82
Oppenheimer Developing Markets I	0.19%	\$1,264.33	0.88%	5,855.84	0.00%	\$0.00
Perkins Small Cap Value Fund - Class N	0.19%	\$2,743.58	0.89%	12,851.50	0.00%	\$0.00
RidgeWorth Total Return Bond Fund - IS Shares	0.19%	\$6,096.87	0.31%	9,947.53	0.00%	\$0.00
Templeton Global Bond Fund - Class R6	0.19%	\$1,450.75	0.53%	4,046.82	0.00%	\$0.00
Total		\$405,329.50		\$995,664.23		\$14,284.52

Loan Fees	Estimated Expense
Annual Loan Fee	\$16,425.00
Loan Default Fee	\$2,526.29
ACH Loan Insufficient Funds Fee	\$1,625.00
Loan Initiation Fee	\$14,750.00
Total Loan Fees	\$35,326.29

Managed Account Fees	Estimated Expense
Scheduled Managed Account Fee	\$31,427.25
Transactional Managed Account Fee	\$721.18
Total Managed Account Fees	\$32,148.43

Other Fees	Expense
Overnight Fee	\$725.00
Short Term Trade Fee	\$30.49
Total Other Fees	\$755.49

The information provided in this document has been collected from sources that are deemed to be reliable. However, its accuracy cannot be guaranteed. Errors and omissions can occur. None of the information constitutes a recommendation by Nationwide or solicitation of an offer to buy or sell any securities. Except as otherwise provided by law or regulation, this information shall be treated as confidential, non-public information and shall not be disclosed by the Employer or its agent to any third party other than the plan or plan sponsor, any party providing services to the plan sponsor, or plan participants and beneficiaries without prior written consent of Nationwide.

Item 10 - Exhibit C

Fiduciary Checklist

Action Items	Documentation	Fiduciary Briefcase	Comments
Selecting and Monitoring Fiduciaries	Documenting Fiduciaries, Consultants & Service Providers	<input checked="" type="checkbox"/> Yes	
	Retirement Committee Charter	<input checked="" type="checkbox"/> Yes	
	Committee Fiduciary Education	<input checked="" type="checkbox"/> Yes	
Identifying and Monitoring Parties in Interest	Documenting Parties in Interest	<input type="checkbox"/> Yes	Initiative for Q3 report meeting
	Conduct Committee Meetings (2-4/year)	<input checked="" type="checkbox"/> Yes	
Selecting and Monitoring Service Providers	Selecting and Monitoring:		Service agreement completed for 8/16 meeting
	• Consultants	<input checked="" type="checkbox"/> Yes	
	• Plan Providers	<input checked="" type="checkbox"/> Yes	
	Service Provider Agreement Review	<input checked="" type="checkbox"/> Yes	
Understanding and Documenting Fees and Expenses	Annual Fee Reconciliation Report	<input checked="" type="checkbox"/> Yes	Fee review included with 2017 Q1 report.
Selecting and Monitoring Plan Investments	Investment Policy Statement	<input checked="" type="checkbox"/> Yes	Target Dates and Stable Value under review due to manager change; Stable Value review included with 2017 Q1 report.
	Investment Scorecard™	<input checked="" type="checkbox"/> Yes	
	Target Date Fund Review	<input checked="" type="checkbox"/> Yes	
Maintaining a Fiduciary File	Organizing Your Fiduciary File Checklist	<input checked="" type="checkbox"/> Yes	
	Maintain Fiduciary Practices Procedures	<input checked="" type="checkbox"/> Yes	
Minimizing Risk: Fidelity Bond & Fiduciary Insurance	Fiduciary Insurance Copy of Policy	<input checked="" type="checkbox"/> Yes	
Plan Demographic and Document Review	Plan Document Review	<input type="checkbox"/> Yes	Nationwide now provides a fee disclosure to the PS but currently not to PP. Should be available late 17 or early 18.
	408(b)(2) Disclosure	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A	
	404(a)(5) Disclosure (pending)	<input type="checkbox"/> Yes <input type="checkbox"/> N/A	
Regulatory Update	Executive Regulatory Summary	<input checked="" type="checkbox"/> Yes	Provided quarterly

Item 10 - Exhibit D

County of Fresno 457 DC Plan Watch List

As of: 3/31/2017

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	-
fbnrx	Templeton Global Bond R6	Pass	-
04cff4	Blackrock US Debt Index Fund	Index	-
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	Watch	2017 - Q1
Target Date			
c15mzr	Great-West Lifetime 2015 Trust	Watch	2017 - Q1
c25mzr	Great-West Lifetime 2025 Trust	Watch	2017 - Q1
c35mzr	Great-West Lifetime 2035 Trust	Watch	2017 - Q1
c45mzr	Great-West Lifetime 2045 Trust	Watch	2017 - Q1
c55mzr	Great-West Lifetime 2055 Trust	Watch	2017 - Q1

Watch List History

All Investments		Current Status	Placed On Watch	Removed From Watch
fbnrx	Templeton Global Bond R6	In Plan	2016 - Q2	2017 - Q1
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 10 - Exhibit E

Great-West Financial Stable Value Separate Account

Manager Change Memo

March 2017

Introduction

This memo outlines the information we currently have regarding the manager change for the Great-West Financial Stable Value Separate Account Fund. Early in March 2017, Great-West representatives informed NWCM that Cathe Tocher, Senior Vice President and Chief Investment Officer, Separate Accounts, was leaving the firm in June. Ms. Tocher has been with Great-West Financial since 1986 and was appointed CIO in 2013. In her place, Jack Brown, Vice President of Separate Accounts, Portfolio Manager, will assume the lead role on the Stable Value Separate Account funds. Mr. Brown joined Great-West in October 2015. He previously was Portfolio Manager for Oppenheimer Funds where he managed their High Yield products. NWCM had a chance to meet with Jack Brown and other Great-West representatives after the announcement.

Background on Jack Brown

Mr. Brown was hired by Ms. Tocher in October 2015 from Oppenheimer Funds, where he spent 20 years helping manage their Total Return and Capital Preservation Strategies as well as being the lead PM on the High Yield Strategy. Mr. Brown's background in credit was desirable and helped fill a hole in the Stable Value process Ms. Tocher developed. Prior to Ms. Tocher's announced departure, Mr. Brown was the leader of day-to-day management of the Stable Value separate accounts and collective trust portfolios. Great-West representatives cite that leveraged finance investors share a commonality in disciplined risk management. Specifically, they note that a focus on capital preservation and avoiding bad credits has been part of Mr. Brown's process prior to him joining Great-West and will be critical when economic cycles turn.

Current State of Stable Value Account

In Q4'16 a drop in the market-to-book value was realized. Great-West cites that this was due to the period from November 6th, 2016 (immediately prior to the election) to December 31st, 2016 when mortgage durations extended by 1.5 years as interest rates spiked. Yields on treasuries spiking nearly 80 bps post-election causing the dollar prices of Mortgage-backed Securities (MBS) to decline was the primary contributor for the fall in the market-to-book ratio of the product.

Fresno Great-West Stable Value Account Portfolio Analytics:

	<u>6/30/2016</u>	<u>9/30/2016</u>	<u>12/31/2016</u>	<u>2/28/2017</u>	<u>Q2 17</u>
MV/BV	100.20%	101.90%	99.70%	99.90%	
Net Credited Rate	2.10%	2.10%	2.00%	2.00%	2.00%
3 Year U.S. Treasury	0.69%	0.88%	1.45%	1.52%	
5 Year U.S. Treasury	1.00%	1.15%	1.93%	1.93%	

Source: Great-West Financial Presentation to NWCM March 2017

Mr. Brown noted that Great-West has made a conscious decision to have a meaningful allocation to MBS. It gives the managers flexibility to structure cash flows across different market conditions. They believe that this flexibility may not exist in other asset classes.

Below is the current portfolio composition followed by the composition at the end of 2016.

Fresno Custom Stable Value Portfolio Composition as of 02/28/2017

2/28/17	Fresno	GGF Composite Duration	Benchmark	Benchmark Duration
Sector Weightings:				
Agency	1.2%	3.3	0.0%	0.0
MBS	46.1%	3.5	55.0%	3.7
30 year	15.5%	3.3	0.0%	0.0
20 year	11.7%	3.9	0.0%	0.0
15 year	17.8%	3.6	55.0%	3.7
10 year	1.0%	2.1	0.0%	0.0
CMO	6.9%	3.1	0.0%	0.0
CMO Agency	4.1%	3.3	0.0%	0.0
CMO Non-Agency	2.9%	2.9	0.0%	0.0
Corporate Bonds	28.4%	3.5	35.0%	2.8
Finance	5.9%	3.3	14.2%	2.8
Banks	5.1%	3.7	11.4%	2.8
REITs	0.0%	0.0	0.7%	3.0
Other	0.8%	1.0	2.1%	2.8
Industrial	20.2%	3.5	19.0%	2.8
Communication	3.3%	3.7	2.2%	2.9
Consumer Cyclical	3.2%	2.1	2.8%	2.8
Consumer Non Cyclical	6.9%	3.7	5.1%	2.8
Energy	1.2%	3.2	2.8%	2.6
Industrial	3.6%	4.2	1.9%	2.7
Materials	0.0%	0.0	1.0%	3.0
Technology	1.5%	3.4	2.9%	3.0
Transportation	0.5%	2.7	0.4%	2.7
Utility	2.3%	3.7	1.8%	2.5
CMBS	12.7%	3.1	10.0%	5.4
CMBS Agency	8.0%	3.3	3.8%	5.0
CMBS Non-Agency	4.7%	2.8	6.2%	5.6
ABS	3.8%	1.7	0.0%	0.0
Auto	2.3%	1.2	0.0%	0.0
Credit Card	0.9%	2.2	0.0%	0.0
Home Equity	0.6%	3.0	0.0%	0.0
MMKT	0.8%	0.0	0.0%	0.0
Credit Quality	AA		AA	
Weighted Average Life	4.0		4.1	
Effective Duration	3.3		3.6	
Effective Convexity	-0.5		-0.2	
Yield To Maturity	2.34		2.29	
Total AUM	\$64,265,080			

*Customized benchmark based on IPS constraints: 55% 15 yr MBS / 10% CMBS / 35% Corp 1-5

Source: Great-West Financial Presentation to NWCM March 2017

Fresno Custom Stable Value Portfolio Composition as of 12/31/2016

12/31/16	GGF Composite		Benchmark	
	Fresno	Duration	Benchmark	Duration
Sector Weightings:				
Agency	1.6%	4.4	0.0%	0.0
MBS	44.5%	3.6	55.0%	3.7
30 year	16.1%	3.3	0.0%	0.0
20 year	12.6%	4.0	0.0%	0.0
15 year	14.7%	3.5	55.0%	3.7
10 year	1.1%	2.2	0.0%	0.0
CMO	7.2%	3.1	0.0%	0.0
CMO Agency	4.2%	3.3	0.0%	0.0
CMO Non-Agency	3.0%	2.9	0.0%	0.0
Corporate Bonds	26.2%	3.5	35.0%	2.7
Finance	5.6%	3.4	14.4%	2.7
Banks	4.8%	3.7	11.6%	2.7
REITs	0.0%	0.0	0.7%	2.9
Other	0.8%	1.1	2.1%	2.8
Industrial	18.3%	3.6	18.8%	2.8
Communication	1.6%	3.9	2.4%	2.8
Consumer Cyclical	2.4%	2.0	2.7%	2.8
Consumer Non Cyclical	7.3%	3.7	5.0%	2.8
Energy	1.2%	3.3	2.8%	2.6
Industrial	3.6%	4.3	1.9%	2.8
Materials	0.0%	0.0	0.9%	2.9
Technology	1.5%	3.6	2.7%	3.0
Transportation	0.6%	2.4	0.4%	2.7
Utility	2.4%	3.8	1.8%	2.6
CMBS	12.9%	3.2	10.0%	5.4
CMBS Agency	8.1%	3.4	3.8%	5.0
CMBS Non-Agency	4.8%	2.9	6.2%	5.7
ABS	3.9%	1.9	0.0%	0.0
Auto	2.3%	1.4	0.0%	0.0
Credit Card	0.9%	2.4	0.0%	0.0
Home Equity	0.6%	3.0	0.0%	0.0
MMKT	3.7%	0.0	0.0%	0.0
Credit Quality	AA+		AA	
Weighted Average Life	4.0		4.0	
Effective Duration	3.3		3.6	
Effective Convexity	-0.5		-0.2	
Yield To Maturity	2.32		2.36	
Total AUM	\$64,030,436			

*Customized benchmark based on IPS constraints: 55% 15 yr MBS / 10% CMBS / 35% Corp 1-5

Source: Great-West Financial Presentation to NWCM March 2017

Changes in the portfolio composition since the end of the calendar year (12/31/2016) include the following:

- Credit quality has declined to AA from AA+
- MBS as a percentage of the overall portfolio has increased (46.1% vs. 44.5%); the corresponding duration has declined slightly (3.5 years vs. 3.6 years)
- Yield-to-Maturity increased slightly (2.34% vs. 2.32%)
- Reduced MMKT cash (0.8% vs. 3.7%)
- Added to corporate bonds (specifically in higher yielding sectors such as Communications)

Conclusion:

A change in the investment management team of any product is always an important factor in determining the suitability of that product. The change can correspond with changes in investment philosophy, buy and sell decisions, and team cohesiveness. For a product following a custom investment policy, these changes can be even more meaningful depending on the manager's personal strategic influences in the product. The replacement of Cathe Tocher with Jack Brown as the manager of the County of Fresno's custom stable value product gives some cause for concern given Mr. Brown's lack of stable value experience. Despite his lack of experience with stable value mandates, Mr. Brown has a strong fixed income background. His most recent dedication was to low-quality issues in a high yield mandate, and despite being a stark difference from the high-quality portfolio he is currently managing, gives evidence to his capability of working in a credit-oriented / risk management portfolio. Additional work with Total Return and Capital Preservation Strategies shows that outside of his niche in high-yield, Mr. Brown is a capable manager.

In addition to the change in management, the product has seen a slight drop in its market-to-book ratio that also adds some level of pause. These same factors may have played out similarly under Ms. Tocher's management given the sudden changes in market conditions due to U.S. elections and the resulting uncertain regulatory environment that ensued.

NWCM believes the County has two prudent and acceptable options to consider for moving forward:

1. **Continue to closely monitor the current stable value product to ensure that its new manager continues to manage the product in a prudent and policy compliant manner; or**
2. **Instruct NWCM to conduct a stable value manager search for suitable stable value replacement.**

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Item 11



Income For Life

DC Plan Management
May 2017

I Introduction

II Plan Sponsor Risk Management

III Risks for Participants

IV Summary of Retirement Income Solutions

V Final Thoughts

Introduction

“The transition from work to retirement is one of the greatest challenges plan participants will face”

The Challenge

After spending decades earning a paycheck to pay for living expenses participants must:

- Create a spending budget in retirement, including healthcare expenses;
- Know how to convert a lump sum of savings into a monthly income stream that will last their entire retirement; and
- Be an informed consumer of Social Security, Medicare, and numerous other financial services products

Individuals would like to have retirement income cover both their anticipated and unanticipated living expenses, including housing, utilities, transportation, food, health care and entertainment.

To address this challenge, product providers are bringing to market institutionally priced retirement income products.

- These products leverage the purchasing power of a plan to improve the characteristics of income products to be more advantageous to retirees.
- For plan sponsors, understanding the different types of products available is the first step in evaluating if a retirement income solution is right for their plan.
- Key features to evaluate include guarantees, annuity features, portability, discontinuation provisions, and fees.

Plan sponsors adopting retirement income solutions have done so for several different reasons, including:

1. Supporting participant retirement outcomes as they transition from their working/saving career to retirement/spending.
2. Adding a workplace benefit that helps attract top talent and rewards long-term employees.
3. Meeting corporate goals, such as the desire to retain assets in the plan.
4. A desire to make retirement readiness less dependent upon factors beyond participants' control, such as market returns, and more reliant on contributions and savings rates and retirement age.

Sponsor Consideration

As with all products aimed at providing solutions for retirement planning challenges, retirement income solutions have various items that need to be considered and evaluated by plan sponsors. These considerations include:

- Fiduciary Obligations;
- Operational and Administrative Feasibility; and
- Educational Requirements



Plan Sponsor Risk Management

Fiduciary Obligations:

- The appropriateness of fees for the benefit being provided
- The choice of a guaranteed or non-guaranteed solution
- Guaranteed options would require the selection of insurance-backed products, such as annuities
- Counterparty risk should be considered (probability that an insurer would go insolvent)

Operational and Administrative Feasibility:

- Magnitude of operational to-do lists between staff, solution provider, and recordkeeper depending on the type of solution selected
- How does the solution integrate with the recordkeeping system and what is the participant's experience
- Reporting capabilities on the utilization and effectiveness of the solution within the plan
- Portability of any “in-plan” income solution in the event of a recordkeeping vendor change
- Portability at the participant level; ability for participants to retain their income benefits in the event they change jobs mid-career

Educational Requirements:

- Being prepared to communicate clearly with participants is critical
- Plan sponsors may choose to segment the type and frequency of communication
- Depending on the complexity of the selected solution a sponsor may want to seek education and communication assistance from consultants and recordkeeping vendor

Risks for Participants

Saving for retirement can be an overwhelming objective for many. Listed below are just a few of the items that participants must address:

- Behavioral biases, such as procrastination, risk aversion, and poor choices
- Accessibility to professional guidance
- Cost for professional guidance

Specific risks to a participant's retirement income include:

- Longevity risk
- Market risk
- Return sequence risk
- Inflation risk
- Consumption risk
- Lifestyle risk
- Cognitive risk

Summary of Retirement Income Solutions

Retirement income solutions cover a wide spectrum of insurance and investment products. The solutions are designed to help participants while maintaining the benefit of institutional oversight and pricing.

Listed below is a summary of products plan sponsors might consider:

- **Out-of-Plan Products**
 - Non-guaranteed benefits: Managed payout products and systematic withdrawal programs
 - Guaranteed: Annuity purchase program
- **In-Plan Products**
 - Non-guaranteed benefits: Systematic withdrawal program and discretionary investment advice programs
 - Guaranteed: Deferred fixed annuity products, guaranteed minimum income benefit products, and guaranteed minimum withdrawal benefit

All products are designed to provide participants with an institutionally priced, predictable stream of income in retirement

- **Out-of-Plan Products**

- Sponsor usually has less fiduciary liability as investments are made in an IRA after the participant leaves the plan
- Acts as a referral program that assists participants in deciding how best to invest once they retire and are leaving the plan
- Can serve as an “integrated rollover program”

- **In-Plan Products**

- Generally easier to communicate as they can be incorporated into employee communications efforts long before retirement
- Allows a sponsor to retain plan assets leading to lower administration fees for the entire program

Non-Guaranteed Solution Examples

- Annuity Tracking Asset Classes
- Managed Accounts
- Managed Payout Funds
- Systematic Withdrawal Program
- Target Date Funds

Guaranteed Solution Examples

- Deferred Income Annuities
- Guaranteed Lifetime Withdrawal Benefit
- Immediate Income Annuities

Out-of-Plan Solution Examples

At the time of retirement or separation from service, participants can access these types of solutions outside of the plan, usually via an introduction from the plan sponsor or an IRA provider. These plans can be either guaranteed or non-guaranteed. Examples would include:

- Immediate income annuities
- Deferred income annuities
- Qualified longevity annuity contracts (QLACs)
- Managed Payout Funds

Lifetime Income Disclosures

Sponsors typically partner with their recordkeeper to develop and deliver a communication/disclosure showing how a participant's current plan balance translates to income in retirement.

Calculators and Retirement Income Projections Tools

Plan sponsors can work with their recordkeeping vendor's education efforts to shift the participant conversation from focusing on today's investment returns into conversations about variables that will provide the greatest benefits to future retirement income.

Final Thoughts

- The retirement income solution, at the instructional level, is relatively young.
- Challenges remain for vendors to create transparent and cost effective solutions that are portable between vendors.
- In our experience, plan sponsors have expressed interest in having continued discussions on the merits of retirement income solutions, but a common request is greater guidance from regulators on product selection and implementation best practices.
- NWCM recommends that sponsors continue to have dialogue on what tools and education efforts are being made to assist plan participants with challenges of retirement income planning.
- As products evolve, or as new ones are developed, NWCM recommends the DCMC review such products from time to time.
- As managed accounts evolve over the next decade, their ability to incorporate retirement income planning will be critical to the growth of this solution in the marketplace.