



County of Fresno

Deferred Compensation Management Council

February 25, 2016 Agenda

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

1. Call to Order.
2. Approve Agenda.
3. Elect Chair & Vice-Chair of the Deferred Compensation Management Council.
4. Public Comment – At this time, members of the public may comment on any item, within the jurisdiction of the Deferred Compensation Management Council, not appearing on the agenda. In order for everyone to be heard, please limit your comments to 3 minutes or less.
5. Approve Action Summary Minutes from the August 27, 2015 meeting.
6. Approve Action Summary Minutes from the January 11, 2016 special meeting.
7. Receive Verbal Report on status of prior Agenda Items and Deferred Compensation Management Council direction:
 - a. The Board of Supervisors approved the Council's recommendation to retain Heintzberger-Payne Advisors as the Deferred Compensation Plan Consultant on a five-year agreement;
 - b. Report on the 2015 National Association of Governmental Defined Contribution Administrator's (NAGDCA) and Pensions & Investments conferences by staff and Heintzberger-Payne Advisors.
8. Approve On-site and Off-site training schedule for the Deferred Compensation Management Council.
9. Receive and File 2015-16 Fiscal Mid-Year Deferred Compensation Plan Budget Report, revised 2015-16 1st Quarter Budget Report, and revised 2014-15 Fiscal Year-End Budget Report.
10. Approve the Fiscal Year 2016-17 Deferred Compensation Plan Budget.
11. Receive and File Deferred Compensation Plan Review as of December 31, 2015 prepared by Nationwide Retirement Solutions.

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Deferred Compensation Management Council Meeting Agenda

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12. Receive and File 2016 Fiduciary Checklist prepared by Heintzberger-Payne Advisors.
13. Receive and File Deferred Compensation Plan Investment Review as of December 31, 2015 prepared by Heintzberger-Payne Advisors.

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



ITEM 5

Deferred Compensation Management Council August 27, 2015 Action Summary Minutes

Meeting was held at 9:00 a.m. at the Fresno County Employees' Retirement Association, 1111 H St., Fresno, CA 93721

Members Present: John Navarrette, Vicki Crow, Donald Kendig, Paul Nerland, Kari Gilbert, Robert Bash, Lawrence Seymour

Members Absent: None

1. Call to Order

ACTION: The meeting was called to order at 9:03 a.m.

2. Approve Agenda

ACTION: The Agenda was unanimously approved.

3. 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. In order for everyone to be heard, please limit your comments to 3 minutes or less.

ACTION: During the Public Comment period, Chairman Navarrette appointed Kari Gilbert to a three-year term upon expiration of her current term on April 15, 2016, pursuant to Section 4.1.6 of the Deferred Compensation Management Council Bylaws. Ms. Gilbert's new term will expire on April 15, 2019.

4. Approve Minutes from the March 16, 2015 meeting.

ACTION: The Minutes were approved.

Ayes: Navarrette, Crow, Kendig, Nerland, Gilbert, Bash

Noes: None

Abstentions: Seymour

5. Approve Minutes from the May 11, 2015 special meeting.

ACTION: The Minutes were approved.

Ayes: Navarrette, Crow, Kendig, Nerland, Gilbert, Bash

Noes: None

Abstentions: Seymour

6. Approve 2016 regular meeting dates – February 25 & August 25

ACTION: The 2016 regular meeting dates were unanimously approved.

7. Approve Amendment to Fiscal Year 2014-15 Deferred Compensation Plan Budget to increase Fiduciary Liability Insurance Policy appropriation.

ACTION: The Amendment was unanimously approved as recommended.

8. Receive and File 2014-15 Fiscal Year-End Deferred Compensation Plan Budget Report.

ACTION: Report received & filed.

9. Confirm the Deferred Compensation Management Council's recommendation to the County of Fresno Board of Supervisors regarding the Deferred Compensation Consultant RFP.

ACTION: The Council voted unanimously to recommend that the Board of Supervisors select Heintzberger-Payne Advisors as the Deferred Compensation Plan Consultant. The Council voted unanimously to further recommend that the Board of Supervisors execute a five-year agreement with Heintzberger-Payne Advisors, as the discounted rate under a five-year agreement will save Deferred Compensation Plan participants \$3,500 per year.

10. Approve amended Deferred Compensation Plan Qualified Domestic Relations Order Policy.

ACTION: The amended Deferred Compensation Plan Qualified Domestic Relations Order Policy was approved as recommended.

Ayes: Navarrette, Crow, Kendig, Nerland, Bash, Seymour

Noes: None

Abstentions: Member Gilbert recused herself from discussion and voting. As the Director of Child Support Services, she approves domestic relations orders for child support that may relate to County of Fresno Deferred Compensation Plan Participants.

11. Receive and File report on the County of Fresno Stable Value Fund prepared by Heintzberger-Payne Advisors.

ACTION: Report received & filed. The Council directed staff to arrange for Cathe Tocher of Great-West Financial to attend a Deferred Compensation

Management Council meeting in 2016 to discuss the Stable Value Fund. In addition, the Council directed staff to propose for review and discussion, an amendment to the Stable Value Fund Investment Policy requested by Great-West Financial, allowing for a greater percentage of assets to be invested in securities with a credit rating of BBB or below.

12. Approve on-site and off-site training schedule for the Deferred Compensation Management Council.

ACTION: The On-Site Training schedule in Attachment A was unanimously approved as recommended. The Council voted unanimously to send Hollis Magill and David Joseph to the 2015 National Association of Government Defined Contribution Administrators (NAGDCA) Conference. The Council elected not to send any of its members or members of staff to the 2015 Pensions & Investments Conference, although the Council requested that Heintzberger-Payne Advisors send a representative and report back to the Council.

13. Receive and File quarterly Investment Report prepared by Heintzberger-Payne Advisors.

ACTION: Report received & filed. The Ridgeworth Total Return Bond fund (SAMZX) and Nicholas Limited Edition fund (NCLEX) will remain on the Watch-list until the next regular Council meeting.

14. Receive Verbal Report on status of prior Agenda Items and DCMC direction:

- a. Fund changes approved at March 16, 2015 meeting;
- b. Beneficiary outreach campaign.

ACTION: Report received.

15. Receive and File Deferred Compensation Plan Review as of June 30, 2015 prepared by Nationwide Retirement Solutions.

ACTION: Report received & filed.

The meeting was adjourned at 10:59 a.m.



ITEM 6

Deferred Compensation Management Council January 11, 2016 Action Summary Minutes

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

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

Members Absent: Jean Rousseau

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. Receive Retirement Plan Fiduciary Best Practices presentation by Heintzberger-Payne Advisors

ACTION: Report Received and Filed.

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



Inter Office Memo

DEPARTMENT OF
PERSONNEL SERVICES

ITEM 8

DATE: February 25, 2016

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Principal Personnel Analyst Hollis Magill

SUBJECT: On-site and Off-site Training Opportunities

Background

At the August 27, 2015 Deferred Compensation Management Council meeting, your Council approved a schedule of on-site trainings. The first training, Fiduciary Responsibilities, was completed at a special meeting on January 11, 2016. In addition, your Council directed staff to schedule a presentation from Cathe Tocher, Chief Investment Officer and Sr. Vice President of Segregated Funds for Great-West Financial, to provide information regarding the County of Fresno Stable Value Fund.

Your Council also sent two (2) members of staff (Hollis Magill, Principal Personnel Analyst and David Joseph, Personnel Analyst) to the 2015 National Association of Governmental Defined Contribution Administrators (NAGDCA) conference and requested that Heintzberger-Payne Advisors attend the 2015 Pensions & Investments conference.

Issue

In a separate item on today's agenda, staff and Heintzberger-Payne Advisors will provide a brief verbal report on the NAGDCA and Pensions & Investments conferences. In addition, staff has updated the list of education and training opportunities previously approved by your Council to include the presentation by Ms. Tocher.

The revised training list and schedule is below. Attachment A includes a brief summary of each proposed on-site training topic, as well as a timeline to provide the trainings. At this time, the agendas for the 2016 NAGDCA and Pensions & Investments conferences are not available.

On-Site Trainings (Please see Attachment A for additional information)

1. Fiduciary Responsibilities – **Completed January 11, 2016**
2. Stable Value Fund, presented by Cathe Tocher – **May 16, 2016 Special Meeting**
3. Target Retirement Date Investments – **Fall 2016 Special Meeting**
4. Managed Account Services – **Separate item on a regular 2017 Council Meeting**
5. Income-for-Life Products – **Spring 2017 Special Meeting**

Off-Site Trainings

1. 2016 NAGDCA Conference, September 18-21 in Denver, CO
2. 2016 Pensions & Investments Defined Contribution Conference, October 23-25 in San Diego, CA

Costs

There are no additional costs to the Deferred Compensation Plan to provide the on-site trainings. Off-site trainings require the use of discretionary funds for travel and registration costs. It is estimated that the cost per person to attend the NAGDCA conference will be \$3,200 - \$3,500 (this also includes individual registration fees and the County's annual membership fee), while the cost per person to attend the Pensions & Investments Conference is \$1,500 - \$1,700.

Please note that the proposed FY 2016-17 Deferred Compensation Plan Budget (Item 10 on today's agenda) includes \$7,000 for costs associated with two (2) people attending the 2016 NAGDCA conference. Should your Council elect to send two (2) people to the NAGDCA conference and one (1) or more people to the Pensions & Investments conference, the NAGDCA budget would need to be adjusted to incorporate the additional costs.

Recommended Action

Approve the schedule of on-site trainings in Attachment A as recommended or with modifications.

Options for Consideration

1. **Send one (1) or more interested members of your Council and/or staff to the 2016 NAGDCA Conference.**
2. **Send one (1) or more interested members of your Council and/or staff to the 2016 Pensions & Investments Conference.**

ITEM 8 – ATTACHMENT A

Proposed Schedule for On-Site Training Opportunities

Topic	Proposed Timeframe
Fiduciary Responsibilities	<u>Completed January 11, 2016</u>
Stable Value Fund Investment Policy	A special meeting May 16, 2016.
Target Retirement Date Investments	A special meeting in the Fall of 2016.
Managed Account Services	A regular Council meeting in 2017.
Income-for-Life Products	A special meeting in the Spring of 2017.

Description of Proposed On-Site Training Opportunities

Topic:	Stable Value Fund Investment Policy
Duration:	60 Minutes
Description:	Discussion of the Stable Value Fund, presented by Cathe Tocher, Chief Investment Officer and Sr. Vice President of Segregated Funds for Great-West Financial

Topic:	Target Retirement Date Investments
Duration:	60 Minutes
Description:	The presentation will: a) introduce Council Members to the universe of target date funds; b) discuss the differences between custom vs. product solutions; and c) summarize the different variables used in constructing target date glide paths.

Topic:	Managed Account Services
Duration:	30-45 Minutes
Description:	The presentation compares industry-leading providers of managed account services (such as Nationwide's ProAccount service) based on service offerings and portfolio construction methodologies.

Topic:	Income-for-Life Products
Duration:	60 Minutes
Description:	Income-for-Life products are similar to annuities; the presentation summarizes vendor solutions in the market place and discusses the due-diligence fiduciaries should consider in their evaluation process.



Inter Office Memo

DEPARTMENT OF
PERSONNEL SERVICES

ITEM 9

DATE: February 25, 2016

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Principal Personnel Analyst *Hollis Magill*

SUBJECT: Fiscal Year 2015-16 Deferred Compensation Plan Budget Reports and Revisions to Fiscal Year 2014-15 Budget Report

Background

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

Staff has prepared a Fiscal Year 2015-16 budget report for the six-month period that ended December 31, 2015 (Attachment B); the approved FY 2015-16 budget is detailed in Attachment A.

In addition, staff has reviewed the FY 2015-16 1st quarter report as well as the FY 2014-15 year-end report, and has made revisions to both reports. Attachment C includes the revised FY 2014-15 year-end report, while Attachment D includes the original FY 2014-15 report. Attachment E includes the revised FY 2015-16 1st quarter report, while Attachment F includes the original FY 2015-16 1st quarter report.

Issue

Staff would like to note and explain the following:

Record-keeping fees have been separated from other expenses. Under the previous record-keeper, the entire participant fee was credited to the Plan Expense Account on a quarterly basis, from which the record-keeping fee was deducted. Both transactions were processed within the same quarter.

Currently, participants pay a monthly, prorated fee of 0.19%. From the fee, Nationwide deducts their required revenue of 0.10%, leaving 0.09% credited to the Plan Expense Account. This effectively separates the record-keeping expenses from all other expenses, which are debited from the Plan Expense Account. Therefore, in reporting revenue and expenses, staff has separated record-keeping fees from expenses that are debited directly from the Plan Expense Account. This change will more clearly illustrate the revenues and expenses related to

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Deferred Compensation Management Council Meeting

Fiscal Year 2015-16 Deferred Compensation Plan Budget Reports and Revisions to Fiscal Year 2014-15 Budget Report

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the Plan Expense Account. The budget items covered by the 0.09% are described as “Discretionary Expenses”, while the record-keeping fees are described as “Mandatory Expenses” in Attachment A.

In addition, staff has separated record-keeping fees from all other expenses in the proposed FY 2016-17 budget, which is discussed in greater detail in Item 10 of today’s agenda.

Revisions to prior budget reports. Staff has updated the revenue numbers in both the FY 2014-15 year-end report and the FY 2015-16 1st quarter report. Regarding the FY 2014-15 year-end report, staff has revised the Year to Date amount in the Administrative Fees category. The original number of \$514,207 reflected the total fees collected by both Great-West and Nationwide within FY 2014-15. The new revenue figure is \$319,685. Of this amount, \$103,468 is accounted for by separating record-keeping fees from revenue and expenses. As mentioned previously in this Item, staff believes that separating the record-keeping fees (“Mandatory Expenses”) from other expenses (“Discretionary Expenses”) better illustrates the transaction activity which staff oversees within the Plan Expense Account.

The additional \$91,054 is accounted for by removing revenue which was collected from March through June of 2015, as this revenue was credited to the Plan Expense Account in the 1st and 2nd quarters of FY 2015-16 (\$68,088 in the 1st quarter and \$22,966 in the 2nd quarter). Staff feels that it is more transparent to show the amount of revenue that is credited to the Plan Expense Account, rather than what is collected within a quarter. Attachment D reflects these revisions.

Your Council will note that 3rd quarter revenue of \$43,465 should have been credited to the Plan Expense Account within the 4th quarter, but Nationwide was unable to credit this revenue until August 21 of 2015.

Regarding the FY 2015-16 1st quarter report, as with the FY 2014-15 report, staff has revised the revenue amount to reflect what was credited to the Plan Expense Account within the quarter, since the total fees collected within the quarter included Nationwide’s record-keeping fees, which are now separated.

ITEM 9 - ATTACHMENT A

Approved FY 2015-16 Deferred Compensation Plan Budget, with Record-keeping Fees Separated

Revenue Source	Description	Dollars	% of Revenue
Administrative Fee	0.09% of Plan Assets, based on average of ~\$219,000,000 in assets.	\$195,000	100.0%

Total Revenue: \$195,000 100.0%

Discretionary Expense	Description	Dollars	% of Expenses
Consultant Fees	Pursuant to Agreement # 11-731 with Heintzberger-Payne Advisors, \$50,000 annually.	\$50,000	25.6%
Fiduciary Liability Insurance Premium	Fiduciary Liability Insurance Premium on \$5,000,000 in coverage.	\$12,000	6.2%
Staff Costs	Based on approximately 1,100 County staff hours (includes Personnel and County Counsel staff). Also includes participant communication costs, if necessary	\$106,000	54.4%
NAGDCA Costs	Send two (2) people to the 2015 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	10.3%

Total Discretionary Expenses: \$195,000 100.0%

Mandatory Expense	Description	Dollars
Record-keeping Fees	Pursuant to Agreement # 14-710 with Nationwide, 0.10% of Total Assets per year.	\$220,000

Total Mandatory Expenses: \$220,000

Total Expenses: \$415,000

ITEM 9 - ATTACHMENT B



County of Fresno Deferred Compensation Plan
2015-16 Fiscal Year to Date Budget Report

Revenue and Expenses as of December 31, 2015

<u>Revenue</u>	Year to Date	Projected	YTD vs. Projected
Administrative Fees	\$122,135	\$195,000	(\$72,865)
Totals:	\$122,135	\$195,000	(\$72,865)

<u>Discretionary Expenses</u>	Year to Date	Budgeted	YTD vs. Budgeted
Consultant Fees	(\$25,000)	\$50,000	\$25,000
Fiduciary Liability Insurance Policy	\$0	\$12,000	\$12,000
Staff Costs	(\$36,364)	\$106,000	\$69,636
NAGDCA	(\$5,703)	\$7,000	\$1,297
Totals:	(\$67,066)	\$175,000	\$107,934

	Transfers	Budgeted	Remaining Budget
Contingencies	\$0	\$20,000	\$20,000

<u>Mandatory Expenses</u>	Year to Date	Projected	YTD vs. Projected
Record-keeping Fees	(\$102,986)	\$220,000	\$117,014

	YTD Expenses	YTD Revenue	Expenses vs. Revenue
Grand Totals:	(\$67,066)	\$122,135	\$55,068

ITEM 9 - ATTACHMENT C

County of Fresno Deferred Compensation Plan

REVISED Year to Date vs. Budgeted Revenues & Expenses as of June 30, 2015

<u>Revenues</u>	Year to Date	Projected	YTD vs. Projected
Administrative Fees ¹	\$319,685	\$460,000	(\$140,315)
Great-West Reimbursement	\$58,333	\$70,000	(\$11,667)
Totals:	\$378,019	\$530,000	(\$151,981)

<u>Expenses</u>	Year to Date	Original Budget²	Modified Budget	YTD vs. Modified Budget
Consulting	(\$50,000)	\$50,000	\$50,000	\$0
Record-keeper RFP ³	(\$27,000)	\$0	\$27,000	\$0
Great-West Record-keeping Fees	(\$203,585)	\$300,000	\$300,000	\$96,415
Fiduciary Liability Insurance Policy ⁴	(\$19,883)	\$11,000	\$19,883	\$0
Staff ³	(\$69,101)	\$56,500	\$81,500	\$12,399
Legal	(\$4,859)	\$25,000	\$25,000	\$20,141
NAGDCA	(\$5,672)	\$5,500	\$5,500	(\$172)
Lunch & Learn	\$0	\$8,000	\$8,000	\$8,000
Totals:	(\$380,100)	\$456,000	\$516,883	\$136,783

	Transfers	Budgeted	Remaining Budget
Contingencies	(\$60,883)	\$74,000	\$13,117

<u>Other Expenses</u>	YTD	Budgeted	YTD vs. Budget
Nationwide Record-keeping Fees	(\$103,468)	n/a	n/a

	YTD Expenses	YTD Revenue	Expenses vs. Revenue
Grand Totals⁵:	(\$380,100)	\$378,019	(\$2,081)

¹ The year to date amount includes revenue (\$43,465) that would have been credited to the Plan Expense Account within the quarter, but for technical difficulties experienced by Nationwide.

² The FY 2014-15 Budget was approved by the Deferred Compensation Management Council on February 27, 2014.

³ Original budget amended on March 16, 2015 by the Deferred Compensation Management Council.

⁴ Original budget amended on August 27, 2015 by the Deferred Compensation Management Council.

⁵ The year to date amounts do not include expenses or revenue associated with Nationwide's record-keeping fees.

ITEM 9 - ATTACHMENT D

County of Fresno Deferred Compensation Plan

ORIGINAL Year to Date vs. Budgeted Revenues & Expenses as of June 30, 2015

<u>Revenues</u>	Year to Date	Projected	YTD vs. Projected
Administrative Fees	\$514,207	\$460,000	\$54,207
Great-West Reimbursement	\$58,333	\$70,000	(\$11,667)
Totals:	\$572,540	\$530,000	\$42,540

<u>Expenses</u>	Year to Date	Original Budget ¹	Modified Budget	YTD vs. Modified Budget
Consulting	(\$50,000)	\$50,000	\$50,000	\$0
Record-keeper RFP (Consulting) ²	(\$27,000)	\$0	\$27,000	\$0
Record-keeping	(\$307,053)	\$300,000	\$300,000	(\$7,053)
Fiduciary Liability Insurance Policy ³	(\$19,883)	\$11,000	\$19,883	\$0
Staff ²	(\$69,101)	\$56,500	\$81,500	\$12,399
Legal	(\$4,859)	\$25,000	\$25,000	\$20,141
NAGDCA	(\$5,672)	\$5,500	\$5,500	(\$172)
Lunch & Learn	\$0	\$8,000	\$8,000	\$8,000
Totals:	(\$483,568)	\$456,000	\$516,883	\$33,315

	Transfers	Budgeted	Remaining Budget
Contingencies	(\$60,883)	\$74,000	\$13,117

	YTD Expenses	Total Budget	YTD vs. Total Budget
Grand Totals:	(\$483,568)	\$530,000	\$46,432

¹ The FY 2014-15 Budget was approved by the Deferred Compensation Management Council (Council) on February 27, 2014.

² On March 16, 2015, the Council approved the transfer of \$52,000 from Contingencies to provide: 1) \$27,000 to pay for expenses related to the Record-keeper RFP process (previous budget of \$0) and 2) \$25,000 in additional funding for Staff Costs (previous budget of \$56,500).

³ Pending Council approval on August 27, 2015, \$8,883 transferred from Contingencies to pay for premiums on the 2014-15 and 2015-16 Fiduciary Liability Insurance Policies (previous budget of \$11,000).

ITEM 9 - ATTACHMENT E



County of Fresno Deferred Compensation Plan
REVISED 2015-16 Fiscal Year to Date Budget Report

Revenue and Expenses as of September 30, 2015

<u>Revenue</u>	Year to Date	Projected	YTD vs. Projected
Administrative Fees	\$68,088	\$195,000	(\$126,912)
Totals:	\$68,088	\$195,000	(\$126,912)

<u>Discretionary Expenses</u>	Year to Date	Budgeted	YTD vs. Budgeted
Consultant Fees	(\$12,500)	\$50,000	\$37,500
Fiduciary Liability Insurance Policy	\$0	\$12,000	\$12,000
Staff Costs	(\$9,449)	\$106,000	\$96,551
NAGDCA	(\$5,026)	\$7,000	\$1,974
Totals:	(\$26,975)	\$175,000	\$148,025

<u>Discretionary Expenses</u>	Transfers YTD	Budgeted	Remaining Budget
Contingencies	\$0	\$20,000	\$20,000

<u>Mandatory Expenses</u>	Year to Date	Projected	YTD vs. Projected
Record-keeping Fees	(\$51,200)	\$220,000	\$168,800

	YTD Expenses	YTD Revenue	Expenses vs. Revenue
Grand Totals:	(\$26,975)	\$68,088	\$41,113

ITEM 9 - ATTACHMENT F



County of Fresno Deferred Compensation Plan
ORIGINAL 2015-16 Fiscal Year to Date Budget Report

Revenue and Expenses as of September 30, 2015

<u>Revenue</u>	Year to Date	Projected	YTD vs. Projected
Administrative Fees	\$97,280	\$415,000	(\$317,720)
Totals:	\$97,280	\$415,000	(\$317,720)

<u>Expenses</u>	Year to Date	Budgeted	YTD vs. Budgeted
Consultant Fees	(\$12,500)	\$50,000	\$37,500
Record-keeping Fees	(\$51,200)	\$220,000	\$168,800
Fiduciary Liability Insurance Policy	\$0	\$12,000	\$12,000
Staff Costs	(\$9,449)	\$106,000	\$96,551
NAGDCA	(\$5,026)	\$7,000	\$1,974
Totals:	(\$78,175)	\$395,000	\$316,825

	Transfers	Budgeted	Remaining Budget
Contingencies	\$0	\$20,000	\$20,000

	YTD Expenses	Budgeted	YTD vs. Budgeted
Grand Totals:	(\$78,175)	\$415,000	\$336,825



Inter Office Memo

DEPARTMENT OF
PERSONNEL SERVICES

ITEM 10

DATE: February 25, 2016

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Principal Personnel Analyst

SUBJECT: Fiscal Year 2016-17 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 2015-16, that fee was 0.19%.

Issue

Staff has drafted a budget anticipating revenue and expenses for FY 2016-17 (Attachment A) with the following expense line-items:

- Consultant Fees
- Fiduciary Liability Insurance Policy
- Staff Costs
- Off-site Training Costs
- Contingencies
- Plan Document Legal Review
- Record-keeping Fees

Staff would like to highlight the following areas for explanation:

- **Administrative fees and record-keeping fee reporting.** As discussed in Item 9 on today's agenda, staff is proposing to separate record-keeping fees from other expenses. This change is illustrated in Attachment A.

Separating the two types of expenses means that the participant fee revenue available for discretionary items is equal to 0.09% of Plan assets per year, while the record-keeping fees (pursuant to Agreement #14-710) are 0.10% per year. Staff is recommending that the discretionary portion of the annual fee remain at 0.09%.

Regarding participant fee revenue in FY 2016-17, due to losses in the stock market that have decreased Plan assets, staff is anticipating a decrease from \$195,000 (total revenue minus record-keeping fees) in FY 2015-16 to \$175,000 in FY 2016-17. This represents a \$20,000 or 11.4% decrease from FY 2015-16. Staff anticipated average assets of approximately \$219 million in FY 2015-16, while in FY 2016-17 average assets are anticipated to be \$195 million.

Regarding record-keeping fees, staff is anticipating approximately \$200,000 in record-keeping expenses, which represents a \$20,000 or 9.1% decrease from FY 2015-16 due to the aforementioned decline in Plan assets.

- **Excess Funds from FY 2013-14 Budget.** Fiscal year 2013-14 had excess revenue of approximately \$180,000. In anticipation of decreased revenue for FY 2016-17, staff recommends that your Council approve utilizing \$25,000 of the FY 2013-14 excess funds to make up for the projected decrease. Staff further recommends that your Council approve a distribution of the remaining \$155,000 to participants.
- **Consultant Fees.** The proposed budget represents a \$10,000 or 20% decrease from the FY 2015-16 appropriation. Pursuant to Agreement #15-597, Heintzberger-Payne's annual fee decreased from \$50,000 to \$40,000.
- **Plan Document Legal Review.** The last review of the Plan Document occurred in 2012. It is prudent to have legal counsel review the Plan Document on a regular basis. The 2012 review cost approximately \$20,000, although that did include a complete overhaul of the Plan Document. Therefore, staff does not anticipate that this year's review will be as extensive, but the proposed budget of \$20,000 assumes fee inflation from 2012.
- **Off-site Training.** The proposed budget is unchanged from FY 2015-16 and assumes sending two (2) members of your Council or staff to the 2016 National Association of Governmental Defined Contribution Administrators (NAGDCA) conference. However, this is contingent on a separate item on today's agenda (Item 8), regarding the ongoing on-site and off-site training schedule. This budget item may be adjusted upon approval or amended at a later date, should your Council approve attendance at off-site trainings that would exceed what is currently anticipated.
- **Fiduciary Liability Insurance Policy.** 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, 2016.

Recommended Actions

1. **Approve the FY 2016-17 administrative fee of 0.09%.**

The fee does not include the 0.10% record-keeping fee which Nationwide is entitled to and deducts directly from participant accounts. Total participant fees will equal 0.19%, which is unchanged from FY 2015-16.

2. **Approve the use of \$25,000 in excess funds from FY 2013-14 in the FY 2016-17 budget.**
3. **Approve the distribution of \$155,000 to participants pro rata based on each participant's percentage of Plan assets.**
4. **Approve the FY 2016-17 budget (Attachment A), either as submitted or with amendments.**

ITEM 10 - ATTACHMENT A

Proposed FY 2016-17 Deferred Compensation Plan Budget

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 Fiscal Year 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 Premium	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 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

Total Expenses: \$400,000

* This fee is debited by Nationwide directly from participant accounts, rather than the Plan Expense Account. Staff will continue to report on this fee in the quarterly budget report.

ITEM 11



County of Fresno, California



February 2016 Semi Annual Report



Nationwide[®]
is on your side



Section One

Participant Outcomes

- I - Baseline Report
- II - Activity Report
- III - Gauging Success Report

Baseline Report

Participation Rate Goal = 41.65%

12/31/14 = 33.35%

06/30/15 = 38.40%

12/31/15 = 39.37%

Annual Enrollment Goal = 338

06/30/15 = 224 YTD

12/31/15 = 458 YTD

New Hire Close Ratio

01/01/15 – 09/30/15 = 25.29%

Average Deferral Goal = \$3,513

12/31/14 = \$2,810

06/30/15 = \$2,716

12/31/15 = \$2,836

Fresno County, California

Nationwide Retirement Solutions Service Recap as of 12/31/2015

Plan Demographics

Total participants	4683
Total eligible participants	6718
Employee participation rate	39.37%
Participants actively deferring	2645
Participants not deferring or in payout	1795
Participants in payout	243

Accounts and Assets

2015 total plan assets (in millions)	\$208
2014 total plan assets (in millions)	\$207
2013 total plan assets	NA
2012 total plan assets	NA
2011 total plan assets	NA

2015 Year-End Plan Update

New enrollments	458
Transfers in (as of 12/31/2015)	31

Education, Workshops and Counseling

Date	Event/Activity	Results
Jan-Feb	Transition Workshops	Ongoing
January	FCERA Nearing Retirement	Ongoing
Jan-Dec	New Employee Training	Ongoing
July	FCERA Nearing Retirement	Ongoing

2015 Year-End Plan Update

- May – Beneficiary Update Campaign
- July/August – Investment Enhancement Campaign

Nationwide Contacts

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- Phillip Edwards – Retirement Specialist
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edwarp4@nationwide.com





Gauging Success

PLAN REVIEW Fresno County, CA

As of December 31, 2015



WELCOME

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

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

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

\$100 million - \$1 billion

Table of Contents

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

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

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

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

©2015 Nationwide.

EXECUTIVE SUMMARY

Plan Contribution Limits for 2015

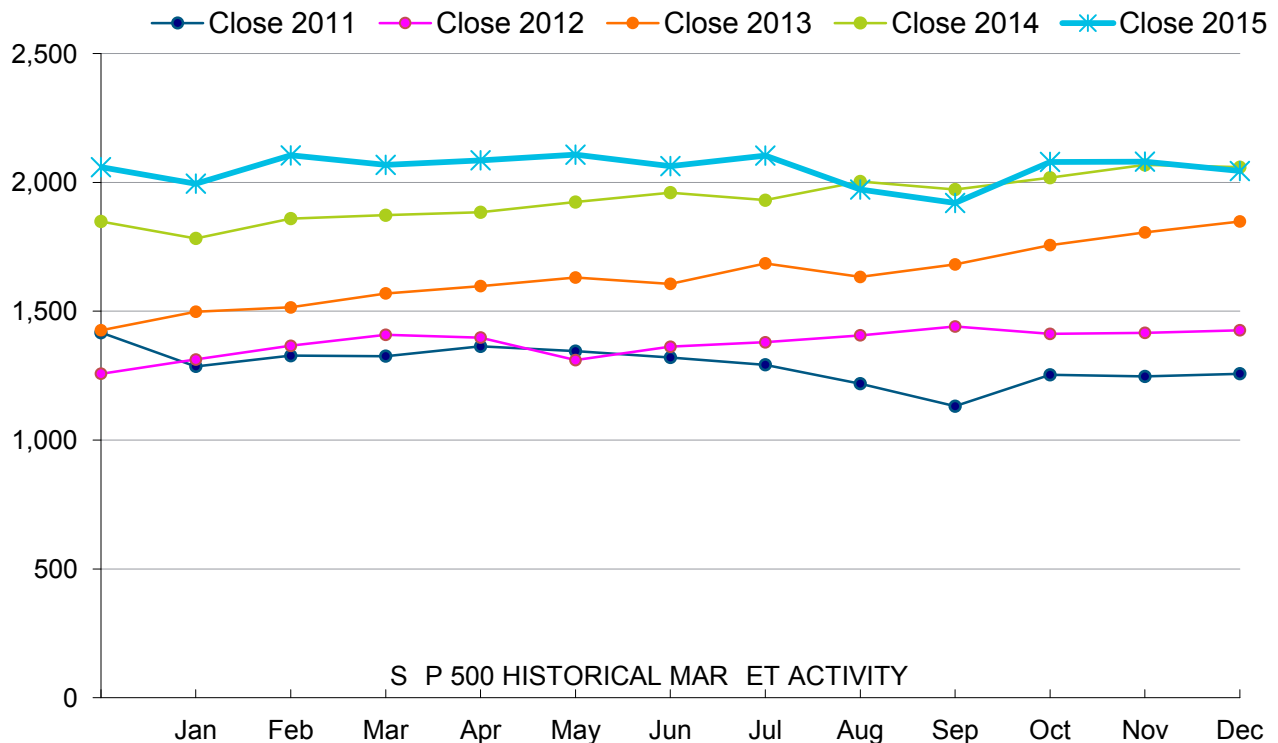
Regular Limit:	\$18,000
50 Catch-Up:	\$24,000
3-Year Catch-Up:	\$36,000

Quick Plan Facts

	Actual as of 12/31/15	% Chng from 1 year ago
Total Participant Count	4,683	NA
Total New Enrollments YTD Count	458	NA
Total Plan Assets (millions)	\$208.70	NA
Total Deferrals YTD (millions)	\$7.44	NA
Total Rollovers-In YTD (millions)	\$1.10	NA
ProAccount Assets (millions)	\$4.62	NA
ProAccount Participant Count	165	NA

Market Activity

S P 500 CHANGE YTD: -0.7%



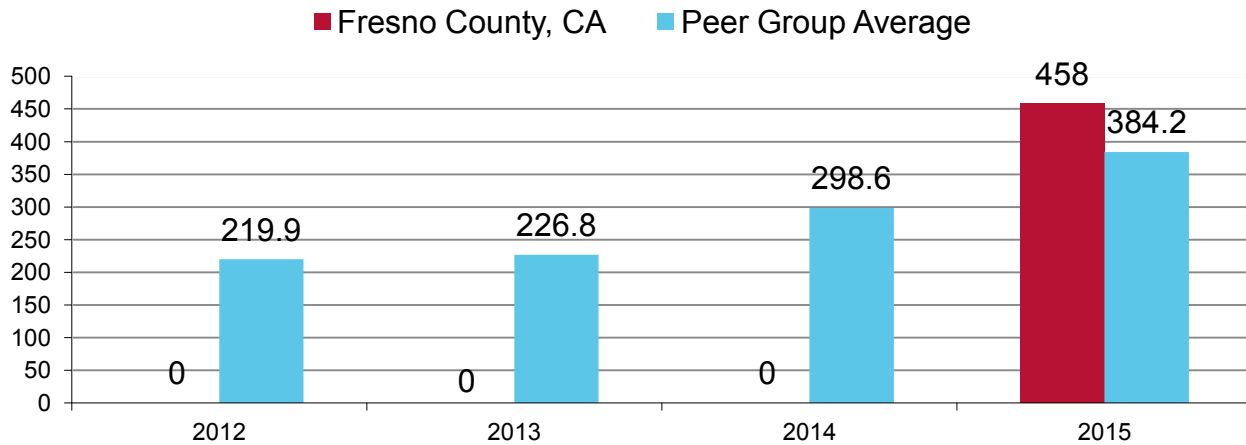
The 500 companies included in this index are selected by the S P Index committee; a few of the mitigating factors are market size, industry representation and liquidity. This index is designed to be an overall indication of the United States stock market. The 500 securities represent approximately 75%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

PLAN PARTICIPATION

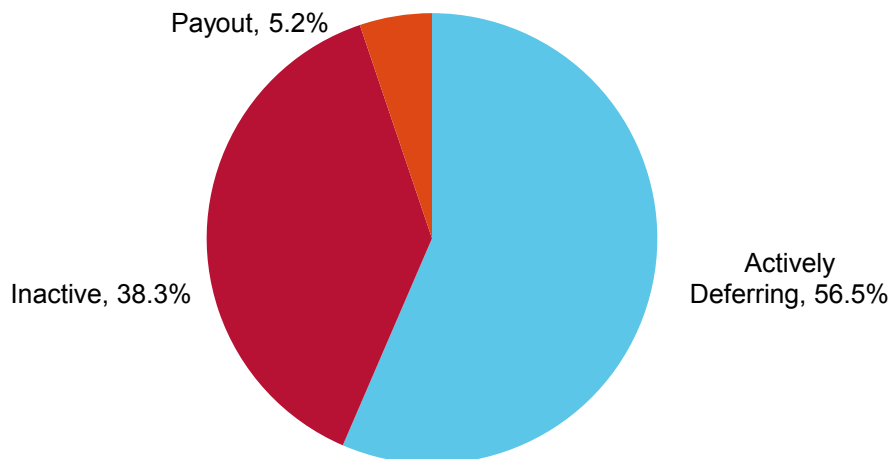
Participant Status	12/31/12	12/31/13	12/31/14	12/31/15	% Chng from 1 year ago
of Participants Actively Deferring	0	0	0	2,645	NA
of Inactive Participants*	0	0	0	1,795	NA
of Participants in Payout	0	0	0	243	NA
Total Participants	0	0	0	4,683	NA

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

New Participant Count



Total Participants as of 12/31/15

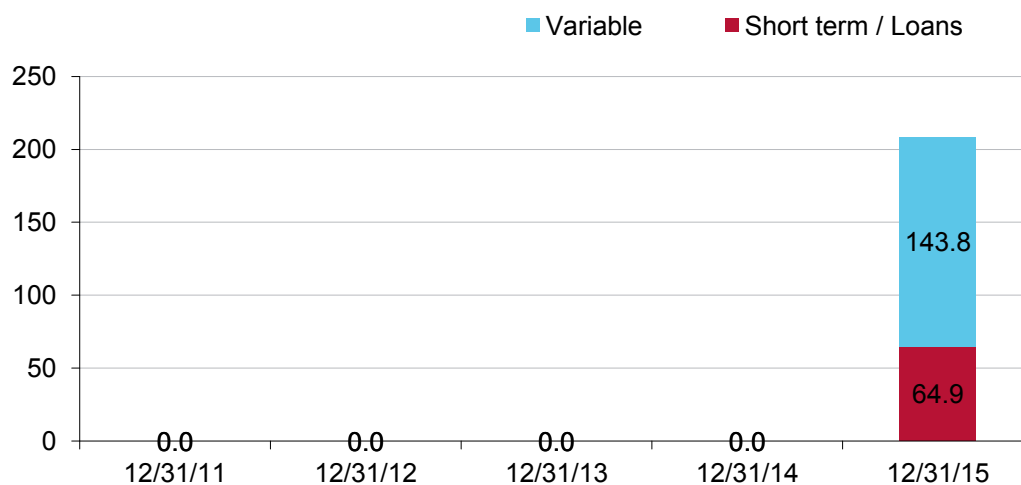


PLAN ASSETS

Total Plan Assets (Millions)

12/31/11	12/31/12	12/31/13	12/31/14	12/31/15	% Chng from 1 year ago
\$0.0	\$0.0	\$0.0	\$0.0	\$208.7	NA

Plan Assets Summary (Millions)



Plan Assets by Investment Class (Millions)

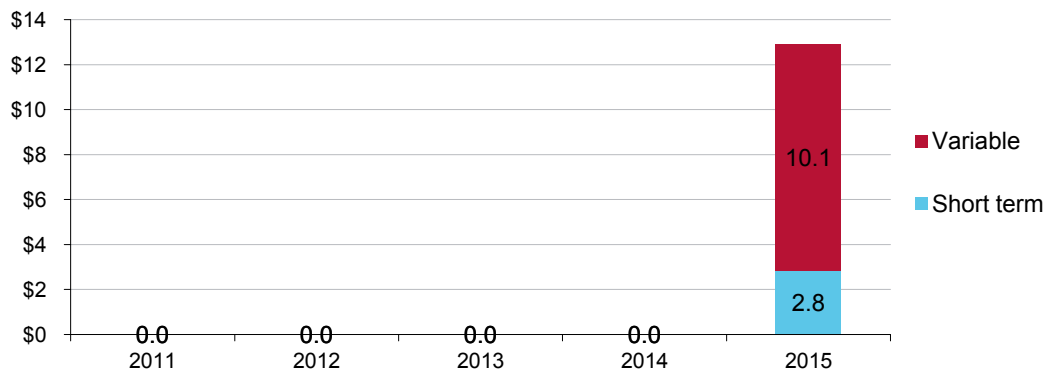
Investment Class	12/31/13	12/31/14	12/31/15	% of Total
Asset Allocation	\$0.00	\$0.00	\$11.46	5.5%
International	\$0.00	\$0.00	\$11.37	5.5%
Small Cap	\$0.00	\$0.00	\$7.84	3.8%
Mid Cap	\$0.00	\$0.00	\$12.74	6.1%
Large Cap	\$0.00	\$0.00	\$89.71	43.0%
Balanced	\$0.00	\$0.00	\$2.15	1.0%
Bonds	\$0.00	\$0.00	\$5.16	2.5%
Short term	\$0.00	\$0.00	\$60.53	29.0%
SDO	\$0.00	\$0.00	\$0.00	0.0%
Specialty	\$0.00	\$0.00	\$3.34	1.6%
Loan	\$0.00	\$0.00	\$4.40	2.1%
Total	\$0.00	\$0.00	\$208.70	100.0%

PLAN CONTRIBUTIONS

Total Contributions by Year (Millions)

	2011	2012	2013	2014	2015	% Chng from 1 year ago
Deferrals	\$0.0	\$0.0	\$0.0	\$0.0	\$7.4	NA
Rollovers-In	\$0.0	\$0.0	\$0.0	\$0.0	\$1.1	NA
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$4.4	NA
Total	\$0.0	\$0.0	\$0.0	\$0.0	\$12.9	NA

Plan Contributions Summary (Millions)



Plan Contributions by Investment Class (Thousands)

Investment Class	2013	2014	2015	% Total
Asset Allocation	\$0.00	\$0.00	\$2,102.95	16.3%
International	\$0.00	\$0.00	\$1,009.27	7.8%
Small Cap	\$0.00	\$0.00	\$661.57	5.1%
Mid Cap	\$0.00	\$0.00	\$1,022.64	7.9%
Large Cap	\$0.00	\$0.00	\$4,570.69	35.4%
Balanced	\$0.00	\$0.00	\$76.33	0.6%
Bonds	\$0.00	\$0.00	\$283.42	2.2%
Short term	\$0.00	\$0.00	\$2,824.95	21.9%
SDO	\$0.00	\$0.00	\$0.00	0.0%
Specialty	\$0.00	\$0.00	\$343.56	2.7%
Loan	\$0.00	\$0.00	\$0.00	0.0%
Total	\$0.00	\$0.00	\$12,895.38	100.0%

IN SUMMARY

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

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

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

YOUR PROVEN PARTNER

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

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

- Our average client tenure is 19 years
- We partner with more than 7,700 clients * and have a 99% plan retention rate
- We provide education and service to more than 1.3 million participants *
- We manage over \$62 billion in assets *
- We have been featured in the top 10 most trusted companies for privacy by TRUSTe and Ponemon Institute *for the past nine years.*
- We offer recordkeeping, administration and investment products for:
 - 457(b) Deferred compensation plans serving city, county, special district and state employees
 - 401(a) and grandfathered 401(k) Defined employer-contribution plans serving city, county, special district and state employees
 - PEHP® Tax-free investment plan for post-employment health care expenses

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

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

*As of 12/31/15

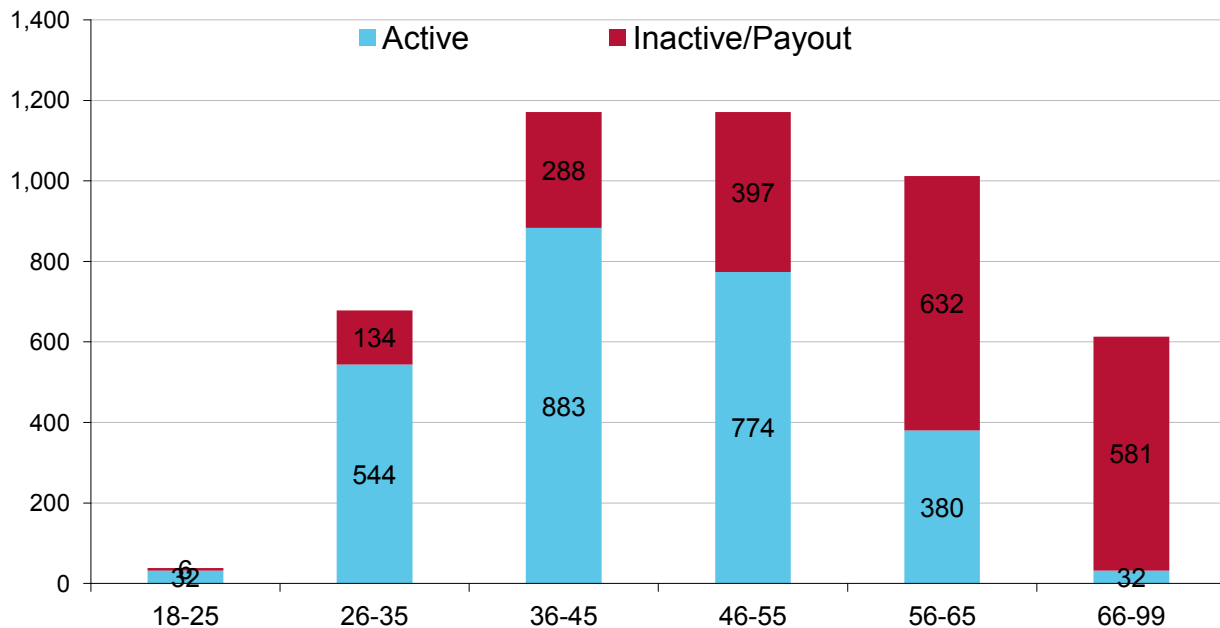
APPENDIX

PLAN PARTICIPATION

Participant Counts by Age as of 12/31/15

Age Group	Total Participant Count	Male Participant Count	Female Participant Count	Actively Def Participant Count	Inactive / Payout Count
18-25	38	21	17	32	6
26-35	678	296	382	544	134
36-45	1,171	542	629	883	288
46-55	1,171	520	651	774	397
56-65	1,012	449	563	380	632
66-99	613	347	266	32	581
Total	4,683	2,175	2,508	2,645	2,038

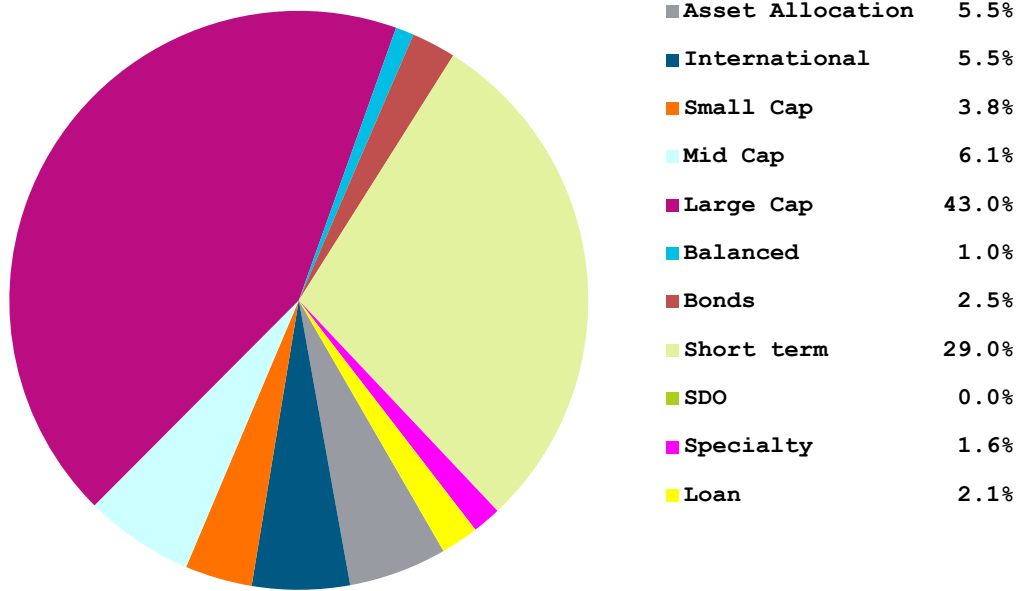
Participant Counts by Age as of 12/31/15



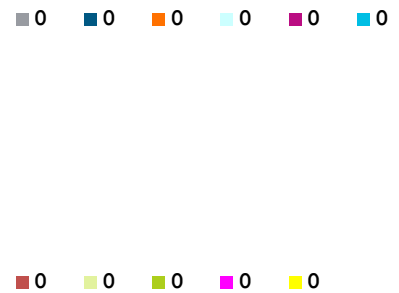
PLAN ASSETS

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

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

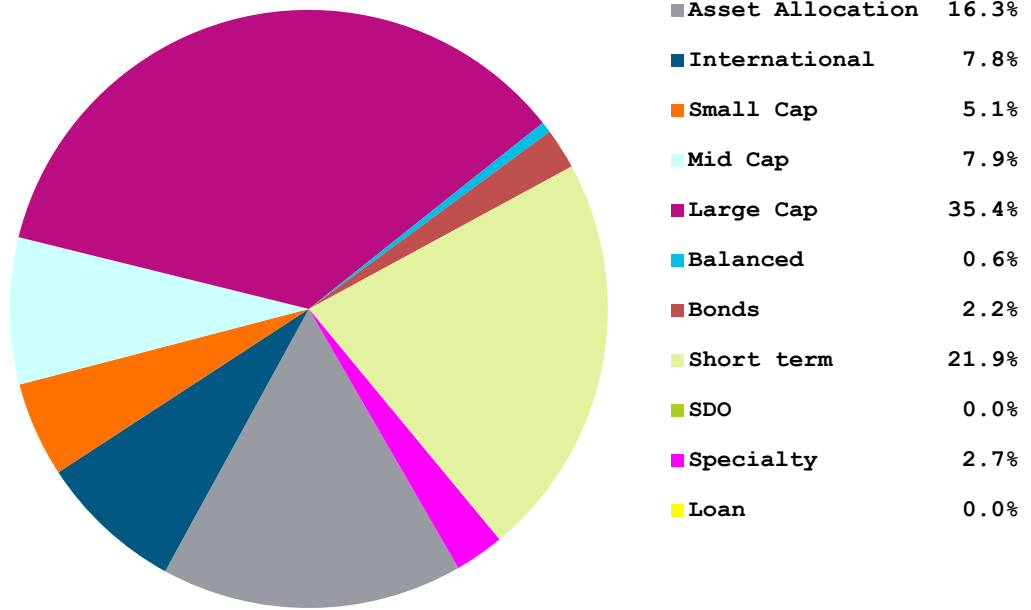


Fresno County, CA Asset Allocation as of 12/31/14

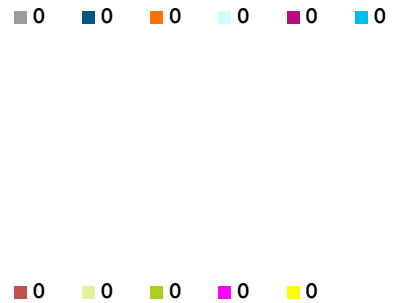


PLAN CONTRIBUTIONS

Fresno County, CA Contribution Allocation 2015



Fresno County, CA Contribution Allocation 2014



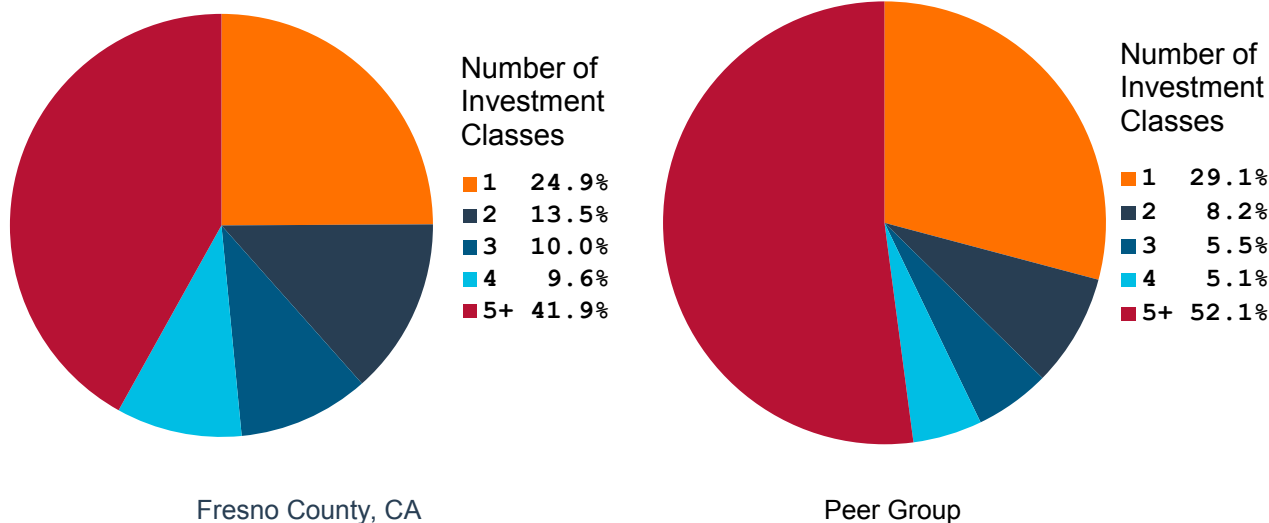
PEER COMPARISONS

Your Peer Group is NRS cases, within your region, with assets of \$100 million - \$1 billion. The peer group consists of 12 NRS cases.

	Fresno County, CA	Peer Group	Ibbotson Recommended
Average of asset classes	3.4	3.5	5.0
Average annualized deferrals	\$2,836	\$4,412	
Average assets	\$44,566	\$54,163	

Asset Allocation Summary as of 12/31/15

percentage of participants by number of investment classes

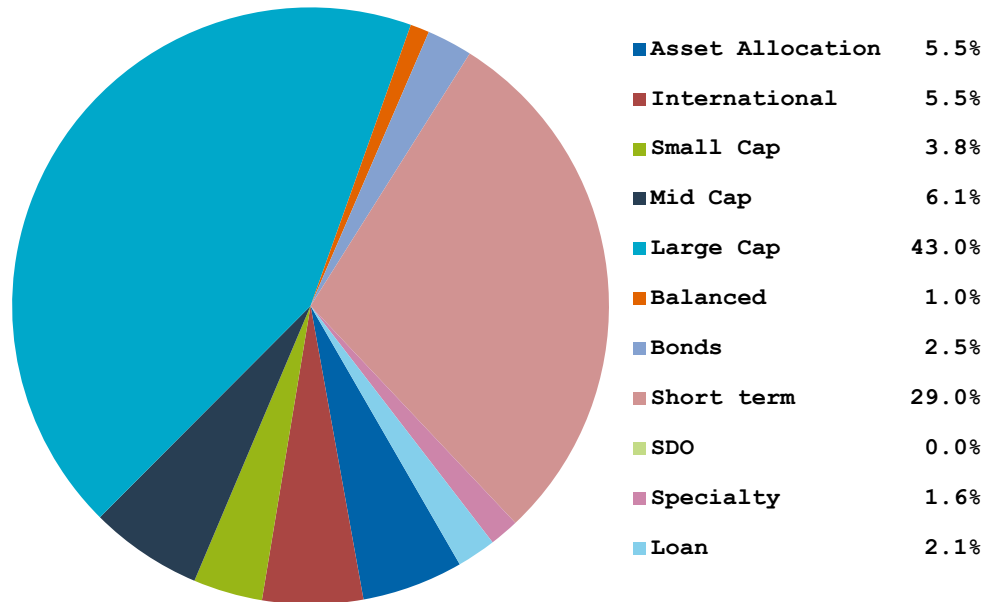


Average Account Balance and Annualized Deferrals by Age Group as of 12/31/15

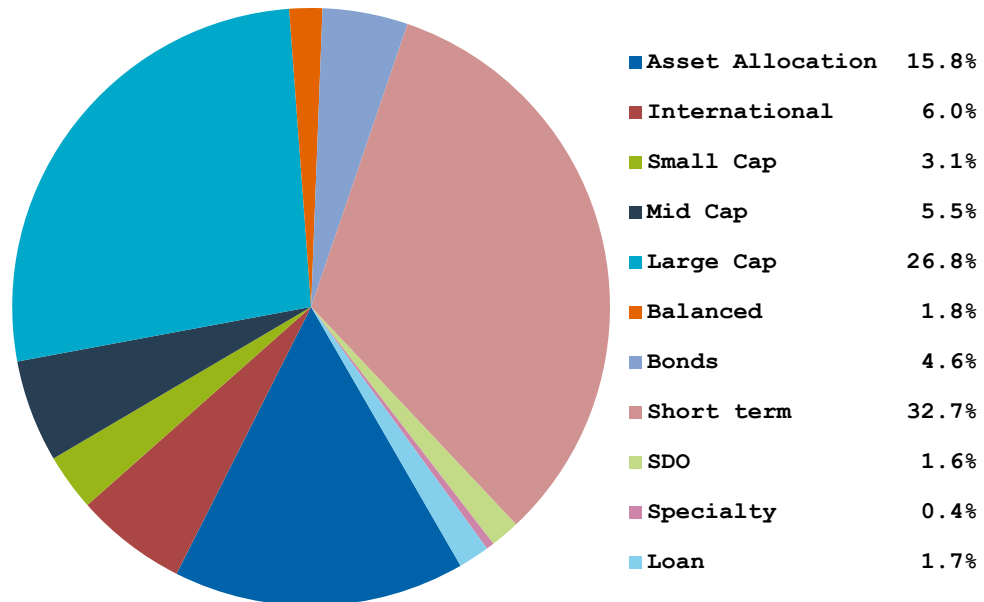
Age Group	Account Balance		Annualized Deferrals	
	Fresno County, CA	Peer Group	Fresno County, CA	Peer Group
18-25	\$1,140	\$3,306	\$2,028	\$2,121
26-35	\$3,627	\$10,007	\$1,619	\$2,687
36-45	\$20,607	\$27,904	\$2,302	\$3,539
46-55	\$45,907	\$52,437	\$3,386	\$4,687
56-65	\$75,220	\$81,255	\$4,421	\$6,189
66-99	\$85,134	\$94,742	\$6,920	\$7,938

PEER COMPARISONS

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



Peer Group Asset Allocation as of 12/31/15



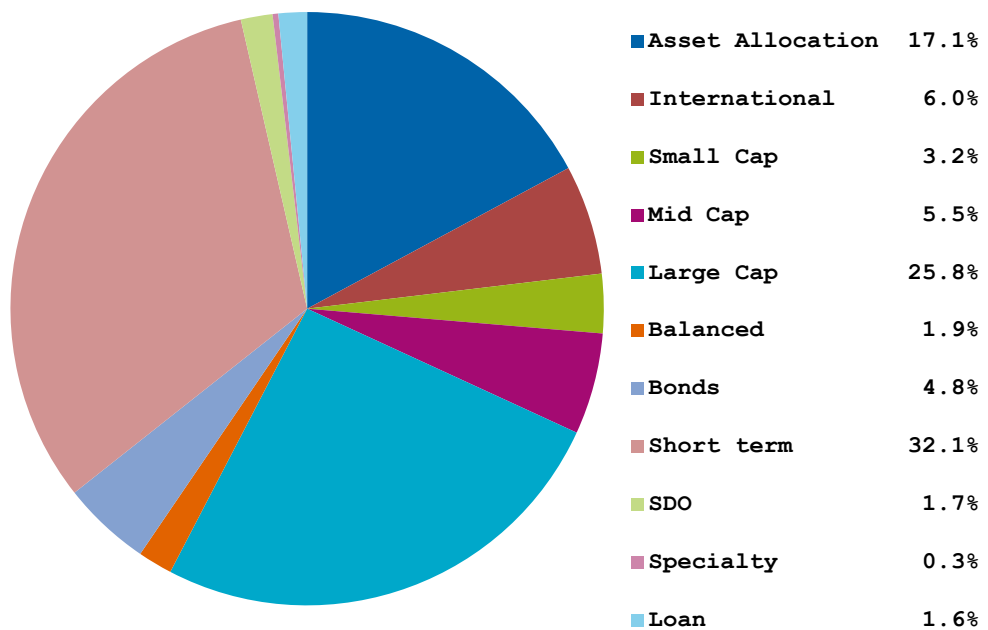
PEER COMPARISONS

Fresno County, CA Asset Allocation as of 12/31/14

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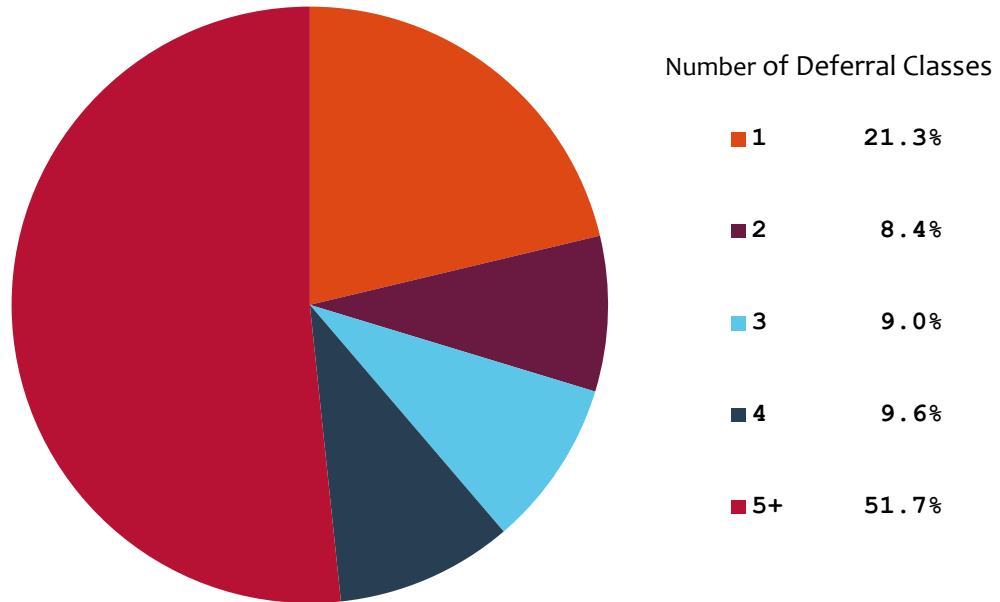
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Peer Group Asset Allocation as of 12/31/14

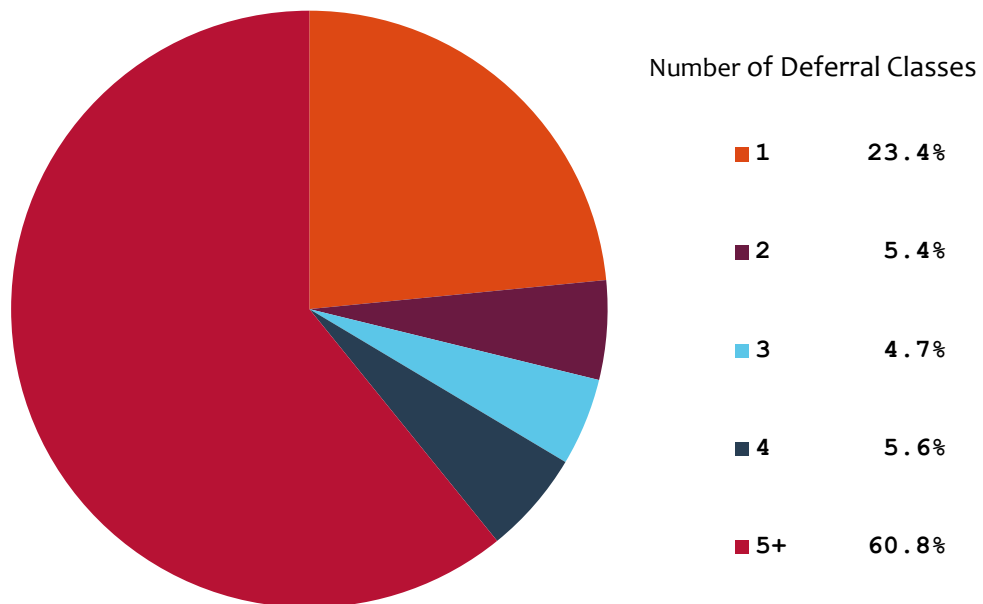


PEER COMPARISONS

Deferral allocation summary: percentage of participants by number of deferral investment classes
Fresno County, CA 2015

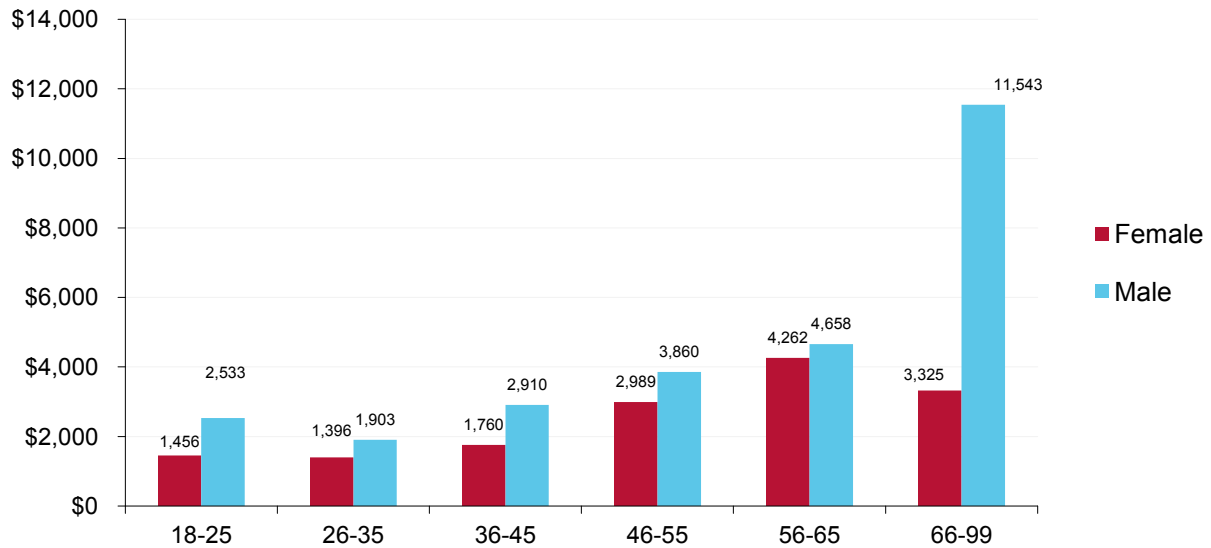


Peer Group 2015

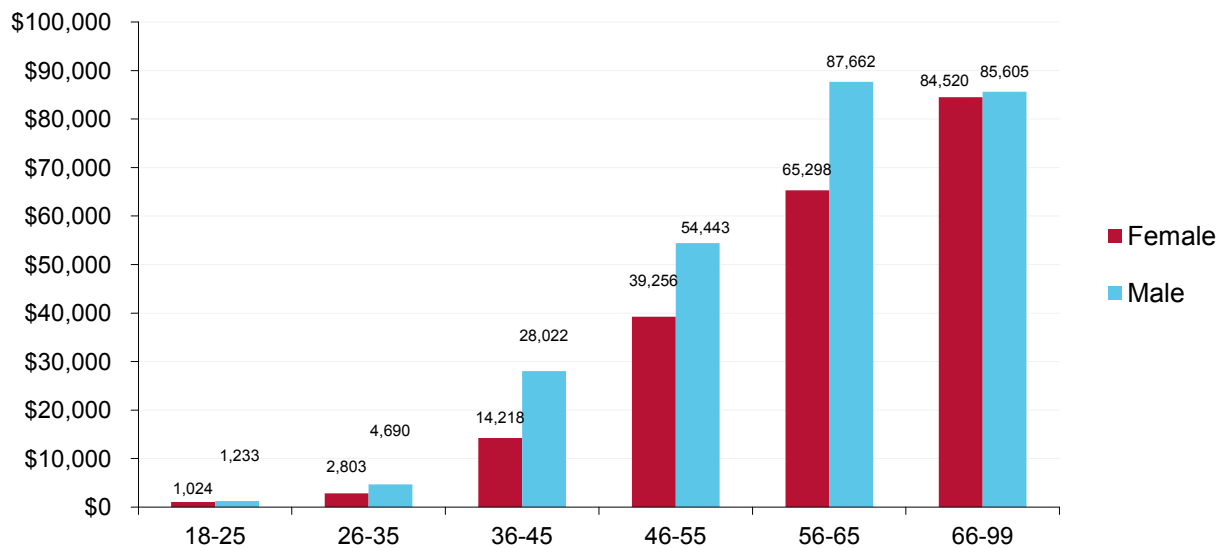


PARTICIPANT DEMOGRAPHICS

Male/Female Average Deferrals by Age

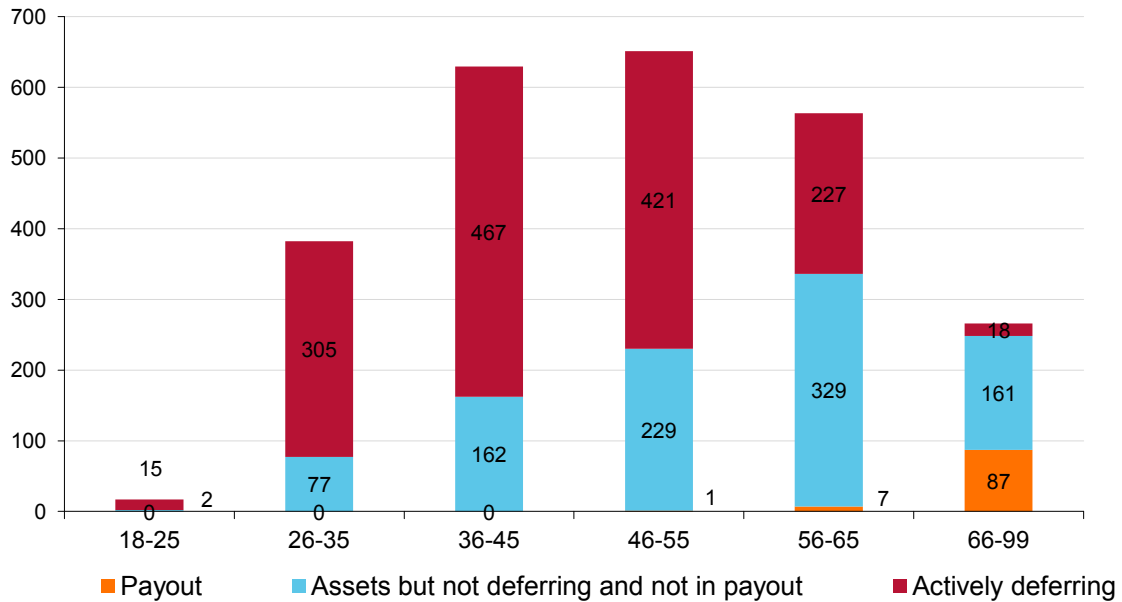


Male/Female Average Account Balance by Age as of 12/31/15

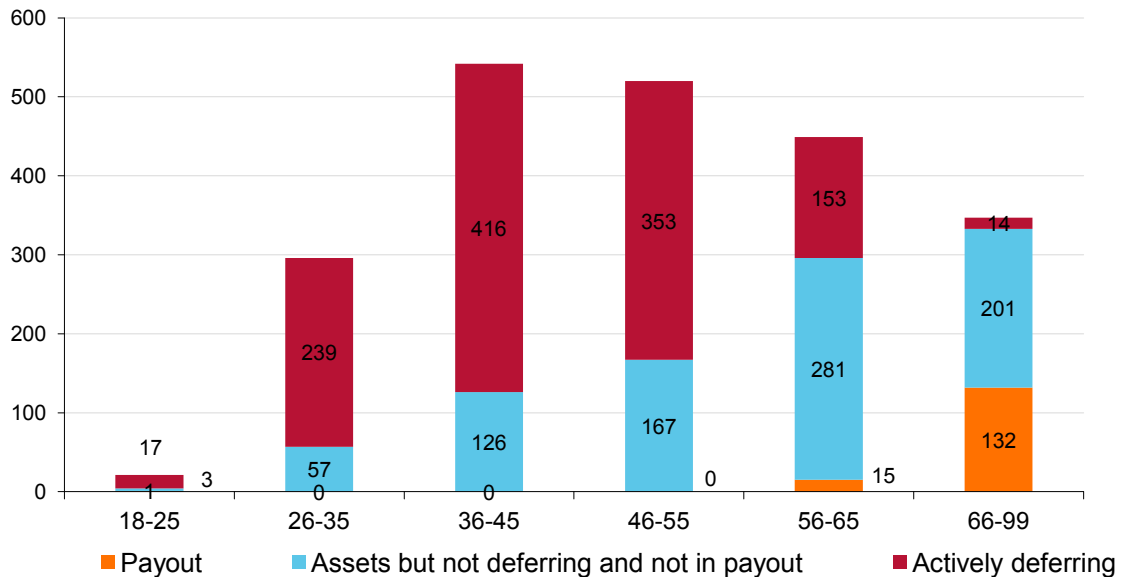


PARTICIPANT DEMOGRAPHICS

Female Participant Count by Age and Status as of 12/31/15



Male Participant Count by Age and Status as of 12/31/15



PLAN ASSETS

as of 12/31/15

Fund	Asset Value	% of Assets	Count / % of Participants	
Asset Allocation				
Great-West Lifetime 2015 Trust II	2,197,584.51	1.1%	160	3.4%
Great-West Lifetime 2025 Trust II	4,104,403.43	2.0%	251	5.4%
Great-West Lifetime 2035 Trust II	2,460,284.39	1.2%	354	7.6%
Great-West Lifetime 2045 Trust II	1,991,026.06	1.0%	388	8.3%
Great-West Lifetime 2055 Trust II	707,378.77	0.3%	199	4.2%
<u>Sub-Total Asset Allocation</u>	11,460,677.16	5.5%		
Balanced				
Oakmark Equity and Income Fund (The) - Class I	2,148,558.89	1.0%	235	5.0%
<u>Sub-Total Balanced</u>	2,148,558.89	1.0%		
Bonds				
BlackRock US Debt Index Fund W	1,898,233.33	0.9%	377	8.1%
RidgeWorth Total Return Bond Fund - IS Shares	2,739,645.23	1.3%	753	16.1%
Templeton Global Bond Fund - Class R6	517,388.11	0.2%	296	6.3%
<u>Sub-Total Bonds</u>	5,155,266.67	2.5%		
International				
BlackRock EAFE Equity Index Fund T	1,386,702.91	0.7%	428	9.1%
Ivy International Core Equity Fund - Class R6	9,613,544.98	4.6%	1,301	27.8%
Oppenheimer Developing Markets I	374,638.45	0.2%	593	12.7%
<u>Sub-Total International</u>	11,374,886.34	5.5%		
Large Cap				
Alger Spectra Fund - Class Z	40,486,472.10	19.4%	2,353	50.2%
BlackRock Equity Index Fund M	39,487,307.62	18.9%	2,064	44.1%
Columbia Dividend Income Fund - Class Y	9,739,333.16	4.7%	1,272	27.2%
<u>Sub-Total Large Cap</u>	89,713,112.88	43.0%		
Loan				
Loan Outstanding Principal Balance	4,400,992.87	2.1%	704	15.0%

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

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

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

PLAN ASSETS

as of 12/31/15

Fund	Asset Value	% of Assets	Count / % of Participants	
<u>Sub-Total Loan</u>	4,400,992.87	2.1%		
Mid Cap				
BlackRock Mid Capitalization Equity Index Fund M	6,755,449.51	3.2%	1,164	24.9%
Hennessy Focus Fund Institutional Class	5,988,483.10	2.9%	507	10.8%
<u>Sub-Total Mid Cap</u>	12,743,932.61	6.1%		
Short Term Investments				
Fresno County Stable Value Fund	60,529,144.09	29.0%	1,957	41.8%
<u>Sub-Total Short Term Investments</u>	60,529,144.09	29.0%		
Small Cap				
BlackRock Russell 2000 Index Fund M	2,069,379.32	1.0%	539	11.5%
Nicholas Limited Edition Fund - Institutional Class	5,182,405.24	2.5%	539	11.5%
Perkins Small Cap Value Fund - Class N	586,967.89	0.3%	622	13.3%
<u>Sub-Total Small Cap</u>	7,838,752.45	3.8%		
Specialty				
Fidelity Advisor Real Estate Income Fund - Institutional Class	993,345.63	0.5%	145	3.1%
Franklin Utilities Fund - Class R6	2,341,808.60	1.1%	314	6.7%
<u>Sub-Total Specialty</u>	3,335,154.23	1.6%		
Total	208,700,478.19			

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

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Section Two

Communication Plan: Review Formal

Communication & Education Plan



2016 Communication and Education Plan

Prepared exclusively for:

County of Fresno, CA

January 1, 2016 - December 31, 2016

Executive Summary

Working longer is the key to financial security, but it does not mean working forever. Half of today's households are ready to retire at age 65, but more than 85 percent would be prepared by age 70.¹ Many employees look to their employer for guidance and information on retirement savings. In fact, in a recent survey, 53% of employees said that if their employer provided them with more education, they might contribute more to their plan.²

That's why we're excited to help you educate and motivate your employees this year — so they can better prepare for and live in retirement. The following communication and education plan will show you how.

Contents of the Communication & Education Plan

This plan covers the following:

- 2015 Nationwide Retirement Solutions Summary
- County of Fresno Performance Overview
- 2016 Objectives
- Campaign Effectiveness

2015 Nationwide Summary

Over the last 80 years, Nationwide has grown from a small mutual auto insurer owned by policyholders to one of the largest insurance and financial services companies in the world, with more than \$135 billion in statutory assets.

Nationwide Retirement Solutions is a subsidiary of Nationwide Financial®. As of October 31, 2015, NRS administered nearly 8,000 governmental retirement programs across the country, representing nearly \$64 billion in plan assets and across 1.3 million participants. NRS maintains an average client relationship length of 18 years. Because of solid numbers like these, Nationwide Retirement Solutions is uniquely suited to meet the needs of the public sector in both prosperous and difficult financial times.

¹ The National Retirement Risk Index, www.bc.edu/centers/crr/, June, 2012.

² 2010 Retirement Confidence Survey, Employee Benefit Research Institute and Matthew Greenwald & Associates

County of Fresno Performance Overview

Below is an overview of key, long-term performance measures over the past two years in addition to the goals for 2016..

Business Measure	2014	2015	2016	% Change
Plan Assets		\$208.7 M		
New Enrollments		458		
Actively Deferring		2,645		
Average Participant Assets		\$44,566		
Average Annual Deferral		\$2,836		
Average Asset Classes		3.4		

2015 Highlights

- Beneficiary Update Campaign – May
- Investment Enhancement Campaign – July/August
- FCERA Nearing Retirement Workshops – January/July
- Introduction of Online Appointment Scheduler/Interactive Retirement Planner
- EZ Enrollment Creation and Introduction – October 2015 to February 2016
- 458 New Enrollments

2016 Objectives

Through education, including creative strategies and tactics outlined in our 2015 Campaign Overview, we can help you achieve recommended objectives that will benefit your employees like the ones below:

- Promote plan participation and awareness
- Encourage your participants to increase their contributions
- Help participants simplify down to one account

Your 2016 Campaign Overview includes integrated campaigns that educate participants on the basics of both your plan and retirement savings. Multiple marketing touch points will motivate employees to take action by communicating your plan's unique features and benefits, and are segmented by market type to accurately reach key groups of employees. The more opportunities we take to communicate with your employees and encourage them to take action, the more goals we can try to achieve.

Objective 1: Promote Plan Participation and Awareness

Raise awareness about your 457(b) plan and the reliable enrollment support that Nationwide Retirement Solutions provides.

Timing: January through December 2016

1. Provide print materials

- Introduction of EZ enrollment form
- Meeting notices to department contacts announcing visit
- Enrollment materials
- Communicate directly with non-participants using County census file and EZ enrollment form

2. Conduct group educational presentations and events

- Schedule regular on-site workshops/individual meetings
- Group workshops / presentations upon request:
 - o *Topics include: Participation at County's New Employee Training*
- Retirement Awareness Week – Summer 2016

3. Communicate directly with participants

- Expanded use of Online Appointment Scheduling Tool
- Direct mail
- E-mail
- Articles
- Statement messaging

Objective 2: Encourage Your Participants to Increase Their Contributions

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

Timing: January through December 2016

1. Provide print materials

- Contact and informational fliers – Exploring simplified contribution increase form
- Meeting notices
- Catch-up brochures

2. Encourage department leaders to consider regular on-site group workshops, including:

- Retirement Goals – How can you know if you are saving enough for retirement?
- Increase Contributions – Why should you regularly increase your contribution amount throughout your career?
- Online Planning Tools – *On Your Side* My Interactive Retirement PlannerSM

3. Send out direct participant communication

- Direct mail for key participant segments (for example, participants currently close to max contributions or those who have not increased in the last year)
- E-mail
- Statement messaging

4. Use mass communication outreach

- Articles
- Quarterly newsletter/statement, as appropriate
- Promotion of *On Your Side* My Interactive Retirement PlannerSM

Objective 3: Plan Diversification and Consolidation

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

Timing: January through December 2016

1. Provide print materials

- Contact / informational fliers
- Meeting notices (such as Rep quarterly visits and on-site group workshops)
- Brochures:
 - o Asset Allocation
 - o Nationwide ProAccount managed account service

2. Encourage department leaders to consider regular on-site group workshops, including:

- Asset Allocation – How could you reduce the effects of market risk and volatility in your retirement account
- Investor Profile – Why is it important to know who you are as an investor?
- Managed Accounts – Could Nationwide ProAccount be right for you?



3. Send out direct employee communication

- Statement messaging
- Targeted mailings to participants to consolidate their accounts

4. Use mass communication outreach

- Asset Allocation quarterly messaging
- Asset Allocation articles

Campaign Effectiveness

We will provide reports on a quarterly basis and at other milestones, as appropriate, on the progress of this communication and education plan. This analysis allows us to determine the effectiveness of campaign efforts and develop necessary recommended changes to the plan going forward.

When your employees look to you for guidance, look to Nationwide. From educational resources, catalog classes and on-site workshops to personalized account reviews, we're here to help your employees prepare for and live in retirement.

We look forward to partnering with you to provide effective communication and education to the County of Fresno employees in 2016.





Section Three

Plan Sponsor Fee Disclosure

Sample Fee Disclosure Summary

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 Option Fees

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

Recordkeeping Fees

Recordkeeping fees cover NRS's day-to-day plan 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. NRS 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.

Self-Directed Option Fees

Self-Directed Option (SDO) fees will only be applicable to plans that elect the self-directed Brokerage option administered through Charles Schwab. Schwab's SDO is designed to integrate with the Plan and supplement the Plans core fund menu. It provides a range of extended investment choices for participants who seek more flexibility, increased diversification and a greater role in managing their individual retirement savings inside the plan.

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 Option Fees	\$1,132,005.77
Asset Fees	\$ 129,200.94
Loan Fees	\$ 1,180.00
Self-Directed Option Fees	\$ 450.00
Other Fees	\$ 1,161.81
Total Fees	\$1,263,998.52

Sample County Fee Disclosure Detail

Investment option	Annual Asset Fee % ¹	Estimated Annual Asset Fee Paid ²	Investment Gross Expense %	Estimated Inv Gross Expense fee paid Annually	NW Admin Reimb. from IP %	Estimate NW Admin Reimbursement Paid from IP Annually
Small-Cap Value Fund	0.00%	\$0.00	1.11%	\$17,778.34	0.25%	\$4,004.13
Social Investment Fund	0.00%	\$0.00	1.22%	\$15,937.76	0.40%	\$5,225.50
Global Fund Shares	0.15%	\$6,060.45	1.02%	\$41,211.09	0.10%	\$4,040.30
Small Cap Portfolio	0.15%	\$3,314.58	0.52%	\$11,490.53	0.00%	\$0.00
International Stock Fund	0.15%	\$17,281.38	0.64%	\$73,733.89	0.10%	\$11,520.92
World Stock Fund	0.15%	\$18,512.29	0.52%	\$64,175.95	0.10%	\$12,341.53
Emerging Markets Fund	0.00%	\$0.00	0.85%	\$120,217.97	0.35%	\$49,501.52
Large Cap Value Fund	0.00%	\$0.00	0.74%	\$61,428.87	0.25%	\$20,753.00
Low-Priced Stock Fund	0.00%	\$0.00	0.80%	\$33,999.46	0.25%	\$10,624.83
Stable Value Fund 1	0.00%	\$0.00	0.44%	\$164,765.63	0.32%	\$119,829.55
Stable Value Fund 2	0.00%	\$0.00	0.59%	\$275.64	0.47%	\$219.58
High Yield Bond Fund	0.00%	\$0.00	0.75%	\$24,226.80	0.15%	\$4,845.36
Mid-Cap Value Fund	0.00%	\$0.00	1.07%	\$39,311.94	0.15%	\$5,511.02
Bank 1 Yr CD	0.00%	\$0.00	0.65%	\$445.10	0.65%	\$445.10
Bank 3 Yr CD	0.00%	\$0.00	0.55%	\$692.71	0.55%	\$692.71
Bank 3 Yr CD	0.00%	\$0.00	0.65%	\$747.76	0.65%	\$747.76
Bank 5 Yr CD	0.00%	\$0.00	0.55%	\$5,992.39	0.55%	\$5,992.39
Bank 5 Yr CD	0.00%	\$0.00	0.65%	\$2,560.92	0.65%	\$2,560.92
Bank Liquid Savings	0.00%	\$0.00	0.50%	\$70,789.08	0.50%	\$70,789.08
Bank Liquid Savings	0.00%	\$0.00	0.65%	\$45,654.80	0.65%	\$45,654.80
Balanced Fund	0.00%	\$0.00	0.94%	\$12,323.89	0.38%	\$4,982.00
Real Return Fund	0.15%	\$6,036.25	0.91%	\$36,619.91	0.00%	\$0.00
Total Return Fund	0.15%	\$29,595.97	0.46%	\$90,760.96	0.00%	\$0.00
Mid-Cap Growth Fund	0.00%	\$0.00	1.05%	\$57,421.08	0.40%	\$21,874.70
Large Cap Growth Fund	0.00%	\$0.00	0.68%	\$104,349.09	0.35%	\$0.00
Inflation-Protected Securities Fund	0.15%	\$17,220.06	0.04%	\$22,960.08	0.00%	\$40,180.14
S&P 500 Index Fund	0.15%	\$21,631.29	0.04%	\$5,768.34	0.00%	\$0.00
Mid-Cap Index Fund	0.15%	\$3,928.03	0.10%	\$2,618.69	0.00%	\$0.00
Small-Cap Index Fund	0.15%	\$5,322.92	0.10%	\$3,548.62	0.00%	\$0.00
Bond Market Index Fund	0.15%	\$297.72	0.10%	\$198.48	0.00%	\$0.00
Total		\$129,200.94		\$1,132,005.77		\$442,336.83

ENTITY XYZ – Fee Disclosure

Loan Fees	Estimated Expense
Annual Loan Fee	\$6,800
Loan Default Fee	\$800
Loan Initiation Fee	\$4,200

Self-Directed Option Fees	Estimated Expense
SDO Annual Fee	\$400
SDO Initial Fee	\$50

Other Fees	Expense
Overnight Fee	\$400
Short Term Trade Fee	\$761.81

¹ NRS may deduct fees on Nationwide Bank Products as an asset fee rather than an investment gross expense.

² The Estimated Annual Fee is equivalent to the December 2013 Average Account column on the revenue report provided.

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.



Section Four

Additional Plan Reporting



Entity: 0051910
October 1, 2015 - December 31, 2015

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

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

Questions? Contact Us!

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Write us at: NATIONWIDE RETIREMENT SOLUTIONS
PO BOX 182797
COLUMBUS OH 43218-2797

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

Activity at a Glance

Table with 2 columns: Description and Amount. Rows include Balance as of 10-01-15, Contributions/Loan Payments*, Interest/Dividend/Cap Gain/Reimb Gain/Loss, Distributions/Loan Disbursements**, Charges/Fees, and Balance as of 12-31-15.

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

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

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

Investment Option Summary - October 1, 2015 to December 31, 2015

Ending Price is as of 12/31/2015

Table with 4 columns: Investment Option, Ending Price, Units/Shares, and Value. Lists various investment options like Alger Spectra Z, BiKrk EAFE Eq Indx T, etc., and a TOTAL row.

* Fund is valued in shares rather than units

Statement Details

Participant Account Values by Investment Option - October 1, 2015 to December 31, 2015

	Beginning Balance	Contributions/ Loan Payments	Exchanges	Distributions/ Loan Disbursements	Charges/ Credits/Fees	Interest/ Dividend/ Cap Gain/ Reimb	Gain/Loss	Ending Balance
457(b) Plan (0051910001)								
*Alger Spectra Inst	\$0.00	\$0.00	-\$1.14	\$0.00	\$1.11	\$0.00	\$0.03	\$0.00
*Alger Spectra Z	\$38,265,282.68	\$674,451.01	-\$799,741.94	-\$950,090.51	-\$20,478.34	\$3,251,804.85	\$65,244.35	\$40,486,472.10
*BlkRk EAFE Eq Indx T	\$926,702.82	\$42,399.54	\$401,890.63	-\$12,572.21	-\$1,020.69	\$0.00	\$29,302.82	\$1,386,702.91
*BlkRk Eq Indx M	\$37,624,405.44	\$864,976.26	-\$402,308.43	-\$1,232,679.58	-\$20,050.11	\$0.00	\$2,652,964.04	\$39,487,307.62
*BlkRk MdCap Eq Indx M	\$7,068,899.76	\$251,657.25	-\$214,828.30	-\$549,532.67	-\$3,442.75	\$0.00	\$202,696.22	\$6,755,449.51
*BlkRk Rssl 2000 Indx M	\$2,035,484.98	\$49,382.13	-\$55,062.98	-\$36,308.76	-\$1,064.82	\$0.00	\$76,948.77	\$2,069,379.32
*BlkRk US Db Indx W	\$1,671,605.27	\$31,253.88	\$230,539.20	-\$23,381.70	-\$1,658.15	\$0.00	-\$10,125.17	\$1,898,233.33
*Col Divd Inc R4	\$0.00	-\$55.28	\$25.98	\$27.21	\$2.16	\$0.01	-\$0.08	\$0.00
*Col Divd Inc Y	\$9,387,205.60	\$165,529.69	-\$114,959.78	-\$403,299.02	-\$5,274.29	\$567,500.38	\$142,630.58	\$9,739,333.16
*Fid RealEst Inc	\$0.00	-\$200.42	\$100.72	\$99.92	\$0.55	\$0.00	-\$0.77	\$0.00
*FidAdv RealEst Inc Inst	\$1,096,758.46	\$17,126.21	\$26,667.09	-\$168,780.41	-\$508.62	\$21,973.63	\$109.27	\$993,345.63
*Fnkln Util R6	\$2,416,638.90	\$118,721.28	-\$17,996.45	-\$181,106.03	-\$1,123.15	\$98,856.57	-\$92,182.52	\$2,341,808.60
*FnklnTmp Glbl Bd Adv	\$0.00	\$0.00	-\$1.98	\$0.00	\$2.05	\$0.03	-\$0.10	\$0.00
*FnklnTmp Glbl Bd R6	\$417,890.26	\$14,209.16	\$96,644.74	-\$18,576.19	-\$570.07	\$4,122.10	\$3,668.11	\$517,388.11
Fresno County Stable Value Fund	\$59,974,977.81	\$664,913.62	\$564,046.02	-\$971,497.47	-\$29,380.96	\$0.00	\$326,085.07	\$60,529,144.09
*Great West Lftm 2015 Tr II	\$2,021,469.14	\$102,276.90	\$115,589.41	-\$70,381.49	-\$1,036.31	\$0.00	\$29,666.86	\$2,197,584.51
*Great West Lftm 2025 Tr II	\$3,685,232.00	\$286,293.43	\$79,029.12	-\$27,031.16	-\$2,041.54	\$0.00	\$82,921.58	\$4,104,403.43
*Great West Lftm 2035 Tr II	\$2,146,702.88	\$276,937.39	-\$20,038.12	-\$10,351.65	-\$1,413.20	\$0.00	\$68,447.09	\$2,460,284.39
*Great West Lftm 2045 Tr II	\$1,913,976.58	\$133,495.42	-\$18,095.01	-\$111,835.66	-\$1,192.20	\$0.00	\$74,676.93	\$1,991,026.06
*Great West Lftm 2055 Tr II	\$673,893.25	\$54,922.59	-\$39,390.06	-\$6,348.74	-\$383.66	\$0.00	\$24,685.39	\$707,378.77
*Henesy Focs Inst	\$5,243,654.78	\$113,029.09	\$508,463.93	-\$44,055.54	-\$2,901.04	\$11,843.46	\$158,448.42	\$5,988,483.10
*Jns Prkns MdCap Val T	\$0.00	\$0.00	-\$2.19	\$0.00	\$2.17	\$0.00	\$0.02	\$0.00
*Jns Prkns SmCap Val I	\$0.00	\$0.00	-\$5.04	\$0.00	\$5.01	\$0.00	\$0.03	\$0.00
*Jns Prkns SmCap Val N	\$473,356.45	\$22,818.65	\$84,859.86	-\$6,819.40	-\$423.35	\$79,224.00	-\$66,048.32	\$586,967.89
*MnSty Intl Eq I	\$0.00	\$0.00	-\$0.88	\$0.00	\$0.84	\$0.00	\$0.04	\$0.00
*Nchls Ltd Edtn Inst	\$5,274,367.25	\$136,445.17	-\$45,367.81	-\$436,814.08	-\$2,608.17	\$386,411.48	-\$130,028.60	\$5,182,405.24
*Nchls Ltd Edtn N	\$0.00	\$0.00	-\$2.09	\$0.00	\$2.11	\$0.00	-\$0.02	\$0.00
*Okmrk Eq Inc I	\$2,147,510.06	\$16,926.07	-\$45,597.51	-\$4,341.84	-\$1,052.33	\$131,513.96	-\$96,399.52	\$2,148,558.89
*Opp Devl Mkt I	\$318,864.86	\$32,787.53	\$13,745.56	-\$4,051.54	-\$292.24	\$3,579.19	\$10,005.09	\$374,638.45
*Opp Devl Mkt Y	\$0.00	\$0.00	-\$0.31	\$0.00	\$0.33	\$0.00	-\$0.02	\$0.00
*RdgWrth Seix Ttl Rtn Bd R	\$0.00	\$0.00	-\$11.67	\$0.00	\$11.77	\$0.07	-\$0.17	\$0.00
*RdgWrth Ttl Rtn Bd IS	\$2,506,146.33	\$52,662.96	\$256,932.47	-\$59,421.40	-\$1,735.28	\$16,915.39	-\$31,855.24	\$2,739,645.23
*WR Ivy Intl Cor Eq R6	\$10,283,975.47	\$324,665.87	-\$605,193.61	-\$948,444.42	-\$5,242.96	\$124,633.51	\$439,151.12	\$9,613,544.98
*WR Ivy Intl Cor Eq Y	\$0.00	-\$145.12	\$70.57	\$70.72	\$2.43	\$0.00	\$1.40	\$0.00
TOTAL	\$197,575,001.03	\$4,447,480.28	\$0.00	-\$6,277,523.62	-\$104,863.70	\$4,698,378.63	\$3,961,012.70	\$204,299,485.32

* Fund is valued in shares rather than units

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

Loan Information - October 1, 2015 to December 31, 2015

Plan Type - 457(b) Plan

Principal Balance On 10/01/2015					Principal Balance On 12/31/2015					Loan Payments this Period			*Principal Default as of 12/31/2015
Principal Balance On 10/01/2015	Principal Paid	Principal Adjustment	Principal Loan Disbursement	Principal Offset	Principal Balance On 12/31/2015	Principal Paid	Interest Paid	Finance Charges Paid	Total Payment				
\$4,749,165.86	\$441,547.79	\$2.82	\$371,547.28	\$11,252.05	\$4,667,910.48	\$441,547.79	\$60,035.58	\$0.00	\$501,583.37	\$266,917.61			

*Default amounts are included in Beginning and Ending Balances.

Investment Performance Information - October 1, 2015 to December 31, 2015

The following are percentage changes in Net Assets (with capital gains and income dividends reinvested) for the funds under the Plan, for the respective periods ended 12/31/2015. The results shown represent past performance and do not represent expected future performance or experience. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the data quoted. Performance data current to the most recent month-end may be obtained by visiting: WWW.FRESNO457.COM. Please consider the fund's investment objectives, risks, and charges and expenses carefully before investing. The prospectus contains this and other important information about the investment company. Prospectuses are available by calling (877)693-2457. Read the prospectus carefully before investing.

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

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

VRU #	Fixed Investment Option	Annualized Current Quarter Yield	Current Year Guaranteed Minimum Yield						Gross
1177	Fresno County Stable Value Fund	2.150%	N/A						Expense
VRU #	Variable Investment Options	Morningstar Category	YTD	Average 1 Year	Annual Return 5 Year	10 Year	Since Inception	Inception Date	Expense Ratio
	Specialty								
1277	FidAdv RealEst Inc Inst	Real Estate	1.81%	1.81%	8.26%	6.47%	7.65%	02/04/03	0.77%
1280	Fnkln Util R6	Utilities	-7.15%	-7.15%	11.00%	8.36%	10.14%	09/30/48	0.48%
	Small-Cap Stocks								
1228	BlkRk Rssl 2000 Indx M	Small Blend	-4.21%	-4.21%	9.35%	6.90%	6.84%	12/31/97	
1292	Nchls Ltd Edtn Inst	Small Growth	-1.83%	-1.83%	9.33%	8.02%	9.61%	05/18/87	0.86%
1293	Jns Prkns SmCap Val N	Small Value	-2.39%	-2.39%	7.61%	7.71%	N/A	10/21/87	0.56%
	International Stocks								
1104	Opp Devl Mkt I	Diversified Emerging Mkts	-13.67%	-13.67%	N/A	N/A	2.26%	12/29/11	0.87%
1225	BlkRk EAFE Eq Indx T	Foreign Large Blend	-0.63%	-0.63%	3.68%	3.15%	3.29%	06/30/99	
1281	WR Ivy Intl Cor Eq R6	Foreign Large Blend	-0.52%	-0.52%	4.51%	N/A	3.87%	04/02/07	0.86%
	Mid-Cap Stocks								
1227	BlkRk MdCap Eq Indx M	Mid-Cap Blend	-2.10%	-2.10%	10.70%	8.24%	10.40%	06/16/97	
1170	Henesy Focs Inst	Mid-Cap Growth	3.25%	3.25%	13.50%	10.75%	13.56%	01/03/97	1.10%
	Large-Cap Stocks								
1226	BlkRk Eq Indx M	Equity Index Blend	1.43%	1.43%	12.61%	7.41%	7.12%	03/05/97	
1267	Alger Spectra Z	Large Growth	7.41%	7.41%	14.25%	N/A	14.18%	12/29/10	1.23%
1269	Col Divd Inc Y	Large Value	0.84%	0.84%	11.77%	8.05%	7.37%	03/04/98	0.58%
	Balanced								
837	Okmrk Eq Inc I	Moderate Allocation	-4.60%	-4.60%	6.82%	6.62%	10.16%	11/01/95	0.74%
	Bonds								
1229	BlkRk US Db Indx W	Intermediate-Term Bond	0.57%	0.57%	3.30%	4.57%	5.62%	06/06/96	
1294	RdgWrth Ttl Rtn Bd IS	Intermediate-Term Bond	0.34%	0.34%	3.62%	4.92%	5.15%	12/30/97	0.31%
1044	FnklnTmp Gbl Bd R6	World Bond	-3.91%	-3.91%	2.72%	7.64%	7.92%	09/18/86	0.53%
	Asset Allocation								
1220	Great West Lftm 2015 Tr II (b)	Target Date 2011-2015	-0.94%	-0.94%	N/A	N/A	5.39%	06/23/11	0.89%
1221	Great West Lftm 2025 Tr II (b)	Target Date 2021-2025	-0.97%	-0.97%	N/A	N/A	6.54%	06/23/11	0.92%
1222	Great West Lftm 2035 Tr II (b)	Target Date 2031-2035	-1.21%	-1.21%	N/A	N/A	7.57%	06/23/11	0.97%
1223	Great West Lftm 2045 Tr II (b)	Target Date 2041-2045	-1.41%	-1.41%	N/A	N/A	7.62%	06/23/11	0.97%
1224	Great West Lftm 2055 Tr II (b)	Target Date 2051-2055	-1.65%	-1.65%	N/A	N/A	7.24%	06/23/11	0.98%

FEE DISCLOSURES

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

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

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

FOOTNOTES

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

RISK DISCLOSURES

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

PERFORMANCE RESULTS

Investment Performance Information - October 1, 2015 to December 31, 2015

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

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

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

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

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

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

IMPORTANT DISCLOSURES

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

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

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County of Fresno

Plan Administrator: Nathan Schroeder

Deliverable:	Service Level Agreement:	Penalty:	Frequency:	Q4: Met/Failed	Q4: Penalty	Q4: Comments
Contribution Reconciliation	Nationwide will reconcile contributions within three (3) business days from receipt of deposit	\$2,500	Per Annum	Met	\$0	Annual requirement; NRS is on track to meet this standard for 4Q2015.
Contribution Posting	Nationwide will post contributions within three (3) business days from receipt of deposit	\$2,500	Per Annum	Met	\$0	Annual requirement; NRS is on track to meet this standard for 4Q2015.
Hardship Withdrawals Paid	Nationwide will process Hardship withdrawals within three (3) business days from receipt of request	\$2,500	Per Annum	Met	\$0	Annual requirement; NRS is on track to meet this standard for 4Q2015.
Loans Funded	Nationwide will fund loans within five (5) business days from receipt of request	\$2,500	Per Annum	Met	\$0	Annual requirement; NRS is on track to meet this standard for 4Q2015.
Final Distributions Paid	Nationwide will process final distributions within five (5) business days from receipt of request	\$2,500	Per Annum	Met	\$0	Annual requirement; NRS is on track to meet this standard for 4Q2015.

Investment Fund Transfers	Nationwide will process investment fund transfers the same day if received before the close of the NYSE	\$2,500	Per Annum	Met	\$0	Annual requirement; NRS is on track to meet this standard for 4Q2015.
Rollovers into the Plan Processed and Invested	Nationwide will process and invest rollovers into the Plan within five (5) business days from receipt of deposit	\$2,500	Per Annum	Met	\$0	Annual requirement; NRS is on track to meet this standard for 4Q2015.
Participant Statements Mailed	Nationwide will mail statements to participants within twenty (20) calendar days after the end of each quarter	\$2,500	Per Annum	Met	\$0	1/13/2016
Average Wait-Time for the Call Center	Nationwide agrees to an average wait time of forty (40) seconds	\$2,500	Per Annum	Met	\$0	Q4:0:11

Participation	Nationwide agrees to increase participation by 25%, to 41.65% over the contract term based on a comparison to participation data as of December 31, 2014	\$12,500	\$12,500 at end of contract term with extensions (calculated by putting \$2,500 at risk for each year of the contract term with extensions, although penalties are not assessed on an annual basis)	Met	\$0	12/31/15 =39%
Enrollments	Nationwide agrees to increase enrollments by 25%, to 338/yr over the contract term based on a comparison to participation data as of December 31, 2014	\$12,500	\$12,500 at end of contract term with extensions (calculated by putting \$2,500 at risk for each year of the contract term with extensions, although penalties are not assessed on an annual basis)	Met	\$0	2015 Total = 458
Deferral Increases	Nationwide agrees to increase participant deferral amounts by 25%, to an average of \$3,513 annually over the contract term based on a comparison to participation data as of December 31, 2014	\$12,500	\$12,500 at end of contract term with extensions (calculated by putting \$2,500 at risk for each year of the contract term with extensions, although penalties are not assessed on an annual basis)	Met	\$0	2015 Avg = \$2,836

TRANSITION ONLY STANDARDS

Chris Yartin	Nathan Schroeder	Operations	Transition	Nationwide agrees to a one (1) business day blackout for the County upon receipt of records and assets from the County's previous provider given the cooperation of all parties involved including the previous provider and fund houses	\$20,000	Transition Only
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Total Q4

\$0.00

Fresno County, CA
Third Quarter 2015 Revenue Calculation

The information contained on this sheet is confidential and proprietary to Nationwide Retirement Solutions.
It is therefore not subject to disclosure to a third party via the Freedom of Information Act or any other means.

Investment Option	Annual Fund Reimbursement Rate	Annual Asset Fee Rate	6/30/2015 Account Value	7/31/2015 Account Value	8/31/2015 Account Value	9/30/2015 Account Value	3Q2015 Average Account Value	3Q2015 Fund Reimbursement Revenue*	3Q2015 Asset Fee Revenue*	3Q2015 Total Asset Based Revenue^
Alger Spectra Fund - Class Z	0.00%	0.19%	0	0	39,722,770	38,265,283	19,497,013	0	9,261	9,261
Alger Spectra Fund - Institutional Class	0.50%	0.19%	42,512,278	43,629,539	486	0	21,535,576	26,919	10,229	37,149
BlackRock EAFE Equity Index Fund T	0.00%	0.19%	771,089	833,352	931,745	926,703	865,722	0	411	411
BlackRock Equity Index Fund M	0.00%	0.19%	41,035,296	41,263,219	38,666,463	37,624,405	39,647,346	0	18,832	18,832
BlackRock Mid Capitalization Equity Index Fund M	0.00%	0.19%	2,091,984	2,145,280	7,334,715	7,068,900	4,660,220	0	2,214	2,214
BlackRock Russell 2000 Index Fund M	0.00%	0.19%	2,078,965	2,147,337	2,121,648	2,035,485	2,095,859	0	996	996
BlackRock US Debt Index Fund W	0.00%	0.19%	446,923	495,734	1,594,128	1,671,605	1,052,097	0	500	500
Columbia Dividend Income Fund - Class R4	0.25%	0.19%	10,247,927	10,460,342	2	0	5,177,068	3,236	2,459	5,695
Columbia Dividend Income Fund - Class Y	0.00%	0.19%	0	0	9,800,186	9,387,206	4,796,848	0	2,279	2,279
Fidelity Advisor Real Estate Income Fund - Institutional Class	0.25%	0.19%	0	0	1,102,623	1,096,758	549,845	344	261	605
Fidelity Real Estate Income Fund	0.25%	0.19%	984,173	953,140	0	0	484,328	303	230	533
Franklin Utilities Fund - Class R6	0.00%	0.19%	0	0	2,385,224	2,416,639	1,200,466	0	570	570
Franklin Utilities Series Fund - Advisor Class	0.15%	0.19%	2,656,112	2,585,706	0	0	1,310,455	491	622	1,114
Fresno County Stable Value Fund	0.00%	0.19%	60,072,067	59,911,680	60,155,571	59,974,978	60,028,574	0	28,514	28,514
Great-West Lifetime 2015 Trust II	0.00%	0.19%	2,134,791	2,206,145	2,125,917	2,021,469	2,122,081	0	1,008	1,008
Great-West Lifetime 2025 Trust II	0.00%	0.19%	3,550,149	3,680,803	3,685,492	3,685,232	3,650,419	0	1,734	1,734
Great-West Lifetime 2035 Trust II	0.00%	0.19%	2,192,713	2,327,674	2,175,155	2,146,703	2,210,561	0	1,050	1,050
Great-West Lifetime 2045 Trust II	0.00%	0.19%	2,075,341	2,125,623	2,027,180	1,913,977	2,035,530	0	967	967
Great-West Lifetime 2055 Trust II	0.00%	0.19%	796,491	813,334	695,097	673,893	744,704	0	354	354
Hennessy Focus Fund Institutional Class	0.10%	0.19%	5,023,208	5,491,610	5,307,084	5,243,655	5,266,389	1,317	2,502	3,818
Ivy International Core Equity Fund - Class R6	0.00%	0.19%	0	0	10,859,501	10,283,975	5,285,869	0	2,511	2,511
Ivy International Core Equity Fund - Class Y	0.40%	0.19%	8,773,256	8,813,818	2	0	4,396,769	4,397	2,088	6,485
Loan Outstanding Principal Balance	0.00%	0.00%	4,509,041	4,403,606	4,471,567	4,544,805	4,482,255	0	0	0
MainStay International Equity Fund - Class I	0.15%	0.19%	2,272,429	2,293,762	0	0	1,141,548	428	542	970
Nicholas Limited Edition Fund - Institutional Class	0.00%	0.19%	0	0	5,603,863	5,274,367	2,719,558	0	1,292	1,292
Nicholas Limited Edition Fund, Inc. - Class N	0.40%	0.19%	5,981,221	5,983,916	0	0	2,991,284	2,991	1,421	4,412
Oakmark Equity and Income Fund (The) - Class I	0.30%	0.19%	2,790,949	2,777,917	2,291,201	2,147,510	2,501,894	1,876	1,188	3,065
Oppenheimer Developing Markets Fund - Class Y	0.20%	0.19%	368,299	361,209	1	0	182,377	91	87	178
Oppenheimer Developing Markets I	0.00%	0.19%	0	0	316,469	318,865	158,833	0	75	75
Perkins Mid Cap Value Fund - Class T	0.25%	0.19%	5,492,536	5,535,960	0	0	2,757,124	1,723	1,310	3,033
Perkins Small Cap Value Fund - Class I	0.00%	0.19%	465,901	474,959	1	0	235,215	0	112	112
Perkins Small Cap Value Fund - Class N	0.00%	0.19%	0	0	477,455	473,356	237,703	0	113	113
RidgeWorth Seix Total Return Bond Fund - Class R	0.75%	0.19%	2,537,963	2,451,263	1	0	1,247,307	2,339	592	2,931
RidgeWorth Total Return Bond Fund - IS Shares	0.00%	0.19%	0	0	2,443,152	2,506,146	1,237,325	0	588	588
Sentinel Government Securities Fund - Class A	0.50%	0.19%	784,408	802,964	0	0	396,843	496	189	685
Templeton Global Bond Fund - Advisor Class	0.15%	0.19%	350,406	364,239	1	0	178,661	67	85	152
Templeton Global Bond Fund - Class R6	0.00%	0.19%	0	0	388,431	417,890	201,580	0	96	96
Total			212,995,915	215,334,130	206,683,128	202,119,806	209,283,245	47,018	97,280	144,298.70
Less NRS Revenue (10/19 of asset fee):										-51,200.26
Less Fee Normalization										-47,018.21
Remaining Fund Revenue:										46,080.23

* calculated based on average account values and rates

^ total of reimbursement and asset fee revenue only

Fresno County, CA
Fourth Quarter 2015 Revenue Calculation

The information contained on this sheet is confidential and proprietary to Nationwide Retirement Solutions.
It is therefore not subject to disclosure to a third party via the Freedom of Information Act or any other means.

Investment Option	Annual Fund Reimbursement Rate	Annual Asset Fee Rate	9/30/2015 Account Value	10/31/2015 Account Value	11/30/2015 Account Value	12/31/2015 Account Value	4Q2015 Average Account Value	4Q2015 Fund Reimbursement Revenue*	4Q2015 Asset Fee Revenue*	4Q2015 Total Asset Based Revenue^
Alger Spectra Fund - Class Z	0.00%	0.19%	38,265,283	40,890,435	41,117,098	40,486,472	40,189,822	0	19,090	19,090
BlackRock EAFE Equity Index Fund T	0.00%	0.19%	926,703	1,031,275	1,392,464	1,386,703	1,184,286	0	563	563
BlackRock Equity Index Fund M	0.00%	0.19%	37,624,405	40,238,501	40,176,685	39,487,308	39,381,725	0	18,706	18,706
BlackRock Mid Capitalization Equity Index Fund M	0.00%	0.19%	7,068,900	7,246,315	7,015,436	6,755,450	7,021,525	0	3,335	3,335
BlackRock Russell 2000 Index Fund M	0.00%	0.19%	2,035,485	2,179,255	2,179,284	2,069,379	2,115,851	0	1,005	1,005
BlackRock US Debt Index Fund W	0.00%	0.19%	1,671,605	1,715,204	1,874,883	1,898,233	1,789,981	0	850	850
Columbia Dividend Income Fund - Class Y	0.00%	0.19%	9,387,206	10,080,904	9,930,864	9,739,333	9,784,577	0	4,648	4,648
Fidelity Advisor Real Estate Income Fund - Institutional Class	0.25%	0.19%	1,096,758	1,115,131	988,135	993,346	1,048,343	655	498	1,153
Franklin Utilities Fund - Class R6	0.00%	0.19%	2,416,639	2,390,467	2,316,727	2,341,809	2,366,410	0	1,124	1,124
Fresno County Stable Value Fund	0.00%	0.19%	59,974,978	60,260,306	60,074,036	60,529,144	60,209,616	0	28,600	28,600
Great-West Lifetime 2015 Trust II	0.00%	0.19%	2,021,469	2,093,824	2,200,410	2,197,585	2,128,322	0	1,011	1,011
Great-West Lifetime 2025 Trust II	0.00%	0.19%	3,685,232	3,906,653	3,926,656	4,104,403	3,905,736	0	1,855	1,855
Great-West Lifetime 2035 Trust II	0.00%	0.19%	2,146,703	2,256,017	2,315,528	2,460,284	2,294,633	0	1,090	1,090
Great-West Lifetime 2045 Trust II	0.00%	0.19%	1,913,977	1,952,761	1,960,543	1,991,026	1,954,577	0	928	928
Great-West Lifetime 2055 Trust II	0.00%	0.19%	673,893	695,693	713,757	707,379	697,680	0	331	331
Hennessy Focus Fund Institutional Class	0.10%	0.19%	5,243,655	5,989,968	6,005,013	5,988,483	5,806,780	1,452	2,758	4,210
Ivy International Core Equity Fund - Class R6	0.00%	0.19%	10,283,975	10,858,386	9,925,657	9,613,545	10,170,391	0	4,831	4,831
Loan Outstanding Principal Balance	0.00%	0.00%	4,544,805	4,448,552	4,490,222	4,400,993	4,471,143	0	0	0
Nicholas Limited Edition Fund - Institutional Class	0.00%	0.19%	5,274,367	5,468,747	5,353,808	5,182,405	5,319,832	0	2,527	2,527
Oakmark Equity and Income Fund (The) - Class I	0.30%	0.19%	2,147,510	2,230,509	2,198,515	2,148,559	2,181,273	1,636	1,036	2,672
Oppenheimer Developing Markets I	0.00%	0.19%	318,865	357,231	373,194	374,638	355,982	0	169	169
Perkins Small Cap Value Fund - Class N	0.00%	0.19%	473,356	514,600	593,648	586,968	542,143	0	258	258
RidgeWorth Total Return Bond Fund - IS Shares	0.00%	0.19%	2,506,146	2,559,702	2,776,045	2,739,645	2,645,385	0	1,257	1,257
Templeton Global Bond Fund - Class R6	0.00%	0.19%	417,890	451,349	531,820	517,388	479,612	0	228	228
Total			202,119,806	210,931,785	210,430,431	208,700,478	208,045,625	3,743	96,698	100,440.72
Less NRS Revenue (10/19 of asset fee):										-50,893.62
Less Fee Normalization										-3,742.85
Remaining Fund Revenue:										45,804.25

* calculated based on average account values and rates

^ total of reimbursement and asset fee revenue only

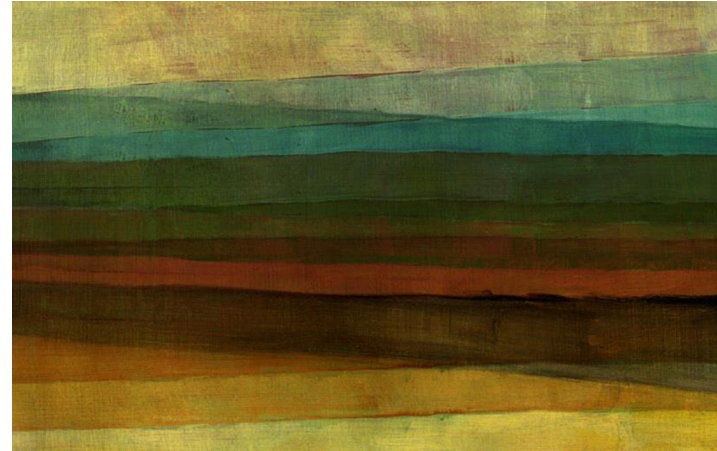
ITEM 12

Fiduciary Diagnostic

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	
	Conduct Committee Meetings (2-4/year)	<input checked="" type="checkbox"/> Yes	
Selecting and Monitoring Service Providers	Selecting and Monitoring:		Service agreement to be completed for 8/16 meeting
	• Consultants	<input checked="" type="checkbox"/> Yes	
	• Plan Providers	<input checked="" type="checkbox"/> Yes	
Service Provider Agreement Review	<input type="checkbox"/> Yes		
Understanding and Documenting Fees and Expenses	Annual Fee Reconciliation Report	<input type="checkbox"/> Yes	Will be presented at the 8/16 meeting. Investment product fee review was completed in 2015
Selecting and Monitoring Plan Investments	Investment Policy Statement	<input checked="" type="checkbox"/> Yes	Target Date Review scheduled as a special session for Fall 2016 special session
	Investment Scorecard™	<input checked="" type="checkbox"/> Yes	
	Target Date Fund Review	<input 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	
Claims and Appeal Procedures	Documentation of Claims and Appeals (actual events)	<input type="checkbox"/> Yes	Nationwide renders final decision on all appeals
Plan Demographic and Document Review	Plan Design Summary	<input type="checkbox"/> Yes	Plan document review pending and budgeted for 2016. 408(b)(2) august 2016, 404(a)(5) 2017
	Plan Document Review	<input type="checkbox"/> Yes	
	408(b)(2) Disclosure	<input type="checkbox"/> Yes <input type="checkbox"/> N/A	
	404(a)(5) Disclosure	<input type="checkbox"/> Yes <input type="checkbox"/> N/A	
Legal and Compliance Update	Executive Regulatory Summary	<input checked="" type="checkbox"/> Yes	Provided quarterly

ITEM 13

County of Fresno
457 DC Plan



Quarterly Report - December 31, 2015

HEINTZBERGER | PAYNE
Client-Driven Investment Services

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Quarterly Market Commentary and Outlook, December 31, 2015

Quarter in Review and Glance Ahead

Fourth quarter and annual 2015 equity performances exemplified last year's diversity among various regions and asset classes. On the domestic, large-cap side, Q4 produced gains which more than offset weakness in the third quarter. For smaller-capped stocks and most bellwether foreign markets, however, it was a disappointing year earmarked by choppy economic results and geopolitical turmoil. Overall, it would be fair to classify 2015 as another 'flight to quality' year.

The S&P 500 index rose +7.0% in the fourth quarter and +1.4% for the year, led by stronger gains in October following the August-September pullback. Large-cap Growth stocks materially outperformed, rising +5.7% on the year, while Value stocks declined -3.8%. Much was written about the FANG stocks, without whose average +80% performance the S&P 500 would have been negative by more than -5%. Facebook, Amazon, Netflix and Google (actually its Alphabet offshoot) led the board last year, with lofty valuations in some cases more than 100x the market earnings multiple.

Mid- and small-caps also ran along similar style lines, despite the lack of mega-cap winners. Mid-cap Value fell -4.8% while Growth gained +4.1% (index fell -2.4%). Small-cap Value fell -5.7% while Growth fell -1.4% (index down -4.4%).

Economic sector performance ran the gamut. Leaders included Consumer Discretionary (+10.1%), Health Care (+6.9%), Consumer Staples (+6.6%) and Information Technology (+5.9%), while laggards included the much-maligned Energy (-21.1%), Materials (-8.4%), Utilities (-4.9%) and Industrials (-2.5%). Energy is currently the most-watched sector, given crude oil's drop from \$110 to \$31 and past cycles with strong, reversion-to-the-mean upswings.

Among all major, foreign indexes, the S&P 500 was one of three indexes to produce a positive return in 2015. Japan was +9.9% and France eked out a +0.8% gain. The Eurozone index was off -2.3%, with Germany off -1.3% and Spain -15.4%. Non-Eurozone United Kingdom fell -7.5%, India -6.1%, China -7.6%, Australia -9.8%, Mexico -14.2% and Brazil -41.2%. Emerging market economies with heavy exposure to commodities were especially prone to weakness, as the CRB commodity index (~80% non-oil) fell -25% on the year.

Two major influences in Q4 and 2015 were the first Fed Funds rate hike by the FOMC and the failure of China to resume faster economic growth. All are aware of the hawkish false starts we've endured from the Fed since 2014, but last year's employment data was apparently enough to get leadership off the dime and start the move off 0%. Seven years at 0% nominal and -1% to -2% negative real interest rates was long enough, and certainly longer than at any previous time in U.S. market history. Chairwoman Yellen and her compatriots in the FOMC appear more confident in America's ability to grow despite challenges with some trading partners, but recent bond and equity market volatility tell a different story.

Much hope had been placed in China's potential for a second-half 'hockey stick' of growth above +7%. At that level, according to prior government missives, import and export growth is sufficient to keep employment gains stable and supportive of real estate values. Unfortunately, China is expected to grow at between 6.5%-6.8% for the next several years, which is a far cry from its average, +10.5% GDP growth rate for the past decade (2000-2010). It declined below +8% growth in 2013 and has not yet regained that pace.

2016 prospects perhaps better than feared

This year could reveal a healthier environment overall, given the potential benefit related to several important inputs. First, a mitigation in U.S. Dollar gains, and second, the extent to which many regions/sectors/stocks have already corrected.

The dollar impact was severe in 2015, but much of that is tapering off this year. The dollar index (primarily the Euro, Yen and Pound) rose more than +20% between Q1 of 2014 and Q1 of 2015, meaning that the bulk of that negative currency translation for U.S. multinationals had to occur during calendar 2015. So far YTD, the dollar index is close to flat, and approximates the high point of March 2015. In other words, domestic companies doing business with our major, developed trading partners should see minimal currency impact this year. The outlier remains China, as it has undertaken to devalue its Yuan in an effort to revitalize exports. We would not mind some help from China (30% of the growth in global GDP) at the expense of a relatively stronger dollar.

When just a few stocks carry index performance, it is said to be a 'narrow' market. Following FANG's parabolic rise last year, it is unlikely we'll see a repeat of their index dominance. But instead of seeing a broadly extended equity market heading into a new year, we actually have only 25% of S&P 500 constituents trading above their 200-day moving averages. Given that that percentage was north of 60% in November and was above 70% for most of 2015, a healthy portion of valuation and momentum excess has already been sifted out of the market.

As for interest rates and the Fed, a best-case scenario may be that Yellen is right on domestic strength, Europe maintains its gradual trajectory of growth, and China gets the second-half lift it's been striving for. Central banks globally remain very accommodating, using a combination of low policy rates, open market trading and other stimulus measures to foster liquidity and expansion. At present, world GDP growth is expected to run at +3.5% in 2016 following +3.3% in 2015. If proven to be true – at least in direction – the Fed would be following suit of past cycle by raising into strength (albeit several years later).

Remember the Context of Long-Term Cycles

As before, we believe it important to remain mindful of current conditions in the context of this cycle's healthy returns. We are entering our 8th year of economic and market expansion. In terms of equity returns, the S&P 500

index had risen over +212% between the cyclical low in March of 2009 and May of last year. This gain compares to +240% from 1994 to 2000, and +102% from 2002 to 2007.

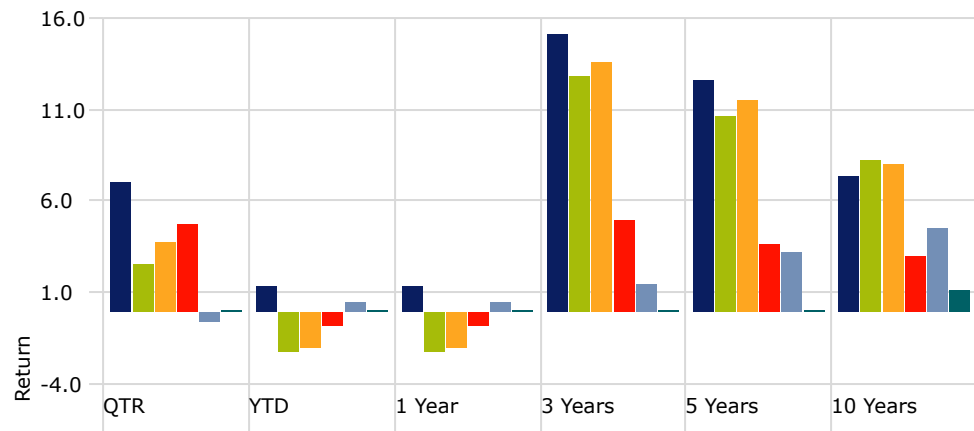
From a long-term technical perspective, we remain extended despite the recent pullback. Extended valuations have improved (forward P/E from 17x to 15x), but y-o-y EPS expectations are -5% for the fourth quarter and +8% for 2016 – and we will need to see the S&P 500 return to that range of growth in order to justify higher prices.

Our best sense remains that we are more likely to be in the midst of a mid-cycle breather than at the end of a cycle. Indeed, China needs to get back over +7% GDP growth in order to maintain lofty employment and development objectives. Europe needs to keep progressing with the help of its own quantitative easing activities. The U.S. needs to earn its valuations, and be right on its new, hawkish stance.

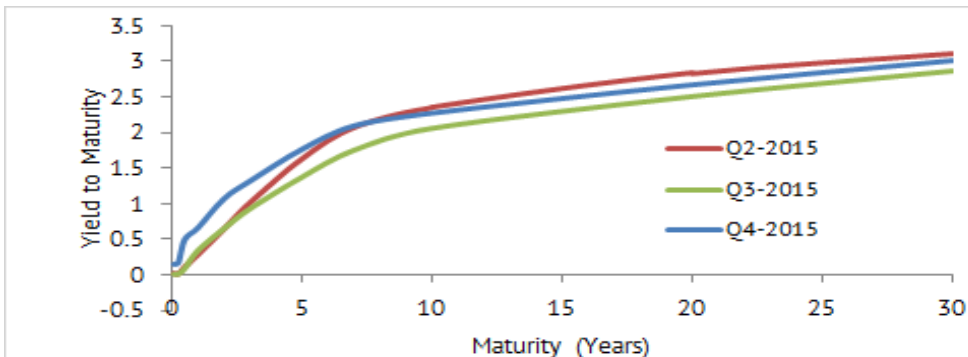
Thank you for the opportunity to be of service,
Heintzberger | Payne Advisors
December 31, 2015

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Trailing Returns



	QTR	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500	7.04	1.38	1.38	15.13	12.57	7.31
S&P MidCap 400	2.60	-2.18	-2.18	12.76	10.68	8.18
S&P SmallCap 600	3.72	-1.97	-1.97	13.57	11.48	8.01
MSCI EAFE	4.71	-0.81	-0.81	5.01	3.60	3.03
Barclays US Agg Bond	-0.57	0.55	0.55	1.44	3.25	4.51
Citi TBill 3Mo	0.01	0.03	0.03	0.04	0.05	1.17



Date	3 Month	1 Year	3 Year	5 Year	10 Year	30 Year
Q2-2015	0.01	0.28	1.01	1.63	2.35	3.11
Q3-2015	0.00	0.33	0.92	1.37	2.06	2.87
Q4-2015	0.16	0.65	1.31	1.76	2.27	3.01

Market Overview

Trailing Quarter

Fourth quarter and annual 2015 equity performances exemplified last year's diversity among various regions and asset classes. Overall, it would be fair to classify 2015 as another 'flight to quality' year. US large cap stocks closed with a gain of +7.04%, US mid cap stocks rose +2.60%, and US small cap stocks were up +3.72%. Foreign stocks, as represented by the MSCI EAFE Index, experienced similar gains, returning +4.71% for the quarter. Bonds on the other hand were the sole loser over the quarter, down -0.57%. Cash continued to post a negligible yield.

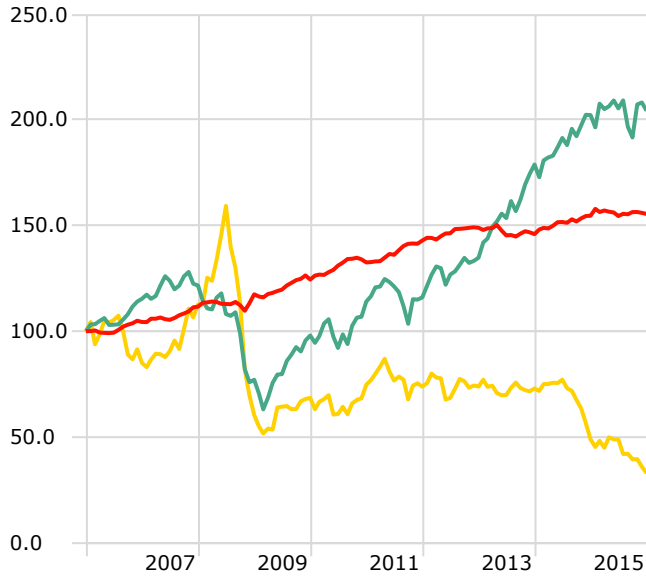
Fixed Income Insights

Bonds, as measured by the Barclays US Aggregate Bond Index, dropped -0.6% in the fourth quarter and was +0.6% for the year. The parallel global bond index was down -1.3% and -6.0%, again highlighting the flight to quality (U.S.) U.S. Treasuries were up -0.9% and +0.8% for the quarter and year, while Agencies were -0.9% and +0.9%, Municipals +1.5% and +3.3%, investment-grade corporates -0.6% and -0.7%, and high-yield corporates -2.2% and -4.6%.

Returns favored domestic, government and insured issues, with munis outperforming the lot. Outside of tax-free bonds, return distributions again favored shorter-duration bonds not issued by corporations (correctly perceived as higher risk).

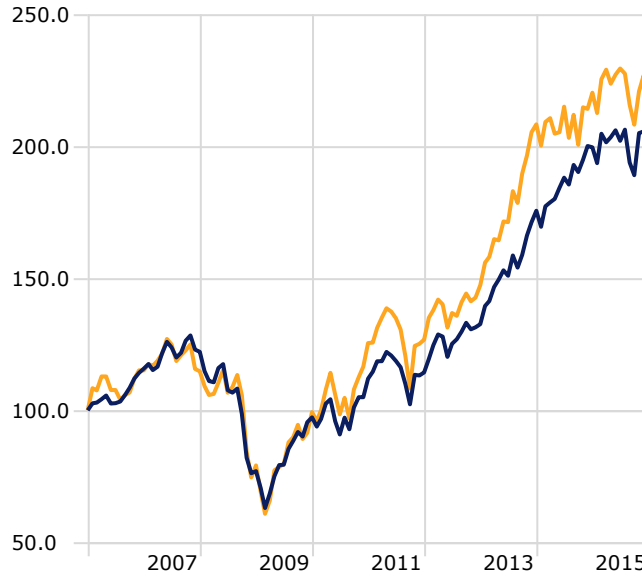
Same story, new quarter: the flight to quality environment lingers among bonds, especially now that global growth concerns are in the cross-hairs and China is openly engaged in currency devaluation. If global growth and emerging currencies weaken, more value is placed on U.S. currency and debt, especially given the strong yield advantage available in benchmark, 10-year bonds.

Stocks vs. Bonds vs. Commodities



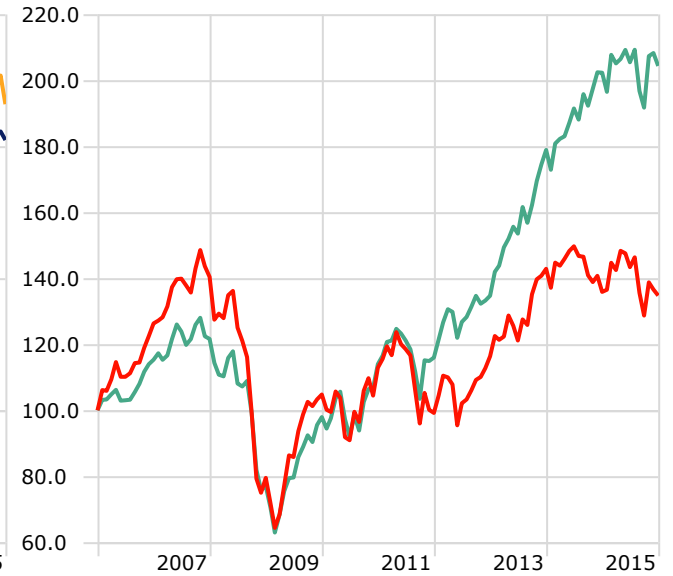
-Barclays US Agg Bond -S&P 1500 -S&P GSCI

Large Cap vs. Small Cap



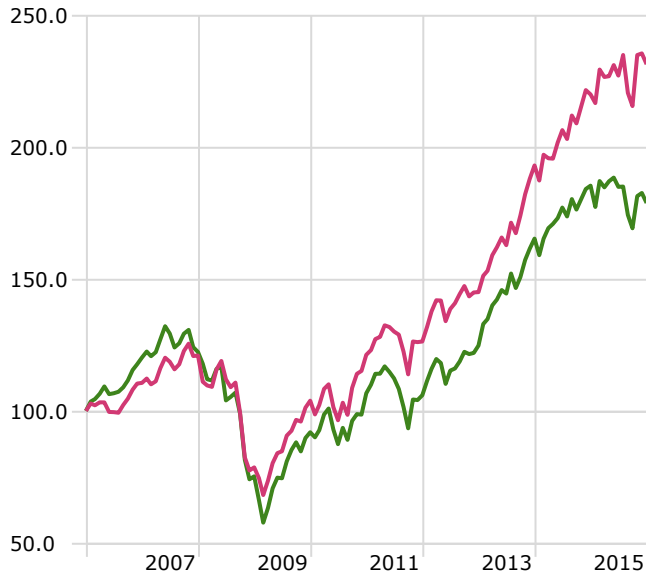
-S&P 500 -S&P SmallCap 600

Domestic vs. International



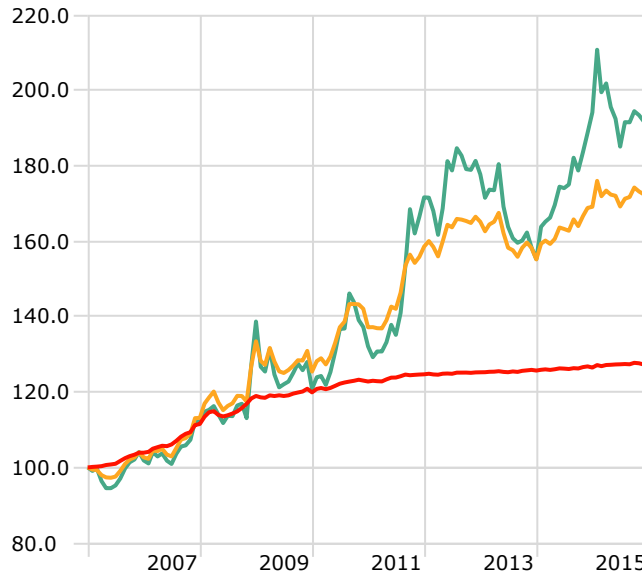
-MSCI EAFE -S&P 1500

Growth vs. Value



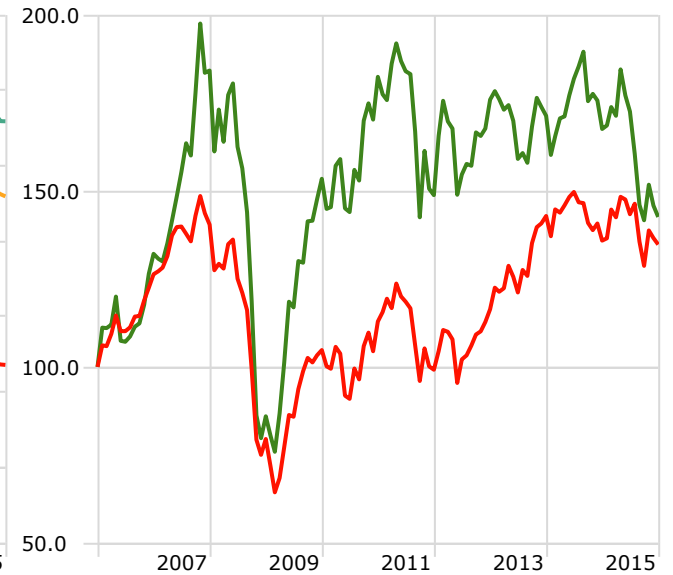
-S&P 1500 Growth -S&P 1500 Value

Fixed Income: Long vs. Short Duration



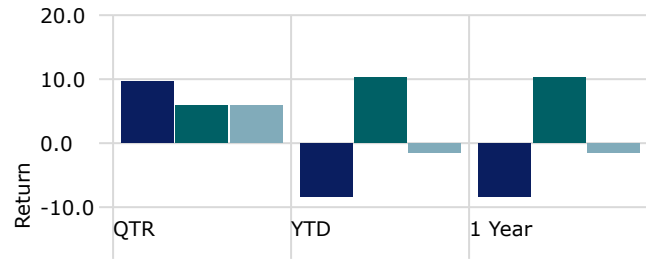
-Barclays US Treasury 1-3 Yr -Barclays US Treasury 7-10 Yr -Barclays US Treasury Long

Developed vs. Emerging



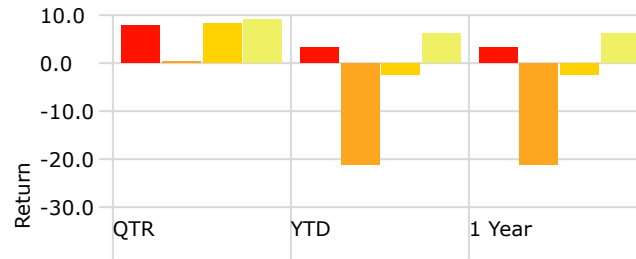
-MSCI EAFE -MSCI EM

S&P 500 Sector: Large-Cyclical



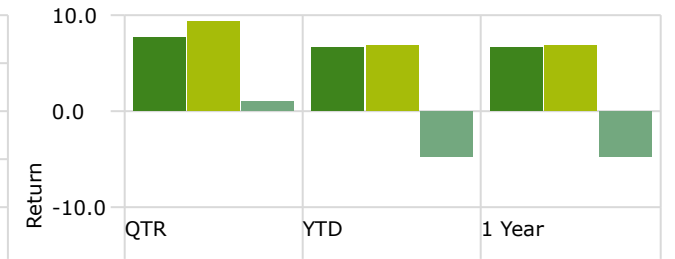
	QTR	YTD	1 Year
Materials	9.69	-8.38	-8.38
Consumer Discr.	5.79	10.11	10.11
Financials	5.96	-1.53	-1.53

S&P 500 Sector: Large-Sensitive



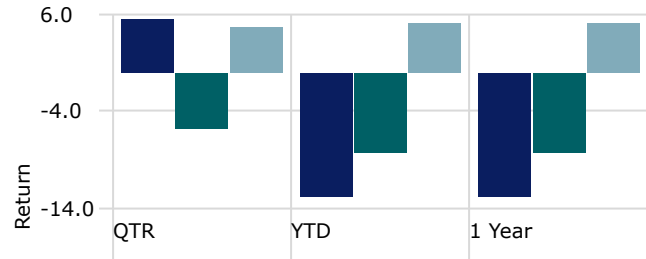
	QTR	YTD	1 Year
Telecom	7.61	3.40	3.40
Energy	0.20	-21.12	-21.12
Industrials	8.00	-2.53	-2.53
Technology	9.17	5.92	5.92

S&P 500 Sector: Large-Defensive



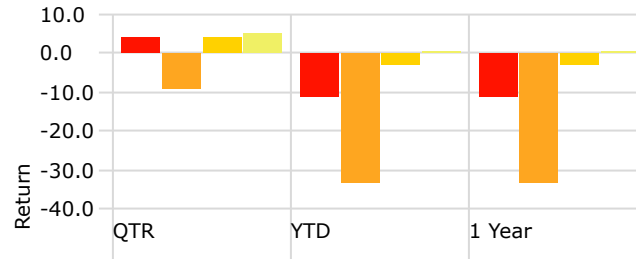
	QTR	YTD	1 Year
Consumer Staples	7.64	6.60	6.60
Health Care	9.22	6.89	6.89
Utilities	1.07	-4.85	-4.85

S&P 400 Sector: Mid-Cyclical



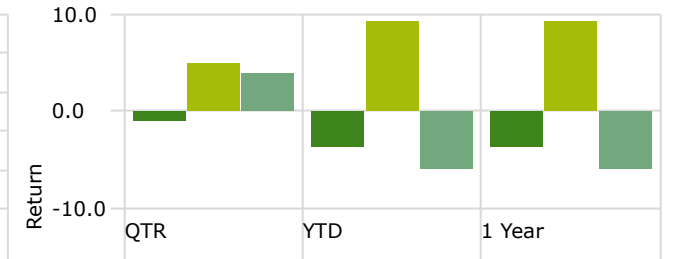
	QTR	YTD	1 Year
Materials	5.46	-12.74	-12.74
Consumer Discr.	-5.79	-8.17	-8.17
Financials	4.66	5.13	5.13

S&P 400 Sector: Mid-Sensitive



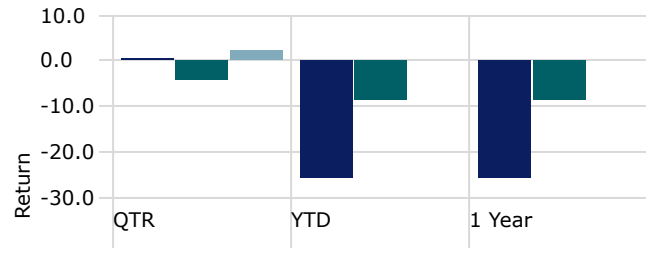
	QTR	YTD	1 Year
Telecom	4.28	-11.09	-11.09
Energy	-9.14	-33.01	-33.01
Industrials	4.33	-3.13	-3.13
Technology	5.17	0.61	0.61

S&P 400 Sector: Mid-Defensive



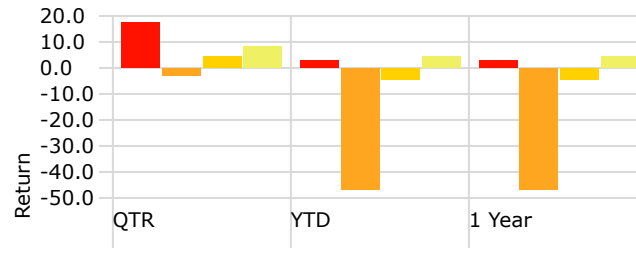
	QTR	YTD	1 Year
Consumer Staples	-0.89	-3.57	-3.57
Health Care	5.00	9.22	9.22
Utilities	3.98	-5.94	-5.94

S&P 600 Sector: Small-Cyclical



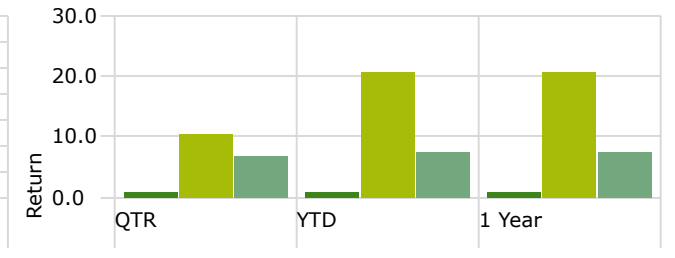
	QTR	YTD	1 Year
Materials	0.53	-25.64	-25.64
Consumer Discr.	-4.05	-8.74	-8.74
Financials	2.28	0.36	0.36

S&P 600 Sector: Small-Sensitive



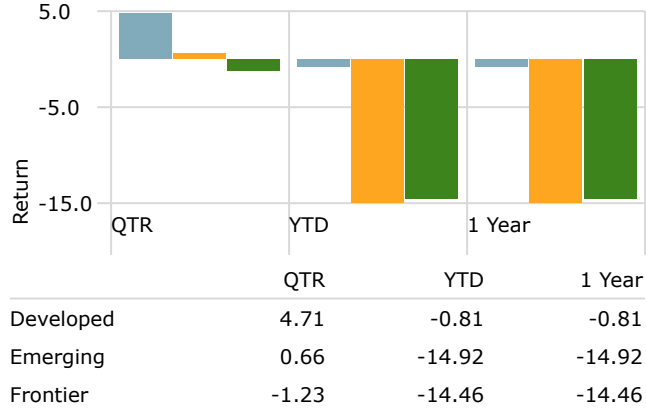
	QTR	YTD	1 Year
Telecom	17.06	2.45	2.45
Energy	-3.35	-47.27	-47.27
Industrials	4.25	-5.28	-5.28
Technology	8.13	4.65	4.65

S&P 600 Sector: Small-Defensive

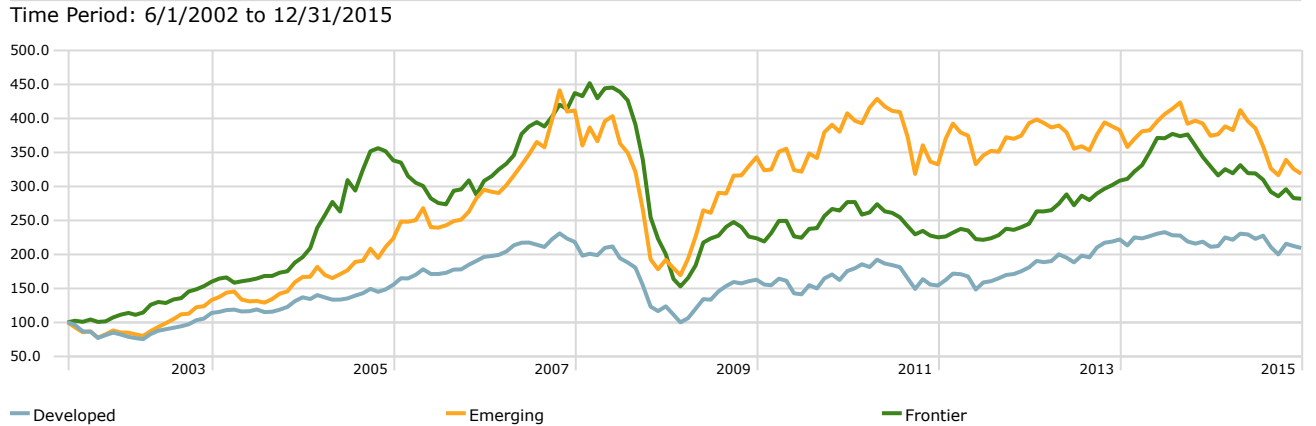


	QTR	YTD	1 Year
Consumer Staples	0.85	0.72	0.72
Health Care	10.56	20.73	20.73
Utilities	6.92	7.50	7.50

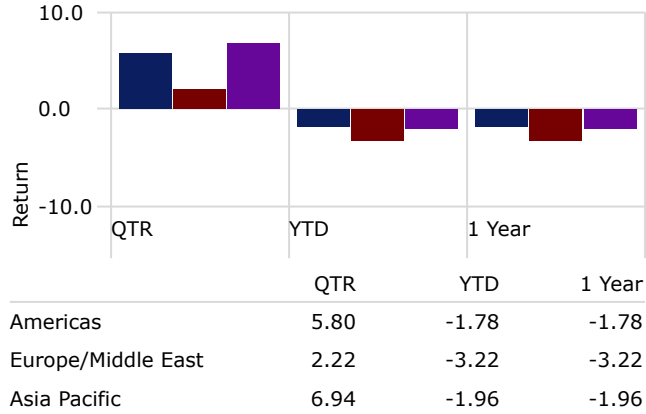
Developed, Emerging, and Frontier Markets



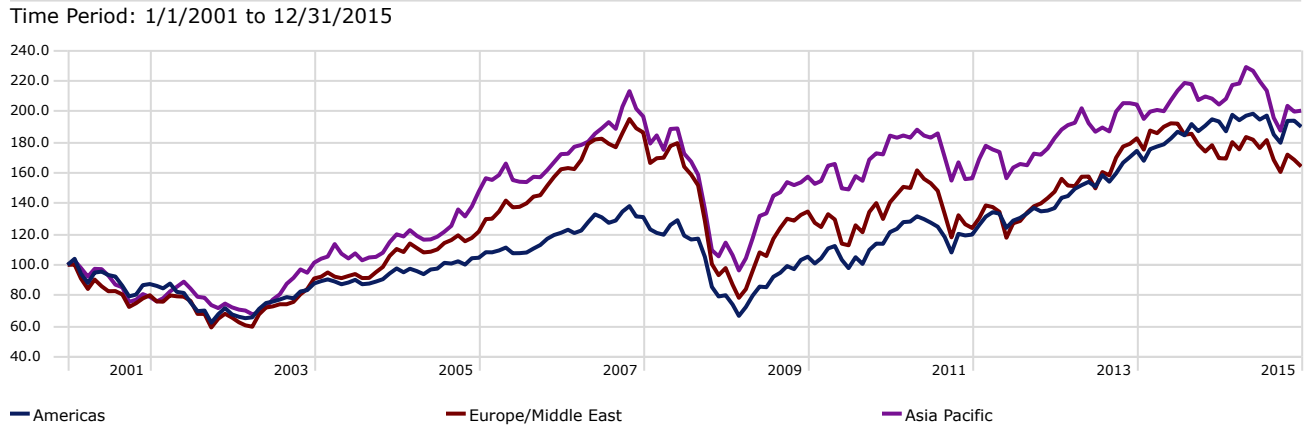
Developed, Emerging, and Frontier Markets - Long Term Performance



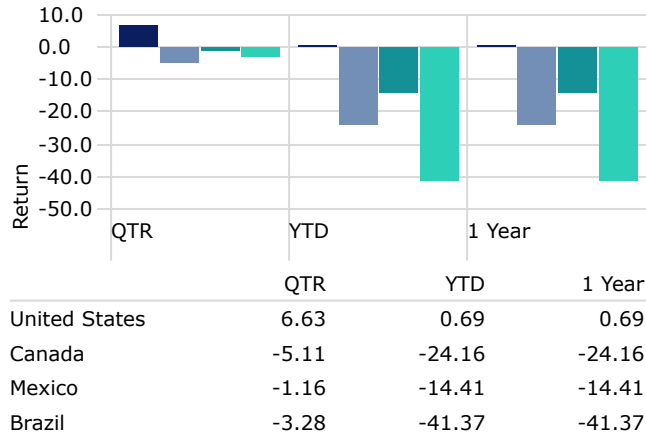
Regional Comparison



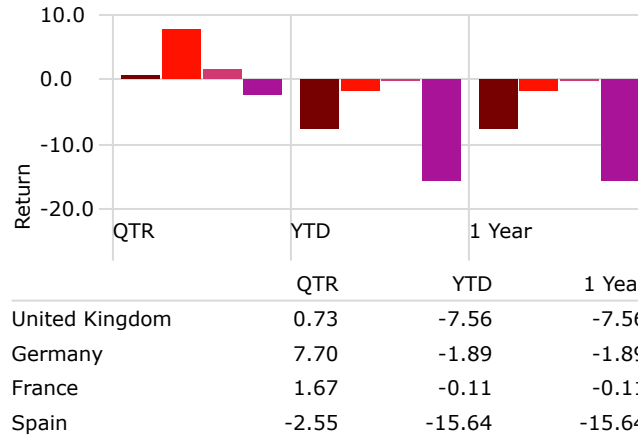
Regional Comparison - Long Term Performance



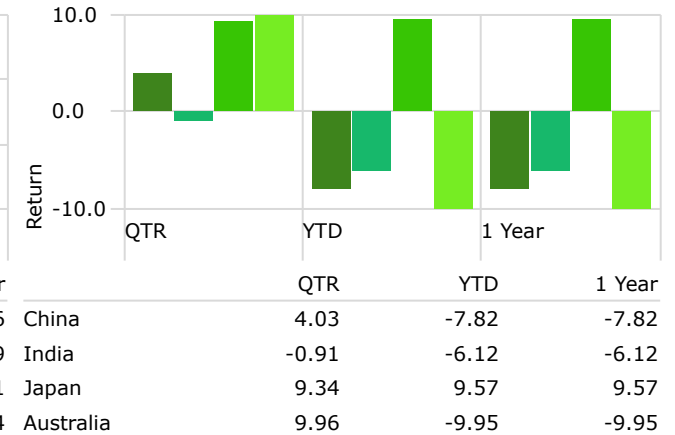
Selected Countries - Americas



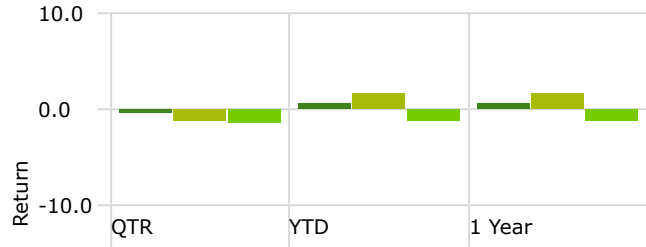
Selected Countries - Europe/Middle East



Selected Countries - Asia Pacific



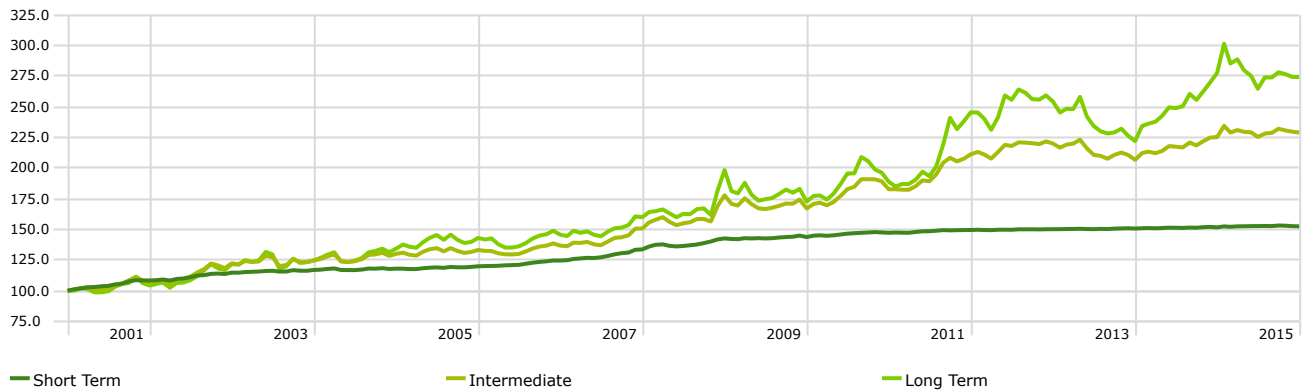
US Treasuries



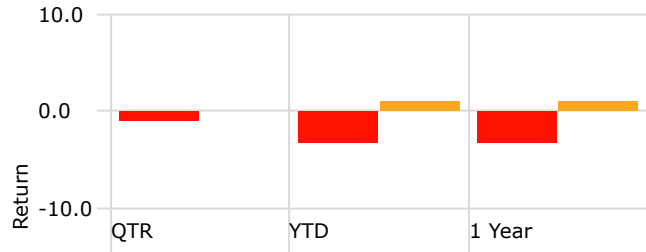
	QTR	YTD	1 Year
Short Term	-0.43	0.56	0.56
Intermediate	-1.35	1.63	1.63
Long Term	-1.38	-1.21	-1.21

US Treasuries - Long Term Performance

Time Period: 1/1/2001 to 12/31/2015



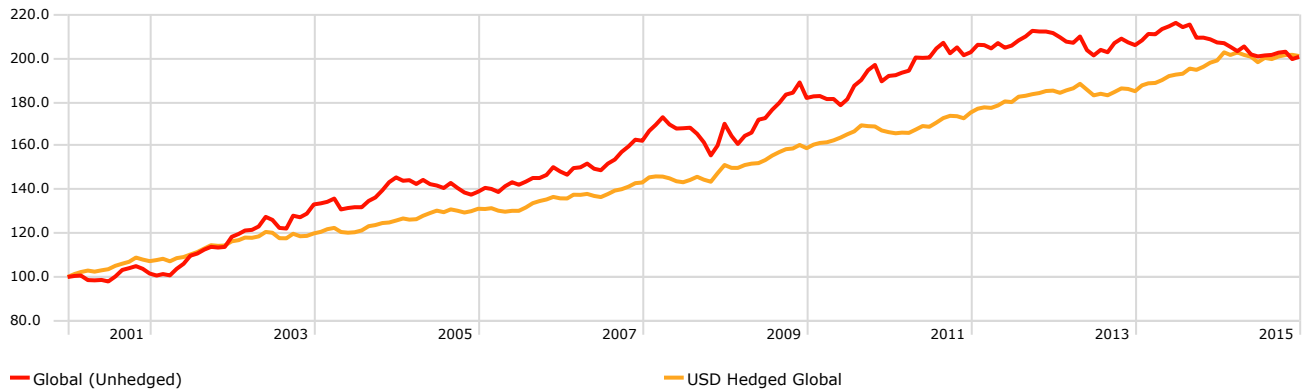
Global Hedged vs. Unhedged



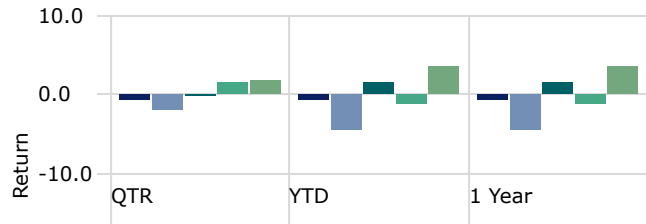
	QTR	YTD	1 Year
Global (Unhedged)	-0.92	-3.15	-3.15
USD Hedged Global	0.10	1.02	1.02

Global Hedged vs. Unhedged - Long Term Performance

Time Period: 1/1/2001 to 12/31/2015



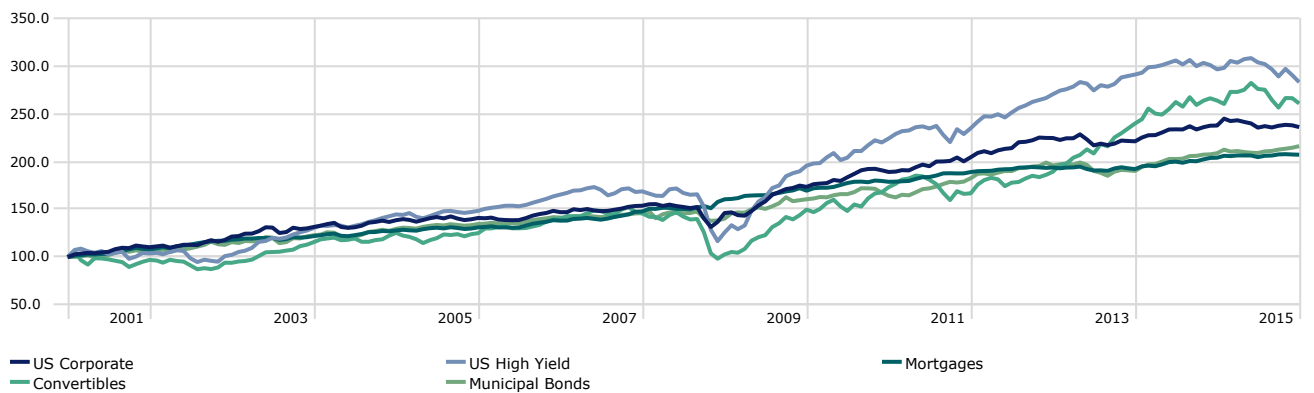
Selected Fixed Income Sectors



	QTR	YTD	1 Year
US Corporate	-0.58	-0.68	-0.68
US High Yield	-2.06	-4.52	-4.52
Mortgages	-0.16	1.52	1.52
Convertibles	1.67	-1.15	-1.15
Municipal Bonds	1.72	3.55	3.55

Selected Fixed Income Sectors - Long Term Performance

Time Period: 1/1/2001 to 12/31/2015



County of Fresno 457 DC Plan

Executive Summary

Legislative Updates

New Social Security Legislation Signed into Law

- New Social Security legislation was signed into law on November 2, 2015
- Two Social Security claiming strategies are being eliminated
 - File and Suspend
 - This claiming strategy (*individual can file and suspend payment and also retain the right to receive a lump-sum payment of suspended benefits*) will no longer be available after May 1, 2016 except for individuals at FRA that have filed and suspended by May 1, 2016
 - Restricted Application
 - This claiming strategy is no longer available for individuals who turn 62 in 2016 or later (*individuals can file a “restricted application” for spousal benefits once they reach FRA versus having to claim all benefits upon filing*)
- Individuals currently receiving benefits under these strategies will not be impacted
- Due to the elimination of the file-and-suspend and restricted application claiming strategies, HPA is encouraging its clients to revisit their retirement income plans as necessary

Federal Open Market Committee (FOMC) Actions

- For the first time in almost 10 years, The FOMC raised their target for the federal funds rate 0.25% higher to a range of 0.25% to 0.50%
- Along with the rate increase, the Fed also added the word “gradual” to their policy statement in describing the pace at which hikes would most likely occur going forward
- The Fed meets again at the end of January and the market is placing very low odds on a second hike at this meeting

IRS Announces 2016 Retirement Plan Contribution Limits

- On October 21, the IRS announced the annual adjustments to the contribution and benefit limitations under qualified plans for 2016
 - The employee deferral contribution limit for 401(k), 403(b), and most 457 plans remains unchanged at \$18,000
 - The catch-up contribution limit for employees age 50 and over also remains unchanged at \$6,000
 - The defined contribution plan limitation under Code section 415(b) remains \$210,000

- The limit on annual compensation that can be taken into account pursuant to Code section 401(a)(17) remains \$265,000
- The limitation in the definition of highly compensated employee remains \$120,000
- The annual and catch-up contribution limits for IRAs remain unchanged at \$5,500 and \$1,000, respectively

Pending Action Items

Stable Value Review

NAGDCA Summary

Nationwide Review

- Annual Nationwide service agreement review, Q2 2016

Completed Action Items

Fiduciary Education

Education Campaign

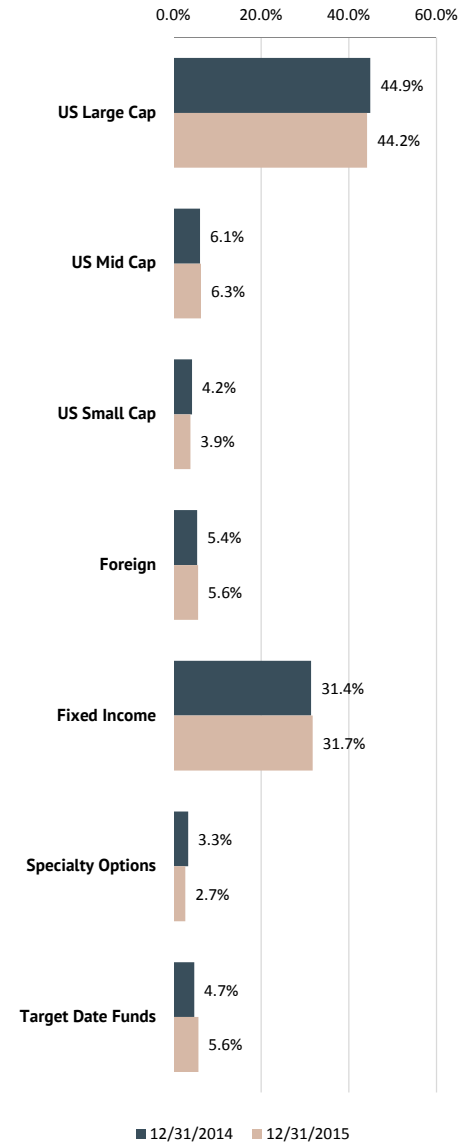
- Joint effort between Nationwide, Fresno County, and HPA

Fund Changes

Summary of County of Fresno 457 DC Plan - Trailing Year

Data as of 12/31/2015

Asset Class	Ticker	%	12/31/2014	Net Increases/Decreases	12/31/2015	%
US Large Cap		44.9%	\$92,764,506	(3,051,393)	\$89,713,113	44.2%
Alger Spectra Z	ASPZX	0.0%	0	40,486,472	40,486,472	19.9%
Alger Spectra I	ASPIX	19.5%	40,359,970	(40,359,970)	0	0.0%
Columbia Dividend Income Y	CDDYX	0.0%	0	9,739,333	9,739,333	4.8%
Columbia Dividend Income Z	GSFTX	5.2%	10,652,574	(10,652,574)	0	0.0%
BlackRock Equity Index - Collective F2	O2CFF1	20.2%	41,751,962	(2,264,654)	39,487,308	19.5%
US Mid Cap		6.1%	\$12,493,948	249,985	\$12,743,933	6.3%
Perkins Mid Cap Value T	JMCVX	2.9%	6,044,045	(6,044,045)	0	0.0%
Hennessy Focus Fund	HFCIX	2.3%	4,648,033	1,340,450	5,988,483	3.0%
BlackRock Mid Cap Index - Collective F	O3CFF2	0.9%	1,801,870	4,953,580	6,755,449	3.3%
US Small Cap		4.2%	\$8,703,052	(864,299)	\$7,838,752	3.9%
Nicholas Limited Edition I	NCLEX	0.0%	0	5,182,405	5,182,405	2.6%
Nicholas Limited Edition N	NNLEX	2.9%	5,899,770	(5,899,770)	0	0.0%
Perkins Small Cap Value N	JDSNX	0.0%	0	586,968	586,968	0.3%
Perkins Small Cap Value I	JSCOX	0.2%	449,348	(449,348)	0	0.0%
BlackRock Russell 200 Index - Collective F	O3CFF3	1.1%	2,353,934	(284,555)	2,069,379	1.0%
Foreign		5.4%	\$11,184,995	189,894	\$11,374,889	5.6%
Ivy International Core Equity R6	IINCX	0.0%	0	9,613,545	9,613,545	4.7%
Ivy International Core Equity Y	IVVYX	3.9%	8,048,805	(8,048,805)	0	0.0%
MainStay International Equity I	MSIIX	1.2%	2,424,350	(2,424,350)	0	0.0%
Oppenheimer Developing Markets I	ODVIX	0.0%	0	374,639	374,639	0.2%
Oppenheimer Developing Markets Y	ODVYX	0.1%	251,127	(251,127)	0	0.0%
BlackRock EAFE Equity Index - Collective F	10CFF5	0.2%	337,213	1,049,493	1,386,705	0.7%
First Eagle Overseas A	SGOVX	0.1%	123,500	(123,500)	0	0.0%
Fixed Income		31.4%	\$64,789,217	(417,735)	\$64,371,482	31.7%
RidgeWorth Seix Total Return Bond IS	SAMZX	0.0%	0	2,739,645	2,739,645	1.3%
RidgeWorth Total Return Bond R	SCBLX	1.2%	2,512,798	(2,512,798)	0	0.0%
Sentinel Government Securities A	SEGSX	0.4%	840,550	(840,550)	0	0.0%
BlackRock US Debt Index Fund - Coll F	O4CFF4	0.1%	182,815	1,715,423	1,898,238	0.9%
Templeton Global Bond R6	FBNRX	0.0%	0	517,388	517,388	0.3%
Templeton Global Bond Adv	TGBAX	0.1%	147,062	(147,062)	0	0.0%
County of Fresno Stable Value Fund	FRESSV	29.6%	61,105,993	(1,889,782)	59,216,211	29.2%
Specialty Options		3.3%	\$6,825,622	(1,341,909)	\$5,483,713	2.7%
Oakmark Equity & Income I	OAKBX	1.3%	2,785,910	(637,351)	2,148,559	1.1%
Fidelity Advisor Real Estate Income Inst	FRIRX	0.0%	0	993,346	993,346	0.5%
Fidelity Real Estate Income	FRIFX	0.4%	753,289	(753,289)	0	0.0%
Franklin Utilities R6	FUFRX	0.0%	0	2,341,809	2,341,809	1.2%
Franklin Utilities Adv	FRUAX	1.6%	3,286,423	(3,286,423)	0	0.0%
Target Date Funds		4.7%	\$9,710,266	1,750,411	\$11,460,677	5.6%
Great-West Lifetime 2015 Trust II	C15MZR	1.0%	2,063,031	134,553	2,197,585	1.1%
Great-West Lifetime 2025 Trust II	C25MZR	1.5%	3,184,160	920,244	4,104,404	2.0%
Great-West Lifetime 2035 Trust II	C35MZR	0.9%	1,929,490	530,795	2,460,284	1.2%
Great-West Lifetime 2045 Trust II	C45MZR	0.9%	1,825,715	165,311	1,991,026	1.0%
Great-West Lifetime 2055 Trust II	C55MZR	0.3%	707,870	(491)	707,379	0.3%
Total		100%	\$206,471,606	-\$3,485,047	\$202,986,559	100%



County of Fresno 457 DC Plan

Investment Summary

For the Period Ending 12/31/2015

Passively-Managed and Cash Funds

Investment	Ticker	EQUITY				FIXED INCOME			Trailing Returns							
		US Stocks				Bnd	Csh	Oth	Exp	1 Qtr	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs
Lrg	Mid	Sml	Fgn													
BlackRock Equity Index - Collective M	02CFF1	100							0.02	7.05	1.46	1.46	7.41	15.20	15.40	12.63
BlackRock Mid Cap Index - Collectiv...	03CFF2		100						0.03	2.72	-2.35	-2.35	3.56	12.76	14.01	10.68
BlackRock Russell 2000 Index Coll M	03CFF3			100					0.03	14.61	5.95	5.95	5.53	15.75	15.96	11.68
BlackRock EAFE Equity Index Coll T	10CFF5				100				0.10	4.00	-0.58	-0.58	-3.03	4.68	7.99	3.72
BlackRock US Debt Index Fund Coll W	04CFF4					100			0.04	-0.59	0.85	0.85	3.48	1.68		
Fresno County Stable Value	FRESSV					100			0.50	0.53	2.17	2.17	2.17	2.18	2.29	2.45

Actively-Managed Funds

Style	Investment	Ticker	Lrg	Mid	Sml	Fgn	Bnd	Csh	Oth	Exp	1 Qtr	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	10 Yrs
Equity Income	Columbia Div Income Y	CDDYX	88	6		4		2		0.58	7.53	0.84	0.84	6.70	13.63	13.02	11.78	
Large-Cap Growth	Alger II Spectra Z	ASPZX	62	20	6	7		4	1	1.23	10.62	9.36	9.36	10.96	18.60	18.72	14.66	12.62
Utility	Franklin Cust Util R6	FUFRX	55	28	7	7	1	1	1	0.48	0.17	-7.15	-7.15	7.94	9.89	8.81	10.86	
Mix Tgt All Mod	Oakmark Eqty & Inc I	OAKBX	40	18	2	8	13	16	3	0.74	1.55	-4.60	-4.60	1.00	8.22	8.43	6.82	6.62
Multi-Cap Growth	Hennessy Focus Inst	HFCIX	22	48	24			6		1.10	3.50	3.25	3.25	6.84	15.70	16.02	13.50	10.83
Small-Cap Growth	Nicholas Ltd Edition I	NCLEX		29	62	3		6		0.86	4.75	-1.83	-1.83	1.21	11.72	11.43	9.33	8.02
Small-Cap Core	Perkins SC Value N	JDSNX	1	30	62	2		5		0.56	3.14	-2.39	-2.39	2.47	10.91	10.51	7.63	
Emerging Markets	Oppenheimer Dev Mkts I	ODVIX				96		3	1	0.86	4.70	-13.67	-13.67	-9.15	-3.50	2.20	-2.22	6.23
Intl Large-Cap Core	Ivy Intl Core Eqty R6	IINCX	3			87		6	4	0.86	5.26	-0.52	-0.52	0.33	7.83	9.20	4.11	
Core Bond	RidgeWorth Seix TR IS	SAMZX					90	7	3	0.31	-0.60	0.34	0.34	3.39	1.20	2.13	3.61	
Real Estate	Fidelity Adv RE Inc I	FRIRX	4	14	16		58	8		0.77	1.95	1.81	1.81	7.02	6.10	9.16	8.26	
Intl Income	Templeton Gl Bond R6	FBNRX					51	48	1	0.52	2.29	-3.91	-3.91	-1.01	0.10	3.82	2.55	









Target-Date Funds

Investment	Ticker	Lrg	Mid	Sml	Fgn	Bnd	Csh	Oth	Exp	1 Qtr	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	10 Yrs
Great-West Lifetime 2045 Trust II	C45MZR	30	11	7	29	16	4	3	0.46	3.88	-1.41	-1.41	2.53	8.49	10.43	7.36	
Great-West Lifetime 2035 Trust II	C35MZR	29	11	6	23	23	5	3	0.46	3.35	-1.20	-1.20	1.90	7.50	9.51	6.84	
Great-West Lifetime 2025 Trust II	C25MZR	21	9	5	16	40	7	2	0.46	2.31	-0.98	-0.98	2.89	6.42	8.25	6.33	
Great-West Lifetime 2015 Trust II	C15MZR	15	7	4	10	51	10	3	0.46	1.52	-0.94	-0.94	2.67	4.60	6.35	5.36	
Great-West Lifetime 2055 Trust II	C55MZR	30	11	7	32	13	4	3	0.46	3.86	-1.66	-1.66	2.14	8.06	10.17	7.07	

Market Exposure Legend

Lrg:	US Large Cap	Mid:	US Mid Cap	Sml:	US Small Cap	Fgn:	Foreign
Bnd:	Bonds	Csh:	Cash	Oth:	Other		

CALCULATION METHODOLOGY OF OVERALL FUND SCORE 1 (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 Ranks in the top 75% of Peer Group</p> <p>No Score 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 Ranks in top 75% of Peer Group</p> <p>No Score 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 Ranks in top 75% of Peer Group</p> <p>No Score 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 Ranks in top 75% of Peer Group</p> <p>No Score 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 Ranks in top 75% of Peer Group</p> <p>No Score Ranks in bottom 25% of Peer Group</p>
		 <p>5% Overall</p> <p>Average Tenure</p> <p>Number of years</p>	<p>Full Score Manager Tenure more than 3 years</p> <p>No Score Manager Tenure less than 3 years</p>

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

County of Fresno 457 DC Plan

Summary of Fund Compliance

For the Period Ending 12/31/2015

Passively-Managed and Cash Funds

Type	Assets %	Fund Name	Ticker
LC Index	19.45%	BlackRock Equity Index - Collective M	02cff1
MC Index	3.33%	BlackRock Mid Cap Index - Collective M	03cff2
SC Index	1.02%	BlackRock Russell 2000 Index Coll M	03cff3
Global	0.68%	BlackRock EAFE Equity Index Coll T	10cff5
Stable Value	29.17%	Fresno County Stable Value	fressv
US Debt	0.94%	BlackRock US Debt Index Fund Coll W	04cff4

Actively-Managed Funds

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	4.80%	Columbia Div Income Y	CDDYX	●	●	●	●	●
Pass	19.95%	Alger II Spectra Z	ASPZX	●	●	●	○	●
Pass	1.15%	Franklin Cust Util R6	FUFRX	●	●	○	●	●
Pass	1.06%	Oakmark Eqty & Inc I	OAKBX	●	●	●	●	●
Pass	2.95%	Hennessy Focus Inst	HFCIX	●	●	●	●	●
Pass	2.55%	Nicholas Ltd Edition I	NCLEX	●	●	●	●	●
Pass	0.29%	Perkins SC Value N	JDSNX	○	●	●	●	●
Pass	0.18%	Oppenheimer Dev Mkts I	ODVIX	●	●	●	●	●
Pass	4.74%	Ivy Intl Core Eqty R6	IINCX	●	●	●	●	●
Pass	1.35%	RidgeWorth Seix TR IS	SAMZX	●	●	○	●	●
Pass	0.49%	Fidelity Adv RE Inc I	FRIRX	●	●	●	●	●
Pass	0.25%	Templeton GI Bond R6	FBNRX	●	●	○	●	●

Underperforming ◀ ● ○ ● ● ▶ Outperforming

Target-Date Funds

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	0.98%	Great-West Lifetime 2045 Trust II	c45mzr	●	●	●	●	●
Pass	1.21%	Great-West Lifetime 2035 Trust II	c35mzr	○	○	●	●	●
Pass	2.02%	Great-West Lifetime 2025 Trust II	c25mzr	●	●	●	●	●
Pass	1.08%	Great-West Lifetime 2015 Trust II	c15mzr	●	●	●	●	●
Review	0.35%	Great-West Lifetime 2055 Trust II	c55mzr	○	○	○	●	●

Underperforming ◀ ● ○ ● ● ▶ Outperforming

County of Fresno 457 DC Plan

Fund Compliance Report

For the Periods Ending 12/31/2015

Passively-Managed and Cash Funds

Type of Fund	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Risk (30%)						Other (10%)				
										Standard Deviation			Up Capture			Down Capture			Expense	Tenure
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
LC Index	19.45%	02cff1	BlackRock Equity Index - Collective M	12	11		9	10		33	32		20	26		23	23		1	5
MC Index	3.33%	03cff2	BlackRock Mid Cap Index - Collective M	29	17		30	20		60	49		20	20		59	43		1	5
SC Index	1.02%	03cff3	BlackRock Russell 2000 Index Coll M	1	3		4	8		64	61		10	11		16	40		1	5
Global	0.68%	10cff5	BlackRock EAFE Equity Index Coll T	9	14		11	15		71	61		16	16		28	35		1	5
able Valu	29.17%	fressv	Fresno County Stable Value	1	1		1	1		94	99		1	1		n/a	n/a		58	6
US Debt	0.94%	04cff4	BlackRock US Debt Index Fund Coll W	6			4			85			10			33			1	5

Actively-Managed Funds

Overall Fund Score	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Risk (30%)						Other (10%)				
										Standard Deviation			Up Capture			Down Capture			Expense	Tenure
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
9	4.80%	CDDYX	Columbia Div Income Y	5	8		6	7		36	23		13	40		17	17		5	7
8	19.95%	ASPZX	Alger II Spectra Z	12	7	1	5	11	1	39	54	83	33	16	1	5	22	58	64	6
8	1.15%	FUFRX	Franklin Cust Util R6	7	5		9	2		67	31		76	82		3	5		3	11
7	1.06%	OAKBX	Oakmark Eqty & Inc I	11	25	2	26	46	4	91	94	36	10	18	48	48	59	22	17	7
8	2.95%	HFCIX	Hennessy Focus Inst	36	10	1	30	6	2	43	17	58	66	95	46	14	1	6	46	6
6	2.55%	NCLEX	Nicholas Ltd Edition I	65	57	25	34	29	10	9	8	4	86	92	95	20	13	6	11	23
6	0.29%	JDSNX	Perkins SC Value N	53	68		21	36		4	2		81	90		10	6		7	13
8	0.18%	ODVIX	Oppenheimer Dev Mkts I	26	18	5	23	17	9	81	31	24	12	40	41	42	23	19	7	4
9	4.74%	IINCX	Ivy Intl Core Eqty R6	1	6		1	8		15	35		2	31		3	9		26	10
6	1.35%	SAMZX	RidgeWorth Seix TR IS	42	20		43	31		61	83		38	10		44	52		10	6
5	0.49%	FRIRX	Fidelity Adv RE Inc I	91	91		1	1		3	3		96	94		3	4		12	13
7	0.25%	FBNRX	Templeton Gl Bond R6	12	17		11	17		64	92		91	55		14	19		5	9

Target-Date Funds

Overall Fund Score	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Risk (30%)						Other (10%)				
										Standard Deviation			Up Capture			Down Capture			Expense	Tenure
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
6	0.98%	c45mzr	Great-West Lifetime 2045 Trust II	40	44		44	48		46	59		52	47		42	48		12	7
5	1.21%	c35mzr	Great-West Lifetime 2035 Trust II	50	53		49	54		36	52		66	63		22	51		12	7
6	2.02%	c25mzr	Great-West Lifetime 2025 Trust II	43	47		32	38		31	35		57	61		28	35		13	7
6	1.08%	c15mzr	Great-West Lifetime 2015 Trust II	54	43		36	28		34	32		54	47		56	47		14	7
4	0.35%	c55mzr	Great-West Lifetime 2055 Trust II	66	73		72	67		58	36		73	67		68	52		13	7

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.

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

Heintzberger | Payne Advisors Date

Trustee / Committee Member Date

County of Fresno 457 DC Plan

Fund Comments

Data as of: 12/31/2015

BlackRock Equity Index - Collective M (02cff1)

US Large Cap

Fund Type: LC Index

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
BlackRock Equity Index - Collective M (02cff1)	7.05%	1.46%	15.20%	12.63%	
S&P 500 (1936) TR IX	7.05%	1.41%	15.14%	12.57%	7.31%
Out/(Under) Performing	0.00%	0.05%	0.06%	0.06%	
Peer Group Ranking	20	20	12	11	

BlackRock Mid Cap Index - Collective M (03cff2)

US Mid Cap

Fund Type: MC Index

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
BlackRock Mid Cap Index - Collective M (03cff2)	2.72%	-2.35%	12.76%	10.68%	
S&P 400 TR IX	2.59%	-2.18%	12.75%	10.68%	8.18%
Out/(Under) Performing	0.13%	-0.17%	0.01%	0.00%	
Peer Group Ranking	50	27	29	17	

BlackRock Russell 2000 Index Coll M (03cff3)

US Small Cap

Fund Type: SC Index

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
BlackRock Russell 2000 Index Coll M (03cff3)	14.61%	5.95%	15.75%	11.68%	
Russell 2000 TR IX	3.59%	-4.42%	11.65%	9.18%	6.80%
Out/(Under) Performing	11.03%	10.37%	4.10%	2.50%	
Peer Group Ranking	1	1	1	3	

BlackRock EAFE Equity Index Coll T (10cff5)

Foreign

Fund Type: Global

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
BlackRock EAFE Equity Index Coll T (10cff5)	4.00%	-0.58%	4.68%	3.72%	
MSCI EAFE ND IX	4.71%	-0.82%	5.02%	3.61%	3.03%
Out/(Under) Performing	-0.70%	0.24%	-0.34%	0.11%	
Peer Group Ranking	12	13	9	14	

Fresno County Stable Value (fressv)

Bonds

Fund Type: Stable Value

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Fresno County Stable Value (fressv)	0.53%	2.17%	2.18%	2.45%	
Citi US T-Bill 3 M TR IX	0.01%	0.01%	0.02%	0.04%	1.16%
Out/(Under) Performing	0.52%	2.17%	2.16%	2.41%	
Peer Group Ranking	1	1	1	1	

BlackRock US Debt Index Fund Coll W (04cff4)

Bonds

Fund Type: US Debt

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
BlackRock US Debt Index Fund Coll W (04cff4)	-0.59%	0.85%	1.68%		
Barclays US Gvt TRIX	-0.92%	0.84%	1.01%	2.77%	4.10%
Out/(Under) Performing	0.33%	0.02%	0.67%		
Peer Group Ranking	25	12	6		

Columbia Div Income Y (CDDYX)

US Large Cap

Fund Score: 9 (Status: Pass)

The Fund seeks total return, consisting of current income and capital appreciation. Normally, the Fund invests at least 80% of its net assets in a diversified portfolio of income-producing equity securities, which will consist primarily of common stocks but also may include preferred stocks and convertible securities.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Columbia Div Income Y (CDDYX)	7.53%	0.84%	13.63%	11.78%	
S&P 500 Value TR IX	6.06%	-3.14%	12.83%	10.96%	5.80%
Out/(Under) Performing	1.47%	3.98%	0.81%	0.82%	
Peer Group Ranking	1	5	5	8	

Alger II Spectra Z (ASPZX)

US Large Cap

Fund Score: 8 (Status: Pass)

The Fund seeks long-term capital appreciation. The Fund invests primarily in the equity securities of companies of any size that it believes demonstrate promising growth potential. The Fund's management believes companies undergoing Positive Dynamic Change offer the best investment opportunities.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Alger II Spectra Z (ASPZX)	10.62%	9.36%	18.60%	14.66%	12.62%
S&P 500 Gr TR IX	7.87%	5.53%	17.20%	14.06%	8.71%
Out/(Under) Performing	2.76%	3.82%	1.40%	0.60%	3.91%
Peer Group Ranking	1	14	12	7	1

The Alger Spectra fund outperformed the Russell 3000 Growth Index by ~150 bps in the fourth quarter of 2015. For the year the fund outperformed the benchmark by ~200 bps. The fund benefited primarily from stock selection in the quarter. In particular, Amazon was a strong contributor within the Consumer Cyclical sector which was the sector where the fund saw its largest outperformance versus the benchmark. Additional contributors to performance were strong stock selection in the Technology sector as well as the Industrials sector. A detractor in the quarter was from the Healthcare sector where HCA Holdings was down ~12.6% in the quarter.

Recently, HPA had a chance to do a due diligence meeting with the Portfolio Managers of the Spectra fund at their headquarters. Fund managers are focused on finding companies that have two key drivers: 1) positioned to benefit from high unit volume growth or 2) product lifecycle changes. They have a firm valuation process that focuses on enterprise value to free cash flow. The managers were opportunistically trimming positions in Q4'15. Following our meeting, we feel comfortable that the fund remains in good standing. The fund continues to score an 8 based on our scoring methodology. The fund ranks in the top quartile of its peer group for both return and risk adjusted return in the trailing three-, five- and ten-year periods.

Franklin Cust Util R6 (FUFRX)

Specialty Options

Fund Score: 8 (Status: Pass)

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. 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
Franklin Cust Util R6 (FUFRX)	0.17%	-7.15%	9.89%	10.86%	
MSCI World ND IX	5.49%	-0.89%	9.63%	7.59%	4.98%
Out/(Under) Performing	-5.32%	-6.27%	0.26%	3.27%	
Peer Group Ranking	54	10	7	5	

Oakmark Eqty & Inc I (OAKBX)

Specialty Options

Fund Score: 7 (Status: Pass)

The Oakmark Equity & Income Fund is a moderate allocation fund that seeks income, capital preservation and growth. The fund can invest in US and foreign equities, fixed income and cash. It takes a value-oriented approach when selecting equity investments and targets an overall equity allocation of 40-75%, with a cap of 60% on its fixed income allocation.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Oakmark Eqty & Inc I (OAKBX)	1.55%	-4.60%	8.22%	6.82%	6.62%
DJ Moderate IX	2.42%	-1.21%	6.01%	5.87%	5.48%
Out/(Under) Performing	-0.88%	-3.39%	2.21%	0.95%	1.14%
Peer Group Ranking	77	89	11	25	2

The Oakmark Equity & Income Fund underperformed the Dow Jones Moderate Index by ~95 bps in the fourth quarter of 2015. For the full year the fund underperformed the Index by ~360 bps. The biggest detractor to performance was the fact that they didn't own some of the largest names in the Index. They did not find attractive valuations in names such as Facebook, Amazon and Google. Fund managers noted that owning equal amounts of the 10 largest companies of the S&P 500 would have returned ~20% on a calendar year basis. Owning the remaining 490 issues of the S&P 500 would have resulted in a loss of ~3%. Specific contributors to performance in the quarter were names such as GM, Bank of America and Lear. Key detractors were Foot Locker, Baker Hughes and Union Pacific. The fund marked its 20-year anniversary recently. Over that period of time, the fund has delivered ~10% compounded annualized growth. While near term results are lackluster, the fund continues to a score a 7 under our scoring methodology. The fund ranks in the top quartile of its peer group for a three-, five- and ten-year basis.

Hennessy Focus Inst (HFCIX)

US Mid Cap

Fund Score: 8 (Status: Pass)

The Hennessy Focus Fund is a concentrated, high conviction, benchmark adverse strategy that invests primarily in mid- and small-cap equity securities. The fund's three-person management team achieved their three-year track record in August 2012, after having worked as analysts with the strategy for an average of a decade each prior to taking over management in August 2009. Hennessy Funds acquired FBR in 2012. The fund will retain the same portfolio managers and the same investment objectives.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Hennessy Focus Inst (HFCIX)	3.50%	3.25%	15.70%	13.50%	10.83%
Russell 3000 Gro TR IX	7.09%	5.09%	16.62%	13.30%	8.49%
Out/(Under) Performing	-3.59%	-1.85%	-0.92%	0.20%	2.34%
Peer Group Ranking	86	44	36	10	1

Nicholas Ltd Edition I (NCLEX)

US Small Cap

Fund Score: 6 (Status: Pass)

The Nicholas Limited Edition Fund is a small cap growth fund that invests primarily in small companies with capitalizations of \$2 billion or less. The fund seeks to make long term investments in companies with a competitive advantage, a healthy balance sheet and at favorable valuations.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Nicholas Ltd Edition I (NCLEX)	4.75%	-1.83%	11.72%	9.33%	8.02%
Russell 2000 Gro TR IX	4.31%	-1.39%	14.28%	10.67%	7.95%
Out/(Under) Performing	0.44%	-0.44%	-2.56%	-1.34%	0.07%
Peer Group Ranking	20	44	65	57	25

Perkins SC Value N (JDSNX)

US Small Cap

Fund Score: 6 (Status: Pass)

The Fund seeks capital appreciation by investing primarily in common stocks of small companies that its investment sub-advisor believes are undervalued in the marketplace relative to their assets, earnings, cash flow or business franchise.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Perkins SC Value N (JDSNX)	3.14%	-2.39%	10.91%	7.63%	
Russell 2000 TR IX	3.59%	-4.42%	11.65%	9.18%	6.80%
Out/(Under) Performing	-0.45%	2.03%	-0.73%	-1.56%	
Peer Group Ranking	41	23	53	68	

Oppenheimer Dev Mkts I (ODVIX)

Foreign

Fund Score: 8 (Status: Pass)

The fund primarily invests in companies with high growth potential located in developing economies. The fund mainly invests in common stocks of issuers whose principal activities are in at least three developing markets. Investors purchasing securities located in emerging market economies should expect a higher level of volatility.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Oppenheimer Dev Mkts I (ODVIX)	4.70%	-13.67%	-3.50%	-2.22%	6.23%
MSCI Emerging Mkt ND IX	0.66%	-14.91%	-6.77%	-4.81%	3.61%
Out/(Under) Performing	4.04%	1.24%	3.26%	2.59%	2.62%
Peer Group Ranking	6	45	26	18	5

Ivy Intl Core Eqty R6 (IINCX)

Foreign

Fund Score: 9 (Status: Pass)

The Fund seeks to provide long-term capital growth primarily through investments in equity securities that are traded in European, Pacific Basin, and Latin American Markets.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Ivy Intl Core Eqty R6 (IINCX)	5.26%	-0.52%	7.83%	4.11%	
MSCI AC Wrld Ex US ND IX	3.25%	-5.66%	1.49%	1.06%	2.92%
Out/(Under) Performing	2.01%	5.15%	6.34%	3.05%	
Peer Group Ranking	1	12	1	6	

RidgeWorth Seix TR IS (SAMZX)

Bonds

Fund Score: 6 (Status: Pass)

The Fund seeks to provide investors with a total return which consistently exceeds the total return of the broad U.S. investment grade bond market.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
RidgeWorth Seix TR IS (SAMZX)	-0.60%	0.34%	1.20%	3.61%	
Barclays US Gvt/Cr TRIX	-0.75%	0.16%	1.21%	3.40%	4.47%
Out/(Under) Performing	0.15%	0.18%	-0.01%	0.22%	
Peer Group Ranking	40	29	42	20	

Fidelity Adv RE Inc I (FRIRX)

Specialty Options

Fund Score: 5 (Status: Pass)

The Fund seeks higher than average income, and growth of capital as a secondary objective, by investing primarily in the securities of companies in the real estate industry and other real estate related investments.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Fidelity Adv RE Inc I (FRIRX)	1.95%	1.81%	6.10%	8.26%	
FTSE NAREIT Eq TR IX	7.26%	3.21%	11.22%	11.96%	7.40%
Out/(Under) Performing	-5.31%	-1.41%	-5.12%	-3.70%	
Peer Group Ranking	94	72	91	91	

Templeton Gl Bond R6 (FBNRX)

Bonds

Fund Score: 7 (Status: Pass)

The Fund seeks current income with capital appreciation and growth of income by investing at least 80% of its net assets in "bonds." In addition, the Fund's assets will be invested in issuers located in at least three countries including the U.S.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Templeton Gl Bond R6 (FBNRX)	2.29%	-3.91%	0.10%	2.55%	
Barclays Gl Ag X-US TRIX	-1.26%	-6.01%	-4.08%	-0.84%	3.09%
Out/(Under) Performing	3.55%	2.11%	4.18%	3.39%	
Peer Group Ranking	3	27	12	17	

Great-West Lifetime 2045 Trust II (c45mzr)

Target Date Funds

Fund Score: 6 (Status: Pass)

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Great-West Lifetime 2045 Trust II (c45mzr)	3.88%	-1.41%	8.49%	7.36%	
DJ Target 2045 Index	3.96%	-2.15%	8.72%	7.31%	6.09%
Out/(Under) Performing	-0.09%	0.74%	-0.23%	0.05%	
Peer Group Ranking	60	38	40	44	

Great-West Lifetime 2015 Trust II (c15mzr)

Target Date Funds

Fund Score: 6 (Status: Pass)

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Great-West Lifetime 2015 Trust II (c15mzr)	1.52%	-0.94%	4.60%	5.36%	
DJ Target 2015 Index	0.60%	-0.97%	2.95%	4.00%	4.51%
Out/(Under) Performing	0.92%	0.03%	1.65%	1.36%	
Peer Group Ranking	65	34	54	43	

Great-West Lifetime 2035 Trust II (c35mzr)

Target Date Funds

Fund Score: 5 (Status: Pass)

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Great-West Lifetime 2035 Trust II (c35mzr)	3.35%	-1.20%	7.50%	6.84%	
DJ Target 2035 Index	3.13%	-1.63%	7.66%	6.73%	5.79%
Out/(Under) Performing	0.21%	0.43%	-0.16%	0.11%	
Peer Group Ranking	68	33	50	53	

Great-West Lifetime 2055 Trust II (c55mzr)

Target Date Funds

Fund Score: 4 (Status: Review)

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Great-West Lifetime 2055 Trust II (c55mzr)	3.86%	-1.66%	8.06%	7.07%	
DJ Target 2055 Index	4.05%	-2.24%	8.75%	7.33%	6.10%
Out/(Under) Performing	-0.18%	0.58%	-0.69%	-0.27%	
Peer Group Ranking	70	49	66	73	

Great-West Lifetime 2025 Trust II (c25mzr)

Target Date Funds

Fund Score: 6 (Status: Pass)

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Great-West Lifetime 2025 Trust II (c25mzr)	2.31%	-0.98%	6.42%	6.33%	
DJ Target 2025 Index	1.75%	-1.12%	5.47%	5.54%	5.26%
Out/(Under) Performing	0.56%	0.14%	0.94%	0.79%	
Peer Group Ranking	64	30	43	47	

ITEM 13 - ATTACHMENT A

County of Fresno - Share Class Review

Ticker	Fund Name	Expense	Cheapest Share Class?
aspzx	Alger Spectra Z	0.93%	Yes
cddyx	Columbia Dividend Income Fund Class Y Shares	0.59%	Yes; CDVIX, 0.58% - Internal/fund-of-fund only. CIT products may be available.
fbrnx	Templeton Global Bond Fund Class R6	0.50%	Yes
frirx	Fidelity Advisor® Real Estate Income Fund I Class	0.77%	Yes
fufrx	Franklin Utilities Fund Class R6	0.47%	Yes
hfcix	Hennessy Focus Fund Institutional Class	1.10%	Yes
iincx	Ivy Global Equity Income Fund Class R6	0.83%	Yes
jdsnx	Perkins Small Cap Value Fund Class N	0.56%	Yes
nclex	Nicholas Limited Edition Fund Class Institutional	0.86%	Yes
oakbx	Oakmark Equity And Income Fund Class I	0.75%	Yes
odvix	Oppenheimer Developing Markets Fund Class I	0.86%	Yes
samzx	RidgeWorth Seix Total Return Bond Fund IS Shares	0.31%	Yes

CIT, TRD, Stable Value	
02cff1	Blackrock Equity Index
03cff2	Blackrock Mid Cap Equity Index
03cff3	Blackrock Russell 2000 Index
04cff4	Blackrock US Debt Index
10cff5	Blackrock Eafe Equity Index
c15mzr	Great-West Lifetime 2015 Trust II
c25mzr	Great-West Lifetime 2025 Trust II
c35mzr	Great-West Lifetime 2035 Trust II
c45mzr	Great-West Lifetime 2045 Trust II
c55mzr	Great-West Lifetime 2055 Trust II
fressv	County Of Fresno Stable Value Fund

ITEM 13 - ATTACHMENT B

Great West Life Stable Asset Fund Annuity Contract

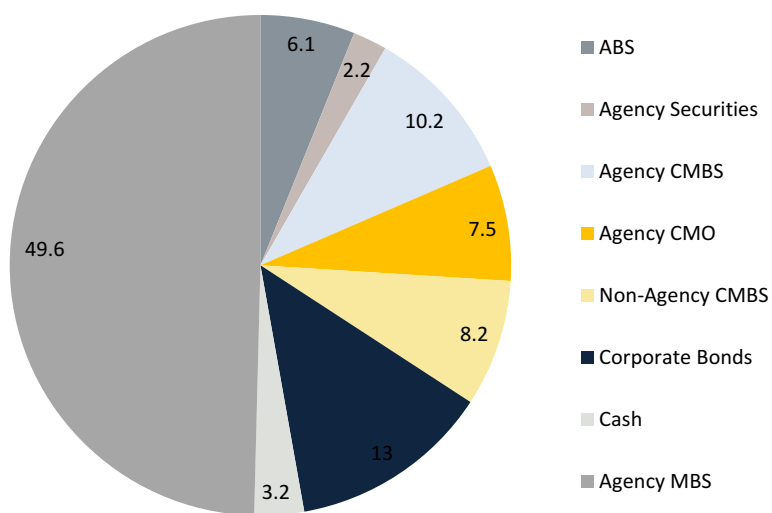
Fresno County

December 31, 2015

Q4 2015 Portfolio Characteristics

Composition

A summary of the portfolio's characteristics as of the Fourth Quarter follows:



The portfolio's largest exposure is currently in Agency Mortgage Backed Securities at 49.6%. Corporate bonds constitute the second largest component of the portfolio at 13.0%.

Average Duration:

The fund's duration was 3.6 years as of June 2014 and steadily declined to 2.9 years to finish Q1'15. However, more recently, the portfolio experienced an increase in duration during 2015 to end the year at 3.3 years. This was primarily due to durations extending in Agency Mortgage Backed Securities as we saw a decline in pre-payments.

Weighted Average Ratings by Agency:

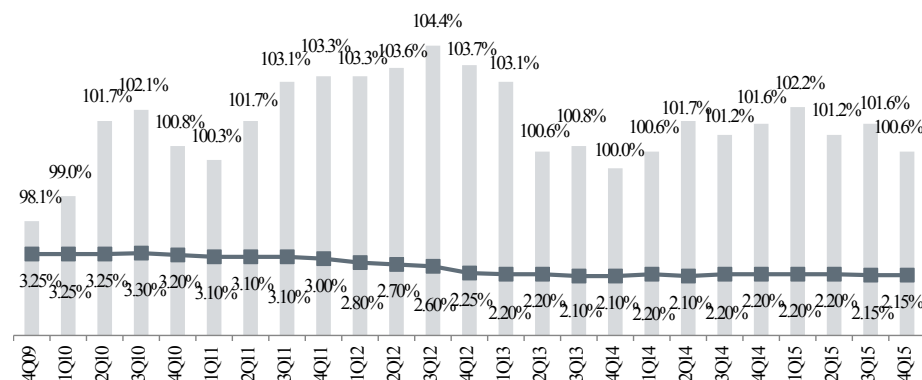
S&P	Moody's	Fitch
AA+	AAA	AAA

Average Credit Rating for Portfolio: The fund's average credit rating of AA+ as of 12/31/15 is consistent with the Investment Policy Statement's guidelines. The portfolio's lowest average credit rating, as measured by S&P, is also AA+. Currently, the Investment Policy Statement does not specify which ratings agencies to consider when calculating the weighted average quality.

Crediting Rate and Annuity Provider

Fourth Quarter 2015 Crediting Rate: 2.15%

Market-to-Book Ratio and Crediting Rate



Annuity Provider's Financial Strength Ratings:

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

Great West Life Stable Asset Fund Annuity Contract

Fresno County

December 31, 2015

Q4 2015 Fund Update and Positioning

The Great West managed stable value portfolio remains well diversified with no concentration of risk anywhere that is not appropriate.

During the 4th quarter of 2015 the portfolio saw increased allocation to Corporate Bonds (+1.5%) and Money Market (+0.08%). The portfolio decreased exposures to ABS (-0.40%), CMBS (-0.40%), and MBS (-1.50%)

- ✓ Increased allocation to Corporate Bonds is based on relative value opportunities vs. comparable maturity spread products
- ✓ Increased allocation to Money Market is based upon expected robust new issue corporate calendar
- ✓ Use income funds and relative value opportunities to diversify portfolio across and within investment universe as defined by Fresno's policy statement
- ✓ Took advantage of flattening yield curve by decreasing allocation to 30 year and 20 year amortizing MBS and adding to 15 year amortizing MBS. Defensive move in the event interest rates rise.

In terms of portfolio positioning, the portfolio continues to have an overweight to Agency MBS while peers are overweight non-spread product and cash. This overweight is in line with the investment policy constraints that restrict the Great West portfolio management team to own a minimum of 50% in U.S government related debt (e.g. U.S. Treasury debt, and Agency MBS). The portfolio management team does not currently feel it is appropriate to own a lot of U.S. government debt in a stable value mandate because it introduces more risk with U.S. interest rates set to rise.

Investment Policy Constraints

In recent talks with the Great West portfolio management team, it was brought to our attention that the current investment guidelines are somewhat restrictive. Great West would like the County to explore changes to the investment policy statement in order to loosen the minimum 50% allocation to government related debt and consider allowing a small allocation to BBB rated securities. The following changes were recommended by the Great West portfolio management team for the County's consideration:

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

HPA recommends that we, County Staff, and Great West continue to explore the merits of changes to the investment policy statement to determine if it would be in the best interest of the plan participants in order for the DCMC to make the most informed decision. Cathe Tocher, CIO and Global Head of Portfolio Management, is scheduled to present to the DCMC in May 2016 to discuss this issue in-person.