



Item 8

DATE: October 11, 2018

TO: Deferred Compensation Management Council

FROM: Brent Petty, NWCM, Inc.

SUBJECT: Second Quarter Investment Performance Report (Executive Summary)

Capital Markets

| Name | YTD (08/31/2018) | Q2 2018 | 1-Year (08/31/2018) |
|----------------------------|------------------|---------|---------------------|
| S&P 500 TR USD | 9.94 | 3.43 | 19.66 |
| S&P MidCap 400 TR | 8.68 | 4.29 | 20.00 |
| S&P SmallCap 600 TR USD | 18.30 | 8.77 | 32.46 |
| MSCI EAFE NR USD | -2.28 | -1.24 | 4.39 |
| MSCI EM NR USD | -7.18 | -7.96 | -0.68 |
| BBgBarc US Agg Bond TR USD | -0.96 | -0.16 | -1.05 |

| | 8/31/2018 | 3/29/2018 | 8/31/2017 |
|------------------------|-----------|-----------|-----------|
| 10-Year Treasury Yield | 2.86% | 2.74% | 2.12% |

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

Trade tensions, Eurozone political risk, and economic data surprises have all driven equity markets in the second quarter of 2018. U.S. equities rallied as earnings acceleration and robust economic growth took center stage, with growth continuing to outperform value stocks. Both developed and international markets performed poorly on the backdrop of tradewar escalation and political uncertainty.

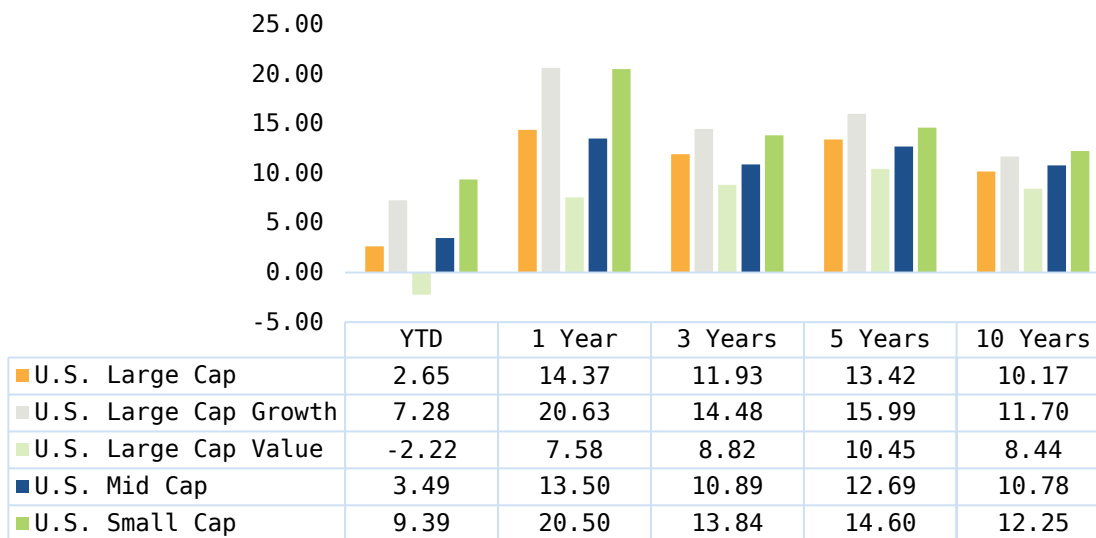
Investment grade and longer duration fixed income continued its decline over the quarter, while short duration, and high yield posted slight gains on the back of continued economic growth.

Economic Factors

U.S. economic data remained upbeat as unemployment dipped to its lowest level in 18 years. The euphoria of synchronized global growth at the beginning of the year has faded, as varying geopolitical and monetary dynamics brought uncertainty and volatility.

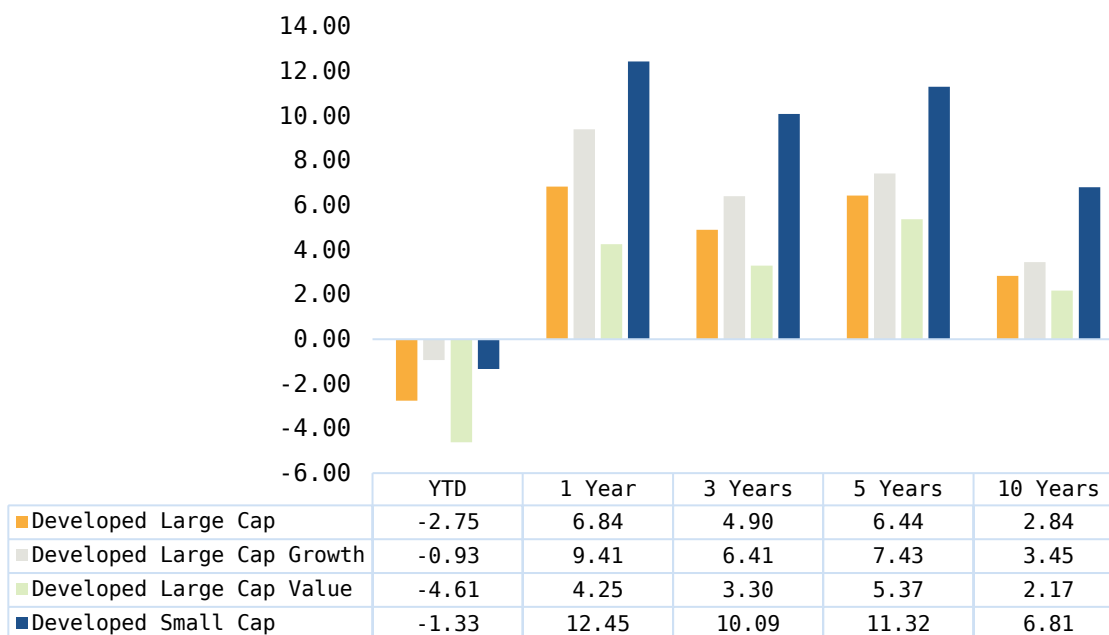
US Equity

Trailing Returns



International Developed Equity

Trailing Returns



Fixed Income Insights



Investments

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

- ☐ Great-West's target date collective trusts series and stable value were removed from Watch in Q1 2018. They were on watch for the previous 4 quarters, due to the departure of manager Cathe Tocher and President of Investments David Musto.
- ☐ In Q2 2018, expense ratios on the collective trust series were reduced from 0.47% to 0.43%-0.45%.
- ☐ An in-depth review on the following funds will be presented in the Q3 2018 meeting:
 - ☐ Hennessey Focused (HFCIX), Janus Henderson Small Cap Value (JDSNX), Nicholas Limited Ed. (NCLEX), Virtus Seix Total Return (SAMZX), Templeton Global Bond (FBNRX), Fidelity Adviser Real Estate Inc. (FRIRX)
- ☐ An updated fund watch report has been included as **Exhibit B**.

Review of Stable Value

The County of Fresno Stable Value Search Summary has been provided in **Item 9**.

Recommended Actions

1. No action items at this time.

Item 8 - Exhibit A



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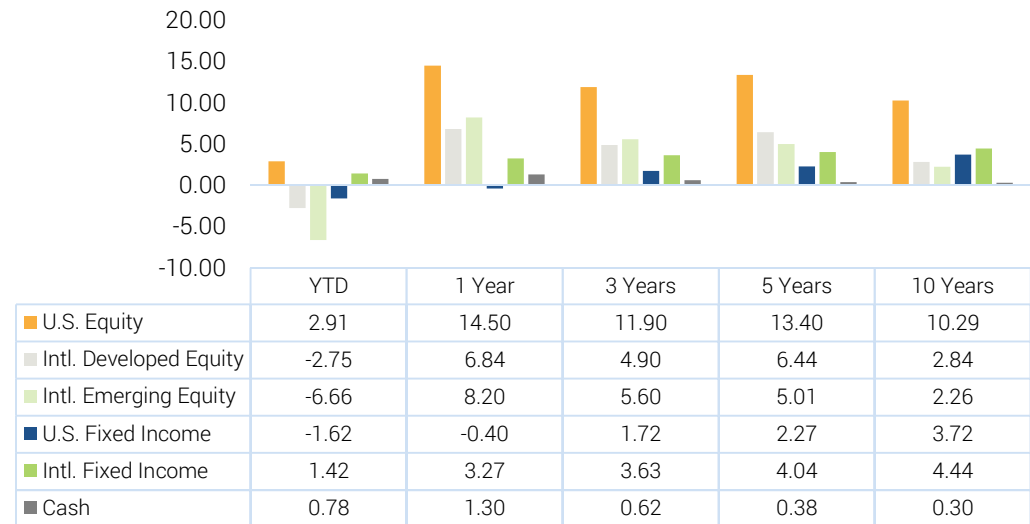
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Market Performance Summary

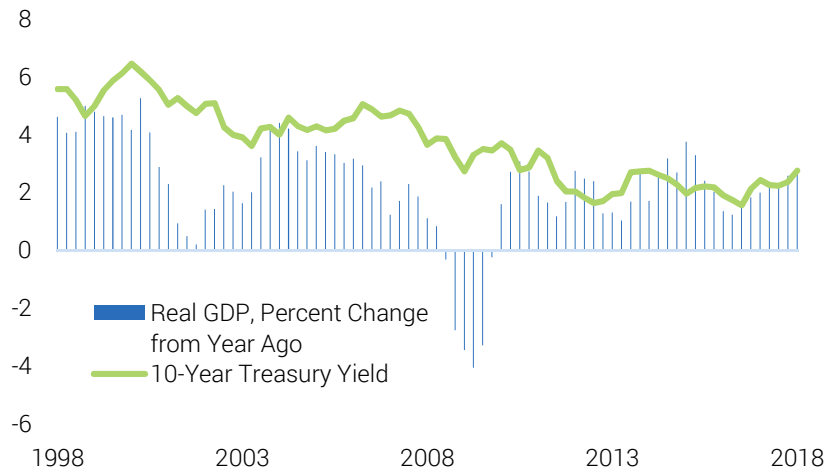
As of 06/30/2018

With an eventful first half of 2018 now complete, we have witnessed a broader pullback following 2017's extraordinarily high returns amongst low volatility. The second-oldest U.S. expansion in post-war history has been quite sensitive to the rise in trade tensions, Eurozone political risks, and economic data surprises. U.S. equity and Global hedged fixed income have generated positive returns year-to-date, while many other asset classes have underperformed cash. U.S. equities rallied in the second quarter against the backdrop of earnings acceleration and robust economic growth. By far the dominant driver of international equity weakness was the escalation in trade fears, which was further fueled by dollar strength and deceleration in synchronized global growth. Many fixed income sectors ended the quarter with positive returns, with investment grade and long duration fixed income continuing to underperform.

Trailing Returns

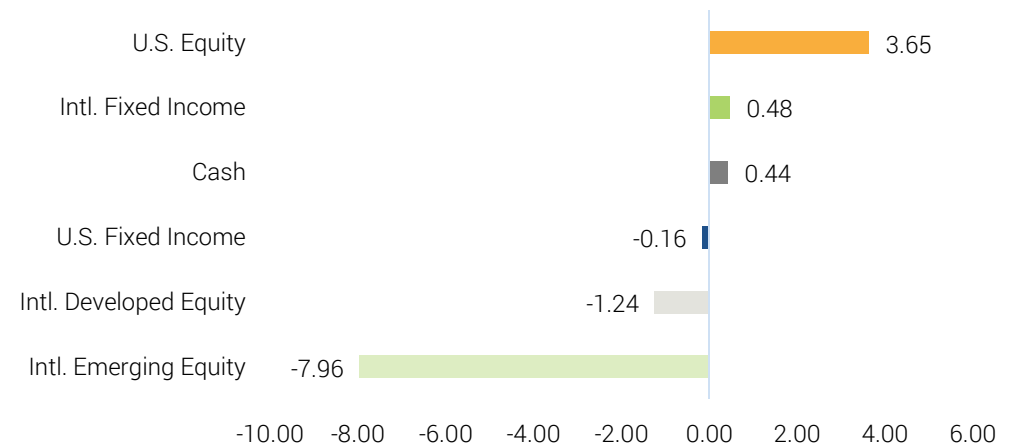


GDP Growth vs 10-Year Treasury



Source: BEA, S&P, MSCI, Barclays

Quarterly Performance



Economic Factors

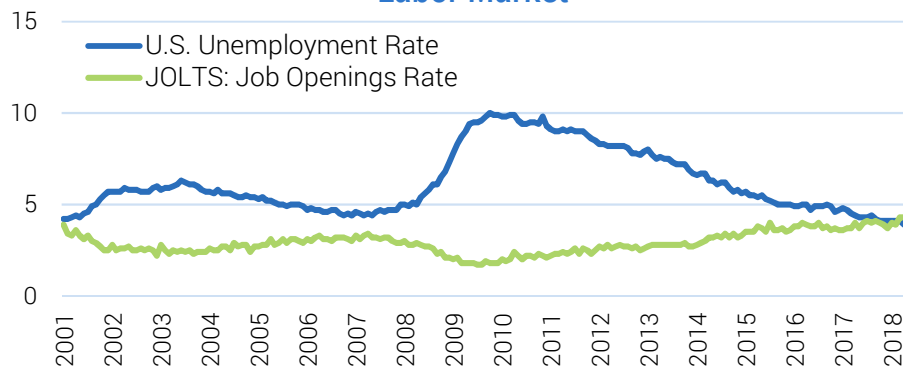
As of 06/30/2018

The U.S. economy continues to appear healthy, despite a softer start to the year. The unemployment rate continued its downward trend and dipped to its lowest level in 18 years, implying tightness in the labor market. As wages have increased, core inflation has also risen. Temporary factors that had been cooling core inflation have abated and is now around the Fed's 2% goal. The U.S. consumer is in relatively good financial shape, and household balance sheets in the aggregate remain healthy. The Federal Reserve's debt-service ratio – the portion of disposable income used to service monthly debt payments – is hovering near a 37-year low. On the downside, energy prices have risen and higher gasoline prices, if sustained, stand to shave off a portion of the benefits that households received from tax reform. The year started with the euphoria of synchronized global growth which faded away towards the end of the first quarter driven by varying geopolitical and monetary dynamics.

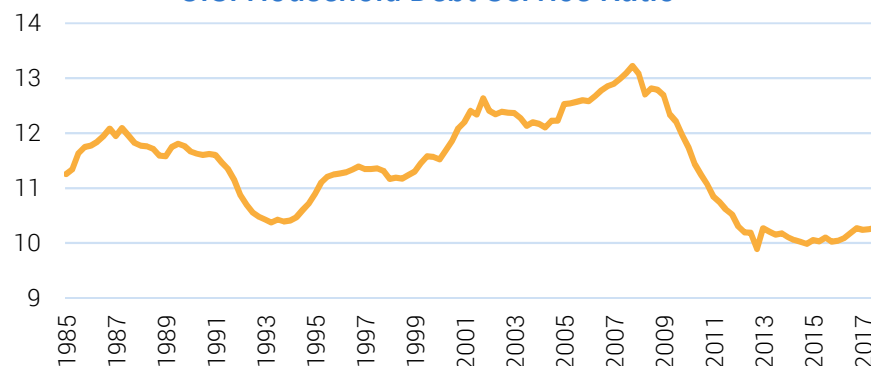
Income Growth vs Core Inflation



Labor Market



U.S. Household Debt Service Ratio



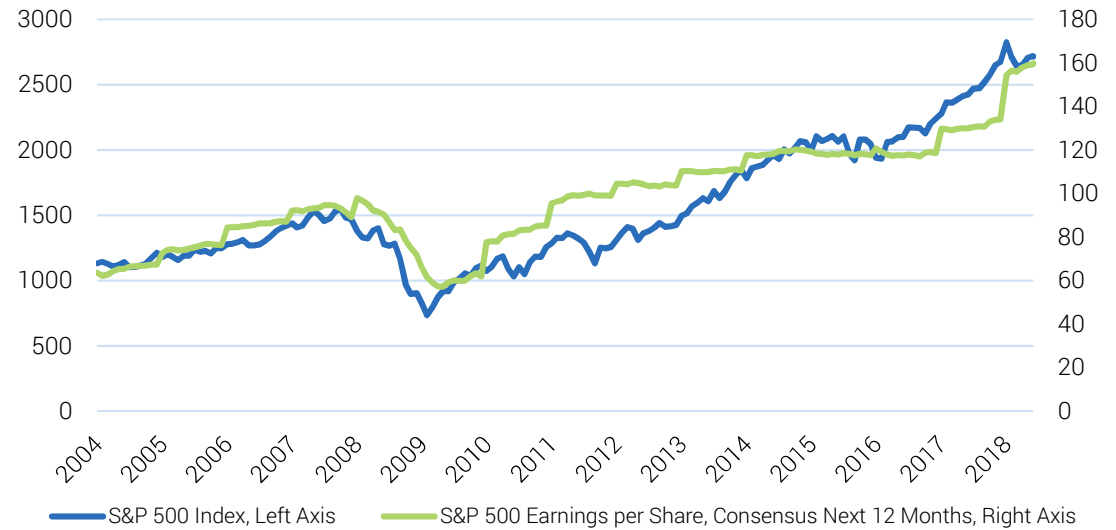
Source: BEA, Department of Labor

U.S. Equity

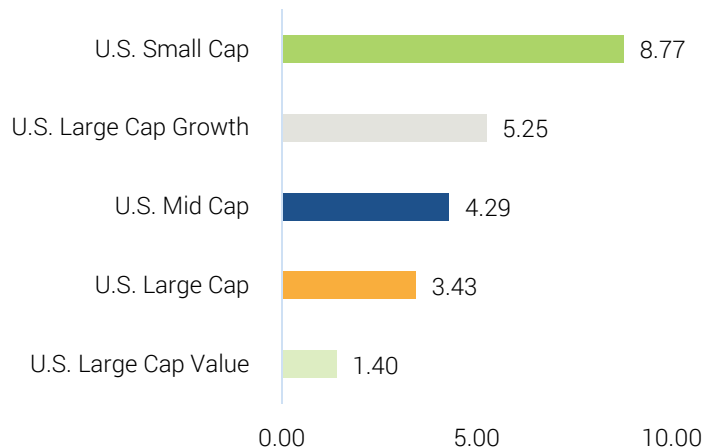
As of 06/30/2018

Trade concerns – and intensifying margin pressures – were not enough to dent the U.S. equity markets as earnings growth took center stage. The companies within the S&P 500 reported strong earnings fueled by tax-cuts and record share buybacks, and consensus earnings estimates were revised 14% higher since the beginning of the year. Growth has continued to outperform Value as investors have favored stocks such as Facebook, which rebounded from the Cambridge Analytica sell-off, and Netflix, whose stock price has nearly doubled for the year to date. Given the international trade disputes, investors looked to small-cap stocks which typically do the bulk of their business domestically. Small Cap stocks enjoyed a relatively steady rise since early May, even as trade tensions mounted.

S&P 500 and Earnings

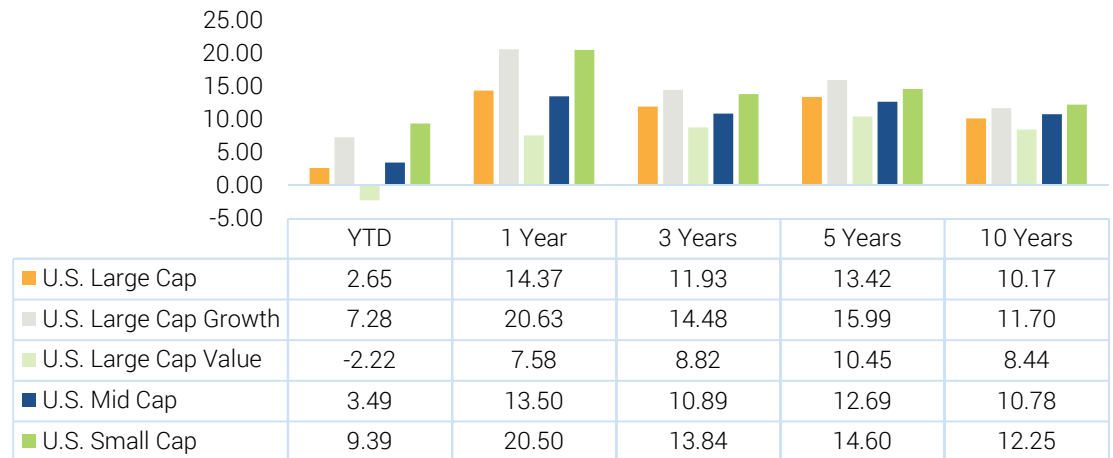


Quarterly Performance



Source: S&P, Bloomberg

Trailing Returns

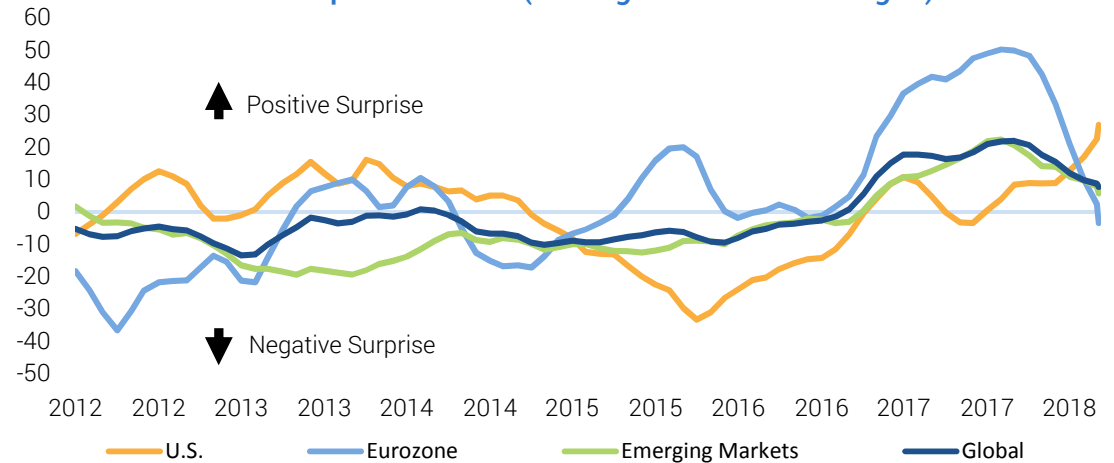


International Developed Equity

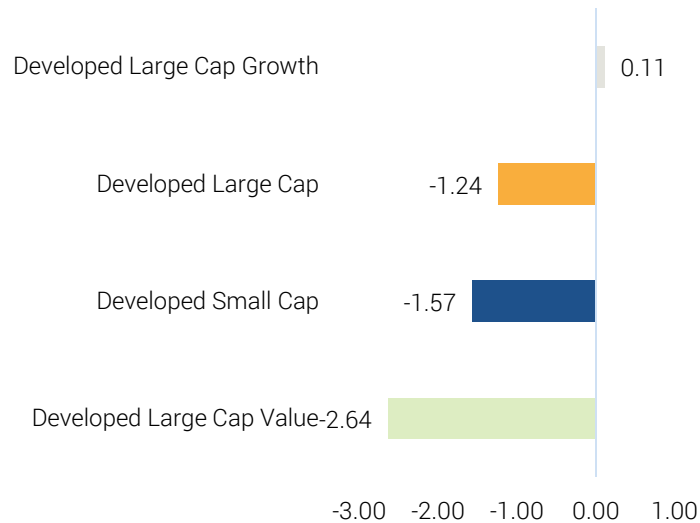
As of 06/30/2018

International developed markets performed poorly on the back of lingering risks stemming from a potential escalation in trade wars, a flare-up in the Brexit negotiations and political uncertainty in Italy and Germany. European Central Bank (ECB) policy remained accommodative as President Draghi expects to keep policy rates on hold at least through summer 2019. Although supportive economically, this stance further hurt eurozone equities as this region benefits from rising yields given its Value tilt and large financial sector weighting. This is reflected in the style benchmarks as growth posted positive results and outperformed its value counterpart by nearly 2.5%.

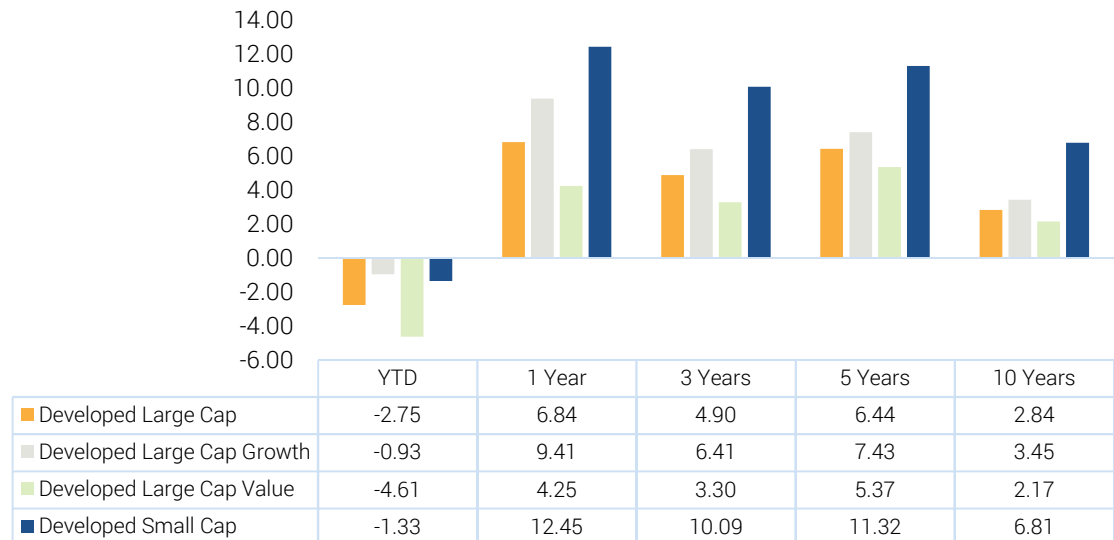
Economic Surprise Indices (Rolling 12-month Averages)



Quarterly Performance



Trailing Returns



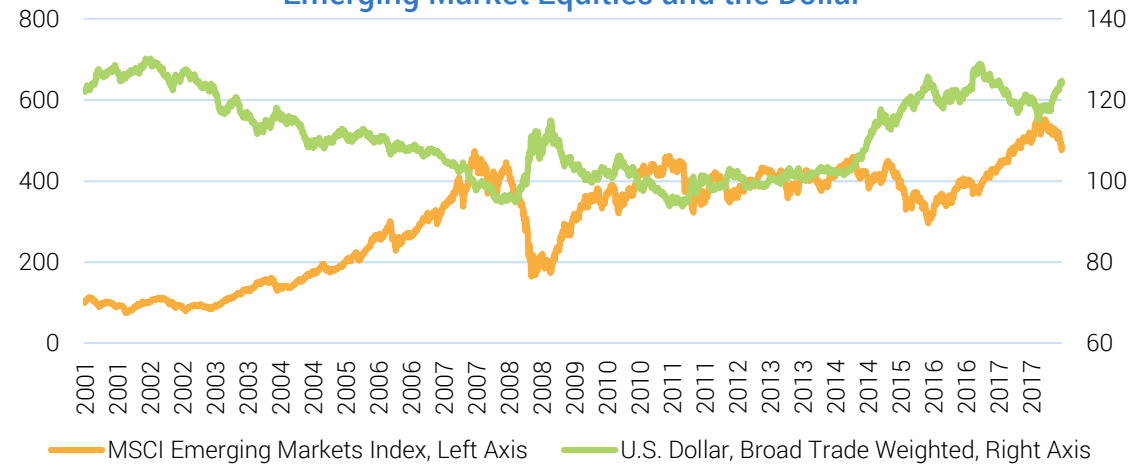
Source: Citi, MSCI

Emerging Markets Equity

As of 06/30/2018

Emerging Markets (EM) equities declined over the quarter and underperformed developed markets equities. EM stocks traded lower over the quarter as markets focused on vulnerabilities given disappointing non-U.S. growth and still rising U.S. rates. Risks included U.S. trade tensions and idiosyncratic EM political risks, as well as evolving Italian politics and lack of a comprehensive backstop to prevent spillovers within the Euro area. These factors left EM assets among the worst performing year-to-date, after a strong 2017 where EM was the primary beneficiary of synchronized global growth.

Emerging Market Equities and the Dollar



Quarterly Performance



Trailing Returns



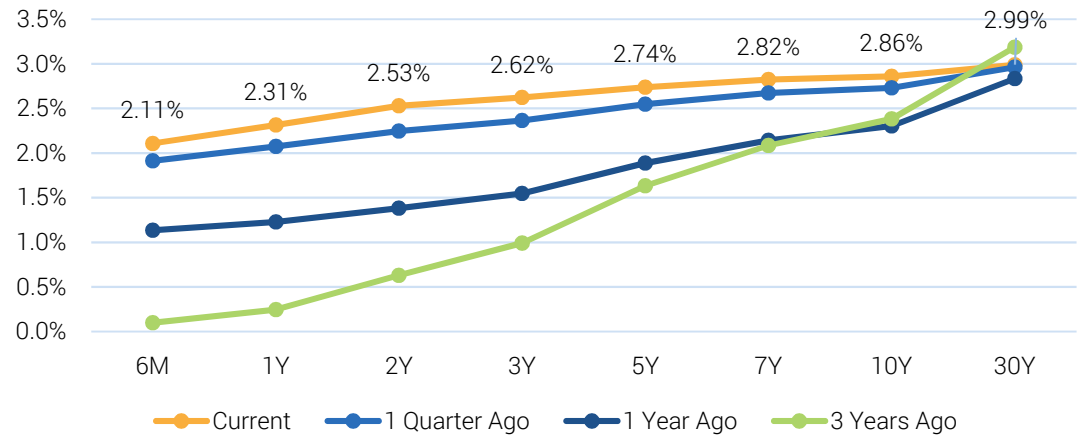
Source: Federal Reserve, MSCI

Fixed Income

As of 06/30/2018

Investment grade and longer duration fixed income continued to decline over the course of the second quarter as interest rates rose and credit spreads widened. However, with its shorter duration and higher correlation to economic growth, the high yield sector was one of the few that registered gains this quarter. During the second quarter, the yield on the 2-year Treasury bond rose another 26 basis points on top of the 38 basis points it rose in the first quarter. At its current yield of 2.53%, the 2-year is trading at its highest yield since August 2008. Along the long-end of the curve, the yield in the 10-year Treasury rose 12 basis points to 2.86%. The yield on the 10-year briefly broke through the psychological ceiling of 3% but was quickly driven back down as concerns about trade war drove a flight to safety. As short-term rates have continued to rise faster than long-term rates, the spread between the 2-year Treasury and the 10-year Treasury has since compressed to 33 basis points, representing the flattest the yield curve has registered since fall 2007.

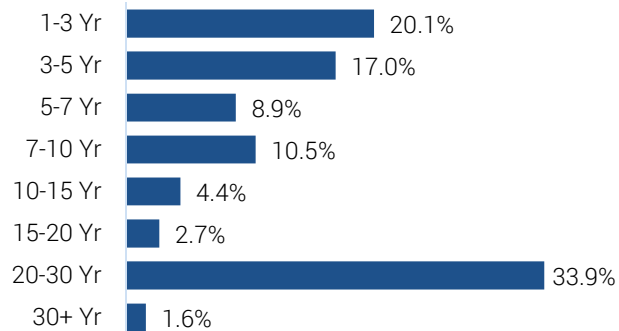
Treasury Yield Curve



Trailing Returns



U.S. Aggregate Maturity Distribution



| | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|----------------|-------|--------|---------|---------|----------|
| U.S. Aggregate | -1.62 | -0.40 | 1.72 | 2.27 | 3.72 |
| U.S. Long | -4.98 | -0.78 | 4.34 | 5.10 | 6.79 |
| U.S. Short | 0.08 | 0.21 | 0.71 | 0.84 | 1.65 |
| Municipals | -0.25 | 1.56 | 2.85 | 3.53 | 4.43 |
| High Yield | 0.08 | 2.53 | 5.55 | 5.51 | 8.03 |
| TIPS | -0.02 | 2.11 | 1.93 | 1.68 | 3.03 |
| Treasury Bill | 0.78 | 1.30 | 0.62 | 0.38 | 0.30 |
| Global Hedged | 1.42 | 3.27 | 3.63 | 4.04 | 4.44 |

Source: Federal Reserve, Barclays, Bloomberg, Bank of America,

Legislative and Regulatory Update

Fiduciary Rule

- ❑ After the 5th U.S. Circuit Court of Appeals vacated the fiduciary rule in March 2018, the federal government had a deadline of June 13th to request a rehearing by the U.S. Supreme Court. Since the government declined to ask for a rehearing, the fiduciary rule is essentially dead. The final step to formally vacate the fiduciary rule will require the court clerk to issue a mandate. The only way the rule could be revived is if the 5th Circuit decides to challenge its own decision, which we view as unlikely. The Securities and Exchange Commission is considering its own version of the fiduciary rule, known as the best-interest rule. A summation of the SEC's proposal can be found here: <https://www.investopedia.com/insights/sec-altfiduciary-rule-regulation-best-interest/>.^{1,2}

The Federal Reserve

- ❑ On June 13, 2018, the Federal Reserve raised the Federal Funds rate by 0.25% to a range of 1.75% - 2.00%. This was the second time rates were increased in 2018. The Fed has signaled that it anticipates two additional increases later this year. A majority of Fed officials expect rates to rise to a range of 2.25% - 2.50% by the end of the year. The last time rates exceeded 2.00% was in 2008.³

International Affairs

- ❑ In June 2018, President Donald Trump met with North Korean leader Kim Jong Un. This was the first ever meeting between sitting leaders of the two countries. Concrete progress from the summit remains to be seen, but the U.S. is hopeful that continued discussions may lead to the eventual denuclearization of North Korea.⁴
- ❑ At the European Union (EU) summit in Brussels on June 28-29, 2018, European leaders reached a deal on migration. The EU agreed to help coastline countries like Italy by redistributing migrants rescued in the Mediterranean. The EU also agreed to set up reception centers in Northern African countries where migrants will wait for resettlement to Europe or repatriation to their home countries. Although the exact details of this arrangement have not been finalized, the deal is a sign of progress for the European political climate. Migration policy has been a major point of conflict between and within European countries. Economic uncertainty remains an issue across Europe, exacerbated by a lack of clarity on Britain's scheduled 2019 exit from the EU, and recent elections in Turkey, Hungary and Italy.^{5,6,7}
- ❑ In June 2018, the U.S. State Department announced a plan to halt Iranian oil being imported into the U.S. to zero by November 4th. This plan will likely cause tighter world crude supplies, leading to higher oil prices for businesses and consumers. The State Department says it will not offer exemptions for countries and companies that do business with Iran.⁸

Dodd-Frank

- ❑ In response to the financial crisis a decade ago, the Dodd-Frank Act was created to prevent another major financial crisis. Among other things, this act created the Consumer Financial Protection Bureau (CFPB), imposed annual stress-tests on the nation's banks, and increased capital reserve requirements on banks and other financial institutions. Since its implementation in 2009, the Act has come under criticism for being too harsh on smaller banks by reducing their lending capabilities and increasing their compliance costs. In March 2018, a bill to reduce the oversight and ease financial regulations on smaller banks with assets below \$250 billion passed the Senate. In May, the bill passed the House and was subsequently signed into law.^{9,10,11}

Trade Tariffs

- ❑ In March 2018, the U.S. announced its intention to impose a 25% tariff on steel and a 10% tariff on aluminum imports with immediate effect on China and other countries, and a delayed implementation on goods from Canada, Mexico, and the European Union. By the end of May, these tariffs became active in Canada, Mexico, and the EU. Since then, these countries have announced future retaliatory tariffs on U.S. goods. This response caused the U.S. to threaten a potential tariff on foreign automobiles.¹²
- ❑ A separate \$50 billion tariff on Chinese goods, which included restrictions on Chinese investment in high-tech industries, was also announced in March with a proposed start date of July 6th. China responded with a smaller tariff on soybeans, fruit, wine and other goods. Since then, both countries have continued to escalate potential tariffs, with the U.S. threatening a \$200 billion tariff on Chinese goods and China threatening further retaliatory tariffs if necessary.^{13, 14, 15, 16}

Retirement Plan Fees

- ❑ There has been a heavy focus on reducing unnecessary retirement plan fees over the past decade. For this reason, it is more important than ever for plan sponsors to understand common fees that may be charged to the plan. Most fees fall under the following four categories: Recordkeeping and Administration, Investment, Advisory and Consulting Services, and Participant Transaction fees. A brief description of these fee categories and some examples of specific fees are provided below.

Recordkeeping and Administration

- These fees are necessary for the day-to-day maintenance and operations of the plan.

Investment Fees

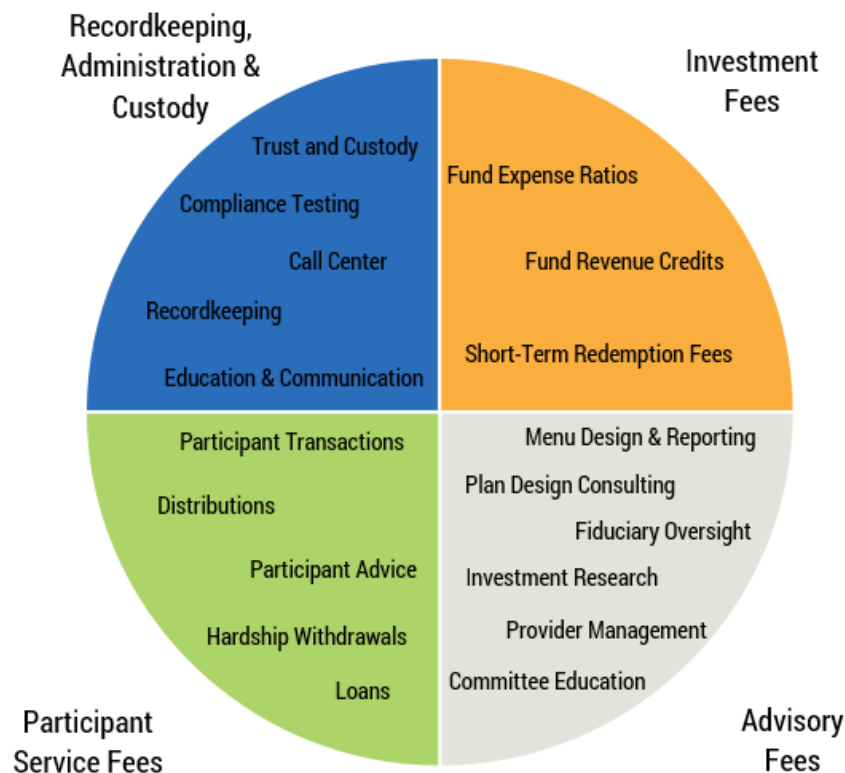
- Generally the largest component of overall plan fees, these charges come from the underlying investments themselves. It is a fiduciary's responsibility to review these fees, and ensure that participants are provided funds and share classes that fit their needs without unnecessary expenses.

Advisory Fees

- Advisors and Consultants can provide fiduciary oversight, assistance with plan design, investment research and reporting, and vendor management.

Participant Service Fees

- These fees are generally charged to the individual participant that utilizes them.



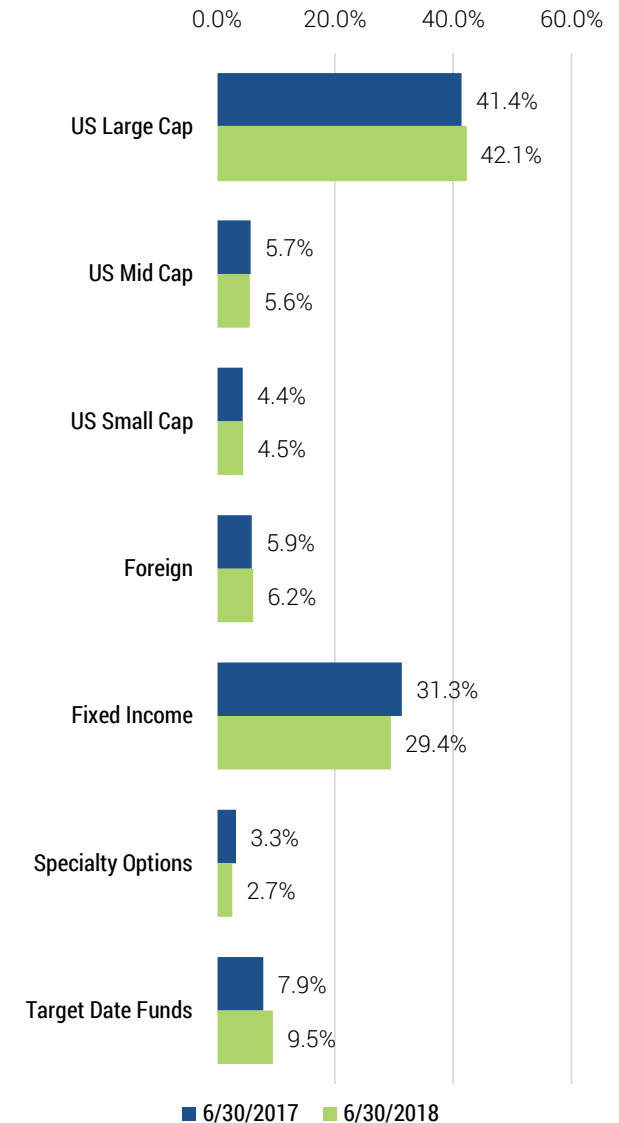
- ¹ Peters, Katelyn. "SEC Alt-Fiduciary Rule: 'Regulation Best Interest.'" *Investopedia*, Investopedia, 24 Apr. 2018, www.investopedia.com/insights/sec-altfiduciary-rule-regulation-best-interest/.
- ² Weinberg, Neil. "U.S. Rule to Protect Retirement Savers Dies Quietly." *Bloomberg.com*, Bloomberg, 15 June 2018, www.bloomberg.com/news/articles/2018-06-15/u-s-rule-to-protect-retirement-savers-dies-quietly.
- ³ Tankersley, Jim, and Neil Irwin. "Fed Raises Interest Rates and Signals 2 More Increases Are Coming." *The New York Times*, The New York Times, 13 June 2018, www.nytimes.com/2018/06/13/us/politics/federal-reserve-raises-interest-rates.html.
- ⁴ Rosenfeld, Everett, and Nyshka Chandran. "Trump Says He and Kim Are 'Going Right Now for a Signing'." *CNBC*, CNBC, 12 June 2018, www.cnn.com/2018/06/11/donald-trump-and-kim-jong-un-meet-at-historic-summit-in-singapore.html.
- ⁵ Rankin, Jennifer, and Philip Oltermann. "Future of EU Hinges on Solving Migration Issue, Says Merkel." *The Guardian*, Guardian News and Media, 28 June 2018, www.theguardian.com/world/2018/jun/28/future-of-eu-hinges-on-solving-migration-issue-says-merkel.
- ⁶ Pop, Valentina, and Bojan Pancevski. "Victory for German Chancellor Merkel as EU Leaders Agree Migration Deal at Dawn." *MarketWatch*, MarketWatch, 29 June 2018, www.marketwatch.com/story/victory-for-german-chancellor-merkel-as-eu-leaders-agree-on-migration-deal-at-dawn-2018-06-29.
- ⁷ Henley, Jon. "EU Migration Deal: What Was Agreed and Will It Work?" *The Guardian*, Guardian News and Media, 29 June 2018, www.theguardian.com/world/2018/jun/29/eu-summit-migration-deal-key-points.
- ⁸ Schroeder, Robert. "Trump Today: President Threatens Tariffs on European Cars, Tells Republicans to Stop 'Wasting Their Time' on Immigration." *MarketWatch*, MarketWatch, 22 June 2018, www.marketwatch.com/story/trump-today-president-threatens-tariffs-on-european-cars-tells-republicans-to-stop-wasting-their-time-on-immigration-2018-06-22.
- ⁹ "Rep. Waters Calls for Harassing Admin Officials in Public, Trump Calls Her 'Low IQ'." *NBCNews.com*, NBCUniversal News Group, www.nbcnews.com/politics/politics-news/rep-waters-draws-criticism-saying-trump-officials-should-be-harassed-n886311?cid=sm_npd_nn_fb_ma.
- ¹⁰ "Senate Passes Bill Easing Dodd-Frank Rules for Banks." *Yahoo! Finance*, Yahoo!, 15 Mar. 2018, finance.yahoo.com/news/senate-passes-bill-easing-dodd-frank-rules-banks-224443217--finance.html.
- ¹¹ Barrett, Ted. "Senate Votes to Roll Back Parts of Dodd-Frank Banking Law." *CNN*, Cable News Network, 14 Mar. 2018, www.cnn.com/2018/03/14/politics/banking-bill-vote-mike-crapo/index.html.
- ¹² Schroeder, Robert. "Trump Today: President Threatens Tariffs on European Cars, Tells Republicans to Stop 'Wasting Their Time' on Immigration." *MarketWatch*, MarketWatch, 22 June 2018, www.marketwatch.com/story/trump-today-president-threatens-tariffs-on-european-cars-tells-republicans-to-stop-wasting-their-time-on-immigration-2018-06-22.
- ¹³ Mozee, Carla. "EU to Impose Tariffs on \$3.2 Billion of U.S. Goods Starting Friday." *MarketWatch*, MarketWatch, 20 June 2018, www.marketwatch.com/story/eu-to-impose-tariffs-on-32-billion-of-us-goods-starting-friday-2018-06-20.
- ¹⁴ "Trade War Could Trigger Global Recession, China and Europe Warn." *Bloomberg.com*, Bloomberg, 25 June 2018, www.bloomberg.com/news/articles/2018-06-25/china-and-europe-warn-trade-war-could-trigger-global-recession.
- ¹⁵ Petroff, Alanna, et al. "US-China Trade Battle: Catch up Here." *CNNMoney*, Cable News Network, 30 May 2018, money.cnn.com/2018/05/30/news/economy/trump-china-us-tariffs-trade-timeline/index.html.
- ¹⁶ Goldstein, Steve. "Trade-War Tracker: Here Are the New Levies, Imposed and Threatened." *MarketWatch*, MarketWatch, 28 June 2018, www.marketwatch.com/story/trade-war-tracker-here-are-the-new-levies-imposed-and-threatened-2018-06-22.

Summary of County of Fresno 457 DC Plan - Trailing Quarter

Data as of 06/30/2018



| Asset Class | Ticker | % | 6/30/2017 | Net Increases/Decreases | 6/30/2018 | % |
|---|--------|--------------|----------------------|-------------------------|----------------------|--------------|
| US Large Cap | | 41.4% | 94,123,193 | 10,530,635 | 104,653,828 | 42.1% |
| Alger Spectra Z | ASPZX | 16.8% | 38,144,637 | 7,196,769 | 45,341,406 | 18.3% |
| Columbia Dividend Income Inst3 | CDDYX | 5.4% | 12,342,489 | 1,010,297 | 13,352,787 | 5.4% |
| Blackrock Equity Index Fund M | 02CFF1 | 19.2% | 43,636,067 | 2,323,569 | 45,959,636 | 18.5% |
| US Mid Cap | | 5.7% | 13,015,057 | 912,831 | 13,927,887 | 5.6% |
| Hennessy Focus Funds Institutional | HFCIX | 2.2% | 4,969,563 | 61,412 | 5,030,974 | 2.0% |
| Blackrock Mid Cap Equity Index - Fund M | 03CFF2 | 3.5% | 8,045,494 | 851,419 | 8,896,913 | 3.6% |
| US Small Cap | | 4.4% | 10,031,452 | 1,033,262 | 11,064,715 | 4.5% |
| Nicholas Limited Edition I | NCLEX | 2.5% | 5,578,495 | 250,205 | 5,828,700 | 2.3% |
| Perkins Small Cap Value N | JDSNX | 0.8% | 1,837,922 | (516,984) | 1,320,937 | 0.5% |
| Blackrock Russell 2000 Index Fund M | 03CFF3 | 1.2% | 2,615,036 | 1,300,041 | 3,915,077 | 1.6% |
| Foreign | | 5.9% | 13,516,158 | 1,799,319 | 15,315,477 | 6.2% |
| Ivy International Core Equity R6 | IINCX | 4.4% | 10,048,095 | (68,522) | 9,979,573 | 4.0% |
| Oppenheimer Developing Markets I | ODVIX | 0.5% | 1,226,261 | 868,194 | 2,094,455 | 0.8% |
| Blackrock Eafe Equity Index Fund T | 10CFF5 | 1.0% | 2,241,802 | 999,647 | 3,241,449 | 1.3% |
| Fixed Income | | 31.3% | 71,224,508 | 1,882,566 | 73,107,073 | 29.4% |
| RidgeWorth Seix Total Return Bond IS | SAMZX | 1.4% | 3,228,011 | 402,147 | 3,630,159 | 1.5% |
| Blackrock US Debt Index Fund W | 04CFF4 | 1.4% | 3,190,806 | 1,348,499 | 4,539,305 | 1.8% |
| Templeton Global Bond R6 | FBNRX | 0.5% | 1,086,899 | 504,342 | 1,591,241 | 0.6% |
| County Of Fresno Stable Value Fund | FRESSV | 28.0% | 63,718,791 | (372,422) | 63,346,369 | 25.5% |
| Specialty Options | | 3.3% | 7,420,099 | (802,153) | 6,617,945 | 2.7% |
| Oakmark Equity & Income I | OAKBX | 1.0% | 2,266,301 | (78,583) | 2,187,718 | 0.9% |
| Fidelity Advisor Real Estate Income I | FRIRX | 0.5% | 1,160,004 | (165,225) | 994,778 | 0.4% |
| Franklin Utilities R6 | FUFRX | 1.8% | 3,993,794 | (558,345) | 3,435,449 | 1.4% |
| Target Date Funds | | 7.9% | 17,945,177 | 5,677,809 | 23,622,986 | 9.5% |
| Great-West Lifetime 2015 Trust li | grwl15 | 1.2% | 2,663,901 | 767,594 | 3,431,495 | 1.4% |
| Great-West Lifetime 2025 Trust li | grwl25 | 2.7% | 6,207,088 | 1,600,503 | 7,807,591 | 3.1% |
| Great-West Lifetime 2035 Trust li | grwl35 | 1.9% | 4,333,852 | 798,812 | 5,132,664 | 2.1% |
| Great-West Lifetime 2045 Trust li | grwl45 | 1.5% | 3,452,909 | 1,569,680 | 5,022,589 | 2.0% |
| Great-West Lifetime 2055 Trust li | grwl55 | 0.6% | 1,287,428 | 941,219 | 2,228,647 | 0.9% |
| Total | | 100% | \$227,275,643 | \$21,034,268 | \$248,309,912 | 100% |



County of Fresno 457 DC Plan

Investment Summary

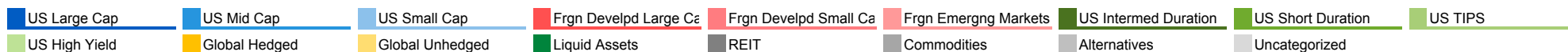
As of 6/30/2018

Passively-Managed and Cash Funds

| Managed and Cash Funds | | Equities | | | | | | Fixed Income | | | | | | Liquid | Other | | | | | | | | | | | | | | | | |
|---------------------------------------|--------|----------|-----|-----|---------|---|---|--------------|---|---|---------|---|---|--------|-------|-----|-----|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | US | | | Foreign | | | US | | | Foreign | | | | | | | | | | | | | | | | | | | | |
| | | L | M | S | R | S | E | I | S | T | Y | H | U | | Exp | Qtr | YTD | 1 Yr | 2 Yr | 3 Yr | 4 Yr | 5 Yr | 10 Yr | | | | | | | | |
| BlackRock Equity Index - Collective M | 02cff1 | 100 | | | | | | | | | | | | | | | | | | | | | 0.02 | 3.44 | 2.67 | 14.47 | 16.19 | 11.99 | 10.85 | 13.50 | 10.37 |
| BlackRock MidCap Idx - Collective M | 03cff2 | | 100 | | | | | | | | | | | | | | | | | | | | 0.03 | 4.31 | 3.55 | 13.60 | 15.79 | 10.60 | 9.54 | 12.54 | 10.73 |
| BlackRock Russell 2000 Index Coll M | 03cff3 | | | 100 | | | | | | | | | | | | | | | | | | | 0.03 | 7.78 | 7.73 | 17.78 | 21.27 | 11.24 | 10.09 | 12.75 | 10.86 |
| BlackRock EAFE Equity Index Coll F | 10cff5 | | | | 100 | | | | | | | | | | | | | | | | | | 0.10 | -1.33 | -2.40 | 7.24 | 13.76 | 5.28 | 2.86 | 6.76 | 3.16 |
| BlackRock US Debt Index Fund Coll W | 04cff4 | | | | | | | 100 | | | | | | | | | | | | | | | 0.04 | -0.14 | -1.60 | -0.36 | -0.29 | 1.79 | 1.90 | 2.42 | |

Actively-Managed Funds

| Style | Investment | Ticker | L | M | S | L | S | E | I | S | T | Y | H | U | C | R | C | A | U | Exp | Qtr | YTD | 1 Yr | 2 Yr | 3 Yr | 4 Yr | 5 Yr | 10 Yr |
|----------------|---------------------------------------|--------|----|----|----|----|---|----|----|----|---|---|---|---|-----|---|---|---|----|------|-------|-------|-------|-------|-------|-------|-------|-------|
| Income | Columbia Dividend Income Inst3 | CDDYX | 87 | 4 | | 4 | | 1 | | | | | | | 4 | | | | | 0.59 | 0.69 | -1.28 | 10.24 | 12.42 | 11.42 | 9.78 | 11.54 | 9.98 |
| Growth | Alger Spectra Z | ASPZX | 82 | 8 | 1 | 5 | | | | | | | | | 4 | | | | | 0.96 | 7.25 | 10.35 | 24.40 | 22.85 | 13.34 | 13.47 | 16.62 | 12.92 |
| Growth | Hennessy Focus Institutional | HFCIX | 47 | 30 | 11 | 6 | | | | | | | | | 6 | | | | | 1.12 | 3.14 | 0.79 | 11.74 | 13.00 | 8.42 | 9.68 | 11.67 | 12.99 |
| Balanced | Oakmark Equity And Income Investor | OAKBX | 38 | 14 | 1 | 5 | | | 23 | | | | | | 12 | | | | 7 | 0.78 | 0.22 | -1.41 | 6.55 | 11.70 | 5.76 | 5.02 | 8.16 | 6.47 |
| Blend | Janus Henderson Small Cap Value N | JDSNX | | 28 | 62 | 1 | 2 | | | | | | | | 7 | | | | | 0.88 | 3.64 | 0.48 | 8.97 | 15.62 | 10.84 | 9.39 | 11.71 | 11.18 |
| Growth | Nicholas Limited Edition I | NCLEX | | 31 | 52 | 3 | 5 | | | | | | | | 9 | | | | | 0.86 | 7.51 | 7.35 | 15.22 | 18.68 | 10.60 | 10.33 | 11.89 | 11.23 |
| Global Blend | Ivy International Core Equity N | IINCX | 4 | | | 92 | | | | | | | | | 3 | | | | 1 | 0.82 | -1.43 | -2.54 | 5.11 | 13.53 | 4.22 | 3.30 | 7.92 | 4.63 |
| Emerging Blend | Oppenheimer Developing Markets I | ODVIX | | | | 32 | | 59 | | | | | | | 4 | | | | 5 | 0.88 | -4.00 | -1.09 | 12.63 | 17.61 | 7.59 | 2.83 | 6.04 | 5.68 |
| Intermediate | Virtus Seix Total Return Bond R6 | SAMZX | | | | | | | 76 | 12 | | | 3 | | 9 | | | | | 0.31 | -0.05 | -1.63 | -1.30 | -0.53 | 1.59 | 1.57 | 2.16 | 4.22 |
| Global Bond | Templeton Global Bond R6 | FBNRX | | | | | | | 59 | | | | | 8 | 33 | | | | | 0.56 | -2.55 | -1.19 | -1.75 | 4.24 | 1.38 | 0.66 | 2.00 | 5.61 |
| Real Estate | Fidelity Advisor Real Estate Income I | FRIRX | 4 | 14 | 10 | | | | 38 | | | | | | 10 | | | | 24 | 0.76 | 4.00 | 0.84 | 2.64 | 5.06 | 6.78 | 5.74 | 6.55 | 8.51 |
| Stable Value | Fresno County Stable Value | fressv | | | | | | | | | | | | | 100 | | | | | 0.50 | 0.50 | 1.00 | 2.00 | 2.01 | 2.05 | 2.09 | 2.10 | |
| Utilities | Franklin Utilities R6 | FUFRX | | | | | | | | | | | | | 100 | | | | | 0.49 | 4.43 | 0.42 | 3.06 | 3.09 | 10.46 | 6.66 | 9.64 | 7.66 |



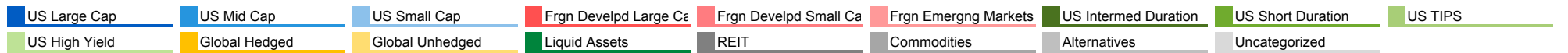
County of Fresno 457 DC Plan

Investment Summary









As of 6/30/2018

Target-Date Funds

| Target-Date Funds | | | Equities | | | | | | Fixed Income | | | | | | Liquid | Other | | | | | | | | | | | | | |
|-------------------|--------------------------------|--------|----------|----|----|---------|---|----|--------------|---|----|---|---------|---|--------|-------|---|---|---|------|------|------|-------|-------|------|------|-------|-------|--|
| | | | US | | | Foreign | | | US | | | | Foreign | | | | | | | | | | | | | | | | |
| Style | Investment | Ticker | L | M | S | L | S | E | I | S | T | Y | H | U | C | R | C | A | U | Exp | Qtr | YTD | 1 Yr | 2 Yr | 3 Yr | 4 Yr | 5 Yr | 10 Yr | |
| Target Date | Great-West Lifetime 2015 Trust | GRWL15 | 17 | 8 | 4 | 10 | | 3 | 20 | 8 | 13 | 5 | 5 | | 4 | 3 | | | | 0.43 | 0.83 | 0.42 | 5.99 | 7.49 | 6.08 | 5.00 | 6.31 | | |
| Target Date | Great-West Lifetime 2025 Trust | GRWL25 | 22 | 9 | 6 | 14 | | 5 | 19 | 5 | 6 | 5 | 4 | | 2 | 3 | | | | 0.43 | 1.06 | 0.57 | 7.62 | 9.74 | 7.26 | 6.04 | 7.82 | | |
| Target Date | Great-West Lifetime 2035 Trust | GRWL35 | 29 | 12 | 8 | 21 | | 7 | 11 | 1 | 2 | 2 | 2 | | 1 | 4 | | | | 0.44 | 1.40 | 1.02 | 10.03 | 12.76 | 8.69 | 7.24 | 9.13 | | |
| Target Date | Great-West Lifetime 2045 Trust | GRWL45 | 31 | 13 | 10 | 24 | | 10 | 6 | | | 1 | 1 | | | 4 | | | | 0.44 | 1.52 | 1.29 | 11.23 | 14.22 | 9.29 | 7.66 | 10.11 | | |
| Target Date | Great-West Lifetime 2055 Trust | GRWL55 | 29 | 13 | 11 | 25 | | 11 | 5 | | | 1 | 1 | | | 4 | | | | 0.45 | 1.29 | 1.06 | 11.23 | 14.34 | 9.19 | 7.52 | 10.04 | | |



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

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

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

Summary of Fund Compliance


































































Passively-Managed and Cash Funds

| Type | Assets % | Fund Name | Ticker |
|----------|----------|---------------------------------------|--------|
| LC Index | 18.51% | BlackRock Equity Index - Collective M | 02cff1 |
| MC Index | 3.58% | BlackRock MidCap Idx - Collective M | 03cff2 |
| SC Index | 1.58% | BlackRock Russell 2000 Index Coll M | 03cff3 |
| Global | 1.31% | BlackRock EAFE Equity Index Coll F | 10cff5 |
| US Debt | 1.83% | BlackRock US Debt Index Fund Coll W | 04cff4 |

* This Investment has less than 3 years of performance data

Actively-Managed Funds


























Underperforming ◀     ▶ Outperforming

| Status | Assets % | Fund Name | Ticker | Return (40%) | Risk Adjusted Return (20%) | Risk (30%) | Expense (5%) | Tenure (5%) |
|--------|----------|---------------------------------------|--------|---|---|---|---|---|
| Pass | 5.38% | Columbia Dividend Income Inst3 | CDDYX |  |  |  |  |  |
| Pass | 18.26% | Alger Spectra Z | ASPZX |  |  |  |  |  |
| Pass | 2.03% | Hennessy Focus Institutional | HFCIX |  |  |  |  |  |
| Pass | 0.88% | Oakmark Equity And Income Investor | OAKBX |  |  |  |  |  |
| Pass | 0.53% | Janus Henderson Small Cap Value N | JDSNX |  |  |  |  |  |
| Pass | 2.35% | Nicholas Limited Edition I | NCLEX |  |  |  |  |  |
| Pass | 4.02% | Ivy International Core Equity N | IINCX |  |  |  |  |  |
| Pass | 0.84% | Oppenheimer Developing Markets I | ODVIX |  |  |  |  |  |
| Pass | 1.46% | Virtus Seix Total Return Bond R6 | SAMZX |  |  |  |  |  |
| Pass | 0.64% | Templeton Global Bond R6 | FBNRX |  |  |  |  |  |
| Pass | 0.40% | Fidelity Advisor Real Estate Income I | FRIRX |  |  |  |  |  |
| Pass | 25.51% | Fresno County Stable Value | fressv |  |  |  |  |  |
| Pass | 1.38% | Franklin Utilities R6 | FUFRX |  |  |  |  |  |

* This Investment has less than 3 years of performance data

Target-Date Funds

Underperforming ◀     ▶ Outperforming

| Status | Assets % | Fund Name | Ticker | Return (40%) | Risk Adjusted Return (20%) | Risk (30%) | Expense (5%) | Tenure (5%) |
|--------|----------|--------------------------------|--------|---|---|---|---|---|
| Pass | 1.38% | Great-West Lifetime 2015 Trust | GRWL15 |  |  |  |  |  |
| Pass | 3.14% | Great-West Lifetime 2025 Trust | GRWL25 |  |  |  |  |  |
| Pass | 2.07% | Great-West Lifetime 2035 Trust | GRWL35 |  |  |  |  |  |
| Pass | 2.02% | Great-West Lifetime 2045 Trust | GRWL45 |  |  |  |  |  |
| Pass | 0.90% | Great-West Lifetime 2055 Trust | GRWL55 |  |  |  |  |  |

Passively-Managed and Cash Funds

| Type of Fund | Assets % | Ticker | Fund Name | Return vs Peer Group (40%) | | | Risk Adjusted Return Sharpe (20%) | | | Standard Deviation | | | Risk (30%) Up Capture | | | Down Capture | | | Other (10%) Expense | Tenure |
|--------------|----------|--------|---------------------------------------|----------------------------|----|-----|-----------------------------------|----|-----|--------------------|----|-----|-----------------------|----|-----|--------------|----|-----|---------------------|---------|
| | | | | 3Y | 5Y | 10Y | 3Y | 5Y | 10Y | 3Y | 5Y | 10Y | 3Y | 5Y | 10Y | 3Y | 5Y | 10Y | Peer Rank % | Avg Yrs |
| LC Index | 18.51% | 02cff1 | BlackRock Equity Index - Collective M | 7 | 7 | 11 | 8 | 4 | 6 | 40 | 32 | 30 | 17 | 19 | 33 | 23 | 22 | 21 | 2 | 5 |
| VC Index | 3.58% | 03cff2 | BlackRock MidCap Idx - Collective M | 11 | 12 | 12 | 14 | 20 | 16 | 55 | 54 | 58 | 9 | 7 | 14 | 65 | 62 | 53 | 1 | 5 |
| SC Index | 1.58% | 03cff3 | BlackRock Russell 2000 Index Coll M | 20 | 19 | 24 | 28 | 29 | 32 | 75 | 80 | 65 | 9 | 6 | 11 | 70 | 77 | 78 | 1 | 5 |
| Global | 1.31% | 10cff5 | BlackRock EAFE Equity Index Coll F | 25 | 24 | 32 | 28 | 27 | 32 | 64 | 66 | 53 | 27 | 30 | 23 | 46 | 38 | 47 | 4 | 5 |
| US Debt | 1.83% | 04cff4 | BlackRock US Debt Index Fund Coll W | 1 | 1 | | 5 | 15 | | 83 | 82 | | 7 | 6 | | 47 | 50 | | 1 | 5 |

Actively-Managed Funds

| Overall Fund Score | Assets % | Ticker | Fund Name | Return vs Peer Group (40%) | | | Risk Adjusted Return Sharpe (20%) | | | Standard Deviation | | | Risk (30%) Up Capture | | | Down Capture | | | Other (10%) Expense | Tenure |
|--------------------|----------|--------|---------------------------------------|----------------------------|----|-----|-----------------------------------|----|-----|--------------------|----|-----|-----------------------|----|-----|--------------|----|-----|---------------------|---------|
| | | | | 3Y | 5Y | 10Y | 3Y | 5Y | 10Y | 3Y | 5Y | 10Y | 3Y | 5Y | 10Y | 3Y | 5Y | 10Y | Peer Rank % | Avg Yrs |
| 9 | 5.38% | CDDYX | Columbia Dividend Income Inst3 | 3 | 10 | 7 | 2 | 2 | 2 | 12 | 11 | 8 | 65 | 73 | 86 | 5 | 6 | 7 | 16 | 7 |
| 7 | 18.26% | ASPZX | Alger Spectra Z | 40 | 19 | 6 | 55 | 24 | 7 | 76 | 68 | 72 | 16 | 16 | 5 | 85 | 61 | 73 | 45 | 6 |
| 6 | 2.03% | HFCIX | Hennessy Focus Institutional | 69 | 67 | 3 | 53 | 40 | 1 | 7 | 11 | 14 | 92 | 87 | 81 | 10 | 15 | 1 | 48 | 7 |
| 5 | 0.88% | OAKBX | Oakmark Equity And Income Investor | 54 | 25 | 46 | 77 | 61 | 40 | 93 | 95 | 28 | 18 | 2 | 66 | 95 | 95 | 35 | 27 | 7 |
| 8 | 0.53% | JDSNX | Janus Henderson Small Cap Value N | 21 | 20 | 17 | 2 | 2 | 1 | 6 | 5 | 4 | 82 | 80 | 88 | 5 | 6 | 2 | 18 | 14 |
| 6 | 2.35% | NCLEX | Nicholas Limited Edition I | 54 | 69 | 42 | 28 | 29 | 12 | 5 | 8 | 6 | 87 | 87 | 91 | 14 | 17 | 7 | 16 | 23 |
| 7 | 4.02% | IINCX | Ivy International Core Equity N | 53 | 5 | 10 | 59 | 9 | 11 | 78 | 72 | 40 | 25 | 6 | 18 | 76 | 38 | 25 | 31 | 10 |
| 8 | 0.84% | ODVIX | Oppenheimer Developing Markets I | 11 | 19 | 1 | 12 | 21 | 1 | 45 | 54 | 18 | 55 | 50 | 56 | 21 | 34 | 12 | 13 | 5 |
| 5 | 1.46% | SAMZX | Virtus Seix Total Return Bond R6 | 55 | 55 | 39 | 58 | 65 | 23 | 65 | 81 | 36 | 56 | 43 | 59 | 52 | 71 | 23 | 9 | 7 |
| 5 | 0.64% | FBNRX | Templeton Global Bond R6 | 80 | 37 | 3 | 85 | 49 | 18 | 75 | 72 | 62 | 96 | 92 | 79 | 2 | 2 | 1 | 14 | 10 |
| 7 | 0.40% | FRIRX | Fidelity Advisor Real Estate Income I | 56 | 83 | 16 | 1 | 1 | 1 | 2 | 2 | 2 | 98 | 97 | 98 | 2 | 1 | 1 | 19 | 13 |
| 10 | 25.51% | fressv | Fresno County Stable Value | 1 | 1 | | 1 | 1 | | 2 | 2 | | 1 | 1 | | 1 | 1 | | 61 | 6 |
| 7 | 1.38% | FUFRX | Franklin Utilities R6 | 26 | 26 | 12 | 28 | 27 | 3 | 71 | 71 | 22 | 13 | 12 | 66 | 75 | 67 | 16 | 13 | 12 |

County of Fresno 457 DC Plan

Fund Policy Compliance

As of 6/30/2018

Target-Date Funds

| Overall Fund Score | Assets % | Ticker | Fund Name | Return vs Peer Group (40%) | | | Risk Adjusted Return Sharpe (20%) | | | Standard Deviation | | | Risk (30%) Up Capture | | | Down Capture | | | Other (10%) Expense | | Tenure |
|--------------------|----------|--------|--------------------------------|----------------------------|----|-----|-----------------------------------|----|-----|--------------------|----|-----|-----------------------|----|-----|--------------|----|-----|---------------------|---------|--------|
| | | | | 3Y | 5Y | 10Y | 3Y | 5Y | 10Y | 3Y | 5Y | 10Y | 3Y | 5Y | 10Y | 3Y | 5Y | 10Y | Peer Rank % | Avg Yrs | |
| 8 | 1.38% | GRWL15 | Great-West Lifetime 2015 Trust | 1 | 42 | | 1 | 1 | | 17 | 11 | | 25 | 64 | | 5 | 18 | | 22 | 5 | |
| 9 | 3.14% | GRWL25 | Great-West Lifetime 2025 Trust | 1 | 20 | | 1 | 2 | | 23 | 25 | | 31 | 56 | | 8 | 13 | | 18 | 5 | |
| 8 | 2.07% | GRWL35 | Great-West Lifetime 2035 Trust | 5 | 29 | | 1 | 12 | | 30 | 26 | | 21 | 58 | | 15 | 15 | | 19 | 5 | |
| 9 | 2.02% | GRWL45 | Great-West Lifetime 2045 Trust | 4 | 12 | | 6 | 11 | | 42 | 40 | | 10 | 25 | | 23 | 26 | | 18 | 5 | |
| 8 | 0.90% | GRWL55 | Great-West Lifetime 2055 Trust | 7 | 22 | | 8 | 23 | | 39 | 36 | | 10 | 29 | | 27 | 38 | | 19 | 5 | |

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

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

B. A. Petty

Northwest Capital Management, Inc. 07/25/2018

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

Trustee / Committee Member Date

BlackRock Equity Index - Collective M (02cff1)

Fund Type: LC Index

US Large Cap

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

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| 02cff1 | 3.44% | 14.47% | 11.99% | 13.50% | 10.37% |
| S&P 500 TR USD | 3.43% | 14.37% | 11.93% | 13.42% | 10.17% |
| Out/(Under) Performing | 0.01% | 0.10% | 0.05% | 0.07% | 0.20% |
| Peer Group Ranking | 23 | 23 | 7 | 7 | 11 |

BlackRock MidCap Idx - Collective M (03cff2)

Fund Type: MC Index

US Mid Cap

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

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|-------------------------------|--------------|--------------|---------------|---------------|---------------|
| 03cff2 | 4.31% | 13.60% | 10.60% | 12.54% | 10.73% |
| S&P MidCap 400 TR | 4.29% | 13.51% | 10.90% | 12.69% | 10.78% |
| Out/(Under) Performing | 0.02% | 0.09% | -0.30% | -0.15% | -0.05% |
| Peer Group Ranking | 14 | 19 | 11 | 12 | 12 |

BlackRock Russell 2000 Index Coll M (03cff3)

Fund Type: SC Index

US Small Cap

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

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| 03cff3 | 7.78% | 17.78% | 11.24% | 12.75% | 10.86% |
| Russell 2000 TR USD | 7.75% | 17.56% | 10.96% | 12.46% | 10.60% |
| Out/(Under) Performing | 0.03% | 0.22% | 0.28% | 0.29% | 0.26% |
| Peer Group Ranking | 25 | 16 | 20 | 19 | 24 |

BlackRock EAFE Equity Index Coll F (10cff5)

Fund Type: Global

Frgn Developd Large Cap

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

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|-------------------------------|--------------|---------------|--------------|--------------|--------------|
| 10cff5 | -1.33% | 7.24% | 5.28% | 6.76% | 3.16% |
| MSCI ACWI Ex USA NR USD | -2.61% | 7.28% | 5.06% | 5.99% | 2.54% |
| Out/(Under) Performing | 1.28% | -0.04% | 0.21% | 0.77% | 0.62% |
| Peer Group Ranking | 19 | 23 | 25 | 24 | 32 |

BlackRock US Debt Index Fund Coll W (04cff4)

Fund Type: US Debt

US Intermed Duration

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

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|--------------------------------|---------------|--------------|--------------|--------------|-------|
| 04cff4 | -0.14% | -0.36% | 1.79% | 2.42% | |
| BBgBarc US Govt Interim TR USD | 0.06% | -0.72% | 0.63% | 1.04% | 2.41% |
| Out/(Under) Performing | -0.20% | 0.36% | 1.17% | 1.38% | |
| Peer Group Ranking | 78 | 21 | 1 | 1 | |

Columbia Dividend Income Inst3 (CDDYX)

Fund Score: 9 (Status: Pass)

US Large Cap

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

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

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|-------------------------------|---------------|--------------|--------------|--------------|--------------|
| CDDYX | 0.69% | 10.24% | 11.42% | 11.54% | 9.98% |
| S&P 500 Value TR USD | 1.40% | 7.58% | 8.82% | 10.45% | 8.44% |
| Out/(Under) Performing | -0.71% | 2.66% | 2.60% | 1.09% | 1.53% |
| Peer Group Ranking | 69 | 27 | 3 | 10 | 7 |

Oakmark Equity And Income Investor (OAKBX)

Fund Score: 5 (Status: Pass)

Uncategorized

The investment seeks income and preservation and growth of capital.

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

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|-------------------------------|---------------|---------------|---------------|--------------|--------------|
| OAKBX | 0.22% | 6.55% | 5.76% | 8.16% | 6.47% |
| DJ Moderate TR USD | 0.43% | 7.83% | 6.57% | 7.33% | 6.40% |
| Out/(Under) Performing | -0.22% | -1.28% | -0.81% | 0.83% | 0.07% |
| Peer Group Ranking | 84 | 52 | 54 | 25 | 46 |

Alger Spectra Z (ASPZX)

Fund Score: 7 (Status: Pass)

US Large Cap

The investment seeks long-term capital appreciation.

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

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|-------------------------------|--------------|--------------|---------------|--------------|--------------|
| ASPZX | 7.25% | 24.40% | 13.34% | 16.62% | 12.92% |
| S&P 500 Growth TR USD | 5.25% | 20.65% | 14.48% | 15.99% | 11.70% |
| Out/(Under) Performing | 2.00% | 3.75% | -1.14% | 0.63% | 1.22% |
| Peer Group Ranking | 12 | 26 | 40 | 19 | 6 |

The Alger Spectra fund returned 7.3% versus 5.3% for the S&P 500 growth index in the second quarter of 2018. Strong stock selection within the Healthcare sector was the primary contributor to returns in the quarter. Sarepta Therapeutics and United Healthcare were two of the specific names that added to performance. The fund was also overweight the Consumer Cyclical space with Amazon.com being a top holding. Additionally, the fund's short position in Symantec Corporation was a contributor during the quarter. The fund's stock selection and overweight position within the Financials sector detracted from performance during the quarter. Visa and Bank of America are the fund's top holdings within that sector. Other detractors during the quarter were Applied Materials and Phillip Morris. Phillip Morris had a difficult quarter after reporting slower market share gains with their new iQOS product in Japan. Lastly, the fund was short shares of W.W. Grainger. Fund managers' thesis around that position is that they will continue to see competition from Amazon.com which has been targeting this area. Nevertheless, Grainger shares performed well in Q2 benefitting from an upturn in industrial demand. The fund's score under our scoring methodology bounced back to a 7 from 6. It still ranks in the second-quartile of its peer group on a risk adjusted returns basis in the trailing three-year period but in the first-quartile for the five- and ten-year periods.

Hennessy Focus Institutional (HFCIX)

Fund Score: 6 (Status: Pass)

US Mid Cap

The investment seeks capital appreciation.

The fund invests primarily in domestic companies listed on U.S. national securities exchanges. It may also invest in (i) foreign companies listed on U.S. national securities exchanges, (ii) foreign companies through American Depositary Receipts or other types of depositary receipts, which are U.S. dollar-denominated securities of foreign issuers listed on U.S. national securities exchanges and, (iii) foreign companies traded on foreign exchanges. The fund is non-diversified.

Trailing Returns

| | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|------------------------------|-------|--------|--------|--------|--------|
| HFCIX | 3.14% | 11.74% | 8.42% | 11.67% | 12.99% |
| S&P MidCap 400 Growth TR USD | 3.31% | 15.70% | 11.34% | 13.15% | 10.99% |

Out/(Under) Performing

| | | | | | |
|--|--------|--------|--------|--------|-------|
| | -0.17% | -3.96% | -2.92% | -1.48% | 2.00% |
|--|--------|--------|--------|--------|-------|

Peer Group Ranking

| | | | | | |
|--|----|----|----|----|---|
| | 59 | 92 | 69 | 67 | 3 |
|--|----|----|----|----|---|

Hennessy returned 3.14% for the quarter, slightly underperforming its benchmark (S&P MidCap 400 Growth) which returned 3.31%. Over the trailing year, the fund has underperformed its benchmark by -3.96%. An out of benchmark allocation of roughly 14% to Canada and the United Kingdom detracted from relative results as trade tensions took hold. Additionally, Hennessey's low turnover has led to its mid-cap winners to grow into the higher market capitalization range. As a result, the median market cap within the fund is nearly twice the size of its benchmark where the smaller-cap names are typically more domestically focused. Under our scoring methodology, the fund continues to score a 6 in Q2 2018. It ranks in the bottom quartile of its peer group for the trailing quarter and one-year periods, however, it continues to place in the top quartile over the 10-year period.

Janus Henderson Small Cap Value N (JDSNX)

Fund Score: 8 (Status: Pass)

US Small Cap

The investment seeks capital appreciation.

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

Trailing Returns

| | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|---------------------------|-------|--------|--------|--------|--------|
| JDSNX | 3.64% | 8.97% | 10.84% | 11.71% | 11.18% |
| Russell 2000 Value TR USD | 8.30% | 13.10% | 11.22% | 11.18% | 9.88% |

Out/(Under) Performing

| | | | | | |
|--|--------|--------|--------|-------|-------|
| | -4.67% | -4.13% | -0.37% | 0.53% | 1.30% |
|--|--------|--------|--------|-------|-------|

Peer Group Ranking

| | | | | | |
|--|----|----|----|----|----|
| | 88 | 80 | 21 | 20 | 17 |
|--|----|----|----|----|----|

Janus Henderson Small Cap Value returned 3.64% in Q2 2018, while its benchmark (Russell 2000 Value) returned 8.30%. The fund has also underperformed by -4.13% relative to its benchmark over the trailing year. It's overweight positionings in consumer staples, financials, and industrials detracted from performance as other sectors outperformed over the quarter. Stock selection in the Insurance industry further detracted from performance as companies, RenaissanceRe and First American Financial, disappointed with poor guidance as the financial burden from Hurricane Harvey was realized. Management believes current equity markets are richly valued and it remains focused on limiting downside. The fund continues to score an 8 and ranks in the top quartile over the three- five- and ten-year periods.

Nicholas Limited Edition I (NCLEX)

Fund Score: 6 (Status: Pass)

US Small Cap

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

The fund primarily invests in common stocks of domestic corporations with small- and medium-sized market capitalizations believed to have growth potential. The advisor believes a company's annual sales volume and market capitalization are the factors most illustrative of a company's size. The advisor generally considers companies with market capitalizations up to \$3 billion as "small", between \$3 billion and \$25 billion as "medium," and greater than \$25 billion as "large."

Trailing Returns

| | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|----------------------------|-------|--------|--------|--------|--------|
| NCLEX | 7.51% | 15.22% | 10.60% | 11.89% | 11.23% |
| Russell 2000 Growth TR USD | 7.23% | 21.86% | 10.60% | 13.65% | 11.24% |

Out/(Under) Performing

| | | | | | |
|--|-------|--------|-------|--------|--------|
| | 0.27% | -6.65% | 0.00% | -1.76% | -0.02% |
|--|-------|--------|-------|--------|--------|

Peer Group Ranking

| | | | | | |
|--|----|----|----|----|----|
| | 54 | 86 | 54 | 69 | 42 |
|--|----|----|----|----|----|

Nicholas Limited Edition returned 7.51% for the quarter, outperforming its benchmark (Russell 2000 Growth) by 0.27%. Over the trailing year, the fund has underperformed its benchmark by -6.65%. Nicholas generally invests in small-cap growth companies (market cap < \$3B), however the fund has recently held a relatively large amount of mid-cap growth companies. At the end of Q2 2018, over 33% of its holdings were in the mid-cap space, which has underperformed relative to small-cap. This positioning and the fund's more conservative stance relative to its peers explain most of the divergence from its benchmark and peer group. Looking at the underlying funds, an underweight to the technology sector and poor selection within that sector further detracted from the fund's performance over the trailing year. Nicholas continues to score a 6 under our scoring methodology and is in the bottom half of its peer group over the trailing one- three- and five-year periods.

Ivy International Core Equity N (IINCX)

Fund Score: 7 (Status: Pass)

Frng Developd Large Cap

The investment seeks to provide capital growth and appreciation.

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

Trailing Returns

| | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|-------------------------|--------|-------|-------|-------|-------|
| IINCX | -1.43% | 5.11% | 4.22% | 7.92% | 4.63% |
| MSCI ACWI Ex USA NR USD | -2.61% | 7.28% | 5.06% | 5.99% | 2.54% |

Out/(Under) Performing

| | | | | | |
|--|-------|--------|--------|-------|-------|
| | 1.18% | -2.16% | -0.84% | 1.93% | 2.09% |
|--|-------|--------|--------|-------|-------|

Peer Group Ranking

| | | | | | |
|--|----|----|----|---|----|
| | 21 | 65 | 53 | 5 | 10 |
|--|----|----|----|---|----|

Ivy International returned -1.44% for Q2 2018, compared to -2.61% for its benchmark (MSCI ACWI Ex USA). Year-to-date, the fund has outperformed underperformed the benchmark by 1.22 %. The fund's overweight to energy provided the largest tailwind, as oil prices increased significantly over the quarter, driving performance in the sector. However, stock selection within the energy sector slightly detracted from the fund's overall performance, specifically positions in Inpex Corp and Seven Generations Energy provided the largest headwinds. Looking forward, management believes global rate increases will be slow and minimal and have increased exposures to defensive sectors such as telecommunications and consumer staples. Overall, the fund continues to score a 7 under our scoring methodology and ranks in the top quartile of its peer group over the five- and ten-year periods.

Oppenheimer Developing Markets I (ODVIX)

Fund Score: 8 (Status: Pass)

Frqn Emergng Markets

The investment seeks capital appreciation.

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

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| ODVIX | -4.00% | 12.63% | 7.59% | 6.04% | 5.68% |
| MSCI EM NR USD | -7.96% | 8.21% | 5.61% | 5.02% | 2.26% |
| Out/(Under) Performing | 3.96% | 4.42% | 1.98% | 1.03% | 3.42% |
| Peer Group Ranking | 3 | 7 | 11 | 19 | 1 |

Oppenheimer Developing Markets returned -4.0% for Q2 2018, compared to -8.0% for its benchmark (MSCI Emerging Markets). Year-to-date, the fund posted returns of -1.1% outperforming its benchmark, which returned -6.7%. The largest tailwind for performance can be attributed to stock selection within the Consumer Cyclical sector, specifically Kering SA, China Lodging Group, and Alibaba. Additionally, management's decision to overweight France, further boosted performance as their economy stayed relatively stable among the volatile Eurozone. Looking forward, management expects less global liquidity as quantitative easing begins to unwind and believes EM countries with limited external debt will fare better than those with more leverage, and has positioned the portfolio accordingly. Currently, we are pleased with the long-term performance of the fund in this volatile space. The fund now scores an 8 under our methodology and places in the top quartile relative to peers for both the return and risk adjusted returns for the three-, five-, and ten-year periods.

Virtus Seix Total Return Bond R6 (SAMZX)

Fund Score: 5 (Status: Pass)

US Intermed Duration

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

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

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|-------------------------------|--------------|---------------|---------------|---------------|--------------|
| SAMZX | -0.05% | -1.30% | 1.59% | 2.16% | 4.22% |
| BBgBarc US Agg Bond TR USD | -0.15% | -0.39% | 1.72% | 2.28% | 3.72% |
| Out/(Under) Performing | 0.11% | -0.91% | -0.14% | -0.11% | 0.50% |
| Peer Group Ranking | 23 | 89 | 55 | 55 | 39 |

Virtus Seix Total Return Bond posted a -0.05% return, outperforming its benchmark (Bloomberg Barclays US Aggregate Bond Index) which returned -0.15%. However, over the trailing year, the fund's performance has lagged by -0.91% relative to the benchmark. Primary contributors to the fund's relative outperformance over the last quarter came from aggregate FX strategies, underweights to corporate bonds, yield curve positioning and credit protection on select single-name credits, while the fund's short position on high yield detracted from performance. Management is concerned about volatility and maintains its positioning in predominantly high quality, low credit risk investments. The fund maintains a 5 under our scoring methodology and ranks in the bottom half over the trailing one- three- and five-year periods.

Templeton Global Bond R6 (FBNRX)

Fund Score: 5 (Status: Pass)

Global Unhedged

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

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

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|-------------------------------------|---------------|---------------|---------------|---------------|--------------|
| FBNRX | -2.55% | -1.75% | 1.38% | 2.00% | 5.61% |
| BBgBarc Global Aggregate TR Hdg USD | 0.19% | 1.64% | 2.81% | 3.31% | 4.16% |
| Out/(Under) Performing | -2.73% | -3.39% | -1.44% | -1.31% | 1.45% |
| Peer Group Ranking | 43 | 91 | 80 | 37 | 3 |

The Templeton Global Bond fund returned -2.5% for the quarter, relative to 0.2% for the Bloomberg Barclays Global Aggregate U.S. Dollar Hedged Index. Currency positions in Latin American and Asia ex- Japan detracted from absolute results, as emerging-market currencies largely depreciated against a broadly stronger U.S. dollar during the quarter. Additionally, select interest rate exposures in these regions served as another headwind as yields rose across several local markets in Latin America and Asia. Looking forward, management is focused on specific emerging markets that are less externally vulnerable to trade policy and more domestically driven. The fund's score dropped to a 5 in the quarter as the trailing 3-year returns rank in the bottom quartile relative to peers. However, long-term prospects remain intact as risk-adjusted returns rank in the top half for the trailing 5- and 10-year periods, respectively.

Fidelity Advisor Real Estate Income I (FRIRX)

Fund Score: 7 (Status: Pass)

REIT

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

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

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|---------------------------------|---------------|---------------|---------------|---------------|--------------|
| FRIRX | 4.00% | 2.64% | 6.78% | 6.55% | 8.51% |
| FTSE NAREIT Equity REITs TR USD | 10.04% | 3.50% | 8.06% | 8.31% | 7.94% |
| Out/(Under) Performing | -6.03% | -0.86% | -1.29% | -1.76% | 0.57% |
| Peer Group Ranking | 94 | 65 | 56 | 83 | 16 |

Fidelity Advisor Real Estate Income returned 4.00% for the quarter, while its benchmark (FTSE NAREIT EQUITY REITs) posted a 10.04% return. For the previous 12 months, the fund underperformed its benchmark by -0.86%. However, the fund incorporates both mortgage REITs as well as equity REITs in its portfolio, while the benchmark only consists of equity REITs. Equity REITs have excelled over the quarter as economic data and employment growth remained steady, while rising interest rates weighed on mortgage REITs over the quarter, and the fund's allocation to these mortgage REITs explains most of the underperformance. However, the fund's stock selection within the equity REIT category outperformed its benchmark and benefited overall performance. Overall, the fund scores a 7 under our methodology and ranks in the bottom half of its peer group over the trailing one- three- and five- year periods.

Franklin Utilities R6 (FUFRX)

Fund Score: 7 (Status: Pass)

US Large Cap

The investment seeks capital appreciation and current income.

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

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|-------------------------------|--------------|---------------|--------------|--------------|--------------|
| FUFRX | 4.43% | 3.06% | 10.46% | 9.64% | 7.66% |
| MSCI World/Utilities NR USD | 2.37% | 3.12% | 7.10% | 6.74% | 1.22% |
| Out/(Under) Performing | 2.06% | -0.06% | 3.36% | 2.89% | 6.44% |
| Peer Group Ranking | 42 | 75 | 26 | 26 | 12 |

Franklin Utilities outperformed its benchmark in Q2 2018, returning 4.43%, while its benchmark (MSCI World/Utilities) returned 2.37%. Relative to its peers, the fund takes a low volatility approach and concentrates on the U.S. electricity and gas industries within the utilities sector. The fund's major contributor was Sempra Energy which excelled due to rising oil and gas prices. The largest detractor from performance came from a major underweight to Exelon Corp, an energy holding company which has seen stellar growth over the year. Overall, management believes that the high-level of engagement between utility companies and regulators will mitigate the negative effects of changing interest rates. Franklin continues to score a 7 and ranks in the top half of its peer group for the three- five- and ten-year periods.

Fresno County Stable Value (fressv)

Fund Score: 10 (Status: Pass)

Liquid Assets

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|--------------------------------------|--------------|--------------|--------------|--------------|-------|
| fressv | 0.50% | 2.00% | 2.05% | 2.10% | |
| ICE BofAML 0-3 M US Trsy Bill TR USD | 0.44% | 1.30% | 0.62% | 0.38% | 0.30% |
| Out/(Under) Performing | 0.06% | 0.70% | 1.43% | 1.72% | |
| Peer Group Ranking | 4 | 1 | 1 | 1 | |

Great-West Lifetime 2015 Trust (GRWL15)

Fund Score: 8 (Status: Pass)

Uncategorized

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|-------------------------------|--------------|--------------|--------------|--------------|-------|
| GRWL15 | 0.83% | 5.99% | 6.08% | 6.31% | |
| DJ Target 2015 TR USD | -0.29% | 3.28% | 3.64% | 4.06% | 4.36% |
| Out/(Under) Performing | 1.11% | 2.71% | 2.45% | 2.25% | |
| Peer Group Ranking | 13 | 14 | 1 | 42 | |

The Great-West Lifetime funds have slightly outperformed their respective benchmarks (DJ Target Date Series) over the quarter and over the trailing year. Over the trailing year, manager selection was the main driver for outperformance; with 10 of the 19 underlying funds (53%) outperforming their respective benchmarks, while asset allocation decisions had significant impact on performance. Some mid and small cap funds slightly underperformed, however, Great-West is confident that these managers can deliver over the long-term. Over the trailing three- and five-year periods, both asset allocation and manager selection decisions have positively aided performance for the series. Great-West made no significant changes to the glidepath or the underlying roster of funds in Q2. Under our scoring methodology the target dates scored an 8 or above, and all target dates in the series rank in the top half of their respective peer groups.

Great-West Lifetime 2025 Trust (GRWL25)

Fund Score: 9 (Status: Pass)

Uncategorized

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|------------------------|--------|-------|-------|-------|-------|
| GRWL25 | 1.06% | 7.62% | 7.26% | 7.82% | |
| DJ Target 2025 TR USD | -0.13% | 5.62% | 5.25% | 6.18% | 5.60% |
| Out/(Under) Performing | 1.18% | 2.00% | 2.01% | 1.64% | |
| Peer Group Ranking | 10 | 19 | 1 | 20 | |

The Great-West Lifetime funds have slightly outperformed their respective benchmarks (DJ Target Date Series) over the quarter and over the trailing year. Over the trailing year, manager selection was the main driver for outperformance; with 10 of the 19 underlying funds (53%) outperforming their respective benchmarks, while asset allocation decisions had significant impact on performance. Some mid and small cap funds slightly underperformed, however, Great-West is confident that these managers can deliver over the long-term. Over the trailing three- and five-year periods, both asset allocation and manager selection decisions have positively aided performance for the series. Great-West made no significant changes to the glidepath or the underlying roster of funds in Q2. Under our scoring methodology the target dates scored an 8 or above, and all target dates in the series rank in the top half of their respective peer groups.

Great-West Lifetime 2035 Trust (GRWL35)

Fund Score: 8 (Status: Pass)

Uncategorized

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|------------------------|-------|--------|-------|-------|-------|
| GRWL35 | 1.40% | 10.03% | 8.69% | 9.13% | |
| DJ Target 2035 TR USD | 0.63% | 8.90% | 7.07% | 8.40% | 6.88% |
| Out/(Under) Performing | 0.77% | 1.13% | 1.62% | 0.73% | |
| Peer Group Ranking | 13 | 19 | 5 | 29 | |

The Great-West Lifetime funds have slightly outperformed their respective benchmarks (DJ Target Date Series) over the quarter and over the trailing year. Over the trailing year, manager selection was the main driver for outperformance; with 10 of the 19 underlying funds (53%) outperforming their respective benchmarks, while asset allocation decisions had significant impact on performance. Some mid and small cap funds slightly underperformed, however, Great-West is confident that these managers can deliver over the long-term. Over the trailing three- and five-year periods, both asset allocation and manager selection decisions have positively aided performance for the series. Great-West made no significant changes to the glidepath or the underlying roster of funds in Q2. Under our scoring methodology the target dates scored an 8 or above and all target dates in the series rank in the top half of their respective peer groups.

Great-West Lifetime 2045 Trust (GRWL45)

Fund Score: 9 (Status: Pass)

Uncategorized

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|------------------------|-------|--------|-------|--------|-------|
| GRWL45 | 1.52% | 11.23% | 9.29% | 10.11% | |
| DJ Target 2045 TR USD | 1.16% | 11.11% | 8.23% | 9.71% | 7.69% |
| Out/(Under) Performing | 0.36% | 0.12% | 1.06% | 0.40% | |
| Peer Group Ranking | 13 | 16 | 4 | 12 | |

The Great-West Lifetime funds have slightly outperformed their respective benchmarks (DJ Target Date Series) over the quarter and over the trailing year. Over the trailing year, manager selection was the main driver for outperformance; with 10 of the 19 underlying funds (53%) outperforming their respective benchmarks, while asset allocation decisions had significant impact on performance. Some mid and small cap funds slightly underperformed, however, Great-West is confident that these managers can deliver over the long-term. Over the trailing three- and five-year periods, both asset allocation and manager selection decisions have positively aided performance for the series. Great-West made no significant changes to the glidepath or the underlying roster of funds in Q2. Under our scoring methodology the target dates scored an 8 or above, and all target dates in the series rank in the top half of their respective peer groups.

Great-West Lifetime 2055 Trust (GRWL55)

Fund Score: 8 (Status: Pass)

Uncategorized

| Trailing Returns | 1 Qtr | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|------------------------|-------|--------|-------|--------|-------|
| GRWL55 | 1.29% | 11.23% | 9.19% | 10.04% | |
| DJ Target 2055 TR USD | 1.28% | 11.60% | 8.50% | 9.92% | 7.80% |
| Out/(Under) Performing | 0.00% | -0.37% | 0.69% | 0.12% | |
| Peer Group Ranking | 35 | 22 | 7 | 22 | |

The Great-West Lifetime funds have slightly outperformed their respective benchmarks (DJ Target Date Series) over the quarter and over the trailing year. Over the trailing year, manager selection was the main driver for outperformance; with 10 of the 19 underlying funds (53%) outperforming their respective benchmarks, while asset allocation decisions had significant impact on performance. Some mid and small cap funds slightly underperformed, however, Great-West is confident that these managers can deliver over the long-term. Over the trailing three- and five-year periods, both asset allocation and manager selection decisions have positively aided performance for the series. Great-West made no significant changes to the glidepath or the underlying roster of funds in Q2. Under our scoring methodology the target dates scored an 8 or above, and all target dates in the series rank in the top half of their respective peer groups.

County of Fresno 457 DC Plan

Expense Ratio Report

As of 6/30/2018

Passively-Managed and Cash Funds

| Investment | Ticker | Expense Ratio▲ | Peer Rank | Range of Peer Group Expense Ratios |
|--|--------|----------------|-----------|------------------------------------|
| 45,959,640 BlackRock Equity Index - Collective M | 02cff1 | 0.02% | 2 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 8,896,913 BlackRock MidCap Idx - Collective M | 03cff2 | 0.03% | 1 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 3,915,077 BlackRock Russell 2000 Index Coll M | 03cff3 | 0.03% | 1 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 3,241,449 BlackRock EAFE Equity Index Coll F | 10cff5 | 0.10% | 4 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 4,539,305 BlackRock US Debt Index Fund Coll W | 04cff4 | 0.04% | 1 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |

Actively-Managed Funds

| | | | | |
|---|--------|-------|----|------------------------------|
| 13,352,790 Columbia Dividend Income Inst3 | CDDYX | 0.59% | 16 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 45,341,400 Alger Spectra Z | ASPZX | 0.96% | 45 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 5,030,974 Hennessy Focus Institutional | HFCIX | 1.12% | 48 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 2,187,718 Oakmark Equity And Income Investor | OAKBX | 0.78% | 27 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 1,320,937 Janus Henderson Small Cap Value N | JDSNX | 0.88% | 18 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 5,828,700 Nicholas Limited Edition I | NCLEX | 0.86% | 16 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 9,979,573 Ivy International Core Equity N | IINCX | 0.82% | 31 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 2,094,455 Oppenheimer Developing Markets I | ODVIX | 0.88% | 13 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 3,630,159 Virtus Seix Total Return Bond R6 | SAMZX | 0.31% | 9 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 1,591,241 Templeton Global Bond R6 | FBNRX | 0.56% | 14 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 994,778 Fidelity Advisor Real Estate Income I | FRIRX | 0.76% | 19 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 3,435,449 Franklin Utilities R6 | FUFRX | 0.49% | 13 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 63,346,370 Fresno County Stable Value | fressv | 0.50% | 61 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |

Target-Date Funds

| | | | | |
|--|--------|-------|----|------------------------------|
| 3,431,495 Great-West Lifetime 2015 Trust | GRWL15 | 0.43% | 22 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 7,807,590 Great-West Lifetime 2025 Trust | GRWL25 | 0.43% | 18 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 5,132,664 Great-West Lifetime 2035 Trust | GRWL35 | 0.44% | 19 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 5,022,589 Great-West Lifetime 2045 Trust | GRWL45 | 0.44% | 18 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |
| 2,228,647 Great-West Lifetime 2055 Trust | GRWL55 | 0.45% | 19 | ▲ 0% 0.5% 1% 1.5% 2% 2.5% 3% |

| | | | | |
|-------------|------------------------|-------|----|---|
| 248,309,913 | Expense Ratio Averages | 0.51% | 16 | Weighted Average Gross Expense Ratio: 0.50% |
|-------------|------------------------|-------|----|---|

| Your Plan | Bal Weighted Avg | 1st Quartile | 2nd Quartile | 3rd Quartile | 4th Quartile |
|---------------|------------------|--------------|--------------|--------------|--------------|
| Expense Ratio | 0.50% | 81.5%(22) | 14.8%(4) | 3.7%(1) | - |

County of Fresno 457 DC Plan

As of: 06/30/2018

Target Date Review

| Retirement Date | Investment | 3-Mo | 1 Yr | 2 Yr * | 3 Yr * | 5 Yr * | Expense Ratio |
|-----------------|--------------------------------------|------|-------|--------|--------|--------|---------------|
| 2015 | | | | | | | |
| | Great-West Lifetime 2015 Trust | 0.83 | 5.99 | 7.49 | 6.08 | 6.31 | 0.43 |
| | Morningstar Lifetime Mod 2015 TR USD | 0.73 | 5.91 | 6.34 | 5.15 | 5.87 | |
| | Benchmark +/- | 0.10 | 0.08 | 1.15 | 0.93 | 0.44 | |
| 2025 | | | | | | | |
| | Great-West Lifetime 2025 Trust | 1.06 | 7.62 | 9.74 | 7.26 | 7.82 | 0.43 |
| | Morningstar Lifetime Mod 2025 TR USD | 0.87 | 7.45 | 8.60 | 6.28 | 7.33 | |
| | Benchmark +/- | 0.19 | 0.17 | 1.14 | 0.98 | 0.49 | |
| 2035 | | | | | | | |
| | Great-West Lifetime 2035 Trust | 1.4 | 10.03 | 12.76 | 8.69 | 9.13 | 0.44 |
| | Morningstar Lifetime Mod 2035 TR USD | 1.16 | 9.81 | 11.96 | 7.69 | 8.91 | |
| | Benchmark +/- | 0.24 | 0.22 | 0.80 | 1.00 | 0.22 | |
| 2045 | | | | | | | |
| | Great-West Lifetime 2045 Trust | 1.52 | 11.23 | 14.22 | 9.29 | 10.11 | 0.44 |
| | Morningstar Lifetime Mod 2045 TR USD | 1.22 | 10.96 | 13.57 | 8.30 | 9.40 | |
| | Benchmark +/- | 0.30 | 0.27 | 0.65 | 0.99 | 0.71 | |
| 2055 | | | | | | | |
| | Great-West Lifetime 2055 Trust | 1.29 | 11.23 | 14.34 | 9.19 | 10.04 | 0.45 |
| | Morningstar Lifetime Mod 2055 TR USD | 1.08 | 10.98 | 13.72 | 8.26 | 9.27 | |
| | Benchmark +/- | 0.21 | 0.25 | 0.62 | 0.93 | 0.77 | |

*Returns are annualized after 1 year

**Great West Lifetime Trust Series replaced Great West Lifetime Trust Series II in June 2016. Return data prior to June 2016 reflects Great West Lifetime Trust Series II

*** Great West Lifetime Trust Series expense ratios were reduced to 0.43%-0.45% in Q2 2018

Item 8 - Exhibit B

County of Fresno 457 DC Plan Watch List

As of: 06/30/2018

Current Lineup Status

| Asset Class | | Current Status | Placed On Watch |
|--------------------------|--------------------------------------|----------------|-----------------|
| US Large Cap | | | |
| aspzx | Alger Spectra Z | Pass | - |
| cddyx | Columbia Dividend Income Y | Pass | - |
| 02cff1 | Blackrock Equity Index Fund | Index | - |
| US Mid Cap | | | |
| hfcix | Hennessy Focus Funds Institutional | Pass | - |
| 03cff2 | Blackrock Mid Cap Equity Index Fund | Index | - |
| US Small Cap | | | |
| nclex | Nicholas Limited Edition I | Pass | - |
| jdsnx | Perkins Small Cap Value N | Pass | - |
| 03cff3 | Blackrock Russell 2000 Index Fund | Index | - |
| Foreign Stocks | | | |
| iincx | Ivy International Core Equity R6 | Pass | - |
| odvix | Oppenheimer Developing Markets I | Pass | - |
| 10cff5 | Blackrock Eafe Equity Index Fund | Index | - |
| Fixed Income | | | |
| samzx | RidgeWorth Seix Total Return Bond IS | Pass | - |
| fbnrx | Templeton Global Bond R6 | Pass | - |
| 04cff4 | Blackrock US Debt Index Fund | Index | - |
| Specialty Options | | | |
| frirx | Fidelity AdvisorReal Estate Income I | Pass | - |
| fufrx | Franklin Utilities R6 | Pass | - |
| oakbx | Oakmark Equity & Income I | Pass | - |
| fressv | County Of Fresno Stable Value Fund | Pass | - |
| Target Date | | | |
| grwl15 | Great-West Lifetime 2015 Trust | Pass | - |
| grwl25 | Great-West Lifetime 2025 Trust | Pass | - |
| grwl35 | Great-West Lifetime 2035 Trust | Pass | - |
| grwl45 | Great-West Lifetime 2045 Trust | Pass | - |
| grwl55 | Great-West Lifetime 2055 Trust | Pass | - |

Watch List History

| | | Current Status | Placed On Watch | Removed From Watch |
|------------------------|-------------------------------------|----------------|-----------------|--------------------|
| All Investments | | | | |
| fressv | County Of Fresno Stable Value Fund | In Plan | 2017 - Q1 | 2018 - Q1 |
| grwl15 | Great-West Lifetime 2015 Trust | In Plan | 2017 - Q1 | 2018 - Q1 |
| grwl25 | Great-West Lifetime 2025 Trust | In Plan | 2017 - Q1 | 2018 - Q1 |
| grwl35 | Great-West Lifetime 2035 Trust | In Plan | 2017 - Q1 | 2018 - Q1 |
| grwl45 | Great-West Lifetime 2045 Trust | In Plan | 2017 - Q1 | 2018 - Q1 |
| grwl55 | Great-West Lifetime 2055 Trust | In Plan | 2017 - Q1 | 2018 - Q1 |
| fbnrx | Templeton Global Bond R6 | In Plan | 2016 - Q2 | 2017 - Q1 |
| scblx | RidgeWorth Seix Total Return Bond R | In Plan | 2013 - Q4 | 2015 - Q2 |
| nnlex | Nicholas Limited Edition N | In Plan | 2013 - Q4 | 2015 - Q2 |
| gsftx | Columbia Dividend Income Z | In Plan | 2013 - Q4 | 2014 - Q4 |
| oakbx | Oakmark Equity And Income Investor | In Plan | 2012 - Q1 | 2012 - Q3 |
| segsx | Sentinel Government Securities A | Removed | 2014 - Q2 | 2015 - Q2 |
| jmcvx | Perkins Mid Cap Value T | Removed | 2013 - Q4 | 2015 - Q2 |
| msiix | MainStay International Equity I | Removed | 2012 - Q4 | 2015 - Q2 |
| paxix | Pax Balanced Institutional | Removed | 2012 - Q4 | 2013 - Q2 |
| gtavx | Invesco Mid Cap Core Equity R5 | Removed | 2012 - Q1 | 2013 - Q2 |
| jmvax | Perkins Mid Cap Value I | Removed | 2012 - Q1 | 2012 - Q3 |
| nbgnx | Neuberger Berman Genesis Inv | Removed | 2012 - Q1 | 2012 - Q3 |
| sdgtx | Deutsche Capital Growth I | Removed | 2012 - Q1 | 2012 - Q3 |
| chtvx | Invesco Charter Fund R5 | Removed | 2012 - Q1 | 2012 - Q3 |