



LOMA LINDA UNIVERSITY

HEALTH CARE

**Retirement  
Education**

# Making the Most of *Your* Retirement Plan!

Presented by:

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# Loma Linda University Health Care Retirement Education

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- The information contained in this seminar presentation is intended to be general in nature.
- Neither UBS Financial Services Inc. nor any of its employees provide legal or tax advice, or investment advice to retirement plan participants.
- You must consult with your legal, tax and/or investment advisors regarding your personal circumstances.

# Your LLUHC Retirement Team

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LOMA LINDA UNIVERSITY  
HEALTH CARE



- Investment consultants for retirement plan
- Help committee select & monitor funds
- Investment education for you
- Help you with retirement planning ongoing
- Help desk: 800-905-5574



- Plan administration, record-keeping
- Quarterly statements & account access for you
- View investments anytime, & easy system for changes
- Account access:  
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# Today's Agenda

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- Investment changes
- Saving through LLUHC's retirement savings plan
- Retirement planning essentials
- Making your investment decisions
- Avoiding common saving, investing and spending mistakes

# Changes to Plan Investments – Week of October 30, 2017

- Retirement plan committee meets regularly to select and monitor Plan investments - occasionally changes are made (e.g., underperforming fund may be replaced, fund(s) added, Plan qualifies for lower cost investments).
- Effective the week of Oct. 30, 2017, the following changes will be made to the investments in the Plan:

Investment Category	Current Fund	Replacement Fund	Ticker	Fund Family Website
<b><u>U.S. Equities</u></b>	➔			
<i>Large Company: Value</i>	AlianzGI NFJ Dividend Value Instl	T. Rowe Price Value I	TRPIX	<a href="http://www.troweprice.com">www.troweprice.com</a>
<i>Medium Company: Value</i>	Goldman Sachs Mid Cap Value Instl	JP Morgan Mid Cap Value R6	JMVYX	<a href="https://am.ipmorgan.com">https://am.ipmorgan.com</a>
<i>Medium Company: Growth</i>	Ivy Mid Cap Growth Y	Vanguard Mid-Cap Growth Index Admiral	VMGMX	<a href="https://investor.vanguard.com">https://investor.vanguard.com</a>
<i>Small Company: Value</i>	Royce Pennsylvania Mutual Invmt	Goldman Sachs Small Cap Value R6	GSSUX	<a href="https://www.gsam.com">https://www.gsam.com</a>
<i>Small Company: Blend</i>	Vanguard Small Cap Index Adm	Vanguard Small Cap Index I	VSCIX	<a href="https://investor.vanguard.com">https://investor.vanguard.com</a>
<i>Total U.S. Stock Market</i>	Fidelity Total Market Index Investor	Fidelity Total Market Index Premium	FSTVX	<a href="http://www.fidelity.com">www.fidelity.com</a>
<b><u>International Equities</u></b>				
	Fidelity International Index Investor	Fidelity International Index Premium	FSIVX	<a href="http://www.fidelity.com">www.fidelity.com</a>

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# Understanding Your LLUHC Retirement Plan

# LLUHC Retirement Plan

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- Your Retirement Plan consists of two parts:
  - 1) MERP – **employer** annual contributions (discretionary)
    - All eligible employees are automatically enrolled and Loma Linda makes contributions to your account
  - 2) TSA - 403(b) – **employee** elective salary deferrals
    - You choose to enroll and decide how much to save from your paycheck

# LLUHC MERP

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## 1) MERP - Employer Annual Contribution (discretionary):

- Eligibility – you must be at least 20 years old and work at least 1,000 hours during the plan year
- Enrollment – all eligible employees are automatically enrolled in the Plan on the date of hire (or the date they turn 20 years old)
- Amount of discretionary contribution – announced by March 15<sup>th</sup> for the previous year; deposited to your account no later than Sept. (e.g., receive contribution for 2016 plan year in 2017)
- Broad range of investment choices



# Vesting Schedule for MERP Contributions

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- “Vesting” is when LLUHC’s or your participating employer’s contributions belong to you!

Years of Service	Vested Interest
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5 or more	100%

*You will become vested in your account immediately if you are employed at LLUHC and reach age 65, or due to disability or death.*

*You’re always 100% vested in your TSA - 403(b) salary deferrals and any rollovers from other qualified plans.*

# Elective Salary Deferrals (TSA-403b)

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## 2) TSA – 403(b) Employee Elective Salary Deferral:

- Eligibility – 1<sup>st</sup> of the month following your date of hire
- Employee payroll deduction – tax advantaged
  - You choose how much you want to save from your paycheck
  - Current tax savings (i.e., pre-tax contributions) or after tax savings (i.e., Roth) – your choice, details to follow
  - Automatic saving & investing is easier!
- Contribution limits:
  - 1-90% of your income to **\$18,000** in 2017 (**\$18,500** in 2018)
  - '50 & Over' Catch-Up of **\$6,000** more in 2017 (**\$6,000** in 2018)  
*(total \$24,000 in 2017; \$24,500 in 2018)*
  - You may change your contribution rate at any time (VRU or website)
- Broad range of investment choices

# Your Contributions: Pre-tax, ROTH or Both?

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- Traditional 401(k) = Pay Taxes **Later**
  - Pre-tax contribution
  - Tax-deferred accumulation
  - Pay taxes at distribution
- ROTH 401(k) = Pay Taxes **Today**
  - After-tax contribution
  - Tax-free accumulation\*
- You may choose pre-tax &/or ROTH for your contributions
  - Company contributions are pre-tax

*\* Requires minimum of 5 years + age 59 1/2 before distribution*

# Your Contributions: Pre-tax, ROTH or Both?

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## ➤ Why Use ROTH 401(k)?

- Diversify \$s by tax status (like diversifying investments)
- Manage risk of higher future tax rates
- Benefit from compounding returns tax-free (vs. tax-deferred)

## ➤ Who Should Use It?

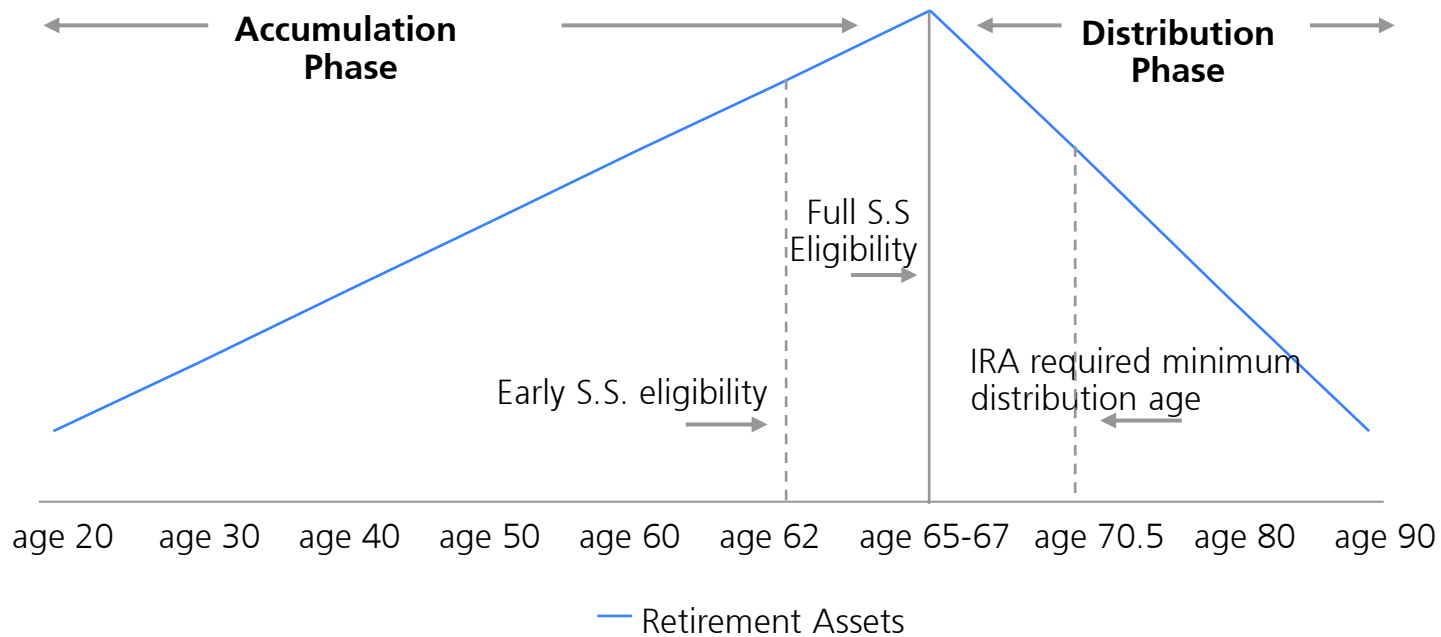
- Depends on many factors and your unique situation
- Consult your tax advisor and/or financial professional

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# Retirement Planning Essentials

# Accumulation vs. Distribution

## Phases of Retirement Management



Note: Social Security full eligibility age is increasing and depends on birth year.  
Source: UBS Investment Research provided through UBS Securities LLC (2004)

# How Much to Save?

**Most workers retire before maximizing their retirement income**

Saving Rate Required for a *Medium Earner* to Attain a 70% Income Replacement Rate\*

Avoid retiring until you're ready

Retire at age:	Start Saving at age:		
	25	35	45
<b>62</b>	15%	24%	44%
<b>65</b>	10%	15%	27%
<b>67</b>	7%	12%	20%
<b>70</b>	4%	6%	10%

# Benefit of Increasing Contributions

Maximize your savings *today.*

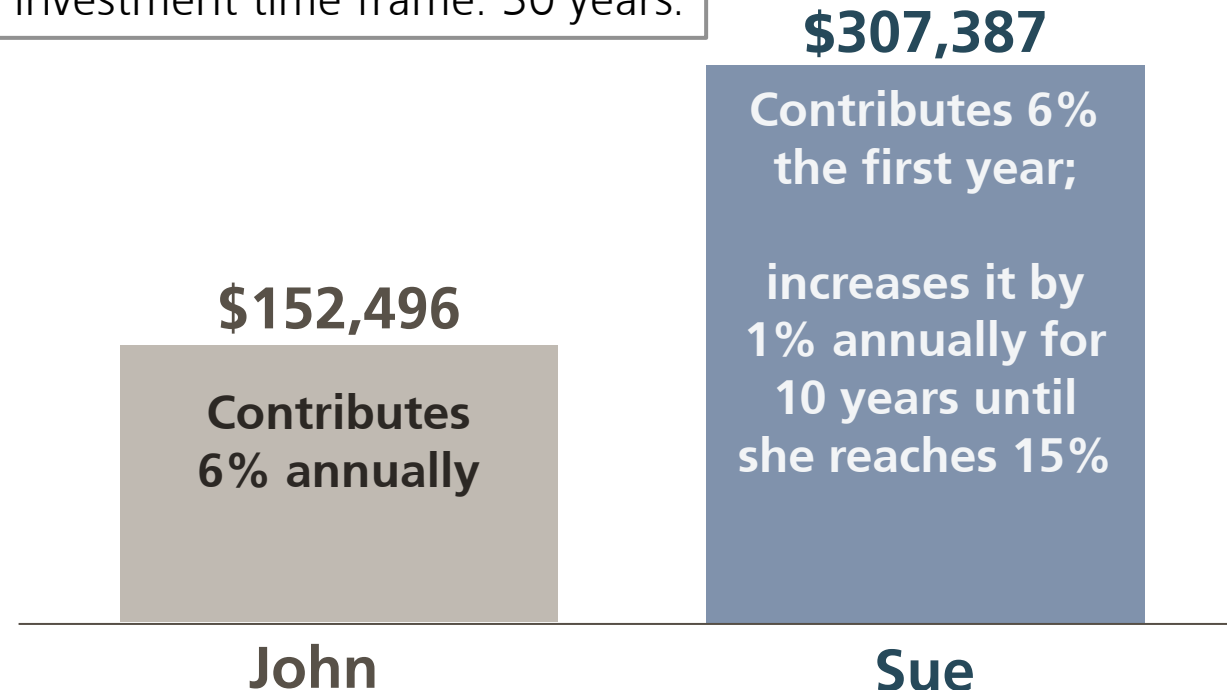
Minimize your retirement worries *tomorrow.*

## How the "1% Solution" pays off

Assumed Salary: \$25,000

Rate of return: 7%

Investment time frame: 30 years.



**Look at the impact of increasing contributions over the long term**



# Retirement Planning Example

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- If working income = \$40,000/yr.
  - 70% retirement income = \$28,000/yr.
- Approx. half is Social Security = \$14,000  
Approx. half is from 401(k)/other = \$14,000



Requires approximately **\$350,000** in assets  
to generate \$14,000/year at 4% spending rates \*

- The Milliman website tool ([PlanAhead](#)) can help you determine if you are on track. If not, it can help you consider changes to your strategy (work longer, more saving, etc.)

\* These calculations provide only a simple example – outcomes are not guaranteed.  
Each participant's situation is unique and requires specific planning needs.

# Retirement Savings Checkpoints

	\$30,000	\$50,000	\$75,000	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000
<b>Current Age</b>	<b>Checkpoint (x current household income)</b>							
<b>30</b>	-	0.4	1.1	1.3	1.8	2.1	2.3	2.4
<b>35</b>	0.3	0.8	1.6	1.9	2.4	2.8	3.1	3.2
<b>40</b>	0.6	1.2	2.2	2.6	3.2	3.7	4.1	4.2
<b>45</b>	1.0	1.8	3.0	3.4	4.2	4.8	5.3	5.5
<b>50</b>	1.5	2.5	3.9	4.5	5.4	6.2	6.7	7.0
<b>55</b>	2.1	3.3	5.1	5.7	6.9	7.9	8.5	8.8
<b>60</b>	2.9	4.3	6.5	7.3	8.8	9.9	10.7	11.1
<b>65</b>	3.9	5.6	8.4	9.4	11.3	12.7	13.7	14.2

**MODEL ASSUMPTIONS**

Pre-retirement investment return: 6.5%

Post-retirement investment return: 5.0%

Retirement age: 65

Years in retirement: 30

Inflation rate: 2.25%

Confidence level represented: 80%

Assumed annual contribution rate: 5%

**How to use:**

- Go to the intersection of your current age and your closest household income.
- Multiply your household income by the checkpoint shown to get the total amount your household should have invested today, assuming you continue to save 5% going forward.
- Example: For a 40-year-old with a household income of \$100,000:  $\$100,000 \times 2.6 = \$260,000$ .

This chart is for illustrative purposes only and must not be relied upon to make investment decisions. J.P. Morgan's model is based on J.P. Morgan Asset Management's (JPMAM) proprietary long-term capital market assumptions (10-15 years). Household income replacement rates are derived from an inflation-adjusted analysis of: Consumer Expenditure Survey (BLS) data (2011-2014); Social Security benefits using modified scaled earnings in 2016 for a single wage earner at age 65 and a spousal benefit at age 62 reduced by Medicare Part B premiums; and 2016 OASDI and FICA taxes. Households earning \$30,000 will need to replace at least 16% of their pre-retirement income; \$50,000 23%; \$75,000 34%; \$100,000 38%; \$150,000 45%; \$200,000 51%; \$250,000 55%; \$300,000 57%. The income replacement needs may be lower for households in which both spouses are working and the second spouse's individual benefits are greater than their spousal benefit. Single household income replacement needs may vary as spending is typically less than a two-spouse household; however, the loss of the Social Security spousal benefit may offset the spending reduction. Consult with a Financial Advisor for a more personalized assessment. Allocations, assumptions and expected returns are not meant to represent JPMAM performance. Given the complex risk/reward tradeoffs involved, we advise clients to rely on judgment as well as quantitative optimization approaches in setting strategic allocations. References to future returns for either asset allocation strategies or asset classes are not promises or even estimates of actual returns a client portfolio may achieve.

# Maximize Social Security Benefits by Waiting

## Avoid starting Social Security benefits too early

### Taking benefits too early

**Half** of all Americans start taking benefits at age 62, the earliest possible age that generates the lowest amount of monthly income

### Forfeiting benefits

If you're working between 62 & full retirement age (FRA) at ages 66-67 then you will forfeit part of the Social Security benefit until you reach FRA

### Waiting = growth

Each year after FRA your benefit grows by 8% per year

# Social Security Basics

- Social Security pays a monthly income for life, and continues for your spouse
- Your income is adjusted for inflation (most private pensions aren't)
- Social Security benefits are not affected by the economy or the stock market

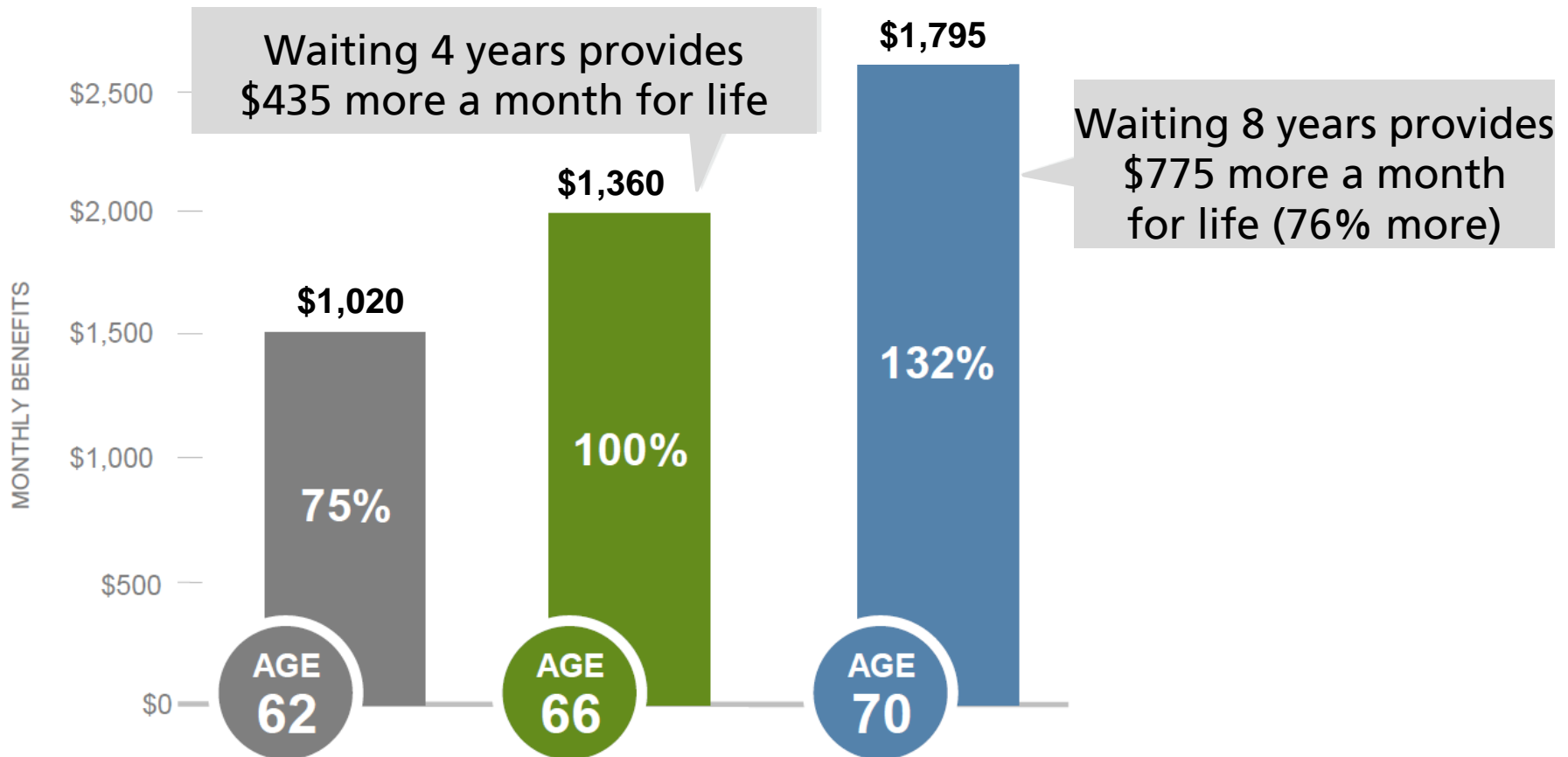
## Social Security Full Retirement Age (FRA)

### If you were born in

### Then your FRA (or NRA) is

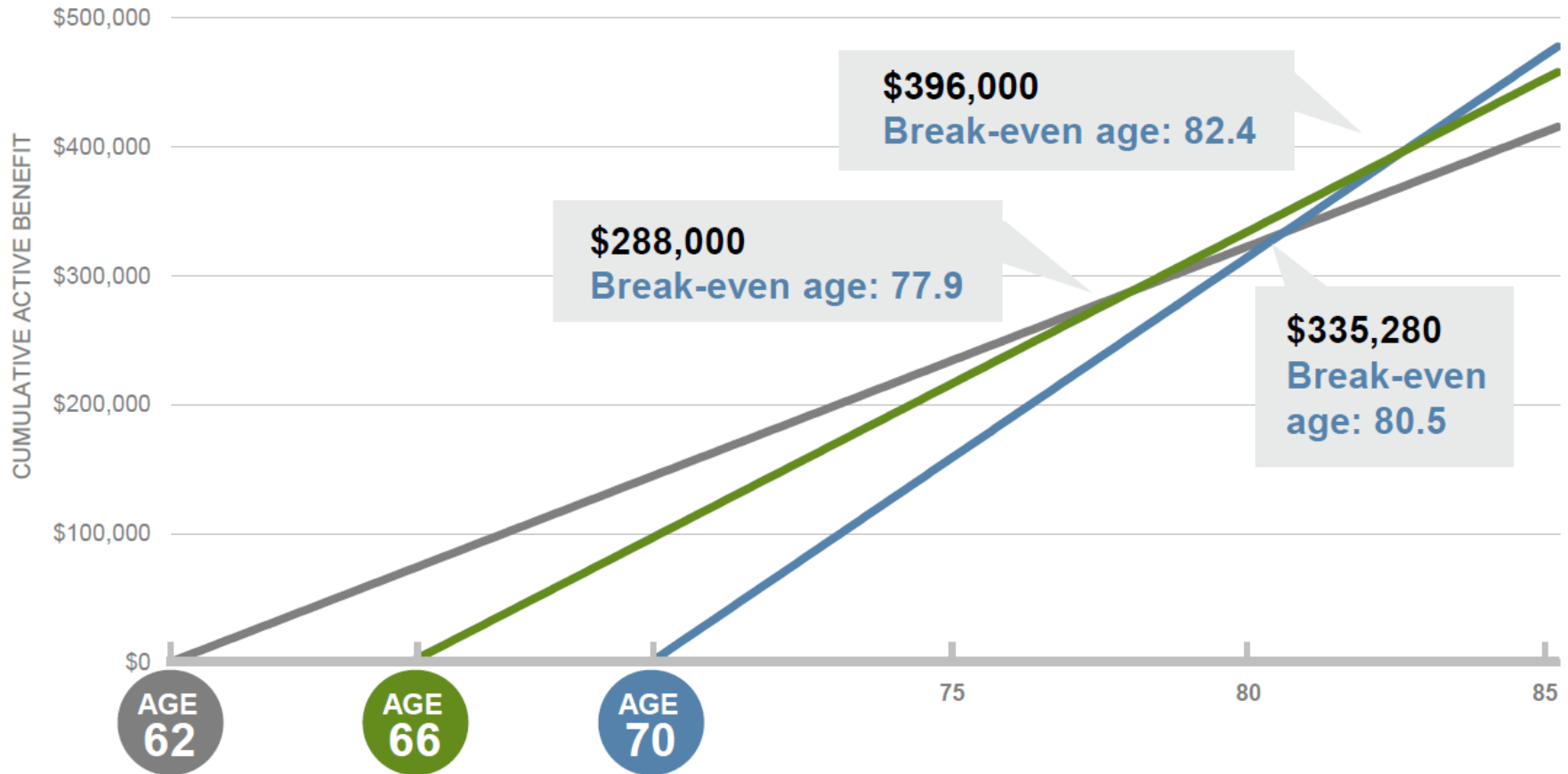
1937 or earlier	65 years
1938	65 years, 2 months
1939	65 years, 4 months
1940	65 years, 6 months
1941	65 years, 8 months
1942	65 years, 10 months
1943-1954	66 years
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months
1960 or later	67 years

# The Value of Waiting: Up to 8% Per Year



This hypothetical example assumes that the person is not working in retirement. Sample benefit amounts are not exact due to rounding. They do not reflect annual cost-of-living adjustments or taxes. Had taxes been taken into account, the amounts would be lower. Benefit at full retirement age is assumed to be \$2,000 per month.

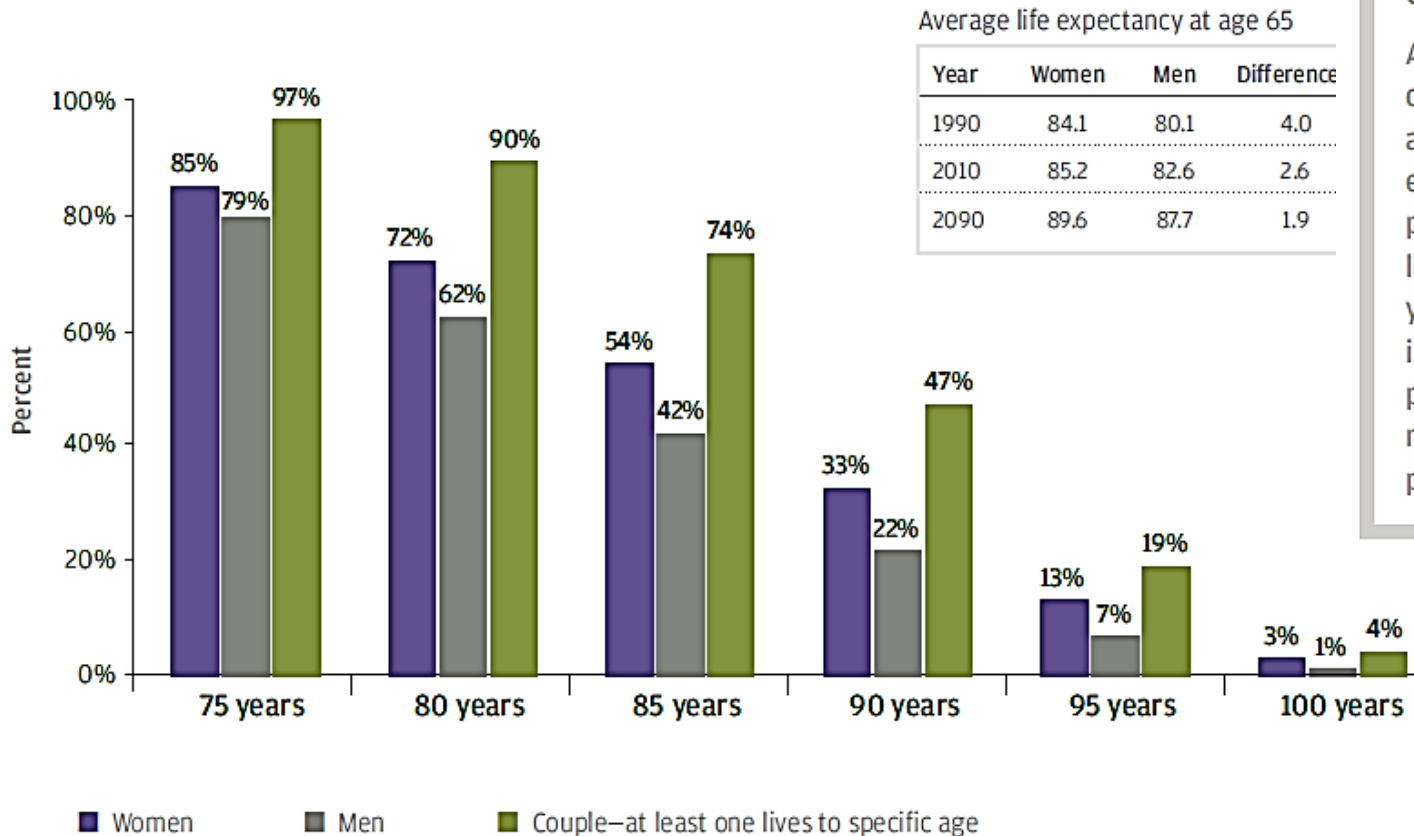
# Social Security "Break-Even" Age



This hypothetical example assumes that the person is not working in retirement. Sample benefit amounts are not exact due to rounding. They do not reflect annual cost-of-living adjustments or taxes. Had taxes been taken into account, the amounts would be lower. Benefit at full retirement age is assumed to be \$2,000 per month.

# Life Expectancy Probabilities

If you're 65 today, the probability of living to a specific age or beyond



**COUNT ON LONGEVITY**

Average life expectancy continues to increase and is a mid-point not an end-point. Plan on the probability of living much longer—perhaps 30 plus years in retirement—and invest a portion of your portfolio for growth to maintain your purchasing power over time.

# Health Care Costs

**\$220,000**

Lifetime out-of-pocket health care expense estimate for a 65-year-old couple.<sup>1</sup>

And costs are expected to rise

**6.2%**

annually from 2015–2022<sup>2</sup>

1. Fidelity Benefits Consulting, 2014. The estimate assumes no employer-provided retiree health care coverage and applies to retirees with traditional Medicare insurance coverage with life expectancies in retirement of 17 years for men and 20 years for women.

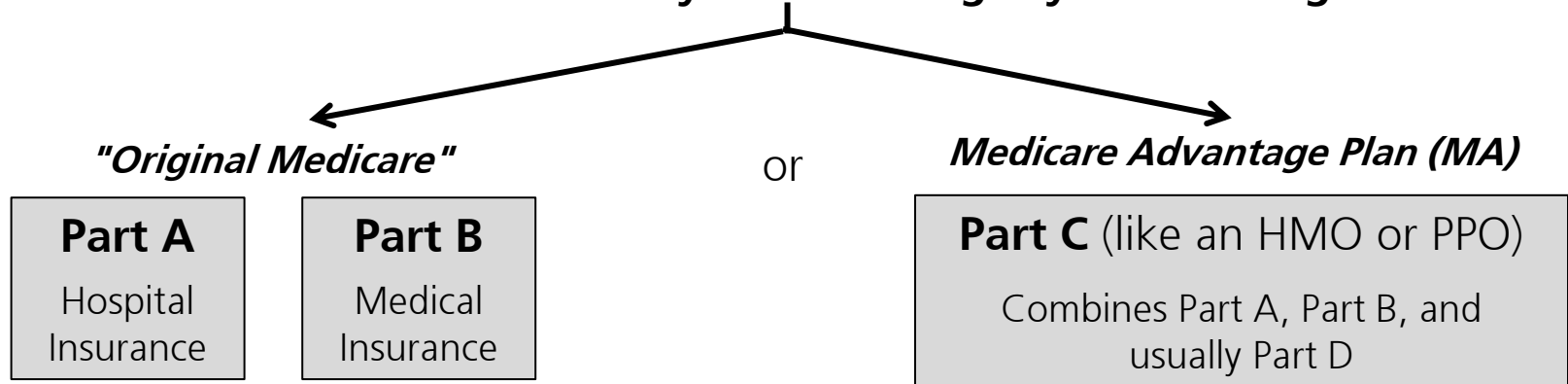
2. Centers for Medicare and Medicaid Services, National Health Expenditures Projections 2012–2022.

Courtesy of Fidelity Investments: "Retirement redefined: Income planning for the modern retiree" August, 2015  
This information is taken from sources we consider reliable, but we cannot guarantee its accuracy nor completeness.

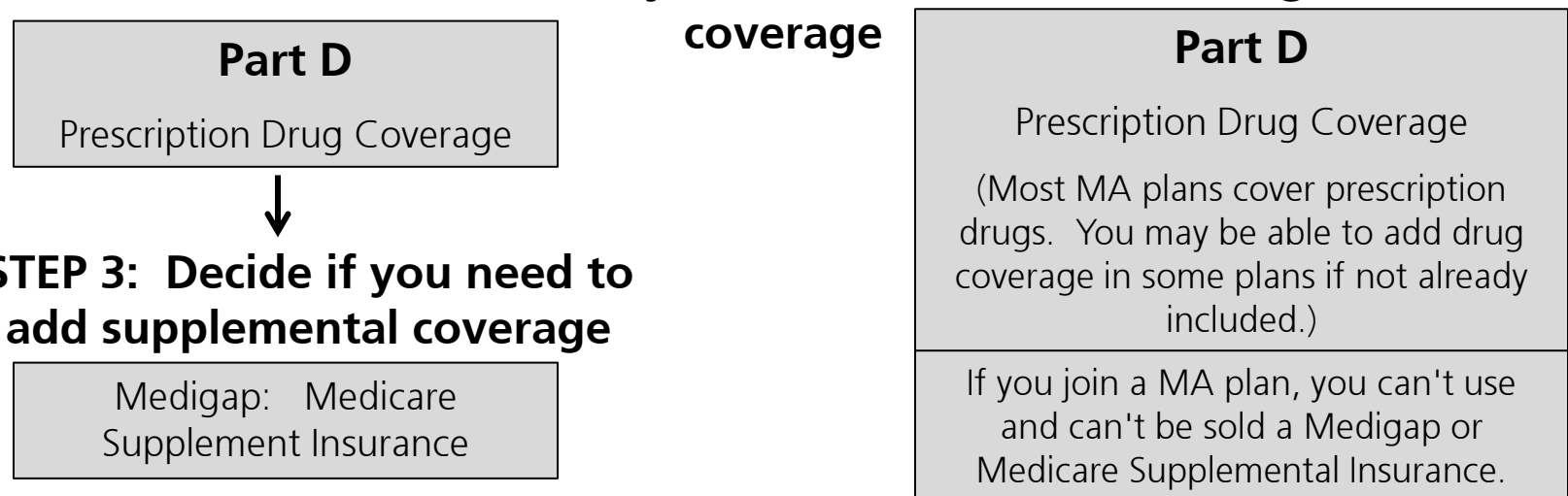


# Medicare Coverage Choices ([www.medicare.gov](http://www.medicare.gov))

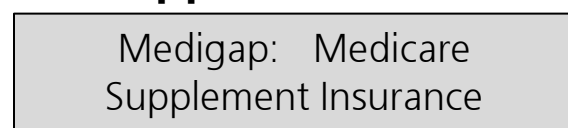
## STEP 1: Decide how you want to get your coverage



## STEP 2: Decide if you want or need to add drug coverage



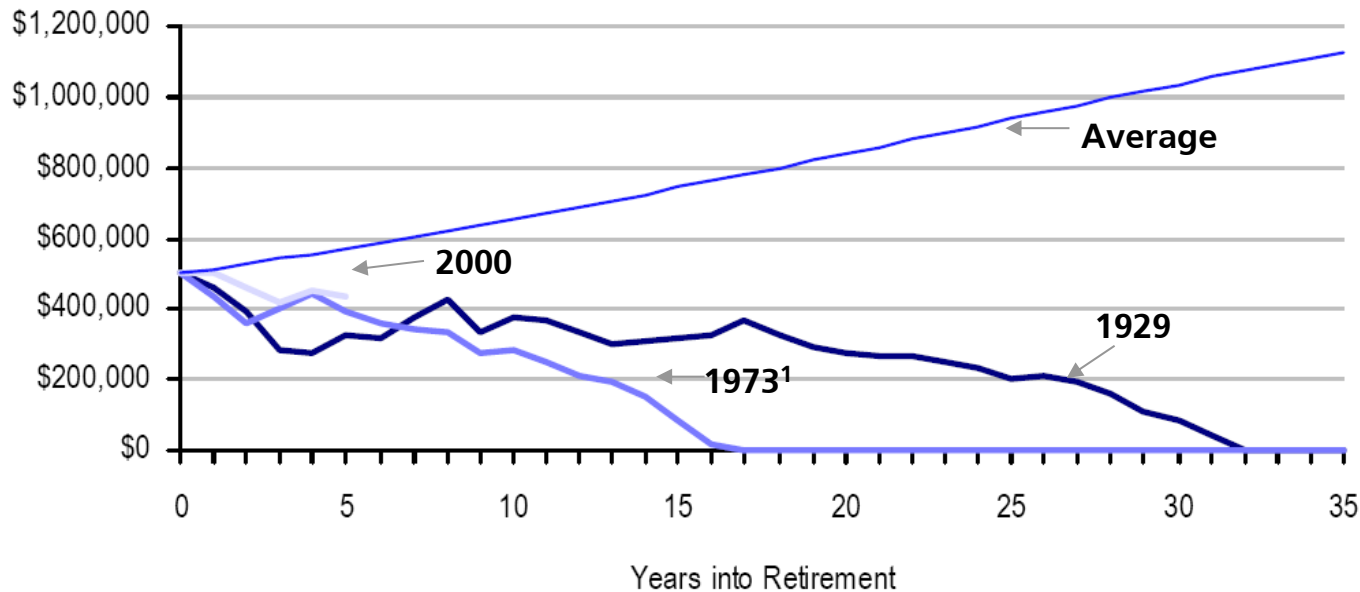
## STEP 3: Decide if you need to add supplemental coverage



# Timing is Everything

## What If You Encounter Weak Financial Markets Early in Retirement?

**\$500,000 at Retirement Invested in 50% Stocks, 50% Bonds Annually, With a 5% Real Annual Withdrawal Rate at Varying “Starting Points”**



Note: Transaction costs are not included.  
Source: Ibbotson, UBS

- 1 1973 period illustrates the devastating combination of **low returns and high inflation** – even worse than 1929 period when portfolios dropped by 45% in four years, but rebounded to last 32 years after retirement.
- 2 **(Past performance does not guarantee future results)**

# Which Will Last Longer ... My Money or Me?

## Probability of Outliving Your Retirement Assets in a 25-Year Retirement

		Stock/Bond Allocation (%)					
		100/0	80/20	60/40	40/60	20/80	0/100
Real Withdrawal Rate	2%	0.8%	0.3%	0.1%	0.0%	0.0%	0.1%
	3%	3.7	2.2	1.1	0.6	0.8	3.2
	4%	9.5	6.8	5.8	5.2	8.1	19.9
	5%	17.5	15.2	15.2	18.3	28.9	50.1
	6%	27.8	28.1	30.9	37.5	56.8	76
	7%	39.8	40.9	48.2	60.7	78.4	90.5
	8%	51.6	55.8	65.3	79.6	91.9	96.6
	9%	61.6	69.3	78	90.2	97.3	99.1
	10%	71.1	77.5	87.9	96.2	99.2	99.7

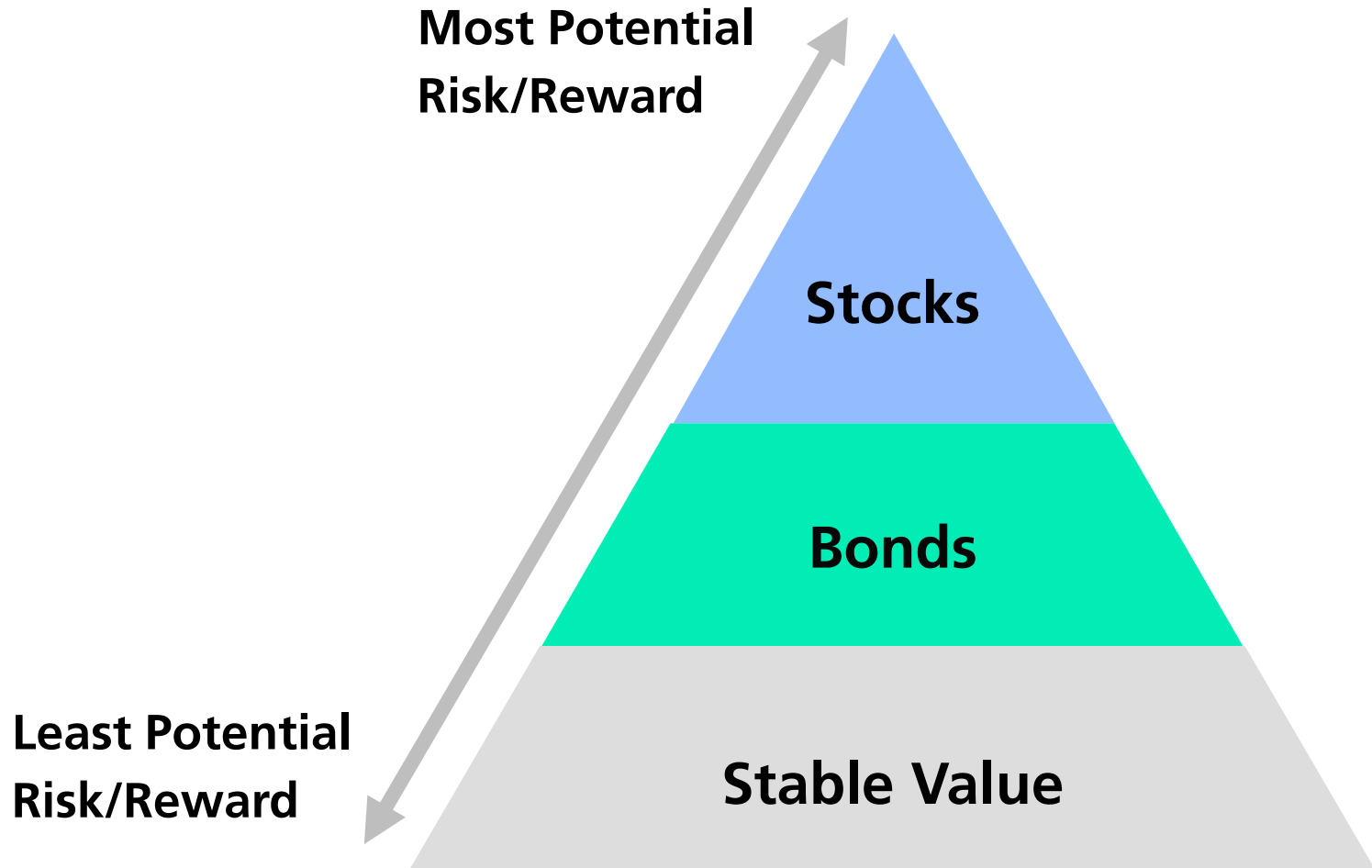
Source: UBS Quantitative Research Team (2004) based on historical return data for large-cap stocks and long-term Treasury bonds (from 1926-2003)  
 This hypothetical example is provided for illustrated purposes only and is not intended to represent a specific investment or portfolio.

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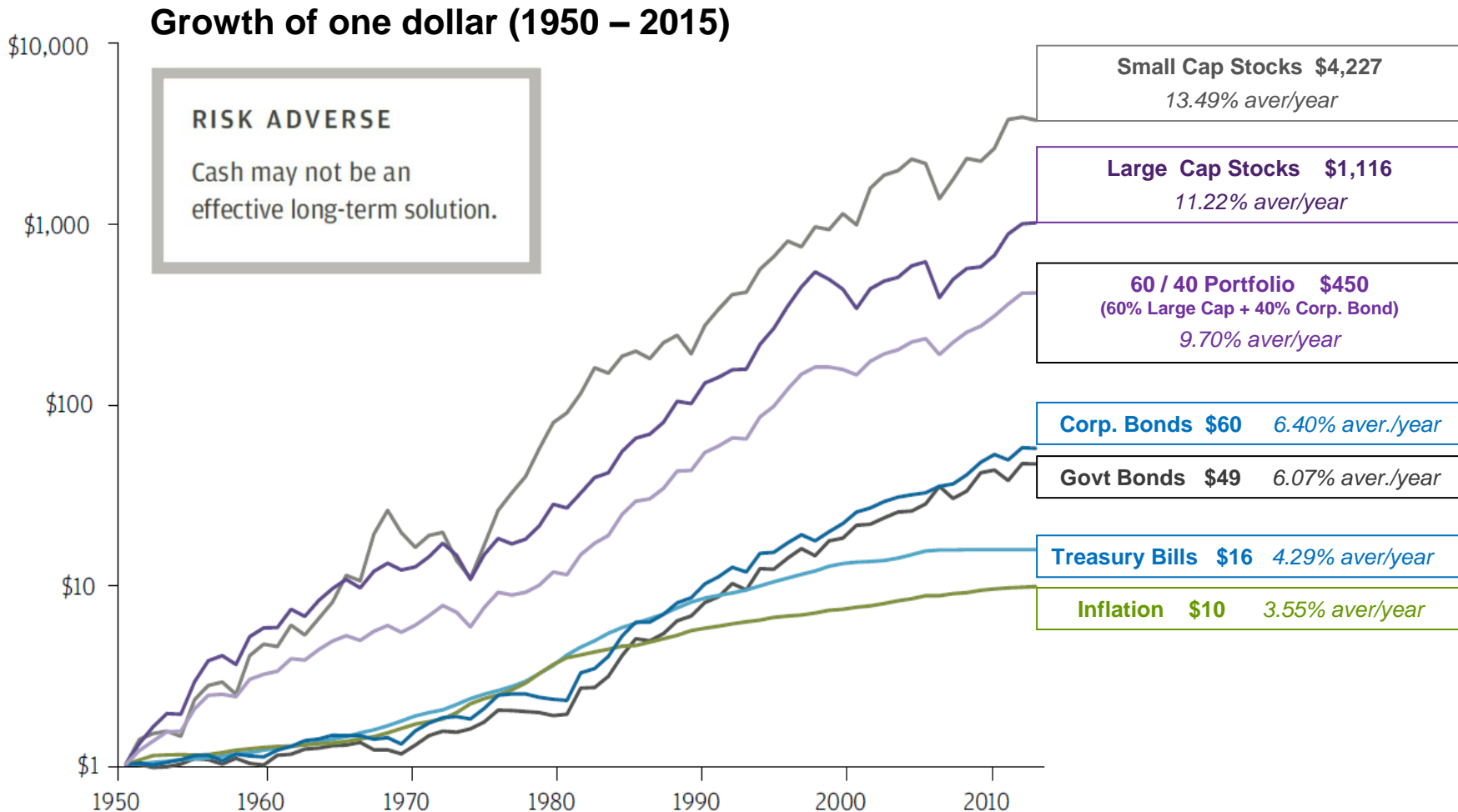
# Investment Considerations

# Investment Characteristics

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# Major Asset Classes vs. Inflation



Source: J.P. Morgan Asset Management analysis, Morningstar, Inc., Financial Communications © 2016. All rights reserved. Used with permission.  
 Past performance is no guarantee of future results. Hypothetical value of \$1 invested at the beginning of 1950. Assumes reinvestment of income and no transaction costs or taxes. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index.  
 Small-cap stocks in this example are represented by the Ibbotson® Small Company Stock Index. Large-cap stocks are represented by the Standard & Poor's 90® index from 1950 through February 1957 and the S&P 500 index thereafter, which is an unmanaged group of securities and considered to be representative of the U.S. stock market in general. Government bonds are represented by the 20-year U.S. government bond, Treasury bills by the 30-day U.S. Treasury bill, and inflation by the Consumer Price Index. Underlying data is from the Stocks, Bonds, Bills, and Inflation® (SBBi®) Yearbook, by Roger G. Ibbotson and Rex Sinquefeld, updated annually. An investment cannot be made directly in an index.

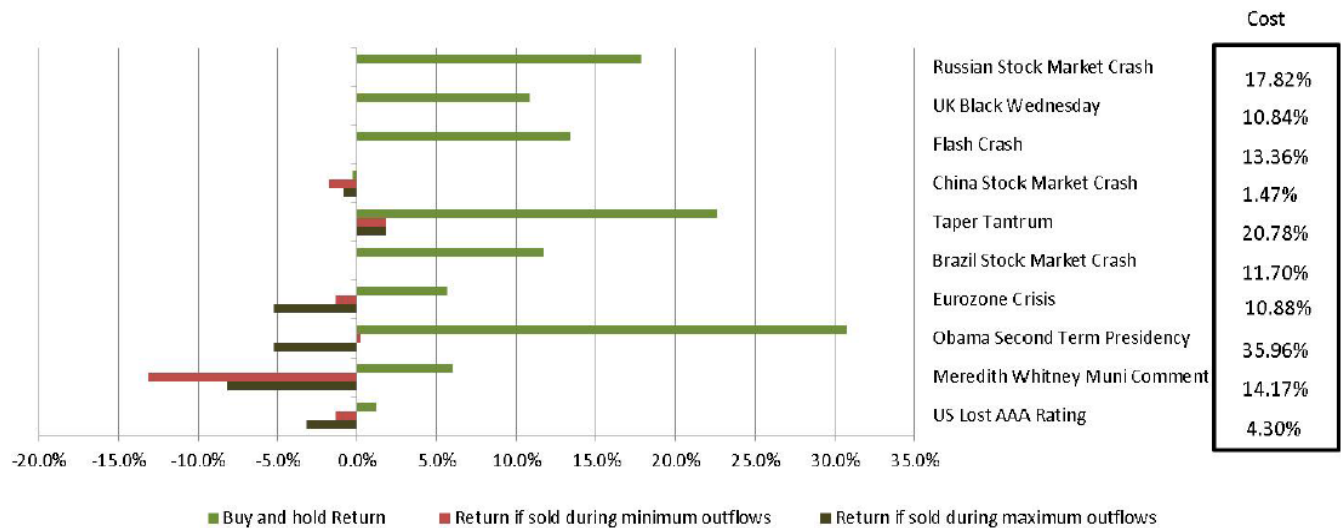
Government Bonds and Treasury Bills are guaranteed by the full faith and credit of the United States government as to the timely payment of principal and interest, while stocks are not guaranteed and have been more volatile than the other asset classes. Small-capitalization stocks typically carry more risk than stock funds investing in well-established "blue-chip" companies since smaller companies generally have a higher risk of failure. Historically, smaller companies' stock has experienced a greater degree of market volatility than the average stock.

# Cost of Emotional Comfort in Light of Uncertainty

One way investors deal with the current uncertain environment is by attempting to establish some certainty by actively changing their portfolio allocations. Regardless of whether this results in a decision to reduce risk or to completely pull out of the market, such emotionally driven decisions aren't cheap.

Investors who chose to de-risk around significant uncertain events and remained in cash for one year after the events, **lost on average -1.83% while buy-and-hold investors had on average 12% returns**, excluding dividends.

**Fig. 1: Returns for investors who held cash vs. those who stayed in the market**  
Cost of avoiding regret during a sample of 10 events, in %



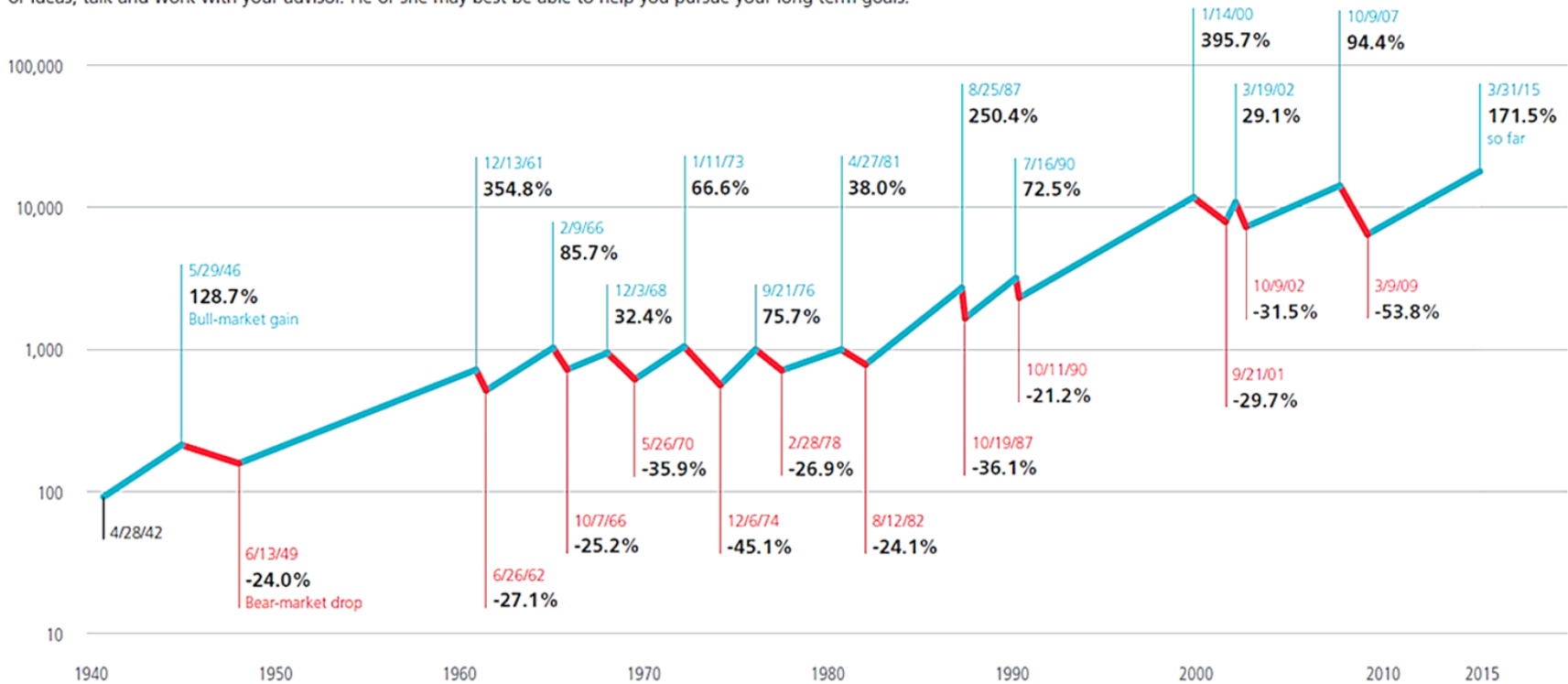
Note: All return calculations exclude dividends

Source: ICI, Factset, UBS, as of 31 July 2016

# Buy Low, Sell Why? Emotion Drives Investor Decisions

Historically, bull markets have been prolonged, while bear markets have been relatively short.

No matter what the market is doing or what the headlines read, don't let your emotions drive your decisions. Counter with a sound investment plan and a good financial coach. Whenever you have questions, concerns, or ideas, talk and work with your advisor. He or she may best be able to help you pursue your long term goals.



Source: MFS.  
Returns are shown based on price only.  
The **Dow Jones Industrial Average (DJIA)** measures the US stock market.

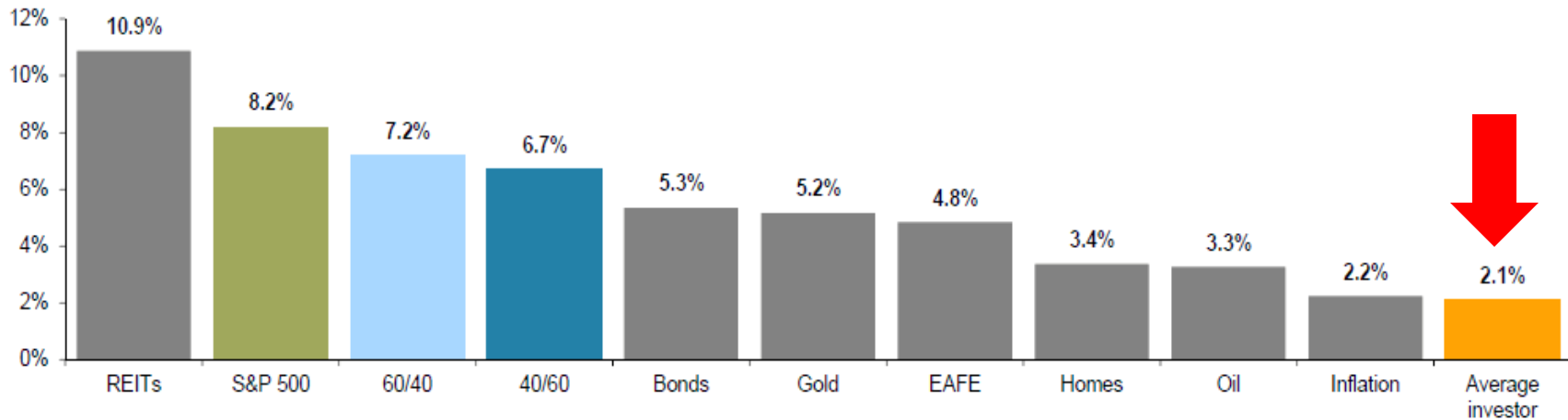


*This data is taken from sources we consider to be reliable but we cannot guarantee its accuracy. Past performance does not guarantee future results. Courtesy of MFS.*



# Diversification and the Average Investor

## 20-year annualized returns by asset class (1996-2015)



Source: J.P. Morgan Asset Management; (Top) Barclays, FactSet, Standard & Poor's; (Bottom) Dalbar Inc. Indexes used are as follows: REITs: NAREIT Equity REIT Index, EAFE: MSCI EAFE, Oil: WTI Index, Bonds: Barclays U.S. Aggregate Index, Homes: median sale price of existing single-family homes, Gold: USD/troy oz, Inflation: CPI. 60/40: A balanced portfolio with 60% invested in S&P 500 Index and 40% invested in high quality U.S. fixed income, represented by the Barclays U.S. Aggregate Index. The portfolio is rebalanced annually. Average asset allocation investor return is based on an analysis by Dalbar Inc., which utilizes the net of aggregate mutual fund sales, redemptions and exchanges each month as a measure of investor behavior. Returns are annualized (and total return where applicable) and represent the 20-year period ending 12/31/15 to match Dalbar's most recent analysis.  
*Guide to the Markets – U.S. Data are as of December 31, 2016.*

# How Have Asset Classes (Investment Sectors) Performed?

## 10-year asset class returns

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-2016	
										Ann.	Vol.
EM Equity 39.8%	Fixed Income 5.2%	EM Equity 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	High Yield 7.3%	REITs 25.2%
Comdty 16.2%	Cash 1.8%	High Yield 59.4%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	Small Cap 7.1%	EM Equity 24.5%
DM Equity 11.6%	Asset Alloc. -25.4%	DM Equity 32.5%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 6.9%	Comdty. 20.4%
Asset Alloc. 7.1%	High Yield -26.9%	REITs 28.0%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	REITs 5.1%	Small Cap 20.3%
Fixed Income 7.0%	Small Cap 33.8%	Small Cap 27.2%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 4.9%	DM Equity 19.7%
Large Cap 5.5%	Comdty. -35.6%	Large Cap 26.5%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	Fixed Income 4.3%	Large Cap 16.2%
Cash 4.8%	Large Cap -37.0%	Asset Alloc. -25.0%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	EM Equity 2.2%	High Yield 12.9%
High Yield 3.2%	REITs -37.7%	Comdty. 18.9%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	DM Equity 1.2%	Asset Alloc. 11.7%
Small Cap -1.6%	DM Equity -43.1%	Fixed Income 5.9%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Cash 0.7%	Fixed Income 3.4%
REITs -15.7%	EM Equity -53.2%	Cash 0.1%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Comdty. -5.6%	Cash 0.8%

Source: Barclays, Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.

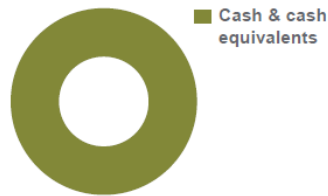
Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Barclays Global HY Index, Fixed Income: Barclays Aggregate, REITs: NAREIT Equity REIT Index. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Barclays Aggregate, 5% in the Barclays 1-3m Treasury, 5% in the Barclays Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period of 12/31/06 – 12/31/16. Please see disclosure pages at end for index definitions. All data represents total return for stated period. Past performance is not indicative of future returns.

Guide to the Markets – U.S. Data are as of December 31, 2016.

# Goals-based Wealth Management

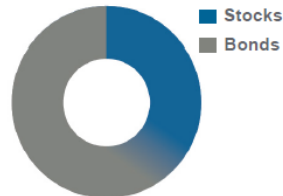
## Short-term goals

Includes emergency reserve fund of total spending needs for 3-6 months



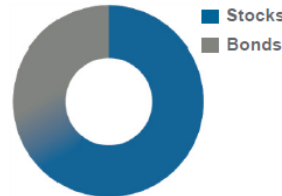
## Medium-term goals

5-10 years, e.g. college, home



## Long-term goals

15+ years, e.g. retirement

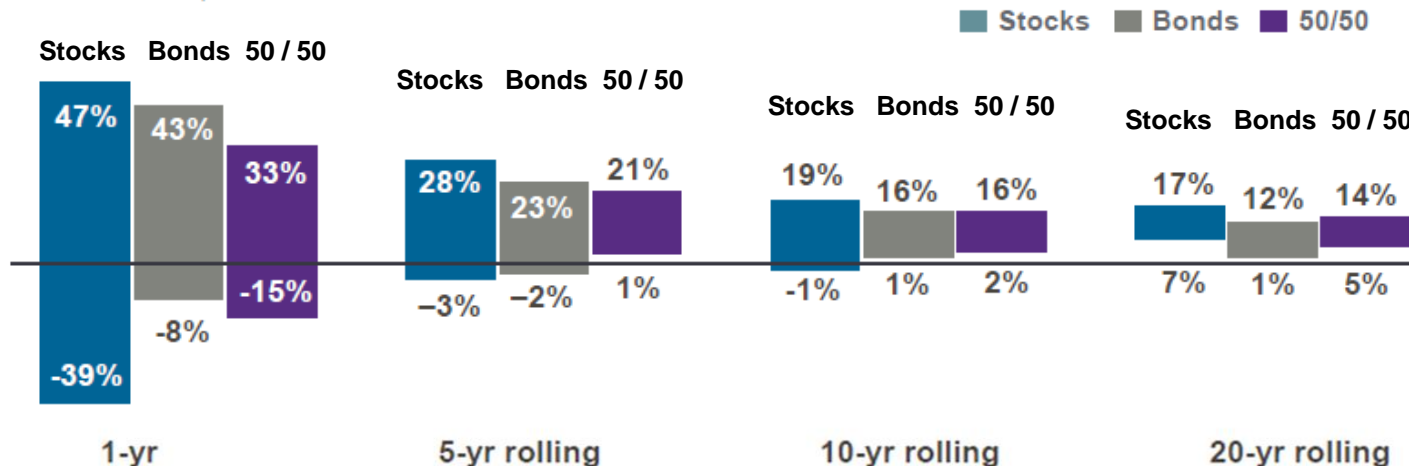


## DIVIDE AND CONQUER

Aligning your investment strategy by goal can help you take different levels of risk based on varying time horizons and make sure you are saving enough to accomplish all of your goals—not just the ones that occur first.

## Range of stock, bond and blended total returns

Annual total returns, 1950-2016



Source (top chart): J.P. Morgan Asset Management.

Source (bottom chart): Barclays Capital, FactSet, Federal Reserve, Robert Shiller, Stategas/lbbotson, J.P. Morgan Asset Management. Returns shown are based on calendar year returns from 1950 to 2016. Stocks represent the S&P 500 Shiller Composite and Bonds represent Stategas/lbbotson for periods from 1950 to 2010 and Barclays Aggregate thereafter.

Note: Portfolio allocations are hypothetical and are for illustrative purposes only. They were created to illustrate different risk/return profiles and are not meant to represent actual asset allocation.

# Your Retirement Plan's Investments

**“One-Step Mix”**  
 (“instant diversification”)

<b>T. Rowe Price Retirement Date Funds</b>	Balance	
	2005	2035
	2010	2040
	2015	2045
	2020	2050
	2025	2055
	2030	2060

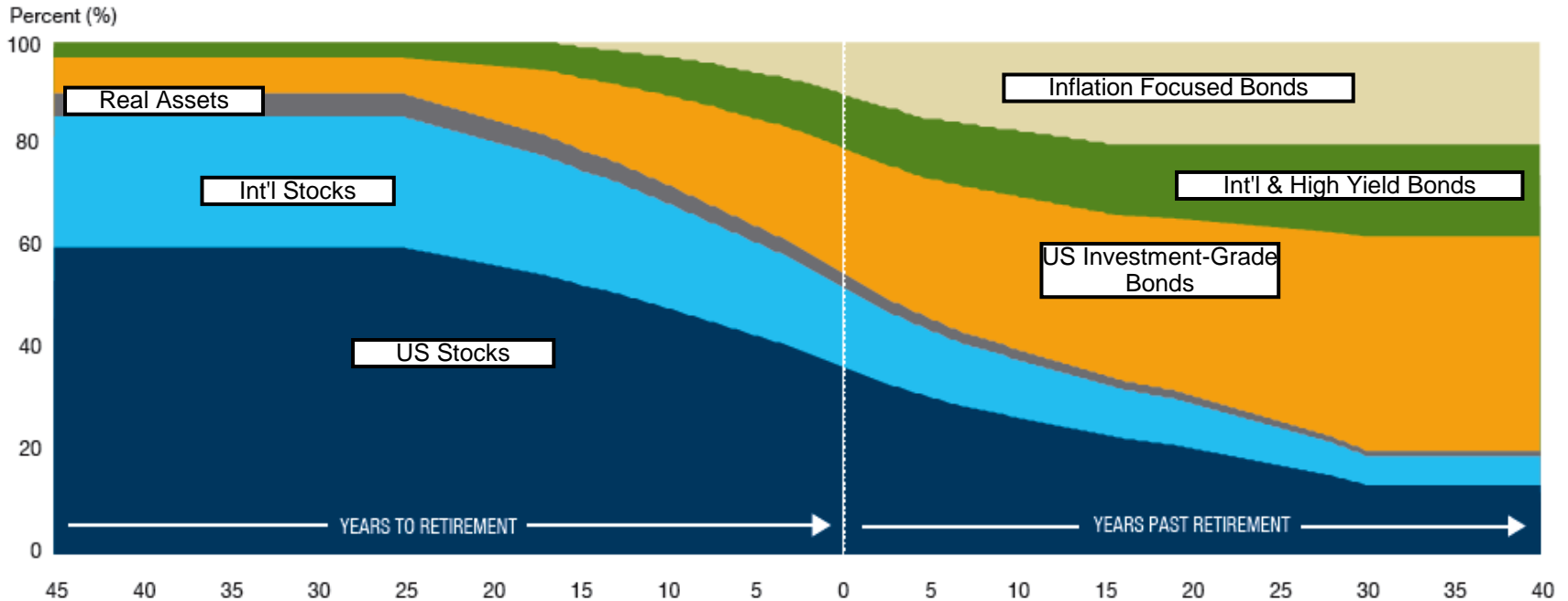
**“Choose Your  
Own Mix”**

<i>Investment Category</i>	<i>Investment Options</i>
<b><u>Money Market/Stable Value/ (Cash)</u></b>	American Funds Money Market (TSA only) ColumbiaTrust Stable Income IV (MERP only)
<b><u>Bonds (Fixed Income)</u></b>	Vanguard Short-Term Bond Index Vanguard Inflation-Protected Securities PIMCO Total Return
<b><u>US Equity</u></b>	
<i>Large Company: Value Index Blend Growth All-Cap Index</i>	T. Rowe Price Value Vanguard Institutional Index American Funds Fundamental Investors Columbia Select Large Cap Growth Fidelity Total Market Index
<i>Medium Company: Value Blend Growth</i>	JP Morgan Mid Value Eagle Capital (MERP only) Vanguard Mid Cap Growth Index
<i>Small Company: Value Index Growth</i>	Goldman Sachs Small Cap Value Vanguard Small Cap Index Hartford Small Cap Growth
<i>Specialty: Real Estate</i>	Cohen & Steers Realty Shares
<b><u>International Equity</u></b>	
<i>Value Growth Index Blend</i>	Brandes International (MERP only) Oppenheimer International Growth (MERP only) Fidelity International Index (both plans) American Funds Europacific Growth (TSA only)

\* All investment options are mutual funds except Eagle Capital and Brandes Intl. which are separately managed accounts.

# "One-Step Mix" Adjusts Over Time

The Retirement Date Funds are a diversified portfolio of T. Rowe Price stock and bond funds that represent various asset classes and sectors. As the fund nears its target retirement date, its allocation becomes more conservative based on a "glide path" similar to the one below.



# Target Retirement Date Funds Performance (as of 9/30/17)

	Ticker	Annualized Returns				
		YTD	1 Yr	3 Yr	5 Yr	10 Yr
<b>Target-Date 2000-2010</b>						
T. Rowe Price Retirement 2010	TRRAX	9.11	8.39	5.40	6.68	4.88
T. Rowe Price Retirement 2005	TRRFX	8.32	7.39	4.97	5.96	4.81
TRP Ret 2010 bmk		8.33	8.24	5.33	6.65	4.44
TRP Ret 2005 bmk		7.63	7.28	4.95	5.94	4.33
<b>Target-Date 2015</b>						
T. Rowe Price Retirement 2015	TRRGX	10.37	9.99	6.04	7.75	5.22
TRP Ret 2015 bmk		9.47	9.77	5.95	7.69	4.78
<b>Target-Date 2020</b>						
T. Rowe Price Retirement 2020	TRRBX	12.25	12.03	6.83	8.81	5.51
TRP Ret 2020 bmk		10.91	11.67	6.66	8.67	5.03
<b>Target-Date 2025</b>						
T. Rowe Price Retirement 2025	TRRHX	13.74	13.73	7.46	9.75	5.73
TRP Ret 2025 bmk		12.05	13.23	7.22	9.51	5.25
<b>Target-Date 2030</b>						
T. Rowe Price Retirement 2030	TRRCX	15.05	15.32	8.03	10.54	5.95
TRP Ret 2030 bmk		13.11	14.69	7.72	10.24	5.43
<b>Target-Date 2035</b>						
T. Rowe Price Retirement 2035	TRRJX	16.14	16.60	8.45	11.12	6.11
TRP Ret 2035 bmk		13.95	15.90	8.12	10.80	5.62
<b>Target-Date 2040</b>						
T. Rowe Price Retirement 2040	TRRDY	16.98	17.62	8.74	11.51	6.30
TRP Ret 2040 bmk		14.63	16.91	8.41	11.15	5.78
<b>Target-Date 2045</b>						
T. Rowe Price Retirement 2045	TRRKX	17.29	17.98	8.86	11.59	6.34
TRP Ret 2045 bmk		14.83	17.18	8.51	11.21	5.83
<b>Target-Date 2050</b>						
T. Rowe Price Retirement 2050	TRRMX	17.20	17.99	8.85	11.58	6.33
TRP Ret 2050 bmk		14.83	17.18	8.51	11.21	5.88
<b>Target-Date 2055</b>						
T. Rowe Price Retirement 2055	TRRNK	17.16	17.95	8.85	11.56	6.32
TRP Ret 2055 bmk		14.83	17.18	8.51	11.21	5.79
<b>Target-Date 2060+</b>						
T. Rowe Price Retirement 2060	TRRLX	17.16	17.94	8.85		
TRP Ret 2060 bmk		14.83	17.18	8.51	11.21	5.79

\*Results shown for periods of time prior to "Inception Date" include Pre-Inception Returns. Note however that "Since Inception Returns" always reflect results for the actual share class and thus do not include Pre-Inception Returns. Please see "Important Information" section for details.

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# Core Mutual Funds Performance (as of 9/30/17)

	Ticker	Annualized Returns				
		YTD	1 Yr	3 Yr	5 Yr	10 Yr
<b>Money Market-Taxable</b>						
Columbia Trust Stable Income Fund IV	FOUSA06UWV	1.17	1.57	1.49	1.50	2.10
ML 3-month T-Bill		0.57	0.66	0.32	0.22	0.47
<b>Intermediate-Term Bond</b>						
PIMCO Total Return Instl	PTTRX	5.01	2.43	3.22	2.43	5.63
BBgBarc US Aggregate Bond Index		3.14	0.07	2.71	2.06	4.27
<b>Short-term Bond</b>						
Vanguard Short-Term Bond Index Adm	VBIRX	1.52	0.38	1.43	1.10	2.69
The BofA Merrill Lynch 1-5 Year US Corporate & Governme		1.56	0.53	1.54	1.26	2.77
<b>Inflation-Protected Bond</b>						
Vanguard Inflation-Protected Secs Adm	VAIPX	1.70	-1.00	1.57	-0.06	3.76
BO TIPS		1.72	0.72	1.62	0.02	2.90
<b>Allocation~30% to 50% Equity</b>						
T. Rowe Price Retirement Income	TRRIX	8.02	7.53	4.70	5.54	4.70
TRP Ret Income bmk		7.44	7.51	4.75	5.56	4.14
<b>Large Value</b>						
T. Rowe Price Value I	TRPIX	12.34	17.25	8.70	14.44	7.26
Eagle Capital - Equity	SAUSA003L9	15.41	23.58	11.32	15.66	10.17
Russell 1000 Value Index		7.92	15.12	8.53	13.20	5.92
Russell Mid-Cap Index		11.74	15.32	9.54	14.26	8.08
<b>Large Blend</b>						
American Funds Fundamental Invs A	ANCFX	15.67	20.30	11.48	14.56	7.24
Vanguard Institutional Index I	VINIX	14.21	18.57	10.79	14.19	7.44
Fidelity Total Market Index Premium	FSTVX	13.93	18.67	10.71	14.15	7.62
S&P 500 Index		14.24	18.61	10.81	14.22	7.44
Russell 1000 Index		14.17	18.54	10.63	14.27	7.55
<b>Large Growth</b>						
Columbia Select Large Cap Growth Z	UMLGX	28.71	17.66	9.79	14.49	8.70
Russell 1000 Growth Index		20.72	21.94	12.69	15.26	9.08
<b>Mid-Cap Value</b>						
JPMorgan Mid Cap Value Instl	FLMVX	8.60	13.49	9.59	13.69	8.73
Russell Mid-Cap Value Index		7.43	13.37	9.19	14.33	7.85
<b>Mid-Cap Growth</b>						
Vanguard Mid-Cap Growth Index Admiral	VMGMX	15.97	15.44	9.22	13.43	7.24
Russell Mid-Cap Growth Index		17.29	17.82	9.96	14.18	8.20
<b>Small Value</b>						
Goldman Sachs Small Cap Value R6	GSSUX	8.01	19.98	11.12	14.03	9.01
Russell 2000 Value Index		5.68	20.55	12.12	13.27	7.14
<b>Small Blend</b>						
Vanguard Small Cap Index I	VSCIX	10.60	17.38	10.45	13.95	8.61
Russell 2000 Index		10.94	20.74	12.18	13.79	7.85
<b>Small Growth</b>						
Hartford SmallCap Growth R5	HSLTX	15.77	21.73	12.73	14.73	9.37
Russell 2000 Growth Index		16.81	20.98	12.17	14.28	8.47
<b>Foreign Large Value</b>						
Brandes International Equity	SAUSA004CW	13.71	16.65	4.95	9.47	1.94
MSCI EAFE Value		18.23	23.22	4.07	8.38	1.07
<b>Foreign Large Blend</b>						
American Funds EuroPacific Gr A	AEPGX	25.52	20.20	7.19	9.13	3.31
Fidelity International Index Premium	FSIVX	20.58	18.94	5.17	8.48	1.46
MSCI AC World Index ex USA USD		21.61	20.15	5.19	7.45	1.74
MSCI EAFE		20.47	19.65	5.53	8.87	1.82
<b>Foreign Large Growth</b>						
Oppenheimer International Growth A	OIGAX	22.18	15.57	6.80	8.77	3.69
MSCI AC World Index ex USA USD		21.61	20.15	5.19	7.45	1.74
<b>Real Estate</b>						
Cohen & Steers Instl Realty Shares	CSRIX	4.30	0.63	10.02	9.84	6.19
DJ US Select REIT TR USD		1.75	-0.83	9.28	9.16	5.31

\*Results shown for periods of time prior to "Inception Date" include Pre-Inception Returns. Note however that "Since Inception Returns" always reflect results for the actual share class and thus do not include Pre-Inception Returns. Please see "Important Information" section for details.

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# Need Help?

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Do you have questions regarding...?



## Account Access/Website

*(including investment changes,  
forms, retirement calculators, etc.)*

**Milliman**

(plan administrator)

**1-866-767-1212**

or

[www.MillimanBenefits.com](http://www.MillimanBenefits.com)

## Investments/Retirement Planning

**1-800-905-5574**

*(no account access)*

**UBS Institutional Consulting**

**Financial Wellness Website**

*(budgeting, credit, student loans, etc.)*

[www.ubs.com/financialwellness](http://www.ubs.com/financialwellness)