



**F R A N C I S**  
Investment Counsel LLC

**WISCONSIN HEALTH FUND  
401(K) RETIREMENT PLAN**

**1<sup>st</sup> QUARTER 2019  
PERFORMANCE REVIEW**

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## June 3, 2019 – Wisconsin Health Fund 401(k) Retirement Plan

### Items Recommended for Discussion

- Francis Investment Counsel Update (p. 3)
- Participant View (p. 5)
- Independent View (pp. 6-12)
- Incumbent Menu Performance Update (p. 13)
- April 1<sup>st</sup> Fund Mapping (p. 14)
- American Funds Target Date – Quarterly Monitor Pages (p. 15)
- Target Date Re-Enroll and March 31, 2019 Asset Allocation (p. 40)

### Items of Note

- MANAGER VISIT – Milwaukee, WI. Met with a client portfolio manager for the American Funds Target Date Retirement Funds (p. 15).

## Introducing Francis Investment Counsel’s Minneapolis Office and New Regional Director, David Mandel

Francis Investment Counsel is pleased to announce the January 2019 opening of its Minneapolis office and the addition of David Mandel to the Francis team.

Dave brings over 15 years of retirement plan investment consulting experience and serves as Vice President - Investment Consultant and Regional Director of Minnesota. In his role, Dave will be responsible for serving our growing Minnesota client base.

Besides the expansion and addition of Dave, the Firm celebrated recognition as one of the nation’s Top 100 Retirement Plan Advisers, according to PLANADVISER Magazine. The 2019 award represents the fourteenth time the Firm has been recognized as a Top Adviser.

Francis Investment Counsel also marked its 15-year anniversary in March. We look forward to servicing retirement plan sponsors and their participants for many years to come.



**DAVID MANDEL**  
Vice President – Investment Consultant  
Regional Director

## Francis Investment Counsel Wins Eddy Awards with MoneyAdvice@Work® Team

Providing holistic financial education and advice services is the focus of Francis Investment Counsel’s MoneyAdvice@Work® Team, and our expertise continues to earn accolades from the industry.

*Pensions & Investments’* nation-wide Eddy Award competition recognizes best practices by defined contribution plan sponsors and service providers in delivering financial education to plan participants. Francis Investment Counsel, in partnership with three plan sponsor clients, was honored with three 2019 Eddy Awards for customized campaigns completed with the Boldt Company, Mortgage Guaranty Insurance Corp. (MGIC), and Ashley Furniture Industries Inc.

Francis Investment Counsel’s 2019 Eddy Awards represent the eighth, ninth, and tenth times the Firm’s financial education expertise has been recognized.

————— *Congratulations to our 2019* —————  
*Eddy Award-Winning Plan Sponsors!*



**1<sup>st</sup>**  
PLACE | Financial Wellness  
Category



**1<sup>st</sup>**  
PLACE | Pre-Retirement  
Preparation Category



**2<sup>nd</sup>**  
PLACE | Special Projects  
Category

————— *Recognized by* —————  
**Pensions&Investments**  
*for excellence in participant financial education and communication*

**Disclaimer:**

*PLANADVISER's 2019 Top 100 Retirement Plan Adviser recognition received based on response to Asset International's annual PLANADVISER Retirement Plan Adviser Survey. No submission fees required. Top 100 list drawn from quantitative variables, a sub-segment of survey questions, and survey information supplied by the advisors themselves. Francis Investment Counsel was recognized in the "Large Teams With \$3.5 Billion or More in Retirement Plan Assets Under Advisement" category. Francis Investment Counsel is not affiliated with, does not receive remuneration from, or provide remuneration to Asset International. Receipt of this award should not be construed as a guarantee of future performance or results.*

*2019 Eddy Award recognition received based on Pensions & Investments annual evaluation process. Winners demonstrated program effectiveness and creativity, as well as completion of the entry form, which included a \$150 fee per entry. Number of entries varies annually but averages 130-150. Selection criteria weighted differently based upon the category, but in general, creativity and the ease of understanding complex topics was key in determining successful entries. Francis Investment Counsel completed three submissions in the entry type "Joint – Plan sponsor and service provider entering together as a team," and was recognized with a first place award in the "Financial Wellness" category, a first place award in the "Pre-Retirement Preparation" category, and a second place award in the "Special Projects" category. 2019 Eddy Awards represent the eighth, ninth, and tenth times Francis Investment Counsel has received such recognition, having previously received Eddy Awards in 2011, 2012, 2014, 2016, and 2018. In 2019, a total of 66 defined contribution plan education programs were recognized with a First, Second, or Third-Placed Eddy Award, based on the entry category, size of the plan, and educational topic discussed. Francis Investment Counsel is not affiliated with and does not receive remuneration from Pensions & Investments. Receipt of this award should not be construed as a guarantee of future performance or results.*



# Participant View

Second Quarter 2019

Francis Investment Counsel’s MoneyAdvice@Work® program delivers financial education and advisory services to plan participants of Wisconsin Health Fund. Advisors develop custom financial education curriculum, then deliver it onsite and via the web. For holistic and sales-free money advice, interested plan participants meet one-on-one during their work day with a MoneyAdvice@Work® advisor. To date, advisors spent a total of 2.8 days providing education and advice services. These days were allocated as follows: 0.5 days of group sessions, 2 days of on-site individual advisory sessions, 0.3 days of remote individual advisory sessions.

## 2019 Financial Education Event

64  
attended  
meetings

Advisors conducted all-employee financial education events at Wisconsin Health Fund. These sessions involved on-shift group meetings which employees were encouraged to attend. Approximately 78% of Wisconsin Health Fund employees (64 out of 82) attended the on-shift meeting. The classes announced the coming plan changes and encouraged wise use of the plan, including capturing the full match, starting early, setting a diversification strategy, and resisting the temptation to market time.

35  
individually  
advised

MoneyAdvice sessions were offered to all employees in the days following the group financial education events. These sessions provided employees an opportunity to receive confidential money advice within the safety of a sales-free environment. See below for topics discussed and changes driven. To date, 35 employees met individually with a money advisor, 29 onsite and 6 remote.

| Areas Advised On                           | Changes Driven                       |
|--|--------------------------------------|
| Retirement Plan – 23                       | Discussion Only – 15                 |
| Financial Planning and Projections – 21    | Changed Investment Elections – 9     |
| Distribution/Consolidation of Accounts – 8 | Reallocated Fund Balances – 9        |
| IRAs – 7                                   | Increased Contribution Amount – 7    |
| Outside Investments – 6                    | Initiated Auto Increase – 2          |
| Market Volatility – 5                      | Changed to Roth Contributions – 2    |
| Debt – 5                                   | Changed to Pre-tax Contributions – 1 |
| Beneficiary/Estate – 2                     |                                      |
| Login Help – 2                             |                                      |

## Advisor Observations

**Contribution Amount:** A large number of participants had either a very low savings rate or a relatively high savings rate. Few were intermediate. Consider a stretch match to encourage increased savings on the part of those currently simply capturing the match.

**General Financial Planning:** A high number of participants had questions about credit, debt, or general financial planning. Conversations focused on prioritizing where they should be saving, balanced with debt pay-off and rebuilding credit.

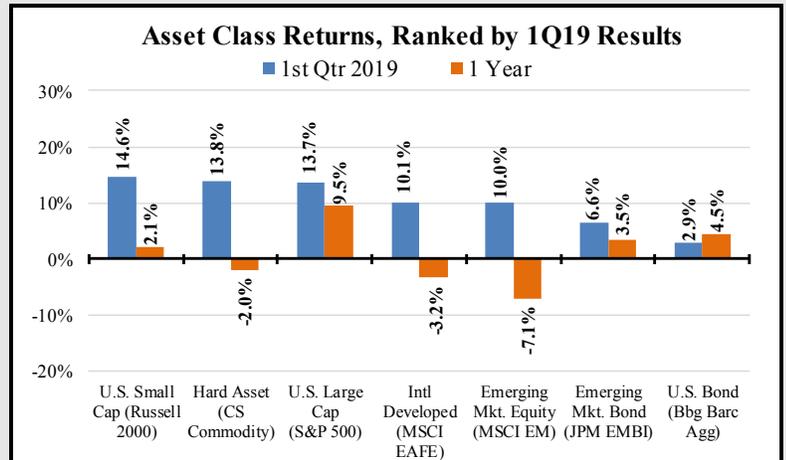
**Outside investments:** A number of participants had questions about outside investments including former retirement plans, IRAs, Roth IRAs, and insurance. Conversations focused on costs and asset allocations in outside accounts.

## Looking Back...

### The Bid is Back in Town – Risk Assets Rebound to Start 2019

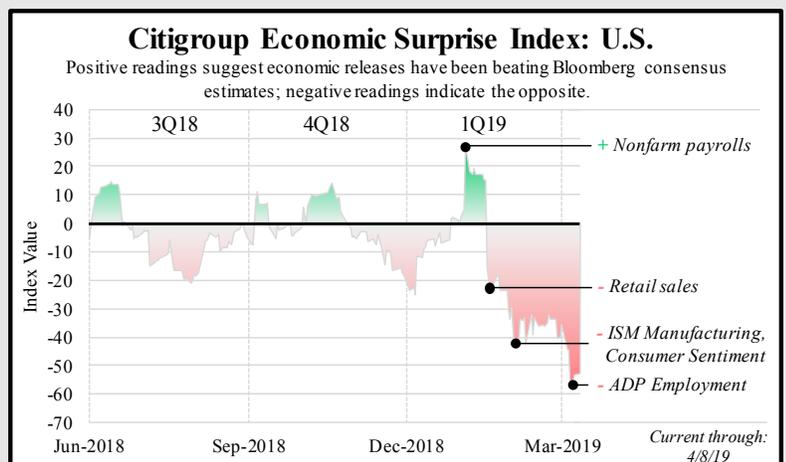
- The first quarter of 2019 served as an almost perfect reversal of fourth quarter market activity, one that saw most risk assets offset losses in remarkably congruent fashion.
- This rally marked the S&P 500's best start to a year since 1998, and its best single quarter return since 2009. Equity market gains were matched by commodity prices, with contracts on WTI crude oil (+29.58%) experiencing their best quarterly results in a decade.
- Counterintuitively, bonds also fared well during the first quarter, as a plethora of underwhelming economic data points fueled a fixed income rally (+2.94%) on speculation that the Federal Reserve Bank would cease further monetary tightening.
- The potential for a more dovish Fed marked a return of the "bad news is good news" sentiment that dominated markets throughout the mid-2010's.

~Exhibit 1~



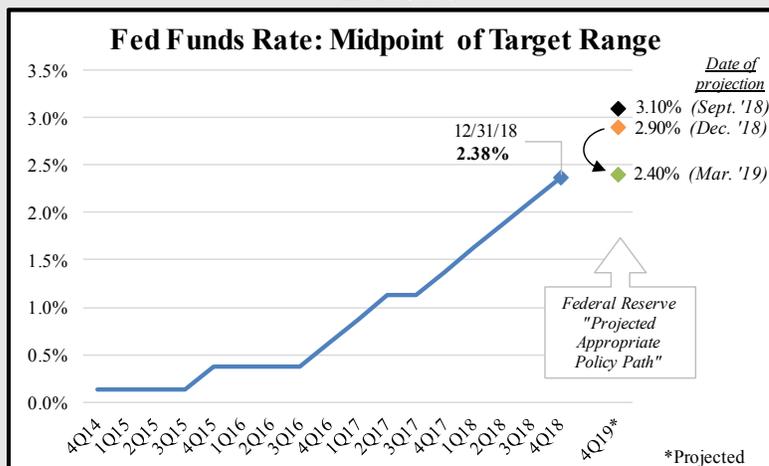
Source: Morningstar

~Exhibit 2~



Source: Bloomberg

~Exhibit 3~



Source: Federal Reserve

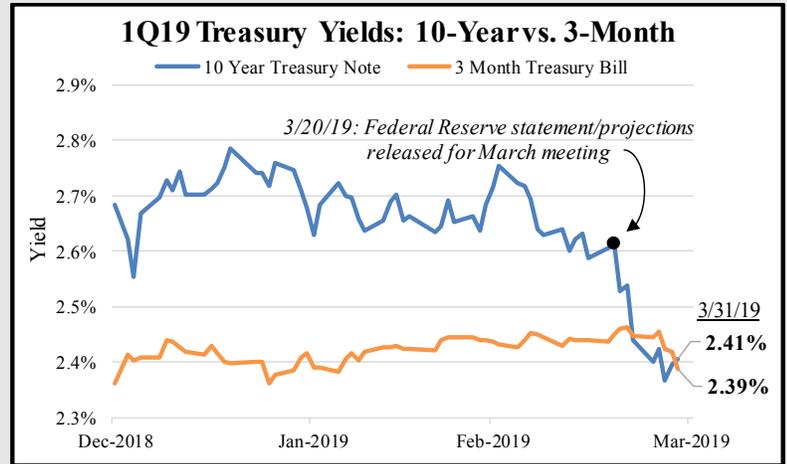
### The Powell Pivot – Fed to Forego Further Tightening

- Early quarter speculation surrounding a more dovish outlook for the Fed was corroborated by the FOMC during their March meeting. Updated Fed projections now point to zero rate hikes for 2019.
- In addition, the Fed detailed a plan to halt current balance sheet reduction, halving the amount of roll-off from \$30B/month to \$15B/month starting in May, and ending the program altogether in September.

## From Flat to Flipped – U.S. Yield Curve Inverts

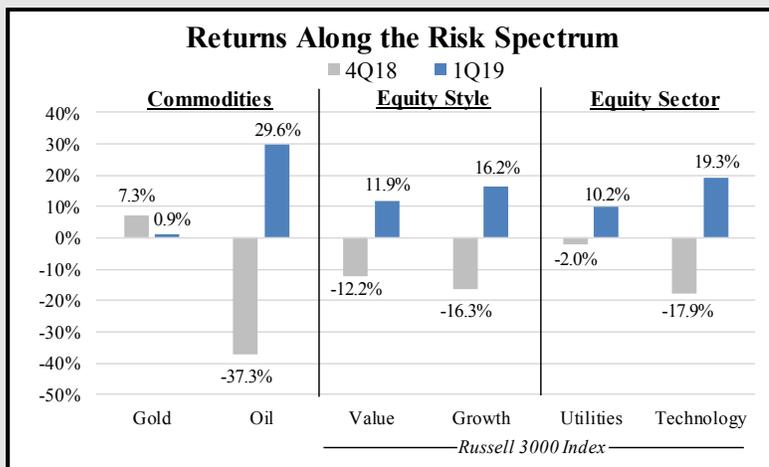
- The impact of the Fed's March meeting was felt across global capital markets, but nowhere more heavily than in U.S. bonds. Ten-year Treasury yields fell 20 bps in the quarter's final 8 sessions.
- This dramatic compression in rates was enough to cause the U.S. yield curve to invert on a 10 year – 3 month basis. While this ominous indicator lasted for only 5 trading sessions, it marked the first such occurrence since the global financial crisis.

~Exhibit 4~



Source: Bloomberg

~Exhibit 5~



Source: Morningstar

## Riskiest Assets Roll as Markets Move Higher

- Equity market gains were broad-based to start 2019, but this reflationary trade favored the market's riskiest sectors. This activity was a complete reversal from the defensive mindset that dominated the fourth quarter.
- In addition to a rotation out of traditional safe havens such as gold futures and utilities stocks, equity market gains favored growth stocks across both market-cap and geography.

## Aggressive Chinese Stimulus Sparks a Comeback

- The radical improvement in global risk appetite was particularly beneficial to Chinese equity markets, which advanced nearly 18% during the quarter, snapping a three quarter losing streak.
- This rally was largely attributable to both reported progress in U.S. – Chinese trade talks and the lagged impact of massive Chinese fiscal and monetary stimulus in 2018. Stimulus measures proved powerful enough to revive growth in the Chinese manufacturing sector, improvement that serves as a welcome sign to the global economy.

~Exhibit 6~



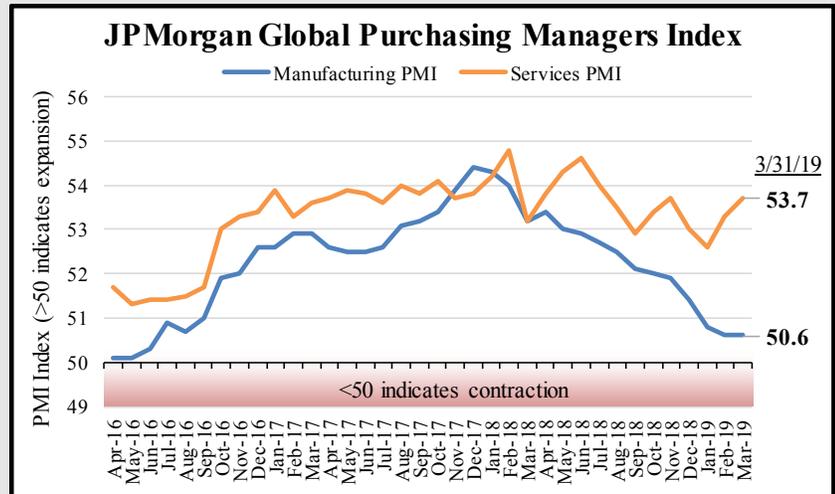
Source: MSCI via Morningstar7

## Looking Forward ...

### With Stimulus Support, Global Economy Remains Solid

- Trade conflicts continue to weigh on manufacturing activity, the key area of recent weakness for the global economy. That said, near-term deceleration has leveled off and remains narrowly in expansionary territory.
- Although cross-border business has unquestionably slowed, a robust and accelerating expansion in global services PMI suggests that domestic demand remains stout in several countries.

~Exhibit 7~



Source: JPMorgan

~Exhibit 8~

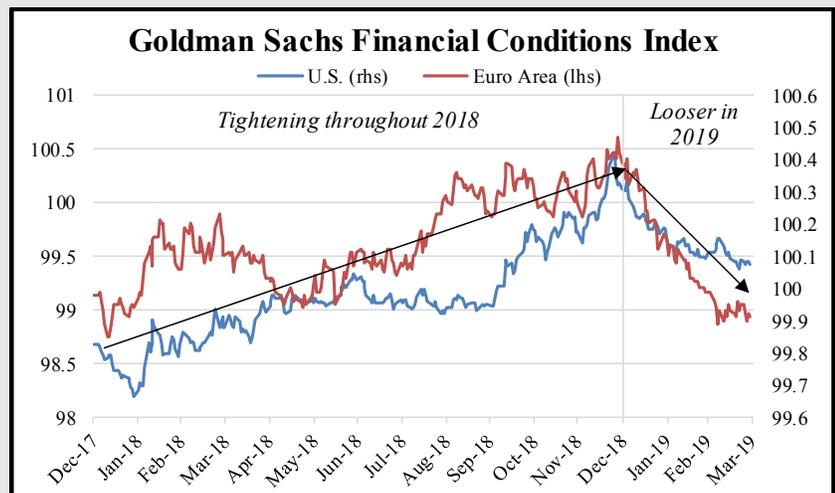
- The tariff-fueled drop in Chinese manufacturing activity was severe but short-lived, as aggressive stimulus from the Chinese government has helped resurrect demand.
- The lagged impact of both fiscal and monetary stimulus coupled with reported progress in U.S./China trade negotiations could be the springboard to future growth. Removing headwinds on trade would be beneficial to not only the U.S. and China, but to most of their key trading partners.



Source: OECD

~Exhibit 9~

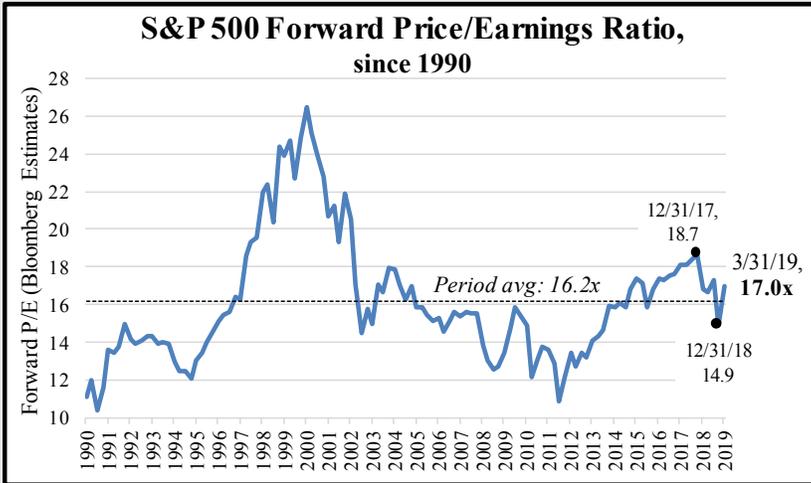
- Just as the European Central Bank looked poised to join the Bank of England and the U.S. Federal Reserve in monetary policy normalization, 2018's hiccup in growth sent all global central banks back to the drawing board.
- We now expect financial conditions to grow more accommodative throughout 2019, the impact of which can already be felt in the U.S. where money supply growth is now marginally accelerating, ending a more than two-year trend downward.



Source: Bloomberg

## Valuations Vault Above Average, But U.S. Equities Remain Attractive

~Exhibit 10~



Source: Bloomberg

- The opportunity to buy U.S. stocks at depressed valuations proved extremely short-lived, as the first quarter rally pushed prices narrowly above both long-term and current cycle averages (17.0x vs. 16.2x).
- U.S. equities remain considerably cheaper than recent peaks, comparable to levels experienced in 2014 and 2016. The S&P 500 Index advanced 13.69% and 11.96%, respectively, during those two calendar years.

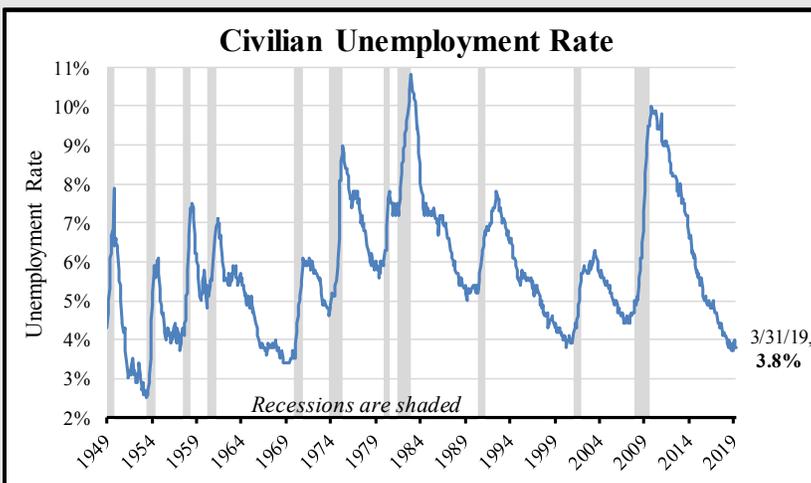
~Exhibit 11~



Source: S&P Dow Jones

- The dip in fourth quarter earnings was more pronounced than consensus forecasts, but even so, U.S. corporations will face a relatively high bar for year-over-year outperformance in the near-term.
- That said, easier monetary conditions, cyclical highs in capital spending, and stability in energy prices should all catalyze growth, helping stocks meet higher profit expectations during the coming quarters.

~Exhibit 12~



Source: U.S. BLS

- Despite higher valuations, challenging near-term earnings comps, and rising corporate leverage, one key element keeps us optimistic on the prospects of U.S. growth – the U.S. consumer.
- With unemployment near 50-year lows (3.8%), consumers have both the financial flexibility and confidence to elongate the current recovery past 2019. Given that consumption accounts for more than two-thirds of U.S. GDP, we remain modestly overweight U.S. stocks.

## Reducing Risk Following a Comeback in China

~Exhibit 13~

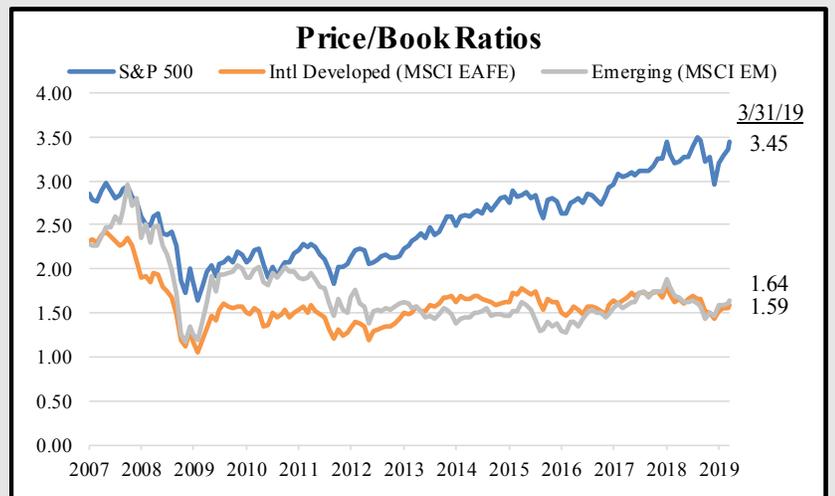
- Although we remain constructive on the long-term outlook for EM equities, we believe that the exceptionally strong start to the year for Chinese stocks (+17.69%) and a number of unresolved issues for the Chinese economy warrant a marginal reduction in risk at this time.
- The most troublesome of these issues is the staggering decline in global exports. This trend could reverse alongside of a U.S. / China trade deal, but risk remains that globalization retreats further in the near-term.



Source: CPB Netherlands Bureau for Economic Policy Analysis

- The export-driven economies of Europe and Japan have also fallen victim to protectionist policies, seeing economic activity slow in the core (Germany and France) and shrink in the periphery (Italy).
- While we remain concerned about the fragile state of the European expansion, we believe that equity markets have largely priced in this pessimistic outlook, and the price-to-book discount relative to U.S. equities is at 20+ year highs.

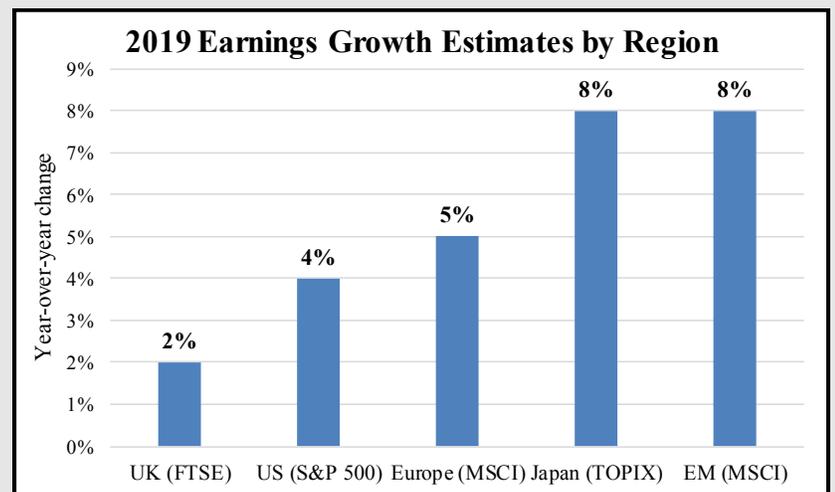
~Exhibit 14~



Source: Bloomberg

- High-level expectations for foreign economies have tapered, but the outlook for foreign companies remains relatively stout. Earnings growth expectations overseas are higher than for American companies, significantly so in Japan and emerging markets.
- The prospect of higher growth at lower prices remains compelling enough for us to remain neutral on international developed equities, even if the economic backdrop has deteriorated at the margin.

~Exhibit 15~

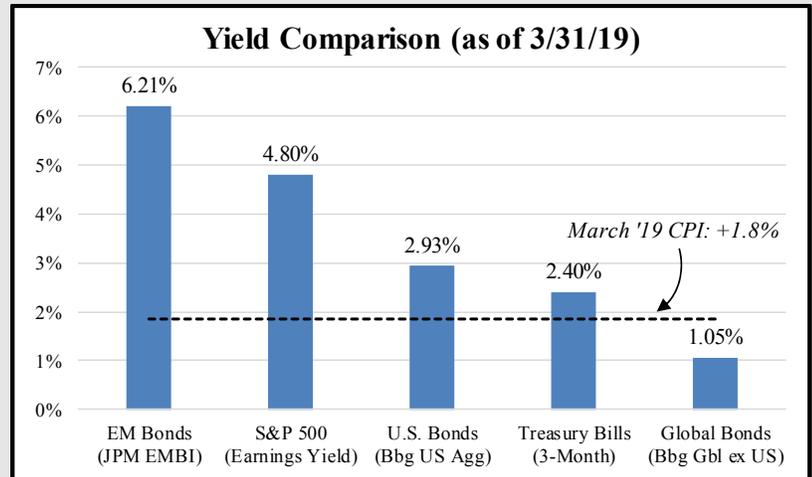


Source: Bloomberg, JPMorgan

## Fed Reduces Headwind on Fixed Income, but Risks Remain

~Exhibit 16~

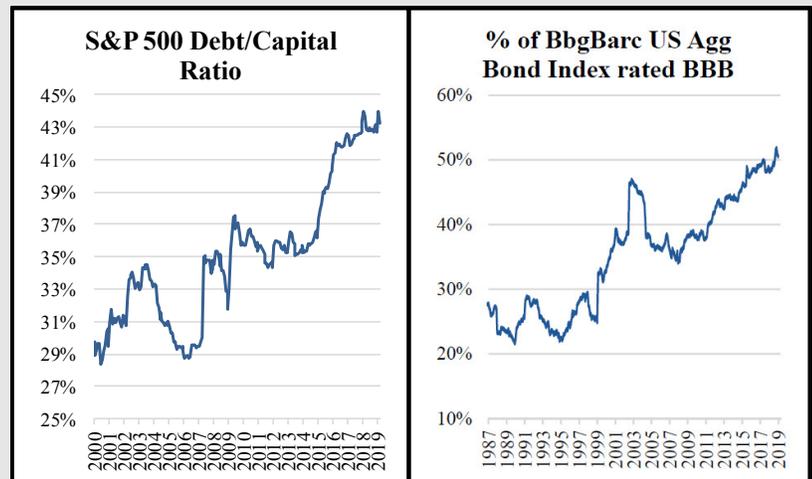
- More accommodative FOMC policy takes immense pressure off of the U.S. yield curve, significantly lessening the near-term interest rate risk for U.S. fixed income securities.
- At 1.13%, U.S. bonds now offer only meager real return. Though small in absolute terms, the yield on U.S. debt continues to tower over that of international developed bonds, an attribute that could push yields even lower in the near-term.



Source: JPMorgan, Federal Reserve, Bloomberg, S&P

~Exhibit 17~

- In addition to relatively low absolute yields, credit risk continues to rise alongside of corporate leverage. Coupling rising leverage with declining spreads and an increase in the proportion of BBB's that comprise the corporate bond market portends trouble if the economy slows.
- With all of this in mind, we continue to prefer the risk/return profile of U.S. equities, and would skew fixed income positioning towards a mix of cash and higher yielding emerging market bonds.

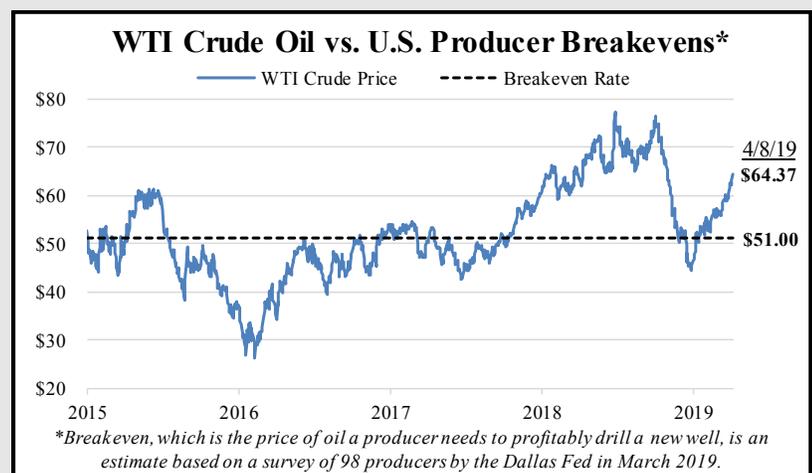


Source: JPMorgan, Bloomberg

## Rising Oil Prices Portend an Increase in Production

~Exhibit 18~

- Groundbreaking technological innovation, particularly in horizontal oil & gas drilling, has led to a massive decline in the cost of production, with oil breakevens in the U.S. now estimated at an average of \$51/barrel.
- With prices in the mid-\$60's, E&P companies not only have the incentive to increase production, but the flexibility to do so quickly and with very little additional cost. This likely supply response has caused us to modestly reduce our allocation to hard assets.



Source: U.S. EIA, Federal Reserve Bank of Dallas 1

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## Francis Investment Counsel's Global Economic Outlook and Recommendations

### Global Economy – Better Monetary Conditions, Better Growth Prospects

- United States – GDP is on a favorable course for 2019 though growth estimates of 2% are off the stronger pace of 2.90% realized in 2018. Leading economic indicators point to growth in the next 6-12 months and the ‘Powell Pivot’ (pause in raising short-term rates, announcement of ending the Fed’s balance sheet reduction program by this September) means the cost of money is unexpectedly cheaper for longer. The consumer already has as much spending flexibility as ever thanks to low unemployment, gains in income, and total wealth. All of this bodes well for future economic surprises to the upside and the current breakdown in global trade is unlikely to drag the economy into recession anytime soon.
- Developed International – European countries should see some stabilization off of relatively soft PMI readings. ECB Chairman Mario Draghi’s April comments concerning the use all of the tools necessary to avert inflation follows those of the Fed, setting the stage for some much awaited economic surprise to the upside. Japan’s economic outlook is mixed as leading indicators show further incremental growth but at a slower speed versus 2017’s results.
- Emerging Markets – China is on the upswing as decreased banking reserve requirements and fiscal stimulus have helped start to reboot the economy. Two items that could help breathe even more life into developing world: resolution of the trade dispute between the U.S. and China and a decline in the stubbornly strong U.S. dollar.

### Domestic Equities – Neutral/Overweight (No Change)

- A combination of a growing economy, sanguine consumers, yet pessimistic investors is a recipe for further gains. Earnings are still growing and valuation is sensible at a forward P/E of 17x on the S&P 500. Traditionally, the domestic market tends to rally in third year of a presidential term with extraordinary consistency and as such, we see no economic reason to bet against history this time around.

### International Equities – Developed Neutral (No Change) / Emerging Neutral/Overweight (Downgrade from Overweight)

- The valuation advantage of developed international vs. U.S. remains attractive at 13.7x (MSCI EAFE) vs. 17x on a forward basis. These stocks look cheap to us and dollar weakness could be a nice tailwind to returns for U.S. investors. We believe markets have discounted an overly pessimistic view of Brexit in whatever form it takes, which has now been pushed back to a new deadline in October 2019. Emerging Market equities are just marginally less attractive to us based on an exceptionally strong start to the year for Chinese stocks (+17.69%) and a number of unresolved issues for the Chinese economy.

### Fixed Income – Neutral/Underweight (No Change) / EMD Neutral (No Change)

- With the Fed broadcasting its intentions of being more patient of late, it takes some of the pressure off the category as there are no more anticipated rate hikes for the rest of 2019. The 10-year Treasury at 2.55% (as of 4/15/19) and a flat yield curve keep us from changing our rating, however, as we think a material reacceleration in the global economy could lead to more inflation and in turn rising rates. Plus, relative value elsewhere in equities and risk assets is far more compelling. Emerging market debt spreads relative to U.S. Treasuries have contracted since the end of 2018, but a current yield of around 6% and easier global monetary conditions fosters a more favorable environment. Stabilization in commodity prices has also improved the fiscal positioning for some of the more vulnerable market participants (Brazil, Russia, Venezuela).

### Hard Assets – Neutral (Downgrade from Neutral/Overweight)

- We lowered our rating to ‘Neutral’ given the Q1 run-up of Energy prices (25%+ in some instances), yet inflation expectations have bounced off their lows from late 2018. This bodes well for the category in addition to our expectation for greater worldwide demand as global monetary policy is more accommodative.

# Performance Update

## Wisconsin Health Fund 401(k) Retirement Plan

| As of March 31, 2019  | Ticker | QTR            | YTD            | 1 Year         | 3 Year         | 5 Year         | 10 Year        | Expenses |
|---|--------|----------------|----------------|----------------|----------------|----------------|----------------|----------|
| Money Market  |        |                |                |                |                |                |                |          |
| American Funds US Government MMkt R4                                  | RADXX  | 0.4%           | 0.4%           | 1.4%           | 0.6%           | 0.4%           | N/A            | 0.69%    |
| <i>USTREAS Stat US T-Bill 90 Day TR</i>                               |        | 0.6%           | 0.6%           | 2.1%           | 1.2%           | 0.8%           | 0.4%           |          |
| Government Bond   |        |                |                |                |                |                |                |          |
| American Funds US Government Sec R4                                   | RGVEX  | 1.9%           | 1.9%           | 3.9%           | 0.8%           | 1.9%           | 2.4%           | 0.63%    |
| <i>BBgBarc US Govt/Mortgage TR USD</i>                                |        | 2.1%           | 2.1%           | 4.3%           | 1.4%           | 2.4%           | 2.8%           |          |
| Intermediate Bond   |        |                |                |                |                |                |                |          |
| Western Asset Core Bond FI  | WAPIX  | 4.0%           | 4.0%           | 4.5%           | 2.8%           | 3.3%           | 6.9%           | 0.81%    |
| <i>BBgBarc US Agg Bond TR USD</i>                                     |        | 2.9%           | 2.9%           | 4.5%           | 2.0%           | 2.7%           | 3.8%           |          |
| Bank Loan   |        |                |                |                |                |                |                |          |
| Columbia Floating Rate A  | RFRAX  | 3.6%           | 3.6%           | 2.0%           | 5.1%           | 3.3%           | 7.4%           | 1.03%    |
| <i>Credit Suisse Leveraged Loan USD</i>                               |        | 3.8%           | 3.8%           | 3.3%           | 5.9%           | 3.8%           | 8.0%           |          |
| High Yield Bond   |        |                |                |                |                |                |                |          |
| Lord Abbett High Yield R4   | LHYSX  | 7.5%           | 7.5%           | 3.0%           | 7.9%           | 4.7%           | 10.7%          | 0.95%    |
| <i>ICE BofAML US High Yield TR USD</i>                                |        | 7.4%           | 7.4%           | 5.9%           | 8.7%           | 4.7%           | 11.2%          |          |
| Balanced  |        |                |                |                |                |                |                |          |
| American Funds Capital Income Bldr R4                                 | RIREX  | 8.2%           | 8.2%           | 3.5%           | 5.7%           | 4.5%           | 9.1%           | 0.64%    |
| <i>75% MSCI World / 25% BarCap Agg</i>                                |        | 10.2%          | 10.2%          | 4.9%           | 9.1%           | 6.3%           | 10.9%          |          |
| Target Retirement Date  |        |                |                |                |                |                |                |          |
| American Funds 2010 Trgt Date Retire R4                               | RDATX  | 5.9%           | 5.9%           | 4.1%           | 5.7%           | 4.6%           | 8.9%           | 0.69%    |
| American Funds 2015 Trgt Date Retire R4                               | RDBTX  | 6.4%           | 6.4%           | 4.3%           | 6.1%           | 4.9%           | 9.4%           | 0.68%    |
| American Funds 2020 Trgt Date Retire R4                               | RDCTX  | 6.8%           | 6.8%           | 4.2%           | 6.7%           | 5.3%           | 10.3%          | 0.69%    |
| American Funds 2025 Trgt Date Retire R4                               | RDDTX  | 7.7%           | 7.7%           | 4.1%           | 7.8%           | 5.9%           | 11.4%          | 0.71%    |
| American Funds 2030 Trgt Date Retire R4                               | RDETX  | 9.0%           | 9.0%           | 4.1%           | 9.3%           | 6.7%           | 12.2%          | 0.73%    |
| American Funds 2035 Trgt Date Retire R4                               | RDFTX  | 10.6%          | 10.6%          | 4.3%           | 10.5%          | 7.4%           | 12.6%          | 0.74%    |
| American Funds 2040 Trgt Date Retire R4                               | RDGTX  | 11.1%          | 11.1%          | 4.3%           | 10.9%          | 7.6%           | 12.8%          | 0.75%    |
| American Funds 2045 Trgt Date Retire R4                               | RDHTX  | 11.2%          | 11.2%          | 4.3%           | 11.1%          | 7.7%           | 12.9%          | 0.75%    |
| American Funds 2050 Trgt Date Retire R4                               | RDITX  | 11.4%          | 11.4%          | 4.3%           | 11.2%          | 7.8%           | 12.9%          | 0.77%    |
| American Funds 2055 Trgt Date Retire R4                               | RDJTX  | 11.4%          | 11.4%          | 4.3%           | 11.2%          | 7.8%           | N/A            | 0.77%    |
| American Funds 2060 Trgt Date Retire R4                               | RDKTX  | 11.3%          | 11.3%          | 4.3%           | 11.2%          | N/A            | N/A            | 0.79%    |
| Large Value   |        |                |                |                |                |                |                |          |
| American Funds Washington Mutual R4                                   | RWMEX  | 10.3%          | 10.3%          | 8.6%           | 12.7%          | 9.7%           | 14.8%          | 0.64%    |
| <i>Russell 1000 Value TR USD</i>                                      |        | 11.9%          | 11.9%          | 5.7%           | 10.5%          | 7.7%           | 14.5%          |          |
| Large Blend Index   |        |                |                |                |                |                |                |          |
| Columbia Large Cap Index A  | NEIAX  | 13.5%          | 13.5%          | 9.0%           | 13.0%          | 10.4%          | 15.4%          | 0.45%    |
| <i>S&amp;P 500 TR USD</i>   |        | 13.6%          | 13.6%          | 9.5%           | 13.5%          | 10.9%          | 15.9%          |          |
| Large Growth  |        |                |                |                |                |                |                |          |
| American Funds Growth Fund of Amer R4                                 | RGAX   | 13.8%          | 13.8%          | 7.3%           | 15.7%          | 11.5%          | 15.4%          | 0.68%    |
| <i>Russell 1000 Growth TR USD</i>                                     |        | 16.1%          | 16.1%          | 12.7%          | 16.5%          | 13.5%          | 17.5%          |          |
| Large Growth  |        |                |                |                |                |                |                |          |
| T. Rowe Price Blue Chip Growth Advisor                                | PABGX  | 16.1%          | 16.1%          | 11.8%          | 19.7%          | 14.6%          | 18.6%          | 0.97%    |
| <i>Russell 1000 Growth TR USD</i>                                     |        | 16.1%          | 16.1%          | 12.7%          | 16.5%          | 13.5%          | 17.5%          |          |
| Global  |        |                |                |                |                |                |                |          |
| American Funds Capital World Gr&Inc R4                                | RWIEX  | 12.2%          | 12.2%          | 0.3%           | 10.0%          | 6.0%           | 11.5%          | 0.79%    |
| <i>MSCI ACWI GR USD</i>   |        | 12.3%          | 12.3%          | 3.2%           | 11.3%          | 7.0%           | 12.6%          |          |
| International   |        |                |                |                |                |                |                |          |
| American Funds Europacific Growth R4                                  | REREX  | 13.1%          | 13.1%          | -5.0%          | 8.9%           | 3.9%           | 9.6%           | 0.83%    |
| <i>MSCI ACWI Ex USA GR USD</i>  |        | 10.4%          | 10.4%          | -3.7%          | 8.6%           | 3.0%           | 9.3%           |          |
| Mid Value   |        |                |                |                |                |                |                |          |
| Victory Sycamore Established Value A                                  | VETAX  | 13.6%          | 13.6%          | 3.2%           | 10.9%          | 9.3%           | 15.8%          | 0.89%    |
| <i>Russell Mid Cap Value TR USD</i>                                   |        | 14.4%          | 14.4%          | 2.9%           | 9.5%           | 7.2%           | 16.4%          |          |
| Mid Growth  |        |                |                |                |                |                |                |          |
| Hartford MidCap R4  | HFMSX  | 19.9%          | 19.9%          | 7.2%           | 15.0%          | 10.6%          | 16.0%          | 1.16%    |
| <i>Russell Mid Cap Growth TR USD</i>                                  |        | 19.6%          | 19.6%          | 11.5%          | 15.1%          | 10.9%          | 17.6%          |          |
| Small Blend Index   |        |                |                |                |                |                |                |          |
| Columbia Small Cap Index A  | NMSAX  | 11.6%          | 11.6%          | 1.1%           | 12.1%          | 7.9%           | 16.5%          | 0.45%    |
| <i>S&amp;P SmallCap 600 TR USD</i>                                    |        | 11.6%          | 11.6%          | 1.6%           | 12.6%          | 8.5%           | 17.0%          |          |
| Small Growth  |        |                |                |                |                |                |                |          |
| Janus Henderson Triton S  | JGMIX  | 17.4%          | 17.4%          | 6.1%           | 15.9%          | 11.7%          | 18.5%          | 1.16%    |
| <i>Russell 2000 Growth TR USD</i>                                     |        | 17.1%          | 17.1%          | 3.9%           | 14.9%          | 8.4%           | 16.5%          |          |
| International Small Cap   |        |                |                |                |                |                |                |          |
| American Funds SMALLCAP World R4                                      | RSLEX  | 15.5%          | 15.5%          | 2.9%           | 12.9%          | 7.6%           | 15.0%          | 1.05%    |
| <i>MSCI ACWI Small GR USD</i>   |        | 13.2%          | 13.2%          | -2.3%          | 10.4%          | 6.0%           | 14.8%          |          |
| Emerging Markets  |        |                |                |                |                |                |                |          |
| American Funds New World R4   | RNWEX  | 13.8%          | 13.8%          | -1.4%          | 11.1%          | 4.4%           | 10.0%          | 0.98%    |
| <i>MSCI EM GR USD</i>   |        | 10.0%          | 10.0%          | -7.1%          | 11.1%          | 4.1%           | 9.3%           |          |
| <b>Batting Average</b>  |        | <b>8 of 16</b> | <b>8 of 16</b> | <b>6 of 16</b> | <b>8 of 16</b> | <b>9 of 16</b> | <b>7 of 15</b> |          |
| <b>(Includes only active managers and excludes target retirement)</b> |        | <b>50%</b>     | <b>50%</b>     | <b>38%</b>     | <b>50%</b>     | <b>56%</b>     | <b>47%</b>     |          |

Returns shaded in red indicate underperformance by active managers relative to their passive benchmarks.

PERFORMANCE NET OF INVESTMENT MANAGEMENT FEES, TRUST, INVESTMENT CONSULTING, AND/OR ADMINISTRATION FEES HAVE NOT BEEN DEDUCTED.

The summary/prices/quotes/statistics contained herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. Total return includes change in share price, reinvestment of dividends, and capital gains. Past performance results are not a guarantee of future results. Actual performance will be affected by flows in and out of the Fund.

Source: Morningstar Inc. / Zephyr Associates, Inc. / Fund Company



## Investment Menu & Platform Conversion – April 1, 2019

| From  | Allocation Amount | To                                       | Ticker / CUSIP |
|---|-------------------|--|----------------|
| American Funds U.S. Government Money Mkt R4   | 100%              | Reliance Metlife Series 25157 Cl 0       | 759522105      |
| American Funds U.S. Government Securities R4  | 100%              | Baird Aggregate Bond Inst                | BAGIX          |
| Western Asset Core Bond FI                    | 100%              | Baird Aggregate Bond Inst                | BAGIX          |
| Columbia Floating Rate A                      | 100%              | Baird Aggregate Bond Inst                | BAGIX          |
| Lord Abbett High Yield R4                     | 100%              | Goldman Sachs Emerging Markets Debt R6   | GSIX           |
| American Funds Target Date Ret 2010 R4        | 100%              | American Funds Target Date Ret 2010 R6   | RFTTX          |
| American Funds Target Date Ret 2015 R4        | 100%              | American Funds Target Date Ret 2015 R6   | RFJTX          |
| American Funds Target Date Ret 2020 R4        | 100%              | American Funds Target Date Ret 2020 R6   | RRCTX          |
| American Funds Target Date Ret 2025 R4        | 100%              | American Funds Target Date Ret 2025 R6   | RFDTX          |
| American Funds Target Date Ret 2030 R4        | 100%              | American Funds Target Date Ret 2030 R6   | RFETX          |
| American Funds Target Date Ret 2035 R4        | 100%              | American Funds Target Date Ret 2035 R6   | RFFTX          |
| American Funds Target Date Ret 2040 R4        | 100%              | American Funds Target Date Ret 2040 R6   | RFGTX          |
| American Funds Target Date Ret 2045 R4        | 100%              | American Funds Target Date Ret 2045 R6   | RFHTX          |
| American Funds Target Date Ret 2050 R4        | 100%              | American Funds Target Date Ret 2050 R6   | RFITX          |
| American Funds Target Date Ret 2055 R4        | 100%              | American Funds Target Date Ret 2055 R6   | RFKTX          |
| American Funds Target Date Ret 2060 R4        | 100%              | American Funds Target Date Ret 2060 R6   | RFUTX          |
| American Funds Capital Income Builder R4      | 100%              | Age Appropriate AF Target Date Ret R6    | N/A            |
| American Funds Washington Mutual R4           | 100%              | American Funds Washington Mutual R6      | RWMGX          |
| Columbia Large Cap Index A                    | 100%              | Fidelity 500 Index                       | FXAIX          |
| American Funds Growth Fund of America R4      | 100%              | T. Rowe Price Blue Chip Growth I         | TBCIX          |
| T. Rowe Price Blue Chip Growth Adv            | 100%              | T. Rowe Price Blue Chip Growth I         | TBCIX          |
| Victory Sycamore Established Value A          | 100%              | American Funds Washington Mutual R6      | RWMGX          |
| Hartford MidCap R4                            | 100%              | T. Rowe Price Blue Chip Growth I         | TBCIX          |
| Columbia Small Cap Index A                    | 100%              | Columbia Small Cap Index Inst3           | CSPYX          |
| Janus Henderson Triton S                      | 100%              | Columbia Small Cap Index Inst3           | CSPYX          |
| American Funds EuroPacific Growth R4          | 100%              | American Funds EuroPacific Growth R6     | REGRX          |
| American Funds New World R4                   | 100%              | Oppenheimer Developing Markets I         | ODVIX          |
| American Funds Capital World Growth & Inc. R4 | 100%              | Fidelity 500 Index                       | FXAIX          |
| American Funds SMALLCAP World R4              | 100%              | American Funds SMALLCAP World R6         | RLLGX          |
| ADD   |                   | DFA Inflation Protected Securities Instl | DIPSX          |
| ADD   |                   | PIMCO CommoditiesPLUS Strategy Instl     | PCLIX          |

# American Funds Target Date

Fund Type: Target Retirement Date

## MANAGER VISIT

|   | Quarter       | YTD           | 1-Year       | 3-Year        | Since Inclusion<br>(9/1/08, 7/1/15<br>& 1/1/16)* | Expense Ratio |
|---|---------------|---------------|--------------|---------------|--|---------------|
| <b>American Funds Trgt Date 2010 R6</b>     | <b>5.96%</b>  | <b>5.96%</b>  | <b>4.37%</b> | <b>6.02%</b>  | <b>5.79%</b>                                     | <b>0.33%</b>  |
| Fidelity Freedom 2010                       | 6.15%         | 6.15%         | 2.89%        | 6.60%         | 5.41%  | 0.53%         |
| T. Rowe Price Retirement 2010               | 7.09%         | 7.09%         | 3.61%        | 6.44%         | 5.98%  | 0.57%         |
| S&P Target Date 2010 TR Index               | 6.20%         | 6.20%         | 3.81%        | 5.48%         | 5.08%  |               |
| <b>American Funds Trgt Date 2015 R6</b>     | <b>6.49%</b>  | <b>6.49%</b>  | <b>4.58%</b> | <b>6.45%</b>  | <b>6.10%</b>                                     | <b>0.33%</b>  |
| Fidelity Freedom 2015                       | 7.09%         | 7.09%         | 2.74%        | 7.45%         | 5.66%  | 0.57%         |
| T. Rowe Price Retirement 2015               | 7.85%         | 7.85%         | 3.63%        | 7.22%         | 6.50%  | 0.59%         |
| Vanguard Target Retirement 2015             | 6.49%         | 6.49%         | 3.87%        | 6.28%         | 5.97%  | 0.13%         |
| S&P Target Date 2015 TR Index               | 6.89%         | 6.89%         | 3.90%        | 6.25%         | 5.61%  |               |
| <b>American Funds Trgt Date 2020 R6</b>     | <b>6.82%</b>  | <b>6.82%</b>  | <b>4.61%</b> | <b>7.12%</b>  | <b>6.54%</b>                                     | <b>0.34%</b>  |
| Fidelity Freedom 2020                       | 7.91%         | 7.91%         | 2.66%        | 8.01%         | 5.77%  | 0.61%         |
| T. Rowe Price Retirement 2020               | 8.91%         | 8.91%         | 3.62%        | 8.24%         | 6.99%  | 0.63%         |
| Vanguard Target Retirement 2020             | 7.82%         | 7.82%         | 3.82%        | 7.39%         | 6.43%  | 0.13%         |
| S&P Target Date 2020 TR Index               | 7.45%         | 7.45%         | 3.94%        | 6.95%         | 6.04%  |               |
| <b>American Funds Trgt Date 2025 R6</b>     | <b>7.86%</b>  | <b>7.86%</b>  | <b>4.42%</b> | <b>8.18%</b>  | <b>7.31%</b>                                     | <b>0.36%</b>  |
| Fidelity Freedom 2025                       | 8.55%         | 8.55%         | 2.53%        | 8.51%         | 6.21%  | 0.66%         |
| T. Rowe Price Retirement 2025               | 9.79%         | 9.79%         | 3.56%        | 9.05%         | 7.36%  | 0.67%         |
| Vanguard Target Retirement 2025             | 8.82%         | 8.82%         | 3.83%        | 8.20%         | 6.71%  | 0.13%         |
| S&P Target Date 2025 TR Index               | 8.37%         | 8.37%         | 3.90%        | 7.75%         | 6.40%  |               |
| <b>American Funds Trgt Date 2030 R6</b>     | <b>9.01%</b>  | <b>9.01%</b>  | <b>4.48%</b> | <b>9.65%</b>  | <b>7.96%</b>                                     | <b>0.38%</b>  |
| Fidelity Freedom 2030                       | 9.69%         | 9.69%         | 2.32%        | 9.75%         | 6.34%  | 0.70%         |
| T. Rowe Price Retirement 2030               | 10.63%        | 10.63%        | 3.52%        | 9.79%         | 7.71%  | 0.69%         |
| Vanguard Target Retirement 2030             | 9.54%         | 9.54%         | 3.71%        | 8.87%         | 6.94%  | 0.14%         |
| S&P Target Date 2030 TR Index               | 9.39%         | 9.39%         | 3.82%        | 8.43%         | 6.67%  |               |
| <b>American Funds Trgt Date 2035 R6</b>     | <b>10.66%</b> | <b>10.66%</b> | <b>4.61%</b> | <b>10.88%</b> | <b>8.26%</b>                                     | <b>0.39%</b>  |
| Fidelity Freedom 2035                       | 10.92%        | 10.92%        | 1.85%        | 10.57%        | 6.68%  | 0.74%         |
| T. Rowe Price Retirement 2035               | 11.32%        | 11.32%        | 3.39%        | 10.33%        | 7.95%  | 0.72%         |
| Vanguard Target Retirement 2035             | 10.20%        | 10.20%        | 3.55%        | 9.52%         | 7.22%  | 0.14%         |
| S&P Target Date 2035 TR Index               | 10.27%        | 10.27%        | 3.66%        | 9.09%         | 6.90%  |               |
| <b>American Funds Trgt Date 2040 R6</b>     | <b>11.18%</b> | <b>11.18%</b> | <b>4.63%</b> | <b>11.28%</b> | <b>8.41%</b>                                     | <b>0.40%</b>  |
| Fidelity Freedom 2040                       | 11.49%        | 11.49%        | 1.79%        | 10.62%        | 6.63%  | 0.75%         |
| T. Rowe Price Retirement 2040               | 11.90%        | 11.90%        | 3.33%        | 10.80%        | 8.16%  | 0.74%         |
| Vanguard Target Retirement 2040             | 10.96%        | 10.96%        | 3.38%        | 10.20%        | 7.52%  | 0.14%         |
| S&P Target Date 2040 TR Index               | 10.82%        | 10.82%        | 3.59%        | 9.55%         | 7.09%  |               |
| <b>American Funds Trgt Date 2045 R6</b>     | <b>11.29%</b> | <b>11.29%</b> | <b>4.61%</b> | <b>11.50%</b> | <b>8.46%</b>                                     | <b>0.40%</b>  |
| Fidelity Freedom 2045                       | 11.39%        | 11.39%        | 1.72%        | 10.57%        | 6.68%  | 0.75%         |
| T. Rowe Price Retirement 2045               | 12.27%        | 12.27%        | 3.32%        | 10.96%        | 8.20%  | 0.74%         |
| Vanguard Target Retirement 2045             | 11.48%        | 11.48%        | 3.27%        | 10.43%        | 7.56%  | 0.15%         |
| S&P Target Date 2045 TR Index               | 11.10%        | 11.10%        | 3.46%        | 9.85%         | 7.15%  |               |
| <b>American Funds Trgt Date 2050 R6</b>     | <b>11.46%</b> | <b>11.46%</b> | <b>4.66%</b> | <b>11.62%</b> | <b>8.49%</b>                                     | <b>0.41%</b>  |
| Fidelity Freedom 2050                       | 11.41%        | 11.41%        | 1.73%        | 10.61%        | 6.55%  | 0.75%         |
| T. Rowe Price Retirement 2050               | 12.20%        | 12.20%        | 3.23%        | 10.95%        | 8.19%  | 0.74%         |
| Vanguard Target Retirement 2050             | 11.50%        | 11.50%        | 3.27%        | 10.43%        | 7.57%  | 0.15%         |
| S&P Target Date 2050 TR Index               | 11.28%        | 11.28%        | 3.40%        | 10.12%        | 7.29%  |               |
| <b>American Funds Trgt Date Ret 2055 R6</b> | <b>11.50%</b> | <b>11.50%</b> | <b>4.64%</b> | <b>11.62%</b> | <b>8.59%</b>                                     | <b>0.42%</b>  |
| Fidelity Freedom 2055                       | 11.39%        | 11.39%        | 1.73%        | 10.60%        | 7.08%  | 0.75%         |
| T. Rowe Price Retirement 2055               | 12.27%        | 12.27%        | 3.32%        | 10.95%        | 7.64%  | 0.74%         |
| Vanguard Target Retirement 2055             | 11.50%        | 11.50%        | 3.28%        | 10.43%        | 7.30%  | 0.15%         |
| S&P Target Date 2055 TR Index               | 11.31%        | 11.31%        | 3.37%        | 10.29%        | 7.50%  |               |

# American Funds Target Date

Fund Type: Target Retirement Date

|   | Quarter       | YTD           | 1-Year       | 3-Year        | Since Inclusion (9/1/08, 7/1/15 & 1/1/16)* | Expense Ratio |
|---|---------------|---------------|--------------|---------------|--|---------------|
| <b>American Funds Trgt Date Ret 2060 R6</b> | <b>11.43%</b> | <b>11.43%</b> | <b>4.55%</b> | <b>11.58%</b> | <b>10.82%</b>                              | <b>0.44%</b>  |
| Fidelity Freedom 2060                       | 11.47%        | 11.47%        | 1.78%        | 10.57%        | 9.59%                                      | 0.75%         |
| T. Rowe Price Retirement 2060               | 12.20%        | 12.20%        | 3.28%        | 10.93%        | 10.05%                                     | 0.74%         |
| Vanguard Target Retirement 2060             | 11.48%        | 11.48%        | 3.25%        | 10.42%        | 9.84%                                      | 0.15%         |
| S&P Target Date 2060+ TR Index              | 11.42%        | 11.42%        | 3.50%        | 10.48%        | 10.00%                                     |               |

\*Since inception date in the Plan for vintages 2010-2050 is 9/1/08 (actual inception date 9/2/08), 7/1/15 for 2055 (actual 6/30/15), and 1/1/16 for 2060 (actual 12/23/15). The Plan switched share classes from R4 to R6 on 6/30/15. Performance presented above is performance for the R6 share class.

## Francis Investment Counsel LLC Review:

### Summary & Opinion:

The American Funds Target Date Retirement Funds turned in mixed performance during the first quarter's risk asset rebound, with the longer dated vintages (2035-2060) outperforming while the shorter dated vintages (2010-2030) lagged. The dispersion in results is attributable to the changing nature of the Suite's underlying funds as its moves closer to retirement. During the first quarter rally, the Suite's most aggressive offerings turned in exceptional results in both absolute and relative terms. For instance, American Funds EuroPacific Growth, New Perspective, SMALLCAP World, and New World each advanced more than 13%, outperforming their respective benchmarks by at least 1.50%. Each of these Funds serves a key role (4%+ allocation) in the 2040 through 2060 vintages but is largely phased out by the 2030 vintage in favor of equity income and balanced funds. Performance for the equity income funds (Income Fund of America +7.90%, Capital Income Builder +8.28%) was substantially worse than their more aggressive counterparts during the quarter. Despite a trying quarter for the shorter-date vintages, each vintage leads its respective S&P Target Date Index on a 3-year basis, with most ranking within the top decile of their respective peer groups.

To review, the main benefit of investing in the American Funds Target Date Funds is the remarkable pool of investment talent that manages the Suite's underlying funds, particularly those on the equity side. This group possesses some of the strongest human and technological capital available in the industry, traits that were on full display to us during recent visits with Capital Group in Hong Kong (May 2018), London (September 2018), and Milwaukee (October 2018, March 2019). In our opinion, Capital Group's most powerful tool is the independence and accountability it offers to its investment personnel – both at the analyst and portfolio management levels. Rather than trying to fit an individual's investment philosophy into a pre-determined strategy, Capital Group allows each employee to focus on his/her strengths and finds the best fit for them within the organization from there. While only seven of Capital Group's portfolio counselors sit on the Portfolio Oversight Committee (POC) responsible for forming the glidepath of these Funds, each of the vintages represents a compilation of the work done by hundreds of analysts and PMs. The POC will experience a change in 2019, with Capital Group bond-veteran John Smet set to seek retirement at year-end. His replacement has not yet been announced, but we are confident that the Suite will transition seamlessly upon his departure.

Unlike some of their competitors, Capital Group takes a more strategic view to asset allocation, relying on their underlying managers to generate alpha rather than tactical shifts between asset classes. Although tactical positioning isn't enacted at a high-level, the glidepath does vary over time based on the positioning of the underlying funds. In addition to each manager's ability to build cash in a defensive environment there is also significant flexibility for the Suite's balanced funds to alter their equity/fixed income splits, and the Suite's global funds to alter their domestic/international splits. For instance, during our March 2019 conversation with portfolio specialist Jacob Gerber, he noted that equity exposure within the glidepath has come down to a neutral level, as the Suite's balanced and equity income funds no longer believe there is a "fat pitch in the market today." In addition, Gerber noted that international additions by several of the Suite's global managers have brought the glidepath off of historical lows in foreign equity exposure.

In terms of glidepath construction, the American Funds tend to be slightly more conservative throughout the accumulation period of an investor, topping out around 85% in equity assets. In addition, the Suite differentiates itself in the POC's belief that not all equity exposure is created equal. Each Fund's equity exposure is split among three investment styles – growth funds, growth-and-income funds, and equity-income & balanced funds. While each portfolio's allocation to equity-based funds remains high in absolute terms, around 80% until 10 years away from retirement, each vintage is shifted stylistically from investments focused on growth to those focused on income generation. Very little has changed with the American Fund's glidepath over time, but this shouldn't be taken as a sign of inactivity from the POC. Over time the group has discussed the potential inclusion of several asset classes, including commodities, REITs, and emerging market debt. The last of which Jacob Gerber believes is getting closer to inclusion.

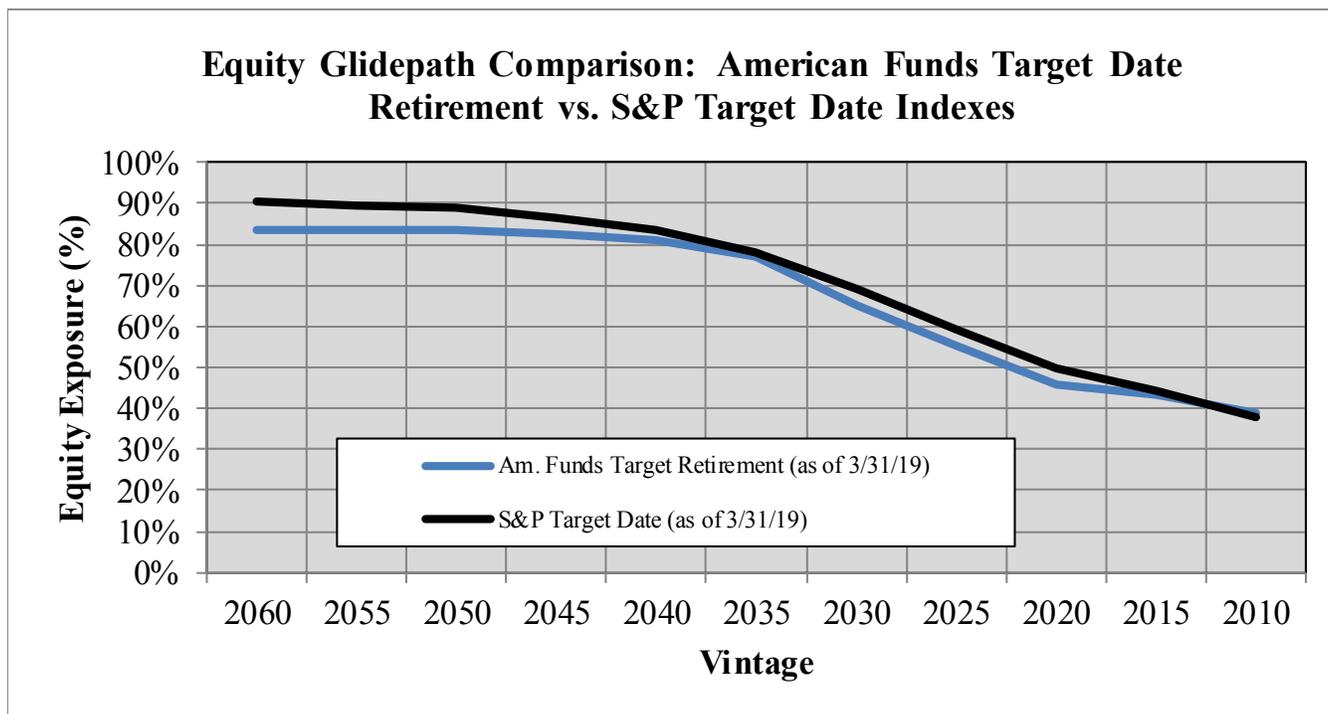
Simply put, we view the American Funds Target Date Retirement series as an excellent option in this category. Capital Group offers a collective trust version of this Suite, but as of today, there is no cost benefit to using the CITs with an allocation below \$500M in assets.

Performance results are taken from Fund company and are net of investment management fees. Trust and/or administration fees have not been deducted. Actual performance affected by fees and money flows in and out of the Fund and can vary significantly from published Fund results. The above summary/prices/quotes/statistics have been obtained from sources we believe to be reliable, but we do not guarantee its accuracy or completeness. Past performance is no guarantee of future results.



## Equity Glidepath Comparison

### American Funds Target Date Retirement Funds vs. S&P Target Date Indexes



#### Equity Glidepath Comparison

## American Funds Target Retirement Date Component Performance

| As of March 31, 2019  | Quarter         | Year to Date    | Trailing<br>1-Year | Trailing<br>3-Years | Trailing<br>5-Years |
|---|-----------------|-----------------|--------------------|---------------------|---------------------|
| <b>American Funds ST Bd Fd of Amer R6</b><br>BBgBarc Govt/Credit 1-3Y Ex Baa TR USD               | <b>1.11%</b>    | <b>1.11%</b>    | <b>2.84%</b>       | <b>1.35%</b>        | <b>1.21%</b>        |
|   | 1.10%           | 1.10%           | 2.91%              | 1.16%               | 1.13%               |
| <b>American Funds US Government Sec R6</b><br>BBgBarc US Govt/Mortgage TR USD                     | <b>1.95%</b>    | <b>1.95%</b>    | <b>4.18%</b>       | <b>1.08%</b>        | <b>2.21%</b>        |
|   | 2.13%           | 2.13%           | 4.30%              | 1.37%               | 2.36%               |
| <b>American Funds Interm Bd Fd of Amer R6</b><br>BBgBarc US Gov/Credit 1-7 Ex Baa TR USD          | <b>1.74%</b>    | <b>1.74%</b>    | <b>3.74%</b>       | <b>1.32%</b>        | <b>1.69%</b>        |
|   | 1.64%           | 1.64%           | 3.74%              | 1.23%               | 1.68%               |
| <b>American Funds Bond Fund of Amer R6</b><br>BBgBarc US Agg Bond TR USD                          | <b>3.00%</b>    | <b>3.00%</b>    | <b>4.64%</b>       | <b>2.29%</b>        | <b>2.83%</b>        |
|   | 2.94%           | 2.94%           | 4.48%              | 2.03%               | 2.74%               |
| <b>American Funds Inflation Linked Bd R6</b><br>BBgBarc US Treasury US TIPS TR USD                | <b>2.88%</b>    | <b>2.88%</b>    | <b>3.25%</b>       | <b>2.00%</b>        | <b>2.23%</b>        |
|   | 3.19%           | 3.19%           | 2.70%              | 1.70%               | 1.94%               |
| <b>American Funds Mortgage R6</b><br>BBgBarc US MBS TR USD  | <b>1.96%</b>    | <b>1.96%</b>    | <b>4.04%</b>       | <b>1.56%</b>        | <b>2.53%</b>        |
|   | 2.17%           | 2.17%           | 4.42%              | 1.77%               | 2.65%               |
| <b>American Funds Capital World Bond R6</b><br>BBgBarc Global Aggregate TR USD                    | <b>2.55%</b>    | <b>2.55%</b>    | <b>-0.68%</b>      | <b>2.07%</b>        | <b>1.36%</b>        |
|   | 2.20%           | 2.20%           | -0.38%             | 1.49%               | 1.04%               |
| <b>American Funds American High-Inc R6</b><br>BBgBarc US Corporate High Yield TR USD              | <b>7.36%</b>    | <b>7.36%</b>    | <b>6.04%</b>       | <b>8.71%</b>        | <b>3.84%</b>        |
|   | 7.26%           | 7.26%           | 5.93%              | 8.56%               | 4.68%               |
| <b>American Funds American Balanced R6</b><br>60% S&P 500 / 40% BBgBarc Aggregate Bond Index      | <b>7.95%</b>    | <b>7.95%</b>    | <b>6.56%</b>       | <b>9.29%</b>        | <b>7.83%</b>        |
|   | 9.37%           | 9.37%           | 8.01%              | 9.01%               | 7.75%               |
| <b>American Funds Capital Income Bldr R6</b><br>60% MSCI ACWI / 40% BBgBarc Global Agg Bond Index | <b>8.28%</b>    | <b>8.28%</b>    | <b>3.89%</b>       | <b>6.06%</b>        | <b>4.83%</b>        |
|   | 8.28%           | 8.28%           | 2.16%              | 7.17%               | 4.77%               |
| <b>American Funds Income Fund of Amer R6</b><br>60% S&P 500 / 40% BBgBarc Aggregate Bond Index    | <b>7.90%</b>    | <b>7.90%</b>    | <b>4.69%</b>       | <b>7.88%</b>        | <b>6.23%</b>        |
|   | 9.37%           | 9.37%           | 8.01%              | 9.01%               | 7.75%               |
| <b>American Funds Global Balanced R6</b><br>60% MSCI ACWI / 40% BBgBarc Global Agg Bond Index     | <b>8.64%</b>    | <b>8.64%</b>    | <b>2.17%</b>       | <b>6.54%</b>        | <b>4.22%</b>        |
|   | 8.28%           | 8.28%           | 2.16%              | 7.17%               | 4.77%               |
| <b>American Funds American Mutual R6</b><br>Russell 1000 Value TR USD                             | <b>9.06%</b>    | <b>9.06%</b>    | <b>9.39%</b>       | <b>11.75%</b>       | <b>9.31%</b>        |
|   | 11.93%          | 11.93%          | 5.67%              | 10.45%              | 7.72%               |
| <b>American Funds Invmt Co of Amer R6</b><br>S&P 500 TR USD                                       | <b>11.45%</b>   | <b>11.45%</b>   | <b>5.80%</b>       | <b>11.81%</b>       | <b>9.37%</b>        |
|   | 13.65%          | 13.65%          | 9.50%              | 13.51%              | 10.91%              |
| <b>American Funds Washington Mutual R6</b><br>Russell 1000 Value TR USD                           | <b>10.43%</b>   | <b>10.43%</b>   | <b>8.93%</b>       | <b>13.09%</b>       | <b>10.05%</b>       |
|   | 11.93%          | 11.93%          | 5.67%              | 10.45%              | 7.72%               |
| <b>American Funds Fundamental Invs R6</b><br>S&P 500 TR USD                                       | <b>12.04%</b>   | <b>12.04%</b>   | <b>5.43%</b>       | <b>13.39%</b>       | <b>10.58%</b>       |
|   | 13.65%          | 13.65%          | 9.50%              | 13.51%              | 10.91%              |
| <b>American Funds AMCAP R6</b><br>Russell 1000 Growth TR USD                                      | <b>12.79%</b>   | <b>12.79%</b>   | <b>7.36%</b>       | <b>13.92%</b>       | <b>10.39%</b>       |
|   | 16.10%          | 16.10%          | 12.75%             | 16.53%              | 13.50%              |
| <b>American Funds Growth Fund of Amer R6</b><br>Russell 1000 Growth TR USD                        | <b>13.87%</b>   | <b>13.87%</b>   | <b>7.67%</b>       | <b>16.12%</b>       | <b>11.87%</b>       |
|   | 16.10%          | 16.10%          | 12.75%             | 16.53%              | 13.50%              |
| <b>American Funds New Economy R6</b><br>Russell 1000 Growth TR USD                                | <b>14.77%</b>   | <b>14.77%</b>   | <b>4.68%</b>       | <b>16.28%</b>       | <b>10.48%</b>       |
|   | 16.10%          | 16.10%          | 12.75%             | 16.53%              | 13.50%              |
| <b>American Funds Europacific Growth R6</b><br>MSCI ACWI Ex USA GR USD                            | <b>13.20%</b>   | <b>13.20%</b>   | <b>-4.66%</b>      | <b>9.33%</b>        | <b>4.27%</b>        |
|   | 10.44%          | 10.44%          | -3.74%             | 8.61%               | 3.05%               |
| <b>American Funds Intl Gr and Inc R6</b><br>MSCI ACWI Ex USA GR USD                               | <b>11.21%</b>   | <b>11.21%</b>   | <b>-5.37%</b>      | <b>7.47%</b>        | <b>1.68%</b>        |
|   | 10.44%          | 10.44%          | -3.74%             | 8.61%               | 3.05%               |
| <b>American Funds Capital World Gr&amp;Inc R6</b><br>MSCI ACWI GR USD                             | <b>12.25%</b>   | <b>12.25%</b>   | <b>0.62%</b>       | <b>10.40%</b>       | <b>6.34%</b>        |
|   | 12.33%          | 12.33%          | 3.16%              | 11.27%              | 7.03%               |
| <b>American Funds New Perspective R6</b><br>MSCI ACWI GR USD                                      | <b>13.99%</b>   | <b>13.99%</b>   | <b>5.34%</b>       | <b>13.37%</b>       | <b>9.18%</b>        |
|   | 12.33%          | 12.33%          | 3.16%              | 11.27%              | 7.03%               |
| <b>American Funds SMALLCAP World R6</b><br>MSCI ACWI Small GR USD                                 | <b>15.58%</b>   | <b>15.58%</b>   | <b>3.28%</b>       | <b>13.33%</b>       | <b>8.01%</b>        |
|   | 13.22%          | 13.22%          | -2.29%             | 10.40%              | 5.99%               |
| <b>American Funds New World R6</b><br>MSCI EM GR USD  | <b>13.86%</b>   | <b>13.86%</b>   | <b>-1.10%</b>      | <b>11.54%</b>       | <b>4.77%</b>        |
|   | 9.97%           | 9.97%           | -7.06%             | 11.09%              | 4.06%               |
| <b>BATTING AVERAGE:</b>   | <b>11 of 25</b> | <b>11 of 25</b> | <b>10 of 25</b>    | <b>13 of 25</b>     | <b>13 of 25</b>     |
|   | <b>44%</b>      | <b>44%</b>      | <b>40%</b>         | <b>52%</b>          | <b>52%</b>          |

Returns shaded in red indicate underperformance by active managers relative to their passive benchmarks.

PERFORMANCE NET OF INVESTMENT MANAGEMENT FEES. TRUST, INVESTMENT CONSULTING, AND/OR ADMINISTRATION FEES HAVE NOT BEEN DEDUCTED.

The summary/prices/quotes/statistics contained herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. Total return includes change in share price, reinvestment of dividends, and capital gains. Past performance results are not a guarantee of future results. Actual performance will be affected by flows in and out of the Fund.

Source: Morningstar Inc. / Zephyr Associates, Inc.

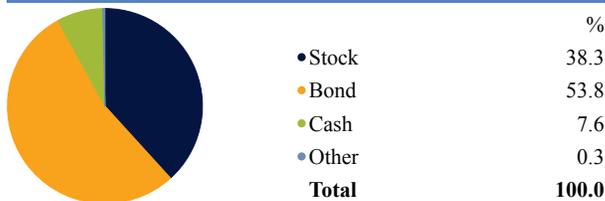
**Operations**

|                       |               |
|-----------------------|---------------|
| Inception Date        | 7/13/2009     |
| Total Net Assets (\$) | 3,220,021,320 |
| 12b-1 Fee             | —             |
| Redemption Fee        | —             |

**Fund Characteristics**

|                            | Fund      | Benchmark |
|----------------------------|-----------|-----------|
| P/E Ratio (TTM)            | 17.51     | 17.22     |
| Average Market Cap (mil)   | 84,747.86 | 36,518.47 |
| # of Holdings              | 18        | 9         |
| Turnover Ratio %           | 8.00      | —         |
| % Asset in Top 10 Holdings | 77.49     | 100.00    |
| US Equity %                | 27.40     | 25.01     |
| Non-US Equity %            | 11.64     | 12.98     |
| Emerging Market Equity %   | 1.02      | 1.73      |

**Asset Allocation**



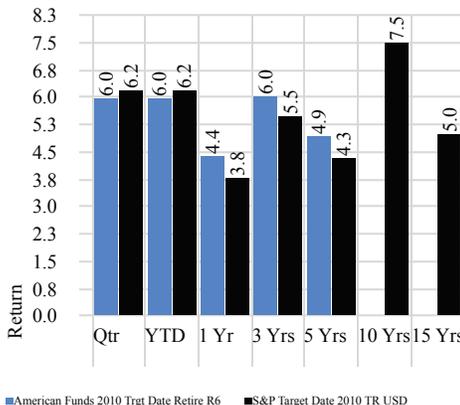
**Equity Style Exposures**

|       | Value | Blend | Growth | Market Cap         | %    |
|-------|-------|-------|--------|--------------------|------|
| Large | 35.6  | 36.5  | 20.6   | Market Cap Giant % | 60.8 |
| Mid   | 2.6   | 3.1   | 1.0    | Market Cap Large % | 31.7 |
| Small | 0.3   | 0.1   | 0.1    | Market Cap Mid %   | 6.8  |
|       |       |       |        | Market Cap Small % | 0.6  |
|       |       |       |        | Market Cap Micro % | 0.0  |

**Top 20 Holdings**

| Ticker                                 | Portfolio Weighting % | Qtr Return |
|--|-----------------------|------------|
| American Funds Interm Bd Fd of Amer R6 | RBOGX                 | 13.23 1.74 |
| American Funds Capital Income Bldr R6  | RIRGX                 | 12.00 8.28 |
| American Funds Income Fund of Amer R6  | RIDGX                 | 12.00 7.90 |
| American Funds Bond Fund of Amer R6    | RBFGR                 | 7.98 3.00  |
| American Funds Inflation Linked Bd R6  | RILFX                 | 6.98 2.88  |
| American Funds Mortgage R6             | RMAGX                 | 5.98 1.96  |
| American Funds American Mutual R6      | RMFGX                 | 5.15 9.06  |
| American Funds American High-Inc R6    | RITGX                 | 4.98 7.36  |
| American Funds Capital World Bond R6   | RCWGX                 | 4.98 2.55  |
| American Funds ST Bd Fd of Amer R6     | RMMGX                 | 4.23 1.11  |
| American Funds Invmt Co of Amer R6     | RICGX                 | 4.15 11.45 |
| American Funds Washington Mutual R6    | RWMGX                 | 4.15 10.43 |
| American Funds Capital World Gr&Inc R6 | RWIGX                 | 4.00 12.25 |
| American Funds Fundamental Invs R6     | RFNGX                 | 3.15 12.04 |
| American Funds American Balanced R6    | RLBGX                 | 3.00 7.95  |
| American Funds Global Balanced R6      | RGBGX                 | 3.00 8.64  |
| American Funds US Government Sec R6    | RGVGX                 | 0.92 1.95  |
| American Funds Intl Gr and Inc R6      | RIGGX                 | 0.15 11.21 |

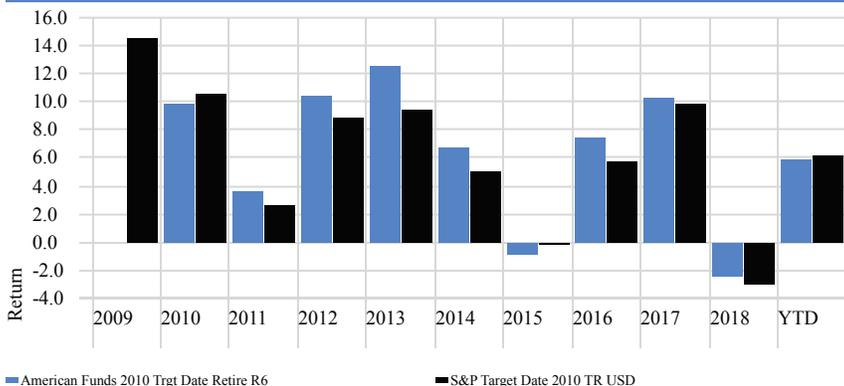
**Annualized Returns**



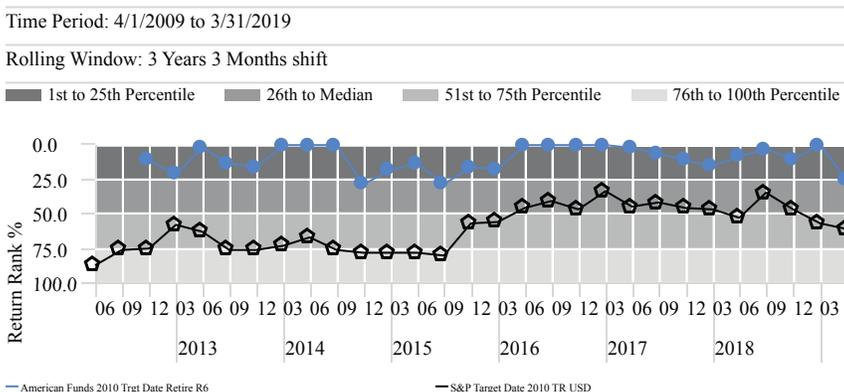
**Risk/Return Statistics**

|                    | 3 years | 5 years | 10 years |
|--------------------|---------|---------|----------|
| Alpha              | 0.71    | 0.40    | —        |
| Beta               | 0.95    | 1.05    | —        |
| R-squared          | 93.85   | 94.73   | —        |
| Tracking Error     | 1.05    | 1.16    | —        |
| Information Ratio  | 0.49    | 0.49    | —        |
| Excess Return      | 0.54    | 0.59    | —        |
| Standard Deviation | 4.10    | 4.92    | —        |
| Sharpe Ratio       | 1.12    | 0.84    | —        |
| Sortino Ratio      | 1.73    | 1.39    | —        |

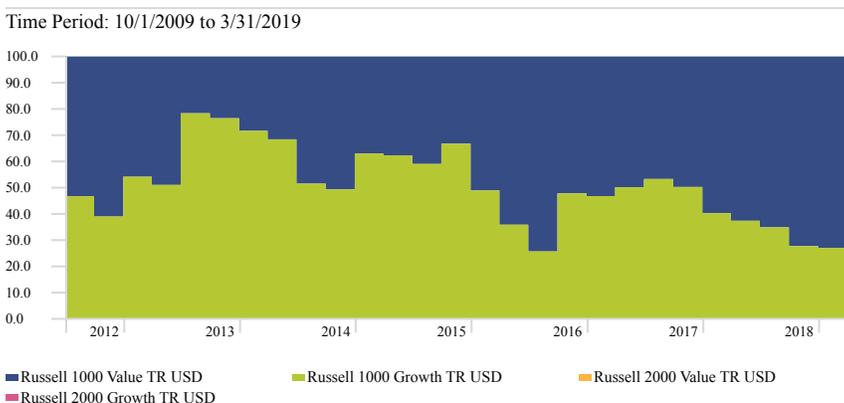
**Calendar Year Returns**



**Rolling 3 Year Return Morningstar Peer Group Rankings**



**Historical Returns-Based Style Analysis**



**Return Date: 3/31/2019**  
**Portfolio Date: 3/31/2019**

# American Funds Trgt Date Ret 2010 R6

Fund Type: Target Retirement

## Watch List Criteria

| Peer Group Ranking  | Sep 2018  | Dec 2018     | Mar 2019     | Grade         |               |
|---|---|--------------|--------------|---------------|---------------|
| <b>Trailing 36-Months vs. Peer Group:</b>                     | <b>10%</b>  | <b>0%</b>    | <b>24%</b>   |               |               |
| <i>2 of 3 better than median (&lt;50%) needed to pass</i>     | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b>   |
| <i>3 of 3 better than median (&lt;75%) needed to pass</i>     | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b>   |
| Downside Risk   | Sep 2018  | Dec 2018     | Mar 2019     |               |               |
| <b>Trailing 36-Months vs. Passive Target:</b>                 | <b>97.2%</b>  | <b>89.6%</b> | <b>90.9%</b> |               |               |
| <i>2 of 3 better than median (&lt;100%) needed to pass</i>    | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b>   |
| Returns vs. Markets   | Mar 2015  | Mar 2016     | Mar 2017     | Mar 2018      | Mar 2019      |
| <b>Trailing 12-Months vs. Passive Target:</b>                 | <b>0.3%</b>   | <b>1.0%</b>  | <b>1.3%</b>  | <b>-0.2%</b>  | <b>0.6%</b>   |
| <i>3 of 5 outperforming the passive target needed to pass</i> | PASS  | PASS         | PASS         | FAIL          | PASS          |
|   |   |              |              |               | <b>4 of 5</b> |
|   |   |              |              |               | <b>PASS</b>   |
| Qualitative Issues  |   |              |              |               |               |
| <b>Investment Style:</b>                                      | Trailing 3-Year R-Squared: <b>93.76%</b>  |              |              |               | <b>PASS</b>   |
| <b>Investment Firm:</b>                                       | Capital Research and Management Company   |              |              |               | <b>PASS</b>   |
| <b>Investment Personnel:</b>                                  | Alan Berro, since 2007<br>James Lovelace, since 2007<br>John Smet, since 2007<br>Wesley K.-S. Phoa, since 2012<br>Bradley Vogt, since 2012<br>Andrew Suzman, since 2012<br>Joanna Jonsson, since 2015 |              |              |               | <b>PASS</b>   |

## Benchmarks

**Peer Group:** Lipper Mixed-Asset Target 2010 Funds

**Passive Target:** S&P Target Date 2010 Index

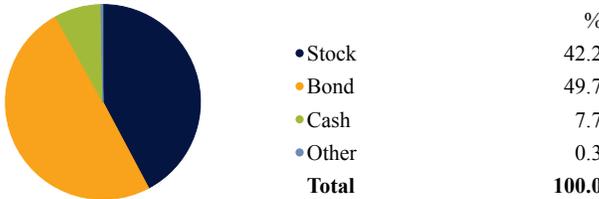
**Operations**

|                       |               |
|-----------------------|---------------|
| Inception Date        | 7/13/2009     |
| Total Net Assets (\$) | 5,026,684,431 |
| 12b-1 Fee             | —             |
| Redemption Fee        | —             |

**Fund Characteristics**

|                            | Fund      | Benchmark |
|----------------------------|-----------|-----------|
| P/E Ratio (TTM)            | 17.60     | 17.35     |
| Average Market Cap (mil)   | 84,975.79 | 33,429.03 |
| # of Holdings              | 20        | 10        |
| Turnover Ratio %           | 7.00      | —         |
| % Asset in Top 10 Holdings | 74.10     | 100.00    |
| US Equity %                | 30.44     | 29.69     |
| Non-US Equity %            | 12.78     | 14.81     |
| Emerging Market Equity %   | 1.18      | 2.03      |

**Asset Allocation**



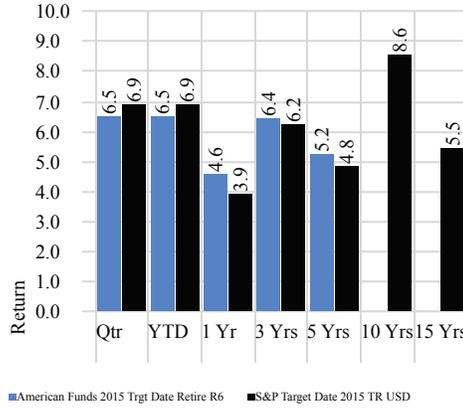
**Equity Style Exposures**

|       | Value | Blend | Growth | Market Cap         | %    |
|-------|-------|-------|--------|--------------------|------|
| Large | 34.5  | 36.3  | 21.9   | Market Cap Giant % | 60.8 |
| Mid   | 2.5   | 3.1   | 1.2    | Market Cap Large % | 31.8 |
| Small | 0.3   | 0.1   | 0.1    | Market Cap Mid %   | 6.9  |
|       |       |       |        | Market Cap Small % | 0.5  |
|       |       |       |        | Market Cap Micro % | 0.0  |

**Top 20 Holdings**

| Ticker                                 | Portfolio Weighting % | Qtr Return |
|--|-----------------------|------------|
| American Funds Capital Income Bldr R6  | RIRGX                 | 11.55 8.28 |
| American Funds Income Fund of Amer R6  | RIDGX                 | 11.55 7.90 |
| American Funds Intern Bd Fd of Amer R6 | RBOGX                 | 8.99 1.74  |
| American Funds Bond Fund of Amer R6    | RBFGR                 | 7.99 3.00  |
| American Funds Inflation Linked Bd R6  | RILFX                 | 6.99 2.88  |
| American Funds American Mutual R6      | RMFGX                 | 6.01 9.06  |
| American Funds Mortgage R6             | RMAGX                 | 6.00 1.96  |
| American Funds Invmt Co of Amer R6     | RICGX                 | 5.02 11.45 |
| American Funds Washington Mutual R6    | RWMGX                 | 5.01 10.43 |
| American Funds American High-Inc R6    | RITGX                 | 5.01 7.36  |
| American Funds US Government Sec R6    | RGVGR                 | 4.99 1.95  |
| American Funds Capital World Bond R6   | RCWGX                 | 4.98 2.55  |
| American Funds Capital World Gr&Inc R6 | RWIGX                 | 4.02 12.25 |
| American Funds Fundamental Invs R6     | RFNGX                 | 4.01 12.04 |
| American Funds American Balanced R6    | RLBGX                 | 3.16 7.95  |
| American Funds Global Balanced R6      | RGBGX                 | 3.00 8.64  |
| American Funds Intl Gr and Inc R6      | RIGGX                 | 1.00 11.21 |
| American Funds AMCAP R6                | RAFGX                 | 0.30 12.79 |
| American Funds New Perspective R6      | RNPGX                 | 0.30 13.99 |
| American Funds Growth Fund of Amer R6  | RGAGX                 | 0.15 13.87 |

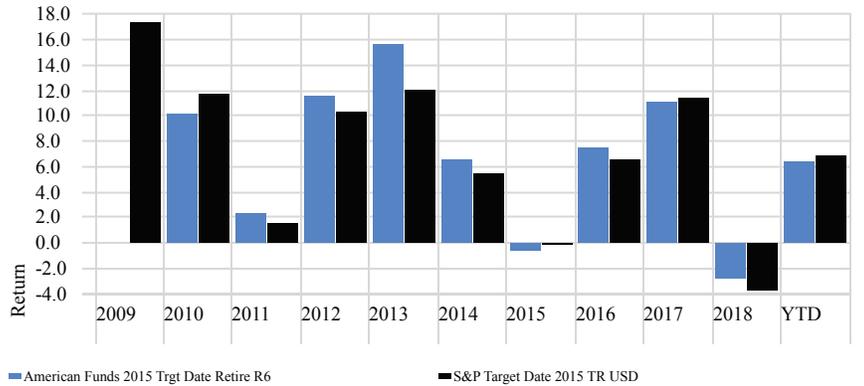
**Annualized Returns**



**Risk/Return Statistics**

|                    | 3 years | 5 years | 10 years |
|--------------------|---------|---------|----------|
| Alpha              | 0.68    | 0.60    | —        |
| Beta               | 0.90    | 0.94    | —        |
| R-squared          | 94.02   | 95.51   | —        |
| Tracking Error     | 1.21    | 1.14    | —        |
| Information Ratio  | 0.15    | 0.31    | —        |
| Excess Return      | 0.20    | 0.38    | —        |
| Standard Deviation | 4.46    | 5.17    | —        |
| Sharpe Ratio       | 1.13    | 0.86    | —        |
| Sortino Ratio      | 1.71    | 1.41    | —        |

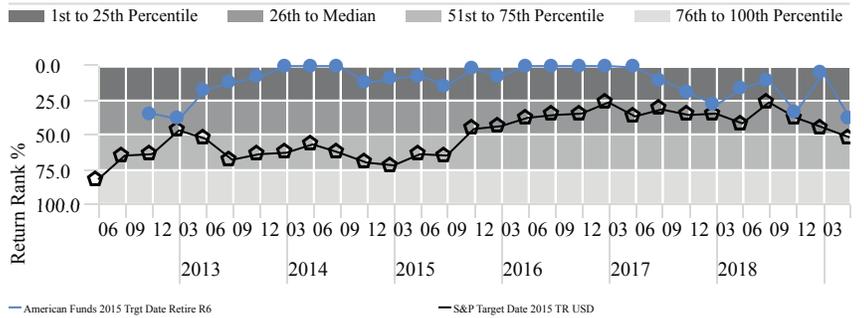
**Calendar Year Returns**



**Rolling 3 Year Return Morningstar Peer Group Rankings**

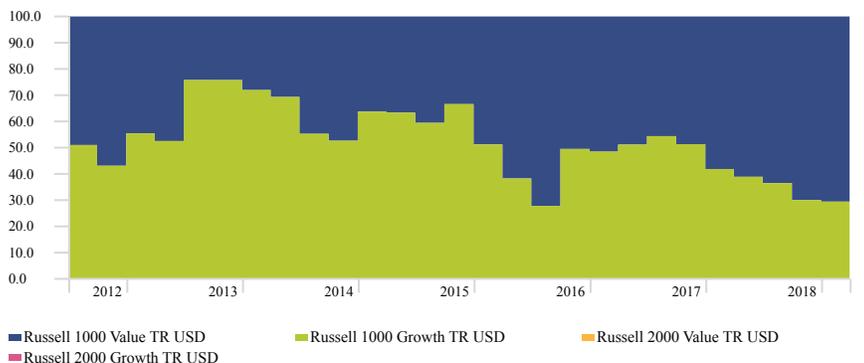
Time Period: 4/1/2009 to 3/31/2019

Rolling Window: 3 Years 3 Months shift



**Historical Returns-Based Style Analysis**

Time Period: 4/1/2009 to 3/31/2019



**Return Date: 3/31/2019**  
**Portfolio Date: 3/31/2019**

# American Funds Trgt Date Ret 2015 R6

Fund Type: Target Retirement

## Watch List Criteria

| Peer Group Ranking  | Sep 2018  | Dec 2018    | Mar 2019    | Grade         |             |               |             |
|---|---|-------------|-------------|---------------|-------------|---------------|-------------|
| <b>Trailing 36-Months vs. Peer Group:</b>                     | <b>32%</b>  | <b>6%</b>   | <b>35%</b>  |               |             |               |             |
| <i>2 of 3 better than median (&lt;50%) needed to pass</i>     | PASS  | PASS        | PASS        | <b>3 of 3</b> | <b>PASS</b> |               |             |
| <i>3 of 3 better than median (&lt;75%) needed to pass</i>     | PASS  | PASS        | PASS        | <b>3 of 3</b> | <b>PASS</b> |               |             |
| Downside Risk   | Sep 2018  | Dec 2018    | Mar 2019    |               |             |               |             |
| <b>Trailing 36-Months vs. Passive Target:</b>                 | <b>89%</b>  | <b>84%</b>  | <b>86%</b>  |               |             |               |             |
| <i>2 of 3 better than median (&lt;100%) needed to pass</i>    | PASS  | PASS        | PASS        | <b>3 of 3</b> | <b>PASS</b> |               |             |
| Returns vs. Markets   | Mar 2015  | Mar 2016    | Mar 2017    | Mar 2018      | Mar 2019    |               |             |
| <b>Trailing 12-Months vs. Passive Target:</b>                 | <b>-0.0%</b>  | <b>1.3%</b> | <b>0.4%</b> | <b>-0.5%</b>  | <b>0.7%</b> |               |             |
| <i>3 of 5 outperforming the passive target needed to pass</i> | FAIL  | PASS        | PASS        | FAIL          | PASS        | <b>3 of 5</b> | <b>PASS</b> |
| Qualitative Issues  |   |             |             |               |             |               |             |
| <b>Investment Style:</b>                                      | Trailing 3-Year R-Squared: <b>93.94%</b>  |             |             |               |             |               | <b>PASS</b> |
| <b>Investment Firm:</b>                                       | Capital Research and Management Company   |             |             |               |             |               | <b>PASS</b> |
| <b>Investment Personnel:</b>                                  | Alan Berro, since 2007<br>James Lovelace, since 2007<br>John Smet, since 2007<br>Wesley K.-S. Phoa, since 2012<br>Bradley Vogt, since 2012<br>Andrew Suzman, since 2012<br>Joanna Jonsson, since 2015 |             |             |               |             |               | <b>PASS</b> |

## Benchmarks

**Peer Group:** Lipper Mixed-Asset Target 2015 Funds

**Passive Target:** S&P Target Date 2015 Index

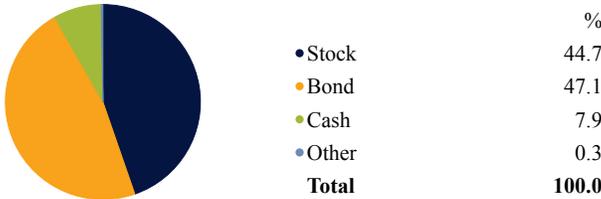
**Operations**

|                       |                |
|-----------------------|----------------|
| Inception Date        | 7/13/2009      |
| Total Net Assets (\$) | 15,034,819,801 |
| 12b-1 Fee             | —              |
| Redemption Fee        | —              |

**Fund Characteristics**

|                            | Fund      | Benchmark |
|----------------------------|-----------|-----------|
| P/E Ratio (TTM)            | 18.01     | 17.27     |
| Average Market Cap (mil)   | 84,873.66 | 33,371.53 |
| # of Holdings              | 21        | 10        |
| Turnover Ratio %           | 2.00      | —         |
| % Asset in Top 10 Holdings | 66.78     | 100.00    |
| US Equity %                | 32.53     | 32.79     |
| Non-US Equity %            | 13.20     | 17.07     |
| Emerging Market Equity %   | 1.47      | 2.42      |

**Asset Allocation**



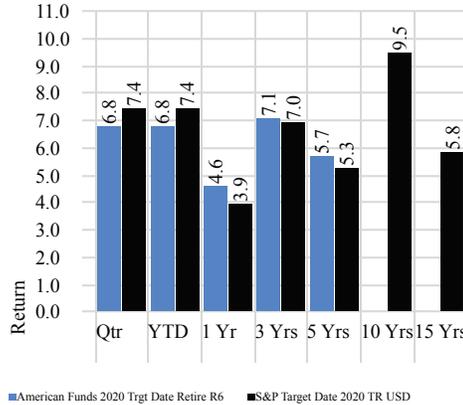
**Equity Style Exposures**

|       | Value | Blend | Growth | Market Cap         | %    |
|-------|-------|-------|--------|--------------------|------|
| Large | 30.8  | 34.6  | 26.8   | Market Cap Giant % | 60.3 |
| Mid   | 2.2   | 3.3   | 1.9    | Market Cap Large % | 31.8 |
| Small | 0.2   | 0.1   | 0.1    | Market Cap Mid %   | 7.5  |
|       |       |       |        | Market Cap Small % | 0.4  |
|       |       |       |        | Market Cap Micro % | 0.0  |

**Top 20 Holdings**

| Ticker                                 | Portfolio Weighting % | Qtr Return |
|--|-----------------------|------------|
| American Funds Intern Bd Fd of Amer R6 | RBOGX                 | 8.98 1.74  |
| American Funds Capital Income Bldr R6  | RIRGX                 | 8.14 8.28  |
| American Funds Income Fund of Amer R6  | RIDGX                 | 8.14 7.90  |
| American Funds Bond Fund of Amer R6    | RFBGX                 | 7.53 3.00  |
| American Funds Inflation Linked Bd R6  | RILFX                 | 6.68 2.88  |
| American Funds American Mutual R6      | RMFGX                 | 5.97 9.06  |
| American Funds Mortgage R6             | RMAGX                 | 5.83 1.96  |
| American Funds Invmt Co of Amer R6     | RICGX                 | 5.20 11.45 |
| American Funds Washington Mutual R6    | RWMGX                 | 5.16 10.43 |
| American Funds US Government Sec R6    | RGVGX                 | 5.13 1.95  |
| American Funds Capital World Bond R6   | RCWGX                 | 4.98 2.55  |
| American Funds American Balanced R6    | RLBGX                 | 4.29 7.95  |
| American Funds American High-Inc R6    | RITGX                 | 4.23 7.36  |
| American Funds Capital World Gr&Inc R6 | RWIGX                 | 4.20 12.25 |
| American Funds Fundamental Invs R6     | RFNGX                 | 4.17 12.04 |
| American Funds Global Balanced R6      | RGBGX                 | 3.56 8.64  |
| American Funds New Perspective R6      | RNPGX                 | 2.50 13.99 |
| American Funds AMCAP R6                | RAFGX                 | 2.32 12.79 |
| American Funds Growth Fund of Amer R6  | RGAGX                 | 1.35 13.87 |
| American Funds Intl Gr and Inc R6      | RIGGX                 | 1.15 11.21 |

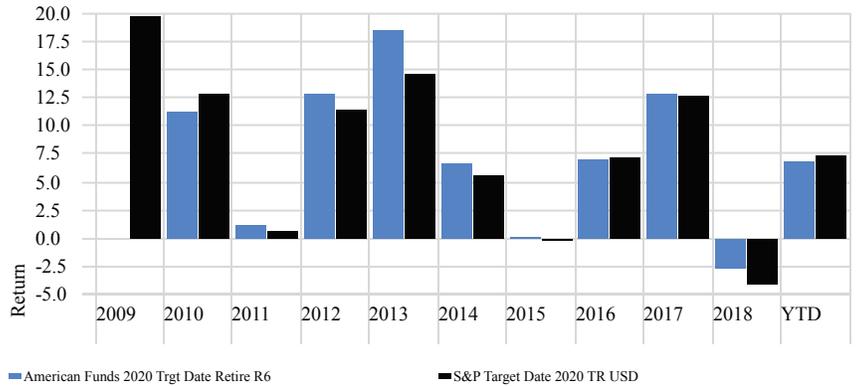
**Annualized Returns**



**Risk/Return Statistics**

|                    | 3 years | 5 years | 10 years |
|--------------------|---------|---------|----------|
| Alpha              | 0.78    | 0.73    | —        |
| Beta               | 0.88    | 0.93    | —        |
| R-squared          | 95.66   | 96.61   | —        |
| Tracking Error     | 1.20    | 1.15    | —        |
| Information Ratio  | 0.12    | 0.36    | —        |
| Excess Return      | 0.16    | 0.43    | —        |
| Standard Deviation | 4.86    | 5.75    | —        |
| Sharpe Ratio       | 1.17    | 0.86    | —        |
| Sortino Ratio      | 1.77    | 1.40    | —        |

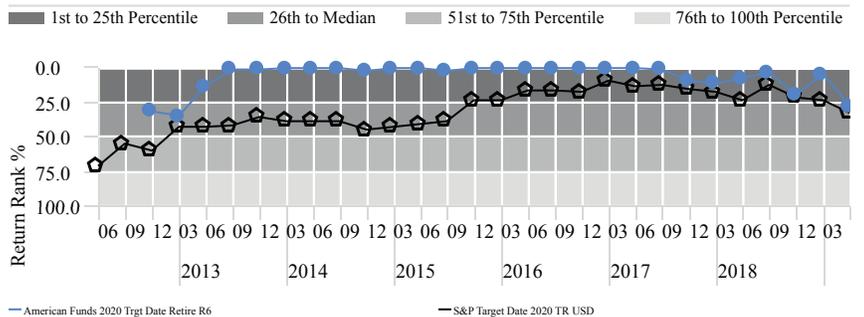
**Calendar Year Returns**



**Rolling 3 Year Return Morningstar Peer Group Rankings**

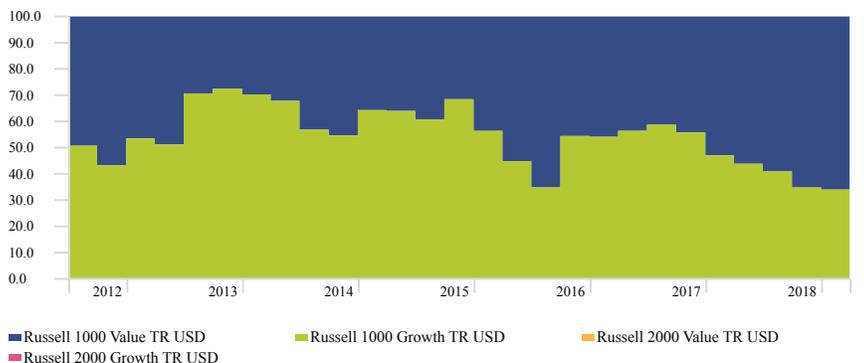
Time Period: 4/1/2009 to 3/31/2019

Rolling Window: 3 Years 3 Months shift



**Historical Returns-Based Style Analysis**

Time Period: 4/1/2009 to 3/31/2019



**Return Date: 3/31/2019**  
**Portfolio Date: 3/31/2019**

# American Funds Trgt Date Ret 2020 R6

Fund Type: Target Retirement

## Watch List Criteria

| Peer Group Ranking  | Sep 2018  | Dec 2018     | Mar 2019     | Grade         |             |               |             |
|---|---|--------------|--------------|---------------|-------------|---------------|-------------|
| <b>Trailing 36-Months vs. Peer Group:</b>                     | <b>20%</b>  | <b>5%</b>    | <b>28%</b>   |               |             |               |             |
| <i>2 of 3 better than median (&lt;50%) needed to pass</i>     | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b> |               |             |
| <i>3 of 3 better than median (&lt;75%) needed to pass</i>     | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b> |               |             |
| Downside Risk   | Sep 2018  | Dec 2018     | Mar 2019     |               |             |               |             |
| <b>Trailing 36-Months vs. Passive Target:</b>                 | <b>86.9%</b>  | <b>84.3%</b> | <b>84.9%</b> |               |             |               |             |
| <i>2 of 3 better than median (&lt;100%) needed to pass</i>    | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b> |               |             |
| Returns vs. Markets   | Mar 2015  | Mar 2016     | Mar 2017     | Mar 2018      | Mar 2019    |               |             |
| <b>Trailing 12-Months vs. Passive Target:</b>                 | <b>0.1%</b>   | <b>1.5%</b>  | <b>-0.3%</b> | <b>0.0%</b>   | <b>0.7%</b> |               |             |
| <i>3 of 5 outperforming the passive target needed to pass</i> | PASS  | PASS         | FAIL         | PASS          | PASS        | <b>4 of 5</b> | <b>PASS</b> |
| Qualitative Issues  |   |              |              |               |             |               |             |
| <b>Investment Style:</b>                                      | Trailing 3-Year R-Squared: <b>95.59%</b>  |              |              |               |             |               | <b>PASS</b> |
| <b>Investment Firm:</b>                                       | Capital Research and Management Company   |              |              |               |             |               | <b>PASS</b> |
| <b>Investment Personnel:</b>                                  | Alan Berro, since 2007<br>James Lovelace, since 2007<br>John Smet, since 2007<br>Wesley K.-S. Phoa, since 2012<br>Bradley Vogt, since 2012<br>Andrew Suzman, since 2012<br>Joanna Jonsson, since 2015 |              |              |               |             |               | <b>PASS</b> |

## Benchmarks

**Peer Group:** Lipper Mixed-Asset Target 2020 Funds

**Passive Target:** S&P Target Date 2020 Index

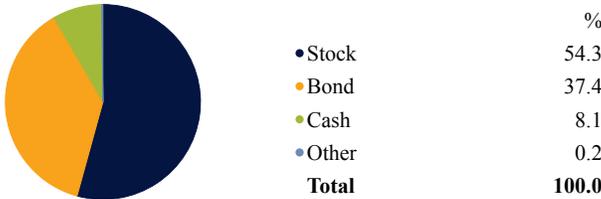
**Operations**

|                       |                |
|-----------------------|----------------|
| Inception Date        | 7/13/2009      |
| Total Net Assets (\$) | 20,119,989,623 |
| 12b-1 Fee             | —              |
| Redemption Fee        | —              |

**Fund Characteristics**

|                            | Fund      | Benchmark |
|----------------------------|-----------|-----------|
| P/E Ratio (TTM)            | 18.22     | 17.22     |
| Average Market Cap (mil)   | 79,106.81 | 33,201.57 |
| # of Holdings              | 22        | 10        |
| Turnover Ratio %           | 0.00      | —         |
| % Asset in Top 10 Holdings | 60.03     | 100.00    |
| US Equity %                | 37.68     | 38.57     |
| Non-US Equity %            | 17.69     | 20.53     |
| Emerging Market Equity %   | 2.78      | 3.02      |

**Asset Allocation**



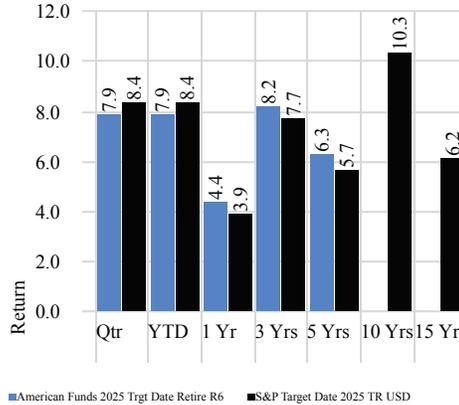
**Equity Style Exposures**

|       | Value | Blend | Growth | Market Cap         | %    |
|-------|-------|-------|--------|--------------------|------|
| Large | 26.6  | 32.5  | 31.6   | Market Cap Giant % | 59.4 |
| Mid   | 2.0   | 3.5   | 3.1    | Market Cap Large % | 31.1 |
| Small | 0.2   | 0.2   | 0.3    | Market Cap Mid %   | 8.7  |
|       |       |       |        | Market Cap Small % | 0.8  |
|       |       |       |        | Market Cap Micro % | 0.1  |

**Top 20 Holdings**

| Ticker                                 | Portfolio Weighting % | Qtr Return |
|--|-----------------------|------------|
| American Funds Intern Bd Fd of Amer R6 | RBOGX                 | 8.25 1.74  |
| American Funds Washington Mutual R6    | RWMGX                 | 6.30 10.43 |
| American Funds US Government Sec R6    | RGVGX                 | 6.16 1.95  |
| American Funds Invmt Co of Amer R6     | RICGX                 | 6.15 11.45 |
| American Funds Global Balanced R6      | RGBGX                 | 6.00 8.64  |
| American Funds American Balanced R6    | RLBGX                 | 6.00 7.95  |
| American Funds American Mutual R6      | RMFGX                 | 6.00 9.06  |
| American Funds Fundamental Invs R6     | RFNGX                 | 5.15 12.04 |
| American Funds Mortgage R6             | RMAGX                 | 5.01 1.96  |
| American Funds Capital World Gr&Inc R6 | RWIGX                 | 5.00 12.25 |
| American Funds Capital World Bond R6   | RCWGX                 | 4.98 2.55  |
| American Funds Inflation Linked Bd R6  | RILFX                 | 4.85 2.88  |
| American Funds New Perspective R6      | RNPGX                 | 4.81 13.99 |
| American Funds Bond Fund of Amer R6    | RBFGX                 | 4.27 3.00  |
| American Funds Capital Income Bldr R6  | RIRGX                 | 4.00 8.28  |
| American Funds Income Fund of Amer R6  | RIDGX                 | 4.00 7.90  |
| American Funds AMCAP R6                | RAFGX                 | 3.81 12.79 |
| American Funds Growth Fund of Amer R6  | RGAGX                 | 2.96 13.87 |
| American Funds Europacific Growth R6   | RERGX                 | 2.81 13.20 |
| American Funds Intl Gr and Inc R6      | RIGGX                 | 2.15 11.21 |

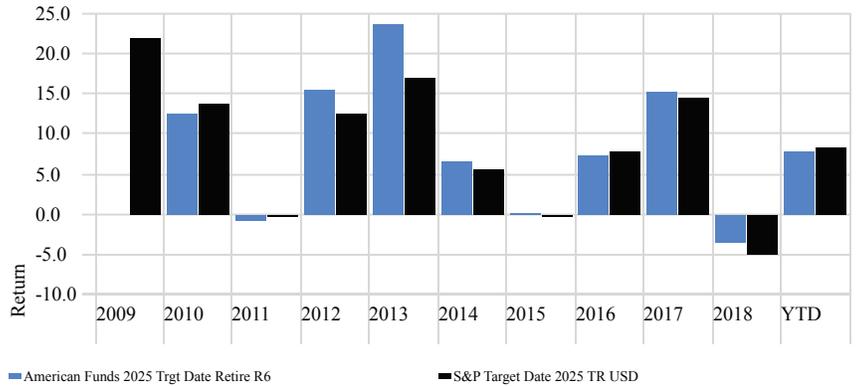
**Annualized Returns**



**Risk/Return Statistics**

|                    | 3 years | 5 years | 10 years |
|--------------------|---------|---------|----------|
| Alpha              | 0.97    | 0.81    | —        |
| Beta               | 0.91    | 0.95    | —        |
| R-squared          | 95.89   | 97.05   | —        |
| Tracking Error     | 1.32    | 1.21    | —        |
| Information Ratio  | 0.31    | 0.48    | —        |
| Excess Return      | 0.44    | 0.61    | —        |
| Standard Deviation | 5.80    | 6.71    | —        |
| Sharpe Ratio       | 1.16    | 0.82    | —        |
| Sortino Ratio      | 1.73    | 1.32    | —        |

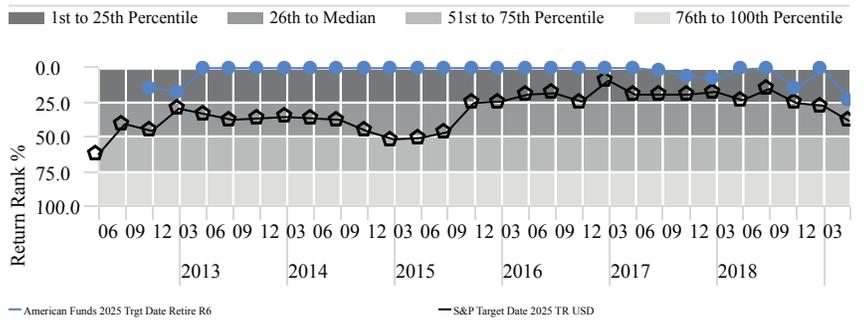
**Calendar Year Returns**



**Rolling 3 Year Return Morningstar Peer Group Rankings**

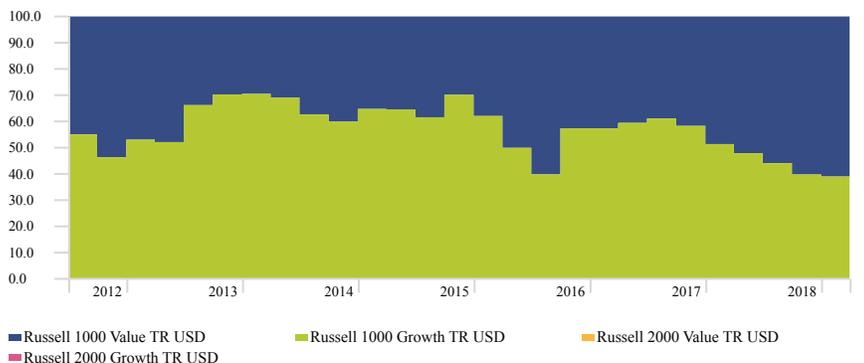
Time Period: 4/1/2009 to 3/31/2019

Rolling Window: 3 Years 3 Months shift



**Historical Returns-Based Style Analysis**

Time Period: 4/1/2009 to 3/31/2019



**Return Date: 3/31/2019**  
**Portfolio Date: 3/31/2019**



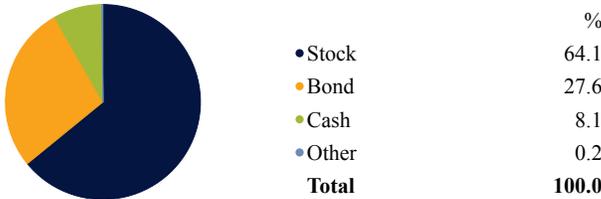
**Operations**

|                       |                |
|-----------------------|----------------|
| Inception Date        | 7/13/2009      |
| Total Net Assets (\$) | 21,835,076,295 |
| 12b-1 Fee             | —              |
| Redemption Fee        | —              |

**Fund Characteristics**

|                            | Fund      | Benchmark |
|----------------------------|-----------|-----------|
| P/E Ratio (TTM)            | 18.28     | 17.20     |
| Average Market Cap (mil)   | 70,774.24 | 33,285.27 |
| # of Holdings              | 22        | 10        |
| Turnover Ratio %           | 0.00      | —         |
| % Asset in Top 10 Holdings | 60.59     | 100.00    |
| US Equity %                | 43.82     | 44.85     |
| Non-US Equity %            | 21.35     | 24.31     |
| Emerging Market Equity %   | 3.81      | 3.58      |

**Asset Allocation**



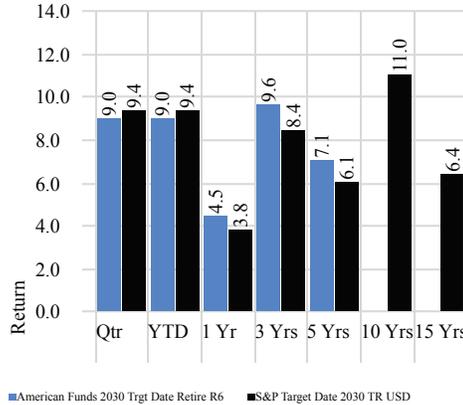
**Equity Style Exposures**

|       | Value | Blend | Growth | Market Cap         | %    |
|-------|-------|-------|--------|--------------------|------|
| Large | 25.1  | 31.4  | 31.7   | Market Cap Giant % | 57.3 |
| Mid   | 2.1   | 3.7   | 4.3    | Market Cap Large % | 30.3 |
| Small | 0.4   | 0.4   | 0.9    | Market Cap Mid %   | 10.4 |
|       |       |       |        | Market Cap Small % | 1.8  |
|       |       |       |        | Market Cap Micro % | 0.2  |

**Top 20 Holdings**

| Ticker                                 | Portfolio Weighting % | Qtr Return |
|--|-----------------------|------------|
| American Funds Washington Mutual R6    | RWMGX                 | 8.00 10.43 |
| American Funds US Government Sec R6    | RGV GX                | 7.18 1.95  |
| American Funds Invmt Co of Amer R6     | RICGX                 | 7.00 11.45 |
| American Funds Global Balanced R6      | RGBGX                 | 6.00 8.64  |
| American Funds American Mutual R6      | RMFGX                 | 6.00 9.06  |
| American Funds Fundamental Invs R6     | RFNGX                 | 6.00 12.04 |
| American Funds American Balanced R6    | RLBGX                 | 6.00 7.95  |
| American Funds New Perspective R6      | RNPGX                 | 5.15 13.99 |
| American Funds Capital World Gr&Inc R6 | RWIGX                 | 5.00 12.25 |
| American Funds Mortgage R6             | RMAGX                 | 4.26 1.96  |
| American Funds Capital World Bond R6   | RCWGX                 | 4.23 2.55  |
| American Funds Growth Fund of Amer R6  | RGAGX                 | 4.15 13.87 |
| American Funds AMCAP R6                | RAFGX                 | 4.15 12.79 |
| American Funds Capital Income Bldr R6  | RIRGX                 | 4.00 8.28  |
| American Funds Income Fund of Amer R6  | RIDGX                 | 4.00 7.90  |
| American Funds Inflation Linked Bd R6  | RILFX                 | 3.70 2.88  |
| American Funds Interm Bd Fd of Amer R6 | RBOGX                 | 3.40 1.74  |
| American Funds SMALLCAP World R6       | RLLGX                 | 3.38 15.58 |
| American Funds Europacific Growth R6   | RERGX                 | 3.01 13.20 |
| American Funds Intl Gr and Inc R6      | RIGGX                 | 3.00 11.21 |

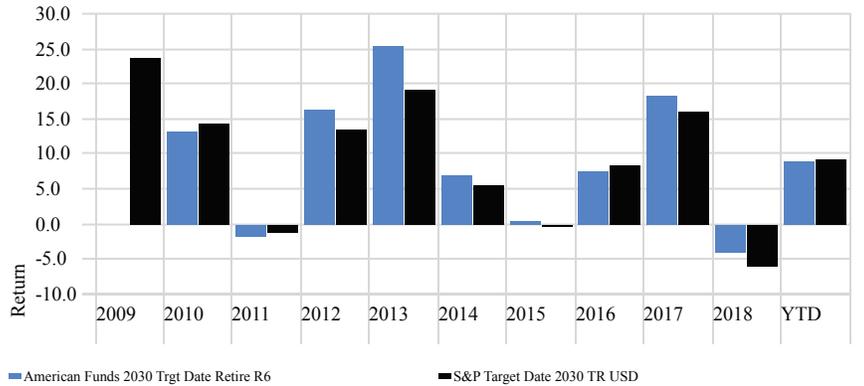
**Annualized Returns**



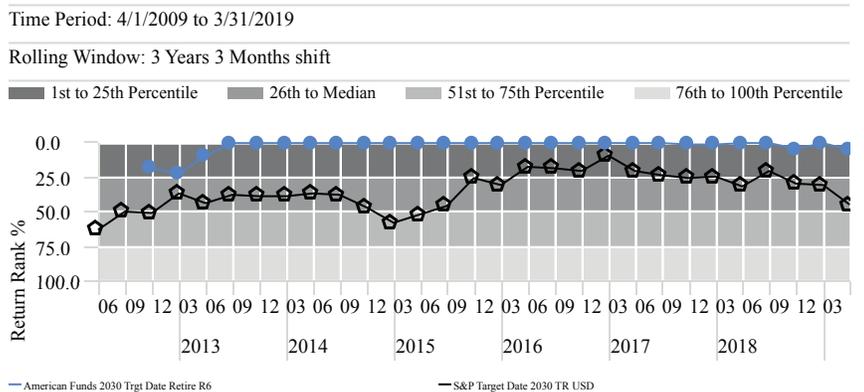
**Risk/Return Statistics**

|                    | 3 years | 5 years | 10 years |
|--------------------|---------|---------|----------|
| Alpha              | 1.50    | 0.98    | —        |
| Beta               | 0.94    | 1.01    | —        |
| R-squared          | 96.20   | 97.14   | —        |
| Tracking Error     | 1.42    | 1.35    | —        |
| Information Ratio  | 0.78    | 0.74    | —        |
| Excess Return      | 1.21    | 1.07    | —        |
| Standard Deviation | 6.92    | 7.99    | —        |
| Sharpe Ratio       | 1.18    | 0.80    | —        |
| Sortino Ratio      | 1.77    | 1.27    | —        |

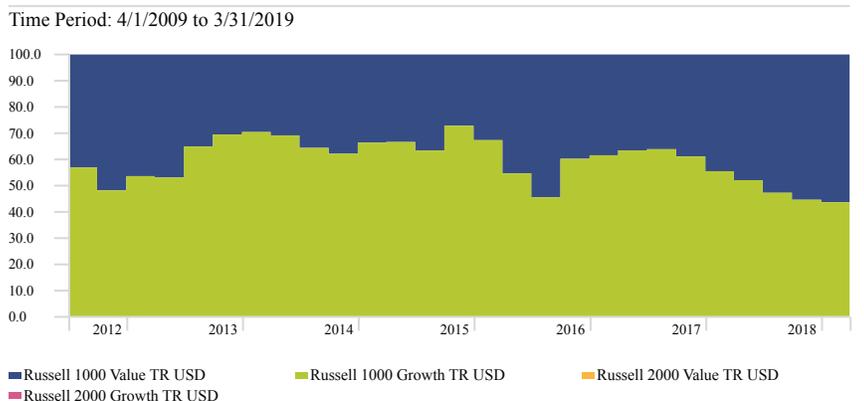
**Calendar Year Returns**



**Rolling 3 Year Return Morningstar Peer Group Rankings**



**Historical Returns-Based Style Analysis**



**Return Date: 3/31/2019**  
**Portfolio Date: 3/31/2019**

# American Funds Trgt Date Ret 2030 R6

Fund Type: Target Retirement

## Watch List Criteria

| Peer Group Ranking  | Sep 2018  | Dec 2018     | Mar 2019     | Grade         |             |
|---|---|--------------|--------------|---------------|-------------|
| <b>Trailing 36-Months vs. Peer Group:</b>                     | <b>4%</b>   | <b>1%</b>    | <b>5%</b>    |               |             |
| <i>2 of 3 better than median (&lt;50%) needed to pass</i>     | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b> |
| <i>3 of 3 better than median (&lt;75%) needed to pass</i>     | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b> |
| Downside Risk   | Sep 2018  | Dec 2018     | Mar 2019     |               |             |
| <b>Trailing 36-Months vs. Passive Target:</b>                 | <b>98.7%</b>  | <b>95.2%</b> | <b>90.6%</b> |               |             |
| <i>2 of 3 better than median (&lt;100%) needed to pass</i>    | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b> |
| Returns vs. Markets   | Mar 2015  | Mar 2016     | Mar 2017     | Mar 2018      | Mar 2019    |
| <b>Trailing 12-Months vs. Passive Target:</b>                 | <b>1.0%</b>   | <b>0.8%</b>  | <b>1.0%</b>  | <b>2.0%</b>   | <b>0.7%</b> |
| <i>3 of 5 outperforming the passive target needed to pass</i> | PASS  | PASS         | PASS         | PASS          | PASS        |
|   |   |              |              | <b>5 of 5</b> | <b>PASS</b> |
| Qualitative Issues  |   |              |              |               |             |
| <b>Investment Style:</b>                                      | Trailing 3-Year R-Squared: <b>96.16%</b>  |              |              |               | <b>PASS</b> |
| <b>Investment Firm:</b>                                       | Capital Research and Management Company   |              |              |               | <b>PASS</b> |
| <b>Investment Personnel:</b>                                  | Alan Berro, since 2007<br>James Lovelace, since 2007<br>John Smet, since 2007<br>Wesley K.-S. Phoa, since 2012<br>Bradley Vogt, since 2012<br>Andrew Suzman, since 2012<br>Joanna Jonsson, since 2015 |              |              |               | <b>PASS</b> |

## Benchmarks

**Peer Group:** Lipper Mixed-Asset Target 2030 Funds

**Passive Target:** S&P Target Date 2030 Index

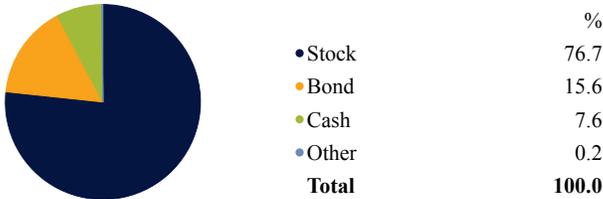
**Operations**

|                       |                |
|-----------------------|----------------|
| Inception Date        | 7/13/2009      |
| Total Net Assets (\$) | 17,456,263,599 |
| 12b-1 Fee             | —              |
| Redemption Fee        | —              |

**Fund Characteristics**

|                            | Fund      | Benchmark |
|----------------------------|-----------|-----------|
| P/E Ratio (TTM)            | 18.41     | 17.16     |
| Average Market Cap (mil)   | 62,845.74 | 32,933.59 |
| # of Holdings              | 19        | 9         |
| Turnover Ratio %           | 0.00      | —         |
| % Asset in Top 10 Holdings | 66.03     | 100.00    |
| US Equity %                | 50.83     | 50.33     |
| Non-US Equity %            | 26.42     | 27.81     |
| Emerging Market Equity %   | 5.51      | 4.16      |

**Asset Allocation**



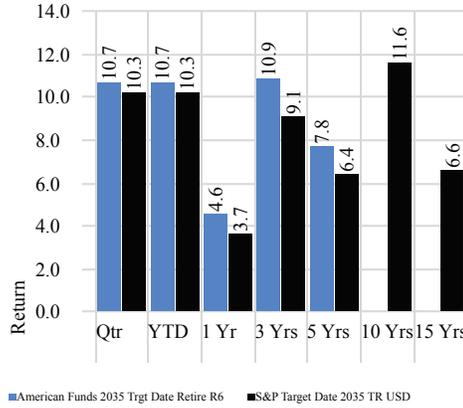
**Equity Style Exposures**

|       | Value | Blend | Growth | Market Cap         | %    |
|-------|-------|-------|--------|--------------------|------|
| Large | 22.8  | 29.4  | 33.3   | Market Cap Giant % | 55.2 |
| Mid   | 2.2   | 4.1   | 5.6    | Market Cap Large % | 29.6 |
| Small | 0.6   | 0.6   | 1.4    | Market Cap Mid %   | 12.2 |
|       |       |       |        | Market Cap Small % | 2.7  |
|       |       |       |        | Market Cap Micro % | 0.3  |

**Top 20 Holdings**

| Ticker                                 | Portfolio Weighting % | Qtr Return |       |
|--|-----------------------|------------|-------|
| American Funds Washington Mutual R6    | RWMGX                 | 8.00       | 10.43 |
| American Funds US Government Sec R6    | RGVGX                 | 7.59       | 1.95  |
| American Funds Invmt Co of Amer R6     | RICGX                 | 7.00       | 11.45 |
| American Funds New Perspective R6      | RNPGX                 | 7.00       | 13.99 |
| American Funds SMALLCAP World R6       | RLLGX                 | 6.16       | 15.58 |
| American Funds Growth Fund of Amer R6  | RGAGX                 | 6.15       | 13.87 |
| American Funds AMCAP R6                | RAFGX                 | 6.14       | 12.79 |
| American Funds American Mutual R6      | RMFGX                 | 6.00       | 9.06  |
| American Funds Fundamental Invs R6     | RFNGX                 | 6.00       | 12.04 |
| American Funds American Balanced R6    | RLBGX                 | 6.00       | 7.95  |
| American Funds Global Balanced R6      | RGBGX                 | 6.00       | 8.64  |
| American Funds Capital World Gr&Inc R6 | RWIGX                 | 5.00       | 12.25 |
| American Funds Europacific Growth R6   | RERGX                 | 4.00       | 13.20 |
| American Funds Capital Income Bldr R6  | RIRGX                 | 4.00       | 8.28  |
| American Funds Income Fund of Amer R6  | RIDGX                 | 4.00       | 7.90  |
| American Funds New Economy R6          | RNGGX                 | 3.15       | 14.77 |
| American Funds New World R6            | RNWXG                 | 3.15       | 13.86 |
| American Funds Intl Gr and Inc R6      | RIGGX                 | 3.00       | 11.21 |
| American Funds Inflation Linked Bd R6  | RILFX                 | 1.70       | 2.88  |

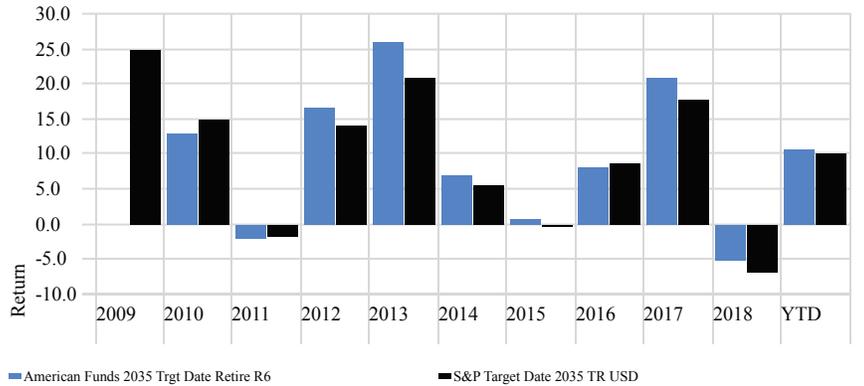
**Annualized Returns**



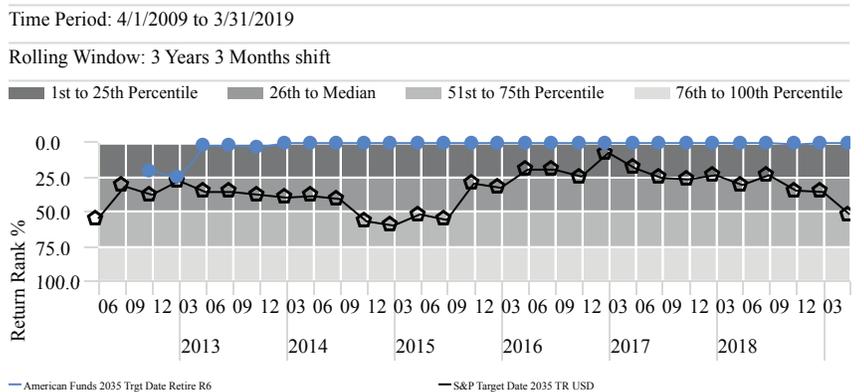
**Risk/Return Statistics**

|                    | 3 years | 5 years | 10 years |
|--------------------|---------|---------|----------|
| Alpha              | 1.70    | 1.14    | —        |
| Beta               | 0.99    | 1.03    | —        |
| R-squared          | 96.79   | 97.56   | —        |
| Tracking Error     | 1.47    | 1.42    | —        |
| Information Ratio  | 1.12    | 0.90    | —        |
| Excess Return      | 1.79    | 1.36    | —        |
| Standard Deviation | 8.14    | 8.96    | —        |
| Sharpe Ratio       | 1.15    | 0.79    | —        |
| Sortino Ratio      | 1.71    | 1.23    | —        |

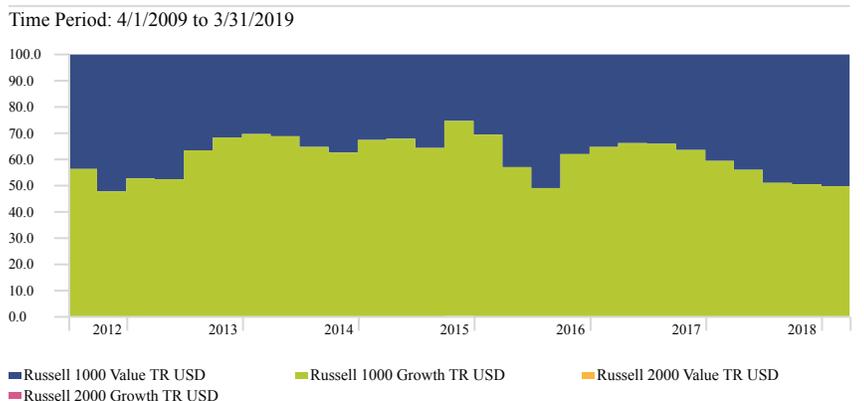
**Calendar Year Returns**



**Rolling 3 Year Return Morningstar Peer Group Rankings**



**Historical Returns-Based Style Analysis**



**Return Date: 3/31/2019**  
**Portfolio Date: 3/31/2019**

# American Funds Trgt Date Ret 2035 R6

Fund Type: Target Retirement

## Watch List Criteria

| Peer Group Ranking  | Sep 2018  | Dec 2018    | Mar 2019    | Grade         |             |
|---|---|-------------|-------------|---------------|-------------|
| <b>Trailing 36-Months vs. Peer Group:</b>                     | <b>2%</b>   | <b>1%</b>   | <b>1%</b>   |               |             |
| <i>2 of 3 better than median (&lt;50%) needed to pass</i>     | PASS  | PASS        | PASS        | <b>3 of 3</b> | <b>PASS</b> |
| <i>3 of 3 better than median (&lt;75%) needed to pass</i>     | PASS  | PASS        | PASS        | <b>3 of 3</b> | <b>PASS</b> |
| Downside Risk   | Sep 2018  | Dec 2018    | Mar 2019    |               |             |
| <b>Trailing 36-Months vs. Passive Target:</b>                 | <b>100%</b>   | <b>99%</b>  | <b>95%</b>  |               |             |
| <i>2 of 3 better than median (&lt;100%) needed to pass</i>    | FAIL  | PASS        | PASS        | <b>2 of 3</b> | <b>PASS</b> |
| Returns vs. Markets   | Mar 2015  | Mar 2016    | Mar 2017    | Mar 2018      | Mar 2019    |
| <b>Trailing 12-Months vs. Passive Target:</b>                 | <b>0.9%</b>   | <b>0.6%</b> | <b>1.5%</b> | <b>3.0%</b>   | <b>1.0%</b> |
| <i>3 of 5 outperforming the passive target needed to pass</i> | PASS  | PASS        | PASS        | PASS          | PASS        |
|   |   |             |             |               |             |
|   |   |             |             | <b>5 of 5</b> | <b>PASS</b> |
| Qualitative Issues  |   |             |             |               |             |
| <b>Investment Style:</b>                                      | Trailing 3-Year R-Squared: <b>96.76%</b>  |             |             |               | <b>PASS</b> |
| <b>Investment Firm:</b>                                       | Capital Research and Management Company   |             |             |               | <b>PASS</b> |
| <b>Investment Personnel:</b>                                  | Alan Berro, since 2007<br>James Lovelace, since 2007<br>John Smet, since 2007<br>Wesley K.-S. Phoa, since 2012<br>Bradley Vogt, since 2012<br>Andrew Suzman, since 2012<br>Joanna Jonsson, since 2015 |             |             |               | <b>PASS</b> |

## Benchmarks

**Peer Group:** Lipper Mixed-Asset Target 2035 Funds

**Passive Target:** S&P Target Date 2035 Index

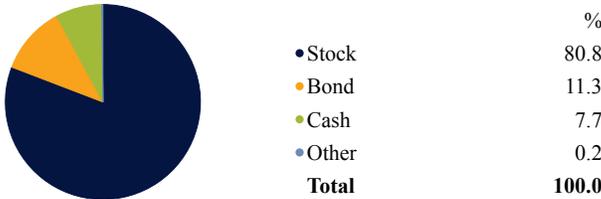
**Operations**

|                       |                |
|-----------------------|----------------|
| Inception Date        | 7/27/2009      |
| Total Net Assets (\$) | 15,210,335,200 |
| 12b-1 Fee             | —              |
| Redemption Fee        | —              |

**Fund Characteristics**

|                            | Fund      | Benchmark |
|----------------------------|-----------|-----------|
| P/E Ratio (TTM)            | 18.45     | 17.13     |
| Average Market Cap (mil)   | 61,095.17 | 32,846.76 |
| # of Holdings              | 18        | 9         |
| Turnover Ratio %           | 0.00      | —         |
| % Asset in Top 10 Holdings | 67.29     | 100.00    |
| US Equity %                | 53.40     | 53.46     |
| Non-US Equity %            | 27.84     | 30.26     |
| Emerging Market Equity %   | 6.09      | 4.60      |

**Asset Allocation**



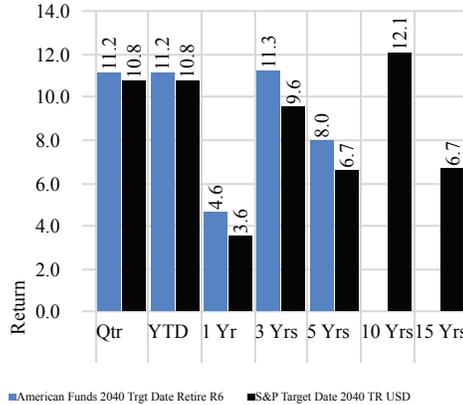
**Equity Style Exposures**

|       | Value | Blend | Growth | Market Cap         | %    |
|-------|-------|-------|--------|--------------------|------|
| Large | 22.1  | 28.9  | 33.8   | Market Cap Giant % | 54.7 |
| Mid   | 2.2   | 4.2   | 5.9    | Market Cap Large % | 29.4 |
| Small | 0.6   | 0.7   | 1.5    | Market Cap Mid %   | 12.7 |
|       |       |       |        | Market Cap Small % | 2.9  |
|       |       |       |        | Market Cap Micro % | 0.3  |

**Top 20 Holdings**

| Ticker                                 | Portfolio Weighting % | Qtr Return |
|--|-----------------------|------------|
| American Funds Washington Mutual R6    | RWMGX                 | 8.00 10.43 |
| American Funds Invmt Co of Amer R6     | RICGX                 | 7.15 11.45 |
| American Funds SMALLCAP World R6       | RLLGX                 | 7.00 15.58 |
| American Funds AMCAP R6                | RAFGX                 | 7.00 12.79 |
| American Funds New Perspective R6      | RNPGX                 | 7.00 13.99 |
| American Funds Growth Fund of Amer R6  | RGAGX                 | 6.99 13.87 |
| American Funds American Mutual R6      | RMFGX                 | 6.15 9.06  |
| American Funds Fundamental Invs R6     | RFNGX                 | 6.15 12.04 |
| American Funds American Balanced R6    | RLBGX                 | 6.00 7.95  |
| American Funds Global Balanced R6      | RGBGX                 | 5.85 8.64  |
| American Funds Capital World Gr&Inc R6 | RWIGX                 | 5.15 12.25 |
| American Funds US Government Sec R6    | RGVGX                 | 5.01 1.95  |
| American Funds New Economy R6          | RNGGX                 | 4.01 14.77 |
| American Funds Europacific Growth R6   | RERGX                 | 4.01 13.20 |
| American Funds New World R6            | RNWGX                 | 4.01 13.86 |
| American Funds Capital Income Bldr R6  | RIRGX                 | 3.70 8.28  |
| American Funds Income Fund of Amer R6  | RIDGX                 | 3.70 7.90  |
| American Funds Intl Gr and Inc R6      | RIGGX                 | 3.15 11.21 |

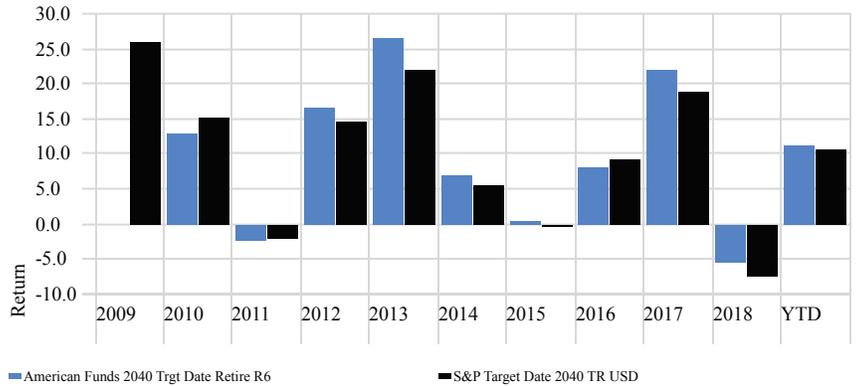
**Annualized Returns**



**Risk/Return Statistics**

|                    | 3 years | 5 years | 10 years |
|--------------------|---------|---------|----------|
| Alpha              | 1.74    | 1.20    | —        |
| Beta               | 0.98    | 1.01    | —        |
| R-squared          | 97.03   | 97.77   | —        |
| Tracking Error     | 1.49    | 1.39    | —        |
| Information Ratio  | 1.06    | 0.89    | —        |
| Excess Return      | 1.73    | 1.32    | —        |
| Standard Deviation | 8.56    | 9.31    | —        |
| Sharpe Ratio       | 1.14    | 0.79    | —        |
| Sortino Ratio      | 1.69    | 1.22    | —        |

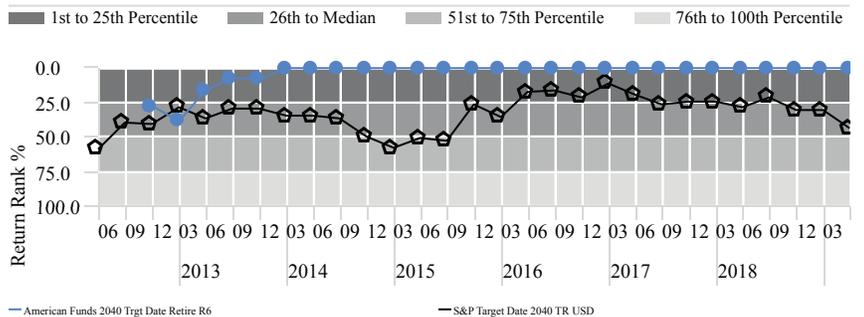
**Calendar Year Returns**



**Rolling 3 Year Return Morningstar Peer Group Rankings**

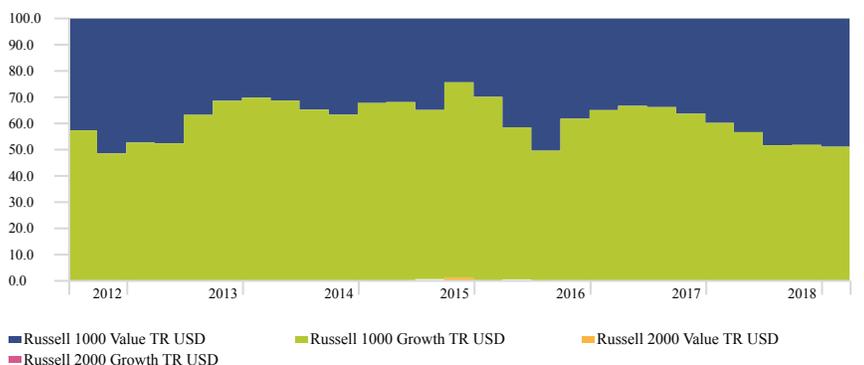
Time Period: 4/1/2009 to 3/31/2019

Rolling Window: 3 Years 3 Months shift



**Historical Returns-Based Style Analysis**

Time Period: 4/1/2009 to 3/31/2019



**Return Date: 3/31/2019**  
**Portfolio Date: 3/31/2019**

# American Funds Trgt Date Ret 2040 R6

Fund Type: Target Retirement

## Watch List Criteria

| Peer Group Ranking  | Sep 2018  | Dec 2018     | Mar 2019     | Grade         |             |
|---|---|--------------|--------------|---------------|-------------|
| <b>Trailing 36-Months vs. Peer Group:</b>                     | <b>0%</b>   | <b>0%</b>    | <b>0%</b>    |               |             |
| <i>2 of 3 better than median (&lt;50%) needed to pass</i>     | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b> |
| <i>3 of 3 better than median (&lt;75%) needed to pass</i>     | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b> |
| Downside Risk   | Sep 2018  | Dec 2018     | Mar 2019     |               |             |
| <b>Trailing 36-Months vs. Passive Target:</b>                 | <b>100.1%</b>   | <b>98.8%</b> | <b>95.1%</b> |               |             |
| <i>2 of 3 better than median (&lt;100%) needed to pass</i>    | FAIL  | PASS         | PASS         | <b>2 of 3</b> | <b>PASS</b> |
| Returns vs. Markets   | Mar 2015  | Mar 2016     | Mar 2017     | Mar 2018      | Mar 2019    |
| <b>Trailing 12-Months vs. Passive Target:</b>                 | <b>0.8%</b>   | <b>0.7%</b>  | <b>1.2%</b>  | <b>3.0%</b>   | <b>1.0%</b> |
| <i>3 of 5 outperforming the passive target needed to pass</i> | PASS  | PASS         | PASS         | PASS          | PASS        |
|   |   |              |              |               |             |
|   |   |              |              | <b>5 of 5</b> | <b>PASS</b> |
| Qualitative Issues  |   |              |              |               |             |
| <b>Investment Style:</b>                                      | Trailing 3-Year R-Squared: <b>97.00%</b>  |              |              |               | <b>PASS</b> |
| <b>Investment Firm:</b>                                       | Capital Research and Management Company   |              |              |               | <b>PASS</b> |
| <b>Investment Personnel:</b>                                  | Alan Berro, since 2007<br>James Lovelace, since 2007<br>John Smet, since 2007<br>Wesley K.-S. Phoa, since 2012<br>Bradley Vogt, since 2012<br>Andrew Suzman, since 2012<br>Joanna Jonsson, since 2015 |              |              |               | <b>PASS</b> |

## Benchmarks

**Peer Group:** Lipper Mixed-Asset Target 2040 Funds

**Passive Target:** S&P Target Date 2040 Index

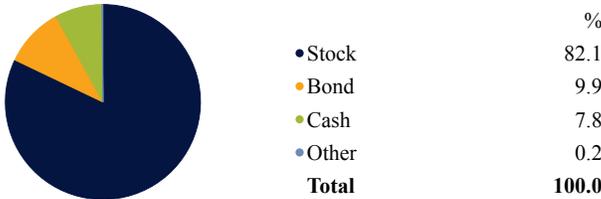
**Operations**

|                       |                |
|-----------------------|----------------|
| Inception Date        | 7/13/2009      |
| Total Net Assets (\$) | 11,063,047,574 |
| 12b-1 Fee             | —              |
| Redemption Fee        | —              |

**Fund Characteristics**

|                            | Fund      | Benchmark |
|----------------------------|-----------|-----------|
| P/E Ratio (TTM)            | 18.46     | 17.09     |
| Average Market Cap (mil)   | 61,718.14 | 32,496.40 |
| # of Holdings              | 18        | 9         |
| Turnover Ratio %           | 0.00      | —         |
| % Asset in Top 10 Holdings | 70.58     | 100.00    |
| US Equity %                | 54.38     | 54.97     |
| Non-US Equity %            | 28.15     | 31.75     |
| Emerging Market Equity %   | 6.21      | 4.91      |

**Asset Allocation**



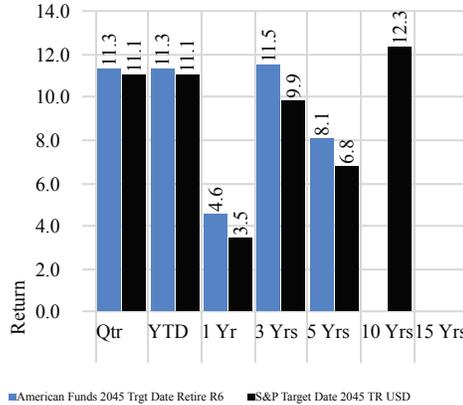
**Equity Style Exposures**

|       | Value | Blend | Growth | Market Cap         | %    |
|-------|-------|-------|--------|--------------------|------|
| Large | 21.8  | 28.9  | 34.4   | Market Cap Giant % | 54.9 |
| Mid   | 2.1   | 4.2   | 5.9    | Market Cap Large % | 29.4 |
| Small | 0.6   | 0.7   | 1.5    | Market Cap Mid %   | 12.6 |
|       |       |       |        | Market Cap Small % | 2.8  |
|       |       |       |        | Market Cap Micro % | 0.3  |

**Top 20 Holdings**

| Ticker                                 | Portfolio Weighting % | Qtr Return |
|--|-----------------------|------------|
| American Funds Invmt Co of Amer R6     | RICGX                 | 8.15 11.45 |
| American Funds Washington Mutual R6    | RWMGX                 | 8.15 10.43 |
| American Funds American Mutual R6      | RMFGX                 | 7.15 9.06  |
| American Funds Fundamental Invs R6     | RFNGX                 | 7.15 12.04 |
| American Funds SMALLCAP World R6       | RLLGX                 | 7.01 15.58 |
| American Funds AMCAP R6                | RAFGX                 | 6.99 12.79 |
| American Funds New Perspective R6      | RNPGX                 | 6.99 13.99 |
| American Funds Growth Fund of Amer R6  | RGAGX                 | 6.99 13.87 |
| American Funds Capital World Gr&Inc R6 | RWIGX                 | 6.15 12.25 |
| American Funds American Balanced R6    | RLBGX                 | 5.85 7.95  |
| American Funds US Government Sec R6    | RGVGX                 | 5.03 1.95  |
| American Funds Global Balanced R6      | RGBGX                 | 5.00 8.64  |
| American Funds New Economy R6          | RNGGX                 | 4.01 14.77 |
| American Funds Europacific Growth R6   | RERGX                 | 4.01 13.20 |
| American Funds New World R6            | RNWGX                 | 4.00 13.86 |
| American Funds Intl Gr and Inc R6      | RIGGX                 | 4.00 11.21 |
| American Funds Capital Income Bldr R6  | RIRGX                 | 1.70 8.28  |
| American Funds Income Fund of Amer R6  | RIDGX                 | 1.70 7.90  |

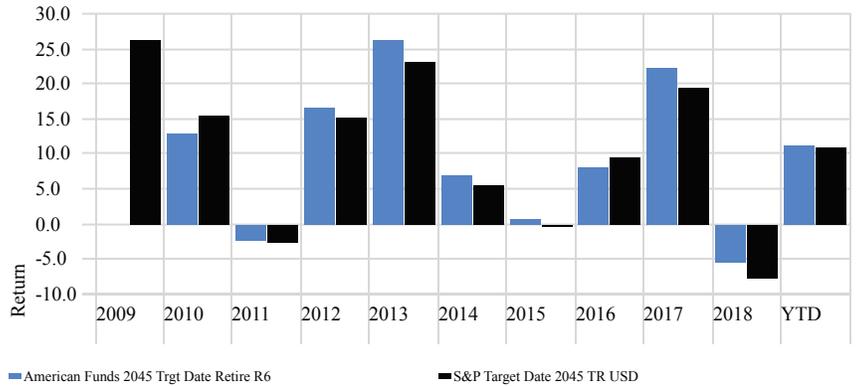
**Annualized Returns**



**Risk/Return Statistics**

|                    | 3 years | 5 years | 10 years |
|--------------------|---------|---------|----------|
| Alpha              | 1.79    | 1.31    | —        |
| Beta               | 0.96    | 0.99    | —        |
| R-squared          | 96.84   | 97.60   | —        |
| Tracking Error     | 1.59    | 1.47    | —        |
| Information Ratio  | 0.94    | 0.84    | —        |
| Excess Return      | 1.65    | 1.32    | —        |
| Standard Deviation | 8.74    | 9.47    | —        |
| Sharpe Ratio       | 1.14    | 0.79    | —        |
| Sortino Ratio      | 1.70    | 1.22    | —        |

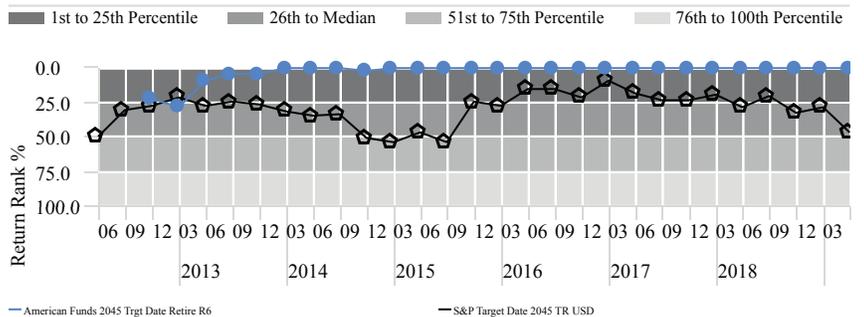
**Calendar Year Returns**



**Rolling 3 Year Return Morningstar Peer Group Rankings**

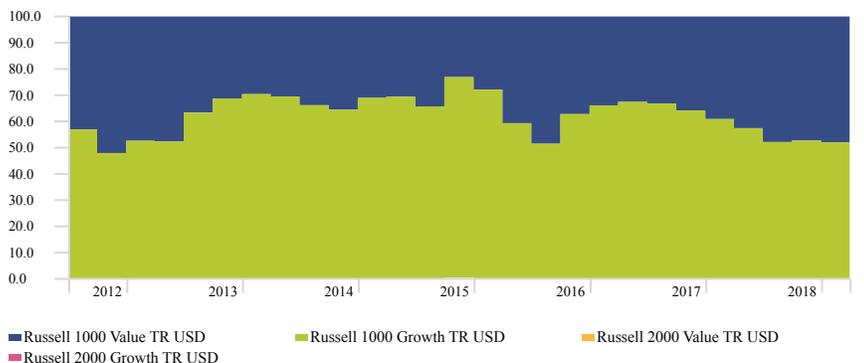
Time Period: 4/1/2009 to 3/31/2019

Rolling Window: 3 Years 3 Months shift



**Historical Returns-Based Style Analysis**

Time Period: 4/1/2009 to 3/31/2019



**Return Date: 3/31/2019**  
**Portfolio Date: 3/31/2019**



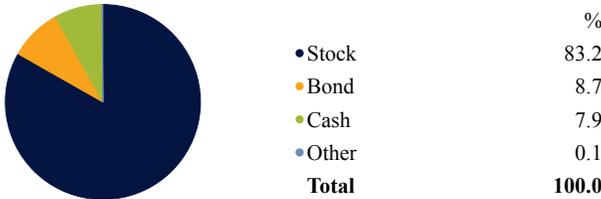
**Operations**

|                       |               |
|-----------------------|---------------|
| Inception Date        | 7/13/2009     |
| Total Net Assets (\$) | 9,237,503,273 |
| 12b-1 Fee             | —             |
| Redemption Fee        | —             |

**Fund Characteristics**

|                            | Fund      | Benchmark |
|----------------------------|-----------|-----------|
| P/E Ratio (TTM)            | 18.50     | 17.08     |
| Average Market Cap (mil)   | 62,690.81 | 32,410.28 |
| # of Holdings              | 16        | 8         |
| Turnover Ratio %           | 0.00      | —         |
| % Asset in Top 10 Holdings | 74.01     | 100.00    |
| US Equity %                | 55.62     | 56.31     |
| Non-US Equity %            | 28.03     | 32.81     |
| Emerging Market Equity %   | 6.24      | 5.12      |

**Asset Allocation**



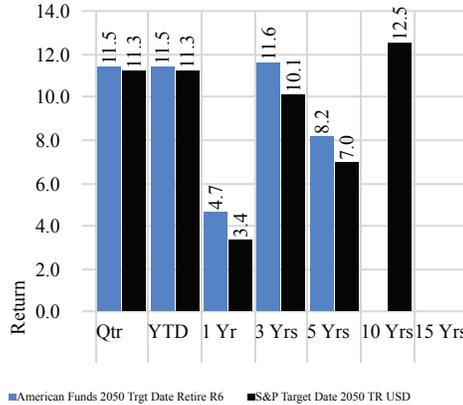
**Equity Style Exposures**

|       | Value | Blend | Growth | Market Cap         | %    |
|-------|-------|-------|--------|--------------------|------|
| Large | 21.5  | 29.0  | 34.7   | Market Cap Giant % | 55.1 |
| Mid   | 2.0   | 4.1   | 5.9    | Market Cap Large % | 29.4 |
| Small | 0.6   | 0.7   | 1.5    | Market Cap Mid %   | 12.4 |
|       |       |       |        | Market Cap Small % | 2.8  |
|       |       |       |        | Market Cap Micro % | 0.3  |

**Top 20 Holdings**

| Ticker                                 | Portfolio Weighting % | Qtr Return |
|--|-----------------------|------------|
| American Funds Invmt Co of Amer R6     | RICGX                 | 9.00 11.45 |
| American Funds Washington Mutual R6    | RWMGX                 | 9.00 10.43 |
| American Funds American Mutual R6      | RMFGX                 | 8.00 9.06  |
| American Funds Fundamental Invs R6     | RFNGX                 | 8.00 12.04 |
| American Funds Capital World Gr&Inc R6 | RWIGX                 | 7.00 12.25 |
| American Funds SMALLCAP World R6       | RLLGX                 | 7.00 15.58 |
| American Funds Growth Fund of Amer R6  | RGAGX                 | 7.00 13.87 |
| American Funds AMCAP R6                | RAFGX                 | 7.00 12.79 |
| American Funds New Perspective R6      | RNPGX                 | 7.00 13.99 |
| American Funds US Government Sec R6    | RGV GX                | 5.02 1.95  |
| American Funds Global Balanced R6      | RGBGX                 | 5.00 8.64  |
| American Funds American Balanced R6    | RLBGX                 | 5.00 7.95  |
| American Funds New Economy R6          | RNGGX                 | 4.01 14.77 |
| American Funds Europacific Growth R6   | RERGX                 | 4.01 13.20 |
| American Funds New World R6            | RNWXG                 | 4.00 13.86 |
| American Funds Intl Gr and Inc R6      | RIGGX                 | 4.00 11.21 |

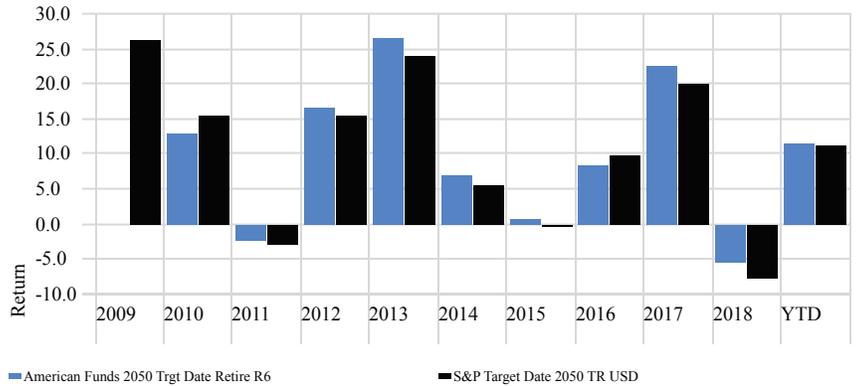
**Annualized Returns**



**Risk/Return Statistics**

|                    | 3 years | 5 years | 10 years |
|--------------------|---------|---------|----------|
| Alpha              | 1.78    | 1.36    | —        |
| Beta               | 0.95    | 0.96    | —        |
| R-squared          | 96.82   | 97.67   | —        |
| Tracking Error     | 1.65    | 1.50    | —        |
| Information Ratio  | 0.83    | 0.77    | —        |
| Excess Return      | 1.50    | 1.24    | —        |
| Standard Deviation | 8.83    | 9.55    | —        |
| Sharpe Ratio       | 1.14    | 0.79    | —        |
| Sortino Ratio      | 1.70    | 1.22    | —        |

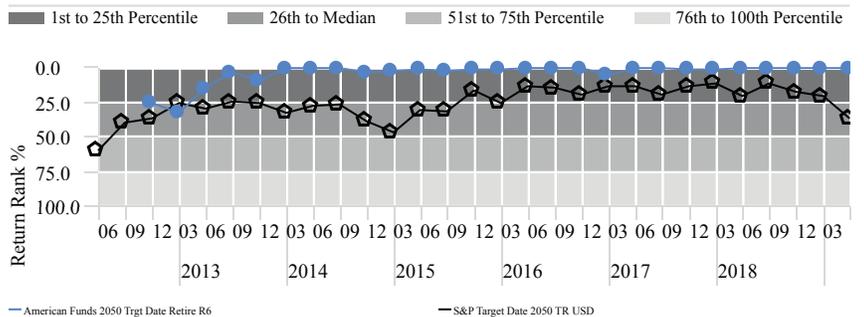
**Calendar Year Returns**



**Rolling 3 Year Return Morningstar Peer Group Rankings**

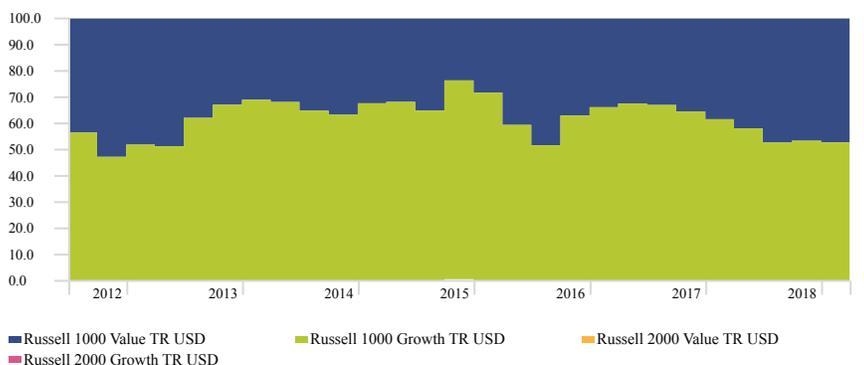
Time Period: 4/1/2009 to 3/31/2019

Rolling Window: 3 Years 3 Months shift



**Historical Returns-Based Style Analysis**

Time Period: 4/1/2009 to 3/31/2019



**Return Date: 3/31/2019**  
**Portfolio Date: 3/31/2019**

# American Funds Trgt Date Ret 2050 R6

Fund Type: Target Retirement

## Watch List Criteria

| Peer Group Ranking  | Sep 2018  | Dec 2018     | Mar 2019     | Grade         |             |
|---|---|--------------|--------------|---------------|-------------|
| <b>Trailing 36-Months vs. Peer Group:</b>                     | <b>0%</b>   | <b>0%</b>    | <b>0%</b>    |               |             |
| <i>2 of 3 better than median (&lt;50%) needed to pass</i>     | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b> |
| <i>3 of 3 better than median (&lt;75%) needed to pass</i>     | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b> |
| Downside Risk   | Sep 2018  | Dec 2018     | Mar 2019     |               |             |
| <b>Trailing 36-Months vs. Passive Target:</b>                 | <b>93.8%</b>  | <b>95.0%</b> | <b>92.2%</b> |               |             |
| <i>2 of 3 better than median (&lt;100%) needed to pass</i>    | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b> |
| Returns vs. Markets   | Mar 2015  | Mar 2016     | Mar 2017     | Mar 2018      | Mar 2019    |
| <b>Trailing 12-Months vs. Passive Target:</b>                 | <b>0.7%</b>   | <b>1.0%</b>  | <b>0.5%</b>  | <b>2.8%</b>   | <b>1.2%</b> |
| <i>3 of 5 outperforming the passive target needed to pass</i> | PASS  | PASS         | PASS         | PASS          | PASS        |
|   |   |              |              | <b>5 of 5</b> | <b>PASS</b> |
| Qualitative Issues  |   |              |              |               |             |
| <b>Investment Style:</b>                                      | Trailing 3-Year R-Squared: <b>96.79%</b>  |              |              |               | <b>PASS</b> |
| <b>Investment Firm:</b>                                       | Capital Research and Management Company   |              |              |               | <b>PASS</b> |
| <b>Investment Personnel:</b>                                  | Alan Berro, since 2007<br>James Lovelace, since 2007<br>John Smet, since 2007<br>Wesley K.-S. Phoa, since 2012<br>Bradley Vogt, since 2012<br>Andrew Suzman, since 2012<br>Joanna Jonsson, since 2015 |              |              |               | <b>PASS</b> |

## Benchmarks

**Peer Group:** Lipper Mixed-Asset Target 2050 Funds

**Passive Target:** S&P Target Date 2050 Index

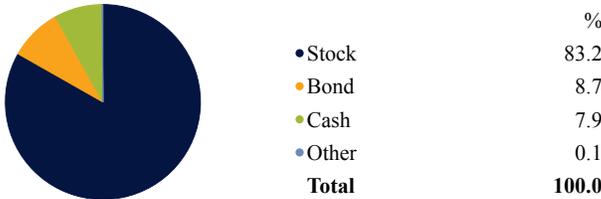
**Operations**

|                       |               |
|-----------------------|---------------|
| Inception Date        | 2/1/2010      |
| Total Net Assets (\$) | 4,812,262,233 |
| 12b-1 Fee             | —             |
| Redemption Fee        | —             |

**Fund Characteristics**

|                            | Fund      | Benchmark |
|----------------------------|-----------|-----------|
| P/E Ratio (TTM)            | 18.50     | 17.08     |
| Average Market Cap (mil)   | 62,674.59 | 32,410.28 |
| # of Holdings              | 16        | 8         |
| Turnover Ratio %           | 1.00      | —         |
| % Asset in Top 10 Holdings | 74.02     | 100.00    |
| US Equity %                | 55.61     | 56.31     |
| Non-US Equity %            | 28.03     | 32.81     |
| Emerging Market Equity %   | 6.24      | 5.12      |

**Asset Allocation**



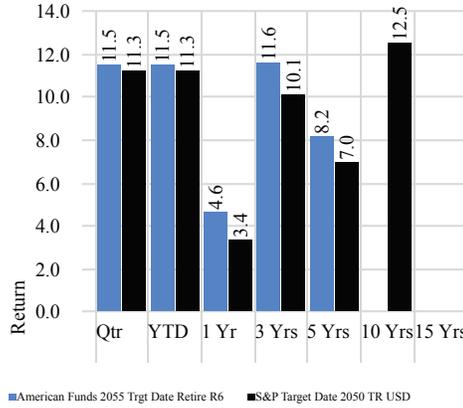
**Equity Style Exposures**

|       | Value | Blend | Growth | Market Cap         | %    |
|-------|-------|-------|--------|--------------------|------|
| Large | 21.5  | 29.0  | 34.7   | Market Cap Giant % | 55.1 |
| Mid   | 2.0   | 4.1   | 5.9    | Market Cap Large % | 29.4 |
| Small | 0.6   | 0.7   | 1.5    | Market Cap Mid %   | 12.4 |
|       |       |       |        | Market Cap Small % | 2.8  |
|       |       |       |        | Market Cap Micro % | 0.3  |

**Top 20 Holdings**

| Ticker                                 | Portfolio Weighting % | Qtr Return |
|--|-----------------------|------------|
| American Funds Invmt Co of Amer R6     | RICGX 9.00            | 11.45      |
| American Funds Washington Mutual R6    | RWMGX 9.00            | 10.43      |
| American Funds American Mutual R6      | RMFGX 8.00            | 9.06       |
| American Funds Fundamental Invs R6     | RFNGX 8.00            | 12.04      |
| American Funds SMALLCAP World R6       | RLLGX 7.00            | 15.58      |
| American Funds Capital World Gr&Inc R6 | RWIGX 7.00            | 12.25      |
| American Funds AMCAP R6                | RAFGX 7.00            | 12.79      |
| American Funds New Perspective R6      | RNPGX 7.00            | 13.99      |
| American Funds Growth Fund of Amer R6  | RGAGX 6.99            | 13.87      |
| American Funds US Government Sec R6    | RGVGX 5.03            | 1.95       |
| American Funds Global Balanced R6      | RGBGX 4.99            | 8.64       |
| American Funds American Balanced R6    | RLBGX 4.99            | 7.95       |
| American Funds New Economy R6          | RNGGX 4.01            | 14.77      |
| American Funds Europacific Growth R6   | RERGX 4.01            | 13.20      |
| American Funds New World R6            | RNWXG 4.01            | 13.86      |
| American Funds Intl Gr and Inc R6      | RIGGX 4.00            | 11.21      |

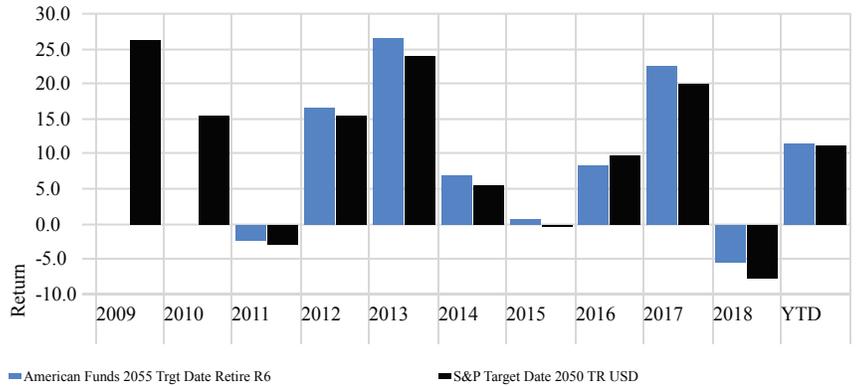
**Annualized Returns**



**Risk/Return Statistics**

|                    | 3 years | 5 years | 10 years |
|--------------------|---------|---------|----------|
| Alpha              | 1.74    | 1.34    | —        |
| Beta               | 0.95    | 0.97    | —        |
| R-squared          | 96.90   | 97.74   | —        |
| Tracking Error     | 1.62    | 1.48    | —        |
| Information Ratio  | 0.84    | 0.78    | —        |
| Excess Return      | 1.50    | 1.23    | —        |
| Standard Deviation | 8.87    | 9.57    | —        |
| Sharpe Ratio       | 1.14    | 0.79    | —        |
| Sortino Ratio      | 1.69    | 1.22    | —        |

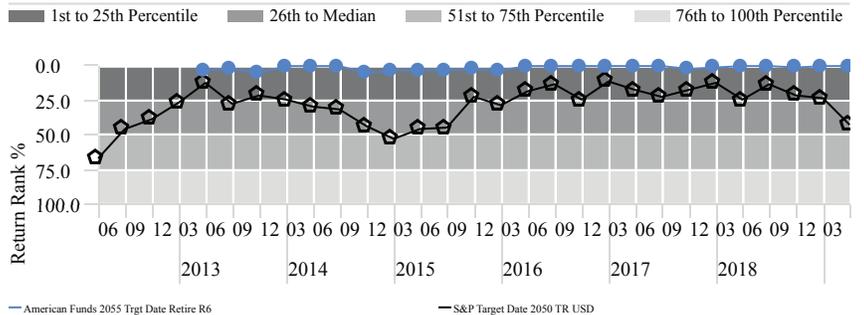
**Calendar Year Returns**



**Rolling 3 Year Return Morningstar Peer Group Rankings**

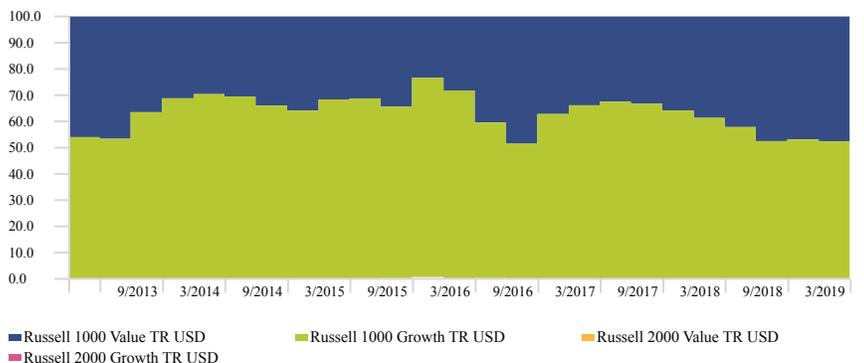
Time Period: 4/1/2009 to 3/31/2019

Rolling Window: 3 Years 3 Months shift



**Historical Returns-Based Style Analysis**

Time Period: 4/1/2009 to 3/31/2019



**Return Date: 3/31/2019**  
**Portfolio Date: 3/31/2019**

# American Funds 2055 Trgt Date Retire R6

Fund Type: Target Retirement

## Watch List Criteria

| Peer Group Ranking  | Sep 2018  | Dec 2018     | Mar 2019     | Grade         |             |
|---|---|--------------|--------------|---------------|-------------|
| <b>Trailing 36-Months vs. Peer Group:</b>                     | <b>2%</b>   | <b>0%</b>    | <b>0%</b>    |               |             |
| <i>2 of 3 better than median (&lt;50%) needed to pass</i>     | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b> |
| <i>3 of 3 better than median (&lt;75%) needed to pass</i>     | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b> |
| Downside Risk   | Sep 2018  | Dec 2018     | Mar 2019     |               |             |
| <b>Trailing 36-Months vs. Passive Target:</b>                 | <b>92.5%</b>  | <b>94.5%</b> | <b>92.3%</b> |               |             |
| <i>2 of 3 better than median (&lt;100%) needed to pass</i>    | PASS  | PASS         | PASS         | <b>3 of 3</b> | <b>PASS</b> |
| Returns vs. Markets   | Mar 2015  | Mar 2016     | Mar 2017     | Mar 2018      | Mar 2019    |
| <b>Trailing 12-Months vs. Passive Target:</b>                 | <b>0.7%</b>   | <b>1.1%</b>  | <b>0.1%</b>  | <b>2.6%</b>   | <b>1.3%</b> |
| <i>3 of 5 outperforming the passive target needed to pass</i> | PASS  | PASS         | PASS         | PASS          | PASS        |
|   |   |              |              | <b>5 of 5</b> | <b>PASS</b> |
| Qualitative Issues  |   |              |              |               |             |
| <b>Investment Style:</b>                                      | Trailing 3-Year R-Squared: <b>96.87%</b>  |              |              |               | <b>PASS</b> |
| <b>Investment Firm:</b>                                       | Capital Research and Management Company   |              |              |               | <b>PASS</b> |
| <b>Investment Personnel:</b>                                  | Alan Berro, since 2007<br>James Lovelace, since 2007<br>John Smet, since 2007<br>Wesley K.-S. Phoa, since 2012<br>Bradley Vogt, since 2012<br>Andrew Suzman, since 2012<br>Joanna Jonsson, since 2015 |              |              |               | <b>PASS</b> |

## Benchmarks

**Peer Group:** Lipper Mixed-Asset Target 2055+ Funds

**Passive Target:** S&P Target Date 2055 Index

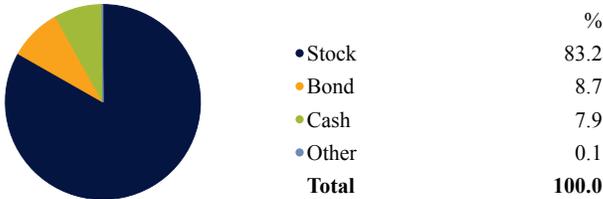
**Operations**

|                       |               |
|-----------------------|---------------|
| Inception Date        | 3/27/2015     |
| Total Net Assets (\$) | 1,478,743,206 |
| 12b-1 Fee             | —             |
| Redemption Fee        | —             |

**Fund Characteristics**

|                            | Fund      | Benchmark |
|----------------------------|-----------|-----------|
| P/E Ratio (TTM)            | 18.50     | 17.13     |
| Average Market Cap (mil)   | 62,693.67 | 33,154.84 |
| # of Holdings              | 16        | 8         |
| Turnover Ratio %           | 3.00      | —         |
| % Asset in Top 10 Holdings | 74.01     | 100.00    |
| US Equity %                | 55.63     | 57.58     |
| Non-US Equity %            | 28.03     | 32.70     |
| Emerging Market Equity %   | 6.24      | 4.98      |

**Asset Allocation**



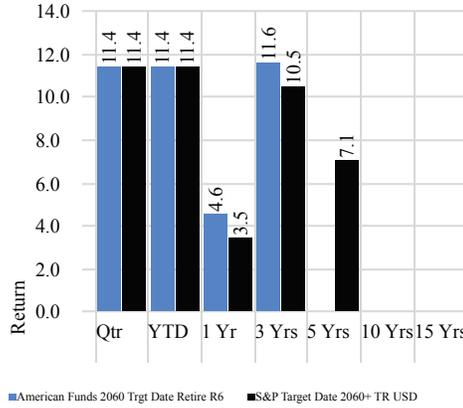
**Equity Style Exposures**

|       | Value | Blend | Growth | Market Cap         | %    |
|-------|-------|-------|--------|--------------------|------|
| Large | 21.5  | 29.0  | 34.7   | Market Cap Giant % | 55.1 |
| Mid   | 2.0   | 4.1   | 5.9    | Market Cap Large % | 29.4 |
| Small | 0.6   | 0.7   | 1.5    | Market Cap Mid %   | 12.4 |
|       |       |       |        | Market Cap Small % | 2.8  |
|       |       |       |        | Market Cap Micro % | 0.3  |

**Top 20 Holdings**

| Ticker                                 | Portfolio Weighting % | Qtr Return |
|--|-----------------------|------------|
| American Funds Invmt Co of Amer R6     | RICGX                 | 9.00 11.45 |
| American Funds Washington Mutual R6    | RWMGX                 | 9.00 10.43 |
| American Funds American Mutual R6      | RMFGX                 | 8.00 9.06  |
| American Funds Fundamental Invs R6     | RFNGX                 | 8.00 12.04 |
| American Funds Capital World Gr&Inc R6 | RWIGX                 | 7.00 12.25 |
| American Funds AMCAP R6                | RAFGX                 | 7.00 12.79 |
| American Funds Growth Fund of Amer R6  | RGAGX                 | 7.00 13.87 |
| American Funds New Perspective R6      | RNPGX                 | 7.00 13.99 |
| American Funds SMALLCAP World R6       | RLLGX                 | 7.00 15.58 |
| American Funds American Balanced R6    | RLBGX                 | 5.00 7.95  |
| American Funds Global Balanced R6      | RGBGX                 | 5.00 8.64  |
| American Funds US Government Sec R6    | RGVGX                 | 5.00 1.95  |
| American Funds New Economy R6          | RNGGX                 | 4.01 14.77 |
| American Funds Europacific Growth R6   | RERGX                 | 4.01 13.20 |
| American Funds Intl Gr and Inc R6      | RIGGX                 | 4.00 11.21 |
| American Funds New World R6            | RNWGX                 | 4.00 13.86 |

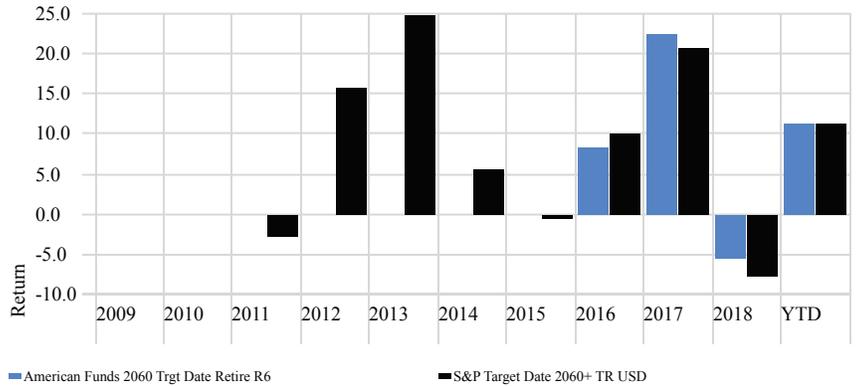
**Annualized Returns**



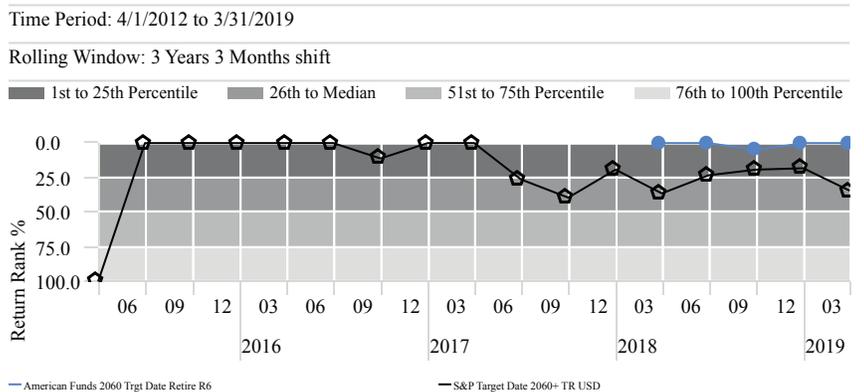
**Risk/Return Statistics**

|                    | 3 years | 5 years | 10 years |
|--------------------|---------|---------|----------|
| Alpha              | 1.56    | —       | —        |
| Beta               | 0.93    | —       | —        |
| R-squared          | 96.97   | —       | —        |
| Tracking Error     | 1.67    | —       | —        |
| Information Ratio  | 0.60    | —       | —        |
| Excess Return      | 1.10    | —       | —        |
| Standard Deviation | 8.83    | —       | —        |
| Sharpe Ratio       | 1.14    | —       | —        |
| Sortino Ratio      | 1.69    | —       | —        |

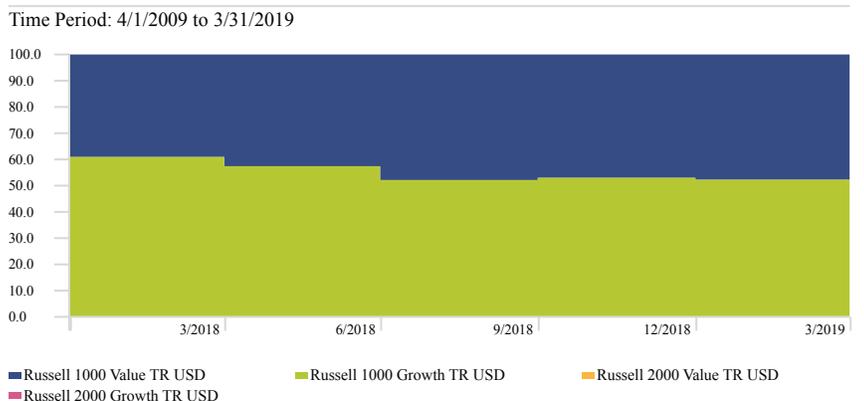
**Calendar Year Returns**



**Rolling 3 Year Return Morningstar Peer Group Rankings**



**Historical Returns-Based Style Analysis**

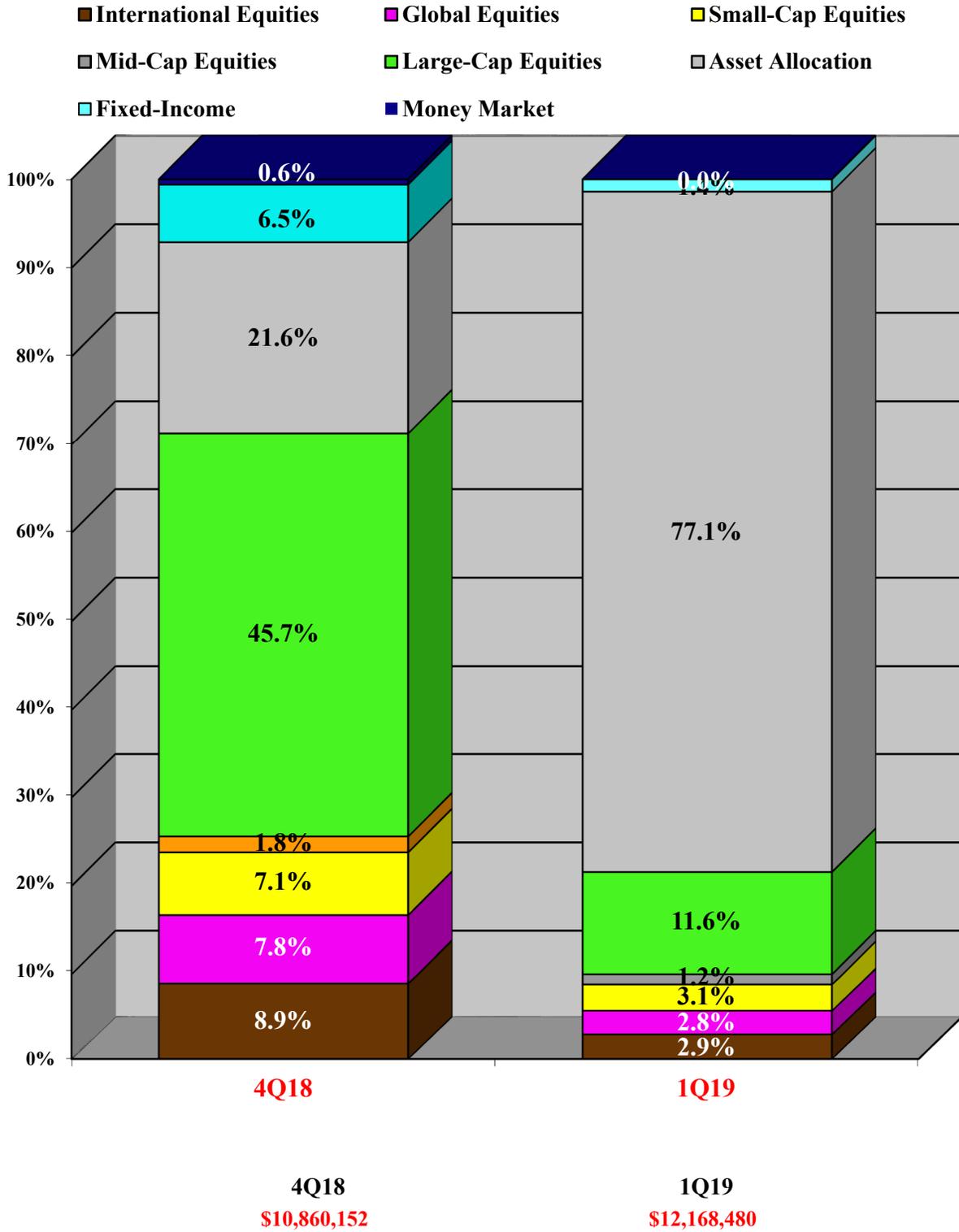


**Return Date: 3/31/2019**  
**Portfolio Date: 3/31/2019**

# Plan Asset Allocation

Wisconsin Health Fund 401(k) Retirement Plan

## Wisconsin Health Fund 401(k) Retirement Plan



# Plan Asset Allocation

## Wisconsin Health Fund 401(k) Retirement Plan

|  | 4Q18         | 1Q19         |                    |
|--|--------------|--------------|--------------------|
| <b>Money Market</b>                          | <b>0.6%</b>  | <b>0.0%</b>  | <b>\$4,420</b>     |
| American Funds U.S. Government Money Market  | 0.6%         | 0.0%         | \$4,420            |
| <b>Fixed-Income</b>                          | <b>6.5%</b>  | <b>1.4%</b>  | <b>\$172,722</b>   |
| American Funds U.S. Government Securities    | 1.8%         | 0.1%         | \$10,515           |
| Western Asset Core Bond                      | 2.5%         | 0.7%         | \$88,103           |
| Columbia Floating Rate                       | 0.0%         | 0.0%         | \$1                |
| Lord Abbett High Yield                       | 2.3%         | 0.6%         | \$74,103           |
| <b>Asset Allocation</b>                      | <b>21.6%</b> | <b>77.1%</b> | <b>\$9,380,328</b> |
| American Funds Capital Income Builder        | 8.3%         | 0.5%         | \$65,873           |
| American Funds Target Date 2010              | 0.0%         | 0.0%         | \$0                |
| American Funds Target Date 2015              | 0.0%         | 14.3%        | \$1,743,309        |
| American Funds Target Date 2020              | 4.6%         | 14.6%        | \$1,775,375        |
| American Funds Target Date 2025              | 2.2%         | 21.1%        | \$2,566,547        |
| American Funds Target Date 2030              | 0.7%         | 12.1%        | \$1,473,381        |
| American Funds Target Date 2035              | 1.0%         | 4.3%         | \$527,801          |
| American Funds Target Date 2040              | 1.3%         | 2.8%         | \$336,179          |
| American Funds Target Date 2045              | 0.2%         | 3.4%         | \$411,101          |
| American Funds Target Date 2050              | 2.8%         | 3.5%         | \$426,484          |
| American Funds Target Date 2055              | 0.6%         | 0.4%         | \$54,279           |
| <b>Large-Cap Equities</b>                    | <b>45.7%</b> | <b>11.6%</b> | <b>\$1,406,106</b> |
| <i>Large-Cap Value</i>                       |              |              |                    |
| American Funds Washington Mutual             | 11.0%        | 2.4%         | \$295,697          |
| <i>Large-Cap Blend</i>                       |              |              |                    |
| Columbia Large Cap Index                     | 17.9%        | 5.7%         | \$688,997          |
| <i>Large-Cap Growth</i>                      |              |              |                    |
| American Funds Growth Fund of America        | 16.2%        | 2.9%         | \$350,435          |
| T. Rowe Price Blue Chip Growth               | 0.6%         | 0.6%         | \$70,978           |
| <b>Mid-Cap Equities</b>                      | <b>1.8%</b>  | <b>1.2%</b>  | <b>\$140,035</b>   |
| <i>Mid-Cap Value</i>                         |              |              |                    |
| Victory Sycamore Established Value           | 1.8%         | 1.2%         | \$140,035          |
| <i>Mid-Cap Growth</i>                        |              |              |                    |
| Hartford MidCap                              | 0.0%         | 0.0%         | \$0                |
| <b>Small-Cap Equities</b>                    | <b>7.1%</b>  | <b>3.1%</b>  | <b>\$371,487</b>   |
| <i>Small-Cap Core</i>                        |              |              |                    |
| Columbia Small Cap Index                     | 6.1%         | 2.0%         | \$244,206          |
| <i>Small-Cap Growth</i>                      |              |              |                    |
| Janus Henderson Triton                       | 1.0%         | 1.0%         | \$127,281          |
| <b>Global Equities</b>                       | <b>7.8%</b>  | <b>2.8%</b>  | <b>\$345,836</b>   |
| <i>Global Large-Cap</i>                      |              |              |                    |
| American Funds Capital World Growth & Income | 5.0%         | 1.4%         | \$164,445          |
| <i>Global Small-Cap</i>                      |              |              |                    |
| American Funds SMALLCAP World                | 2.8%         | 1.5%         | \$181,391          |
| <b>International Equities</b>                | <b>8.9%</b>  | <b>2.9%</b>  | <b>\$347,546</b>   |
| <i>Developed International</i>               |              |              |                    |
| American Funds EuroPacific Growth            | 7.6%         | 1.8%         | \$214,361          |
| <i>Emerging Market Equity</i>                |              |              |                    |
| American Funds New World                     | 1.3%         | 1.1%         | \$133,185          |

## What you need to know to protect your retirement savings

### **401(k) ADVISER** **MICHAEL J. FRANCIS**



One of the most important workplace decisions you'll ever make is how to invest your retirement savings. But if you're like most, it's a decision you're not particularly comfortable making on your own. That's why a growing number of employers offer various forms of assistance with retirement plan investment decisions.

According to a recent Plan Sponsor Council of America survey, nearly 40 percent of employers now offer personalized investment advice, up from just over 30 percent 10 years ago.

"Companies that offer investment support can help participants make better decisions for their financial future," Hattie Greenan, director of research for the council, said in a news release announcing the results.

While workplace investment assistance is becoming more prevalent, it's important to understand the quality of the advice can vary significantly depending on several factors, most importantly, whether the adviser has conflicts.

After publishing a study that found retirement plan investors overpay for investment management services by an estimated \$17 billion per year because of conflicted investment advice, the Department of Labor has attempted to mitigate these conflicts by passing new regulations. Unfortunately, they were struck down recently by a federal appellate court. This puts you right back into the buyer beware world in which you've always been.

As nice and well-informed as they might seem, conflicted investment advisers pose a risk to your retirement savings that you should understand before engaging with them. Until regulators force the financial services industry to do a better job disclosing conflicted investment advice, here's what you should know:

#### **Record-keeper advisers**

All companies in the financial services industry are driven by a strong profit motive. As margins for the primarily clerical work of 401(k) record-keepers decline, some of them have changed their business models to focus on "capturing" your retirement assets in various investment products and programs to enhance their margins.

If the adviser your employer makes available to you works for your plan's record-keeper, be aware of the profit motive that is likely behind any advice to invest in their proprietary investment products or managed account programs.

Because record-keeper advisers are most often not fiduciaries, they're free to make recommendations that increase the fees they earn. While their intentions are normally good, the fact that many of these advisers' annual bonus depends on how much additional revenue they generate for their own firm can influence their advice.

#### **Independent advisers**

Another common conflict occurs when you ask the following question: "I'm leaving the company. Should I roll over my balance into an IRA or leave it in the plan?" If the adviser's firm offers private wealth management services to individuals, he or she has a strong financial incentive to encourage those with larger account balances to roll their assets out of the plan and into the firm's products and programs, even if it's not in your best interest to do so.

If advisers are independent of your plan's record-keeper, and get paid for their advisory services based on a percentage of plan assets, they may have the opposite incentive, to keep your assets in the plan to inflate their advisory fee.

#### **The question you should ask**

If your employer makes advisory services available, the first question you should ask the representative is, "Are you an ERISA fiduciary?" If their answer is yes, they should be able to provide you something in writing that confirms they are an ERISA fiduciary. It is illegal for an ERISA fiduciary to make a recommendation that increases his or her own compensation or is not in the participant's best interest.

Be advised, if the adviser acknowledges his or her status as a simple fiduciary, this is a lower standard of care than an ERISA fiduciary. A simple fiduciary is legally allowed to give advice that would be illegal under ERISA, such as advice that increases the adviser's compensation. If the answer is no, the adviser still should be able to help with important questions like "How much do I need to be saving?" or "Should I save into a pre-tax or Roth account?"

#### **Other professional investment help**

If you decide you're uncomfortable with investment advice from a non-ERISA fiduciary, investigate your plan's professionally managed diversified investment products like target-date funds, model portfolios or balanced fund. They are often a low-cost way to obtain professional asset management services without exposing your retirement savings to the unnecessary additional 0.20 percent to 0.50 percent in annual management fees of the typical "managed account" product.

Most advisers are well-meaning people, but advisers with conflicts have powerful forces that can lead them to recommend things that help their employer, not because they're what's best for you. Understanding this reality, and asking the right questions, will help you make better financial decisions.

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**FRANCIS**  
Investment Counsel LLC

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