



# Agenda

## Employees' Retirement System Board Meeting

October 9, 2013 at 12:00 PM  
Conference Room C

Troy City Hall  
500 West Big Beaver  
Troy, Michigan 48084  
(248) 524-3330

### Roll Call

### Minutes from the September 11, 2013 Meeting

### Retirement Requests

<b>Name</b>	Patrick Browne	Peggy Sears	
<b>Pension Program</b>	DB	DC	
<b>Retirement Date</b>	4/08/35 (deferred)	12/13/13	
<b>Department</b>	Police	Human Resources	
<b>Service Time</b>	15 yrs, 10 mo	36 yrs, 4 mo	

### Other Business

- Transfer of assets to Morgan Stanley.
- Review of City of Troy Defined Contribution Account

### Investments

### Public Comment

### Adjourn

**EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES MINUTES – Draft September 11, 2013**

A meeting of the Employees' Retirement System Board of Trustees was held on **Wednesday September 11, 2013** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 12:08 p.m.

**Trustees Present:** Mark Calice  
Thomas J. Gordon, II  
Thomas Darling, CPA  
Milton Stansbury  
Steve Pallotta  
William R. Need (Ex-Officio)  
Dave Henderson  
Brian Kischnick (left 2:25)

**Trustees Absent:** None

**Also Present:** Sehrish Salah-Ud-Din

**Minutes**

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**Resolution # ER – 2013-09-22**

Moved by Pallotta  
Seconded by Milton

RESOLVED, That the Minutes of the August 14, 2013 meeting be approved.

Yeas: All-7  
Absent: None

**Other Business - ERS Actuarial Valuation**

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**Resolution # ER – 2013-10-23**

Moved by Milton  
Seconded by Pallotta

RESOLVED, That the ERS Valuation dated December 31,2012 be accepted as printed and presented:

Randy Dziubek and Jeff Tebeau from the Actuarial firm of Gabriel Roeder Smith and Company presented the City of Troy Employees Retirement System Actuarial Valuation for the year ended December 31, 2012. The report included that the system was 96.4% funded as of that date which is up 1.6% from the previous years. The valuation included the City of Troy annual required contribution to the system to be \$1,451,000 for the City's annual fiscal year ending June 30, 2015. This was down by \$395,000 compared to the amount that is required to be contributed for the June 30, 2014 fiscal year. The aggregate cost method was used in determining the annual required contribution.

Yeas: All-7  
Absent: None

**Other Business – Greystone Consulting Agreement**

**Resolution # ER – 2013-10-24**

Moved by Kischnick  
Seconded by Darling

RESOLVED, the System Administrator is directed to enter into agreement with Greystone Consulting for investment consulting services after amending the addendum agreement item 5 to read “The initial annual fee is 0.15% of the market value of ERS assets **managed by Greystone Consulting**”.

Yeas: All-7  
Absent: None

**Meeting was suspended at 2:00 pm and re-opened at 2:38 pm.**

**Other Business – Fidelity Advisory Services**

**Resolution # ER – 2013-10-25**

Moved by Milton  
Seconded by Pallota

RESOLVED, that the System Administrator is directed to terminate Investment Advisory Services with Fidelity Investments.

Yeas: All-7  
Absent: None

**Other Business – Defined Contribution Plan**

- Board requested System Administrator to provide the latest ICMA Report, New Hire Packet and fee structure for the City of Troy Defined Contribution Account for Board review.

**INVESTMENTS**

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None

**Public Comment**

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None

The next meeting is October 9<sup>th</sup>, 2013 at 12:00 p.m. at Troy City Hall, Conference Room C, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting adjourned at 3:20 p.m.

**CITY OF TROY  
EMPLOYEE RETIREMENT SYSTEM  
MARKET VALUE  
8/31/2013**

	<u>Cash</u>	<u>Stock</u>	<u>Pref Stock</u>	<u>Mutual Funds</u>	<u>Corp. Bonds</u>	<u>Govt Securities</u>	<u>Options</u>	<u>Accrued Int.</u>	<u>Total</u>
	<u>Market</u>	<u>Market</u>	<u>Market</u>	<u>Market</u>	<u>Market</u>	<u>Market</u>	<u>Market</u>	<u>Market</u>	<u>Market</u>
Wells Fargo	401,820	3,465,974	-	-	-	-	-	-	3,867,794
UBS Grant - Regular	5,746,637	30,106,667	-	23,040,152	3,494,203	499,930	(70,565)	31,042	62,848,067
UBS Grant - NAIC	631,188	12,647,308	-	-	-	-	-	-	13,278,496
UBS Jones - Regular	25,558	-	-	19,306,771	-	-	-	-	19,332,329
UBS Jones - Equities	2,370,949	11,158,343	-	-	-	-	-	-	13,529,292
Fidelity	2,436,950	31,928,024	-	1,395,544	1,231,612	-	(37,000)	-	36,955,130
Morgan Stanley	3,638,164	26,035,670	380,400	675,213	1,847,003	6,169,087	-	-	38,745,536
City Funds	(2,183,221)	129,137	-	4,769,241	-	-	-	-	2,715,157
<b>Total</b>	<b>13,068,044</b>	<b>115,471,123</b>	<b>380,400</b>	<b>49,186,922</b>	<b>6,572,818</b>	<b>6,669,017</b>	<b>(107,565)</b>	<b>31,042</b>	<b>191,271,801</b>

**CITY OF TROY  
EMPLOYEE RETIREMENT SYSTEM  
FUND 731  
MONTH ENDING:**

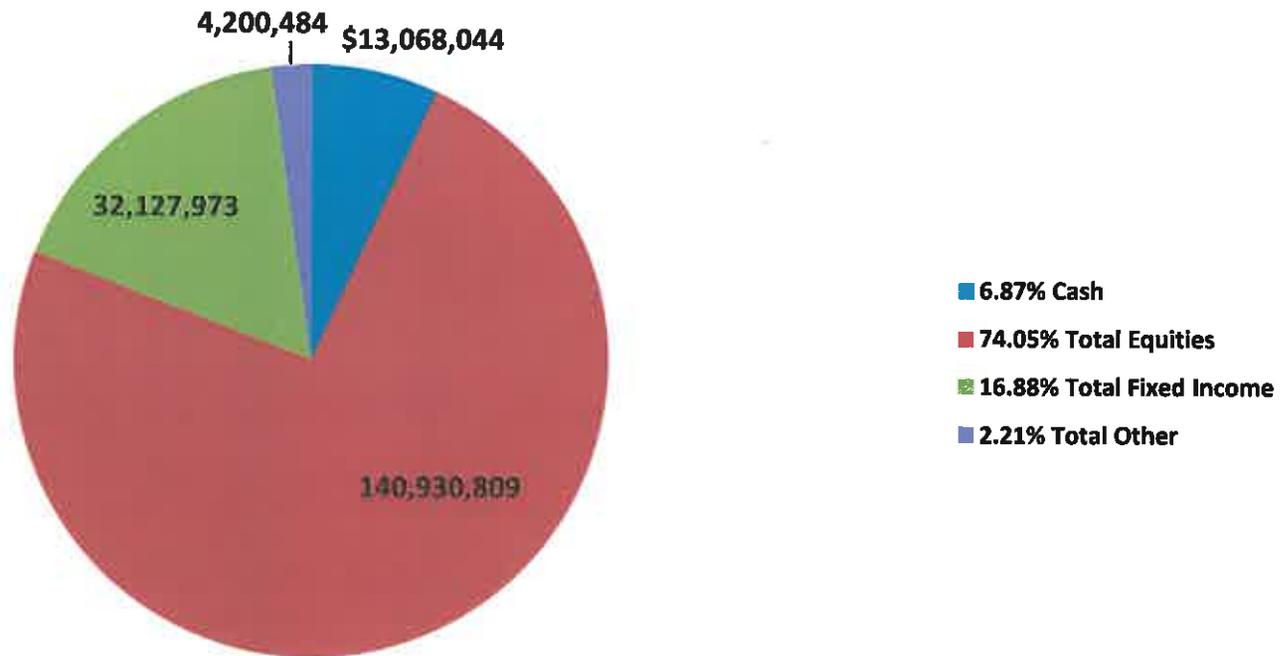
**August 31, 2013**

Account Number	Description	Cost Basis	Market Basis	Cost Allocation	Market Allocation	Unrealized Gain/(Loss)
Various	Cash	\$ 13,068,044	\$ 13,068,044	9.51%	6.83%	\$ -
1120.120	Common Stock	62,601,265	115,471,123	45.55%	60.37%	52,869,858
1120.145	Preferred Stock	871,763	380,400	0.63%	0.20%	(491,363)
1120.140	Mutual Funds	48,603,080	49,186,922	35.36%	25.72%	583,842
1120.110	Corporate Bonds	6,176,552	6,572,818	4.49%	3.44%	396,266
1120.125	Government Securities	6,192,591	6,669,017	4.51%	3.49%	476,426
N/A	Options	(76,328)	(107,565)	-0.06%	-0.06%	(31,236)
N/A	Other (Accrued Interest)	-	31,042	0.00%	0.02%	31,042
<b>Total ERS Cost Basis</b>		<b>\$ 137,436,966</b>	<b>\$ 191,271,801</b>	<b>100%</b>	<b>100%</b>	<b>\$ 53,834,835</b>

	Cost Basis	Market Basis	Cost Allocation	Market Allocation	Recommended Allocation Per Market		
					Minimum	Target	Maximum
<b>6.87% Cash</b>	<b>\$ 13,068,044</b>	<b>\$ 13,068,044</b>	<b>9.53%</b>	<b>6.87%</b>	<b>0.00%</b>	<b>5.00%</b>	<b>10.00%</b>
<b>Equities</b>							
	62,601,265	115,471,123					
	871,763	380,400					
	25,766,844	25,186,850					
	(76,328)	(107,565)					
<b>74.05% Total Equities</b>	<b>89,163,544</b>	<b>140,930,809</b>	<b>64.99%</b>	<b>74.05%</b>	<b>40.00%</b>	<b>60.00%</b>	<b>70.00%</b>
<b>Fixed Income</b>							
	6,176,552	6,572,818					
	6,192,591	6,669,017					
	18,711,842	18,886,139					
<b>16.88% Total Fixed Income</b>	<b>31,080,984</b>	<b>32,127,973</b>	<b>22.65%</b>	<b>16.88%</b>	<b>30.00%</b>	<b>35.00%</b>	<b>50.00%</b>
<b>Other</b>							
	2,848,813	3,081,018					
	1,032,417	1,088,424					
	-	31,042					
<b>2.21% Total Other</b>	<b>3,881,230</b>	<b>4,200,484</b>	<b>2.83%</b>	<b>2.21%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>5.00%</b>
<b>Total</b>	<b>\$ 137,193,802</b>	<b>\$ 190,327,310</b>	<b>100.00%</b>	<b>100.00%</b>			

**City of Troy  
Employees Retirement System  
Portfolio Analysis  
August 31, 2013**

**Total Market Value Basis = \$190,327,731**



CITY OF TROY MICHIGAN  
EMPLOYEE RETIREMENT SYSTEM  
COMMON STOCK  
ACCT# 1120.120  
August 31, 2013

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	NAME	July 1, 2013		AUGUST		ENDING BALANCE	
							SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE
731	0	2	2004	10	19	3M	5,000	443,493.23			5,000	443,493.23
731	0	4	2004	8	17	3M	15,000	786,467.85			15,000	786,467.85
731	0	8	2004	5	3	ABBOTT LABS	4,000	175,020.67			4,000	175,020.67
731	0	2	2004	5	20	ABBOTT LABS	1,000	19,906.75			1,000	19,906.75
731	0	3	2006	3	15	ABBOTT LABS	22,000	399,927.49			22,000	399,927.49
731	0	4	2004	5	6	ABBOTT LABS	1,000	31,362.85			1,000	31,362.85
731	0	2	2013	1	31	ABBVIE Inc. (Spinoff Abbott)	1,000	21,587.17			1,000	21,587.17
731	0	8	2010	5	18	AECOM TECHNOLOGY	3,000	88,460.70			3,000	88,460.70
731	0	2	2012	10	31	ADT (Tyco split)	625	21,143.86		(78.13)	625	21,065.73
731	0	4	2000	12	14	ADT (Tyco split)	1,250	57,311.39		(156.25)	1,250	57,155.14
731	0	4	2010	2	10	AECOM TECHNOLOGY	5,000	125,940.23			5,000	125,940.23
731	0	8	2008	12	19	AFLAC	7,000	306,067.90			7,000	306,067.90
731	0	2	2004	2	13	AFLAC	19,000	106,926.82			19,000	106,926.82
731	0	3	2004	4	21	AFLAC	6,000	253,431.15			6,000	253,431.15
731	0	8	2010	8	6	ALMOST FAMILY	2,000	54,566.15			2,000	54,566.15
731	0	2	2010	4	20	ALMOST FAMILY	5,000	200,124.66			5,000	200,124.66
731	0	1	2011	11	15	AMERICAN SCIENCE & ENGINEERING	3,000	259,595.93			3,000	259,595.93
731	0	1	2012	4	####	AMERICAN TOWER CORP	5,000	318,090.87			5,000	318,090.87
731	0	2	2004	10	19	AMGEN INC.	3,100	171,343.09			3,100	171,343.09
731	0	1	2010	9	14	APPLE	4,750	1,154,581.87			4,750	1,154,581.87
731	0	1	2011	9	20	APPLE	2,000	784,832.39			2,000	784,832.39
731	0	2	2010	9	14	ARES CAPITAL	5,000	79,468.68			5,000	79,468.68
731	0	2	2008	4	14	AT&T	5,000	189,489.57			5,000	189,489.57
731	0	3	2009	12	15	AT&T	15,000	277,701.72			15,000	277,701.72
731	0	8	2007	4	2	AUTOMATIC DATA PROCESSING	2,000	66,672.80			2,000	66,672.80
731	0	3	2009	8	6	AUTOMATIC DATA PROCESSING	3,000	114,228.86			3,000	114,228.86
731	0	2	2010	7	19	BAIDU INC.	2,000	149,051.95			2,000	149,051.95
731	0	2	2011	9	20	BAIDU INC.	3,000	441,577.95			3,000	441,577.95
731	0	1	2010	1	20	BANK OF AMERICA	10,000	168,536.26			10,000	168,536.26
731	0	1	2012	5	10	BANK OF NOVA SCOTIA	5,000	267,163.70			5,000	267,163.70
731	0	2	2009	11	17	BARD CR	5,000	401,462.03			5,000	401,462.03
731	0	1	2011	6	14	BED BATH & BEYOND	1,500	80,757.20			1,500	80,757.20
731	0	8	2010	11	17	BIO REFERENCE LAB	2,000	44,318.95			2,000	44,318.95
731	0	3	2010	11	16	BIO REFERENCE LAB	5,000	110,670.39			5,000	110,670.39
731	0	2	2012	4	18	BOEING CO	5,000	364,115.95			5,000	364,115.95
731	0	3	2009	9	15	BP AMOCO	5,000	276,165.38			5,000	276,165.38
731	0	2	2005	1	3	BRADY W H	2,000	34,647.73			2,000	34,647.73
731	0	3	2005	1	3	BRADY W H	2,000	29,858.94			2,000	29,858.94
731	0	4	2009	4	15	BRADY W H	1,000	14,106.89			1,000	14,106.89

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	NAME	July 1, 2013		AUGUST		ENDING BALANCE	
							SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE
731	0	8	2011	5	5	BRUKER CORP.	2,000	38,107.71			2,000	38,107.71
731	0	1	2010	11	11	BRUKER CORP.	5,000	78,022.84			5,000	78,022.84
731	0	3	2012	7	6	CATAMARAN CORP COM	3,303	118,588.81			3,303	118,588.81
731	0	1	2010	9	14	CATERPILLAR	5,000	359,277.67			5,000	359,277.67
731	0	8	2008	1	29	CELGENE CORP.	2,000	118,056.25			2,000	118,056.25
731	0	1	2011	1	11	CELGENE CORP.	2,000	112,873.22			2,000	112,873.22
731	0	3	2009	1	21	CHESAPEAKE ENERGY	10,000	367,174.92			10,000	367,174.92
731	0	3	2011	9	20	CHESAPEAKE ENERGY	2,000	64,336.59			2,000	64,336.59
731	0	1	2009	2	18	CHEVRON	14,000	664,786.59			14,000	664,786.59
731	0	2	2004	9	13	CHEVRON	8,000	284,761.85			8,000	284,761.85
731	0	1	2011	9	20	CHEVRON	2,900	287,720.25			2,900	287,720.25
731	0	2	2000	3	28	CISCO SYSTEMS	2,000	83,364.43			2,000	83,364.43
731	0	3	2003	11	18	CISCO SYSTEMS	18,000	556,738.68			18,000	556,738.68
731	0	1	2009	12	10	CIT GROUP	9,162	435,487.64			9,162	435,487.64
731	0	2	2009	12	10	CIT GROUP	3,047	125,655.88			3,047	125,655.88
731	0	1	2012	4	18	CLEAN ENERGY FUELS CORP	5,000	101,643.37			5,000	101,643.37
731	0	3	2011	6	9	CLEARBRIDGE ENERGY MLP	10,721	196,234.84			10,721	196,234.84
731	0	1	2009	8	18	CLIFFS NAT RESOURCES	10,000	245,358.26			10,000	245,358.26
731	0	1	2011	9	20	CLIFFS NAT RESOURCES	2,000	160,709.27			2,000	160,709.27
731	0	8	2008	2	1	COACH	1,000	31,095.92			1,000	31,095.92
731	0	4	2007	11	8	COACH	5,000	170,863.50			5,000	170,863.50
731	0	2	1999	3	16	COCA COLA	20,000	338,627.88			20,000	338,627.88
731	0	2	2011	9	20	COCA COLA	4,000	140,243.75			4,000	140,243.75
731	0	8	2011	6	10	COGNEX CORP	2,000	67,345.65			2,000	67,345.65
731	0	3	2011	6	7	COGNEX CORP	5,000	169,104.43			5,000	169,104.43
731	0	2	2010	1	20	COLGATE PALMOLIVE	10,000	421,673.47			10,000	421,673.47
731	0	1	2010	1	20	COPANO ENERGY	10,000	298,179.02			10,000	298,179.02
731	0	1	2010	1	20	CORNING	3,000	87,127.85			3,000	87,127.85
731	0	2	2009	11	16	CORNING	7,000	58,436.39			7,000	58,436.39
731	0	1	2012	5	10	COSTCO WHOLESALE	5,000	422,060.72			4,000	337,648.58
731	0	2	2010	1	20	CSX	24,000	352,722.53			24,000	352,722.53
731	0	2	2011	9	20	CSX	2,000	41,984.15			2,000	41,984.15
731	0	3	2011	9	20	CUMMINS, INC.	2,000	194,811.59			2,000	194,811.59
731	0	8	2002	9	12	DANAHER CORP.	8,000	117,224.25			8,000	117,224.25
731	0	1	2010	6	14	DANAHER CORP.	8,000	203,308.72			8,000	203,308.72
731	0	2	2010	6	14	DANAHER CORP.	4,000	56,581.63			4,000	56,581.63
731	0	4	2010	6	14	DANAHER CORP.	4,000	109,855.40			4,000	109,855.40
731	0	1	2009	6	30	DARLING INT'L	10,000	66,595.12			8,000	53,276.10
731	0	1	2010	12	22	DECKERS OUTDOOR CORP.	9,000	340,059.65			9,000	340,059.65
731	0	1	2010	2	17	DIAGEO	2,000	128,034.73			2,000	128,034.73
731	0	3	2011	9	30	DIAMOND FOODS, INC.	5,000	391,490.70			5,000	391,490.70
731	0	3	2004	7	19	DIEBOLD	5,000	228,607.62			5,000	228,607.62
731	0	1	2011	6	14	DIRECTV	3,020	145,271.52			3,020	145,271.52
731	0	2	2010	11	16	DIRECTV	2,000	85,607.95			2,000	85,607.95
731	0	7	2009	11	25	DIRECTV	2,080	32,202.67			2,080	32,202.67

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	NAME	July 1, 2013		AUGUST		ENDING BALANCE	
							SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE
731	0	2	2012	4	18	DIRECTV	6,000	295,078.95			6,000	295,078.95
731	0	7	2008	9	24	DISCOVERY COMM.	520	7,491.05			520	7,491.05
731	0	7	2008	9	24	DISCOVERY COMM. A	520	8,343.07			520	8,343.07
731	0	3	2010	1	20	DISNEY, WALT	7,000	152,049.30			7,000	152,049.30
731	0	7	2007	6	13	DISNEY, WALT	3,000	40,911.29			3,000	40,911.29
731	0	2	2003	8	19	DOVER CORP	4,000	149,562.35			4,000	149,562.35
731	0	3	2003	8	19	DOVER CORP	5,000	186,642.42			5,000	186,642.42
731	0	4	2001	2	6	DOVER CORP	1,000	41,666.33			1,000	41,666.33
731	0	3	2010	9	14	DOW CHEMICAL	15,000	465,165.62			15,000	465,165.62
731	0	1	2001	1	29	DUKE ENERGY	8,841	356,494.82			7,041	285,408.58
731	0	2	2007	1	30	DUKE ENERGY	9,600	44,807.36			9,600	44,807.36
731	0	3	2012	7	3	DUKE ENERGY	6,966	346,753.51			6,966	346,753.51
731	0	6	2010	12	16	DUKE ENERGY	1,155	25,492.13			1,155	25,492.13
731	0	8	2010	8	6	EBAY INC.	10,000	333,170.85			10,000	333,170.85
731	0	3	2006	9	5	EBAY INC.	5,000	138,547.45			5,000	138,547.45
731	0	8	2007	10	22	EMC CORP.	6,000	81,014.00			6,000	81,014.00
731	0	1	2007	10	25	EMC CORP.	17,000	209,532.02			17,000	209,532.02
731	0	2	2005	8	12	EMC CORP.	2,000	27,723.00			2,000	27,723.00
731	0	8	2006	12	12	EMERSON ELECTRIC	4,000	94,240.25			4,000	94,240.25
731	0	2	2007	12	12	EMERSON ELECTRIC	4,000	161,023.63			4,000	161,023.63
731	0	8	2012	4	3	EXPRESS SCRIPTS	1,620	91,052.10			1,620	91,052.10
731	0	2	2012	4	3	EXPRESS SCRIPTS	4,050	238,440.79			4,050	238,440.79
731	0	2	2001	7	24	EXXON	4,000	47,246.07			4,000	47,246.07
731	0	4	2002	6	18	EXXON	6,000	61,480.30			6,000	61,480.30
731	0	8	2011	5	5	FABRINET	4,000	84,933.90			4,000	84,933.90
731	0	4				FABRINET	5,000	93,588.71			5,000	93,588.71
731	0	3	2012	5	17	FACEBOOK	150	5,700.00			150	5,700.00
731	0	8	2002	9	12	FACTSET RESEARCH SYS	3,000	46,870.25			3,000	46,870.25
731	0	1	2005	6	14	FACTSET RESEARCH SYS	2,000	62,713.03			2,000	62,713.03
731	0	3	2005	2	7	FACTSET RESEARCH SYS	1,500	26,270.06			1,500	26,270.06
731	0	8	2005	11	14	FASTENAL	8,000	58,125.00			8,000	58,125.00
731	0	2	2005	11	14	FASTENAL	8,000	184,253.14			8,000	184,253.14
731	0	2	2008	7	2	FIDELITY NATIONAL INFO	1,000	6,493.26			1,000	6,493.26
731	0	8	2004	12	9	FISERV	3,000	115,329.50			3,000	115,329.50
731	0	1	2005	3	15	FISERV	5,000	193,816.02			5,000	193,816.02
731	0	2	2006	3	31	FISERV INC.	1,000	46,541.23			1,000	46,541.23
731	0	4	2005	3	15	FISERV INC.	2,000	76,692.05			2,000	76,692.05
731	0	4	2011	1	11	FLIR SYSTEMS	5,000	147,485.34			5,000	147,485.34
731	0	1	2010	4	20	FLOWER FOODS	7,500	127,229.34			3,750	84,819.56
731	0	2	2009	9	15	FLUOR CORP.	5,000	266,815.15			5,000	266,815.15
731	0	2	2010	12	15	FORD	10,000	167,073.80			10,000	167,073.80
731	0	4	2009	3	10	FOSSIL	5,000	62,562.85			5,000	62,562.85
731	0	8	2008	7	15	FRANKLIN RESOURCES	2,000	175,059.24			2,000	175,059.24
731	0	2	2009	10	5	FRANKLIN RESOURCES	3,000	303,299.19			3,000	303,299.19
731	0	1	2009	9	15	FREEMPORT MCMORRAN COPPER	20,000	882,118.37			20,000	882,118.37

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	NAME	July 1, 2013		AUGUST		ENDING BALANCE	
							SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE
731	0	8	2010	5	3	GAMESTOP	4,000	101,408.50			4,000	101,408.50
731	0	3	2009	3	16	GAMESTOP	5,000	126,433.80			5,000	126,433.80
731	0	1	2011	9	20	GAMESTOP	1,000	24,452.66			1,000	24,452.66
731	0	2	2006	3	30	GENERAL DYNAMICS	4,000	8,497.30			4,000	8,497.30
731	0	4	2006	3	30	GENERAL DYNAMICS	16,000	422,940.64			16,000	422,940.64
731	0	1	2008	7	15	GENERAL ELECTRIC	10,000	357,402.80			10,000	357,402.80
731	0	2	2010	12	15	GENERAL ELECTRIC	5,200	47,910.69			5,200	47,910.69
731	0	7	2000	5	11	GENERAL ELECTRIC	10,800	62,038.24			10,800	62,038.24
731	0	1	2010	6	15	GENERAL MILLS	5,000	190,632.65			5,000	190,632.65
731	0	1	2011	5	1	GENERAL MOTORS (Exchange)	2,037	228,544.97			2,037	228,544.97
731	0	1	2011	5	1	GENERAL MOTORS Warrant (Exchange)	3,704	270,223.28			3,704	270,223.28
731	0	3	2011	5	1	GENERAL MOTORS Warrant (Exchange)	3,630	270,900.00			3,630	270,900.00
731	0	3	2011	5	1	GENERAL MOTORS (Exchange)	1,959	229,100.00			1,959	229,100.00
731	0	3	2010	11	23	GENERAL MOTORS	5,038	165,000.00			5,038	165,000.00
731	0	3	2011	4	8	GENPACT	5,000	79,583.73			5,000	79,583.73
731	0	1	2012	4	18	GENUINE PARTS CO.	5,000	316,434.00	(1,000.00)	(63,286.80)	4,000	253,147.20
731	0	2	2008	7	15	GFI GROUP	5,000	34,210.45			5,000	34,210.45
731	0	8	2010	6	23	GILEAD SCIENCES	7,000	308,721.43			7,000	308,721.43
731	0	3	2007	6	25	GILEAD SCIENCES	10,000	323,035.51			10,000	323,035.51
731	0	8	2007	3	28	GLOBAL PAYMENTS	2,000	78,788.25			2,000	78,788.25
731	0	1	2009	12	15	GLOBAL PAYMENTS	3,000	154,667.78			3,000	154,667.78
731	0	7	2006	9	29	GLOBAL PAYMENTS	5,000	194,620.68			5,000	194,620.68
731	0	1	2009	11	17	GOOGLE	1,000	479,740.99			1,000	479,740.99
731	0	2	2009	11	17	GOOGLE	2,000	1,161,211.15			2,000	1,161,211.15
731	0	1	2010	9	14	GREEN MOUNTAIN COFFEE	10,000	308,539.75			10,000	308,539.75
731	0	2	2010	6	15	HALLIBURTON CO.	10,000	193,928.42			10,000	193,928.42
731	0	1	2005	1	19	HARTFORD FINANCIAL SERV.	5,000	337,662.20			5,000	337,662.20
731	0	3	1998	7	16	HARTFORD FINANCIAL SERV.	5,000	50,281.52			5,000	50,281.52
731	0	8	2009	10	20	HCC INSURANCE HOLDINGS	2,000	57,122.57			2,000	57,122.57
731	0	4	2007	11	8	HCC INSURANCE HOLDINGS	5,000	146,487.17			5,000	146,487.17
731	0	3	2010	11	8	HEALTH CARE REIT	7,000	177,503.04			7,000	177,503.04
731	0	1	2009	12	15	HESS CORP.	2,000	112,204.73			2,000	112,204.73
731	0	1	2009	12	15	HILLENBRAND	5,000	97,745.28			4,000	78,196.22
731	0	1	1999	12	6	HONEYWELL INT'L	2,000	36,637.50			2,000	36,637.50
731	0	2	2009	2	18	HONEYWELL INT'L	9,172	300,582.48			9,172	300,582.48
731	0	8	2007	5	22	IDEX CORP	2,250	27,750.00			2,250	27,750.00
731	0	1	2007	5	22	IDEX CORP	10,500	215,255.25			8,000	164,004.00
731	0	3	2004	6	1	IDEX CORP	2,250	29,507.37			2,250	29,507.37
731	0	2	2010	8	25	INTEL	8,000	170,016.84			8,000	170,016.84
731	0	3	2010	6	15	INT'L GAME TECHNOLOGY	20,000	469,182.13			20,000	469,182.13
731	0	7	2009	1	16	INTUITIVE SURGICAL	5,000	516,251.62			5,000	516,251.62
731	0	2	2005	1	4	J P MORGAN CHASE & CO	5,000	113,523.16			5,000	113,523.16
731	0	4	2007	11	21	J P MORGAN CHASE & CO	2,000	75,704.64			2,000	75,704.64
731	0	2	2004	1	8	JOHNSON CONTROLS	6,000	52,142.82			6,000	52,142.82
731	0	1	2010	8	19	JOS A BANK CLOTHIERS	5,000	160,409.66			5,000	160,409.66

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	NAME	July 1, 2013		AUGUST		ENDING BALANCE	
							SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE
731	0	2	2012	7	17	JOS A BANK CLOTHIERS	5,000	208,532.95			5,000	208,532.95
731	0	4	2006	11	13	KOHL'S CORP.	5,000	369,728.35			5,000	369,728.35
731	0	4	2011	11	20	KOHL'S CORP.	5,000	253,860.91			5,000	253,860.91
731	0	3	2010	9	14	KRAFT FOODS	1,666	54,158.51			1,666	54,158.51
731	0	8	2008	12	19	LABORATORY CORP.	5,000	322,221.10			5,000	322,221.10
731	0	2	2008	7	2	LENDER PROCESSING SERVICE	500	5,045.66			500	5,045.66
731	0	1	2010	2	17	LENNOX INT'L	5,000	210,437.94			5,000	210,437.94
731	0	7	2009	11	20	LIBERTY MEDIA STARZ	183	5,030.35			183	5,030.35
731	0	8	2009	12	15	LKQ CORP.	2,000	36,990.75			2,000	36,990.75
731	0	2	2010	11	16	LKQ CORP.	3,000	33,844.21			3,000	33,844.21
731	0	2	2009	12	15	MANITOWOC	10,000	150,593.40			10,000	150,593.40
731	0	1	2010	1	20	MCDONALDS	8,100	387,373.85			8,100	387,373.85
731	0	2	2009	3	16	MCDONALDS	8,000	320,722.21			8,000	320,722.21
731	0	3	2009	8	18	MCDONALDS	5,000	280,865.75			5,000	280,865.75
731	0	1				MCKESSON CORP	4,000	314,535.03			4,000	314,535.03
731	0	8				MEDNAX	2,000	131,968.56			2,000	131,968.56
731	0	3	2011	5	2	MEDNAX	5,000	361,070.85			5,000	361,070.85
731	0	8	2007	8	15	MEDTRONIC	10,000	501,012.30			10,000	501,012.30
731	0	2	2009	11	5	MERCK & CO.	16,147	86,764.12			16,147	86,764.12
731	0	2	2008	11	5	METLER TOLEDO INTL	5,000	386,376.45			5,000	386,376.45
731	0	3	2003	2	18	MICROSOFT	14,970	534,715.97			14,970	534,715.97
731	0	3	2012	10	31	MONDELEZ INTL. (KRAFT Split)	5,000	100,225.32			5,000	100,225.32
731	0	2	2007	7	2	MORGAN STANLEY	8,340	101,082.55			8,340	101,082.55
731	0	8	2008	7	15	NEUSTAR INC.	4,000	90,011.90			4,000	90,011.90
731	0	2	2008	4	17	NEUSTAR INC.	5,000	132,566.45			5,000	132,566.45
731	0	3	2009	9	15	NORFOLK SOUTHERN	5,000	246,207.66			5,000	246,207.66
731	0	3	2011	10	17	NORFOLK SOUTHERN	3,000	203,511.40			3,000	203,511.40
731	0	8	2005	6	16	O REILLY AUTOMOTIVE	4,000	72,891.40			4,000	72,891.40
731	0	2	2007	11	21	O REILLY AUTOMOTIVE	4,000	94,174.23			4,000	94,174.23
731	0	4	2005	6	21	O REILLY AUTOMOTIVE	2,000	33,822.50			2,000	33,822.50
731	0	8	2006	3	28	OMNICOM GROUP	4,000	167,220.25			4,000	167,220.25
731	0	1	2007	6	26	OMNICOM GROUP	5,000	171,378.28			5,000	171,378.28
731	0	2	2007	6	26	OMNICOM GROUP	2,000	79,140.93			2,000	79,140.93
731	0	1	2009	8	18	ONEOK	28,000	384,203.21			28,000	384,203.21
731	0	1	2005	2	15	ORACLE	7,000	92,240.52			7,000	92,240.52
731	0	2	2005	10	17	ORACLE	15,000	169,473.85			15,000	169,473.85
731	0	3	2009	10	20	PANERA BREAD	10,000	677,619.10			10,000	677,619.10
731	0	2	2008	7	14	PEABODY ENERGY	5,000	378,264.58			5,000	378,264.58
731	0	3	2008	5	20	PENGROWTH WNERGY	10,000	203,637.46			10,000	203,637.46
731	0	1	2004	8	16	PEPSICO	14,800	449,426.42			14,800	449,426.42
731	0	2	2004	3	12	PEPSICO	8,000	301,611.31			8,000	301,611.31
731	0	7	1997	10	10	PEPSICO	5,000	146,627.70			5,000	146,627.70
731	0	1	2011	10	20	PEPSICO	5,000	312,687.24			5,000	312,687.24
731	0	2	2008	5	20	PERKINELMER	5,000	140,405.95			5,000	140,405.95
731	0	8	2010	8	6	PERRIGO	1,000	57,499.25			1,000	57,499.25

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	NAME	July 1, 2013		AUGUST		ENDING BALANCE	
							SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE
731	0	2	2010	10	14	PERRIGO	8,000	290,240.24			8,000	290,240.24
731	0	1	2011	10	20	PERRIGO	5,000	497,217.21			5,000	497,217.21
731	0	1	2010	5	3	PFIZER	7,000	63,480.04			7,000	63,480.04
731	0	2	2012	10	31	PENTAIR LTD (Split)	299	11,693.23			299	11,693.23
731	0	4	2000	12	14	PENTAIR LTD (Split)	599	31,484.75			599	31,484.75
731	0	4	2008	6	16	PFIZER	10,000	23,242.20			10,000	23,242.20
731	0	1	2009	9	17	PORTFOLIO RECOVERY ASSOC.	3,000	144,235.79			3,000	144,235.79
731	0	8	2010	6	18	PRAXAIR	5,800	240,732.00			5,800	240,732.00
731	0	1	2004	9	9	PRAXAIR	6,000	249,987.48			6,000	249,987.48
731	0	4	2008	4	17	PRECISION CASTPARTS	5,000	561,641.16			5,000	561,641.16
731	0	1	2005	10	3	PROCTER GAMBLE	4,875	224,489.81			3,875	178,440.62
731	0	2	2005	10	3	PROCTER GAMBLE	17,750	522,362.51			17,750	522,362.51
731	0	4	2004	6	24	PROCTER GAMBLE	18,000	312,456.64			18,000	312,456.64
731	0	2	2012	7	17	PVH CORP	5,000	370,614.45			5,000	370,614.45
731	0	3	2009	10	20	QUALITY SYSTEMS	5,000	36,690.60			5,000	36,690.60
731	0	3	2010	9	7	REINSURANCE GROUP OF AMER	5,000	230,659.06			5,000	230,659.06
731	0	2	2009	11	17	REPUBLIC SERVICES	5,000	136,304.01			5,000	136,304.01
731	0	7				RESMED	5,000	157,157.54			5,000	157,157.54
731	0	1	2010	4	30	RIO TINTO	10,000	429,598.42			10,000	429,598.42
731	0	8	2005	8	29	ROPER INDUSTRIES	4,000	60,440.25			4,000	60,440.25
731	0	2	2005	8	29	ROPER INDUSTRIES	10,000	377,012.04			10,000	377,012.04
731	0	3	2005	8	29	ROPER INDUSTRIES	4,000	103,723.56			4,000	103,723.56
731	0	1	2008	12	15	SCANA CORP	5,000	174,228.40			5,000	174,228.40
731	0	2	2006	4	10	SCHLUMBERGER	4,000	145,097.56			4,000	145,097.56
731	0	3	2006	4	10	SCHLUMBERGER	20,000	272,023.00			20,000	272,023.00
731	0	8	2011	1	11	SHIRE	2,000	160,846.10			2,000	160,846.10
731	0	3	2010	12	15	SHIRE	5,000	351,945.37			5,000	351,945.37
731	0	1	1999	12	3	SIGMA ALDRICH	8,000	93,909.76			5,000	61,079.38
731	0	1	2010	9	14	SMUCKER J M	4,000	241,085.93			3,000	186,962.73
731	0	3	2011	7	13	SODASTREAM	5,000	359,589.59			5,000	359,589.59
731	0	1	2009	12	15	SOUTH JERSEY IND.	5,000	187,934.87			5,000	187,934.87
731	0	4	1986	6	26	SOUTHERN COMPANY	14,000	121,474.50			14,000	121,474.50
731	0	1	2010	6	15	SPECTRA ENERGY	5,200	104,737.84	(1,200.00)	(22,976.72)	4,000	81,761.12
731	0	2	2010	9	14	SPECTRA ENERGY	13,800	214,729.54			13,800	214,729.54
731	0	6	2010	12	13	SPECTRA ENERGY	1,602	42,065.24			1,602	42,065.24
731	0	8	2010	6	23	ST. JUDE MEDICAL	6,000	218,368.75			6,000	218,368.75
731	0	2	2009	10	20	ST. JUDE MEDICAL	5,000	167,454.45			5,000	167,454.45
731	0	2	2005	9	7	STAPLES	5,000	110,520.10			5,000	110,520.10
731	0	1	2012	5	10	STARBUCKS	5,000	278,067.04			4,000	222,453.63
731	0	4	2007	8	31	STRATASYS	10,000	730,100.00			10,000	730,100.00
731	0	8	2005	1	14	STRYKER	13,000	208,628.87			13,000	208,628.87
731	0	3	2004	5	17	STRYKER	17,000	85,655.21			17,000	85,655.21
731	0	2				SYNNEX	5,000	167,334.95			5,000	167,334.95
731	0	2	2010	7	15	SYNTEL INC.	5,000	166,942.02			5,000	166,942.02
731	0	2	2000	12	21	SYSCO	14,000	162,833.87			14,000	162,833.87

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	NAME	July 1, 2013		AUGUST		ENDING BALANCE	
							SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE
731	0	3	2002	1	15	SYSCO	6,000	120,296.69			6,000	120,296.69
731	0	3	2010	8	6	T ROWE PRICE GROUP	5,000	251,288.72			5,000	251,288.72
731	0	2	2011	9	20	TARGET	5,000	257,157.95			5,000	257,157.95
731	0	2	2009	9	15	TAIWAN SEMICONDUCTOR	5,000	55,263.45			5,000	55,263.45
731	0	3	2011	4	20	TESORO LOGISTICS	100	2,100.00			100	2,100.00
731	0	8	2010	6	18	TEVA PHARMACEUTICALS	12,000	351,091.28			12,000	351,091.28
731	0	1	2010	6	23	TEVA PHARMACEUTICALS	9,000	275,754.65			9,000	275,754.65
731	0	3	2004	7	2	TEVA PHARMACEUTICALS	2,000	68,320.60			2,000	68,320.60
731	0	3	2010	7	19	TEXTRON	8,000	68,285.97			8,000	68,285.97
731	0	1	2011	1	11	THORATEC CORP.	5,000	148,140.05			5,000	148,140.05
731	0	3	2008	4	14	TOTAL FINA ELF	5,000	396,646.85			5,000	396,646.85
731	0	8	2010	9	2	TRACTOR SUPPLY CO.	4,000	72,965.85			4,000	72,965.85
731	0	1	2010	9	2	TRACTOR SUPPLY CO.	4,000	81,375.30			3,000	61,031.47
731	0	3	2009	4	15	TRANSOCEAN LTD SWITZ	20,050	1,146,568.24			20,050	1,146,568.24
731	0	2	2007	7	2	TYCO INT'L	1,250	32,695.43			1,250	32,695.43
731	0	4	2007	7	6	TYCO INT'L	2,500	88,128.83			2,500	88,128.83
731	0	2	2009	5	19	UNION PACIFIC	5,000	232,104.24			5,000	232,104.24
731	0	3	2003	3	18	UNITED PARCEL SERVICE	5,000	273,490.10			5,000	273,490.10
731	0	3	2011	10	17	UNITED PARCEL SERVICE	5,000	345,017.28			5,000	345,017.28
731	0	2	2010	4	20	UNITED TECHNOLOGIES	10,000	342,512.00			10,000	342,512.00
731	0	3	2005	6	13	UNITED TECHNOLOGIES	7,000	229,598.61			7,000	229,598.61
731	0	2	2008	12	17	URBAN OUTFITTERS	5,000	77,065.25			5,000	77,065.25
731	0	8	2009	5	12	VARIAN MEDICAL SYSTEMS	3,000	105,221.36			3,000	105,221.36
731	0	3	2009	5	12	VARIAN MEDICAL SYSTEMS	5,000	176,963.75			5,000	176,963.75
731	0	3	2010	7	8	VERIZON COMMUNICATIONS	15,420	373,967.92			15,420	373,967.92
731	0	8	2011	1	11	VISA	5,000	386,135.40			5,000	386,135.40
731	0	3	2010	11	16	VISA	5,000	394,366.14			5,000	394,366.14
731	0	1	2011	11	20	VISA	3,000	282,770.30			3,000	282,770.30
731	0	1	2009	11	17	WALGREEN	5,000	196,513.07			4,000	157,210.46
731	0	3	2004	5	17	WALGREEN	10,000	339,582.10			10,000	339,582.10
731	0	2	2010	4	20	WAL-MART STORES	10,000	538,761.04			10,000	538,761.04
731	0	2	1999	11	16	WASTE MANAGEMENT	10,000	162,506.96			10,000	162,506.96
731	0	3	2010	10	13	WATERS CORP	5,000	355,229.13			5,000	355,229.13
731	0	3	2011	10	17	WATERS CORP	5,000	383,988.78			5,000	383,988.78
731	0	1	2010	4	20	WATSCO	5,000	306,014.09	(1,000.00)	(61,202.82)	4,000	244,811.27
731	0	2	2010	10	19	WEATHERFORD INT'L	5,000	97,405.56			5,000	97,405.56
731	0	1	2010	5	17	WELLS FARGO	5,000	54,576.32			5,000	54,576.32
731	0	4	2010	2	8	XEROX	10,000	84,750.00			10,000	84,750.00
731	0	1	2007	6	28	YUM BRANDS	24,800	511,792.84			24,800	511,792.84
<b>TOTALS</b>							<b>1,826,171</b>	<b>63,279,256.33</b>	<b>(3,200)</b>	<b>(147,701)</b>	<b>1,802,921</b>	<b>62,601,265.50</b>

**CITY OF TROY MICHIGAN**  
**EMPLOYEE RETIREMENT SYSTEM**  
**PREFERRED STOCK**  
**ACCT# 1120.145**  
**August 31, 2013**

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	NAME	JULY 1, 2012 BALANCE		AUGUST		ENDING BALANCE	
							SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE
731	1	1	2003	7	10	GENERAL MOTORS PFD ESCROW	20,000	496,763.00			20,000	496,763.00
731	1	3	2012	2	29	HEALTH CARE REIT, INC. PFD 6.5%	5,000	125,000.00			5,000	125,000.00
731	1	3	2012	4	19	PNC FINANCIAL SVCS, 6.125%	5,000	125,000.00			5,000	125,000.00
731	1	3	2012	4	29	U.S. BANCORP 6.0%	5,000	125,000.00			5,000	125,000.00
<b>TOTALS</b>							<b>35,000</b>	<b>871,763.00</b>	<b>-</b>	<b>-</b>	<b>35,000</b>	<b>871,763.00</b>

CITY OF TROY MICHIGAN  
 EMPLOYEE RETIREMENT SYSTEM  
 MUTUAL FUNDS  
 ACCT# 1120.140  
 August 31, 2019

FUND	TYPE	LOC	LAST PUR DATE	MUTUAL NAME	Beginning as of July 1, 2013				LAST PRICE PER SHARE	AUGUST CASH	AUGUST REINVEST	TOTAL SHARES	TOTAL CASH INVESTED	TOTAL INCOME INVESTED	TOTAL INVESTMENT	Market	Class	
					SHARES	CASH INVESTED	INCOME REINVESTED	TOTAL										
731	0	1	11/21/12	ALLIANCE BERNSTEIN HIGH INCOME	166,262	1,500,005.25	51,256.01	1,551,261.26	9.32	914.24		168,042	1,500,005.25	68,006.64	1,568,011.89	1,564,416.92	F	
731	0	1	11/17/10	AMER. FUNDS CAPITAL WORLD	20,318	670,980.25	53,726.65	724,707.11	35.32			20,318	670,980.25	724,707.11	806,925.46	806,925.46	E	
731	0	4	12/29/09	AMERICAN EURO PACIFIC GROWTH	73,734	1,638,689.04	1,311,169.70	2,949,858.74	38.42			73,734	1,638,689.04	1,311,169.70	2,949,858.74	3,099,754.99	E	
731	0	1	11/21/12	BLACKROCK HIGH YIELD BOND A	196,694	1,500,005.25	53,844.88	1,553,850.13	7.89	1,004.69		198,731	1,500,005.25	70,253.77	1,570,259.02	1,569,615.19	F	
731	0	3	12/11/09	BLACKROCK ALL CAP GLOBAL	47,707	1,000,000.00	70,145.38	1,070,145.38	12.47			47,707	1,000,000.00	70,145.38	1,070,145.38	629,208.52	E	
731	0	4	07/02/10	COHEN & STEERS INT'L REIT	100,394	1,000,005.28	384,653.19	1,384,656.47	9.14			101,629	1,000,003.28	398,105.99	1,398,109.27	1,099,291.00	E	
731	0	6	9/30/11	COLUMBIA LARGE CORE [AMERIPRISE]	287,099	190,900.00	1,869,120.73	2,060,020.73	5.58			287,099	190,900.00	1,869,120.73	2,060,020.73	2,098,689.28	E	
731	0	4	11/01/10	DREYFUS PREMIER INTERM TERM FUND	200,341	1,999,990.15	480,351.90	2,480,342.05	13.35	399.57		201,096	1,999,990.15	490,610.72	2,490,600.87	2,720,618.76	F	
731	0	1&4	04/18/11	EATON VANCE FLOATING RATE FUND	174,456	1,500,010.50	141,465.66	1,641,476.16	37.71	538.438		175,527	1,500,010.50	151,629.60	1,651,640.10	1,648,621.43	F	
731	0	6	12/10/10	FIDELITY EQUITY INCOME	5,423	30,597.32	184,986.16	215,583.48	43.56			5,423	30,597.32	184,986.16	215,583.48	290,327.72	E	
731	0	4	08/13/09	ING - GLOBAL OPPURTUNITIES	39,412	399,994.76	114,014.37	514,009.13	12.34			39,412	399,994.76	114,014.37	514,009.13	577,785.71	E	
731	0	4	01/04/10	ING INTERNATIONAL VALUE	107,508	538,854.51	910,231.20	1,444,085.71	12.46			109,631	539,854.51	933,743.27	1,467,597.78	1,181,516.51	E	
731	0	1	12/15/09	INVESCO EUROPEAN GROWTH FUND	26,424	761,276.65	249,642.64	1,010,920.29	27.31			26,424	761,276.65	249,643.64	1,010,920.29	923,769.86	E	
731	0	4	11/29/09	JENNISON NATURAL RESOURCES	24,998	1,000,005.25	32,411.62	1,032,416.87	44.02			24,998	1,000,005.25	32,411.62	1,032,416.87	1,088,424.06	BC	
731	0	4	12/18/09	JOHN HANCOCK INT'L CORE FUND	57,731	1,724,944.81	446,702.99	2,173,647.47	27.05			57,731	1,724,944.88	448,702.59	2,173,647.47	1,689,799.48	E	
731	0	1	01/18/11	LORD ABBET FLOATING RATE FUND	579,277	5,000,015.75	351,096.12	5,351,111.87	9.30	2,124.00		577,612	5,000,015.75	439,212.35	5,439,228.10	5,417,465.51	F	
731	0	2	09/29/10	MAINSTAY CONVERTIBLE	84,784	1,000,000.00	237,110.90	1,237,110.90	14.66			84,784	1,000,000.00	237,110.90	1,237,110.90	1,729,171.22	O	
731	0	1	01/18/11	MFS DIVERSIFIED INCOME FUND	147,221	1,500,010.50	103,142.60	1,603,153.10	10.53	358.15		147,943	1,500,010.50	111,691.86	1,611,702.36	1,729,846.53	O	
731	0	1	11/01/10	PIMCO TOTAL RETURN	212,522	1,000,005.25	1,289,403.41	2,289,408.66	10.85	375.37		213,195	1,000,005.25	2,296,650.50	2,296,650.50	2,286,740.72	F	
731	0	1	01/12/11	PIMCO UNCONSTRAINED BOND FUND	189,378	2,000,000.00	110,889.60	2,110,889.60	11.14	44.93		189,474	2,000,000.00	111,968.34	2,111,968.34	2,138,077.98	F	
731	0	4	12/24/09	PUTNAM - INTERNATIONAL	125,158	2,100,009.28	1,247,629.72	3,347,639.00	18.24			125,158	2,100,009.28	1,247,629.72	3,347,639.00	2,535,681.50	E	
731	0	4	09/30/10	PUTNAM CONV. INCOME GROWTH	45,627	726,761.74	158,605.02	885,366.76	18.81			45,627	726,761.74	158,605.02	885,366.76	1,001,523.07	E	
731	0	6	12/16/10	RS LARGE CAP ALPHA FUND	5,792	35,000.00	167,731.77	202,731.77	41.87			5,792	35,000.00	167,731.77	202,731.77	300,524.98	E	
731	0	1	02/15/05	SELIGMAN COMM & INFO A	62,567	1,602,223.43	288,989.55	1,891,212.98	24.44			62,567	1,602,223.43	288,989.55	1,891,212.98	2,717,481.01	E	
731	0	6	12/29/10	SENTINEL - COMMON	10,003	40,000.00	271,415.52	311,415.52	31.01			10,003	40,000.00	271,415.52	311,415.52	387,709.30	E	
731	0	4	12/22/09	TEMPLETON FOREIGN FUND	400,766	1,123,977.00	2,333,585.03	3,457,562.03	6.37			400,766	1,123,977.00	2,333,585.03	3,457,562.03	2,849,446.01	E	
731	0	1	11/21/12	TEMPLETON GLOBAL TOTAL RETURN	116,270	1,500,005.25	73,596.87	1,573,602.12	13.53	378.74		117,016	1,500,005.25	86,472.24	1,586,477.49	1,510,582.52	F	
731	0	1	11/17/10	THORNBURG INT'L	37,426	1,000,005.25	26,773.80	1,026,779.05	27.45			37,426	1,000,005.25	26,773.80	1,026,779.05	1,029,819.60	E	
731	0	6	12/09/10	VANGUARD [WADDELL & REED]	26,931	30,000.00	181,436.43	211,436.43	8.05			26,931	30,000.00	181,436.43	211,436.43	255,845.60	E	
731	0	6	07/31/11	VALUE LINE PREMIER GROWTH	45,650	50,800.00	750,633.01	801,433.01	26.90			45,650	50,800.00	750,633.01	801,433.01	1,436,144.47	E	
731	0	4	06/14/10	WELLS FARGO ADVANTAGE	23,845	105,532.68	184,299.32	289,832.00	16.57			23,845	105,532.68	184,299.32	289,832.00	281,606.02	E	
<b>TOTALS</b>					<b>8,635,718</b>	<b>94,265,803.22</b>	<b>14,179,062.56</b>	<b>48,444,665.78</b>		<b>5,223.89</b>	<b>0.00</b>	<b>52,767.45</b>	<b>3,651,287.99</b>	<b>94,265,603.22</b>	<b>14,337,476.40</b>	<b>48,603,079.62</b>	<b>48,242,430.93</b>	
														<b>Cost</b>	<b>Market</b>			
														Equity	26,010,007.93	25,186,850.09		
														Fixed Income	18,711,841.56	18,896,139.03		
														Other	2,848,813.26	3,081,017.75		
														Commodities	1,032,416.87	1,088,424.06		
														<b>Total</b>	<b>48,603,079.62</b>	<b>48,242,430.93</b>		

CITY OF TROY MICHIGAN  
EMPLOYEE RETIREMENT SYSTEM  
CORPORATE BONDS  
ACCT# 1120.110  
August 31, 2013

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	PAR VALUE	NAME	RATE	MAT YR	MAT MO	MAT DAY	July 1, 2013 BOOK VALUE	AUGUST	TOTAL	
731	0	1	2002	11	21	297,000	AMERICAN TEL & TEL	9.455%	2022	11	15	293,625.00		293,625.00	
731	0	1	1992	5	14	600,000	ATLANTIC RICHFIELD	8.250%	2022	2	1	587,250.00		587,250.00	
731	0	1	2010	4	29	120,000	BANK OF AMER INTERNOTES	4.000%	2015	4	15	120,000.00		120,000.00	
731	0	1	2010	4	29	380,000	BANK OF AMER INTERNOTES	4.000%	2015	4	15	380,000.00		380,000.00	
731	0	1	2010	2	19	1,000,000	BANK OF AMER INTRNOTES	4.900%	2017	2	15	1,000,000.00		1,000,000.00	
731	0	2	2008	12	15	450,000	BELLSOUTH CORP.	5.200%	2014	9	15	417,024.00		417,024.00	
731	0	2	1986	3	20	300,000	COMPREHENSIVE CARE	7.500%	2010	4	15	117,000.00		117,000.00	
731	0	3	2009	6	17	10,000	DOMINION RESOURCES INC SER A	8.375%	2064	6	15	250,000.00		250,000.00	
731	0	3	2010	4	14	10,000	ENTERGY MISSISSIPPI	6.200%	2040	4	15	250,000.00		250,000.00	
731	0	3	2009	5	14	10,000	ENTERGY TEXAS	7.875%	2039	6	1	250,000.00		250,000.00	
731	0	1	1991	5	30	200,000	FORD HOLDINGS	9.375%	2020	3	1	195,375.00		195,375.00	
731	0	2	2008	5	20	500,000	GOLDMAN SACHS	4.750%	2013	7	15	496,724.08		0.00	
731	0	3	2010	10	26	10,000	GOLDMAN SACHS	6.125%	2060	11	1	250,000.00		250,000.00	
731	0	3	2012	4	2	5,000	HARTFORD FINL SVCS GRP	7.875%	2042	4	15	125,000.00		125,000.00	
731	0	2	2008	8	21	500,000	HOME DEPOT	5.250%	2013	12	16	483,400.00		483,400.00	
731	0	2	2008	8	21	250,000	INTERNATIONAL PAPER	5.500%	2014	1	15	240,377.50		240,377.50	
731	0	3	2009	3	19	10,000	NEXTERA ENERGY CAPITAL	8.750%	2069	3	1	250,000.00		250,000.00	
731	0	3	2012	3	20	10,000	NEXTERA ENERGY CAPITAL	5.700%	2072	3	1	250,000.00		250,000.00	
731	0	1	2005	11	17	500,000	PRUDENTIAL FINANCE NOTES	6.700%	2015	11	10	500,000.00		500,000.00	
731	0	3	2012	3	22	7,500	QWEST CORP	7.000%	2052	4	1	187,500.00		187,500.00	
731	0	3	2012	2	12	30,000	RAYMOND JAMES	6.900%	2042	3	15	30,000.00		30,000.00	
												<b>0.00</b>		<b>0.00</b>	
<b>TOTALS</b>						<u>5,199,500</u>							<u>6,673,275.58</u>	-	<u>6,176,551.50</u>

CITY OF TROY MICHIGAN  
 EMPLOYEE RETIREMENT SYSTEM  
 GOVERNMENTAL SECURITIES  
 ACCT# 1120.125  
 August 31, 2013

Beginning as of July 1, 2013

FUND	TYPE	LOC	NAME	TYPE	TOTAL INVESTED	BUY	AUGUST SELL	ROP/Redeem	TOTAL BUYS	TOTAL SALES	TOTAL ROP/Redeem	TOTAL INVESTMENT
731	0	1	UBS-Grant	Federal	1,399,806.74				500,004.14	-	(1,399,806.74)	500,004.14
			1 UBS-Grant	Municipal								
731	0	3	Morgan Stanely	Federal	5,499,592.55		(3,000.00)	(135,693.12)	-	(3,000.00)	(281,001.52)	5,215,591.03
731	0	3	Morgan Stanely	Municipal	527,179.90		-	(92.22)	-	-	(50,184.45)	476,995.45
<b>TOTAL</b>					<b>7,426,579.19</b>	<b>-</b>	<b>(3,000.00)</b>	<b>(135,785.34)</b>	<b>500,004.14</b>	<b>(3,000.00)</b>	<b>(1,730,992.71)</b>	<b>6,192,590.62</b>

317,235.28

<b>Location</b>	<b>Broker</b>
1	Grant - UBS
2	Fidelity
3	Morgan Stanely
4	Jones - UBS
6	City of Troy
7	Wells Fargo
8	Grant - UBS-NAIC

317235.3



# FIDUCIARY GUIDE

## Guidelines for Retirement Plan Sponsors

Part of your role as a retirement plan sponsor is to act as a fiduciary for your plan. A fiduciary takes responsibility for making discretionary decisions about plan administration and management, for the exclusive benefit of participants and their beneficiaries. Responsibilities of a fiduciary can include choosing investment options and plan features, monitoring the plan on an ongoing basis, making changes to the plan as needed, and helping employees enroll and get information they need to effectively manage their accounts.

ICMA-RC has prepared this Fiduciary Guide to help you learn more about your role as a fiduciary and suggested practices to help you fulfill your obligations.

### Plan Sponsors Are Fiduciaries

- Fiduciaries are responsible for making sure a retirement plan operates for the exclusive benefit of participants and beneficiaries.
- When you make discretionary decisions about plan administration or management of plan assets, you are acting in a fiduciary capacity.
- An exception is when you make the decision to create or terminate a retirement plan.
- Though governmental plans are not subject to ERISA, ERISA provides a model for understanding the role and responsibilities of a plan fiduciary. Also, many states have adopted ERISA-like standards.
- A fiduciary is not just the person or group named in the plan documents.
- Anytime a person or group makes a discretionary decision that impacts plan administration or plan asset management, they assume fiduciary responsibility. This includes:
  - Changes in the plan investment lineup.
  - Decisions about the provisions, such as provisions relating to participation or eligibility for benefits.
- Inaction can implicate fiduciary responsibility as well, for example:
  - Failing to monitor plan investment options, such that one or more options is no longer appropriate or prudent for the plan.

### Examples of the Decisions and Actions of Fiduciaries

- Designing the plan lineup or selecting specific investment options
- Monitoring plan investment options
- Adopting new plan provisions
- Changing the plan documents
- Advising individuals about the application of plan terms
- Determining that a person is eligible to participate in the plan or to receive benefits
- Providing investment advice

### Good Practices for Fiduciaries

- Review and familiarize yourself with all plan documents and update as necessary.
- Provide support and guidance to everyone who is a fiduciary for your plan:

- Identify each person or group that may perform a fiduciary function.
- Establish policies and procedures.
- Make sure all the individuals identified know and understand the policies and procedures.
- Evaluate relationships with plan service providers.
- Review plan investment lineup at least annually and monitor investment options on an ongoing basis. Here's why:
  - Asset allocation is critical to long-term (retirement) investing
  - Plan participants should have access to a broad range of investment alternatives.
- Choose from at least 3 investment options, each of which:
  - Is diversified;
  - Has materially different risk and return characteristics; and
  - Taken as a whole, enable the participant to choose among options to achieve an account portfolio with appropriate risk and return characteristics.
  - Allow participants to minimize risk through diversification.
- Factors to consider:
  - Does your lineup contain an appropriately broad range of investment options?
  - Are the options in each asset class representative of the asset class?
  - Is the plan lineup too complex?
- Monitor each of the investment options in your plan lineup regularly, and at least quarterly consider:
  - How are they performing relative to their benchmarks and peers?
  - Have they drifted from their stated objective?
  - Are the fees for each option consistent with or significantly higher than those of their peers?
  - Have there been significant changes in management/operations that may impact performance?
- Efforts to assist participants with investment decisions and asset allocation can include:
  - One-step investments such as target date, lifecycle and lifestyle funds;
  - Changing the plan default fund to these "qualified default investment alternatives;"
  - Greater access to investment advice (e.g., online advice and guidance); and
  - Comprehensive education online, in print, and in person.
- The Department Of Labor issued new ERISA regulations on October 24, 2007 and the following types of funds qualify for safe harbor relief from potential fiduciary liability when used as the plan default;
  - Life-cycle or target-date funds, or other products with an investment mix that takes into account a participant's age or retirement date;
  - Balanced funds, or other products with an investment mix that takes into account the characteristics of the group of employees as a whole; and
  - Managed accounts, or other products that allocate contributions among plan investment options taking into account the participant's age or retirement date.



*Vantagepoint Funds are distributed by ICMA-RC Services, LLC, a wholly owned broker-dealer subsidiary of ICMA-RC, member FINRA/SIPC.*

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City of Troy



City of  
Troy

ICMARC  
*Building Retirement Security*

*John McCann, Regional Vice President*  
*Timothy True, Director, Relationship Management*  
*Sandra Rouse-Thames, Retirement Plans Specialist*  
*Nancy Lange, Financial Planning Manager*

# 2012 Education Meetings

## *On-Site Education Statistics*

	<b>RPS</b>	<b>CFP®</b>
One on One Meetings	112	20
Presentations	8	6
Attendees	39	34
Total Days on Site	21	4

**Plan Service Report**  
CITY OF TROY  
For Period Ended December 31, 2012



4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

Handwritten numbers:  
17,560  
5,000  
23,000

# ICMA-RC's Platinum Commitment

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## *ICMA-RC's Mission and Values Statement*

**We help public employees build retirement security.**

We put clients first and serve them with excellence, integrity and leadership.

## *ICMA-RC's Service Commitment*

At ICMA-RC, we recognize that our success is based on the quality of our relationships with employers and retirement plan participants. We know that the trust employers and their participants have in us is not to be taken lightly. Our customer-focused relationships are built on providing exceptional education, in good times and in bad, along with investment, retirement and plan administration solutions. We seek to maximize this experience by providing the best possible service, quality and value to plan sponsors and their employees as they build retirement security. We call this commitment Platinum Services.

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4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

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**IMPORTANT NOTICE: Your plan does NOT invest directly in Vantagepoint or third party mutual funds. Section 401 or 457 plans invest in these “underlying” funds through the funds of the VantageTrust (“VT Funds”). An additional VantageTrust plan administration fee may be applied to the VT Funds and will reduce performance compared to that of the underlying funds shown in this report. Reference to such underlying mutual fund ticker symbols or other non-performance data by VT Funds is for reference only and NOT reflective of the returns of the corresponding VT Funds. Fund performance reduced by the additional VantageTrust plan administration fee is provided just prior to disclosures at the end of this section of the brochure.**

## I. Investment Due Diligence Review

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

*The performance data quoted represents past performance. Past performance is no guarantee of future results. Investment returns and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data illustrated. For performance data current to the most recent month end, contact ICMA-RC by calling 1-800-669-7400. Performance data current to the most recent quarter end is available by visiting [www.icmarc.org](http://www.icmarc.org). Please read the fund's prospectus carefully for a complete summary of all fees, expenses, financial highlights, investment objectives and strategies, risks and performance information. The prospectus contains this and other information about the investment company. Investing involves risk, including possible loss of the amount invested. Investors should carefully consider the information contained in the prospectus before investing. You can obtain a prospectus, statement of additional information and other information about the Vantagepoint Funds online at [www.icmarc.org/vpprospectus](http://www.icmarc.org/vpprospectus), by calling 800-669-7400 or emailing [investorservices@icmarc.org](mailto:investorservices@icmarc.org).*

*Investment statistics, including fund performance, does not include any administration fees assessed to the plan. The investment statistics and performance illustrated reflect financial information of the mutual funds that serve as the underlying investments of the associated VantageTrust Fund. Please read *Making Sound Investment Decisions, A Retirement Investment Guide* and the underlying mutual fund prospectus for further information.*

# Fourth Quarter 2012 Economic Review

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Economic Commentary

In the fourth quarter, U.S. news reports were dominated first by the presidential election and then by fears concerning the consequences of going over the fiscal cliff. Despite these worries, U.S. economic data showed signs of improvement in the quarter. Real GDP growth for the third quarter was reported at 3.1% on an annualized basis, up from 1.3% for the second quarter. Nonfarm payroll increased by 453,000 new jobs in the fourth quarter, a significant increase, but lower than the 505,000 new jobs created in the third quarter, and the unemployment rate ended the quarter at 7.8%, unchanged from the end of the third quarter. Both the ISM manufacturing and ISM nonmanufacturing indices ended the year above the neutral threshold of 50, which indicates some economic expansion has occurred. And home sales in November reached their highest level since 2010.

- The Federal Open Market Committee (FOMC) announced mid-December a change from its time-period based commitment to low interest rates to one dependent on economic conditions. The FOMC also announced it will purchase \$45 billion per month in Treasury securities, replacing Operation Twist that was scheduled to expire at the end of December.
- The estimate of real GDP growth for the third quarter was revised upward to 3.1% on an annualized basis, up from the prior estimate of 2.7% and up from 1.3% reported for the second quarter. The rise primarily reflected increases in both government spending and nonfarm inventory investment. Government spending grew 3.9%, the highest rate in three years. The increase in inventory accounted for more than a third of the overall growth and raised the question of whether the GDP growth rate will be sustainable.
- U.S. manufacturing conditions strengthened slightly in the fourth quarter with the ISM manufacturing index averaging 50.6 for the quarter versus 50.3 for the third quarter. The ISM nonmanufacturing index averaged 55.0 in the fourth quarter, above the third quarter average of 53.8. For both indices a reading above 50 percent generally indicates expansion; below 50 percent generally indicates contraction.
- The Case-Schiller Home Price Index of national home prices increased at an annualized rate of 4.5% in the third quarter, a decline from the 9.3% annualized rate increase in the second quarter. However, the price appreciation has become more geographically diverse with 83% of the 134 metro areas covered in the report posting quarter-to-quarter gains. On a year-over-year basis, the index was up 3.7%, the strongest rate of growth in more than six years. The index remains more than 30% below its 2006 peak.

# Fourth Quarter 2012 Economic Review

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Domestic Equity Markets

U.S. equity markets, as represented by the S&P 500 index, fell for the first half of the fourth quarter, then reversed course and recovered most of their losses to end the quarter with little change. However value stocks generally outperformed growth stocks by over 200 basis points in the quarter with value stocks rising while growth stocks fell.

- U.S. value stocks outperformed growth stocks in the fourth quarter. The Russell 1000 Value index rose 1.52%, while the Russell 1000 Growth index fell 1.32% in the quarter.
- Mid-cap stocks outperformed small- and large-cap stocks in the fourth quarter. the mid-cap S&P 400 index increased 3.61%, while the small-cap Russell 2000 index rose 1.85% and the Standard & Poor's 500 index, "S&P 500 index," ended the quarter down 0.38%.
- Five of the ten S&P 500 sectors rose in the fourth quarter, led by a 5.92% return in the Financials sector, and followed by a 3.70% return in the Industrials sector. The Telecommunication Services and Information Technology sectors were hardest hit with returns of -6.02% and -5.72% respectively.

## Morningstar Returns for Domestic Equity Funds-- 4th Quarter 2012\*

	Value	Blend	Growth
Large-Cap	0.98%	0.49%	-0.65%
Mid-Cap	3.35%	3.38%	1.18%
Small-Cap	3.75%	2.54%	-0.03%

## Morningstar Returns for Equity Funds--1 Year Ending 12/31/2012\*

	Value	Blend	Growth
Large-Cap	14.57%	14.96%	15.34%
Mid-Cap	16.60%	16.15%	14.07%
Small-Cap	16.00%	15.46%	13.15%

\*See disclosure at end of chapter

*Past performance is no guarantee of future results*

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# Fourth Quarter 2012 Economic Review

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Fixed Income Markets

In the fourth quarter, the Federal Open Market Committee (FOMC) announced a change in its process for adjusting monetary policy. Adjustments will be tied to economic conditions rather than the specified time periods previously employed. The FOMC anticipates maintaining low interest rates as long as the unemployment rate remains above 6.5% and inflation between one to two years ahead is projected by be no more than 2.5%. In addition the FOMC announced it will purchase \$45 billion per month in Treasury securities, replacing Operation Twist. With the promise of long-term low interest rates, investors continued to favor riskier, lower quality bonds.

- High yield bonds generally led the fixed income market in the fourth quarter as shown by the Barclays U.S. Corporate High Yield index, which returned 3.29%.
- Barclays U.S. Treasury Inflation-Protected Securities ("TIPS") index gained 0.69% in the fourth quarter. Inflation protected securities are influenced by inflation expectations as well as interest rate changes.
- The Barclays U.S. Aggregate Bond Index, a broad measure of the U.S. investment grade fixed income market, which includes Treasuries, returned 0.21% for the fourth quarter.
- Barclays U.S. Treasury Long Index lost 0.77% in the quarter, which reflected the slight rise in long-term interest rates.
- The yield on the 10-year Treasury note ended the fourth quarter at 1.76%, up 11 basis points from the 1.65% yield at the end of the third quarter.

## Morningstar Returns for Domestic Fixed Income Funds--1 Year Ending 12/31/2012\*

Category	Quarter	Year
Ultrashort Bond	0.20%	1.99%
Short Government Short-Term Bond	-0.10% 0.37%	1.06% 3.67%
Inflation-Protected Bond	0.62%	6.45%
Intermediate Government Intermediate-Term Bond	-0.17% 0.76%	2.80% 7.01%
Long Government Long-Term Bond	-1.16% 1.45%	3.87% 12.97%
High Yield Bond	3.07%	14.67%

*Past performance is no guarantee of future results*

\*See disclosure at end of chapter

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# Fourth Quarter 2012 Economic Review

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## International Equity Markets

International equity markets performed well in the fourth quarter in both developed and emerging markets, continuing the rally that began in the third quarter. Developed equity market performance was buoyed by the continuing commitment among European Union leaders to the preservation of the euro zone. The emerging market equity markets continued to perform well, but returns were dampened by slowed economic growth, which primarily reflected reduced exports to Europe. In Japan, a newly elected government began efforts to stimulate the Japanese economy through monetary easing and a weakening the yen.

- Developed international markets as measured by the MSCI EAFE NR index rose 6.57% in the fourth quarter, ahead of the emerging markets rise of 5.58% as measured by the MSCI EM NR index.
- Performance in the emerging markets, as represented by the MSCI NR country indexes, was led by China with a 12.87% return, followed by Brazil with a 3.47% increase, Russia with a 2.46% return and India with a 0.48% rise.
- Major European stock markets, as measured by the MSCI NR country indexes rose in the fourth quarter. Performance was led by France's 10.83% return, followed by Germany's return of 8.51% and a rise of 4.17% in the UK.
- The U.S. dollar declined 2.49% against the Euro and 0.59% against the U.K. Pound, but gained 11.02% against the Japanese Yen. The U.S. dollar index, which measures the dollar against a basket of currencies, weakened by 0.07% in the fourth quarter. A weaker U.S. dollar generally adds to returns for dollar-based investors holding non-U.S. dollar denominated securities.

*Past performance is no guarantee of future results*

## Morningstar Returns for International Equity Funds--1 Year Ending 12/31/2012\*

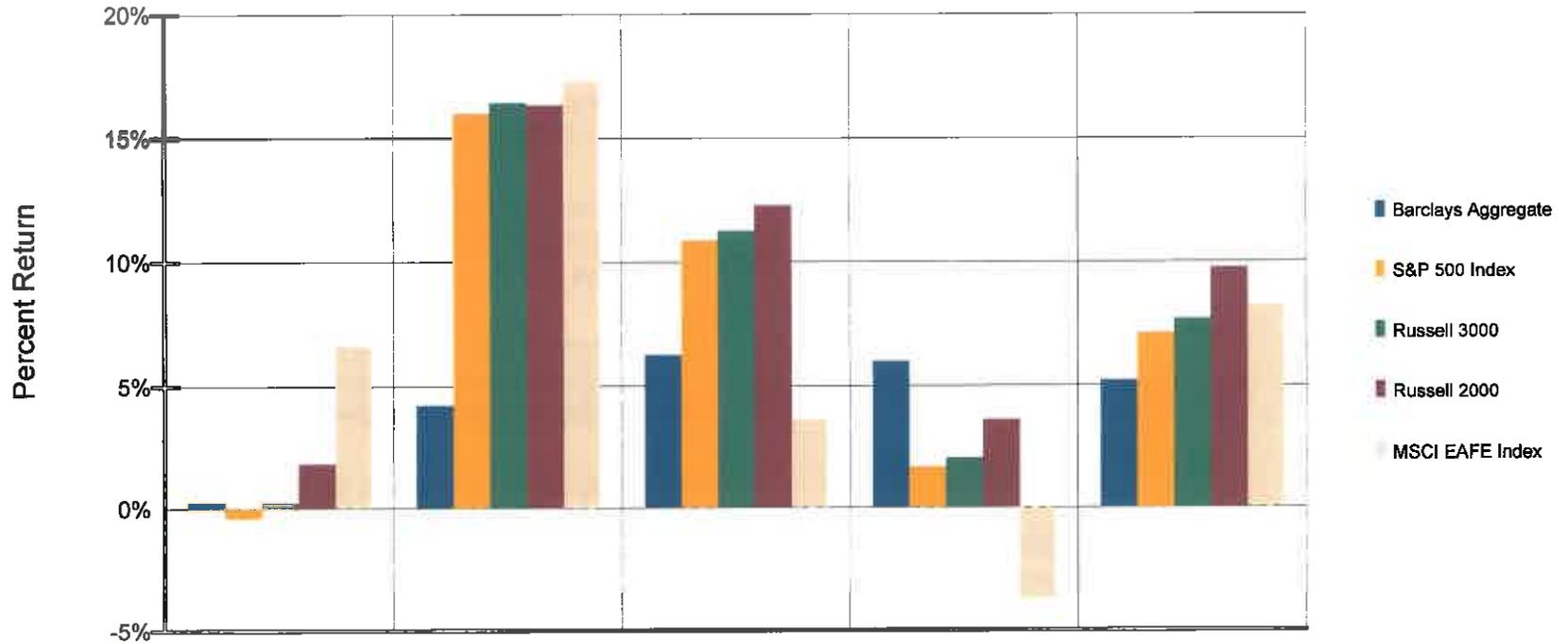
Category	Quarter	Year
Foreign Large Value	6.66%	16.21%
Foreign Large Blend	6.50%	18.29%
Foreign Large Growth	5.49%	17.70%
Foreign Small/Mid Value	6.13%	21.38%
Foreign Small/Mid Growth	4.68%	22.20%
Diversified Emerging Mkts	6.10%	18.15%
World Allocation	1.65%	10.74%

\*See disclosure at end of chapter

# Capital Markets Returns

4th Quarter 2012

Platinum Services Plan Service Report



	Q4 '12	1 Year	3 Years	5 Years	10 Years
Barclays Aggregate	0.21%	4.21%	6.19%	5.95%	5.18%
S&P 500 Index	-0.38%	16.00%	10.87%	1.66%	7.10%
Russell 3000	0.25%	16.42%	11.20%	2.04%	7.68%
Russell 2000	1.85%	16.35%	12.25%	3.56%	9.72%
MSCI EAFE Index	6.57%	17.32%	3.56%	-3.69%	8.21%

Periods greater than one year represent annualized performance.

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# 401 Fund Structure<sup>1,2</sup>

## Retirement Focused Investing – 401 Plans

		U.S. STOCK			TARGET-RISK/TARGET-DATE
		Value	Blend	Growth	15 funds in asset category. See Fund Summary pages for names of all funds in asset category.
Large  Mid  Small		VT Vantagepoint Equity Income VT Allianz NFJ Div Value VT Eaton Vance Large-Cap Value	VT Vantagepoint 500 Stk Idx VT Vantagepoint Brd Mkt Idx VT Vantagepoint Grwth & Income Am Funds Invmt Co of America VT Oppenheimer Main Street <i>(den)</i>	VT Vantagepoint Growth VT Fidelity Contrafund® VT Calvert Equity Portfolio Am Funds Growth Fund of Am R4 VT T Rowe Price® Growth Stock <sup>4</sup>	
		VT Vantagepoint Select Value <sup>18</sup> T Rowe Price® Mid-Cap Value <sup>4,18</sup> VT Gold Sachs Mid Cap Value <sup>19</sup> VT Columbia Mid Cap Value <sup>18</sup>	VT Vantagepoint Md/Sm Co Idx <sup>18</sup>	VT Vantagepoint Aggressive Ops <sup>18</sup> VT Royce Premier <sup>18</sup> VT Harbor Mid Cap Growth <sup>18</sup> VT Rainier Small/Mid Cap Eqty <sup>18</sup>	<b>GUARANTEED LIFETIME INCOME</b>  VT Retirement Income Advantage <sup>17</sup>
			VT Vantagepoint Discovery <sup>6</sup> Fidelity Advisor Small Cap T <sup>6</sup> VT T Rowe Price® Sm-Cap Value <sup>4,6</sup>	VT Royce Value Plus <sup>6</sup>	<b>BALANCED</b>  VT Fidelity Puritan®
		<b>STABLE VALUE/CASH MANAGEMENT</b>  VantageTrust PLUS Fund <sup>7</sup> VantageTrust Cash Management <sup>9</sup> Certificate of Deposit <sup>8</sup>	<b>BOND</b>  VT Vantagepoint Cor Bnd Idx <sup>10</sup> VT PIMCO Total Return <sup>10</sup> VT Vantagepoint Infl Prot Sec <sup>10</sup> VT PIMCO High Yield <sup>10</sup>	<b>INTERNATIONAL/GLOBAL STOCK</b>  American Funds Cap World G&I <sup>11</sup> VT Vantagepoint International <sup>11</sup> VT Vantagepoint Ovrseas Eq Idx <sup>11</sup> VT Fidelity Diversified Intl <sup>11</sup> VT Harbor International <sup>11</sup>	<b>SPECIALTY</b>  VT Nuveen Real Estate Secs <sup>13</sup>

All data on page is as of December 31, 2012

See disclosure at end of chapter. Performance shown above is of underlying funds, not VantageTrust Funds, and does not include any additional VantageTrust Plan Administration Fees. See performance prior to compliance disclosures for returns of VantageTrust Funds inclusive of all fees. Lists funds available for all 401 plans with more than five participants.

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# 457 Fund Structure<sup>1,2</sup>

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Retirement Focused Investing – 457 Plans

U.S. STOCK			TARGET-RISK/TARGET-DATE	
	Value	Blend	Growth	
Large	VT Vantagepoint Equity Income VT Allianz NFJ Div Value VT Eaton Vance Large-Cap Value	VT Vantagepoint 500 Stk Idx VT Vantagepoint Brd Mkt Idx VT Vantagepoint Grwth & Income Am Funds Invmt Co of America VT Oppenheimer Main Street	VT Vantagepoint Growth VT Fidelity Contrafund® VT Calvert Equity Portfolio Am Funds Growth Fund of Am R4 VT T Rowe Price® Growth Stock <sup>4</sup>	15 funds in asset category. See Fund Summary pages for names of all funds in asset category.
Mid	VT Vantagepoint Select Value <sup>18</sup> T Rowe Price® Mid-Cap Value <sup>4,18</sup> VT Gold Sachs Mid Cap Value <sup>18</sup> VT Columbia Mid Cap Value <sup>18</sup>	VT Vantagepoint Md/Sm Co Idx <sup>18</sup>	VT Vantagepoint Aggressive Ops <sup>18</sup> VT Royce Premier <sup>18</sup> VT Harbor Mid Cap Growth <sup>18</sup> VT Rainier Small/Mid Cap Eqty <sup>18</sup>	<b>GUARANTEED LIFETIME INCOME</b> VT Retirement IncomeAdvantage <sup>17</sup>
Small	--	VT Vantagepoint Discovery <sup>6</sup> Fidelity Advisor Small Cap T <sup>6</sup> VT T Rowe Price® Sm-Cap Value <sup>4,6</sup>	VT Royce Value Plus <sup>6</sup>	<b>BALANCED</b> VT Fidelity Puritan®
<b>STABLE VALUE/CASH MANAGEMENT</b>			<b>INTERNATIONAL/GLOBAL STOCK</b>	
VantageTrust PLUS Fund <sup>7</sup> VantageTrust Cash Management <sup>9</sup> Certificate of Deposit <sup>9</sup>			American Funds Cap World G&I <sup>11</sup> VT Vantagepoint International <sup>11</sup> VT Vantagepoint Overseas Eq Idx <sup>11</sup> VT Fidelity Diversified Intl <sup>11</sup> VT Harbor International <sup>11</sup>	
<b>BOND</b>			<b>SPECIALTY</b>	
VT Vantagepoint Cor Bnd Idx <sup>10</sup> VT PIMCO Total Return <sup>10</sup> VT Vantagepoint Infl Prot Sec <sup>10</sup> VT PIMCO High Yield <sup>10</sup>			VT Nuveen Real Estate Secs <sup>13</sup>	

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## Retirement Focused Investing – RHS Plans

		U.S. STOCK			TARGET-RISK/TARGET-DATE
		Value	Blend	Growth	15 funds in asset category. See Fund Summary pages for names of all funds in asset category.
Large		Vantagepoint Equity Income	Vantagepoint 500 Stock Index I Vantagepoint Broad Mkt Idx I Vantagepoint Growth & Income	Vantagepoint Growth	
		Vantagepoint Select Value <sup>18</sup>	Vantagepoint Mid/Sm Co Idx I <sup>18</sup>	Vantagepoint Aggressive Ops <sup>18</sup>	
Mid					
Small			Vantagepoint Discovery <sup>6</sup>	--	
		STABLE VALUE/CASH MANAGEMENT	BOND	INTERNATIONAL/GLOBAL STOCK	SPECIALTY
		Dreyfus Cash Management <sup>14</sup>	Vantagepoint Low Duration Bond <sup>10</sup> Vantagepoint Core Bond Idx I <sup>10</sup> Vantagepoint Inflatn Prot Sec <sup>10</sup>	Vantagepoint International <sup>11</sup> Vantagepoint Ovrseas Eq Ix I <sup>11</sup>	--

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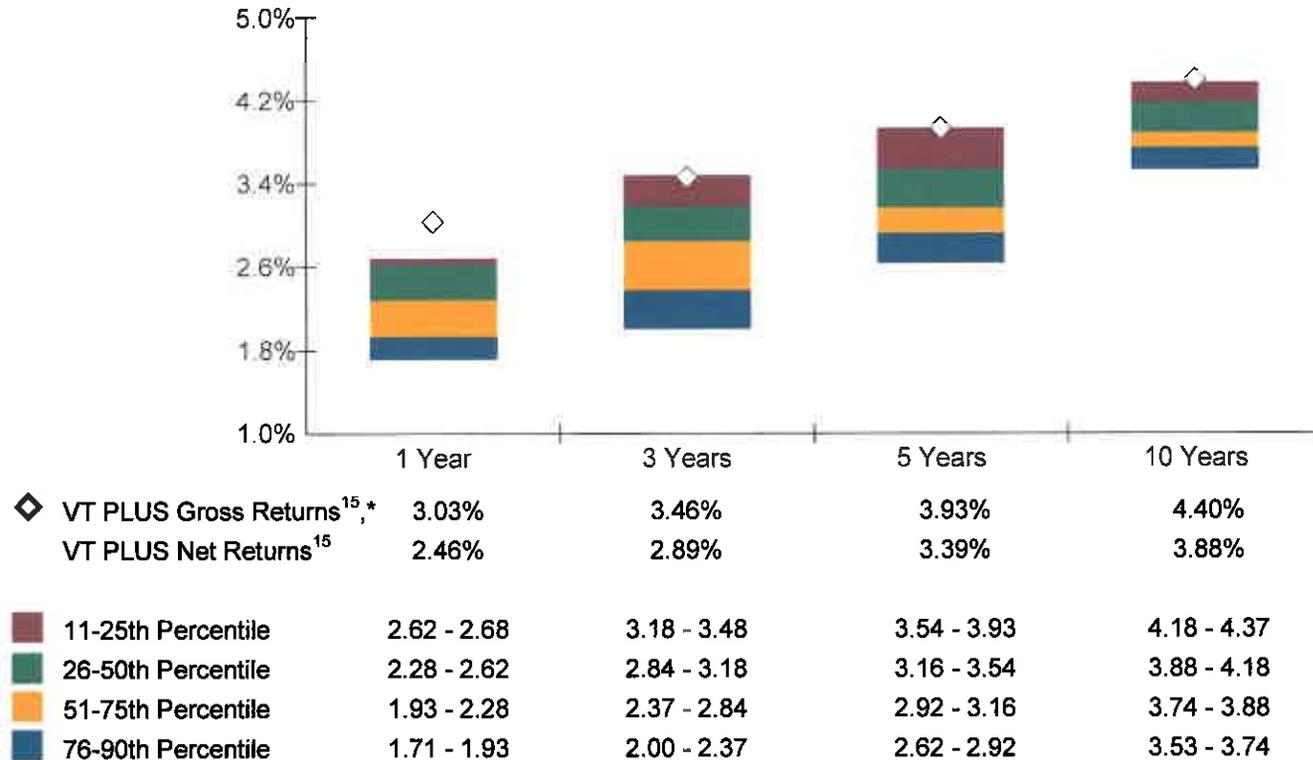
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# Hueler Stable Value Universe Profile<sup>16</sup>

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

*Universe: Hueler Stable Value<sup>16</sup> -- Gross Returns<sup>15</sup>  
Universe Percentiles As of December 31, 2012*

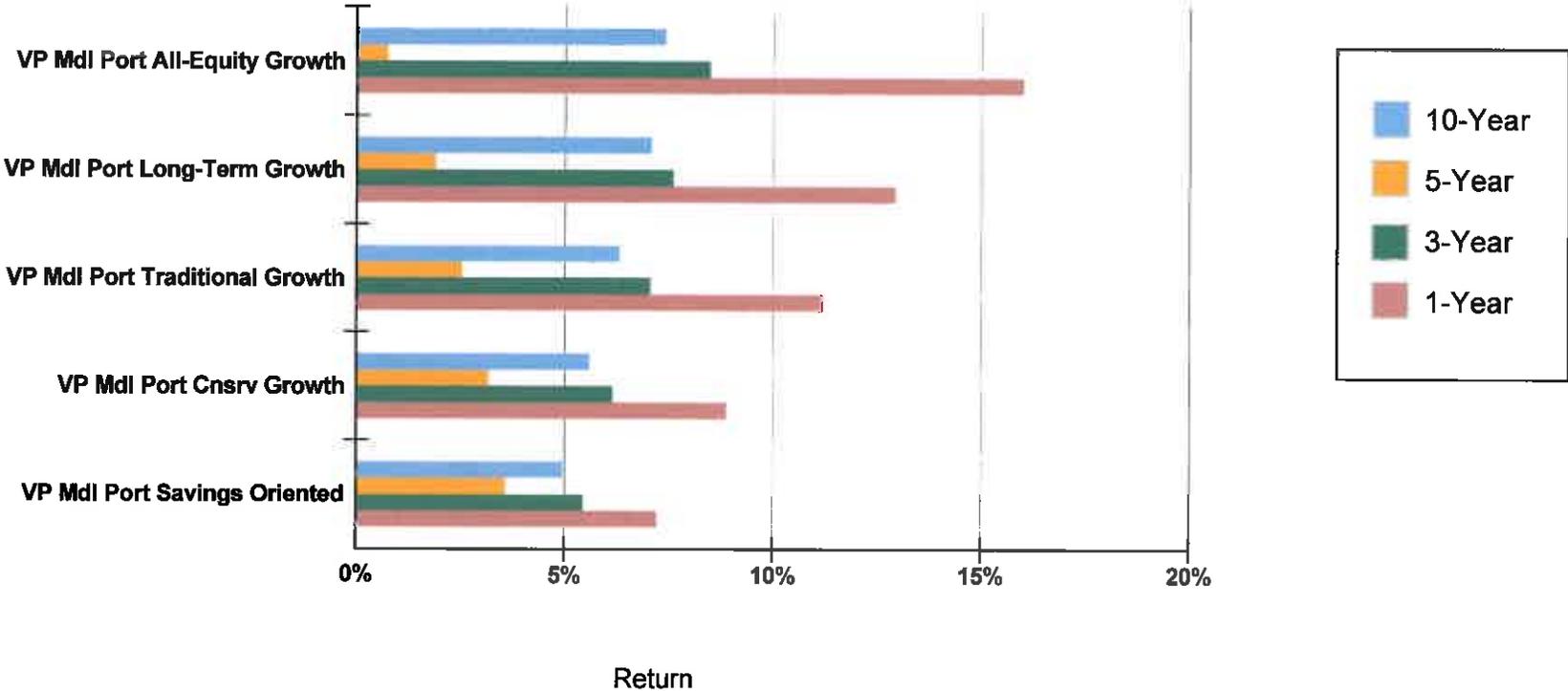


\*The VT PLUS Fund Gross Return is net of fixed income manager, wrap and custodial fees, and is reported in a manner consistent with stable value industry reporting practices. Total VT PLUS Fund fees were 0.81% of assets, as disclosed in the most recently published Retirement Investment Guide, and consist of: (1) ICMA-RC and affiliate fees/expenses of 0.56% of assets, which include record keeping fees; and (2) fixed income manager, wrap and custodial fees of 0.25% of assets. Fees are subject to change due to fixed income manager, wrap, allocation, or other changes. Periods greater than one year represent annualized performance and past performance is no guarantee of future results.

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# Vantagepoint Model Portfolio Funds<sup>1,13</sup>

## Performance Returns<sup>1</sup> as of 12/31/2012



Source: ICMA-RC. Past performance is no guarantee of future results. The performance data represents past performance. Investment returns and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data illustrated.

For performance data current to the most recent month end, contact ICMA-RC by calling 1-800-669-7400 or by writing to 777 North Capitol Street, NE, Washington, DC 20002-4240. Para asistencia en Español llame al 1-800-669-8216. Performance data current to the most recent quarter end is available by visiting [www.icmarc.org](http://www.icmarc.org).

**All data on page is as of December 31, 2012**

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# Vantagepoint Model Portfolio Funds<sup>1,13</sup>

Morningstar<sup>®2</sup> Three-, Five- and Ten-Year Rankings as of 12/31/2012

Vantagepoint Fund	VP MP Savings Oriented	VP MP Conservative Growth	VP MP Traditional Growth	VP MP Long-Term Growth	VP MP All-Equity Growth
Morningstar <sup>®2</sup> Category	Conservative Allocation	Conservative Allocation	Moderate Growth	Aggressive Allocation	Large Blend
1st quartile				◆22	◆23
2nd quartile				◆40	
<b>Median Return</b>			◆49		
3rd quartile	◆55	◆54	◆53	◆55	◆52
4th quartile	◆82	◆72	◆70		◆62

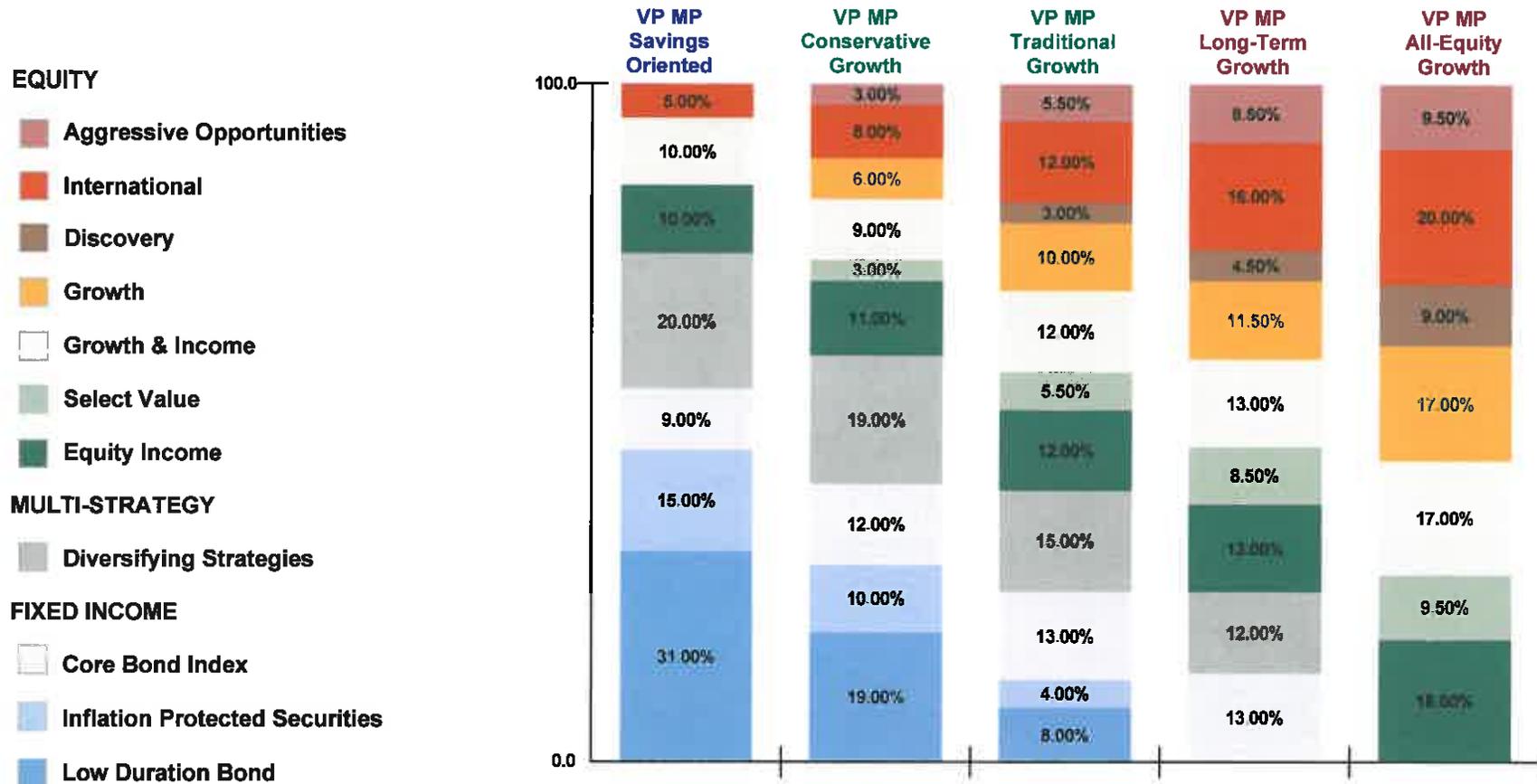
- ◆ 3-Year Rank
- ◆ 5-Year Rank
- ◆ 10-Year Rank

Number next to each diamond represents a percentile rank within the appropriate Morningstar style category universe of funds. The percentile ranking is based on Total Return relative to funds in the same Morningstar category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. With respect to the Conservative Allocation category, 584, 505 and 198 funds were ranked for the three-, five- and ten-year periods, respectively. With respect to the Moderate Allocation category, 810, 707 and 409 funds were ranked for the three-, five- and ten-year periods, respectively. With respect to the Aggressive Allocation category, 321, 296 and 124 funds were ranked for the three-, five- and ten-year periods, respectively. With respect to the Large Blend category, 1506, 1324 and 836 funds were ranked for the three-, five- and ten-year periods, respectively. Past performance is no guarantee of future results. Please be advised that with "Fund of Funds" arrangements such as the Vantagepoint Model Portfolio Funds, additional underlying fees may apply. Please read Making Sound Investment Decisions: A Retirement Investment Guide ("Guide") carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks. Investors should carefully consider this information before investing.

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# Vantagepoint Model Portfolio Funds<sup>1,13</sup>

Target Allocations as of 12/31/2012



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# Vantagepoint Milestone Funds<sup>1,5,13</sup>

Morningstar<sup>®,2</sup> Three- and Five-Year Rankings as of 12/31/2012

Vantagepoint Fund	VP Milestone Retire Income	VP Milestone 2010	VP Milestone 2015	VP Milestone 2020	VP Milestone 2025	VP Milestone 2030	VP Milestone 2035	VP Milestone 2040	VP Milestone 2045	VP Milestone 2050
Morningstar <sup>®,2</sup> Category	Retirement Income	Target Date 2000-2010	Target Date 2011-2015	Target Date 2016-2020	Target Date 2021-2025	Target Date 2026-2030	Target Date 2031-2035	Target Date 2036-2040	Target Date 2041-2045	Target Date 2046-2050
1st quartile								◆ 19	◆ 25	
2nd quartile	◆ 32	◆ 32	◆ 35		◆ 32	◆ 28	◆ 30	◆ 27	◆ 25	
Median Return				◆ 48		◆ 51				
3rd quartile		◆ 69	◆ 61		◆ 68					
4th quartile	◆ 83			◆ 73						

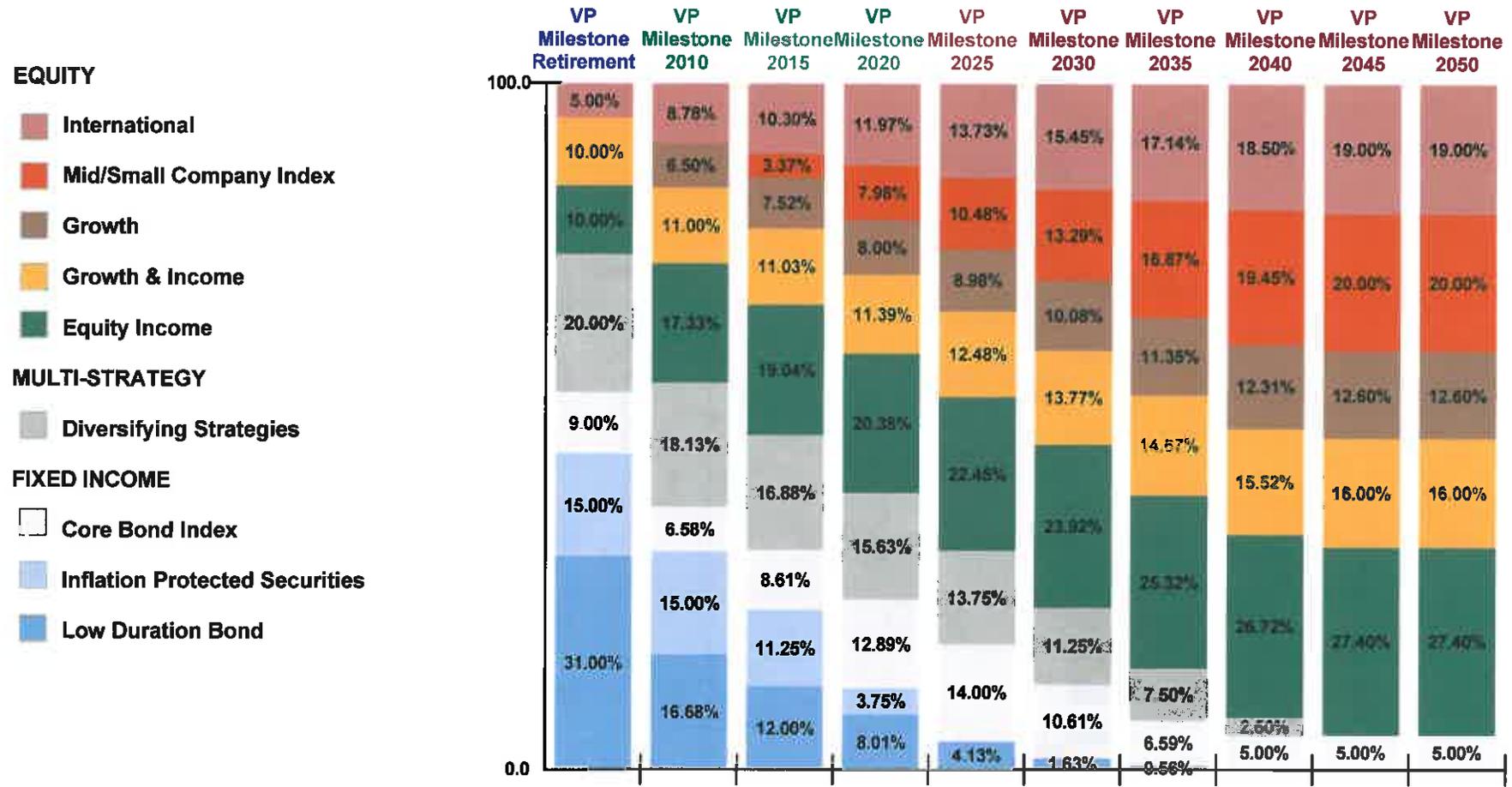
◆ 3-Year Rank  
◆ 5-Year Rank

Number next to each diamond represents a percentile rank within the appropriate Morningstar style category universe of funds. The percentile ranking is based on Total Return relative to funds in the same Morningstar category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. With respect to the Retirement Income category, 257 and 187 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2000-2010 category, 139 and 117 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2011-2015 category, 136 and 84 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2016-2020 category, 179 and 132 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2021-2025 category, 121 and 77 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2026-2030 category, 179 and 132 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2031-2035 category, 121 and 77 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2036-2040 category, 175 and 125 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2041-2045 category, 120 and 76 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2046-2050 category, 139 and 79 funds were ranked for the three- and five-year periods, respectively. Past performance is no guarantee of future results. Please be advised that with "Fund of Funds" arrangements such as the Vantagepoint Milestone Funds, additional underlying fees may apply. Please read Making Sound Investment Decisions: A Retirement Investment Guide ("Guide") carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks. Investors should carefully consider this information before investing.

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# Vantagepoint Milestone Funds<sup>1,5,13</sup>

Target Allocations as of 12/31/2012



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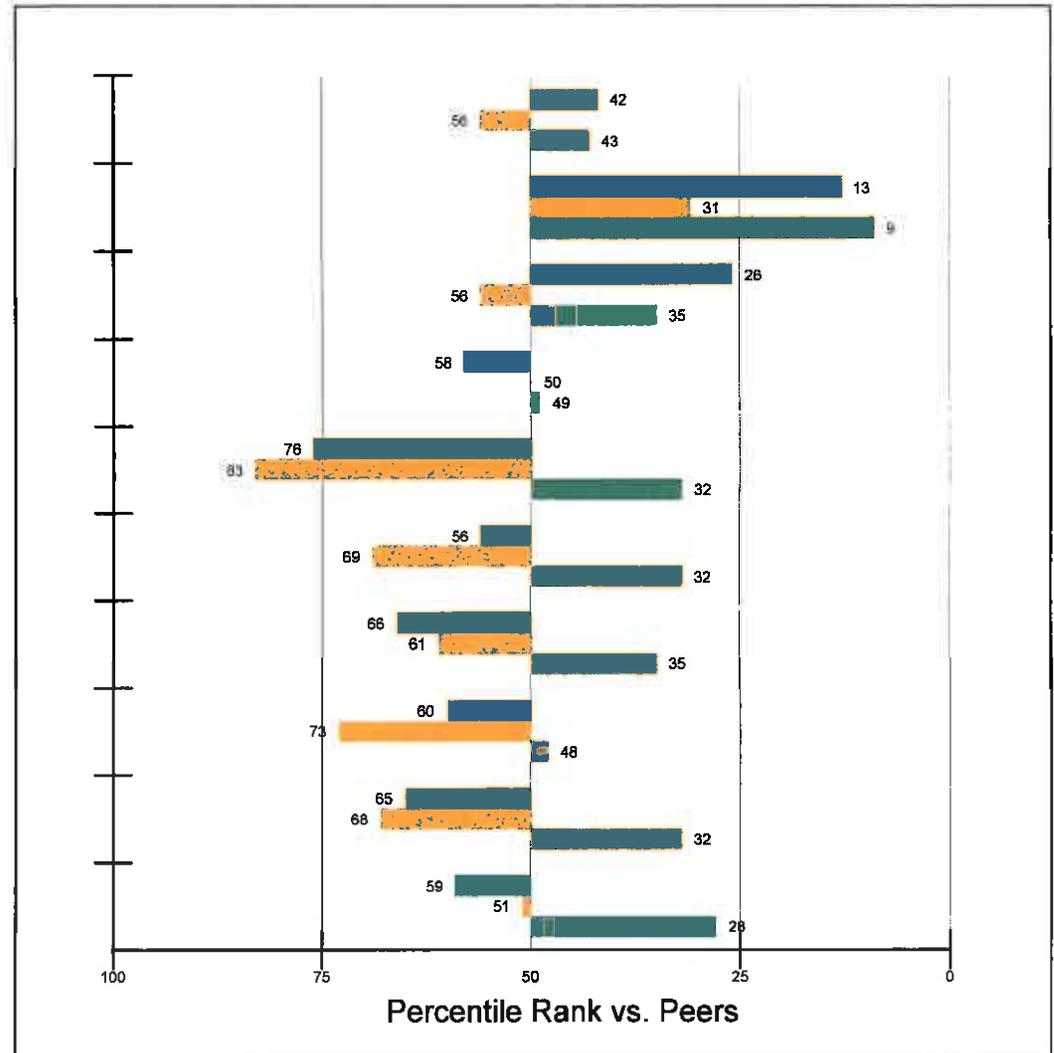
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# Fund Performance vs. Morningstar Peers<sup>1,2</sup>

Fund	Overall Morningstar Rating <sup>2</sup>	Asset Allocation (All Plans)	Participant Usage (All Plans)
Vantagepoint Low Duration Bond	☆☆☆	0.01%	0.06%
PIMCO Total Return	☆☆☆☆☆	4.08%	3.09%
Vantagepoint Infl Prot Sec	☆☆☆	1.18%	1.61%
PIMCO High Yield	☆☆☆	0.57%	1.17%
Vantagepoint MS Ret Inc	☆☆☆	0.05%	0.15%
Vantagepoint Milestone 2010	☆☆☆☆	0.70%	0.37%
Vantagepoint Milestone 2015	☆☆☆	1.47%	0.68%
Vantagepoint Milestone 2020	☆☆☆	1.59%	0.65%
Vantagepoint Milestone 2025	☆☆☆	1.12%	0.71%
Vantagepoint Milestone 2030	☆☆☆☆	0.78%	0.77%



■ 1 Year ■ 3 Year ■ 5 Year

**All data on page is as of December 31, 2012**

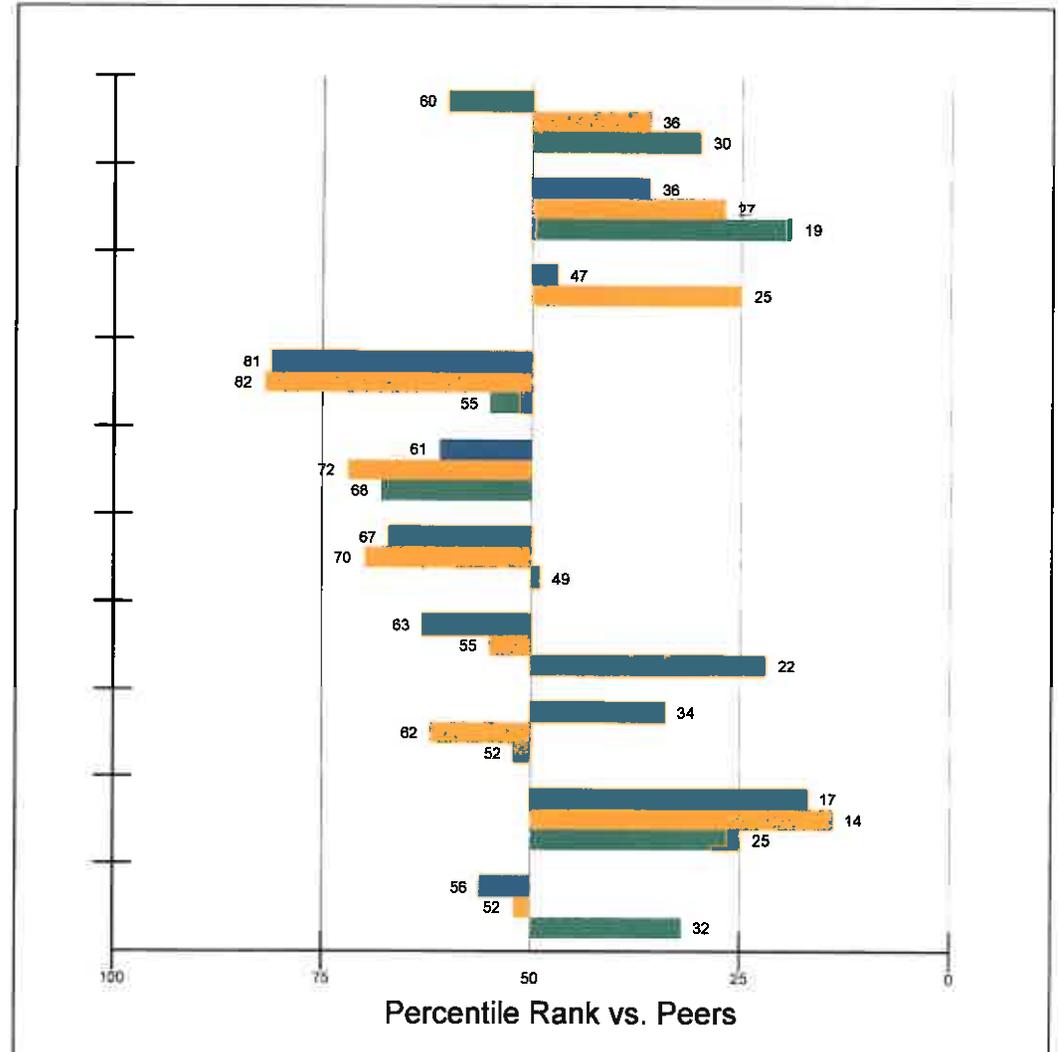
Page includes data for actively managed registered funds in plans with more than five participants as provided by Morningstar®. See disclosure at end of chapter. Performance shown above is of underlying funds, not VantageTrust Funds, and does not include any additional VantageTrust Plan Administration Fees. See performance prior to compliance disclosures for returns of VantageTrust Funds inclusive of all fees.

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# Fund Performance vs. Morningstar Peers<sup>1,2</sup>

Fund	Overall Morningstar Rating <sup>2</sup>	Asset Allocation (All Plans)	Participant Usage (All Plans)
Vantagepoint Milestone 2035	☆☆☆	0.59%	0.71%
Vantagepoint Milestone 2040	☆☆☆☆	0.14%	0.37%
Vantagepoint Milestone 2045	☆☆☆	0.05%	0.12%
Vantagepoint MP Svgs Ornted	☆☆☆	0.43%	0.43%
Vantagepoint MP Cons Growth	☆☆☆	2.24%	0.96%
Vantagepoint MP Trad Growth	☆☆☆	4.92%	2.60%
Vantagepoint MP Lng-Trm Gr	☆☆☆	7.71%	4.02%
Vantagepoint MP All-Eq Gr	☆☆☆	1.13%	0.99%
Fidelity Puritan®	☆☆☆☆	2.01%	2.94%
Vantagepoint Equity Income	☆☆☆☆	3.53%	4.36%

■ 1 Year ■ 3 Year ■ 5 Year



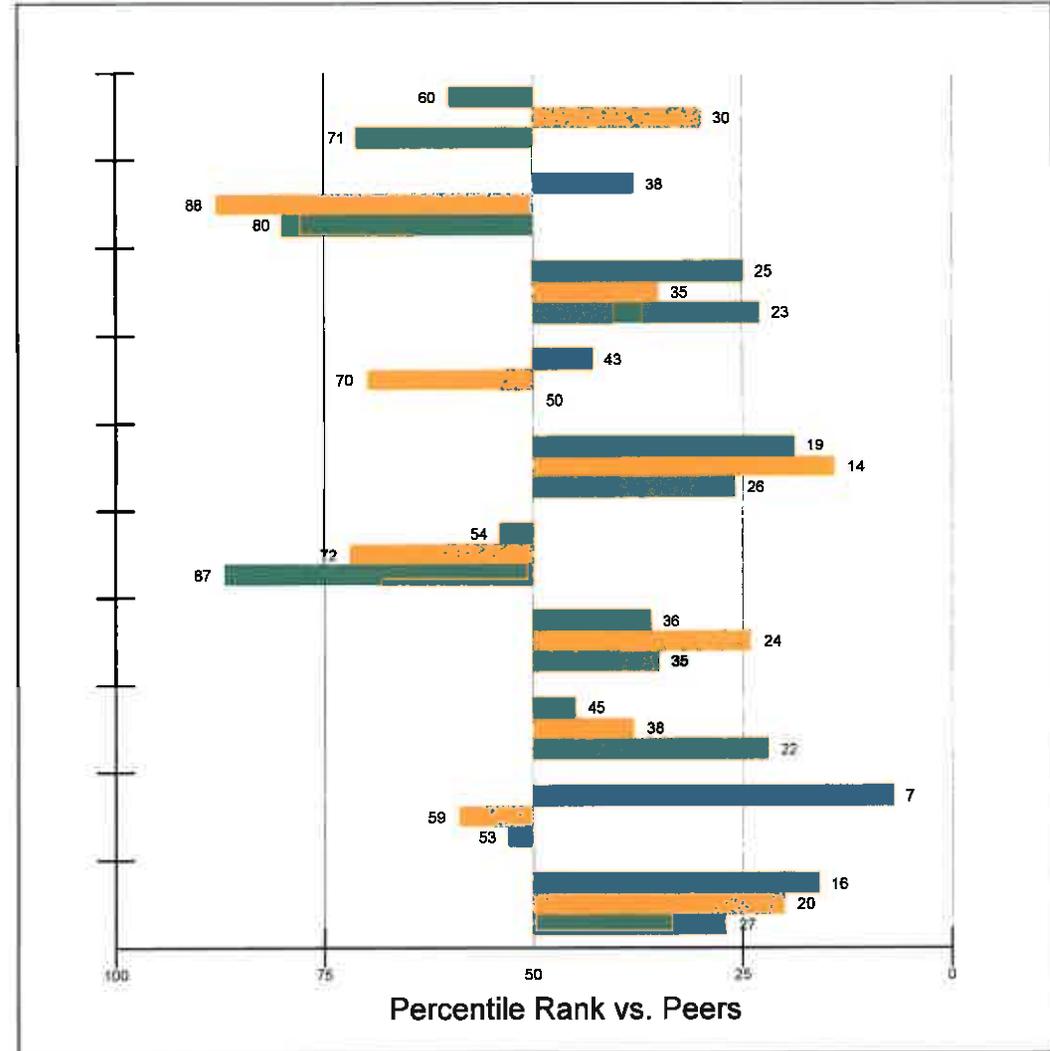
**All data on page is as of December 31, 2012**

Page includes data for actively managed registered funds in plans with more than five participants as provided by Morningstar®. See disclosure at end of chapter. Performance shown above is of underlying funds, not VantageTrust Funds, and does not include any additional VantageTrust Plan Administration Fees. See performance prior to compliance disclosures for returns of VantageTrust Funds inclusive of all fees.

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# Fund Performance vs. Morningstar Peers<sup>1,2</sup>

Fund	Overall Morningstar Rating <sup>2</sup>	Asset Allocation (All Plans)	Participant Usage (All Plans)
Allianz NFJ Div Value	☆☆☆	1.48%	3.31%
Eaton Vance Large-Cap Value	☆☆☆	0.45%	0.93%
Vantagepoint Grwth & Income	☆☆☆☆	1.55%	2.13%
Am Funds Invmt Co of America	☆☆☆	0.17%	0.77%
Oppenheimer Main Street	☆☆☆	0.55%	0.93%
Vantagepoint Growth	☆☆	2.93%	3.89%
Fidelity Contrafund®	☆☆☆☆	4.53%	5.22%
Calvert Equity Portfolio	☆☆☆	0.23%	0.25%
Am Funds Growth Fund of Am R4	☆☆☆☆	1.26%	1.92%
T Rowe Price® Growth Stock	☆☆☆☆	0.75%	1.61%



■ 1 Year ■ 3 Year ■ 5 Year

**All data on page is as of December 31, 2012**

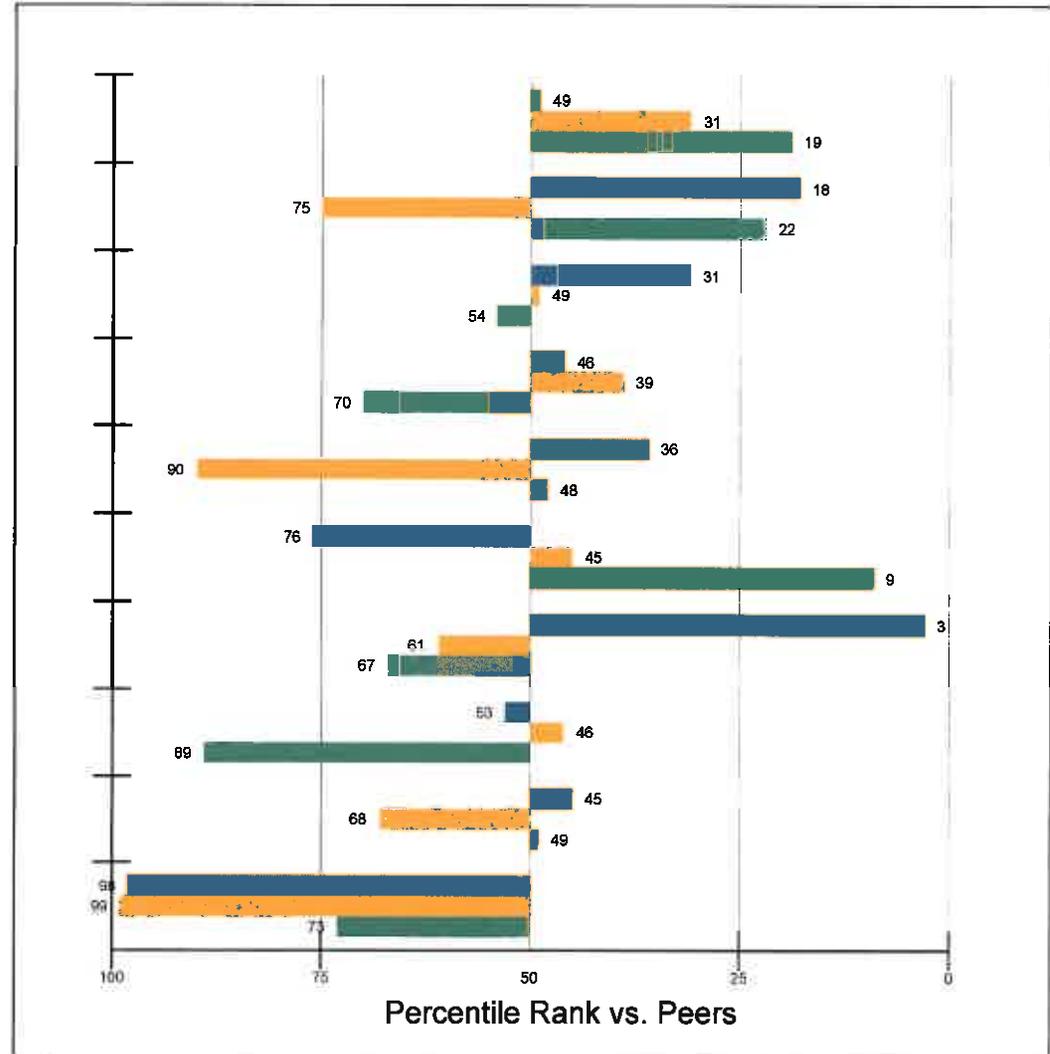
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For P Sponsor Use Only

# Fund Performance vs. Morningstar Peers<sup>1,2</sup>

Fund	Overall Morningstar Rating <sup>2</sup>	Asset Allocation (All Plans)	Participant Usage (All Plans)
Vantagepoint Select Value	★★★★	0.01%	0.06%
T Rowe Price® Mid-Cap Value	★★★★	1.01%	3.09%
Gold Sachs Mid Cap Value	★★★	0.12%	0.43%
Columbia Mid Cap Value	★★★	0.03%	0.65%
Vantagepoint Aggressive Ops	★★★	1.50%	2.72%
Royce Premier	★★★★	0.65%	1.08%
Harbor Mid Cap Growth	★★★	0.20%	0.43%
Rainier Small/Mid Cap Eqty	★★	0.89%	2.04%
Vantagepoint Discovery	★★★	0.07%	0.09%
Fidelity Advisor Small Cap T	★★★	0.12%	0.56%

■ 1 Year ■ 3 Year ■ 5 Year



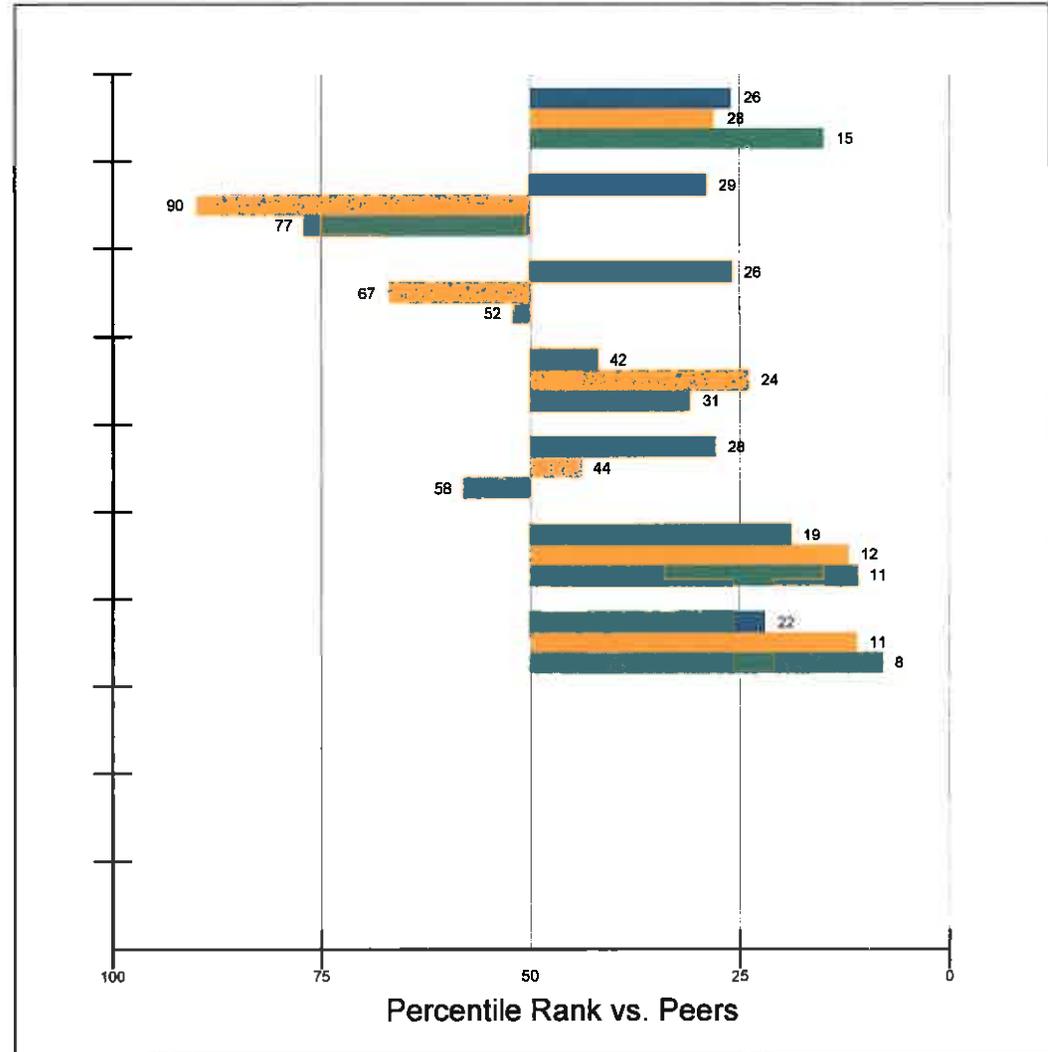
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For Plan Sponsor Use Only

# Fund Performance vs. Morningstar Peers<sup>1,2</sup>

Fund	Overall Morningstar Rating <sup>2</sup>	Asset Allocation (All Plans)	Participant Usage (All Plans)
T Rowe Price® Sm-Cap Value	★★★★	1.54%	3.86%
Royce Value Plus	★★★★	0.20%	0.49%
American Funds Cap World G&I	★★★★	2.12%	3.83%
Vantagepoint International	★★★★	1.07%	2.07%
Fidelity Diversified Intl	★★★	1.22%	2.53%
Harbor International	★★★★	0.36%	2.10%
Nuveen Real Estate Secs	★★★★★	1.10%	3.43%



■ 1 Year ■ 3 Year ■ 5 Year

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For Plan Sponsor Use Only

# Fund Focus List<sup>1,2</sup>

December 31, 2012

Criteria	Criterion Benchmark*	Vantagepoint Low Duration Bond	PIMCO Total Return	Vantagepoint Inflatn Prot Sec	PIMCO High Yield	Vantagepoint Milestone Ret Inc
<b>% of Assets</b>	--	0.01%	4.08%	1.18%	0.57%	0.05%
<b>% of Participants</b>	--	0.06%	3.09%	1.61%	1.17%	0.15%
<b>Overall Morningstar Star Rating<sup>2</sup></b>	3 or higher	3	5	3	3	3
<b>3-Year Morningstar Star Rating<sup>2</sup></b>	3 or higher	3	4	3	3	2
<b>3-Year Performance Pct. Rank in Category<sup>2</sup></b>	75 <sup>th</sup> percentile or better	56%	31%	56%	50%	83%
<b>1-Year Performance Pct. Rank in Category<sup>2</sup></b>	75 <sup>th</sup> percentile or better	42%	13%	26%	58%	76%
<b>3-Month Performance Pct. Rank in Category<sup>2</sup></b>	75 <sup>th</sup> percentile or better for 5 of last 8 quarters	8	7	7	7	7
<b>Manager Change</b>	None in last 12 months	No	No	No	No	No
<b>Morningstar Category Change</b>	None in last 12 months	No	No	No	No	No
<b>Metrics Met</b>	--	7 of 7	7 of 7	7 of 7	7 of 7	4 of 7

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For Plan Sponsor Use Only

# Fund Focus List<sup>1,2</sup>

December 31, 2012

Criteria	Criterion Benchmark*	Vantagepoint Milestone 2010	Vantagepoint Milestone 2015	Vantagepoint Milestone 2020	Vantagepoint Milestone 2025	Vantagepoint Milestone 2030
% of Assets	--	0.70%	1.47%	1.59%	1.12%	0.78%
% of Participants	--	0.37%	0.68%	0.65%	0.71%	0.77%
Overall Morningstar Star Rating <sup>2</sup>	3 or higher	4	3	3	3	4
3-Year Morningstar Star Rating <sup>2</sup>	3 or higher	3	2	2	2	3
3-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	69%	61%	73%	68%	51%
1-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	56%	66%	60%	65%	59%
3-Month Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better for 5 of last 8 quarters	8	7	7	8	8
Manager Change	None in last 12 months	No	No	No	No	No
Morningstar Category Change	None in last 12 months	No	No	No	No	No
Metrics Met	--	7 of 7	6 of 7	6 of 7	6 of 7	7 of 7

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For Plan Sponsor Use Only

# Fund Focus List<sup>1,2</sup>

December 31, 2012

Criteria	Criterion Benchmark*	Vantagepoint Milestone 2035	Vantagepoint Milestone 2040	Vantagepoint Milestone 2045	Vantagepoint MP Svngs Oriented	Vantagepoint MP Conserv Growth
% of Assets	--	0.59%	0.14%	0.05%	0.43%	2.24%
% of Participants	--	0.71%	0.37%	0.12%	0.43%	0.96%
Overall Morningstar Star Rating <sup>2</sup>	3 or higher	3	4	3	3	3
3-Year Morningstar Star Rating <sup>2</sup>	3 or higher	3	3	3	2	3
3-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	36%	27%	25%	82%	72%
1-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	60%	36%	47%	81%	61%
3-Month Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better for 5 of last 8 quarters	8	7	8	6	7
Manager Change	None in last 12 months	No	No	No	No	No
Morningstar Category Change	None in last 12 months	No	No	No	No	No
Metrics Met	--	7 of 7	7 of 7	7 of 7	4 of 7	7 of 7

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# Fund Focus List<sup>1,2</sup>

December 31, 2012

Criteria	Criterion Benchmark*	Vantagepoint MP Trad Growth	Vantagepoint MP Long-Term Gr	Vantagepoint MP All-Eqty Grwth	Fidelity Puritan®	Vantagepoint Equity Income
<b>% of Assets</b>	--	4.92%	7.71%	1.13%	2.01%	3.53%
<b>% of Participants</b>	--	2.60%	4.02%	0.99%	2.94%	4.36%
<b>Overall Morningstar Star Rating<sup>2</sup></b>	3 or higher	3	3	3	4	4
<b>3-Year Morningstar Star Rating<sup>2</sup></b>	3 or higher	3	3	3	4	3
<b>3-Year Performance Pct. Rank in Category<sup>2</sup></b>	75 <sup>th</sup> percentile or better	70%	55%	62%	14%	52%
<b>1-Year Performance Pct. Rank in Category<sup>2</sup></b>	75 <sup>th</sup> percentile or better	67%	63%	34%	17%	56%
<b>3-Month Performance Pct. Rank in Category<sup>2</sup></b>	75 <sup>th</sup> percentile or better for 5 of last 8 quarters	8	6	6	7	7
<b>Manager Change</b>	None in last 12 months	No	No	No	Yes	No
<b>Morningstar Category Change</b>	None in last 12 months	No	No	No	No	No
<b>Metrics Met</b>	--	7 of 7	7 of 7	7 of 7	6 of 7	7 of 7

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For Plan Sponsor Use Only

# Fund Focus List<sup>1,2</sup>

December 31, 2012

Criteria	Criterion Benchmark*	Allianz NFJ Div Value	Eaton Vance Large-Cap Value	Vantagepoint Growth & Income	Am Funds Invmt Co of America	Oppenheimer Main Street
% of Assets	--	1.48%	0.45%	1.55%	0.17%	0.55%
% of Participants	--	3.31%	0.93%	2.13%	0.77%	0.93%
Overall Morningstar Star Rating <sup>2</sup>	3 or higher	3	2	4	3	3
3-Year Morningstar Star Rating <sup>2</sup>	3 or higher	4	1	3	3	4
3-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	30%	88%	35%	70%	14%
1-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	60%	38%	25%	43%	19%
3-Month Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better for 5 of last 8 quarters	7	7	8	6	6
Manager Change	None in last 12 months	Yes	No	No	No	No
Morningstar Category Change	None in last 12 months	No	No	No	No	No
Metrics Met	--	6 of 7	4 of 7	7 of 7	7 of 7	7 of 7

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# Fund Focus List<sup>1,2</sup>

December 31, 2012

Criteria	Criterion Benchmark*	Vantagepoint Growth	Fidelity Contrafund®	Calvert Equity Portfolio	Am Funds Growth Fund of Am R4	T Rowe Price® Growth Stock
% of Assets	--	2.93%	4.53%	0.23%	1.26%	0.75%
% of Participants	--	3.89%	5.22%	0.25%	1.92%	1.61%
Overall Morningstar Star Rating <sup>2</sup>	3 or higher	2	4	3	4	4
3-Year Morningstar Star Rating <sup>2</sup>	3 or higher	3	4	3	3	4
3-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	72%	24%	38%	59%	20%
1-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	54%	36%	45%	7%	16%
3-Month Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better for 5 of last 8 quarters	6	8	7	8	8
Manager Change	None in last 12 months	Yes	No	No	No	No
Morningstar Category Change	None in last 12 months	No	No	No	No	No
Metrics Met	--	5 of 7	7 of 7	7 of 7	7 of 7	7 of 7

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# Fund Focus List<sup>1,2</sup>

December 31, 2012

Criteria	Criterion Benchmark*	Vantagepoint Select Value	T Rowe Price® Mid-Cap Value	Gold Sachs Mid Cap Value	Columbia Mid Cap Value	Vantagepoint Aggressive Ops
% of Assets	--	0.01%	1.01%	0.12%	0.03%	1.50%
% of Participants	--	0.06%	3.09%	0.43%	0.65%	2.72%
Overall Morningstar Star Rating <sup>2</sup>	3 or higher	4	4	3	3	3
3-Year Morningstar Star Rating <sup>2</sup>	3 or higher	4	3	2	3	2
3-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	31%	75%	49%	39%	90%
1-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	49%	18%	31%	46%	36%
3-Month Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better for 5 of last 8 quarters	8	5	6	8	5
Manager Change	None in last 12 months	No	No	No	No	Yes
Morningstar Category Change	None in last 12 months	No	No	No	No	No
Metrics Met	--	7 of 7	7 of 7	6 of 7	7 of 7	4 of 7

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# Fund Focus List<sup>1,2</sup>

December 31, 2012

Criteria	Criterion Benchmark*	Royce Premier	Harbor Mid Cap Growth	Rainier Small/Mid Cap Eqty	Vantagepoint Discovery	Fidelity Advisor Small Cap T
% of Assets	--	0.65%	0.20%	0.89%	0.07%	0.12%
% of Participants	--	1.08%	0.43%	2.04%	0.09%	0.56%
Overall Morningstar Star Rating <sup>2</sup>	3 or higher	4	3	2	3	3
3-Year Morningstar Star Rating <sup>2</sup>	3 or higher	3	3	3	3	1
3-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	45%	61%	46%	68%	99%
1-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	76%	3%	53%	45%	98%
3-Month Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better for 5 of last 8 quarters	4	6	6	6	4
Manager Change	None in last 12 months	No	No	No	No	No
Morningstar Category Change	None in last 12 months	No	No	No	No	No
Metrics Met	--	5 of 7	7 of 7	6 of 7	7 of 7	3 of 7

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# Fund Focus List<sup>1,2</sup>

December 31, 2012

Criteria	Criterion Benchmark*	T Rowe Price® Sm-Cap Value	Royce Value Plus	American Funds Cap World G&I	Vantagepoint International	Fidelity Diversified Intl
<b>% of Assets</b>	--	1.54%	0.20%	2.12%	1.07%	1.22%
<b>% of Participants</b>	--	3.86%	0.49%	3.83%	2.07%	2.53%
<b>Overall Morningstar Star Rating<sup>2</sup></b>	3 or higher	4	4	4	4	3
<b>3-Year Morningstar Star Rating<sup>2</sup></b>	3 or higher	4	2	3	4	3
<b>3-Year Performance Pct. Rank in Category<sup>2</sup></b>	75 <sup>th</sup> percentile or better	28%	90%	67%	24%	44%
<b>1-Year Performance Pct. Rank in Category<sup>2</sup></b>	75 <sup>th</sup> percentile or better	26%	29%	26%	42%	28%
<b>3-Month Performance Pct. Rank in Category<sup>2</sup></b>	75 <sup>th</sup> percentile or better for 5 of last 8 quarters	7	4	8	8	6
<b>Manager Change</b>	None in last 12 months	No	No	No	No	No
<b>Morningstar Category Change</b>	None in last 12 months	No	No	No	No	No
<b>Metrics Met</b>	--	7 of 7	4 of 7	7 of 7	7 of 7	7 of 7

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For Plan Sponsor Use Only

# Fund Focus List<sup>1,2</sup>

December 31, 2012

Criteria	Criterion Benchmark*	Harbor International	Nuveen Real Estate Secs
% of Assets	--	0.36%	1.10%
% of Participants	--	2.10%	3.43%
Overall Morningstar Star Rating <sup>2</sup>	3 or higher	4	5
3-Year Morningstar Star Rating <sup>2</sup>	3 or higher	4	4
3-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	12%	11%
1-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	19%	22%
3-Month Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better for 5 of last 8 quarters	6	8
Manager Change	None in last 12 months	No	No
Morningstar Category Change	None in last 12 months	No	No
Metrics Met	--	7 of 7	7 of 7

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For Plan Sponsor Use Only

## Fund Data

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

**IMPORTANT NOTICE: Your plan does NOT invest directly in Vantagepoint or third party mutual funds. Section 401 or 457 plans invest in these “underlying” funds through the funds of the VantageTrust (“VT Funds”). An additional VantageTrust plan administration fee may be applied to the VT Funds and will reduce performance compared to that of the underlying funds shown in this report. Reference to such underlying mutual fund ticker symbols or other non-performance data by VT Funds is for reference only and NOT reflective of the returns of the corresponding VT Funds. Fund performance reduced by the additional VantageTrust plan administration fee is provided just prior to disclosures at the end of this section of the brochure.**

# Fund Performance<sup>1,2</sup>

## Stable Value/Cash Management Funds

Investments in the fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. The 7-Day Yield more closely reflects the Fund's current earnings than the quotation of total return.

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>VantageTrust PLUS Fund<sup>7</sup></b> U.S. 91-Day T-Bill (Annualized)	--	--	--	--	<b>2.46</b> 0.11	<b>2.89</b> 0.11	<b>3.39</b> 0.52	<b>3.88</b> 1.78	<b>5.20</b>	<b>1/1/1991</b>
<b>Dreyfus Cash Management<sup>14</sup></b> U.S. 30-Day T-Bill Crane Prime Retail Money Market Fund Index	--	--	--	--	<b>0.00</b> 0.06 0.01	<b>0.00</b> 0.07 0.02	<b>0.54</b> 0.38 0.59	<b>1.61</b> 1.64 1.55	<b>2.63</b>	<b>11/21/1996</b>

The return of the Dreyfus Cash Management showed no change in value in the fourth quarter. The fund's average annual returns for the most recent one-year, 3-year and 5-year periods have been 0.00%, 0.00% and 0.54%, respectively. The 7-Day Current Yield was 0.01%.

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For Plan Sponsor Use Only

# Fund Performance<sup>1,2</sup>

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Bond Fund Returns

A rise/fall in the interest rates can have a significant impact on bond prices and the NAV (net asset value) of the fund. Funds that invest in bonds can lose their value as interest rates rise and an investor can lose principal.

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>Vantagepoint Low Duration Bond<sup>10</sup></b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3.97</b>	<b>2.89</b>	<b>3.48</b>	<b>3.50</b>	--	<b>12/4/2000</b>
BofA Merrill Lynch 1-3 Year US Corporate & Government Index					1.48	1.95	2.87	3.11		
Morningstar Short-Term Bond					3.67	3.21	3.30	3.20		
<b>Vantagepoint Core Bond Idx I<sup>10</sup></b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3.80</b>	<b>5.77</b>	<b>5.50</b>	<b>4.74</b>	--	<b>6/2/1997</b>
Barclays U.S. Aggregate Bond Index					4.21	6.19	5.95	5.18		
Morningstar Intermediate-Term Bond					7.01	6.96	6.07	5.11		
<b>PIMCO Total Return<sup>10</sup></b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>10.08</b>	<b>7.48</b>	<b>8.07</b>	<b>6.55</b>	<b>7.46</b>	<b>9/8/1994</b>
Barclays U.S. Aggregate Bond Index					4.21	6.19	5.95	5.18		
Morningstar Intermediate-Term Bond					7.01	6.96	6.07	5.11		
<b>Vantagepoint Inflatn Prot Sec<sup>10</sup></b>	<b>3</b>	<b>3</b>	<b>3</b>	--	<b>6.84</b>	<b>8.08</b>	<b>6.66</b>	<b>5.04</b>	--	<b>7/1/1992</b>
Barclays U.S. Treasury Inflation Protected Securities Index (Series-L)					6.98	8.90	7.04	6.65		
Morningstar Inflation-Protected Bond					6.45	7.96	6.01	6.09		
<b>PIMCO High Yield<sup>10</sup></b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>14.27</b>	<b>10.54</b>	<b>8.12</b>	<b>8.91</b>	<b>7.95</b>	<b>1/16/1995</b>
BofA Merrill Lynch US High Yield BB-B Rated Constrained Index					14.59	11.33	9.10	9.30		
Morningstar High Yield Bond					14.67	10.49	8.02	8.86		

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For Plan Sponsor Use Only

# Fund Performance<sup>1,2</sup>

## Bond Fund Returns

A rise/fall in the interest rates can have a significant impact on bond prices and the NAV (net asset value) of the fund. Funds that invest in bonds can lose their value as interest rates rise and an investor can lose principal.

Fund Name	Morningstar® Star Rating				1 Yr	3 Yr	5 Yr	10 Yr	Rtrn Since	Inception
	Overall	3 Year	5 Year	10 Year	Return	Return	Return	Return	Inception	Date

Of the plan's bond funds for the last 12 months, the best performances (absolute, not relative to peers) were PIMCO High Yield, 14.27%, and PIMCO Total Return, 10.08%. Vantagepoint Low Duration Bond, 3.97%, and Vantagepoint Core Bond Idx I, 3.98%, were the lower performing funds during the quarter.

One fund was in the top quartile of its peer group, one fund in the top third, one fund in the top half, one fund in the bottom half and one fund in the bottom quarter.

**All data on page is as of December 31, 2012**

See disclosure at end of chapter. Performance shown above is of underlying funds, not VantageTrust Funds, and does not include any additional VantageTrust Plan Administration Fees. See performance prior to compliance disclosures for returns of VantageTrust Funds inclusive of all fees.

For Plan Sponsor Use Only



# Fund Performance<sup>1,2</sup>

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Guaranteed Lifetime Income Fund Returns

The VantageTrust Retirement IncomeAdvantage Fund is offered through VantageTrust. The Fund invests in a group variable annuity issued by Prudential Retirement Insurance and Annuity Company (Prudential) CA COA # 08003, Hartford, CT. Guarantees are based on Prudential's claims-paying ability and are subject to certain limitations, terms, and conditions. This annuity is issued under Contract form # GA-2020-TGWB4-0805-RC. Variable annuities are suitable for long-term investing, particularly retirement savings. Prudential and the Rock logo are registered service marks of The Prudential Insurance Company of America, Newark, NJ and its affiliates. Note: This material must be accompanied or preceded by the VantageTrust Retirement IncomeAdvantage Fund Important Considerations document.

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
VT Retirement IncomeAdvantage <sup>17</sup>	--	--	--	--	9.55	--	--	--	8.03	8/23/2010
VT Retirement IncomeAdvantage Custom Benchmark					11.31	--	--	--		

### All data on page is as of December 31, 2012

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# Fund Performance<sup>1,2</sup>

## Target-Risk/Target-Date Fund Returns

The expense ratio for a 'fund of funds' includes acquired fund fees and expenses, which are expenses incurred indirectly by the fund through its ownership in other mutual funds.

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>Vantagepoint MS Ret Inc<sup>5,12</sup></b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>--</b>	<b>7.18</b>	<b>5.47</b>	<b>3.35</b>	<b>--</b>	<b>4.20</b>	<b>1/3/2005</b>
Barclays U.S. Intermediate Aggregate Bond Index					3.56	5.22	5.39	4.80		
Milestone Ret Income Custom Benchmark					6.65	6.85	4.47	--		
Morningstar Retirement Income					9.01	6.77	2.94	4.99		
<b>Vantagepoint Milestone 2010<sup>5,12</sup></b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>--</b>	<b>9.53</b>	<b>6.42</b>	<b>3.24</b>	<b>--</b>	<b>4.51</b>	<b>1/3/2005</b>
Barclays U.S. Intermediate Aggregate Bond Index					3.56	5.22	5.39	4.80		
Milestone 2010 Custom Benchmark					9.11	8.07	4.44	--		
Morningstar Target Date 2000-2010					9.61	7.03	2.54	5.66		
<b>Vantagepoint Milestone 2015<sup>5,12</sup></b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>--</b>	<b>10.25</b>	<b>6.95</b>	<b>2.65</b>	<b>--</b>	<b>4.57</b>	<b>1/3/2005</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2015 Custom Benchmark					10.09	8.53	3.71	--		
Morningstar Target Date 2011-2015					10.65	7.22	2.04	4.67		
<b>Vantagepoint Milestone 2020<sup>5,12</sup></b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>--</b>	<b>11.25</b>	<b>7.28</b>	<b>2.19</b>	<b>--</b>	<b>4.51</b>	<b>1/3/2005</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2020 Custom Benchmark					11.15	8.99	3.32	--		
Morningstar Target Date 2016-2020					11.68	7.85	1.89	6.17		

### All data on page is as of December 31, 2012

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For P Sponsor Use Only

# Fund Performance<sup>1,2</sup>

## Target-Risk/Target-Date Fund Returns

The expense ratio for a 'fund of funds' includes acquired fund fees and expenses, which are expenses incurred indirectly by the fund through its ownership in other mutual funds.

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>Vantagepoint Milestone 2025<sup>5,12</sup></b>	<b>3</b>	<b>2</b>	<b>4</b>	--	<b>12.24</b>	<b>7.70</b>	<b>1.89</b>	--	<b>4.49</b>	<b>1/3/2005</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2025 Custom Benchmark					12.19	9.43	2.97	--		
Morningstar Target Date 2021-2025					13.03	7.94	1.37	--		
<b>Vantagepoint Milestone 2030<sup>5,12</sup></b>	<b>4</b>	<b>3</b>	<b>4</b>	--	<b>13.28</b>	<b>8.08</b>	<b>1.64</b>	--	<b>4.48</b>	<b>1/3/2005</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2030 Custom Benchmark					13.24	9.85	2.64	--		
Morningstar Target Date 2026-2030					13.59	8.13	1.00	6.63		
<b>Vantagepoint Milestone 2035<sup>5,12</sup></b>	<b>3</b>	<b>3</b>	<b>3</b>	--	<b>14.47</b>	<b>8.56</b>	<b>1.48</b>	--	<b>4.50</b>	<b>1/3/2005</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2035 Custom Benchmark					14.36	10.31	2.39	--		
Morningstar Target Date 2031-2035					14.64	8.14	0.75	--		
<b>Vantagepoint Milestone 2040<sup>5,12</sup></b>	<b>4</b>	<b>3</b>	<b>4</b>	--	<b>15.33</b>	<b>8.88</b>	<b>1.50</b>	--	<b>4.53</b>	<b>1/3/2005</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2040 Custom Benchmark					16.31	9.52	0.71	--		
Morningstar Target Date 2036-2040					14.64	8.23	0.57	6.80		

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For Plan Sponsor Use Only

# Fund Performance<sup>1,2</sup>

## Target-Risk/Target-Date Fund Returns

The expense ratio for a 'fund of funds' includes acquired fund fees and expenses, which are expenses incurred indirectly by the fund through its ownership in other mutual funds.

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>Vantagepoint Milestone 2045<sup>5,12</sup></b>	<b>3</b>	<b>3</b>	--	--	<b>15.49</b>	<b>8.76</b>	--	--	<b>8.75</b>	<b>1/4/2010</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2045 Custom Benchmark					16.32	9.51	--	--		
Morningstar Target Date 2041-2045					15.31	8.19	0.56	--		
<b>Vantagepoint Milestone 2050<sup>5,12</sup></b>	--	--	--	--	--	--	--	--	<b>2.66</b>	<b>9/11/2012</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2050 Custom Benchmark					--	--	--	--		
Morningstar Target Date 2046-2050					15.07	8.28	0.54	6.76		
<b>Vantagepoint MP Svngs Oriented<sup>12</sup></b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>7.20</b>	<b>5.43</b>	<b>3.58</b>	<b>4.95</b>	--	<b>2/9/1995</b>
Barclays U.S. Intermediate Aggregate Bond Index					3.56	5.22	5.39	4.80		
Model Savings Oriented Custom Bmk.					6.65	6.85	4.80	5.59		
Morningstar Conservative Allocation					9.40	6.93	3.63	5.71		
<b>Vantagepoint MP Conserv Growth<sup>12</sup></b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>8.88</b>	<b>6.15</b>	<b>3.16</b>	<b>5.59</b>	--	<b>4/1/1996</b>
Barclays U.S. Intermediate Aggregate Bond Index					3.56	5.22	5.39	4.80		
Model Conservative Growth Custom Bmk.					8.52	7.77	4.33	6.00		
Morningstar Conservative Allocation					9.40	6.93	3.63	5.71		

### All data on page is as of December 31, 2012

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For P' Sponsor Use Only

# Fund Performance<sup>1,2</sup>

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Target-Risk/Target-Date Fund Returns

The expense ratio for a 'fund of funds' includes acquired fund fees and expenses, which are expenses incurred indirectly by the fund through its ownership in other mutual funds.

Fund Name	Morningstar® Star Rating				1 Yr. Return	3 Yr. Return	5 Yr. Return	10 Yr. Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>Vantagepoint MP Trad Growth<sup>12</sup></b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>11.20</b>	<b>7.05</b>	<b>2.52</b>	<b>6.31</b>	--	<b>4/1/1996</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Model Traditional Growth Custom Bmk.					11.01	8.90	3.59	6.46		
Morningstar Moderate Allocation					11.72	7.70	2.32	6.39		
<b>Vantagepoint MP Long-Term Gr<sup>12</sup></b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>12.93</b>	<b>7.60</b>	<b>1.88</b>	<b>7.08</b>	--	<b>4/1/1996</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Model Long-Term Growth Custom Bmk.					12.88	9.69	2.93	6.99		
Morningstar Aggressive Allocation					13.42	7.80	0.97	6.66		
<b>Vantagepoint MP All-Eqty Grwth<sup>12</sup></b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>16.00</b>	<b>8.48</b>	<b>0.73</b>	<b>7.40</b>	--	<b>10/1/2000</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Model All-Equity Growth Custom Bmk.					16.34	9.44	0.64	7.29		
Morningstar Large Blend					14.96	9.05	0.68	6.62		

Of the plan's target-risk/target-date funds, the best absolute (not relative) returns during the last 12 months were Vantagepoint MP All-Eqty Grwth, 16.00%, Vantagepoint MP All-Eq Gr, 16.00%, and Vantagepoint Milestone 2045, 15.49%. Vantagepoint Milestone Ret Inc, Vantagepoint MS Ret Inc and Vantagepoint MP Svngs Oriented were the lower performers with returns of 7.18%, 7.18% and 7.20% respectively in the quarter.

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For Plan Sponsor Use Only

# Fund Performance<sup>1,2</sup>

## Balanced Fund Returns

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>Fidelity Puritan®</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>13.79</b>	<b>9.32</b>	<b>3.23</b>	<b>7.16</b>	<b>11.00</b>	<b>4/16/1947</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Morningstar Moderate Allocation					11.72	7.70	2.32	6.39		

The return of Fidelity Puritan® beat the Morningstar Moderate Allocation category average in the latest twelve months. The fund has provided a return of 13.79%, versus the category average that was up 11.72%. Average annual returns for the fund over the last 3-year and 5-year periods have been 9.32% and 3.23%, respectively, and have topped the average of the category in both (7.70% and 2.32%) respective periods.

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*For P<sup>l</sup> Sponsor Use Only*

# Fund Performance<sup>1,2</sup>

## U.S. Stock Fund Returns

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>Vantagepoint Equity Income</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>14.33</b>	<b>9.02</b>	<b>1.28</b>	<b>7.81</b>	--	<b>4/1/1994</b>
Russell 1000 Value Index					17.51	10.86	0.59	7.38		
Morningstar Large Value					14.57	9.02	0.32	6.67		
<b>Allianz NFJ Div Value</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>14.01</b>	<b>10.06</b>	<b>-0.78</b>	<b>7.35</b>	<b>7.09</b>	<b>5/8/2000</b>
Russell 1000 Value Index					17.51	10.86	0.59	7.38		
Morningstar Large Value					14.57	9.02	0.32	6.67		
<b>Eaton Vance Large-Cap Value</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>15.77</b>	<b>6.77</b>	<b>-1.37</b>	<b>6.84</b>	<b>9.07</b>	<b>9/23/1931</b>
Russell 1000 Value Index					17.51	10.86	0.59	7.38		
Morningstar Large Value					14.57	9.02	0.32	6.67		
<b>Vantagepoint 500 Stock Index I</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>15.62</b>	<b>10.45</b>	<b>1.28</b>	<b>6.66</b>	--	<b>6/2/1997</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Morningstar Large Blend					14.96	9.05	0.68	6.62		
<b>Vantagepoint Broad Mkt Idx I</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>15.64</b>	<b>10.86</b>	<b>1.85</b>	<b>7.54</b>	--	<b>10/1/1994</b>
Wilshire 5000 Total Market Index					16.06	11.15	2.03	7.85		
Morningstar Large Blend					14.96	9.05	0.68	6.62		

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For Plan Sponsor Use Only

# Fund Performance<sup>1,2</sup>

## U.S. Stock Fund Returns

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

Fund Name:	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>Vantagepoint Grwth &amp; Income</b> Standard & Poors 500 Index Morningstar Large Blend	<b>4</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>16.53</b> 16.00 14.96	<b>9.94</b> 10.87 9.05	<b>1.88</b> 1.66 0.68	<b>7.10</b> 7.10 6.62	--	<b>10/2/1998</b>
<b>Am Funds Invmt Co of America</b> Standard & Poors 500 Index Morningstar Large Blend	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>15.60</b> 16.00 14.96	<b>7.94</b> 10.87 9.05	<b>0.85</b> 1.66 0.68	<b>6.58</b> 7.10 6.62	<b>4.66</b>	<b>5/28/2002</b>
<b>Oppenheimer Main Street</b> Standard & Poors 500 Index Morningstar Large Blend	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>17.06</b> 16.00 14.96	<b>10.90</b> 10.87 9.05	<b>1.68</b> 1.66 0.68	<b>6.88</b> 7.10 6.62	<b>5.92</b>	<b>11/1/1996</b>
<b>Vantagepoint Growth</b> Russell 1000 Growth Index Morningstar Large Growth	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>14.67</b> 15.26 15.34	<b>8.00</b> 11.35 9.30	<b>-1.17</b> 3.12 1.12	<b>4.75</b> 7.52 7.12	--	<b>4/1/1983</b>
<b>Fidelity Contrafund®</b> Standard & Poors 500 Index Morningstar Large Growth	<b>4</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>16.26</b> 16.00 15.34	<b>10.73</b> 10.87 9.30	<b>1.97</b> 1.66 1.12	<b>9.68</b> 7.10 7.12	<b>12.16</b>	<b>5/17/1967</b>

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For P Sponsor Use Only

# Fund Performance<sup>1,2</sup>

## U.S. Stock Fund Returns

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>Calvert Equity Portfolio</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>15.52</b>	<b>9.81</b>	<b>2.63</b>	<b>6.49</b>	<b>7.36</b>	<b>8/24/1987</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Morningstar Large Growth					15.34	9.30	1.12	7.12		
<b>Am Funds Growth Fund of Am R4</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>20.56</b>	<b>8.80</b>	<b>1.09</b>	<b>8.23</b>	<b>5.99</b>	<b>5/28/2002</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Morningstar Large Growth					15.34	9.30	1.12	7.12		
<b>T Rowe Price® Growth Stock<sup>4</sup></b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>18.66</b>	<b>11.01</b>	<b>2.42</b>	<b>8.02</b>	<b>4.73</b>	<b>12/31/2001</b>
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Morningstar Large Growth					15.34	9.30	1.12	7.12		
<b>Vantagepoint Select Value<sup>18</sup></b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>--</b>	<b>16.55</b>	<b>11.88</b>	<b>4.85</b>	<b>--</b>	<b>3.46</b>	<b>10/30/2007</b>
Russell Midcap Value Index					18.51	13.39	3.79	10.63		
Morningstar Mid-Cap Value					16.60	10.77	2.87	9.14		
<b>T Rowe Price® Mid-Cap Value<sup>4,18</sup></b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>19.27</b>	<b>9.57</b>	<b>4.68</b>	<b>10.51</b>	<b>11.14</b>	<b>9/30/2002</b>
S&P 400 MidCap Index					17.88	13.62	5.15	10.53		
Morningstar Mid-Cap Value					16.60	10.77	2.87	9.14		

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For Plan Sponsor Use Only

# Fund Performance<sup>1,2</sup>

## U.S. Stock Fund Returns

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>Gold Sachs Mid Cap Value<sup>18</sup></b> Russell Midcap Value Index Morningstar Mid-Cap Value	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>18.03</b> 18.51 16.60	<b>11.09</b> 13.39 10.77	<b>2.85</b> 3.79 2.87	<b>9.42</b> 10.63 9.14	<b>8.09</b>	<b>8/15/1997</b>
<b>Columbia Mid Cap Value<sup>18</sup></b> Russell Midcap Value Index Morningstar Mid-Cap Value	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>16.84</b> 18.51 16.60	<b>11.37</b> 13.39 10.77	<b>1.34</b> 3.79 2.87	<b>9.90</b> 10.63 9.14	<b>8.07</b>	<b>11/20/2001</b>
<b>Vantagepoint Mid/Sm Co Idx I<sup>18</sup></b> Wilshire 4500 Completion Index Morningstar Mid-Cap Blend	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>17.89</b> 17.99 16.15	<b>13.16</b> 13.27 10.83	<b>3.93</b> 3.95 2.27	<b>10.40</b> 10.67 8.93	--	<b>6/2/1997</b>
<b>Vantagepoint Aggressive Ops<sup>18</sup></b> Russell Midcap Growth Index Morningstar Mid-Cap Growth	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>15.44</b> 15.81 14.07	<b>7.20</b> 12.91 11.08	<b>1.77</b> 3.23 1.73	<b>9.51</b> 10.32 8.98	--	<b>10/1/1994</b>
<b>Royce Premier<sup>18</sup></b> Russell 2000 Index Morningstar Mid-Cap Growth	<b>4</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>11.14</b> 16.35 14.07	<b>11.54</b> 12.25 11.08	<b>5.70</b> 3.56 1.73	<b>12.34</b> 9.72 8.98	<b>12.20</b>	<b>9/3/2002</b>

### All data on page is as of December 31, 2012

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# Fund Performance<sup>1,2</sup>

## U.S. Stock Fund Returns

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>Harbor Mid Cap Growth<sup>18</sup></b> Russell Midcap Growth Index Morningstar Mid-Cap Growth	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>21.62</b> 15.81 14.07	<b>10.55</b> 12.91 11.08	<b>0.19</b> 3.23 1.73	<b>10.16</b> 10.32 8.98	<b>9.88</b>	<b>11/1/2002</b>
<b>Rainier Small/Mid Cap Eqty<sup>18</sup></b> Russell 2500 Index Morningstar Mid-Cap Growth	<b>2</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>13.91</b> 17.88 14.07	<b>11.51</b> 13.34 11.08	<b>-1.62</b> 4.34 1.73	<b>9.98</b> 10.49 8.98	<b>10.60</b>	<b>5/10/1994</b>
<b>Vantagepoint Discovery<sup>6</sup></b> Russell 2000 Index Morningstar Small Blend	<b>3</b>	<b>3</b>	<b>3</b>	<b>--</b>	<b>15.74</b> 16.35 15.46	<b>11.05</b> 12.25 11.88	<b>3.25</b> 3.56 3.09	<b>--</b> 9.72 9.29	<b>1.81</b>	<b>10/30/2007</b>
<b>Fidelity Advisor Small Cap T<sup>6</sup></b> Russell 2000 Index Morningstar Small Blend	<b>3</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>5.76</b> 16.35 15.46	<b>5.72</b> 12.25 11.88	<b>1.95</b> 3.56 3.09	<b>9.63</b> 9.72 9.29	<b>9.57</b>	<b>9/9/1998</b>
<b>T Rowe Price® Sm-Cap Value<sup>4,6</sup></b> Russell 2000 Index Morningstar Small Blend	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>17.48</b> 16.35 15.46	<b>13.32</b> 12.25 11.88	<b>5.60</b> 3.56 3.09	<b>10.92</b> 9.72 9.29	<b>11.25</b>	<b>3/31/2000</b>

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*For Plan Sponsor Use Only*

# Fund Performance<sup>1,2</sup>

## U.S. Stock Fund Returns

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>Royce Value Plus<sup>6</sup></b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>15.25</b>	<b>7.49</b>	<b>0.69</b>	<b>12.78</b>	<b>11.31</b>	<b>6/14/2001</b>
Russell 2000 Index					16.35	12.25	3.56	9.72		
Morningstar Small Growth					13.15	11.74	2.55	9.14		

Harbor Mid Cap Growth, Am Funds Growth Fund of Am R4 and T Rowe Price® Mid-Cap Value were the top performers (absolute returns, not relative to peers) among the plan's U.S. stock funds for the last 12 months with returns of 21.62%, 20.56% and 19.27% respectively. Fidelity Advisor Small Cap T, Royce Premier and Rainier Small/Mid Cap Eqty were the lower performing funds with returns of 5.76%, 11.14% and 13.91% respectively during the quarter.

There were six funds that ranked in the top quarter of their peer group, four funds in the top third, ten funds in the top half, four funds in the lower half and two funds in the bottom quarter.

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For Plan Sponsor Use Only

# Fund Performance<sup>1,2</sup>

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## International/Global Stock Fund Returns

Foreign investments are subject to more risks not associated with domestic investments (i.e. currency, economy and political risks).

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>American Funds Cap World G&amp;I<sup>11</sup></b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>19.12</b>	<b>5.86</b>	<b>-0.68</b>	<b>10.18</b>	<b>9.09</b>	<b>6/27/2002</b>
MSCI AC World Index (Net)					16.13	6.63	-1.16	8.11		
Morningstar World Stock					15.84	6.66	-0.76	8.41		
<b>Vantagepoint International<sup>11</sup></b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>18.57</b>	<b>5.27</b>	<b>-2.55</b>	<b>7.79</b>	<b>--</b>	<b>10/1/1994</b>
MSCI EAFE Index (Net)					17.32	3.56	-3.69	8.21		
Morningstar Foreign Large Blend					18.29	3.89	-3.60	7.92		
<b>Vantagepoint Ovrseas Eq Ix I<sup>11</sup></b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>18.51</b>	<b>3.67</b>	<b>-3.64</b>	<b>7.86</b>	<b>--</b>	<b>6/2/1997</b>
MSCI EAFE Index (Net)					17.32	3.56	-3.69	8.21		
Morningstar Foreign Large Blend					18.29	3.89	-3.60	7.92		
<b>Fidelity Diversified Intl<sup>11</sup></b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>19.41</b>	<b>4.13</b>	<b>-4.00</b>	<b>8.75</b>	<b>8.47</b>	<b>12/27/1991</b>
MSCI EAFE Index (Net)					17.32	3.56	-3.69	8.21		
Morningstar Foreign Large Blend					18.29	3.89	-3.60	7.92		
<b>Harbor International<sup>11</sup></b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>20.57</b>	<b>6.08</b>	<b>-1.15</b>	<b>11.72</b>	<b>11.92</b>	<b>11/1/2002</b>
MSCI EAFE Index (Net)					17.32	3.56	-3.69	8.21		
Morningstar Foreign Large Blend					18.29	3.89	-3.60	7.92		

### All data on page is as of December 31, 2012

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For Plan Sponsor Use Only

# Fund Performance<sup>1,2</sup>

## International/Global Stock Fund Returns

Foreign investments are subject to more risks not associated with domestic investments (i.e. currency, economy and political risks).

Fund Name	Morningstar® Star Rating				1 Yr	3 Yr	5 Yr	10 Yr	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year	Return	Return	Return	Return		

Among the plan's international/global stock funds, the top returns (absolute, not relative to peers) during the last 12 months were Harbor International and Fidelity Diversified Intl with returns of 20.57% and 19.41% respectively. Vantagepoint International and Vantagepoint International were the lower performing funds in the quarter with returns of 18.57% and 18.57% respectively.

Compared to peer categories, one fund ranked in the top quartile, two funds in the top third and two funds in the top half.

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For P' Sponsor Use Only



# Fund Performance<sup>1,2</sup>

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Specialty Fund Returns

Funds that concentrate investments in one industry may involve greater risks than more diversified funds, including greater potential for volatility.

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
<b>Nuveen Real Estate Secs<sup>13</sup></b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>18.34</b>	<b>18.60</b>	<b>7.26</b>	<b>13.44</b>	<b>12.41</b>	<b>6/30/1995</b>
MSCI U.S. REIT Index					17.77	18.04	5.58	11.58		
Morningstar Real Estate					17.60	17.29	4.86	10.66		

The Nuveen Real Estate Secs' return beat the Morningstar Real Estate category average during the latest twelve-month period. The fund has provided a return that was up 18.34%, in comparison to the category average, which was up 17.60%. The average annual returns for the fund over the last 3-year and 5-year periods have been 18.60% and 7.26%, respectively, and outperform the average of the category in both respective periods (17.29% and 4.86%).

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For Plan Sponsor Use Only

# Fund Summary<sup>1,2</sup>

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Summary Table

Plan Option	Morningstar® Category	Peer Ranking over last year (Percentile)	Peer Ranking over last 3 years (Percentile)	Peer Ranking over last 5 years (Percentile)	Peer Ranking over last 10 years (Percentile)	Comparative Risk Relative to Funds in Category over last 3 years
Vantagepoint Low Duration Bond <sup>10</sup>	Short-Term Bond	175/413 (42%)	201/357 (56%)	138/319 (43%)	73/206 (35%)	Average
Vantagepoint Core Bond Idx I <sup>10</sup>	Intermediate-Term Bond	986/1165 (84%)	755/1001 (75%)	556/874 (63%)	335/612 (55%)	Average
PIMCO Total Return <sup>10</sup>	Intermediate-Term Bond	148/1165 (13%)	309/1001 (31%)	78/874 (9%)	57/612 (10%)	Above Average
Vantagepoint Inflatn Prot Sec <sup>10</sup>	Inflation-Protected Bond	52/198 (26%)	90/159 (56%)	53/149 (35%)	--	Average
PIMCO High Yield <sup>10</sup>	High Yield Bond	350/598 (58%)	260/517 (50%)	225/459 (49%)	157/322 (49%)	Average
Vantagepoint MS Ret Inc <sup>5,12</sup>	Retirement Income	215/281 (76%)	214/257 (83%)	59/187 (32%)	--	Below Average
Vantagepoint Milestone 2010 <sup>5,12</sup>	Target Date 2000-2010	81/145 (56%)	97/139 (69%)	38/117 (32%)	--	Average
Vantagepoint Milestone 2015 <sup>5,12</sup>	Target Date 2011-2015	102/154 (66%)	83/136 (61%)	30/84 (35%)	--	Average
Vantagepoint Milestone 2020 <sup>5,12</sup>	Target Date 2016-2020	126/208 (60%)	131/179 (73%)	64/132 (48%)	--	Average
Vantagepoint Milestone 2025 <sup>5,12</sup>	Target Date 2021-2025	101/154 (65%)	83/121 (68%)	25/77 (32%)	--	Average
Vantagepoint Milestone 2030 <sup>5,12</sup>	Target Date 2026-2030	124/208 (59%)	91/179 (51%)	37/132 (28%)	--	Average
Vantagepoint Milestone 2035 <sup>5,12</sup>	Target Date 2031-2035	93/154 (60%)	44/121 (36%)	24/77 (30%)	--	Average
Vantagepoint Milestone 2040 <sup>5,12</sup>	Target Date 2036-2040	74/204 (36%)	47/175 (27%)	24/125 (19%)	--	Above Average
Vantagepoint Milestone 2045 <sup>5,12</sup>	Target Date 2041-2045	69/145 (47%)	31/120 (25%)	--	--	Average
Vantagepoint Milestone 2050 <sup>5,12</sup>	Target Date 2046-2050	--	--	--	--	--
Vantagepoint MP Svngs Oriented <sup>12</sup>	Conservative Allocation	578/715 (81%)	481/584 (82%)	279/505 (55%)	152/198 (76%)	Below Average
Vantagepoint MP Conserv Growth <sup>12</sup>	Conservative Allocation	435/715 (61%)	420/584 (72%)	344/505 (68%)	107/198 (54%)	Average
Vantagepoint MP Trad Growth <sup>12</sup>	Moderate Allocation	631/936 (67%)	569/810 (70%)	346/707 (49%)	218/409 (53%)	Average
Vantagepoint MP Long-Term Gr <sup>12</sup>	Aggressive Allocation	253/398 (63%)	176/321 (55%)	65/296 (22%)	50/124 (40%)	Below Average
Vantagepoint MP All-Eqty Grwth <sup>12</sup>	Large Blend	576/1686 (34%)	940/1506 (62%)	693/1324 (52%)	190/836 (23%)	Above Average
Fidelity Puritan®	Moderate Allocation	160/936 (17%)	111/810 (14%)	177/707 (25%)	104/409 (25%)	Average
Vantagepoint Equity Income	Large Value	678/1208 (56%)	547/1051 (52%)	300/930 (32%)	100/591 (17%)	Average
Allianz NFJ Div Value	Large Value	729/1208 (60%)	316/1051 (30%)	660/930 (71%)	159/591 (27%)	Average
Eaton Vance Large-Cap Value	Large Value	454/1208 (38%)	927/1051 (88%)	750/930 (80%)	272/591 (46%)	Average
Vantagepoint 500 Stock Index I	Large Blend	637/1686 (38%)	269/1506 (18%)	408/1324 (31%)	320/836 (38%)	Below Average
Vantagepoint Broad Mkt Idx I	Large Blend	647/1686 (38%)	166/1506 (11%)	267/1324 (20%)	140/836 (17%)	Average
Vantagepoint Grwth & Income	Large Blend	419/1686 (25%)	526/1506 (35%)	303/1324 (23%)	249/836 (30%)	Average
Am Funds Invmt Co of America	Large Blend	728/1686 (43%)	1061/1506 (70%)	662/1324 (50%)	429/836 (51%)	Below Average
Oppenheimer Main Street	Large Blend	321/1686 (19%)	204/1506 (14%)	346/1324 (26%)	314/836 (38%)	Below Average
Vantagepoint Growth	Large Growth	911/1681 (54%)	1087/1503 (72%)	1132/1301 (87%)	812/863 (94%)	Below Average
Fidelity Contrafund®	Large Growth	597/1681 (36%)	350/1503 (24%)	448/1301 (35%)	74/863 (9%)	Low

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# Fund Summary<sup>1,2</sup>

4th Quarter 2012

Platinum Services Plan Service Report

## Summary Table

Plan Option	Morningstar® Category	Peer Ranking over last year (Percentile)	Peer Ranking over last 3 years (Percentile)	Peer Ranking over last 5 years (Percentile)	Peer Ranking over last 10 years (Percentile)	Comparative Risk Relative to Funds in Category over last 3 years
Calvert Equity Portfolio	Large Growth	760/1681 (45%)	572/1503 (38%)	284/1301 (22%)	538/863 (62%)	Below Average
Am Funds Growth Fund of Am R4	Large Growth	115/1681 (7%)	882/1503 (59%)	686/1301 (53%)	194/863 (23%)	Below Average
T Rowe Price® Growth Stock <sup>4</sup>	Large Growth	258/1681 (16%)	300/1503 (20%)	344/1301 (27%)	219/863 (26%)	Above Average
Vantagepoint Select Value <sup>18</sup>	Mid-Cap Value	207/425 (49%)	109/357 (31%)	60/311 (19%)	—	Below Average
T Rowe Price® Mid-Cap Value <sup>4,18</sup>	Mid-Cap Value	76/425 (18%)	268/357 (75%)	68/311 (22%)	33/177 (19%)	Below Average
Gold Sachs Mid Cap Value <sup>18</sup>	Mid-Cap Value	131/425 (31%)	176/357 (49%)	167/311 (54%)	77/177 (43%)	Average
Columbia Mid Cap Value <sup>18</sup>	Mid-Cap Value	196/425 (46%)	141/357 (39%)	219/311 (70%)	65/177 (37%)	Average
Vantagepoint Mid/Sm Co Idx I <sup>18</sup>	Mid-Cap Blend	118/412 (29%)	39/352 (11%)	82/309 (27%)	27/195 (14%)	Average
Vantagepoint Aggressive Ops <sup>18</sup>	Mid-Cap Growth	268/737 (36%)	607/671 (90%)	283/591 (48%)	180/431 (42%)	Average
Royce Premier <sup>18</sup>	Mid-Cap Growth	566/737 (76%)	305/671 (45%)	52/591 (9%)	11/431 (3%)	Average
Harbor Mid Cap Growth <sup>18</sup>	Mid-Cap Growth	23/737 (3%)	410/671 (61%)	396/591 (67%)	131/431 (30%)	Above Average
Rainier Small/Mid Cap Eqty <sup>18</sup>	Mid-Cap Growth	394/737 (53%)	311/671 (46%)	529/591 (89%)	149/431 (35%)	Above Average
Vantagepoint Discovery <sup>6</sup>	Small Blend	298/662 (45%)	412/607 (68%)	257/527 (49%)	—	Average
Fidelity Advisor Small Cap T <sup>6</sup>	Small Blend	654/662 (98%)	601/607 (99%)	387/527 (73%)	127/330 (38%)	Below Average
T Rowe Price® Sm-Cap Value <sup>4,6</sup>	Small Blend	169/662 (26%)	170/607 (28%)	79/527 (15%)	53/330 (16%)	Below Average
Royce Value Plus <sup>6</sup>	Small Growth	217/743 (29%)	592/658 (90%)	439/570 (77%)	5/384 (2%)	Average
American Funds Cap World G&I <sup>11</sup>	World Stock	244/936 (26%)	492/736 (67%)	287/549 (52%)	66/297 (22%)	Average
Vantagepoint International <sup>11</sup>	Foreign Large Blend	329/786 (42%)	167/713 (24%)	185/589 (31%)	165/325 (51%)	Below Average
Vantagepoint Ovrseas Eq Ix I <sup>11</sup>	Foreign Large Blend	304/786 (39%)	369/713 (52%)	265/589 (45%)	140/325 (43%)	Average
Fidelity Diversified Intl <sup>11</sup>	Foreign Large Blend	222/786 (28%)	316/713 (44%)	345/589 (58%)	89/325 (27%)	Average
Harbor International <sup>11</sup>	Foreign Large Blend	150/786 (19%)	86/713 (12%)	64/589 (11%)	15/325 (5%)	Above Average
Nuveen Real Estate Secs <sup>13</sup>	Real Estate	58/263 (22%)	25/220 (11%)	16/205 (8%)	3/129 (2%)	Average

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ICMA-RC's identified fund line-up is a commitment to administer these funds for the plan, not advice to the plan sponsor on the composition of the plan's fund line-up. ICMA-RC provides plan sponsors fund information to assist them in meeting their fiduciary responsibility in managing the plan. The plan sponsor retains the obligation to prudently select and monitor the investment funds it offers to plan participants. ICMA-RC may adjust fees commensurate with changes in revenue from alternative funds selected by the plan sponsor from ICMA-RC's mutual fund platform.

Morningstar places registered mutual funds in certain categories based on the mutual fund's historical portfolio holdings. Placement of a registered mutual fund in a particular Morningstar category does not mean that the mutual fund will remain in that category or that it will invest primarily in securities consistent with its Morningstar category. A registered mutual fund's investment strategy and portfolio holdings are governed by its prospectus, not its Morningstar category.

VantageTrust funds are not assigned Morningstar categories and, therefore a Morningstar category listed for a VantageTrust fund has been assigned to the underlying registered mutual fund in which the VantageTrust fund invests.

- <sup>2</sup> For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. For funds with loads, the Morningstar rating on a load-waived basis is provided, when available. Load-waived ratings do not include any front- or back-end sales loads and are intended for investors that have access to such purchase terms. Funds with loads are waived for plans administered by ICMA-RC. Past performance is no guarantee of future results.

# Disclosures

<sup>2</sup> Cont. The number of funds in applicable Morningstar® categories as of 12/31/2012, is provided below:

Morningstar® Category	3-Year	5-Year	10-Year	Morningstar® Category	3-Year	5-Year	10-Year
Aggressive Allocation	321	296	124	Natural Resources	117	94	40
Communications	44	36	27	Precious Metals	70	65	49
Conservative Allocation	584	505	198	Real Estate	220	205	129
Diversified Emerging Markets	358	250	150	Retirement Income	257	187	21
Financial	98	88	66	Short Government	131	119	105
Foreign Large Blend	713	589	325	Short-Term Bond	357	319	206
Foreign Large Growth	223	182	105	Small Blend	607	527	330
Foreign Large Value	328	263	146	Small Growth	658	570	384
Foreign Small/Mid Growth	109	96	58	Small Value	279	247	144
Foreign Small/Mid Value	36	29	20	Target Date 2000 – 2010	139	117	14
Health	127	119	96	Target Date 2011 – 2015	136	84	7
High Yield Bond	517	459	322	Target Date 2016 – 2020	179	132	21
Inflation-Protected Bond	159	149	35	Target Date 2021 – 2025	121	77	N/A
Intermediate Government	318	294	254	Target Date 2026 – 2030	179	132	16
Intermediate-Term Bond	1,001	874	612	Target Date 2031 – 2035	121	77	N/A
Large Blend	1,506	1,324	836	Target Date 2036 – 2040	175	125	16
Large Growth	1,503	1,301	863	Target Date 2041 – 2045	120	76	N/A
Large Value	1,051	930	591	Target Date 2046 – 2050	139	79	6
Long Government	30	27	19	Target Date 2051 +	25	11	N/A
Long-Term Bond	53	37	17	Technology	194	169	139
Mid-Cap Blend	352	309	195	Utilities	75	73	55
Mid-Cap Growth	671	591	431	World Allocation	266	189	86
Mid-Cap Value	357	311	177	World Bond	248	198	126
Moderate Allocation	810	707	409	World Stock	736	549	297
Multisector Bond	218	171	106				

<sup>3</sup> American Century is a registered trademark of American Century Services Corporation.

<sup>4</sup> T. Rowe Price is a registered trademark of T. Rowe Price Group, Inc. – all rights reserved.

<sup>5</sup> The fund is not a complete solution for all of your retirement savings needs. An investment in the fund includes the risk of loss, including near, at or after the target date of the fund. There is no guarantee that the fund will provide adequate income at and through an investor's retirement. Selecting the fund does not guarantee that you will have adequate savings for retirement.

# Disclosures

- <sup>6</sup> Funds that invest primarily in small-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of small-capitalization companies are generally subject to greater price volatility than those of larger companies due to less certain growth prospects, the lower degree of liquidity in the markets for their securities, and the greater sensitivity of smaller companies to changing economic conditions. Also, small-capitalization companies may have more limited product lines, fewer capital resources and less experienced management than larger companies.
- <sup>7</sup> Because there is no trading market for investment contracts, PLUS Fund returns consist of yield only. Returns are annualized for each of the periods shown.
- <sup>8</sup> CD Accounts are issued by Bank of America, N.A. ("Bank"), a member of the FDIC, and are available as VantageTrust investment options. CD Account deposits of up to \$250,000 are insured by the FDIC, subject to certain limitations. Amounts to be invested in CD Accounts are initially held in the Bank's Money Market Deposit Account ("MMDA") and earn the Bank's MMDA rate. At the end of the open investment window, assets are transferred to the CD Account where interest is credited daily and compounded monthly.
- Certificate of Deposit Accounts (CD Accounts) Annual Percentage Rates (APRs) and Annual Percentage Yields (APYs) are valid for the purchases made within the related open investment window and assume principal and interest remain in the account until maturity. Withdrawals and penalties will reduce earnings on the account. Please be advised, there may be associated penalties for withdrawing from a CD Account prior to the maturity date. For more information regarding CD Accounts, please contact Investor Services at 800-669-7400.
- <sup>9</sup> *The Cash Management Fund is invested in a single registered mutual fund, the Dreyfus Cash Management Fund. Investments in the VantageTrust Cash Management Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Dreyfus Cash Management Fund seeks to preserve its value at \$1.00 per share, it is possible to lose money by investing in the Fund.*
- <sup>10</sup> A fixed income fund is subject to credit risk and interest rate risk. Credit risk is when an issuer of a fixed income security may be unable or unwilling to make payments of principal or interest to the holders of these securities or may declare bankruptcy. Fixed income securities fluctuate in value as interest rates change. When interest rates rise, the market prices of fixed income securities will usually decrease; when interest rates fall, the market prices of fixed income securities usually will increase.
- <sup>11</sup> Funds that invests in foreign securities are exposed to the risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency fluctuations; and higher transaction costs. Investments in foreign currencies or securities denominated in foreign currencies (including derivative instruments that provide exposure to foreign currencies) may experience gains or losses solely based on changes in the exchange rate between foreign currencies and the U.S. dollar. The risk of investing in foreign securities may be greater with respect to securities of companies located in emerging market countries. The value of developing or emerging market currencies may fluctuate more than the currencies of companies with more mature markets).

# Disclosures

- <sup>12</sup> The expense ratio for a “fund of funds” includes acquired fund fees and expenses, which are expenses incurred indirectly by the fund through its ownership in other mutual funds.
- <sup>13</sup> Sector funds tend to be riskier and more volatile than the broad market because they are generally less diversified and more volatile than other mutual funds.
- <sup>14</sup> *Investments in the fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. The 7-Day Yield more closely reflects the Fund’s current earnings than the quotation of total return.*
- <sup>15</sup> *Return is the VantageTrust PLUS Fund gross of ICMA-RC fees and net of subadviser, wrap and custodial fees. ICMA-RC fees will reduce returns received by investors.*
- <sup>16</sup> The Hueler Analytics Stable Value Pooled Fund Comparative Universe represents the performance returns of actual stable value pooled funds and is the stable value industry benchmark used by many institutional investors, consultants, advisors and plan sponsors for monitoring the stable value pooled fund universe. Gross returns used in the Universe do not include plan administration fees or adviser expenses – actual performance experienced by participants would be commensurately lower. Rankings are based on data from Hueler Analytics, Inc. that is a technology and research firm covering stable value products not affiliated with ICMA-RC. ICMA-RC does not independently verify Hueler Analytics, Inc. data.
- <sup>17</sup> **Prudential Retirement Insurance and Annuity Company (Prudential)**, CA COA #08003, Hartford, CT. Neither Prudential nor ICMA-RC guarantees the investment performance or return on contributions to Prudential’s Separate Account. You should carefully consider the objectives, risks, charges, expenses and underlying guarantee features before purchasing this product. Prudential may increase the Guarantee Fee in the future, from 1.00% up to a maximum of 1.50%. Like all variable investments, this Fund may lose value. Availability and terms may vary by jurisdiction; subject to regulatory approvals. Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Guarantees are based on Prudential’s claims-paying ability. This annuity is issued under Contract form # GA-2020-TGWB4-0805-RC. ICMA-RC provides recordkeeping services to your Plan and is the investment manager of the underlying Prudential Separate Account. Prudential or its affiliates may compensate ICMA-RC for providing these and related administrative services in connection with the Fund. Before electing the Spousal Benefit (if available) on behalf of any beneficiary not recognized as your spouse under Federal law, be aware that provisions of your plan or the Internal Revenue Code might prevent, limit or otherwise affect the ability of the beneficiary to receive the Spousal Benefit. Variable annuities are suitable for long-term investing, particularly retirement savings. Prudential, the Prudential logo, and the Rock symbol are service marks of the Prudential Insurance Company of America, Newark, NJ, and its related entities, registered in many jurisdictions worldwide. **Note:** Participants who are interested in the VantageTrust Retirement IncomeAdvantage Fund must first receive and read the **VantageTrust Retirement IncomeAdvantage Fund Important Considerations** document before investing.
- <sup>18</sup> Funds that invest primarily in mid-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of mid-capitalization companies generally trade in lower volume and are generally subject to greater and less predictable price changes than the securities of larger companies.



## II. Plan Activity

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

# Plan Snapshot

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

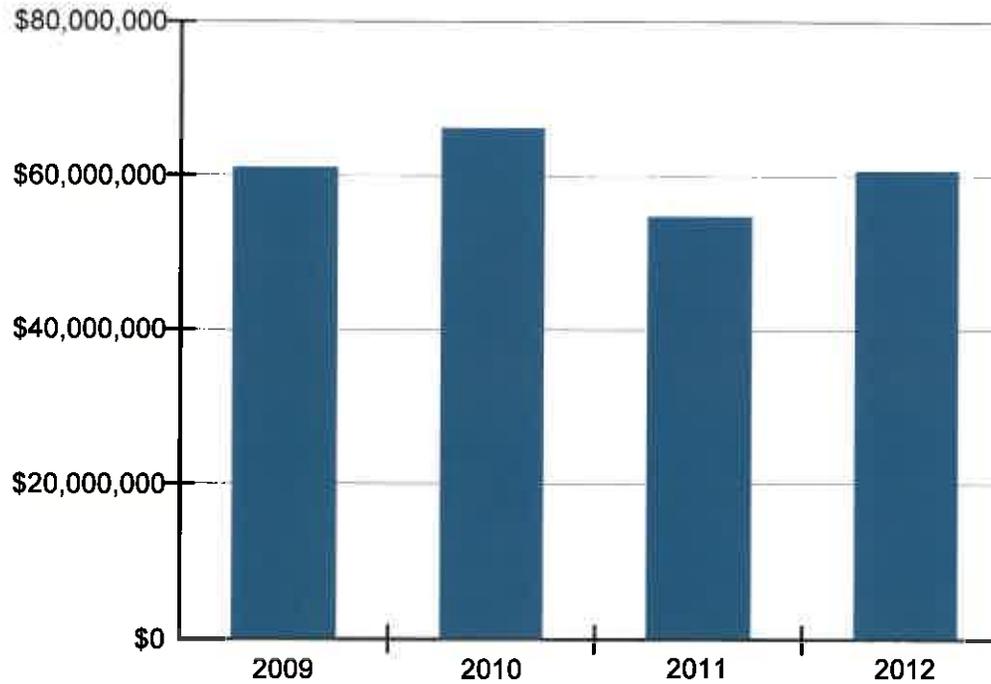
Plan Type	Plan Number	Plan Name	Assets	Participants
401	107296	CITY OF TROY	\$3,661,892	48
	107422	CITY OF TROY	\$9,739,292	14
	107598	CITY OF TROY	\$7,930,724	56
	109786	CITY OF TROY	\$2,207,949	10
	109851	CITY OF TROY	\$28,003,711	161
	109984	CITY OF TROY	\$9,155,536	67
457	300995	CITY OF TROY	\$28,176,192	344
RHS	801317	CITY OF TROY	\$742,392	64
<b>Total</b>			<b>\$89,617,686</b>	<b>764</b>

Data on all subsequent pages is aggregated by plan type.

For Plan Sponsor Use Only



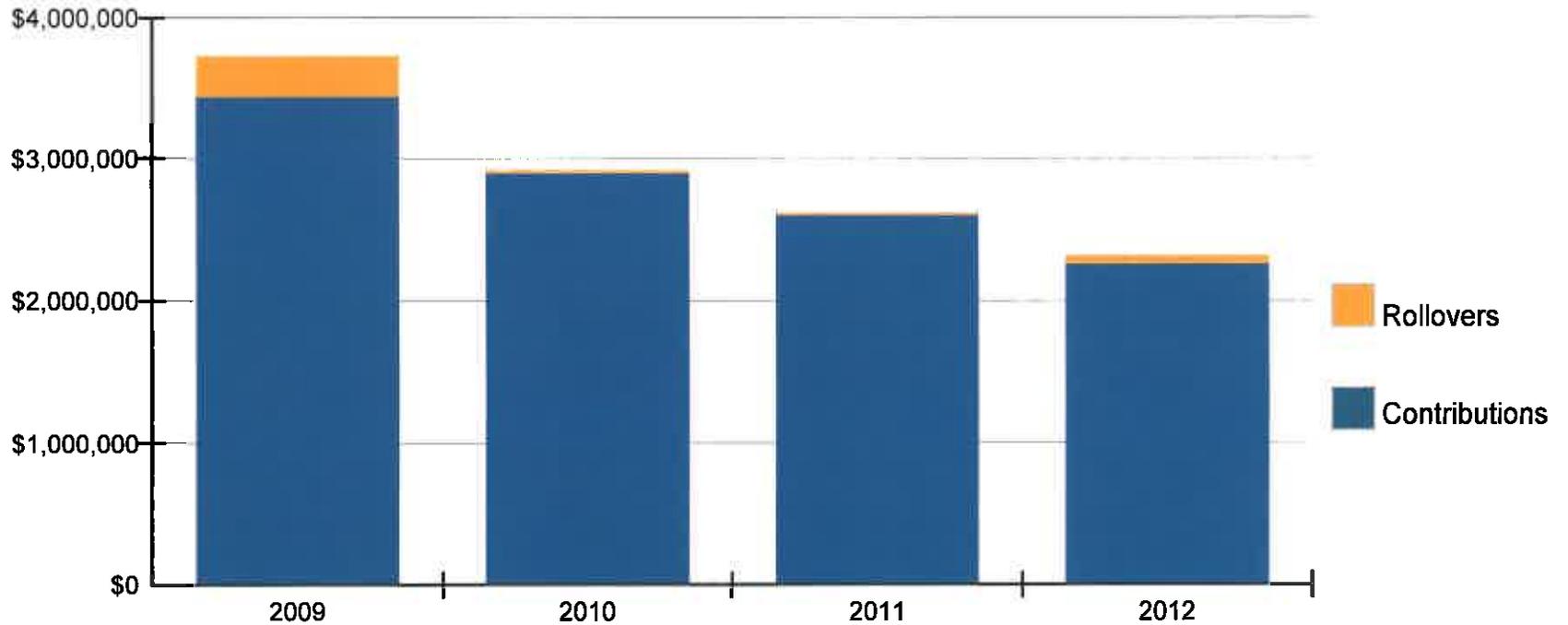
# 401 Plan Asset Trends *(as of December 31, 2012)*



Assets	\$61,049,285	\$66,220,557	\$54,729,776	\$60,699,103
--------	--------------	--------------	--------------	--------------

Since September 2012, there was a rise of 1.6% in the overall value of its assets to \$60,699,103 from \$59,735,896.

# 401 Plan Contributions *(as of December 31, 2012)*



Contributions	\$3,434,800	\$2,897,160	\$2,601,549	\$2,258,583
Rollovers	\$294,307	\$21,138	\$12,633	\$59,373
Loan Repayments	\$0	\$0	\$0	\$0
Total*	\$3,434,800	\$2,897,160	\$2,601,549	\$2,258,583
Active Participants	309	279	245	242
Average Contribution*	\$11,116	\$10,384	\$10,619	\$9,333

\*Please note that Rollovers are excluded from this calculation.

For Plan Sponsor Use Only

# 401 Plan Asset Allocation (as of December 31, 2012)

Your 401 Plan      Total ICMA-RC 401 Clients

December 31, 2011



Stable Value/Cash Management	30.57%	32.00%
Bond	8.96%	6.00%
Guaranteed Lifetime Income	0.64%	0.00%
Balanced/Asset Allocation	25.65%	31.00%
U.S. Stock	27.50%	26.00%
International/Global Stock	5.77%	4.00%
Specialty	0.90%	1.00%

December 31, 2012



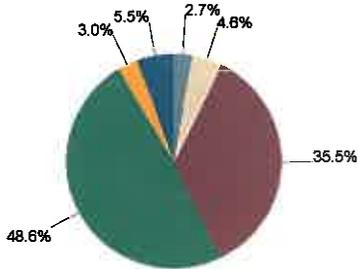
Stable Value/Cash Management	29.34%	29.00%
Bond	9.34%	6.00%
Guaranteed Lifetime Income	0.00%	1.00%
Balanced/Asset Allocation	26.18%	32.00%
U.S. Stock	27.06%	25.00%
International/Global Stock	6.03%	5.00%
Specialty	2.04%	2.00%

Note: Asset allocation for all clients except Washington State.  
For Plan Sponsor Use Only

# 401 Plan Asset Allocation by Age (as of December 31, 2012)

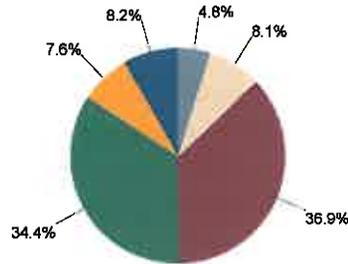
- Stable Value/Cash Management
- Bond
- Guaranteed Lifetime Income
- Balanced/Asset Allocation
- U.S. Stock
- International/Global Stock
- Specialty

## Under 35



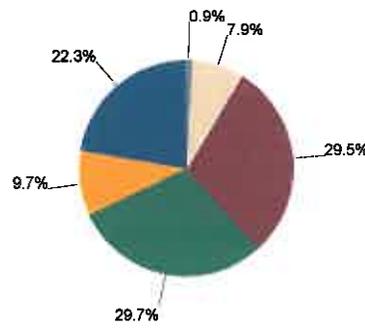
52 Active  
7 Inactive  
59 Participants  
\$4,204,527 Total Assets  
\$71,263 Average Balance  
1 Invested in One Fund

## 35 - 45



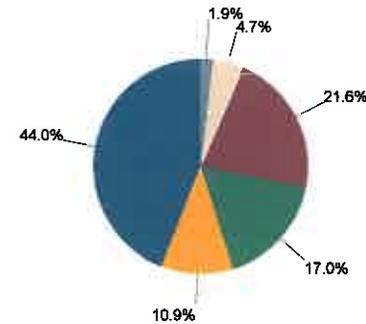
64 Active  
27 Inactive  
91 Participants  
\$9,155,572 Total Assets  
\$100,611 Average Balance  
1 Invested in One Fund

## 46 - 55



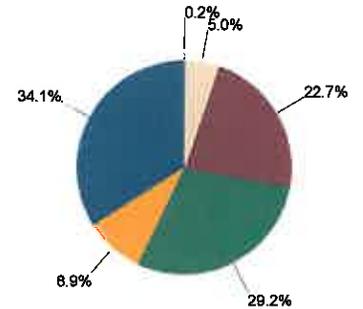
77 Active  
14 Inactive  
91 Participants  
\$15,580,798 Total Assets  
\$171,218 Average Balance  
2 Invested in One Fund

## 56 - 65



44 Active  
46 Inactive  
90 Participants  
\$26,191,231 Total Assets  
\$291,014 Average Balance  
4 Invested in One Fund

## Over 65

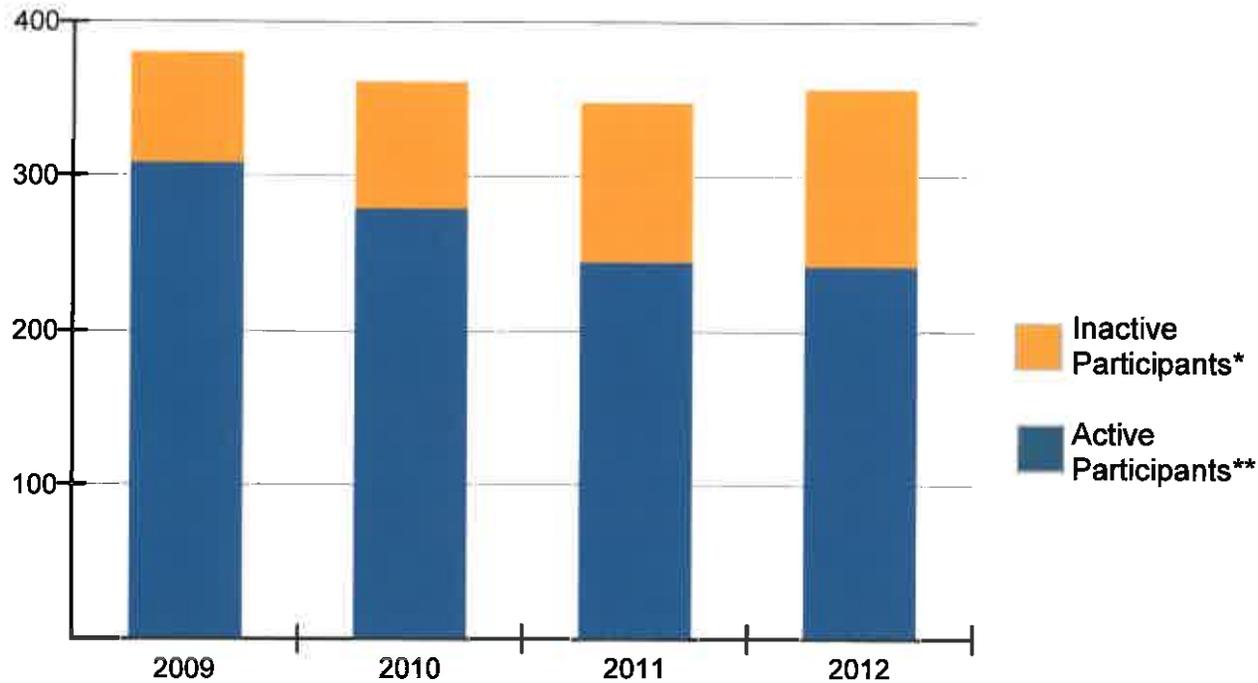


1 Active  
18 Inactive  
19 Participants  
\$5,242,056 Total Assets  
\$275,898 Average Balance  
3 Invested in One Fund

Data for participants invested in one fund excludes funds in the Target Risk and Target Date category.

For Participant Sponsor Use Only

# 401 Plan Participation Trends *(as of December 31, 2012)*



Inactive	71	82	103	114
Active	309	279	245	242
Total	380	361	348	356

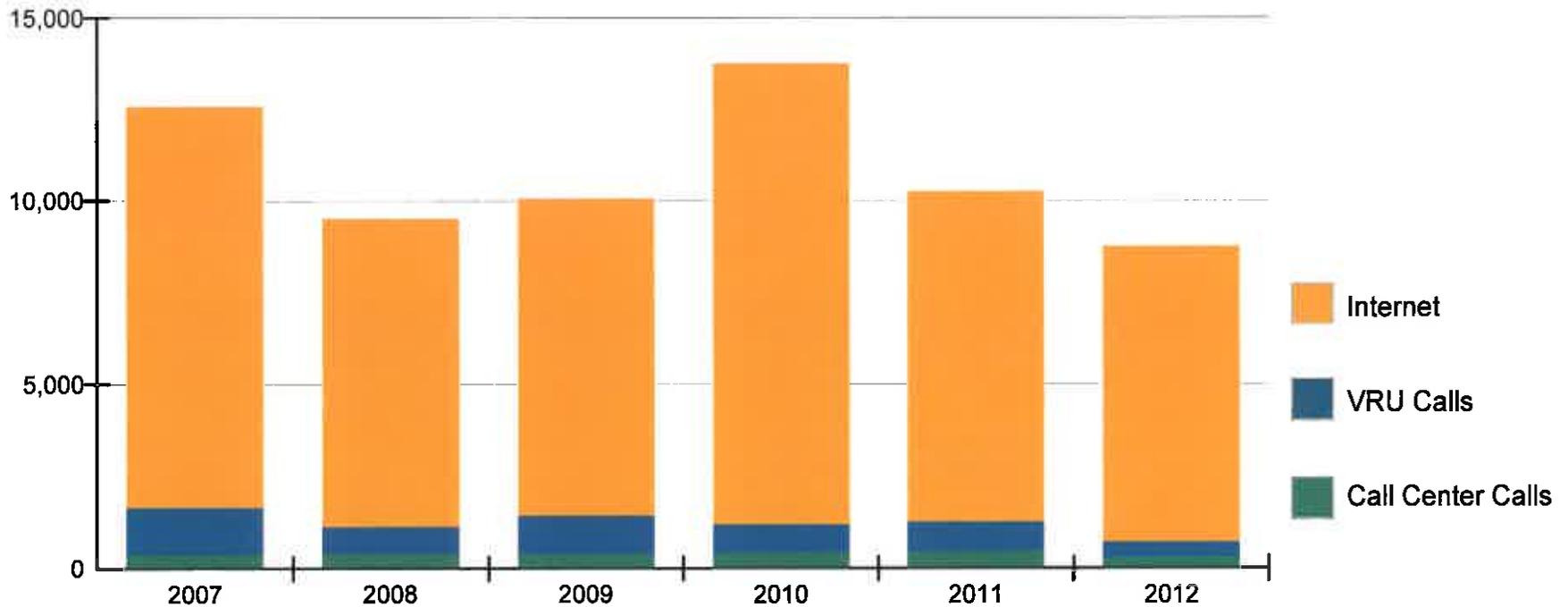
\*Inactive Participants--participants who have a balance and did not make a contribution to the plan within the last 12 months.

\*\*Active Participants--participants who have a balance and made a contribution to the plan within the last 12 months.

# 401 Plan Service Usage *(as of December 31, 2012)*

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report



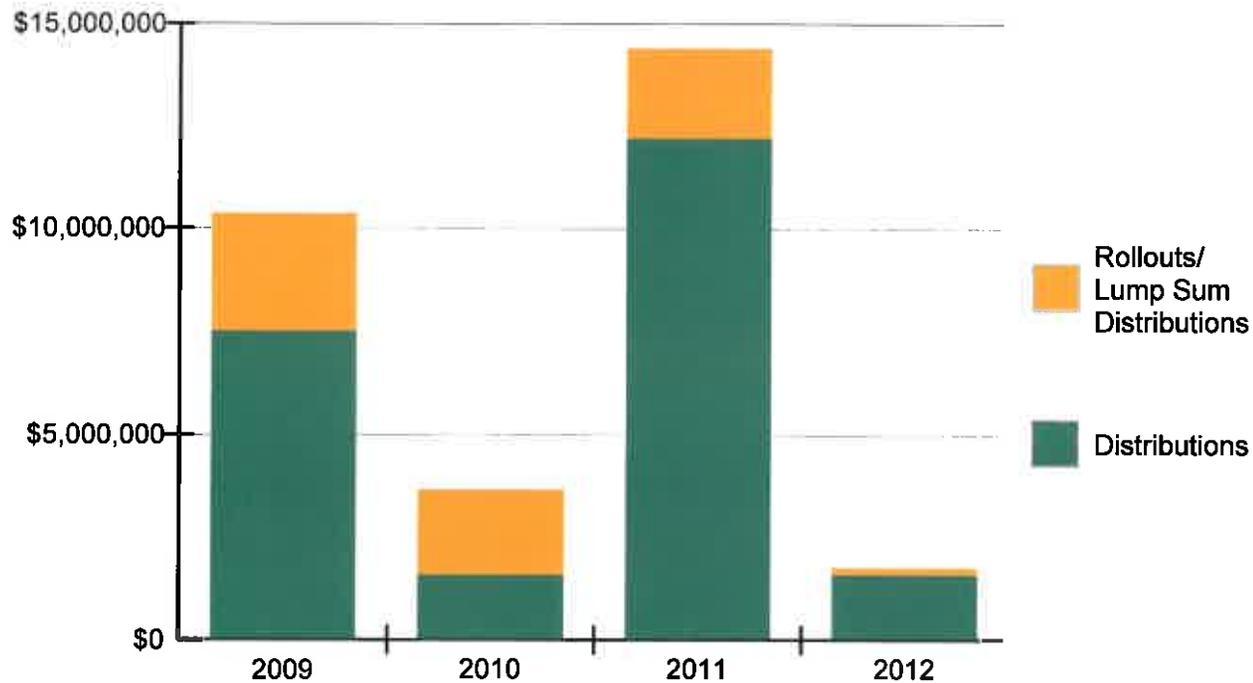
Internet	10926	8380	8628	12557	8986	8050
VRU	1287	751	1057	786	812	418
Call Center	378	392	388	413	459	300
Total	12591	9523	10073	13756	10257	8768

The chart above provides the number of contacts made by your 401 plan participants to ICMA-RC using several media — online using our Account Access participant Web site, VantageLine voice response unit, or call center representatives.

# 401 Plan Withdrawal Trends *(as of December 31, 2012)*

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report



Rollouts/Lump Sum	\$2,844,626	\$2,066,165	\$2,195,980	\$183,740
Loans	\$0	\$0	\$0	\$0
Distributions	\$7,533,143	\$1,590,070	\$12,199,400	\$1,574,708
Total	\$10,377,769	\$3,656,235	\$14,395,380	\$1,758,448
# of Rollouts	6	13	9	5
# of Distributions	328	339	377	360
Total	334	352	386	365

# 401 Plan Activity

## Plan Summary

CITY OF TROY's 401 plans include twenty-six U.S. stock funds, four bond funds, fourteen balanced funds, four stable value/cash management funds, five international/global stock funds and one guaranteed income fund for investment options. Over the last quarter, the plans' 161 participants contributed a total of \$695,361 with the largest amount, \$274,409 to their balanced funds. Overall, the plans have 27% in U.S. stock funds and 6% in their international/global stock funds. Their bond funds are allocated 9% and their stable value/cash management funds, 29%. Approximately 26% is in their balanced funds. Their guaranteed income fund is allocated 1%.

Over the last quarter with regard to market value, balanced funds increased in market value by \$187,321. The plans' international/global stock funds increased \$184,313, while U.S. stock funds grew by \$92,262. The plans' bond funds increased in market value by \$47,777, while stable value/cash management funds increased \$95,518.

The guaranteed income fund received \$2,966. With a rise of 1.6% since September 2012, the 401 plans for the CITY OF TROY saw their overall value increase to \$60,699,103 from \$59,735,896.

	Quarter Start Assets	Quarter Contributions	Quarter Withdrawals	Quarter Net Fund Transfers	Quarter Earnings	Quarter End Assets	Quarter End % of Assets	Quarter End Participants with Balance
VantageTrust PLUS Fund	\$16,145,437	\$68,997	-\$186,210	\$481,353	\$95,483	\$16,604,770	27.36%	134
VantageTrust Cash Management	847,816	1,827	0	8,177	8	857,825	1.41%	13
VT BoA MMDA (3 Year CD)	0	0	0	-18	18	0	0.00%	0
VT 3 Year BoA CD Account	0	0	0	153,469	9	153,478	0.25%	1
VT Vantagepoint Cor Bnd Idx	1,749,873	20,697	-4,324	25,211	2,852	1,793,793	2.96%	43
VT PIMCO Total Return	2,758,662	14,899	-12,304	-5,462	30,285	2,786,080	4.59%	57
VT Vantagepoint Infl Prot Sec	699,359	34,238	-3,750	-56,317	4,091	677,574	1.12%	22
VT PIMCO High Yield	333,056	4,409	-671	4,924	10,549	352,268	0.58%	21
VT Retirement Income Advantage	658,160	2,966	0	0	6,182	667,308	1.10%	4
VT Vantagepoint Milestone 2020	21,913	4,689	0	336,686	13,629	376,916	0.62%	2
VT Vantagepoint MS Ret Inc	2,960	0	0	0	22	2,982	0.00%	1

# 401 Plan Activity

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Plan Summary (cont'd.)

	Quarter Start Assets	Quarter Contributions	Quarter Withdrawals	Quarter Net Fund Transfers	Quarter Earnings	Quarter End Assets	Quarter End % of Assets	Quarter End Participants with Balance
VT Vantagepoint Milestone 2010	\$530,817	\$0	\$0	-\$2,556	\$4,910	\$533,172	0.88%	3
VT Vantagepoint Milestone 2015	839,328	9,079	0	130,979	13,772	993,157	1.64%	9
VT Vantagepoint Milestone 2025	213,659	8,774	0	0	3,245	225,677	0.37%	7
VT Vantagepoint Milestone 2030	449,897	9,871	0	0	7,352	467,120	0.77%	11
VT Vantagepoint Milestone 2035	321,171	11,226	0	-6,285	5,994	332,107	0.55%	9
VT Vantagepoint Milestone 2040	63,900	0	0	0	1,268	65,169	0.11%	2
VT Vantagepoint MP Svgs Ornted	372,263	9,542	0	0	2,753	384,558	0.63%	12
VT Vantagepoint MP Cons Growth	1,478,210	19,967	-3,904	-107,409	11,882	1,398,747	2.30%	22
VT Vantagepoint MP Trad Growth	3,121,865	60,347	-10,149	-132,304	33,942	3,073,701	5.06%	54
VT Vantagepoint MP Lng-Trm Gr	5,339,581	95,248	-34,082	0	85,532	5,486,280	9.04%	84
VT Vantagepoint MP All-Eq Gr	1,236,962	22,980	0	-333,897	1,589	927,634	1.53%	24
VT Fidelity Puritan®	1,360,904	22,686	-2,063	63,979	1,431	1,446,678	2.38%	56
VT Calvert Equity Portfolio	163,525	2,912	0	0	140	166,578	0.27%	5
VT Vantagepoint Equity Income	1,886,357	14,138	-5,232	-36,471	32,538	1,891,249	3.12%	73
VT Allianz NFJ Div Value	875,149	14,008	-24,341	159,687	-5,297	1,019,099	1.68%	61
VT Eaton Vance Large-Cap Value	346,532	5,242	-13,196	-16,241	155	322,491	0.53%	19
VT Vantagepoint 500 Stk Idx	942,854	11,826	-294	-168,565	-4,359	781,263	1.29%	42
VT Vantagepoint Brd Mkt Idx	349,164	9,157	-2,300	-48,810	351	307,439	0.51%	28
VT Vantagepoint Grwth & Income	1,098,280	8,799	-3,626	-29,294	5,172	1,079,330	1.78%	43
Am Funds Invmt Co of America	88,642	1,872	0	17,440	1,167	109,112	0.18%	14
VT Oppenheimer Main Street	393,360	8,783	0	10,343	-1,432	411,053	0.68%	19
VT Vantagepoint Growth	1,395,897	19,171	-3,988	-27,826	-20,128	1,363,125	2.25%	51
VT Fidelity Contrafund®	3,063,553	26,308	-9,666	-93,118	-54,188	2,932,889	4.83%	92
Am Funds Growth Fund of Am R4	794,421	8,464	-1,264	-16,912	18,107	802,816	1.32%	36
VT T Rowe Price® Growth Stock	401,065	9,180	-15,307	-4,657	-3,874	386,408	0.64%	25
VT Vantagepoint Select Value	30,715	87	0	-25,893	296	5,195	0.01%	1

# 401 Plan Activity

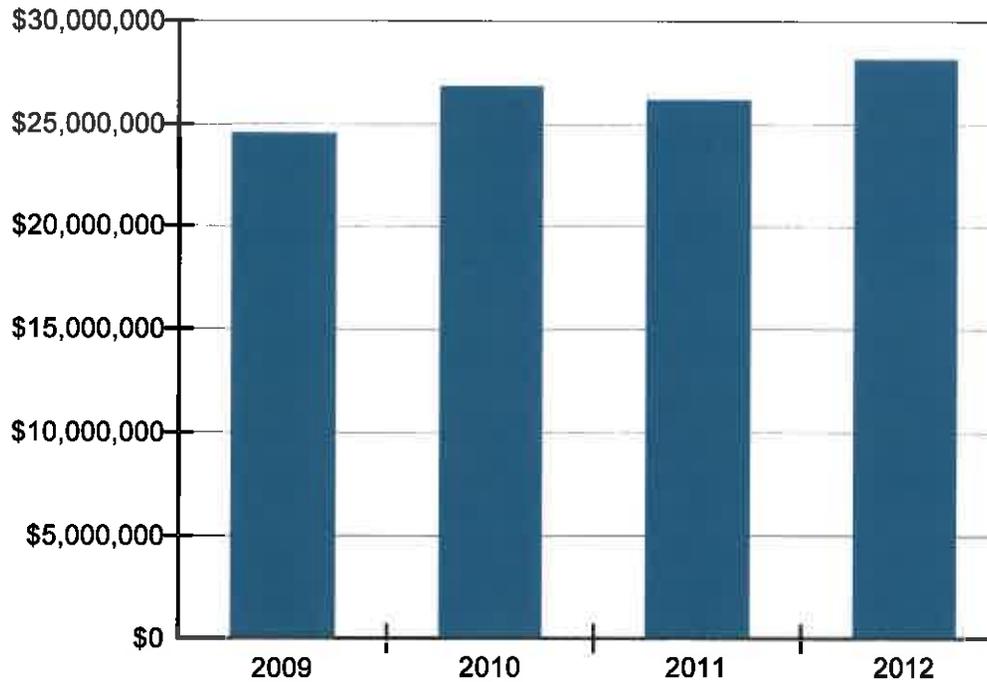
4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Plan Summary (cont'd.)

	Quarter Start Assets	Quarter Contributions	Quarter Withdrawals	Quarter Net Fund Transfers	Quarter Earnings	Quarter End Assets	Quarter End % of Assets	Quarter End Participants with Balance
T Rowe Price® Mid-Cap Value	\$613,899	\$11,137	-\$1,400	\$33,679	\$14,308	\$671,452	1.11%	55
VT Gold Sachs Mid Cap Value	63,238	1,111	0	30,000	2,182	96,531	0.16%	11
VT Columbia Mid Cap Value	18,406	2,116	-362	-2,458	819	18,512	0.03%	13
VT Vantagepoint Md/Sm Co Idx	716,850	12,966	-1,604	35,135	23,790	786,950	1.30%	51
VT Vantagepoint Aggressive Ops	764,846	9,514	-4,015	5,108	19,490	794,940	1.31%	40
VT Royce Premier	478,005	4,567	0	-18,019	23,595	488,148	0.80%	23
VT Harbor Mid Cap Growth	110,749	3,202	0	-19,604	1,425	95,772	0.16%	8
VT Rainier Small/Mid Cap Eqty	619,805	6,540	0	-51,446	3,738	578,637	0.95%	36
VT Vantagepoint Discovery	41,164	235	0	-4,093	330	37,633	0.06%	1
Fidelity Advisor Small Cap T	73,983	2,530	0	-6,404	1,171	71,280	0.12%	9
VT T Rowe Price® Sm-Cap Value	960,756	12,826	-1,350	-126,096	32,498	878,579	1.45%	70
VT Royce Value Plus	152,294	1,330	0	-3,754	269	150,139	0.25%	9
American Funds Cap World G&I	1,212,119	18,022	-1,505	179,628	51,986	1,460,001	2.41%	72
VT Vantagepoint International	602,173	6,498	-399	-16,077	35,448	627,630	1.03%	29
VT Vantagepnt Ovrseas Eq Idx	550,311	11,791	-1,920	-139,640	38,080	458,391	0.76%	38
VT Fidelity Diversified Intl	837,863	11,383	-1,545	-35,378	40,082	852,405	1.40%	54
VT Harbor International	278,459	7,568	-578	-82,050	18,718	222,040	0.37%	35
VantageBroker	545,232	0	0	0	-8,330	536,903	0.88%	3
VT Nuveen Real Estate Secs	720,436	9,031	-1,158	-58,746	18,639	688,122	1.13%	60
<b>Total</b>	<b>\$59,735,895</b>	<b>\$694,753</b>	<b>-\$352,506</b>	<b>\$0</b>	<b>\$623,682</b>	<b>\$60,699,102</b>	<b>100.00%</b>	<b>356</b>

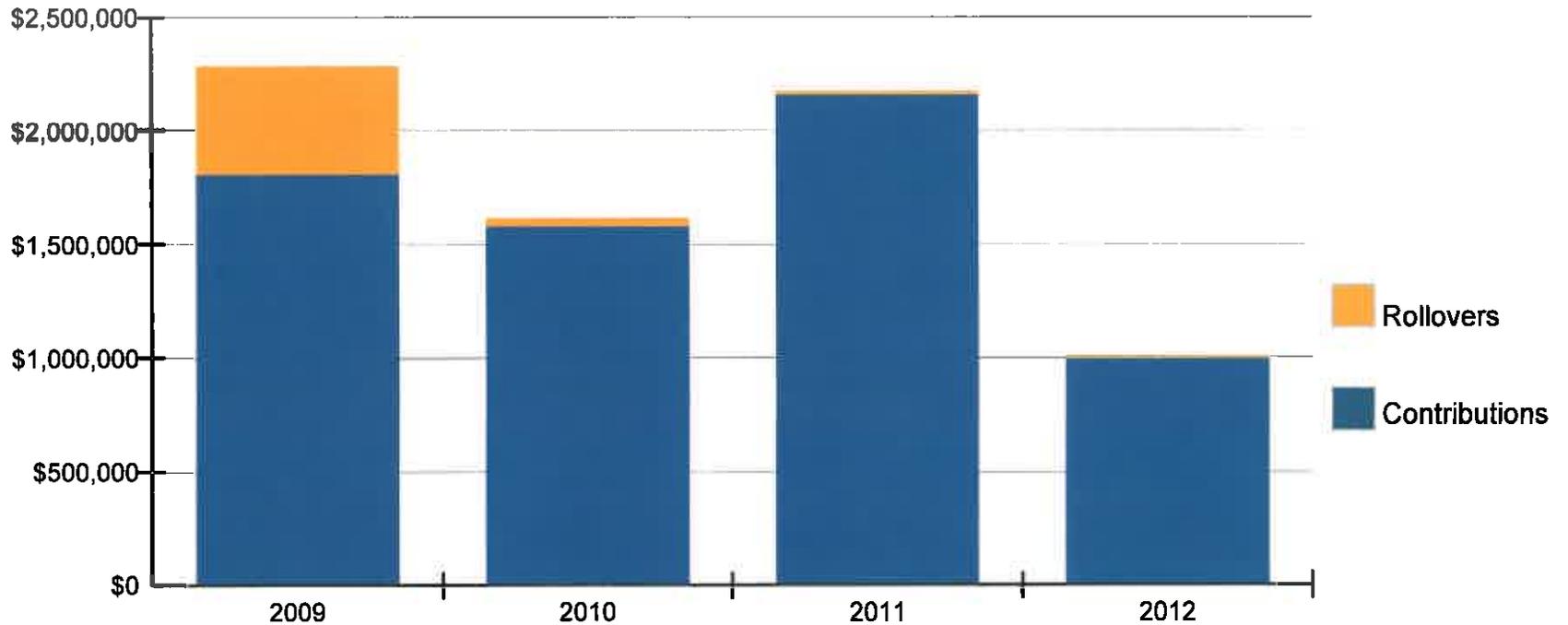
# 457 Plan Asset Trends *(as of December 31, 2012)*



Assets	\$24,525,851	\$26,834,685	\$26,193,210	\$28,176,192
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The CITY OF TROY's 457 plan increased 0.3% in total value to \$28,176,192 from \$28,082,443 since September 2012.

# 457 Plan Contributions *(as of December 31, 2012)*



Contributions	\$1,808,072	\$1,581,289	\$2,155,660	\$996,199
Rollovers	\$478,516	\$33,404	\$16,095	\$14,319
Loan Repayments	\$0	\$0	\$15,790	\$95,483
Total*	\$1,808,072	\$1,581,289	\$2,171,451	\$1,091,682
Active Participants	272	235	212	168
Average Contribution*	\$6,647	\$6,729	\$10,243	\$6,498

\*Please note that Rollovers are excluded from this calculation.

# 457 Plan Asset Allocation (as of December 31, 2012)

Your 457 Plan      Total ICMA-RC 457 Clients

December 31, 2011



Stable Value/Cash Management	37.18%	37.00%
Bond	6.98%	6.00%
Guaranteed Lifetime Income	0.00%	0.00%
Balanced/Asset Allocation	20.68%	23.00%
U.S. Stock	29.76%	30.00%
International/Global Stock	4.49%	4.00%
Specialty	0.91%	0.00%

December 31, 2012



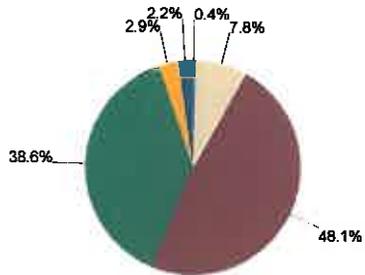
Stable Value/Cash Management	35.43%	34.00%
Bond	7.96%	6.00%
Guaranteed Lifetime Income	0.00%	0.00%
Balanced/Asset Allocation	21.52%	24.00%
U.S. Stock	28.67%	30.00%
International/Global Stock	4.50%	5.00%
Specialty	1.91%	1.00%

Note: Asset allocation for all clients except Washington State.  
For Plan Sponsor Use Only

# 457 Plan Asset Allocation by Age (as of December 31, 2012)

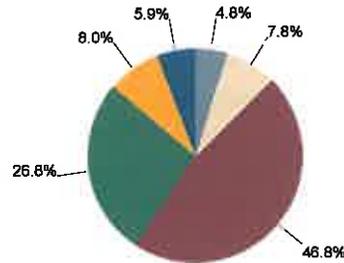
- Stable Value/Cash Management
- Bond
- Guaranteed Lifetime Income
- Balanced/Asset Allocation
- U.S. Stock
- International/Global Stock
- Specialty

## Under 35



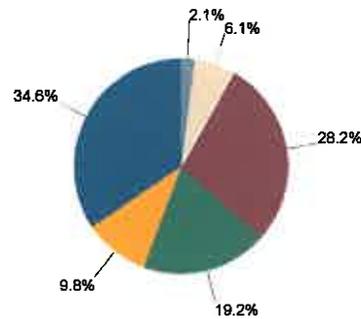
26 Active  
8 Inactive  
34 Participants  
\$679,471 Total Assets  
\$19,984 Average Balance  
2 Invested in One Fund

## 35 - 45



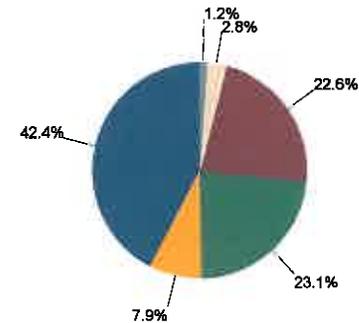
51 Active  
22 Inactive  
73 Participants  
\$3,776,276 Total Assets  
\$51,730 Average Balance  
3 Invested in One Fund

## 46 - 55



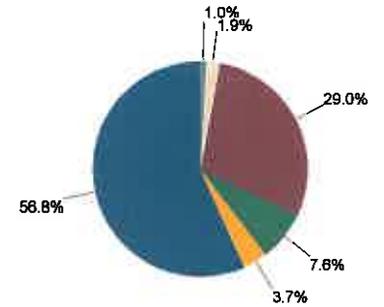
54 Active  
46 Inactive  
100 Participants  
\$8,335,632 Total Assets  
\$83,356 Average Balance  
20 Invested in One Fund

## 56 - 65



36 Active  
71 Inactive  
107 Participants  
\$12,955,145 Total Assets  
\$121,076 Average Balance  
31 Invested in One Fund

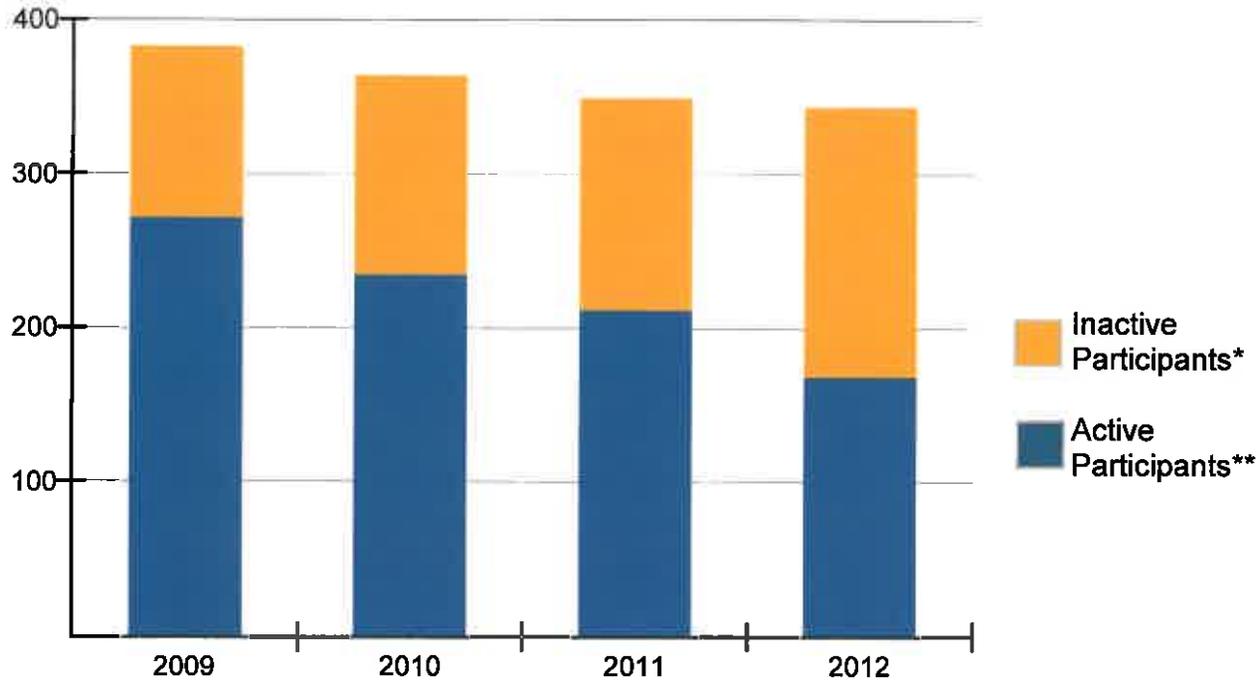
## Over 65



1 Active  
29 Inactive  
30 Participants  
\$2,429,668 Total Assets  
\$80,989 Average Balance  
8 Invested in One Fund

Data for participants invested in one fund excludes funds in the Target Risk and Target Date category.

# 457 Plan Participation Trends *(as of December 31, 2012)*

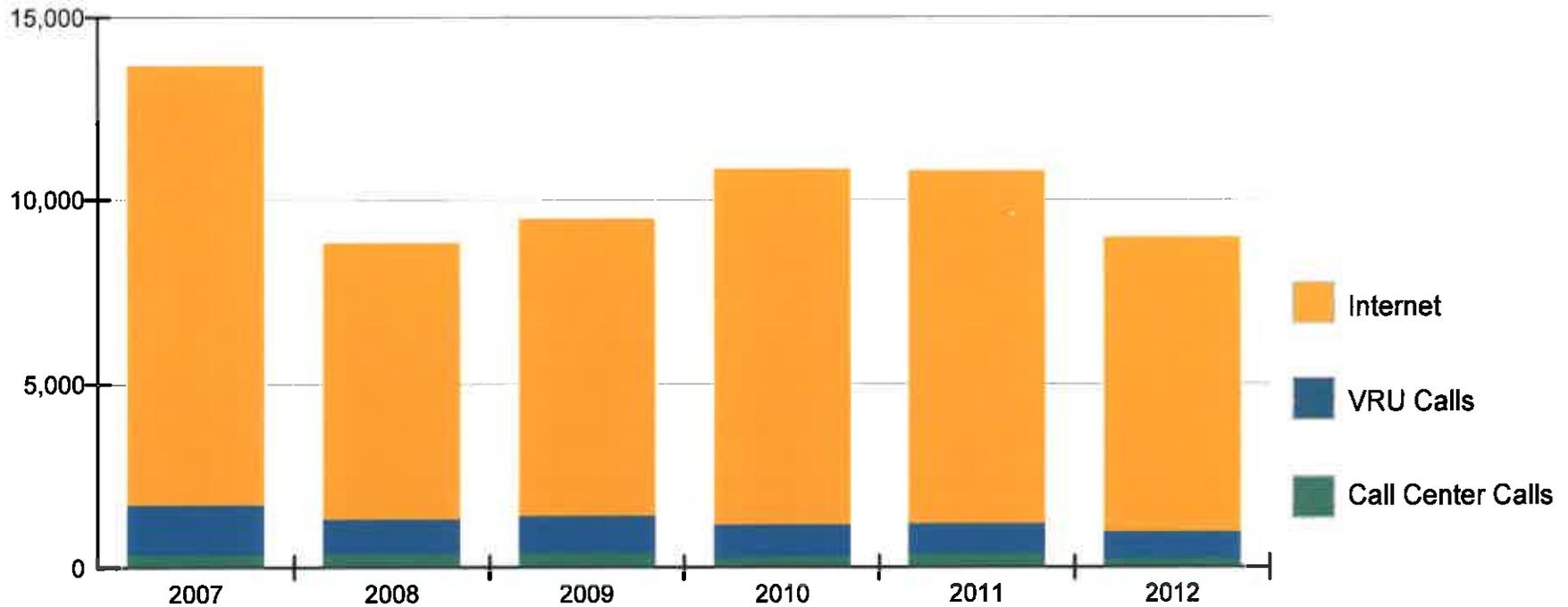


Inactive	111	129	138	176
Active	272	235	212	168
Total	383	364	350	344

\*Inactive Participants—participants who have a balance and did not make a contribution to the plan within the last 12 months.

\*\*Active Participants—participants who have a balance and made a contribution to the plan within the last 12 months.

# 457 Plan Service Usage (as of December 31, 2012)



Internet	11977	7524	8075	9713	9616	8018
VRU	1347	926	1023	877	825	730
Call Center	349	382	397	279	363	236
Total	13673	8832	9495	10869	10804	8984

The chart above provides the number of contacts made by your 457 plan participants to ICMA-RC using several media — online using our Account Access participant Web site, VantageLine voice response unit, or call center representatives.

# 457 Plan Loan Usage

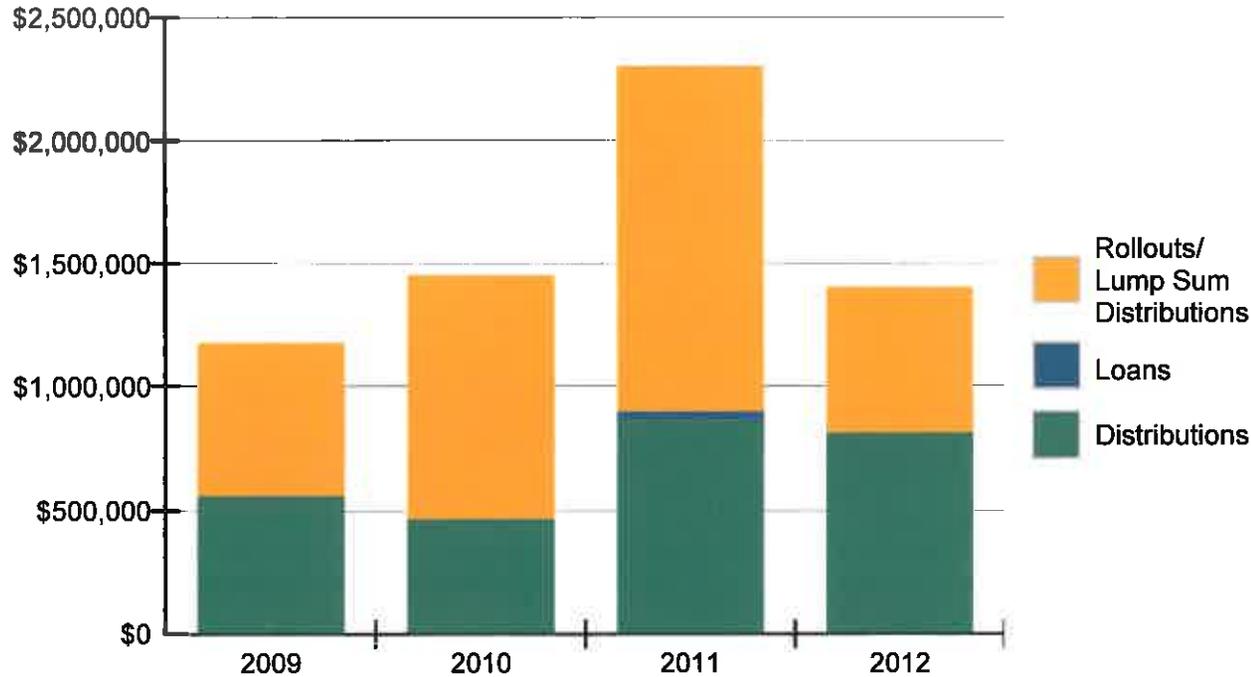
4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## *CITY OF TROY 457 Plan: Loan Usage (as of December 31, 2012)*

- 7 New Loans in the past 12 months
- 11 Outstanding Loans
- No Defaulted Loans in the past 12 months
- Loan Balance: \$186,333

# 457 Plan Withdrawal Trends (as of December 31, 2012)



Rollouts/Lump Sum	\$618,738	\$988,509	\$1,407,977	\$594,054
Loans	\$0	\$0	\$25,000	\$0
Distributions	\$560,732	\$466,198	\$871,981	\$812,486
Total	\$1,179,470	\$1,454,707	\$2,304,958	\$1,406,540
# of Rollouts	5	12	14	4
# of Distributions	166	160	176	184
Total	171	172	190	188

# 457 Plan Activity

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Plan Summary

CITY OF TROY's 457 plan has twenty-six U.S. stock funds, four bond funds, thirteen balanced funds, two stable value/cash management funds, five international/global stock funds and one guaranteed income fund for investment options. Over the last quarter, the plan's 344 participants contributed a total of \$259,763 with the largest amount, \$96,091 to its U.S. stock funds. Overall, the plan has 28% in U.S. stock funds and 4% in its international/global stock funds. Its bond funds are allocated 8% and its stable value/cash management funds, 35%. Approximately 21% is in its balanced funds.

Over the last quarter with regard to market value, balanced funds increased \$78,717. The plan's international/global stock funds increased in market value by \$65,382, while U.S. stock funds increased in market value \$29,381. The plan's bond funds increased \$17,908, while stable value/cash management funds increased \$56,489.

On a net cash flow basis (contribution, plus net transfers less withdrawals), balanced funds grew by \$225,807. Stable value/cash management funds fell \$133,059 and the plan grew by \$29,812 in its bond funds. International/global stock funds dropped \$18,381 and the plan dropped \$295,240 in its U.S. stock funds. Since September 2012, the CITY OF TROY's 457 plan grew 0.3% in overall value to \$28,176,192 from \$28,082,443.

	Quarter Start Assets	Quarter Contributions	Quarter Withdrawals	Quarter Net Fund Transfers	Quarter Earnings	Quarter End Assets	Quarter End % of Assets	Quarter End Participants with Balance
VantageTrust PLUS Fund	\$9,744,246	\$36,112	-\$171,598	\$998	\$56,487	\$9,666,100	34.31%	174
VantageTrust Cash Management	246,316	272	0	1,158	2	247,736	0.88%	9
VT Vantagepoint Cor Bnd Idx	793,203	8,623	-33,627	56,496	1,320	825,740	2.93%	52
VT PIMCO Total Return	849,411	5,544	0	1,830	9,471	866,252	3.07%	43
VT Vantagepoint Infl Prot Sec	383,529	2,016	0	-11,542	2,288	376,259	1.34%	28
VT PIMCO High Yield	153,795	2,159	0	-1,687	4,829	159,092	0.56%	17
VT Retirement Income Advantage	194,817	0	0	0	1,818	196,635	0.70%	2
VT Vantagepoint MS Ret Inc	38,631	0	-4	0	290	38,917	0.14%	4
VT Vantagepoint Milestone 2010	89,986	4,550	-645	0	885	94,776	0.34%	8
VT Vantagepoint Milestone 2015	269,350	4,351	-933	0	2,972	275,740	0.98%	8
VT Vantagepoint Milestone 2020	803,511	10,500	-11,681	195,964	18,344	1,016,638	3.61%	15

# 457 Plan Activity

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Plan Summary (cont'd.)

	Quarter Start Assets	Quarter Contributions	Quarter Withdrawals	Quarter Net Fund Transfers	Quarter Earnings	Quarter End Assets	Quarter End % of Assets	Quarter End Participants with Balance
VT Vantagepoint Milestone 2025	\$517,085	\$17,291	\$0	\$170,932	\$15,318	\$720,626	2.56%	8
VT Vantagepoint Milestone 2030	123,064	525	0	0	1,969	125,558	0.45%	5
VT Vantagepoint Milestone 2035	47,862	1,225	0	0	919	50,005	0.18%	3
VT Vantagepoint MP Svgs Ornted	4,113	9	0	0	30	4,152	0.01%	2
VT Vantagepoint MP Cons Growth	595,512	4,959	-247	0	5,526	605,749	2.15%	9
VT Vantagepoint MP Trad Growth	1,301,409	10,460	-10,538	-14,513	15,436	1,302,253	4.62%	29
VT Vantagepoint MP Lng-Trm Gr	1,513,691	27,920	0	-203,084	14,960	1,353,488	4.80%	43
VT Vantagepoint MP All-Eq Gr	80,345	315	0	0	1,555	82,215	0.29%	8
VT Fidelity Puritan®	331,416	4,359	-719	14,810	514	350,286	1.24%	39
VT Vantagepoint Equity Income	1,251,674	9,097	-3,404	-14,243	20,887	1,263,989	4.49%	67
VT Allianz NFJ Div Value	263,477	5,211	-2,569	38,635	-1,835	302,872	1.07%	46
VT Eaton Vance Large-Cap Value	88,911	674	-7,721	0	297	82,161	0.29%	11
VT Vantagepoint 500 Stk Idx	363,127	3,399	0	-55,442	-3,113	307,920	1.09%	32
VT Vantagepoint Brd Mkt Idx	661,303	4,680	-1,187	-18,049	760	647,469	2.30%	43
VT Vantagepoint Grwth & Income	308,450	3,319	-1,992	381	1,726	311,884	1.11%	25
Am Funds Invmt Co of America	42,255	741	0	-3,599	367	39,761	0.14%	11
VT Oppenheimer Main Street	77,072	1,423	0	0	-252	78,243	0.28%	11
VT Vantagepoint Growth	1,490,883	10,395	-125,260	-88,753	-26,591	1,260,674	4.47%	74
VT Fidelity Contrafund®	1,168,543	15,239	-1,685	-32,435	-20,316	1,129,337	4.01%	77
VT Calvert Equity Portfolio	35,269	64	0	0	22	35,355	0.13%	3
Am Funds Growth Fund of Am R4	342,965	4,077	-835	-26,464	6,686	326,423	1.16%	26
VT T Rowe Price® Growth Stock	293,397	5,736	0	-7,599	-3,983	287,552	1.02%	27
VT Vantagepoint Select Value	30,548	170	0	-27,343	-17	3,339	0.01%	1
T Rowe Price® Mid-Cap Value	246,414	2,615	-8,271	-12,142	4,782	233,337	0.83%	45
VT Gold Sachs Mid Cap Value	18,207	52	-3,872	0	568	14,956	0.05%	3
VT Columbia Mid Cap Value	10,254	799	0	-2,057	382	9,373	0.03%	8

# 457 Plan Activity

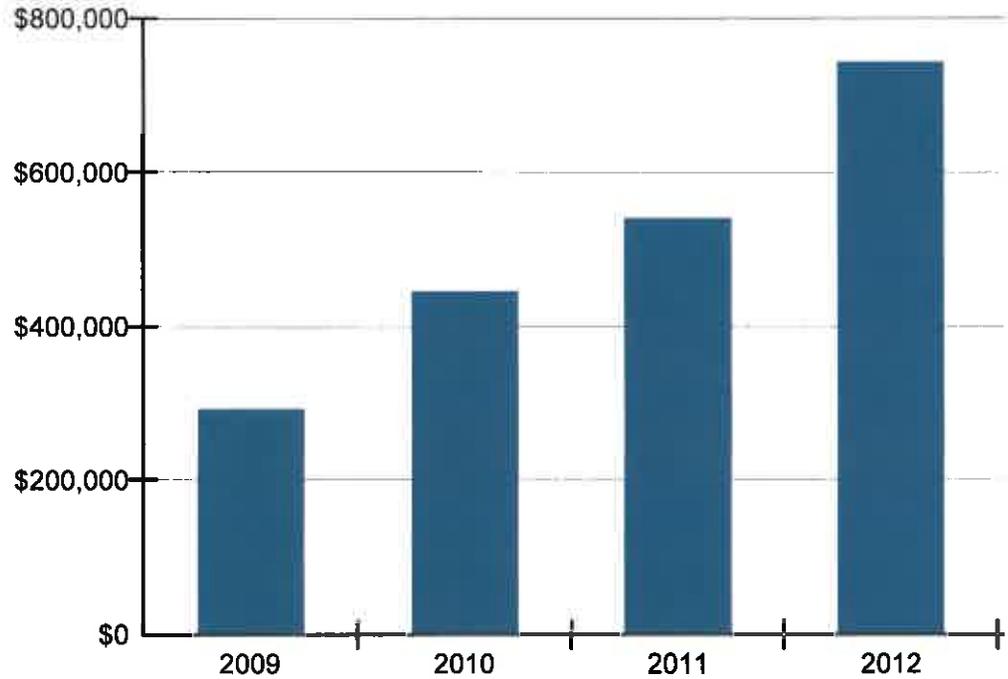
4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Plan Summary (cont'd.)

	Quarter Start Assets	Quarter Contributions	Quarter Withdrawals	Quarter Net Fund Transfers	Quarter Earnings	Quarter End Assets	Quarter End % of Assets	Quarter End Participants with Balance
VT Vantagepoint Md/Sm Co Idx	\$173,721	\$3,577	\$0	\$3,951	\$5,949	\$187,149	0.66%	37
VT Vantagepoint Aggressive Ops	524,601	8,936	-23,446	17,730	13,501	541,321	1.92%	47
VT Royce Premier	86,752	2,278	0	0	4,534	93,564	0.33%	12
VT Harbor Mid Cap Growth	80,242	874	-1,727	860	1,051	81,300	0.29%	6
VT Rainier Small/Mid Cap Eqty	192,681	3,482	0	17,712	2,851	216,719	0.77%	30
VT Vantagepoint Discovery	11,136	664	0	-5,443	14	6,368	0.02%	1
Fidelity Advisor Small Cap T	36,622	596	0	0	567	37,785	0.13%	9
VT T Rowe Price® Sm-Cap Value	465,748	6,912	-5,294	10,232	20,291	497,875	1.77%	55
VT Royce Value Plus	24,554	1,077	0	0	253	25,884	0.09%	7
American Funds Cap World G&I	353,668	6,224	-771	62,770	16,926	438,739	1.56%	52
VT Vantagepoint International	333,612	4,835	-1,659	-20,734	18,696	334,743	1.19%	38
VT Vantagepnt Ovrseas Eq Idx	183,535	3,378	0	-50,197	11,078	147,722	0.52%	27
VT Fidelity Diversified Intl	241,231	2,755	0	-13,209	11,363	242,135	0.86%	28
VT Harbor International	101,276	1,532	-854	-12,449	7,318	96,804	0.34%	33
VantageBroker	239,063	0	0	0	428	239,492	0.85%	2
VT Nuveen Real Estate Secs	259,958	3,688	-2,060	26,527	7,641	295,729	1.05%	51
<b>Total</b>	<b>\$28,082,443</b>	<b>\$259,693</b>	<b>-\$422,598</b>	<b>\$0</b>	<b>\$257,764</b>	<b>\$28,176,192</b>	<b>100.00%</b>	<b>344</b>

# RHS Plan Asset Trends *(as of December 31, 2012)*



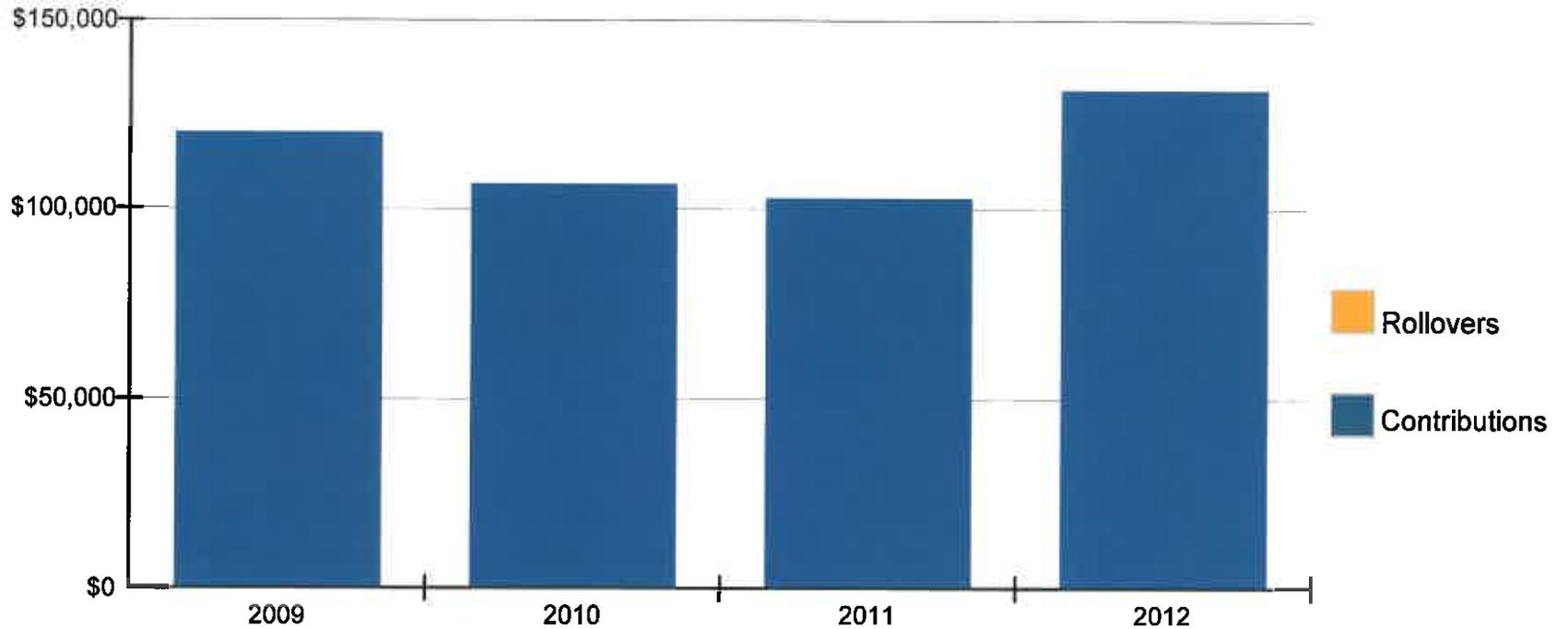
Assets	\$293,491	\$445,762	\$541,051	\$742,392
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The overall value of CITY OF TROY's RHS plan grew to \$742,392 from \$693,304 since September 2012, an increase of 7.1%.

# RHS Plan Contributions *(as of December 31, 2012)*

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report



Contributions	\$120,289	\$106,639	\$102,997	\$131,628
Rollovers	\$0	\$0	\$0	\$0
Loan Repayments	\$0	\$0	\$0	\$0
Total*	\$120,289	\$106,639	\$102,997	\$131,628
Active Participants	39	36	41	50
Average Contribution*	\$3,084	\$2,962	\$2,512	\$2,633

\*Please note that Rollovers are excluded from this calculation.

For Plan Sponsor Use Only

# RHS Plan Asset Allocation *(as of December 31, 2012)*

Your RHS Plan    Total ICMA-RC RHS Clients

December 31, 2011



Stable Value/Cash Management	6.30%	13.00%
Bond	4.52%	8.00%
Guaranteed Lifetime Income	0.00%	0.00%
Balanced/Asset Allocation	80.16%	70.00%
U.S. Stock	9.01%	8.00%
International/Global Stock	0.02%	1.00%

December 31, 2012



Stable Value/Cash Management	4.59%	13.00%
Bond	1.39%	6.00%
Guaranteed Lifetime Income	0.00%	0.00%
Balanced/Asset Allocation	82.17%	70.00%
U.S. Stock	11.73%	9.00%
International/Global Stock	0.12%	2.00%

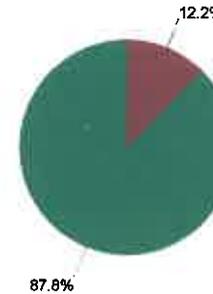
Note: Asset allocation for all clients except Washington State.

For Plan Sponsor Use Only

# RHS Plan Asset Allocation by Age (as of December 31, 2012)

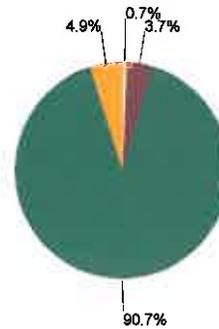
- Stable Value/Cash Management
- Bond
- Guaranteed Lifetime Income
- Balanced/Asset Allocation
- U.S. Stock
- International/Global Stock

## 56 - 65



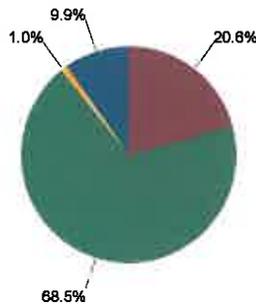
5 Active  
 3 Inactive  
 8 Participants  
 \$86,069 Total Assets  
 \$10,759 Average Balance  
 1 Invested in One Fund

## 46 - 55



14 Active  
 1 Inactive  
 15 Participants  
 \$139,700 Total Assets  
 \$9,313 Average Balance

## 35 - 45



15 Active  
 6 Inactive  
 21 Participants  
 \$311,446 Total Assets  
 \$14,831 Average Balance  
 1 Invested in One Fund

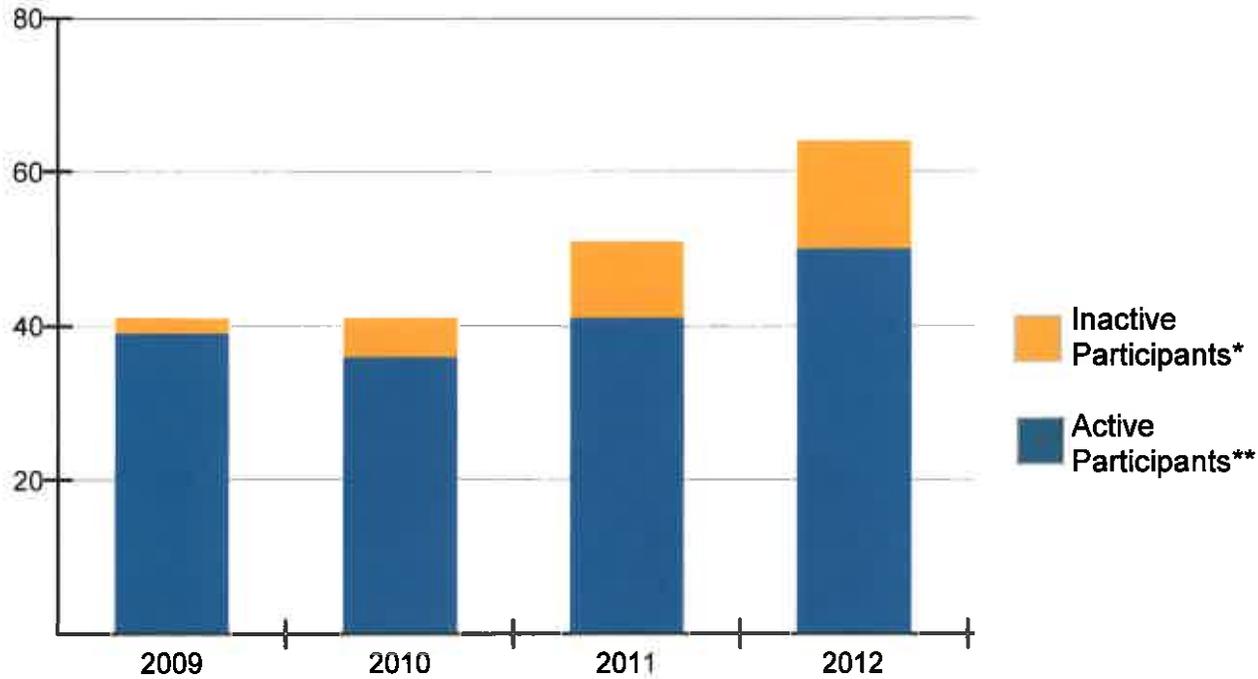
## Under 35



16 Active  
 3 Inactive  
 19 Participants  
 \$171,099 Total Assets  
 \$9,005 Average Balance  
 2 Invested in One Fund

Data for participants invested in one fund excludes funds in the Target Risk and Target Date category.

# RHS Plan Participation Trends *(as of December 31, 2012)*

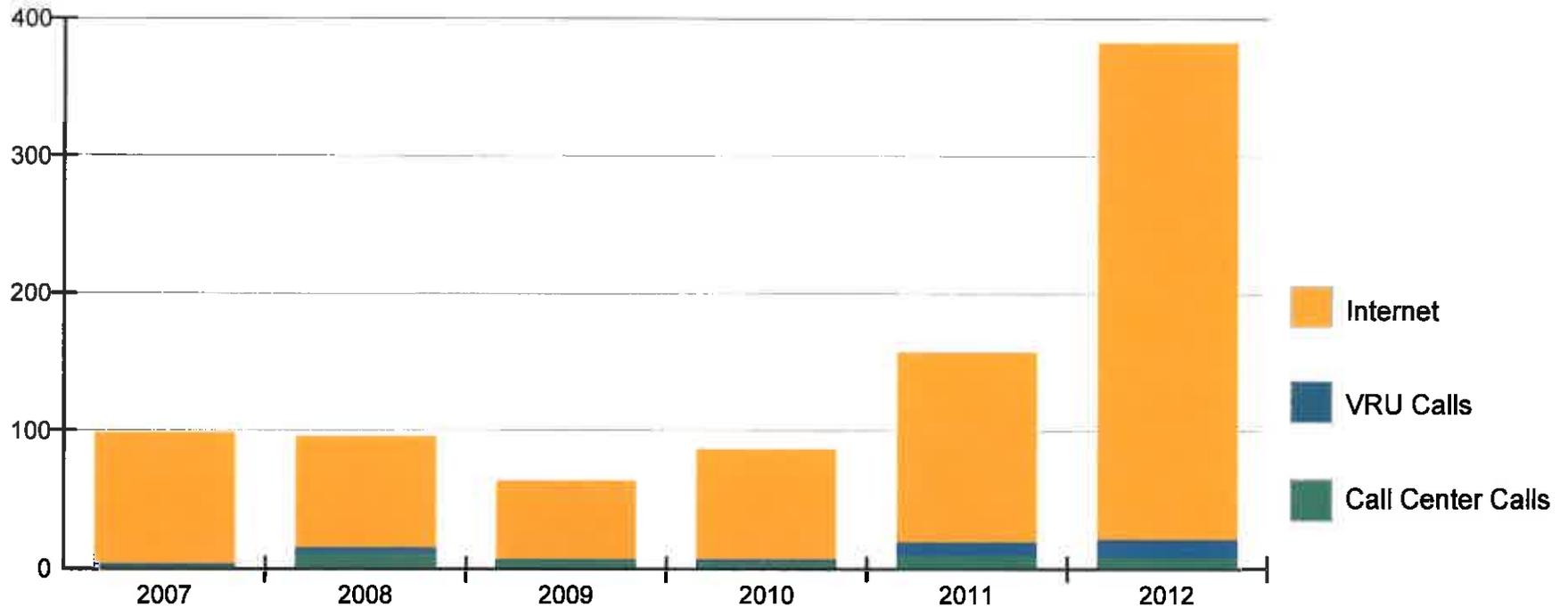


Inactive	2	5	10	14
Active	39	36	41	50
Total	41	41	51	64

\*Inactive Participants--participants who have a balance and did not make a contribution to the plan within the last 12 months.

\*\*Active Participants--participants who have a balance and made a contribution to the plan within the last 12 months.

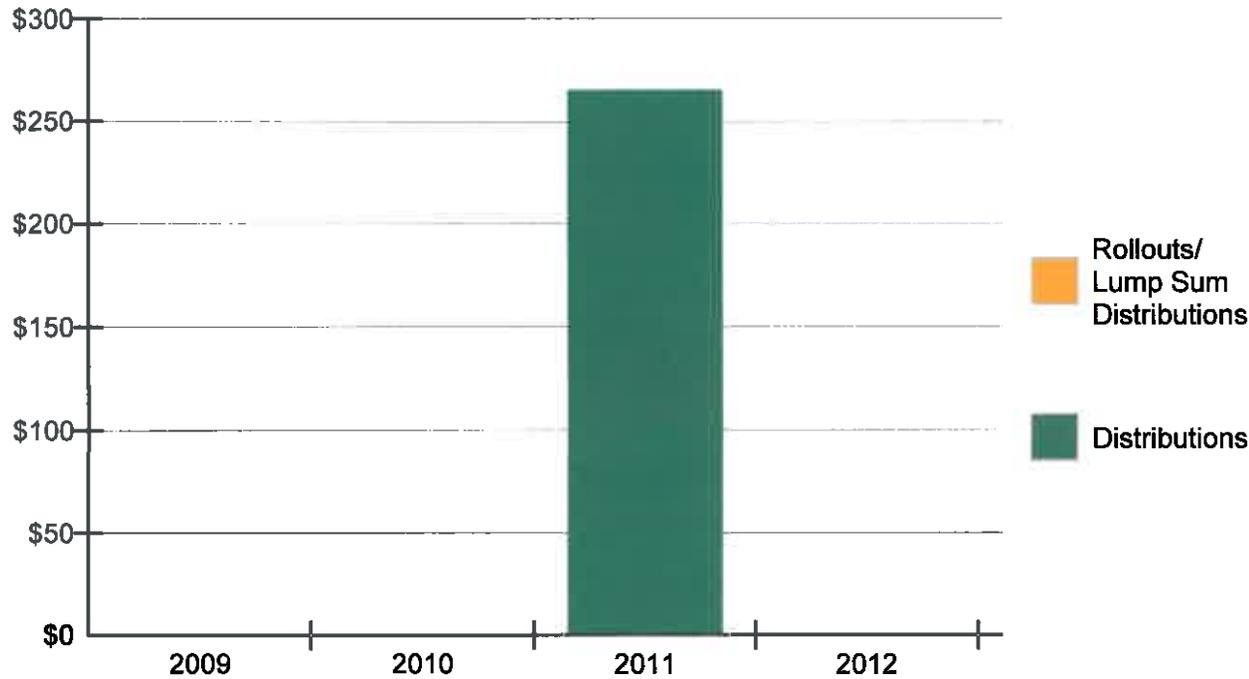
# RHS Plan Service Usage *(as of December 31, 2012)*



Internet	95	80	57	80	138	361
VRU	2	4	1	2	10	13
Call Center	2	12	6	5	10	9
Total	99	96	64	87	158	383

The chart above provides the number of contacts made by your RHS plan participants to ICMA-RC using several media — online using our Account Access participant Web site, VantageLine voice response unit, or call center representatives.

# RHS Plan Withdrawal Trends *(as of December 31, 2012)*



Rollouts/Lump Sum	\$0	\$0	\$0	\$0
Loans	\$0	\$0	\$0	\$0
Distributions	\$0	\$0	\$265	\$0
Total	\$0	\$0	\$265	\$0
# of Rollouts	0	0	0	0
# of Distributions	0	0	3	0
Total	0	0	3	0

# RHS Plan Activity

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Plan Summary

CITY OF TROY's RHS plan includes seven U.S. stock funds, two bond funds, eleven balanced funds, one stable value/cash management fund and one international/global stock fund for investment options. Over the last quarter, the plan's 64 participants contributed a total of \$39,366 with the largest amount, \$34,900 to its balanced funds. Overall, the plan has 12% in U.S. stock funds. Its bond funds are allocated 1% and its stable value/cash management fund, 5%. Approximately 82% is in its balanced funds. The international/global stock fund is less than 1% of assets.

Over the last quarter with regard to market value, balanced funds grew by \$10,022. The plan's U.S. stock funds grew by \$470. The plan's bond funds grew by \$39, while the stable value/cash management fund were flat.

On a net cash flow basis (contribution, plus net transfers less withdrawals), balanced funds received \$34,900. The stable value/cash management fund saw no change and the plan received \$1,739 in its bond funds. U.S. stock funds received \$2,527. Since September 2012, the RHS plan for the CITY OF TROY saw its total value increase 7.1% from \$693,304 to \$742,392.

	Quarter Start Assets	Quarter Contributions	Quarter Withdrawals	Quarter Net Fund Transfers	Quarter Earnings	Quarter End Assets	Quarter End % of Assets	Quarter End Participants with Balance
Dreyfus Cash Management	\$34,078	\$0	\$0	\$0	\$0	\$34,078	4.59%	1
Vantagepoint Low Duration Bond	6,090	397	0	0	27	6,506	0.88%	2
Vantagepoint Inflatn Prot Sec	2,434	1,342	0	0	12	3,785	0.51%	2
Vantagepoint Milestone 2010	1,040	0	0	0	10	1,043	0.14%	1
Vantagepoint Milestone 2015	40,362	3,557	0	0	482	44,339	5.97%	5
Vantagepoint Milestone 2020	25,912	933	0	0	354	27,158	3.66%	4
Vantagepoint Milestone 2025	50,356	7,038	0	0	842	58,149	7.83%	8
Vantagepoint Milestone 2030	98,271	6,491	0	0	1,675	106,313	14.32%	9
Vantagepoint Milestone 2035	135,545	4,327	0	0	2,614	142,322	19.17%	11
Vantagepoint Milestone 2040	57,509	4,880	0	0	1,248	63,537	8.56%	10
Vantagepoint Milestone 2045	61,431	3,763	0	-20,093	1,358	46,375	6.25%	4

# RHS Plan Activity

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Plan Summary (cont'd.)

	Quarter Start Assets	Quarter Contributions	Quarter Withdrawals	Quarter Net Fund Transfers	Quarter Earnings	Quarter End Assets	Quarter End % of Assets	Quarter End Participants with Balance
Vantagepoint Milestone 2050	\$0	\$235	\$0	\$20,093	-\$24	\$20,304	2.73%	2
Vantagepoint MP Trad Growth	31,558	1,397	0	0	409	33,333	4.49%	1
Vantagepoint MP Long-Term Gr	63,918	2,280	0	0	1,054	67,186	9.05%	3
Vantagepoint Equity Income	10,370	0	0	0	173	10,529	1.42%	1
Vantagepoint 500 Stock Index I	34,161	1,380	0	0	-144	35,364	4.76%	2
Vantagepoint Growth & Income	670	201	0	0	7	876	0.12%	1
Vantagepoint Growth	5,883	248	0	0	-83	6,041	0.81%	1
Vantagepoint Mid/Sm Co Idx I	662	201	0	0	27	887	0.12%	1
Vantagepoint Aggressive Ops	10,954	497	0	0	286	11,725	1.58%	1
Vantagepoint Discovery	21,441	0	0	0	205	21,624	2.91%	1
Vantagepoint Ovrseas Eq Ix I	658	201	0	0	59	916	0.12%	1
<b>Total</b>	<b>\$693,304</b>	<b>\$39,366</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,591</b>	<b>\$742,392</b>	<b>100.00%</b>	<b>64</b>

## III. Fee Disclosure

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Overview of Services Provided by ICMA-RC

ICMA-RC provides your 401/457/RHS plans the following administration, record keeping and education services:

- Participant enrollment services
- Establishment/maintenance of participant accounts reflecting amounts contributed, income, gains/losses credited and amounts disbursed
- Maintenance of Website, electronic data transfer (from employers) media, as well as toll-free Call Center and VRU for the receipt of participant and employer instructions
- Allocation of plan contributions received in good order by 4:00pm ET according to participant instructions or to the default option selected by the employer for the plan
- Implementation of participant fund transfer instructions received in good order by 4:00 p.m. ET at the price as of the close of business
- Distribution of assets to participants and beneficiaries in accordance with Internal Revenue Code and plan document
- Implementation of daily net transactions with underlying and outside fund companies on an omnibus basis
- Maintenance of fund holdings and transaction activity on our system on an allocated basis
- Delivery of quarterly plan sponsor and participant statements by mail or online at the recipient's direction
- Online access to an extensive range of reports as well as transaction capabilities for plan sponsors and participants
- Provision of extensive online and hard copy educational materials
- Access to educational seminars and individual consultations by professional and knowledgeable representatives
- Administration of a fund lineup selected by the plan sponsor from the fund platform made available by ICMA-RC

## Statement Regarding Fiduciary/Investment Advisory Services

ICMA-RC generally acts in a non-fiduciary capacity as record keeper and administrator for the plans. The following are the only circumstances in which we act as a fiduciary:

### ICMA-RC Advisory Services under Guided Pathways Program

ICMA-RC acts as investment adviser under the Guided Pathways®<sup>2</sup> program, a platform for the delivery of a suite of advisory services available to Participants in retirement plans administered by ICMA-RC. These services include:

**Managed Accounts** – discretionary, on-going allocation of assets among mutual funds and other pooled investment vehicles available within a Participant's Retirement Plan;

**Fund Advice** – nondiscretionary, point-in-time, individualized recommendations to Participants looking for help in selecting specific mutual fund investments for their accounts from among the investment options made available through their Retirement Plan; and

**Asset Class Guidance** – nondiscretionary, point-in-time, individualized asset allocation recommendations for Participants looking for assistance in selecting Retirement Plan investments at the asset category level.

As part of Guided Pathways®<sup>2</sup>, ICMA-RC has entered into a contract with Ibbotson Associates, Inc. ("Ibbotson"), an SEC registered investment adviser and wholly owned subsidiary of Morningstar Associates, under which Ibbotson serves as the Independent Financial Expert ("IFE"). In its role as IFE, Ibbotson develops asset class allocation models. Furthermore, for each Plan, Ibbotson develops a fund-specific allocation model for each of the asset class allocation models.

For Participants who select Managed Accounts discretionary management, ICMA-RC, based on the recommendation of Ibbotson, determines which fund-specific asset allocation model is most appropriate given the Participant's financial situation, investment time horizon, and other relevant factors. For those opting for nondiscretionary Fund Advice, the service recommends the appropriate fund-specific asset allocation model, and Participants choose whether to implement the recommendation. For Asset Class Guidance, the service suggests the appropriate asset-class level allocation model, and Participants choose: (1) whether to implement the recommended asset-class level allocation; and (2) the specific funds to use to populate the recommended asset classes.

## Retirement Readiness Reports

At the request of a Plan Sponsor, ICMA-RC may provide Retirement Readiness Reports ("Reports") to all full-time employees of the plan sponsor (both existing plan participants and non-participants). These Reports include: 1) a forecast of an employee's income at retirement in relation to a retirement income objective provided by the plan sponsor; 2) a set of recommendations (including potential changes in savings rate) to help the employee reach this retirement income objective; and 3) an asset allocation recommendation based on certain employee specific data. For existing plan participants, the Report will also include a fund specific investment recommendation based on the available investment options in the plan. ICMA-RC has engaged Ibbotson<sup>2</sup> to generate the investment recommendations in the Report. Ibbotson uses the same investment methodologies and software to generate the Report that it uses for the Guided Pathways® program, described above.

## ICMA-RC Advisory Services to EIP Advisor Client

ICMA-RC offers non-discretionary investment advisory services to public employers who pre-fund their Other Post-Employment Benefits (OPEB) such as post-employment healthcare. The advice is provided by ICMA-RC associates in our Investment Division who hold the Chartered Financial Analyst® designation and is limited to unaffiliated, third-party, registered mutual funds and exchange-traded funds. It includes assistance in drafting investment policy statements; recommendations regarding asset allocation; assistance in selecting investments in mutual funds; identification of investment benchmarks; portfolio performance analysis and reporting; and reviews of the performance of the investment manager(s) selected. The advice is tailored to the individual needs of each OPEB client as outlined in its investment policy statement. Each OPEB client is ultimately responsible for the selection of investments held in its portfolio and can impose restrictions on investing in these vehicles.

## ICMA-RC Advisory Services to Vantage Trust Company, LLC

ICMA-RC, in its capacity as an investment adviser registered with the SEC, provides investment advisory, management, and administrative services to Vantage Trust Company, LLC ("VTC") in respect to the collective investment funds and other investment options it makes available to participants through VantageTrust. VTC is a New Hampshire non-depository trust company and a wholly-owned subsidiary of ICMA-RC. VTC is the sole trustee of VantageTrust, a trust established and maintained for the purpose of commingling assets of state and local government qualified retirement and deferred compensation plans.

## Vantagepoint Investment Advisers, LLC ("VIA")

VIA, a wholly-owned subsidiary of ICMA-RC and also an SEC-registered investment adviser, serves as the investment adviser to The Vantagepoint Funds, the underlying funds of the VantageTrust Vantagepoint Funds available as investment options to qualified and deferred compensation plan participants through VantageTrust. The Vantagepoint Funds is an SEC-registered series investment company with each fund in the series having a different investment objective and strategy. Pursuant to its written advisory agreement with The Vantagepoint Funds, VIA, with the consent and approval of The Vantagepoint Funds' Board of Directors, enters into agreements with subadvisers for the performance of some or all of VIA's duties and responsibilities to the Funds. VIA retains the responsibility and authority to monitor and review the performance of each subadviser.

# ICMA-RC's Services

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Group Annuity Contract Separate Account

ICMA-RC provides investment advisory and management services with respect to the insurance company separate account that is the underlying investment of the group annuity contract issued to VantageTrust Company, LLC in connection with the VantageTrust Retirement IncomeAdvantage Fund. ICMA-RC is responsible, among other things, for investing and reinvesting assets of the separate account in accordance with the investment guidelines; maintaining the separate account asset allocation within the specified target percentages and tolerances; voting all proxies and taking all other investor actions with respect to the securities in the separate account; and meeting with the independent insurance company to review the performance of the separate account and the underlying investments.

## Compensation Received by ICMA-RC

ICMA-RC receives compensation for the services it provides in the following manner:

**Record keeping Fees Deducted from Participant Accounts:** ICMA-RC may be compensated for record keeping services with the following explicit fees deducted from participant accounts:

- **Participant fees** – A flat fee charged to each participant account with a balance in the plan for administration or record keeping services. Has a greater impact, as a fraction of account balance, on participants with smaller assets.
- **Asset-based Fee** – An asset-based fee for record keeping services that may be deducted directly from participant accounts in certain plans administered by ICMA-RC.
- **Ancillary service fees** – Fees deducted from plan participant accounts to pay for services chosen by participants, including financial plans, loans, online investment advice, Managed Accounts<sup>2</sup> and self-directed brokerage accounts made available by ICMA-RC and the plan.

**Compensation Received from Funds Made Available by the Plan:** ICMA-RC and its affiliates may be compensated for record keeping and investment advisory services from the mutual funds it administers:

- **Record keeping fees** – Deducted from the assets of some mutual funds or collective investment funds, these 12b-1, shareholder servicing, transfer agency and/or administration fees are paid by VantageTrust Company, LLC, the fund or fund company to ICMA-RC for services rendered by ICMA-RC to the Fund and to the plans and participants that invest in the fund directly or through the VantageTrust Funds. The amounts listed for Vantagepoint and VantageTrust Funds, including the VantageTrust PLUS Fund, include all non-advisory compensation paid by a fund to ICMA-RC and/or its affiliates.
- **Investment advisory fees** – Consists of compensation paid to Vantagepoint Investment Advisers, LLC ("VIA"), a wholly-owned subsidiary of ICMA-RC and an SEC-registered investment adviser, which serves as the investment adviser to The Vantagepoint Funds, for which ICMA-RC is the sponsor, as well as compensation paid to Vantagepoint Transfer Agents, LLC ("VTA") for other fund services. In addition, this includes compensation paid to ICMA-RC for investment advisory services provided to VantageTrust Company in respect to the collective investment funds and other investment options it makes available to participants through VantageTrust. Investment fees are deducted from fund assets and reflected in the Net Asset Values of the Vantagepoint Funds and the VantageTrust Funds.

# 401 Fee and Revenue Summary

Your 401 Plans incur costs for services they receive, including revenue retained by ICMA-RC for record keeping and investment advisory services. As of December 31, 2012, the estimated annual cost to your plan is \$477,734 consisting of \$472,431 from fund fees and expenses (0.81% of plan assets) and \$5,303 of participant account fees.

Out of total estimated plan costs, ICMA-RC received the following estimated annual revenue:

Revenue Source	Record Keeping	Investment Advisory	Total
Funds	\$197,176 (0.34%)	\$53,632 (0.09%)	\$250,808 (0.43%)
Participant Account Fees	\$5,303	\$0	\$5,303
<b>Total</b>	<b>\$202,479</b>	<b>\$53,632</b>	<b>\$256,111</b>

## Methodology

ICMA-RC estimated its annual compensation as follows:

- Dollar values of record keeping and investment advisory revenue were estimated by multiplying the average month end balance for the past 12 months and the annualized percentage of assets each fund company has stated it intends to pay as compensation as of the date of the report. Results of this calculation for each fund were aggregated to derive a total estimated revenue in dollars for the past 12 months.
- Estimated revenue as a percent of plan assets was calculated by dividing the total estimated dollar value by the average month-end balance for the plan for the past 12 months.

Participant usage fees were actual fees charged to participant accounts for the current quarter-ending period.

**All data on page is as of December 31, 2012**

# 401 Fees/Fund Expenses & ICMA-RC Revenue

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Average Month-End Assets	Fees & Expenses to Plan		Non-Investment Advisory	ICMA-RC Gross Revenue		
			Fees & Net Expense Ratio	Estimated Expense Cost		Estimated Annual Revenue	Investment Advisory	Estimated Annual Revenue
<b>Stable Value/Cash Management</b>								
VantageTrust PLUS Fund <sup>4</sup>	NA	\$15,959,523	0.81%	\$129,272	0.35%	\$55,858	0.20%	\$31,919
VantageTrust Cash Management <sup>6</sup>	NA	\$906,326	0.61%	\$5,529	0.20%	\$1,813	0.00%	\$0
VT BoA MMDA (1 Year CD)	NA	\$0	NA	\$0	0.00%	\$0	0.00%	\$0
VT 1 Year BoA CD Account	NA	\$0	NA	\$0	0.60%	\$0	0.00%	\$0
VT BoA MMDA (3 Year CD)	NA	\$0	NA	\$0	0.00%	\$0	0.00%	\$0
VT 3 Year BoA CD Account	NA	\$153,474	NA	\$0	0.60%	\$921	0.00%	\$0
VT BoA MMDA (5 Year CD)	NA	\$0	NA	\$0	0.00%	\$0	0.00%	\$0
VT 5 Year BoA CD Account	NA	\$0	NA	\$0	0.60%	\$0	0.00%	\$0
<b>Bond</b>								
VT Vantagepoint Cor Bnd Idx <sup>8</sup>	Intermediate-Term Bond	\$1,656,653	0.21%	\$3,479	0.10%	\$1,657	0.05%	\$828
VT PIMCO Total Return <sup>8</sup>	Intermediate-Term Bond	\$2,730,537	0.71%	\$19,387	0.25%	\$6,826	0.00%	\$0
VT Vantagepoint Infl Prot Sec <sup>8</sup>	Inflation-Protected Bond	\$673,615	0.64%	\$4,311	0.35%	\$2,358	0.10%	\$674
VT PIMCO High Yield <sup>8</sup>	High Yield Bond	\$318,266	0.80%	\$2,546	0.25%	\$796	0.00%	\$0
<b>Guaranteed Lifetime Income</b>								
VT Retirement Income Advantage <sup>17</sup>	NA	\$557,211	1.58%	\$8,804	0.45%	\$2,507	0.05%	\$279
<b>Target-Risk/Target-Date</b>								
VT Vantagepoint MS Ret Inc <sup>9,12</sup>	Retirement Income	\$2,914	0.85%	\$25	0.44%	\$13	0.10%	\$3
VT Vantagepoint Milestone 2010 <sup>9,12</sup>	Target Date 2000-2010	\$519,832	0.91%	\$4,730	0.44%	\$2,287	0.10%	\$520
VT Vantagepoint Milestone 2015 <sup>9,12</sup>	Target Date 2011-2015	\$840,022	0.88%	\$7,392	0.44%	\$3,696	0.10%	\$840
VT Vantagepoint Milestone 2020 <sup>9,12</sup>	Target Date 2016-2020	\$78,891	0.85%	\$671	0.43%	\$339	0.10%	\$79
VT Vantagepoint Milestone 2025 <sup>9,12</sup>	Target Date 2021-2025	\$204,313	0.88%	\$1,798	0.43%	\$879	0.10%	\$204
VT Vantagepoint Milestone 2030 <sup>9,12</sup>	Target Date 2026-2030	\$415,085	0.89%	\$3,694	0.43%	\$1,785	0.10%	\$415
VT Vantagepoint Milestone 2035 <sup>9,12</sup>	Target Date 2031-2035	\$299,173	0.91%	\$2,722	0.43%	\$1,286	0.10%	\$299
VT Vantagepoint Milestone 2040 <sup>9,12</sup>	Target Date 2036-2040	\$62,129	0.90%	\$559	0.43%	\$267	0.10%	\$62
VT Vantagepoint Milestone 2045 <sup>9,12</sup>	Target Date 2041-2045	\$0	1.08%	\$0	0.43%	\$0	0.10%	\$0
VT Vantagepoint Milestone 2050 <sup>9,12</sup>	Target Date 2046-2050	\$0	1.10%	\$0	0.53%	\$0	0.00%	\$0
VT Vantagepoint MP Svgs Ornted <sup>9</sup>	Conservative Allocation	\$360,101	0.84%	\$3,025	0.44%	\$1,584	0.10%	\$360
VT Vantagepoint MP Cons Growth <sup>9</sup>	Conservative Allocation	\$1,451,570	0.85%	\$12,338	0.44%	\$6,387	0.10%	\$1,452
VT Vantagepoint MP Trad Growth <sup>9</sup>	Moderate Allocation	\$3,148,805	0.88%	\$27,709	0.44%	\$13,855	0.09%	\$2,834

## All data on page is as of December 31, 2012

Dollar values of fees and expenses by fund are estimates derived by multiplying the average month end balance for the past 12 months and the annualized percentage of assets each fund company has stated it intends to pay as compensation as of the date of the report. This calculation is based on aggregate data for plans with more than five participants that have the lowest administration fee. Disclosure of gross expenses, net expenses and waivers for each fund immediately follows this table.

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See disclosure at end of chapter

# 401 Fees/Fund Expenses & ICMA-RC Revenue

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Average Month-End Assets	Fees & Expenses to Plan		ICMA-RC Gross Revenue			
			Fees & Net Expense Ratio	Estimated Expense Cost	Non-Investment Advisory	Estimated Annual Revenue	Investment Advisory	Estimated Annual Revenue
<b>Target-Risk/Target-Date</b>								
VT Vantagepoint MP Lng-Trm Gr <sup>9</sup>	Aggressive Allocation	\$5,274,651	0.92%	\$48,527	0.44%	\$23,208	0.09%	\$4,747
VT Vantagepoint MP All-Eq Gr <sup>9</sup>	Large Blend	\$1,157,247	0.99%	\$11,457	0.45%	\$5,208	0.10%	\$1,157
<b>Balanced</b>								
VT Fidelity Puritan <sup>8</sup>	Moderate Allocation	\$1,286,383	0.59%	\$7,590	0.25%	\$3,216	0.00%	\$0
<b>U.S. Stock</b>								
VT Vantagepoint Equity Income	Large Value	\$1,881,746	0.82%	\$15,430	0.35%	\$6,586	0.10%	\$1,882
VT Allianz NFJ Div Value	Large Value	\$852,891	0.96%	\$8,188	0.25%	\$2,132	0.00%	\$0
VT Eaton Vance Large-Cap Value	Large Value	\$324,209	0.98%	\$3,177	0.50%	\$1,621	0.00%	\$0
VT Vantagepoint 500 Stk Idx	Large Blend	\$875,437	0.22%	\$1,926	0.10%	\$875	0.05%	\$438
VT Vantagepoint Brd Mkt Idx	Large Blend	\$340,878	0.21%	\$716	0.10%	\$341	0.05%	\$170
VT Vantagepoint Grwth & Income	Large Blend	\$1,055,571	0.78%	\$8,233	0.35%	\$3,694	0.10%	\$1,056
Am Funds Invmt Co of America	Large Blend	\$89,835	0.65%	\$584	0.35%	\$314	0.00%	\$0
VT Oppenheimer Main Street	Large Blend	\$377,126	0.54%	\$2,036	0.25%	\$943	0.00%	\$0
VT Vantagepoint Growth	Large Growth	\$1,358,609	0.79%	\$10,733	0.35%	\$4,755	0.10%	\$1,359
VT Fidelity Contrafund <sup>8</sup>	Large Growth	\$2,969,183	0.81%	\$24,050	0.25%	\$7,423	0.00%	\$0
VT Calvert Equity Portfolio	Large Growth	\$162,095	1.22%	\$1,978	0.35%	\$567	0.00%	\$0
Am Funds Growth Fund of Am R4	Large Growth	\$769,828	0.69%	\$5,312	0.35%	\$2,694	0.00%	\$0
VT T Rowe Price <sup>8</sup> Growth Stock <sup>11</sup>	Large Growth	\$414,976	0.93%	\$3,859	0.40%	\$1,660	0.00%	\$0
VT Vantagepoint Select Value <sup>22</sup>	Mid-Cap Value	\$7,695	0.99%	\$76	0.35%	\$27	0.10%	\$8
T Rowe Price <sup>8</sup> Mid-Cap Value <sup>11,22</sup>	Mid-Cap Value	\$573,621	1.04%	\$5,966	0.40%	\$2,294	0.00%	\$0
VT Gold Sachs Mid Cap Value <sup>22</sup>	Mid-Cap Value	\$67,515	1.15%	\$776	0.50%	\$338	0.00%	\$0
VT Columbia Mid Cap Value <sup>22</sup>	Mid-Cap Value	\$15,963	0.94%	\$150	0.25%	\$40	0.00%	\$0
VT Vantagepoint Md/Sm Co Idx <sup>22</sup>	Mid-Cap Blend	\$707,861	0.23%	\$1,628	0.10%	\$708	0.05%	\$354
VT Vantagepoint Aggressive Ops <sup>22</sup>	Mid-Cap Growth	\$763,262	0.83%	\$6,335	0.35%	\$2,671	0.10%	\$763
VT Royce Premier <sup>22</sup>	Mid-Cap Growth	\$527,469	1.34%	\$7,068	0.40%	\$2,110	0.00%	\$0
VT Harbor Mid Cap Growth <sup>22</sup>	Mid-Cap Growth	\$106,332	1.11%	\$1,180	0.25%	\$266	0.00%	\$0
VT Rainier Small/Mid Cap Eqty <sup>22</sup>	Mid-Cap Growth	\$611,750	1.26%	\$7,708	0.40%	\$2,447	0.00%	\$0
VT Vantagepoint Discovery <sup>13</sup>	Small Blend	\$34,289	0.95%	\$326	0.35%	\$120	0.10%	\$34
Fidelity Advisor Small Cap T <sup>13</sup>	Small Blend	\$74,579	1.51%	\$1,126	0.50%	\$373	0.00%	\$0

## All data on page is as of December 31, 2012

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For Plan Sponsor Use Only

# 401 Fees/Fund Expenses & ICMA-RC Revenue

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Average Month-End Assets	Fees & Expenses to Plan		ICMA-RC Gross Revenue			
			Fees & Net Expense Ratio	Estimated Expense Cost	Non-Investment Advisory	Estimated Annual Revenue	Investment Advisory	Estimated Annual Revenue
<b>U.S. Stock</b>								
VT T Rowe Price® Sm-Cap Value <sup>11,13</sup>	Small Blend	\$921,398	1.23%	\$11,333	0.40%	\$3,686	0.00%	\$0
VT Royce Value Plus <sup>13</sup>	Small Growth	\$149,731	1.45%	\$2,171	0.40%	\$599	0.00%	\$0
<b>International/Global Stock</b>								
American Funds Cap World G&I <sup>14</sup>	World Stock	\$1,182,704	0.80%	\$9,462	0.35%	\$4,139	0.00%	\$0
VT Vantagepoint International <sup>14</sup>	Foreign Large Blend	\$648,843	0.97%	\$6,294	0.35%	\$2,271	0.10%	\$649
VT Vantagepnt Ovrseas Eq Idx <sup>14</sup>	Foreign Large Blend	\$495,793	0.34%	\$1,686	0.10%	\$496	0.05%	\$248
VT Fidelity Diversified Intl <sup>14</sup>	Foreign Large Blend	\$835,170	1.01%	\$8,435	0.25%	\$2,088	0.00%	\$0
VT Harbor International <sup>14</sup>	Foreign Large Blend	\$230,039	1.03%	\$2,369	0.25%	\$575	0.00%	\$0
<b>Specialty</b>								
VT Nuveen Real Estate Secs <sup>15</sup>	Real Estate	\$630,108	1.04%	\$6,553	0.25%	\$1,575	0.00%	\$0
<b>Total Average Month-End Assets:</b>		<b>\$58,113,229</b>						
<b>Total Fees and Expenses to Plan:</b>			<b>0.81%</b>	<b>\$472,431</b>				
<b>Total Shareholder Servicing Revenue Retained by ICMA-RC:</b>					<b>0.34%</b>	<b>\$197,176</b>		
<b>Total Investment Advisory Revenue Retained by ICMA-RC:</b>							<b>0.09%</b>	<b>\$53,632</b>

**All data on page is as of December 31, 2012**

Dollar values of fees and expenses by fund are estimates derived by multiplying the average month end balance for the past 12 months and the annualized percentage of assets each fund company has stated it intends to pay as compensation as of the date of the report. This calculation is based on aggregate data for plans with more than five participants that have the lowest administration fee. Disclosure of gross expenses, net expenses and waivers for each fund immediately follows this table.

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See disclosure at end of chapter



# 401 Fee & Fund Expense Detail

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Gross Expense Ratio	Expense Waiver Amount	Waiver Type	Waiver Expiration Date	Net Expense Ratio +	Plan Admin Fee	Total Fees & Expenses	Redemption Fee <sup>1</sup>	Trade Restriction <sup>1</sup>
<b>Stable Value/Cash Management</b>										
VantageTrust PLUS Fund <sup>4</sup>	NA	0.81%	0.00%	--	NA	0.81%	0.00%	0.81%	None	Equity Wash
VantageTrust Cash Management <sup>5</sup>	NA	0.61%	0.00%	--	NA	0.61%	0.00%	0.61%	None	None
VT BoA MMDA (1 Year CD)	NA	NA	0.00%	--	NA	NA	0.00%	NA	None	None
VT 1 Year BoA CD Account	NA	NA	0.00%	--	NA	NA	0.00%	NA	None	None
VT BoA MMDA (3 Year CD)	NA	NA	0.00%	--	NA	NA	0.00%	NA	None	None
VT 3 Year BoA CD Account	NA	NA	0.00%	--	NA	NA	0.00%	NA	None	None
VT BoA MMDA (5 Year CD)	NA	NA	0.00%	--	NA	NA	0.00%	NA	None	None
VT 5 Year BoA CD Account	NA	NA	0.00%	--	NA	NA	0.00%	NA	None	None
<b>Bond</b>										
VT Vantagepoint Cor Bnd Idx <sup>8</sup>	Intermediate-Term Bond	0.21%	0.00%	--	NA	0.21%	0.00%	0.21%	None	None
VT PIMCO Total Return <sup>8</sup>	Intermediate-Term Bond	0.71%	0.00%	--	NA	0.71%	0.00%	0.71%	None	None
VT Vantagepoint Infl Prot Sec <sup>8</sup>	Inflation-Protected Bond	0.64%	0.00%	--	NA	0.64%	0.00%	0.64%	None	None
VT PIMCO High Yield <sup>8</sup>	High Yield Bond	0.80%	0.00%	--	NA	0.80%	0.00%	0.80%	None	None
<b>Guaranteed Lifetime Income</b>										
VT Retirement Income Advantage <sup>17</sup>	NA	1.58%	0.00%	--	NA	1.58%	0.00%	1.58%	None	90 days, any amt
<b>Target-Risk/Target-Date</b>										
VT Vantagepoint MS Ret Inc <sup>9,12</sup>	Retirement Income	0.85%	0.00%	--	NA	0.85%	0.00%	0.85%	None	None
VT Vantagepoint Milestone 2010 <sup>9,12</sup>	Target Date 2000-2010	0.91%	0.00%	--	NA	0.91%	0.00%	0.91%	None	None
VT Vantagepoint Milestone 2015 <sup>9,12</sup>	Target Date 2011-2015	0.88%	0.00%	--	NA	0.88%	0.00%	0.88%	None	None
VT Vantagepoint Milestone 2020 <sup>9,12</sup>	Target Date 2016-2020	0.85%	0.00%	--	NA	0.85%	0.00%	0.85%	None	None
VT Vantagepoint Milestone 2025 <sup>9,12</sup>	Target Date 2021-2025	0.88%	0.00%	--	NA	0.88%	0.00%	0.88%	None	None
VT Vantagepoint Milestone 2030 <sup>9,12</sup>	Target Date 2026-2030	0.89%	0.00%	--	NA	0.89%	0.00%	0.89%	None	None
VT Vantagepoint Milestone 2035 <sup>9,12</sup>	Target Date 2031-2035	0.91%	0.00%	--	NA	0.91%	0.00%	0.91%	None	None
VT Vantagepoint Milestone 2040 <sup>9,12</sup>	Target Date 2036-2040	0.90%	0.00%	--	NA	0.90%	0.00%	0.90%	None	None
VT Vantagepoint Milestone 2045 <sup>9,12</sup>	Target Date 2041-2045	1.09%	0.01%	CONTRACTUAL	4/30/2013	1.08%	0.00%	1.08%	None	None
VT Vantagepoint Milestone 2050 <sup>9,12</sup>	Target Date 2046-2050	2.60%	1.50%	Contractual	4/30/2014	1.10%	0.00%	1.10%	None	None
VT Vantagepoint MP Svgs Ornted <sup>9</sup>	Conservative Allocation	0.84%	0.00%	--	NA	0.84%	0.00%	0.84%	None	None
VT Vantagepoint MP Cons Growth <sup>9</sup>	Conservative Allocation	0.85%	0.00%	--	NA	0.85%	0.00%	0.85%	None	None
VT Vantagepoint MP Trad Growth <sup>9</sup>	Moderate Allocation	0.88%	0.00%	--	NA	0.88%	0.00%	0.88%	None	None

All data on page is as of December 31, 2012

See disclosure at end of chapter.

See disclosure at end of chapter

# 401 Fee & Fund Expense Detail

Fund <sup>1</sup>	Morningstar Category <sup>11</sup>	Gross Expense Ratio	Expense Waiver Amount	Waiver Type	Waiver Expiration Date	Net Expense Ratio	Plan Admin Fee	Total Fees & Expenses	Redemption Fee <sup>1</sup>	Trade Restriction <sup>1</sup>
<b>Target-Risk/Target-Date</b>										
VT Vantagepoint MP Lng-Trm Gr <sup>9</sup>	Aggressive Allocation	0.92%	0.00%	--	NA	0.92%	0.00%	0.92%	None	None
VT Vantagepoint MP All-Eq Gr <sup>9</sup>	Large Blend	0.99%	0.00%	--	NA	0.99%	0.00%	0.99%	None	None
<b>Balanced</b>										
VT Fidelity Puritan <sup>®</sup>	Moderate Allocation	0.59%	0.00%	--	NA	0.59%	0.00%	0.59%	None	None
<b>U.S. Stock</b>										
VT Vantagepoint Equity Income	Large Value	0.82%	0.00%	--	NA	0.82%	0.00%	0.82%	None	None
VT Allianz NFJ Div Value	Large Value	0.96%	0.00%	--	NA	0.96%	0.00%	0.96%	None	None
VT Eaton Vance Large-Cap Value	Large Value	0.98%	0.00%	--	NA	0.98%	0.00%	0.98%	None	None
VT Vantagepoint 500 Stk Idx	Large Blend	0.22%	0.00%	--	NA	0.22%	0.00%	0.22%	None	None
VT Vantagepoint Brd Mkt Idx	Large Blend	0.21%	0.00%	--	NA	0.21%	0.00%	0.21%	None	None
VT Vantagepoint Grwth & Income	Large Blend	0.78%	0.00%	--	NA	0.78%	0.00%	0.78%	None	None
Am Funds Invmt Co of America	Large Blend	0.65%	0.00%	--	NA	0.65%	0.00%	0.65%	None	30 days, \$5000
VT Oppenheimer Main Street	Large Blend	0.54%	0.00%	--	NA	0.54%	0.00%	0.54%	None	None
VT Vantagepoint Growth	Large Growth	0.79%	0.00%	--	NA	0.79%	0.00%	0.79%	None	None
VT Fidelity Contrafund <sup>®</sup>	Large Growth	0.81%	0.00%	--	NA	0.81%	0.00%	0.81%	None	None
VT Calvert Equity Portfolio	Large Growth	1.22%	0.00%	--	NA	1.22%	0.00%	1.22%	2%, 30 days	None
Am Funds Growth Fund of Am R4	Large Growth	0.69%	0.00%	--	NA	0.69%	0.00%	0.69%	None	30 days, \$5000
VT T Rowe Price <sup>®</sup> Growth Stock <sup>11</sup>	Large Growth	0.93%	0.00%	--	NA	0.93%	0.00%	0.93%	None	30 days, any amt
VT Vantagepoint Select Value <sup>22</sup>	Mid-Cap Value	0.99%	0.00%	--	NA	0.99%	0.00%	0.99%	None	None
T Rowe Price <sup>®</sup> Mid-Cap Value <sup>11,22</sup>	Mid-Cap Value	1.04%	0.00%	--	NA	1.04%	0.00%	1.04%	None	30 days, any amt
VT Gold Sachs Mid Cap Value <sup>22</sup>	Mid-Cap Value	1.15%	0.00%	--	NA	1.15%	0.00%	1.15%	None	None
VT Columbia Mid Cap Value <sup>22</sup>	Mid-Cap Value	0.94%	0.00%	--	NA	0.94%	0.00%	0.94%	None	30 days, any amt
VT Vantagepoint Md/Sm Co Idx <sup>22</sup>	Mid-Cap Blend	0.23%	0.00%	--	NA	0.23%	0.00%	0.23%	None	None
VT Vantagepoint Aggressive Ops <sup>22</sup>	Mid-Cap Growth	0.83%	0.00%	--	NA	0.83%	0.00%	0.83%	None	None
VT Royce Premier <sup>22</sup>	Mid-Cap Growth	1.34%	0.00%	--	NA	1.34%	0.00%	1.34%	1%, 180 days	None
VT Harbor Mid Cap Growth <sup>22</sup>	Mid-Cap Growth	1.11%	0.00%	--	NA	1.11%	0.00%	1.11%	None	None
VT Rainier Small/Mid Cap Eqty <sup>22</sup>	Mid-Cap Growth	1.26%	0.00%	--	NA	1.26%	0.00%	1.26%	None	None
VT Vantagepoint Discovery <sup>13</sup>	Small Blend	0.95%	0.00%	--	NA	0.95%	0.00%	0.95%	None	None
Fidelity Advisor Small Cap T <sup>13</sup>	Small Blend	1.51%	0.00%	--	NA	1.51%	0.00%	1.51%	None	None

All data on page is as of December 31, 2012

See disclosure at end of chapter.

For P<sup>l</sup> Sponsor Use Only

See disclosure at end of chapter

# 401 Fee & Fund Expense Detail

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

Fund <sup>1</sup>	Morningstar Category <sup>7</sup>	Gross Expense Ratio	Expense Waiver Amount	Waiver Type	Waiver Expiration Date	Net Expense Ratio +	Plan Admin Fee	Total Fees & Expenses	Redemption Fee <sup>1</sup>	Trade Restriction <sup>1</sup>
<b>U.S. Stock</b>										
VT T Rowe Price® Sm-Cap Value <sup>11,13</sup>	Small Blend	1.23%	0.00%	--	NA	1.23%	0.00%	1.23%	1%, 90 days	30 days, any amt
VT Royce Value Plus <sup>13</sup>	Small Growth	1.45%	0.00%	--	NA	1.45%	0.00%	1.45%	1%, 180 days	None
<b>International/Global Stock</b>										
American Funds Cap World G&I <sup>14</sup>	World Stock	0.80%	0.00%	--	NA	0.80%	0.00%	0.80%	None	30 days, \$5000
VT Vantagepoint International <sup>14</sup>	Foreign Large Blend	0.97%	0.00%	--	NA	0.97%	0.00%	0.97%	None	90 days, any amt
VT Vantagepnt Ovrseas Eq Idx <sup>14</sup>	Foreign Large Blend	0.34%	0.00%	--	NA	0.34%	0.00%	0.34%	None	90 days, any amt
VT Fidelity Diversified Intl <sup>14</sup>	Foreign Large Blend	1.01%	0.00%	--	NA	1.01%	0.00%	1.01%	1%, 30 days	None
VT Harbor International <sup>14</sup>	Foreign Large Blend	1.04%	0.01%	Contractual	2/28/2013	1.03%	0.00%	1.03%	2%, 60 days	None
<b>Specialty</b>										
VT Nuveen Real Estate Secs <sup>15</sup>	Real Estate	1.04%	0.00%	--	NA	1.04%	0.00%	1.04%	None	None

**All data on page is as of December 31, 2012**

See disclosure at end of chapter.

For Plan Sponsor Use Only

See disclosure at end of chapter



# 401 ICMA-RC Gross Revenue Detail

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Plan Admin Fee	+ 12b-1 from Funds	+ Other Non-Investment Advisory from Funds	= Non-Investment Advisory Subtotal	+ ICMA-RC Investment Advisory	= Total ICMA-RC Revenue <sup>3</sup>
<b>Stable Value/Cash Management</b>							
VantageTrust PLUS Fund <sup>4</sup>	NA	0.00%	0.00%	0.35%	0.35%	0.20%	0.55%
VantageTrust Cash Management <sup>6</sup>	NA	0.00%	0.00%	0.20%	0.20%	0.00%	0.20%
VT BoA MMDA (1 Year CD)	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
VT 1 Year BoA CD Account	NA	0.00%	0.00%	0.60%	0.60%	0.00%	0.60%
VT BoA MMDA (3 Year CD)	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
VT 3 Year BoA CD Account	NA	0.00%	0.00%	0.60%	0.60%	0.00%	0.60%
VT BoA MMDA (5 Year CD)	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
VT 5 Year BoA CD Account	NA	0.00%	0.00%	0.60%	0.60%	0.00%	0.60%
<b>Bond</b>							
VT Vantagepoint Cor Bnd Idx <sup>8</sup>	Intermediate-Term Bond	0.00%	0.00%	0.10%	0.10%	0.05%	0.15%
VT PIMCO Total Return <sup>8</sup>	Intermediate-Term Bond	0.00%	0.25%	0.00%	0.25%	0.00%	0.25%
VT Vantagepoint Infl Prot Sec <sup>8</sup>	Inflation-Protected Bond	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
VT PIMCO High Yield <sup>8</sup>	High Yield Bond	0.00%	0.25%	0.00%	0.25%	0.00%	0.25%
<b>Guaranteed Lifetime Income</b>							
VT Retirement Income Advantage <sup>17</sup>	NA	0.00%	0.00%	0.45%	0.45%	0.05%	0.50%
<b>Target-Risk/Target-Date</b>							
VT Vantagepoint MS Ret Inc <sup>9,12</sup>	Retirement Income	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
VT Vantagepoint Milestone 2010 <sup>9,12</sup>	Target Date 2000-2010	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
VT Vantagepoint Milestone 2015 <sup>9,12</sup>	Target Date 2011-2015	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
VT Vantagepoint Milestone 2020 <sup>9,12</sup>	Target Date 2016-2020	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
VT Vantagepoint Milestone 2025 <sup>9,12</sup>	Target Date 2021-2025	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
VT Vantagepoint Milestone 2030 <sup>9,12</sup>	Target Date 2026-2030	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
VT Vantagepoint Milestone 2035 <sup>9,12</sup>	Target Date 2031-2035	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
VT Vantagepoint Milestone 2040 <sup>9,12</sup>	Target Date 2036-2040	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
VT Vantagepoint Milestone 2045 <sup>9,12</sup>	Target Date 2041-2045	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
VT Vantagepoint Milestone 2050 <sup>9,12</sup>	Target Date 2046-2050	0.00%	0.00%	0.53%	0.53%	0.00%	0.53%
VT Vantagepoint MP Svgs Ornted <sup>9</sup>	Conservative Allocation	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
VT Vantagepoint MP Cons Growth <sup>9</sup>	Conservative Allocation	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
VT Vantagepoint MP Trad Growth <sup>9</sup>	Moderate Allocation	0.00%	0.00%	0.44%	0.44%	0.09%	0.53%

## All data on page is as of December 31, 2012

Section includes data for funds with the lowest administration fee available to the plan with more than five participants. See disclosure at end of chapter.

# 401 ICMA-RC Gross Revenue Detail

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Plan Admin Fee	+ 12b-1 from Funds	+ Other Non-Investment Advisory from Funds	= Non-Investment Advisory Subtotal	+ ICMA-RC Investment Advisory	= Total ICMA-RC Revenue <sup>1</sup>
<b>Target-Risk/Target-Date</b>							
VT Vantagepoint MP Lng-Trm Gr <sup>9</sup>	Aggressive Allocation	0.00%	0.00%	0.44%	0.44%	0.09%	0.53%
VT Vantagepoint MP All-Eq Gr <sup>9</sup>	Large Blend	0.00%	0.00%	0.45%	0.45%	0.10%	0.55%
<b>Balanced</b>							
VT Fidelity Puritan <sup>®</sup>	Moderate Allocation	0.00%	0.00%	0.25%	0.25%	0.00%	0.25%
<b>U.S. Stock</b>							
VT Vantagepoint Equity Income	Large Value	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
VT Allianz NFJ Div Value	Large Value	0.00%	0.25%	0.00%	0.25%	0.00%	0.25%
VT Eaton Vance Large-Cap Value	Large Value	0.00%	0.25%	0.25%	0.50%	0.00%	0.50%
VT Vantagepoint 500 Stk Idx	Large Blend	0.00%	0.00%	0.10%	0.10%	0.05%	0.15%
VT Vantagepoint Brd Mkt Idx	Large Blend	0.00%	0.00%	0.10%	0.10%	0.05%	0.15%
VT Vantagepoint Grwth & Income	Large Blend	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
Am Funds Invmt Co of America	Large Blend	0.00%	0.25%	0.10%	0.35%	0.00%	0.35%
VT Oppenheimer Main Street	Large Blend	0.00%	0.00%	0.25%	0.25%	0.00%	0.25%
VT Vantagepoint Growth	Large Growth	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
VT Fidelity Contrafund <sup>®</sup>	Large Growth	0.00%	0.00%	0.25%	0.25%	0.00%	0.25%
VT Calvert Equity Portfolio	Large Growth	0.00%	0.25%	0.10%	0.35%	0.00%	0.35%
Am Funds Growth Fund of Am R4	Large Growth	0.00%	0.25%	0.10%	0.35%	0.00%	0.35%
VT T Rowe Price <sup>®</sup> Growth Stock <sup>11</sup>	Large Growth	0.00%	0.25%	0.15%	0.40%	0.00%	0.40%
VT Vantagepoint Select Value <sup>22</sup>	Mid-Cap Value	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
T Rowe Price <sup>®</sup> Mid-Cap Value <sup>11,22</sup>	Mid-Cap Value	0.00%	0.25%	0.15%	0.40%	0.00%	0.40%
VT Gold Sachs Mid Cap Value <sup>22</sup>	Mid-Cap Value	0.00%	0.25%	0.25%	0.50%	0.00%	0.50%
VT Columbia Mid Cap Value <sup>22</sup>	Mid-Cap Value	0.00%	0.00%	0.25%	0.25%	0.00%	0.25%
VT Vantagepoint Md/Sm Co Idx <sup>22</sup>	Mid-Cap Blend	0.00%	0.00%	0.10%	0.10%	0.05%	0.15%
VT Vantagepoint Aggressive Ops <sup>22</sup>	Mid-Cap Growth	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
VT Royce Premier <sup>22</sup>	Mid-Cap Growth	0.00%	0.25%	0.15%	0.40%	0.00%	0.40%
VT Harbor Mid Cap Growth <sup>22</sup>	Mid-Cap Growth	0.00%	0.25%	0.00%	0.25%	0.00%	0.25%
VT Rainier Small/Mid Cap Eqty <sup>22</sup>	Mid-Cap Growth	0.00%	0.25%	0.15%	0.40%	0.00%	0.40%
VT Vantagepoint Discovery <sup>13</sup>	Small Blend	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
Fidelity Advisor Small Cap T <sup>13</sup>	Small Blend	0.00%	0.50%	0.00%	0.50%	0.00%	0.50%

## All data on page is as of December 31, 2012

Section includes data for funds with the lowest administration fee available to the plan with more than five participants. See disclosure at end of chapter.

# 401 ICMA-RC Gross Revenue Detail

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Plan Admin Fee	+ 12b-1 from Funds	+ Other Non-Investment Advisory from Funds	= Non-Investment Advisory Subtotal	+ ICMA-RC Investment Advisory	= Total ICMA-RC Revenue <sup>1</sup>
<b>U.S. Stock</b>							
VT T Rowe Price® Sm-Cap Value <sup>11,13</sup>	Small Blend	0.00%	0.25%	0.15%	0.40%	0.00%	0.40%
VT Royce Value Plus <sup>13</sup>	Small Growth	0.00%	0.25%	0.15%	0.40%	0.00%	0.40%
<b>International/Global Stock</b>							
American Funds Cap World G&I <sup>14</sup>	World Stock	0.00%	0.25%	0.10%	0.35%	0.00%	0.35%
VT Vantagepoint International <sup>14</sup>	Foreign Large Blend	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
VT Vantagepnt Ovrseas Eq Idx <sup>14</sup>	Foreign Large Blend	0.00%	0.00%	0.10%	0.10%	0.05%	0.15%
VT Fidelity Diversified Intl <sup>14</sup>	Foreign Large Blend	0.00%	0.00%	0.25%	0.25%	0.00%	0.25%
VT Harbor International <sup>14</sup>	Foreign Large Blend	0.00%	0.25%	0.00%	0.25%	0.00%	0.25%
<b>Specialty</b>							
VT Nuveen Real Estate Secs <sup>15</sup>	Real Estate	0.00%	0.00%	0.25%	0.25%	0.00%	0.25%

**All data on page is as of December 31, 2012**

Section includes data for funds with the lowest administration fee available to the plan with more than five participants.  
See disclosure at end of chapter.

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See disclosure at end of chapter



# 401 ICMA-RC Participant Account Fees

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Assessments from Participant Accounts in 6 months ending December 31, 2012

Service	Fee	Number of Assessments	Annual Cost
<b>Administration Fees Charged to Participant Accounts</b>			
Per Participant Fee	annual fee	--	NA
Administration	% (annualized) on assets	--	NA
<b>Loans</b>			
Origination, Refinance, Reamortization	\$75 per application	--	NA
Loan Maintenance*	\$50 annual fee	--	NA
ACH Reject	\$20 per occurrence	--	NA
<b>Guided Pathways</b>			
Fund Advice <sup>19</sup>	\$20 annual fee	--	NA
Managed Accounts <sup>19,20</sup>	0.60% on first \$25,000 0.55% on next \$25,000 0.45% on next \$50,000 0.35% on next \$150,000 0.25% on all assets over \$250,000 (Managed Account fees are annualized)	29 participants  \$2,827,124 in assets	\$5,303
<b>Brokerage</b>			
Self-Directed Brokerage <sup>21</sup>	\$50 one-time setup fee (additional fees by brokerage provider also apply)	--	NA
<b>Expedited Disbursement</b>			
Wire & FedEx	varies by delivery address	--	NA
<b>Total Fees from Participant Accounts</b>			<b>\$5,303</b>

### Statement Regarding Termination Provisions

ICMA-RC imposes no Contingent Deferred Sales Charges of any kind or Market Value Adjustments on the stable value VantageTrust PLUS Fund. Costs may be assessed for termination without cause prior to the conclusion of a term contract. Mutual funds administered for the plan may assess redemption fees for assets that have been invested for less than the period of time defined in the fund prospectus.

ICMA-RC retains full discretion to fund Employer withdrawals from the VantageTrust PLUS Fund in an orderly manner over a period of up to 12 months in order to lessen the negative impact that a substantial withdrawal may have on investors remaining in the fund.

All data on page is as of December 31, 2012

\* Annual loan fees are prorated for the period of the year in which the loan was outstanding

# 457 Fee and Revenue Summary

Your 457 Plan incurs costs for services it receives, including revenue retained by ICMA-RC for record keeping and investment advisory services. As of December 31, 2012, the estimated annual cost to your plan is \$220,461 consisting of \$218,285 from fund fees and expenses (0.80% of plan assets) and \$2,175 of participant account fees.

Out of total estimated plan costs, ICMA-RC received the following estimated annual revenue:

Revenue Source	Record Keeping	Investment Advisory	Total
Funds	\$92,268 (0.34%)	\$29,632 (0.11%)	\$121,899 (0.45%)
Participant Account Fees	\$2,175	\$0	\$2,175
<b>Total</b>	<b>\$94,443</b>	<b>\$29,632</b>	<b>\$124,075</b>

## Methodology

ICMA-RC estimated its annual compensation as follows:

- Dollar values of record keeping and investment advisory revenue were estimated by multiplying the average month end balance for the past 12 months and the annualized percentage of assets each fund company has stated it intends to pay as compensation as of the date of the report. Results of this calculation for each fund were aggregated to derive a total estimated revenue in dollars for the past 12 months.
- Estimated revenue as a percent of plan assets was calculated by dividing the total estimated dollar value by the average month-end balance for the plan for the past 12 months.

Participant usage fees were actual fees charged to participant accounts for the current quarter-ending period.

**All data on page is as of December 31, 2012**

# 457 Fees/Fund Expenses & ICMA-RC Revenue

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Average Month-End Assets	Fees & Expenses to Plan		ICMA-RC Gross Revenue			
			Fees & Net Expense Ratio	Estimated Expense Cost	Non-Investment Advisory	Estimated Annual Revenue	Investment Advisory	Estimated Annual Revenue
<b>Stable Value/Cash Management</b>								
VantageTrust PLUS Fund <sup>4</sup>	NA	\$9,616,146	0.81%	\$77,891	0.35%	\$33,657	0.20%	\$19,232
VantageTrust Cash Management <sup>6</sup>	NA	\$242,851	0.61%	\$1,481	0.20%	\$486	0.00%	\$0
VT BoA MMDA (1 Year CD)	NA	\$0	NA	\$0	0.00%	\$0	0.00%	\$0
VT 1 Year BoA CD Account	NA	\$0	NA	\$0	0.60%	\$0	0.00%	\$0
VT BoA MMDA (3 Year CD)	NA	\$0	NA	\$0	0.00%	\$0	0.00%	\$0
VT 3 Year BoA CD Account	NA	\$0	NA	\$0	0.60%	\$0	0.00%	\$0
VT BoA MMDA (5 Year CD)	NA	\$0	NA	\$0	0.00%	\$0	0.00%	\$0
VT 5 Year BoA CD Account	NA	\$0	NA	\$0	0.60%	\$0	0.00%	\$0
<b>Bond</b>								
VT Vantagepoint Cor Bnd Idx <sup>8</sup>	Intermediate-Term Bond	\$732,984	0.21%	\$1,539	0.10%	\$733	0.05%	\$366
VT PIMCO Total Return <sup>8</sup>	Intermediate-Term Bond	\$809,478	0.71%	\$5,747	0.25%	\$2,024	0.00%	\$0
VT Vantagepoint Infl Prot Sec <sup>8</sup>	Inflation-Protected Bond	\$358,633	0.64%	\$2,295	0.35%	\$1,255	0.10%	\$359
VT PIMCO High Yield <sup>8</sup>	High Yield Bond	\$150,898	0.80%	\$1,207	0.25%	\$377	0.00%	\$0
<b>Guaranteed Lifetime Income</b>								
VT Retirement IncomeAdvantage <sup>17</sup>	NA	\$189,504	1.58%	\$2,994	0.45%	\$853	0.05%	\$95
<b>Target-Risk/Target-Date</b>								
VT Vantagepoint MS Ret Inc <sup>9,12</sup>	Retirement Income	\$40,551	0.85%	\$345	0.44%	\$178	0.10%	\$41
VT Vantagepoint Milestone 2010 <sup>9,12</sup>	Target Date 2000-2010	\$87,025	0.91%	\$792	0.44%	\$383	0.10%	\$87
VT Vantagepoint Milestone 2015 <sup>9,12</sup>	Target Date 2011-2015	\$266,526	0.88%	\$2,345	0.44%	\$1,173	0.10%	\$267
VT Vantagepoint Milestone 2020 <sup>9,12</sup>	Target Date 2016-2020	\$811,479	0.85%	\$6,898	0.43%	\$3,489	0.10%	\$811
VT Vantagepoint Milestone 2025 <sup>9,12</sup>	Target Date 2021-2025	\$513,636	0.88%	\$4,520	0.43%	\$2,209	0.10%	\$514
VT Vantagepoint Milestone 2030 <sup>9,12</sup>	Target Date 2026-2030	\$119,589	0.89%	\$1,064	0.43%	\$514	0.10%	\$120
VT Vantagepoint Milestone 2035 <sup>9,12</sup>	Target Date 2031-2035	\$45,687	0.91%	\$416	0.43%	\$196	0.10%	\$46
VT Vantagepoint Milestone 2040 <sup>9,12</sup>	Target Date 2036-2040	\$0	0.90%	\$0	0.43%	\$0	0.10%	\$0
VT Vantagepoint Milestone 2045 <sup>9,12</sup>	Target Date 2041-2045	\$0	1.08%	\$0	0.43%	\$0	0.10%	\$0
VT Vantagepoint Milestone 2050 <sup>9,12</sup>	Target Date 2046-2050	\$0	1.10%	\$0	0.53%	\$0	0.00%	\$0
VT Vantagepoint MP Svgs Ormtd <sup>9</sup>	Conservative Allocation	\$6,621	0.84%	\$56	0.44%	\$29	0.10%	\$7
VT Vantagepoint MP Cons Growth <sup>9</sup>	Conservative Allocation	\$677,786	0.85%	\$5,761	0.44%	\$2,982	0.10%	\$678
VT Vantagepoint MP Trad Growth <sup>9</sup>	Moderate Allocation	\$1,273,594	0.88%	\$11,208	0.44%	\$5,604	0.09%	\$1,146

## All data on page is as of December 31, 2012

Dollar values of fees and expenses by fund are estimates derived by multiplying the average month end balance for the past 12 months and the annualized percentage of assets each fund company has stated it intends to pay as compensation as of the date of the report. This calculation is based on aggregate data for plans with more than five participants that have the lowest administration fee. Disclosure of gross expenses, net expenses and waivers for each fund immediately follows this table.

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# 457 Fees/Fund Expenses & ICMA-RC Revenue

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Average Month-End Assets	Fees & Expenses to Plan		ICMA-RC Gross Revenue			
			Fees & Net Expense Ratio	Estimated Expense Cost	Non-Investment Advisory	Estimated Annual Revenue	Investment Advisory	Estimated Annual Revenue
<b>Target-Risk/Target-Date</b>								
VT Vantagepoint MP Lng-Trm Gr <sup>9</sup>	Aggressive Allocation	\$1,445,644	0.92%	\$13,300	0.44%	\$6,361	0.09%	\$1,301
VT Vantagepoint MP All-Eq Gr <sup>9</sup>	Large Blend	\$78,017	0.99%	\$772	0.45%	\$351	0.10%	\$78
<b>Balanced</b>								
VT Fidelity Puritan <sup>®</sup>	Moderate Allocation	\$339,610	0.59%	\$2,004	0.25%	\$849	0.00%	\$0
<b>U.S. Stock</b>								
VT Vantagepoint Equity Income	Large Value	\$1,221,996	0.82%	\$10,020	0.35%	\$4,277	0.10%	\$1,222
VT Allianz NFJ Div Value	Large Value	\$283,433	0.96%	\$2,721	0.25%	\$709	0.00%	\$0
VT Eaton Vance Large-Cap Value	Large Value	\$82,598	0.98%	\$809	0.50%	\$413	0.00%	\$0
VT Vantagepoint 500 Stk Idx	Large Blend	\$333,194	0.22%	\$733	0.10%	\$333	0.05%	\$167
VT Vantagepoint Brd Mkt Idx	Large Blend	\$636,050	0.21%	\$1,336	0.10%	\$636	0.05%	\$318
VT Vantagepoint Grwth & Income	Large Blend	\$295,817	0.78%	\$2,307	0.35%	\$1,035	0.10%	\$296
Am Funds Invmt Co of America	Large Blend	\$41,740	0.65%	\$271	0.35%	\$146	0.00%	\$0
VT Oppenheimer Main Street	Large Blend	\$71,254	0.54%	\$385	0.25%	\$178	0.00%	\$0
VT Vantagepoint Growth	Large Growth	\$1,418,369	0.79%	\$11,205	0.35%	\$4,964	0.10%	\$1,418
VT Fidelity Contrafund <sup>®</sup>	Large Growth	\$1,107,501	0.81%	\$8,971	0.25%	\$2,769	0.00%	\$0
VT Calvert Equity Portfolio	Large Growth	\$36,502	1.22%	\$445	0.35%	\$128	0.00%	\$0
Am Funds Growth Fund of Am R4	Large Growth	\$328,848	0.69%	\$2,269	0.35%	\$1,151	0.00%	\$0
VT T Rowe Price <sup>®</sup> Growth Stock <sup>11</sup>	Large Growth	\$282,630	0.93%	\$2,628	0.40%	\$1,131	0.00%	\$0
VT Vantagepoint Select Value <sup>22</sup>	Mid-Cap Value	\$10,200	0.99%	\$101	0.35%	\$36	0.10%	\$10
T Rowe Price <sup>®</sup> Mid-Cap Value <sup>11,22</sup>	Mid-Cap Value	\$217,826	1.04%	\$2,265	0.40%	\$871	0.00%	\$0
VT Gold Sachs Mid Cap Value <sup>22</sup>	Mid-Cap Value	\$21,965	1.15%	\$253	0.50%	\$110	0.00%	\$0
VT Columbia Mid Cap Value <sup>22</sup>	Mid-Cap Value	\$8,905	0.94%	\$84	0.25%	\$22	0.00%	\$0
VT Vantagepoint Md/Sm Co Idx <sup>22</sup>	Mid-Cap Blend	\$173,467	0.23%	\$399	0.10%	\$173	0.05%	\$87
VT Vantagepoint Aggressive Ops <sup>22</sup>	Mid-Cap Growth	\$535,399	0.83%	\$4,444	0.35%	\$1,874	0.10%	\$535
VT Royce Premier <sup>22</sup>	Mid-Cap Growth	\$93,872	1.34%	\$1,258	0.40%	\$375	0.00%	\$0
VT Harbor Mid Cap Growth <sup>22</sup>	Mid-Cap Growth	\$42,931	1.11%	\$477	0.25%	\$107	0.00%	\$0
VT Rainier Small/Mid Cap Eqty <sup>22</sup>	Mid-Cap Growth	\$203,307	1.26%	\$2,562	0.40%	\$813	0.00%	\$0
VT Vantagepoint Discovery <sup>13</sup>	Small Blend	\$8,165	0.95%	\$78	0.35%	\$29	0.10%	\$8
Fidelity Advisor Small Cap T <sup>13</sup>	Small Blend	\$38,879	1.51%	\$587	0.50%	\$194	0.00%	\$0

## All data on page is as of December 31, 2012

Dollar values of fees and expenses by fund are estimates derived by multiplying the average month end balance for the past 12 months and the annualized percentage of assets each fund company has stated it intends to pay as compensation as of the date of the report. This calculation is based on aggregate data for plans with more than five participants that have the lowest administration fee. Disclosure of gross expenses, net expenses and waivers for each fund immediately follows this table.

For Plan Sponsor Use Only

# 457 Fees/Fund Expenses & ICMA-RC Revenue

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Average Month-End Assets	Fees & Expenses to Plan		ICMA-RC Gross Revenue			
			Fees & Net Expense Ratio	Estimated Expense Cost	Non-Investment Advisory	Estimated Annual Revenue	Investment Advisory	Estimated Annual Revenue
<b>U.S. Stock</b>								
VT T Rowe Price® Sm-Cap Value <sup>11,13</sup>	Small Blend	\$462,800	1.23%	\$5,692	0.40%	\$1,851	0.00%	\$0
VT Royce Value Plus <sup>13</sup>	Small Growth	\$21,331	1.45%	\$309	0.40%	\$85	0.00%	\$0
<b>International/Global Stock</b>								
American Funds Cap World G&I <sup>14</sup>	World Stock	\$360,600	0.80%	\$2,885	0.35%	\$1,262	0.00%	\$0
VT Vantagepoint International <sup>14</sup>	Foreign Large Blend	\$342,207	0.97%	\$3,319	0.35%	\$1,198	0.10%	\$342
VT Vantagepnt Ovrseas Eq Idx <sup>14</sup>	Foreign Large Blend	\$163,255	0.34%	\$555	0.10%	\$163	0.05%	\$82
VT Fidelity Diversified Intl <sup>14</sup>	Foreign Large Blend	\$249,709	1.01%	\$2,522	0.25%	\$624	0.00%	\$0
VT Harbor International <sup>14</sup>	Foreign Large Blend	\$93,438	1.03%	\$962	0.25%	\$234	0.00%	\$0
<b>Specialty</b>								
VT Nuveen Real Estate Secs <sup>15</sup>	Real Estate	\$268,903	1.04%	\$2,797	0.25%	\$672	0.00%	\$0
<b>Total Average Month-End Assets:</b>		<b>\$27,263,351</b>						
<b>Total Fees and Expenses to Plan:</b>			<b>0.80%</b>	<b>\$218,285</b>				
<b>Total Shareholder Servicing Revenue Retained by ICMA-RC:</b>					<b>0.34%</b>	<b>\$92,268</b>		
<b>Total Investment Advisory Revenue Retained by ICMA-RC:</b>							<b>0.11%</b>	<b>\$29,632</b>

## All data on page is as of December 31, 2012

Dollar values of fees and expenses by fund are estimates derived by multiplying the average month end balance for the past 12 months and the annualized percentage of assets each fund company has stated it intends to pay as compensation as of the date of the report. This calculation is based on aggregate data for plans with more than five participants that have the lowest administration fee. Disclosure of gross expenses, net expenses and waivers for each fund immediately follows this table.

For Plan Sponsor Use Only

# 457 Fee & Fund Expense Detail

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Gross Expense Ratio	Expense Waiver Amount	Waiver Type	Waiver Expiration Date	Net Expense Ratio	Plan Admin Fee	Total Fees & Expenses	Redemption Fee <sup>1</sup>	Trade Restriction <sup>1</sup>
<b>Stable Value/Cash Management</b>										
VantageTrust PLUS Fund <sup>4</sup>	NA	0.81%	0.00%	--	NA	0.81%	0.00%	0.81%	None	Equity Wash
VantageTrust Cash Management <sup>6</sup>	NA	0.61%	0.00%	--	NA	0.61%	0.00%	0.61%	None	None
VT BoA MMDA (1 Year CD)	NA	NA	0.00%	--	NA	NA	0.00%	NA	None	None
VT 1 Year BoA CD Account	NA	NA	0.00%	--	NA	NA	0.00%	NA	None	None
VT BoA MMDA (3 Year CD)	NA	NA	0.00%	--	NA	NA	0.00%	NA	None	None
VT 3 Year BoA CD Account	NA	NA	0.00%	--	NA	NA	0.00%	NA	None	None
VT BoA MMDA (5 Year CD)	NA	NA	0.00%	--	NA	NA	0.00%	NA	None	None
VT 5 Year BoA CD Account	NA	NA	0.00%	--	NA	NA	0.00%	NA	None	None
<b>Bond</b>										
VT Vantagepoint Cor Bnd Idx <sup>8</sup>	Intermediate-Term Bond	0.21%	0.00%	--	NA	0.21%	0.00%	0.21%	None	None
VT PIMCO Total Return <sup>8</sup>	Intermediate-Term Bond	0.71%	0.00%	--	NA	0.71%	0.00%	0.71%	None	None
VT Vantagepoint Infl Prot Sec <sup>8</sup>	Inflation-Protected Bond	0.64%	0.00%	--	NA	0.64%	0.00%	0.64%	None	None
VT PIMCO High Yield <sup>8</sup>	High Yield Bond	0.80%	0.00%	--	NA	0.80%	0.00%	0.80%	None	None
<b>Guaranteed Lifetime Income</b>										
VT Retirement Income Advantage <sup>17</sup>	NA	1.58%	0.00%	--	NA	1.58%	0.00%	1.58%	None	90 days, any amt
<b>Target-Risk/Target-Date</b>										
VT Vantagepoint MS Ret Inc <sup>9,12</sup>	Retirement Income	0.85%	0.00%	--	NA	0.85%	0.00%	0.85%	None	None
VT Vantagepoint Milestone 2010 <sup>9,12</sup>	Target Date 2000-2010	0.91%	0.00%	--	NA	0.91%	0.00%	0.91%	None	None
VT Vantagepoint Milestone 2015 <sup>9,12</sup>	Target Date 2011-2015	0.88%	0.00%	--	NA	0.88%	0.00%	0.88%	None	None
VT Vantagepoint Milestone 2020 <sup>9,12</sup>	Target Date 2016-2020	0.85%	0.00%	--	NA	0.85%	0.00%	0.85%	None	None
VT Vantagepoint Milestone 2025 <sup>9,12</sup>	Target Date 2021-2025	0.88%	0.00%	--	NA	0.88%	0.00%	0.88%	None	None
VT Vantagepoint Milestone 2030 <sup>9,12</sup>	Target Date 2026-2030	0.89%	0.00%	--	NA	0.89%	0.00%	0.89%	None	None
VT Vantagepoint Milestone 2035 <sup>9,12</sup>	Target Date 2031-2035	0.91%	0.00%	--	NA	0.91%	0.00%	0.91%	None	None
VT Vantagepoint Milestone 2040 <sup>9,12</sup>	Target Date 2036-2040	0.90%	0.00%	--	NA	0.90%	0.00%	0.90%	None	None
VT Vantagepoint Milestone 2045 <sup>9,12</sup>	Target Date 2041-2045	1.09%	0.01%	CONTRACTUAL	4/30/2013	1.08%	0.00%	1.08%	None	None
VT Vantagepoint Milestone 2050 <sup>9,12</sup>	Target Date 2046-2050	2.60%	1.50%	Contractual	4/30/2014	1.10%	0.00%	1.10%	None	None
VT Vantagepoint MP Svgs Ornted <sup>9</sup>	Conservative Allocation	0.84%	0.00%	--	NA	0.84%	0.00%	0.84%	None	None
VT Vantagepoint MP Cons Growth <sup>9</sup>	Conservative Allocation	0.85%	0.00%	--	NA	0.85%	0.00%	0.85%	None	None
VT Vantagepoint MP Trad Growth <sup>9</sup>	Moderate Allocation	0.88%	0.00%	--	NA	0.88%	0.00%	0.88%	None	None

All data on page is as of December 31, 2012

See disclosure at end of chapter.



# 457 Fee & Fund Expense Detail

4th Quarter 2012

Platinum Services Plan Service Report

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Gross Expense Ratio	Expense Waiver Amount	Waiver Type	Waiver Expiration Date	Net Expense Ratio	Plan Admin Fee	Total Fees & Expenses	Redemption Fee <sup>1</sup>	Trade Restriction <sup>1</sup>
<b>Target-Risk/Target-Date</b>										
VT Vantagepoint MP Lng-Trm Gr <sup>9</sup>	Aggressive Allocation	0.92%	0.00%	--	NA	0.92%	0.00%	0.92%	None	None
VT Vantagepoint MP All-Eq Gr <sup>9</sup>	Large Blend	0.99%	0.00%	--	NA	0.99%	0.00%	0.99%	None	None
<b>Balanced</b>										
VT Fidelity Puritan <sup>®</sup>	Moderate Allocation	0.59%	0.00%	--	NA	0.59%	0.00%	0.59%	None	None
<b>U.S. Stock</b>										
VT Vantagepoint Equity Income	Large Value	0.82%	0.00%	--	NA	0.82%	0.00%	0.82%	None	None
VT Allianz NFJ Div Value	Large Value	0.96%	0.00%	--	NA	0.96%	0.00%	0.96%	None	None
VT Eaton Vance Large-Cap Value	Large Value	0.98%	0.00%	--	NA	0.98%	0.00%	0.98%	None	None
VT Vantagepoint 500 Stk Idx	Large Blend	0.22%	0.00%	--	NA	0.22%	0.00%	0.22%	None	None
VT Vantagepoint Brd Mkt Idx	Large Blend	0.21%	0.00%	--	NA	0.21%	0.00%	0.21%	None	None
VT Vantagepoint Grwth & Income	Large Blend	0.78%	0.00%	--	NA	0.78%	0.00%	0.78%	None	None
Am Funds Invmt Co of America	Large Blend	0.65%	0.00%	--	NA	0.65%	0.00%	0.65%	None	30 days, \$5000
VT Oppenheimer Main Street	Large Blend	0.54%	0.00%	--	NA	0.54%	0.00%	0.54%	None	None
VT Vantagepoint Growth	Large Growth	0.79%	0.00%	--	NA	0.79%	0.00%	0.79%	None	None
VT Fidelity Contrafund <sup>®</sup>	Large Growth	0.81%	0.00%	--	NA	0.81%	0.00%	0.81%	None	None
VT Calvert Equity Portfolio	Large Growth	1.22%	0.00%	--	NA	1.22%	0.00%	1.22%	2%, 30 days	None
Am Funds Growth Fund of Am R4	Large Growth	0.69%	0.00%	--	NA	0.69%	0.00%	0.69%	None	30 days, \$5000
VT T Rowe Price <sup>®</sup> Growth Stock <sup>11</sup>	Large Growth	0.93%	0.00%	--	NA	0.93%	0.00%	0.93%	None	30 days, any amt
VT Vantagepoint Select Value <sup>22</sup>	Mid-Cap Value	0.99%	0.00%	--	NA	0.99%	0.00%	0.99%	None	None
T Rowe Price <sup>®</sup> Mid-Cap Value <sup>11,22</sup>	Mid-Cap Value	1.04%	0.00%	--	NA	1.04%	0.00%	1.04%	None	30 days, any amt
VT Gold Sachs Mid Cap Value <sup>22</sup>	Mid-Cap Value	1.15%	0.00%	--	NA	1.15%	0.00%	1.15%	None	None
VT Columbia Mid Cap Value <sup>22</sup>	Mid-Cap Value	0.94%	0.00%	--	NA	0.94%	0.00%	0.94%	None	30 days, any amt
VT Vantagepoint Md/Sm Co Idx <sup>22</sup>	Mid-Cap Blend	0.23%	0.00%	--	NA	0.23%	0.00%	0.23%	None	None
VT Vantagepoint Aggressive Ops <sup>22</sup>	Mid-Cap Growth	0.83%	0.00%	--	NA	0.83%	0.00%	0.83%	None	None
VT Royce Premier <sup>22</sup>	Mid-Cap Growth	1.34%	0.00%	--	NA	1.34%	0.00%	1.34%	1%, 180 days	None
VT Harbor Mid Cap Growth <sup>22</sup>	Mid-Cap Growth	1.11%	0.00%	--	NA	1.11%	0.00%	1.11%	None	None
VT Rainier Small/Mid Cap Eqty <sup>22</sup>	Mid-Cap Growth	1.26%	0.00%	--	NA	1.26%	0.00%	1.26%	None	None
VT Vantagepoint Discovery <sup>13</sup>	Small Blend	0.95%	0.00%	--	NA	0.95%	0.00%	0.95%	None	None
Fidelity Advisor Small Cap T <sup>13</sup>	Small Blend	1.51%	0.00%	--	NA	1.51%	0.00%	1.51%	None	None

All data on page is as of December 31, 2012

See disclosure at end of chapter.

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See disclosure at end of chapter

# 457 Fee & Fund Expense Detail

Fund	Morningstar Category <sup>17</sup>	Gross Expense Ratio	Expense Waiver Amount	Waiver Type	Waiver Expiration Date	Net Expense Ratio +	Plan Admin Fee	Total Fees & Expenses	Redemption Fee <sup>1</sup>	Trade Restriction <sup>1</sup>
<b>U.S. Stock</b>										
VT T Rowe Price® Sm-Cap Value <sup>11,13</sup>	Small Blend	1.23%	0.00%	--	NA	1.23%	0.00%	1.23%	1%, 90 days	30 days, any amt
VT Royce Value Plus <sup>13</sup>	Small Growth	1.45%	0.00%	--	NA	1.45%	0.00%	1.45%	1%, 180 days	None
<b>International/Global Stock</b>										
American Funds Cap World G&I <sup>14</sup>	World Stock	0.80%	0.00%	--	NA	0.80%	0.00%	0.80%	None	30 days, \$5000
VT Vantagepoint International <sup>14</sup>	Foreign Large Blend	0.97%	0.00%	--	NA	0.97%	0.00%	0.97%	None	90 days, any amt
VT Vantagept Ovseas Eq Idx <sup>14</sup>	Foreign Large Blend	0.34%	0.00%	--	NA	0.34%	0.00%	0.34%	None	90 days, any amt
VT Fidelity Diversified Intl <sup>14</sup>	Foreign Large Blend	1.01%	0.00%	--	NA	1.01%	0.00%	1.01%	1%, 30 days	None
VT Harbor International <sup>14</sup>	Foreign Large Blend	1.04%	0.01%	Contractual	2/28/2013	1.03%	0.00%	1.03%	2%, 60 days	None
<b>Specialty</b>										
VT Nuveen Real Estate Secs <sup>15</sup>	Real Estate	1.04%	0.00%	--	NA	1.04%	0.00%	1.04%	None	None

**All data on page is as of December 31, 2012**

See disclosure at end of chapter.

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# 457 ICMA-RC Gross Revenue Detail

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Plan Admin Fee	+ 12b-1 from Funds	+ Other Non-Investment Advisory from Funds	= Non-Investment Advisory Subtotal	+ ICMA-RC Investment Advisory	= Total ICMA-RC Revenue <sup>1</sup>
<b>Stable Value/Cash Management</b>							
VantageTrust PLUS Fund <sup>4</sup>	NA	0.00%	0.00%	0.35%	0.35%	0.20%	0.55%
VantageTrust Cash Management <sup>6</sup>	NA	0.00%	0.00%	0.20%	0.20%	0.00%	0.20%
VT BoA MMDA (1 Year CD)	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
VT 1 Year BoA CD Account	NA	0.00%	0.00%	0.60%	0.60%	0.00%	0.60%
VT BoA MMDA (3 Year CD)	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
VT 3 Year BoA CD Account	NA	0.00%	0.00%	0.60%	0.60%	0.00%	0.60%
VT BoA MMDA (5 Year CD)	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
VT 5 Year BoA CD Account	NA	0.00%	0.00%	0.60%	0.60%	0.00%	0.60%
<b>Bond</b>							
VT Vantagepoint Cor Bnd Idx <sup>8</sup>	Intermediate-Term Bond	0.00%	0.00%	0.10%	0.10%	0.05%	0.15%
VT PIMCO Total Return <sup>8</sup>	Intermediate-Term Bond	0.00%	0.25%	0.00%	0.25%	0.00%	0.25%
VT Vantagepoint Infl Prot Sec <sup>8</sup>	Inflation-Protected Bond	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
VT PIMCO High Yield <sup>8</sup>	High Yield Bond	0.00%	0.25%	0.00%	0.25%	0.00%	0.25%
<b>Guaranteed Lifetime Income</b>							
VT Retirement Income Advantage <sup>17</sup>	NA	0.00%	0.00%	0.45%	0.45%	0.05%	0.50%
<b>Target-Risk/Target-Date</b>							
VT Vantagepoint MS Ret Inc <sup>9,12</sup>	Retirement Income	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
VT Vantagepoint Milestone 2010 <sup>9,12</sup>	Target Date 2000-2010	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
VT Vantagepoint Milestone 2015 <sup>9,12</sup>	Target Date 2011-2015	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
VT Vantagepoint Milestone 2020 <sup>9,12</sup>	Target Date 2016-2020	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
VT Vantagepoint Milestone 2025 <sup>9,12</sup>	Target Date 2021-2025	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
VT Vantagepoint Milestone 2030 <sup>9,12</sup>	Target Date 2026-2030	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
VT Vantagepoint Milestone 2035 <sup>9,12</sup>	Target Date 2031-2035	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
VT Vantagepoint Milestone 2040 <sup>9,12</sup>	Target Date 2036-2040	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
VT Vantagepoint Milestone 2045 <sup>9,12</sup>	Target Date 2041-2045	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
VT Vantagepoint Milestone 2050 <sup>9,12</sup>	Target Date 2046-2050	0.00%	0.00%	0.53%	0.53%	0.00%	0.53%
VT Vantagepoint MP Svgs Ornted <sup>9</sup>	Conservative Allocation	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
VT Vantagepoint MP Cons Growth <sup>9</sup>	Conservative Allocation	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
VT Vantagepoint MP Trad Growth <sup>9</sup>	Moderate Allocation	0.00%	0.00%	0.44%	0.44%	0.09%	0.53%

**All data on page is as of December 31, 2012**

Section includes data for funds with the lowest administration fee available to the plan with more than five participants.  
See disclosure at end of chapter.

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# 457 ICMA-RC Gross Revenue Detail

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Plan Admin Fee	+ 12b-1 from Funds	+ Other Non-Investment Advisory from Funds	= Non-Investment Advisory Subtotal	+ ICMA-RC Investment Advisory	= Total ICMA-RC Revenue <sup>3</sup>
<b>Target-Risk/Target-Date</b>							
VT Vantagepoint MP Lng-Trm Gr <sup>9</sup>	Aggressive Allocation	0.00%	0.00%	0.44%	0.44%	0.09%	0.53%
VT Vantagepoint MP All-Eq Gr <sup>9</sup>	Large Blend	0.00%	0.00%	0.45%	0.45%	0.10%	0.55%
<b>Balanced</b>							
VT Fidelity Puritan <sup>®</sup>	Moderate Allocation	0.00%	0.00%	0.25%	0.25%	0.00%	0.25%
<b>U.S. Stock</b>							
VT Vantagepoint Equity Income	Large Value	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
VT Allianz NFJ Div Value	Large Value	0.00%	0.25%	0.00%	0.25%	0.00%	0.25%
VT Eaton Vance Large-Cap Value	Large Value	0.00%	0.25%	0.25%	0.50%	0.00%	0.50%
VT Vantagepoint 500 Stk Idx	Large Blend	0.00%	0.00%	0.10%	0.10%	0.05%	0.15%
VT Vantagepoint Brd Mkt Idx	Large Blend	0.00%	0.00%	0.10%	0.10%	0.05%	0.15%
VT Vantagepoint Grwth & Income	Large Blend	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
Am Funds Invmt Co of America	Large Blend	0.00%	0.25%	0.10%	0.35%	0.00%	0.35%
VT Oppenheimer Main Street	Large Blend	0.00%	0.00%	0.25%	0.25%	0.00%	0.25%
VT Vantagepoint Growth	Large Growth	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
VT Fidelity Contrafund <sup>®</sup>	Large Growth	0.00%	0.00%	0.25%	0.25%	0.00%	0.25%
VT Calvert Equity Portfolio	Large Growth	0.00%	0.25%	0.10%	0.35%	0.00%	0.35%
Am Funds Growth Fund of Am R4	Large Growth	0.00%	0.25%	0.10%	0.35%	0.00%	0.35%
VT T Rowe Price <sup>®</sup> Growth Stock <sup>11</sup>	Large Growth	0.00%	0.25%	0.15%	0.40%	0.00%	0.40%
VT Vantagepoint Select Value <sup>22</sup>	Mid-Cap Value	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
T Rowe Price <sup>®</sup> Mid-Cap Value <sup>11,22</sup>	Mid-Cap Value	0.00%	0.25%	0.15%	0.40%	0.00%	0.40%
VT Gold Sachs Mid Cap Value <sup>22</sup>	Mid-Cap Value	0.00%	0.25%	0.25%	0.50%	0.00%	0.50%
VT Columbia Mid Cap Value <sup>22</sup>	Mid-Cap Value	0.00%	0.00%	0.25%	0.25%	0.00%	0.25%
VT Vantagepoint Md/Sm Co Idx <sup>22</sup>	Mid-Cap Blend	0.00%	0.00%	0.10%	0.10%	0.05%	0.15%
VT Vantagepoint Aggressive Ops <sup>22</sup>	Mid-Cap Growth	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
VT Royce Premier <sup>22</sup>	Mid-Cap Growth	0.00%	0.25%	0.15%	0.40%	0.00%	0.40%
VT Harbor Mid Cap Growth <sup>22</sup>	Mid-Cap Growth	0.00%	0.25%	0.00%	0.25%	0.00%	0.25%
VT Rainier Small/Mid Cap Eqty <sup>22</sup>	Mid-Cap Growth	0.00%	0.25%	0.15%	0.40%	0.00%	0.40%
VT Vantagepoint Discovery <sup>13</sup>	Small Blend	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
Fidelity Advisor Small Cap T <sup>13</sup>	Small Blend	0.00%	0.50%	0.00%	0.50%	0.00%	0.50%

## All data on page is as of December 31, 2012

Section includes data for funds with the lowest administration fee available to the plan with more than five participants.  
See disclosure at end of chapter.

# 457 ICMA-RC Gross Revenue Detail

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Plan Admin Fee	+ 12b-1 from Funds	+ Other Non-Investment Advisory from Funds	= Non-Investment Advisory Subtotal	+ ICMA-RC Investment Advisory	= Total ICMA-RC Revenue <sup>2</sup>
<b>U.S. Stock</b>							
VT T Rowe Price® Sm-Cap Value <sup>11,13</sup>	Small Blend	0.00%	0.25%	0.15%	0.40%	0.00%	0.40%
VT Royce Value Plus <sup>13</sup>	Small Growth	0.00%	0.25%	0.15%	0.40%	0.00%	0.40%
<b>International/Global Stock</b>							
American Funds Cap World G&I <sup>14</sup>	World Stock	0.00%	0.25%	0.10%	0.35%	0.00%	0.35%
VT Vantagepoint International <sup>14</sup>	Foreign Large Blend	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
VT Vantagepoint Overseas Eq Idx <sup>14</sup>	Foreign Large Blend	0.00%	0.00%	0.10%	0.10%	0.05%	0.15%
VT Fidelity Diversified Intl <sup>14</sup>	Foreign Large Blend	0.00%	0.00%	0.25%	0.25%	0.00%	0.25%
VT Harbor International <sup>14</sup>	Foreign Large Blend	0.00%	0.25%	0.00%	0.25%	0.00%	0.25%
<b>Specialty</b>							
VT Nuveen Real Estate Secs <sup>15</sup>	Real Estate	0.00%	0.00%	0.25%	0.25%	0.00%	0.25%

**All data on page is as of December 31, 2012**

Section includes data for funds with the lowest administration fee available to the plan with more than five participants. See disclosure at end of chapter.

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See disclosure at end of chapter

# 457 ICMA-RC Participant Account Fees

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Assessments from Participant Accounts in 6 months ending December 31, 2012

Service	Fee	Number of Assessments	Annual Cost
<b>Administration Fees Charged to Participant Accounts</b>			
Per Participant Fee	annual fee	—	NA
Administration	% (annualized) on assets	—	NA
<b>Loans</b>			
Origination, Refinance, Reamortization	\$75 per application	1	\$75
Loan Maintenance*	\$50 annual fee	4	\$200
ACH Reject	\$20 per occurrence	—	NA
<b>Guided Pathways</b>			
Fund Advice <sup>19</sup>	\$20 annual fee	—	NA
Managed Accounts <sup>19,20</sup>	0.60% on first \$25,000 0.55% on next \$25,000 0.45% on next \$50,000 0.35% on next \$150,000 0.25% on all assets over \$250,000 (Managed Account fees are annualized)	24 participants \$905,888 in assets	\$1,900
<b>Brokerage</b>			
Self-Directed Brokerage <sup>21</sup>	\$50 one-time setup fee (additional fees by brokerage provider also apply)	—	NA
<b>Expedited Disbursement</b>			
Wire & FedEx	varies by delivery address	—	NA
<b>Total Fees from Participant Accounts</b>			<b>\$2,175</b>

### Statement Regarding Termination Provisions

ICMA-RC imposes no Contingent Deferred Sales Charges of any kind or Market Value Adjustments on the stable value VantageTrust PLUS Fund. Costs may be assessed for termination without cause prior to the conclusion of a term contract. Mutual funds administered for the plan may assess redemption fees for assets that have been invested for less than the period of time defined in the fund prospectus.

ICMA-RC retains full discretion to fund Employer withdrawals from the VantageTrust PLUS Fund in an orderly manner over a period of up to 12 months in order to lessen the negative impact that a substantial withdrawal may have on investors remaining in the fund.

All data on page is as of December 31, 2012

\* Annual loan fees are prorated for the period of the year in which the loan was outstanding

# RHS Fee and Revenue Summary

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

Your RHS Plan incurs costs for services it receives, including revenue retained by ICMA-RC for record keeping and investment advisory services. As of December 31, 2012, the estimated annual cost to your plan is \$7,558 consisting of \$5,902 from fund fees and expenses (0.87% of plan assets) and \$1,656 of participant account fees.

Out of total estimated plan costs, ICMA-RC received the following estimated annual revenue:

Revenue Source	Record Keeping	Investment Advisory	Total
Funds	\$2,771 (0.41%)	\$596 (0.09%)	\$3,367 (0.50%)
Participant Account Fees	\$1,656	\$0	\$1,656
Total	\$4,427	\$596	\$5,023

## Methodology

ICMA-RC estimated its annual compensation as follows:

- Dollar values of record keeping and investment advisory revenue were estimated by multiplying the average month end balance for the past 12 months and the annualized percentage of assets each fund company has stated it intends to pay as compensation as of the date of the report. Results of this calculation for each fund were aggregated to derive a total estimated revenue in dollars for the past 12 months.
- Estimated revenue as a percent of plan assets was calculated by dividing the total estimated dollar value by the average month-end balance for the plan for the past 12 months.

Participant usage fees were actual fees charged to participant accounts for the current quarter-ending period.

**All data on page is as of December 31, 2012**

# RHS Fees/Fund Expenses & ICMA-RC Revenue

Platinum Services Plan Service Report

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Average Month-End Assets	Fees & Expenses to Plan		ICMA-RC Gross Revenue			
			Fees & Net Expense Ratio	Estimated Expense Cost	Non-Investment Advisory	Estimated Annual Revenue	Investment Advisory	Estimated Annual Revenue
<b>Stable Value/Cash Management</b>								
Dreyfus Cash Management <sup>6</sup>	Money Market-Taxable	\$34,078	0.61%	\$208	0.20%	\$68	0.00%	\$0
<b>Bond</b>								
Vantagepoint Low Duration Bond <sup>8</sup>	Short-Term Bond	\$5,746	0.62%	\$36	0.35%	\$20	0.10%	\$6
Vantagepoint Core Bond Idx <sup>18</sup>	Intermediate-Term Bond	\$0	0.41%	\$0	0.30%	\$0	0.05%	\$0
Vantagepoint Inflatn Prot Sec <sup>8</sup>	Inflation-Protected Bond	\$6,771	0.64%	\$43	0.35%	\$24	0.10%	\$7
<b>Target-Risk/Target-Date</b>								
Vantagepoint Milestone Ret Inc <sup>9,12</sup>	Retirement Income	\$0	0.85%	\$0	0.44%	\$0	0.10%	\$0
Vantagepoint Milestone 2010 <sup>9,12</sup>	Target Date 2000-2010	\$1,023	0.91%	\$9	0.44%	\$5	0.10%	\$1
Vantagepoint Milestone 2015 <sup>9,12</sup>	Target Date 2011-2015	\$37,151	0.88%	\$327	0.44%	\$163	0.10%	\$37
Vantagepoint Milestone 2020 <sup>9,12</sup>	Target Date 2016-2020	\$25,449	0.85%	\$216	0.43%	\$109	0.10%	\$25
Vantagepoint Milestone 2025 <sup>9,12</sup>	Target Date 2021-2025	\$45,000	0.88%	\$396	0.43%	\$193	0.10%	\$45
Vantagepoint Milestone 2030 <sup>9,12</sup>	Target Date 2026-2030	\$92,438	0.89%	\$823	0.43%	\$397	0.10%	\$92
Vantagepoint Milestone 2035 <sup>9,12</sup>	Target Date 2031-2035	\$129,653	0.91%	\$1,180	0.43%	\$558	0.10%	\$130
Vantagepoint Milestone 2040 <sup>9,12</sup>	Target Date 2036-2040	\$52,750	0.90%	\$475	0.43%	\$227	0.10%	\$53
Vantagepoint Milestone 2045 <sup>9,12</sup>	Target Date 2041-2045	\$54,279	1.08%	\$586	0.43%	\$233	0.10%	\$54
Vantagepoint Milestone 2050 <sup>9,12</sup>	Target Date 2046-2050	\$20,304	1.10%	\$223	0.53%	\$108	0.00%	\$0
Vantagepoint MP Svngs Oriented <sup>9</sup>	Conservative Allocation	\$0	0.84%	\$0	0.44%	\$0	0.10%	\$0
Vantagepoint MP Conserv Growth <sup>9</sup>	Conservative Allocation	\$0	0.85%	\$0	0.44%	\$0	0.10%	\$0
Vantagepoint MP Trad Growth <sup>9</sup>	Moderate Allocation	\$30,056	0.88%	\$264	0.44%	\$132	0.09%	\$27
Vantagepoint MP Long-Term Gr <sup>9</sup>	Aggressive Allocation	\$61,110	0.92%	\$562	0.44%	\$269	0.09%	\$55
Vantagepoint MP All-Eqty Grwth <sup>9</sup>	Large Blend	\$0	0.99%	\$0	0.45%	\$0	0.10%	\$0
<b>U.S. Stock</b>								
Vantagepoint Equity Income	Large Value	\$10,090	0.82%	\$83	0.35%	\$35	0.10%	\$10
Vantagepoint 500 Stock Index I	Large Blend	\$31,940	0.42%	\$134	0.30%	\$96	0.05%	\$16
Vantagepoint Broad Mkt Idx I	Large Blend	\$0	0.41%	\$0	0.30%	\$0	0.05%	\$0
Vantagepoint Growth & Income	Large Blend	\$499	0.78%	\$4	0.35%	\$2	0.10%	\$0
Vantagepoint Growth	Large Growth	\$5,469	0.79%	\$43	0.35%	\$19	0.10%	\$5
Vantagepoint Select Value <sup>22</sup>	Mid-Cap Value	\$0	0.99%	\$0	0.35%	\$0	0.10%	\$0
Vantagepoint Mid/Sm Co Idx <sup>122</sup>	Mid-Cap Blend	\$497	0.43%	\$2	0.30%	\$1	0.05%	\$0

## All data on page is as of December 31, 2012

Dollar values of fees and expenses by fund are estimates derived by multiplying the average month end balance for the past 12 months and the annualized percentage of assets each fund company has stated it intends to pay as compensation as of the date of the report. This calculation is based on aggregate data for plans with more than five participants that have the lowest administration fee. Disclosure of gross expenses, net expenses and waivers for each fund immediately follows this table.

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See disclosure at end of chapter



# RHS Fees/Fund Expenses & ICMA-RC Revenue

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Average Month-End Assets	Fees & Expenses to Plan		Non-Investment Advisory	ICMA-RC Gross Revenue		
			Fees & Net Expense Ratio	Estimated Expense Cost		Estimated Annual Revenue	Investment Advisory	Estimated Annual Revenue
<b>U.S. Stock</b>								
Vantagepoint Aggressive Ops <sup>22</sup>	Mid-Cap Growth	\$10,439	0.83%	\$87	0.35%	\$37	0.10%	\$10
Vantagepoint Discovery <sup>13</sup>	Small Blend	\$20,750	0.95%	\$197	0.35%	\$73	0.10%	\$21
<b>International/Global Stock</b>								
Vantagepoint International <sup>14</sup>	Foreign Large Blend	\$0	0.97%	\$0	0.35%	\$0	0.10%	\$0
Vantagepoint Overseas Eq Ix I <sup>14</sup>	Foreign Large Blend	\$497	0.54%	\$3	0.30%	\$1	0.05%	\$0
<b>Total Average Month-End Assets:</b>		<b>\$675,990</b>						
<b>Total Fees and Expenses to Plan:</b>			<b>0.87%</b>	<b>\$5,902</b>				
<b>Total Shareholder Servicing Revenue Retained by ICMA-RC:</b>					<b>0.41%</b>	<b>\$2,771</b>		
<b>Total Investment Advisory Revenue Retained by ICMA-RC:</b>							<b>0.09%</b>	<b>\$596</b>

**All data on page is as of December 31, 2012**

Dollar values of fees and expenses by fund are estimates derived by multiplying the average month end balance for the past 12 months and the annualized percentage of assets each fund company has stated it intends to pay as compensation as of the date of the report. This calculation is based on aggregate data for plans with more than five participants that have the lowest administration fee. Disclosure of gross expenses, net expenses and waivers for each fund immediately follows this table.

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# RHS Fee & Fund Expense Detail

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Gross Expense Ratio	Expense Waiver Amount	Waiver Type	Waiver Expiration Date	Net Expense Ratio	Plan Admin Fee	Total Fees & Expenses	Redemption Fee <sup>1</sup>	Trade Restriction <sup>1</sup>
<b>Stable Value/Cash Management</b>										
Dreyfus Cash Management <sup>5</sup>	Money Market-Taxable	0.61%	0.00%	--	NA	0.61%	0.00%	0.61%	None	None
<b>Bond</b>										
Vantagepoint Low Duration Bond <sup>8</sup>	Short-Term Bond	0.62%	0.00%	--	NA	0.62%	0.00%	0.62%	None	None
Vantagepoint Core Bond Idx I <sup>8</sup>	Intermediate-Term Bond	0.41%	0.00%	--	NA	0.41%	0.00%	0.41%	None	None
Vantagepoint Inflatn Prot Sec <sup>8</sup>	Inflation-Protected Bond	0.64%	0.00%	--	NA	0.64%	0.00%	0.64%	None	None
<b>Target-Risk/Target-Date</b>										
Vantagepoint Milestone Ret Inc <sup>9,12</sup>	Retirement Income	0.85%	0.00%	--	NA	0.85%	0.00%	0.85%	None	None
Vantagepoint Milestone 2010 <sup>9,12</sup>	Target Date 2000-2010	0.91%	0.00%	--	NA	0.91%	0.00%	0.91%	None	None
Vantagepoint Milestone 2015 <sup>9,12</sup>	Target Date 2011-2015	0.88%	0.00%	--	NA	0.88%	0.00%	0.88%	None	None
Vantagepoint Milestone 2020 <sup>9,12</sup>	Target Date 2016-2020	0.85%	0.00%	--	NA	0.85%	0.00%	0.85%	None	None
Vantagepoint Milestone 2025 <sup>9,12</sup>	Target Date 2021-2025	0.88%	0.00%	--	NA	0.88%	0.00%	0.88%	None	None
Vantagepoint Milestone 2030 <sup>9,12</sup>	Target Date 2026-2030	0.89%	0.00%	--	NA	0.89%	0.00%	0.89%	None	None
Vantagepoint Milestone 2035 <sup>9,12</sup>	Target Date 2031-2035	0.91%	0.00%	--	NA	0.91%	0.00%	0.91%	None	None
Vantagepoint Milestone 2040 <sup>9,12</sup>	Target Date 2036-2040	0.90%	0.00%	--	NA	0.90%	0.00%	0.90%	None	None
Vantagepoint Milestone 2045 <sup>9,12</sup>	Target Date 2041-2045	1.09%	0.01%	CONTRACTUAL	4/30/2013	1.08%	0.00%	1.08%	None	None
Vantagepoint Milestone 2050 <sup>9,12</sup>	Target Date 2046-2050	2.60%	1.50%	Contractual	4/30/2014	1.10%	0.00%	1.10%	None	None
Vantagepoint MP Svngs Oriented <sup>9</sup>	Conservative Allocation	0.84%	0.00%	--	NA	0.84%	0.00%	0.84%	None	None
Vantagepoint MP Conserv Growth <sup>9</sup>	Conservative Allocation	0.85%	0.00%	--	NA	0.85%	0.00%	0.85%	None	None
Vantagepoint MP Trad Growth <sup>9</sup>	Moderate Allocation	0.88%	0.00%	--	NA	0.88%	0.00%	0.88%	None	None
Vantagepoint MP Long-Term Gr <sup>9</sup>	Aggressive Allocation	0.92%	0.00%	--	NA	0.92%	0.00%	0.92%	None	None
Vantagepoint MP All-Eqy Grwth <sup>9</sup>	Large Blend	0.99%	0.00%	--	NA	0.99%	0.00%	0.99%	None	None
<b>U.S. Stock</b>										
Vantagepoint Equity Income	Large Value	0.82%	0.00%	--	NA	0.82%	0.00%	0.82%	None	None
Vantagepoint 500 Stock Index I	Large Blend	0.42%	0.00%	--	NA	0.42%	0.00%	0.42%	None	None
Vantagepoint Broad Mkt Idx I	Large Blend	0.41%	0.00%	--	NA	0.41%	0.00%	0.41%	None	None
Vantagepoint Growth & Income	Large Blend	0.78%	0.00%	--	NA	0.78%	0.00%	0.78%	None	None
Vantagepoint Growth	Large Growth	0.79%	0.00%	--	NA	0.79%	0.00%	0.79%	None	None
Vantagepoint Select Value <sup>22</sup>	Mid-Cap Value	0.99%	0.00%	--	NA	0.99%	0.00%	0.99%	None	None
Vantagepoint Mid/Sm Co Idx I <sup>22</sup>	Mid-Cap Blend	0.43%	0.00%	--	NA	0.43%	0.00%	0.43%	None	None

All data on page is as of December 31, 2012

See disclosure at end of chapter.

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# RHS Fee & Fund Expense Detail

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Gross Expense Ratio	Expense Waiver Amount	Waiver Type	Waiver Expiration Date	Net Expense Ratio +	Plan Admin Fee	Total Fees & Expenses	Redemption Fee <sup>8</sup>	Trade Restriction <sup>1</sup>
<b>U.S. Stock</b>										
Vantagepoint Aggressive Ops <sup>22</sup>	Mid-Cap Growth	0.83%	0.00%	--	NA	0.83%	0.00%	0.83%	None	None
Vantagepoint Discovery <sup>13</sup>	Small Blend	0.95%	0.00%	--	NA	0.95%	0.00%	0.95%	None	None
<b>International/Global Stock</b>										
Vantagepoint International <sup>14</sup>	Foreign Large Blend	0.97%	0.00%	--	NA	0.97%	0.00%	0.97%	None	90 days, any amt
Vantagepoint Ovrseas Eq Ix I <sup>14</sup>	Foreign Large Blend	0.54%	0.00%	--	NA	0.54%	0.00%	0.54%	None	90 days, any amt

**All data on page is as of December 31, 2012**

See disclosure at end of chapter.

For Plan Sponsor Use Only

See disclosure at end of chapter

# RHS ICMA-RC Gross Revenue Detail

Fund <sup>1</sup>	Morningstar Category <sup>12</sup>	Plan Admin Fee	+ 12b-1 from Funds	+ Other Non-Investment Advisory from Funds	= Non-Investment Advisory Subtotal	+ ICMA-RC Investment Advisory	= Total ICMA-RC Revenue <sup>3</sup>
<b>Stable Value/Cash Management</b>							
Dreyfus Cash Management <sup>5</sup>	Money Market-Taxable	0.00%	0.40%	-0.20%	0.20%	0.00%	0.20%
<b>Bond</b>							
Vantagepoint Low Duration Bond <sup>8</sup>	Short-Term Bond	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
Vantagepoint Core Bond Idx I <sup>8</sup>	Intermediate-Term Bond	0.00%	0.00%	0.30%	0.30%	0.05%	0.35%
Vantagepoint Inflatn Prot Sec <sup>8</sup>	Inflation-Protected Bond	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
<b>Target-Risk/Target-Date</b>							
Vantagepoint Milestone Ret Inc <sup>9,12</sup>	Retirement Income	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
Vantagepoint Milestone 2010 <sup>9,12</sup>	Target Date 2000-2010	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
Vantagepoint Milestone 2015 <sup>9,12</sup>	Target Date 2011-2015	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
Vantagepoint Milestone 2020 <sup>9,12</sup>	Target Date 2016-2020	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2025 <sup>9,12</sup>	Target Date 2021-2025	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2030 <sup>9,12</sup>	Target Date 2026-2030	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2035 <sup>9,12</sup>	Target Date 2031-2035	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2040 <sup>9,12</sup>	Target Date 2036-2040	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2045 <sup>9,12</sup>	Target Date 2041-2045	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2050 <sup>9,12</sup>	Target Date 2046-2050	0.00%	0.00%	0.53%	0.53%	0.00%	0.53%
Vantagepoint MP Svngs Oriented <sup>9</sup>	Conservative Allocation	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
Vantagepoint MP Conserv Growth <sup>9</sup>	Conservative Allocation	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
Vantagepoint MP Trad Growth <sup>9</sup>	Moderate Allocation	0.00%	0.00%	0.44%	0.44%	0.09%	0.53%
Vantagepoint MP Long-Term Gr <sup>9</sup>	Aggressive Allocation	0.00%	0.00%	0.44%	0.44%	0.09%	0.53%
Vantagepoint MP All-Eqty Grwth <sup>9</sup>	Large Blend	0.00%	0.00%	0.45%	0.45%	0.10%	0.55%
<b>U.S. Stock</b>							
Vantagepoint Equity Income	Large Value	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
Vantagepoint 500 Stock Index I	Large Blend	0.00%	0.00%	0.30%	0.30%	0.05%	0.35%
Vantagepoint Broad Mkt Idx I	Large Blend	0.00%	0.00%	0.30%	0.30%	0.05%	0.35%
Vantagepoint Growth & Income	Large Blend	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
Vantagepoint Growth	Large Growth	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
Vantagepoint Select Value <sup>22</sup>	Mid-Cap Value	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
Vantagepoint Mid/Sm Co Idx I <sup>22</sup>	Mid-Cap Blend	0.00%	0.00%	0.30%	0.30%	0.05%	0.35%

## All data on page is as of December 31, 2012

Section includes data for funds with the lowest administration fee available to the plan with more than five participants. See disclosure at end of chapter.

# RHS ICMA-RC Gross Revenue Detail

Platinum Services Plan Service Report

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Plan Admin Fee	+ 12b-1 from Funds	+ Other Non-Investment Advisory from Funds	= Non-Investment Advisory Subtotal	+ ICMA-RC Investment Advisory	= Total ICMA-RC Revenue <sup>1</sup>
<b>U.S. Stock</b>							
Vantagepoint Aggressive Ops <sup>22</sup>	Mid-Cap Growth	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
Vantagepoint Discovery <sup>13</sup>	Small Blend	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
<b>International/Global Stock</b>							
Vantagepoint International <sup>14</sup>	Foreign Large Blend	0.00%	0.00%	0.35%	0.35%	0.10%	0.45%
Vantagepoint Ovrseas Eq Ix I <sup>14</sup>	Foreign Large Blend	0.00%	0.00%	0.30%	0.30%	0.05%	0.35%

### All data on page is as of December 31, 2012

Section includes data for funds with the lowest administration fee available to the plan with more than five participants. See disclosure at end of chapter.

For Plan Sponsor Use Only

See disclosure at end of chapter

# RHS ICMA-RC Participant Account Fees

4<sup>th</sup> Quarter 2012

Platinum Services Plan Service Report

## Assessments from Participant Accounts in 6 months ending December 31, 2012

Service	Fee	Number of Assessments	Annual Cost
<b><u>Administration Fees (Benefits &amp; Non-Benefits Eligible)</u></b>			
Per Participant Fee	\$25 annual fee	114	\$712
Administration	0.300% (annualized) on assets	114	\$944
<b>Total Fees from Participant Accounts</b>			<b>\$1,656</b>

### Statement Regarding Termination Provisions

ICMA-RC imposes no Contingent Deferred Sales Charges of any kind or Market Value Adjustments on the stable value VantageTrust PLUS Fund. Costs may be assessed for termination without cause prior to the conclusion of a term contract. Mutual funds administered for the plan may assess redemption fees for assets that have been invested for less than the period of time defined in the fund prospectus.

ICMA-RC retains full discretion to fund Employer withdrawals from the VantageTrust PLUS Fund in an orderly manner over a period of up to 12 months in order to lessen the negative impact that a substantial withdrawal may have on investors remaining in the fund.

**All data on page is as of December 31, 2012**

**Ancillary Service Fee** – Fees deducted from plan participant accounts to pay for services chosen by participants that are made available by ICMA-RC and the plan

**Average Month-End Assets** – Average month-end assets in plans for the 12 month period ending on the date of this report.

**Asset-based Fee** – An asset-based fee for record keeping services that may be deducted directly from participant accounts in certain plans administered by ICMA-RC.

**Contingent Deferred Sales Charges (CDSCs)**: Some mutual funds may charge investors for marketing costs of up to 8% of assets either at the time an investment is made or when assets are redeemed. In the public sector retirement plan community, these “contingent deferred sales charges” can be charged when participants move to another plan administrator or when the plan sponsor terminates the plan administrator.

**Estimated Expense Cost** – This simulation is designed to provide an estimate of the cost of fund expenses to your plan, not a calculation of actual expenses incurred. Annualized costs to your plan from fund expenses have been estimated by multiplying the average month-end balance in each fund with the net fund expense ratio as of the date of this report. Actual experience of the plan will vary based on assets in each fund over an annual period and changes that may occur in expense ratios over that period.

**Estimated Record Keeping Revenue** – This simulation is designed to provide an estimate of revenue received by ICMA-RC for plan and participant services, not a calculation of such revenue received. Annualized record keeping revenue received by ICMA-RC has been estimated by multiplying the average month-end balance in each fund with the annualized record keeping revenue anticipated to be received by ICMA-RC from fund companies based on current contracts with those companies as of the date of this report. Record keeping revenue is paid by fund companies based on calculation methodologies of each fund company. Actual fees and revenue of the plan will vary based on those differing methodologies.

**Estimated Investment Advisory Revenue** – This simulation is designed to provide an estimate of the investment advisory revenue received by ICMA-RC, not a calculation of actual revenue received. Annualized investment advisory revenue received by ICMA-RC has been estimated by multiplying the average month-end balance in each fund with the annualized investment advisory revenue anticipated to be received by ICMA-RC as of the date of this report. Actual experience of the plan will vary based on those differing methodologies, as well as on the assets in each fund over an annual period.

**Expense Waiver Amount** – The amount that a service provider or a mutual fund has agreed to waive in order to reduce or limit operating expenses for the fund. Fee waivers may not be available in the future.

**Financial Plan Fee** – Flat-dollar fee assessed after delivery of an in-depth financial plan requested by a participant.

**Gross Expense Ratio** – The annualized amount, expressed as a percentage of their total investment that investors will pay annually for the mutual fund's operating expenses and management fees before any waivers.

**Investment Advice Fee** – Annual dollar-based fee for access to independent online investment advice. Some vendors charge the plan a fee for each eligible participant, while other vendors charge a fee only when a participant uses the service.

**Investment Advisory Fees** – Consists of compensation paid to Vantagepoint Investment Advisers, LLC ("VIA"), a wholly-owned subsidiary of ICMA-RC and an SEC-registered investment adviser, which serves as the investment adviser to The Vantagepoint Funds, for which ICMA-RC is the sponsor, as well as compensation paid to Vantagepoint Transfer Agents, LLC ("VTA") for other fund services. In addition, this includes compensation paid to ICMA-RC for investment advisory services provided to VantageTrust Company, LLC in respect to the collective investment funds and other investment options it makes available to participants through VantageTrust. Investment fees are deducted from fund assets and reflected in the Net Asset Values of the Vantagepoint Funds and the VantageTrust Funds.

**Loan Fees** – Fees assessed when a participant voluntarily takes a loan from his or her plan account. Vendors typically charge for establishing/re-amortizing loans and for maintaining loans. Fees are usually assessed on a flat dollar basis, with start-up fees assessed at the initiation or re-amortization of a loan and maintenance fees charged annually.

**Managed Accounts Fee** – An asset-based fee paid by participants who receive independent managed account services. Fee reductions may be provided when participant accounts reach certain asset levels. Fee is assessed on participant accounts and reported on participant statements.

**Morningstar Category** – Categories are from Morningstar® as of the date of this report for underlying funds where available. Category for the PLUS Fund was determined by ICMA-RC based on fund characteristics. Morningstar®, Inc. is a global investment research firm that is not affiliated with ICMA-RC. Morningstar® used as a source for some data.

**Net Expense Ratio** – The amount shown is the gross expense ratio less any expense waivers. The daily portion of this expense is deducted from the fund prior to the fund company's calculation of the daily price reported to the public.

**Participant Fee** – An explicit flat fee charged to each participant account with a balance in the plan for administration or record keeping services. Has a greater impact, as a fraction of account balance, on participants with smaller assets.

**Record keeping fees** – Deducted from the assets of some mutual funds or collective investment trusts, these 12b-1, shareholder servicing, transfer agency and/or administration fees are paid by VantageTrust Company, LLC, the fund or fund company to ICMA-RC for services rendered by ICMA-RC to the Fund and to the plans and participants that invest in the fund directly or through the VantageTrust Funds. The amounts listed for Vantagepoint and VantageTrust Funds, including the VantageTrust PLUS Fund, include all non-advisory compensation paid by a fund to ICMA-RC and/or its affiliates.

**Redemption Fee** – To discourage frequent trading and reduce the cost of such activity to the fund and its investors, a fund may assess a redemption fee when fund shares, held for less than a minimum period of time, are sold or "redeemed."

**Self-Directed Brokerage Fee** – Fee assessed when a participant voluntarily uses self-directed brokerage account services that provide access to a wide range of mutual funds and individual securities (if offered by plan). A fee for establishing the account or for maintaining the account may be assessed. The brokerage services vendor will assess additional fees.

**Total ICMA-RC Revenue** – Summation of all revenue received by ICMA-RC, including record keeping fees and investment advisory fees from proprietary funds managed by ICMA-RC.

**Trade Restrictions** – As an alternative to assessing redemption fees to discourage frequent trading, funds may require participants to wait a defined period after redeeming shares to transfer assets back into the fund.

**Waiver Expiration Date** – The date upon which the contractual obligation to provide the waiver lapses.

**Waiver Type** - Indicates whether the reduction in fund expense ratio is voluntary or contractual.

<sup>1</sup> Please read *Making Sound Investment Decisions: A Retirement Investment Guide* ("Guide") carefully for more information on fees, expenses, investment objectives and strategies, and risks. Investors should carefully consider this information before investing. For a current Guide, contact ICMA-RC by calling 800-669-7400 or visiting [www.icmarc.org](http://www.icmarc.org).

Please read the fund's prospectus carefully for a complete summary of all fees, expenses, investment objectives and strategies, risks, financial highlights, and performance information. Investing involves risk, including possible loss of the amount invested. Investors should carefully consider the information contained in the prospectus before investing. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing [investorservices@icmarc.org](mailto:investorservices@icmarc.org), or visiting [www.icmarc.org](http://www.icmarc.org).

Please read the fund's prospectus carefully for a complete summary of all fees, expenses, investment objectives and strategies, risks, financial highlights, and performance information. The prospectus contains this and other information about the investment company. Investing involves risk, including possible loss of the amount invested. Investors should carefully consider the information contained in the prospectus before investing. Investing involves risk, including possible loss of the amount invested. Investors should carefully consider the information contained in the prospectus before investing. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing [investorservices@icmarc.org](mailto:investorservices@icmarc.org), or visiting [www.icmarc.org](http://www.icmarc.org). You can obtain a prospectus, statement of additional information and other information about the Vantagepoint Funds online at [www.icmarc.org/vpprospectus](http://www.icmarc.org/vpprospectus), by calling 800-669-7400 or emailing [investorservices@icmarc.org](mailto:investorservices@icmarc.org). The Vantagepoint Funds are distributed by ICMA-RC Services LLC, a wholly owned broker-dealer subsidiary of ICMA-RC and member FINRA/SIPC.

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Frequent trading rules are designed to detect and discourage trading activities that may increase costs to all investors. All funds or underlying funds are monitored for frequent trading. Certain funds or underlying funds may impose fees or restrictions to deter frequent trading. Current information about these fees or restrictions can be found in a fund's or underlying fund's prospectus. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing [investorservices@icmarc.org](mailto:investorservices@icmarc.org), or visiting [www.icmarc.org](http://www.icmarc.org). You can obtain information about ICMA-RC's Frequent Trading Policy at [www.icmarc.org/frequenttrading](http://www.icmarc.org/frequenttrading).

Certain funds or underlying funds may charge a redemption fee. Current information about redemption fee, if any, will be contained in the fund's or underlying fund's prospectus. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing [investorservices@icmarc.org](mailto:investorservices@icmarc.org), or visiting [www.icmarc.org](http://www.icmarc.org).

- <sup>2</sup> Investment advice and analysis tools are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert Ibbotson Associates, Inc. Ibbotson is a federally registered investment adviser and wholly owned subsidiary of Morningstar, Inc. Both Ibbotson and Morningstar are not affiliated with ICMA-RC. All rights reserved. Ibbotson and the Ibbotson logo are trademarks or service marks of Ibbotson Associates, Inc.
- <sup>3</sup> ICMA-RC receives compensation from outside funds that are available for investment in your retirement plan. Compensation is received for services rendered by ICMA-RC to plans and participants that mutual funds would normally provide. This compensation is received in several ways from various sources and may include compensation for the following services:
- Advertising and marketing costs (12b-1 fees)
  - Additional distribution support
  - Educational seminars and training
  - Shareholder record-keeping and/or transfer agency services

The amounts listed for Vantagepoint and VantageTrust Funds, including the VantageTrust PLUS Fund, include all compensation paid by the fund to ICMA-RC and/or its affiliates. This amount includes ICMA-RC's asset-based shareholder servicing compensation that is included in the daily NAV calculation. Shareholder servicing expenses are included in the gross and net fund expenses disclosed.

The asset based revenue disclosed above is anticipated annual asset-based and/or per-participant revenue on assets administered as of 12/31/2012. This revenue is subject to change at the discretion of the fund company and is received at various times through the course of a year based on the policies of the individual fund companies.

- <sup>4</sup> PLUS Fund return is annualized for all periods.

Direct transfers from a stable value fund to competing funds are restricted. Competing funds may include, but are not limited to money market mutual funds, certificates of deposit, stable value funds, investment options that offer guarantees of principal or income, certain short-term bond funds and self-directed brokerage accounts. Certain restrictions may apply when you want to transfer money from a stable value fund to a competing fund. These restrictions generally include waiting periods before transfers can be made back into a stable value fund.

- <sup>5</sup> *Investments in the fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. The 7-Day Yield more closely reflects the Fund's current earnings than the quotation of total return.*

<sup>6</sup> *The Cash Management Fund is invested in a single registered mutual fund, the Dreyfus Cash Management Fund. Investments in the VantageTrust Cash Management Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Dreyfus Cash Management Fund seeks to preserve its value at \$1.00 per share, it is possible to lose money by investing in the Fund. The 7-Day Yield more closely reflects the Fund's current earnings than the quotation of total return.*

<sup>7</sup> CD Accounts are issued by Bank of America, N.A. ("Bank"), a member of the FDIC, and are available as VantageTrust investment options. CD Account deposits of up to \$250,000 are insured by the FDIC, subject to certain limitations. Amounts to be invested in CD Accounts are initially held in the Bank's Money Market Deposit Account ("MMDA") and earn the Bank's MMDA rate. At the end of the open investment window, assets are transferred to the CD Account where interest is credited daily and compounded monthly.

Certificate of Deposit Accounts (CD Accounts) Annual Percentage Rates (APRs) and Annual Percentage Yields (APYs) are valid for the purchases made within the related open investment window and assume principal and interest remain in the account until maturity. Withdrawals and penalties will reduce earnings on the account. Please be advised, there may be associated penalties for withdrawing from a CD Account prior to the maturity date. For more information regarding CD Accounts, please contact Investor Services at 800-669-7400.

<sup>8</sup> A fixed income fund is subject to credit risk and interest rate risk. Credit risk is when an issuer of a fixed income security may be unable or unwilling to make payments of principal or interest to the holders of these securities or may declare bankruptcy. Fixed income securities fluctuate in value as interest rates change. When interest rates rise, the market prices of fixed income securities will usually decrease; when interest rates fall, the market prices of fixed income securities usually will increase.

<sup>9</sup> The expense ratio for a "fund of funds" includes acquired fund fees and expenses, which are expenses incurred indirectly by the fund through its ownership in other mutual funds.

<sup>10</sup> American Century is a registered trademark of American Century Services Corporation.

<sup>11</sup> T. Rowe Price is a registered trademark of T. Rowe Price Group, Inc. – all rights reserved.

<sup>12</sup> The fund is not a complete solution for all of your retirement savings needs. An investment in the fund includes the risk of loss, including near, at or after the target date of the fund. There is no guarantee that the fund will provide adequate income at and through an investor's retirement. Selecting the fund does not guarantee that you will have adequate savings for retirement.

<sup>13</sup> Funds that invest primarily in small-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of small-capitalization companies are generally subject to greater price volatility than those of larger companies due to less certain growth prospects, the lower degree of liquidity in the markets for their securities, and the greater sensitivity of smaller companies to changing economic conditions. Also, small-capitalization companies may have more limited product lines, fewer capital resources and less experienced management than larger companies.

# Disclosures

- <sup>14</sup> Funds that invest in foreign securities are exposed to the risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency fluctuations; and higher transaction costs. Investments in foreign currencies or securities denominated in foreign currencies (including derivative instruments that provide exposure to foreign currencies) may experience gains or losses solely based on changes in the exchange rate between foreign currencies and the U.S. dollar. The risk of investing in foreign securities may be greater with respect to securities of companies located in emerging market countries. The value of developing or emerging market currencies may fluctuate more than the currencies of companies with more mature markets).
- <sup>15</sup> Sector funds tend to be riskier and more volatile than the broad market because they are generally less diversified and more volatile than other mutual funds.
- <sup>16</sup> Morningstar places registered mutual funds in certain categories based on the mutual fund's historical portfolio holdings. Placement of a registered mutual fund in a particular Morningstar category does not mean that the mutual fund will remain in that category or that it will invest primarily in securities consistent with its Morningstar category. A registered mutual fund's investment strategy and portfolio holdings are governed by its prospectus, not its Morningstar category.

VantageTrust funds are not assigned Morningstar categories and, therefore a Morningstar category listed for a VantageTrust fund has been assigned to the underlying registered mutual fund in which the VantageTrust fund invests.

- <sup>17</sup> **Prudential Retirement Insurance and Annuity Company (Prudential)**, CA COA #08003, Hartford, CT. Neither Prudential nor ICMA-RC guarantees the investment performance or return on contributions to Prudential's Separate Account. You should carefully consider the objectives, risks, charges, expenses and underlying guarantee features before purchasing this product. Prudential may increase the Guarantee Fee in the future, from 1.00% up to a maximum of 1.50%. Like all variable investments, this Fund may lose value. Availability and terms may vary by jurisdiction; subject to regulatory approvals. Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Guarantees are based on Prudential's claims-paying ability. This annuity is issued under Contract form # GA-2020-TGWB4-0805-RC. ICMA-RC provides recordkeeping services to your Plan and is the investment manager of the underlying Prudential Separate Account. Prudential or its affiliates may compensate ICMA-RC for providing these and related administrative services in connection with the Fund. Before electing the Spousal Benefit (if available) on behalf of any beneficiary not recognized as your spouse under Federal law, be aware that provisions of your plan or the Internal Revenue Code might prevent, limit or otherwise affect the ability of the beneficiary to receive the Spousal Benefit. Variable annuities are suitable for long-term investing, particularly retirement savings. Prudential, the Prudential logo, and the Rock symbol are service marks of the Prudential Insurance Company of America, Newark, NJ, and its related entities, registered in many jurisdictions worldwide. **Note:** Participants who are interested in the VantageTrust Retirement IncomeAdvantage Fund must first receive and read the **VantageTrust Retirement IncomeAdvantage Fund Important Considerations** document before investing.

- <sup>18</sup> Participants can withdraw assets from a CD Account at any time, but withdrawals prior to the maturity date are subject to an early withdrawal penalty equal to 180 days of interest on the amount withdrawn, unless one of the exceptions identified below applies. The interest penalty is calculated as the gross rate of the CD Account (i.e., the net rate plus the Annual CD Administrative Fee).

Transfers from the VantageTrust PLUS Fund to CD Accounts are prohibited. Assets must be invested outside of the VantageTrust PLUS Fund in a non-competing fund for a period of at least 90 days before being transferred to CD Accounts. ICMA-RC will limit each participant's aggregate investment in CD Accounts to an amount less than \$250,000. This limit includes principal, accrued interest, future interest, and any previously purchased VantageTrust CD Accounts issued by Countrywide Bank or MBNA. If an individual's total investment in CD Accounts exceeds the \$250,000 limit, ICMA-RC will transfer the excess amounts to the Plan's designated maturity fund. Note that ICMA-RC can only limit a participant's aggregate investment in CD Accounts through Plans administered by ICMA-RC.

- <sup>19</sup> Investment advice and analysis tools are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert Ibbotson Associates, Inc. Ibbotson is a federally registered investment adviser and wholly owned subsidiary of Morningstar, Inc. Both Ibbotson and Morningstar are not affiliated with ICMA-RC. All rights reserved. Ibbotson and the Ibbotson logo are trademarks or service marks of Ibbotson Associates, Inc.

- <sup>20</sup> Underlying mutual fund expenses and plan administration fees still apply. Please consult the current applicable prospectus and Making Sound Investment Decisions: A Retirement Investment Guide for a description of these fees and expenses.

- <sup>21</sup> ICMA-RC and TD Ameritrade are separate, unaffiliated companies and not responsible for each other's services or policies. Brokerage services are provided by TD Ameritrade, Inc. a registered broker-dealer and member of FINRA/SIPC/NFA. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and the Toronto-Dominion Bank. Used with permission.

- <sup>22</sup> Funds that invest primarily in mid-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of mid-capitalization companies generally trade in lower volume and are generally subject to greater and less predictable price changes than the securities of larger companies.

**ICMA-RC Retirement Readiness Report  
Employer Implementation Package**



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## ICMA-RC Retirement Readiness Report Employer Implementation Package

### Introduction

Congratulations on partnering with ICMA-RC to offer the Retirement Readiness Report (“Report”) to your employees. The Report is a valuable service that provides your employees with a clear picture of how much additional retirement savings they may need to supplement their pension and/or Social Security benefits. In addition, we hope the Report will assist in increasing participation and savings to your ICMA-RC 457 plan.

### Report Details

On an annual basis, ICMA-RC will provide your full-time employees (both existing ICMA-RC participants and non-participants) a Retirement Readiness Report which includes a (1) forecast of the employee’s income at retirement in relation to a retirement income objective you designate (e.g., 100% of after-tax salary), (2) recommendations, including potential changes in savings rates, to help the employee reach this retirement income objective, (3) asset allocation recommendation, and (4) fund specific recommendation.

Two versions of the Report will be provided – one for existing ICMA-RC 457 plan participants (please see attached Appendix A) and one for non-participating employees (please see attached Appendix B). The Report provides current plan participants with a realistic appraisal of whether they are on track to achieve the employer-provided retirement income objective and suggested changes they can make, including increasing savings, to achieve the retirement income goal. For non-participating employees, the statement provides a call to action to enroll in your ICMA-RC 457 plan.

The Report may be customized to include your logo along with the ICMA-RC logo. Please contact your ICMA-RC Client Services Representative to discuss this option.

The Report is generated through ICMA-RC’s Guided Pathways® program utilizing Ibbotson Associates’ investment methodologies and software.\*

As they already receive similar annual ongoing mailings from ICMA-RC, participants enrolled in Managed Accounts in any of their ICMA-RC plans will not receive the Report. In addition, employees whose ICMA-RC 457 plan account are 100% invested in non-traditional investment options that cannot be purchased or sold without restriction or negative impact through your plan (such as self-directed brokerage,

Certificates of Deposit, or Vantage Trust Retirement IncomeAdvantage Fund) will not receive the Report.

### Employers with Multiple ICMA-RC Plans

The Report is designed to provide recommendations on and increase participation to your ICMA-RC 457 plan. Although the Report can incorporate information on ICMA-RC 401 plan balances and annual savings rates, recommendations and advice will only be provided on the ICMA-RC 457 plan.

Employee participation status for determining which version of the Report is provided is predicated on whether the employee is a participant in the ICMA-RC 457 plan. For example, employees who participate in the Employer’s ICMA-RC 401 plan but not the ICMA-RC 457 plan would receive the non-participant version of the Report.

### Required Information

In order to provide the Report to your employees, we need you to provide us with (1) plan level assumptions that will be used for each employee, and (2) employee specific data.

#### (1) Plan Level Assumptions

You are required to provide ICMA-RC with the following plan level assumptions that can be applied to all employees, both current ICMA-RC 457 participants and non-participants:

- Retirement Income expressed as a percentage of after-tax salary (100% is recommended)
- Retirement Age
- Social Security Retirement Benefits Eligibility (either “Yes” or “No”)
- Participation in your defined benefit pension plan.

*\* ICMA-RC is an investment adviser registered with the SEC. ICMA-RC has hired Ibbotson Associates, Inc. to develop the recommended asset allocation, proposed savings rate, fund-specific recommendations, and investment outcomes depicted in this Retirement Readiness Report. The individualized investment advice in the Retirement Readiness Report is provided by ICMA-RC using the investment methodologies and software created by Ibbotson.*

If you do not want the plan level assumption for Retirement Age or, Social Security Retirement Benefits Eligibility, and/or Defined Benefit Pension Plan Participation to apply to certain employees, you may designate different information for each impacted employee along with the other information specified below in “Employee Specific Information”.

Please complete the attached *Retirement Readiness Report Plan Level Assumptions Form* (Appendix C) and fax the completed form to your Plan Sponsor Services Representative at: 202-962-4601.

## (2) Employee Specific Information

For each full-time employee for whom the Report is to be made available, you are **required** to provide ICMA-RC with the following information:

- Name
- Social Security number
- Email and mailing address (If an email address is provided, ICMA-RC will deliver the Report to the employee in an electronic format through email. If an email address is not provided, a hard copy version will be mailed to the employee.)
- Date of birth
- Gender
- Marital status
- Annual salary
- Current annual ICMA-RC 457 plan rate of employee and employer contribution expressed as a dollar amount or percentage of salary
- Current annual ICMA-RC 401(a) plan rate of employee pre-tax and post-tax and employer contribution expressed as a dollar amount or percentage of salary
- Current annual ICMA-RC 401(k) plan rate of employee pre-tax, post-tax and Roth and employer contribution expressed as a dollar amount or percentage of salary
- Estimated annual defined benefit pension plan benefit expressed in current dollars or percentage of salary

For employees not covered by the plan level assumption for Retirement Age, Social Security Retirement Benefits Eligibility, and/or Defined Benefit Pension Plan Participation, you will also need to individually provide this information.

If applicable, you should include a separate record for each ICMA-RC 401(a), ICMA-RC 401(k), or ICMA-RC payroll IRA accounts the employee participates in. For example, you should submit two separate records for an employee who participates in both your ICMA-RC 457 plan and your ICMA-RC 401(a) plan. One record would contain the required information for the ICMA-RC 457 plan account and a separate record would reflect the required information for the ICMA-RC 401(a) plan account.

**NOTE: You must include a 457 plan record in the file for every employee that should receive a Report, even if they are currently not participating in the ICMA-RC 457 plan but participate in an ICMA-RC 401(a), 401(k) or payroll IRA plan.**

Please see the attached *Retirement Readiness Report File Specifications* (Appendix D) for the required file layout format.

In addition to being used to generate the Retirement Readiness Report, the information you provide for non-participating employees will enable these employees to easily enroll in your ICMA-RC 457 plan online. If they do not wish to enroll online, they would still be able to enroll over the telephone or through your ICMA-RC Retirement Plans Specialist.

## Retirement Readiness Report File Transmission

Your Plan Sponsor Services Representative will work with you and our ICMA-RC EZLink Specialist to ensure your Retirement Readiness Report file submission is successful and complete. Files will be submitted through EZLink to ensure the data is submitted in a secure manner.

Please see below for instructions on submitting both the test file and live file.

### Step 1 – Creating the Test File

Prior to submitting the production Retirement Readiness Report file, you will create an initial test file using the test plan number provided by the EZLink Specialist. This test file should include six (6) test records for employees that do not have an ICMA-RC 457 Plan account based on the file specifications outlined in Appendix D — *Retirement Readiness Report File Specifications*. If you will be providing information on ICMA-RC 401(a), ICMA-RC 401(k) or ICMA-RC payroll IRA accounts, please include at least one separate employee test record for each applicable account type. The test records provided for these non-457 accounts should be for employees for whom you are also including a 457 test record.

When creating the test file, please follow the instructions below:

- A. Use a 500 byte fixed length multi record format.
- B. Complete all required fields.
- C. Left justify all Alpha fields.
- D. Fill unused amount and percent fields with blank spaces.
- E. Fill optional fields with blank spaces (even if a numeric picture clause is indicated).
- F. Use the file name convention of Year\_Plan Number\_RRR.txt. For the test file, use the plan number provided by the ICMA-RC EZLink Specialist. For the production file, use your actual plan number. For example, 2010303333RRR.txt.

### ***Step 2 – Submitting the Test File***

Once you have created the test file, please follow the steps below to submit the test file to EZLink Specialist:

- A. Log into the EZLink system using your existing User ID and password.
- B. Select the “Manage the Plan” tab, then select “Plan Administration.”
- C. Click on “Drop Off.” (Do not use the “Retirement Readiness Report File” link as this will be used for submitting your production file in Step 3.)
- D. Click the “Browse” button to locate your file.
- E. Click on your file and attach.
- F. Type “Retirement Readiness Report Test File” in description field.
- G. Click “Submit.”
- H. Obtain and note your confirmation number.

Once the test file is received, an ICMA-RC EZLink Specialist will contact you within 3 to 5 business days with the test results.

### ***Step 3 – Submitting the Production Retirement Readiness Report file***

After you receive confirmation of a successful test, submit your production Retirement Readiness Report file to ICMA-RC following the steps below:

- Log into the EZLink system using your existing User ID and password.
- Select the “Manage the Plan” tab, then select “Plan Administration.”
- Click on “Drop Off.”
- Click on “Retirement Readiness Report File” link.
- Click the “Browse” button to locate your file.
- Click on your file and attach.
- Type “Retirement Readiness Report File” in description field.
- Click “Submit.”
- Obtain and note your confirmation number.

### ***Step 4 – ICMA-RC Distributes the Retirement Readiness Report to Your Employees***

Upon receipt of your successful Retirement Readiness File, ICMA-RC will email (if an email address was provided) or mail the Report to your employees within 5 – 10 business days. Your Plan Sponsor Services Representative will contact you when the Reports have been distributed to your employees.

# Appendix A: Participant Retirement Readiness Report



**EMPLOYER  
LOGO  
HERE  
(if applicable)**

PPT

## RETIREMENT READINESS REPORT

First and Last Name:

Are you on track to reach your retirement income goals? Getting a clear picture of how much additional savings you will need to supplement your pension and/or Social Security benefits can be difficult.

With that in mind, at the request of (Employer Name), ICMA-RC is pleased to provide you with the following Retirement Readiness Report, which includes information on where you currently stand and what you can do to increase your chance of reaching your retirement income goals.

ICMA-RC has hired Ibbotson Associates, Inc. (Ibbotson), a leading provider of retirement advice and asset allocation strategies, to provide the investment recommendations included in this report.

Please read the "Important Information Regarding Your Retirement Readiness Report" section prior to implementing any of the recommendations included in this report.

To change your ICMA-RC 457 Plan savings rate, please contact (Employer Name) or your local ICMA-RC representative, (Rep Name), at ###-###-#### or xxxxxxxx@icmarc.org.

To implement the personal asset allocation and fund advice recommendations in your ICMA-RC 457 Plan, please visit our web site at [www.icmarc.org](http://www.icmarc.org), log into your account, then click on the "Manage My Account" tab.

### Here's What We Know about You

The advice contained in this report is generated based upon your existing ICMA-RC account, financial market assumptions and information provided by (Employer Name) including assumptions about your retirement age, the amount of income you will need at retirement, your participation in Social Security, and your estimated annual pension benefit. It is important for you to understand that if any of the below information is incomplete or does not apply to your personal situation, then the recommendations included in this report may not be suitable for you to follow. If you choose to follow the recommendations regardless of the incomplete information or information that may not apply to your personal situation, then ICMA-RC shall not bear any responsibility with respect to such actions and shall not be acting in an investment advisory capacity regarding the advice in this report. Please see the "Important Information Regarding Your Retirement Readiness Report" section for details on updating your information through our online Guided Pathways® Fund Advice service.

• Current Age	XX	• Annual ICMA-RC 457 Plan Employer Contribution	XX% or \$XX,XXX
• Current Salary	\$XX,XXX	• ICMA-RC 401 (a) Plan Balance	\$XX,XXX
• Gender	XXXXXX	• ICMA-RC 401 (k) Plan Balance	\$XX,XXX
• State of Residence	XX	• Annual ICMA-RC 401 (a) Plan Employee Pre-Tax Savings Rate	XX% or \$XX,XXX
• Retirement Age	XX	• Annual ICMA-RC 401 (a) Plan Employee After-Tax Savings Rate	XX% or \$XX,XXX
• Target Annual After-Tax Retirement Income	\$XXX,XXX	• Annual ICMA-RC 401 (a) Plan Employer Contribution	XX% or \$XX,XXX
• Estimated Annual Social Security Benefit	\$XXX,XXX	• Annual ICMA-RC 401 (k) Plan Employee Pre-Tax Savings Rate	XX% or \$XX,XXX
• Estimated Annual Pension Benefit	\$XXX,XXX	• Annual ICMA-RC 401 (k) Plan Employee After-Tax Savings Rate	XX% or \$XX,XXX
• ICMA-RC 457 Account Balance	\$XXX,XXX	• Annual ICMA-RC 401 (k) Plan Employee Roth Savings Rate	XX% or \$XX,XXX
• Annual ICMA-RC 457 Plan Employee Savings Rate	XX% or \$XX,XXX	• Annual ICMA-RC 401 (k) Plan Employer Contribution	XX% or \$XX,XXX

## Your Personal Recommendations

ICMA-RC proposes the following 457 plan strategy to help you reach your retirement goal:

### CURRENT PLAN



### PROPOSED PLAN

ICMA-RC 457 Plan Savings Rate: XX%  
 Retirement Age: XX

ICMA-RC 457 Plan Savings Rate: XX%  
 Savings in Addition to Your ICMA-RC 457 Plan\*: SXXX,XXX  
 Retirement Age: XX

#### Asset Allocation\*\*:

90% Bonds  
 10% International

#### Asset Allocation\*\*:

27% International  
 21% Large Cap Value  
 18% Large Cap Growth  
 14% Mid Cap  
 8% Small Cap Value  
 7% Real Estate  
 5% Small Cap Growth

**Probability of achieving your retirement income goal with your current plan is 29%\*\*\***

**Probability of achieving your retirement income goal with your proposed plan is 90%\*\*\***

ICMA-RC proposes the following 457 Plan fund-specific investment portfolio to help you reach your retirement goal:

The following is the fund-specific investment portfolio ICMA-RC proposes for your accumulated assets and future contributions for your ICMA-RC 457 plan account. These funds were selected from the eligible investment options available in (Employer Name) 457 Plan.

INVESTMENT ALLOCATION	CURRENT	PROPOSED
VT Columbia Mid Cap Value	0%	16%
VT First American Real Estate	0%	6%
VT Harbor Mid Cap Growth Admin	0%	3%
VT T. Rowe Price Sm Cap Value	0%	8%
VT Vantagepoint Overseas Eq Idx 1	10%	23%
VT Vantagepoint 500 Stk Idx 1	0%	18%
VT Vantagepoint Aggressive Ops	0%	8%
VT Vantagepoint Equity Income	0%	10%
VT Vantagepoint Growth	0%	3%
VT Vantagepoint International	0%	5%
VT Vantagepoint Core Bond Index 1	90%	0%

## How to Implement the Proposed Plan

To change your ICMA-RC 457 Plan savings rate, please contact (Employer Name) or your local ICMA-RC representative, (Rep Name), at ###-###-#### or xxxxxxxx@icmarc.org.

To implement the personal asset allocation and fund advice recommendations in your ICMA-RC 457 Plan, please visit our web site at [www.icmarc.org](http://www.icmarc.org), log into your account, then click on the "Manage My Account" tab.

- \* If applicable, includes the total of recommended savings rates to (1) your employer's 401(a) and 401(k) plans, and (2) non-retirement accounts that are in addition to your proposed ICMA-RC 457 Plan savings rate.
- \*\* Asset allocation reflects how your ICMA-RC Plan assets are allocated among different types of investments.
- \*\*\* Reflects an estimate of reaching your retirement income goal based on both the current plan and the implementation of the proposed recommendations. To determine the probability of achieving your retirement income goal, Ibbotson ran your information through 500 simulations providing different retirement income results. Each simulation is based on differing market conditions and differing economic conditions. The results presented in the proposed plan enable you to exceed your retirement income goal in at least 70% of the simulations.

## Important Information Regarding Your Retirement Readiness Report

ICMA-RC is an investment adviser registered with the SEC. ICMA-RC has hired Ibbotson Associates, Inc. (Ibbotson)\* to develop the recommended asset allocation, proposed savings rate, fund-specific recommendations, and investment outcomes depicted in this Retirement Readiness Report. The individualized investment advice in this Retirement Readiness Report is provided by ICMA-RC using the investment methodologies and software created by Ibbotson.

In creating model advice portfolios, Ibbotson uses a quantitative approach to determine investments in your retirement plan that have demonstrated, over time, consistency in risk characteristics and security selection capabilities. The investment options eligible for inclusion in your recommended asset allocation and fund-specific advice are limited to only those funds chosen for your plan by your employer.

The wealth forecast developed and advice and recommendations provided in this report are not guarantees that you will achieve your retirement income goals or anticipated returns if you implement the recommended advice. The advice provided in this report relies on historical performance and other data, all of which have limitations. Past performance of investments is no guarantee of future results. The analysis and advice provided depend on a number of factors, including the information you or your employer provided, various assumptions and estimates, and other considerations and does not take into account your personal risk tolerance with respect to your investment objectives. Moreover, the Ibbotson process does not make any assumption related to your personal risk tolerance. The forecast and recommendations may involve investment risk that exceeds your acceptable risk tolerance level. You should carefully review the information provided in this report, including the various assumptions made and your overall risk tolerance, before implementing the advice in this report.

Your employer has provided ICMA-RC with personal and financial status information and certain assumptions required to generate your Retirement Readiness Report. Please review carefully the information and assumptions set forth in this report. If any of the information or assumptions are inaccurate, you should not rely on the advice provided in this report. Assets held outside of this employer's retirement plans are not considered in the advice provided in this report. All of your ICMA-RC 457, 401(a) and 401(k) accounts, if applicable, with this employer are considered in the advice provided although only one account for each plan type is presented on page 1 of this report. To see how updating your information may impact the investment and savings recommendations, you may use our Fund Advice service located at [www.icmarc.org](http://www.icmarc.org) on the Guided Pathways® page under the "Products and Services" tab. Fund Advice uses the same underlying investment methodologies as this report and is available to you free of charge.

ICMA-RC is providing this report on a non-discretionary basis. You are responsible for implementing any asset allocation, fund choice, or savings rate recommendations. In addition, ICMA-RC, not your employer, is acting as the investment advisor for the advice provided. ICMA-RC is an investment adviser registered as such with the SEC under the Investment Advisers Act of 1940, as amended.

ICMA-RC does not charge recipients for their Retirement Readiness Reports. The costs for the reports are included in the fees paid to ICMA-RC for providing retirement plan recordkeeping, administrative, and educational services. ICMA-RC, or one of its affiliates, receives asset-based fees for providing investment advisory, transfer agency, distribution, recordkeeping, fund administrative services and/or retirement plan administrative services from funds (or their fund families) that are made available as part of the investment options in your retirement plan. These fees are disclosed in the prospectuses or other offering documents for the investment options that are made available through your retirement plan.

To receive a copy of ICMA-RC's Form ADV II, which provides additional information on investment advisory services, fees, and investment methodology, please contact ICMA-RC's Investor Services at 800-669-7400.

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\* Ibbotson was founded by Professor Roger Ibbotson in 1977 and acquired by Morningstar, Inc. in 2006. Ibbotson is an SEC-registered investment adviser and is not affiliated with ICMA-RC.

<sup>1</sup> Please read the current applicable prospectus and Making Sound Investment Decisions: A Retirement Investment Guide carefully for a complete summary of all fees, expenses, charges, financial highlights, investment objectives, risks and performance information. Investors should carefully consider the Fund's investment objectives, risks, charges and expenses before investing or sending money. The prospectus contains this and other information about the investment company. For a current prospectus, contact ICMA-RC Services, LLC by calling 800-669-7400 or by writing to 777 North Capitol Street, NE, Washington, DC 20002-4240, or by visiting [www.icmarc.org](http://www.icmarc.org).

All Vantagepoint Funds invested through 401 or 457 plans are held through VantageTrust. The Vantagepoint Funds are distributed by ICMA-RC Services LLC, a wholly owned broker-dealer subsidiary of ICMA-RC and member FINRA/SIPC.

# Appendix B: Non-participant Retirement Readiness Report



**EMPLOYER  
LOGO  
HERE  
(if applicable)**

**SAMPLE**

**NP**

## RETIREMENT READINESS REPORT

First and Last Name:

Are you on track to reach your retirement income goals? Getting a clear picture of how much additional savings you will need to supplement your pension and/or Social Security benefits can be difficult.

With that in mind, at the request of (Employer Name), ICMA-RC is pleased to provide you with the following Retirement Readiness Report, which includes information on where you currently stand and what you can do to increase your chance of reaching your retirement income goals by participating in the (Employer Name) ICMA-RC 457 Plan.

ICMA-RC has hired Ibbotson Associates, Inc. (Ibbotson), a leading provider of retirement advice and asset allocation strategies, to provide the investment recommendations included in this report.

Please read the "Important Information Regarding Your Retirement Readiness Report" section prior to implementing any of the recommendations included in this report.

**To receive more information on the benefits of enrolling in the (Employer Name) ICMA-RC 457 Plan, please contact (Employer Name) or your local ICMA-RC representative, (Rep Name), at ###-###-#### or xxxxxxxx@ org.**

### Here's What We Know About You

The advice contained in this report is generated based upon financial market assumptions and information provided by (Employer Name), including assumptions about your retirement age, the amount of income you will need at retirement, your participation in Social Security, and your estimated annual pension benefit. It is important for you to understand that if any of the below information is incomplete or does not apply to your personal situation, then the recommendations included in this report may not be suitable for you to follow. If you choose to follow the recommendations regardless of the incomplete information or information that may not apply to your personal situation, then ICMA-RC shall not bear any responsibility with respect to such actions and shall not be acting in an investment advisory capacity regarding the advice in this report.

• Current Age	XX	• Annual ICMA-RC 457 Plan Employer Contribution	0% or \$0
• Current Salary	\$XX,XXX	• ICMA-RC 401 (a) Plan Balance	\$XX,XXX
• Gender	XXXXXX	• ICMA-RC 401 (k) Plan Balance	\$XX,XXX
• State of Residence	XX	• Annual ICMA-RC 401 (a) Plan Employee Pre-Tax Savings Rate	XX% or \$XX,XXX
• Retirement Age	XX	• Annual ICMA-RC 401 (a) Plan Employee After-Tax Savings Rate	XX% or \$XX,XXX
• Target Annual After-Tax Retirement Income	\$XXX,XXX	• Annual ICMA-RC 401 (a) Plan Employer Contribution	XX% or \$XX,XXX
• Estimated Annual Social Security Benefit	\$XXX,XXX	• Annual ICMA-RC 401 (k) Plan Employee Pre-Tax Savings Rate	XX% or \$XX,XXX
• Estimated Annual Pension Benefit	\$XXX,XXX	• Annual ICMA-RC 401 (k) Plan Employee After-Tax Savings Rate	XX% or \$XX,XXX
• ICMA-RC 457 Plan Account Balance	\$0	• Annual ICMA-RC 401 (k) Plan Employee Roth Savings Rate	XX% or \$XX,XXX
• Annual ICMA-RC 457 Plan Employee Savings Rate	0% or \$0	• Annual ICMA-RC 401 (k) Plan Employer Contribution	XX% or \$XX,XXX

## Your Personal Recommendations

ICMA-RC proposes the following 457 Plan strategy to help you reach your retirement goal:

### CURRENT PLAN

ICMA-RC 457 Plan Savings Rate: 0%  
 Retirement Age: XX

Asset Allocation:

**YOU DO NOT CURRENTLY PARTICIPATE IN  
 THE (EMPLOYER NAME) 457 PLAN**

**Probability of achieving your retirement income goal with  
 your current plan is 15%\*\*\***



### PROPOSED PLAN

ICMA-RC 457 Plan Savings Rate: XX%  
 Savings in Addition to Your ICMA-RC 457 Plan:\* SXXX,XXX  
 Retirement Age: XX

Asset Allocation:

27% International  
 21% Large Cap Value  
 18% Large Cap Growth  
 14% Mid Cap  
 8% Small Cap Value  
 7% Real Estate  
 5% Small Cap Growth

**Probability of achieving your retirement income goal with  
 your proposed plan is 90%\*\*\***

ICMA-RC proposes the following 457 Plan investment portfolio to help you reach your retirement goal:

The following is the fund-specific investment portfolio ICMA-RC proposes you implement if you enroll in the (Employer Name) ICMA-RC 457 plan. These funds were selected from the eligible investment options available in the (Employer Name) ICMA-RC 457 Plan.

INVESTMENT ALLOCATION	PROPOSED
VT Columbia Mid Cap Value	16%
VT First American Real Estate	6%
VT Harbor Mid Cap Growth Admin	3%
VT T. Rowe Price Sm Cap Value	8%
VT Vantagepoint Overseas Eq Idx 1	23%
VT Vantagepoint 500 Stk Idx 1	18%
VT Vantagepoint Aggressive Ops	8%
VT Vantagepoint Equity Income	10%
VT Vantagepoint Growth	3%
VT Vantagepoint International	5%

## Learn More about or Enroll in the (Employer Name) ICMA-RC 457 Plan

To receive more information on the benefits of enrolling in the (Employer Name) ICMA-RC 457 Plan, please contact (Employer Name) or your local ICMA-RC representative, (Rep Name), at ###-###-#### or xxxxxxxx@ org.

- \* If applicable, includes the total of recommended savings rates to (1) your employer's 401(a) and 401(k) plans, and (2) non-retirement accounts that are in addition to your proposed ICMA-RC 457 Plan savings rate.
- \*\* The asset allocation listed under the proposed plan reflects our proposal for allocating ICMA-RC Plan assets among different asset classes if you were to enroll in your employer's ICMA-RC 457 Plan.
- \*\*\* Reflects an estimate of reaching your retirement income goal based on both the current plan and the implementation of the proposed recommendations. To determine the probability of achieving your retirement income goal, Ibbotson ran your information through 500 simulations providing different retirement income results. Each simulation is based on differing market conditions and differing economic conditions. The results presented in the proposed plan enable you to exceed your retirement income goal in at least 70% of the simulations.

## Important Information Regarding Your Retirement Readiness Report

ICMA-RC is an investment adviser registered with the SEC. ICMA-RC has hired Ibbotson Associates, Inc. (Ibbotson)\* to develop the recommended asset allocation, proposed savings rate, fund-specific recommendations and investment outcomes depicted in this Retirement Readiness Report. The individualized investment advice in this Retirement Readiness Report is provided by ICMA-RC using the investment methodologies and software created by Ibbotson.

In creating model advice portfolios, Ibbotson uses a quantitative approach to determine investments in your retirement plan that have demonstrated, over time, consistency in risk characteristics and security selection capabilities. The investment options eligible for inclusion in your recommended asset allocation and fund-specific advice are limited to only those funds chosen for your plan by your employer.

The wealth forecast developed and advice and recommendations provided are not guarantees that you will achieve your retirement income goals or anticipated returns if you implement the recommended advice. The advice provided in this report relies on historical performance and other data, all of which have limitations. Past performance of investments is no guarantee of future results. The analysis and advice provided depend on a number of factors, including the information your employer provided, various assumptions and estimates, and other considerations and does not take into account your personal risk tolerance with respect to your investment objectives. Moreover, the Ibbotson process does not make any assumptions related to your personal risk tolerance. The forecast and recommendations may involve investment risk that exceeds your acceptable risk tolerance level. You should carefully review the information provided in this report, including the various assumptions made and your overall risk tolerance, before implementing the advice in this report.

Your employer has provided ICMA-RC with personal and financial status information and certain assumptions required to generate your Retirement Readiness Report. Please review carefully the information and assumptions set forth in this report. If any of the information or assumptions are inaccurate, you should not rely on the advice provided in this report. Assets held outside of this employer's retirement plans are not considered in the advice provided in this report. All of your ICMA-RC 457, 401(a) and 401(k) accounts, if applicable, with this employer are considered in the advice provided although only one account for each plan type is presented on page 1 of this report.

ICMA-RC is providing this report on a non-discretionary basis. You are responsible for implementing any asset allocation, fund choice, or savings rate recommendations. In addition, ICMA-RC, not your employer, is acting as the investment advisor for the advice provided. ICMA-RC is an investment adviser registered as such with the SEC under the Investment Advisers Act of 1940, as amended.

ICMA-RC does not charge individual recipients for their Retirement Readiness Reports. The costs for the reports are included in the fees paid to ICMA-RC for providing retirement plan recordkeeping, administrative, and educational services. ICMA-RC, or one of its affiliates, receives asset-based fees for providing investment advisory, transfer agency, distribution, recordkeeping, fund administrative services and/or retirement plan administrative services from funds (or their fund families) that are made available as part of the investment options in your retirement plan. These fees are disclosed in the prospectuses or other offering documents for the investment options that are made available through your retirement plan.

To receive a copy of ICMA-RC's Form ADV II, which provides additional information on investment advisory services, fees, and investment methodology, please contact ICMA-RC's Investor Services at 800-669-7400.

\* Ibbotson was founded by Professor Roger Ibbotson in 1977 and acquired by Morningstar, Inc. in 2006. Ibbotson is an SEC-registered investment adviser and is not affiliated with ICMA-RC.

<sup>1</sup> Please read the current applicable prospectus and Making Sound Investment Decisions: A Retirement Investment Guide carefully for a complete summary of all fees, expenses, charges, financial highlights, investment objectives, risks and performance information. Investors should carefully consider the Fund's investment objectives, risks, charges and expenses before investing or sending money. The prospectus contains this and other information about the investment company. For a current prospectus, contact ICMA-RC Services, LLC by calling 800-669-7400 or by writing to 777 North Capitol Street, NE, Washington, DC 20002-4240, or by visiting [www.icmarc.org](http://www.icmarc.org).

All Vantagepoint Funds invested through 401 or 457 plans are held through VantageTrust. The Vantagepoint Funds are distributed by ICMA-RC Services LLC, a wholly owned broker-dealer subsidiary of ICMA-RC and member FINRA/SIPC.

## Appendix C: Retirement Readiness Report Plan Level Assumptions Form

This form allows you to provide the required plan level assumptions that will be used by ICMA-RC to generate the annual ICMA-RC Retirement Readiness Report for each of your designated employees.

457 Plan Number: **30** \_\_\_\_\_ Plan Name: \_\_\_\_\_

### 1) Retirement Income

Designate one retirement income as a percentage of after-tax salary to be used for all of your employees (100% is recommended):

Retirement Income: \_\_\_\_\_%

### 2) Retirement Age

Option A:  Designate the following retirement age to be used for all your employees: Retirement Age: \_\_\_\_\_

**OR**

Option B:  Provide a specific retirement age for each individual employee.

### 3) Social Security Retirement Benefits Eligibility

Including information on your employees' other sources of retirement income could have a significant impact on the recommendation provided in the Retirement Readiness Report. For employees you wish to include a Social Security benefits estimate for, Ibbotson Associates will calculate an estimate based on the employee's current salary.

Option A:  Designate Social Security Benefits Eligibility for all employees.

The plan level assumption is  Yes  No

**OR**

Option B:  Provide Social Security Benefits Eligibility information for each individual employee.

### 4) Defined Benefit Pension Plan Participation

Including information on your employees' other sources of retirement income could have a significant impact on the recommendations provided in the Retirement Readiness Report.

Designate whether any of your employees who will receive the Retirement Readiness Report participate in your defined benefit pension plan.

Yes or  No

If you check Yes, you should provide an estimated annual defined pension plan benefit, expressed in current dollars or percentage of salary, for each appropriate employee.

**Please have your authorized plan coordinator sign and date the form and fax the completed form to your Plan Sponsor Services Representative at 202-962-4601.**

\_\_\_\_\_  
Plan Coordinator Name and Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Plan Coordinator Signature

#### ICMA-RC Use Only:

Form Rec'd by: \_\_\_\_\_

Date: \_\_\_\_\_

## Appendix D: Retirement Readiness Report File Specifications

Columns	Picture	Clause	Field Name	Required/ Optional	Comments
1-6	X(6)		Plan Number	Required	Use the test # assigned by ICMA-RC EZLink Specialist for the test file and your 457 or 401 plan number for the live file
7-15	9(9)		SSN	Required	No Dashes "999999999"
16-24	9(9)		Sequence #	Required	Increase in increments of 1 for each record. Leading zeros (not spaced) are required (e.g., "00000001")
25	X(1)		Transaction Type	Required	Populate with "E" for "Enrollment Record"
26-55	X(30)		Participant Name	Required	Last Name ',' <space> First Name <space> Middle Initial (e.g., "Richardson Jr, Tom M")
56-67	X(12)		Filler	Required	Spaces
68-70	X(3)		Filler	Required	Spaces
71-100	X(30)		Address Line 1	Required	Street Address
101-130	X(30)		Address Line 2	Optional	Apt # (etc.)
131-148	X(18)		City	Required	City
149-151	X(3)		State	Required	State Abbreviation – left justified
152-160	X(9)		Zip	Required	Up to nine digits, use first five & left justify
161	X(1)		Gender	Required	1 = Male, 2 = Female
162-169	9(8)		Birth Date	Required	CCYYMMDD
170-177	9(8)		Date of Hire	Required	CCYYMMDD
178-185	9(8)		Eligible Plan Entry Date	Required	CCYYMMDD
186	9(1)		Marital Status	Required	1 = Single, 2 = Married
187-198	X(12)		Home Phone #	Optional	Include dashes e.g., 999-999-9999
199-200	9(02)		Filler	Required	Spaces
201-232	X(32)		Filler	Required	Spaces
233-244	X(12)		Work Phone #	Optional	Include dashes e.g., 999-999-9999
245-270	X(26)		Job Title	Optional	
271-274	X(4)		Filler	Required	Spaces
275-285	9(9)V9(2)		Annual Salary	Required	Numeric only; e.g., \$123,456.78 would be 00012345678
286-345	X(60)		Email Address	Optional	e.g., tsmith@hotmail.com
346-353	9(6)V9(2)		Annual Pre-Tax Deferral or Traditional IRA Deferral Amount Dollars	Required	Spaces if you are providing as a percentage in Column 354-361 below or the employee <b>does</b> not contribute to this source. Amounts have two implied decimal places e.g., \$1234.56 must be sent as 00123456. Leading zeros (not spaced) are required for the numeric field.
354-361	9(3)V9(5)		Annual Pre-Tax Deferral or Traditional IRA Deferred Amount Percent	Required	Spaces if you are providing as a dollar amount in Column 346-353 above or the employee does not contribute to this source. Percent field must be populated as a "factor" (not percentage) with 5 implied decimal places e.g., 20% should be sent as 00020000.
362-369	9(6)V9(2)		Annual After-Tax Deferral Amount Dollar <sup>1</sup>	Required	Spaces if you are providing as a percentage in Column 370-377 below or the employee <b>does</b> not contribute to this source. Amounts have two implied decimal places e.g., \$1234.56 must be sent as 00123456. Leading zeros (not spaced) are required for the numeric field.
370-377	9(3)V9(5)		Annual After-Tax Deferral Amount Percent <sup>1</sup>	Required	Spaces if you are providing as a dollar amount in Column 362-369 above or the employee does not contribute to this source. Percent field must be populated as a "factor" (not percentage) with 5 implied decimal places e.g., 20% should be sent as 00020000.
378-385	X(8)		Filler	Required	Spaces

Columns	Picture	Clause	Field Name	Required/ Optional	Comments
386-398	X(13)		Employee ID	Optional	
399-406	9(6)V9(2)		Annual 401(k) Roth or Roth IRA Deferral Amount Dollar <sup>2</sup>	Required	Spaces if you are providing as a percentage in Column 407-414 below or the employee <b>does</b> not contribute to this source. Amounts have two implied decimal places e.g., \$1234.56 must be sent as 00123456. Leading zeros (not spaced) are required for the numeric field.
407-414	9(3)V9(5)		Annual 401(k) Roth or Roth IRA Deferral Amount Percent <sup>2</sup>	Required	Spaces if you are providing as a dollar amount in Column 399-406 above or the employee <b>does</b> not contribute to this source. Percent field must be populated as a "factor" (not percentage) with 5 implied decimal places e.g., 20% should be sent as 00020000.
415-422	9(6)V9(2)		Annual Employer Deferral Amount Dollar	Required	Spaces if you are providing as a percentage in Column 423-430 below or you do not <b>make</b> employer contributions to this plan. Amounts have two implied decimal places e.g., \$1234.56 must be sent as 00123456. Leading zeros (not spaced) are required for the numeric field.
423-430	9(3)V9(5)		Annual Employer Deferral Percent	Required	Spaces if you are providing as a dollar amount in Column 415-422 above or you do not make employer contributions to this plan. Percent field must be populated as a "factor" (not percentage) with 5 implied decimal places e.g., 20% should be sent as 00020000.
431-441	9(9)V9(2)		Annual Pension Benefit Dollar Amount	Required	Spaces if you are providing as a percentage in Column 442-449 below or the employee does not participate in your defined benefit pension plan. Amounts have two implied decimal places e.g., \$1234.56 must be sent as 00123456. Leading zeros (not spaced) are required for the numeric field.
442-449	9(3)V9(5)		Annual Pension Benefit Percentage Amount	Required	Spaces if you are providing as a dollar amount in Column 415-422 above or the employee <b>does</b> not participate in your defined benefit pension plan. Percent field must be populated as a "factor" (not percentage) with 5 implied decimal places e.g., 20% should be sent as 00020000.
450-451	X(2)		Filler	Required	Spaces
452-454	9(3)		Retirement Age	Optional	Spaces if you wish the plan level assumption to apply to this employee. Otherwise, provide the age the employee will retire.
455	X(1)		Social Security Retirement Benefit Eligibility	Optional	Spaces if you wish the plan level assumption to apply to this employee. Otherwise, populate with a Y for yes and an N for no.
456-500	X(45)		Filler	Required	Spaces

<sup>1</sup> These fields should not be used for 457 plans

<sup>2</sup> These fields should only be used for 401(k) plans that allow for Roth deferrals or for payroll IRA accounts. It should not be used for 457 or 401(a) plans.

## Batch Process Transaction Total

Columns	Picture	Clause	Field Name	Required/ Optional	Comments
1-6	X(6)		Plan Number	Required	Use the test # assigned by ICMA-RC EZLink Specialist for the test file and your 457 or 401 plan number for the live file
7-15	9(9)		SSN	Required	No Dashes "000000000"
16-24	9(9)		Sequence #	Required	Total Number of Records Submitted. Leading zeros (not spaced) are required.
25	X(1)		Transaction Type	Required	Populate with "E" for "Enrollment Record"
26-500	X(476)		Filler	Required	Spaces

## File Layout for the Batch Process Transaction Grand Total

The Grand Total Record (transaction type = ‘\*’) is the sum of every record including the Batch Process Transaction Record. Include the batch grand total record as the last record in your file for every file submitted. This record is the summation of all individual transaction records and the batch transaction total record for every type of transaction.

Columns	Picture	Clause	Field Name	Required/ Optional	Comments
1-6	X(6)		Plan Number	Required	Use the test # assigned by ICMA-RC EZLink Specialist for the test file and your 457 or 401 plan number for the live file
7-15	9(9)		SSN	Required	No Dashes ‘999999999’
16-24	9(9)		Sequence #	Required	Total Number of Records Submitted. Leading zeros (not spaced) are required.
25	X(1)		Transaction Code	Required	= “**”
26-500	X(475)		Filler	Required	Spaces

Below is a sample of how the file should look.

```

123456111111111000000001 .... (Participant Record)
123456222222222000000002 .... (Participant Record)
123456333333333000000003 .... (Participant Record)
123456333333333000000004 .... (Participant Record)
123456333333333000000005 .... (Participant Record)
123456333333333000000006 .... (Participant Record)
123456000000000000000006 .... (Batch process transaction record total)
123456000000000000000007*.... (Batch process transaction grand total record)

```



## City of Troy Retirement Systems

- UBS Portfolio Management Reports, ERS and NAIC Accounts  
Period ending September 30, 2013
- UBS *House View* - The Tale of Deleveraging
  - UBS *Equity Focus List - October*

Presented By:  
Rebecca Sorensen, CFP®, CIMA®  
Senior Vice-President - Wealth Management  
John Grant  
Senior Vice-President - Wealth Management



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**Financial Advisor:**  
 Rebecca Sorensen, CFP, CIMA  
 Grant/Sorensen Wealth Mgt

# UBS Client Review

as of September 30, 2013

## Prepared for

CITY OF TROY  
 EMPLOYEES RETIREMENT  
 SYSTEMS NAIC

## Accounts included in this review

Account	Name	Type
TZ [REDACTED]	• CITY OF TROY	• Defined Benefit
Risk profile:	Moderate	
Return Objective:	Current Income and Capital Appreciation	

## What's inside

Performance review. . . . .	2
Portfolio holdings. . . . .	3
Asset allocation summary. . . . .	7
Equity sector analysis. . . . .	9
Important information about this report. . . . .	15



# Performance review

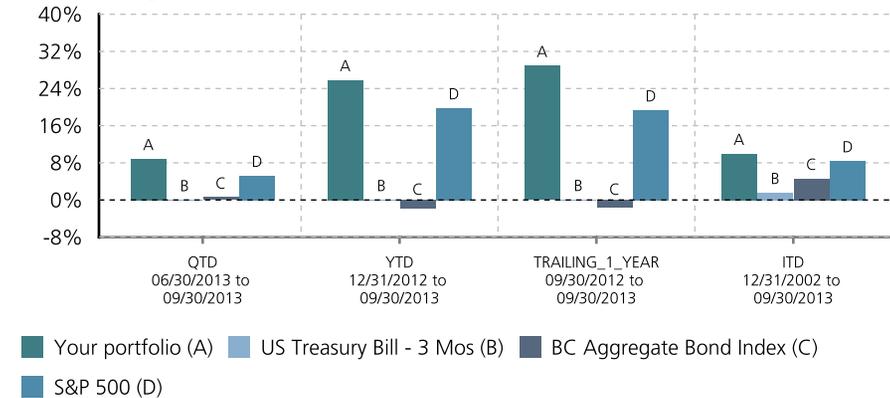
as of September 30, 2013

## Sources of portfolio value



## Portfolio and selected benchmark returns

Net Time-weighted returns annualized



## Portfolio value and investment returns

Performance returns (annualized > 1 year)

	QTD 06/30/2013 to 09/30/2013	YTD 12/31/2012 to 09/30/2013	1 Year 09/30/2012 to 09/30/2013	ITD 12/31/2002 to 09/30/2013
<b>Opening value</b>	<b>12,844,938.07</b>	<b>11,111,705.63</b>	<b>10,849,862.97</b>	<b>4,545,750.56</b>
Net deposits/withdrawals	0.00	0.00	-200.00	405,296.65
Div./interest income	33,777.22	91,613.85	144,809.11	1,001,811.37
Change in accr. interest	0.00	0.00	0.00	0.00
Change in value	1,105,409.20	2,780,805.01	2,989,652.41	8,031,265.91
<b>Closing value</b>	<b>13,984,124.49</b>	<b>13,984,124.49</b>	<b>13,984,124.49</b>	<b>13,984,124.49</b>
Net Time-weighted ROR	8.87	25.85	28.89	9.98

Net deposits and withdrawals include program and account fees.

## Time weighted rates of return (net of fees)

Performance returns (annualized > 1 year)

	QTD 06/30/2013 to 09/30/2013	YTD 12/31/2012 to 09/30/2013	1 Year 09/30/2012 to 09/30/2013	ITD 12/31/2002 to 09/30/2013
<b>Your portfolio(%)</b>	<b>8.87</b>	<b>25.85</b>	<b>28.89</b>	<b>9.98</b>
US Treasury Bill - 3 Mos	0.01	0.04	0.06	1.57
BC Aggregate Bond Index	0.57	-1.89	-1.68	4.62
S&P 500	5.24	19.79	19.34	8.39

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

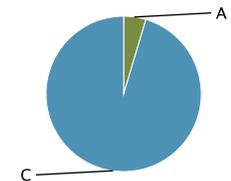
# Portfolio holdings

as of September 30, 2013

## Summary of Portfolio Holdings

	Cost basis (\$)	Value on 09/30/2013 (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of portfolio
<b>A Cash</b>	<b>647,313.99</b>	<b>647,313.99</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.63%</b>
Cash	647,313.99	647,313.99	0.00	0.00%	0.00	0.00%	4.63%
<b>B Fixed Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00%</b>
<b>C Equity</b>	<b>5,638,700.26</b>	<b>13,336,810.50</b>	<b>7,264,180.24</b>	<b>128.83%</b>	<b>135,189.93</b>	<b>1.01%</b>	<b>95.37%</b>
US	5,041,828.98	12,576,310.50	7,100,551.52	140.83%	122,000.00	0.97%	89.93%
International	596,871.28	760,500.00	163,628.72	27.41%	13,189.93	1.73%	5.44%
<b>D Commodities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00%</b>
<b>E Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00%</b>
<b>F Other</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total Portfolio</b>	<b>\$6,286,014.25</b>	<b>\$13,984,124.49</b>	<b>\$7,264,180.24</b>	<b>115.56%</b>	<b>\$135,189.93</b>	<b>0.97%</b>	<b>100%</b>

Balanced mutual funds are allocated in the 'Other' category





Portfolio holdings - as of September 30, 2013 (continued)

Details of portfolio holdings

	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of asset class	% of portfolio
<b>Total Portfolio</b>	<b>\$6,286,014.25</b>	<b>\$13,984,124.49</b>	<b>\$7,264,180.24</b>	<b>115.56%</b>	<b>\$135,189.93</b>	<b>0.97%</b>	<b>100%</b>	<b>100%</b>

Cash	Quantity	Avg. purchase price (\$)	Price on 09/30/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Cash	% of portfolio
<b>Cash</b>											
RMA MONEY MKT. PORTFOLIO	646,976.49	1.00	1.00	646,976.49	646,976.49	0.00	0.00%	0.00	0.00%	99.95%	4.63%
UBS BANK USA DEPOSIT ACCOUNT	337.50	1.00	1.00	337.50	337.50	0.00	0.00%	0.00	0.00%	0.05%	0.00%
<b>Total Cash</b>				<b>\$647,313.99</b>	<b>\$647,313.99</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>100.00%</b>	<b>4.63%</b>

<b>Total Cash</b>				<b>\$647,313.99</b>	<b>\$647,313.99</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>100%</b>	<b>4.63%</b>
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Equity US	Quantity	Avg. purchase price (\$)	Price on 09/30/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
ABBOTT LABS	4,000.00	20.99	33.19	83,966.43	132,760.00	48,793.57	58.11%	2,240.00	1.69%	1.00%	0.95%
ABBVIE INC COM	4,000.00	22.76	44.73	91,054.24	178,920.00	87,865.76	96.50%	6,400.00	3.58%	1.34%	1.28%
AECOM TECHNOLOGY CORP	3,000.00	29.49	31.27	88,460.70	93,810.00	5,349.30	6.05%	0.00	0.00%	0.70%	0.67%
AFLAC INC	7,000.00	0.00	61.99	0.00	433,930.00	0.00	0.00%	9,800.00	2.26%	3.25%	3.10%
ALMOST FAMILY INC	2,000.00	27.28	19.43	54,566.15	38,860.00	-15,706.15	-28.78%	0.00	0.00%	0.29%	0.28%
AUTOMATIC DATA PROCESSNG INC	2,000.00	33.34	72.38	66,672.80	144,760.00	78,087.20	117.12%	3,480.00	2.40%	1.09%	1.04%
BIO REFERENCE LAB INC NEW NEW	2,000.00	22.16	29.88	44,318.95	59,760.00	15,441.05	34.84%	0.00	0.00%	0.45%	0.43%
BRUKER CORP	2,000.00	19.05	20.65	38,107.71	41,300.00	3,192.29	8.38%	0.00	0.00%	0.31%	0.30%
CELGENE CORP	2,000.00	59.03	154.14	118,056.25	308,274.00	190,217.75	161.12%	0.00	0.00%	2.31%	2.20%
COACH INC	1,000.00	31.10	54.53	31,095.92	54,530.00	23,434.08	75.36%	1,350.00	2.48%	0.41%	0.39%
COGNEX CORP	4,000.00	16.84	31.29	67,345.65	125,160.00	57,814.35	85.85%	880.00	0.70%	0.94%	0.90%
DANAHER CORP	8,000.00	14.65	69.32	117,224.25	554,560.00	437,335.75	373.08%	800.00	0.14%	4.16%	3.97%
EBAY INC	10,000.00	33.32	55.80	333,170.85	557,950.00	224,779.15	67.47%	0.00	0.00%	4.18%	3.99%
EMC CORP MASS	6,000.00	13.50	25.56	81,014.00	153,360.00	72,346.00	89.30%	2,400.00	1.56%	1.15%	1.10%
EMERSON ELECTRIC CO	4,000.00	23.56	64.70	94,240.25	258,800.00	164,559.75	174.62%	6,560.00	2.53%	1.94%	1.85%
EXPRESS SCRIPTS HLDG CO	1,620.00	56.21	61.80	91,052.10	100,116.00	9,063.90	9.95%	0.00	0.00%	0.75%	0.72%
FACTSET RESH SYSTEMS INC	3,000.00	15.62	109.10	46,870.25	327,300.00	280,429.75	598.31%	4,200.00	1.28%	2.45%	2.34%
FASTENAL CO	8,000.00	7.27	50.27	58,125.00	402,160.00	344,035.00	591.89%	8,000.00	1.99%	3.02%	2.88%
FISERV INC	3,000.00	38.44	101.05	115,329.50	303,150.00	187,820.50	162.86%	0.00	0.00%	2.27%	2.17%



Portfolio holdings - as of September 30, 2013 (continued)

Equity	Quantity	Avg. purchase price (\$)	Price on 09/30/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
<b>US</b>											
FRANKLIN RESOURCES INC	6,000.00	29.18	50.55	175,059.24	303,300.00	128,240.76	73.26%	2,400.00	0.79%	2.27%	2.17%
GAMESTOP CORP NEW (HOLDING CO) CL A	4,000.00	25.35	49.65	101,408.50	198,600.00	97,191.50	95.84%	4,400.00	2.22%	1.49%	1.42%
GILEAD SCIENCES INC	14,000.00	22.05	62.87	308,721.43	880,180.00	571,458.57	185.10%	0.00	0.00%	6.60%	6.29%
GLOBAL PAYMENTS INC	2,000.00	39.39	51.08	78,788.25	102,160.00	23,371.75	29.66%	160.00	0.16%	0.77%	0.73%
HCC INSURANCE HLDGS INC	2,000.00	28.56	43.82	57,122.57	87,640.00	30,517.43	53.42%	1,800.00	2.05%	0.66%	0.63%
IDEX CORP	2,250.00	12.33	65.25	27,750.00	146,812.50	119,062.50	429.05%	2,070.00	1.41%	1.10%	1.05%
LABORATORY CORP AMER HLDGS NEW	5,000.00	64.44	99.14	322,221.10	495,700.00	173,478.90	53.84%	0.00	0.00%	3.72%	3.54%
LKQ CORP NEW	4,000.00	9.25	31.87	36,990.75	127,480.00	90,489.25	244.63%	0.00	0.00%	0.96%	0.91%
MEDNAX INC	2,000.00	65.98	100.40	131,968.56	200,800.00	68,831.44	52.16%	0.00	0.00%	1.51%	1.44%
MEDTRONIC INC	10,000.00	50.10	53.25	501,012.30	532,500.00	31,487.70	6.28%	11,200.00	2.10%	3.99%	3.81%
NEUSTAR INC CL A	4,000.00	22.50	49.48	90,011.90	197,920.00	107,908.10	119.88%	0.00	0.00%	1.48%	1.42%
O REILLY AUTOMOTIVE INC	4,000.00	18.22	127.59	72,891.40	510,360.00	437,468.60	600.16%	0.00	0.00%	3.83%	3.65%
OMNICOM GROUP INC	4,000.00	41.81	63.44	167,220.25	253,760.00	86,539.75	51.75%	6,400.00	2.52%	1.90%	1.81%
PERRIGO COMPANY	1,000.00	57.50	123.38	57,499.25	123,380.00	65,880.75	114.58%	360.00	0.29%	0.93%	0.88%
PRAXAIR INC	5,800.00	41.51	120.21	240,732.00	697,218.00	456,486.00	189.62%	13,920.00	2.00%	5.23%	4.99%
ROPER INDS INC NEW	4,000.00	15.11	132.87	60,440.25	531,480.00	471,039.75	779.35%	2,640.00	0.50%	3.99%	3.80%
ST JUDE MEDICAL INC	6,000.00	36.39	53.64	218,368.75	321,840.00	103,471.25	47.38%	6,000.00	1.86%	2.41%	2.30%
STRYKER CORP	13,000.00	16.05	67.59	208,628.87	878,670.00	670,041.13	321.16%	13,780.00	1.57%	6.59%	6.28%
TRACTOR SUPPLY COMPANY	8,000.00	9.12	67.17	72,965.85	537,360.00	464,394.15	636.45%	4,160.00	0.77%	4.03%	3.84%
VARIAN MEDICAL SYSTEMS INC	3,000.00	35.07	74.73	105,221.36	224,190.00	118,968.64	113.07%	0.00	0.00%	1.68%	1.60%
VISA INC CL A	5,000.00	77.23	191.10	386,135.40	955,500.00	569,364.60	147.45%	6,600.00	0.69%	7.16%	6.83%
<b>Total US</b>				<b>\$5,041,828.98</b>	<b>\$12,576,310.50</b>	<b>\$7,100,551.52</b>	<b>140.83%</b>	<b>\$122,000.00</b>	<b>0.97%</b>	<b>94.30%</b>	<b>89.93%</b>
<b>International</b>											
FABRINET	4,000.00	21.23	16.84	84,933.90	67,360.00	-17,573.90	-20.69%	0.00	0.00%	0.51%	0.48%
SHIRE PLC SPON ADR	2,000.00	80.42	119.89	160,846.10	239,780.00	78,933.90	49.07%	1,056.00	0.44%	1.80%	1.71%
TEVA PHARMACEUTICALS IND LTD ISRAEL ADR	12,000.00	29.26	37.78	351,091.28	453,360.00	102,268.72	29.13%	12,133.93	2.68%	3.40%	3.24%
<b>Total International</b>				<b>\$596,871.28</b>	<b>\$760,500.00</b>	<b>\$163,628.72</b>	<b>27.41%</b>	<b>\$13,189.93</b>	<b>1.73%</b>	<b>5.70%</b>	<b>5.44%</b>
<b>Total Equity</b>				<b>\$5,638,700.26</b>	<b>\$13,336,810.50</b>	<b>\$7,264,180.24</b>	<b>128.83%</b>	<b>\$135,189.93</b>	<b>1.01%</b>	<b>100%</b>	<b>95.37%</b>



Portfolio holdings - as of September 30, 2013 (continued)

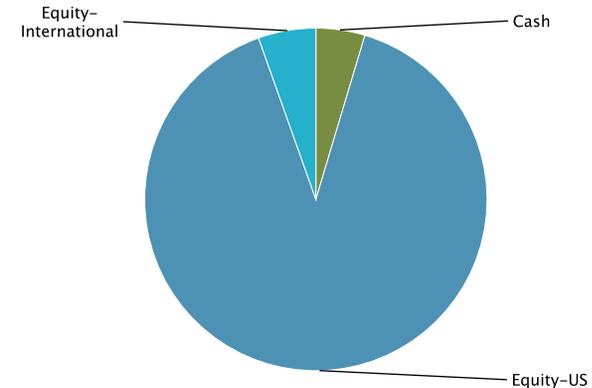
	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of asset class	% of portfolio
<b>Total Portfolio</b>	<b>\$6,286,014.25</b>	<b>\$13,984,124.49</b>	<b>\$7,264,180.24</b>	<b>115.56%</b>	<b>\$135,189.93</b>	<b>0.97%</b>	<b>100%</b>	<b>100%</b>

Total accrued interest (included in market values): \$0.00

# Asset allocation summary

as of September 30, 2013

	Market value (\$)	% of portfolio
<b>Cash</b>	<b>647,313.99</b>	<b>4.63</b>
<b>Cash</b>	<b>647,313.99</b>	<b>4.63</b>
US	647,313.99	4.63
US Cash	647,313.99	4.63
<b>Fixed Income</b>	<b>0.00</b>	<b>0.00</b>
<b>Equity</b>	<b>13,336,810.50</b>	<b>95.37</b>
<b>US</b>	<b>12,576,310.50</b>	<b>89.93</b>
Large Cap	7,700,928.00	55.07
Core	2,378,330.00	17.01
Growth	4,834,138.00	34.57
Value	433,930.00	3.10
Other	54,530.00	0.39
Mid Cap	4,557,792.50	32.59
Core	744,672.50	5.33
Growth	3,526,880.00	25.22
Value	286,240.00	2.04
Small Cap	317,590.00	2.27
Core	93,810.00	0.67
Growth	184,920.00	1.32
Value	38,860.00	0.28
<b>International</b>	<b>760,500.00</b>	<b>5.44</b>
International	67,360.00	0.48
Value	67,360.00	0.48
Developed Markets	693,140.00	4.96
Growth	239,780.00	1.71
Value	453,360.00	3.25
<b>Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>
<b>Other</b>	<b>0.00</b>	<b>0.00</b>





Asset allocation summary - as of September 30, 2013 (continued)

<b>Total Portfolio</b>	<b>\$13,984,124.49</b>	<b>100%</b>
------------------------	------------------------	-------------

Balanced mutual funds are allocated in the 'Other' category

# Equity sector analysis

as of September 30, 2013

## Summary of equity sector analysis compared to S&P 500 index

	Actual %	Model %	Value of equity (\$)	Model value (\$)	Gap (\$)	Actual (%)	Model (%)	Gap (%)
Consumer discretionary	12.61%	12.46%	1,682,090.00	1,661,530.53	20,559.47	12.61%	12.46%	0.15%
Energy	0.00%	10.35%	0.00	1,380,698.64	-1,380,698.64	0.00%	10.35%	-10.35%
Finance	6.18%	15.95%	824,870.00	2,127,886.78	-1,303,016.78	6.18%	15.95%	-9.77%
Health care	39.07%	12.67%	5,210,390.00	1,690,380.72	3,520,009.28	39.07%	12.67%	26.40%
Industrials	14.90%	10.59%	1,987,622.50	1,411,781.41	575,841.09	14.90%	10.59%	4.31%
Materials	5.23%	3.50%	697,218.00	466,869.72	230,348.28	5.23%	3.50%	1.73%
Staples	0.00%	10.91%	0.00	1,454,581.90	-1,454,581.90	0.00%	10.91%	-10.91%
Technology	22.00%	18.08%	2,934,620.00	2,411,694.11	522,925.89	22.00%	18.08%	3.92%
Telecommunications	0.00%	2.35%	0.00	313,665.78	-313,665.78	0.00%	2.35%	-2.35%
Utilities	0.00%	3.09%	0.00	411,692.67	-411,692.67	0.00%	3.09%	-3.09%
<b>Total classified equity</b>			<b>\$13,336,810.50</b>					
Unclassified securities			\$0.00					

Rounding calculation may affect totals.

Equity sector analysis - as of September 30, 2013 (continued)

**Detail of equity sector analysis**

	Number of shares	Price on 09/30/2013 (\$)	Value of equity (\$/%)	Volatility/60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
<b>Consumer discretionary</b>						
COACH INC CUSIP: 189754104 Symbol: COH	1,000.00	54.53	54,530.00 0.41%	High 1.18		Neutral
GAMESTOP CORP NEW (HOLDING CO) CL A CUSIP: 36467W109 Symbol: GME	4,000.00	49.65	198,600.00 1.49%			
LKQ CORP NEW CUSIP: 501889208 Symbol: LKQ	4,000.00	31.87	127,480.00 0.96%			
O REILLY AUTOMOTIVE INC CUSIP: 67103H107 Symbol: ORLY	4,000.00	127.59	510,360.00 3.83%	Low 0.53		Buy (Rating Exception)
OMNICOM GROUP INC CUSIP: 681919106 Symbol: OMC	4,000.00	63.44	253,760.00 1.90%	Low 1.06	Suspended	Neutral
TRACTOR SUPPLY COMPANY CUSIP: 892356106 Symbol: TSCO	8,000.00	67.17	537,360.00 4.03%	Medium 0.83		Buy
<b>Total consumer discretionary</b>			<b>\$1,682,090.00</b> <b>12.61%</b>			
<b>Finance</b>						
AFLAC INC CUSIP: 001055102 Symbol: AFL	7,000.00	61.99	433,930.00 3.25%	Low 1.39	Outperform	Neutral
FRANKLIN RESOURCES INC CUSIP: 354613101 Symbol: BEN	6,000.00	50.55	303,300.00 2.27%	High 1.21	Marketperform	Buy
HCC INSURANCE HLDGS INC CUSIP: 404132102 Symbol: HCC	2,000.00	43.82	87,640.00 0.66%			
<b>Total finance</b>			<b>\$824,870.00</b> <b>6.18%</b>			
<b>Health care</b>						
ABBOTT LABS CUSIP: 002824100 Symbol: ABT	4,000.00	33.19	132,760.00 1.00%		Outperform	
ABBVIE INC COM CUSIP: 00287Y109 Symbol: ABBV	4,000.00	44.73	178,920.00 1.34%	High 0.80	Marketperform	Neutral
ALMOST FAMILY INC CUSIP: 020409108 Symbol: AFAM	2,000.00	19.43	38,860.00 0.29%			
BIO REFERENCE LAB INC NEW NEW CUSIP: 09057G602 Symbol: BRLI	2,000.00	29.88	59,760.00 0.45%			
BRUKER CORP CUSIP: 116794108 Symbol: BRKR	2,000.00	20.65	41,300.00 0.31%	Medium 1.17		Buy (Rating Exception)
CELGENE CORP CUSIP: 151020104 Symbol: CELG	2,000.00	154.14	308,274.00 2.31%	High 0.78	Outperform	Neutral (Rating Exception)

Equity sector analysis - as of September 30, 2013 (continued)

	Number of shares	Price on 09/30/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
<b>Health care</b>						
EXPRESS SCRIPTS HLDG CO CUSIP: 30219G108 Symbol: ESRX	1,620.00	61.80	100,116.00 0.75%	Low 0.96	Outperform	Buy
GILEAD SCIENCES INC CUSIP: 375558103 Symbol: GILD	14,000.00	62.87	880,180.00 6.60%	High 0.71	Outperform	Buy
LABORATORY CORP AMER HLDGS NEW CUSIP: 50540R409 Symbol: LH	5,000.00	99.14	495,700.00 3.72%	Low 0.72		Neutral (Rating Exception)
MEDNAX INC CUSIP: 58502B106 Symbol: MD	2,000.00	100.40	200,800.00 1.51%			
MEDTRONIC INC CUSIP: 585055106 Symbol: MDT	10,000.00	53.25	532,500.00 3.99%		Outperform	
PERRIGO COMPANY CUSIP: 714290103 Symbol: PRGO	1,000.00	123.38	123,380.00 0.93%	Medium 0.61		Buy
SHIRE PLC SPON ADR CUSIP: 82481R106 Symbol: SHPG	2,000.00	119.89	239,780.00 1.80%	Medium 0.96		Buy (Rating Exception)
ST JUDE MEDICAL INC CUSIP: 790849103 Symbol: STJ	6,000.00	53.64	321,840.00 2.41%		Marketperform	
STRYKER CORP CUSIP: 863667101 Symbol: SYK	13,000.00	67.59	878,670.00 6.59%		Marketperform	
TEVA PHARMACEUTICALS IND LTD ISRAEL ADR CUSIP: 881624209 Symbol: TEVA	12,000.00	37.78	453,360.00 3.40%	Low 0.66	Marketperform	Neutral
VARIAN MEDICAL SYSTEMS INC CUSIP: 92220P105 Symbol: VAR	3,000.00	74.73	224,190.00 1.68%			
<b>Total health care</b>			<b>\$5,210,390.00</b> <b>39.07%</b>			
<b>Industrials</b>						
AECOM TECHNOLOGY CORP CUSIP: 00766T100 Symbol: ACM	3,000.00	31.27	93,810.00 0.70%	High 1.11		Buy (Rating Exception)
DANAHER CORP CUSIP: 235851102 Symbol: DHR	8,000.00	69.32	554,560.00 4.16%	Low 0.90	Outperform	Buy (Rating Exception)
EMERSON ELECTRIC CO CUSIP: 291011104 Symbol: EMR	4,000.00	64.70	258,800.00 1.94%	Low 1.01	Outperform	Neutral
FASTENAL CO CUSIP: 311900104 Symbol: FAST	8,000.00	50.27	402,160.00 3.02%	High 0.86		Neutral (Rating Exception)
IDEX CORP CUSIP: 45167R104 Symbol: IEX	2,250.00	65.25	146,812.50 1.10%			
ROPER INDS INC NEW CUSIP: 776696106 Symbol: ROP	4,000.00	132.87	531,480.00 3.99%		Marketperform	
<b>Total industrials</b>			<b>\$1,987,622.50</b> <b>14.90%</b>			



Equity sector analysis - as of September 30, 2013 (continued)

	Number of shares	Price on 09/30/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
<b>Materials</b>						
PRAXAIR INC CUSIP: 74005P104 Symbol: PX	5,800.00	120.21	697,218.00 5.23%		Marketperform	
<b>Total materials</b>			<b>\$697,218.00</b> <b>5.23%</b>			
<b>Technology</b>						
AUTOMATIC DATA PROCESSNG INC CUSIP: 053015103 Symbol: ADP	2,000.00	72.38	144,760.00 1.09%	Low 0.76		Neutral
COGNEX CORP CUSIP: 192422103 Symbol: CGNX	4,000.00	31.29	125,160.00 0.94%			
EBAY INC CUSIP: 278642103 Symbol: EBAY	10,000.00	55.80	557,950.00 4.18%	High 1.09	Marketperform	Buy
EMC CORP MASS CUSIP: 268648102 Symbol: EMC	6,000.00	25.56	153,360.00 1.15%	Low 0.96		Buy
FABRINET CUSIP: G3323L100 Symbol: FN	4,000.00	16.84	67,360.00 0.51%			
FACTSET RESH SYSTEMS INC CUSIP: 303075105 Symbol: FDS	3,000.00	109.10	327,300.00 2.45%	Medium 0.86		Neutral
FISERV INC CUSIP: 337738108 Symbol: FISV	3,000.00	101.05	303,150.00 2.27%	Low 0.92		Neutral (Rating Exception)
GLOBAL PAYMENTS INC CUSIP: 37940X102 Symbol: GPN	2,000.00	51.08	102,160.00 0.77%	Low 0.86		Neutral (Rating Exception)
NEUSTAR INC CL A CUSIP: 64126X201 Symbol: NSR	4,000.00	49.48	197,920.00 1.48%			
VISA INC CL A CUSIP: 92826C839 Symbol: V	5,000.00	191.10	955,500.00 7.16%	Low 0.75		Neutral
<b>Total technology</b>			<b>\$2,934,620.00</b> <b>22.00%</b>			
<b>Total classified equity</b>			<b>\$13,336,810.50</b>			
<b>Total equity</b>			<b>\$13,336,810.50</b>			

Balanced mutual funds are allocated in the 'Other' category.

Rounding calculation may affect totals.

**Portfolio does not contain applicable holdings - exhibit intentionally left blank.**



## No Account Data

The account(s) you selected do not contain any data. Please select new accounts or choose new reports and resubmit your request. If you believe this message to be an error please contact the Portfolio Reporting Group at 800-763-0007, option 1.



## Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page.

**Client Accounts:** This report includes all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. **As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs.** For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a

primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

**Performance:** This report presents accounts activity and performance starting 12/31/02. For accounts opened prior to 12/31/02, this report does not include the complete account activity or performance of your accounts prior to that date. For consolidated reports, the Performance Start Date will be the earliest performance start date of any of the individual accounts selected for the consolidation time period. If an individual account's performance information is not available for a full reporting time period (month to date, quarter to date, year to date or performance to date), the individual's net of fee time weighted return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/ Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier.

**Time-weighted Returns (prior to 10/31/2010):** The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cashflow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized.

**Time-weighted Returns (after 10/31/2010):** The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value. All cash flows are posted at end of day. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized.

**Money-weighted returns:** Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure returns on a portfolio.

**Annualized Performance:** All performance periods

greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

**Cumulative Performance:** A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

**Net of Fees and Gross of Fees Performance:** Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

**Benchmark/Major Indices:** The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. The benchmark is not managed and does not reflect the deduction of any fees and expenses, which will lower results. Indices are not actively managed and investors cannot directly invest in indices. The portfolio's investment strategy is not restricted to securities in the benchmark. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

**Custom Time Periods:** If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

**Net Deposits/Withdrawals:** When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program

fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement.

**Dividends/Interest:** Dividend and interest earned, when shown on a report, does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

**Change in Accrued Interest:** When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

**Change in Value:** Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

**Fees:** Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report. Commissions are not included in the fees calculation.

**Net of fees:** When indicated, the information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, net of fees performance information would reflect the deduction of those fees. Please see your program documents regarding fee schedules.

**Beta:** A measure of sensitivity of a portfolio of equities in relation to market movements. Beta measures the covariance of a portfolio in relation to the rest of the stock market as measured by a benchmark index. A portfolio with a higher beta would be expected to rise and fall further than the market. A portfolio with a low beta (less than 1) indicates that it would be expected to rise and fall less than the market.

**Performance Start Date Changes:** The Performance Start Date for accounts marked with a 'A' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these



## Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date.

The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as 'Review Required' and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

**Closed Account Performance:** Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

**Portfolio:** For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

**Percentage:** Portfolio (in the "% Portfolio" column) includes all holdings held in the account(s) selected when this report was generated. Broad asset class (in the "% broad asset class" column) includes all holdings held in that broad asset class in the account(s) selected when this report was generated.

**Tax lots:** This report displays security tax lots as one line item (i.e., lumped tax lots). The total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

**Pricing:** All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS. accounts statement for important information regarding the

pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

**Cash:** Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS FS. More information is available upon request.

**Margin:** The quantity value may indicate that all or part of this position is held on margin or held in the short account. When an account holds a debit balance, this debit balance is incorporated into the account's total market value and deducted from the total value. When calculating the percent of portfolio on each security, the percentage will be impacted by the total market value of the account. Therefore, if the account's market value is reduced by a debit value of a holding the percent of portfolio will be greater and if the account's market value is increased by a holding then the percent of portfolio will be less.

**Mutual Fund Asset Allocation:** If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS FS based on data supplied by the fund which may not be current. Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

**Equity Style:** The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its

industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

**Equity Capitalization:** Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

**Equity Sectors:** The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

**Classified Equity:** Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

**Estimated Annual Income:** The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

**Current Yield:** Current yield is defined as the estimated annual income divided by the total market value.

**Volatility Bands:** Volatility bands provide a quantitative analysis of a stock's historic price fluctuations. Volatility is defined as the standard deviation (a measure of dispersion around an average) of one year of weekly returns, weighted more heavily toward the most recent dates. The stock volatilities are banded into High, Medium and Low categories and are determined from looking at an unweighted basket of Dow Jones Global Index constituents divided into three equal parts. The volatility bands are provided for informational purposes only.

**Research Rating:** UBS Wealth Management Research is written by UBS Wealth Management Americas and UBS Wealth Management & Swiss Bank, and UBS Investment Research is written by UBS Investment Bank. Both UBS research providers employ their own ratings systems, methodologies and assumptions and may publish research views that are inconsistent with each other. For more information about each research source, please go to UBS Online Services or ask your Financial Advisor.

**UBS Wealth Management Research Rating: Under Review** The Wealth Management Research Relative Sector Rating for this stock has been placed Under Review by the analyst.

**UBS Investment Research Rating: Rating Exception** The rating for this stock may have been placed Under Review by the analyst, or may have an exception to the core rating bands. For further information, please refer to the "Research Rating Exceptions" daily report or contact your financial advisor or representative.

**UBS Investment Research Rating: Rating Exception** Recommendation and price target information temporarily suspended due to restriction or pending review. For further information please refer to the "Research Rating Exceptions" daily report or contact your financial advisor or representative.

**Bond Rating:** These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

**NR:** When NR is displayed under bond rating column, no ratings currently available from that rating agency.

**High Yield:** This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

**Credit/Event Risk:** Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

**Interest Rate Risk:** Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

**Reinvestment Risk:** Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

**Call Provisions:** When evaluating the purchase of a corporate bond, one should be aware of any features that may allow the issuer to call the security. This is particularly important when considering an issue that is trading at a premium to its call price, since the return may be negatively impacted if the issue is redeemed. Should an issue be called, investors may be faced with



## Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

an earlier than anticipated reinvestment decision, and may be unable to reinvest their principal at equally favorable rates.

**Effective Maturity:** Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity, optional or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UITs.

**Yields:** Yield to Maturity and Yield to Worst are calculated to the worst call.

**Accrued Interest:** Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

**Bond Averages:** All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

**Tax Status:** "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

**Expected Cash Flow reporting for Puerto Rico Income Tax Purposes:** Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

**Gain/Loss:** The gain/loss information may include calculations based upon non-UBS FS cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. In addition, if this report contains positions with unavailable cost basis, the gain/(loss) for these positions are excluded in the calculation for the Gain/(Loss). As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms

when preparing your tax return. See your monthly statement for additional information.

**Account changes:** At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
  - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

**ADV disclosure:** A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

**Important information for former Piper Jaffray and McDonald Investments clients:** As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

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 Grant/Sorensen Wealth Mgmt

# UBS Client Review

as of September 30, 2013

## Prepared for

CITY OF TROY  
 Defined Benefit

## Accounts included in this review

Account	Name	Type
TZ [REDACTED]	• ERS Account	• Defined Benefit
Risk profile:	Moderate	
Return Objective:	Current Income and Capital Appreciation	

## What's inside

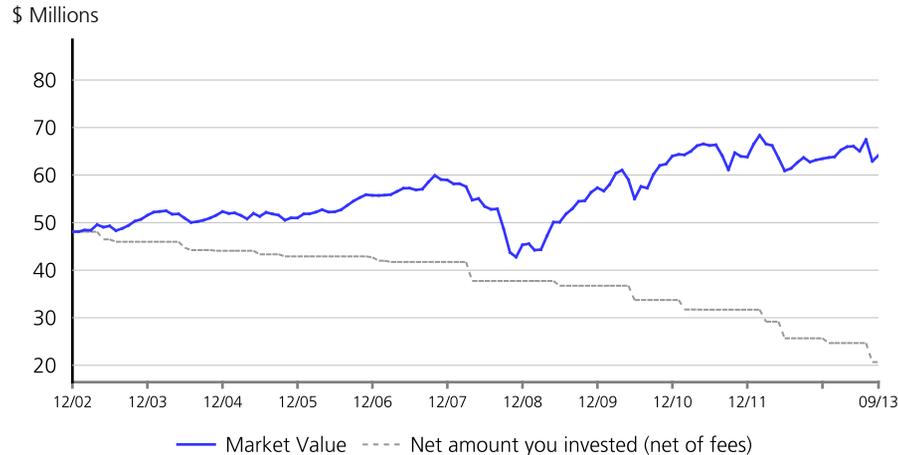
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# Performance review

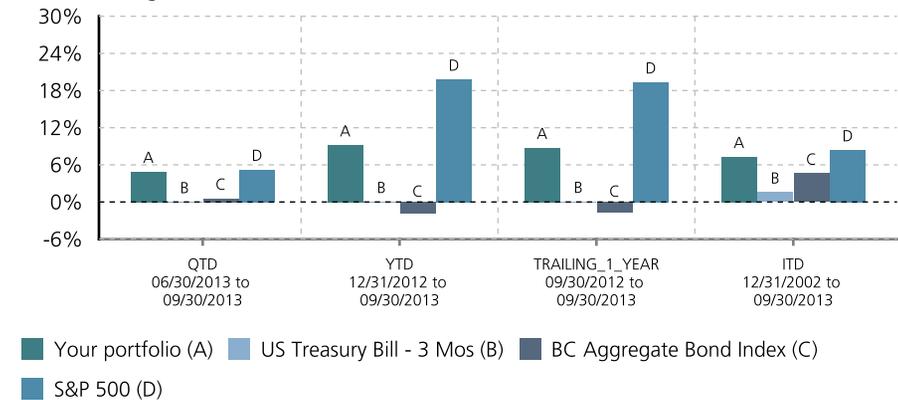
as of September 30, 2013

## Sources of portfolio value



## Portfolio and selected benchmark returns

Net Time-weighted returns annualized



## Portfolio value and investment returns

Performance returns (annualized > 1 year)

	QTD 06/30/2013 to 09/30/2013	YTD 12/31/2012 to 09/30/2013	1 Year 09/30/2012 to 09/30/2013	ITD 12/31/2002 to 09/30/2013
<b>Opening value</b>	<b>65,024,377.04</b>	<b>63,453,366.76</b>	<b>63,702,635.11</b>	<b>48,080,148.50</b>
Net deposits/withdrawals	-4,000,000.00	-5,000,025.00	-5,000,225.00	-27,405,111.62
Div./interest income	361,451.49	1,126,832.77	1,871,170.00	21,633,785.35
Change in accr. interest	-17,292.16	-24,876.42	-16,432.29	-523,725.30
Change in value	2,796,818.15	4,610,056.41	3,608,206.70	22,380,257.59
<b>Closing value</b>	<b>64,165,354.52</b>	<b>64,165,354.52</b>	<b>64,165,354.52</b>	<b>64,165,354.52</b>
Net Time-weighted ROR	4.90	9.18	8.76	7.31

Net deposits and withdrawals include program and account fees.

## Time weighted rates of return (net of fees)

Performance returns (annualized > 1 year)

	QTD 06/30/2013 to 09/30/2013	YTD 12/31/2012 to 09/30/2013	1 Year 09/30/2012 to 09/30/2013	ITD 12/31/2002 to 09/30/2013
<b>Your portfolio(%)</b>	<b>4.90</b>	<b>9.18</b>	<b>8.76</b>	<b>7.31</b>
US Treasury Bill - 3 Mos	0.01	0.04	0.06	1.57
BC Aggregate Bond Index	0.57	-1.89	-1.68	4.62
S&P 500	5.24	19.79	19.34	8.39

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

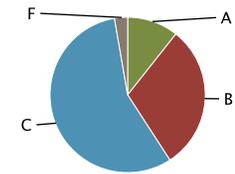
# Portfolio holdings

as of September 30, 2013

## Summary of Portfolio Holdings

	Cost basis (\$)	Value on 09/30/2013 (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of portfolio
<b>A Cash</b>	<b>6,846,640.54</b>	<b>6,846,626.40</b>	<b>-14.14</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>10.67%</b>
Cash	6,846,640.54	6,846,626.40	-14.14	0.00%	0.00	0.00%	10.67%
<b>B Fixed Income</b>	<b>18,804,836.08</b>	<b>19,356,490.11</b>	<b>551,654.03</b>	<b>2.93%</b>	<b>874,052.51</b>	<b>4.52%</b>	<b>30.17%</b>
US	13,517,864.79	14,074,830.09	556,965.30	4.12%	651,120.56	4.63%	21.94%
Global	5,286,971.29	5,281,660.02	-5,311.27	-0.10%	222,931.95	4.22%	8.23%
<b>C Equity</b>	<b>22,333,532.67</b>	<b>36,215,412.18</b>	<b>11,810,414.56</b>	<b>52.88%</b>	<b>663,171.98</b>	<b>1.83%</b>	<b>56.44%</b>
US	16,581,592.10	28,937,397.24	10,284,340.19	62.02%	575,882.81	1.99%	45.10%
Global	2,611,067.44	3,759,838.82	1,148,771.38	44.00%	17,911.23	0.48%	5.86%
International	3,140,873.13	3,518,176.12	377,302.99	12.01%	69,377.94	1.97%	5.48%
<b>D Commodities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00%</b>
<b>E Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00%</b>
<b>F Other</b>	<b>1,615,696.78</b>	<b>1,746,825.83</b>	<b>131,129.05</b>	<b>8.12%</b>	<b>52,493.75</b>	<b>3.01%</b>	<b>2.72%</b>
Balanced	1,615,696.78	1,746,825.83	131,129.05	8.12%	52,493.75	3.01%	2.72%
<b>Total Portfolio</b>	<b>\$49,600,706.07</b>	<b>\$64,165,354.52</b>	<b>\$12,493,183.50</b>	<b>25.19%</b>	<b>\$1,589,718.24</b>	<b>2.48%</b>	<b>100%</b>

Balanced mutual funds are allocated in the 'Other' category





Portfolio holdings - as of September 30, 2013 (continued)

Details of portfolio holdings

	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of asset class	% of portfolio
<b>Total Portfolio</b>	<b>\$49,600,706.07</b>	<b>\$64,165,354.52</b>	<b>\$12,493,183.5</b>	<b>25.19%</b>	<b>\$1,589,718.24</b>	<b>2.48%</b>	<b>100%</b>	<b>100%</b>

Cash	Quantity	Avg. purchase price (\$)	Price on 09/30/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Cash	% of portfolio
<b>Cash</b>											
RMA MONEY MKT. PORTFOLIO	5,817,412.01	1.00	1.00	5,817,412.01	5,817,412.01	0.00	0.00%	0.00	0.00%	84.97%	9.07%
UBS AG DEPOSIT ACCOUNT	279,224.39	1.00	1.00	279,224.39	279,224.39	0.00	0.00%	0.00	0.00%	4.08%	0.44%
UBS BANK USA DEPOSIT ACCOUNT	250,000.00	1.00	1.00	250,000.00	250,000.00	0.00	0.00%	0.00	0.00%	3.65%	0.39%
UNITED STATES TREAS BILL DUE 01/23/14	500,000.00	1.00	1.00	500,004.14	499,990.00	-14.14	0.00%	0.00	0.00%	7.30%	0.78%
<b>Total Cash</b>				<b>\$6,846,640.54</b>	<b>\$6,846,626.40</b>	<b>-\$14.14</b>	<b>0.00%</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>100.00%</b>	<b>10.67%</b>

<b>Total Cash</b>				<b>\$6,846,640.54</b>	<b>\$6,846,626.40</b>	<b>-\$14.14</b>	<b>0.00%</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>100%</b>	<b>10.67%</b>
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Fixed Income US	Quantity	Avg. purchase price (\$)	Price on 09/30/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Fixed Income	% of portfolio
AT&T BROADBAND CORP 09.455% 111522 DTD111802 FC051503 GLOBAL B/E	297,000.00	98.86	140.97	293,625.00	429,220.32	135,595.32	46.18%	28,081.35	6.71%	2.22%	0.67%
ATLANTIC RICHFIELD CO 08.250% 020122 DTD020192 FC080192 DEBS	600,000.00	97.88	126.54	587,250.00	767,322.50	180,072.50	30.66%	49,500.00	6.52%	3.96%	1.20%
BANK OF AMER INTERNOTES 04.000% 041515 DTD042910 FC101510 NTS B/E	500,000.00	100.00	103.14	500,000.00	524,846.67	24,846.67	4.97%	20,000.00	3.88%	2.71%	0.82%
BANK OF AMER INTERNOTES 04.900% 021517 DTD021910 FC081510 NTS B/E	1,000,000.00	100.00	105.61	1,000,000.00	1,062,245.00	62,245.00	6.22%	49,000.00	4.64%	5.49%	1.66%
BLACKROCK HIGH YIELD BOND A Client investment: \$1,500,005.25 Reinvested dividends: \$78,387.09	199,740.10	7.90	8.15	1,578,392.34	1,627,881.79	49,489.45	3.14%	96,095.76	5.90%	8.41%	2.54%



Portfolio holdings - as of September 30, 2013 (continued)

Fixed Income	Quantity	Avg. purchase price (\$)	Price on 09/30/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Fixed Income	% of portfolio
<b>US</b>											
BLACKROCK HIGH YIELD BOND A Investment return: \$127,876.54 (8.53%)											
EATON VANCE FLOATING RATE FUND CLASS A	117,358.41	9.39	9.45	1,102,390.08	1,109,036.97	6,646.89	0.60%	43,346.80	3.91%	5.73%	1.73%
Client investment: \$1,000,005.25 Reinvested dividends: \$102,384.83 Investment return: \$109,031.72 (10.9%)											
FORD HOLDING INC DEB 09.375% 030120 DTD030190 FC090190	200,000.00	97.69	125.82	195,375.00	253,150.42	57,775.42	29.57%	18,750.00	7.45%	1.31%	0.39%
LORD ABBETT FLOATING RATE FUND A Client investment: \$5,000,015.75 Reinvested dividends: \$459,838.37 Investment return: \$484,775.95 (9.7%)											
PIMCO TOTAL RETURN FUND CLASS A	213,600.72	10.77	10.82	2,300,978.25	2,311,159.74	10,181.49	0.44%	55,904.01	2.42%	11.94%	3.60%
Client investment: \$1,000,005.25 Reinvested dividends: \$1,300,973.00 Investment return: \$1,311,154.49 (131.11%)											
PRUDENTIAL FINL NOTES 03.970% 1111015 DTD111705 FLT VS YOY CPI-U +201BPS	500,000.00	100.00	101.04	500,000.00	505,175.00	5,175.00	1.03%	19,853.40	3.93%	2.61%	0.79%
<b>Total US</b>				<b>\$13,517,864.79</b>	<b>\$14,074,830.09</b>	<b>\$556,965.30</b>	<b>4.12%</b>	<b>\$651,120.56</b>	<b>4.63%</b>	<b>72.71%</b>	<b>21.94%</b>
<b>Global</b>											
ALLIANCE BERNSTEIN HIGH INCOME FD CL A Client investment: \$1,500,005.25 Reinvested dividends: \$85,793.57 Investment return: \$92,258.93 (6.15%)											
PIMCO UNCONSTRAINED BOND FUND CLASS A	189,529.59	11.15	11.24	2,112,593.09	2,130,312.61	17,719.52	0.84%	12,289.10	0.58%	11.01%	3.32%
Client investment: \$2,000,000.00 Reinvested dividends: \$112,593.09 Investment return: \$130,312.61 (6.52%)											
TEMPLETON GLOBAL TOTAL RETURN CLASS A	117,400.85	13.53	13.28	1,588,579.38	1,559,083.22	-29,496.16	-1.86%	100,706.44	6.46%	8.05%	2.43%
Client investment: \$1,500,005.25 Reinvested dividends: \$88,574.13 Investment return: \$59,077.97 (3.94%)											
<b>Total Global</b>				<b>\$5,286,971.29</b>	<b>\$5,281,660.02</b>	<b>-\$5,311.27</b>	<b>-0.10%</b>	<b>\$222,931.95</b>	<b>4.22%</b>	<b>27.29%</b>	<b>8.23%</b>



Portfolio holdings - as of September 30, 2013 (continued)

Fixed Income	Quantity	Avg. purchase price (\$)	Price on 09/30/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Fixed Income	% of portfolio
<b>Global</b>											
<b>Total Fixed Income</b>				<b>\$18,804,836.08</b>	<b>\$19,356,490.11</b>	<b>\$551,654.03</b>	<b>2.93%</b>	<b>\$874,052.51</b>	<b>4.52%</b>	<b>100%</b>	<b>30.17%</b>

Equity	Quantity	Avg. purchase price (\$)	Price on 09/30/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
<b>US</b>											
AMERICAN SCIENCE & ENGINEERING INC	3,000.00	86.53	60.31	259,595.93	180,930.00	-78,665.93	-30.30%	6,000.00	3.32%	0.50%	0.28%
AMERICAN TOWER CORP REIT	5,000.00	63.62	74.13	318,090.87	370,650.00	52,559.13	16.52%	5,600.00	1.51%	1.02%	0.58%
APPLE INC	6,750.00	287.32	476.75	1,939,414.26	3,218,062.50	1,278,648.24	65.93%	82,350.00	2.56%	8.89%	5.02%
BANK OF AMER CORP	10,000.00	16.85	13.80	168,536.26	138,000.00	-30,536.26	-18.12%	400.00	0.29%	0.38%	0.22%
BED BATH & BEYOND INC	1,500.00	53.84	77.36	80,757.20	116,040.00	35,282.80	43.69%	0.00	0.00%	0.32%	0.18%
BRUKER CORP	5,000.00	15.60	20.65	78,022.84	103,250.00	25,227.16	32.33%	0.00	0.00%	0.29%	0.16%
CALL CIT GROUP INC DUE 10/19/13 48.000 068HJ1	-21.00	114.15	140.00	-2,397.10	-2,940.00	-542.90	-22.65%	0.00	0.00%	-0.01%	0.00%
CALL CLIFFS NAT RESOURCE DUE 10/19/13 27.000 0923Y0	-20.00	142.22	4.50	-2,844.33	-90.00	2,754.33	96.84%	0.00	0.00%	0.00%	0.00%
CALL ONEOK INC NEW DUE 10/19/13 52.500 3496G4	-30.00	92.17	160.00	-2,764.97	-4,800.00	-2,035.03	-73.60%	0.00	0.00%	-0.01%	-0.01%
CALL WELLS FARGO & CO NE DUE 10/19/13 39.000 4971H5	-10.00	107.54	256.00	-1,075.38	-2,560.00	-1,484.62	-138.06%	0.00	0.00%	-0.01%	0.00%
CALL YUM! BRANDS INC DUE 10/19/13 75.000 5175J8	-28.00	160.24	35.00	-4,486.78	-980.00	3,506.78	78.16%	0.00	0.00%	0.00%	0.00%
CATERPILLAR INC	5,000.00	71.86	83.40	359,277.67	417,000.00	57,722.33	16.07%	12,000.00	2.88%	1.15%	0.65%
CELGENE CORP	2,000.00	56.44	154.14	112,873.22	308,274.00	195,400.78	173.12%	0.00	0.00%	0.85%	0.48%
CHEVRON CORP	16,900.00	0.00	121.50	0.00	2,053,350.00	0.00	0.00%	67,600.00	3.29%	5.67%	3.20%
CIT GROUP INC	9,162.00	47.53	48.77	435,487.64	446,830.74	11,343.10	2.60%	0.00	0.00%	1.23%	0.70%
CLEAN ENERGY FUELS CORP	5,000.00	20.33	12.77	101,643.37	63,850.00	-37,793.37	-37.18%	0.00	0.00%	0.18%	0.10%
CLIFFS NAT RESOURCES INC	12,000.00	33.84	20.50	406,067.53	246,000.00	-160,067.53	-39.42%	7,200.00	2.93%	0.68%	0.38%
CORNING INC	3,000.00	29.04	14.59	87,127.85	43,770.00	-43,357.85	-49.76%	1,200.00	2.74%	0.12%	0.07%
COSTCO WHOLESALE CORP	4,000.00	84.41	115.17	337,648.58	460,680.00	123,031.42	36.44%	4,960.00	1.08%	1.27%	0.72%



Portfolio holdings - as of September 30, 2013 (continued)

Equity	Quantity	Avg. purchase price (\$)	Price on 09/30/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
<b>US</b>											
DANAHER CORP	8,000.00	25.41	69.32	203,308.72	554,560.00	351,251.28	172.77%	800.00	0.14%	1.53%	0.86%
DARLING INTL INC	8,000.00	6.66	21.16	53,276.10	169,280.00	116,003.90	217.74%	0.00	0.00%	0.47%	0.26%
DECKERS OUTDOOR CORP	9,000.00	37.78	65.92	340,059.65	593,280.00	253,220.35	74.46%	0.00	0.00%	1.64%	0.92%
DIRECTV	3,020.00	48.10	59.78	145,271.52	180,535.60	35,264.08	24.27%	0.00	0.00%	0.50%	0.28%
DUKE ENERGY CORP NEW	7,041.00	40.54	66.78	285,408.58	470,197.98	184,789.40	64.75%	21,967.92	4.67%	1.30%	0.73%
EMC CORP MASS	17,000.00	12.33	25.56	209,532.02	434,520.00	224,987.98	107.38%	6,800.00	1.56%	1.20%	0.68%
ESCROW GENERAL MTRS CORP 6.250% SER C DUE 07/15/33 CALLBL CONV	20,000.00	24.84	0.38	496,763.00	7,600.00	-489,163.00	-98.47%	0.00	0.00%	0.02%	0.01%
FACTSET RESH SYSTEMS INC	2,000.00	31.36	109.10	62,713.03	218,200.00	155,486.97	247.93%	2,800.00	1.28%	0.60%	0.34%
FISERV INC	3,000.00	38.76	101.05	116,289.61	303,150.00	186,860.39	160.69%	0.00	0.00%	0.84%	0.47%
FLOWERS FOODS INC	7,500.00	11.31	21.44	84,819.56	160,800.00	75,980.44	89.58%	3,375.00	2.10%	0.44%	0.25%
FREEPORT-MCMORAN COPPER & GOLD INC	20,000.00	44.11	33.08	882,118.37	661,600.00	-220,518.37	-25.00%	25,000.00	3.78%	1.83%	1.03%
GAMESTOP CORP NEW (HOLDING CO) CL A	1,000.00	24.45	49.65	24,452.66	49,650.00	25,197.34	103.05%	1,100.00	2.22%	0.14%	0.08%
GENERAL MOTORS CO	2,037.00	112.20	35.97	228,544.97	73,270.89	-155,274.08	-67.94%	0.00	0.00%	0.20%	0.11%
GENL ELECTRIC CO	10,000.00	35.74	23.89	357,402.80	238,900.00	-118,502.80	-33.16%	7,600.00	3.18%	0.66%	0.37%
GENL MILLS INC	5,000.00	38.13	47.92	190,632.65	239,600.00	48,967.35	25.69%	7,600.00	3.17%	0.66%	0.37%
GENUINE PARTS CO	4,000.00	63.29	80.89	253,147.20	323,560.00	70,412.80	27.81%	8,600.00	2.66%	0.89%	0.50%
GLOBAL PAYMENTS INC	3,000.00	51.56	51.08	154,667.78	153,240.00	-1,427.78	-0.92%	240.00	0.16%	0.42%	0.24%
GOOGLE INC CL A	1,000.00	479.74	875.91	479,740.99	875,910.00	396,169.01	82.58%	0.00	0.00%	2.42%	1.37%
GREEN MTN COFFEE ROASTERS INC	7,000.00	32.60	75.33	228,180.92	527,310.00	299,129.08	131.09%	0.00	0.00%	1.46%	0.82%
HARTFORD FINCL SERVICES GROUP INC	4,000.00	67.53	31.12	270,129.76	124,480.00	-145,649.76	-53.92%	2,400.00	1.93%	0.34%	0.19%
HESS CORP	2,000.00	56.10	77.34	112,204.73	154,680.00	42,475.27	37.86%	2,000.00	1.29%	0.43%	0.24%
HILLENBRAND INC	4,000.00	19.55	27.37	78,196.22	109,480.00	31,283.78	40.01%	3,120.00	2.85%	0.30%	0.17%
HONEYWELL INTL INC	2,000.00	18.32	83.04	36,637.50	166,080.00	129,442.50	353.31%	3,280.00	1.97%	0.46%	0.26%
IDEX CORP	8,000.00	20.50	65.25	164,004.00	522,000.00	357,996.00	218.28%	7,360.00	1.41%	1.44%	0.81%
JOS A BANK CLOTHIERS INC	5,000.00	32.08	43.90	160,409.66	219,500.00	59,090.34	36.84%	0.00	0.00%	0.61%	0.34%
KINDER MORGAN ENERGY PARTNERS MLP	4,563.00	65.35	79.83	298,179.02	364,264.29	66,085.27	22.16%	24,092.64	6.61%	1.01%	0.57%
LENNOX INTL INC	4,000.00	42.09	75.26	168,350.35	301,040.00	132,689.65	78.82%	3,840.00	1.28%	0.83%	0.47%
MCDONALDS CORP	8,100.00	47.82	96.21	387,373.85	779,301.00	391,927.15	101.18%	26,244.00	3.37%	2.15%	1.21%
MCKESSON CORP	4,000.00	78.63	128.30	314,535.03	513,200.00	198,664.97	63.16%	3,840.00	0.75%	1.42%	0.80%
MOTORS LIQ CO GUC TR UBI	511.00	0.00	35.45	0.00	18,114.95	0.00	0.00%	0.00	0.00%	0.05%	0.03%
OMNICOM GROUP INC	5,000.00	34.28	63.44	171,378.28	317,200.00	145,821.72	85.09%	8,000.00	2.52%	0.88%	0.49%
ONEOK INC NEW	28,000.00	13.72	53.32	384,203.21	1,492,960.00	1,108,756.79	288.59%	42,560.00	2.85%	4.12%	2.33%



Portfolio holdings - as of September 30, 2013 (continued)

Equity	Quantity	Avg. purchase price (\$)	Price on 09/30/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
<b>US</b>											
ORACLE CORP	7,000.00	13.18	33.17	92,240.52	232,190.00	139,949.48	151.72%	3,360.00	1.45%	0.64%	0.36%
PEPSICO INC	19,800.00	38.49	79.50	762,113.66	1,574,100.00	811,986.34	106.54%	44,946.00	2.86%	4.35%	2.45%
PERRIGO COMPANY	5,000.00	99.44	123.38	497,217.21	616,900.00	119,682.79	24.07%	1,800.00	0.29%	1.70%	0.96%
PFIZER INC	5,000.00	10.71	28.73	53,574.37	143,625.00	90,050.63	168.09%	4,800.00	3.34%	0.40%	0.22%
PORTFOLIO RECOVERY ASSOC INC	6,000.00	16.03	59.93	96,157.20	359,580.00	263,422.80	273.95%	0.00	0.00%	0.99%	0.56%
PRAXAIR INC	6,000.00	41.66	120.21	249,987.48	721,260.00	471,272.52	188.52%	14,400.00	2.00%	1.99%	1.12%
PROCTER & GAMBLE CO	3,875.00	46.05	75.59	178,440.62	292,911.25	114,470.63	64.15%	9,323.25	3.18%	0.81%	0.46%
PUT CHEVRON CORP DUE 01/18/14 75.000 0926P3	-30.00	102.05	14.00	-3,061.60	-420.00	2,641.60	86.28%	0.00	0.00%	0.00%	0.00%
PUT DECKERS OUTDOOR COR DUE 12/21/13 35.000 1243B0	-20.00	101.11	20.00	-2,022.21	-400.00	1,622.21	80.22%	0.00	0.00%	0.00%	0.00%
PUT FISERV INC DUE 12/21/13 50.000 159425	-10.00	93.77	15.00	-937.66	-150.00	787.66	84.00%	0.00	0.00%	0.00%	0.00%
SCANA CORP NEW	5,000.00	34.85	46.04	174,228.40	230,200.00	55,971.60	32.13%	10,150.00	4.41%	0.64%	0.36%
SIGMA ALDRICH CORP	5,000.00	12.22	85.30	61,079.38	426,500.00	365,420.62	598.27%	4,300.00	1.01%	1.18%	0.66%
SMUCKER J M CO NEW	3,000.00	62.32	105.04	186,962.73	315,120.00	128,157.27	68.55%	6,960.00	2.21%	0.87%	0.49%
SOUTH JERSEY IND INC	5,000.00	37.59	58.58	187,934.87	292,900.00	104,965.13	55.85%	8,850.00	3.02%	0.81%	0.46%
SPECTRA ENERGY CORP	4,000.00	20.44	34.23	81,761.12	136,920.00	55,158.88	67.46%	4,880.00	3.56%	0.38%	0.21%
STARBUCKS CORP	4,000.00	55.61	76.97	222,453.63	307,880.00	85,426.37	38.40%	3,360.00	1.09%	0.85%	0.48%
THORATEC CORP NEW	5,000.00	29.63	37.29	148,140.05	186,450.00	38,309.95	25.86%	0.00	0.00%	0.51%	0.29%
TRACTOR SUPPLY COMPANY	6,000.00	10.17	67.17	61,031.47	403,020.00	341,988.53	560.35%	3,120.00	0.77%	1.11%	0.63%
VISA INC CL A	3,000.00	94.26	191.10	282,770.30	573,300.00	290,529.70	102.74%	3,960.00	0.69%	1.58%	0.89%
WALGREEN CO	4,000.00	39.30	53.80	157,210.46	215,200.00	57,989.54	36.89%	5,040.00	2.34%	0.59%	0.34%
WATSCO INC	4,000.00	61.20	94.27	244,811.27	377,080.00	132,268.73	54.03%	4,000.00	1.06%	1.04%	0.59%
WELLS FARGO & CO NEW	5,000.00	10.92	41.32	54,576.32	206,600.00	152,023.68	278.55%	6,000.00	2.90%	0.57%	0.32%
WTS GENERAL MOTORS CO EXP 07/10/16	1,852.00	82.17	26.42	152,171.95	48,929.84	-103,242.11	-67.85%	0.00	0.00%	0.14%	0.08%
WTS GENERAL MOTORS CO EXP 07/10/19	1,852.00	63.74	18.60	118,051.33	34,447.20	-83,604.13	-70.82%	0.00	0.00%	0.10%	0.05%
YUM! BRANDS INC	24,800.00	20.64	71.39	511,792.83	1,770,472.00	1,258,679.17	245.94%	36,704.00	2.07%	4.89%	2.76%
<b>Total US</b>				<b>\$16,581,592.10</b>	<b>\$28,937,397.24</b>	<b>\$10,284,340.19</b>	<b>62.02%</b>	<b>\$575,882.81</b>	<b>1.99%</b>	<b>79.90%</b>	<b>45.10%</b>

**Global**

AMER FUNDS CAPITAL WORLD GROWTH & INCOME FUND CL A Client investment: \$670,980.25 Reinvested dividends: \$57,212.96 Investment return: \$200,493.96 (29.88%)	20,587.63	35.37	42.33	728,193.21	871,474.21	143,281.00	19.68%	17,911.23	2.06%	2.41%	1.36%
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Portfolio holdings - as of September 30, 2013 (continued)

Equity	Quantity	Avg. purchase price (\$)	Price on 09/30/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
<b>Global</b>											
COLUMBIA SELIGMAN COMMUNICATION AND INFORMATION FUND A Client investment: \$1,602,223.43 Reinvested dividends: \$280,650.80 Investment return: \$1,286,141.18 (80.27%)	61,690.83	30.52	46.82	1,882,874.23	2,888,364.61	1,005,490.38	53.40%	0.00	0.00%	7.98%	4.50%
<b>Total Global</b>				<b>\$2,611,067.44</b>	<b>\$3,759,838.82</b>	<b>\$1,148,771.38</b>	<b>44.00%</b>	<b>\$17,911.23</b>	<b>0.48%</b>	<b>10.38%</b>	<b>5.86%</b>
<b>International</b>											
BANK OF NOVA SCOTIA CANADA CAD	5,000.00	53.43	57.31	267,163.70	286,550.00	19,386.30	7.26%	11,808.52	4.12%	0.79%	0.45%
DIAGEO PLC NEW GB SPON ADR Client investment: \$761,276.65 Reinvested dividends: \$249,643.64 Investment return: \$257,622.53 (33.84%)	2,000.00	64.02	127.08	128,034.73	254,160.00	126,125.27	98.51%	5,794.39	2.28%	0.70%	0.40%
INVESCO EUROPEAN GROWTH FUND CLASS A	26,721.72	37.83	38.13	1,010,920.29	1,018,899.18	7,978.89	0.79%	16,041.05	1.57%	2.81%	1.59%
RIO TINTO PLC SPON ADR	10,000.00	42.96	48.76	429,598.42	487,600.00	58,001.58	13.50%	17,622.00	3.61%	1.35%	0.76%
TEVA PHARMACEUTICALS IND LTD ISRAEL ADR	9,000.00	30.64	37.78	275,754.65	340,020.00	64,265.35	23.31%	9,100.45	2.68%	0.94%	0.53%
THORNBURG INTERNATIONAL VALUE FUND CLASS A Client investment: \$1,000,005.25 Reinvested dividends: \$29,396.09 Investment return: \$130,941.68 (13.09%)	37,548.04	27.42	30.12	1,029,401.34	1,130,946.93	101,545.59	9.86%	9,011.53	0.80%	3.12%	1.76%
<b>Total International</b>				<b>\$3,140,873.13</b>	<b>\$3,518,176.12</b>	<b>\$377,302.99</b>	<b>12.01%</b>	<b>\$69,377.94</b>	<b>1.97%</b>	<b>9.71%</b>	<b>5.48%</b>
<b>Total Equity</b>				<b>\$22,333,532.67</b>	<b>\$36,215,412.18</b>	<b>\$11,810,414.5</b>	<b>52.88%</b>	<b>\$663,171.98</b>	<b>1.83%</b>	<b>100%</b>	<b>56.44%</b>



Portfolio holdings - as of September 30, 2013 (continued)

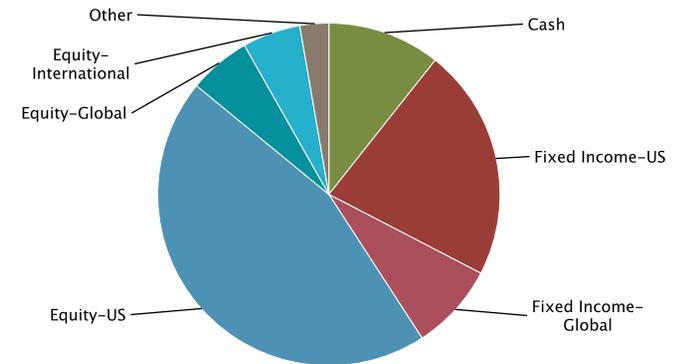
Other	Quantity	Avg. purchase price (\$)	Price on 09/30/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Other	% of portfolio
<b>Balanced</b>											
MFS DIVERSIFIED INCOME FUND CLASS A	148,287.42	10.90	11.78	1,615,696.78	1,746,825.83	131,129.05	8.12%	52,493.75	3.01%	100.00%	2.72%
Client investment: \$1,500,010.50											
Reinvested dividends: \$115,686.28											
Investment return: \$246,815.33 (16.45%)											
<b>Total Balanced</b>				<b>\$1,615,696.78</b>	<b>\$1,746,825.83</b>	<b>\$131,129.05</b>	<b>8.12%</b>	<b>\$52,493.75</b>	<b>3.01%</b>	<b>100.00%</b>	<b>2.72%</b>
<b>Total Other</b>				<b>\$1,615,696.78</b>	<b>\$1,746,825.83</b>	<b>\$131,129.05</b>	<b>8.12%</b>	<b>\$52,493.75</b>	<b>3.01%</b>	<b>100%</b>	<b>2.72%</b>
<b>Total Portfolio</b>				<b>\$49,600,706.07</b>	<b>\$64,165,354.52</b>	<b>\$12,493,183.5</b>	<b>25.19%</b>	<b>\$1,589,718.24</b>	<b>2.48%</b>	<b>100%</b>	<b>100%</b>

Total accrued interest (included in market values): \$35,445.09

# Asset allocation summary

as of September 30, 2013

	Market value (\$)	% of portfolio
<b>Cash</b>	<b>6,846,626.40</b>	<b>10.67</b>
<b>Cash</b>	<b>6,846,626.40</b>	<b>10.67</b>
US	6,846,626.40	10.67
US Cash	6,846,626.40	10.67
<b>Fixed Income</b>	<b>19,356,490.11</b>	<b>30.17</b>
<b>US</b>	<b>14,074,830.09</b>	<b>21.94</b>
US Fixed Income	2,311,159.74	3.60
Intermediate	2,311,159.74	3.60
Corporate Investment Grade Credit	3,541,959.90	5.52
Short	1,030,021.67	1.61
Intermediate	2,511,938.23	3.91
Corporate High Yield	8,221,710.45	12.82
Corporate High Yield	8,221,710.45	12.82
<b>Global</b>	<b>5,281,660.02</b>	<b>8.23</b>
Global	5,281,660.02	8.23
Global	5,281,660.02	8.23





Asset allocation summary - as of September 30, 2013 (continued)

<b>Equity</b>	<b>36,215,412.18</b>	<b>56.44</b>
<b>US</b>	<b>28,937,397.24</b>	<b>45.10</b>
US Equity	101,491.99	0.16
Other	101,491.99	0.16
Large Cap	19,320,144.51	30.11
Core	6,774,374.75	10.56
Growth	7,213,921.60	11.24
Value	4,596,933.87	7.16
Master Limited Partnerships	364,264.29	0.57
Public Real Estate	370,650.00	0.58
Mid Cap	7,333,310.74	11.43
Core	3,850,470.74	6.00
Growth	2,472,720.00	3.85
Value	1,010,120.00	1.58
Small Cap	2,174,850.00	3.39
Core	998,830.00	1.56
Growth	592,710.00	0.92
Value	583,310.00	0.91
Convertibles	7,600.00	0.01
Convertibles	7,600.00	0.01
<b>Global</b>	<b>3,759,838.82</b>	<b>5.86</b>
Global	3,759,838.82	5.86
Core	871,474.21	1.36
Growth	2,888,364.61	4.50
<b>International</b>	<b>3,518,176.12</b>	<b>5.48</b>
Developed Markets	3,518,176.12	5.48
Core	1,793,049.18	2.79
Growth	1,385,106.93	2.16
Value	340,020.01	0.53
<b>Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>
<b>Other</b>	<b>1,746,825.83</b>	<b>2.72</b>
<b>Balanced</b>	<b>1,746,825.83</b>	<b>2.72</b>
Balanced	1,746,825.83	2.72
Balanced	1,746,825.83	2.72
<b>Total Portfolio</b>	<b>\$64,165,354.52</b>	<b>100%</b>

Balanced mutual funds are allocated in the 'Other' category

# Equity sector analysis

as of September 30, 2013

## Summary of equity sector analysis compared to S&P 500 index

	Actual %	Model %	Value of equity (\$)	Model value (\$)	Gap (\$)	Actual (%)	Model (%)	Gap (%)
Consumer discretionary	16.84%	12.46%	6,098,917.49	4,510,133.06	1,588,784.43	16.84%	12.46%	4.38%
Energy	8.18%	10.35%	2,963,237.90	3,747,830.39	-784,592.49	8.18%	10.35%	-2.17%
Finance	6.72%	15.95%	2,432,009.80	5,776,031.42	-3,344,021.62	6.72%	15.95%	-9.23%
Health care	7.16%	12.67%	2,594,401.40	4,588,445.31	-1,994,043.91	7.16%	12.67%	-5.51%
Industrials	8.65%	10.59%	3,130,845.49	3,832,202.85	-701,357.36	8.65%	10.59%	-1.94%
Materials	7.43%	3.50%	2,690,490.23	1,267,292.14	1,423,198.09	7.43%	3.50%	3.93%
Staples	12.43%	10.91%	4,503,153.61	3,948,382.43	554,771.18	12.43%	10.91%	1.52%
Technology	25.14%	18.08%	9,105,429.61	6,546,410.77	2,559,018.84	25.14%	18.08%	7.06%
Telecommunications	0.40%	2.35%	144,202.64	851,428.47	-707,225.83	0.40%	2.35%	-1.95%
Utilities	7.01%	3.09%	2,539,349.06	1,117,517.07	1,421,831.99	7.01%	3.09%	3.92%
<b>Total classified equity</b>			<b>\$36,202,037.23</b>					
Unclassified securities			\$13,374.95					

Rounding calculation may affect totals.

Equity sector analysis - as of September 30, 2013 (continued)

**Detail of equity sector analysis**

	Number of shares	Price on 09/30/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
<b>Consumer discretionary</b>						
BED BATH & BEYOND INC CUSIP: 075896100 Symbol: BBBY	1,500.00	77.36	116,040.00 0.32%	Low 0.84		Neutral
DECKERS OUTDOOR CORP CUSIP: 243537107 Symbol: DECK	9,000.00	65.92	593,280.00 1.64%			
DIRECTV CUSIP: 25490A309 Symbol: DTV	3,020.00	59.78	180,535.60 0.50%	Medium 0.84	Outperform	Neutral
GAMESTOP CORP NEW (HOLDING CO) CL A CUSIP: 36467W109 Symbol: GME	1,000.00	49.65	49,650.00 0.14%			
GENERAL MOTORS CO CUSIP: 37045V100 Symbol: GM	2,037.00	35.97	73,270.89 0.20%	Medium 1.39	Outperform	Buy
GENUINE PARTS CO CUSIP: 372460105 Symbol: GPC	4,000.00	80.89	323,560.00 0.89%			
HILLENBRAND INC CUSIP: 431571108 Symbol: HI	4,000.00	27.37	109,480.00 0.30%			
JOS A BANK CLOTHIERS INC CUSIP: 480838101 Symbol: JOSB	5,000.00	43.90	219,500.00 0.61%			
MCDONALDS CORP CUSIP: 580135101 Symbol: MCD	8,100.00	96.21	779,301.00 2.15%		Marketperform	
OMNICOM GROUP INC CUSIP: 681919106 Symbol: OMC	5,000.00	63.44	317,200.00 0.88%	Low 1.06	Suspended	Neutral
STARBUCKS CORP CUSIP: 855244109 Symbol: SBUX	4,000.00	76.97	307,880.00 0.85%		Outperform	
TRACTOR SUPPLY COMPANY CUSIP: 892356106 Symbol: TSCO	6,000.00	67.17	403,020.00 1.11%	Medium 0.83		Buy
WTS GENERAL MOTORS CO EXP 07/10/16 CUSIP: 37045V118 Symbol: GMWSA	1,852.00	26.42	48,929.84 0.14%			
WTS GENERAL MOTORS CO EXP 07/10/19 CUSIP: 37045V126 Symbol: GMWSB	1,852.00	18.60	34,447.20 0.10%			
YUM! BRANDS INC CUSIP: 988498101 Symbol: YUM	24,800.00	71.39	1,770,472.0 4.89%		Outperform	
MUTUAL FUNDS COMPONENT (for further details see last section of this report)			772,350.96 2.13%			
<b>Total consumer discretionary</b>			<b>\$6,098,917.49</b>			<b>16.84%</b>

Equity sector analysis - as of September 30, 2013 (continued)

	Number of shares	Price on 09/30/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
<b>Energy</b>						
CHEVRON CORP CUSIP: 166764100 Symbol: CVX	16,900.00	121.50	2,053,350.0 5.67%	Low 0.82	Marketperform	Neutral
CLEAN ENERGY FUELS CORP CUSIP: 184499101 Symbol: CLNE	5,000.00	12.77	63,850.00 0.18%			
HESS CORP CUSIP: 42809H107 Symbol: HES	2,000.00	77.34	154,680.00 0.43%	Medium 1.18	Marketperform	Neutral
KINDER MORGAN ENERGY PARTNERS MLP CUSIP: 494550106 Symbol: KMP	4,563.00	79.83	364,264.29 1.01%	Low 0.61		Neutral (Rating Exception)
SPECTRA ENERGY CORP CUSIP: 847560109 Symbol: SE	4,000.00	34.23	136,920.00 0.38%			
MUTUAL FUNDS COMPONENT (for further details see last section of this report)			190,173.61 0.53%			
<b>Total energy</b>			<b>\$2,963,237.90</b>			<b>8.18%</b>
<b>Finance</b>						
AMERICAN TOWER CORP REIT CUSIP: 03027X100 Symbol: AMT	5,000.00	74.13	370,650.00 1.02%	Medium 0.63	Outperform	Buy
BANK OF AMER CORP CUSIP: 060505104 Symbol: BAC	10,000.00	13.80	138,000.00 0.38%	Medium 1.62	Marketperform	Neutral (Rating Exception)
BANK OF NOVA SCOTIA CANADA CAD CUSIP: 064149107 Symbol: BNS	5,000.00	57.31	286,550.00 0.79%			
CIT GROUP INC CUSIP: 125581801 Symbol: CIT	9,162.00	48.77	446,830.74 1.23%			
HARTFORD FINCL SERVICES GROUP INC CUSIP: 416515104 Symbol: HIG	4,000.00	31.12	124,480.00 0.34%	Medium 1.97		Buy
PORTFOLIO RECOVERY ASSOC INC CUSIP: 73640Q105 Symbol: PRAA	6,000.00	59.93	359,580.00 0.99%			
WELLS FARGO & CO NEW CUSIP: 949746101 Symbol: WFC	5,000.00	41.32	206,600.00 0.57%	Low 1.05	Outperform	Neutral (Rating Exception)
MUTUAL FUNDS COMPONENT (for further details see last section of this report)			499,319.06 1.38%			
<b>Total finance</b>			<b>\$2,432,009.80</b>			<b>6.72%</b>

Equity sector analysis - as of September 30, 2013 (continued)

	Number of shares	Price on 09/30/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
<b>Health care</b>						
BRUKER CORP CUSIP: 116794108 Symbol: BRKR	5,000.00	20.65	103,250.00 0.29%	Medium 1.17		Buy (Rating Exception)
CELGENE CORP CUSIP: 151020104 Symbol: CELG	2,000.00	154.14	308,274.00 0.85%	High 0.78	Outperform	Neutral (Rating Exception)
MCKESSON CORP CUSIP: 58155Q103 Symbol: MCK	4,000.00	128.30	513,200.00 1.42%	Low 0.82	Outperform	Buy
PERRIGO COMPANY CUSIP: 714290103 Symbol: PRGO	5,000.00	123.38	616,900.00 1.70%	Medium 0.61		Buy
PFIZER INC CUSIP: 717081103 Symbol: PFE	5,000.00	28.73	143,625.00 0.40%	Low 0.76	Marketperform	Buy
TEVA PHARMACEUTICALS IND LTD ISRAEL ADR CUSIP: 881624209 Symbol: TEVA	9,000.00	37.78	340,020.00 0.94%	Low 0.66	Marketperform	Neutral
THORATEC CORP NEW CUSIP: 885175307 Symbol: THOR	5,000.00	37.29	186,450.00 0.52%			
MUTUAL FUNDS COMPONENT (for further details see last section of this report)			382,682.40 1.06%			
<b>Total health care</b>			<b>\$2,594,401.40</b> <b>7.16%</b>			
<b>Industrials</b>						
AMERICAN SCIENCE & ENGINEERING INC CUSIP: 029429107 Symbol: ASEI	3,000.00	60.31	180,930.00 0.50%			
CATERPILLAR INC CUSIP: 149123101 Symbol: CAT	5,000.00	83.40	417,000.00 1.15%	Medium 1.40	Marketperform	Neutral
DANAHER CORP CUSIP: 235851102 Symbol: DHR	8,000.00	69.32	554,560.00 1.53%	Low 0.90	Outperform	Buy (Rating Exception)
GENL ELECTRIC CO CUSIP: 369604103 Symbol: GE	10,000.00	23.89	238,900.00 0.66%	Low 1.17	Marketperform	Buy
HONEYWELL INTL INC CUSIP: 438516106 Symbol: HON	2,000.00	83.04	166,080.00 0.46%	Low 1.06	Marketperform	Neutral
IDEX CORP CUSIP: 45167R104 Symbol: IEX	8,000.00	65.25	522,000.00 1.44%			
LENNOX INTL INC CUSIP: 526107107 Symbol: LII	4,000.00	75.26	301,040.00 0.83%	Medium 0.95		Neutral (Rating Exception)
WATSCO INC CUSIP: 942622200 Symbol: WSO	4,000.00	94.27	377,080.00 1.04%	Medium 0.85		Neutral
MUTUAL FUNDS COMPONENT (for further details see last section of this report)			373,255.49 1.03%			
<b>Total industrials</b>			<b>\$3,130,845.49</b> <b>8.65%</b>			

Equity sector analysis - as of September 30, 2013 (continued)

	Number of shares	Price on 09/30/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
<b>Materials</b>						
CLIFFS NAT RESOURCES INC CUSIP: 18683K101 Symbol: CLF	12,000.00	20.50	246,000.00 0.68%	High 1.64		Neutral (Rating Exception)
FREEPORT-MCMORAN COPPER & GOLD INC CUSIP: 35671D857 Symbol: FCX	20,000.00	33.08	661,600.00 1.83%	High 1.49	Outperform	Buy (Rating Exception)
PRAXAIR INC CUSIP: 74005P104 Symbol: PX	6,000.00	120.21	721,260.00 1.99%		Marketperform	
RIO TINTO PLC SPON ADR CUSIP: 767204100 Symbol: RIO	10,000.00	48.76	487,600.00 1.35%	High 1.00		Buy
SIGMA ALDRICH CORP CUSIP: 826552101 Symbol: SIAL	5,000.00	85.30	426,500.00 1.18%	Low 0.88		Sell
MUTUAL FUNDS COMPONENT (for further details see last section of this report)			147,530.23 0.41%			
<b>Total materials</b>			<b>\$2,690,490.23</b>			<b>7.43%</b>
<b>Staples</b>						
COSTCO WHOLESALE CORP CUSIP: 22160K105 Symbol: COST	4,000.00	115.17	460,680.00 1.27%	Low 0.70	Marketperform	Buy (Rating Exception)
DARLING INTL INC CUSIP: 237266101 Symbol: DAR	8,000.00	21.16	169,280.00 0.47%			
DIAGEO PLC NEW GB SPON ADR CUSIP: 25243Q205 Symbol: DEO	2,000.00	127.08	254,160.00 0.70%	Low 0.80		Neutral
FLOWERS FOODS INC CUSIP: 343498101 Symbol: FLO	7,500.00	21.44	160,800.00 0.44%			
GENL MILLS INC CUSIP: 370334104 Symbol: GIS	5,000.00	47.92	239,600.00 0.66%		Marketperform	
GREEN MTN COFFEE ROASTERS INC CUSIP: 393122106 Symbol: GMCR	7,000.00	75.33	527,310.00 1.46%			
PEPSICO INC CUSIP: 713448108 Symbol: PEP	19,800.00	79.50	1,574,100.0 4.35%		Marketperform	
PROCTER & GAMBLE CO CUSIP: 742718109 Symbol: PG	3,875.00	75.59	292,911.25 0.81%		Marketperform	
SMUCKER J M CO NEW CUSIP: 832696405 Symbol: SJM	3,000.00	105.04	315,120.00 0.87%			
WALGREEN CO CUSIP: 931422109 Symbol: WAG	4,000.00	53.80	215,200.00 0.59%	High 0.98	Marketperform	Buy
MUTUAL FUNDS COMPONENT (for further details see last section of this report)			293,992.36 0.81%			
<b>Total staples</b>			<b>\$4,503,153.61</b>			<b>12.43%</b>



Equity sector analysis - as of September 30, 2013 (continued)

	Number of shares	Price on 09/30/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
<b>Technology</b>						
APPLE INC CUSIP: 037833100 Symbol: AAPL	6,750.00	476.75	3,218,062.5 8.89%	High 0.87	Outperform	Neutral (Rating Exception)
CORNING INC CUSIP: 219350105 Symbol: GLW	3,000.00	14.59	43,770.00 0.12%	Medium 1.13		Buy
EMC CORP MASS CUSIP: 268648102 Symbol: EMC	17,000.00	25.56	434,520.00 1.20%	Low 0.96		Buy
FACTSET RESH SYSTEMS INC CUSIP: 303075105 Symbol: FDS	2,000.00	109.10	218,200.00 0.60%	Medium 0.86		Neutral
FISERV INC CUSIP: 337738108 Symbol: FISV	3,000.00	101.05	303,150.00 0.84%	Low 0.92		Neutral (Rating Exception)
GLOBAL PAYMENTS INC CUSIP: 37940X102 Symbol: GPN	3,000.00	51.08	153,240.00 0.42%	Low 0.86		Neutral (Rating Exception)
GOOGLE INC CL A CUSIP: 38259P508 Symbol: GOOG	1,000.00	875.91	875,910.00 2.42%	Low 0.89	Outperform	Buy
ORACLE CORP CUSIP: 68389X105 Symbol: ORCL	7,000.00	33.17	232,190.00 0.64%	Medium 1.01	Marketperform	Buy
VISA INC CL A CUSIP: 92826C839 Symbol: V	3,000.00	191.10	573,300.00 1.58%	Low 0.75		Neutral
MUTUAL FUNDS COMPONENT (for further details see last section of this report)			3,053,087.1 8.43%			
<b>Total technology</b>			<b>\$9,105,429.61</b> <b>25.14%</b>			
<b>Telecommunications</b>						
MUTUAL FUNDS COMPONENT (for further details see last section of this report)			144,202.64 0.40%			
<b>Total telecommunications</b>			<b>\$144,202.64</b> <b>0.40%</b>			
<b>Utilities</b>						
DUKE ENERGY CORP NEW CUSIP: 26441C204 Symbol: DUK	7,041.00	66.78	470,197.98 1.30%	Low 0.49	Outperform	Buy
ONEOK INC NEW CUSIP: 682680103 Symbol: OKE	28,000.00	53.32	1,492,960.0 4.12%			
SCANA CORP NEW CUSIP: 80589M102 Symbol: SCG	5,000.00	46.04	230,200.00 0.64%	Low 0.59		Neutral (Rating Exception)
SOUTH JERSEY IND INC CUSIP: 838518108 Symbol: SJI	5,000.00	58.58	292,900.00 0.81%			
MUTUAL FUNDS COMPONENT (for further details see last section of this report)			53,091.09 0.15%			
<b>Total utilities</b>			<b>\$2,539,349.06</b> <b>7.01%</b>			



Equity sector analysis - as of September 30, 2013 (continued)

	Number of shares	Price on 09/30/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
<b>Total classified equity</b>			<b>\$36,202,037.23</b>			
<b>Unclassified securities</b>						
CALL CIT GROUP INC DUE 10/19/13 CUSIP: 99UBBCYV2 Symbol: CIT	48.000	068HJ1	-2,940.00			
CALL CLIFFS NAT RESOURCE DUE 10/19/13 0923Y0	27.000		-90.00	High		Neutral (Rating Exception)
CUSIP: 99UBAIGP3 Symbol: CLF			0.00%			
CALL ONEOK INC NEW DUE 10/19/13 CUSIP: 99UBAPU3 Symbol: OKE	52.500	3496G4	-4,800.00			
CALL WELLS FARGO & CO NE DUE 10/19/13 4971H5	39.000		-2,560.00	Low	Outperform	Neutral (Rating Exception)
CUSIP: 99UBASZF2 Symbol: WFC			0.00%			
CALL YUM! BRANDS INC DUE 10/19/13 CUSIP: 99UBBEZA3 Symbol: YUM	75.000	5175J8	-980.00		Outperform	
ESCROW GENERAL MTRS CORP 6.250% SER C DUE 07/15/33 CALLBL CONV			7,600.00			
CUSIP: 370ESC717 Symbol: MOTORS LIQ CO GUC TR UBI			18,114.95			
CUSIP: 62010U101 Symbol: MTLQU			0.03%			
PUT CHEVRON CORP DUE 01/18/14 CUSIP: 99UBBMBH6 Symbol: CVX	75.000	0926P3	-420.00	Low	Marketperform	Neutral
PUT DECKERS OUTDOOR COR DUE 12/21/13 1243B0	35.000		-400.00			
CUSIP: 99UBBC064 Symbol: DECK			0.00%			
PUT FISERV INC DUE 12/21/13 CUSIP: 99UBANO32 Symbol: FISV	50.000	159425	-150.00	Low		Neutral (Rating Exception)
			0.00%			
<b>Total unclassified securities</b>			<b>\$13,374.95</b>			
			<b>0.04%</b>			
<b>Total equity</b>			<b>\$36,215,412.18</b>			

Balanced mutual funds are allocated in the 'Other' category.

Rounding calculation may affect totals.

# Bond summary

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

as of September 30, 2013

## Bond overview

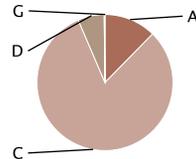
Total quantity	3,617,000
Total market value	\$4,014,104.81
Total accrued interest	\$35,445.09
Total market value plus accrued interest	\$4,049,549.90
Total estimated annual bond interest	\$185,184.75
Average coupon	6.22%
Average current yield	4.61%
Average yield to maturity	3.01%
Average yield to worst	3.01%
Average effective maturity	4.36

## Investment type allocation

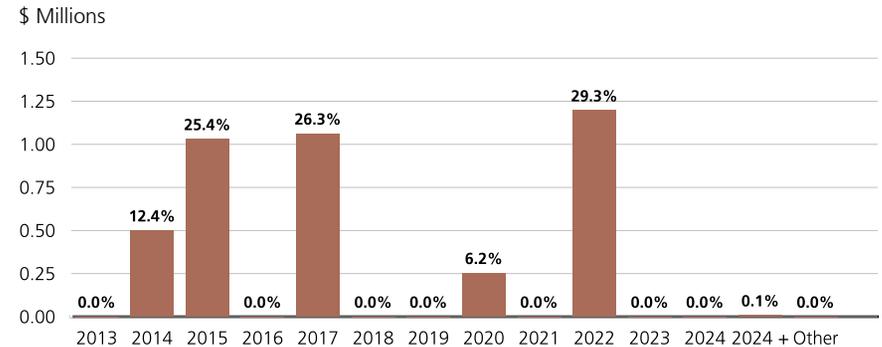
Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
U.S. corporates	0.00	3,549,559.90	3,549,559.90	87.65
U.S. treasuries	0.00	499,990.00	499,990.00	12.35
<b>Total</b>	<b>\$0.00</b>	<b>\$4,049,549.90</b>	<b>\$4,049,549.90</b>	<b>100%</b>

## Credit quality of bond holdings

Effective credit rating	Issues	Value on 09/30/2013 (\$)	% of port.
<b>A</b> Aaa/AAA/AAA	1	499,990.00	12.46
<b>B</b> Aa/AA/AA	0	0.00	0.00
<b>C</b> A/A/A	5	3,288,809.48	81.09
<b>D</b> Baa/BBB/BBB	1	253,150.42	6.27
<b>E</b> Non-investment grade	0	0.00	0.00
<b>F</b> Certificate of deposit	0	0.00	0.00
<b>G</b> Not rated	1	7,600.00	0.19
<b>Total</b>	<b>8</b>	<b>\$4,049,549.90</b>	<b>100%</b>



## Bond maturity schedule



Effective maturity schedule

Cash, mutual funds and some preferred securities are not included.



# Bond holdings

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

as of September 30, 2013

## Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2013	0	0			NA	NA				
2014	1	500,000	0.00	0.00%	0.01 %	0.01 %	500,004.14	-14.14	499,990.00	12.46%
2015	2	1,000,000	39,853.40	3.90%	1.93 %	1.93 %	1,000,000	20,855.00	1,030,021.67	25.43%
2016	0	0			NA	NA				
2017	1	1,000,000	49,000.00	4.64%	3.13 %	3.13 %	1,000,000	56,120.00	1,062,245.00	26.31%
2018	0	0			NA	NA				
2019	0	0			NA	NA				
2020	1	200,000	18,750.00	7.45%	4.67 %	4.67 %	195,375	56,265.00	253,150.42	6.27%
2021	0	0			NA	NA				
2022	2	897,000	77,581.35	6.59%	4.28 %	4.28 %	880,875	297,024.81	1,196,542.82	29.34%
2023	0	0			NA	NA				
2024	0	0			NA	NA				
2025	0	0			NA	NA				
2026	0	0			NA	NA				
2027	0	0			NA	NA				
2028	0	0			NA	NA				
2029	0	0			NA	NA				
2030	0	0			NA	NA				
2031	0	0			NA	NA				
2032	0	0			NA	NA				
2033	1	20,000	0.00	0.00%	NA	NA	496,763	-489,163.00	7,600.00	0.19%
2034	0	0			NA	NA				
2035	0	0			NA	NA				
2036	0	0			NA	NA				
2037	0	0			NA	NA				
2038	0	0			NA	NA				
2039	0	0			NA	NA				
2040	0	0			NA	NA				
2041	0	0			NA	NA				
2042	0	0			NA	NA				
2042 +	0	0			NA	NA				
Other	0	0			NA	NA				
<b>Total</b>	<b>8</b>	<b>3,617,000</b>	<b>\$185,184.75</b>	<b>4.61%</b>	<b>3.01 %</b>	<b>3.01 %</b>	<b>\$4,073,017.14</b>	<b>\$-58,912.33</b>	<b>\$4,049,549.90</b>	



Bond holdings - as of September 30, 2013 (continued)

Details of bond holdings

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Total Bond Portfolio</b>		<b>3,617,000</b>	<b>6.22%</b>	<b>02/09/2018</b>	<b>NA</b>	<b>\$185,184.75</b> <b>4.61%</b>	<b>3.01%</b> <b>3.01%</b>	<b>\$4,073,017.14</b> <b>\$-58,912.33</b>	<b>NA</b>	<b>\$4,014,104.81</b> <b>\$35,445.09</b> <b>\$4,049,549.90</b>	<b>100%</b>

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2014</b>											
UNITED STATES TREAS BILL DUE 01/23/14	NR/AAA/NR NR/NR/NR	500,000		01/23/2014			0.01% 0.01%	500,004.14 -14.14	99.998	499,990.00 0.00	12.46%
<b>Total 2014</b>		<b>500,000</b>	<b>0.00%</b>	<b>01/23/2014</b>		<b>\$0.00</b> <b>0.00%</b>	<b>0.01%</b> <b>0.01%</b>	<b>\$500,004.14</b> <b>\$-14.14</b>		<b>\$499,990.00</b> <b>\$0.00</b>	<b>12.46%</b>

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2015</b>											
BANK OF AMER INTERNOTES 04.000% 041515 DTD042910 FC101510 NTS B/E	Baa2/A/A- NR/NR/NR	500,000	4.00%	04/15/2015		20,000.00 3.88%	1.93% 1.93%	500,000.00 15,680.00	103.136	515,680.00 9,166.67	12.85%
PRUDENTIAL FINL NOTES 03.970% 111015 DTD111705 FLT VS YOY CPI-U +201BPS	Baa1/NR/A NR/NR/NR	500,000	3.97%	11/10/2015		19,853.40 3.93%	NA NA	500,000.00 5,175.00	101.035	505,175.00 0.00	12.58%
<b>Total 2015</b>		<b>1,000,000</b>	<b>3.99%</b>	<b>07/28/2015</b>		<b>\$39,853.40</b> <b>3.90%</b>	<b>1.93%</b> <b>1.93%</b>	<b>\$1,000,000.00</b> <b>\$20,855.00</b>		<b>\$1,020,855.00</b> <b>\$9,166.67</b>	<b>25.43%</b>

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2017</b>											
BANK OF AMER INTERNOTES 04.900% 021517 DTD021910 FC081510 NTS B/E	Baa2/A/A- NR/NR/NR	1,000,000	4.90%	02/15/2017		49,000.00 4.64%	3.13% 3.13%	1,000,000.00 56,120.00	105.612	1,056,120.00 6,125.00	26.31%
<b>Total 2017</b>		<b>1,000,000</b>	<b>4.90%</b>	<b>02/15/2017</b>		<b>\$49,000.00</b> <b>4.64%</b>	<b>3.13%</b> <b>3.13%</b>	<b>\$1,000,000.00</b> <b>\$56,120.00</b>		<b>\$1,056,120.00</b> <b>\$6,125.00</b>	<b>26.31%</b>



Bond holdings - as of September 30, 2013 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2020</b>											
FORD HOLDING INC DEB 09.375% 030120 DTD030190 FC090190	Baa3/BBB-/BBB- NR/NR/NR	200,000	9.38%	03/01/2020		18,750.00 7.45%	4.67% 4.67%	195,375.00 56,265.00	125.820	251,640.00 1,510.42	6.27%
<b>Total 2020</b>		<b>200,000</b>	<b>9.38%</b>	<b>03/01/2020</b>		<b>\$18,750.00</b> <b>7.45%</b>	<b>4.67%</b> <b>4.67%</b>	<b>\$195,375.00</b> <b>\$56,265.00</b>		<b>\$251,640.00</b> <b>\$1,510.42</b>	<b>6.27%</b>
<b>Maturing 2022</b>											
ATLANTIC RICHFIELD CO 08.250% 020122 DTD020192 FC080192 DEBS	A2/A/A NR/NR/NR	600,000	8.25%	02/01/2022		49,500.00 6.52%	4.41% 4.41%	587,250.00 171,960.00	126.535	759,210.00 8,112.50	18.91%
AT&T BROADBAND CORP 09.455% 111522 DTD111802 FC051503 GLOBAL B/E	A3/BBB+/A- NR/NR/NR	297,000	9.46%	11/15/2022		28,081.35 6.71%	4.04% 4.04%	293,625.00 125,064.81	140.973	418,689.81 10,530.51	10.43%
<b>Total 2022</b>		<b>897,000</b>	<b>8.68%</b>	<b>05/14/2022</b>		<b>\$77,581.35</b> <b>6.59%</b>	<b>4.28%</b> <b>4.28%</b>	<b>\$880,875.00</b> <b>\$297,024.81</b>		<b>\$1,177,899.81</b> <b>\$18,643.01</b>	<b>29.34%</b>
<b>Maturing 2033</b>											
ESCROW GENERAL MTRS CORP 6.250% SER C DUE 07/15/33 CALLBL CONV /DE	WR/NR/NR NR/NR/NR	20,000	6.25%	07/15/2033	07/20/2014 25.42		NA NA	496,763.00 -489,163.00	0.380	7,600.00 0.00	0.19%
<b>Total 2033</b>		<b>20,000</b>	<b>6.25%</b>	<b>07/15/2033</b>		<b>\$0.00</b> <b>0.00%</b>	<b>NA</b> <b>NA</b>	<b>\$496,763.00</b> <b>\$-489,163.00</b>		<b>\$7,600.00</b> <b>\$0.00</b>	<b>0.19%</b>
<b>Total Bond Portfolio</b>		<b>3,617,000</b>	<b>6.22%</b>	<b>02/09/2018</b>	<b>NA</b>	<b>\$185,184.75</b> <b>4.61%</b>	<b>3.01%</b> <b>3.01%</b>	<b>\$4,073,017.14</b> <b>\$-58,912.33</b>	<b>NA</b>	<b>\$4,014,104.81</b> <b>\$35,445.09</b> <b>\$4,049,549.90</b>	<b>100%</b>



## Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page.

**Client Accounts:** This report includes all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. **As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs.** For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a

primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

**Performance:** This report presents accounts activity and performance starting 12/31/02. For accounts opened prior to 12/31/02, this report does not include the complete account activity or performance of your accounts prior to that date. For consolidated reports, the Performance Start Date will be the earliest performance start date of any of the individual accounts selected for the consolidation time period. If an individual account's performance information is not available for a full reporting time period (month to date, quarter to date, year to date or performance to date), the individual's net of fee time weighted return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/ Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier.

**Time-weighted Returns (prior to 10/31/2010):** The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cashflow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized.

**Time-weighted Returns (after 10/31/2010):** The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value. All cash flows are posted at end of day. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized.

**Money-weighted returns:** Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure returns on a portfolio.

**Annualized Performance:** All performance periods

greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

**Cumulative Performance:** A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

**Net of Fees and Gross of Fees Performance:** Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

**Benchmark/Major Indices:** The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. The benchmark is not managed and does not reflect the deduction of any fees and expenses, which will lower results. Indices are not actively managed and investors cannot directly invest in indices. The portfolio's investment strategy is not restricted to securities in the benchmark. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

**Custom Time Periods:** If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

**Net Deposits/Withdrawals:** When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program

fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement.

**Dividends/Interest:** Dividend and interest earned, when shown on a report, does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

**Change in Accrued Interest:** When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

**Change in Value:** Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

**Fees:** Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report. Commissions are not included in the fees calculation.

**Net of fees:** When indicated, the information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, net of fees performance information would reflect the deduction of those fees. Please see your program documents regarding fee schedules.

**Beta:** A measure of sensitivity of a portfolio of equities in relation to market movements. Beta measures the covariance of a portfolio in relation to the rest of the stock market as measured by a benchmark index. A portfolio with a higher beta would be expected to rise and fall further than the market. A portfolio with a low beta (less than 1) indicates that it would be expected to rise and fall less than the market.

**Performance Start Date Changes:** The Performance Start Date for accounts marked with a 'A' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these



## Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date.

The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as 'Review Required' and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

**Closed Account Performance:** Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

**Portfolio:** For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

**Percentage:** Portfolio (in the "% Portfolio" column) includes all holdings held in the account(s) selected when this report was generated. Broad asset class (in the "% broad asset class" column) includes all holdings held in that broad asset class in the account(s) selected when this report was generated.

**Tax lots:** This report displays security tax lots as one line item (i.e., lumped tax lots). The total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

**Pricing:** All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS. accounts statement for important information regarding the

pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

**Cash:** Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS FS. More information is available upon request.

**Margin:** The quantity value may indicate that all or part of this position is held on margin or held in the short account. When an account holds a debit balance, this debit balance is incorporated into the account's total market value and deducted from the total value. When calculating the percent of portfolio on each security, the percentage will be impacted by the total market value of the account. Therefore, if the account's market value is reduced by a debit value of a holding the percent of portfolio will be greater and if the account's market value is increased by a holding then the percent of portfolio will be less.

**Mutual Fund Asset Allocation:** If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS FS based on data supplied by the fund which may not be current. Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

**Equity Style:** The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its

industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

**Equity Capitalization:** Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

**Equity Sectors:** The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

**Classified Equity:** Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

**Estimated Annual Income:** The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

**Current Yield:** Current yield is defined as the estimated annual income divided by the total market value.

**Volatility Bands:** Volatility bands provide a quantitative analysis of a stock's historic price fluctuations. Volatility is defined as the standard deviation (a measure of dispersion around an average) of one year of weekly returns, weighted more heavily toward the most recent dates. The stock volatilities are banded into High, Medium and Low categories and are determined from looking at an unweighted basket of Dow Jones Global Index constituents divided into three equal parts. The volatility bands are provided for informational purposes only.

**Research Rating:** UBS Wealth Management Research is written by UBS Wealth Management Americas and UBS Wealth Management & Swiss Bank, and UBS Investment Research is written by UBS Investment Bank. Both UBS research providers employ their own ratings systems, methodologies and assumptions and may publish research views that are inconsistent with each other. For more information about each research source, please go to UBS Online Services or ask your Financial Advisor.

**UBS Wealth Management Research Rating: Under Review** The Wealth Management Research Relative Sector Rating for this stock has been placed Under Review by the analyst.

**UBS Investment Research Rating: Rating Exception** The rating for this stock may have been placed Under Review by the analyst, or may have an exception to the core rating bands. For further information, please refer to the "Research Rating Exceptions" daily report or contact your financial advisor or representative.

**UBS Investment Research Rating: Rating Exception** Recommendation and price target information temporarily suspended due to restriction or pending review. For further information please refer to the "Research Rating Exceptions" daily report or contact your financial advisor or representative.

**Bond Rating:** These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

**NR:** When NR is displayed under bond rating column, no ratings currently available from that rating agency.

**High Yield:** This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

**Credit/Event Risk:** Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

**Interest Rate Risk:** Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

**Reinvestment Risk:** Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

**Call Provisions:** When evaluating the purchase of a corporate bond, one should be aware of any features that may allow the issuer to call the security. This is particularly important when considering an issue that is trading at a premium to its call price, since the return may be negatively impacted if the issue is redeemed. Should an issue be called, investors may be faced with



## Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

an earlier than anticipated reinvestment decision, and may be unable to reinvest their principal at equally favorable rates.

**Effective Maturity:** Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity, optional or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UITs.

**Yields:** Yield to Maturity and Yield to Worst are calculated to the worst call.

**Accrued Interest:** Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

**Bond Averages:** All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

**Tax Status:** "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

**Expected Cash Flow reporting for Puerto Rico Income Tax Purposes:** Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

**Gain/Loss:** The gain/loss information may include calculations based upon non-UBS FS cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. In addition, if this report contains positions with unavailable cost basis, the gain/(loss) for these positions are excluded in the calculation for the Gain/(Loss). As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms

when preparing your tax return. See your monthly statement for additional information.

**Account changes:** At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
  - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

**ADV disclosure:** A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

**Important information for former Piper Jaffray and McDonald Investments clients:** As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

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# UBS House View

Digest

US Edition  
CIO Wealth Management Research

October 2013

## The tale of deleveraging





**Alexander S. Friedman**  
Global Chief Investment Officer  
Wealth Management

# The tale of deleveraging

It has been said that “there are no new stories,” only re-tellings of previous tales.

But two similar stories nonetheless can come across very differently, depending on where and when they are told and how people respond to them. Even when we hear a familiar story, it can still feel new.

Reading the endless news reports of the fifth anniversary of the collapse of Lehman Brothers and how it has reshaped our world since, we could easily conclude that we are reading a totally new financial story – a “new normal,” as some have put it.

Actually, this story of deleveraging has been told many times before, and there have been many localized tales, from Russia to Scandinavia, and from South East Asia to Latin America. And though the story since Lehman Brothers feels different given its global scope, even the Lehman tale rings somewhat similar to that of the Great Depression in the 1930s.

What makes deleveraging stories so fascinating is that, even though you know what the story is about, it is difficult to tell what might happen next. External factors can vary, and government intervention, such as quantitative easing, can distort outcomes.

But, in its most simple form, a story of deleveraging is a story of growth lost, and the deleveraging story must first finish before higher levels of growth can return. As a result, we remain most positive on those assets in those locations where the story is closest to ending.

This means the US, where private sector deleveraging close to complete and we maintain overweight positions in US equities and US high yield credit. However, with increasing fiscal and monetary policy uncertainty we are reducing our position in the US dollar to neutral. Europe has made progress through its deleveraging, but its deleveraging story is still incomplete. Meanwhile, we remain cautious on Australia, which will soon need to tell its own deleveraging story as China’s trend economic growth slows over the coming years.

A handwritten signature in black ink that reads "Alexander S. Friedman". The signature is fluid and cursive.

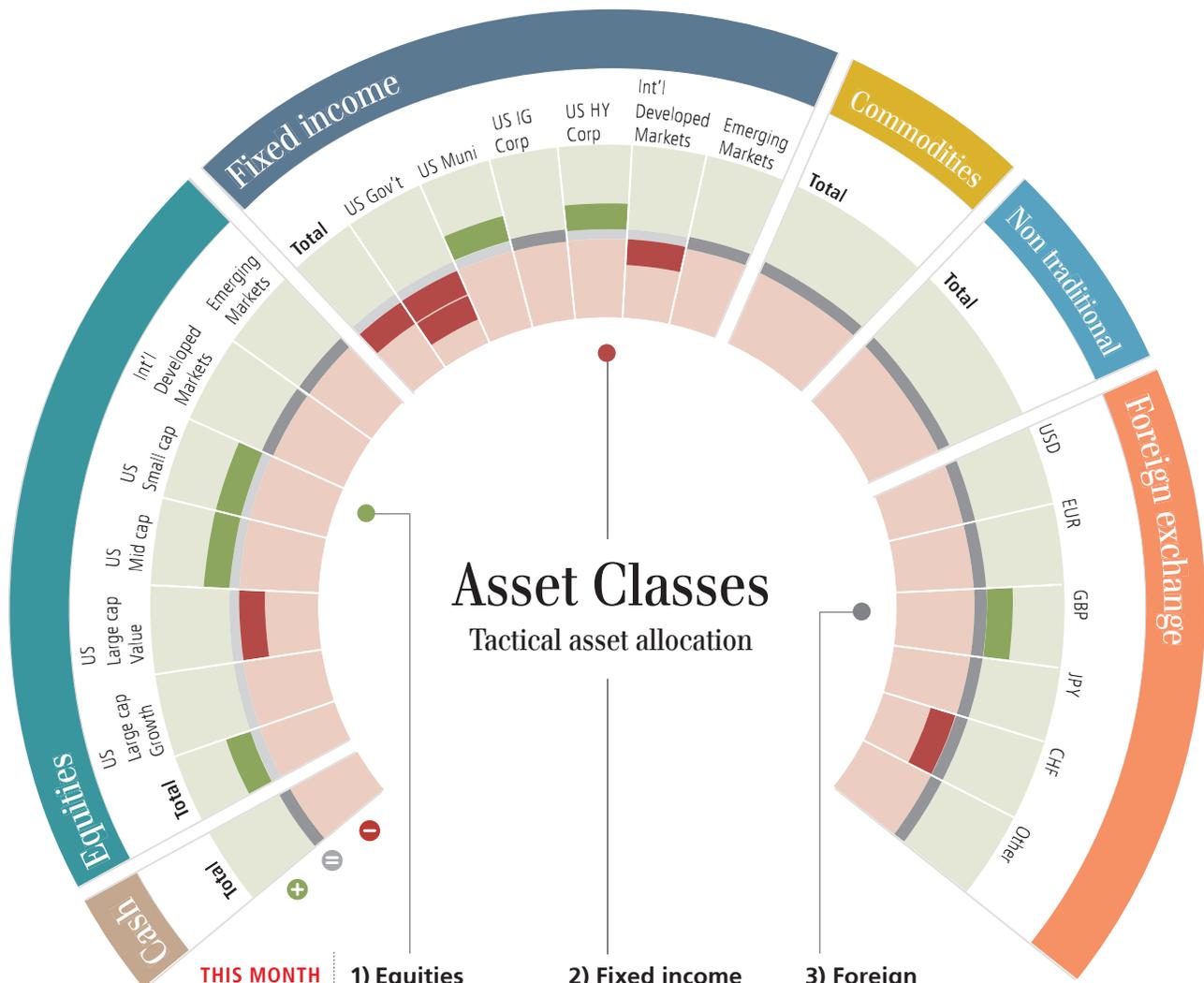
**Alexander S. Friedman**

26 September 2013

**This Digest contains excerpted material. To read the full version, please see the UBS House View Investment Strategy Guide.**

# Tactical preferences

*We maintain our broad preference for equities over fixed income as several of the risks that had concerned us heading into the autumn have dissipated somewhat. A more dovish Fed outlook leads us to reduce our preference for the US dollar over the euro.*



## Asset Classes Tactical asset allocation

**THIS MONTH**

### 1) Equities

We remain optimistic about US equities, particularly mid- and small-cap stocks, and we stay overweight growth vs. value.

### 2) Fixed income

Our less certain outlook for the dollar causes us to reduce our existing preference for US over non-US government bonds.

### 3) Foreign exchange

With increasing fiscal and monetary policy uncertainty, we are reducing our position in the US dollar against the euro to neutral.

#### LEGEND

- + Overweight: Tactical recommendation to hold more of the asset class than specified in the strategic asset allocation
- Underweight: Tactical recommendation to hold less of the asset class than specified in the strategic asset allocation
- = Neutral: Tactical recommendation to hold the asset class in line with its weight in the strategic asset allocation

**NOTE: TACTICAL TIME HORIZON IS APPROXIMATELY SIX MONTHS**

# Preferred investment views

As of 27 September 2013

Asset Class	Most preferred	Least preferred
Equities	<ul style="list-style-type: none"> <li>• US</li> <li>• Japan</li> <li>• US small and mid caps</li> <li>• US housing</li> <li>• US e-commerce</li> <li>• US financials</li> <li>• US technology</li> <li>• Water-linked investments</li> <li>• Dividend growth</li> <li>• North American energy independence</li> <li>• US competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Australia</li> </ul>
Fixed income	<ul style="list-style-type: none"> <li>• US high yield</li> <li>• Investment grade credit<sup>1</sup></li> <li>• EM corporate bonds</li> <li>• Preferred securities</li> <li>• US senior loans</li> </ul>	<ul style="list-style-type: none"> <li>• Government bonds<sup>2</sup></li> </ul>
Foreign exchange	<ul style="list-style-type: none"> <li>• GBP</li> <li>• CAD</li> </ul>	<ul style="list-style-type: none"> <li>• CHF</li> <li>• AUD</li> </ul>
Commodities	<ul style="list-style-type: none"> <li>• Platinum</li> </ul>	

➤ Recent upgrades   ➤ Recent downgrades

<sup>1</sup> Municipal bonds preferred in taxable portfolios, investment grade corporates in tax-exempt portfolios.

<sup>2</sup> US government bonds reduced with international fixed income increased on currency grounds.

# Asset class overview

## Economy

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After the Federal Reserve's decision to leave bond purchases (QE3) unchanged in September, we stick to our view that moderate tapering of QE will begin in December. US GDP growth remains supported by private consumption, while the upcoming debt ceiling debate poses a near-term risk which will likely be resolved before year-end. In the Eurozone, political risks have taken a backseat, and the economy is expected to start growing modestly. The cyclical uptick in Chinese growth should fade later this year as credit and investment growth continues to slow. We expect GDP growth of around 7.5%.

## + Equities

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Ongoing improvement in global growth and support by central banks is expected to boost equities further. We favor US equities, as the economy rests on stronger footing than other regions. Company earnings growth is expected at 7% in 2013 and 8% in 2014, buoyed by solid domestic demand. Japanese equities are still benefiting from the strong fall in the yen since last year. The Bank of Japan is pursuing its easing policy and inflation has turned positive. We are underweight Australian equities due to slowing investment and weak company earnings. Australian banks are particularly expensive.

## - Fixed income

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Global benchmark yields retreated from their recent highs as the Fed left its bond purchases unchanged. Over the next six months we expect rates to increase only moderately (US 10-year Treasury to 3.0% in 6 months), with QE3 likely not phased out completely before 3Q14. In this environment, we believe that US and EUR corporate bonds (IG) and US high yield are attractive, with the recent uptick in more "aggressive" bond issuance representing normalization from very low levels. Emerging market bonds remain in danger from a deteriorating credit cycle.

## = Commodities

---

We hold a neutral stance on broad commodities as, in general, supply remains ample and the muted demand pickup is unlikely to lead prices higher. The oil price has recently been lifted by supply disruptions and geopolitical concerns but is expected to retreat again over the coming six months. Gold's rally after the Fed's decision to continue QE3 at the current pace was only short-lived. We do not see a meaningful increase in investor appetite for gold and expect the price to soften once again.

## Foreign exchange

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We have a neutral view on EURUSD, expecting it to trade between 1.30 and 1.38. The UK economy is growing solidly and we expect the Bank of England to stay on hold unless GBP strength hurts the employment outlook, while the CHF is expected to weaken as its "safe haven" status has little appeal in times of improving global growth and a calm Eurozone. As a result, we have a preference for the British pound (GBP) over the Swiss franc (CHF). We also prefer the Canadian over the Australian dollar due to the weakness of the Australian economy and the still expensive valuation of AUD.

# Disclaimer

## Sources of strategic asset allocations and investor risk profiles

Strategic asset allocations represent the longer-term allocation of assets that is deemed suitable for a particular investor. The strategic asset allocation models discussed in this publication, and the capital market assumptions used for the strategic asset allocations, were developed and approved by the WMA AAC.

The strategic asset allocations are provided for illustrative purposes only and were designed by the WMA AAC for hypothetical US investors with a total return objective under five different Investor Risk Profiles ranging from conservative to aggressive. In general, strategic asset allocations will differ among investors according to their individual circumstances, risk tolerance, return objectives and time horizon. Therefore, the strategic asset allocations in this publication may not be suitable for all investors or investment goals and should not be used as the sole basis of any investment decision. Minimum net worth requirements may apply to allocations to non-traditional assets. As always, please consult your UBS Financial Advisor to see how these weightings should be applied or modified according to your individual profile and investment goals.

The process by which the strategic asset allocations were derived is described in detail in the publication entitled "UBS WMA's Capital Markets Model: Explained, Part II: Methodology," published on 22 January 2013. Your Financial Advisor can provide you with a copy.

## Deviations from strategic asset allocation or benchmark allocation

The recommended tactical deviations from the strategic asset allocation or benchmark allocation are provided by the Global Investment Committee and the Investment Strategy Group within Wealth Management Research Americas. They reflect the short- to medium-term assessment of market opportunities and risks in the respective asset classes and market segments. Positive / zero / negative tactical deviations correspond to an overweight / neutral / underweight stance for each respective asset class and market segment relative to their strategic allocation. The current allocation is the sum of the strategic asset allocation and the tactical deviation.

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# Equity Focus list

CIO Wealth Management Research

October 2013



**This report has been prepared by UBS Financial Services Inc. ("UBS FS").**

ANALYST CERTIFICATION AND REQUIRED DISCLOSURES BEGIN ON PAGE 27.

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# How does the list work?

The Equity Focus List integrates intellectual capital expertise across multiple research disciplines within the UBS CIO Wealth Management Research team into a list of stocks that is designed to outperform the broad US equity market. Stocks chosen for the list are best aligned with the following disciplines: our House View, Fundamentals, Technicals, Thematics and Quantitative (described below). The CIO WMR Stock Selection Committee uses these tools to determine the final composition of the list.

## House view

The House View incorporates our macro strategists' outlook on economic growth, asset allocation, risk-taking, regional equity recommendations, sector preferences within the US equity market, as well as US equity size and style tilts.

## Fundamentals

We incorporate bottom-up industry analyst ratings from both UBS CIO Wealth Management Research and UBS Investment Research. Stocks must have a positive or neutral view from either source to be considered.

## Technicals

Stocks must have a Bullish or Neutral technical rating. Stocks with a Neutral technical rating included on the list require a favorable risk / reward with a material probability of breaking into a bullish trend.

## Thematic

We incorporate selections that we expect to benefit from our highest conviction tactical or secular equity themes based on previously published thematic research or theme-based research embedded in CIO WMR strategy reports.

## Quantitative

Our quantitative framework identifies factors that have produced historical outperformance within each industry group and then scores the current constituents of each industry group according to those factors. Factors encompass valuation, growth, quality, and momentum.

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Ticker	Name	Sector	Page
CMCSA	Comcast	Consumer Discretionary	8
NKE	Nike	Consumer Discretionary	8
PETM	PetSmart	Consumer Discretionary	9
HOT	Starwood Hotels	Consumer Discretionary	9
TJX	TJX Companies	Consumer Discretionary	10
KO	Coca-Cola	Consumer Staples	10
CL	Colgate-Palmolive	Consumer Staples	11
APA	Apache	Energy	11
MRO	Marathon Oil	Energy	12
AFL	Aflac	Financials	12
AMP	Ameriprise	Financials	13
FITB	Fifth Third Bancorp	Financials	13
JPM	JPMorgan	Financials	14
TRV	Travelers	Financials	14
WFC	Wells Fargo	Financials	15
ABT	Abbott Laboratories	Healthcare	15
ESRX	Express Scripts	Healthcare	16
MCK	McKesson	Healthcare	16
MDT	Medtronic	Healthcare	17
EMR	Emerson Electric	Industrials	17
IR	Ingersoll-Rand	Industrials	18
KBR	KBR	Industrials	18
TYC	Tyco	Industrials	19
AAPL	Apple	Information Technology	19
ADSK	Autodesk	Information Technology	20
CSCO	Cisco Systems	Information Technology	20
GOOG	Google	Information Technology	21
LRCX	Lam Research	Information Technology	21
QCOM	Qualcomm	Information Technology	22
SNDK	SanDisk	Information Technology	22
CE	Celanese	Materials	23

## UBS CIO WMR Stock Selection Committee

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Chief Equity Strategist

(\*) Non-voting

# Review

## Adding

- **Apache (APA)**

We are adding Apache in order to reduce the magnitude of our underweight in the Energy sector. Apache trades at a discount to peers which we believe will narrow as the company continues to monetize non-US and offshore assets. Proceeds will be used to reduce debt, fund development in shale basins and return capital to shareholders (see page 11).

- **Autodesk (ADSK)**

We are adding Autodesk shares in order to gain more exposure to a likely pickup in corporate capital spending. Autodesk's software has a leading position in the architecture; engineering and construction; and manufacturing industries – all of which should benefit from a rebound in capital spending. The company is also transitioning its software from a purchase to a rental model which should lead to a more predictable revenue stream and lower barriers to purchase for customers (page 20).

## Removing

- **O'Reilly Automotive (ORLY)**

We are removing O'Reilly Automotive in order to reduce our allocation to the Consumer Discretionary sector, consistent with our recent downgrade of Consumer Discretionary in our sector strategy (see *UBS House View, Monthly Investment Guide – The tale of deleveraging*, dated October 2013). The stock remains Buy rated by UBS Investment Research. O'Reilly shares have appreciated by over 15% since we added it to our list and further valuation upside now appears more limited. We believe the risk / reward trade-off for the remaining retailers on our list – TJX and PetSmart – is more favorable.

## What's working

Our pro-cyclical US sector stance, a position we have been advocating in our US sector strategy for over a year, powered gains this past month. Industrials and Consumer Discretionary were the top performing sectors in September while the defensive Telecom and Utilities sectors significantly lagged the S&P 500.

At the individual stock level Nike was our best performer, rising nearly 16% on the heels of better than expected

earnings results. Earnings were driven by strong growth in premium segments and accelerating growth in nearly all geographies. Importantly, Nike's operations in China are showing early signs of a rebound.

Our overweight position in Industrials was another driver of performance. Ingersoll-Rand (up over 10%) and KBR (up over 9%) rose on optimism that capital spending will begin to improve as Europe emerges from recession and Asia stabilizes. Semiconductor equipment maker Lam Research also rose nearly 10% after competitors Applied Materials and Tokyo Electron announced plans to merge. The merger will likely lead to a reduction in capacity in the semiconductor equipment market, which should support pricing for most industry players.

## What's not working

Express Scripts (down over 3%) was our worst performing stock this past month. Investors are concerned that the PBM industry may be at a disadvantage as the purchase of health insurance moves to an "exchange" (both public and private) model. We believe these fears are misplaced and are extrapolations of a very limited number of data points. Apple fell 2% on concerns that it will continue to lose market share due to the lack of a low-priced smartphone offering in emerging markets. However, we believe market share gains in developed markets could be better than expected. Finally, Fifth Third Bank was down nearly 2%. Banks have come under some pressure due to a slowdown in the mortgage business and the more recent decline in interest rates.

## Performance

Period	Equity Focus List	S&P 500	Relative Performance
September	4.6%	3.1%	1.4%
Since inception (cumulative)*	3.8%	3.8%	0.0%

\* Since the list's inception on 3 June 2013.

Note: Actual list performance is calculated with a one trading day lag for all additions and deletions in order for clients to more realistically replicate our published performance.

Source: FactSet and UBS CIO WMR as of 30 September 2013.

# House view – US equities

## US equity market overview

We remain positive on US equities. Although near-term market risks have increased due to a potential government shutdown and/or failure to raise the debt ceiling, we ultimately expect these issues to pass with little economic and market fallout. Additionally, we believe that monetary policy normalization should also ultimately benefit equity market valuations. Recent improvements in purchasing managers indexes, combined with a continued easing of bank lending standards, reinforce our view that corporate profit growth will accelerate. We modestly increase our 2014 S&P 500 EPS estimate to USD 120 (from USD 119) and raise our six-month price target to 1770.

## Sector outlook

We have a **preference for cyclical over defensive sectors**, with overweight allocations to Information Technology (IT) and Industrials. Both of these sectors should benefit from the long-awaited upturn in capital spending. We are also overweight Financials, which should benefit from improving capital market activity, rising bond yields, and a sustained rebound in housing. Within defensive areas, we prefer Healthcare (neutral allocation). We are cautious on commodity-producers – reflected in our underweight allocation to Energy and Materials. We are also underweight Consumer Staples, which has recently experienced negative earnings trends. Finally, we remain underweight the “expensive defensives,” such as Utilities and Telecom.

## Size and style

Small-caps have outperformed large-caps over the past several months as US economic growth surprises have been positive and interest rates have reset higher. We continue to believe that **small- and mid-cap stocks appear well positioned** relative to large-caps. While relative valuations are somewhat high, smaller-sized companies should deliver stronger earnings growth, justifying their higher valuation. Higher exposure to the recovering housing market and greater opportunities to expand profit margins will be the key earnings drivers for smaller US companies. Growth stocks continue to appear undervalued relative to value stocks and we continue to have a moderate preference for growth over value styles.

**Fig. 1: Stocks reached all-time highs in late 1Q13...18 months after earnings**

S&P 500 price and EPS, indexed to 2007 Q2



Source: Bloomberg, Standard & Poor's, UBS CIO WMR, as of 27 September 2013

**Fig. 2: Cyclical sector valuations continue to normalize**

Relative P/E of cyclicals versus defensives



Source: Thomson DataStream, UBS CIO WMR, as of 27 September 2013

**Fig. 3: Small and mid-caps continue to deliver**

Relative performance of small- and mid-caps in 2013



Note: Indexed to 12/31/12 = 100

Source: Bloomberg, UBS CIO WMR, as of 27 September 2013

# Themes

## US Housing—the long grind higher

US housing is clearly recovering and should positively contribute to US GDP growth in the coming years. Through July, the S&P Case-Shiller home price index rose 12% year-over-year—the fastest growth rate since 2006. Despite the recent increase in mortgage rates, we expect home prices to continue to rise as rates remain low by historical standards and housing supply/demand dynamics continue to be supportive. Sustained housing market gains act as a strong support for Financials, specifically regional and global banks. Other industries that have attractive valuations and housing market exposure include autos, cable TV, home furnishing, machinery, and retailing.

*Beneficiaries: Comcast, Fifth Third Bancorp, JPMorgan Chase, TJX Companies, Wells Fargo*

## Emerging consumers—more people, more money

Despite recent growth jitters, the long term growth outlook for emerging markets remains solid, particularly for the emerging consumer. The resulting growth in the middle class will lead to increased demand for consumer products and services, including both basic necessities (food, shelter, clothing) and discretionary items/services (automobiles, luxury goods, travel). A range of companies stand to benefit in the Consumer Staples, Health-care and Consumer Discretionary sectors.

*Beneficiaries: Abbott Laboratories, Coca-Cola, Colgate-Palmolive, Nike*

## Information Technology—secular growth, on sale

The Information Technology (IT) sector is uniquely positioned to experience strong growth in the coming years. The secular growth drivers within IT include smart mobility, cloud computing, e-commerce and big data. Many US IT companies dominate their categories globally and are well positioned to capture a significant portion of the expected growth within these markets. In addition, Tech should also benefit from a cyclical pickup in enterprise spending on IT products and services. Finally, sector valuations are near two decade lows relative to the market.

*Beneficiaries: Apple, Autodesk, Cisco Systems, Google, Lam Research, Qualcomm, SanDisk*

**Fig. 1: US home price gains to continue**

US inflation-adjusted market and equilibrium house price



Note: Home prices as measured by the S&P/Case-Shiller Home Price Index  
Source: Thomson DataStream, UBS CIO WMR, as of 27 September 2013

**Fig. 2: EM countries have room to expand consumption**

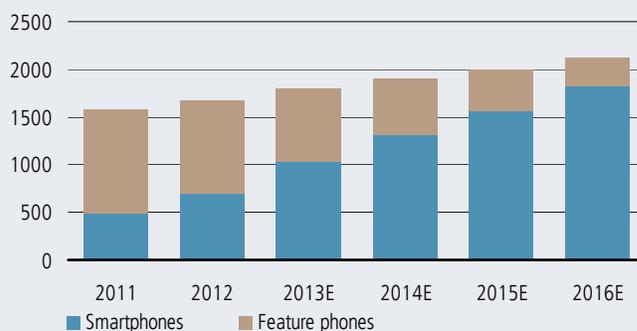
Household final consumption expenditure, as a share of GDP



Source: World Bank, UBS CIO WMR, as of 27 September 2013

**Fig. 3: Mobile computing—a secular growth driver for IT**

Global unit shipment forecasts, in millions



Source: UBS CIO WMR, as of 27 September 2013

# Themes

## US Healthcare—change comes from within

The US healthcare system is likely to change dramatically in the coming years, which will have significant investment implications. The main intent behind the transformation of healthcare is to improve the efficiency of the system. We believe investors should focus on companies within three main categories: cost savers, “efficienators” and innovators. Cost savers are organizations that can profit by reducing the cost of care. “Efficienators” are companies that help create market efficiencies. Innovators are organizations that can improve healthcare outcomes through innovative products and services.

*Beneficiaries: Abbott Laboratories, Express Scripts, McKesson, Medtronic*

## North American energy independence—reenergized

North America is likely to achieve energy independence by the end of the decade. Improvements in technology will provide access to previously unrecoverable supplies of oil throughout the continent. The shift towards greater energy independence will have positive effects on the US economy and companies both directly and indirectly exposed to domestic energy production. A vast amount of infrastructure will need to be developed in order to adequately service the changing energy landscape, benefiting a select group of industries and companies.

*Beneficiaries: Apache, KBR, Marathon Oil*

## Financials—on the road to recovery

Key drivers of the financials sector are improving. Capital levels for US financial institutions have improved substantially and are now higher than they were before the recession. The housing market recovery has been a key driver of improved asset quality. Loan growth is slowly but steadily improving across loan segments. As interest rates normalize to higher levels, banks and insurance companies will benefit from the opportunity to invest in higher returning assets. Capital market activities should also improve as business and consumer confidence continues to recover. Finally, we believe valuations still remain attractive.

*Beneficiaries: AFLAC, Ameriprise, Fifth Third, JPMorgan Chase, Travelers, Wells Fargo*

**Fig. 4: Healthcare costs savings still required**

US Consumer Price Indices, year-over-year change



Source: Bloomberg, UBS CIO WMR, as of 27 September 2013

**Fig. 5: US energy revolution becoming increasingly apparent**

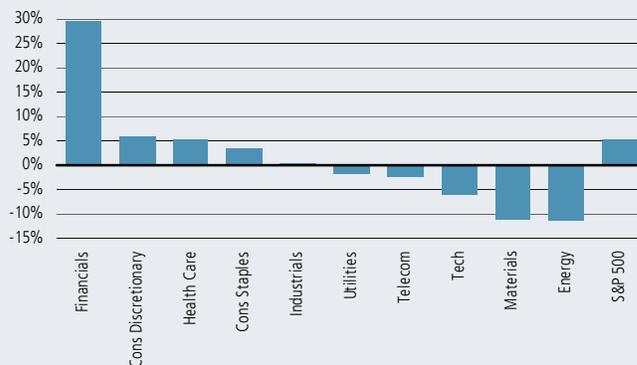
Total US crude oil production, in millions of barrels per day



Source: Bloomberg, Department of Energy, UBS CIO WMR, as of 27 Sept 2013

**Fig. 6: Financials delivering strongest earnings growth**

2Q earnings growth, year-over-year percent change, by sector



Source: FactSet, UBS CIO WMR, as of 27 September 2013

# Themes

## Dividend growth stocks—don't overpay for yield

Historically, stocks that have consistently increased dividend payments have generated solid investment results. Our Dividend Ruler Stock List looks for companies that meet four criteria: 1) an indicated dividend yield greater than that of the S&P 500; 2) solid fundamentals / valuations; 3) high historical dividend growth; and 4) strong historical dividend consistency. Currently, dividend growth stocks appear undervalued relative to companies with the highest dividend yield (and low dividend growth).

*Beneficiaries: Aflac, Coca-Cola, Colgate-Palmolive, Emerson Electric, Medtronic*

## Q-GARP—quality growth at a reasonable price

For our Q-GARP stock list, we screen for stocks that score highly on three characteristics: quality, secular earnings growth, and valuation. To measure quality, we look for companies that are highly profitable with low profit margin volatility. For growth, we look both at the near-term and long-term earnings growth outlook. Lastly, we examine valuation versus peers. We believe that growth stocks appear well positioned to outperform value stocks, but by definition growth stocks carry higher valuations. Our Q-GARP list selects stocks that appear attractively valued relative to their expected earnings growth.

*Beneficiaries: Ameriprise, Apple, Comcast, Coca-Cola, Colgate-Palmolive, Emerson Electric, Express Scripts, Google, McKesson, Medtronic, Nike, PetSmart, TJX Companies*

## Fig. 7: High dividend growth remains near record low valuations relative to high dividend yield

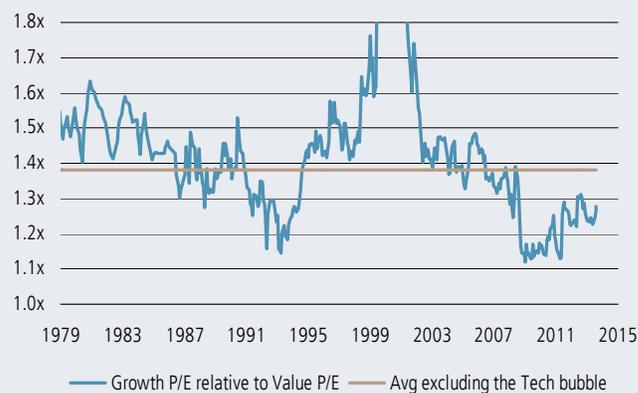
Relative P/E valuation of high dividend growth stocks versus high dividend yielding stocks



Source: FactSet, UBS CIO WMR, as of 27 September 2013

## Fig. 8: Growth stock valuations remain attractive relative to value

Growth P/E relative to Value P/E



Source: Russell, UBS CIO WMR, as of 27 September 2013

# Equity focus list

## Comcast (CMCSA) – Consumer Discretionary

<b>House view</b> – Preference for Growth stocks
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Member of Q-GARP and US housing lists
<b>Quant</b> – Low valuation; attractive growth

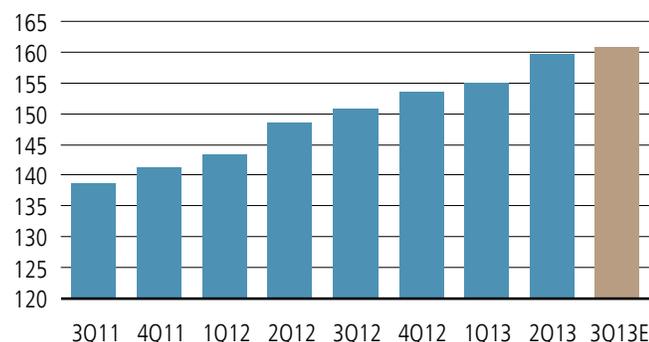
### Investment thesis

Comcast is the largest broadband and pay TV provider in the US. Our positive view on Comcast largely rests on the company's strong position in the broadband business. Due to cable's superior broadband infrastructure, pricing power remains quite favorable (see chart below). Comcast recently reported strong 2Q13 results, with revenue, EBITDA and EPS all beating consensus estimates. NBCU, Comcast's entertainment unit, delivered particularly strong results and we believe that this division still has upside potential.

The company also stands to benefit from a recovering housing market, as new homes are added to its network. Industry-wide concerns about higher content costs for cable TV providers are mitigated by the company's ownership of NBCUniversal. The stock is trading at 16.5x forward earnings, a 16% premium to the market, but justified by its strong competitive advantages, and shareholder friendly management team.

### Broadband is driving solid pricing power

Revenue per customer, in USD, brown bars reflect estimates



Source: UBS Investment Research, UBS CIO WMR, as of 27 September 2013

## Nike (NKE) – Consumer Discretionary

<b>House view</b> – Preference for Growth stocks
<b>Fundamentals</b> – CIO WMR: Marketperform; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Member of Q-GARP List
<b>Quant</b> – Good asset turnover; strong balance sheet

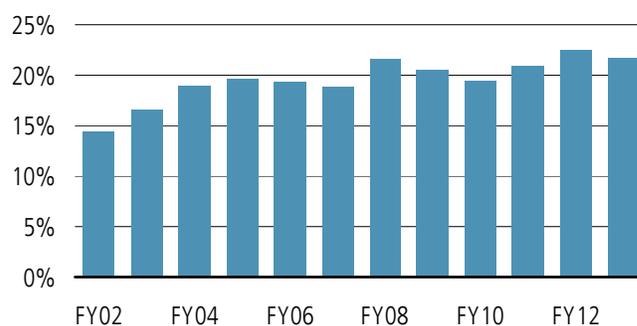
### Investment thesis

Nike is a footwear, athletic apparel and sports equipment manufacturer, with one of the strongest global consumer brands. This brand strength, a strong product pipeline, direct to consumer initiatives and emerging market consumer growth opportunities underpin our outlook for consistent long term earnings growth. In the near-term the company has potential upside from a turnaround in its China business, improvements in gross margins and continued innovation-driven market share gains in both basketball and running footwear. On 26 September 2013, Nike reported better than expected fiscal first quarter earnings results. Global future orders were up 10%, gross margin expanded 125 basis points and there are signs of a rebound in China.

Nike generates solid free cash flow and has ramped up share repurchases and dividends. We are comfortable with the company's premium valuation given its strong brand and history of a high return on capital.

### Nike: strong brand, strong returns

Return on invested capital



Source: Bloomberg, UBS CIO WMR, as of 27 September 2013

# Equity focus list

## PetSmart (PETM) – Consumer Discretionary

<b>House view</b> – Preference for Growth stocks
<b>Fundamentals</b> – CIO WMR: Not Rated; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Member of Q-GARP List
<b>Quant</b> – Attractive valuation

### Investment thesis

PetSmart is a large specialty pet retailer with more than 1,190 stores in the US and Canada. The stock has lagged the market over the past year due to decelerating same store sales results. Bears are concerned that the deceleration in same store sales is due to share losses, especially to online. However, we believe there is scant evidence that online competitors have in fact been gaining share. Instead, we think same store sales growth decelerated after favorable weather boosted results in 2012, making comparisons for 2013 more difficult. Now that the company is lapping these difficult comparisons, same store sales should re-accelerate. As results improve, concerns about secular share losses to online competitors should abate and valuation should expand.

PetSmart's high free cash flow yield should support further return of capital to shareholders. The company's share buyback program targets 4-5% of shares and it currently has a dividend yield of 1%.

### Valuation upside as online threat (bear case) is refuted

PetSmart's forward P/E ratio relative to the S&P 500



Source: FactSet, UBS CIO WMR, as of 27 September 2013

## Starwood Hotels (HOT) – Consumer Discretionary

<b>House view</b> – Preference for Growth stocks
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Neutral
<b>Technicals</b> – Bullish
<b>Thematic</b> – Member of Q-GARP List
<b>Quant</b> – Good cash conversion; attractive growth

### Investment thesis

Starwood Hotels is a global lodging company that is well positioned within the lodging industry given its focus on high-end consumers and business travelers. The majority of Starwood's new unit growth is coming from China and other emerging markets. In these markets, Starwood earns first dollar incentive fees in addition to its base management fees. Thus the marginal dollar of revenue is more profitable for Starwood relative to its peers.

Strong pricing power is underpinned by limited new supply additions in the lodging industry. Starwood should benefit from ongoing US economic growth as well as a recovery in overseas markets. In addition, Starwood is freeing up capital and creating a steadier cash flow stream by transitioning from owning its hotel rooms to a royalty model. Management has shown a commitment to shareholder value, by returning USD 1.8bn to shareholders via share repurchases and dividends since 2008

### Technicals: Starwood breaking out

Share price, in US dollars



Source: Bloomberg, UBS CIO WMR, as of 27 September 2013

# Equity focus list

## TJX Companies (TJX) – Consumer Discretionary

<b>House view</b> – Overweight Consumer Discretionary
<b>Fundamentals</b> – CIO WMR: Not Rated; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Member of Q-GARP and US housing lists
<b>Quant</b> – Attractive free cash flow yield; good cash conversion

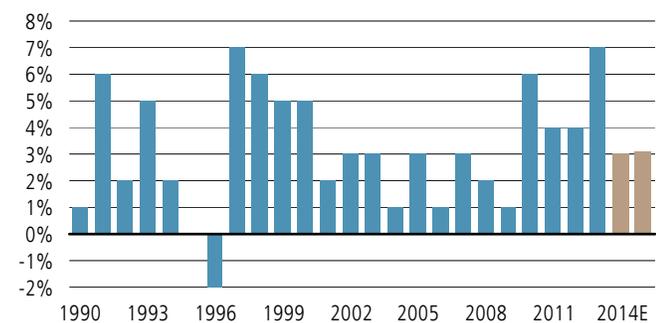
### Investment thesis

TJX is the leading off-price apparel and home furnishing retailer in the US and Canada, and is the only major off-price retail chain in Europe. In the US, its brands include T.J. Maxx, Marshalls, and HomeGoods. The company has an enviable execution track record. Over its 35-year history, only once has the company reported negative same store sales. TJX is also pioneering off-priced retailing in Europe and early results have been encouraging.

Recent quarterly earnings, sales and margins were all ahead of consensus expectations. Results were particularly encouraging in Europe, where other companies have struggled. The company is also leveraged to the ongoing, and in our view durable, recovery in the US housing market. Home furnishings account for roughly 30% of sales. The company just launched its e-commerce strategy, which should bolster growth prospects. The company's consistency and margin expansion over the past few years justify the higher than normal valuation.

### 16 consecutive years of positive same store sales growth

Same store sales, year-over-year percent change



Note: Light shading indicates UBS Investment Research estimates.

Source: FactSet, TJX, UBS Investment Research, UBS CIO WMR, as of 27 September 2013

## Coca-Cola (KO) – Consumer Staples

<b>House view</b> – Preference for Growth stocks
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Not Rated
<b>Technicals</b> – Bullish
<b>Thematic</b> – EM Consumer; member of Dividend Ruler Stock List
<b>Quant</b> – High gross margins; attractive valuation

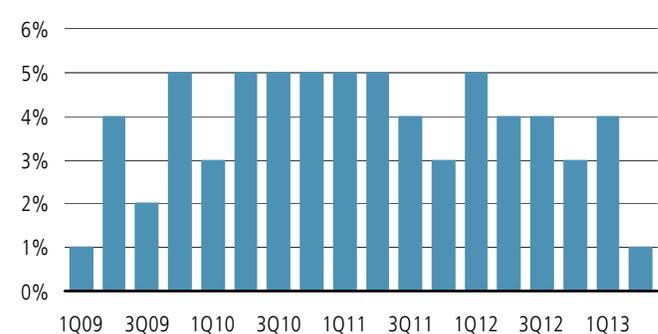
### Investment thesis

Coke's high and stable profit margins and consistent long term growth are underpinned by one of the most recognized brands in the world. Coke has rejuvenated its brands through innovation and re-investment in the business, and has expanded its portfolio of noncarbonated beverages such as water, juice, and energy drinks to meet consumer demand for healthier beverage alternatives.

While growth decelerated in 2Q, we believe a number of one-time factors (unfavorable weather in Europe and North America, unrest in Brazil) account for the bulk of the short-fall and 2Q results do not represent a change in favorable trends. We see volume growth accelerating as weather comparisons normalize and as macro issues stabilize (or even improve) in select countries. Productivity programs and refranchising of its distribution network in North America should drive margin expansion. Cash flow remains strong, and the company consistently returns cash to shareholders.

### Recent weaker volume growth likely to improve

Global unit case volume growth, year-over-year



Source: Coca-Cola, UBS CIO WMR, as of 27 September 2013

# Equity focus list

## Colgate-Palmolive (CL) – Consumer Staples

<b>House view</b> – Preference for Growth stocks
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Not Rated
<b>Technicals</b> – Bullish
<b>Thematic</b> – EM Consumer; member of Div Ruler & Q-GARP Lists
<b>Quant</b> – High gross margins; good cash conversion

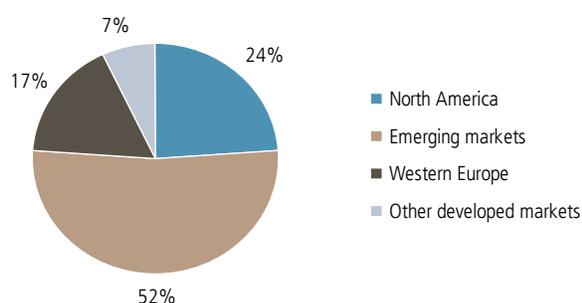
### Investment thesis

Colgate continues to deliver solid execution and is one of the best-positioned companies in the Consumer Staples sector given its strong brands in attractive categories, particularly oral care. Over half of total revenues (52%) are derived in faster-growth emerging economies, and the company maintains leading or near-leading market shares across the BRIC regions.

Colgate's steady margin expansion over the last decade is a reflection of the company's strong market position, solid brand recognition as well as the success of its ongoing cost savings programs. Going forward, the company's new product pipeline should bolster top-line growth and a new restructuring program should deliver cost savings later this year. We also like the stock for its strong and consistent dividend growth. Colgate has increased its dividend for the last 51 consecutive years, including a 10% increase announced this March.

### More than half of Colgate sales from Emerging Markets

Percent of total sales, by geography



Source: Colgate-Palmolive, UBS CIO WMR, as of 27 September 2013

## Apache (APA) – Energy

<b>House view</b> – Favor higher production growth within Energy
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Neutral
<b>Technicals</b> – Not Rated
<b>Thematic</b> – North America Energy Independence
<b>Quant</b> – Low valuation

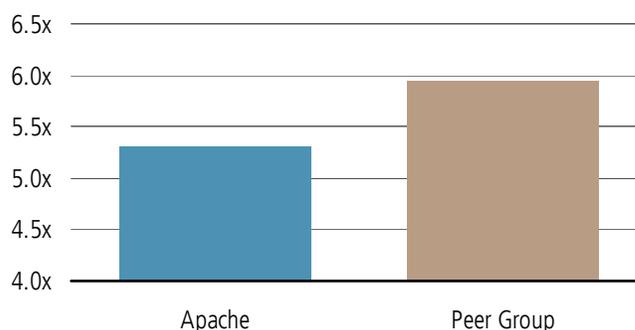
### Investment thesis

Apache is an energy exploration and production company that trades at a valuation discount to peers. In order to narrow this discount, the company announced a strategy to monetize non-US and offshore assets in order to fund growth in North American shale basins, pay down debt and buyback stock. So far, the company has announced asset sales of over USD 7 billion. The company is one of the largest investors in the Permian basin, an emerging oil shale play in Texas, which should drive significant production growth. At the completion of the asset monetization program, management believes production growth should exceed its prior 3-5% target.

The company began repurchasing stock in 2Q13 and has suggested that dividend growth will also be a priority. As a result, the company's valuation multiple has risen, but it is still lower than peers. We believe there is further scope for valuation expansion, driven by additional asset monetizations and capital return to shareholders over time.

### Valuation upside as production growth rises

Enterprise value / debt adjusted cash flow



Source: UBS Investment Research, UBS CIO WMR, as of 30 September 2013

# Equity focus list

## Marathon Oil (MRO) – Energy

<b>House view</b> – Favor higher production growth within Energy
<b>Fundamentals</b> – CIO WMR: Marketperform; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – North America Energy Independence
<b>Quant</b> – Low valuation

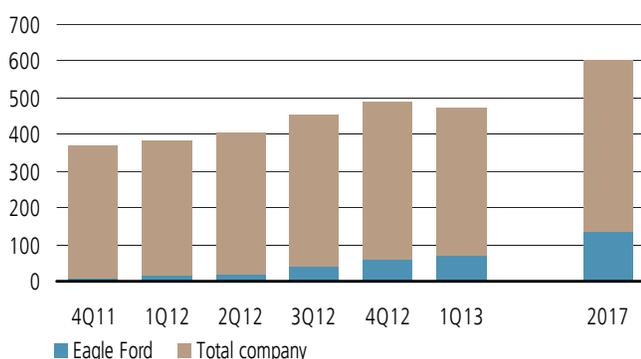
### Investment thesis

Marathon Oil is an international energy company involved in the exploration and production of crude oil and natural gas. The company is leveraged to domestic oil and gas production growth, with operations in the Eagle Ford, Bakken and Oklahoma resource basins. MRO spun off its downstream business (now Marathon Petroleum Corporation) in 2011.

Recent quarterly earnings for the company came in slightly below consensus estimates, but production growth was solid. The company's increase in its Eagle Ford acreage in the past two years has improved visibility for future production growth, which management pegs at 5-7% through 2017. This propels cash flow per share growth, which should be nearly twice the level of peers, yet valuations are in line with its closest comparables. While we expect oil prices to be generally range-bound over the next few years, MRO's production growth and low valuation should support solid share price gains.

### Eagle Ford Shale driving high-margin production growth

Marathon Oil production, in barrels of oil equivalent per day



Source: Marathon Oil, UBS CIO WMR, as of 27 September 2013

## AFLAC (AFL) – Financials

<b>House view</b> – Overweight Financials
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Neutral
<b>Technicals</b> – Bullish
<b>Thematic</b> – Member of Dividend Ruler Stock List
<b>Quant</b> – Attractive valuation; low volatility

### Investment thesis

AFLAC is a US-based insurer that markets and underwrites life and health insurance to individuals in both the US and Japan. It has a dominant market share in Japan from which it derives over 70% of its revenue. Sales growth in Japan is slowing from a very high level, but margins should improve due to mix shift. In addition, AFLAC's business has high retention rates.

AFLAC delivered strong second quarter EPS of USD 1.62 vs. consensus estimates of USD 1.51, mostly due to lower benefit ratios in the U.S. and Japan. AFLAC has a strong capital position. Although the company has heavy revenue exposure to Japan, its shares have historically not been significantly correlated to movements in the yen. We believe AFLAC's valuation is attractive, with a price-to-book multiple of 2.1x, much lower than its 10-year average of 2.6x. We believe valuation will expand as investors grow comfortable that the company's high ROEs are sustainable.

### Technicals: Aflac is an emerging leader in Financials

Share price, in US dollars



Source: Bloomberg, UBS CIO WMR, as of 27 September 2013

# Equity focus list

## Ameriprise (AMP) – Financials

<b>House view</b> – Overweight Financials
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Member of Q-GARP List
<b>Quant</b> – High cash distributions to shareholders

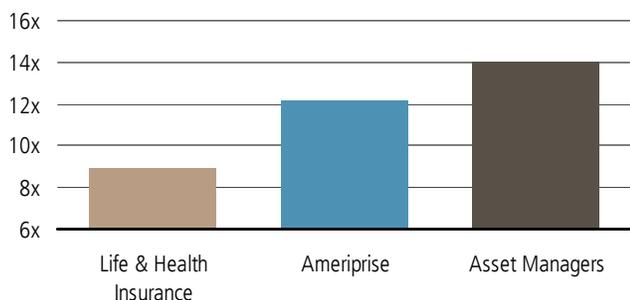
### Investment thesis

Ameriprise is transitioning from an insurance business to an asset and wealth management business through organic growth and acquisitions. This transition should result in better returns on capital and a higher valuation multiple for the shares. The company's good growth prospects are underpinned by increasing demand for financial advice as the population ages, as well as market share gains. Ameriprise reported strong Q2 earnings; the pivotal Advice & Wealth Management segment experienced solid profit margin expansion.

Despite strong year to date share price performance, Ameriprise still trades at a below-market P/E multiple and a discount to asset managers. As the company becomes increasingly viewed as an asset/wealth manager as opposed to an insurer, we expect valuations to migrate towards the higher P/E multiple asset managers. The company also has a strong balance sheet and capital position, with over USD 2bn to deploy for an acquisition, increased dividends, or share buybacks.

### Ameriprise valuation to improve as business shifts

Current forward P/E multiple for Ameriprise and sub-industries



Source: FactSet, UBS CIO WMR, as of 27 September 2013

## Fifth Third Bancorp (FITB) – Financials

<b>House view</b> – Overweight Financials
<b>Fundamentals</b> – CIO WMR: Marketperform; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Housing recovery; dividend & share buyback growth
<b>Quant</b> – Attractive valuation

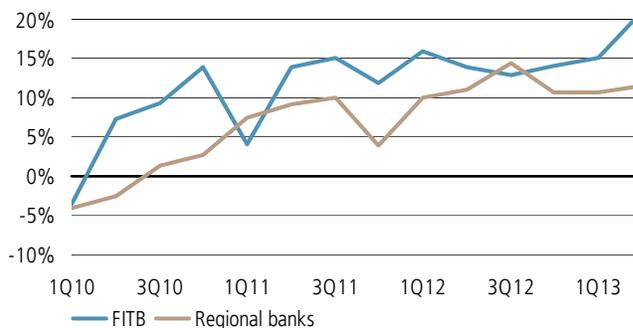
### Investment thesis

We expect Fifth Third to benefit from a gradual improvement in commercial loan growth as 2013 unfolds. Fully 39% of total loans come from this segment, top among its peers. While revenues should slowly pick up, expense management remains the strongest lever to improve profitability. We expect Fifth Third to continue to aggressively manage costs in the second-half of 2013.

Lower interest rates have pressured net interest margins for all banks over the past few quarters, but we expect 10-year Treasury rates to rise to 3.3% over the next twelve months. Additionally, capital requirements under Basel III have already been achieved (Tier I Common ratio of over 9%), which should allow for greater distribution of excess capital in the form of dividends and share repurchases over the coming several quarters.

### Profitability at Fifth Third has been stronger than peers

Return on tangible equity; peer group is other regional banks



Source: SNL, UBS CIO WMR, as of 27 September 2013

# Equity focus list

## JPMorgan Chase (JPM) – Financials

<b>House view</b> – Overweight Financials
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Housing recovery; dividend & share buyback growth
<b>Quant</b> – Attractive return of capital to shareholders

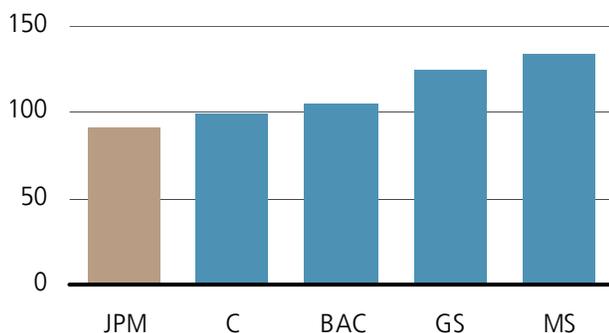
### Investment thesis

At a valuation of 8.6x next 12 months EPS, JPM is the cheapest of the large-cap diversified banks. Second quarter results demonstrated that capital markets activity is improving and credit trends continue to remain favorable. (Q2, charge-offs reached their lowest quarterly level since 2007). In addition, although net interest margins remain under pressure, we expect margins to improve as interest rates normalize and banks earn a larger spread between the rate they pay on deposits and the interest they receive on loans.

Recently, JPM has been under pressure due to various regulatory matters, but we view these issues as manageable. In short, JPM has a strong balance sheet with ample loan loss reserves, but also exposure to rebounding capital markets and consumer trends, which should propel earnings power going forward. More aggressive return of capital to shareholders is another potential catalyst.

### JPMorgan viewed as the highest quality universal bank

5 year credit default swap price, in basis points



Source: Bloomberg, UBS CIO WMR, as of 27 September 2013

## Travelers (TRV) – Financials

<b>House view</b> – Overweight Financials
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Pricing power
<b>Quant</b> – Attractive valuation

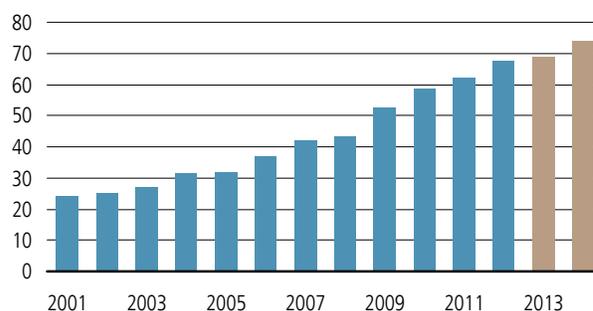
### Investment thesis

Travelers is a leading property and casualty insurer. The company was formed through the 2003 merger of St. Paul and Travelers. We believe book value growth will be driven by favorable pricing, margin expansion and stable investment income. Travelers has indicated that rate increases continue to outpace loss trends, with increasing momentum, which implies expanding underwriting margins in future quarters.

The company is currently trading at a modest premium over book value, an attractive valuation on both a historical basis and relative to peers. We believe that Travelers' ROE is still somewhat depressed and is likely to increase as pricing continues to improve. Additionally, a gradual rise in interest rates should help EPS in the long-term as the company earns better returns on its investment portfolio. Travelers is utilizing excess capital to repurchase shares and pay higher dividends as it is committed to pay out nearly all its operating earnings to shareholders.

### Consistent book value growth

Book value per share, consensus estimates in brown



Source: FactSet, Bloomberg, UBS CIO WMR as of 27 September 2013

# Equity focus list

## Wells Fargo (WFC) – Financials

<b>House view</b> – Overweight Financials
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Neutral
<b>Technicals</b> – Bullish
<b>Thematic</b> – Housing Recovery
<b>Quant</b> – Attractive valuation

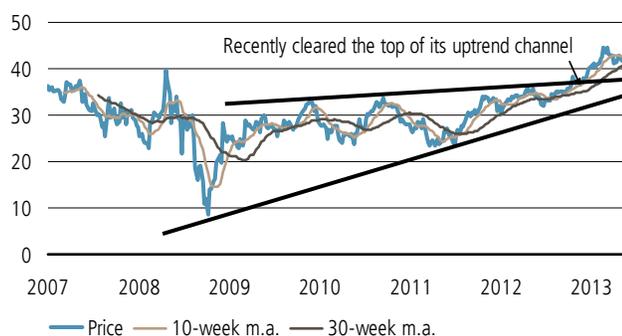
### Investment thesis

We view Wells as a relatively inexpensive way to play a recovery in the US housing market, considering the meaningfully higher valuations of other housing market beneficiaries, such as homebuilders and housing-related retailers. Rising interest rates are beginning to ease pressure on net interest margins. The company's large, low cost deposit base positions it well to earn higher spreads as interest rates rise. That being said, higher rates could drive a slowdown in housing, but we believe this will be offset by the release of previously pent-up demand.

Meanwhile, credit trends (falling delinquency rates, net charge-offs) continue to improve. In Q2, net charge-offs were down 19% from Q1 and 48% year-over-year. The company's diverse revenue sources, its consistently high profitability, the opportunity from improving cross-selling in the legacy Wachovia franchise, and significant expense leverage lend strong upside to a company trading at only 10.4x forward earnings, a 27% discount to the market.

### Technicals: WFC is nearing new highs, a bullish sign

Share price, in US dollars



Source: Bloomberg, UBS CIO WMR, as of 27 September 2013

## Abbott Laboratories (ABT) – Healthcare

<b>House view</b> – Preference for Growth stocks
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Not Rated
<b>Technicals</b> – Neutral
<b>Thematic</b> – US Healthcare; EM Consumer
<b>Quant</b> – Attractive valuation

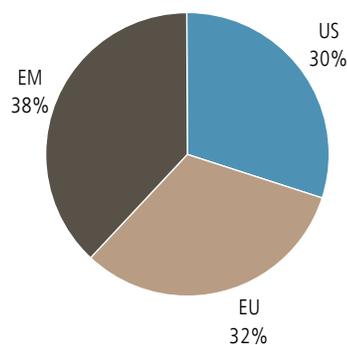
### Investment thesis

The "new Abbott," after the January spin-off of its proprietary pharmaceuticals business, is a diversified medical products company with four well-positioned businesses: Nutritionals (30% of revenues), Medical Devices (25%), Established Pharmaceuticals (25%) and Diagnostics (20%). The new Abbott is a top three player in businesses that account for over 75% of its revenues.

With revenue growth estimated at 5-7% and reasonable margin expansion over the next five years (300bps), the company has the potential to deliver low double digit EPS growth. In addition, nearly 40% of revenues are derived from fast growing emerging markets. Given these strong and defensive growth prospects, we believe the stock's 15.3x P/E is reasonable. Recently the stock has suffered as the company was forced to recall some of its pediatric nutritional products due to a bacteria scare at one of its suppliers. There ended up being no safety risks in the product and we see this as a transitory issue.

### The new ABT has significant emerging markets exposure

Percent of total sales, by geography



Source: Abbott, UBS Investment Research, UBS CIO WMR, as of 27 Sept 2013

# Equity focus list

## Express Scripts (ESRX) – Healthcare

<b>House view</b> – Preference for Growth stocks
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Member of Q-GARP List
<b>Quant</b> – Attractive valuation; good cash conversion

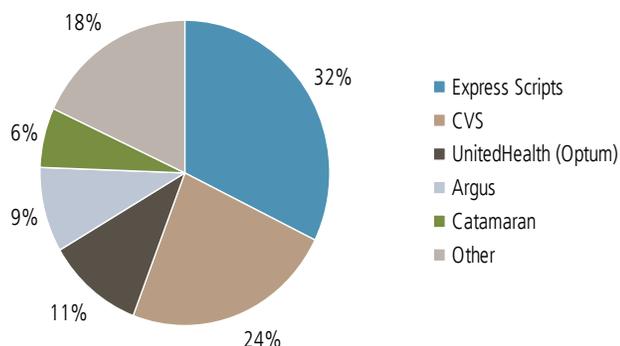
### Investment thesis

Express Scripts is the largest pharmacy benefit manager (PBM) in the country. PBMs are well-positioned as a large percentage of branded drugs go off-patent and face generic competition for the first time. Generic drug sales are typically more profitable for PBMs than sales of branded pharmaceuticals. Healthcare reform should also boost volumes as more Americans gain drug insurance coverage.

The industry's oligopoly structure and the company's strong execution have resulted in steady margins and significant free cash flow. Management targets 10-20% EPS growth over the long term. Recently the stock has fallen over concerns that PBMs will be disadvantaged by a move to healthcare insurance exchanges (both private and public). We believe these concerns are overblown and are an extrapolation of a very small number of data points. ESRX's very low cost of delivery of drug benefits should enable it to maintain its market share.

### Express Scripts to benefit as prescription volume increases

PBM market share (prescriptions)



Source: Express Scripts, UBS Investment Research, UBS CIO WMR, as of 27 Sept 2013

## McKesson (MCK) – Healthcare

<b>House view</b> – Preference for Growth stocks
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Member of Q-GARP List
<b>Quant</b> – Attractive valuation

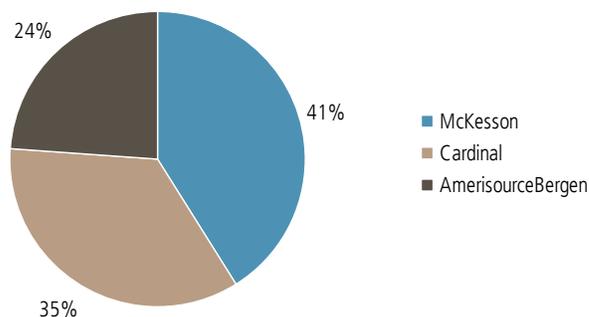
### Investment thesis

McKesson is the largest US drug distributor, acting as middleman between pharmaceutical manufacturers and retailers. The largest three US drug distributors collectively comprise 97% of the market, an oligopoly industry structure that supports pricing power, margin stability and growth.

Healthcare reform will increase healthcare insurance coverage, which should result in greater demand and higher volumes for healthcare products and services. Strength in generics, both in terms of volumes and pricing, is driving margin expansion. Generic volume growth will slow a bit this year but pick up again over the next few years as more branded pharmaceuticals come off patent. McKesson is also benefitting from stronger generic pricing. We believe the stock is attractively valued, trading at a P/E multiple that is in line with the market despite higher than market average growth prospects.

### McKesson the largest of the "big three" drug distributors

Distributor market share (revenues)



Source: McKesson, UBS Investment Research, UBS CIO WMR, as of 27 Sept 2013

# Equity focus list

## Medtronic (MDT) – Healthcare

<b>House view</b> – Healthcare: preferred defensive sector
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Not Rated
<b>Technicals</b> – Bullish
<b>Thematic</b> – Member of Dividend Ruler and Q-GARP Lists
<b>Quant</b> – Attractive valuation and growth

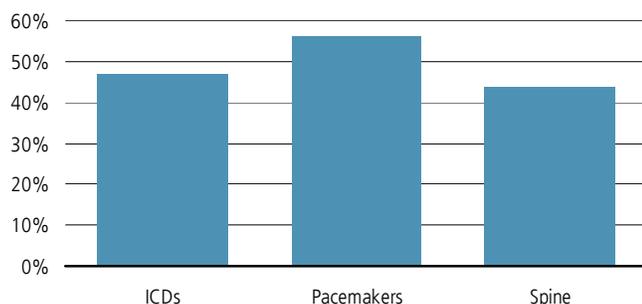
### Investment thesis

Medtronic is one of the largest medical equipment makers in the world with specialties in spine, cardiac and neuromodulation (e.g. pain management). The company should be able to maintain sales and EPS growth given its continued expansion into non-US markets, focus on chronic diseases, an aging population and a new slate of products that are taking share. Additional product launches to treat diabetes, hypertension and a new cardiac valve are in the pipeline.

Medtronic recently reported mixed results for its most recent quarter. EPS was in-line with consensus estimates, but sales came in a bit lower than expected. Going forward, management emphasized improving hospital efficiencies, something we believe is the key to gaining market share in the future healthcare landscape. The stock's free cash flow yield of nearly 9% and ramping distributions to shareholders mitigate downside risks.

### Dominant market share in large product segments

Worldwide market share



Source: UBS Investment Research, UBS CIO WMR, as of 27 Sept 2013

## Emerson Electric (EMR) – Industrials

<b>House view</b> – Overweight Industrials
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Neutral
<b>Technicals</b> – Bullish
<b>Thematic</b> – Member of Dividend Ruler and Q-GARP Lists
<b>Quant</b> – Attractive growth

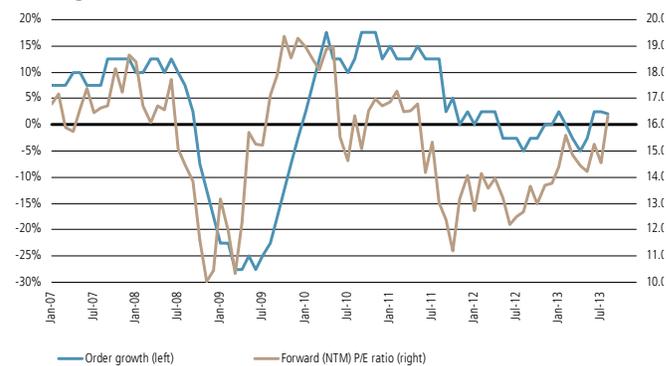
### Investment thesis

Emerson is a diversified global manufacturing and technology company offering a wide range of products and services in the industrial, commercial and consumer markets. Earnings growth has stagnated over the past two years but should begin to reaccelerate over the next 1-2 years as the economic recovery gains traction and manufacturing and capital expenditures begin to pick up. Order trends have improved recently with trailing three month orders turning positive in June (after being in negative territory since February). Process Management orders continue to benefit from global investment in oil and gas, power, and chemical end markets.

Emerson has been divesting less profitable businesses and recently announced the sale of its Embedded Computing & Power business. With over 60% of operating cash flow allocated to share repurchases and dividends, capital distribution is an additional catalyst for the shares.

### Order growth drives multiple expansion

Order growth and Forward P/E ratio



Source: Bloomberg, UBS CIO WMR, as of 27 September 2013

# Equity focus list

## Ingersoll-Rand (IR) – Industrials

<b>House view</b> – Overweight Industrials
<b>Fundamentals</b> – CIO WMR: Not Rated; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Cyclical improvement in capital spending
<b>Quant</b> – Attractive historical growth and valuation

### Investment thesis

Ingersoll-Rand is a diversified industrial. Its Climate Solutions unit – which includes both Trane Commercial (indoor climate control systems) and Thermo-King (transport refrigeration) – comprises half of revenues. The other businesses are Industrial Technologies, Security and Residential Solutions. The company is most levered to the non-residential HVAC (heating, ventilation and air conditioning) end-markets.

The commercial construction and retrofit cycles have lagged in the recovery but 2Q results suggest activity is picking up. We believe the cycle will improve further over the next several quarters as US growth accelerates and businesses become more convinced of its sustainability. An activist investor joined the board in 2012 and sparked a shift to more shareholder-friendly activities such as a significant ramp in share repurchases, a greater focus on cost discipline and a proposed spin-off of its security business. The IRS is expected to rule around October about the tax status of the proposed spinoff and the company expects the deal to be completed in Nov or Dec.

### Technicals: New all-time highs for this leader in Industrials

Share price, in US dollars



Source: Bloomberg, UBS CIO WMR, as of 27 September 2013

## KBR (KBR) – Industrials

<b>House view</b> – Overweight Industrials
<b>Fundamentals</b> – CIO WMR: Not Rated; IB: Buy
<b>Technicals</b> – Neutral
<b>Thematic</b> – North American Energy Independence
<b>Quant</b> – Attractive profitability and historical growth

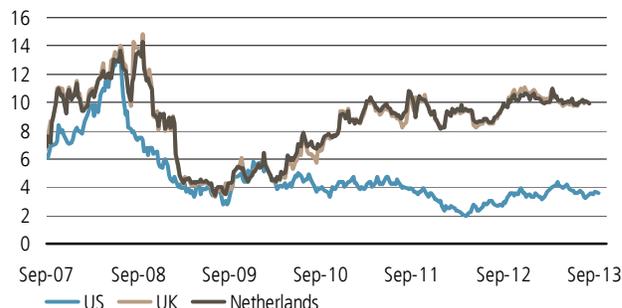
### Investment thesis

KBR is an engineering and construction firm that is well positioned to benefit from the build-out of infrastructure to support booming natural gas production (both in North America and overseas). Significant differences in regional natural gas prices (US prices are much lower than other regions) speaks to the currently inadequate natural gas infrastructure. Although some global LNG export projects have been delayed, which has driven some recent weakness in the shares, we continue to believe the fundamental demand and supply drivers for natural gas infrastructure remain in place and KBR is well positioned to benefit from this environment.

With the stock trading at only 11x earnings, we believe the risk/reward for the shares is attractive and the market has fully priced in the potential for project delays as well as recent margin pressure due to a lower amount of current activity (margin de-leveraging). A potential ramp in share repurchases in the second half of the year could be a positive catalyst.

### Low natural gas prices in US incentivizes US exports

Natural gas price, in USD per MMBtu



Source: Bloomberg, UBS CIO WMR, as of 27 September 2013

# Equity focus list

## Tyco (TYC) – Industrials

<b>House view</b> – Overweight Industrials
<b>Fundamentals</b> – CIO WMR: Not Rated; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Cyclical improvement in capital spending
<b>Quant</b> – Low valuation, attractive historical growth

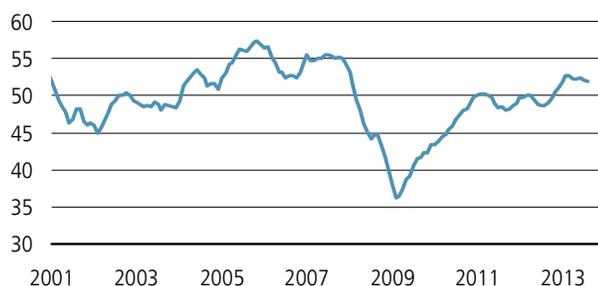
### Investment thesis

After divesting many divisions over the past several years, today's Tyco is the market share leader in the global security and fire protection services and equipment markets. The company is levered to non-residential construction activity, which we believe is poised to improve. Non-residential construction usually takes its cues from residential construction, which has been rebounding.

Away from macro considerations the company has identified margin expansion opportunities through efficiency gains and focusing on more profitable business. In fact, margins expanded even more than expected in the most recent quarter. The industry is highly fragmented, and Tyco is in a good position to pursue an acquisition strategy within its markets. The company's balance sheet is very strong and should fuel bolt-on acquisitions as well as more aggressive redeployment of capital to shareholders in the coming years. TYC repurchased USD 100m of shares in fiscal 3Q and still has USD 500m of buyback potential under current authorization.

### Non-residential construction activity poised to rebound

Architecture Billings index, 6-month moving average



Source: Bloomberg, UBS CIO WMR, as of 27 September 2013

## Apple (AAPL) – Information Technology

<b>House view</b> – Overweight Information Technology
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Buy
<b>Technicals</b> – Neutral
<b>Thematic</b> – Mobility secular growth
<b>Quant</b> – High return on capital

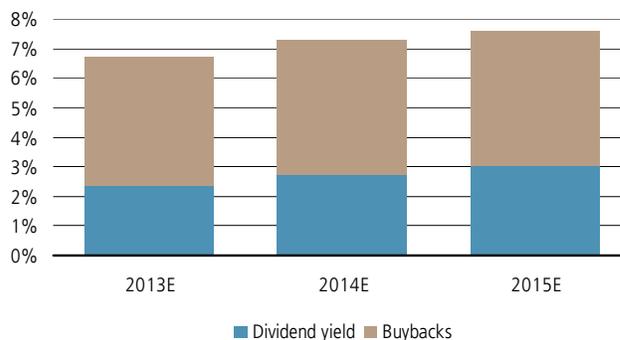
### Investment thesis

We believe Apple's growth is set to reaccelerate on the heels of the rollout of the new iPhone lineup. While the street did not get the low priced iPhone it wanted, we believe the 5c could drive greater than expected share gains in developed markets. We assume no incremental contribution from entirely new product categories. Recent quarterly earnings beat consensus expectations and forward consensus estimates were maintained for the first time in over a year, suggesting that analyst expectations may now be sufficiently conservative.

While growth will not return to the torrid pace of earlier years, the stock's low valuation and aggressive return of cash to shareholders should support the shares. Despite the recent bounce in the stock, the stock still trades at a P/E of only 11.1x, a 22% discount to the market. The company's dividend yield is now 2.6%. Adding in announced share buybacks over the next three years results in a "total yield" of approximately 7%, substantially higher than the S&P 500's total yield of just over 4%.

### Apple returning significant capital to shareholders

Projected total yield from dividends and share repurchases



Source: UBS Investment Research, UBS CIO WMR, as of 27 September 2013

# Equity focus list

## Autodesk (ADSK) – Information Technology

<b>House view</b> – Overweight Information Technology
<b>Fundamentals</b> – CIO WMR: Not Rated; IB: Buy
<b>Technicals</b> – Not Rated
<b>Thematic</b> – Capital spending recovery
<b>Quant</b> – Attractive valuation; high return on capital

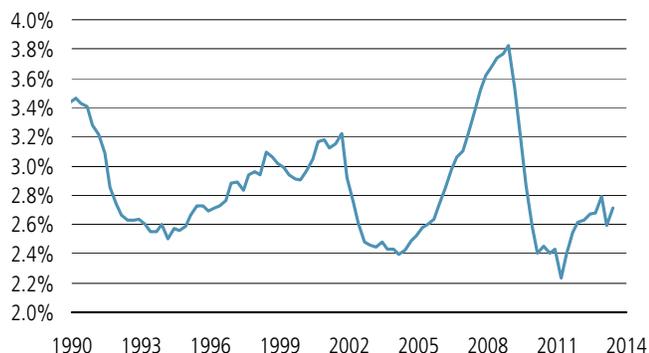
### Investment thesis

Autodesk holds market leading positions in design software. The company's AutoCAD software products are used in architecture; engineering and construction; manufacturing; and digital media industries. We believe the prospects for Autodesk's end markets are improving. Non-residential construction, has been a laggard in this recovery but looks poised to improve as the recovery matures. The Architectural Billings Index has been above 50 since May, signaling growing momentum. There could be substantial pent-up demand in this segment. The outlook for manufacturing activity is also improving as Europe emerges from recession and growth in Asia stabilizes.

The company is about to unveil its strategy to increase recurring revenues and expand the number of users by moving from a purchase model to a "rental" model for its software. This could lead to a more predictable stream of cash flows, further market penetration and potentially lower sales commissions, all of which would be positive for the stock.

### Pent-up demand in non-residential investment

Non-residential investment as a % of GDP



Source: Bloomberg, UBS CIO WMR, as of 30 September 2013

## Cisco (CSCO) – Information Technology

<b>House view</b> – Overweight Information Technology
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Buy
<b>Technicals</b> – Neutral
<b>Thematic</b> – Cyclical improvement in capital spending
<b>Quant</b> – High return on capital, good asset turns

### Investment thesis

We believe Cisco's guidance for 5-7% revenue growth and pro forma EPS growth of 7-10% over the next few years are likely to be reached or exceeded. Though Cisco remains the dominant player in its slower-growth, core legacy business of routers and Ethernet switches, we believe that its internal growth targets can be achieved through faster growth in other business lines.

CSCO reported fiscal Q4 results that were in line with expectations, but the stock fell after management made cautious comments about the macro environment. That being said, we believe global IT spending will pick up in the coming quarters (driven by a pickup in global corporate profits) and CSCO will benefit as a result. The company has successfully penetrated the data center server market as part of its cloud strategy, and is driving solid growth in mobility, video collaboration and security. With improving growth prospects and a new emphasis on shareholder-friendly measures, we expect Cisco's low P/E multiple of 11x to expand over time.

### CSCO's growth to be driven by non-legacy segments

Earnings growth guidance, by segment

Segment	Expected 3-5 year growth rate
Data Center	20%-26%
Mobility	14%-17%
Software	14%-16%
Services	9%-11%
Video	6%-9%
Security	5%-7%

Source: Cisco, UBS CIO WMR, as of 27 September 2013

# Equity focus list

## Google (GOOG) – Information Technology

<b>House view</b> – Overweight Information Technology
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Internet secular growth, Q-GARP List
<b>Quant</b> – High return on capital, good cash conversion

### Investment thesis

Google's dominant Internet search business positions the company as one of the primary beneficiaries of the structural shift of advertising dollars from traditional to online media. The percent of consumer time devoted to the Internet is still higher than the percent of advertising dollars that have migrated online, suggesting that Internet advertising has many more years of solid growth ahead.

With the leading operating system for smartphones (Android), Google is also well positioned to grow in the mobile advertising marketplace. While 2Q results were a bit light, enhancements to mobile search advertising, which should enhance customer yields, were not fully deployed in 2Q. In addition, the recent launch of the first Google-designed Motorola handset could be a catalyst. Given the company's dominant market position, we view the stock's current 24% P/E valuation premium relative to the S&P 500 as reasonable and expect the shares to be propelled by mid-teens or better EPS growth.

### Technicals: GOOG is a leader in the Tech sector

Share price, in US dollars



Source: Bloomberg, UBS CIO WMR, as of 27 September 2013

## Lam Research (LRCX) – Information Technology

<b>House view</b> – Overweight Information Technology
<b>Fundamentals</b> – CIO WMR: Not Rated; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Information Technology secular growth
<b>Quant</b> – Attractive valuation, good cash conversion

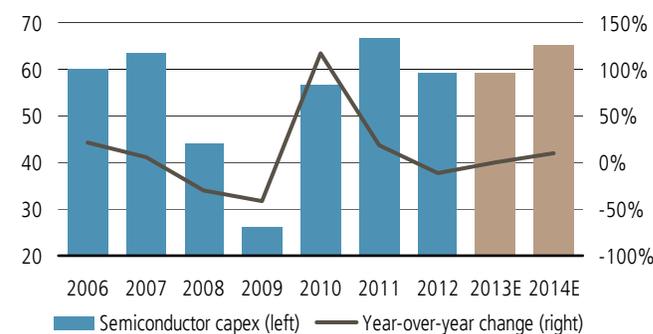
### Investment thesis

Lam Research is a leading wafer fabrication equipment supplier. We believe that Lam will benefit from an increase in capital spending by semiconductor manufacturers over the next few years. Semiconductor spending has flattened out over the past several years as companies have been increasingly focused on cost management. In particular, memory semiconductor manufacturers have been "under-spending" for the last three years. However, semiconductor manufacturers are approaching a tipping point, finding that it is becoming more costly to increase efficiency.

Lam reported Q2 earnings above consensus estimates, but guidance for Q3 was below consensus expectations, but given the favorable industry backdrop, we believe the slowdown in growth will be temporary. We view Lam shares as attractively valued trading at approximately 1.9 times book value, a significant discount to its long-term average of 3.4 times.

### Semiconductor capex expected to rise

Semiconductor capex (in billions of US dollars) and y/y change



Source: UBS Investment Research, UBS CIO WMR, as of 27 September 2013

# Equity focus list

## Qualcomm (QCOM) – Information Technology

<b>House view</b> – Overweight Information Technology
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Mobility secular growth
<b>Quant</b> – High return on capital

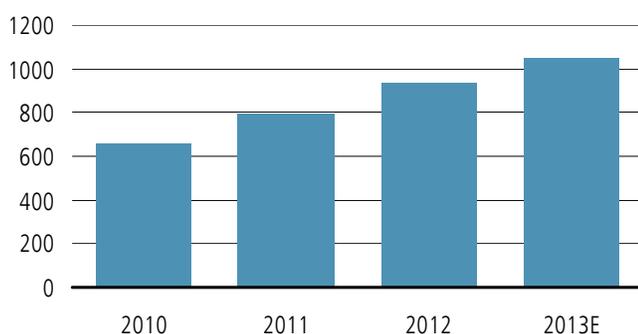
### Investment thesis

Qualcomm is one of the best ways to participate in the growth in mobility, in our view. As an early pioneer in developing wireless communications standards, Qualcomm assembled an impressive intellectual property portfolio. The company earns a higher royalty rate on 3G and 4G technologies versus legacy 2G technologies. As the global embedded base of wireless subscribers migrates to newer technology standards, especially in emerging markets, the company is well-positioned. This business accounts for over 70% of the company's profits, with the remainder derived from semiconductor chips that are sold to handset manufacturers.

Qualcomm recently reported fiscal Q3 results that were better than consensus estimates. Both the royalty and chip businesses contributed to these solid results. At a P/E of 13.6x, shares are trading near the bottom of their five-year absolute and relative valuation ranges.

### Royalty income rising for Qualcomm

Qualcomm 3G/4G device shipment estimates, in millions



Source: Qualcomm, UBS CIO WMR, as of 27 September 2013

## SanDisk (SNDK) – Information Technology

<b>House view</b> – Overweight Information Technology
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – Mobility secular growth
<b>Quant</b> – High return on capital

### Investment thesis

SanDisk is a leading provider of NAND flash memory chips and the only "pure-play" of the five major global NAND flash manufacturers. NAND growth has been propelled by the explosion in mobile devices, which rely on NAND chips to store everything from apps to videos.

After suffering through a period of over-capacity in 2012, NAND manufacturers dialed back expansion plans. Recently, suppliers have announced plans to increase spending, but we believe supply growth will lag gross capital spending growth given that 1) it is becoming more costly to add capacity and 2) some manufacturers are embarking on deploying entirely new manufacturing technologies, which will inevitably have delays and likely initially lower yields. As a result, we expect NAND pricing to remain favorable. On 31 July, the company announced its first ever quarterly dividend and increased its stock repurchase authorization by USD 2.5bn. At a current P/E of 11.5x, we find the shares compelling.

### Technicals: Large multi-year base breakout for SanDisk

Share price, in US dollars



Source: Bloomberg, UBS CIO WMR, as of 27 September 2013

# Equity focus list

## Celanese (CE) – Materials

<b>House view</b> – Preference for small- and mid-caps
<b>Fundamentals</b> – CIO WMR: Outperform; IB: Buy
<b>Technicals</b> – Bullish
<b>Thematic</b> – North American Energy Independence
<b>Quant</b> – Attractive valuation

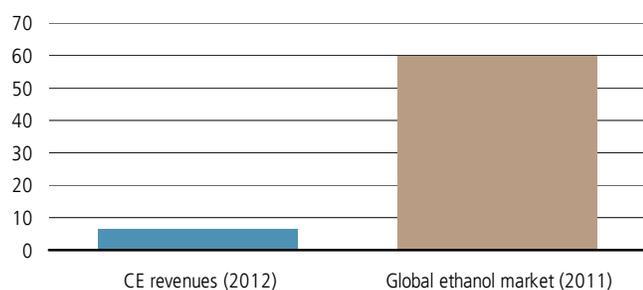
### Investment thesis

Celanese is a global chemical manufacturer with a new management team that is restructuring underperforming businesses. The company is generally exposed to end markets such as automobiles, appliances, paints, construction, carpets and solar photovoltaics. Celanese is also attempting to commercialize a new technology that can convert coal and natural gas-based methanol into ethanol for use as a transportation fuel. This technology could be a blockbuster if it can, as management expects, be commercialized at a cost that is lower than the current price of gasoline. On 21 August Celanese announced that it had signed a Memorandum of Understanding to develop this ethanol technology with PetroChina, and investors reacted favorably to this news.

With the shares now trading at a P/E of approximately 10.8x normalized EPS (excluding the ethanol opportunity) and the prospects still bright for the ethanol opportunity, we believe risk / reward is attractive.

### Huge potential opportunity in ethanol fuel market

Total sales, in billions of US dollars



Source: Bloomberg, Celanese, UBS CIO WMR, as of 27 September 2013

# Financial highlights and performance

Name	Ticker	Date of addition	Industry/ Sub Industry	PE on next 12 mo EPS ests	Consensus 2013E EPS Growth	Consensus 2014E EPS Growth	Dividend Yield	Total Return – Sept.	Total Return Since Addition
<b>Consumer Discretionary</b>									
Comcast	CMCSA	06/04/13	Cable & Satellite	16.4	27%	15%	1.73%	8%	11%
Nike	NKE	06/04/13	Footwear	23.1	13%	15%	1.16%	16%	16%
PetSmart	PETM	08/12/13	Specialty Stores	17.6	12%	14%	1.02%	8%	2%
Starwood Hotels	HOT	06/04/13	Hotels Resorts & Cruise Lines	22.8	10%	3%	1.88%	4%	-1%
TJX Companies	TJX	06/04/13	Apparel Retail	18.3	11%	13%	1.03%	7%	12%
<b>Consumer Staples</b>									
Coca-Cola	KO	06/04/13	Soft Drinks	17.3	5%	8%	2.96%	0%	-7%
Colgate-Palmolive	CL	06/04/13	Household Products	19.7	6%	10%	2.29%	3%	1%
<b>Energy</b>									
Apache	APA	09/30/13	Oil & Gas E&P	10.6	-15%	-3%	0.94%	-1%	-
Marathon Oil	MRO	06/04/13	Oil & Gas E&P	11.0	18%	11%	2.18%	2%	0%
<b>Financials</b>									
Aflac	AFL	06/04/13	Life & Health Insurance	9.7	-6%	5%	2.26%	7%	12%
Ameriprise	AMP	06/04/13	Asset Management & Banks	12.2	19%	15%	2.28%	6%	11%
Fifth Third Bancorp	FITB	06/04/13	Regional Banks	10.1	15%	-10%	2.66%	0%	2%
JPMorgan	JPM	06/04/13	Diversified Financial Services	8.7	12%	4%	2.94%	3%	-4%
Travelers Companies	TRV	07/31/13	Property & Casualty Insurance	10.6	30%	-3%	2.36%	7%	1%
Wells Fargo	WFC	06/04/13	Diversified Banks	10.5	14%	4%	2.90%	1%	3%
<b>Health Care</b>									
Abbott Laboratories	ABT	06/04/13	Health Care Equipment	15.3	15%	11%	1.69%	0%	-9%
Express Scripts	ESRX	06/04/13	Health Care Services	13.0	15%	14%	-	-4%	-1%
McKesson	MCK	06/04/13	Health Care Distributors	14.7	31%	12%	0.75%	6%	15%
Medtronic	MDT	06/04/13	Health Care Equipment	13.5	2%	7%	2.10%	3%	4%
<b>Industrials</b>									
Emerson Electric	EMR	07/31/13	Electrical Components & Equip	16.7	3%	12%	2.53%	7%	4%
Ingersoll-Rand	IR	06/04/13	Industrial Machinery	16.1	9%	17%	1.29%	10%	15%
KBR	KBR	06/04/13	Construction & Engineering	11.1	23%	15%	0.98%	10%	-6%
Tyco	TYC	06/04/13	Security & Alarm Services	16.3	36%	16%	1.83%	6%	4%
<b>Information technology</b>									
Apple	AAPL	09/02/13	Computer Hardware	11.2	-11%	10%	2.56%	-2%	-2%
Autodesk	ADSK	09/30/13	Application Software	23.0	-10%	5%	-	11%	-
Cisco Systems	CSCO	06/04/13	Communications Equipment	10.9	9%	4%	2.90%	1%	-3%
Google	GOOG	06/04/13	Internet Software & Services	17.8	9%	18%	-	4%	2%
Lam Research	LRCX	06/04/13	Semiconductor Equipment	12.8	7%	73%	-	10%	7%
Qualcomm	QCOM	06/04/13	Communications Equipment	13.7	21%	9%	2.08%	2%	6%
SanDisk	SNDK	06/04/13	Computer Storage & Peripherals	11.6	99%	11%	1.51%	7%	3%
<b>Materials</b>									
Celanese	CE	06/04/13	Specialty Chemicals	10.7	18%	13%	1.36%	7%	9%
Equity Focus List (a)				14.4	14%	11%	1.93%	4.6%	3.8%
S&P 500 (b)				14.3	6%	11%	2.09%	3.1%	3.8%
Relative Performance								1.4%	0.0%

(a) Valuation and earnings growth data is the average for the stocks currently on the list.  
(b) Based on current consensus bottom-up estimates.

Source: Bloomberg, FactSet, UBS CIO WMR, as of 30 September 2013

## Statement of Risk

Equity markets are difficult to forecast because of fluctuations in the economy, investor psychology, geopolitical conditions, and other important variables.

## Description and Methodology

To be included on the CIO WMR Equity Focus List, stocks must:

1. **Have a positive or neutral fundamental rating.** Stocks must be listed on either the Sector Outperform or Sector Marketperform List from CIO Wealth Management Research (CIO WMR), or a 12-month rated Buy or Neutral recommendation by UBS Investment Research. UBS Investment Research is part of UBS Investment Bank (the UBS business group that includes, among others, UBS Securities LLC).
2. **Have a favorable technical rating.** Stocks must have a Bullish or Neutral technical rating. Neutral-rated stocks included on the list have a favorable risk / reward with a material probability of breaking into a bullish trend.
3. **Score attractively on our quantitative framework.** Our quantitative framework identifies factors that have produced historical outperformance within each equity industry group. We apply these factors to the current industry group constituents in order to determine the most attractive candidates. Factors encompass valuation, growth, quality, and momentum indicators.
4. **Fit into the UBS House View.** The House View incorporates our macro strategists' outlook on economic growth, asset allocation, risk-taking, regional equity recommendations, sector preferences within the US equity market, as well as US equity size and style tilts. The House View is articulated in our *UBS House View* publications.
5. **Be consistent with our thematic views.** We incorporate selections that we expect to benefit from our highest conviction tactical or secular equity themes based on previously published thematic research or theme-based research embedded in other strategy reports.

Portfolio analysis tools are also employed to measure overall factor exposures within the list.

The UBS CIO WMR Stock Selection Committee (SSC) determines the constituents of the Equity Focus List by identifying stocks that screen attractively on the criteria listed above. Members of the SSC are:

David Lefkowitz (Chair)	Stephen R. Freedman (*)	Jonathan Woloshin
Michael Dion	Peter Lee	Jeremy A. Zirin

(\*) *Non-voting*

The indicated performance is based on capital appreciation plus dividends of an equal weight portfolio, but does not include transaction costs, such as commissions, fees, margin interest, and interest charges. Actual transactions adjusted for such transaction costs will result in reduced total returns. Prices of stocks in this performance reflect closing prices one trading day after the addition or deletion to ensure that changes to the list are announced in a manner that allows clients to match the list's performance.

A complete record of all the recommendations upon which the report is based is available from UBS Financial Services Inc. upon written request. Past performance is not an indication of future results. Since its inception, the list has included 36 stocks, of which 24 advanced and 12 declined while on the list.

## Treatment of Equity Focus List Stocks on the Firm's Restricted List

Where securities are included on the Firm's Restricted List (explained in more detail below) the securities are annotated as such with an asterisk, but have been left in the Equity Focus List for performance tracking purposes only. At the time the security was added to the Equity Focus List, and until the time it was added to the Restricted List, it met the WMR criteria for inclusion described above. However, while it is on the Restricted List the firm and authors of this publication, are prohibited from expressing their ongoing view of the security. As a matter of course this should neither be necessarily construed positively or negatively, or as a recommendation to buy, hold or sell the security.

The security remains on the Equity Focus List until such time as the security is removed from the Restricted List at which time the analyst will either re-affirm his/her ongoing inclusion on the Equity Focus List or remove it in accordance with the normal rules for changes to the list outlined above when other stocks are judged to offer more attractive risk/reward tradeoffs.

### The Firm's Restricted List

The principal reasons that issuers are included on the Firm's Research Restricted list are that one or more legal entities within the UBS group are involved as an advisor and/or underwriter in a publicly announced corporate transaction. Dependent on relevant security regulations / laws, firm policy, the management of conflicts of interest and to avoid the appearance of impropriety, there may be a requirement for all or a combination of the following: restrictions on the publication of new research, suspensions of research ratings and forecasts, prohibitions on making recommendations to clients, restrictions on placing securities into discretionary accounts and prohibitions on proprietary and/or personal account trading in respect of names on the list.

## Equity Focus List

Name	Ticker	Sector	Price (9/30/2013)
Abbott Laboratories	ABT	Health Care	\$33.19
Aflac	AFL	Financials	\$61.99
Ameriprise	AMP	Financials	\$91.08
Apache	APA	Energy	\$85.14
Apple	AAPL	Information Technology	\$476.75
Autodesk	ADSK	Information Technology	\$41.17
Celanese	CE	Materials	\$52.79
Cisco Systems	CSCO	Information Technology	\$23.43
Coca-Cola	KO	Consumer Staples	\$37.88
Colgate-Palmolive	CL	Consumer Staples	\$59.30
Comcast	CMCSA	Consumer Discretionary	\$45.12
Emerson	EMR	Industrials	\$64.70
Express Scripts	ESRX	Health Care	\$61.80
Fifth Third Bancorp	FITB	Financials	\$18.05
Google	GOOG	Information Technology	\$875.91
Ingersoll-Rand	IR	Industrials	\$64.94
JPMorgan	JPM	Financials	\$51.69
KBR	KBR	Industrials	\$32.64
Lam Research	LRCX	Information Technology	\$51.20
Marathon Oil	MRO	Energy	\$34.88
McKesson	MCK	Health Care	\$128.30
Medtronic	MDT	Health Care	\$53.25
Nike	NKE	Consumer Discretionary	\$72.64
O'Reilly Automotive	ORLY	Consumer Discretionary	\$127.59
PetSmart	PETM	Consumer Discretionary	\$76.26
Qualcomm	QCOM	Information Technology	\$67.32
SanDisk	SNDK	Information Technology	\$59.51
Starwood Hotels	HOT	Consumer Discretionary	\$66.45
TJX Companies	TJX	Consumer Discretionary	\$56.39
Travelers Companies Inc	TRV	Financials	\$84.77
Tyco	TYC	Industrials	\$34.98
Wells Fargo	WFC	Financials	\$41.32

Source: FactSet and UBS CIO WMR as of 30 September 2013

# Required Disclosures

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### Wealth Management Research

Analysts provide a relative rating, which is based on the stock's total return potential against the total estimated return of the appropriate sector benchmark over the next 12 months.

### Industry Sector Relative Stock View

Outperform (OUT)	Expected to outperform the sector benchmark over the next 12 months.
Marketperform (MKT)	Expected to perform in line with the sector benchmark over the next 12 months.
Underperform (UND)	Expected to underperform the sector benchmark over the next 12 months.

### Under review

Upon special events that require further analysis, the stock rating may be flagged as "Under review" by the analyst.

### Restricted

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Sector bellwethers, or stocks that are of high importance or relevance to the sector, that are not placed on either the outperform or underperform list (i.e., are not expected to either outperform or underperform the sector benchmark) will be classified as Marketperform.

Stocks that are rated Marketperform that are not sector bellwethers are not assigned a price target.

## Technical Research Rating Definitions

Rating	Corresponding Rating Category	Definition and criteria
Bullish	Buy	Well-defined, reliable uptrend, an increase in the rate of change (or strong momentum) and confirming technical indicators.
Neutral	Hold	Trading range trend, a flat rate of change and confirming technical indicators.
Bearish	Sell	Negative or weakened trend, momentum and confirming technical indicators.
N/A		Not enough historical data to make an evaluation.

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## Global Equity Rating Definitions

UBS 12-Month Rating	Definition
Buy	FSR is > 6% above the MRA.
Neutral	FSR is between -6% and 6% of the MRA.
Sell	FSR is > 6% below the MRA.

## Key Definitions

**Forecast Stock Return (FSR)** is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months.

**Market Return Assumption (MRA)** is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium).

**Under Review (UR)** Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation.

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## CITY OF TROY MEMBERS OF THE BOARD

OCTOBER 2013

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We recommend **adding** the following positions to our equity portfolio:

**EMC CORP**

**(EMC...\$25.71)\***

**Industry:**  
**Economic Sector:**  
**Exchange:**

***Computer Storage & Peripherals***  
***Information Technology***  
***NYSE***

**P/E = 20.45\***

**Yield = 1.563\***

**Ratings:**  
**WF Securities**  
**S&P**  
**Credit Suisse**

**Outperform**  
**Strong Buy**  
**Outperform**

We appreciate your continued support and consideration.

Sincerely,

Doug Wegner  
Financial Consultant

Enclosures

\*as of October 1, 2013

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## Equity Research

### EMC Corp.

EMC: Gets Busy Post-Summer With New Announcements

• **Announces new highly anticipated VNX systems and a number of other products that should help drive growth.** This morning, EMC launched its highly anticipated midrange VNX systems worldwide, which we believe will likely help drive growth in H2 2013, given some pent-up demand for the new systems. We calculate EMC's midrange system sales (primarily includes VNX and backup/recovery systems) were up about 0.5% in H1 2013 and would anticipate meaningful acceleration with the new release. EMC announced seven new models of the VNX series including a flash-only VNX-F system. The new systems are based on the latest Intel architecture and include multicore optimization (MCx) software that is flash optimized and accelerates virtualized applications. In addition, EMC introduced XtremSW Cache 2.0 (new server-flash caching software), updated VSPEX reference architecture utilizing the new VNX series, unveiled Project Nile (a web-scale cloud storage infrastructure), and announced the general availability of ViPR software defined storage platform later this month. We continue to believe EMC is well positioned in the core storage market, and we believe it has the right strategy in broadening its product portfolio, which enables the company to address a broad range of application workloads. We reiterate our Outperform rating.

#### Valuation Range: \$29.00 to \$30.00

Our valuation range of \$29-30 is based on 11-12x our 2013 FCF/share estimate of \$2.56. We believe key risks include the macro economy and the potential corresponding impact to IT Spend, increasing competition from moves into new market adjacencies, as well as VMware volatility. EMC's stock has historically been sensitive to price movements in VMware's share price. If VMware's stock declines, EMC shares could trade lower given its ownership position.

#### Investment Thesis:

We believe EMC will benefit from having built a strong portfolio of assets in key areas of future industry growth including primary data storage, scale-out storage, virtualization, data analytics, cloud, security, flash, and backup and recovery, and should benefit from recent product refreshes, as well as continued share gains.

## Outperform

Sector: IT Hardware

Market Weight

### Company Note

EPS	2012A	2013E		2014E	
		Curr.	Prior	Curr.	Prior
Q1 (Mar.)	\$0.37	\$0.39 A	NC	\$0.43	NC
Q2 (June)	0.39	0.42 A	NC	0.46	NC
Q3 (Sep.)	0.40	0.45	NC	0.51	NC
Q4 (Dec.)	0.54	0.61	NC	0.69	NC
FY	\$1.70	\$1.86	NC	\$2.09	NC
CY	\$1.70	\$1.86		\$2.09	
FY P/E	15.3x	14.0x		12.4x	
Rev.(MM)	\$21,714	\$23,509		\$25,320	

Source: Company Data, Wells Fargo Securities, LLC estimates, and Reuters  
 NA = Not Available, NC = No Change, NE = No Estimate, NM = Not Meaningful  
 V = Volatile, \* = Company is on the Priority Stock List

Ticker	EMC
Price (09/03/2013)	\$25.99
52-Week Range:	\$21-29
Shares Outstanding: (MM)	2,174.0
Market Cap.: (MM)	\$56,502.3
S&P 500:	1,639.77
Avg. Daily Vol.:	12,670,300
Dividend/Yield:	\$0.00/0.0%
LT Debt: (MM)	\$5,519.0
LT Debt/Total Cap.:	23.0%
ROE:	15.1%
3-5 Yr. Est. Growth Rate:	12.0%
CY 2013 Est. P/E-to-Growth:	1.2x
Last Reporting Date:	07/24/2013
	Before Open

Source: Company Data, Wells Fargo Securities, LLC estimates, and Reuters

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Please see page 2 for rating definitions, important disclosures and required analyst certifications  
 All estimates/forecasts are as of 09/04/13 unless otherwise stated.

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**EMC:** We believe key risks include the macro economy and the potential corresponding impact to IT Spend, increasing competition from moves into new market adjacencies, as well as VMware volatility. EMC's stock has historically been sensitive to price movements in VMware's share price. If VMware's stock declines, EMC shares could trade lower given its ownership position.

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#### STOCK RATING

**1=Outperform:** The stock appears attractively valued, and we believe the stock's total return will exceed that of the market over the next 12 months. BUY

**2=Market Perform:** The stock appears appropriately valued, and we believe the stock's total return will be in line with the market over the next 12 months. HOLD

**3=Underperform:** The stock appears overvalued, and we believe the stock's total return will be below the market over the next 12 months. SELL

#### SECTOR RATING

**O=Overweight:** Industry expected to outperform the relevant broad market benchmark over the next 12 months.

**M=Market Weight:** Industry expected to perform in-line with the relevant broad market benchmark over the next 12 months.

**U=Underweight:** Industry expected to underperform the relevant broad market benchmark over the next 12 months.

#### VOLATILITY RATING

**V =** A stock is defined as volatile if the stock price has fluctuated by +/-20% or greater in at least 8 of the past 24 months or if the analyst expects significant volatility. All IPO stocks are automatically rated volatile within the first 24 months of trading.

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