



Request for Proposal For Employee Benefits Brokerage and Consulting Services



Presented by:
CBIZ Employee Services Organization
One Overton Park
3625 Cumberland Blvd SE, Suite 1100
Atlanta, GA 30339



Our business is growing yours
www.cbiz.com



CBIZ SERVICE PROMISE



WE PLEDGE TO PROVIDE AN EXCEPTIONAL SERVICE EXPERIENCE TO EVERY CBIZ CLIENT.

- **Individual Attention:** We will treat each client with the utmost care; we will develop and maintain a strong personal relationship; we will provide service with a commitment to professionalism, trust and the highest level of personal and professional integrity.
- **Responsive:** We will respond to a client's urgent need immediately; we will return all voicemail and e-mail communications within 24 hours; we will deliver and review all work product on a timely and as agreed basis.
- **Proactive:** We are committed to understanding the goals and needs of our clients, responding to such needs with our best service, advice and products. We will strive to provide our clients with innovative solutions and opportunities to improve and grow their business.

OUR GUARANTEE: IF YOU ARE NOT SATISFIED WITH OUR RESPONSIVENESS AND THE SERVICE WE HAVE PROVIDED, TELL US IMMEDIATELY—WE WILL CORRECT THE SITUATION TO YOUR SATISFACTION.



Your Business Just Got Easier.

October 10, 2017

Molly Willey
Directory of Human Resources
Pike Enterprises, LLC
100 Pike Way
Mount Airy, NC 27030

Re: Employee Benefits Brokerage and Consulting Services

Thank you for inviting CBIZ to offer Pike Enterprises, LLC a proposal for employee benefits brokerage and consulting services. In our unique approach and comprehensive scope of services we are confident you will find that our unwavering commitment to all of our services align with Pike's needs.

CBIZ is ideally suited to provide these professional services to Pike.

When you engage CBIZ, you can count on:

- ◆ A collaborative and strategic partnership with a commitment to proactive client service;
- ◆ A team of very experienced benefit professionals, who have been actively involved in large case benefits consulting for more than 40 years with real Population Health Management experience; and
- ◆ An Innovative and creative strategy that will stream line the communications and administration of your benefits plans;

At CBIZ we are absolutely committed to excellence, innovation and superior service. We are ready to put our talent and expertise to work for you and your employees. We promise to be with you for the longer term. We will set expectations and develop a multi-year strategy.

Based on the RFP and your questionnaire responses, we understand the following are key objectives for this engagement:

1. Provide benefits that are valued by your employees in order to assist with recruitment and retention (reduce turnover)
2. Provide cost containment strategies which address the future growth of the organization with a focus on maintaining "grandfathered status"
3. Provide high quality enrollment and communication support
4. Create a strategic plan that puts Pike in the best possible position to continue to offer high quality and cost effective employee benefit plans while striving for continuous improvement
5. Provide consistent and flexible service that is dependable and cost effective



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Brokerage Services for CBIZ Employee Services Organization

In support of these five objectives CBIZ has put together a service team that we believe is exceptionally well qualified to execute both the strategy and tactics required for you to succeed in accomplishing the goal of having Pike's employees be proud of being a part of the Pike team.

We believe there are a number of initiatives that can be taken that will accomplish your stated objectives. The following examples are provided:

- ◆ A comprehensive benefits communications and enrollment platform - case studies have shown that utilizing vendors specializing in this area can reduce turnover and create significant saving. A 1% reduction in turnover at Pike would generate annual savings estimated to be in excess of \$1.8 million (see illustration in RFP response). The cost for a platform of this nature utilizing 5500 eligible employees would be less than .4% of your total benefit expenditures.
- ◆ Prescription Benefit Manager (PBM) carve out- estimated to reduce Rx spend by up to 15%
- ◆ Population (Health Management) and Data Analytics- studies indicate trend reduction of 2% to 3%
- ◆ Dependent Eligibility Audits at like industry employers have shown total plan cost reduction through elimination of ineligible covered dependents in the 4% range
- ◆ Network Efficacy Analysis and Administrative Fee Negotiations have shown medical plan savings in the 1% to 3% range
- ◆ Stop loss captive analysis with potential to reduce stop loss cost by 10% to 15% without increasing the ISL deductible
- ◆ ROI study for an onsite clinic at Pike headquarters. Typical ROI in the 1.5 to 2.5 times range
- ◆ Aggressive marketing of Life, Disability, Dental and Vision coverages have produced premium savings that are from 15% to 25%

All of these steps do not involve any plan design changes that could affect Pike's "grandfathered" status.

The following proposal has been prepared to demonstrate our dedication to meet your needs and goals, the proposal also portrays our in-depth resources and extensive experience in providing solutions to organizations facing similar issues as Pike.

Again, thank you for the opportunity to present this proposal.

Sincerely,



Frederick R. Schremp, CLU | Senior Vice President

CBIZ Employee Services Organization

A division of CBIZ Benefits & Insurance Services, Inc.



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About CBIZ

1. Briefly describe your firm's history and background. Does your firm specialize in a certain area?

CBIZ has been operating as a professional services business since 1996, and built its professional services business through acquiring accounting, benefits, technology, valuation, medical billing and other service firms throughout the United States. Effective August 4, 2006, CBIZ transferred the listing of its common stock to the New York Stock Exchange ("NYSE") under the symbol "CBZ". Prior to August 4, 2006, CBIZ's common stock was traded on the NASDAQ National Market under the symbol "CBIZ".

As a national leader in employee benefit consulting we provide our clients strategic guidance, solid advice, best in class ongoing support and measurable outcomes. With a long history of supporting healthcare and companies, rest assured that we have the expertise to guide and support your team.

National Presence

CBIZ is a provider of professional business services to companies throughout the United States. CBIZ employs more than 4,100 professionals in 100 offices nationwide.

CBIZ is:

- Top Benefits Specialists in the U.S. as ranked by Business Insurance 2015.
- No. 1 America's Best Employer in Consulting and Accounting as ranked by Forbes Magazine in 2015.
- Business Insurance Best Places to Work 2017.
- 13th largest Property & Casualty firm in the U.S.
- 7th largest accounting firm in the U.S.
- One of the largest valuation firms in the U.S.



The Proposing CBIZ Team:

- 250 Clients
- Manages over \$300 Million in Employer Sponsored Premiums
- Staff of over 20 Licensed Professionals
- Expertise in:
 - Population Health Management
 - Multiple location servicing, enrollment, and communication strategies
 - Mergers & Acquisitions
 - Regulatory Compliance
 - Insured Funding consulting to include Fully, Alternative, Partial, and Self-Funded
 - Pharmacy Benefit Management and Consulting



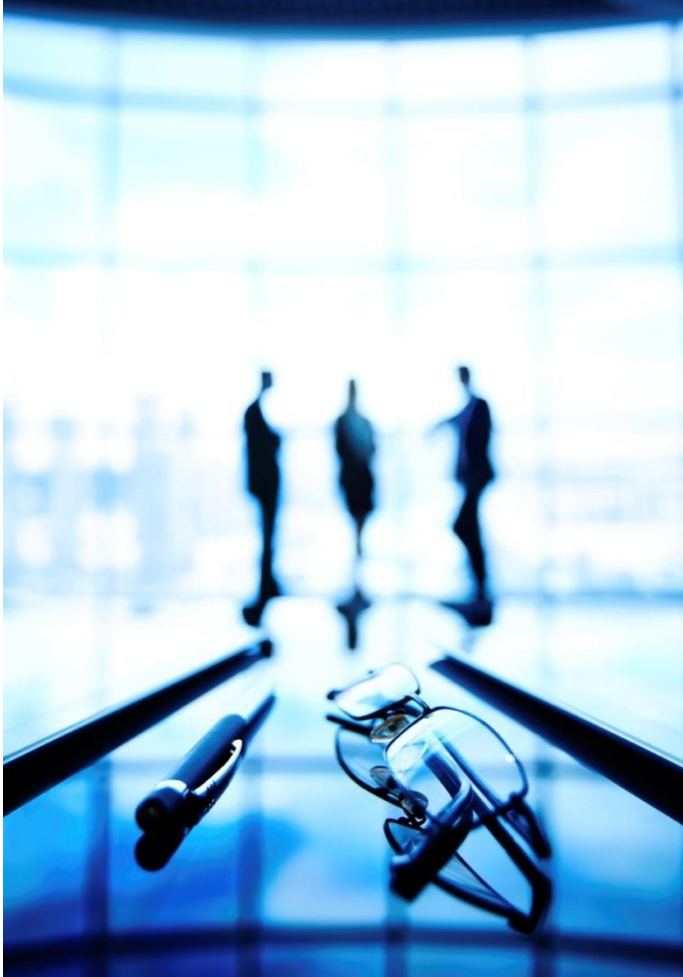
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CBIZ Employee Services Organization Scope of Services

2017



CBIZ ESO Delivers

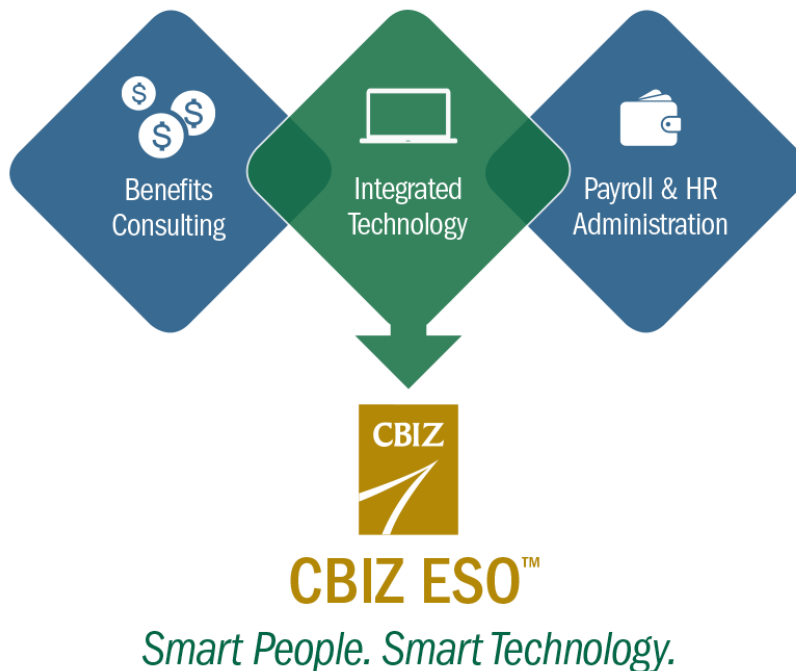
CBIZ is a fully functional Employee Services Organization which makes available to its clients a wide variety of services that can be bundled together as a unified Benefits Consulting and Human Capital Management package or unbundled and tailored to each client’s specific needs. The pages that follow highlight the breath and scope of these disciplines.

CBIZ is a publically traded corporation (NYSE: CBZ) that has experienced sustained growth as an organization and a significant increase in its market valuation. CBIZ currently ranks as a top twenty insurance broker of US business and CBIZ/MHM is a top ten US accounting firm. Our Atlanta benefits office is staffed by 21 professionals who manage 200+ health and welfare plans with annual expenditures exceeding \$400 million.

This Summary is divided into three parts:

- Page 2 Summary of all Benefits Consulting and Human Capital Management Core Services.
- Page 3 - 7 Summary of Benefits Consulting Core Services and outline of our Scope of Services.
- Page 8 - 12 Summary of Human Capital Management Core Services that are outside our Scope of Services and are available at additional cost.

We look forward to sharing the many opportunities CBIZ offers with XYZ.



CBIZ Employee Services Organization Core Services

Benefits Consulting Core Services



Group Health & Welfare

- Employee Benefits Consulting
- Captive Insurance
- Private Exchanges



Benefits Administration

- Solutions for Enrollment, Communication, and Efficiency



Employee Health Risk Management

- Wellbeing Solutions
- On-site Clinic Consulting



Voluntary Benefits

- Reduce Out of Pocket Costs
- Enhance Employee Benefit Packages



Actuarial Services



Regulatory Affairs & Compliance



Pharmacy Benefit Consulting



Employee Engagement & Communication

Human Capital Management Core Services



Payroll

- Payentry (Cloud-based)
- M3 (Installed)



EMS (HRIS)

- Professional
- Premium *Applicant Tracker*
- Time & Attendance*



Time & Labor Management

- Time Solutions
- Timeforce
- EMS Time & Attendance



COBRA

- Retiree Billing
- Leave of Absence
- COBRA Administration



FLEX

- Section 125
- HRA
- POP
- Section 132
- HSA



HRO

- HR Consulting
- HR Compliance
- Employee Onboarding
- Benefits & Leave of Absence Administration
- Payroll Processing
- Performance Management & Training



Ancillary

- Workers Compensation Pay-as-you-Go
- PayCards
- Paradigm
- Background Checks
- HR Solutions – online library and phone consult



Integrated Services

- 401K/403b retirement reporting
- General Ledger (GL)
- Point Of Sales (POS) system



Benefits Consulting Core Services

(Provided at no additional cost to negotiated commissions/fee structure)

Group Health & Welfare

Employee Benefits Consulting

Plan Review

- Strategy/Planning to include defining, prioritizing and documenting corporate and benefit plan objectives
 - Develop short and long term plans with project action timeline(s)
 - Develop History Document to evaluate past actions / decisions
- New Case Review
 - Efficacy of existing plan designs / actuarial values / premium rate steerage for plan(s) sustainability
 - Determine “at risk” elements and provide understanding of risk / liability / cost / reporting requirements
 - Review contracts, agreements, plan documents, certificates, SPDs, PDs, amendments, SBCs, etc.
 - Identify areas needed for negotiation to ensure all “client friendly” terms and provisions
 - Coordinate review to evaluate compliance with state and federal regulations / requirements
 - Evaluate administrative / billing practices (in accordance with policy provisions and benefits)
 - Evaluate and monitor financial ratings and accreditations
 - Identify underperforming vendor relationships and recommend “best in class” changes
 - Assess and monitor carrier / vendor service and support levels
 - Negotiate performance guarantees where possible
 - Define action plan(s) / implementation time tables for accountability / progress management

Financial Analysis / Data Analytics and Benchmarking

- Dedicated Finance Team (including underwriter and actuary, when needed)
- Review Monthly, Quarterly Claims and Financial Review to include Enrollment / Utilization Review
 - Provide detailed claims analysis / implications including review / monitoring of large claims activity
 - Illustrate claims experience / financial review and analysis against projections / budget
 - Based on availability of information from insurer / vendor(s)
 - Ongoing review of plan(s) for MEC and AV and appropriate pricing / modeling to avoid ACA penalties
 - Analyze available utilization data and cost containment results to create actionable items
 - Perform trend analysis from available diagnostic and normative data
 - Watch potential impact if Cadillac Tax not repealed
 - Provide reporting solutions based on internal information / budget needs
 - Projections of funding levels and contribution modeling
 - Attention to stability and sustainability of plan
 - Evaluate current cost of benefits verses effectiveness of plan design(s)
- Pre-renewal meeting 180 days in advance of renewal date
- Receive and negotiate renewal rates with carrier (request early releases)
- Negotiate renewal rates using alternate vendors for leverage or potential change
- Evaluate and model alternate plan design options and potential feasibility of self-funded option
- PharmD available to review pharmacy experience and clinical recommendations



Plan Marketing and Renewals

- Dedicated Marketing Manager and Team
- Establish annual calendar of events for plan(s) monitoring / compliance and renewal process
- Develop project action timelines
- Review carrier / vendor underwriting methodology, experience data, assumptions for accuracy and logic
 - Use internal underwriter's analysis for leverage with carrier / vendor's renewal action
 - Negotiate and perform critical analysis and comparison of any mandated or suggested benefit change(s)
- Draft bid specifications, evaluation criteria and analyze bid responses (marketing or for leverage)
 - Provide renewal recommendations including cost impact / alternative plan changes / network or pharmacy changes with financial and member impact analysis
 - Propose options for maintaining / improving competitiveness of benefit program
- Finalize program design(s), develop rates, employee / employer contributions
- Prepare renewal binder with Executive Summary, recommendations, cost impact and supporting data
- Skilled at addressing special needs or coverage issues
 - Medicare, coverage for part-time, non-benefit eligible needs or retiree coverage / assistance

Implementation, Communication and/or Annual Enrollment

- Construct project / enrollment timelines
- Conduct / arrange implementation meeting(s) with vendors for new / changes to program(s)
- Develop employee communication and enrollment strategy
 - Design announcement letters and benefit outline summaries
 - Coordinate carrier / vendor sponsored communication materials
 - Prepare custom presentations / webinars / benefit guide (electronic benefit guide for hand-held devices)
 - Develop Brainsharks / presentations geared to employee education
 - Conduct annual enrollment meetings / track attendance
 - Incorporate all required / mandated state and federal notices
 - Incorporate health / wellness events or strategies
- Finalize / coordinate information to be included in employee enrollment packets
- Complete all required documents and contracts
 - Review for accuracy and sold criteria (post implementation)
- Include technology solutions for communication and enrollment, if desired

Regulatory Affairs and Compliance

- In-house Regulatory Affairs Attorney and Staff
- Assist with federal and state requirements (COBRA, FMLA, ACA, etc.)
- Provide proactive updates on pending legislative issues with required actions / impact(s) identified
- Provide "For Your Benefit Booklet" for HR Department and staff
- Compliance checklists and review Regulatory Compliance Calendar
- Regulatory Updates – "Benefit Beat"
- Time Sensitive Communication – "At Issue"
- Periodic and timely access to webcast and compliance sessions
- Annual HIPAA Privacy and Security training webinar to comply with employer's annual compliance
- Health Care Reform Regulatory Updates



- Health Care Reform Analyzer
- Provide assistance with ERISA compliance, including needed document(s)
- Review or arrange non-discrimination testing for all applicable plan(s)
- Review Regulatory Compliance Calendar
- Review past Annual Form 5500s for completeness and compliance
 - Immediately determine if Annual Filings should be made prior to 2014
 - 2014 Forms need to be corrected
 - 2015 Forms need to be filed correctly (after / or along with 2014 amended)
 - Determine if Extension covers possible prior filings or if DFVC program needs to be utilized ⁽¹⁾
 - Prepare current SARs and determine how to distribute earlier versions
 - Collect data and present prepared “signature ready” Forms for review and submission

Account Management Services

- Dedicated Senior Account Manager
 - Manages day to day issues
 - Liaison between insurers / vendors
 - Reviews, confirms and manages changes to all agreements / documents, etc.
 - Reviews all post renewal / changes to assure negotiated items and changes are executed
 - Sets and monitors goals and performance and reports to client
 - Coordinates and reviews plan performance
 - Implementation, Enrollment and Technology Platform services
 - Claim, billing and service issues
 - Compliance assistance
 - “Quarterback” for all services needed

Employee Advocacy Services

- Dedicated Senior Employee Advocate
 - Liaison between employee and carrier / vendors for employee issues
 - Specializes in escalated issues
 - Dedicated access / email

Human Resource Support and Guidance

- CBIZ HR Solutions
 - Full team of Human Resource Specialists
 - Access to four (4) hours of HR assistance – via phone or mail
 - Benefits & Compensation
 - Compliance
 - Leaves of Absences
 - Performance and Productivity
 - Equal Employment Opportunity
 - Risk and Management Safety
 - Recruiting, Selection and Staffing



(1) Cost for compliance of previously filed 5500's – direct pass through from vendor to XYZ

- Model Documents and Forms
 - HR Policy Handbook
 - Personnel Forms
 - Promotion and Transfer Policies
 - Health and Safety Policy
 - Leave Policies and Forms
- Productivity Tools
 - Job Descriptions
 - Performance tool to facilitate preparation of employee reviews
- News and Articles
 - Current trends
 - Timely subjects
 - Best practices

Technology

- Top-tier consulting backed by our integrated, cloud-based HRIS platform to provide extensive automation for all HR-related activities
- Proficient knowledge experience with other technology providers based on individual client needs

CBIZ University *(outside Scope of Services, additional cost)*

- Cost effective way to deliver consistent employee training
- On-line learning management system which provides flexibility to offer training courses quickly and efficiently
- 400+ e-learning modules concluding with evaluation test
 - HR Compliance (Employees and Supervisors)
 - Communicating Effectively at Work
 - Leadership (Employees and Supervisors)
 - Sales Training
 - Wellness
 - Environmental Compliance and Regulatory Analysis
 - Workplace Safety

Employee Health Risk Management

Wellbeing Solutions

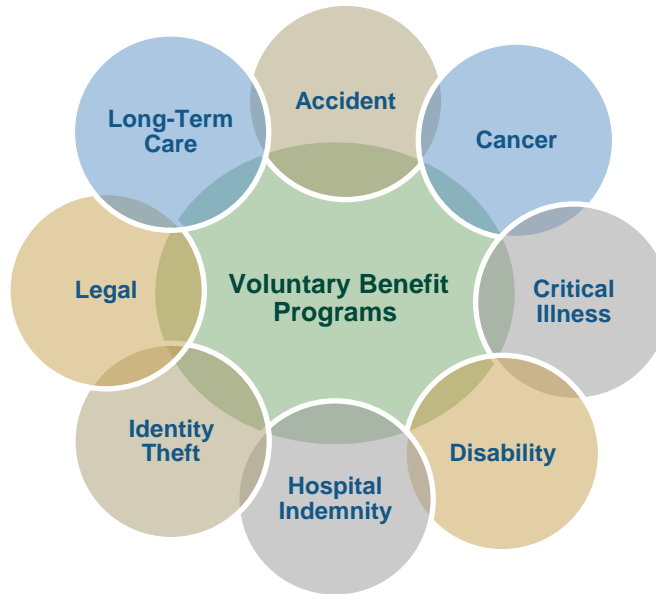
- Dedicated Wellness Consultant
- Wellbeing Insights Newsletter
- Wellbeing and engagement strategy, calendar, and budget development
- Evidence-based tactics to reduce health and wellbeing risks
- On-site wellbeing coordinators to execute strategy
- RFP and oversight of vendor processes
- Return on Investment and Value of Investment analysis
- Skilled at negotiating Wellness Funds from certain insurers
- Resource for compliance with wellness regulatory issues



Voluntary Benefits

Benefits Solution

- Skilled Team Members for developing and helping implement benefits strategy and means to help Voluntary Benefits as part of an integrated healthcare solution.
 - Tool to help employees receive direct reimbursement for their out of pocket expenses under High deductible Health Plans (HDHP) and provide other benefits of value, e.g. Legal, Identity Theft, etc..
 - Tool to assist employers implement HDHP's generating benefit plan savings while continuing to provide employee options to enhance their benefit packages.



Private Exchanges

- Private Exchange consulting

Captive Insurance Programs

- Group captives review / evaluation



Human Capital Management Core Services

(Provided at additional cost)

Payroll

Features include

- Cloud based or PC based software for easy, fast and accurate processing.
- Paycheck/Statement printing and distribution
- Detailed management reports (payroll, tax, general ledger, census)
- Quarterly payroll tax return preparation and filing
- W-2 & 1099 preparation at year-end
- Garnishments
- Time-off Accrual tracking
- Direct Deposit; Check signing and handling
- Custom general ledger
- Retirement plan reporting
- New hire reporting
- Workers compensation reports
- Personnel data

EMS (HRIS)

Professional

- Integration with CBIZ Payroll
- **Benefits Management** - with online open enrollment - Allows employees to enroll in and administer their benefits in one central system - Allows administrators to approve and manage employee benefit information online.
- **Employee Portal** - Employees easily enroll in or change all aspects of their benefits and other HR related information.
- **Time off management** – Employees can request time off and view available time off balances from the Employee Portal. Automatically routes requests to the appropriate manager for approval.
- **Workflows** – Let's client define the necessary tasks involved in workflows, and assign those tasks to the appropriate resources.

Premium

All of the features included in the Professional version plus:

- **Applicant Tracking** - Provides applicants a professional looking site for searching and applying for jobs. Let's administrators easily view and compare applicant profiles according to job requisition.
- **Performance Management** - Allows you to automate the employee review process, and eliminates the need for paper-based review forms. Let's you assign measurable goals to your employees and allows you to easily monitor employee progress against the goals you set.
- **Training & Certification tracking** – Workflow reminders when a training item is coming up on expiration.
- **Wellness** - Allows you to monitor, track and run reports on employee progress toward wellness goals.
- **Surveys** - Permits you to easily and quickly develop meaningful surveys.

Time & Labor Management (requires CBIZ Payroll services)



CBIZ ESO™

Smart People. Smart Technology.

Small Business & Enterprise Solutions

(Small Business Solution)

- Physical & web clocks, Employee Self Service, Time off Management & Scheduling

Premier Time and Labor Solutions

(Enterprise Solution)

- More robust functionality for large clients or complex scheduling
- Physical & web clocks, Employee Self Service, Time off Management & Scheduling

EMS Time and Attendance

(Fully Integrated Solution)

- Web clock or US 10 Biometric Physical Clock (Purchase only)
- Add on to CBIZ EMS Professional or Premium

COBRA

COBRA Administration

- Generally, companies with more than 20 employees are subject to COBRA
- CBIZ sends out initial COBRA notice, qualifying event notices and terminated employee notices
- Online employee and employer access
- Multiple payment options

Retiree Billing

- Welcome kit including summary of benefits, payment instructions and recurring ACH draft services
- Provide access to their account via secure member portal
- Provides employer with end of billing period reports and check (ACA) for payments received during billing period (month)

Leave of Absence Billing

- Provide employees with introductory instruction letter, payment coupons and ACH draft service
- Provide access to their account via secure member portal
- Provide the employer with end of billing period reports and check (ACA) for payments received during billing period (month)

Flex

Section 125

- Flexible Spending Account (FSA)
- Integrated with CBIZ Payroll
- Save pre-tax dollars for health care and/or dependent care
 - **Includes** - Plan Document, Non-Discrimination Testing, 5500 filing, and Debit Cards

HRA



CBIZ ESO™

- Health Reimbursement Arrangement
- Employer funded plan (no employee deductions)
- No IRS limit, unused balances roll forward
- Can be used with FSA's

POP

- Allows employees to pay their share of insurance premiums with pre-tax dollars

Section 132

- Allows employees to save pre-tax dollars to pay for parking or mass transit expenses
- Maximum monthly contributions are set

HSA (Health Savings Account)

- Must be enrolled in a high-deductible health plan to qualify
- Medical savings account in which you can set aside pre-tax dollars
- Unused funds are not forfeited, it continues to grow tax-deferred
- Withdrawals to pay qualified medical expenses are not taxed.

Human Resource Outsourcing (HRO)

Employee Onboarding

- Ensure an efficient on-boarding process
- Manage pre-employment requirements

HR Compliance

- Provides information on federal, state, and local laws
- Create and/or review Employee Handbook

Benefits and Leave of Absence Administration

- Manage new hire benefit elections
- Administer, coordinate, and track leaves of absence

Payroll Processing

- Enter child supports and garnishments
- Complete payroll data entry for client approval

Performance Management & Training

- Develop and manage performance reviews
- Assist with disciplinary action process

HR Consulting

- HR process review and improvements
- Employee engagement surveys



Ancillary/Other Services

The Hartford – Workers Compensation

- Integrated with CBIZ Payroll

Paycards: Skylight Financial

Paycard for employees without bank accounts

- Can be used at more than one million ATM's
- Employees will receive free Skylight check to pay bills or receive cash
- Funds are FDIC insured
- Request a second card and you can transfer money between accounts

Tax Credits: Paradigm

Tax credits for Federal and State returns for hiring employees that meet certain criteria.

These include:

- Work Opportunity Tax Credit (WOTC); HUD and Enterprise Zone credits
- Veteran hiring credits; State based hiring credits
- Paradigm handles screening and generates the credits to help clients utilize their tax return

Background Checks/Drug Testing: Aurico

Provides:

- Background screening & Drug Testing
- Selection assessments
- Electronic I-9 & e-verify
- Integrity & accident hotline

Workers Compensation Pay-as-you-Go

- Integrated with CBIZ Payroll
- Calculations based on actual client Payroll which reduces potential for year-end audit
- Does not require 20-30% upfront deposit typically required for workers compensation
- Sends alert prior to collecting payment and 24/7 access to premium calculation and payment history via secure sites

HR Solutions

- Online HR information portal that gives you quick access to resources and information
- Live Hotline included with 4 hours per month of live assistance with HR professionals

Risk and Advisory Services / Cybersecurity

- **Cost Recovery Services** - With the help of our proprietary programs, you can identify, assess and maintain the areas of your business where overcharges and financial leakage may occur.
- **Cybersecurity** - We help strengthen your protection against a potential cyber-attack through risk assessments and evaluations.



- **Enterprise Risk Management** - Our structured and disciplined approach to managing risk helps improve your company's ability to evaluate and manage the uncertainties it faces from unauthorized access, use, disclosure, disruption, modification or destruction to ensure its availability, confidentiality, and integrity.

Integrated Services

401K

- **Basic**
 - Company is configured with retirement setup (company match, employee deferrals, etc.)
 - Report/File created and installed for PC client
 - Report/File created, printed, and shipped for Web client
 - FTP (Setup + Monthly Fee)
 - Report/File/Data electronically sent to a secure FTP site
- **Preferred**
 - Data and Money sent securely to administrator
 - Vendors include: Voya (AETNA/ING), Ascensus, Empower, John Hancock, Mutual of Omaha, Nationwide, Principal Financial, CBIZ Benexx, and TransAmerica
 - Secure Stream (Setup + Per Processing Fee)
 - Data and Money sent securely to Administrator
 - Standard M3 report shipped or printed by client (.pdf format)
 - Employee changes from Administrator are updated in m3/Payentry.com



CBIZ ESO™

Smart People. Smart Technology.

2. What can you tell me about your firm and its culture?

The purpose of CBIZ is to help our clients prosper by providing them with a wide array of professional business and individual services, products, and solutions to help them better manage their finances and employees. We endeavor to provide superior client service and build long-term client partnerships.

Our unwavering commitment to our clients is equaled by our commitment to our associates and our focus on improving shareholder value. With our clients as our central focus, CBIZ is committed to fostering a professional culture that is supportive and motivating to its associates by recognizing and rewarding high performance. We value our employees and have embraced programs that enhance our employee's experience, such as Great People Great Place (GP2) and CBIZ Women's Advantage. These programs focus on creating the environment for employee development and career advancement.

Our core principles further strengthen the capabilities of our staff, deepen our client partnerships, enhance the quality of our services and increase job satisfaction.

Mission Statement

To provide exceptional advice and solutions that help our clients achieve their goals.

Vision Statement

To be recognized by our clients as the premier provider of accounting, insurance and other professional business services and by our team members as their employer of choice.

Core Values

- We do the right thing.
- Our people matter.
- We are dedicated to the success of our clients.
- We want to win.
- We are One CBIZ

3. We would like to confirm your firm's financial status and stability. Please include Federal Employer ID number and Dun & Bradstreet number.

CBIZ's growth and unique consulting philosophy has caused the financials to outpace all of the competitors in their peer groups as reflective with the stock price outpacing the S&P 500. For more information, see our annual report at <http://phx.corporate-ir.net/phoenix.zhtml?c=73481&p=irol-reports>.

CBIZ's Federal Employer ID is 31-1582098 and our Dun and Bradstreet number is 96-573-8701.



Our business is growing yours

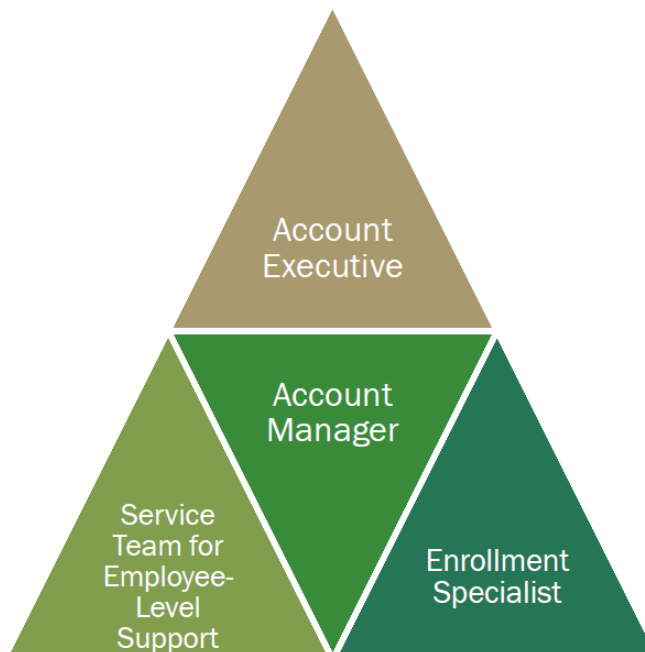
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4. What unique offerings does your firm provide?

We are a National employee benefits firm which specializes in finding the best way to maximize every benefit dollar spent. Our platform begins with the foundation of a mutually agreed upon month-by-month timeline of consulting and servicing activities coupled with an annually updated three-year benefits strategy (see examples in the appendix). The month-by-month activities will include, but not be limited to:

- Bi-Weekly calls with our Service Management team to discuss ongoing and closed service functions
 - Our service team is unique in structure through specialization:



- Monthly financial reporting through our Actuarial and Financial team.
 - Our team incorporates Verscend Technologies and Navigator MD platforms for Data analytics, benchmarking, forecasting, and wellness strategy
 - Predictive modeling 12, 24, 36, and 60 Months
- Wellness Strategies
 - Wellbeing team to include our relationship with many vetted vendors for price and contractual concessions
 - ROI development based on programs
 - Strategy based on needs and utilization of client
- Onsite Medical Clinic Analysis
 - Integrated CBIZ Clinical Analysis team with significant experience in setting and implementing onsite medical clinics
 - ROI development based on locations and structure
- Compliance updates and recommendations on a monthly or as-needed basis

Brokerage Services for CBIZ Employee Services Organization

- Conduct compliance audit upon engagement
- Provide annually updated “For Your Benefits” reference guideline
- Educate regarding federal and state requirements (for example: COBRA, HIPAA, and Medicare Part D)
- Provide updates and support compliance issues (“At Issue” publication)
- Prepare 5500 forms
- SPD & Wrap Document creation
- Educational seminars and/ or webinars
- Benefit Booklets to contain all required regulatory communications
- Communications
 - Benefit Booklets, Brainshark Enrollment Videos with hyperlink, In-Person Meetings, Bi-Lingual support, Flipping Book smart phone technology
- Cost-Containment and population health strategies
 - Over 30 years of expertise in the healthcare industry to include implementing Accountable Care Organizations. Strategies in Population health management, and cost containment leading to multimillion dollar savings in projected costs.
 - Successful management of clients’ utilization below the Price Water Cooper (PWC) trend-line with data backing beyond 10 years. Clients include Fortune 500 entities enjoying savings while keeping the integrity of the benefit design intact.
 - Successfully saved clients through Dependent Eligibility, Medical Plan, and Network audit
- Update to the Annual service timeline and three-year strategy on an annualized basis
- National Pharmacy Director to consult and provide National partnerships on various Pharmacy Benefit Managers for your benefits program
 - Through the creative strategies of our Pharm D., we were able to save over 1.2 Million through Pharmacy Consulting for a client with around 1,800 employees
- Successful implementation of communications and enrollment strategies that significantly aid in employee recruitment and reduction of turnover resulting in multimillion dollar savings



Our business is growing yours

www.cbiz.com

Our Practice

- 6. Describe the proposed team that would work with Pike and provide information about the qualifications and expertise of each team member. Please include the size of the team and their responsibilities outside of this account.

Account Management Team



Bios

The Biographical sketches that follow highlight the expertise and experience of the CBIZ team. Please note that the following individuals are CBIZ corporate resources: Karen McLeese, JD; David Rubadue, FSA, MAAA, CLU; and Mike Zucarelli, Pharm D. All others are Atlanta based.

Marion B. Schremp, CBIZ's Atlanta based Business Unit President leads the team members that would be assigned to PIKE.

The number of accounts these team members actively manage are limited and typically involve fewer than 10 clients.



Marion Schremp, RHU, REBC - Business Unit President
770.858.4521 mbschremp@cbiz.com

- Business Unit President – CBIZ Benefits & Insurance Services, Inc.
- Founder & CEO – Multiple Benefit Services, Inc.
- First Recipient of AAHU Lifetime Achievement Award
- Former President – Atlanta Association of Health Underwriters (AAHU)
- Account Manager – Marsh
- Regional Manager Flexible Benefits – Lincoln Financial Group
- Manager Member Service – AmeriPlan HMO
- Benefit Administrator – Crawford & Company – Atlanta, GA
- Claims Analyst – Excellus BCBS, Rochester, NY

Brokerage Services for CBIZ Employee Services Organization



Frederick R. Schremp, CLU - Senior Vice President of Consulting
770.858.4520 fschremp@cbiz.com

- Senior Vice President – CBIZ Benefits & Insurance Services, Inc.
- President – Multiple Benefit Services, Inc.
- Regional Director – Highmark Life & Casualty
- General Manager – Preferred Plan of GA (PPO)
- President – Lincoln National Health Plan (HMO)
- Vice President – S.E. Group Operations – Lincoln Financial Group
- Captain, U.S. Army 1967–1973
- M.A. Economics – University of California, 1973
- B.S. Engineering – United States Military Academy, 1967



Karin Pochmara - Assistant Vice President of Client Services
770.858.4519 kpochmara@cbiz.com

- Assistant Vice President – CBIZ Benefits & Insurance Services, Inc.
- Senior Account Manager – Multiple Benefit Services, Inc.
- Member of The Atlanta Association of Health Underwriters (AAHU)
- Specializes in the administration of multi-site plans including implementation, multi-year strategic and financial analysis, vendor management, and client compliance
- Account Manager – Great West Life
- B.S. – University of Alabama



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Traci Blake - Senior Employee Advocate

770.858.4511 tblake@cbiz.com

- Senior Employee Advocate – CBIZ Benefits & Insurance Services, Inc.
- Employee Advocate – Multiple Benefit Services, Inc.
- Specializes in assisting employees with benefit questions related to escalated service issues
- Employee Advocate for clients and employees to resolve day– to–day enrollment, eligibility, and claim issues with carriers
- Over 20 years of experience in the health and insurance industry, including CIGNA Healthcare and Willis North America
- B.S. in Business Management – Shorter University, Rome, GA.



Ron Deterding, PHIAS, PAHM - Vice President of Underwriting and Finance

770.858.4513 rdeterding@cbiz.com

- Vice President – CBIZ Benefits & Insurance Services, Inc.
- Vice President, Underwriting and Finance – Multiple Benefit Services, Inc.
- Current member of the National Center for Policy Analysis, Freedom Works
- 2010 President’s Council Award Recipient with the National Association of Health Underwriters (NAHU)
- 2009 Golden Eagle Award Recipient with the National Association of Health Underwriters (NAHU)
- 2008 Golden Eagle Award Recipient with the National Association of Health Underwriters (NAHU)
- Account Executive – Blue Cross Blue Shield of Iowa
- Senior Benefits Underwriter – Principal Life
- Professional, Health Insurance Advanced Studies from America’s Health Insurance Plans (PHIAS)
- Professional, Academy for health Management from America’s Health Insurance Plans (PAHM)
- M.B.A. in Corporate Financial Management – Upper Iowa University
- B.A. in Business Administration – Grand View College



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Kelly Jayne Abbott, RHU - Vice President of Marketing
Certified PPACA and Self-Funding Professional
770.858.4510 kabbott@cbiz.com

- Vice President and Marketing Specialist – CBIZ Benefits & Insurance Services, Inc.
- Senior Marketing Manager – Multiple Benefit Services, Inc.
- Former Board Member and current member of The Atlanta Association of Health Underwriters (AAHU) and The National Association of Health Underwriters (NAHU)
- Specializes in the management of national and regional carrier relationships, enrollment platform.
- Registered Health Underwriter (RHU) – Certified in 2005



Joseph Shorter – Financial Analyst
770.858.4527 jshorter@cbiz.com

- Financial Analyst – CBIZ Benefits & Insurance Services, Inc.
- Senior Financial Analyst – Access Insurance Holdings
- Senior Reinsurance Specialist – Munich Re.
- Actuarial Analyst – Union Standard Insurance Co.
- Actuarial Analyst – LA Department of Insurance
- B.S. Mathematics – Tulane University

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LaTonia McGinnis – Wellbeing Accountant Executive

404.821.1879 lmcginnis@cbiz.com

- Wellness Coordinator – CBIZ Benefits & Insurance Services, Inc./RaceTrac Petroleum
- Manager, Wellness and Work Life – Children’s Healthcare of Atlanta
- Program Coordinator/Childhood Obesity-Children’s Healthcare of Atlanta
- Master’s of Public Health– University of Alabama at Birmingham
- B.S. in Health Promotion and Behavior – The University of Georgia



David Rubadue, FSA, MAAA, CLU – Senior Vice President, National Health Care Actuarial Services

614.793.7770 drubadue@cbiz.com

- Senior Vice President & National Director of Healthcare Actuarial Services – CBIZ Benefits & Insurance Services, Inc.
- Qualified Actuary – Audits and provides financial opinions on health and welfare plan liabilities
- Co-founder and President – EBS, Inc.
- Chief Actuary and CFO – The Physicians’ Assurance Company
- Consulting Actuary – Coopers & Lybrand
- Former Speaker and Lecturer at Tri-State Actuarial Club and the Insurance, Accounting and Systems Association National meetings
- B.A. Accounting – Michigan State University



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Howard Hyman, ASA, MAAA – Consulting Actuary

404.255.0808 hyman4521@aol.com

- Consulting Actuary – CBIZ Benefits & Insurance Services, Inc.
- Consulting Actuary – Multiple Benefit Services, Inc.
- Principal, Southeast Region Health and Welfare Operations Manager – Towers Perrin (Now Willis Towers Watson)
- Clients of note include: Delta Airlines, Genuine Parts Company, State of Georgia, Georgia Pacific, Emory University – Emory Healthcare, etc.
- Masters of Actuarial Science – Georgia State University
- M.B.A. – Georgia State University
- B.B.A. – University of Georgia



Karen R. McLeese, Esq. - Vice President of Employee Benefit Regulatory Affairs

913.234.1760 kmcleese@cbiz.com

- Vice President, Employee Benefit Regulatory Affairs – CBIZ Benefits & Insurance Services, Inc.
- Member of Kansas City Metropolitan Bar Association, Missouri Bar Association, and Kansas Bar Association
- Member of Health Law Forum and Labor & Employment Law Sections of the American Bar Association
- Author of *At Issue*, a CBIZ client newsletter that provides information of general interest regarding employee benefits law and legislation
- Author of *For Your Benefit*, a CBIZ compliance/reference guide to welfare benefits
- Author of *Benefit Beat*, a monthly CBIZ e-newsletter containing regulatory updates
- Reviews and interprets federal and state laws and regulations impacting employee benefits
- Provides technical support in response to employee benefit issues
- Follows and analyzes trends in employee benefits
- Monitors case law impacting employee benefits
- Juris Doctor – Duke University
- B.A. – University of Notre Dame



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Michael Zucarelli, PharmD - National Pharmacy Practice Leader
602.308.6658 mzucarelli@cbiz.com

Michael Zucarelli is a practicing pharmacist and leads CBIZ's National Pharmacy Practice, a specialty practice within CBIZ's Benefits and Insurance Group. He serves as the lead pharmacy consultant for clients, providing financial and clinical guidance to optimize a group's pharmacy program and overall benefit strategy that is cost-effective, compliant and sustainable. Michael's approach focuses on client satisfaction with the pharmacy benefit value and PBM relationship. He assists clients with financial models, pharmacy program analysis, and clinical evaluation. Upon completion of this analysis, he presents these results concisely and offers strategic recommendations.

Expertise

- Pharmacy Benefit Plan Evaluation
- Pharmacy Benefit Strategy & Implementation
- Leveraging PBM and Carrier Relationships to advocate Vendor Accountability and Best Practices
- Proprietary Modeling Tools
- State and Federal Pharmacy Issues
- Pharmacy Benefit Operations, Clinical Programs, and Member Experience

Background

Education/Professional

- Bachelor's Degree in Chemistry, University of Arizona
- Doctorate Degree in Pharmacy, University of Arizona
- Licensed Pharmacist in Arizona, Missouri, and North Carolina
- Member, Academy of Managed Care

Recognition and Awards

- Contributed to the development of a whitepaper on best practices for Medicaid pharmacy that was published and presented to the State of New York (<http://www.uhfnyc.org/publications/880758>)
- Created reporting models used by State Medicaid departments and health plans to benchmark plan performance



7. What do we need to know about the insurance policies you would recommend, and how you place them?

CBIZ places insurance policies and service agreements with carriers and third party administrators that have been vetted at our corporate level for financial strength, track record of exceptional performance and independent agency ratings of excellent or higher e.g. A. M. Best ratings of A or higher.

8. How often does your team meet with your clients and for what purposes?

CBIZ would propose the following routine check interfaces/meetings post implementation:

- a) Weekly Service Calls
 - Asses vendor performance
 - Discuss service related issues
 - Discuss industry/carrier developments
 - Explore areas where additional support is needed
- b) Monthly Financial Reporting and Analysis Teleconference
- c) Quarterly On-site Stewardship Meetings
 - Analyze quarterly financial results
 - Discuss utilization trends and high claimant incidence
 - Review program effectiveness, e.g., communications, employee advocacy, and data analytics
 - Discuss PIKE's corporate initiatives and results germane to existing and future health and welfare benefit needs
- d) Renewal Planning Meetings On-site
 - Typically held three months after plan anniversary to plan for the next plan year, e.g. meet on or about October 1, 2018 to begin planning for July 1, 2019 plan year
 - Subsequent meetings as required to review results of RFP's, budget projections, plan design changes and communication and enrollment strategies
- e) Annual Report Meeting On-Site
 - Typically scheduled along with first renewal planning meeting to review the results of prior year in relation to budget, program effectiveness, client and employee satisfaction, e.g.
 - Meet on or about October 1, 2018 to review results of July 1, 2018 plan year
- f) Other meetings as needed or requested by PIKE

9. Describe what makes your firm uniquely qualified to work on our account.

In our opinion the expertise, experience and demonstrable results achieved by the actual personnel assigned to your account coupled with the resources of the organization supporting them are the key, critical elements that will determine the services of your benefit programs, i.e. attracting, retaining and motivating PIKE employees while controlling your costs.

We believe your analysis of the CBIZ team that will actually work with you on a daily basis, coupled with CBIZ's client first imperative uniquely qualifies us to work on your account.



10. Describe your experience with clients with multiple locations in multiple states and countries. Examples in manufacturing environment preferred.

The CBIZ team that would be assigned to your account has considerable experience with clients that operate with employees in multiple states and countries. We have clients with a presence in every US state and territory. We have clients with employees in Europe, Asia, South America and Africa covering: expats, foreign nationals and third party nationals.

These clients range in size from mid-market employers to the Fortune 300 with over 30,000 employees.

CBIZ has a significant number of heavy industry and manufacturing clients across the nation.

11. If your firm is selected, how would you propose we transition our account?

A timeline would be established based on notification of date of hire.

| Phase I | Activity | Timeline |
|---|--|------------|
| Review Analysis and Modeling | 1. Conduct client meeting to determine goals, objectives, and budget parameters | TBD |
| | 2. Collect all relevant policies from client, carriers, and administrators | |
| | 3. Collect all underwriting, loss experience, and rate histories from carriers, and administrators | |
| | 4. Prepare written report detailing all plan benefits and costs | |
| | 5. Identify current strengths, challenges and opportunities | |
| | 6. Provide recommendations for plan design changes operational efficiencies, carrier/service providers and employer contribution strategies based on benchmarking and financial modeling | |
| | 7. Client Input and decision(s) on go forward strategy | |
| Phase II | Activity | Timeline |
| Marketing | 1. Prepare Request for Proposal (RFP) based on Phase I results and client input | TBD |
| | 2. Prepare analysis of responses to RFP | |
| | 3. Present findings to client to include financial results, executive summaries, and recommendations | |
| | 4. Client decision(s) | |
| Phase III | Activity | Timeline |
| Communications, Enrollment, and Administration | 1. Development of Communication's Theme/Concept | TBD |
| | 2. Selection of Communication Materials | |
| | 3. Review of Enrollment and HR/Benefit Administration Methodologies | |
| | 4. Selection of Enrollment and Administration Processes | |
| | 5. Coordination of enrollment and HR Platforms | |
| | 6. Conduct Enrollment | |



Brokerage Services for CBIZ Employee Services Organization

| Phase IV | Activity | Timeline |
|-----------------------|---|------------|
| Implementation | 1. Meetings with selected carriers/administrators | TBD |
| | 2. Establish implementation time tables by carrier/administrator | |
| | 3. Coordination of electronic interface with selected carriers/vendors for eligibility and data transfer | |
| | 4. Coordination of transmission of eligibility from enrollment to carriers/administrators | |
| | 5. Coordination of eligibility and claim system testing | |
| | 6. Delivery to Client of Draft contracts and SPD's | |
| | 7. Delivery of ID cards to employees | |
| | 8. Delivery of SPD's to employees | |
| | 9. Client Staff Training | |
| Phase V | Activity | Timeline |
| Stewardship | 1. Monthly financial reports maintained | TBD |
| | 2. Client and member advocacy with carriers/administrators | |
| | 3. Preparation of quarterly stewardship reports presented at quarterly client meeting | |
| | 4. Government compliance and reporting assistance | |
| | 5. Ongoing negotiations with carriers/administrators and vendors to ensure appropriate pricing, proper service levels, plan designs efficiencies, and regulatory compliance | |
| | 6. Monthly conference call with major vendors to monitor performance efficiencies | |

Expertise

12. Describe your approach to supporting our programs throughout the plan year.

CBIZ believes in taking a proactive approach to insuring that PIKE's service needs and company goals and cost objectives are achieved.

We would propose:

- a) Weekly Service Calls
- b) Monthly Financial Reports and Analysis Teleconference
- c) Quarterly Stewardship Meetings (on-site)
- d) Annual Vendor Seminars where each PIKE insurer and administrator meets with the PIKE benefits team and CBIZ at PIKE headquarters to assess the success of their programs and service platforms and to make sure that there is the proper integration of all coverage and services across all vendors
- e) Employee Surveys
- f) Renewal planning meetings on site and telephonic
- g) Prior year results annual review meetings on site
- h) Employee Advocacy quarterly reports



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13. Do you have a process in place for tracking communication between you and your client?

CBIZ has internal software applications for logging all client communications and tracking associated deliverable due dates. We provide our clients with meeting notes for all service and project related meetings both telephonic, video or in person. Here again the actions required by all parties: CBIZ, vendors and PIKE are logged, timelines established and tracked.

14. How do you manage vendor relationships?

CBIZ manages vendor relationship at two levels, corporate and local/Atlanta:

- At the corporate level CBIZ's Executive Vice President and General Counsel, Nancy Mellard, Esq, and her staff along with our actuaries vet, negotiate national contracts and service requirements with insurance carriers and service providers, e.g. TPA's, wellness companies, on site clinics, data analytic providers, etc.
- In Atlanta our Vice President of Marketing, Kelly Abbott, maintains relationships with insurance company and other vendor representatives assigned to our office and our clients. This includes routine meetings with all vendors, performance evaluation, attendance at vendor seminars and constant research into what vendors are operating as peak performers and initiating new client serving programs and service platforms.

15. In your view, what are the key exposures/challenges Pike faces? How will your firm help meet these challenges?

Based on PIKE's responses to the RFP respondent questions and our analysis of your industry and your client's requirements we consider the following as your key exposures/challenges. They are listed in rank order of importance:

- a) Given the mission essential tasks that PIKE needs to provide its clients with the demonstrably superior service needed to insure current client retention and top line financial growth through new business acquisition, it is imperative that PIKE attract, retain and motivate the industry's most competent work force.

Studies have indicated that the cost to replace a highly skilled technician can run up to \$35,000. This figure takes into consideration the loss of productivity from the employee's absence, the cost of onboarding a replacement, training costs associated with bringing a new hire up to PIKE's standards and the divergence of internal resources until new hire is up to speed.

Studies also have shown that a comprehensive benefit program that is communicated in an excellent, multi-faceted, fully integrated methodology coupled with a robust enrollment platform can reduce turnover generating significant savings.



Brokerage Services for CBIZ Employee Services Organization

As an example based on average salary of \$55,000:

- Assume PIKE turnover is 25%
- Average cost to replace employee is \$33,000
- Total turnover replacement cost is \$45,375,000 (5500 employees x 25% x \$33,000)
- Each 1% of turnover reduction saves PIKE \$1,815,000
- A turnover reduction of 6% down to the industry benchmark of 19% with a dedicated communication and enrollment process could generate an estimated savings of \$10,890,000. (see attached)

We would propose that PIKE investigate an enrollment solution other than the Oracle application from a vendor that specializes in providing integrated communications and enrollment solutions. A significant number of large employers utilizing ERP/HRIS solutions like Oracle, Workday, SAP and UltiPro have elected to utilize third party solutions that are fully customizable to their needs. These services include print, video, social media and electronic communications, enrollment and new hire call centers along with a custom enrollment platform that fully integrates with Oracle.

b) Cost Containment

The following programs can be adopted by PIKE to generate significant cost reductions without endangering its “grandfathered status:”

- i. PBM Carve Out – up to 15% reduction in pharmacy spend without plan design changes
- ii. Life and Disability Marketing – up to 25% reduction in cost without plan design changes
- iii. Dependent Eligibility Audit – assuming 5% of dependents are ineligible and removed from plan, a medical plan cost reduction of 4%
- iv. Network Efficacy Study – utilized to negotiate more attractive admin fees, larger discounts and variable networks for potential medical plan savings of up to 3%
- v. ROI study for onsite clinic at corporate headquarters. Typical ROI in the 1.5 to 2.5 times range
- vi. Data mining and population health management, potential savings from chronic care and high cost claimant targeted protocols, potential savings of 2 to 3%
- vii. Stop loss captive analysis with potential to reduce stop loss cost by 10% to 15% without increasing deductible

c) Consultancy Partnership

CBIZ is capable of providing a full range of HR services aimed at augmenting and supporting existing PIKE resources

- i. Recruiting
- ii. Compensation Analysis and Consulting
- iii. Health and Welfare Consultancy
- iv. Retirement Planning and Consultancy
- v. Risk Management to include Cyber Risk Evaluation
- vi. Human Resource Consultancy



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Employee Turn Over - Bottom Line Impact & The Gain In Taking Action

2017 Company Data

5500 Total Number of Employee's
 \$ 55,000.00 Average Annual Salary + Benefits

Historical Turnover Data

| | |
|-----------------------|-----------------------|
| 2016 | 2015 |
| 5500 # of Employee's | 5500 # of Employee's |
| 1400 # of Termed EE's | 1400 # of Termed EE's |
| 25% Turnover % | 25% Turnover % |

Ramp Up, Ramp Down - Productivity Opportunity Cost

2 # of Training Months Needed To Ramp Up
 2 # of Months Needed To Identify & Manage An Underperformer Out
 Assumed Assimilation/Desimulation Production Curve

↓ \$ 9,166.67 EE cost in Ramp-up Period ↓ \$ 9,166.67 EE cost in Ramp-down
 \$ - EE Productivity in Ramp-up \$ - EE Productivity in Ramp-down
 \$ 9,166.67 Ramp-Up Differential \$ 9,166.67 Ramp-Down Differential

\$ 18,333.33 Total Productivity Opportunity Cost

Cost of Turn Over

\$ 4,200.00 Recruiting Cost per EE
 \$ 9,166.67 Gross Pay + Benefits (60 days)
 \$ 957.92 WC & Taxes (12%)
 \$ 528.85 Onboarding Training (20hrs)
 \$ 18,333.33 Lost Productivity - Opportunity Cost
 \$ 33,186.76 Cost Per Termed Employee
 25% Ave Turnover % (last 2 yrs)
 1388 # of Termed Employee's Based on EE Count
 \$ 46,046,633.41 Annual Company Cost From Turnover

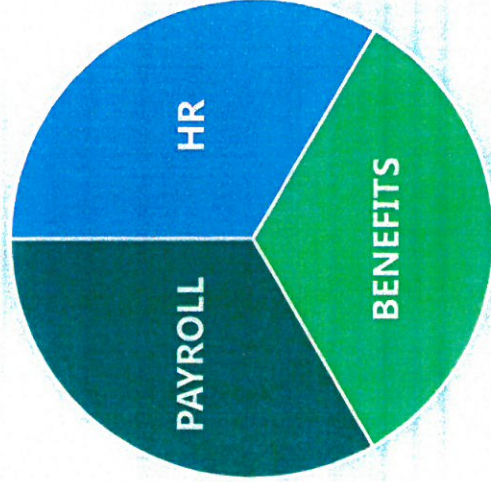
| REDUCING TURNOVER - THE BOTTOM LINE IMPACT | | | | | |
|--|--------------------|--------------------|-------------------------|----------------|------------------------|
| Reduction In Turnover By... | New Turn Over Rate | Total Terminations | Total Cost of Turn Over | Annual Savings | CURRENT |
| CURRENT | 25% | 1388 | \$ 46,046,633.41 | | |
| 1% | 24% | 1333 | \$ 44,221,361.46 | \$ | (1,825,271.96) |
| 2% | 23% | 1278 | \$ 42,396,089.50 | \$ | (3,650,543.91) |
| 3% | 22% | 1223 | \$ 40,570,817.55 | \$ | (5,475,815.87) |
| 4% | 21% | 1168 | \$ 38,745,545.59 | \$ | (7,301,087.82) |
| 5% | 20% | 1113 | \$ 36,920,273.64 | \$ | (9,126,359.78) |
| 6% | 19% | 1058 | \$ 35,095,001.68 | \$ | (10,951,631.73) |
| 7% | 18% | 1003 | \$ 33,269,729.73 | \$ | (12,776,903.69) |
| 8% | 17% | 948 | \$ 31,444,457.77 | \$ | (14,602,175.64) |
| 9% | 16% | 893 | \$ 29,619,185.82 | \$ | (16,427,447.60) |
| 10% | 15% | 838 | \$ 27,793,913.86 | \$ | (18,252,719.55) |

Industry Benchmark



WHY AREN'T
THE CURRENT
SOLUTIONS
WORKING?

Most systems struggle to support modern benefit strategies.



- Automation ✓
- Integration ✓
- Communication ✗
- Decision Support ✗
- Engagement ✗
- Strategy ✗

For most ERPs and HCMs, benefits are an afterthought due to competing initiatives.

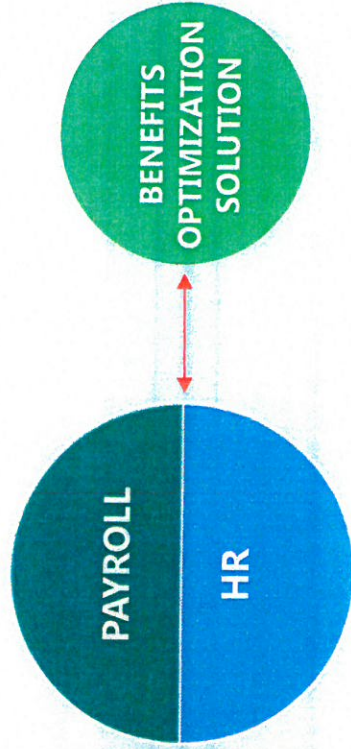
**“ IF YOU CHOOSE TO MANAGE
BENEFITS THROUGH YOUR HCM AND
GET THE IMPLEMENTATION RIGHT,
YOU’LL FIND THAT, IN MANY CASES,
YOU’RE ONLY A DECADE BEHIND IN
ENROLLMENT, ADMINISTRATION,
AND PROGRAM OPTIMIZATION. ”**

CEO, National Benefit Technology Consulting Firm



WHAT SHOULD A MODERN SOLUTION LOOK LIKE ?

Point solutions address **administrative complexity** while enhancing the **employee experience**.



- ✓ Flexible configuration
- ✓ Carrier & payroll integration
- ✓ Consumer-friendly UX
- ✓ Decision support
- ✓ Personalized communications
- ✓ Year-round engagement

16. Describe your process for negotiating renewals. Be prepared to share examples of your success in negotiating renewals.

- a) Here again CBIZ takes a proactive approach to carrier/administrator renewals. The process begins with client meetings 10 months prior to renewal anniversary to lay out a strategy for the coming plan year. This renewal plan would encompass changes to plan designs, adoption of new cost containment and or service platforms and client input on projected budget parameters
- b) CBIZ along with client input has evaluated inforce carrier/administrator service during the preceeding 12 months and determines areas that need specific attention
- c) CBIZ's underwriters and actuaries are constantly monitoring the clients claims experience and are aware of what potential renewal actions from the enforce carriers might be
- d) CBIZ requires enforce carriers/administrators to provide their renewal proposals seven months prior to the next plan anniversary.

Based on items A, B, and C above CBIZ will have submitted RFPs to other appropriate carriers/administrators upon receipt of the enforce carriers renewal. Responses to the RFP are requested to be received from bidding vendors within six weeks.

Upon receipt of all RFP responses CBIZ conducts negotiations to secure the most competitive pricing and service platform. If needed finalist meetings are held.

- e) Once decisions are made communications and enrollment planning are finalized.

A typical timeline for a 7/1 would look like:

| <u>Date</u> | <u>Activity</u> |
|-------------|--|
| 10/1 | Next Client Renewal Planning |
| 12/1 | Inforce carrier renewal received and RFP to elected vendors |
| 1/15 | RFP responses received and CBIZ/vendor negotiations begin |
| 2/1 | Negotiations completed and finalist meetings held |
| 2/15 | Final rates, fees and programs developed by CBIZ and presented to client |
| 3/1 | Client decisions made |
| 3/1 – 4/30 | Communications and enrollment strategy developed and completed |
| 5/1 – 5/15 | Annual Enrollments |

- f) See attached renewal example for a 20,000 employees, multi- state employer

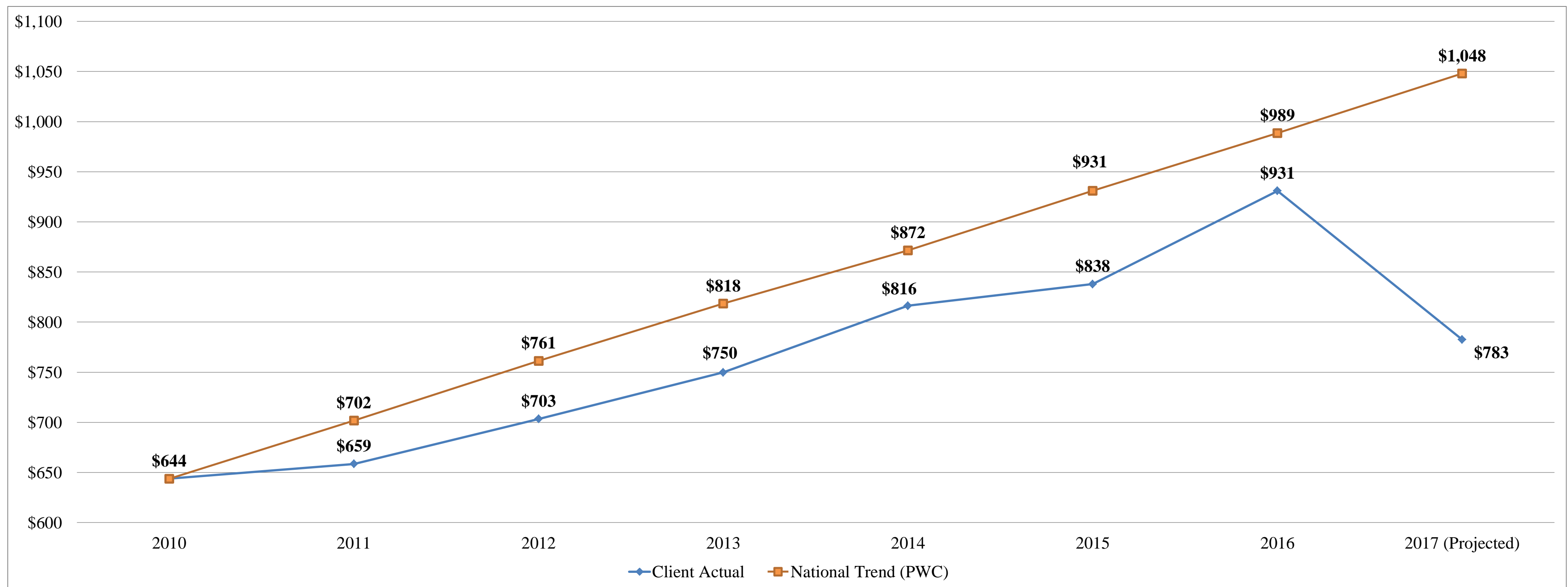


Large Case Medical Renewal For 1/1/2017

| | Total | Employer |
|---------------------------------|-----------------------|-----------------------|
| A 2017 Proposed Renewal | \$192,353,325 | \$141,956,754 |
| B 2017 Final Negotiated Renewal | \$171,852,039 | \$129,887,184 |
| C Savings (B-A) | (\$20,501,286) | (\$12,069,569) |
| D % Savings (C/A) | -10.7% | -8.5% |

Large Case Medical Trend History

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 (Projected) |
|--|------------|-------------|--------------|--------------|--------------|--------------|--------------|------------------|
| Average Paid Medical and Rx Costs PEPM | \$643.75 | \$658.56 | \$703.42 | \$749.79 | \$816.28 | \$837.99 | \$930.93 | \$782.64 |
| Client Annual Increases | N/A | 2.3% | 6.8% | 6.6% | 8.9% | 2.7% | 11.1% | -15.9% |
| Trended Costs (Illustrated) | \$643.75 | \$701.69 | \$761.34 | \$818.44 | \$871.63 | \$930.90 | \$988.62 | \$1,047.94 |
| Trend Increases (PWC) | N/A | 9.0% | 8.5% | 7.5% | 6.5% | 6.8% | 6.2% | 6.0% |
| Average Monthly Covered Employees | 12,033 | 11,653 | 11,439 | 11,709 | 12,146 | 12,182 | 17,010 | 16,037 |
| Annual Variance vs. Trend (Savings) | N/A | \$6,030,920 | \$7,949,541 | \$9,645,912 | \$8,068,253 | \$13,582,635 | \$11,776,154 | \$51,053,404 |
| Cummulative Variance vs. Trend (Savings) | N/A | \$6,030,920 | \$13,980,461 | \$23,626,372 | \$31,694,625 | \$45,277,260 | \$57,053,415 | \$108,106,818 |



Large Case Life, Disability, and Dental Renewal For 1/1/2017

| | Proposed Renewal | Final Negotiated Renewal |
|----------------|-------------------------|---------------------------------|
| Life Insurance | \$9,232,017 | \$8,503,610 |
| STD & LTD | \$6,995,786 | \$6,233,285 |
| Dental | \$14,029,359 | \$12,991,785 |
| Total | \$30,257,162 | \$27,728,680 |

| | |
|------------------------|--------------------|
| Savings | \$2,528,482 |
| Percent Savings | 9.1% |

17. Describe your underwriting and actuarial resources.

At the corporate level CBIZ employs numerous actuaries and underwriters. This team is headed by Dave Rubadue, FSA, MAAA, CLU whose bio sketch is included in question 6.

In Atlanta the PIKE team is supported by two underwriters, Ron Deterding and Joe Shorter (See bio sketch shown in question #6) and one consulting acutuary Howard Hyman (See bio sketch shown in question #6).

18. Describe your experience supporting clients with mergers and acquisitions, including the due diligence process and integrating the acquired company's benefits plans with the client's benefit plans, communications to employees, etc.

The Atlanta CBIZ team has had considerable experience in this area. We have performed due diligence valuations and integration processes for both large Fortune 500 companies as well as mid market employers.

The complete process consists of:

- a) Due Diligence
 - i. Receipt of all target company's policies, contracts, rate/fee history, plan design and change history, claims experience and premium history, enrollment by plan-by-tier-by month for the last 24 months, IBNR Reserve calculations for the last 2 years
 - ii. A full compliance audit
 - iii. A review of any pending litigation
 - iv. Full report to the acquiring company of current target company's costs, liabilities, strengths, challenges and a one to three year proforma
- b) Synergy Savings
 - i. Presentation of the most effective plan for integration to meet the acquiring company's target synergy savings
 - ii. Quantifying the results of their plan's implementation
 - iii. Reviewing the plan with acquiring company's CFO and HR to determine any potential downside from a recruitment and personnel retention stand point
- c) Communication and Enrollment
 - i. Developing a clear, concise message to be communicated to both the target company and acquiring company's employees
 - ii. Production of a video that highlights the positives attendant to the merger, changes in benefits and costs if any, new systems and programs improving the employee experience, etc.
 - iii. Developing an enrollment strategy that would include both a web based enrollment platform and a call center to assist the newly acquired employees



19. **Describe any special analysis that you would provide to help manage our programs.**

CBIZ provides a state of the art data mining and analytic tool from Verscend Technologies. The capabilities and potential area of utilization are attached.

In addition CBIZ provides monthly tracking of all cash and accrual results to PIKE finance and HR.



Our business is growing yours

www.cbiz.com





Employer Performance Analytics

Answer complex questions about healthcare costs, quality, and utilization to successfully manage the clinical and financial risks of your employees



knowledge is power

To do what's right for your employees, you need to know what's wrong with your employees. Employer Performance Analytics from Verscend Technologies, offered in conjunction with CBIZ, provides the data services and advanced analytics to help you set the right strategy for health and productivity improvement and objectively measure results, ensuring program ROI.

Powered by DxCG Intelligence, the industry's gold standard in risk adjustment and predictive modeling, Employer Performance Analytics has been an essential component of employers' benefit plan strategies for decades, delivering proven outcomes.

deep and broad analytic capabilities

Employer Performance Analytics supports organizations with:

- Health and productivity data integration and warehousing
- Data-driven benefit design and program measurement
- Cost-driver reporting and analysis
- Plan modeling and budgeting
- Employee risk profiling and care-gap identification
- Vendor selection and management
- Benchmarking

data management excellence

Our track record of success in managing very large claim sets and other clinical data allows risk-bearing entities to create a true longitudinal record across many settings of care.



Gain the competitive edge with our deep healthcare data analytics expertise:

3B

claim files processed across our solutions

14K

health and productivity data sets

38M

benchmark lives

200

clinicians on staff

3-6

months to full solution activation

support for your success

Working together, CBIZ and Verscend ensure your rapid, successful implementation and use of Employer Performance Analytics through:

- Data acquisition and mapping support
- Maintenance and hosting
- Access to the expertise of seasoned data scientists, statisticians, clinicians, and other subject-matter experts
- Seamless integration with other solutions

a partner you can trust

For decades, Verscend has been singularly focused on data management and analytics, which allows us to truly lay claim to broad and deep risk management expertise. We listen and learn, earning us the reputation for creating long, collaborative, and productive partnerships with our clients in which their success is always our top priority.

“[Verscend’s solution] helps us to identify areas where minimal investment will reap large rewards. We can curtail wasteful spending on inefficient or ineffective programs and reinvest money to maximize access to quality care.”

*- Kathleen Sullivan,
former Executive Vice President,
First Service Administrators*



superior predictive power

Verscend has been honored to advance the science of risk scoring by working with the Society of Actuaries (SOA) over the past two decades. SOA’s rigor and effort to resolve potential disparities in the analysis ensure a comprehensive evaluation of commercial risk adjustment and predictive models.

SOA’s latest study was published in 2016. Similar to their previous evaluation in 2007, DxCG models were top performers across the study.

DxCG is the clear industry leader in:

- Longevity
- Depth of validation
- Breadth of scope and models
- Model utility

building better healthcare together



Payment Accuracy

Claim Accuracy
Inpatient Accuracy
Dental Accuracy
Fraud Detection



Risk Adjustment

Commercial
Medicare
Medicaid



Performance Analytics

Payers
Employers
Providers
DxCG Intelligence



Quality Improvement

Quality Intelligence
Medical Record Retrieval
Medical Record Abstraction



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Medical Intelligence Report Sample

Employer Group ABC

Incurred: Apr 2014 thru Dec 2015
Paid: Apr 2014 thru Mar 2016

Custom Time Period

Presented By:



Table of Contents

- 1. SUMMARY OF FINDINGS 4**
- 2. POPULATION CHARACTERISTICS 5**
 - 2.1 Demographics 6
 - 2.2 Aggregate Economics 8
 - 2.2.1 Monthly Comparison of Paid Claims..... 9
 - 2.2.2 Expense Distribution by Percent Spending Band 10
 - 2.3 Clinical Disease Fingerprint 11
- 3. ECONOMIC FINDINGS AND OPPORTUNITIES 15**
 - 3.1 Medical Economics 16
 - 3.1.1 Network utilization and contract discounts..... 18
 - 3.1.2 Specialty procedures/consultations 20
 - 3.1.3 Diagnostic Testing 22
 - 3.1.4 Place of service - Inpatient and high acuity 24
 - 3.1.5 Place of service - Outpatient and low acuity (excluding office visits) 26
 - 3.2 Pharmacy Economics 28
 - 3.2.1 Non-PBM Drug Spend 29
 - 3.2.2 PBM drug spend 31
- 4 CLINICAL DEEP DIVES 33**
 - 4.1 General Clinical Quality Performance and Economic Opportunity 33
 - 4.2 Case Management Opportunities 35
 - 4.3 Disease Management Opportunities 36
 - 4.4 Wellness Management Opportunities 40
- 5 APPENDIX 41**
 - 5.1 Demographics 41
 - 5.2 Financial Analyses 42
 - 5.3 Disease Fingerprint 47
 - 5.4 "Top 10" Analysis 48
 - 5.4.1 Providers 48
 - 5.4.2 Places of Service 49
 - 5.4.3 Diagnostic groups 50
 - 5.4.4 Procedure groups 51
 - 5.4.5 Therapeutic classes Err
 - 5.5 Clinical Quality Performance and Measures Err

Introduction

All the metrics are calculated based on the claims incurred from April 2014 to December 2015 which were paid between April 2014 and March 2016.

All quality and risk metrics like QRM compliance, RI, CGI and Risk Scores are calculated based on the full cycle irrespective of the selected time period.

Period-over-period comparisons are performed on selected sections within this report. The two periods selected for analysis are:

1. Current Period (P2)
 - Incurred from April 2015 through December 2015
 - Paid from April 2015 through March 2016
2. Previous Period (P1)
 - Incurred from April 2014 through December 2014
 - Paid from April 2014 through March 2015

Please Note:

1. This report displays Plan Paid Amounts unless otherwise specified.
2. Many dollar values are rounded to the nearest dollar for increased readability. However, calculated values (such as total sums) are calculated precisely and then rounded afterwards. This produces more accurate results, but may occasionally cause calculated fields to appear inexact.
3. Some sections in the Appendix are dependent on previous sections. If the underlying previous sections are not requested, then the corresponding sections in the Appendix will not be populated.
4. The information contained in report has been produced from data provided to Verscend, which has not been independently verified by Verscend for accuracy or completeness. Additional information, including, but not limited to, any claims that have been incurred but not paid as of the date of this report, or claims that were subject to subsequent adjustment, should be considered before any action is taken on the basis of the contents of this report. This report does not constitute the provision of medical or legal advice by Verscend to any party.

1. SUMMARY OF FINDINGS ¹

This report provides an analysis of the healthcare information for Employer Group ABC. The information is based on eligibility, medical claims, and pharmacy claims data for employees and their families on incurred and paid basis. The cost figures below reflect the time frame specified.

Summary of Expenses Paid by Plan

| | | Commercial Norms ^{2, 3} |
|----------------------------|-------------------------|---|
| Medical Claims | \$135,149,394.48 | |
| Pharmacy Claims | \$0.00 | |
| Total Claims | \$135,149,394.48 | |
| PMPM Medical Expenses | \$405.59 | \$255.50 |
| PMPM Pharmacy Expenses | \$0.00 | \$59.52 |
| Total PMPM Expenses | \$405.59 | \$315.02 |

¹ Source: Medical Intelligence : Executive Summary Module

² The Commercial Norm values have been adjusted by Age-Gender-Geography

³ Norm or Verscend Norm in this report refers to the values from Verscend's Commercial Normative database.

2. POPULATION CHARACTERISTICS

This section explores the aggregate demographic, economic and clinical characteristics of the population.

Section 2.1 contains the population's demographic characteristics, including the change in total and current membership levels, and age and gender breakouts with associated economics.

Section 2.2 details the population's high-level economic characteristics. This includes an assessment of the drivers of cost growth, such as change in enrollment, change in costs, and medical versus pharmacy PMPM. Trends in total and PMPM costs over time - both medical and pharmacy - are calculated. Finally, cost distribution by spending band is explored. Deeper economic analyses into the drivers of pharmacy and medical expenses are detailed in *Section 3: Economic Findings and Opportunities*.

Section 2.3 analyzes the population's high-level clinical characteristics. The first breakout shows the relationship between age and disease burden as quantified by the Relative Risk Score (RRS) and the related Care Gap Index (CGI). These are analyzed both relative to each other and relative to the Verscend book of business benchmark. The second breakout shows the distribution of diseases across the population - identifying what is large or growing rapidly from a prevalence standpoint. Prevalence of the ten most chronic diseases is then compared to benchmarks.

2.1 Demographics

Figure 2.1.1 presents total membership change, by relationship status, from previous period to current period. The percentage changes are also provided so that period-over-period trends can be evaluated. Figure 2.1.2 presents the distribution of current members in that specific period. For both total and current members, average PMPM is provided, where dependents typically spend the least amount per month. Finally, Figure 2.1.3 and Table 2.1.1 show the total claims paid and membership profile by age group and gender; in absolute terms employees and spouses typically constitute proportionally more spend than dependents.

Figure 2.1.1 Total Member Count by relationship status ^{4, 5}

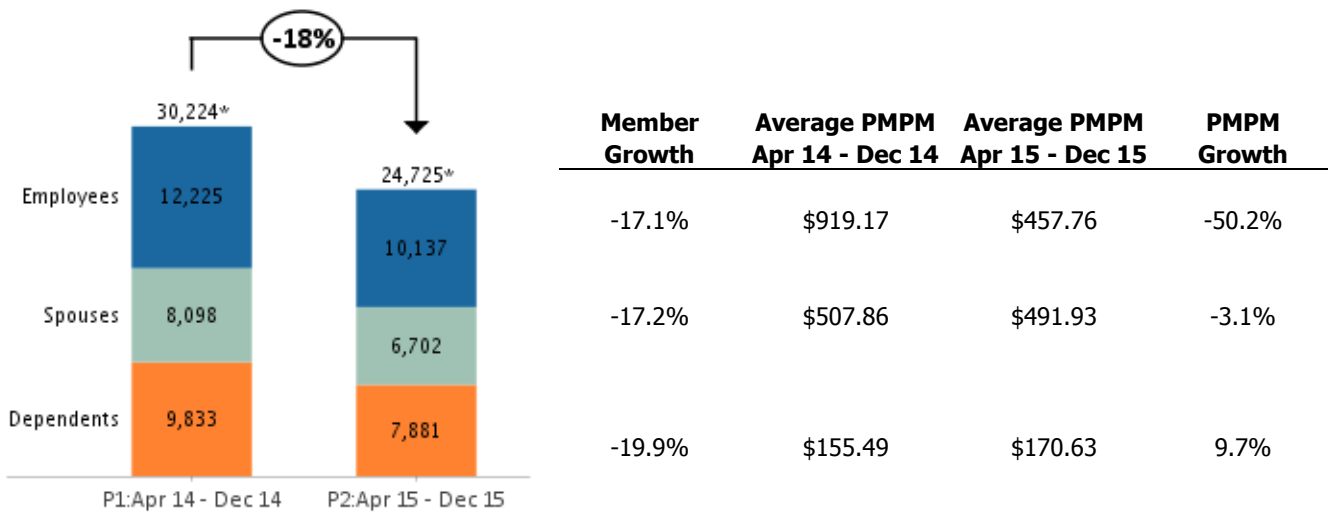
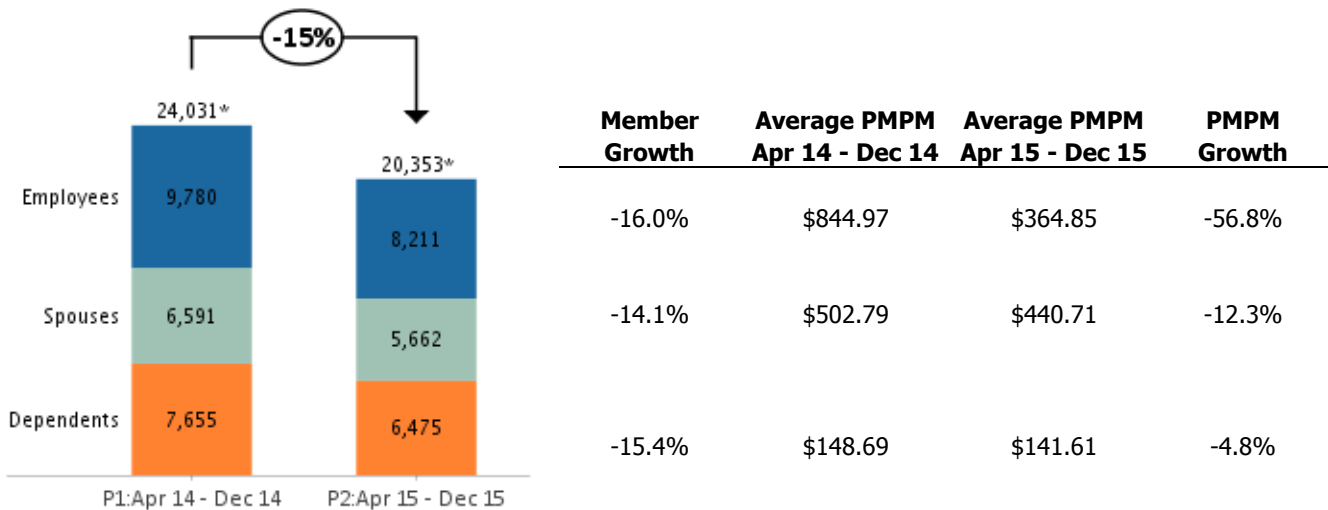


Figure 2.1.2 Current Members



⁴ **Note:** *Totals included counts for the 'Unknown' category

Refer to Appendix 5.1 for more information on member expenses by relationship status.

⁵ Source: Medical Intelligence : Individuals Module. For Relationship, filter using Rel Flag (E = Employees, S=Spouses, D = Dependents). For Current Members, Current = 'Y'.

Figure 2.1.3 Claims Paid by Gender and Age ⁶

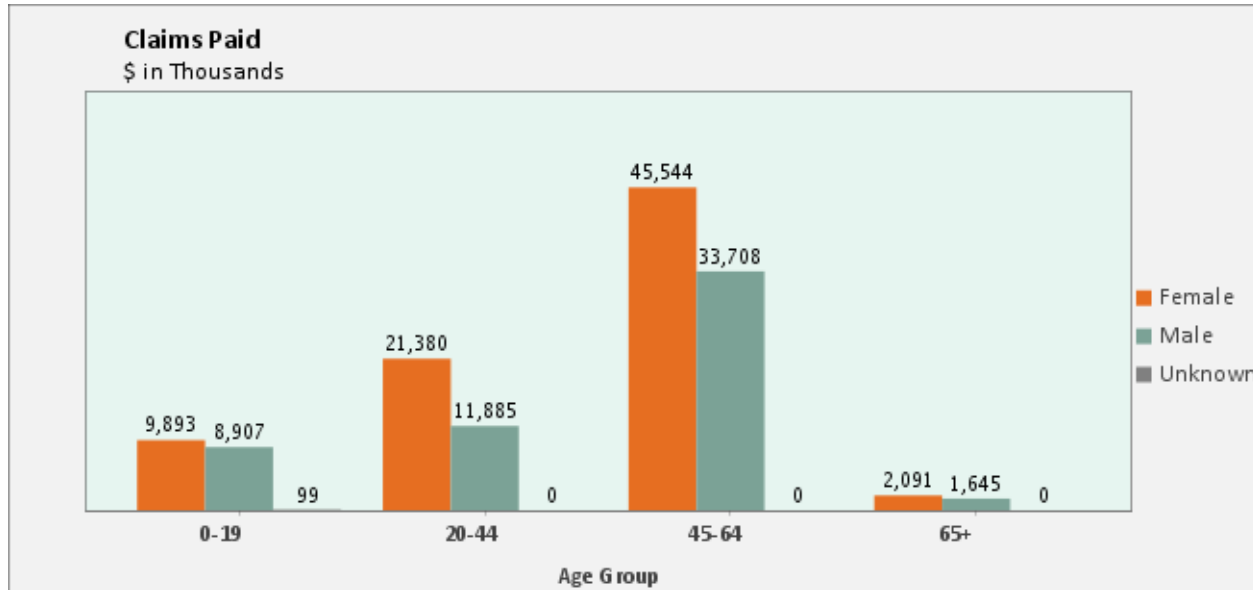


Table 2.1.1 Membership Profile ⁷

| | Female Member | | Male Member | | Unknown | | Total Member | |
|--------------|---------------|--------------|---------------|--------------|-----------|-------------|---------------|-------------|
| | Count | Percent | Count | Percent | Count | Percent | Count | Percent |
| Employee | 2,931 | 9.1% | 9,990 | 30.9% | 0 | 0.0% | 12,921 | 40.0% |
| Spouse | 7,811 | 24.2% | 798 | 2.5% | 0 | 0.0% | 8,609 | 26.7% |
| Dependent | 5,154 | 16.0% | 5,488 | 17.0% | 57 | 0.2% | 10,699 | 33.1% |
| Unknown | 37 | 0.1% | 25 | 0.1% | 6 | 0.0% | 68 | 0.2% |
| Total | 15,933 | 49.3% | 16,301 | 50.5% | 63 | 0.2% | 32,297 | 100% |

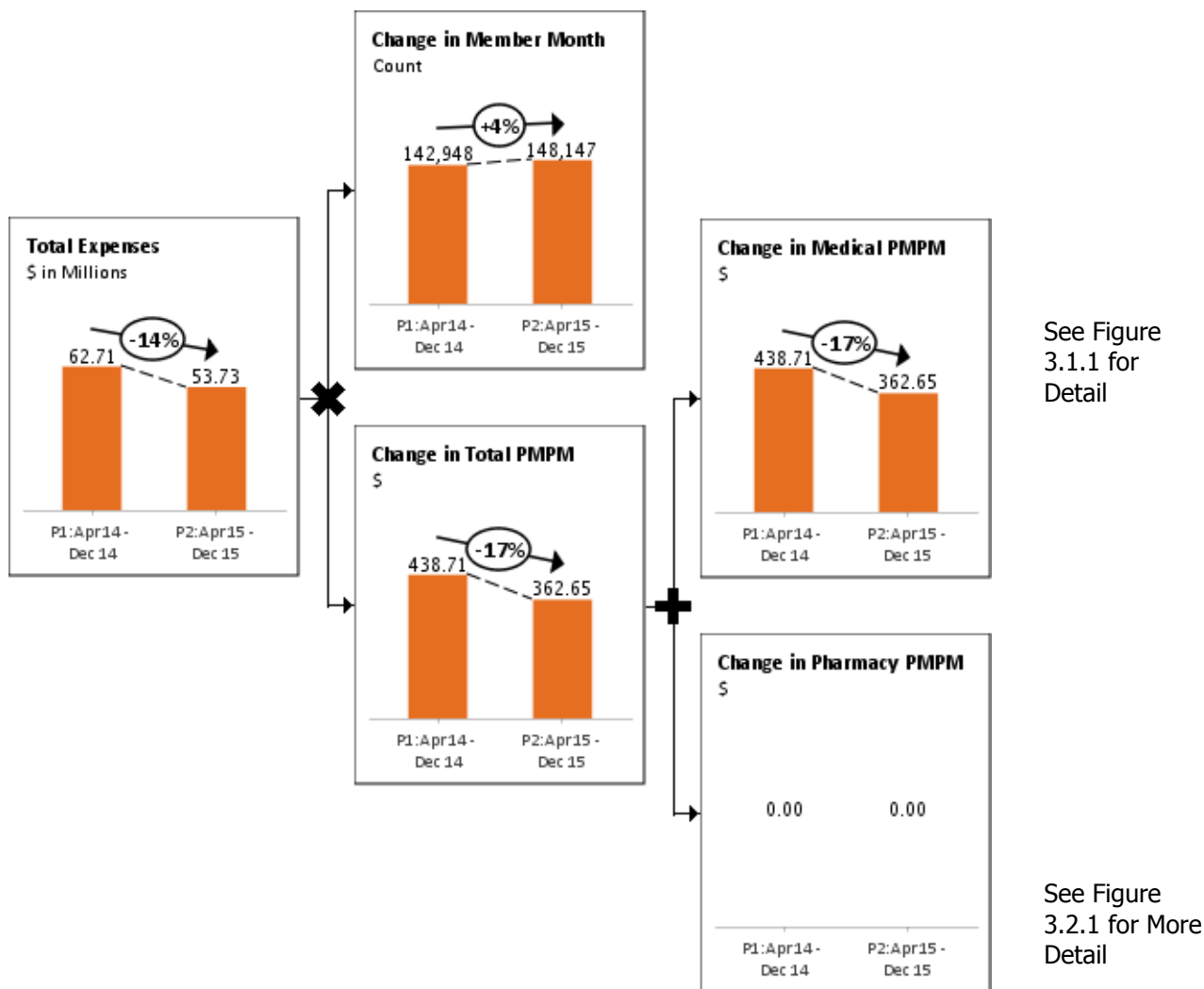
⁶ **Note:** Unknown members will be displayed in graph if applicable.
Source: Medical Intelligence : Demography Module / Age Group

⁷ Source: Medical Intelligence : Individuals Module / filter on Gender and Rel. Flag

2.2 Aggregate Economics

Figure 2.2.1 breaks out cost growth into discrete drivers, such as change in member volume, change in PMPM, and medical versus pharmacy PMPM. The change in Member Months will closely approximate the change in current members. This analysis helps delineate whether absolute costs are growing because the population is growing, or because the cost per member is growing. Further cost breakouts are present in *Section 3: Economic Findings and Opportunities*. Member Month is always Medical Member Month in the "Change in Member Month" graph of Figure 2.2.1.

Figure 2.2.1 Distribution of Expenses⁸



⁸ **Note:**
 Medical PMPM includes Non-PBM drug spend (J-Codes).
 Source: Medical Intelligence : Claims Module / custom timeframes for medical and pharmacy expenses.

2.2.1 Monthly Comparison of Paid Claims

Figures 2.2.2 and 2.2.3 track monthly claim paid amounts for claims incurred during the period April 2014 through December 2015 and paid during the period April 2014 through March 2016. Seasonality in claims paid (in terms of date incurred) is expected, with the highest monthly claims generally occurring in the winter. Claim volumes may also rise just before or after installation of a new health plan. Claims are presented both as total and PMPM calculations.

Figure 2.2.2 Medical and Pharmacy Paid - Total ⁹

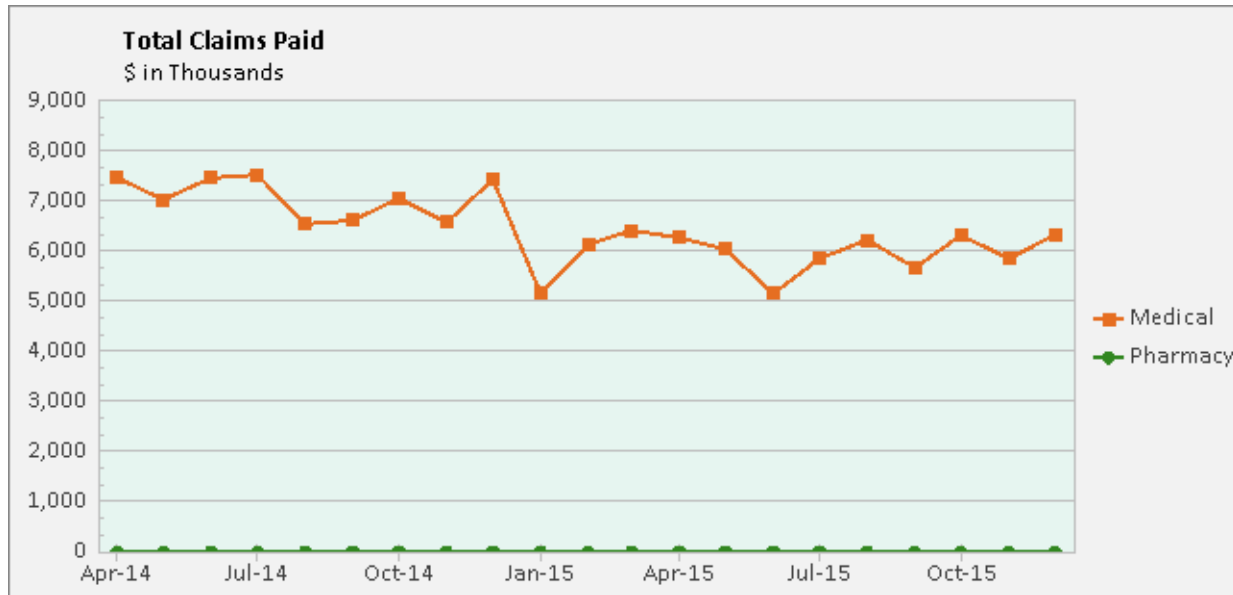
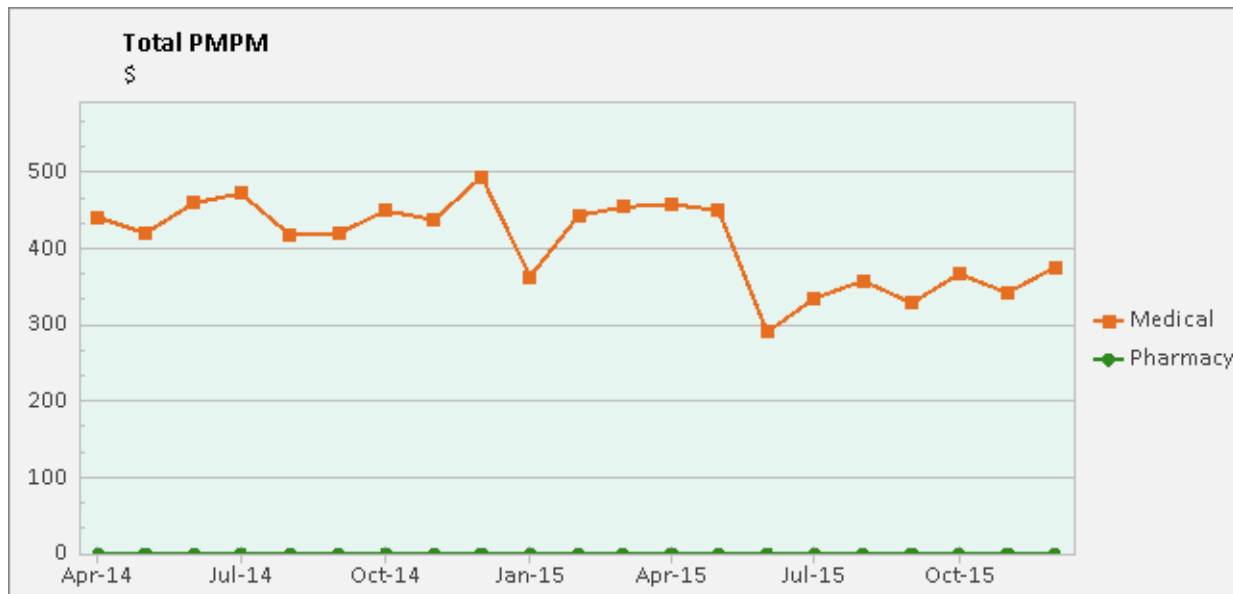


Figure 2.2.3 Medical and Pharmacy Paid - PMPM

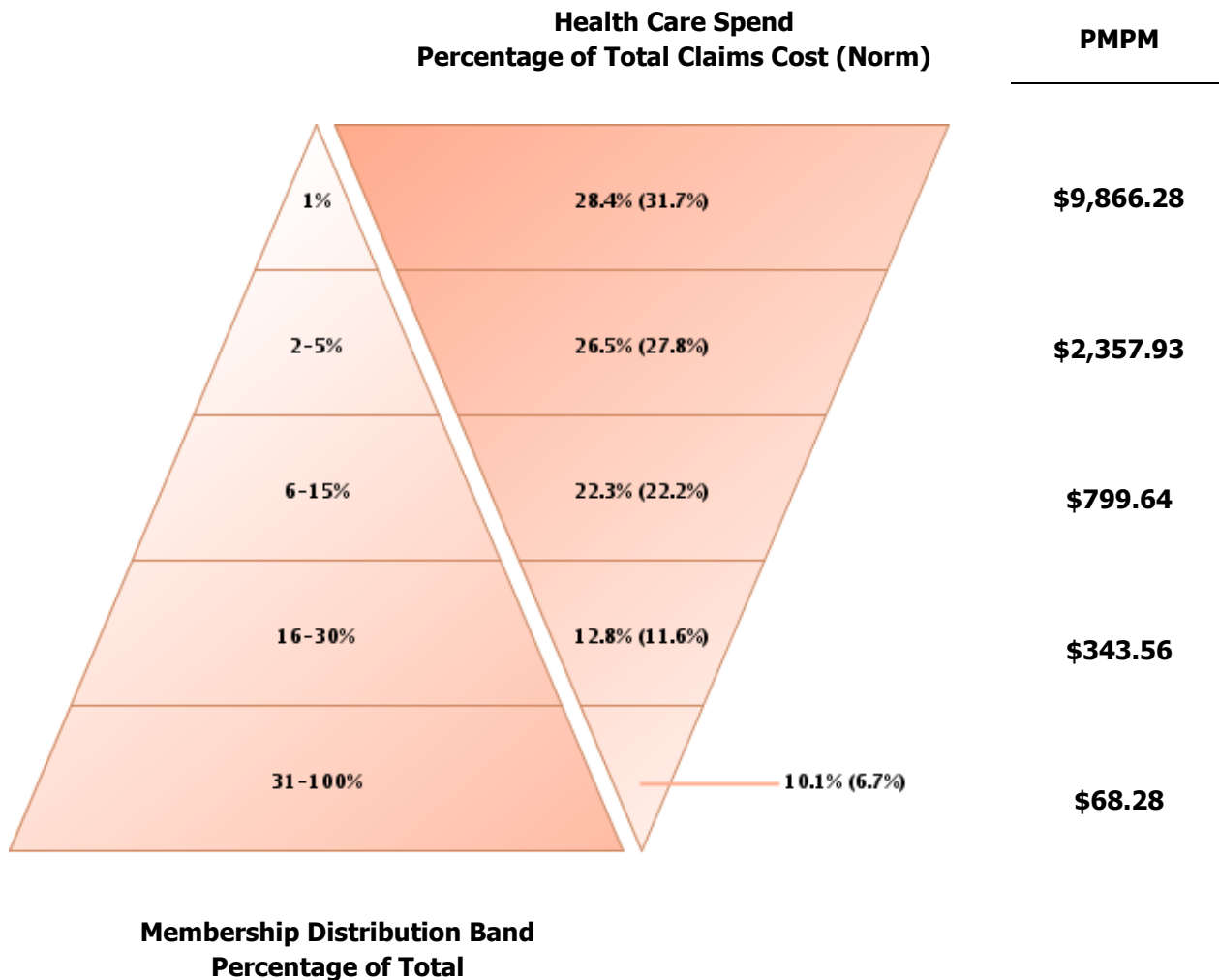


⁹ **Note:** Refer to Table 5.2.1 and 5.2.2 in Appendix 5.2 for supporting monthly detail.
Source: Medical Intelligence : Claims Module / Medical or Pharmacy / Trend by Month.

2.2.2 Expense Distribution by Percent Spending Band

Figure 2.2.4 shows claim payments for five different population bands including both current and termed members. Members are ranked by total claims for purposes of creating the bands. For example, the band representing 1% of the population consists of the most expensive 1% of members; approximately one-third of the total claims expense is generally accounted for by this group. These members have extremely high claims expense and should be reviewed to verify their case management status. A significant number of members in the next two bands will be high risk members, often with multiple chronic conditions. The risk associated with these members, many of whom to date have not generated significant claims expense, can be further evaluated using the Medical Intelligence Expense Distribution module.

Figure 2.2.4 Claims Expense Distribution ¹⁰



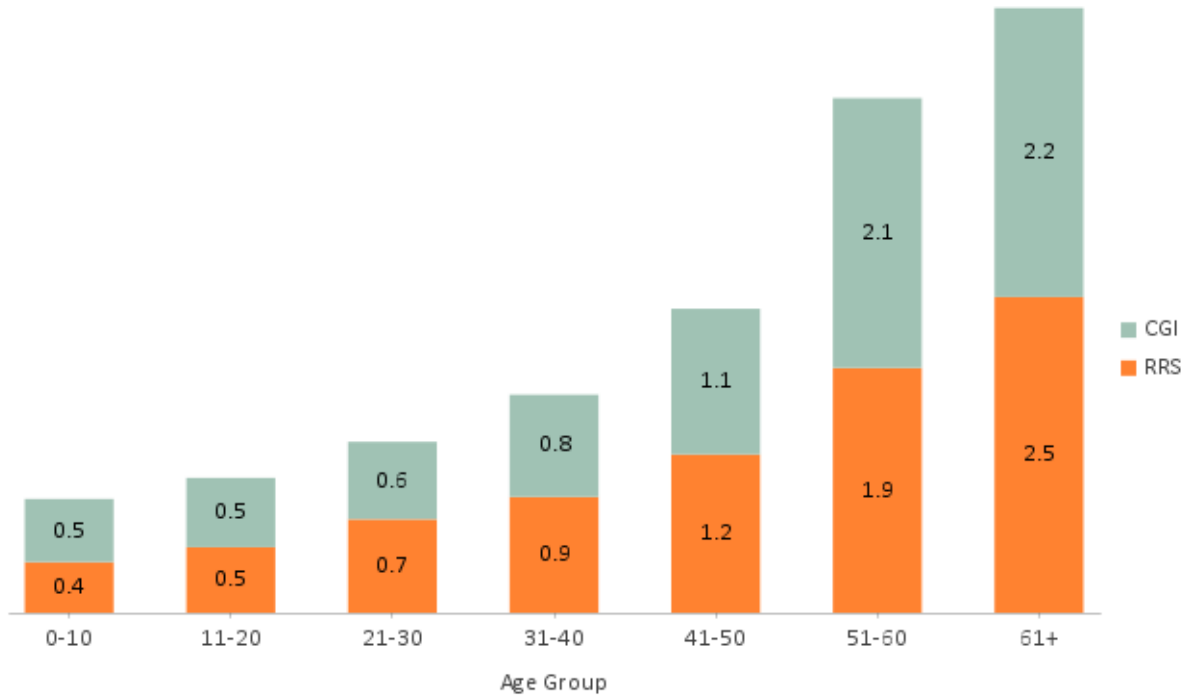
¹⁰ **Note:** Refer to Table 5.2.3 in Appendix 5.2 for further detail.
 Source: Medical Intelligence : Expense Distribution Module.
 PMPM Source: Medical Intelligence : Expense Distribution Module / Individual

2.3 Clinical Disease Fingerprint

The Relative Risk Score (RRS) quantifies the disease burden of an individual member, while the Care Gap Index (CGI) quantifies the gaps in appropriate medical care that a member is receiving. Depending on the diseases that a member has, the extent of care gaps present serves as one assessment of the quality of care they receive.

Figures 2.3.1 show the relationship between the RRS and the CGI. As age increases, RRS and CGI usually increase proportionally. Figure 2.3.2 shows the RRS and CGI relative to benchmark performance and discusses how to determine the extent to which your CGI is driven by high disease burden or poor quality care.

Figure 2.3.1 Average Care Gap and RRS ¹¹

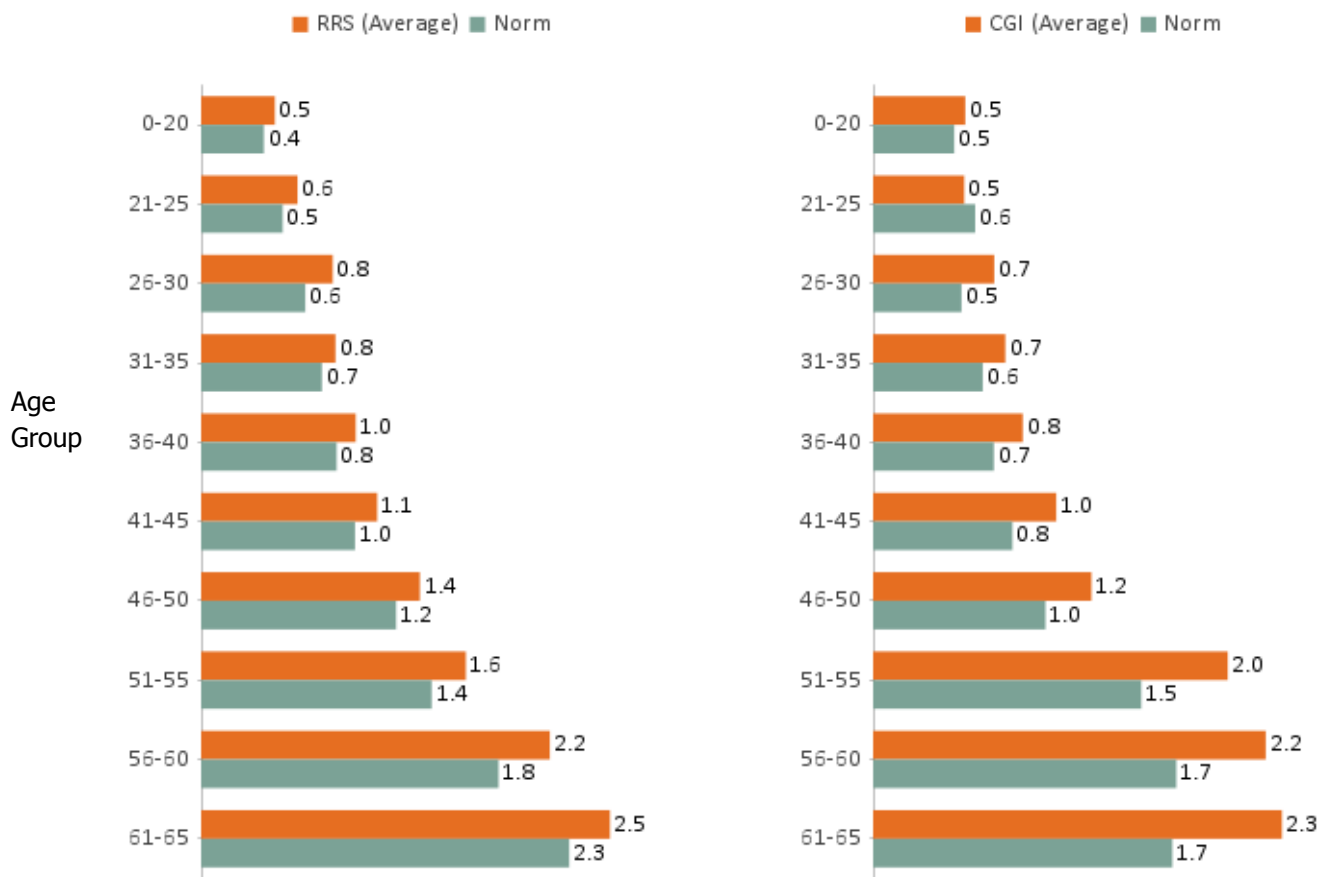


¹¹ Source: Medical Intelligence : Average of RRS and CGI fields, grouping members by age in the Individuals Module

Figure 2.3.2 shows the RRS and CGI relative to the Verscend Norm. Four scenarios are possible:

1. The population has a **higher RRS but a lower CGI** relative to the norm. This is a positive finding. The population has a higher disease burden, yet compliance with evidence-based medicine generates a CGI lower than the norm.
2. The population has a **higher RRS and a higher CGI** relative to the norm. This is a mixed finding. The population is sicker than the Verscend norm. Because it is sicker, we expect gaps in care to be more prevalent as well. This population presents an opportunity to reduce care gaps and claims cost through disease management.
3. The population has a **lower RRS and a lower CGI** relative to the norm. This is a positive finding. The population is healthier than the Verscend norm and also enjoys correspondingly fewer gaps in care.
4. The population has a **lower RRS but a higher CGI** relative to the norm. This is a negative finding. Although the illness burden is low for this population, there exist disproportionate gaps in compliance with evidence-based care guidelines - either through member non-compliance or poor provider quality.

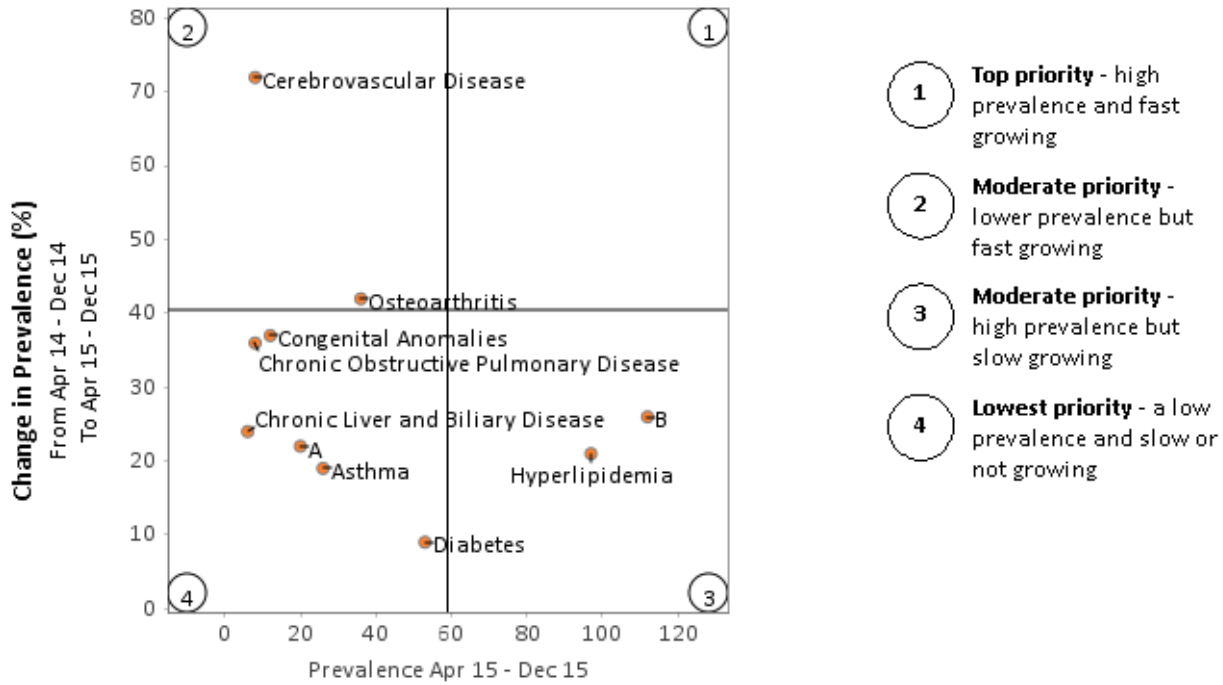
Figure 2.3.2 Spread of disease burden and gaps in care by age groups. ¹²



¹² Norm or Verscend Norm in this report refers to the values from Verscend's Commercial Normative database.

Figure 2.3.3 presents the top ten chronic diseases using the Verscend Disease classification scheme - this is the population's "disease fingerprint". Reducing the cost associated with these diseases is typically achieved with Disease Management programs, which typically reduce absolute utilization, and shift utilization from high cost setting to low cost settings.

Figure 2.3.3 Prevalence and Growth of Top 10 Chronic Diseases ¹³

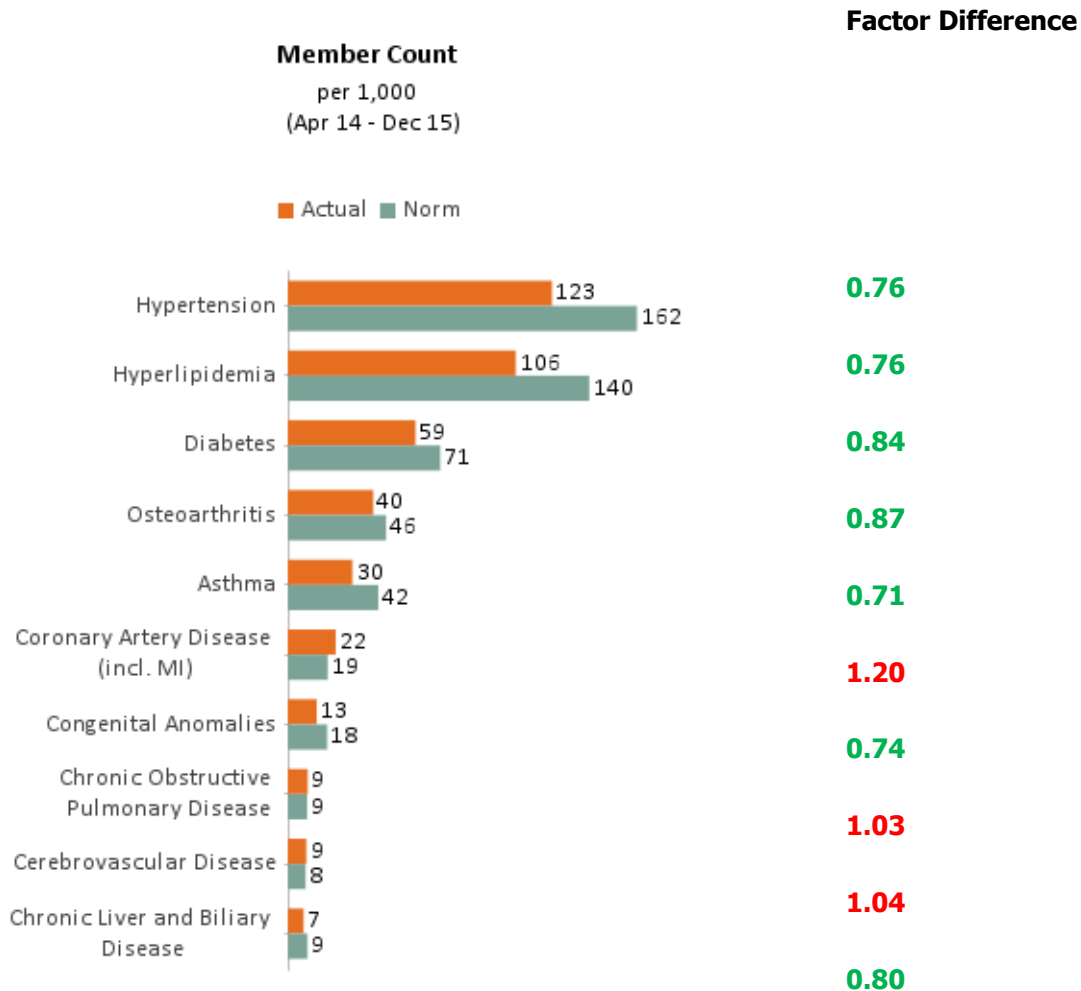


A. Coronary Artery Disease (incl. MI) B. Hypertension

¹³ **Note:** Figure 2.3.3 is based on members having a qualifying primary diagnosis (ICD9 diagnosis code). Source: Medical Intelligence : Disease Registry Module / sort by Actual Members per 1000 / Top 10 records

Figure 2.3.4 shows the prevalence of the population's top 10 chronic diseases relative to the Verscend Commercial Norm benchmark values. Diseases with a factor difference less than 1, labeled in green, have lower prevalence than the Verscend norm, while diseases labeled in red have higher prevalence. A high prevalence relative to the norm means that the high cost in claims is in part driven by intrinsic population disease burden, which can be addressed by Disease and Wellness Management programs.

Figure 2.3.4 Prevalence View of top 10 Chronic Diseases. ^{14, 15, 16}



¹⁴ **Note:** Factor Difference = Actual Members per 1000 / Norm Members per 1000
 Source: Medical Intelligence : Disease Registry Module / sort by Actual Members per 1000 / Top 10 records
¹⁵ The Norm values in Figure 2.3.4 have been adjusted by Age-Gender-Geography
¹⁶ Norm or Verscend Norm in this report refers to the values from Verscend's Commercial Normative database.

3. ECONOMIC FINDINGS AND OPPORTUNITIES

Economic findings are broken out into Medical and Pharmaceutical subsections.

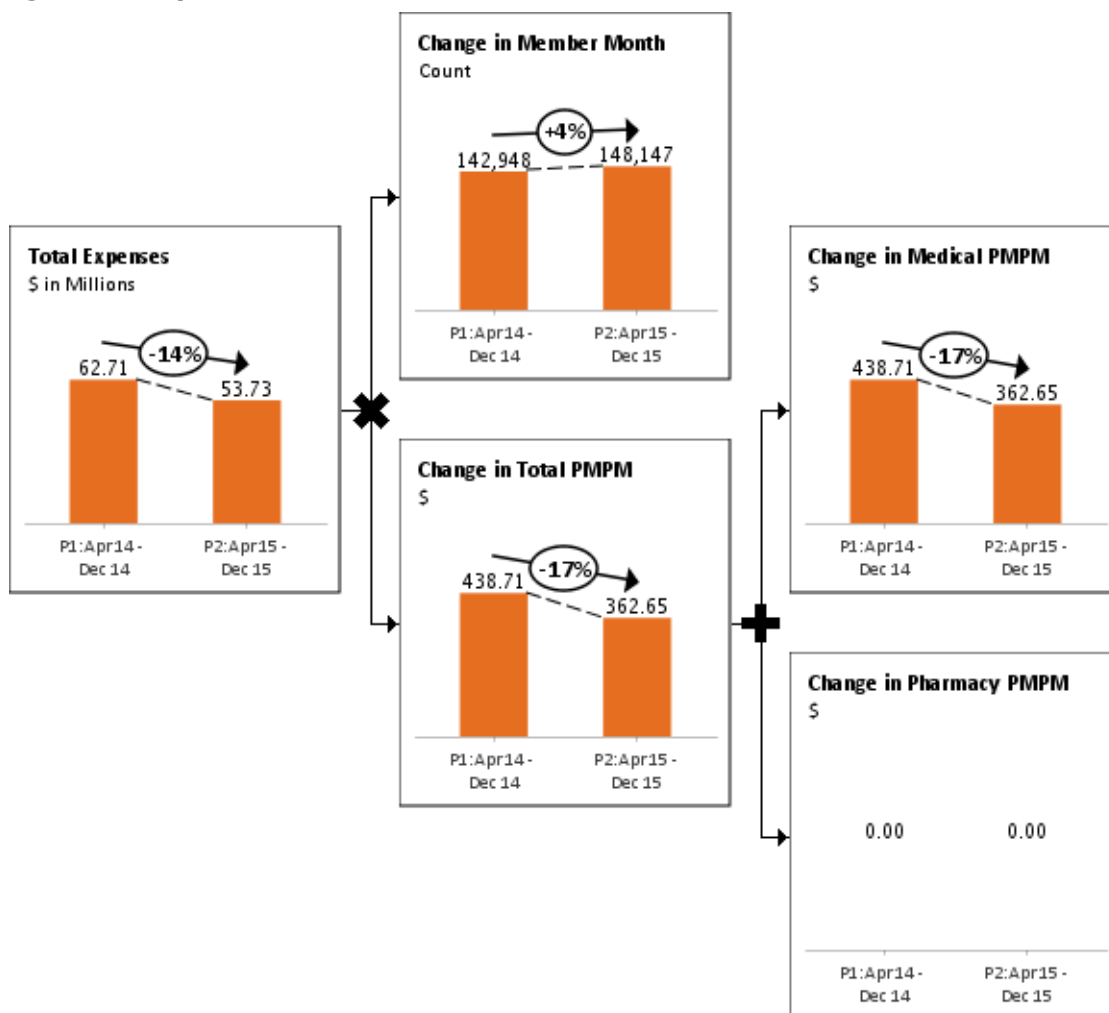
In section 3.1 - the Medical Economics subsection- this report examines:

- Factors that primarily impact *unit pricing*, including contract discount power and in versus out-of-network utilization rates. We also examine which geographic areas are associated with the most out-of-network spend.
- Factors that drive *utilization*, including specialty procedures and consultations, diagnostic testing, and the place of service. For these utilization-based drivers, we assess both changes in utilization and cost.

In section 3.2 - the Pharmaceutical section - this report examines:

- Drug classes that affect PBM drug spend, and whether the change in this spend is due to pricing growth or utilization growth. This section also details the highest cost drugs and opportunities for generic and branded switching.
- Overall Non-PBM drug spend: because this spend is a "medical" cost - not a PBM cost - the impact of these high-cost drugs is often hidden.

Figure 3.1 Expense Drivers ¹⁷



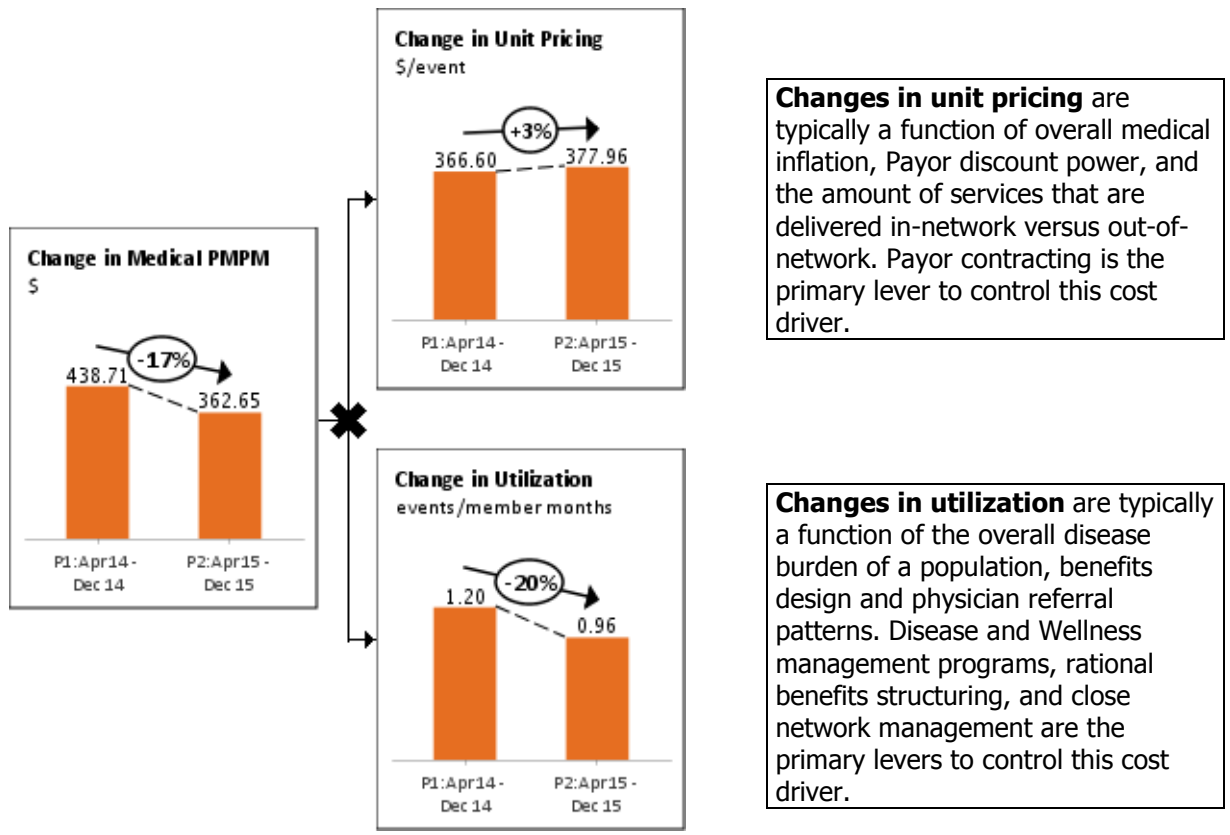
¹⁷ **Note:**
 Medical PMPM includes Non-PBM drug spend (J-Codes).
 Source: Medical Intelligence : Claims Module / Custom timeframes for medical and pharmacy expenses.

3.1 Medical Economics

Section 3.1 assesses medical economics - where cost increases are occurring, what is driving them, and how they can be controlled. While the areas and opportunities assessed are not additive, they are complementary. For example, managing Coronary Artery Disease more effectively can be expected to reduce the number of cardiac catheterizations, reduce the overall number of cardiology consultations, and move cardiology consultations from the inpatient setting to the lower-cost office setting.

Figure 3.1.1 shows the change in Medical expenses from previous period to current period. This chart is related to chart 2.2.1 from our assessment of aggregate economics.

Figure 3.1.1 Medical Expense Growth over Time (Refer to Figure 3.1) ¹⁸



¹⁸ **Note:** Events are a distinct count of Member ID and Date of Service for the reported population and reporting period. Source: Medical Intelligence : Claims Module / Custom timeframes for medical expenses.

Section 3.1 will analyze the five areas listed directly below.

| | What the analysis assesses | How excessive costs are incurred |
|---|--|--|
| Contract discount power | <ul style="list-style-type: none">• The percent discount that a payor is able to achieve from provider | <ul style="list-style-type: none">• Payors with weaker networks - and lower network discount rates - will pay higher per-unit costs |
| Network utilization | <ul style="list-style-type: none">• The percentage and location of out-of-network claims occurrences | <ul style="list-style-type: none">• On a per-unit basis, out-of-network costs are generally higher than in-network costs |
| Specialty procedures & consultations | <ul style="list-style-type: none">• Costs are prioritized by total amount and growth rate• Cost growth drivers are disaggregated into change-in-utilization and change-in-price drivers | <ul style="list-style-type: none">• High rates of utilization will drive excessive costs; utilization is typically driven by excessive specialty procedures or diagnostic testing• Excessive costs can also be driven by inappropriate location of care; for example, if a disease is treated in the ER instead of clinic |
| Diagnostic testing | | |
| Place of service | | |

3.1.1 Network utilization and contract discounts

Table 3.1.1 details in-network (Par) and out-of-network (Non-Par) costs, ranked by plan paid, for the various networks used by your plan participants. This analysis also provides a comparison of discounts for the top ten participating networks. Most benefit plans utilize a provider network where providers have agreed to accept lower reimbursements in return for inclusion on a preferred provider list. Some out-of-network utilization is expected; examples are members seeing a provider while away from home (out-of-area claims), or seeing an out-of-network provider for an urgent or emergent healthcare condition. Out-of-network claims result in higher than expected claims expense for the service provided. A high incidence of out-of-network provider visits is usually an indication that there are access issues. These access issues can be impacted through network restructuring. Improved in-network usage can be accomplished by limiting coverage for out-of-network services.

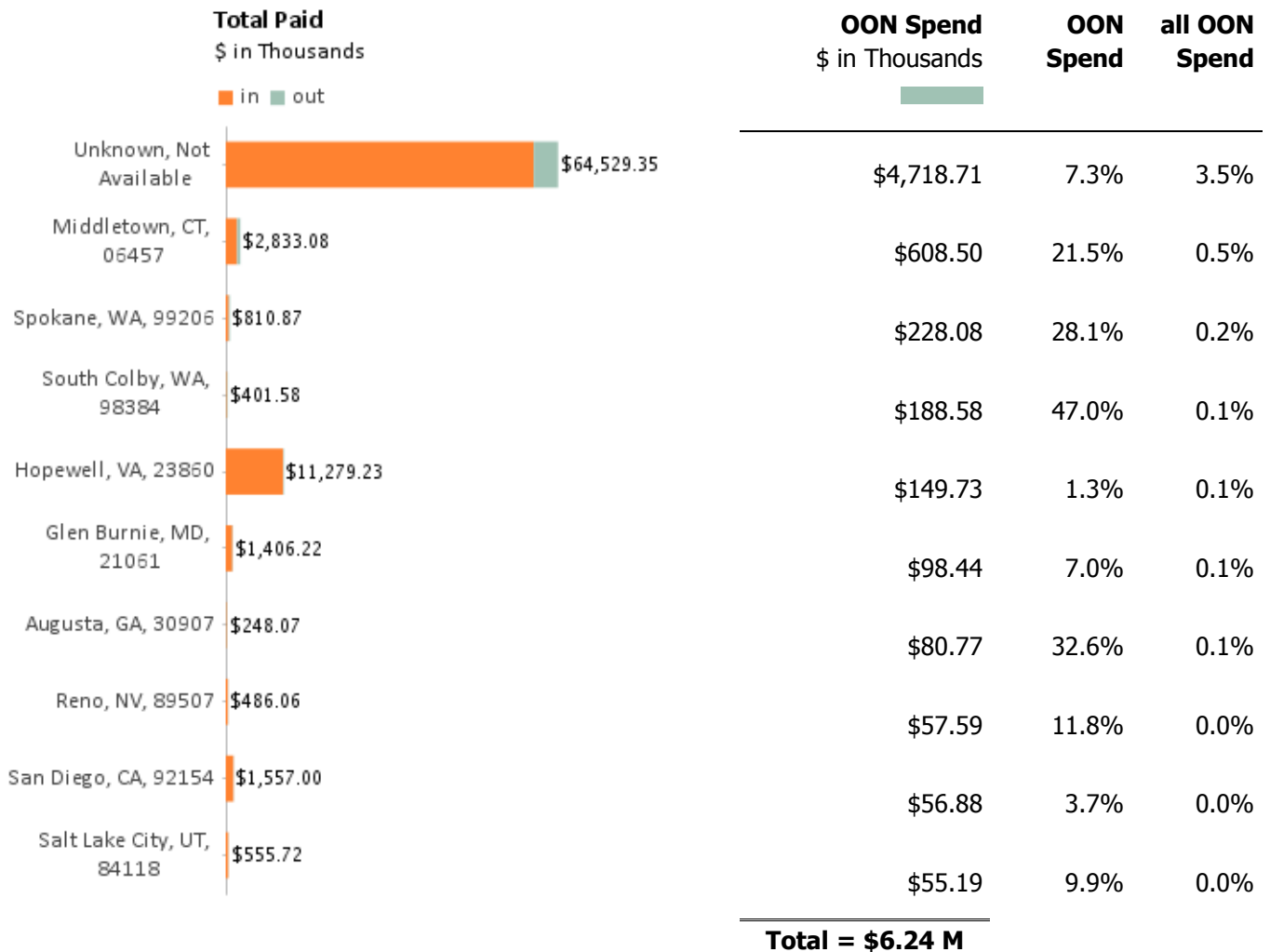
Table 3.1.1 Carrier Discounts and Network Utilization ¹⁹

| Network | Total | | | | | |
|-------------------------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|--------------|
| | Claims Billed | Claims Allowed | Claims Paid | Employee Contribution | Network Discount | % Discount |
| Network - 440000608 | \$95,778,181 | \$39,957,421 | \$39,143,769 | \$6,258,957 | \$49,343,650 | 51.5% |
| Network - 440000605 | \$100,187,039 | \$37,426,006 | \$32,689,413 | \$4,736,593 | \$41,670,889 | 41.6% |
| Network - 440000596 | \$44,311,569 | \$18,934,122 | \$18,855,775 | \$1,210,010 | \$10,297,120 | 23.2% |
| Network - 440000601 | \$37,044,040 | \$13,645,974 | \$13,025,885 | \$1,929,002 | \$16,336,672 | 44.1% |
| Network - 440000158 | \$26,892,486 | \$11,546,941 | \$11,457,568 | \$780,285 | \$14,222,706 | 52.9% |
| Network - 440000602 | \$21,803,270 | \$8,132,633 | \$7,931,071 | \$895,704 | \$9,892,959 | 45.4% |
| Network - 440000613 | \$6,887,200 | \$2,756,779 | \$2,643,026 | \$23,558 | \$4,130,421 | 60.0% |
| Network - 440000614 | \$3,755,703 | \$2,950,112 | \$2,482,246 | \$318,874 | \$805,625 | 21.5% |
| Network - 440000586 | (\$46,758) | \$30,912 | (\$14,246) | \$18,509 | (\$129,117) | 276.1% |
| All Other Par (In Network) | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0% |
| All Non-Par (Out Of Network) | \$15,700,220 | \$7,624,470 | \$6,934,887 | \$1,976,699 | \$3,664,514 | 23.3% |
| Total | \$352,312,949 | \$143,005,369 | \$135,149,394 | \$18,148,192 | \$150,235,439 | 42.6% |

¹⁹ **Note:** Refer to Table 5.2.6 in Appendix 5.2 for network summary.
Source: Medical Intelligence : Network Utilization Module / Discount

Figure 3.1.2 shows the cost distribution by city and state for the members utilizing out-of-network providers. Efforts to move utilization in-network should begin with an understanding of why members located in these cities are seeing out-of-network (OON) providers.

Figure 3.1.2 Top 10 Zip Codes for Out-of-Network Claims Paid ²⁰

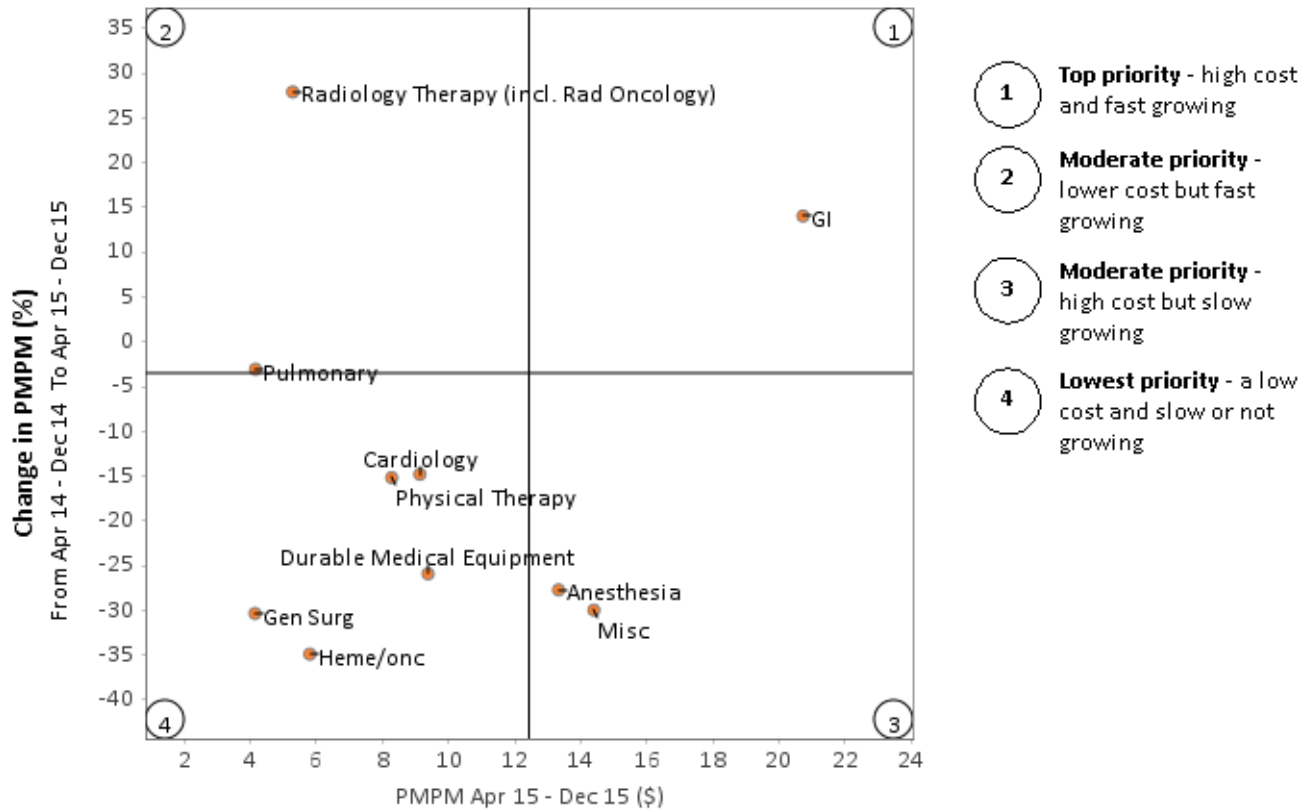


²⁰ Source: Medical Intelligence : Network Utilization Module / Drill by Zip / Top 10 Zip codes based on NON PAR Paid

3.1.2 Specialty procedures/consultations

Specialty procedures, and the consultations that lead to those procedures, are a common driver of excess utilization. The chart below shows what procedures are large and are growing fast. Moving left to right on the horizontal axis, total costs incurred get larger. Moving bottom to top on the vertical axis, growth from previous period through current period in costs increases. Therefore, specialties in the upper right corner are both large and growing fast.

Figure 3.1.3 Cost drivers: Areas of cost and cost growth for specialty procedures and consultations ²¹



²¹ **Note:** Figure 3.1.3 is based on select categories of Verscend Procedure Groups which utilize CPT4 Procedure Codes. Source: Medical Intelligence : Claims Module / Trend / Medical / drill by Plan Type / Zoom Fwd / drill by Procedure Group

The table below breaks down the cost driver for each category analyzed in the prior chart. This allows you to understand whether the changes in cost are driven by a change in pricing or a change in utilization. Also displayed is the average cost from the Verscend Normative Database, and the population's cost rank relative to the Norm.

Table 3.1.2 Cost drivers: Change in unit price and change in utilization breakout for specialty procedures and consultations^{22, 23}

| Specialty Procedures/ Consultations | Current PMPM | Change in PMPM | Change in Utilization per 1,000 | Change in Unit Pricing | Norm value of PMPM | Percent Rank (Norm value = 50%) |
|---|--------------|----------------|---------------------------------------|---------------------------|-----------------------|---------------------------------------|
| GI | \$20.73 | 14.0% | -17.9% | 38.9% | \$15.63 | - |
| Misc | \$14.40 | -30.0% | -19.2% | -13.4% | \$8.45 | - |
| Anesthesia | \$13.33 | -27.7% | -22.5% | -6.7% | \$9.35 | - |
| Durable Medical Equipment | \$9.38 | -25.9% | -25.2% | -1.0% | \$4.51 | - |
| Cardiology | \$9.13 | -14.8% | -4.3% | -11.0% | \$5.61 | - |
| Physical Therapy | \$8.28 | -15.2% | -16.3% | 1.3% | \$4.70 | - |
| Heme/onc | \$5.80 | -34.9% | -13.3% | -24.9% | \$3.52 | - |
| Radiology Therapy (incl. Rad Oncology) | \$5.28 | 27.9% | 29.1% | -0.9% | \$3.70 | - |
| Pulmonary | \$4.15 | -3.1% | -27.4% | 33.4% | \$2.08 | - |
| Gen Surg | \$4.14 | -30.4% | -19.6% | -13.4% | \$4.18 | - |

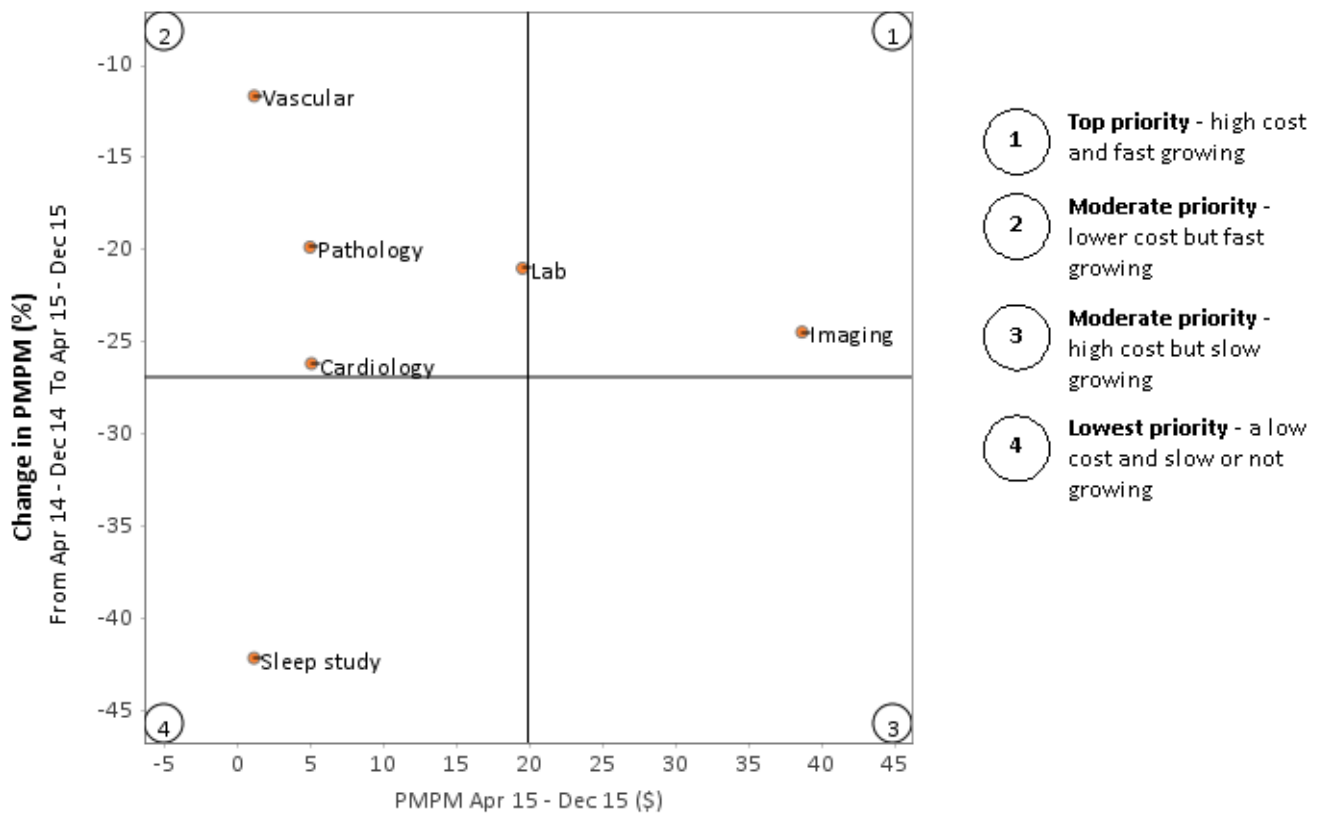
²² **Note:** Table 3.1.2 is based on select categories of Verscend Procedure Groups which utilize CPT4 Procedure Codes.
Source: Medical Intelligence : Claims Module / Trend / Medical / drill by Plan Type / Zoom Fwd / drill by Procedure Group

²³ Norm or Verscend Norm in this report refers to the values from Verscend's Commercial Normative database.

3.1.3 Diagnostic Testing

The chart below shows what diagnostic tests are large and are growing fast. Moving left to right on the horizontal axis, total costs incurred get larger. Moving bottom to top on the vertical axis, growth from previous period through current period in costs increases. Therefore, tests in the upper right corner are both large and growing fast.

Figure 3.1.4 Cost drivers: Areas of cost and cost growth for diagnostic tests ²⁴



²⁴ **Note:** Figure 3.1.4 is based on select categories of Verscend Procedure Groups which utilize CPT4 Procedure Codes. Source: Medical Intelligence : Claims Module / Trend / Medical / drill by Plan Type / Zoom Fwd / drill by Procedure Group

The table below breaks down the cost driver for each category analyzed in the prior chart. This allows you to understand whether the changes in cost are driven by a change in pricing or changes in utilization. Also displayed is the average cost from the Verscend Normative Database, and the population's cost rank relative to the Norm.

Table 3.1.3 Cost drivers: Change in unit price and change in utilization breakout for diagnostic tests ^{25, 26}

| Testing Category | Subcategory | Current PMPM | Change in PMPM | Change in utilization per 1,000 | Change in Unit pricing | Norm value of PMPM | Percent Rank(Norm value = 50%) |
|--------------------|---|--------------|----------------|---------------------------------|------------------------|--------------------|--------------------------------|
| Cardiology | All | \$5.05 | -26.2% | -19.0% | -24.9% | \$3.58 | - |
| | Ultrasound/Doppler | \$2.56 | -15.6% | -15.8% | 0.2% | \$1.76 | - |
| | Cardiography | \$2.17 | -30.3% | -19.5% | -13.5% | \$1.38 | - |
| | Electrophysiology | \$0.32 | -53.7% | -28.1% | -35.5% | \$0.44 | - |
| Imaging | All | \$38.67 | -24.5% | -22.6% | -7.5% | \$22.56 | - |
| | CT | \$13.25 | -15.9% | -14.0% | -2.3% | \$6.56 | - |
| | MRI | \$9.77 | -27.1% | -24.9% | -3.0% | \$5.77 | - |
| | Radiology Diagnostic (incl. Cardiology) | \$4.68 | -36.9% | -24.1% | -16.9% | \$2.17 | - |
| | US | \$3.96 | -22.0% | -20.6% | -1.8% | \$3.34 | - |
| | Plain film | \$3.72 | -21.6% | -23.9% | 3.1% | \$2.98 | - |
| | Not classified | \$3.28 | -31.3% | -25.4% | -8.0% | \$1.74 | - |
| Lab | All | \$19.51 | -21.0% | -21.0% | -0.0% | \$14.63 | - |
| Pathology | All | \$4.95 | -19.9% | -22.3% | 3.2% | \$3.39 | - |
| Sleep study | All | \$1.11 | -42.2% | -40.6% | -2.7% | \$1.04 | - |
| Vascular | All | \$1.12 | -11.7% | -23.7% | 15.8% | \$0.71 | - |

²⁵ **Note:** Table 3.1.3 is based on select categories of Verscend Procedure Groups which utilize CPT4 Procedure Codes.
Source: Medical Intelligence : Claims Module / Trend / Medical / drill by Plan Type / Zoom Fwd / drill by Procedure Group

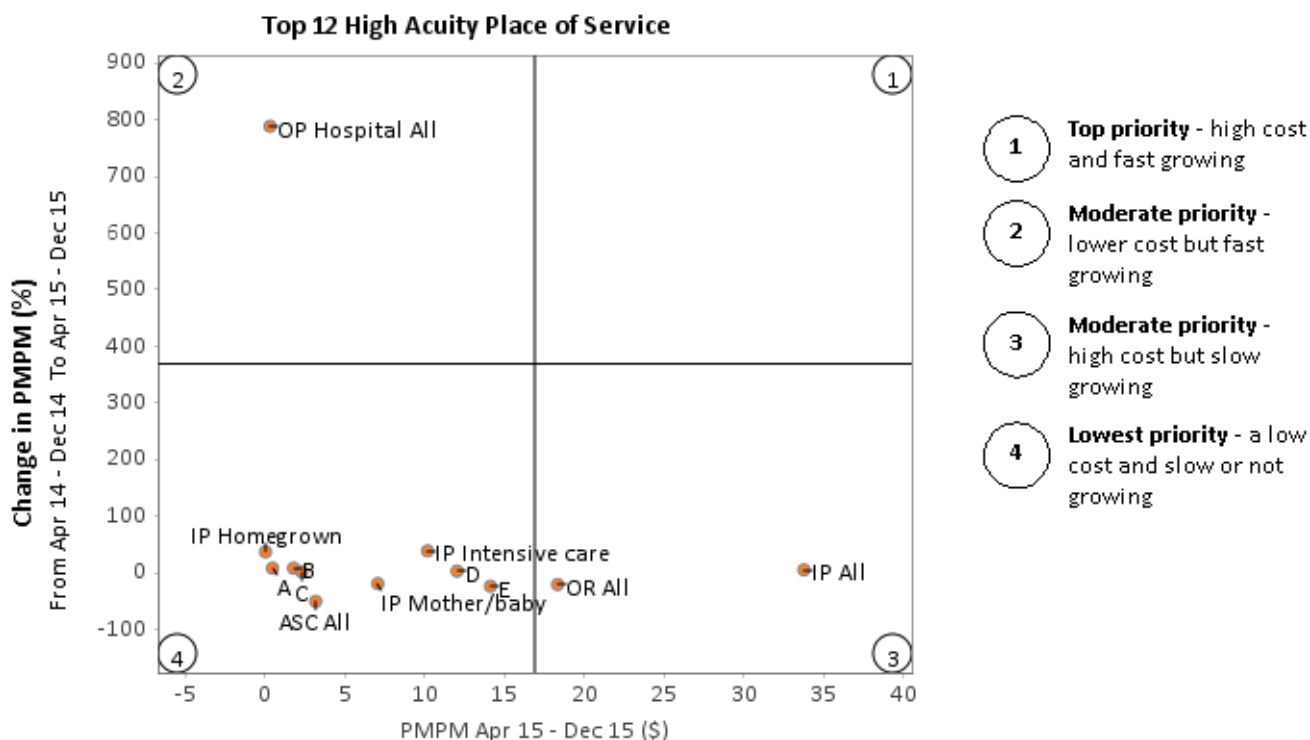
²⁶ Norm or Verscend Norm in this report refers to the values from Verscend's Commercial Normative database.

3.1.4 Place of service - Inpatient and high acuity

Monitoring the utilization patterns for chronic conditions offers valuable insight into benefit design and/or case and disease management program performance. In general, high utilization rates for such measures as inpatient admissions and emergency room services in these conditions bring into question the adequacy of outpatient care, plan design incentives to encourage outpatient care, and medical management performance.

The chart below shows which inpatient and high acuity places of service are large and are growing fast. Moving left to right on the horizontal axis, total costs incurred get larger. Moving bottom to top on the vertical axis, growth from previous period through current period in costs increases. Therefore, locations in the upper right corner are both large and growing fast.

Figure 3.1.5 Cost drivers: Areas of cost and cost growth for hospital and ASC based utilization ²⁷



A. IP Psychiatry B. IP Subsequent Hospital Care C. IP Observation D. IP Ward
E. ER All

²⁷ **Note:** Figure 3.1.5 is based on select categories of Verscend Procedure Groups which utilize CPT4 Procedure Codes.
Source: Medical Intelligence : Claims Module / Trend / Medical / drill by Plan Type / Zoom Fwd / drill by Procedure Group

The table below breaks down the cost driver for each category analyzed in the prior chart. This allows you to understand whether the changes in cost are driven by a change in pricing or a change in utilization. Also displayed is the average cost from the Verscend Normative Database, and the population's cost rank relative to the Norm.

Table 3.1.4 Cost drivers: Change in unit price and change in utilization breakout for Inpatient and high acuity locations of care^{28, 29}

| Category | Subcategory | Current PMPM | Change in PMPM | Change in utilization per 1,000 | Change in Unit pricing | Norm value of PMPM | Percent Rank(Norm value = 50%) |
|--------------------|--------------------------|--------------|----------------|---------------------------------|------------------------|--------------------|--------------------------------|
| ASC | All | \$3.16 | -50.8% | -39.1% | -19.2% | \$1.28 | - |
| ER | All | \$14.12 | -24.3% | -26.6% | 3.1% | \$11.73 | - |
| IP | All | \$33.78 | 5.0% | -11.1% | 17.6% | \$30.25 | - |
| | Ward | \$12.02 | 2.7% | -24.9% | 36.7% | \$9.23 | - |
| | Intensive care | \$10.18 | 38.1% | 11.2% | 24.2% | \$6.01 | - |
| | Mother/baby | \$7.05 | -19.6% | -26.1% | 8.8% | \$9.18 | - |
| | Observation | \$2.29 | 1.4% | -3.6% | 5.2% | \$0.79 | - |
| | Subsequent Hospital Care | \$1.77 | 7.9% | -0.5% | 8.5% | \$1.16 | - |
| | Psychiatry | \$0.45 | 7.6% | -7.9% | 16.8% | \$1.63 | - |
| | Homegrown | \$0.01 | 36.6% | 84.4% | -25.9% | \$2.24 | - |
| OP Hospital | All | \$0.30 | 788.5% | -11.1% | 900.0% | \$0.07 | - |
| OR | All | \$18.33 | -21.1% | -24.6% | 4.7% | \$4.34 | - |

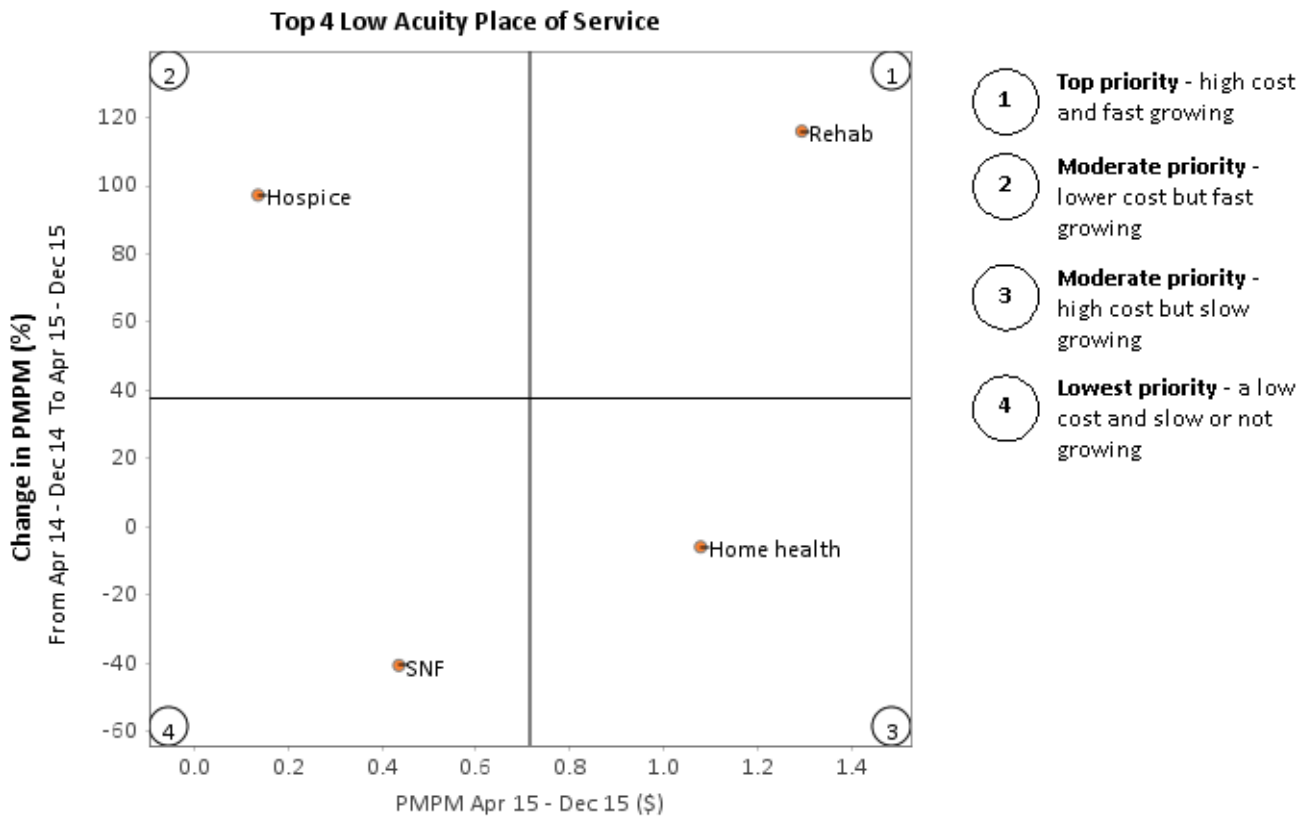
²⁸ **Note:** Table 3.1.4 is based on select categories of Verscend Procedure Groups which utilize CPT4 Procedure Codes.
Source: Medical Intelligence : Claims Module / Trend / Medical / drill by Plan Type / Zoom Fwd / drill by Procedure Group

²⁹ Norm or Verscend Norm in this report refers to the values from Verscend's Commercial Normative database.

3.1.5 Place of service - Outpatient and low acuity (excluding office visits)

The chart below shows which outpatient and low-acuity places of service are large and are growing fast. Moving left to right on the horizontal axis, costs incurred by location get larger. Moving bottom to top on the vertical axis, growth from previous period through current period in costs increases. Therefore, locations in the upper right corner are both large and growing fast.

Figure 3.1.6 Cost drivers: Areas of cost and cost growth for outpatient and community based utilization (excluding office visits)³⁰



³⁰ **Note:** Figure 3.1.6 is based on select categories of Verscend Procedure Groups which utilize CPT4 Procedure Codes.
Source: Medical Intelligence : Claims Module / Trend / Medical / drill by Plan Type / Zoom Fwd / drill by Procedure Group

The table below breaks down the cost driver for each category analyzed in the prior chart. This allows you to understand whether the change in cost seen in chart 3.1.1 is driven by a change in unit price or a change in utilization. Also displayed is the average cost from the Verscend Normative Database and the population’s cost rank relative to the Norm.

Table 3.1.5 Cost drivers: Change in unit price and change in utilization breakout for Outpatient and low acuity care (excluding office visits)

31, 32

| Category | Current PMPM | Change in PMPM | Change in Utilization per 1,000 | Change in Unit Pricing | Norm value of PMPM | Percent Rank (Norm value = 50%) |
|-------------|--------------|----------------|---------------------------------|------------------------|--------------------|---------------------------------|
| Rehab | \$1.29 | 116.0% | -27.6% | 198.5% | \$0.73 | - |
| Home health | \$1.08 | -5.9% | 1.0% | -6.8% | \$1.18 | - |
| SNF | \$0.44 | -40.6% | -33.7% | -10.3% | \$0.41 | - |
| Hospice | \$0.14 | 97.3% | 18.2% | 66.9% | \$0.14 | - |

³¹ **Note:** Table 3.1.5 is based on select categories of Verscend Procedure Groups which utilize CPT4 Procedure Codes.
Source: Medical Intelligence : Claims Module / Trend / Medical / drill by Plan Type / Zoom Fwd / drill by Procedure Group

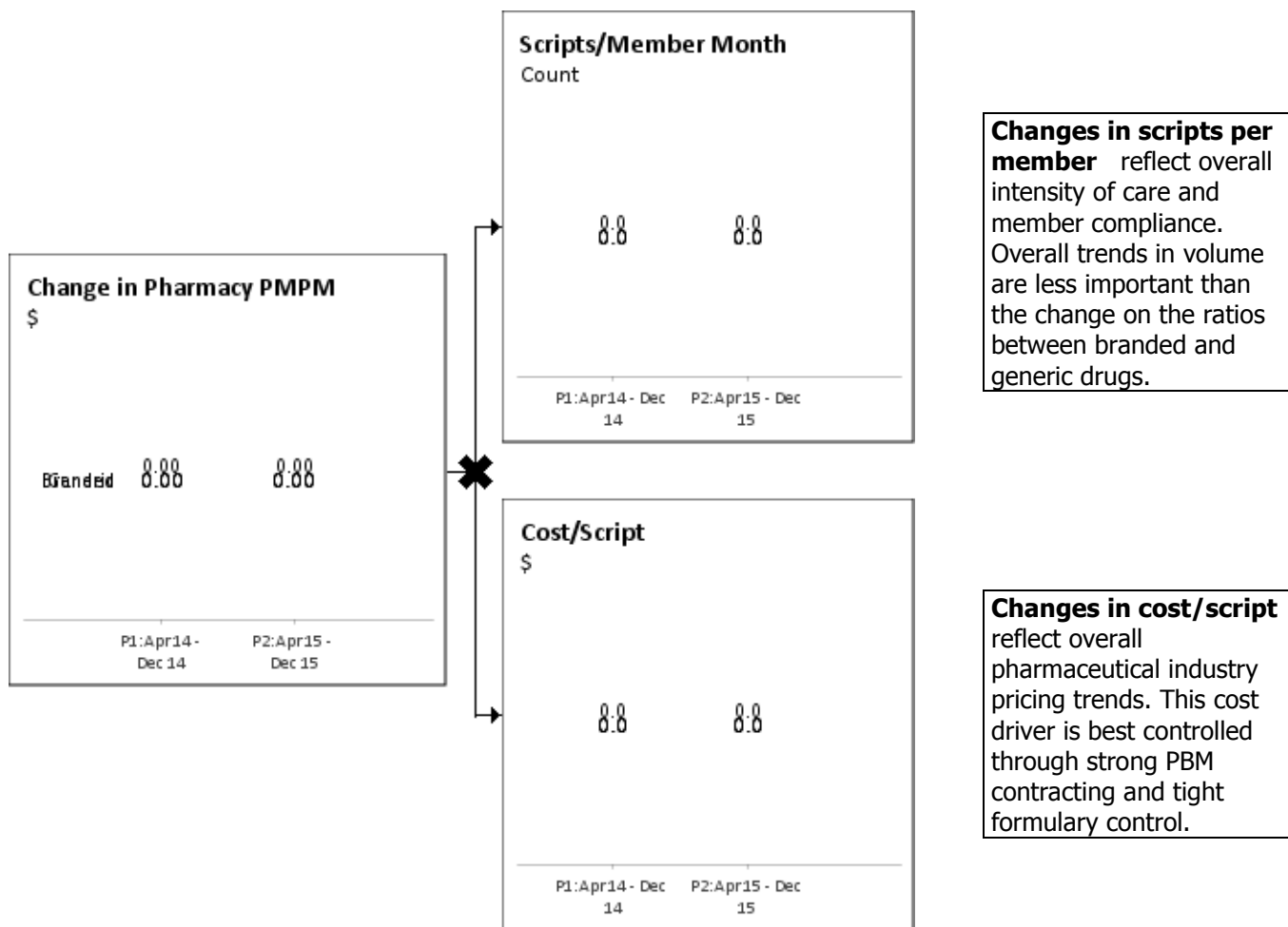
³² Norm or Verscend Norm in this report refers to the values from Verscend's Commercial Normative database.

3.2 Pharmacy Economics

Growth from previous period through current period in pharmacy expenses can be attributed to changes in Member Months and pharmacy PMPM cost , as shown in chart 2.2.1 .

Increase or decrease of pharmacy PMPM is caused by changes in the number of prescriptions written per Member Month and changes in the cost per prescription.

Figure 3.2.1 Pharmacy Expenses (Refer to Figure 2.2.1)³³



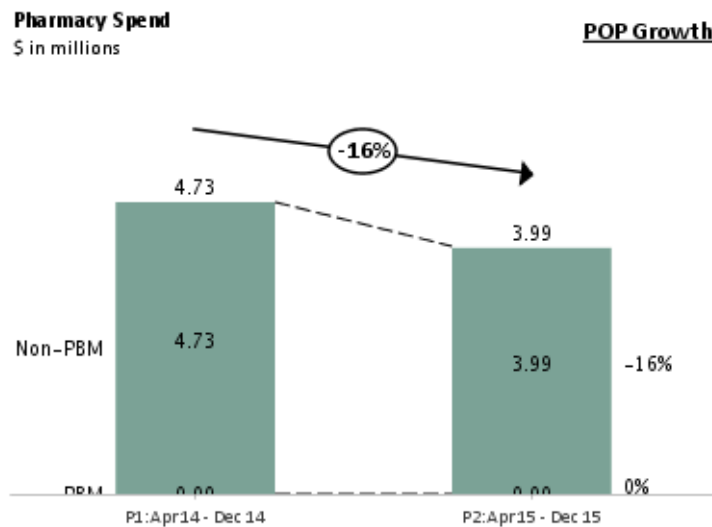
³³ **Note:** Pharmacy PMPM totals reflect branded, generic and non-drug costs. Non-drug costs include items like diabetic supplies and syringes which typically have low PMPM costs. Within the Medical Intelligence application, non-drug charges are located within the non-generic category.
Source: Medical Intelligence : Claims Module / Pharmacy / Plan Type

3.2.1 Non-PBM Drug Spend

Non-PBM spend on pharmaceuticals is paid by Health Plan, not the PBM. It is therefore included in medical expenses and usually includes the J-Codes. However, many non-PBM drugs are exceptionally expensive and deserve special attention. Non-PBM drug spend is often best controlled through the use of contracting Specialty Pharmacy networks.

Figure 3.2.2 shows the total pharmacy spend as seen in chart 3.2.1, now with the non-PBM spend added in.

Figure 3.2.2 Distribution of Pharmacy Spend (Refer to Figure 3.2.1)³⁴



The top 10 drugs driving non-PBM spend are listed in table 3.2.1, with unit price and utilization values broken out.

Table 3.2.1 Top 10 drugs driving non-PBM spend^{35, 36}

| Drug | Current PMPM | Change in PMPM | Change in # Scripts | Change in Unit Pricing | Norm value of PMPM | Percent Rank (Norm value = 50%) |
|---|--------------|----------------|---------------------|------------------------|--------------------|---------------------------------|
| PHARMACY (ALSO SEE 063X, AN EXTENSION OF 025X) - GENERAL CLASSIFICATION | \$7.19 | 3.9% | -13.9% | 25.0% | \$7.97 | - |
| Pharmacy - Extension of 025X - Drugs Requiring Detailed Coding | \$6.00 | -13.5% | -8.5% | -2.0% | \$1.77 | - |
| Infliximab Injection | \$1.82 | -17.1% | -21.4% | 9.3% | \$1.34 | - |
| Injection, Pegfilgrastim, 6 Mg | \$1.48 | -13.1% | -27.5% | 24.2% | \$0.96 | - |
| Rituximab Cancer | \$1.40 | 72.9% | 69.6% | 5.7% | \$0.65 | - |

³⁴ Source: Medical Intelligence : PBM Cost: Claims Module / Pharmacy

Non PBM Cost: Claims Module / Medical / drill by Plan Type / Zoom Forward / drill by Procedure Group / Non-PBM Drug

³⁵ Source: Medical Intelligence : Claims module / Medical / Plan Type / Zoom Forward / drill by Procedure Group / Non-PBM Drug / Source

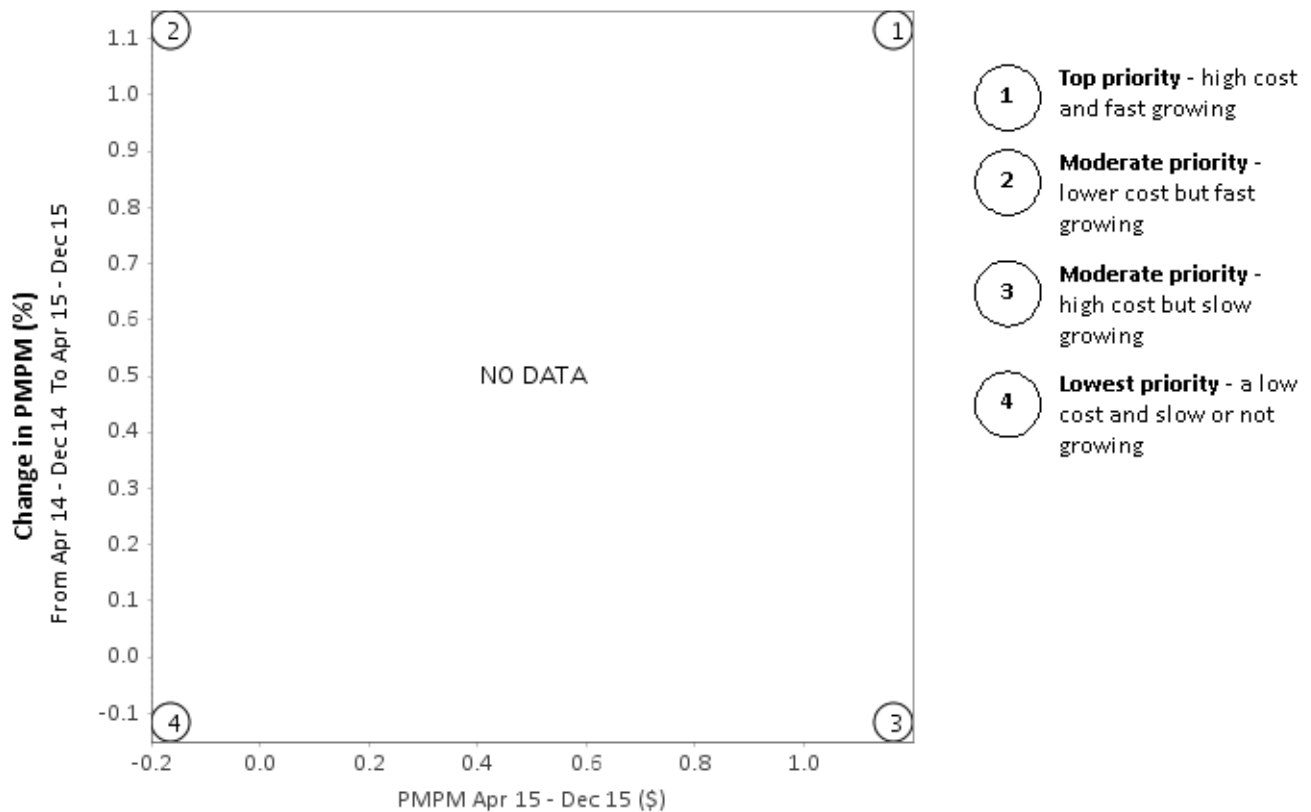
³⁶ Norm or Verscend Norm in this report refers to the values from Verscend's Commercial Normative database.

| Drug | Current PMPM | Change in PMPM | Change in # Scripts | Change in Unit Pricing | Norm value of PMPM | Percent Rank (Norm value = 50%) |
|---|---------------------|-----------------------|----------------------------|-------------------------------|---------------------------|--|
| Treatment | | | | | | |
| PHARMACY (ALSO SEE 063X, AN EXTENSION OF 025X) - IV SOLUTIONS | \$1.17 | 29.8% | -23.6% | 76.0% | \$0.70 | - |
| Injection, Ixabepilone, 1 Mg | \$0.39 | 382.5% | 1,500.0% | -68.7% | \$0.03 | - |
| Trastuzumab | \$0.34 | 0.7% | -28.6% | 46.1% | \$0.69 | - |
| Gemcitabine Hcl | \$0.33 | 7.6% | 23.1% | -9.4% | \$0.10 | - |
| Doxorubicin Hcl Liposome Inj | \$0.32 | 779.3% | 200.0% | 203.8% | \$0.01 | - |

3.2.2 PBM drug spend

The chart below shows which drugs are large and are growing fast. Moving left to right on the horizontal axis, total costs incurred by drug get larger. Moving bottom to top on the vertical axis, growth from previous period through current period in costs increases. Therefore, locations in the upper right corner are both large and growing fast. In general, drugs that do not have generic or branded substitutes will typically have the highest rates of cost inflation, but lower overall absolute costs.

Figure 3.2.3 Cost drivers: Areas of cost and cost growth by drug ³⁷



³⁷ Source: Medical Intelligence : Claims module / Trend / Pharmacy / drill by Plan Type / Zoom Forward / drill by Rx Class / drill by Drug

Table 3.2.2 Top 20 Drugs ^{38, 39}

"This Section is not applicable for selected population"

³⁸ Source: Medical Intelligence : Claims module / Trend / Pharmacy / drill by Plan Type / Zoom Forward / drill by Rx Class / drill by Drug
³⁹ Norm or Vercend Norm in this report refers to the values from Vercend's Commercial Normative database.

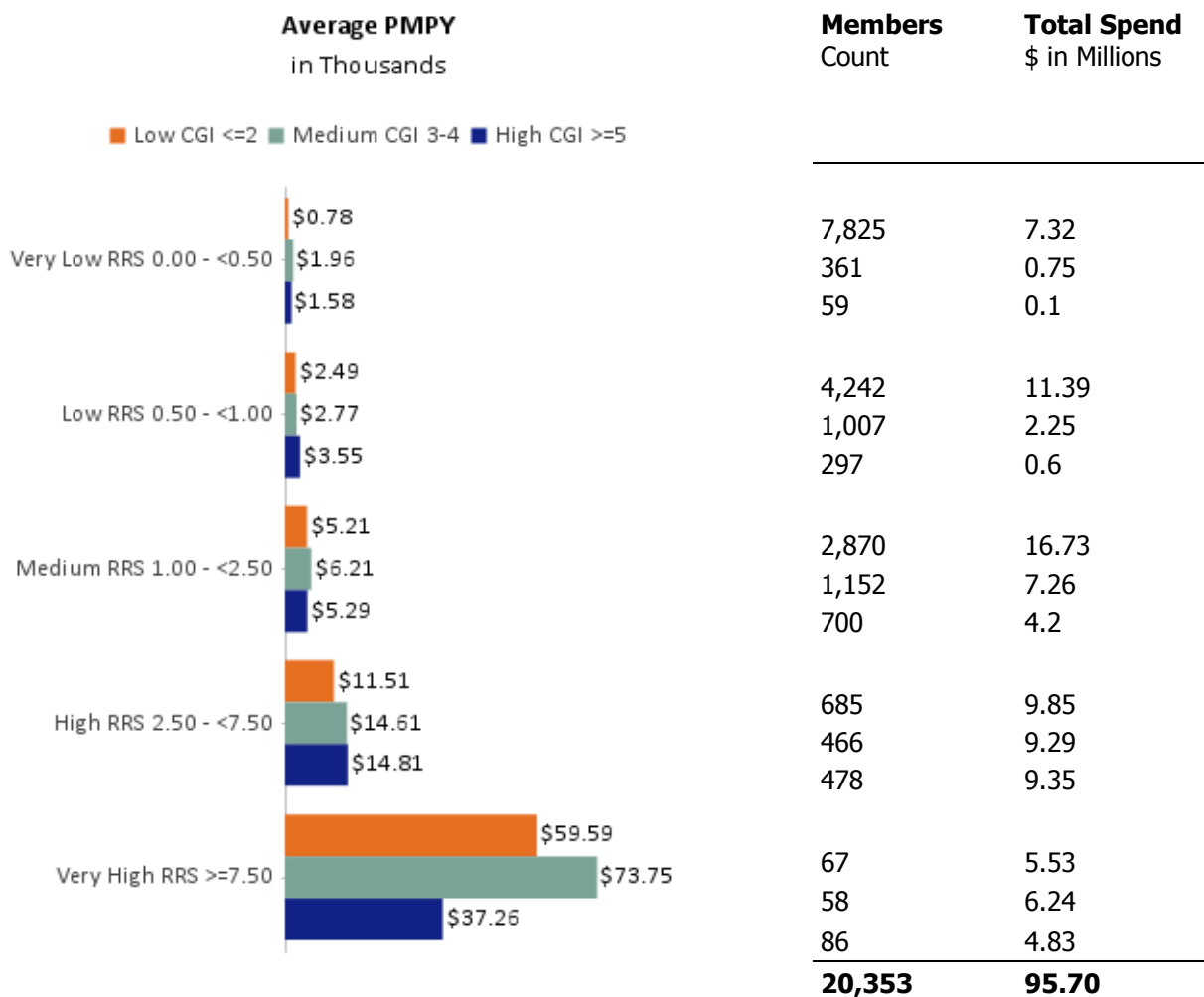
4 CLINICAL DEEP DIVES

4.1 General Clinical Quality Performance and Economic Opportunity

The Relative Risk Score (RRS) is a quantitative assessment of disease and risk burden at a population level. The Care Gap Index (CGI) quantifies the gaps identified for a population. Verscend utilizes these two factors to understand the association between disease burden, quality, and cost.

In figure 4.1.1, members are grouped by RRS, and then by CGI. The RRS categories are DxCG Aggregate Diagnostic Cost Groups (ADCG). ADCG categories allow for easy stratification of members into different ranges of risk and indicate the absolute level of predicted expenses at the individual level. By categorizing members with risk scores higher than 7.50 as "very high" you are able to stratify the riskiest members of your population from other members who are not as costly. For each RRS bucket, corresponding decreases in care gaps (and the CGI) are associated with decreases in the total medical spend.

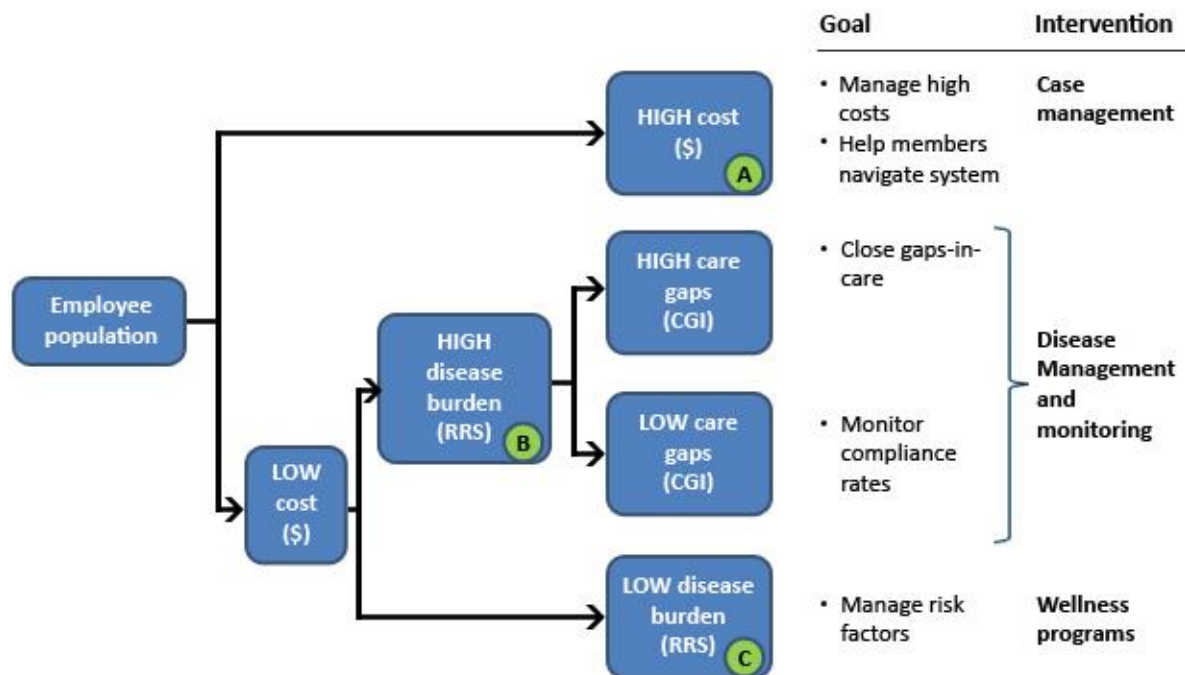
Figure 4.1.1 Member costs by Risk and CGI buckets ⁴⁰



⁴⁰ **Note:** Refer to Table 5.5.1 in Appendix 5.5 for further detail about RRS buckets.

To stratify a total population for health management, we use the RRS (disease burden), the CGI (gaps in clinical care), and cost. Using these factors, any population can be comprehensively categorized into the mutually exclusive categories, each with specific interventions. Below is a graphical representation of the Verscend recommended classification approach. Sections 4.2 through 4.4 correspond to the recommended category-based interventions.

Figure 4.1.2 Framework for Population based Health Management ⁴¹



A: Case Management opportunities:

Members with annual total spend greater than \$25,000 are considered high cost and should be managed closely. The cut-off value of \$25,000 can be modified while doing stratification within Medical Intelligence; we recommend choosing a cutoff point that is consistent with ones individual reinsurance threshold.

B: Disease Management opportunities:

Members with annual spending less than \$25,000 are considered low cost. Of the low cost members, those with a disease burden greater than 95% of the population are considered high disease burden, and should be addressed through Disease Management monitoring and intervention. (As with the total cost cutoff, the disease burden cutoff that is chosen can be modified in Medical Intelligence).

Those with a high disease burden and numerous gaps in care (a high CGI) require disease management to reduce gaps and prevent high cost claims. On the other hand, members with high compliance rates - as manifest by a low care gap index should be monitored for continued compliance.

C: Wellness opportunities:

Members with low cost and low disease burden should be primarily addressed through Wellness Programs that reduce the risk factors for developing chronic diseases.

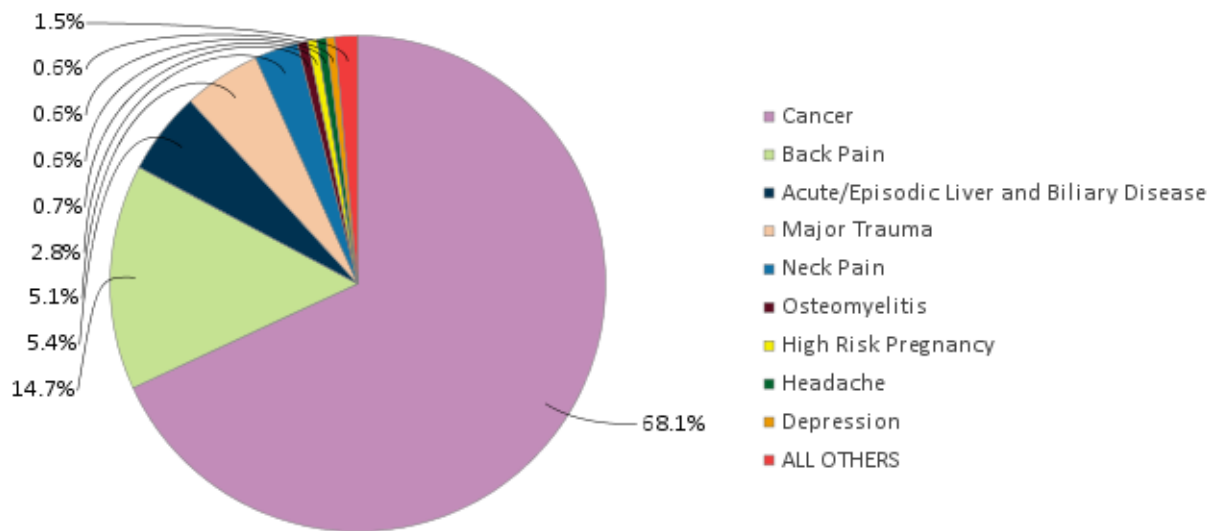
⁴¹ Source: Medical Intelligence : Individuals module / filter on RRS, CGI and Total Paid

4.2 Case Management Opportunities

As discussed in Figure 4.1.2, Verscend uses the RRS, CGI and total cost to stratify a population for Disease Management. Patients who have incurred a high total spend (>\$25,000 PMPY) will generally benefit from Case Management. This corresponds to Category "A" in Figure 4.1.2. If the data is sent to Verscend, Medical Intelligence can be used to assess what proportion of high-cost members is currently enrolled in Case Management.

Figure 4.2.1 displays the highest paid diagnoses for members of this population.

Figure 4.2.1 Frequency of primary diagnosis of high cost members (>\$25,000 PMPY)



4.3 Disease Management Opportunities

As discussed in Figure 4.1.2, Verscend uses the RRS, CGI and total cost to stratify a population for Disease management. Patients who are low cost, have a high RRS, and have a numerous addressable gaps in care (i.e., have a high CGI) will generally benefit from Disease Management. This corresponds to Category "B" in Figure 4.1.2.

Table 4.3.1 synthesizes the 'clinical condition'/disease severity and the associated Care Gap Index for the entire population across key 'clinical condition'/disease categories into a "heat map". Focused intervention (e.g. an initiative to increase compliance with ace-inhibitors and beta-blockers in patients with heart failure) based on this information can significantly improve health plan performance over time. These Quality & Risk Measures can become the basis for identification and stratification of plan participants for disease management and case management program participation.

Table 4.3.1 Verscend Quality & Risk Measures ^{42, 43}

| Clinical Condition | Comparison to Norm | | Performance Relative to Norms | Ranges for Risk Variance | Ranges for Care Gap Variance |
|--------------------|--------------------|-------------------|-------------------------------|--------------------------|------------------------------|
| | Risk Variance | Care Gap Variance | | | |
| Asthma | -5.2% | 10.7% | | | |
| Behavioral Health | -16.8% | 2.7% | Good | <=-10% | <=-5% |
| Cardiac | 47.7% | 13.2% | Average | >-10% and <10% | >-5% and <5% |
| COPD | -1.9% | 0.2% | | | |
| Diabetes | 23.0% | 18.9% | Poor | >=10% | >=5% |
| Geriatric | -61.8% | 53.4% | | | |
| Pediatric | -57.0% | 56.8% | | | |
| Pregnancy | -21.4% | 106.1% | | | |
| Renal Failure | 57.5% | 40.5% | | | |

Risk Variance - Weighted % variance between "Actual % individuals with Risk" and "Norm % individuals with Risk" for all risk related QRM within a specific clinical condition

Care Gap Variance - Weighted % variance between "Actual % individuals with Care Gap" and "Norm % individuals with Care Gap" for all care gap related QRM within a specific clinical condition

Please Note: If the underlying CPT codes for each laboratory test or panel are not submitted to Verscend in the medical claims then the compliance in the Quality and Risk Measures will appear lower than they actually are.

⁴² **Note:** Refer to Table 5.5.3 and 5.5.4 in Appendix 5.5 for further detail.

- The Risk Variance and Care Gap Variance values are calculated for the members who are eligible on the last day of the custom time period and whether or not they are in a QRM is calculated on the members' full cycle data
- The results displayed in this table are based on members who were eligible on the last day of the custom time period selected for the group specified by the user (selection on business levels)
- COPD: Chronic Obstructive Pulmonary Disease

⁴³ Norm or Verscend Norm in this report refers to the values from Verscend's Commercial Normative database.

Table 4.3.2 identifies the top 25 QRM that have the highest variance between 'Actual' value and 'Norm' value for '% of Individual with Care Gap'. These QRMs indicate opportunities for better disease management to reduce gaps and prevent high cost claims.

Table 4.3.2 Top 25 QRMs for Gaps in Care ⁴⁴

| Gaps in Care | | | % of Individual with Gap/Risk | | |
|--------------------|---|------------------------|--|--------|--------|
| Clinical Condition | | Members with Condition | Description | Actual | Norm |
| Geriatric | >= 65 years old (E) | 279 | Patients without long office visit in the last 12 months. | 67.74% | 20.70% |
| Misc | Patients with Intervertebral disc disorder or back pain or neck pain, with seizure medication, muscle relaxants, benzodiazepines or opiates | 442 | Patients with more than 5 prescribing providers for the mentioned drugs | 39.59% | 0.00% |
| Pediatric | Pediatric patients with depression started on non-SSRI therapy (E) | 6 | Patients who did not receive a psychiatrist referral near the time of starting non-SSRI therapy. | 50.00% | 16.11% |
| Pediatric | Pediatric patients with depression started on non-SSRI therapy | 6 | Patients who did not receive a psychiatrist referral near the time of starting non-SSRI therapy. | 50.00% | 16.15% |
| Behavioral | Lithium in the last 6 months (E) | 16 | Patients without serum creatinine test in the last 6 months. | 75.00% | 44.23% |
| Behavioral | Behavioral health-related admission in last 6 months (E) | 13 | Patients without a behavioral health office visit during the last 6 months. | 30.77% | 5.29% |
| Behavioral | Lithium in the last 6 months (E) | 16 | Patients without lithium level in the last 6 months. | 81.25% | 55.83% |
| Behavioral | Behavioral health-related admission in last 6 months | 13 | Patients without a behavioral health office visit during the last 6 months. | 30.77% | 5.39% |
| RF | Renal Failure/ESRD-on Dialysis (E) | 22 | Patients without serum albumin test in the last 12 months. | 50.00% | 26.31% |
| Misc | GI bleed-related admission (E) | 8 | Patients without CBC or hematocrit within 6 weeks of discharge from GI | 62.50% | 40.56% |

⁴⁴ **Note:** Excluding QRMs related to flu shots and pneumonia and the ones having members with condition less than 5.

| Gaps in Care | | | % of Individual with Gap/Risk | | |
|--------------------|--|------------------------|--|--------|--------|
| Clinical Condition | Members with Condition | Description | Actual | Norm | |
| | | bleed hospitalization. | | | |
| Misc | GI bleed-related admission | 8 | Patients without CBC or hematocrit within 6 weeks of discharge from GI bleed hospitalization. | 62.50% | 40.91% |
| Behavioral | Dilantin in the last 12 months (E) | 23 | Patients without dilantin level in the last 12 months. | 69.57% | 48.76% |
| Behavioral | Patients >=18 y/o with at least one active substance abuse related visit in the last 24 months (E) | 7 | Patients with only one visit to a behavioral health professional in the last 12 months. | 42.86% | 22.58% |
| Behavioral | Depression-related ER visit (E) | 35 | Patients without outpatient behavioral health office visit(s) during 12 months prior to the ER visit | 57.14% | 37.62% |
| Misc | Patients with >= 6 events of otitis media in the last 12 months (E) | 22 | Patients not receiving a tympanostomy tube in the last 12 months. | 68.18% | 48.83% |
| Misc | Patients with >= 6 events of otitis media in the last 12 months | 25 | Patients not receiving a tympanostomy tube in the last 12 months. | 68.00% | 48.83% |
| RF | Renal Failure/ESRD (E) | 100 | Patients without serum creatinine test in the last 12 months. | 31.00% | 12.83% |
| Gen | Diuretic (E) | 1,190 | Patients without serum potassium level in the last 12 months. | 43.45% | 25.99% |
| Gen | Diuretic | 1,250 | Patients without serum potassium level in the last 12 months. | 44.08% | 27.06% |
| Cardiac | CHF (E) | 49 | Patients without LDL-C or lipid profile test in the last 12 months. | 53.06% | 36.75% |
| DM | Diabetes (E) | 963 | Patients without serum creatinine in the last 12 months. | 32.61% | 16.45% |
| Misc | Patients taking Methotrexate in the last 12 months (E) | 71 | Patients without liver function in the last 12 months | 26.76% | 11.08% |
| Behavioral | Depression-related admission (E) | 10 | Patients without behavioral health office visit within 14 days of discharge. | 30.00% | 14.40% |
| RF | Renal Failure/ESRD (E) | 100 | Patients without lipid profile test in the last 12 months. | 51.00% | 35.83% |
| DM | Diabetes (E) | 963 | Patients without HbA1c test in the last | 30.94% | 16.23% |

| Gaps in Care | | | % of Individual with Gap/Risk | |
|--------------------|------------------------|-------------|-------------------------------|------|
| Clinical Condition | Members with Condition | Description | Actual | Norm |
| | | 12 months. | | |




4.4 Wellness Management Opportunities

As discussed in Figure 4.1.2, Vercend uses the RRS, CGI and total cost to stratify a population for Disease management. Patients who are well are most efficiently addressed through Wellness Programs. This corresponds to Category "C" in Figure 4.1.2.

Table 4.4.1 details screening and preventative tests - and the associated compliance with these tests - for the entire population. These data are benchmarked against the Vercend Commercial Norm. Wellness programs (e.g. an initiative to increase mammogram compliance rates) based on this information can significantly improve health plan performance on these measures.

Table 4.4.1 Preventative Measures ^{45, 46}

Performance Relative to Vercend Norms

| | | |
|---|---------|--------------|
|  | Good | <=-5% |
|  | Average | >-5% and <5% |
|  | Poor | >=5% |

| Group | Condition | Screening/Preventive | Variation from Norm |
|--------|---------------------------------|---|---------------------|
| Both | >= 51 years old (E) | Patients without long office visit in the last 2 years. | 27.7% |
| | >=50 years old (E) | Patients without any colorectal cancer screening in the last 24 months. | 1.6% |
| Male | Men >50 years old (E) | Men without PSA level in the last 2 years (controversial test). | 4.5% |
| Female | Women between 40 and 49 y/o (E) | Women without mammogram in the last 24 months. | 0.5% |
| | Women between 49 and 69 y/o (E) | Women without mammogram in the last 18 months. | 2.4% |
| | Women between 21 and 65 y/o (E) | Women without pap smear in the last 24 months. | 0.3% |
| | Women >20 y/o (E) | Women without pap smear in the last two years. | 0.7% |
| | Women between 40 and 49 y/o (E) | Women without mammogram in the last 2 years. | 0.5% |
| | Women >=49 y/o (E) | Women without mammogram in last 12 months. | 2.2% |

Please Note: If the underlying CPT codes for each laboratory test or panel are not submitted to Vercend in the medical claims then the compliance in the Quality and Risk Measures will appear lower than they actually are.

*(E) = Enrollment criterion is applied to the Quality and Risk Measure and its Condition

⁴⁵ **Note:** Refer to Table 5.5.2 in Appendix 5.5 for further detail.

1. The percentage of members for a specific Group, Condition and Screening combination are calculated for the members who are eligible on the last day of the custom time period and whether or not they are in a particular Screening is calculated on the members' full cycle data
2. The results displayed in this table are based on members who were eligible on the last day of the custom time period selected for the group specified by the user (selection on business levels)

⁴⁶ Norm or Vercend Norm in this report refers to the values from Vercend's Commercial Normative database.

5 APPENDIX

5.1 Demographics

Table 5.1.1 Breakdown of membership by relationship

| | Avg. Age | Members | | Total Amount Billed | Employee Paid | Member Expenses | |
|--------------|-------------|---------------|---------------|----------------------|---------------------|----------------------|---------------|
| | | Total | Current | | | Total | % of Total |
| Employee | 47.8 | 12,921 | 8,211 | \$170,667,759 | \$8,595,466 | \$62,612,137 | 46.3% |
| Spouse | 48.4 | 8,609 | 5,662 | \$131,310,549 | \$6,203,835 | \$50,698,897 | 37.5% |
| Dependent | 12.6 | 10,699 | 6,475 | \$50,309,315 | \$3,348,053 | \$21,826,970 | 16.2% |
| Unknown | 21.1 | 68 | 5 | \$25,326 | \$838 | \$11,391 | 0.0% |
| Total | 36.2 | 32,297 | 20,353 | \$352,312,949 | \$18,148,192 | \$135,149,394 | 100.0% |

5.2 Financial Analyses ⁴⁷

Table 5.2.1 Medical and Pharmacy Claims by Month (Apr 14 - Dec 14)

| Service Date | Category | | | | | |
|--------------|--------------|--------------|----------|---------------|--------------|------------|
| | Medical | Medical PMPM | Pharmacy | Pharmacy PMPM | Total | Total PMPM |
| Apr-14 | \$7,439,201 | \$439 | \$0 | \$0 | \$7,439,201 | \$439 |
| May-14 | \$6,955,405 | \$416 | \$0 | \$0 | \$6,955,405 | \$416 |
| Jun-14 | \$7,443,233 | \$459 | \$0 | \$0 | \$7,443,233 | \$459 |
| Jul-14 | \$7,487,985 | \$470 | \$0 | \$0 | \$7,487,985 | \$470 |
| Aug-14 | \$6,478,106 | \$414 | \$0 | \$0 | \$6,478,106 | \$414 |
| Sep-14 | \$6,627,535 | \$421 | \$0 | \$0 | \$6,627,535 | \$421 |
| Oct-14 | \$6,780,810 | \$433 | \$0 | \$0 | \$6,780,810 | \$433 |
| Nov-14 | \$6,382,041 | \$425 | \$0 | \$0 | \$6,382,041 | \$425 |
| Dec-14 | \$7,117,782 | \$474 | \$0 | \$0 | \$7,117,782 | \$474 |
| Total | \$62,712,098 | \$439 | \$0 | \$0 | \$62,712,098 | \$439 |

Table 5.2.2 Medical and Pharmacy Claims by Month (Apr 15 - Dec 15)

| Service Date | Category | | | | | |
|--------------|--------------|--------------|----------|---------------|--------------|------------|
| | Medical | Medical PMPM | Pharmacy | Pharmacy PMPM | Total | Total PMPM |
| Apr-15 | \$6,272,035 | \$459 | \$0 | \$0 | \$6,272,035 | \$459 |
| May-15 | \$6,041,726 | \$450 | \$0 | \$0 | \$6,041,726 | \$450 |
| Jun-15 | \$5,155,410 | \$290 | \$0 | \$0 | \$5,155,410 | \$290 |
| Jul-15 | \$5,854,421 | \$335 | \$0 | \$0 | \$5,854,421 | \$335 |
| Aug-15 | \$6,227,403 | \$358 | \$0 | \$0 | \$6,227,403 | \$358 |
| Sep-15 | \$5,671,783 | \$329 | \$0 | \$0 | \$5,671,783 | \$329 |
| Oct-15 | \$6,320,678 | \$367 | \$0 | \$0 | \$6,320,678 | \$367 |
| Nov-15 | \$5,850,229 | \$342 | \$0 | \$0 | \$5,850,229 | \$342 |
| Dec-15 | \$6,331,701 | \$376 | \$0 | \$0 | \$6,331,701 | \$376 |
| Total | \$53,725,386 | \$363 | \$0 | \$0 | \$53,725,386 | \$363 |

⁴⁷ **Note:** In any of the months or 'Total' column, when Medical MM is not equal to Rx MM in one or both time period(s) (current or prior), Total PMPM is not equal to sum of Medical PMPM and Rx PMPM for that/those time period(s).
Medical PMPM includes Non-PBM drug spend (J-Codes).

Table 5.2.3 Expense Distribution ⁴⁸

| Band | # Members | Total Member Expenses | Avg. Expense per Member | % Total Paid | |
|--------------|---------------|-----------------------|-------------------------|---------------|---------------|
| | | | | Actual | Norm |
| 1% | 268 | \$38,429,159 | \$143,392 | 28.4% | 31.7% |
| 2-5% | 1,072 | \$35,762,674 | \$33,361 | 26.5% | 27.8% |
| 6-15% | 2,681 | \$30,076,027 | \$11,218 | 22.3% | 22.2% |
| 16-30% | 4,022 | \$17,244,361 | \$4,288 | 12.8% | 11.6% |
| 31-60% | 8,042 | \$10,999,132 | \$1,368 | 8.1% | 6.1% |
| 61-100% | 10,724 | \$2,638,042 | \$246 | 2.0% | 0.6% |
| Total | 26,809 | \$135,149,394 | \$5,041 | 100.0% | 100.0% |

⁴⁸ Norm or Verscend Norm in this report refers to the values from Verscend's Commercial Normative database.

This table shows medical claim payments in relation to the date when the claims were incurred (date of service). The table is useful for developing completion factors which allow forward projections of monthly payments and for estimating incurred but not reported (IBNR) claims.

Table 5.2.4 Medical Claim Lag Report ⁴⁹

| Paid Date | Service Date | | | | | | | | | | | | | Total | |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------|---------------------|
| | All Prior | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | | |
| Apr-15 | \$4,875,382 | \$1,884,779 | | | | | | | | | | | | | \$6,760,161 |
| May-15 | \$1,805,291 | \$2,706,685 | \$1,840,790 | | | | | | | | | | | | \$6,352,765 |
| Jun-15 | \$635,338 | \$884,086 | \$2,935,479 | \$1,769,395 | | | | | | | | | | | \$6,224,298 |
| Jul-15 | \$433,455 | \$355,992 | \$586,604 | \$2,492,938 | \$1,884,466 | | | | | | | | | | \$5,753,454 |
| Aug-15 | \$274,873 | \$156,229 | \$410,628 | \$468,254 | \$2,448,305 | \$1,964,031 | | | | | | | | | \$5,722,321 |
| Sep-15 | \$343,565 | \$112,010 | \$105,601 | \$202,562 | \$865,480 | \$2,814,703 | \$1,644,737 | | | | | | | | \$6,088,659 |
| Oct-15 | \$54,386 | \$52,691 | \$74,435 | \$82,551 | \$230,527 | \$639,214 | \$2,860,470 | \$2,021,821 | | | | | | | \$6,016,096 |
| Nov-15 | \$124,359 | \$35,403 | \$19,585 | \$68,331 | \$71,441 | \$358,587 | \$615,814 | \$3,193,531 | \$1,974,759 | | | | | | \$6,461,808 |
| Dec-15 | \$53,776 | \$38,822 | \$24,460 | \$29,826 | \$61,778 | \$408,936 | \$192,436 | \$684,402 | \$3,082,148 | \$2,288,820 | | | | | \$6,865,404 |
| Jan-16 | \$1,365 | \$22,271 | \$15,429 | \$21,678 | \$143,389 | \$24,436 | \$143,004 | \$290,169 | \$427,727 | \$2,895,397 | \$1,543,945 | | | | \$5,528,811 |
| Feb-16 | \$54,102 | \$8,610 | \$4,941 | \$17,811 | \$134,957 | \$41,617 | \$138,336 | \$37,502 | \$186,293 | \$654,486 | \$2,739,596 | \$1,465,364 | | | \$5,483,613 |
| Mar-16 | \$89,215 | \$14,456 | \$23,776 | \$2,065 | \$14,077 | (\$24,120) | \$76,986 | \$93,252 | \$179,302 | \$492,998 | \$823,451 | \$2,584,625 | \$1,793,803 | | \$6,163,887 |
| Total Plan Paid Medical | \$8,745,108 | \$6,272,035 | \$6,041,726 | \$5,155,410 | \$5,854,421 | \$6,227,403 | \$5,671,783 | \$6,320,678 | \$5,850,229 | \$6,331,701 | \$5,106,992 | \$4,049,988 | \$1,793,803 | | \$73,421,277 |

⁴⁹ **Note:**

- Utilization metrics are always calculated on an incurred basis.
- The last two or three months of the year will show decreased values due to 'claims lag', and should be interpreted with caution.

Table 5.2.5: Medical Claim Lag Report and IBNR

| Paid | Incurred | | | | | | | | | | | | | Monthly Paid | | | Lag | |
|-----------------------------|-------------|-------------|-----------|-----------|-----------|-----------|-----------|------------|------------|----------|------------|----------|------------|---------------------|---------------------|--------------------|-------------|------|
| | 0Mths | 1Mths | 2Mths | 3Mths | 4Mths | 5Mths | 6Mths | 7Mths | 8Mths | 9Mths | 10Mths | 11Mths | 12+ Mths | Total | Current 12Mths | Prior 12Mths | Mthly | Qtly |
| Apr-15 | \$1,884,779 | \$3,159,649 | \$792,377 | \$413,268 | \$133,718 | \$168,187 | \$49,344 | \$15,598 | \$17,116 | \$32,736 | \$6,052 | \$49,962 | \$37,376 | \$6,760,161 | \$1,884,779 | \$4,875,382 | 1.37 | |
| May-15 | \$1,840,790 | \$2,706,685 | \$680,997 | \$846,231 | \$136,053 | \$84,693 | \$14,770 | \$28,015 | (\$89,536) | \$13,185 | \$5,738 | \$2,084 | \$83,061 | \$6,352,765 | \$4,547,475 | \$1,805,291 | 1.31 | |
| Jun-15 | \$1,769,395 | \$2,935,479 | \$884,086 | \$251,494 | \$225,157 | \$77,970 | (\$868) | \$1,795 | \$9,024 | \$41,453 | \$24,744 | \$2,483 | \$2,085 | \$6,224,298 | \$5,588,960 | \$635,338 | 1.21 | 1.30 |
| Jul-15 | \$1,884,466 | \$2,492,938 | \$586,604 | \$355,992 | \$107,786 | \$43,345 | \$100,496 | \$23,127 | \$36,857 | \$12,341 | (\$642) | \$1,961 | \$108,185 | \$5,753,454 | \$5,319,999 | \$433,455 | 1.37 | |
| Aug-15 | \$1,964,031 | \$2,448,305 | \$468,254 | \$410,628 | \$156,229 | \$108,293 | \$25,308 | \$8,781 | \$998 | \$4,988 | \$26,558 | \$1,079 | \$98,869 | \$5,722,321 | \$5,447,447 | \$274,873 | 1.31 | |
| Sep-15 | \$1,644,737 | \$2,814,703 | \$865,480 | \$202,562 | \$105,601 | \$112,010 | \$22,987 | \$306,781 | (\$6,200) | \$34,503 | (\$52,894) | \$14,477 | \$23,912 | \$6,088,659 | \$5,745,094 | \$343,565 | 1.41 | 1.37 |
| Oct-15 | \$2,021,821 | \$2,860,470 | \$639,214 | \$230,527 | \$82,551 | \$74,435 | \$52,691 | \$21,384 | \$21,140 | \$14,436 | \$14,664 | \$2,934 | (\$20,172) | \$6,016,096 | \$5,961,709 | \$54,386 | 1.04 | |
| Nov-15 | \$1,974,759 | \$3,193,531 | \$615,814 | \$358,587 | \$71,441 | \$68,331 | \$19,585 | \$35,403 | \$82,190 | \$913 | (\$612) | \$2,000 | \$39,867 | \$6,461,808 | \$6,337,449 | \$124,359 | 1.18 | |
| Dec-15 | \$2,288,820 | \$3,082,148 | \$684,402 | \$192,436 | \$408,936 | \$61,778 | \$29,826 | \$24,460 | \$38,822 | \$9,986 | \$21,490 | \$4,990 | \$17,311 | \$6,865,404 | \$6,811,628 | \$53,776 | 1.19 | 1.14 |
| Jan-16 | \$1,543,945 | \$2,895,397 | \$427,727 | \$290,169 | \$143,004 | \$24,436 | \$143,389 | \$21,678 | \$15,429 | \$22,271 | \$20,978 | \$11,051 | (\$30,664) | \$5,528,811 | \$5,527,446 | \$1,365 | 1.20 | |
| Feb-16 | \$1,465,364 | \$2,739,596 | \$654,486 | \$186,293 | \$37,502 | \$138,336 | \$41,617 | \$134,957 | \$17,811 | \$4,941 | \$8,610 | \$24,276 | \$29,825 | \$5,483,613 | \$5,429,511 | \$54,102 | 1.38 | |
| Mar-16 | \$1,793,803 | \$2,584,625 | \$823,451 | \$492,998 | \$179,302 | \$93,252 | \$76,986 | (\$24,120) | \$14,077 | \$2,065 | \$23,776 | \$14,456 | \$89,215 | \$6,163,887 | \$6,074,672 | \$89,215 | 1.43 | 1.34 |
| Total | | | | | | | | | | | | | | \$73,421,277 | \$64,676,169 | \$8,745,108 | | |
| Average Monthly Paid | | | | | | | | | | | | | | \$6,118,440 | | | | |
| IBNR in Months | | | | | | | | | | | | | | | | | 1.28 | |

| | Projected IBNR Based on Last Month's Lag | Projected IBNR Based on Last Quarter's Lag | Projected IBNR Based on Last Year's Average Lag |
|--|--|--|---|
| Incurred and Paid in Current Period | \$64,676,169 | \$64,676,169 | \$64,676,169 |
| Lag Factor | 1.43 | 1.34 | 1.28 |
| Incurred and Paid as a % of Total | 0.88 | 0.89 | 0.89 |
| Total Incurred | \$73,393,751 | \$72,776,697 | \$72,410,326 |
| Projected IBNR | \$8,717,582 | \$8,100,528 | \$7,734,157 |

Table 5.2.6 Network Utilization and Contract Discount Summary

| Network | Total | | | | | |
|--------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|--------------|
| | Claims Billed | Claims Allowed | Claims Paid | Employee Contribution | Network Discount | % Discount |
| All In Network | \$336,612,730 | \$135,380,899 | \$128,214,508 | \$16,171,494 | \$146,570,926 | 43.5% |
| All Out-of-Network | \$15,700,220 | \$7,624,470 | \$6,934,887 | \$1,976,699 | \$3,664,514 | 23.3% |
| Total | \$352,312,949 | \$143,005,369 | \$135,149,394 | \$18,148,192 | \$150,235,439 | 42.6% |

5.3 Disease Fingerprint

Table 5.3.1 presents utilization patterns of members with chronic conditions, ranked by number of members, for total office visits, emergency room visits and hospital admissions.

Table 5.3.1 Chronic Conditions Utilization Summary

| Chronic Condition | # of Members | Members per 1000 | Office Visits per 1000 | ER Visits per 1000 | Admissions per 1000 | PMPY |
|---------------------------------------|--------------|------------------|------------------------|--------------------|---------------------|-------------|
| Hypertension | 1,951 | 123.0 | 7,046.4 | 288.2 | 112.6 | \$7,716.09 |
| Hyperlipidemia | 1,683 | 106.1 | 7,006.9 | 217.9 | 75.8 | \$6,389.88 |
| Diabetes | 943 | 59.4 | 8,075.9 | 346.0 | 155.9 | \$11,083.29 |
| Osteoarthritis | 631 | 39.8 | 10,722.9 | 395.1 | 202.1 | \$13,046.46 |
| Asthma | 477 | 30.1 | 7,830.3 | 477.5 | 126.7 | \$7,566.68 |
| Coronary Artery Disease (incl. MI) | 354 | 22.3 | 8,670.9 | 530.1 | 261.1 | \$14,806.04 |
| Congenital Anomalies | 214 | 13.5 | 8,620.9 | 370.8 | 192.9 | \$14,514.58 |
| Chronic Obstructive Pulmonary Disease | 147 | 9.3 | 10,742.2 | 644.6 | 349.8 | \$15,573.03 |
| Cerebrovascular Disease | 137 | 8.6 | 9,929.8 | 895.3 | 429.4 | \$21,608.24 |
| Chronic Liver and Biliary Disease | 117 | 7.4 | 9,936.9 | 746.4 | 357.7 | \$19,147.11 |
| Rheumatoid Arthritis | 105 | 6.6 | 10,912.0 | 303.1 | 157.0 | \$13,216.27 |
| Atrial Fibrillation | 90 | 5.7 | 10,281.3 | 669.1 | 411.3 | \$17,858.53 |
| Inflammatory Bowel Diseases | 85 | 5.4 | 8,878.4 | 711.2 | 381.8 | \$22,252.10 |
| Chronic Renal Failure | 80 | 5.0 | 10,235.3 | 698.8 | 416.5 | \$29,044.80 |
| Osteoporosis | 73 | 4.6 | 12,288.8 | 531.1 | 232.9 | \$16,817.56 |
| Coagulopathy | 71 | 4.5 | 11,822.4 | 977.1 | 657.3 | \$42,403.50 |
| Bipolar Disorder | 63 | 4.0 | 14,809.0 | 1,257.6 | 340.8 | \$12,658.16 |
| Immune Disorders | 48 | 3.0 | 17,235.2 | 764.8 | 778.0 | \$65,683.52 |
| Congestive Heart Failure | 45 | 2.8 | 12,726.5 | 1,304.9 | 941.7 | \$36,197.78 |
| Demyelinating Diseases | 43 | 2.7 | 8,663.4 | 117.1 | 14.6 | \$19,604.92 |
| Ulcerative Colitis | 39 | 2.5 | 8,098.3 | 468.2 | 260.1 | \$12,175.16 |
| Cirrhosis | 23 | 1.4 | 7,422.7 | 587.6 | 556.7 | \$19,886.19 |
| Major Organ Transplant | 16 | 1.0 | 9,383.9 | 568.7 | 540.3 | \$44,475.55 |
| HIV/Aids | 9 | 0.6 | 6,702.7 | 270.3 | 162.2 | \$16,539.76 |
| Schizophrenia | 8 | 0.5 | 16,714.3 | 214.3 | 142.9 | \$6,125.36 |
| Parkinson's Disease | 5 | 0.3 | 9,391.3 | 208.7 | 0.0 | \$13,942.84 |
| Chronic Pancreatitis | 4 | 0.3 | 10,392.9 | 750.0 | 428.6 | \$16,246.32 |
| Cystic Fibrosis | 2 | 0.1 | 8,571.4 | 571.4 | 571.4 | \$83,587.28 |
| Gaucher's Disease | 1 | 0.1 | 4,000.0 | 800.0 | 800.0 | \$9,653.48 |
| Sickle Cell Anemia | 1 | 0.1 | 8,000.0 | 4,000.0 | 0.0 | \$11,553.44 |

Note:

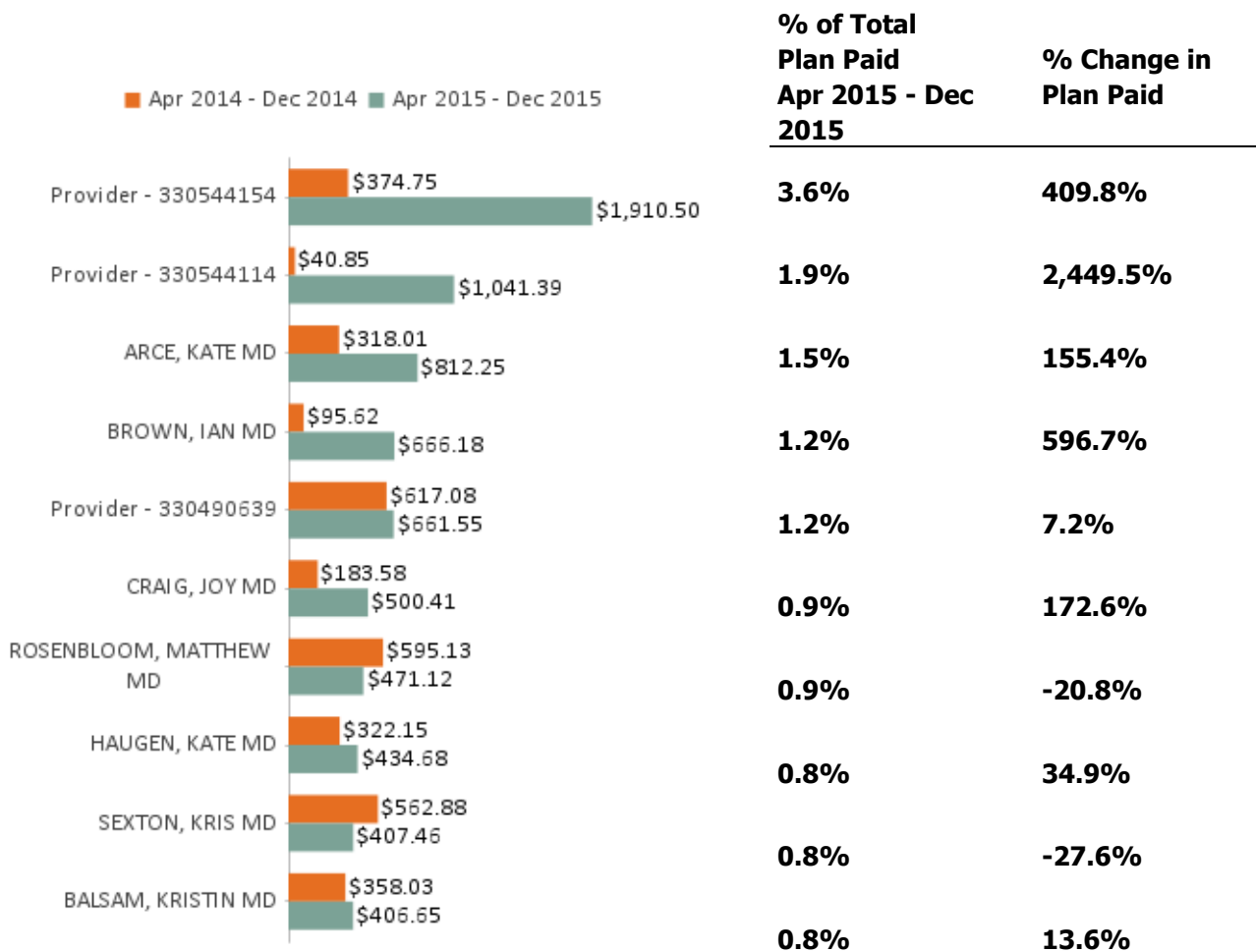
1. In this table a member can have multiple chronic conditions.
2. The results displayed in this table are based on claims incurred.

5.4 "Top 10" Analysis

5.4.1 Providers

Table 5.4.1 shows the top 10 providers, based on medical claim expenses, providing services to the members of your population. The providers generating the most claim expenses are usually institutional. Network changes or changes in provider reimbursement strategy may cause previous period to current period percentage changes.

Table 5.4.1 Total Plan Paid (\$K) by Providers

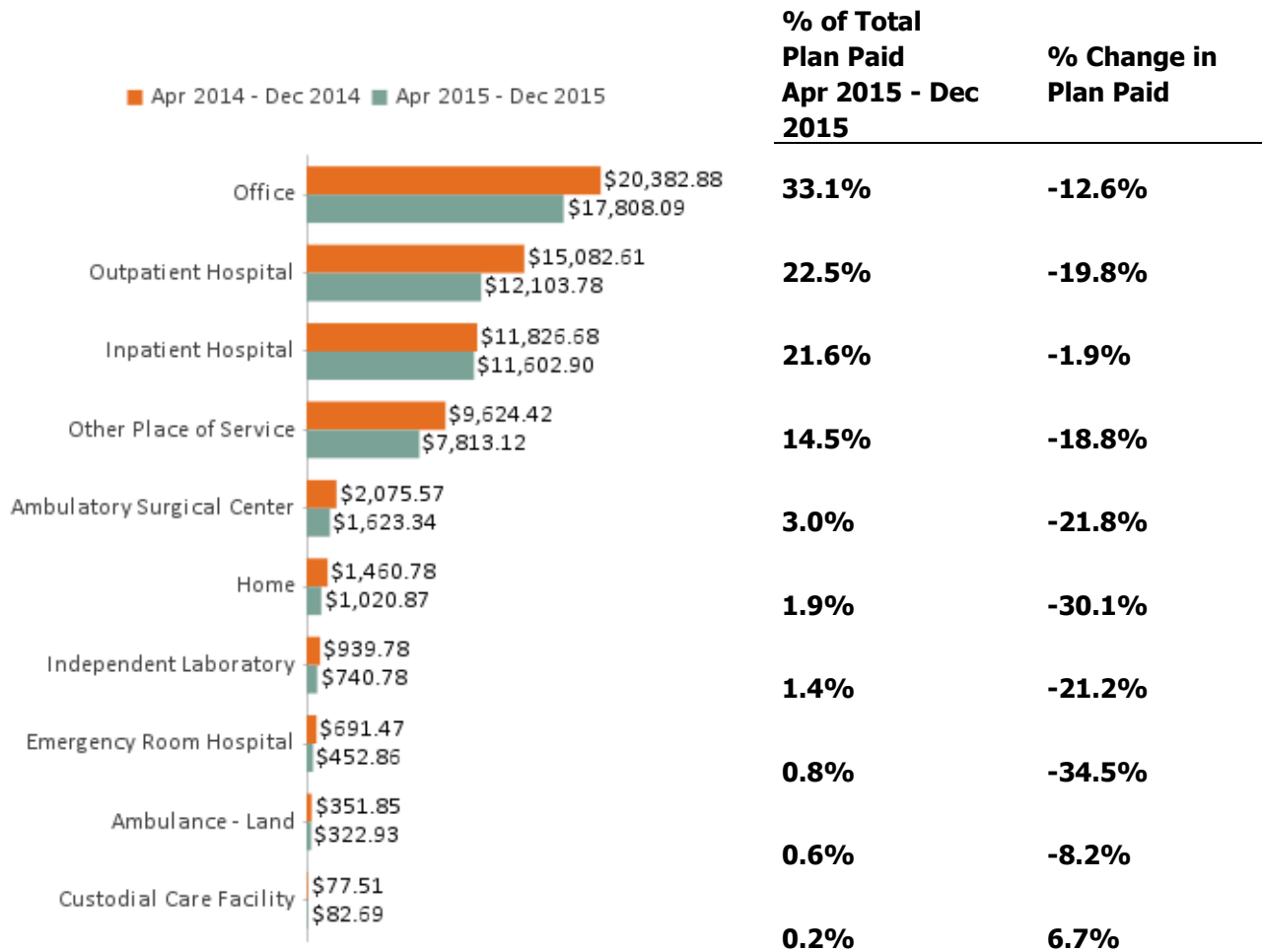


| Provider | Apr 2014 - Dec 2014 | | Apr 2015 - Dec 2015 | | % Change in Plan Paid |
|------------|---------------------|----------------------|---------------------|----------------------|-----------------------|
| | Plan Paid | % of Total Plan Paid | Plan Paid | % of Total Plan Paid | |
| Subtotal | \$3,468,074 | 5.5% | \$7,312,222 | 13.6% | 110.8% |
| All Others | \$59,244,024 | 94.5% | \$46,413,164 | 86.4% | -21.7% |
| Total | \$62,712,098 | 100.0% | \$53,725,386 | 100.0% | -14.3% |

5.4.2 Places of Service

Table 5.4.2 shows places of service ranked according to medical claim expenses. Previous period to current period percentage changes in Place of Service can be helpful when investigating changes in utilization patterns or when trying to understand the impact of plan design change. Increases in some categories may be appropriate. For example, outpatient hospital experience and office visits may increase as inpatient hospital services are more efficiently provided in the outpatient setting. Places of service experiencing large increases for many employers are Emergency Room, Outpatient Hospital, and Laboratory services.

Table 5.4.2 Total Plan Paid (\$K) by Place of Service

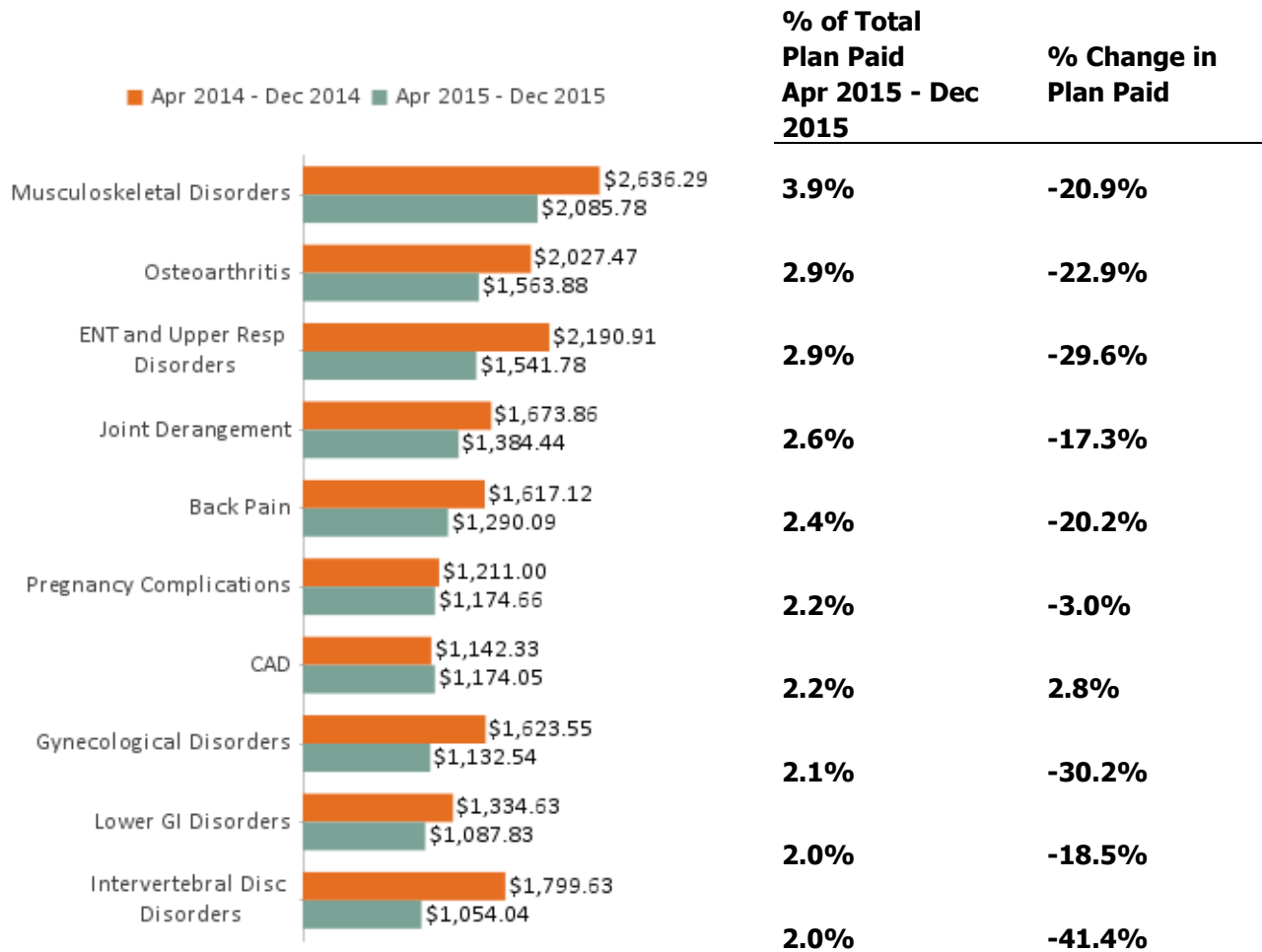


| Service | Apr 2014 - Dec 2014 | | Apr 2015 - Dec 2015 | | % Change in Plan Paid |
|------------|---------------------|----------------------|---------------------|----------------------|-----------------------|
| | Plan Paid | % of Total Plan Paid | Plan Paid | % of Total Plan Paid | |
| Subtotal | \$62,513,550 | 99.7% | \$53,571,352 | 99.7% | -14.3% |
| All Others | \$198,548 | 0.3% | \$154,034 | 0.3% | -22.4% |
| Total | \$62,712,098 | 100.0% | \$53,725,386 | 100.0% | -14.3% |

5.4.3 Diagnostic groups

Table 5.4.3 shows the top 10 diagnostic groups ranked according to medical claim expenses. Grouping of data into broad diagnostic categories assists in the identification of illness patterns that are unique to your population. Diagnostic groups with significant previous period to current period increases should be examined in more detail. The distribution will be different depending on whether the group in question is Medicaid, Medicare or commercial. For a commercial population, diagnostic groups usually at or near the top of the list include ENT and upper respiratory disorders, gynecological disorders, and musculoskeletal conditions.

Table 5.4.3 Total Plan Paid (\$K) by Diagnostic Groups

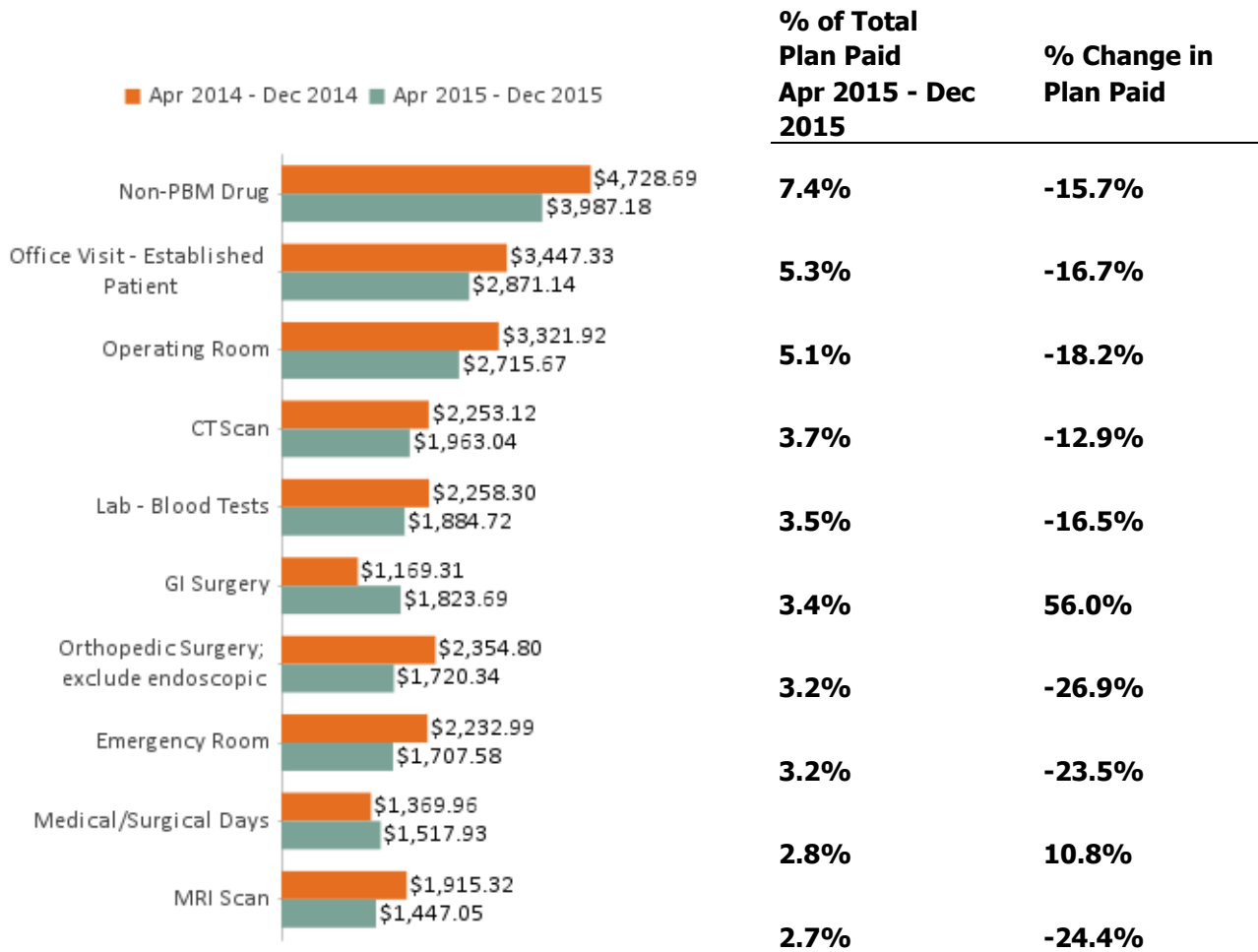


| Diagnostic Group | Apr 2014 - Dec 2014 | | Apr 2015 - Dec 2015 | | % Change in Plan Paid |
|------------------|---------------------|----------------------|---------------------|----------------------|-----------------------|
| | Plan Paid | % of Total Plan Paid | Plan Paid | % of Total Plan Paid | |
| Subtotal | \$17,256,790 | 27.5% | \$13,489,086 | 25.1% | -21.8% |
| All Others | \$45,455,308 | 72.5% | \$40,236,300 | 74.9% | -11.5% |
| Total | \$62,712,098 | 100.0% | \$53,725,386 | 100.0% | -14.3% |

5.4.4 Procedure groups

Table 5.4.4 shows the top 10 procedures, ranked according to medical claim expenses. For purposes of health plan analysis, previous period to current period percentage changes may be more important than absolute dollars. Changes in membership must be considered when any such analysis is performed. Many employers are considering contracting with free-standing lab/x-ray facilities to better manage the growth in these areas.

Table 5.4.4 Total Plan Paid (\$K) by Procedure Groups



| Procedure Group | Apr 2014 - Dec 2014 | | Apr 2015 - Dec 2015 | | % Change in Plan Paid |
|-----------------|---------------------|----------------------|---------------------|----------------------|-----------------------|
| | Plan Paid | % of Total Plan Paid | Plan Paid | % of Total Plan Paid | |
| Subtotal | \$25,051,738 | 39.9% | \$21,638,335 | 40.3% | -13.6% |
| All Others | \$37,660,360 | 60.1% | \$32,087,051 | 59.7% | -14.8% |
| Total | \$62,712,098 | 100.0% | \$53,725,386 | 100.0% | -14.3% |

20. What resources do you use to analyze medical and pharmacy claims?

We utilize Verscend Technologies to analyze medical and pharmacy claims. See full description of this in attachment to question 19.

21. Describe your experience managing employee claims escalation.

Each client is assigned a CBIZ employee advocate whose responsibility is to assist covered employees and dependents with their claims issues. The advocate will:

- Collect all relevant data from effected individual
- Determine any extenuating circumstances
- Develop plan for resolution
- Contact all involved carriers, administrators, vendors and providers
- Determines possibility of successful resolution
- Work through to resolution
- If no favorable resolutions assist with appeal filing and process through to find judgement
- Maintain case log

22. Describe your experience assisting clients with complicated administrative issues and fostering positive resolution.

All of our clients refer conflicted administrative issues to us for resolution:

- We take over immediately
- We contact vendor and drill down on the particulars, i.e. the who, what, where and why of it
- We develop best possible scenarios for the client
- We negotiate with the vendor as needed
- We develop work around solutions if needed
- We maintain a weekly activity log
- We provide necessary training if needed
- We document all final resolutions

23. Describe experience with hourly employees and benefits administration.

A significant number of CBIZ clients have both bargaining and non-bargaining unit hourly employees.

- We assist employer in preparing for any CBA negotiations to include projected modeling for plan designs and cost
- Employee advocates are assigned
- Payroll practices are reviewed and benefit payroll deductions integrated into the HRIS platform
- Variable hourly ACA testing practices and procedures are discussed and formalized
- Customized communication and enrollment practices are developed



Special Services

24. Describe your standard package of employee communications services. Please provide samples.

The role of employee communication is to educate, inform, and promote employee goodwill. It can inject a consumer focus and foster a sense of shared responsibility. Most importantly, it can change perceptions and influence employee actions. At the outset, we will identify specific short-term and long-term communication objectives, and identify ways to make small but measurable change now that will ultimately lead to long-term, sustained change. Your dedicated Account Executive will develop customized employee communications and is supported by our national marketing team and resources. It is important to recognize that there will likely be several different segments of the Pike employee population, and each segment might require a different approach with respect to employee communications.

Communication Strategy

In devising a communication strategy, we will:

- Examine your business and benefits landscape including demographics, culture, mission, and values
- Define objectives and desired outcomes, i.e. employee engagement and accountability, enrollment and utilization
- Assess recent communication efforts – what works and why?
- Explore available communication channels including online resources at home and at work
- Develop messaging and identify appropriate mix of media (where appropriate, link benefit messages to organizational values and vision)
- Leverage internal resources/peer opinion leaders to enhance credibility and ensure consistent messages

Available media include printed materials, web content, audio-visual, and face-to-face meetings, depending upon your preference and your internal capabilities. Materials may include newsletters, benefit decision guides, benefit books, announcement campaigns, wellness bulletins, summary plan descriptions, web blast announcements, online summaries. CBIZ will design customized communications for Summit Medical Group's employee population based on HR's feedback and input.

We take a multi-faceted approach to communications to ensure outreach to all levels of employees at all locations. The following are tools we employ to ensure maximum outreach:

- Benefit Contact Cards – a plastic ID card which serves as a single resource with contact information for any or all Summit Medical Group carriers.
- Brainshark – a web based tool we are able to embed into your Oracle Benefit Administration system which provides an open enrollment video presentation for the viewing pleasure of the employees and spouses. The system has the ability to include common questions in the middle of the presentation to ensure attentiveness. The resource is valuable at time of orientation or open enrollment and at no cost.
- FlippingBook Publisher - An interactive publication created to streamline communications. Please see line for an example. <https://user-O8AlbHk.cld.bz/CBIZ-ESO-Atlanta>
- Direct or E-mail Custom Communications – As needed we are able to create custom pieces to fit the topic of discussion
- Benefit Booklets – a comprehensive booklet to include all of the required compliance language, and benefits provided by Summit Medical Group
- In-Person Meetings – As required and needed
- Bi-Lingual Communications – As required and needed





2017 Benefit Guide

An Overview of Your Benefits



*Call Toll Free 888-517-3659
for assistance with:*

- Benefit Plan Questions
- ID Cards
- Claims Issues and Resolution
- In-Network Provider Listings

CBIZ Benefits and Insurance Services

LOGO GOES
HERE



Table of Contents

| | |
|------------------------------|----|
| Welcome Letter | 2 |
| Medical | 4 |
| Dental | 8 |
| Vision | 9 |
| Flexible Spending Accounts | 10 |
| Life and Disability Benefits | 11 |
| Business Travel Accounts | 13 |
| Additional Benefit Programs | 14 |
| Health Plan Notices | 21 |
| Contact Information | 27 |

LOGO GOES HERE

Welcome to your 2017 Employee Benefits

We recognize the important role employee benefits play as a critical component of overall compensation. We continue to make every effort to target the best quality benefit plans for our staff and their families. Our program offers a range of plan options to meet the needs of our diverse workforce. We know that your benefits are important to you and your family. This program is designed to assist in providing for the health, well-being and financial security of you and your covered dependents.

Benefits Guide Overview

XYZ is proud to be able to offer a high quality menu of benefit choices, and the freedom to select coverage that will fit your insurance needs and your budget. This Benefit Guide, along with your benefit plan summaries provides an outline of the XYZ benefits that are available to you and your family.

Please elect your benefits carefully since, in most cases, changes in your enrollment can only be made during the annual open enrollment period. The benefit elections you select during open enrollment remain in effect for the entire calendar year, unless you have an IRS qualified change in status. Qualifying events include a change in marital status, dependent status, employment status and other [IRS defined events](#). You must make your new election within 30 days of the date of the qualifying event.

We are constantly striving to provide you and your families with a superior enrollment process and benefit packages. Please keep this book as an employee benefits reference guide. It contains general information regarding your benefits and important carrier information.



Your XYZ Benefits

XYZ offers both 100% company-paid and voluntary health and welfare benefits. If you choose to participate in the voluntary plans, you pay the cost through payroll deductions.

100% Company-paid Benefits

- ◆ Basic Life Insurance and Accidental Death and Dismemberment (AD&D) Insurance
- ◆ Basic Dependent Life Insurance
- ◆ Short Term Disability
- ◆ Long Term Disability
- ◆ Employee Assistance Program (EAP)
- ◆ Business Travel Accident Insurance
- ◆ Health Advocate



Your XYZ Benefits Continued.

Voluntary Benefit Options

- ◆ Medical
- ◆ Dental
- ◆ Vision
- ◆ Supplemental Employee Life Insurance
- ◆ Supplemental Dependent Life Insurance
- ◆ Supplemental AD&D Insurance
- ◆ Health Savings Account (HSA)
- ◆ Flexible Spending Accounts (FSA)
 - Health Care FSA
 - Dependent Care FSA
- ◆ Tax-free Transportation Programs
 - Parking
 - Mass Transit
- ◆ Long-term Care Insurance
- ◆ Accident Insurance
- ◆ Critical Illness Insurance
- ◆ Hospitalization Insurance Plan
- ◆ Identity Theft
- ◆ Life Events Legal Plan

Who Is Eligible?

If you are a regular, full-time employee scheduled to work at least 30 hours per week, you are eligible for benefits on the first day of the month following your date of hire. This includes you, your legally dependent children, spouse and /or domestic partner.

Eligible Dependents

Dependents you can cover include:

Your legal spouse

Your child(ren)*

- For medical, dental, vision and life insurance coverage only: Children up to age 26, regardless of whether they qualify as your tax dependent, marital or student status
- Age 26 or older if they are primarily supported by you and are physically or mentally incapable of self- support

*Eligible children include your own children, stepchildren who live with you at least six months of the year, legally adopted children and children for whom you have legal guardianship.

Employees have the ability to enroll their domestic partners and children of domestic partners in the XYZ benefit plans. The tax implications, however, for domestic partners and dependents of domestic partners are different from those of legally married spouses and dependent children.

When an employer provides health care benefits for the spouse or dependents of an employee, the IRS allows the money paid by the employer for these benefits to be excluded from the employee's gross income. No such exclusion exists, however, for benefits of an employee's domestic partner or dependents of a domestic partner. The money paid by an employer for the health care benefits for an employee's domestic partner and dependents of a domestic partner is taxable income.

Neither a domestic partner, nor the children of a domestic partner (who are not dependents of the employee), are eligible to receive tax-favored benefits through a cafeteria plan.



Your XYZ Benefits Continued

Changing Benefits

You may make changes to your benefit elections outside of the Annual Enrollment period only when you have a qualified change in status. Qualified changes in status are life events as shown below:

- ◆ Marriage, legal separation or divorce
- ◆ Death of your spouse or dependent
- ◆ Birth or adoption of a child
- ◆ Termination of employment by your spouse or his/her obtainment of new employment, when either results in a loss or gain of benefits
- ◆ A change in employment status from full-time to part-time (or vice versa) by you or your spouse, when either results in a loss or gain of benefits
- ◆ Disqualification of a child as an eligible dependent due to age
- ◆ A change in residence that affects eligibility

Only benefit changes that are consistent with the qualified change in status are permitted, and these changes must be made within 31 days.* Benefits will be effective the first of the month following the date of the qualified event (with the exception of birth, adoption and legal guardianship of a dependent; these events will have benefits effective on the date of birth, placement of the child or the date legal guardianship is obtained). You are responsible for notifying the corporate Benefits Department of any changes, and you must provide the necessary paperwork within 31 days. Visit www.fisandme.com for more information.

**Employees or dependents covered under Medicaid or a Children's Health Insurance Program (CHIP) plan have 60 days after loss of benefits under such plan to submit the necessary paperwork to request coverage. Also, employees or dependents have 60 days after the eligibility determination date to submit the necessary paperwork to cease their employer benefits once they become eligible for Medicaid or CHIP assistance.*

UNDERSTANDING YOUR MEDICAL PLAN



The following medical plans provide the framework for your good health and wellbeing. XYZ medical benefits are provided by United HealthCare. Employees may select either the HDHP with HSA plan, the Base Plan, the Buy Up Plan, or waive coverage altogether.

Qualified High Deductible Health Plan with HSA

Our High Deductible Health Plan (HDHP) is administered by United Health Care (UHC). This plan allows you to receive care from any medical provider, but pays higher benefits when you use UHC's PPO providers. With PPO providers, you pay an annual deductible and then the plan pays 100% of the cost of eligible services. If you do not use a PPO provider, you pay a higher deductible and then the plan pays 80% of the cost of eligible services. You pay the remaining cost until your deductible and coinsurance payments reach an annual payment limit. Once you reach this limit, the plan pays 100% of your eligible expenses for the rest of the year (excluding charges that are not otherwise covered by the plan).

If you choose to receive care from a non-PPO provider, you are also responsible for obtaining precertification for hospital, treatment facility and convalescent facility admissions; home health care; hospice care and private duty nursing.

Base Plan

XYZ's Base Plan option is an Exclusive Provider Organization (EPO). The Base Plan is a managed care plan where services are covered only if you go to doctors, specialists, or hospitals in the plan's network (except in an emergency). If you use a doctor or facility that isn't in the network, you may have to pay the full cost of the services provided.

Buy Up Plan

XYZ's National Buy Up Plan is a Preferred Provider Organization Plan (PPO). The Buy Up Plan gives you the option to use network providers and receive the highest level of coverage, or non-network providers and pay more for services.



C PLAN COMPARISON 2017

| BENEFIT | QUALIFIED HIGH DEDUCTIBLE HEALTH PLAN (HDHP with HSA) | | CHOICE PLUS BASE PLAN | CHOICE PLUS BUY UP PLAN | |
|--|--|--|--|--|--|
| | IN-NETWORK | OUT-OF-NETWORK | IN-NETWORK ONLY | IN-NETWORK | OUT-OF-NETWORK |
| Annual Deductible | | | | | |
| <i>Individual</i> | \$1,500 | \$3,000 | None | None | \$1,000 |
| <i>Family*</i> | \$3,000 | \$6,000 | | | \$2,000 |
| Annual Out-of-Pocket Maximum (Includes Deductible and all co-pays) | | | | | |
| <i>Individual</i> | \$4,000 | \$6,000 | \$1,250 | \$1,250 | \$4,000 |
| <i>Family*</i> | \$8,000 | \$12,000 | \$3,750 | \$3,750 | \$8,000 |
| <i>*The Family Deductible and Family Out-of-Pocket Maximum are now embedded. No one family member enrolled in the HDHP plan will be responsible for more than the individual deductible or individual out-of-pocket maximum.</i> | | | | | |
| Lifetime Maximum Benefit | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited |
| Primary Care Physician Office Visits | 100% after deductible | 80% after deductible | \$20 co-pay per visit | \$20 co-pay per visit | Plan pays 80% after Deductible |
| Specialist Office Visits | 100% after deductible | 80% after deductible | \$40 co-pay per visit | \$40 co-pay per visit | Plan pays 80% after Deductible |
| Urgent Care | 100% after deductible | 80% after deductible | \$50 co-pay per visit | \$50 co-pay per visit | Plan pays 80% after Deductible |
| Emergency Room | 100% after deductible | 100% after deductible | \$100 co-pay (Waived if admitted) | \$100 co-pay (Waived if admitted) | \$100 co-pay (Waived if admitted) |
| Maternity Physician Services | 100% after deductible | 80% after deductible | \$20 co-pay (First office visit only) | \$20 co-pay (First office visit only) | Plan pays 80% after Deductible |
| Hospital Inpatient Expenses | 100% after deductible | 80% after deductible | \$500 co-pay per inpatient stay | \$500 co-pay per inpatient stay | Plan pays 80% after Deductible |
| Hospital Outpatient Expenses | 100% after deductible | 80% after deductible | Plan pays 100% | Plan pays 100% | Plan pays 80% after Deductible |
| Outpatient Therapies (ex: physical, speech and occupational) 20 visits maximum per calendar year | 100% after deductible | 80% after deductible | \$20 co-pay | \$20 co-pay per visit | Plan pays 80% after Deductible |
| Chiropractic Care | 100% after deductible | 80% after deductible | \$20 co-pay | \$20 co-pay per visit | Plan pays 80% after Deductible |
| Mental Health/Behavioral Treatment Services | 100% after deductible | 80% after deductible | Inpatient: \$500 co-pay per inpatient stay Outpatient Services: \$20 co-pay per visit | Inpatient: \$500 co-pay per stay Outpatient: \$20 co-pay per visit | Plan pays 80% after Deductible |
| Durable Medical Equipment <i>Limited to 1 type of DME (including repair/replacement) every 3 years</i> | 100% after deductible | 80% after deductible (Pre-authorization required for charges over \$1,000) | Plan pays 100% | Plan pays 100% | Plan pays 80% after Deductible (Pre-authorization required for charges over \$1,000) |
| Prescription Drugs <i>*Please note that you must first meet your medical deductible before any Rx co-pays will be applied.*</i> | | | | | |
| Retail Pharmacy (31 day supply) | \$10 for Tier 1 drugs \$35 for Tier 2 drugs \$60 for Tier 3 drugs | \$10 for Tier 1 drugs \$35 for Tier 2 drugs \$60 for Tier 3 drugs | \$10 for Tier 1 drugs \$30 for Tier 2 drugs \$50 for Tier 3 drugs | \$10 for Tier 1 drugs \$30 for Tier 2 drugs \$50 for Tier 3 drugs | \$10 for Tier 1 drugs \$30 for Tier 2 drugs \$50 for Tier 3 drugs |
| Mail Order Maintenance Drug (90 day supply) | \$25 for Tier 1 drugs \$87.50 for Tier 2 drugs \$150 for Tier 3 drugs | Not covered | \$25 for Tier 1 drugs \$75 for Tier 2 drugs \$125 for Tier 3 drugs | \$25 for Tier 1 drugs \$75 for Tier 2 drugs \$125 for Tier 3 drugs | Not Covered |
| | *In addition to the post tax contributions, a portion of the premium for DP and dependents of DP will be taxable income to the employee. These amounts are \$198.50 for DP coverage only and \$431.69 for DP and dependent coverage (per semi monthly pay period). | | *In addition to the post tax contributions, a portion of the premium for DP and dependents of DP will be taxable income to the employee. These amounts are \$277.26 for DP coverage only and \$494.24 for DP and dependent coverage (per semi monthly pay period). | | *In addition to the post tax contributions, a portion of the premium for DP and dependents of DP will be taxable income to the employee. These amounts are \$217.87 for DP coverage only and \$473.88 for DP and dependent coverage (per semi monthly pay period). |

2017 MEDICAL CONTRIBUTIONS

| QUALIFIED HIGH DEDUCTIBLE HEALTH PLAN (HDHP with HSA) | Semi - Monthly Contributions | Pre Tax | Post Tax |
|--|-------------------------------------|----------------|-----------------|
| | <i>Employee</i> | \$5761 | N/A |
| | <i>Employee + 1</i> | \$11095 | N/A |
| | <i>Family</i> | \$17361 | N/A |
| | <i>Domestic Partner (DP)*</i> | N/A | \$53.34 |
| | <i>DP & DP Children*</i> | N/A | \$116.00 |
| CHOICE PLUS BASE PLAN | Semi - Monthly Contributions | Pre Tax | Post Tax |
| | <i>Employee</i> | \$6473 | N/A |
| | <i>Employee + 1</i> | \$12465 | N/A |
| | <i>Family</i> | \$195.05 | N/A |
| | <i>Domestic Partner (DP)*</i> | N/A | \$59.92 |
| | <i>DP & DP Children*</i> | N/A | \$130.32 |
| CHOICE PLUS BUY UP PLAN | Semi - Monthly Contributions | Pre Tax | Post Tax |
| | <i>Employee</i> | \$96.28 | N/A |
| | <i>Employee + 1</i> | \$185.44 | N/A |
| | <i>Family</i> | \$290.12 | N/A |
| | <i>Domestic Partner (DP)*</i> | N/A | \$89.16 |
| | <i>DP & DP Children*</i> | N/A | \$193.84 |



UNDERSTANDING YOUR HSA



If you enroll in the QHDHP plan, you are eligible to set up an individual Health Savings Account (HSA) at the bank or investment company of your choice. You can deposit money into your HSA and lower your taxable income at time of filing.

An HSA is an employee-owned account that allows you to set aside money for eligible medical expenses (including vision and dental expenses) incurred this year or in future years. Your contributions to the account are tax-exempt, so you can save on taxes when you participate. Unlike a Flexible Spending Account, any unused balance in your HSA rolls over from year to year—there is no “use it or lose it” rule. *We recommend that you see your tax advisor for additional information on the tax advantages this account may offer you.*

You must be enrolled in the Qualified High Deductible Health Plan in order to contribute to an HSA. In future years, if you decide to dis-enroll from the QHDHP, you can continue to use any money in your HSA for qualified medical expenses, but you are ineligible to contribute any additional funds to the account.

If you ever withdraw funds from the account for non-medical expenses, you will be subject to a penalty. At age 65, however, any unused funds in your HSA can be withdrawn without penalty for non-medical purposes. If you withdraw the funds from your HSA after age 65, you would be subject to normal income tax on the money in the account, but you would not be limited to using the money for just medical expenses.



There are limits to how much you can contribute to your HSA each calendar year. For 2017, the contribution limits are:

| | Under Age 55 | Age 55+ (\$1,000 Catch Up) |
|------------|--------------|-------------------------------|
| Individual | \$3,400 | \$4,400 |
| Family | \$6,750 | \$7,750 |

If you enroll in the QHDHP and open an HSA, you will not be eligible to enroll in the medical portion of the Flexible Savings Account (FSA). **You will be able to participate in other portions of the plan such as parking and transit and dependent care reimbursement.**

Your HSA

Please use the list on the next page as a guide to help you determine whether a medical expense is qualified or not for an HSA distribution.

Smiles happen when XYZ employees enroll in a dental plan from Aetna Dental. XYZ dental benefits are provided by Aetna. You may select either the DMO Plan, which provides in-network coverage only and utilizes a smaller network of providers, or the PPO Plan which provides both in-network and out-of-network coverage.

The Passive PPO dental plans give you the freedom to choose either a participating network dentist or an out-of-network dentist. Typically you benefit from considerable cost savings when using a dentist who is in the network.

**Employees may change between dental plans at any point during the plan year. Any change will take effect on the first day of the month following the request for change.*



| Type of Plan | DMO PLAN | PASSIVE PPO PLAN | |
|--|-----------------|---|--------------------------------|
| | IN-NETWORK ONLY | IN-NETWORK | OUT-OF-NETWORK |
| Deductible | | | |
| Individual | None | \$50 | \$50 |
| Family | None | \$150 | \$150 |
| Annual Maximum Benefit | None | \$1,500 | |
| Preventive Services <i>(oral exam, cleaning, x-rays)</i> | 100% | 100% | |
| Basic Services <i>(fillings, root canal, oral surgery)</i> | 100% | Plan pays 80% after Deductible | Plan pays 80% after Deductible |
| Major Services <i>(crowns, dentures, endo, periodontal)</i> | Plan pays 60% | Plan pays 50% after Deductible | Plan pays 50% after Deductible |
| Orthodontia <i>(Adult and child coverage)</i> | \$2,000 copay | \$50 deductible, Plan pays 50% up to \$1,000 annual maximum | |
| Semi-Monthly Contributions | Pre Tax | | Post Tax |
| Employee | \$9.10 | | N/A |
| Employee + 1 | \$17.16 | | N/A |
| Family | \$23.92 | | N/A |
| Domestic Partner (DP)* | N/A | | \$8.06 |
| DP & DP Child(ren)* | N/A | | \$14.82 |



UNDERSTANDING YOUR VISION PLAN



XYZ is pleased to offer vision benefits through EyeMed Vision Care. With EyeMed, you have the freedom to choose from an extensive network of private practice optometrists, ophthalmologists, opticians or from leading optical retailers.

Please note that EyeMed does not issue Identification Cards. Your provider can contact EyeMed directly to verify benefits.

XYZ utilizes the EyeMed Select vision network.

| | IN-NETWORK | OUT-OF-NETWORK |
|---|---|-----------------------|
| Eye Exam | <i>1 every 12 months</i> | |
| | \$10 co-pay | Up to \$30 allowance |
| Prescription Lenses | <i>1 pair every 12 months</i> | |
| Single | \$10 co-pay | Up to \$25 allowance |
| Bifocal | \$10 co-pay | Up to \$40 allowance |
| Trifocal | \$10 co-pay | Up to \$60 allowance |
| Progressive | <i>Premium: \$75 co-pay plus 80% of charge (less \$120 allowance) Standard: \$75 co-pay</i> | Up to \$40 allowance |
| Frames | <i>1 every 12 months</i> | |
| | Up to \$140 allowance plus 20% off any amount over allowance | Up to \$70 allowance |
| Contact Lens | <i>1 every 12 months in lieu of lenses and frames</i> | |
| Elective | <i>Conventional: Up to \$130 allowance plus 15% off any amount over allowance Disposable: Up to \$130 allowance</i> | Up to \$104 allowance |
| Fit and Follow up Exam <i>(Comprehensive eye exam must be completed first)</i> | <i>Standard: Up to \$40 allowance Premium: 10% off retail price</i> | Up to \$104 allowance |
| Network Providers | Cohen Fashion | Eye to Eye |
| | Lenscrafters | Pearl Vision |
| | Sears Vision | JC Penny Optical |
| Semi-Monthly Contributions | Pre Tax | Post Tax |
| Employee | \$2.10 | N/A |
| Employee + 1 | \$2.89 | N/A |
| Family | \$4.99 | N/A |
| Domestic Partner (DP)* | N/A | \$0.79 |
| DP & DP Child(ren)* | N/A | \$2.89 |

*In addition to the post tax contributions, a portion of the premium for DP and dependents of DP will be taxable income to the employee. These amounts are \$2.97 for DP coverage only and \$4.58 for DP and dependent coverage (per semi monthly pay period).





UNDERSTANDING YOUR FLEXIBLE SPENDING ACCOUNTS

Save money when you use a Flexible Spending Account (FSA) to pay for certain health care and dependent care expenses, with favorable pre-tax dollars.

Health Care Spending Account

You can deposit as much as \$2,600 a year on a pre-tax basis to the Health Care Spending Account. You reimburse yourself with these tax-free dollars for things such as medical and dental plan deductibles, coinsurance and copayments. Examples of eligible expenses are those not covered by insurance. They include the cost of routine physical exams, extra dental cleanings, childbirth classes, routine hearing exams, hearing aids and repairs, eye exams and prescription eyewear, chiropractic services, infertility services, diabetic supplies and much more.

Over-the-counter Drugs and Medicines

As a result of the Patient Protection and Affordable Care Act, out-of-pocket expenses for over-the-counter drugs and medicines must be accompanied by a doctor's prescription in order to qualify for reimbursement from a Flexible Spending Account (FSA) or Health Savings Account (HSA).

For example, cold medicines, allergy medicines, cough syrups, etc., are not reimbursable under the Health Care Spending Account or HSA; only medical supplies, equipment and contact lens solution will remain eligible without a prescription.

Transit/Parking

| | | | |
|---------------------|---|--|---|
| Mass Transit | Maximum contribution is \$130 per month | Maximum monthly Contribution Balances not used in your Transit and Parking Account will roll from one Plan year to the next. This is not a use it or lose it plan. | Save 20%-40% on your transit/parking expenses. Reduces your taxable income. |
| Parking | Maximum contribution is \$250 per month | | |

Dependent Day Care Spending Account

Pre-tax money that you deposit into the Dependent Day Care Spending Account pays for care expenses for a dependent child up to age 13, or a dependent adult. Care expenses are reimbursable if the services enable you and your spouse to work. Expenses are also reimbursable if your spouse is disabled or attends school full-time at least five months of the year. You can deposit as much as \$5,000 a year (\$2,500 if married, filing separately). Then you can reimburse yourself using these tax-free dollars for such things as nursery school tuition, day care, summer day camp and dependent-adult day care center expenses. Care can be provided inside or outside your home. All reimbursement claims are filed manually.

FSA Debit Card

The FSA Debit Card offers the convenience of a pre-funded credit card, with no annual fee. Use your FSA Debit Card to pay for eligible FSA expenses at the point of service, such as doctor and dentist offices, pharmacies and vision service offices.

Using your FSA Debit Card saves you the hassle of paying cash for services (in addition to your payroll deduction), filling out and submitting a claim form and waiting for a reimbursement check. A debit card is only available with the Health Care FSA. Dependent Day Care FSA reimbursements are filed manually.

Rules for the FSAs

If a balance is remaining in an FSA on December 31, participants have until March 15 of the following plan year to incur eligible expenses to be applied against the remaining plan year balance.

According to the IRS, after the deadline, any money left in an FSA is forfeited. This is known as the "use it or lose it" rule. Thus, claims incurred for the current plan year **MUST** be submitted for reimbursement by March 31 of the following plan year or the money is forfeited.

Changes in elections can be made only during annual enrollment or if you have a qualified change in status. The change in status must be consistent with the requested change.

Keep all receipts and backup documentation regarding your FSA expenses - you may be required to provide proof of eligible expenses to WageWorks, the FSA vendor. An Explanation of Benefits (EOB) is the best type of documentation as it includes everything the IRS requires for backup substantiation.



UNDERSTANDING

YOUR LIFE & DISABILITY BENEFITS



XYZ's ancillary benefits are offered through Unum. Unum has worked hard to earn a reputation for high quality insurance products.

BASIC LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE (AD&D)

Basic Life and AD&D insurance coverage are important parts of your financial well-being and XYZ provides these benefits at no cost to you.

All regular, full-time employees scheduled to work at least 30 hours per week, are eligible for Basic Life insurance. Basic Life insurance is equal to 1.5 times basic annual earnings to a maximum benefit of \$750,000. Benefits are reduced by 65% at the age of 70 and an additional 50% at the age of 75. XYZ also offers Basic Dependent Life insurance. This benefit is \$10,000 for your spouse and \$2,500 for each of your eligible dependent children.

AD&D insurance provides benefits to you and your beneficiary should you suffer loss of life or limb due to an accident. All regular, full-time employees scheduled to work at least 30 hours per week, are eligible for AD&D. AD&D insurance is equal to 1.5 times basic annual earnings up to a maximum of \$750,000.

*Please note that annual salaries in excess of \$50,000 require imputed income and you will notice social security and Medicare taxes on your paycheck.



SUPPLEMENTAL LIFE AND AD&D

You have the option to purchase additional Life and AD&D insurance for yourself, your spouse and your eligible dependent children. Employees may elect up to 5 times base annual earnings (in \$10,000 increments) up to \$750,000. Election amounts over \$250,000 will require evidence of insurability form to be completed and returned to UNUM. Employees may also elect additional coverage for spouses and/or eligible dependent children:

Spouse: Amounts in \$5,000 increments equal to the lesser of 100% of the employee election amount or \$500,000. Amounts over \$25,000 will require evidence of insurability and approval from UNUM

Eligible Dependent Children: Up to \$10,000 (in \$2,000 increments)

You pay 100% of the cost of coverage, and the premium will be deducted from your paycheck on a post-tax basis. Any coverage elected over the Guarantee Issue Amount must be approved by Unum.

SHORT-TERM DISABILITY (STD)

XYZ provides a Short-Term Disability plan at no cost to you. Short-Term Disability (STD) replaces a portion of your income if you become disabled due to an accident, injury, or illness.

All active regular, full-time employees scheduled to work at least 30 hours per week, are eligible to receive the STD benefit. If you cannot work due to injury or sickness, your STD benefit will begin after a 7-day waiting period (calendar days) and can last up to 13 weeks. You may use standard sick days as income replacement during your 7-day waiting period.

The STD benefit replaces 66.67% of your base annual earnings up to a \$1,500 weekly maximum.

LONG-TERM DISABILITY (LTD)

XYZ provides a Long-Term Disability plan at no cost to you. Long-Term Disability (LTD) replaces a portion of your income if you become disabled due to an accident, injury, or illness.

All active regular, full-time employees scheduled to work at least 30 hours per week, are eligible to receive the LTD benefit. The LTD benefit begins on the 91st day of disability (calendar days) and replaces up to 60% of your gross monthly base earnings to a maximum monthly benefit of \$15,000. The LTD benefit may be reduced by other sources of income.



YOUR LIFE & DISABILITY BENEFITS OVERVIEW

| Basic Life & AD&D - Employer Paid | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-----|-------------------------------------|--|--|-----|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-----|---------|
| Employee Basic Life & AD&D | 1.5 times Base Annual Earning (BAE) up to a maximum \$750,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| Benefit Reduction | 35% at age 70; 50% at age 75 | | | | | | | | | | | | | | | | | | | | | | | | |
| Short-Term Disability (STD) - Employer Paid | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amount of Benefit | 66.67% of Base Salary up to a Maximum of \$1,500 per week | | | | | | | | | | | | | | | | | | | | | | | | |
| When Benefits Begin | After 7 day waiting period | | | | | | | | | | | | | | | | | | | | | | | | |
| Maximum Benefit Period | 12 weeks | | | | | | | | | | | | | | | | | | | | | | | | |
| Long-Term Disability (LTD) - Employer Paid | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amount of Benefit | 60% of Gross Monthly Base Salary up to a Maximum of \$15,000 per month | | | | | | | | | | | | | | | | | | | | | | | | |
| When Benefits Begin | After 90 days of disability | | | | | | | | | | | | | | | | | | | | | | | | |
| Maximum Benefit Period | To SSNRA | | | | | | | | | | | | | | | | | | | | | | | | |
| State Disability | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Employees who are absent because of their own disability may be eligible for State Disability Insurance (SDI) benefits depending on the state in which they are employed. SDI benefits may be payable when you cannot work because of illness or injury, including pregnancy and childbirth, not caused by employment at the Company.</p> <p>Note: Please note that SDI is administered by the applicable state and does not provide for any leave or pay rights from the Company. For more information regarding State Disability Insurance please contact Human Capital at USHumanCapitalOperations@XYZ.com.</p> | | | | | | | | | | | | | | | | | | | | | | | | | |
| Supplemental Life - Voluntary | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employee | 1x, 2x, 3x, 4x or 5x salary up to a \$750,000 maximum. Amounts over \$250,000 are subject to Evidence of Insurability (EOI). | | | | | | | | | | | | | | | | | | | | | | | | |
| Spouse / Domestic Partner | Amounts in \$5,000 increments equal to the lesser of 100% of the employee election amount or \$500,000. Amounts over \$25,000 subject to Evidence of Insurability (EOI). | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Employee and Spouse/Domestic Partner</i> <i>Monthly Contributions based on age and coverage amounts elected</i> | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Age</th> <th style="width: 85%;">Employee / Spouse Rates Per \$1,000</th> </tr> <tr> <th></th> <th style="text-align: center;">Spouse/Domestic Partner Cost per \$1,000</th> </tr> </thead> <tbody> <tr><td><25</td><td style="text-align: center;">\$0.060</td></tr> <tr><td>25-29</td><td style="text-align: center;">\$0.060</td></tr> <tr><td>30-34</td><td style="text-align: center;">\$0.080</td></tr> <tr><td>35-39</td><td style="text-align: center;">\$0.095</td></tr> <tr><td>40-44</td><td style="text-align: center;">\$0.159</td></tr> <tr><td>45-49</td><td style="text-align: center;">\$0.243</td></tr> <tr><td>50-54</td><td style="text-align: center;">\$0.451</td></tr> <tr><td>55-59</td><td style="text-align: center;">\$0.697</td></tr> <tr><td>60-64</td><td style="text-align: center;">\$0.935</td></tr> <tr><td>65+</td><td style="text-align: center;">\$2.173</td></tr> </tbody> </table> | Age | Employee / Spouse Rates Per \$1,000 | | Spouse/Domestic Partner Cost per \$1,000 | <25 | \$0.060 | 25-29 | \$0.060 | 30-34 | \$0.080 | 35-39 | \$0.095 | 40-44 | \$0.159 | 45-49 | \$0.243 | 50-54 | \$0.451 | 55-59 | \$0.697 | 60-64 | \$0.935 | 65+ | \$2.173 |
| Age | Employee / Spouse Rates Per \$1,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | Spouse/Domestic Partner Cost per \$1,000 | | | | | | | | | | | | | | | | | | | | | | | | |
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| 65+ | \$2.173 | | | | | | | | | | | | | | | | | | | | | | | | |
| Employee Voluntary AD&D | Voluntary AD&D Benefit will match your Supplemental Life election amount. Cost for AD&D is \$0.022 per \$1,000 of benefit. | | | | | | | | | | | | | | | | | | | | | | | | |
| Eligible Children | Increments of \$2,000 up to a \$10,000 maximum. Benefit to age 19 or 26 if full time student \$0.053 per \$2,000 | | | | | | | | | | | | | | | | | | | | | | | | |

BUSINESS TRAVEL ACCIDENT PROGRAM



XYZ, Inc. is offering travel benefits to employees, guests and their eligible dependents traveling on behalf of the company for business purposes*. Below is a brief overview of the benefits being offered and contact information in the event of illness or injury. Should you have any questions, please contact your Benefits Administrator or Local HR representative.

WHILE YOU ARE TRAVELING ANYWHERE IN THE WORLD

Accidental Death & Dismemberment Benefits

If, within 365 days of a covered accident, injury results in anyone of the losses shown, the benefit amount shown opposite the loss will be paid. If multiple losses occur, only one benefit amount the largest will be paid for all losses due to the same accident.

Additional Benefits:

- ◆ Coma, Disability (PTD), Home Alteration and Vehicle Modification, Rehabilitation, Seatbelt and Airbag

WHILE YOU ARE TRAVELING OUTSIDE YOUR HOME COUNTRY OR COUNTRY OF PERMANENT ASSIGNMENT

Medical Expense Benefits:

We will pay up to \$500,000 for medically necessary expenses incurred for hospital and medical care, treatment or services within 30 days of a covered accident or sickness.

Additional Benefits:

- ◆ Baggage Delay, Family Reunion, Lost Baggage, Personal Property and Financial Instrument Reimbursement, Trip Cancellation, Trip Interruption

ISOS will provide "Assistance Services Only" for these benefits during your business trip. Contact your local Benefits Administrator or Local HR representative for a claim form for payment of these benefits

EMERGENCY RESPONSE BENEFITS APPLICABLE TO ALL PLANS

If you are traveling more than 100 miles from your permanent residence or you are outside your home country on company business, we will pay the following emergency response benefits:

- ◆ Emergency Medical Evacuation, Guarantee of Payment for Hospital Admission, Repatriation of Remains, Security Evacuation Expense, including Natural Disaster (applies only if traveling outside home country), War Risk (applies only if traveling outside your home country, country of permanent assignment, the United States, Afghanistan, Iran or Iraq)

| Covered Loss | Benefit Amount |
|--|-----------------------|
| Life, Two or more Members, Quadriplegia | 100% of Principal Sum |
| Paraplegia | 75% of Principal Sum |
| Hemiplegia, One Member | 50% of Principal Sum |
| Thumb Index Finger of the Same Hand, Uniplegia | 25% of Principal Sum |

If you need medical or security advice or assistance, call International SOS 24 hours a day, 7 days a week (call collect where available):
 Philadelphia +1.215.942.8226
 Singapore +65.6338.7800
 London +44.20.8762.8008
 Sydney +61.2.9372.2468
www.internationalsos.com

Please call when:

- You require a referral to a hospital or doctor
- You are hospitalized
- You need to be evacuated or repatriated
- You need to guarantee payment for medical expenses
- You experience local communication problems

ADDITIONAL BENEFIT PROGRAMS

We're here to
help when you
need it most.
Here's how.



Find the right doctors

We can also find the right hospitals, specialists and other leading providers, anywhere in the country.

Schedule appointments

Our experts can expedite appointments, arrange second opinions and transfer medical records.

Assist in the transfer of medical records

We'll also handle the details of transferring X-rays and lab results.

Work with insurance companies

Our team works on your behalf to obtain appropriate approvals for needed services.

Resolve benefits issues

We'll do the legwork to resolve insurance claims and billing issues, untangle medical bills and coordinate benefits.

Help with eldercare

We can help address senior issues including finding eldercare services, adult day care and more.

Get your questions answered

We help you become informed about test results, treatments and medications.

Help to make informed decisions

We will research conditions and treatment options, and facilitate second opinions.

Your Health Advocate benefit is being offered by your employer at no additional cost for you and covers eligible employees, their spouses, dependent children, parents and parents-in-law.*

* Restrictions apply
Health Advocate is not affiliated with any insurance company or third party provider, and does not provide medical care or recommend treatment.



866.695.8622

Visit us online at:
[HealthAdvocate.com/members](https://www.HealthAdvocate.com/members)

HealthAdvocate™
Always at your side

ADDITIONAL BENEFIT PROGRAMS

401(K) PLAN

Under the XYZ 401(k) plan through Investments; all eligible employees may withhold a maximum of up to 60% of pay on a pre-tax basis to the IRS maximum for 2017. XYZ matches 50% of the employee's contribution; the match cannot exceed 6% of eligible compensation. There is a three-year progressive vesting schedule, less than one year 0%, one year, but less than two years 34%, two years, but less than three 67% and three or more years, you are 100% vested on all Company contributions. You are always 100% vested on all employee contributions and rollover amounts.

VOLUNTARY BENEFITS

XYZ offers voluntary products! There are several plans that are available to employees--plans are portable and employees may choose to elect more than one line of coverage.

| | |
|--|--|
| <i>Aflac Supplemental Hospital Indemnity</i> | Provides benefits for inpatient and outpatient service as a result of covered accidents and sickness. Benefits also available for spouse and dependent children. |
| <i>Aflac Critical Illness</i> | Provides a lump sum benefit upon the diagnosis of each covered illness, which include: heart attack, stroke, major organ transplant, kidney failure (end stage), cancer, carcinoma in situ and coronary. |
| <i>Aflac Accident</i> | Provides benefit for the treatment of injuries suffered as the result of a covered accident. Provides 24 hour protection and does not limit number of claims. |
| <i>UNUM Long Term Care (LTC)</i> | Helps provide for the cost of long-term care beyond a pre-determined period. Long-term care insurance covers care generally not covered by health insurance, Medicare or Medicaid. |
| <i>Identity Theft</i> | Covers any type of identity theft- not just financial or credit. Licensed investigators will restore your identity without any caps or limits on their services. |
| <i>Life Events Legal Plan</i> | Offers the ability to speak with an attorney on any type of legal issue. |

WELLNESS REIMBURSEMENT PROGRAM

XYZ encourages a healthy workforce and has put in practices that support a healthy culture!

Employee may select one of the two wellness options below (not both):

| | |
|-----------------|--|
| Option 1 | <p>Employee may sign up for a gym membership via XYZ's corporate discount program (gyms listed below). XYZ will pay the full amount of the membership up front and Employee will reimburse XYZ through semi-monthly payroll deductions. XYZ subsidizes \$50 monthly for the membership dues. Up to \$39 of the one-time processing fee is reimbursable via T&E for employee only (use project code 1200295). Corporate discount is extended to spouses/domestic partners. Note: Spouses/domestic partners and family members of XYZ employees are not eligible for the monthly employer subsidy. Please contact HC Ops for more details.</p> <ul style="list-style-type: none"> • New York Sports Club • New York Health & Racquet Club • Equinox • Crunch • Sport & Health • RDV Athletic Club • Complete Body |
| Option 2 | <p>Employee may request reimbursement for up to \$50 monthly on any physical activity expense or massage therapy service (gym membership of choice, fitness class or massage therapy) by sending supporting documentation (receipt of payment and proof of enrollment) to HumanCapitalAmericas@XYZ.com. Please note that this option is a <u>taxable</u> benefit processed via payroll. Applicable taxes will be withheld from the \$50 reimbursement. Up to \$39 of the one-time processing fee is reimbursable via T&E for employee only (use project code 5022927). This provides you of the freedom to self-select your fitness venue or enjoy a relaxing massage for:</p> <ul style="list-style-type: none"> • Traveling employees who may not want to get "locked in" to a specific gym • More variety of gyms and fitness venues for mobile and dispersed workforce • Employees who wish to enjoy the benefits of massage therapy |

WORKING ADVANTAGE

XYZ has a membership with Working Advantage and employees have access to discounts for movie theatres, movie rental, theme parks, ski tickets, Broadway theatre tickets, special family events, online shopping and much more.

Registering is easy. Simply go to the Working Advantage website at www.workingadvantage.com and click on "Register". Using the Member ID (946917007), you may complete your one-time registration for free and create your own personal account with a password of your choice. You can order either online or by phone at 1-800-565-3712 Monday through Friday 8:00 a.m. to 6:30 p.m. and Saturday 9:00 a.m. to 5:00 p.m. ET.

ADDITIONAL BENEFIT

P R O G R A M S

Introducing ...

MARKETPLACE

GET THE ABSOLUTE BEST PRICING ON:

- Apparel
- Auto
- Cell phones
- Computer/software
- Dining
- Electronics
- Entertainment
- Financial services
- Flowers/gifts
- Health/wellness
- Home
- Personal Vacations
- Tickets
- Travel



Don't pay retail ever again! Marketplace is a new, employee perks program designed to be a one-stop shop for employees. Save money on large purchases, as well as your everyday purchases. And, earn points for every dollar you spend, and get even more stuff for free. Once you activate your account, you will have access to exclusive offers and deep discounts from top popular merchants at the places you already shop. In addition, your employee access comes with five friends and family accounts.

**START
SAVING
TODAY!**

1. Visit
> [via Employee Matters > HR and Benefits](#)
2. Login/register
3. Shop

*This program is currently only available to U.S. employees. Other locations will be rolled out in the future.

ADDITIONAL BENEFIT PROGRAMS



Maternity/Paternity Leave Policy

Maternity leave will be paid at 100% of base salary up to a maximum of eighteen (18) weeks in the event of the birth of a child, or placement of a child due to adoption or foster care for the primary caregiver. Paternity leave is covered at 100% of base salary up to a maximum of four (4) weeks.

To assist with managing your parental leave under this policy, please note the following guidelines and support:

- ◆ Paternity leave must be taken within the first three (3) months of the baby being born. New parent will need to provide documentation, such as hospital discharge paperwork or birth certificate.
- ◆ Maternity leave will be covered for two (2) weeks full pay prior to delivery date, and sixteen (16) weeks thereafter, for a total of eighteen (18) weeks of paid leave.
- ◆ In the event of placement of a child due to adoption or foster care, the primary caregiver will be entitled to a maximum of eighteen (18) weeks of paid leave.

Newborn Gift

XYZ is proud to present our new parents with a \$750 gift (per baby) as a way to welcome our newborns and newly adopted family members.

Adoption Assistance Program

Recognizing adoption as a meaningful and viable way to build a family, XYZ provides an Adoption Assistance Program to assist employees with their adoption expenses. XYZ provides up to \$10,000 in adoption assistance to all employees who are eligible for benefits and have a minimum of one (1) year of service. Active employees who opt out or waive health, dental, and vision coverage remain eligible for the Adoption Assistance Program. The adoption must be final before expenses are eligible for reimbursement.

The coverage applies to public and private agency adoptions, independent adoptions, and international adoptions. The adopted child must be under the age of 18.

Eligible Expenses

The following adoption charges are eligible for reimbursement:

- ◆ Legal/Court fees
- ◆ Agency fees
- ◆ Required medical exams/immunizations for child
- ◆ Transportation costs to bring the child home to the adopting parents

Ineligible Expenses

The following charges are not eligible for reimbursement:

- ◆ Expenses for adopting stepchildren or children related to either parent, such as nephews, nieces, cousins
- ◆ Transportation for adopting parents
- ◆ Medical examination fees for adopting parents
- ◆ Cost of personal items for parents or children during or after the adoption

Please contact Human Capital for additional information, USHumanCapitalOperations@XYZ.com

ADDITIONAL BENEFIT PROGRAMS

Family Care. SOLVED.



Start Making Your Life Easier.

REGISTER AT NO COST:



OR CALL: 877-BH-CARES (242-2737)

Bright Horizons
Care Advantage™
A Bright Horizons Solution at Work

Your Many *Bright Horizons Care Advantage*® Benefits Include:

BACK-UP CHILD AND ADULT/ELDER CARE:

High-quality, low-copay replacement care for your child in your home or in a center; in-home care for adult/elder loved ones throughout the U.S. any time you need an extra hand.

NEW COPAYS IN 2016 FOR BACK-UP CARE:

Employees can access up to 10 annual days of family care when regular arrangements fall through. Get immediate access to care supports at subsidized rates; center-based care is \$10/child or \$15/family; all in-home care is \$4/hour.

NANNIES, ELDER CARE, PET CARE, AND MORE:

Do-it-yourself access to a comprehensive database of self-pay services including nannies and sitters for evening and weekend care, plus elder care resources, pet sitters, homework help, and more.



ADDITIONAL BENEFIT PROGRAMS

Life Balance - Employee Assistance Program

When you have questions, concerns or emotional issues surrounding your personal or work life, you can count on us to offer help. Unum's EAP offers unlimited access to master's level consultants by telephone, resources and tools online, and up to three face-to-face visits with a consultant for help with a short-term problem.

Help for personal challenges, big and small

Keeping your work and personal life in balance can sometimes be tricky. Stressful situations can affect your health, well-being and ability to focus on what's important.

That's when you can pick up the phone and speak confidentially to a master's level consultant who can help you or a family member to:

- Locate childcare and eldercare services and obtain matches to the appropriate provider based on your or your family's preferences and criteria. The consultant will even confirm space availability.
- Speak with financial experts by phone regarding issues such as budgeting, controlling debt, teaching children to manage money, investing for college, and preparing for retirement.
- Work through complex sensitive issues such as personal or work relationships, depression, or substance abuse.
- Get a referral to a local attorney for a free, 30-minute in-person or telephonic legal consultation.

You'll have access to an attorney for state specific legal information and services. If you decide to retain the attorney, you may be eligible to receive a 25% discount on additional services.

You also have unlimited access at www.lifebalance.net where you can:

- Read booklets, life articles and guides
- View videos and online seminars, as well as listen to podcasts
- Subscribe to email newsletters
- Find information on parenting, retirement, finances, education and more
- Use health management online calculators and other tools to help you with topics such as losing weight or starting a new exercise program
- Access links to other informative websites
- Use school, camp, eldercare and childcare locators
- Use financial calculators, retirement planners, worksheets and more

Guidance for work-related conflicts

If you're a manager dealing with staff issues such as an employee who's feeling overwhelmed, you have unlimited access to guidance from a team of consultation experts. Call the toll-free work-life balance EAP to:

- Have a confidential sounding board and objective view
- Work on communication and problem-solving skills
- Learn how to motivate your employees

A wallet card is available with telephone number and online contact information. Please see your human resources manager to request one.

Your work-life balance employee assistance program can help you find solutions to the everyday challenges of work and home as well as for more serious issues involving emotional and physical well-being.

- Childcare and/or eldercare referrals
- Personal relationship information
- Health information and online tools
- Legal consultations with licensed attorneys
- Financial planning assistance
- Stress management
- Career development

Help is easy to access:

- **Telephonic consultations:** Speak confidentially with a master's level consultant to clarify your need, evaluate options and create an action plan.
- **Face-to-face meeting:** Meet with a local consultant up to three times per issue for short-term problem resolution.
- **Educational materials:** Receive information through our online library of downloadable materials and interactive tools.

To learn more, please visit www.lifebalance.net; user ID and password: lifebalance



ADDITIONAL BENEFIT PROGRAMS

Claim your
15%
 discount
 when you enroll online

Petplan
 pet insurance



Call **1.800.809.9200** or Visit **PetplanBenefits.com**

15% EMPLOYEE DISCOUNT VOUCHER

Visit **PetplanBenefits.com** and type in to receive a 15% discount.

| Policy Benefits | Petplan Bronze Policy | Petplan Silver Policy | Petplan Gold Policy |
|------------------------|---|--|---|
| Annual Coverage Limits | \$10,000 | \$14,000 | \$22,000 |
| Deductible | Choice of \$50, \$100, or \$200 deductible | | |
| Reimbursement | Choice of 100%, 90% or 80% reimbursement direct to you | | |
| Policy Coverage | Accidents • Illnesses • Hereditary, congenital + chronic conditions Prescription medications • Surgery • Specialist treatment Cancer treatment • Alternative + holistic therapies Non-experimental stem cell therapies • Diagnostic testing MRI + CAT scan imaging • Non-routine dental treatment | | |
| Additional Coverage | N/A | Boarding + kennel fees Advertising + reward Loss due to theft/straying | Boarding + kennel fees Advertising + reward Loss due to theft/straying Death from illness or injury Vacation cancellation |
| Additional Info | Covered for Life™ with annual renewal | | |

Terms and conditions apply. Policy becomes effective at 12:01am the day after adoption. A 24-hr waiting period for accidents, a 14-day waiting period for illnesses and a 6-month exclusion for cruciate ligaments and patellas applies. Lifetime coverage is contingent on the policy being renewed each year without any break in coverage. Subject to annual policy limits of \$10,000, \$14,000 or \$22,000. Limits are replenished in full on renewal. Pre-existing conditions, including those where clinical signs are present prior to the effective date of the policy or during the policy waiting period, are excluded from coverage.

Coverage under any pet insurance policy is expressly subject to the conditions, restrictions, limitations, exclusions and terms of the policy documentation issued by the insurer. Availability of this program is subject to each state's approval and coverage may vary by state. Pet insurance policies are issued by AGCS Marine Insurance Company and administered by Fetch Insurance Services, LLC (Fetch Insurance Agency, LLC in Michigan), d/b/a Petplan (Petplan Insurance Agency, LLC in California). AGCS Marine Insurance Company, a member of the Allianz Group, is rated A+ by A.M. Best (2012).

Visit **PetplanBenefits.com** and type in to receive 15% discount.

2017 Health Plan Notices

* Women's Health and Cancer Rights Act of 1998

Your medical plan, as required by the Women's Health and Cancer Rights Act of 1998, provides benefits for mastectomy - related services, including reconstruction and surgery to achieve symmetry between the breasts, prosthesis, and complications resulting from a mastectomy (including lymphedema).

Please call your plan administrator for more information. These benefits may be subject to annual deductibles, co-insurance provisions or copays that are appropriate and consistent with other benefits under your plan.

* The Genetic Information Nondiscrimination Act (GINA)

The Genetic Information Nondiscrimination Act of 2008, also referred to as GINA, is a federal law that protects Americans from being treated unfairly because of differences in their DNA that may affect their health. The law prevents discrimination from health insurers and employers.

Who needs protection from genetic discrimination?

Everyone should care about the potential for genetic discrimination. Every person has dozens of DNA differences that could increase or decrease his or her chance of getting a disease such as diabetes, heart disease, cancer or Alzheimer's. It's important to remember that these DNA differences don't always mean someone will develop a disease, just that the risk to get the disease may be greater.

More and more tests are being developed to find DNA differences that affect our health. These tests (called genetic tests) will become a routine part of health care in the future. Health care providers will use information about each person's DNA to develop more individualized ways of detecting, treating and preventing disease. But unless this DNA information is protected, it could be used to discriminate against people.

Why was the law needed?

The law was needed to help ease concerns about discrimination that might keep some people from getting genetic tests that could benefit their health. The law also enables people to take part in research studies without fear that their DNA information might be used against them in health insurance or the workplace.

* Notice of Special Enrollment Rights

If you are an active employee declining enrollment for yourself or your dependents (including your spouse) because of other health insurance coverage, you may in the future be able to enroll yourself or your dependents in this plan, provided that you request enrollment within 30 days after your other coverage ends and you fulfill other special enrollment requirements. (These requirements are set out in your Certificate of Coverage)

In addition, if active employees have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents, provided that you request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption.

There is an additional enrollment period if an active employee or dependent loses eligibility for Children's Health Insurance Program (CHIP), Medicaid or becomes eligible for CHIP for Medicaid premium assistance. The special enrollment allows children or their parents to have 60 days, rather than 30, to request enrollment.

Also, your health plan may not establish rules for eligibility (including continued eligibility) of an individual to enroll under the terms of the plan based on a health status-related factor.

Premium Assistance Under Medicaid and the Children’s Health Insurance Program (CHIP)

If you or your children are eligible for Medicaid or CHIP and you’re eligible for health coverage from your employer, your state may have a premium assistance program that can help pay for coverage, using funds from their Medicaid or CHIP programs. If you or your children aren’t eligible for Medicaid or CHIP, you won’t be eligible for these premium assistance programs but you may be able to buy individual insurance coverage through the Health Insurance Marketplace. For more information, visit www.healthcare.gov.

If you or your dependents are already enrolled in Medicaid or CHIP and you live in a State listed below, contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, contact your State Medicaid or CHIP office or dial **1-877-KIDS NOW** or www.insurekidsnow.gov to find out how to apply. If you qualify, ask your state if it has a program that might help you pay the premiums for an employer-sponsored plan.

If you or your dependents are eligible for premium assistance under Medicaid or CHIP, as well as eligible under your employer plan, your employer must allow you to enroll in your employer plan if you aren’t already enrolled. This is called a “special enrollment” opportunity, and **you must request coverage within 60 days of being determined eligible for premium assistance**. If you have questions about enrolling in your employer plan, contact the Department of Labor at www.askebsa.dol.gov or call **1-866-444-EBSA (3272)**.

If you live in one of the following states, you may be eligible for assistance paying your employer health plan premiums. The following list of states is current as of January 31, 2016. Contact your State for more information on eligibility –

| ALABAMA – Medicaid | GEORGIA – Medicaid |
|--|---|
| Website: http://myalhipp.com/ Phone: 1-855-692-5447 | Website: http://dch.georgia.gov/medicaid - Click on Health Insurance Premium Payment (HIPP) Phone: 404-656-4507 |
| ALASKA – Medicaid | INDIANA – Medicaid |
| Website: http://health.hss.state.ak.us/dpa/programs/medicaid/ Phone (Outside of Anchorage): 1-888-318-8890 Phone (Anchorage): 907-269-6529 | Healthy Indiana Plan for low-income adults 19-64 Website: http://www.hip.in.gov Phone: 1-877-438-4479 All other Medicaid Website: http://www.indianamedicaid.com Phone 1-800-403-0864 |
| COLORADO – Medicaid | IOWA – Medicaid |
| Medicaid Website: http://www.colorado.gov/hcpf Medicaid Customer Contact Center: 1-800-221-3943 | Website: http://www.dhs.state.ia.us/hipp/ Phone: 1-888-346-9562 |
| FLORIDA – Medicaid | KANSAS – Medicaid |
| Website: http://flmedicaidtprecovery.com/hipp/ Phone: 1-877-357-3268 | Website: http://www.kdheks.gov/hcf/ Phone: 1-785-296-3512 |

| | |
|--|---|
| KENTUCKY – Medicaid | NEW HAMPSHIRE – Medicaid |
| Website: http://chfs.ky.gov/dms/default.htm Phone: 1-800-635-2570 | Website: http://www.dhhs.nh.gov/oi/documents/hippapp.pdf Phone: 603-271-5218 |
| LOUISIANA – Medicaid | NEW JERSEY – Medicaid and CHIP |
| Website: http://dhh.louisiana.gov/index.cfm/subhome/1/n/331 Phone: 1-888-695-2447 | Medicaid Website: http://www.state.nj.us/humanservices/dmahs/clients/medicaid/ Medicaid Phone: 609-631-2392 CHIP Website: http://www.njfamilycare.org/index.html CHIP Phone: 1-800-701-0710 |
| MAINE – Medicaid | NEW YORK – Medicaid |
| Website: http://www.maine.gov/dhhs/ofi/public-assistance/index.html Phone: 1-800-442-6003 TTY: Maine relay 711 | Website: http://www.nyhealth.gov/health_care/medicaid/ Phone: 1-800-541-2831 |
| MASSACHUSETTS – Medicaid and CHIP | NORTH CAROLINA – Medicaid |
| Website: http://www.mass.gov/MassHealth Phone: 1-800-462-1120 | Website: http://www.ncdhhs.gov/dma Phone: 919-855-4100 |
| MINNESOTA – Medicaid | NORTH DAKOTA – Medicaid |
| Website: http://mn.gov/dhs/ma/ Phone: 1-800-657-3739 | Website: http://www.nd.gov/dhs/services/medicalserv/medicaid/ Phone: 1-844-854-4825 |
| MISSOURI – Medicaid | OKLAHOMA – Medicaid and CHIP |
| Website: http://www.dss.mo.gov/mhd/participants/pages/hipp.htm Phone: 573-751-2005 | Website: http://www.insureoklahoma.org Phone: 1-888-365-3742 |
| MONTANA – Medicaid | OREGON – Medicaid |
| Website: http://dphhs.mt.gov/MontanaHealthcarePrograms/HIPP Phone: 1-800-694-3084 | Website: http://www.oregonhealthykids.gov http://www.hijossaludablesoregon.gov Phone: 1-800-699-9075 |
| NEBRASKA – Medicaid | PENNSYLVANIA – Medicaid |
| Website: http://dhhs.ne.gov/Children_Family_Services/AccessNebraska/Pages/accessnebraska_index.aspx Phone: 1-855-632-7633 | Website: http://www.dhs.pa.gov/hipp Phone: 1-800-692-7462 |

| | |
|--|---|
| <p align="center">NEVADA – Medicaid</p> <p>Medicaid Website: http://dwss.nv.gov/ Medicaid Phone: 1-800-992-0900</p> | <p align="center">RHODE ISLAND – Medicaid</p> <p>Website: http://www.eohhs.ri.gov/ Phone: 401-462-5300</p> |
| <p align="center">SOUTH CAROLINA – Medicaid</p> <p>Website: http://www.scdhhs.gov Phone: 1-888-549-0820</p> | <p align="center">VIRGINIA – Medicaid and CHIP</p> <p>Medicaid Website: http://www.coverva.org/programs_premium_assistance.cfm Medicaid Phone: 1-800-432-5924 CHIP Website: http://www.coverva.org/programs_premium_assistance.cfm CHIP Phone: 1-855-242-8282</p> |
| <p align="center">SOUTH DAKOTA - Medicaid</p> <p>Website: http://dss.sd.gov Phone: 1-888-828-0059</p> | <p align="center">WASHINGTON – Medicaid</p> <p>Website: http://www.hca.wa.gov/medicaid/premiumpymt/pages/index.aspx Phone: 1-800-562-3022 ext. 15473</p> |
| <p align="center">TEXAS – Medicaid</p> <p>Website: http://gethipptexas.com/ Phone: 1-800-440-0493</p> | <p align="center">WEST VIRGINIA – Medicaid</p> <p>Website: http://www.dhhr.wv.gov/bms/Medicaid%20Expansion/Pages/default.aspx Phone: 1-877-598-5820, HMS Third Party Liability</p> |
| <p align="center">UTAH – Medicaid and CHIP</p> <p>Website: Medicaid: http://health.utah.gov/medicaid CHIP: http://health.utah.gov/chip Phone: 1-877-543-7669</p> | <p align="center">WISCONSIN – Medicaid and CHIP</p> <p>Website: https://www.dhs.wisconsin.gov/publications/p1/p10095.pdf Phone: 1-800-362-3002</p> |
| <p align="center">VERMONT– Medicaid</p> <p>Website: http://www.greenmountaincare.org/ Phone: 1-800-250-8427</p> | <p align="center">WYOMING – Medicaid</p> <p>Website: https://wyequalitycare.acs-inc.com/ Phone: 307-777-7531</p> |

To see if any other states have added a premium assistance program since January 31, 2017, or for more information on special enrollment rights, contact either:

U.S. Department of Labor U.S. Department of Health and Human Services Employee Benefits Security Administration Centers for Medicare & Medicaid Services

www.dol.gov/ebsa www.cms.hhs.gov

1-866-444-EBSA (3272) 1-877-267-2323, Menu Option 4, Ext. 61565

OMB Control Number 1210-0137 (expires 10/31/2017)

Important Notice from XYZ About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with XYZ and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. XYZ has determined that the prescription drug coverage offered by United Healthcare is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th through December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current XYZ coverage may be affected.

If you do decide to join a Medicare drug plan and drop your current XYZ coverage, be aware that you and your dependents may not be able to get this coverage back.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with XYZ and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the person listed below for further information. **NOTE:** You will get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage changes through XYZ. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You will get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Name of Entity/Sender: XYZ Company
Contact--Position/Office:
Address:

Phone Number:

CONTACT I N F O R M A T I O N

Find policy numbers, customer service phone numbers, and websites for benefit carriers below.

| BENEFIT PROVIDER | POLICY NUMBER | PHONE NUMBER | WEBSITE and ADDITIONAL INFORMATION |
|---|---|--|--|
| United Healthcare Medical | GA-700855 | 1.888.444.6222 | www.myuhc.com |
| United Healthcare/Optum Rx Retail and Mail-order Prescription Drug Service | GA-700855 | 1.800.562.6223 <i>Doctors may call 1-800-791-7658</i> | www.myuhc.com Fax forms to 1.800.491.7992 Fax request form can be found on the EMS portal |
| Aetna/US Healthcare Dental | 723707 | 1.877.238.6200 | www.aetna.com |
| EyeMed Vision | 9833823 | 1.866.9EYEMED | www.eyemedvisioncare.com |
| Unum Life/AD&D STD – NY Employees STD – All Employees LTD | Basic Life and AD&D, STD, LTD: 951554 STD - NY: 951556 Supplemental Life: 951555 | 1.866.679.3054 | www.unum.com |
| Employee Assistance Program (Unum) Life Balance | | 1.800.854.1446 | www.lifebalance.net User ID and Password: lifebalance |
| CBIZ Flexible Spending Accounts | | 1.800.815.3023 Option 4 | https://myplans.cbiz.com |
| Investments 401(k) | Plan 45459 | 1.800.581.5800 | www.401k.com |
| Health Advocate | | 1.800.581.5800 | healthadvocate.com/members |

Lined area for notes, consisting of horizontal lines on a white background. A dashed vertical line is present on the left side of the page.

LOGO GOES
HERE

Disclaimer: This Benefit Guide provides a brief summary of the benefits available under XYZ's Benefit Program. In the event of any discrepancy(ies) between this summary and any Document, Insurance Contract or Certificate, the Insurance Document(s) will prevail. XYZ retains the right to modify or eliminate these benefits at any time and for any reason.

25. Describe services you offer to support employee surveys and/or focus groups.

CBIZ will design employee surveys targeting areas of concern evidenced directly by employees or designated by PIKE. Survey results can be displayed/summarized by occupational specialty, age, location or any other indicated demographics.

Likewise, CBIZ HR specialists can assist with organizing and conducting focus groups in a similar manner as with surveys.

26. Describe services you provide to assist with benefits benchmarking.

CBIZ will perform benchmarking comparisons for Pike by industry, employer size and region (see attached).



BENCHMARKING

COST

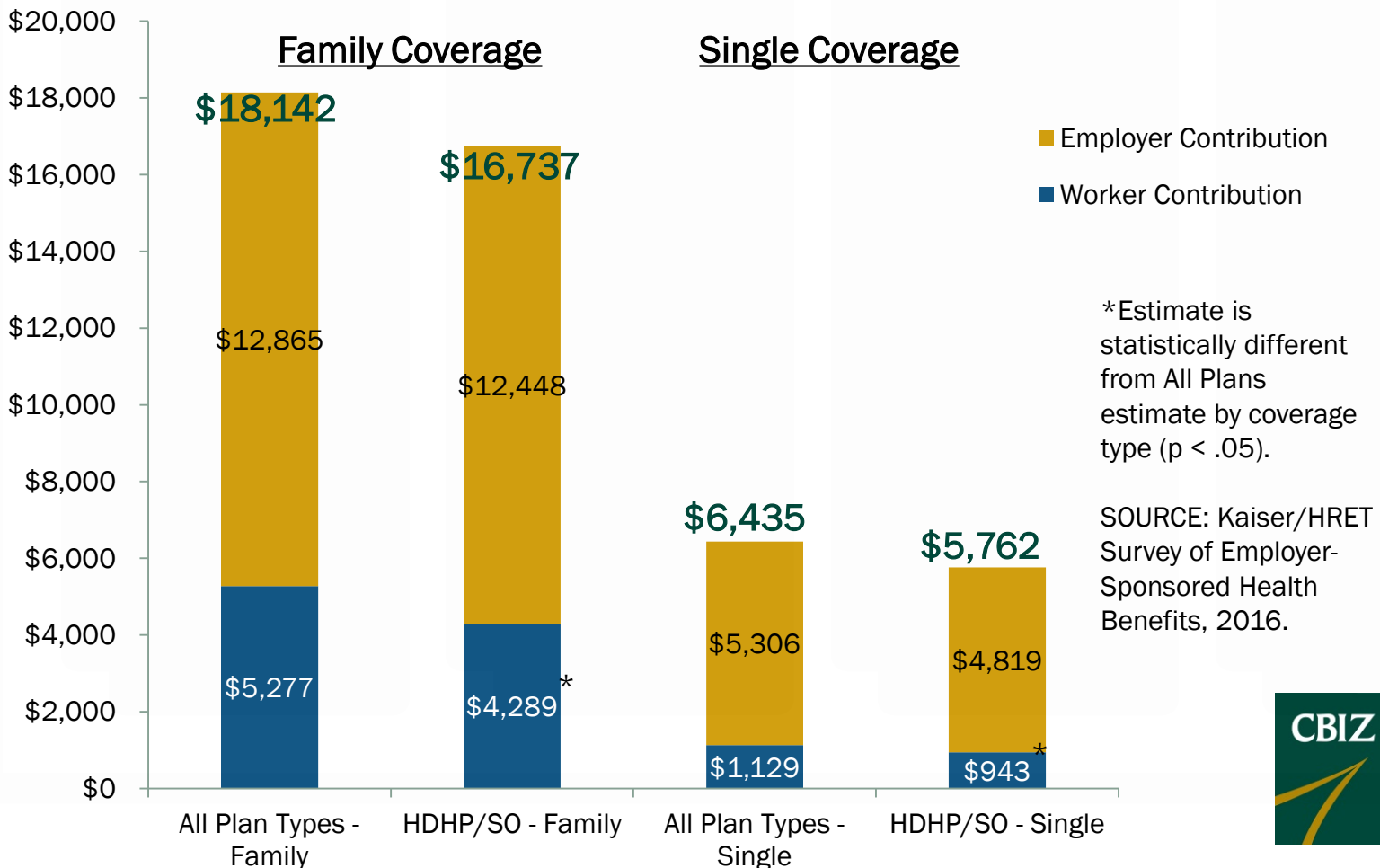
Benchmarking | Cost

Employee Contributions

| Contribution as a % of Total | Single Coverage | Dependent Coverage |
|------------------------------|-----------------|--------------------|
| < 10% | 8% | 4% |
| 10% - 14% | 12% | 8% |
| 15% - 19% | 13% | 8% |
| 20% - 24% | 29% | 26% |
| 25% - 29% | 18% | 20% |
| 30% - 39% | 13% | 18% |
| 40% + | 7% | 16% |
| | 100% | 100% |

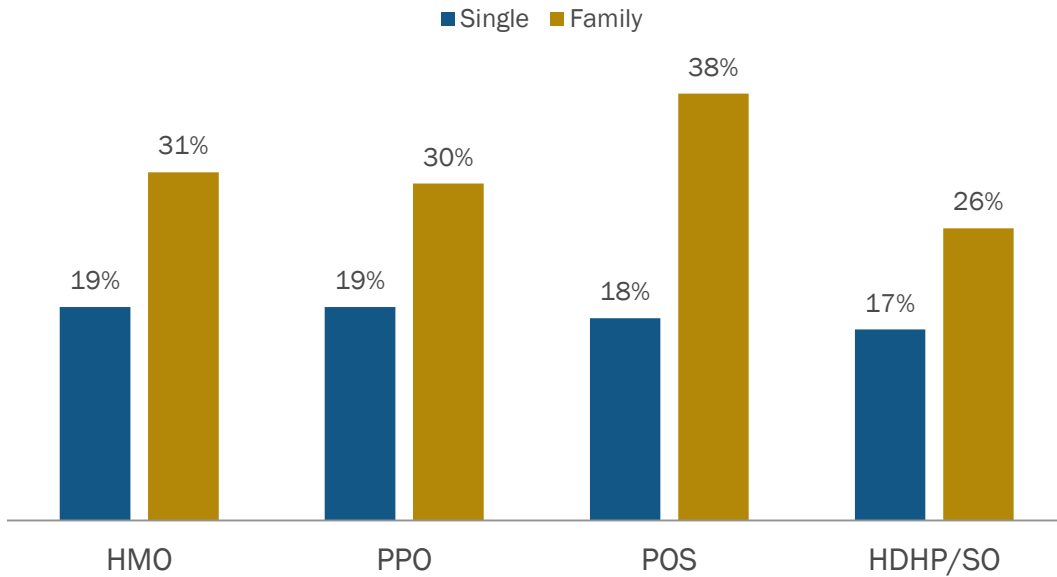
Source: Health and Well-Being
Touchstone Survey Results
PwC 2016

Average Annual Firm and Worker Premium Contributions and Total Premiums for Covered Workers for Single and Family Coverage, by Plan Type, 2016



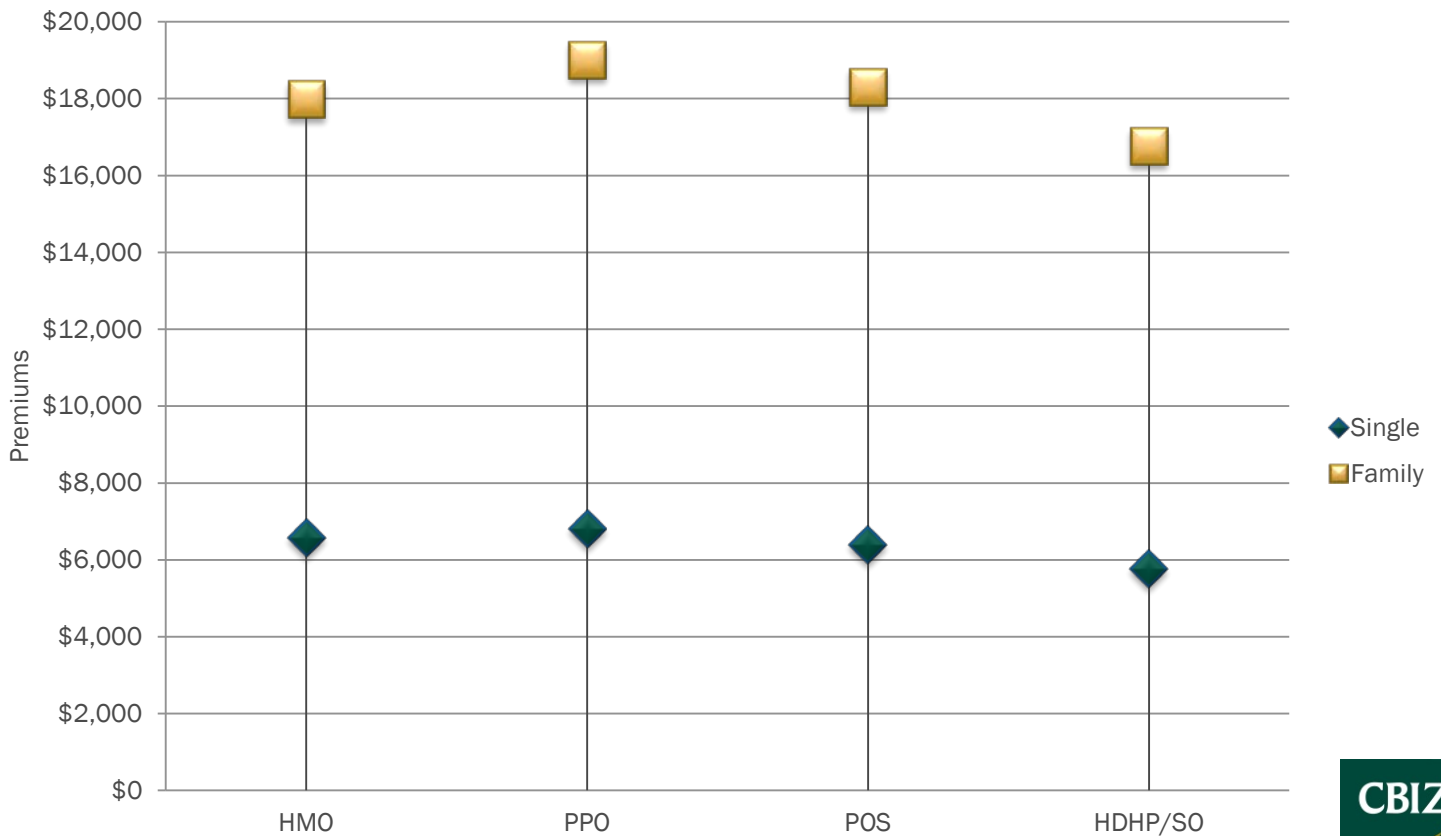
Benchmarking | Cost

Average Employee Contribution as a Percent of Premium (National)



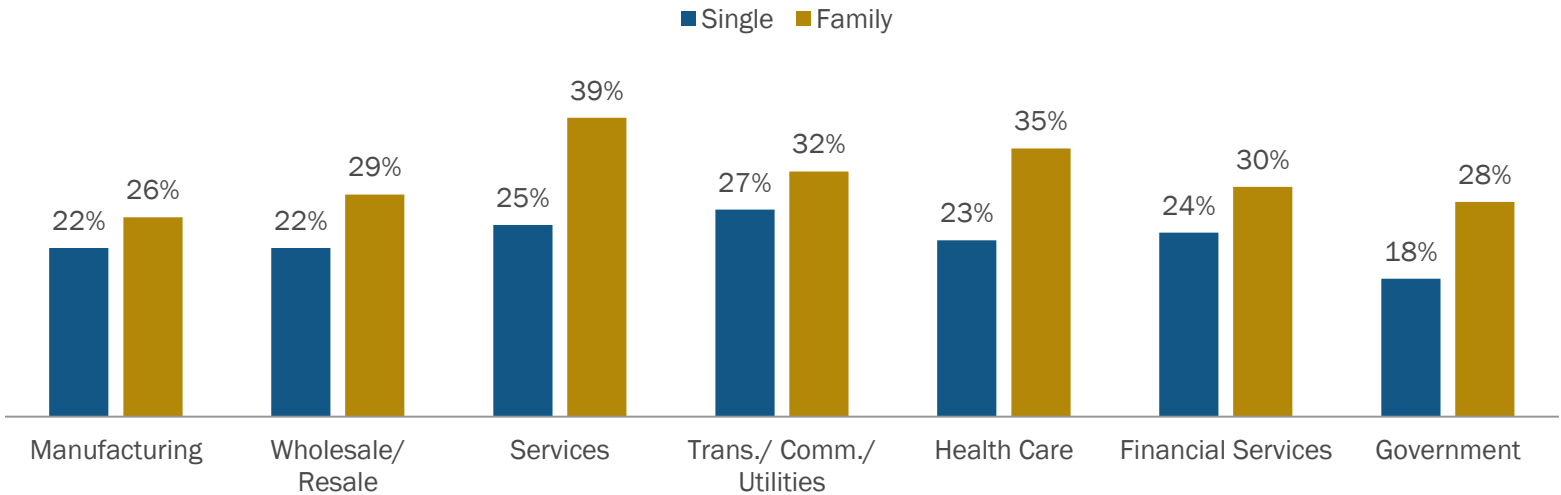
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2016

Average Annual Premiums for Covered Workers by Plan Type & Current Plan Premiums

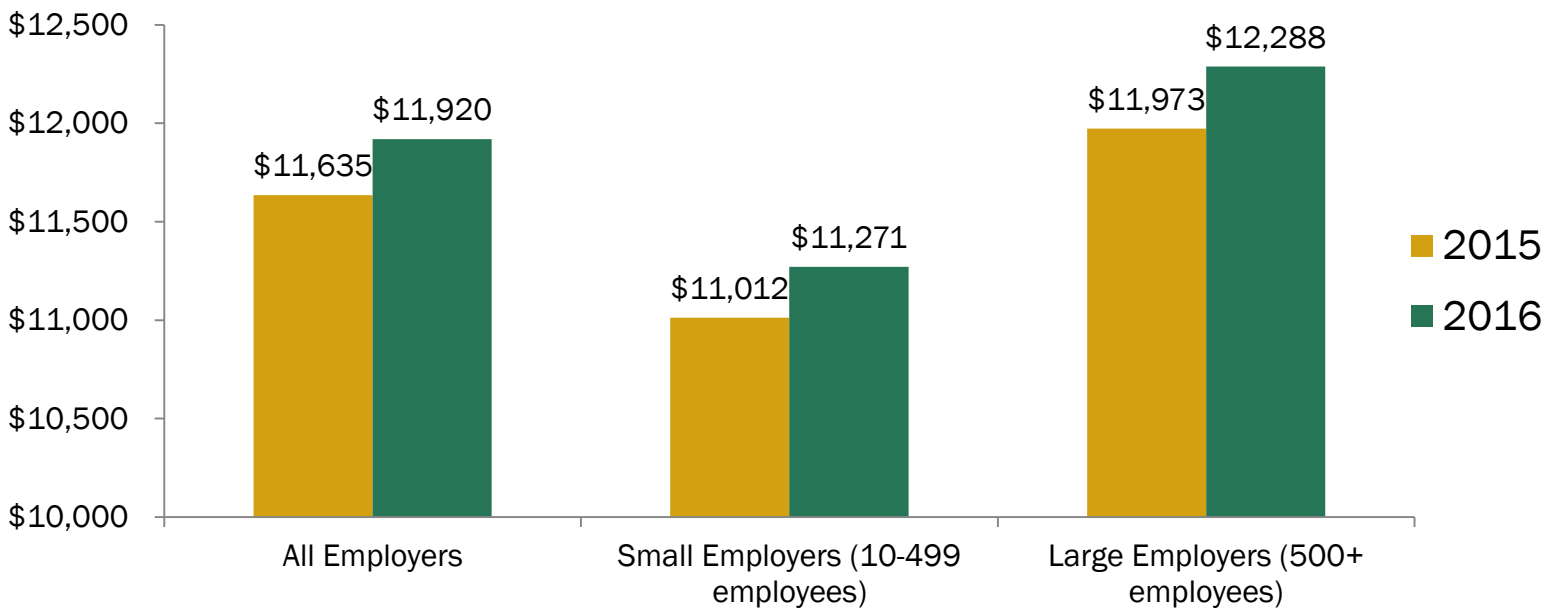


Benchmarking | Cost

Average Employee Contribution as a Percent of Premium (PPO/POS)



Average Total Health Benefit Cost Per Employee



Source: Mercer National Survey of Employer-Sponsored Health Plans, 2015 (released in 2016)



Benchmarking | Cost

Average Employee Contributions – PPO v. CDHP Large Employers

| | Average Monthly Dollar Amount | Average Contributions as a % of Premiums |
|----------------------------|-------------------------------|--|
| HSA – eligible CDHP | | |
| Employee – only | \$84 | 19% |
| Family | \$321 | 25% |
| PPO | | |
| Employee – only | \$132 | 24% |
| Family | \$467 | 33% |

Source: Mercer National Survey of Employer-Sponsored Health Plans, 2015 (released in 2016)



BENCHMARKING

PLAN DESIGN

Benchmarking | Plan Design

Single In-Network Deductible

| | |
|-----------------|-----|
| \$0 | 10% |
| \$1 - \$499 | 18% |
| \$500 - \$999 | 23% |
| \$1000 - \$1999 | 29% |
| \$2,000 + | 20% |

Single Out-of-Pocket Max (Includes Deductible)

| | |
|-------------------|-----|
| < \$2,000 | 15% |
| \$2,000 - \$2,999 | 25% |
| \$3,000 - \$4,999 | 40% |
| \$5,000 + | 20% |
| Unlimited | 0% |

Primary Care Office Visit

| | |
|-------------------|-----|
| <\$19 Copay | 8% |
| \$20 - \$24 Copay | 17% |
| \$25 - \$29 Copay | 19% |
| \$30 - \$34 Copay | 12% |
| \$35 + | 7% |
| Coinsurance | 37% |

Employee Coinsurance (for most services)

| | |
|-----------|-----|
| 0% | 17% |
| 1% - 19% | 28% |
| 20% - 29% | 49% |
| 30% + | 6% |

Specialist Office Visit

| | |
|-------------------|-----|
| < \$30 Copay | 11% |
| \$30 - \$39 Copay | 15% |
| \$40 - \$49 Copay | 18% |
| \$50 + | 17% |
| Coinsurance | 39% |

Average Retail Prescription Drug Copays (30 day Supply)

| | |
|---------------------|------|
| Preferred Generic | \$11 |
| Non-Pref. Generic | \$16 |
| Brand (Formulary) | \$35 |
| Brand (Non-Form.) | \$48 |
| Preferred Specialty | \$58 |
| Non-Pref. Specialty | \$64 |

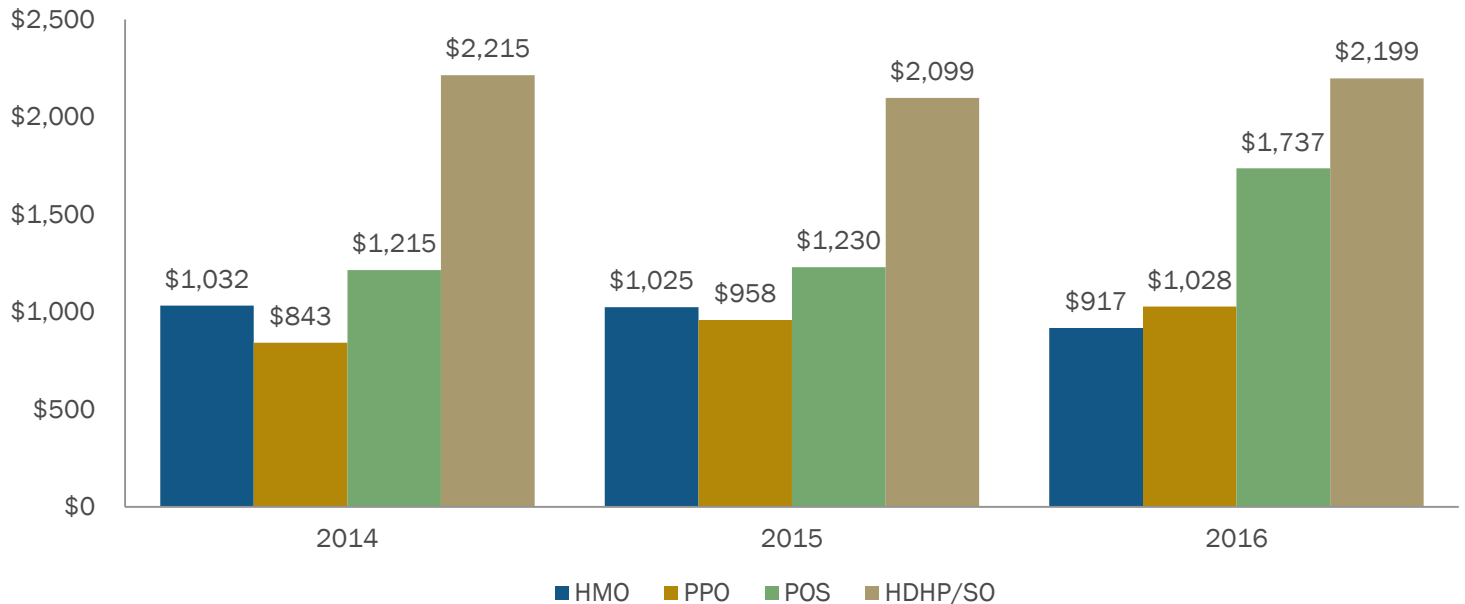
Average Mail Order Prescription Drug Copays (90 day Supply)

| | |
|---------------------|-------|
| Preferred Generic | \$21 |
| Non-Pref. Generic | \$29 |
| Brand (Formulary) | \$63 |
| Brand (Non-Form.) | \$98 |
| Preferred Specialty | \$93 |
| Non-Pref. Specialty | \$113 |

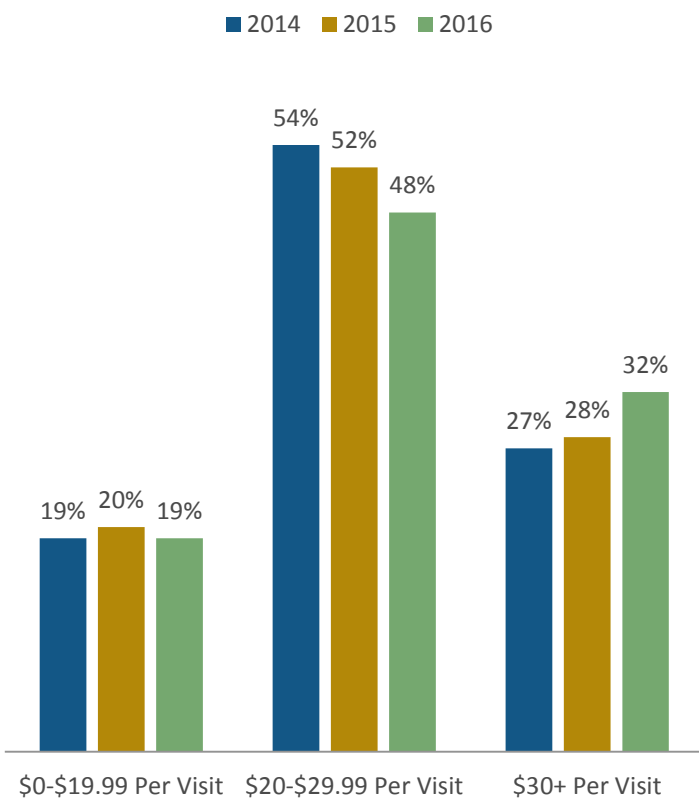
Source: Health and Well-Being Touchstone Survey Results PwC (PricewaterhouseCoopers) 2016

Benchmarking | Plan Design

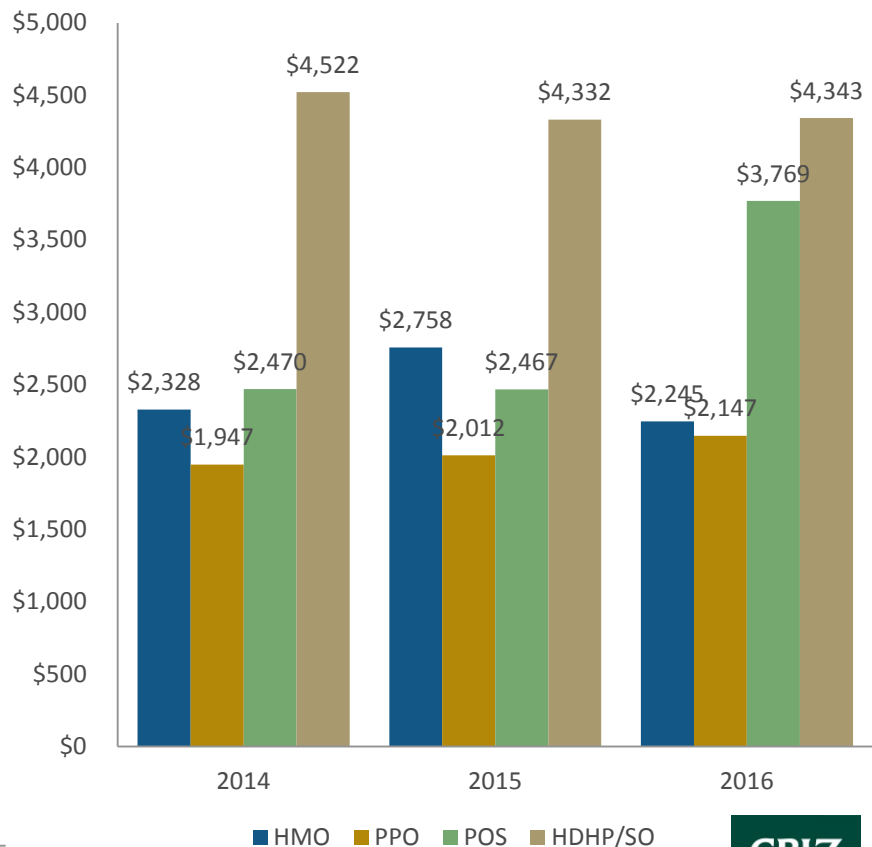
Average Single Deductible



Distribution of Co-Payments for Plans with a Primary Care Office Visit Co-Pay



Average Family Deductible

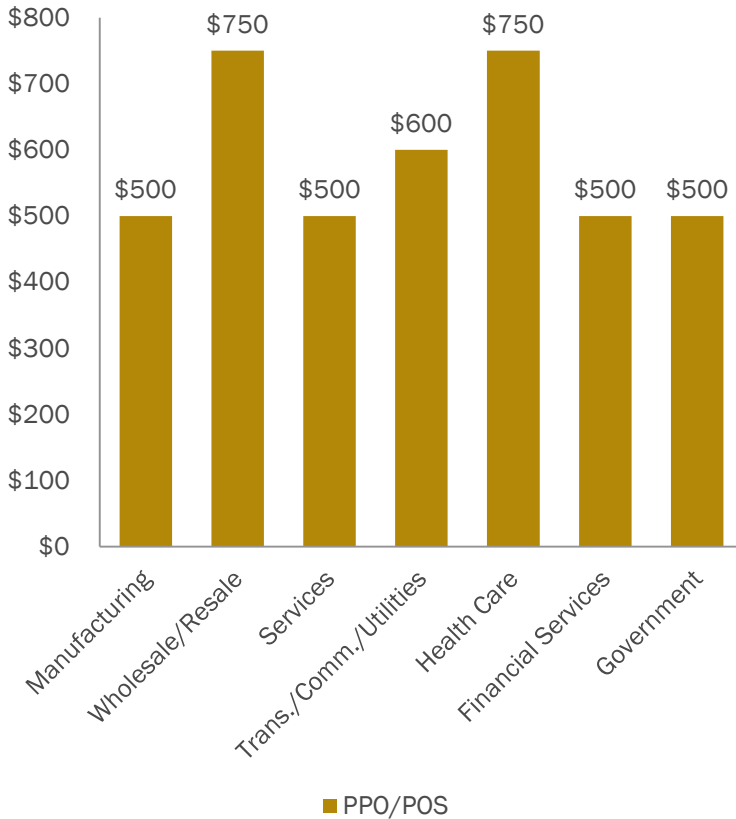


Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2016

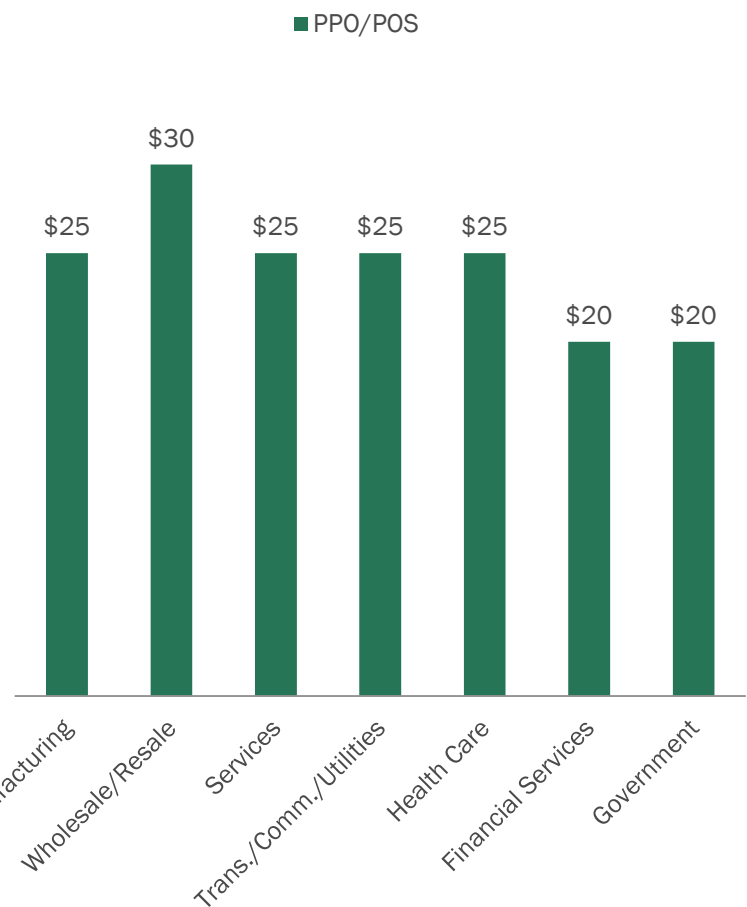


Benchmarking | Plan Design

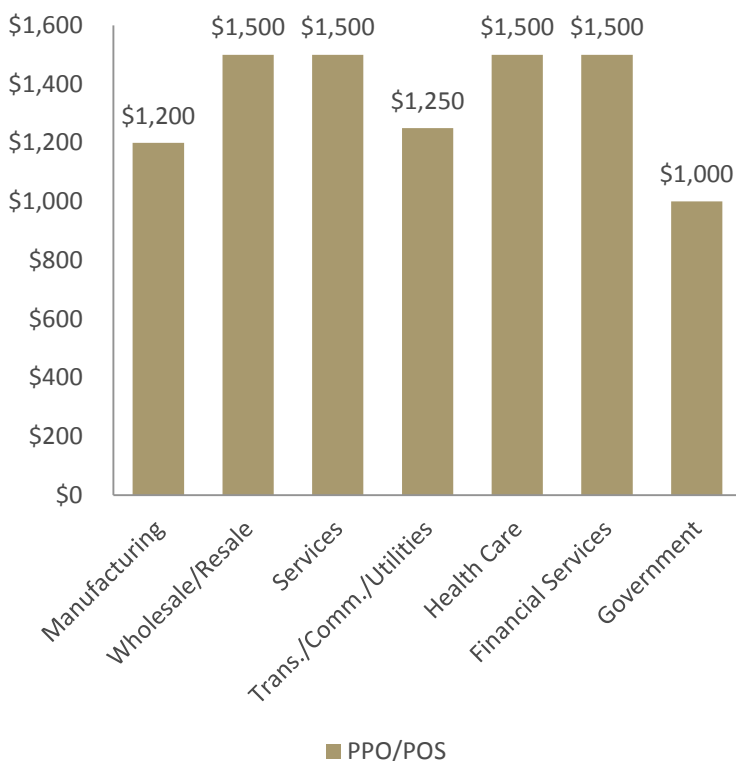
Median Single Deductible (PPO/POS)



Median Co-Payments for PPO/POS Plans with a Primary Care Office Visit Co-Pay



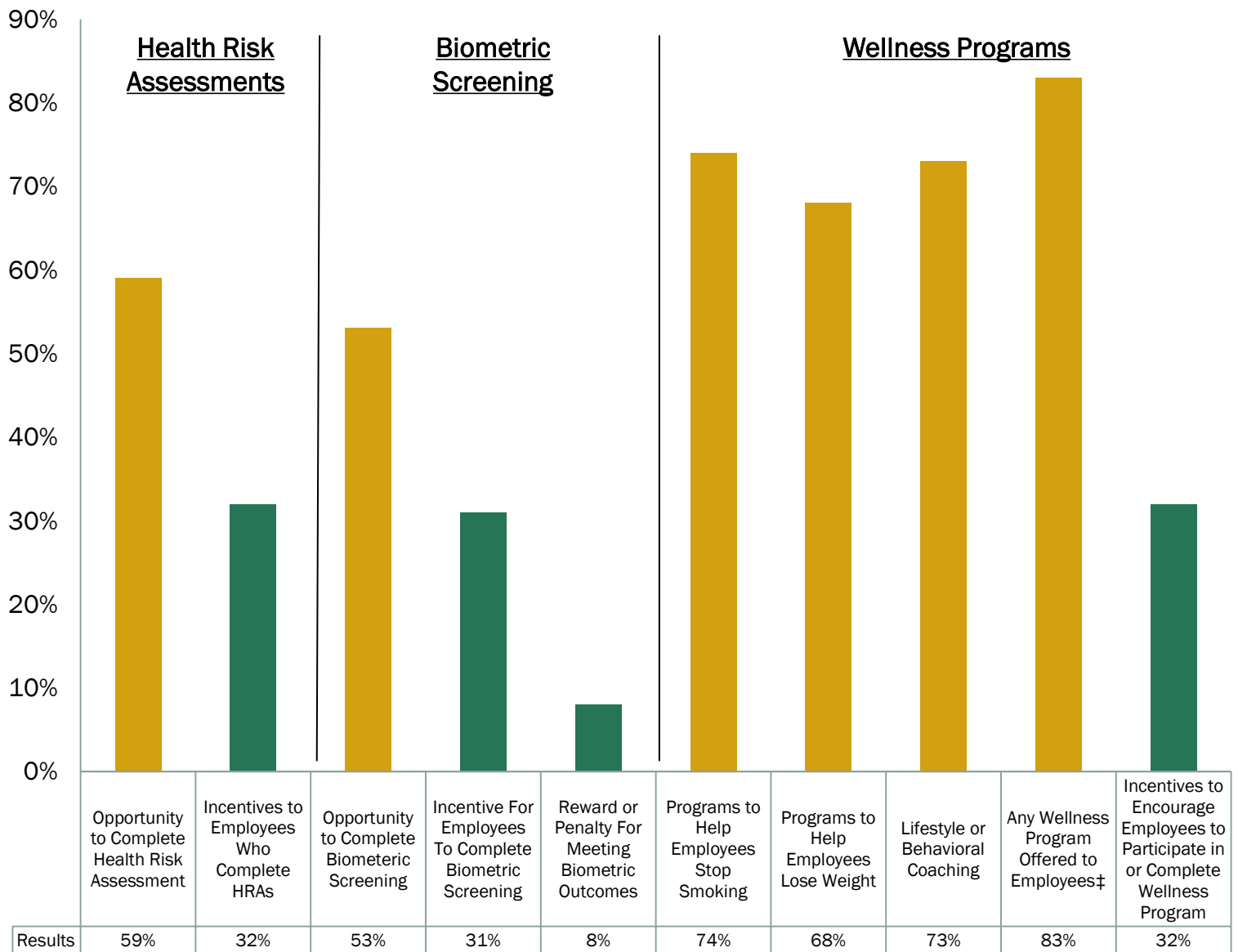
Median Family Deductible (PPO/POS)



Source: Mercer National Survey of Employer-Sponsored Health Plans, 2015 (released in 2016)

Benchmarking | Plan Design

Among Large Firms Offering Health Benefits, Percentage of Firms Offering Incentives for Various Wellness and Health Promotion Activities, 2016



NOTE: Among large firms that offer a health risk assessment, 54% had incentives or penalties to encourage employees to complete it. Among large firms that offer biometric screening, 59% had incentives or penalties to encourage employees to complete it and 14% had incentives or penalties for employees to meet a biometric outcome. Among large firms that offer a wellness program, 42% had incentives or penalties to encourage employees to complete it.

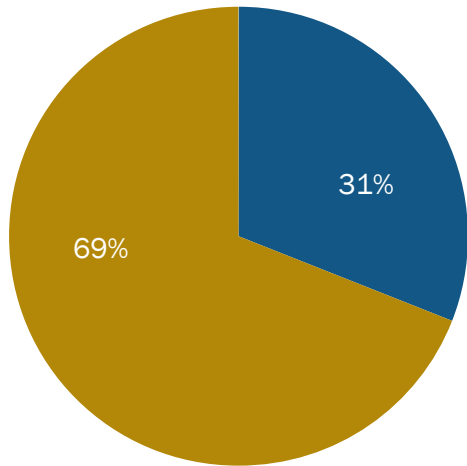
‡Firms that offer either “Programs to Help Employees Stop Smoking”, “Programs to Help Employees Lose Weight”, or “Other Lifestyle or Behavioral Coaching”.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2016.



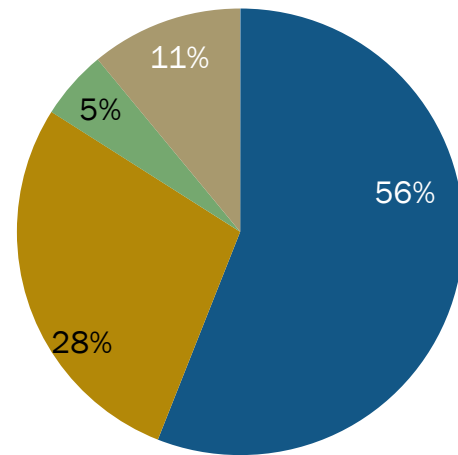
Benchmarking | Basic Life Plan Design

Plan Design



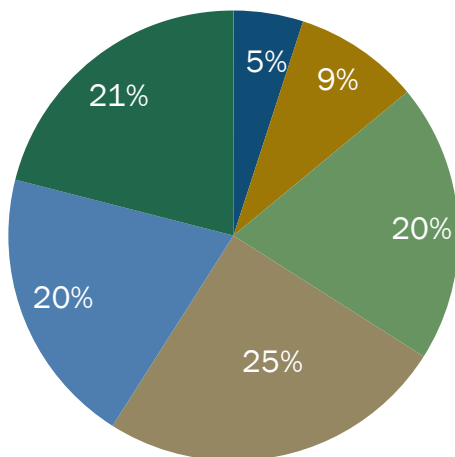
■ % of Salary ■ Flat

% of Salary



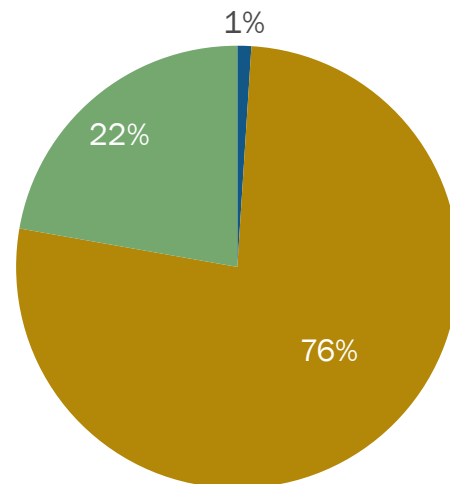
■ 1x Annual Salary ■ 2x Annual Salary
 ■ 3x Annual Salary ■ Other

Maximum Issue Limit



■ 5% ■ 9%
 ■ 20% ■ 25%
 ■ 20% ■ 21%

Rate Guarantee Period



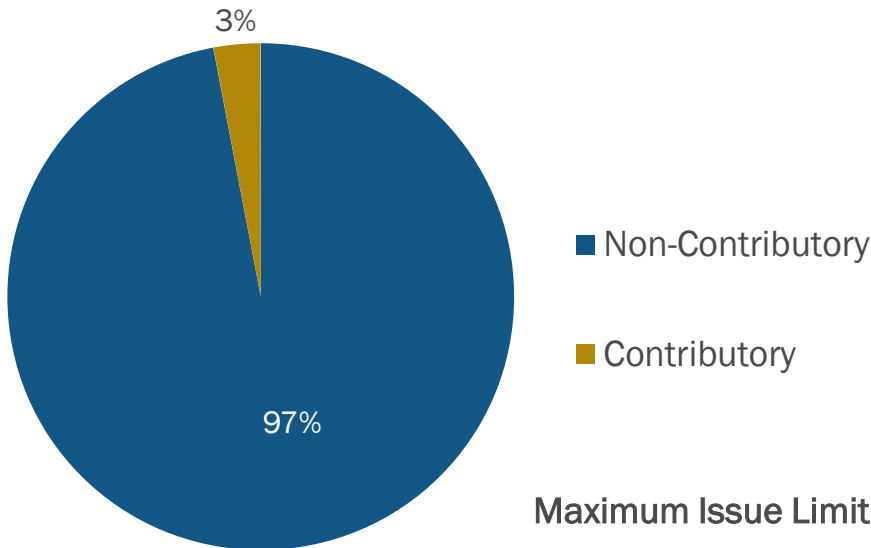
■ 12 Months
 ■ 24 Months
 ■ 36 Months

Source: Group Marketshare, LLC,
 *Based on 31,418 cases (Industry Data including Guardian)

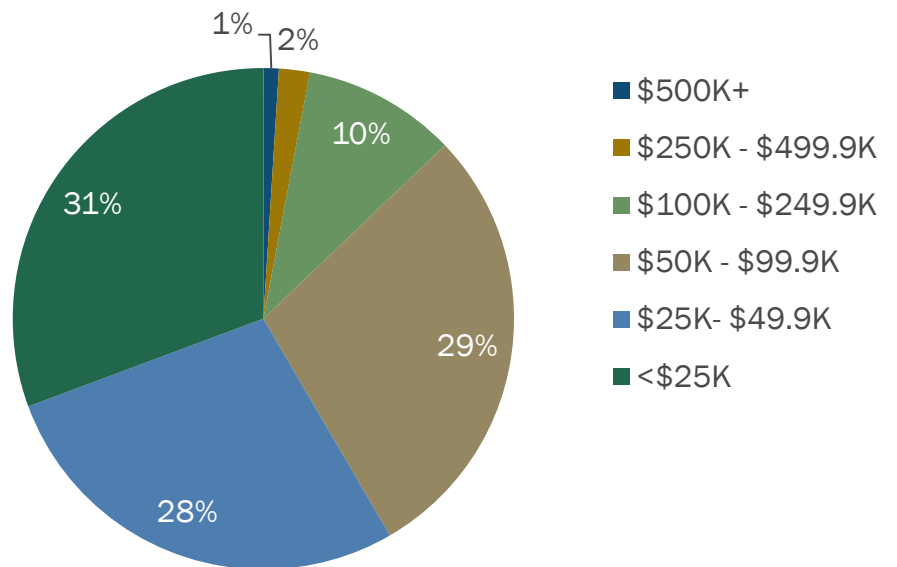


Benchmarking | Basic Life Plan Design

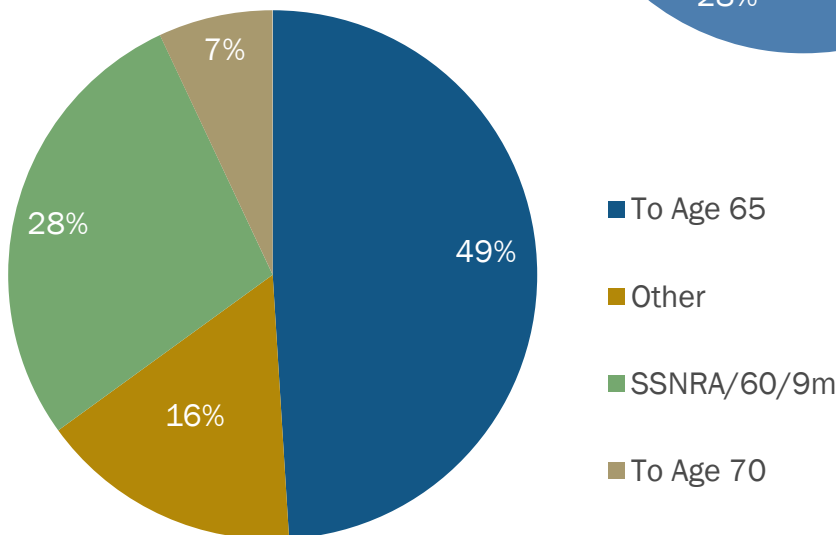
Contributory Basis



Maximum Issue Limit (Flat Benefit)



Waiver of Premium

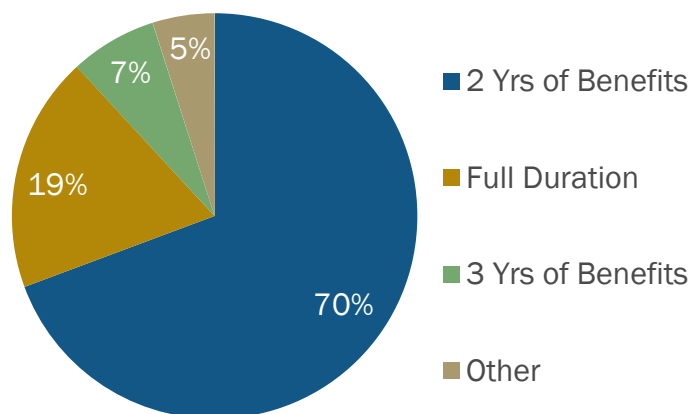


Source: Group Marketshare, LLC,
 *Based on 31,418 cases
 (Industry Data including Guardian)

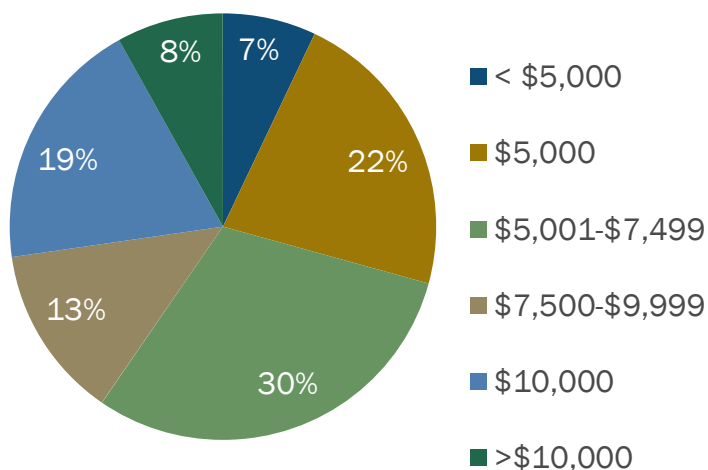


Benchmarking | Long Term Disability Plan Design

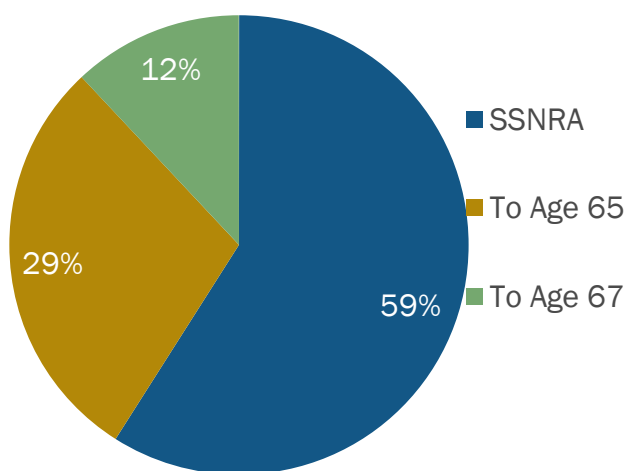
Own Occupation Period



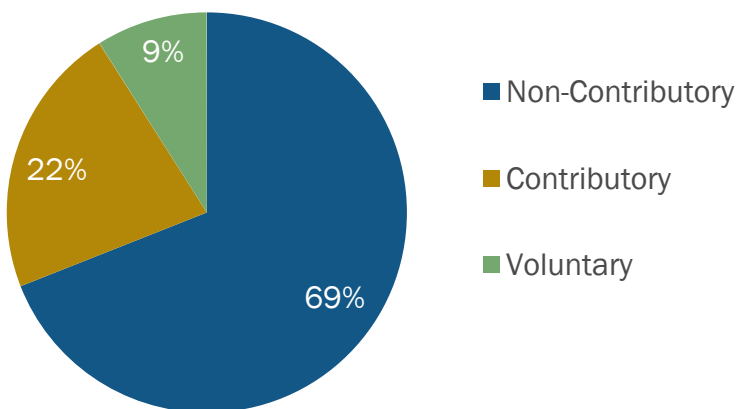
Maximum Benefit Amount



Maximum Benefit Period



Contributory Basis

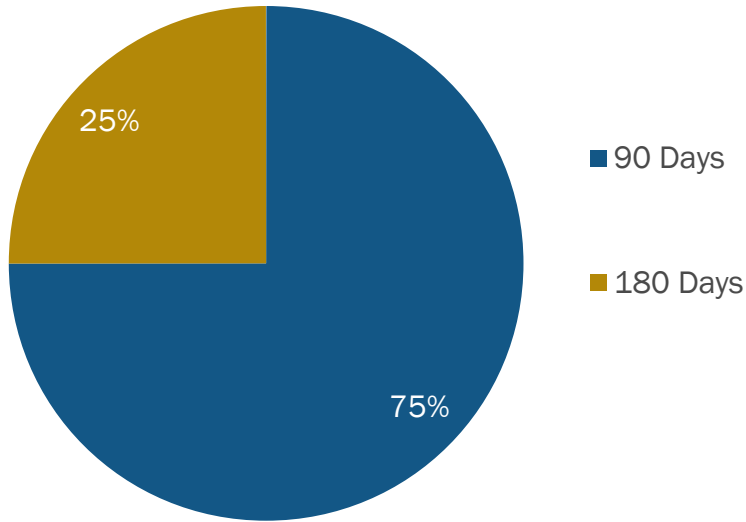


Source: Group Marketshare, LLC,
 *Based on 31,418 cases (Industry Data including Guardian)

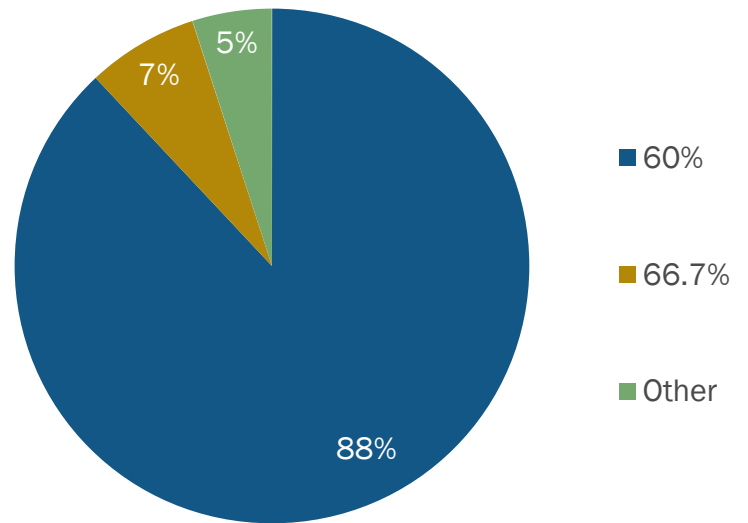


Benchmarking | Long Term Disability Plan Design

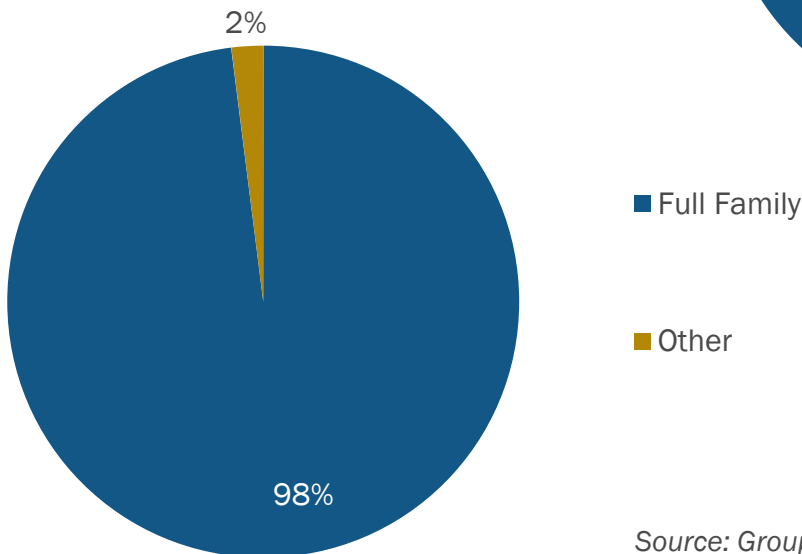
Elimination Period



Maximum Benefit Percentage



Social Security Integration

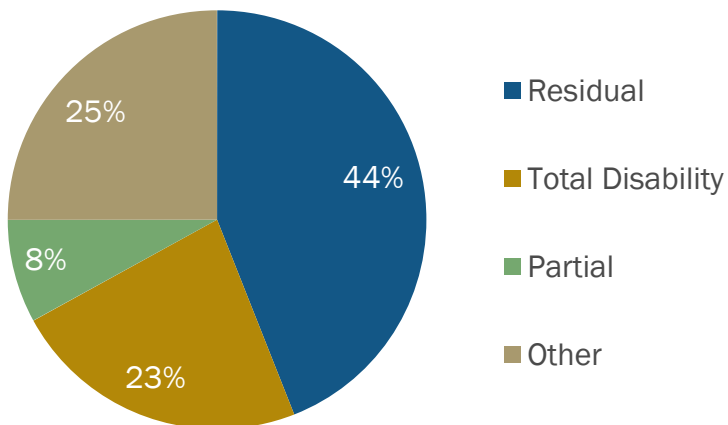


Source: Group Marketshare, LLC,
*Based on 31,418 cases (Industry Data including Guardian)

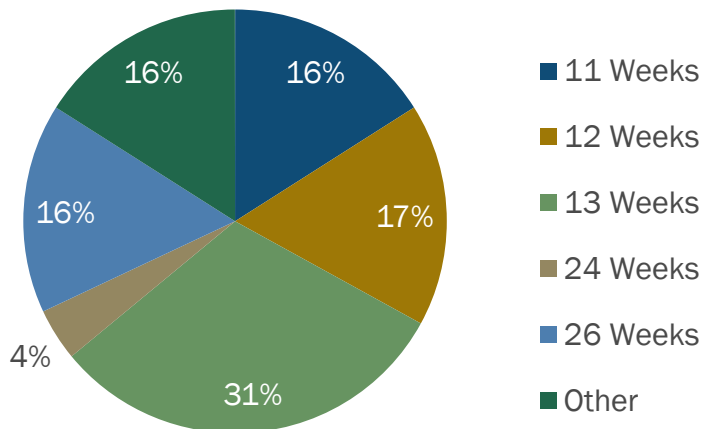


Benchmarking | Short Term Disability Plan Design

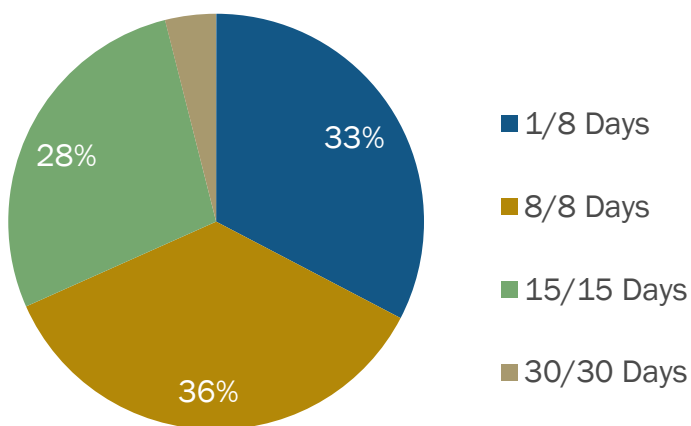
Definition of Disability



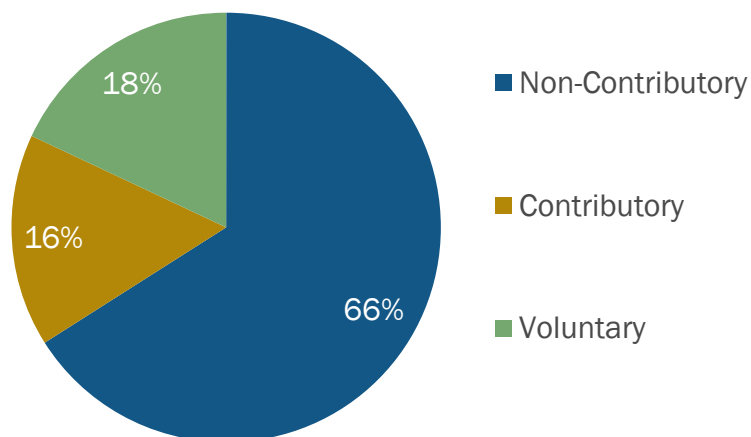
Maximum Benefit Period



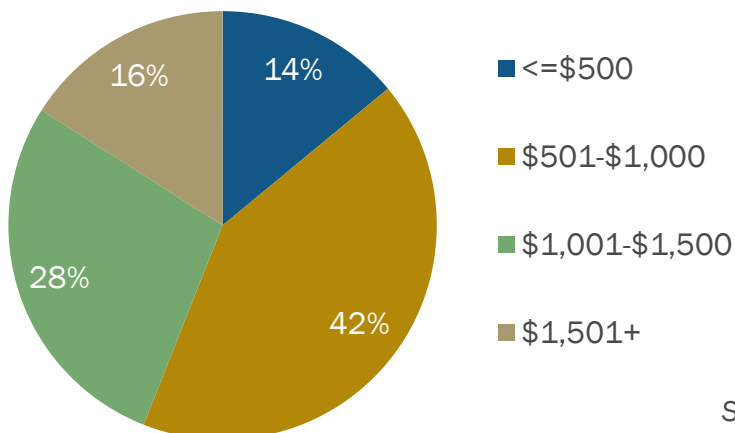
Elimination Period



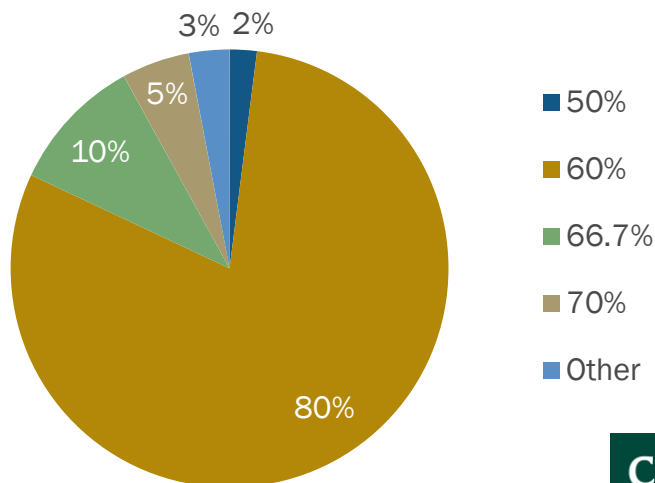
Contributory Basis



Maximum Weekly Benefit Amount



Maximum Benefit Percentage

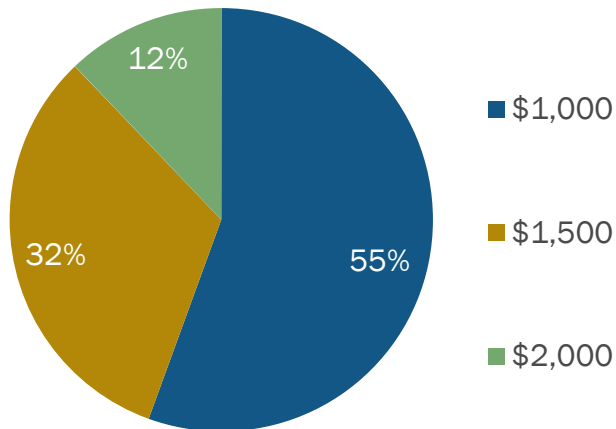


Source: Group Marketshare, LLC,
*Based on 31,418 cases (Industry Data including Guardian)

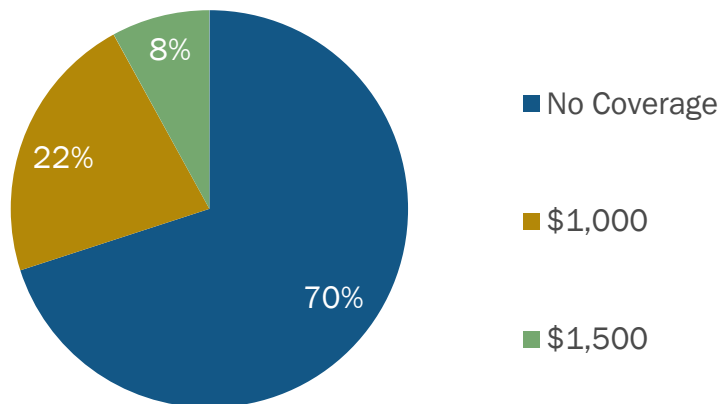


Benchmarking | Dental Plan Design

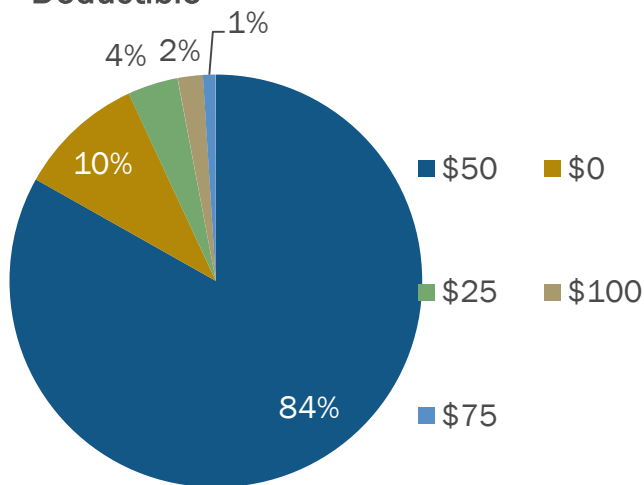
Dental Maximum



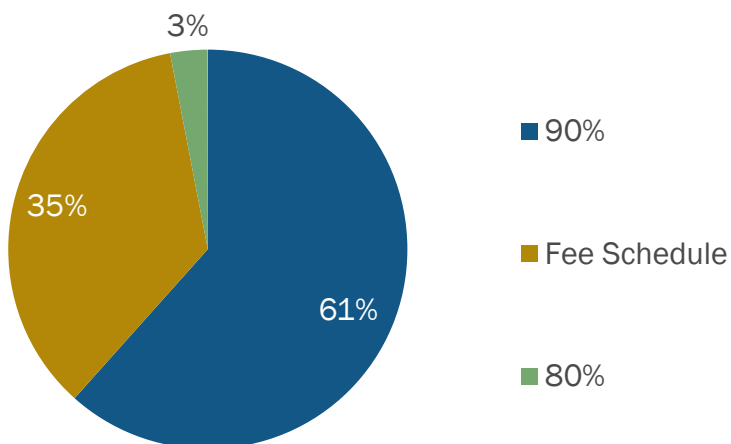
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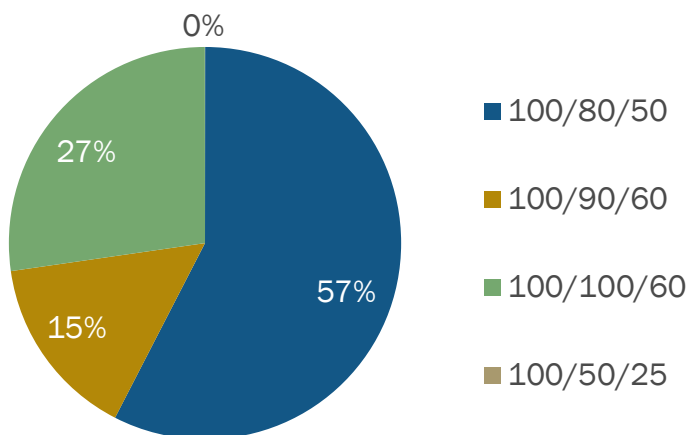
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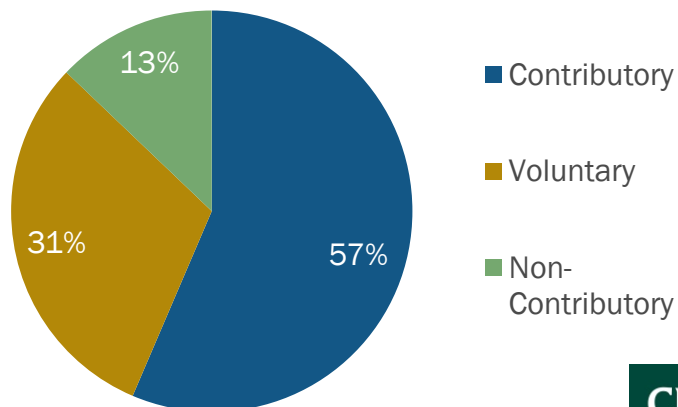
UCR



Coinsurance Combinations



Contributory Basis

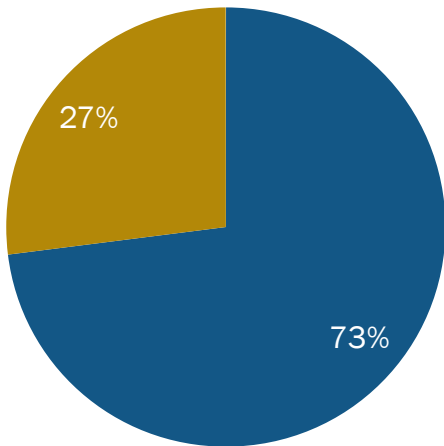


Source: June 2016 Dental GAGE Extract (Guardian Only)

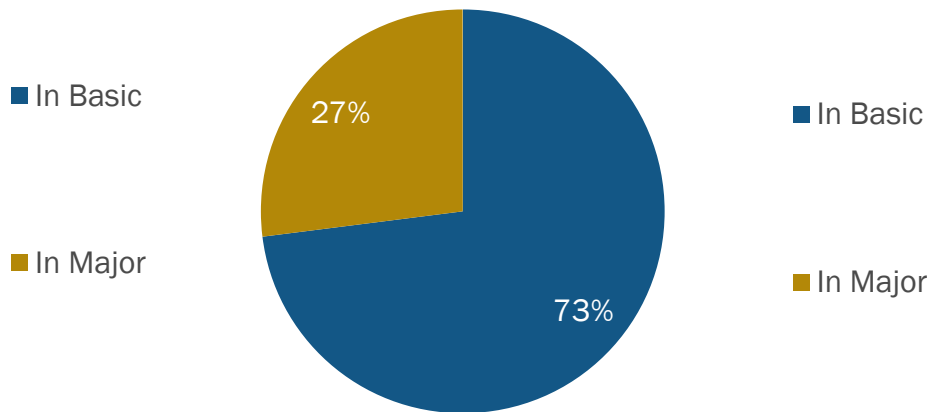


Benchmarking | Dental Plan Design

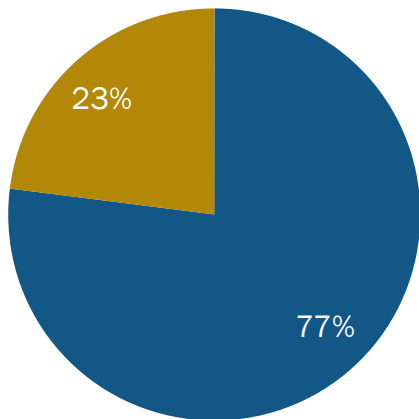
Periodontic Surgery



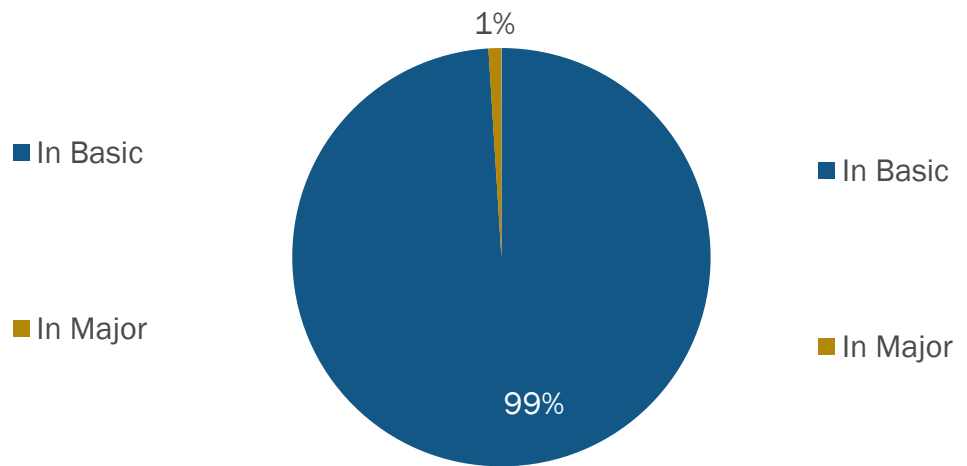
Complex Oral Surgery (Surgical Extractions and Other Oral Surgery)



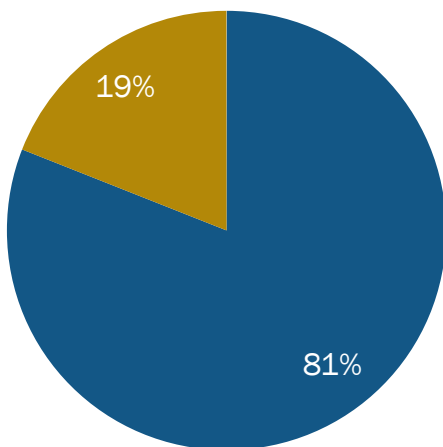
Endodontics: Molar Root Canals



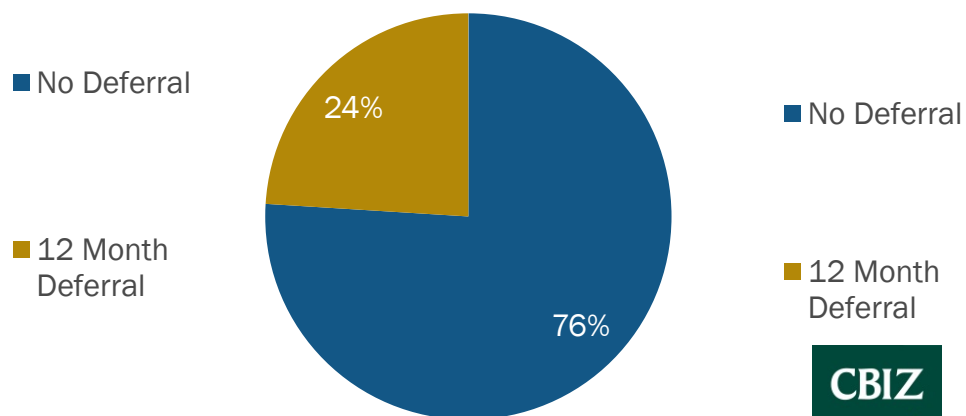
Endodontics: Non-Molar Root Canals



Deferred Perio Services



Deferred Major Services

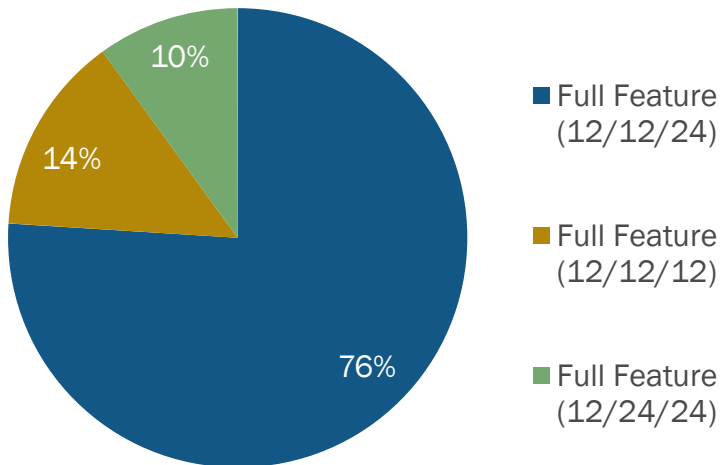


Source: June 2016 Dental GAGE Extract (Guardian Only)

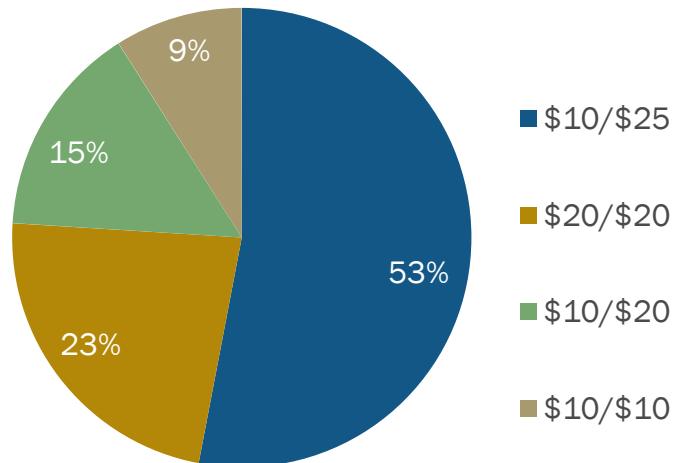


Benchmarking | Vision Plan Design

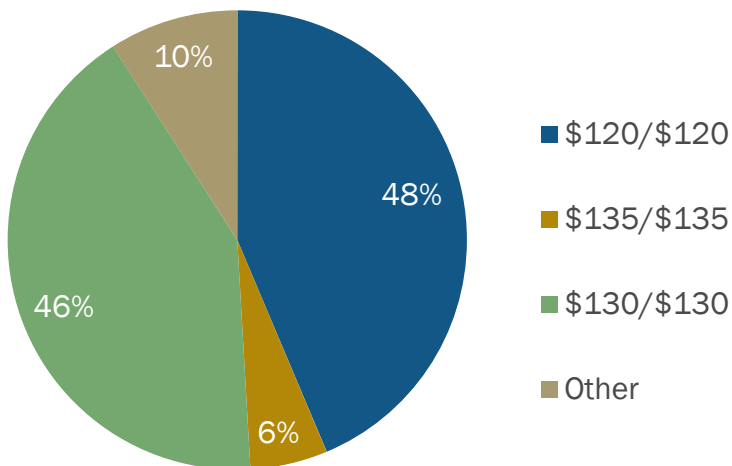
Plan Design



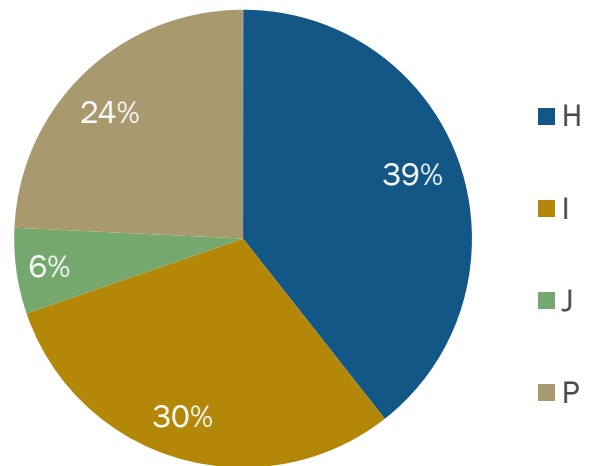
Split Copays



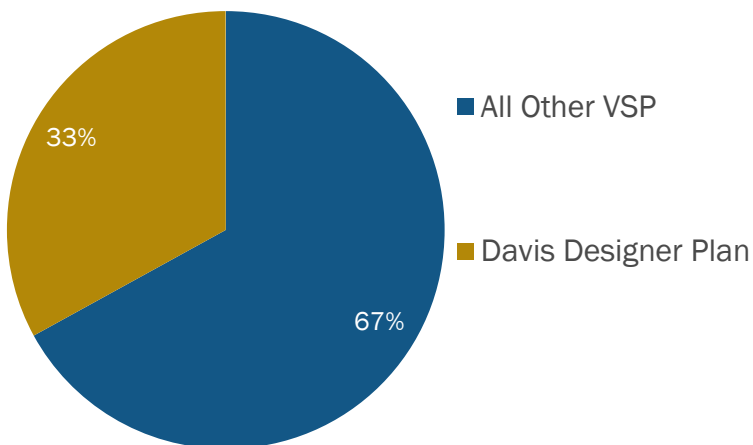
Contacts/Frame Allowances



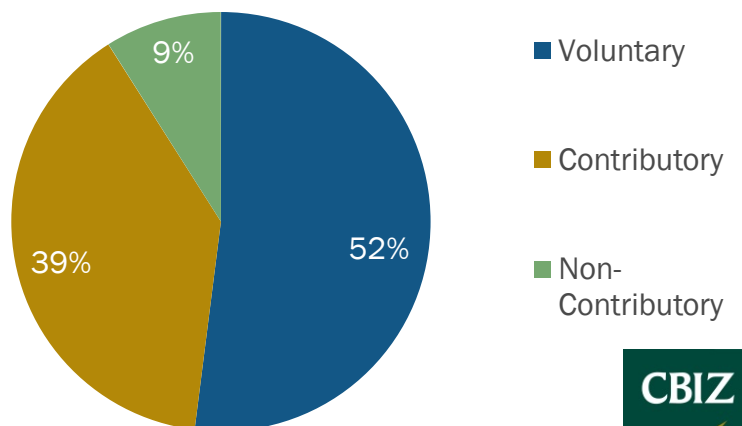
OON Schedule



VSP or Davis



Contributory Basis



Source: June 2016 Vision GAGE Extract (Guardian Only)



27. Describe how you support the ongoing professional development of your clients.

CBIZ provides the following programs for client's staff professional development:

- CBIZ publishes numerous periodic reports. See attached.
- CBIZ sponsors monthly webinars for our clients. See attached for a list of topics this year
- CBIZ University is available to our clients and their staff. See attached.
- CBIZ Atlanta staff conducts onsite training for HR and benefit staff on numerous topics ranging from Group Insurance 101 to HIPAA

28. Does your firm provide assistance with executive benefits review and design?

CBIZ has in house experts in executive benefits and design providing compensation consulting, benchmarking and design, as well as estate planning, deferred compensation and wealth management. Three divisions within CBIZ handle this area of expertise headed by:

Compensation Planning – Ed Rataj
Life and Estate Planning – Steve Sublett
Wealth Management – Brian Dean

29. Describe any additional services offered by your company that may be of interest to Pike.

CBIZ full suite of services includes:

(Please see Scope of Services included after question 1)

- Property and Casualty Consulting / Brokerage
- Retirement Plan Service
- Human Resource Outsourcing – Full or Task Specific (see attached)
- FSA and COBRA Administration
- Executive Recruiting
- Executive Estate Planning and Business Continuation Planning
- Clinical Site and Practice Analysis e.g. onsite clinics, Accountable Care Organizations
- Cyber Security
- Accounting, Tax and Valuation Services
- Profit Recovery and Enhancement Practices

30. Provide examples of value-added with employers and how this was executed.

The following examples of Value Added for our client employers are:

- Employee Purchasing Programs
- Wellness Fairs, Incentives, and Giveaways
- Manual Data Conversion to Electronic Files and Manipulations
- Annual Compliance Guide by State
- Cyber Security Audit
- Foreign Language Assistance
- CBIZ University – Staff Training
- Pharm D review of Rx Utilization and Cost Mitigation Analysis

(See all attachments on the following pages)





In This Edition:

- ❖ WELLNESS RULES UNDER SCRUTINY
- ❖ PROCEDURES IMPORTANT, EVEN IN DENIAL
- ❖ HARVEY AFTERMATH: BENEFIT PLAN ASSISTANCE
- ❖ ANOTHER DELAY IN FIDUCIARY RULE IMPLEMENTATION
- ❖ POSSIBLE DELAY OR AMENDMENTS TO ENHANCED DISABILITY CLAIM RULES
- ❖ OVERTIME RULES THROWN OUT FOR NOW
- ❖ REVISED MEDICAID/CHIP PREMIUM ASSISTANCE NOTICE
- ❖ REMINDER: DISTRIBUTE MEDICARE PART D NOTICES BY OCTOBER 15TH
- ❖ NEW YORK PAID FAMILY LEAVE LAW UPDATES

WELLNESS RULES UNDER SCRUTINY

Two recent developments in the wellness program arena bear monitoring.

Challenging EEOC's Voluntary Standards. In response to the wellness program final regulations issued by the Equal Employment Opportunity Commission on May 17, 2016, the American Association of Retired Persons (AARP) brought a [lawsuit against the EEOC](#), challenging the voluntary standards of the 30 percent requirement.

As background, the EEOC's regulations relating to the Americans with Disabilities Act (ADA) wellness standards prohibit the collection of medical information except to the extent that the request is voluntary (see *Wellness and the ADA - More Guidance Issued*, *Benefit Beat*, 7/7/16 and our Special Edition of *At Issue*, dated May 25, 2016, for a summary of the EEOC rules). Accordingly, the use of incentives (financial or in-kind such as time-off awards, prizes, or other items of value) in a wellness program, whether in the form of a reward or penalty, is permissible. If the wellness program is a participatory program or a health-contingent program, or some combination of the two, the maximum allowable incentive available under the program is 30 percent. The AARP challenged the 30 percent standard alleging that the 30 percent threshold is too high to constitute a voluntary standard.

In its review, the Court determined that the EEOC did not provide adequate substantiation for the 30 percent standard; therefore, the matter is returned to the EEOC for further consideration and validation of the 30 percent standard. The Court did say, though, that the May 2016 regulations will remain in effect until further analysis is provided by the EEOC. The Court's position is that plans have been implemented based on these regulations and to suspend them at this time would be too disruptive.



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Continued from Page 1

Employers sponsoring wellness programs should stay tuned for future developments. It is unclear when the EEOC will have an opportunity to review these regulations since many of the EEOC's administrative and enforcement team positions remain unfilled.

Failure to provide reasonable alternatives to achieve wellness goals. The Department of Labor (DOL) is challenging Macy's benefit package, specifically relating to its smoking cessation component of its wellness program in a civil action complaint filed on August 16, 2017 in the U. S. District Court for the Southern District of Ohio (*Acosta v. Macy's Inc.*, S.D. Ohio, No. 1:17-cv-00541). The challenge alleges that Macy's failed to provide a reasonable alternative to participants which would have enabled them to avoid a tobacco surcharge, ranging from \$35 to \$45, for those who failed to meet the standards of Macy's tobacco cessation program.

As background, a contingent wellness program, whether activity or outcome-based, must provide a reasonable alternative to individuals under certain circumstances. Generally, a smoking cessation program can qualify as a reasonable alternative. The DOL alleges that Macy's continued to charge the smokers the higher rate without giving them an opportunity to achieve the reward.

Employers should review their wellness program to ensure that reasonable alternatives are provided and full rewards are granted to individuals who accomplish the reasonable alternative.

PROCEDURES IMPORTANT, EVEN IN DENIAL

ERISA sets forth specific claims and appeal rules to be followed by health and welfare benefit plans, as well as retirement plans. Accordingly, plans are required to provide written notice of claim denials to participants and beneficiaries, in clear, easily understood language, setting forth the specific reasons for the denial, together with information about how the individual could seek a full and fair review of the denied claim. The plan's specific procedures, together with the relevant timeframes for processing claims and appeals, must be set forth in the plan document, as well as the summary plan description (SPD).

A recent case highlights the importance of providing adequate information to enable beneficiaries to exercise their rights under claims and appeals procedures. In *Turner v. Volkswagen Grp. of Am., Inc.*, 2017 WL 3037803 (S.D. W. Va. 2017), an employee was covered under a group plan that included health, life and disability

benefits. Following the covered employee/participant's death, his surviving spouse sought the proceeds from the life insurance and long term disability benefits under the plan. While the employee/participant had received confirmation of coverage prior to his death, the insurer denied both the life and LTD benefits. Upon the spouse's inquiry relating to denial of the group life benefit, she subsequently received a letter from the employer/plan sponsor stating that an appeal of the denial must be accomplished within 60 days of the denial, together with the plan's SPD. The Court determined that the denial letter failed to reference the specific plan's internal review procedures in the body of the denial letter and merely enclosing the SPD was insufficient notification to enable the spouse to timely file an appeal.

HARVEY AFTERMATH: BENEFIT PLAN ASSISTANCE

Several government agencies including the Internal Revenue Service (IRS) and Department of Labor (DOL) are providing assistance and guidance to assist individuals and businesses affected by Hurricane Harvey. Following are highlights of guidance issued thus far.

- ♦ **Retirement plans.** Certain restrictions on plan loans and hardship distributions from retirement plans are eased for participants impacted by the hurricane, according to [IRS Announcement 2017-11](#).
- ♦ Plan sponsors of **group health plans** are encouraged to provide reasonable accommodations to prevent loss of benefits by plan participants and beneficiaries who may be unable to meet certain deadlines for filing benefit claims or COBRA elections. See the [DOL Compliance Guidance](#) and [FAQs for Participants and Beneficiaries](#) for additional information.
- ♦ **Leave-based donation programs.** In [Notice 2017-48](#), the IRS provides for certain tax relief for leave-based donation programs set up by employers to aid Hurricane Harvey victims. Under these programs, employees can elect to forgo vacation, sick, or personal leave in exchange for cash payments that the employer makes to charitable organizations. For income and employment tax purposes, leave donations would not be considered wages and thus, are tax free, as long as the employer provides these amounts to charitable organizations (as defined in Code Section 170(c)) before January 1, 2019.
- ♦ **Tax Filings.** Relief is available for certain tax filings and payments (see [IRS' Tax Relief for Victims of Hurricane Harvey in Texas](#)). Specifically, an extension is available for filing the Form 5500 series. This relief is not extended, however, for the Form W-2 nor the Forms 1094 and 1095.

Additional information relating to tax relief can be found on the IRS's dedicated webpage, [Hurricane Harvey Information Center](#).

Looking ahead as other hurricanes are currently brewing, employers and plan sponsors are encouraged to monitor the IRS and DOL websites should the need for disaster assistance and guidance arise.

ANOTHER DELAY IN FIDUCIARY RULE IMPLEMENTATION

As has been anticipated for some time, the Department of Labor (DOL) is proposing delaying the January 1, 2018 effective date for certain aspects of fiduciary rules. On August 31, 2017, the DOL's Employee Benefits Security Administration (EBSA) published [proposed regulations](#) which would delay, until July 1, 2019, full implementation of the fiduciary rule's Best Interest Contract (BIC) exemption, the Principal Transactions Exemption, and certain amendments to a Prohibited Transaction Exemption. In addition, EBSA issued a [Field Assistance Bulletin](#) which sets forth an enforcement policy relating to an arbitration provision in the BIC Exemption and Principal Transaction Exemption.

For background information relating to the investment advice rules, see the May and December 2016 editions of our *At Issue* newsletters, and our *Benefit Beat* implementation coverage this year from the [June 13th](#), [April 10th](#), [March 3rd](#), and [February 15th](#) editions.

As is currently the standard, investment advisers must comply with the impartiality standards contained in the fiduciary advice rules that require:

1. Any advisement rendered by a fiduciary must be in the best interest of the investor,
2. The fiduciary must take no more than reasonable compensation for such advice, and
3. The fiduciary must avoid making materially misleading statements.

Comments on these regulations are due by September 15, 2017. In the meantime, compliance with the impartiality standards as described above must continue to be maintained.

POSSIBLE DELAY OR AMENDMENTS TO ENHANCED DISABILITY CLAIM RULES

The Department of Labor's Employee Benefits Security Administration (EBSA) released final rules on December 19, 2016 providing for enhanced standards for plans that make disability determinations (see [Disability Determinations: New Enhanced Rules Are Coming](#) (*Benefit Beat*, 1/5/17)). These enhanced rules become applicable to all claims for disability benefits filed on or

after January 1, 2018, and apply to any ERISA plan that makes a disability determination, including short and long term disability plans and retirement plans if such plan makes a disability determination.

On July 20, 2017, the DOL and EBSA submitted [notice](#) to the Office of Management and Budget indicating its intent to delay or amend these final rules due to questions of law and policy. The rationale for the delay or amendment is not publicly available at this time. In this interim, unless and until any amendment or delay is formally announced or put in place, plan sponsors are encouraged to review their current claims and appeal procedures to ensure compliance with the expanded rules.

OVERTIME RULES THROWN OUT FOR NOW

Many will recall that modification to the Department of Labor's (DOL) Wage and Hour Division overtime rules were to take effect on December 1, 2016. In large part, these rules would have changed the salary basis on which overtime is determined, raising it from an equivalent of \$23,660 per year to a new level equivalent of \$47,476 per year, and tying it to a regular inflationary increase.

On the eve of its effective date, the U.S. District Court of Eastern District of Texas granted a preliminary injunction preventing the DOL from implementing and enforcing the rules. Then, on December 1, 2016, the Department of Justice (DOJ), on behalf of the DOL, filed for an appeal of the District Court's preliminary injunction ruling, and subsequently filed a request for expedited briefing and oral arguments in the Fifth Circuit Court of Appeals on the following day. This was followed by a reply brief filed by the DOJ with the Court on June 30, 2017. Then, just a few days ago, on August 31, 2017, that same District Court has thrown out the overtime rules altogether. It is possible that an appeal could be filed, but for the moment, the overtime rules will not take effect.

REVISED MEDICAID/CHIP PREMIUM ASSISTANCE NOTICE

Employers sponsoring health plans are obligated to annually provide a premium assistance notice to their workforce. This notification can be accomplished by using a model notice provided by the DOL's Employee Benefit Security Administration (EBSA). The model Medicaid/CHIP notice has been revised and is current as of August 10, 2017. Following are the changes to the revised notice, as compared to the January 31, 2017 version:

- ◆ In Massachusetts and Rhode Island, the phone numbers for the relevant agencies have changed;



- ◆ Both the website address and phone number for the Medicaid agency in Nebraska have changed; and
- ◆ The Medicaid website address has changed in West Virginia.

And finally, EBSA's website address that appears at the end of the model notice has been updated.

The notice explaining the right to premium assistance must be provided to employees residing in the below-listed states at least once annually, without regard to where the employer is located, or where the health plan is situated:

| STATES WITH PREMIUM ASSISTANCE | | |
|--------------------------------|----------------|----------------|
| Alabama | Minnesota | Pennsylvania |
| Alaska | Missouri | Rhode Island |
| Arkansas | Montana | South Carolina |
| Colorado | Nebraska | South Dakota |
| Florida | Nevada | Texas |
| Georgia | New Hampshire | Utah |
| Indiana | New Jersey | Vermont |
| Iowa | New York | Virginia |
| Kansas | North Carolina | Washington |
| Kentucky | North Dakota | West Virginia |
| Louisiana | Oklahoma | Wisconsin |
| Maine | Oregon | Wyoming |
| Massachusetts | | |

The revised Medicaid/CHIP notice is available for viewing and/or downloading from the DOL's website, in both English ([pdf](#) or [word](#)) and Spanish ([pdf](#) or [word](#)).

REMINDER: DISTRIBUTE MEDICARE PART D NOTICES BY OCTOBER 15TH

Plan sponsors have an annual obligation to provide the Medicare Part D creditable notices to Medicare-eligible individuals. The annual Medicare Part D open enrollment period for the 2018 year begins October 15, 2017 and runs through December 7, 2017.

The Medicare Part D Notice of Creditable or Non-creditable Coverage must be provided to Medicare-eligible individuals at least annually, prior to the Medicare Part D open enrollment period. This means that all Medicare Part D notices of creditable or non-creditable coverage must be provided within the 12-month period ending on October 15, 2017.

The Centers for Medicare and Medicaid Services (CMS) provide model language that can be tailored by plan sponsors to satisfy their notice obligation:

- ◆ Model Individual Creditable Coverage Disclosure Notice Language ([English](#) or [Spanish](#))

- ◆ Model Individual Non-Creditable Coverage Disclosure Notice Language ([English](#) or [Spanish](#))

NEW YORK PAID FAMILY LEAVE LAW UPDATES

As follow-up to last month's *Benefit Beat* article discussion of the New York Paid Family leave (PFL) law, this article discusses some recently released guidance relating to reporting of employee contributions, as well as some additional compliance tips for employers.

Reporting Contributions on Form W-2. The New York Department of Taxation and Finance released [guidance](#) relating to the tax consequences of this law. Under the PFL law, an employee can be required to pay the full cost of the benefit. The tax guidance indicates that the premium is to be paid on an after-tax basis and reported on the employee's Form W-2, using Box 14 (state disability insurance taxes withheld). PFL benefits are taxable non-wage income that must be included in federal gross income. Generally, withholding is not automatic, though, the individual beneficiary can request withholding. The benefits paid are reported by the payer (generally, the insurer) on a Form 1099-MISC.

Next Steps for Employers. In light of the final regulations adopted by [New York Workers' Compensation Board](#) and [Department of Financial Services](#), following are some steps for employers to consider in an effort to ensure compliance with the law when it takes effect on January 1, 2018.

1. Contact your state temporary disability insurer to begin the process of obtaining a PFL policy.
2. Determine, in conjunction with your insurer, what, if any, payroll deduction will be collected from your employees.
3. Develop an internal PFL policy. Points to include:
 - ◆ **Eligibility.** Generally, employees who regularly work a minimum of 20 hours per week are eligible for PFL benefits after 26 consecutive weeks of employment; those working fewer than 20 hours a week are eligible after 175 work days.
 - ◆ **Funding sources** addressing whether contributions will be derived solely by the employee contributions through a payroll deduction process, or, whether the employer fully funds the benefit, or perhaps a combination of both employee/employer contributions;
 - ◆ **A description of how leave can be used.** Under the PFL law, instances giving rise for the need for leave include baby bonding, to provide physical or psychological care to a family member with a serious health condition; or to relieve family pressures when the employee's spouse, domestic partner, child, or parent is on active military duty.



Leave taken to attend to the employee's own serious health condition would be handled through the state temporary disability program.

- ◆ *Definition of family member.* Keep in mind that the law defines family member as a biological, adopted or foster child, a parent, grandparent, grandchild, spouse, or domestic partner.
- ◆ *Amount of leave available.* The law requires that PFL benefits must be available to an eligible employee for the first full day when family leave is required and thereafter during the continuance of the need for family leave, subject to limitations below:

| EFFECTIVE DATE | WEEKLY AMOUNT OF PFL PER ANY 52-WEEK PERIOD | AMOUNT OF BENEFIT | BENEFIT CAP |
|-----------------|---|---------------------------------------|--------------------------------------|
| January 1, 2018 | 8 weeks | 50% of employee's average weekly wage | 50% of the state average weekly wage |
| January 1, 2019 | 10 weeks | 55% of employee's average weekly wage | 55% of the state average weekly wage |
| January 1, 2020 | 10 weeks | 60% of employee's average weekly wage | 60% of the state average weekly wage |
| January 1, 2021 | 12 weeks | 67% of employee's average weekly wage | 67% of the state average weekly wage |

- ◆ *Coordination with other types of leave,* including but not limited to the New York City Earned Sick leave law, the federal Family and Medical Leave law (FMLA), and any existing internal leave policies and applicable federal, state and local leave laws;
- ◆ *A description of the employee notification obligations* addressing both foreseen and unforeseen instances that would give rise for the need for leave and the process for requesting leave. Include the insurer contact information, where applicable. Under the PFL law, employees making a claim for PFL leave are required to complete a designated PFL request form provided by the insurer, or by an employer who is self-funding the benefit. Generally, the employer would be required to complete its portion of the form and return it to the employee within three business days. In addition,

consider including an explanation of the process of how employees can provide proper substantiation for the need for leave, for example, medical certification from a healthcare provider, active duty orders or other military documentation, a birth certificate or other documentation of the need for family leave.

- ◆ *A description of continuation of benefits during the leave* including how and when health premium or other benefit premiums must be paid, as well as address the manner and methodology of benefit accruals during the leave; and
- ◆ *A description of reinstatement rights.* Under the PFL law, an individual is entitled to be returned to his/her same or equivalent position once the individual returns from leave.

And finally, be aware of the workplace posting requirement. Check with the insurer to determine whether a model workplace posting is available.

Additional information and any available updates about the New York PFL program can accessed on the [state's dedicated website](#).

ABOUT THE AUTHOR:

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Health Reform Bulletin

The CBIZ logo is a green square with the letters 'CBIZ' in white, positioned in the top right corner of the header image.

Subject: **1) IRS Releases Finalized 2017 Forms and Instructions for the 1094/1095 Series; 2) Fee Reminders: Health Insurer Provider Fee and Transitional Reinsurance Fee**

Date: October 4, 2017

2017 ACA REPORTING FORMS 1094 AND 1095 SERIES

The 2017 Affordable Care Act reporting is upon us. The forms to be used, and the instructions for those forms, have just been released by the Internal Revenue Service. As a reminder, there are two annual reporting obligations imposed by IRC Section 6055 minimum essential coverage reporting, and by IRC Section 6056, employer shared responsibility reporting.

- ◆ The minimum essential coverage (MEC) reporting obligation is accomplished on the Form 1094-B transmittal and Form 1095-B statement to individuals. Generally, this reporting is accomplished by the insurer if the plan is insured. If the plan is self-funded, the employer is obligated to complete the MEC reporting and disclosure.
- ◆ Employers subject to employer shared responsibility (those employing 50 or more employees as of December 31, 2016 for the 2017 reporting year), can accomplish the MEC obligation by completing Part III of the Form 1095-C. Employers not subject to employer shared responsibility reporting accomplish the MEC reporting obligation by reporting the B series described above. The employer shared responsibility reporting obligation is accomplished on the Form 1094-C transmittal and the Form 1095-C statement to individuals.

Following are links to the particular forms and instructions:

HEALTH INSURANCE COVERAGE REPORTING BY INSURERS AND SPONSORS OF SELF-FUNDED PLANS (IRC § 6055)

- ◆ Instructions for 2017 Forms 1094-B and 1095-B ([PDF](#))
- ◆ [Form 1094-B, Transmittal of Health Coverage Information Returns](#)
- ◆ [Form 1095-B, Health Coverage](#)

EMPLOYER HEALTH INSURANCE REPORTING REQUIREMENT (IRC § 6056)

- ◆ Instructions for 2017 Forms 1094-C and 1095-C ([PDF](#))
- ◆ [Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns](#)
- ◆ [Form 1095-C, Employer-Provided Health Insurance Offer and Coverage](#)

Deadlines for Filing and Distributing Forms 1094 and 1095

- ✓ Statements to individuals for both the B and C series must be furnished by January 31, 2018. Entities can request an extension for furnishing the statements by sending a letter to the IRS (see the instructions for the required content of the letter to request the extension and mailing address).

- ✓ Electronic filing of the forms must be accomplished by April 2, 2018; or, February 28, 2018 if filing by paper. At this point, no delay has been granted for filing these forms. An automatic 30-day extension is available by filing a Form 8809.

Changes to the Forms and Instructions. Generally, the 2017 forms are similar to the 2016 forms. Narrowing our focus on the C series of the forms, following are a couple clarifications and modifications:

- ◆ Several forms of transitional relief were available in 2015. To the extent the relief is no longer available, references to such relief have been removed.
- ◆ The instructions clarify that for purposes of the 9.5% affordability safe harbors and qualifying offer method references, the adjusted indexed percentage is 9.66 percent for plan years beginning in 2016, and 9.69 percent for plan years beginning in 2017. For 2018, the percentage decreases to 9.56 percent
- ◆ With regard to making corrections to filed forms, the instructions indicate that a Form 1095-C filed with incorrect dollar amounts on line 15, Employee Required Contribution, may fall under a safe harbor for certain *de minimis* errors. The safe harbor generally applies if no single amount in error differs from the correct amount by more than \$100. If the safe harbor applies, then the reporting entity would not be required to correct the Form 1095-C to avoid penalties. However, if the recipient elects for this safe harbor not to apply, then the reporting entity may have to issue a corrected Form 1095-C to avoid penalties.
- ◆ Part II of the Form 1095-C contains a box to indicate a 2-digit number designating the start month of the plan. The obligation to complete this box remains optional for 2017 reporting purposes.
- ◆ Certain multiemployer transition relief is still available.

Information reporting penalties. The penalties for failure to provide the information return or provide correct payee statement remain essentially the same.

- ◆ The penalty for failure to file a correct information return is \$260 for each return for which the failure occurs, with the total penalty for a calendar year not to exceed \$3,218,500.
- ◆ The penalty for failure to provide a correct payee statement is \$260 for each statement for which the failure occurs, with the total penalty for a calendar year not to exceed \$3,218,500.
- ◆ Special rules apply that increase the per-statement and total penalties if there is intentional disregard of the requirement to file the returns and furnish the required statements.

Additional information relating to ALE obligations including the ACA Information Returns (AIR) system, can be found on the IRS's dedicated webpage, [ACA Information Center for Applicable Large Employers \(ALEs\)](#). Also see:

- ◆ [Questions and Answers about Information Reporting by Employers on Form 1094-C and Form 1095-C](#)
- ◆ [Questions and Answers on Information Reporting by Health Coverage Providers \(Section 6055\)](#)

FEE REMINDERS: HEALTH INSURER PROVIDER FEE AND TRANSITIONAL REINSURANCE FEE

- ❑ **Return of the Annual Health Insurer Provider Fee.** As mentioned [this summer](#), covered entities and insurers will become subject to the ACA's health insurer provider fee again, beginning January 1, 2018. These entities were given a one-year moratorium for 2017. Although employers are not subject to these fees, the covered entity/insurer may pass along some of these costs to employer/policyholders; thus, employers with insured plans may begin seeing this fee reflected in their renewals.

- ❑ **Transitional Reinsurance Fee Reminder.** The transitional reinsurance fee and related reporting obligation was imposed over a three-year period from 2014 to 2016. For the last year of the program, insurers and plan sponsors of self-funded plans were obligated to submit their 2016 form reflecting the annual enrollment count of covered lives by November 15, 2016. The full fee was due by January 17, 2017. However, for reporting entities who opted to make two payments, the deadline for submitted the Form remains November 15, 2016, with the first part of two payments due by January 17, 2017; the second payment is due by November 15, 2017.

About the Author: Karen R. McLeese is Vice President of Employee Benefit Regulatory Affairs for CBIZ Benefits & Insurance Services, Inc., a division of CBIZ, Inc. She serves as in-house counsel, with particular emphasis on monitoring and interpreting state and federal employee benefits law. Ms. McLeese is based in the CBIZ Kansas City office.

The information contained herein is not intended to be legal, accounting, or other professional advice, nor are these comments directed to specific situations. The information contained herein is provided as general guidance and may be affected by changes in law or regulation. The information contained herein is not intended to replace or substitute for accounting or other professional advice. Attorneys or tax advisors must be consulted for assistance in specific situations. This information is provided as-is, with no warranties of any kind. CBIZ shall not be liable for any damages whatsoever in connection with its use and assumes no obligation to inform the reader of any changes in laws or other factors that could affect the information contained herein.



Wellbeing Insights

Living a Better, More Vibrant Life



In This Issue

September: Prostate & Ovarian Cancer Awareness Month; Family Health & Fitness Day

- Brain Power Boosters 1
- Mindful Minute 2
- On the Menu: Artichokes 3
- Prostate Cancer At-a-Glance 4
- BEAT Ovarian Cancer 4
- Exercise Myth Busters 5
- App in a Snap: Geocaching 5
- Encouraging Active Kids 6
- Family Health & Fitness Day 6

Brain Power Boosters

Our intelligence is not purely a fixed quality. In fact, there are several things we can do to boost our brain power to not only learn new things but also retain the information we learn.

1. Be curious. Einstein once said, “I have no special talent. I am only passionately curious.” By nature, some of us are more curious than others; however, we can all act on our curiosities more often. Try to become more aware of the things that spark your interest and seek to understand them better. As adults it’s easy to take on our past interests as ‘who we are,’ but the truth is that you probably

have new interests and curiosities popping up all the time; take the time to learn.

2. Be wise with your time online. It’s hard to avoid the mindless black hole of social media, so we must bring some awareness to how we are spending our time online. Set a timer if you must to limit your time scrolling through biased or unimportant content. Make sure you are not only researching new things that challenge you but also seeking out reputable sources and multiple perspectives when it comes to matters of opinion.

Brain Power Boosters

Continued from page 1

- 3. Write it down.** This is a tried and true method to help retain new information. Even if you learn something that you think is so interesting you would never forget it, chances are you probably will. You may even wish to carry a notebook and make it a point to write what you've learned each day. Then, make a habit of reading it each week.
- 4. Keep wise company.** You become more like the people you surround yourself with, so make time for friends who challenge you mentally. Don't let fear of sounding stupid get in your way; ask probing questions, be a good listener and ask openly for opinions on your views.
- 5. Teach.** "If you can't explain it simply, you don't understand it well enough." Another gem from our friend

Einstein. Teaching something to someone else is a great way to gauge just how well you actually understand it. If you can teach it easily, that means you're also committing it to memory.

- 6. Try new things.** You never know what is useful until it is. If the opportunity to learn a new skill or understand an unfamiliar phenomenon arises, take it. Even if it seems irrelevant or useless to you, we incorporate new skills in abstract ways, so it may be more useful than it appears.
- 7. Reflect.** Take some downtime each week or even daily to reflect. Taking this time to process and synthesize information may help you come to new realizations about your experiences or a better understanding of things you've learned.

Mindful Minute

When it comes to self-care there is no shortage of things we know we should do: I should drink a glass of water, I should take a break from my computer, I should choose a healthier lunch option, I should meditate, I should read, I should take time for myself, etc.

Perhaps the one thing we really should do is let go of thinking we should do so much. It's quite the paradox really – viewing acts of self-love, which are self-serving by nature, as a chore. Instead, what if we could shift our thinking so that we let go of what we should do and simply focus on what we would like to do? Here's how to **let go of what you should do** in a healthy way.

The next time you find yourself feeling obligated to an act of self-care (exercising, going to bed early or attempting to be a more positive thinker or organized person) take pause. Ask yourself, what do I want to do right now that would support me in the contribution I hope to make today/in this moment?

True self-care cannot occur in a judgmental context (e.g., If I don't do this, I'm failing or not good enough.). So tend to your needs by asking more thoughtful questions around self-care that lead to better actions. Remember to give yourself a break as you experiment with this. If you listen to yourself and do end up in self-sabotage or feeling guilty, just take note. Simply bringing in awareness will help you find better ways to care for yourself and find what feels right for you.



"When you recover or discover something that nourishes your soul and brings joy, care enough about yourself to make room for it in your life."

JEAN SHINODA BOLEN

On the Menu

All About Artichokes

Artichokes are an interesting vegetable with a long history and a reputation for having myriad health benefits. Artichokes first appeared in the Mediterranean and were enjoyed by ancient Greeks and Romans. They are reportedly one of the oldest foods known to humans. In fact, during the 16th century, eating an artichoke was reserved only for men because they were considered a strong aphrodisiac and not suitable for women.

Cultivation of the vegetable spread throughout the western hemisphere and eventually reached the United States through California. Today, California remains the main producer of globe artichokes in the U.S.

Artichokes have been sought after for centuries for their proposed medicinal properties. Today, we know that they do contain high nutritional value. Studies have shown that artichokes can provide many health benefits, including:

- high levels of dietary fiber, which can help control constipation and decrease “bad” cholesterol
- chemical compounds cynarin and sesquiterpene-lactones, which are known to maintain healthy blood cholesterol levels
- large amount of vitamin C, which helps the human body develop resistance against infections and free radicals in the body

- a great source of vitamin K, which plays a vital role in bone and brain health
- a rich source of B-complex vitamins, which are essential for optimal cell function
- an excellent source of folic acid, which is especially important during early pregnancy in helping to prevent neural tube defects in newborn babies

Keep It Fresh

Artichokes are a popular Fall/Winter season vegetable but can be found in grocery stores year round. Choose fresh artichokes that feel heavy and don't exhibit any cuts or bruises. The leaves of the artichoke should be compact and dark green. They are best used while fresh but will keep well in the refrigerator in a sealed plastic bag up to one week.

Quinoa-Stuffed Artichokes

Ingredients:

- 4 large artichokes
- 1 lemon
- 1 cup red quinoa (or preferred variety)
- ½ cup grated Parmesan cheese
- 2 Tbsp. freshly chopped mint
- 2 Tbsp. freshly chopped parsley

Directions:

Fill a large bowl with water and juice of the lemon and stir well. Cut stems of the artichokes so they sit flat and peel stems with a paring knife. Cut off the top third portion of the artichoke and use scissors to clip off the sharp leaf points. Put artichokes in bowl with lemon and water. Bring a large pot of water to boil (water depth of 1 - 2 inches). Once boiling, arrange trimmed artichokes, bottoms up, in a single layer. Cover pot, reduce heat to medium low and steam until tender, about 20 - 40 minutes. Artichokes will be ready when the leaves pull out easily and the base can be pierced with a knife. Drain well.

Nutrition Info

Per Serving (1 artichoke)

| | |
|----------------------|-------|
| Calories | 370 |
| Carbohydrates | 66g |
| Fiber | 21g |
| Sugar | 4g |
| Protein | 21g |
| Sodium | 490mg |



Meanwhile, rinse quinoa under cold running water and drain. Combine quinoa and 2 cups water in a medium pot and bring to a boil. Reduce to a simmer and cook until tender, about 15 - 20 minutes. Fluff with a fork and set aside to cool. Stir in Parmesan, mint and parsley.

Preheat oven to 400°F. Remove the center leaves from each artichoke and scoop out and discard the fuzzy center. Place artichokes stem side down in a baking pan and stuff with quinoa mixture. Bake 20 minutes or until heated through.

Adapted from wholefoodsmarket.com

Prostate Cancer At-a-Glance



The prostate produces fluid that nourishes the sperm in semen.

This walnut-shaped gland surrounds the urethra just below the bladder. Prostate cancer is the second most common cancer in American men with over 230,000 cases diagnosed each year, more than 29,000 of which result in death.

Risk Factors:

- increasing age
- a family history of prostate cancer
- being African American

Signs/Symptoms: Early-stage prostate cancer typically has no symptoms. At more advanced stages, prostate cancer may cause any of the following:

- difficulty starting urination and emptying the bladder
- decreased force in urine stream
- blood in the urine or semen
- pain or burning during urination
- difficulty ejaculating or erectile dysfunction
- bone pain or discomfort in the pelvis

Prevention/Detection:

- **Digital Rectal Exam:** A doctor or nurse inserts a gloved, lubricated finger into the rectum to check the prostate for abnormalities.
- **Prostate-Specific Antigen (PSA) Test:** A blood test that measures the level of PSA in the blood. Higher PSA levels are one indication of prostate inflammation, infection, enlargement or cancer.

The use of these two tests combined can help identify prostate cancer in its earliest stages. However, there is a debate on the risks and benefits of screening, and medical organizations differ in their recommendations.

Speak with your doctor about screening to determine what's right for you.

BEAT Ovarian Cancer



The ovaries produce a woman's eggs and are the main source of the female hormones estrogen and progesterone. Women have two ovaries, each about the size of an almond, on either side of the uterus. Ovarian cancer ranks fifth among leading causes of cancer death in American women with over 21,000 cases diagnosed each year, more than 14,000 of which result in death.

Risk Factors:

- increasing age (particularly post-menopausal)
- family or personal history of ovarian, breast, uterine or colon cancer
- never giving birth
- trouble getting pregnant
- being of Eastern European descent

Signs/Symptoms:

- persistent bloating/increased size of abdomen
- pelvic or abdominal pain
- trouble eating or feeling full quickly
- increased urinary urgency or frequency

Prevention/Detection:

Protective factors for ovarian cancer include pregnancy, breastfeeding, the use of birth control pills, having your 'tubes tied' and having a hysterectomy.

Unfortunately, there are no formally recommended screening tests for ovarian cancer. Contrary to popular belief, a PAP test does not detect ovarian cancer. If you believe you are at increased risk and/or experience unexplained signs or symptoms of ovarian cancer, speak with your doctor about screening options. These may include a retrovaginal pelvic exam, a transvaginal ultrasound, a CT or PET scan, or various blood tests.

BEAT stands for:

Bloating. It's persistent and doesn't come and go.

Eating. Difficulty eating and feeling full more quickly.

Abdomen. And pelvic pain you feel most days.

Talking. Tell your doctor.

Exercise Myth Busters

Myth: Your routine isn't working if you aren't losing weight.

Fact: Exercise is beneficial regardless of weight loss. It's true that it's better to be overweight and fit than skinny and sedentary. Exercise can also change the way your body functions and your muscle-to-fat ratio in the absence of weight loss. It's more beneficial to focus on the rewards of your exercise, such as increased energy and stamina and improved focus, flexibility, mood, sleep and functionality than the number on the scale.

Myth: As long as you get regular exercise it's ok to be a couch potato the rest of the time.

Fact: Research has found that reaching the recommended 150 minutes of exercise each week is not enough to combat the negative effects of prolonged sitting. You don't need to exercise during the day, but it is imperative that you regularly stand up and move around a bit. Shoot for five minutes of every hour to stand and stretch at your desk, climb a few flights of stairs or take a short walk.

Myth: You can lose fat from specific parts of your body.

Fact: Spot reduction is an elusive concept. The calories you expend during exercise help burn fat from your entire body. While exercises that target specific areas certainly help tone specific muscles, that does not necessarily mean they are burning fat from that place. Performing exercises only on targeted areas can actually be detrimental to overall functionality, so take a full-body approach.

Myth: You should do extensive stretching before your workout to avoid injury.

Fact: Stretching is exceedingly important post-workout. Performing static stretches on cold muscles can increase your chance of injury. To warm up, stick to dynamic stretches, that is, ones where you are moving the entire time and warming up the muscles, not stretching them and holding the position.

Myth: Sports drinks are superior to water during exercise.

Fact: Sports drinks are only necessary when you've lost significant sodium or electrolytes due to a very long workout (longer than 90 minutes) or a very high intensity workout where you sweat substantially. Many sports drinks are full of sugar and/or artificial sweeteners that can do more harm than the electrolytes you are trying to replenish. Water is the ideal hydration for the average person, exercising at moderate intensity for up to an hour.



App in a Snap

Name: Geocaching

Price: Free

Focus: Physical Wellbeing



Geocaching is the world's largest treasure hunting game! This app allows participants to hide and seek containers, called "geocaches" or "caches," at specific locations marked by coordinates all over the world. Geocaches are real objects full of treasures. You can even swap out something someone else left and leave your keepsake for the next geocacher to discover. Connect with others in your community who share an interest in treasure hunting or enjoy an exciting way to get the kids active with you.

Gabriel Ross, CBIZ Wellbeing Account Manager, says, "Whether it's finding an activity to entertain the children on Saturday afternoon or getting some extra Vitamin D in the summer sun, geocaching is a fun way for me to socially connect and explore my community."



Parenting Corner

Encouraging Active Kids

Parenting is a constant balancing act between work, daily life routines and finding time to instill habits that will help your child develop as they mature. Parents today have the benefit of technology to help them teach and instill habits during child development. However, recently there has been a lot of focus on the negative impact technology has, along with other factors, on the physical inactivity of adolescents.

The American Heart Association recommends that children and adolescents participate in at least 60 minutes of moderate physical activity every day. The following are a few suggestions to help parents teach their children the importance of exercise and maintaining a physical activity regiment throughout all stages of life, especially childhood.

1. Lead the way. Observational learning is the most basic and natural form of education for children. Thus, it is important as parents that we exhibit habits of regular



physical activity to our children, especially during their early developmental years when their actions are a direct response to and mimic their observations.

2. Make the best use of time. Use the smallest breaks in your schedule as an opportunity for family exercise. Take a family walk after dinner and use that time to talk about your days. Is the weather outside too bad to walk today? Use commercial breaks during your favorite television shows to practice stretching. Stretching is a low-impact activity, requires no equipment and can be practiced in any environment. All ages and demographics can benefit from the benefits of stretching, such as increased flexibility and mobility and reduced risk of injury.

3. Use technology to your advantage. Of course we need to limit the amount of time our children watch television and play on their electronic devices. However, gamification through technology is a resource parents should embrace to help instill engagement and good habits of physical activity in their children. Geocaching is a free app that my family plays to stay connected and engaged in physical activity. Through this socially engaging treasure hunt game we have the opportunity to explore the community in which we live, while trying to achieve our goal of walking at least 7,000 steps daily.

Family Health & Fitness Day is September 30

Find events and activities near you at fitnessday.com to join in the celebration!
Or, forge your own path and get creative with some active family fun.

The *Wellbeing Insights* Newsletter is prepared for you by CBIZ ESO. The contributions included in this newsletter do not specifically reflect your employer's opinions. Consult your health care provider before making any lifestyle changes.

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Visit the **CBIZ Wellbeing website** at www.cbiz.com/wellbeing

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...like the latest in benefits compliance and wellbeing programs, sound communication and coaching techniques, and innovative strategies for developing the best health care plan for your growing organization. Our 2017 CBIZ Benefits & Insurance Services (B&I) webinar series is offered in a convenient, cost-effective format that links you to some of our most knowledgeable thought leaders – speakers who will discuss topics that matter to employers now. Make the connection.

Sign up for free today.

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ESO: Benefits & HR Technology • Compliance • Wellbeing Solutions
Talent & Compensation Solutions • Property & Casualty • Retirement Plan Services

B&I Webinar Series 2017

FEBRUARY

HOW TO IMPROVE COMMUNICATION AND DEVELOP A COACHING CULTURE

Tues., Feb. 21 - 1 to 2 p.m. Central Time

Learn how to have more effective, productive conversations with your employees using the Socratic method, a time-honored coaching technique.

PRESENTER: Leslie Anderson, Managing Consultant, Executive Coaching and Leadership Development, CBIZ Talent and Compensation Solutions, EFL Associates

FOR: HR personnel, managers, executives and anyone else interested in improving communication with subordinates. All employer sizes are welcome.

CREDIT: Approved for 1 HR (General) recertification credit hour through the HR Certification Institute.

MARCH

THE ACA:

WHAT YOU MUST BE DOING TODAY!

Tues., March 21
1 to 2 p.m. Central Time

This webinar will focus on current requirements of the Affordable Care Act. If there is any indication about where the current administration might be taking health care reform, a glimpse of future rule making will also be discussed.

PRESENTER: Karen McLeese, Vice President of Regulatory Affairs, CBIZ Benefits & Insurance Services, Inc.

FOR: Human resources executives or anyone else responsible for HR compliance, chief operating officers and

chief executive officers. Employers of all sizes are welcome.

CREDIT: Approved for 1 HR (General) recertification credit hour through the HR Certification Institute.

APRIL

CAPTIVES: ALTERNATIVE INSURANCE SOLUTIONS FOR YOUR ORGANIZATION

Tues., April 18 - 1 to 2 p.m. Central Time

Take control of your property and casualty risk management and insurance program through captive insurance solutions. Design coverages tailored to your organization's specific needs.

PRESENTERS: Tony Consoli, President, Mid-Atlantic Region, CBIZ Insurance Services, Inc.; Mark D. Stoltz, Director of Business Development, Southwest Region, CBIZ Insurance Services, Inc.

FOR: CFOs, CEOs, business owners and anyone else responsible for the company's risk management and insurance program.

CREDIT: Approved for 1 HR (General) recertification credit hour through the HR Certification Institute.

MAY

THE BUSINESS CASE FOR UNDERSTANDING BENEFITS AND HR TRENDS

Tues., May 16 - 1 to 2 p.m. Central Time

Use historical, current, and future trends in employee benefits and human capital management to overcome roadblocks to successful benefits/HR programs and administration. See how this can

fit within your company's business and growth strategy.

PRESENTERS: Wendra Johnson, SPHR, Chief Business Development Officer, CBIZ Employee Services Organization; Zack Pace, Senior Vice President, Employee Benefits, CBIZ Employee Services Organization. Zack is a contributing writer for Employee Benefit News.

FOR: HR professionals and C-suite executives. For companies with 50 to 1,000 employees.

CREDIT: Approved for 1 Business recertification credit hour through the HR Certification Institute.

JUNE

HEALTH COVERAGE CONTINUATION: COBRA, LEAVES OF ABSENCE AND THE LIKE

Tues., June 6 - 1 to 2 p.m. Central Time

We'll review the requirements of COBRA law, as well as address issues that arise when individuals take a leave of absence, the impact of alternative coverage on an individual's right to COBRA, and the impact of Medicare entitlement on the right to continue health coverage.

PRESENTER: Karen McLeese, Vice President of Regulatory Affairs, CBIZ Benefits & Insurance Services, Inc.

FOR: HR executives or anyone else responsible for HR compliance, COOs and CEOs. Employers of all sizes are welcome.

CREDIT: Approved for 1 HR (General) recertification credit hour through the HR Certification Institute.

WELLBEING BENEFITS: WHAT'S OUT, WHAT'S IN AND WHAT'S ON THE HORIZON

Tues., June 27 - 1 to 2 p.m. Central Time

Find out which wellbeing programs employers are conducting less often, which programs they are replacing them with and why. Learn about emerging wellbeing programs and practices that show promise.

PRESENTERS: Emily Noll, National Director of CBIZ Wellbeing Solutions; Angie Schmidt, Senior CBIZ Wellbeing Consultant

FOR: Human resources executives and anyone responsible for managing employee health and wellbeing programs, CFOs and CEOs. Employers of all sizes are welcome.

CREDIT: Approved for 1 HR (General) recertification credit hour through the HR Certification Institute.

(continued on back page)



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B&I Webinar Series 2017

(continued from front page)

JULY

THE EVOLUTION OF SELF-FUNDED BENEFITS STRATEGIES: A FIT FOR YOUR ORGANIZATION?

Tues., July 25 – 1 to 2 p.m. Central Time

This webinar covers creative employee benefits plans available to you now and in the future, including a look at pharmaceutical options – and can help you evaluate if self-funding is right for your organization.

PRESENTERS: Jim O'Connor, Executive Vice President, of Employee Benefits, CBIZ Employee Services Organization; Mike Zucarelli, National Director, Managed Pharmacy Practice, CBIZ Employee Services Organization

FOR: Human resources professionals and C-suite executives. Recommended for organizations with 50 to 1,000 employees.

CREDIT: Approved for 1 HR (General) recertification credit hour through the HR Certification Institute.

AUGUST

NEXT PRACTICES IN WORKPLACE WELLBEING: HONORING THE EDINGTON CBIZ AWARD WINNERS

Tues., Aug. 22

1 to 2:30 p.m. Central Time

Hear both the wellbeing-strategy successes and challenges faced by some of today's most forward-thinking employers who have earned the prestigious Edington CBIZ Next Practice Award.

PRESENTERS: Dr. Dee Edington, Author and Founder of Edington Associates, LLC; Jack Bastable, CBIZ Executive Wellbeing Consultant

FOR: Human resources executives and anyone responsible for managing employee health and wellbeing programs, CFOs and CEOs. Employers of all sizes are welcome.

CREDIT: Approved for 1.5 HR (General) recertification credit hours through the HR Certification Institute.

SEPTEMBER

EMPLOYEE BENEFITS PLAN ADMINISTRATION: FROM SOUP TO NUTS

Tues., Sept. 19 – 1 to 2 p.m. Central Time

This webinar will review employee benefits plan documentation, plan reporting and disclosure requirements, plan administration requirements, and record-retention requirements.

PRESENTER: Karen McLeese, Vice President of Regulatory Affairs, CBIZ Benefits & Insurance Services, Inc.

FOR: Human resources executives or anyone else responsible for HR compliance, chief operating officers and chief executive officers. Employers of all sizes are welcome.

CREDIT: Approved for 1 HR (General) recertification credit hour through the HR Certification Institute.

OCTOBER

EMERGING RETIREMENT PLAN SOLUTIONS FOR THE SMALL-BUSINESS OWNER

Tues., Oct. 17 – 1 to 2 p.m. Central Time

Learn about a quality retirement plan that can help you attract and retain good employees; save you time and resources; and allow you to share the administrative risk with an outside vendor, enjoy a state-of-the-art recordkeeping platform and completely integrate your program with payroll.

PRESENTER: Robert Auster, J.D., Executive Vice President, CBIZ Retirement Plan Services

FOR: Small-business owners with fewer than 100 employees and any professional groups, such as accountants and attorneys, who assist these small-business owners.

CREDIT: Approved for 1 HR (General) recertification credit hour through the HR Certification Institute.

NOVEMBER

LEGISLATIVE UPDATE: THE YEAR IN REVIEW

Tues., Nov. 14 – 1 to 2 p.m. Central Time

Join us for our annual review of benefits and other employer-employee related laws that affect your business, including any additional new and relevant legislation on the books.

PRESENTER: Karen McLeese, Vice President of Regulatory Affairs, CBIZ Benefits & Insurance Services, Inc.

FOR: Human resources executives or anyone else responsible for HR compliance, chief operating officers and chief executive officers. Employers of all sizes are welcome to participate.

CREDIT: Approved for 1 HR (General) recertification credit hour through the HR Certification Institute.

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CBIZ University

Are you looking for a cost-effective way to deliver consistent employee training? How about a way to deliver training to multiple locations and avoid the scheduling conflicts when trying to bring several employees together?

If so, CBIZ University is the tool for your organization!

CBIZ University is an online learning management system (LMS), which gives you the flexibility to offer training courses to your entire workforce quickly and efficiently.

CBIZ University Courses

CBIZ University is comprised of more than 450 e-learning modules developed by legal counsel, subject matter experts and licensed professionals. Most CBIZ University courses have integrated quizzes throughout the course to test the individual's understanding of the material. Course subject matter includes but is not limited to:

- HR Compliance
- Communicating Effectively at Work
- Leadership
- Customer Service
- Hospitality
- Sales Training
- Wellness
- Environmental Compliance and Regulatory Analysis
- Workplace Safety for multiple industries

Many courses include employee and manager level training.

Custom Courses

CBIZ can also load and/or design customized course content based on your specific training and development goals, such as New Employee Orientation. Our consultants will work with you to develop materials that effectively deliver superior adult learning opportunities and ensure a clear communication of your companies' policies and procedures.

Our comprehensive learning management system also provides employees and managers with:

- Automatic e-mail notification informing employees of the need to take a course by a specified date
- Reminder emails regarding training status
- Full reporting capabilities



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CBIZ HRSOLUTIONS

CBIZ HRSOLUTIONS

CBIZ HR Solutions is a comprehensive online HR Information Portal and Live Hotline, providing you with quick access to the resources, information, and answers you need...when you need them. CBIZ HR Solutions is your HR Lifeline that helps you manage day-to-day human resources issues, thereby freeing up your valuable time.

FEATURES

LIVE HOTLINE that gives you the support of a full team of Human Resources specialists who are prepared to provide you with the answers and practical advice you need. Every month you have access to four (4) hours of HR assistance – via phone or email – so that you can:

- Submit questions and receive thorough answers
- Address HR issues while they are small and manageable
- Have a safety net and extra support when needed
- Save time!

INFORMATION BY HR TOPIC

INFORMATION & RESOURCES LINKS

The screenshot shows the CBIZ HR Solutions website interface. At the top, there is a navigation bar with links for 'Benefits & Compensation', 'Compliance', 'EEO', 'Performance & Productivity', 'Recruiting & Staffing', and 'Risk Management & Safety'. Below this is a 'Submit Question' form with a text area for describing the issue and a dropdown menu for selecting a category. To the right, there is a 'Need HR Help?' box with the phone number 1.888.7CBIZHR (1.888.722.4947) and a note about 4 hours of support remaining for the month. On the left side, there are two columns of links: 'Information Resources' (including Job Descriptions, Performance Reviews, HR Policy Handbook, etc.) and 'CBIZ Resources' (including Employee Benefits, HR Outsourcing, Compensation Consulting, etc.).

CBIZ SERVICES LINKS

EMAIL FORM

PHONE LINE

This screenshot shows the 'Fast Answers' section of the website. It features a search bar at the top with a 'Search' button and a 'Search Tips' link. Below the search bar are several icons representing different HR topics: Fast Answers, Detailed Discussion, Federal & State Law Summaries, Local Wage & Tax, Model Documents, and News & Trends. The main content area is titled 'Fast Answers' and lists several categories with their respective sub-topics:

- Benefits & Compensation**
 - Benefit Plans
 - Cafeteria Plans
 - Compensation
 - Paid Leave
 - Payroll Administration
 - Retirement
 - Wage & Hour
- Compliance (By Law)**
 - COBRA
 - ERISA
 - FLSA
 - FMLA
 - HIPAA
 - OSHA
- Equal Employment Opportunity**
 - Disabled Workers
 - Discrimination
 - Harassment
- Performance & Productivity**
 - Communications
 - Job Evaluations
 - Morale
 - Promotions
 - Retention
 - Training

INFORMATION on crucial HR topics, including:

- Benefits & Compensation
- Compliance
- Leaves of Absence
- Performance & Productivity
- Equal Employment Opportunity
- Risk Management & Safety
- Recruiting, Selection & Staffing

The CBIZ HR Solutions team provides practical human resources consulting advice based upon our research and experience in the industry and with our clients. We do not provide legal or tax advice and encourage you to consult with your labor attorney or tax accountant.



RESOURCES, MODEL DOCUMENTS AND FORMS that can be downloaded and used as a foundation from which to build custom documents for your organization, such as:

- HR Policy Handbook
- COBRA Forms
- Personnel Forms
- Promotion & Transfer Policies
- Handbook Receipt Form
- Health & Safety Policy
- Leave Policies & Forms

PRODUCTIVITY TOOLS, including:

- Custom Job Descriptions: a library of thousands of job descriptions and a tool to create your own custom descriptions within minutes
- Performance Now: a tool that facilitates preparation of employee reviews

| Job Knowledge | NA | 1 | 2 | 3 | 4 | 5 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Competent in required job skills and knowledge | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Exhibits ability to learn and apply new skills | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Keeps abreast of current developments | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Requires minimal supervision | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Displays understanding of how job relates to others | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Uses resources effectively | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Tim Barker displays an extraordinary understanding of the interrelationship between his job and the jobs of others. He demonstrates a high level of competency in the skills and knowledge required. He learns and applies new skills within the expected time period. Tim Barker works within the normal scope of supervision. He effectively uses the resources and tools available to him. However, he should

NEWS AND ARTICLES on current trends, timely subjects, best practices, and more.

VISIT US at www.cbiz.com/hr solutions to view a brief demo.



MULTIPLE SERVICES WITH A SINGLE FOCUS: YOUR SUCCESS

Growth and Success. Efficiency and Profitability. It's likely these goals are top priorities for your business. It's also likely that the daily distractions of financial and employee issues diminish your ability to focus on those goals.

CBIZ enables you to dedicate your time to critical business matters by providing custom solutions that help you manage your finances and employees.

We offer clients exceptional quality and diverse capabilities with the personal attention your business needs and deserves, all with a single focus: your success.

For more information, contact your local CBIZ Advisor or call our toll-free help line, **1-800-ASK-CBIZ** (1-800-275-2249).



CBIZ also provides specialized services, including Real Estate Services and Health Care Services



our **business** is growing **yours**

www.cbiz.com

Corporate Wellness

31. Does your company provide and/or support corporate wellness initiatives?

CBIZ has a robust internal Wellness staff with a Wellbeing Account Executive in Atlanta. LaTonia McGinnis' bio sketch is show in question #6.

LaTonia in concert with our home office resources help our clients design, implement, monitor and update Wellbeing programs that are custom design to meet our client's culture and objectives. The attached pages outline our approach.

32. Describe any programs that you provide to your clients that foster employee wellness.

Please see page 9 of the attached.





CBIZ Wellbeing Solutions Overview



Our Process

Health & Welfare Benefits Review

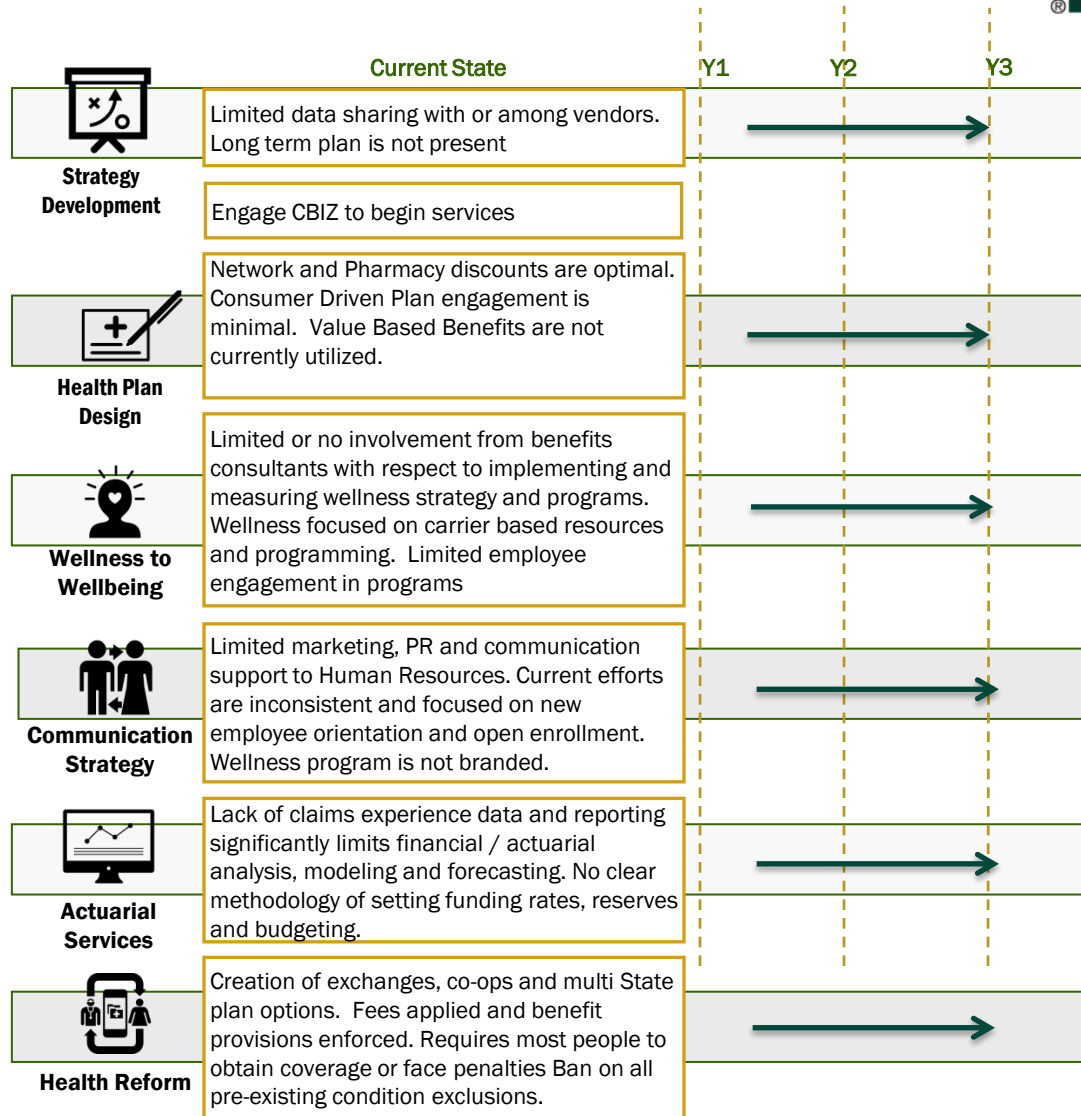
Interview Key Human Resources Staff

Benchmark Plans

Develop 3-5 Year Benefit Plan Strategy

Review Claims, History, Disease States, & Key Cost Drivers

Provide Recommendations for Improvements

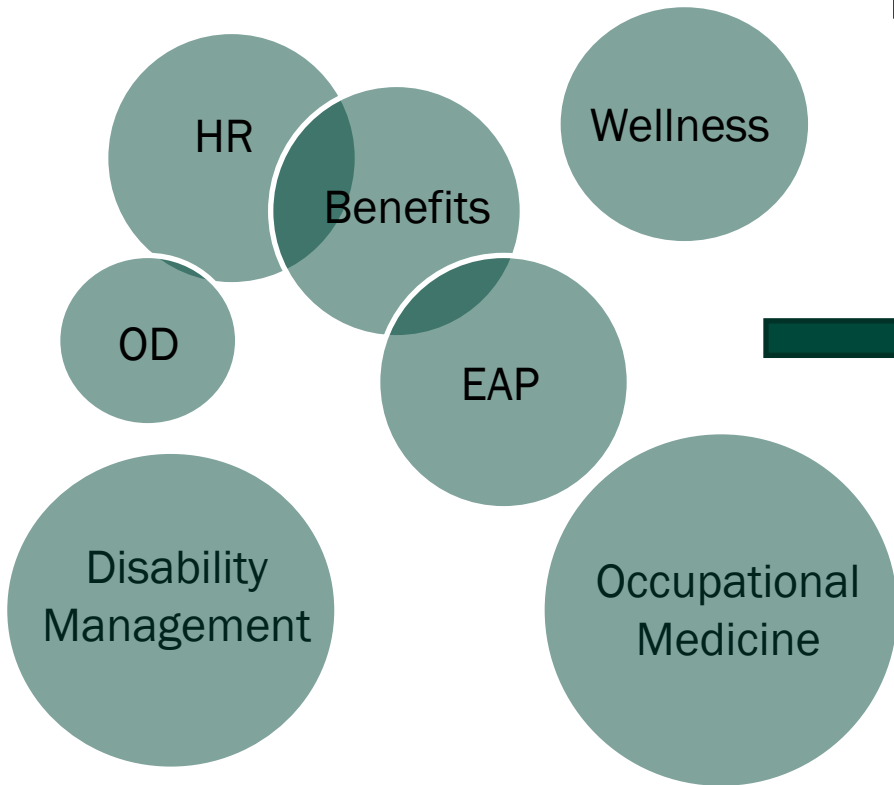


DESIRED STATE

Wellbeing Solutions

**Moving from
program silos...**

...to integrated work
performance, total health
management, well being, and
thriving





CBIZ Wellbeing Program Approach



Addressing the Needs of the Whole Person



Wellbeing Program Approach



Wellbeing Program Approach



Organizational Commitment

Wellbeing is integral to business strategy. Commitment to a culture of wellbeing is evident and shared by leaders and managers across the organization.



Sustainable Culture

The built environment, physical work spaces, procedures, policies and engaged-employee champions support a culture of wellbeing and encourage healthy choices.



Communication & Engagement Methods

Communications have a recognizable wellbeing brand. Marketing methods reach all segments of the population and engage employees and their families in meaningful ways.



Actionable Data

Data is gathered and analyzed to identify wellbeing risks, needs and resources. Data is used to make environmental changes, introduce new benefits and increase engagement.



Wellbeing Programs, Benefits & Networks

Selection, design and delivery of programs and benefits address various aspects of wellbeing. Emphasis is on vendor/ provider and employer collaboration, quality assurance and shared results.



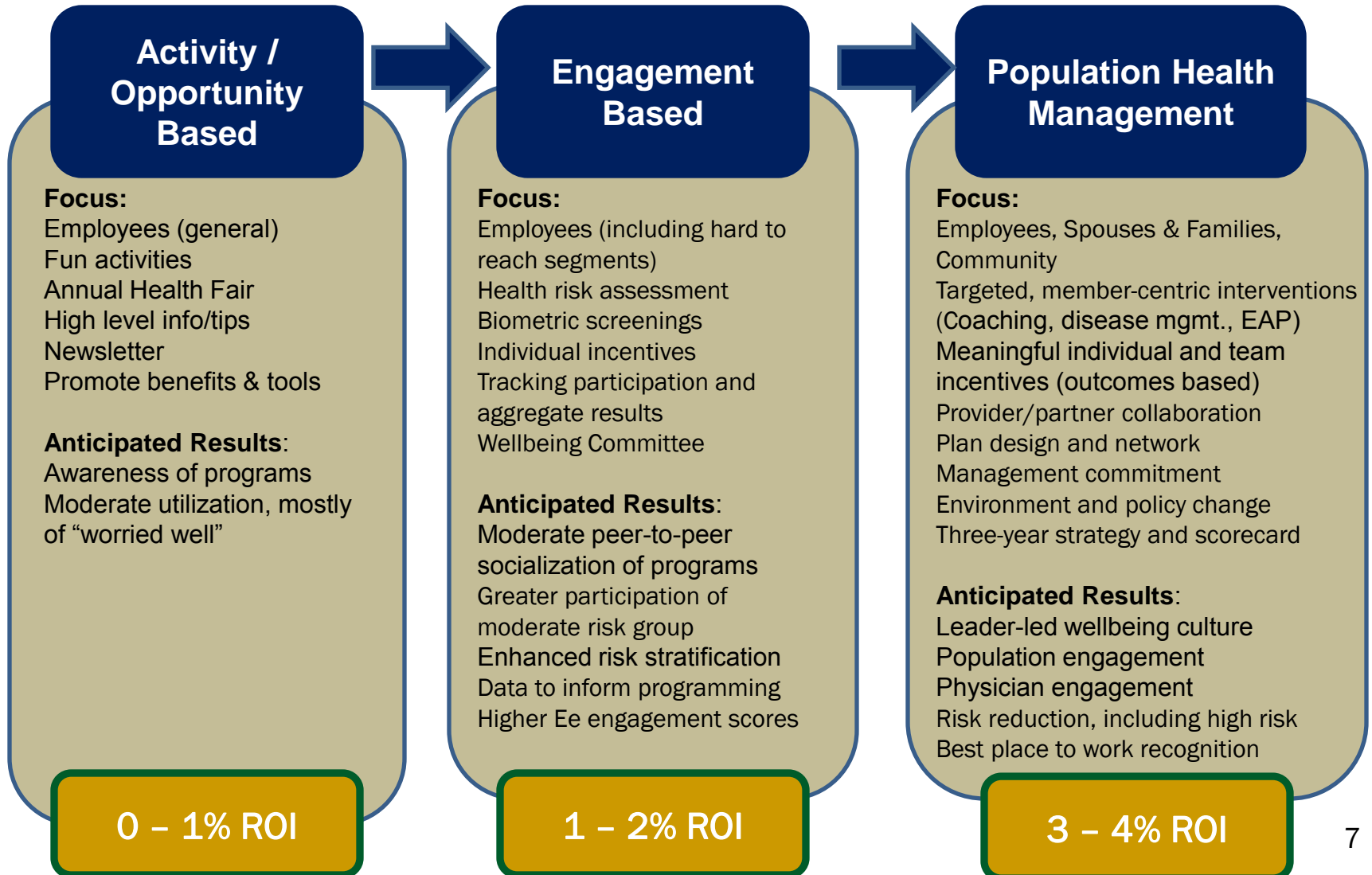
Outcomes & Value of Investment

Analytical tools and benchmarks are used to evaluate the reach and impact of programs and practices and demonstrate the value of investing in wellbeing benefits.

Approaches to Wellbeing



WELLNESS SOLUTIONS



Consulting Activities (examples)

Wellbeing consulting includes activities, such as, the following:

- Identify and document wellbeing program goals
- Assess health risks, priorities, interests
- Review environment and policies
- Inventory benefits and resources, identify gaps
- Develop business case/value for wellness programs
- Garner leader input and support
- Recommend wellbeing budget aligned with goals
- Create a three-year wellbeing strategy
- Help to develop wellbeing mission and brand

Consulting Activities (examples)



Wellbeing consulting activities, continued:

- Create employee wellbeing champions and provide resources for the wellbeing committee
- Co-develop an annual Calendar of Activities
- Recommend meaningful, compliant incentives
- Administer wellbeing services RFP, as needed
- Facilitate partner collaboration and integration
- Identify meaningful metrics for annual Scorecard
- Place and support on-site wellbeing coordinator (training, coaching, benchmarks)
- Develop 'best practice' case study and consult on employer recognition award opportunities

CBIZ Wellbeing Solutions (CWS)



CWS Team

- National Wellness Director
- Wellness Consultants/
Specialists
 - Atlanta
 - Arizona
 - Kansas/Mo.
 - Maryland
 - Minneapolis
 - Tennessee
- On-site Wellness Coordinators

Internal Partners

- Wellbeing Advisory Group
- CBIZ Business Units
- On-site Clinic Consulting
- Pharmacy Consulting
- Regulatory Affairs/ERISA
- Actuary
- Marketing...

External Partners

- Wellness Research Institute
- Preferred Wellness Vendor Network
- NBGH, WELCOA, HERO, and others
- Edington Next Practice Awards, Healthiest Employer
- Internship Program...

Wellbeing Partners (Examples)



Legislative / Compliance

33. How do you support your clients in ensuring their employee benefits programs remain compliant with all federal/state laws, and all deadlines are met?

Upon hire CBIZ will perform a complete Compliance Audit for PIKE. This audit is composed of the following:

- Creation of Compliance Calendars
- Annual Compliance Checklist and Audit
- Annual Compliance Guide by State
- Annual HIPAA Privacy and Security Training to meet Employers Regulatory Requirements
- Monthly Regulatory and Trending Issues Publication and Webinars
- Filing Assistance
 - Obtain Form 5500 Schedule A's and or C's
 - Prepare Form 5500 for review, execution and filing
- Complete Summary Annual Reports for Distribution
- Assistance with ACA Reporting
- Preparation of Summary of Material Modification and Reduction documents when needed
- Review and update of 125,105 and 105L wrap documents
- Vendor selection for nondiscrimination testing
- Auditing of Summary Plan Descriptions for Content and Compliance

Post audit, CBIZ provides HIPAA and compliance training utilizing periodic reports, webinars, CBIZ University and onsite classes.

CBIZ assists employers with regulatory filings for Form 5500, ACA, Discrimination Testing.

34. How does your firm assist clients with HIPAA compliance?

In addition to CBIZ's compliance audit, (see question 33), we evaluate the following:

- Provide required annual training
- Assist with drafting HIPAA Compliance Manual
- Review required notices for compliance and schedule distribution
- Provide HIPAA regulatory changes and compliance update webinars

35. Do you have in-house legal advisors or outside counsel who provides guidance to you and your clients?

CBIZ has both in house legal and outside legal counsel that provide guidance to our clients. Karen McLeese Esq. heads our in house compliance. Her bio sketch has been included in question #6.

Ann Murray, partner at Nelson Mullins, leads our outside counsel team. Please see her detailed information attached.

Ann E. Murray

Partner

Atlantic Station T 404.322.6603
201 17th Street NW
Suite 1700
Atlanta, GA 30363

ann.murray@nelsonmullins.com



Ann Murray is a partner in Nelson Mullins Riley & Scarborough LLP's Atlanta office where she practices in the areas of employee benefits and executive compensation. She previously served as in-house benefits counsel for a publicly-traded company, so she is able to provide clients with a business-oriented and practical approach to help them stay in compliance with the ever-changing rules.

Ms. Murray's clients include private and public employers, brokers and individuals. She assists her clients with all types of HR and benefits-related matters, including those relating to:

- qualified retirement plans (401(k), 403(b), ESOP, pension), including fiduciary obligations with respect to plan investments;
- health, life, disability, and other welfare benefits, including ERISA, ACA and HIPAA compliance;
- stock options, restricted stock and other equity incentive programs;
- deferred compensation rules;
- employment, change-in-control, bonus and other executive compensation arrangements;
- short and long-term incentives; and
- HR-compliance matters, such as payroll taxes, worker classification and data protection.

Ms. Murray also advises buyers and sellers regarding the HR and benefits risks and concerns involved in the purchase or sale of a business. She is involved with our venture capital and lending practices in assessing the potential impact of ERISA and Internal Revenue Code requirements on offerings and loans. She is a regular speaker on various topics, with recent presentations on the ACA, HIPAA & Data Breaches,

Education

University of San Diego School of Law, JD
University of San Diego, LLM, Tax
Menlo College, BA

Admissions

Georgia
Florida
California

Practice Areas

[Cybersecurity & Data Breach Response](#)
[Employment & Labor](#)
[Executive Compensation, ERISA, Employee Benefits](#)
[Mergers & Acquisitions](#)
[Non-Profit Organizations](#)
[Outsourcing](#)
[Private Equity](#)
[Public Company Compliance & Counseling](#)

Fiduciary Compliance of Investment Committees, and On-Site Clinics.

Recognitions

The bar rules of some states require that the standards for an attorney's inclusion in certain public accolades or recognitions be provided. When such accolades or recognitions are listed, a hyperlink is provided that leads to a description of the respective selection methodology.

- [The Legal 500](#)
- [Georgia's Legal Elite](#), Georgia Trend magazine
- [AV® Preeminent™](#) by Martindale-Hubbell®

Articles & Speeches

Insights

[Stop and Consider Before Cutting Back to Save on Affordable Care Act Costs](#), *FSR Magazine* (June 2016)

[4 Things You Don't Know About the ACA \(But Should\)](#), *QSR Web* (April 6, 2016)

On-Site Health Clinics --Privacy Issues - Coauthor (March 25, 2014)

Employers Should Carefully Consider Their ACA Strategies, *Daily Journal* (November 27, 2013)

Health Plan Changes Proposed, *Daily Journal* (December 5, 2012)

TalkingPoint: Boardroom Challenges – Executive Compensation And Say On Pay, *Financier Worldwide* (May 2012)

How Health Care Reform Could Impact Your Employment and Severance Agreements, *Pension & Benefits Daily* - Coauthor (November 10, 2010)

Cost-Savings and Risk-Reducing Ideas for Severance Programs, *Bloomberg Law Reports* (July 30, 2010)

Update on the Federal COBRA Subsidy: Traps for the Unwary and a Possible Savings Opportunity, *Bloomberg Law Reports* (March 29, 2010)

Offering Company Stock as an Investment Option in Retirement Plans, *Employee Benefit Plan Review* (June, 2009)

Could Your Officers or Board Face Personal Liability for Your 401(k) Plan Investment Losses?, *Journal of Compensation and Benefits* (May/June 2009)

Focus on Executive Compensation After the Election, *Fulton County Daily Report* (November 17, 2008)

The Best Laid Plans – Unique Tax and Benefits Issues in US Acquisitions, *Financier Worldwide* (October, 2008)

Health Saving Account Update, *Employee Benefit Plan Review* (October, 2008)

Employer-sponsored Personal Health Records, *Thompson's Human Resources 2009: Answers to the Top HR Questions in 2009* (October, 2008)

Events/Speaking Engagements

Dealing with the Changing HR & Benefits Landscape in 2017, *Georgia Independent College Association's Annual CFO Meeting* (March 10, 2017)

Legal and Tax Issues Impacting On-Site Health Clinics, *presented at The Value of Onsite and Near-Site Clinics Conference sponsored by the National Association of Worksite Health Centers in Memphis, Tenn.* (March 17, 2016)

Business Considerations Regarding the Affordable Care Act Requirements, *Midtown Business Radio* (March 10, 2016)

Healthcare Reform: Updates for 2016 and Beyond, *presented to Atlanta WEB* (February 18, 2016)

Affordable Care Act and Employers: Final Countdown to Compliance, *NextGeneration Manufacturing* (December 2, 2015)

Affordable Care Act Update for Small Employers and Affordable Care Update for Large Employers, *Cobb County Chamber of Commerce* (June 25, 2014)

Affordable Care Act: The Clock is Ticking for Government Contractors, *National Contract Management Association (NCMA) Webinars* (June 12, 2014)

Affordable Care Act: What Government Contractors Need to Focus on Now, *NCMA Webinars* (February 6, 2014)

California's Valued Trust, *IFEBP Health & Welfare Training for California's Valued Trust, Monterey, California* (September 12-13, 2013)

Clarifying Recent Guidance under PPACA in Anticipation of 1/1/14: Weighing the Employee-Benefit Options, *ACI 2nd National Advanced Compliance and Benchmarking Forum, New York* (May 31, 2013)

Retirement Plans – Current Legal Issues in Fiduciary Risk, CITs and Cash Balance, *Benefits Coalition Conference* (May 15-16, 2013)

Plan Sponsor Compliance with Final HIPAA/HITECH Act Regulations (May, 2013)

2013 Benefit Legal Update, *2013 Intercare Roundtable, Orange County and San Diego* (January 30, 2013)

Employee Benefits Issues in M&A, *ACI Benefits Conference* (May 24-25, 2010)

Department of Labor Correction Programs, *Worldwide Employee Benefits Network* (September 17, 2009)

Do You Have Arrangements That Might Be Affected By 409A? (January 2008)

ERISA Checklist for Group Insurance, *CSRA-Association of Health Underwriters, Augusta Chapter* (January 10, 2007)

Code §409A: Your Employees Will Pay the Price If Your Comp Plans Don't Comply (April 2006)

36. **Describe methods you employ to disseminate information about current trends and legislation. Please provide examples.**

CBIZ provides constant real-time updates as well as scheduled monthly updates. CBIZ also provides a complete state by state annual compliance manual.

(See documents provided in response to questions 27 and 29)



Our business is growing yours

www.cbiz.com



37. Do you assist clients in the preparation of their Form 5500s and Summary Annual Reports? Is there a cost for these services?

We do assist our clients with the presentation of Form 5500 and Summary Annual Reports as well as other federal and state requirements. There is no charge for this service.

Compensation

38. How is your firm compensated for your services?

Our firm can be compensated in one of three ways:

- Commission only
- Fee only
- Combination of commission and fees

39. Has your firm been subject to any lawsuits or settlements specific to compensation disclosure or practices within the last five years?

No

40. Does your firm have any reservations in making available documentation of the commissions received from insurers?

All commissions and or fees will be fully disclosed by both CBIZ directly and by Schedule A to Form 5500.

41. What is your company's philosophy on accepting contingency/override compensation from insurers relative to the placement of insurance programs?

CBIZ will accept no contingency/override compensation from insurers relative to the placement of insurance programs at PIKE.

42. Describe our right to terminate a contract with you. Is there a minimum contract period?

If elected to provide service to PIKE, CBIZ would require a Broker of Record (BOR) letter executed by PIKE appointing CBIZ as your broker/consultant (see attached).

This appointment can be terminated at any time by PIKE.





Date

Carrier
Contact Person
Address
City, ST Zip Code

Re: Client

Dear:

Effective immediately we have appointed CBIZ Benefits & Insurance Services, Inc. (“CBIZ”) as our exclusive insurance broker. The appointment of CBIZ Benefits & Insurance Services, Inc., tax identification number 31-1582098, rescinds all previous appointments and the authority contained herein shall remain in full force until canceled in writing.

This letter constitutes your authority to furnish the representatives of CBIZ all information they may request as it pertains to our insurance contracts, rates, rating schedules, surveys, reserves, retention and all other financial data they may wish to obtain for their study of our present and future requirements in connection with the insurance programs to which this letter applies. CBIZ is hereby authorized to negotiate directly with any interested company, with respect to changes in existing insurance policies and in closing, changing, increasing or canceling insurance carried under temporary binders or cover notes. We understand, however, that CBIZ will not share the responsibility for any deficiencies in the insurance programs to which this letter applies until they have had a reasonable opportunity to make a review and to provide us with their recommendations.

It is understood and CBIZ has disclosed to us that CBIZ may from time to time receive from you or your insurance company affiliates standard commissions and other compensation and consideration pursuant to this broker appointment for performing advisory and consultative services regarding the insurance coverages in force for our group account.

Sincerely,

43. **Based on the information provided and the services requested, what is your proposed annual fee? Please make certain to identify any services mentioned in your proposal that are not included in your proposed fee (services that would be an additional expense- please include relevant rate card)**

CBIZ proposes the following two compensation structures:

- a) If PIKE decides to utilize the Oracle self-service enrollment platform:
 - \$3.30 per eligible employee per month. No commission will be paid on any of the core benefit programs insuring the lowest net cost to Pike.
- b. If PIKE elects to utilize the Hodges Mace SmartBen communications, call center and enrollment platform:
 - To CBIZ - \$3.30 per eligible employee per month
 - To Hodges Mace
 - i. If Hodges Mace SmartBen conducts a new voluntary benefit offering as part of the annual enrollment and receives commission and overrides for same, their fee is \$1.90 per eligible employee per month
 - ii. If there are no voluntary commissions and or overrides paid, their fees are shown on the attached proposal
- c. Dependent Eligibility Audit (DEA) Significant savings and a compelling ROI are projected for PIKE if a Dependent Eligibility Audit is approved and conducted. Assuming 6000 dependents (spouses and children) the cost of the audit would be \$54,000 (\$9 per dependent). Assuming a 5% ineligible find, projected savings would be \$1,047,000 or a claim reduction of \$3,490 per dropped dependent. This produces a ROI of 19 to 1. If a DEA has never been conducted in the past the ROI would move to 38 to 1 at a \$54,000 cost assuming a 10% find (see attached).

This would be an additional cost as we would use Hodges Mace to conduct the DEA.





SMARTER BENEFITS

Engagement Outline and Proposal for Pike Enterprises, LLC

Presented by Alex Ward
September 29, 2017

Our mission is to simplify benefits for all stakeholders with a smarter approach to delivery, management and support.

Commit to a smarter benefit experience.

Table of Contents

| | |
|---|-----------|
| Benefit Administration Technology | 3 |
| SmartBen Essentials™ | 3 |
| Optional SmartBen Products and Services | 6 |
| SmartBen Assist™ | 6 |
| SmartBen HR Support Pack™ | 6 |
| SmartBen Sentry™ | 7 |
| Specialized Services | 8 |
| Formal New Hire Orientation | 8 |
| Summary and Pricing – Benefits Administration Solution | 9 |
| Fee Offset Assumptions and Disclaimers..... | 10 |
| GENERAL..... | 10 |
| ONGOING ENROLLMENT | 11 |
| CHANGE ORDERS | 11 |

Benefit Administration Technology

Recommended Technology Solution – SmartBen™

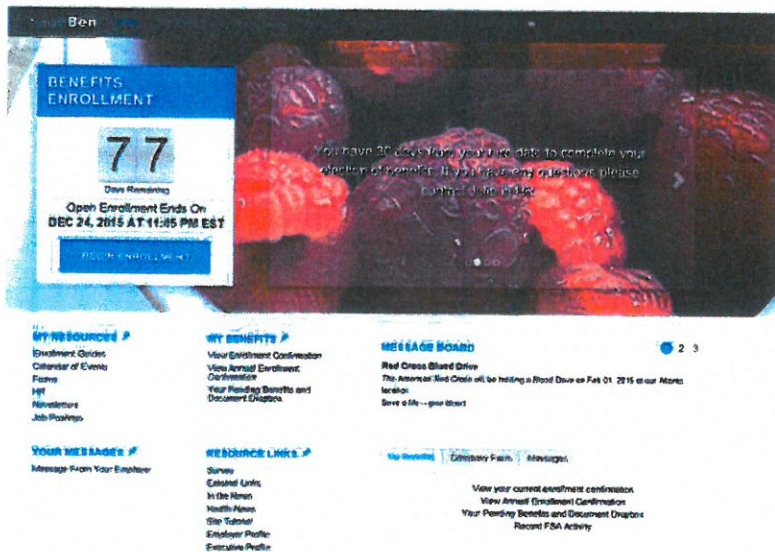
SmartBen™ is a web-based system that modernizes benefit administration and employee self-service by delivering a "smart" information platform that empowers HR and employees to be true consumers of benefits. The SmartBen™ proprietary platform is used by more than 1,500 companies, and we are confident that the application is well-suited for [Pike Enterprises, LLC](#).

SmartBen Essentials™ Communication - Enrollment - Administration

Communication – within a few clicks of your mouse...

The SmartBen site-builder allows the employer to customize a comprehensive HR communication portal. Common postings include:

- Employee Manuals, SPDs, Claims Forms and Provider Links
- News Bulletins, Newsletters, Event Calendars and Announcements
- HR Manuals, Department Directories, HR Contacts, Carrier Contacts and Job Postings
- Employee Surveys – specific to Job Class, Division or Location



SmartBen Essentials™ can be customized to include the client's logo and to host any number of important corporate communication pieces.

SmartBen Essentials™ (Cont.) Communication - Enrollment - Administration

Enrollment – made easy for employees during active or passive enrollments

SmartBen's Enroller module supports all annual and ongoing enrollment events, including open enrollment, new hire enrollment and qualified life events. Features include:

- Self-service enrollment
- Employee-specific login
- Summary of current elections
- Visual enrollment indicator status button per benefit
- SmartEnroll feature for passive enrollments
- Benefit plan descriptions
- Animated storyboards
- Animated tutorial help sections
- Plan shopping / comparison tool
- Paycheck illustration and modeling (based on employee-specific tax withholdings)
- Confirmation statements for online viewing or print

Annual Enrollment

INCOMPLETE BENEFITS

| Benefit | Plan Cost | Spouse | Employee Cost | Family Cost |
|--|-----------|--------|---------------|-------------|
| Health Insurance UHC HMO EE + Family | \$96.00 | \$0.00 | \$96.00 | \$96.00 |
| Dental Insurance Guardian Dental EE + Family | \$12.71 | \$0.00 | \$12.71 | \$12.71 |

COMPLETED BENEFITS

| Benefit | Plan Cost | Spouse | Employee Cost | Family Cost |
|---|-----------|--------|---------------|-------------|
| Mandatory Health Guardian Health | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Vision Insurance VSP Vision EE + Family | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Health Care Reimbursement Account HRA | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Dependent Care Spending Account DCAP | \$15.00 | \$0.00 | \$15.00 | \$15.00 |

Turn All The Lights Green

Click on the "Turn On" or "Complete" button to view a benefit plan or make changes. All benefits must reflect a contribution amount (shown left) to enter the "Turn On" and "Complete" buttons for each.

SELECT A PLAN

View Plan Cost \$195.01 per pay period

View Estimated Payroll \$1,685.70

Manage People

UHC HMO EE + FAMILY

\$1500/person - \$4000/family Deductible

\$0,000 Max Out of Pocket

80% after deductible Co-insurance

\$28.00 Per Pay Period

SELECT

UHC CDHP HI EE + FAMILY

\$1500/person - \$4000/family Deductible

\$0,000 Max Out of Pocket

80% after deductible Co-insurance

\$20.38 Per Pay Period

SELECTED

UHC PPO EE + FAMILY

\$1500/person - \$4000/family Deductible

\$0,000 Max Out of Pocket

80% after deductible Co-insurance

\$76.70 Per Pay Period

SELECT

Enrollment Confirmation For David Brown

Review the information below. Select "Confirm" at the top of the screen.

ELECTED BENEFITS

| Benefit | Plan Cost | Spouse | Employee Cost | Family Cost |
|--|-----------|--------|---------------|-------------|
| Mandatory Health Guardian Health | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Health Insurance UHC HMO EE + Family | \$96.00 | \$0.00 | \$96.00 | \$96.00 |
| Dental Insurance Guardian Dental EE + Family | \$12.71 | \$0.00 | \$12.71 | \$12.71 |
| Vision Insurance VSP Vision EE + Family | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Health Care Reimbursement Account HRA | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Dependent Care Spending Account DCAP | \$15.00 | \$0.00 | \$15.00 | \$15.00 |

Turn On Light

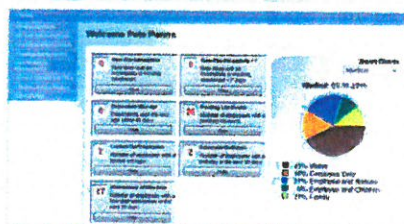
Manage People

SmartBen Essentials (Cont.) *Communication - Enrollment - Administration*

Administration – simplified for corporate Human Resources and Benefit teams

SmartBen does the heavy lifting by customizing the site with your plans, rates and eligibility rules, allowing the HR and Benefits teams to focus on strategy and planning and employee interaction. SmartBen administrative features and services include:

- Electronic data upload of employee data into SmartBen – no manual key entry!
- Custom data exports to carriers and vendors
- Complete data collection and tracking for employee, spouse, dependent and beneficiary
- Comprehensive enrollment history tracking
- HR SmartCharts for one-click access to frequently used reports (e.g., Pending Items, Enrollment Status, etc.)
- Customized and scheduled reports (census, plan enrollment, monthly self-billing, etc.)
- Ad hoc reports and HR report writer
- Email notifications on all pending events



HR SmartCharts for one-click access to frequently used reports (pending items, enrollment status, etc.)



Report Management for one-to-build custom, recurring reports (census, plan enrollment, monthly self-billing, etc.)



Employee Benefit Log to track enrollment history (by employee, dependent, plan year, etc.)



Employee Notes page to share information easily among multiple HR or Benefits team members



SSAE 16 Security Audit

SmartBen has successfully completed its (SSAE) No. 16 Type II, Reporting on Controls at a Service Organization. The audit was performed by an independent auditing firm. SSAE 16, developed by the Auditing Standards Board ("ASB") of the American Institute of Certified Public Accountants ("AICPA"), replaces the Statement on Auditing Standards No. 70 ("SAS 70"), which was the standard used for reviewing the control processes of service organizations for nearly two decades.

Optional SmartBen Products and Services

SmartBen Assist™

SmartBen Assist *Year-Round Customer Support*

SmartBen Assist is a year-round employee call center that provides professional support for all benefit inquiries and enrollment activities (annual, new hire and life events) that employees may have during the year at **Pike Enterprises, LLC**. SmartBen Assist is easily accessible to all benefit-eligible employees via a dedicated, toll-free number, weekday live answering services, and voice recording of all calls.

- **Technical Support:** Password resets, navigational assistance, screen-sharing option
- **Benefits Q&A:** Eligibility and coverage review, reprint of confirmation statements, warm transfers to core carriers for service, claim forms, etc., and employee lookups
- **Enrollment Assistance:** Dependent demographic updates, beneficiary assignment changes, enrollment assistance during new hire, life events and self-service annual enrollments

Think you'll need additional support like QLE Management or Dependent Verification? Consider upgrading to HR Support Pack.

SmartBen HR Support Pack™

SmartBen HR Support Pack *Optional HR Support*

With SmartBen Assist plus HR Support Pack you receive all of the great benefits of our SmartBen Assist service PLUS additional support for some of your most important administrative functions, including management of Qualifying Life Events (QLEs), Evidence of Insurability (EOI), Dependent Verification and Overage Dependents.

- **QLE Management:** Administration of IRS-recognized life event processes (includes document requests, collection, adjudication and storage), completion of pended QLE elections as documents are received/approved
- **EOI Management:** Finalization of all life insurance benefits in SmartBen, processing of pended elections based on underwriting decisions
- **Dependent Verification:** Verification of dependents added during Annual, New Hire and QLE enrollments, removal of ineligible dependents in SmartBen with notification to payroll and carriers, includes document requests, collection, adjudication and storage
- **Management of Overage Dependents:** Confirmation of overage dependent eligibility by individual, removal of applicable overage dependents from SmartBen, includes notification to payroll and applicable carriers

SmartBen Sentry™

Eligibility Verification – Healthcare Cost Containment and Compliance Solution

Ensuring the eligibility of all dependents enrolled in your employer-sponsored health plan is crucial to reducing financial, legal and employee risk within **Pike Enterprises, LLC**. As part of our desire to reduce employer healthcare costs, Hodges-Mace offers an Eligibility Verification Service designed to accomplish maximum compliance with minimal operational disruption.

Why Eligibility Verification?

Eligibility Verification processes identify and remove on average between 5% - 12% of dependents that should not be enrolled in your plan without decreasing benefits for eligible employees or disrupting business operations.

As part of our discovery and implementation process with **Pike Enterprises, LLC**, we will explore opportunities to improve cost-efficient practices with maximum results by focusing on three critical areas:

1. Educating and assisting employees
2. Scalable, flexible and secure technology (employee and employer portal)
3. Customizable communications campaign
 - Dedicated toll-free number, email, fax and customized website

Timeline

- Planning – 4 weeks
- Announcements
- Verification Phase – 6 weeks
- Appeal Phase – 4 weeks

H-M's verification process should reduce healthcare expenses by 3-5% on average. And it all happens in a 14-week timeframe.

Post-Verification Support (Optional)

- **Soft Landing** – Confidential counseling and placement assistance is provided to ineligible dependents to obtain best affordable non-group health insurance coverage.
- **Ongoing Maintenance** – After the Eligibility Verification is complete, Hodges-Mace offers ongoing maintenance focusing on new hires and life changes to keep employees in compliance.

Specialized Services

Recommended Education/ Enrollment Strategy with SmartBen Essentials – for Benefit-Eligible Employees

Formal New Hire Orientation

A *single-source* enrollment strategy is recommended for new hires to ensure that all newly eligible employees receive the same level of service related to their benefits orientation. Rather than offer employees multiple options to enroll, clients have found that our simple telephonic process is equally accessible to all members of the team and ensures that messaging and decision-support are delivered consistently. The process also ensures that benefits are enrolled accurately and confirmation statements are delivered on a timely basis after enrollment.

Benefit Orientation Services Include:

Enrollment Status Reports and Reminders

- Automated *email* reminders to Corporate HR and/or Local HR contacts
- Automated phone *call* reminders to employees during enrollment window

Pre-Enrollment Welcome and Instructions

- Simplified one-page customized flyer with welcome and enrollment instructions

Personalized Enrollment for Each Employee

- Dedicated toll-free number with customized greeting
- Dedicated scheduling website – with email and call reminders prior to appointment
- Full-time Benefit Orientation Specialists provide:
 - Education on *all* core and supplemental benefits and promotion of HR initiatives
 - Electronic enrollment of core benefits directly into *SmartBen Essentials*

Voice Recording Software

- Voice recording of all calls in their entirety; voice file storage and retrieval
- Voice signature capture to confirm all benefit elections

Post-Enrollment Communications

- Confirmation statements sent electronically (or via home mailing, if desired)
- “**What To Expect Next**” customized reminder communication

Post-Enrollment Survey

- Automated survey presented at the conclusion of each enrollment session
- Questions tailored for **Pike Enterprises, LLC** to solicit feedback on plans, processes, etc.

Monthly and Quarterly Reports of enrollment/survey results and call activity

Summary and Pricing – Benefits Administration Solution

Per employee per month (PEPM) fees calculated based on 5,500 active employees on the software.

| SmartBen Core Functionality | Standard Fee | With Offsets ¹ |
|---|---|---|
| <p>SmartBen Software Setup</p> <ul style="list-style-type: none"> • Dedicated Project Coordinator and EDI specialist • Configuration of all benefit plans, rates, rules, etc. • System testing <p>SmartBen Payroll and Carrier Feed Setup</p> <ul style="list-style-type: none"> • One (1) custom payroll feed to payroll system • Up to eight (8) custom carrier feeds • Additional carrier feeds priced at \$1,000 per feed | <p>\$10,500</p> <p><i>*3-Year Agreement: 50% discount or option to have \$250 Monthly Service Fee</i></p> | <p>Fees Waived based on offering Voluntary Benefits</p> |
| <p>SmartBen Essentials</p> <ul style="list-style-type: none"> • Ongoing payroll and carrier feeds • Annual reconfiguration of plans, rates, etc. • Perpetual storage of terminated employee data • 200MB document storage space. <p>SmartBen Assist – Year-Round Call Center Support</p> <ul style="list-style-type: none"> • SmartBen technical support • Answers to general benefit questions • Enrollment assistance for annual, new hire & life events | <p>\$3.90 PEPM</p> <p><i>*Assumes ≤ 25% enrollment utilization during AE</i></p> | <p>\$1.90 PEPM</p> <p>Assumes agreed upon offset strategy</p> |
| OPTIONAL - Ongoing SmartBen Products and Services | Standard Fee | |
| <p>SmartBen HR Support Pack – Year-Round Employer Assistance</p> <ul style="list-style-type: none"> • SmartBen technical support • Answers to general benefit questions • Enrollment assistance for annual, new hire & life events • QLE Management • EOI Management • Dependent Verification • Management of Overage Dependents | <p>\$1.05 PEPM</p> <p>+</p> <p>\$8,500 setup</p> <p><i>*Assumes ≤ 25% enrollment utilization during AE</i></p> | <p>N/A</p> |
| <p>Sentry - Initial and Ongoing Review</p> <ul style="list-style-type: none"> • Verification of dependents added during the plan year • New hires, life events, annual enrollment | <p>\$9 per dependent</p> | <p>N/A</p> |
| <p>New Hire Benefit Orientation</p> <ul style="list-style-type: none"> • Formal scripting and messaging • Electronic enrollment of all benefits • Assume core enrollment into SmartBen Essentials • Status reminders to managers and employees • Voice recording software/ storage/ retrieval • Post-enrollment survey and post-enrollment fulfillment | <p>\$1.52 PEPM</p> <p><i>*Minimum 500 new hires per year</i></p> | <p>Fees Waived based on offering Voluntary Benefits</p> |

Fee Offset Assumptions and Disclaimers

¹The above proposal showing fee offsets assumes that:

GENERAL

90-Day Disclaimer

The information (data) contained in this proposal constitutes a trade secret and/or information that is commercial or financial and confidential or privileged. It is furnished to **Pike Enterprises, LLC** in confidence with the understanding that it will not, without permission of Hodges-Mace, be used or disclosed other than for evaluation purposes; provided, however, that in the event a contract (or other agreement) is awarded on the basis of this proposal the prospect shall have the right to use and disclose this information (data) to the extent provided in the contract (or other agreement). This restriction does not limit **the prospect's right to use or disclose this information (data) if obtained from another source without restriction.**

This quote is valid for 90 days from the date of this proposal.

Supplemental Benefits

Pike Enterprises, LLC elects to offer the following supplemental benefits to its eligible employees:

- Vision
- Dental
- Disability Insurance
- Life Insurance
- Accident Insurance
- Critical Illness
- Whole Life Insurance

Payroll Deductions

Client will maintain payroll deductions for the products outlined above for the duration of the Agreement *and for a minimum period of 12 months following the latest effective date of such products enrolled by H-M.* This provision does not prevent employees from canceling their supplemental benefits at any time.

Eligibility

All employees included in this enrollment will be eligible for supplemental benefits and will be required to enroll through H-M as outlined in the proposal. *Additional fees will apply* for enrollment of employees not eligible for supplemental benefits (e.g., COBRA, LOAs, etc.).

Offset Guarantee

Hodges-Mace will guarantee its fee-offset proposal regardless of the level of supplemental benefit participation by employees.

ONGOING ENROLLMENT

Single-Source Enrollment Method

New benefit-eligible employees, except officers and executives, will enroll through H-M's dedicated employee benefit resource center vs. enrolling in paper, self-service or other methods.

Data File Requirements

If the client is unable to provide change files and requires H-M to extrapolate changes from full census files, H-M can provide this service at \$250/file.

CHANGE ORDERS

The client will assume responsibility for costs associated with changes to items and/or services not included in the proposal. Change Orders should be sent to H-M and are subject to approval by H-M, based on timeline requirement.



Project Background

ABC Company (ABC) is a leading provider of well completion services. With constant expansion and the increasing number of employees who are offered medical benefits, ABC wanted to complete a Dependent Verification Audit in an effort to help reduce healthcare costs, ensure accuracy in their records and eliminate ineligible dependents from their plan.

Hodges-Mace was cognizant that ABC did not want this process to negatively impact employees' viewpoint on benefits. We didn't want employees that were abiding by the eligibility rules to feel as though they had to go through a painstaking process. We made the process as easy as possible for everyone through detailed communications, and we were able to meet ABC's goals and identify ineligible dependents.

Hodges-Mace Approach

- **Communications.** A limited number of ABC's workforce has access to email. It was important to build a multiple-touch print communications campaign to deliver the message about the verification process to employees. A customized announcement packet was sent to 1,798 employees, with two additional reminder notices sent during the verification period. ABC also elected to allow an appeal process, which created an additional letter and mailing to those who had not responded.
- **Verification Process.** ABC's employees had access to a toll-free call center, toll-free fax line, email support box and a 24/7 Web portal for verifying their dependents. A dedicated customer service staff was also available to answer questions and guide employees on how to obtain and submit proper documentation. In total, the customer service line received 3,090 calls during the course of the project.
- **Real-Time Reporting.** Throughout the verification process, ABC had 24/7 access to our customized employer portal. The portal provided them with critical information about the audit, including employee status updates and real-time statistics about the audit process and performance.
- **Ineligible Dependents.** The verification process discovered 626 dependents who were ineligible for ABC's benefits. Our confidential concierge service provided placement assistance for all impacted employees in order to help them obtain affordable non-group health insurance coverage.

"I found that the dependent verification audit was a very smooth process. This was our first dependent audit, and we knew this would be a very sensitive topic for our employees. The Hodges-Mace team was extremely professional when our employees called, and every employee was handled in the same professional manner. The interaction between ABC and H-M was a very pleasant experience, and I would highly recommend this process. We were very pleased with the outcome and look forward to working with H-M in the future."

- Melissa Merrifield
HR Manager, ABC Company

Strong Results

At the conclusion of the process, Hodges-Mace had identified 626 ineligible dependents, representing 15% of covered dependents. With ABC spending \$3,204 per dependent per year, the process generated an estimated savings of \$2,015,316 for the first year.

| NUMBER OF EMPLOYEES WITH DEPENDENTS | NUMBER OF DEPENDENTS ON PLAN | NUMBER OF DOCUMENTS RECEIVED | IDENTIFIED INELIGIBLE DEPENDENTS | ANNUAL SAVINGS |
|-------------------------------------|------------------------------|------------------------------|----------------------------------|----------------|
| 1,798 | 4,500 | 9,310 | 626 (15%) | \$2,015,316 |

Continued Savings – and Partnership

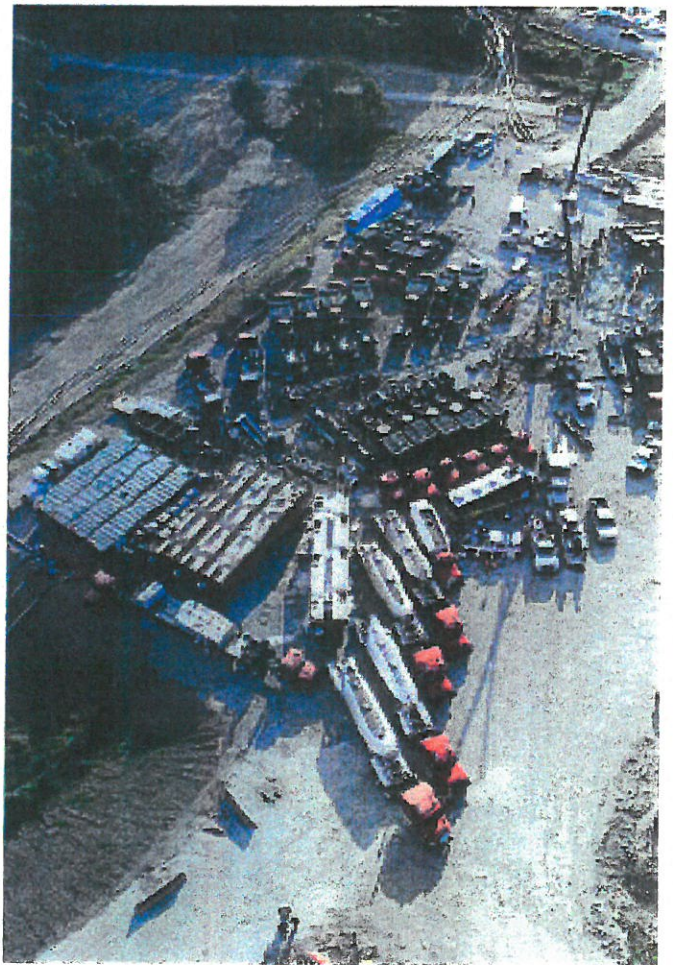
ABC has utilized our Annual Enrollment services for many years. Hodges-Mace continually provides comprehensive annual enrollment services that include customized enrollment communications, one-on-one Benefits Counselor sessions and enrollment of both core and voluntary benefits.

With the success of the initial Dependent Audit, ABC will continue to perform a monthly audit of all new dependents added during new hire enrollments and qualifying life events.

About Hodges-Mace

Hodges-Mace, LLC, headquartered in Atlanta, Georgia, is a leading provider of employee benefits communication and enrollment services to large U.S. employers.

Founded in 2004, the company's strategy remains the same as it did then: work with fewer, larger clients than our competitors, so that we can dedicate the best resources to each client. Ultimately, our high-touch service philosophy and thorough approach to solving our client's challenges translate to an exceptional customer service experience.



A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are set against a clear blue sky with a few wispy clouds. The perspective creates a sense of height and architectural grandeur. The image is used as a background for a presentation slide.

CBIZ Retirement Plan Services

Pike Enterprises, LLC.

***Comprehensive Retirement Plan Consulting
Solutions – October 15, 2017***

Request for Proposal Table of Contents

I. Request for Proposal

| | |
|--|---|
| Section I – Executive Summary | 3 |
| Section II – Introduction to CBIZ Retirement Plan Services | 5 |
| Section III – The Fiduciary Risk Manager™ | 7 |
| Section IV – Retirement Plan Consultant Request for Proposal | 9 |

II. Exhibits

| | |
|---|--|
| Section I – CBIZ Retirement Plan Services Scope of Services and Service Agreement | |
| Section II – CBIZ Service Team/Advisor Checklist | |
| Section III – CBIZ Retirement Plan Services Sample Investment Policy Statement & Legal Opinion Letter | |
| Section IV – Team Biographies | |
| Section V – CEFEX Certification – Fiduciary Advisor and Investment Advisor and Legal Opinion Letter | |
| Section VI – CBIZ Retirement Plan Services “Investment Processes, Philosophy, and Methodology” and “Investment Consulting Services & Due Diligence” White Paper | |
| Section VII – Fiduciary Responsibility/Legal Opinion Letter/404(c) Checklist | |
| Section VIII – CBIZ Retirement Plan Services SEC Form ADV Part 2 | |
| Section IX – Sample Investment Monitoring Report (Separate) and Investment Assessment | |
| Section X – Case Studies | |
| Section XI – Annual Consultant Review | |
| Section XII – Retirement Matters Newsletter/The Advantage Newsletter/Financial Wellness | |



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October 11, 2017

Molly Willey
Director of Human Resources
Pike Enterprises, LLC
100 Pike Way
Mount Airy, NC 27030

RE: Employee Retirement and Investment Consulting Services Request for Proposal

Dear Ms. Willey,

Thank you for the opportunity to provide information regarding our comprehensive 401(k) Registered Investment Advisory services for Pike Enterprises, LLC (“PIKE”). With more scrutiny placed on plan sponsors today to meet fiduciary obligations, we offer resources and custom solutions aimed at mitigating employer liability and helping employees reach their retirement goals.

CBIZ Retirement Plan Services’ mission statement is “to develop strong, long-term client relationships based on trust and confidence, built upon the delivery of comprehensive solutions utilizing our collective experience and expertise.” As a team, we do our best to always be proactive and solution-oriented. We work to make our client’s lives easier by providing them with clarity and confidence through effective internal and external communication.

CBIZ Retirement Plan Services is very proud of our team’s credentials, expertise, and experience in qualified and non-qualified retirement plan consulting. CBIZ Retirement Plan Services differentiates ourselves from competition by being comprehensive, customizable, and having the highest qualified retirement plan consultants in the industry. Our services provide a comprehensive suite of retirement planning tools and direct access to licensed financial professionals for investment guidance.

CBIZ RPS has created our the Fiduciary Risk Manager™, which is a proprietary risk management process developed to help individuals manage the personal liability associated with being a fiduciary to a 401(k) defined contribution retirement plan. The Fiduciary Risk Manager™ improves the plan by documenting the necessary steps surrounding the six primary risk areas relating to the management of the retirement plan. By identifying and improving upon these six primary risk areas, plan sponsors benefit from reduced risk, reduced time and expenses, and greater employee satisfaction with their benefits package. Ultimately, the employees can benefit with enhanced retirement outcomes.

Again, we appreciate the opportunity to provide you with information about CBIZ Retirement Plan Services. If you have any questions upon review of the information, please do not hesitate to contact me.



Learn more at retirement.cbiz.com or call 866.560.2431.

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Regards,



Eric Endress, CFA, AIF® - Primary Relationship Manager
Vice President, Senior Investment Consultant
CBIZ Retirement Plan Services



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Section II – Introduction to CBIZ Retirement Plan Services

CBIZ, Inc. (CBZ) is a publicly traded company on the NYSE and is headquartered in Cleveland, Ohio. CBIZ is one of the nation's leading providers of an array of business services, from accounting and tax to benefits and insurance, and a wide range of consulting services.

CBIZ, Inc. Facts

- One of the top ten accounting services providers in the U.S.
- One of the ten largest valuation firms in the U.S.
- Voted #1 benefits specialist in the U.S by Business Insurance Magazine (5 consecutive years)
- Over 4,000 employees in more than 100 offices nationwide



CBIZ operates in two core businesses – Employee Services and Financial Services.

Benefits & Insurance

- Employee Benefits Consulting
- Human Capital Management/ Payroll
- Property & Casualty
- Retirement Plan Services
- Human Capital Services
- Executive Search
- Compensation Consulting
- Life Insurance



Financial & Accounting

- Accounting & Tax
- Government Health Care Consulting
- Financial Advisory
- Valuation
- Litigation Support
- Risk & Advisory Services
- Real Estate Advisory Services



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CBIZ Retirement Plan Services, a division of CBIZ's Employee Services, is a national provider of retirement plan consulting and design services. We work with clients to develop a successful benefits strategy, provide CBIZ's local benefits services, complemented by our national practice strength and expertise, and use technology to enhance and streamline the delivery of these services.

CBIZ Retirement Plan Services Facts

Nationally, CBIZ Retirement Plan Services consults as a Registered Investment Advisor on total plan assets of \$13.1 billion. CBIZ RPS provides retirement plan consulting services on total plan assets of \$100 billion.

CBIZ Retirement Plan Services takes a team approach when providing consulting services to organizations. We have functional experts in each retirement plan risk area and utilize a variety of personnel and resources to deliver the highest level of services to our clients. CBIZ Retirement Plan Services is very proud of our team's credentials, expertise, and experience in qualified and non-qualified retirement plan consulting. Our team of over 450 employees across 32 offices has earned over 180 accreditations relating to retirement plans and investments. Many of these accreditations required years of study and require hours of continuing education.

- 12 Chartered Financial Analysts (CFA)
- 44 Qualified 401(k) Administrators
- 45 Qualified Pension Administrators
- 37 Enrolled Actuaries
- 17 Members of the Society of Pension Actuaries
- 31 Members of the American Academy of Actuaries
- 10 Certified Pension Consultants
- 10 Accredited Investment Fiduciaries®
- 80 additional certifications/designations



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Section III – The Fiduciary Risk Manager™

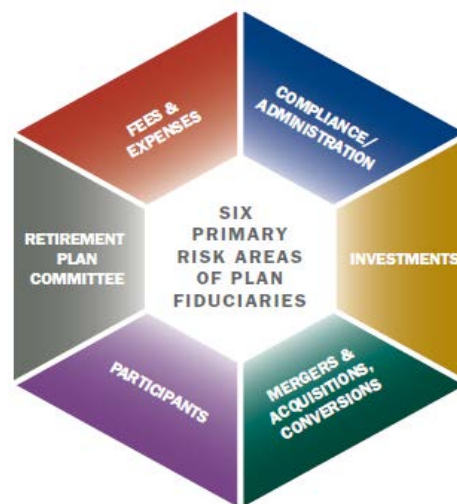
CBIZ Retirement Plan Services is proposing our ongoing co-fiduciary investment advisory and consulting solution known as The Fiduciary Risk Manager™.

The Fiduciary Risk Manager™ is a proprietary risk management process developed by CBIZ professionals to help individuals manage the personal liability associated with being a Fiduciary to a qualified plan. The Fiduciary Risk Manager™ was designed with the purpose of meeting the Global Fiduciary Standards of Excellence developed from ERISA, state trust law, the AICPA, and legal precedents.

Plan sponsors are responsible for carrying out an increasing number of duties under federal law in relation to managing their retirement plan. The majority of these duties require specific knowledge, training, experience, and resources in order to be executed properly. Our team of retirement experts is focused on helping plan sponsors manage fiduciary responsibilities effectively and efficiently. We work to keep the plan in compliance, reduce costs, and lower risk relating to the management of the plan while simultaneously increasing the employees' probability of meeting their retirement goals.

Our experience shows that many plan sponsors unknowingly operate their plan in The Fiduciary Gap™ and therefore, are exposed to increased personal liability and/or financial risks relating to the plan. Depending on where your plan lies within The Fiduciary Gap™, CBIZ has a proven solution that will help Pike Enterprises, LLC close that gap.

The Fiduciary Risk Manager™ closes The Fiduciary Gap™ by documenting the necessary steps surrounding the six primary risk areas relating to the management of the retirement plan.



- **Investments:** CBIZ RPS provides advice and takes on fiduciary responsibility related to the investments in your plan. We produce and deliver periodic investment reviews that document our due diligence and recommendations. The outcome is a best-in-class investment menu that allows your participants to build a diversified retirement portfolio.

CBIZ RPS has received independent verification that its process meets best practices through its CEFEX Investment Advisor Certification.

- **Participants:** CBIZ RPS knows that the ultimate goal of the plan is for each employee to reach a financially secure retirement. To help educate and advise your employees, we provide multiple avenues including printed materials, in-person consultations, and technology-based solutions. As an independent Registered Investment Advisor, we are able to offer your participants unbiased, conflict-free advice. Each year CBIZ RPS undergoes a CEFEX PPA Audit. CBIZ Retirement Plan Services is one of few consultants that serves as a fiduciary advisor which may enable the plan sponsor to meet the requirements for safe harbor protection under the Pension Protection Act.
- **Retirement Plan Committee:** Managing fiduciary responsibility can be complex. CBIZ RPS will guide you through a formal documented governance process that lowers organizational risk. Our process formally delegates fiduciary duties from the Board of Directors/Trustees to the Retirement Plan Committee, reducing risk and personal liability across the organization. Our process includes fiduciary training to educate the Committee members on their responsibilities.
- **Fees & Expenses:** CBIZ RPS periodically documents and benchmarks your plan's fees and expenses versus industry averages and alternate service providers. Our analysis examines total plan costs including employee & employer paid fees and their various administrative and investment components. The outcome is a competitively priced retirement plan that is commensurate with the services provided.
- **Compliance and Administration:** CBIZ's Retirement Plan Compliance Consultants act as an extension of your team, steering you towards successful plan administration and compliance. We ensure that all required filings and notices are successfully completed, properly administered according to the plan document, and that the plan remains in compliance. Our process helps you avoid costly fees and excise taxes that result from non-compliance.
- **Mergers & Acquisitions, Conversions:** CBIZ RPS has significant experience and expertise converting and merging retirement plans. Our process minimizes plan sponsor anxiety and reduces the chance of error related to integrating plans or changing record keepers. CBIZ RPS helps identify your goals and provides customized solutions. We drive the process to ensure a successful transition and allow you to focus on your core business.

Trustees, retirement plan committee members, and plan sponsors benefit from The Fiduciary Risk Manager™ as it helps to lower risk and improve the fiduciary governance of their qualified retirement plan programs. Plan participants and their beneficiaries benefit from The Fiduciary Risk Manager™ through our comprehensive suite of retirement planning tools and direct access to licensed financial professionals for investment guidance.



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Section IV – Retirement Plan Consultant Request for Proposal

Section A – Company Profile

1. Briefly describe your organization, date founded, history, ownership, and other business affiliations at each level: corporate, retirement practice and local firm.

CBIZ, Inc. (CBZ) is a publicly traded corporation on the NYSE and is headquartered in Cleveland, Ohio. CBIZ is one of the nation’s leading providers of an array of business services, from accounting and tax to benefits and insurance, and a wide range of consulting services across 100+ offices around the country.

CBIZ provides professional business services, products and solutions that help its clients grow and succeed by better managing their finances, plans, and employees. These services are provided to companies of various sizes, as well as individuals, governmental entities and for-profit enterprises throughout the United States and parts of Canada. CBIZ delivers its integrated services through the following three practice groups:

- Financial Services
- Employee Services (*Retirement Plan Services)
- National Practices

CBIZ Employee Services, which CBIZ Retirement Plan Services falls under, is a national provider of consulting and design services. We work with clients to develop a successful benefits strategy, provide CBIZ’s local benefits services, complemented by our national practice strength and expertise, and use technology to enhance and streamline the delivery of these services.

CBIZ RPS believes that its diverse and integrated service offerings result in advantages for both the client and for CBIZ Retirement Plan Services. By providing custom solutions that help clients manage their finances and employees, CBIZ RPS enables its clients to focus their resources on their own core values and operational competencies. Additionally, working with one provider for several solutions enables CBIZ RPS’ clients to utilize their resources more efficiently by eliminating the need to coordinate with multiple service providers. The ability to combine several services and offer them through one trusted provider distinguishes CBIZ Retirement Plan Services from other service providers.

2. Identify or describe any litigation or investigation by a regulatory authority that your organization or your current or previous consultant(s) have been involved in relative to the services outlined in this document in the last five (5) years.

During their current employment, no individuals have been disciplined by a government regulator for unethical or improper conduct. From time to time and in the normal course of business, our corporation is involved in claims that involve issues related to our brokerage and consulting activities. At this time there are no claims that would negatively impact CBIZ RPS’s or any of its employees’ ability to perform its duties and obligations under this engagement for Pike.



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3. As of January 1, 2017, please describe the type (401(k), Non-qualified, Defined Benefit, Retail, Other) and prevalence of plans among your clients.

As of January 1, 2017, CBIZ RPS retains the following plan types on behalf of clients:

| Qualified/Non-Qualified Plan Type | Total Number of Plans |
|--------------------------------------|-----------------------|
| 401(k)/Profit Sharing/Money Purchase | 2,635 |
| 401(a) | 201 |
| 403(b) | 325 |
| 457(b)/457(f)/Non-Qualified Plan | 115 |
| Defined Benefit/Pension Plan | 551 |
| VEBA/REBA/SERP | 35 |

CBIZ RPS provides retirement plan consulting services to over 3,100 clients with budgeted revenue for the year 2017 in excess of \$72.4M. As of January 1, 2017 across our core business lines, Actuarial holds the largest percentage of annual budgeted revenue for CBIZ RPS at \$36.7M or 51%. The Advisory core business line represents \$18.5M or 26% of total revenue while Administration/TPA services represents \$17.2M or approximately 23% of total annual revenue. CBIZ RPS' total annual revenue represents approximately 9-10% of CBIZ, Inc. Total Annual Revenue (2016 Form 10K - \$799.8M).

4. As of January 1, 2017, please describe your clients (Retail, Governmental, Endowment, Hospital, Higher Education, For Profit, etc.).

As of January 1, 2017, CBIZ RPS's Advisory Practice is comprised of approximately 55% For-Profit companies (Corporations, Retail, Private Companies, and Small Businesses). In addition, the Not-for-Profit marketplace comprises approximately 35% (Higher Education - 55%, Healthcare - 25%, Lower Education/K-12 - 10%, Churches, Governmental Entities, 501(c) (3) - 10%) of our overall practice. The remaining 10% of our practice is segmented under the CBIZ Investment Advisory Services (Endowment, High Net Worth, Wealth Management practices).

5. Is your firm a registered advisor with the SEC under the Investment Advisor Act of 1940 and does it function as a fiduciary? Please provide a copy of your current ADV Part II with your response.

Yes, CBIZ Financial Solutions, Inc. ("CFS") dba CBIZ Retirement Plan Advisory Services is dually registered as a broker/dealer and investment adviser. As a broker/dealer, CFS is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investment Protection Corporation ("SIPC"). CBIZ RPS is a registered investment advisor under the SEC pursuant to the Investment Advisors Act of 1940 since May, 1984.

For additional information, please see the included CBIZ SEC Form ADV, as reference.



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6. Please indicate if your firm has any conflicts of interest or potential conflicts of interest including, but not limited to:

- **Shared ownership or revenue sharing relationships with retirement plan service providers**

CBIZ RPS prefers a recordkeeper structure where excess investment revenue sharing is credited back to a Revenue Credit Account/ERISA bucket to pay for approved qualified retirement plan expenses and/or passed back to participants.

- **Shared ownership or revenue sharing relationships with investment managers or managers of fund of fund products**

CBIZ RPS does not accept revenue from investment managers, custodians, brokerage firms, trusts, commission recapture firms and so on in the form of dues, finder's fees, "soft dollars," or charge for conferences.

- **Direct or indirect compensation arrangement with investment managers.**

CBIZ RPS does not accept revenue from investment managers, custodians, brokerage firms, trusts, commission recapture firms and so on in the form of dues, finder's fees, "soft dollars," or charge for conferences. CBIZ RPS prefers a direct compensation arrangement with the plan sponsor.

- **Selling of information or other services to investment managers with asset based fee structures (i.e. investment decisions influenced to increase plan assets rather than adhering to investment policy statements)**

As noted above, CBIZ RPS does not accept this compensation structure and believes it to be a conflict of interest.

- **Advisors dependent on brokerage trade commissions for all or part of their fees**

CBIZ RPS does not accept revenue from investment managers, custodians, brokerage firms, trusts, commission recapture firms and so on in the form of dues, finder's fees, "soft dollars," or charge for conferences. CBIZ RPS prefers a direct compensation arrangement with the plan sponsor.

7. How long have you been working with employer-sponsored retirement plans?

CBIZ Retirement Plan Services has been serving clients since October of 1998. Predecessor firms acquired by CBIZ, Inc. that now make up CBIZ RPS have served clients for over 30 years.

Eric Endress (primary CBIZ RPS Team Lead) and the CBIZ RPS Services' Team for Pike holds more than 75 cumulative years of experience.

8. As of January 1, 2017, total plans your firm is providing with ongoing services?



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As noted in the table found in Question #3 of the RFP Response, CBIZ RPS consults as a Registered Investment Advisor on total plan assets of \$13.1 billion. CBIZ RPS provides retirement plan consulting services on total plan assets of \$100 billion.

CBIZ RPS provides retirement plan consulting services to over 4,000 clients (approx. 3,000+ Advisory, 400 Administration, and 600 Actuarial) with budgeted revenue for the year 2017 in excess of \$72.4M.

a) Average plan retention (years), number of new plans added in past 24 months and number of plans lost in past 24 months.

CBIZ RPS is proud to leverage an approximate 8.5 year or 96% retention rate for clients. For those plans similar in size, scope and scale to Pike, CBIZ Retirement Plan Services has added 253 retirement plan clients nationally in the last 24 months. Additionally, for the period ending December 31, 2016, CBIZ Retirement Plan Services has been terminated by 118 clients nationally.

Many of the lost plans have been as a result of acquisition activity and client plans rolling into the new/larger PEO/parent company.

9. As of January 1, 2017, describe the breakdown of your current business (please give the number of plans in each segment and by type)

- Less than \$50,000,000** – 2,223 plans
- \$50,000,000 to \$100,000,000** – 76 plans
- \$100,000,000 to \$500,000,000** – 52 plans
- Over \$500,000,000** – 35 plans

9. As of January 1, 2017, please provide total assets under advisement (please round to the nearest million) Total assets under advisement:

Nationally, CBIZ Retirement Plan Services consults as a Registered Investment Advisor on total plan assets of \$13.1 billion. CBIZ RPS provides retirement plan consulting services on total plan assets under management of \$100 billion.

- Qualified Defined Contribution (% of business)** - \$30 billion (DC Advisory/Admin)
- Qualified Defined Benefit (% of business)** - \$65 billion (DB Advisory/Actuarial/Admin)
- Other (% of business)** - \$5 billion

13. Retirement Adviser Compensation, please give % of retirement plan revenue derived from each other the past months:

Please see our corresponding responses for approximate compensation structures:

- Commissions:** Less than 2% of legacy/historic relationships (currently repapering to Fee Based ongoing)
- Fees based on Assets:** 47%
- Fees based on Service/Project:** 61%



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14. Consulting engagements in past 24 months (please describe type and assets/participants involved)

CBIZ RPS has performed 170+ consulting relationships for clients in the past 24 months. CBIZ RPS has provided clients a sample of the following comprehensive services as consulting engagements:

- Investment Assessment
- Fee Benchmarking Assessment
- Operational Compliance Review
- Plan Design Review
- Participant Health Analysis
- Financial Wellness Program Evaluation

These consulting projects/engagements have assisted over 200,000 participants and approximately \$5 billion in consulting assets under management.

15. As of January 1, 2017, participants in the plans you advise:

As of January 1, 2017 the following chart depicts the overall participants across business lines of CBIZ RPS:

Qualified Defined Contribution – More than approximately 1,861,351

Qualified Defined Benefit – More than approximately 264,594

Other – Approximately 1,000

16. What is your adviser/broker dealer affiliation?

CBIZ Financial Solutions, Inc. (“CFS”) dba CBIZ Retirement Plan Advisory Services is dually registered as a broker/dealer and investment adviser. As a broker/dealer, CFS is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investment Protection Corporation (“SIPC”).

17. Plan services you perform for retirement plans (identify all that apply)

- **Committee Charter**
- **Written Service Contract/Guarantee**
- **Plan Governance Review**
- **Investment Reviews**
- **Vendor/Fee Review**
- **Vendor Search**
- **Investment Policy Statement**
- **Participant Communications and Education**
- **Other (please specify)**

CBIZ Retirement Plan Services strives to be the most comprehensive retirement plan consultant in the marketplace. Our consulting team is able to perform all services listed above. In addition, CBIZ RPS is also able to provide the following additional services, as recommended to name a few.



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- Comprehensive Financial Wellness Suite of Services
- Operational Compliance Assessment – To ensure the plan(s) are operated in accordance with the processes outlined in the plan document(s).
- Plan Health Assessment – Plan/Participant Retirement Success Analysis

18. For the plans you have worked with longer than 12 months, what is the average:

For those clients who have engaged CBIZ RPS in the last 12 months, the following statistics reflect average plan related information taken from a sample client list similar in size, scope and scale to Pike:

Number of Participants – Total # of participants engaged – 123,448 / Average # of participants - 271

Participation Rate – Average Participation Rate 78%

Participant Deferral Rate – Average Deferral Rate – 5.5%

19. Describe any plan design initiatives you have led with your customer base during the past 24 months.

Compliance support is an area where CBIZ RPS is uniquely positioned to support our plan sponsor clients. Through our proprietary Operational Compliance Assessment process, we often uncover operational compliance/fiduciary issues that go unnoticed because they are outside the scope of services of a traditional corporate plan recordkeeper. Unfortunately, these problems can result in significant risk to the plan sponsor if left unnoticed. The following examples provide some of the major compliance/fiduciary issues that we regularly uncover in client’s plan designs:

- a) When was the last time I reviewed my plan document to see that I am following the provisions stated in the document and that my plan is up to date with regulatory amendments? Failure to comply with the terms of the plan will result in an operational failure that requires a correction to the plan. In addition, new plan document change recommendations have been updated by the IRS and CBIZ RPS is in the process of proactively reviewing client plan documents to help ensure compliance prior to calendar year 2020.
- b) Are each of the components of compensation flowing through your payroll treated correctly under both the terms of the plan and the IRS rules? Compensation issues are not usually caught by your recordkeeper and can continue for years leading to liability for incorrect contributions and potential loss of tax-qualified status.
- c) Are the plan contributions being deposited in accordance with the Department of Labor (DOL) guidelines and in accordance with the Plan Document? Failure to remit participant deferral in a timely manner as described by the DOL can result in a costly error. It is also important to review the timing of submitting employer contribution.

20. Describe any particularly noteworthy investment initiatives you have led with your customer base during the past 12 months.



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CBIZ RPS has been at the forefront of assisting Committees manage the tasks associated with their investment programs on behalf of participants. While we have included Case Studies in the Exhibits Section, it's important to note some of the achievements gained for clients and their participants in the past 12 months.

CBIZ RPS has successfully identified, negotiated, provided investment enhancements and gained fee savings for more than 30 organizations in the last year by providing a comprehensive investment/fee assessment to identify opportunities (typically 20-40% cost savings) from previous plan structures/relationships. Due to our footprint in the retirement plan marketplace as one of the largest investment consultants for qualified plans, CBIZ RPS has direct relationships with senior and executive management at recordkeepers to negotiate on behalf of their clients and participants.

In addition, CBIZ RPS has also expanded our proprietary Target-Date Evaluator™ process to help identify the most appropriate target-date fund family on behalf of clients and their participants (30 different lifecycle/lifestyle families researched on an annual basis).

Finally, CBIZ RPS has created its Stable Value Product RFI that benchmarks the leading stable value products, guaranteed and fixed-income investment vehicles on behalf of plans as compared to the Hueler Stable Value Index and other marketplace products.

Section B - Service Team

1. Who will be responsible for the consulting relationship? Please provide a brief biography.

While Jamie Stampar will act as CBIZ's Primary Relationship Manager for Pike, Eric Endress, CFA, AIF® will lead the Retirement Plan Services' Team. Mr. Endress will be accompanied by the following CBIZ RPS Team Members to support the Pike relationship:

Eric Endress, CFA, AIF®
Vice President/Senior Investment Consultant
eendress@cbiz.com
216-520-6161

Cory McComas, CPFA
Investment Consultant
cmccomas@cbiz.com
216-520-6176

Jennifer Zeck, QKA
Retirement Compliance Consultant
jzeck@cbiz.com
216-525-1089

Please see the Exhibits Section for the CBIZ RPS Service Team's biographies, as requested.

2. Describe your "consulting philosophy" (i.e. your role as a consultant).



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As mentioned above, CBIZ Retirement Plan Services takes a team approach when providing consulting services to organizations. We have functional experts in each retirement plan risk area and utilize a variety of personnel and resources to deliver the highest level of services to our clients. CBIZ Retirement Plan Services is very proud of our team's credentials, expertise, and experience in qualified and non-qualified retirement plan consulting. Our team of over 450 employees across 32 locations has earned over 180 accreditations relating to retirement plans and investments. Many of these accreditations required years of study and require hours of continuing education.

CBIZ RPS believes that its diverse and integrated service offerings result in advantages for both the client and for CBIZ Retirement Plan Services. By providing custom solutions that help clients manage their finances and employees, CBIZ RPS enables its clients to focus their resources on their own core values and operational competencies. Additionally, working with one provider for several solutions enables CBIZ RPS' clients to utilize their resources more efficiently by eliminating the need to coordinate with multiple service providers. The ability to combine several services and offer them through one trusted provider distinguishes CBIZ Retirement Plan Services from other service providers.

3. Why should our company select your organization? What sets your services apart from your competition? Please give at least two objective reasons.

CBIZ Retirement Plan Services is very proud of our team's credentials, expertise, and experience in qualified and non-qualified retirement plan consulting. CBIZ Retirement Plan Services differentiates ourselves from competition by providing comprehensive, customizable services and having the highest qualified retirement plan consultants in the industry.

Further, CBIZ Retirement Plan Services is independently certified as a CEFEX (Centre for Fiduciary Excellence) Investment Advisor, confirming that CBIZ RPS adheres generally to the fiduciary standards of excellence (referred to as the Fiduciary Practices) as defined by the "Prudent Practices for Investment Advisors" (U.S. Edition) handbook as published by Fiduciary360 (fi360). We are also independently certified as CEFEX Fiduciary Adviser verifying our process for providing investment advice to retirement plan participants.

Our services represent a comprehensive suite of tools that help plan sponsors manage risk and enhance participant retirement outcomes. We believe that the noted differentiators separate our team and solutions from the competition. We are confident that we can manage the required tasks as outlined by your request for proposal and will work hard to produce an outcome that meets the objectives of your organization.

Section C – Services

(1) – Performance Monitoring and Reporting

1. Describe your firm's performance reporting and evaluation services.

The following tools/applications/software are proprietary and utilized for the quarterly due diligence process of evaluating managers:

-Morningstar Direct – Utilized for Quarterly Investment Due Diligence Reporting



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-**Bloomberg Terminal** – Utilized for Quarterly Investment Due Diligence Reporting and Economic Analysis

-**FinaConnect, LLC.** – Utilized for organization and aggregation of plan information for quarterly Investment Monitoring Reports – Reporting CRM

These three applications are provided through national providers, however, they have been customized to CBIZ RPS' proprietary requirements.

The CBIZ RPS research and due diligence process is a multi-step approach that is designed to identify and continuously monitor the top investment managers – defined as those managers that can be expected to deliver consistent and sustainable excess returns over various market cycles. Our size and scale allows us to have access to leading managers in the industry. On a regular basis, our investment consultants meet with and interview managers.

2. What methods and sources of data do you use in calculating investment performance of a plan's investments? Describe this process.

CBIZ Retirement Plan Services utilizes Morningstar Direct and our Bloomberg terminal for its analytical database services to gather fund information to input into our proprietary Investment Monitoring Report database created by FinaConnect, LLC. Upon each quarter end, the Investment Consulting Team conducts underlying due-diligence on all investment offerings in our client's portfolios. From there, as noted in previous responses our due-diligence teams apply our Watch List criteria to make a formal determination on the status of each option. From there, those investment options that make our Watch List are provided a custom write-up and recommendation for client Investment Meetings and documented in our Investment Monitoring Reports. Our Investment Monitoring Reports are proprietary products of CBIZ RPS and are provided to clients at their chosen Investment Review frequency.

CBIZ Retirement Plan Services believes consistent, long-term results are best achieved through a rigorous and disciplined investment process. With this in mind, CBIZ RPS has developed our proprietary Four Pillar Investment Process:

- Investment menus should be “built for the masses” and prioritize simplicity while still offering a wide variety of choice.
- Defined contribution plans should offer actively managed, passively managed (index), and target-date/risk-based investment options.
- Investment management costs are a major predictor of long-term performance and should be minimized to the extent possible.
- Investment managers should be evaluated over full market cycles.

The CBIZ RPS research and due diligence process is a multi-step approach that is designed to identify and continuously monitor the top investment managers – defined as those managers that can be expected to deliver consistent and sustainable excess returns over various market cycles. Our size and scale allows us to have access to leading managers in the industry. On a regular basis, our investment consultants meet with and interview managers.



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CBIZ RPS reviews plan investment options quarterly utilizing the qualitative and quantitative metrics described in the Investment Policy Statement. CBIZ RPS will include the following criteria in an Investment Policy Statement to select and monitor specific investment options:

- Management Tenure – How long has the portfolio manager(s) been overseeing the portfolio?
- Operating Expense, or Management Fee – Is the manager fee competitive relative to its peer group and commensurate with the quality of the product?
- Investment Performance – Is it consistently competitive relative to its peer group over the trailing 1, 3, 5, and 10 year periods?
- Sharpe Ratio – is the manager adding value relative to level of risk of the portfolio?
- Calendar Year Performance – Is the manager’s over/under performance attributable to a few reporting periods, or is there a longer term consistency?
- Allocation by Holding – Is it diversified within the top 10 holdings? How many positions in total does it hold?
- Allocation by Sector – Is it diversified amongst the different sectors of the economy and where is it making its larger commitments?
- Financial Statistics for Stock Funds such as the average price/earnings ratio and the median market capitalization – Is it true to its stated style or has it drifted?
- Financial Statistics for Bond Funds such as average credit quality, effective duration and average maturity – Is it over or underweighting government and/or corporate bonds and how much credit/duration risk is the manager taking?

3. Describe how benchmarks are chosen or developed. Can your firm provide customized benchmarks?

CBIZ Retirement Plan Services utilizes benchmarks for each of our client’s investment options. The following is a sample list of primary benchmarks we utilize for different asset classes:

- Barclay’s Aggregate Bond
- S&P 500
- Russell 1000
- Russell 1000 Growth / Value
- Russell 2000
- Russell 2000 Growth / Value
- Russell Mid Cap
- Russell Mid Cap Growth / Value
- MSCI EAFE

In addition to the primary benchmarks, we compare each fund’s performance to its peer group (i.e., Large Cap Value, Large Cap Growth, etc.). We utilize Morningstar Direct for these comparisons.

We can also provide customized or style benchmarks through Morningstar Direct for unique products that are historically difficult to benchmark.

4. How do you measure risk? How do you measure return?



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The following criteria outlines the risk and performance measurements leveraged to provide a recommendation on the status of an investment option. CBIZ RPS utilizes both Qualitative and Quantitative metrics when making a determination on an investment's status. Investment options are categorized in accordance versus Morningstar peer rank in category.

Performance

- 3-year performance – Top 60% of category
- 5-year performance – Top 50% of category
- 10-year performance – Top 50% of category

Risk

- 3-year Sharpe ratio – Top 60% of category
- 5-year Sharpe ratio – Top 60% of category
- 5-year Upcapture – Top 60% of category
- 5-year Downcapture – Top 40% of category

Style/Operations

- Style drift – style matches category
- R-squared – greater than 80%
- Manager tenure – 2 years or more
- Total fund assets - \$100 million +
- Expense ratio – lowest 50% of category

Ratings

- Score above 70% – Pass
- Score below 70% – Watch
- Typical number of consecutive Watch quarters for Action recommendation – 4

5. How often are performance reports produced and delivered? How timely after a reporting period is a performance report available from your firm? Please provide a sample performance evaluation report during the finalist interviews.

Our Investment Monitoring Reports are proprietary products of CBIZ Retirement Plan Services and are provided to clients at their chosen Investment Review frequency.

Investment due diligence is conducted on a quarterly basis approximately 4-6 weeks following quarter-ending results upon which a client may be scheduled to receive their applicable Investment Monitoring Report.

Please see the Exhibits Section for a copy of our CBIZ RPS Sample Investment Monitoring Reports.

6. Is your performance report produced in-house or by a third party?



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As noted, our Investment Monitoring Reports are proprietary products of CBIZ Retirement Plan Services

7. Give an overview of your firm's approach and criteria for placing a manager on a watch list, under what conditions would the manager be removed from the watch list?

CBIZ RPS reviews plan investment options quarterly utilizing the qualitative and quantitative metrics described in the Investment Policy Statement. CBIZ RPS will include the following criteria in an Investment Policy Statement to select and monitor specific investment options:

- Management Tenure – How long has the portfolio manager(s) been overseeing the portfolio?
- Operating Expense, or Management Fee – Is the manager fee competitive relative to its peer group and commensurate with the quality of the product?
- Investment Performance – Is it consistently competitive relative to its peer group over the trailing 1, 3, 5, and 10 year periods?
- Sharpe Ratio – is the manager adding value relative to level of risk of the portfolio?
- Calendar Year Performance – Is the manager's over/under performance attributable to a few reporting periods, or is there a longer term consistency?
- Allocation by Holding – Is it diversified within the top 10 holdings? How many positions in total does it hold?
- Allocation by Sector – Is it diversified amongst the different sectors of the economy and where is it making its larger commitments?
- Financial Statistics for Stock Funds such as the average price/earnings ratio and the median market capitalization – Is it true to its stated style or has it drifted?
- Financial Statistics for Bond Funds such as average credit quality, effective duration and average maturity – Is it over or underweighting government and/or corporate bonds and how much credit/duration risk is the manager taking?

Funds that violate the following metrics typically make our Watch List but are not placed on our Watch List solely by way of a static formula. Meaning there is an element of subjectivity that we believe is essential to our investment process.

In the course of evaluating investment managers, three general conclusions are typically reached which form our recommendations to plan sponsors:

- Suitable fund – continue to invest.
- Watch List – we are alert to circumstances in the fund that may lead to an adverse opinion or recommendation. These funds should be documented and reviewed more carefully.



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- Recommend Replacement – the fund is no longer considered suitable as a retirement plan investment. The fund should be dropped from the list of investment offerings.

Funds are not placed on our Watch List solely by way of a static formula, meaning there is an element of subjectivity that we believe is essential to our investment process.

Watch List funds remain for a period of three (3) months to one (1) year, depending on the reasons and the amount of time needed to reverse or stabilize the problem.

8. What is the basis for terminating a fund? Describe the process.

If a fund on our watch list is not improving, CBIZ RPS will recommend a discussion with the plan Committee around a replacement for that investment. We typically recommend mapping assets and contributions to the new fund.

As reflected above, in the case that CBIZ RPS' due diligence team recommends replacement of a specific investment option, CBIZ Retirement Plan Services will:

1. Coordinate with the vendor(s) the available replacement option(s)
2. Discuss any potential pricing/revenue conflicts that are foreseen
3. Conduct due diligence on 3-5 alternatives for the client's review
4. Make a formal recommendation (in writing) to the Investment/Retirement Plan Committee and document the process
5. Work with vendor(s) to ensure communications are completed, timely, and appropriate so that participants are aware of any upcoming changes, as applicable to required notification procedures
6. Leverage any onsite education needs for the new option(s)
7. Confirm that the investment change has been conducted and that there are no assets left in the previous investment option
8. Document process for submission of changes back to executive level committees/Board based on Pike's hierarchy

9. Please describe the procedures your firm employs in recommending new or additional funds.

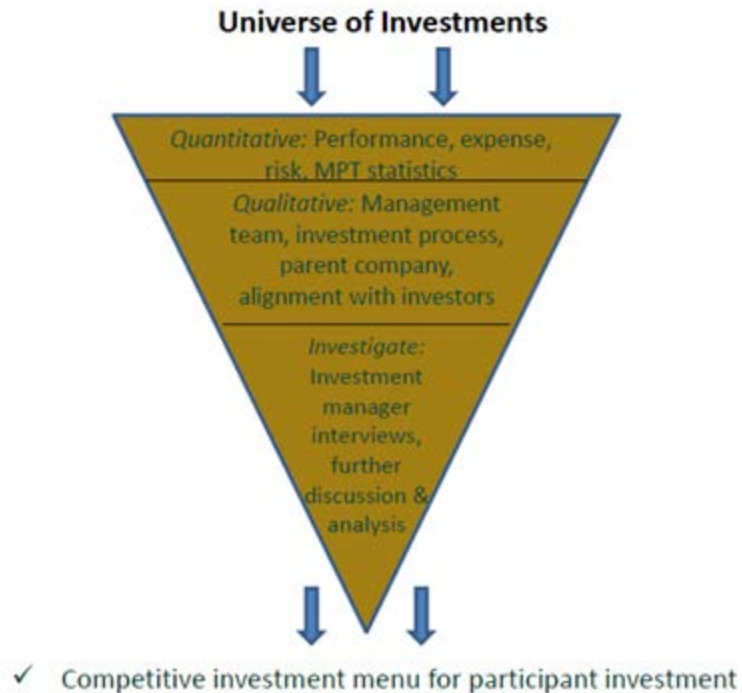
CBIZ RPS recommends competitive investment products that best suit our client's needs based on rigorous research process and due diligence. The following infographic reflects the comprehensive process our Investment Consulting Team follows when conducting a manager search:



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Due Diligence Procedures



As part of our rigorous investment manager search process, we also conduct proprietary research to produce economic and market summary and outlook. We filter out the “white noise” in the media and review economic summary/outlook based on domestic and international macroeconomic research, including geopolitical risks.

Finally, our team also evaluates market summary/outlook based on valuation methods, asset flow study, interest rate and inflation models, and macroeconomic factors.

Based on these factors, as reference, CBIZ RPS can provide a recommended preferred investment lineup to clients for single investment changes or full investment lineup shifts.

CBIZ PREFERRED LINEUP

| <i>QDIA:</i> | | <i>American Funds Target Date</i> | |
|---|--------|-----------------------------------|--|
| EXISTING FUNDS | TICKER | STYLE | |
| <i>GUARANTEED ACCOUNT</i> | | | |
| TBD based on recordkeeper | N/A | Guaranteed Stable Value | |
| <i>BOND</i> | | | |
| Goldman Sachs Bond Instl | GSNIX | Intermediate-Term Bond | |
| Vanguard Total Bond Market Index Adm | VBTLX | Intermediate-Term Bond | |
| <i>LIFESTYLE</i> | | | |
| American Funds 2010 Trgt Date Retirement R6 | RFTTX | Target Date | |
| American Funds 2015 Trgt Date Retirement R6 | RFJTX | Target Date | |
| American Funds 2020 Trgt Date Retirement R6 | RRCTX | Target Date | |
| American Funds 2025 Trgt Date Retirement R6 | RFDTX | Target Date | |
| American Funds 2030 Trgt Date Retirement R6 | RFETX | Target Date | |
| American Funds 2035 Trgt Date Retirement R6 | RFFTX | Target Date | |
| American Funds 2040 Trgt Date Retirement R6 | RFGTX | Target Date | |
| American Funds 2045 Trgt Date Retirement R6 | RFHTX | Target Date | |
| American Funds 2050 Trgt Date Retirement R6 | RFITX | Target Date | |
| American Funds 2055 Trgt Date Retirement R6 | RFKTX | Target Date | |
| American Funds 2060 Trgt Date Retirement R6 | RFUTX | Target Date | |
| <i>GROWTH & INCOME</i> | | | |
| Vanguard Windsor II Admiral | VWNAX | Large Value | |
| Vanguard 500 Index Adm | VFIAX | Large Blend | |
| <i>GROWTH</i> | | | |
| American Funds Growth Fund of America R6 | RGAGX | Large Growth | |
| <i>AGGRESSIVE EQUITY</i> | | | |
| Columbia Mid Cap Value | CMVYX | Mid Value | |
| JPMorgan Mid Cap Growth R6 | JMGMX | Mid Growth | |
| DFA US Small Cap I | DFSTX | Small Blend | |
| Vanguard Small Cap Index Adm | VSMAX | Small Blend | |
| <i>INTERNATIONAL / GLOBAL</i> | | | |
| Vanguard Developed Markets Index Adm | VTMGX | Foreign Large Blend | |
| American Funds Europacific Growth R6 | RERGX | Foreign Large Blend | |

CBIZ RPS prefers to customize a portfolio for each and every client based on specific circumstances, conditions and considerations that need to be included in our recommendation, as needed.



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10. Describe the ongoing due diligence that you provide.

Based on the quarterly due-diligence procedures outlined in the previous responses, CBIZ RPS provides all investment related research at each investment review meeting based on client meeting frequency.

All due-diligence is contained in our Investment Monitoring Report and a sample copy can be found in the Exhibits Section, as reference.

(2) - Investment Policy & Asset Allocation

10. Describe the processes your firm uses to assist clients in developing investment policies and objectives.

We will work with Pike to customize an Investment Policy Statement to accommodate your preferences as to policy guidelines for the plans. Our preference is to construct a policy that ultimately serves to create an optimal balance between performance and fiduciary prudence. To that end, our template IPS provides a general description of the frequency and method for reviewing managers/funds and a clear statement of the Committee's attitude towards risk management.

The Investment Policy Statement needs to be flexible to accommodate the Committee's preferences and involvement. We recommend that Policies are written to serve as a blue print to evaluate asset allocation and manager performance but not as a step-by-step process for plan oversight. Committees and/or consultants cannot anticipate all potential future scenarios and should not try to incorporate them in a single document. The Policy needs to provide a broad outline with a focused approach to overseeing assets, managers and consultants.

We would possibly make a change to an Investment Policy Statement if the document was written in a manner that would accrue unintended risk to a retirement committee. For example, if a committee consisted of individuals who could not commit to meeting quarterly due to business schedules, we would change a clause that described frequency of meetings from "quarterly" to "periodic." Another example would be to broaden the range of permitted allocation to asset classes, if the committee preferred more flexibility in the management of assets.

We would also make changes to an Investment Policy Statement in order to stay current with Department of Labor guidelines and changes in the industry. For example, when the DOL released guidance on suggested policy language related to target date funds, CBIZ promptly updated investment policy statements for our clients. In the context of an ERISA §3(38) client, CBIZ requires that the Retirement Committee approve any changes to the IPS. Please see the Exhibit Section III for a sample of our Investment Policy Statement.

12. Describe your asset allocation approach and modeling.

Research has shown that many participants do not want the pressure of actively managing their retirement portfolio. Target-date or risk-based options provide an easy-to-use, outsourced solution to participants without the additional fees associated with managed accounts. Our approach is simple, we prefer target-date to risk-based due to the glide path component. We advise our clients to help



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them best select and monitor a competitive target-date series or custom target date portfolio that best suits their participants; designate default fund (QDIA).

13. What is your philosophy in utilizing Mutual funds vs Separate Accounts vs Collective Trusts?

While CBIZ RPS is an independent consultant and works with any recordkeeping program, or investment product in the marketplace (mutual funds, separate accounts, individual/group annuities, CITs, ETFs, etc.) it is in CBIZ RPS' preference to recommend low-cost/high performing mutual funds for our client's retirement plan programs.

Our investment philosophy hinges on the fact that investment management costs are a major predictor of long-term performance and should be minimized to the extent possible. While Separate Accounts or "wrapped-products" offer a great value to performance for participants, excess costs inherently built into the product can cause long-term underperformance relative to mutual fund peers.

We are aware of the trend for large plan sponsors to adopt collective investment trusts or separate accounts in their plans. Our research has proven that this is only effective for the largest plan sponsors. We are happy to explore these opportunities for our clients.

14. Does your firm act as a co-fiduciary with respect to the plans? Please provide a copy of your co-fiduciary services agreement during the finalist interviews.

CBIZ Retirement Plan Services acknowledges its fiduciary status in all client relationships. CBIZ may serve as an ERISA 3(21) fiduciary advisor, through which CBIZ is responsible for making recommendations for the selection, monitoring, and replacement of investment options. In this capacity, the plan sponsor's retirement plan committee has discretionary authority over investments decisions. CBIZ will assist the client by providing the proper documentation of the execution of the client's fiduciary responsibilities.

In an alternative capacity, CBIZ may also serve as fiduciary as an ERISA 3(38) fiduciary investment manager in which CBIZ is responsible for making and executing decisions regarding the selection, monitoring, and replacement of investment options. In this capacity the retirement plan committee is relieved of fiduciary liability as it relates to the selection, monitoring and replacing of the investment options in the plan.

Please see the Exhibits Section for a Sample CBIZ RPS Service Agreement, as requested.

15. What is your firm's view on indexing in a 401(k) Plan, and passive versus active fund management?

Index or passively managed investments have gained significant popularity in recent years due to the bull market where they generally outperform. While we do recommend index funds because of their low cost we do believe that actively managed investments can be of value in certain asset classes. Specifically, asset classes where markets are less efficient. An actively managed bond fund, for example, can navigate volatility in fluctuating interest rate environments. We believe a blend of active and passive management serves our clients best.



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(3) – Committee Support

16. Describe the services provided to the Committee on a group and individual basis.

Managing fiduciary responsibility can be complex. CBIZ RPS will guide you through a formal documented governance process that lowers organizational risk. Our process formally delegates fiduciary duties from the Board of Directors, the Retirement Plan Committee, reducing risk and personal liability across the organization. Our process includes fiduciary training to educate the Committee members on their responsibilities.

Initially, CBIZ RPS will review and establish a Committee Charter/By-Laws ensuring that the proper hierarchy delegation of responsibilities from the President, to the Board of Trustees, then finally to the subset Finance, Investment or Retirement Plan Services has been established and completed. Additionally, CBIZ RPS will also review and consult on the current Investment Policy Statement as noted in previous responses. CBIZ RPS will review all fiduciary governance documents and maintain them on an annual basis. In addition, on an annual basis or as needed, CBIZ RPS will also provide pertinent topics for discussion, updates on recent developments (Example – Lawsuits, Market Developments) in the corporate space to ensure compliance or recommend updates, as appropriate.

CBIZ Retirement Plan Services' compliance offering is a key differentiator between our team's services and competitors.

- Fiduciary Training – Team of AIF's (Accredited Investment Fiduciaries®) in association with the Center of Fiduciary Studies. CBIZ Retirement Plan Services also has representation on the IFLC (Investment Fiduciary Leadership Council) board. IFLC's members include service providers that offer investment advice, investment management, or administration services to pension plans and non-profit foundations.
- Compliance Training – Team of TGPC's, QKA's and QPA's. TGPC's are credentialed members are retirement plan professionals who work primarily with 403(b) plans and QKA's & QPA's are credentialed members are professionals who are qualified to perform the technical and administrative functions of qualified 403(b) plan administration

All of the available services and tools help Pike create modify and maintain a program that is managed in adherence to industry regulations, benchmarked relative to the industry and peers and that faculty and staff can be motivated to join to help them achieve their retirement goals.

17. How often do you meet with the Committee? Please provide an example of the standard and ad hoc reporting provided to a qualified defined contribution plan investment committee during the finalist interview.

To assist with initial implementation, onboarding, and the establishment of fiduciary governance groundwork, CBIZ RPS is proposing quarterly meetings in Year 1 and semi-annual meetings with the Committee in Year 2 & ongoing. We are flexible to meet the needs of your organization.



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18. What are some examples of proactive positive actions you have taken with other qualified defined contribution investment committees?

As noted in previous responses, please also see the CBIZ Case Studies as found in the Exhibits Section.

Section D – Scope of Services – Fees

1. Describe your Investment Advisor consulting fees specific to each of the Key projects identified as a percentage of assets and/or a flat fee, and/or an hourly fee.

Based on our understanding of your needs, CBIZ Retirement Plan Services is proposing a comprehensive fixed-fee scope of services Pike for a total annual cost of \$70,000.

Please note, additional services available upon request.

Also, detail your opinion regarding offsetting fees with 12b1 fees, finder’s fees, or others fees embedded within the plans investments.

CBIZ RPS does not accept revenue from investment managers (12b-1), custodians, brokerage firms, trusts, commission recapture firms and so on in the form of dues, finder’s fees, “soft dollars,” or charge for conferences.

Investment Monitoring

- **Analyze and interpret ongoing reports from the Plan’s service providers**
- **Review manager/fund selection and provide as requested monitoring of all mutual fund/manager investment options in the Plan**
- **Assist in due diligence process of all managers and mutual fund/manager investment options in the Plan**
- **Review quarterly manager and investment options reporting**
- **Attend semi-annual Committee meeting and/or plan sponsor meetings (or as often as the Committee deems necessary)**

CBIZ RPS is able to provide retirement plan consulting services to satisfy all of the requirements found in the above bullet points.

Fiduciary Compliance

- **Endeavor to identify for the Committee, all fees and expenses of any kind, both direct and indirect, being assessed with respect the Plan’s investment options or otherwise charged to or paid by the Plan**
- **Assist the Committee in developing prudent decision making and documentation processes in accordance with required IRS, DOL and ERISA standards for fiduciaries of qualified plans**
- **Assist the Committee in developing a prudent, written process for selecting, evaluating, replacing and adding to the Plan’s current investment options**
- **Assist the Committee in maintaining compliance with such process**



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- **Assist in determining whether the Plan’s current service provider arrangement is reasonable in respect to the price and quality of the services received in accordance with the fiduciary standards under ERISA**
- **Assist the Committee and outside advisors in ascertaining whether the Plan’s current employee communications program and disclosures concerning the Plan’s investment options are sufficient for the fiduciaries to comply with ERISA Section 404(c) and obtain the protection and relief it offers**
- **Assist in evaluating Plan expenses to determine that various plan expenses are being paid for properly; specifically, that “settlor” expenses are being paid for by the plan sponsor and not out of the plan assets**
- **Assist in reviewing plan documents, enrollment brochures, loan procedures and other recordkeeping functions to determine if the plan is being administered in accordance with the plan documents**
- **Provide in-person education during Committee meetings for its members covering “best practices,” fiduciary duties, etc.**

Confirming CBIZ RPS is able to provide retirement plan consulting services to satisfy the requirements found in the above bullet points.

Section E – References

- 1. Please provide a representative qualified defined contribution plan client list unique to the team proposed for the Plan and Committee.**

Above and beyond the supplied Reference List as found in the Exhibits Section, CBIZ RPS is happy to furnish a representative client list upon further (Finalist) stages of the RFP process.

- 2. Please provide at least two clients for companies which utilized your services where the lead Investment Advisor Consultant(s) would be the same as the lead Investment Advisor Consultant(s) proposed for this engagement. Also, provide any background information on the scope of the work you have performed and any relevant results. Please include clients who have the following characteristics.**

- **Two new clients (less than one year)**
- **Two clients with at least a two-year relationship**
- **Two clients with comparable assets to the Plan**

Please see the included Client Reference List found in the Exhibits Section.

Section F – Service Agreement

- 1. Please provide what your standard period is for terminating any service agreement.**

CBIZ Retirement Plan Services observes an “at-will” contract type for all client relationships. Client/participant satisfaction is our ultimate goal and if we haven’t shown value to our clients, we ask for 30-day termination notice. It is our opinion that client’s shouldn’t be locked into long-term contracts for sub-par services.



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2. Please confirm that any service agreement entered into will contain standard representations and provisions from the firm that:

- **It is and will continue to be a registered investment advisor under the Investment Advisor Act of 1940 for the duration of the agreement;**
- **It is a fiduciary under ERISA for the services provided under the agreement;**
- **It will perform its services under the agreement in accordance with the Investment Advisor Act of 1940, ERISA, and other applicable law;**
- **The firm will indemnify the Plan, the Committee and Pike Enterprises, LLC for any claims and liabilities arising from the services provided by the firm under such agreement; and**
- **The firm cannot assign its responsibilities under the agreement without the permission of Pike Enterprises, LLC and the Committee.**

Upon receiving word that CBIZ RPS has been awarded the Pike Enterprises, LLC account, CBIZ RPS will enter into discussions with Pike representatives to ensure that the representations and provisions meet the needs of the client.



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A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are set against a clear blue sky with a few wispy clouds. The perspective creates a sense of height and architectural grandeur. The image is used as a background for a document cover.

CBIZ Retirement Plan Services

Pike Enterprises, LLC.

***Comprehensive Retirement Plan Consulting
Solutions – Exhibit Materials***



Advisory Services Agreement

Client (*Plan Sponsor*): _____

Plan (*Legal Name*): _____

CBIZ RPS: CBIZ Financial Solutions, Inc., dba CBIZ Retirement Plan Advisory Services (including any affiliates, collectively CBIZ Retirement Plan Services ("CBIZ RPS"))

Client, as sponsor of the Plan, retains CBIZ RPS to provide the services described in this Retirement Plan Services Agreement ("Agreement").

1. CONSULTING SERVICES

CBIZ RPS agrees to provide consulting services (the "Services") set forth on a Scope of Services, as may be amended from time to time ("Scope of Services"). Such Scope of Services shall be signed by an authorized representative of Client and CBIZ RPS, and, when so signed, shall be attached hereto and incorporated in, and will be deemed a part of, this Agreement. CBIZ RPS shall not provide Services unless directed to under a Scope of Services agreed to by Client and CBIZ RPS. In addition to the terms and conditions of each such Scope of Services, the general terms of this Agreement will apply to the Services to be provided thereunder and the overall relationship between the parties. In the event of a conflict between any term of this Agreement and a Scope of Services, the terms of this Agreement shall govern and be controlling unless agreed to otherwise in writing.

ADVISORY SERVICES AGREEMENT

2. FEE

CBIZ RPS shall receive a consulting fee (“Fee”) for its Services set forth on the Scope of Services. In the event this Agreement is terminated prior to the last day of a billing period, a pro rata portion, based on the number of days remaining in the billing period after the termination date, of any Fee paid in advance will be refunded to Client.

3. CLIENT ACKNOWLEDGEMENTS

- a. Client acknowledges that Client has retained, and will exercise, final decision-making authority and responsibility for all matters concerning all Services provided under this Agreement.
- b. Client understands that CBIZ RPS will not perform any discretionary act with respect to the Plan or its assets.
- c. Client acknowledges that CBIZ RPS and its affiliates obtain information from a wide variety of public and private sources. The Services provided by CBIZ RPS to Client under this Agreement are based upon CBIZ RPS’s or its affiliates’ analyses of such information and, while CBIZ RPS believes that such information is reliable, CBIZ RPS cannot guarantee the accuracy or validity of the data upon which such analyses or its policy recommendations or studies are based.
- d. Client acknowledges that CBIZ RPS and its affiliates may (i) perform other services for other clients, (ii) charge a different fee for other clients, and (iii) give advice and take action that is different for each client even where the retirement plans are similar.
- e. Client acknowledges that when it engages service providers other than CBIZ RPS to provide services with respect to the Plan, CBIZ RPS shall not be liable for the acts or omissions of any other person in respect of the Plan and its assets, including any acts or omissions of any such Service Provider.

4. CLIENT REPRESENTATIONS, WARRANTIES AND COVENANTS

- a. Client represents that the Plan is an employee benefit plan, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and is subject to Title I of ERISA and to Section 4975(e) of the Internal Revenue Code of 1986, as amended (the “IRC”).
- b. Client represents that it (or a committee consisting of Client members and/or employees) is the Plan fiduciary responsible for the control and/or management of the assets of the Plan, and for the selection and monitoring of service providers for the Plan, in accordance with the requirements of ERISA.
- c. The person signing this Agreement on behalf of Client has been delegated all necessary authority to do so by Client and the trustees (or named fiduciary) of the Plan.
- d. Client’s signing this Agreement and any instructions Client gives with regard to the Plan are consistent with applicable Plan documents, adopted and pending, including any investment policies, guidelines, or restrictions. Client has provided CBIZ RPS with a copy of all such documents in effect as of the date of this Agreement. Client will notify CBIZ RPS promptly in writing of any modification to the Plan’s investment policies, guidelines, or restrictions in any Plan documents pertaining to the investment of Plan assets. CBIZ RPS may rely on information provided by Client without further verification.

5. CBIZ RPS REPRESENTATIONS, WARRANTIES AND COVENANTS

- a. CBIZ RPS is, and will continue to be during the term of this Agreement, registered with the Securities and Exchange Commission as a Registered Investment Adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).
- b. **Capacity. Client will initial one choice below.**

_____ CBIZ RPS will act in the capacity of a “fiduciary” to the Plan, as that term is defined in Section 3(21)(A)(ii) of ERISA, only when it provides those non-discretionary investment advisory services specifically identified as “Fiduciary Services” on the Scope of Services and, as such, will discharge its duties and obligations under this Agreement in accordance with its fiduciary responsibilities. CBIZ RPS will not act in the capacity of a fiduciary to the Plan, either under ERISA or the Advisers Act, when it renders all other Services set forth on the Scope of Services. CBIZ RPS may, from time to time, work with one or more of its affiliates to provide such non-fiduciary Services pursuant to this Agreement.

OR

ADVISORY SERVICES AGREEMENT

Although CBIZ RPS is a Registered Investment Adviser, CBIZ RPS will not act in the capacity of a fiduciary to the Plan, either under ERISA or the Advisers Act, when it renders the Services set forth on the Scope of Services. CBIZ RPS may, from time to time, work with one or more of its affiliates to provide such non-fiduciary services pursuant to this Agreement.

- c. Following receipt of a written request by Client, CBIZ RPS agrees to disclose, in compliance with applicable rules, all information related to this Agreement and its compensation received hereunder in order to assist Client and/or the Plan in complying with any and all reporting or disclosure requirements.
- d. CBIZ RPS will disclose to Client any changes to the information provided under ERISA 408(b)(2) after CBIZ RPS becomes aware of the changes, in compliance with applicable rules.
- e. When CBIZ RPS provides investment guidance to the participants of the Plan, CBIZ RPS will not charge plan participants any individual fees for these services. Any investment transaction shall occur solely at the direction of the participant.

6. STANDARD OF CARE; LIMITATION OF LIABILITY

- a. Client agrees that CBIZ RPS shall not be liable to Client or any other person for losses with respect to the Plan assets, except for losses resulting from CBIZ RPS's willful misconduct, bad faith, material breach of its representations, warranties, covenants, or obligations as set forth in this Agreement, or violation of applicable law. Nothing in this Agreement shall serve as a waiver or limitation of any rights that Client may have under the Advisers Act, any other federal or state securities laws, or ERISA.
- b. Except as otherwise provided in this Section 6, CBIZ RPS shall not be responsible for any act or omission of any investment manager or fund.

7. CONFIDENTIALITY

All knowledge and information not already within the public domain that CBIZ RPS may acquire about Client, the Plan (including its participants and beneficiaries), or Client's directors, officers, or employees by virtue of this Agreement shall be regarded by CBIZ RPS as confidential and will not be disclosed by CBIZ RPS without the prior written consent of Client, except (i) as required by law, (ii) as required by CBIZ RPS to perform its obligations under this Agreement, or (iii) as may be requested by any government agency or self-regulatory organization. The provisions of this paragraph will survive any termination of this Agreement.

8. TERMINATION

This Agreement may be terminated at will by either party upon thirty (30) days written notice to the other party. Once the termination of this Agreement is in effect, CBIZ RPS will not be under any obligation to provide ongoing Services or information to Client. Termination of this Agreement will not affect the liabilities or obligations of the parties under this Agreement arising prior to termination, including the provisions regarding arbitration, which shall survive any termination of this Agreement. Fees owed to CBIZ RPS under this Agreement shall be prorated on a daily basis through the thirty (30) day termination period.

9. BINDING AGREEMENT; ASSIGNMENT

This Agreement will bind and be for the benefit of the parties to this Agreement and their successors and permitted assigns. This Agreement may not be assigned (as that term is defined under the Advisers Act) by either party without the prior consent of the other.

10. GOVERNING LAW

To the extent not preempted by ERISA or other federal law, this Agreement shall be construed by, and the rights and liabilities of the parties hereto shall be governed by, the laws of the State of Ohio without giving effect to principles of conflict of laws.

11. AMENDMENTS

This Agreement may be amended and/or supplemented ("Amended" or "Amendment") by mutual written consent signed by the parties to this Agreement, except as otherwise provided herein. Any Amendment to this Agreement must be in writing and signed by authorized representatives of both parties. In addition, this Agreement may be Amended to accommodate administrative or regulatory changes by CBIZ RPS at any time by providing a written copy

OUR PLAN IS TO IMPROVE YOURS.

ADVISORY SERVICES AGREEMENT

of such Amendment to Client. In the absence of written objection to the Amendment within 60 days after notification is sent, continued performance by Client under the Agreement shall constitute acceptance of any such Amendment.

12. NOTICE

All notices under this Agreement must be given in writing and sent or delivered to CBIZ RPS or to Client at the relevant address shown below. Either address may be changed at any time by the respective party by providing notice in writing to the other party. Notice shall be deemed to have been duly given when hand delivered, transmitted by facsimile or electronic mail, or delivered by overnight courier, or three (3) days after delivery to the United States Postal Service (first class, postage pre-paid). Client expressly agrees to accept electronic communication of any notice, advice, or report in lieu of a printed copy at the email address shown below.

13. ENTIRE AGREEMENT

This Agreement, together with any schedules and exhibits hereto (which are incorporated herein by reference), constitutes the entire agreement and understanding between the parties hereto and supersedes any and all prior agreements, understandings or representations pertaining to the subject matter hereof, whether written or oral. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

In the event of a conflict between the terms of this Agreement and the terms of any other agreement(s) the Plan may have executed with CBIZ RPS, including a "Customer Agreement," the terms of this Agreement shall control.

14. MISCELLANEOUS

Notwithstanding any provision of this Agreement that shall be or become invalid or unenforceable, the remaining provisions shall remain in full force and effect.

The date of this Agreement shall be, and it shall operate from, the date of its acceptance by CBIZ RPS.

15. ARBITRATION

To the extent permitted by law, all controversies between Client and CBIZ RPS, which may arise out of or relate to any of the Services provided by CBIZ RPS under this Agreement, or the construction, performance or breach of this or any other Agreement between CBIZ RPS and Client, whether entered into prior to, on or subsequent to the date hereof, shall be settled by binding arbitration in Cleveland, Ohio, under the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon any award rendered by the arbitrator(s) shall be final, and may be entered into any court having jurisdiction.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

ADVISORY SERVICES AGREEMENT

By signing this Agreement, Client acknowledges receipt of CBIZ RPS's Form ADV, Part 2A and 2B, or their equivalents.

AGREED TO:

[Insert Client Name]

Client's Address

Client's Address

Client's Email Address

Telephone Number

Date (Month / Day / Year)

(If more than one, all Principals must sign. The capacity in which fiduciaries are acting should be indicated.)

By,

By,

Signature

Signature

Print Name and Title

Print Name and Title

BY:

CBIZ Retirement Plan Advisory Services

ACCEPTED BY:

CBIZ Retirement Plan Advisory Services

6050 Oak Tree Blvd. #500

Cleveland, Ohio 44131

Print name | Advisory Representative

Signature

Signature

Print Name and Title

Date

Pike Enterprises, LLC.

SCOPE OF SERVICES

1. CBIZ RPS Fiduciary Services

The 3(21) Fiduciary Registered Investment Advisory (RIA) Solution™

- Recognize in writing fiduciary responsibilities relating to the selection, monitoring and replacement of the investment options in the plan
- Develop recommended investment options menu (recommended portfolio)
- Prepare semi-annual investment due diligence reports and present to the retirement plan committee (in person and/or via conference call) which includes:
 - Market Commentary (review of economy & financial markets)
 - Holdings Allocation
 - Style Allocation
 - Comparative Fund Performance (Benchmarking)
 - Fund-specific Commentary/Recommendations
 - Maintenance of investment option “watch list” for funds that violate the CBIZ due diligence criteria
- Prepare investment detail report summarizing analysis of alternatives to funds recommended for replacement
- Periodic review of appropriateness of qualified default investment alternative (QDIA)
- Periodic comprehensive Investment Assessment covering:
 - Diversified asset class coverage
 - Unsuitable asset class inclusion
 - Asset class overlap
 - Number of investment options
- Provide periodic Target Date Evaluator™, a comprehensive process that guides a Plan Sponsor to the appropriate target date fund series given plan demographics, participant behavior, and Client goals

The Participant Solution™

- Publish and distribute quarterly CBIZ's participant newsletter “Retirement Matters” which includes the following for employees:
 - Economics updates
 - Prudent investment strategies
 - Toll-free phone number and email address to contact a CBIZ advisor to review the employee's retirement plan investments and provide investment advice
- Development of annual education/communication plan and calendar
 - Coordination with service provider/recordkeeper
 - Assist Client with defining measurable objectives
- Periodically evaluate professionally managed account solution
- Annual delivery of The CBIZ Plan Health Assessment™
 - Ongoing monitoring and benchmarking of plan participation rate, average deferral rate, and diversification metrics
 - Recommend solutions to improve plan health and coordinate implementation with recordkeeper
 - Request Income Replacement Analysis from recordkeeper; deliver to Client and discuss findings and recommendations



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OPTIONAL SERVICES

The Participant Advice Solution™

- Delivery of The Participant Advice Solution™ which includes the following services:
 - Opportunity for employees to sit down with a CBIZ advisor to discuss their individual retirement situation
 - Confidential participant questionnaire
 - Review of the employee's retirement plan investments and delivery of investment advice

CBIZ Financial Wellness Solutions™

Financial Finesse

- Deliver Financial Learning Center (provided by Financial Finesse) and Financial Wellness Assessment to participants; consult with client regarding delivery of services and communication plan
- Provide personalized action plan to participants who take Financial Wellness Assessment
- Provide mobile application (Financial Finesse) to participants
- Provide Workforce Financial Wellness Assessment report to the client, documenting participation rates, plan level outcomes, and results by segment; identify additional opportunities
- Provide Certified Financial Planner (CFP) Helpline (provided by Financial Finesse)

2. CBIZ RPS Non-Fiduciary Services

The Fiduciary Governance Solution™

- Draft and maintain Retirement Plan Committee Charter, outlining the roles and responsibilities of the Retirement Plan Committee
- Draft and maintain the Investment Policy Statement (IPS)
- Provide updates on current regulatory issues surrounding retirement plans (Ex. Pension Protection Act, company stock, Roth 401(k), automatic enrollment)
- Prepare consultant review documentation as required by ERISA
- Review Retirement Plan Committee meeting minutes
- Provide The Fiduciary Trainer™ to Retirement Plan Committee and Board
 - Topics include: an overview of fiduciary responsibility, establishing prudent fiduciary processes, common pitfalls and conflicts of interest
- Implementation of The Responsibility Delegator™, a process that formally delegates the plan responsibility from the Board of Directors to the Retirement Plan Committee and establishes a feedback loop to the Board
- Provide ERISA 404(c) checklist and assist with annual adherence
- Provide Annual Summary of Accomplishments template and review Client draft annually for submission to Board of Directors
- Provide and periodically update Client Success Tracker™, a comprehensive checklist that measures and tracks progress in each area of plan management

The Fee and Expense Documentation Solution™

- Periodically review and evaluate the current fees and expenses of all current service providers (i.e. vendor, third party administrator, consultant, and investment managers)
- Prepare periodic benchmarking of investment option expenses
- Prepare periodic comparison of the total plan expense to industry averages for plans of similar size and/or alternative service providers
- Request and provide annual fee disclosure from service providers
- Periodic review of ERISA account balance, annual deposit and usage



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- Periodic review of fee allocation between plan sponsor and participants

The Core Compliance & Administration Solution™

Consulting

- Draft a contact list for service providers relating to retirement plans
- Maintain Plan Sponsor binder which includes all relevant plan documents and service provider agreements in order to assist the Plan Sponsor with questions relating to specific plan provisions
- Proactive reminders of the following compliance deadlines:
 - Annual census deadline
 - Testing refund deadlines
 - Form 5500 and extension deadlines
 - SAR distribution deadline
 - Excise tax deadline (if applicable)
 - 70 ½ distributions
 - Participant Fee Disclosure deadline
 - Plan Sponsor Fee Disclosure deadline
 - Forfeitures (if applicable)
 - Loan Default processes (if applicable)
 - Uncashed check processes
 - Profit sharing contribution deadlines (if applicable)
 - SIMPLE or Safe Harbor Notice requirements (if applicable)
 - Automatic enrollment annual notice (if applicable)
 - Summary Plan Description\SMM mailing (if applicable)
 - Plan limit updates
 - QDIA notice reminder
 - Amendment deadline reminders (if applicable)
 - Memos on Compliance topics such as ERISA Bonds, Tax Savers Credit, Timely Remittance of Contributions
- Preparation of new investment option change communications
 - Review provider communication or draft participant communication for investment changes
 - Review provider paperwork or draft letter of authorization for fund changes
 - Follow up to ensure investment changes have occurred

ERISA Consulting

- Review provider QDIA Notice or draft QDIA Notice (if applicable)
- Review provider Automatic Enrollment Notice or draft Automatic Enrollment Notice (if applicable)
- Review provider Safe Harbor Notice or draft Safe Harbor Notice (if applicable)
- Nondiscrimination testing
 - Coordinate with service provider that ADP\ACP testing is completed on a timely basis
 - Review ADP\ACP Testing for consistency with prior years (i.e. HCE's, %'s if using prior year)
 - Review HCE List for reasonableness based on last year's information
 - Ask client to confirm listing of owners and that all family members are included
 - Review completed ACP Test to compare current match formula
 - Ensure correct testing method was applied on ADP and ACP Test (Prior year versus current year); If prior year testing method used make sure the numbers from last year's test are being used
 - Ensure that Employee Deferral 402(g) Test is completed and review for reasonableness
 - Ensure that Top Heavy 416 Test is completed and review for reasonableness based on prior test
 - Ensure that Coverage 410(b) Test is completed and review for reasonableness



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- Ensure that Plan Limits Test is completed and review for reasonableness
- Ensure that 415 Annual Additions Test is completed and review for reasonableness
- Form 5500 Filing
 - Coordinate with service provider to ensure Form 5500 is completed on a timely basis
 - Review Form 5500 and all schedules for reasonableness and evaluate its consistency from the previous year
 - Review the basic plan and company information to ensure accuracy
 - Review the schedules to make sure all appropriate schedules are included with filing

OPTIONAL SERVICES

The Comprehensive Compliance & Administration Solution™ – (Upgrade Tier from Core C&A)

Consulting

- Draft a contact list for service providers relating to retirement plans
- Maintain Plan Sponsor binder which includes all relevant plan documents and service provider agreements in order to assist the Plan Sponsor with questions relating to specific plan provisions
- Proactive reminders of the following compliance deadlines:
 - Annual census deadline
 - Testing refund deadlines
 - Form 5500 and extension deadlines
 - SAR distribution deadline
 - Excise tax deadline (if applicable)
 - 70 ½ distributions
 - Participant Fee Disclosure deadline
 - Plan Sponsor Fee Disclosure deadline
 - Forfeitures (if applicable)
 - Loan Default processes (if applicable)
 - Uncashed check processes
 - Profit sharing contribution deadlines (if applicable)
 - SIMPLE or Safe Harbor Notice requirements (if applicable)
 - Automatic enrollment annual notice (if applicable)
 - Summary Plan Description\SMM mailing (if applicable)
 - Plan limit updates
 - QDIA notice reminder
 - Amendment deadline reminders (if applicable)
 - Memos on Compliance topics such as ERISA Bonds, Tax Savers Credit, Timely Remittance of Contributions
- Assist with coordination of group and individual communication meetings conducted by CBIZ, including the coordination of investment materials
- Review PowerPoint presentation for plan provisions and investment options for participant communication meetings conducted by CBIZ
- Review Enrollment Kits for plan provisions and investment options for participant communication materials conducted by CBIZ
- Preparation of new investment option change communications
 - Review provider communication or draft participant communication for investment changes
 - Review provider paperwork or draft letter of authorization for fund changes
 - Follow up to ensure investment changes have occurred
- Implementation of the Top Ten Compliance Issues checklist, a process for reviewing the most common compliance issues experienced by Plan Sponsors and correcting or preventing deficiencies (OPTIONAL)
- Periodic review of beneficiary storage and maintenance process (OPTIONAL)



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ERISA Consulting

- Notify Plan Sponsor of ongoing regulatory changes and evaluate potential impact with the Plan Sponsor
- Assist Plan Sponsor with questions regarding plan documents and plan regulations
- Assist Plan Sponsor with questions regarding plan document restatement, amendments, and/or provisions
- Review provider QDIA Notice or draft QDIA Notice (if applicable)
- Review provider Automatic Enrollment Notice or draft Automatic Enrollment Notice (if applicable)
- Review provider Safe Harbor Notice or draft Safe Harbor Notice (if applicable)
- Nondiscrimination testing
 - Coordinate with service provider to ADP\ACP testing is completed on a timely basis
 - Review ADP\ACP Testing for consistency with prior years (i.e. HCE's, %'s if using prior year)
 - Review HCE List for reasonableness based on last year's information
 - Ask client to confirm listing of owners and that all family members are included
 - Review completed ACP Test to compare current match formula
 - Ensure correct testing method was applied on ADP and ACP Test (Prior year versus current year); If prior year testing method used make sure the numbers from last year's test are being used
 - Ensure that Employee Deferral 402(g) Test is completed and review for reasonableness
 - Ensure that Top Heavy 416 Test is completed and review for reasonableness based on prior test
 - Ensure that Coverage 410 (b) Test is completed and review for reasonableness
 - Ensure that Plan Limits Test is completed and review for reasonableness
 - Ensure that 415 Annual Additions Test is completed and review for reasonableness
 - Review appropriateness of plan design prepared by the service provider after reviewing outcome of annual testing
- Distributions
 - Assist with questions related to hardship issues
 - Assist with questions related to loan issues
 - Coordinate with service provider to distribute terminated participants with balances less than \$5,000
- Form 5500 Filing
 - Assist with questions relating to annual compliance checklist and questionnaire
 - Coordinate with service provider to ensure Form 5500 is completed on a timely basis
 - Review Form 5500 and all schedules for reasonableness and evaluate its consistency from the previous year
 - Review the basic plan and company information to ensure accuracy
 - Review the schedules to make sure all appropriate schedules are included with filing
 - Assist with questions relating to 5330 filing for late contributions (if applicable)
- Monthly conference calls
 - Keep running action item log
 - Review outstanding issues
 - Set priorities
- Assist with directing client on where to go for annual plan audit related questions

The Mergers & Acquisitions Solution™

- Evaluate course of action regarding plan merger versus plan termination of acquired companies retirement plan(s)
- Assist with acquisitions and plan mergers
 - Setup introductory/kickoff call identifying roles and responsibilities of all parties involved
 - Assist with Due Diligence Process (e.g. gathering plan documents, testing, government filings and any other pertinent data associated with the plan being merged)



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- Maintain Due Diligence Checklist
- Review prior testing to ensure the acquired plan(s) are in compliance
- Review the plan(s) data, providing a side by side comparison of the plans being merged, noting protected benefits &/or recommendations to plan design
- Coordinate and run periodic (weekly or bi-weekly) calls with the service provider, legal counsel, Third Party Administrator, if applicable, and the client
- Monitor and update timeline to ensure the process stays on schedule
- Confirm any required paperwork by the new/current service provider is completed timely to ensure no delays in the transfer of assets
- Prepare termination letter for client notifying their current service provider(s) of their intent to change vendors
- Ensure the prior service provider(s) deconversion paperwork is completed and all final fees paid
- Confirm all funds with prior service provider can be liquidated or if any additional action is needed
- Confirm with prior service provider, in advance of the liquidation of assets, whether there will be any CDSC's, PUTs or Market Value Adjustments (MVA's) and request estimated amounts
- Review Service Agreement from new service provider, if applicable, to verify fees reflect what was negotiated during the sales process, including share class of investments and any pricing guarantees
- Review ongoing services outlined in the new/existing Service Agreement with the client to ensure/confirm expectations
- Draft &/or review the Sarbanes-Oxley (SOX) Notice and confirm distribution in accordance with federal regulations
- Assist with the coordination of any group and/or individual education meetings
- Review all meeting materials for accuracy of plan provisions and investment options (includes PowerPoint presentations and Enrollment Books)
- Confirm with new/existing service provider that payroll is set up and that the Plan is ready to accept ongoing contributions
- Monitor the liquidation and transfer of assets, ensuring assets are invested timely with the new/existing service provider
- Confirm all participant records, including historical data for hardships and loans, are received at the new/existing service provider
- Follow up on final filings & testing for the plan(s) being merged
- Assist with coordination of any required Board Resolutions (if applicable)
- Assist with coordination of any Merger Amendments
- Confirm with new/existing service provider that Welcome Letter and instructional brochure on how participants access their accounts has been mailed/distributed to employees
- Create and distribute a roles and responsibilities contact sheet to all parties involved
- Send out a wrap-up email once all outstanding issues associated with the process are confirmed complete

➤ **Assist with plan terminations**

- Setup introductory/kickoff Call identifying roles and responsibilities of all parties involved during the termination process
- Assist with Due Diligence Process (e.g. gathering plan documents, testing, government filings and any other pertinent data associated with the plan being merged)
- Maintain Due Diligence checklist
- Coordinate and run periodic (weekly or bi-weekly) calls with the service provider, legal counsel, Third Party Administrator, if applicable, and the client
- Monitor and update timeline to ensure the process stays on schedule
- Review prior testing to ensure the plan(s) are in compliance
- Review plan document and work with service provider to ensure the plan has been updated with most recent legislation prior to the termination date
- Work with service provider to ensure all participants are fully vested



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- If a Form 5307 (Formal Termination) Request for Determination Letter will be filed, work with service provider, legal counsel, Third Party Administrator, if applicable, and client to ensure filing completed
- Assist with completion of Notice to Interested Parties (required if conducting a formal plan termination)
- Assist with notification to participants that the plan is being terminated as well as any restrictions to their account
- Confirm any unallocated assets are allocated/depleted prior to the termination
- Identify outstanding loans and the appropriate process ensuring affected participants are aware of their options
- Assist with coordination of any required Board Resolutions
- Follow up on final filings & testing for the plan being terminated

Note: Additional services available upon request. Additional fees quoted at time of request.

Supervised Persons of CBIZ RPS, an SEC-registered investment adviser, will provide all fiduciary services on this Scope of Services. CBIZ RPS may work with one or more of its affiliates to provide non-fiduciary services on this Scope of Services.



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**Pike Enterprises, LLC.
SCOPE OF SERVICES**

3. CBIZ RPS Fee Schedule

CBIZ RPS shall receive the following compensation for providing the above Services:

| Services | CBIZ Fee |
|---|---|
| CBIZ RPS Fiduciary Services <ul style="list-style-type: none"> ▪ The 3(21) Fiduciary Registered Investment Advisory (RIA) Solution™ ▪ The Participant Solution™ CBIZ RPS Non-Fiduciary Services <ul style="list-style-type: none"> ▪ The Fiduciary Governance Solution™ ▪ The Fee and Expense Documentation Solution™ ▪ The Core Compliance & Administration Solution™ | <ul style="list-style-type: none"> ▪ \$70,000 annual fee⁽¹⁾ |

⁽¹⁾ The fixed annual fee will remain in place for the 2017, 2018 and 2019 calendar years. Starting January 1, 2020 the fixed annual fee will increase 3% annually over the previous calendar year to compensate for the increased business risk associated with (estimated) larger plan assets.

Optional/Additional Services:

| Services | CBIZ Fee |
|---|---|
| <ul style="list-style-type: none"> ▪ The Participant Advice Solution™ | <ul style="list-style-type: none"> ▪ \$1,200/day/advisor |
| <ul style="list-style-type: none"> ▪ CBIZ Financial Wellness Solutions™ | <ul style="list-style-type: none"> ▪ \$23,000 annual fee |
| <ul style="list-style-type: none"> ▪ The Comprehensive Compliance & Administration Solution™ | <ul style="list-style-type: none"> ▪ Additional \$13,000 annual fee |
| <ul style="list-style-type: none"> ▪ The Mergers & Acquisition Solution™ | <ul style="list-style-type: none"> ▪ TBD based on the needs of Pike – Typically \$250-350/hour |
| Additional consulting services not listed | <ul style="list-style-type: none"> ▪ \$150 - 350/hour |

Termination Compensation

CBIZ RPS does not expect to receive any compensation in connection with the termination of our contract or arrangement with your plan. Services provided after the date of termination will be invoiced at an hourly rate of \$150-350.

Note: Additional services available upon request. Additional fees quoted at time of request.



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Why CBIZ?

CBIZ enables you to dedicate your time to critical business matters by providing custom solutions that help you manage your finances and employees. We offer clients exceptional quality and diverse capabilities in Accounting and Tax, Insurance, Payroll and Human Resources, as well as a suite of specialized consulting services and solutions—all with a single focus: your success.

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CONSULTING
& ACCOUNTING
EMPLOYER



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- Retirement Services
- Payroll / Flex / COBRA
- Property & Casualty insurance
- Risk Management
- Life Insurance
- Executive Search
- Compensation Consulting
- Human Capital Services



FINANCIAL SERVICES

- Accounting & Tax
- Litigation Support
- Valuation
- Internal Audit
- Mergers & Acquisitions
- Financial Advisory
- Risk & Advisory Services
- Corporate Recovery
- Family Office Services

CBIZ also provides specialized services, including Real Estate Services and Health Care Services.

A RESPECTED LEADER:

- **#1** Benefits Broker Specialist¹
- **9th** Largest Accounting Provider Nationally^{2,3}
- **16th** Largest Broker of U.S. Business⁴
- A **Top 100** Retirement Plan Adviser⁵
- Manages **\$10.8 billion** and services qualified plans with assets in excess of **\$70 billion**

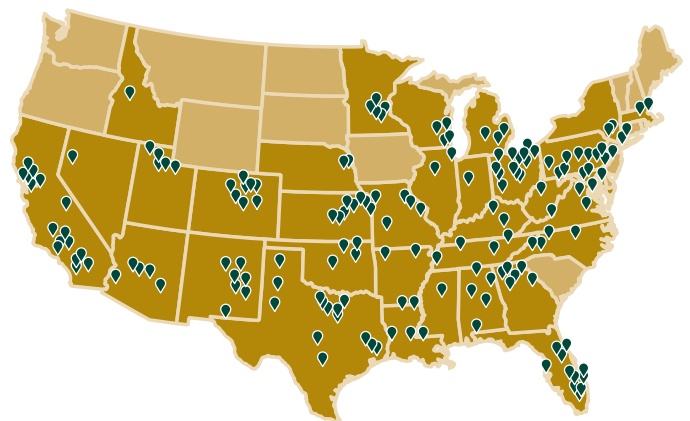
¹ *Business Insurance Magazine* – May 26, 2014

² All audit and assurance services are provided by Mayer Hoffman McCann PC., an Independent CPA Firm

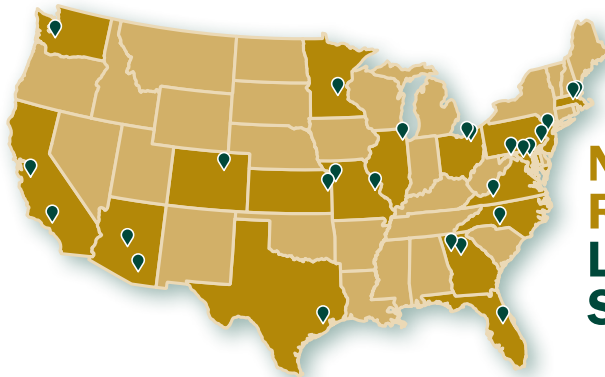
³ *AccountingToday* – March 2015

⁴ *Business Insurance Magazine* – July 21, 2014

⁵ *PLANADVISER* – January 28, 2015



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**NATIONAL
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SERVICE.**

CBIZ offers a unique blend of national presence and neighborhood service. Our network of professionals work together to ensure CBIZ is a leading force in the retirement plan industry—with the scope and reach to serve nearly any client. By having local offices staffed with experienced professionals, CBIZ is proud to offer our clients individual attention. We take the time to know you and your organization personally.

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- Atlanta
- Denver
- Chicago
- Cleveland
- Cumberland
- Kansas City
- Newton
- Overland Park
- Park Ridge (NJ)
- Philadelphia
- Phoenix
- Roanoke
- Seattle
- Woodstock

ADMINISTRATION

- Akron
- Atlanta
- Baltimore
- Chicago
- Cleveland
- Columbia
- Cumberland
- Denver
- Houston
- Kansas City
- Park Ridge (NJ)
- Philadelphia
- Phoenix
- Roanoke
- San Jose
- Seattle
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Retirement Plan Committee Checklist

Use the following to identify the comprehensiveness of the solutions proposed by each consultant.

| | CBIZ | ADVISOR II | ADVISOR III |
|---|------|------------|-------------|
| Did the consultant... | | | |
| Present a well defined process and solution for each of the following primary risk areas: | | | |
| • Retirement Plan Committee | ✓ | | |
| • Investments | ✓ | | |
| • Participants | ✓ | | |
| • Mergers & Acquisitions / Conversions | ✓ | | |
| Have a team of highly credentialed experts with experience and training in the following areas: | | | |
| • Fiduciary Governance (AIF®) | ✓ | | |
| • Audit (CPA) | ✓ | | |
| • Investments (CFA) | ✓ | | |
| • Compliance (QKA, QPA, CEBS) | ✓ | | |
| Fiduciary Governance | | | |
| Willing to recognize 3(21) fiduciary status in writing? | ✓ | | |
| Willing to recognize 3(38) fiduciary status in writing? | ✓ | | |
| Have a well-defined process to protect the Board of Directors from fiduciary liability? | ✓ | | |
| Offer fiduciary training to the retirement plan committee members? | ✓ | | |
| Offer a solution that included an evaluation of your fiduciary liability policy? | ✓ | | |
| Offer a specific solution for public companies? | ✓ | | |
| Offer third party verification that their processes in fact manage your fiduciary liability? | ✓ | | |
| CEFEX certification | | | |
| • Investment Advisor | ✓ | | |
| • Fiduciary Advisor | ✓ | | |
| Legal opinion letter(s) | ✓ | | |
| Offer a quarterly participant newsletter? | ✓ | | |
| Offer a toll free 1-800 number that participants can call at any time for investment advice? | ✓ | | |

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STATEMENT OF INVESTMENT POLICY
FOR
ABC COMPANY PLAN



TABLE OF CONTENTS

- I. Introduction
- II. Fiduciary Responsibilities & Duties
- III. Investment Policy Guidelines & Objectives
- IV. Investment Options
- V. Investment Review Procedures
- VI. ERISA Compliance & Other Legislation



I. INTRODUCTION

The Plan is subject to Department of Labor and Internal Revenue Service reporting requirements. The Plan Sponsor, **ABC Company** (*Sponsor*) intends that the Plan satisfy the provisions of Department of Labor regulations issued pursuant to ERISA Section 404(c). This is a participant-directed plan.

It is the intent of the *Sponsor* to provide a range of investment options that will enable participants to diversify their portfolio of investments and invest according to varying risk tolerance, savings time horizon, and financial goals. Participants choose the investment options from among those available under the Plan, and may change their investment choices as often as permitted by the Plan.

The objectives of the Plan include:

- Attract and retain high quality employees.
- Provide investment options which when combined with other investment options offer adequate diversification.
- Provide participants with the opportunity to supplement their retirement income.
- Provide investment options that are diversified.
- Select investment options that offer competitive risk-adjusted long-term returns.
- Obtain plan services and investment options at a competitive and reasonable cost.
- Control overall plan costs.
- Provide participants with the opportunity to defer taxable income.

A Retirement Plan Committee (*Committee*), appointed by the *Sponsor*, will select and monitor investment options that support the attainment of the Plan's objectives.

II. FIDUCIARY'S DUTIES AND RESPONSIBILITIES

The retirement plan was established for the purpose of providing retirement benefits to eligible employees. The *Committee* recognizes its responsibility to manage the plan assets solely in the interest of the plan beneficiaries. The *Committee* further recognizes that the Employee Retirement Income Security Act of 1974 (ERISA) sets standards for the fiduciaries of retirement plans. To meet these standards, the *Committee* will review the Plan's Investment Policy Statement, at a minimum of once a year to ensure, that this policy provides appropriate and adequate guidance in the following areas:

1. **Investment Policy Guidelines & Objectives**

The *Committee* will evaluate the retirement objectives and investment policy guidelines.

2. **Investment Options**

The *Committee* will periodically review the investment options. The suitability of the investment options to be provided to plan participants will be the focus of the review.

3. **Investment Review Procedures**

Investment analysis, in the form of an Investment Review, will be prepared periodically by the *Registered Investment Advisor, (RIA)* (CBIZ Retirement Plan Services), and presented to the *Committee*. The *Committee* will determine if the frequency and content of the Investment Review and review meetings are sufficient to monitor the plan's investment options.



Committee Responsibilities

As fiduciaries under the Plan, the primary responsibilities of the *Committee* are:

- Prepare and maintain this investment policy statement.
- Provide sufficient asset classes with different and distinct risk/return profiles so each participant can prudently diversify his/her account.
- Prudently select investment options.
- Control and account for all investment, record keeping and administrative expenses associated with the Plan.
- Monitor and supervise all service vendors and investment options.
- Avoid prohibited transactions and conflicts of interest.

The *Committee* will periodically review the plan vendor/custodian to ensure that the overall plan offering is competitive relative to the marketplace for comparable plans.

The Department of Labor has stated that if statutes and trust provisions permit, the fiduciary may delegate certain decisions to money managers, trustees, investment consultants, and/or *Registered Investment Advisor (RIA)*. The *Committee* understands that even when Fiduciary duties are delegated they are unable to fully abdicate his/her fiduciary responsibility.

Registered Investment Advisor (RIA) Responsibilities

The *Committee* will retain an objective, third-party Consultant/RIA to assist the *Committee* in managing the overall investment process.

The Consultant/RIA will be responsible for guiding the *Committee* through a disciplined and rigorous investment process to enable the *Committee* to meet the fiduciary responsibilities outlined above. The Consultant/RIA will exercise its responsibilities in the best interest of the Plan's participants and beneficiaries. The Consultant/RIA will employ generally accepted analytics-based or data-based software in developing investment research for the Plan's investment options.

Custodial Responsibilities

The plan vendor serves as custodian and is responsible for the safekeeping of the Plan's assets. The specific custodial duties and responsibilities of the plan vendor are:

- Maintain separate accounts by legal registration.
- Value the holdings.
- Collect all income and dividends owed to the Plan.
- Settle all transactions (buy-sell orders).
- Provide monthly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall portfolio since the previous report.

III. INVESTMENT POLICY GUIDELINES & OBJECTIVES

While the *Committee* believes it is their responsibility to frequently review the results achieved by each investment option, judgments regarding an option's suitability will not be made based solely on short-term performance.



Generally, three to five years of performance history is needed before results alone can play a substantial role in judging an investment option. In the short run, other factors can and will be given significantly more weight than investment results. These factors include, but are not limited to:

- Consistency of investment style
- Organizational and personnel stability
- Fundamental risk
- Concentration risk

The *Committee* recognizes the long-term nature of retirement plan investments. Loss of principal is only one risk for a long-term investor. Opportunity costs and inflation also warrant considerations. The *Committee* will review the retirement plan vendor platform periodically to ensure that broadly diversified investment options are available to participants.

Finally, the *Committee* does not have a symmetrical risk tolerance, meaning decisions which result in large gains are not as good as decisions that prevent large losses.

IV. INVESTMENT OPTIONS

The investment options which have been selected for the plan are well-diversified; professionally managed; charge fees that are reasonable for the asset class and/or investment approach taken; and provide, in the aggregate, the participant with the opportunity to structure a portfolio with risk and return characteristics suitable to long-term investment programs. The current investment options of the **ABC Company Plan** are named in the periodic Investment Review which is prepared by the *Registered Investment Advisor (RIA)*.

The *Committee* will apply the following due diligence criteria in selecting each mutual fund investment option:

- ❖ Regulatory oversight: Each investment manager should be a regulated bank, an insurance company, a mutual fund organization, or a registered investment advisor.
- ❖ Correlation to style or peer group: The investment option should be highly correlated to the asset class of the investment option. For example, a small cap equity investment option's performance should be highly correlated with small cap equities in general over time.
- ❖ Performance relative to a peer group: The investment option's performance should be evaluated against the peer group.
- ❖ Performance relative to assumed risk: The investment option's risk-adjusted performance should be evaluated against the peer group.
- ❖ Minimum track record: The inception date should be greater than three years unless relevant circumstances support a shorter time frame.
- ❖ Holdings consistent with style: The investment option's individual stock and/or bond holdings should be consistent with its stated style.



- ❖ Expense ratios/fees: The investment option's fees should be reasonable relative to its peer group.
- ❖ Stability of the organization: There should be no perceived organizational problems and the same portfolio management team should be in place for at least two years.

The RIA may place a fund on a Watch list. Examples of watch list criteria include but are not limited to the following:

- ❖ Sustained relative underperformance (absolute and/or risk adjusted).
- ❖ There is a change in the professionals managing the portfolio.
- ❖ There is a significant decrease in the product's assets.
- ❖ There is an indication the manager is deviating from his/her stated style and/or strategy.
- ❖ There is a material increase in the fund's fees and expenses.
- ❖ Any extraordinary event occurs that may interfere with the manager's ability to fulfill their role in the future.

Target-Date Funds

The *Committee* intends to offer a series of target date retirement funds as a part of the Plan's investment lineup. The *Committee* will apply the following guidelines in the selection and monitoring of the target date funds in addition to the applicable criteria listed above:

- The Plan's objective in offering the funds
- The Plan's risk tolerance and participant demographics
- The asset allocation and "glide path" of the target date fund series
- The performance of the underlying funds inside the target date fund series

If the Plan does not intend to provide target date funds, please check this box.

V. INVESTMENT REVIEW PROCEDURES

The *Committee* recognizes that ongoing measurement and analysis of investment performance are important in the process of upholding its fiduciary responsibility and effectively managing the plan's assets. The review process provides the information needed to exercise informed judgment and reach sound decisions regarding investment options. The *Registered Investment Advisor (RIA)* will conduct a periodic review of the plan investment options and prepare an Investment Review, which will include at a minimum, analysis of the following:

- The plan's overall asset allocation by investment and style.
- Investment performance of each investment option on an absolute and relative basis.
- The style conformity, diversification and risk measurements of each fund.



- Organizational or personnel changes affecting a fund to determine their potential effect on the fund's investment process and results.
- The overall menu of investment options. This does not imply the anticipation of frequent changes to the menu of investment options.

VI. ERISA COMPLIANCE & OTHER LEGISLATION

The *Registered Investment Advisor (RIA)* and *Committee* of the *Sponsor*, who assist with the management of the plan, are strictly responsible for the compliance with the provisions of The Employee Retirement Act of 1974 (ERISA) and other legislation as it pertains to their duties and responsibilities as fiduciaries. Any perceived conflict between their fiduciary responsibility and guidelines should be immediately brought to the attention of the *Committee*.

ERISA has enumerated broad fiduciary responsibilities for which trustees and investment professionals are held accountable. This section will assign several of these fiduciary, as well as non-fiduciary duties and responsibilities, to the Plan's trustees, managers and advisors. This list does not eliminate any of the parties from other fiduciary duties and responsibilities as determined by ERISA and other laws, rules, and regulations applicable to the Plan.

Fiduciary Responsibilities:

Evaluate the periodic Investment Reviews provided by the *Registered Investment Advisor (RIA)* which will assist the *Committee* in complying with the following regulations:

1. Establishing, reviewing and revising **ABC Company Plan** investment policies as necessary: Sections 402 (a)(1-2), 404(A)(1)(D) of ERISA
2. Evaluating manager and fund investment risk performance: Section 405(a) of ERISA
3. Controlling total plan expenses including fund expenses, custodial fees, and all other fees which may be assessed to participant balances: Section 404(a) of ERISA
4. Making investment decisions with the skill and care of a prudent expert: Section 404 (a)(1)(B) of ERISA
5. Monitoring, appointing and discharging investment managers, funds, and advisors as necessary.

On behalf of **ABC Company** I/we hereby affirm that the information contained in this Investment Policy Statement accurately reflects the investment guidelines and objectives of the plan. Any changes to the plan's long-term objectives will be promptly communicated to the *Registered Investment Advisor (RIA)*.

Retirement Committee Member/Authorized Signer

Date

June 14, 2012

Harley M. Kastner
(1949-2008)

Dean E. Westman

James P. Wilkins

Kenneth M. Haneline

Keith L. Pryatel

John W. McKenzie

Bruce H. Fahey

Thomas Evan Green

James W. Ellis

Jaime Umerley Kolligian

Julie A. Trout

Linda S. Wilkins

John R. Slater
Of Counsel

Douglas B. Brown LLC
Of Counsel

Ford & Harrison LLP
Of Counsel

Not all attorneys licensed to practice in Ohio

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Michael J. Swallow
CBIZ Retirement Plan Services
6050 Oak Tree Boulevard, Suite 500
Cleveland, OH 44131

RE: Statement of Investment Policy

Dear Mike:

Although a plan sponsor is not required under the Employee Retirement Income Security Act of 1974 ("ERISA") to adopt a written Investment Policy Statement ("IPS"), it is a "best practices" step to protect against, and possibly eliminate, fiduciary liability in establishing a retirement plan's investment options. Under ERISA, every fiduciary decision and action must be discharged with the following considerations in mind:

1. Solely in the interest of plan participants and beneficiaries;
2. For the exclusive purpose of providing benefits and deferring reasonable expenses administrating the plan;
3. With the care, skill, prudence, and diligence of a prudent man in similar circumstances;
4. By diversifying investments of the plan so as to minimize the risk large losses; and
5. In the accordance with the terms of the plan documents to the extent such documents are consistent with the provisions of ERISA.

Under ERISA, a fiduciary is judged on the "process" used in developing the plan's investment options, rather than performances of the investment options. By having a written IPS, the plan sponsor streamlines it fiduciary "process" and can show a written "process" of

Michael J. Swallow
CBIZ Retirement Plan Services
June 14, 2012
Page 2

prudently selecting, monitoring and evaluating the plan's investment options. Thus, plan fiduciaries afford themselves greater liability protection from claims of fiduciary breaches when the IPS documents reasonable, good faith actions.

Adopting the CBIZ sample IPS is one of the best practices that a plan sponsor can utilize. Obviously, this memo cannot be construed as legal advice for your clients. As a result, clients should review the CBIZ sample IPS with their legal counsel pursuant to its process of adopting a written IPS for its qualified retirement plan.

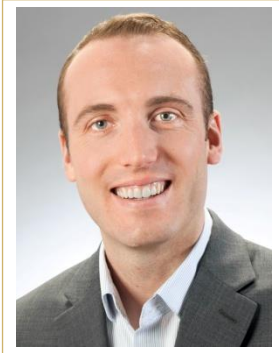
If you have any questions regarding this matter, please do not hesitate to call me.

Very truly yours,



Kenneth M. Haneline

KMH/klb



eendress@cbiz.com

Direct: (216) 520-6161
Toll Free: (800) 275-2249
Fax: (216) 447-9007

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Cleveland, OH 44131



Eric M. Endress, CFA, AIF®

VICE PRESIDENT, SENIOR INVESTMENT CONSULTANT

Eric is a Vice President and Senior Investment Consultant for CBIZ Retirement Plan Services. He holds the Chartered Financial Analyst (CFA) designation and also holds Series 6 and 63 Securities licenses. Eric earned the Accredited Investment Fiduciary® (AIF®) professional designation, awarded by the Center for Fiduciary Studies. Through the Center for Fiduciary Studies he has received formal training in investment fiduciary responsibility.

Eric is responsible for implementing CBIZ's proprietary fiduciary risk management process known as The CBIZ Fiduciary Risk Manager™. The CBIZ Fiduciary Risk Manager™ was established to help individuals manage the personal liability associated with being a Fiduciary to a qualified plan.

Eric's core responsibility is to consult with institutional clients to help them better manage the various aspects of their retirement programs. He works with plan sponsors of public, private and non-profit organizations. Eric also establishes CBIZ's investment due diligence processes and manages its' team of Investment Consultants. Eric was named a top retirement plan advisor under age 40 by the National Association of Plan Advisors (NAPA).

As an industry expert in investments, fees and expenses, and fiduciary governance, Eric has written several articles and been quoted by publications such as *CNN Money*, *Crain's Cleveland Business*, and *Plan Consultant Magazine*.

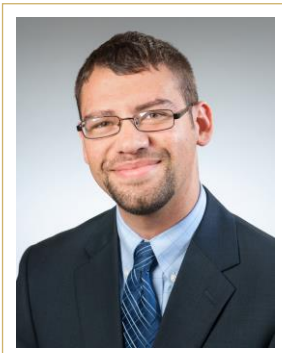
Eric is a member of the Finance Council at St. Barnabas Parish and serves on the Investment Committee at Walsh Jesuit High School.

Eric graduated magna cum laude from John Carroll University with a degree in Finance and a minor in Economics. He resides with his wife Jessica and two sons Jonathan and Joseph in Sagamore Hills, Ohio. Eric's hobbies include cycling, trying to cook, and following Cleveland sports teams.

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Cory McComas

INVESTMENT CONSULTANT

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Suite 500
Cleveland, OH 44131



Cory McComas is an Investment Consultant for CBIZ Retirement Plan Services. Cory is currently studying for the Chartered Financial Analyst (CFA) designation. He holds a Series 6 Securities license and is a registered Investment Advisor Representative. He is a proud graduate of Baldwin Wallace University and earned both a Masters in Accounting and a Bachelor of Arts degree in Finance and Accounting from Baldwin Wallace.

Through macroeconomic research efforts, Cory supports the investment team by providing data-driven analyses to shape investment strategies. He implements CBIZ's proprietary investment due diligence and reporting process to monitor client portfolios. Cory also assists with managing the portfolio construction process for Defined Benefit Plans, focusing on risk-minimizing approaches for long-term investing.

Cory is responsible for implementing CBIZ's proprietary fiduciary risk management process known as The CBIZ Fiduciary Risk Manager™. The CBIZ Fiduciary Risk Manager™ was established to help individuals manage the personal liability associated with being a Fiduciary to a qualified plan. CBIZ Retirement Plan Services was named one of PLANADVISER'S Top 100 Retirement Advisers in 2014 and 2015.

Cory resides in Berea, Ohio, and enjoys spending time with his family and in the Cleveland Metroparks. Additionally, he is an active member of the Baldwin Wallace MBA Association, the Baldwin Wallace University Alumni Council. Starting fall 2016, Cory will serve as a mentor to a Baldwin Wallace incoming freshman student thru CollegeNow of Greater Cleveland, a non-for-profit that provides Greater Cleveland students with guidance and access to funds to prepare for and graduate from college.

Cory is also a die-hard Cleveland sports fan and enjoys cheering on his teams throughout the year.

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Jennifer Zeck

RETIREMENT COMPLIANCE CONSULTANT

Jennifer is a Retirement Compliance Consultant for CBIZ Retirement Plan Services. Jennifer is a member of the American Society of Pension Professionals & Actuaries (ASPPA). She is currently working towards her Qualified 401(k) Administrator (QKA) designation. Jennifer earned her Bachelor of Science degree from The Ohio State University.

Jennifer's core responsibility is to ensure the compliance and qualification status of highly complex retirement plans. She is the main connection between the retirement plan client and their current service provider.

Jennifer's primary goal is to assist plan sponsors in the management of their fiduciary responsibilities. She is responsible for implementing CBIZ's proprietary fiduciary risk management process known as The CBIZ Fiduciary Risk Manager™ on behalf of clients. The CBIZ Fiduciary Risk Manager™ was established to help individuals manage the personal liability associated with being a Fiduciary to a qualified plan.

CBIZ Retirement Plan Services was named one of PLANADVISER'S Top 100 Retirement Advisers in 2014 and 2015. Jennifer has over eighteen years of qualified plan experience. Prior to joining CBIZ she worked in recordkeeping and consulting at PNC Bank and Branch Banking & Trust (BB&T).

Jennifer's volunteer work includes time with junior achievement in the Cleveland Public Schools in addition to various Lighthouse Projects through BB&T and the Animal Protective League. She recently relocated back to the Cleveland area and resides in Bay Village, Ohio.

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Jennifer Kennedy Ontko, QKA, QPA

SENIOR RETIREMENT COMPLIANCE CONSULTANT

Jennifer is a Senior Retirement Compliance Consultant for CBIZ Retirement Plan Services. Jenn is a member of the American Society of Pension Professionals & Actuaries (ASPPA), where she has earned the Qualified 401(k) Administrator (QKA) and Qualified Pension Administrator (QPA) designations. She is currently working towards her Certified Pension Consultant (CPC) designation. In addition to industry certifications, Jennifer earned her MBA from Case Western Reserve University's Weatherhead School of Management.

Jenn's core responsibility is to ensure the compliance and qualification status of highly complex retirement plans. She is the main connection between the retirement plan client and their current service provider. She is also responsible for consulting on retirement plan decisions in merger and acquisition situations. In addition, Jennifer oversees the team of Compliance Consultants.

Jennifer's primary goal is to assist plan sponsors in the management of their fiduciary responsibilities. She is responsible for implementing CBIZ's proprietary fiduciary risk management process known as The CBIZ Fiduciary Risk Manager™ on behalf of clients. The CBIZ Fiduciary Risk Manager™ was established to help individuals manage the personal liability associated with being a Fiduciary to a qualified plan.

CBIZ Retirement Plan Services was named one of PLANADVISER'S Top 100 Retirement Advisers in 2014 and 2015. Jennifer has over twenty years of qualified plan experience. Prior to joining CBIZ she worked in recordkeeping and consulting at KeyBank.

Jennifer resides with her husband, Kevin, and three children in North Olmsted, Ohio. In her free time, she volunteers at St. Brendan School where her children attend.

retirement.cbiz.com



CBIZ Retirement Plan Services is a trade name under which certain subsidiaries of CBIZ, Inc. market investment advisory, third party administration, actuarial and other corporate retirement plan services. Investments and advisory services offered through CBIZ Financial Solutions, Inc., Member FINRA, SIPC and SEC Registered Investment Adviser, dba CBIZ Retirement Plan Advisory Services. CBIZ Financial Solutions, Inc. is a subsidiary of CBIZ, Inc. (NYSE Listed: CBZ)



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Bridgeville, PA 15017

www.cefex.org

March 18, 2015

Michael Swallow
Vice President
CBIZ Financial Solutions, Inc.
6050 Oak Tree Blvd.
Cleveland, OH 44131
USA

CEFEX File: CFX-10008

The Centre for Fiduciary Excellence (CEFEX) has conducted a fiduciary assessment of **CBIZ Financial Solutions** (the "Advisor") to determine whether Advisor's practices in providing investment advice to clients conform generally to the fiduciary standards of excellence (referred to as the Fiduciary Practices) as defined by the *Prudent Practices for Investment Advisors (U.S. Edition)* handbook as published by fi360, Inc. (fi360) (the Handbook).¹ Compliance with applicable legal and ethical practices in providing investment advice to clients is the responsibility of the Advisor. The responsibility of CEFEX is to express an opinion on whether the Advisor generally conforms to the Fiduciary Practices in the conduct of its business based on our assessment.

CEFEX conducted its assessment in accordance with the *Consultant's Assessment of Fiduciary Excellence for Investment Advisors (U.S. Edition)* (the CAFÉ) prepared by fi360. The assessment was conducted and a draft report was prepared by analyst **Donald K. Denton of Roland Criss Fiduciary Services**. The CEFEX Analyst's work papers and draft report were reviewed by the CEFEX Registration Committee (CRC) to ensure

¹ The Handbook describing fiduciary best practices for investment advisors is available at www.cefex.org.

impartiality. The assessment requires that the Analyst plan and perform a review of a representative sample of the Advisor's written records, interviews with appropriate personnel of the Advisor and, on a test basis, evidence supporting the actions taken by the Advisor in providing services to its clients. Sampling of records was conducted in accordance with the statistical guidelines used by the International Organization for Standardization, which required that we review records equal to the square root of the total available records. We believe that the Analyst's assessment and the CRC's review of the Analyst's report provide a reasonable basis for this Report and issuance of a Certificate of Registration to the Advisor.

Neither this Report nor the Advisor's CEFEX Registration constitutes a financial audit of the Advisor or a regulatory or compliance audit of the Advisor's operations, and CEFEX expresses no opinion regarding the completeness or accuracy of the Advisor's financial condition or financial statements or its compliance with applicable legal or ethical requirements with respect to any specific client. Neither this Report nor the Advisor's CEFEX Registration provides assurance that the Advisor will conform to the Fiduciary Practices or applicable legal or ethical requirements in any specific instance, and CEFEX disclaims any responsibility for such conformance.

In our opinion, based on the assessment referred to above, the Advisor conforms to all Practices and Criteria defined in the Handbook as of **March 18, 2015** in the conduct of its investment advisory business generally and is entitled to receive a CEFEX Fiduciary Certificate of Registration, which shall be valid for a period of 12 months.

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April 15, 2011

Mr. Carlos Panksep, General Manager
Centre for Fiduciary Excellence (CEFEX)
2255B Queen St. East, Suite 406
Toronto Ontario M4E 1G3, Canada

Re: CEFEX Certification of Investment Advisers

Dear Mr. Panksep:

At your request, we have reviewed the process developed by CEFEX for assessing whether an investment advisor meets the global fiduciary standard of excellence (the "Fiduciary Standards") as defined by the *Prudent Practices of Investment Advisors (U.S. Edition)* handbook published by Fiduciary 360 (fi360) (the "Handbook"). In conducting that review, we have examined various documents (referred to below) that you have provided to us and had discussions with you and representatives of fi360 regarding the manner in which the assessment is conducted. The purpose of the review was to determine whether the assessment process is adequate for its intended purpose.

Summary of Conclusions

In reliance on the analysis, assumptions and limitations that follow, and on such other matters as we have deemed relevant, we have concluded that:

(1) The assessment process, when carried out by an Accredited Investment Fiduciary Analyst (or AIFA)¹ in accordance with the CAFÉ (described below), will enable CEFEX to make a finding of whether or not an investment advisor is meeting the Fiduciary Standards;

(2) The issuance of a Certificate of Registration by CEFEX following the conclusion of the assessment process will properly reflect that the investment advisor is generally meeting the Fiduciary Standards for the matters and for the time period covered by the Certificate (subject to the limitations on scope expressed in the CEFEX opinion that accompanies the Certificate); and

¹ An AIFA is an individual who has received training from fi360 in the process of conducting a fiduciary assessment. To obtain the designation, the individual must complete a classroom course, pass an examination and meet certain educational and/or work experience requirements. For details regarding this training, see http://www.fi360.com/main/center_studies_aifa_classroom.jsp.

Mr. Carlos Panksep
April 15, 2011
Page 2

(3) An investment advisor providing advice to retirement plans subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), who receives a Certificate of Registration from CEFEX following the conclusion of the assessment process will have demonstrated that, as of the date of the assessment, it had procedures and practices in place that equal or exceed the fiduciary requirements of ERISA.

The foregoing opinions should not be relied on without a thorough reading of the analysis contained in this letter and the materials on which is it based.

With respect to the last of these three issues, we address ERISA because it is the single body of law in the United States for which there are well-developed regulatory and judicial interpretations regarding fiduciary duties generally. Therefore, it is appropriate to look to ERISA and the commentary and interpretations of that law for purposes of developing a set of overall “best practice” fiduciary principles and the enforcement of fiduciary duties.

Finally, we note that these conclusions are based on our review of the CAFÉ, the Handbook and applicable laws, rules and regulations in effect as of the date this letter (or which has been issued in final form even if the effectiveness of the guidance has been delayed to a later date); and we do not undertake to update this opinion in the event of subsequent material changes in the documents reviewed or such legal precedent.

Background

You have provided us with materials developed by f360, including the Consultant’s Assessment of Fiduciary Excellence for Investment Advisors (U.S. Edition) (the “CAFÉ”) and related materials, that are used by an AIFA in conducting an assessment of whether an investment advisor meets the Fiduciary Standards identified in the Handbook.² The Handbook identifies 33 “best practices” in which an investment advisor should engage in order to meet its fiduciary standard of care to its clients in providing investment advice.

The purpose of the assessment is to determine whether the investment advisor will receive a Certificate of Registration from CEFEX which confirms that the advisor meets the Fiduciary Standards.

² Fiduciary 360 has developed CAFÉs for the assessment of investment managers, investment stewards, and other specialized applications. The analysis discussed in this letter is limited to the CAFÉ for investment advisors.

Mr. Carlos Panksep
April 15, 2011
Page 3

The assessment under the CAFÉ requires that the AIFA review a statistically valid sample of the advisor's written materials and randomly selected client files, interviews with personnel of the advisory firm, analysis of the advisor's investment processes and confirmations from a statistically valid sample of the advisor's clients. The review applies only to the investment advisory processes of the investment advisor, is designed to analyze the processes used by the advisor in advising clients on the selection and monitoring of investments or investment managers for their assets, and does not address accounting, banking, consulting or other financial aspects of the advisor's business. Further, the review is not designed to determine whether the advisor is complying with the Fiduciary Standards with respect to any particular client and is conducted in reliance on the materials provided by and representations made by the advisor to the analyst conducting the assessment.³ Finally, the CAFÉ is not designed to determine whether the advisor has engaged in prohibited transactions under ERISA or other applicable laws or may be liable for the conduct of other fiduciaries under applicable co-fiduciary liability principles (such as those contained in ERISA).

The AIFA is required to maintain detailed work papers documenting the review process and to note areas of non-conformance by the advisor using a Non-conformance Report (or NCR) or Opportunities for Improvement (or OFI) report. Upon completion of the assessment, the AIFA delivers a draft report, along with supporting materials and any NCRs or OFIs created during the assessment process, to the CEFEX Registration Committee (CRC) for review.

In addition to ensuring impartiality, the CRC's role is to verify that the AIFA competently conducted the assessment, that the proper information was gathered and reviewed and that a sufficiently large sample of advisor information was obtained to make the analysis statistically valid.⁴ Following its analysis of the draft report and other materials, the CRC makes a decision whether, on the basis of the available evidence, to issue a Certificate of Registration to the advisor. If issued, the Certificate will be valid for twelve months.

We note that the issuance of a Certificate of Registration to an investment advisor does not guarantee that the advisor is in compliance with all legal or ethical standards in

³ The assessment does not and realistically cannot determine whether the advisor is engaging in fraudulent or illegal activities or whether the materials it has provided to the analyst are complete and accurate.

⁴ We understand that for these purposes you utilize the statistical sampling standards used by the International Organization for Standardization, which requires that the AIFA review a number of records equal to the square root of the total available records. We assume for purposes of our analysis that this is a proper measure for determining statistical validity.

Mr. Carlos Panksep

April 15, 2011

Page 4

general or whether the advisor is meeting those standards with respect to any individual client. (These limitations and others are reflected in the opinion delivered by CEFEX that accompanies the Certificate.) What the Certificate of Registration does signify is that in general, the advisor is able to demonstrate that its business practices meet the fiduciary standards indicated in the Handbook.

Discussion

We have prepared memoranda that discuss the legal support for each of the practices identified in the Handbook in a variety of fiduciary settings. In so doing, we reviewed the Employee Retirement Income Security Act of 1974, the Uniform Prudent Investor Act, the Management of Public Employees Retirement Systems Act and the Uniform Prudent Management of Institutional Funds Act but did not examine the law of any particular state. We compared the Fiduciary Standards to the requirements of each of these Acts and found them to enunciate, with some variations, the same fundamental principles in each of those laws.

While the practices defined in the Handbook are intended to represent fiduciary “best practices” that equal or exceed generally accepted fiduciary principles imposed by applicable federal or state laws, specific laws may contain provisions that are different from, inconsistent with or, in limited situations, contrary to these best practices. As a result, we are unable to state that the practices identified in the Handbook satisfy every provision of every applicable law. Nevertheless, we believe that they do reflect the obligations of fiduciaries generally across a broad spectrum of legal arrangements. That is, looked at broadly and without reference to any legal requirements of any specific jurisdiction, investment fiduciaries have an obligation to:

- (i) act in the best interest of their clients,
- (ii) avoid conflicts of interest,
- (iii) act for the exclusive purpose of providing their clients with a return on their investments consistent with the client’s goals for capital preservation or return on investment, time horizon and risk tolerance, and
- (iv) follow generally accepted investment theories and prevailing industry practices in advising their clients with respect to their investments.

Whether or not a fiduciary is meeting these standards is measured under the prudent person rule, which requires a fiduciary to act only within the range of its competence and to engage in a process of obtaining and analyzing relevant information, making reasoned and informed decisions based on that information, periodically re-examining those

Mr. Carlos Panksep

April 15, 2011

Page 5

decisions (where the engagement is on-going) and maintaining adequate records to reflect the process in which it engaged.

In our view, the practices identified in the Handbook address these requirements and, when followed by an investment advisor, would indicate that the advisor is following a prudent fiduciary process and, therefore, fulfilling its fiduciary obligations to its clients. To the extent the assessment conducted by an AIFA using the process set out in the CAFÉ, based on a statistically valid sample of the advisor's clients and other records, is able to verify that an advisor is following the practices in the conduct of its business, CEFEX will be able to conclude that the advisor is meeting the Fiduciary Standards.

Our review of the assessment process consisted of an analysis of the steps required in the CAFÉ (and related documents) for verifying information regarding the conduct of the advisor's business. We then compared those steps to the requirements for fiduciary conduct generally and to the practices identified in the Handbook and determined that the steps, if properly carried out, would generally support a conclusion on whether the advisor was following the practices. We note that in the course of conducting an assessment, the AIFA may determine that the advisor is not fulfilling certain of the practices and, in that case, is required to complete a "non-conformance report" or NCR. We understand that any NCRs prepared by the AIFA (along with other supporting materials) are delivered to the CRC along with the draft report and recommendation regarding certification of the advisor. We further understand that the CRC takes the NCRs into account in determining whether to issue a Certificate of Registration to the advisor and declines to issue a certification if the AIFA identifies material areas of non-conformance.

As indicated earlier, in conducting our analysis, we have looked to ERISA for general fiduciary principles. In this context, we note that ERISA requires that fiduciaries involved in the investment process adhere to generally accepted investment theories, such as modern portfolio theory, and prevailing industry practices in making investment decisions. The determination of whether an investment advisor is adhering to this requirement is outside our area of expertise as lawyers. However, fi360 and CEFEX have represented to us that the assessment under the CAFÉ will demonstrate whether an investment advisor is generally meeting this requirement in advising its clients. Insofar as our opinion regarding compliance with the fiduciary requirements of ERISA relates to these investment processes, it is based (without independent verification) on that representation and made in reliance on the position of fi360 as an expert in investment matters.

Based on our review of the CAFÉ and other materials and our understanding of the CRC's process in analyzing the information presented to it by the AIFA who

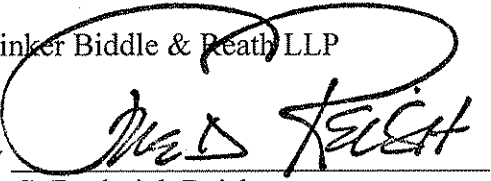
Mr. Carlos Panksep
April 15, 2011
Page 6

conducted the assessment, we have concluded that CEFEX may validly determine whether or not an advisor meets the Fiduciary Standards. Further, we have concluded that when CEFEX issues a Certificate of Registration, the Certificate reflects that the investment advisor is generally meeting the global fiduciary standard of excellence for the matters and for the time period covered by the Certificate, subject to the limitations expressed in the CEFEX opinion that accompanies the Certificate.

Very truly yours,

Drinker Biddle & Reath LLP

By

A handwritten signature in black ink, appearing to read "C. Frederick Reish", is written over a horizontal line. The signature is stylized and cursive.

C. Frederick Reish



The CBIZ Registered Investment Advisory Solution™

CBIZ's team of credentialed and experienced investment specialists are focused on helping you meet your fiduciary duties. We will help you select, monitor and replace investment options. Our well-defined investment due diligence process will give you confidence that you're implementing best practices to lower fiduciary risk and improve the retirement plan outcomes of participants.

OUR PROCESS

IDENTIFICATION

We identify and proactively recruit top institutional and mutual fund managers.



ANALYSIS

Managers who meet our strict qualifications are subjected to in-depth and systematic analytical scrutiny. We evaluate each candidate from three perspectives:



Quantitative: provides initial insight into the long-term potential of a particular manager or portfolio



Fundamental: a thorough understanding of the manager's investment process and portfolio structure is required to gain confidence in the manager's ability to consistently generate sustainable excess returns



Qualitative: we scrutinize the manager's investment philosophy, process, and organization



ONGOING MONITORING

Once a manager or fund is part of the CBIZ program, our analysts continue to review all aspects of the manager's performance, investment process and operations on a quarterly basis.

Feel confident with the CBIZ Research Team:

- Independent, conflict-free investment advice
- Serve as 3(21) Fiduciary
- Serve as 3(38) Investment Manager
- Credentialed Investment Experts
- Chartered Financial Analysts (CFA)
- Accredited Investment Fiduciary® (AIF®)
- CEFEX Certified



CEFEX provides an independent recognition of CBIZ's conformity to a defined Standard of Practice. It implies that CBIZ can demonstrate adherence to the industry's best practices, and is positioned to earn the public's trust. This registration serves investors who require assurance that their investments are being managed according to commonly accepted best practices. CEFEX certification helps determine the trustworthiness of investment fiduciaries.

Learn more at retirement.cbiz.com or call (866) 560-2431.



CBIZ Retirement Plan Services

Investment Processes, Philosophy,
and Methodology

The CBIZ Approach



Consistent, long-term results are best achieved through a rigorous and disciplined investment process.

The CBIZ Investment Process:

4 Pillars



1. Investment menus should be “built for the masses” and prioritize simplicity while still offering a wide variety of choice.
2. Defined contribution plans should offer actively managed, passively managed (index), and target-date/risk-based investment options.
3. Investment management costs are a major predictor of long-term performance and should be minimized to the extent possible.
4. Investment managers should be evaluated over full market cycles.



Build Your Menu for the Masses



- Research from Columbia University has found that participation drops as the number of investment options increases. Why? Confusion increases!¹
- A small percentage of participants typically have investment expertise; these individuals can get access to alternative vehicles through assets outside of the plan or self-directed brokerage accounts
- Our Recommendation:
 - Offer 10-15 investment options for participant investment in defined contribution menus*
 - (*counts target-date or risk-based series as one choice)



Recommended Asset Classes



| U.S. Large Cap Stock (3 choices) | U.S. Mid Cap Stock (1-2 choices) | U.S. Small Cap Stock (1-2 choices) |
|-------------------------------------|-------------------------------------|---------------------------------------|
| Value, Growth, Index | Value, Growth, OR Index | Value, Growth, OR Index |

| Stable Value (1 Choice) | Fixed Income (2-4 Choices) |
|--|--|
| Money Market, Stable Value, or Guaranteed Interest | Intermediate Duration "Core", Government, TIPS, Foreign, and/or High Yield |

| Target Date (1 series) | Non-U.S. Equity (2-3 choices) |
|------------------------|---|
| Target Date Series | Developed Markets, World Stock, Emerging Markets, and/or Index |



Index vs. Actively Managed



- Academic studies exist that support both points of view
- Defined Contribution plans can offer both, giving participants choice
- Our Approach:
 - Index efficient asset classes and select active managers for inefficient categories

| Index vs. Active | |
|------------------------------------|--|
| Index | Active |
| Large Cap Equity Mid Cap Equity | Fixed Income Small Cap Equity International Equity |



Outsourced Investment Choices



- Many participants do not want the pressure of actively managing their retirement portfolio
- Target-date or risk-based options provide an easy-to-use, outsourced solution to participants without the additional fees associated with managed accounts
- Time horizon (target-date) and risk tolerance (risk-based) are the most important factors when building an asset allocation
- Our Approach:
 - We prefer target-date to risk-based due to the glide path component
- Our Recommendation:
 - Select and monitor a competitive target-date series; designate default fund (QDIA)



Minimizing Investment Management Expenses



- Research indicates that investment management expenses are a major predictor of future performance¹
- Overweighting past performance when selecting investment managers can lead to “buying high”
- Our Approach:
 - Minimize investment management expenses but also consider other factors when selecting managers
- Our Recommendation:
 - Minimize and levelize revenue sharing to fairly allocate cost to participants and provide full transparency



Focus on the Long Term



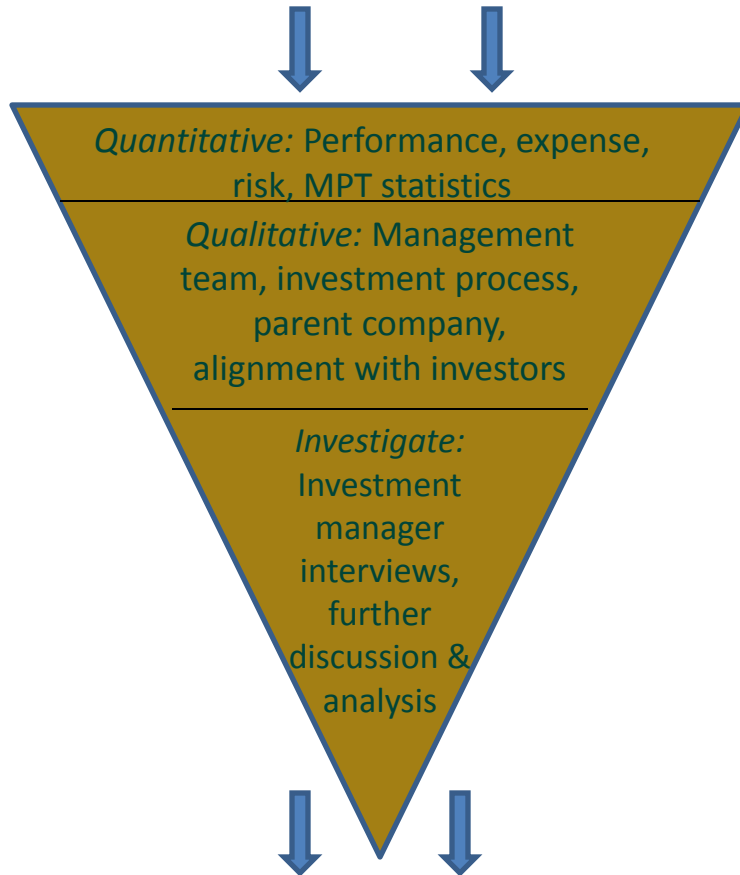
- 90% of ten-year top quartile investment managers sustain at least one three-year period in the bottom half of their peer groups¹
- With few exceptions, managers cannot thrive in all economic and market environments
- Reacting to short-term underperformance by replacing managers may result in plan sponsors selling low and buying high
- Our Recommendation:
 - If fundamentals and process remain sound, evaluate active managers over full market cycles



Due Diligence Procedures



Universe of Investments



The CBIZ due diligence process combines quantitative and qualitative analysis that drives successful investment manager selection and monitoring

- ✓ Competitive investment menu for participant investment

Reporting and Recommendations



- Investment managers are evaluated versus benchmark/peer group and placed on Watch if they violate due diligence criteria
- CBIZ provides manager commentary for funds placed on Watch and proprietary recommendations in writing
- Action will be recommended on Watch funds if they do not recover or fundamentals and process are concerning
- Proprietary, customized Investment Review deliverable

| Fund/ Universe/ Benchmark | | Primary Criteria | | | | | | | Secondary Criteria | | | | | | Pass Watch Action |
|---|---|---------------------------------|---------------------------------|----------------------------------|--------------------------------------|-----------------------------|--|----------------|---------------------------------|------------------------------------|------------------------------------|-------------------------------|--------------------------------------|---------------------------------------|-------------------------|
| | | 3Yr Perf vs. Cat (60%) | 5Yr Perf vs. Cat (50%) | 10Yr Perf vs. Cat (50%) | 5Yr Sharpe vs. Cat (60%) | Manager Tenure >2 Yrs | Tot Fund Assets (all Shares) >\$100 million | Style Drift | 1Yr Perf vs. Cat (75%) | 3Yr Std Dev vs. Cat (60%) | 5Yr Std Dev vs. Cat (60%) | 5Yr R2 vs. Cat (60%) | Expense Ratio vs. Cat (50%) | Turnover Ratio vs. Cat (60%) | |
| Vanguard 500 Index Signal Morningstar Large Blend S&P 500 TR USD | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Pass |
| Vanguard Growth Index Signal Morningstar Large Growth Russell 1000 Growth TR USD | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Pass |
| Vanguard Selected Value Inv Morningstar Mid-Cap Value Russell Mid Cap Value TR USD | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Pass |
| Vanguard Mid Cap Index Signal Morningstar Mid-Cap Blend S&P MidCap 400 TR | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Pass |
| Vanguard Mid Cap Growth Inv Morningstar Mid-Cap Growth Russell Mid Cap Growth TR USD | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | Pass |
| Vanguard Small Cap Index Signal Morningstar Small Blend S&P SmallCap 600 TR USD | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Pass |
| Royce Pennsylvania Mutual Invmt Morningstar Small Growth Russell 2000 Growth TR USD <small>Comments: Royce Pennsylvania Mutual continues on our watch list for violating our performance criteria over the past three and five year periods. Royce's deep value approach to investing and its overweight to foreign stocks have been the main detractors to relative underperformance in more recent periods. Over the last five years, the fund's average weight in foreign stocks was roughly 3% greater than that of its small growth peers. This position has held back performance over the five-year period as domestic securities have outpaced foreign securities by 5%. The fund's high quality approach to investing has typically resulted in its relative underperformance during rally periods. Royce seeks out firms that are trading at 30-50% discounts of their estimated businesses' worth and avoids faster growing and highly levered firms. While its approach doesn't keep it ahead of the pack in rallies, it is typically more resilient during downturns. Over the ten-year period, the fund ranks near the top quartile of its peers. We note the fund's performance inflections and are mindful of its risk-averse approach as we continue to monitor it on our watch list.</small> | ✗ | ✗ | ✓ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Watch | |
| American Funds EuroPacific Gr R6 Morningstar Foreign Large Blend MSCI EAFE NR USD | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Pass |

Economic and Market Outlook



- We conduct proprietary research to produce economic and market summary and outlook
- We filter out the “white noise” in the media
- Economic summary/outlook based on domestic and international macroeconomic research, including geopolitical risks
- Market summary/outlook based on valuation methods, asset flow study, interest rate and inflation models, and macroeconomic factors



Investment Consulting Services & Due Diligence Process

Retirement Plan Committee members are charged with managing a plan with skill, care and prudence. We believe that retirement plan committees should retain Registered Investment Advisors (RIA) to guide them in providing a prudent menu of investment options to plan participants. In addition, we strongly urge committees to retain experts for ongoing consulting and the formal documentation of their due diligence.

The formal documentation of due diligence begins with the drafting of an Investment Policy Statement. This statement serves as the blueprint against which a committee reviews a plan. The statement should define the objectives of the committee, fiduciary duties and responsibilities, investment policy guidelines and review procedures. The Sample Client Investment Policy Statement will be a formal document which defines the retirement committee objectives and standards against which the plan's platform and individual investment options will be evaluated on a periodic basis.

Ongoing documentation of investment due diligence for the Sample Client Retirement Plan will consist of a formal plan review. Plan investment reviews contain a market commentary, plan level asset allocation, performance analysis and individual commentary on each investment option. We will prepare investment reviews quarterly

and formally present these reviews to the committee.

Our investment consulting services will include, but are not limited to the following:

- Drafting and maintenance of an Investment Policy Statement
- Preparation of quarterly investment reviews
- Preparation of quarterly participant letters
- Quarterly presentations to retirement plan committee
- Development of recommended investment option menu
- Maintenance of watch list for investment options

As a Registered Investment Advisor (RIA), we serve as a co-fiduciary of your plan, which means we are held responsible for determining the investment line-up and its suitability. When building a retirement plan portfolio it is essential to provide investment options that enable participants to build a well-diversified portfolio. Therefore, one of the initial steps in our due diligence process is to provide participants with investment options that are broadly diversified over the following categories/style:

- **Stable Value** – funds investing in money markets and/or guaranteed insurance contracts (GIC)
- **Bonds** – funds investing in government and corporate bonds
- **Balanced** – funds investing in money markets, bonds and stocks
- **Growth & Income** – funds investing in large-cap value companies as well as an index fund that mirrors the S&P 500
- **Growth** – funds investing in large-cap growth companies
- **Aggressive Equity** – funds investing in small/mid growth and value companies
- **Global/International** – funds investing in companies that exist outside of the United States

The next step in our due diligence process is to critically screen through a universe of mutual funds. Throughout this process we are reviewing the following factors which include but are not limited to:

- **Management Tenure** – How long has the portfolio manager(s) been overseeing the fund?
- **Operating Expense (aka Management Fee)** – Is it competitive relative to its peer group?
- **Investment Performance** – Is it competitive relative to its peer group?
- **Calendar Year Performance** – Has all of its over/under performance been attributable to one or two good years or has it been consistently competitive relative to its peer group?
- **Allocation by Holding** – Is it diversified within the top 10 holdings and how many positions does it own?
- **Allocation by Sector** – Is it diversified amongst sectors of the economy and where is it making its biggest bet?
- **Financial Statistics for Stock Funds** such as the average price/earnings ratio and the median market capitalization – Is it pure to its style?
- **Financial Statistics for Bond Funds** such as average credit quality, effective duration and average maturity – Is it over or underweighting governments and/or corporate bonds and how much risk is it taking?

Through CBIZ's due diligence efforts the investment options will be well-diversified; professionally managed; charge fees that are reasonable vis-a-vis the asset class and/or investment approach; and provide, in the aggregate, the participant with the opportunity to structure a competitive portfolio with risk and return characteristics suitable to long-term investment programs.

More Information

To learn more about our investment consulting services and the due diligence process, feel free to contact us at (866) 560-2431 or RetirementInfo@CBIZ.com.



Investment Processes, Philosophy, and Methodology



CBIZ believes that consistent, long-term results are best achieved through a rigorous and disciplined investment process. After carefully vetting funds, we can help you offer your participants a simple yet diverse fund lineup. Offering your participants the appropriate investment options is a crucial step to ensuring that they will be able to successfully retire.

UNIVERSAL

Investment menus should be built for diverse groups and prioritize simplicity while still offering a wide variety of choice.

CHOICE

Defined contribution plans should offer actively managed, passively managed, and target-date/risk-based investment options.

THE CBIZ INVESTMENT PROCESS: 4 PILLARS

LOW COST

Investment management costs are a major predictor of long-term performance and should be minimized to the extent possible.

LONG TERM

Investment managers should be evaluated over full market cycles.

BENEFITS

- Competitive investment menu for participant investment
- Helps all types of participants manage their portfolio
- Increased Participation
- Competitively priced plan

Learn more at retirement.cbiz.com or call (866) 560-2431.



Specialized experience for your Retirement Plan needs.

Trust the nationally-recognized team of 401(k) specialists at CBIZ Retirement Plan Services to improve your retirement plan.

From ensuring that your plan is operating within the latest compliance regulations to identifying the best investment options for plan participants, CBIZ has the specialized 401(k) knowledge, industry experience and unbiased advice to reduce the risk and stress that comes with plan sponsorship.

Learn more at retirement.cbiz.com or call (866) 560-2431.



The proven CBIZ Fiduciary Risk Manager™ process lowers liability and improves governance across all SIX areas of primary risk.

COMPLIANCE/ACTUARIAL

Our consultants ensure your plan remains in compliance through proper administration and successful completion of all required filings and notices.

INVESTMENTS

Independent and credentialed experts review your investment offerings and make recommendations that will provide plan participants the best mix of investment options to meet their retirement goals.

PARTICIPANTS

From printed materials to unbiased, in-person consultations and technology-based products, CBIZ offers multiple ways to help you educate, advise and communicate with plan participants.

FEES & EXPENSES

Our periodic examination and analysis of total plan costs will benchmark your plan's fees in relation to the services provided.

MERGERS & ACQUISITIONS / CONVERSIONS

Rely on the experienced team at CBIZ to reduce the anxiety of converting or merging retirement plans—including changing recordkeepers.

FIDUCIARY GOVERNANCE

Having a formal, documented governance process lowers organizational risk, reduces personal liability and delegates fiduciary duties. Let CBIZ guide you.

NATIONAL RESOURCES LOCAL SERVICE

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- Lawrenceville
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- San Jose
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- Tucson



Investments and advisory services offered through CBIZ Financial Solutions, Inc., member FINRA, SIPC and SEC Registered Investment Adviser, dba CBIZ Retirement Plan Advisory Services. CBIZ Financial Solutions, Inc. is a subsidiary of CBIZ, Inc. (NYSE Listed: CBZ) 6050 Oak Tree Blvd. S., Suite 500 • Cleveland, OH 44131

September 17, 2012

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RE: Assessment of the CBIZ Responsibility Delegator™

Dear Mike:

Your client company, institution or organization ("Plan Sponsor") sponsors a qualified retirement plan that is regulated by certain federal laws, namely the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Internal Revenue Code. In our increasingly litigious society, ERISA lawsuits are being brought against fiduciaries, subjecting them to personal liability as well as expensive and time-consuming legal proceedings. CBIZ has developed a "best practices" program known as the "Responsibility Delegator™" that is designed to minimize your clients' exposure to litigation in the administration of your Organization's retirement plan.

The Plan Sponsor's adoption of a qualified retirement plan is typically a "settlor" function that does not carry any fiduciary responsibilities. Beyond the plan's adoption, however, if the Plan Sponsor's board is involved in the administration of that qualified retirement plan, the board may be acting in the capacity of a "fiduciary" to the qualified retirement plan.

ERISA defines a fiduciary as any person who has "discretionary authority" over a plan's administration or "any authority" over plan assets. A fiduciary carries personal liability for any breach of fiduciary duties. A person becomes a fiduciary either by being named in a document as a fiduciary or, even if that person is not named in any of the benefit plan documents, performing the functions of discretionary authority over plan administration or exercising any authority over plan assets.

Based on the foregoing, board members may be surprised to find that they could be subject to certain personal liability for being an ERISA fiduciary. In order to avoid a fiduciary designation, CBIZ's Responsibility

Delegator™ advises governing boards to delegate the administration of a qualified retirement plan to a retirement plan committee. The retirement plan committee then assumes the fiduciary roles inherent in the administration of the qualified retirement plan. Having the retirement plan committee creates a level of separation from the non-fiduciary settlor functions typically exercised by a governing board and the fiduciary functions of administering the ERISA-regulated qualified retirement plan.

The Plan Sponsor's adoption of a retirement plan committee may provide the following advantages:

- Separates the board from ERISA fiduciary designations.
- Protects the board's discussions pertaining to retirement plan settlor functions.
- Avoids conflict of interest allegations from plan participants.
- Limits the board's exposure to fiduciary litigation.
- Avoids time-consuming, distracting, and potentially embarrassing claims and litigation for board members.
- Have board members avoid time-consuming and distracting audit interviews from Internal Revenue Service and Department of Labor auditors.

In selecting retirement plan committee members, board members should recognize that the plan's fiduciaries must have an extensive familiarity with the plan's documents and their fiduciary duties. The need for ERISA fiduciary education is continual. Each newly appointed fiduciary should review all applicable plan documents. The retirement plan committee must be aware that they will be developing guidelines that range from basic operational procedures to a more in-depth review of applicable statutes, rules and regulations restricting or regulating the conduct and applicable operations of the plan.

The CBIZ fiduciary "best practices" policies task the retirement plan committee with maintaining accurate and complete minutes of all retirement plan committee meetings. Maintaining these minutes and other documents that record the conduct of fiduciaries is one of the most important fiduciary duties. At a minimum, minutes of meetings should document the matters discussed, record any recommendations given by

advisors, and set forth resolutions approved, actions taken, and decisions made. All documents relating to fiduciaries should be prepared with the expectation that they will be closely scrutinized by auditors or plaintiffs' counsel in the future for evidence of alleged wrongdoing.

Documentation relating to investment decisions is particularly important. Documents should evidence the reasons for making investments, purchases and sales decisions on behalf of the plan. Also, a periodic analysis of the plan's investments and their continued suitability for the plan is absolutely critical, particularly in light of changing investment market conditions. Investments should be continually evaluated in terms of the plan's funding policy and objectives, and that evaluation should be reflected in the minutes. In essence, fiduciaries not only need to act reasonably but also need to be able to prove they acted reasonably through thoughtful and comprehensive documentation.

Another suggestion from CBIZ's fiduciary "best practices" is that the retirement plan committee should establish a written "retirement plan committee charter" that clearly delineates the committee's responsibilities and duties for plan administration. Annually, the retirement plan committee should review its charter in order to keep the charter relevant and up to date with then current duties and responsibilities. The committee's charter should:

- Enhance the performance and efficient administration of the plan.
- Ensure that plan practices are consistent with plan documents.
- Establish a procedure for effectively evaluating proposals from plan service providers.
- Effectively evaluate existing service providers' performance.
- Establish a regular schedule for obtaining additional fiduciary education required to maintain proficiency in ERISA duties and responsibilities.
- Enhance the defense against benefit claims or allegations of malfeasance.

Having reviewed CBIZ's Responsibility Delegator™ program, I find that the program is an essential tool in assisting plan sponsors with the identification and appropriate delegation of retirement plan fiduciary responsibilities. I strongly recommend the adoption of CBIZ's program to any plan sponsor.

Although this memorandum strongly endorses the important guidance provided by CBIZ's "best practices" procedures through its Responsibility Delegator™, this guidance is no substitute for prudent legal advice. We encourage fiduciaries to seek advice from competent counsel for any specific issues that arise when designing and implementing their fiduciary "best practices" procedures.

Very truly yours,



Kenneth M. Haneline

KMH/klb

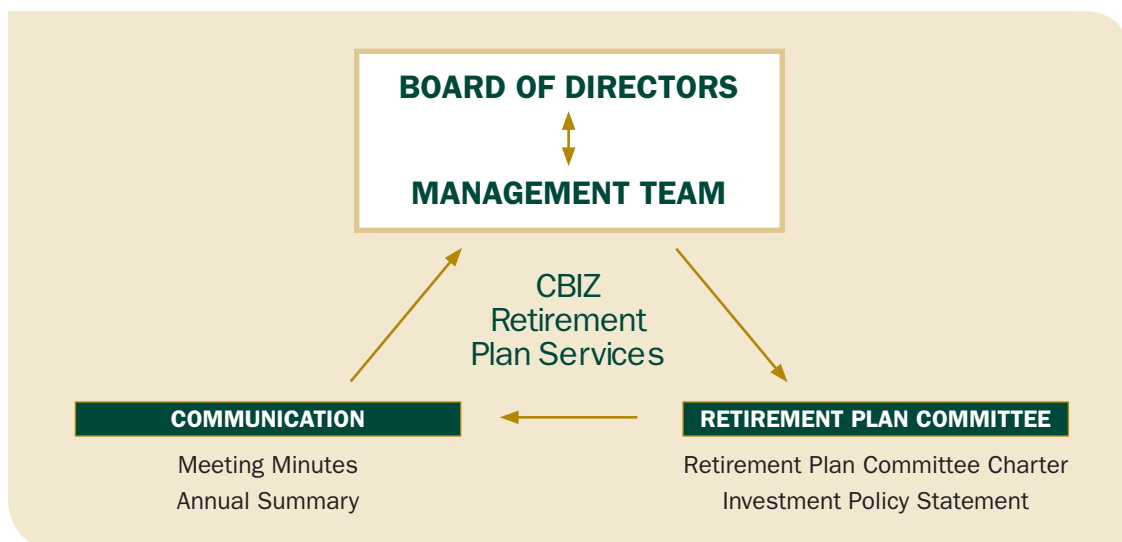


The CBIZ Fiduciary Governance Solution™

CBIZ offers a series of management strategies designed to simplify the task of governing your retirement plan and to reduce liability. We educate decision makers on retirement plan options and clarify the roles and responsibilities of the different parties involved to make the task of managing your plan easier and more beneficial for all involved.

The CBIZ Responsibility Delegator™

This initial process of The CBIZ Fiduciary Governance Solution™ minimizes risk for your Board of Directors, Management Team and Retirement Plan Committee by providing clarity regarding the roles and responsibilities of plan fiduciaries.



BENEFITS

1. Isolate risk away from your Board of Directors by adopting legal documents and delegating retirement plan responsibilities properly.
2. Identify Retirement Plan Committee responsibilities in order to minimize risk and streamline plan operations. CBIZ offers The CBIZ Fiduciary Trainer™ to help your Retirement Plan Committee understand and prepare for their responsibilities.
3. To keep the Board of Directors in compliance with their legal responsibilities, proper communication is needed to summarize the Retirement Plan Committee's annual activities. Retirement Plan Committee minutes and/or an annual summary of accomplishments are drafted and presented for review by the Board of Directors.

Learn more at retirement.cbiz.com or call (866) 560-2431.



Plan Sponsor 404(c) Checklist

Purpose: To assist plan sponsors with ERISA Section 404(c) compliance, so that plan fiduciaries will not be held liable for losses on individual participant transactions.

Requirements: The requirements for ERISA Section 404(c) fall under three basic categories:

- 1) Investment menu requirements
- 2) Plan design and administrative requirements
- 3) Information and disclosure requirements

1) Investment Menu Requirements

ERISA Section 404(c) generally requires a plan to offer a “broad range of investment alternatives.” This is satisfied by meeting the following requirements:

- The investments available under the plan are sufficient to provide the participant a chance to materially affect a) the potential returns in his or her account and b) the degree of risk to which it is subject.
- The plan offers at least three investment alternatives that:
 - Are diversified
 - Have materially different risk and return characteristics
 - Enable the participant to achieve a portfolio with aggregate risk and return characteristics at any point within the range appropriate for the participant
 - When combined with the others, each tends to minimize risk to the portfolio through diversification
- Participants are given the opportunity to diversify their accounts to sufficiently avoid large losses.

2) Plan Design and Administrative Requirements

- Under the terms of the plan, participants are given the opportunity to give investment instructions to an identified fiduciary who is obligated to follow those instructions.
- If participants do not give investment instructions in writing, they must be given an opportunity to receive a written confirmation of their instructions.
- Participants have the ability to change investments with a frequency appropriate in light of the volatility of the investments (generally quarterly or more frequently).

3) Information and Disclosure Requirements (Required to be provided automatically)

- A statement that the plan is intended to be an ERISA 404(c) plan, with an explanation that this will relieve plan fiduciaries of liability for losses resulting from the participant’s investment directions. This can be provided in the Summary Plan Description.
- A description of each investment alternative under the plan, including a) a general description of investment objectives and risk/return characteristics and b) information about the type and diversification of assets in the investment alternative.
- The identity of any ERISA investment managers.



- A description of the rights and procedures for directing investments in the plan, along with any limitation on those rights.
- A description of any transaction fees or expenses charged to the participant for purchases or sales (commissions, sales loads, etc.).
- The identity and contact information for the fiduciary responsible for providing participants Section 404(c) information "on request".
- For mutual funds in which the participant invests for the first time, a copy of the prospectus provided to the plan (may be provided before or immediately after the investment).
- If pass-through voting or similar rights are provided to participants, any materials provided to the plan regarding those rights.

Information and Disclosure Requirements (Required to be provided only on request)

- A description of the annual operating expenses of each investment alternative and the aggregate amount of these expenses, expressed as a percentage of average net assets.
- Copies of any prospectuses, financial statements, reports, and other materials about the investment alternative provided to the plan.
- If the fund is not a mutual fund, a list of assets making up the investment alternative's portfolio.
- Information concerning the value of shares or units in the investment alternatives, as well as past and current investment performance.
- Information concerning the value of shares or units held in a participant's individual account.

If company stock is offered, the following requirements must be satisfied:

- The company stock is publicly traded.
- The company stock is traded with sufficient frequency and volume so participants' instructions to buy or sell can be executed promptly.
- Participants are provided information given to shareholders of company stock generally.
- Voting, tendering, and similar rights are passed through to participants.
- The plan designates a fiduciary to ensure information regarding the purchase, sale, and holding of company stock, and the exercise of voting, tendering, and similar rights is maintained with procedures to keep it confidential.
- An independent fiduciary is appointed to address any situations where the fiduciary responsible for confidentiality determines there is a potential for undue influence on a participant's decision to vote or tender shares.
- If company stock is an investment fund, a description of the procedures established to protect the confidentiality of information regarding participants' purchase, sale, holding, voting, or tendering of company stock, as well as contact information for the fiduciary responsible for monitoring those procedures.

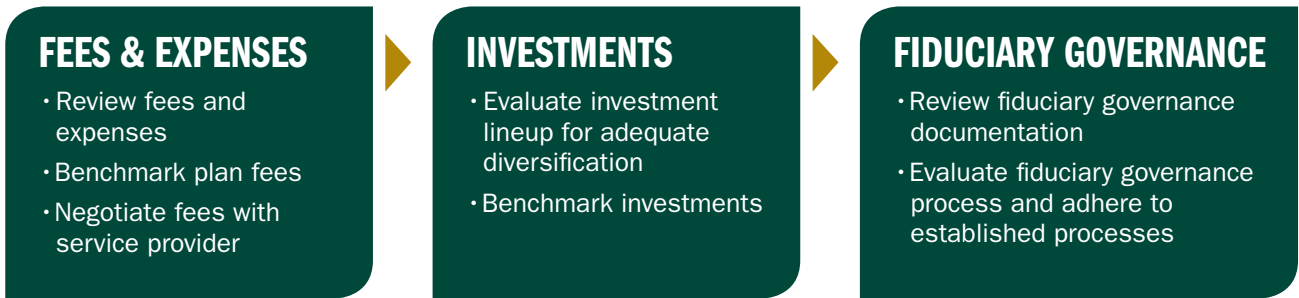


The CBIZ 401(k) Benchmark Assessment™

This process ensures that your plan is reasonably priced, plan investments are appropriate and plan sponsors are minimizing their fiduciary risk.

Plan Sponsors are responsible for an increasing number of duties under federal law in relation to the management of their retirement plan(s). Of the six primary risk areas, none have come under more scrutiny and litigation than the fees and expenses of the plan and its' investments. In regards to the CBIZ 401(k) Benchmark Assessment™, CBIZ will perform an in-depth analysis of your plan's fees and investment platform and benchmark your plan against our proprietary database of plans similar to yours.

Our Process



Your Benefits



CBIZ will document and deliver our findings and recommendations to you. We view our cost as an investment in the relationship in order to demonstrate our value and capabilities. The CBIZ 401(k) Benchmark Assessment™ will give you confidence that you're implementing best practices to lower fiduciary risk and improve the retirement outcomes of participants.

Learn more at retirement.cbiz.com or call (866) 560-2431.



SEC File No. 801-56332
March 30, 2017

CBIZ FINANCIAL SOLUTIONS, INC. DBA CBIZ RETIREMENT PLAN ADVISORY SERVICES

6050 Oak Tree Blvd. #500
Cleveland, OH 44131
(216)447-9000

This brochure provides information about the qualifications and business practices of CBIZ Retirement Plan Advisory Services. If you have any questions about the contents of this brochure, please contact us at (216) 447-9000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. While CBIZ Retirement Plan Advisory Services is a registered investment adviser, registration does not imply a certain level of skill or training.



Additional information about CBIZ Retirement Plan Advisory Services is also available at the SEC's website at www.adviserinfo.sec.gov

ITEM 2- MATERIAL CHANGES

This Brochure, dated March 30, 2017, represents CBIZ Retirement Plan Advisory Services' annual updating amendment to its previously published annual update Brochure.

Since the filing of the firm's last annual update brochure on March 31, 2016, CBIZ has registered an affiliate investment advisor with the SEC. This Registered Investment Adviser, CBIZ Investment Advisory Services, LLC (SEC# 801-108996) was effective 02/08/2017 and is under common control and ownership. In 2017, this RIA intends on moving a significant amount of its accounts to this new RIA. We will recommend that you use the services of our affiliate if appropriate and suitable for your needs. Our advisory services are separate and distinct from the fees paid to our affiliate for their services. Additional information about CBIZ Investment Advisory Services, LLC is available at the SEC's website at www.adviserinfo.sec.gov.

Table of Contents

| | |
|--|----|
| COVER PAGE..... | 1 |
| ITEM 2- MATERIAL CHANGES..... | 2 |
| ITEM 3- TABLE OF CONTENTS..... | 3 |
| ITEM 4- ADVISORY BUSINESS..... | 4 |
| INTRODUCTION..... | 4 |
| RETIREMENT PLAN SERVICES..... | 4 |
| INSTITUTIONAL INVESTMENT MANAGEMENT..... | 5 |
| CBIZ MANAGED SOLUTIONS..... | 5 |
| ITEM 5- FEES AND COMPENSATION..... | 6 |
| RETIREMENT PLAN SERVICES FEES..... | 6 |
| INSTITUTIONAL INVESTMENT MANAGEMENT..... | 6 |
| CBIZ MANAGED SOLUTIONS FEES..... | 7 |
| ADDITIONAL INFORMATION REGARDING FEES & COMPENSATION..... | 7 |
| ITEM 6- PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT..... | 8 |
| ITEM 7- TYPES OF CLIENTS..... | 8 |
| ITEM 8- METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS..... | 8 |
| ITEM 9- DISCIPLINARY INFORMATION..... | 9 |
| ITEM 10- OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS..... | 9 |
| ITEM 11- CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING..... | 10 |
| ITEM 12- BROKERAGE PRACTICES..... | 11 |
| ITEM 13- REVIEW OF ACCOUNTS..... | 11 |
| ITEM 14- CLIENT REFERRALS AND OTHER COMPENSATION..... | 12 |
| ITEM 15- CUSTODY..... | 12 |
| ITEM 16- INVESTMENT DISCRETION..... | 12 |
| ITEM 17- VOTING CLIENT SECURITIES..... | 13 |
| ITEM 18- FINANCIAL INFORMATION..... | 13 |

ITEM 4- ADVISORY BUSINESS

INTRODUCTION

CBIZ Retirement Plan Advisory Services (“CBIZ RPAS”) is the SEC Registered Investment Adviser name utilized by CBIZ Financial Solutions, Inc. (“CFS”) a subsidiary of CBIZ, Inc. (“CBIZ”) a publicly traded professional services company (NYSE: CBZ), and has been a registered investment adviser since September 1998. CBIZ is one of the nation’s leading Accounting Providers, Employee Benefits Specialists, Property & Casualty Agencies, Valuation firms, and Retirement Plan service providers. These services are provided through a network of more than 100 offices and 4,000 associates in major metropolitan and suburban areas throughout the U.S. CBIZ serves organizations of all sizes as well as individual clients across the nation by providing national caliber expertise combined with highly personalized service delivered at the local level. CBIZ is also associated with Mayer Hoffman McCann P.C. (MHM), a national, independent CPA firm. Through this association, CBIZ offers audit and attest services, and together, ranks as one of the Top Ten accounting providers in the U.S.

As of 12/31/2016 CBIZ RPAS has discretionary assets under management of approximately \$715 million and non-discretionary assets under management of \$13.1 billion. CBIZ RPAS’s primary advisory business is as a retirement plan consultant to corporations, institutions and non-profit organizations that sponsor 401(k), 403(b), profit sharing, pension and other types of retirement plans. CBIZ RPAS and its affiliates provide a broad range of services to retirement plans and their participants with assets totaling approximately \$100 billion.

RETIREMENT PLAN SERVICES

CBIZ RPAS and its licensed investment advisory representatives (each a “CBIZ RPAS Consultant”) offer a variety of services to its corporate customers’ retirement plans including, but not limited to, investment management, investment advisory, and brokerage services. CBIZ RPAS, in its role as a retirement plan fiduciary, works closely with the plan sponsor to ensure that all aspects of the plan are ERISA compliant and that the plan meets the needs of the employee/participants both when first implemented and on an ongoing basis.

The process for engaging CBIZ RPAS begins with your CBIZ RPAS Consultant. He/she will initially meet with the plan sponsor, officers or business owners to determine the specific plan services your organization would like CBIZ RPAS to provide. Very broadly, these services may include:

- **INVESTMENTS:** CBIZ RPAS Consultants provide advice and may take on contractual fiduciary responsibility related to the investments in your plan. We produce and deliver periodic Investment Reviews that document our due diligence and recommendations and demonstrate our focus on cost and risk mitigation. The outcome is a recommended investment menu that allows your participants to build a diversified retirement portfolio.
- **PARTICIPANTS:** CBIZ RPAS knows that the ultimate goal of the plan is for each employee to reach a financially secure retirement. We provide multiple avenues to educate and advise your employees, which include: printed materials, in-person consultations and technology-based solutions. As an independent Registered Investment Advisor we are able to offer your participants unbiased, conflict free advice.
- **RETIREMENT PLAN COMMITTEE:** Managing fiduciary responsibility can be complex. CBIZ RPAS will guide you through a formal documented governance process that will help manage organizational risk. Our well-defined process formally delegates fiduciary duties from the Board of Directors to the Retirement Plan Committee, managing risk and personal liability across the association. Our process includes fiduciary training to educate the Committee members on their responsibilities.
- **FEES & EXPENSES:** CBIZ RPAS periodically documents and benchmarks your plan’s fees and expenses versus industry averages and alternate service providers. Our analysis examines total plan costs including employee & employer paid fees and their various administrative and investment components. The desired outcome is a competitively priced retirement plan that is commensurate with the services provided.
- **COMPLIANCE AND ADMINISTRATION:** CBIZ RPAS Consultants act as an extension of your team, steering you toward successful plan administration and compliance. We help to ensure that all required filings and notices are successfully completed, proper administration according to the plan

document, and that the plan remains in compliance. Our process is designed to help you avoid costly fees and excise taxes that result from non-compliance.

- **MERGERS & ACQUISITIONS, CONVERSIONS:** CBIZ RPAS has significant experience and expertise converting and merging retirement plans. Our process minimizes plan sponsor anxiety and reduces the chance of error related to integrating plans or changing record keepers. CBIZ RPAS helps identify your goals and provides customized consultative solutions. We drive the process to ensure a successful transition and allow you to focus on your organizational goals.

CBIZ RPAS's services may also include: (i) preparing periodic investment reports and performance reports; (ii) performing plan asset allocation forecasting; (iii) reviewing asset/liability strategies; (iv) conducting investment oversight and monitoring; (v) constructing and monitoring asset allocation portfolios to provide each plan participant with investment choices to meet his/her own objective and tolerance for risk; and (vi) conducting ongoing benchmarking evaluations of the costs and available investment selections offered within the plan. CBIZ RPAS can also provide your employees with participant questionnaires or other suitability materials to help the employees assess their own tolerance for risk, and determine what their personal investment objectives are so that they may be better prepared to make appropriate investment selections for their individual situations. Certain CBIZ RPAS Consultants may meet with retirement plan participants to provide investment advice. In some cases, such advice is extended through a proprietary computer modeling tool referred to as Passport that recommends individual investment allocations based upon participant provided information.

Your CBIZ RPAS Consultant is expected to meet with the plan sponsor at least annually. During that meeting, the plan sponsor will be given the opportunity to provide updated information regarding the financial condition of the organization and/or the plan and discuss any changes that may be appropriate. Any change will be documented and taken into consideration as CBIZ RPAS performs its various responsibilities. Plan sponsors are encouraged to contact CBIZ RPAS if there are any questions about the quality or level of services being provided.

INSTITUTIONAL INVESTMENT MANAGEMENT

CBIZ RPAS offers a broad range of investment consulting services directly to institutional clients. Services provided may range from a full service consulting relationship where CBIZ RPAS provides a broad range of investment consulting services (such as investment policy design, asset allocation strategy, investment manager screening, selection, monitoring and evaluation, and regular performance reporting), or CBIZ RPAS may provide any of these services on a standalone basis.

Most institutional investment management services are provided on a non-discretionary basis. Occasionally we may provide general corporate-related advice within the context of providing fee based investment advisory consulting services. From time to time, CBIZ RPAS may also be requested to provide advice and recommendation on matters not involving securities. Clients will retain discretion in all such situations.

CBIZ RPAS institutional investment management services normally follow an orderly progression of stages. Typically, CBIZ RPAS (1) assists the client in evaluating their return objectives and tolerance for risk; (2) develops an asset allocation strategy designed to optimize the client's objectives and risk characteristics; (3) selects investment management organizations and/or mutual funds having specific style and performance characteristics appropriate for the client's investment strategy and its situation; (4) combines those managers/funds to achieve a desired portfolio structure; and (5) provides and interprets portfolio and manager performance reports on a periodic basis (usually quarterly).

CBIZ RPAS offers advice on the allocation of some or all of the assets within a portfolio and on the selection of outside investment managers, mutual funds, group trusts, limited partnerships (hedge funds, private equity, etc.) and any investments. On a very limited basis, CBIZ RPAS may offer advice on specific securities if so requested by clients, but generally does not.

CBIZ MANAGED SOLUTIONS

CBIZ RPAS has entered into an agreement with National Financial Services, a Fidelity Company ("NFS") and Envestnet Asset Management, Inc. ("Envestnet") to offer the CBIZ Managed Solutions program ("CBIZ Managed Solutions"). CBIZ Managed Solutions provides both retirement plan and individual client's access to a wide range

of managed account programs and investment solutions. If you decide to participate in this program, you will be required to open a brokerage account through CFS (as described more fully in Item 10 below). Your account will be held at NFS, which serves as the custodian for all CBIZ Managed Solutions advisory accounts. The services that you may receive include: (i) investment management services; (ii) risk tolerance profiling; (iii) strategic asset allocation; (iv) style allocation; (v) research and evaluation of asset managers; (vi) ongoing monitoring of manager and account performance; (vii) asset manager hiring and termination; (viii) account rebalancing; (ix) account reporting; and (x) other operational and administrative services.

Your CBIZ RPAS Consultant may manage the assets in your accounts utilizing a wide range of investments including "no load" and "load" mutual funds at net asset value, stocks, bonds and other selected securities. Your CBIZ RPAS Consultant may also recommend the use of non-affiliated money managers, or registered investment advisers to help achieve your investment goals and objectives. Such strategies could require that you enter into a separate agreement with the other service provider(s). Any such agreement should set forth all of the fees and services of the non-affiliated registered investment adviser(s). Clients are free to impose reasonable restrictions on accounts subject to the discretion of each portfolio manager selected to manage the account. Generally, the portfolio manager selected by the client will agree to incorporate the client's restrictions however, on occasion, if the manager believes that the restrictions imposed will limit its ability to effectively manage the account, it may decide not to accept the account.

ITEM 5- FEES AND COMPENSATION

RETIREMENT PLAN SERVICES FEES

Fees for our retirement plan services are negotiated on a case by case basis depending on size, complexity, and other specific circumstances such as the services provided, travel requirements, and frequency of meetings. Investment advisory fees generally range from 0.05% - 1.50% of assets under management and include fees payable to CBIZ RPAS and your CBIZ RPAS Consultant. In some instances, the fee may be paid entirely from 12b-1 fees or revenue sharing. Also, a fixed fee may be negotiated or an hourly rate may be charged which typically ranges from \$100 to \$350 per professional.

Retirement plan services fees are typically billed quarterly in arrears based on the market value of the plan assets as of the last day of the quarter or on the average daily value of the plan assets during the quarter. The initial quarterly fee for any partial calendar quarter is pro-rated based on the number of calendar days in the partial quarter. Agreements with CBIZ RPAS may be terminated by either party upon written notice to the other party.

INSTITUTIONAL INVESTMENT MANAGEMENT FEES

For institutional investment consulting services the standard fee schedule (which may be negotiable depending on the type and frequency of services provided) is based on the level of assets for which CBIZ RPAS is providing consulting services. CBIZ RPAS' basic all-inclusive asset-based retainer structure for its full range of investment consulting services is as follows:

| <u>Portfolio Assets</u> | <u>Annual Base Fee</u> | <u>Fee Range</u> |
|-------------------------|------------------------|------------------|
| First \$ 5,000,000 | 0.30% | 0.20% - 0.75% |
| Next \$ 20,000,000 | 0.25% | 0.10% - 0.65% |
| Next \$ 25,000,000 | 0.15% | 0.075% - 0.15% |
| Next \$ 50,000,000 | 0.075% | 0.05% - 0.10% |
| Next \$ 150,000,000 | 0.03% | 0.02% - 0.04% |
| Over \$ 250,000,000 | 0.01% | 0.01% |

CBIZ RPAS also provides fixed fee retainer contracts. Although not asset-based, these fixed fee retainer contracts are generally based upon this asset-based schedule above. Whether asset based or fixed fee, a minimum retainer for full-consulting services may apply, and may also be negotiated with the client.

CBIZ RPAS may also provide institutional investment management services on an "unbundled" basis or may perform individual projects for an agreed upon fee. For example, CBIZ RPAS may be retained only to provide regular performance measurement reports (such as for a pension or 401(k) plan), with other activities being priced on an "as used" basis, or CBIZ RPAS may be asked to perform a one-time search for an individual manager in a

specific asset class. Fees for performance measurement services are based on the number of managers and asset classes to be evaluated, and manager search fees depend on the type (and number) of manager(s) being sought and the assets to be placed with the managers. Unbundled fees may also be assessed on an hourly billing rate.

Ongoing fees are generally billed directly to the client (or to the client's designee) and are payable on a quarterly basis in advance. If the relationship is asset based, fees are based on total portfolio assets as of the end of the preceding period.

Regardless of the type of fee arrangement, clients may terminate a relationship at any time, and in such cases, any fees paid in advance will be refunded to the client on a pro rata basis. CBIZ RPAS' fees are in addition to any fund management fees and expenses paid by investment companies where client funds are invested, or any transaction fees or commissions incurred in the buying or selling of the assets in the client's portfolio.

CBIZ MANAGED SOLUTIONS FEES

CBIZ RPAS advisory fees for accounts under the CBIZ Managed Solutions program will generally range from .25% - 1.50% and include fees payable to CBIZ RPAS and your CBIZ RPAS Consultant. In certain circumstances fees may be negotiated and multiple Client affiliated accounts may be aggregated in determining the fees to be charged. Also, a fixed fee may be negotiated which may not be consistent with the published fees.

CBIZ Managed Solutions fees are charged quarterly in advance based on the market value of the account on the last day of the previous quarter, multiplied by one quarter of the annual fee percentage, as listed in the client's CBIZ Managed Solutions agreement. The fee charged is debited from the client's NFS account generally within the first two weeks of the new calendar quarter. Your initial fee is calculated and debited on the day after your initial investments are placed in the CBIZ Managed Solutions program and will be the fee for the first calendar quarter. The initial program fee for any partial calendar quarter is pro-rated based on the number of remaining calendar days in the partial quarter. If you invest \$10,000 or more into an existing account after the inception of a calendar quarter, the program fee will be calculated and pro-rated based on the number of remaining calendar days in that quarter.

Your CBIZ Managed Solutions agreement may be terminated by either party upon written notice to the other party. If either party terminates the agreement, the fee will be pro-rated through the date of such termination and any excess advance payment will be refunded to the Client.

ADDITIONAL INFORMATION REGARDING FEES & COMPENSATION

The cost of services provided to you through CBIZ RPAS may be more or less than the cost of purchasing similar services separately or elsewhere. Among the factors impacting the cost of a specific plan are the plan or account size, type of assets available, type of account, amount of assets specific to a particular strategy, and the particular service provider or third party manager(s) selected. Many investment strategies require minimum investment amounts which may be waived from time to time. In certain circumstances fees may be negotiated. Also, a fixed fee may be negotiated for an initial investment analysis or other special situations, not consistent with the fees described herein.

CBIZ RPAS Consultants who recommend services receive compensation as a result of your utilizing our services. This compensation may be more or less than what we would receive if you participated in other programs or services, or paid separately for investment advice, retirement plan design, testing, brokerage and/or other services. As such, there may be a financial incentive for CBIZ RPAS Consultants to recommend CBIZ Managed Solutions over other programs or services that CBIZ RPAS may offer. Most CBIZ RPAS Consultants are also registered with CFS, a registered broker/dealer, member FINRA and SIPC.

Other costs that may be assessed to you that may not be part of our fee include electronic fund and wire transfers, exchange fees, 12b-1 fees, trailing fees and/or servicing fees. All such fees or charges will be disclosed in accordance with applicable laws and rules. In some cases these fees may be paid in lieu of, or used to offset, the cost of asset based fees as described herein. Any and all brokerage account fees, including retirement account annual custodial fees, apply to each account. Other fees that you may be responsible for, in addition to the CBIZ RPAS fees, include initial and ongoing expenses paid to third-party pooled investment vehicles, such as no-load and load-waived mutual funds and exchange traded funds ("ETFs"), which charge their own fees for investing the pool of assets and are indirectly charged to all holders of those investment vehicles. Such expenses are usually set forth in the applicable offering document for the investment and are payable or borne by you. Please see the prospectus

or related disclosure document for information regarding these fees. In addition, you may also be charged transaction fees for the placement of orders – such fees are due and payable at the time orders are placed. Transactions fees vary based upon the custodian utilized and are disclosed to the clients at the time their accounts are established and in advance of any changes to such fees. In certain cases, CBIZ RPAS may waive transaction fees. All of these fees are in addition to the CBIZ RPAS fees described previously and receipt of such sums may result in a conflict of interest. To address these potential conflicts of interest, CBIZ RPAS strives to provide full disclosure of all costs and compensation received and to offset asset based fees by such amounts, or if in excess of the contracted fee, refund the excess.

CBIZ RPAS may utilize NFS to provide trade execution and account custody services. These services are governed by a separate agreement between you and NFS. NFS does not provide investment advice or investment advisory services in connection with these services unless otherwise agreed upon with you in writing. You acknowledge that by authorizing managers, advisors or any sub-advisors to direct brokerage, you may not receive best execution on your transactions. However, CBIZ RPAS believes that NFS's execution price and quality are well within applicable industry standards and requirements and conducts ongoing monitoring of NFS execution in this regard.

You may pay more or less for the same services provided through CBIZ RPAS, than through another adviser and comparable services may be available from other sources for free or for lower fees. Also, direct investment in a mutual fund without utilizing another registered investment adviser or financial advisor may be less expensive, because you would not pay any advisory fee to CBIZ RPAS.

ITEM 6- PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

CBIZ RPAS does not charge any performance based fees, i.e. fees based on a share of capital gains on or capital appreciation in a client's portfolio.

ITEM 7- TYPES OF CLIENTS

CBIZ RPAS Consultants provide investment advisory services to individuals, corporations, trusts, endowments, foundations and corporate retirement, profit-sharing and defined benefit plans.

ITEM 8- METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

CBIZ RPAS conducts ongoing due diligence and monitoring on the investment options it recommends for use on the plan provider's platform. CBIZ RPAS also evaluates and utilizes a variety of different investment platforms. Most of these platforms are provided through insurance companies or investment companies that offer plans access to investment alternatives and serve as custodians for their retirement plan assets.

CBIZ RPAS obtains and/or uses information, services, research, investment strategies and recommendations provided by independent non-affiliated entities or investment advisers who may utilize different methods of analysis and sources of information. CBIZ RPAS may also perform its own due diligence on investments and/or third party money managers or may utilize independent due diligence organizations to analyze certain offerings of securities and the ongoing performance of existing entities, some of these organizations are listed below:

Wilshire Associates, Inc., is a registered investment advisor headquartered in Santa Monica, CA. As a result of its acquisition of Cottonwood-, CBIZ RPAS is a member of the Cooperative and Compass Programs ("Wilshire"), which provide access to a broad array of investment consulting service capabilities, including capital markets, research materials, portfolio and manager analytic software, a broad investment manager and mutual fund data base, as well as performance reporting capabilities for certain CBIZ RPAS clients. CBIZ RPAS uses the Wilshire database and systems to develop recommendations for certain client portfolio structures and to select managers or funds through whom such portfolio structures will be implemented.

Morningstar is a third party research provider located in Chicago, IL. CBIZ RPAS subscribes to its Principia and Premium member services which provide data and analysis monthly and daily on most publicly traded stocks and mutual funds. CBIZ RPAS uses these data to monitor certain client investments daily, to prepare periodic client performance monitoring reports and to assist in the selection of funds for client plans.

Informa Investment Solutions is a Durham, NC web based provider of investment manager data and manager search software. It was formed through the combination of competing databases formerly known as PSN and Mobius. Manager Searches, Return Based Style Analysis, Report Designer, Client Reporting, Custodian Links, Custodian Data Feed, Performance Measurement, Investment Planning, and Financial Planning are all features of the provider.

Russell/Mellon Analytical Services is a global provider of performance measurement, analytics, and attribution services to fund sponsors, investment managers, and consultants. Frank Russell Co. and Mellon Analytical Solutions have a long history of providing integrated solutions to plan sponsor clients. Russell style based index returns and composition are used in measuring plan level and manager level performance and style consistency.

While the Wilshire relationship is CBIZ RPAS Advisors' primary data source for our Institutional Investment management services, Wilshire can also operate somewhat like CBIZ RPAS' back office in many respects, depending on the type and size of the client's portfolio. CBIZ RPAS may access any of several other investment manager and mutual fund data bases to which it subscribes to custom design and/or evaluate client specific investment strategies or manager performance. In virtually all Institutional Investment management cases, the client's portfolio is structured on a consultative basis, where CBIZ RPAS advises the client on strategy development, manager selection and other implementation issues, but the client retains discretion as to how and when to implement CBIZ RPAS's recommendations. Often after a client has made a decision, CBIZ RPAS will oversee implementation of that decision. In most client relationships, CBIZ RPAS delivers and interprets client portfolio performance reports on a periodic (usually quarterly) basis.

Additionally, CBIZ RPAS officers and advisers attend industry and securities regulatory seminars and conferences to obtain general and specific knowledge/information concerning not only types of investments but securities of specific issuers as well.

The primary investment strategy that CBIZ RPAS will most often use incorporates an asset allocation process using historical rates of risk and return of the various asset classes and how they correlate with each other under various market conditions. While CBIZ RPAS takes reasonable steps to determine the suitability of recommended investments as well as the use of any third party portfolio managers, pooled investment vehicles and/or alternative investments used with its advisory clients, investing in securities involves a risk of loss that clients should be prepared to bear.

ITEM 9- DISCIPLINARY INFORMATION

As an investment adviser, CBIZ RPAS is required to disclose any legal or disciplinary events that would be material to your evaluation of CBIZ RPAS or the integrity of its management team. CBIZ RPAS has no information applicable to this item to disclose.

ITEM 10- OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

CFS is dually registered as a broker/dealer and investment adviser. As a broker/dealer, CFS is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investment Protection Corporation ("SIPC"). CFS and CFS Registered Representatives primarily engage in the brokerage business of buying and selling mutual funds, variable insurance products and various other securities for clients. Most CBIZ RPAS Consultants are also CFS Registered Representatives. CBIZ RPAS Consultants may also be licensed to sell insurance products through related and non-related insurance agencies or directly through non-affiliated insurance companies. To the extent that your CBIZ RPAS Consultant is also a CFS Registered Representative or an insurance agent, he/she may receive commissions as a result of executing trades for you in a separate brokerage account that you maintain outside of your CBIZ RPAS advisory relationship or through an affiliated insurance agency. Because your CBIZ RPAS Consultant can earn selling compensation in addition to his/her advisory fee by selling you other products or services, this opportunity may raise conflict of interest concerns. To address these potential conflicts, brokerage commissions are not charged on the trades done in advisory accounts. CBIZ RPAS strives to provide full disclosure of all costs and compensation received and in its retirement planning services business will offset asset based fees by such amounts or, if in excess of the contracted fee, refund the excess.

CFS is also an operating unit of CBIZ, a provider of integrated professional business services in the following areas: accounting and tax; employee benefits; property and casualty insurance; payroll; and HR consulting. CBIZ also provides internal audit; Sarbanes-Oxley 404 compliance; valuation; litigation advisory services; government relations services; commercial real estate advisory services; wholesale life and group insurance; healthcare consulting; worksite marketing; and capital advisory services. Therefore, you may be presented specific products or services provided by such related individuals/entities and you may be charged a separate fee for such products/services. To the extent that your CBIZ RPAS consultant would make a referral to another individual/entity for these products/services, that CBIZ RPAS consultant may be eligible to receive an incentive payment by CBIZ for the referral.

CBIZ RPAS is also affiliated with CBIZ Investment Advisory Services, LLC (“CBIZ IAS”) through common control and ownership. CBIZ IAS is an SEC Registered Investment Adviser and was created with the ultimate intent to move all or a substantial amount of the advisory business currently with CBIZ RPAS. We will recommend that you use the services of CBIZ IAS if appropriate and suitable for your needs. Our advisory services are separate and distinct from the fees paid to our affiliate for their services. Additional information about CBIZ IAS (SEC# 801-108996) is available at the SEC’s website at www.adviserinfo.sec.gov.

CBIZ RPAS is an affiliate of CBIZ B&I, which is a pension consultant that provides actuarial services, defined contribution plan administration services, and pension plan administration to institutional clients. The relationship between the two entities may give each an incentive to recommend the other should additional services be needed by a client, which may be a potential conflict of interest. However, our clients are under no obligation to purchase services from any particular entity, and we make sure that they are aware of the relationship between the two firms. We believe our recommendations are always in the best interests of our clients, and are consistent with our clients’ needs.

CBIZ RPAS is affiliated with CBIZ Accounting, Tax & Advisory LLC (CBIZ ATA) through common ownership by CBIZ. From time to time, CBIZ RPAS Consultants may receive client referrals from employees of CBIZ ATA or may seek tax advice from employees of CBIZ ATA in connection with their financial or retirement planning activities.

CBIZ RPAS is also affiliated with two insurance agencies, CBIZ Benefits & Insurance Services, Inc. (CBIZ B&I) and CBIZ Life Insurance Solutions, Inc. , through common ownership by CBIZ. Both have agreements with many non-affiliated insurance companies to market life, disability, long-term care, variable life, variable annuity and fixed annuity products. CBIZ RPAS, as an adviser to pension plans, may provide investment advice with respect to the purchase or sale of insurance products and/or the allocation of funds among the various sub-accounts within group and/or variable insurance products. As previously indicated, CFS in its broker/dealer capacity, and the CFS Registered Representative may receive brokerage compensation related to investments in such products.

CBIZ RPAS is an affiliate of CBIZ B&I, which is a pension consultant that provides actuarial services, defined contribution plan administration services, and pension plan administration to institutional clients. The relationship between the two entities may give each an incentive to recommend the other should additional services be needed by a client, which may be a potential conflict of interest. However, our clients are under no obligation to purchase services from any particular entity, and we make sure that they are aware of the relationship between the two firms. We believe our recommendations are always in the best interests of our clients, and are consistent with our clients’ needs.

ITEM 11- CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

CBIZ RPAS has adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct and fiduciary responsibility to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions and reporting requirements on the acceptance of gifts and personal securities trading policies, as discussed below.

Since CBIZ RPAS, or a related person of CBIZ RPAS, may purchase or sell securities that are recommended to, purchased, or sold for, clients, personal securities transactions by certain persons associated with CBIZ RPAS are subject to CBIZ RPAS’s Code of Ethics. The Code of Ethics includes various reporting, disclosure and approval requirements, summarily described below. CBIZ RPAS designed these requirements to prevent or mitigate actual or potential conflicts of interest with clients. The Code of Ethics applies not only to transactions by the individual, but also to transactions for accounts of the person's spouse, minor children or other

dependents residing in the same household, or accounts in which the related person has a beneficial interest. Compliance with the Code of Ethics is a condition of employment.

In accordance with Securities and Exchange Commission rules relating to the personal securities transactions of CBIZ RPAS's investment advisory personnel, CBIZ RPAS requires that: (i) all brokerage account relationships for access persons be disclosed; (ii) the Consultant's brokerage account statements are submitted to the firm within 10 days of the access person being hired; and (iii) all access persons submit quarterly securities activity reports and annual certifications of compliance with the Code of Ethics.

The responsibilities of CBIZ RPAS's Chief Compliance Officer (or designee) include regularly monitoring and verifying that all CBIZ RPAS Consultants are in compliance with the requirements of the Code of Ethics, and reporting material violations to CBIZ RPAS's senior management. Covered transactions of the Chief Compliance Officer are reviewed by another officer (or designee) of CBIZ RPAS. The Chief Compliance Officer may recommend to management the imposition of sanctions that may, depending upon the infraction, include suspension of personal investing privileges, suspension or, for more serious violations, termination of employment. A copy of the policies contained in the firm's Code of Ethics is available upon request.

ITEM 12- BROKERAGE PRACTICES

As previously indicated in Item 10 above, CFS is dually registered as a broker/dealer and investment adviser. CBIZ RPAS Consultants who are also licensed as CFS Registered Representatives may place client orders for the purchase and/or sale of securities through CFS. In all instances, either when acting as a CBIZ RPAS Consultant or when acting as a CFS Registered Representative, he/she will be subject to CFS's written supervisory procedures. As part of the advisory services offered to its Clients, CBIZ RPAS or your CBIZ RPAS Consultant may make recommendations or investment decisions regarding securities or insurance products for which the firm or your CBIZ RPAS Consultant may receive service fees, commissions or other payments. CBIZ RPAS Consultants are subject to policies and procedures that discuss, and they receive training about, the fiduciary responsibility owed to clients, including the duty to put clients' interests ahead of their own interests.

From time to time CBIZ RPAS or your CBIZ RPAS Consultants may buy, own or sell the same securities that are also being recommended to you. CBIZ RPAS Consultants are subject to the provisions of CBIZ RPAS's policies regarding personal securities transactions discussed in Item 11 above.

While CBIZ RPAS Consultants, as CFS Registered Representatives, are required under FINRA rules to recommend and use the services of their employing broker/dealer, their clients and/or any independent non-affiliated investment advisors selected to manage a client's account are free to utilize other broker dealers for trade execution. While CBIZ RPAS clients are not required to use CBIZ RPAS or NFS for brokerage execution, execution of trades for their advisory accounts through other broker dealers may or may not be more costly since it could result in additional commission charges.

For most retirement plans, trade execution will be handled directly between the plan participant and the insurance company, mutual fund company or record keeper whose platform will house the plan assets and carry out custodial responsibilities on the plan's behalf. In certain instances CBIZ RPAS may be listed with the platform as broker of record and may be compensated through 12b-1 fees or revenue sharing for the retirement plan transactions. If CBIZ RPAS is also acting in an advisory capacity with respect to these retirement plans and charging such plans an advisory fee, the 12b-1 fees and/or revenue sharing will be used to offset the plan's advisory fees in order to address any conflict of interest created by the receipt of both forms of compensation. CBIZ RPAS, as a registered investment adviser, does not receive soft dollar benefits with respect to its advisory business.

ITEM 13- REVIEW OF ACCOUNTS

Your CBIZ RPAS Consultant will meet with you for a review of your account at least once annually, and in some instances this review may be held more frequently. The level of review and/or increased frequency of reviews will be determined by your needs and/or CBIZ RPAS's discretion. The review is often triggered by the receipt of copies of your statements and/or performance reports from third party managers or other financial institutions handling your assets.

While an annual review of your account(s) will typically be held with your CBIZ RPAS Consultant, a supervisory principal may periodically perform additional reviews of your account(s) to ensure that your investments remain consistent with the investment objectives, risk tolerance and financial situation that you have indicated in your current IPS.

ITEM 14- CLIENT REFERRALS AND OTHER COMPENSATION

CBIZ RPAS may obtain referrals from unaffiliated and affiliated persons and pay referral fees to such persons. All such solicitor or referral arrangements shall be conducted in accordance with Section 206(4)-3 of the Investment Advisers Act of 1940. If such payments are made, they will be subject to certain requirements imposed by SEC rules under the Investment Advisers Act of 1940 and any individual state requirements that are applicable to the transaction. Payments to a solicitor will only be made pursuant to a written agreement with the solicitor which describes the responsibilities of each party.

If the solicitor is not affiliated with CBIZ RPAS, (e.g. **not** a partner, officer, director or employee of CBIZ RPAS or an entity which controls, is controlled by, or under common control with CBIZ RPAS) he/she will also provide the prospective client, or the plan sponsor, with a disclosure document explaining the nature of his/her relationship with CBIZ RPAS, the compensation arrangement and the amount he/she will receive as a consequence of the solicitor arrangement.

It is CBIZ RPAS's policy that it will not increase the advisory fees it charges a client to pay for referrals from either unaffiliated or affiliated solicitors, and no solicitor has the ability to offer or negotiate the sale of any CBIZ RPAS advisory service.

On occasion product or service vendors may invite and pay the expenses for a CBIZ RPAS Consultant to attend a conference or training seminar that they have organized. CBIZ RPAS only authorizes attendance and reimbursement of expenses related to these events if the event provides a substantive training or educational opportunity for the CBIZ RPAS Consultant. This is intended to address any conflict of interest these invitations may create.

ITEM 15- CUSTODY

While CBIZ RPAS receives its CBIZ Managed Solutions advisory fees directly from client accounts through quarterly debits through NFS (the custodian for all CBIZ Managed Solutions accounts), CBIZ RPAS does not have the ability to otherwise access client funds. Additionally, the various retirement plan platforms utilized for CBIZ RPAS's retirement and institutional investment management clients act as, or utilize, other custodians to custody plan investments, so CBIZ RPAS does not have any custodial responsibilities or access to client funds under these relationships either.

Statements, confirmations, and performance reports are furnished to clients from various financial service institutions and/or firms which provide brokerage, custodial or reporting services for the client. These firms may include, but are not limited to, broker/dealers, investment companies, trust companies, other registered investment advisers, banks and credit unions. The frequency of such client reports depends on the various financial institutions generating the reports. Typically activity reports are monthly, quarterly, annually or, in the instance of confirmation reports, as transactions occur. Clients may receive different information from service providers than from the entity that serves as custodian for their accounts. CBIZ RPAS urges its clients to carefully review statements received from those entities that are not actually the custodians and compare them with custodial statements. Such statements may vary as to accounting procedures, reporting dates and valuation methodologies of certain securities. To the extent that discrepancies may exist, you should rely on the custodial statement valuations. If significant discrepancies are noted, the discrepancies should be reported to your CBIZ RPAS Consultant to determine the reason(s) for the discrepancies.

ITEM 16- INVESTMENT DISCRETION

With individual clients, the CBIZ RPAS Consultant may or may not receive discretionary authority at the outset of the advisory relationship. If granted, the authorization is set forth in the investment advisory contract executed with the client. Investment discretion allows the CBIZ RPAS Consultant to select the identity and quantity of securities to be bought or sold consistent with the stated investment objectives of that particular client. In its retirement plan business, CBIZ RPAS only exercises discretion in rare instances where it is appointed as the 3(38) Investment Manager in the CBIZ RPAS Retirement Plan Services Agreement.

ITEM 17- VOTING CLIENT SECURITIES

As a registered investment adviser, CBIZ RPAS has made a business decision that it will not vote customer proxies or hire a proxy service to meet this obligation. Should a third party manager utilized in the CBIZ Managed Solutions program routinely vote client proxies, the client will be informed of their proxy policies through receipt of their Form ADV Part 2 or by a separate delivery of their proxy policy. Retirement plan proxies will either be passed to the participants of the plan to act upon or the plan will retain the responsibility to vote the proxies.

ITEM 18- FINANCIAL INFORMATION

CBIZ RPAS is required in this item to provide you with certain financial information or disclosures about its financial condition. CBIZ RPAS does not have any financial commitment that would impair its ability to meet any contractual or fiduciary obligations it may have to its clients and the firm has not been the subject of any bankruptcy proceeding.

CBIZ RPS National References

PIKE Enterprises, LLC.



Corporate Representative Clients

Parkdale Mills, Inc.

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Invenergy, LLC.

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Transdigm, Inc.

Sean Maroney
Treasurer
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(216) 706-2932
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Cleveland, OH 44114

Additional National References available upon request

**Please notify CBIZ Retirement Plan Services prior to contacting our references so that we may notify them in advance out of respect for their time. Additional references furnished upon request.*

CBIZ RPS SERVICES

Compliance / Actuarial Consulting

Investment Consulting

Request for Proposal (RFP) Services

Participant Advice Services

Fees & Expense Consulting

Mergers & Acquisitions / Conversion Consulting

Fiduciary Governance Consulting



Securities and Investment Advisory Services Offered Through CBIZ Financial Solutions, Inc.
Member FINRA, SIPC and Registered Investment Adviser
6050 Oak Tree Blvd. S., Suite 500 • Cleveland, OH 44131 • (866) 560-2431

CBIZ helps publicly traded company cut retirement costs by 11%

CBIZ assisted the client with improving the probability of their employees meeting their retirement plan goals, lowering the personal liability and financial risks of the fiduciaries and the organization by utilizing the process designed within the CBIZ Fiduciary Risk Manager.™

Client Profile

- CLIENT**
Publicly traded Fortune 500 company
- NUMBER OF PARTICIPANTS**
6,481
- TYPE OF PLAN(S)**
401(k)
- PREVIOUS PROVIDER**
Wells Fargo
- NEW PROVIDER**
Wells Fargo

Executive Summary

CBIZ assisted the client in the following ways:

- Negotiated with recordkeeper for fees/expenses for change from asset based to fixed per participant based
- Extensive consulting with client regarding per capita vs. pro rata fee strategies
- Recommended asset share class changes that reduced fund expense ratios
- Negotiated with recordkeeper for revenue sharing to be reallocated back to participant accounts

Outcome

- Project administrative costs to be lowered by \$235,000 over 5 years
- Resulted in greatly enhances communications and seamless delivery between client, recordkeeper and advisor
- New fee structure provided institution and fiduciary control over plan dollars in the future
- Fiduciary piece of mind that all fee scenarios were fully vetted and most appropriate fee protocol was implemented
- More equitable allocation of revenue sharing to reduce perceived subsidy of some participants by others

SIX PRIMARY RISK AREAS OF PLAN FIDUCIARIES

- Fees & Expenses ◀
- Compliance/Actuarial ◀
- Investments ◀
- Mergers & Acquisitions, Conversions ◀
- Participants ◀
- Fiduciary Governance ◀



This proprietary process developed by CBIZ is designed to help plan sponsors increase the probability of their participants meeting their retirement goals, while lowering their personal and financial risks associated with the management of the plan.



CBIZ Retirement Plan Services

To learn how The CBIZ Fiduciary Risk Manager™ can help you or your clients, please contact us at retirementinfo@cbiz.com or (866) 560-2431.

CBIZ provides mergers and acquisitions consulting services for large private company

CBIZ assisted the client with improving the probability of their employees meeting their retirement plan goals, lowering the personal liability and financial risks of the fiduciaries and the organization by utilizing the process designed within the CBIZ Fiduciary Risk Manager™

Client Profile

CLIENT
Privately owned

NUMBER OF PARTICIPANTS
3,000

TYPE OF PLAN(S)
401(k)

PREVIOUS PROVIDER
Hartford and Prudential

NEW PROVIDER
Hartford

Executive Summary

CBIZ was engaged to assist the company in the following ways:

- Provided conversion services
- Engaged as a 3(21) investment fiduciary
- Established a proper fiduciary governance process
- Introduced a fiduciary training program to all retirement plan committee members
- Negotiated fees/expenses
- Evaluated compliance with fee disclosure regulations
- Consulted on merger conversion
- Performed RFP

Outcome

- Helped company understand the impact of merging two plans upon acquisition
- Lowered total plan costs by 18%
- Converted retirement plan from Prudential to Mass Mutual
- Lowered organizational risk and allowed client to focus on core business during conversion
- Lowered fiduciary liability associated with selection, monitoring, and replacement of investments
- Added new investment choices to improve client's fund lineup
- Established proper fiduciary governance process lowering the risk to members of retirement plan committee and board of directors
- Provided client documentation supporting their compliance with 408(b)(2) and 404(a)(5)

SIX PRIMARY RISK AREAS OF PLAN FIDUCIARIES

- Fees & Expenses ◀
- Compliance/Actuarial ◀
- Investments ◀
- Mergers & Acquisitions, Conversions ◀
- Participants ◀
- Fiduciary Governance ◀



This proprietary process developed by CBIZ is designed to help plan sponsors increase the probability of their participants meeting their retirement goals, while lowering their personal and financial risks associated with the management of the plan.



To learn how The CBIZ Fiduciary Risk Manager™ can help you or your clients, please contact us at retirementinfo@cbiz.com or (866) 560-2431.



CBIZ helps commercial construction contractor evaluate and correct retirement plan

CBIZ assisted the client with improving the probability of their employees meeting their retirement plan goals, lowering the personal liability and financial risks of the fiduciaries and the organization by utilizing the process designed within the CBIZ Fiduciary Risk Manager™

Client Profile

CLIENT
Publicly Traded Company

NUMBER OF PARTICIPANTS
373

TYPE OF PLAN(S)
401(k)

Executive Summary

CBIZ assisted the client in the following ways:

- Evaluated discrimination testing and eligibility procedures
- Reviewed plan design and allocation structure
- Performed an operational compliance assessment
- Examined corporate/employer ownership structure

Outcome

- Identified major operational issues and provided opportunities for correction
- Identified mislabeling of key and highly compensated employees and showed the impact on compliance testing
- Identified mishandled control group situation and provided information about the IRS correction programs
- Identified thousands of dollars' worth of incorrect ADP/ACP refunds over a 2 year period

SIX PRIMARY RISK AREAS OF PLAN FIDUCIARIES

- Fees & Expenses ◀
- Compliance/Actuarial ◀
- Investments ◀
- Mergers & Acquisitions, Conversions ◀
- Participants ◀
- Fiduciary Governance ◀



This proprietary process developed by CBIZ is designed to help plan sponsors increase the probability of their participants meeting their retirement goals, while lowering their personal and financial risks associated with the management of the plan.



To learn how The CBIZ Fiduciary Risk Manager™ can help you or your clients, please contact us at retirementinfo@cbiz.com or (866) 560-2431.

CBIZ Retirement Plan Services

Annual Consultant Review

Retirement plan sponsors are responsible for selecting and monitoring competent service providers and consultants. To assist you in fulfilling your fiduciary oversight duty of evaluating your retirement plan consultant, below we provide documentation of background information and credentials of the CBIZ Retirement Plan consulting team.

Organizational Credentials, Certifications, Groups & Memberships

- **CEFEX ASPPA Administration Services Certification** – Administrative functions including compliance testing against relevant pension and tax laws and filing of government reports such as form 5500. ASPPA is the American Society for Pension Professionals & Actuaries.
- **CEFEX Fiduciary Certificate of Registration: “Investment Advisor”** – confirming that CBIZ adheres generally to the fiduciary standards of excellence (referred to as the Fiduciary Practices) as defined by the “*Prudent Practices for Investment Advisors*” (U.S. Edition) handbook as published by Fiduciary360 (fi360).
- **CEFEX Fiduciary Certificate of Registration: “Fiduciary (PPA) Adviser”** – confirming that CBIZ adheres generally to the fiduciary standards of excellence (referred to as the Fiduciary Practices) as defined by the “*Criteria for the Annual Audit of a Fiduciary Adviser and Associated Eligible Investment Advice Arrangements*” as published by Fiduciary360 (fi360).

The Centre for Fiduciary Excellence (CEFEX) is an independent assessment and certification organization. CEFEX provides comprehensive assessments as measures of risk and trustworthiness of investment fiduciaries. A CEFEX assessment includes both on and off-site confidential reviews of an organization’s practices by an independent analyst. The process uses the ISO 19011 audit standard, an internationally recognized standard for testing process management systems.

- **ERISA Best Interest (EBI) Working Group** - maintains our firm’s difference as a leader in the ERISA fiduciary support services marketplace. The procedures developed by the working group will convert the U.S. Department of Labor’s new rule into a set of practical guidelines. The results will help assure vendors of their compliance with the rule, and will also help human resource executives that purchase retirement plan services identify vendors that comply with the rule. Working Group members must be in good standing with IFLC or be enrolled as a participating vendor in FSMA.
- **Fiduciary Supply Management Association (FSMA) Policy Board**- FSMA is a national association serving the specialized needs of organizations that sponsor retirement plans including those programs qualified under the Employee Retirement Income Security Act (“ERISA”).FSMA is the first organization to establish procurement guidelines for programs that cast a fiduciary duty on the sponsors of those programs. FSMA is a knowledgeable and efficient community of buyers.
- **Investment Fiduciary Leadership Council (IFLC)** – IFLC’s members include service providers that offer investment advice, investment management, or administration services to pension plans and non-profit foundations. IFLC’s members that are enrolled in the Service Provider Community have been certified by CEFEX or ASPPA. IFLC endorses both programs. The members of the IFLC Service Provider Community show their commitment to fiduciary support excellence through certification and are regarded as the best of the best in the industry.
- **Labor & Employment Law Section of the American Bar Association:** The Employment Law Section’s committees deal with emerging legal issues and are a major force behind many developments in labor and employment law keeping legal professional current on the latest laws. Members have the opportunity to meet and work with colleagues experienced in the committee’s area of concentration and, when appropriate, with government policy makers and regulators. Committees meet in conjunction with the ABA Annual Meeting and several committees hold independent midwinter meetings each year.

Individual Credentials and Certifications of CBIZ RPS Service Team

- **Accredited Investment Fiduciary (AIF®): offered through The Center for Fiduciary Studies (fi360)** – The AIF® designation represents a thorough knowledge of and ability to apply the fiduciary Practices. Through fi360's AIF® Training programs, AIF® designees learn the Practices and the legal and best practice framework they are built upon. AIF® designees have a reputation in the industry for the ability to implement a prudent process into their own investment practices as well as being able to assist others in implementing proper policies and procedures. AIF® designees must complete 6 hours of continuing professional education credits every year.
- **American Bar Association (ABA) Member** – Our in-house legal and regulatory affairs council has particular emphasis on monitoring and interpreting state and federal employee benefits law. As active members of the American Bar Association, our council stays abreast on the latest legislative and regulatory changes. ABA members are equipped with numerous resources and have access to a vast network of legal experts.
- **Associate of the Society of Actuaries (ASA)** – An Associate of the Society of Actuaries has demonstrated knowledge of the fundamental concepts and techniques for modeling and managing risk. The Associate has learned the basic methods of applying those concepts and techniques to common problems involving uncertain future events; such as pensions, insurance and investment concepts. The Society of Actuaries administers certification exams, maintains the Actuarial Standards of Practice, as well as coordinates and tracks continuing education requirements.
- **Certified Employee Benefits Specialist (CEBS): cosponsored by International Foundation and the Wharton School of the University of Pennsylvania** – One of the most widely recognized and respected professional credentials in the employee benefits and compensation field. In order to obtain the CEBS designation, candidates must obtain three specialty designations: Group Benefits Associate (GBA), Retirement Plans Associate (RPA) and Compensation Management Specialist (CMS). The GBA, RPA and CMS recognize the three primary areas of specialization within total compensation – group, retirement, and compensation management. The CMS, GBA and RPA designations require successful completion of three examinations within the CEBS curriculum. Like the CEBS designation, the GBA, RPA and CMS designations are awarded by the International Foundation of Employee Benefit Plans and the Wharton School of the University of Pennsylvania. CEBS designees must complete 24 hours of continuing professional education annually.
- **Certified Financial Planner™ (CFP®): offered by the Certified Financial Planner Board of Standards, Inc.** – professionals are uniquely qualified to help individuals pull all their finances together, solve financial problems, and make a plan to achieve their financial goals. CFP's must meet the highest requirements in the industry in terms of ethics, education, experience and exam. Professionals must meet ongoing education, examination, experience and ethics requirements to maintain their certification.
- **Certified Plan Fiduciary Advisor (CPFA) offered by The National Association of Plan Advisors (NAPA)** - The Certified Plan Fiduciary Advisor credential- developed by some of the nation's leading advisors and retirement plan experts- demonstrates our knowledge, expertise and commitment to working with retirement plans. Plan advisors who earn their CPFA demonstrate the expertise required to act as a plan fiduciary or help plan fiduciaries manage their roles and responsibilities.
- **Certified Public Accountant (CPA): offered through the American Institute of CPA's** – The AICPA provides members with the resources, information and leadership that enable them to provide valuable services in the highest professional manner to benefit the public, employers and clients. CPA's have demonstrated extensive knowledge in accounting and audit practices by completing the rigorous Uniform CPA Exam. AICPA members are required to adhere to a professional code of conduct and must complete 120 hours of continuing professional education every three years.
- **Certified Pension Consultant (CPC)**- The Certified Pension Consultant (CPC) credential is conferred by ASPPA to benefits professionals working in plan administration, pension actuarial administration, insurance, and financial planning. CPCs work alongside employers to formulate, implement, administer and maintain qualified retirement plans.
- **Certified Retirement Services Professional (CRSP): issued by the Institute of Certified Bankers (ICB)** – credentialed members are professionals who have had substantial experience with the Employment Retirement Income Security Act (ERISA), have signed a professional code of ethics and completed 30 hours of continuing education every three years.

- **Chartered Financial Analyst (CFA): offered by the CFA Institute** – The CFA Program is a graduate-level program that combines a broad-based curriculum of investment principles with professional and ethical conduct requirements. The CFA Program is one of the most widely known and respected investment credentials.
- **Enrolled Actuary (EA)** – An Enrolled Actuary is an actuary who has satisfied the standards and qualifications as set forth in the regulations of the Joint Board of the Department of Treasury & Department of Labor for the Enrollment of Actuaries and who has been approved by the Joint Board to perform actuarial services required under the Employee Retirement Income Security Act of 1974 (ERISA).
- **Fellow of the Conference of Consulting Actuaries (FCA)** - This fellowship is offered by the Conference of Consulting Actuaries. The candidate must be working either as an actuarial consultant, a government actuary, and Enrolled Actuary, an insurance actuary, or a teacher of actuarial sciences.
- **Fellow of the Society of Actuaries (FSA)** – A Fellow of the Society of Actuaries has achieved the highest level of designation in the Society of Actuaries and has demonstrated a thorough knowledge of the business environments within which financial decisions concerning pensions, life insurance, health insurance, and investments are made including the application of mathematical concepts and other techniques to the various areas of actuarial practice.
- **Member of the American Academy of Actuaries (MAAA)** – A Member of the American Academy of Actuaries is a part of the elite community of professionals who have shaped public policy at the state, federal, and international levels. Membership acknowledges that application of the highest level of professionalism and actuarial principles to help address vital issues in relation to risk and financial security.
- **Member, Society of Pension Actuaries (MSPA)** – The Member, Society of Pension Actuaries (MSPA) program was created for individuals providing defined benefit or actuarial consulting who are currently Enrolled Actuaries in good standing.
- **Qualified 401(k) Administrator (QKA): offered by the American Society of Pension Professionals & Actuaries (ASPPA)** – credentialed members are retirement plan professionals who work primarily with 401(k) plans. They typically assist employers and consultants with the recordkeeping, non-discrimination testing and the administrative aspects of 401(k) and related defined contribution plans. Members must acquire 40 hours of continuing professional education credits in a two-year-cycle as well as renew your ASPPA Membership annually to retain credentials.
- **Qualified Pension Administrator (QPA): offered by the American Society of Pension Professionals & Actuaries (ASPPA)** – credentialed members are professionals who are qualified to perform the technical and administrative functions of qualified plan administration. QPAs assist employers, actuaries, and consultants in performing functions such as determination of eligibility benefits, computation of benefits, plan recordkeeping, trust accounting and disclosure, and compliance requirements. Members must acquire 40 hours of Continuing Professional Education (CPE) credits in a two-year-cycle as well as renew your ASPPA Membership annually to retain credentials.
- **Tax-Exempt & Governmental Plan Consultant (TGPC)** – credentialed members are retirement plan professionals who specialize in the 403(b) and 457 marketplaces as well as other plans maintained by governmental and tax-exempt entities. They typically assist employers and consultants with the regulatory, recordkeeping and administrative aspects of both ERISA and non-ERISA arrangements. Members must acquire 40 hours of continuing professional education credits in a two-year-cycle as well as renew their ASPPA Membership annually to retain credentials.

Securities & State Insurance Licenses

- **Series 3** – National Commodity Futures Examination
- **Series 6** – Investment Company Products/Variable Contracts Representative Examination
- **Series 7** – General Securities Representative Examination
- **Series 63** – Uniform Securities State Law Examination
- **Additional Series Licenses held, including: 4, 8, 24, 26, 53, 65**
- **Life Variable Annuities Accident & Health Insurance License (Ohio)**

Publications and Public Speaking Events

- "Floor Offset Plans- Are They Worth the Effort?" – *Speaking Engagement, ACOPA Webcast Series (December 2016)*
- "Take 5: Erase The Risk of Employee Pension Plans" – *Philly Biz Magazine (December 2016)*
- "Ethics" – *Speaking Engagement, CCA Webcast Series (December 2016)*
- "Are ERFs BRFs" – *ACOPA E-News (November 2016)*
- "Alternative Pension Accounting Issues" – *Speaking Engagement, AAA Webcast (November 2016)*
- "The New Cash Balance Pre-Approved Plan Document" *Speaking Engagement at The ASPPA Annual Conference (October 2016)*
- "Case Studies of Professionalism: Navigating the ASOP's" – *Speaking Engagement at the Conference of Consulting Actuaries Annual Meeting (October 2016)*
- "Can Funds with 12b-1 Fees Still Work in Retirement Plans?" *PLANSPONSOR (October 2016)*
- "Late Breaking Developments" – *Speaking Engagement at the CCA Annual Meeting (October 2016)*
- "Measured Use of 12b-1 Fees Will Continue" – *PLANADVISER (October 2016)*
- "S&P, Dow Close Around Breakeven As Dollar Hits 7 Month High; Stocks Post Weekly Gains" – *CNBC, Yahoo Finance (October 2016)*
- "Small Plan Funding Update" – *Speaking Engagement at the ASPPA Annual Conference (October 2016)*
- "Significantly Underfunded and Overfunded DB Plans" – *Speaking Engagement at the ASPPA Annual Conference (October 2016)*
- "Ask the Experts" – *Panelist at the ASPPA Annual Conference (October 2016)*
- "Current Events" – *Panelist at the ASPPA Annual Conference (October 2016)*
- "Defined Benefit Q&A" – *Panelist at the ASPPA Annual Conference (October 2016)*
- "Stocks Close Higher As Financials, Energy Jump More Than 1%" – *CNBC, Yahoo Finance, MSN (October 2016)*
- "U.S. Stocks Retreat Amid Tepid Growth Outlook, Brexit Concerns" – *Bloomberg Business (September 2016)*
- "Stocks Bounce Following Dovish Fed Remarks" – *Seeking Alpha (September 2016)*
- "Asian Markets Mixed As Traders Digest China Data, Dovish Speech From Fed's Brainard" – *CNBC (September 2016)*
- "Dow Up 250 Points, Stocks Up 1% Amid Dovish Speech Fed Rhetoric" – *CNBC (September 2016)*
- "Women and Retirement" – *Speaking Engagement at The Living In Vitality Conference (September 2016)*
- "Have You Met MEP" – *Financial Advisor (August 2016)*
- "Are 401(k) 3(38) Services Worth The Price" – *401(k) Specialist (August 2016)*
- "Relief for Frozen DB Plans and Other Late Breaking Guidance" – *Speaking Engagement at the Western Benefits Conference (July 2016)*
- "Ask the Experts" – *Panelist at the Western Benefits Conference (July 2016)*
- "Stocks End Little Changes After Mixed Day" – *Associated Press (July 2016)*
- "Pound Plunges to 30-Year Low Against Dollar, Yen Surges As UK Votes to Brexit" – *CNBC (June 2016)*
- "Gold and Gold Miners Are The Clear Winners In The Brexit Sell-Off" – *CNBC (June 2016)*
- "How Pro Investors Are Playing The Brexit Vote" – *Investor's Business Daily (June 2016)*
- "U.S. Stocks Rise as Fed Signals Slower Rate Pace on Mixed Growth" – *Bloomberg Business (June 2016)*
- "Women and Business Q&A" *Huffington Post (June 2016)*
- "ASOPs and Actuarial Communication" – *Speaking Engagement at the Actuaries Club of Philadelphia Spring Meeting (May 2016)*
- "Stocks Lose Luster Amid Flat Return Cycle" – *Crain's Cleveland Business (May 2016)*
- "Kohl's Follows Macy's Into Tailspin as Retailer's rout Persists" – *Bloomberg Business (May 2016)*
- "Macy's Dimmer Outlook Sends Retail, Apparel Stocks Tumbling" – *Bloomberg Business (May 2016)*
- "U.S. Stocks Gain In Afternoon Trading As Crude Oil Rises" – *The Associated Press/ The Washington Post (May 2016)*
- "U.S. Stocks Climb In Broad Rally As Crude Oil Rises" – *The Associated Press/CNBC (May 2016)*
- "Pension Risk Transfer from Different Perspectives" – *Speaking Engagement at the Enrolled Actuaries Meeting (April 2016)*
- "Late Breaking Developments" – *Speaking Engagement at the Enrolled Actuaries Meeting (April 2016)*
- "Benefit Restrictions- Can I Pay That Lump Sum or Not?" – *Speaking Engagement at the Enrolled Actuaries Meeting (April 2016)*
- "Section 415 Issues with Emphasis On MASDs" – *Speaking Engagement at the Enrolled Actuaries Meeting (April 2016)*
- "U.S. Jobs Growth Solid, Wages Rise" – *Yahoo Finance (April 2016)*

- “What is Ethics” – *Speaking Engagement, Professional Standards Seminar* (April 2016)
- “Regulatory Catch All” – *Speaking Engagement, CCA Webcast Series* (March 2016)
- “U.S. Stocks Fluctuate Amid Data as Investors Await Fed Decision” – *Bloomberg Business* (March 2016)
- “What to Expect Now From the Federal Reserve” – *U.S. News & World Report* (March 2016)
- “IRS Issues Proposed Regulation: Significant Changes to General Nondiscrimination Testing Relief for Closed Defined Benefit Plans” – *ASSPA ASAP News Bulletin* (February 2016)
- “Global Markets Are Falling Out of Lockstep, and That’s a Good Thing” - *Bloomberg Business* (February 2016)
- “Ask the Experts” – *Panelist at the Los Angeles Advanced Pension Conference* (January 2016)
- “Cash Balance Interest Credit Rates” – *Speaking Engagement at the Los Angeles Advanced Pension Conference* (January 2016)
- “Volatile Week for U.S. Stocks Ends in Draw as Fed Meeting Looms” – *Bloomberg Business* (December 2015)
- “3 Plan Providers Talk about myRAs” – *Benefits Pro* (November 2015)
- “Protecting your Bonds in Today’s Low-Yield Environment” – *Kiplinger* (October 2015)
- “Plans Must Carefully Field ERISA Claims and Settlements” – *PLANADVISOR* (August 2015)
- “Inflation Barely Moving, Despite the Fed’s Efforts” – *Marketplace* (August 2015)
- “Peeling the Onion on 401(k) Fees” – *Speaking Engagement for National Tool & Machining Association (NTMA)-Financial Manager Roundtables* (July 2015)
- “Communicating Complicated Benefit Packages” – *PLANADVISOR* (July 2015)
- “Liability Protection for Plan Sponsors” – *PLANADVISOR* (June 2015)
- “U.S. Stocks Rebound” – *Wall Street Journal* – (May 2015)
- “Target Date Funds” – *Speaking Engagement at The Employee Benefits Institute Conference* (April 2015)
- “Helping Employers Understand the Difference Between Retirement Plans” – *Employee Benefit Advisor* (April 2015)
- “Actuaries Rely on Advisers” – *Employee Benefit Advisor* (January 2015)

Industry Awards

- **PLANADVISOR Top 100 Retirement Plan Advisers (2017)** – *The PLANADVISOR Top 100 Advisers is an annual listing of the retirement plan advisers and adviser teams that stand out in the industry in terms of a series of quantitative measures.*
- **PLANADVISOR Top 100 Retirement Plan Advisers (2016)** – *The PLANADVISOR Top 100 Advisers is an annual listing of the retirement plan advisers and adviser teams that stand out in the industry in terms of a series of quantitative measures.*
- **PLANADVISOR Top 100 Retirement Plan Advisers (2015)** – *The PLANADVISOR Top 100 Advisers is an annual listing of the retirement plan advisers and adviser teams that stand out in the industry in terms of a series of quantitative measures.*
- **Forbes America’s Best Employers (2015)** – *America’s Best Employers is a list compiled by Forbes based on the surveys of 20,000 American employees working for large U.S. companies and institutions and U.S. divisions of international firms. The survey had employees rank how likely they were to recommend their employer to others.*
- **PLANADVISOR Top 100 Retirement Plan Advisers (2014)** – *The PLANADVISOR Top 100 Advisers is an annual listing of the retirement plan advisers and adviser teams that stand out in the industry in terms of a series of quantitative measures.*
- **CFA Institute Most Outstanding Society - Orlando (2014)** – *CFA Institute places tremendous value on its member societies and the work they do to help lead the investment profession globally by setting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society.*
- **PLANSPONSOR 403(b) Buyers Guide (2012 & 2013)** – *CBIZ RPS has been recognized as the largest Northeast Ohio based 403(b) retirement plan consultant.*
- **300 Most Influential Defined Contribution Advisors for 2009 (April 5, 2010) by 401kwire.com** – *Every year 401kWire, 401kExchange and The Boston Research Group sponsor the list which recognizes leaders and top performers in the group retirement industry.*

- **PLANSPONSOR Best of the Best Retirement Plan Advisers (2009) by PLANSPONSOR Magazine** – An award designed to recognize the contributions of the nation's best financial advisers in helping make retirement security a reality for workers across the nation. The award seeks to acknowledge a demonstrated excellence and commitment to the retirement plan business, as evidenced by increased participation rates, enhanced rates of participant deferrals, improved asset allocations, reduced fees, or expanded service levels.

Training/Seminars/Conferences Attended

- **PLANADVISER National Conference (PANC) 2016** – The PLANADVISER National Conference is the leading event to help retirement plan advisers to remain competitive in this environment and continue to serve plan sponsors and participants. PLANADVISER was the first dedicated publication solely for specialist advisers who sell and service qualified and non-qualified retirement plans, and the PLANADVISER National Conference remains the industry's most dynamic and insightful gathering of the nation's premier retirement plan advisers.
- **TIAA Consultant Forum** – The TIAA Consultant Forum provides advisors and consultants with insights, guidance, and tools that will help them better serve their clients. The forum is led by a panel of industry experts covering topics such as government regulations, market and economic trends, and tools to improve plan sponsor satisfaction.
- **401(k) Coach® Program** – The 401k Coach® Program has been developing curriculum for retirement plan professionals to build and refine their practice. The Program educates members on the latest trends and changes in the pension industry, covering topics on employee education and advice, fiduciary responsibility, and plan administration best practices.
- **Center for Due Diligence (CFDD) Conference** – The CFDD Conference is a two and one-half day all business event featuring sixty different content-rich industry learning sessions. The timely agenda helps advisors adapt to an evolving industry, differentiate, increase value and grow business.
- **ASPPA Conference** – Attendees of this conference share quality time with representatives from every aspect of the retirement plan industry, including representatives from the IRS and DOL. The conference is a learning opportunity attended by over 1,600 retirement plan industry professionals. Attendees can access a number of different workshops focusing on all areas of the retirement business.
- **Association of Jesuit Colleges and Universities (AJCU)** - The AJCU Finance Officers Conference meets annually and communicates regularly through an active AJCU listserv. At their annual meeting, attendees are given the opportunity to share ideas and information through panel and round-table discussions, utilizing a mix of industry experts and institutional representatives to bridge the theoretical and conceptual with real world practical application.
- **Association of Independent Colleges & Universities of Ohio (AICUO)**-The Association of Independent Colleges and Universities of Ohio was organized in 1969 to represent the interests of its 53 members to Ohio's lawmakers, regulators and citizens. AICUO seeks to strengthen student financial aid programs and bring about a greater understanding of the benefits and contributions of Ohio independent colleges and universities. At the same time, the association works to promote the well-being of Ohio higher education as a whole, with special regard for the dual private/public nature of the responsibility to serve the educational, social, and cultural needs of the state and the nation.
- **Association of College and University Business Officers (ACUBO) 2014-2016** – A membership organization representing more than 2,500 colleges, universities and higher education service providers across the country and around the world. We sponsor ACUBO at Regional levels. Members, sponsors and exhibitors of:
 - **WACUBO** – Western Association of College and University Business Officers
 - **EACUBO**- Eastern Association of College and University Business Officers
 - **CACUBO** – Central Association of College and University Business Officers
 - **OACUBO** – Ohio Association of College and University Business Officers
 - **IA-ACUBO** – Iowa Association of College and University Business Officers

- **College and University Professional Association for Human Resources (CUPA-HR) since 2012**– Attendees of these conferences are from the Higher Education industry and 87% of them influence or make the final decision on purchasing HR products and services. We sponsor CUPA-HR at National, Regional and Local levels and have attended conferences across the USA.
 - **Midwest Region CUPA-HR** - Member, Conference Sponsor and Exhibitor
 - **Eastern Region CUPA HR**- Member, Conference Sponsor and Exhibitor
 - **Southern CUPA-HR** - Member, Conference Sponsor and Exhibitor
 - **National CUPA-HR Expo** - Member and Exhibitor
 - **Numerous State Chapters CUPA-HR** - Member, Conference Sponsor and Exhibitor
- **Council of Independent Colleges, Conference: Catalysts for the Common Good 2013** – Independent colleges and universities have remarkable track records of preparing engaged citizens and experts in fields of national priority. Attendees of these conferences learn about independent college’s commitment to the liberal arts, reasoned debate, and participatory decision making, and how independent colleges and universities serve the needs of society. They also discuss the needs of these institutions and offer information about the different HR resources available.
- **Healthcare Financial Management Association (HFMA)** - With more than 40,000 members, the Healthcare Financial Management Association (HFMA) is the nation's premier membership organization for healthcare finance leaders. HFMA builds and supports coalitions with other healthcare associations and industry groups to achieve consensus on solutions for the challenges the U.S. healthcare system faces today. Working with a broad cross-section of stakeholders, HFMA identifies gaps throughout the healthcare delivery system and bridges them through the establishment and sharing of knowledge and best practices.
- **National Association of Independent Schools (NAIS)** - The National Association of Independent Schools (NAIS) is a nonprofit membership association that provides services to more than 1,800 schools and associations of schools in the United States and abroad, including more than 1,500 independent private K-12 schools in the U.S.
- **National Business Officers Association (NBOA)** - NBOA is the only national association focused exclusively on supporting independent school business officers and business operations staff, and fostering financial and operational excellence among independent PK-12 schools.
- **TIAA Consultant Advisory Council 2013-2016** – This council was established in September 2013 as a forum through which senior representatives of our consultant partner firms could meet with the TIAA senior management to discuss topics of mutual interest.
- **Employee Benefits Institute 2013: 27th Annual Conference** – The Employee Benefits Institute (EBI) is a not-for-profit organization that works in collaboration with the University of Missouri-Kansas City School of Law Continuing Education to provide educational forums for employee benefits, human resources, legal and other business professionals.



Your workforce is your most valuable asset.

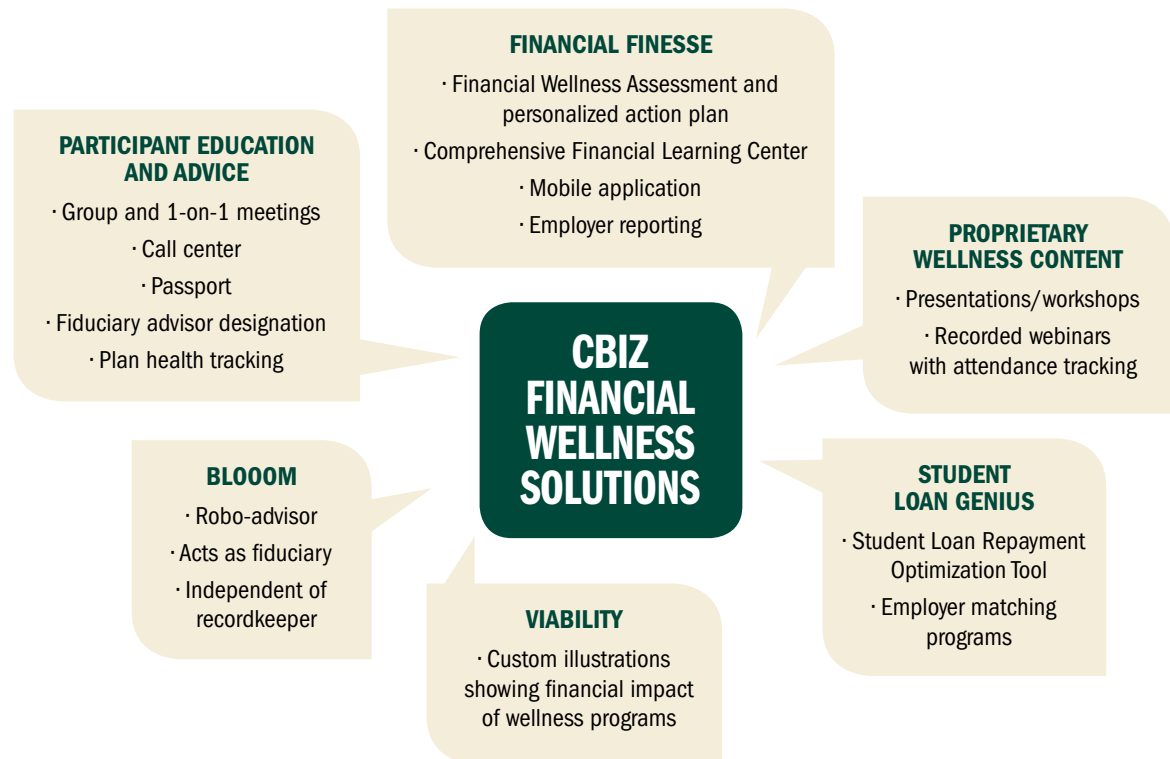
Invest in the financial wellness of your employees and get a ROI from increased productivity, job satisfaction, higher retention rates, and lower health care costs. Financial fitness is not easy to come by for your workforce, and this explains why financial wellness programs are the fastest growing benefit in the U.S. CBIZ has created a multi-channel, robust financial wellness solution that adds value to your organization and participants.

Benefits to the EMPLOYER

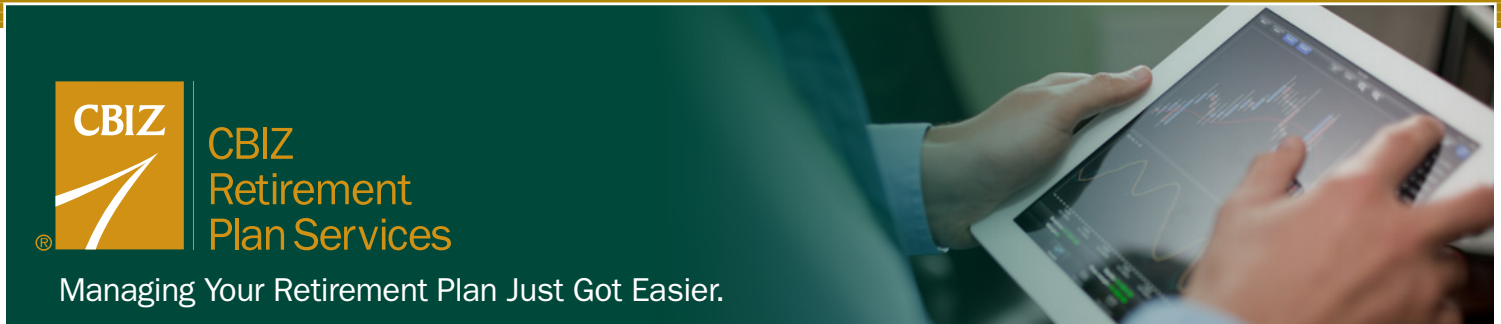
- Increased productivity, job satisfaction, retention, and morale
- Increased viability of participant retirements, avoiding potential liability of an aging workforce and increased health care costs
- Fiduciary best practice to educate, particularly from a holistic approach
- Can be used for employer wellness point programs
- CBIZ handles program management and administration

Benefits to the PARTICIPANT

- Reduced stress and anxiety associated with poor financial wellness
- Improved health, happiness, and relationships
- Improved workplace productivity
- Armed with the knowledge to take control of their financial situation and not rely on others



Retirement Matters



CBIZ
**Retirement
 Plan Services**

Managing Your Retirement Plan Just Got Easier.



ECONOMIC REVIEW

Domestic equities added to their double digit returns in 2016 with a strong performance in the first quarter of 2017. The S&P 500 Index produced a first quarter return of 6.07%. The majority of the index gains came in January and February before slowing down in March.

In the United States, large capitalization equities proved to be the most successful in the first quarter. Large cap growth investments led the way, returning 8.65% over the quarter. Growth oriented equities outperformed value throughout the quarter. Small cap growth equities outperformed small cap value by 5.22% and large cap growth equities outperformed large cap value by 4.95%.

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PAGE 1

IN THIS UPDATE:

ECONOMIC REVIEW..... PAGE 1
 REBALANCING PAGE 2

International developed markets experienced a turnaround in the first quarter after three years of dismal returns. The MSCI EAFE Index posted a 7.25% return for the first quarter. Additionally, emerging markets added on to their strong 2016 calendar year. The MSCI EM Index returned 11.45% in the first quarter.

In March, the Federal Reserve decided to raise the Fed fund rate by 0.25% to a target range between 0.75% and 1.00%. The Fed noted they will likely increase rates again in 2017. The bond markets as measured by Barclays US Agg Bond Index returned a nominal 0.82% for the first quarter.

The chart below shows the major index and Morningstar category style returns for the quarter, one-year, three-year, and five-year time periods ending March 31, 2017.

| PERFORMANCE | | | | | |
|-------------------------------------|-------|-------|-------|-------|-------|
| Name | 1Q17 | YTD | 1 Yr | 3 Yr | 5 Yr |
| S&P 500 Index | 6.07 | 6.07 | 17.17 | 10.37 | 13.30 |
| Russell 2000 Index | 2.47 | 2.47 | 26.22 | 7.22 | 12.35 |
| MSCI EAFE Index | 7.25 | 7.25 | 11.67 | 0.50 | 5.83 |
| MSCI EM Index | 11.45 | 11.45 | 17.22 | 1.18 | 0.81 |
| Barclays US Agg Bond Index | 0.82 | 0.82 | 0.44 | 2.68 | 2.34 |
| Morningstar Large Cap Value | 3.70 | 3.70 | 17.40 | 7.20 | 11.39 |
| Morningstar Large Cap Growth | 8.65 | 8.65 | 14.84 | 8.49 | 11.52 |
| Morningstar Small Cap Value | 0.33 | 0.33 | 23.28 | 6.01 | 11.27 |
| Morningstar Small Cap Growth | 5.55 | 5.55 | 22.41 | 5.30 | 10.68 |

Source: Morningstar

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Rebalancing

The 2016 calendar year and first quarter of 2017 proved well for the stock market, particularly domestic equities. While the stock market experienced solid growth, the bond market saw dismal returns and the deviation between asset classes returns was wide. The S&P 500 Index returned 11.96% in 2016 compared to the Barclays US Aggregate Bond Index which gained 2.65%. Inherently, the S&P 500 Index is more risky than the Barclays US Aggregate Bond Index. In such market conditions as seen in 2016, the strong overall performance of risky assets may have caused your holdings to drift away from your target asset allocation. Now is a great time to critically review your account and determine if it is necessary to rebalance your portfolio. As this newsletter explores the importance of rebalancing, please keep in mind that you can reach out to CBIZ Retirement Plan Services as a resource to help guide you through the rebalancing process. CBIZ can assist with any questions regarding your account and, as a Registered Investment Advisor, we offer specific investment advice based on your age, risk tolerance, and any special circumstances.

Rebalancing in an up market

Throughout this quarter's newsletter, we will refer to rebalancing as returning your portfolio to the original asset allocation by selling the overweight assets and buying the underweight holdings. The table below illustrates a hypothetical example if you had a portfolio that initially held 50% proportions to stocks and bonds, and how the overall allocation would have drifted over the three-year period ending March 31, 2017:

| Asset Class | Beginning Balance | Proportion | 3- Year Average Return | Ending Balance | Ending Proportion |
|-------------|-------------------|------------|------------------------|----------------|-------------------|
| Stocks | \$ 5,000.00 | 50.00% | 10.74% ⁽¹⁾ | \$ 6,791.00 | 56.00% |
| Bonds | \$ 5,000.00 | 50.00% | 2.63% ⁽²⁾ | \$ 5,405.50 | 44.00% |
| Total | \$10,000.00 | | | \$ 12,196.50 | |

⁽¹⁾ Three-year average based on S&P 500 Index

⁽²⁾ Three-year average based on Barclays U.S. Aggregate Bond Index

As the table illustrates, your portfolio's original 50/50 asset allocation now holds more in stocks, increasing your risk profile. If the above allocation was not changed and you continued to maintain a larger exposure to the stock market, any drop in equities would translate to greater losses than intended. If this study were to be extended out further to a five- or ten-year time period, you could potentially stray even further from your target allocation than what is depicted above.

If you find yourself in this situation, the appropriate next step is to rebalance your portfolio back to the original allocation. In this particular case, you would sell stocks to purchase bonds in order to get back to your 50/50 target. The table below illustrates the mechanics of this transaction.

| Asset Class | Beginning Balance | Proportion | Desired Proportion | Buy / Sell | Ending Balance |
|-------------|-------------------|------------|--------------------|------------|----------------|
| Stocks | \$6,791.00 | 56.00% | 50.00% | -\$693.00 | \$6,098.00 |
| Bonds | \$5,405.00 | 44.00% | 50.00% | \$693.00 | \$6,098.00 |
| Total | \$12,196.00 | | | | \$12,196.00 |

Continued on page 3

Continued from page 2

Rebalancing in a down market

The emotional aspect of investing often makes it difficult to shave allocations in securities that have recently performed well and reallocate it to securities that have not performed as well. This reluctance is especially strong in times of market crisis, such as what we experienced in 2008. That year, stocks lost 37.00%, while bonds gained 5.25%. In such a time of instability and uncertainty, many investors sold all of their risky assets and removed themselves from the market altogether. This is an example of a time when it is most critical for you to remember your long-term strategy when saving for retirement. For example, if you had stayed in the market throughout 2008, your portfolio would have generally recouped your losses in the next two calendar years. You also would have benefited from the positive performance in the years that followed.

We have discussed the importance of rebalancing after a market rally, but it is equally important to rebalance after a market downturn. The following table shows a scenario of what might have happened to a hypothetical portfolio in 2008:

| Asset Class | Beginning Balance | Proportion | 2008 Market Return | Ending Balance | Ending Proportion |
|--------------|--------------------|------------|------------------------|-------------------|-------------------|
| Stocks | \$5,000.00 | 50.00% | -37.00% ⁽¹⁾ | \$3,150.00 | 37.45% |
| Bonds | \$5,000.00 | 50.00% | 5.24% ⁽²⁾ | \$5,262.00 | 62.55% |
| Total | \$10,000.00 | | | \$8,412.00 | |

(1) Three-year average based on S&P 500 Index

(2) Three-year average based on Barclays U.S. Aggregate Bond Index

Rebalancing this portfolio during a down market would require the following transactions:

| Asset Class | Beginning Balance | Proportion | Desired Proportion | Buy / (Sell) | Ending Balance |
|--------------|-------------------|------------|--------------------|--------------|-------------------|
| Stocks | \$3,150.00 | 37.45% | 50.00% | \$1,056.00 | \$4,206.00 |
| Bonds | \$5,262.00 | 62.55% | 50.00% | -\$1,056.00 | \$4,206.00 |
| Total | \$8,412.00 | | | | \$8,412.00 |

As an investor, you may have been hesitant to rebalance in a down market, especially when it would have required you to buy more stocks after the equity market just experienced a -37.00% return. However, rebalancing would have benefited you greatly, as stocks returned 26.46% and 15.06% over the next two calendar years. The portfolio above would have experienced the following returns had you rebalanced the portfolio at the end of 2008.

| Asset Class | Beginning Balance | Proportion | Combined Return for 2009 & 2010 | Ending Balance |
|--------------|-------------------|------------|---------------------------------|--------------------|
| Stocks | \$4,206.00 | 50.00% | 45.50% | \$6,119.73 |
| Bonds | \$4,206.00 | 50.00% | 12.90% | \$4,748.57 |
| Total | \$8,412.00 | | | \$10,868.30 |

As depicted above, the portfolio recouped all of the losses experienced in 2008 by 2010 because of the rebalance. The above table shows that rebalancing is based on a “buy low, sell high” mentality. The trimming of the best performing assets in the portfolio aligns with the theory of selling high and locking in the investment gains. On the other hand, buying the lower-performing assets fulfills the “buy low” mentality.

Most 401(k) and 403(b) plans do not carry transaction costs, so buying and selling investment options should not cause you to incur additional expense. Your plan

provider also may offer an automatic rebalance feature. We strongly encourage participants to take advantage of this tool. An automatic rebalance feature periodically buys and sells investments in your account based on your desired allocation between stocks and bonds. The frequency of the automatic rebalance can vary. Typical time periods offered are: quarterly, semi-annually, or annually. We recommend you rebalance your portfolio at least annually.

Continued on page 4

Continued from page 3

If you are currently invested in a target date or target risk funds, these investment vehicles are automatically rebalanced. Target date or target risk funds help you avoid two common mistakes: failure to rebalance your portfolio and frequent trading to chase performance. We recommend taking advantage of either the automatic rebalance feature or target date / target risk funds as both options take the pressure off you to remember to calculate and perform rebalance transactions manually.

Target Risk Funds:

Target risk funds generally contain different portions of stocks, bonds, and cash equivalents. These funds are often labeled by the level of market risk tolerance. For this discussion, let's examine the difference between conservative, moderate, and aggressive target risk funds. These three different risk levels contain different mixes of stocks and bonds. Conservative funds hold more fixed income and fewer stocks, while aggressive funds hold more stocks and less fixed income. Moderate funds are invested somewhere in between. These investments are geared toward participants who are looking to invest based on their risk profiles. This option also relieves the pressure of building your own portfolio. When you are invested in a target risk fund, your statements will only show one investment; however, these funds are often "funds of funds." This means that each target risk fund consists of a number of stock and bond funds or other securities. From the perspective of time horizon, aggressive target risk funds generally target investors in their twenties and thirties, while conservative target risk funds are meant to attract employees nearing retirement. It is important to invest in the appropriate risk level for your age.

Target Date Funds:

If you would prefer not to build your own portfolio and are also not inclined to rebalance or make adjustments over time, then target date funds may be the right option for you. Target date funds are similar to target risk funds in that they contain a mixture of bonds and stocks. The underlying funds that make up the target date series may own hundreds of securities, making them very diversified. In addition, they have the added feature of changing asset allocation automatically over time to accommodate the changes in risk levels as you near retirement.

Let us take two hypothetical investors to help explain how target date funds work. The first employee is young and is hoping to retire in the year 2049. He would choose a target date fund that represents that approximate year of potential retirement – Target Date Fund 2050. The other, who is older and planning on retiring in the year 2021, would choose Target Date Fund 2020. The Target Date Fund 2050 is more aggressive and heavily weighted in stocks; poised to take advantage of the power of compounding during its long time horizon. Target Date Fund 2020 will hold more bonds and cash equivalents and has less stock exposure; it should experience less market volatility and has a focus on capital preservation. Neither of our hypothetical investors would need to rebalance or manually change from aggressive to conservative portfolios as their time horizon shortens. The "glidepath" of the 2050 fund allows the investor to stay in one target date fund through his working years and into retirement as it periodically adjusts risk as the time horizon decreases. The glidepath of the 2020 fund for the second investor is positioned to better protect the savings and gains of the portfolio.

Comparing Target Risk vs. Target Date Funds

Investing in target risk funds requires periodic maintenance and potential fund changes as you near retirement, while target date funds do not as they offer a glidepath through time. While the low maintenance aspect of target date funds is attractive, this hands-free approach to investing is not for everyone. If you are invested in a target date fund, you are accepting a portfolio manager's allocation at any given time. It may be the case that you are more comfortable with risk in your fifties or less comfortable with risk in your twenties. If you have strong preferences when it comes to exposure to market risk, then the automatic nature of target date funds will not be attractive to you. In this case, you may want to pick a target risk fund to suit your risk level, or construct a portfolio with other funds in the 401(k) or 403(b) lineup. Remember, both target risk funds and target date funds are designed to be one-fund portfolios. This means that the asset allocation within these funds will provide sufficient diversification for healthy retirement investing.

Feel free to contact your plan provider or CBIZ Retirement Plan Services if you have any questions about rebalancing your portfolio or choosing the appropriate target date or target risk fund. Our toll-free number is located on the bottom of this newsletter.

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the Advantage

February 2016

CBIZ Women Helping Women Succeed in Business

CBIZ
Women's
Advantage



Inside This Issue

Client Profile: Jaime Nolan
IntrinXec Management1

Nancy Mellard:
How Do You Say "Thank You"?2

The CWA Spotlight:
Jodi Robinson3

Out & About:3

CWA in Our Communities4

SoCal CBIZ Women
Strengthen CWA Bond4

Tips to Evaluate Your Firm's
IT & Cybersecurity Management5

CWA Snaps5

Silver Stevie Winner
Mary Kay Griffin6

Jaime Nolan: Finding Balance to "Work Hard, Play Hard"

*Jaime Nolan, CEO & Founder,
IntrinXec Management Inc.*

Work to live, not live to work. This is the philosophy which Jaime Nolan, CEO and Founder of IntrinXec Management, has instilled in her company culture. IntrinXec is an association management company (AMC) and provides managed services, strategic guidance, board governance, leadership training and organization culture to associations and nonprofits.

As a widely recognized industry leader and "Top 100 Best Companies to Work For," we were eager to sit down with Jaime to learn more about her background and her business philosophy.

What does the name IntrinXec mean?

Something genuine and true with focus on executive leadership.

What is important to you as the leader in the company? After I lost my daughter Grace to preeclampsia, the importance of making time

for life became a realization. I wanted to run a business where I could encourage balance to "work hard and play hard."

Our company culture emphasizes the importance of staying relevant to our clients through continued education and learning activities, while engaging and celebrating each other. It is equally important for our employees to spend time doing the things they enjoy outside of work.



Jaime Nolan

What tools/processes help you to be successful in your career?

Being a member of multiple professional and community groups has been incredibly beneficial. It's all about networks and learning from other people's experiences. I am part

See "Jaime Nolan" on pg. 6



*A Message from
Nancy Mellard | pg. 2*



Nancy Mellard

How Do You Say “Thank You”?

How do you say thank you to someone who shared his vision with you ten years ago of building a women’s program by simply saying “It is the right thing to do,” and then saying ... “GO!”?

How do you thank a Leader who listens to you over those ten years and reminds you that he is there for you ... not to do the job himself, but to remove roadblocks so that YOU can do the job?

Finally, how do you show your appreciation to a Champion on behalf of thousands of CBIZ women and thousands more women in our communities that we have supported through our community outreach efforts, for always supporting, promoting and celebrating CBIZ Women’s Advantage’s many programs and successes?

I hope I have just accomplished this!

CBIZ Women’s Advantage has so much more to accomplish in 2016 and beyond to continue to achieve its goals of the recruitment, development, advancement and retention of talent and we will continue to build on and succeed at these goals with the continued support of so many Leaders within CBIZ.

But to you, Steve Gerard, our retiring Chief Executive Office of CBIZ, we simply say,

THANK YOU!



Steve Gerard, accepting the Glass Slipper honoring his leadership and support of CBIZ Women’s Advantage

The CWA Spotlight

Jodi Robinson, Managing Director & Tax Practice Leader, CBIZ MHM Kansas City

Describing Jodi Robinson, Managing Director and local Tax Practice Leader, CBIZ MHM Kansas City, in one word is easy; passionate. Whether it be her passion for personal, professional and organizational growth, her commitment to giving back to the community or her deep love for animals, it is clear her passion has been a key to her success.

Joining the organization in 1994 as an associate, Jodi quickly became active in the recruitment process and eventually worked very closely with former CBIZ MHM Director Jason Yetter, to lay the groundwork for the associate and staff development programs. As Jodi moved through the ranks, she found the support and encouragement from her mentor, **Scott Slabotsky**, Managing Director, CBIZ MHM Kansas City, fundamental to her advancement. "Having an advisor and sounding board in Scott as I progressed through my career was pivotal," commented Jodi. "He recognized my leadership potential and encouraged me to identify my path to success based on my strengths. Similarly, I continue to find value in the support I receive from our Senior Managing Director, **Jeff Carlstedt**."

A 2013 graduate of the Centurions Leadership program of the Greater Kansas City Chamber of Commerce, Jodi has found a peer group outside of the organization to push her in new ways. "Through Centurions, I had the opportunity to meet some really cool people from a variety of backgrounds. We challenge each other to be better and to continue to grow. This group also opened my eyes to the importance of giving back to my



community, both with time and dollars," commented Jodi.

As a leader, Jodi continues to focus on the development of CBIZ's young professionals. "The younger generation is our future and it's imperative that we, as leaders, recognize those professionals with leadership potential and challenge them to find, or create, their own path to success. Our career is technically challenging and time demanding, it's important that generations to come understand that there are many paths to success."

Outside of the office you will often find Jodi at Wayside Waifs, where she has been involved in a variety of capacities for more than eight years, including as a Board Member and member of the Finance Committee. Jodi's love for animals makes Wayside Waifs an ideal outlet for her passion to give back to the community, and this love was the gateway to her involvement as a Board Member at Ronald McDonald House (RMH). "I got involved with RMH when a peer brought a vacant Board position to my attention. What sealed the deal was when I found out Wayside Waifs had donated the RMH house dog," joked Jodi.

When she is not giving back to the canine community, she is spending time with her own furry family – Buddy, Cooper (pictured above) and Barkley.

Welcome to the CWA Executive Board Jodi!

out & about: Dog Days of Summer in Northeast Ohio

During the "Dog Days of Summer," CBIZ Northeast Ohio (offices in Cleveland, Fairlawn, and Uniontown) completed the most successful Dress for Success campaign to date, combining resources to raise over \$7,800, and collect accessories and hygiene items for Dress for Success. Eighteen volunteers coordinated fun events designed to fundraise, as well as heighten awareness for Dress for Success.



Highlights included a photo contest of their dogs and other pets, employee picnics, an ice cream social, penny wars, jeans days, a silent auction, and a wine and cheese event for clients, vendors, and other business partners. Speaking at the wine and cheese event, CBIZ President, **Jerry Grisko**, shared how important giving back is to CBIZ.

Many thanks to the associates and business partners who donate unopened hygiene items for "Goodie Bags." Members of the NE Ohio 2015 Committee included: **Angela Cooper, Anna Marie Zappola, Dawn Kilday, Ellen Wisbar, Erica Johnson, Ginny Dickos, Jackie Nugent, Kathy French, Kim Hess, Kim Oswald, Leo Yurichak, Linda Spero, Lori Novickis, Martha Lange, Paul Hufstetler, Sheryl Culp, Tiffani Gaerke.**

CWA in Our Communities

Living in Vitality

by Lacey McCourt, Wellbeing Account Executive, CBIZ Wellbeing Solutions

“Vitality is the power to live or grow; the capacity for survival or for the continuation of a meaningful or purposeful existence. It’s a state of mind, a state of being. Everyone chooses how they live. Are you surrounded by chaos and excuses or do you seize the moment and take advantage of everything life has to offer?”

– Shawnee Mission Health, *Living In Vitality Conference*

On October 2, 2015 CBIZ, CBIZ MHM and CWA, together with other Kansas City community partners, were pleased to support Shawnee Mission Health as they introduced LIV: Living in Vitality, an uplifting educational conference with the goal to empower local women to live healthier lives physically, mentally and spiritually.

Together with CBIZ colleagues **Polly Thomas, Ann Swarts** and **Stacy Speltz** (pictured below, R-L), I jumped on the opportunity to support this mission by leading one of the educational breakout sessions in the form of a panel discussion. The topic, “*The Five Essential Elements of Wellbeing*” was fitting for the day.



While traditional “wellness” focuses solely on our physical health or absence of disease, “wellbeing” takes a holistic view, supporting the idea that living our best, most vibrant life, involves more than just our physical health; it’s our financial security, finding meaning in our daily lives and encompasses our social and community connectedness.

While we are unique individuals with varying ideas of what wellbeing means to us, our panel discussion focused specifically on the findings articulated in Tom Rath’s and Jim Harter’s New York Times bestselling book *Wellbeing: The Five Essential Elements*. The book is based on a global study by Gallup consisting of over two million interviews on what differentiates people who are thriving from those who are not.

In their research they found regardless of one’s physical location, those people who were “thriving,” living in vitality, had five universal elements in common: Career Wellbeing or Purpose, Social Wellbeing, Financial Wellbeing, Physical Wellbeing and Community Wellbeing.

Our panel focused on these elements and discussed how each of us can make a conscious effort to improve in those areas of our lives needing some extra care.

It’s important and exciting to remember, these critical elements to living in vitality are within our control and we have the ability to create a thriving wellbeing in our own lives.

SoCal CBIZ Women Strengthen CWA Bonds

A lovely lunch, two engaging speakers and women from four CBIZ offices (LA, Oxnard, Bakersfield and Encino) were the key ingredients for success at the recent CWA event in Southern California.



SoCal CWA women enjoying the kickoff luncheon and programming.



Breanna Lyda, left, with CWA’s Kelly O’Neil

The goal was to gather the women from all four of the offices to reconnect and provide an update/overview of the CBIZ Women’s Advantage program.

The event began with “People Bingo,” giving everyone a chance to network. Following lunch, the 35 women in attendance enjoyed an entertaining presentation by CWA Executive Board Member **Kelly O’Neil**, complete with a guest appearance by former board member **Cheryl Calhoun**.

Tips to Evaluate Your Firm's IT and Cybersecurity Management

by Brenda Piazza, Director of Management and IT Security, FS San Diego

Security breaches are increasingly being reported in the news, with these events causing damage to a company's reputation, incurring significant costs and creating tremendous potential legal consequences.

This leads business owners, executives and key personnel to ask how they should be evaluating their security and cybersecurity management to better protect themselves against those risks.

Two primary considerations are: (1) whether management has defined its IT security requirements through policies, and then communicated those policies to all employees; and (2) whether management regularly monitors and receives IT security reports, or if management (other than IT) is only made aware of catastrophic failures when they occur.

How Do Your IT Practices Stand Up?

1. Are there written IT policies in place around security, change management, hiring and training? How are those policies communicated to all employees, new hires and contractors? Are there signed acknowledgements of those policies?
2. Is there employee and contractor training on IT security, including their responsibilities for changing passwords, securing laptops while off-site and management's expectations of securing removable media?
3. Is a formal IT risk assessment performed at least annually to understand where the risks are in IT security?
4. Are there logical access controls for granting, changing and revoking permissions to applications, networks,

remote access, wireless access, etc.? Is there an internal/external penetration test performed by a third-party firm to identify possible vulnerabilities in your network and "back doors" in the vendor code?

5. Do you know when there is a potential IT security incident or hack into your firewall? Do you have a written business continuity or disaster recovery plan in place that is tested annually?

6. Do you perform daily backups of production and test data and store the encrypted backups off-site? Do you perform restores of data from backup media to verify the backups can be recovered?

7. Do you have formal change management procedures in place for the approval, developer assignment, testing of the change in a test environment and movement into production by someone other than the developer?

8. Is there physical security into the building such as visitor logs, badge access cards and limited access into the server room? Is access restricted to an off-site hosted data center?

9. Have you read your customer contracts and renewals to consider their requirements regarding data classifications, what constitutes a breach and what your contractual obligations are for reporting to them, should a breach occur? Do you know your legal requirements and timing of those requirements (by state) should a security breach occur?

Only through monitoring of IT security practices can you truly reduce the likelihood of becoming the next big IT security breach "headline."



CWA Snaps

Congratulations to **Emily Noll** who has been promoted to CBIZ National Director of Wellness Solutions.

Polly Thomas has been named among the Top 40 under 40 by *Business Insurance* magazine.

Cindy Mull was named as a finalist for Business Woman of the Year by *Tampa Bay Business Journal*.

Moira House was named HR Practitioner of the Year by Memphis Chapter of the Society for Human Resource Management.

The National Academy of Public Accounting Professionals has named **Michelle Spriggs** a Top 10 Accountant.

Congratulations to **Megan Murdock** who was named to the "Top 40 Under 40" list by the *Memphis Business Journal*.

Jaime Nolan

continued from pg. 1

of a leadership forum of business owners who meet monthly to discuss current issues and trends, where we also provide and receive valuable feedback from our peers. I also served as the President of the Association Management Companies Institute from 2012-13 and was a member of the Board from 2005-14. My AMC network, which includes other AMC owners, is critical to growth and prosperity in our industry.

Jaime: *On the Lighter Side*

What's your favorite book/books?

I have many favorites, but two that come to mind are *Trapped in Hitler's Hell* by Anita Dittman, and *The Little Prince* by Antoine de Saint-Exupery.

How do you spend your time outside of work?

I love to go hiking with my kids. We hike the different state falls and nature centers. I travel about 20% of the time for work, but for personal travel, I love warm places.

I spend time with the boards I serve, Faith's Lodge and the Preeclampsia Foundation, and with Saving Grace, a gala I started to fund preeclampsia education and research. We celebrated our 10th Gala last Fall.

I started a "40x40" list ... goals I want to accomplish by the time I turn 40 at the end of March, 2017. The list includes financial goals, fitness goals, and to read 20 new books, just to name a few.

And the Silver Stevie Goes to ... Mary Kay Griffin

CWA is pleased to announce that Mary Kay Griffin has received a Silver Stevie for Lifetime Achievement in Business. The Stevie® Awards are the world's premier business awards honoring the achievements and positive contributions of organizations and working professionals worldwide. In short order,

the Stevie has become one of the world's most coveted prizes. The Stevie Awards for Women in Business recognize the achievements of women executives, entrepreneurs and their organizations.

in addition to serving on many professional, civic and nonprofit boards, Mary Kay currently serves as the chair of the business development committee of CWA and has been an instrumental member of the Executive Board of CWA since the group's inception.

Mary Kay was honored at the Stevie reception in New York City on Friday, November 13, 2015.

Please join us in congratulating Mary Kay!

The Advantage

*A publication of
CBIZ Women's Advantage*

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Honoree Mary Kay Griffin, with Clair Rood, CBIZ MHM Salt Lake

CWA recently nominated Mary Kay in recognition of her long and successful career in serving the various accounting and financial needs of her clients, advocating for the educational advancement of the accounting profession, mentoring professional women, and supporting the growth and success of businesses and organizations vital to the economic, professional and social health of Salt Lake City and across the U.S. In



Mary Kay Griffin, flanked by colleagues from CBIZ MHM and CWA.



ABC Company Retirement Plan Investment Review

As of June 30, 2017

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Table of Contents

| | | |
|-------------|----------------------|----|
| Section - 1 | CBIZ Updates | 3 |
| Section - 2 | Market Commentary | 5 |
| Section - 3 | Executive Summary | 12 |
| Section - 4 | Analysis of Holdings | 17 |
| Section - 5 | Investment Analysis | 21 |
| Section - 6 | Fund Profiles | 33 |
| Section - 7 | About Your Report | 63 |

CBIZ UPDATES



Retirement Matters Newsletter

Each quarter CBIZ produces and sends to you for dissemination, our *Retirement Matters* newsletter. This newsletter is for participant education and is designed to assist you in meeting your obligations under 404(c). The newsletter offers practical retirement strategies and aims to help participants reach their retirement goals.

Recent Issues

2Q2017: A review of Social Security and its vital components

1Q2017: The importance of rebalancing your portfolio

4Q2016: A review of your retirement account in the New Year

3Q2016: The road to retirement into three segments

CBIZ Retirement Plan News

Each quarter CBIZ sends Plan Sponsors the “CBIZ Retirement Plan News”. This newsletter contains in-depth articles written by the industry’s most knowledgeable and respected retirement plan experts. Every issue of this publication contains easy-to-read information, insight, and analysis on important employee benefit issues, regulatory agency rulings, and court decisions impacting retirement plans.

Recent Issues

2Q2017: Reasons to consider a Safe Harbor 401(k)

1Q2017: QDRO definition and review of important QDRO procedures

4Q2016: A review of Fidelity Bonds and Fidelity Liability Insurance

3Q2016: An overview of Target Date Funds

MARKET COMMENTARY



Economic Summary

The US economy continues to generate solid and stable growth, and the expansion is now eight years old, making it the third-longest on record. In addition to the economy nearing full-employment levels, the broad-based and steady growth is supported by low energy prices, elevated consumer confidence, and stock prices hovering near record highs. The employment situation eroded somewhat, with an average of approximately 121,000 jobs added each month, disappointing economists. However, the unemployment rate of 4.3% established a new cyclical low. Despite worse-than-expected jobs data, the Federal Open Market Committee (FOMC) voted at its June meeting to raise short-term interest rates by 25 basis points to 1.00% - 1.25%.

On a global basis, the economic environment also continues to improve, with most regions of the world on track to deliver robust growth in 2017. The Eurozone economy grew at a 2% annual clip in the first quarter, an improvement from prior quarters. Recent data from the various economic segments has exceeded forecasts, an encouraging sign for future prospects. In addition, the outcomes of the French and Dutch elections have eased uncertainty in the region. China's economy is expected to grow close to its potential in 2017.

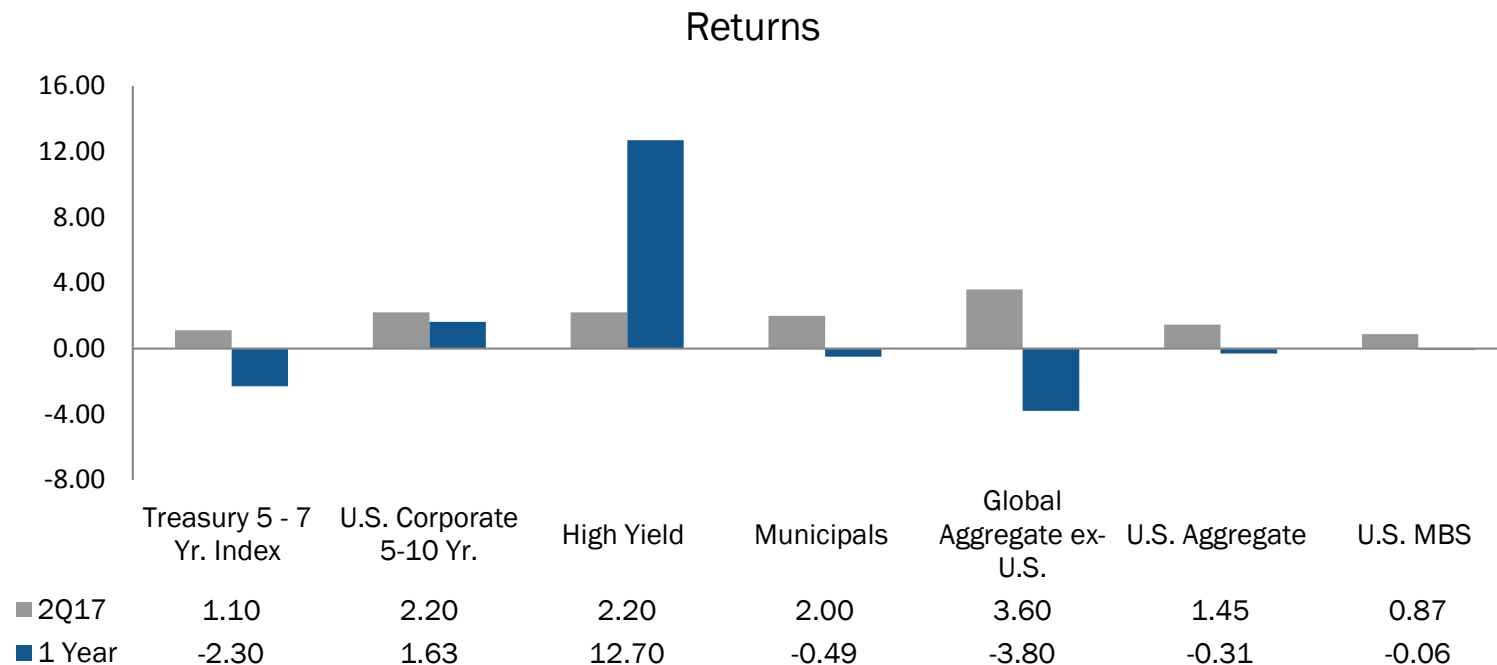
The housing segment has continued to contribute solidly to growth. Existing home sales for May (the latest monthly data available) grew at an annualized rate of 5.6 million units, an increase of about +1.1% from the 5.5 million-unit-rate reached in April, yet up +2.7% from February 2017. The inventory of existing homes was slightly more than four months of supply, roughly the same as year-ago levels. Existing home prices in May were up +3.1% from April, and have gained +5.9% from May 2016. In the new-home segment, the NAHB Housing Market Index, a measure of homebuilding activity, ended the quarter at 67, slightly below both the prior month and in March.

The employment situation slowed considerably in the most recent monthly report. Employers added 138,000 jobs during May, far below the consensus expectations of 185,000 new jobs, and materially lagging the prior month's gain. The three-month moving average also declined, coming in at 121,000, the weakest average since 2012. The unemployment rate in May was 4.3%, a new cyclical low. Average hourly earnings increased by a modest +0.2% in May, and have risen +2.58% in the past 12 months.

Fixed Income

Fixed income securities generated positive total returns in all market segments.

The Bloomberg Barclays Treasury 5-7 Yr. Index gained +1.1% for the quarter, but is down a -2.3% return over the past 12 months. The Bloomberg Barclays U.S. Corporate 5-10 Yr. Index advanced +2.2% during the three months. High yield securities continued to produce positive returns, posting a gain of +2.2%; the asset class has gained +12.7% over the past year. Municipals also fared well, as the Bloomberg Barclays Municipal Bond Index rose by +2.0% during the quarter. Prices of non-U.S. fixed income securities were sharply higher in the quarter, as the Bloomberg Barclays Global Aggregate ex-U.S. Index climbed +3.6%. Emerging markets bonds added on to gains from the first quarter, with the JPM EMBI Global Index tacking on +2.2%.



Domestic Equity

Over the second quarter, the Russell 1000 Index of large capitalization stocks generated a +3.1% total return, bringing its first half of 2017 return to +9.3%. Within the large cap segment, growth stocks meaningfully outperformed value stocks.

Small cap stocks, as represented by the Russell 2000 Index, underperformed large caps, and finished the quarter with a total return of +2.5%. Small cap growth outperformed small cap value, with the outperformance now amounting to more than 9% year-to-date.

| | 2012 | 2013 | 2014 | 2015 | 2016 | 3Q16 | 4Q16 | 1Q17 | 2Q17 |
|--|-------|-------|-------|-------|-------|------|-------|-------|------|
| | 18.5% | 43.3% | 14.7% | 5.7% | 31.7% | 9.2% | 14.1% | 8.9% | 4.7% |
| | MV | SG | MV | LG | SV | SG | SV | LG | LG |
| | 18.1% | 38.8% | 13.4% | 0.9% | 21.2% | 9.0% | 8.8% | 6.9% | 4.4% |
| | SV | SB | LV | LB | SB | SB | SB | MG | SG |
| | 17.5% | 35.7% | 13.2% | -0.2% | 19.9% | 8.9% | 6.6% | 6.0% | 4.2% |
| | LV | MG | LB | MG | MV | SV | LV | LB | MG |
| | 17.3% | 34.8% | 13.2% | -1.4% | 17.3% | 4.6% | 5.5% | 5.3% | 3.1% |
| | MB | MB | MB | SG | LV | MG | MV | SG | LB |
| | 16.4% | 34.5% | 13.0% | -2.4% | 13.7% | 4.6% | 3.8% | 5.1% | 2.7% |
| | LB | SV | LG | MB | MB | LG | LB | MB | MB |
| | 16.3% | 33.5% | 11.9% | -3.8% | 12.0% | 4.5% | 3.5% | 3.8% | 2.5% |
| | SB | LG | MG | LV | LB | MB | SG | MV | SB |
| | 15.8% | 33.4% | 5.6% | -4.4% | 11.2% | 4.4% | 3.2% | 3.3% | 1.4% |
| | MG | MV | SG | SB | SG | MV | MB | LV | MV |
| | 15.3% | 33.1% | 4.9% | -4.8% | 7.3% | 4.0% | 1.0% | 2.5% | 1.3% |
| | LG | LB | SB | MV | MG | LB | LG | SB | LV |
| | 14.6% | 32.6% | 4.2% | -7.5% | 7.1% | 3.5% | 0.5% | -0.1% | 0.7% |
| | SG | LV | SV | SV | LG | LV | MG | SV | SV |

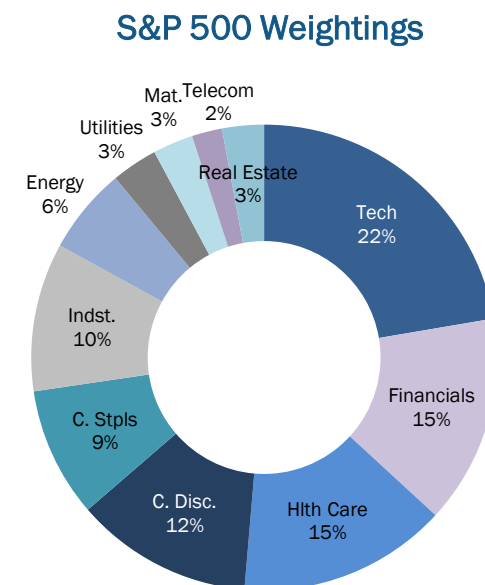
LV - Large Value MV - Mid Value SV - Small Value
 LB - Large Blend MB - Mid Blend SB - Small Blend
 LG - Large Growth MG - Mid Growth SG - Small Growth

Equity Performance

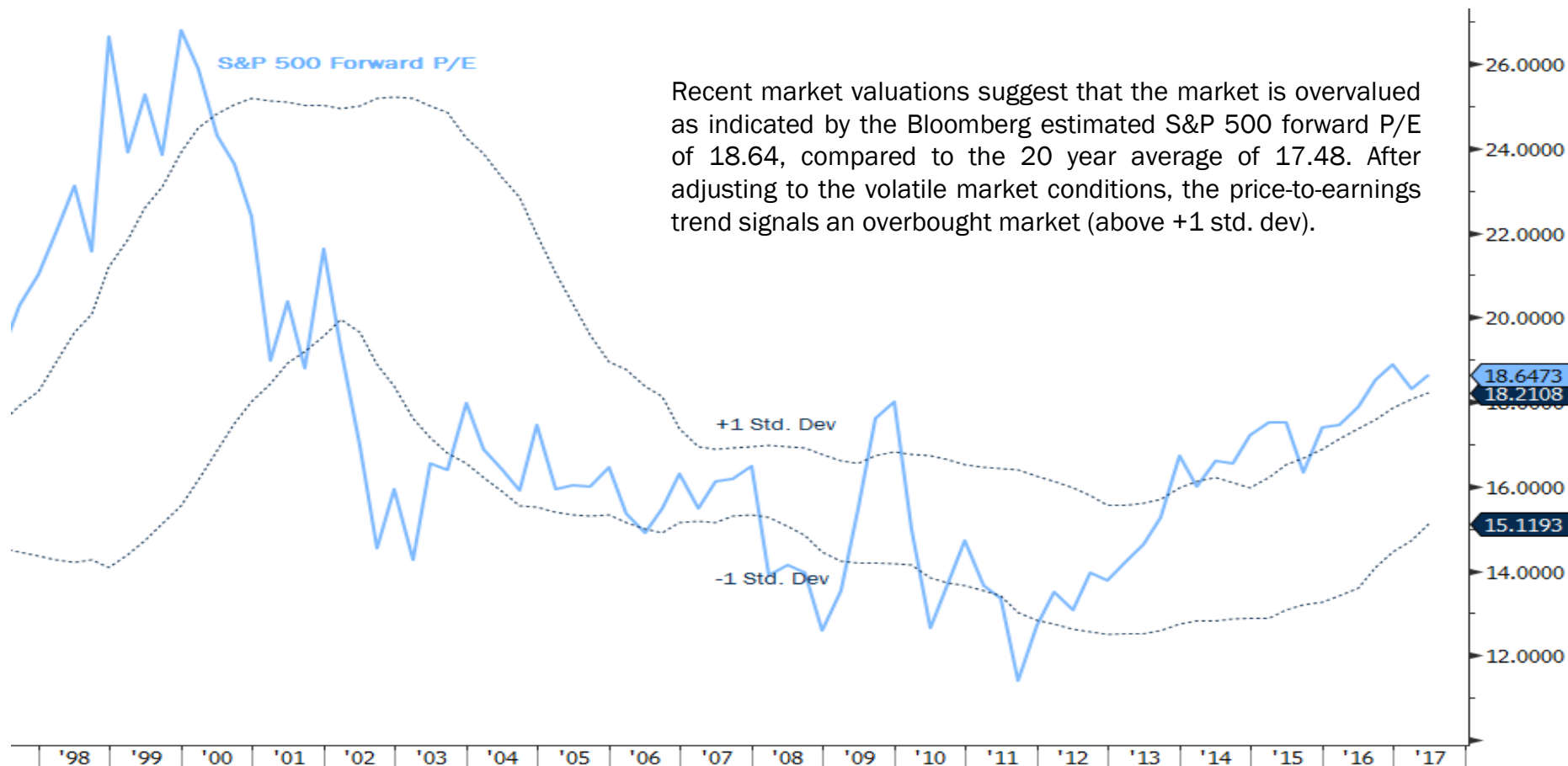
The ten primary economic sectors produced positive returns, with two exceptions.

Performance disparity between the sectors was not as wide as in recent quarters. Health Care, Industrials and Financials were the strongest performers, generating gains of +7.1%, +4.7%, and +4.2%, respectively. The Telecommunication Services, Energy, and Consumer Staples sectors were the poorest relative performers, posting returns of -7.0%, -6.4%, and +1.6%, respectively.

| Sector | 2Q17 | 1 Year | Forward P/E | 20 Yr. Avg. Fwd. P/E |
|------------------------|------|--------|-------------|----------------------|
| Health Care | 7.1 | 12.5 | 16.5 | 17.6 |
| Industrials | 4.7 | 22.3 | 17.8 | 16.3 |
| Financials | 4.2 | 35.3 | 14.0 | 12.9 |
| Technology | 4.1 | 33.9 | 17.9 | 20.8 |
| Materials | 3.2 | 18.6 | 18.0 | 13.8 |
| Real Estate | 2.8 | -0.4 | 18.0 | 15.2 |
| Consumer Discretionary | 2.4 | 16.9 | 19.4 | 18.1 |
| Utilities | 2.2 | 2.5 | 17.7 | 14.0 |
| Consumer Staples | 1.6 | 3.1 | 20.1 | 17.1 |
| Energy | -6.4 | -4.1 | 26.3 | 17.4 |
| Telecom | -7.0 | -11.7 | 12.6 | 16.6 |



Market Valuation



| Valuation Metric | 2Q 2017 | 1Q 2017 | 4Q 2016 | 3Q 2016 |
|-------------------------|---------|---------|---------|---------|
| Forward Price /Earnings | 18.64 | 18.31 | 18.89 | 18.32 |
| Price/Cash Flow | 13.29 | 13.01 | 12.31 | 12.14 |
| Price/Book Value | 3.11 | 3.05 | 2.93 | 2.80 |
| Dividend Yield | 1.97 | 1.97 | 2.09 | 2.13 |

See disclosure page for additional information.

International Equities

As in the first quarter, international stocks generally outperformed US equities overall.

The MSCI ACWI ex-USA Index, which measures performance of world markets outside the US, gained +5.8%. The MSCI EAFE Index of developed markets stocks climbed +6.1%, and is now up +13.8% in 2017. Regional performance was, on balance, positive. The Asia region was the strongest performer on a relative basis once again, with the MSCI EM Asia Index posting a return of +8.6%. Eastern Europe and Latin America were the poorest relative performers, posting declines of -2.6% and -1.7%, respectively. Emerging markets performance remained strong, as the MSCI Emerging Markets Index rallied by +6.3%, and is now up +18.4% for the first half of the year.

| MSCI | 2Q17 | | One Year | |
|-------------------------------|------|------|----------|-------|
| | LCL | USD | LCL | USD |
| All Country World Index | 3.10 | 4.27 | 19.15 | 18.78 |
| All Country World Index ex US | 3.29 | 5.78 | 21.32 | 20.45 |
| EAFE | 2.71 | 6.12 | 22.10 | 20.27 |
| Europe Ex UK | 2.18 | 8.40 | 21.57 | 24.37 |
| United Kingdom | 0.81 | 4.72 | 16.65 | 13.35 |
| Pacific ex Japan | 1.14 | 1.54 | 17.71 | 19.43 |
| Emerging Markets | 6.56 | 6.27 | 21.77 | 23.75 |

EXECUTIVE SUMMARY

Investment Style Box

| US Stock | | | |
|----------|-----------------------------|--|-------------------------------|
| | Value | Blend | Growth |
| Large | Vanguard Windsor™ II Inv | Vanguard 500 Index Admiral | Vanguard Growth Index Admiral |
| Medium | Vanguard Selected Value Inv | Vanguard Mid Cap Index Admiral | Vanguard Mid Cap Growth Inv |
| Small | | DFA US Small Cap I Vanguard Small Cap Index Adm | |

| Fixed Income/Balanced | | | |
|-----------------------|--|---|-------------------------------------|
| Cash/Stable Value | Fixed Income | | Asset Allocation |
| | Core | Satellite | |
| | PIMCO Total Return Admin Vanguard Total Bond Market Index Adm | American Century Inflation Adjs Bond Inv Prudential High-Yield Q AB Global Bond Advisor | American Funds American Balanced R6 |

Investment Style Box

| Other Equities | | |
|---------------------------------------|---|-----------|
| Risk-Based/Target-Date Series | International | Specialty |
| Vanguard Target Retirement Income Inv | Vanguard Total Intl Stock Index Admiral | |
| Vanguard Target Retirement 2010 Inv | American Funds Europacific Growth R6 | |
| Vanguard Target Retirement 2015 Inv | Vanguard Emerging Mkts Stock Idx Adm | |
| Vanguard Target Retirement 2020 Inv | | |
| Vanguard Target Retirement 2025 Inv | | |
| Vanguard Target Retirement 2030 Inv | | |
| Vanguard Target Retirement 2035 Inv | | |
| Vanguard Target Retirement 2040 Inv | | |
| Vanguard Target Retirement 2045 Inv | | |
| Vanguard Target Retirement 2050 Inv | | |
| Vanguard Target Retirement 2055 Inv | | |
| Vanguard Target Retirement 2060 Inv | | |

Funds highlighted in gold denote watch-list funds

Investment Watch List Summary

| Fund Name | % of Assets | Category | Watch List Date | Recommendation |
|-----------------------------|-------------|----------------|-----------------|----------------|
| Vanguard Mid Cap Growth Inv | 3 | Mid-Cap Growth | 03/31/2017 | Watch |

Notes

ANALYSIS OF HOLDINGS

Breakdown of Assets by Investment

| Investment | 2Q17 | | | 4Q16 | | |
|--|-------------|-----------------|-------------------|-------------|-----------------|-------------------|
| | 2Q17 Assets | Plan Allocation | Participant Count | 4Q16 Assets | Plan Allocation | Participant Count |
| American Century Inflation Adjs Bond Inv | \$741,563 | 0.69% | 29 | \$9,465,534 | 9.15% | 29 |
| PIMCO Total Return Admin | \$3,216,454 | 3.01% | 3 | \$4,536,876 | 4.38% | 3 |
| Vanguard Total Bond Market Index Adm | \$8,764,351 | 8.20% | 7 | \$187,965 | 0.18% | 7 |
| Prudential High-Yield Q | \$896,451 | 0.84% | 12 | \$145,686 | 0.14% | 12 |
| AB Global Bond Advisor | \$4,523,513 | 4.23% | 11 | \$563,456 | 0.54% | 11 |
| Vanguard Target Retirement Income Inv | \$745,631 | 0.70% | 3 | \$556,465 | 0.54% | 3 |
| Vanguard Target Retirement 2010 Inv | \$638,542 | 0.60% | 2 | \$2,138,698 | 2.07% | 2 |
| Vanguard Target Retirement 2015 Inv | \$213,544 | 0.20% | 10 | \$945,213 | 0.91% | 10 |
| Vanguard Target Retirement 2020 Inv | \$7,156,521 | 6.69% | 1 | \$3,235,434 | 3.13% | 1 |
| Vanguard Target Retirement 2025 Inv | \$2,413,654 | 2.26% | 1 | \$1,877,635 | 1.81% | 1 |
| Vanguard Target Retirement 2030 Inv | \$345,131 | 0.32% | 2 | \$4,421,363 | 4.27% | 2 |
| Vanguard Target Retirement 2035 Inv | \$867,431 | 0.81% | 3 | \$326,953 | 0.32% | 3 |
| Vanguard Target Retirement 2040 Inv | \$698,435 | 0.65% | 5 | \$652,351 | 0.63% | 5 |
| Vanguard Target Retirement 2045 Inv | \$2,134,545 | 2.00% | 2 | \$564,532 | 0.55% | 2 |
| Vanguard Target Retirement 2050 Inv | \$6,453,121 | 6.03% | 8 | \$6,921,345 | 6.69% | 8 |
| Vanguard Target Retirement 2055 Inv | \$6,384,421 | 5.97% | 6 | \$1,354,354 | 1.31% | 6 |
| Vanguard Target Retirement 2060 Inv | \$746,531 | 0.70% | 12 | \$6,512,354 | 6.29% | 12 |
| American Funds American Balanced R6 | \$8,645,371 | 8.08% | 11 | \$8,745,123 | 8.45% | 11 |
| Vanguard Windsor™ II Inv | \$3,156,445 | 2.95% | 7 | \$684,531 | 0.66% | 7 |
| Vanguard 500 Index Admiral | \$5,341,874 | 4.99% | 3 | \$7,465,132 | 7.21% | 3 |
| Vanguard Growth Index Admiral | \$8,746,385 | 8.18% | 4 | \$986,451 | 0.95% | 4 |
| Vanguard Selected Value Inv | \$326,565 | 0.31% | 5 | \$8,946,513 | 8.64% | 5 |
| Vanguard Mid Cap Index Admiral | \$4,721,331 | 4.41% | 19 | \$8,946,513 | 8.64% | 19 |
| Vanguard Mid Cap Growth Inv | \$3,216,854 | 3.01% | 21 | \$312,456 | 0.30% | 21 |
| DFA US Small Cap I | \$5,431,112 | 5.08% | 2 | \$1,686,352 | 1.63% | 2 |
| Vanguard Small Cap Index Adm | \$3,685,445 | 3.45% | 5 | \$2,384,715 | 2.30% | 5 |
| Vanguard Total Intl Stock Index Admiral | \$8,464,131 | 7.91% | 9 | \$3,563,845 | 3.44% | 9 |

Breakdown of Assets by Investment

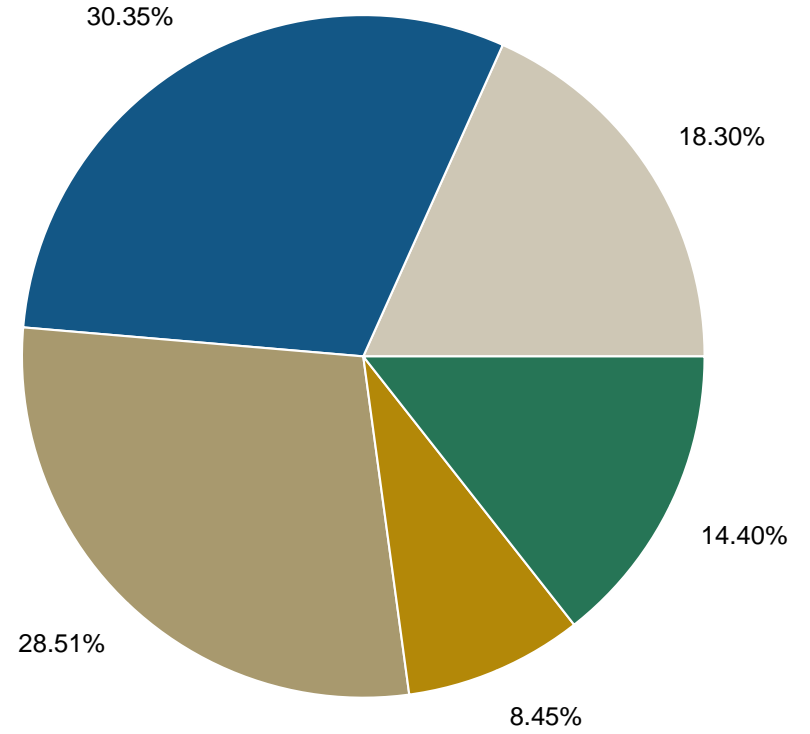
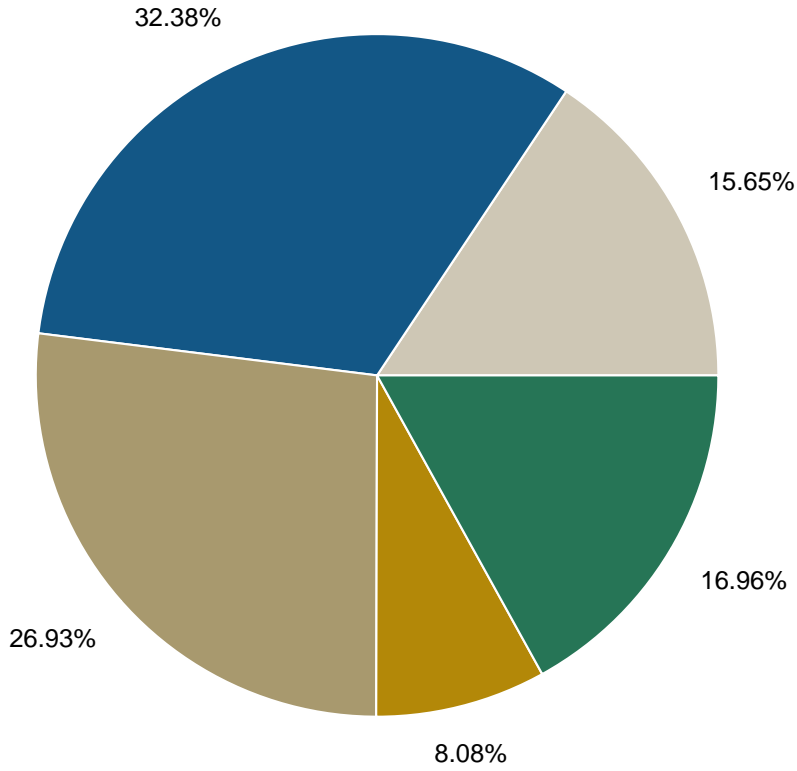
| Investment | 2Q17 | | | 4Q16 | | |
|--------------------------------------|----------------------|-----------------|-------------------|----------------------|-----------------|-------------------|
| | 2Q17 Assets | Plan Allocation | Participant Count | 4Q16 Assets | Plan Allocation | Participant Count |
| American Funds Europacific Growth R6 | \$784,311 | 0.73% | 7 | \$6,598,645 | 6.38% | 7 |
| Vanguard Emerging Mkts Stock Idx Adm | \$7,487,431 | 7.00% | 6 | \$8,774,651 | 8.48% | 6 |
| Totals | \$106,947,094 | 100.00% | | \$103,501,141 | 100.00% | |

Asset values are subject to change due to transactions that may have been pending at the time this report was prepared. Please refer to your Trust or Custodial Statement for further details.

Investments by Style

2Q17

4Q16



■ Bonds (16.96%)
■ Target Date (26.93%)
■ Foreign Equity (15.65%)

■ Balanced / Lifestyle / Asset Allocatic
■ Domestic Equity (32.38%)

■ Bonds (14.4%)
■ Target Date (28.51%)
■ Foreign Equity (18.3%)

■ Balanced / Lifestyle / Asset Allocation (8.45%)
■ Domestic Equity (30.35%)

INVESTMENT ANALYSIS

CBIZ RPS Monitoring Criteria

Performance

- 3-year performance – Top 60% of category
- 5-year performance – Top 50% of category
- 10-year performance – Top 50% of category

Risk

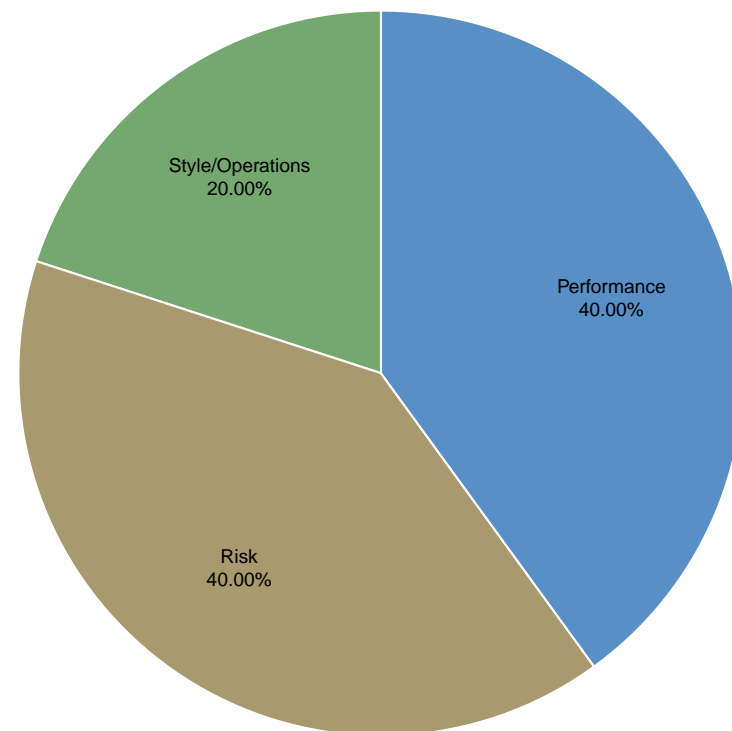
- 3-year Sharpe ratio – Top 60% of category
- 5-year Sharpe ratio – Top 60% of category
- 5-year Upcapture – Top 60% of category
- 5-year Downcapture – Top 40% of category

Style/Operations

- Style drift – style matches category
- R-squared – greater than 80%
- Manager tenure – 2 years or more
- Total fund assets - \$100 million +
- Expense ratio – lowest 50% of category

Ratings

- Score greater than or equal to 70% - Pass
- Score below 70% - Watch
- Typical number of consecutive Watch quarters for Action recommendation – 4



Monitoring Report

| Security Name | Performance | | | Risk | | | | Style / Operations | | | | | Pass Watch Action |
|--|-------------|-------|------|------------|------------|----------------|------------------|--------------------|------------|------------|----------|---------|-------------------|
| | 3Yr | 5Yr | 10Yr | 3Yr Sharpe | 5Yr Sharpe | 5Yr Up Capture | 5Yr Down Capture | Style Drift | R-Sqrd 5Yr | Mgr Tenure | AUM (MM) | Exp Rat | |
| Bonds | | | | | | | | | | | | | |
| American Century Inflation Adjs Bond Inv | 0.24 | -0.21 | 3.92 | 0.02 | -0.06 | 128.75 | 141.80 | IP | 94.79 | 15.66 | 3,255 | 0.47 | Pass |
| <i>Morningstar Inflation-Protected Bond</i> | -0.01 | -0.17 | 3.33 | -0.05 | -0.05 | 84.50 | 91.53 | - | 86.80 | 7.09 | 2,047 | 0.69 | |
| <i>Rank in Category</i> | 35 | 55 | 28 | 34 | 53 | 3 | 98 | - | - | - | - | 30 | |
| PIMCO Total Return Admin | 2.32 | 2.50 | 5.68 | 0.65 | 0.68 | 115.42 | 117.25 | CI | 80.32 | 2.83 | 73,784 | 0.71 | Pass |
| <i>Morningstar Intermediate-Term Bond</i> | 2.22 | 2.45 | 4.30 | 0.73 | 0.80 | 100.52 | 92.45 | - | 85.67 | 9.89 | 5,791 | 0.77 | |
| <i>Rank in Category</i> | 45 | 46 | 5 | 66 | 64 | 15 | 93 | - | - | - | - | 53 | |
| Vanguard Total Bond Market Index Adm | 2.43 | 2.13 | 4.45 | 0.71 | 0.66 | 102.37 | 107.12 | CI | 99.21 | 4.41 | 183,445 | 0.05 | Pass |
| <i>Morningstar Intermediate-Term Bond</i> | 2.22 | 2.45 | 4.30 | 0.73 | 0.80 | 100.52 | 92.45 | - | 85.67 | 9.89 | 5,791 | 0.77 | |
| <i>Rank in Category</i> | 38 | 65 | 49 | 51 | 69 | 48 | 77 | - | - | - | - | 2 | |
| Prudential High-Yield Q | 4.90 | 6.94 | 7.20 | 0.84 | 1.36 | 94.82 | 86.70 | HY | 97.79 | 11.58 | 6,085 | 0.45 | Pass |
| <i>Morningstar High Yield Bond</i> | 3.02 | 5.70 | 6.05 | 0.59 | 1.16 | 87.49 | 93.92 | - | 90.83 | 8.80 | 2,108 | 1.04 | |
| <i>Rank in Category</i> | 4 | 12 | 11 | 15 | 18 | 23 | 26 | - | - | - | - | 5 | |
| AB Global Bond Advisor | 3.74 | 3.62 | 5.26 | 1.29 | 1.16 | 62.27 | 8.90 | IB | 34.18 | 25.33 | 6,618 | 0.58 | Pass |
| <i>Morningstar World Bond</i> | 0.31 | 1.72 | 4.02 | 0.17 | 0.44 | 60.10 | 37.76 | - | 49.52 | 8.68 | 3,417 | 0.95 | |
| <i>Rank in Category</i> | 7 | 15 | 20 | 2 | 9 | 50 | 30 | - | - | - | - | 16 | |
| Balanced / Lifestyle / Asset Allocation | | | | | | | | | | | | | |
| American Funds American Balanced R6 | 7.26 | 10.96 | 6.87 | 1.04 | 1.62 | 116.81 | 85.71 | MA | 83.05 | 20.49 | 113,234 | 0.29 | Pass |
| <i>Morningstar Allocation--50% to 70% Equity</i> | 4.00 | 7.97 | 4.89 | 0.59 | 1.20 | 102.03 | 101.10 | - | 88.88 | 8.68 | 4,721 | 1.17 | |
| <i>Rank in Category</i> | 2 | 3 | 5 | 2 | 2 | 6 | 18 | - | - | - | - | 2 | |
| Target Date | | | | | | | | | | | | | |
| Vanguard Target Retirement Income Inv | 3.47 | 4.91 | 4.97 | 0.90 | 1.34 | 120.78 | 89.50 | RI | 84.33 | 4.41 | 11,328 | 0.13 | Pass |
| <i>Morningstar Target-Date Retirement</i> | 2.65 | 4.38 | 3.67 | 0.61 | 1.07 | 134.88 | 108.55 | - | 71.26 | 7.01 | 587 | 0.81 | |
| <i>Rank in Category</i> | 16 | 31 | 8 | 1 | 3 | 73 | 15 | - | - | - | - | 3 | |

Funds listed in **Blue** are alternative funds. Funds listed in **Green** are fund additions.

Monitoring Report

| Security Name | Performance | | | Risk | | | | Style / Operations | | | | | Pass Watch Action |
|--|-------------|-------|------|------------|------------|----------------|------------------|--------------------|------------|------------|----------|---------|-------------------|
| | 3Yr | 5Yr | 10Yr | 3Yr Sharpe | 5Yr Sharpe | 5Yr Up Capture | 5Yr Down Capture | Style Drift | R-Sqrd 5Yr | Mgr Tenure | AUM (MM) | Exp Rat | |
| Vanguard Target Retirement 2010 Inv | 3.49 | 5.82 | 4.54 | 0.82 | 1.40 | 137.38 | 94.60 | TA | 78.75 | 4.41 | 5,077 | 0.13 | Pass |
| <i>Morningstar Target-Date 2000-2010</i> | 3.26 | 5.88 | 3.84 | 0.62 | 1.20 | 128.67 | 148.03 | - | 72.98 | 7.35 | 776 | 0.72 | |
| <i>Rank in Category</i> | 44 | 67 | 13 | 1 | 3 | 23 | 1 | - | - | - | - | 6 | |
| Vanguard Target Retirement 2015 Inv | 4.20 | 7.27 | 4.86 | 0.77 | 1.38 | 138.66 | 103.87 | TD | 76.70 | 4.41 | 17,103 | 0.14 | Pass |
| <i>Morningstar Target-Date 2015</i> | 3.38 | 6.61 | 4.07 | 0.58 | 1.19 | 120.52 | 144.56 | - | 78.40 | 6.22 | 1,123 | 0.77 | |
| <i>Rank in Category</i> | 22 | 30 | 7 | 8 | 6 | 2 | 1 | - | - | - | - | 5 | |
| Vanguard Target Retirement 2020 Inv | 4.85 | 8.40 | 5.07 | 0.75 | 1.36 | 134.46 | 115.22 | TE | 85.92 | 4.41 | 30,139 | 0.14 | Pass |
| <i>Morningstar Target-Date 2020</i> | 3.50 | 6.58 | 3.82 | 0.58 | 1.15 | 102.36 | 129.53 | - | 84.03 | 6.68 | 2,019 | 0.84 | |
| <i>Rank in Category</i> | 4 | 9 | 3 | 7 | 7 | 1 | 22 | - | - | - | - | 4 | |
| Vanguard Target Retirement 2025 Inv | 5.18 | 9.17 | 5.10 | 0.72 | 1.33 | 123.84 | 113.88 | TG | 93.30 | 4.41 | 35,372 | 0.14 | Pass |
| <i>Morningstar Target-Date 2025</i> | 4.07 | 7.89 | 4.17 | 0.59 | 1.18 | 99.34 | 119.12 | - | 87.73 | 6.13 | 2,175 | 0.82 | |
| <i>Rank in Category</i> | 6 | 17 | 13 | 5 | 9 | 1 | 33 | - | - | - | - | 4 | |
| Vanguard Target Retirement 2030 Inv | 5.42 | 9.90 | 5.10 | 0.69 | 1.31 | 115.68 | 112.33 | TH | 96.56 | 4.41 | 29,226 | 0.15 | Pass |
| <i>Morningstar Target-Date 2030</i> | 4.36 | 8.40 | 4.06 | 0.56 | 1.13 | 89.90 | 103.42 | - | 85.87 | 6.71 | 2,282 | 0.87 | |
| <i>Rank in Category</i> | 13 | 15 | 15 | 8 | 8 | 1 | 73 | - | - | - | - | 4 | |
| Vanguard Target Retirement 2035 Inv | 5.66 | 10.63 | 5.25 | 0.66 | 1.28 | 110.24 | 108.33 | TI | 97.60 | 4.41 | 28,181 | 0.15 | Pass |
| <i>Morningstar Target-Date 2035</i> | 4.81 | 9.41 | 4.47 | 0.56 | 1.15 | 88.79 | 99.57 | - | 88.85 | 6.09 | 1,753 | 0.84 | |
| <i>Rank in Category</i> | 17 | 16 | 18 | 15 | 11 | 1 | 80 | - | - | - | - | 4 | |
| Vanguard Target Retirement 2040 Inv | 5.85 | 11.10 | 5.50 | 0.63 | 1.24 | 105.40 | 103.29 | TJ | 97.83 | 4.41 | 20,963 | 0.16 | Pass |
| <i>Morningstar Target-Date 2040</i> | 4.88 | 9.51 | 4.27 | 0.55 | 1.10 | 82.93 | 92.48 | - | 85.75 | 6.71 | 1,647 | 0.89 | |
| <i>Rank in Category</i> | 18 | 11 | 12 | 19 | 13 | 1 | 98 | - | - | - | - | 4 | |
| Vanguard Target Retirement 2045 Inv | 5.98 | 11.18 | 5.52 | 0.64 | 1.24 | 99.52 | 95.05 | TK | 97.96 | 4.41 | 19,068 | 0.16 | Pass |
| <i>Morningstar Target-Date 2045</i> | 5.15 | 10.11 | 4.61 | 0.56 | 1.13 | 84.04 | 92.89 | - | 88.78 | 6.08 | 1,097 | 0.85 | |
| <i>Rank in Category</i> | 18 | 13 | 16 | 17 | 13 | 1 | 61 | - | - | - | - | 4 | |

Funds listed in **Blue** are alternative funds. Funds listed in **Green** are fund additions.

Monitoring Report

| Security Name | Performance | | | Risk | | | | Style / Operations | | | | | Pass Watch Action |
|--------------------------------------|-------------|-------|------|------------|------------|----------------|------------------|--------------------|------------|------------|----------|---------|-------------------|
| | 3Yr | 5Yr | 10Yr | 3Yr Sharpe | 5Yr Sharpe | 5Yr Up Capture | 5Yr Down Capture | Style Drift | R-Sqrd 5Yr | Mgr Tenure | AUM (MM) | Exp Rat | |
| Vanguard Target Retirement 2050 Inv | 5.99 | 11.18 | 5.52 | 0.64 | 1.25 | 98.14 | 93.34 | TN | 97.87 | 4.41 | 12,350 | 0.16 | Pass |
| <i>Morningstar Target-Date 2050</i> | 5.10 | 9.95 | 4.36 | 0.55 | 1.10 | 133.43 | 141.40 | - | 91.69 | 6.24 | 829 | 0.89 | |
| <i>Rank in Category</i> | 19 | 14 | 15 | 16 | 14 | 95 | 1 | - | - | - | - | 4 | |
| Vanguard Target Retirement 2055 Inv | 5.93 | 11.15 | - | 0.64 | 1.24 | 98.10 | 93.63 | TL | 97.90 | 4.41 | 4,974 | 0.16 | Pass |
| <i>Morningstar Target-Date 2055</i> | 5.34 | 10.49 | 5.71 | 0.57 | 1.15 | 86.28 | 94.12 | - | 89.31 | 4.36 | 343 | 0.85 | |
| <i>Rank in Category</i> | 23 | 23 | - | 22 | 18 | 1 | 43 | - | - | - | - | 4 | |
| Vanguard Target Retirement 2060 Inv | 5.92 | 11.17 | - | 0.64 | 1.24 | 98.18 | 93.64 | XQ | 97.89 | 4.41 | 1,811 | 0.16 | Pass |
| <i>Morningstar Target-Date 2060+</i> | 5.43 | 11.17 | | 0.58 | 1.24 | 98.92 | 87.72 | - | 98.31 | 1.86 | 66 | 0.84 | |
| <i>Rank in Category</i> | 36 | 1 | - | 29 | 1 | 100 | 100 | - | - | - | - | 5 | |
| Domestic Equity | | | | | | | | | | | | | |
| Vanguard Windsor™ II Inv | 6.92 | 12.95 | 5.52 | 0.65 | 1.28 | 95.20 | 98.44 | LV | 95.59 | 13.58 | 48,731 | 0.33 | Pass |
| <i>Morningstar Large Value</i> | 6.40 | 12.64 | 5.20 | 0.61 | 1.22 | 93.96 | 98.66 | - | 90.09 | 9.35 | 4,836 | 1.02 | |
| <i>Rank in Category</i> | 40 | 45 | 44 | 39 | 35 | 50 | 47 | - | - | - | - | 6 | |
| Vanguard 500 Index Admiral | 9.58 | 14.59 | 7.18 | 0.92 | 1.46 | 99.86 | 100.10 | LB | 100.00 | 1.25 | 329,362 | 0.04 | Pass |
| <i>Morningstar Large Blend</i> | 7.60 | 13.35 | 6.20 | 0.72 | 1.30 | 96.05 | 104.53 | - | 93.05 | 8.13 | 8,130 | 0.95 | |
| <i>Rank in Category</i> | 9 | 19 | 19 | 9 | 7 | 26 | 30 | - | - | - | - | 2 | |
| Vanguard Growth Index Admiral | 10.14 | 14.86 | 8.80 | 0.88 | 1.35 | 101.87 | 109.94 | LG | 98.90 | 22.58 | 64,164 | 0.06 | Pass |
| <i>Morningstar Large Growth</i> | 8.80 | 13.87 | 7.51 | 0.77 | 1.23 | 97.28 | 108.39 | - | 87.90 | 9.93 | 5,561 | 1.12 | |
| <i>Rank in Category</i> | 31 | 33 | 20 | 29 | 23 | 28 | 55 | - | - | - | - | 2 | |
| Vanguard Selected Value Inv | 6.10 | 14.75 | 7.40 | 0.52 | 1.28 | 99.43 | 102.70 | MV | 85.61 | 18.33 | 10,196 | 0.35 | Pass |
| <i>Morningstar Mid-Cap Value</i> | 5.74 | 13.37 | 6.17 | 0.52 | 1.18 | 96.01 | 108.66 | - | 89.09 | 8.64 | 2,149 | 1.12 | |
| <i>Rank in Category</i> | 48 | 23 | 19 | 50 | 28 | 30 | 41 | - | - | - | - | 4 | |
| Vanguard Mid Cap Index Admiral | 8.07 | 14.78 | 7.48 | 0.73 | 1.36 | 100.03 | 99.45 | MB | 98.93 | 19.17 | 86,814 | 0.06 | Pass |
| <i>Morningstar Mid-Cap Blend</i> | 5.51 | 12.98 | 6.12 | 0.50 | 1.15 | 94.44 | 104.14 | - | 86.55 | 9.07 | 3,259 | 1.07 | |
| <i>Rank in Category</i> | 14 | 12 | 29 | 10 | 11 | 30 | 29 | - | - | - | - | 2 | |

Funds listed in **Blue** are alternative funds. Funds listed in **Green** are fund additions.

Monitoring Report

| Security Name | Performance | | | Risk | | | | Style / Operations | | | | | Pass Watch Action |
|---|-------------|-------|------|------------|------------|----------------|------------------|--------------------|------------|------------|----------|---------|-------------------|
| | 3Yr | 5Yr | 10Yr | 3Yr Sharpe | 5Yr Sharpe | 5Yr Up Capture | 5Yr Down Capture | Style Drift | R-Sqrd 5Yr | Mgr Tenure | AUM (MM) | Exp Rat | |
| Vanguard Mid Cap Growth Inv | 5.70 | 11.61 | 7.18 | 0.50 | 1.01 | 96.85 | 117.01 | MG | 94.38 | 11.08 | 4,179 | 0.36 | Watch |
| <i>Morningstar Mid-Cap Growth</i> | 6.86 | 12.72 | 6.81 | 0.58 | 1.08 | 97.05 | 107.06 | - | 87.70 | 9.93 | 2,000 | 1.21 | |
| <i>Rank in Category</i> | 73 | 70 | 43 | 68 | 61 | 48 | 74 | - | - | - | - | 2 | |
| <i>Commentary:</i> | | | | | | | | | | | | | |
| <i>The Vanguard Mid Cap Growth fund continues on watch this quarter due to relative underperformance over intermediate-term time periods, as well as missed Sharpe ratio and down capture metrics. A recent change occurred in December 2016 as Vanguard terminated Chartwell Investment Partners as a subadvisor. Chartwell had accounted for 50% of the managed assets and was replaced by RS Investments. The other sub-advisor, William Blair Investment Management, still remains in place for the other 50% of the portfolio. The addition of RS should provide more of a growth strategy as they are known to place more emphasis on quantitative metrics than Chartwell did. William Blair's portion of the portfolio should continue to provide more defense to the portfolio as they are known to purchase fast-growing but well-managed firms with low debt levels. The fund's strategy and approach has been proven to be valuable over full market cycles as the ten-year performance remains in the top half of mid-cap stock managers overall. At this time, we will continue to monitor the fund on the watch list to see how the new sub-advisor performs.</i> | | | | | | | | | | | | | |
| DFA US Small Cap I | 7.25 | 14.61 | 7.95 | 0.54 | 1.08 | 96.67 | 87.91 | SB | 96.86 | 5.41 | 15,876 | 0.37 | Pass |
| <i>Morningstar Small Blend</i> | 5.71 | 12.76 | 6.12 | 0.44 | 0.97 | 90.17 | 87.53 | - | 90.92 | 8.26 | 1,350 | 1.17 | |
| <i>Rank in Category</i> | 30 | 19 | 12 | 30 | 25 | 24 | 51 | - | - | - | - | 8 | |
| Vanguard Small Cap Index Adm | 6.78 | 14.13 | 7.83 | 0.54 | 1.14 | 90.05 | 78.38 | SB | 96.35 | 1.25 | 76,880 | 0.06 | Pass |
| <i>Morningstar Small Blend</i> | 5.71 | 12.76 | 6.12 | 0.44 | 0.97 | 90.17 | 87.53 | - | 90.92 | 8.26 | 1,350 | 1.17 | |
| <i>Rank in Category</i> | 40 | 28 | 14 | 29 | 13 | 55 | 20 | - | - | - | - | 2 | |
| Foreign Equity | | | | | | | | | | | | | |
| Vanguard Total Intl Stock Index Admiral | 1.35 | 7.68 | 1.17 | 0.15 | 0.70 | 99.22 | 95.43 | FB | 97.84 | 8.91 | 283,434 | 0.11 | Pass |
| <i>Morningstar Foreign Large Blend</i> | 1.18 | 7.81 | 0.96 | 0.14 | 0.72 | 91.26 | 92.28 | - | 90.40 | 6.83 | 5,490 | 1.05 | |
| <i>Rank in Category</i> | 44 | 54 | 38 | 44 | 56 | 8 | 60 | - | - | - | - | 4 | |
| American Funds Europacific Growth R6 | 3.72 | 9.61 | 3.44 | 0.36 | 0.91 | 97.02 | 78.16 | FG | 90.40 | 25.58 | 143,520 | 0.50 | Pass |
| <i>Morningstar Foreign Large Growth</i> | 2.58 | 8.61 | 1.91 | 0.25 | 0.78 | 91.83 | 90.60 | - | 87.32 | 8.11 | 7,778 | 1.22 | |
| <i>Rank in Category</i> | 21 | 24 | 11 | 18 | 15 | 19 | 9 | - | - | - | - | 4 | |

Funds listed in **Blue** are alternative funds. Funds listed in **Green** are fund additions.

Monitoring Report

| Security Name | Performance | | | Risk | | | | Style / Operations | | | | | Pass Watch Action |
|--|-------------|------|------|------------|------------|----------------|------------------|--------------------|------------|------------|----------|---------|-------------------|
| | 3Yr | 5Yr | 10Yr | 3Yr Sharpe | 5Yr Sharpe | 5Yr Up Capture | 5Yr Down Capture | Style Drift | R-Sqrd 5Yr | Mgr Tenure | AUM (MM) | Exp Rat | |
| Vanguard Emerging Mkts Stock Idx Adm | 0.64 | 3.36 | 1.58 | 0.10 | 0.29 | 99.03 | 102.08 | EM | 97.53 | 8.91 | 76,767 | 0.14 | Pass |
| <i>Morningstar Diversified Emerging Mkts</i> | 0.49 | 4.08 | 1.50 | 0.09 | 0.35 | 90.89 | 88.59 | - | 87.34 | 5.96 | 2,247 | 1.39 | |
| <i>Rank in Category</i> | 53 | 63 | 48 | 52 | 63 | 21 | 86 | - | - | - | - | 2 | |

Funds listed in *Blue* are alternative funds. Funds listed in *Green* are fund additions.

Performance vs Category and Index

| Security Name | Ticker | QTR | YTD | 1Yr | 3Yr | 5Yr | 10Yr | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|--------|-------|------|-------|-------|-------|------|-------|-------|------|-------|-------|
| Bonds | | | | | | | | | | | | |
| American Century Inflation Adjs Bond Inv | ACITX | -0.41 | 0.89 | -0.42 | 0.24 | -0.21 | 3.92 | 4.72 | -2.15 | 2.67 | -9.12 | 6.68 |
| <i>Morningstar Inflation-Protected Bond</i> | | -0.49 | 0.68 | 0.09 | -0.01 | -0.17 | 3.33 | 4.50 | -2.28 | 1.96 | -7.51 | 6.28 |
| <i>Rank in Category</i> | | 28 | 31 | 54 | 35 | 55 | 28 | 33 | 51 | 42 | 72 | 37 |
| <i>BM Index - BBgBarc US Trsy Infl Note 1-10Y TR USD</i> | | -0.40 | 0.65 | -0.26 | 0.35 | 0.28 | 3.57 | 4.01 | -0.52 | 0.91 | -5.58 | 5.04 |
| PIMCO Total Return Admin | PTRAX | 1.74 | 3.33 | 1.91 | 2.32 | 2.50 | 5.68 | 2.34 | 0.48 | 4.43 | -2.17 | 10.08 |
| <i>Morningstar Intermediate-Term Bond</i> | | 1.49 | 2.57 | 0.94 | 2.22 | 2.45 | 4.30 | 3.24 | -0.19 | 5.34 | -1.44 | 6.64 |
| <i>Rank in Category</i> | | 22 | 13 | 22 | 45 | 46 | 5 | 74 | 26 | 80 | 69 | 6 |
| <i>BM Index - BBgBarc US Agg Bond TR USD</i> | | 1.45 | 2.27 | -0.31 | 2.48 | 2.21 | 4.48 | 2.65 | 0.55 | 5.97 | -2.02 | 4.21 |
| Vanguard Total Bond Market Index Adm | VBTLX | 1.48 | 2.40 | -0.44 | 2.43 | 2.13 | 4.45 | 2.60 | 0.40 | 5.89 | -2.15 | 4.15 |
| <i>Morningstar Intermediate-Term Bond</i> | | 1.49 | 2.57 | 0.94 | 2.22 | 2.45 | 4.30 | 3.24 | -0.19 | 5.34 | -1.44 | 6.64 |
| <i>Rank in Category</i> | | 50 | 59 | 84 | 38 | 65 | 49 | 64 | 30 | 32 | 69 | 84 |
| <i>BM Index - BBgBarc US Agg Bond TR USD</i> | | 1.45 | 2.27 | -0.31 | 2.48 | 2.21 | 4.48 | 2.65 | 0.55 | 5.97 | -2.02 | 4.21 |
| Prudential High-Yield Q | PHYQX | 2.20 | 5.02 | 12.45 | 4.90 | 6.94 | 7.20 | 15.61 | -2.68 | 2.95 | 7.15 | 14.45 |
| <i>Morningstar High Yield Bond</i> | | 1.74 | 4.09 | 10.78 | 3.02 | 5.70 | 6.05 | 13.31 | -3.94 | 1.33 | 6.95 | 14.62 |
| <i>Rank in Category</i> | | 17 | 15 | 24 | 4 | 12 | 11 | 20 | 36 | 16 | 37 | 55 |
| <i>BM Index - BBgBarc US Corporate High Yield TR USD</i> | | 2.17 | 4.93 | 12.70 | 4.48 | 6.89 | 7.67 | 17.13 | -4.47 | 2.45 | 7.44 | 15.81 |
| AB Global Bond Advisor | ANAYX | 1.37 | 2.22 | 1.99 | 3.74 | 3.62 | 5.26 | 5.77 | 0.66 | 7.37 | -1.88 | 7.35 |
| <i>Morningstar World Bond</i> | | 2.08 | 4.42 | 1.89 | 0.31 | 1.72 | 4.02 | 3.79 | -4.01 | 1.88 | -2.11 | 8.53 |
| <i>Rank in Category</i> | | 64 | 80 | 43 | 7 | 15 | 20 | 25 | 5 | 9 | 42 | 57 |
| <i>BM Index - BBgBarc Global Aggregate TR USD</i> | | 2.60 | 4.41 | -2.18 | -0.35 | 0.78 | 3.69 | 2.09 | -3.15 | 0.59 | -2.60 | 4.32 |
| Balanced / Lifestyle / Asset Allocation | | | | | | | | | | | | |
| American Funds American Balanced R6 | RLBGX | 2.43 | 6.84 | 10.73 | 7.26 | 10.96 | 6.87 | 8.90 | 2.03 | 9.22 | 22.12 | 14.57 |
| <i>Morningstar Allocation--50% to 70% Equity</i> | | 2.35 | 6.30 | 10.67 | 4.00 | 7.97 | 4.89 | 7.49 | -2.06 | 6.16 | 16.72 | 11.99 |
| <i>Rank in Category</i> | | 52 | 35 | 48 | 2 | 3 | 5 | 21 | 3 | 17 | 8 | 6 |
| <i>BM Index - DJ Moderate TR USD</i> | | 2.72 | 7.27 | 10.35 | 4.36 | 7.87 | 5.22 | 7.67 | -1.21 | 5.35 | 14.46 | 11.24 |

Funds listed in **Blue** are alternative funds. Funds listed in **Green** are fund additions.

Performance vs Category and Index

| Security Name | Ticker | QTR | YTD | 1Yr | 3Yr | 5Yr | 10Yr | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|--------|------|------|-------|------|------|------|------|-------|------|-------|-------|
| Target Date | | | | | | | | | | | | |
| Vanguard Target Retirement Income Inv | VTINX | 1.77 | 4.27 | 5.23 | 3.47 | 4.91 | 4.97 | 5.25 | -0.17 | 5.54 | 5.87 | 8.23 |
| <i>Morningstar Target-Date Retirement</i> | | 1.80 | 4.44 | 5.70 | 2.65 | 4.38 | 3.67 | 5.09 | -1.40 | 4.17 | 5.42 | 8.59 |
| <i>Rank in Category</i> | | 65 | 67 | 67 | 16 | 31 | 8 | 41 | 10 | 14 | 41 | 70 |
| <i>BM Index - DJ Target 2010 TR USD</i> | | 1.43 | 3.20 | 1.67 | 1.71 | 3.25 | 4.00 | 3.33 | -0.72 | 4.20 | 3.00 | 6.40 |
| Vanguard Target Retirement 2010 Inv | VTENX | 1.77 | 4.34 | 5.39 | 3.49 | 5.82 | 4.54 | 5.22 | -0.20 | 5.93 | 9.10 | 10.12 |
| <i>Morningstar Target-Date 2000-2010</i> | | 2.04 | 5.19 | 7.24 | 3.26 | 5.88 | 3.84 | 5.86 | -1.15 | 4.58 | 9.68 | 10.33 |
| <i>Rank in Category</i> | | 84 | 88 | 93 | 44 | 67 | 13 | 79 | 7 | 10 | 75 | 65 |
| <i>BM Index - DJ Target 2010 TR USD</i> | | 1.43 | 3.20 | 1.67 | 1.71 | 3.25 | 4.00 | 3.33 | -0.72 | 4.20 | 3.00 | 6.40 |
| Vanguard Target Retirement 2015 Inv | VTXVX | 2.33 | 5.79 | 8.13 | 4.20 | 7.27 | 4.86 | 6.16 | -0.46 | 6.56 | 13.00 | 11.37 |
| <i>Morningstar Target-Date 2015</i> | | 2.18 | 5.66 | 8.24 | 3.38 | 6.61 | 4.07 | 6.20 | -1.38 | 4.69 | 11.99 | 11.45 |
| <i>Rank in Category</i> | | 42 | 48 | 64 | 22 | 30 | 7 | 60 | 10 | 4 | 40 | 47 |
| <i>BM Index - DJ Target 2015 TR USD</i> | | 1.77 | 4.03 | 2.37 | 2.31 | 4.31 | 4.03 | 4.51 | -0.97 | 4.48 | 5.49 | 7.65 |
| Vanguard Target Retirement 2020 Inv | VTWNX | 2.79 | 7.01 | 10.30 | 4.85 | 8.40 | 5.07 | 6.95 | -0.68 | 7.11 | 15.85 | 12.35 |
| <i>Morningstar Target-Date 2020</i> | | 2.34 | 5.99 | 8.77 | 3.50 | 6.58 | 3.82 | 6.24 | -1.46 | 4.91 | 11.61 | 11.79 |
| <i>Rank in Category</i> | | 20 | 19 | 27 | 4 | 9 | 3 | 30 | 25 | 1 | 20 | 37 |
| <i>BM Index - DJ Target 2020 TR USD</i> | | 2.25 | 5.16 | 4.50 | 2.92 | 5.62 | 4.20 | 5.27 | -1.04 | 4.81 | 9.05 | 9.23 |
| Vanguard Target Retirement 2025 Inv | VTTVX | 3.10 | 7.83 | 11.95 | 5.18 | 9.17 | 5.10 | 7.48 | -0.85 | 7.17 | 18.14 | 13.29 |
| <i>Morningstar Target-Date 2025</i> | | 2.82 | 7.20 | 11.04 | 4.07 | 7.89 | 4.17 | 6.75 | -1.46 | 5.18 | 15.62 | 13.14 |
| <i>Rank in Category</i> | | 30 | 29 | 29 | 6 | 17 | 13 | 26 | 27 | 4 | 25 | 43 |
| <i>BM Index - DJ Target 2025 TR USD</i> | | 2.44 | 6.03 | 7.01 | 3.55 | 6.98 | 4.47 | 6.39 | -1.11 | 5.14 | 12.84 | 10.94 |
| Vanguard Target Retirement 2030 Inv | VTHRX | 3.29 | 8.56 | 13.40 | 5.42 | 9.90 | 5.10 | 7.85 | -1.03 | 7.17 | 20.49 | 14.24 |
| <i>Morningstar Target-Date 2030</i> | | 3.02 | 7.91 | 12.45 | 4.36 | 8.40 | 4.06 | 7.35 | -1.67 | 5.27 | 16.83 | 13.79 |
| <i>Rank in Category</i> | | 42 | 37 | 36 | 13 | 15 | 15 | 34 | 33 | 6 | 27 | 40 |
| <i>BM Index - DJ Target 2030 TR USD</i> | | 2.68 | 7.14 | 10.01 | 4.27 | 8.37 | 4.76 | 7.50 | -1.21 | 5.50 | 16.59 | 12.56 |

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Performance vs Category and Index

| Security Name | Ticker | QTR | YTD | 1Yr | 3Yr | 5Yr | 10Yr | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|--------|------|-------|-------|------|-------|------|-------|-------|------|-------|-------|
| Vanguard Target Retirement 2035 Inv | VTTHX | 3.58 | 9.30 | 14.99 | 5.66 | 10.63 | 5.25 | 8.26 | -1.26 | 7.24 | 22.82 | 15.16 |
| <i>Morningstar Target-Date 2035</i> | | 3.46 | 8.99 | 14.62 | 4.81 | 9.41 | 4.47 | 7.60 | -1.63 | 5.34 | 20.28 | 14.77 |
| <i>Rank in Category</i> | | 48 | 42 | 39 | 17 | 16 | 18 | 35 | 40 | 10 | 25 | 41 |
| <i>BM Index - DJ Target 2035 TR USD</i> | | 2.90 | 8.12 | 12.74 | 4.78 | 9.50 | 5.01 | 8.49 | -1.61 | 5.80 | 19.90 | 13.92 |
| Vanguard Target Retirement 2040 Inv | VFORX | 3.75 | 10.00 | 16.49 | 5.85 | 11.10 | 5.50 | 8.73 | -1.59 | 7.15 | 24.37 | 15.56 |
| <i>Morningstar Target-Date 2040</i> | | 3.47 | 9.23 | 15.09 | 4.88 | 9.51 | 4.27 | 7.97 | -1.86 | 5.48 | 20.07 | 14.86 |
| <i>Rank in Category</i> | | 44 | 32 | 27 | 18 | 11 | 12 | 27 | 47 | 13 | 18 | 35 |
| <i>BM Index - DJ Target 2040 TR USD</i> | | 3.08 | 8.92 | 15.00 | 5.21 | 10.36 | 5.27 | 9.30 | -1.94 | 6.03 | 22.38 | 14.88 |
| Vanguard Target Retirement 2045 Inv | VTIVX | 3.84 | 10.27 | 17.02 | 5.98 | 11.18 | 5.52 | 8.87 | -1.57 | 7.16 | 24.37 | 15.58 |
| <i>Morningstar Target-Date 2045</i> | | 3.76 | 9.84 | 16.30 | 5.15 | 10.11 | 4.61 | 7.95 | -1.70 | 5.46 | 22.26 | 15.41 |
| <i>Rank in Category</i> | | 46 | 33 | 32 | 18 | 13 | 16 | 28 | 47 | 13 | 27 | 46 |
| <i>BM Index - DJ Target 2045 TR USD</i> | | 3.21 | 9.48 | 16.55 | 5.49 | 10.86 | 5.50 | 9.85 | -2.15 | 6.16 | 23.71 | 15.32 |
| Vanguard Target Retirement 2050 Inv | VFIFX | 3.84 | 10.27 | 16.99 | 5.99 | 11.18 | 5.52 | 8.85 | -1.58 | 7.18 | 24.34 | 15.58 |
| <i>Morningstar Target-Date 2050</i> | | 3.63 | 9.66 | 15.93 | 5.10 | 9.95 | 4.36 | 8.23 | -1.88 | 5.65 | 21.24 | 15.27 |
| <i>Rank in Category</i> | | 48 | 37 | 37 | 19 | 14 | 15 | 31 | 48 | 18 | 31 | 48 |
| <i>BM Index - DJ Target 2050 TR USD</i> | | 3.27 | 9.72 | 17.21 | 5.63 | 10.99 | 5.56 | 10.10 | -2.23 | 6.19 | 23.89 | 15.35 |
| Vanguard Target Retirement 2055 Inv | VFFVX | 3.84 | 10.24 | 16.99 | 5.93 | 11.15 | - | 8.88 | -1.72 | 7.19 | 24.33 | 15.58 |
| <i>Morningstar Target-Date 2055</i> | | 3.84 | 10.07 | 16.67 | 5.34 | 10.49 | 5.71 | 8.01 | -1.69 | 5.61 | 23.04 | 15.64 |
| <i>Rank in Category</i> | | 52 | 43 | 41 | 23 | 23 | - | 29 | 54 | 17 | 32 | 54 |
| <i>BM Index - DJ Target 2055 TR USD</i> | | 3.27 | 9.73 | 17.23 | 5.63 | 10.99 | 5.56 | 10.11 | -2.23 | 6.19 | 23.89 | 15.35 |
| Vanguard Target Retirement 2060 Inv | VTTSX | 3.86 | 10.26 | 17.00 | 5.92 | 11.17 | - | 8.84 | -1.68 | 7.16 | 24.35 | - |
| <i>Morningstar Target-Date 2060+</i> | | 3.83 | 10.14 | 16.90 | 5.43 | 11.17 | - | 7.81 | -1.12 | 5.53 | 24.35 | - |
| <i>Rank in Category</i> | | 49 | 45 | 44 | 36 | 1 | - | 22 | 72 | 1 | 1 | - |
| <i>BM Index - DJ Target 2060 TR USD</i> | | 3.27 | 9.73 | 17.23 | 5.63 | 10.99 | 5.56 | 10.10 | -2.23 | 6.19 | 23.89 | 15.35 |

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Performance vs Category and Index

| Security Name | Ticker | QTR | YTD | 1Yr | 3Yr | 5Yr | 10Yr | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|--------|------|-------|-------|-------|-------|------|-------|-------|-------|-------|-------|
| Domestic Equity | | | | | | | | | | | | |
| Vanguard Windsor™ II Inv | VWNFX | 2.84 | 7.79 | 18.57 | 6.92 | 12.95 | 5.52 | 13.41 | -3.22 | 11.16 | 30.69 | 16.72 |
| <i>Morningstar Large Value</i> | | 1.78 | 5.55 | 16.49 | 6.40 | 12.64 | 5.20 | 14.88 | -3.77 | 10.73 | 31.72 | 14.87 |
| <i>Rank in Category</i> | | 14 | 13 | 30 | 40 | 45 | 44 | 65 | 44 | 47 | 65 | 30 |
| <i>BM Index - Russell 1000 Value TR USD</i> | | 1.34 | 4.66 | 15.53 | 7.36 | 13.94 | 5.57 | 17.34 | -3.83 | 13.45 | 32.53 | 17.51 |
| Vanguard 500 Index Admiral | VFIAX | 3.07 | 9.31 | 17.85 | 9.58 | 14.59 | 7.18 | 11.93 | 1.36 | 13.64 | 32.33 | 15.96 |
| <i>Morningstar Large Blend</i> | | 2.92 | 8.65 | 17.17 | 7.60 | 13.35 | 6.20 | 10.45 | -0.76 | 11.44 | 32.20 | 15.31 |
| <i>Rank in Category</i> | | 40 | 30 | 42 | 9 | 19 | 19 | 28 | 21 | 18 | 46 | 41 |
| <i>BM Index - S&P 500 TR USD</i> | | 3.09 | 9.34 | 17.90 | 9.61 | 14.63 | 7.18 | 11.96 | 1.38 | 13.69 | 32.39 | 16.00 |
| Vanguard Growth Index Admiral | VIGAX | 4.70 | 14.75 | 20.14 | 10.14 | 14.86 | 8.80 | 6.12 | 3.30 | 13.63 | 32.40 | 17.01 |
| <i>Morningstar Large Growth</i> | | 5.01 | 14.14 | 20.02 | 8.80 | 13.87 | 7.51 | 3.19 | 4.01 | 10.33 | 34.70 | 15.70 |
| <i>Rank in Category</i> | | 54 | 42 | 47 | 31 | 33 | 20 | 28 | 58 | 17 | 70 | 34 |
| <i>BM Index - Russell 1000 Growth TR USD</i> | | 4.67 | 13.99 | 20.42 | 11.11 | 15.30 | 8.91 | 7.08 | 5.67 | 13.05 | 33.48 | 15.26 |
| Vanguard Selected Value Inv | VASVX | 2.17 | 8.10 | 24.27 | 6.10 | 14.75 | 7.40 | 16.34 | -3.80 | 6.36 | 42.04 | 15.25 |
| <i>Morningstar Mid-Cap Value</i> | | 1.03 | 4.58 | 17.26 | 5.74 | 13.37 | 6.17 | 18.08 | -5.50 | 9.62 | 35.04 | 16.36 |
| <i>Rank in Category</i> | | 16 | 6 | 9 | 48 | 23 | 19 | 63 | 34 | 83 | 7 | 71 |
| <i>BM Index - Russell Mid Cap Value TR USD</i> | | 1.37 | 5.18 | 15.93 | 7.46 | 15.14 | 7.23 | 20.00 | -4.78 | 14.75 | 33.46 | 18.51 |
| Vanguard Mid Cap Index Admiral | VIMAX | 2.77 | 9.13 | 17.25 | 8.07 | 14.78 | 7.48 | 11.22 | -1.34 | 13.76 | 35.15 | 15.99 |
| <i>Morningstar Mid-Cap Blend</i> | | 1.92 | 6.22 | 17.35 | 5.51 | 12.98 | 6.12 | 14.00 | -4.36 | 8.63 | 34.72 | 16.89 |
| <i>Rank in Category</i> | | 20 | 11 | 49 | 14 | 12 | 29 | 73 | 20 | 11 | 42 | 65 |
| <i>BM Index - Russell Mid Cap TR USD</i> | | 2.70 | 7.99 | 16.48 | 7.69 | 14.72 | 7.67 | 13.80 | -2.44 | 13.22 | 34.76 | 17.28 |
| Vanguard Mid Cap Growth Inv | VMGRX | 4.08 | 10.45 | 15.51 | 5.70 | 11.61 | 7.18 | 0.44 | 0.21 | 10.86 | 34.15 | 14.84 |
| <i>Morningstar Mid-Cap Growth</i> | | 4.68 | 12.37 | 18.58 | 6.86 | 12.72 | 6.81 | 6.00 | -0.45 | 7.36 | 35.20 | 14.54 |
| <i>Rank in Category</i> | | 60 | 72 | 78 | 73 | 70 | 43 | 91 | 45 | 22 | 61 | 49 |
| <i>BM Index - Russell Mid Cap Growth TR USD</i> | | 4.21 | 11.40 | 17.05 | 7.83 | 14.19 | 7.87 | 7.33 | -0.20 | 11.90 | 35.74 | 15.81 |

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Performance vs Category and Index

| Security Name | Ticker | QTR | YTD | 1Yr | 3Yr | 5Yr | 10Yr | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|--------|------|-------|-------|------|-------|------|-------|--------|-------|-------|-------|
| DFA US Small Cap I | DFSTX | 0.92 | 1.91 | 21.56 | 7.25 | 14.61 | 7.95 | 23.53 | -3.29 | 4.44 | 42.21 | 18.39 |
| <i>Morningstar Small Blend</i> | | 1.53 | 3.24 | 20.96 | 5.71 | 12.76 | 6.12 | 20.82 | -5.29 | 4.11 | 38.01 | 15.59 |
| <i>Rank in Category</i> | | 68 | 70 | 46 | 30 | 19 | 12 | 30 | 31 | 56 | 19 | 19 |
| <i>BM Index - Russell 2000 TR USD</i> | | 2.46 | 4.99 | 24.60 | 7.36 | 13.70 | 6.92 | 21.31 | -4.41 | 4.89 | 38.82 | 16.35 |
| Vanguard Small Cap Index Adm | VSMAX | 1.95 | 5.76 | 19.14 | 6.78 | 14.13 | 7.83 | 18.30 | -3.64 | 7.50 | 37.81 | 18.24 |
| <i>Morningstar Small Blend</i> | | 1.53 | 3.24 | 20.96 | 5.71 | 12.76 | 6.12 | 20.82 | -5.29 | 4.11 | 38.01 | 15.59 |
| <i>Rank in Category</i> | | 41 | 18 | 74 | 40 | 28 | 14 | 72 | 35 | 16 | 50 | 21 |
| <i>BM Index - Russell 2000 TR USD</i> | | 2.46 | 4.99 | 24.60 | 7.36 | 13.70 | 6.92 | 21.31 | -4.41 | 4.89 | 38.82 | 16.35 |
| Foreign Equity | | | | | | | | | | | | |
| Vanguard Total Intl Stock Index Admiral | VTIAX | 5.82 | 14.79 | 20.05 | 1.35 | 7.68 | 1.17 | 4.67 | -4.26 | -4.17 | 15.14 | 18.21 |
| <i>Morningstar Foreign Large Blend</i> | | 6.25 | 14.45 | 19.13 | 1.18 | 7.81 | 0.96 | 0.97 | -1.67 | -5.12 | 19.33 | 17.89 |
| <i>Rank in Category</i> | | 74 | 41 | 37 | 44 | 54 | 38 | 12 | 80 | 30 | 82 | 42 |
| <i>BM Index - MSCI ACWI Ex USA NR USD</i> | | 5.78 | 14.10 | 20.45 | 0.80 | 7.22 | 1.13 | 4.50 | -5.66 | -3.87 | 15.29 | 16.83 |
| American Funds Europacific Growth R6 | RERGX | 7.69 | 17.78 | 22.18 | 3.72 | 9.61 | 3.44 | 1.01 | -0.48 | -2.29 | 20.58 | 19.64 |
| <i>Morningstar Foreign Large Growth</i> | | 7.98 | 17.93 | 17.80 | 2.58 | 8.61 | 1.91 | -2.19 | 1.09 | -3.69 | 19.82 | 19.01 |
| <i>Rank in Category</i> | | 57 | 52 | 16 | 21 | 24 | 11 | 20 | 69 | 29 | 46 | 43 |
| <i>BM Index - MSCI ACWI Ex USA NR USD</i> | | 5.78 | 14.10 | 20.45 | 0.80 | 7.22 | 1.13 | 4.50 | -5.66 | -3.87 | 15.29 | 16.83 |
| Vanguard Emerging Mkts Stock Idx Adm | VEMAX | 3.47 | 14.69 | 18.86 | 0.64 | 3.36 | 1.58 | 11.73 | -15.35 | 0.60 | -5.02 | 18.86 |
| <i>Morningstar Diversified Emerging Mkts</i> | | 5.87 | 18.14 | 20.48 | 0.49 | 4.08 | 1.50 | 8.59 | -13.78 | -2.84 | 0.34 | 19.17 |
| <i>Rank in Category</i> | | 88 | 83 | 65 | 53 | 63 | 48 | 28 | 64 | 18 | 80 | 54 |
| <i>BM Index - MSCI EM NR USD</i> | | 6.27 | 18.43 | 23.75 | 1.07 | 3.96 | 1.91 | 11.19 | -14.92 | -2.19 | -2.60 | 18.22 |

Funds listed in **Blue** are alternative funds. Funds listed in **Green** are fund additions.

FUND PROFILES

American Century Inflation Adjs Bond Inv - ACITX

Objective

The investment seeks total return and inflation protection consistent with investment in inflation-indexed securities. Under normal market conditions, the fund invests at least 80% of its net assets in inflation-adjusted bonds. It also may invest in derivative instruments such as futures contracts and swap agreements (including, but not limited to, inflation swap agreements and credit default swap agreements), or in mortgage- or asset-backed securities. The fund may invest in U.S. Treasury futures, inflation swap agreements and credit default swap agreements to manage duration, inflation and credit exposure.

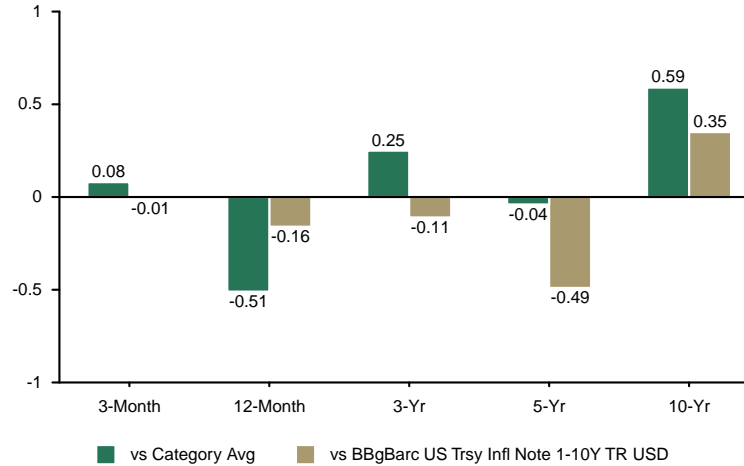
Statistics

| | |
|--------------------------|-------------|
| Inception Date | 02/10/1997 |
| Manager Tenure | 15.66 |
| Assets(\$1000s) | \$3,254,699 |
| Net Exp Ratio | 0.47 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | - |
| # of Holdings | 197 |
| % of Assets in Top 10 | 42.29 |

Risk Characteristics

| | ACITX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 3.97 | 3.69 |
| 5 Yr Std Dev | 4.64 | 4.24 |
| 5 Yr Beta | 1.33 | 0.88 |
| 5 Yr Alpha | -0.48 | -0.42 |
| 5 Yr Sharpe | -0.06 | -0.05 |
| 5 Yr Information Ratio | -0.31 | -0.83 |
| 5 Yr Tracking Error | 1.54 | 1.49 |
| 5 Yr Upside Capture | 128.75 | 84.50 |
| 5 Yr Downside Capture | 141.80 | 91.53 |
| 5 Yr Batting Avg | 0.50 | 0.41 |

Excess Returns vs. Category/Index



Calendar Year Performance

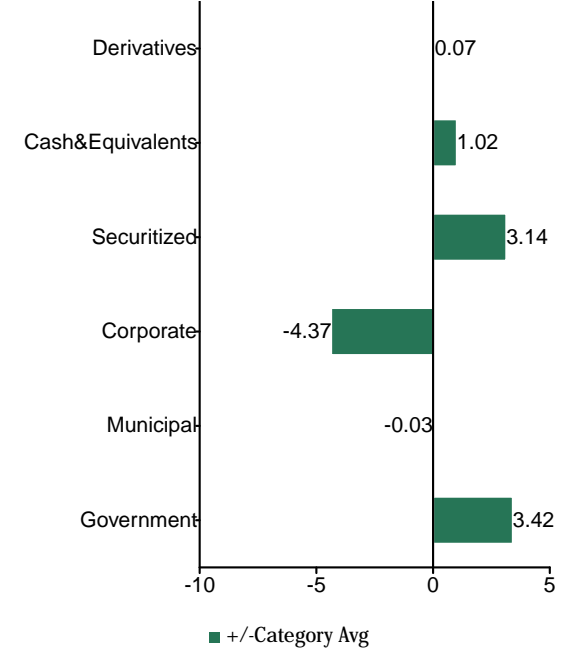
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|------|-------|------|-------|------|
| ACITX | 6.68 | -9.12 | 2.67 | -2.15 | 4.72 |
| Cat Avg | 6.28 | -7.51 | 1.96 | -2.28 | 4.50 |
| Index | 5.04 | -5.58 | 0.91 | -0.52 | 4.01 |
| Cat Rank | 37 | 72 | 42 | 51 | 33 |

Fixed Income Style

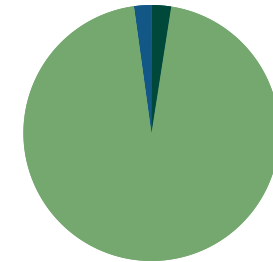
| | Quality | Duration | Maturity | Yield |
|---------|---------|----------|----------|-------|
| ACITX | AA | 6.24 | 8.84 | - |
| Cat Avg | BelowB | 5.81 | 7.40 | 2.01 |

Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|-------------------------|---------------------|
| ■ Cash (2.47%) | ■ US Stocks (0.00%) |
| ■ Non-US Stocks (0.00%) | ■ US Bonds (95.35%) |
| ■ Non-US Bonds (2.13%) | ■ Other (0.05%) |

PIMCO Total Return Admin - PTRAX

Objective

The investment seeks maximum total return, consistent with preservation of capital and prudent investment management. The fund invests at least 65% of its total assets in a diversified portfolio of Fixed Income Instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts, or swap agreements. It invests primarily in investment-grade debt securities, but may invest up to 20% of its total assets in high yield securities. It may invest up to 30% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers.

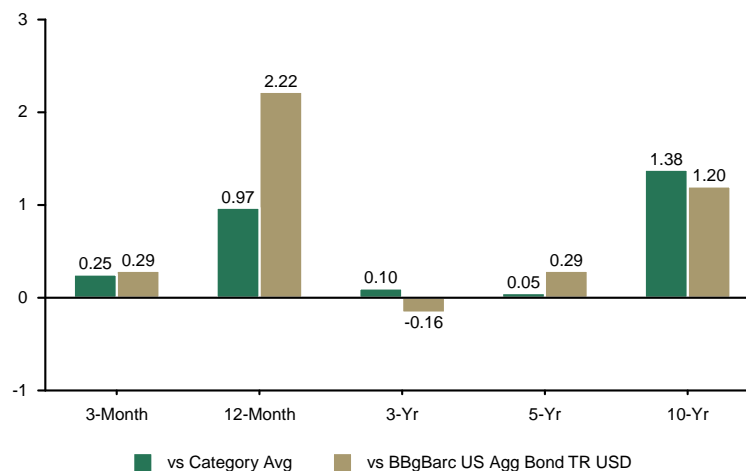
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 05/11/1987 |
| Manager Tenure | 2.83 |
| Assets(\$1000s) | \$73,784,417 |
| Net Exp Ratio | 0.71 |
| 12b-1 Fees | 0.25 |
| Average Mkt Cap(\$1000s) | \$1,470 |
| # of Holdings | 8,578 |
| % of Assets in Top 10 | 117.33 |

Risk Characteristics

| | PTRAX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 3.28 | 2.80 |
| 5 Yr Std Dev | 3.46 | 2.90 |
| 5 Yr Beta | 1.08 | 0.93 |
| 5 Yr Alpha | 0.13 | 0.38 |
| 5 Yr Sharpe | 0.68 | 0.80 |
| 5 Yr Information Ratio | 0.19 | 0.02 |
| 5 Yr Tracking Error | 1.55 | 1.09 |
| 5 Yr Upside Capture | 115.42 | 100.52 |
| 5 Yr Downside Capture | 117.25 | 92.45 |
| 5 Yr Batting Avg | 0.62 | 0.52 |

Excess Returns vs. Category/Index



Calendar Year Performance

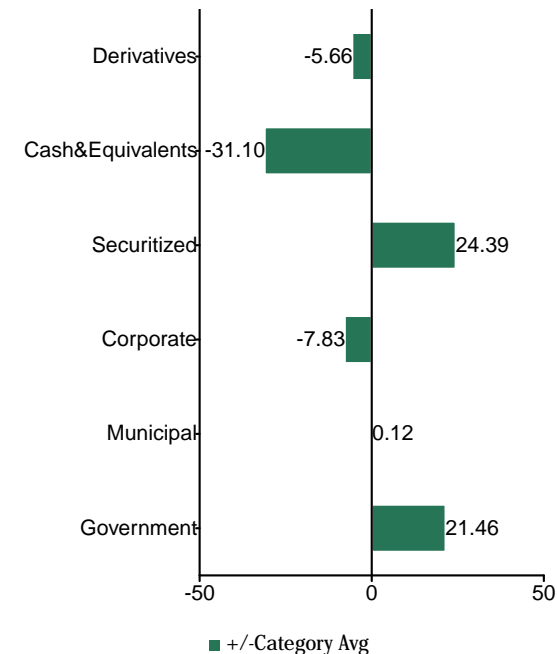
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|------|-------|------|
| PTRAX | 10.08 | -2.17 | 4.43 | 0.48 | 2.34 |
| Cat Avg | 6.64 | -1.44 | 5.34 | -0.19 | 3.24 |
| Index | 4.21 | -2.02 | 5.97 | 0.55 | 2.65 |
| Cat Rank | 6 | 69 | 80 | 26 | 74 |

Fixed Income Style

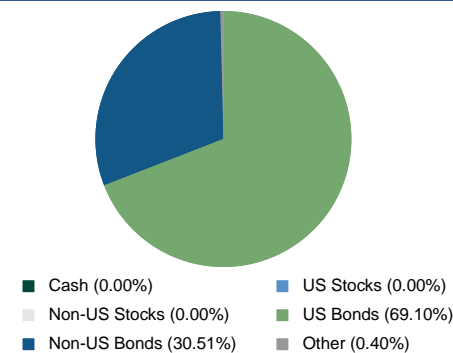
| | Quality | Duration | Maturity | Yield |
|---------|---------|----------|----------|-------|
| PTRAX | - | 5.12 | 7.56 | - |
| Cat Avg | BelowB | 5.46 | 8.07 | 3.17 |

Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



Vanguard Total Bond Market Index Adm - VBTLX

Objective

The investment seeks the performance of Bloomberg Barclays U.S. Aggregate Float Adjusted Index. Bloomberg Barclays U.S. Aggregate Float Adjusted Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States-including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities-all with maturities of more than 1 year. All of its investments will be selected through the sampling process, and at least 80% of its assets will be invested in bonds held in the index.

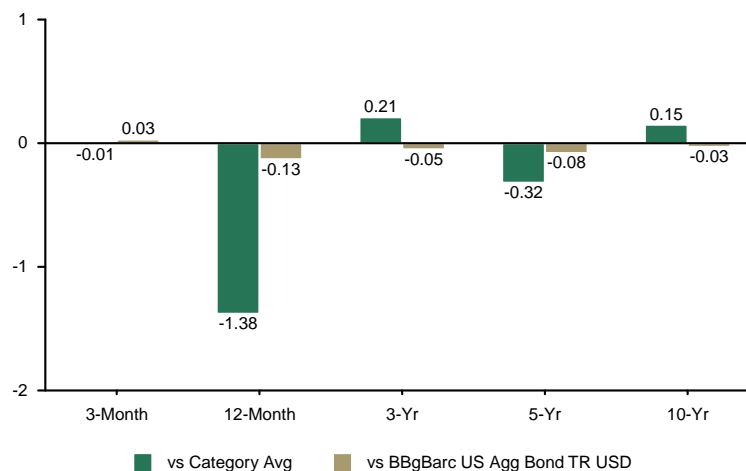
Statistics

| | |
|--------------------------|---------------|
| Inception Date | 12/11/1986 |
| Manager Tenure | 4.41 |
| Assets(\$1000s) | \$183,445,385 |
| Net Exp Ratio | 0.05 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | - |
| # of Holdings | 17,445 |
| % of Assets in Top 10 | 4.37 |

Risk Characteristics

| | VBTLX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 3.11 | 2.80 |
| 5 Yr Std Dev | 3.00 | 2.90 |
| 5 Yr Beta | 1.04 | 0.93 |
| 5 Yr Alpha | -0.16 | 0.38 |
| 5 Yr Sharpe | 0.66 | 0.80 |
| 5 Yr Information Ratio | -0.27 | 0.02 |
| 5 Yr Tracking Error | 0.29 | 1.09 |
| 5 Yr Upside Capture | 102.37 | 100.52 |
| 5 Yr Downside Capture | 107.12 | 92.45 |
| 5 Yr Batting Avg | 0.48 | 0.52 |

Excess Returns vs. Category/Index



Calendar Year Performance

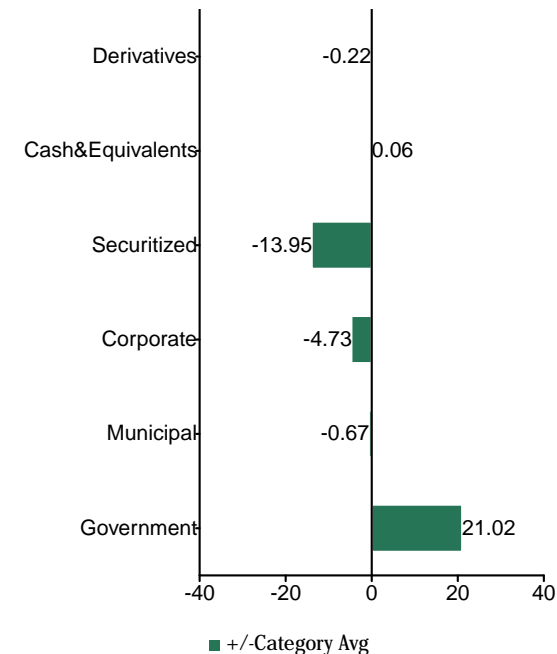
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|------|-------|------|-------|------|
| VBTLX | 4.15 | -2.15 | 5.89 | 0.40 | 2.60 |
| Cat Avg | 6.64 | -1.44 | 5.34 | -0.19 | 3.24 |
| Index | 4.21 | -2.02 | 5.97 | 0.55 | 2.65 |
| Cat Rank | 84 | 69 | 32 | 30 | 64 |

Fixed Income Style

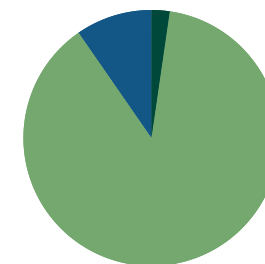
| | Quality | Duration | Maturity | Yield |
|---------|---------|----------|----------|-------|
| VBTLX | AA | 6.14 | 8.30 | 2.57 |
| Cat Avg | BelowB | 5.46 | 8.07 | 3.17 |

Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|-----------------------|-------------------|
| Cash (2.29%) | US Stocks (0.00%) |
| Non-US Stocks (0.00%) | US Bonds (88.07%) |
| Non-US Bonds (9.62%) | Other (0.02%) |

Prudential High-Yield Q - PHYQX

Objective

The investment seeks to maximize current income, and capital appreciation is a secondary objective. The fund normally invests at least 80% of its investable assets in a diversified portfolio of high yield fixed-income instruments rated Ba or lower by Moody's Investors Service (Moody's) or BB or lower by Standard & Poor's Ratings Group (Standard & Poor's), and instruments either rated by another nationally recognized statistical rating organization (NRSRO), or considered to be of comparable quality, that is, junk bonds.

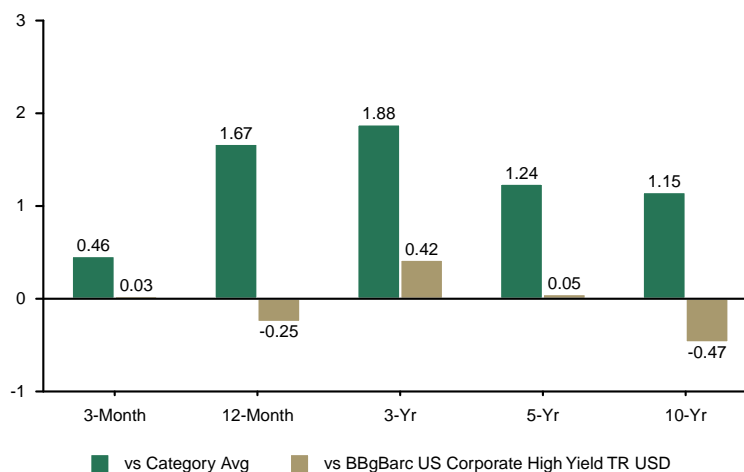
Statistics

| | |
|--------------------------|-------------|
| Inception Date | 03/29/1979 |
| Manager Tenure | 11.58 |
| Assets(\$1000s) | \$6,085,333 |
| Net Exp Ratio | 0.45 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | - |
| # of Holdings | 611 |
| % of Assets in Top 10 | 12.20 |

Risk Characteristics

| | PHYQX | Cat Avg |
|------------------------|-------|---------|
| 3 Yr Std Dev | 5.63 | 5.47 |
| 5 Yr Std Dev | 4.93 | 4.98 |
| 5 Yr Beta | 0.92 | 0.89 |
| 5 Yr Alpha | 0.54 | -0.44 |
| 5 Yr Sharpe | 1.36 | 1.16 |
| 5 Yr Information Ratio | 0.06 | -0.85 |
| 5 Yr Tracking Error | 0.84 | 1.67 |
| 5 Yr Upside Capture | 94.82 | 87.49 |
| 5 Yr Downside Capture | 86.70 | 93.92 |
| 5 Yr Batting Avg | 0.45 | 0.40 |

Excess Returns vs. Category/Index



Calendar Year Performance

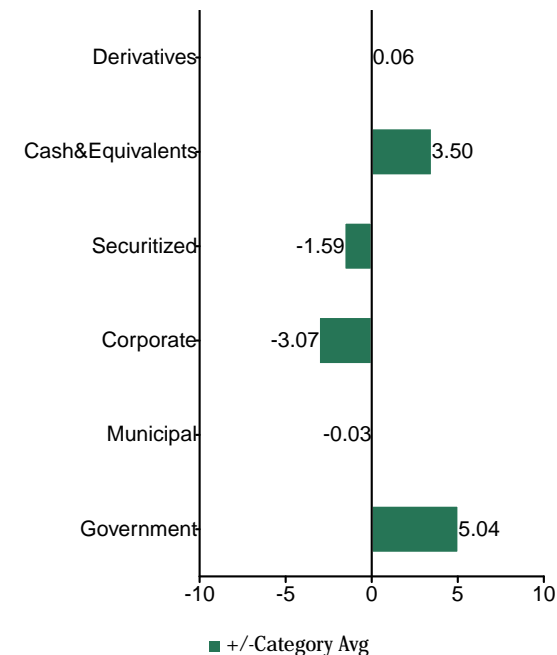
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|------|------|-------|-------|
| PHYQX | 14.45 | 7.15 | 2.95 | -2.68 | 15.61 |
| Cat Avg | 14.62 | 6.95 | 1.33 | -3.94 | 13.31 |
| Index | 15.81 | 7.44 | 2.45 | -4.47 | 17.13 |
| Cat Rank | 55 | 37 | 16 | 36 | 20 |

Fixed Income Style

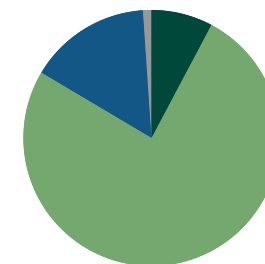
| | Quality | Duration | Maturity | Yield |
|---------|---------|----------|----------|-------|
| PHYQX | B | 4.16 | - | 6.56 |
| Cat Avg | B | 3.49 | 5.41 | 6.03 |

Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|-----------------------|-------------------|
| Cash (7.76%) | US Stocks (0.05%) |
| Non-US Stocks (0.01%) | US Bonds (75.76%) |
| Non-US Bonds (15.41%) | Other (1.01%) |

AB Global Bond Advisor - ANAYX

Objective

The investment seeks to generate current income consistent with preservation of capital. The fund invests at least 80% of its net assets in fixed-income securities. It invests significantly in fixed-income securities of non-U.S. companies. The fund normally invests in the fixed-income securities of companies located in at least three countries. It may invest in a broad range of fixed-income securities in both developed and emerging markets. The fund may invest across all fixed-income sectors, including U.S. and non-U.S. government and corporate debt securities.

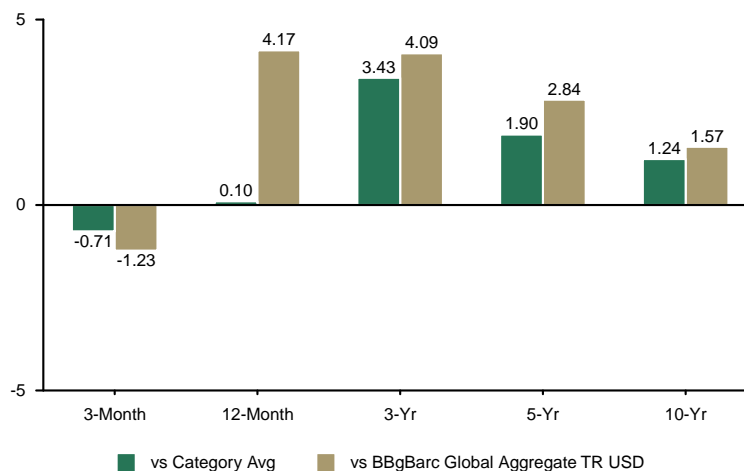
Statistics

| | |
|--------------------------|-------------|
| Inception Date | 03/27/1992 |
| Manager Tenure | 25.33 |
| Assets(\$1000s) | \$6,617,568 |
| Net Exp Ratio | 0.58 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | - |
| # of Holdings | 893 |
| % of Assets in Top 10 | 21.86 |

Risk Characteristics

| | ANAYX | Cat Avg |
|------------------------|-------|---------|
| 3 Yr Std Dev | 2.71 | 5.08 |
| 5 Yr Std Dev | 2.96 | 4.92 |
| 5 Yr Beta | 0.38 | 0.49 |
| 5 Yr Alpha | 3.17 | 2.01 |
| 5 Yr Sharpe | 1.16 | 0.44 |
| 5 Yr Information Ratio | 0.76 | 0.46 |
| 5 Yr Tracking Error | 3.74 | 4.97 |
| 5 Yr Upside Capture | 62.27 | 60.10 |
| 5 Yr Downside Capture | 8.90 | 37.76 |
| 5 Yr Batting Avg | 0.60 | 0.57 |

Excess Returns vs. Category/Index



Calendar Year Performance

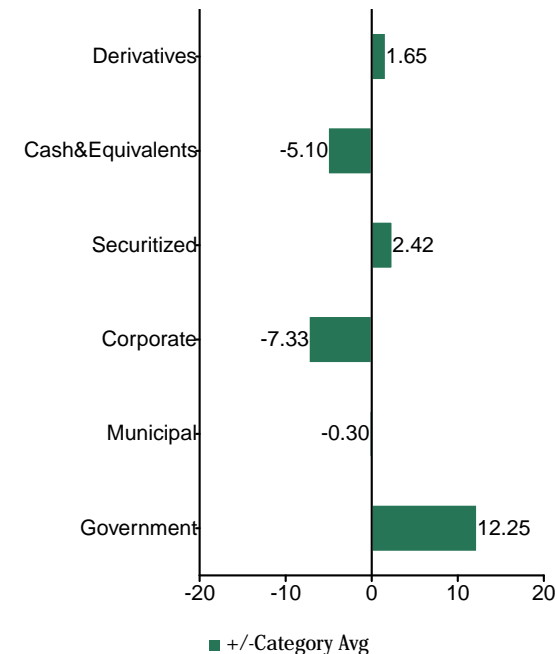
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|------|-------|------|-------|------|
| ANAYX | 7.35 | -1.88 | 7.37 | 0.66 | 5.77 |
| Cat Avg | 8.53 | -2.11 | 1.88 | -4.01 | 3.79 |
| Index | 4.32 | -2.60 | 0.59 | -3.15 | 2.09 |
| Cat Rank | 57 | 42 | 9 | 5 | 25 |

Fixed Income Style

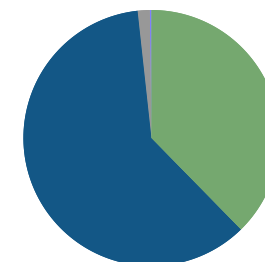
| | Quality | Duration | Maturity | Yield |
|---------|---------|----------|----------|-------|
| ANAYX | BBB | 6.13 | 8.45 | 3.00 |
| Cat Avg | BBB | 5.24 | 7.71 | 3.53 |

Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|-----------------------|-------------------|
| Cash (0.06%) | US Stocks (0.09%) |
| Non-US Stocks (0.05%) | US Bonds (37.66%) |
| Non-US Bonds (60.61%) | Other (1.53%) |

Vanguard Target Retirement Income Inv - VTINX

Objective

The investment seeks to provide current income and some capital appreciation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors currently in retirement. Its indirect bond holdings are a diversified mix of short-, intermediate-, and long-term U.S. government, U.S. agency, and investment-grade U.S. corporate bonds, inflation-protected public obligations issued by the U.S. Treasury, mortgage-backed and asset-backed securities, and government, agency, corporate, and securitized investment-grade foreign bonds issued in currencies other than the U.S. dollar.

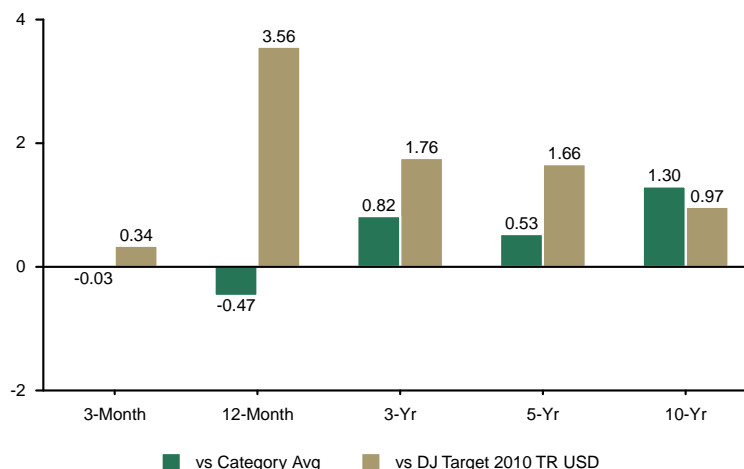
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 10/27/2003 |
| Manager Tenure | 4.41 |
| Assets(\$1000s) | \$11,328,227 |
| Net Exp Ratio | 0.13 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$35,189,160 |
| # of Holdings | 6 |
| % of Assets in Top 10 | 99.99 |

Risk Characteristics

| | VTINX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 3.61 | 4.06 |
| 5 Yr Std Dev | 3.50 | 3.91 |
| 5 Yr Beta | 1.02 | 1.14 |
| 5 Yr Alpha | 1.54 | 1.33 |
| 5 Yr Sharpe | 1.34 | 1.07 |
| 5 Yr Information Ratio | 1.20 | 0.63 |
| 5 Yr Tracking Error | 1.39 | 2.17 |
| 5 Yr Upside Capture | 120.78 | 134.88 |
| 5 Yr Downside Capture | 89.50 | 108.55 |
| 5 Yr Batting Avg | 0.75 | 0.64 |

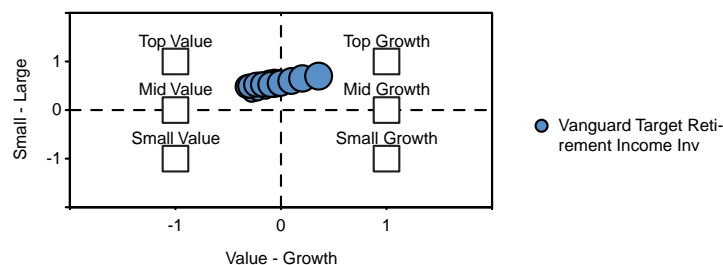
Excess Returns vs. Category/Index



Calendar Year Performance

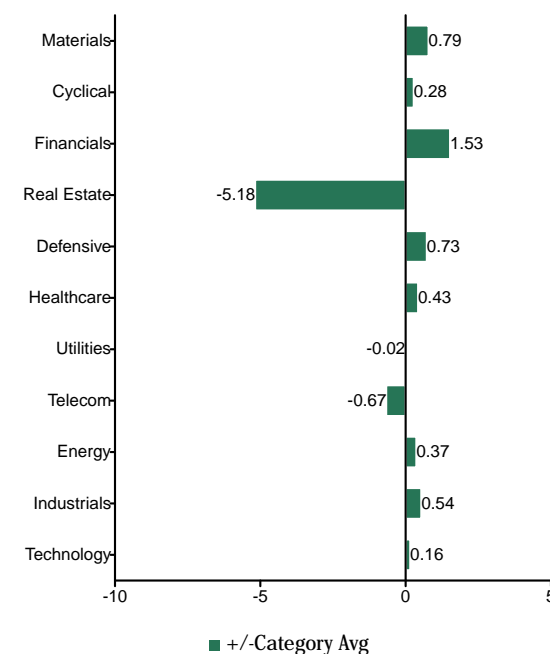
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|------|------|------|-------|------|
| VTINX | 8.23 | 5.87 | 5.54 | -0.17 | 5.25 |
| Cat Avg | 8.59 | 5.42 | 4.17 | -1.40 | 5.09 |
| Index | 6.40 | 3.00 | 4.20 | -0.72 | 3.33 |
| Cat Rank | 70 | 41 | 14 | 10 | 41 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

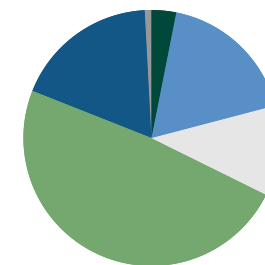


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|------------------------|--------------------|
| Cash (3.11%) | US Stocks (17.80%) |
| Non-US Stocks (11.40%) | US Bonds (48.69%) |
| Non-US Bonds (18.16%) | Other (0.84%) |

Vanguard Target Retirement 2010 Inv - VTENX

Objective

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2010 (the target year). Its asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

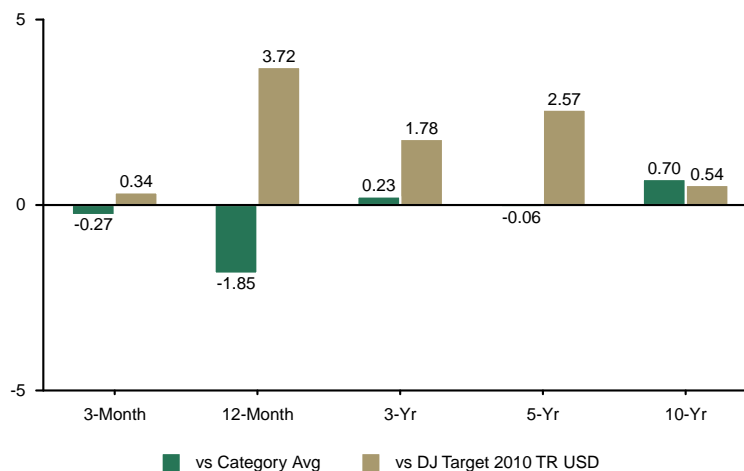
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 06/07/2006 |
| Manager Tenure | 4.41 |
| Assets(\$1000s) | \$5,077,009 |
| Net Exp Ratio | 0.13 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$35,629,540 |
| # of Holdings | 6 |
| % of Assets in Top 10 | 100.00 |

Risk Characteristics

| | VTENX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 3.99 | 4.92 |
| 5 Yr Std Dev | 3.97 | 4.71 |
| 5 Yr Beta | 1.12 | 1.37 |
| 5 Yr Alpha | 2.13 | -0.73 |
| 5 Yr Sharpe | 1.40 | 1.20 |
| 5 Yr Information Ratio | 1.38 | 0.28 |
| 5 Yr Tracking Error | 1.87 | 2.69 |
| 5 Yr Upside Capture | 137.38 | 128.67 |
| 5 Yr Downside Capture | 94.60 | 148.03 |
| 5 Yr Batting Avg | 0.72 | 0.58 |

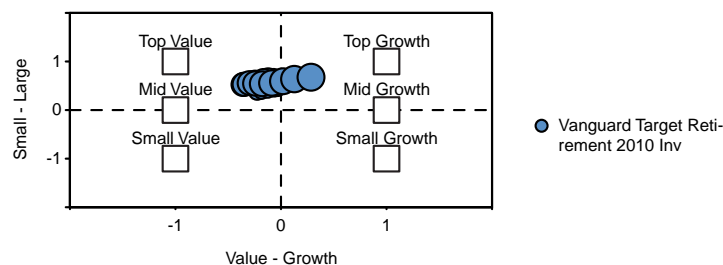
Excess Returns vs. Category/Index



Calendar Year Performance

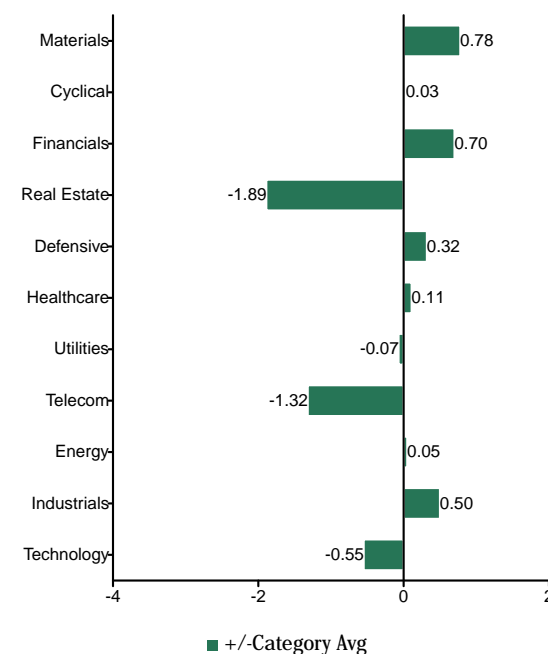
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|------|------|-------|------|
| VTENX | 10.12 | 9.10 | 5.93 | -0.20 | 5.22 |
| Cat Avg | 10.33 | 9.68 | 4.58 | -1.15 | 5.86 |
| Index | 6.40 | 3.00 | 4.20 | -0.72 | 3.33 |
| Cat Rank | 65 | 75 | 10 | 7 | 79 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

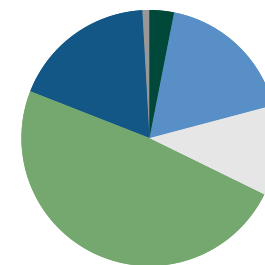


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|------------------------|--------------------|
| Cash (3.08%) | US Stocks (17.79%) |
| Non-US Stocks (11.38%) | US Bonds (48.70%) |
| Non-US Bonds (18.16%) | Other (0.89%) |

Vanguard Target Retirement 2015 Inv - VTXVX

Objective

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2015 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

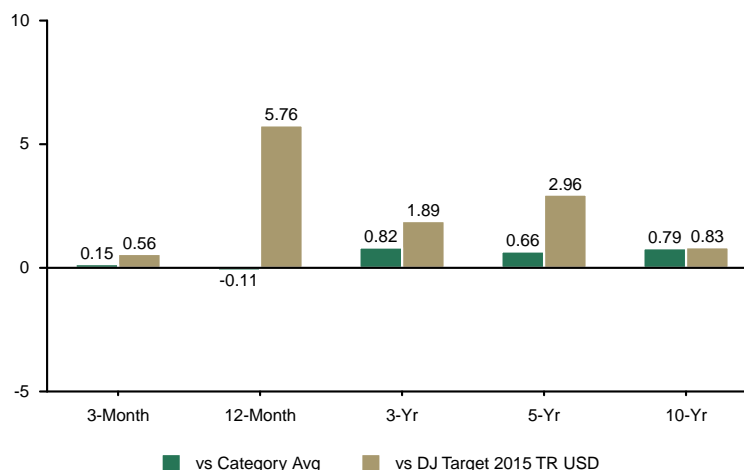
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 10/27/2003 |
| Manager Tenure | 4.41 |
| Assets(\$1000s) | \$17,102,878 |
| Net Exp Ratio | 0.14 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$35,189,610 |
| # of Holdings | 6 |
| % of Assets in Top 10 | 99.98 |

Risk Characteristics

| | VTXVX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 5.25 | 5.56 |
| 5 Yr Std Dev | 5.09 | 5.37 |
| 5 Yr Beta | 1.20 | 1.37 |
| 5 Yr Alpha | 2.06 | -1.48 |
| 5 Yr Sharpe | 1.38 | 1.19 |
| 5 Yr Information Ratio | 1.15 | 0.18 |
| 5 Yr Tracking Error | 2.56 | 2.82 |
| 5 Yr Upside Capture | 138.66 | 120.52 |
| 5 Yr Downside Capture | 103.87 | 144.56 |
| 5 Yr Batting Avg | 0.70 | 0.57 |

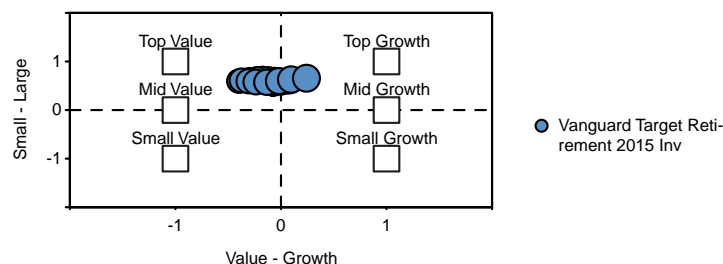
Excess Returns vs. Category/Index



Calendar Year Performance

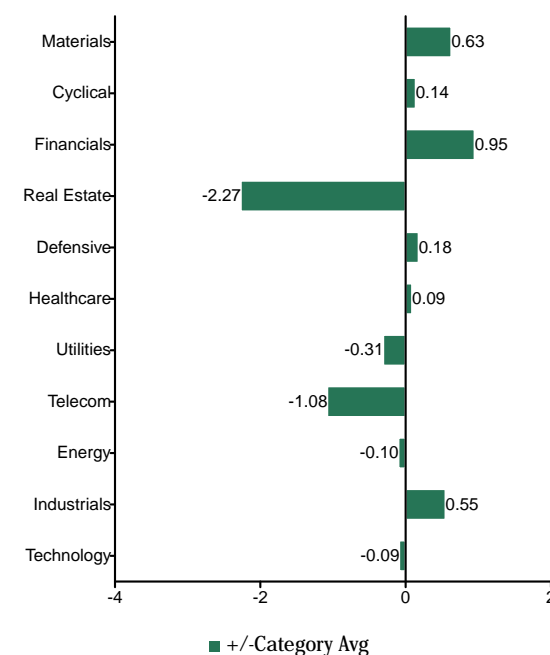
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|------|-------|------|
| VTXVX | 11.37 | 13.00 | 6.56 | -0.46 | 6.16 |
| Cat Avg | 11.45 | 11.99 | 4.69 | -1.38 | 6.20 |
| Index | 7.65 | 5.49 | 4.48 | -0.97 | 4.51 |
| Cat Rank | 47 | 40 | 4 | 10 | 60 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

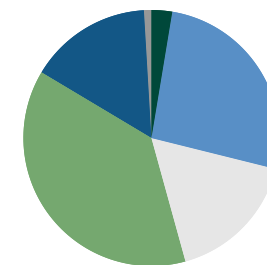


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|------------------------|--------------------|
| Cash (2.61%) | US Stocks (26.27%) |
| Non-US Stocks (16.83%) | US Bonds (37.86%) |
| Non-US Bonds (15.49%) | Other (0.94%) |

Vanguard Target Retirement 2020 Inv - VTWNX

Objective

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2020 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

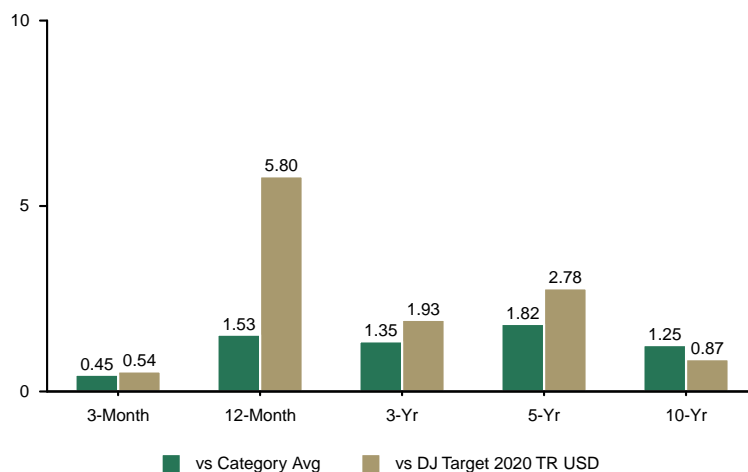
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 06/07/2006 |
| Manager Tenure | 4.41 |
| Assets(\$1000s) | \$30,138,557 |
| Net Exp Ratio | 0.14 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$35,521,770 |
| # of Holdings | 6 |
| % of Assets in Top 10 | 100.00 |

Risk Characteristics

| | VTWNX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 6.26 | 5.80 |
| 5 Yr Std Dev | 5.95 | 5.52 |
| 5 Yr Beta | 1.25 | 1.19 |
| 5 Yr Alpha | 1.34 | -1.93 |
| 5 Yr Sharpe | 1.36 | 1.15 |
| 5 Yr Information Ratio | 1.12 | -0.36 |
| 5 Yr Tracking Error | 2.49 | 2.40 |
| 5 Yr Upside Capture | 134.46 | 102.36 |
| 5 Yr Downside Capture | 115.22 | 129.53 |
| 5 Yr Batting Avg | 0.70 | 0.49 |

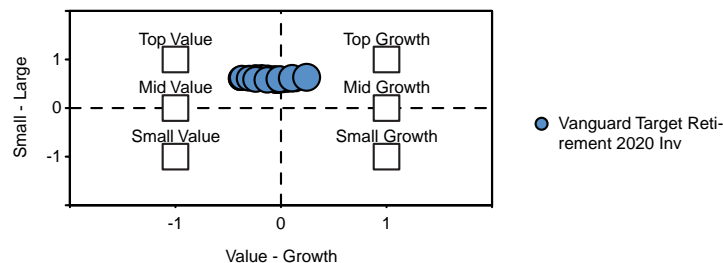
Excess Returns vs. Category/Index



Calendar Year Performance

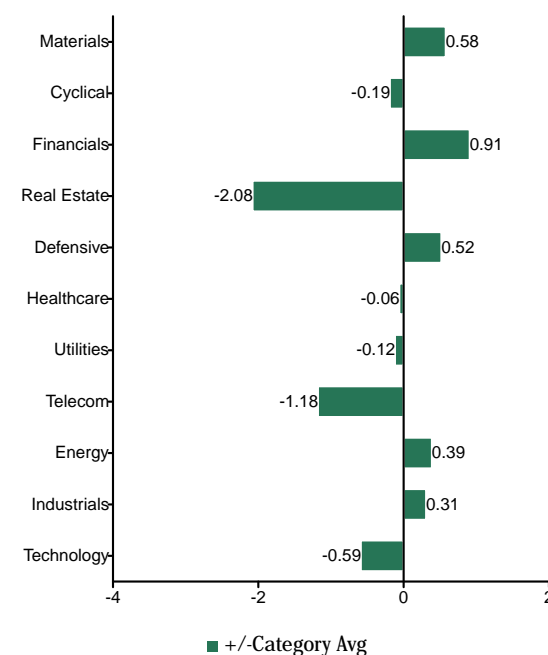
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|------|-------|------|
| VTWNX | 12.35 | 15.85 | 7.11 | -0.68 | 6.95 |
| Cat Avg | 11.79 | 11.61 | 4.91 | -1.46 | 6.24 |
| Index | 9.23 | 9.05 | 4.81 | -1.04 | 5.27 |
| Cat Rank | 37 | 20 | 1 | 25 | 30 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

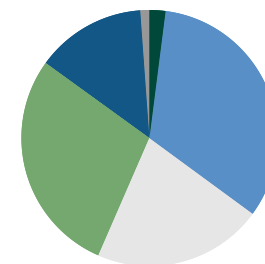


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|------------------------|--------------------|
| Cash (2.02%) | US Stocks (33.05%) |
| Non-US Stocks (21.46%) | US Bonds (28.44%) |
| Non-US Bonds (13.88%) | Other (1.15%) |

Vanguard Target Retirement 2025 Inv - VTTVX

Objective

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2025 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

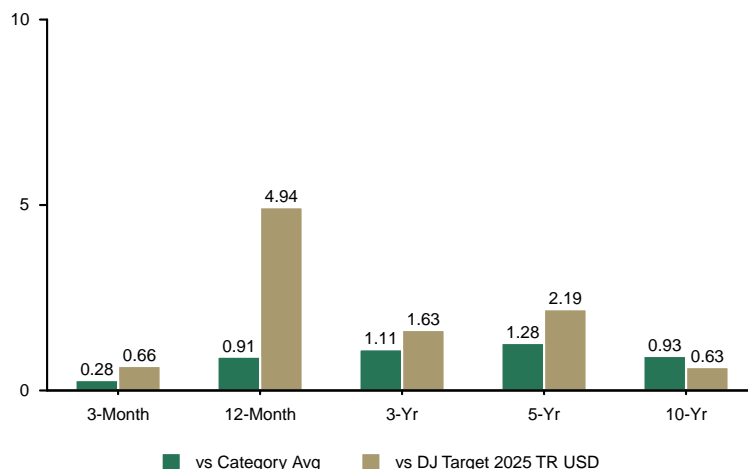
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 10/27/2003 |
| Manager Tenure | 4.41 |
| Assets(\$1000s) | \$35,372,040 |
| Net Exp Ratio | 0.14 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$35,080,670 |
| # of Holdings | 5 |
| % of Assets in Top 10 | 100.00 |

Risk Characteristics

| | VTTVX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 7.02 | 6.86 |
| 5 Yr Std Dev | 6.65 | 6.52 |
| 5 Yr Beta | 1.20 | 1.13 |
| 5 Yr Alpha | 0.76 | -1.91 |
| 5 Yr Sharpe | 1.33 | 1.18 |
| 5 Yr Information Ratio | 1.08 | -0.42 |
| 5 Yr Tracking Error | 2.03 | 2.46 |
| 5 Yr Upside Capture | 123.84 | 99.34 |
| 5 Yr Downside Capture | 113.88 | 119.12 |
| 5 Yr Batting Avg | 0.70 | 0.48 |

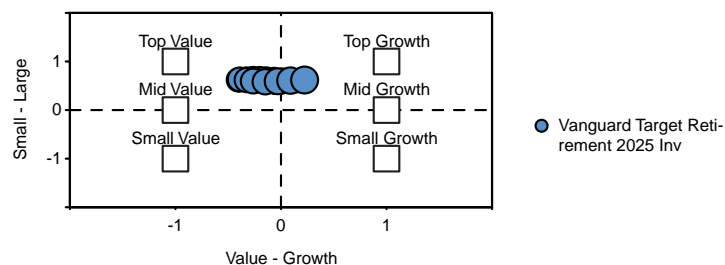
Excess Returns vs. Category/Index



Calendar Year Performance

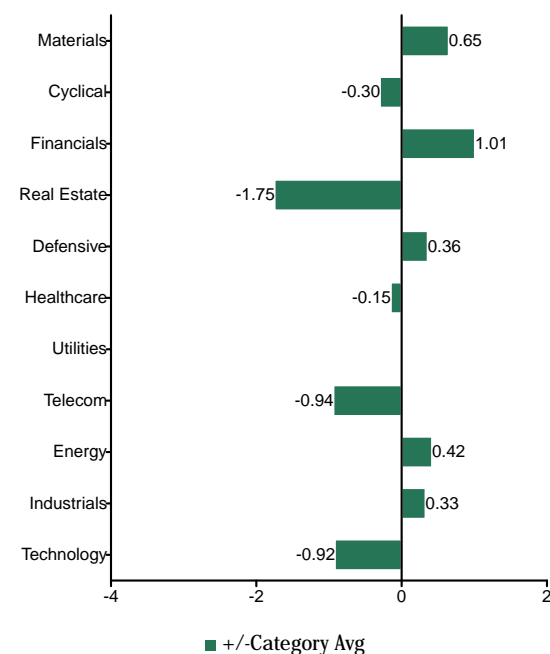
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|------|-------|------|
| VTTVX | 13.29 | 18.14 | 7.17 | -0.85 | 7.48 |
| Cat Avg | 13.14 | 15.62 | 5.18 | -1.46 | 6.75 |
| Index | 10.94 | 12.84 | 5.14 | -1.11 | 6.39 |
| Cat Rank | 43 | 25 | 4 | 27 | 26 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

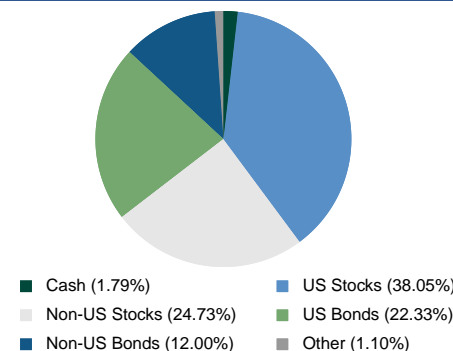


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



Vanguard Target Retirement 2030 Inv - VTHR

Objective

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2030 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

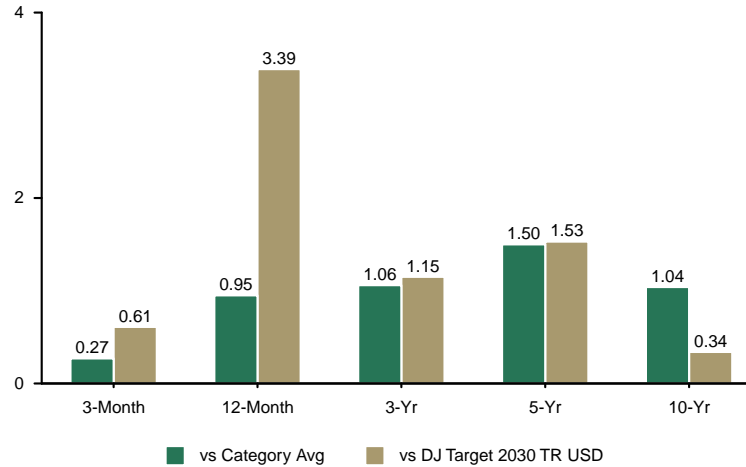
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 06/07/2006 |
| Manager Tenure | 4.41 |
| Assets(\$1000s) | \$29,226,411 |
| Net Exp Ratio | 0.15 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$35,580,630 |
| # of Holdings | 5 |
| % of Assets in Top 10 | 100.00 |

Risk Characteristics

| | VTHR | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 7.75 | 7.72 |
| 5 Yr Std Dev | 7.32 | 7.23 |
| 5 Yr Beta | 1.11 | 1.01 |
| 5 Yr Alpha | 0.57 | -1.73 |
| 5 Yr Sharpe | 1.31 | 1.13 |
| 5 Yr Information Ratio | 1.00 | -0.65 |
| 5 Yr Tracking Error | 1.54 | 2.70 |
| 5 Yr Upside Capture | 115.68 | 89.90 |
| 5 Yr Downside Capture | 112.33 | 103.42 |
| 5 Yr Batting Avg | 0.70 | 0.46 |

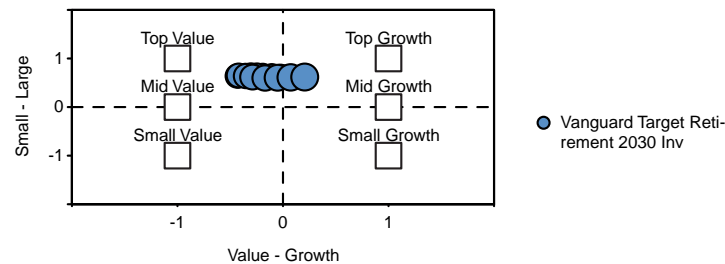
Excess Returns vs. Category/Index



Calendar Year Performance

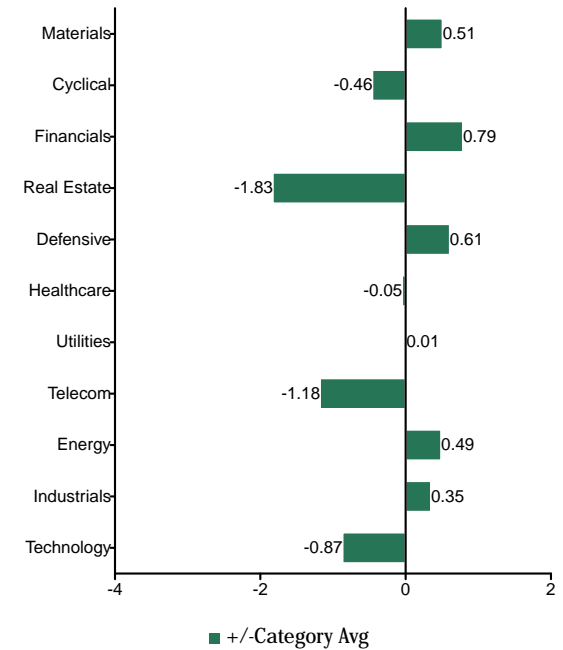
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|------|-------|------|
| VTHR | 14.24 | 20.49 | 7.17 | -1.03 | 7.85 |
| Cat Avg | 13.79 | 16.83 | 5.27 | -1.67 | 7.35 |
| Index | 12.56 | 16.59 | 5.50 | -1.21 | 7.50 |
| Cat Rank | 40 | 27 | 6 | 33 | 34 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

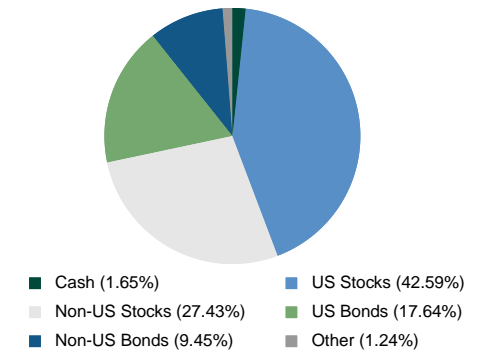


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



Vanguard Target Retirement 2035 Inv - VTTHX

Objective

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2035 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

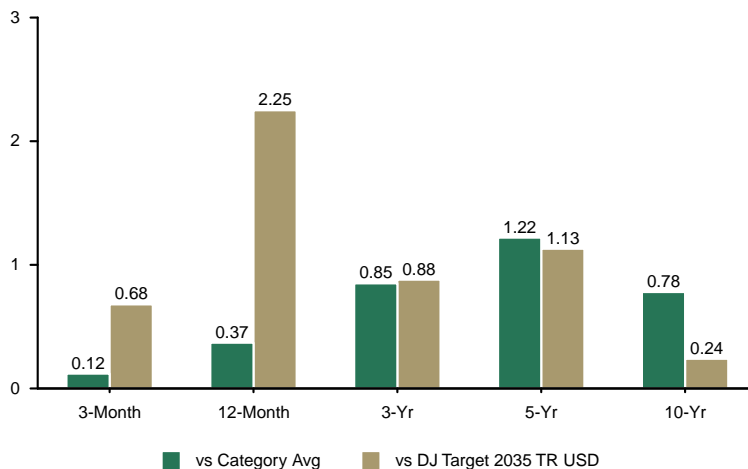
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 10/27/2003 |
| Manager Tenure | 4.41 |
| Assets(\$1000s) | \$28,181,471 |
| Net Exp Ratio | 0.15 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$35,166,490 |
| # of Holdings | 5 |
| % of Assets in Top 10 | 99.99 |

Risk Characteristics

| | VTHX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 8.57 | 8.60 |
| 5 Yr Std Dev | 8.05 | 8.01 |
| 5 Yr Beta | 1.05 | 0.97 |
| 5 Yr Alpha | 0.57 | -1.53 |
| 5 Yr Sharpe | 1.28 | 1.15 |
| 5 Yr Information Ratio | 0.86 | -0.75 |
| 5 Yr Tracking Error | 1.31 | 2.72 |
| 5 Yr Upside Capture | 110.24 | 88.79 |
| 5 Yr Downside Capture | 108.33 | 99.57 |
| 5 Yr Batting Avg | 0.60 | 0.46 |

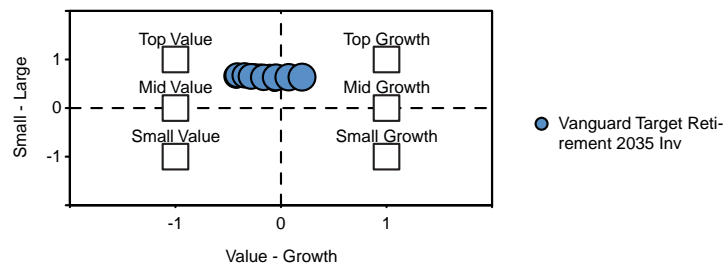
Excess Returns vs. Category/Index



Calendar Year Performance

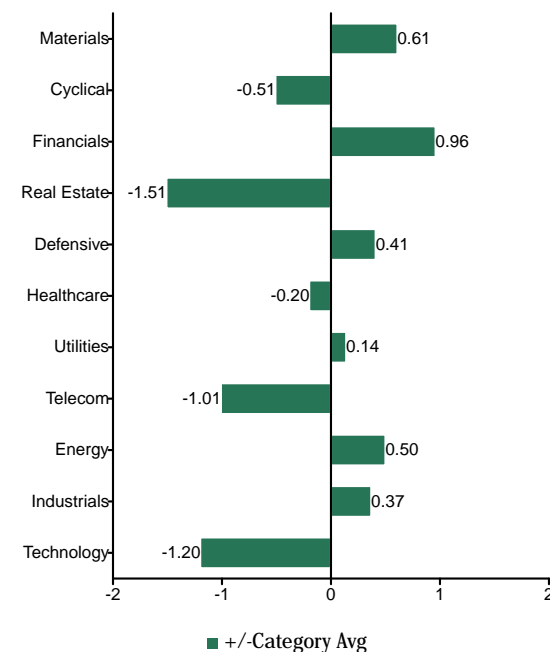
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|------|-------|------|
| VTHX | 15.16 | 22.82 | 7.24 | -1.26 | 8.26 |
| Cat Avg | 14.77 | 20.28 | 5.34 | -1.63 | 7.60 |
| Index | 13.92 | 19.90 | 5.80 | -1.61 | 8.49 |
| Cat Rank | 41 | 25 | 10 | 40 | 35 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

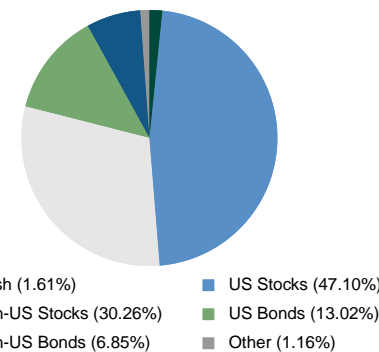


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



Vanguard Target Retirement 2040 Inv - VFORX

Objective

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2040 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

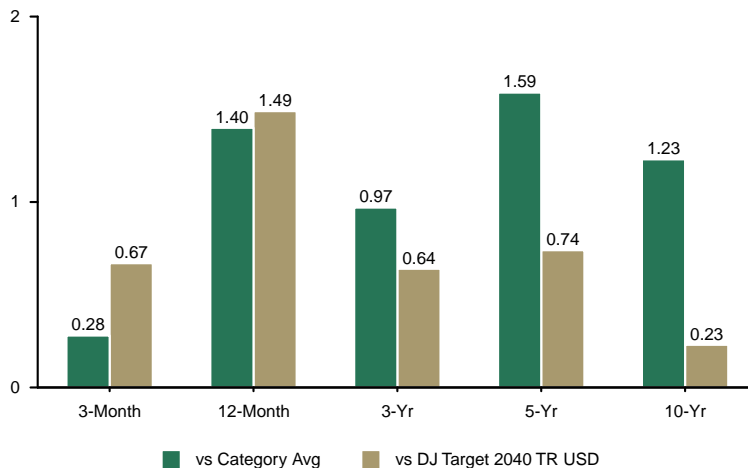
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 06/07/2006 |
| Manager Tenure | 4.41 |
| Assets(\$1000s) | \$20,962,502 |
| Net Exp Ratio | 0.16 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$35,599,700 |
| # of Holdings | 5 |
| % of Assets in Top 10 | 100.00 |

Risk Characteristics

| | VFORX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 9.30 | 9.02 |
| 5 Yr Std Dev | 8.67 | 8.40 |
| 5 Yr Beta | 1.02 | 0.89 |
| 5 Yr Alpha | 0.49 | -1.40 |
| 5 Yr Sharpe | 1.24 | 1.10 |
| 5 Yr Information Ratio | 0.58 | -0.89 |
| 5 Yr Tracking Error | 1.29 | 3.17 |
| 5 Yr Upside Capture | 105.40 | 82.93 |
| 5 Yr Downside Capture | 103.29 | 92.48 |
| 5 Yr Batting Avg | 0.60 | 0.45 |

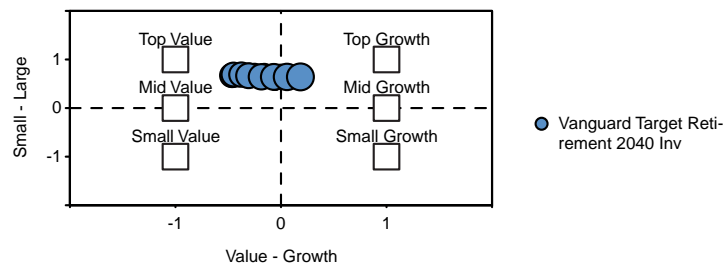
Excess Returns vs. Category/Index



Calendar Year Performance

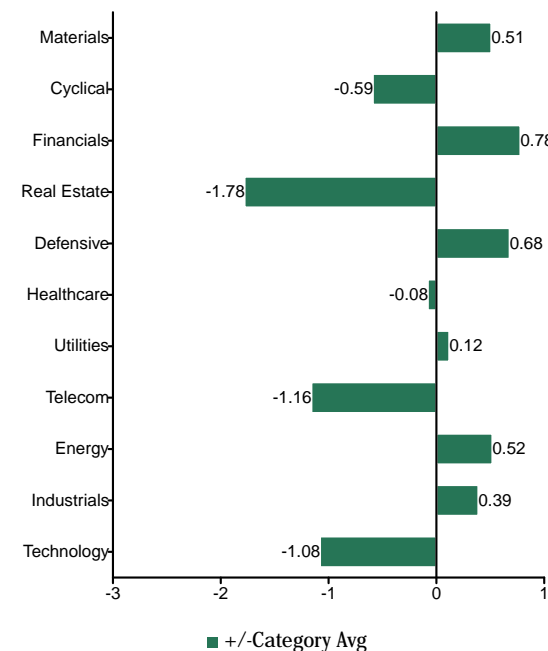
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|------|-------|------|
| VFORX | 15.56 | 24.37 | 7.15 | -1.59 | 8.73 |
| Cat Avg | 14.86 | 20.07 | 5.48 | -1.86 | 7.97 |
| Index | 14.88 | 22.38 | 6.03 | -1.94 | 9.30 |
| Cat Rank | 35 | 18 | 13 | 47 | 27 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

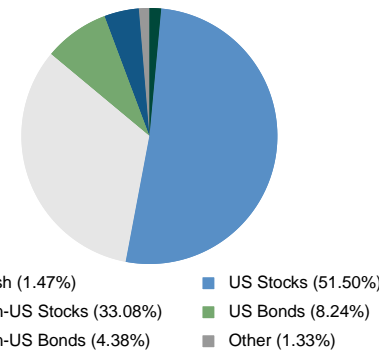


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



Vanguard Target Retirement 2045 Inv - VTIVX

Objective

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2045 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

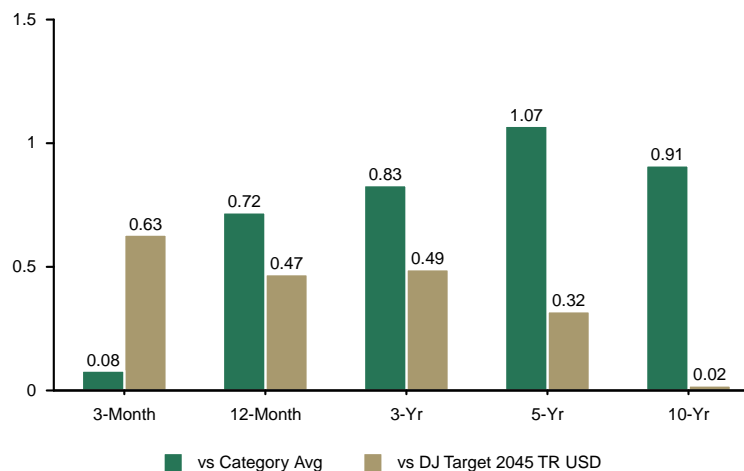
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 10/27/2003 |
| Manager Tenure | 4.41 |
| Assets(\$1000s) | \$19,068,153 |
| Net Exp Ratio | 0.16 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$35,186,540 |
| # of Holdings | 5 |
| % of Assets in Top 10 | 100.00 |

Risk Characteristics

| | VTIVX | Cat Avg |
|------------------------|-------|---------|
| 3 Yr Std Dev | 9.38 | 9.41 |
| 5 Yr Std Dev | 8.72 | 8.75 |
| 5 Yr Beta | 0.97 | 0.89 |
| 5 Yr Alpha | 0.64 | -1.26 |
| 5 Yr Sharpe | 1.24 | 1.13 |
| 5 Yr Information Ratio | 0.25 | -0.92 |
| 5 Yr Tracking Error | 1.28 | 3.09 |
| 5 Yr Upside Capture | 99.52 | 84.04 |
| 5 Yr Downside Capture | 95.05 | 92.89 |
| 5 Yr Batting Avg | 0.57 | 0.44 |

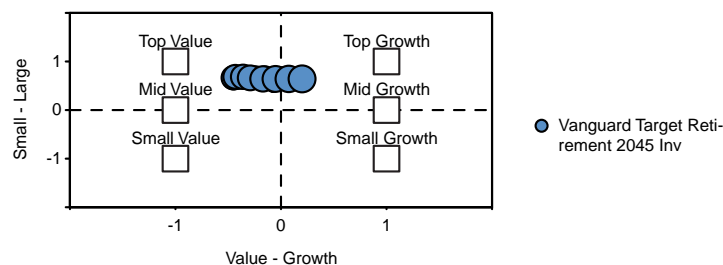
Excess Returns vs. Category/Index



Calendar Year Performance

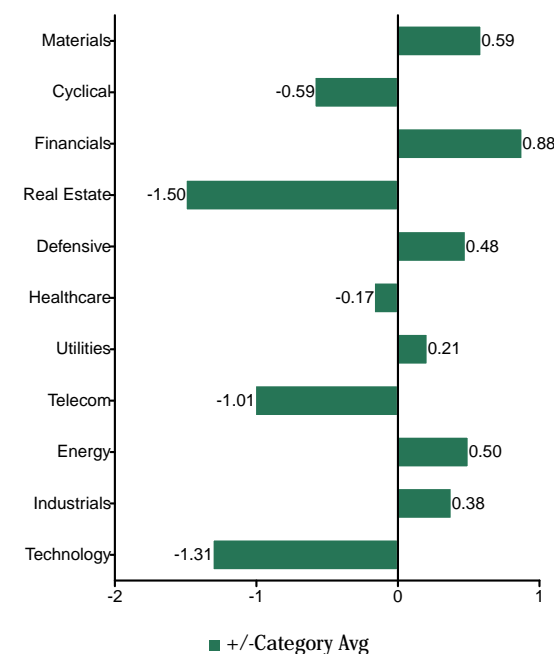
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|------|-------|------|
| VTIVX | 15.58 | 24.37 | 7.16 | -1.57 | 8.87 |
| Cat Avg | 15.41 | 22.26 | 5.46 | -1.70 | 7.95 |
| Index | 15.32 | 23.71 | 6.16 | -2.15 | 9.85 |
| Cat Rank | 46 | 27 | 13 | 47 | 28 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

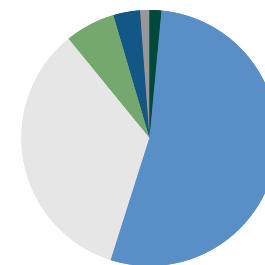


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|------------------------|--------------------|
| Cash (1.49%) | US Stocks (53.40%) |
| Non-US Stocks (34.22%) | US Bonds (6.34%) |
| Non-US Bonds (3.37%) | Other (1.18%) |

Vanguard Target Retirement 2050 Inv - VFIFX

Objective

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2050 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

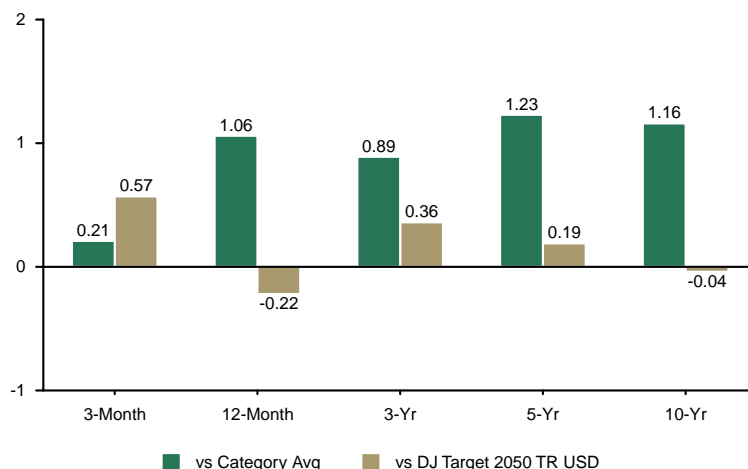
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 06/07/2006 |
| Manager Tenure | 4.41 |
| Assets(\$1000s) | \$12,350,367 |
| Net Exp Ratio | 0.16 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$35,625,450 |
| # of Holdings | 5 |
| % of Assets in Top 10 | 100.00 |

Risk Characteristics

| | VFIFX | Cat Avg |
|------------------------|-------|---------|
| 3 Yr Std Dev | 9.37 | 9.44 |
| 5 Yr Std Dev | 8.71 | 8.81 |
| 5 Yr Beta | 0.95 | 1.41 |
| 5 Yr Alpha | 0.71 | -0.85 |
| 5 Yr Sharpe | 1.25 | 1.10 |
| 5 Yr Information Ratio | 0.14 | 0.68 |
| 5 Yr Tracking Error | 1.36 | 3.52 |
| 5 Yr Upside Capture | 98.14 | 133.43 |
| 5 Yr Downside Capture | 93.34 | 141.40 |
| 5 Yr Batting Avg | 0.48 | 0.62 |

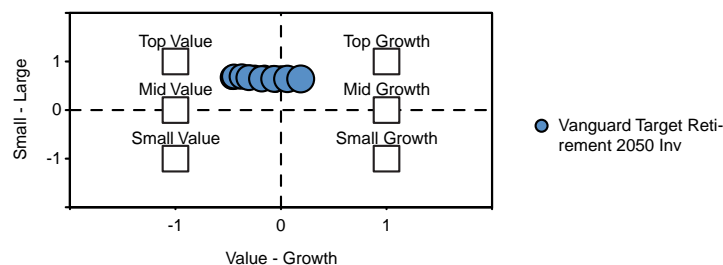
Excess Returns vs. Category/Index



Calendar Year Performance

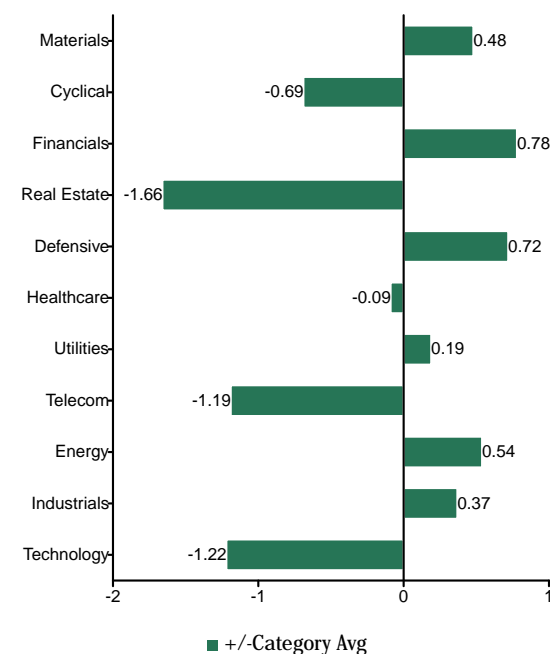
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|------|-------|-------|
| VFIFX | 15.58 | 24.34 | 7.18 | -1.58 | 8.85 |
| Cat Avg | 15.27 | 21.24 | 5.65 | -1.88 | 8.23 |
| Index | 15.35 | 23.89 | 6.19 | -2.23 | 10.10 |
| Cat Rank | 48 | 31 | 18 | 48 | 31 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

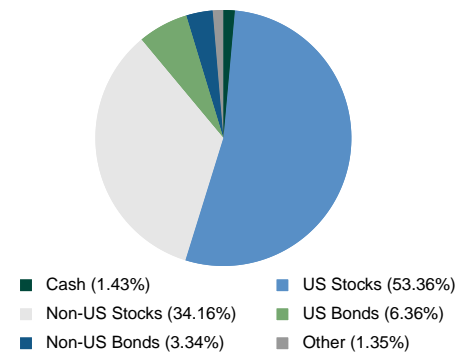


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



Vanguard Target Retirement 2055 Inv - VFFVX

Objective

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2055 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

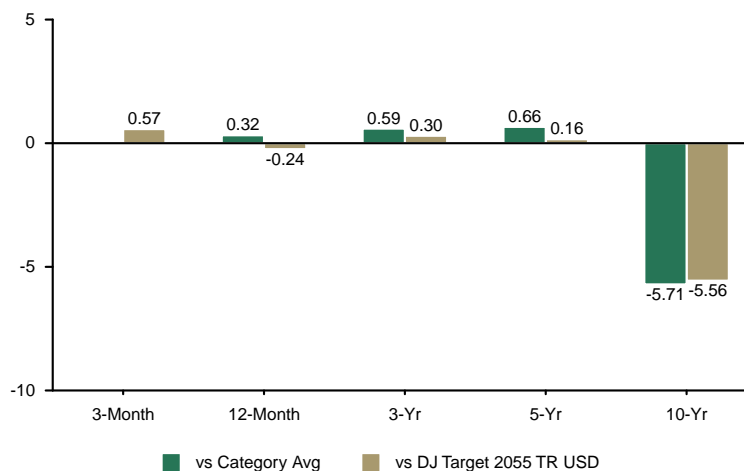
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 08/18/2010 |
| Manager Tenure | 4.41 |
| Assets(\$1000s) | \$4,973,698 |
| Net Exp Ratio | 0.16 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$35,627,630 |
| # of Holdings | 5 |
| % of Assets in Top 10 | 99.98 |

Risk Characteristics

| | VFFVX | Cat Avg |
|------------------------|-------|---------|
| 3 Yr Std Dev | 9.37 | 9.55 |
| 5 Yr Std Dev | 8.70 | 8.89 |
| 5 Yr Beta | 0.95 | 0.91 |
| 5 Yr Alpha | 0.69 | -1.12 |
| 5 Yr Sharpe | 1.24 | 1.15 |
| 5 Yr Information Ratio | 0.12 | -0.83 |
| 5 Yr Tracking Error | 1.35 | 3.02 |
| 5 Yr Upside Capture | 98.10 | 86.28 |
| 5 Yr Downside Capture | 93.63 | 94.12 |
| 5 Yr Batting Avg | 0.52 | 0.45 |

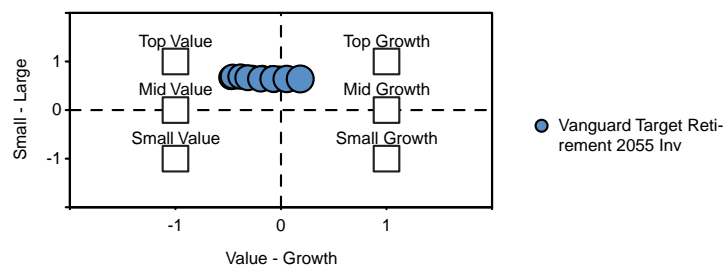
Excess Returns vs. Category/Index



Calendar Year Performance

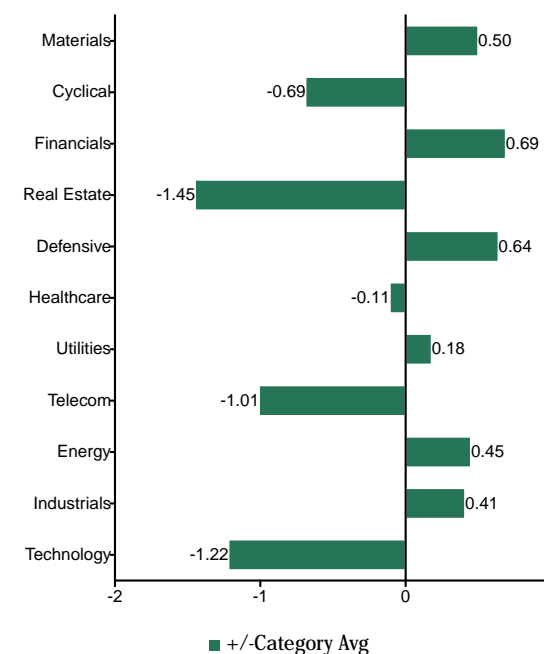
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|------|-------|-------|
| VFFVX | 15.58 | 24.33 | 7.19 | -1.72 | 8.88 |
| Cat Avg | 15.64 | 23.04 | 5.61 | -1.69 | 8.01 |
| Index | 15.35 | 23.89 | 6.19 | -2.23 | 10.11 |
| Cat Rank | 54 | 32 | 17 | 54 | 29 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

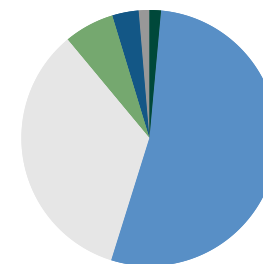


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|------------------------|--------------------|
| Cash (1.45%) | US Stocks (53.37%) |
| Non-US Stocks (34.15%) | US Bonds (6.34%) |
| Non-US Bonds (3.34%) | Other (1.35%) |

Vanguard Target Retirement 2060 Inv - VTTSX

Objective

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2060 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

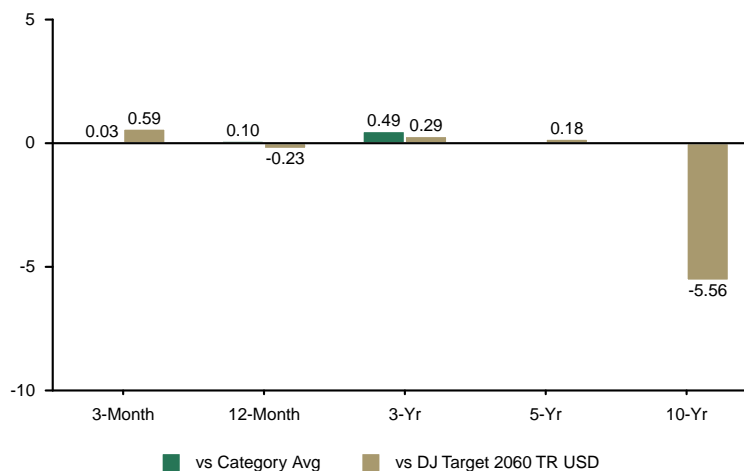
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 01/19/2012 |
| Manager Tenure | 4.41 |
| Assets(\$1000s) | \$1,810,797 |
| Net Exp Ratio | 0.16 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$35,622,580 |
| # of Holdings | 5 |
| % of Assets in Top 10 | 100.00 |

Risk Characteristics

| | VTTSX | Cat Avg |
|------------------------|-------|---------|
| 3 Yr Std Dev | 9.38 | 9.44 |
| 5 Yr Std Dev | 8.71 | 8.71 |
| 5 Yr Beta | 0.95 | 0.95 |
| 5 Yr Alpha | 0.69 | 1.30 |
| 5 Yr Sharpe | 1.24 | 1.24 |
| 5 Yr Information Ratio | 0.13 | 0.73 |
| 5 Yr Tracking Error | 1.35 | 1.22 |
| 5 Yr Upside Capture | 98.18 | 98.92 |
| 5 Yr Downside Capture | 93.64 | 87.72 |
| 5 Yr Batting Avg | 0.52 | 0.55 |

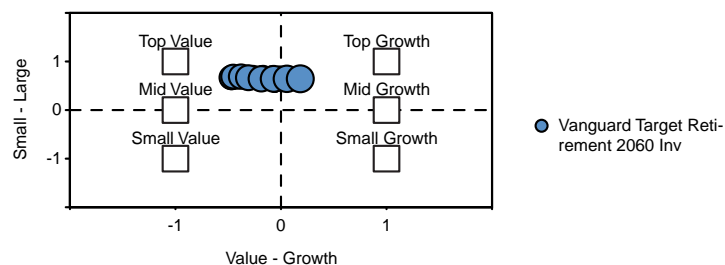
Excess Returns vs. Category/Index



Calendar Year Performance

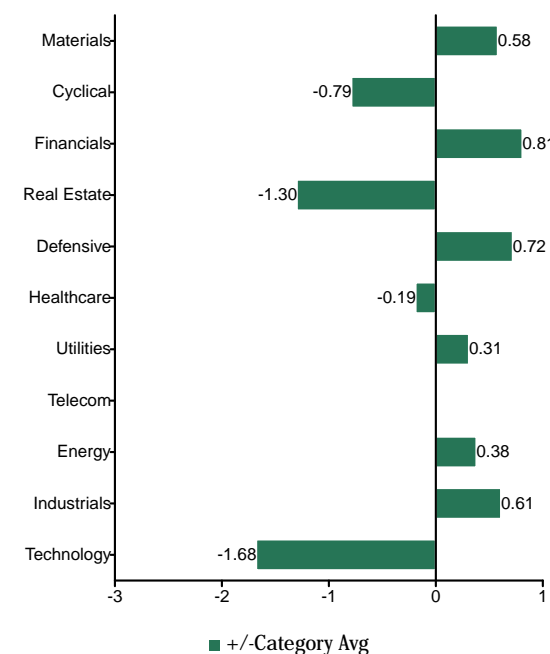
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|------|-------|-------|
| VTTSX | - | 24.35 | 7.16 | -1.68 | 8.84 |
| Cat Avg | - | 24.35 | 5.53 | -1.12 | 7.81 |
| Index | 15.35 | 23.89 | 6.19 | -2.23 | 10.10 |
| Cat Rank | - | 1 | 1 | 72 | 22 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

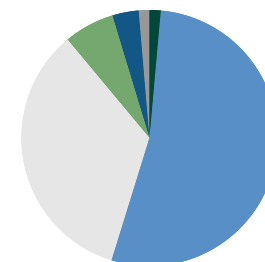


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|------------------------|--------------------|
| Cash (1.42%) | US Stocks (53.36%) |
| Non-US Stocks (34.17%) | US Bonds (6.37%) |
| Non-US Bonds (3.33%) | Other (1.35%) |

American Funds American Balanced R6 - RLBGX

Objective

The investment seeks conservation of capital, current income and long-term growth of capital and income. The fund uses a balanced approach to invest in a broad range of securities, including common stocks and investment-grade bonds. It also invests in securities issued and guaranteed by the U.S. government and by federal agencies and instrumentalities. In addition, the fund may invest a portion of its assets in common stocks, most of which have a history of paying dividends, bonds and other securities of issuers domiciled outside the United States.

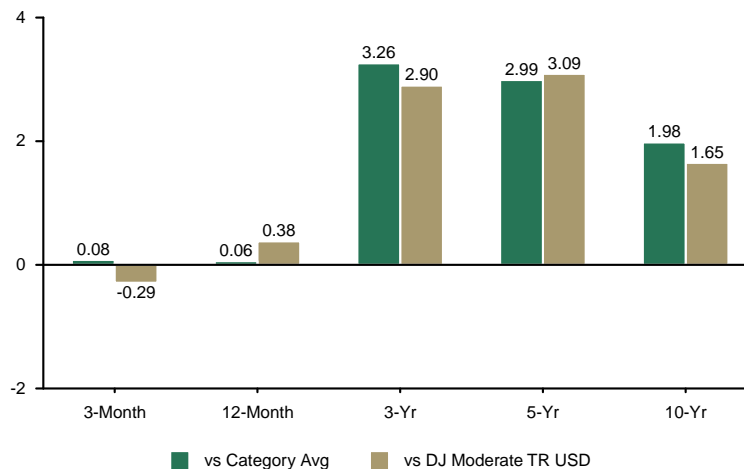
Statistics

| | |
|--------------------------|---------------|
| Inception Date | 07/25/1975 |
| Manager Tenure | 20.49 |
| Assets(\$1000s) | \$113,233,969 |
| Net Exp Ratio | 0.29 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$122,277,580 |
| # of Holdings | 1,645 |
| % of Assets in Top 10 | 21.22 |

Risk Characteristics

| | RLBGX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 6.78 | 7.10 |
| 5 Yr Std Dev | 6.47 | 6.60 |
| 5 Yr Beta | 0.96 | 1.03 |
| 5 Yr Alpha | 3.19 | -0.01 |
| 5 Yr Sharpe | 1.62 | 1.20 |
| 5 Yr Information Ratio | 1.16 | 0.15 |
| 5 Yr Tracking Error | 2.68 | 2.22 |
| 5 Yr Upside Capture | 116.81 | 102.03 |
| 5 Yr Downside Capture | 85.71 | 101.10 |
| 5 Yr Batting Avg | 0.60 | 0.52 |

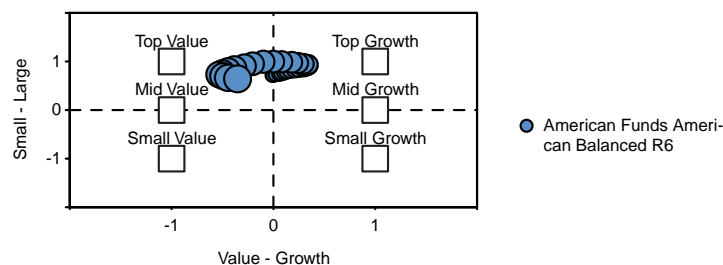
Excess Returns vs. Category/Index



Calendar Year Performance

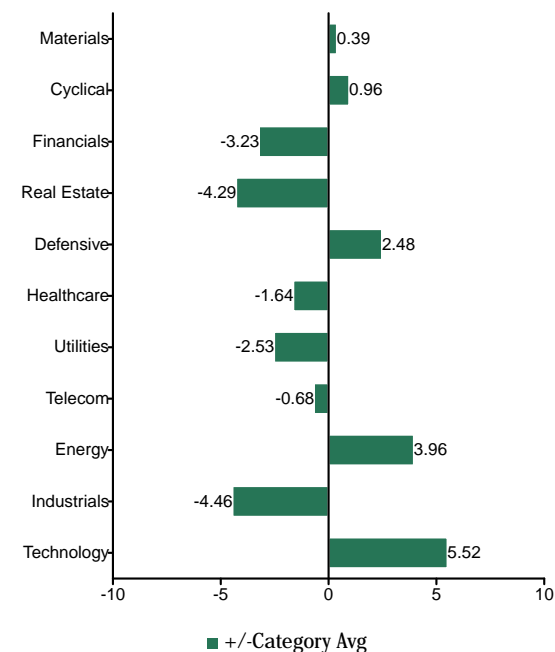
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|------|-------|------|
| RLBGX | 14.57 | 22.12 | 9.22 | 2.03 | 8.90 |
| Cat Avg | 11.99 | 16.72 | 6.16 | -2.06 | 7.49 |
| Index | 11.24 | 14.46 | 5.35 | -1.21 | 7.67 |
| Cat Rank | 6 | 8 | 17 | 3 | 21 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

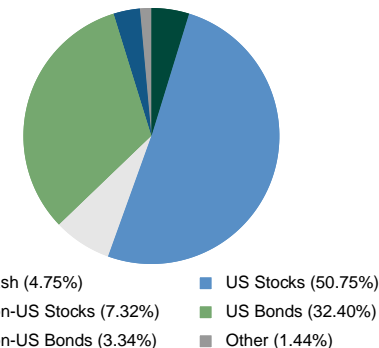


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



Vanguard Windsor™ II Inv - VWNFX

Objective

The investment seeks to provide long-term capital appreciation and income. The fund invests mainly in large- and mid-capitalization companies whose stocks are considered by an advisor to be undervalued. Undervalued stocks are generally those that are out of favor with investors and that the advisor believes are trading at prices that are below average in relation to measures such as earnings and book value. These stocks often have above-average dividend yields. It uses multiple investment advisors.

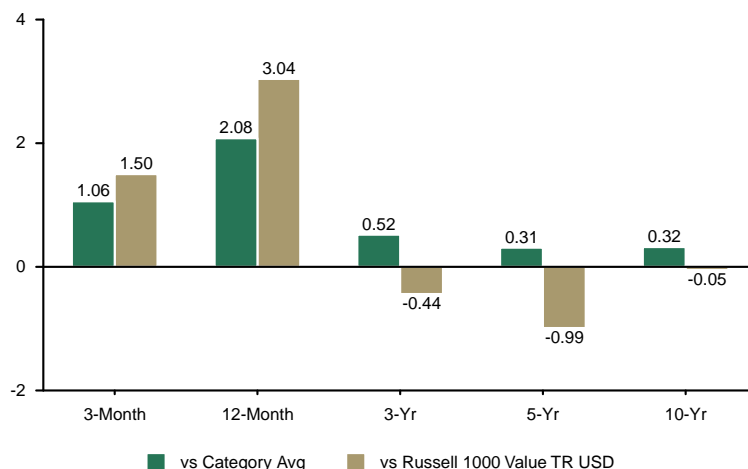
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 06/24/1985 |
| Manager Tenure | 13.58 |
| Assets(\$1000s) | \$48,730,937 |
| Net Exp Ratio | 0.33 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$79,117,900 |
| # of Holdings | 270 |
| % of Assets in Top 10 | 24.47 |

Risk Characteristics

| | VWNFX | Cat Avg |
|------------------------|-------|---------|
| 3 Yr Std Dev | 10.77 | 10.98 |
| 5 Yr Std Dev | 9.78 | 10.20 |
| 5 Yr Beta | 0.97 | 0.98 |
| 5 Yr Alpha | -0.44 | -0.83 |
| 5 Yr Sharpe | 1.28 | 1.22 |
| 5 Yr Information Ratio | -0.47 | -0.46 |
| 5 Yr Tracking Error | 2.08 | 3.17 |
| 5 Yr Upside Capture | 95.20 | 93.96 |
| 5 Yr Downside Capture | 98.44 | 98.66 |
| 5 Yr Batting Avg | 0.47 | 0.45 |

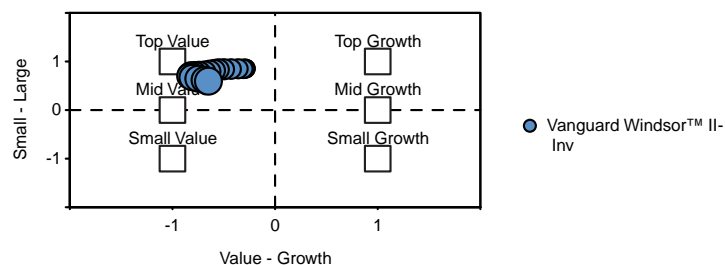
Excess Returns vs. Category/Index



Calendar Year Performance

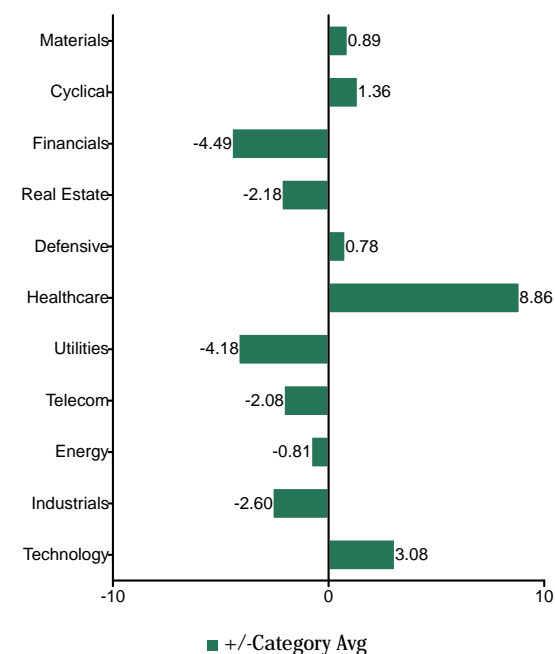
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|-------|-------|-------|
| VWNFX | 16.72 | 30.69 | 11.16 | -3.22 | 13.41 |
| Cat Avg | 14.87 | 31.72 | 10.73 | -3.77 | 14.88 |
| Index | 17.51 | 32.53 | 13.45 | -3.83 | 17.34 |
| Cat Rank | 30 | 65 | 47 | 44 | 65 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

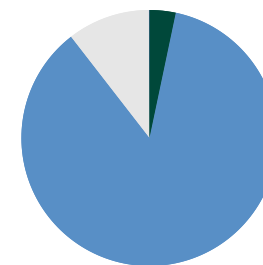


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|------------------------|--------------------|
| Cash (3.30%) | US Stocks (86.20%) |
| Non-US Stocks (10.42%) | US Bonds (0.00%) |
| Non-US Bonds (0.00%) | Other (0.08%) |

Vanguard 500 Index Admiral - VFIAX

Objective

The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

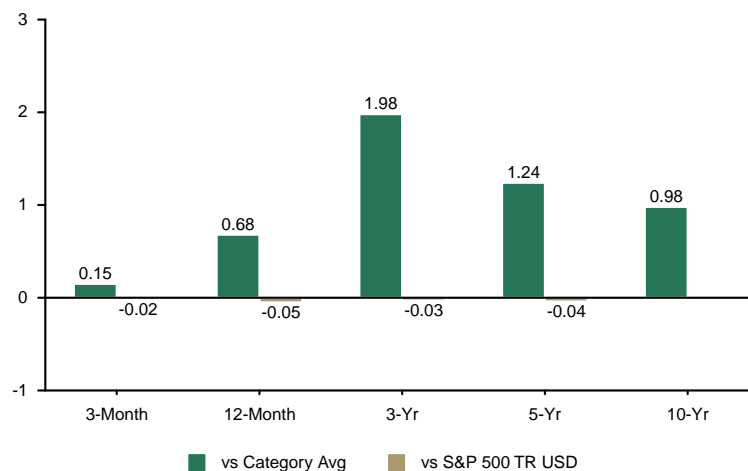
Statistics

| | |
|--------------------------|---------------|
| Inception Date | 08/31/1976 |
| Manager Tenure | 1.25 |
| Assets(\$1000s) | \$329,361,723 |
| Net Exp Ratio | 0.04 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$88,194,830 |
| # of Holdings | 517 |
| % of Assets in Top 10 | 18.96 |

Risk Characteristics

| | VFIAX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 10.35 | 10.66 |
| 5 Yr Std Dev | 9.56 | 9.96 |
| 5 Yr Beta | 1.00 | 0.99 |
| 5 Yr Alpha | -0.03 | -1.07 |
| 5 Yr Sharpe | 1.46 | 1.30 |
| 5 Yr Information Ratio | -3.31 | -0.62 |
| 5 Yr Tracking Error | 0.01 | 2.45 |
| 5 Yr Upside Capture | 99.86 | 96.05 |
| 5 Yr Downside Capture | 100.10 | 104.53 |
| 5 Yr Batting Avg | 0.17 | 0.43 |

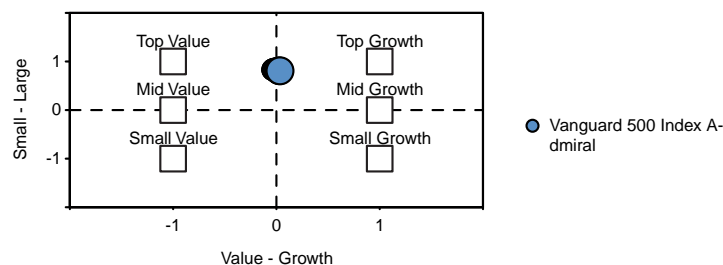
Excess Returns vs. Category/Index



Calendar Year Performance

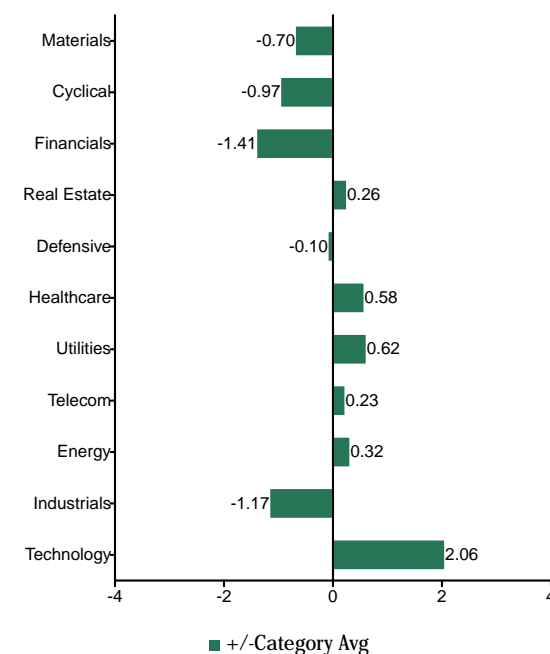
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|-------|-------|-------|
| VFIAX | 15.96 | 32.33 | 13.64 | 1.36 | 11.93 |
| Cat Avg | 15.31 | 32.20 | 11.44 | -0.76 | 10.45 |
| Index | 16.00 | 32.39 | 13.69 | 1.38 | 11.96 |
| Cat Rank | 41 | 46 | 18 | 21 | 28 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

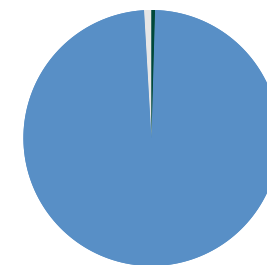


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|-----------------------|--------------------|
| Cash (0.45%) | US Stocks (98.63%) |
| Non-US Stocks (0.91%) | US Bonds (0.01%) |
| Non-US Bonds (0.00%) | Other (0.00%) |

Vanguard Growth Index Admiral - VIGAX

Objective

The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization growth stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Large Cap Growth Index, a broadly diversified index predominantly made up of growth stocks of large U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

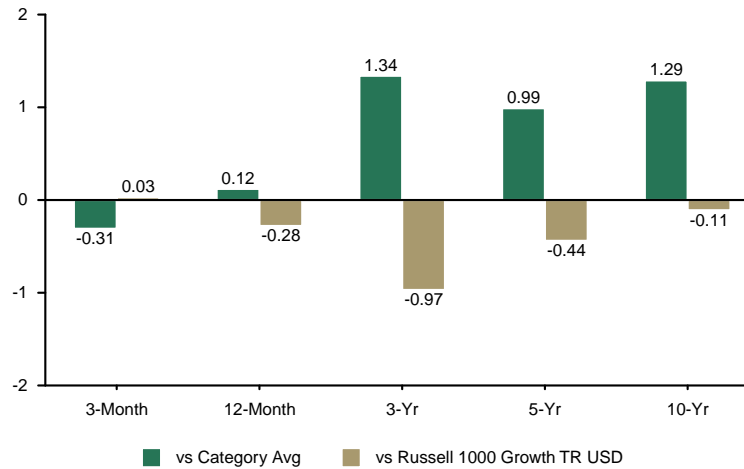
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 11/02/1992 |
| Manager Tenure | 22.58 |
| Assets(\$1000s) | \$64,163,498 |
| Net Exp Ratio | 0.06 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$83,458,830 |
| # of Holdings | 330 |
| % of Assets in Top 10 | 28.98 |

Risk Characteristics

| | VIGAX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 11.50 | 11.66 |
| 5 Yr Std Dev | 10.56 | 11.01 |
| 5 Yr Beta | 1.04 | 1.02 |
| 5 Yr Alpha | -0.96 | -1.46 |
| 5 Yr Sharpe | 1.35 | 1.23 |
| 5 Yr Information Ratio | -0.38 | -0.45 |
| 5 Yr Tracking Error | 1.19 | 3.80 |
| 5 Yr Upside Capture | 101.87 | 97.28 |
| 5 Yr Downside Capture | 109.94 | 108.39 |
| 5 Yr Batting Avg | 0.52 | 0.48 |

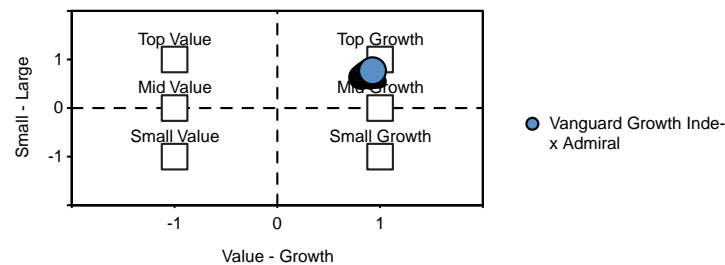
Excess Returns vs. Category/Index



Calendar Year Performance

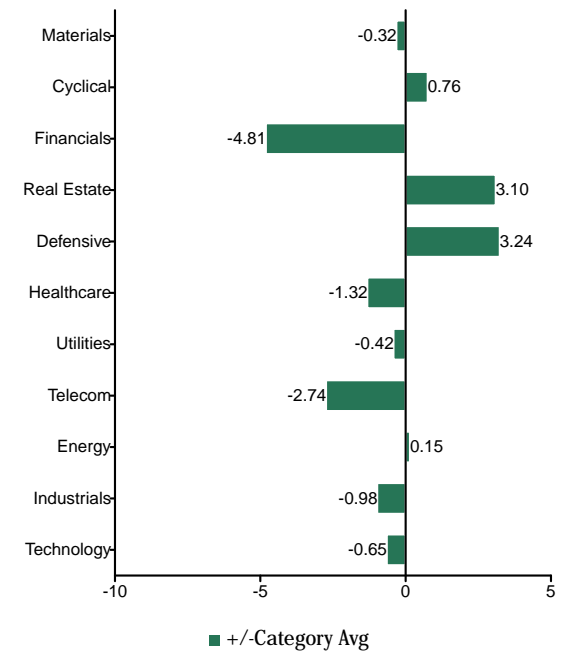
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|-------|------|------|
| VIGAX | 17.01 | 32.40 | 13.63 | 3.30 | 6.12 |
| Cat Avg | 15.70 | 34.70 | 10.33 | 4.01 | 3.19 |
| Index | 15.26 | 33.48 | 13.05 | 5.67 | 7.08 |
| Cat Rank | 34 | 70 | 17 | 58 | 28 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

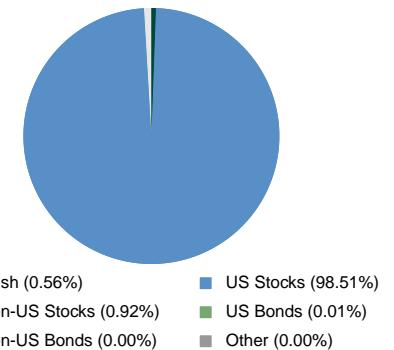


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



Vanguard Selected Value Inv - VASVX

Objective

The investment seeks long-term capital appreciation and income. The fund invests mainly in the stocks of mid-size U.S. companies, choosing stocks considered by an advisor to be undervalued. Undervalued stocks are generally those that are out of favor with investors and are trading at prices that the advisor believes are below average in relation to measures such as earnings and book value. These stocks often have above-average dividend yields. It uses multiple investment advisors.

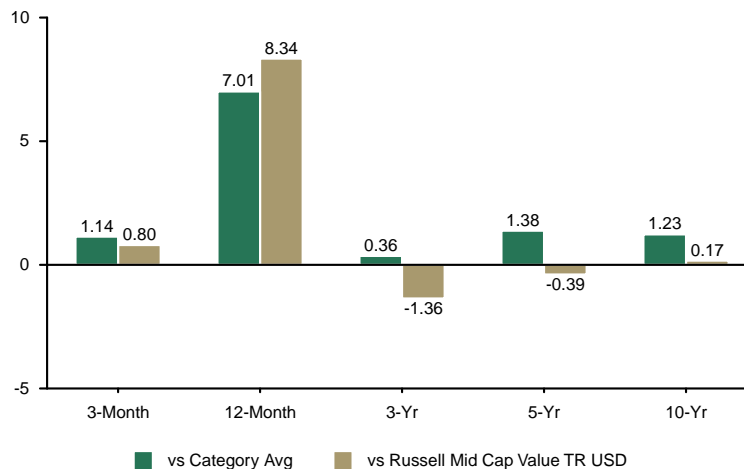
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 02/15/1996 |
| Manager Tenure | 18.33 |
| Assets(\$1000s) | \$10,195,850 |
| Net Exp Ratio | 0.35 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$10,441,770 |
| # of Holdings | 125 |
| % of Assets in Top 10 | 20.09 |

Risk Characteristics

| | VASVX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 12.36 | 12.10 |
| 5 Yr Std Dev | 11.11 | 11.23 |
| 5 Yr Beta | 1.00 | 1.02 |
| 5 Yr Alpha | -0.19 | -1.82 |
| 5 Yr Sharpe | 1.28 | 1.18 |
| 5 Yr Information Ratio | -0.09 | -0.51 |
| 5 Yr Tracking Error | 4.21 | 3.74 |
| 5 Yr Upside Capture | 99.43 | 96.01 |
| 5 Yr Downside Capture | 102.70 | 108.66 |
| 5 Yr Batting Avg | 0.58 | 0.44 |

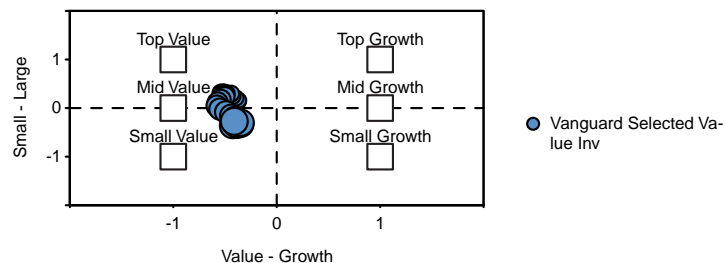
Excess Returns vs. Category/Index



Calendar Year Performance

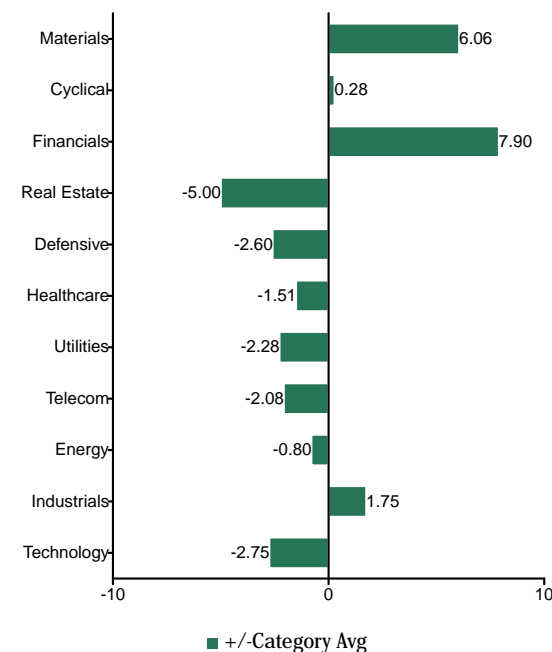
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|-------|-------|-------|
| VASVX | 15.25 | 42.04 | 6.36 | -3.80 | 16.34 |
| Cat Avg | 16.36 | 35.04 | 9.62 | -5.50 | 18.08 |
| Index | 18.51 | 33.46 | 14.75 | -4.78 | 20.00 |
| Cat Rank | 71 | 7 | 83 | 34 | 63 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

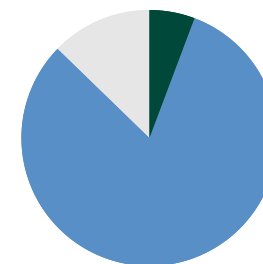


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|------------------------|--------------------|
| Cash (5.73%) | US Stocks (81.53%) |
| Non-US Stocks (12.73%) | US Bonds (0.00%) |
| Non-US Bonds (0.00%) | Other (0.01%) |

Vanguard Mid Cap Index Admiral - VIMAX

Objective

The investment seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Mid Cap Index, a broadly diversified index of stocks of mid-size U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

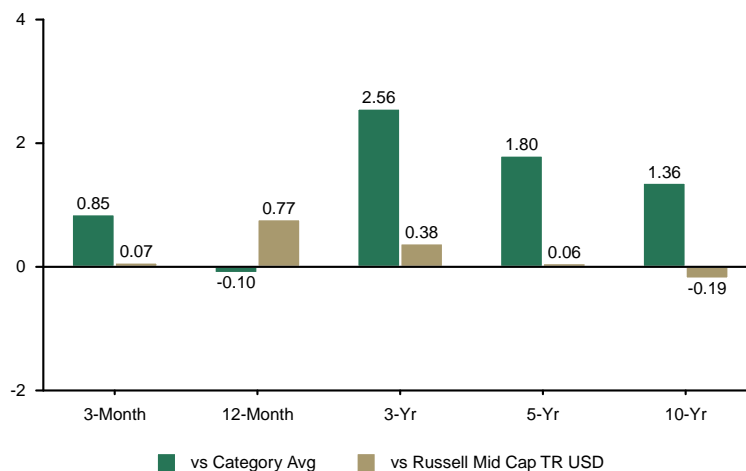
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 05/21/1998 |
| Manager Tenure | 19.17 |
| Assets(\$1000s) | \$86,814,391 |
| Net Exp Ratio | 0.06 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$13,022,810 |
| # of Holdings | 358 |
| % of Assets in Top 10 | 7.54 |

Risk Characteristics

| | VIMAX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 11.25 | 11.98 |
| 5 Yr Std Dev | 10.45 | 11.16 |
| 5 Yr Beta | 1.00 | 0.99 |
| 5 Yr Alpha | 0.07 | -1.39 |
| 5 Yr Sharpe | 1.36 | 1.15 |
| 5 Yr Information Ratio | 0.05 | -0.52 |
| 5 Yr Tracking Error | 1.08 | 4.08 |
| 5 Yr Upside Capture | 100.03 | 94.44 |
| 5 Yr Downside Capture | 99.45 | 104.14 |
| 5 Yr Batting Avg | 0.53 | 0.46 |

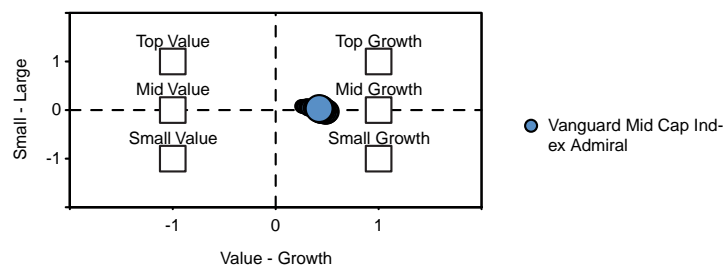
Excess Returns vs. Category/Index



Calendar Year Performance

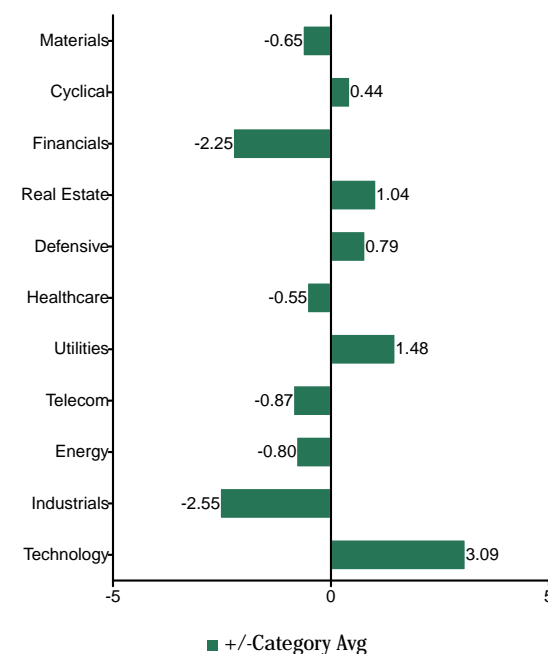
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|-------|-------|-------|
| VIMAX | 15.99 | 35.15 | 13.76 | -1.34 | 11.22 |
| Cat Avg | 16.89 | 34.72 | 8.63 | -4.36 | 14.00 |
| Index | 17.28 | 34.76 | 13.22 | -2.44 | 13.80 |
| Cat Rank | 65 | 42 | 11 | 20 | 73 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

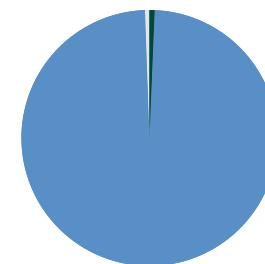


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|-----------------------|--------------------|
| Cash (0.65%) | US Stocks (98.79%) |
| Non-US Stocks (0.55%) | US Bonds (0.01%) |
| Non-US Bonds (0.00%) | Other (0.00%) |

Vanguard Mid Cap Growth Inv - VMGRX

Objective

The investment seeks to provide long-term capital appreciation. The fund invests at least 80% of its assets in common stocks of mid-size companies. In selecting investments, each advisor invests in those mid-size companies that the adviser believes have the best prospects for future growth. The fund uses multiple investment advisors.

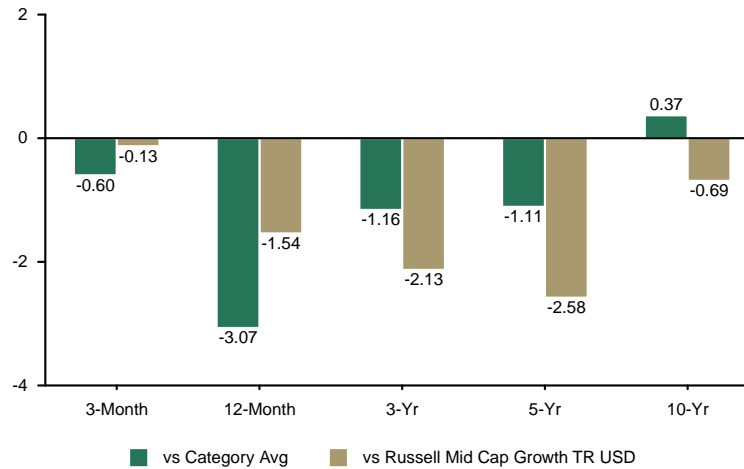
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 12/31/1997 |
| Manager Tenure | 11.08 |
| Assets(\$1000s) | \$4,178,633 |
| Net Exp Ratio | 0.36 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$10,275,990 |
| # of Holdings | 110 |
| % of Assets in Top 10 | 18.28 |

Risk Characteristics

| | VMGRX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 12.00 | 12.52 |
| 5 Yr Std Dev | 11.34 | 11.71 |
| 5 Yr Beta | 1.01 | 1.00 |
| 5 Yr Alpha | -2.38 | -1.25 |
| 5 Yr Sharpe | 1.01 | 1.08 |
| 5 Yr Information Ratio | -0.96 | -0.43 |
| 5 Yr Tracking Error | 2.69 | 4.09 |
| 5 Yr Upside Capture | 96.85 | 97.05 |
| 5 Yr Downside Capture | 117.01 | 107.06 |
| 5 Yr Batting Avg | 0.45 | 0.47 |

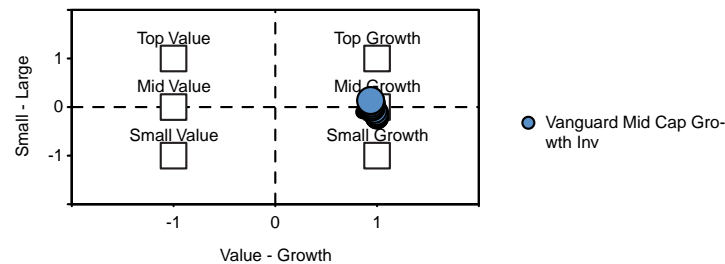
Excess Returns vs. Category/Index



Calendar Year Performance

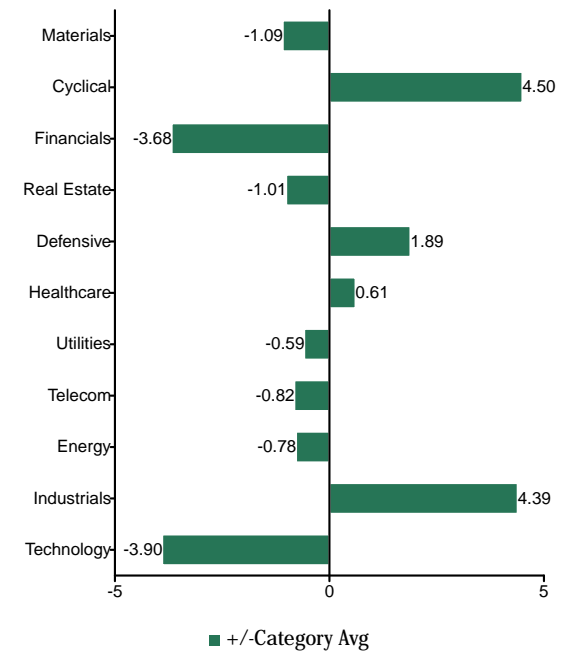
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|-------|-------|------|
| VMGRX | 14.84 | 34.15 | 10.86 | 0.21 | 0.44 |
| Cat Avg | 14.54 | 35.20 | 7.36 | -0.45 | 6.00 |
| Index | 15.81 | 35.74 | 11.90 | -0.20 | 7.33 |
| Cat Rank | 49 | 61 | 22 | 45 | 91 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

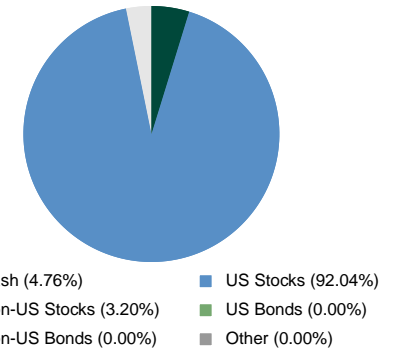


Monitoring Rating: Watch

Sector Allocation vs. Category



Asset Allocation



DFA US Small Cap I - DFSTX

Objective

The investment seeks long-term capital appreciation. The fund, using a market capitalization weighted approach, purchases a broad and diverse group of readily marketable securities of U.S. small cap companies. A company's market capitalization is the number of its shares outstanding times its price per share. In general, the higher the relative market capitalization of the U.S. small cap company, the greater its representation in the Portfolio.

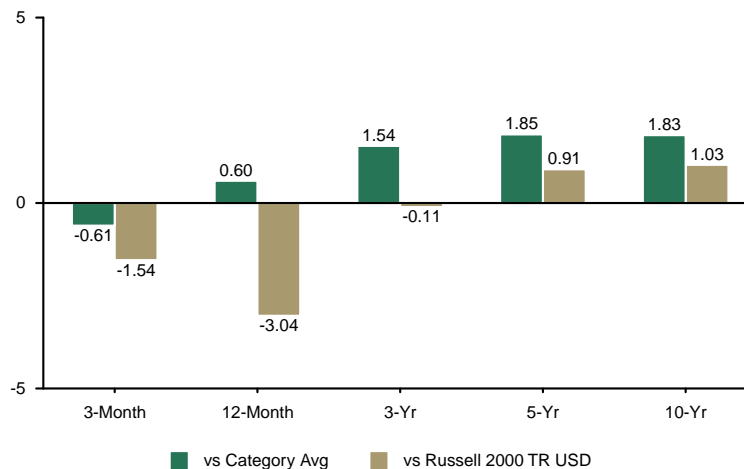
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 03/19/1992 |
| Manager Tenure | 5.41 |
| Assets(\$1000s) | \$15,876,245 |
| Net Exp Ratio | 0.37 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$1,757,790 |
| # of Holdings | 1,983 |
| % of Assets in Top 10 | 3.40 |

Risk Characteristics

| | DFSTX | Cat Avg |
|------------------------|-------|---------|
| 3 Yr Std Dev | 14.44 | 14.47 |
| 5 Yr Std Dev | 13.31 | 13.22 |
| 5 Yr Beta | 0.94 | 0.91 |
| 5 Yr Alpha | 1.48 | 0.34 |
| 5 Yr Sharpe | 1.08 | 0.97 |
| 5 Yr Information Ratio | 0.36 | -0.43 |
| 5 Yr Tracking Error | 2.48 | 3.95 |
| 5 Yr Upside Capture | 96.67 | 90.17 |
| 5 Yr Downside Capture | 87.91 | 87.53 |
| 5 Yr Batting Avg | 0.48 | 0.46 |

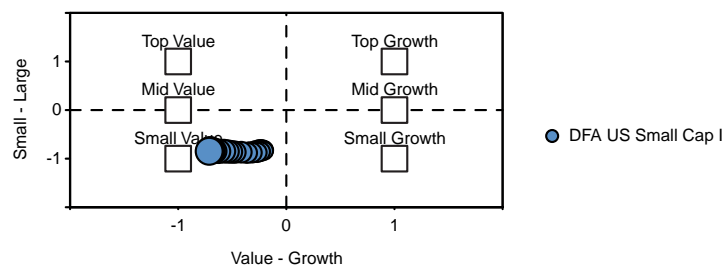
Excess Returns vs. Category/Index



Calendar Year Performance

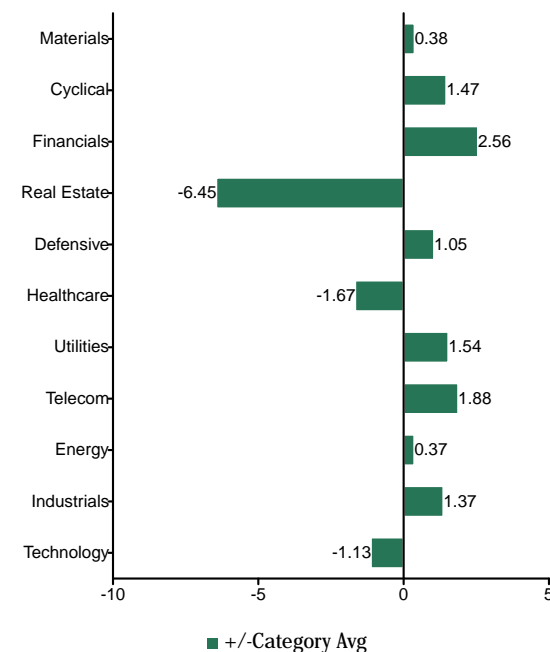
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|------|-------|-------|
| DFSTX | 18.39 | 42.21 | 4.44 | -3.29 | 23.53 |
| Cat Avg | 15.59 | 38.01 | 4.11 | -5.29 | 20.82 |
| Index | 16.35 | 38.82 | 4.89 | -4.41 | 21.31 |
| Cat Rank | 19 | 19 | 56 | 31 | 30 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

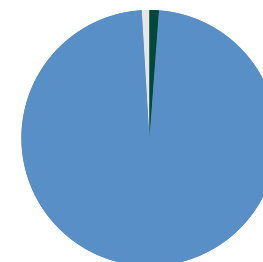


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|-----------------------|--------------------|
| Cash (1.18%) | US Stocks (97.86%) |
| Non-US Stocks (0.95%) | US Bonds (0.00%) |
| Non-US Bonds (0.00%) | Other (0.01%) |

Vanguard Small Cap Index Adm - VSMAX

Objective

The investment seeks to track the performance of a benchmark index that measures the investment return of small-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Small Cap Index, a broadly diversified index of stocks of small U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

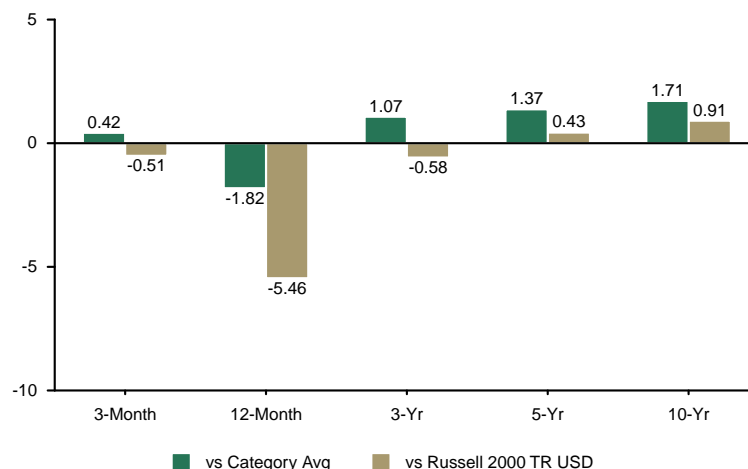
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 10/03/1960 |
| Manager Tenure | 1.25 |
| Assets(\$1000s) | \$76,879,825 |
| Net Exp Ratio | 0.06 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$3,505,340 |
| # of Holdings | 1,437 |
| % of Assets in Top 10 | 2.89 |

Risk Characteristics

| | VSMAX | Cat Avg |
|------------------------|-------|---------|
| 3 Yr Std Dev | 13.28 | 14.47 |
| 5 Yr Std Dev | 12.20 | 13.22 |
| 5 Yr Beta | 0.86 | 0.91 |
| 5 Yr Alpha | 2.04 | 0.34 |
| 5 Yr Sharpe | 1.14 | 0.97 |
| 5 Yr Information Ratio | 0.14 | -0.43 |
| 5 Yr Tracking Error | 3.01 | 3.95 |
| 5 Yr Upside Capture | 90.05 | 90.17 |
| 5 Yr Downside Capture | 78.38 | 87.53 |
| 5 Yr Batting Avg | 0.60 | 0.46 |

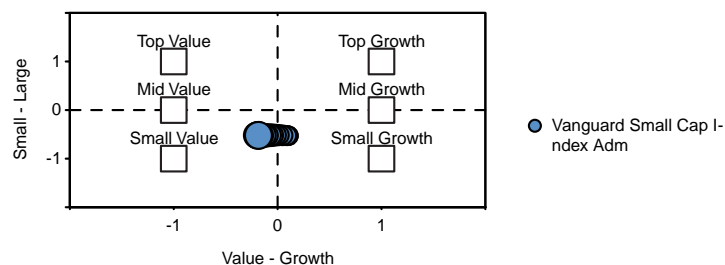
Excess Returns vs. Category/Index



Calendar Year Performance

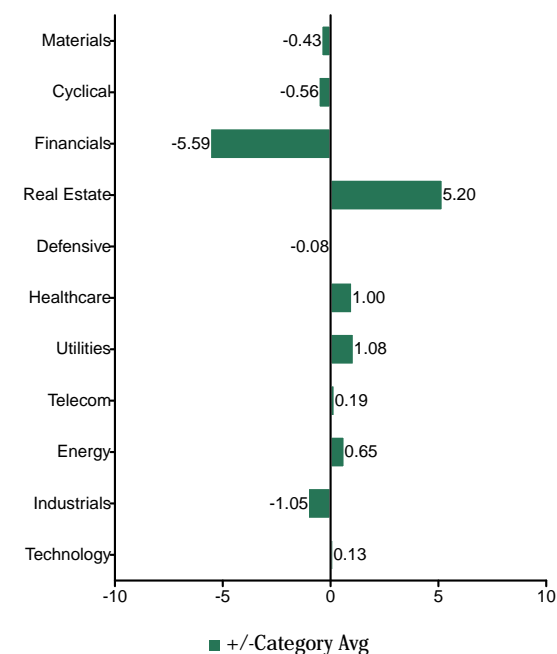
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|------|-------|-------|
| VSMAX | 18.24 | 37.81 | 7.50 | -3.64 | 18.30 |
| Cat Avg | 15.59 | 38.01 | 4.11 | -5.29 | 20.82 |
| Index | 16.35 | 38.82 | 4.89 | -4.41 | 21.31 |
| Cat Rank | 21 | 50 | 16 | 35 | 72 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

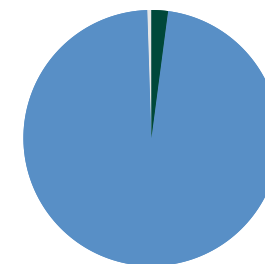


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|-----------------------|--------------------|
| Cash (2.08%) | US Stocks (97.40%) |
| Non-US Stocks (0.50%) | US Bonds (0.02%) |
| Non-US Bonds (0.00%) | Other (0.00%) |

Vanguard Total Intl Stock Index Admiral - VTIAAX

Objective

The investment seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States. The fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The index includes approximately 5,800 stocks of companies located in over 45 countries.

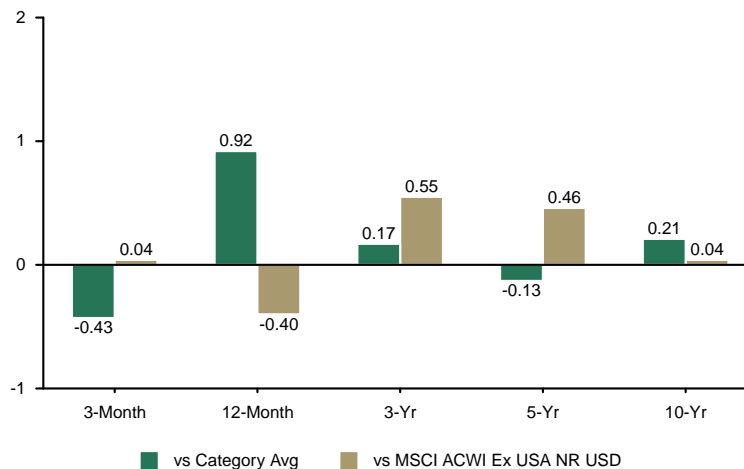
Statistics

| | |
|--------------------------|---------------|
| Inception Date | 04/29/1996 |
| Manager Tenure | 8.91 |
| Assets(\$1000s) | \$283,434,157 |
| Net Exp Ratio | 0.11 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$21,373,730 |
| # of Holdings | 6,108 |
| % of Assets in Top 10 | 7.63 |

Risk Characteristics

| | VTIAAX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 11.80 | 11.81 |
| 5 Yr Std Dev | 11.24 | 11.32 |
| 5 Yr Beta | 0.96 | 0.92 |
| 5 Yr Alpha | 0.68 | -0.12 |
| 5 Yr Sharpe | 0.70 | 0.72 |
| 5 Yr Information Ratio | 0.27 | -0.25 |
| 5 Yr Tracking Error | 1.71 | 3.62 |
| 5 Yr Upside Capture | 99.22 | 91.26 |
| 5 Yr Downside Capture | 95.43 | 92.28 |
| 5 Yr Batting Avg | 0.53 | 0.47 |

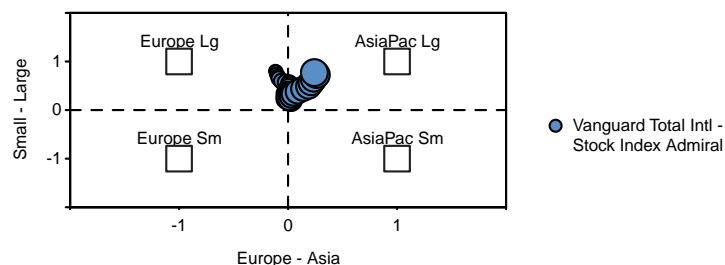
Excess Returns vs. Category/Index



Calendar Year Performance

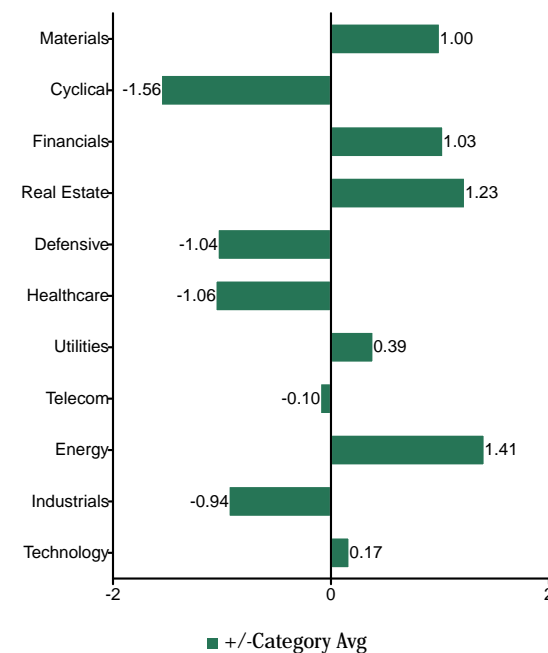
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|-------|-------|------|
| VTIAAX | 18.21 | 15.14 | -4.17 | -4.26 | 4.67 |
| Cat Avg | 17.89 | 19.33 | -5.12 | -1.67 | 0.97 |
| Index | 16.83 | 15.29 | -3.87 | -5.66 | 4.50 |
| Cat Rank | 42 | 82 | 30 | 80 | 12 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

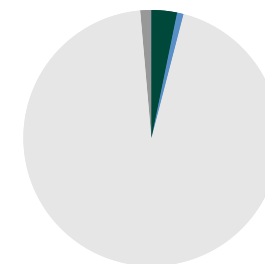


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



| | |
|------------------------|-------------------|
| Cash (3.21%) | US Stocks (0.82%) |
| Non-US Stocks (94.57%) | US Bonds (0.03%) |
| Non-US Bonds (0.00%) | Other (1.37%) |

American Funds Europacific Growth R6 - RERGX

Objective

The investment seeks long-term growth of capital. The fund invests primarily in common stocks of issuers in Europe and the Pacific Basin that the investment adviser believes have the potential for growth. Growth stocks are stocks that the investment adviser believes have the potential for above-average capital appreciation. It normally will invest at least 80% of its net assets in securities of issuers in Europe and the Pacific Basin. The fund may invest a portion of its assets in common stocks and other securities of companies in emerging markets.

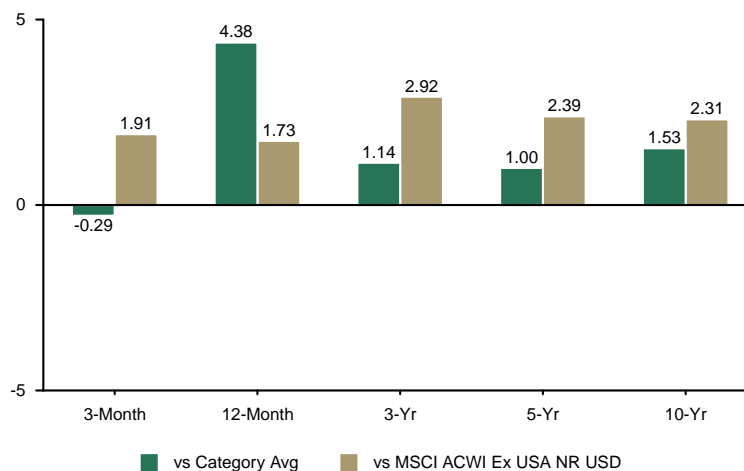
Statistics

| | |
|--------------------------|---------------|
| Inception Date | 04/16/1984 |
| Manager Tenure | 25.58 |
| Assets(\$1000s) | \$143,519,710 |
| Net Exp Ratio | 0.50 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$38,284,300 |
| # of Holdings | 376 |
| % of Assets in Top 10 | 19.18 |

Risk Characteristics

| | RERGX | Cat Avg |
|------------------------|-------|---------|
| 3 Yr Std Dev | 11.13 | 11.88 |
| 5 Yr Std Dev | 10.53 | 11.26 |
| 5 Yr Beta | 0.87 | 0.93 |
| 5 Yr Alpha | 3.10 | 0.13 |
| 5 Yr Sharpe | 0.91 | 0.78 |
| 5 Yr Information Ratio | 0.66 | -0.18 |
| 5 Yr Tracking Error | 3.61 | 4.05 |
| 5 Yr Upside Capture | 97.02 | 91.83 |
| 5 Yr Downside Capture | 78.16 | 90.60 |
| 5 Yr Batting Avg | 0.53 | 0.50 |

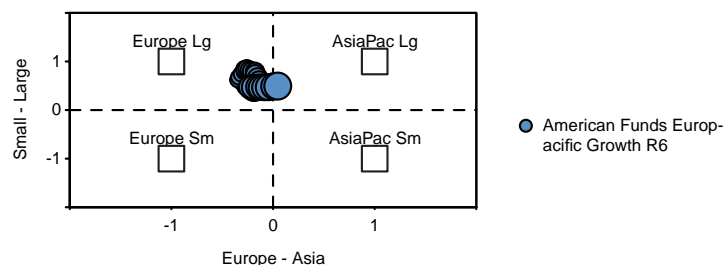
Excess Returns vs. Category/Index



Calendar Year Performance

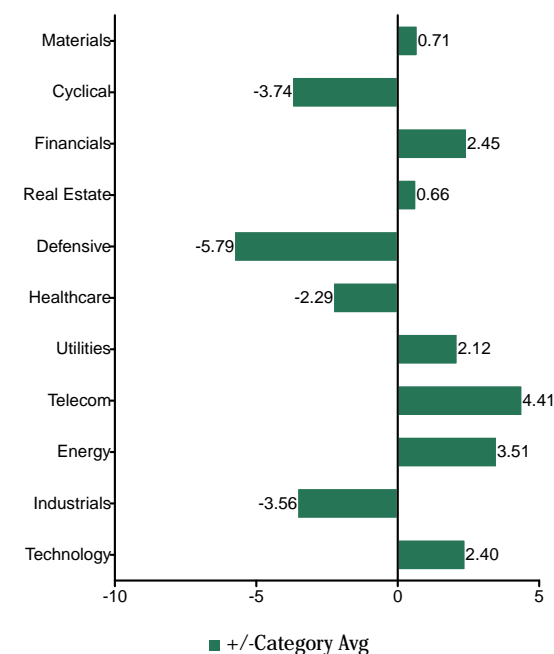
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|-------|-------|-------|
| RERGX | 19.64 | 20.58 | -2.29 | -0.48 | 1.01 |
| Cat Avg | 19.01 | 19.82 | -3.69 | 1.09 | -2.19 |
| Index | 16.83 | 15.29 | -3.87 | -5.66 | 4.50 |
| Cat Rank | 43 | 46 | 29 | 69 | 20 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

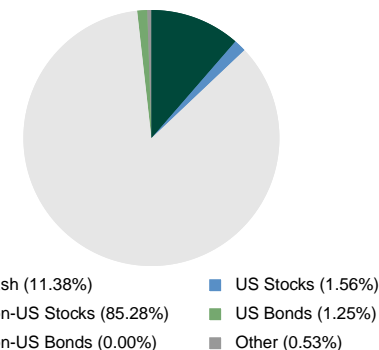


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



Vanguard Emerging Mkts Stock Idx Adm - VEMAX

Objective

The investment seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in emerging market countries. The fund employs an indexing investment approach designed to track the performance of the FTSE Emerging Markets All Cap China A Inclusion Index, a market-capitalization-weighted index that is made up of approximately 3,658 common stocks of large-, mid-, and small-cap companies located in emerging markets around the world.

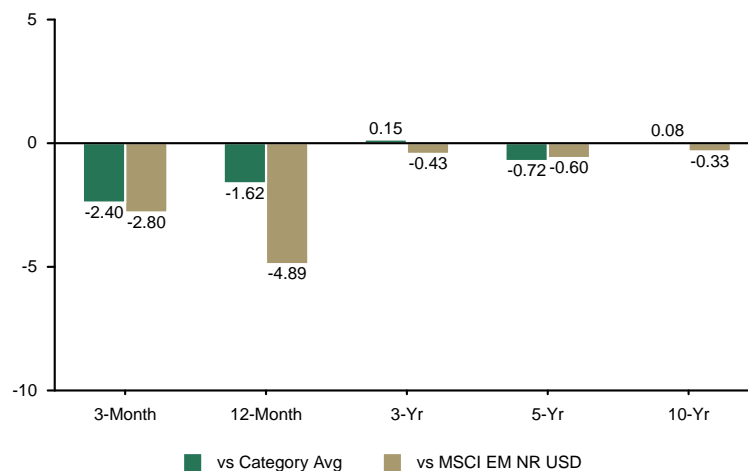
Statistics

| | |
|--------------------------|--------------|
| Inception Date | 05/04/1994 |
| Manager Tenure | 8.91 |
| Assets(\$1000s) | \$76,766,511 |
| Net Exp Ratio | 0.14 |
| 12b-1 Fees | - |
| Average Mkt Cap(\$1000s) | \$14,755,430 |
| # of Holdings | 4,021 |
| % of Assets in Top 10 | 16.20 |

Risk Characteristics

| | VEMAX | Cat Avg |
|------------------------|--------|---------|
| 3 Yr Std Dev | 15.69 | 14.81 |
| 5 Yr Std Dev | 14.46 | 13.75 |
| 5 Yr Beta | 0.99 | 0.89 |
| 5 Yr Alpha | -0.53 | 0.53 |
| 5 Yr Sharpe | 0.29 | 0.35 |
| 5 Yr Information Ratio | -0.26 | -0.02 |
| 5 Yr Tracking Error | 2.27 | 4.98 |
| 5 Yr Upside Capture | 99.03 | 90.89 |
| 5 Yr Downside Capture | 102.08 | 88.59 |
| 5 Yr Batting Avg | 0.53 | 0.51 |

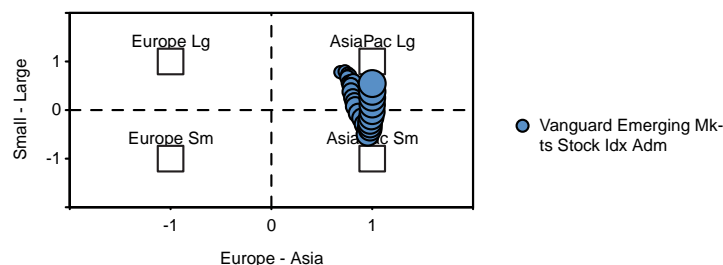
Excess Returns vs. Category/Index



Calendar Year Performance

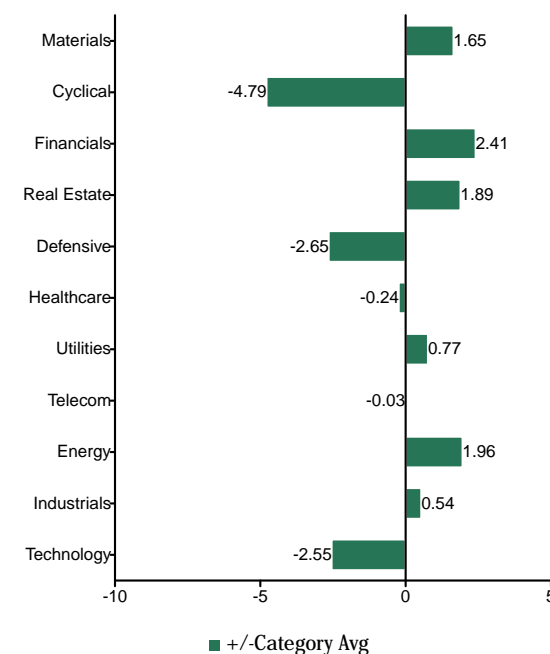
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|-------|--------|-------|
| VEMAX | 18.86 | -5.02 | 0.60 | -15.35 | 11.73 |
| Cat Avg | 19.17 | 0.34 | -2.84 | -13.78 | 8.59 |
| Index | 18.22 | -2.60 | -2.19 | -14.92 | 11.19 |
| Cat Rank | 54 | 80 | 18 | 64 | 28 |

Equity- 12 Month Moving Windows: Jun 2007 - Jun 2017

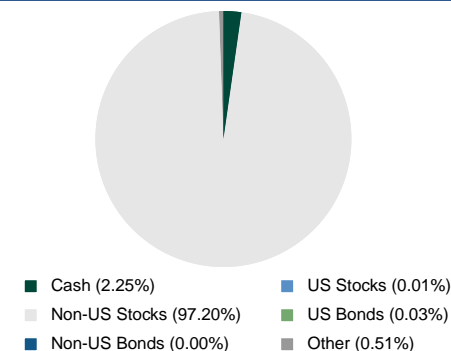


Monitoring Rating: Pass

Sector Allocation vs. Category



Asset Allocation



ABOUT YOUR REPORT

Disclosures

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Domestic Equity: Large Blend: Russell 1000 Index. Large Value: Russell 1000 Value. Large Growth: Russell 1000 Growth. Mid Blend: Russell Mid Cap. Mid Growth: Russell Mid Cap Growth. Mid Value: Russell Mid Cap Value. Small Blend: Russell 2000. Small Growth: Russell 2000 Growth. Small Value: Russell 2000 Value. Source: Bloomberg

Fixed Income: Bloomberg Barclays Treasury 5-7 Yr. Index. Bloomberg Barclays U.S. Corporate 5-10 Yr. Bloomberg Barclays High Yield. Bloomberg Barclays Municipals. Bloomberg Barclays Global Aggregate ex-U.S. Bloomberg Barclays U.S. Aggregate. Bloomberg Barclays U.S. MBS. Source: Bloomberg

Sector Return: Materials, Utilities, Industrials, Financials, Consumer Discretionary, Health Care, Real Estate, Consumer Staples, Energy, Telecommunications, Information Technology. Source: Bloomberg

Market Valuation: S&P 500 Index. Source: Bloomberg

Internationals: MSCI ACWI NR LCL, MSCI ACWI NR USD, MSCI ACWI Ex USA NR LCL, MSCI ACWI Ex USA NR USD, MSCI EAFE NR LCL, MSCI EAFE NR USD, MSCI Europe Ex UK NR LCL, MSCI Europe Ex UK NR USD, MSCI Pacific Ex Japan NR LCL, MSCI Pacific Ex Japan NR USD, MSCI EM NR LCL, MSCI EM NR USD, MSCI United Kingdom NR LCL, MSCI United Kingdom NR USD. Source: Morningstar

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CBIZ Retirement Plan Services makes watch-list determinations based on the lowest cost share class available.

Investment commentary may be based on a different share-class than the investment option in your plan.

Glossary of Terms

Alpha

The excess return of the fund relative to the return of the benchmark index. Alpha is a measure of performance on a risk(beta)-adjusted basis.

Annualized Returns

Returns for periods longer than one year are expressed as "annualized returns." This is equivalent to the compound rate of return which, over a certain period of time, would produce a fund's total return over that same period.

Assets Under Management (AUM)

The net assets of all share classes of the fund.

Batting Average

A measure of a manager's consistency to outperform. It is calculated by dividing the number of months in which the manager exceeded or matched the fund's primary benchmark index by the total number of months in the period. For example, a manager who exceeds the benchmark half of the time would have a batting average of 50.

Beta

A measure of systematic risk, or the sensitivity of a manager to movements in the benchmark. A beta of 1 implies that you can expect the movement of a manager's return series to match that of the benchmark used to measure beta.

Rank in Category

This is the fund's total return percentile rank relative to all funds that have 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.

Downcapture

The average return of the investment during negative quarters divided by average return of benchmark during negative quarters. A downcapture of less than 100% means the fund performs better in down markets versus its category average. Please note, unlike other monitoring criteria, the most favorable rank in category is 100% least favorable is 1%.

Expense Ratio

The percentage of fund assets paid for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage cost. Fund expenses are reflected in the fund's N V. Sales charges are not included in the expense ratio.

Geometric Average Market Cap

The geometric mean of the market capitalization for all of the stocks owned by a fund.

Information Ratio

The Information Ratio is a risk-adjusted performance measure. It is similar in structure to the Sharpe Ratio as a ratio of excess return per unit of risk. The Information Ratio measures excess return and risk relative to a specific benchmark index. The Information Ratio is especially helpful for evaluating active managers. Index funds will typically have an Information Ratio close to zero, because these funds achieve very little excess return over the benchmark. In contrast, active managers deviate from the benchmark in an attempt to add value. The Information Ratio measures how much the fund outperformed the benchmark per unit of additional risk taken.

Mutual Fund

A type of investment company that offers for sale or has outstanding securities which it has issued and which are redeemable on demand by the fund at current net asset value. All owners in the fund share in the gains or losses of the fund.

Glossary of Terms

Net Asset Value (NAV)

Usually used in connection with investment companies to mean net asset value per share. An investment company computes its assets daily, or even twice daily, by totaling the market value of all securities owned. All liabilities are deducted, and the balance is divided by the number of shares outstanding. The resulting figure is the net asset value per share. The net asset value of a mutual fund (open-end investment company) is the bid and redemption price.

R-Squared(R²)

A measure of how well the variance of the manager returns and the variance of the benchmark returns are. An R-squared measure of 100 means that there is no variance in return between the manager and the benchmark.

Sharpe Ratio

A direct measure of reward-to-risk. Defined as $S(x) = (r_x - R_f) / \text{StdDev}(x)$ Where: x is some investment r_x is the average annual rate of return of X R_f is the best available rate of return of a "risk-free" security $\text{StdDev}(x)$ is the standard deviation of r_x Sharpe ratio measures the efficiency in the amount of risk taken as compared to the reward received for taking such risk.

Standard Deviation

A statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given fund. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

Style Drift

A measurement of how an investment is categorically assigned at a point in time vs. its prior assignment.

Turnover Ratio

A measure of the fund's trading activity which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets. A turnover ratio of 100% or more does not necessarily suggest that all securities in the portfolio have been traded. In practical terms, the resulting percentage loosely represents the percentage of the portfolio's holdings that have changed over the past year.

Tracking Error

A measure of the volatility of excess returns relative to a benchmark.

Upcapture

The average return of the investment during positive quarters divided by average return of benchmark during positive quarters.

Glossary of Abbreviations

Stable Value

| | |
|----|-------------------------|
| XT | Prime Money Market |
| MC | Multicurrency |
| TM | Money Market - Taxable |
| TF | Money Market - Tax-Free |
| VL | Stable Value |

Bonds

| | |
|----|--------------------------------------|
| IP | Inflation-Protected Bond |
| GS | Short Government |
| GI | Intermediate Government |
| GL | Long Government |
| UB | Ultrashort Bond |
| CS | Short-Term Bond |
| CI | Intermediate-Term Bond |
| CL | Long-Term Bond |
| MU | Multisector Bond |
| HY | High Yield Bond |
| IB | World Bond |
| EB | Emerging Markets Bond |
| TW | Corporate Bond |
| XP | Emerging-Markets Local Currency Bond |
| HM | High Yield Muni |

Hedged

| | |
|----|---------------------|
| NE | Market Neutral |
| LO | Long-Short Equity |
| LN | Leveraged Net Long |
| TV | Tactical Allocation |
| GY | Multialternative |
| XS | Long-Short Credit |
| VO | Volatility |
| FF | Managed Futures |

Target Date

| | |
|----|-----------------------|
| RI | Retirement Income |
| TA | Target Date 2000-2010 |
| TD | Target Date 2015 |
| TE | Target Date 2020 |
| TG | Target Date 2025 |
| TH | Target Date 2030 |
| TJ | Target Date 2040 |
| TK | Target Date 2045 |
| TN | Target Date 2050 |
| TL | Target Date 2055 |
| XQ | Target Date 2060+ |

Glossary of Abbreviations

Balanced /Lifestyle /Asset Allocations

| | |
|----|--------------------------------|
| XY | Allocation – 15% to 30% Equity |
| CA | Allocation – 30% to 50% Equity |
| MA | Allocation – 50% to 70% Equity |
| AL | Allocation – 85%+ Equity |
| IH | World Allocation |

Domestic Equity

| | |
|----|----------------|
| LV | Large Value |
| LB | Large Blend |
| LG | Large Growth |
| MV | Mid-Cap Value |
| MB | Mid-Cap Blend |
| MG | Mid-Cap Growth |
| SV | Small Value |
| SB | Small Blend |
| SG | Small Growth |

Foreign Equity

| | |
|----|------------------------------|
| WS | World Stock |
| FV | Foreign Large Value |
| FB | Foreign Large Blend |
| FG | Foreign Large Growth |
| FA | Foreign Small/Mid Value |
| FQ | Foreign Small/Mid Blend |
| FR | Foreign Small/Mid Growth |
| EM | Diversified Emerging Markets |

Foreign Country/Regional Equity

| | |
|----|-----------------------------|
| CH | China Region |
| DP | Diversified Pacific/Asia |
| ES | Europe Stock |
| JS | Japan Stock |
| LS | Latin America Stock |
| PJ | Pacific/Asia ex-Japan Stock |
| MQ | Miscellaneous region |

Sector

| | |
|----|------------------------|
| XO | Infrastructure |
| SC | Communications |
| CD | Consumer Discretionary |
| CC | Consumer Staples |
| CV | Convertibles |
| EE | Equity Energy |
| EI | Indian Equity |
| SP | Equity Precious Metals |
| SF | Financial |
| SH | Health |
| ID | Industrials |
| MR | Miscellaneous Sector |
| SN | Natural Resources |
| SR | Real Estate |
| ST | Technology |
| SU | Utilities |
| GR | Global Real Estate |

Glossary of Abbreviations

Commodities

| | |
|----|-------------------------------|
| AA | Commodities Agriculture |
| BB | Commodities Broad Basket |
| CE | Commodities Energy |
| IM | Commodities Industrial Metals |
| CM | Commodities Miscellaneous |
| CP | Commodities Precious Metals |

Other

| | |
|----|-----------------|
| BL | Bank Loan |
| BM | Bear Market |
| RR | Preferred Stock |
| FX | Single Currency |

Thank you for your business!

In the previous sections, we provided a current analysis of the asset allocation of the plan and quantitative benchmarking performance data of each of your plan's investment options. We strongly support your desire to prudently manage your plan and provide this review as documentation of the skill applied and care taken to uphold your fiduciary role. Thank you for allowing us to assist you in your efforts to manage your plan.

CBIZ Retirement Plan Services

By: _____

Date: _____

Client Acknowledgement

By: _____

Date: _____