



Everett School Employee Benefit Trust

Money Market Manager Search Report
April 2016

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Section 1

Everett School Employee Benefit Trust

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Section 1: Background and Search Criteria

This document has been prepared to provide analysis of several potential fund candidates in the Money Market asset class. In light of the upcoming regulatory changes, the Trust seeks to identify an eligible fund for use in its investment portfolio. The current option, the Fidelity Money Market Fund, is expected to be reclassified as "retail", which may entail greater potential for liquidity gates and redemption fees during periods of market stress. As such, a manager search has been assembled to review options. In anticipation of the implementation of the SEC's money market reforms, all of the replacement options presented are US government funds (which are not required to impose liquidity gates and redemption fees during periods of market stress).

The Hyas Group seeks to evaluate managers over a full market cycle, during which time a manager are expected to have adequate opportunities to add value through their specific investment approach. In the case of the current option, we believe the trailing five-year period incorporates a broad enough range of market environments to be considered representative of a market cycle over which to evaluate the candidates.

The candidates presented include management teams that have generally satisfied the following Investment Policy criteria:

- 1) Investment track record of no less than five years
- 2) Five-year returns above peer group median
- 3) Reasonable portfolio diversification and risk (volatility) characteristics
- 4) Investment style consistency over evaluation period

We have provided four alternative candidates in the Money Market asset class category for review. We have also provided a summary of current expense ratios for each of the candidates.

All performance-related information is as of 1Q16 unless stated otherwise.

Section 2

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Section 2: Description of Funds

Current Option

Fund Name: Fidelity Money Market

Prospectus Objective: Money Mkt - Taxable

Strategy: Money Market Taxable

Commentary: The Fund invests in high-quality, short-term money market instruments, including certificates of deposit, banker's acceptances, commercial paper, and other money market securities. To be considered high-quality, a security generally must be rated in one of the two highest credit-quality categories for short-term securities. The Fund will maintain a dollar-weighted average maturity of 90 days or less.

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Candidates

Fund Name: Fidelity Retirement Govt MMkt

Prospectus Objective: Money Mkt - Government

Strategy: Money Market Taxable

Commentary: The Fund seeks a high level of current income consistent with liquidity and capital preservation. The Fund primarily invests at least 80% of its assets in US Government securities and agreements to purchase these securities. Currently, the Fund is primarily invested in securities issued by instrumentalities of the US Government and has a smaller allocation to US Treasury securities. Due to its focus on securities that are supported by US Government entities, some of which enjoy support of the US Treasury, the Fund offers a relatively high degree of credit strength. However, an option such as this may provide slightly lower returns over a full market cycle as these securities typically entail a premium that is commensurate with their high level of credit quality. Typically, the Fund maintains a weighted-average maturity of less than 60 days.

Fund Name: BlackRock Federal MMkt

Prospectus Objective: Money Mkt - Government

Strategy: Money Market Taxable

Commentary: The Fund invests at least 99.5% of its total assets in cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations or cash. The yield of the Fund is not directly tied to the federal funds rate. The Fund invests in a portfolio of securities maturing in 397 days or less (with certain exceptions) that will have a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less. The Fund may invest in variable and floating rate instruments, and transact in securities on a when-issued, delayed delivery or forward commitment basis.

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Candidates

Fund Name: Goldman Sachs Govt MMkt

Prospectus Objective: Money Mkt - Government

Strategy: Money Market Taxable

Commentary: The Fund seeks to maximize current income, to the extent consistent with the preservation of capital, and maintain liquidity. To achieve these objectives the Fund is intended to invest, directly or indirectly, in U.S. Government Securities and repurchase agreements relating to such securities. Typically the Fund maintains a weighted-average maturity of less than 60 days.

Fund Name: Wells Fargo Govt MMkt

Prospectus Objective: Money Mkt - Government

Strategy: Money Market Taxable

Commentary: The Fund focuses primarily on preserving capital and maintaining a high level of liquidity by actively managing a diversified portfolio of short-term U.S. government debt and repurchase agreements collateralized by U.S. government obligations, which will likely generate higher yields than a portfolio that invests exclusively in U.S. Treasury debt. The Fund purchases only debt issued by the U.S. Treasury or U.S. government agencies across a range of eligible money market investments that may include, but are not limited to, government agency repurchase agreements, government agency debt, U.S. Treasury repurchase agreements, U.S. Treasury debt, and other securities collateralized by U.S. government obligations. Typically the fund maintains a weighted-average maturity of less than 60 days.

Section 3

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Money Market Manager Search Report April 2016

Section 3: Performance and Expenses

Peer Group Rankings

	1Q16	YTD	1YR	3YR	5YR	10YR	2015	2014	2013	2012	2011	2010
Fidelity Money Market	7	7	4	4	3	1	4	7	4	3	2	2
Fidelity Retirement Govt MMkt	18	18	22	25	28	20	31	43	46	53	32	19
BlackRock Federal MMkt	19	19	20	21	25	24	22	28	36	36	30	17
Goldman Sachs Govt MMkt	14	14	16	21	20	17	23	65	36	16	27	16
Wells Fargo Govt MMkt	25	25	29	30	33	34	35	41	43	39	40	28

Fund rankings in **red** lag the 50th percentile of the peer group

Returns

	1Q16	YTD	1YR	3YR	5YR	10YR	2015	2014	2013	2012	2011	2010
Fidelity Money Market	0.08	0.08	0.18	0.10	0.12	1.37	0.11	0.05	0.00	0.18	0.16	0.24
Fidelity Retirement Govt MMkt	0.05	0.05	0.06	0.03	0.02	1.17	0.01	0.01	0.01	0.01	0.01	0.06
BlackRock Federal MMkt	0.05	0.05	0.06	0.03	0.02	1.15	0.02	0.01	0.01	0.01	0.02	0.07
Goldman Sachs Govt MMkt	0.06	0.06	0.08	0.03	0.03	1.19	0.02	0.01	0.01	0.05	0.02	0.07
Wells Fargo Govt MMkt	0.04	0.04	0.05	0.02	0.02	1.12	0.01	0.01	0.01	0.01	0.01	0.03
90-Day T-Bills	0.07	0.07	0.12	0.06	0.06	1.01	0.05	0.03	0.06	0.08	0.06	0.14
Avg. Money Market	0.00	-	-	-	-	-	0.00	0.00	0.02	0.04	0.02	0.03

Returns longer than one year is annualized.

Returns +/- Index

	1Q16	YTD	1YR	3YR	5YR	10YR	2015	2014	2013	2012	2011	2010
Fidelity Money Market	0.01	0.01	0.06	0.03	0.06	0.37	0.06	0.01	(0.06)	0.10	0.11	0.09
Fidelity Retirement Govt MMkt	(0.02)	(0.02)	(0.06)	(0.04)	(0.04)	0.17	(0.04)	(0.02)	(0.05)	(0.07)	(0.04)	(0.09)
BlackRock Federal MMkt	(0.02)	(0.02)	(0.05)	(0.03)	(0.04)	0.15	(0.03)	(0.02)	(0.05)	(0.07)	(0.04)	(0.08)
Goldman Sachs Govt MMkt	(0.01)	(0.01)	(0.04)	(0.03)	(0.03)	0.18	(0.03)	(0.03)	(0.05)	(0.04)	(0.04)	(0.07)
Wells Fargo Govt MMkt	(0.03)	(0.03)	(0.07)	(0.04)	(0.05)	0.11	(0.04)	(0.02)	(0.05)	(0.07)	(0.05)	(0.11)

Fund returns in **red** lag the Index

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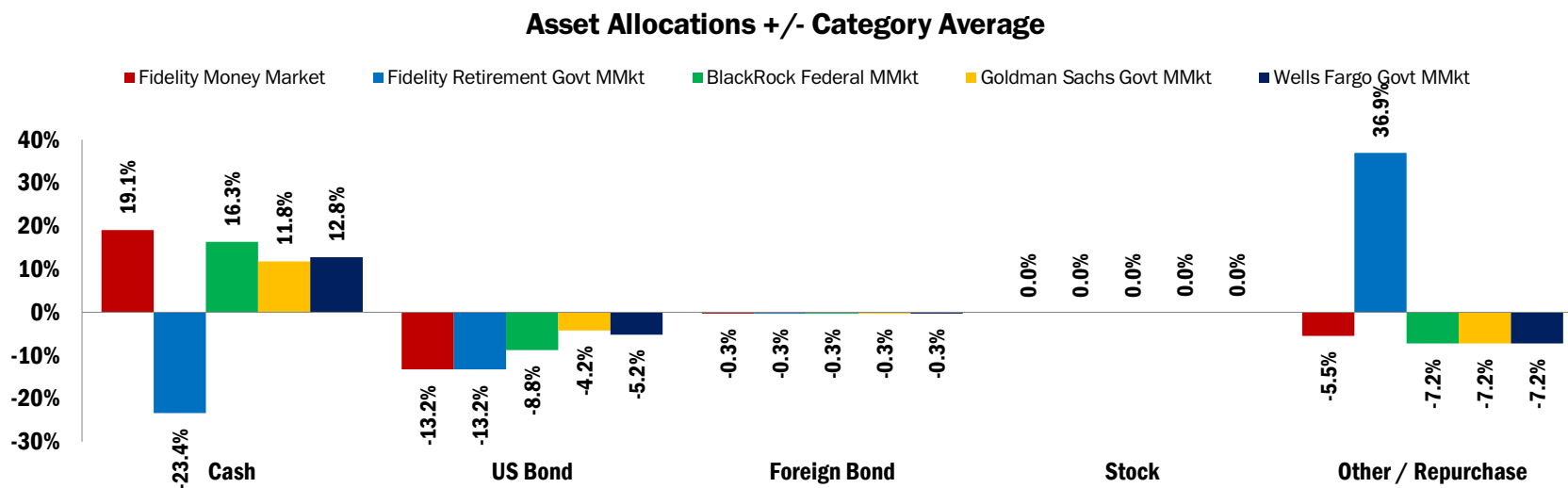
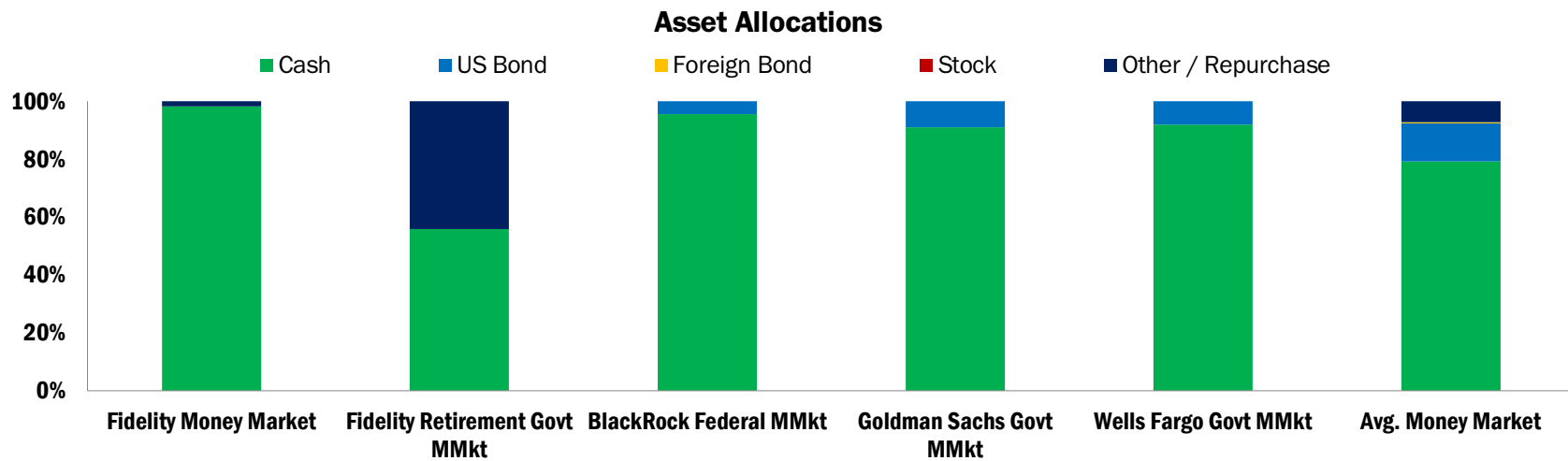
	Ticker	Share Class	Annual Expenses
Fidelity Money Market	FMPXX	Other	0.18%
Fidelity Retirement Govt MMkt	FIGXX	A	0.18%
BlackRock Federal MMkt	TFDXX	Inst	0.20%
Goldman Sachs Govt MMkt	FGTXX	Other	0.18%
Wells Fargo Govt MMkt	GVIXX	Inst	0.20%
Avg. Money Market	-	-	0.53%

Section 4

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Section 4: Composition



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Sector Weights

	Inflation-Protected	Gov't	Corporate	Agency MBS	Non-Agency MBS	CMBS	Asset-Backed	Cash	Other
Fidelity Money Market	0.0%	0.7%	0.0%	0.9%	0.0%	0.0%	0.0%	98.4%	0.0%
Fidelity Retirement Govt MMkt	0.0%	0.0%	0.0%	44.2%	0.0%	0.0%	0.0%	55.8%	0.0%
BlackRock Federal MMkt	0.0%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	95.5%	0.0%
Goldman Sachs Govt MMkt	0.0%	9.0%	0.0%	0.0%	0.0%	0.0%	0.0%	91.0%	0.0%
Wells Fargo Govt MMkt	0.0%	7.9%	0.0%	0.0%	0.0%	0.0%	0.0%	91.9%	0.1%
Avg. Money Market	0.0%	9.4%	1.5%	0.8%	0.0%	0.0%	0.2%	85.6%	2.6%

+/- Sector Weights

	Inflation-Protected	Gov't	Corporate	Agency MBS	Non-Agency MBS	CMBS	Asset-Backed	Cash	Other
Fidelity Money Market	0.0%	-8.7%	-1.5%	0.1%	0.0%	0.0%	-0.2%	12.9%	-2.6%
Fidelity Retirement Govt MMkt	0.0%	-9.4%	-1.5%	43.4%	0.0%	0.0%	-0.2%	-29.7%	-2.6%
BlackRock Federal MMkt	0.0%	-4.9%	-1.5%	-0.8%	0.0%	0.0%	-0.2%	10.0%	-2.6%
Goldman Sachs Govt MMkt	0.0%	-0.3%	-1.5%	-0.8%	0.0%	0.0%	-0.2%	5.4%	-2.6%
Wells Fargo Govt MMkt	0.0%	-1.4%	-1.5%	-0.8%	0.0%	0.0%	-0.2%	6.4%	-2.5%

Section 5

Fidelity Money Market

Fund Fact Sheet - March 31, 2016

Operations	
Ticker:	FMPXX
CUSIP:	316175207
Share Class:	Other
Legal Structure:	Open Ended Investment Company
Investment Type:	Money Market Fund

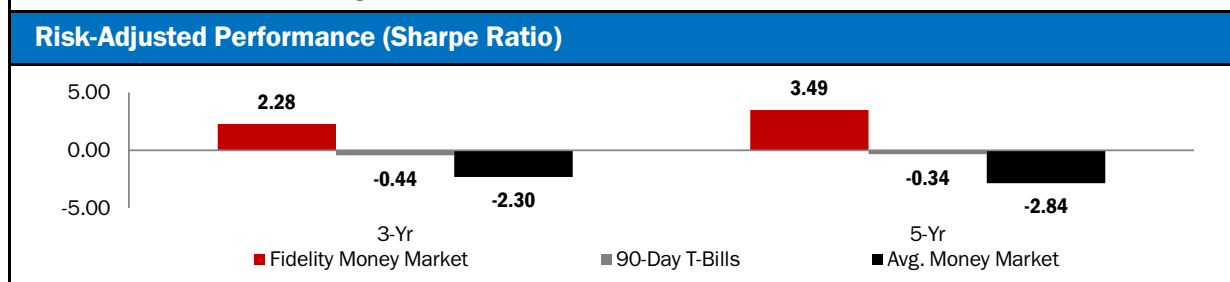
Management	
Advisor:	Fidelity Management & Research Company
Sub-Advisor:	Multiple
Senior Manager:	Management Team
Year Started:	2007

Expenses	
Prospectus Net Exp. Ratio:	0.18%
Annual Report Exp. Ratio:	0.18%
Management Fee:	0.14%
12b-1:	0.00%
Redemption Fee %:	0.00%

Size & Flows (\$m)	
Fund Size:	\$45,055
Est. 1-Year Flows:	(\$17,501)
as % of Current Size:	-39%
x Management Fee:	(\$25)
Est. 3-Year Flows:	(\$22,228)
as % of Current Size:	-49%
x Management Fee:	(\$31)
# of Holdings:	72
% in Top 10 Holdings:	64%
# of Bonds:	3

Performance						
	Qtr	YTD	1Yr	3Yr	5Yr	10 Yr
Fidelity Money Market	0.08	0.08	0.18	0.10	0.12	1.37
90-Day T-Bills	0.07	0.07	0.12	0.06	0.06	1.01
+/- Index	0.01	0.01	0.06	0.03	0.06	0.37
Ranking	7	7	4	4	3	1

	2015	2014	2013	2012	2011	2010
Fidelity Money Market	0.11	0.05	0.00	0.18	0.16	0.24
90-Day T-Bills	0.05	0.03	0.06	0.08	0.06	0.14
+/- Index	0.06	0.01	(0.06)	0.10	0.11	0.09
Ranking	4	7	4	3	2	2



Composition		
Asset Allocation		
Foreign Bond	0%	
Other / Repurchase	2%	
US Bond	0%	
Cash	98%	
Sector		+/- Cat.
Inf.-Protected	0%	0%
Gov't	1%	-9%
Corporate	0%	-2%
Agency MBS	1%	0%
Non-Ag. MBS	0%	0%
CMBS	0%	0%
Asset-Backed	0%	0%
Cash	98%	13%
Other	0%	-3%

Fidelity Retirement Govt MMkt

Fund Fact Sheet - March 31, 2016

Operations	
Ticker:	FIGXX
CUSIP:	316175108
Share Class:	A
Legal Structure:	Open Ended Investment Company
Investment Type:	Money Market Fund
Management	
Advisor:	Fidelity Management & Research Company
Sub-Advisor:	Multiple
Senior Manager:	Management Team
Year Started:	2003
Expenses	
Prospectus Net Exp. Ratio:	0.18%
Annual Report Exp. Ratio:	0.11%
Management Fee:	0.14%
12b-1:	0.00%
Redemption Fee %:	0.00%
Size & Flows (\$m)	
Fund Size:	\$43,672
Est. 1-Year Flows:	\$19,483
as % of Current Size:	45%
x Management Fee:	\$27
Est. 3-Year Flows:	\$19,070
as % of Current Size:	44%
x Management Fee:	\$27
# of Holdings:	40
% in Top 10 Holdings:	92%
# of Bonds:	3

Performance						
	Qtr	YTD	1Yr	3Yr	5Yr	10 Yr
Fidelity Retirement Govt MMkt	0.05	0.05	0.06	0.03	0.02	1.17
90-Day T-Bills	0.07	0.07	0.12	0.06	0.06	1.01
+/- Index	(0.02)	(0.02)	(0.06)	(0.04)	(0.04)	0.17
Ranking	18	18	22	25	28	20
	2015	2014	2013	2012	2011	2010
Fidelity Retirement Govt MMkt	0.01	0.01	0.01	0.01	0.01	0.06
90-Day T-Bills	0.05	0.03	0.06	0.08	0.06	0.14
+/- Index	(0.04)	(0.02)	(0.05)	(0.07)	(0.04)	(0.09)
Ranking	31	43	46	53	32	19
Risk-Adjusted Performance (Sharpe Ratio)						
<div><div><div><div></div><div>0.00</div></div><div><div></div><div>-2.00</div></div><div><div></div><div>-4.00</div></div></div><div><div><div></div><div>-2.96</div></div><div><div></div><div>-0.44</div></div><div><div></div><div>-2.30</div></div></div><div><div>3-Yr</div><div>Fidelity Retirement Govt MMkt</div><div>90-Day T-Bills</div><div>Avg. Money Market</div></div><div><div><div></div><div>-3.79</div></div><div><div></div><div>-0.34</div></div><div><div></div><div>-2.84</div></div></div><div><div>5-Yr</div><div>Fidelity Retirement Govt MMkt</div><div>90-Day T-Bills</div><div>Avg. Money Market</div></div></div>						
Composition						
<div><div>Asset Allocation</div><div><div><div>Other / Repurchase 44%</div><div>Cash 56%</div><div>US Bond 0%</div><div>Foreign Bond 0%</div></div></div></div>	Sector		+/- Cat.			
	Inf.-Protected	0%	0%			
	Gov't	0%	-9%			
	Corporate	0%	-2%			
	Agency MBS	44%	43%			
	Non-Ag. MBS	0%	0%			
	CMBS	0%	0%			
	Asset-Backed	0%	0%			
	Cash	56%	-30%			
	Other	0%	-3%			

BlackRock Federal MMkt

Fund Fact Sheet - March 31, 2016

Operations	
Ticker:	TFDXX
CUSIP:	09248U700
Share Class:	Inst
Legal Structure:	Open Ended Investment Company
Investment Type:	Money Market Fund

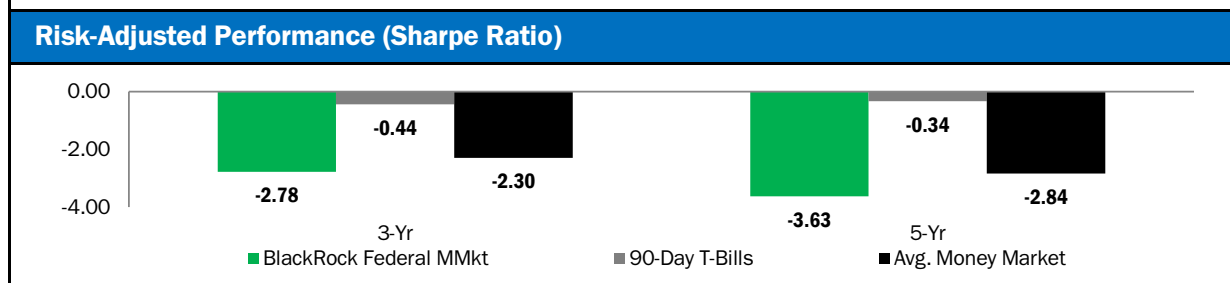
Management	
Advisor:	BlackRock Advisors LLC
Sub-Advisor:	None
Senior Manager:	Management Team
Year Started:	2006

Expenses	
Prospectus Net Exp. Ratio:	0.20%
Annual Report Exp. Ratio:	0.12%
Management Fee:	0.20%
12b-1:	0.00%
Redemption Fee %:	0.00%

Size & Flows (\$m)	
Fund Size:	\$13,660
Est. 1-Year Flows:	(\$1,124)
as % of Current Size:	-8%
x Management Fee:	(\$2)
Est. 3-Year Flows:	\$0
as % of Current Size:	0%
x Management Fee:	\$0
# of Holdings:	60
% in Top 10 Holdings:	70%
# of Bonds:	7

Performance						
	Qtr	YTD	1Yr	3Yr	5Yr	10 Yr
BlackRock Federal MMkt	0.05	0.05	0.06	0.03	0.02	1.15
90-Day T-Bills	0.07	0.07	0.12	0.06	0.06	1.01
+/- Index	(0.02)	(0.02)	(0.05)	(0.03)	(0.04)	0.15
Ranking	19	19	20	21	25	24

	2015	2014	2013	2012	2011	2010
BlackRock Federal MMkt	0.02	0.01	0.01	0.01	0.02	0.07
90-Day T-Bills	0.05	0.03	0.06	0.08	0.06	0.14
+/- Index	(0.03)	(0.02)	(0.05)	(0.07)	(0.04)	(0.08)
Ranking	22	28	36	36	30	17



Composition		
Asset Allocation		
Other / Repurchase	0%	
Foreign Bond	0%	
US Bond	4%	
Cash	96%	
Sector		+/- Cat.
Inf.-Protected	0%	0%
Gov't	4%	-5%
Corporate	0%	-2%
Agency MBS	0%	-1%
Non-Ag. MBS	0%	0%
CMBS	0%	0%
Asset-Backed	0%	0%
Cash	96%	10%
Other	0%	-3%

Goldman Sachs Govt MMkt

Fund Fact Sheet - March 31, 2016

Operations	
Ticker:	FGTXX
CUSIP:	38141W273
Share Class:	Other
Legal Structure:	Open Ended Investment Company
Investment Type:	Money Market Fund
Management	
Advisor:	Goldman Sachs Asset Management LP
Sub-Advisor:	None
Senior Manager:	Management Team
Year Started:	1993
Expenses	
Prospectus Net Exp. Ratio:	0.18%
Annual Report Exp. Ratio:	0.14%
Management Fee:	0.21%
12b-1:	0.00%
Redemption Fee %:	0.00%
Size & Flows (\$m)	
Fund Size:	\$45,641
Est. 1-Year Flows:	\$15,178
as % of Current Size:	33%
x Management Fee:	\$32
Est. 3-Year Flows:	\$15,769
as % of Current Size:	35%
x Management Fee:	\$33
# of Holdings:	156
% in Top 10 Holdings:	31%
# of Bonds:	17

Performance						
	Qtr	YTD	1Yr	3Yr	5Yr	10 Yr
Goldman Sachs Govt MMkt	0.06	0.06	0.08	0.03	0.03	1.19
90-Day T-Bills	0.07	0.07	0.12	0.06	0.06	1.01
+/- Index	(0.01)	(0.01)	(0.04)	(0.03)	(0.03)	0.18
Ranking	14	14	16	21	20	17
	2015	2014	2013	2012	2011	2010
Goldman Sachs Govt MMkt	0.02	0.01	0.01	0.05	0.02	0.07
90-Day T-Bills	0.05	0.03	0.06	0.08	0.06	0.14
+/- Index	(0.03)	(0.03)	(0.05)	(0.04)	(0.04)	(0.07)
Ranking	23	65	36	16	27	16
Risk-Adjusted Performance (Sharpe Ratio)						
Composition						
Asset Allocation		Sector		+/- Cat.		
		Inf.-Protected	0%	0%		
		Gov't	9%	0%		
		Corporate	0%	-2%		
		Agency MBS	0%	-1%		
		Non-Ag. MBS	0%	0%		
		CMBS	0%	0%		
		Asset-Backed	0%	0%		
		Cash	91%	5%		
		Other	0%	-3%		

Wells Fargo Govt MMkt

Fund Fact Sheet - March 31, 2016

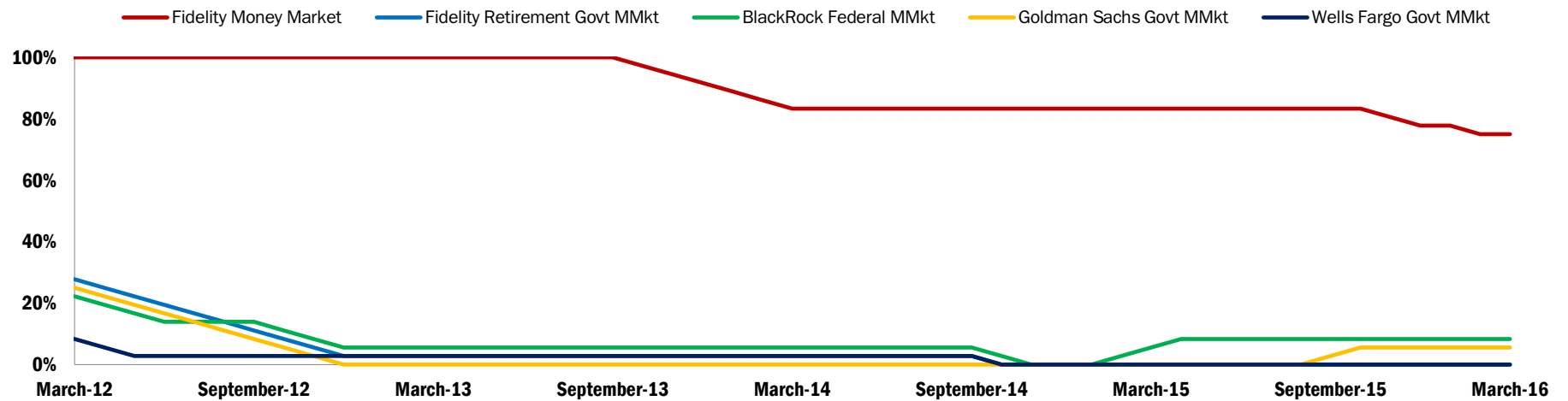
Operations	
Ticker:	GVIXX
CUSIP:	94975P405
Share Class:	Inst
Legal Structure:	Open Ended Investment Company
Investment Type:	Money Market Fund
Management	
Advisor:	Wells Fargo Funds Management LLC
Sub-Advisor:	Wells Capital Management Inc.
Senior Manager:	Management Team
Year Started:	2007
Expenses	
Prospectus Net Exp. Ratio:	0.20%
Annual Report Exp. Ratio:	0.12%
Management Fee:	0.14%
12b-1:	0.00%
Redemption Fee %:	0.00%
Size & Flows (\$m)	
Fund Size:	\$24,986
Est. 1-Year Flows:	\$2,514
as % of Current Size:	10%
x Management Fee:	\$4
Est. 3-Year Flows:	(\$3,330)
as % of Current Size:	-13%
x Management Fee:	(\$5)
# of Holdings:	193
% in Top 10 Holdings:	36%
# of Bonds:	53

Performance																		
	Qtr	YTD	1Yr	3Yr	5Yr	10 Yr												
Wells Fargo Govt MMkt	0.04	0.04	0.05	0.02	0.02	1.12												
90-Day T-Bills	0.07	0.07	0.12	0.06	0.06	1.01												
+/- Index	(0.03)	(0.03)	(0.07)	(0.04)	(0.05)	0.11												
Ranking	25	25	29	30	33	34												
	2015	2014	2013	2012	2011	2010												
Wells Fargo Govt MMkt	0.01	0.01	0.01	0.01	0.01	0.03												
90-Day T-Bills	0.05	0.03	0.06	0.08	0.06	0.14												
+/- Index	(0.04)	(0.02)	(0.05)	(0.07)	(0.05)	(0.11)												
Ranking	35	41	43	39	40	28												
Risk-Adjusted Performance (Sharpe Ratio)																		
<table><thead><tr><th>Period</th><th>Wells Fargo Govt MMkt</th><th>90-Day T-Bills</th><th>Avg. Money Market</th></tr></thead><tbody><tr><td>3-Yr</td><td>-2.78</td><td>-0.44</td><td>-2.30</td></tr><tr><td>5-Yr</td><td>-3.55</td><td>-0.34</td><td>-2.84</td></tr></tbody></table>							Period	Wells Fargo Govt MMkt	90-Day T-Bills	Avg. Money Market	3-Yr	-2.78	-0.44	-2.30	5-Yr	-3.55	-0.34	-2.84
Period	Wells Fargo Govt MMkt	90-Day T-Bills	Avg. Money Market															
3-Yr	-2.78	-0.44	-2.30															
5-Yr	-3.55	-0.34	-2.84															
Composition																		
<table><thead><tr><th>Asset Class</th><th>Percentage</th></tr></thead><tbody><tr><td>Cash</td><td>92%</td></tr><tr><td>US Bond</td><td>8%</td></tr><tr><td>Other / Repurchase</td><td>0%</td></tr><tr><td>Foreign Bond</td><td>0%</td></tr></tbody></table>	Asset Class	Percentage	Cash	92%	US Bond	8%	Other / Repurchase	0%	Foreign Bond	0%	Sector		+/- Cat.					
	Asset Class	Percentage																
	Cash	92%																
	US Bond	8%																
	Other / Repurchase	0%																
	Foreign Bond	0%																
	Inf.-Protected	0%	0%															
	Gov't	8%	-1%															
	Corporate	0%	-2%															
	Agency MBS	0%	-1%															
Non-Ag. MBS	0%	0%																
CMBS	0%	0%																
Asset-Backed	0%	0%																
Cash	92%	6%																
Other	0%	-2%																

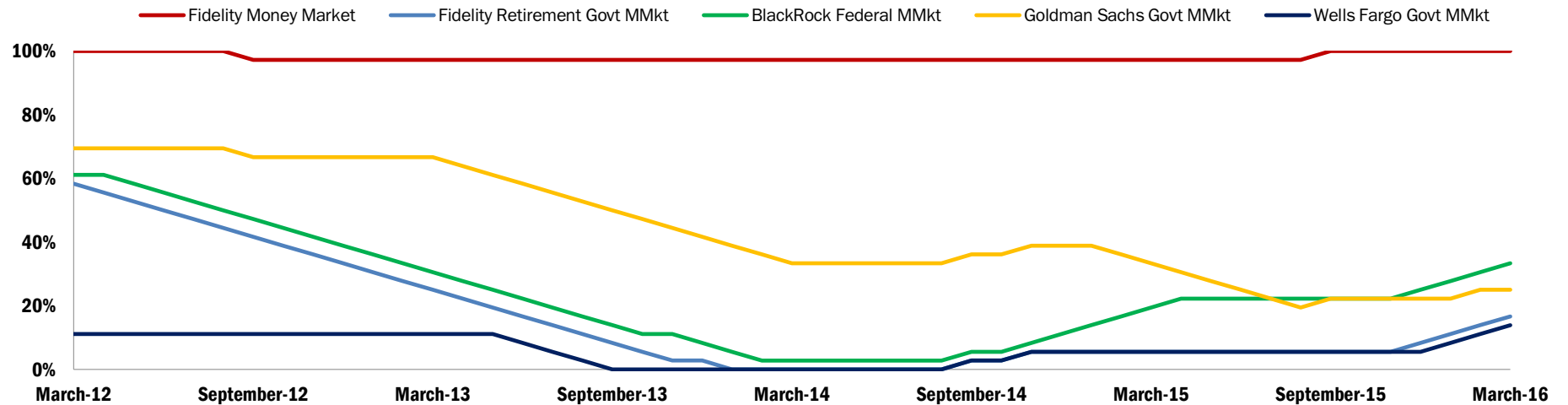
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Rolling 3-Year Batting Average vs. Index



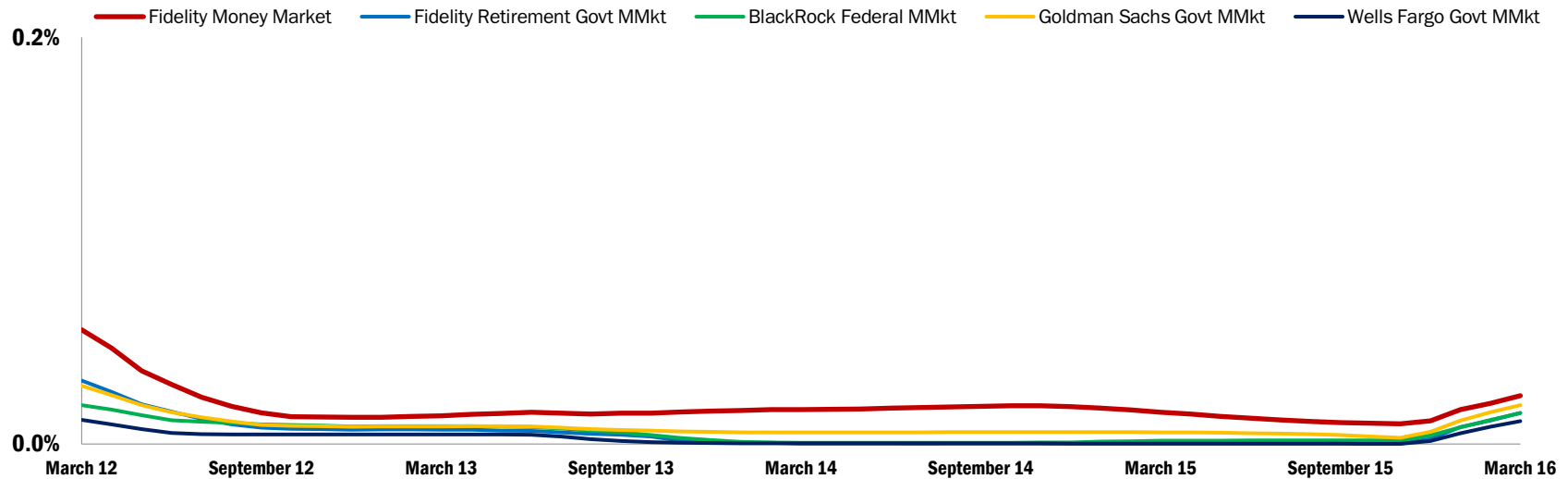
Rolling 3-Year Batting Average vs. Category Average



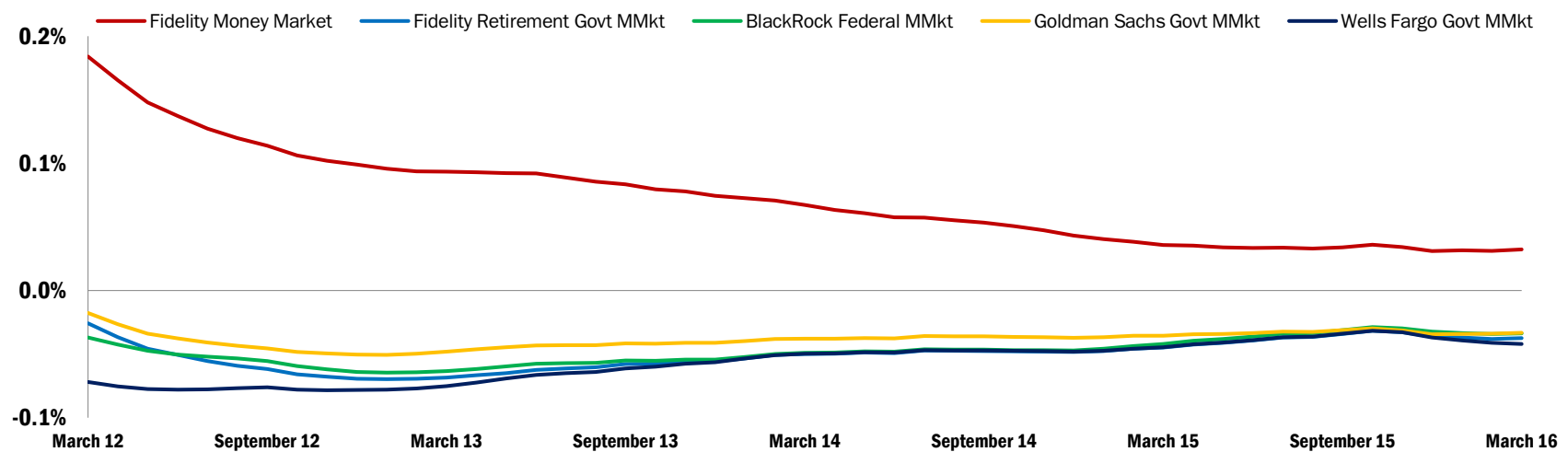
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Rolling 3-Year Standard Deviation



Rolling 3-Year Excess Return



Section 6

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Section 6: Glossary

Investment Terms

Fixed Income:

A fund that invests primarily in bonds and other fixed-income securities, often to provide shareholders with current income. Peer groups within this asset class may include, but are not limited to, Intermediate-Term, Money Market, Stable Value, Inflation-Protected, High Yield, Global, and others.

Large Cap:

A fund that invests in stocks of companies with large market capitalizations, typically starting at \$10 billion. Large Caps tend to be well-established companies, so their stocks typically entail less volatility and more current income than Small Caps, but also offer less potential for dramatic growth. A Large Cap fund may pursue an investment style such as growth, value, or a combination of the two (often referred to as Core or Blend) and be placed within a corresponding peer group.

Mid Cap:

A fund that invests in stocks of companies with medium market capitalizations, typically ranging between \$2 billion and \$10 billion. Mid Caps are often considered to offer more growth potential than Large Caps (but less than Small Caps) and less risk than Small Caps (but more than Large Caps). A Mid Cap fund may pursue an investment style such as Growth, Value, or a combination of the two (often referred to as Core or Blend) and be placed within a corresponding peer group.

Small Cap:

A fund that invests in stocks of companies with small market capitalizations, typically no higher than \$2 billion. Small Caps are often considered to offer more growth potential, but less current income than Large Caps and Mid Caps, and with more risk. A Small Cap fund may pursue an investment style such as Growth, Value, or a combination of the

International Stock:

A fund that invests primarily in the stocks of companies located, or with revenues derived from, outside of the United States. An International fund may pursue an investment style such as Growth, Value, or a combination of the two (often referred to as Core or Blend) and be placed within a corresponding peer group. Additional peer groups may include, but are not limited to, Global, Emerging Markets, and others.

Asset Allocation:

A fund that pursues a method of investing by which the manager include a range of different investment classes such as bonds, stocks, cash, alternative investments, and others in their portfolios. Peer groups within this asset class may include, but are not limited to Conservative Allocation, Moderate Allocation, Aggressive Allocation, Target Date, Life Cycle and others.

Growth (investment style):

A fund that invests primarily in the stocks of companies appearing to have relatively high growth prospects relative to their asset class. These companies often pay relatively low current income as most earnings are reinvested in the pursuit of higher future growth. These companies may also trade at relatively high valuations (such as price-to-earnings or price-to-sales) as investors may be willing to pay a “premium” to benefit from the company’s expected future growth.

Value (investment style):

A fund that invests primarily in the stocks of companies appearing to be attractively priced by assorted metrics (such as price-to-earnings, price-to-sales, dividend yield, and others). These companies typically distribute a greater portion of their cash flows to shareholders than growth companies and as such will typically pay higher current income.

Blend/Core (investment style):

A fund that incorporates a comparable amount of Growth and Value investment styles into its investment management.

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Operational Terms

CUSIP:

A nine character code that represents most securities, including the type of security. A CUSIP can be used to expedite settlement of securities transactions.

Expense Ratio:

A measure of what it costs to operate an investment, expressed as a percentage of its assets or in basis points. These are costs the investor pays through a reduction in the investment's value.

Mutual Fund:

An investment company that gathers money from individual investors for the purchase of securities, such as stocks, bonds, or cash equivalents. Investors own shares of the mutual funds but do not own the underlying securities. Shares of mutual funds can typically be redeemed on an end-of-day basis for the net asset value of the underlying securities, minus any applicable fees.

Redemption Fee:

A fee collected by an investment company for selling out of a fund within a specified time period, typically 30 days. The fee is established to discourage short-term trading and is redistributed to any remaining fund investors.

Revenue Share:

A portion of a fund's expense ratio that may be used to pay plan expenses for certain retirement plans.

Share Class:

Some investment funds and companies offer more than one type or group of shares, each of which is considered a class (e.g., "Class A," "Advisor" or "Institutional" shares). For most investment funds each class has different fees and expenses but all of the classes invest in the same pool of securities and share the same investment objectives.

Ticker:

A five-letter code, often used for trading purposes, that represents a particular mutual fund.

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Statistical Terms

Batting Average:

How frequently a fund outperformed its benchmark given a certain time period and periodicity of returns.

Beta:

A statistical measure of an investment's volatility and degree of co-movement relative to its benchmark. A beta of 1.0 implies that an investment has, or has exhibited the same degree of volatility as its benchmark and has tended to closely track the performance of its benchmark. A beta that is above (below) 1 implies that an investment has exhibited higher (lower) overall volatility than its benchmark. Beta is often viewed as indicative of an investment's sensitivity to "systematic" or market risk.

R-Squared (R^2):

A statistical measurement of how much of an investment's returns are explained by another set of returns, typically that of a benchmark. An R^2 of 1.0 (0.0) implies that 100% (0%) of an investment's returns are explained by its benchmark and provides an indication as to what degree the investment might be expected to move in step with its benchmark.

Sharpe Ratio:

A measure of risk-adjusted returns. The Sharpe Ratio is the ratio of an investment's excess return (typically versus its index or a "risk-free" investment such as Treasury Bills) relative to its standard deviation for the corresponding period. A high (low) Sharpe Ratio indicates that an investment has provided a high (low) amount of excess return relative to the amount of risk it has incurred in doing so.

Standard Deviation:

A statistical measurement of how an investment's returns have tended to fluctuate around their average. A higher standard deviation implies a broader range of returns relative to an average and thereby a higher degree of investment risk. Assuming a normal distribution, approximately 95% of an investment's returns should fall within two standard deviations of its average for the corresponding time period and periodicity.

Tracking Error:

Tracking error is a measurement of the volatility of the difference between an investment's returns versus those of its benchmark. Given a certain periodicity of returns (such as monthly or quarterly), tracking error measures the volatility of the difference of the investment's and the benchmark's periodic returns within a specified time period. Annualized tracking error above 6% is generally viewed as high.

Up (Down) Capture Ratio:

Up (down) capture compares an investment's upside (downside) performance relative to that of its benchmark when the benchmark was returning positive (negative). Up (down) capture is expressed in percentage terms. For example, an investment with 120% Up Capture has, in relative terms, provided 20% more returns than the benchmark in periods of rising markets.