

A person wearing a bright yellow jacket is sitting on a wooden dock, facing away from the camera. They are looking out over a calm body of water towards a large, dark mountain under a twilight sky. A small lantern sits on the dock next to them, casting a warm glow.

getting there

your **guide** to **saving** and **investing** for **retirement**



**School City of Hobart
403(b) Retirement Savings Plan**



Your 403(b) Retirement Savings Plan

Dear Employee:

Congratulations! You are eligible to enroll in the School City of Hobart 403(b) Retirement Savings Plan. Schamber Group is proud to be the Independent Financial Advisor working with your school corporation to bring you high quality investment options: low cost mutual funds, target date funds, professionally managed portfolios and the Prudential Guaranteed Income Fund. Additional information about these options are in your Enrollment Brochure and on the Aspire Website.

School City of Hobart is one of a group of schools which work together to achieve institutional pricing from your retirement plan's service providers and for your investment options, a great benefit to 403(b) participants. Your 403(b) plan is an unbundled system. This means your plan is served by several different corporations, not just one. The corporations and their roles are:

The Schamber Group, Inc. – Participant Services and Portfolio Management
ASpire Financial Services – Recordkeeping
TD Ameritrade – Asset Custody
TSA Consulting Group, Inc. – Transaction Processing and Plan Administration

We hope that you take advantage of this great opportunity and participate in your school corporation's 403(b) plan.

What is the next step?

- 1. Read through the enrollment materials**
- 2. Enroll in the plan today by completing the Enrollment Form and Beneficiary Form**
- 3. Return all completed and signed forms to your Human Resources or Payroll office**

If you have any questions, please contact us:

info@schambergroup.com

Phone: 765-807-0683

Toll-free: 866-573-0912

Sincerely,

Elaine M. Schamber PhD, CFP®, AIFA®
President, The Schamber Group, Inc.



the modern american retirement system



Where do you begin? First, you should understand that retirement plans are very different for most of today's workers, compared to those being used by today's retirees. The modern American retirement system offers much greater flexibility, opportunity and individual control; however, these benefits come with a great deal more personal responsibility. This means that you will have to spend some time learning about saving and investing, and you must accept the responsibility of ensuring that you save enough and spend responsibly. While learning of this responsibility may seem unfair or make you feel shortchanged, you should consider the benefits.

Today's generation of workers will control how much of their compensation is saved for retirement, how it's invested, and how they spend their savings during retirement. This is quite different from the retirement plans of previous generations, which were managed and controlled entirely by the employer rather than the employee. This meant that employees had almost no responsibility to learn about or monitor their investments, and their Plans were very restrictive and offered little or no individual control. These Plans were designed for a generation of workers who spent the majority of their career with a single employer, whereas the modern American retirement plans are designed with portability features for today's more mobile workforce.

Like previous generations, the primary source of retirement income for most American workers will come from their employer-sponsored retirement plan. However, the method in which the money to pay for these retirement benefits is accumulated, invested, and, ultimately distributed (spent), will be much different for current and future generations of workers.

Why? One school of thought is that a portion of the previous generations' compensation was paid in salary and a portion was allocated to pension benefits. Employers hired professionals to manage the entire pool of investments for everyone in the Plan, and employees were limited to just a few retirement income options. Therefore, an employee's retirement income was defined by the Plan, rather than their lifestyle.

Today's workers receive more of their compensation in cash and are expected to voluntarily save a portion of their wages for retirement. This means that you'll be responsible for establishing a retirement income goal and calculating your ongoing progress.

Also, you'll need to learn the basic principles of saving and investing for retirement. This is no longer an option for employees such as yourself - this is an absolute must.

EXPRESS LANE: LEARN 5 ITEMS OR LESS

the modern american retirement system

- > saving and investing for retirement is different today, compared to previous generations
- > you'll have more flexibility, opportunity, and control
- > you'll have more responsibility
- > americans are living longer, which means a longer retirement and more money saved to pay for it
- > your employer's plan offer tax benefits and other features to help your money grow faster

modern retirement lifestyle

The number of years spent in retirement is another consideration for today's workers. Thanks to advances in the medical profession and healthier lifestyles Americans are living longer and enjoying a longer retirement. While a 10-year retirement was a typical period for previous generations, it's not unreasonable for today's retirees to expect a retirement that lasts 20 years or more. Of course, this means that retirees will have to save more money to pay for an extended retirement or plan to generate additional income by working, at least part-time, during a portion of their retirement years.

what are the advantages?

Your employer's retirement plan is designed to provide much greater individual control. You are in control of your retirement age, savings rates, investment decisions and how to spend your savings. Your retirement plan representative can help calculate the amount you should save and explain available investment options.

what do you mean:

“modern american retirement system?”

what changed, and why am I responsible?

the three-legged stool

For over fifty years financial planners and advisors have referred to retirement planning as a three-legged stool to describe the importance of creating retirement income from multiple sources. The first leg represents benefits from an employer-sponsored retirement plan. The second leg represents retirement benefits expected from Social Security, and the third leg represents personal (supplemental) savings. Together, the three “legs” (sources) create a complete retirement income package.



the history

While this three-legged approach is still recommended today, the first leg (employer-sponsored retirement plans) has changed significantly in the modern American retirement system. For previous generations, their employer’s primary retirement plan was generally a Defined Benefit (DB) retirement plan. Employees covered by these types of Plans had very little responsibility, because their benefit was based solely upon a formula. Some of these Plans would be funded entirely by the employer, and others would require employees to contribute a portion of their pay in addition to employer contributions. All of the money was invested in a single (pooled) account, and the employer hired professionals to make all of the investment decisions. Additionally, the employer hired specialized accountants, called actuaries, to calculate how much would need to be contributed to the Plan in order to maintain enough money to pay future promised retirement benefits. Their calculations were based upon many factors, including the amount of money currently in the Plan, expected future contributions and an assumed annual growth rate of the Plan’s investments.

These employer-does-everything Defined Benefit (DB) Plans certainly have many advantages; however, they are typically very restrictive. Employees are usually limited to just a few retirement income choices from the Plan and a lump-sum withdrawal option that is subject to substantial penalties, which makes these Plans less attractive to anyone who may not plan to be a career employee. Most DB Plans have been replaced by Defined Contribution (DC) Plans. In fact, it’s estimated that over 80% of Americans’ retirement plans are DC Plans, which operate much differently.

why am I responsible?

As an employee participating in a Defined Contribution Plan you have the ability to decide how much to contribute, how to invest the money, and how to have it paid to you when you’re eligible to receive a distribution. These Plans are generally much more portable and easy to transfer to another employer’s Plan, which makes them attractive to a more mobile workforce. In exchange for all of this flexibility, opportunity, portability and control, you take on the task of ensuring that you save enough money, invest wisely, and spend responsibly.

EXPRESS LANE: LEARN 5 ITEMS OR LESS

what are my responsibilities?

- > participation in most of these Plans is discretionary (you decide if you want to invest, and how much)
- > choose how the money is invested
- > establish a retirement income goal
- > determine a savings goal
- > periodically calculate progress to ensure that you’re on pace to achieve your savings goal

getting there:

why should I save?

Why should you save money in your employer-sponsored retirement plan? There are a number of reasons why you should save money for retirement, which were described in the previous sections.

Bottom line - as a participant in the modern American retirement system, you have the sole responsibility to make yourself save for retirement. In most cases, your employer will not require that you participate in the Plan; however, there are many advantages to using this Plan.

pre-tax savings

Your employer-sponsored Plan allows you to invest money on a pre-tax basis, which means that your contributions are deducted from your paycheck before income taxes are calculated. In other words, you can use this tax strategy to make your account grow faster by saving more money than you're able to if you saved on an after-tax basis. Saving money after-tax means that you would decide to take a portion of your take-home pay to save and invest after your employer has deducted all of the necessary income taxes. The table below is provided to help you understand the difference between pre-tax and after-tax savings.

In this comparison you can see that the semi-monthly gross salary (row 2) and the net take-home pay (row 8) are identical for both pre-tax and after-tax savers. However, the difference is in the amount saved/invested each paycheck. The after-tax saver is investing \$100 (row 7) each paycheck, while the pre-tax saver is investing \$117 (row 3), and both have the same net take-home pay. The pre-tax saver is able to save an additional \$17 each paycheck because the amount withheld for federal income taxes is reduced (row 6). Federal income taxes on these pre-tax contributions are deferred until the money is withdrawn from the account. Therefore, the pre-tax saver can use the additional amount contributed to invest and make the account grow faster.

Additionally, there are other potential tax benefits. First, if you reside in a state that requires you to pay state income tax, you may further increase the amount invested on a pre-tax basis, because these contributions are



EXPRESS LANE: LEARN 5 ITEMS OR LESS

why should I save for retirement?

- > it's your responsibility to make yourself save
- > your employer's retirement plan offers pre-tax savings benefits to help your money grow faster
- > your employer may offer "free money" in the form of matching contributions

also exempt from most state income taxes. Also, you benefit from paying income taxes at a lower rate when you receive a distribution if your taxable income is lower during retirement than it was when you made the contributions.

| row | | pre-tax savings | after-tax savings |
|-----|------------------------------|-----------------|-------------------|
| 1 | annual salary | \$ 45,000 | \$ 45,000 |
| 2 | semi-monthly gross salary | \$ 1,875 | \$ 1,875 |
| 3 | pre-tax retirement savings | \$ 117 | \$ 0 |
| 4 | taxable income | \$ 1,758 | \$ 1,875 |
| 5 | fica and medicare taxes | \$ 143 | \$ 143 |
| 6 | federal income tax | \$ 110 | \$ 127 |
| 7 | after-tax retirement savings | \$ 0 | \$ 100 |
| 8 | net (take-home) pay | \$ 1,505 | \$ 1,505 |
| 9 | total income taxes paid | \$ 110 | \$ 127 |
| 10 | pre-tax savings difference | \$ 17 | n/a |

Note: Assumes semi-monthly (24) payroll cycle and married taxpayer claiming 2 withholding allowances.

getting there: how much will I need?

Remember, one of your most important responsibilities is to calculate how much you'll need to save in your employer's retirement plan and personal savings to supplement retirement income that you expect to receive from Social Security and any other sources. In order to accurately determine how much you need to save you should use a retirement planning calculator, which is usually provided on your Plan administrator's web site, or have your investment professional perform the calculations for you and provide a retirement savings plan.



what's involved with figuring the amount I need to save for retirement?

The first step in calculating required funding (savings) is to establish a retirement income goal based upon your spending expectations during retirement. If you're unsure of spending expectations you might use a common guideline often recommended by financial planners, which is to provide retirement income that would replace 70% - 80% of your projected final salary. The reasoning behind these amounts are based upon the assumption that you are saving 20% or more of your annual income prior to retirement, so you're already used to living on 80% or less of your income. Additionally, you may have lower expenses during retirement, which means that your income requirements are lower.

Remember that retirement income will likely come from several sources (the three-legged stool), which include your employer-sponsored retirement plan, Social Security, and supplemental savings. So be sure to include expected retirement income from all sources when calculating your funding requirements. Social Security estimates can be obtained from their web site (www.ssa.gov), where there are several calculators available, ranging from simple to sophisticated.

Alternatively, if you're wondering approximately how much you will have saved, the table below provides estimates for a range of time horizons and current salary figures.

| current salary | years until retirement | | |
|----------------|------------------------|-------------|-------------|
| | 15 | 20 | 30 |
| \$30,000 | \$298,500 | \$363,100 | \$537,500 |
| \$50,000 | \$605,700 | \$736,900 | \$1,090,800 |
| \$80,000 | \$1,176,200 | \$1,431,100 | \$2,118,400 |

These projections assume you are single, receive a 4% annual pay increase, an 8% rate of return (not guaranteed), need 80% of current salary, live 25 years in retirement, and receive Social Security benefits of \$13,800, \$19,300, and \$23,800, respectively. These examples are hypothetical and do not represent the return of any particular investment.

how much will I need to save?

As a general rule you will probably need to save about 15% - 20% of your annual income for retirement if you are seeking to replace 80% of your final salary. Of course, there are many variables that would alter this rule, so it's really best to perform an individual calculation. The most important decision that you'll make is to get started saving as soon as possible. While investment selection and management can help your portfolio grow faster, your greatest ally as an investor is time.

EXPRESS LANE: LEARN 5 ITEMS OR LESS

calculating how much you'll need to save

- > establish a desired retirement age and a retirement income goal (i.e. 75% of salary)
- > estimate how much you'll get from other sources, such as Social Security
- > use an online retirement calculator to determine how much you would need to save to pay for the difference, or have your investment professional do this for you
- > use the same online retirement calculator (or investment professional) to estimate how you'll need to save each paycheck to reach your savings goal
- > periodically recalculate your progress - you should do this at least every 2 - 3 years

getting there:

what do I need to know about investing?

Investing for retirement can be narrowed down to two very important principles - asset allocation and diversification. Ironically, these two concepts are often confused with one another. So, this section was written to eliminate the confusion by describing the two concepts and their differences in easy-to-understand terms.

the three major asset classes

The first, and most important, decision that you'll make about your investments is referred to as "asset allocation." To understand asset allocation you must first understand the three major asset classes and what makes each of them unique.

The three major asset classes are stocks, bonds and cash. Each of these are different types of investments that have very different risk and potential reward characteristics. The chart below shows the historical performance of the three major asset classes and inflation (we'll get to that later) during the past 20 years. Let's start with the definition of each of the three major asset classes.

what is a cash investment?

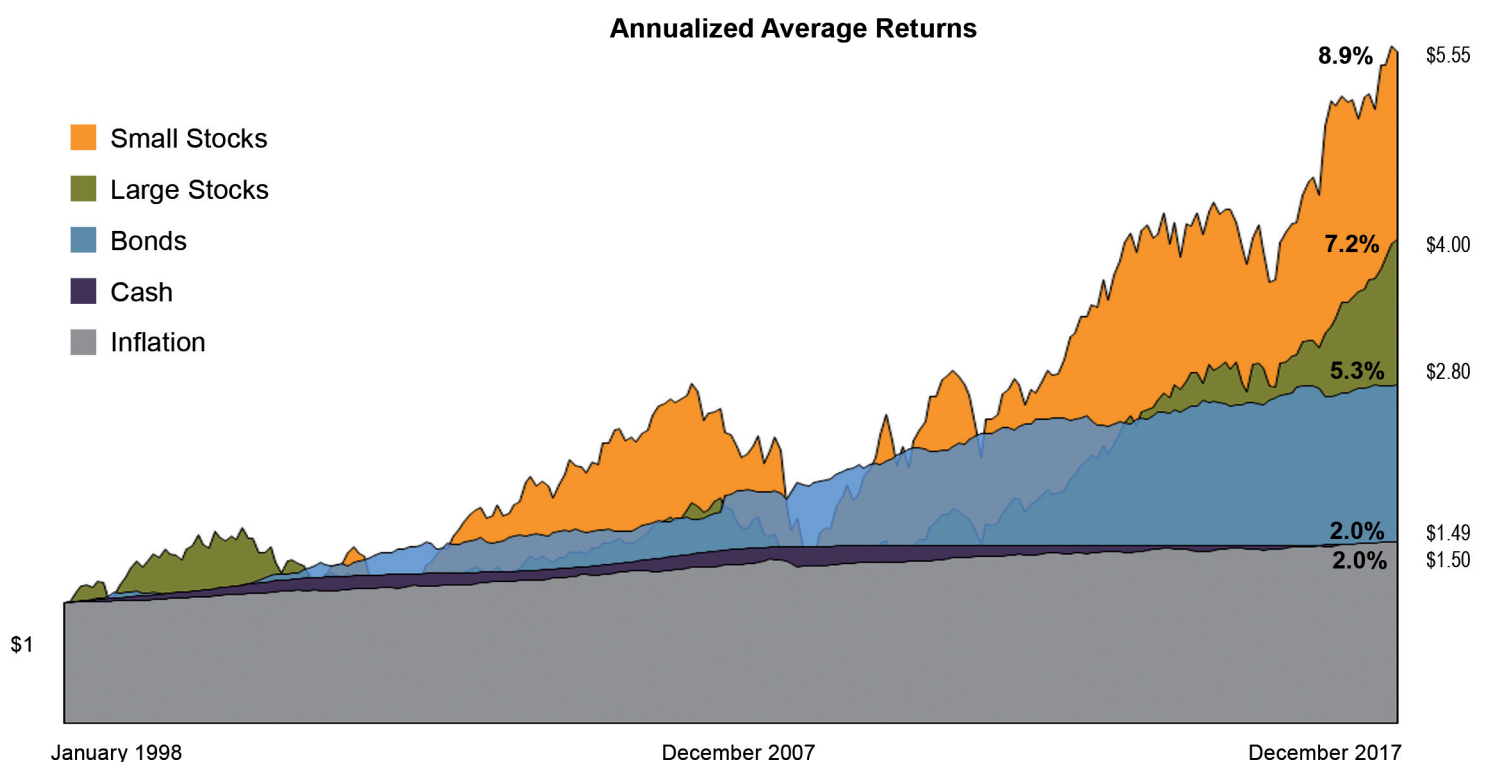
Cash alternatives are relatively low-risk, short-term, and generally fairly liquid—in other words, you can convert them to cash quickly if needed. You might use cash alternatives:

- To provide you with relative stability
- To maintain a ready source of cash for emergencies or other purposes
- To serve as a temporary parking place for assets until you decide where to put your money longer term

A few examples of some cash alternatives include certificates of deposit (CDs), money market deposit accounts, money market mutual funds, and U.S. Treasury bills (T-Bills). Each option offers different rates of return and varying levels of liquidity. Also, some cash alternatives, such as bank CDs and deposit accounts, may offer FDIC insurance; others do not. Be sure you understand the type of protection available with each one.

20-year historic performance of the three major asset classes and inflation

(results of \$1 invested in January 1998)



Notes: 20-year historical performance of Small Stocks (Russell 2000 Value Index); Large Stocks (S&P 500 Index); Bonds (BC Aggregate Index); Cash (90-day U.S. Treasury Bills); and, Inflation (Consumer Price Index). Past performance is not guaranteed and is not indicative of future results. Source: Morningstar Direct.

what do I need to know about investing?

what is a bond investment?

Similar to “cash” investments, a bond is also a loan with a promise to return all of your principal (initial investment) and interest. Bonds are really IOUs issued by corporations and governments as a way to raise money to fund a specific project or other endeavor. In exchange for these loans/IOUs the investor receives a certificate that states the period (term) of the loan and amount of interest to be paid.

Unlike cash investments, the term of these loans are longer and generally promise to pay a higher rate of interest as a result. The performance of bonds are also affected by current interest rates. When interest rates are decreasing, existing bonds tend to outperform the average return shown in the chart on the previous page. Likewise, when interest rates are rising, existing bonds tend to underperform their long-term averages.

Additionally, bonds range in quality and risk based upon the ability of the issuer (corporation or government) to repay the loan/IOU and all of the promised interest. Therefore, the risk and potential investment return from bond investments are determined both by the term of the loan and the quality of the issuer. Historically, the investment performance for a diversified pool of high-quality bonds has been greater than cash investments, while offering relatively low risk characteristics.

what is a stock investment?

Unlike cash and bond investments, an investment in stocks does not represent a loan or IOU, so there's no guarantee or promise to get any of your money back and there's no guarantee that you'll make a profit. When you invest in stocks you are buying a small piece (share) of ownership in a corporation. Therefore, an investment in stock is an investment of confidence that represents your confidence that the company (and it's stock) could increase in value over time.

EXPRESS LANE: LEARN 5 ITEMS OR LESS

what do I need to know about investing?

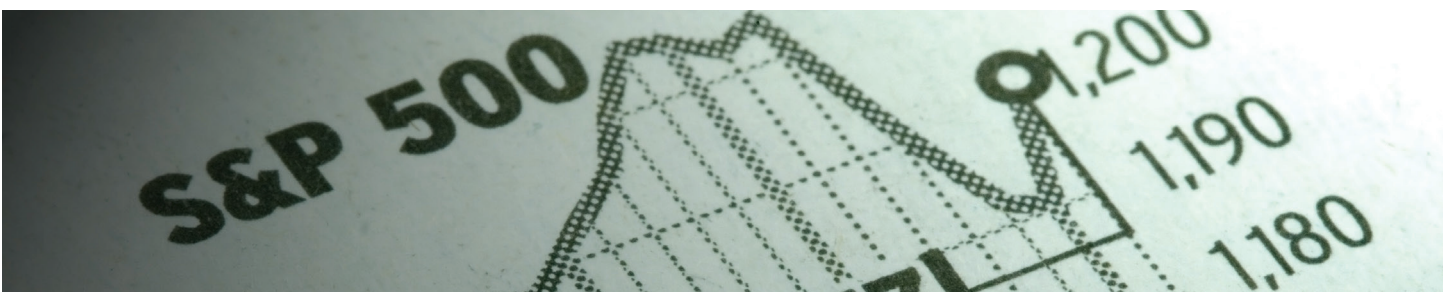
- > the three major asset classes (stocks, bonds, cash)
- > understand asset allocation and diversification

Much like real estate, shares of stock are purchased at their current value, which is determined by what other investors/buyers are willing to pay at a particular point in time. The value of both real estate and stock may increase or decrease in value. Investors hope to profit from their investment by selling it (stock or real estate) to someone else at some point in the future for an amount greater than their purchase price.

The historic performance of stocks has been much greater than that of cash bonds over longer periods of time; however, the performance of stocks during short periods of time can be extremely volatile (potentially extreme increases or decreases in value) during short time periods. Therefore, an investment in stocks is generally more attractive to the long-term investor, because the short-term ups and downs are outweighed by the potential greater long-term investment returns.

how does inflation impact investments?

Inflation represents a measurement of the increased costs for goods and services over time. As a long-term investor, inflation is an important consideration, because the cost of goods and services will likely increase while your money is invested. Over the long-term, it's advisable to invest in asset classes that have outperformed inflation by a meaningful amount.



getting there:

what do I need to know about investing?

EXPRESS LANE: LEARN 5 ITEMS OR LESS

what do I need to know about asset allocation?

- > control your potential risk and return by adjusting the amount allocated to stocks, bonds, and cash
- > allocate more stocks in the early years of your career
- > gradually decrease the allocation and increase the allocation to bonds as you near retirement age

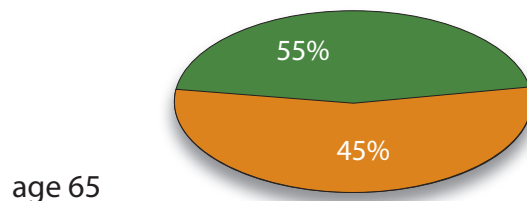
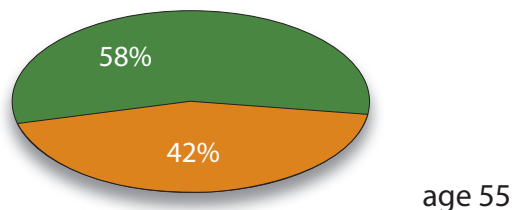
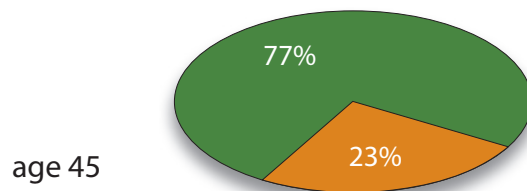
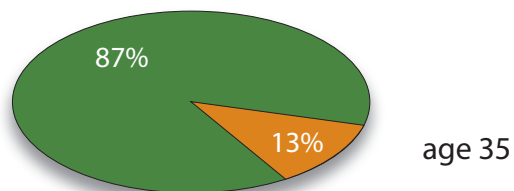
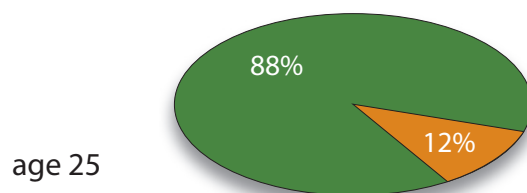
what is asset allocation?

As mentioned previously in this section, asset allocation is the most important decision that you'll make initially, and the most important revision made to your portfolio over time. Asset allocation is simply how you decide to allocate (divide) your investments among the three major asset classes (stocks, bonds and cash). Independent studies have concluded that this decision is representative of over 90% of the potential investment return of a diversified portfolio, and that individual investment selection and timing have very little influence on the performance of a long-term portfolio.

The amount allocated to each asset class should be based upon an investor's current time horizon (the length of time between today and when they intend to start spending money in the account - in this case, retirement age) and risk tolerance, which is the level of risk an investor is comfortable accepting. Therefore, a younger person with a longer time horizon would generally be more comfortable with a large portion of their portfolio in stocks, while someone closer to retirement would begin to favor the greater stability of bonds. Therefore, it's generally advisable to allocate a greater percentage of your portfolio to stocks during the early years of your career, and then gradually reduce the allocation stocks while increasing your allocation to bonds as you near your planned retirement age. Finally, the cash asset class should be added when an investor gets very close to retirement, and this lower-risk asset class will continue to be attractive during one's retirement years.

The pie charts shown here provide an example of how the average investor, with a planned retirement age of 65, might allocate their investments. These allocation models are based purely upon time horizon, so it should be noted that an investor may wish to be more aggressive or conservative than these models when factoring their personal tolerance for investment risk.

asset allocation models



stocks

bonds

creating and managing your own mix of investments

what is diversification?

Remember, asset allocation is the percentage of your portfolio that is allocated to each of the three major asset classes, and diversification is how you divide assets within one or more of the three major asset classes. Ultimately, the primary purpose of diversification is to reduce risk in your overall portfolio. For example, if you decided to allocate 70% of your portfolio to stocks, you would not want to invest the entire 70% in a single stock, because 70% of your portfolio would be subject to the success or failure of one company. Instead, you could substantially reduce risk by diversifying your allocation to stocks among many different companies, with different characteristics, operating in several different industries/markets.

mutual funds

One the most common methods of diversifying is to invest in mutual funds. These are investment companies that combine the assets of many individual and institutional investors into a single pool, which is invested into several, often hundreds, of different securities (stocks, bonds, etc.). Individual investors benefit by accessing the expertise and resources of a team of investment professionals who make all of the investment management decisions, and their investments are immediately diversified. Investors further benefit by sharing the investment management and operating expenses of mutual funds, which are spread across all of the fund's investors.

Every mutual fund has a stated investment objective that provides potential investors with information about the types of investments, management style and risk/reward characteristics of the fund. There are over 20,000 mutual funds available that offer a wide variety of risk and return characteristics based upon the types of investments and particular investment strategies of each fund. The table shown here illustrates the risk and reward characteristics of various types of mutual fund strategies.

Mutual funds with more aggressive investment strategies may offer potential higher investment returns, along with an increased risk of losing value. Likewise, funds with more conservative investment strategies offer greater protection from severe losses while limiting the expected investment return.

three step process

step one: asset allocation

Remember the first, and most important step is to determine an appropriate allocation of your portfolio based upon your time horizon and risk tolerance. Younger investors should have greater allocations to stocks, while those closer to retirement will want to favor the bond and cash asset classes.

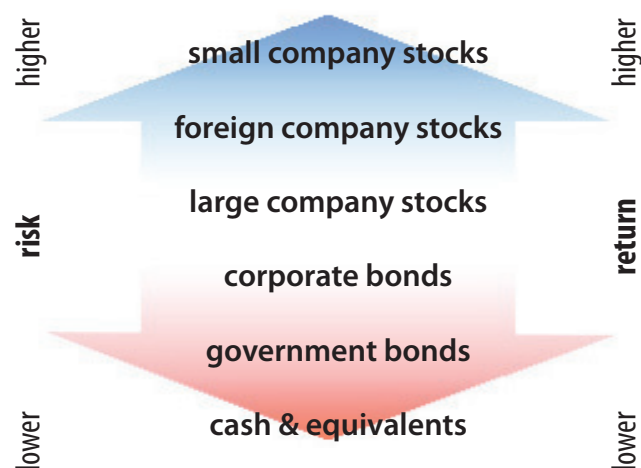
step two: diversification (choose your funds)

Your retirement plan offers a broad range of investments to choose from, which provides you with the ability to have a diverse mix of investments by adding funds from several asset classes to your portfolio. You can find more detailed information about each of the funds offered in your retirement plan in the next section of this guide.

step three: monitor and manage your portfolio

You will want to periodically review your investment mix and make adjustments so that your allocation gradually becomes more conservative as you near your anticipated retirement age. Additionally, you should periodically rebalance your portfolio so that it doesn't become more aggressive than you intended.

mutual fund asset classes



Roth and Your Retirement

With the new Roth 403(b) option, your plan now offers you more flexibility when saving for retirement. In general, a Roth 403(b) is similar to the popular Roth IRA—with most of the same benefits Roth IRAs provide.

With a Roth 403(b), you make after-tax contributions to your 403(b) plan. In other words, your Roth 403(b) contributions are taxed in the year you contribute to the plan. However, when you retire, you receive your contributions plus any earnings on your money tax-free.

With traditional 403(b) deferrals, you don't pay taxes on your contributions up front, but you pay taxes on both contributions and any earnings when you take the money out of the plan.

So you have a choice of paying your taxes on your retirement money now or paying them later.

Roth versus Traditional

| Benefit | Traditional | Roth |
|--|-------------------|-------------------|
| Tax-deferred Contributions | Yes | No |
| Tax-free Distributions | No | Yes *** |
| Annual Contribution Maximum* (2018) | \$18,500 | \$18,500 |
| Catch up Contributions, age 50+** (2018) | Yes, \$6,000/year | Yes, \$6,000/year |
| Income Limits | No | No |

* Traditional and Roth contributions are combined in applying maximum plan contribution.

** Traditional and Roth contribution catch-up amounts are combined for maximum plan contributions.

*** To qualify for tax-free withdrawals, your money must remain in the account for five years and you must have reached 59 1/2. Unlike Roth IRAs, there is no income limit for those who contribute to a Roth 403(b).

Consult your tax professional for additional information.

Roth and Your Retirement cont'd..

Why would an employee choose to pay taxes now rather than later?

For many employees, making Roth 403(b) contributions will mean more money in their pockets when they retire, after all taxes are paid. Depending on each employee's individual situation, making Roth 403 (b) contributions may be very beneficial, even with the upfront taxes. Generally the decision will depend on several factors, such as the employee's :

- Current age,
- Expected retirement age,
- Current tax bracket,
- Expected retirement tax bracket, and
- Contribution amount.

The decision requires employees to consider the current situations, as well as what they expect their situations to be in the future. Which participants might benefit from a Roth 403(b)?

- Younger and lower paid employees who would pay little tax on their contributions now, and who have many years to accumulate potentially tax-free earnings.
- Employees who will be in the same or higher tax bracket in retirement than they will be during their working years.
- Highly compensated employees who cannot contribute to a Roth IRA due to tax law's income restrictions.
- Employees who prefer (and can afford) to pay taxes now to gain tax-free treatment for their future plan withdrawals (and not take a chance that tax rates will be higher in the future.)

getting there:

How Do I Choose My Investments?

The number of investment options may seem overwhelming, but there are three basic systems:

1) Do-It-For-Me:

Take the Risk Assessment Questionnaire and be matched to a professionally managed Model Portfolio. The Model Portfolios are constructed using the same funds available individually, and they are rebalanced every quarter. There is no additional cost for using Model Portfolios, they are part of the service Schamber Group provides to your plan. The Questionnaire and Model Portfolios are located on the next few pages.

2) Do-It-Yourself:

Evaluate the individual investment options available to you in your plan and choose the ones you want. You can also set your account to automatically rebalance each quarter. All the investment options are located at the end of this brochure.

3) Pick One:

Select the Vanguard Target Retirement Fund that is closest to your expected retirement date. The entire set of Target Retirement Funds are located with the other investment options in this brochure.

Let's get started!!

Log into your account at

<https://investlink.aspireonline.com>

Instructions regarding your investments start on page 24 of ASpire's **Participant User Interface Guide**, located in the Library on your account's Home page.

* These options do not constitute professional investment advice.

Risk Assessment Questionnaire

To help you select an Asset Allocation Model Portfolio that is appropriate for your personal financial situation, please answer the following questions:

1. How do you rate your willingness to take financial risks?

- A. Very low risk taker.
- B. Low risk taker.
- C. Average risk taker.
- D. High risk taker.
- E. Very high risk taker.

2. Do you ever invest a large sum in an investment mainly for the "thrill" of seeing whether it goes up or down in value?

- A. No.
- B. Yes, very rarely.
- C. Yes, somewhat rarely.
- D. Yes, somewhat frequently.
- E. Yes, very frequently.

3. Which would you choose, a job with more security with a small pay increase or a job with less security and a big pay increase?

- A. Definitely more job security.
- B. Probably more job security.
- C. Not sure.
- D. Probably big pay increase.
- E. Definitely big pay increase.

4. When faced with a major financial decision, are you more concerned with the possible losses or the possible gains?

- A. Always the possible losses.
- B. Usually the possible losses.
- C. About the same for both.
- D. Usually the possible gains.
- E. Always the possible gains.

5. If you had a job where you could choose whether to be paid salary, commission or a mix of both, which would you pick?

- A. All salary.
- B. Mainly salary.
- C. Equal of salary and commission.
- D. Mainly commission.
- E. All commission.

6. How much confidence do you have in your ability to make good financial decisions?

- A. None.
- B. A little.
- C. A reasonable amount.
- D. A great deal.
- E. Complete.

- 7. Experts often say you should be prepared to weather a downturn. By how much could the total value of all your investments go down before you would begin to feel uncomfortable?**
- A. Any fall would be uncomfortable.
 - B. 10%.
 - C. 25%.
 - D. 50%.
 - E. More than 50%.
- 8. Assume you inherit a \$200,000 house. Renovations of \$50,000 could increase the worth to \$400,000. There are talks a highway may be built next to the house which could drop its value. You would...**
(Note: there is no 'A' or 'E' answer options)
- B. Sell it as is.
 - C. Keep it as is, but rent it out.
 - D. Renovate and try to sell it.
- 9. Most investment portfolios have a spread of investments. Which spread of investments do you find most appealing from below? (high risk/return(H) - mid risk/return(M) - low risk/return(L))**
- A. 0%H - 30%M - 70%L.
 - B. 10%H - 40%M - 50%L.
 - C. 30%H - 40%M - 30%L.
 - D. 50%H - 40%M - 10%L.
 - E. 70%H - 30%M - 0%L.
- 10. Which is more important, investments with fixed value which lose purchase power due to inflation, or investments that vary in value which should increase more than inflation over time?**
- A. Mostly for a fixed value.
 - B. Somewhat for a fixed value.
 - C. About the same importance.
 - D. Somewhat for purchase power.
 - E. Mostly for purchase power.
- 11. In recent years, how have you changed your investments?**
- A. Mostly toward lower risk.
 - B. Some toward lower risk.
 - C. No substantial changes.
 - D. Some toward higher risk.
 - E. Mostly toward higher risk.
- 12. Investments which produce above-average returns are usually above-average risk. How much of your available investment funds would you be willing to place in investments like this?**
- A. None.
 - B. 25%.
 - C. 50%.
 - D. 75%.
 - E. 100%.

13. If you borrowed a large sum of money, how would you choose to finance; a variable interest rate that will change with the market, a fixed rate at 1% above current variable rate, or a mix of each?

- A. 100% variable.
- B. 75% variable, 25% fixed.
- C. 50% variable, 50% fixed.
- D. 25% variable, 75% fixed.
- E. 100% fixed.

14. Your investment objective and risk tolerance summarize how you wish to invest in order to achieve your goals. Asking yourself "What do I want most to accomplish?", select the best fit objective.

- A. Preserving my account.
- B. Regular returns I can count on.
- C. Some income and growth over time.
- D. Growing my account.
- E. Maximum account growth.

15. I am comfortable with investments that may go down in value from time to time, if they offer the potential for higher returns.

- A. Strongly disagree.
- B. Disagree.
- C. Somewhat agree.
- D. Agree.
- E. Strongly Agree.

16. Your investment time horizon is an important variable to consider when building a financial strategy. How long will it be before you begin making withdrawals?

- A. 0-1 Year.
- B. 1-2 Years.
- C. 2-5 Years.
- D. 5-10 Years.
- E. More than 10 Years.

17. Once you retire and start taking income from your investments, how long will your money need to last?

- A. Take lump sum immediately.
- B. Less than 1 year.
- C. 1-5 Years.
- D. 6-10 Years.
- E. 11 Years or more.

18. How long could you cover monthly living expenses with cash and short-term liquid investment you currently have on hand? (Checking, Savings, under the mattress, etc.)

- A. 1 Month or less.
- B. 1-3 Months.
- C. 3-6 Months.
- D. 6-12 Months.
- E. 12 Months or more.

19. How much of this investment do you think will be needed for your retirement?

- A. None.
- B. Some, but not much.
- C. About half.
- D. Most of it.
- E. All of it.

20. Knowing the value of my portfolio will fluctuate, the maximum loss in any one-year period that I am willing to accept before changing my investment strategy is (assuming you start with \$100,000)?

- A. 0% (portfolio = \$100,000).
- B. 5% (portfolio = \$95,000).
- C. 10% (portfolio = \$90,000)
- D. 20% (portfolio = \$80,000).
- E. 30% (portfolio = \$70,000).

Use the legend below to mark points for each question. Total your results.

| A | B | C | D | E |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |

| | | | | | | | |
|----|--|----|--|----|--|----|--|
| 1 | | 2 | | 3 | | 4 | |
| 5 | | 6 | | 7 | | 8 | |
| 9 | | 10 | | 11 | | 12 | |
| 13 | | 14 | | 15 | | 16 | |
| 17 | | 18 | | 19 | | 20 | |

Total:_____

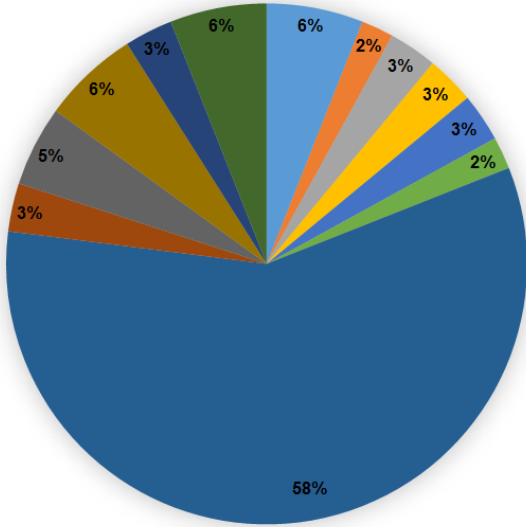
You can use your total score as a guide toward your personal investment objective. You can use your score to help decide which of the portfolios you would like to utilize.

| Conservative | Moderate Conservative | Moderate | Moderate Aggressive | Aggressive |
|--------------|--------------------------|----------|------------------------|------------|
| 21-39 | 40-55 | 56-65 | 66-80 | 81-99 |

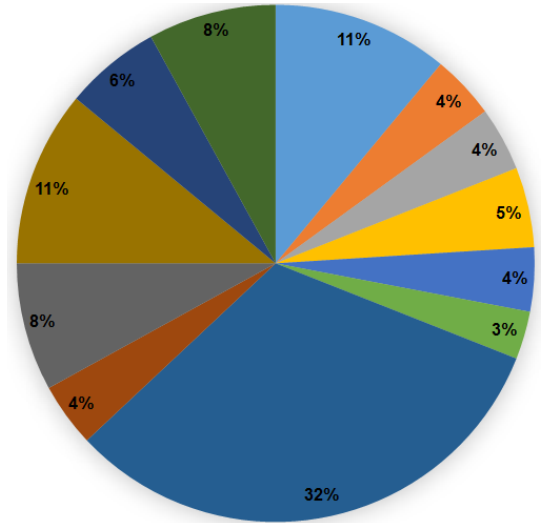
School City of Hobart 403(b) Retirement Savings Plan

Model Portfolios

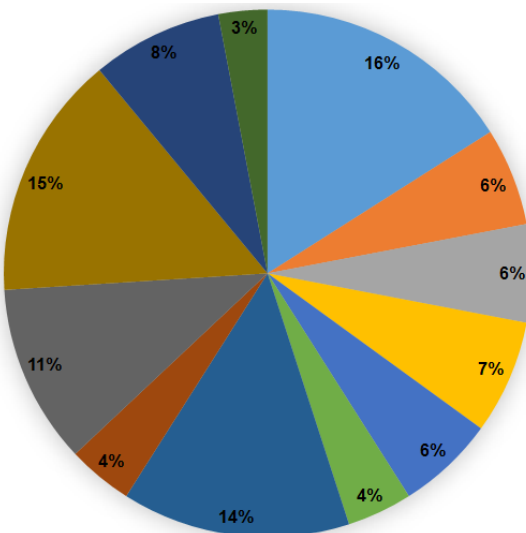
1. *Conservative Portfolio*



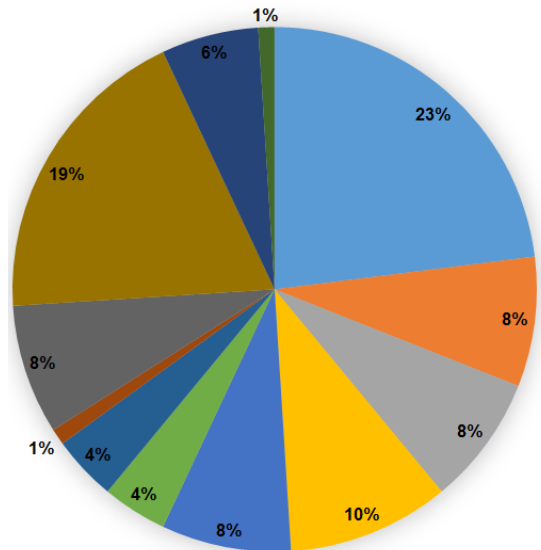
2. *Moderate Conservative Portfolio*



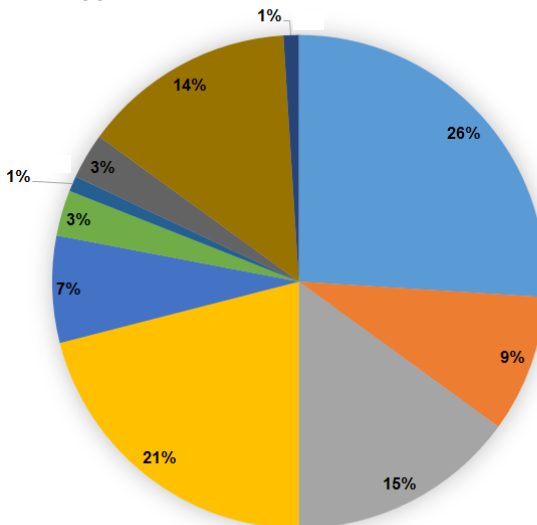
3. *Moderate Portfolio*



4. *Moderate Aggressive Portfolio*



5. *Aggressive Portfolio*



- American Funds Europacific Growth R6
- Columbia Mid Cap Index R5
- Columbia Small Cap Index R5
- Lazard Emerging Markets Equity Instl
- Nuveen Real Estate Securities R6
- PIMCO Commodity Real Ret Strat Instl
- Prudential Guaranteed Income
- T. Rowe Price High Yield
- Templeton Global Bond R6
- Vanguard 500 Index Admiral
- Vanguard Long-Term Treasury Admiral
- Vanguard Total Bond Market Index Admiral

The models above depict ways to actively control an investment mix by diversifying across very distinct asset classes. Keep in mind that the models serve only as a guide and are based on a normal retirement age. Each investor has the ability to customize his/her portfolio to his/her own particular objectives. Your final decision on asset allocation is based on your individual situation, needs, goals and aversion to risk. If any of these factors change, you should review your investment allocation. The investment return and principal value of many investment options will fluctuate so that an investor's units, when redeemed, may be worth more or less than the original cost.

School City of Hobart 403(b) Retirement Savings Plan

Model Portfolio Funds

1. Conservative Portfolio

- 9 6% American Funds Europacific Growth R6
- 9 2% Columbia Mid Cap Index R5
- 9 3% Columbia Small Cap Index R5
- 9 3% Lazard Emerging Markets Equity Instl
- 9 3% Nuveen Real Estate Securities R6
- 9 2% PIMCO Commodity Real Ret Strat Instl
- 9 58% Prudential Guaranteed Income
- 9 3% T. Rowe Price High-Yield
- 9 5% Templeton Global Bond R6
- 9 6% Vanguard 500 Index Admiral
- 9 3% Vanguard Long-Term Treasury Admiral
- 9 6% Vanguard Total Bond Market Index Admiral

2. Moderate Conservative Portfolio

- 9 11% American Funds Europacific Growth R6
- 9 4% Columbia Mid Cap Index R5
- 9 4% Columbia Small Cap Index R5
- 9 5% Lazard Emerging Markets Equity Instl
- 9 4% Nuveen Real Estate Securities R6
- 9 3% PIMCO Commodity Real Ret Strat Instl
- 9 32% Prudential Guaranteed Income
- 9 4% T. Rowe Price High-Yield
- 9 8% Templeton Global Bond R6
- 9 11% Vanguard 500 Index Admiral
- 9 6% Vanguard Long-Term Treasury Admiral
- 9 8% Vanguard Total Bond Market Index Admiral

3. Moderate Portfolio

- 9 16% American Funds Europacific Growth R6
- 9 6% Columbia Mid Cap Index R5
- 9 6% Columbia Small Cap Index R5
- 9 7% Lazard Emerging Markets Equity Instl
- 9 6% Nuveen Real Estate Securities R6
- 9 4% PIMCO Commodity Real Ret Strat Instl
- 9 14% Prudential Guaranteed Income
- 9 4% T. Rowe Price High-Yield
- 9 11% Templeton Global Bond R6
- 9 15% Vanguard 500 Index Admiral
- 9 8% Vanguard Long-Term Treasury Admiral
- 9 3% Vanguard Total Bond Market Index Admiral

4. Moderate Aggressive Portfolio

- 9 23% American Funds Europacific Growth R6
- 9 8% Columbia Mid Cap Index R5
- 9 8% Columbia Small Cap Index R5
- 9 10% Lazard Emerging Markets Equity Instl
- 9 8% Nuveen Real Estate Securities R6
- 9 4% PIMCO Commodity Real Ret Strat Instl
- 9 4% Prudential Guaranteed Income
- 9 1% T. Rowe Price High-Yield
- 9 8% Templeton Global Bond R6
- 9 19% Vanguard 500 Index Admiral
- 9 6% Vanguard Long-Term Treasury Admiral
- 9 1% Vanguard Total Bond Market Index Admiral

5. Aggressive Portfolio

- 9 26% American Funds Europacific Growth R6
- 9 9% Columbia Mid Cap Index R5
- 9 15% Columbia Small Cap Index R5
- 9 21% Lazard Emerging Markets Equity Instl
- 9 7% Nuveen Real Estate Securities R6
- 9 3% PIMCO Commodity Real Ret Strat Instl
- 9 1% Prudential Guaranteed Income
- 9 3% Templeton Global Bond R6
- 9 14% Vanguard 500 Index Admiral
- 9 1% Vanguard Long-Term Treasury Admiral

The models above depict ways to actively control an investment mix by diversifying across very distinct asset classes. Keep in mind that the models serve only as a guide and are based on a normal retirement age. Each investor has the ability to customize his/her portfolio to his/her own particular objectives. Your final decision on asset allocation is based on your individual situation, needs, goals and aversion to risk. If any of these factors change, you should review your investment allocation. The investment return and principal value of many investment options will fluctuate so that an investor's units, when redeemed, may be worth more or less than the original cost.

American Funds Europacific Growth R6 RERGX

Benchmark

MSCI ACWI Ex USA Growth NR USD

Overall Morningstar Rating™

★★★★

Out of 339 Foreign Large Growth funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Below Average

Investment Objective & Strategy

From investment's prospectus

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.

Fees and Expenses as of 06-01-17

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.50% |
| Total Annual Operating Expense | 0.50% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|------------------------------|-----------------------------------|
| Initial Class Inception Date | 04-16-84 |
| Fund Inception Date | 05-01-09 |
| Portfolio Manager(s) | Mark E. Denning Carl M. Kawaja |
| Name of Issuer | American Funds |
| Telephone | 800-421-4225 |
| Web Site | www.americanfunds.com |

Benchmark Description: MSCI ACWI Ex USA Growth NR USD

The index measures the performance of the growth large and mid cap segments of the particular regions, excluding USA equity securities, including developed and emerging market. It is free float-adjusted market-capitalization weighted.

Category Description: Foreign Large Growth

Foreign large-growth portfolios focus on high-priced growth stocks, mainly outside of the United States. Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios primarily invest in stocks that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). These portfolios typically will have less than 20% of assets invested in U.S. stocks.

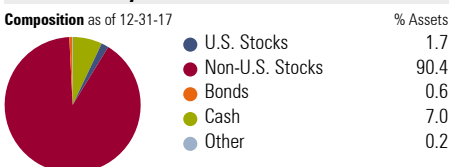
Performance



| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|------|--------|--------|--------|---------|-----------------|
| Fund Return % | 1.03 | 21.18 | 7.93 | 8.80 | 4.87 | 10.50 |
| Standardized Return % | 1.03 | 21.18 | 7.93 | 8.80 | 4.87 | 10.50 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 12-31-17



| Morningstar Equity Style Box™ as of 12-31-17 | % Mkt Cap |
|--|-----------|
| Giant | 70.15 |
| Large | 25.64 |
| Medium | 4.05 |
| Small | 0.17 |
| Micro | 0.00 |
| Value Blend Growth | |

| Top 10 Holdings as of 12-31-17 | % Assets |
|---|------------|
| Samsung Electronics Co Ltd | 3.25 |
| AIA Group Ltd | 2.62 |
| British American Tobacco PLC | 2.54 |
| Taiwan Semiconductor Manufacturing Co Ltd | 2.04 |
| Alibaba Group Holding Ltd ADR | 2.03 |
| Reliance Industries Ltd | 2.02 |
| Airbus SE | 2.00 |
| HDFC Bank Ltd | 1.96 |
| Tencent Holdings Ltd | 1.87 |
| SoftBank Group Corp | 1.80 |
| Total Number of Stock Holdings | 246 |
| Total Number of Bond Holdings | 11 |
| Annual Turnover Ratio % | 36.00 |
| Total Fund Assets (\$mil) | 166,888.42 |

| Morningstar World Regions as of 12-31-17 | % Fund | S&P 500 |
|--|--------|---------|
| Americas | 9.08 | 99.16 |
| North America | 5.72 | 99.16 |
| Latin America | 3.36 | 0.00 |
| Greater Europe | 40.82 | 0.34 |
| United Kingdom | 13.65 | 0.06 |
| Europe Developed | 24.78 | 0.28 |
| Europe Emerging | 0.80 | 0.00 |
| Africa/Middle East | 1.60 | 0.00 |
| Greater Asia | 50.10 | 0.50 |
| Japan | 14.17 | 0.00 |
| Australasia | 0.39 | 0.00 |
| Asia Developed | 16.42 | 0.07 |
| Asia Emerging | 19.12 | 0.43 |

Principal Risks as of 12-31-17

Emerging Markets, Foreign Securities, Long-Term Outlook and Projections, Loss of Money, Not FDIC Insured, Growth Investing, Active Management, Issuer, Market/Market Volatility

Artisan Mid Cap Institutional APHMX

Benchmark

Russell Mid Cap Growth TR USD

Investment Objective & Strategy

From investment's prospectus

The investment seeks maximum long-term capital growth.

The fund normally invests no less than 80% of its net assets plus any borrowings for investment purposes at market value at the time of purchase in the common stocks of medium-sized companies. It defines a medium-sized company as one with a market capitalization greater than the market capitalization of the smallest company in the Russell Midcap® Index and less than three times the weighted average market capitalization of companies in the index.

Fees and Expenses as of 02-01-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.95% |
| Total Annual Operating Expense | 0.95% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|---|
| Fund Inception Date | 07-03-00 |
| Portfolio Manager(s) | Matthew H. Kamm, CFA James D. Hamel, CFA |
| Name of Issuer | Artisan |
| Telephone | 866-773-7233 |
| Web Site | www.artisanfunds.com |

Benchmark Description: Russell Mid Cap Growth TR USD

The index measures the performance of the mid-cap growth segment of the US equity universe. It includes Russell midcap index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

Category Description: Mid-Cap Growth

Some mid-cap growth portfolios invest in stocks of all sizes, thus leading to a mid-cap profile, but others focus on midsize companies. Mid-cap growth portfolios target U.S. firms that are projected to grow faster than other mid-cap stocks, therefore commanding relatively higher prices. The U.S. mid-cap range for market capitalization typically falls between \$1 billion and \$8 billion and represents 20% of the total capitalization of the U.S. equity market. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields).

Overall Morningstar Rating™

★★★

Out of 549 Mid-Cap Growth funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

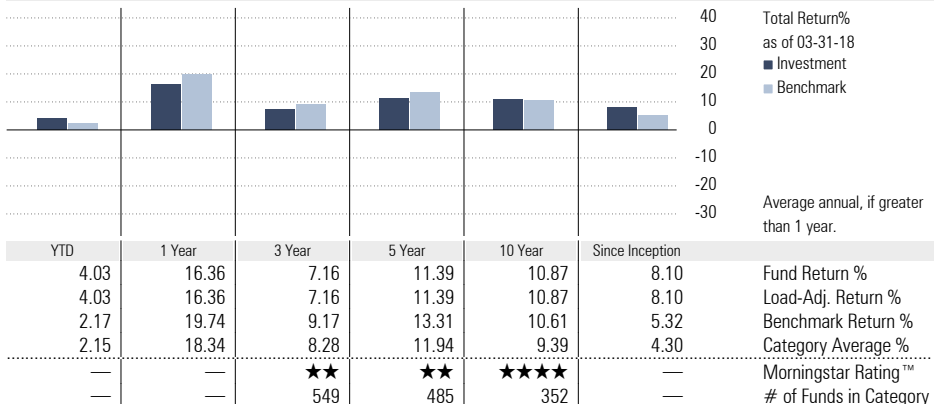
Morningstar Return

Above Average

Morningstar Risk

Above Average

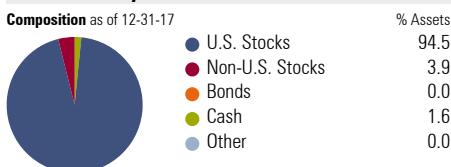
Performance



| Quarter End Returns as of 03-31-18 | | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|--|------|--------|--------|--------|---------|-----------------|
| Fund Return % | | 4.03 | 16.36 | 7.16 | 11.39 | 10.87 | 8.10 |
| Standardized Return % | | 4.03 | 16.36 | 7.16 | 11.39 | 10.87 | 8.10 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 12-31-17



| Morningstar Equity Style Box™ as of 12-31-17 | | % Mkt Cap |
|--|-------|-----------|
| Value | Blend | Growth |
| Large | Mid | Small |
| Giant | | 0.00 |
| Large | | 37.38 |
| Medium | | 58.65 |
| Small | | 3.96 |
| Micro | | 0.00 |

| Top 10 Holdings as of 12-31-17 | | % Assets |
|--------------------------------|--|----------|
| LKQ Corp | | 4.78 |
| Global Payments Inc | | 4.56 |
| IHS Markit Ltd A | | 3.66 |
| Progressive Corp | | 3.51 |
| S&P Global Inc | | 3.42 |
| Cigna Corp | | 2.93 |
| Boston Scientific Corp | | 2.64 |
| Concho Resources Inc | | 2.48 |
| Becton, Dickinson and Co | | 2.25 |
| Atlassian Corporation PLC A | | 2.22 |
| Total Number of Stock Holdings | | 62 |
| Total Number of Bond Holdings | | 0 |
| Annual Turnover Ratio % | | 42.59 |
| Total Fund Assets (\$mil) | | 6,600.15 |

| Morningstar Sectors as of 12-31-17 | | % Fund | S&P 500 % |
|------------------------------------|--|--------|-----------|
| Cyclical | | 30.63 | 33.57 |
| Basic Materials | | 0.97 | 2.68 |
| Consumer Cyclical | | 15.15 | 11.73 |
| Financial Services | | 14.51 | 16.91 |
| Real Estate | | 0.00 | 2.25 |
| Sensitive | | 50.63 | 41.83 |
| Communication Services | | 0.00 | 3.29 |
| Energy | | 4.51 | 5.74 |
| Industrials | | 23.34 | 10.64 |
| Technology | | 22.78 | 22.16 |
| Defensive | | 18.73 | 24.60 |
| Consumer Defensive | | 3.46 | 7.83 |
| Healthcare | | 15.27 | 13.91 |
| Utilities | | 0.00 | 2.86 |

Principal Risks as of 12-31-17

Currency, Foreign Securities, Loss of Money, Not FDIC Insured, Growth Investing, Market/Market Volatility, Other, Shareholder Activity, Management, Portfolio Diversification, Small Cap, Mid-Cap

Columbia Mid Cap Index Inst2 CPXR

Benchmark

Russell Mid Cap TR USD

Overall Morningstar Rating™

★★★★

Out of 356 Mid-Cap Blend funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Average

Investment Objective & Strategy

From investment's prospectus

The investment seeks total return before fees and expenses that corresponds to the total return of the Standard & Poor's (S&P) MidCap 400® Index.

The fund invests at least 80% of its net assets (including the amount of any borrowings for investment purposes) in common stocks that comprise the S&P MidCap 400 Index. In seeking to match the performance of the index, the Investment Manager attempts to allocate the fund's assets among common stocks in approximately the same weightings as the index. The manager attempts to achieve at least a 95% correlation between the performance of the index and the fund's investment results, before fees and expenses.

Fees and Expenses as of 07-01-17

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.20% |
| Total Annual Operating Expense | 0.27% |
| Maximum Sales Charge | — |
| 12b-1 Fee | 0.00% |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|--------------|-------------|-----------|------|
| ExpenseRatio | Contractual | 06-30-18 | 0.07 |

Operations and Management

| | |
|------------------------------|--------------------------------|
| Initial Class Inception Date | 03-31-00 |
| Fund Inception Date | 11-08-12 |
| Portfolio Manager(s) | Vadim Shteyn Christopher Lo |
| Name of Issuer | Columbia |
| Telephone | 800-345-6611 |
| Web Site | www.columbiamanagement.com |

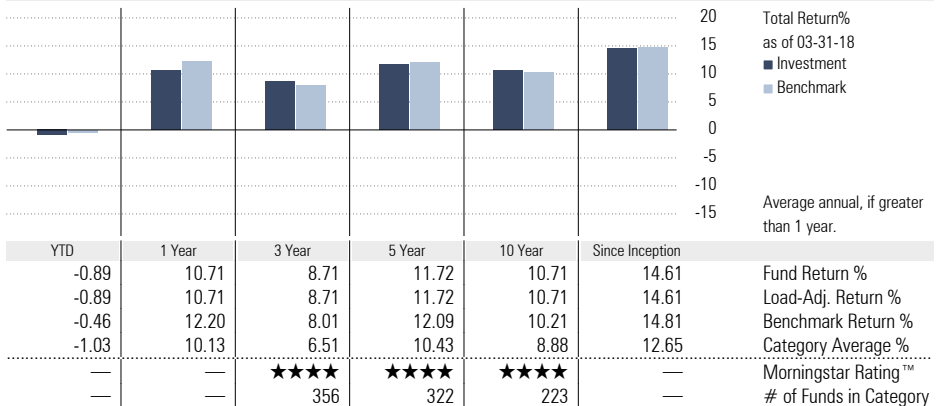
Benchmark Description: Russell Mid Cap TR USD

The index measures the performance of the mid-cap segment of the US equity universe. It is a subset of Russell 1000 index and includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The index represents approximately 31% of the total market capitalization of the Russell 1000 companies.

Category Description: Mid-Cap Blend

The typical mid-cap blend portfolio invests in U.S. stocks of various sizes and styles, giving it a middle-of-the-road profile. Most shy away from high-priced growth stocks but aren't so price-conscious that they land in value territory. The U.S. mid-cap range for market capitalization typically falls between \$1 billion and \$8 billion and represents 20% of the total capitalization of the U.S. equity market. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.

Performance

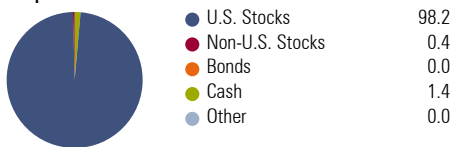


| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Fund Return % | -0.89 | 10.71 | 8.71 | 11.72 | 10.71 | 14.61 |
| Standardized Return % | -0.89 | 10.71 | 8.71 | 11.72 | 10.71 | 14.61 |

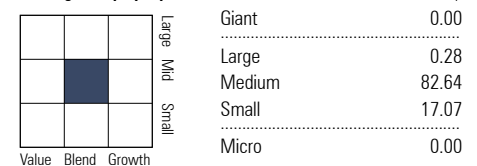
Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18

Composition as of 02-28-18



Morningstar Equity Style Box™ as of 02-28-18



Top 10 Holdings as of 02-28-18

| | % Assets |
|------------------------------------|----------|
| E-mini S&P 400 Mar18 | 03-16-18 |
| Columbia Short-Term Cash | 12-30-20 |
| SVB Financial Group | |
| MSCI Inc | |
| Take-Two Interactive Software Inc | |
| Broadridge Financial Solutions Inc | |
| Abiomed Inc | |
| Bioverativ Inc | |
| Teleflex Inc | |
| Steel Dynamics Inc | |

| | |
|--------------------------------|----------|
| Total Number of Stock Holdings | 400 |
| Total Number of Bond Holdings | 0 |
| Annual Turnover Ratio % | 18.00 |
| Total Fund Assets (\$mil) | 4,710.84 |

Morningstar Sectors as of 02-28-18

| | % Fund | S&P 500 % |
|------------------------|--------|-----------|
| Cyclical | 45.59 | 33.57 |
| Basic Materials | 6.19 | 2.68 |
| Consumer Cyclical | 13.33 | 11.73 |
| Financial Services | 17.93 | 16.91 |
| Real Estate | 8.14 | 2.25 |
| Sensitive | 38.21 | 41.83 |
| Communication Services | 0.47 | 3.29 |
| Energy | 4.38 | 5.74 |
| Industrials | 16.45 | 10.64 |
| Technology | 16.91 | 22.16 |
| Defensive | 16.19 | 24.60 |
| Consumer Defensive | 4.08 | 7.83 |
| Healthcare | 7.71 | 13.91 |
| Utilities | 4.40 | 2.86 |

Principal Risks as of 02-28-18

Loss of Money, Not FDIC Insured, Index Correlation/Tracking Error, Issuer, Market/Market Volatility, Futures, Industry and Sector Investing, Derivatives, Mid-Cap, Real Estate/REIT Sector

Columbia Small Cap Index Inst2 CXXRX

Benchmark

Russell 2000 TR USD

Overall Morningstar Rating™

★★★★★

Out of 627 Small Blend funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

High

Morningstar Risk

Average

Investment Objective & Strategy

From investment's prospectus

The investment seeks total return before fees and expenses that corresponds to the total return of the Standard & Poor's (S&P) SmallCap 600® Index.

Under normal circumstances, the fund invests at least 80% of its net assets (including the amount of any borrowings for investment purposes) in common stocks that comprise the S&P SmallCap 600 Index. The Investment Manager attempts to achieve at least a 95% correlation between the performance of the index and the fund's investment results, before fees and expenses. The fund may invest in derivatives, such as futures (including equity index futures), for cash equitization purposes.

Fees and Expenses as of 07-01-17

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.20% |
| Total Annual Operating Expense | 0.20% |
| Maximum Sales Charge | — |
| 12b-1 Fee | 0.00% |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|------------------------------|--------------------------------|
| Initial Class Inception Date | 10-15-96 |
| Fund Inception Date | 11-08-12 |
| Portfolio Manager(s) | Christopher Lo Vadim Shteyn |
| Name of Issuer | Columbia |
| Telephone | 800-345-6611 |
| Web Site | www.columbiamanagement.com |

Benchmark Description: Russell 2000 TR USD

The index measures the performance of the small-cap segment of the US equity universe. It is a subset of the Russell 3000 and includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

Category Description: Small Blend

Small-blend portfolios favor U.S. firms at the smaller end of the market-capitalization range. Some aim to own an array of value and growth stocks while others employ a discipline that leads to holdings with valuations and growth rates close to the small-cap averages. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.

Performance

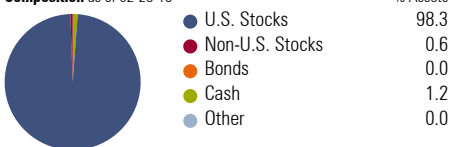


| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|------|--------|--------|--------|---------|-----------------|
| Fund Return % | 0.51 | 12.46 | 10.50 | 13.29 | 11.19 | 16.01 |
| Standardized Return % | 0.51 | 12.46 | 10.50 | 13.29 | 11.19 | 16.01 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18

Composition as of 02-28-18



Morningstar Equity Style Box™ as of 02-28-18

| | % Mkt Cap |
|--------|-----------|
| Giant | 0.00 |
| Large | 0.00 |
| Medium | 12.49 |
| Small | 80.84 |
| Micro | 6.66 |

Top 10 Holdings as of 02-28-18

| | % Assets |
|---|----------|
| Nektar Therapeutics Inc | 1.75 |
| E-mini Russell 2000 Index Futures Mar1 03-16-18 | 1.29 |
| Columbia Short-Term Cash 12-30-20 | 1.20 |
| iShares Core S&P Small-Cap ETF | 1.02 |
| Cantel Medical Corp | 0.53 |
| Chemed Corp | 0.53 |
| Haemonetics Corp | 0.48 |
| Lumentum Holdings Inc | 0.48 |
| On Assignment Inc | 0.48 |
| CACI International Inc Class A | 0.47 |

| | |
|--------------------------------|----------|
| Total Number of Stock Holdings | 601 |
| Total Number of Bond Holdings | 0 |
| Annual Turnover Ratio % | 18.00 |
| Total Fund Assets (\$mil) | 4,022.06 |

Principal Risks as of 02-28-18

Loss of Money, Not FDIC Insured, Index Correlation/Tracking Error, Issuer, Market/Market Volatility, Futures, Industry and Sector Investing, Derivatives, Small Cap

Morningstar Sectors as of 02-28-18

| | % Fund | S&P 500 % |
|------------------------|--------|-----------|
| Cyclical | 44.69 | 33.57 |
| Basic Materials | 7.84 | 2.68 |
| Consumer Cyclical | 14.48 | 11.73 |
| Financial Services | 16.39 | 16.91 |
| Real Estate | 5.98 | 2.25 |
| Sensitive | 36.18 | 41.83 |
| Communication Services | 1.37 | 3.29 |
| Energy | 2.62 | 5.74 |
| Industrials | 16.80 | 10.64 |
| Technology | 15.39 | 22.16 |
| Defensive | 19.13 | 24.60 |
| Consumer Defensive | 2.88 | 7.83 |
| Healthcare | 13.72 | 13.91 |
| Utilities | 2.53 | 2.86 |

DFA Inflation-Protected Securities I DIPSX

Benchmark

BBgBarc US Treasury US TIPS TR USD

Overall Morningstar Rating™

★★★★

Out of 207 Inflation-Protected Bond funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Above Average

Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide inflation protection and earn current income consistent with inflation-protected securities.

As a non-fundamental policy, under normal circumstances, the Portfolio will invest at least 80% of its net assets in inflation-protected securities. Inflation-protected securities (also known as inflation-indexed securities) are securities whose principal and/or interest payments are adjusted for inflation, unlike conventional debt securities that make fixed principal and interest payments.

Fees and Expenses as of 02-28-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.12% |
| Total Annual Operating Expense | 0.12% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|---------------------------------------|
| Fund Inception Date | 09-18-06 |
| Portfolio Manager(s) | David A. Plecha Joseph F. Kolerich |
| Name of Issuer | Dimensional Fund Advisors |
| Telephone | 888-576-1167 |
| Web Site | www.dimensional.com |

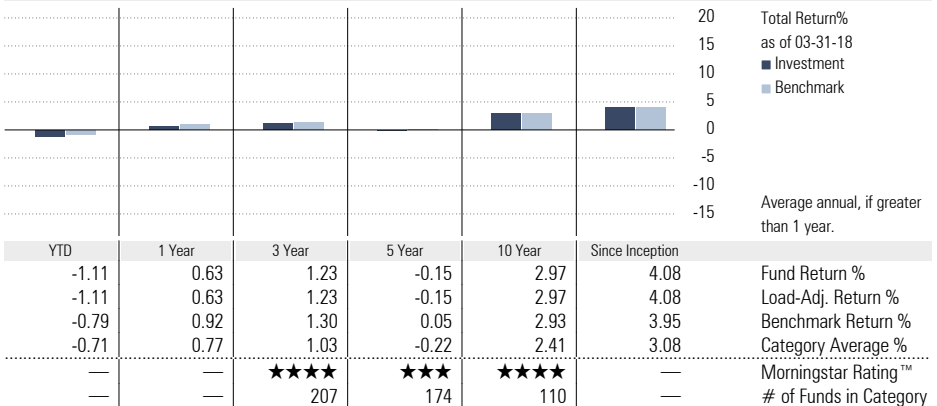
Benchmark Description: BBgBarc US Treasury US TIPS TR USD

The index measures the performance of rules-based, market value-weighted inflation-protected securities issued by the U.S. Treasury. It is a subset of the Global Inflation-Linked Index (Series-L).

Category Description: Inflation-Protected Bond

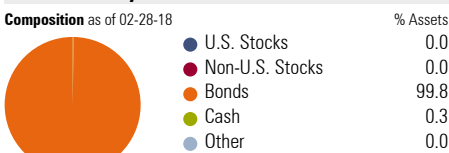
Inflation-protected bond portfolios invest primarily in debt securities that adjust their principal values in line with the rate of inflation. These bonds can be issued by any organization, but the U.S. Treasury is currently the largest issuer for these types of securities.

Performance



Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18



Morningstar Fixed Income Style Box™ as of 01-31-18



Top 10 Holdings as of 02-28-18

| | % Assets |
|---|----------|
| United States Treasury Notes 0.625% SN 01-15-26 | 9.54 |
| United States Treasury Notes 0.375% PI 01-15-27 | 8.72 |
| United States Treasury Notes 0.125% PI 07-15-26 | 8.63 |
| United States Treasury Notes 0.25% SNR 01-15-25 | 7.90 |
| United States Treasury Notes 0.375% SN 07-15-25 | 7.37 |
| United States Treasury Bonds 2.375% PI 01-15-25 | 6.19 |
| United States Treasury Notes 0.625% SN 01-15-24 | 5.58 |
| United States Treasury Bonds 3.875% PI 04-15-29 | 5.57 |
| United States Treasury Bonds 2% SNR PI 01-15-26 | 5.48 |
| United States Treasury Notes 0.125% SN 07-15-24 | 5.35 |
| Total Number of Stock Holdings | 0 |
| Total Number of Bond Holdings | 17 |
| Annual Turnover Ratio % | 16.00 |
| Total Fund Assets (\$mil) | 4,756.49 |

Morningstar Sectors as of 02-28-18

| | % Fund | % Category |
|-----------------------|--------|------------|
| Government | 99.75 | 70.66 |
| Corporate | 0.00 | 7.94 |
| Securitized | 0.00 | 6.80 |
| Municipal | 0.00 | 0.19 |
| Cash/Cash Equivalents | 0.25 | 9.22 |
| Other | 0.00 | 5.18 |

Credit Analysis as of 01-31-18



Principal Risks as of 02-28-18

Lending, Credit and Counterparty, Inflation-Protected Securities, Loss of Money, Not FDIC Insured, Income, Interest Rate, Market/Market Volatility, Other, Restricted/Illiquid Securities, Tax Management, Derivatives

Fidelity Advisor® Small Cap Value I FCVIX

Benchmark

Russell 2000 Value TR USD

Overall Morningstar Rating™

★★★★★

Out of 348 Small Value funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

High

Morningstar Risk

Below Average

Investment Objective & Strategy

From investment's prospectus

The investment seeks capital appreciation.

The fund invests primarily in common stocks. It invests at least 80% of assets in securities of companies with small market capitalizations. The fund invests in securities of companies that Fidelity Management & Research Company (FMR) believes are undervalued in the marketplace in relation to factors such as assets, sales, earnings, growth potential, or cash flow, or in relation to securities of other companies in the same industry (stocks of these companies are often called "value" stocks). It invests in domestic and foreign issuers.

Fees and Expenses as of 11-17-17

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.98% |
| Total Annual Operating Expense | 0.98% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|---------------------------------|
| Fund Inception Date | 11-03-04 |
| Portfolio Manager(s) | Derek Janssen Clint Lawrence |
| Name of Issuer | Fidelity Investments |
| Telephone | 877-208-0098 |
| Web Site | www.institutional.fidelity.com |

Benchmark Description: Russell 2000 Value TR USD

The index measures the performance of small-cap value segment of the US equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

Category Description: Small Value

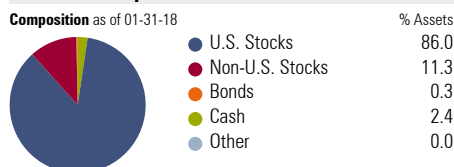
Small-value portfolios invest in small U.S. companies with valuations and growth rates below other small-cap peers. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

Performance

| | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception | |
|---|-------|--------|--------|--------|---------|-----------------|---|
| | -1.33 | 10.65 | 8.98 | 10.65 | 11.71 | 11.10 | Total Return% as of 03-31-18 |
| | -1.33 | 10.65 | 8.98 | 10.65 | 11.71 | 11.10 | ■ Investment |
| | -2.64 | 5.13 | 7.87 | 9.96 | 8.61 | 7.77 | ■ Benchmark |
| | -2.75 | 5.71 | 6.67 | 9.10 | 8.74 | 7.81 | Average annual, if greater than 1 year. |
| | — | — | ★★★★★ | ★★★★★ | ★★★★★ | — | Fund Return % |
| | — | — | 348 | 301 | 209 | — | Load-Adj. Return % |
| | | | | | | | Benchmark Return % |
| | | | | | | | Category Average % |
| | | | | | | | Morningstar Rating™ |
| | | | | | | | # of Funds in Category |
| Quarter End Returns as of 03-31-18 | | | | | | | |
| Fund Return % | -1.33 | 10.65 | 8.98 | 10.65 | 11.71 | 11.10 | |
| Standardized Return % | -1.33 | 10.65 | 8.98 | 10.65 | 11.71 | 11.10 | |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 01-31-18



Morningstar Equity Style Box™ as of 01-31-18

| | % Mkt Cap |
|--------|-----------|
| Giant | 0.00 |
| Large | 0.00 |
| Medium | 24.61 |
| Small | 68.38 |
| Micro | 7.01 |

Value Blend Growth

Top 10 Holdings as of 01-31-18

| | % Assets |
|---|----------|
| LivaNova PLC | 3.55 |
| Tech Data Corp | 3.23 |
| Moog Inc A | 3.11 |
| Cullen/Frost Bankers Inc | 3.00 |
| Genesee & Wyoming Inc Class A | 2.97 |
| First American Financial Corp | 2.92 |
| CVB Financial Corp | 2.88 |
| BOK Financial Corp | 2.73 |
| STORE Capital Corp | 2.63 |
| Science Applications International Corp | 2.59 |
| Total Number of Stock Holdings | 60 |
| Total Number of Bond Holdings | 1 |
| Annual Turnover Ratio % | 26.00 |
| Total Fund Assets (\$mil) | 3,381.74 |

Morningstar Sectors as of 01-31-18

| | % Fund | S&P 500 % |
|------------------------|--------|-----------|
| Cyclical | 50.75 | 33.57 |
| Basic Materials | 1.98 | 2.68 |
| Consumer Cyclical | 11.95 | 11.73 |
| Financial Services | 31.61 | 16.91 |
| Real Estate | 5.21 | 2.25 |
| Sensitive | 34.98 | 41.83 |
| Communication Services | 0.00 | 3.29 |
| Energy | 3.96 | 5.74 |
| Industrials | 20.01 | 10.64 |
| Technology | 11.01 | 22.16 |
| Defensive | 14.27 | 24.60 |
| Consumer Defensive | 4.30 | 7.83 |
| Healthcare | 6.04 | 13.91 |
| Utilities | 3.93 | 2.86 |

Principal Risks as of 01-31-18

Foreign Securities, Loss of Money, Not FDIC Insured, Value Investing, Issuer, Market/Market Volatility, Equity Securities, Small Cap

Franklin Small Cap Growth R6 FSMLX

Benchmark

Russell 2000 Growth TR USD

Investment Objective & Strategy

From investment's prospectus

The investment seeks long-term capital growth.

The fund invests at least 80% of its net assets in the equity securities of small cap companies. The equity securities in which the fund invests are predominantly common stock. Small cap companies are companies with market capitalizations not exceeding (i) \$1.5 billion or (ii) the highest market capitalization in the Russell 2000® Index, whichever is greater, at the time of purchase. It may invest in equity securities of larger companies. The fund, from time to time, may have significant positions in particular sectors such as information technology, industrials, consumer discretionary and healthcare.

Fees and Expenses as of 09-01-17

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.63% |
| Total Annual Operating Expense | 0.65% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|--------------|-------------|-----------|------|
| ExpenseRatio | Contractual | 09-01-18 | 0.02 |

Operations and Management

| | |
|------------------------------|---|
| Initial Class Inception Date | 05-01-00 |
| Fund Inception Date | 05-01-13 |
| Portfolio Manager(s) | Michael McCarthy, CFA Bradley T. Carris, CFA |
| Name of Issuer | Franklin Templeton Investments |
| Telephone | 800-342-5236 |
| Web Site | www.franklintempleton.com |

Benchmark Description: Russell 2000 Growth TR USD

The index measures the performance of small-cap growth segment of the US equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

Category Description: Small Growth

Small-growth portfolios focus on faster-growing companies whose shares are at the lower end of the market-capitalization range. These portfolios tend to favor companies in up-and-coming industries or young firms in their early growth stages. Because these businesses are fast-growing and often richly valued, their stocks tend to be volatile. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields).

Overall Morningstar Rating™

★★

Out of 592 Small Growth funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

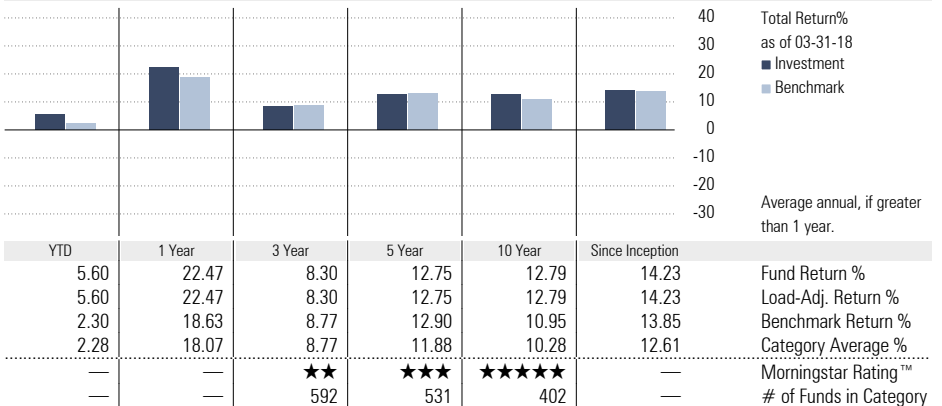
Morningstar Return

Average

Morningstar Risk

High

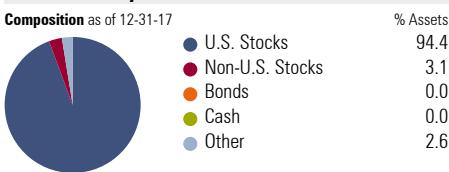
Performance



| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|------|--------|--------|--------|---------|-----------------|
| Fund Return % | 5.60 | 22.47 | 8.30 | 12.75 | 12.79 | 14.23 |
| Standardized Return % | 5.60 | 22.47 | 8.30 | 12.75 | 12.79 | 14.23 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 12-31-17



| Morningstar Equity Style Box™ as of 12-31-17 | % Mkt Cap |
|--|-----------|
| Giant | 0.00 |
| Large | 0.00 |
| Medium | 11.69 |
| Small | 57.70 |
| Micro | 30.61 |

| Top 10 Holdings as of 12-31-17 | % Assets |
|----------------------------------|----------|
| 2U Inc | 2.61 |
| Mercury Systems Inc | 1.90 |
| US Ecology Inc | 1.74 |
| Integrated Device Technology Inc | 1.68 |
| Beacon Roofing Supply Inc | 1.59 |
| Zendesk Inc | 1.52 |
| Astronics Corp | 1.50 |
| Callidus Software Inc | 1.48 |
| iRhythm Technologies Inc | 1.47 |
| Nevro Corp | 1.46 |

| | |
|--------------------------------|----------|
| Total Number of Stock Holdings | 115 |
| Total Number of Bond Holdings | 0 |
| Annual Turnover Ratio % | 29.93 |
| Total Fund Assets (\$mil) | 2,560.23 |

Principal Risks as of 12-31-17

Loss of Money, Not FDIC Insured, Growth Investing, Active Management, Market/Market Volatility, Restricted/Illiquid Securities, Portfolio Diversification, Small Cap

| Morningstar Sectors as of 12-31-17 | % Fund | S&P 500 % |
|------------------------------------|--------|-----------|
| Cyclical | 26.97 | 33.57 |
| Basic Materials | 4.01 | 2.68 |
| Consumer Cyclical | 12.13 | 11.73 |
| Financial Services | 9.53 | 16.91 |
| Real Estate | 1.30 | 2.25 |
| Sensitive | 48.55 | 41.83 |
| Communication Services | 0.00 | 3.29 |
| Energy | 2.11 | 5.74 |
| Industrials | 15.32 | 10.64 |
| Technology | 31.12 | 22.16 |
| Defensive | 24.49 | 24.60 |
| Consumer Defensive | 4.80 | 7.83 |
| Healthcare | 19.69 | 13.91 |
| Utilities | 0.00 | 2.86 |

Templeton Global Bond R6 FBNRX

Benchmark

Citi WGBI NonUSD USD

Overall Morningstar Rating™

★★

Out of 264 World Bond funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Average

Morningstar Risk

Above Average

Investment Objective & Strategy

From investment's prospectus

The investment seeks current income with capital appreciation and growth of income.

Under normal market conditions, the fund invests at least 80% of its net assets in "bonds." Bonds include debt obligations of any maturity, such as bonds, notes, bills and debentures. It invests predominantly in bonds issued by governments, government-related entities and government agencies located around the world. The fund may invest up to 25% of its total assets in bonds that are rated below investment grade or, if unrated determined by the investment manager to be of comparable quality. It is non-diversified.

Fees and Expenses as of 06-09-17

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.52% |
| Total Annual Operating Expense | 0.58% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|--------------|-------------|-----------|------|
| ExpenseRatio | Contractual | 06-12-18 | 0.06 |

Operations and Management

| | |
|------------------------------|-------------------------------------|
| Initial Class Inception Date | 09-18-86 |
| Fund Inception Date | 05-01-13 |
| Portfolio Manager(s) | Michael J. Hasenstab Sonal Desai |
| Name of Issuer | Franklin Templeton Investments |
| Telephone | 800-342-5236 |
| Web Site | www.franklintempleton.com |

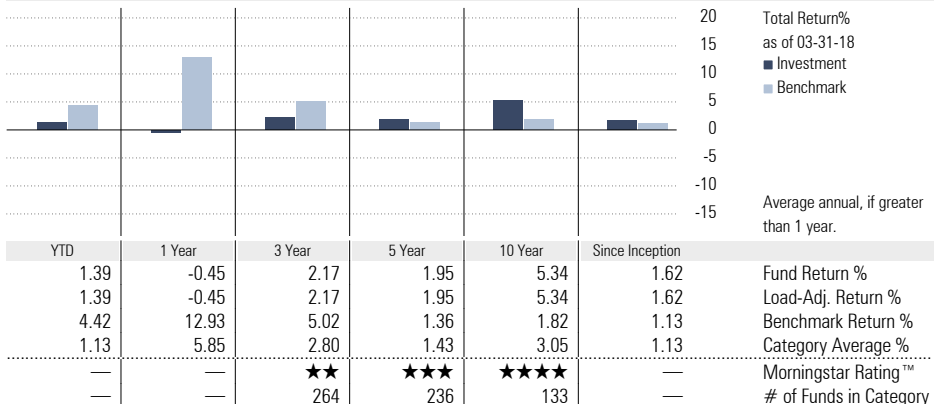
Benchmark Description: Citi WGBI NonUSD USD

The index measures the performance of fixed-rate, local currency, investment-grade sovereign bonds of all WGBI countries except the United States and is stated in US dollar terms. It is a subset of Citigroup World Government Bond Index (WGBI).

Category Description: World Bond

World-bond portfolios typically invest 40% or more of their assets in foreign bonds. These portfolios invest primarily in investment-grade rated issues, but their strategies can vary. Some follow a conservative approach, sticking with high-quality bonds from developed markets and/or hedging foreign currency exposure back to the U.S. dollar. Others are more adventurous, owning some lower-quality bonds from developed or emerging markets and/or taking meaningful foreign currency risk. Some portfolios invest exclusively outside the U.S., while others regularly invest in both U.S. and non-U.S. bonds.

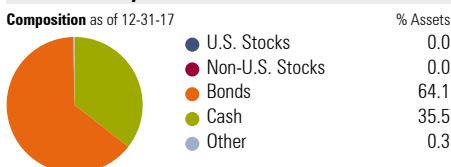
Performance



| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|------|--------|--------|--------|---------|-----------------|
| Fund Return % | 1.39 | -0.45 | 2.17 | 1.95 | 5.34 | 1.62 |
| Standardized Return % | 1.39 | -0.45 | 2.17 | 1.95 | 5.34 | 1.62 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 12-31-17



Morningstar Fixed Income Style Box™ as of 12-31-17

| | | |
|---------------|------------------|-------|
| Not Available | Avg Eff Duration | -0.38 |
| | Avg Eff Maturity | 3.33 |
| | Avg Wtd Price | — |

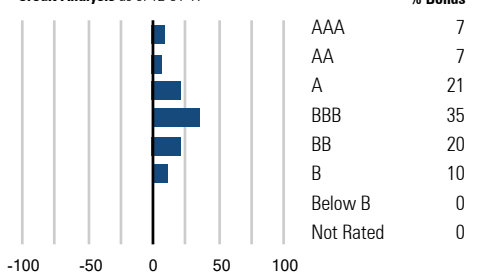
Top 10 Holdings as of 12-31-17

| | % Assets |
|---|-----------|
| Ift-Money Market Portfolio | 16.15 |
| Mexico (United Mexican States) 8% BDS 06-11-20 | 7.02 |
| Brazil (Federative Republic) 10% PIDI 01-01-23 | 3.66 |
| Mexico (United Mexican States) 6.5% BD 06-10-21 | 3.58 |
| Brazil (Federative Republic) 10% PIDI 01-01-21 | 3.33 |
| India (Republic of) 8.83% PIDI BDS 25/ 11-25-23 | 2.26 |
| Indonesia Republic 8.375% SNR PIDI BDS 03-15-24 | 2.12 |
| Secretaria Tesouro Nacional 0% PIDI BI 07-01-20 | 2.08 |
| The Republic of Korea 1.75% SNR PIDI B 12-10-18 | 1.83 |
| Argentina (Republic of) 15.5% PIDI BDS 10-17-26 | 1.61 |
| Total Number of Stock Holdings | 0 |
| Total Number of Bond Holdings | 107 |
| Annual Turnover Ratio % | 42.12 |
| Total Fund Assets (\$mil) | 38,090.02 |

Morningstar Sectors as of 12-31-17

| | % Fund | % Category |
|-----------------------|--------|------------|
| Government | 64.36 | 44.19 |
| Corporate | 0.00 | 14.97 |
| Securitized | 0.00 | 7.99 |
| Municipal | 0.00 | 0.19 |
| Cash/Cash Equivalents | 35.64 | 12.25 |
| Other | 0.00 | 20.41 |

Credit Analysis as of 12-31-17



Principal Risks as of 12-31-17

Credit and Counterparty, Currency, Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Country or Region, Nondiversification, Active Management, Income, Interest Rate, Market/Market Volatility, High-Yield Securities, Restricted/Illiquid Securities, Derivatives, Sovereign Debt, Management

Harbor Capital Appreciation Instl HACAX

Benchmark

Russell 1000 Growth TR USD

Overall Morningstar Rating™

★★★★★

Out of 1213 Large Growth funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

High

Morningstar Risk

Above Average

Investment Objective & Strategy

From investment's prospectus

The investment seeks long-term growth of capital.

The fund invests primarily in equity securities, principally common and preferred stocks, of U.S. companies with market capitalizations of at least \$1 billion at the time of purchase and that the Subadviser considers having above average prospects for growth. The stocks of mid and large cap companies in the fund's portfolio are those the Subadviser expects to maintain or achieve above average earnings growth. The fund may invest up to 20% of its total assets in the securities of foreign issuers, including issuers located or doing business in emerging markets.

Fees and Expenses as of 03-01-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.66% |
| Total Annual Operating Expense | 0.71% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|----------------|-------------|-----------|------|
| Management Fee | Contractual | 02-28-19 | 0.05 |

Operations and Management

| | |
|----------------------|---|
| Fund Inception Date | 12-29-87 |
| Portfolio Manager(s) | Spiros "Sig" Segalas Kathleen A. McCarragher |
| Name of Issuer | Harbor |
| Telephone | 800-422-1050 |
| Web Site | www.harborfunds.com |

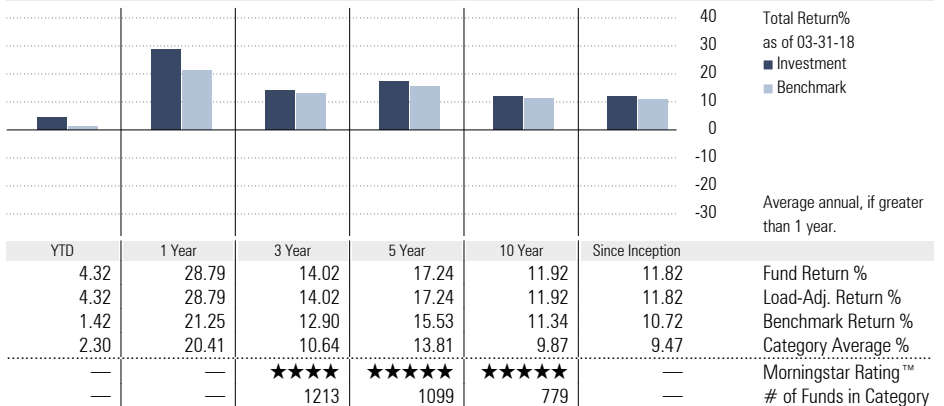
Benchmark Description: Russell 1000 Growth TR USD

The index measures the performance of the large-cap growth segment of the US equity securities. It includes the Russell 1000 index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

Category Description: Large Growth

Large-growth portfolios invest primarily in big U.S. companies that are projected to grow faster than other large-cap stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). Most of these portfolios focus on companies in rapidly expanding industries.

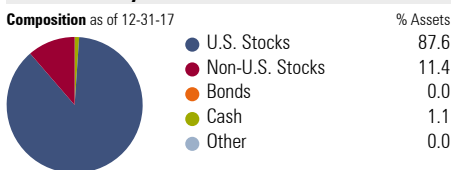
Performance



| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|------|--------|--------|--------|---------|-----------------|
| Fund Return % | 4.32 | 28.79 | 14.02 | 17.24 | 11.92 | 11.82 |
| Standardized Return % | 4.32 | 28.79 | 14.02 | 17.24 | 11.92 | 11.82 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 12-31-17



| Morningstar Equity Style Box™ as of 12-31-17 | % Mkt Cap |
|--|-----------|
| Giant | 59.11 |
| Large | 33.71 |
| Medium | 7.18 |
| Small | 0.00 |
| Micro | 0.00 |

| Top 10 Holdings as of 12-31-17 | % Assets |
|--------------------------------|-----------|
| Apple Inc | 5.83 |
| Amazon.com Inc | 4.35 |
| Microsoft Corp | 4.03 |
| Alibaba Group Holding Ltd ADR | 3.96 |
| Facebook Inc A | 3.95 |
| Visa Inc Class A | 3.38 |
| Mastercard Inc A | 3.26 |
| Tencent Holdings Ltd | 3.23 |
| Netflix Inc | 2.69 |
| Boeing Co | 2.62 |
| Total Number of Stock Holdings | 52 |
| Total Number of Bond Holdings | 0 |
| Annual Turnover Ratio % | 52.00 |
| Total Fund Assets (\$mil) | 29,861.56 |

| Morningstar Sectors as of 12-31-17 | % Fund | S&P 500 % |
|------------------------------------|--------|-----------|
| Cyclical | 36.38 | 33.57 |
| Basic Materials | 1.30 | 2.68 |
| Consumer Cyclical | 22.46 | 11.73 |
| Financial Services | 12.04 | 16.91 |
| Real Estate | 0.58 | 2.25 |
| Sensitive | 49.08 | 41.83 |
| Communication Services | 1.43 | 3.29 |
| Energy | 1.42 | 5.74 |
| Industrials | 8.66 | 10.64 |
| Technology | 37.57 | 22.16 |
| Defensive | 14.52 | 24.60 |
| Consumer Defensive | 4.59 | 7.83 |
| Healthcare | 9.93 | 13.91 |
| Utilities | 0.00 | 2.86 |

Principal Risks as of 12-31-17

Foreign Securities, Loss of Money, Not FDIC Insured, Growth Investing, Issuer, Market/Market Volatility, Equity Securities, Industry and Sector Investing, Management, Mid-Cap, Large Cap

Russell 1000 Value TR USD

From investment's prospectus

The fund invests, under normal circumstances, at least 80% of its net assets (plus any borrowings for investment purposes) in common stocks, and in derivatives and other instruments that have economic characteristics similar to such securities. It may invest in securities of issuers of any market capitalization; however, a substantial number of the issuers in which the fund invests are large-capitalization issuers. The fund may invest up to 10% of its net assets in real estate investment trusts (REITs).

| | |
|---------------------------------------|--------------|
| Prospectus Net Expense Ratio | 0.41% |
| <i>Total Annual Operating Expense</i> | <i>0.41%</i> |
| <i>Maximum Sales Charge</i> | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
|-------------|------|-----------|---|

| | |
|------------------------------|--|
| Initial Class Inception Date | 10-07-68 |
| Fund Inception Date | 09-24-12 |
| Portfolio Manager(s) | Kevin C. Holt, CFA Devin E. Armstrong, CFA |
| Name of Issuer | Invesco |
| Telephone | 800-959-4246 |
| Web Site | www.invesco.com |

The index measures the performance of the large-cap value segment of the US equity securities. It includes the Russell 1000 index companies with lower price-to-book ratios and lower expected growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

Large-value portfolios invest primarily in big U.S. companies that are less expensive or growing more slowly than other large-cap stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

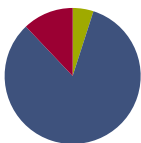
| | | | | | | Total Return% as of 03-31-18 |
|-------|--------|--------|--------|---------|-----------------|--|
| | | | | | | <div>■ Investment</div> <div>■ Benchmark</div> |
| YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception | Average annual, if greater than 1 year. |
| -2.46 | 13.06 | 8.87 | 11.42 | 8.96 | 12.81 | Fund Return % |
| -2.46 | 13.06 | 8.87 | 11.42 | 8.96 | 12.81 | Load-Adj. Return % |
| -2.83 | 6.95 | 7.88 | 10.78 | 7.78 | 12.16 | Benchmark Return % |
| -2.55 | 9.07 | 7.65 | 10.32 | 7.66 | 11.19 | Category Average % |
| — | — | ★★★ | ★★★★ | ★★★★ | — | Morningstar Rating™ |
| — | — | 1086 | 958 | 687 | — | # of Funds in Category |

| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Fund Return % | -2.46 | 13.06 | 8.87 | 11.42 | 8.96 | 12.81 |
| Standardized Return % | -2.46 | 13.06 | 8.87 | 11.42 | 8.96 | 12.81 |

Portfolio Analysis as of 12-31-17















Composition as of 12-31-17

| | |
|-----------------|------|
| U.S. Stocks | 83.0 |
| Non-U.S. Stocks | 12.1 |
| Bonds | 0.0 |
| Cash | 5.0 |
| Other | 0.0 |



| Morningstar Equity Style Box™ as of 12-31-17 | | | % Mkt Cap |
|---|--------|--------|-----------|
| <div><div></div><div></div><div></div></div> <div>Large</div> <div>Mid</div> <div>Small</div> | Giant | 47.46 | |
| | Large | 36.10 | |
| | Medium | 15.98 | |
| | Small | 0.46 | |
| | Micro | 0.00 | |
| Value | Blend | Growth | |

| Top 10 Holdings as of 12-31-17 | % Assets |
|---------------------------------------|-----------------|
| Citigroup Inc | 5.76 |
| Bank of America Corporation | 4.75 |
| JPMorgan Chase & Co | 3.62 |
| Cisco Systems Inc | 2.80 |
| Royal Dutch Shell PLC ADR Class A | 2.27 |
| Suncor Energy Inc | 2.25 |
| PNC Financial Services Group Inc | 2.15 |
| Morgan Stanley | 2.04 |
| Invesco Shrt-Trm Inv Treasury Instl | 1.98 |
| Chevron Corp | 1.96 |
| Total Number of Stock Holdings | 75 |
| Total Number of Bond Holdings | 0 |
| Annual Turnover Ratio % | 18.00 |
| Total Fund Assets (\$mil) | 12,209.24 |

| Morningstar Sectors as of 12-31-17 | | % Fund | S&P 500 % |
|--|--|--------|-----------|
|  Cyclical | | 45.66 | 33.57 |
|  Basic Materials | | 1.47 | 2.68 |
|  Consumer Cyclical | | 7.95 | 11.73 |
|  Financial Services | | 36.24 | 16.91 |
|  Real Estate | | 0.00 | 2.25 |
|  Sensitive | | 36.99 | 41.83 |
|  Communication Services | | 1.89 | 3.29 |
|  Energy | | 17.27 | 5.74 |
|  Industrials | | 8.47 | 10.64 |
|  Technology | | 9.36 | 22.16 |
|  Defensive | | 17.35 | 24.60 |
|  Consumer Defensive | | 2.93 | 7.83 |
|  Healthcare | | 13.83 | 13.91 |
|  Utilities | | 0.59 | 2.86 |

Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Value Investing, Active Management, Market/Market Volatility, Depository Receipts, Industry and Sector Investing, Derivatives, Small Cap, Mid-Cap, Real Estate/REIT Sector

Lazard Emerging Markets Equity Instl LZEMX

Benchmark
MSCI EM NR USD

Overall Morningstar Rating™

★★★

Out of 666 Diversified Emerging Mkts funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Average

Morningstar Risk

Above Average

Investment Objective & Strategy

From investment's prospectus

The investment seeks long-term capital appreciation.

The fund invests primarily in equity securities, principally common stocks, of non-U.S. companies whose principal activities are located in emerging market countries and that the Investment Manager believes are undervalued based on their earnings, cash flow or asset values. Under normal circumstances, it invests at least 80% of its assets in equity securities of companies whose principal business activities are located in emerging market countries.

Fees and Expenses as of 09-11-17

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 1.09% |
| Total Annual Operating Expense | 1.09% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|---|
| Fund Inception Date | 07-15-94 |
| Portfolio Manager(s) | James M. Donald, CFA John R. Reinsberg |
| Name of Issuer | Lazard |
| Telephone | 800-986-3455 |
| Web Site | www.lazardnet.com |

Benchmark Description: MSCI EM NR USD

The index measures the performance of the large and mid cap segments of emerging market equity securities. It is free float-adjusted market-capitalization weighted.

Category Description: Diversified Emerging Mkts

Diversified emerging-markets portfolios tend to divide their assets among 20 or more nations, although they tend to focus on the emerging markets of Asia and Latin America rather than on those of the Middle East, Africa, or Europe. These portfolios invest predominantly in emerging market equities, but some funds also invest in both equities and fixed income investments from emerging markets.

Performance

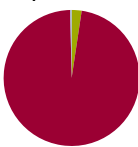


| Quarter End Returns as of 03-31-18 | | | | | | | |
|------------------------------------|------|--------|--------|--------|---------|-----------------|--------------------|
| | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception | |
| Fund Return % | 2.05 | 18.33 | 8.62 | 3.86 | 3.47 | 7.40 | Fund Return % |
| Standardized Return % | 2.05 | 18.33 | 8.62 | 3.86 | 3.47 | 7.40 | Load-Adj. Return % |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 12-31-17

| Composition as of 12-31-17 | | % Assets |
|----------------------------|------|----------|
| U.S. Stocks | 0.0 | |
| Non-U.S. Stocks | 97.3 | |
| Bonds | 0.0 | |
| Cash | 2.4 | |
| Other | 0.4 | |



| Morningstar Equity Style Box™ as of 12-31-17 | | % Mkt Cap |
|--|-------|-----------|
| Giant | 58.66 | |
| Large | 30.61 | |
| Medium | 10.35 | |
| Small | 0.38 | |
| Micro | 0.00 | |

| Top 10 Holdings as of 12-31-17 | | % Assets |
|--|-----------|----------|
| China Construction Bank Corp H | 4.39 | |
| Samsung Electronics Co Ltd | 4.38 | |
| Taiwan Semiconductor Manufacturing Co Ltd | 4.32 | |
| Sberbank of Russia PJSC | 3.76 | |
| Tata Consultancy Services Ltd | 3.15 | |
| NetEase Inc ADR | 2.84 | |
| China Mobile Ltd ADR | 2.80 | |
| Baidu Inc ADR | 2.36 | |
| State Str Instl Invt Tr Treas Mmkt Fd 12-31-30 | 2.36 | |
| SK Hynix Inc | 2.34 | |
| Total Number of Stock Holdings | 74 | |
| Total Number of Bond Holdings | 0 | |
| Annual Turnover Ratio % | 14.00 | |
| Total Fund Assets (\$mil) | 13,371.50 | |

| Morningstar World Regions as of 12-31-17 | | % Fund | S&P 500 |
|--|-------|--------|---------|
| Americas | 15.73 | 99.16 | |
| North America | 0.00 | 99.16 | |
| Latin America | 15.73 | 0.00 | |
| Greater Europe | 28.12 | 0.34 | |
| United Kingdom | 0.00 | 0.06 | |
| Europe Developed | 0.00 | 0.28 | |
| Europe Emerging | 16.34 | 0.00 | |
| Africa/Middle East | 11.78 | 0.00 | |
| Greater Asia | 56.15 | 0.50 | |
| Japan | 0.00 | 0.00 | |
| Australasia | 0.00 | 0.00 | |
| Asia Developed | 20.85 | 0.07 | |
| Asia Emerging | 35.30 | 0.43 | |

Principal Risks as of 12-31-17

Currency, Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Value Investing, Issuer, Market/Market Volatility, Management, Small Cap, Mid-Cap, Large Cap

Nuveen Real Estate Securities R6 FREGX

Benchmark

S&P United States REIT TR USD

Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide above average current income and long-term capital appreciation.

The fund normally invests at least 80% of the sum of its net assets and the amount of any borrowings for investment purposes in income-producing common stocks of publicly traded companies engaged in the real estate industry. The advisor expects to emphasize investments in equity REITs, although it may invest in all three kinds of REITs. It may invest up to 15% of its total assets in non-dollar denominated equity securities of non-U.S. issuers. Up to 15% of the fund's total assets may be invested in equity securities of emerging market issuers.

Fees and Expenses as of 03-31-17

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.87% |
| Total Annual Operating Expense | 0.87% |
| Maximum Sales Charge | — |
| 12b-1 Fee | 0.00% |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|------------------------------|-------------------------------------|
| Initial Class Inception Date | 06-30-95 |
| Fund Inception Date | 04-30-13 |
| Portfolio Manager(s) | Jay L. Rosenberg Scott C. Sedlak |
| Name of Issuer | Nuveen |
| Telephone | 800-257-8787 |
| Web Site | www.nuveen.com |

Benchmark Description: S&P United States REIT TR USD

The index measures the performance of investable universe of publicly traded real estate investment trusts domiciled in the United States.

Category Description: Real Estate

Real estate portfolios invest primarily in real estate investment trusts of various types. REITs are companies that develop and manage real estate properties. There are several different types of REITs, including apartment, factory-outlet, health-care, hotel, industrial, mortgage, office, and shopping center REITs. Some portfolios in this category also invest in real estate operating companies.

Overall Morningstar Rating™

★★★

Out of 228 Real Estate funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Average

Morningstar Risk

Average

Performance



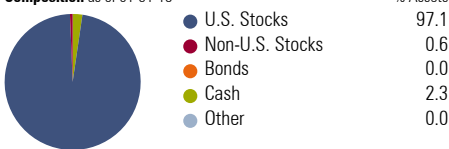
Quarter End Returns as of 03-31-18

| | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|-----------------------|-------|--------|--------|--------|---------|-----------------|
| Fund Return % | -6.99 | -2.10 | 1.55 | 6.38 | 7.34 | 5.13 |
| Standardized Return % | -6.99 | -2.10 | 1.55 | 6.38 | 7.34 | 5.13 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 01-31-18

Composition as of 01-31-18



Morningstar Equity Style Box™ as of 01-31-18

| | % Mkt Cap |
|--------|-----------|
| Giant | 0.00 |
| Large | 23.94 |
| Medium | 54.14 |
| Small | 20.98 |
| Micro | 0.94 |

Top 10 Holdings as of 01-31-18

| | % Assets |
|---------------------------------|----------|
| Simon Property Group Inc | 6.08 |
| AvalonBay Communities Inc | 4.87 |
| Duke Realty Corp | 4.69 |
| Public Storage | 4.10 |
| Equinix Inc | 3.70 |
| Federal Realty Investment Trust | 3.31 |
| Digital Realty Trust Inc | 3.15 |
| Prologis Inc | 3.01 |
| Camden Property Trust | 2.77 |
| Boston Properties Inc | 2.69 |

| | |
|--------------------------------|----------|
| Total Number of Stock Holdings | 96 |
| Total Number of Bond Holdings | 0 |
| Annual Turnover Ratio % | 131.00 |
| Total Fund Assets (\$mil) | 3,467.34 |

Principal Risks as of 01-31-18

Currency, Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Equity Securities, Other, Derivatives, Small Cap, Real Estate/REIT Sector

Morningstar Sectors as of 01-31-18

| | % Fund | S&P 500 % |
|------------------------|--------|-----------|
| Cyclical | 97.76 | 33.57 |
| Basic Materials | 0.00 | 2.68 |
| Consumer Cyclical | 0.00 | 11.73 |
| Financial Services | 0.28 | 16.91 |
| Real Estate | 97.48 | 2.25 |
| Sensitive | 2.24 | 41.83 |
| Communication Services | 1.66 | 3.29 |
| Energy | 0.00 | 5.74 |
| Industrials | 0.58 | 10.64 |
| Technology | 0.00 | 22.16 |
| Defensive | 0.00 | 24.60 |
| Consumer Defensive | 0.00 | 7.83 |
| Healthcare | 0.00 | 13.91 |
| Utilities | 0.00 | 2.86 |

PIMCO Commodity Real Ret Strat Instl PCRIX

Benchmark

Morningstar Lng-Only Cmnty TR USD

Overall Morningstar Rating™

★★★★

Out of 109 Commodities Broad Basket funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Average

Morningstar Risk

Above Average

Investment Objective & Strategy

From investment's prospectus

The investment seeks maximum real return, consistent with prudent investment management.

The fund seeks to achieve its investment objective by investing under normal circumstances in commodity-linked derivative instruments backed by a portfolio of inflation-indexed securities and other Fixed Income Instruments. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. It will seek to gain exposure to the commodity markets primarily through investments in leveraged or unleveraged commodity index-linked notes.

Fees and Expenses as of 03-23-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.74% |
| Total Annual Operating Expense | 1.07% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|--------------|-------------|-----------|------|
| ExpenseRatio | Contractual | — | 0.15 |

Operations and Management

| | |
|----------------------|---------------------------------|
| Fund Inception Date | 06-28-02 |
| Portfolio Manager(s) | Mihir P. Worah Jeremie Banet |
| Name of Issuer | Pimco |
| Telephone | 888-877-4626 |
| Web Site | www.pimco.com |

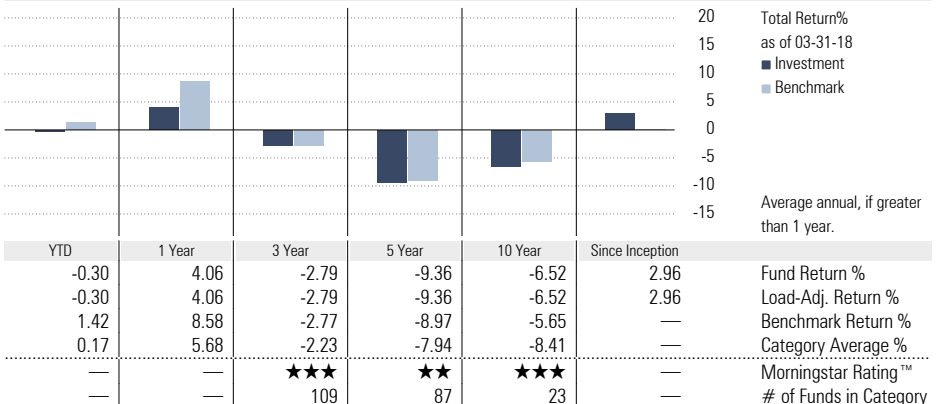
Benchmark Description: Morningstar Lng-Only Cmnty TR USD

The index measures the performance of future contracts on eligible long commodities. Eligibility is defined as a commodity that has future contracts traded on one of the US exchanges and rank in the top 95% by the 12-month average of total dollar value of open interest. The index is reconstituted annually, on the third Friday of December each year. It is a fully collateralized commodity futures index.

Category Description: Commodities Broad Basket

Broad-basket portfolios can invest in a diversified basket of commodity goods including but not limited to grains, minerals, metals, livestock, cotton, oils, sugar, coffee, and cocoa. Investment can be made directly in physical assets or commodity-linked derivative instruments, such as commodity swap agreements.

Performance



| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Fund Return % | -0.30 | 4.06 | -2.79 | -9.36 | -6.52 | 2.96 |
| Standardized Return % | -0.30 | 4.06 | -2.79 | -9.36 | -6.52 | 2.96 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 12-31-17

| Composition as of 12-31-17 | % Net |
|----------------------------|-------|
| U.S. Stocks | 0.0 |
| Non-U.S. Stocks | 0.0 |
| Bonds | 82.7 |
| Cash | -10.3 |
| Other | 27.7 |
| Total | 100.0 |

Morningstar Fixed Income Style Box™ as of 12-31-17

| | | |
|---------------|------------------|------|
| Not Available | Avg Eff Duration | 2.44 |
| | Avg Eff Maturity | 1.86 |
| | Avg Wtd Price | — |

| Top 10 Holdings as of 12-31-17 | % Assets |
|--|----------|
| Pimco Cayman Cmnty Fd Ltd Instl 07-01-21 | 28.46 |
| US Treasury Note 04-15-20 | 12.81 |
| US Treasury Note 04-15-19 | 11.48 |
| US Treasury Note 04-15-21 | 11.12 |
| IRS USD 2.40000 03/16/21-5Y CME_Pay 03-16-26 | 10.44 |
| US 5 Year Note (CBT) Mar18 03-30-18 | 9.23 |
| US 10 Year Note (CBT) Mar18 03-21-18 | 9.18 |
| Fed Natl Mort Assc 4% 02-15-46 | 5.90 |
| US Treasury Bond 01-15-25 | 5.74 |
| US Treasury Note 2.75% 02-15-24 | 5.64 |

| | |
|--------------------------------|----------|
| Total Number of Stock Holdings | 0 |
| Total Number of Bond Holdings | 436 |
| Annual Turnover Ratio % | 176.00 |
| Total Fund Assets (\$mil) | 6,207.02 |

Principal Risks as of 12-31-17

Short Sale, Credit and Counterparty, Prepayment (Call), Currency, Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Issuer, Interest Rate, Market/Market Volatility, Commodity, Equity Securities, High-Yield Securities, Mortgage-Backed and Asset-Backed Securities, Restricted/Illiquid Securities, Underlying Fund/Fund of Funds, U.S. Federal Tax Treatment, Derivatives, Leverage, Fixed-Income Securities, Sovereign Debt, Management

Principal MidCap R5 PMBPX

Benchmark

Russell Mid Cap Growth TR USD

Investment Objective & Strategy

From investment's prospectus

The investment seeks long-term growth of capital.

Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of companies with medium market capitalizations at the time of purchase. For this fund, companies with medium market capitalizations are those with market capitalizations within the range of companies comprising the Russell Midcap® Index (as of December 31, 2017, this range was between approximately \$1.1 billion and \$36.7 billion). The fund also invests in foreign securities.

Fees and Expenses as of 03-01-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.85% |
| Total Annual Operating Expense | 0.85% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|--|
| Fund Inception Date | 12-06-00 |
| Portfolio Manager(s) | K. William Nolin, CFA Thomas Rozycki, CFA |
| Name of Issuer | Principal Funds |
| Telephone | 800-222-5852 |
| Web Site | www.principalfunds.com |

Benchmark Description: Russell Mid Cap Growth TR USD

The index measures the performance of the mid-cap growth segment of the US equity universe. It includes Russell midcap index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

Category Description: Mid-Cap Growth

Some mid-cap growth portfolios invest in stocks of all sizes, thus leading to a mid-cap profile, but others focus on midsize companies. Mid-cap growth portfolios target U.S. firms that are projected to grow faster than other mid-cap stocks, therefore commanding relatively higher prices. The U.S. mid-cap range for market capitalization typically falls between \$1 billion and \$8 billion and represents 20% of the total capitalization of the U.S. equity market. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields).

Overall Morningstar Rating™

★★★★

Out of 549 Mid-Cap Growth funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

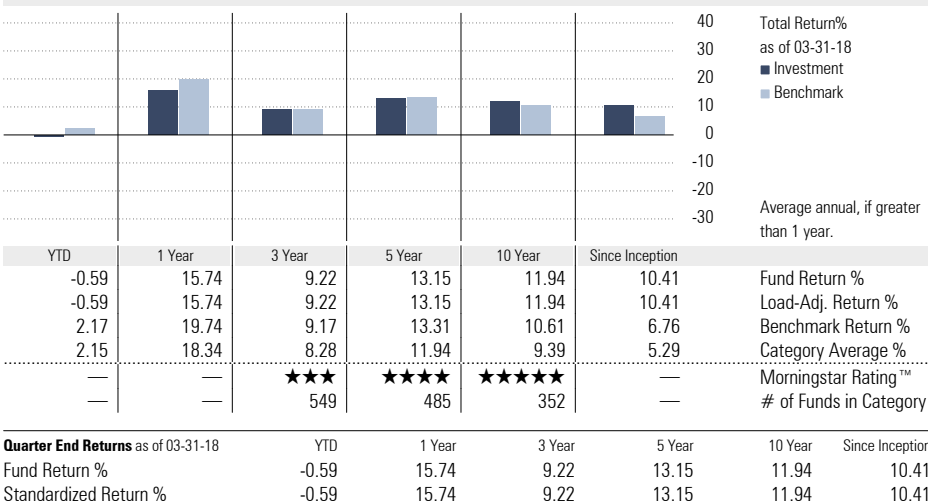
Morningstar Return

Above Average

Morningstar Risk

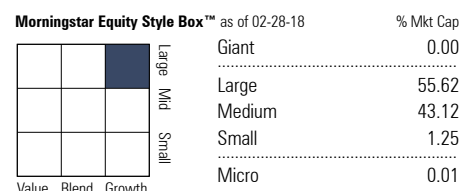
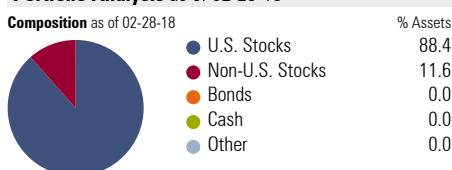
Below Average

Performance



Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18



| Top 10 Holdings as of 02-28-18 | % Assets |
|---|-----------|
| Brookfield Asset Management Inc Class A | 4.44 |
| SBA Communications Corp | 3.79 |
| Aon PLC | 3.59 |
| Moody's Corporation | 3.49 |
| TransDigm Group Inc | 3.46 |
| Markel Corp | 3.34 |
| O'Reilly Automotive Inc | 2.79 |
| CarMax Inc | 2.57 |
| Restaurant Brands International Inc | 2.56 |
| S&P Global Inc | 2.55 |
| Total Number of Stock Holdings | 83 |
| Total Number of Bond Holdings | 0 |
| Annual Turnover Ratio % | 15.40 |
| Total Fund Assets (\$mil) | 15,580.99 |

| Morningstar Sectors as of 02-28-18 | % Fund | S&P 500 % |
|------------------------------------|--------|-----------|
| Cyclical | 58.64 | 33.57 |
| Basic Materials | 7.81 | 2.68 |
| Consumer Cyclical | 18.66 | 11.73 |
| Financial Services | 22.44 | 16.91 |
| Real Estate | 9.73 | 2.25 |
| Sensitive | 34.23 | 41.83 |
| Communication Services | 6.77 | 3.29 |
| Energy | 0.00 | 5.74 |
| Industrials | 15.74 | 10.64 |
| Technology | 11.72 | 22.16 |
| Defensive | 7.13 | 24.60 |
| Consumer Defensive | 3.11 | 7.83 |
| Healthcare | 1.68 | 13.91 |
| Utilities | 2.34 | 2.86 |

Principal Risks as of 02-28-18

Currency, Foreign Securities, Loss of Money, Not FDIC Insured, Equity Securities, Shareholder Activity

T. Rowe Price Health Sciences PRHSX

Benchmark

S&P 1500 Health Care TR

Overall Morningstar Rating™

★★★★★

Out of 128 Health funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Average

Investment Objective & Strategy

From investment's prospectus

The investment seeks long-term capital appreciation.

The fund will normally invest at least 80% of its net assets (including any borrowings for investment purposes) in the common stocks of companies engaged in the research, development, production, or distribution of products or services related to health care, medicine, or the life sciences (collectively termed "health sciences"). While the fund can invest in companies of any size, the majority of fund assets are expected to be invested in large- and mid-capitalization companies.

Fees and Expenses as of 05-01-17

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.77% |
| Total Annual Operating Expense | 0.77% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|--------------------|
| Fund Inception Date | 12-29-95 |
| Portfolio Manager(s) | Ziad Bakri, CFA |
| Name of Issuer | T. Rowe Price |
| Telephone | 800-638-5660 |
| Web Site | www.troweprice.com |

Benchmark Description: S&P 1500 Health Care TR

The index measures the performance of health care (sector) segment of US equity securities. It comprises those companies included in the S&P Composite 1500 that are classified as members of the Global Industry Classification Standard (GICS) Health Care (sector).

Category Description: Health

Health portfolios focus on the medical and health-care industries. Most invest in a range of companies, buying everything from pharmaceutical and medical-device makers to HMOs, hospitals, and nursing homes. A few portfolios concentrate on just one industry segment, such as service providers or biotechnology firms.

Performance

| | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception | |
|--|-------|--------|--------|--------|---------|-----------------|---|
| | 1.35 | 16.56 | 4.84 | 17.91 | 16.89 | 14.53 | Total Return% as of 03-31-18 |
| | 1.35 | 16.56 | 4.84 | 17.91 | 16.89 | 14.53 | ■ Investment |
| | -0.50 | 12.35 | 6.17 | 14.47 | 12.68 | — | ■ Benchmark |
| | 1.63 | 14.27 | 3.19 | 14.29 | 13.26 | 11.35 | Average annual, if greater than 1 year. |
| | — | — | ★★★★ | ★★★★★ | ★★★★★ | — | Fund Return % |
| | — | — | 128 | 120 | 97 | — | Load-Adj. Return % |
| | | | | | | | Benchmark Return % |
| | | | | | | | Category Average % |
| | | | | | | | Morningstar Rating™ |
| | | | | | | | # of Funds in Category |

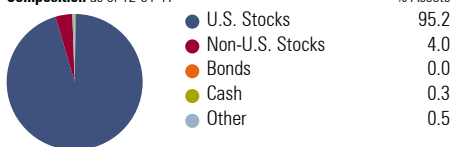
Quarter End Returns as of 03-31-18

| | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|-----------------------|------|--------|--------|--------|---------|-----------------|
| Fund Return % | 1.35 | 16.56 | 4.84 | 17.91 | 16.89 | 14.53 |
| Standardized Return % | 1.35 | 16.56 | 4.84 | 17.91 | 16.89 | 14.53 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 12-31-17

Composition as of 12-31-17



Morningstar Equity Style Box™ as of 12-31-17

| | % Mkt Cap |
|--------|-----------|
| Giant | 17.19 |
| Large | 42.57 |
| Medium | 26.96 |
| Small | 10.01 |
| Micro | 3.26 |

Top 10 Holdings as of 12-31-17

| | % Assets |
|-----------------------------|----------|
| UnitedHealth Group Inc | 6.99 |
| Becton, Dickinson and Co | 4.31 |
| Intuitive Surgical Inc | 4.02 |
| Vertex Pharmaceuticals Inc | 3.29 |
| Cigna Corp | 2.95 |
| Sage Therapeutics Inc | 2.49 |
| Anthem Inc | 2.34 |
| Stryker Corp | 2.33 |
| Agilent Technologies Inc | 2.26 |
| Alexion Pharmaceuticals Inc | 2.21 |

| | |
|--------------------------------|-----------|
| Total Number of Stock Holdings | 115 |
| Total Number of Bond Holdings | 0 |
| Annual Turnover Ratio % | 37.50 |
| Total Fund Assets (\$mil) | 11,951.95 |

Morningstar Sectors as of 12-31-17

| | % Fund | S&P 500 % |
|------------------------|--------|-----------|
| Cyclical | 0.00 | 33.57 |
| Basic Materials | 0.00 | 2.68 |
| Consumer Cyclical | 0.00 | 11.73 |
| Financial Services | 0.00 | 16.91 |
| Real Estate | 0.00 | 2.25 |
| Sensitive | 1.14 | 41.83 |
| Communication Services | 0.00 | 3.29 |
| Energy | 0.00 | 5.74 |
| Industrials | 0.00 | 10.64 |
| Technology | 1.14 | 22.16 |
| Defensive | 98.86 | 24.60 |
| Consumer Defensive | 0.29 | 7.83 |
| Healthcare | 98.57 | 13.91 |
| Utilities | 0.00 | 2.86 |

Principal Risks as of 12-31-17

Foreign Securities, Loss of Money, Not FDIC Insured, Capitalization, Active Management, Equity Securities, Industry and Sector Investing, Options

Vanguard Target Retirement 2015 Inv VTXVX

Benchmark

Morningstar Lifetime Mod 2015 TR USD

Overall Morningstar Rating™

★★★★

Out of 105 Target-Date 2015 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Below Average

Investment Objective & Strategy

From investment's prospectus

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.

Fees and Expenses as of 01-25-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.13% |
| Total Annual Operating Expense | 0.13% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|--------------------|
| Fund Inception Date | 10-27-03 |
| Portfolio Manager(s) | William A. Coleman |
| | Walter Nejman |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

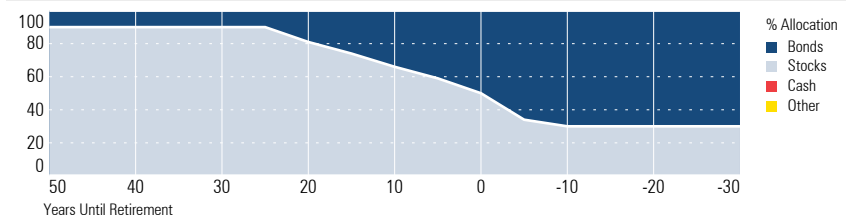
Benchmark Description: Morningstar Lifetime Mod 2015 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who is about five years away from retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

Category Description: Target-Date 2015

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2011-2015) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Allocation of Assets



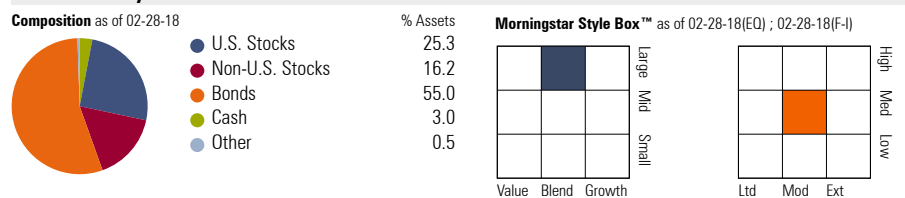
Performance

| Trailing Returns | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------|-------|--------|--------|--------|---------|-----------------|
| Investment Return % | -0.52 | 7.30 | 4.73 | 6.17 | 5.74 | 6.20 |
| Benchmark Return % | -0.74 | 7.31 | 4.71 | 5.42 | 5.58 | — |
| Category Average % | -0.74 | 6.87 | 4.43 | 5.55 | 5.06 | 5.12 |
| Morningstar Rating™ | — | — | ★★★ | ★★★ | ★★★★ | — |
| # of Funds in Category | — | — | 105 | 74 | 49 | — |

| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Fund Return % | -0.52 | 7.30 | 4.73 | 6.17 | 5.74 | 6.20 |
| Standardized Return % | -0.52 | 7.30 | 4.73 | 6.17 | 5.74 | 6.20 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18



| Top 10 Holdings as of 02-28-18 | % Assets |
|--|-----------|
| Vanguard Total Bond Market II Idx Inv | 32.32 |
| Vanguard Total Stock Mkt Idx Inv | 25.43 |
| Vanguard Total Intl Stock Index Inv | 16.74 |
| Vanguard Total Intl Bd Idx Investor | 14.15 |
| Vanguard Shrt-Term Infl-Prot Sec Idx Inv | 11.35 |
| CMT Market Liquidity Rate | 0.00 |
| Total Number of Holdings | 6 |
| Annual Turnover Ratio % | 7.00 |
| Total Fund Assets (\$mil) | 16,828.62 |

| Morningstar Sectors as of 02-28-18 | % Fund | S&P 500 % |
|------------------------------------|--------|-----------|
| Cyclical | 39.81 | 33.57 |
| Basic Materials | 5.51 | 2.68 |
| Consumer Cyclical | 11.85 | 11.73 |
| Financial Services | 18.85 | 16.91 |
| Real Estate | 3.60 | 2.25 |
| Sensitive | 38.30 | 41.83 |
| Communication Services | 3.30 | 3.29 |
| Energy | 5.60 | 5.74 |
| Industrials | 11.66 | 10.64 |
| Technology | 17.74 | 22.16 |
| Defensive | 21.91 | 24.60 |
| Consumer Defensive | 7.88 | 7.83 |
| Healthcare | 11.26 | 13.91 |
| Utilities | 2.77 | 2.86 |

Principal Risks as of 02-28-18

Hedging Strategies, Credit and Counterparty, Prepayment (Call), Currency, Loss of Money, Not FDIC Insured, Country or Region, Income, Interest Rate, Market/Market Volatility, Equity Securities, Fixed-Income Securities, Management, Target Date

Vanguard Target Retirement 2020 Inv VTWNX

Benchmark

Morningstar Lifetime Mod 2020 TR USD

Overall Morningstar Rating™

★★★★★

Out of 200 Target-Date 2020 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Average

Investment Objective & Strategy

From investment's prospectus

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.

Fees and Expenses as of 01-25-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.13% |
| Total Annual Operating Expense | 0.13% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|--------------------|
| Fund Inception Date | 06-07-06 |
| Portfolio Manager(s) | William A. Coleman |
| | Walter Nejman |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

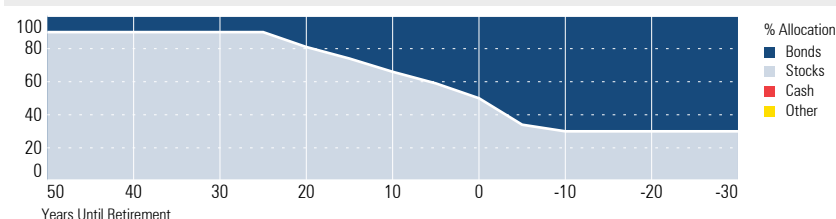
Benchmark Description: Morningstar Lifetime Mod 2020 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who is about ten years away from retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

Category Description: Target-Date 2020

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2016-2020) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Allocation of Assets



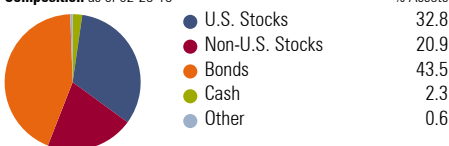
Performance

| Trailing Returns | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Investment Return % | -0.57 | 8.95 | 5.65 | 7.26 | 6.21 | 6.34 |
| Benchmark Return % | -0.83 | 8.19 | 5.20 | 6.12 | 5.87 | — |
| Category Average % | -0.81 | 7.60 | 4.65 | 5.74 | 5.16 | 4.97 |
| Morningstar Rating™ | — | — | ★★★★★ | ★★★★★ | ★★★★★ | — |
| # of Funds in Category | — | — | 200 | 159 | 99 | — |
| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund Return % | -0.57 | 8.95 | 5.65 | 7.26 | 6.21 | 6.34 |
| Standardized Return % | -0.57 | 8.95 | 5.65 | 7.26 | 6.21 | 6.34 |

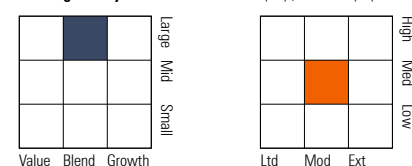
Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18

Composition as of 02-28-18



Morningstar Style Box™ as of 02-28-18(EQ) ; 02-28-18(F-I)



Top 10 Holdings as of 02-28-18

| | % Assets |
|--|-----------|
| Vanguard Total Stock Mkt Idx Inv | 32.90 |
| Vanguard Total Bond Market II Idx Inv | 28.66 |
| Vanguard Total Intl Stock Index Inv | 21.60 |
| Vanguard Total Intl Bd Idx Investor | 12.50 |
| Vanguard Shrt-Term Infl-Prot Sec Idx Inv | 4.34 |
| CMT Market Liquidity Rate | 0.00 |
| Total Number of Holdings | 6 |
| Annual Turnover Ratio % | 9.00 |
| Total Fund Assets (\$mil) | 32,487.40 |

Morningstar Sectors as of 02-28-18

| | % Fund | S&P 500 % |
|------------------------|--------|-----------|
| Cyclical | 39.82 | 33.57 |
| Basic Materials | 5.51 | 2.68 |
| Consumer Cyclical | 11.87 | 11.73 |
| Financial Services | 18.85 | 16.91 |
| Real Estate | 3.59 | 2.25 |
| Sensitive | 38.27 | 41.83 |
| Communication Services | 3.30 | 3.29 |
| Energy | 5.59 | 5.74 |
| Industrials | 11.66 | 10.64 |
| Technology | 17.72 | 22.16 |
| Defensive | 21.90 | 24.60 |
| Consumer Defensive | 7.87 | 7.83 |
| Healthcare | 11.26 | 13.91 |
| Utilities | 2.77 | 2.86 |

Principal Risks as of 02-28-18

Hedging Strategies, Credit and Counterparty, Prepayment (Call), Currency, Loss of Money, Not FDIC Insured, Country or Region, Income, Interest Rate, Market/Market Volatility, Equity Securities, Fixed-Income Securities, Management, Target Date

Vanguard Target Retirement 2025 Inv VTTVX

Benchmark

Morningstar Lifetime Mod 2025 TR USD

Overall Morningstar Rating™

★★★★

Out of 173 Target-Date 2025 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Average

Investment Objective & Strategy

From investment's prospectus

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.

Fees and Expenses as of 01-25-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.14% |
| Total Annual Operating Expense | 0.14% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|--------------------|
| Fund Inception Date | 10-27-03 |
| Portfolio Manager(s) | William A. Coleman |
| | Walter Nejman |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

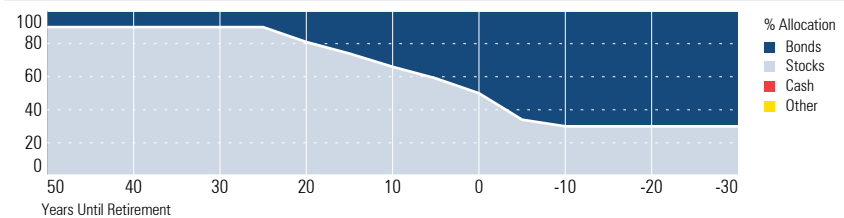
Benchmark Description: Morningstar Lifetime Mod 2025 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who is about 15 years away from retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

Category Description: Target-Date 2025

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2021-2025) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Allocation of Assets



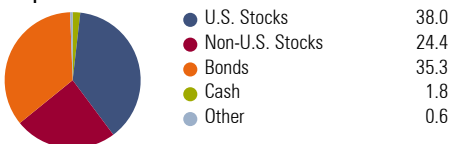
Performance

| Trailing Returns | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Investment Return % | -0.59 | 10.20 | 6.31 | 7.96 | 6.48 | 6.87 |
| Benchmark Return % | -0.87 | 9.31 | 5.84 | 7.00 | 6.22 | — |
| Category Average % | -0.75 | 9.10 | 5.42 | 6.69 | 5.74 | 6.07 |
| Morningstar Rating™ | — | — | ★★★★ | ★★★★★ | ★★★★ | — |
| # of Funds in Category | — | — | 173 | 136 | 72 | — |
| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund Return % | -0.59 | 10.20 | 6.31 | 7.96 | 6.48 | 6.87 |
| Standardized Return % | -0.59 | 10.20 | 6.31 | 7.96 | 6.48 | 6.87 |

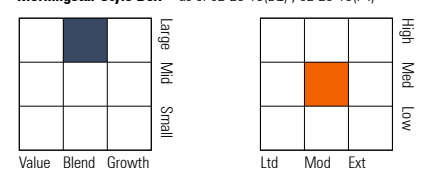
Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18

Composition as of 02-28-18



Morningstar Style Box™ as of 02-28-18(EQ) ; 02-28-18(F-I)



Top 10 Holdings as of 02-28-18

| | % Assets |
|---------------------------------------|----------|
| Vanguard Total Stock Mkt Idx Inv | 38.16 |
| Vanguard Total Bond Market II Idx Inv | 25.68 |
| Vanguard Total Intl Stock Index Inv | 25.18 |
| Vanguard Total Intl Bd Idx Investor | 10.97 |
| CMT Market Liquidity Rate | 0.02 |

| | |
|---------------------------|-----------|
| Total Number of Holdings | 5 |
| Annual Turnover Ratio % | 10.00 |
| Total Fund Assets (\$mil) | 39,870.48 |

Morningstar Sectors as of 02-28-18

| | % Fund | S&P 500 % |
|------------------------|--------|-----------|
| Cyclical | 39.84 | 33.57 |
| Basic Materials | 5.52 | 2.68 |
| Consumer Cyclical | 11.87 | 11.73 |
| Financial Services | 18.85 | 16.91 |
| Real Estate | 3.60 | 2.25 |
| Sensitive | 38.27 | 41.83 |
| Communication Services | 3.30 | 3.29 |
| Energy | 5.60 | 5.74 |
| Industrials | 11.66 | 10.64 |
| Technology | 17.71 | 22.16 |
| Defensive | 21.90 | 24.60 |
| Consumer Defensive | 7.88 | 7.83 |
| Healthcare | 11.25 | 13.91 |
| Utilities | 2.77 | 2.86 |

Principal Risks as of 02-28-18

Hedging Strategies, Credit and Counterparty, Prepayment (Call), Currency, Loss of Money, Not FDIC Insured, Country or Region, Income, Interest Rate, Market/Market Volatility, Equity Securities, Fixed-Income Securities, Management, Target Date

Vanguard Target Retirement 2030 Inv VTHR

Benchmark

Morningstar Lifetime Mod 2030 TR USD

Overall Morningstar Rating™

★★★★

Out of 190 Target-Date 2030 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Average

Investment Objective & Strategy

From investment's prospectus

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.

Fees and Expenses as of 01-25-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.14% |
| Total Annual Operating Expense | 0.14% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|--------------------|
| Fund Inception Date | 06-07-06 |
| Portfolio Manager(s) | William A. Coleman |
| | Walter Nejman |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

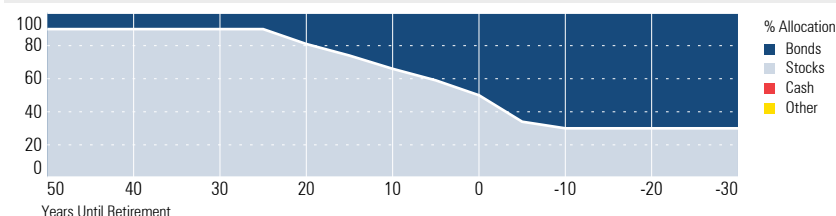
Benchmark Description: Morningstar Lifetime Mod 2030 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who is about 20 years away from retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

Category Description: Target-Date 2030

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2026-2030) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Allocation of Assets



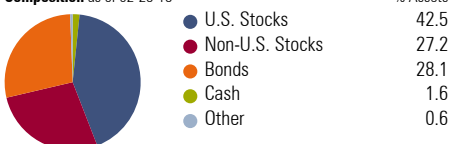
Performance

| Trailing Returns | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Investment Return % | -0.57 | 11.19 | 6.83 | 8.60 | 6.71 | 6.73 |
| Benchmark Return % | -0.86 | 10.66 | 6.61 | 7.92 | 6.60 | — |
| Category Average % | -0.75 | 10.37 | 6.07 | 7.36 | 5.86 | 5.47 |
| Morningstar Rating™ | — | — | ★★★★ | ★★★★ | ★★★★ | — |
| # of Funds in Category | — | — | 190 | 149 | 89 | — |
| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund Return % | -0.57 | 11.19 | 6.83 | 8.60 | 6.71 | 6.73 |
| Standardized Return % | -0.57 | 11.19 | 6.83 | 8.60 | 6.71 | 6.73 |

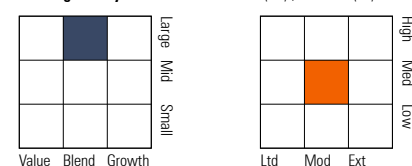
Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18

Composition as of 02-28-18



Morningstar Style Box™ as of 02-28-18(EQ) ; 02-28-18(F-I)



Top 10 Holdings as of 02-28-18

| | % Assets |
|---------------------------------------|-----------|
| Vanguard Total Stock Mkt Idx Inv | 42.64 |
| Vanguard Total Intl Stock Index Inv | 28.16 |
| Vanguard Total Bond Market II Idx Inv | 20.32 |
| Vanguard Total Intl Bd Idx Investor | 8.86 |
| CMT Market Liquidity Rate | 0.02 |
| Total Number of Holdings | 5 |
| Annual Turnover Ratio % | 9.00 |
| Total Fund Assets (\$mil) | 33,595.76 |

Morningstar Sectors as of 02-28-18

| | % Fund | S&P 500 % |
|------------------------|--------|-----------|
| Cyclical | 39.84 | 33.57 |
| Basic Materials | 5.52 | 2.68 |
| Consumer Cyclical | 11.87 | 11.73 |
| Financial Services | 18.85 | 16.91 |
| Real Estate | 3.60 | 2.25 |
| Sensitive | 38.27 | 41.83 |
| Communication Services | 3.30 | 3.29 |
| Energy | 5.60 | 5.74 |
| Industrials | 11.66 | 10.64 |
| Technology | 17.71 | 22.16 |
| Defensive | 21.90 | 24.60 |
| Consumer Defensive | 7.88 | 7.83 |
| Healthcare | 11.25 | 13.91 |
| Utilities | 2.77 | 2.86 |

Principal Risks as of 02-28-18

Hedging Strategies, Credit and Counterparty, Prepayment (Call), Currency, Loss of Money, Not FDIC Insured, Country or Region, Income, Interest Rate, Market/Market Volatility, Equity Securities, Fixed-Income Securities, Management, Target Date

Vanguard Target Retirement 2035 Inv VTTHX

Benchmark

Morningstar Lifetime Mod 2035 TR USD

Overall Morningstar Rating™

★★★★

Out of 168 Target-Date 2035 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Average

Investment Objective & Strategy

From investment's prospectus

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.

Fees and Expenses as of 01-25-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.14% |
| Total Annual Operating Expense | 0.14% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|--------------------|
| Fund Inception Date | 10-27-03 |
| Portfolio Manager(s) | William A. Coleman |
| | Walter Nejman |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

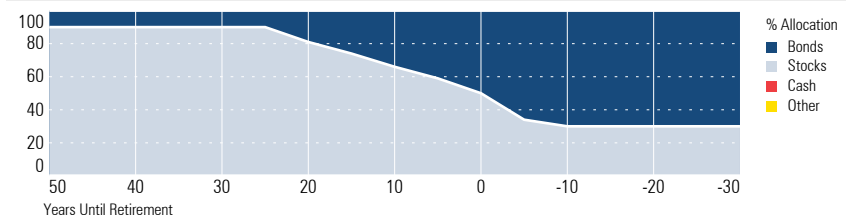
Benchmark Description: Morningstar Lifetime Mod 2035 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who is about 25 years away from retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

Category Description: Target-Date 2035

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2031-2035) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Allocation of Assets

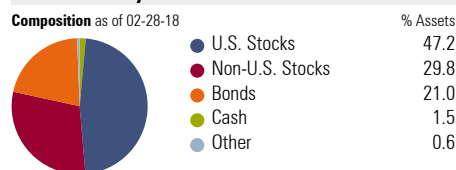


Performance

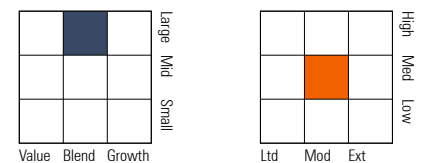
| Trailing Returns | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Investment Return % | -0.58 | 12.23 | 7.35 | 9.22 | 7.02 | 7.54 |
| Benchmark Return % | -0.82 | 11.95 | 7.31 | 8.65 | 6.92 | — |
| Category Average % | -0.61 | 11.73 | 6.73 | 8.16 | 6.35 | 6.78 |
| Morningstar Rating™ | — | — | ★★★★ | ★★★★ | ★★★★ | — |
| # of Funds in Category | — | — | 168 | 131 | 67 | — |
| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund Return % | -0.58 | 12.23 | 7.35 | 9.22 | 7.02 | 7.54 |
| Standardized Return % | -0.58 | 12.23 | 7.35 | 9.22 | 7.02 | 7.54 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18



Morningstar Style Box™ as of 02-28-18(EQ) ; 02-28-18(F-I)



| Top 10 Holdings as of 02-28-18 | % Assets |
|---------------------------------------|----------|
| Vanguard Total Stock Mkt Idx Inv | 47.38 |
| Vanguard Total Intl Stock Index Inv | 30.79 |
| Vanguard Total Bond Market II Idx Inv | 15.19 |
| Vanguard Total Intl Bd Idx Investor | 6.63 |
| CMT Market Liquidity Rate | 0.02 |

| | |
|---------------------------|-----------|
| Total Number of Holdings | 5 |
| Annual Turnover Ratio % | 9.00 |
| Total Fund Assets (\$mil) | 32,295.76 |

| Morningstar Sectors as of 02-28-18 | % Fund | S&P 500 % |
|------------------------------------|--------|-----------|
| Cyclical | 39.81 | 33.57 |
| Basic Materials | 5.50 | 2.68 |
| Consumer Cyclical | 11.88 | 11.73 |
| Financial Services | 18.84 | 16.91 |
| Real Estate | 3.59 | 2.25 |
| Sensitive | 38.29 | 41.83 |
| Communication Services | 3.30 | 3.29 |
| Energy | 5.59 | 5.74 |
| Industrials | 11.65 | 10.64 |
| Technology | 17.75 | 22.16 |
| Defensive | 21.91 | 24.60 |
| Consumer Defensive | 7.87 | 7.83 |
| Healthcare | 11.28 | 13.91 |
| Utilities | 2.76 | 2.86 |

Principal Risks as of 02-28-18

Hedging Strategies, Credit and Counterparty, Prepayment (Call), Currency, Loss of Money, Not FDIC Insured, Country or Region, Income, Interest Rate, Market/Market Volatility, Equity Securities, Fixed-Income Securities, Management, Target Date

Vanguard Target Retirement 2040 Inv VFORX

Benchmark

Morningstar Lifetime Mod 2040 TR USD

Overall Morningstar Rating™

★★★★

Out of 190 Target-Date 2040 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Average

Investment Objective & Strategy

From investment's prospectus

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.

Fees and Expenses as of 01-25-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.15% |
| Total Annual Operating Expense | 0.15% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|--------------------|
| Fund Inception Date | 06-07-06 |
| Portfolio Manager(s) | William A. Coleman |
| | Walter Nejman |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

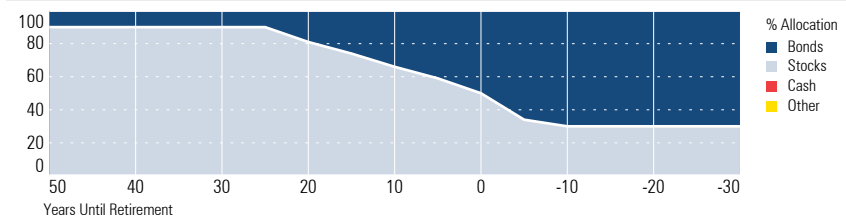
Benchmark Description: Morningstar Lifetime Mod 2040 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who is about 30 years away from retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

Category Description: Target-Date 2040

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2036-2040) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Allocation of Assets

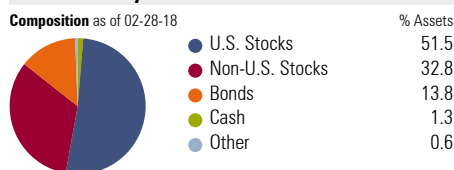


Performance

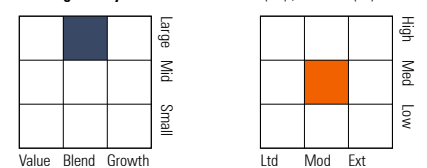
| Trailing Returns | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Investment Return % | -0.53 | 13.25 | 7.86 | 9.73 | 7.35 | 7.18 |
| Benchmark Return % | -0.79 | 12.86 | 7.78 | 9.03 | 7.09 | — |
| Category Average % | -0.66 | 12.42 | 7.04 | 8.48 | 6.33 | 5.92 |
| Morningstar Rating™ | — | — | ★★★★ | ★★★★ | ★★★★ | — |
| # of Funds in Category | — | — | 190 | 149 | 89 | — |
| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund Return % | -0.53 | 13.25 | 7.86 | 9.73 | 7.35 | 7.18 |
| Standardized Return % | -0.53 | 13.25 | 7.86 | 9.73 | 7.35 | 7.18 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18



Morningstar Style Box™ as of 02-28-18(EQ) ; 02-28-18(F-I)



| Top 10 Holdings as of 02-28-18 | % Assets |
|---------------------------------------|----------|
| Vanguard Total Stock Mkt Idx Inv | 51.73 |
| Vanguard Total Intl Stock Index Inv | 33.93 |
| Vanguard Total Bond Market II Idx Inv | 9.98 |
| Vanguard Total Intl Bd Idx Investor | 4.32 |
| CMT Market Liquidity Rate | 0.04 |

| | |
|---------------------------|-----------|
| Total Number of Holdings | 5 |
| Annual Turnover Ratio % | 8.00 |
| Total Fund Assets (\$mil) | 24,488.25 |

| Morningstar Sectors as of 02-28-18 | % Fund | S&P 500 % |
|------------------------------------|--------|-----------|
| Cyclical | 39.82 | 33.57 |
| Basic Materials | 5.51 | 2.68 |
| Consumer Cyclical | 11.87 | 11.73 |
| Financial Services | 18.85 | 16.91 |
| Real Estate | 3.59 | 2.25 |
| Sensitive | 38.27 | 41.83 |
| Communication Services | 3.30 | 3.29 |
| Energy | 5.59 | 5.74 |
| Industrials | 11.66 | 10.64 |
| Technology | 17.72 | 22.16 |
| Defensive | 21.89 | 24.60 |
| Consumer Defensive | 7.87 | 7.83 |
| Healthcare | 11.26 | 13.91 |
| Utilities | 2.76 | 2.86 |

Principal Risks as of 02-28-18

Hedging Strategies, Credit and Counterparty, Prepayment (Call), Currency, Loss of Money, Not FDIC Insured, Country or Region, Income, Interest Rate, Market/Market Volatility, Equity Securities, Fixed-Income Securities, Management, Target Date

Vanguard Target Retirement 2045 Inv VTIVX

Benchmark

Morningstar Lifetime Mod 2045 TR USD

Overall Morningstar Rating™

★★★★

Out of 168 Target-Date 2045 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Below Average

Investment Objective & Strategy

From investment's prospectus

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.

Fees and Expenses as of 01-25-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.15% |
| Total Annual Operating Expense | 0.15% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|--------------------|
| Fund Inception Date | 10-27-03 |
| Portfolio Manager(s) | William A. Coleman |
| | Walter Nejman |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

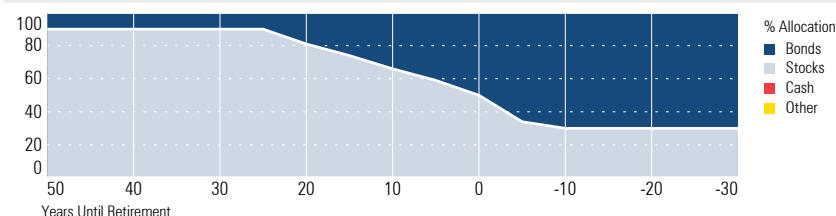
Benchmark Description: Morningstar Lifetime Mod 2045 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who is about 35 years away from retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

Category Description: Target-Date 2045

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2041-2045) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Allocation of Assets



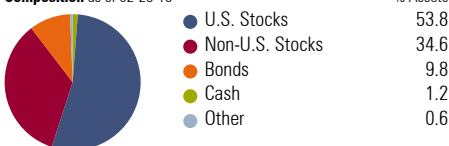
Performance

| Trailing Returns | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Investment Return % | -0.58 | 13.68 | 8.10 | 9.88 | 7.40 | 8.02 |
| Benchmark Return % | -0.78 | 13.31 | 7.96 | 9.11 | 7.10 | — |
| Category Average % | -0.54 | 13.18 | 7.38 | 8.89 | 6.57 | 7.36 |
| Morningstar Rating™ | — | — | ★★★★ | ★★★★ | ★★★★ | — |
| # of Funds in Category | — | — | 168 | 131 | 66 | — |
| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund Return % | -0.58 | 13.68 | 8.10 | 9.88 | 7.40 | 8.02 |
| Standardized Return % | -0.58 | 13.68 | 8.10 | 9.88 | 7.40 | 8.02 |

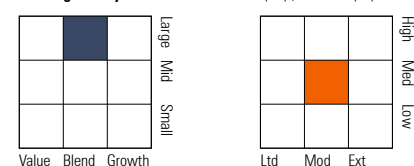
Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18

Composition as of 02-28-18



Morningstar Style Box™ as of 02-28-18(EQ) ; 02-28-18(F-I)



Top 10 Holdings as of 02-28-18

| | % Assets |
|---------------------------------------|-----------|
| Vanguard Total Stock Mkt Idx Inv | 53.99 |
| Vanguard Total Intl Stock Index Inv | 35.79 |
| Vanguard Total Bond Market II Idx Inv | 7.13 |
| Vanguard Total Intl Bd Idx Investor | 3.05 |
| CMT Market Liquidity Rate | 0.04 |
| Total Number of Holdings | 5 |
| Annual Turnover Ratio % | 8.00 |
| Total Fund Assets (\$mil) | 22,533.77 |

Morningstar Sectors as of 02-28-18

| | % Fund | S&P 500 % |
|------------------------|--------|-----------|
| Cyclical | 39.85 | 33.57 |
| Basic Materials | 5.52 | 2.68 |
| Consumer Cyclical | 11.87 | 11.73 |
| Financial Services | 18.86 | 16.91 |
| Real Estate | 3.60 | 2.25 |
| Sensitive | 38.26 | 41.83 |
| Communication Services | 3.30 | 3.29 |
| Energy | 5.60 | 5.74 |
| Industrials | 11.66 | 10.64 |
| Technology | 17.70 | 22.16 |
| Defensive | 21.90 | 24.60 |
| Consumer Defensive | 7.88 | 7.83 |
| Healthcare | 11.25 | 13.91 |
| Utilities | 2.77 | 2.86 |

Principal Risks as of 02-28-18

Hedging Strategies, Credit and Counterparty, Prepayment (Call), Currency, Loss of Money, Not FDIC Insured, Country or Region, Income, Interest Rate, Market/Market Volatility, Equity Securities, Fixed-Income Securities, Management, Target Date

Vanguard Target Retirement 2050 Inv VFIFX

Benchmark

Morningstar Lifetime Mod 2050 TR USD

Overall Morningstar Rating™

★★★★

Out of 185 Target-Date 2050 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Average

Investment Objective & Strategy

From investment's prospectus

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.

Fees and Expenses as of 01-25-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.15% |
| Total Annual Operating Expense | 0.15% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|--------------------|
| Fund Inception Date | 06-07-06 |
| Portfolio Manager(s) | William A. Coleman |
| | Walter Nejman |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

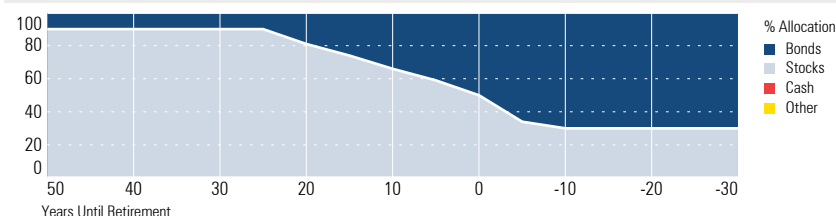
Benchmark Description: Morningstar Lifetime Mod 2050 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who is about 40 years away from retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

Category Description: Target-Date 2050

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2046-2050) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Allocation of Assets



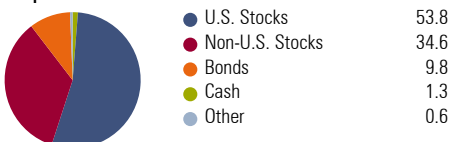
Performance

| Trailing Returns | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Investment Return % | -0.55 | 13.69 | 8.11 | 9.88 | 7.41 | 7.29 |
| Benchmark Return % | -0.78 | 13.47 | 7.98 | 9.05 | 7.04 | — |
| Category Average % | -0.62 | 13.25 | 7.41 | 8.91 | 6.57 | 6.12 |
| Morningstar Rating™ | — | — | ★★★★ | ★★★★ | ★★★★ | — |
| # of Funds in Category | — | — | 185 | 144 | 61 | — |
| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund Return % | -0.55 | 13.69 | 8.11 | 9.88 | 7.41 | 7.29 |
| Standardized Return % | -0.55 | 13.69 | 8.11 | 9.88 | 7.41 | 7.29 |

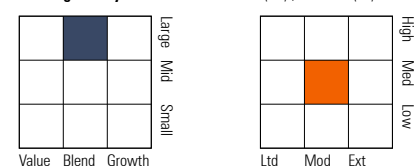
Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18

Composition as of 02-28-18



Morningstar Style Box™ as of 02-28-18(EQ) ; 02-28-18(F-I)



Top 10 Holdings as of 02-28-18

| | % Assets |
|---------------------------------------|-----------|
| Vanguard Total Stock Mkt Idx Inv | 53.99 |
| Vanguard Total Intl Stock Index Inv | 35.76 |
| Vanguard Total Bond Market II Idx Inv | 7.16 |
| Vanguard Total Intl Bd Idx Investor | 3.02 |
| CMT Market Liquidity Rate | 0.07 |
| Total Number of Holdings | 5 |
| Annual Turnover Ratio % | 6.00 |
| Total Fund Assets (\$mil) | 15,193.54 |

Morningstar Sectors as of 02-28-18

| | % Fund | S&P 500 % |
|------------------------|--------|-----------|
| Cyclical | 39.83 | 33.57 |
| Basic Materials | 5.52 | 2.68 |
| Consumer Cyclical | 11.85 | 11.73 |
| Financial Services | 18.86 | 16.91 |
| Real Estate | 3.60 | 2.25 |
| Sensitive | 38.29 | 41.83 |
| Communication Services | 3.30 | 3.29 |
| Energy | 5.60 | 5.74 |
| Industrials | 11.66 | 10.64 |
| Technology | 17.73 | 22.16 |
| Defensive | 21.90 | 24.60 |
| Consumer Defensive | 7.88 | 7.83 |
| Healthcare | 11.25 | 13.91 |
| Utilities | 2.77 | 2.86 |

Principal Risks as of 02-28-18

Hedging Strategies, Credit and Counterparty, Prepayment (Call), Currency, Loss of Money, Not FDIC Insured, Country or Region, Income, Interest Rate, Market/Market Volatility, Equity Securities, Fixed-Income Securities, Management, Target Date

Vanguard Target Retirement 2055 Inv VFFVX

Benchmark

Morningstar Lifetime Mod 2055 TR USD

Overall Morningstar Rating™

★★★★

Out of 159 Target-Date 2055 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Below Average

Investment Objective & Strategy

From investment's prospectus

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.

Fees and Expenses as of 01-25-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.15% |
| Total Annual Operating Expense | 0.15% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|--------------------|
| Fund Inception Date | 08-18-10 |
| Portfolio Manager(s) | William A. Coleman |
| | Walter Nejman |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

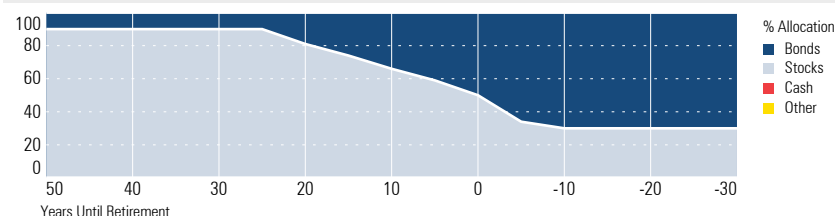
Benchmark Description: Morningstar Lifetime Mod 2055 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who is about 45 years away from retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

Category Description: Target-Date 2055

Target-date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2051-2055) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Allocation of Assets



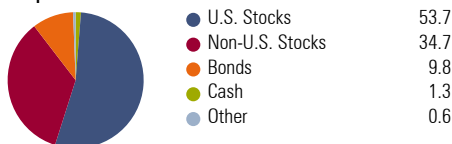
Performance

| Trailing Returns | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Investment Return % | -0.56 | 13.69 | 8.05 | 9.85 | — | 11.14 |
| Benchmark Return % | -0.79 | 13.57 | 7.97 | 8.96 | — | 10.53 |
| Category Average % | -0.52 | 13.61 | 7.61 | 9.23 | — | 10.34 |
| Morningstar Rating™ | — | — | ★★★★ | ★★★★ | — | — |
| # of Funds in Category | — | — | 159 | 105 | — | — |
| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund Return % | -0.56 | 13.69 | 8.05 | 9.85 | — | 11.14 |
| Standardized Return % | -0.56 | 13.69 | 8.05 | 9.85 | — | 11.14 |

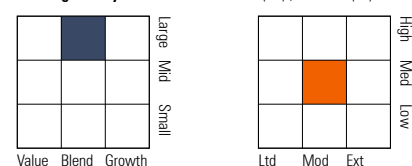
Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18

Composition as of 02-28-18



Morningstar Style Box™ as of 02-28-18(EQ) ; 02-28-18(F-I)



Top 10 Holdings as of 02-28-18

| | % Assets |
|---------------------------------------|----------|
| Vanguard Total Stock Mkt Idx Inv | 53.88 |
| Vanguard Total Intl Stock Index Inv | 35.85 |
| Vanguard Total Bond Market II Idx Inv | 7.20 |
| Vanguard Total Intl Bd Idx Investor | 2.99 |
| CMT Market Liquidity Rate | 0.08 |
| Total Number of Holdings | 5 |
| Annual Turnover Ratio % | 5.00 |
| Total Fund Assets (\$mil) | 6,904.99 |

Morningstar Sectors as of 02-28-18

| | % Fund | S&P 500 % |
|------------------------|--------|-----------|
| Cyclical | 39.83 | 33.57 |
| Basic Materials | 5.53 | 2.68 |
| Consumer Cyclical | 11.84 | 11.73 |
| Financial Services | 18.86 | 16.91 |
| Real Estate | 3.60 | 2.25 |
| Sensitive | 38.28 | 41.83 |
| Communication Services | 3.30 | 3.29 |
| Energy | 5.60 | 5.74 |
| Industrials | 11.66 | 10.64 |
| Technology | 17.72 | 22.16 |
| Defensive | 21.89 | 24.60 |
| Consumer Defensive | 7.88 | 7.83 |
| Healthcare | 11.24 | 13.91 |
| Utilities | 2.77 | 2.86 |

Principal Risks as of 02-28-18

Hedging Strategies, Credit and Counterparty, Prepayment (Call), Currency, Loss of Money, Not FDIC Insured, Country or Region, Income, Interest Rate, Market/Market Volatility, Equity Securities, Fixed-Income Securities, Management, Target Date

Vanguard Target Retirement 2060 Inv VTTSX

Benchmark

Morningstar Lifetime Mod 2060 TR USD

Overall Morningstar Rating™

★★★

Out of 56 Target-Date 2060+ funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Average

Morningstar Risk

Below Average

Investment Objective & Strategy

From investment's prospectus

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.

Fees and Expenses as of 01-25-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.15% |
| Total Annual Operating Expense | 0.15% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|--------------------|
| Fund Inception Date | 01-19-12 |
| Portfolio Manager(s) | William A. Coleman |
| | Walter Nejman |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

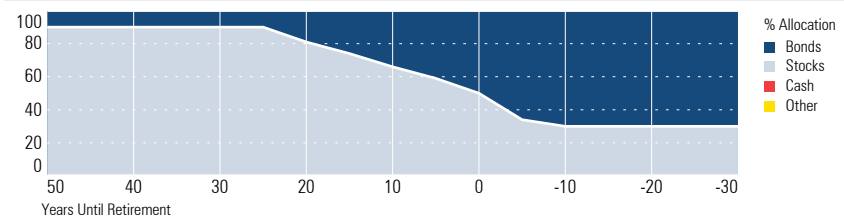
Benchmark Description: Morningstar Lifetime Mod 2060 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who is about 45 years away from retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

Category Description: Target-Date 2060+

Target-date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2056-2060 and beyond) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Allocation of Assets



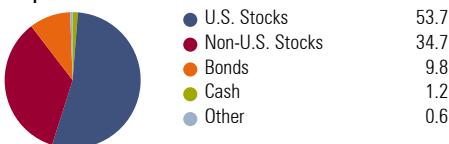
Performance

| Trailing Returns | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Investment Return % | -0.55 | 13.68 | 8.05 | 9.85 | — | 10.96 |
| Benchmark Return % | -0.79 | 13.63 | 7.94 | 8.87 | — | — |
| Category Average % | -0.60 | 13.72 | 8.03 | 9.57 | — | 10.72 |
| Morningstar Rating™ | — | — | ★★★ | — | — | — |
| # of Funds in Category | — | — | 56 | — | — | — |
| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund Return % | -0.55 | 13.68 | 8.05 | 9.85 | — | 10.96 |
| Standardized Return % | -0.55 | 13.68 | 8.05 | 9.85 | — | 10.96 |

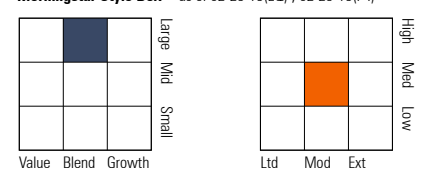
Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18

Composition as of 02-28-18



Morningstar Style Box™ as of 02-28-18(EQ) ; 02-28-18(F-I)



Top 10 Holdings as of 02-28-18

| | % Assets |
|---------------------------------------|----------|
| Vanguard Total Stock Mkt Idx Inv | 53.89 |
| Vanguard Total Intl Stock Index Inv | 35.87 |
| Vanguard Total Bond Market II Idx Inv | 7.19 |
| Vanguard Total Intl Bd Idx Investor | 2.99 |
| Total Number of Holdings | 5 |
| Annual Turnover Ratio % | 4.00 |
| Total Fund Assets (\$mil) | 2,682.59 |

Morningstar Sectors as of 02-28-18

| | % Fund | S&P 500 % |
|------------------------|--------|-----------|
| Cyclical | 39.83 | 33.57 |
| Basic Materials | 5.53 | 2.68 |
| Consumer Cyclical | 11.84 | 11.73 |
| Financial Services | 18.86 | 16.91 |
| Real Estate | 3.60 | 2.25 |
| Sensitive | 38.28 | 41.83 |
| Communication Services | 3.30 | 3.29 |
| Energy | 5.60 | 5.74 |
| Industrials | 11.66 | 10.64 |
| Technology | 17.72 | 22.16 |
| Defensive | 21.89 | 24.60 |
| Consumer Defensive | 7.88 | 7.83 |
| Healthcare | 11.24 | 13.91 |
| Utilities | 2.77 | 2.86 |

Principal Risks as of 02-28-18

Hedging Strategies, Credit and Counterparty, Prepayment (Call), Currency, Loss of Money, Not FDIC Insured, Country or Region, Income, Interest Rate, Market/Market Volatility, Equity Securities, Fixed-Income Securities, Management, Target Date

Vanguard Target Retirement 2065 Inv VLXVX

Benchmark

Morningstar Lifetime Mod 2060 TR USD

Overall Morningstar Rating™

Morningstar Return

Morningstar Risk

Investment Objective & Strategy

From investment's prospectus

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 2065 (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.

Fees and Expenses as of 01-25-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.15% |
| Total Annual Operating Expense | 0.15% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|--------------------|
| Fund Inception Date | 07-12-17 |
| Portfolio Manager(s) | William A. Coleman |
| | Walter Nejman |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

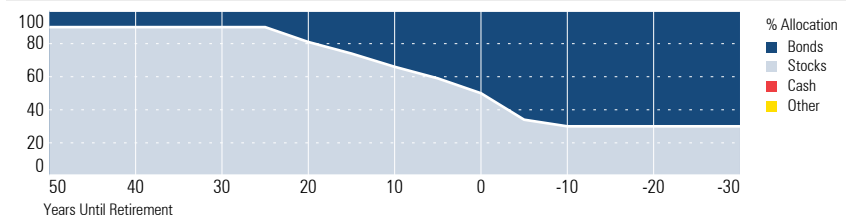
Benchmark Description: Morningstar Lifetime Mod 2060 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who is about 45 years away from retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

Category Description: Target-Date 2060+

Target-date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2056-2060 and beyond) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Allocation of Assets

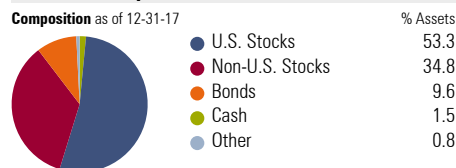


Performance

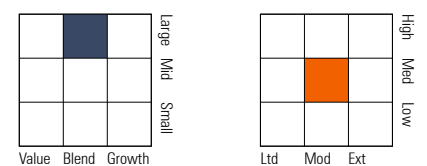
| Trailing Returns | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Investment Return % | -0.60 | — | — | — | — | 8.69 |
| Benchmark Return % | -0.79 | — | — | — | — | 8.99 |
| Category Average % | -0.60 | — | — | — | — | 8.42 |
| Morningstar Rating™ | — | — | — | — | — | — |
| # of Funds in Category | — | — | — | — | — | — |
| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund Return % | -0.60 | — | — | — | — | 8.69 |
| Standardized Return % | -0.60 | — | — | — | — | 8.69 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 12-31-17



Morningstar Style Box™ as of 12-31-17(EQ) ; 12-31-17(F-I)



| Top 10 Holdings as of 12-31-17 | % Assets |
|---------------------------------------|----------|
| Vanguard Total Stock Mkt Idx Inv | 53.65 |
| Vanguard Total Intl Stock Index Inv | 35.98 |
| Vanguard Total Bond Market II Idx Inv | 7.01 |
| Vanguard Total Intl Bd Idx Investor | 3.00 |
| Total Number of Holdings | 5 |
| Annual Turnover Ratio % | 29.00 |
| Total Fund Assets (\$mil) | 105.54 |

| Morningstar Sectors as of 12-31-17 | % Fund | S&P 500 % |
|------------------------------------|--------|-----------|
| Cyclical | 39.57 | 33.57 |
| Basic Materials | 5.65 | 2.68 |
| Consumer Cyclical | 11.59 | 11.73 |
| Financial Services | 18.42 | 16.91 |
| Real Estate | 3.91 | 2.25 |
| Sensitive | 38.07 | 41.83 |
| Communication Services | 3.49 | 3.29 |
| Energy | 5.99 | 5.74 |
| Industrials | 11.73 | 10.64 |
| Technology | 16.86 | 22.16 |
| Defensive | 22.36 | 24.60 |
| Consumer Defensive | 8.35 | 7.83 |
| Healthcare | 11.06 | 13.91 |
| Utilities | 2.95 | 2.86 |

Principal Risks as of 12-31-17

Hedging Strategies, Credit and Counterparty, Prepayment (Call), Currency, Loss of Money, Not FDIC Insured, Country or Region, Income, Interest Rate, Market/Market Volatility, Equity Securities, Fixed-Income Securities, Management, Target Date

Vanguard Wellington™ Admiral™ VVWEX

Benchmark

Morningstar Mod Tgt Risk TR USD

Overall Morningstar Rating™

★★★★★

Out of 680 Allocation~50% to 70% Equity funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

High

Morningstar Risk

Average

Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide long-term capital appreciation and moderate current income.

The fund invests 60% to 70% of its assets in dividend-paying and, to a lesser extent, non-dividend-paying common stocks of established large companies. The remaining 30% to 40% of the fund's assets are invested mainly in fixed income securities that the advisor believes will generate a moderate level of current income. These securities include investment-grade corporate bonds, with some exposure to U.S. Treasury and government agency bonds, and mortgage-backed securities.

Fees and Expenses as of 03-27-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.16% |
| Total Annual Operating Expense | 0.16% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|---------------------------------------|
| Fund Inception Date | 05-14-01 |
| Portfolio Manager(s) | Edward P. Bousa, CFA John C. Keogh |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

Benchmark Description: Morningstar Mod Tgt Risk TR USD

The Morningstar Target Risk Index family is designed to meet the needs of investors who would like to maintain a target level of equity exposure through a portfolio diversified across equities, bonds and inflation-hedged instruments. The Morningstar Moderate Target Risk Index seeks approximately 60% exposure to global equity markets.

Category Description: Allocation~50% to 70% Equity

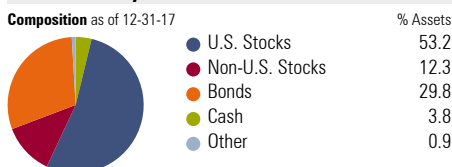
Funds in allocation categories seek to provide both income and capital appreciation by investing in multiple asset classes, including stocks, bonds, and cash. These portfolios are dominated by domestic holdings and have equity exposures between 50% and 70%.

Performance

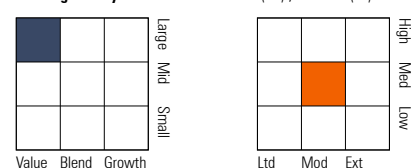
| | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception | |
|---|-------|--------|--------|--------|---------|-----------------|---|
| | -1.88 | 8.90 | 7.51 | 9.03 | 7.82 | 7.60 | Total Return% as of 03-31-18 |
| | -1.88 | 8.90 | 7.51 | 9.03 | 7.82 | 7.60 | ■ Investment |
| | -0.87 | 9.09 | 6.13 | 6.69 | 6.12 | — | ■ Benchmark |
| | -1.26 | 7.78 | 4.89 | 6.55 | 6.06 | 4.91 | Average annual, if greater than 1 year. |
| | — | — | ★★★★★ | ★★★★★ | ★★★★★ | — | Fund Return % |
| | — | — | 680 | 628 | 442 | — | Load-Adj. Return % |
| | | | | | | | Benchmark Return % |
| | | | | | | | Category Average % |
| | | | | | | | Morningstar Rating™ |
| | | | | | | | # of Funds in Category |
| Quarter End Returns as of 03-31-18 | | | | | | | |
| | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception | |
| Fund Return % | -1.88 | 8.90 | 7.51 | 9.03 | 7.82 | 7.60 | |
| Standardized Return % | -1.88 | 8.90 | 7.51 | 9.03 | 7.82 | 7.60 | |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 12-31-17



Morningstar Style Box™ as of 12-31-17(EQ) ; 12-31-17(F-I)



| Top 10 Holdings as of 12-31-17 | | % Assets |
|---------------------------------------|--|----------|
| Microsoft Corp | | 2.42 |
| JPMorgan Chase & Co | | 2.07 |
| Bank of America Corporation | | 2.01 |
| Verizon Communications Inc | | 1.89 |
| Intel Corp | | 1.88 |
| Alphabet Inc A | | 1.85 |
| Chevron Corp | | 1.76 |
| Comcast Corp Class A | | 1.44 |
| Apple Inc | | 1.41 |
| Prudential Financial Inc | | 1.37 |

| | |
|--------------------------------|------------|
| Total Number of Stock Holdings | 102 |
| Total Number of Bond Holdings | 890 |
| Annual Turnover Ratio % | 30.00 |
| Total Fund Assets (\$mil) | 103,093.22 |

Principal Risks as of 12-31-17

Credit and Counterparty, Prepayment (Call), Loss of Money, Not FDIC Insured, Value Investing, Income, Interest Rate, Market/Market Volatility, Equity Securities, Restricted/Illiquid Securities, Fixed-Income Securities, Management, Large Cap

| Morningstar Sectors as of 12-31-17 | | % Fund | S&P 500 % |
|---|--|--------|-----------|
| Cyclical | | 31.89 | 33.57 |
| Basic Materials | | 1.64 | 2.68 |
| Consumer Cyclical | | 5.55 | 11.73 |
| Financial Services | | 24.40 | 16.91 |
| Real Estate | | 0.30 | 2.25 |
| Sensitive | | 42.45 | 41.83 |
| Communication Services | | 6.13 | 3.29 |
| Energy | | 8.34 | 5.74 |
| Industrials | | 10.91 | 10.64 |
| Technology | | 17.07 | 22.16 |
| Defensive | | 25.68 | 24.60 |
| Consumer Defensive | | 6.14 | 7.83 |
| Healthcare | | 15.37 | 13.91 |
| Utilities | | 4.17 | 2.86 |

Vanguard Target Retirement Income Inv VTINX

Benchmark

Morningstar Lifetime Mod Incm TR USD

Overall Morningstar Rating™

★★★★

Out of 160 Target-Date Retirement funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Below Average

Investment Objective & Strategy

From investment's prospectus

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.

Fees and Expenses as of 01-25-18

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.13% |
| Total Annual Operating Expense | 0.13% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|-------------------------------------|
| Fund Inception Date | 10-27-03 |
| Portfolio Manager(s) | William A. Coleman Walter Nejman |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

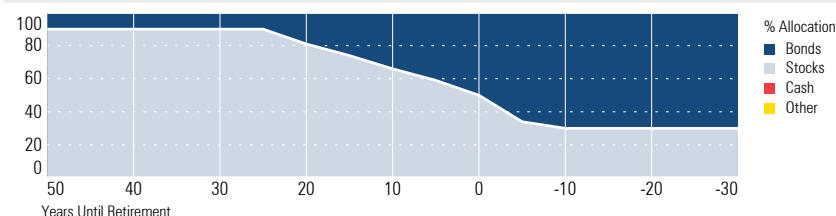
Benchmark Description: Morningstar Lifetime Mod Incm TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who is at least ten years into retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

Category Description: Target-Date Retirement

Retirement income portfolios provide a mix of stocks, bonds, and cash for those investors already in or entering retirement. These portfolios tend to be managed to more of a conservative asset-allocation strategy. These portfolios aim to provide investors with steady income throughout retirement.

Allocation of Assets



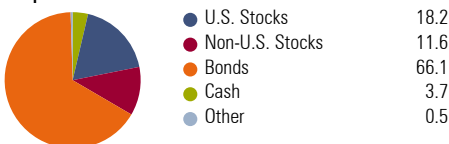
Performance

| Trailing Returns | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Investment Return % | -0.50 | 5.35 | 3.68 | 4.33 | 4.93 | 5.25 |
| Benchmark Return % | -0.35 | 5.64 | 3.84 | 4.00 | 4.67 | — |
| Category Average % | -0.97 | 4.95 | 3.22 | 3.83 | 4.31 | 4.49 |
| Morningstar Rating™ | — | — | ★★★★ | ★★★ | ★★★★ | — |
| # of Funds in Category | — | — | 160 | 131 | 90 | — |
| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund Return % | -0.50 | 5.35 | 3.68 | 4.33 | 4.93 | 5.25 |
| Standardized Return % | -0.50 | 5.35 | 3.68 | 4.33 | 4.93 | 5.25 |

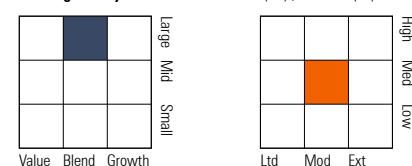
Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18

Composition as of 02-28-18



Morningstar Style Box™ as of 02-28-18(EQ) ; 02-28-18(F-I)



Top 10 Holdings as of 02-28-18

| | % Assets |
|--|-----------|
| Vanguard Total Bond Market II Idx Inv | 37.07 |
| Vanguard Total Stock Mkt Idx Inv | 18.27 |
| Vanguard Shrt-Term Infl-Prot Sec Idx Inv | 16.65 |
| Vanguard Total Intl Bd Idx Investor | 16.05 |
| Vanguard Total Intl Stock Index Inv | 11.95 |
| CMT Market Liquidity Rate | 0.01 |
| Total Number of Holdings | 6 |
| Annual Turnover Ratio % | 8.00 |
| Total Fund Assets (\$mil) | 16,710.12 |

Morningstar Sectors as of 02-28-18

| | % Fund | S&P 500 % |
|------------------------|--------|-----------|
| Cyclical | 39.78 | 33.57 |
| Basic Materials | 5.50 | 2.68 |
| Consumer Cyclical | 11.85 | 11.73 |
| Financial Services | 18.84 | 16.91 |
| Real Estate | 3.59 | 2.25 |
| Sensitive | 38.30 | 41.83 |
| Communication Services | 3.30 | 3.29 |
| Energy | 5.59 | 5.74 |
| Industrials | 11.65 | 10.64 |
| Technology | 17.76 | 22.16 |
| Defensive | 21.90 | 24.60 |
| Consumer Defensive | 7.87 | 7.83 |
| Healthcare | 11.27 | 13.91 |
| Utilities | 2.76 | 2.86 |

Principal Risks as of 02-28-18

Hedging Strategies, Credit and Counterparty, Prepayment (Call), Currency, Loss of Money, Not FDIC Insured, Country or Region, Income, Interest Rate, Market/Market Volatility, Equity Securities, Fixed-Income Securities, Management

Vanguard Total Bond Market Index Adm VBTXX

Benchmark

BBgBarc US Agg Bond TR USD

Overall Morningstar Rating™

★★★

Out of 858 Intermediate-Term Bond funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Average

Morningstar Risk

Above Average

Investment Objective & Strategy

From investment's prospectus

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.

Fees and Expenses as of 04-26-17

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.05% |
| Total Annual Operating Expense | 0.05% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|---------------------------|
| Fund Inception Date | 11-12-01 |
| Portfolio Manager(s) | Joshua C. Barrickman, CFA |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

Benchmark Description: BbgBarc US Agg Bond TR USD

The index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. It rolls up into other Barclays flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

Category Description: Intermediate-Term Bond

Intermediate-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed-income issues and typically have durations of 3.5 to 6.0 years. These portfolios are less sensitive to interest rates, and therefore less volatile, than portfolios that have longer durations. Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index in determining duration assignment. Intermediate-term is defined as 75% to 125% of the three-year average effective duration of the MCBI.

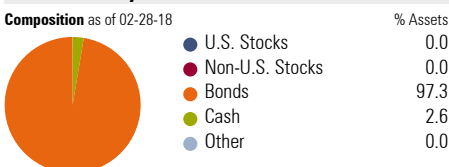
Performance



| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Fund Return % | -1.47 | 1.12 | 1.12 | 1.73 | 3.57 | 4.04 |
| Standardized Return % | -1.47 | 1.12 | 1.12 | 1.73 | 3.57 | 4.04 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18

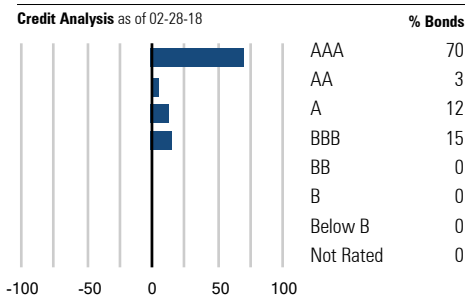


Morningstar Fixed Income Style Box™ as of 02-28-18



| Top 10 Holdings as of 02-28-18 | % Assets |
|---|------------|
| United States Treasury Notes 2.125% SN 05-15-25 | 0.47 |
| United States Treasury Notes 2.625% SN 11-15-20 | 0.43 |
| United States Treasury Notes 1.375% PI 02-15-20 | 0.42 |
| United States Treasury Notes 2.125% SN 12-31-22 | 0.42 |
| United States Treasury Notes 1.75% SNR 05-15-23 | 0.41 |
| United States Treasury Notes 1.625% PI 03-15-20 | 0.39 |
| United States Treasury Notes 2.25% PID 11-15-27 | 0.39 |
| United States Treasury Notes 3.625% SN 08-15-19 | 0.39 |
| United States Treasury Notes 1.75% SNR 02-28-22 | 0.38 |
| United States Treasury Notes 1.5% SNR 10-31-19 | 0.37 |
| Total Number of Stock Holdings | 0 |
| Total Number of Bond Holdings | 17368 |
| Annual Turnover Ratio % | 55.00 |
| Total Fund Assets (\$mil) | 160,921.24 |

| Morningstar Sectors as of 02-28-18 | % Fund | % Category |
|------------------------------------|--------|------------|
| Government | 46.02 | 25.67 |
| Corporate | 26.95 | 26.94 |
| Securitized | 23.72 | 33.91 |
| Municipal | 0.68 | 1.74 |
| Cash/Cash Equivalents | 2.63 | 6.56 |
| Other | 0.00 | 5.18 |



Principal Risks as of 02-28-18

Credit and Counterparty, Extension, Prepayment (Call), Loss of Money, Not FDIC Insured, Income, Interest Rate, ETF, Market Trading, Sampling

Vanguard Short-Term Federal Adm VSGDX

BBgBarc Government 1-5 Yr TR USD

From investment's prospectus

The investment seeks current income while maintaining limited price volatility.

The fund invests at least 80% of its assets in short-term bonds issued or guaranteed by the U.S. government and its agencies and instrumentalities, many of which are not backed by the full faith and credit of the U.S. government. It is expected to maintain a dollar-weighted average maturity of 1 to 4 years.

| | |
|---------------------------------------|--------------|
| Prospectus Net Expense Ratio | 0.10% |
| <i>Total Annual Operating Expense</i> | <i>0.10%</i> |
| <i>Maximum Sales Charge</i> | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| | |
|----------------------|--|
| Fund Inception Date | 02-12-01 |
| Portfolio Manager(s) | Brian W. Quigley |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

The index measures the performance of US Treasuries and US Agency bonds with maturities of 1 (inclusive) to 5 (exclusive) years.

Short-government portfolios have at least 90% of their bond holdings in bonds backed by the U.S. government or by government-linked agencies. This backing minimizes the credit risk of these portfolios, as the U.S. government is unlikely to default on its debt. These portfolios have durations typically between 1.0 and 3.5 years, so they have relatively less sensitivity to interest rates and, thus, low risk potential. Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index in determining duration assignment. Short is defined as 25% to 75% of the three-year average effective duration of the MCB1.

★★★★★

Out of 102 Short Government funds. **An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.**

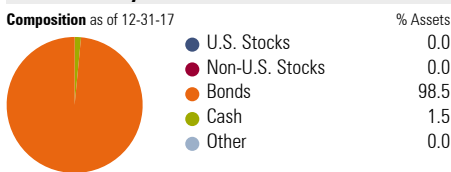
High

Average

| YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception | |
|-------|--------|--------|--------|---------|-----------------|------------------------|
| -0.34 | 0.08 | 0.63 | 0.69 | 1.82 | 3.07 | Fund Return % |
| -0.34 | 0.08 | 0.63 | 0.69 | 1.82 | 3.07 | Load-Adj. Return % |
| -0.39 | -0.09 | 0.46 | 0.63 | 1.66 | 3.01 | Benchmark Return % |
| -0.27 | 0.01 | 0.18 | 0.27 | 1.30 | 2.40 | Category Average % |
| — | — | ★★★★★ | ★★★★★ | ★★★ | — | Morningstar Rating™ |
| — | — | 102 | 93 | 69 | — | # of Funds in Category |







| | | | | | | |
|-----------------------|-------|------|------|------|------|------|
| Fund Return % | -0.34 | 0.08 | 0.63 | 0.69 | 1.82 | 3.07 |
| Standardized Return % | -0.34 | 0.08 | 0.63 | 0.69 | 1.82 | 3.07 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.



| | | | |
|---|-----|------------------|-------|
|  | | Avg Eff Duration | 2.41 |
| | | Avg Eff Maturity | 2.60 |
| | | Avg Wtd Price | 98.88 |
| Ltd | Mod | Ext | |

| | |
|---|----------|
| FNMA 10-09-19 | 5.25 |
| FHLMC 1.875% 11-17-20 | 4.69 |
| Resolution Fdg Fed Bk Prin Stp 10-15-20 | 4.27 |
| US Treasury Note 0.75% 09-30-18 | 3.47 |
| FHLMC 1.7% 09-29-20 | 3.21 |
| <hr/> | |
| FHLBA 1.41722% 09-28-20 | 2.83 |
| FHLBA 1.8% 08-28-20 | 2.42 |
| Resolution Fdg Fed Bk Prin Stp 10-15-19 | 2.38 |
| FHLMC 1.25% 10-02-19 | 2.36 |
| Financing Corp Prin Fico Strip 05-11-18 | 2.13 |
| <hr/> | |
| Total Number of Stock Holdings | 0 |
| Total Number of Bond Holdings | 652 |
| Annual Turnover Ratio % | 304.00 |
| Total Fund Assets (\$mil) | 4,918.99 |

| | | |
|---|-------|-------|
|  Government | 84.97 | 46.46 |
|  Corporate | 2.12 | 4.59 |
|  Securitized | 11.42 | 44.08 |
|  Municipal | 0.00 | 1.31 |
|  Cash/Cash Equivalents | 1.50 | 3.56 |
|  Other | 0.00 | 0.00 |



Loss of Money, Not FDIC Insured, Income, Interest Rate, Derivatives, Suitability, Management

Vanguard 500 Index Admiral VFIAX

Benchmark

Russell 1000 TR USD

Overall Morningstar Rating™

★★★★

Out of 1204 Large Blend funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Above Average

Morningstar Risk

Average

Investment Objective & Strategy

From investment's prospectus

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.

Fees and Expenses as of 04-27-17

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.04% |
| Total Annual Operating Expense | 0.04% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|--|
| Fund Inception Date | 11-13-00 |
| Portfolio Manager(s) | Donald M. Butler, CFA Michelle Louie, CFA |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

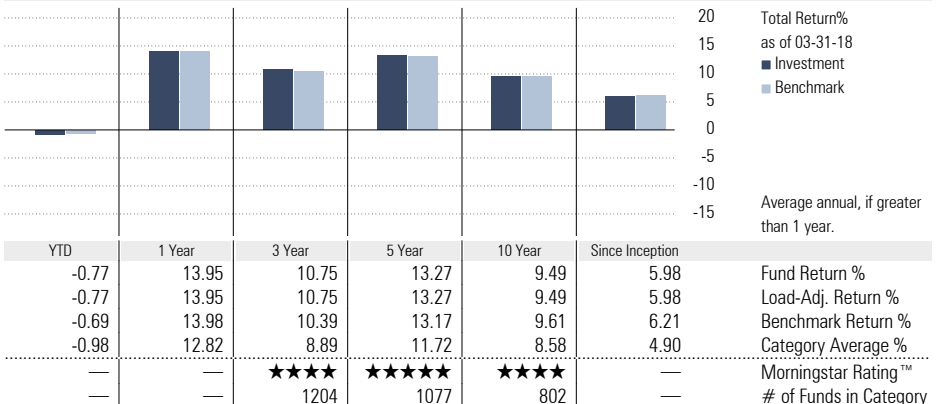
Benchmark Description: Russell 1000 TR USD

The index measures the performance of the large-cap segment of the US equity securities. It is a subset of the Russell 3000 index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership.

Category Description: Large Blend

Large-blend portfolios are fairly representative of the overall US stock market in size, growth rates and price. Stocks in the top 70% of the capitalization of the US equity market are defined as large cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate. These portfolios tend to invest across the spectrum of US industries, and owing to their broad exposure, the portfolios' returns are often similar to those of the S&P 500 Index.

Performance

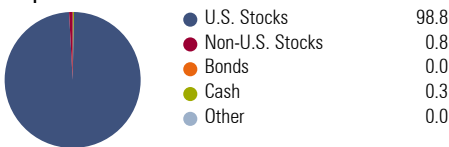


| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Fund Return % | -0.77 | 13.95 | 10.75 | 13.27 | 9.49 | 5.98 |
| Standardized Return % | -0.77 | 13.95 | 10.75 | 13.27 | 9.49 | 5.98 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 02-28-18

Composition as of 02-28-18



Morningstar Equity Style Box™ as of 02-28-18

| Value | Blend | Growth | Large | Mid | Small | % Mkt Cap |
|-------|-------|--------|--------|-----|-------|-----------|
| | | | Giant | | | 56.95 |
| | | | Large | | | 34.38 |
| | | | Medium | | | 8.63 |
| | | | Small | | | 0.05 |
| | | | Micro | | | 0.00 |

Top 10 Holdings as of 02-28-18

| | % Assets |
|--------------------------|----------|
| Apple Inc | 3.93 |
| Microsoft Corp | 3.11 |
| Amazon.com Inc | 2.60 |
| Facebook Inc A | 1.83 |
| JPMorgan Chase & Co | 1.72 |
| Berkshire Hathaway Inc B | 1.64 |
| Johnson & Johnson | 1.50 |
| Alphabet Inc C | 1.43 |
| Alphabet Inc A | 1.42 |
| Exxon Mobil Corp | 1.38 |

| | |
|--------------------------------|------------|
| Total Number of Stock Holdings | 507 |
| Total Number of Bond Holdings | 2 |
| Annual Turnover Ratio % | 3.00 |
| Total Fund Assets (\$mil) | 314,193.54 |

Morningstar Sectors as of 02-28-18

| | % Fund | S&P 500 % |
|------------------------|--------|-----------|
| Cyclical | 33.73 | 33.57 |
| Basic Materials | 2.71 | 2.68 |
| Consumer Cyclical | 11.70 | 11.73 |
| Financial Services | 17.21 | 16.91 |
| Real Estate | 2.11 | 2.25 |
| Sensitive | 41.87 | 41.83 |
| Communication Services | 3.27 | 3.29 |
| Energy | 5.51 | 5.74 |
| Industrials | 10.66 | 10.64 |
| Technology | 22.43 | 22.16 |
| Defensive | 24.40 | 24.60 |
| Consumer Defensive | 7.73 | 7.83 |
| Healthcare | 13.99 | 13.91 |
| Utilities | 2.68 | 2.86 |

Principal Risks as of 02-28-18

Loss of Money, Not FDIC Insured, Market/Market Volatility, Equity Securities, ETF, Management, Market Trading

Vanguard Interm-Term Treasury Adm VFIUX

Benchmark

BBgBarc US Government TR USD

Overall Morningstar Rating™

★★★★

Out of 229 Intermediate Government funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Average

Morningstar Risk

High

Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide a moderate and sustainable level of current income.

The fund invests at least 80% of its assets in U.S. Treasury securities, which include bills, bonds, and notes issued by the U.S. Treasury. It is expected to maintain a dollar-weighted average maturity of 5 to 10 years.

Fees and Expenses as of 05-26-17

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.10% |
| Total Annual Operating Expense | 0.10% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|------------------------|
| Fund Inception Date | 02-12-01 |
| Portfolio Manager(s) | Gemma Wright-Casparius |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

Benchmark Description: BbgBarc US Government TR USD

The index measures the performance of the U.S. Treasury and U.S. Agency Indices, including Treasuries and U.S. agency debentures. It is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

Category Description: Intermediate Government

Intermediate-government portfolios have at least 90% of their bond holdings in bonds backed by the U.S. government or by government-linked agencies. This backing minimizes the credit risk of these portfolios, as the U.S. government is unlikely to default on its debt. These portfolios have durations typically between 3.5 and 6.0 years. Consequently, the group's performance—and its level of volatility—tends to fall between that of the short government and long government bond categories. Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index in determining duration assignment. Intermediate is defined as 75% to 125% of the three-year average effective duration of the MCB. I.

Performance



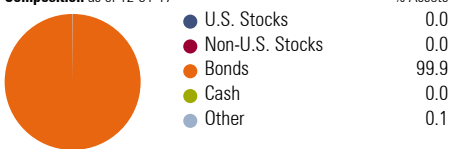
Quarter End Returns as of 03-31-18

| | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|-----------------------|-------|--------|--------|--------|---------|-----------------|
| Fund Return % | -1.28 | -0.41 | 0.47 | 0.86 | 3.01 | 4.51 |
| Standardized Return % | -1.28 | -0.41 | 0.47 | 0.86 | 3.01 | 4.51 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 12-31-17

Composition as of 12-31-17



Morningstar Fixed Income Style Box™ as of 12-31-17

| | | | |
|------------------|-------|-----|--|
| | High | | |
| | Med | | |
| | Low | | |
| Ltd | Mod | Ext | |
| Avg Eff Duration | 5.43 | | |
| Avg Eff Maturity | 5.80 | | |
| Avg Wtd Price | 98.22 | | |

Top 10 Holdings as of 12-31-17

| | % Assets |
|----------------------------------|----------|
| US Treasury Note 2.5% 05-15-24 | 3.03 |
| US Treasury Note 1.875% 04-30-22 | 2.81 |
| US Treasury Note 2% 11-15-26 | 2.70 |
| US Treasury Note 1.625% 05-15-26 | 2.66 |
| US Treasury Note 2.375% 08-15-24 | 2.66 |
| US Treasury Note 2.75% 02-15-24 | 2.62 |
| US Treasury Note 1.625% 02-15-26 | 2.53 |
| US Treasury Note 2% 02-15-25 | 2.46 |
| US Treasury Note 1.5% 08-15-26 | 2.43 |
| US Treasury Note 2.25% 12-31-23 | 2.37 |

| | |
|--------------------------------|----------|
| Total Number of Stock Holdings | 0 |
| Total Number of Bond Holdings | 86 |
| Annual Turnover Ratio % | 152.00 |
| Total Fund Assets (\$mil) | 6,022.14 |

Morningstar Sectors as of 12-31-17

| | % Fund | % Category |
|-----------------------|--------|------------|
| Government | 98.45 | 30.38 |
| Corporate | 1.02 | 1.40 |
| Securitized | 0.53 | 59.12 |
| Municipal | 0.00 | 2.39 |
| Cash/Cash Equivalents | 0.00 | 6.68 |
| Other | 0.00 | 0.03 |

Credit Analysis as of 12-31-17



Principal Risks as of 12-31-17

Loss of Money, Not FDIC Insured, Income, Interest Rate, Management

Vanguard Long-Term Treasury Admiral VUSUX

Benchmark

BBgBarc US Government Long TR USD

Overall Morningstar Rating™

★★★★

Out of 29 Long Government funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Average

Morningstar Risk

Average

Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide a high and sustainable level of current income.

The fund invests at least 80% of its assets in U.S. Treasury securities, which include bills, bonds, and notes issued by the U.S. Treasury. It is expected to maintain a dollar-weighted average maturity of 15 to 30 years.

Fees and Expenses as of 05-26-17

| | |
|--------------------------------|-------|
| Prospectus Net Expense Ratio | 0.10% |
| Total Annual Operating Expense | 0.10% |
| Maximum Sales Charge | — |
| 12b-1 Fee | — |
| Redemption Fee/Term | — |

| Waiver Data | Type | Exp. Date | % |
|-------------|------|-----------|---|
| — | — | — | — |

Operations and Management

| | |
|----------------------|------------------------|
| Fund Inception Date | 02-12-01 |
| Portfolio Manager(s) | Gemma Wright-Casparius |
| Name of Issuer | Vanguard |
| Telephone | 800-662-7447 |
| Web Site | www.vanguard.com |

Benchmark Description: BbgBarc US Government Long TR USD

The index measures the performance of the U.S. Treasury and U.S. Agency Indices with maturities of 10 years and greater, including Treasuries and U.S. agency debentures. It is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

Category Description: Long Government

Long-government portfolios have at least 90% of their bond holdings invested in bonds backed by the U.S. government or by government-linked agencies. This backing minimizes the credit risk of these portfolios, as the U.S. government is unlikely to default on its debt. They are not risk-free, though. Because these portfolios have durations of typically more than 6.0 years, they are more sensitive to interest rates, and thus riskier, than portfolios that have shorter durations. Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index in determining duration assignment. Long term is defined as 125% of the three-year average effective duration of the MCB. I.

Performance

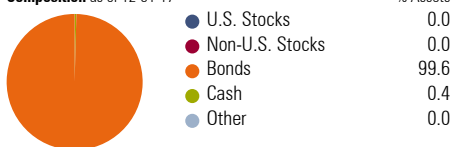


| Quarter End Returns as of 03-31-18 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------------------|-------|--------|--------|--------|---------|-----------------|
| Fund Return % | -3.58 | 3.10 | 0.20 | 3.11 | 5.65 | 6.34 |
| Standardized Return % | -3.58 | 3.10 | 0.20 | 3.11 | 5.65 | 6.34 |

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.

Portfolio Analysis as of 12-31-17

Composition as of 12-31-17



Morningstar Fixed Income Style Box™ as of 12-31-17

| | | | |
|------------------|--------|-----|------|
| | | | High |
| | | | Med |
| | | | Low |
| Ltd | Mod | Ext | |
| Avg Eff Duration | 17.39 | | |
| Avg Eff Maturity | 25.20 | | |
| Avg Wtd Price | 110.06 | | |

Top 10 Holdings as of 12-31-17

| | % Assets |
|----------------------------------|----------|
| US Treasury Bond 3.75% 11-15-43 | 5.21 |
| US Treasury Bond 3% 11-15-44 | 4.59 |
| US Treasury Bond 3.375% 05-15-44 | 4.50 |
| US Treasury Bond 3.625% 02-15-44 | 4.11 |
| US Treasury Bond 3.625% 08-15-43 | 4.07 |
| US Treasury Bond 2.875% 11-15-46 | 4.05 |
| US Treasury Bond 2.5% 02-15-46 | 3.98 |
| US Treasury Bond 3% 02-15-47 | 3.91 |
| US Treasury Bond 3% 11-15-45 | 3.71 |
| US Treasury Bond 2.875% 08-15-45 | 3.65 |
| Total Number of Stock Holdings | 0 |
| Total Number of Bond Holdings | 57 |
| Annual Turnover Ratio % | 94.00 |
| Total Fund Assets (\$mil) | 3,429.93 |

Morningstar Sectors as of 12-31-17

| | % Fund | % Category |
|-----------------------|--------|------------|
| Government | 99.04 | 76.54 |
| Corporate | 0.00 | 0.67 |
| Securitized | 0.55 | 13.19 |
| Municipal | 0.00 | 0.01 |
| Cash/Cash Equivalents | 0.41 | 6.36 |
| Other | 0.00 | 3.23 |

Credit Analysis as of 12-31-17



Principal Risks as of 12-31-17

Loss of Money, Not FDIC Insured, Income, Interest Rate, Restricted/Illiquid Securities, Management

Investment Performance Summary

| Investment Name | Performance As of Date | Year to Date | 3 Month | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception Fund Return | Gross Expense Ratio | Net Expense Ratio |
|---------------------------------------|---------------------------|-----------------|---------|--------|--------|--------|---------|-----------------------------------|---------------------------|-------------------------|
| American Funds Europacific Growth R6 | 03/31/2018 | 1.03% | 1.03% | 21.18% | 7.93% | 8.80% | 4.87% | 10.50% | 0.500% | 0.500% |
| Artisan Mid Cap Institutional | 03/31/2018 | 4.03% | 4.03% | 16.36% | 7.16% | 11.39% | 10.87% | 8.10% | 0.950% | 0.950% |
| Columbia Mid Cap Index R5 | 03/31/2018 | -0.89% | -0.89% | 10.71% | 8.71% | 11.72% | 10.71% | 14.61% | 0.270% | 0.200% |
| Columbia Small Cap Index R5 | 03/31/2018 | 0.51% | 0.51% | 12.46% | 10.50% | 13.29% | 11.19% | 16.01% | 0.200% | 0.200% |
| DFA Inflation-Protected Securities I | 03/31/2018 | -1.11% | -1.11% | 0.63% | 1.23% | -0.15% | 2.97% | 4.08% | 0.120% | 0.120% |
| Fidelity Advisor® Small Cap Value I | 03/31/2018 | -1.33% | -1.33% | 10.65% | 8.98% | 10.65% | 11.71% | 11.10% | 0.980% | 0.980% |
| Franklin Small Cap Growth R6 | 03/31/2018 | 5.60% | 5.60% | 22.47% | 8.30% | 12.75% | 12.79% | 14.23% | 0.650% | 0.630% |
| Templeton Global Bond R6 | 03/31/2018 | 1.39% | 1.39% | -0.45% | 2.17% | 1.95% | 5.34% | 1.62% | 0.580% | 0.520% |
| Harbor Capital Appreciation Instl | 03/31/2018 | 4.32% | 4.32% | 28.79% | 14.02% | 17.24% | 11.92% | 11.82% | 0.710% | 0.660% |
| Invesco Comstock R6 | 03/31/2018 | -2.46% | -2.46% | 13.06% | 8.87% | 11.42% | 8.96% | 12.81% | 0.410% | 0.410% |
| Lazard Emerging Markets Equity Instl | 03/31/2018 | 2.05% | 2.05% | 18.33% | 8.62% | 3.86% | 3.47% | 7.40% | 1.090% | 1.090% |
| Nuveen Real Estate Securities R6 | 03/31/2018 | -6.99% | -6.99% | -2.10% | 1.55% | 6.38% | 7.34% | 5.13% | 0.870% | 0.870% |
| PIMCO Commodity Real Ret Strat Instl | 03/31/2018 | -0.30% | -0.30% | 4.06% | -2.79% | -9.36% | -6.52% | 2.96% | 1.070% | 0.740% |
| Principal MidCap R5 | 03/31/2018 | -0.59% | -0.59% | 15.74% | 9.22% | 13.15% | 11.94% | 10.41% | 0.850% | 0.850% |
| T. Rowe Price Health Sciences | 03/31/2018 | 1.35% | 1.35% | 16.56% | 4.84% | 17.91% | 16.89% | 14.53% | 0.770% | 0.770% |
| T. Rowe Price High Yield | 03/31/2018 | -1.16% | -1.16% | 3.55% | 4.68% | 4.75% | 7.63% | 8.18% | 0.740% | 0.740% |
| Vanguard Target Retirement 2015 Inv | 03/31/2018 | -0.52% | -0.52% | 7.30% | 4.73% | 6.17% | 5.74% | 6.20% | 0.130% | 0.130% |
| Vanguard Target Retirement 2020 Inv | 03/31/2018 | -0.57% | -0.57% | 8.95% | 5.65% | 7.26% | 6.21% | 6.34% | 0.130% | 0.130% |
| Vanguard Target Retirement 2025 Inv | 03/31/2018 | -0.59% | -0.59% | 10.20% | 6.30% | 7.96% | 6.48% | 6.87% | 0.140% | 0.140% |
| Vanguard Target Retirement 2030 Inv | 03/31/2018 | -0.56% | -0.56% | 11.19% | 6.83% | 8.60% | 6.71% | 6.73% | 0.140% | 0.140% |
| Vanguard Target Retirement 2035 Inv | 03/31/2018 | -0.58% | -0.58% | 12.23% | 7.35% | 9.22% | 7.02% | 7.54% | 0.140% | 0.140% |
| Vanguard Target Retirement 2040 Inv | 03/31/2018 | -0.53% | -0.53% | 13.25% | 7.86% | 9.73% | 7.34% | 7.18% | 0.150% | 0.150% |
| Vanguard Target Retirement 2045 Inv | 03/31/2018 | -0.58% | -0.58% | 13.68% | 8.10% | 9.88% | 7.40% | 8.02% | 0.150% | 0.150% |
| Vanguard Target Retirement 2050 Inv | 03/31/2018 | -0.55% | -0.55% | 13.69% | 8.11% | 9.88% | 7.41% | 7.29% | 0.150% | 0.150% |
| Vanguard Target Retirement 2055 Inv | 03/31/2018 | -0.56% | -0.56% | 13.69% | 8.05% | 9.85% | NA | 11.14% | 0.150% | 0.150% |
| Vanguard Target Retirement 2060 Inv | 03/31/2018 | -0.55% | -0.55% | 13.68% | 8.05% | 9.85% | NA | 10.96% | 0.150% | 0.150% |
| Vanguard Target Retirement 2065 Inv | 03/31/2018 | -0.60% | -0.60% | NA | NA | NA | NA | 8.69% | 0.150% | 0.150% |
| Vanguard Wellington™ Admiral™ | 03/31/2018 | -1.88% | -1.88% | 8.90% | 7.51% | 9.03% | 7.82% | 7.60% | 0.160% | 0.160% |
| Vanguard Target Retirement Income Inv | 03/31/2018 | -0.50% | -0.50% | 5.35% | 3.68% | 4.33% | 4.93% | 5.25% | 0.130% | 0.130% |
| Vanguard Total Bond Market Index Adm | 03/31/2018 | -1.47% | -1.47% | 1.12% | 1.12% | 1.73% | 3.57% | 4.04% | 0.050% | 0.050% |
| Vanguard Short-Term Federal Adm | 03/31/2018 | -0.34% | -0.34% | 0.08% | 0.63% | 0.69% | 1.82% | 3.07% | 0.100% | 0.100% |
| Vanguard 500 Index Admiral | 03/31/2018 | -0.77% | -0.77% | 13.95% | 10.75% | 13.27% | 9.49% | 5.98% | 0.040% | 0.040% |
| Vanguard Inter-Term Treasury Adm | 03/31/2018 | -1.28% | -1.28% | -0.41% | 0.47% | 0.86% | 3.01% | 4.51% | 0.100% | 0.100% |
| Vanguard Long-Term Treasury Admiral | 03/31/2018 | -3.58% | -3.58% | 3.10% | 0.20% | 3.11% | 5.65% | 6.34% | 0.100% | 0.100% |

For more information about any investment option available in your Retirement Plan, please request a prospectus. A prospectus contains more information regarding risks, fees, and expenses. You should read and consider information in a prospectus carefully before investing. Investment returns will fluctuate, cannot be guaranteed and do not predict the future performance of any investment.

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School City of Hobart 403(b) Retirement Savings Plan Enrollment Form

Plan #8656

1. PERSONAL INFORMATION

| | | | |
|--------------------|-------------|---|----------------------------------|
| First Name: | MI: | Last Name: | |
| <hr/> | | | |
| Social Security #: | Birth Date: | Hire Date: | |
| <hr/> | | | |
| Address: | City: | State: | Zip: |
| <hr/> | | | |
| Phone Number: | Email: | Marital Status: Single <input type="checkbox"/> | Married <input type="checkbox"/> |
| <hr/> | | | |

2. PARTICIPATION ELECTION

Contact your Payroll Department for Current Payday and Payroll Deduction Schedule

| | | | | | | |
|--------------------------|------------------------|-----------------------|-------------------|----|--------------------|------------------------------|
| <input type="checkbox"/> | Regular Contributions: | I elect to contribute | <u> </u> % | or | \$ <u> </u> | of my salary per pay period. |
| <input type="checkbox"/> | Roth Contributions: | I elect to contribute | <u> </u> % | or | \$ <u> </u> | of my salary per pay period. |

Once enrolled, please log into your online account to make your investment choices.

☐ I do not wish to participate at this time.

By signing this agreement, I, the Employee, certify that I understand: 1) This Agreement will be effective with the next date allowable by the Plan or the Plan Administrator. 2) For each pay period, the Employer will contribute to the Plan the amount I have elected to reduce my compensation under the agreement ("Deferral Contributions".) For this purpose, compensation means my total wages reportable for federal income tax purposes. Deferral Contributions are not subject to federal or state income tax until distributed from the Plan, but are subject to Social Security taxes. This Agreement remains in effect until I revoke or modify it, in accordance with the Plan, by providing a new Enrollment Form to my Employer. 3) The amount of my Deferral Contributions may be subject to limitations set by the Plan or the Internal Revenue Service. 4) I may obtain further information from the Summary Plan Description or my Employer.

Employee is responsible for providing the necessary information at the time of initial enrollment and later if there are any changes in any information necessary or advisable for Employer to administer the Plan. Nothing herein shall affect the terms of employment between Employer and Employee. This agreement supersedes all prior salary reduction agreements and shall automatically terminate if Employee's employment is terminated.

Employee Signature

Date:

Automatic Rebalancing

Automatic rebalancing re-distributes your entire investment allocation to match the investment allocation you have selected for on-going future contributions.

Your plan is set up with the following Auto-Rebalance option:

Quarterly Rebalance (On or about 3/15, 6/15, 9/15, and 12/15)

If you agree to have your account automatically rebalanced as per this Auto-Rebalance schedule, please check the box below:

I Agree ☐

Participant's Signature _____

BENEFICIARY DESIGNATION FORM

(Plan Sponsor: Keep this completed form in a secure location.)

Plan Name:

School City of Hobart 403(b) Retirement Savings Plan

Plan #8656

Your Info

Please type or print clearly

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

Last Name

First Name

M. I.

Social Security Number (SSN)

If this beneficiary designation form is not completed, either a prior designation or the plan document will govern the distribution of any death benefit. No individual named as Beneficiary shall be entitled to receive payment unless such individual shall survive the Participant. Except as otherwise expressly provided in this designation, if no Beneficiary shall survive the Participant, the death benefits payable shall be payable per the Plan document.

I hereby direct that any and all death benefits payable under the terms of the Plan be payable to the following Beneficiaries in accordance with the following provisions. Any and all previous Beneficiary Designations are hereby revoked.

| | Name | Date of Birth | Relationship | SSN | Percent |
|-----------------------|--|---------------|--------------|-------|---------|
| Beneficiary #1 | Primary #1 _____ | _____ | _____ | _____ | _____ % |
| | If this primary beneficiary does not survive me, upon my death the proceeds that would otherwise have gone to the primary beneficiary should go to the following secondary beneficiary(ies). | | | | |
| | Secondary #1 _____ | _____ | _____ | _____ | _____ % |
| | Secondary #2 _____ | _____ | _____ | _____ | _____ % |

| | Name | Date of Birth | Relationship | SSN | Percent |
|-----------------------|--|---------------|--------------|-------|---------|
| Beneficiary #2 | Primary #2 _____ | _____ | _____ | _____ | _____ % |
| | If this primary beneficiary does not survive me, upon my death the proceeds that would otherwise have gone to the primary beneficiary should go to the following secondary beneficiary(ies). | | | | |
| | Secondary #1 _____ | _____ | _____ | _____ | _____ % |
| | Secondary #2 _____ | _____ | _____ | _____ | _____ % |

| | Name | Date of Birth | Relationship | SSN | Percent |
|-----------------------|--|---------------|--------------|-------|---------|
| Beneficiary #3 | Primary #3 _____ | _____ | _____ | _____ | _____ % |
| | If this primary beneficiary does not survive me, upon my death the proceeds that would otherwise have gone to the primary beneficiary should go to the following secondary beneficiary(ies). | | | | |
| | Secondary #1 _____ | _____ | _____ | _____ | _____ % |
| | Secondary #2 _____ | _____ | _____ | _____ | _____ % |

| | | |
|----------------|--|--|
| Consent | If you are currently married and have named any primary beneficiary other than your spouse, the following consent must be signed by your spouse and witnessed by a plan representative or a notary public. If your marital status changes, that may automatically change your beneficiary designation under the terms of the Plan and you should file a new beneficiary designation form. | |
| | I consent to the beneficiary designation above: _____ Signature of Participant's Spouse Date | |
| | This instrument was signed before me on _____, _____ Date Plan Representative or Notary Public | |

| | | |
|-------------|--|---------------|
| Sign | I understand that the above beneficiary designation will remain in force until I request a change in accordance with the provisions of the Plan. | |
| | _____ Participant | _____ Date |