

Third Quarter 2016
Service Review for



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Voya Update

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Enhancements overview

We're making tangible updates to our digital experiences to serve you and our participants even better.

Beginning in mid-November, you'll notice a few updates to the plan sponsor and participant websites, centered around enhanced account access security and simplifying processes:

- Enhanced Password Security
- Updated Participant web homepage
- Simplified Customer Experience
- Intelligent and Personalized Phone Service

Enhanced password security

A recent Identity Fraud Study*, found that **\$15 billion was stolen** from over 13 million U.S. consumers in 2015 – and we're doing something about it. Protecting the identities, and ultimately the futures of our participants is one of our top priorities which is why we're investing in security enhancements like this.

Good to know:

- Existing participants will be prompted to change their password upon logging in
- The process is simple, with easy-to-follow prompts along the way
- Voya will be updating enrollment information for new participants with login instructions to protect their identity even more



The screenshot displays the Voya Financial website interface. At the top left is the VOYA FINANCIAL logo. At the top right are links for "Contact Us" and "Your Retirement Plan". The main content area is divided into three sections: 1. A "Log In" form with fields for "Username" and "Password", each with a "Forgot" link below it. There is an "Enter" button, a "Remember Me" checkbox, and a footer with links for "Register now", "First time visitor?", and "Need Help?". 2. A featured article titled "7 ways boomers are redefining retirement." with a photo of a couple and a "LEARN MORE" button. 3. Two "Learn More" cards: "Keeping up with Voya" and "Boost Your Knowledge".

*released by Javelin Strategy & Research, 2016

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Updated participant web homepage

We've listened to your feedback and have done a little research of our own. Through customer surveys, behavioral finance insights and user data, we're constantly making changes to improve the user experience.

The screenshot shows the participant web homepage for the ABC Retirement Savings Plan. At the top, there is a navigation bar with the VOYA logo, a search bar, and links for Message Center, My Profile, and Logout. Below this is a teal header with the plan name and a sub-header with navigation links: Account, Investments, Statements, Plan Information, Personal Information, Education & Tools, and Contact Us. A Quick Access section follows, with links for View Statement, Fund Performance, Transaction History, Go to Self-Managed Account, and Leaving? Know Your Options. A section titled "Let's talk about your retirement savings" features a progress bar showing an estimated monthly income of \$3,615, an estimated monthly goal of \$4,375, and a difference of \$760. To the right, there are three sliders for adjusting contributions: Employee Pre-Tax (6%, \$188 per pay period), Retirement Age (67), and Investment Return (6% each year). At the bottom, there are links for Privacy / How This Works?, Organize My \$\$\$, and About Me, along with RESET and MAKE CHANGE NOW buttons.

Good to know:

- We've made some visual updates to the participant web homepage to simplify navigation and make things easier to find
- While these are minor changes (with a big impact!), we'll communicate the update via banner message on the participant web login page, globally

Simplified customer experience

Simple is smarter. Which is why we've made updates to streamline processes and make it easier for participants to get what they need – which in turn, makes it easier for you.



One-click eDelivery Sign-Up

with a single click on the updated eDelivery sign-up page, participants can go paperless in a flash.



New Checklist

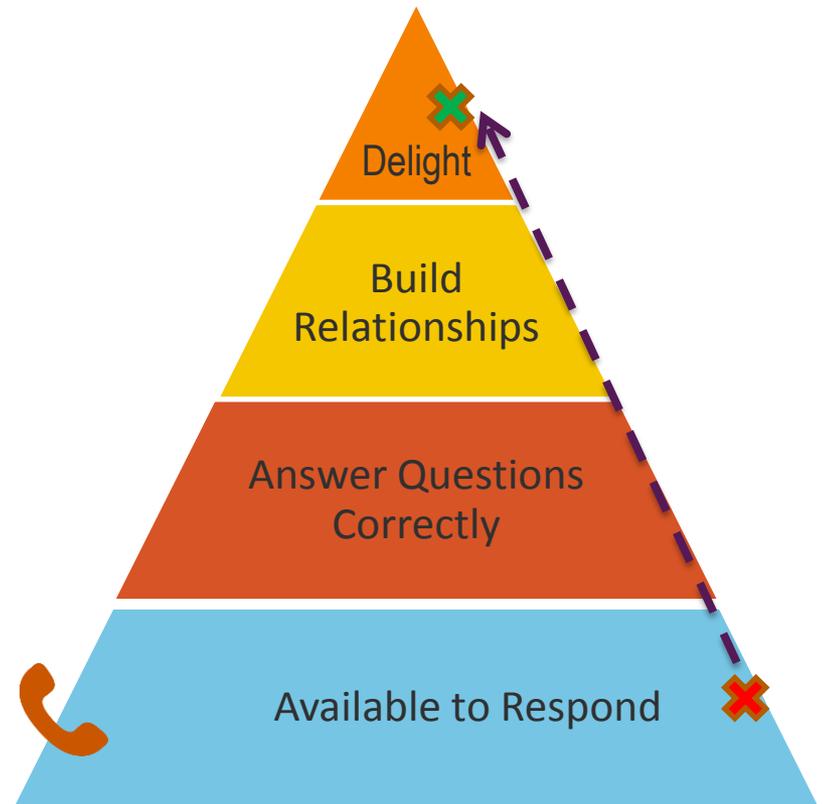
to simplify the process for hardship and residential loan withdrawals, participants will now see a new checklist that explains what's required early on.

Intelligent and personalized phone service

Every **touch point** is important – and your participants expect and deserve a consumer-friendly experience

Good to know:

- Speech-enabled interactive voice response (IVR) – intelligent and personalized experience for participants, including phone number recognition when speaking into phone
- Custom messaging for both emergency broadcast messages as well as client messages – enabling rapid communications more quickly and easily
- Intelligent call routing optimizing the ability to send calls to the right person the first time





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Executive Summary

- Central banks likely will continue backstopping unexpected risks and normalizing rates cautiously
- The U.S. and global economies are muddling along without apparent growth catalysts but few observable risks
- Market leadership has shifted from the U.S. toward riskier asset classes
- Investors should prudently stay broadly globally diversified to spread out risks and increase opportunities

Shift to Riskier Assets — not just EM

Index	Sep 2016	Q316	2016 YTD
Equity			
S&P 500	0.0	3.9	7.8
S&P Midcap	-0.6	4.1	12.4
S&P Smallcap	0.6	7.2	13.9
Global REITs	-0.9	1.5	11.0
EAFE	1.3	6.5	2.2
Emerging Mkts	1.3	9.2	16.4
Average	0.3	5.4	10.6
Fixed Income			
Corporate	-0.2	1.4	9.2
U.S. Treasury 20+	-1.7	-0.3	15.5
Global Aggregate	0.6	0.8	9.8
High Yield	0.7	5.6	15.1
Average	-0.2	1.9	12.4
Overall Average	0.1	4.0	11.3

Data as of 09/30/2016

Source: FactSet, FTSE NAREIT, Voya Investment Management

Perpetual Monetary Stimulus Keeps Global Risks at Bay

The world's central banks have been exceedingly cautious, acting as if markets cannot stand on their own two feet eight years after the Financial Crisis. Whenever a bout of volatility erupts, even entirely normal volatility, the world's central banks step in with more of the same — monetary stimulus. If central banks were the only answer, inflation and economic growth would be robust and self-sustaining — but it is not. Let's look at it. In the third quarter, fear of Brexit fallout drove the Bank of England to extraordinary lengths to stimulate the British economy. It worked remarkably well, and markets recovered within a week. Then, Bank of Japan confused the market by bringing out an unusual scheme that seems a lot like price controls — “targeting its sovereign yields.” Lastly, the U.S. Federal Reserve punted on raising rates even though arguably it satisfied its dual mandate on inflation and unemployment. Today's net result is continued low yields, low growth, rising asset prices and suspicious investors.

This is not 2008, and even with recent concerns over European banks, the global banking system is sound. But growth continues to muddle along even in the resilient United States. What is the likelihood the next administration will improve growth prospects?

Without getting too political, we have two presidential candidates that in their own way believe that more government spending is at least partially the answer, and that global trade hurts the middle class. No matter which candidate is elected, progress on economic growth seems ephemeral. Without organic economic growth the world's central banks will remain in the precarious position of managing markets. Against this backdrop, investors should expect more of the same but prepare for the unexpected. A broadly diversified portfolio will mitigate, to revive a phrase from Donald Rumsfeld, “the unknown and unknowable” while improving the probability of reduced risk and increased return.

Q3 Market Review: A Litany of Surprises

True to form it was the summer of surprise. The biggest surprise came from emerging markets. Out of favor for several years, emerging market (EM) valuations became exceedingly attractive. A Fed on hold and a slightly weaker/stable dollar have taken the heat off EM currencies, allowing most to appreciate against the dollar in 2016. In addition, commodity prices rebounded from first quarter lows, helping many of the emerging commodity-producing nations. Emerging markets were up more than 10% in the quarter, nearly triple U.S. large cap stocks, sending returns to over 16% year to date.

Another surprise was the lack of negative market impact as the result of Brexit. In fact, most global markets moved up, posting strong gains in July before tapering off in August and September. A stellar quarter for MSCI EAFE's developed market stocks reversed losses of the previous two quarters, bringing the index into the positive column for the year. Large U.S. equities continued to grind higher though shifting in favor toward growth over value stocks. Technology dominated the quarter, surging over 12% and contributing nearly two-thirds of the S&P 500's overall return. The financial sector scored gains second only to high-flying technology issues but financials are still negative for the year as banks continue to struggle with ultra-low rates. Interest sensitive global REITs enjoyed another positive quarter despite

worries over potential Fed action. U.S. small-cap stocks nearly doubled their large-cap brethren for an astounding +7% return and were likewise dominated by technology. Investors were more willing to venture out on the risk spectrum knowing global central banks are exceedingly accommodative.

Large caps, the S&P 500 Index in particular, have been dominant over the last five years but at this point lag most other asset classes for the quarter and year. As a result, 2016 has seen a globally diversified portfolio of stocks and bonds once again besting the S&P 500 with less risk.

Yet another surprise — as equities rallied so did bonds. It was another strong quarter for bonds across the board as yields moved lower. High yield bonds led the way, although spreads remained in the historically normal range. Nevertheless, long U.S. Treasuries remain the best performer year to date. The currency stability that helped emerging markets also helped global fixed income performance. Investors, convinced that bond yields could not go any lower, continue to be vexed. Low global growth and the search for yield will keep the

pressure on bond yields here and abroad. Notwithstanding the Fed's desire to increase rates, it is quite apparent that rates are stuck in the mud for a while.

U.S. Corporate Q2 Reported Earnings

There is positive news. Despite negative second quarter earnings growth that fully reported in September, the outlook is more sanguine. It is rare to see an earnings bear market without an accompanying recession. Investors have every right to be jittery. How can a market move to new record highs without accompanying fundamental growth? Quite simply, the market is looking forward. Negative earnings growth likely has troughed. Second quarter earnings growth was less negative than first quarter, and Q3 probably will be even better than Q2 — we may even see a return to the positive growth track after five quarters of negative growth. Sales are the precursor to earnings. Sales growth improved dramatically in Q2 from negative to essentially flat, and revenues look definitively positive for the third quarter. Finally, U.S. equity markets are relatively cheap compared to alternative investments, some of which offer negative yields.

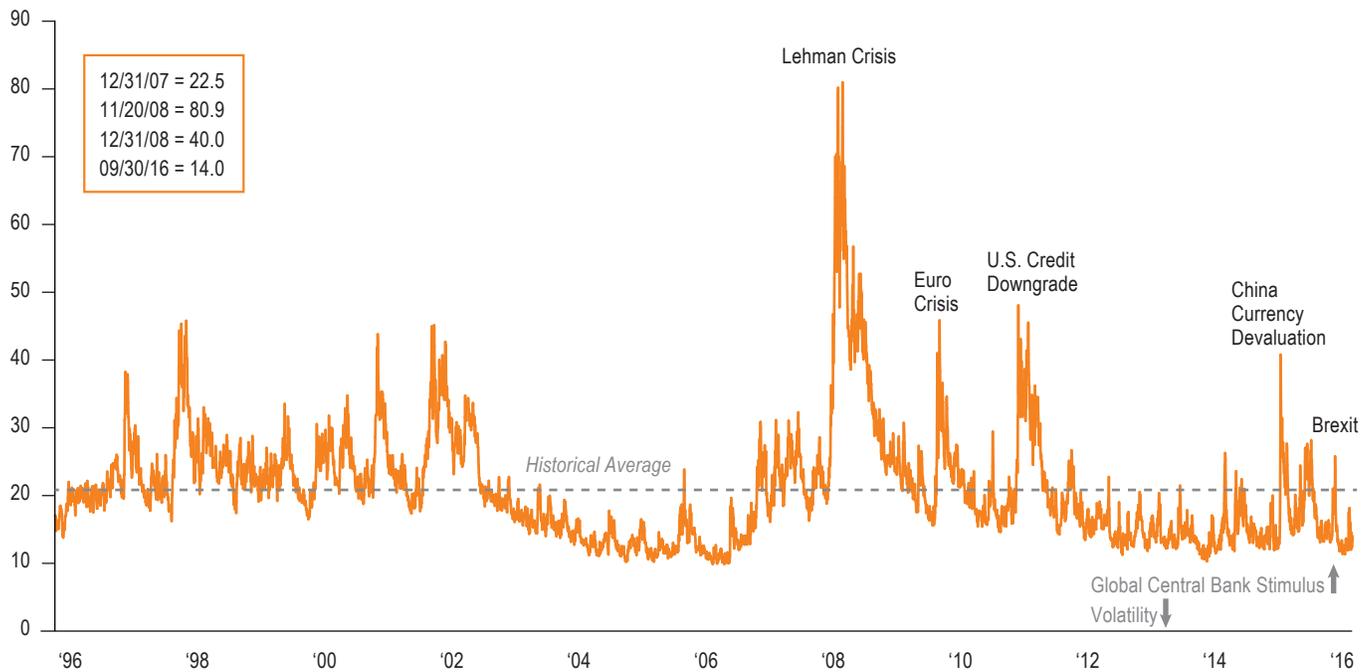
S&P 500 EPS Growth Negative for Five Consecutive Quarters as of 2Q 2016

Sector	Reported		Earnings Growth			Earnings Surprise		
	Actual	Total	Percent	Positive	Negative	Percent	Positive	Negative
Consumer Discretionary	86	86	11.7%	58	28	5%	61	16
Telecommunication Services	5	5	7.2%	2	2	2%	2	1
Health Care	56	56	5.6%	44	10	3%	47	3
Utilities	29	29	5.1%	17	9	3%	16	9
Consumer Staples	35	35	0.3%	20	15	3%	26	7
Information Technology	67	67	-0.6%	45	21	7%	56	4
Industrials	68	68	-3.7%	34	34	6%	49	14
Financials	90	90	-4.2%	52	38	3%	61	20
Materials	26	26	-8.8%	15	11	2%	15	9
Energy	38	38	-84.2%	4	27	-26%	25	10
S&P 500	500	500	-3.2%	291	195	4%	358	93

Source: FactSet. Note: Earnings growth is the percentage change in the cumulative share-weighted earnings per share from that of a year ago. Earnings surprise percent is the share-weighted average of the ratio of actual company earnings vs. the consensus estimates.

Since 2012, QE3 Volatility has been Muted

Equity Volatility (VIX)



Sources: Standard & Poor's, Chicago Board Option Exchange, FactSet. Data as of September 30, 2016.

Economic Update

Domestic

- On the economic home front, the data have been positive but patchy. The chance of a U.S. recession remains low, bolstered mainly by the household sector and consumer spending
- In Q3, the U.S. economy continued to add jobs. The 12-month average continues at over 200,000 jobs per month and unemployment remains low at 4.9%, keeping the consumer outlook strong
- Adding to consumer strength is the housing market, which continues to post price gains at double the core inflation rate. The latest Case-Shiller index reading was up 5%
- U.S. CPI and Core CPI made significant gains in August, driven by rising health care prices, but the Fed's preferred measure, PCE, remains below the target 2%

International

- Euro-area industrial production fell more than expected, dropping -1.1% month over month in July, hinting that the true effect of Brexit is beginning to be felt across Europe's industrial sector
- Japan introduced yet another stimulus package, but the yen's strength continues to hurt corporate profits and push down import prices, making it difficult to generate inflation; core CPI fell below 0% in September
- A third quarter surge in China's industrial production is encouraging and reinforces the theme of stabilization in the Chinese economy

Conclusion

The central banks have been — and likely will continue — backstopping unexpected risks and normalizing rates very cautiously. Meanwhile, U.S. and global economies are muddling along without an apparent catalyst to propel growth forward but also with few observable risks. Investors, though, should take note of the pronounced shift of market leadership away from the U.S. toward riskier global asset classes. This may or may not be a sign of things to come, but it is always prudent to stay broadly globally diversified to spread out risks and increase opportunities.

Diversification does not guarantee a profit or ensure against loss

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Plan Types for Governmental and Public School Plan Sponsors

Plan Comparison for Governmental Plan Sponsors

Category	457(b) Deferred Compensation Plan	415(m) Qualified Governmental Excess Benefit Plan	401(a) Qualified Pension (Fixed Benefit) or Discretionary Defined Contribution Plan	401(a) Deferred Retirement Option Plans (DROPs)
GENERAL DESCRIPTION	<p>A deferred compensation plan that allows employees or independent contractors performing services for the employer to defer (on a voluntary basis) a portion of their salary to the plan.</p> <p>The plan may also permit designated Roth and employer contributions.</p>	<p>A retirement plan maintained solely to the extent that benefits or contributions under a defined benefit or defined contribution plan exceed the Section 415 annual limit on benefits and contributions.</p> <p>May be used to attract and retain key employees whose retirement benefits would otherwise (under qualified retirement plans) have been reduced under the Section 415 annual limit on benefits and contributions.</p> <p>Direct or indirect election by the participant to defer compensation into the 415(m) plan is not permitted.</p>	<p>A money purchase pension plan provides definitely determinable benefits. A discretionary (profit sharing) plan provides for a definite predetermined formula for allocating contributions. Either a pension or discretionary plan may include a 414(h) pick-up contribution. A 414(h) pick-up contribution is an employee mandatory contribution (considered to be excluded from an employee's gross wages and thus is considered pre-tax) made under a governmental 401(a) plan.</p>	<p>A DROP can be either a feature of an existing 401(a) defined benefit plan or a stand-alone 401(a) defined contribution plan that provides either another optional form of payment at retirement (for existing plans) or a supplemental benefit (stand-alone plan) for an eligible class of participants.</p> <p>Under a DROP, a participant ceases future benefit accruals under the formula under the existing plan. In that case, the DROP benefit is determined based on the date of participation in the DROP.</p> <p>DROP benefit may be payable upon attainment of a distributable event under the plan.</p> <p>Plan counsel needs to consider whether the DROP raises any issues concerning compliance with the Age Discrimination in Employment Act (ADEA) and Older Workers Benefit Protection Act (OWBPA), which require that an employee benefit plan may neither involuntarily retire an employee nor result in age discrimination concerning an employee.</p>
ELIGIBLE PARTICIPANTS	Participants may include employees and independent contractors.	Participants are individuals in qualified retirement plans who have exceeded the Section 415 annual limit.	Participants may include employees and leased employees. Independent contractors may not be covered by a 401(a) plan.	Eligible participants are those who have satisfied a stated number of years of service or have reached a stated age. For purposes of participation under the existing plan, the individual is considered retired under the existing 401(a) defined benefit plan, but is eligible to participate in the DROP. As a result, typical years of participation in a DROP may range from 3 to 7 years.
ERISA APPLICABILITY	Governmental employers are statutorily exempt from Title I of ERISA.	Same as 457(b) plan	Same as 457(b) plan	Same as 457(b) plan

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FUNDING VEHICLES AND PARTICIPANT RIGHTS	<p>Assets must be held in either a:</p> <ul style="list-style-type: none"> ➤ Trust, ➤ Custodial account, or ➤ Annuity contract <p>for the exclusive benefit of the participants and their beneficiaries.</p> <p>Because amounts are held in trust or other custodial-like arrangement, plan assets are not subject to the claims of the employer's general creditors.</p> <p>Employer contributions are nonforfeitable to the extent vested. Participant contributions are considered fully vested.</p>	<p>As a governmental plan (which is exempt under Title I of ERISA), the sponsor has the flexibility to determine whether to fund the benefit or maintain an unfunded plan (paying benefits as due).</p> <p>Note: If the plan is unfunded, benefits are payable from the employer's general assets and are subject to the claims of the employer's general creditors.</p> <p>Contributions are nonforfeitable to the extent vested.</p>	Same as 457(b) plan	Same as 457(b) plan
CONTRIBUTION LIMITS	<p>General rule: Deferrals (including salary reduction contributions and non-elective employer contributions) cannot exceed the lesser of \$18,000 (for 2016 adjusted for cost of living) or 100% of "includible compensation". Includible compensation means compensation for the calendar year, reduced for an employee's 414(h) pickups, but increased for deferrals to the employer's 457(b), 401(k), 403(b) and 125 cafeteria plans.</p> <p>Special catch-up: may generally defer up to twice the general deferral limit for the 3 years prior to the year in which participant attains and elects normal retirement age under the plan.</p> <p>Age 50+ catch-up: participants who are at least age 50 may make an additional \$6,000 (for 2016 adjusted for cost of living) annual contribution. A participant is not permitted to use the special catch-up and the age 50+ catch-up simultaneously, but must utilize whichever is greater.</p> <p>Note: Contributions to a 457(b) plan are not coordinated with contributions to other plan types. However, such contributions are coordinated with other 457(b) plans sponsored by the employer or any other employer.</p>	<p>Up to 100% of compensation.</p> <p>If the plan is unfunded, it must provide that amounts are subject to a substantial risk of forfeiture.</p>	Employer, employee and forfeiture contributions to the plan are subject to the Section 415(c) limit on annual additions: the lesser of 100% of compensation or \$53,000 (for 2016 adjusted for cost of living).	<p>Same as a 401(a) pension and discretionary plan.</p> <p>Note: Whether the DROP is maintained as a stand-alone 401(a) defined contribution plan or within an existing 401(a) defined benefit plan, the DROP benefit must be tested under IRC Section 415 annual limit on contributions and benefits.</p>

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DEDUCTIBILITY OF CONTRIBUTIONS AND FEDERAL INCOME TAXATION	Employer: N/A; employer is not a taxable entity. Participant: in general, not includible in gross income for federal (and state, if applicable) tax purposes until distributed.	Employer: Income accruing under a 415(m) plan is considered income derived from the exercise of an essential governmental function. As a result, such income is not unrelated business taxable income. Participant: ➤ If the plan is considered unfunded (including amounts held in a rabbi trust), amounts will be included in gross income for federal income tax purposes when paid or otherwise made available (constructive receipt). ➤ If the plan is considered funded, amounts will be included in gross income for federal income tax purposes in the year when services are performed or the year in which the contributions become vested, whichever is later.	Employer: Same as 457(b) plan Participant: Same as 457(b) plan	Employer: Same as 457(b) plan Participant: Same as 457(b) plan
NON-DISCRIMINATION TESTING	N/A	Same as 457(b) plan	Same as 457(b) plan	Same as 457(b) plan
LOANS	Permitted up to IRC Sec. 72(p) limits	N/A	Same as 457(b) plan	Same as 457(b) plan
QUALIFIED DOMESTIC RELATIONS ORDERS	Permitted	ODRO rules not applicable. A DRO may direct that benefits be paid to an alternate payee once a participant has attained a distributable event.	Same as 457(b) plan	Same as 457(b) plan
WITHHOLDING ON DISTRIBUTIONS, REPORTING	Distributions are reported on IRS Form 1099-R for participants and beneficiaries and IRS Form 1099-M for independent contractors. In general, rollover eligible amounts are subject to mandatory 20% withholding unless directly rolled over to another eligible rollover plan.	Amounts are paid directly to the sponsor.	Distributions are reportable on IRS Form 1099-R. In general, rollover eligible amounts are subject to mandatory 20% withholding unless directly rolled over to another eligible rollover plan.	Same as 401(a) pension or discretionary plan

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PERMITTED DISTRIBUTIONS	<ul style="list-style-type: none"> ➤ Severance from employment ➤ Death ➤ Attainment of age 70 ½ ➤ Unforeseeable emergency ➤ Subject to certain requirements, in-service de minimis withdrawal up to \$5,000 <p><u>Distribution of Roth 457(b) Contributions:</u> Provided a participant has a triggering event for a distribution, earnings on Roth amounts will be a qualified distribution and free from federal income tax if the following criteria are met: 5-year holding period and the participant has experienced one of these events: disability (assuming s/he has severed employment), death or attainment of age 59 ½ (assuming s/he has severed employment).</p>	Distributions may be made at any time in accordance with the plan document.	<ul style="list-style-type: none"> ➤ Disability ➤ Retirement ➤ Death ➤ Termination of employment ➤ In-service withdrawals (discretionary plans only) 	Same as a 401(a) pension and discretionary plan
REQUIRED DISTRIBUTIONS (RMD)	<p>Required Beginning Date: April 1st of the calendar year following the calendar year in which the employee reaches age 70 ½ or retires, whichever is later.</p> <p>Amount: Lifetime payments are generally distributed over the employee's life expectancy. Payments to a beneficiary are generally made over the beneficiary's life expectancy.</p> <p>Penalty Tax: If the amount distributed is less than the minimum required, a 50% excise tax applies to the shortfall.</p>	N/A	Same as 457(b) plan	Same as a 457(b) plan
IRS 10% PREMATURE DISTRIBUTION PENALTY TAX	Generally an IRS 10% premature distribution penalty tax not applicable. However, amounts rolled over from a 457(b) plan to a different plan type would become subject to the IRS 10% premature distribution penalty tax if distributed prior to age 59½ (unless an exception applies).	N/A	An IRS 10% premature distribution penalty tax applies unless the distribution is due to one of the following statutory exemptions: <ul style="list-style-type: none"> ➤ On or after reaching age 59 ½ ➤ To a beneficiary on account of a participant's death 	Same as 401(a) pension or discretionary plan

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IRS 10% PREMATURE DISTRIBUTION PENALTY TAX (cont.)	Amounts rolled over from a non-457(b) plan to a 457(b) plan would continue to be subject to any applicable IRS 10% premature distribution penalty tax, as if the plan were a qualified plan, upon distribution from the eligible 457(b) plan.		<ul style="list-style-type: none"> ➤ Disability ➤ Payments made in at least annual installments over the life (or life expectancy) of the participant or the joint lives of the participant and the designated beneficiary after separation from service ➤ Separation from service on or after attainment of age 55 ➤ Payments made for medical care, but not in excess of amounts allowable as a deduction under regulations ➤ Payments made to an alternate payee pursuant to a QDRO ➤ Payments made to satisfy a federal tax levy ➤ "Qualified Reservist Distribution" 	
ROLLOVERS, TRANSFERS & EXCHANGES	<p>Rollovers: permitted among 401(a)(k), 403(b), governmental 457(b) plans, traditional IRAs, and to Roth IRAs.</p> <p>A 457(b) plan that has a Roth account feature may permit a participant or spousal beneficiary to roll over eligible amounts to the distributing plan's Roth account.</p> <p>Nonspousal beneficiaries are permitted to roll their distributions to an inherited IRA. Inherited IRAs must satisfy the required minimum distribution rules.</p> <p>Transfers: a governmental 457(b) plan may transfer amounts to another governmental 457(b) plan under certain circumstances.</p>	N/A	<p>Rollovers: same as 457(b) plan</p> <p>Transfers: a plan may permit a participant or beneficiary to transfer amounts to another 401(a) plan, provided that the participant first attains a distributable event (certain transaction or employment change transfers would be permitted without a distributable event).</p>	Same as 401(a) pension or discretionary plan
IRS DETERMINATION LETTERS	Currently there is no IRS determination letter program for 457(b) plans. Plan sponsors may apply for an IRS private letter ruling.	Same as 457(b) plan	Plan sponsors may apply for a determination letter for an individually designed plan or may adopt a pre-approved plan document.	Same as 401(a) pension or discretionary plan
IRS CORRECTION PROGRAM	457(b) plan submissions accepted through the Employee Plans Compliance Resolution System (EPCRS) on a provisional basis.	N/A	Available through the EPCRS	Same as 401(a) pension or discretionary plan

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Plan Comparison for Public School Systems

[Note that enabling legislation is required in order for a governmental employer to sponsor any type of retirement plan]

Category	457(b) Deferred Compensation Plan	415(m) Qualified Governmental Excess Benefit Plan	403(b) Tax Deferred Annuity Plan	401(a) Qualified Pension (Fixed Benefit) or Discretionary Defined Contribution Plan	401(a) Deferred Retirement Option Plans (DROPs)
GENERAL DESCRIPTION	<p>A deferred compensation plan that allows employees or independent contractors performing services for the employer to defer (on a voluntary basis) a portion of their salary to the plan.</p> <p>The plan may also permit designated Roth and employer contributions.</p>	<p>A retirement plan maintained solely to the extent that benefits or contributions under a defined benefit or defined contribution plan exceed the Section 415 annual limit on benefits and contributions.</p> <p>May be used to attract and retain key employees whose retirement benefits would otherwise (under qualified retirement plans) have been reduced under the Section 415 annual limit on benefits and contributions.</p> <p>Direct or indirect election by the participant to defer compensation into the 415(m) plan is not permitted.</p>	<p>A tax deferred annuity plan that allows employees to defer (on a voluntary basis) a portion of their salary to the plan.</p> <p>A 403(b) plan may also include after-tax employee contributions, designated Roth contributions and employer contributions.</p>	<p>A money purchase pension plan provides definitely determinable benefits. A discretionary (profit sharing) plan provides for a definite predetermined formula for allocating contributions. Either a pension or discretionary plan may include a 414(h) pick-up contribution. A 414(h) pick-up contribution is an employee mandatory contribution (considered to be excluded from an employee's gross wages and thus is considered pre-tax) made under a governmental 401(a) plan.</p>	<p>A DROP can be either a feature of an existing 401(a) defined benefit plan or a stand-alone 401(a) defined contribution plan that provides either another optional form of payment at retirement (for existing plans) or a supplemental benefit (stand-alone plan) for an eligible class of participants.</p> <p>Under a DROP, a participant ceases future benefit accruals under the formula under the existing plan. In that case, the DROP benefit is determined based on the date of participation in the DROP.</p> <p>DROP benefit may be payable upon attainment of a distributable event under the plan.</p> <p>Plan counsel needs to consider whether the DROP raises any issues concerning compliance with the Age Discrimination in Employment Act (ADEA) and Older Workers Benefit Protection Act (OWBPA), which require that an employee benefit plan may neither involuntarily retire an employee nor result in age discrimination concerning an employee.</p>

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ELIGIBLE PARTICIPANTS	Participants may include employees and independent contractors.	Participants are individuals in qualified retirement plans who have exceeded the Section 415 annual limit.	In general, only employees may be eligible to participate in a 403(b) plan. Independent contractors and leased employees may not be covered by a 403(b) plan. A person occupying an elective or appointive public office is not an employee performing services for a public school unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education.	Participants may include employees and leased employees. Independent contractors may not be covered by a 401(a) plan.	Eligible participants are those who have satisfied a stated number of years of service or have reached a stated age. For purposes of participation under the existing plan, the individual is considered retired under the existing 401(a) defined benefit plan, but is eligible to participate in the DROP. As a result, typical years of participation in a DROP may range from 3 to 7 years.
FUNDING VEHICLES AND PARTICIPANT RIGHTS	Assets must be held in either a: <ul style="list-style-type: none"> ➤ Trust, ➤ Custodial account, or ➤ Annuity contract for the exclusive benefit of the participants and their beneficiaries. Because amounts are held in trust or other custodial-like arrangement, plan assets are not subject to the claims of the employer's general creditors. Employer contributions are nonforfeitable to the extent vested. Participant contributions are considered fully vested.	As a governmental plan (which is exempt under Title I of ERISA), the sponsor has the flexibility to determine whether to fund the benefit or maintain an unfunded plan (paying benefits as due). <i>Note:</i> If the plan is unfunded, benefits are payable from the employer's general assets and are subject to the claims of the employer's general creditors. Contributions are nonforfeitable to the extent vested.	Assets must be invested in annuity contracts issued by insurance companies or in custodial accounts invested solely in regulated investment company stock. Employer contributions are nonforfeitable to the extent vested. Participant contributions are considered fully vested.	Same as 457(b) plan	Same as 457(b) plan
ERISA APPLICABILITY	Governmental employers are statutorily exempt from Title I of ERISA.	Same as 457(b) plan	Same as 457(b) plan	Same as 457(b) plan	Same as 457(b) plan

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CONTRIBUTION LIMITS	<p>General rule: Deferrals (including salary reduction contributions and non-elective employer contributions) cannot exceed the lesser of \$18,000 (for 2016 adjusted for cost of living) or 100% of "includible compensation". Includible compensation means compensation for the calendar year, reduced for an employee's 414(h) pickups, but increased for deferrals to the employer's 457(b), 401(k), 403(b) and 125 cafeteria plans.</p> <p>Special catch-up: may generally defer up to twice the general deferral limit for the 3 years prior to the year in which participant attains and elects normal retirement age under the plan.</p> <p>Age 50+ catch-up: participants who are at least age 50 may make an additional \$6,000 (for 2016 adjusted for cost of living) annual contribution. A participant is not permitted to use the special catch-up and the age 50+ catch-up simultaneously, but must utilize whichever is greater.</p>	<p>Up to 100% of compensation.</p> <p>If the plan is unfunded, it must provide that amounts are subject to a substantial risk of forfeiture.</p>	<p>General Rule: Deferrals are limited by the Section 402(g) limit on salary reduction contributions (\$18,000 for 2016 adjusted for cost of living).</p> <p>Employer, employee and forfeiture contributions to the plan are subject to the IRC Section 415(c) limit of the lesser of 100% of includible compensation or \$53,000 (for 2016). Includible compensation means compensation for the most recent one-year period of service, reduced for an employee's 414(h) pickups, but increased for deferrals to the employer's 403(b), 401(k), 457(b) and 125 cafeteria plans.</p> <p>Special catch-up: for employees who have completed at least 15 years of service with an eligible employer (educational institutions, hospitals, home health services agencies, certain churches, and health and welfare organizations), the annual deferral limit is increased by the lesser of:</p> <ul style="list-style-type: none"> ➤ \$3,000; ➤ \$15,000 reduced by amounts not included in gross income for prior years due to the catch-up election; or ➤ \$5,000 times years of service with the employer, minus all amounts of prior years' contributions attributable to elective deferrals made to the current employer's plans. 	<p>Employer, employee and forfeiture contributions to the plan are subject to the Section 415(c) limit on annual additions: the lesser of 100% of compensation or \$53,000 (for 2016 adjusted for cost of living).</p>	<p>Same as a 401(a) pension and discretionary plan.</p> <p><i>Note:</i> Whether the DROP is maintained as stand-alone 401(a) defined contribution plan or within an existing 401(a) defined benefit plan, the DROP benefit must be tested under IRC Section 415 annual limit on contributions and benefits.</p>

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CONTRIBUTION LIMITS (con't.)	Note: Contributions to a 457(b) plan are not coordinated with contributions to other plan types. However, such contributions are coordinated with other 457(b) plans sponsored by the employer or any other employer.		<i>Note: if prior elective deferral contributions are less, on a yearly average, than \$5,000, a participant may be eligible to make catch-up contributions.</i> Age 50+ catch-up: participants who are at least age 50 may make an additional \$6,000 (for 2016 adjusted for cost of living) annual deferral. A participant is permitted to use the special catch-up and the age 50+ catch-up simultaneously, but must first use amounts available under the Special Catch-up.		
DEDUCTIBILITY OF CONTRIBUTIONS AND FEDERAL INCOME TAXATION	Employer: N/A; employer is not a taxable entity. Participant: in general, not includible in gross income for federal (and state, if applicable) tax purposes until distributed.	Employer: Income accruing under a 415(m) plan is considered income derived from the exercise of an essential governmental function. As a result, such income is not unrelated business taxable income. Participant: <ul style="list-style-type: none"> ➢ If the plan is considered unfunded (including amounts held in a rabbi trust), amounts will be included in gross income for federal income tax purposes when paid or otherwise made available (constructive receipt). ➢ If the plan is considered funded, amounts will be included in gross income for federal income tax purposes in the year when services are performed or the year in which the contributions become vested, whichever is later. 	Employer: Same as 457(b) plan Participant: Same as 457(b) plan	Employer: Same as 457(b) plan Participant: Same as 457(b) plan	Employer: Same as 457(b) plan Participant: Same as 457(b) plan

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NON-DISCRIMINATION TESTING	N/A	Same as 457(b) plan	Salary reduction contributions are generally subject to "universal availability" testing, which means that if any one employee can make salary reduction contributions of more than \$200, all eligible employees must be allowed the opportunity to make elective deferrals. Other contributions: N/A.	Same as 457(b) plan	Same as 457(b) plan
LOANS	Permitted up to IRC Sec. 72(p) limits	N/A	Same as 457(b) plan	Same as 457(b) plan	Same as 457(b) plan
QUALIFIED DOMESTIC RELATIONS ORDERS	Permitted	QDRO rules not applicable. A DRO may direct that benefits be paid to an alternate payee once a participant has attained a distributable event.	Same as 457(b) plan	Same as 457(b) plan	Same as 457(b) plan
WITHHOLDING ON DISTRIBUTIONS, REPORTING	Distributions are reported on IRS Form 1099-R for participants and beneficiaries and IRS Form 1099-M for independent contractors. In general, rollover eligible amounts are subject to mandatory 20% withholding unless directly rolled over to another eligible rollover plan.	Amounts are paid directly to the sponsor.	Distributions are reportable on IRS Form 1099-R. In general, rollover eligible amounts are subject to mandatory 20% withholding unless directly rolled over to another eligible rollover plan.	Same as 403(b) plan	Same as 403(b) plan

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PERMITTED DISTRIBUTIONS	<ul style="list-style-type: none"> ➤ Severance from employment ➤ Death ➤ Attainment of age 70 ½ ➤ Unforeseeable emergency ➤ Subject to certain requirements, in-service de minimis withdrawal up to \$5,000 <p><u>Distribution of Roth 457(b) Contributions:</u> Provided a participant has a triggering event for a distribution, earnings on Roth amounts will be a qualified distribution and free from federal income tax if the following criteria are met: 5-year holding period and the participant has experienced one of these events: disability (assuming s/he has severed employment), death or attainment of age 59 ½ (assuming s/he has severed employment)</p>	Distributions may be made at any time in accordance with the plan document.	<ul style="list-style-type: none"> ➤ Attainment of age 59 ½ ➤ Severance from employment ➤ Death ➤ Disability ➤ Hardship <p><u>Distribution of Roth 403(b) Contributions:</u> Earnings on Roth amounts will be a qualified distribution and free from federal income tax if the following criteria are met: 5-year holding period and the participant has experienced one of these events: disability, death or attainment of age 59 ½</p>	<ul style="list-style-type: none"> ➤ Disability ➤ Retirement ➤ Death ➤ Termination of employment ➤ In-service withdrawals (discretionary plans only) 	Same as a 401(a) pension and discretionary plan
REQUIRED DISTRIBUTIONS (RMD)	<p>Required Beginning Date: April 1st of the calendar year following the calendar year in which the employee reaches age 70 ½ or retires, whichever is later.</p> <p>Amount: Lifetime payments are generally distributed over the employee's life expectancy. Payments to a beneficiary are generally made over the beneficiary's life expectancy.</p> <p>Penalty Tax: If the amount distributed is less than the minimum required, a 50% excise tax applies to the shortfall.</p>	N/A	<p>Same as 457(b) plan</p> <p>Note: Amounts attributable to an account value as of December 31, 1986 must begin by April 1st of the calendar year following the calendar year in which a participant reaches age 75 or retires, whichever is later.</p>	Same as 457(b) plan	Same as a 457(b) plan

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IRS 10% PREMATURE DISTRIBUTION PENALTY TAX	<p>Generally an IRS 10% premature distribution penalty tax is not applicable. However, amounts rolled over from a 457(b) plan to a different plan type would become subject to the IRS 10% premature distribution penalty tax if distributed prior to age 59½ (unless an exception applies).</p> <p>Amounts rolled over from a non-457(b) plan to a 457(b) plan would continue to be subject to any applicable IRS 10% premature distribution penalty tax, as if the plan were a qualified plan, upon distribution from the eligible 457(b) plan.</p>	N/A	<p>An IRS 10% premature distribution penalty tax applies unless the distribution is due to one of the following statutory exemptions:</p> <ul style="list-style-type: none"> ➤ On or after reaching age 59 ½ ➤ To a beneficiary on account of a participant's death ➤ Disability ➤ Payments made in at least annual installments over the life (or life expectancy) of the participant or the joint lives of the participant and the designated beneficiary after separation from service ➤ Separation from service on or after attainment of age 55 ➤ Payments made for medical care, but not in excess of amounts allowable as a deduction under regulations ➤ Payments made to an alternate payee pursuant to a QDRO ➤ Payments made to satisfy a federal tax levy ➤ "Qualified Reservist Distribution" 	Same as 403(b) plan	Same as 403(b) plan

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ROLLOVERS, TRANSFERS & EXCHANGES	<p><u>Rollovers:</u> permitted among 401(a)/(k), 403(b), governmental 457(b) plans, traditional IRAs, and to Roth IRAs.</p> <p>A 457(b) plan that has a Roth account feature may permit a participant or spousal beneficiary to roll over eligible amounts to the distributing plan's Roth account.</p> <p>Nonspousal beneficiaries are permitted to roll their distributions to an inherited IRA. Inherited IRAs must satisfy the required minimum distribution rules.</p> <p><u>Transfers:</u> a governmental 457(b) plan may transfer amounts to another governmental 457(b) plan under certain circumstances.</p>	N/A	<p><u>Rollovers:</u> Same as 457(b) plan</p> <p><u>Transfers:</u> a 403(b) plan may permit participants or beneficiaries to transfer amounts from one 403(b) plan to another 403(b) plan.</p> <p><u>Exchanges:</u> a 403(b) plan may permit "contract to contract exchanges" which is a change of investment options among 403(b) vendors within the same 403(b) plan.</p>	<p><u>Rollovers:</u> same as 457(b) plan</p> <p><u>Transfers:</u> a plan may permit a participant or beneficiary to transfer amounts to another 401(a) plan, provided that the participant first attains a distributable event (certain transaction or employment change transfers would be permitted without a distributable event).</p>	Same as 401(a) pension or discretionary plan
IRS DETERMINATION LETTERS	Currently there is no IRS determination letter program for 457(b) plans. Plan sponsors may apply for an IRS private letter ruling.	Same as 457(b) plan	The IRS began accepting applications for pre-approved 403(b) plan documents on June 28, 2013. However, the IRS guidance noted that the IRS is currently not anticipating an approval program for those 403(b) plan sponsors who maintain individually designed plans.	Plan sponsors may apply for a determination letter for an individually designed plan or may adopt a pre-approved plan document.	Same as 401(a) pension or discretionary plan
IRS CORRECTION PROGRAM	457(b) plan submissions accepted through the Employee Plans Compliance Resolution System (EPCRS) on a provisional basis.	N/A	Available through the EPCRS	Same as 403(b) plan	Same as 403(b) plan

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Executive Summary

Executive Summary

- **Assets and Cash Flow**

- Total plan assets = \$1.8 billion as of September 30, 2016
- Net cash flow was a positive \$13.3 million
 - Rollover in contributions were \$13.4 million
 - Participants with Roth now up to 2,681
 - Roth contributions increased to \$1.4 million for the quarter

- **Investment Composition**

- The LifePath Options hold 30% of plan assets
- The Small Company Stock Option is second with 13% of plan assets
- The Socially Responsible Option had 505 participants with a balance, average balance of \$7,502
- The Stock Index Option had 9,231 participants with a balance, average balance of \$22,038
- The SCHWAB Brokerage account had 128 participants with a balance, average balance of \$59,120

- **Participant Activity**

- Web sustained over 37,000 hits per month on average
- Web visitors averaged 977 web-based transactions each month
- PSR transactions averaged 230 per month
- Mobile transactions averaged 39 per month

Oregon digital engagement

7/1/2016 to 9/30/2016

myOrangeMoney Engagement

- 30% of participants took action after using *myOrangeMoney*
 - 4 participants changed deferral rate: on average from 8.3% to 0%
 - 543 participants changed their deferral amount: on average from \$377 to \$437
 - 261 participants changed current/future asset allocation

Activity	# of Participants
Logged in with access to <i>myOrangeMoney</i>	8798
Viewed <i>myOrangeMoney</i>	6168 (70%)
Engaged and interacted with <i>myOrangeMoney</i>	2,327 (38%)
Took Action after using <i>myOrangeMoney</i>	690 (30%)



Personal Financial Dashboard Engagement

- 17% of participants took action after using the PFD
 - 19 participants changed their deferral amount: on average from \$284 to \$352
 - 7 participants changed current/future asset allocation

Activity	# of Participants
Used the Personal Financial Dashboard (PFD)	135
Created an action plan	55 (41%)
Took action after using PFD	23 (17%)



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Data above is based on participant activity for the time period specified in above title
 Products and services offered through the Voya[®] family of companies. CN0525-24868-0618

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Rollover summary

Q3 2016

OSGP Rollovers Out

Institution	# of Rollovers	% of Total	\$ Rolled
PERS Purchase of Service	54	26%	\$455,055
Edward Jones	16	8%	\$1,376,182
Valic	10	5%	\$651,262
TD Ameritrade	9	4%	\$1,238,548
Pershing	9	4%	\$819,419
All Others	106	53%	\$7,960,002

OSGP Rollovers In

Institution	# of Rollovers	% of Total	\$ Rolled
IAP	159	58%	\$9,900,777
All Others	115	42%	\$3,500,403

IAP Rollovers Out

Institution	# of Rollovers	% of Total	\$ Rolled
OSGP	159	8%	\$9,900,777
All Others	1,953	92%	\$99,664,704

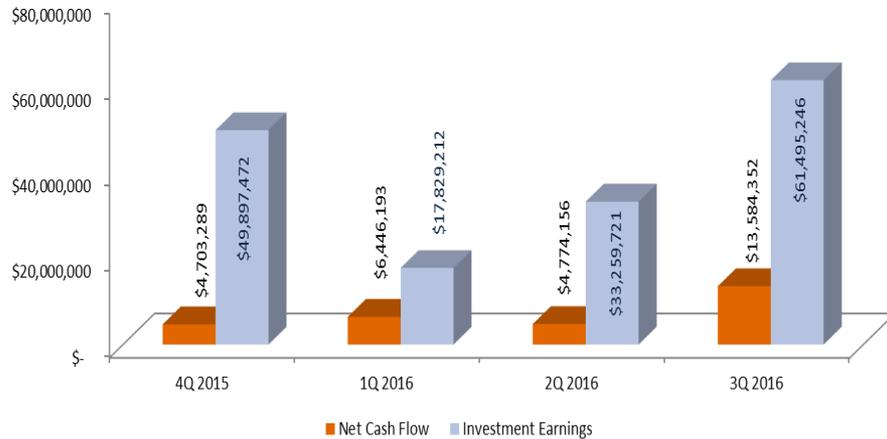
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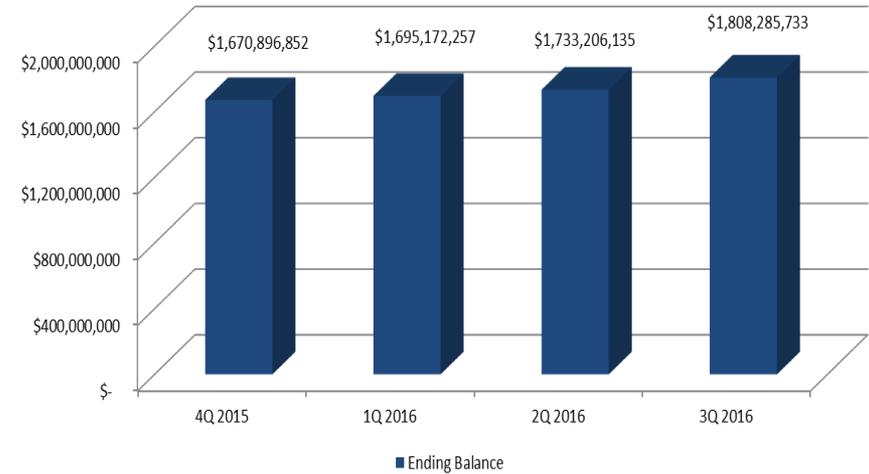


Net Cash flow and earnings by quarter

Net Cash Flow and Earnings



Ending Balance



	4Q 2015	1Q 2016	2Q 2016	3Q 2016	Last 12 months
Beginning Balance	\$ 1,616,296,091	\$ 1,670,896,852	\$ 1,695,172,257	\$ 1,733,206,135	\$ 1,616,296,091
Net Cash Flow	\$ 4,703,289	\$ 6,446,193	\$ 4,774,156	\$ 13,584,352	\$ 29,507,991
Investment Earnings	\$ 49,897,472	\$ 17,829,212	\$ 33,259,721	\$ 61,495,246	\$ 162,481,651
Ending Balance	\$ 1,670,896,852	\$ 1,695,172,257	\$ 1,733,206,135	\$ 1,808,285,733	\$ 1,808,285,733

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OSGP DC Advisory Committee Meeting



Outreach Team Update

November 9, 2016

Outreach Activities

Employer Contact Visits	Presentations	Presentation Attendance	Group Meetings	Group meeting Attendance	Benefit Fairs	1-on-1s	Phone Meetings
252	148	1504	83	180	28	485	57

Individual Updates

Wes
 Karen
 Yolanda
 Jack



Communications Update

Marketing and communications

COMPLETE

- National Retirement Security Week campaign
- 3 Seminars rebranded

IN PROCESS

- Distribution Package – *including full rebranding*
- Continuous form updates
- New plan website

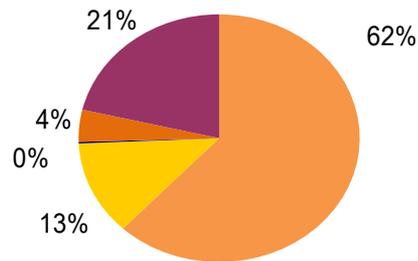


Third Quarter 2016

Participant status summary

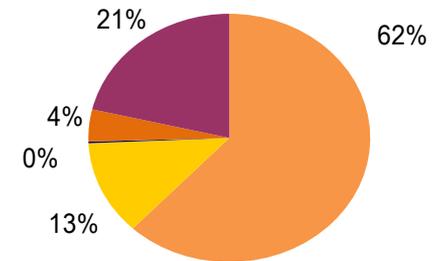
As of June 30, 2015

- Active, Contributing
- Active, Not Contributing
- Suspended
- Terminated, Receiving Installments
- Terminated with a Balance



As of September 30, 2016

- Active, Contributing
- Active, Not Contributing
- Suspended
- Terminated, Receiving Installments
- Terminated with a Balance



Participant Status	Number of Participants
Active, Contributing	16,865
Active, Not Contributing	3,352
Suspended	59
Terminated, Receiving Installments	1,134
Terminated with a Balance	5,794
Total:	27,204

Participant Status	Number of Participants
Active, Contributing	16,937
Active, Not Contributing	3,488
Suspended	65
Terminated, Receiving Installments	1,142
Terminated with a Balance	5,864
Total:	27,496

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Cash Flow Summary

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN

Cash In

Employee Before-tax Contributions	19,972,690.83
Employee After-tax Contributions	0.00
Roth 457 Contributions	1,409,636.36
Roth 457 Conversion	27,876.75
Roth Qual Plan Conversion	864.77
Rollover Contributions	13,410,825.78
Employer Contributions	0.00
Loan Repayments	1,174,687.67
Conversions In	29,628.15
Transfers In	42,451,853.14
Other	1,328,162.39

Total Cash In \$79,806,225.84

Cash Out

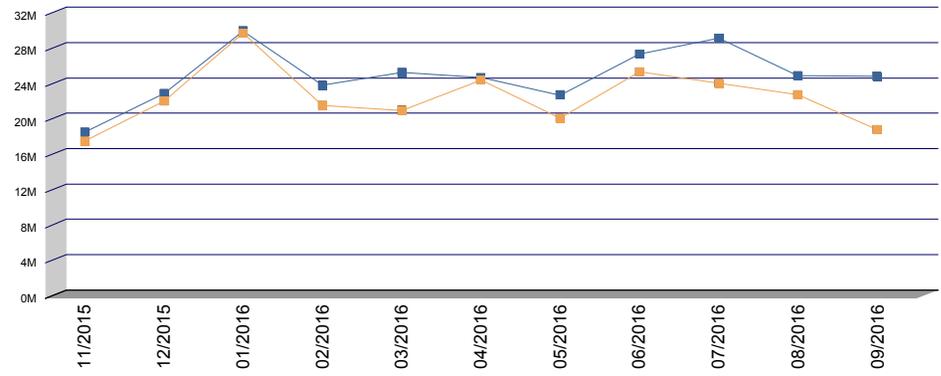
Withdrawals	974,645.60
Installment Payments	4,003,347.18
Terminations	16,890,766.10
Loans Issued	1,683,405.22
Conversions Out	0.00
Fees	13,403.16
Transfers Out	41,570,106.76
Other	1,328,162.39

Total Cash Out (\$66,463,836.41)

Net Cash Flow \$13,342,389.43

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	Cash In	Cash Out	Net Cash
Nov 2015	\$18,836,788.05	\$17,791,217.57	\$1,045,570.48
Dec 2015	\$23,165,600.10	\$22,306,204.11	\$859,395.99
Jan 2016	\$30,269,760.74	\$30,051,601.29	\$218,159.45
Feb 2016	\$24,140,608.21	\$21,861,907.43	\$2,278,700.78
Mar 2016	\$25,591,786.01	\$21,289,234.40	\$4,302,551.61
Apr 2016	\$24,998,340.50	\$24,732,080.40	\$266,260.10
May 2016	\$23,014,607.38	\$20,409,535.23	\$2,605,072.15
Jun 2016	\$27,645,283.31	\$25,627,657.82	\$2,017,625.49
Jul 2016	\$29,468,843.63	\$24,331,449.68	\$5,137,393.95
Aug 2016	\$25,226,690.51	\$23,027,157.24	\$2,199,533.27
Sep 2016	\$25,110,691.70	\$19,105,229.49	\$6,005,462.21
	\$277,469,000.14	\$250,533,274.66	\$26,935,725.48



Investment Balances by Quarter

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN

Investment Name	Q4 2015	Q1 2016	Q2 2016	Q3 2016
SHORT TERM FIXED OPTION	\$42,862,947.27	\$43,023,449.15	\$43,682,090.81	\$44,977,506.04
STABLE VALUE OPTION	\$194,491,814.52	\$204,691,994.32	\$205,735,605.85	\$208,604,271.31
LIFEPATH RETIREMENT FUND	\$175,417,481.87	\$172,749,835.17	\$175,944,775.46	\$183,756,273.39
LIFEPATH 2020 FUND	\$114,759,712.14	\$116,520,687.59	\$120,159,350.95	\$125,375,841.88
LIFEPATH 2025 FUND	\$67,108,960.26	\$69,203,896.37	\$72,169,244.50	\$76,802,802.23
LIFEPATH 2030 FUND	\$45,984,750.51	\$48,228,937.13	\$49,883,997.41	\$53,033,077.73
LIFEPATH 2035 FUND	\$32,238,126.77	\$33,780,594.30	\$35,822,420.14	\$38,355,363.09
LIFEPATH 2040 FUND	\$19,345,700.40	\$20,557,736.55	\$21,871,366.19	\$23,906,725.66
LIFEPATH 2045 FUND	\$11,704,191.93	\$12,617,677.83	\$13,575,958.07	\$14,938,266.22
LIFEPATH 2050 FUND	\$12,763,044.27	\$13,056,434.91	\$13,865,743.05	\$14,820,586.86
LIFEPATH 2055 FUND	\$4,868,342.13	\$4,925,064.18	\$5,151,631.52	\$5,380,705.40
LIFE PATH 2060	\$977,971.62	\$1,262,431.21	\$1,499,476.89	\$1,560,421.40
ACTIVE FIXED INCOME OPTION	\$100,160,900.44	\$105,511,419.17	\$112,761,661.73	\$114,688,324.83
REAL RETURN OPTION	\$1,590,236.62	\$1,460,175.19	\$1,620,572.23	\$2,052,642.04
SOCIALLY RESPONSIBLE INV OPT	\$2,057,896.92	\$2,364,253.93	\$3,144,160.47	\$3,788,688.65
LARGE COMP VALUE STOCK OPTION	\$154,926,921.19	\$156,343,105.78	\$163,952,821.74	\$173,077,603.09
STOCK INDEX OPTION	\$189,065,883.36	\$190,766,404.06	\$195,297,633.22	\$203,434,434.20
LARGE COMP GROWTH STOCK OPTION	\$170,993,899.17	\$172,887,118.62	\$171,573,064.19	\$176,443,798.22
INTERNATIONAL STK OPTION	\$94,836,212.90	\$94,250,591.38	\$92,986,507.24	\$96,703,404.75
SMALL COMPANY STOCK OPTION	\$216,505,928.53	\$212,536,061.75	\$213,787,939.88	\$226,932,035.57
SCHWAB PCRA	\$6,340,155.55	\$6,745,056.00	\$6,972,833.01	\$7,567,472.75

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Asset Class by Quarter

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN

Asset Class	Q4 2015	Q1 2016	Q2 2016	Q3 2016
International Equity	\$94,836,212.90	\$94,250,591.38	\$92,986,507.24	\$96,703,404.75
Lifestyle/Balanced	\$485,168,281.90	\$492,903,295.24	\$509,943,964.18	\$537,930,063.86
Stable Value/Money Market	\$237,354,761.79	\$247,715,443.47	\$249,417,696.66	\$253,581,777.35
Stock Index	\$361,650,019.15	\$365,113,697.87	\$368,491,269.64	\$381,930,874.46
US Fixed Income	\$100,160,900.44	\$105,511,419.17	\$112,761,661.73	\$114,688,324.83
US Large Cap Equity	\$156,984,818.11	\$158,707,359.71	\$167,096,982.21	\$176,866,291.74
US Small Cap Equity	\$216,505,928.53	\$212,536,061.75	\$213,787,939.88	\$226,932,035.57

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Contributions by Fund

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN

Investment Name	Q4 2015	Q1 2016	Q2 2016	Q3 2016
ACTIVE FIXED INCOME OPTION	\$1,520,428.18	\$1,452,373.22	\$1,661,483.28	\$1,579,026.91
INTERNATIONAL STK OPTION	\$1,586,514.45	\$1,585,192.62	\$1,717,268.58	\$1,653,223.18
LARGE COMP GROWTH STOCK OPTION	\$2,449,980.25	\$2,480,726.11	\$2,698,125.74	\$2,860,139.72
LARGE COMP VALUE STOCK OPTION	\$2,224,947.11	\$2,491,895.66	\$2,257,375.91	\$2,834,601.88
LIFE PATH 2060	\$223,380.84	\$122,165.83	\$115,791.37	\$221,582.95
LIFEPATH 2020 FUND	\$3,389,082.96	\$3,241,207.76	\$3,090,757.82	\$3,149,067.39
LIFEPATH 2025 FUND	\$2,018,117.84	\$1,952,232.22	\$1,846,876.08	\$2,287,652.95
LIFEPATH 2030 FUND	\$1,759,545.63	\$1,960,364.56	\$1,685,214.14	\$1,822,042.85
LIFEPATH 2035 FUND	\$1,220,603.38	\$1,567,758.37	\$1,421,466.24	\$1,491,444.01
LIFEPATH 2040 FUND	\$910,001.51	\$906,050.17	\$992,856.12	\$1,378,834.76
LIFEPATH 2045 FUND	\$788,654.97	\$810,535.94	\$789,416.97	\$952,637.19
LIFEPATH 2050 FUND	\$556,186.44	\$599,430.65	\$530,085.10	\$620,046.57
LIFEPATH 2055 FUND	\$444,766.78	\$951,680.04	\$257,623.33	\$304,163.12
LIFEPATH RETIREMENT FUND	\$2,081,086.64	\$2,409,909.64	\$2,206,813.02	\$2,840,989.53
REAL RETURN OPTION	\$85,066.00	\$66,243.07	\$64,688.59	\$116,876.28
SHORT TERM FIXED OPTION	\$704,211.11	\$955,798.70	\$1,085,044.10	\$1,244,389.60
SMALL COMPANY STOCK OPTION	\$2,723,090.25	\$3,021,991.84	\$2,631,179.91	\$3,045,828.69
SOCIALLY RESPONSIBLE INV OPT	\$133,122.76	\$152,236.40	\$111,614.67	\$270,163.57
STABLE VALUE OPTION	\$2,233,473.44	\$2,902,081.09	\$2,412,136.91	\$2,829,519.58
STOCK INDEX OPTION	\$2,550,796.03	\$2,863,822.39	\$2,722,573.30	\$3,319,663.76
Total	29,603,056.57	32,493,696.28	30,298,391.18	34,821,894.49

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Contributions by Source

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN

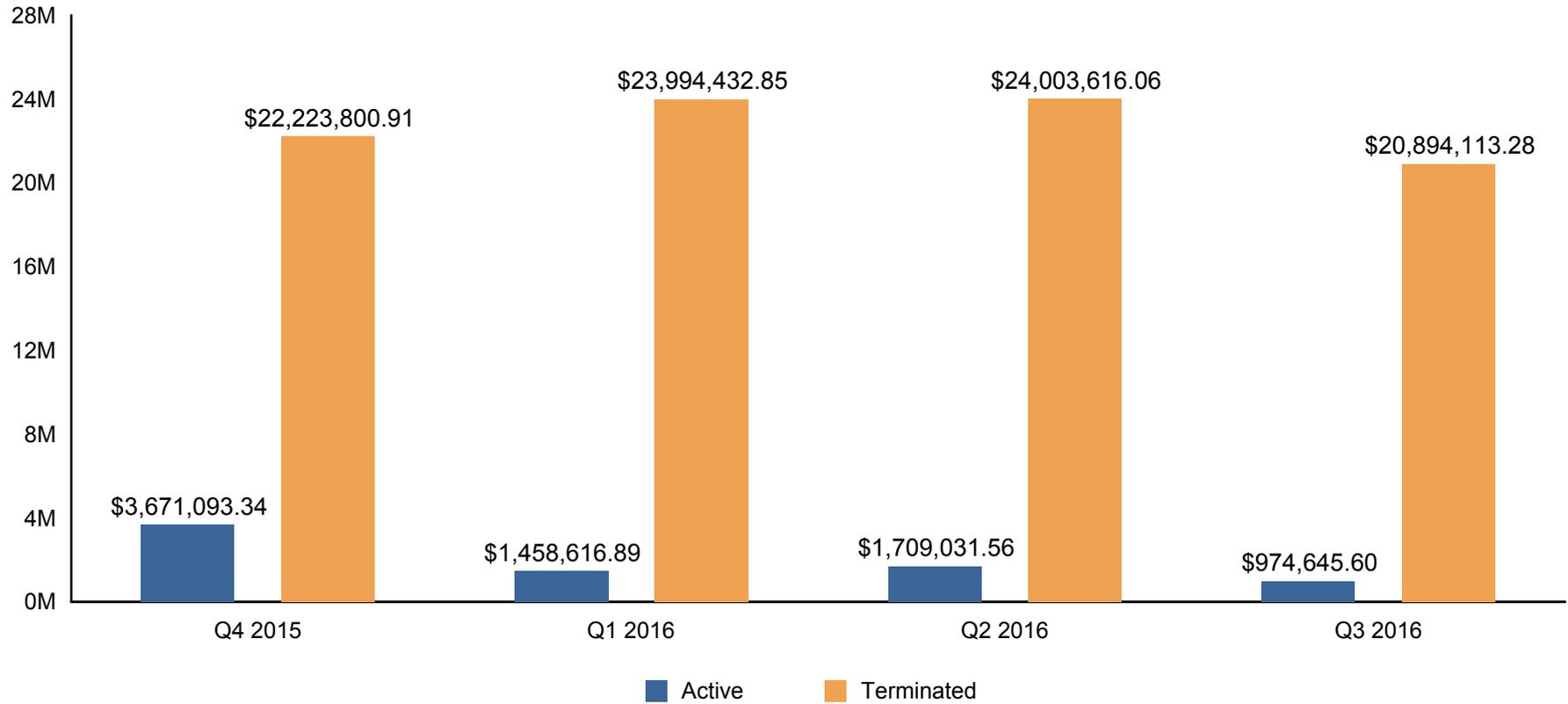
Source Name	July 2016	August 2016	September 2016	Total
Employee Before-tax Contributions	\$7,146,035.80	\$6,344,993.54	\$6,464,907.77	\$19,955,937.11
Rollover Contributions	\$3,496,970.58	\$4,735,785.83	\$5,178,069.37	\$13,410,825.78
Roth 457 Contributions	\$459,918.67	\$465,706.22	\$487,444.52	\$1,413,069.41
Roth 457 Conversion	\$0.00	\$5,135.23	\$22,741.52	\$27,876.75
Roth Qual Plan Conversion	\$0.00	\$864.77	\$0.00	\$864.77
Total	\$11,105,304.23	\$11,559,586.99	\$12,157,003.27	\$34,821,894.49

Source Name	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Total
Employee Before-tax Contributions	\$19,850,105.87	\$19,655,423.34	\$20,300,510.93	\$19,955,937.11	\$79,761,977.25
Rollover Contributions	\$8,461,711.15	\$11,459,003.52	\$8,522,044.83	\$13,410,825.78	\$41,853,585.28
Roth 457 Contributions	\$1,231,273.84	\$1,335,056.15	\$1,446,982.34	\$1,413,069.41	\$5,426,381.74
Roth 457 Conversion	\$50,965.71	\$42,345.75	\$27,425.66	\$27,876.75	\$148,613.87
Roth Qual Plan Conversion	\$5,000.00	\$0.00	\$0.00	\$864.77	\$5,864.77
Total	\$29,603,056.57	\$32,493,696.28	\$30,298,391.18	\$34,821,894.49	\$127,217,038.52

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Total Distributions

Period Ending September 30, 2016



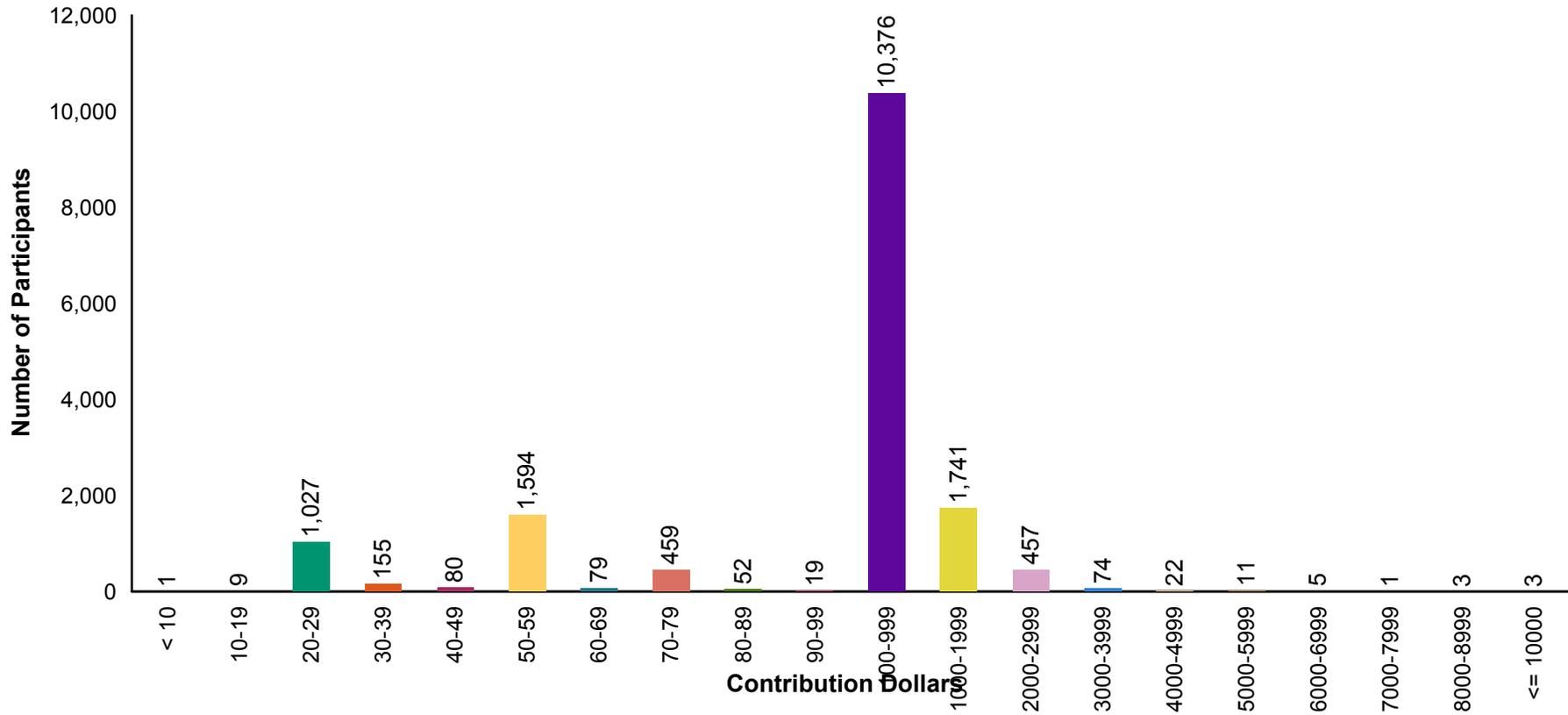
Total Distributions	
Active	\$7,813,387.39
Terminated	\$91,115,963.10

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Before-Tax Contribution Amount Summary

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN



Total Number of Participants: 16,168

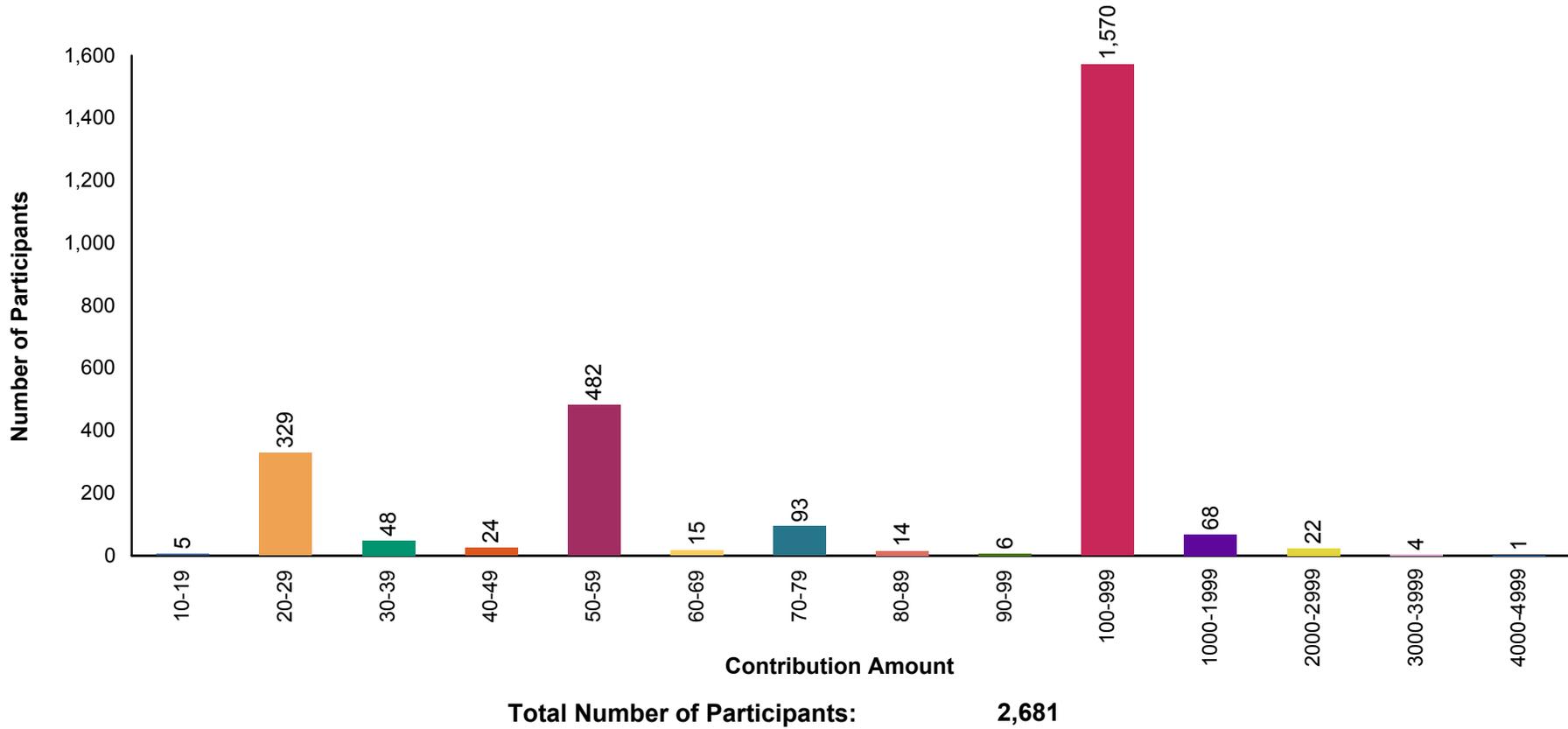
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Roth Contribution Amount Summary

As of September 30, 2016

OREGON SAVINGS GROWTH PLAN

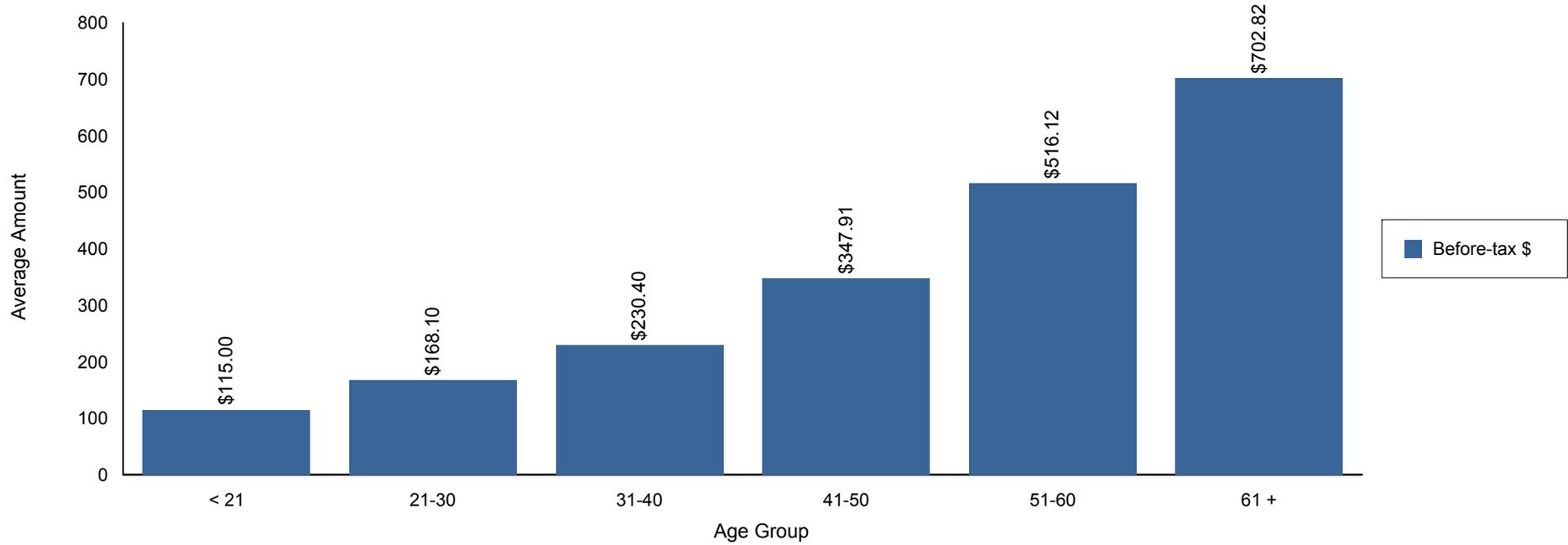


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Average Contribution Amount

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN



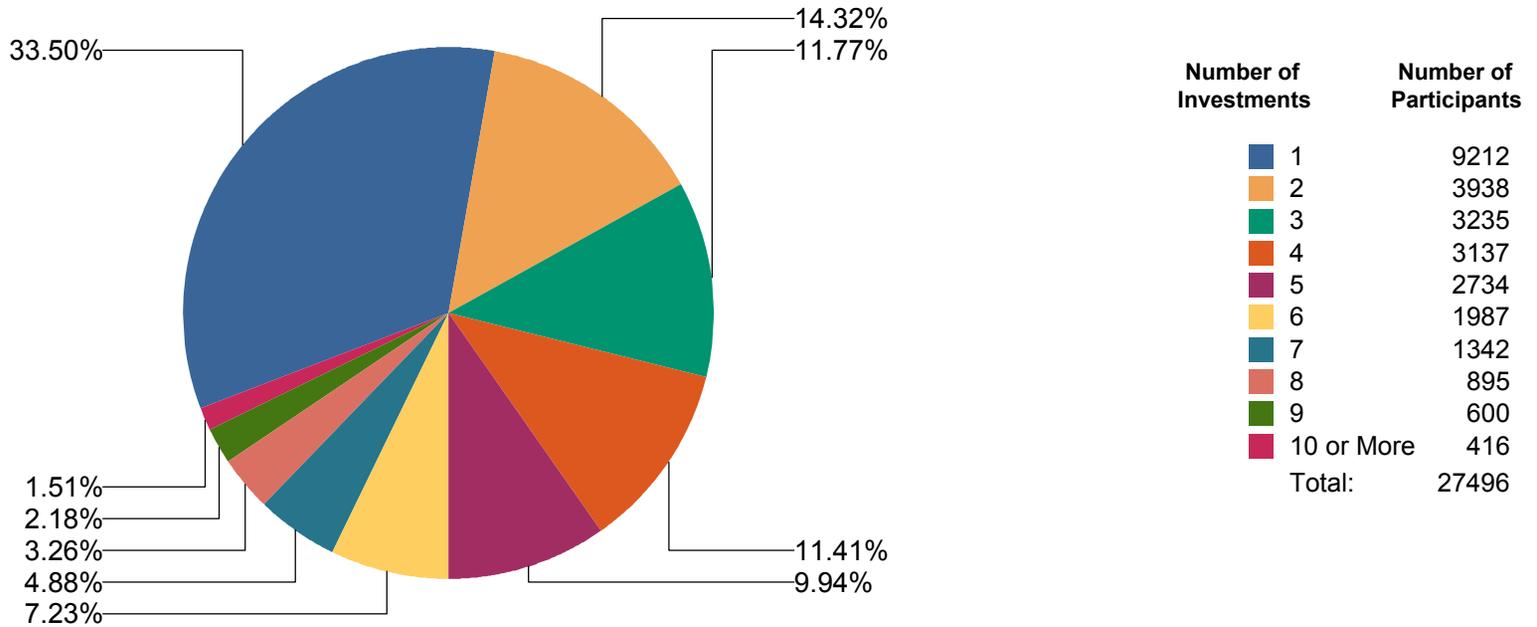
< 21	\$115.00
21-30	\$168.10
31-40	\$230.40
41-50	\$347.91
51-60	\$516.12
61 +	\$702.82
Average	\$424.56

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Participants with Balances by Number of Investments

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN



Number of Investments	Number of Participants
1	9212
2	3938
3	3235
4	3137
5	2734
6	1987
7	1342
8	895
9	600
10 or More	416
Total:	27496

Average Number of Funds: 3

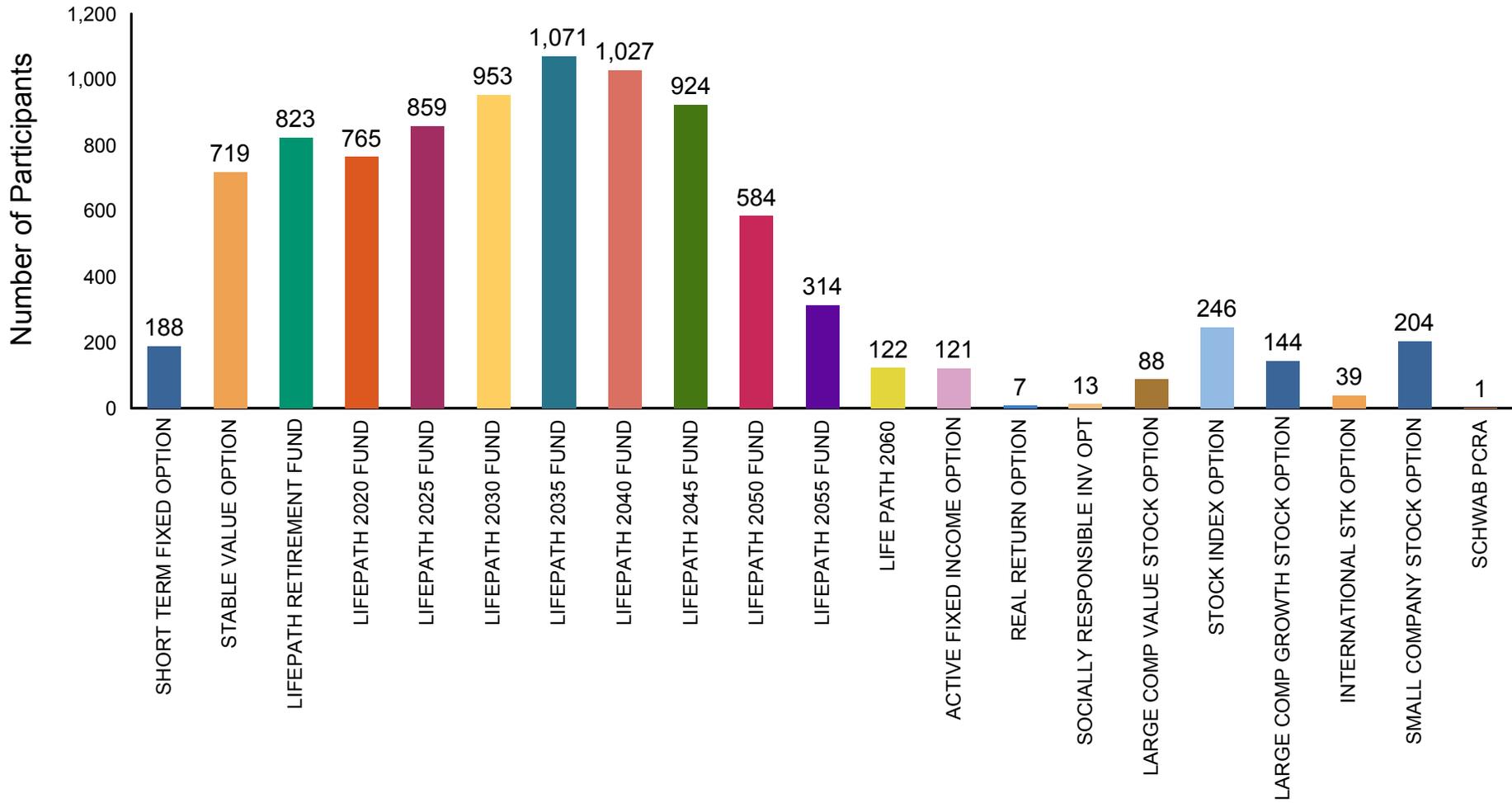
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Participants with a Balance in a Single Investment

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN



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Loan Summary

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN

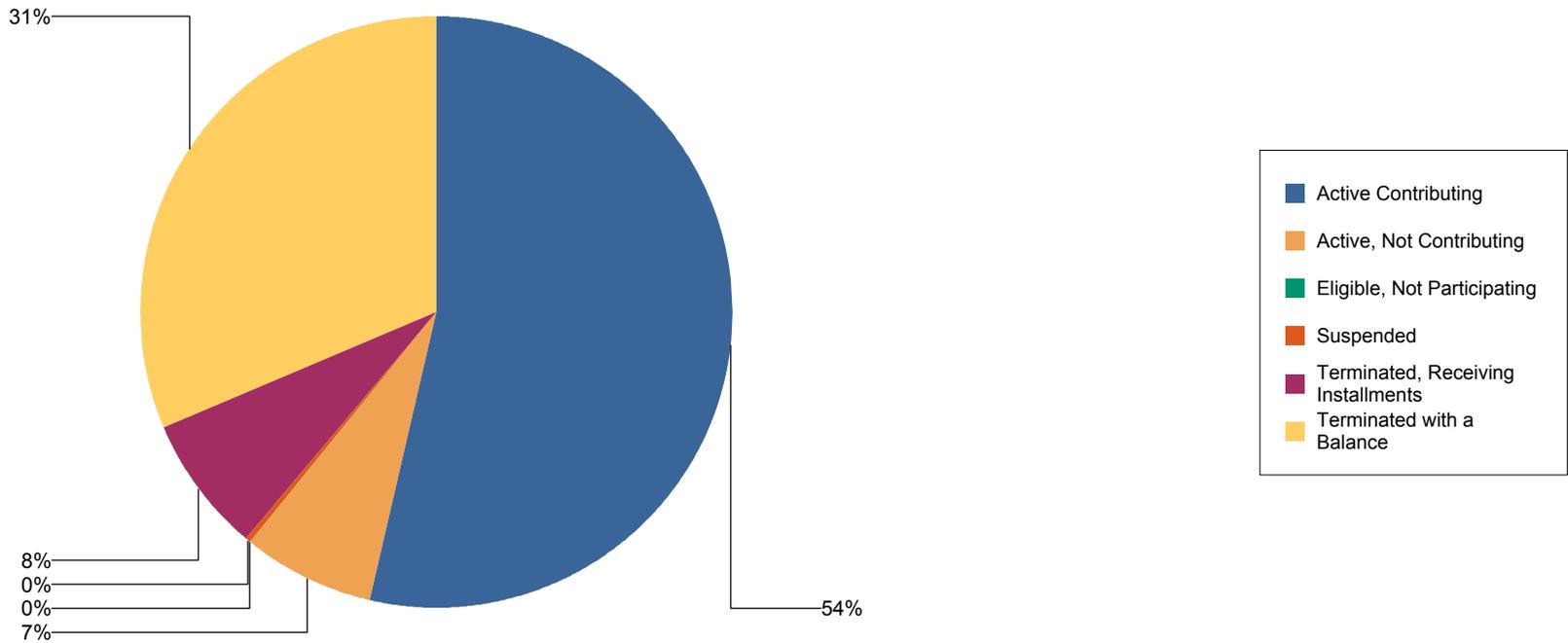
Total Participants with Loans:	1,575
Total Number of Outstanding Loans:	1,575
Number of General Loans:	1,512
Number of Residential Loans:	63
Total Outstanding Loan Balance:	\$11,816,147.71
General Loan Balance:	\$10,820,793.09
Residential Loan Balance:	\$995,354.62
Number of Re-amortized Loans during the period:	4
Number of Loan Defaults during the period:	0

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Balance by Participant Status

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN



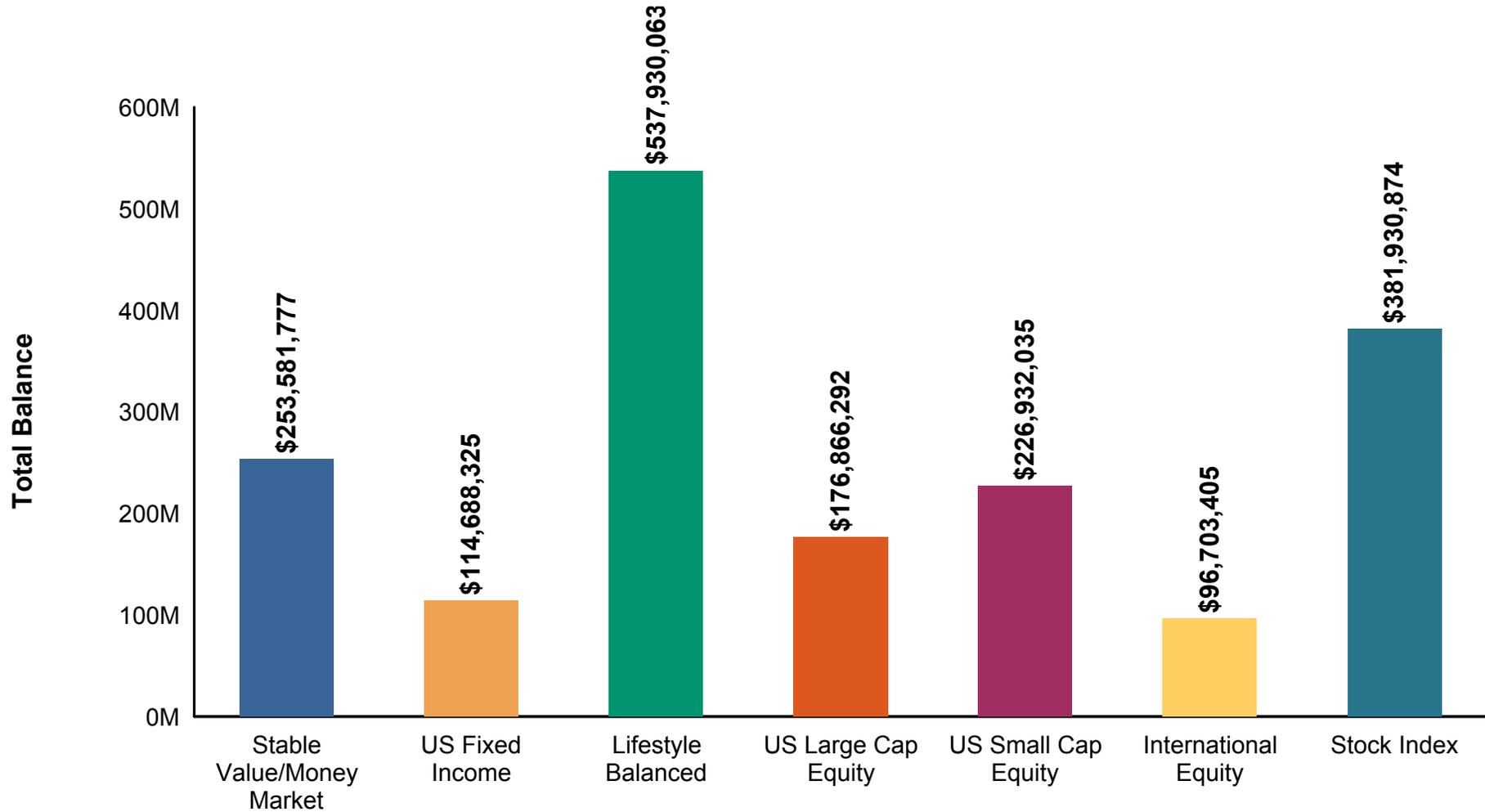
Participant Status	Participant Balance
Active Contributing	\$968,150,881.91
Active, Not Contributing	132,668,722.73
Suspended	\$3,167,311.35
Terminated, Receiving Installments	\$137,060,057.38
Terminated with a Balance	\$567,171,777.05
Total:	\$1,808,218,750.42

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Asset Class Summary

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN



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Asset Class Summary

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN

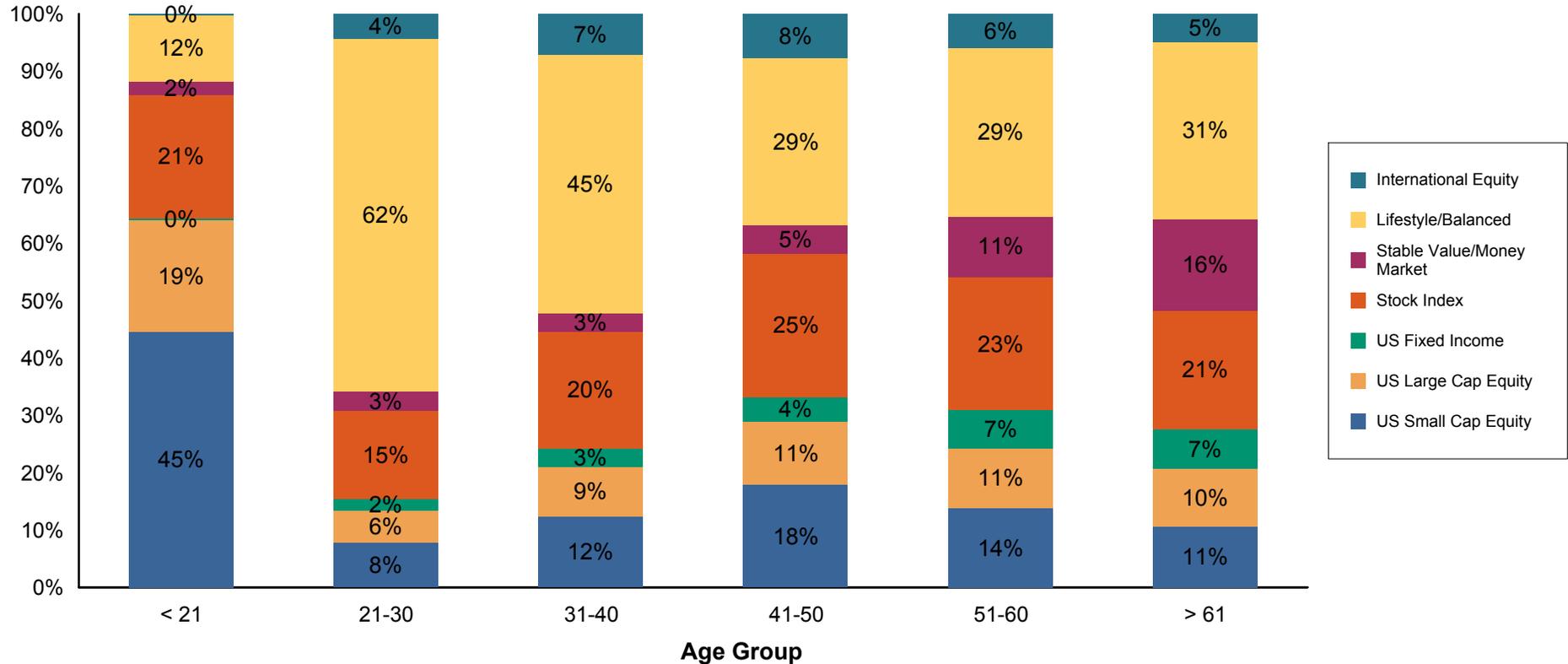
Asset Class	Balance	Percentage of Total Assets
Stable Value/Money Market	\$253,581,777	14.02%
US Fixed Income	\$114,688,325	6.34%
Lifestyle/Balanced	\$537,930,063	29.75%
US Large Cap Equity	\$176,866,292	9.78%
US Small Cap Equity	\$226,932,035	12.55%
International Equity	\$96,703,405	5.35%
Stock Index	\$381,930,874	21.12%

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Asset Class Balances by Age Group

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN



Age Range	< 21	21 - 30	31 - 40	41 - 50	51 - 60	> 61
Total Balance	\$93,982	\$4,767,165	\$61,396,605	\$225,857,237	\$454,997,085	\$335,795,267
Total Participants	4	1,079	3,950	5,659	6,504	3,283

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Transfer Activity by Investment

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN

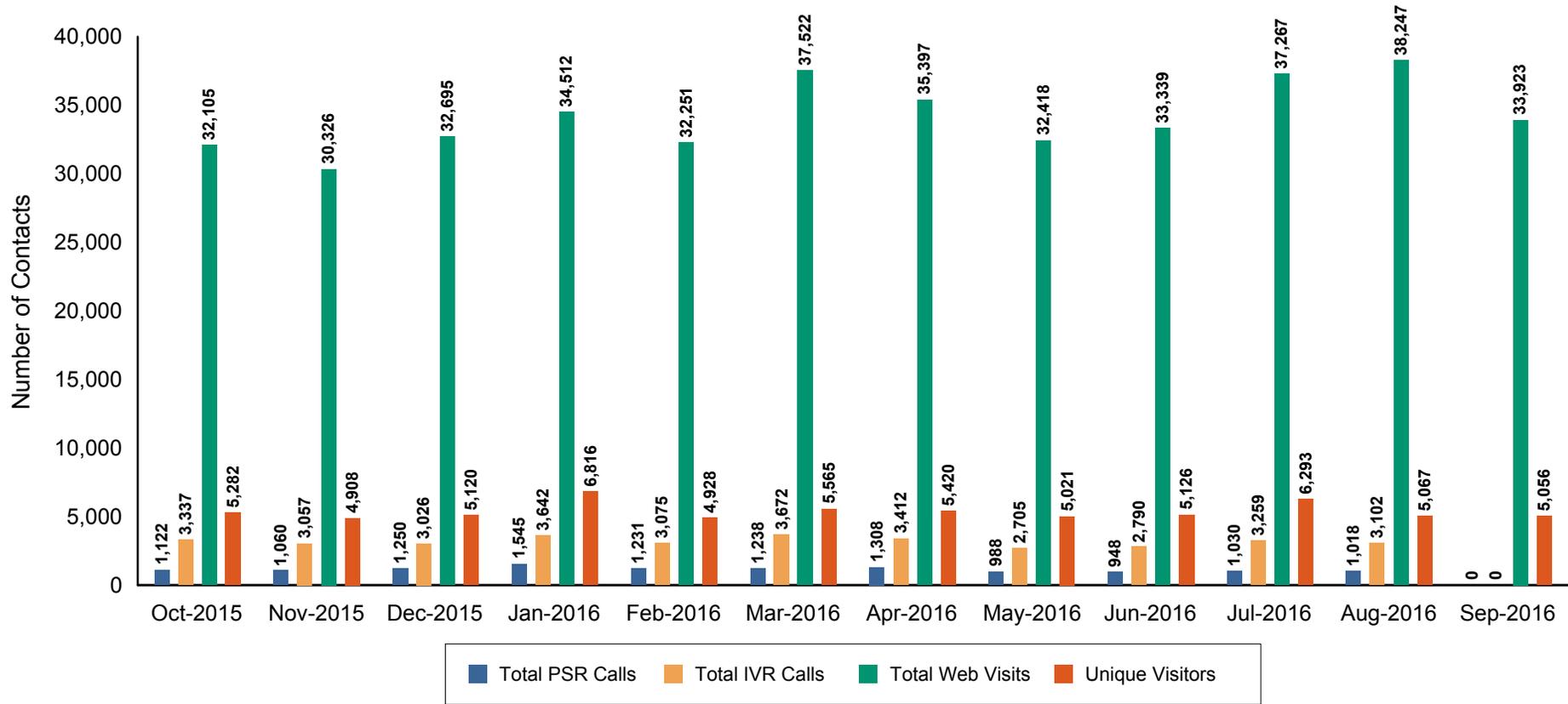
Investment Name	Transfers In	Transfers Out	Net
SHORT TERM FIXED OPTION	\$3,101,067.67	-\$1,871,245.70	\$1,229,821.97
STABLE VALUE OPTION	\$8,465,937.50	-\$4,486,183.28	\$3,979,754.22
LIFEPATH RETIREMENT FUND	\$6,115,366.42	-\$1,731,243.01	\$4,384,123.41
LIFEPATH 2020 FUND	\$2,766,095.80	-\$1,786,416.41	\$979,679.39
LIFEPATH 2025 FUND	\$1,559,265.07	-\$605,514.94	\$953,750.13
LIFEPATH 2030 FUND	\$882,790.28	-\$1,077,657.77	-\$194,867.49
LIFEPATH 2035 FUND	\$323,560.05	-\$426,960.01	-\$103,399.96
LIFEPATH 2040 FUND	\$339,589.74	-\$472,549.41	-\$132,959.67
LIFEPATH 2045 FUND	\$118,475.05	-\$226,688.45	-\$108,213.40
LIFEPATH 2050 FUND	\$340,832.60	-\$378,430.83	-\$37,598.23
LIFEPATH 2055 FUND	\$63,196.60	-\$330,914.03	-\$267,717.43
LIFE PATH 2060	\$103,124.13	-\$325,583.62	-\$222,459.49
ACTIVE FIXED INCOME OPTION	\$4,351,810.95	-\$3,627,283.75	\$724,527.20
REAL RETURN OPTION	\$472,627.23	-\$154,684.40	\$317,942.83
SOCIALLY RESPONSIBLE INV OPT	\$616,503.43	-\$231,166.34	\$385,337.09
LARGE COMP VALUE STOCK OPTION	\$5,112,523.37	-\$2,729,841.24	\$2,382,682.13
STOCK INDEX OPTION	\$2,806,598.81	-\$4,575,438.36	-\$1,768,839.55
LARGE COMP GROWTH STOCK OPTION	\$1,910,648.64	-\$6,061,278.69	-\$4,150,630.05
INTERNATIONAL STK OPTION	\$816,584.50	-\$3,611,767.45	-\$2,795,182.95
SMALL COMPANY STOCK OPTION	\$1,671,809.15	-\$6,671,817.67	-\$5,000,008.52
SCHWAB PCRA	\$513,446.15	-\$187,441.40	\$326,004.75

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Participant Contact Summary

Period Ending September 30, 2016

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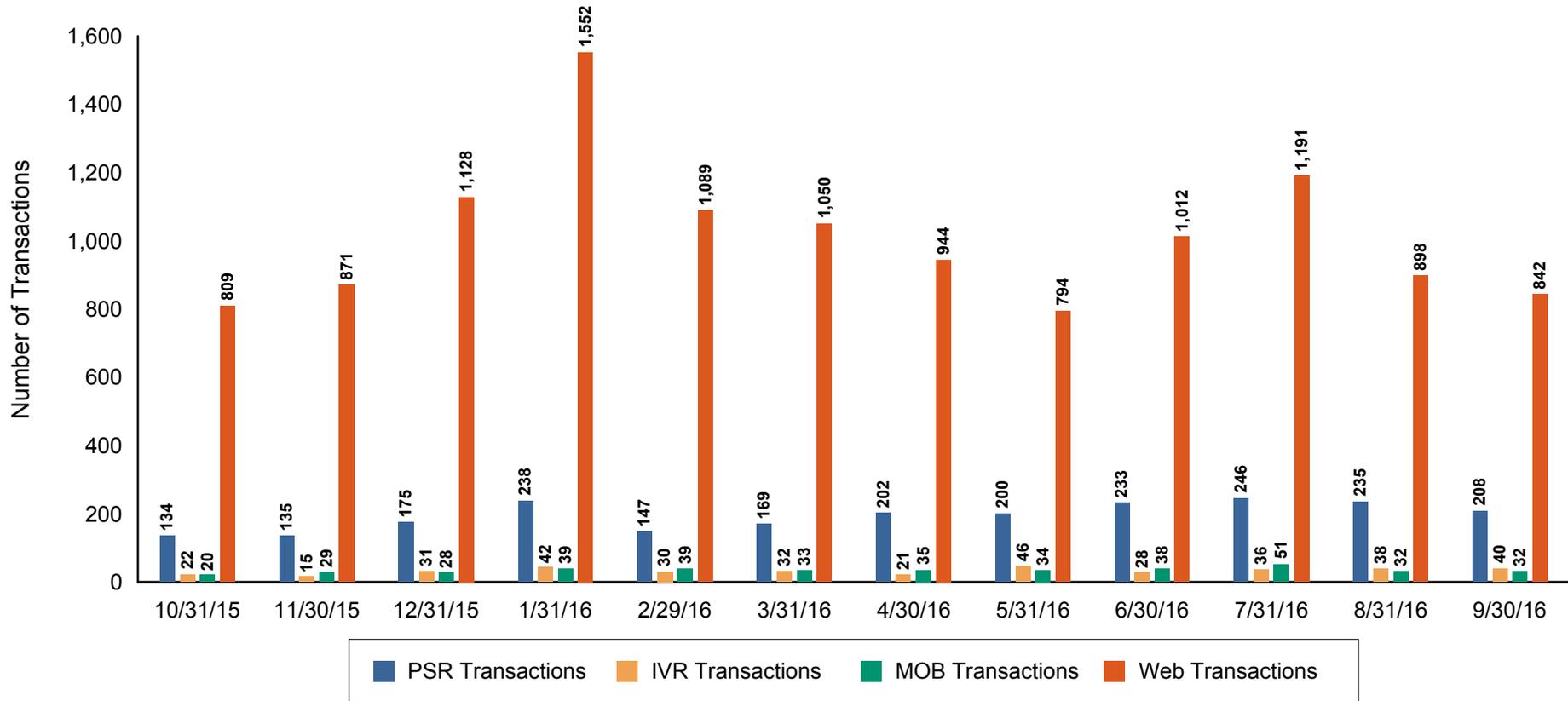


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Paperless Transaction Summary

Period Ending September 30, 2016

OREGON SAVINGS

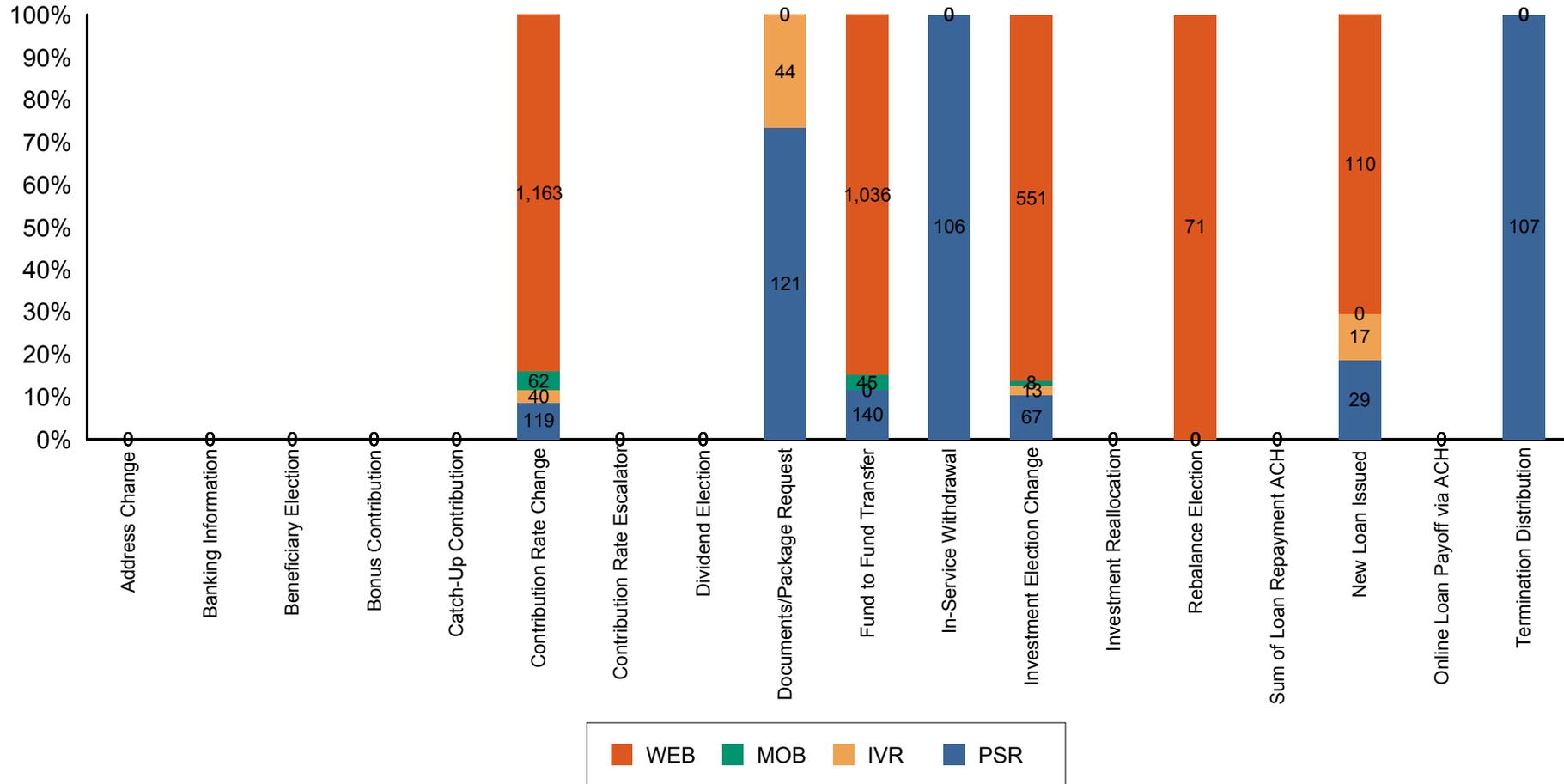


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Paperless Transactions by Channel

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN



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Paperless Transactions by Channel (IVR/PSR/WEB/MOB Combined)

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN

Paperless Transaction Description	Transaction Volume
Address Change	0
Banking Information	0
Beneficiary Election	0
Bonus Contribution	0
Catch-up Contribution	0
Contribution Rate Change	1,384
Contribution Rate Escalator	0
Dividend Election	0
Document/Package Request	165
Fund to Fund Transfer	1,221
In-service Withdrawal	106
Investment Election Change	639
Investment Reallocation	0
Rebalance Election	71
Loan Repayment ACH Election	0
New Loans Issued	156
Online Loan Payoff via ACH	0
Termination Distribution	107

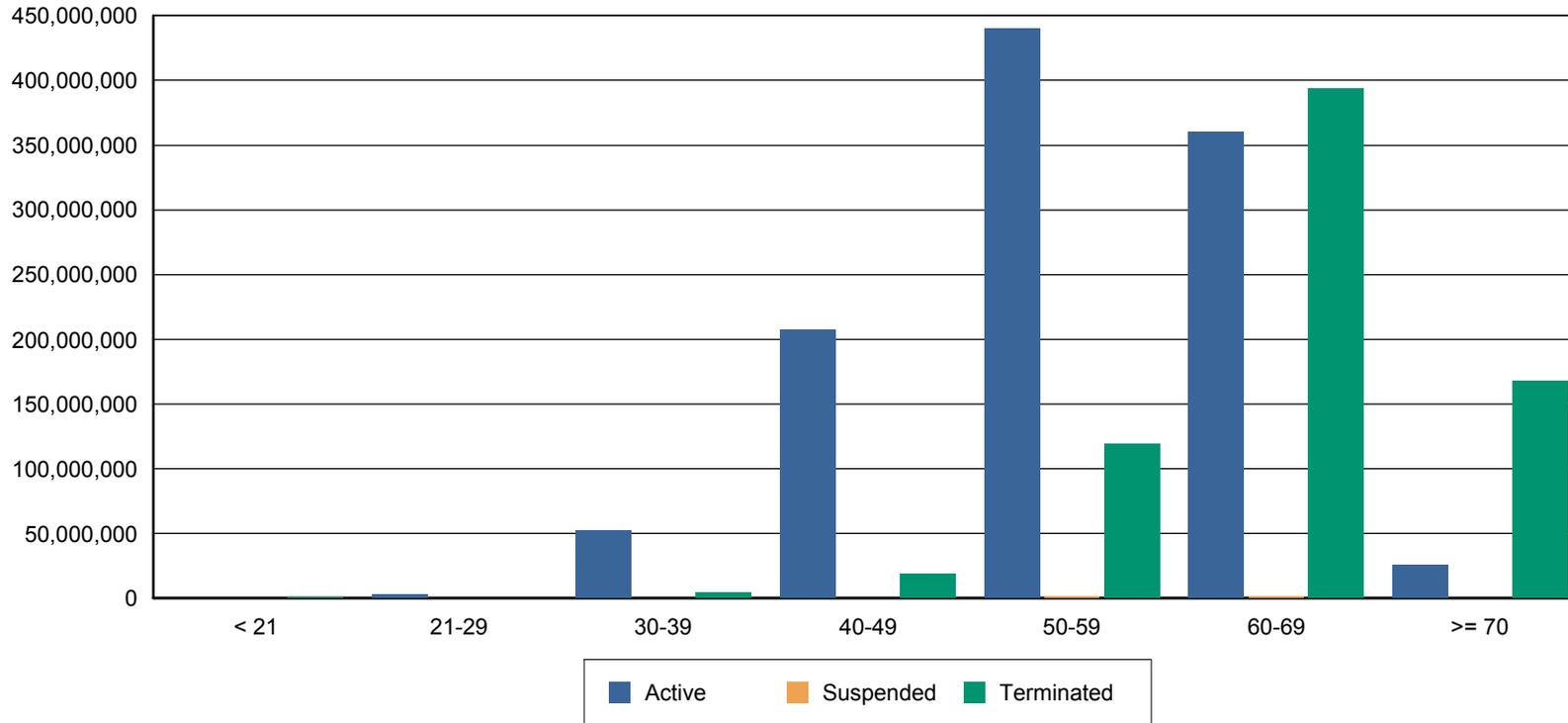
Enrollments for the Period: 0

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Balances by Age and Status

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN



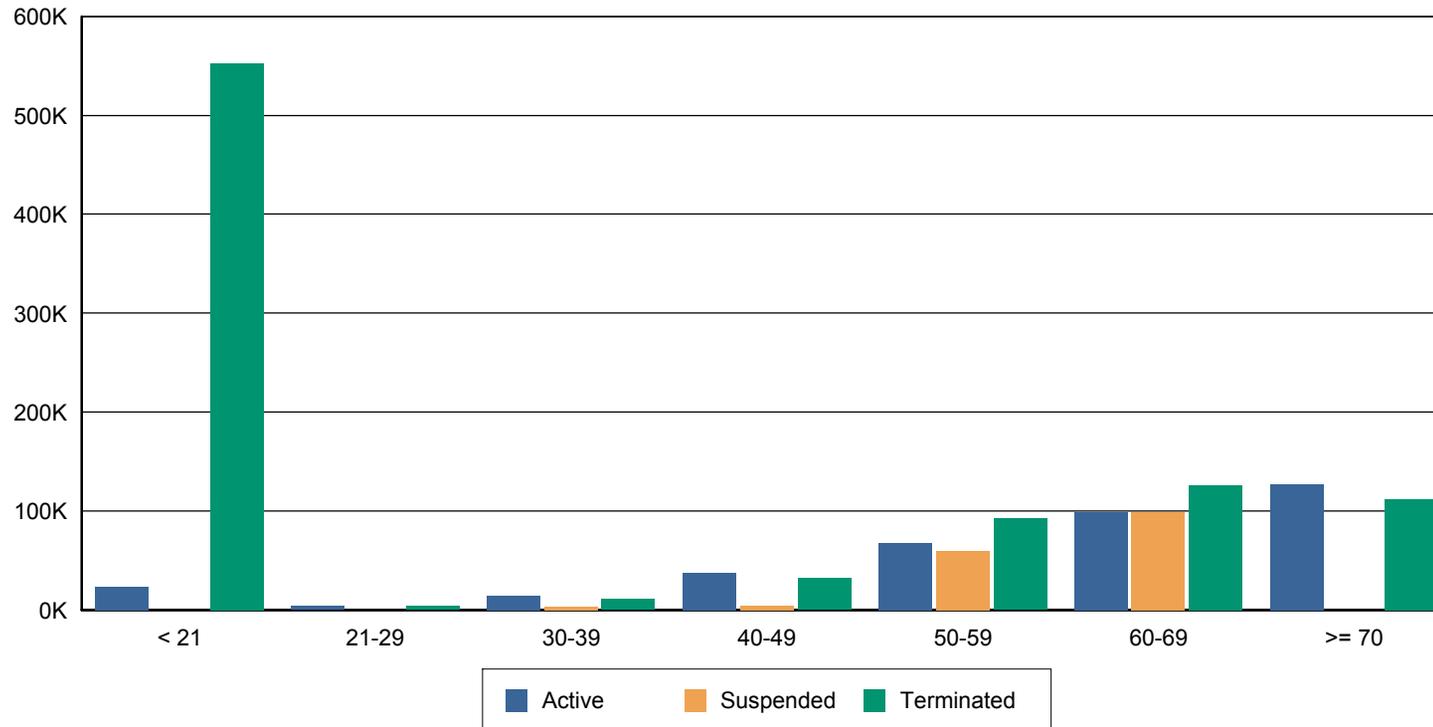
Status	< 21	21-29	30-39	40-49	50-59	60-69	>= 70
Active	\$93,982	\$3,194,484	\$52,268,423	\$207,170,486	\$440,003,669	\$360,393,847	\$26,018,944
Suspended	\$0	\$0	\$26,919	\$52,405	\$1,312,573	\$1,671,227	\$0
Terminated	\$552,118	\$234,152	\$3,854,482	\$19,004,549	\$118,940,850	\$394,033,064	\$167,374,070

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Average Balances by Age and Status

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN



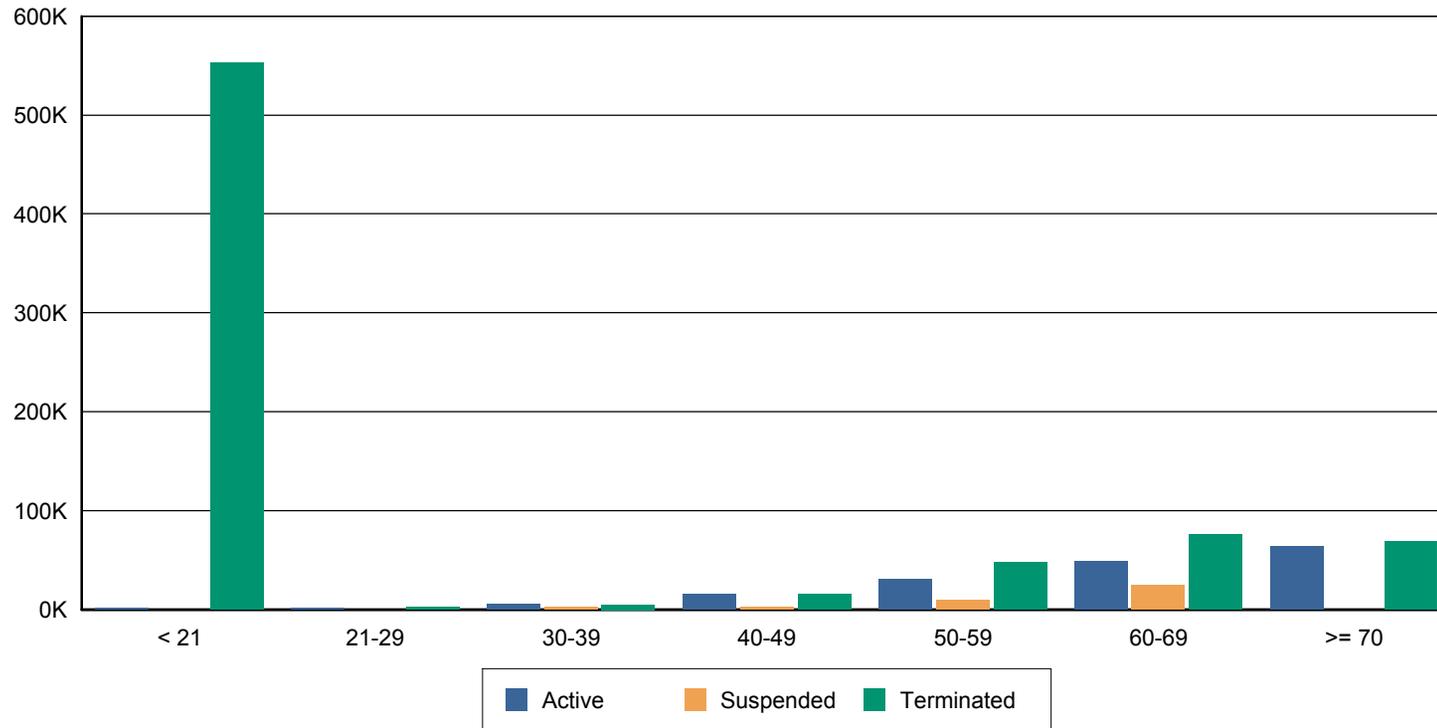
Status	< 21	21-29	30-39	40-49	50-59	60-69	>= 70
Active	\$23,495	\$3,835	\$13,923	\$37,531	\$67,682	\$98,414	\$126,922
Suspended	\$0	\$0	\$2,692	\$4,031	\$59,662	\$98,307	\$0
Terminated	\$552,118	\$3,548	\$10,334	\$32,048	\$92,059	\$125,568	\$112,181

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Median Balance by Age and Status

Period Ending September 30, 2016

OREGON SAVINGS GROWTH PLAN



Status	< 21	21-29	30-39	40-49	50-59	60-69	>= 70
Active	\$1,150	\$1,727	\$5,281	\$16,010	\$30,603	\$48,417	\$63,124
Suspended	\$0	\$0	\$1,994	\$2,027	\$9,469	\$23,920	\$0
Terminated	\$552,118	\$2,138	\$5,117	\$14,897	\$48,014	\$75,390	\$68,582

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2017 Cost of Living Adjustments

2017 Cost of Living Adjustments Announced

On October 27, 2016, the Internal Revenue Service released Information Release 2016-141.

The 2017 dollar limits are as follows:

<u>LIMIT</u>	<u>2017</u>	<u>2016</u>
Defined Benefit Plans		
The lesser of the maximum dollar limitation for annual benefits under defined benefit plans under Internal Revenue Code (IRC) Section 415(b)(1)(A) or 100% of the participant's average compensation for his high 3 years.	\$215,000	\$210,000
Defined Contribution Plan 415 dollar limit		
The lesser of the dollar limitation for annual additions under defined contribution plans under IRC Section 415(c)(1)(A) or 100% of compensation.	\$54,000	\$53,000
401(k)/403(b)/Existing SARSEP Elective deferral limit		
The limitation on cumulative elective deferrals(including designated Roth contributions) to a 401(k), 403(b) tax deferred annuity, simplified employee pension, and SIMPLE retirement plan in a tax year, as coordinated under IRC Section 402(g)(1).	\$18,000	\$18,000
457 Deferral Limits		
The lesser of the limitation on vested contributions to 457 plans under IRC Section 457(e)(15) or 100% of includible compensation.	\$18,000	\$18,000

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LIMIT

2017

2016

403(b) Catch-up limit

The maximum available 402(g) elective deferral limit plus the special catch-up election for employees participating in a 403(b) tax deferred annuity who have had at least 15 years of service with an educational organization, hospital, home health agency, health and welfare service agency, church or convention or association of churches. *Note: The additional 403(b) special catch-up of up to \$3,000 per year cannot exceed cumulatively \$15,000 over the lifetime of the 403(b) participant.*

\$21,000

\$21,000

457 Catch-up limit

The special catch-up election for employees participating in an eligible 457 deferred compensation who have elected the special catch-up available in the three years prior to the year of normal retirement age.

\$36,000

\$36,000

Note: The participant in a governmental 457(b) plan may make catch-up contributions in a year equal to the greater of (a) the amount permitted under the age 50+ catch-up, or (b) the amount permitted under the 457 catch-up.

Age 50+ Catch-up Limits

The special catch-up available under IRC Section 414(v) for individuals at least 50 years old in 2017 and make eligible pre-tax contributions to 401(k), 403(b), and governmental 457 plans.

\$6,000

\$6,000

The special catch-up is available for individuals who are at least 50 years old in 2017 and make eligible pre-tax contributions to a SIMPLE plan.

\$3,000

\$3,000

Definition of Key Employee

The compensation threshold used for determining key employees under IRC Section 416(i)(1)(A)(i).

\$175,000

\$170,000

Definition of Highly Compensated Employees

The compensation threshold used for determining highly compensated employees under IRC Section 414(q)(1)(B).

\$120,000

\$120,000

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LIMIT**2017****2016****Compensation Limit**

The annual limit of compensation that may be taken into account for contribution purposes in accordance with IRC Section 401(a)(17).	\$270,000	\$265,000
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The annual limit of compensation that may be taken into account for contribution purposes in accordance with IRC Section 401(a)(17) (certain grandfathered governmental plan participants).	\$400,000	\$395,000
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Adjusted Gross Income Limit for Saver's Credit

The highest adjusted gross income (based on federal income tax filing status) taken into account for eligibility for the Saver's Credit under IRC Section 25B.	\$62,000 (joint)	\$61,500 (joint)
	\$31,000(single)	\$30,750 (single)
	\$46,500 (head of household)	\$46,125 (head of household)

SIMPLE Retirement Accounts

Compensation taken into account that an employee may elect to defer under a SIMPLE retirement plan described in IRC Section 408(p)(2).	\$12,500	\$12,500
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Compensation for SEPs

Compensation taken into account to determine eligibility for simplified employee pensions (SEPs).	\$600	\$600
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On October 18, 2016, the Social Security Administration released its cost of living information for 2017:

Taxable Wage Base**2017****2016**

Maximum amount of earnings subject to payroll tax.	\$127,200	\$118,500
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