



**Advisory Committee Agenda
February 12, 2014
Archives Building
Salem, Oregon
9:30 a.m.**

ITEM #	ITEM	PRESENTER
I.	Introduction	Mark Carlton
II.	Approval of Minutes	Mark Carlton
III.	Old Business	Mark Carlton
IV.	Administrative Report	
	A. Overview of Stable Value Option	Andy Apostol, Galliard
	B. Q4 2013 Service Review	Kenje Mallot, Carol Cann, and Brian Merrick
	C. Q4 2013 Performance Report	Ben Mahon and Karl Cheng, Treasury and Jake O'Shaughnessy, Arnerich Massena
	D. Financial Engines Update, Roth Update, Plan Update	Gay Lynn Bath, OSGP
	E. State Q4 2013 Status	Karen Blanton, OSGP
	F. Local Government Q4 2013 Status	Jack Schafroth, OSGP
	G. Q4 2013 Plan Statistics	Kathy Gannon, OSGP
V.	New Business	
VI.	Audience Participation	Mark Carlton
VII.	Adjournment	
	The next meeting is scheduled for May 14 in Salem.	Mark Carlton

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If you have a disability that requires any special material, services or assistance please call (503) 378-8979 at least 48 hours before the meeting.

- Keith Baldwin, Vice-Chair
- Mark Carlton, Chair
- Jeffrey Labhart
- Debbie Darst
- Stefani Pastoor
- Brady Boothe
- Kevin Nordhill



DRAFT

**ADVISORY COMMITTEE MEETING MINUTES
November 13, 2013
Archives Boardroom
SALEM OREGON**

COMMITTEE MEMBERS PRESENT

Kevin Nordhill, Committee Member
Jeff Labhart, Committee Member
Mark Carlton, Committee Member
Brady Boothe, Committee Member
Stefani Pastoor, Committee Member
Keith Baldwin, Vice Chair

STAFF MEMBERS PRESENT

Gay Lynn Bath, Manager
Paul Cleary, PERS
Kathy Gannon, Program Coordinator
Jack Schafroth, Local Government Representative
Denise Helms, Assistant to Manager
Karen Blanton, Educational Representative

I. INTRODUCTION:

Meeting called to order by at 9:30 a.m. Vice Chair Baldwin requested introductions from the new board members and all in attendance.

II. APPROVAL OF MINUTES:

Vice Chair Baldwin asked for any changes to the minutes from the August 14, 2013 meeting as presented. He then asked for a motion to approve the minutes. Kevin Nordhill made a motion to approve the minutes. Jeff Labhart seconded the motion, and it carried unanimously.

III. OLD BUSINESS:

Vice Chair Baldwin asked for nominations for Chair. Mark Carlton volunteered for the role of Chair. Chair Baldwin asked the Committee for its approval and it carried unanimously.

IV. ADMINISTRATIVE REPORT:

- A. Overview of Self Directed Brokerage Option:** Ken Nichols with Charles Schwab gave an overview of the Self Directed Brokerage Option (SDBO). Nichols has been with Charles Schwab for 15 years. OSGP has had SDBO for a little over two years. Charles Schwab has been in the industry for over 40 years. It was founded in 1973 and currently has over nine million client brokerage accounts. They have over 7,000 advisors in 300 branches with \$2.15 trillion in client assets. OSGP currently has 63 people utilizing the self-directed brokerage account.



B. Q3 2013 Service Review and Field Activities: Jamie Ohl, Kenje Mallot, Carol Cann, Brian Merrick and Justin Naegle presented the executive summary. The plan assets were at \$1.478 billion as of September 30, 2013, which represents an increase of 11% over the past 12 months. The net cash flow decreased to negative \$3.7 million. Part of this loss is due to losing two large local government employers; City of Lake Oswego and Metro, which represented about \$7.5 million. Kevin Nordhill asked why they left; Schafroth and Bath responded they hired a consultant, issued a RFP, and through that process, chose to go to just one provider. Rollover contributions continued to climb up to \$12.1 million. There are now 774 participants in Roth; up 123 from the second quarter, a 16% increase. There were 219 rollovers out totaling \$16,645,662.

Brian Merrick noted the NAGDCA conference in September was held in Louisville KY this year and discussed OSGP receiving a leadership award for its communication piece on the Roth.

Merrick shared that Voya Financial had their initial public offering. They are still recognized as ING; but in May of next year they will start doing business as Voya. Because OSGP has its own branding the name change should not have much impact on OSGP.

Justin Naegle held 53 educational seminars with an attendance of 704 participants. In addition he had 322 individual meetings. Naegle attended three wellness fairs and conferences which included the Department of Correction in Madras and Pendleton, Department of Forestry in Tillamook and the Oregon Employment Department Tax conference in Salem.

Carol Cann presented the marketing and communications report. Cann noted there was a campaign in early June where they sent out letters to age 50 and older explaining they had designated representatives who specialize in directing participants who are nearing retirement and explaining their options. Currently there are 2,928 participants between ages 50-70; 712 of which are over 70. Cann gave an over view of National Save for Retirement week noting OSGP held two additional open houses off site in Portland and Eugene. Cann noted they also targeted another group of participants (about 4,100) that had stopped their deferral and never restarted. She will report the results at the next meeting.

C. Q3 2013 Performance Report: Ben Mahon from Treasury and Jake O'Shaughnessy from Arnerich Massena presented the market review. Ben explained they are in the early stages of reviewing some underlying funds before the Oregon Investment



Council (OIC) meeting in April. Jake discussed the performance of the LifePath® funds and also reviewed managers and strategies.

D. Financial Engines Update, Targeted Email to 35 and under results, Plan Update: Gay Lynn Bath explained the Financial Engines project is on hold waiting for more feedback on her business case from her manager. Bath will report the progress at the next meeting. Bath noted there we received 90 new enrollments from the target mailing to all participants under the age of 35. She also shared there were 406 new enrollments this quarter, compared to the previous quarter of 177.

Bath said it is always good when we have someone on site to be an advocate like Stefani Pastoor has been at the state hospital. The open houses in Salem and Portland had good attendance; approximately 150 at each one. The workshops were particularly well attended. OSGP received 10 new enrollments from the open house in Portland and 17 from the one in Salem.

E. State Q3 2013 Status: Karen Blanton shared the third quarter's state status. Blanton thanked Stefani Pastoor for her involvement with the State Hospital; putting out her own fliers, helping with education, and setting up OSGP workshops. Blanton stressed how popular brown bag presentations are. She also mentioned that the Roth seems to be taking off with the younger participants.

F. Local Government Q3 2013 Status: Jack Schafroth reported there were five new employer adoptions in the third quarter. Schafroth explained he is trying to get participants to increase their deferrals when they get raises or cost of living increases. He stressed how important it is to get out in the field and get in front of people.

G. Q3 2013 Plan Statistics: Gay Lynn Bath gave the highlights of the Q3 statistics.

V. NEW BUSINESS: None

VI. AUDIENCE PARTICIPATION:
None

ADJOURNMENT: The next meeting is February 12, 2014 in Salem.

There being no further business, Vice Chair Keith Baldwin adjourned the meeting.

Respectfully submitted,

Denise A Helms
Assistant to the Deferred Compensation Manager

Portfolio Review For:

Oregon Stable Value Fund

Fourth Quarter 2013



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GALLIARD
CAPITAL MANAGEMENT, INC.

Stable Value Fund Review – Oregon Stable Value Fund

Fourth Quarter 2013

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- Transactions & Holdings

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- Total Annual Fund Operating Expenses

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The information contained in this report is for informational purposes only. It is intended to provide a summary of portfolio performance and characteristics, and an accounting based view of transactions and holdings. This is a standardized report and is not intended to be used for compliance purposes. Individual portfolio compliance requirements may not be captured in this report.



Section I

Oregon Stable Value Fund

Fourth Quarter 2013

Galliard Inception Date	September 4, 2012	
Investment Objective	The primary objective of the portfolio is to provide safety of principal. Secondary objectives are consistency of returns, while maintaining a stable credited rate of interest.	
Benchmark	3 Year Constant Maturity Treasury Yield	
Stable Value Portfolio Components	<u>Components</u>	<u>Allocation Range</u>
	Liquidity Buffer	5-50%
	Investment Contracts - GICs	0-10%
	Insurance Separate Account Contracts	0-50%
	Security Backed Contracts	0-95%
Key Portfolio Guidelines		
Portfolio Duration	3.50 year maximum	
Average Portfolio Quality	Minimum of AA- or equivalent (underlying asset level)	
Minimum Contract Issuer Quality	A- or equivalent at time of placement	
Minimum Portfolio Issue Quality	BBB- or equivalent at the time of purchase	

Stable Value Portfolio Review - Oregon Stable Value Fund

Fourth Quarter 2013

Annualized Investment Performance*

Periods Ending December 31, 2013

	<u>4Q'13</u>	<u>1 Yr</u>	<u>3 Yr</u>	<u>5 Yr</u>	<u>10 Yr</u>	<u>Since Inception**</u>
Portfolio (net of all fees)	0.28	1.34	1.45	1.61	2.90	1.39
3 Year Constant Maturity Treasury Yield	0.16	0.54	0.56	0.84	2.21	0.50

Calendar Year Performance

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Portfolio (net of all fees)	1.34	1.44	1.57	1.83	1.88
3 Year Constant Maturity Treasury Yield	0.54	0.38	0.75	1.10	1.43

Market Indices

Merrill Lynch 3 Mo. T-Bill	0.07	0.11	0.10	0.13	0.21
Consumer Price Index	1.62	1.74	2.96	1.50	2.72

* Returns for periods of less than one year are not annualized.

** Performance inception: September 1, 2012. Periods that exceed Galliard's tenure with the portfolio include Galliard performance linked with historical portfolio returns.

Stable Value Portfolio Review - Oregon Stable Value Fund

Fourth Quarter 2013

Portfolio Characteristics

Total Assets	\$195,721,117	Blended Yield (Before fees)*	1.44%
Average Holdings Quality**	A1/AA-	Effective Duration	2.76 years
Number of Contract Issuers	4	Market/Book Value Ratio	100.06%

*Blended yield is before investment management fees and after wrap fees.

**The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the contracts and cash held by the portfolio as rated by S&P and Moody's.

Sector Distribution

<u>Portfolio Distribution</u>	<u>Contract Value (\$)</u>	<u>% of Portfolio</u> <u>12/31/2013</u>	<u>% of Portfolio</u> <u>09/30/2013</u>
Money Market*	18,961,517	9.7	9.4
Insurance Separate Accounts	29,801,070	15.2	15.3
Intermediate Portfolio	29,801,070	15.2	15.3
Security Backed Contracts	146,958,529	75.1	75.3
Short Portfolio	83,471,834	42.6	42.7
Intermediate Portfolio	63,486,695	32.4	32.6
Total	\$195,721,117	100.0%**	100.0%**

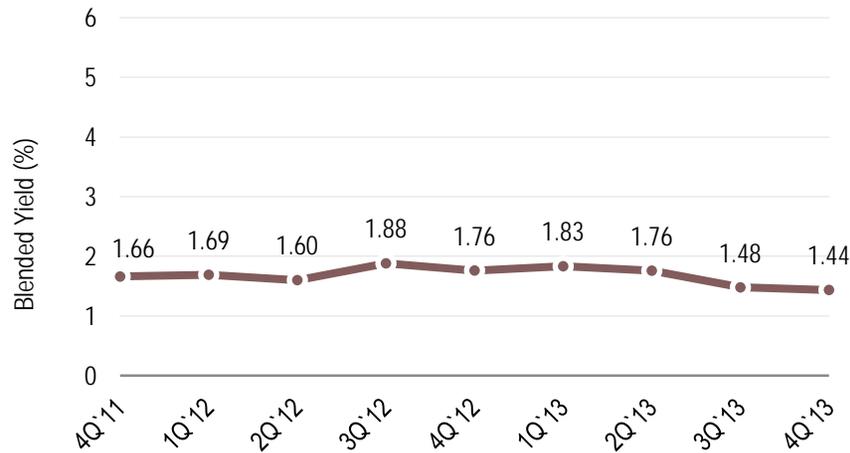
*Includes Receivables and Payables

**Total % of portfolio may not add to 100% due to rounding

Stable Value Portfolio Review - Oregon Stable Value Fund

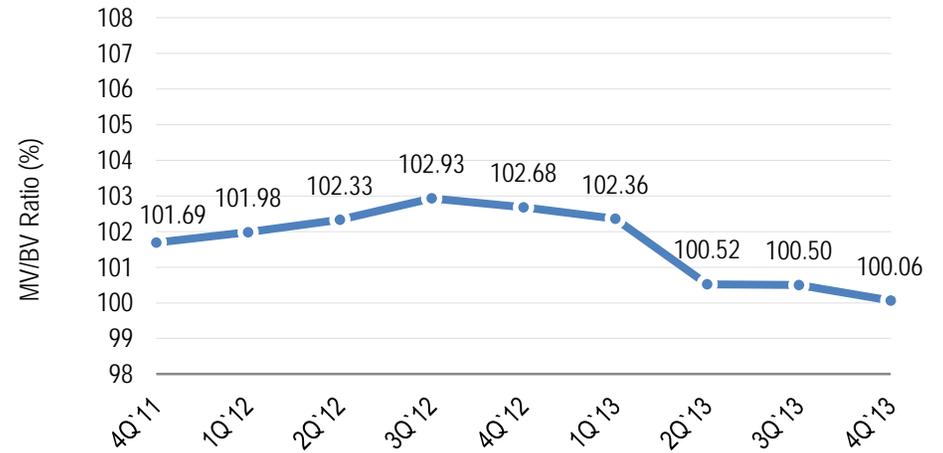
Fourth Quarter 2013

Historical Blended Yield*

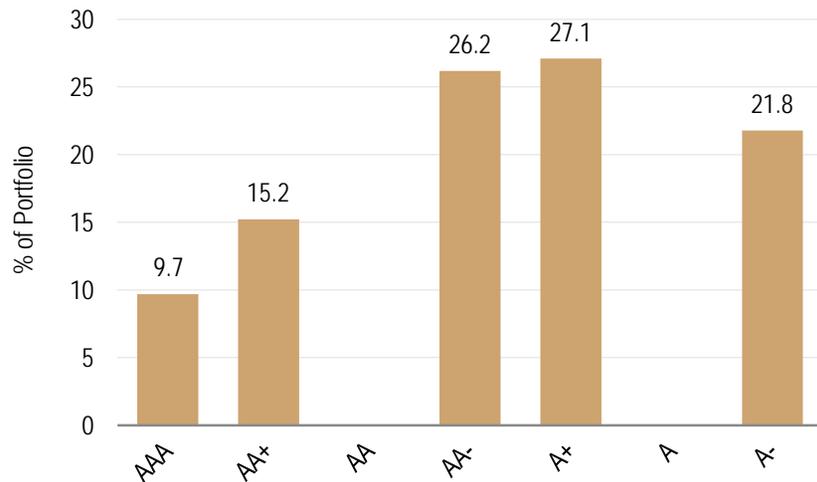


*As of quarter end. Blended yield is before investment management fees and after wrap fees.

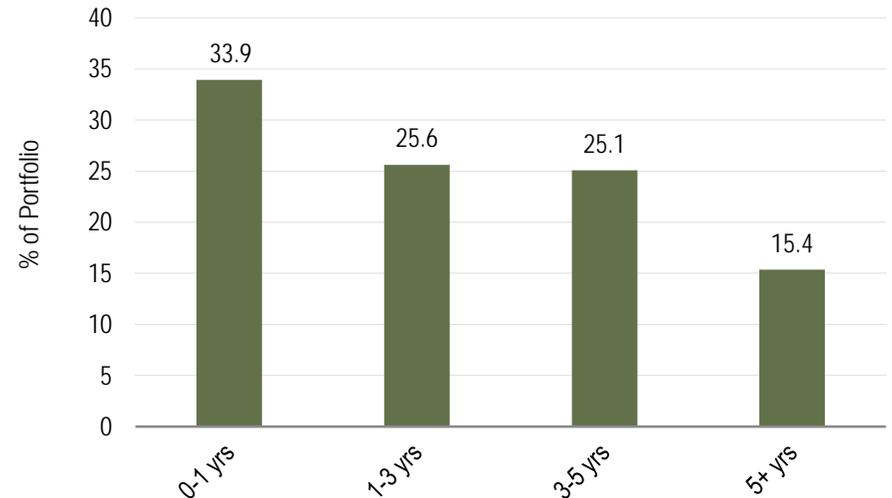
Market Value to Book Value Ratio*



Contract Quality Distribution*



Underlying Duration Distribution**



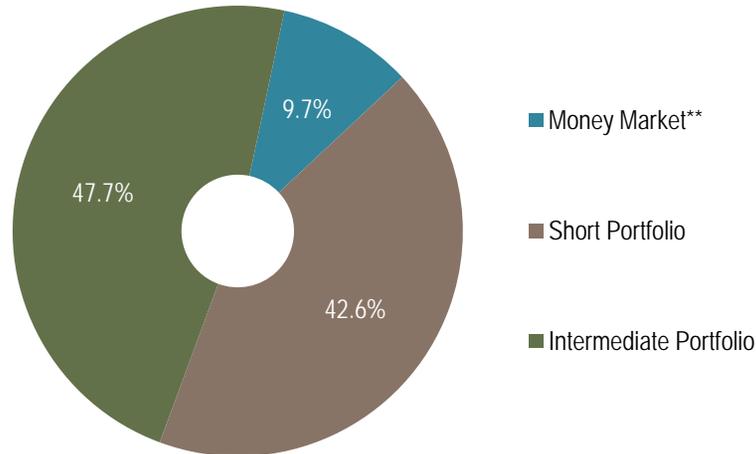
*Total % of portfolio may not add to 100% due to rounding. The quality distribution shown represents the distribution of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

**Total % of portfolio may not add to 100% due to rounding. Duration distribution of the externally managed portfolios is provided by the external manager.

Stable Value Portfolio Review - Oregon Stable Value Fund

Fourth Quarter 2013

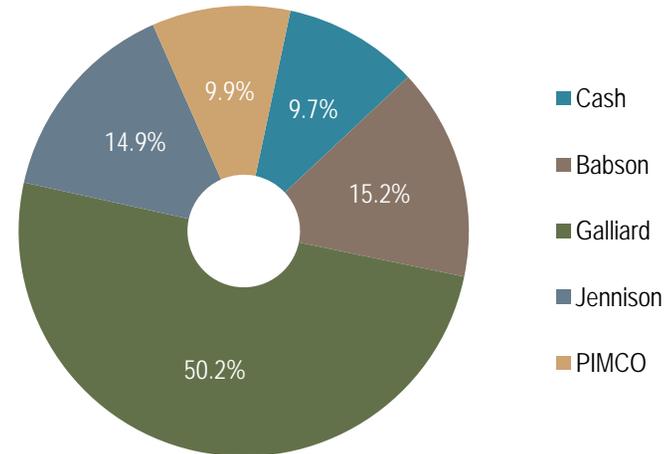
Portfolio Distribution*



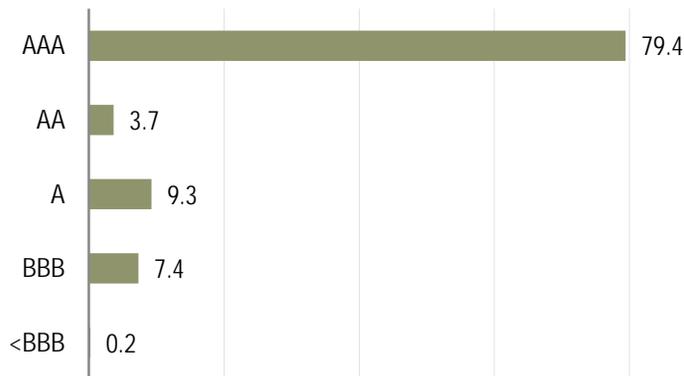
*Book value

**Includes Receivables and Payables

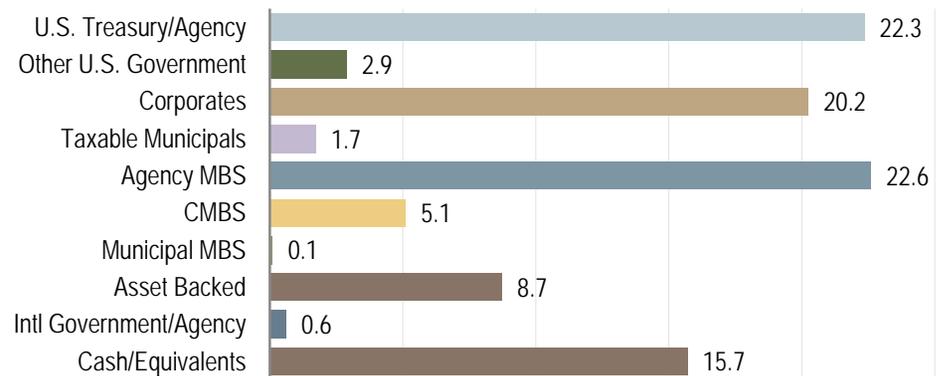
Manager Distribution*



Underlying Fixed Income Credit Quality*



Underlying Fixed Income Asset Allocation**



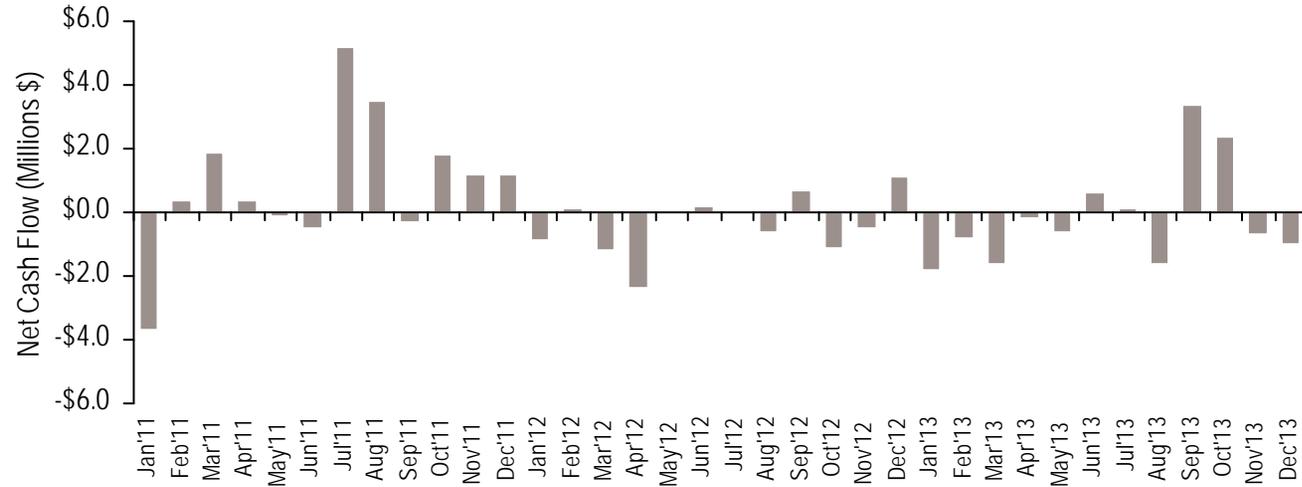
*Market value. Total % of portfolio may not add to 100% due to rounding. The quality distribution shown represents the distribution of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. Ratings shown as NR/NA are not rated or not available security ratings. The external managers provide portfolio holdings, and the securities are classified using Galliard's analytics and methodology

**Market value. Total % of portfolio may not add to 100% due to rounding. The external managers provide portfolio holdings, and the securities are classified using Galliard's analytics and methodology.

Stable Value Portfolio Review - Oregon Stable Value Fund

Fourth Quarter 2013

Historical Cashflows



	2013	2012	2011	2010	2009
Beginning Assets	\$194.5	\$195.1	\$181.3	\$180.7	\$186.1
Net Cash Flow (\$)*	-\$1.9	-\$4.5	\$11.0	-\$2.3	-\$6.0
Net Cash Flow (%)	-0.98%	-2.31%	6.07%	-1.27%	-3.22%
Estimated Investment Earnings	\$3.2	\$3.9	\$2.8	\$2.8	\$0.6
Ending Assets**	\$195.7	\$194.5	\$195.1	\$181.3	\$180.7

* Contributions, Withdrawals and Investment Transfers

**Cashflows may not net to final assets due to rounding

Stable Value Portfolio Review - Oregon Stable Value Fund

Fourth Quarter 2013

Issuer Rating Summary

	<u>S & P Rating</u>		<u>Moody's Rating</u>	
	<u>12/31/2013</u>	<u>9/30/2013</u>	<u>12/31/2013</u>	<u>9/30/2013</u>
ING Life Ins. and Annuity Co.	A-	A-	A3	A3
Massachusetts Mutual Life Ins. Co.	AA+	AA+	Aa2	Aa2
Monumental Life Ins. Co.	AA-	AA-	A1	A1
Prudential Ins. Co. of America	AA-	AA-	A1	A1

ING Life Ins. and Annuity Co.

- Stability is expected in the operating results and credit quality ratings in the near term
- Over 53% of equity is now publically held, well ahead of the original timeline
- Capital levels have modestly improved through nine months

Massachusetts Mutual Life Ins. Co.

- Investment risk below industry average
- Over 65% of liabilities are deemed low risk due to participating nature
- Capital levels are down on a combination of acquiring Hartford's retirement business and net capital losses

Monumental Life Ins. Co.

- Capital levels remain below average but have improved in the first nine months
- Investment performance volatile
- Part of a large diverse insurance group

Prudential Ins. Co. of America

- A leading diversified U.S. life insurer
- Surplus continues to show solid growth
- Higher than industry average investment risk with exposure to commercial real estate, non-Agency CMOs, equities and high yield bonds

The information contained herein reflects the views of Galliard Capital Management, Inc. & sources believed to be reliable by Galliard as of the date of publication. The views expressed here may change at any time subsequent to the date of publication. This publication is for informational purposes only. For institutional investors only.

Oregon Stable Value Fund Portfolio Review

Portfolio Holdings

December 31, 2013

Asset ID	Security Description	Manager	Contract Value (\$)	Market Value (\$)	Market/Book Value Ratio (%)	% of Portfolio	Yield (%)	Maturity*	Effective Duration (yrs)	S&P Rating	Moody's Rating	Wrap Fee (bps)
Money Market												
FUNDAVAIL	Cash Receivable / (Payable)		0	0	100.0	0.0	0.00		0.10	AAA	Aaa	
3839909B6	State Street Government STIF 10		18,961,517	18,961,517	100.0	9.7	0.00		0.10	AAA	Aaa	
Total Money Market			18,961,517	18,961,517	100.0	9.7	0.00		0.10	AAA	Aaa	
Insurance Separate Accounts												
Intermediate Portfolio												
575997ZT1	Massachusetts Mutual Life Ins. Co.	Babson	29,801,070	29,767,639	99.9	15.2	1.92	N.S.M.	4.33	AA+	Aa2	17.0
Total Intermediate Portfolio			29,801,070	29,767,639	99.9	15.2	1.92		4.33	AA+	Aa2	
Total Insurance Separate Accounts			29,801,070	29,767,639	99.9	15.2	1.92		4.33	AA+	Aa2	
Security Backed Contracts												
Short Portfolio												
75999UTZ1	ING Life Ins. and Annuity Co.	Galliard	27,837,375	27,960,996	100.4	14.2	1.74	N.S.M.	1.94	A-	A3	22.0
600996DU3	Monumental Life Ins. Co.	Galliard	31,811,507	31,797,886	100.0	16.3	1.55	N.S.M.	1.94	AA-	A1	23.0
744999SP9	Prudential Ins. Co. of America	Galliard	23,822,952	23,818,302	100.0	12.2	1.32	N.S.M.	1.94	AA-	A1	20.0
Total Short Portfolio			83,471,834	83,577,183	100.1	42.6	1.55		1.94	A+	A2	
Intermediate Portfolio												
75999UTZ1	ING Life Ins. and Annuity Co.	Galliard	14,803,910	14,869,652	100.4	7.6	1.74	N.S.M.	3.87	A-	A3	22.0
600996DU3	Monumental Life Ins. Co.	PIMCO	19,455,148	19,446,818	100.0	9.9	1.55	N.S.M.	3.94	AA-	A1	23.0
744999SP9	Prudential Ins. Co. of America	Jennison	29,227,637	29,221,931	100.0	14.9	1.32	N.S.M.	3.87	AA-	A1	20.0
Total Intermediate Portfolio			63,486,695	63,538,401	100.1	32.4	1.49		3.89	A+	A1	
Total Security Backed Contracts			146,958,529	147,115,584	100.1	75.1	1.52		2.78	A+	A2	
Total Fund			195,721,117	195,844,741	100.1	100.0	1.44		2.76	AA-	A1	

*N.S.M. = No Stated Maturity



Section II

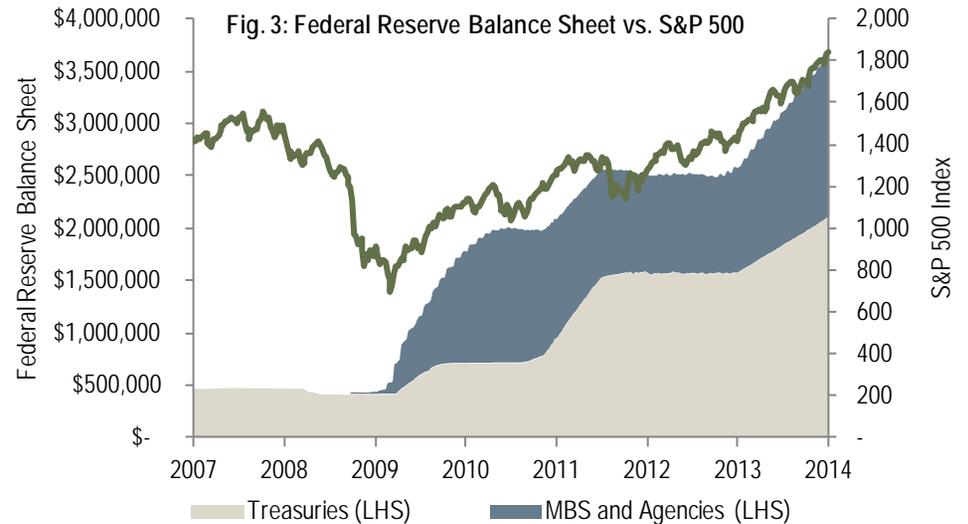
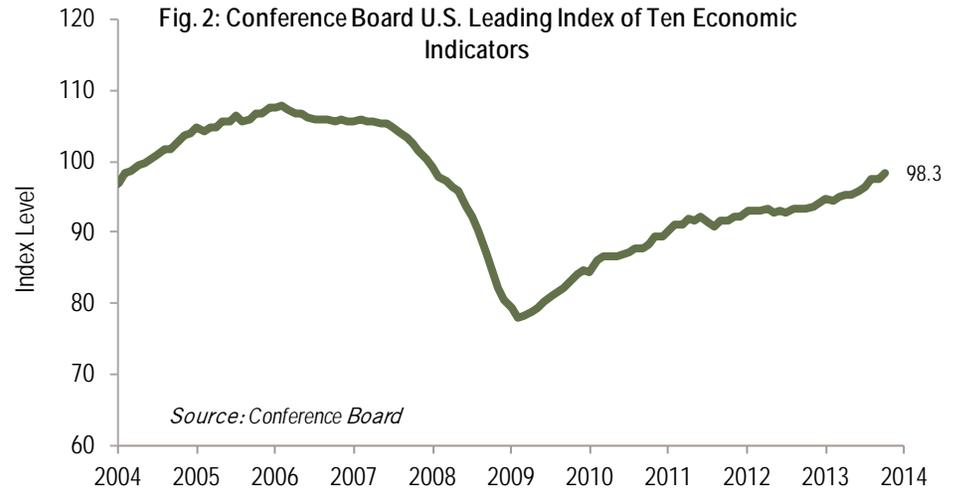
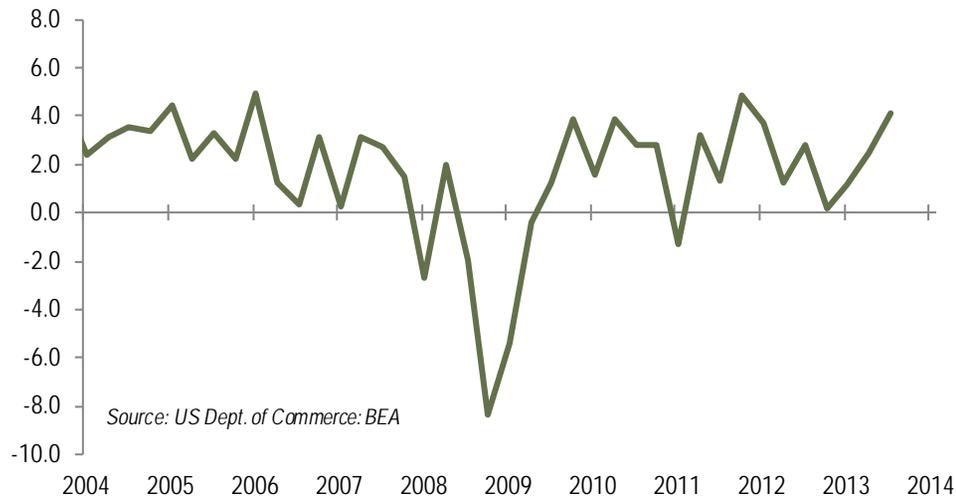
Economic Overview

Fourth Quarter 2013

GDP Produces Positive Surprise, Better Growth Ahead?

- The U.S. economy grew at a modestly surprising +4.1% pace during the third quarter of 2013 (Fig.1), on strength from inventory growth and consumer spending. This marks improvement over first and second quarter growth rates of 1.1% and 2.5%, respectively.
- The Leading Economic Indicators Index signals continued economic growth domestically. While the index has largely trended upward since the Great Recession, most of its ten underlying components, which range from employment and manufacturing to consumer expectations, are reflecting this same positive outlook. This has not always been the case during the economic recovery (Fig. 2).
- The Federal Reserve is tapering the pace of its asset purchases beginning in January 2014. The decision to taper cited progress toward maximum employment, improved labor conditions and contained inflation. While some capital markets had already begun to price in this modest tightening of monetary policy, market participants will continue to scrutinize Fed activity closely (Fig. 3).

Fig. 1: Real GDP Growth



Economic Overview

Fourth Quarter 2013

Employment and Consumer Spending Key to Growth

- Economic growth expectations for 2014 are predicated on improving labor markets leading to stronger consumer spending. Of course the same expectations were promulgated at the beginning of 2013. Thus, initial weekly claims for unemployment benefits, a leading indicator, will continue to be a statistic to watch in the coming year.
- The economy added jobs at a 189,000 monthly clip in 2013 (Fig. 2). Some expect that number to exceed 200,000 jobs added monthly in 2014. Nonfarm payrolls must still recoup over one million jobs, however, in order to eclipse its previous high water mark from early 2008.
- Consumer spending grew at an average annual rate of 2.0% in 2013 (Fig. 3), partially fueled by employment growth and likely also aided by the wealth effect from rising stock and home prices.

Fig. 1: Initial Weekly Claims for Unemployment Benefits (4 Wk Avg.)



Fig. 2: NonFarm Payroll

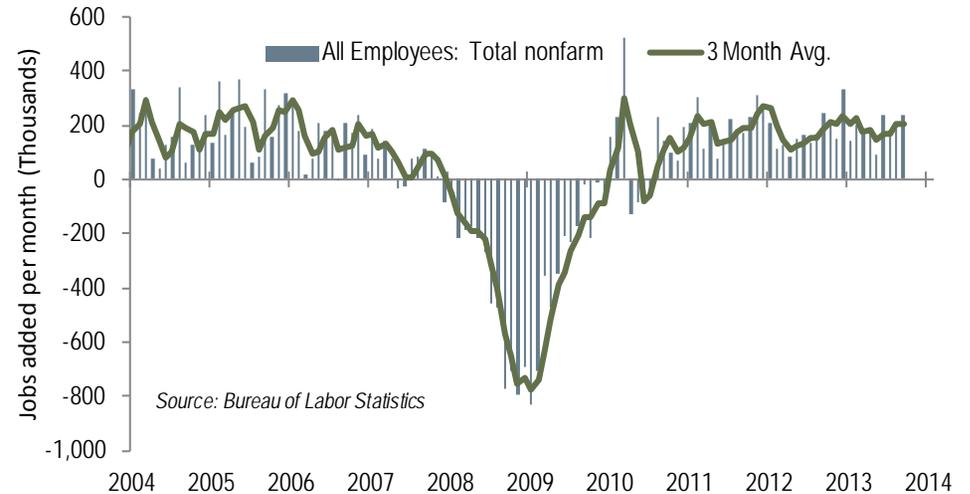


Fig. 3: Consumer Spending Growth YoY %



Economic Overview

Fourth Quarter 2013

Economic Outlook: Growth Finally Accelerating, Headwinds to Growth Subside

- Third quarter real GDP growth of 4.1%, after two upward revisions, provided a pleasant surprise. While this number benefitted from a short-term boost in inventory building, growth for the fourth quarter and beyond appears headed for an improved 3.0% to 3.5% growth rate. Consumer spending and the housing market are continued bright spots, while domestic headwinds to growth have subsided somewhat.
- Several of the growth headwinds in 2013 due to government action – or inaction – have abated, making for a slightly more optimistic economic outlook in 2014. During the fourth quarter, another debt ceiling debate accompanied by a government shutdown contributed to the environment of uncertainty and created short-term pause for spending and investment. This, along with lingering government spending cuts put in place by the federal government budget sequester, undoubtedly hurt the economy. Nonetheless, with a December budget agreement from Washington comes some predictability which should foster consumer spending and business investment going forward.
- U.S. equity markets produced strong gains in 2013. The Russell 3000 Index, for example, returned nearly 34%. Meanwhile, housing prices continue to rise, as the Case-Shiller Home Price Index has produced year-over-year growth for seventeen consecutive months. This wealth effect ought to have U.S. consumers more confident about spending.
- The Federal Reserve will begin tapering the pace of its Agency MBS and Treasury bond purchases in January 2014. This announcement in mid-December cited cumulative progress toward maximum employment and the improvement in the outlook for labor market conditions. The Fed also indicated that its Fed Funds Rate may remain anchored well past the time that the unemployment rate declines below 6.5%. Nonetheless, the Fed, which will witness a changing of the guard from Mr. Bernanke to Ms. Yellen in early 2014, will likely continue to make decisions based on employment and inflation data.
- Interest rates across the yield curve rose modestly following the Federal Reserve's taper announcement. However, the announcement was not immediately met with the same bearish rate fervor experienced in second quarter of 2013 when the Fed began seriously talking about a taper. This suggests that the market largely had already priced in the "beginning of the end" of low intermediate and long rates. While economic momentum may have also contributed to pushing rates slightly higher for the quarter and the year, Fed comments and actions seem more likely to dictate interest rate movement than underlying economic fundamentals– at least in the short term.

Fixed Income Market Review

Fourth Quarter 2013

Rates Rise Gradually as Fed Prepares to Taper

- In mid-December, the Federal Reserve announced plans to taper its Agency MBS and Treasury bond buying program beginning in January, 2014. The much-anticipated move coincided with rates rising, but only gradually, suggesting that the market largely had already priced in the “beginning of the end” of low intermediate and long interest rates (Fig. 1).
- For the full year of 2013, intermediate and long key interest rates were up nearly 100 basis points or more. As a result, most major bond sectors produced negative or muted total returns. The high yield sector was the exception, where spread compression continued to produce positive returns (Fig. 2).
- Spread sectors of the bond market generally outperformed similar-duration Treasuries on both quarter over quarter and year over year bases, as most spread levels tightened (Fig. 3).

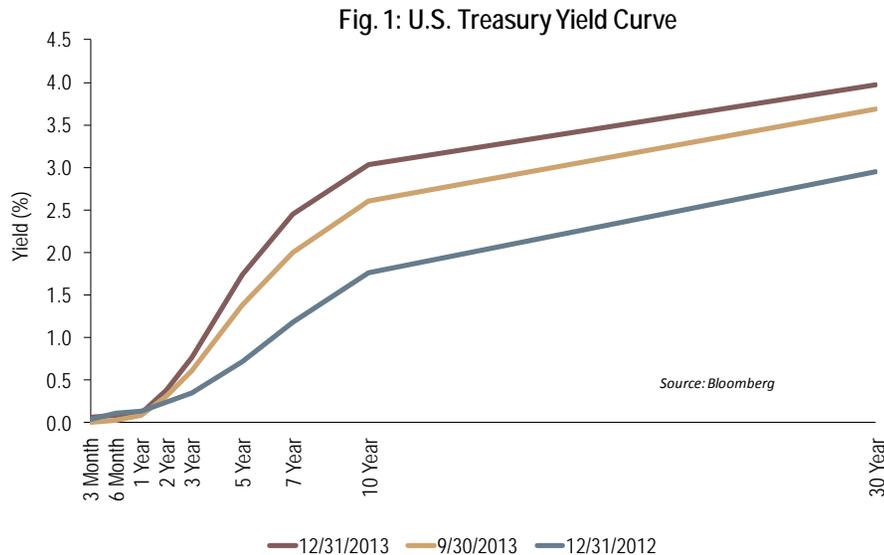
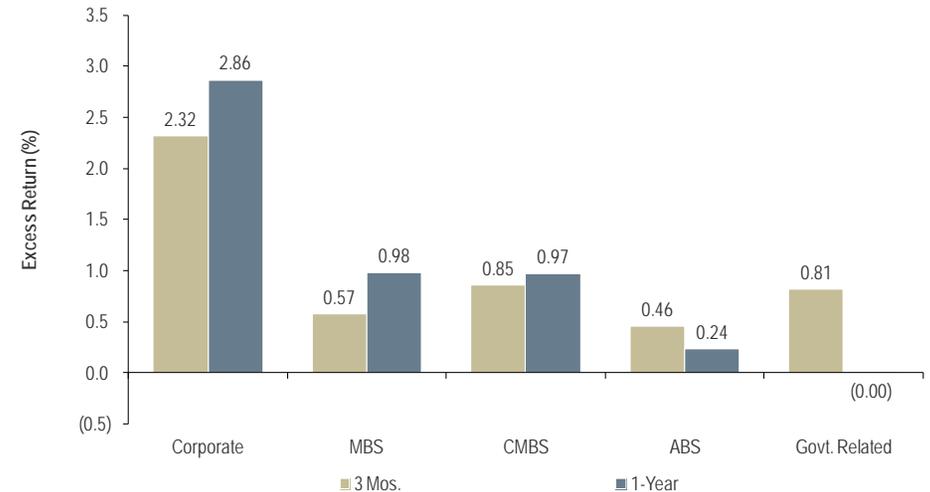


Fig. 2: Fixed Income Total Return By Sector (%) (Barclays Capital Intermediate & Long Indices)

	U.S. Treasury		Govt. Related		Corporate		High Yield	
	QTR	1 YR	QTR	1 YR	QTR	1 YR	QTR	1 YR
Intermediate	-0.47	-1.34	0.07	-0.82	0.82	0.08	3.53	7.57
Long	-3.08	-12.66	-0.07	-9.83	1.90	-5.68	4.62	4.93
	MBS		ABS		CMBS			
	QTR	1 YR	QTR	1 YR	QTR	1 YR		
Securitized	-0.42	-1.41	0.32	-0.27	0.53	0.23		

Fig. 3: Barclays Capital Excess Returns versus Treasuries (as of 12/31/13)



The information contained herein reflects the views of Galliard Capital Management, Inc. & sources believed to be reliable by Galliard as of the date of publication. The views expressed here may change at any time subsequent to the date of publication. This publication is for informational purposes only. For institutional investor use only.



Appendix

Appendix - Oregon Stable Value Fund

Fourth Quarter 2013

Total Annual Fund Operating Expenses

Total Annual Operating Expenses are deducted directly from the Fund's net asset value and reduce the rate of return of the investment option.

Expense	Expense Ratio 12/31/13	Per \$1000
Galliard Investment Management Fees	0.140%	\$1.40
Subadvisor Management Fees	0.021%	\$0.21
Investment Contract Fees	0.188%	\$1.88
Acquired Fund Fees and Other Subadvisor Investment Management Expenses	0.050%	\$0.50
-Investment Contract Fees	None	None
-Other Acquired Fund Fees and Subadvisor Investment Management Expenses	0.050%	\$0.50
12b-1 Distribution Fee	None	None
Other Expenses	0.180%	\$1.80
Total Annual Fund Operating Expense*	0.580%	\$5.80

*Total Annual Fund Operating Expense will be reflected in the Fund's net asset value.

**Q4-2013
Service Review for**



November 13, 2013

Agenda

- ING U.S. Update
- Executive Summary
- Local Office Update
- Communications
- Third Quarter 2013 Report

ING U.S. Update

Rebranding Update

ING U.S. becomes Voya Financial in 2014

- *April 7, 2014*
 - ING U.S., Inc. (ING U.S.'s publicly listed holding company) plans to change its name to Voya Financial, Inc.
- *May 1, 2014*
 - ING U.S. Investment Management will rebrand to Voya Investment Management
 - ING Employee Benefits business will begin using the Voya Financial brand
- *September 1, 2014*
 - All other businesses, including ING U.S. Retirement Solutions, will begin using the Voya Financial brand
 - All remaining ING U.S. legal entities that currently have names incorporating the ING U.S. brand will change their names to reflect the Voya brand



Rebranding Update

ING U.S. Becomes Voya Financial in 2014

In April 2013, ING U.S. revealed its future name and brand identity: Voya Financial. We announced the name prior to our May 1, 2013 initial public offering so that we could begin trading under the "VOYA" ticker symbol on the New York Stock Exchange.

This year, ING U.S. conducts its operational rebranding. You will begin to see the new name in the market during the second quarter as the various ING U.S. businesses and legal entities transition to Voya Financial according to the following schedule:

- On **April 7, 2014**, ING U.S., Inc., ING U.S.'s publicly listed holding company, plans to change its name to Voya Financial, Inc. In connection with this change, "Voya Financial" will start to appear in certain places such as investor relations materials and resources, on company press releases, and on the Voya.com public website, which will expand throughout the year as we add new content to the site.
- On **May 1, 2014**, ING U.S. Investment Management will rebrand to Voya Investment Management and the Employee Benefits business will begin using the Voya Financial brand.
- On **September 1, 2014**, all other businesses, including ING U.S. Retirement Solutions, will begin using the Voya Financial brand and all remaining ING U.S. legal entities that currently have names incorporating the ING U.S. brand will change their names to reflect the Voya brand.

Until rebranding starts, ING U.S. will operate with its current name and logo. As we conduct this process, you may see both the ING U.S. and Voya Financial names in use between April and September 2014.

One of the first communication events will be to notify clients and customers about the upcoming rebranding of ING U.S. Investment Management and the ING Funds. This communication, planned for February, will explain the timing of the name change and reinforce that nothing else about ING U.S. Investment Management or the ING Funds (such as their investment objective) will change as a result of the rebranding.

As key rebranding dates and events approach, we will continue to update you to ensure the transition is executed smoothly and successfully. Even though our name and logo will be different, the vision we have to be America's Retirement Company and the commitment we have to helping customers with their retirement readiness remains the same. The new brand will support our mission to make a secure financial future possible – one person, one family, one institution at a time.

Attached is an ING U.S. press release announcing additional rebranding details.

Products and services offered through the ING U.S. family of companies.
CND10714710-0216



Tax-Exempt Markets

We're thrilled to be teaming with new and retained clients in 2014

- Chosen as the exclusive service provider for the Regional University System of Oklahoma (RUSO) Retirement Savings Program
 - Includes six universities throughout Oklahoma, representing approximately \$150 million in assets under management and nearly 6,500 participants
- Retained as the service provider for the State of Michigan 401(k) and 457 retirement plans
 - Long-standing relationship with Michigan, which began in 1997
 - Over \$5.5 billion in assets under administration and approximately 150,000 participants in the combined plans



Jamie Ohl
Head of
Tax-Exempt Markets



Trends and Communication

News highlights this quarter:

- The ING U.S. relationship with the “City of Roses” continues to blossom
- ING U.S. extends its service relationship with the State of Michigan Retirement Program
- ING U.S. transition to Voya Financial starting in 2014
- Continuous digital innovation process drives upcoming website enhancements
- ING U.S. Retirement awarded “Best in Class” honors
- Participants benefit from introductory-level webcast on retirement investing



Fiduciary Support

Hot legislative topics this quarter:

- The DOL Releases Guidance on Same-Sex Marriage and Employee Benefit Plans
- House Passes Limited Moratorium on DOL Fiduciary Regulation
- Some Key Pension Limits Will Increase in 2014
- GAO Report Recommends Changes to Electronic Disclosure Rules

Starting in 2014, a new monthly topical e-newsletter called **“Retirement Update”** replaces Legislative e-Lert

- Enhanced in-depth focus on federal and selected state legislative and regulatory issues of interest to government sponsors



Internal Revenue Service

Two editions of Employee Plan News Published
 On December 9, 2013, Issue No. 2013-10 of Employee Plan News was released. http://www.irs.gov/pub/irs-soi/2013_p01
 One article provides a helpful summary of the recently released final regulations regarding the reduction or suspension of risk factor contributions that was discussed in the December, 2013 edition of Retirement Update. Another article explains the operation of annual contributions. Examples of annual control procedures detailed include the following:

- Compare member defined allocation limits with the amounts allocated from employees' wages
- Verify the types of contributions used for allocations, deferrals and rollovers
- Check that plan service providers correctly calculate contributions and earnings/losses
- Monitor annual contributions and compensation limits
- Verify that vest of service time accurately determined by eligibility and vesting
- Verify annual limits and special courses for plan distributions
- Ensure participants received required minimum distributions

Issue No. 2013-10 of Employee Plan News was published on December 19, 2013. http://www.irs.gov/pub/irs-soi/2013_p01

- Changing agreement impacts 401(k) plan sponsors to receive income or excess tax issues that cannot be corrected under the Employee Plan Compliance Resolution System (EPCRS).
- Limited, temporary relief from nondiscrimination requirements available for closed defined benefit plans.
- Tips to expedite the determination letter application process.
- Summary of up-plan Rollover guidance, including extensions of the deadline to add Rollover proceeds.
- Reminds that charitable contributions of up to \$100,000 per year can be directly transferred to one by IRA owners, age 70½ or over, to an eligible charity before December 31.

IRS Explains Advantages of Saver's Credit

On December 4, 2013, the IRS published Information Release 2013-01, which explains how low and moderate income workers can take advantage of using the retirement credit against the credit on 2013 and the years beyond. <http://www.irs.gov/irs-soi/2013-soi/20130101-01>

No part of this document is intended to provide tax or legal advice. Any questions involving tax or legal matters should be directed to your plan's legal counsel or an advisor. For financial professional Plan Sponsors use only. Not for public distribution.



2014 Planned Proprietary Studies

Retirement Experience Study

- Results of a study of over 2,400 pre-retirees and retirees to observe and contrast their experiences and behaviors
- The study will compare pre-retirees' expectations with actual retiree experiences
 - Compare and contrast planning and saving behaviors
 - Explore retirement and pre-retirement from a holistic perspective:
 - Lifestyle, activity, income, planning, health, and the role of advisors / employers
 - Establish areas of opportunity and planning gaps

Millennials Research Study

- Results of a study of over 1,500 Millennials working both full and part-time to observe their current attitudes and behaviors regarding their financial future, including:
 - Status of their current financial situation and their expectations for the next five years
 - Status of student loan debt and its impact on their financial present and future
 - Perceptions about personal financial investing, financial advice and risk
 - Perceptions about their financial expectations for their future and retirement

ING Investment Management

ING Global Perspectives

- In a world awash with statistics, ING Global Perspectives bridges the insight gap, offering timely, consolidated, actionable information to drive investment decisions, delivering key market data and transforming it into practical investment applications

www.ingglobalperspectives.com

January, 2014

Doug Cote, CFA, Chief Market Strategist

Effective Diversification: The 2014 Edition

- While the U.S. market was dominant in 2013, broad global equity diversification contributed to positive investment returns

ING INVESTMENT MANAGEMENT

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"I created a custom PDF for my clients on Global Perspectives and love it! Thanks - the personalization is a great feature."
-Tom Roulston, Advisor, UBS

Daily Blog

Spreading Currency Crisis Raises More Questions for the Fed

"Currency Turmoil Spills into Europe" reports today's Wall Street Journal and opens with "The Hungarian forint..."

[Read more](#) [View all](#)

Weekly Market Update

Earnings Growth Exceeds Forecasts While 74% Beat Expectations

Of the 251 S...

[Download](#) [View all](#)

Latest Market Outlook

Effective Diversification: The 2014 Edition

While the U.S. market was dominant in 2013, broad global equity diversification contributed ...

[Download](#) [View all](#)

ING Investment Management

ING Market Perspectives

- Insights to help efficiently manage the speed and complexity of capital markets information flow from ING U.S. Investment Management's deep and experienced investment teams, which span the range of asset classes and investment disciplines in today's complex markets
- This program offers concise monthly and quarterly commentaries on the global economy, capital markets, asset classes / allocations, sectors and portfolios

www.ingfunds.com/campaign/IFP

ING INVESTMENT MANAGEMENT

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Financial Advisors Set Default Site Log In

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ING Investment Management Market Perspectives

Effective Diversification: The 2014 Edition
Douglas Coak, CFA, Chief Market Strategist
While the U.S. market was dominant in 2013, broad global equity diversification contributed to positive investment returns.
[PDF](#)

Global Perspectives: Weekly Commentary and Statistics
U.S. equity markets sold off sharply during the week, punctuated by 2%+ declines on Friday, as concerns about China and other emerging markets drove investors away from risky assets. The CBOE index of market volatility spiked nearly 50% during the week, while yield on the benchmark ten-year Treasury continue to drift lower, ending the period around 2.73%.
[PDF](#)

Asset Allocation Views: A Look Into 2014
Paul Zemsky, CFA, CIO, Multi-Asset Strategies, Derek Szveid, CFA, Head of Asset Allocation, Jon Kieczka, CFA, Asset Allocation Analyst
While the majority of risk assets enjoyed strong returns during 2013, the transition to 2014 has been anything but smooth, with performance volatile across regions during the first few weeks of the new year. While earnings should drive market returns in the U.S. and Europe, emerging markets may remain unloved.
[PDF](#)

Fixed Income Perspectives - December 2013
Christine Hirtzellers, CFA, CIO Fixed Income, Matt Tomz, CFA, Head of U.S. Public Fixed Income
Certain that Saint Bernanke-olias and his dovish successor Janet Yellen would continue to bestow the gift of a near-zero federal funds rate until 2015-16, equities rallied on the taper announcement, while bond markets were on their best behavior. Bond market stability going forward will depend on the Fed's ability to effectively manage the trip back to a more-normal rate policy.
[PDF](#)

Market Review: December 2013 - Accentuate the Positive
Daniel P. Donnelly, Head of Investment Communications
Even the announcement of the long-dreaded Fed tapering wasn't enough to shake the confidence of investors, who chose to focus on the upbeat economic trends driving the decision rather than the potential drag of reduced central bank bond buying. Of course, enhanced forward guidance promising a federal funds rate anchored near zero for the foreseeable future didn't hurt either. The combination allowed a number of equity indexes to close out the year at all-time highs.
[PDF](#)

GLOBAL PERSPECTIVES
Markets, Insights, Opportunities.

News from ING Investment Management

www.ingfunds.com/Campaign/IFP



Fourth Quarter Market Review: Bring on the Dancing Horses

By **Dan Donnelly**, Head of Investment Communications

“Even the announcement of the long-dreaded Fed tapering wasn’t enough to shake the confidence of investors, who chose to focus on the upbeat economic trends driving the decision rather than the potential drag of reduced central bank bond buying. Of course, enhanced forward guidance promising a federal funds rate anchored near zero for the foreseeable future didn’t hurt either. The combination allowed a number of equity indexes to close out the year at all-time highs.”



Asset Allocation Views: A Look into 2014

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Visit <http://www.inginvestment.com> for information on ING Investment Management



Fixed Income Perspectives – December 2013

By **Christine Hurtsellers**, CIO Fixed Income

“Certain that Saint Bernanke-olas and his dovish successor Janet Yellen would continue to bestow the gift of a near-zero federal funds rate until 2015–16, equities rallied on the taper announcement, while bond markets were on their best behavior. Bond market stability going forward will depend on the Fed’s ability to effectively manage the trip back to a more-normal rate policy.”

ING Investment Management (continued)

For more complete information, or to obtain a prospectus on any ING Fund, please contact your investment professional or ING Investments Distributor, LLC at 800-992-0180 for a prospectus. The prospectus should be read carefully before investing. Consider the investment objectives, risks, and charges and expenses carefully before investing. The prospectus contains this information and other information about the funds. Check with your Investment Professional to determine which funds are available for sale within their firm. Not all funds are available for sale at all firms.

This commentary has been prepared by ING Investment Management U.S. for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) changes in laws and regulations and (4) changes in the policies of governments and/or regulatory authorities. The opinions, views and information expressed in this commentary regarding holdings are subject to change without notice. The information provided regarding holdings is not a recommendation to buy or sell any security. Fund holdings are fluid and are subject to daily change based on market conditions and other factors.

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Executive Summary

Executive Summary

Assets and Cash Flow

- Total plan assets = \$1.566 billion as of December 31, 2013
 - Increase of 11% over the past 12 months
- Net cash flow increased to positive \$5.9 million
 - Rollover contributions decreased to \$8.2 million
 - Participants with Roth now up to 936 – 162 more than Q3 2013
 - Roth contributions increased 17% to \$517,713 for the quarter

Investment Composition

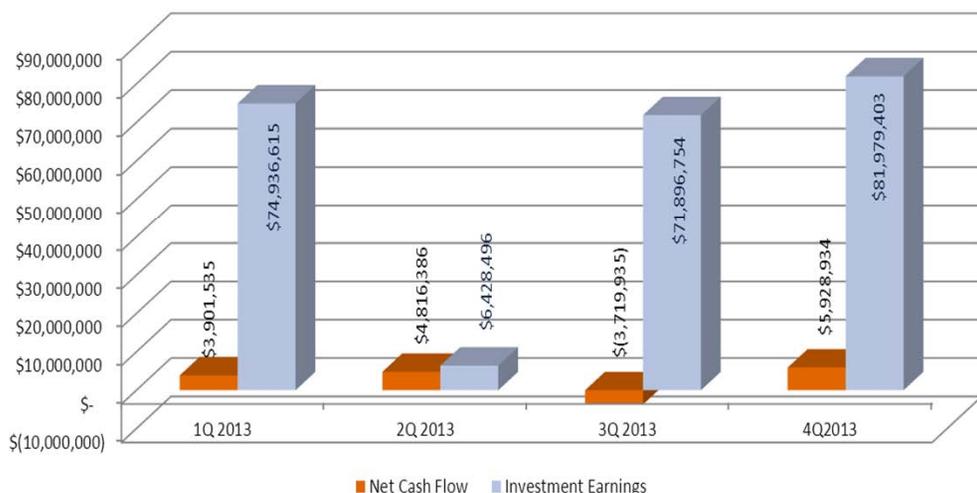
- Overall asset and contribution allocations remained consistent through 2013
- The LifePath Options hold 27% of plan assets
- The Intermediate Bond Option again realized the greatest Net Transfers Out (\$3.4 million)
- The Stable Value Option realized the greatest Net Transfers In of \$2.4 million

Participant Activity

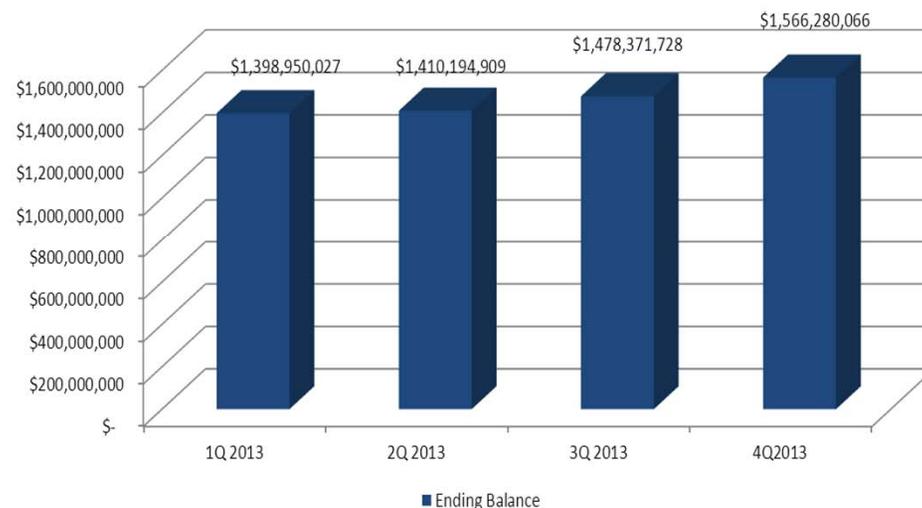
- Web sustained over 32,000 hits per month on average
- Web visitors averaged 1,000 web-based transactions each month
- Mobile application transactions increased up from 10 in Q1 to 41 for the quarter
- 25 of 41 mobile transactions were changes to deferral amounts

Net Cash Flow and Earnings by Quarter

Net Cash Flow and Earnings



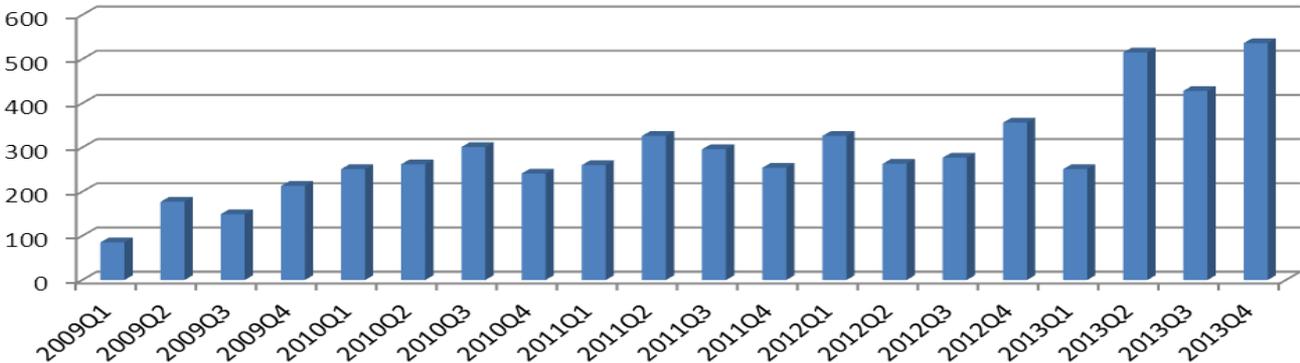
Ending Balance



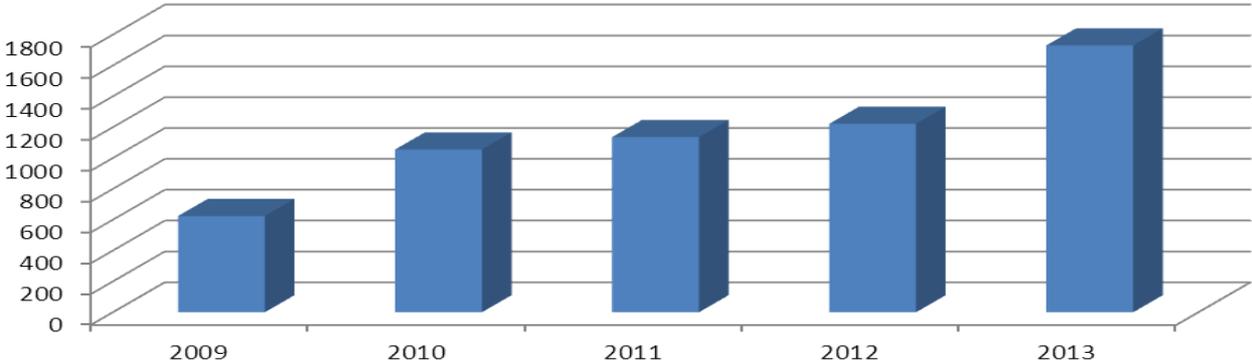
	1Q 2013	2Q 2013	3Q 2013	4Q 2013	Last 12 months
Beginning Balance	\$ 1,320,111,877	\$ 1,398,950,027	\$ 1,410,194,909	\$ 1,478,371,728	\$ 1,320,111,877
Net Cash Flow	\$ 3,901,535	\$ 4,816,386	\$ (3,719,935)	\$ 5,928,934	\$ 10,926,921
Investment Earnings	\$ 74,936,615	\$ 6,428,496	\$ 71,896,754	\$ 81,979,403	\$ 235,241,267
Ending Balance	\$ 1,398,950,027	\$ 1,410,194,909	\$ 1,478,371,728	\$ 1,566,280,066	\$ 1,566,280,066

Enrollment Trends

Enrollments by Quarter

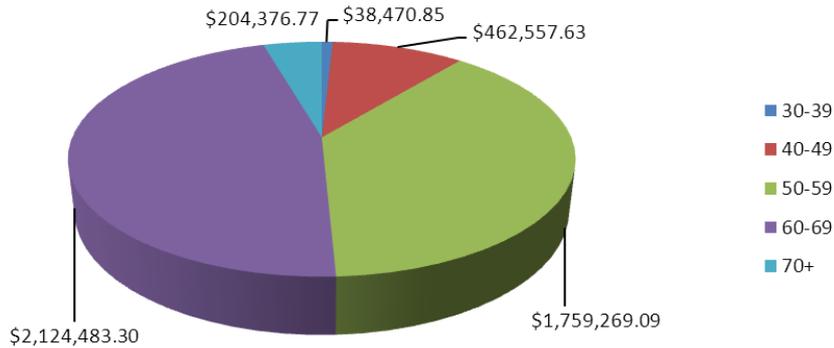


Enrollments by Year

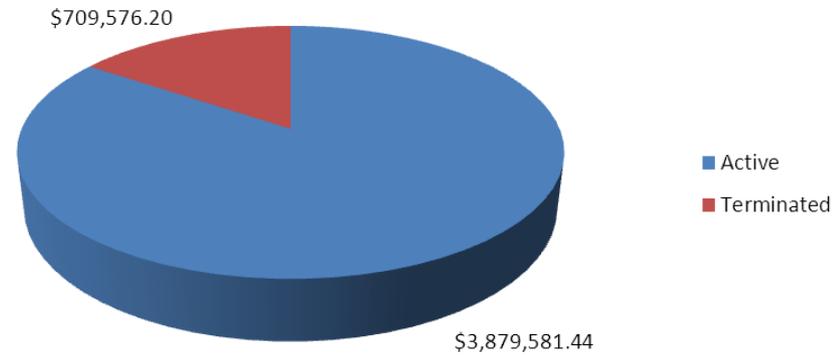


Self Directed Brokerage Accounts

SDB Accounts by Age Band



SDB Accounts by Status



AGE BAND	Total	Total Dollars	Average
30-39	2	\$ 38,470.85	\$ 19,235.43
40-49	12	\$ 462,557.63	\$ 38,546.47
50-59	23	\$ 1,759,269.09	\$ 76,489.96
60-69	23	\$ 2,124,483.30	\$ 92,368.84
70+	3	\$ 204,376.77	\$ 68,125.59
Grand Total	63	\$ 4,589,157.64	\$ 72,843.77

STATUS	Total	Total Dollars	Average
Active	53	\$ 3,879,581.44	\$ 73,199.65
Terminated	10	\$ 709,576.20	\$ 70,957.62
Grand Total	63	\$ 4,589,157.64	\$ 72,843.77

Local Office Update

On-site Education & Support

4rd Quarter 2013

Activity

- Educational Seminars: 53
Attendance: 908
- Individual Meetings: 327

Notable Events

- Higher Education benefit fairs at OIT, OSU, U of O, SOU, WOE, EOU and PSU various dates in October and November
- National Save for Retirement Week open houses in Portland, Salem and Eugene
- Oregon Youth Authority benefits fair-Bend

On-site Education & Support

1. How did you find out about the seminar?

Human Resources/Employer	71%
Mailing	8%
E-mail	11%
Poster/Flyer at Worksite	5%
Co-worker	3%
Other (website, etc.)	2%

If you took any action in your account as a result of education in the seminar, what

Increased contributions	41%
Reviewed my investments	49%
No action taken	18%
Other, please specify	7%

If not currently participating in OSGP, will

Yes	83%
No	17%

4. What is your age range?

Age Range	Percentage
Less than 30	13%
30 to 40	16%
41 to 50	28%
51 to 60	33%
61 to 70	10%
71 to 80	0%
More than 80	0%

5. What is your preferred way to receive education?

On-site seminars	74%
Individual consultations	20%
Mailings	3%
Web seminars/recordings	3%

26% Response Rate

Comments from the Field

“I loved calculating a savings goal. Now I have a number to shoot for!”

- Robert M.

“Thanks for coming out at 6:00 am. I appreciate you being flexible with time and presenting to our three shifts.”

- Sharon W., DOC

“Thanks for holding an open house in Portland. I was able to attend and sign up for the program.”

- Erica., DHS

“The retirement workshop was great. I love how flexibility of OSGP distribution options.”

- Bonnie

2013 Goals and Results

Group Meetings—Goal 180

Results—Actual 224 (124% of Goal)

Individual Appointments—Goal 1,200

Results—Actual 1,292 (107% of Goal)

Enrollments—Goal 420

Results—Actual 1,778 (423% of Goal)

Rollover Ins—Goal \$9,350,000

Results—Actual \$37,635,990 (402% of Goal)

2014 Goals

Group Meetings—Goal 192

Individual Appointments—Goal 1,200

Enrollments—Goal 480

Rollover Ins—Goal \$12,000,000



Rollover Summary

Q4 2013

Rollovers Out

Institution	# of Rollovers	% of Total	\$ Rolled
PERS Purchase of Service	80	39%	\$733,595
Fidelity	12	6%	\$932,910
Charles Schwab	9	4%	\$542,613
Edward Jones	9	4%	\$967,425
Pershing LLC	9	4%	\$1,277,672
All Others	84	43%	\$8,040,270

Rollovers In

Institution	# of Rollovers	% of Total	\$ Rolled
IAP	108	8%	\$5,052,061
All Others	115	52%	\$3,194,342



Communications Update

Marketing & Communications Review Q4

Overview of Q4 Initiatives

Q3 Newsletter
NS4RW 2013

Comeback Campaign

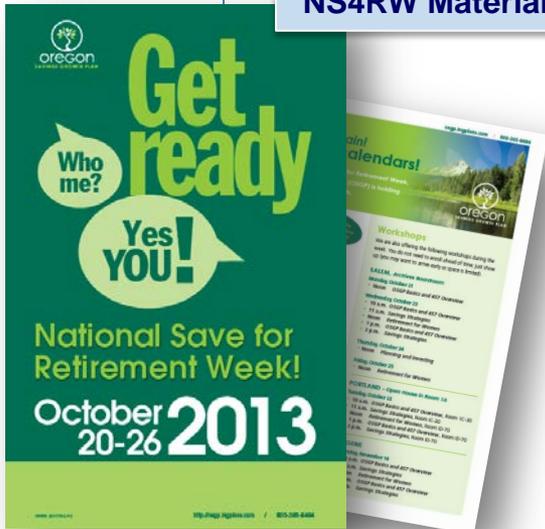
Evaluate Results

October

November

December

NS4RW Materials



Q3 Newsletter
Promo



Mailed Nov 1 to ~
4,000 participants

of QR Code scans
on mailer = 9

of returned biz
reply cards = 39
(1%)

of clicks on
website messaging
= 1,329



Marketing & Communications Review Q4

Overview of Q4 Initiatives

**Q4 Newsletter
COLA updates**

**Material and Form
refresh for 2014**

**Diversification
Campaign**

January

February

March

Newsletters

Plan Update Online

Your plan. Your News. Your Future.

Catch up on the current or past issues of your quarterly participant newsletter.

Fourth Quarter 2013

Read the [Fourth Quarter 2013 News](#)

In this issue:

- 2014 Contribution Limits
- A potential tax credit on Plan contributions
- Employees flocked to 2013 NS4RW events
- Ask Kathy

**Q4 Newsletter
Mailed & Online**

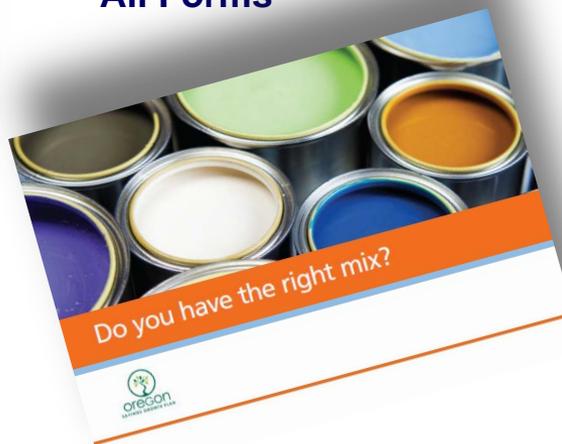
**3rd
most
visited**



**Q4 Newsletter
Promo**

Newsletter Now
4th Quarter Plan
Newsletter Now
Online
Catch up on the current
or past issues of your
quarterly participant

- **Enrollment Kit**
- **Severance Packet**
- **Beneficiary Benefit Application packet**
- **All Forms**



Goal

- Increase diversification

Target

- One fund investors (not including those in a target retirement date fund)
- Target specific age groups

Deliverables

- Personalized mailer – March 2014
- Newsletter article Q1 2014
- Online promotion osgp.ingplans.com
- Email (if we have addresses)



Fourth Quarter 2013 Report

Cash Flow Summary

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN

Cash In

Employee Before-tax Contributions	17,470,913.80
Employee After-tax Contributions	0.00
Roth 457 Contributions	517,713.87
Roth 457 Conversion	25,000.00
Roth Qual Plan Conversion	0.00
Rollover Contributions	8,276,726.11
Employer Contributions	0.00
Loan Repayments	964,507.63
Conversions In	0.00
Transfers In	49,400,568.96
Other	1,298,701.4

Total Cash In

\$77,954,131.86

Cash Out

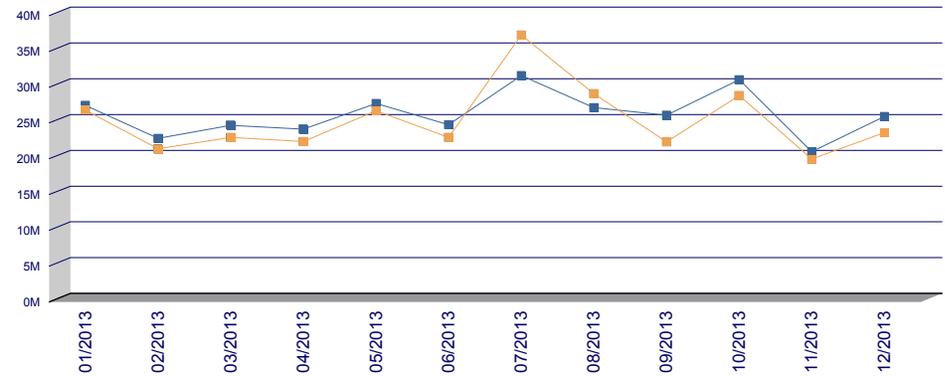
Withdrawals	2,852,868.19
Installment Payments	3,314,259.82
Terminations	14,420,662.98
Loans Issued	1,398,842.28
Conversions Out	0.00
Fees	8,775.00
Transfers Out	49,091,424.54
Other	1,298,701.49

Total Cash Out

(\$72,385,534.30)

Net Cash Flow

\$5,568,597.56



	Cash In	Cash Out	Net Cash
Jan 2013	\$27,445,722.82	\$26,780,604.15	\$665,118.67
Feb 2013	\$22,863,880.55	\$21,366,216.08	\$1,497,664.47
Mar 2013	\$24,677,882.25	\$22,964,447.08	\$1,713,435.17
Apr 2013	\$24,126,719.26	\$22,402,158.16	\$1,724,561.10
May 2013	\$27,710,555.88	\$26,694,399.05	\$1,016,156.83
Jun 2013	\$24,741,856.75	\$22,964,764.38	\$1,777,092.37
Jul 2013	\$31,624,270.90	\$37,292,522.65	-\$5,668,251.75
Aug 2013	\$27,133,871.19	\$29,095,943.44	-\$1,962,072.25
Sep 2013	\$26,069,036.53	\$22,349,923.24	\$3,719,113.29
Oct 2013	\$31,047,072.78	\$28,807,923.48	\$2,239,149.30
Nov 2013	\$21,006,452.81	\$19,952,915.05	\$1,053,537.76
Dec 2013	\$25,900,606.27	\$23,624,695.77	\$2,275,910.50
Total	\$314,347,927.99	\$304,296,512.53	\$10,051,415.46



Investment Balances by Quarter

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN

Investment Name	Q1 2013	Q2 2013	Q3 2013	Q4 2013
SHORT TERM FIXED OPTION	\$50,364,901.09	\$49,936,034.56	\$49,311,621.84	\$47,250,041.26
STABLE VALUE OPTION	\$190,902,255.81	\$191,489,983.69	\$195,085,805.56	\$195,543,112.96
LIFEPATH RETIREMENT FUND	\$101,508,863.81	\$99,498,494.79	\$99,419,187.02	\$99,373,200.32
LIFEPATH 2015 FUND	\$92,920,862.65	\$91,381,506.84	\$94,700,757.16	\$96,679,238.08
LIFEPATH 2020 FUND	\$76,101,299.09	\$75,911,726.71	\$79,997,435.69	\$84,896,613.28
LIFEPATH 2025 FUND	\$39,529,539.82	\$40,624,785.23	\$43,544,078.46	\$47,052,484.90
LIFEPATH 2030 FUND	\$27,874,367.11	\$28,739,715.95	\$30,697,858.69	\$33,049,442.51
LIFEPATH 2035 FUND	\$18,936,913.15	\$19,609,981.90	\$21,178,130.17	\$22,546,148.76
LIFEPATH 2040 FUND	\$9,796,429.76	\$10,273,234.02	\$11,101,250.61	\$12,527,871.79
LIFEPATH 2045 FUND	\$4,334,257.87	\$4,634,972.93	\$5,526,552.14	\$6,380,615.94
LIFEPATH 2050 FUND	\$7,584,075.65	\$8,039,401.14	\$8,747,856.09	\$9,685,604.13
LIFEPATH 2055 FUND	\$746,988.31	\$1,071,174.06	\$1,362,774.29	\$1,914,819.87
INTERMEDIATE BOND OPTION	\$113,099,743.61	\$105,092,297.00	\$96,835,864.53	\$93,730,798.38
LARGE COMP VALUE STOCK OPTION	\$117,234,140.49	\$124,385,531.73	\$132,957,395.16	\$148,500,971.48
STOCK INDEX OPTION	\$134,780,613.67	\$140,233,436.64	\$148,711,252.61	\$164,895,613.69
LARGE COMP GROWTH STOCK OPTION	\$113,099,896.26	\$114,908,894.02	\$124,722,519.08	\$139,819,641.03
INTERNATIONAL STK OPTION	\$99,313,524.58	\$97,337,568.92	\$105,512,364.07	\$111,930,458.07
SM/MID SIZE CO STK OPTION	\$189,354,642.42	\$195,206,826.38	\$216,036,725.72	\$236,638,849.04
SCHWAB PCRA	\$3,276,472.26	\$3,255,679.26	\$4,088,717.16	\$4,574,207.18



Asset Class by Quarter

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN

Asset Class	Q1 2013	Q2 2013	Q3 2013	Q4 2013
International Equity	\$99,313,524.58	\$97,337,568.92	\$105,512,364.07	\$111,930,458.07
Lifestyle/Balanced	\$379,333,597.22	\$379,784,993.57	\$396,275,880.32	\$414,106,039.58
Stable Value/Money Market	\$241,267,156.90	\$241,426,018.25	\$244,397,427.40	\$242,793,154.22
Stock Index	\$247,880,509.93	\$255,142,330.66	\$273,433,771.69	\$304,715,254.72
US Fixed Income	\$113,099,743.61	\$105,092,297.00	\$96,835,864.53	\$93,730,798.38
US Large Cap Equity	\$117,234,140.49	\$124,385,531.73	\$132,957,395.16	\$148,500,971.48
US Small Cap Equity	\$189,354,642.42	\$195,206,826.38	\$216,036,725.72	\$236,638,849.04



Contributions by Fund

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN

Investment Name	Q1 2013	Q2 2013	Q3 2013	Q4 2013
INTERMEDIATE BOND OPTION	\$1,979,227.01	\$1,754,658.71	\$1,793,631.39	\$1,563,303.72
INTERNATIONAL STK OPTION	\$1,789,095.45	\$1,681,226.57	\$1,808,118.54	\$1,829,369.86
LARGE COMP GROWTH STOCK OPTION	\$1,781,817.78	\$1,677,751.93	\$2,127,850.39	\$1,993,106.02
LARGE COMP VALUE STOCK OPTION	\$1,775,454.38	\$1,784,502.82	\$2,253,282.60	\$2,080,398.21
LIFEPATH 2015 FUND	\$1,884,249.93	\$2,442,863.57	\$2,350,855.84	\$2,312,324.93
LIFEPATH 2020 FUND	\$1,863,512.88	\$2,114,842.59	\$2,211,250.80	\$1,796,560.85
LIFEPATH 2025 FUND	\$1,489,258.58	\$1,361,901.40	\$1,469,139.95	\$1,646,090.95
LIFEPATH 2030 FUND	\$1,073,147.92	\$1,171,418.57	\$1,119,869.64	\$921,626.73
LIFEPATH 2035 FUND	\$903,701.26	\$782,710.24	\$759,327.98	\$823,487.69
LIFEPATH 2040 FUND	\$413,694.56	\$531,116.42	\$634,473.64	\$492,025.86
LIFEPATH 2045 FUND	\$241,321.97	\$298,383.99	\$294,567.20	\$365,061.62
LIFEPATH 2050 FUND	\$292,956.85	\$317,475.28	\$317,002.59	\$396,715.30
LIFEPATH 2055 FUND	\$25,685.55	\$47,745.90	\$72,342.98	\$165,560.19
LIFEPATH RETIREMENT FUND	\$1,475,340.41	\$2,461,592.15	\$1,742,068.53	\$1,268,306.75
SHORT TERM FIXED OPTION	\$724,221.61	\$668,639.45	\$1,021,841.32	\$811,371.87
SM/MID SIZE CO STK OPTION	\$2,569,986.65	\$2,498,419.07	\$3,722,319.96	\$2,916,278.99
STABLE VALUE OPTION	\$2,419,853.27	\$2,686,763.60	\$2,882,889.60	\$2,604,759.76
STOCK INDEX OPTION	\$1,682,998.03	\$1,957,655.67	\$2,761,213.57	\$2,300,265.98
Total	24,385,524.09	26,239,667.93	29,342,046.52	26,286,615.28



Contributions by Source

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN

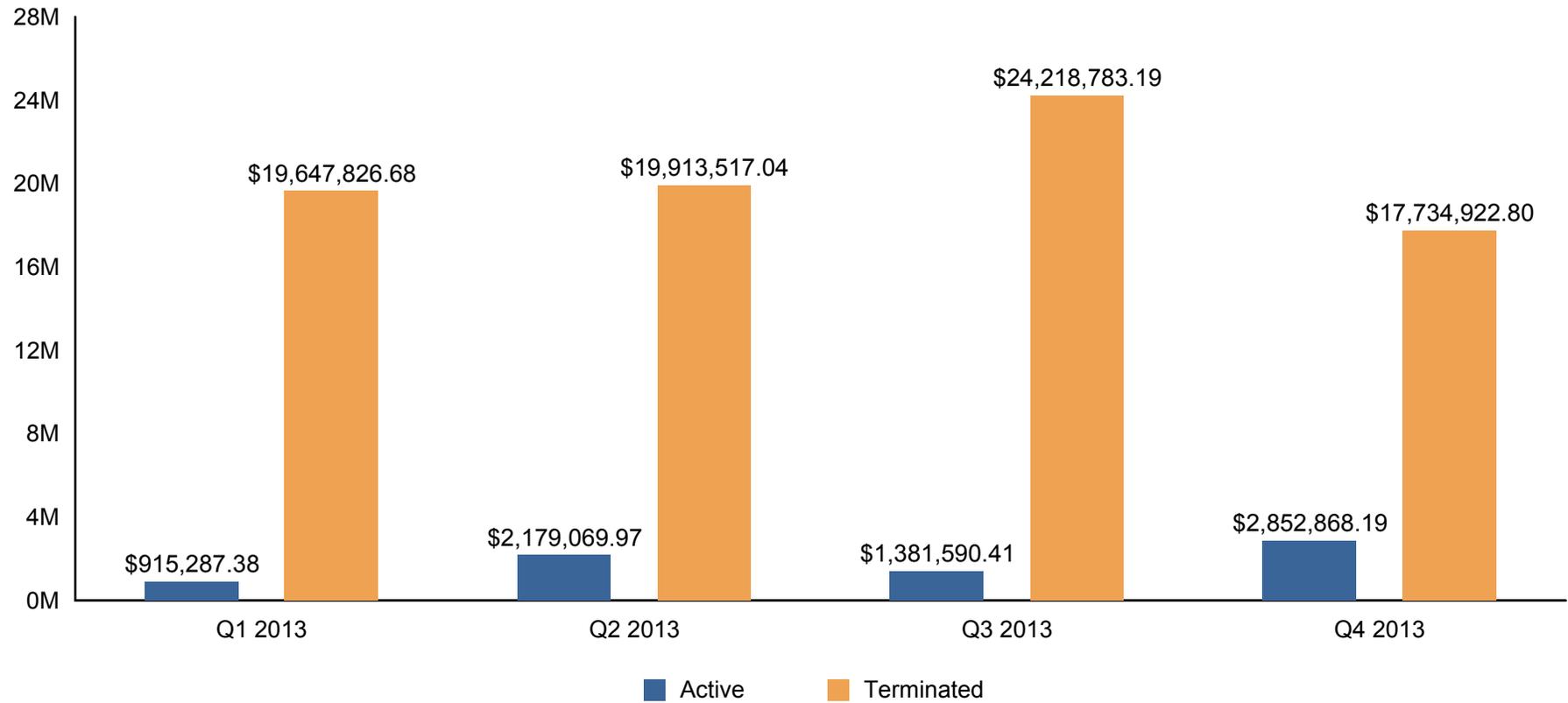
Source Name	October 2013	November 2013	December 2013	Total
Employee Before-tax Contributions	\$5,666,825.85	\$5,728,819.75	\$6,070,418.20	\$17,466,063.80
Rollover Contributions	\$3,220,448.90	\$2,579,747.28	\$2,476,529.93	\$8,276,726.11
Roth 457 Contributions	\$160,986.17	\$178,328.73	\$178,398.97	\$517,713.87
Roth 457 Conversion	\$0.00	\$0.00	\$25,000.00	\$25,000.00
Total	\$9,048,260.92	\$8,486,895.76	\$8,751,458.60	\$26,286,615.28

Source Name	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Total
Employee Before-tax Contributions	\$16,725,020.80	\$17,150,467.81	\$16,723,207.31	\$17,466,063.80	\$68,064,759.72
Rollover Contributions	\$7,354,364.85	\$8,644,089.56	\$12,186,522.79	\$8,276,726.11	\$36,461,703.31
Roth 457 Contributions	\$276,138.44	\$386,798.00	\$431,816.42	\$517,713.87	\$1,612,466.73
Roth 457 Conversion	\$30,000.00	\$52,081.73	\$500.00	\$25,000.00	\$107,581.73
Total	\$24,385,524.09	\$26,239,667.93	\$29,342,046.52	\$26,286,615.28	\$106,253,853.82



Total Distributions

Period Ending December 31, 2013

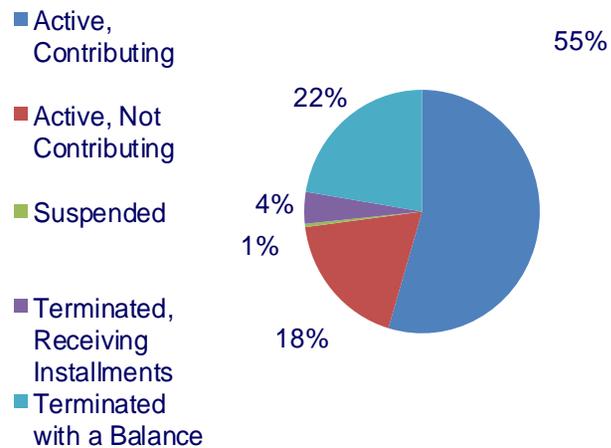


Total Distributions	
Active	\$7,328,815.95
Terminated	\$81,515,049.71

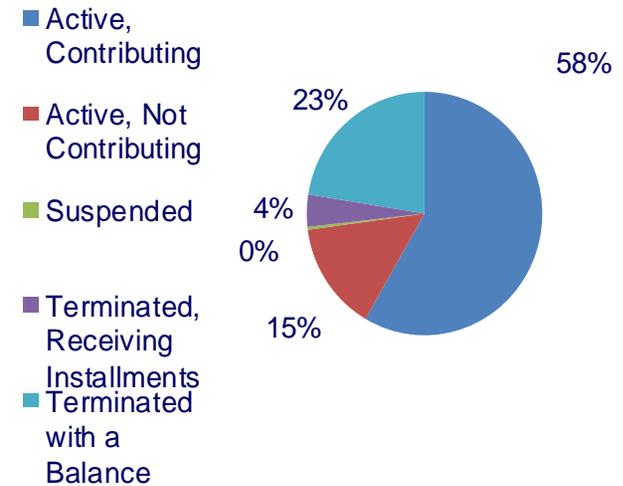


Participant Status Summary

As of September 30, 2013



As of December 31, 2013



Participant Status	Number of Participants
Active, Contributing	13,345
Active, Not Contributing	4,483
Suspended	104
Terminated, Receiving Installments	1,034
Terminated with a Balance	5,470
Total:	24,436

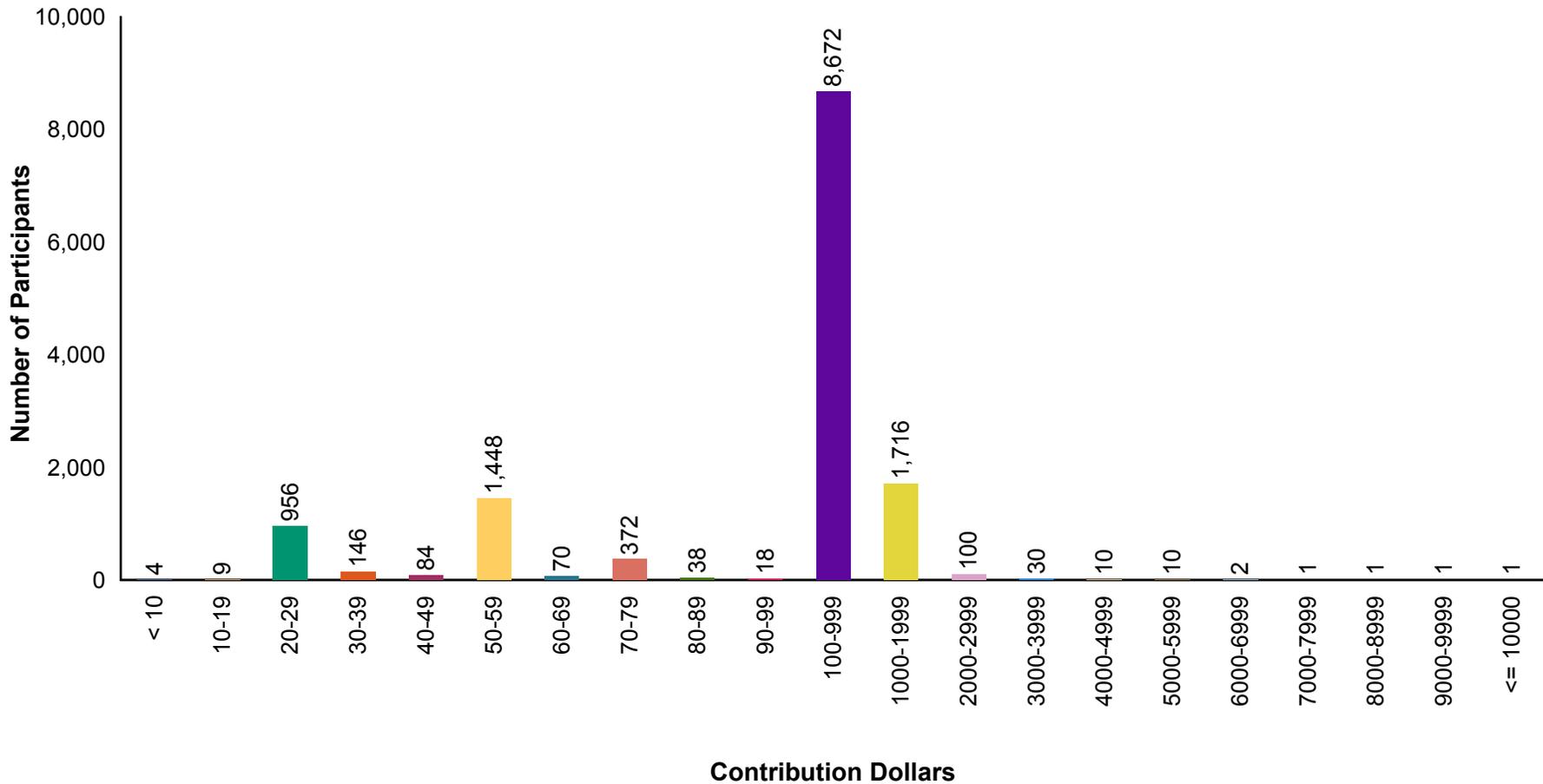
Participant Status	Number of Participants
Active, Contributing	14,444
Active, Not Contributing	3,592
Suspended	96
Terminated, Receiving Installments	1,056
Terminated with a Balance	5,566
Total:	24,754



Before-Tax Contribution Amount Summary

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN



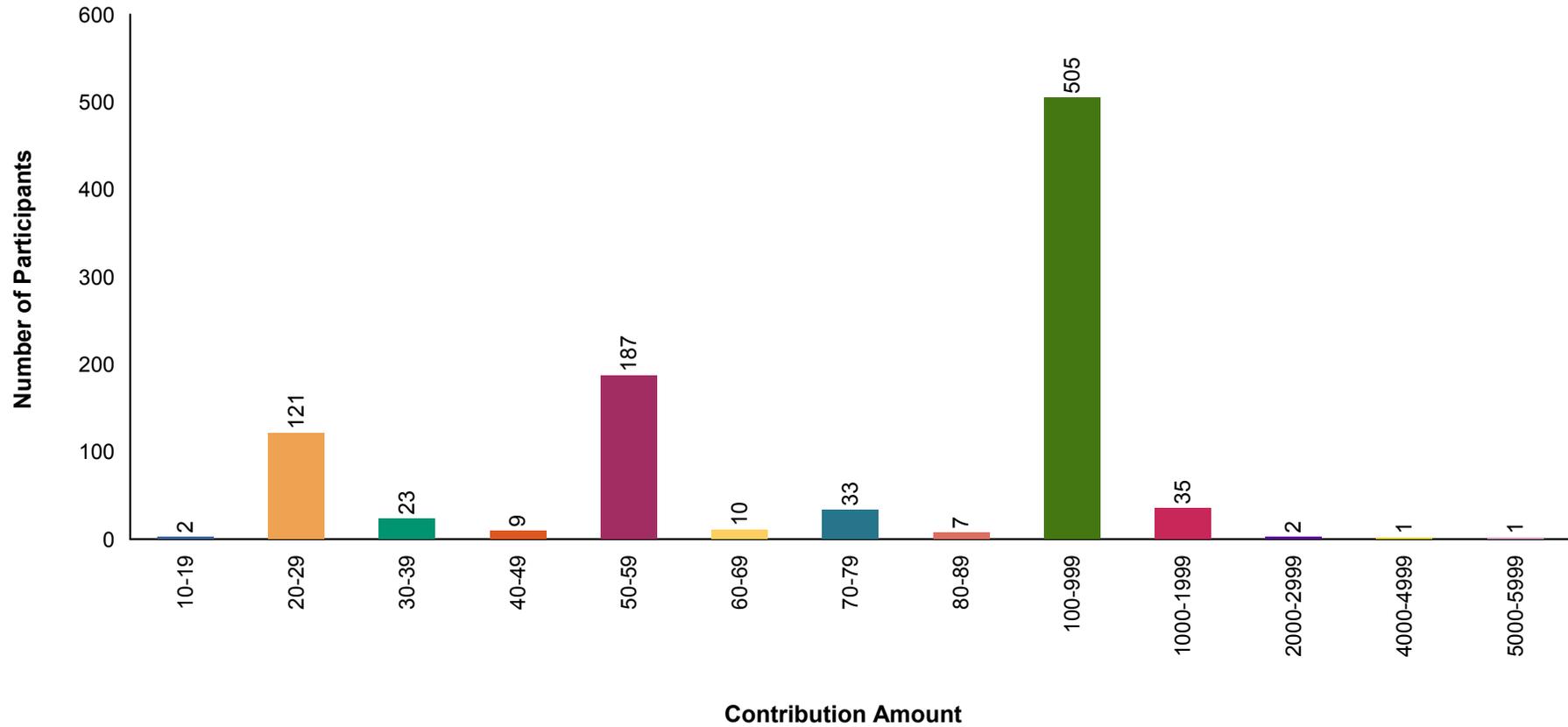
Total Number of Participants: 13,689



Roth Contribution Amount Summary

As of December 31, 2013

OREGON SAVINGS GROWTH PLAN



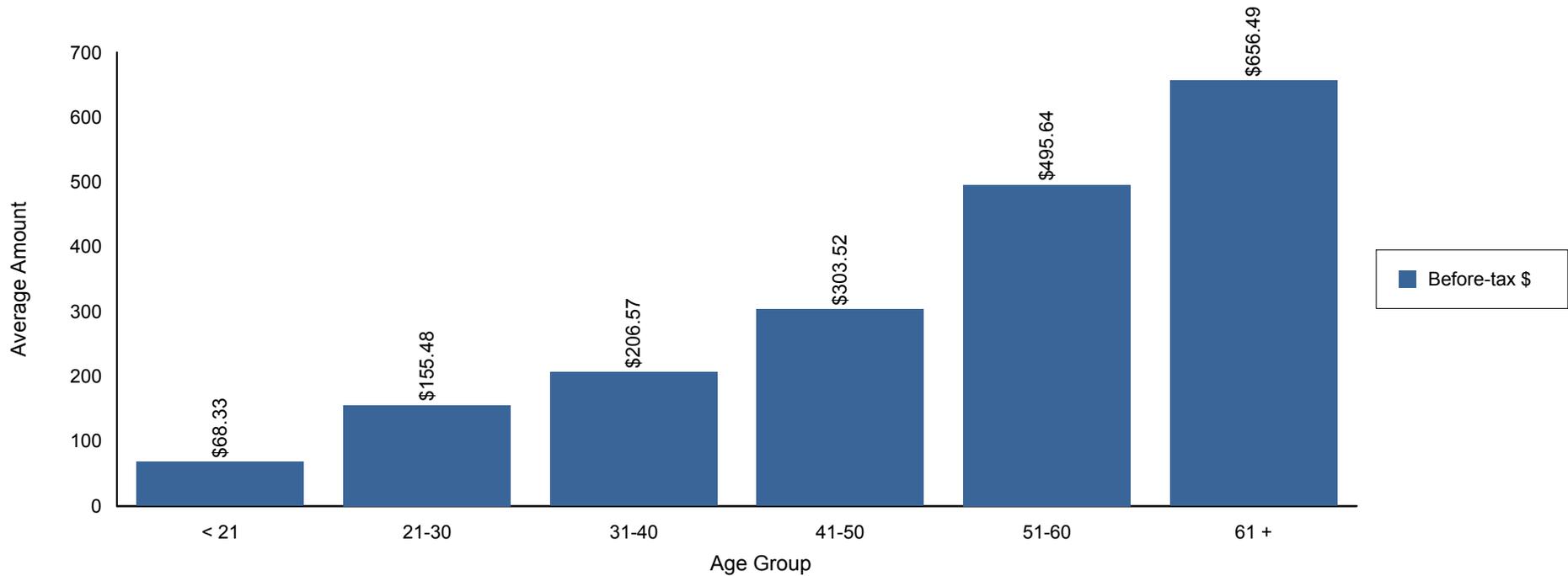
Total Number of Participants: 936



Average Contribution Amount

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN



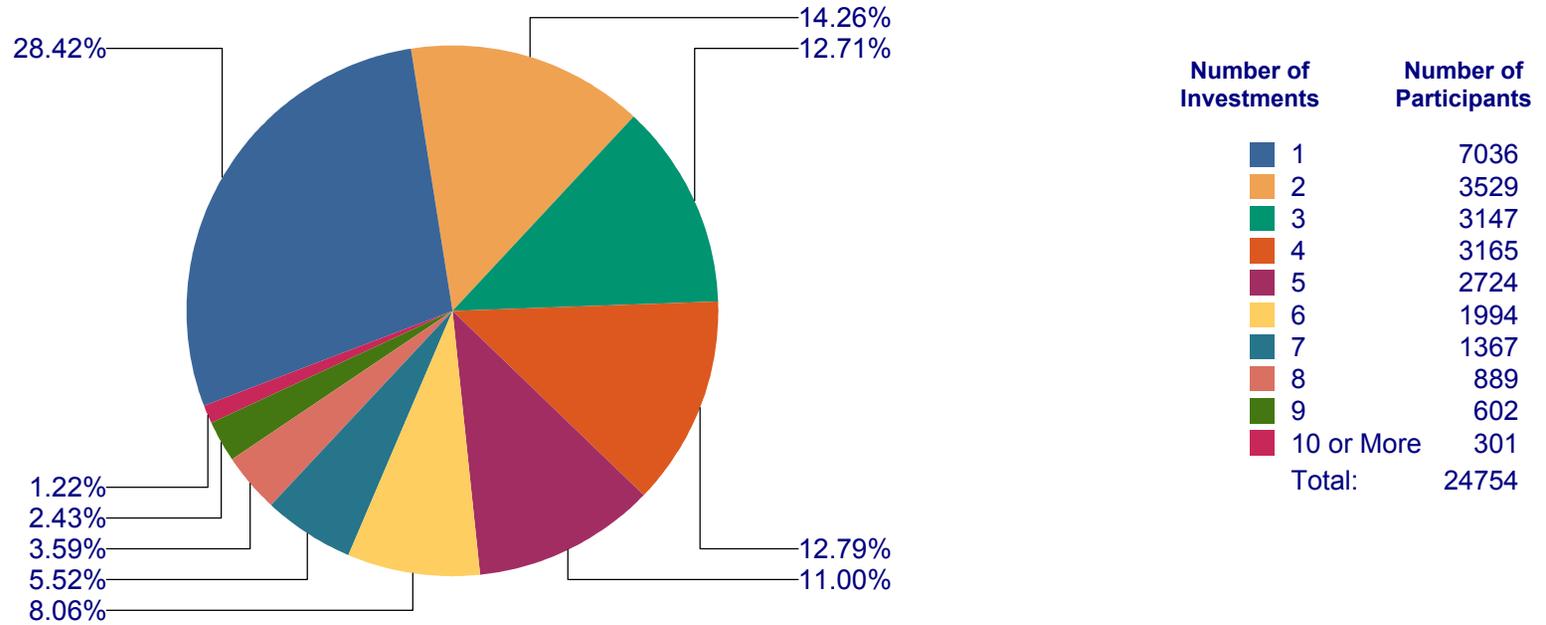
< 21	\$68.33
21-30	\$155.48
31-40	\$206.57
41-50	\$303.52
51-60	\$495.64
61 +	\$656.49
Average	\$402.62



Participants with Balances by Number of Investments

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN



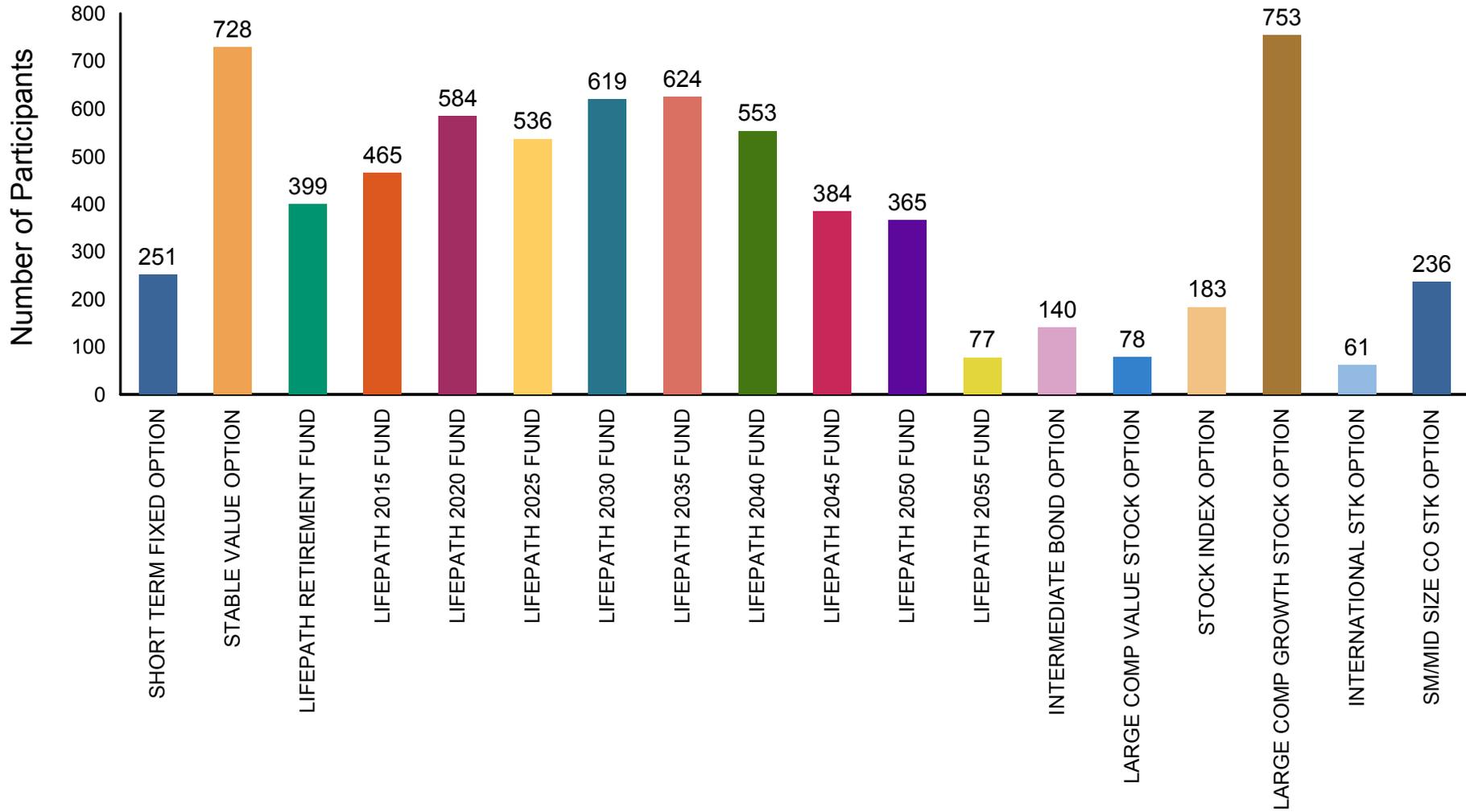
Average Number of Funds: 4



Participants with a Balance in a Single Investment

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN



Loan Summary

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN

Total Participants with Loans:	1,387
Total Number of Outstanding Loans:	1,387
Number of General Loans:	1,341
Number of Residential Loans:	46
Total Outstanding Loan Balance:	\$9,071,400.41
General Loan Balance:	\$8,247,756.13
Residential Loan Balance:	\$823,644.28
Number of Re-amortized Loans during the period:	5
Number of Loan Defaults during the period:	0

Balances by Investment

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN

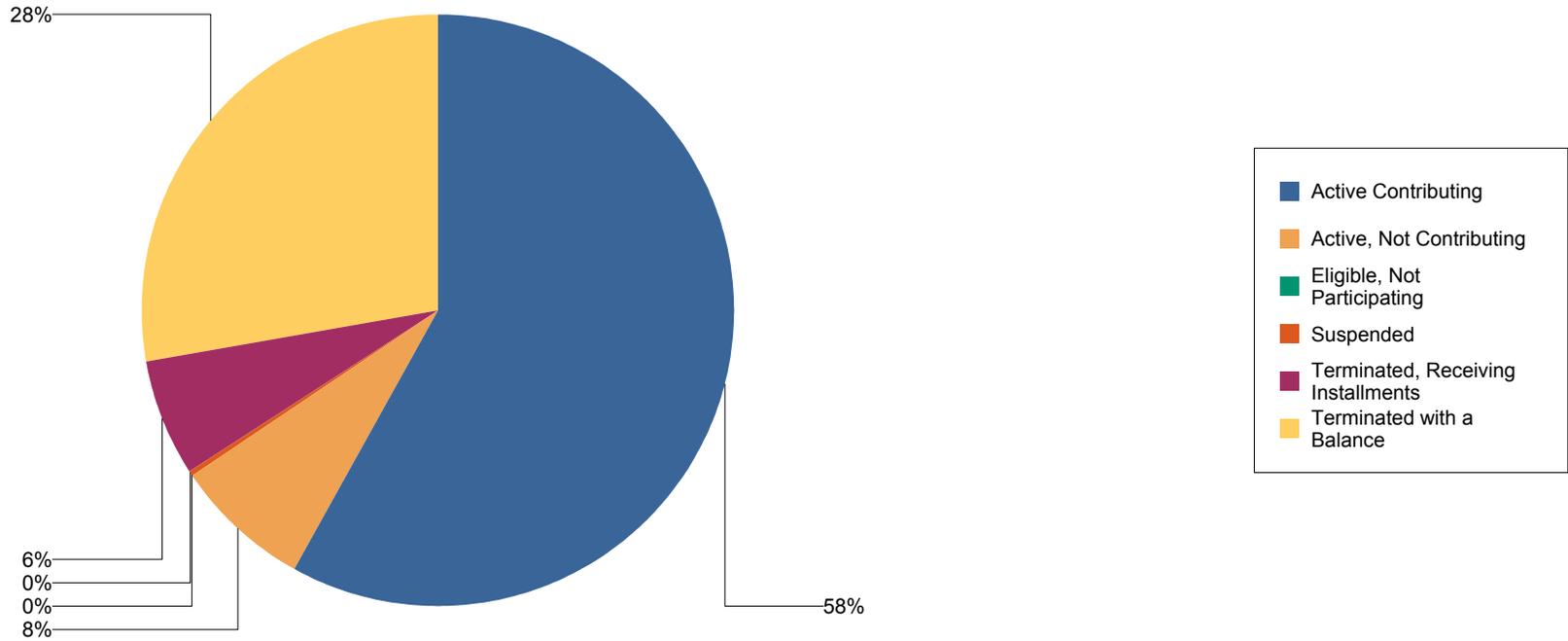
Investment	Investment Balance	Number of Participants	Average Participant	Percentage of Plan Assets
SHORT TERM FIXED OPTION	\$47,250,041.26	3,597	\$13,135.96	3.03%
STABLE VALUE OPTION	\$195,543,112.96	7,836	\$24,954.46	12.56%
LIFEPATH RETIREMENT FUND	\$99,373,200.32	2,355	\$42,196.69	6.38%
LIFEPATH 2015 FUND	\$96,679,238.08	2,561	\$37,750.58	6.21%
LIFEPATH 2020 FUND	\$84,896,613.28	2,953	\$28,749.28	5.45%
LIFEPATH 2025 FUND	\$47,052,484.90	2,454	\$19,173.79	3.02%
LIFEPATH 2030 FUND	\$33,049,442.51	2,213	\$14,934.23	2.12%
LIFEPATH 2035 FUND	\$22,546,148.76	2,011	\$11,211.41	1.45%
LIFEPATH 2040 FUND	\$12,527,871.79	1,503	\$8,335.24	0.80%
LIFEPATH 2045 FUND	\$6,380,615.94	941	\$6,780.68	0.41%
LIFEPATH 2050 FUND	\$9,685,604.13	914	\$10,596.94	0.62%
LIFEPATH 2055 FUND	\$1,914,819.87	246	\$7,783.82	0.12%
INTERMEDIATE BOND OPTION	\$93,730,798.38	7,051	\$13,293.26	6.02%
LARGE COMP VALUE STOCK OPTION	\$148,500,971.48	9,676	\$15,347.35	9.54%
STOCK INDEX OPTION	\$164,895,613.69	8,876	\$18,577.69	10.59%
LARGE COMP GROWTH STOCK OPTION	\$139,819,641.03	10,541	\$13,264.36	8.98%
INTERNATIONAL STK OPTION	\$111,930,458.07	9,982	\$11,213.23	7.19%
SM/MID SIZE CO STK OPTION	\$236,638,849.04	11,487	\$20,600.58	15.20%
SCHWAB PCRA	\$4,574,207.18	63	\$72,606.46	0.29%
Total Investment Balance:	\$1,556,989,732.67			
Total Loan Fund:	\$9,030,035.48			



Balance by Participant Status

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN



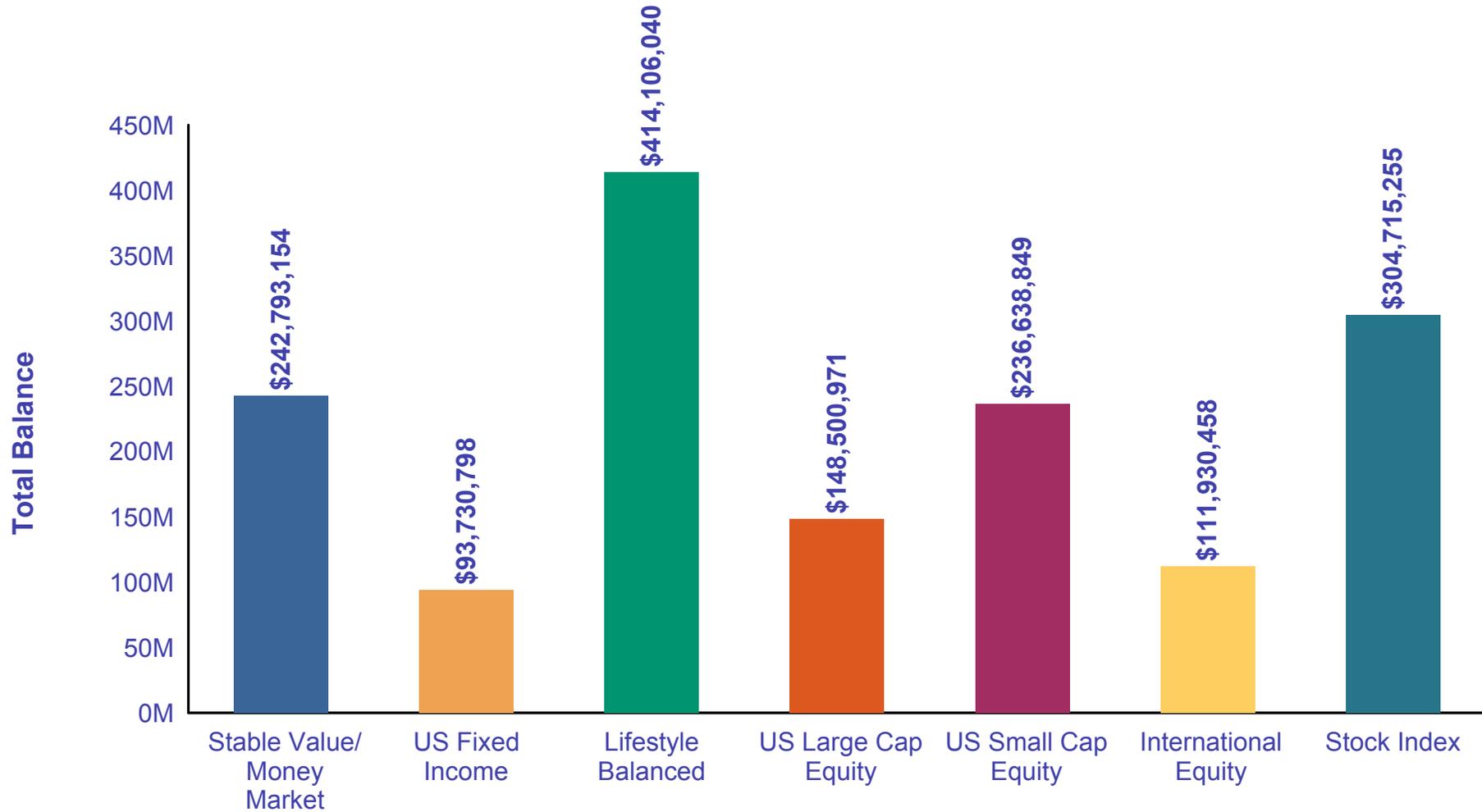
Participant Status	Participant Balance
Active Contributing	\$908,753,657.87
Active, Not Contributing	118,905,611.54
Suspended	\$4,327,093.88
Terminated, Receiving Installments	\$98,509,081.83
Terminated with a Balance	\$435,784,620.40
Total:	\$1,566,280,065.52



Asset Class Summary

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN



Asset Class Summary

Period Ending December 31, 2013

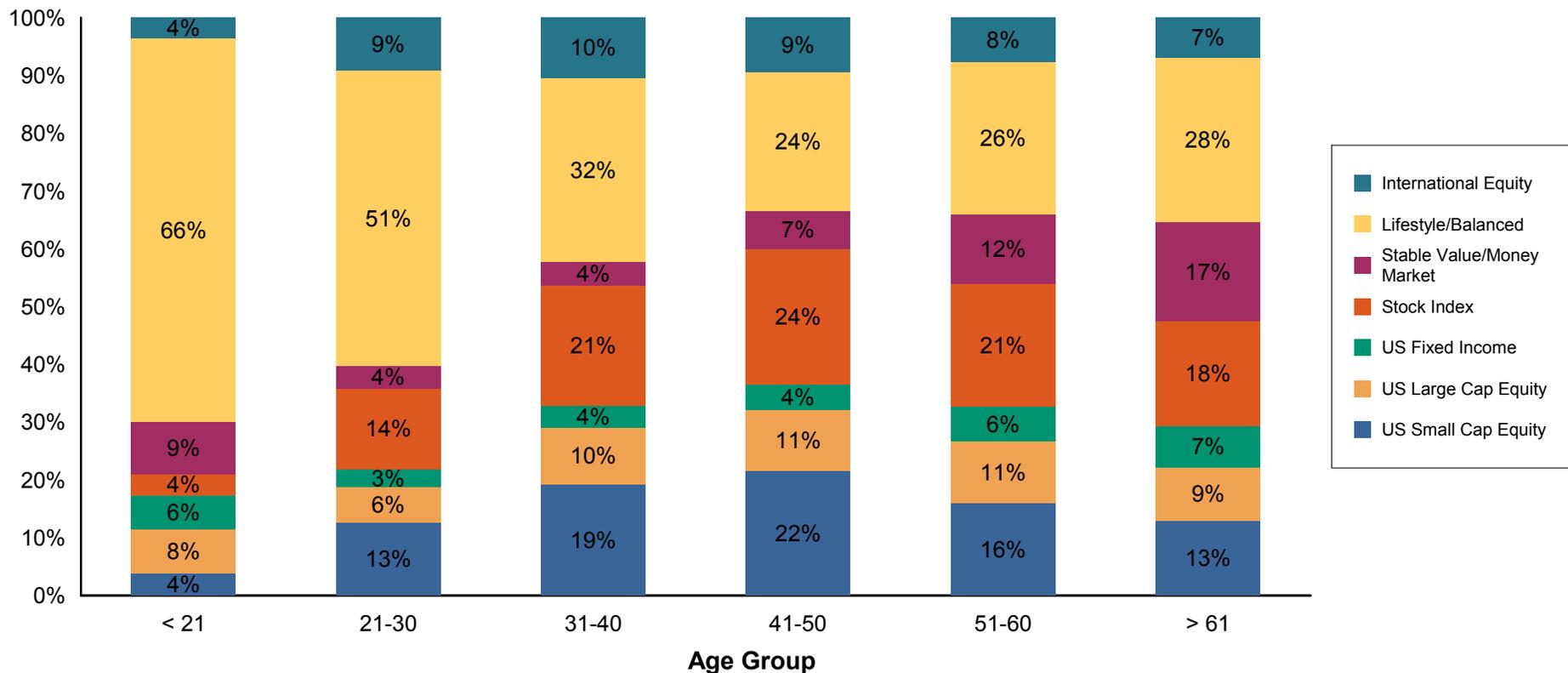
OREGON SAVINGS GROWTH PLAN

Asset Class	Balance	Percentage of Total Assets
Stable Value/Money Market	\$242,793,154	15.50%
US Fixed Income	\$93,730,798	5.98%
Lifestyle/Balanced	\$414,106,040	26.44%
US Large Cap Equity	\$148,500,971	9.48%
US Small Cap Equity	\$236,638,849	15.11%
International Equity	\$111,930,458	7.15%
Stock Index	\$304,715,255	19.45%

Asset Class Balances by Age Group

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN



Age Range	< 21	21 - 30	31 - 40	41 - 50	51 - 60	> 61
Total Balance	\$2,034	\$4,240,714	\$61,943,949	\$208,222,015	\$467,069,108	\$273,173,608
Total Participants	3	716	3,212	4,926	6,334	2,871



Transfer Activity by Investment

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN

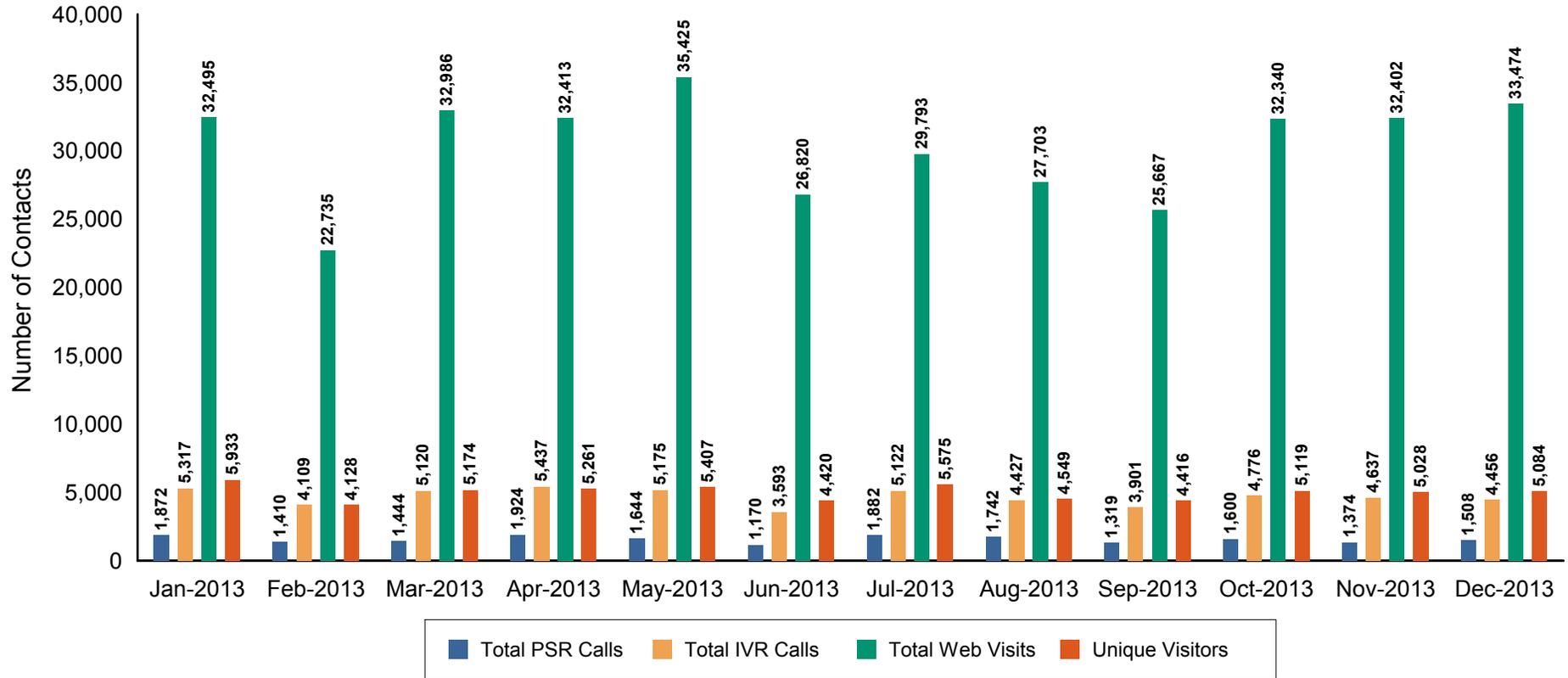
Investment Name	Transfers In	Transfers Out	Net
SHORT TERM FIXED OPTION	\$2,786,295.94	-\$4,490,199.86	-\$1,703,903.92
STABLE VALUE OPTION	\$12,431,463.74	-\$10,015,974.18	\$2,415,489.56
LIFEPATH RETIREMENT FUND	\$2,456,275.50	-\$3,035,297.81	-\$579,022.31
LIFEPATH 2015 FUND	\$1,231,846.83	-\$2,577,068.34	-\$1,345,221.51
LIFEPATH 2020 FUND	\$2,515,846.74	-\$1,552,657.09	\$963,189.65
LIFEPATH 2025 FUND	\$1,575,497.33	-\$815,960.40	\$759,536.93
LIFEPATH 2030 FUND	\$641,871.78	-\$546,351.69	\$95,520.09
LIFEPATH 2035 FUND	\$122,941.56	-\$528,067.61	-\$405,126.05
LIFEPATH 2040 FUND	\$642,790.68	-\$223,908.71	\$418,881.97
LIFEPATH 2045 FUND	\$246,058.27	-\$77,276.15	\$168,782.12
LIFEPATH 2050 FUND	\$178,270.71	-\$95,494.59	\$82,776.12
LIFEPATH 2055 FUND	\$411,614.56	-\$123,632.52	\$287,982.04
INTERMEDIATE BOND OPTION	\$2,419,641.42	-\$5,832,975.39	-\$3,413,333.97
LARGE COMP VALUE STOCK OPTION	\$5,097,617.87	-\$4,798,936.95	\$298,680.92
STOCK INDEX OPTION	\$3,162,163.35	-\$3,032,046.50	\$130,116.85
LARGE COMP GROWTH STOCK OPTION	\$4,161,340.33	-\$3,264,865.50	\$896,474.83
INTERNATIONAL STK OPTION	\$2,235,673.99	-\$1,846,154.12	\$389,519.87
SM/MID SIZE CO STK OPTION	\$6,744,340.28	-\$6,223,862.19	\$520,478.09
SCHWAB PCRA	\$339,018.08	-\$10,694.94	\$328,323.14



Participant Contact Summary

Period Ending December 31, 2013

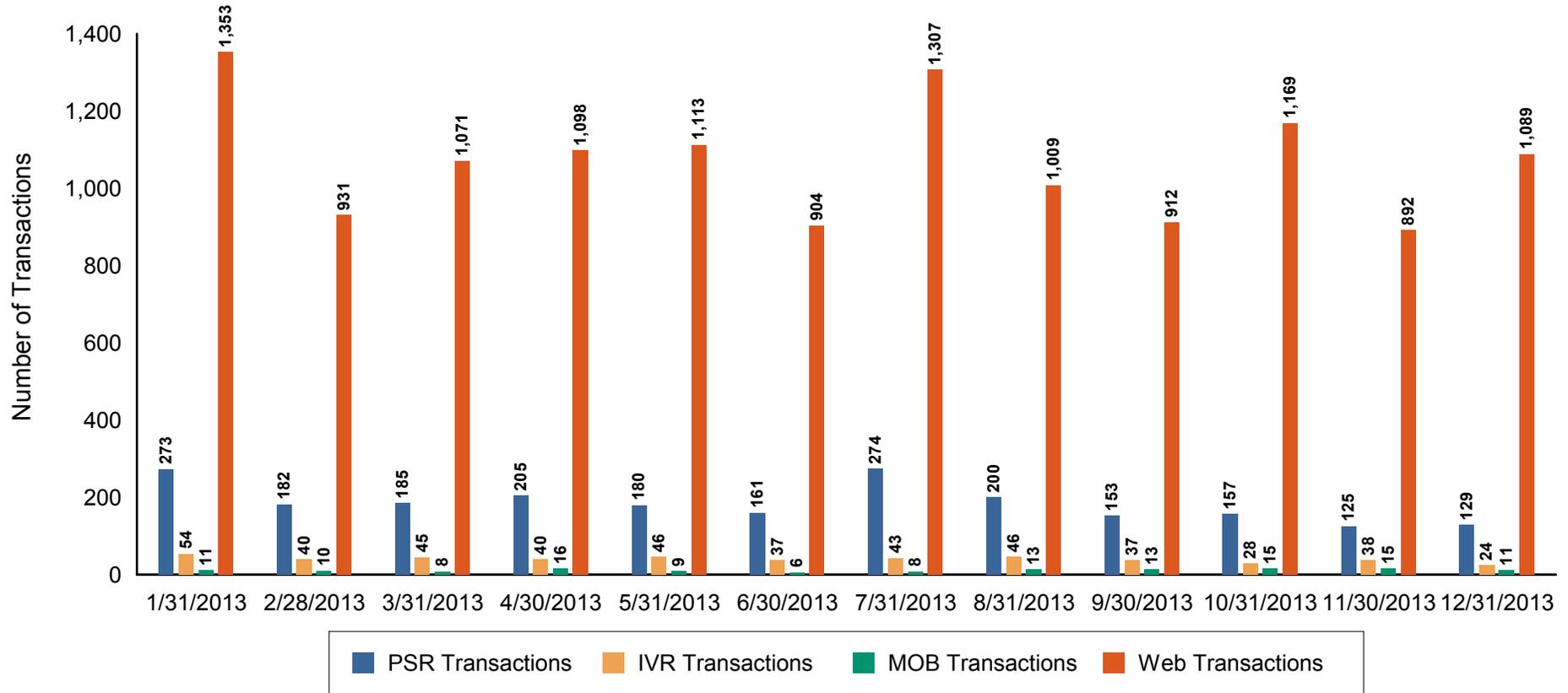
OREGON SAVINGS



Paperless Transaction Summary

Period Ending December 31, 2013

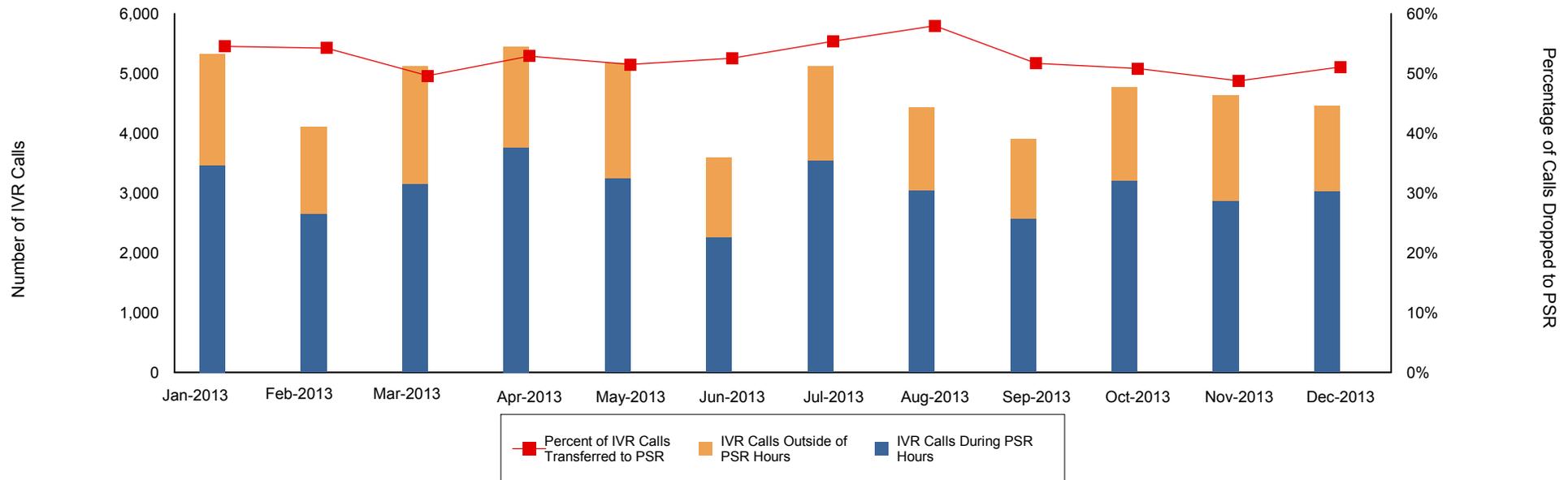
OREGON SAVINGS



IVR Activity

Period Ending December 31, 2013

OREGON SAVINGS



Date	Total IVR Calls	IVR Calls During PSR Hours	IVR Calls Outside of PSR Hours	IVR Calls Transferred to PSR	Percent of IVR Calls Transferred to PSR
Jan-2013	5,317	3,462	1,855	1,888	54.53
Feb-2013	4,109	2,654	1,455	1,439	54.22
Mar-2013	5,120	3,146	1,974	1,560	49.59
Apr-2013	5,437	3,760	1,677	1,988	52.87
May-2013	5,175	3,252	1,923	1,675	51.51
Jun-2013	3,593	2,265	1,328	1,190	52.54
Jul-2013	5,122	3,538	1,584	1,959	55.37
Aug-2013	4,427	3,039	1,388	1,761	57.95
Sep-2013	3,901	2,576	1,325	1,331	51.67
Oct-2013	4,776	3,207	1,569	1,629	50.80
Nov-2013	4,637	2,876	1,761	1,402	48.75
Dec-2013	4,456	3,032	1,424	1,549	51.09



PSR Activity

Period Ending December 31, 2013

OREGON SAVINGS

Reporting Period	PSR Call Volume	Average Speed of Answer (Seconds)	Average Call Length (Minutes)
Jan-2013	1,872	19	5.02
Feb-2013	1,410	33	4.55
Mar-2013	1,444	99	4.85
Apr-2013	1,924	47	4.70
May-2013	1,644	32	4.45
Jun-2013	1,170	25	4.53
Jul-2013	1,882	43	4.77
Aug-2013	1,742	21	4.32
Sep-2013	1,319	12	4.50
Oct-2013	1,600	18	4.50
Nov-2013	1,374	28	4.63
Dec-2013	1,508	41	4.53

PSR Activity

Period Ending December 31, 2013

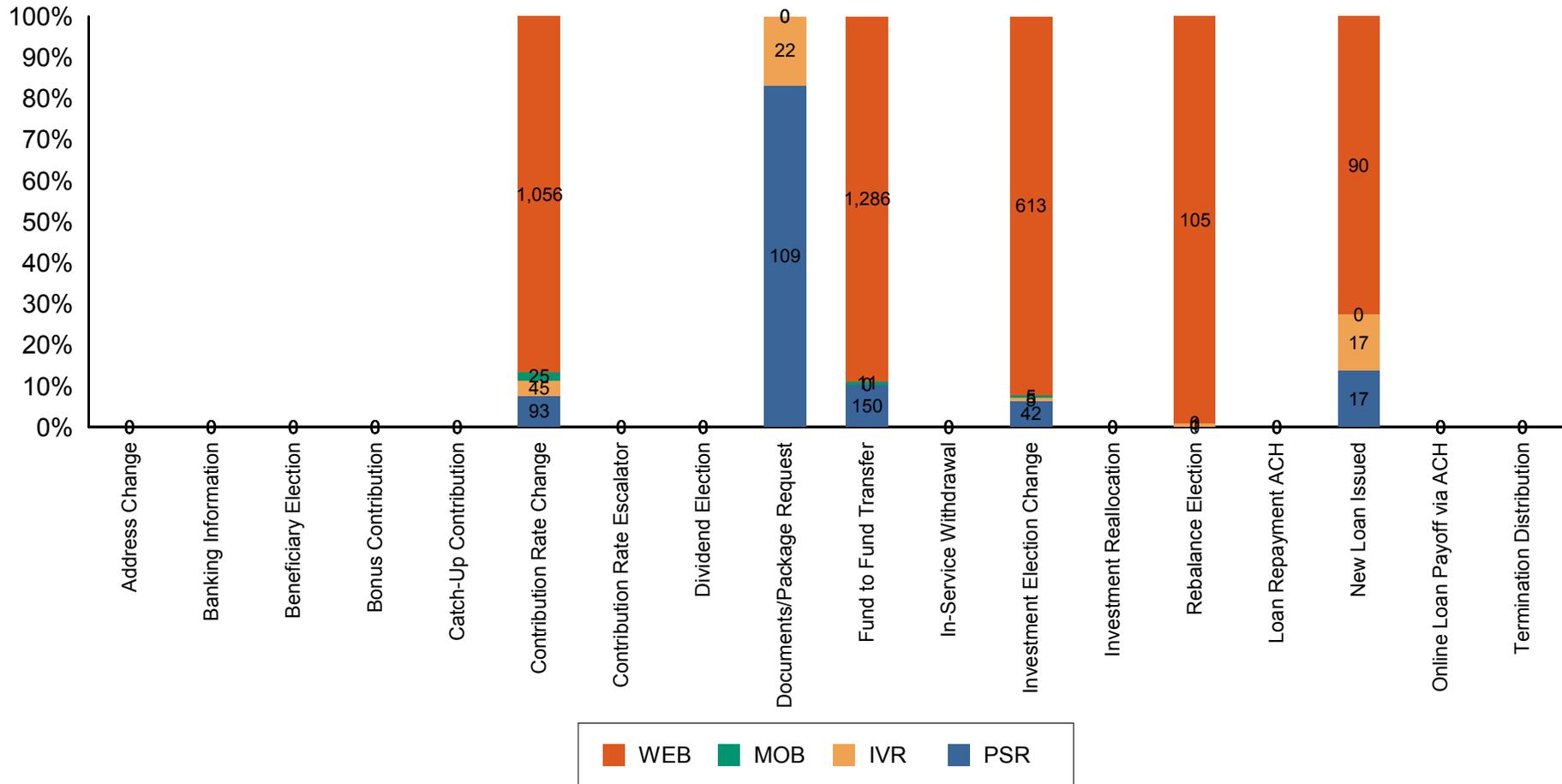
OREGON SAVINGS

Reporting Period	PSR Call Volumes	Number of Abandoned Calls	Percent of Abandoned Calls
Jan-2013	1,872	14	0.74%
Feb-2013	1,410	24	1.67%
Mar-2013	1,444	108	6.92%
Apr-2013	1,924	59	2.97%
May-2013	1,644	29	1.73%
Jun-2013	1,170	14	1.18%
Jul-2013	1,882	67	3.42%
Aug-2013	1,742	14	0.80%
Sep-2013	1,319	8	0.60%
Oct-2013	1,600	26	1.60%
Nov-2013	1,374	25	1.78%
Dec-2013	1,508	38	2.45%

Paperless Transactions by Channel

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN



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

Period Ending December 31, 2013

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	1,219
Contribution Rate Escalator	0
Dividend Election	0
Document/Package Request	131
Fund to Fund Transfer	1,447
In-service Withdrawal	0
Investment Election Change	665
Investment Reallocation	0
Rebalance Election	106
Loan Repayment ACH Election	0
New Loans Issued	124
Online Loan Payoff via ACH	0
Termination Distribution	0

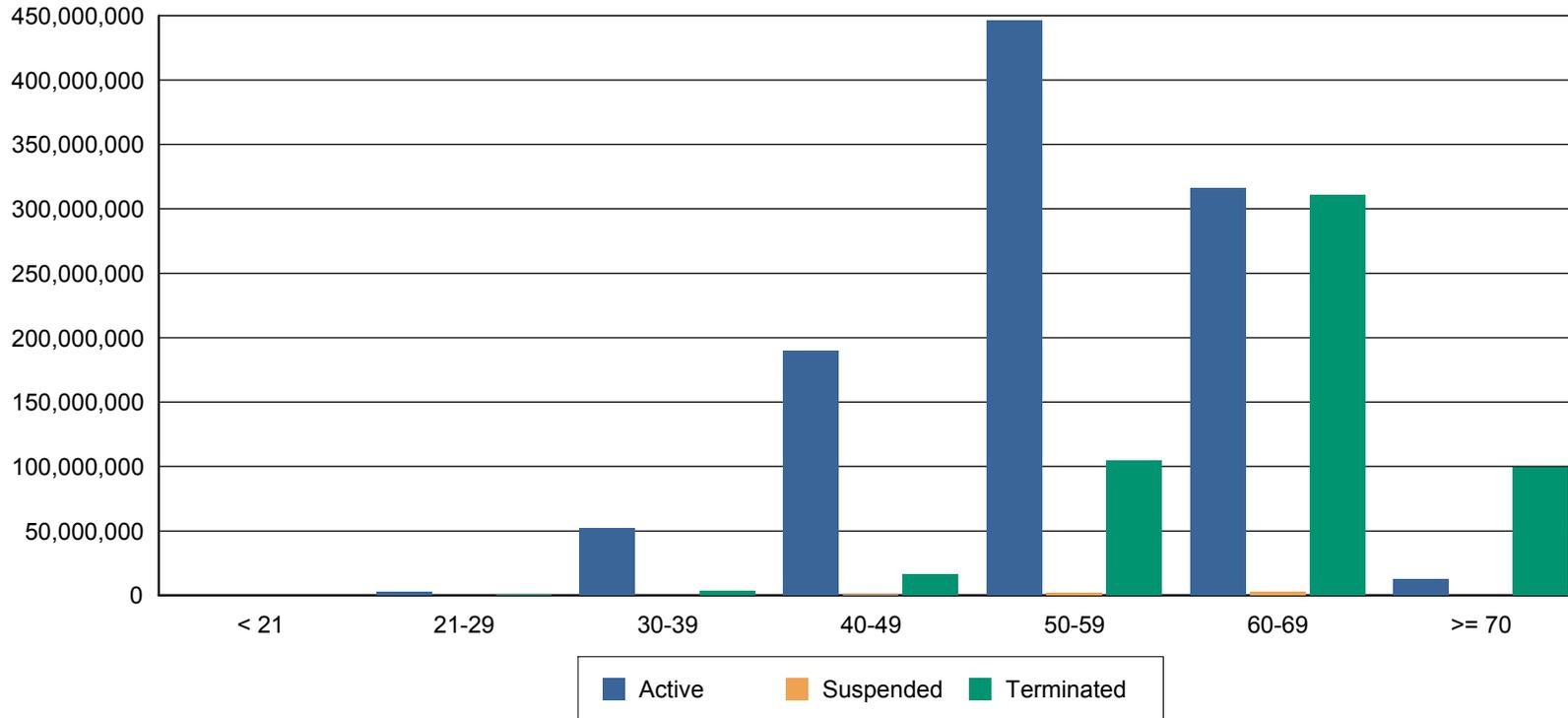
Enrollments for the Period: 0



Balances by Age and Status

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN



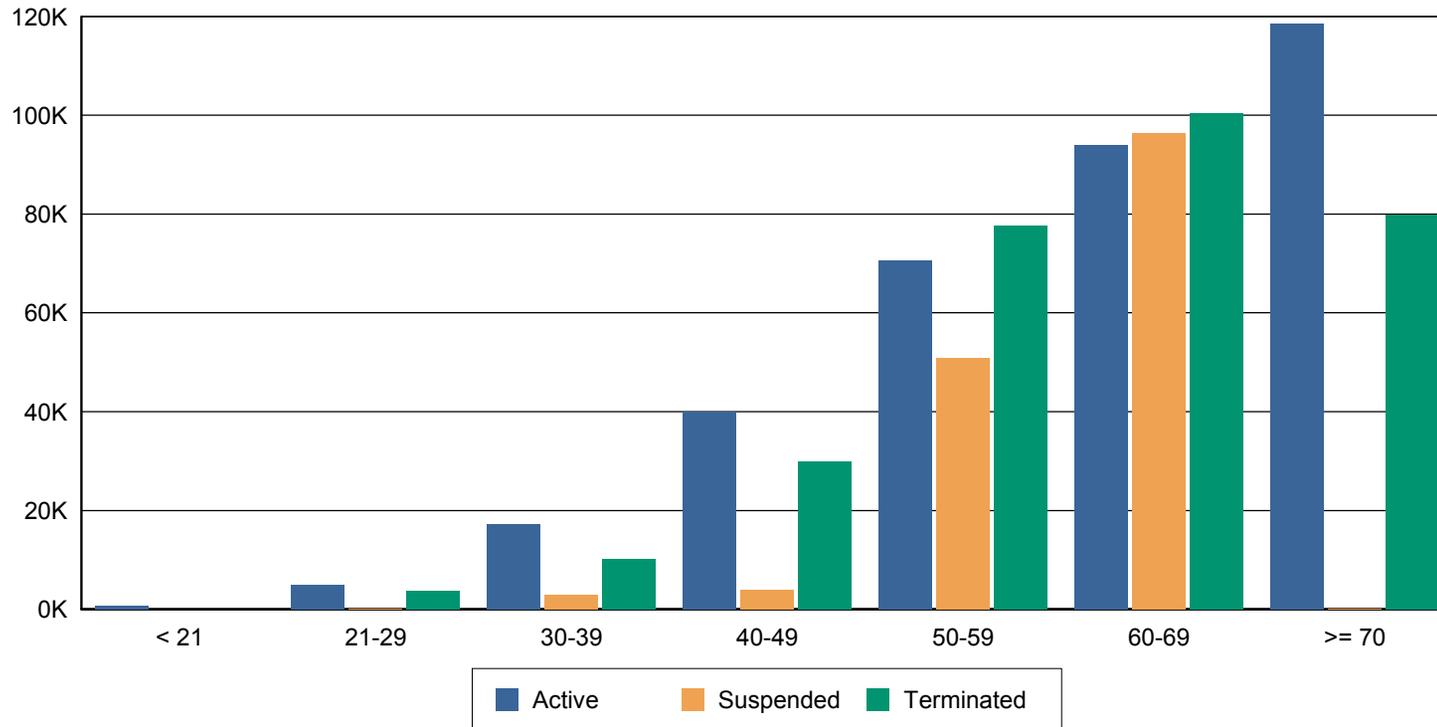
Status	< 21	21-29	30-39	40-49	50-59	60-69	>= 70
Active	\$2,034	\$2,587,281	\$52,014,523	\$189,625,773	\$446,049,330	\$316,134,029	\$12,334,556
Suspended	\$0	\$180	\$28,175	\$82,890	\$1,782,214	\$2,315,218	\$125
Terminated	\$0	\$183,264	\$3,367,962	\$16,000,798	\$104,227,507	\$310,583,424	\$99,670,450



Average Balances by Age and Status

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN



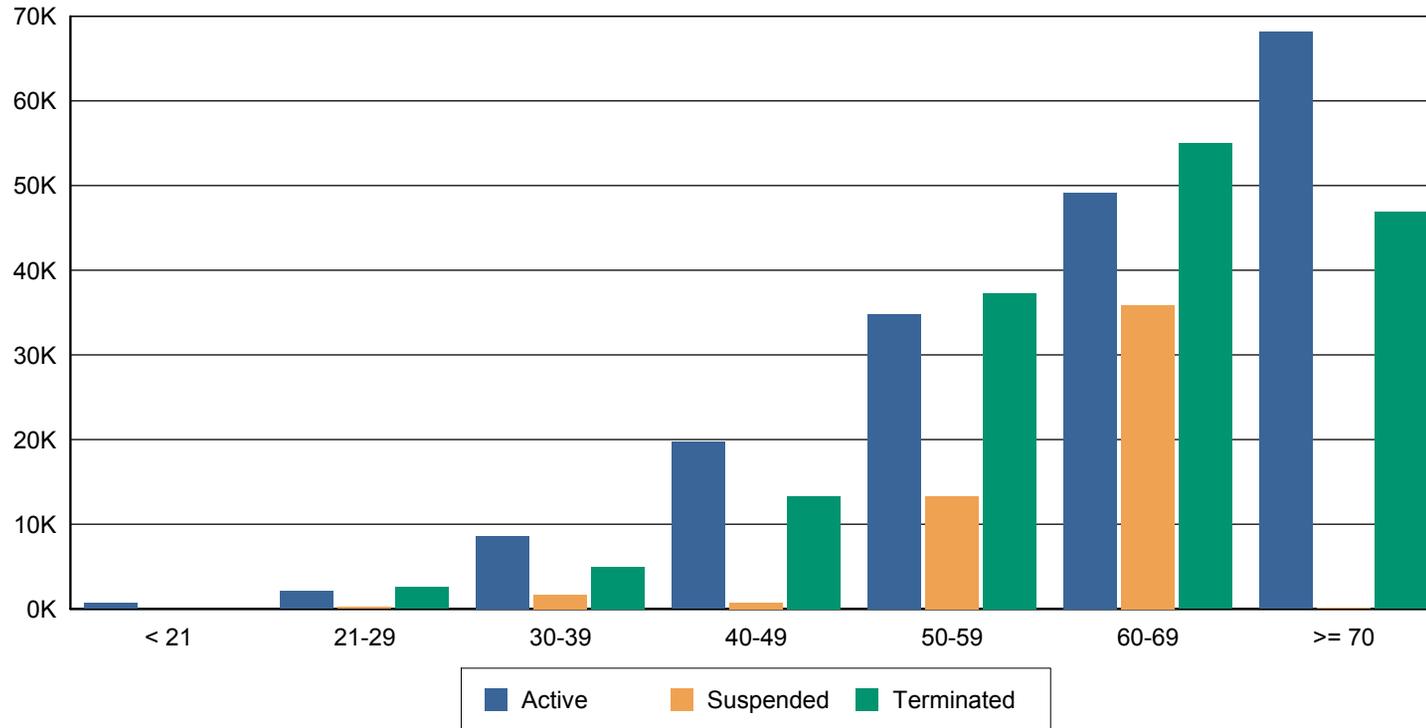
Status	< 21	21-29	30-39	40-49	50-59	60-69	>= 70
Active	\$678	\$4,891	\$17,304	\$39,963	\$70,689	\$93,948	\$118,602
Suspended	\$0	\$180	\$2,818	\$3,947	\$50,920	\$96,467	\$125
Terminated	\$0	\$3,740	\$10,114	\$29,908	\$77,666	\$100,415	\$79,864



Median Balance by Age and Status

Period Ending December 31, 2013

OREGON SAVINGS GROWTH PLAN



Status	< 21	21-29	30-39	40-49	50-59	60-69	>= 70
Active	\$682	\$2,070	\$8,624	\$19,753	\$34,784	\$49,191	\$68,133
Suspended	\$0	\$180	\$1,649	\$736	\$13,320	\$35,874	\$125
Terminated	\$0	\$2,575	\$4,977	\$13,302	\$37,306	\$54,983	\$46,887





Oregon Savings Growth Plan

Performance Results
as of October 31, 2013

Updated on 11/6/2013

OPTION <i>BENCHMARKS (for comparison)</i>	1 Month	3 Months	Year to Date	Annualized						
				From Inception 10/31/96	Since 10/31/01	1 Year	2 Years	3 Years	5 Years	10 Years
Short-Term Fixed Option <i>91-Day T-Bill</i>	-0.01% 0.00%	-0.04% 0.01%	-0.12% 0.05%	2.47% 2.74%	1.47% 1.69%	-0.13% 0.09%	-0.13% 0.08%	-0.12% 0.10%	-0.06% 0.14%	1.53% 1.71%
Stable Value Option <i>91-Day T-Bill</i> <i>Rolling Average 5 Year CMT**</i>	0.10% 0.00% 0.12%	0.29% 0.01% 0.38%	1.15% 0.05% 1.35%	3.88% 2.74% 4.39%	3.17% 1.69% 3.69%	1.40% 0.09% 1.65%	1.42% 0.08% 1.93%	1.48% 0.10% 2.27%	1.69% 0.14% 2.81%	2.94% 1.71% 3.41%
Intermediate-Bond Option <i>BC Aggregate</i>	1.00% 0.81%	1.45% 1.24%	-1.06% -1.10%	5.63% 5.80%	5.22% 4.88%	-0.80% -1.08%	3.10% 2.04%	3.74% 3.02%	7.85% 6.09%	5.08% 4.78%
Large Company Value Stock Option <i>Russell 1000 Value</i>	4.35% 4.38%	3.84% 2.94%	28.58% 25.75%	7.81% 8.31%	7.49% 7.36%	31.87% 28.29%	24.07% 22.46%	17.21% 16.76%	14.90% 14.06%	8.01% 7.81%
Stock Index Option <i>Russell 3000</i>	4.24% 4.25%	5.06% 5.10%	26.26% 26.45%	7.52% 7.76%	6.87% 7.07%	28.74% 28.99%	21.47% 21.66%	16.71% 16.89%	15.79% 15.94%	7.75% 7.92%
Large Company Growth Stock Option <i>Russell 1000 Growth</i>	4.20% 4.42%	7.97% 7.21%	26.62% 26.22%	6.15% 6.57%	6.09% 6.19%	29.55% 28.30%	21.00% 20.41%	16.76% 16.81%	17.29% 17.51%	7.42% 7.70%
International Stock Option <i>MSCI EAFE</i>	3.46% 3.36%	8.93% 9.54%	17.35% 20.05%	6.65% 5.25%	8.13% 7.26%	25.86% 26.88%	16.06% 15.21%	8.07% 8.38%	12.69% 11.99%	8.20% 7.71%
Small/Mid-Size Company Stock Option <i>Russell 2500</i>	2.68% 3.23%	5.98% 5.70%	30.21% 29.96%	10.94% 9.97%	10.90% 10.48%	36.01% 35.41%	22.94% 23.70%	17.70% 18.21%	19.27% 19.04%	10.30% 9.89%
LifePath® Retirement	1.82%	2.74%	5.69%			6.68%	7.09%	6.38%	9.41%	
LifePath® 2015	1.94%	2.99%	6.53%			7.78%	7.81%	6.82%	9.97%	
LifePath® 2020	2.24%	3.55%	8.71%			10.29%	9.42%	7.75%	10.83%	
LifePath® 2025	2.50%	3.91%	10.45%			12.49%	10.78%	8.54%	11.53%	
LifePath® 2030	2.71%	4.22%	11.86%			14.38%	11.92%	9.21%	12.12%	
LifePath® 2035	2.87%	4.65%	13.28%			15.98%	13.04%	9.78%	12.65%	
LifePath® 2040	3.09%	4.89%	14.56%			17.46%	13.87%	10.31%	13.11%	
LifePath® 2045	3.26%	5.17%	15.81%			19.02%	14.79%	10.81%	13.55%	
LifePath® 2050	3.39%	5.46%	16.84%			20.31%	15.62%	11.23%	14.12%	
LifePath® 2055	3.54%	5.68%	17.83%			21.62%				

**5 Year Rolling Average of the 5 Year Constant Maturing Treasury Yield.

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Oregon Savings Growth Plan

Performance Results
as of November 30, 2013

Updated on 12/6/2013

OPTION <i>BENCHMARKS (for comparison)</i>	1 Month	3 Months	Year to Date	Annualized						
				From Inception 10/31/96	Since 10/31/01	1 Year	2 Years	3 Years	5 Years	10 Years
Short-Term Fixed Option <i>91-Day T-Bill</i>	-0.01% 0.01%	-0.04% 0.01%	-0.13% 0.06%	2.45% 2.73%	1.46% 1.68%	-0.14% 0.08%	-0.13% 0.08%	-0.12% 0.10%	-0.07% 0.12%	1.52% 1.70%
Stable Value Option <i>91-Day T-Bill</i> <i>Rolling Average 5 Year CMT**</i>	0.09% 0.01% 0.12%	0.29% 0.01% 0.37%	1.25% 0.06% 1.47%	3.86% 2.73% 4.37%	3.16% 1.68% 3.68%	1.37% 0.08% 1.62%	1.40% 0.08% 1.88%	1.46% 0.10% 2.22%	1.65% 0.12% 2.77%	2.92% 1.70% 3.38%
Intermediate-Bond Option <i>BC Aggregate</i>	-0.29% -0.37%	1.75% 1.38%	-1.34% -1.47%	5.59% 5.74%	5.15% 4.81%	-1.33% -1.61%	3.05% 1.89%	3.81% 3.09%	7.58% 5.33%	5.02% 4.71%
Large Company Value Stock Option <i>Russell 1000 Value</i>	3.55% 2.79%	11.51% 9.98%	33.14% 29.25%	7.99% 8.45%	7.75% 7.55%	36.08% 31.92%	26.65% 24.48%	18.90% 18.05%	17.46% 16.40%	8.24% 7.96%
Stock Index Option <i>Russell 3000</i>	2.90% 2.90%	11.22% 11.26%	29.92% 30.12%	7.66% 7.90%	7.07% 7.28%	31.50% 31.71%	23.38% 23.58%	17.61% 17.78%	18.39% 18.54%	7.91% 8.09%
Large Company Growth Stock Option <i>Russell 1000 Growth</i>	3.27% 2.82%	12.89% 12.15%	30.76% 29.78%	6.32% 6.71%	6.33% 6.39%	31.16% 29.74%	23.06% 22.11%	17.65% 17.44%	20.30% 20.14%	7.65% 7.89%
International Stock Option <i>MSCI EAFE</i>	0.53% 0.77%	11.67% 11.85%	17.97% 20.97%	6.65% 5.27%	8.11% 7.27%	23.37% 24.84%	17.95% 18.56%	9.80% 10.46%	14.29% 13.42%	8.01% 7.56%
Small/Mid-Size Company Stock Option <i>Russell 2500</i>	3.20% 2.66%	12.33% 12.05%	34.37% 33.41%	11.09% 10.09%	11.11% 10.64%	38.43% 36.90%	25.21% 25.55%	17.66% 18.16%	22.63% 22.45%	10.31% 9.77%
LifePath® Retirement	0.37%	4.36%	6.08%			6.66%	7.49%	6.75%	9.82%	
LifePath® 2015	0.41%	4.63%	6.97%			7.69%	8.34%	7.25%	10.76%	
LifePath® 2020	0.56%	5.54%	9.32%			10.25%	10.16%	8.25%	11.87%	
LifePath® 2025	0.68%	6.29%	11.20%			12.47%	11.65%	9.13%	12.80%	
LifePath® 2030	0.78%	6.91%	12.73%			14.35%	12.99%	9.84%	13.59%	
LifePath® 2035	0.87%	7.47%	14.26%			16.03%	14.18%	10.50%	14.32%	
LifePath® 2040	0.95%	8.01%	15.65%			17.59%	15.21%	11.07%	14.97%	
LifePath® 2045	1.03%	8.48%	17.00%			19.22%	16.14%	11.61%	15.55%	
LifePath® 2050	1.09%	8.94%	18.11%			20.47%	17.08%	12.09%	16.18%	
LifePath® 2055	1.12%	9.35%	19.14%			21.76%				

**5 Year Rolling Average of the 5 Year Constant Maturing Treasury Yield.

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Oregon Savings Growth Plan

Performance Results
as of December 31, 2013

Updated on 1/8/2014

OPTION <i>BENCHMARKS (for comparison)</i>	1 Month	3 Months	Year to Date	Annualized						
				From Inception 10/31/96	Since 10/31/01	1 Year	2 Years	3 Years	5 Years	10 Years
Short-Term Fixed Option <i>91-Day T-Bill</i>	-0.01% 0.01%	-0.04% 0.02%	-0.15% 0.07%	2.44% 2.71%	1.45% 1.67%	-0.15% 0.07%	-0.13% 0.09%	-0.12% 0.10%	-0.09% 0.12%	1.51% 1.69%
Stable Value Option <i>91-Day T-Bill</i> <i>Rolling Average 5 Year CMT**</i>	0.10% 0.01% 0.12%	0.28% 0.02% 0.36%	1.34% 0.07% 1.59%	3.85% 2.71% 4.36%	3.14% 1.67% 3.66%	1.34% 0.07% 1.59%	1.39% 0.09% 1.84%	1.45% 0.10% 2.17%	1.61% 0.12% 2.73%	2.90% 1.69% 3.35%
Intermediate-Bond Option <i>BC Aggregate</i>	-0.46% -0.57%	0.24% -0.14%	-1.80% -2.02%	5.53% 5.68%	5.08% 4.73%	-1.80% -2.02%	2.22% 1.05%	3.92% 3.26%	6.80% 4.44%	4.86% 4.55%
Large Company Value Stock Option <i>Russell 1000 Value</i>	2.66% 2.53%	10.92% 10.01%	36.68% 32.53%	8.11% 8.56%	7.93% 7.72%	36.68% 32.53%	27.38% 24.79%	17.06% 16.06%	17.52% 16.67%	7.86% 7.58%
Stock Index Option <i>Russell 3000</i>	2.61% 2.64%	10.07% 10.10%	33.32% 33.55%	7.78% 8.03%	7.25% 7.46%	33.32% 33.55%	24.48% 24.69%	16.05% 16.24%	18.56% 18.71%	7.71% 7.88%
Large Company Growth Stock Option <i>Russell 1000 Growth</i>	2.81% 2.86%	10.62% 10.44%	34.43% 33.48%	6.46% 6.85%	6.52% 6.59%	34.43% 33.48%	25.04% 24.04%	16.69% 16.45%	20.54% 20.39%	7.54% 7.83%
International Stock Option <i>MSCI EAFE</i>	1.10% 1.50%	5.14% 5.71%	19.26% 22.78%	6.68% 5.33%	8.15% 7.35%	19.26% 22.78%	19.96% 20.02%	7.60% 8.17%	12.97% 12.44%	7.41% 6.91%
Small/Mid-Size Company Stock Option <i>Russell 2500</i>	2.59% 2.54%	8.71% 8.66%	37.86% 36.80%	11.20% 10.20%	11.26% 10.79%	37.86% 36.80%	26.77% 26.98%	15.79% 16.28%	21.91% 21.77%	10.32% 9.81%
LifePath® Retirement	0.33%	2.53%	6.43%			6.43%	7.48%	6.15%	9.03%	
LifePath® 2015	0.41%	2.78%	7.41%			7.41%	8.42%	6.37%	9.99%	
LifePath® 2020	0.65%	3.48%	10.03%			10.03%	10.42%	7.18%	11.13%	
LifePath® 2025	0.84%	4.07%	12.14%			12.14%	12.02%	7.87%	12.13%	
LifePath® 2030	1.01%	4.56%	13.87%			13.87%	13.51%	8.42%	12.95%	
LifePath® 2035	1.17%	4.97%	15.59%			15.59%	14.86%	8.94%	13.72%	
LifePath® 2040	1.31%	5.43%	17.16%			17.16%	15.97%	9.36%	14.40%	
LifePath® 2045	1.44%	5.83%	18.68%			18.68%	17.11%	9.78%	14.98%	
LifePath® 2050	1.56%	6.15%	19.95%			19.95%	18.13%	10.18%	15.69%	
LifePath® 2055	1.66%	6.43%	21.12%			21.12%				

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STATE OF OREGON
OREGON STATE TREASURY
159 STATE CAPITOL, 900 COURT ST NE
SALEM, OREGON 97301-4043

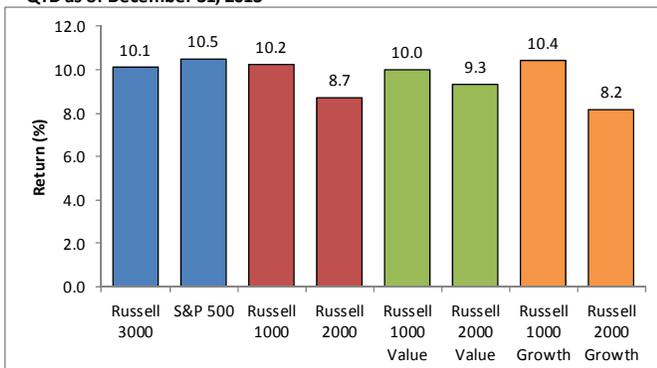
Date: February 3, 2014
To: Oregon Investment Council
From: Ben Mahon, Public Equity Investment Officer
Re: 4th Quarter 2013 Reporting, Deferred Compensation Program

BACKGROUND

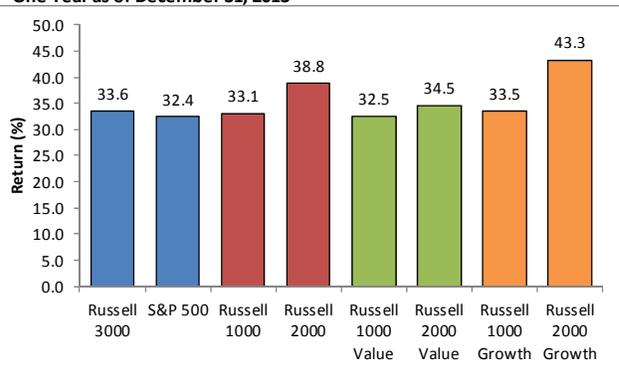
The U.S. stock market, as measured by the Russell 3000 index, surged 10.1 percent in the fourth quarter to post an impressive 33.6 percent total return for calendar year 2013. This marked the best calendar year since 1995's 36.8 percent return. The market advanced with surprisingly little volatility, delivering positive returns across all four quarters of 2013 and in all but two months (June and August). Both the S&P 500 and the Russell 2000 closed out 2013 with record highs.

Large capitalization stocks outpaced small cap stocks during the quarter with the Russell 1000 up 10.2 percent versus 8.7 percent for the Russell 2000. For the year, however, small capitalization stocks held their lead over large cap stocks, with the Russell 2000 index outperforming the Russell 1000 index by 5.7 percent (38.8 percent versus 33.1 percent). Micro cap stocks delivered stellar returns for both the quarter and the year, rising 10.3 percent and 45.6 percent, respectively. Growth stocks outperformed value in 2013; up 33.5 percent versus 32.5 percent in the large-cap segment, respectively, and 43.3 percent versus 34.5 percent for small caps.

QTD as of December 31, 2013



One Year as of December 31, 2013



All economic sectors finished the quarter with gains, as Industrials and Information Technology led other groups higher with moves of 13.3 percent and 12.1 percent, respectively. Consumer Discretionary and Healthcare stocks joined Industrials as the best performing sectors in 2014. The interest-rate-sensitive Utilities group was a laggard for both the quarter and year, posting relatively modest total returns of 3.1 percent and 15.4 percent, respectively.

Non-U.S. equity markets added another strong quarter, with the MSCI ACWI ex-U.S. index returning 4.8 percent. Emerging markets (up 1.8 percent) gained but trailed developed markets for the fifth consecutive quarter. The quarter was led by Europe, which returned 7.9 percent on the heels of posting a second consecutive quarter of

Oregon Savings Growth Plan 457

Performance Review
December 31, 2013

2045 NE Martin Luther King Jr. Blvd
Portland, Oregon 97212
503-239-0475
Fax: 503-239-0369
E-mail: general@am-a.com

Investment Advisor: **Jake O'Shaughnessy**
joshaughnessy@am-a.com

Associate Advisor: **Stuart Payment**
spayment@am-a.com

Investment Analyst: **Bryan Shipley**
bshipley@am-a.com

Performance Measurement Analyst: **Tyler Bernstein**
tbernstein@am-a.com

Section 1

Portfolio Summary

Manager Diversification

Asset Allocation

Evaluation Notes

Performance Results

Section 2

Research

Performance Attributions

Section 3

Market Overviews

Economic Overview

Fixed Income Markets Overview

US Equity Markets Overview

International Markets Overview

Annual Equity Asset Class and Style Returns

Selected pages of this report are left blank
to properly display facing pages.

Oregon Savings Growth Plan 457

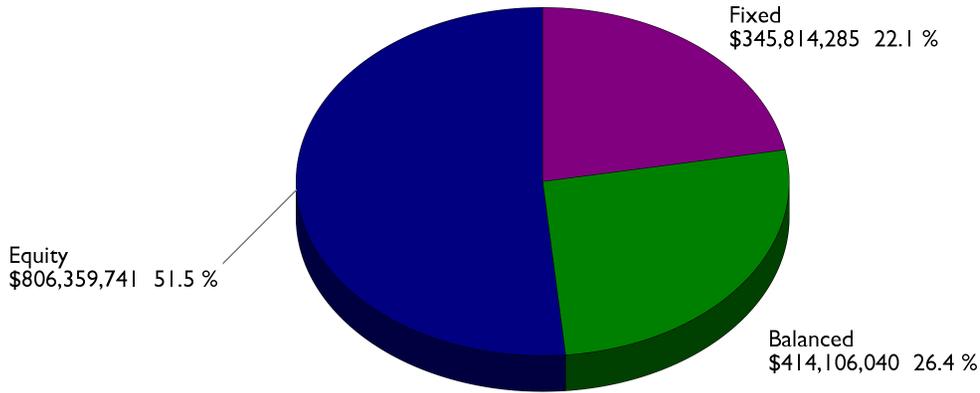
	Market Value	Actual
Loans	\$9,290,333	0.6%
Loan Fund	\$9,290,333	0.6%
Money Market	\$47,250,041	3.0%
Short Term Fixed Option	\$47,250,041	3.0%
Stable Value	\$195,543,113	12.5%
Stable Value Option - OSGP	\$195,543,113	12.5%
Fixed	\$93,730,798	6.0%
Intermediate Bond Option - OSGP	\$93,730,798	6.0%
Balanced	\$414,106,040	26.4%
BR LP 2015 Index Q	\$96,679,238	6.2%
BR LP 2020 Index Q	\$84,896,613	5.4%
BR LP 2025 Index Q	\$47,052,485	3.0%
BR LP 2030 Index Q	\$33,049,442	2.1%
BR LP 2035 Index Q	\$22,546,149	1.4%
BR LP 2040 Index Q	\$12,527,872	0.8%
BR LP 2045 Index Q	\$6,380,616	0.4%
BR LP 2050 Index Q	\$9,685,604	0.6%
BR LP 2055 Index Q	\$1,914,820	0.1%
BR LP Ret Indx Q	\$99,373,200	6.3%
Large Cap	\$453,216,226	28.9%
Large Company Growth Stock Option - OSGP	\$139,819,641	8.9%
Large Company Value Stock Option - OSGP	\$148,500,971	9.5%
Total Market Equity Index Option - OSGP	\$164,895,613	10.5%
Small-Mid Cap	\$236,638,849	15.1%
Small-Mid Size Company Stock Option - OSGP	\$236,638,849	15.1%
International	\$111,930,458	7.2%
International Stock Option - OSGP	\$111,930,458	7.2%

Manager Diversification as of December 31, 2013

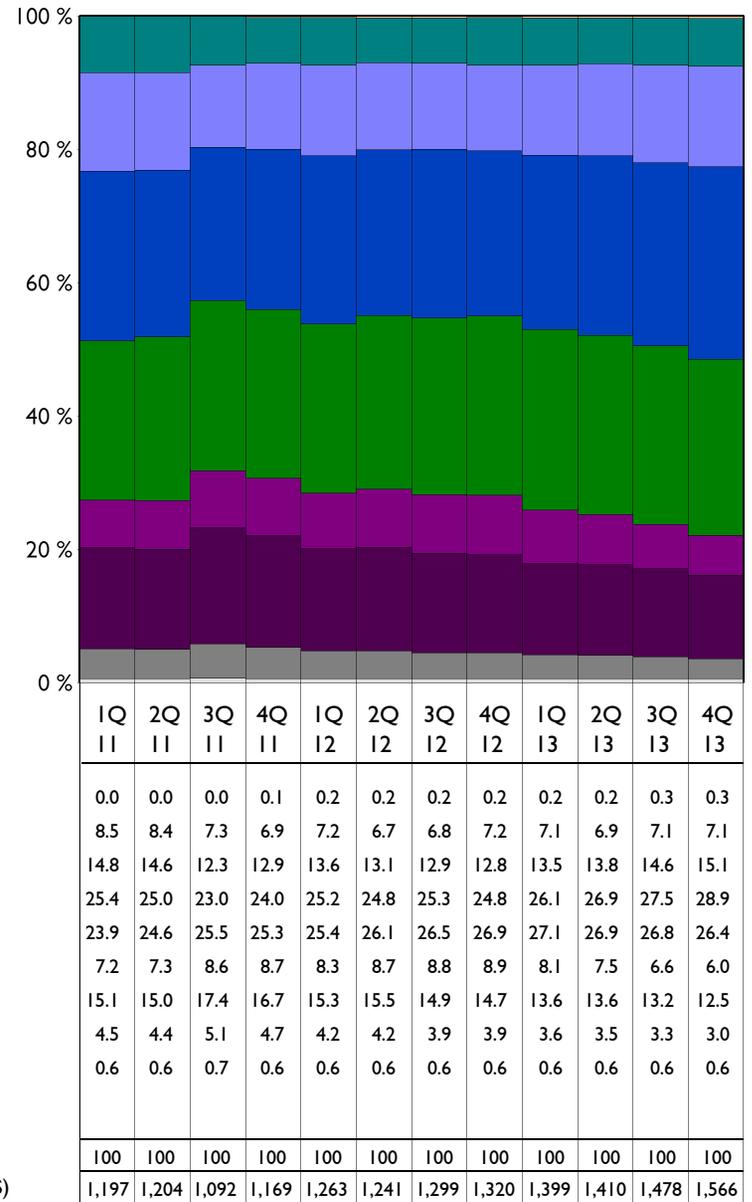
	Market Value	Actual
Self Directed	\$4,574,207	0.3%
Self-Directed Option	\$4,574,207	0.3%
Oregon Savings Growth Plan	\$1,566,280,066	100.0%

Oregon Savings Growth Plan 457

Total Assets: \$1,566,280,066



Historical Asset Allocation as of December 31, 2013



Oregon Savings Growth Plan 457

Performance Measurement Notes as of December 31, 2013

Product Name	Report Short Name	Ticker
Loan Fund	Loan Fund	N/A
Short Term Fixed Option - OSGP	Short Term Fixed Option	N/A
Stable Value Option - OSGP	Stable Value Option - OSGP	N/A
Intermediate Bond Option - OSGP	Intermediate Bond Option - OSGP	N/A
BlackRock LP 2015 Index Q	BR LP 2015 Index Q	N/A
BlackRock LP 2020 Index Q	BR LP 2020 Index Q	N/A
BlackRock LP 2025 Index Q	BR LP 2025 Index Q	N/A
BlackRock LP 2030 Index Q	BR LP 2030 Index Q	N/A
BlackRock LP 2035 Index Q	BR LP 2035 Index Q	N/A
BlackRock LP 2040 Index Q	BR LP 2040 Index Q	N/A
BlackRock LP 2045 Index Q	BR LP 2045 Index Q	N/A
BlackRock LP 2050 Index Q	BR LP 2050 Index Q	N/A
BlackRock LP 2055 Index Q	BR LP 2055 Index Q	N/A
BlackRock LP Retirement Index Q	BR LP Ret Indx Q	N/A
Large Company Growth Stock Option - OSGP	Large Company Growth Stock Option - OSGP	N/A
Large Company Value Stock Option - OSGP	Large Company Value Stock Option - OSGP	N/A
Total Market Equity Index Option - OSGP	Total Market Equity Index Option - OSGP	N/A
Small-Mid Size Company Stock Option - OSGP	Small-Mid Size Company Stock Option - OSGP	N/A
International Stock Option - OSGP	International Stock Option - OSGP	N/A
Self-Directed Option	Self-Directed Option	N/A

Fund Manager Review Key

Symbol	Perf Ranking	Style/Cap Consist	Expense Ratio	Manager Tenure
	25th Percentile and Better	Consistent	0.1% or more below average	greater than 36 months
	26th to 50th Percentile	N/A	.01% to .09% below average	25 - 36 months
	51st to 75th Percentile	Not Consistent	.01% to .09% above average	13 - 24 months
	76th Percentile and Below	N/A	0.1% or more above average	12 months or less

Performance Reporting Notes:

There are no performance notes at this time.

Oregon Savings Growth Plan 457

Fund Manager Review Summary as of December 31, 2013

		Qtr. End	Performance Rankings				Style/Cap Consist.	Expense Ratio	Avg. Mgmt Tenure
			1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.			
Fixed									
Intermediate Bond Option - OSGP	N/A	4Q13	48	31	35	23	N/A	N/A	N/A
		3Q13	53	28	30	23			
Balanced									
BR LP 2015 Index Q	N/A	4Q13	72	65	69	N/A	N/A	N/A	N/A
		3Q13	79	61	51	N/A			
BR LP 2020 Index Q	N/A	4Q13	69	54	68	N/A	N/A	N/A	N/A
		3Q13	65	60	49	N/A			
BR LP 2025 Index Q	N/A	4Q13	80	76	83	N/A	N/A	N/A	N/A
		3Q13	80	75	54	N/A			
BR LP 2030 Index Q	N/A	4Q13	78	62	71	N/A	N/A	N/A	N/A
		3Q13	76	59	49	N/A			
BR LP 2035 Index Q	N/A	4Q13	90	87	80	N/A	N/A	N/A	N/A
		3Q13	84	81	50	N/A			
BR LP 2040 Index Q	N/A	4Q13	79	66	61	N/A	N/A	N/A	N/A
		3Q13	74	62	48	N/A			
BR LP 2045 Index Q	N/A	4Q13	89	80	57	N/A	N/A	N/A	N/A
		3Q13	81	72	48	N/A			
BR LP 2050 Index Q	N/A	4Q13	76	61	22	N/A	N/A	N/A	N/A
		3Q13	68	52	30	N/A			
BR LP 2055 Index Q	N/A	4Q13	84	58	N/A	N/A	N/A	N/A	N/A
		3Q13	73	29	N/A	N/A			

- Performance results are net of investment advisory fees and/or expense ratio.
- Percentile rankings are based on the applicable Morningstar peer group universe assigned.

Oregon Savings Growth Plan 457

Fund Manager Review Summary as of December 31, 2013

		Qtr. End	Performance Rankings				Style/Cap Consist.	Expense Ratio	Avg. Mgmt Tenure
			1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.			
Balanced(Cont.)									
BR LP Ret Indx Q	N/A	4Q13	50	37	56	N/A	N/A	N/A	N/A
		3Q13	52	37	40	N/A			
Large Cap									
Large Company Growth Stock Option - OSGP	N/A	4Q13	44	21	23	47	N/A	N/A	N/A
		3Q13	42	24	26	51			
Large Company Value Stock Option - OSGP	N/A	4Q13	9	7	18	23	N/A	N/A	N/A
		3Q13	13	10	29	25			
Total Market Equity Index Option - OSGP	N/A	4Q13	31	21	18	22	N/A	N/A	N/A
		3Q13	36	16	17	22			
Small-Mid Cap									
Small-Mid Size Company Stock Option - OSGP	N/A	4Q13	43	41	24	22	N/A	N/A	N/A
		3Q13	37	44	23	21			
International									
International Stock Option - OSGP	N/A	4Q13	54	35	32	39	N/A	N/A	N/A
		3Q13	30	34	32	36			

- Performance results are net of investment advisory fees and/or expense ratio.
- Percentile rankings are based on the applicable Morningstar peer group universe assigned.

Oregon Savings Growth Plan 457

Trailing Period Performance and Relative Rank as of December 31, 2013

Product	Curr Qtr	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
Short Term Fixed Option - N/A	0.0	0.0	0.0	0.1	0.1	1.1	1.7
<i>T-Bills</i>	0.0	0.0	0.0	0.1	0.1	1.0	1.6
Money Market Taxable	0.0	0.0	0.0	0.0	0.0	1.0	1.5
Peer Group Rank	25	15	15	12	15	23	12
Stable Value Option - OSGP - N/A	0.3	1.5	1.5	1.6	1.8	2.6	3.1
<i>T-Bills</i>	0.0	0.0	0.0	0.1	0.1	1.0	1.6
<i>eA Stable Value Median</i>	0.4	1.9	1.9	2.4	2.8	3.4	3.7
Intermediate Bond Option - OSGP - N/A	0.3	(1.6)	(1.6)	4.1	7.0	5.5	5.0
<i>BC Aggregate Bond Index</i>	(0.1)	(2.0)	(2.0)	3.3	4.4	4.9	4.5
Intermediate-Term Bond	0.2	(1.7)	(1.7)	3.6	6.2	4.9	4.4
Peer Group Rank	46	48	48	31	35	27	23
BR LP 2015 Index Q - N/A	2.8	7.6	7.6	6.6	10.2	-	-
<i>BlackRock 2015 Index</i>	2.8	7.7	7.7	6.6	10.3	4.5	5.9
Target Date 2011-2015	3.9	10.4	10.4	6.9	11.3	4.1	-
Peer Group Rank	74	72	72	65	69	-	-
BR LP 2020 Index Q - N/A	3.5	10.2	10.2	7.4	11.3	-	-
<i>BlackRock 2020 Index</i>	3.5	10.2	10.2	7.4	11.5	4.5	6.2
Target Date 2016-2020	4.4	12.7	12.7	7.6	12.1	3.9	5.3
Peer Group Rank	77	69	69	54	68	-	-

Performance results are NET of Management Fees and/or Expense Ratios and reflect the impact of dividends and earnings.

Performance reflects each fund's generic performance as provided by Morningstar, eVestment and/or the fund manager, where available. Such generic performance may incorporate performance from an older share class, separate account or composite performance of a combination thereof, and may exclude performance prior to a material change in the fund's strategy. Client-specific performance may be substituted in cases where generic performance is not readily available. Actual results may vary due to cash flows and/or other account specific activity. Past performance is not indicative of future returns.

Percentile rankings are based on the applicable Morningstar peer group universe assigned.

Oregon Savings Growth Plan 457

Trailing Period Performance and Relative Rank as of December 31, 2013

Product	Curr Qtr	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
BR LP 2025 Index Q - N/A	4.1	12.3	12.3	8.1	12.3	-	-
<i>BlackRock 2025 Index</i>	4.1	12.4	12.4	8.0	12.4	4.5	6.3
Target Date 2021-2025	5.3	16.3	16.3	8.8	13.4	4.2	-
Peer Group Rank	87	80	80	76	83	-	-
BR LP 2030 Index Q - N/A	4.6	14.0	14.0	8.6	13.2	-	-
<i>BlackRock 2030 Index</i>	4.6	14.3	14.3	8.6	13.3	4.4	6.5
Target Date 2026-2030	5.9	17.9	17.9	9.2	13.9	4.0	5.8
Peer Group Rank	83	78	78	62	71	-	-
BR LP 2035 Index Q - N/A	5.0	15.8	15.8	9.1	13.9	-	-
<i>BlackRock 2035 Index</i>	5.0	16.0	16.0	9.1	14.0	4.3	6.6
Target Date 2031-2035	6.6	20.8	20.8	10.3	14.7	4.1	-
Peer Group Rank	93	90	90	87	80	-	-
BR LP 2040 Index Q - N/A	5.5	17.4	17.4	9.5	14.6	-	-
<i>BlackRock 2040 Index</i>	5.4	17.5	17.5	9.5	14.7	4.2	6.6
Target Date 2036-2040	6.7	21.8	21.8	10.3	15.0	4.1	6.1
Peer Group Rank	85	79	79	66	61	-	-
BR LP 2045 Index Q - N/A	5.9	18.9	18.9	10.0	15.2	-	-
<i>BlackRock 2045 Index</i>	5.8	19.1	19.1	9.9	15.3	4.1	6.7
Target Date 2041-2045	7.0	23.1	23.1	10.8	15.3	4.0	-
Peer Group Rank	93	89	89	80	57	-	-
BR LP 2050 Index Q - N/A	6.2	20.2	20.2	10.4	15.9	-	-
<i>BlackRock 2050 Index</i>	6.2	20.4	20.4	10.3	16.0	4.5	7.1
Target Date 2046-2050	7.1	23.3	23.3	10.9	15.2	-	-
Peer Group Rank	84	76	76	61	22	-	-

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Percentile rankings are based on the applicable Morningstar peer group universe assigned.

Oregon Savings Growth Plan 457

Trailing Period Performance and Relative Rank as of December 31, 2013

Product	Curr Qtr	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
BR LP 2055 Index Q - N/A	6.5	21.3	21.3	10.8	-	-	-
<i>BlackRock 2055 Index</i>	6.5	21.6	21.6	10.7	-	-	-
Target Date 2051+	7.2	23.4	23.4	10.9	-	-	-
Peer Group Rank	91	84	84	58	-	-	-
BR LP Ret Indx Q - N/A	2.6	6.6	6.6	6.3	9.2	-	-
<i>BlackRock Retirement Index</i>	2.5	6.6	6.6	6.4	9.3	5.2	5.8
Retirement Income	2.7	6.6	6.6	5.9	9.6	4.1	4.3
Peer Group Rank	54	50	50	37	56	-	-
Large Company Growth Stock Option - OSGP - N/A	10.6	34.4	34.4	16.7	20.6	7.6	7.5
<i>S&P 500 Index</i>	10.5	32.4	32.4	16.2	17.9	6.1	7.4
<i>Russell 1000 Growth Index</i>	10.4	33.5	33.5	16.5	20.4	8.2	7.8
Large Growth	10.2	33.7	33.7	14.9	18.8	7.1	7.4
Peer Group Rank	42	44	44	21	23	40	47
Large Company Value Stock Option - OSGP - N/A	11.0	36.8	36.8	17.2	17.6	5.0	7.9
<i>S&P 500 Index</i>	10.5	32.4	32.4	16.2	17.9	6.1	7.4
<i>Russell 1000 Value Index</i>	10.0	32.5	32.5	16.1	16.7	4.5	7.6
Large Value	9.4	31.3	31.3	14.6	16.0	4.7	7.0
Peer Group Rank	11	9	9	7	18	44	23
Total Market Equity Index Option - OSGP - N/A	10.1	33.5	33.5	16.2	18.7	6.5	7.9
<i>S&P 500 Index</i>	10.5	32.4	32.4	16.2	17.9	6.1	7.4
<i>Russell 3000 Index</i>	10.1	33.6	33.6	16.2	18.7	6.5	7.9
Large Blend	10.0	31.8	31.8	14.8	17.1	5.6	6.9
Peer Group Rank	49	31	31	21	18	22	22

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Percentile rankings are based on the applicable Morningstar peer group universe assigned.

Oregon Savings Growth Plan 457

Trailing Period Performance and Relative Rank as of December 31, 2013

Product	Curr Qtr	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
Small-Mid Size Company Stock Option - OSGP - N/A	8.7	38.0	38.0	15.8	21.9	8.6	10.2
<i>Russell 2500 Index</i>	8.7	36.8	36.8	16.3	21.8	8.0	9.8
Small Blend	9.1	37.4	37.4	15.3	20.0	7.0	8.9
Peer Group Rank	64	43	43	41	24	19	22
International Stock Option - OSGP - N/A	5.1	19.4	19.4	7.6	12.9	1.9	7.2
<i>MSCI ACWI ex-US</i>	4.8	15.8	15.8	5.6	13.3	2.6	8.0
<i>MSCI EAFE Index</i>	5.7	23.3	23.3	8.7	13.0	2.3	7.4
Foreign Large Blend	5.9	19.9	19.9	7.0	12.2	1.7	6.8
Peer Group Rank	75	54	54	35	32	46	39

Performance results are NET of Management Fees and/or Expense Ratios and reflect the impact of dividends and earnings.

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Percentile rankings are based on the applicable Morningstar peer group universe assigned.

Fourth Quarter 2013 / State of Oregon Stable Value Fund

Fund Overview as of 12/31/13

Annualized Performance*

Periods Ending 12/31/13	Fund	Benchmark	Citigroup 3 Mo. T-Bill
4Q'13	0.28%	0.28%	0.01%
YTD	1.34%	1.05%	0.05%
1 Year	1.34%	1.05%	0.05%
3 Year	1.45%	1.06%	0.07%
5 Year	1.61%	1.35%	0.10%
10 Year	2.90%	2.72%	1.59%

Fund Facts

Fund Category	Stable Value
Fund Advisor	Galliard Capital Management
Total Net Assets	\$195,721,117
Expense Ratio	0.58%
Participant Withdrawal/Transfers	Daily

Fund Characteristics

Blended Yield (after fees)	1.12%
Effective Duration	2.76 Years
Annualized Turnover	73.05%

Fund Allocation

Security Backed Investment Contracts	75.1%
Separate Account GICs	15.2%
Cash/Equivalents	9.7%

Sector Allocation of the Underlying Fixed Income Portfolio

U.S. Treasury/Agency	22.3%
Other U.S. Government	2.9%
Corporate/Taxable Municipal Securities	21.9%
Mortgage Backed Securities (MBS)	27.8%
Asset Backed Securities (ABS)	8.7%
International Gov't/Agency Securities	0.6%
Cash/Equivalents	15.7%

Investment Contract Issuers

Issuer	Moody's Rating	S&P Rating
Prudential Ins. Co. of America	A1	AA-
Monumental Life Ins. Co.	A1	AA-
ING Life Ins. and Annuity Co.	A3	A-
Massachusetts Mutual Life Ins. Co.	Aa2	AA+

Investment Objective

The State of Oregon Stable Value Fund is an investment option that seeks to provide safety of principal and a stable credited rate of interest, while generating competitive returns over time compared to other comparable investments.

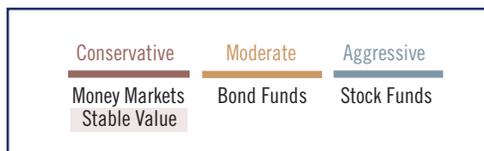
Investment Strategy

The State of Oregon Stable Value Fund, managed by Galliard Capital Management, is primarily comprised of investment contracts issued by financial institutions and other eligible stable value investments. All contract issuers and securities utilized in the portfolio are rated investment grade by one of the Nationally Recognized Statistical Rating Organizations at time of purchase. The types of investment contracts in which the Fund invests include Separate Account GICs and Security Backed Investment Contracts. These types of contracts seek to provide participants with safety of principal and accrued interest as well as a stable crediting rate.

Separate Account GICs are GICs issued by an insurance company and are maintained within a separate account. Separate Account GICs are typically backed by segregated portfolios of fixed income securities.

Security Backed Investment Contracts are comprised of two components: 1) investment contracts issued by a financial institution and 2) underlying portfolios of fixed income securities (i.e. bonds) whose market prices fluctuate. The investment contract is designed to allow participants to transact at book value (principal plus accrued interest) without reference to the price fluctuations of the underlying fixed income securities.

Investment Risk



The Fund's investment contracts are designed to allow for participant transactions at book value. A principal risk of the Fund is investment contract risk. This includes the risk that the issuer will default on its obligation under the contract or that another event of default may occur under the contract rendering it invalid; that the contract will lapse before a replacement contract with favorable terms can be secured; or that the occurrence of certain other events including employer-initiated events, could cause the contract to lose its book value withdrawal features. These risks may result in a loss in value to a contract holder. Other primary risks include default risk, which is the possibility that instruments the Fund holds will not meet scheduled interest and/or principal payments; interest rate risk, which includes the risk of reinvesting cash flows at lower interest rates; and liquidity risk, which includes the effect of very large unexpected withdrawals on the Fund's total value. The occurrence of any of these events could cause the Fund to lose value.

*Returns for periods less than one year are not annualized. Performance is net of all fees and includes all income, real and unrealized capital gains and losses and all annual fund operating expenses. Returns may have been impacted by the effect of compounding and have been rounded to the nearest basis point. Benchmark is the 3 Year Constant Maturity Treasury Yield plus 0.50%. While it is believed that the benchmark used here represents an appropriate point of comparison for the Fund referenced above, prospective investors should be aware that the volatility of the above referenced benchmark or index may be substantially different from that of the Fund; and holdings in the Fund may differ significantly from the benchmark or index if the investment guidelines and criteria are different than the Fund.

The Fund and the underlying collective funds are not insured by the FDIC, Federal Reserve Bank, nor guaranteed by Wells Fargo Bank, N.A. or any affiliate, including Galliard Capital Management. Past performance is not an indication of how the investment will perform in the future. For further information on the Fund, see your company representative.

Fourth Quarter 2013 / State of Oregon Stable Value Fund

Fund Advisor

Galliard Capital Management is the Fund's Advisor. Galliard specializes in stable value management and currently manages more than \$84.5 billion in assets for institutional investors.

Fees and Expenses

The following table shows Galliard's fees and expense information for this investment option. Total Annual Operating Expenses are expenses that reduce the rate of return of the investment option. The cumulative effect of fees and expenses will reduce the growth of your retirement savings. Visit the Department of Labor's Web site for an example showing the long-term effect of fees and expenses. Fees and expenses are only one of many factors to consider when you decide to invest in this Fund. You may also want to think about whether an investment in this Fund, along with your other investments, will help you achieve your financial goals.

Total Annual Fund Operating Expenses

Total Annual Operating Expenses are deducted directly from the Fund's net asset value and reduce the rate of return of the investment option.

Expense	Expense Ratio 12/31/13	Per \$1000
Galliard Investment Management Fees	0.140%	\$1.40
Subadvisor Management Fees	0.021%	\$0.21
Investment Contract Fees	0.188%	\$1.88
Acquired Fund Fees and Other Subadvisor Investment Management Expenses	0.050%	\$0.50
-Investment Contract Fees	None	None
-Other Acquired Fund Fees and Subadvisor Investment Management Expenses	0.050%	\$0.50
12b-1 Distribution Fee	None	None
Other Expenses	0.180%	\$1.80
Total Annual Fund Operating Expense*	0.580%	\$5.80

*Total Annual Fund Operating Expense will be reflected daily in the Fund's net asset value.

Please contact your plan administrator for additional information about this investment option.

LifePath® Index 2015 Fund Q

Primary Benchmark

Barclays U.S. Aggregate Bond Index

Custom Benchmark

LifePath® Index 2015 Custom Benchmark

Morningstar Category

Target Date 2011-2015

Overall Morningstar Rating™

★★
See disclosure for details.

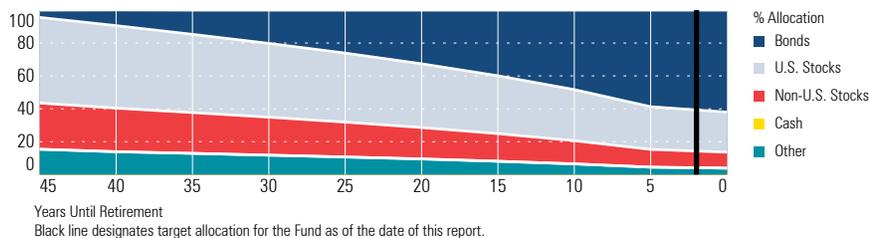
Morningstar Return

Below Average

Morningstar Risk

Below Average

Allocation of Stocks and Bonds



Investment Objective and Strategy

The Fund provides long-term investors with an asset allocation strategy designed to maximize assets for retirement, or for other purposes, consistent with the risk that investors, on average, may be willing to accept given their investment time horizon.

The Fund is a collective investment trust maintained and managed by BlackRock Institutional Trust Company, N.A. ("BTC").

The Fund shall be invested and reinvested in securities and other assets with the objective of providing maximum total return consistent with the quantitatively measured risk investors, on average, at various stages in their employment cycle, may be willing to accept in an effort to maximize assets available during the period chosen for retirement.

The Fund's investments may include: equity securities (including those issued by real estate companies); depository receipts; debt securities and other fixed income obligations (including those issued or guaranteed by the U.S. government, its agencies or instrumentalities, and those issued by corporations or other entities); mortgage-backed securities; other asset-backed securities; commodities; and/or cash equivalents.

The Fund may invest in securities and other obligations of U.S. issuers or non-U.S. issuers, and those issuers may be of any market capitalization. The Fund's fixed income investments may be investment-grade or non-investment grade, and may include securities and other obligations of any maturity.

In addition to, or in lieu of, investing in the assets listed above, the Fund may engage in structured transactions in these asset classes, as well as over-the-counter forward contracts, swaps and options. When deemed appropriate by BTC, the Fund may invest in futures contracts, for the purpose of acting as a temporary substitute for investment in securities and/or to gain exposure to commodities.

The difference between the normal and current securities holdings for the Fund varies over time and is based on the factors analyzed by the asset allocation model used by BTC to manage the Fund. The normal asset allocations will gradually change over the investment horizon of the Fund to become more heavily oriented toward debt and debt-like securities. As time passes, the Fund is managed more conservatively in terms of its allocation to equity securities and markets, on the premise that individuals investing for retirement desire to reduce investment risk in their retirement accounts as their retirement date approaches.

BTC employs a proprietary investment model that analyzes securities market data, including risk, correlation and expected return statistics, to recommend the portfolio allocation among the asset classes.

Rather than choosing specific securities within each asset class, BTC selects among indices representing segments of the global equity and debt markets and invests in securities that comprise the chosen index. The Fund generally invests in a chosen index through a series of collective investment trusts managed and trusteeed by BTC, each such fund representing one of the indices (each, an "Underlying Fund").

In the event of a conflict between this summary description of the Fund's investment objective and principal investment strategies and the Trust Document under which the Fund was established, the Trust Document will govern. For more information related to the Fund, please see the Fund's Trust Document, Profile and most recent audited financial statements.

Portfolio Analysis

Top 10 Holdings as of 12-31-13	% Assets
U.S. Debt Index Fund E	50.66
Equity Index Fund E	19.44
BlackRock MSCI ACWI ex-U.S. IMI Index Fund E	10.69
U.S. Treasury Inflation Protected Securities Fund E	8.28
Extended Equity Market Fund E	6.42
BlackRock Dow Jones-UBS Commodity Index Daily Fund E	3.72
Developed Real Estate Index Fund E	0.80

Morningstar Super Sectors as of 12-31-13

Sector	% Fund
Cyclical	39.10
Sensitive	38.48
Defensive	22.41

Morningstar F-I Sectors as of 12-31-13

Sector	% Fund	% Category
Government	46.60	33.36
Corporate	16.45	23.97
Securitized	23.14	19.71
Municipal	0.63	0.64
Cash	13.18	18.03
Other	0.00	4.29

Investment Information

Operations and Management

Product Inception Date	01-02-08
Strategy Inception Date	07-05-06
Total Fund Assets (\$mil)	922.07
Investment Manager	BlackRock Institutional Trust Company NA

Annual Turnover Ratio % 22.26

Fees and Expenses as of 12-31-12

Total Annual Operating Expense %	0.11%
Total Annual Operating Expense per \$1000	\$1.10

Additional Information for Total Annual Operating Expense

The Total Annual Operating Expense ("TAOE") ratio noted above reflects a management fee and administrative costs. The administrative costs are capped at two (2) basis points (0.02%) per year. There may be other fees and expenses not reflected in the TAOE ratio noted above that bear on the value of the investment. The Portfolio Turnover Rate is that of the collective investment fund in which the Fund invests exclusively, either directly or indirectly.

LifePath® Index 2015 Fund Q

Primary Benchmark

Barclays U.S. Aggregate Bond Index

Custom Benchmark

LifePath® Index 2015 Custom Benchmark

Morningstar Category

Target Date 2011-2015

Overall Morningstar Rating™

★★
See disclosure for details.

Morningstar Return

Below Average

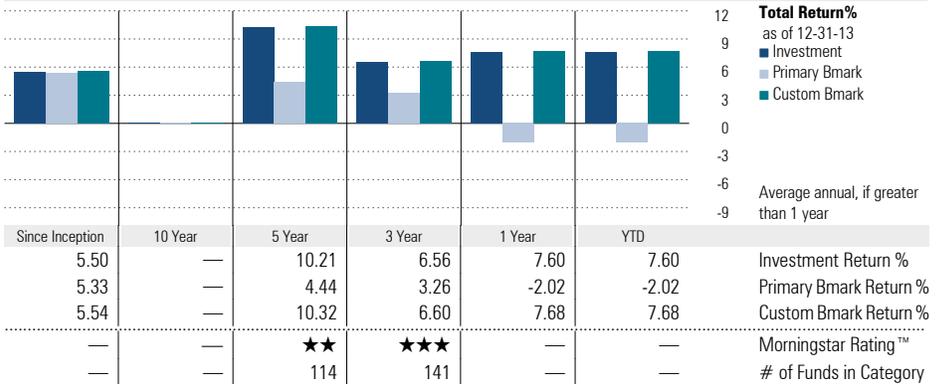
Morningstar Risk

Below Average

Benchmark Description

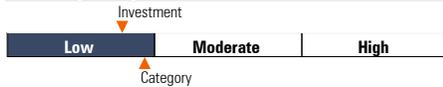
The LifePath® Index 2015 Fund's Custom Benchmark is a comparison benchmark for the performance of the Fund. The Custom Benchmark is calculated using blended returns of third party indices that proportionally reflect the respective weightings of the Fund's asset classes. The third party index proportions of the Custom Benchmark are adjusted quarterly to reflect the Fund's changing asset allocations over time. As the Fund's asset classes have been re-defined or added over time, the indices used to calculate the Custom Benchmark have changed accordingly. As of December 31, 2012, the indices used to calculate the Custom Benchmark are: S&P 500 Index, Dow Jones U.S. Completion Total Stock Market Index, MSCI ACWI ex-US IMI Net Dividend Return Index SM, Barclays U.S. Aggregate Bond Index, Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index, FTSE EPRA/NAREIT Developed Index, and the Dow Jones UBS Commodity Index.

Performance



Performance Disclosure: The Fund's returns are net of an investment management fee, currently at an annual rate of 0.10%. The Fund's performance reflects fund level administrative costs capped at 0.02% per year. Since its inception the Fund has invested all of its assets in LifePath Index 2015 Fund F. Returns shown for periods prior to the Fund's inception are those of the LifePath Index 2015 Fund F net of the Fund's investment management fee.

Volatility Analysis



In the past, this investment has shown a relatively small range of price fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

Best 3 Month Return

17.57%
(Mar '09 - May '09)

Worst 3 Month Return

-20.32%
(Sep '08 - Nov '08)

Principal Risks

Any of the principal risks summarized below may adversely affect the Fund's net asset value, performance, and ability to meet its investment objective. An investment in the Fund is not a bank deposit, is not guaranteed by BlackRock, Inc. or any of its affiliates, and is not insured by the Federal Deposit Insurance Corporation or any other agency of the U.S. government.

Underlying Fund Risk 1: The investment objective and strategies of a collective investment trust in which the Fund invests ("Underlying Fund") may differ from the Fund, and there is no assurance that an Underlying Fund will achieve its objective.

Active Strategy Risk: Active strategies could result in underperformance as compared to funds with similar investment objectives and strategies.

Equity Investment Risk: The price of an equity security fluctuates based on changes in the issuer's financial condition and overall market and economic conditions. Equity securities are subject to changes in value that may be more volatile than other asset classes.

Fixed Income Investment Risk 1: An increase in interest rates may cause the value of fixed-income securities held by the Fund to decline. The Fund's income may decline when interest rates fall. Debt issuers may not honor their obligations. Securities that are rated below investment grade may be more volatile and less liquid than higher-rated securities of similar maturity.

Foreign Investment Risk 1: The Fund may suffer losses due to political, legal, economic and geographic events affecting a non-U.S. issuer or market. The prices of non-U.S. securities may be more volatile than those of securities issued by U.S. corporations or other U.S. entities. Securities of non-U.S. issuers denominated in non-U.S. currencies will expose the Fund to fluctuations in foreign currency exchange prices.

Target Date Risk: A "target date" fund may incur losses close to or after the fund's target retirement date, and there is no guarantee that the Fund will provide adequate income for an investor's retirement.

Asset Allocation Model Risk: The asset allocation model may not effectively maximize returns or minimize risk, or be appropriate for every investor seeking a particular risk profile.

Commodity-Related Investment Risk 2: The value of commodity-linked derivative investments may be significantly affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

Securities Lending Risk 1: The Fund may engage in securities lending, which involves borrower credit risk, settlement risk, and cash collateral-related risks, such as the risk that the return on the cash collateral is insufficient to cover the fees the Fund is committed to pay and the risk that cash collateral may be invested in securities or other instruments that suffer losses or become illiquid.

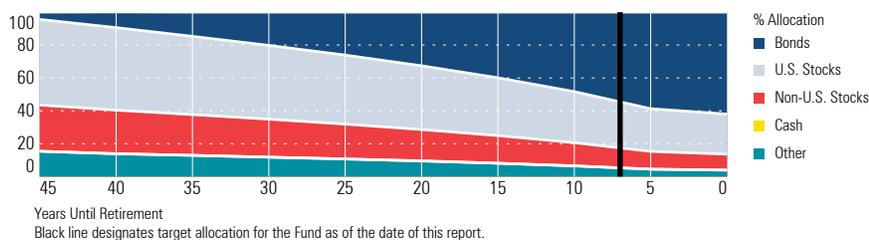
Derivatives Risk 1: Investments in derivatives (such as futures contracts, forward contracts, swaps and options) may reduce the Fund's returns and/or increase volatility. Fluctuations in the values of derivatives may not correlate perfectly with the overall securities markets. The other party in the transaction may not fulfill its contractual obligation. The possible lack of a liquid secondary market for derivatives could expose the Fund to losses.

Real Estate-Related Securities Risk 2: Real estate values can be negatively affected by many factors including both the general and local economies, the amount of new construction in a particular area, the laws and regulations affecting real estate, the costs of owning, maintaining and improving real estate, availability of mortgages, and changes in interest rates.

LifePath[®] Index 2020 Fund Q

Primary Benchmark Standard & Poor's 500 [®] Index	Custom Benchmark LifePath [®] Index 2020 Custom Benchmark	Morningstar Category Target Date 2016-2020	Overall Morningstar Rating[™] ★★★ See disclosure for details.	Morningstar Return Below Average	Morningstar Risk Below Average
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Allocation of Stocks and Bonds



Investment Objective and Strategy

The Fund provides long-term investors with an asset allocation strategy designed to maximize assets for retirement, or for other purposes, consistent with the risk that investors, on average, may be willing to accept given their investment time horizon.

The Fund is a collective investment trust maintained and managed by BlackRock Institutional Trust Company, N.A. ("BTC").

The Fund shall be invested and reinvested in securities and other assets with the objective of providing maximum total return consistent with the quantitatively measured risk investors, on average, at various stages in their employment cycle, may be willing to accept in an effort to maximize assets available during the period chosen for retirement.

The Fund's investments may include: equity securities (including those issued by real estate companies); depository receipts; debt securities and other fixed income obligations (including those issued or guaranteed by the U.S. government, its agencies or instrumentalities, and those issued by corporations or other entities); mortgage-backed securities; other asset-backed securities; commodities; and/or cash equivalents.

The Fund may invest in securities and other obligations of U.S. issuers or non-U.S. issuers, and those issuers may be of any market capitalization. The Fund's fixed income investments may be investment-grade or non-investment grade, and may include securities and other obligations of any maturity.

In addition to, or in lieu of, investing in the assets listed above, the Fund may engage in structured transactions in these asset classes, as well as over-the-counter forward contracts, swaps and options. When deemed appropriate by BTC, the Fund may invest in futures contracts, for the purpose of acting as a temporary substitute for investment in securities and/or to gain exposure to commodities.

The difference between the normal and current securities holdings for the Fund varies over time and is based on the factors analyzed by the asset allocation model used by BTC to manage the Fund. The normal asset allocations will gradually change over the investment horizon of the Fund to become more heavily oriented toward debt and debt-like securities. As time passes, the Fund is managed more conservatively in terms of its allocation to equity securities and markets, on the premise that individuals investing for retirement desire to reduce investment risk in their retirement accounts as their retirement date approaches.

BTC employs a proprietary investment model that analyzes securities market data, including risk, correlation and expected return statistics, to recommend the portfolio allocation among the asset classes.

Rather than choosing specific securities within each asset class, BTC selects among indices representing segments of the global equity and debt markets and invests in securities that comprise the chosen index. The Fund generally invests in a chosen index through a series of collective investment trusts managed and trustee by BTC, each such fund representing one of the indices (each, an "Underlying Fund").

In the event of a conflict between this summary description of the Fund's investment objective and principal investment strategies and the Trust Document under which the Fund was established, the Trust Document will govern. For more information related to the Fund, please see the Fund's Trust Document, Profile and most recent audited financial statements.

Portfolio Analysis

Top 10 Holdings as of 12-31-13	% Assets
U.S. Debt Index Fund E	41.80
Equity Index Fund E	24.07
BlackRock MSCI ACWI ex-U.S. IMI Index Fund E	14.10
Extended Equity Market Fund E	6.95
U.S. Treasury Inflation Protected Securities Fund E	6.64
BlackRock Dow Jones-UBS Commodity Index Daily Fund E	3.79
Developed Real Estate Index Fund E	2.65

Morningstar Super Sectors as of 12-31-13

Sector	% Fund
Cyclical	41.18
Sensitive	37.07
Defensive	21.75

Morningstar F-I Sectors as of 12-31-13

Sector	% Fund	% Category
Government	45.62	33.07
Corporate	16.29	20.80
Securitized	22.84	18.10
Municipal	0.62	0.70
Cash	14.63	23.37
Other	0.00	3.96

Investment Information

Operations and Management

Product Inception Date	01-02-08
Strategy Inception Date	08-01-05
Total Fund Assets (\$mil)	2,123.24
Investment Manager	BlackRock Institutional Trust Company NA

Annual Turnover Ratio %	24.02
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Fees and Expenses as of 12-31-12

Total Annual Operating Expense %	0.11%
Total Annual Operating Expense per \$1000	\$1.10

Additional Information for Total Annual Operating Expense

The Total Annual Operating Expense ("TAOE") ratio noted above reflects a management fee and administrative costs. The administrative costs are capped at two (2) basis points (0.02%) per year. There may be other fees and expenses not reflected in the TAOE ratio noted above that bear on the value of the investment. The Portfolio Turnover Rate is that of the collective investment fund in which the Fund invests exclusively, either directly or indirectly.

LifePath® Index 2020 Fund Q

Primary Benchmark Standard & Poor's 500® Index	Custom Benchmark LifePath® Index 2020 Custom Benchmark	Morningstar Category Target Date 2016-2020	Overall Morningstar Rating™ ★★★ See disclosure for details.	Morningstar Return Below Average	Morningstar Risk Below Average
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Benchmark Description

The LifePath® Index 2020 Fund's Custom Benchmark is a comparison benchmark for the performance of the Fund. The Custom Benchmark is calculated using blended returns of third party indices that proportionally reflect the respective weightings of the Fund's asset classes. The third party index proportions of the Custom Benchmark are adjusted quarterly to reflect the Fund's changing asset allocations over time. As the Fund's asset classes have been re-defined or added over time, the indices used to calculate the Custom Benchmark have changed accordingly. As of December 31, 2012, the indices used to calculate the Custom Benchmark are: S&P 500 Index, Dow Jones U.S. Completion Total Stock Market Index, MSCI ACWI ex-US IMI Net Dividend Return Index SM, Barclays U.S. Aggregate Bond Index, Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index, FTSE EPRA/NAREIT Developed Index, and the Dow Jones UBS Commodity Index.

Volatility Analysis



In the past, this investment has shown a relatively small range of price fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

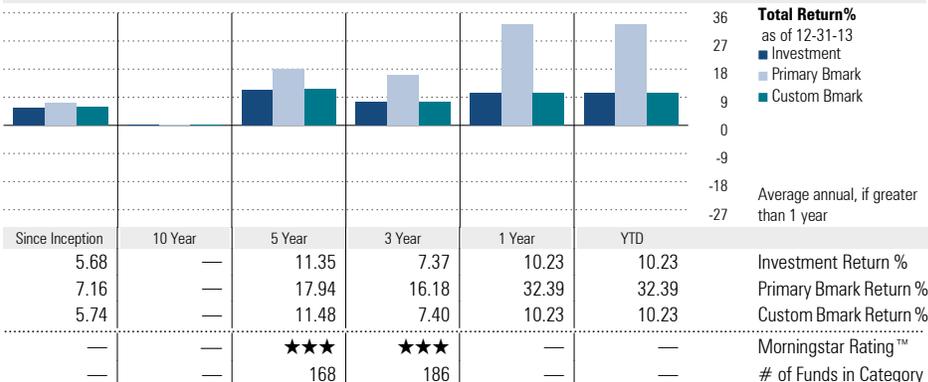
Best 3 Month Return

20.46%
(Mar '09 - May '09)

Worst 3 Month Return

-23.13%
(Sep '08 - Nov '08)

Performance



Performance Disclosure: The Fund's returns are net of an investment management fee, currently at an annual rate of 0.10%. The Fund's performance reflects fund level administrative costs capped at 0.02% per year. Since its inception the Fund has invested all of its assets in LifePath Index 2020 Fund F. Returns shown for periods prior to the Fund's inception are those of the LifePath Index 2020 Fund F net of the Fund's investment management fee.

Principal Risks

Any of the principal risks summarized below may adversely affect the Fund's net asset value, performance, and ability to meet its investment objective. An investment in the Fund is not a bank deposit, is not guaranteed by BlackRock, Inc. or any of its affiliates, and is not insured by the Federal Deposit Insurance Corporation or any other agency of the U.S. government.

Underlying Fund Risk 1: The investment objective and strategies of a collective investment trust in which the Fund invests ("Underlying Fund") may differ from the Fund, and there is no assurance that an Underlying Fund will achieve its objective.

Active Strategy Risk: Active strategies could result in underperformance as compared to funds with similar investment objectives and strategies.

Equity Investment Risk: The price of an equity security fluctuates based on changes in the issuer's financial condition and overall market and economic conditions. Equity securities are subject to changes in value that may be more volatile than other asset classes.

Fixed Income Investment Risk 1: An increase in interest rates may cause the value of fixed-income securities held by the Fund to decline. The Fund's income may decline when interest rates fall. Debt issuers may not honor their obligations. Securities that are rated below investment grade may be more volatile and less liquid than higher-rated securities of similar maturity.

Foreign Investment Risk 1: The Fund may suffer losses due to political, legal, economic and geographic events affecting a non-U.S. issuer or market. The prices of non-U.S. securities may be more volatile than those of securities issued by U.S. corporations or other U.S. entities. Securities of non-U.S. issuers denominated in non-U.S. currencies will expose the Fund to fluctuations in foreign currency exchange prices.

Target Date Risk: A "target date" fund may incur losses close to or after the fund's target retirement date, and there is no guarantee that the Fund will provide adequate income for an investor's retirement.

Asset Allocation Model Risk: The asset allocation model may not effectively maximize returns or minimize risk, or be appropriate for every investor seeking a particular risk profile.

Commodity-Related Investment Risk 2: The value of commodity-linked derivative investments may be significantly affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

Securities Lending Risk 1: The Fund may engage in securities lending, which involves borrower credit risk, settlement risk, and cash collateral-related risks, such as the risk that the return on the cash collateral is insufficient to cover the fees the Fund is committed to pay and the risk that cash collateral may be invested in securities or other instruments that suffer losses or become illiquid.

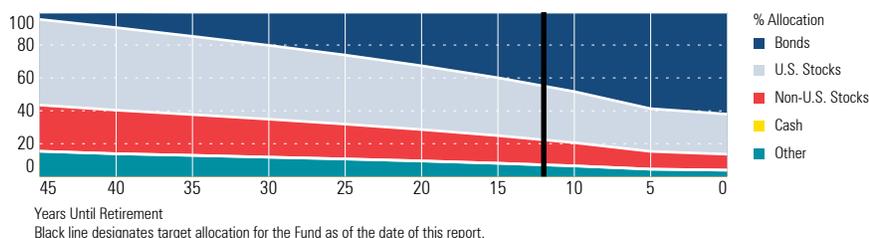
Derivatives Risk 1: Investments in derivatives (such as futures contracts, forward contracts, swaps and options) may reduce the Fund's returns and/or increase volatility. Fluctuations in the values of derivatives may not correlate perfectly with the overall securities markets. The other party in the transaction may not fulfill its contractual obligation. The possible lack of a liquid secondary market for derivatives could expose the Fund to losses.

Real Estate-Related Securities Risk 2: Real estate values can be negatively affected by many factors including both the general and local economies, the amount of new construction in a particular area, the laws and regulations affecting real estate, the costs of owning, maintaining and improving real estate, availability of mortgages, and changes in interest rates.

LifePath[®] Index 2025 Fund Q

Primary Benchmark Standard & Poor's 500 [®] Index	Custom Benchmark LifePath [®] Index 2025 Custom Benchmark	Morningstar Category Target Date 2021-2025	Overall Morningstar Rating[™] ★★ See disclosure for details.	Morningstar Return Below Average	Morningstar Risk Below Average
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Allocation of Stocks and Bonds



Investment Objective and Strategy

The Fund provides long-term investors with an asset allocation strategy designed to maximize assets for retirement, or for other purposes, consistent with the risk that investors, on average, may be willing to accept given their investment time horizon.

The Fund is a collective investment trust maintained and managed by BlackRock Institutional Trust Company, N.A. ("BTC").

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The Fund's investments may include: equity securities (including those issued by real estate companies); depository receipts; debt securities and other fixed income obligations (including those issued or guaranteed by the U.S. government, its agencies or instrumentalities, and those issued by corporations or other entities); mortgage-backed securities; other asset-backed securities; commodities; and/or cash equivalents.

The Fund may invest in securities and other obligations of U.S. issuers or non-U.S. issuers, and those issuers may be of any market capitalization. The Fund's fixed income investments may be investment-grade or non-investment grade, and may include securities and other obligations of any maturity.

In addition to, or in lieu of, investing in the assets listed above, the Fund may engage in structured transactions in these asset classes, as well as over-the-counter forward contracts, swaps and options. When deemed appropriate by BTC, the Fund may invest in futures contracts, for the purpose of acting as a temporary substitute for investment in securities and/or to gain exposure to commodities.

The difference between the normal and current securities holdings for the Fund varies over time and is based on the factors analyzed by the asset allocation model used by BTC to manage the Fund. The normal asset allocations will gradually change over the investment horizon of the Fund to become more heavily oriented toward debt and debt-like securities. As time passes, the Fund is managed more conservatively in terms of its allocation to equity securities and markets, on the premise that individuals investing for retirement desire to reduce investment risk in their retirement accounts as their retirement date approaches.

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In the event of a conflict between this summary description of the Fund's investment objective and principal investment strategies and the Trust Document under which the Fund was established, the Trust Document will govern. For more information related to the Fund, please see the Fund's Trust Document, Profile and most recent audited financial statements.

Portfolio Analysis

Top 10 Holdings as of 12-31-13	% Assets
U.S. Debt Index Fund E	34.62
Equity Index Fund E	27.96
BlackRock MSCI ACWI ex-U.S. IMI Index Fund E	16.76
Extended Equity Market Fund E	7.47
U.S. Treasury Inflation Protected Securities Fund E	5.38
Developed Real Estate Index Fund E	4.11
BlackRock Dow Jones-UBS Commodity Index Daily Fund E	3.71

Morningstar Super Sectors as of 12-31-13

	% Fund
Cyclical	42.22
Sensitive	36.35
Defensive	21.42

Morningstar F-I Sectors as of 12-31-13

	% Fund	% Category
Government	44.73	31.04
Corporate	16.11	23.01
Securitized	22.53	18.54
Municipal	0.61	0.60
Cash	16.02	21.99
Other	0.00	4.82

Investment Information

Operations and Management

Product Inception Date	01-02-08
Strategy Inception Date	07-05-06
Total Fund Assets (\$mil)	1,556.13
Investment Manager	BlackRock Institutional Trust Company NA

Annual Turnover Ratio %	20.15
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Fees and Expenses as of 12-31-12

Total Annual Operating Expense %	0.11%
Total Annual Operating Expense per \$1000	\$1.10

Additional Information for Total Annual Operating Expense

The Total Annual Operating Expense ("TAOE") ratio noted above reflects a management fee and administrative costs. The administrative costs are capped at two (2) basis points (0.02%) per year. There may be other fees and expenses not reflected in the TAOE ratio noted above that bear on the value of the investment. The Portfolio Turnover Rate is that of the collective investment fund in which the Fund invests exclusively, either directly or indirectly.

LifePath® Index 2025 Fund Q

Primary Benchmark Standard & Poor's 500® Index	Custom Benchmark LifePath® Index 2025 Custom Benchmark	Morningstar Category Target Date 2021-2025	Overall Morningstar Rating™ ★★ See disclosure for details.	Morningstar Return Below Average	Morningstar Risk Below Average
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Benchmark Description

The LifePath® Index 2025 Fund's Custom Benchmark is a comparison benchmark for the performance of the Fund. The Custom Benchmark is calculated using blended returns of third party indices that proportionally reflect the respective weightings of the Fund's asset classes. The third party index proportions of the Custom Benchmark are adjusted quarterly to reflect the Fund's changing asset allocations over time. As the Fund's asset classes have been re-defined or added over time, the indices used to calculate the Custom Benchmark have changed accordingly. As of December 31, 2012, the indices used to calculate the Custom Benchmark are: S&P 500 Index, Dow Jones U.S. Completion Total Stock Market Index, MSCI ACWI ex-US IMI Net Dividend Return Index SM, Barclays U.S. Aggregate Bond Index, Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index, FTSE EPRA/NAREIT Developed Index, and the Dow Jones UBS Commodity Index.

Volatility Analysis



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.

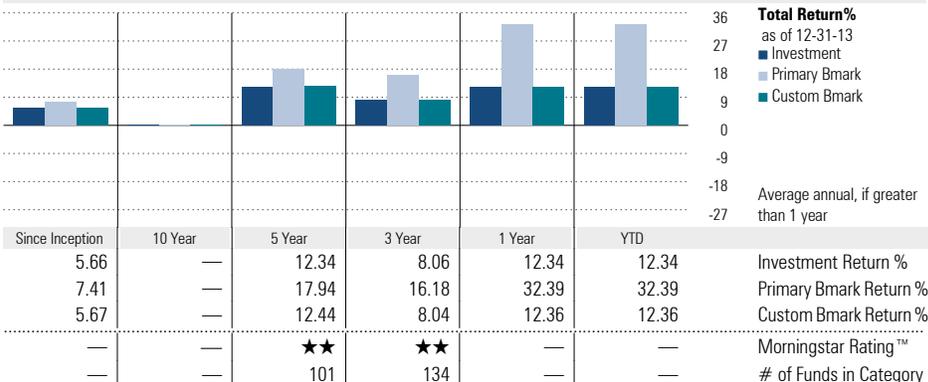
Best 3 Month Return

22.82%
(Mar '09 - May '09)

Worst 3 Month Return

-25.46%
(Sep '08 - Nov '08)

Performance



Performance Disclosure: The Fund's returns are net of an investment management fee, currently at an annual rate of 0.10%. The Fund's performance reflects fund level administrative costs capped at 0.02% per year. Since its inception the Fund has invested all of its assets in LifePath Index 2025 Fund F. Returns shown for periods prior to the Fund's inception are those of the LifePath Index 2025 Fund F net of the Fund's investment management fee.

Principal Risks

Any of the principal risks summarized below may adversely affect the Fund's net asset value, performance, and ability to meet its investment objective. An investment in the Fund is not a bank deposit, is not guaranteed by BlackRock, Inc. or any of its affiliates, and is not insured by the Federal Deposit Insurance Corporation or any other agency of the U.S. government.

Underlying Fund Risk 1: The investment objective and strategies of a collective investment trust in which the Fund invests ("Underlying Fund") may differ from the Fund, and there is no assurance that an Underlying Fund will achieve its objective.

Active Strategy Risk: Active strategies could result in underperformance as compared to funds with similar investment objectives and strategies.

Equity Investment Risk: The price of an equity security fluctuates based on changes in the issuer's financial condition and overall market and economic conditions. Equity securities are subject to changes in value that may be more volatile than other asset classes.

Fixed Income Investment Risk 1: An increase in interest rates may cause the value of fixed-income securities held by the Fund to decline. The Fund's income may decline when interest rates fall. Debt issuers may not honor their obligations. Securities that are rated below investment grade may be more volatile and less liquid than higher-rated securities of similar maturity.

Foreign Investment Risk 1: The Fund may suffer losses due to political, legal, economic and geographic events affecting a non-U.S. issuer or market. The prices of non-U.S. securities may be more volatile than those of securities issued by U.S. corporations or other U.S. entities. Securities of non-U.S. issuers denominated in non-U.S. currencies will expose the Fund to fluctuations in foreign currency exchange prices.

Target Date Risk: A "target date" fund may incur losses close to or after the fund's target retirement date, and there is no guarantee that the Fund will provide adequate income for an investor's retirement.

Asset Allocation Model Risk: The asset allocation model may not effectively maximize returns or minimize risk, or be appropriate for every investor seeking a particular risk profile.

Commodity-Related Investment Risk 2: The value of commodity-linked derivative investments may be significantly affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

Securities Lending Risk 1: The Fund may engage in securities lending, which involves borrower credit risk, settlement risk, and cash collateral-related risks, such as the risk that the return on the cash collateral is insufficient to cover the fees the Fund is committed to pay and the risk that cash collateral may be invested in securities or other instruments that suffer losses or become illiquid.

Derivatives Risk 1: Investments in derivatives (such as futures contracts, forward contracts, swaps and options) may reduce the Fund's returns and/or increase volatility. Fluctuations in the values of derivatives may not correlate perfectly with the overall securities markets. The other party in the transaction may not fulfill its contractual obligation. The possible lack of a liquid secondary market for derivatives could expose the Fund to losses.

Real Estate-Related Securities Risk 2: Real estate values can be negatively affected by many factors including both the general and local economies, the amount of new construction in a particular area, the laws and regulations affecting real estate, the costs of owning, maintaining and improving real estate, availability of mortgages, and changes in interest rates.

LifePath® Index 2030 Fund Q

Primary Benchmark

Standard & Poor's 500® Index

Custom Benchmark

LifePath® Index 2030 Custom Benchmark

Morningstar Category

Target Date 2026-2030

Overall Morningstar Rating™

★★★

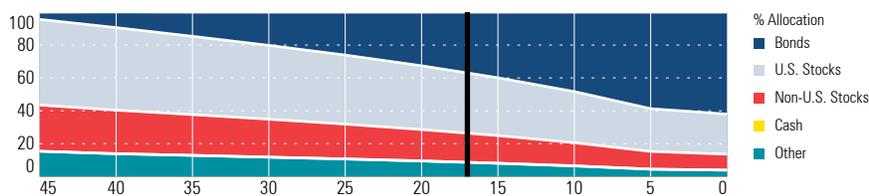
See disclosure for details.

Morningstar Return

Below Average

Morningstar Risk

Below Average

Allocation of Stocks and Bonds


Years Until Retirement

Black line designates target allocation for the Fund as of the date of this report.

Investment Objective and Strategy

The Fund provides long-term investors with an asset allocation strategy designed to maximize assets for retirement, or for other purposes, consistent with the risk that investors, on average, may be willing to accept given their investment time horizon.

The Fund is a collective investment trust maintained and managed by BlackRock Institutional Trust Company, N.A. ("BTC").

The Fund shall be invested and reinvested in securities and other assets with the objective of providing maximum total return consistent with the quantitatively measured risk investors, on average, at various stages in their employment cycle, may be willing to accept in an effort to maximize assets available during the period chosen for retirement.

The Fund's investments may include: equity securities (including those issued by real estate companies); depository receipts; debt securities and other fixed income obligations (including those issued or guaranteed by the U.S. government, its agencies or instrumentalities, and those issued by corporations or other entities); mortgage-backed securities; other asset-backed securities; commodities; and/or cash equivalents.

The Fund may invest in securities and other obligations of U.S. issuers or non-U.S. issuers, and those issuers may be of any market capitalization. The Fund's fixed income investments may be investment-grade or non-investment grade, and may include securities and other obligations of any maturity.

In addition to, or in lieu of, investing in the assets listed above, the Fund may engage in structured transactions in these asset classes, as well as over-the-counter forward contracts, swaps and options. When deemed appropriate by BTC, the Fund may invest in futures contracts, for the purpose of acting as a temporary substitute for investment in securities and/or to gain exposure to commodities.

The difference between the normal and current securities holdings for the Fund varies over time and is based on the factors analyzed by the asset allocation model used by BTC to manage the Fund. The normal asset allocations will gradually change over the investment horizon of the Fund to become more heavily oriented toward debt and debt-like securities. As time passes, the Fund is managed more conservatively in terms of its allocation to equity securities and markets, on the premise that individuals investing for retirement desire to reduce investment risk in their retirement accounts as their retirement date approaches.

BTC employs a proprietary investment model that analyzes securities market data, including risk, correlation and expected return statistics, to recommend the portfolio allocation among the asset classes.

Rather than choosing specific securities within each asset class, BTC selects among indices representing segments of the global equity and debt markets and invests in securities that comprise the chosen index. The Fund generally invests in a chosen index through a series of collective investment trusts managed and trustee by BTC, each such fund representing one of the indices (each, an "Underlying Fund").

In the event of a conflict between this summary description of the Fund's investment objective and principal investment strategies and the Trust Document under which the Fund was established, the Trust Document will govern. For more information related to the Fund, please see the Fund's Trust Document, Profile and most recent audited financial statements.

Portfolio Analysis

Top 10 Holdings as of 12-31-13	% Assets
Equity Index Fund E	31.18
U.S. Debt Index Fund E	28.39
BlackRock MSCI ACWI ex-U.S. IMI Index Fund E	19.24
Extended Equity Market Fund E	7.83
Developed Real Estate Index Fund E	5.50
U.S. Treasury Inflation Protected Securities Fund E	4.16
BlackRock Dow Jones-UBS Commodity Index Daily Fund E	3.70

Morningstar Super Sectors as of 12-31-13

	% Fund
Cyclical	43.05
Sensitive	35.79
Defensive	21.16

Morningstar F-I Sectors as of 12-31-13

	% Fund	% Category
Government	43.35	30.29
Corporate	15.93	20.21
Securitized	22.18	15.50
Municipal	0.60	0.65
Cash	17.94	28.99
Other	0.00	4.35

Investment Information
Operations and Management

Product Inception Date	01-02-08
Strategy Inception Date	08-01-05
Total Fund Assets (\$mil)	1,951.43
Investment Manager	BlackRock Institutional Trust Company NA

Annual Turnover Ratio % 23.29

Fees and Expenses as of 12-31-12

Total Annual Operating Expense %	0.11%
Total Annual Operating Expense per \$1000	\$1.10

Additional Information for Total Annual Operating Expense

The Total Annual Operating Expense ("TAOE") ratio noted above reflects a management fee and administrative costs. The administrative costs are capped at two (2) basis points (0.02%) per year. There may be other fees and expenses not reflected in the TAOE ratio noted above that bear on the value of the investment. The Portfolio Turnover Rate is that of the collective investment fund in which the Fund invests exclusively, either directly or indirectly.

LifePath® Index 2030 Fund Q

Primary Benchmark Standard & Poor's 500® Index	Custom Benchmark LifePath® Index 2030 Custom Benchmark	Morningstar Category Target Date 2026-2030	Overall Morningstar Rating™ ★★★ See disclosure for details.	Morningstar Return Below Average	Morningstar Risk Below Average
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Benchmark Description

The LifePath® Index 2030 Fund's Custom Benchmark is a comparison benchmark for the performance of the Fund. The Custom Benchmark is calculated using blended returns of third party indices that proportionally reflect the respective weightings of the Fund's asset classes. The third party index proportions of the Custom Benchmark are adjusted quarterly to reflect the Fund's changing asset allocations over time. As the Fund's asset classes have been re-defined or added over time, the indices used to calculate the Custom Benchmark have changed accordingly. As of December 31, 2012, the indices used to calculate the Custom Benchmark are: S&P 500 Index, Dow Jones U.S. Completion Total Stock Market Index, MSCI ACWI ex-US IMI Net Dividend Return Index SM, Barclays U.S. Aggregate Bond Index, Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index, FTSE EPRA/NAREIT Developed Index, and the Dow Jones UBS Commodity Index.

Volatility Analysis



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.

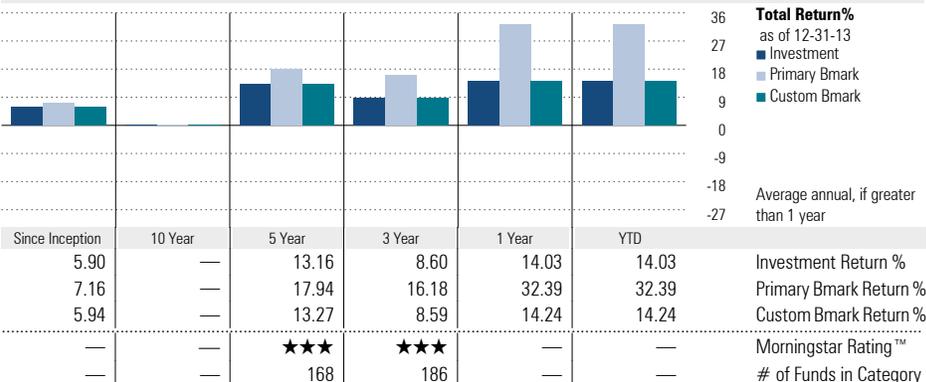
Best 3 Month Return

25.08%
(Mar '09 - May '09)

Worst 3 Month Return

-27.46%
(Sep '08 - Nov '08)

Performance



Performance Disclosure: The Fund's returns are net of an investment management fee, currently at an annual rate of 0.10%. The Fund's performance reflects fund level administrative costs capped at 0.02% per year. Since its inception the Fund has invested all of its assets in LifePath Index 2030 Fund F. Returns shown for periods prior to the Fund's inception are those of the LifePath Index 2030 Fund F net of the Fund's investment management fee.

Principal Risks

Any of the principal risks summarized below may adversely affect the Fund's net asset value, performance, and ability to meet its investment objective. An investment in the Fund is not a bank deposit, is not guaranteed by BlackRock, Inc. or any of its affiliates, and is not insured by the Federal Deposit Insurance Corporation or any other agency of the U.S. government.

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Fixed Income Investment Risk 1: An increase in interest rates may cause the value of fixed-income securities held by the Fund to decline. The Fund's income may decline when interest rates fall. Debt issuers may not honor their obligations. Securities that are rated below investment grade may be more volatile and less liquid than higher-rated securities of similar maturity.

Foreign Investment Risk 1: The Fund may suffer losses due to political, legal, economic and geographic events affecting a non-U.S. issuer or market. The prices of non-U.S. securities may be more volatile than those of securities issued by U.S. corporations or other U.S. entities. Securities of non-U.S. issuers denominated in non-U.S. currencies will expose the Fund to fluctuations in foreign currency exchange prices.

Target Date Risk: A "target date" fund may incur losses close to or after the fund's target retirement date, and there is no guarantee that the Fund will provide adequate income for an investor's retirement.

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Commodity-Related Investment Risk 2: The value of commodity-linked derivative investments may be significantly affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

Securities Lending Risk 1: The Fund may engage in securities lending, which involves borrower credit risk, settlement risk, and cash collateral-related risks, such as the risk that the return on the cash collateral is insufficient to cover the fees the Fund is committed to pay and the risk that cash collateral may be invested in securities or other instruments that suffer losses or become illiquid.

Derivatives Risk 1: Investments in derivatives (such as futures contracts, forward contracts, swaps and options) may reduce the Fund's returns and/or increase volatility. Fluctuations in the values of derivatives may not correlate perfectly with the overall securities markets. The other party in the transaction may not fulfill its contractual obligation. The possible lack of a liquid secondary market for derivatives could expose the Fund to losses.

Real Estate-Related Securities Risk 2: Real estate values can be negatively affected by many factors including both the general and local economies, the amount of new construction in a particular area, the laws and regulations affecting real estate, the costs of owning, maintaining and improving real estate, availability of mortgages, and changes in interest rates.

LifePath® Index 2035 Fund Q

Primary Benchmark

Standard & Poor's 500® Index

Custom Benchmark

LifePath® Index 2035 Custom Benchmark

Morningstar Category

Target Date 2031-2035

Overall Morningstar Rating™

★★

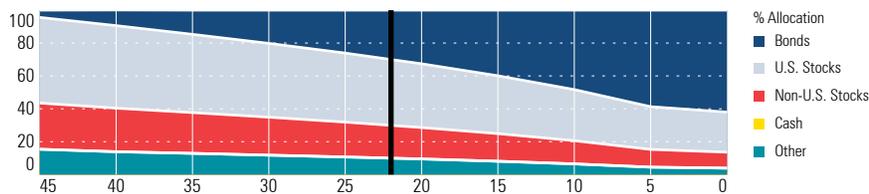
See disclosure for details.

Morningstar Return

Below Average

Morningstar Risk

Low

Allocation of Stocks and Bonds


Years Until Retirement

Black line designates target allocation for the Fund as of the date of this report.

Investment Objective and Strategy

The Fund provides long-term investors with an asset allocation strategy designed to maximize assets for retirement, or for other purposes, consistent with the risk that investors, on average, may be willing to accept given their investment time horizon.

The Fund is a collective investment trust maintained and managed by BlackRock Institutional Trust Company, N.A. ("BTC").

The Fund shall be invested and reinvested in securities and other assets with the objective of providing maximum total return consistent with the quantitatively measured risk investors, on average, at various stages in their employment cycle, may be willing to accept in an effort to maximize assets available during the period chosen for retirement.

The Fund's investments may include: equity securities (including those issued by real estate companies); depository receipts; debt securities and other fixed income obligations (including those issued or guaranteed by the U.S. government, its agencies or instrumentalities, and those issued by corporations or other entities); mortgage-backed securities; other asset-backed securities; commodities; and/or cash equivalents.

The Fund may invest in securities and other obligations of U.S. issuers or non-U.S. issuers, and those issuers may be of any market capitalization. The Fund's fixed income investments may be investment-grade or non-investment grade, and may include securities and other obligations of any maturity.

In addition to, or in lieu of, investing in the assets listed above, the Fund may engage in structured transactions in these asset classes, as well as over-the-counter forward contracts, swaps and options. When deemed appropriate by BTC, the Fund may invest in futures contracts, for the purpose of acting as a temporary substitute for investment in securities and/or to gain exposure to commodities.

The difference between the normal and current securities holdings for the Fund varies over time and is based on the factors analyzed by the asset allocation model used by BTC to manage the Fund. The normal asset allocations will gradually change over the investment horizon of the Fund to become more heavily oriented toward debt and debt-like securities. As time passes, the Fund is managed more conservatively in terms of its allocation to equity securities and markets, on the premise that individuals investing for retirement desire to reduce investment risk in their retirement accounts as their retirement date approaches.

BTC employs a proprietary investment model that analyzes securities market data, including risk, correlation and expected return statistics, to recommend the portfolio allocation among the asset classes.

Rather than choosing specific securities within each asset class, BTC selects among indices representing segments of the global equity and debt markets and invests in securities that comprise the chosen index. The Fund generally invests in a chosen index through a series of collective investment trusts managed and trustee by BTC, each such fund representing one of the indices (each, an "Underlying Fund").

In the event of a conflict between this summary description of the Fund's investment objective and principal investment strategies and the Trust Document under which the Fund was established, the Trust Document will govern. For more information related to the Fund, please see the Fund's Trust Document, Profile and most recent audited financial statements.

Portfolio Analysis

Top 10 Holdings as of 12-31-13	% Assets
Equity Index Fund E	34.03
U.S. Debt Index Fund E	23.08
BlackRock MSCI ACWI ex-U.S. IMI Index Fund E	21.36
Extended Equity Market Fund E	8.07
Developed Real Estate Index Fund E	6.78
BlackRock Dow Jones-UBS Commodity Index Daily Fund E	3.78
U.S. Treasury Inflation Protected Securities Fund E	2.91

Morningstar Super Sectors as of 12-31-13

	% Fund
Cyclical	43.68
Sensitive	35.37
Defensive	20.96

Morningstar F-I Sectors as of 12-31-13

	% Fund	% Category
Government	41.15	26.01
Corporate	15.77	22.30
Securitized	21.84	16.30
Municipal	0.59	0.54
Cash	20.65	30.16
Other	0.00	4.68

Investment Information
Operations and Management

Product Inception Date	01-02-08
Strategy Inception Date	07-05-06
Total Fund Assets (\$mil)	1,111.08
Investment Manager	BlackRock Institutional Trust Company NA

Annual Turnover Ratio % 22.32

Fees and Expenses as of 12-31-12

Total Annual Operating Expense %	0.11%
Total Annual Operating Expense per \$1000	\$1.10

Additional Information for Total Annual Operating Expense

The Total Annual Operating Expense ("TAOE") ratio noted above reflects a management fee and administrative costs. The administrative costs are capped at two (2) basis points (0.02%) per year. There may be other fees and expenses not reflected in the TAOE ratio noted above that bear on the value of the investment. The Portfolio Turnover Rate is that of the collective investment fund in which the Fund invests exclusively, either directly or indirectly.

LifePath® Index 2035 Fund Q

Primary Benchmark Standard & Poor's 500® Index	Custom Benchmark LifePath® Index 2035 Custom Benchmark	Morningstar Category Target Date 2031-2035	Overall Morningstar Rating™ ★★ See disclosure for details.	Morningstar Return Below Average	Morningstar Risk Low
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Benchmark Description

The LifePath® Index 2035 Fund's Custom Benchmark is a comparison benchmark for the performance of the Fund. The Custom Benchmark is calculated using blended returns of third party indices that proportionally reflect the respective weightings of the Fund's asset classes. The third party index proportions of the Custom Benchmark are adjusted quarterly to reflect the Fund's changing asset allocations over time. As the Fund's asset classes have been re-defined or added over time, the indices used to calculate the Custom Benchmark have changed accordingly. As of December 31, 2012, the indices used to calculate the Custom Benchmark are: S&P 500 Index, Dow Jones U.S. Completion Total Stock Market Index, MSCI ACWI ex-US IMI Net Dividend Return Index SM, Barclays U.S. Aggregate Bond Index, Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index, FTSE EPRA/NAREIT Developed Index, and the Dow Jones UBS Commodity Index.

Volatility Analysis



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.

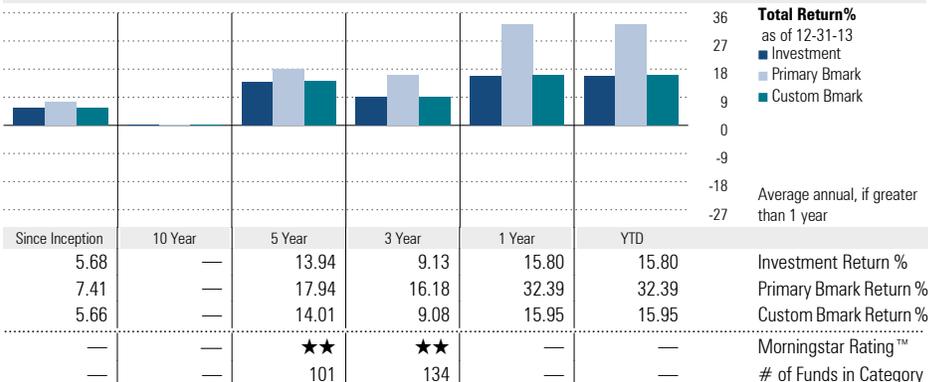
Best 3 Month Return

27.24%
(Mar '09 - May '09)

Worst 3 Month Return

-29.39%
(Sep '08 - Nov '08)

Performance



Performance Disclosure: The Fund's returns are net of an investment management fee, currently at an annual rate of 0.10%. The Fund's performance reflects fund level administrative costs capped at 0.02% per year. Since its inception the Fund has invested all of its assets in LifePath Index 2035 Fund F. Returns shown for periods prior to the Fund's inception are those of the LifePath Index 2035 Fund F net of the Fund's investment management fee.

Principal Risks

Any of the principal risks summarized below may adversely affect the Fund's net asset value, performance, and ability to meet its investment objective. An investment in the Fund is not a bank deposit, is not guaranteed by BlackRock, Inc. or any of its affiliates, and is not insured by the Federal Deposit Insurance Corporation or any other agency of the U.S. government.

Underlying Fund Risk 1: The investment objective and strategies of a collective investment trust in which the Fund invests ("Underlying Fund") may differ from the Fund, and there is no assurance that an Underlying Fund will achieve its objective.

Active Strategy Risk: Active strategies could result in underperformance as compared to funds with similar investment objectives and strategies.

Equity Investment Risk: The price of an equity security fluctuates based on changes in the issuer's financial condition and overall market and economic conditions. Equity securities are subject to changes in value that may be more volatile than other asset classes.

Fixed Income Investment Risk 1: An increase in interest rates may cause the value of fixed-income securities held by the Fund to decline. The Fund's income may decline when interest rates fall. Debt issuers may not honor their obligations. Securities that are rated below investment grade may be more volatile and less liquid than higher-rated securities of similar maturity.

Foreign Investment Risk 1: The Fund may suffer losses due to political, legal, economic and geographic events affecting a non-U.S. issuer or market. The prices of non-U.S. securities may be more volatile than those of securities issued by U.S. corporations or other U.S. entities. Securities of non-U.S. issuers denominated in non-U.S. currencies will expose the Fund to fluctuations in foreign currency exchange prices.

Target Date Risk: A "target date" fund may incur losses close to or after the fund's target retirement date, and there is no guarantee that the Fund will provide adequate income for an investor's retirement.

Asset Allocation Model Risk: The asset allocation model may not effectively maximize returns or minimize risk, or be appropriate for every investor seeking a particular risk profile.

Commodity-Related Investment Risk 2: The value of commodity-linked derivative investments may be significantly affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

Securities Lending Risk 1: The Fund may engage in securities lending, which involves borrower credit risk, settlement risk, and cash collateral-related risks, such as the risk that the return on the cash collateral is insufficient to cover the fees the Fund is committed to pay and the risk that cash collateral may be invested in securities or other instruments that suffer losses or become illiquid.

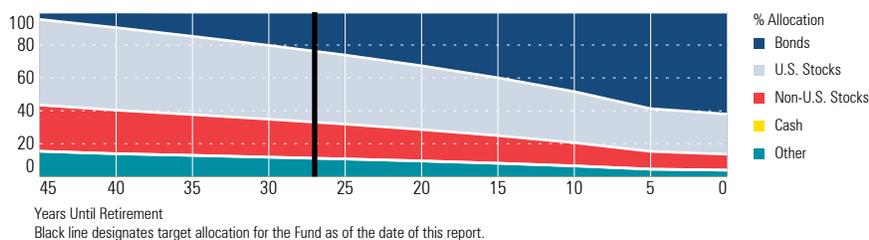
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Real Estate-Related Securities Risk 2: Real estate values can be negatively affected by many factors including both the general and local economies, the amount of new construction in a particular area, the laws and regulations affecting real estate, the costs of owning, maintaining and improving real estate, availability of mortgages, and changes in interest rates.

LifePath® Index 2040 Fund Q

Primary Benchmark Standard & Poor's 500® Index	Custom Benchmark LifePath® Index 2040 Custom Benchmark	Morningstar Category Target Date 2036-2040	Overall Morningstar Rating™ ★★★ See disclosure for details.	Morningstar Return Average	Morningstar Risk Below Average
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Allocation of Stocks and Bonds



Investment Objective and Strategy

The Fund provides long-term investors with an asset allocation strategy designed to maximize assets for retirement, or for other purposes, consistent with the risk that investors, on average, may be willing to accept given their investment time horizon.

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The Fund may invest in securities and other obligations of U.S. issuers or non-U.S. issuers, and those issuers may be of any market capitalization. The Fund's fixed income investments may be investment-grade or non-investment grade, and may include securities and other obligations of any maturity.

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Portfolio Analysis

Top 10 Holdings as of 12-31-13	% Assets
Equity Index Fund E	36.64
BlackRock MSCI ACWI ex-U.S. IMI Index Fund E	23.14
U.S. Debt Index Fund E	18.26
Extended Equity Market Fund E	8.43
Developed Real Estate Index Fund E	7.95
BlackRock Dow Jones-UBS Commodity Index Daily Fund E	3.72
U.S. Treasury Inflation Protected Securities Fund E	1.86

Morningstar Super Sectors as of 12-31-13

Sector	% Fund
Cyclical	44.14
Sensitive	35.07
Defensive	20.79

Morningstar F-I Sectors as of 12-31-13

Sector	% Fund	% Category
Government	38.51	26.67
Corporate	15.58	18.67
Securitized	21.42	14.45
Municipal	0.58	0.69
Cash	23.91	35.44
Other	0.00	4.09

Investment Information

Operations and Management

Product Inception Date	01-02-08
Strategy Inception Date	08-01-05
Total Fund Assets (\$mil)	1,314.33
Investment Manager	BlackRock Institutional Trust Company NA

Annual Turnover Ratio %	25.53
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Fees and Expenses as of 12-31-12

Total Annual Operating Expense %	0.11%
Total Annual Operating Expense per \$1000	\$1.10

Additional Information for Total Annual Operating Expense

The Total Annual Operating Expense ("TAOE") ratio noted above reflects a management fee and administrative costs. The administrative costs are capped at two (2) basis points (0.02%) per year. There may be other fees and expenses not reflected in the TAOE ratio noted above that bear on the value of the investment. The Portfolio Turnover Rate is that of the collective investment fund in which the Fund invests exclusively, either directly or indirectly.

LifePath® Index 2040 Fund Q

Primary Benchmark Standard & Poor's 500® Index	Custom Benchmark LifePath® Index 2040 Custom Benchmark	Morningstar Category Target Date 2036-2040	Overall Morningstar Rating™ ★★★ See disclosure for details.	Morningstar Return Average	Morningstar Risk Below Average
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Benchmark Description

The LifePath® Index 2040 Fund's Custom Benchmark is a comparison benchmark for the performance of the Fund. The Custom Benchmark is calculated using blended returns of third party indices that proportionally reflect the respective weightings of the Fund's asset classes. The third party index proportions of the Custom Benchmark are adjusted quarterly to reflect the Fund's changing asset allocations over time. As the Fund's asset classes have been re-defined or added over time, the indices used to calculate the Custom Benchmark have changed accordingly. As of December 31, 2012, the indices used to calculate the Custom Benchmark are: S&P 500 Index, Dow Jones U.S. Completion Total Stock Market Index, MSCI ACWI ex-US IMI Net Dividend Return Index SM, Barclays U.S. Aggregate Bond Index, Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index, FTSE EPRA/NAREIT Developed Index, and the Dow Jones UBS Commodity Index.

Volatility Analysis



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.

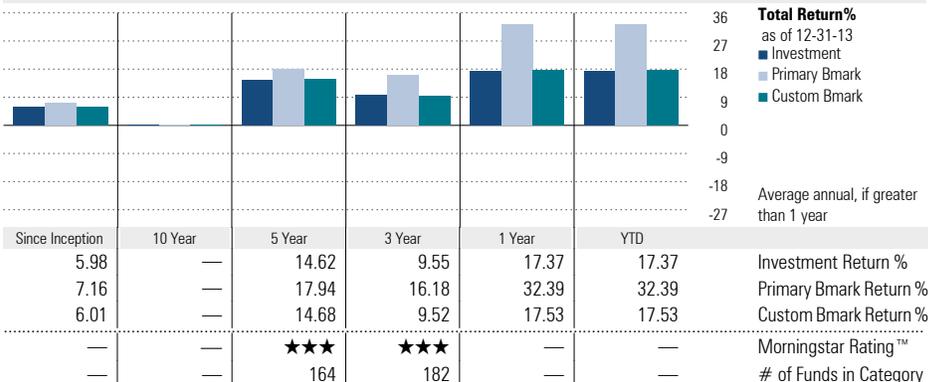
Best 3 Month Return

29.27%
(Mar '09 - May '09)

Worst 3 Month Return

-31.03%
(Sep '08 - Nov '08)

Performance



Performance Disclosure: The Fund's returns are net of an investment management fee, currently at an annual rate of 0.10%. The Fund's performance reflects fund level administrative costs capped at 0.02% per year. Since its inception the Fund has invested all of its assets in LifePath Index 2040 Fund F. Returns shown for periods prior to the Fund's inception are those of the LifePath Index 2040 Fund F net of the Fund's investment management fee.

Principal Risks

Any of the principal risks summarized below may adversely affect the Fund's net asset value, performance, and ability to meet its investment objective. An investment in the Fund is not a bank deposit, is not guaranteed by BlackRock, Inc. or any of its affiliates, and is not insured by the Federal Deposit Insurance Corporation or any other agency of the U.S. government.

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Target Date Risk: A "target date" fund may incur losses close to or after the fund's target retirement date, and there is no guarantee that the Fund will provide adequate income for an investor's retirement.

Asset Allocation Model Risk: The asset allocation model may not effectively maximize returns or minimize risk, or be appropriate for every investor seeking a particular risk profile.

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Securities Lending Risk 1: The Fund may engage in securities lending, which involves borrower credit risk, settlement risk, and cash collateral-related risks, such as the risk that the return on the cash collateral is insufficient to cover the fees the Fund is committed to pay and the risk that cash collateral may be invested in securities or other instruments that suffer losses or become illiquid.

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LifePath® Index 2045 Fund Q

Primary Benchmark

Standard & Poor's 500® Index

Custom Benchmark

LifePath® Index 2045 Custom Benchmark

Morningstar Category

Target Date 2041-2045

Overall Morningstar Rating™

★★★★

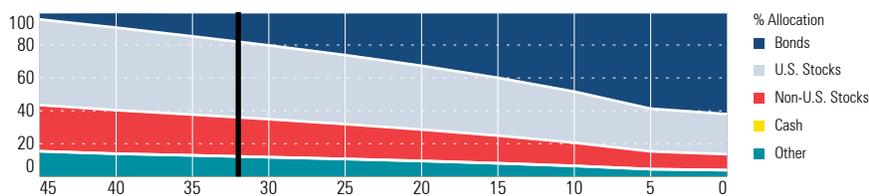
See disclosure for details.

Morningstar Return

Average

Morningstar Risk

Average

Allocation of Stocks and Bonds


Years Until Retirement

Black line designates target allocation for the Fund as of the date of this report.

Investment Objective and Strategy

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The Fund may invest in securities and other obligations of U.S. issuers or non-U.S. issuers, and those issuers may be of any market capitalization. The Fund's fixed income investments may be investment-grade or non-investment grade, and may include securities and other obligations of any maturity.

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Portfolio Analysis

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Equity Index Fund E	39.04
BlackRock MSCI ACWI ex-U.S. IMI Index Fund E	24.92
U.S. Debt Index Fund E	14.66
Developed Real Estate Index Fund E	8.95
Extended Equity Market Fund E	8.55
BlackRock Dow Jones-UBS Commodity Index Daily Fund E	3.88

Morningstar Super Sectors as of 12-31-13

	% Fund
Cyclical	44.47
Sensitive	34.83
Defensive	20.71

Morningstar F-I Sectors as of 12-31-13

	% Fund	% Category
Government	31.61	23.39
Corporate	16.07	20.02
Securitized	21.90	16.00
Municipal	0.59	0.50
Cash	29.83	35.14
Other	0.00	4.95

Investment Information
Operations and Management

Product Inception Date	01-02-08
Strategy Inception Date	07-05-06
Total Fund Assets (\$mil)	611.27
Investment Manager	BlackRock Institutional Trust Company NA

Annual Turnover Ratio %	18.18
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Fees and Expenses as of 12-31-12

Total Annual Operating Expense %	0.12%
Total Annual Operating Expense per \$1000	\$1.20

Additional Information for Total Annual Operating Expense

The Total Annual Operating Expense ("TAOE") ratio noted above reflects a management fee and administrative costs. The administrative costs are capped at two (2) basis points (0.02%) per year. There may be other fees and expenses not reflected in the TAOE ratio noted above that bear on the value of the investment. The Portfolio Turnover Rate is that of the collective investment fund in which the Fund invests exclusively, either directly or indirectly.

LifePath® Index 2045 Fund Q

Primary Benchmark Standard & Poor's 500® Index	Custom Benchmark LifePath® Index 2045 Custom Benchmark	Morningstar Category Target Date 2041-2045	Overall Morningstar Rating™ ★★★ See disclosure for details.	Morningstar Return Average	Morningstar Risk Average
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Benchmark Description

The LifePath® Index 2045 Fund's Custom Benchmark is a comparison benchmark for the performance of the Fund. The Custom Benchmark is calculated using blended returns of third party indices that proportionally reflect the respective weightings of the Fund's asset classes. The third party index proportions of the Custom Benchmark are adjusted quarterly to reflect the Fund's changing asset allocations over time. As the Fund's asset classes have been re-defined or added over time, the indices used to calculate the Custom Benchmark have changed accordingly. As of December 31, 2012, the indices used to calculate the Custom Benchmark are: S&P 500 Index, Dow Jones U.S. Completion Total Stock Market Index, MSCI ACWI ex-US IMI Net Dividend Return Index SM, Barclays U.S. Aggregate Bond Index, Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index, FTSE EPRA/NAREIT Developed Index, and the Dow Jones UBS Commodity Index.

Volatility Analysis



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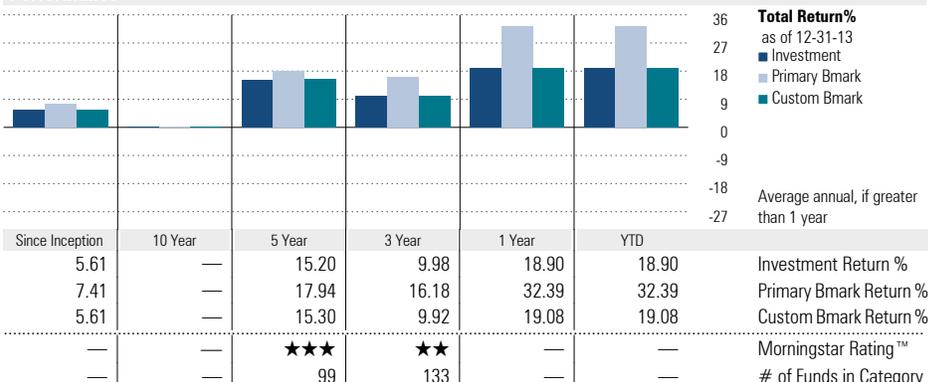
Best 3 Month Return

31.12%
(Mar '09 - May '09)

Worst 3 Month Return

-32.51%
(Sep '08 - Nov '08)

Performance



Performance Disclosure: The Fund's returns are net of an investment management fee, currently at an annual rate of 0.10%. The Fund's performance reflects fund level administrative costs capped at 0.02% per year. Since its inception the Fund has invested all of its assets in LifePath Index 2045 Fund F. Returns shown for periods prior to the Fund's inception are those of the LifePath Index 2045 Fund F net of the Fund's investment management fee.

Principal Risks

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Securities Lending Risk 1: The Fund may engage in securities lending, which involves borrower credit risk, settlement risk, and cash collateral-related risks, such as the risk that the return on the cash collateral is insufficient to cover the fees the Fund is committed to pay and the risk that cash collateral may be invested in securities or other instruments that suffer losses or become illiquid.

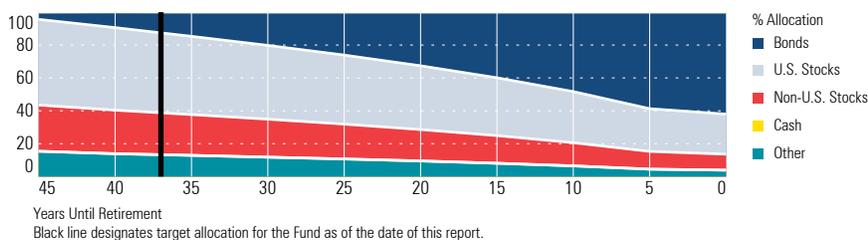
Derivatives Risk 1: Investments in derivatives (such as futures contracts, forward contracts, swaps and options) may reduce the Fund's returns and/or increase volatility. Fluctuations in the values of derivatives may not correlate perfectly with the overall securities markets. The other party in the transaction may not fulfill its contractual obligation. The possible lack of a liquid secondary market for derivatives could expose the Fund to losses.

Real Estate-Related Securities Risk 2: Real estate values can be negatively affected by many factors including both the general and local economies, the amount of new construction in a particular area, the laws and regulations affecting real estate, the costs of owning, maintaining and improving real estate, availability of mortgages, and changes in interest rates.

LifePath® Index 2050 Fund Q

Primary Benchmark Standard & Poor's 500® Index	Custom Benchmark LifePath® Index 2050 Custom Benchmark	Morningstar Category Target Date 2046-2050	Overall Morningstar Rating™ ★★★★ See disclosure for details.	Morningstar Return Above Average	Morningstar Risk Above Average
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Allocation of Stocks and Bonds



Investment Objective and Strategy

The Fund provides long-term investors with an asset allocation strategy designed to maximize assets for retirement, or for other purposes, consistent with the risk that investors, on average, may be willing to accept given their investment time horizon.

The Fund is a collective investment trust maintained and managed by BlackRock Institutional Trust Company, N.A. ("BTC").

The Fund shall be invested and reinvested in securities and other assets with the objective of providing maximum total return consistent with the quantitatively measured risk investors, on average, at various stages in their employment cycle, may be willing to accept in an effort to maximize assets available during the period chosen for retirement.

The Fund's investments may include: equity securities (including those issued by real estate companies); depository receipts; debt securities and other fixed income obligations (including those issued or guaranteed by the U.S. government, its agencies or instrumentalities, and those issued by corporations or other entities); mortgage-backed securities; other asset-backed securities; commodities; and/or cash equivalents.

The Fund may invest in securities and other obligations of U.S. issuers or non-U.S. issuers, and those issuers may be of any market capitalization. The Fund's fixed income investments may be investment-grade or non-investment grade, and may include securities and other obligations of any maturity.

In addition to, or in lieu of, investing in the assets listed above, the Fund may engage in structured transactions in these asset classes, as well as over-the-counter forward contracts, swaps and options. When deemed appropriate by BTC, the Fund may invest in futures contracts, for the purpose of acting as a temporary substitute for investment in securities and/or to gain exposure to commodities.

The difference between the normal and current securities holdings for the Fund varies over time and is based on the factors analyzed by the asset allocation model used by BTC to manage the Fund. The normal asset allocations will gradually change over the investment horizon of the Fund to become more heavily oriented toward debt and debt-like securities. As time passes, the Fund is managed more conservatively in terms of its allocation to equity securities and markets, on the premise that individuals investing for retirement desire to reduce investment risk in their retirement accounts as their retirement date approaches.

BTC employs a proprietary investment model that analyzes securities market data, including risk, correlation and expected return statistics, to recommend the portfolio allocation among the asset classes.

Rather than choosing specific securities within each asset class, BTC selects among indices representing segments of the global equity and debt markets and invests in securities that comprise the chosen index. The Fund generally invests in a chosen index through a series of collective investment trusts managed and trusteeed by BTC, each such fund representing one of the indices (each, an "Underlying Fund").

In the event of a conflict between this summary description of the Fund's investment objective and principal investment strategies and the Trust Document under which the Fund was established, the Trust Document will govern. For more information related to the Fund, please see the Fund's Trust Document, Profile and most recent audited financial statements.

Portfolio Analysis

Top 10 Holdings as of 12-31-13	% Assets
Equity Index Fund E	41.26
BlackRock MSCI ACWI ex-U.S. IMI Index Fund E	26.59
Developed Real Estate Index Fund E	9.97
U.S. Debt Index Fund E	9.38
Extended Equity Market Fund E	8.88
BlackRock Dow Jones-UBS Commodity Index Daily Fund E	3.91

Morningstar Super Sectors as of 12-31-13	% Fund
Cyclical	44.79
Sensitive	34.61
Defensive	20.59

Morningstar F-I Sectors as of 12-31-13	% Fund	% Category
Government	27.71	23.33
Corporate	14.42	19.01
Securitized	19.20	14.68
Municipal	0.52	0.63
Cash	38.15	37.56
Other	0.00	4.78

Investment Information

Operations and Management

Product Inception Date	01-02-08
Strategy Inception Date	09-30-07
Total Fund Assets (\$mil)	581.12
Investment Manager	BlackRock Institutional Trust Company NA

Annual Turnover Ratio %	15.69
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Fees and Expenses as of 12-31-12

Total Annual Operating Expense %	0.12%
Total Annual Operating Expense per \$1000	\$1.20

Additional Information for Total Annual Operating Expense

The Total Annual Operating Expense ("TAOE") ratio noted above reflects a management fee and administrative costs. The administrative costs are capped at two (2) basis points (0.02%) per year. There may be other fees and expenses not reflected in the TAOE ratio noted above that bear on the value of the investment. The Portfolio Turnover Rate is that of the collective investment fund in which the Fund invests exclusively, either directly or indirectly.

LifePath® Index 2050 Fund Q

Primary Benchmark Standard & Poor's 500® Index	Custom Benchmark LifePath® Index 2050 Custom Benchmark	Morningstar Category Target Date 2046-2050	Overall Morningstar Rating™ ★★★ See disclosure for details.	Morningstar Return Above Average	Morningstar Risk Above Average
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Benchmark Description

The LifePath® Index 2050 Fund's Custom Benchmark is a comparison benchmark for the performance of the Fund. The Custom Benchmark is calculated using blended returns of third party indices that proportionally reflect the respective weightings of the Fund's asset classes. The third party index proportions of the Custom Benchmark are adjusted quarterly to reflect the Fund's changing asset allocations over time. As the Fund's asset classes have been re-defined or added over time, the indices used to calculate the Custom Benchmark have changed accordingly. As of December 31, 2012, the indices used to calculate the Custom Benchmark are: S&P 500 Index, Dow Jones U.S. Completion Total Stock Market Index, MSCI ACWI ex-US IMI Net Dividend Return Index SM, Barclays U.S. Aggregate Bond Index, Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index, FTSE EPRA/NAREIT Developed Index, and the Dow Jones UBS Commodity Index.

Volatility Analysis



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.

Best 3 Month Return

32.73%
(Mar '09 - May '09)

Worst 3 Month Return

-33.37%
(Sep '08 - Nov '08)

Performance



Performance Disclosure: The Fund's returns are net of an investment management fee, currently at an annual rate of 0.10%. The Fund's performance reflects fund level administrative costs capped at 0.02% per year. Since its inception the Fund has invested all of its assets in LifePath Index 2050 Fund F. Returns shown for periods prior to the Fund's inception are those of the LifePath Index 2050 Fund F net of the Fund's investment management fee.

Principal Risks

Any of the principal risks summarized below may adversely affect the Fund's net asset value, performance, and ability to meet its investment objective. An investment in the Fund is not a bank deposit, is not guaranteed by BlackRock, Inc. or any of its affiliates, and is not insured by the Federal Deposit Insurance Corporation or any other agency of the U.S. government.

Underlying Fund Risk 1: The investment objective and strategies of a collective investment trust in which the Fund invests ("Underlying Fund") may differ from the Fund, and there is no assurance that an Underlying Fund will achieve its objective.

Active Strategy Risk: Active strategies could result in underperformance as compared to funds with similar investment objectives and strategies.

Equity Investment Risk: The price of an equity security fluctuates based on changes in the issuer's financial condition and overall market and economic conditions. Equity securities are subject to changes in value that may be more volatile than other asset classes.

Fixed Income Investment Risk 1: An increase in interest rates may cause the value of fixed-income securities held by the Fund to decline. The Fund's income may decline when interest rates fall. Debt issuers may not honor their obligations. Securities that are rated below investment grade may be more volatile and less liquid than higher-rated securities of similar maturity.

Foreign Investment Risk 1: The Fund may suffer losses due to political, legal, economic and geographic events affecting a non-U.S. issuer or market. The prices of non-U.S. securities may be more volatile than those of securities issued by U.S. corporations or other U.S. entities. Securities of non-U.S. issuers denominated in non-U.S. currencies will expose the Fund to fluctuations in foreign currency exchange prices.

Target Date Risk: A "target date" fund may incur losses close to or after the fund's target retirement date, and there is no guarantee that the Fund will provide adequate income for an investor's retirement.

Asset Allocation Model Risk: The asset allocation model may not effectively maximize returns or minimize risk, or be appropriate for every investor seeking a particular risk profile.

Commodity-Related Investment Risk 2: The value of commodity-linked derivative investments may be significantly affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

Securities Lending Risk 1: The Fund may engage in securities lending, which involves borrower credit risk, settlement risk, and cash collateral-related risks, such as the risk that the return on the cash collateral is insufficient to cover the fees the Fund is committed to pay and the risk that cash collateral may be invested in securities or other instruments that suffer losses or become illiquid.

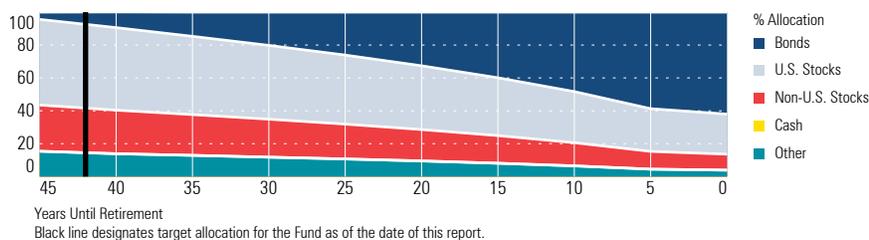
Derivatives Risk 1: Investments in derivatives (such as futures contracts, forward contracts, swaps and options) may reduce the Fund's returns and/or increase volatility. Fluctuations in the values of derivatives may not correlate perfectly with the overall securities markets. The other party in the transaction may not fulfill its contractual obligation. The possible lack of a liquid secondary market for derivatives could expose the Fund to losses.

Real Estate-Related Securities Risk 2: Real estate values can be negatively affected by many factors including both the general and local economies, the amount of new construction in a particular area, the laws and regulations affecting real estate, the costs of owning, maintaining and improving real estate, availability of mortgages, and changes in interest rates.

LifePath® Index 2055 Fund Q

Primary Benchmark Standard & Poor's 500® Index	Custom Benchmark LifePath® Index 2055 Custom Benchmark	Morningstar Category Target Date 2051 +	Overall Morningstar Rating™ ★★★★ See disclosure for details.	Morningstar Return Average	Morningstar Risk Above Average
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Allocation of Stocks and Bonds



Investment Objective and Strategy

The Fund provides long-term investors with an asset allocation strategy designed to maximize assets for retirement, or for other purposes, consistent with the risk that investors, on average, may be willing to accept given their investment time horizon.

The Fund is a collective investment trust maintained and managed by BlackRock Institutional Trust Company, N.A. ("BTC").

The Fund shall be invested and reinvested in securities and other assets with the objective of providing maximum total return consistent with the quantitatively measured risk investors, on average, at various stages in their employment cycle, may be willing to accept in an effort to maximize assets available during the period chosen for retirement.

The Fund's investments may include: equity securities (including those issued by real estate companies); depository receipts; debt securities and other fixed income obligations (including those issued or guaranteed by the U.S. government, its agencies or instrumentalities, and those issued by corporations or other entities); mortgage-backed securities; other asset-backed securities; commodities; and/or cash equivalents.

The Fund may invest in securities and other obligations of U.S. issuers or non-U.S. issuers, and those issuers may be of any market capitalization. The Fund's fixed income investments may be investment-grade or non-investment grade, and may include securities and other obligations of any maturity.

In addition to, or in lieu of, investing in the assets listed above, the Fund may engage in structured transactions in these asset classes, as well as over-the-counter forward contracts, swaps and options. When deemed appropriate by BTC, the Fund may invest in futures contracts, for the purpose of acting as a temporary substitute for investment in securities and/or to gain exposure to commodities.

The difference between the normal and current securities holdings for the Fund varies over time and is based on the factors analyzed by the asset allocation model used by BTC to manage the Fund. The normal asset allocations will gradually change over the investment horizon of the Fund to become more heavily oriented toward debt and debt-like securities. As time passes, the Fund is managed more conservatively in terms of its allocation to equity securities and markets, on the premise that individuals investing for retirement desire to reduce investment risk in their retirement accounts as their retirement date approaches.

BTC employs a proprietary investment model that analyzes securities market data, including risk, correlation and expected return statistics, to recommend the portfolio allocation among the asset classes.

Rather than choosing specific securities within each asset class, BTC selects among indices representing segments of the global equity and debt markets and invests in securities that comprise the chosen index. The Fund generally invests in a chosen index through a series of collective investment trusts managed and trusteeed by BTC, each such fund representing one of the indices (each, an "Underlying Fund").

In the event of a conflict between this summary description of the Fund's investment objective and principal investment strategies and the Trust Document under which the Fund was established, the Trust Document will govern. For more information related to the Fund, please see the Fund's Trust Document, Profile and most recent audited financial statements.

Portfolio Analysis

Top 10 Holdings as of 12-31-13	% Assets
Equity Index Fund E	42.53
BlackRock MSCI ACWI ex-U.S. IMI Index Fund E	28.23
Developed Real Estate Index Fund E	11.29
Extended Equity Market Fund E	9.48
U.S. Debt Index Fund E	4.44
BlackRock Dow Jones-UBS Commodity Index Daily Fund E	4.03

Morningstar Super Sectors as of 12-31-13	% Fund
Cyclical	45.38
Sensitive	34.24
Defensive	20.37

Morningstar F-I Sectors as of 12-31-13	% Fund	% Category
Government	19.85	20.42
Corporate	11.08	24.41
Securitized	13.75	13.29
Municipal	0.37	0.48
Cash	54.95	38.58
Other	0.00	2.82

Investment Information

Operations and Management

Product Inception Date	01-03-11
Strategy Inception Date	05-19-10
Total Fund Assets (\$mil)	153.73
Investment Manager	BlackRock Institutional Trust Company NA

Annual Turnover Ratio %	32.63
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Fees and Expenses as of 12-31-12

Total Annual Operating Expense %	0.12%
Total Annual Operating Expense per \$1000	\$1.20

Additional Information for Total Annual Operating Expense

The Total Annual Operating Expense ("TAOE") ratio noted above reflects a management fee and administrative costs. The administrative costs are capped at two (2) basis points (0.02%) per year. There may be other fees and expenses not reflected in the TAOE ratio noted above that bear on the value of the investment. The Portfolio Turnover Rate is that of the collective investment fund in which the Fund invests exclusively, either directly or indirectly.

LifePath[®] Index 2055 Fund Q

Primary Benchmark Standard & Poor's 500 [®] Index	Custom Benchmark LifePath [®] Index 2055 Custom Benchmark	Morningstar Category Target Date 2051 +	Overall Morningstar Rating[™] ★★★ See disclosure for details.	Morningstar Return Average	Morningstar Risk Above Average
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Benchmark Description

The LifePath[®] Index 2055 Fund's Custom Benchmark is a comparison benchmark for the performance of the Fund. The Custom Benchmark is calculated using blended returns of third party indices that proportionally reflect the respective weightings of the Fund's asset classes. The third party index proportions of the Custom Benchmark are adjusted quarterly to reflect the Fund's changing asset allocations over time. As the Fund's asset classes have been re-defined or added over time, the indices used to calculate the Custom Benchmark have changed accordingly. As of December 31, 2012, the indices used to calculate the Custom Benchmark are: S&P 500 Index, Dow Jones U.S. Completion Total Stock Market Index, MSCI ACWI ex-US IMI Net Dividend Return Index SM, Barclays U.S. Aggregate Bond Index, Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index, FTSE EPRA/NAREIT Developed Index, and the Dow Jones UBS Commodity Index.

Volatility Analysis



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.

Best 3 Month Return

13.74%
(Jul '10 - Sep '10)

Worst 3 Month Return

-16.51%
(Jul '11 - Sep '11)

Performance



Performance Disclosure: The Fund's returns are net of an investment management fee, currently at an annual rate of 0.10%. The Fund's performance reflects fund level administrative costs capped at 0.02% per year. Since its inception the Fund has invested all of its assets in LifePath Index 2055 Fund F. Returns shown for periods prior to the Fund's inception are those of the LifePath Index 2055 Fund F net of the Fund's investment management fee.

Principal Risks

Any of the principal risks summarized below may adversely affect the Fund's net asset value, performance, and ability to meet its investment objective. An investment in the Fund is not a bank deposit, is not guaranteed by BlackRock, Inc. or any of its affiliates, and is not insured by the Federal Deposit Insurance Corporation or any other agency of the U.S. government.

Underlying Fund Risk 1: The investment objective and strategies of a collective investment trust in which the Fund invests ("Underlying Fund") may differ from the Fund, and there is no assurance that an Underlying Fund will achieve its objective.

Active Strategy Risk: Active strategies could result in underperformance as compared to funds with similar investment objectives and strategies.

Equity Investment Risk: The price of an equity security fluctuates based on changes in the issuer's financial condition and overall market and economic conditions. Equity securities are subject to changes in value that may be more volatile than other asset classes.

Fixed Income Investment Risk 1: An increase in interest rates may cause the value of fixed-income securities held by the Fund to decline. The Fund's income may decline when interest rates fall. Debt issuers may not honor their obligations. Securities that are rated below investment grade may be more volatile and less liquid than higher-rated securities of similar maturity.

Foreign Investment Risk 1: The Fund may suffer losses due to political, legal, economic and geographic events affecting a non-U.S. issuer or market. The prices of non-U.S. securities may be more volatile than those of securities issued by U.S. corporations or other U.S. entities. Securities of non-U.S. issuers denominated in non-U.S. currencies will expose the Fund to fluctuations in foreign currency exchange prices.

Target Date Risk: A "target date" fund may incur losses close to or after the fund's target retirement date, and there is no guarantee that the Fund will provide adequate income for an investor's retirement.

Asset Allocation Model Risk: The asset allocation model may not effectively maximize returns or minimize risk, or be appropriate for every investor seeking a particular risk profile.

Commodity-Related Investment Risk 2: The value of commodity-linked derivative investments may be significantly affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

Securities Lending Risk 1: The Fund may engage in securities lending, which involves borrower credit risk, settlement risk, and cash collateral-related risks, such as the risk that the return on the cash collateral is insufficient to cover the fees the Fund is committed to pay and the risk that cash collateral may be invested in securities or other instruments that suffer losses or become illiquid.

Derivatives Risk 1: Investments in derivatives (such as futures contracts, forward contracts, swaps and options) may reduce the Fund's returns and/or increase volatility. Fluctuations in the values of derivatives may not correlate perfectly with the overall securities markets. The other party in the transaction may not fulfill its contractual obligation. The possible lack of a liquid secondary market for derivatives could expose the Fund to losses.

Real Estate-Related Securities Risk 2: Real estate values can be negatively affected by many factors including both the general and local economies, the amount of new construction in a particular area, the laws and regulations affecting real estate, the costs of owning, maintaining and improving real estate, availability of mortgages, and changes in interest rates.

LifePath® Index Retirement Fund Q

Primary Benchmark

Barclays U.S. Aggregate Bond Index

Custom Benchmark

LifePath® Index Retirement Custom Benchmark

Morningstar Category

Retirement Income

Overall Morningstar Rating™

★★★

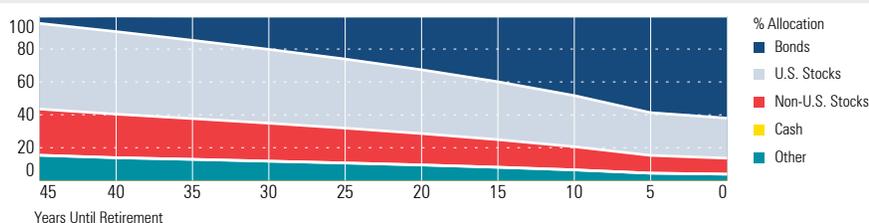
See disclosure for details.

Morningstar Return

Average

Morningstar Risk

Average

Allocation of Stocks and Bonds

Investment Objective and Strategy

The Fund provides long-term investors with an asset allocation strategy designed to maximize assets for retirement, or for other purposes, consistent with the risk that investors, on average, may be willing to accept given their investment time horizon.

The Fund is a collective investment trust maintained and managed by BlackRock Institutional Trust Company, N.A. ("BTC").

The Fund shall be invested and reinvested in securities and other assets with the objective of providing maximum total return consistent with the quantitatively measured risk investors, on average, at various stages in their employment cycle, may be willing to accept in an effort to maximize assets available during the period chosen for retirement.

The Fund's investments may include: equity securities (including those issued by real estate companies); depository receipts; debt securities and other fixed income obligations (including those issued or guaranteed by the U.S. government, its agencies or instrumentalities, and those issued by corporations or other entities); mortgage-backed securities; other asset-backed securities; commodities; and/or cash equivalents.

The Fund may invest in securities and other obligations of U.S. issuers or non-U.S. issuers, and those issuers may be of any market capitalization. The Fund's fixed income investments may be investment-grade or non-investment grade, and may include securities and other obligations of any maturity.

In addition to, or in lieu of, investing in the assets listed above, the Fund may engage in structured transactions in these asset classes, as well as over-the-counter forward contracts, swaps and options. When deemed appropriate by BTC, the Fund may invest in futures contracts, for the purpose of acting as a temporary substitute for investment in securities and/or to gain exposure to commodities.

The difference between the normal and current securities holdings for the Fund varies over time and is based on the factors analyzed by the asset allocation model used by BTC to manage the Fund. The normal asset allocations will gradually change over the investment horizon of the Fund to become more heavily oriented toward debt and debt-like securities. As time passes, the Fund is managed more conservatively in terms of its allocation to equity securities and markets, on the premise that individuals investing for retirement desire to reduce investment risk in their retirement accounts as their retirement date approaches.

BTC employs a proprietary investment model that analyzes securities market data, including risk, correlation and expected return statistics, to recommend the portfolio allocation among the asset classes.

Rather than choosing specific securities within each asset class, BTC selects among indices representing segments of the global equity and debt markets and invests in securities that comprise the chosen index. The Fund generally invests in a chosen index through a series of collective investment trusts managed and trustee by BTC, each such fund representing one of the indices (each, an "Underlying Fund").

In the event of a conflict between this summary description of the Fund's investment objective and principal investment strategies and the Trust Document under which the Fund was established, the Trust Document will govern. For more information related to the Fund, please see the Fund's Trust Document, Profile and most recent audited financial statements.

Portfolio Analysis

Top 10 Holdings as of 12-31-13	% Assets
U.S. Debt Index Fund E	52.65
Equity Index Fund E	18.30
BlackRock MSCI ACWI ex-U.S. IMI Index Fund E	9.81
U.S. Treasury Inflation Protected Securities Fund E	8.88
Extended Equity Market Fund E	6.51
BlackRock Dow Jones-UBS Commodity Index Daily Fund E	3.61
Developed Real Estate Index Fund E	0.24

Morningstar Super Sectors as of 12-31-13

	% Fund
Cyclical	38.26
Sensitive	39.07
Defensive	22.66

Morningstar F-I Sectors as of 12-31-13

	% Fund	% Category
Government	47.02	32.30
Corporate	16.45	21.58
Securitized	23.15	18.76
Municipal	0.63	0.69
Cash	12.76	23.64
Other	0.00	3.03

Investment Information
Operations and Management

Product Inception Date	01-02-08
Strategy Inception Date	08-01-05
Total Fund Assets (\$mil)	931.77
Investment Manager	BlackRock Institutional Trust Company NA

Annual Turnover Ratio %	21.65
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Fees and Expenses as of 12-31-12

Total Annual Operating Expense %	0.11%
Total Annual Operating Expense per \$1000	\$1.10

Additional Information for Total Annual Operating Expense

The Total Annual Operating Expense ("TAOE") ratio noted above reflects a management fee and administrative costs. The administrative costs are capped at two (2) basis points (0.02%) per year. There may be other fees and expenses not reflected in the TAOE ratio noted above that bear on the value of the investment. The Portfolio Turnover Rate is that of the collective investment fund in which the Fund invests exclusively, either directly or indirectly.

LifePath® Index Retirement Fund Q

Primary Benchmark Barclays U.S. Aggregate Bond Index	Custom Benchmark LifePath® Index Retirement Custom Benchmark	Morningstar Category Retirement Income	Overall Morningstar Rating™ ★★★ See disclosure for details.	Morningstar Return Average	Morningstar Risk Average
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Benchmark Description

The LifePath® Index Retirement Fund's Custom Benchmark is a comparison benchmark for the performance of the Fund. The Custom Benchmark is calculated using blended returns of third party indices that proportionally reflect the respective weightings of the Fund's asset classes. The third party index proportions of the Custom Benchmark are adjusted quarterly to reflect the Fund's changing asset allocations over time. As the Fund's asset classes have been re-defined or added over time, the indices used to calculate the Custom Benchmark have changed accordingly. As of December 31, 2012, the indices used to calculate the Custom Benchmark are: S&P 500 Index, Dow Jones U.S. Completion Total Stock Market Index, MSCI ACWI ex-US IMI Net Dividend Return Index SM, Barclays U.S. Aggregate Bond Index, Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index, FTSE EPRA/NAREIT Developed Index, and the Dow Jones UBS Commodity Index.

Volatility Analysis



In the past, this investment has shown a relatively small range of price fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

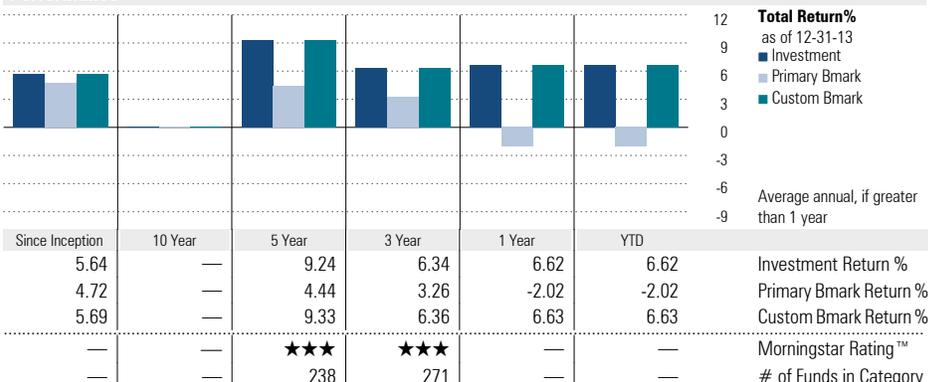
Best 3 Month Return

13.52%
(Mar '09 - May '09)

Worst 3 Month Return

-15.30%
(Sep '08 - Nov '08)

Performance



Performance Disclosure: The Fund's returns are net of an investment management fee, currently at an annual rate of 0.10%. The Fund's performance reflects fund level administrative costs capped at 0.02% per year. Since its inception the Fund has invested all of its assets in LifePath Index Retirement Fund F. Returns shown for periods prior to the Fund's inception are those of the LifePath Index Retirement Fund F net of the Fund's investment management fee.

Principal Risks

Any of the principal risks summarized below may adversely affect the Fund's net asset value, performance, and ability to meet its investment objective. An investment in the Fund is not a bank deposit, is not guaranteed by BlackRock, Inc. or any of its affiliates, and is not insured by the Federal Deposit Insurance Corporation or any other agency of the U.S. government.

Underlying Fund Risk 1: The investment objective and strategies of a collective investment trust in which the Fund invests ("Underlying Fund") may differ from the Fund, and there is no assurance that an Underlying Fund will achieve its objective.

Active Strategy Risk: Active strategies could result in underperformance as compared to funds with similar investment objectives and strategies.

Equity Investment Risk: The price of an equity security fluctuates based on changes in the issuer's financial condition and overall market and economic conditions. Equity securities are subject to changes in value that may be more volatile than other asset classes.

Fixed Income Investment Risk 1: An increase in interest rates may cause the value of fixed-income securities held by the Fund to decline. The Fund's income may decline when interest rates fall. Debt issuers may not honor their obligations. Securities that are rated below investment grade may be more volatile and less liquid than higher-rated securities of similar maturity.

Foreign Investment Risk 1: The Fund may suffer losses due to political, legal, economic and geographic events affecting a non-U.S. issuer or market. The prices of non-U.S. securities may be more volatile than those of securities issued by U.S. corporations or other U.S. entities. Securities of non-U.S. issuers denominated in non-U.S. currencies will expose the Fund to fluctuations in foreign currency exchange prices.

Target Date Risk: A "target date" fund may incur losses close to or after the fund's target retirement date, and there is no guarantee that the Fund will provide adequate income for an investor's retirement.

Asset Allocation Model Risk: The asset allocation model may not effectively maximize returns or minimize risk, or be appropriate for every investor seeking a particular risk profile.

Commodity-Related Investment Risk 2: The value of commodity-linked derivative investments may be significantly affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

Securities Lending Risk 1: The Fund may engage in securities lending, which involves borrower credit risk, settlement risk, and cash collateral-related risks, such as the risk that the return on the cash collateral is insufficient to cover the fees the Fund is committed to pay and the risk that cash collateral may be invested in securities or other instruments that suffer losses or become illiquid.

Derivatives Risk 1: Investments in derivatives (such as futures contracts, forward contracts, swaps and options) may reduce the Fund's returns and/or increase volatility. Fluctuations in the values of derivatives may not correlate perfectly with the overall securities markets. The other party in the transaction may not fulfill its contractual obligation. The possible lack of a liquid secondary market for derivatives could expose the Fund to losses.

Real Estate-Related Securities Risk 2: Real estate values can be negatively affected by many factors including both the general and local economies, the amount of new construction in a particular area, the laws and regulations affecting real estate, the costs of owning, maintaining and improving real estate, availability of mortgages, and changes in interest rates.

Arnerich Massena

Building Better Portfolios

Disclaimer of Warranties and Limitation of Liability

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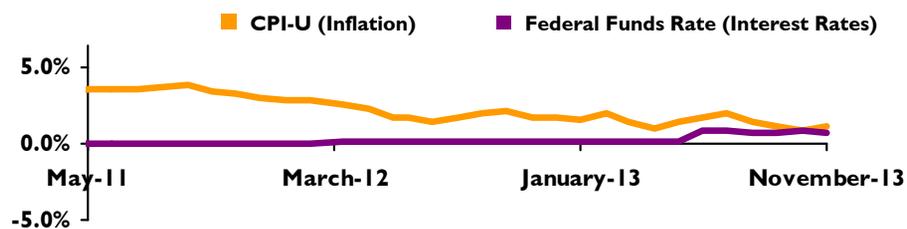
Care has been taken in the preparation of this report and review of the information provided. However, Arnerich Massena, Inc. makes no warranties regarding, and disclaims responsibility for, the accuracy or completeness of such information.

Fund Manager Review Key

Symbol	Performance	Style Consistency	Expense Ratio	Tenure
 Above Expectations	25th Percentile and Better	No change in last 36 months	.1% or more below average	Consistent
 Meeting Expectations	26th to 50th Percentile	Change in last 25-36 months	.01% to .09% below average	N/A
 Marginal	51st to 75th Percentile	Change in last 13-24 months	.01% to .09% above average	Not Consistent
 Below Expectations	76th Percentile and Below	Change in last 12 months	.1% or more above average	N/A

Economic Overview

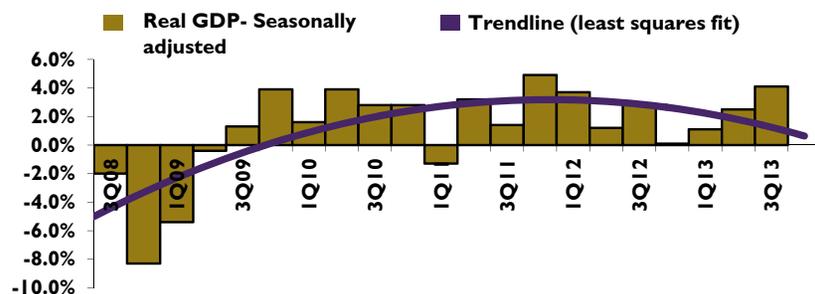
Fixed Income: Federal Funds Rate & CPI (Inflation)



Fixed Income Indexes

	Performance		Trailing Return (years)			
	QTR	YTD	1	3	5	10
BC Global Aggregate	-0.4%	-2.6%	-2.6%	2.4%	3.9%	4.5%
BC Aggregate	-0.1%	-2.0%	-2.0%	3.3%	4.4%	4.5%
BC 1-3 Yr Gov't/Cred	0.2%	0.6%	0.6%	1.2%	2.0%	2.9%
BC 1-3 Yr Government	0.1%	0.4%	0.4%	0.8%	1.2%	2.7%
90 Day T-Bills	0.0%	0.0%	0.0%	0.1%	0.1%	1.6%

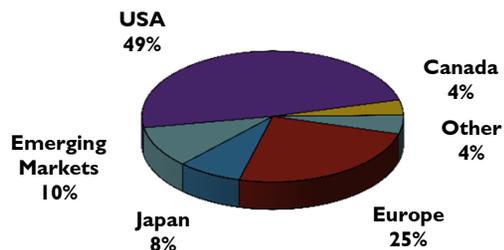
U.S. Equities: Gross Domestic Product



U.S. Equity Indexes

	Performance		Trailing Return (years)			
	QTR	YTD	1	3	5	10
S&P 500	10.5%	32.4%	32.4%	16.2%	17.9%	7.4%
Russell Midcap	8.4%	34.8%	34.8%	15.9%	22.4%	10.2%
Russell 2000	8.7%	38.8%	38.8%	15.7%	20.1%	9.1%
NASDAQ Composite	11.1%	40.1%	40.1%	17.7%	22.9%	8.6%
DJ-UBS Commodity	-1.1%	-9.5%	-9.5%	-8.1%	1.5%	0.9%
GSCI Commodity	-0.3%	-1.2%	-1.2%	-0.8%	3.9%	0.7%

International: World Stock Market Capitalization



International Indexes

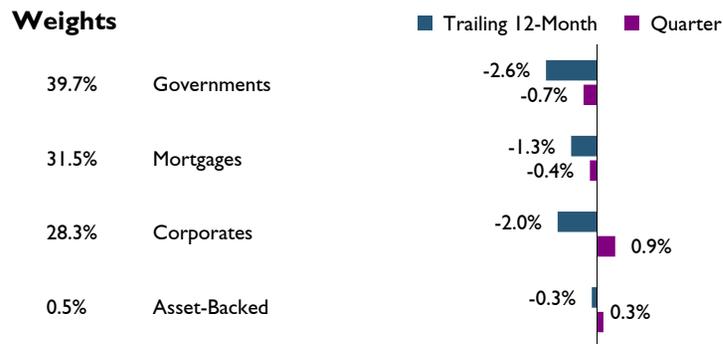
	Performance		Trailing Return (years)			
	QTR	YTD	1	3	5	10
MSCI ACWI	7.4%	23.4%	23.4%	10.3%	15.5%	7.7%
MSCI ACWI ex-US	4.8%	15.8%	15.8%	5.6%	13.3%	8.0%
MSCI Europe	7.9%	26.0%	26.0%	10.6%	14.1%	7.9%
MSCI Pacific	1.6%	18.4%	18.4%	5.4%	11.1%	6.5%
MSCI EMF	1.9%	-2.3%	-2.3%	-1.7%	15.1%	11.5%

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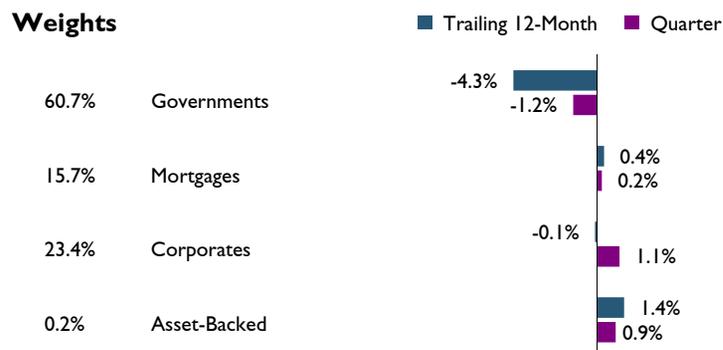
Arnerich Massena, Inc. ~ Quarter Ending December 31, 2013

Fixed Income Markets Overview

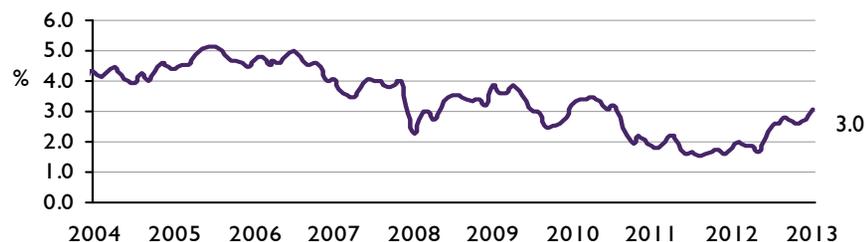
Barclays Capital Aggregate Bond Index Sector Weights and Returns



Barclays Capital Global Aggregate Bond Index Sector Weights and Returns



10-Year Treasury Yields



Short Term and Low Duration Indexes

	Performance			Trailing Return (years)			
	Duration	QTR	YTD	1	3	5	10
90 Day T-Bills	90 Days	0.0%	0.0%	0.0%	0.1%	0.1%	1.6%
BC 1-3 Yr Government	1.9 Years	0.1%	0.4%	0.4%	0.8%	1.2%	2.7%
BC 1-3 Yr Gov't/Credit	1.9 Years	0.2%	0.6%	0.6%	1.2%	2.0%	2.9%

Intermediate and Long Duration Indexes

	Performance			Trailing Return (years)			
	Duration	QTR	YTD	1	3	5	10
BC Int Agg Bond	4.4 Years	-0.1%	-1.0%	-1.0%	2.8%	4.2%	4.3%
BC Aggregate Bond	5.5 Years	-0.1%	-2.0%	-2.0%	3.3%	4.4%	4.5%
BC Government Bond	4.9 Years	-0.7%	-2.6%	-2.6%	2.7%	2.3%	4.1%
BC US TIPS	6.8 Years	-2.0%	-8.6%	-8.6%	3.5%	5.6%	4.8%
BC Muni Bond Index	8.4 Years	0.3%	-2.6%	-2.6%	4.8%	5.9%	4.3%

Other Indexes

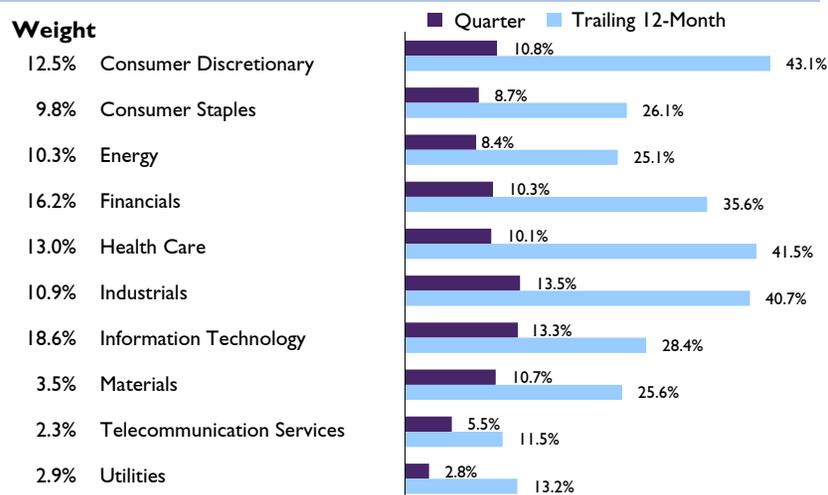
	Performance			Trailing Return (years)			
	Duration	QTR	YTD	1	3	5	10
BC High Yield Bond	4.2 Years	3.6%	7.4%	7.4%	9.3%	18.9%	8.6%
BC Mortgage	5.6 Years	-0.4%	-1.4%	-1.4%	2.4%	3.7%	4.6%
BC Majors ex-US	7.6 Years	-1.7%	-5.6%	-5.6%	0.2%	2.2%	4.1%
BC Global Aggregate	6.2 Years	-0.4%	-2.6%	-2.6%	2.4%	3.9%	4.5%

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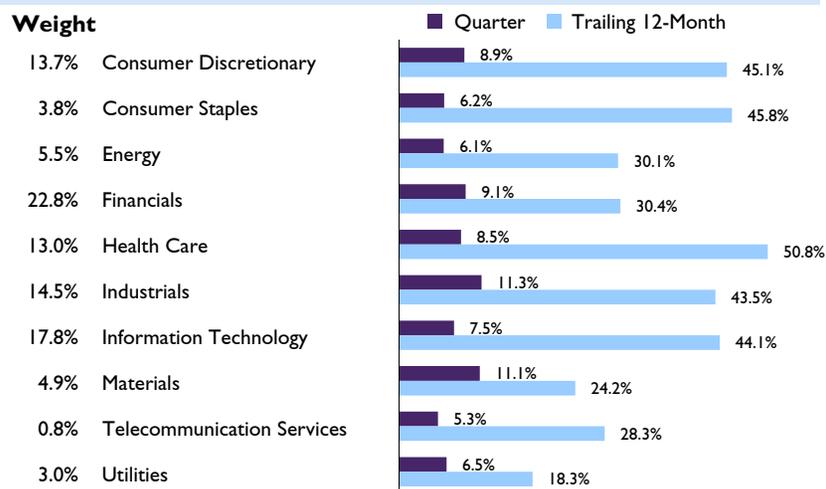
Americh Massena, Inc. ~ Quarter Ending December 31, 2013

U.S. Equity Markets Overview

Large Cap: S&P 500 Index Sector Weights and Returns



Small Cap: Russell 2000 Index Sector Weights and Returns



Large Cap Indexes

	Performance		Trailing Return (years)			
	QTR	YTD	1	3	5	10
S&P 500	10.5%	32.4%	32.4%	16.2%	17.9%	7.4%
Russell 1000 Value	10.0%	32.5%	32.5%	16.1%	16.7%	7.6%
Russell 1000 Growth	10.4%	33.5%	33.5%	16.5%	20.4%	7.8%

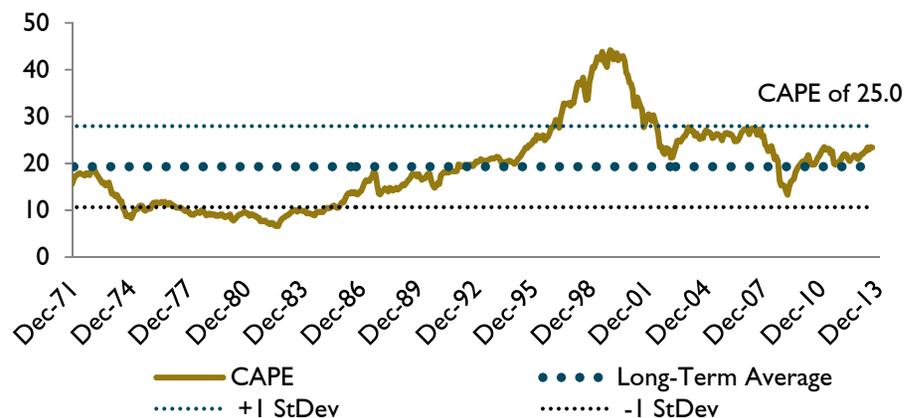
Mid Cap Indexes

	Performance		Trailing Return (years)			
	QTR	YTD	1	3	5	10
Russell Midcap	8.4%	34.8%	34.8%	15.9%	22.4%	10.2%
Russell Midcap Value	8.6%	33.5%	33.5%	16.0%	21.2%	10.3%
Russell Midcap Growth	8.2%	35.7%	35.7%	15.6%	23.4%	9.8%

Small Cap Indexes

	Performance		Trailing Return (years)			
	QTR	YTD	1	3	5	10
Russell 2000	8.7%	38.8%	38.8%	15.7%	20.1%	9.1%
Russell 2000 Value	9.3%	34.5%	34.5%	14.5%	17.6%	8.6%
Russell 2000 Growth	8.2%	43.3%	43.3%	16.8%	22.6%	9.4%

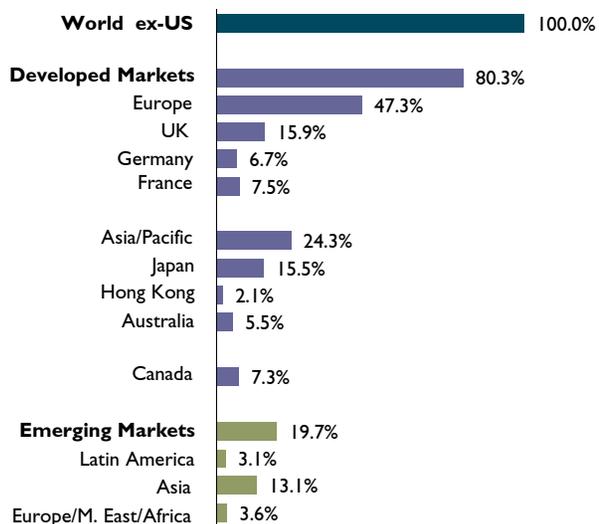
S&P 500 Cyclically-Adjusted Price/Earnings Ratio (CAPE)



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International Markets Overview

International Markets Weights



*The graph above and the weights below are a representation of the world's capital markets as expressed by the MSCI ACWI ex-US, a market capitalization weighted index combining the world's developed and emerging markets, excluding the United States.

Other Countries and Weights

Developed	Weight	Emerging	Weight
Austria	0.2%	Brazil	1.4%
Belgium	0.9%	Chile	0.3%
Denmark	0.8%	China	4.2%
Finland	0.7%	Colombia	0.2%
Greece	0.1%	Czech Rep.	0.1%
Ireland	0.2%	Hungary	0.0%
Israel	0.3%	India	1.3%
Italy	1.6%	Indonesia	0.4%
New Zealand	0.1%	S. Korea	3.3%
Norway	0.6%	Malaysia	0.8%
Netherlands	2.0%	Mexico	1.2%
Portugal	0.1%	Peru	-
Singapore	1.1%	Philippines	0.2%
Spain	2.4%	Poland	0.4%
Sweden	2.4%	Russia	1.3%
Switzerland	6.3%	South Africa	1.5%
		Taiwan	2.5%
		Thailand	0.4%
		Turkey	0.3%

Returns (in U.S. Dollars)

Country/Region	QTR	Trailing Return (years)		
		1	3	5
World ex-US (MSCI ACWI ex-US)	4.8%	15.8%	5.6%	13.3%
Developed Markets (MSCI EAFE)	5.7%	23.3%	8.7%	13.0%
Local Currency	6.4%	27.5%	9.9%	11.8%
Europe (MSCI Europe)	7.9%	26.0%	10.6%	14.1%
UK	7.4%	20.7%	10.7%	16.2%
Germany	13.3%	32.4%	13.0%	14.8%
France	6.2%	27.7%	9.6%	11.2%
Asia/Pacific (MSCI Pacific)	1.6%	18.4%	5.4%	11.1%
Japan	2.3%	27.3%	5.8%	7.8%
Hong Kong	3.3%	11.1%	6.2%	18.8%
Australia	-0.8%	4.3%	4.4%	18.2%
Canada	4.2%	6.4%	0.9%	14.4%
Emerging Markets (MSCI EM)	1.9%	-2.3%	-1.7%	15.1%
Local Currency	3.0%	3.8%	2.2%	14.7%
Latin America (MSCI EM Latin America)	-2.3%	-13.2%	-8.6%	12.4%
Asia (MSCI EM Asia)	3.7%	2.3%	0.9%	16.4%
Eur/M. East/Africa (MSCI EM Europe/Middle East)	-1.5%	-3.9%	-2.7%	14.3%
World Growth (MSCI ACWI Gr ex-US)	4.7%	15.9%	5.3%	13.3%
World Value (MSCI ACWI Val ex-US)	4.9%	15.7%	5.9%	13.3%
World Small (MSCI ACWI ex-US Small)	4.7%	20.1%	5.3%	19.1%

Local Currency Exchange Rate

Currency per \$	Exchange Rate as of		
	9/30/2013	12/31/2013	% Change to U.S.\$
Yen	98.220	105.220	-7.1%
Euro	0.739	0.726	1.8%
Pound	0.620	0.606	2.3%
Swiss Franc	0.905	0.890	1.7%

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Annual Asset Class Returns (2000 - Present)

Indexes Ranked from Best to Worst Performance

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Commodities 31.8%	Real Estate 8.7%	Commodities 25.9%	Global Stocks 34.6%	Global Stocks 15.8%	Commodities 21.4%	Global Stocks 21.5%	Real Estate 18.2%	Global Bonds 4.8%	High Yield 58.2%	Commodities 16.8%	Real Estate 18.3%	Global Stocks 16.8%	Global Stocks 23.4%
Real Estate 14.4%	TIPS 7.9%	TIPS 16.6%	High Yield 29.0%	Real Estate 11.8%	Real Estate 19.7%	Real Estate 17.5%	Commodities 16.2%	Real Estate 3.2%	Global Stocks 35.4%	High Yield 15.1%	TIPS 13.6%	High Yield 15.8%	Real Estate 13.0%
TIPS 13.2%	High Yield 5.3%	Global Bonds 16.5%	Commodities 23.9%	High Yield 11.1%	Global Stocks 11.4%	High Yield 11.8%	Growth Hedge 12.8%	Cash 1.8%	Commodities 18.9%	Global Stocks 13.2%	Global Bonds 5.6%	Real Estate 11.6%	Growth Hedge 10.6%
Cash 6.0%	Cash 4.1%	Real Estate 3.9%	Growth Hedge 15.9%	Global Bonds 9.3%	Growth Hedge 10.3%	Growth Hedge 11.8%	Global Stocks 12.2%	Inflation 1.1%	Growth Hedge 13.3%	Real Estate 7.0%	High Yield 5.0%	TIPS 7.0%	High Yield 7.4%
Low Volatility 5.8%	Low Volatility 3.1%	Low Volatility 3.6%	Global Bonds 12.5%	Commodities 9.1%	Low Volatility 5.2%	Low Volatility 9.2%	TIPS 11.6%	TIPS -2.4%	TIPS 11.4%	TIPS 6.3%	Inflation 3.4%	Growth Hedge 5.8%	Low Volatility 6.1%
Inflation 3.4%	Inflation 1.9%	Inflation 2.2%	Low Volatility 9.0%	TIPS 8.5%	Inflation 3.5%	Global Bonds 6.6%	Global Bonds 9.5%	Low Volatility -19.9%	Low Volatility 9.7%	Growth Hedge 6.3%	Cash 0.1%	Global Bonds 4.3%	Inflation 1.2%
Global Bonds 3.2%	Global Bonds 1.6%	Cash 1.7%	Real Estate 8.8%	Growth Hedge 8.3%	Cash 3.0%	Cash 4.8%	Low Volatility 7.7%	Growth Hedge -25.2%	Global Bonds 6.9%	Global Bonds 5.5%	Low Volatility -3.6%	Low Volatility 4.2%	Cash 0.0%
Growth Hedge -0.6%	Growth Hedge 1.2%	High Yield -1.4%	TIPS 8.4%	Low Volatility 5.8%	TIPS 2.8%	Commodities 2.1%	Cash 4.7%	High Yield -26.2%	Inflation 1.8%	Low Volatility 5.1%	Global Stocks -6.9%	Inflation 1.8%	Global Bonds -2.6%
High Yield -5.9%	Global Stocks -15.9%	Growth Hedge -4.1%	Inflation 1.8%	Inflation 3.5%	High Yield 2.7%	Inflation 2.0%	Inflation 4.3%	Commodities -35.6%	Cash 0.2%	Inflation 1.1%	Growth Hedge -7.3%	Cash 0.1%	TIPS -8.6%
Global Stocks -13.9%	Commodities -19.5%	Global Stocks -19.0%	Cash 1.1%	Cash 1.2%	Global Bonds -4.5%	TIPS 0.4%	High Yield 1.9%	Global Stocks -41.8%	Real Estate -35.2%	Cash 0.1%	Commodities -13.3%	Commodities -1.1%	Commodities -9.5%



*NCREIF Townsend Core returns are reported on a one-quarter lag.

**US CPI returns are reported on a one-month lag.

This chart shows that different asset classes have come in and out of favor over time. This demonstrates the importance of managing risk through diversification.

Arnerich Massena, Inc.

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Why We Collect Your Information

The information that we collect is either required or necessary to provide personalized investment services to you. Any information provided is kept confidential and allows us to:

- service your account;
- deliver products/services of interest to you;
- guard against unauthorized access to your account(s);
- improve customer service; or
- comply with legal and regulatory requirements.

The Information We Collect

Depending upon your relationship with us, we collect nonpublic personal information (such as full name, address, social security/federal tax identification number, telephone number, and account numbers and balances) from you:

- on applications and other forms;
- through transactions, correspondence, and other communications; or
- in connection with providing you a financial product/service.

The Information We Disclose

We do not share the information we collect about our customers (or former customers) with any third-parties, except as required or permitted by law. We may disclose information we collect to our affiliates and companies who help us to maintain and service your account(s). For example, we may share information with a money manager or clearing broker to process your transactions and update your account. These companies are authorized to use this information only in connection with the services for which we have hired them; they are not permitted to use or share this information for any other purpose. We may also disclose nonpublic personal information to government agencies and regulatory organizations when permitted or required by law.

Protection of Information

For your protection, we restrict access to your nonpublic personal information to those individuals who need to know that information in order to provide products/services to you. We maintain physical, electronic, and procedural safeguards that are designed to comply with federal standards to maintain the confidentiality of your nonpublic personal information.

Updating and Correcting Your Account Information

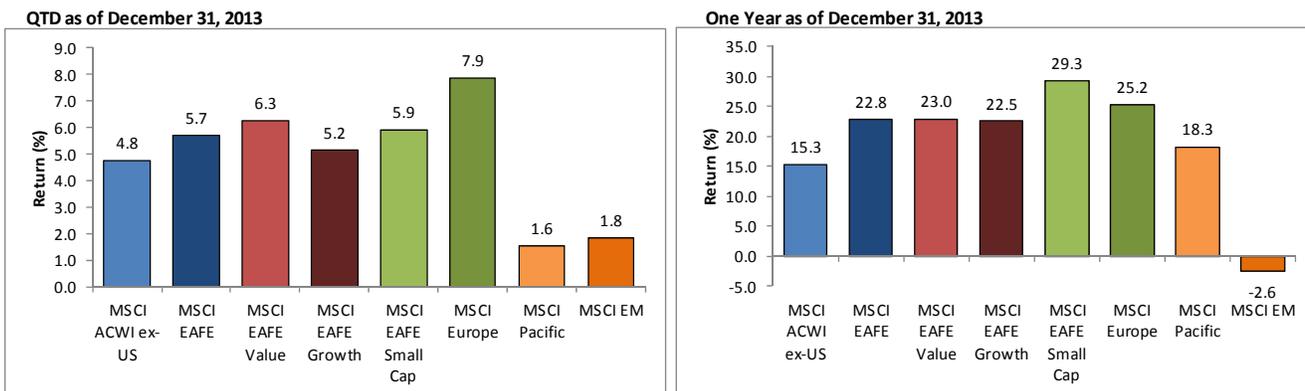
The accuracy of your personal information is important to us. You can correct, update, or confirm your personal information at any time by contacting our firm at 503-239-0475 or 800-929-5179.

Form ADV Part 2 Offer

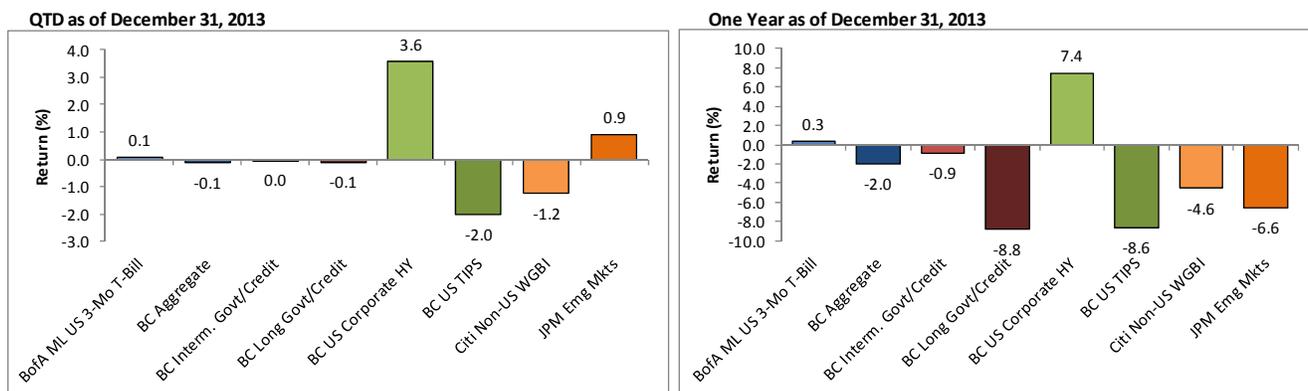
Important disclosures regarding our business are provided in Form ADV Part 2A and Part 2B. This document provides information about Arnerich Massena in general, the services we offer, the fees we charge and other significant details. Our disclosure document is updated promptly when there are material changes in our business or business practices, and periodically to capture routine changes.

Securities and Exchange Commission Rule 204-3, or the “Brochure Rule”, requires that we make available to clients our Form ADV Part 2. Upon request, Arnerich Massena will furnish a current copy of this document at no charge. If you are interested in a copy, please contact our offices at 503-239-0475 or 800-929-5179.

slightly positive GDP growth. Over the last twelve months, developed markets have outperformed emerging markets by 25.4 percent. Similar to domestic small caps, the EAFE Small Cap index came in strong, with a 5.9 percent return in the quarter, and a 29.3 percent return for the year. All ten non-U.S. equity sectors once again managed to post gains during the quarter. Top sector performers were Telecommunication Services (up 7.9 percent) and Information Technology (up 7.7 percent). The worst performing sectors were Utilities (up 2.0 percent) and Consumer Staples (up 2.4 percent).



With the announcement of Fed tapering and improving economic fundamentals, **U.S. Fixed Income** yields rose at all maturities over one year during 2013, leading longer duration bonds to near double-digit annual losses. Investors rotated into investment-grade and high yield corporate bonds during 2013, leading to tighter spreads relative to a year ago. Lower-rated corporate bonds outperformed during the fourth quarter and the year, with the high yield index returning 3.6 percent and 7.4 percent, respectively.



The yield curve steepened slightly during the quarter, with the spread between two-year and 30-year Treasuries widening 22 basis points to 358 basis points. As noted below, the 10-year Treasury yield expanded 40 basis points higher, up from 2.64 percent to 3.04 percent. This represents the 10-year's highest yield since July 2011 and a full 126 basis points higher than its yield at year-end 2012.

Treasury Yield Curve Rates												
Date	1 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr	
12/31/2012	0.02	0.05	0.11	0.16	0.25	0.36	0.72	1.18	1.78	2.54	2.95	
9/30/2013	0.03	0.02	0.04	0.10	0.33	0.63	1.39	2.02	2.64	3.41	3.69	
12/31/2013	0.01	0.07	0.10	0.13	0.38	0.78	1.75	2.45	3.04	3.72	3.96	
Qtr change	-0.02	+0.05	+0.06	+0.03	+0.05	+0.15	+0.36	+0.43	+0.40	+0.31	+0.27	

OSGP OPTIONS REVIEW

Performance for all options is reported net of investment management fees.

The **Short-Term Fixed Option** posted a net of fees return of -0.04%, underperforming the performance of its benchmark (91-day Treasury bill) by 0.06%. The negative return in this option continues to be explained by two factors: 1) historically low yields on Treasury securities; and 2) recordkeeping and administrative fees of the OSGP of 10 bps and 8 bps, respectively. State Street Global Markets (SSgM) Government Short Term Investment Fund (GSTIF) is the sole provider within the Short-Term Fixed Option and was selected as a conservative investment option, whose mandate is to invest in short-term U.S. Treasury instruments and to maintain an average maturity of the fund of less than 90 days. Given the expectation that the Fed will keep Treasury rates at low levels (3-month Treasury yields dipped as low as 0.02% at the end of 2011) for the foreseeable future, yields within the portfolio will continue to be low, causing the returns associated with this option to be negative after fees.

The **Stable Value Option** posted a return of 0.28%, outperforming the 91-day Treasury Bill by 0.26% but underperforming the Rolling Average 5-Year Constant Maturity Treasury Yield by 0.08%.

The **Intermediate-Bond Option** posted a return of 0.24%, outperforming the benchmark (Barclays Aggregate Bond Index) for the quarter by 0.38%.

The **Large Cap Value Equity Option** posted a return of 10.92% for the quarter, outperforming the Russell 1000 Value Index by 0.91%.

The **Total Market Equity Index Option** posted a return of 10.07%, underperforming the index (Russell 3000 Index) by 0.03%.

The **Large Cap Growth Equity Option** posted a return of 10.62% for the quarter, outperforming the Russell 1000 Growth Index by 0.18%.

The **International Stock Option** posted a return of 5.14% for the quarter, underperforming the benchmark (MSCI EAFE Index) by 0.57%.

The **Small/Mid Cap Equity Option** posted a return of 8.71% for the quarter, outperforming the benchmark (Russell 2500 Index) by 0.05%.

The **Blackrock LifePath Retirement Funds** all performed in line with their respective custom indices.

The **Charles Schwab Brokerage Window** finished the quarter with \$4.6 million in assets. Given that the average plan participation rate in Self-Directed Brokerage Option ranges from 3 percent to 5 percent, we expect assets in this option to stabilize at about \$40 million.

OSGP WATCHLIST

Wells Capital's U.S. large cap growth strategy tripped the performance shortfall trigger in July 2010 for underperforming in the three-, four-, and five-year trailing periods. While staff has continued confidence in the strategy, the underperformance compels Watchlist status, and is being monitored as part of the OPERF separately managed account.

OSGP INVESTMENT CONSULTANT REVIEW

Following this memo, you will find the fourth quarter 2013 quarterly performance review created by the **Arnerich Massena**.



**Oregon Savings Growth Plan
Performance Results
as of December 31, 2013**

Updated on 1/8/2014

OPTION <i>BENCHMARKS (for comparison)</i>	1 Month	3 Months	Year to Date	Annualized						
				From Inception 10/31/96	Since 10/31/01	1 Year	2 Years	3 Years	5 Years	10 Years
Short-Term Fixed Option	-0.01%	-0.04%	-0.15%	2.44%	1.45%	-0.15%	-0.13%	-0.12%	-0.09%	1.51%
<i>91-Day T-Bill</i>	<i>0.01%</i>	<i>0.02%</i>	<i>0.07%</i>	<i>2.71%</i>	<i>1.67%</i>	<i>0.07%</i>	<i>0.09%</i>	<i>0.10%</i>	<i>0.12%</i>	<i>1.69%</i>
Stable Value Option	0.10%	0.28%	1.34%	3.85%	3.14%	1.34%	1.39%	1.45%	1.61%	2.90%
<i>91-Day T-Bill</i>	<i>0.01%</i>	<i>0.02%</i>	<i>0.07%</i>	<i>2.71%</i>	<i>1.67%</i>	<i>0.07%</i>	<i>0.09%</i>	<i>0.10%</i>	<i>0.12%</i>	<i>1.69%</i>
<i>Rolling Average 5 Year CMT**</i>	<i>0.12%</i>	<i>0.36%</i>	<i>1.59%</i>	<i>4.36%</i>	<i>3.66%</i>	<i>1.59%</i>	<i>1.84%</i>	<i>2.17%</i>	<i>2.73%</i>	<i>3.35%</i>
Intermediate-Bond Option	-0.46%	0.24%	-1.80%	5.53%	5.08%	-1.80%	2.22%	3.92%	6.80%	4.86%
<i>BC Aggregate</i>	<i>-0.57%</i>	<i>-0.14%</i>	<i>-2.02%</i>	<i>5.68%</i>	<i>4.73%</i>	<i>-2.02%</i>	<i>1.05%</i>	<i>3.26%</i>	<i>4.44%</i>	<i>4.55%</i>
Large Company Value Stock Option	2.66%	10.92%	36.68%	8.11%	7.93%	36.68%	27.38%	17.06%	17.52%	7.86%
<i>Russell 1000 Value</i>	<i>2.53%</i>	<i>10.01%</i>	<i>32.53%</i>	<i>8.56%</i>	<i>7.72%</i>	<i>32.53%</i>	<i>24.79%</i>	<i>16.06%</i>	<i>16.67%</i>	<i>7.58%</i>
Stock Index Option	2.61%	10.07%	33.32%	7.78%	7.25%	33.32%	24.48%	16.05%	18.56%	7.71%
<i>Russell 3000</i>	<i>2.64%</i>	<i>10.10%</i>	<i>33.55%</i>	<i>8.03%</i>	<i>7.46%</i>	<i>33.55%</i>	<i>24.69%</i>	<i>16.24%</i>	<i>18.71%</i>	<i>7.88%</i>
Large Company Growth Stock Option	2.81%	10.62%	34.43%	6.46%	6.52%	34.43%	25.04%	16.69%	20.54%	7.54%
<i>Russell 1000 Growth</i>	<i>2.86%</i>	<i>10.44%</i>	<i>33.48%</i>	<i>6.85%</i>	<i>6.59%</i>	<i>33.48%</i>	<i>24.04%</i>	<i>16.45%</i>	<i>20.39%</i>	<i>7.83%</i>
International Stock Option	1.10%	5.14%	19.26%	6.68%	8.15%	19.26%	19.96%	7.60%	12.97%	7.41%
<i>MSCI EAFE</i>	<i>1.50%</i>	<i>5.71%</i>	<i>22.78%</i>	<i>5.33%</i>	<i>7.35%</i>	<i>22.78%</i>	<i>20.02%</i>	<i>8.17%</i>	<i>12.44%</i>	<i>6.91%</i>
Small/Mid-Size Company Stock Option	2.59%	8.71%	37.86%	11.20%	11.26%	37.86%	26.77%	15.79%	21.91%	10.32%
<i>Russell 2500</i>	<i>2.54%</i>	<i>8.66%</i>	<i>36.80%</i>	<i>10.20%</i>	<i>10.79%</i>	<i>36.80%</i>	<i>26.98%</i>	<i>16.28%</i>	<i>21.77%</i>	<i>9.81%</i>
LifePath® Retirement	0.33%	2.53%	6.43%			6.43%	7.48%	6.15%	9.03%	
LifePath® 2015	0.41%	2.78%	7.41%			7.41%	8.42%	6.37%	9.99%	
LifePath® 2020	0.65%	3.48%	10.03%			10.03%	10.42%	7.18%	11.13%	
LifePath® 2025	0.84%	4.07%	12.14%			12.14%	12.02%	7.87%	12.13%	
LifePath® 2030	1.01%	4.56%	13.87%			13.87%	13.51%	8.42%	12.95%	
LifePath® 2035	1.17%	4.97%	15.59%			15.59%	14.86%	8.94%	13.72%	
LifePath® 2040	1.31%	5.43%	17.16%			17.16%	15.97%	9.36%	14.40%	
LifePath® 2045	1.44%	5.83%	18.68%			18.68%	17.11%	9.78%	14.98%	
LifePath® 2050	1.56%	6.15%	19.95%			19.95%	18.13%	10.18%	15.69%	
LifePath® 2055	1.66%	6.43%	21.12%			21.12%				

**5 Year Rolling Average of the 5 Year Constant Maturing Treasury Yield.

Performance figures are net all fees including management, recordkeeping and other administrative fees. The results shown represent past performance and should not be considered a representation of performance of the options in the future. Investment returns and principal are not guaranteed.

plan update

Ask Kathy: "Let's talk fees"

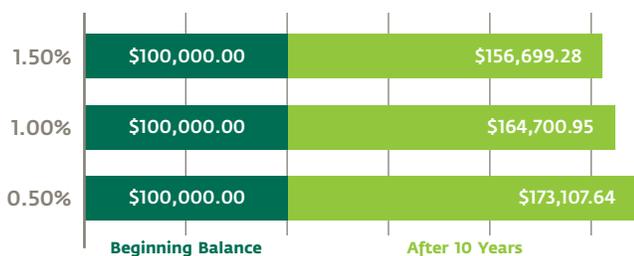
If you are retired or no longer work for an employer that offers OSGP as a supplemental retirement plan, and you have a question, just Ask Kathy. Send an e-mail to osgpcustsvc.PERS@state.or.us. Please write **Ask Kathy** in the subject line.



Before you consider rolling your money out of the Oregon Savings Growth Plan (OSGP), you might want to compare OSGP fees with another plan's fees.

Retirement plans charge fees for plan administration and investment management. OSGP's fees for plan administration and investment products are low. The Plan administrative fee is .18% annually. The investment management fee ranges from .05% to .57% annually, depending on the investments in your portfolio. There are no additional fees charged for transferring assets between the Plan's investment options.

Along with the fees, consider the differences and similarities between plans, such as the fund choices, before making a decision. Keep in mind that the cumulative effect of fees and expenses on retirement savings can be substantial. Consider how a percentage point difference in fees could affect an account balance over time. This example assumes a balance of \$100,000 at retirement or termination, with no new contributions and a 6% rate of return compounded over 10 years.



This hypothetical illustration is not guaranteed and does not reflect the performance of any specific investment. It is intended to help demonstrate the possible impact differing fee amounts could have on an account balance over time. The example does not include the impact of taxes which would lower the values shown. Numbers were generated by the retirement calculator at www.yourmoney.com.

While not the sole reason for selecting an investment, the fee is an important consideration because it lowers an investment's potential return. Lower expenses help keep more of your retirement savings working for you, which may make a difference in your account's long-term growth potential. ●

advisory corner

Upcoming Advisory Committee Meeting

February 12, 2014 • 9:30 a.m.

Archives Building • 800 Summer Street, Suite 200, Salem

2014 contribution limits

Maximum Annual Contribution	\$17,500
Maximum including Age 50+ Catch-Up	\$23,000
Maximum including 457 Three-Year Special Catch-Up	Up to \$35,000

Do you want to save a little more in OSGP? If you are at least age 50 in 2014, you are allowed to contribute an extra \$5,500 with the Age 50+ Catch-Up, for a total of up to \$23,000. And if you are within three years before the year in which you will reach the Normal Retirement Age as defined by OSGP, you may be eligible to contribute up to \$35,000 with the 457 Three-Year Special Catch-Up.

If you have been participating in the Age 50+ Catch-Up, OSGP will continue your participation for 2014. If you want to lower or maximize your amount, call the OSGP office at **503-378-3730**.

Since the 457 Three-Year Special Catch-Up option takes into account your prior contributions, please call **503-378-3730** for assistance with calculating the amount available to you. **Remember, even if you are eligible for both catch-up options, IRS rules provide that you cannot use both in the same year.** ●

A potential tax credit on Plan contributions

You may be eligible to claim a Saver's Credit on your 2013 and 2014 federal tax returns for up to half of the first \$2,000 you save in a retirement account each year if your adjusted gross income does not exceed these limits, based on your federal income tax filing status. For more information, go to www.irs.gov or contact your tax adviser. ●

	Tax year 2013	Tax year 2014
Single, married filing separately, or qualifying widow(er)	\$29,500	\$30,000
Heads of household	\$44,250	\$45,000
Married filing jointly	\$59,000	\$60,000

Employees flocked to National Save For Retirement Week events

OSGP hosted open houses and workshops in Portland, Salem and Eugene to celebrate the eighth annual National Save For Retirement Week.

Hundreds of employees turned out to meet with OSGP staff and representatives from ING U.S., Charles Schwab, Galliard and BlackRock during the open houses. Attendance at the workshops on OSGP, investing and savings strategies was exceptionally good this year. ●



(Left) Jill Mahnane of Charles Schwab talks with a state employee at Salem's open house.



(Right) Kathy Gannon of OSGP, who is "Ask Kathy," talks with a participant at the Portland open house. (Photo: Nancy Hill)



(Right) Karen Blanton, OSGP's education specialist, talks with participants at the Portland open house. (Photo: Nancy Hill)



(Left to right) Peter Williams of BlackRock, Andy Apostol and Seth Mork of Galliard and Victoria Fung of BlackRock were on hand to answer participant questions.



(Right) Justin Naegle, Registered Representative of ING Investment Advisors, LLC (member SIPC), facilitates a workshop in Portland. (Photo: Nancy Hill)

Seen your Plan website lately?

Lots of exciting changes have been made to your Plan website since your last visit. The new account summary page and site navigation have been redesigned with you in mind. Go to <http://osgp.ingplans.com> and log into your account today for a brand new website experience. ●



OSGP website:
<http://osgp.ingplans.com>

OSGP Information Line:
(800) 365-8494

PERS/OSGP website:
www.oregon.gov/PERS/OSGP

Editorial contributions:
Gay Lynn Bath, OSGP • Nancy Hill, PERS

Information from registered Plan Service Representatives is for educational purposes only and is not legal, tax or investment advice. Local Plan Service Representatives are registered representatives of ING Investment Advisors, LLC (member SIPC).

This newsletter is not intended to provide legal, tax or investment advice. For such advice, participants should contact their legal, tax or investment advisers.

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quarterly calendar

Transactions made on these dates when the New York Stock Exchange (NYSE) is closed will be processed the following business day that the NYSE is open.

- Monday, January 20, 2014
- Monday, February 17, 2014



DEFERRED COMPENSATION GOALS FOR 2013

Goal 1: Increase participation in the plan.

Deliverable	Strategy	Due date	Responsible leader	Q4 Status
Increase the number of worksite/Brown Bag presentations hold at status quo 2011. 2013: 160 1 st Quarter: 41 2 nd Quarter: 54 3 rd Quarter: 62 4 th Quarter: 42	<ul style="list-style-type: none"> Promote these presentations in Perspective, the Plan Update, on websites and in the workshops. Direct mail all agencies under 50 employees with list of “Brown Bag” workshops. 	Ongoing	Karen Blanton	Developed new e mail flyer to increase participation and e mailed to agencies 2 weeks prior to brown bag sessions. Contacted prior agencies to schedule follow up sessions. .
Increase Participation for state agencies by 2% 2013: 29.88% 1 st Quarter: 22.8% 2 nd Quarter: 24.2% 3 rd Quarter: 28.18 4 th Quarter: 26.40	<ul style="list-style-type: none"> Review each agency/commission participation quarterly and look for opportunities to do new employee orientation/training with HR. Develop targeted mailings for those agencies with low participation. (new hire, under 30, age 40 – 50, etc.) Use pay stub messages to draw attention to OSGP 	Ongoing	Karen Blanton	Fostered opportunities to speak at annual training requirement events such as DOC, Employment and Revenue. State Penn. benefit fair Health and Wellness fair Pendleton. National Save for Retirement week
Enhance Plan Communications forms/flyers/documents	Mail “Communication packet” to all commissions and agency addresses outside of Salem and Portland		Karen Blanton	Flyers and announcements sent through PERS mailing system.



DEFERRED COMPENSATION GOALS FOR 2013

Goal 2: Increase the assets in the plan.

Deliverable	Strategy	Due date	Responsible leader	Q4 Status
Increase average monthly deferrals from OSPS by 5% 2012: \$416 2013 Goal: \$436 1 st Quarter: 373. 2 nd Quarter: 406 3 rd Quarter: 377 4 th Quarter: 389	<ul style="list-style-type: none"> • Target mailings to age 50 plus individuals highlighting tax-deferred saving • Educate on Pay stub flyer-Give examples of savings potential-give examples of where dollars can be found. • At workshops, advise participants to use a percent of pay rather than a dollar amount. • Develop new DHS training seminar on the maintaining your account on line 	Ongoing	Karen Blanton	Developed new Roth 457 power point presentation. Developed new Netlink training seminar on “maintaining your account on line.”
Increase enrollments from Higher Education by 30% over 2012. 2012:79 2013 goal: 102 1 st Quarter: 16 2 nd Quarter: 17 3 rd Quarter: 12 4 th Quarter: 24	<ul style="list-style-type: none"> • Have a booth a OSU benefit fairs.(these will be held in March) • Marketing campaign with OSU, targeting employees max out 403(b). • Hold workshops on all campuses • Direct Mail Participants-schedule One on One 	Ongoing Ongoing	Karen Blanton	Scheduled one on ones, in OSU and on the PSU campus, referred to Justin. Established ongoing workshop events for OSU & U of O & PSU. Added WOS onto a quarterly rotation.



DEFERRED COMPENSATION GOALS FOR 2013

Goal 2: Increase the assets in the plan.

Deliverable	Strategy	Due date	Responsible leader	Q4 Status
Increase rollovers into the plan by 10% 2012: 710 2013 Goal: 781 1 st Quarter: 173 2 nd Quarter: 206 3 rd Quarter: 282 4 th Quarter: 186	<ul style="list-style-type: none"> • Q3 article on IAP Account-Rollover in Form • Target Mailer all new state employees with letter and Rollover in form • Q3 article in Perspective on “The power of diversification” 	Ongoing	Karen Blanton/Kathy Gannon/ Gay Lynn Bath/ING Karen Blanton Karen Blanton	
Reduce Rollouts by 5% from 2012 numbers 2012: 485 2013 Goal: 460 1 st Quarter: 146 2 nd Quarter: 125 3 rd Quarter: 179 4 th Quarter: 171	<ul style="list-style-type: none"> • Q3 article on selecting an investment manager • Direct Mail participants who submit retirement papers explaining options, invite to workshop 	Ongoing	Karen Blanton	Enhanced the retirement workshop power point to include the value of low fees, and flexibility in OSGP program.



Participating Local Government Employers

ORS 243.474 authorizes the state to offer its 457 deferred compensation program to all Oregon public employers including special districts, local governments, and school districts. The Oregon Savings Growth Plan (the deferred compensation program) has only recently been made available to public employees other than state employees.

Employers interested in participating in our program must follow these steps:

- Establish an eligible 457 deferred compensation plan. This program must meet all the requirements of IRC 457.
- Adopt a resolution authorizing the Oregon Savings Growth Plan to be offered as one of the investment providers for your 457 program.
- Enter into an agreement with PERS for the administrative services provided to all participating employers.

For more information or to receive an adoption packet, please call (503) 378-8567. We look forward to discussing how this plan can help meet your employer and employee needs to better plan for successful retirements.

Since it was made available to all public employers, the following employers have chosen to participate in the Oregon Savings Growth Plan. Eligible employees of these public employers can obtain information about the plan by calling 503-378-8567 and requesting an enrollment kit. The employers are:

Counties	Cities	Community Colleges	School Districts/ESD	Special Districts
Baker	Banks	Central Oregon Community College	A.C.E. Academy	Applegate Fire Dist.
Benton	Canyonville	Chemeketa Community College	Albany SD	Aumsville RFPD
Clatsop	Carlton	Columbia Gorge Community College	Amity SD	Aurora RFPD
Coos	Clatskanie	Lane Community College	Baker County SD	Baker County Library District
Douglas	Coburg	Mt. Hood Community College	Banks SD	Black Butte Police Dept.
Jefferson	Coos Bay	Portland Community College	Bend/La Pine SD	Black Butte RFPD

Counties	Cities	Community Colleges	School Districts/ESD	Special Districts
Lake	Cottage Grove	Southwestern Oregon Community College	Blue Mountain Community College	Canby Utility
Marion	Dayton	Umpqua Community College	Cascade SD	COIC
Polk	Depoe Bay	Oregon CC Association	Centennial SD	Clackamas County Housing Authority
Umatilla	Drain	Clackamas Community College	Central Curry SD	Clackamas County Fire District
Yamhill	Dufur		Central Linn SD	Clackamas County Soil and Water
	Durham		Coquille SD	Clackamas River Water
	Elkton		Corvallis SD	Clatskanie PUD
	Florence		David Douglas SD	Clatskanie RFPD
	Gearhart		Dayton Public Schools	Columbia 911 Comm. District
	Grants Pass		Douglas County SD	Depoe Bay RFPD
	Halsey		Douglas ESD	Community Services Const.
	Harrisburg		Echo School District	Crook County RFPD
	Hermiston		Elgin SD	Curry Public Library District
	Hillsboro		Falls City SD	Deschutes County RFPD
	Hubbard		Forest Grove SD	Deschutes Valley Water District
	Independence		Gladstone SD	East Umatilla Health Dist.
	Irrigon		Glendale SD	Estacada RFPD
	Joseph		Grants Pass School District	Green Sanitary District
	Junction City		Gresham-Barlow School District	Harney District Hospital
	Lafayette		High Desert ESD	Hermiston Fire and Rescue
	Lincoln City		Harrisburg SD	Hubbard RFPD
	Lowell		Hermiston SD	Ice Fountain Water District
	Madras		Hood River County SD	Jefferson Parks & Rec District
	Milwaukie		Ione SD	Jefferson County SWCD
	Molalla		Jefferson SD	Juntura Rural Road District
	North Plains		Jordan Valley SD	Lane Council of Governments
	Nyssa		Kings Valley Charter	Lane County Fire District 1

Counties	Cities	Community Colleges	School Districts/ESD	Special Districts
	Oakridge		Knappa SD	Lebanon Fire District
	Ontario		La Grande SD	Linn-Benton Housing Authority
	Pendleton		Lake County ESD	Local Government Personnel Institute
	Pilot Rock		Lake Oswego SD	Marion County H.A.
	Rainier		Lane County ESD	McKenzie Fire and Rescue
	Rockaway Beach		Lincoln County SD	McMinnville Water and Light
	Rogue River		Linn-Benton-Lincoln ESD	Mist-Birkenfeld RFPD
	Sandy		Long Creek SD	NWSDS
	Sisters		Malheur ESD	Nestucca RFPD
	Springfield		Malheur County SD	North Bend Coos/Curry H.A.
	Stayton		McMinnville SD	North Lincoln Fire & Rescue
	St. Helens		Morrow County SD	North Wasco Park & Rec.
	Talent		Multnomah ESD	Nyssa Road District
	Veneta		Myrtle Point SD	Oregon Consortium
	Waldport		North Bend SD	Cover Oregon
			Northwest Regional ESD	Oregon School Boards Assoc.
			Ontario SD	Oregon Trail Library District
			Oregon City SD	Philomath Fire and Rescue
			Oregon Trail SD	Polk County Fire District
			Pendleton SD	Port of Astoria
			Phoenix/Talent S.D.	Port of Garibaldi
			Pilot Rock SD	Port of Hood River
			Port Orford/Langlois SD	Port of Newport
			Redmond SD	Port of St. Helens
			Roseburg SD #4	Rainbow Water District
			Salem-Keizer SD	Redmond Fire & Rescue
			Scio SD	R.O.C.N. Task Force

Counties	Cities	Community Colleges	School Districts/ESD	Special Districts
			Silver Falls SD	Sandy Fire District
			South Coast ESD	Scappoose Rural Fire
			South Lane School Dist.	Silverton Fire District
			Southwestern Oregon Community College	Sisters Camp Sherman Fire
			Stanfield School District	Siuslaw Library Dist.
			Sunny Wolf Carter School	Siuslaw School District
			Sutherlin SD	Suburban East Salem Water District
			Sweet Home SD	SW Lincoln County Water District
			Umatilla/Morrow ESD	Stayton RFPD
			Wallowa ESD	Sunrise Water Authority
			Wallowa School District	Talant Urban Renewal District
			Warrenton/Hammond SD	Tillamook 911 Dist.
			West Linn Wilsonville SD	Tualatin Valley Irrigation District
			Willamette ESD	TVF&R
			Winston-Dillard SD	Tualatin Valley Water District
			Yamhill/Carlton SD	Umatilla Co Soil & Water
				Umpqua Regional Council of Gov.
				Wash County Fire District
				Water Wonderland Improvement District
				West Multnomah Soil and Water Conservation Dist.
				West Slope Water District
				Westland Irrigation Dist.
				Winchester Bay Sanitary District
				Winston-Dillard RFPD
				Winston-Dillard Water District



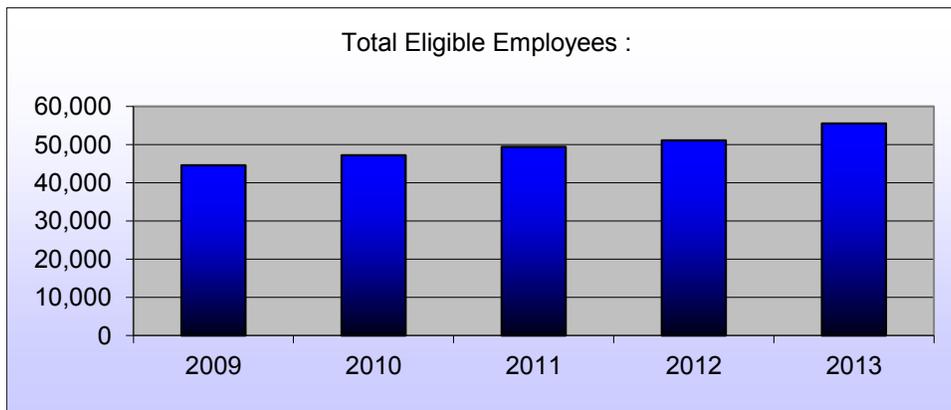
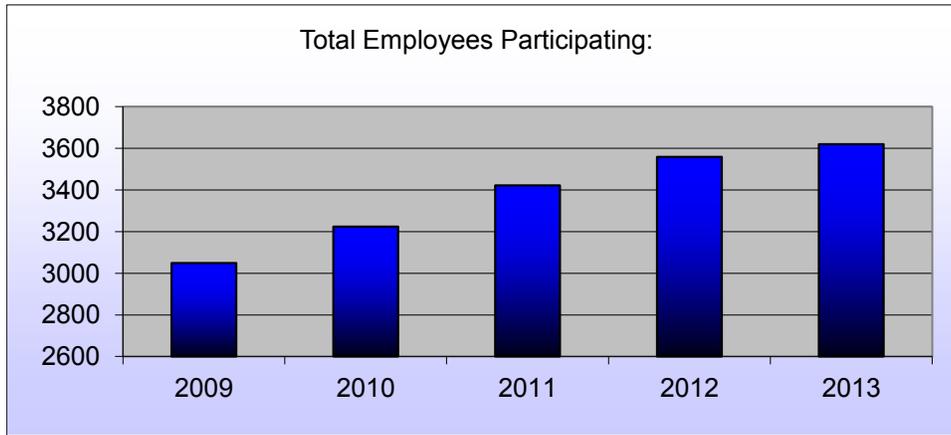
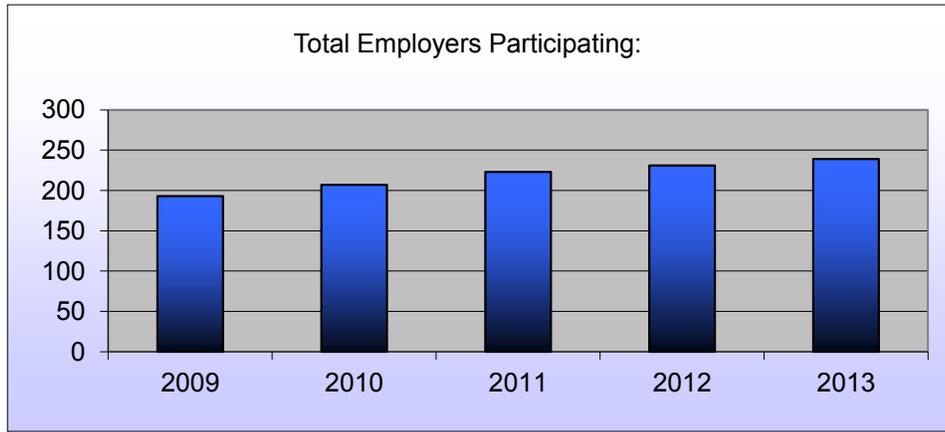
Local Government Program Status

Employer groups participating:	<u>Q4 2009</u>	<u>Q4 2010</u>	<u>Q4 2011</u>	<u>Q4 2012</u>	<u>Q4 2013</u>
Counties	7	8	9	10	11
Cities	45	47	49	51	51
Special districts	71	76	82	84	87
School districts	70	76	83	86	90
Total employers participating:	193	207	223	231	239
Total employees participating:	3049	3224	3422	3559	3620
Total eligible employees:	44,614	47,242	49,440	51,137	55,563
Percent participating:	7%	7%	6.9%	7.0%	6.5%
Average monthly deferrals made:	\$892,377	\$851,485	\$907,493	\$935,187	\$987,707
Total local government assets:	\$72,949,423	\$92,839,969	\$103,027,651	\$126,887,113	\$153,732,136



OREGON SAVINGS GROWTH PLAN

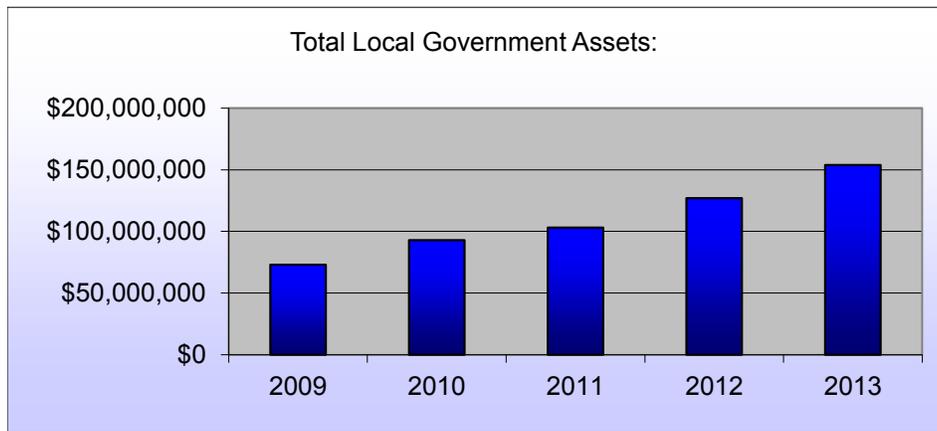
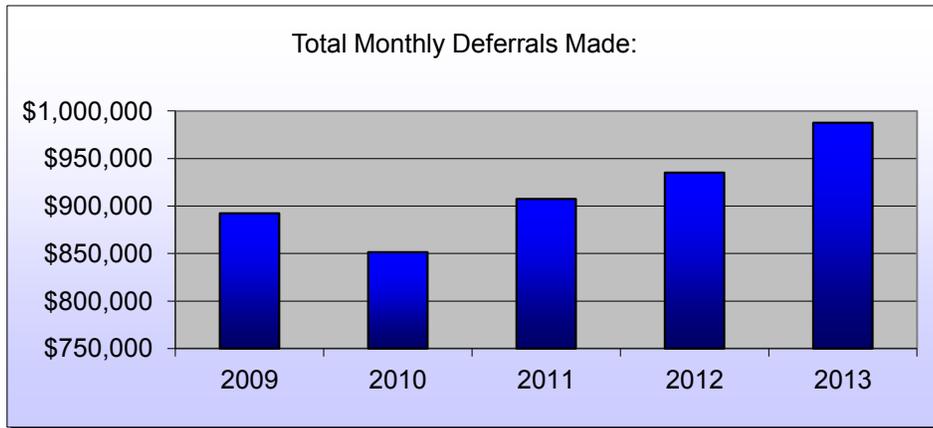
Local Government Program Status





OREGON SAVINGS GROWTH PLAN

Local Government Program Status





Local Government Report 2013 - 4th Quarter Review

New Employer Adoption:

JEFFERSON COUNTY
JORDAN VALLEY SCHOOL DISTRICT

Adoptions in Progress:

ODELL SANITARY DISTRICT
CITY OF KEIZER
CITY OF LEBANON
TILLAMOOK SCHOOL DISTRICT
CITY OF SCIO
NORTH WASCO LIBRARY DISTRICT
NORTH MARION SCHOOL DISTRICT
CITY OF TIGARD
JEFFERSON COUNTY FIRE DISTRICT
VENETA SCHOOL DISTRICT
VENETA LIBRARY DISTRICT

Professional Organization Attendance as Vendors

NONE

Educational Outreach

SUMMARY OF EMPLOYER / EMPLOYEE CONTACTS

WORKSHOP 1	12
WORKSHOP 2	15
RETIREMENT WKSP	2
BROWN BAGS	25
BENEFITS FAIR	6
SITE VISIT	57
VENDOR FAIR	0
EMPLOYER VISITS	2
TOTAL CONTACTS	119

2013 4th Quarter Over All Program Stats

MONTH	Oct	Nov	Dec	Quarter Total	2013 Year to Date Total
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Monthly Contribution Totals (Month of deposit to participant account)
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OSPS	\$4,286,507.41	\$4,282,658.61	\$4,535,787.14	\$13,104,953.16	\$50,856,766.40
Higher Ed	\$407,581.12	\$421,862.96	\$424,934.82	\$1,254,378.90	\$5,149,210.74
Misc. Agencies	\$155,758.74	\$157,991.63	\$166,202.70	\$479,953.07	\$1,809,591.66
Lottery	\$54,400.73	\$60,237.89	\$65,569.22	\$180,207.84	\$338,304.32
Local Governments	\$923,844.02	\$918,878.17	\$1,120,400.69	\$2,963,122.88	\$11,490,729.90
Total Monthly Contributions	\$5,828,092.02	\$5,841,629.26	\$6,312,894.57	\$17,982,615.85	\$69,644,603.02

Monthly Contribution Totals-Pre-Tax (Month of deposit to participant account)
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OSPS	\$4,140,488.57	\$4,129,681.02	\$4,373,760.65	\$12,643,930.24
Higher Ed	\$402,969.46	\$412,896.30	\$417,468.16	\$1,233,333.92
Misc. Agencies	\$155,298.74	\$157,631.63	\$165,842.70	\$478,773.07
Lottery	\$54,198.73	\$60,035.89	\$65,294.22	\$179,528.84
Local Governments	\$914,250.35	\$903,330.69	\$1,111,572.37	\$2,929,153.41
Total Monthly Contributions	\$5,667,205.85	\$5,663,575.53	\$6,133,938.10	\$17,464,719.48

Monthly Contribution Totals-Roth (Month of deposit to participant account)

OSPS	\$146,018.84	\$152,977.59	\$162,026.49	\$461,022.92
Higher Ed	\$4,611.66	\$8,966.66	\$7,466.66	\$21,044.98
Misc. Agencies	\$460.00	\$360.00	\$360.00	\$1,180.00
Lottery	\$202.00	\$202.00	\$275.00	\$679.00
Local Governments	\$9,593.67	\$15,547.48	\$8,828.32	\$33,969.47
Total Monthly Contributions	\$160,886.17	\$178,053.73	\$178,956.47	\$517,896.37

2013 4th Quarter Over All Program Stats

MONTH	Oct	Nov	Dec	Quarter Total	2013 Year to Date Total	2012 Year to Date Total
All New Enrollments (Month of deposit to participant account)						
New Participants - OSPS	153	83	140	376	1294	874
New Participants - Higher Ed	10	8	6	24	69	45
New Participants - Misc. Agencies	2	1	2	5	14	12
New Participants - Lottery	1	0	0	1	1	
New Participants - Local Governments	27	32	71	130	346	313
New Participants - IAP Only	3	4	6	13	24	
Total New Participants	196	128	225	549	1748	1244
New Enrollments Breakdown Pre Tax Only (Month of deposit to participant account)						
New Participants - OSPS	118	66	105	289		
New Participants - Higher Ed	5	7	4	16		
New Participants - Misc. Agencies	2	1	2	5		
New Participants - Lottery	1	0	0	1		
New Participants - Local Governments	24	30	67	121		
Total New Participants	150	104	178	432		
New Enrollments Breakdown Roth 457 Only (Month of deposit to participant account)						
New Participants - OSPS	27	14	25	66		
New Participants - Higher Ed	5	1	2	8		
New Participants - Misc. Agencies	0	0	0	0		
New Participants - Lottery	0	0	0	0		
New Participants - Local Governments	2	1	4	7		
Total New Participants	34	16	31	81		

2013 4th Quarter Over All Program Stats

MONTH	Oct	Nov	Dec	Quarter Total
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New Enrollments Breakdown Pre-Tax & Roth 457 (Month of deposit to participant account)

New Participants - OSPS	8	3	10	21
New Participants - Higher Ed	0	0	0	0
New Participants - Misc. Agencies	0	0	0	0
New Participants - Lottery	0	0	0	0
New Participants - Local Governments	1	1	0	2
Total New Participants	9	4	10	23

Eligible Employees

OSPS	37,945	37,762	37,785
Higher Ed	13,159	13,159	15,400
Misc. Agencies	583	583	585
Lottery	436	436	436
Local Governments	55,374	55,536	55,536
Total Eligible Employees	107,497	107,476	109,742

Total Participants (anyone with an account balance employed or terminated)

OSPS	19,142	19,295	19,301
Higher Ed	952	960	962
Misc. Agencies	396	396	396
Lottery	184	185	184
Local Governments	3,559	3,578	3,620
No payroll locations(benef/alternates/sub accounts)	300	208	298
Total Participating Employees	24,533	24,622	24,761

Dec-12
18,341
892
376
3,559
296
23,464

2013 4th Quarter Over All Program Stats

MONTH	Oct	Nov	Dec	Quarter Total	
Total Active Employees (Contributing/Non-Contributing)				percentage of eligible employees (Dec 2013)	Dec-12
OSPS	13,535	13,567	13,589	35.96%	13,790
Higher Ed	784	789	790	5.13%	766
Misc. Agencies	286	286	287	49.06%	288
Lottery	174	173	172	39.45%	
Local Governments	3,120	3,131	3,174	5.72%	3,252
Total	17,899	17,946	18,012	16.41%	18,096
Total Active Contributing Employees (as of month posted to account)				percentage of eligible employees (Dec 2013)	Dec-12
OSPS	10,883	10,978	11,060	29.27%	10,818
Higher Ed	470	489	493	3.20%	473
Misc. Agencies	238	244	242	41.37%	236
Lottery	141	143	142	32.57%	
Local Governments	2,053	1,952	2,080	3.75%	2,156
Total Participating Employees	13,785	13,806	14,017	12.77%	13,683
Special Programs (as of month posted to account)					2013 Year to Date
Max Plus	5	32	0	37	115
Catch-Up 50+	162	243	5	410	568
Catch-Up 3 YR	0	0	2	2	12
Final Paycheck Deferral	8	34	7	49	145
Temporary Employees	2	4	7	13	45

2013 4th Quarter Over All Program Stats

MONTH	Oct	Nov	Dec	Quarter Total	2013 Year to Date
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Number of New Loan Issued (as of month loan requested)					
OSPS	52	34	34	120	429
Higher Ed	0	0	1	1	8
Misc. Agencies	1	0	0	1	5
Lottery	1	0	2	3	6
Local Governments	0	0	0	0	8
Total	54	34	37	125	456

New Loans Issued Total Dollars (as of month of loan request)					
OSPS	\$543,583.04	\$497,128.98	\$292,430.26	\$1,333,142.28	\$4,622,919.20
Higher Ed	\$0.00	\$0.00	\$5,000.00	\$5,000.00	\$163,224.70
Misc. Agencies	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$89,802.41
Lottery	\$4,300.00	\$0.00	\$6,400.00	\$10,700.00	\$84,500.00
Local Governments	\$0.00	\$0.00	\$0.00	\$0.00	\$58,815.00
Total	\$597,883.04	\$497,128.98	\$303,830.26	\$1,398,842.28	\$5,019,261.31

Loan Program Total Payments (as of month posted to account)					
OSPS	\$243,812.62	\$287,728.49	\$251,471.95	\$783,013.06	\$2,923,740.40
Higher Ed	\$5,173.45	\$5,894.70	\$5,894.70	\$16,962.85	\$45,401.09
Misc. Agencies	\$10,165.40	\$10,165.40	\$10,721.54	\$31,052.34	\$124,790.94
Lottery	\$5,322.69	\$13,501.56	\$0.00	\$18,824.25	\$34,578.85
Local Governments	\$6,060.27	\$6,419.11	\$6,853.52	\$19,332.90	\$72,455.92
Loan Pay Off	\$48,312.19	\$15,058.56	\$31,516.11	\$94,886.86	\$600,373.27
Total	\$318,846.62	\$338,767.82	\$306,457.82	\$964,072.26	\$3,801,340.47

2013 4th Quarter Over All Program Stats

MONTH	Oct	Nov	Dec	Quarter Total	2013 Year to Date
Unforeseeable Emergency Withdrawals					
Requests	10	5	8	23	103
Approved	9	5	7	21	90
Denied	0	0	0	0	3
Request Withdrawn	1	0	1	2	10
With loans	5	1	3	9	38
Without loans	5	4	4	13	64
Dollars Withdrawn	\$43,333.28	\$9,291.50	\$49,820.00	\$102,444.78	\$524,134.45
Number Rollover/Transfers					
State Rollover/Transfers In	74	53	59	186	793
Local Government Rollover/Transfers In	18	16	15	49	227
Total Rollover/Transfer In	92	69	74	235	1020
State Rollover/Transfers Out	56	73	42	171	621
Local Government Rollover/Transfers Out	9	13	12	34	115
Total Rollover/Transfer Out	65	86	54	205	736
Prior Service Time Purchase Transfer Out	20	52	11	83	287
Rollover/Transfers Dollars					
State Rollover/Transfers In	\$2,803,206.45	\$2,223,425.07	\$1,488,731.68	\$6,515,363.20	\$30,575,949.04
Local Government Rollover/Transfers In	\$624,518.28	\$379,997.91	\$1,059,943.97	\$2,064,460.16	\$7,359,696.70
Total Rollover/Transfer In	\$3,427,724.73	\$2,603,422.98	\$2,548,675.65	\$8,579,823.36	\$37,935,645.74
State Rollover/Transfers Out	\$3,964,405.98	\$4,577,250.63	\$2,868,801.33	\$11,410,457.94	\$48,448,279.91
Local Government Rollover/Transfers Out	\$389,232.96	\$416,557.66	\$278,237.28	\$1,084,027.90	\$6,164,187.56
Total Rollover/Transfer Out	\$4,353,638.94	\$4,993,808.29	\$3,147,038.61	\$12,494,485.84	\$54,612,467.47
Prior Service Time Purchase Transfer Out	\$148,423.17	\$521,868.91	\$68,376.76	\$738,668.84	\$3,476,253.26
Terminated Participants					
	71	49	131	251	1072
Settlement Agreements Processed					
	48	58	78	184	786