OREGON SAVINGS GROWTH PLAN
ADVISORY COMMITTEE
3rd QUARTER 2018

August 21, 2018
9:30 A.M.

Keizer Community Center
930 Chemawa Rd NE
Keizer, Oregon 97303

August 21, 2018 – 9:30 a.m.
Keizer Community Center – Keizer, Oregon

	Meet and Greet		8:30 a.m.
I.	Introduction	Mark Carlton	9:30 a.m.
II.	Approval of Minutes	Mark Carlton	
III.	Old Business a. Approval of Q1 Minutes	Mark Carlton	
IV.	Information Items		9:45 a.m.
	A. OSGP eBook Presentation	Dee Monday, OSGP	
	B. Participant Website Presentation	Brian Merrick, Carol Cann, Voya	
	C. Q2 2018 Service Review	Brian Merrick, Carol Cann, Voya	
	D. Q2 2018 Performance Report	Anne Heaphy, Ben Taylor, Jim Callahan, Callan	
	E. Treasury Update	Wil Hiles, Treasury	
	F. OSGP Update	Roger Smith, OSGP	
	G. Outreach Team Update	Jack Schafroth, Gladys Salguero, OSGP	
V.	New Business	Mark Carlton	11:00 a.m.
VI.	Public Comment	Mark Carlton	11:15 a.m.
VII.	Adjournment	Mark Carlton	11:30 a.m.

Next meeting: November 27, 2018

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ADVISORY COMMITTEE MEETING MINUTES
May 22, 2018
Keizer Community Center
KEIZER, OREGON

COMMITTEE MEMBERS PRESENT
Richard Bailey, Committee Member
Kevin Nordhill, Committee Member
Celeste Van Cleave, Committee Member
Thomas Poon, Committee Member

COMMITTEE MEMBERS ABSENT
Mark Carlton, Chair
Brady Boothe, Committee Member

STAFF MEMBERS PRESENT
Roger Smith, Program Manager
Kathy Gannon, Program Coordinator
Tamie Brahin, Customer Service
Dee Monday, Program Analyst
Doug Pederson, OSGP Specialist
Jack Schafroth, OSGP Outreach Team
Wes Handley, OSGP Outreach Team
Charles Yu, OSGP Outreach Team
Phillip Carbajal, OSGP Outreach Team

I. INTRODUCTION:
The meeting was called to order at 9:30 a.m. Committee Member Richard Bailey chaired the meeting in the absence of Mark Carlton. Bailey requested introductions from all those in attendance.

Roger Smith recognized Vitaly Putintsev for three years of service with the Oregon Savings Growth Plan and presented him with the Friend of OSGP award as Vitaly moves on to work in the HR department at PERS Headquarters. Roger also announced the retirement of Steve Rodeman, PERS Executive Director and that Mary Dunn, Chief Administrative Officer, the executive for our division, is leaving PERS for another position and wished both of them luck in their future endeavors.

II. APPROVAL OF MINUTES:
Richard Bailey pointed out that there was not a quorum for this meeting, so there will be no motions or approval of minutes. He did ask for comments on the minutes and hearing none, deferred approval of the minutes to the next Advisory Committee Meeting.

III. OLD BUSINESS:
Roger Smith said that there is now link and some information posted on our website to promote the Advisory Committee Meetings to our participants and the public and to allow them to email the Advisory Committee. He said some e-mail traffic has come in since the mailbox was set up, much of which is general questions. Smith commented that we want our participants to attend the Advisory Committee meeting and noted that there are a couple of participants in the audience for this meeting.

IV. INFORMATION ITEMS:

A. Q1 2018 Service Review: Brian Merrick started with a couple of comments on behalf of VOYA. He expressed appreciation for Mary Dunn, having worked with her on the PERS IAP project and for Vitaly and his partnership and wished them luck in their new roles.

Merrick reported that under the new contract Gladys and Jack have been working to build the outreach team locally under Steve's leadership. VOYA is working on adding a fourth representative to assist in canvassing the state. He talked about communications over the past year with Scott Darcy working with Dee at the Salem OSGP office, and that a commitment was made to hire a local VOYA communications specialist who would be a dedicated, full-time person to work on marketing and communications projects. To that end, Jennifer Moran was hired for that position and has moved to Portland from Kansas City. With that, the VOYA team is in place for the most part, and VOYA will be working with Roger and the Salem staff to deliver on the commitments that have been made. Merrick drew the group's attention to the project timeline in the VOYA packet and updated the group on the various pieces. He said he is pretty sure the advice service should be in place by the end of the quarter. Jennifer, Scott, and Dee are working on more collaborative outreach. Efforts will be made to reach out to state employees who have never been a part of the plan. VOYA is rolling out Financial Wellness to all of their participants. Most Americans are stressed about their finances. VOYA is working on ways to help people improve how they live today, still saving for tomorrow, while being able to handle the unexpected. VOYA has identified six financial wellness pillars. There is now a link on the website to a Financial Wellness tool. Merrick took the group on a tour of the tool via the slides in the VOYA packet. He said once participants know they have these financial pillars in place, they can have more confidence about setting aside money to supplement their retirement.

Merrick then reviewed the Executive Summary. Plan assets are now at $2.1 billion. He pointed out how adding the Roth provision several years ago has enhanced the Plan. He then reviewed rollover activity for the first quarter. He also reviewed the Digital Engagement report. 29% of participants took action after using myOrangeMoney; on average, most actions were increasing the deferral amounts. 19% of participants took action after using the Personal Financial Dashboard; again, most people were increasing their deferral amounts. He wrapped up his report with the Net Cash Flow and Earnings report for the first quarter. He skipped the Outreach Team update for a report from Scott Darcy for a Marketing Update.

Darcy introduced himself by telling the group he has been working with the OSGP plan in his role as a communications consultant for a little over a year. He has been working with the OSGP plan to help develop strategies and materials, to not only encourage people to enroll, but also making the appropriate changes within their plan so that they will eventually be able to meet their retirement goals and aspirations. Darcy explained VOYA is getting closer to rolling out the managed account services. Referring to page 23 of the packet, he shared what a sample rollout calendar for that might look and noted the importance of educating participants so they know what's coming, when it's coming, why it matters, and what they should do about it. Currently, they are working with Financial Engines to roll out a seven-touch campaign to let participants know about Financial Engines; then to provide both digitally and by mail, a retirement evaluation so they can see their balance, their current statements, where they are on their retirement goals for the future, and highlighted with red, yellow, and green scores, whether or not they are on track. There is then a call to action to go online to learn more about the managed account services. They can either take guidance online at the participant website and put the guidance to use on their own, or they can give the managed account task over to the VOYA retirement advisors group who will be the ones managing the account. They are then asked if they would like to try the service for 90-day free trial. With all of these options, there is access to more information. Darcy answered questions about the costs of these services and explained the fee structure. He then reported that over the course of the next year or so, VOYA plans to roll out a series of 'Set it and Forget It' email campaigns. Based on participant demographics, automatic emails would be sent to participants from VOYA, but with OSGP branding, and that it will include some sort of "call to action". Darcy referred the group to page 24's "Save More Journey" as an example, and explained how it would work.

Darcy then reviewed the Financial Wellness Assessment and Dashboard as shown on pages 25 and 26 and said whenever an individual logs into their account in the future; they will see the dashboard at the top with the six pillars scored with red, yellow, or green indicators. It will identify the pillar that needs the most attention right away and direct participants to resources that can help them improve in that area. The idea is that after connecting with the suggested resources, they can go back and take the assessment in the future and see the progress that they've made in that area. VOYA will be able to use algorithms and demographic information to post a message that is most relevant to that individual when they log in. Once there is an audience of participants that have taken the assessment, there will be information that can be used to determine further communications. Page 27 demonstrates the way the information can be used to develop education campaigns in response to the Financial Wellness Assessment. On an every-other-month basis, there will be a roll out of a suite of materials related to each of the pillars, both online and in print, and through the blog and additional VOYA resources. Darcy explained it will be his and Jennifer Moran's job to work with Dee Monday and the OSGP team to determine whether the pillars are appropriate. He talked about the resources they have to customize these materials for OSGP.

B. Q1 2018 Performance Report: Uvan Tseng from Callan presented the Q1 performance review. This is the first time in many quarters that the market actually went down. The year started building off of the gains that started last year, especially off of the back of the tax reforms that passed in December. Quarterly earnings were still looking strong and GDP estimates were still looking solid. Then in mid-February, a wage growth report came out, indicating that wages had gone up from two to three percent growth over the previous 12 months, which sparked inflation concerns and the market, or at least the S & P 500, responded rapidly over a matter of days, dropping 10 percent. It came back pretty quickly in the week that followed. For all of last year, there was no volatility and the S & P was up every month in 2017, which is unheard of. It was up again in January, but in February, it pulled back quite a bit. The quarter ended on a negative across most equities. Tseng referred the group to page four of the Callan report and pointed out that the only sector that was up across the cap spectrum was technology. Growth vastly outperformed value during the quarter. Going on to page five, Tseng pointed out that international markets were also down for the quarter. Part of that can be attributed to what was going on in the US, but there were other geopolitical concerns out there, which are still pretty relevant today, such as what is going on in North Korea, as well as a fear of rising interest rates within the US and how that would impact overseas markets, so there was quite a sell off overseas, as well. The concerns over trade wars and tariffs that the US may be enacting softened the US dollar quite a bit. That buffered a bit of the negativity because a weaker US dollar benefits US dollar investors that invest overseas. As shown on the charts on page five, things were pretty negative across the board. Only emerging markets and Japan were positive, for the most part, a result of oil and energy prices recovering slightly, which benefits the emerging markets. Japan's economy actually grew on the back of infrastructure spending leading up to the 2020 Olympics. There were some positive returns and you can see returns generally mixed overseas on page six with emerging markets and Japan being the only positive areas. Page seven deals with fixed income markets. Interest rates rose across the curve during the quarter. In March, the new Fed Chair, Powell, announced that they were raising interest rates from 1.5 percent to the 1.75 percent range. Most Fed watchers expect two to three more rate hikes this year. With the prospect of rising interest rates, bond prices came down quite a bit during the quarter. Page eight serves as a reminder that nobody can know what is going to rise and fall each quarter. It also serves as a reminder that for most people, diversification is key.

Anne Heaphy presented the OSGP review and referred the group to page 11 for asset distribution across the various options. She pointed out that the Target Date Funds represent almost 32 percent of the total plan. Some of the higher asset values are in Stable Value Option, having almost 10 percent, the Stock Index Option which is all cap, and the domestic equity option, (benchmarked to the Russell 3000) which has about 11.5 percent of assets. The Large Company Growth Stock Option at 11 percent and the Small Company Stock Option has about 12 percent of the assets. The total fund is at about 2.1 billion dollars, net new investments are just shy of 7 million dollars, and investment returns are down by about 12.4 million. Page 14 deals with fees for the plan and compares them to institutional peer group medians. Moving on to pages 16 and 17, Page 16 shows the asset allocation for these BlackRock Target Date funds. The top chart shows the equity roll down. Heaphy noted that the further out one is from retirement, the more equity exposure they have and the closer one gets to retirement, the more conservative these BlackRock funds get. The chart below demonstrates the asset allocation of the funds. With BlackRock funds, all of the allocations are to indexed funds, meaning there is no active management exposure in these plans. Heaphy explained the comparisons on page 17. She explained that the BlackRock funds are a bit more conservative compared to the Callan Consensus shown. A question was asked as to why these reports don't go out another 10 years. The person asking felt that people are expecting too much when they only look at 10 years of history or results. Heaphy said that Callan could extend the performance periods shown, provided that the history was available. Heaphy then took the group through the following pages highlighting information for each individual fund. The values presented are all net of fees. There was a question asking why comparisons are not made to S & P 500 or the Wilshire 5000 to get a better idea of how it's faring. Tseng explained the bases for comparisons and why they feel their methods provide more relevant information. The Callan report wrapped up with a review of Deferred Compensation trends.

C. **Treasury Update:** Will Hiles provided the Treasury Update. He spoke about fees and keeping the fees down. Roger Smith clarified that all costs associated with the plan come out of the seven basis points. There are no external funds that are used to pay anything. It is embedded in the basis points as administrative costs. One of the participants in the audience asked if there is anything that can be done to make fees more transparent and be reported on statements. There was no answer offered, so the participant just expressed that she would appreciate if the fees were made more transparent, particularly by reporting them on the statements.

D. **OSGP Update:** OSGP Manager Roger Smith reported that the new recordkeeping contract went into effect on January 1, 2018. Smith expressed appreciation that the new marketing person, Jennifer Moran, is now on board, and feels that there is now a potential to do more with communications and marketing than in the past. He also said that the Outreach Team, with Gladys Salguero on board, working with Jack Schafroth, is expected to create a significant increase in educational opportunities for all plan participants, so the tempo in the Salem office has increased quite a bit over the past three or four months. Smith stated that OSGP is looking at going into this new contract as a time of renewal, and to that end, the plan contracted with Cammack, as consultant, to help with the transition to the new contract. They will facilitate meetings, track progress and areas where things might be lagging behind, at the same time addressing operational issues that are coming into play as processes are moved over to VOYA. He pointed out that some processes stop in the Salem office for a bit, before sending them on their way, but the preference is to streamline the processes to the benefit of the participants. So, representatives from Cammack are here for this meeting, Mike Sanders and Emily Wrightson, to observe and provide any consulting on communications for the plan. Smith then turned the meeting over to Dean Carson, PERS Member Engagement and Communications Director, noting that OSGP is part of the PERS, so Carson, Smith, and Dee Monday work together on daily basis.

Carson updated the group on a couple of recent OSGP-related communication items. He spoke about using the state's mass communication delivery system about a month ago, the govdelivery email system, (not to be confused with VOYA's emails, which will be targeted to individual participants). Govdelivery is an opt-in, sign up for update system. About 5,000 people have signed up so far for OSGP updates, so that distribution list was used to let people know about today's advisory committee meeting, as well as the new email address that can be used to communicate with the advisory committee. The new email box will be monitored to see if it gets any uptick. Carson will continue working with Monday to work on other ways to get the word out about this advisory committee and the email address. 52 percent of the recipients opened the email and there was a six percent click rate on the links within the email. Public sector communications average one to three percent for a click rate, so that is a great rate response. Also, PERS sent out 262,000 member annual statements last week in batches and on the back of each statement was a pitch for OSGP with a link to a web page. Carson reported that there are consistently 400 to 500 people that go to that web page on a daily basis. Last Thursday, an email was sent to all state employees, to further put the word out about the annual statements going out; on that day, 700 went to the web page. The metrics for yesterday after people got their statements over the weekend, showed 571 visiting the web page. Carson said the metrics will be monitored and analyzed to determine if the statement pitch led to new enrollments. There is also a message for local government employees to help them determine whether their employers have adopted the Oregon Savings Growth Plan or directing them to Jack to find out if they are eligible to participate in OSGP. The team will be anxious to see whether there was a benefit or return of putting this message on the PERS annual statements to educate all of the PERS members that OSGP may be an option for supplementing their PERS retirement.

E. **Outreach Team Update:** Jack Schafroth reported that going forward; the Outreach Team is going to be transitioning the day-to-day presentations, one-on-ones, and site visits to the three, soon to be four educational representatives that are mainly interfacing with Gladys Salguero and VOYA. That will transition Schafroth into more employer relations functions and working with the Communications team (Monday, Moran, and Darcy) to hone and create some savings cultures out at the employers' worksites. Schafroth also plans to work with the employers to transition them away from some of the manual processes that they've elected to use in the past to more electronic-based processes and get them some in-person training for those who desire that. Schafroth spoke of a need to nurture the employers as a support to the participants in the plan and that his transition from being participant-based to more employer-based will contribute to that. He reported that the educational representatives are being trained and that he is slowly handing over local governments, which he had previously handled exclusively. Territories are being developed, although there is a great team effort with representatives covering for each other as needed. Schafroth says that he anticipates that toward the end of this year, or possibly by next year, the Plan will start seeing the fruits of laying this groundwork.

Gladys Salguero continued the Outreach Team Update with a brief review of slides 21 and 22 in the VOYA packet. She then talked about staffing efforts, particularly the addition of the fourth education representative. She spoke about efforts to update the presentations, working on some issues they've had with sending out workshop announcements, and certain changes they want to make to the surveys that they send out to workshop attendees. She also announced that the new workshop registration tool is now in place and acknowledged all those that contributed to that process.

V. NEW BUSINESS:

Roger Smith announced that there has been a successful recruitment to fill Vitaly's position. Dean Marshall was the successful candidate for that position, who is an experienced retirement counselor working the PERS call center and has supported the OSGP staff in the Salem office on an off for a number of years, which has given him a base of OSGP knowledge. Smith assured the committee that they would be seeing Marshall in future meetings.

VI. PUBLIC COMMENT:

Lisa Rehms, an OSGP participant, introduced herself and explained that she does a lot of investment reading and is really interested in finance. She wanted to bring before the advisory committee that she was hoping to see funds options for a model portfolio. She suggested seven options, all index funds. The first one would be a Wilshire 5000 or an S & P 5000. She says she realizes this is a long shot. The second is one with totally international stock, which OSGP already has. The third would be a small cap index fund, a pure index fund, or better yet, a small cap value index fund. The fourth would be a REIT index fund. The fifth would be a total US bond index fund; the sixth, a pure index fund; and finally, an emerging market fund index. She explained her rationale for this request. The committee responded that her request would be better directed to the Oregon Investment Council, but pointed out that there is a PCRA option through Charles Schwab that she could participate in. Rehms countered that there is an extra fee to participate in that option. She further stated that she has a Vanguard Roth IRA in which her model portfolio is invested and it was her hope that she could do the same with her 457 account. Roger Smith responded that we appreciate her participation in the meeting today and that getting her comments on the record is the best way for those in attendance to take notice of her suggestions and consider whether any action can be taken going forward. Rehms also mentioned she has sent detailed comments about Russell funds (she thinks directed to the advisory committee) about what the financial experts say about Russell funds.

VII. ADJOURNMENT: In wrapping up the meeting, a final acknowledgement was made in appreciation of Vitaly Putintsev's efforts in support of OSGP and the Advisory Committee.

There being no further business, the meeting was adjourned. The next meeting is scheduled for August 21, 2018.

Respectfully submitted,

Tamie Brahin

Tamie Brahin
Oregon Savings Growth Plan

ADVISORY COMMITTEE MEETING MINUTES
February 20, 2018
Keizer Community Center
KEIZER, OREGON

COMMITTEE MEMBERS PRESENT	STAFF MEMBERS PRESENT
Richard Bailey, Committee Member	Roger Smith, Program Manager
Celeste Van Cleave, Committee Member	Kathy Gannon, Program Coordinator
Thomas Poon, Committee Member	Jack Schafroth, Program Analyst
Brady Boothe, Committee Member	Dee Monday, Program Analyst
	Vitaly Putintsev, Enrollment Specialist

I. INTRODUCTION:
Meeting called to order at 9:30 a.m. In Chair Carlton's absence, Committee Member Richard Bailey chaired the meeting. Bailey requested introductions from all those in attendance.

II. APPROVAL OF MINUTES:
Committee Member Bailey asked if there were any changes or corrections to the minutes from November 8, 2017. There were no changes or corrections. Bailey moved to approve the minutes. Committee Member Van Cleave seconded the motion. The motion carried unanimously.

III. OLD BUSINESS:
Committee Member Bailey addressed the proposal by OSGP Manager, Roger Smith, to create an OSGP Advisory Committee Email Box and post it on the OSGP website. Smith provided background on his proposal and the Committee discussed the efficacy of having an email box. All present members agreed that having an email box would increase transparency for the Committee. Bailey called for a motion to approve posting an email box on the website. Cleave voiced her support and Boothe seconded the motion. Bailey noted that the motion was approved. There was no further discussion. Bailey called for a vote on the motion. The motion carried unanimously.

IV. ADMINISTRATIVE REPORT:

A. Q4 2017 Service Review: Brian Merrick spoke about the new contract with the plan and conveyed that VOYA is honored and motivated to continue working with the OSGP. Merrick reviewed some of the new commitments and initiatives under the contract that will further the plan. The core recordkeeping fee for the OSGP is now 4.9 basis points. The contract adds the VOYA Retirement Advisors feature to the plan. There is also an expansion of direct participant communications. VOYA has also made a commitment to hire additional education representatives that will lead to a more robust outreach component for the OSGP.

Merrick introduced the OSGP Outreach Team to the Committee. Gladys Salguero is the new Key Account Manager. Gladys is responsible for managing the financial education team for the OSGP and coordinating all outreach for the plan. Wes Handley, Charles Yu, and Phillip Carbajal make up the education team with one position remaining to be filled.

Merrick spoke about VOYA Education Advisors, an entity within VOYA that will now deliver advice to OSGP participants. This advice component will include phone based and local representative investment advice to bolster the OSGP plan participation experience. Committee Member Bailey asked Merrick if the new advice feature will come at a cost to the participant utilizing the service. Merrick state that the advice will come with no additional cost. Merrick also spoke about the managed accounts component of VOYA Education Advisors, which sees VOYA investment professionals actively monitoring and managing a participant's account. The managed account service will require the participant to pay a fee and allows for the participant to opt in or opt out of this service whenever they would like to.

Committee Member Bailey asked Merrick about the recordkeeping fee reduction. This sparked a discussion of the costs specific to OSGP and VOYA. It was established that the recordkeeping fees will see a net decrease and the administrative fees are not expected to increase.

Merrick reported that plan assets are now over $2.0 billion. Net cash flow was a positive for the quarter. There was an increase in plan enrollment and deferral increases in Q4 2017. Merrick believes the spike can be attributed to the Retirement Expo '17 which has held at the Salem Convention Center in October 2017.

The Q4 Service Review illustrates the initiatives VOYA is undertaking under the new contract and the complete project timeline. The service review will be posted to the new OSGP website.

B. Q4 2017 Performance Report: Anne Heaphy, Ben Taylor, and Jim Callahan from Callan presented the Q4 performance review.

They reported that the U.S. equity market continued its upward trajectory in the 4th quarter, closing out a very strong year marked by continued low volatility despite a turbulent U.S. political landscape and a record year in terms of global catastrophes. Investors embraced accelerating global economic growth as well as low interest rates and inflation. Corporate earnings registered double-digit growth for the quarter, receiving a boost from the U.S. tax reform bill that passed in late December.

Risk assets continued to lead the equity market in the quarter. Consumer Discretionary benefited from strong year-end retail sales as well as positive tax reform expectations as the retailing industry carries the highest industry effective tax rate at 35%. The "Amazon Effect," however, continues to threaten the sector as many large retailers have been forced to close stores or lower prices to unsustainable levels. The Energy sector continued to improve in the 4th quarter although it closed out the year among the worst performers. A combination of optimism and improvements in the global economy has spurred demand in recent months. More near-term volatility is anticipated in the price of oil as U.S. output is expected to surpass production out of Saudi Arabia for the first time since the early 1990s.

Major non-U.S. markets performed largely in-line with each other during the 4th quarter, which saw a bit of an inflection point as investors were more willing to capitalize on synchronized global growth and began to rotate out of momentum winners into more cyclical areas such as Financials, Energy, and Materials. Cyclicals led as tax reform, improving commodity prices, and growth projections overcame Brexit fears and election uncertainty in Germany in a risk-on quarter. Emerging markets outpaced developed ones for the fourth consecutive quarter, fueled by a soft U.S. dollar, synchronized global growth, strong oil and commodity prices, and renewed investor interest.

Anne Heaphy reviewed the OSGP investment performance in Q4 2017 and highlighted the key findings of the 11th annual *Defined Contribution Trends Survey* conducted by Callan in the fall of 2017. The survey incorporated responses from 152 plan sponsors, including both Callan clients and other organizations. The survey found that plan participation, investment performance, and contribution rates were the three most important factors in measuring plan success.

C. Treasury Update: Will Hiles reported that during Q4 2017 Treasury staff renegotiated lower fees with BlackRock for the target date funds on behalf of the OSGP. The reduction for participants is a net of 2 basis points. Committee Member Bailey asked Hiles and the Callan Team if there are any plans to alter the investments being offered under the plan. The Callan Team spoke about the evaluation they will conduct in regards to the plan investments. It was noted by Michael Viteri of the Oregon State Treasury that any investment changes would have to be approved by the Oregon Investment Council or the State Treasury.

D. OSGP Update: OSGP Manager Roger Smith spoke about the implementation of the new contract with VOYA and the changes that will take place both at the local office and in the services that VOYA provides. He noted that the outreach model will be changing with the advent of better regionalization and personal contact with OSGP participants and participating employers. Smith stated that the plan will now have an operational component, outreach component, and a marketing and communications component. The local day-to-day transactions within the Salem Office will also be minimized with VOYA taking on more transactions with participants. Smith also mentioned that the local office has been given notice that it needs to relocate from the Archives Building in Salem. Smith is working with state leasing representatives to find an adequate space to move the local office.

E. Outreach Team Report: Jack Schafroth reported that six new employers adopted the OSGP in Q4 2017. He noted that, going forward, there will be a more holistic approach to employer relations with less of a divide between local and state employers. Schafroth stated that the Outreach Team will continue look for ways to bring in new participating employers into the OSGP and to capitalize on existing participating employer outreach opportunities.

Gladys Salguero spoke about her background and also the efforts she has undertaken as the new Key Account Manager for the plan. She specifically highlighted the plan's transition away from the iLinc workshop registration tool to a more user-friendly registration system. The new system is in testing and set to be introduced in March. Salguero stated she is in the midst of developing presentations for the Retirement Expo '18 and is also currently devising the strategy for growing local government participation and determining how to most effectively utilize the new education representatives across the state.

Charles Yu, Phillip Carbajal, and Wes Handley spoke about their backgrounds and offered insights on their efforts as part of the Outreach Team.

V. NEW BUSINESS: None

VI. AUDIENCE PARTICIPATION: None

VII. ADJOURNMENT: The next meeting is scheduled for May 22, 2018.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Vitaly Putintsev
Oregon Savings Growth Plan

Oregon Savings Growth Plan

Second Quarter Service Review

Table of contents

2018 Trends Impacting Benefits and Plan Design

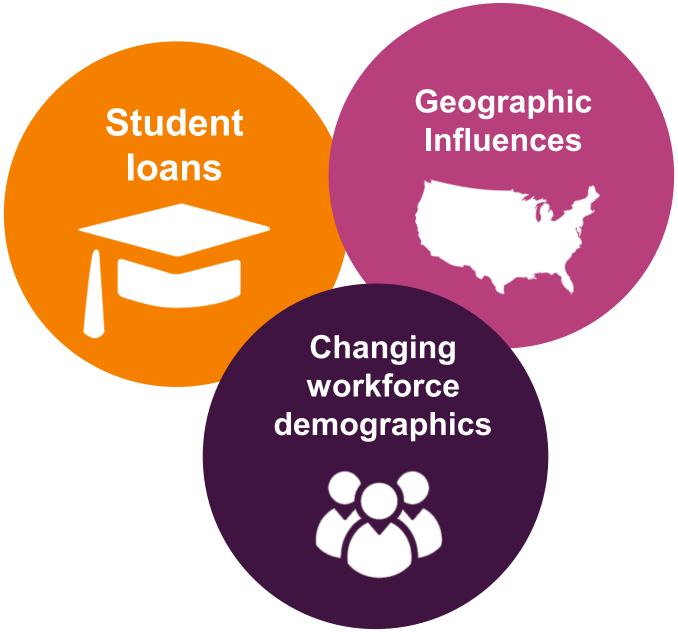
An insider view into what employers with $127B AUM & 1.9M+ employees care about.

What happens when you bring 60 of the largest employers together to discuss how they help employees get to and through retirement?

$127B Assets under management

1.9M+ Employees

You discover key trends impacting benefits and plan design and what employers are doing to support:



PLAN | INVEST | PROTECT

VOYA FINANCIAL

Student Loans: Focus on Prevention or Treatment?

- Often cited as a reason employees are not able to save
- Inhibiting financial wellness and longer term retirement readiness
- Education financing solutions have emerged as a compelling benefit offering

70% of graduates last year graduated with Student Loan Debt.

$37k The average debt for a 45-54 year old in 2017.[2]

Prevention	Treatment
Saving proactively for education expenses to avoid debt in the future	Managing student loan debt in balance with other savings goals
• Savings tools and education • Payroll deduction into 529 plans	• Education and tools • Debt consolidation solutions • Payroll deduction into student loan payment

PLAN | INVEST | PROTECT

VOYA FINANCIAL

[2]https://www.federalreserve.gov/econres/scfindex.htm

Student Loans: Focus on Prevention or Treatment?

Key Benefits Considerations	What employers are doing:
Balance programs to attract and retain your workforce	• Matching plan design with tone of communication • Comprehensive benefits packages
Focus on both prevention and the cure	Prevention: • College Coach program • Financial Wellness education • Payroll deduction to 529 plans Treatment: • 1:1 financial snapshot • Debt consolidation solutions (3rd party support) • Payroll deduction to student debt

Consumer Realities Influencing Outcomes

It matters where you live
Wages and the cost of living vary by state, so what's left over to save is more influenced by where they live over what they earn.

Experiences over stuff
We shape our lives through experiences – so how do you as an employer position your benefits as experience?

Meet them where they are
Shifting focus from delivering content in the traditional way to the way your employees want to consume it- across all media.

Consumer Realities Influencing Outcomes

Key Benefits Considerations	What employers are doing:
Plan design features	• Higher match rates and employer-only contributions to support high cost of living • Auto enrollment and escalate features
Socialization of benefits	• On-site educational seminars and Benefit Fairs: *Government employer held cross-benefit Expo on health, 457b and pension benefits. Goal: 300 people attend. Outcome: over 2.5k attended* • Invest in technology to communicate more effectively *Made emails and employer portal mobile responsive*
Consider demographic and generational influences	• Media mix to appeal to age spectrum • Support for off-boarding Baby Boomers : income planning and onboarding Millennials: college loan support

Changing workforce demographics: Single parent family

- There are 2.8 million working single parents, more than 80% of whom are women
- Challenges they face: Physical and emotional fatigue, lack of time for personal pursuits, depression, rising cost of childcare

+9% Increase in households headed by one parent since 2010.[1]

$33.6k Average family income for single mother headed households

1 in 5 Children are living with a solo mom.[2]

39% of employed single mothers were in low-wage employment in 2009.*

[1]Source: U.S. Census Bureau, Current Population Survey, March and Annual Social and Economic Supplements.
https://www.census.gov/prod/cen2010/briefs/c2010br-14.pdf
[2]U.S. Census Bureau – Table FG10. Family Groups: 2017
https://www.legalmomentum.org/sites/default/files/reports/SingleParentSnapshot2014.pdf
US Department of Labor Blog, Facts about Women and Minimum Wage, April 2015 and Census Bureau
* defined as an hourly wage less than two-thirds of the median hourly wage

Supporting the single parent… and all parents

Key Benefits Considerations	Considerations
Plan design features	• Auto enrollment and escalate features • Continued loan repayment flexibility upon leaving workforce
1:1 support and ongoing education	• Financial Wellness education • Workshops and Personal Planning Sessions specifically for single parents: budgeting, personal finance, estate planning
Employee Programs	• Workplace flexibility for less traditional structures - days/week and hours/day, as well as job share and work from home • Subsidized, onsite childcare • 529 plan offering with direct deposit

Financial Wellness: Guided Education Experience Overview

CN0226-40419-0320

Why financial wellness matters

Financial stress is real

- 53% American workers report having financial stress

Financial stress impacts productivity

- 50% report personal finances distracted them an average of 3 or more hours a week while working

Financial stress impacts retirement savings

- 51% have saved less than $50,000 for retirement

Financial stress impacts retirement age

- 54% plan to postpone retirement

PWC Employee Financial Wellness Survey, 2017

What is financial wellness?

Financial Wellness is about the **healthy balance** between living for today while preparing financially for tomorrow

It's not necessarily about being wealthy, but it is a state of **mental well-being** in which one feels they have control over their current finances and have confidence in their financial decisions

HOW DOES IT FEEL?

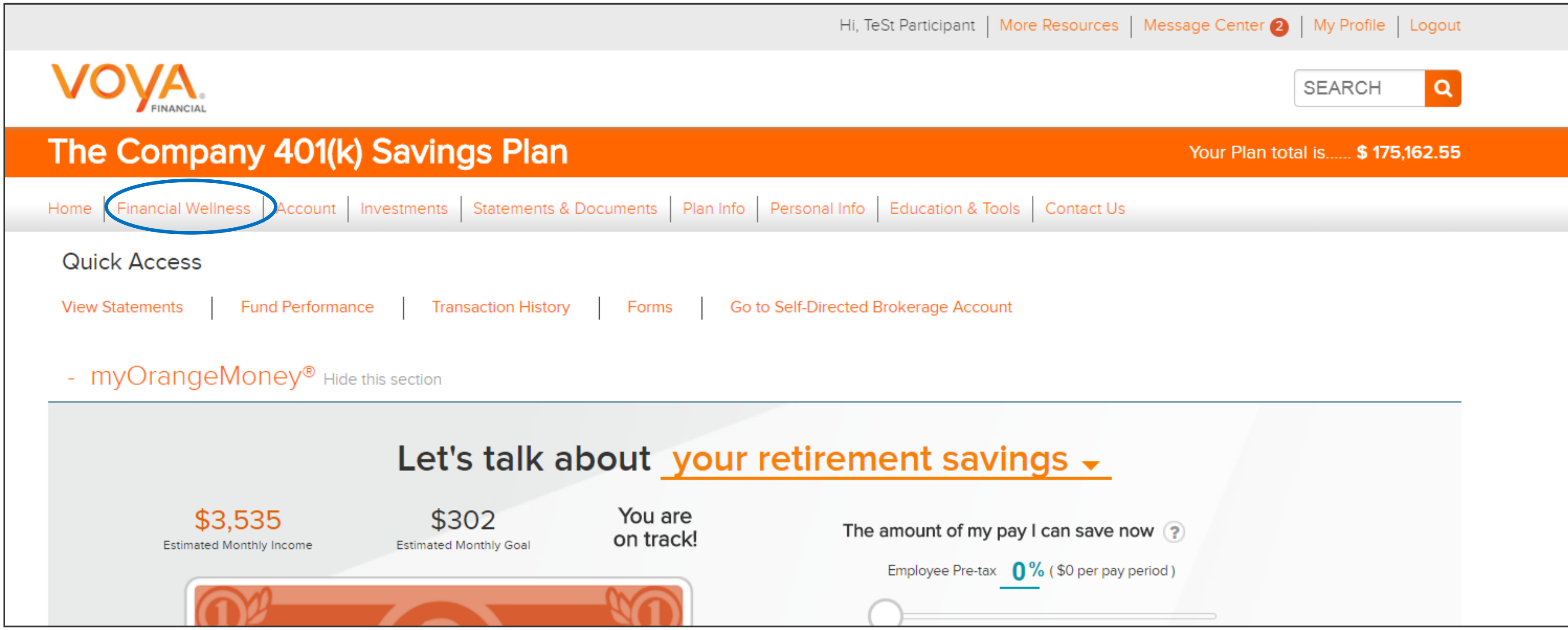
- Living within your means
- Confident in your future
- Prepared to handle the unexpected
- Free to indulge a little and embrace life

Six financial wellness pillars

	What	Why
Protection	Having adequate insurance	Not having coverage if you become ill or have an accident is a leading cause of bankruptcy
Spending & Saving	Managing cash flow	Spending less than you make is core to financial health
Emergency Fund	Having money to cover unexpected expenses	57% of Americans don't have enough cash to cover a $500 unexpected expense[1]
Retirement	Preparing for retirement	On average participants are on track to replace 59% of their income in retirement[2]
Debt	Managing debt	35% say debt is ruining quality of their lives[3]
Other Goals	Saving for other goals	**Top savings priorities[3]** • Emergency fund (88%) • Retirement (85%) • Wealth accumulation (66%) • Vacation / travel (55%) • Making large purchase such as a car (45%) • Education (44%) • Home purchase (40%)

1. Bankrate survey, 2017. 2. Voya Retirement Metrics, Q2 2017. 3. AON Hewitt 2016 Financial Mindset® Study.

Financial wellness is integrated with current retirement experience



- Phase 1: personalized and guided education experience
- Link to Financial Wellness in primary navigation
- myOrangeMoney part of the experience

Financial Wellness-
Results Readout

oregon
SAVINGS GROWTH PLAN

PLAN | INVEST | PROTECT

Data Period: 5/13/2018-7/31/2018

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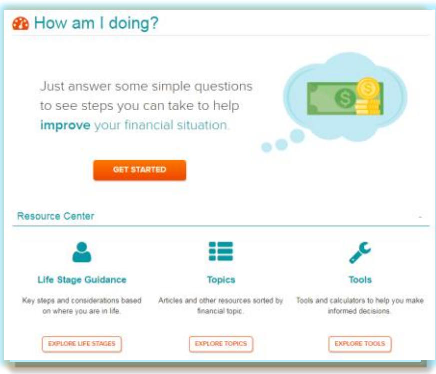
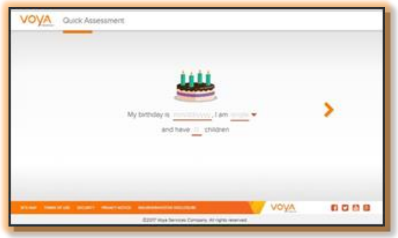
Engagement Metrics

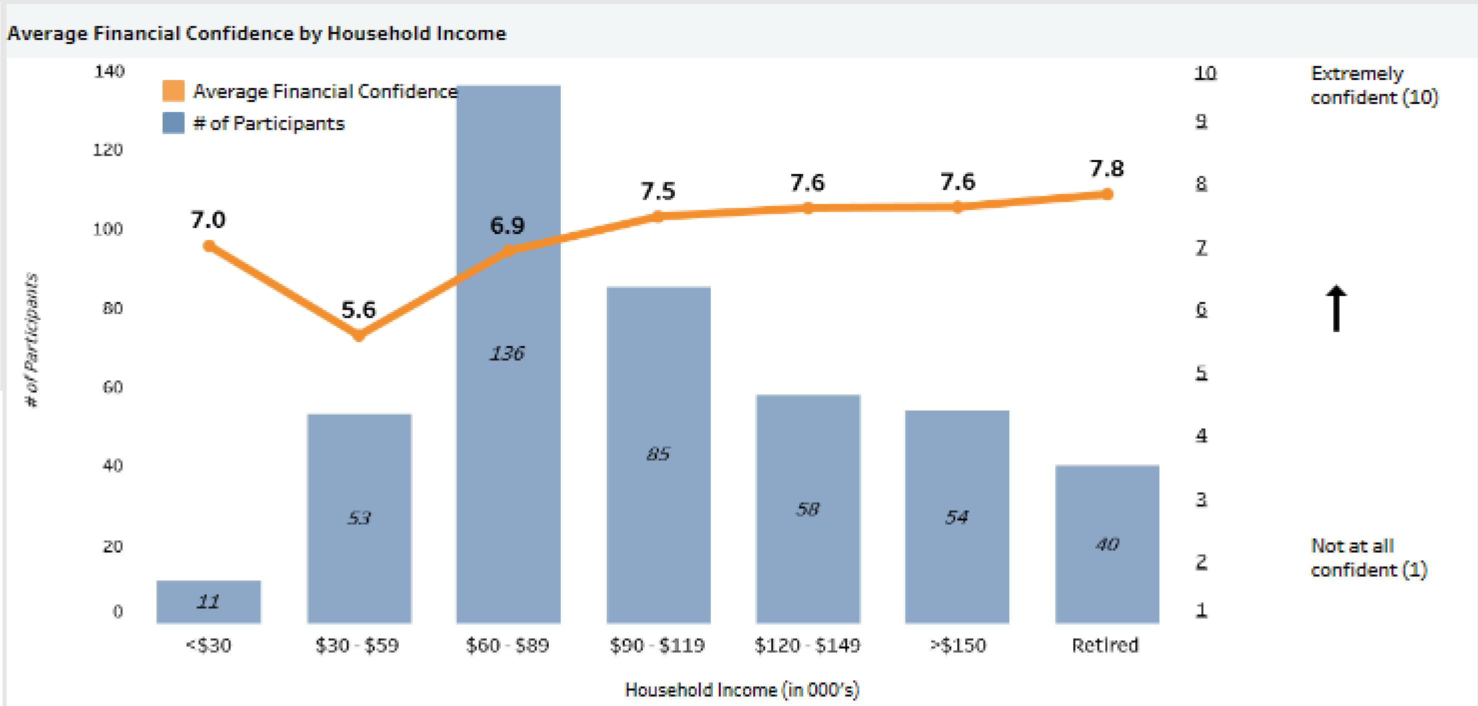
9,189 Participants logged into WEB

Viewed Get Started Page	Started Assessment	Completed Assessment & Viewed Plan	Viewed Dashboard
			
1,207 Participants (13%) Viewed "Get Started Page"	**450** Participants (37%) Started Assessment	**415** Participants (92%) Completed Assessment and viewed FW Plan	**346** Participants (83%) Viewed FW Dashboard

Insights:

- High % of participants make it all the way through experience once they start assessment (92% of those who start assessment get all the way through)
- Opportunity exists to get more people to the Financial Wellness Experience and to start the assessment
  - Email Marketing campaigns for some pilot clients drove solid improvement in the % of web users clicking on Financial Wellness and taking the assessment – may want to consider launching campaign.

Average Financial Confidence by Household Income



Insights:

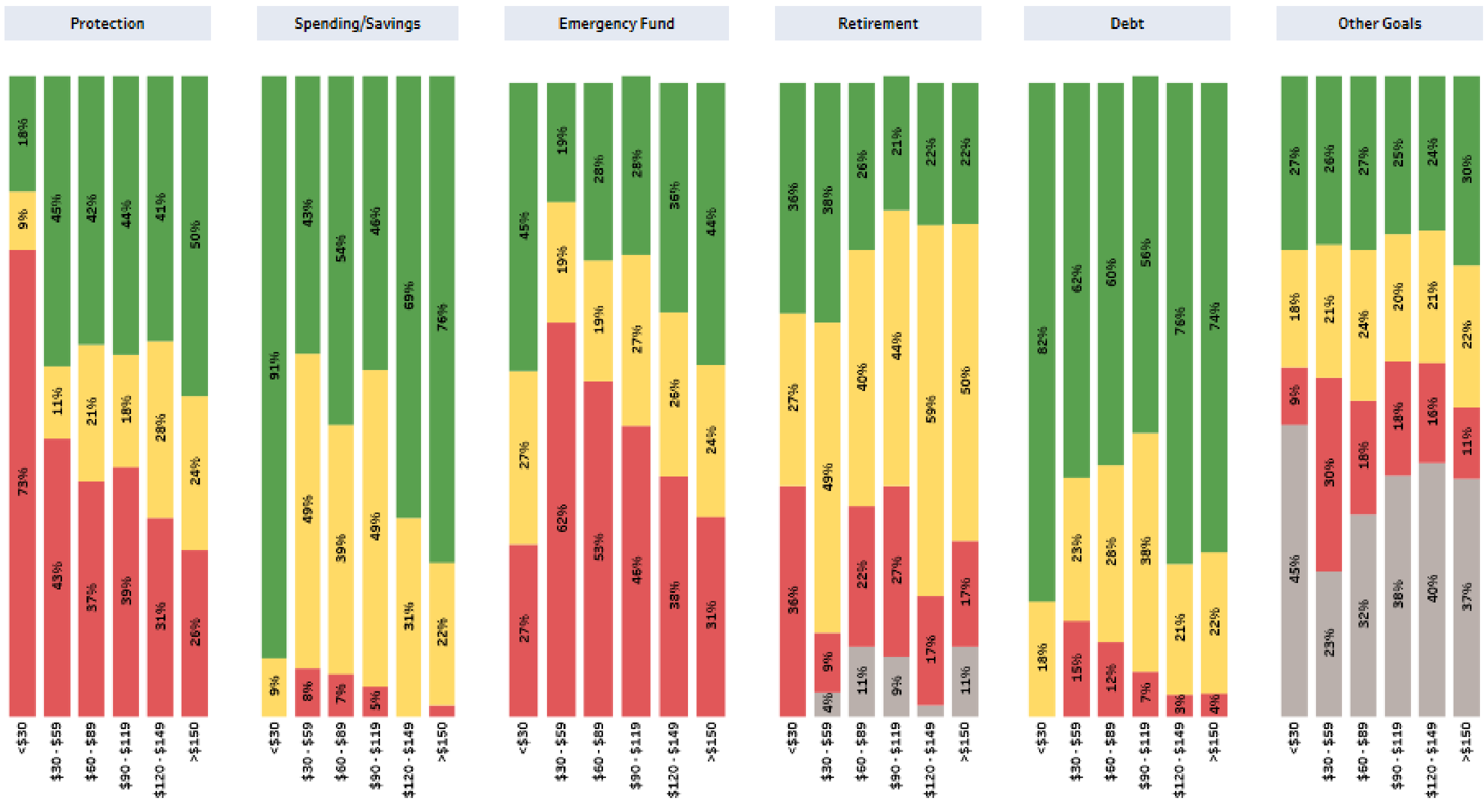
- Financial Confidence appears to increase with household income (on average)
- Average Financial Confidence score= 6.9
- 64% of participants scored themselves a 7 or higher (confident/extremely confident)

Score Distribution by Pillar

Insights:

- 43% of participants don't have an adequate emergency fund (can't cover 3 months of living expenses)
  - Possible opportunity to educate participants about setting up separate emergency fund account to auto deduct from payroll or even adding/encouraging use of after tax source in plan for use as emergency fund to help solve for this gap
- 34% of participants appear to have protection/insurance gaps- opportunity to address as part of upcoming open enrollment windows

Score Distribution by Pillar and Household Income



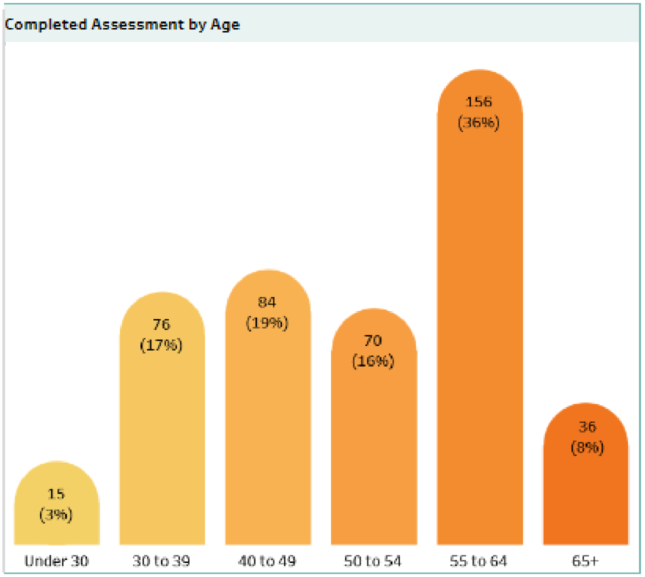
Household Income
(in 000's)

Insights:

- Employees in lower household income ranges are likely at highest risk of going into debt further given they also have gaps in protection and emergency fund savings. As a result of these gaps, they would be more at risk of needing to raid their retirement plan via hardships/loans (or take on more debt) when unexpected expenses arise.

Score Distribution by Pillar and Age

Insights:
- 43% of participants don't have an adequate emergency fund (Higher % in need of establishing emergency fund in those under 55).
- Participants under 55 appear to have the largest gaps in protection/insurance coverage.



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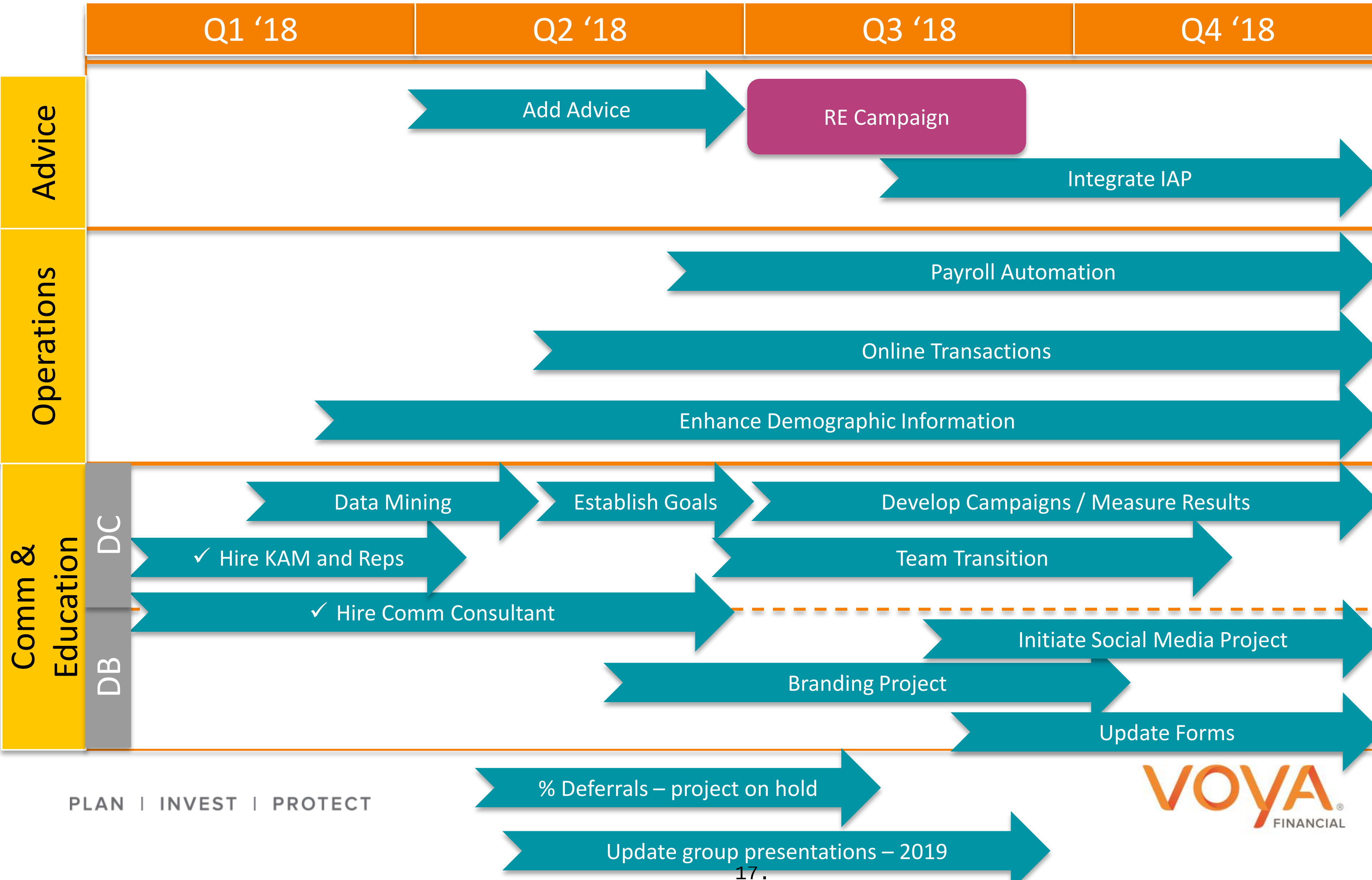
Voya New Contract Updates

August 21, 2018

PLAN | INVEST | PROTECT

VOYA FINANCIAL

Project Timeline




Douglas Coté, CFA
Chief Market Strategist

Karyn Cavanaugh, CFA
Senior Market Strategist

Executive Summary

- The economy is quietly enjoying a "stealth" economic boom driven by pro-business tax cuts
- Small business optimism on a "stratospheric trajectory" resulting in robust expansion plans
- Trade tariff retaliation, rising inflation and a rising U.S. dollar spike global market volatility
- Strength amidst uncertainty argues for broad global diversification

2018 Mid-Year Outlook: Confident Economy, Cautious Markets

Strong economic news punctuated the first half of the year, yet markets remained mired in struggle. Main Street has been celebrating as the economy has quietly amassed record highs in U.S. wealth, employment and spending. On the other hand, Wall Street is shuddering from the fireworks of rising rates, retaliatory trade tariffs and surging oil prices, which are intensifying volatility. In our midyear outlook, we address this tug of war between the economy and markets.

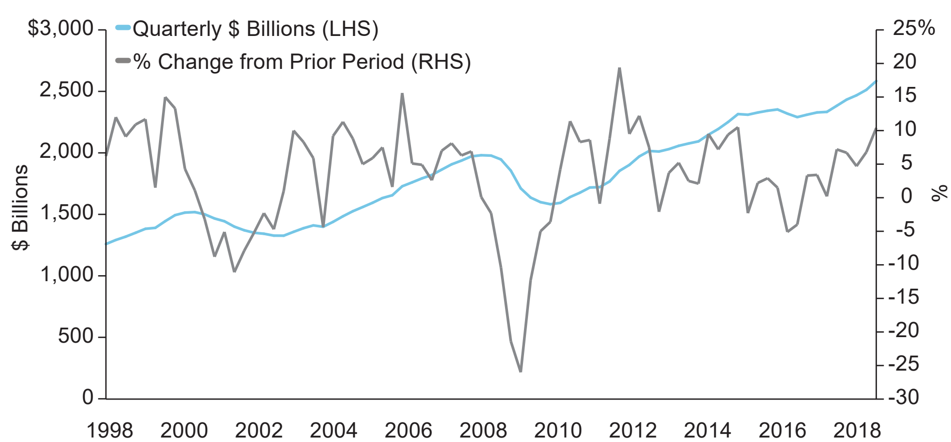
Stealth Economic Boom

In politics, there is an adage that says, "It's the economy stupid." It's summer, business is good, the Fourth of July fireworks are lighting up the sky and Main Street is enjoying a "stealth" economic boom. How can this be with so many domestic and international threats? Yet as the word "stealth" implies, this boom eludes us — why? Is it because the constant flurry of statistics is not demonstrative of a boom? No, not at all. The data are in plain sight, setting new all-time highs. The GDP forecast by the Atlanta Federal Reserve estimates that second quarter 2018 will register 4.5% growth. Our own view concurs with this. Who knew? Most likely, the positive economic deluge has been too fast and furious, while investors have been focusing their attention on the daily deluge of market volatility and negative headlines.

Certainly, consumers are strong and have been for a while. But it is now clear that businesses are spending at a rate not seen in a decade on good old fashioned capital expenditures (capex). Following four quarters of robust growth, the first quarter of 2018 was a hearty endorsement of this trend when non-residential investment or capex rose to 10%. Record levels of corporate profits have prompted dividends and buybacks but have done little to combat aging capital stock and the resulting below-trend productivity gains. Workers need tools to increase their efficiency and output. A surge in capex is not surprising given the pro-business tax cuts and deregulation.

Figure 1. Capex Expenditures Have Begun to Accelerate

U.S. Gross Private Fixed Nonresidential Investment, SAAR



Source: FactSet, BEA. Data as of 03/30/18

Is the resurgence of capex a cyclical or secular trend? Cyclical would mean a relatively short-term boost that would peter out, whereas secular would mean self-sustaining long-term propulsion. Here are the reasons why we see this cyclical capex change turning into a secular trend:

- Corporate tax rate slashed to 21% or by 40%
- Cash repatriation of $2 trillion in cash held overseas, bringing back $217 billion in Q1 alone
- Capex retooling expected to boost productivity in Q2 to nearly 2%

Juanita Duggan, president and CEO of the National Federation of Independent Businesses (NFIB), recently said, "Main Street optimism is on a stratospheric trajectory thanks to recent tax cuts and regulatory changes. For years, owners have continuously signaled that when taxes and regulations ease, earnings and employee compensation increase." [1] In May, the NFIB's Small Business Optimism Index set several records:

- Expansion plans are the most robust in survey history
- Positive earnings trends reached a survey high at a net 3%
- Positive sales trends are at the highest level since 1995

One cannot overemphasize the importance of small businesses: companies employing fewer than 50 workers account for 41% of all private nonfarm payroll jobs in the United States (source: BLS). This surge of business spending leads to a robust manufacturing sector, which accounts for more than one-third of capital expenditures. Manufacturing also has the highest economic growth multiplier effect of any sector — each dollar of sales in manufacturing supports $1.33 of output in other sectors. (Source: BEA).

- The June U.S. ISM Manufacturing index posted its second highest reading in 14 years at 60.2
- A blowout June Dallas Fed Manufacturing report was near a 12-year high at 36.5
- The U.S factory sector recovered in 2017, driven by a mining sector rebound

[1] Source: "Small Business Optimism Index Soars, Continuing Historic Run, Hitting Several Records in May," NFIB press release, June 12, 2018.

Tariff Retaliation and Rising Crude Oil Prices

Global trade is a requirement of economic growth. Period. Therefore, it is indeed concerning to see continued trade tensions and tariff threats. Uncertainty slows the economy as businesses put plans for investment and expansion on hold. In light of this, heightened market volatility is par for the course. Despite all of the trade war rhetoric, however, world volumes of imports and exports rose in April, the U.S. trade deficit shrank in May and bilateral trade between China and the U.S. is up on a year-over-year basis. A bright spot for exports is in liquefied natural gas (LNG). U.S. LNG exports could account for 45% of the global growth in energy supply by 2019, boosting economic growth, lowering the trade deficit and inducing additional energy capex.

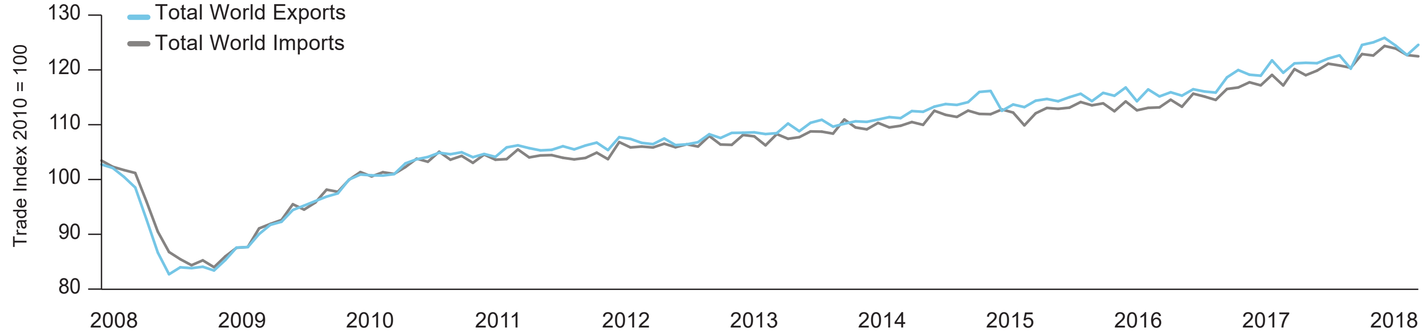
- The U.S. is projected to be the third largest LNG exporter after Australia and Qatar by 2020 (source: EIA)
- Louisiana's Sabine Pass LNG export terminal has enabled exports to quadruple in 2017 to 25 countries with four additional export terminals scheduled over the next few years
- The Interstate Natural Gas Association of America (INGAA) expects new oil and gas capex to total $791 billion from 2018 through 2035

Higher crude oil prices are actually good for the economy because they lead to higher capex and thus economic growth. Recall in early 2016 when oil prices collapsed to $26 per barrel. Today at $74 per barrel, the price of oil not only is leading to enormous capex growth, it is also a sign of increasing global demand. Certainly, supply disruptions from Iran and Venezuela, along with OPEC and non-OPEC cartel-induced restrictions, have an impact on price, but crude oil looks cheap compared to $140 per barrel in 2008.

The Fed and Rising Rates

A paramount concern among investors is the Federal Reserve (Fed) raising interest rates. In June the Fed raised the Fed funds rate to 2%, a level deemed unlikely not too long ago. Isn't this bad news? Absolutely not: rising rates are a sign of economic growth, something at which the Fed achieved only limited success with its unorthodox stimulus measures (QE1, QE2, QE3). Only when the

Figure 2. Global Trade Volumes Continue to Rise



Source: FactSet. Data as of 03/30/18. **Past performance is no guarantee of future results.**

Figure 3. S&P 500 Earnings Growth

Sector	Earnings Growth Percent
Energy	96.5
Materials	44.1
Information Technology	33.9
Financials	26.8
Industrials	23.0
Telecommunication Services	18.7
Utilities	17.9
Consumer Discretionary	15.5
Health Care	14.4
Consumer Staples	10.7
Real Estate	8.1
S&P 500	**24.8**

Source: FactSet. Note: Earnings growth is the percentage change in earnings per share compared to one year ago. Earnings surprise percent is the share-weighted average of the ratio of actual company earnings vs. the consensus estimates. **Past performance is no guarantee of future results.** Indices are unmanaged and not available for direct investment.

government enacted significant fiscal stimulus — through tax cuts and deregulation — did businesses have incentives to invest in a massive way.

Inflation moved up at it fastest pace in six months in May and core PCE, the Fed's preferred measure of inflation, has finally hit its target of 2%. After many years of falling short of this target, the Fed has said it is comfortable letting inflation run hot for a while. Stronger inflation has done little to move long-term rates higher. Higher inflation could favor Fed action and accelerated rate hikes on the short end of the yield curve, though this is unlikely. Inflation for now is still not a pressing issue.

On the other hand, the European Central Bank (ECB) is still firmly accommodative, as is the Bank of Japan. The ECB in particular has seemingly failed to recognize the cues from U.S. policy: it takes pro-business fiscal and regulatory policy to grow the economy on a sustainable course. Monetary stimulus is only a temporary sugar high. If Europe does not aggressively enact labor and business reform, it will lose its hard won gains.

Q2 Market Review

The second quarter was marked by lower geopolitical tension, better than expected economic data, first quarter reported earnings growth of 25%, revenue growth of 8.4% and improved expectations for continued +20% profit growth for the remainder of the year. Countering these undeniably solid market fundamentals were concerns about trade, and to a lesser extent, the stronger U.S. dollar and a flatter yield curve. Nevertheless, the fundamentals prevailed and the S&P 500 was up 3.4% in Q2.

Q2 Winners:

- Small cap stocks, better insulated from trade concerns and riding a wave of optimism from tax cuts and deregulation, were up 8.8%
- Global real estate investment trusts (REITs) up 5.5% on interest rates that defied consensus and actually went down rather than up when trade tensions mounted
- High yield bonds gained 1% on low defaults, lower issuance and global demand for yield

Q2 Losers

- Emerging markets (EM) plummeted -7.9% as a rising U.S. dollar and higher U.S. rates induced outflows from emerging economies. Still, EM fundamentals remain strong on rising commodity prices and global growth
- Global bonds were down 2.8% on a stronger U.S. dollar, which rose 5% in the quarter

Figure 4. Strategic Diversification

Index	Weight	June 2018	QTD	YTD	3 years	5 years	10 years	15 years	20 years
Equity									
S&P 500	10%	0.6	3.4	2.6	11.9	13.4	10.2	9.3	6.5
S&P Midcap	10%	0.4	4.3	3.5	10.9	12.7	10.8	11.4	10.3
S&P Smallcap	10%	1.1	8.8	9.4	13.8	14.6	12.2	12.0	9.9
Global REITs	10%	1.6	5.5	0.9	6.7	6.9	5.7	9.6	8.8
EAFE	10%	-1.2	-1.0	-2.4	5.4	6.9	3.3	7.7	5.8
Emerging Mkts	10%	-4.1	-7.9	-6.5	6.0	5.4	2.6	11.1	8.2
Average		-0.3	2.2	1.3	9.1	10.0	7.5	10.2	8.2
Fixed Income									
Corporate	10%	-0.6	-1.0	-3.3	3.1	3.5	5.4	4.6	5.4
U.S. Treasury 20+	10%	0.2	0.4	-3.0	3.6	4.8	6.2	5.7	6.5
Global Aggregate	10%	-0.4	-2.8	-1.5	2.6	1.5	2.6	3.7	4.3
High Yield	10%	0.4	1.0	0.2	5.5	5.5	8.2	7.8	6.5
Average		-0.1	-0.6	-1.9	3.7	3.8	5.6	5.5	5.7
Overall Average		-0.2	1.1	0.0	7.0	7.5	6.7	8.3	7.2

Source: FactSet, FTSE NAREIT, Voya Investment Management. Market indexes represent the ten asset classes: S&P 500, S&P 400 Midcap, S&P 600 Smallcap, MSCI U.S. REIT Index/FTSE EPRA REIT Index, MSCI EAFE Index, MSCI BRIC Index, Bloomberg Barclays U.S. Corporate Bonds, Bloomberg Barclays U.S. Treasury Bonds, Bloomberg Barclays Global Aggregate Bonds and Bloomberg Barclays U.S. High Yield Bonds. **Past performance is no guarantee of future results.** One cannot invest in an index.

The Economy and Markets

The economy and markets do harmonize over time but they certainly are not now, and the current disharmony probably explains why it feels like a "stealth economic boom." A potential trade war seems disruptive but is far better than real warfare, which seems distant at this time. One could see rising rates and surging crude oil prices as dampening growth, but they also are indicators of economic strength. The most important thing to keep in mind is that fundamentals drive markets. From this perspective we have the makings of one of the best economic backdrops in 30 years. Investors should pay close attention to the good economic news and would do well to "stick to the plan" of broad global diversification.

Figure 5. Forecast Update

Forecast Data	Update	Midyear Reasoning
S&P 500 Price	Affirmed at $2900	Earnings up, valuation down on rising rates
S&P 500 Earnings	Raised to $160	Valuation gets more compelling on stronger earnings
WTI Crude Oil	Raised to $70	Global demand increase on economic growth and supply disruptions
World GDP	Affirmed at 4%	Still driven by the Big Three: Europe, China, U.S.
U.S. GDP	Affirmed at 3%	Upside prospects on surging capex
FX Euro/U.S. Dollar	Affirmed at 1.12	U.S. economic strength and rising Fed funds rates continue
10 Year U.S. Treasury Yield	Raised to 3%	Persistently high U.S. economic growth
Gold	Affirmed at $999	Overused as a hedge with no yield and high carry costs

Source: Voya Investment Management

Diversification does not guarantee a profit or ensure against loss

BBGP-COMMENTARY_2Q18 • 070918 • IM0702-43255-0719 • **163081**

Executive Summary

Executive Summary

- Assets and Cash Flow
  - Total plan assets = $2.2 billion as of June 30, 2018
  - Net cash flow was a positive $4 million
    - Rollover in contributions were $10.8 million
    - Participants with Roth elections 4,152
    - Roth contributions were $2.2 million for the quarter
- Investment Composition
  - The LifePath Options hold 32% of plan assets
  - The Small Company Stock Option is second with 12% of plan assets, average balance of $24,441
  - The Socially Responsible Option had 1,036 participants with a balance, average balance of $9,263
  - The SCHWAB Brokerage account had 204 participants with a balance, average balance of $69,527
- Participant Activity
  - Web visitors averaged 1,494 web-based transactions each month
  - PSR transactions averaged 351per month
  - Mobile transactions averaged 93 per month

Oregon Savings and Growth Plan Digital Engagement Report

04/1/2018 - 06/30/2018

myOrangeMoney® Engagement

26% of participant(s) took action after using myOrangeMoney

1,033 participant(s) changed deferral amt: on average from $375 to $459

389 participant(s) changed fund allocation

Activity	# of Participants
Logged in with access to *myOrangeMoney*	9,500
Engaged and interacted with *myOrangeMoney*	4,783 (52%)
Took Action after using *myOrangeMoney*	1,230 (26%)

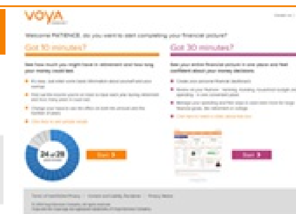
Personal Financial Dashboard Engagement

18% of participant(s) took action after using the PFD

31 participant(s) changed deferral amt: on average from $735 to $1033

14 participant(s) changed fund allocation

Activity	# of Participants
Used the Personal Financial Dashboard (PFD)	215
Created an action plan	63 (29%)
Took action after using PFD	39 (18%)



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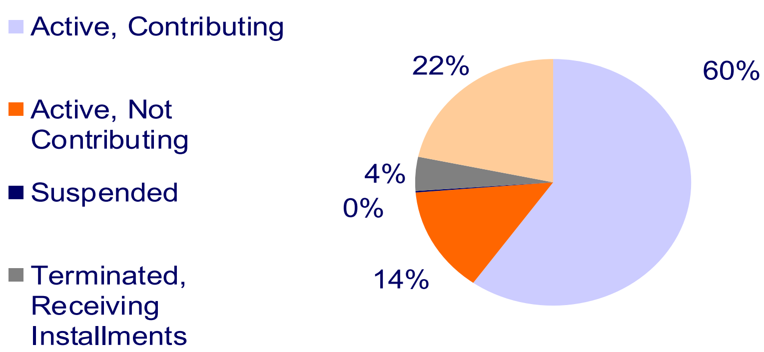
For plan sponsor use only

Data above is based on participant activity for the time period specified in above title

Products and services offered through the Voya(R) family of companies. CN0525-24868-0618

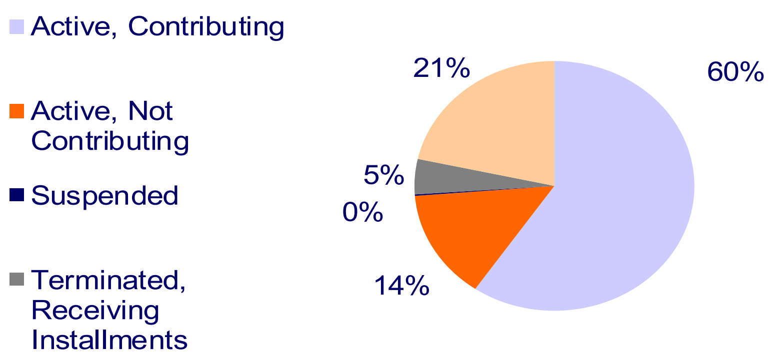
Participant Status Summary

As of March 31, 2018



Participant Status	Number of Participants
Active, Contributing	17,741
Active, Not Contributing	4,108
Suspended	57
Terminated, Receiving Installments	1,319
Terminated with a Balance	6,427
Total:	**29,652**

As of June 30, 2018



Participant Status	Number of Participants
Active, Contributing	17,950
Active, Not Contributing	4,267
Suspended	56
Terminated, Receiving Installments	1,373
Terminated with a Balance	6,489
Total:	**30,135**

Rollover Summary
Q2 2018

OSGP Rollovers Out

Institution	# of Rollovers	% of Total	$ Rolled
PERS Purchase of Service	91	36%	$650,459
Edward Jones	16	6%	$1,784,584
Vanguard	12	5%	$2,483,049
Pershing	9	4%	$920,380
Raymond Jones	8	3%	$889,724
All Others	136	53%	$13,092,442

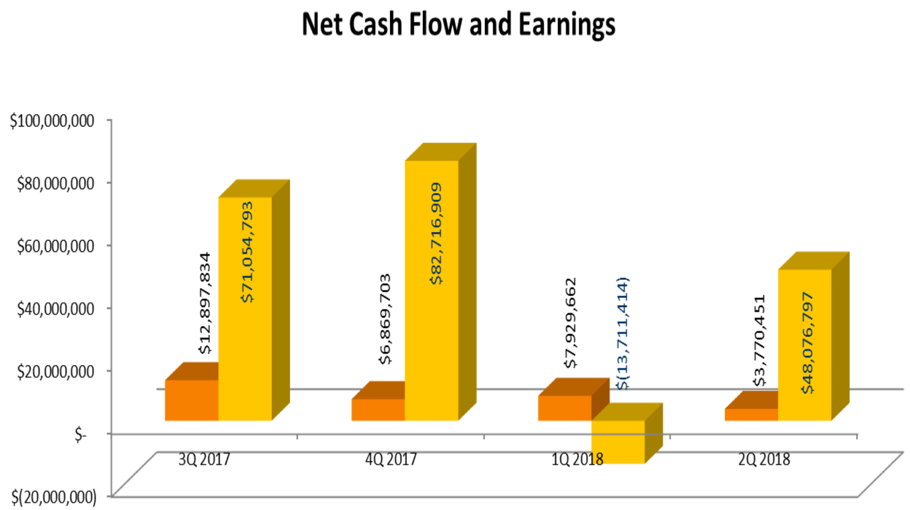
OSGP Rollovers In

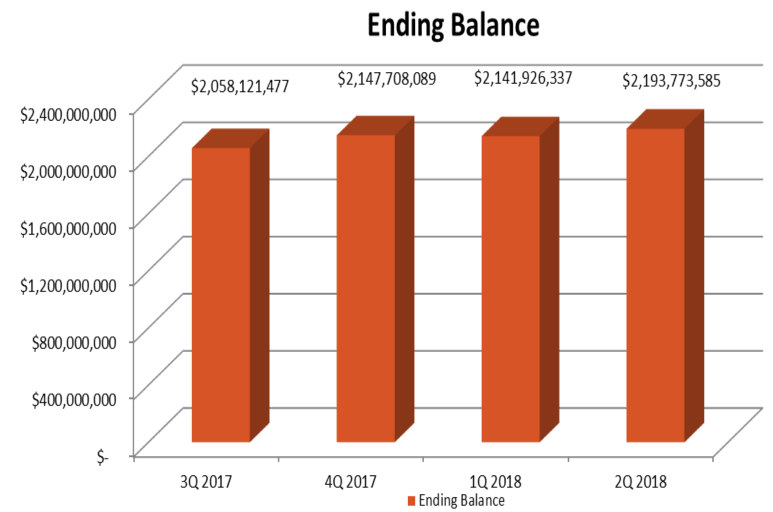
Institution	# of Rollovers	% of Total	$ Rolled
IAP	122	51%	$8,538,290
All Others	115	49%	$2,229,412

IAP Rollovers Out

Institution	# of Rollovers	% of Total	$ Rolled
OSGP	122	11%	$8,538,290
All Others	976	89%	$48,990,376

Net Cash Flow and Earnings by Quarter





	3Q 2017	4Q 2017	1Q 2018	2Q 2018	Last 12 months
Beginning Balance	$ 1,974,168,850	$ 2,058,121,477	$ 2,147,708,089	$ 2,141,926,337	$ 1,974,168,850
Net Cash Flow	$ 12,897,834	$ 6,869,703	$ 7,929,662	$ 3,770,451	$ 31,467,650
Investment Earnings	$ 71,054,793	$ 82,716,909	$ (13,711,414)	$ 48,076,797	$ 188,137,085
Ending Balance	$ 2,058,121,477	$ 2,147,708,089	$ 2,141,926,337	$ 2,193,773,585	$ 2,193,773,585

Outreach Team Update

Outreach activities

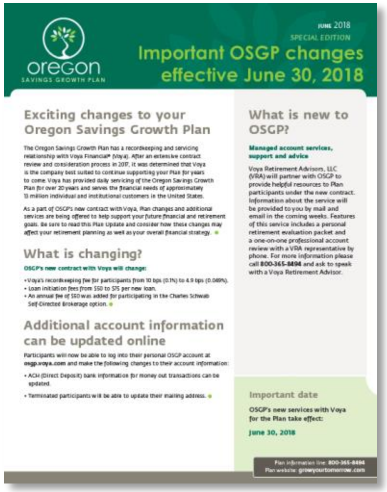
Employer Contact Visits	Presentations	Presentation Attendance	Group Meetings	Group meeting Attendance	Benefit Fairs	1-on-1s	Phone Meetings
184	155	1,684	39	108	11	582	118

Communications Update

Marketing and Communications

COMPLETED

- PERS/OSGP Expo ’18
  - growyourtomorrow.com/expo launched
  - “Save the Date” flyers produced
  - Event concept/branding designed
  - Q2 Plan Update promoting event
- Special Edition Plan Update promoting recent plan changes
- Growyourtomorrow.com and service forms updated



IN PROCESS

- On-site materials/giveaway items for Expo ’18
- Managed Account rollout campaign to active participants and former employees
- Local education introduction/awareness campaign state-wide

Second Quarter 2018

VOYA FINANCIAL

Cash Flow Summary

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN

Cash In

Employee Before-tax Contributions	22,858,910.24
Employee After-tax Contributions	0.00
Roth 457 Contributions	2,290,029.26
Roth 457 Conversion	96,014.89
Roth Qual Plan Conversion	0.00
Rollover Contributions	10,831,594.43
Employer Contributions	0.00
Loan Repayments	1,441,997.86
Conversions In	0.00
Transfers In	39,724,567.08
Other	2,179,688.53

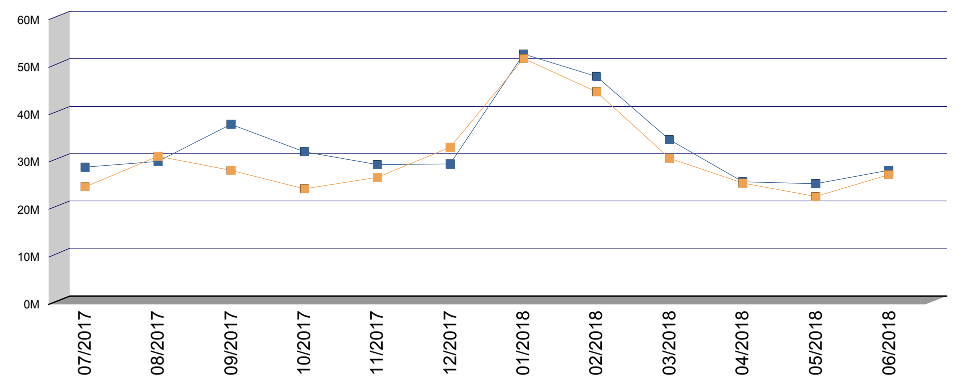
Total Cash In **$79,422,802.29**

Cash Out

Withdrawals	1,691,124.45
Installment Payments	4,803,788.79
Terminations	26,083,353.29
Loans Issued	1,698,369.67
Conversions Out	20,607.49
Fees	16,360.69
Transfers Out	39,119,705.28
Other	2,179,688.53

Total Cash Out **($75,612,998.19)**

Net Cash Flow **$3,809,804.10**



	Cash In	Cash Out	Net Cash
Jul 2017	$28,883,854.36	$24,816,733.15	$4,067,121.21
Aug 2017	$30,097,566.85	$31,294,761.45	-$1,197,194.60
Sep 2017	$37,998,103.20	$28,230,156.79	$9,767,946.41
Oct 2017	$32,141,875.33	$24,360,788.58	$7,781,086.75
Nov 2017	$29,455,663.38	$26,816,355.64	$2,639,307.74
Dec 2017	$29,642,045.41	$33,067,489.80	-$3,425,444.39
Jan 2018	$52,740,242.90	$51,889,229.71	$851,013.19
Feb 2018	$48,093,055.83	$44,822,278.37	$3,270,777.46
Mar 2018	$34,696,239.18	$30,858,507.47	$3,837,731.71
Apr 2018	$25,811,634.33	$25,535,776.40	$275,857.93
May 2018	$25,391,460.29	$22,709,978.36	$2,681,481.93
Jun 2018	$28,219,707.67	$27,367,243.43	$852,464.24
	$403,171,448.73	$371,769,299.15	$31,402,149.58

Investment Balances by Quarter

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN

Investment Name	Q3 2017	Q4 2017	Q1 2018	Q2 2018
SHORT TERM FIXED OPTION	$46,045,575.21	$45,501,334.78	$48,765,962.82	$50,217,898.41
STABLE VALUE OPTION	$212,697,810.19	$209,016,762.63	$212,980,973.95	$213,648,261.04
LIFEPATH RETIREMENT FUND	$192,641,957.77	$197,348,614.30	$196,830,971.35	$195,632,322.51
LIFEPATH 2020 FUND	$136,875,843.42	$142,576,805.15	$142,109,753.01	$142,337,412.77
LIFEPATH 2025 FUND	$96,974,484.12	$104,146,041.93	$105,512,031.68	$108,383,758.18
LIFEPATH 2030 FUND	$69,194,122.56	$74,832,482.05	$76,964,543.46	$79,902,852.81
LIFEPATH 2035 FUND	$50,554,253.36	$55,227,937.91	$56,381,955.24	$58,855,009.58
LIFEPATH 2040 FUND	$33,310,766.64	$36,574,887.96	$37,007,250.86	$39,287,851.71
LIFEPATH 2045 FUND	$22,473,107.32	$24,492,817.46	$24,266,431.42	$25,674,673.92
LIFEPATH 2050 FUND	$19,842,524.45	$21,778,472.31	$22,437,575.06	$23,288,555.74
LIFEPATH 2055 FUND	$7,257,877.95	$8,050,315.65	$8,469,137.02	$8,704,556.31
LIFE PATH 2060	$3,646,516.24	$4,265,482.77	$4,504,606.01	$5,086,817.00
ACTIVE FIXED INCOME OPTION	$115,693,372.86	$115,491,315.58	$112,346,978.87	$110,966,980.34
REAL RETURN OPTION	$3,181,490.88	$3,486,781.41	$3,994,376.41	$4,127,246.14
SOCIALLY RESPONSIBLE INV OPT	$8,527,613.73	$10,465,548.66	$11,548,480.40	$12,097,952.97
LARGE COMP VALUE STOCK OPTION	$192,009,518.66	$199,538,949.61	$189,528,318.93	$189,865,011.56
STOCK INDEX OPTION	$235,837,261.37	$249,498,130.43	$244,864,638.93	$253,577,604.38
LARGE COMP GROWTH STOCK OPTION	$214,196,608.42	$233,014,949.22	$235,522,873.59	$249,253,270.24
INTERNATIONAL STK OPTION	$115,469,056.59	$121,714,238.90	$122,856,289.34	$117,134,733.35

	Q3 2017	Q4 2017	Q1 2018	Q2 2018
SMALL COMPANY STOCK OPTION	$259,635,118.34	$267,212,691.50	$259,155,787.48	$278,463,185.60
SCHWAB PCRA	$9,205,159.89	$10,658,491.84	$12,804,602.60	$14,183,541.70

Asset Class by Quarter

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN

Asset Class	Q3 2017	Q4 2017	Q1 2018	Q2 2018
International Equity	$115,469,056.59	$121,714,238.90	$122,856,289.34	$117,134,733.35
Lifestyle/Balanced	$632,771,453.83	$669,293,857.49	$674,484,255.11	$687,153,810.53
Stable Value/Money Market	$258,743,385.40	$254,518,097.41	$261,746,936.77	$263,866,159.45
Stock Index	$453,215,360.67	$485,999,861.06	$484,381,888.93	$506,958,120.76
US Fixed Income	$115,693,372.86	$115,491,315.58	$112,346,978.87	$110,966,980.34
US Large Cap Equity	$200,537,132.39	$210,004,498.27	$201,076,799.33	$201,962,964.53
US Small Cap Equity	$259,635,118.34	$267,212,691.50	$259,155,787.48	$278,463,185.60

Contributions by Fund

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN

Investment Name	Q3 2017	Q4 2017	Q1 2018	Q2 2018
ACTIVE FIXED INCOME OPTION	$1,720,499.21	$1,792,670.35	$1,540,340.56	$1,275,082.15
INTERNATIONAL STK OPTION	$1,829,129.12	$2,199,478.44	$2,116,062.31	$1,953,632.84
LARGE COMP GROWTH STOCK OPTION	$3,023,141.98	$3,434,815.90	$3,266,226.34	$3,292,928.06
LARGE COMP VALUE STOCK OPTION	$3,132,384.84	$3,223,551.96	$3,129,130.37	$2,700,456.09
LIFE PATH 2060	$268,258.07	$245,248.85	$345,432.98	$363,163.87
LIFEPATH 2020 FUND	$3,864,873.73	$3,666,549.59	$5,284,012.28	$3,011,604.20
LIFEPATH 2025 FUND	$2,943,986.20	$3,557,380.86	$3,656,100.84	$2,999,083.30
LIFEPATH 2030 FUND	$2,294,267.22	$3,052,632.69	$2,591,474.01	$2,249,037.67
LIFEPATH 2035 FUND	$2,362,524.85	$2,282,318.24	$1,924,465.24	$1,993,363.25
LIFEPATH 2040 FUND	$1,497,001.47	$1,596,200.38	$1,409,633.08	$1,630,494.68
LIFEPATH 2045 FUND	$1,269,220.98	$1,204,011.79	$1,085,610.35	$1,271,381.97
LIFEPATH 2050 FUND	$891,382.97	$928,477.01	$833,966.59	$902,692.03
LIFEPATH 2055 FUND	$367,220.81	$417,560.21	$480,336.40	$405,397.68
LIFEPATH RETIREMENT FUND	$2,614,667.67	$2,833,753.15	$3,374,818.00	$1,587,903.13
REAL RETURN OPTION	$99,648.00	$182,850.68	$154,344.81	$107,223.59
SHORT TERM FIXED OPTION	$1,010,997.15	$890,219.48	$1,405,376.71	$870,641.48
SMALL COMPANY STOCK OPTION	$3,178,812.48	$3,292,128.31	$3,784,141.58	$3,404,429.61
SOCIALLY RESPONSIBLE INV OPT	$265,030.95	$460,551.62	$587,954.49	$392,408.29
STABLE VALUE OPTION	$3,554,967.79	$2,490,751.55	$3,380,244.01	$2,340,816.62

	Q3 2017	Q4 2017	Q1 2018	Q2 2018
STOCK INDEX OPTION	$3,242,356.16	$3,584,333.98	$3,552,030.94	$3,326,677.56
Total	**39,430,371.65**	**41,335,485.04**	**43,901,701.89**	**36,078,418.07**

Contributions by Source

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN

Source Name

	April 2018	May 2018	June 2018	Total
Employee Before-tax Contributions	$7,547,743.77	$7,644,773.87	$7,654,354.11	$22,846,871.75
Rollover Contributions	$3,536,738.36	$3,874,421.57	$3,420,434.50	$10,831,594.43
Roth 457 Contributions	$746,225.76	$762,288.13	$781,515.37	$2,290,029.26
Roth 457 Conversion	$84,661.54	$0.00	$11,353.35	$96,014.89
Total	**$11,918,604.95**	**$12,281,483.57**	**$11,878,329.55**	**$36,078,418.07**

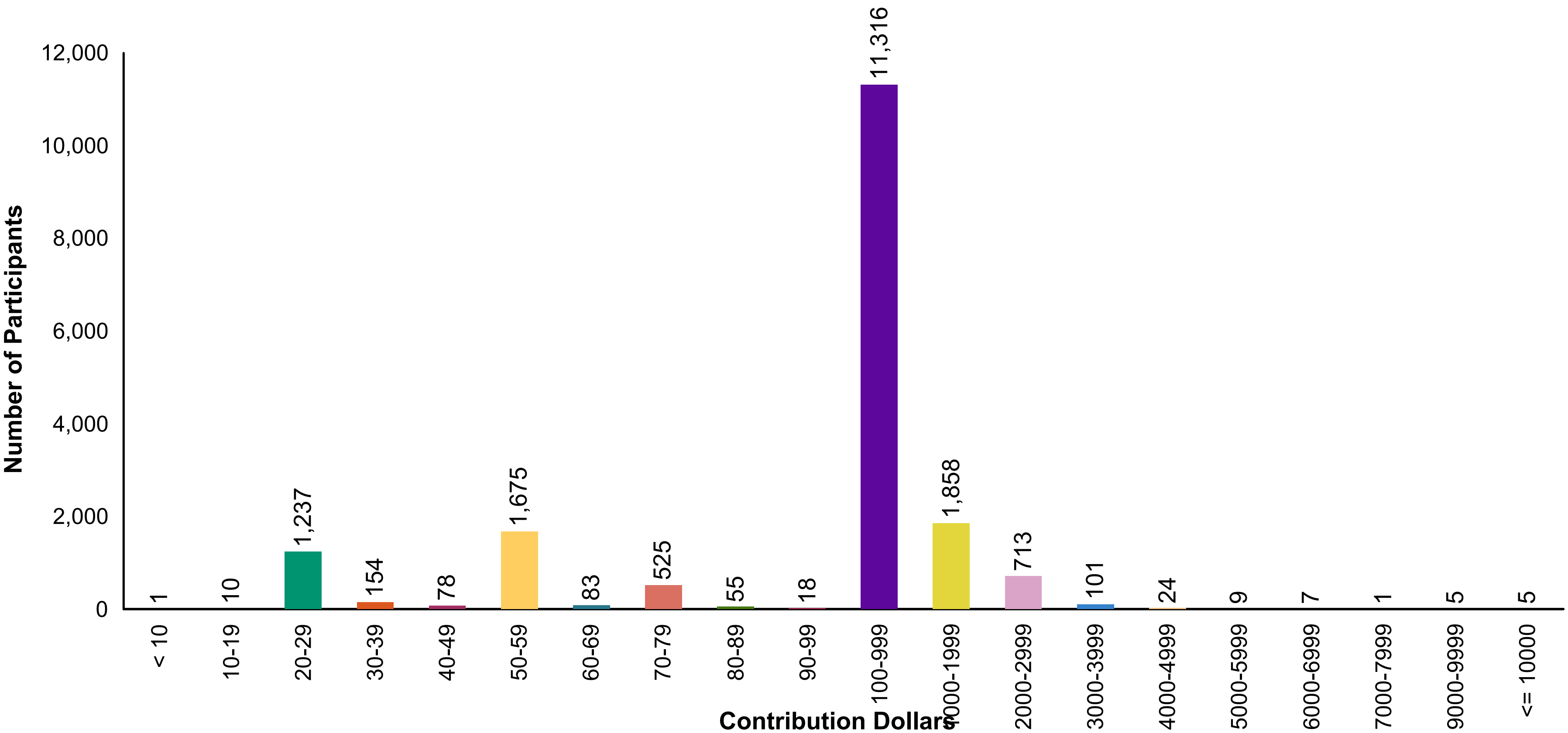
Source Name

	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Total
Employee Before-tax Contributions	$21,174,267.30	$22,430,666.87	$21,958,353.23	$22,846,871.75	$88,410,159.15
Rollover Contributions	$16,337,871.92	$16,861,317.80	$19,780,523.84	$10,831,594.43	$63,811,307.99
Roth 457 Contributions	$1,850,523.06	$1,997,510.29	$2,081,594.02	$2,290,029.26	$8,219,656.63
Roth 457 Conversion	$63,759.37	$26,883.88	$44,839.60	$96,014.89	$231,497.74
Roth Qual Plan Conversion	$0.00	$2,790.72	$30,000.00	$0.00	$32,790.72
Total	**$39,430,371.65**	**$41,335,485.04**	**$43,901,701.89**	**$36,078,418.07**	**$160,745,976.65**

Before-Tax Contribution Amount Summary

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN

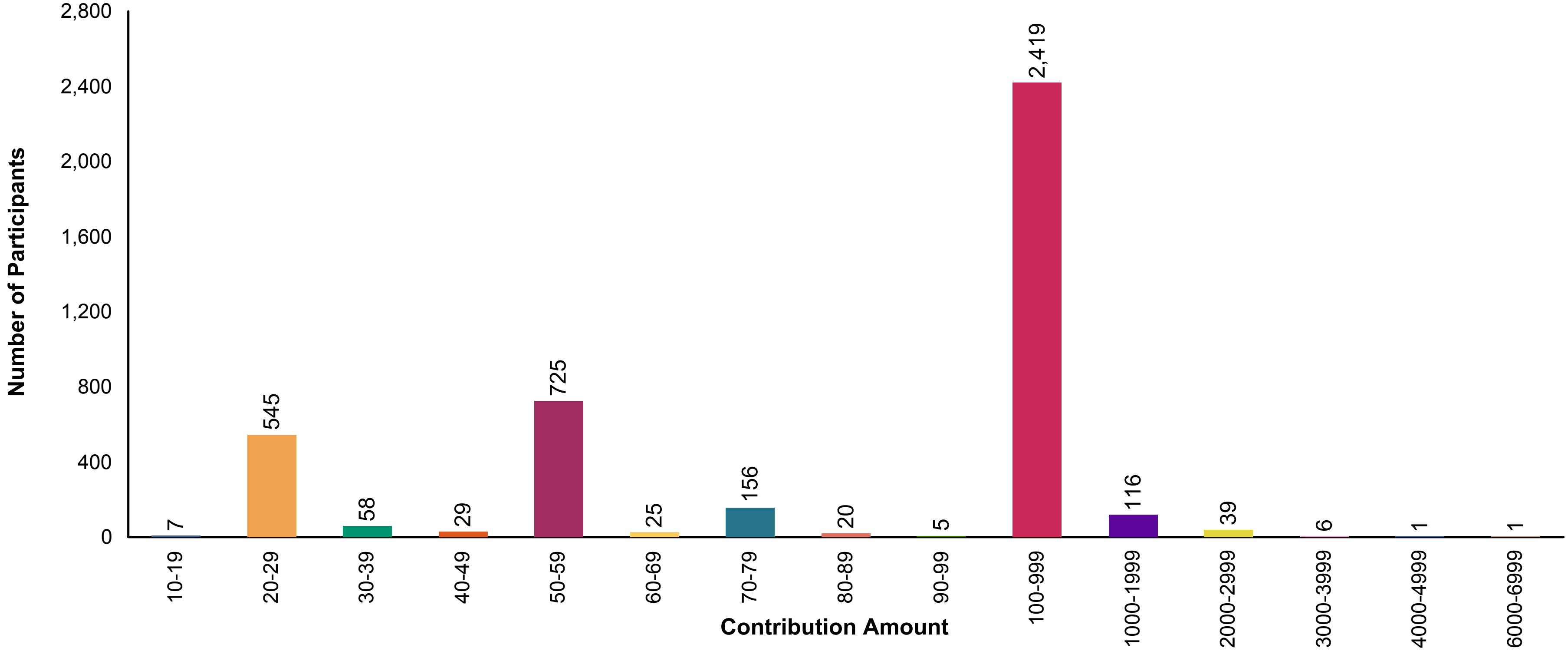


Total Number of Participants: 17,875

Roth Contribution Amount Summary

As of June 30, 2018

OREGON SAVINGS GROWTH PLAN

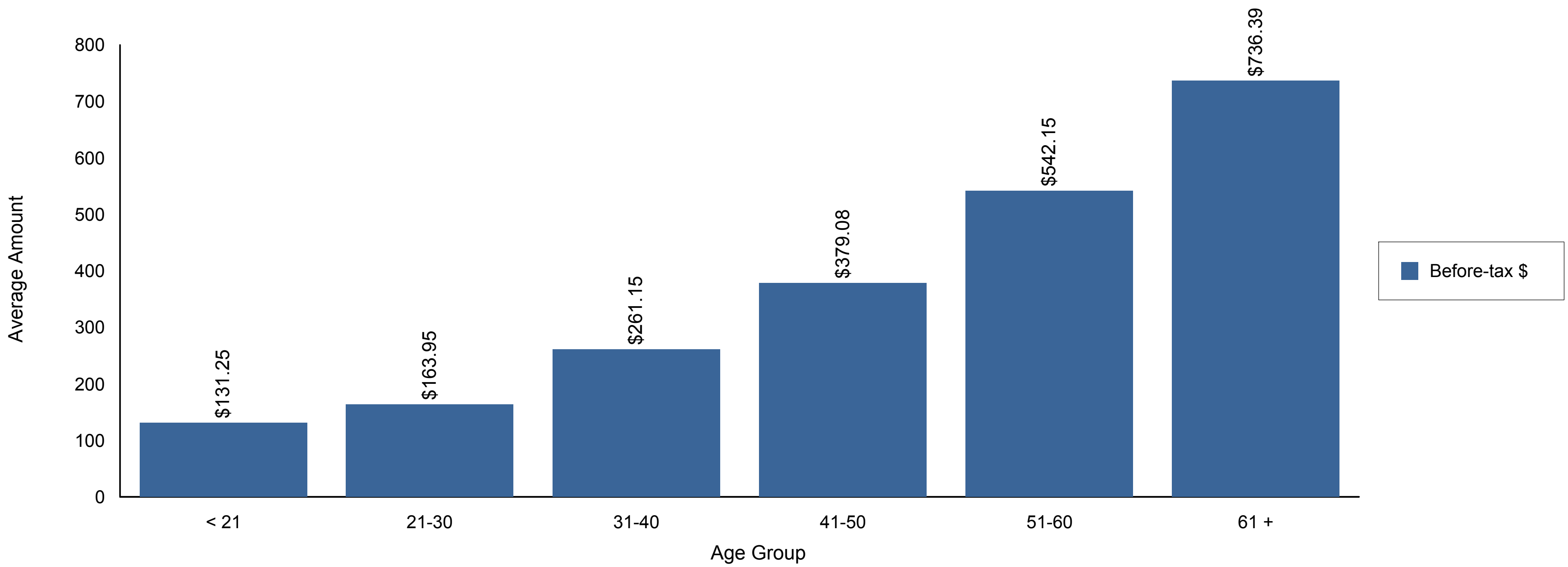


Total Number of Participants: 4,152

Average Contribution Amount

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN

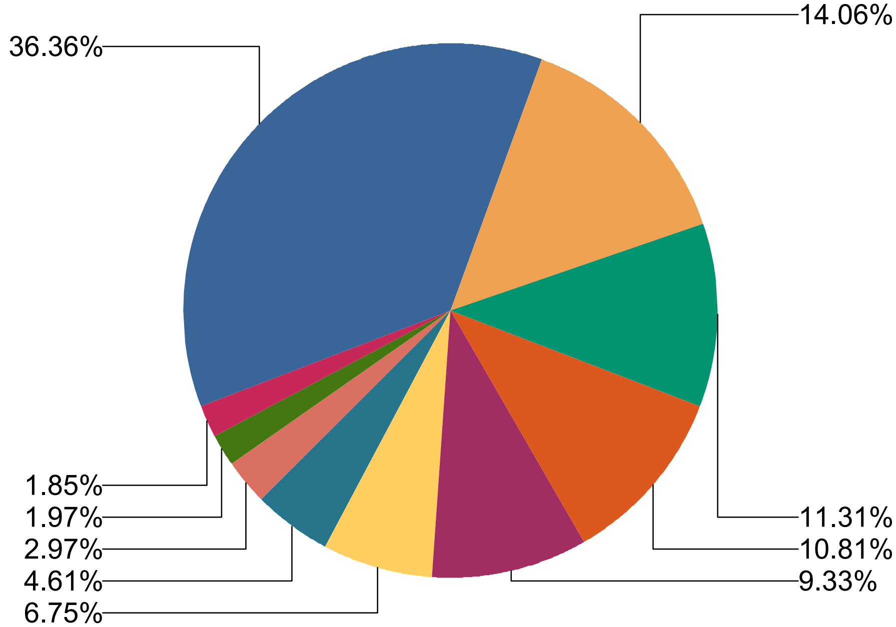


< 21	$131.25
21-30	$163.95
31-40	$261.15
41-50	$379.08
51-60	$542.15
61 +	$736.39
Average	**$445.93**

Participants with Balances by Number of Investments

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN



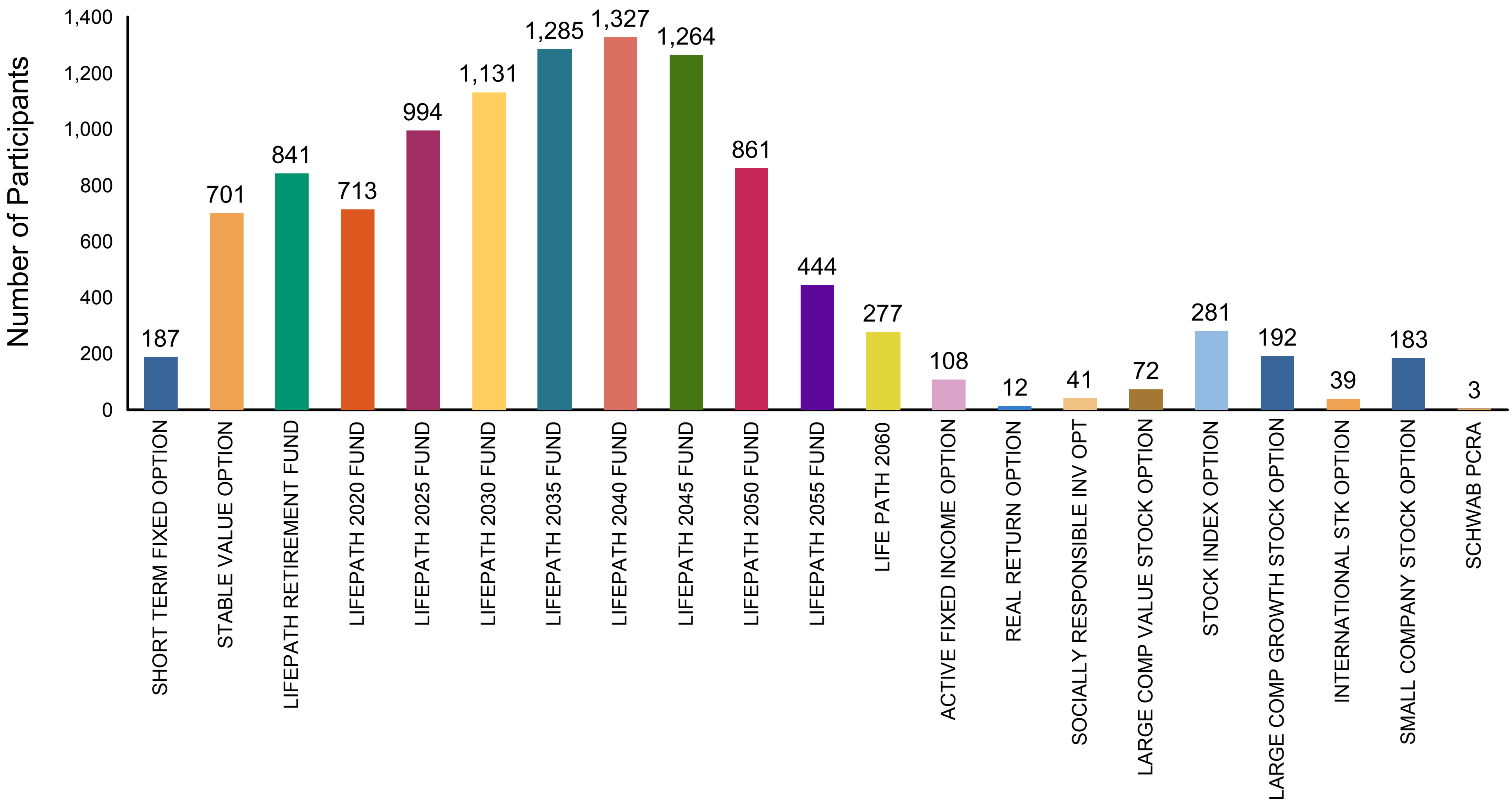
Number of Investments	Number of Participants
1	10956
2	4237
3	3408
4	3257
5	2812
6	2033
7	1388
8	894
9	593
10 or More	557
Total:	30135

Average Number of Funds: 3

Participants with a Balance in a Single Investment

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN



Loan Summary

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN

Total Participants with Loans:	1,696
Total Number of Outstanding Loans:	1,696
Number of General Loans:	1,618
Number of Residential Loans:	78
Total Outstanding Loan Balance:	$12,634,854.33
General Loan Balance:	$11,494,514.36
Residential Loan Balance:	$1,140,339.97
Number of Re-amortized Loans during the period:	5
Number of Loan Defaults during the period:	0

Balances by Investment

As of June 30, 2018

OREGON SAVINGS GROWTH PLAN

Investment	Investment Balance	Number of Participants	Average Participant	Percentage of Plan Assets
SHORT TERM FIXED OPTION	$50,217,898.41	3,192	$15,732.42	2.30%
STABLE VALUE OPTION	$213,648,261.04	7,335	$29,127.23	9.80%
LIFEPATH RETIREMENT FUND	$195,632,322.51	3,771	$51,878.10	8.97%
LIFEPATH 2020 FUND	$142,337,412.77	3,264	$43,608.28	6.53%
LIFEPATH 2025 FUND	$108,383,758.18	3,533	$30,677.54	4.97%
LIFEPATH 2030 FUND	$79,902,852.81	3,480	$22,960.59	3.66%
LIFEPATH 2035 FUND	$58,855,009.58	3,414	$17,239.31	2.70%
LIFEPATH 2040 FUND	$39,287,851.71	3,075	$12,776.54	1.80%
LIFEPATH 2045 FUND	$25,674,673.92	2,593	$9,901.53	1.18%
LIFEPATH 2050 FUND	$23,288,555.74	2,023	$11,511.89	1.07%
LIFEPATH 2055 FUND	$8,704,556.31	1,073	$8,112.35	0.40%
LIFE PATH 2060	$5,086,817.00	632	$8,048.76	0.23%
ACTIVE FIXED INCOME OPTION	$110,966,980.34	6,345	$17,488.89	5.09%
REAL RETURN OPTION	$4,127,246.14	584	$7,067.20	0.19%
SOCIALLY RESPONSIBLE INV OPT	$12,097,952.97	1,306	$9,263.36	0.55%
LARGE COMP VALUE STOCK OPTION	$189,865,011.56	10,056	$18,880.77	8.71%
STOCK INDEX OPTION	$253,577,604.38	9,505	$26,678.34	11.63%
LARGE COMP GROWTH STOCK OPTION	$249,253,270.24	11,310	$22,038.31	11.43%
INTERNATIONAL STK OPTION	$117,134,733.35	9,437	$12,412.28	5.37%
SMALL COMPANY STOCK OPTION	$278,463,185.60	11,393	$24,441.60	12.77%
SCHWAB PCRA	$14,183,541.70	204	$69,527.17	0.65%

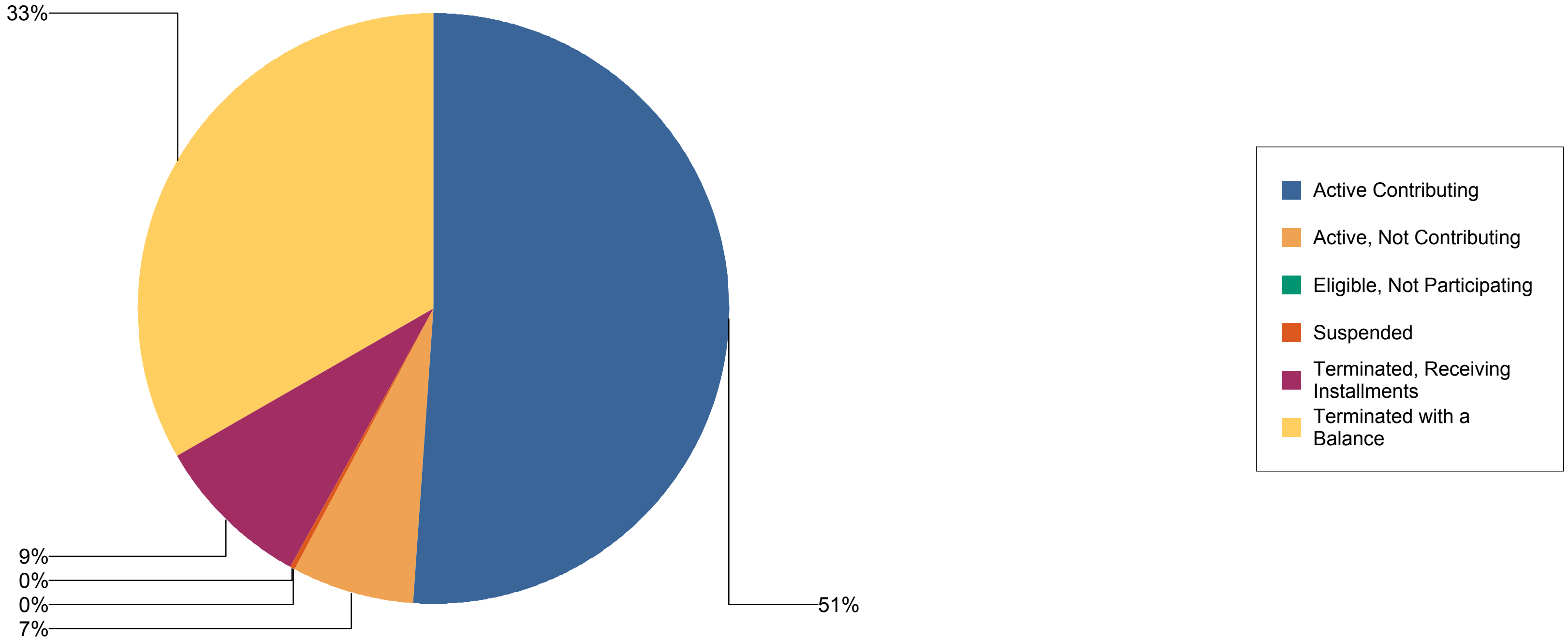
Total Investment Balance: **$2,180,689,496.26**

Total Loan Fund: **$12,623,022.98**

Balance by Participant Status

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN

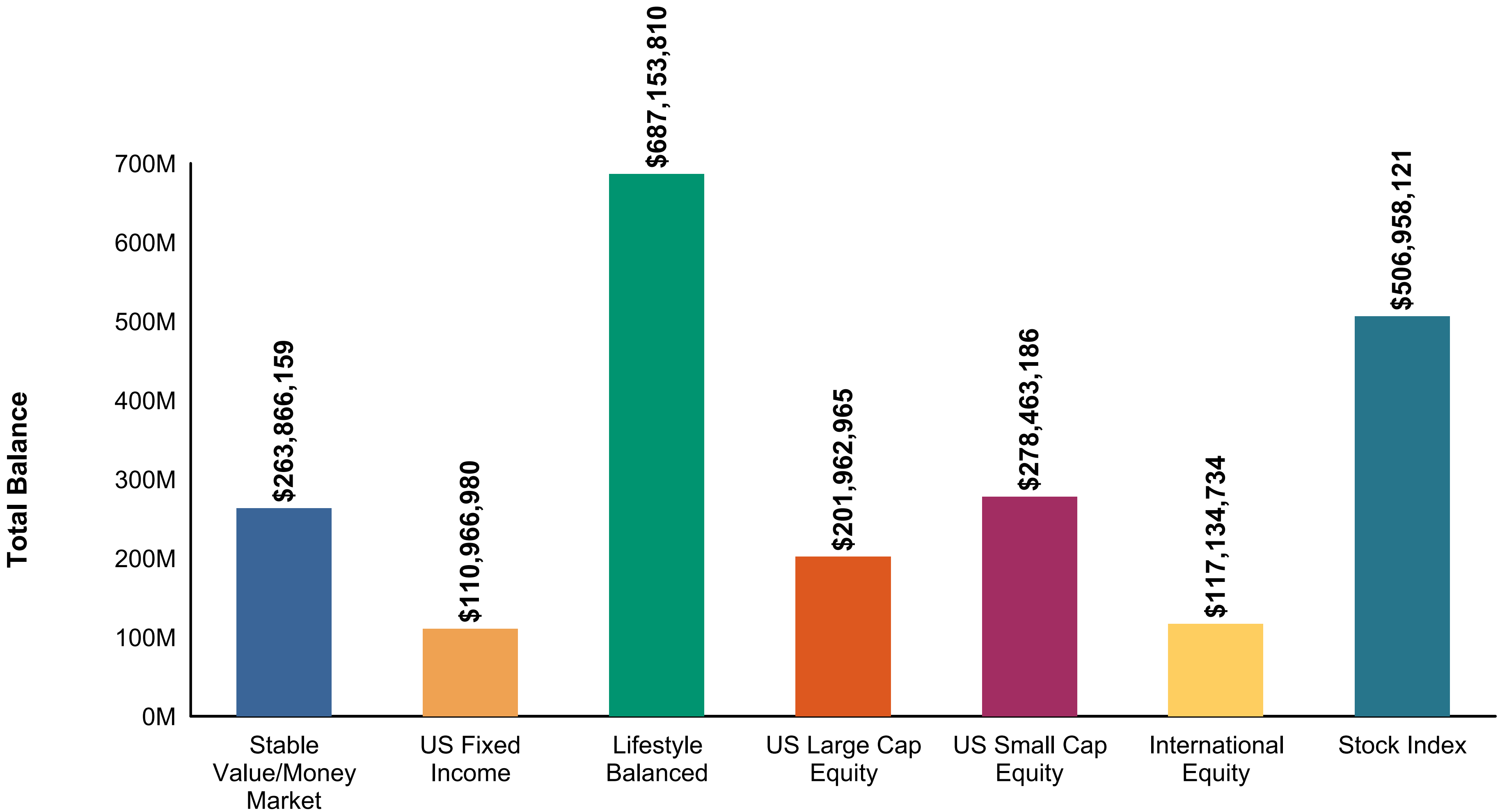


Participant Status	Participant Balance
Active Contributing	$1,120,245,355.38
Active, Not Contributing	149,215,445.78
Suspended	$3,227,796.75
Terminated, Receiving Installments	$190,772,954.50
Terminated with a Balance	$730,231,826.96
Total:	**$2,193,693,379.37**

Asset Class Summary

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN



Asset Class Summary

Period Ending June 30, 2018

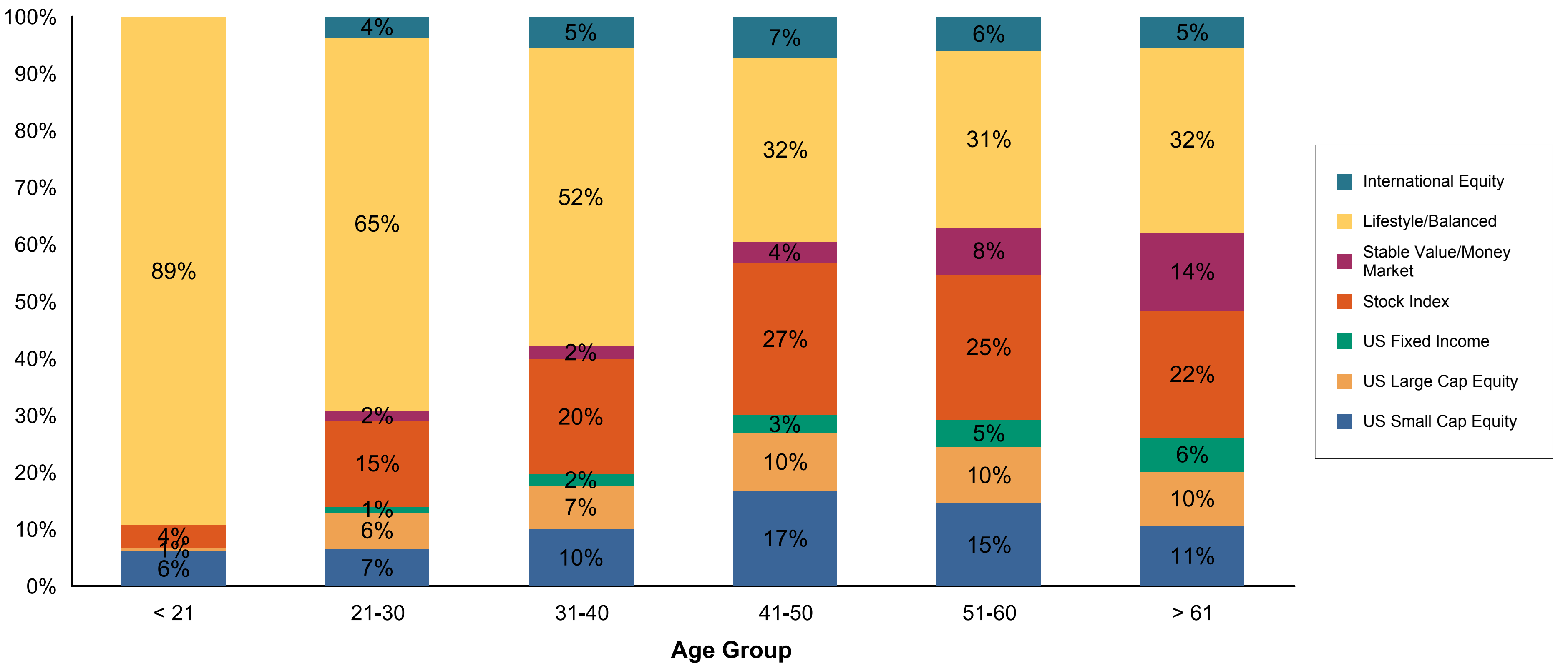
OREGON SAVINGS GROWTH PLAN

Asset Class	Balance	Percentage of Total Assets
Stable Value/Money Market	$263,866,159	12.03%
US Fixed Income	$110,966,980	5.06%
Lifestyle/Balanced	$687,153,810	31.32%
US Large Cap Equity	$201,962,965	9.21%
US Small Cap Equity	$278,463,186	12.69%
International Equity	$117,134,734	5.34%
Stock Index	$506,958,121	23.11%

Asset Class Balances by Age Group

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN



Age Range	**< 21**	**21 - 30**	**31 - 40**	**41 - 50**	**51 - 60**	**> 61**
Total Balance	$14,324	$6,744,049	$75,021,490	$277,792,959	$506,495,653	$379,733,861
Total Participants	8	1,380	4,569	6,192	6,692	3,411

Transfer Activity by Investment

Period Ending June 30, 2018

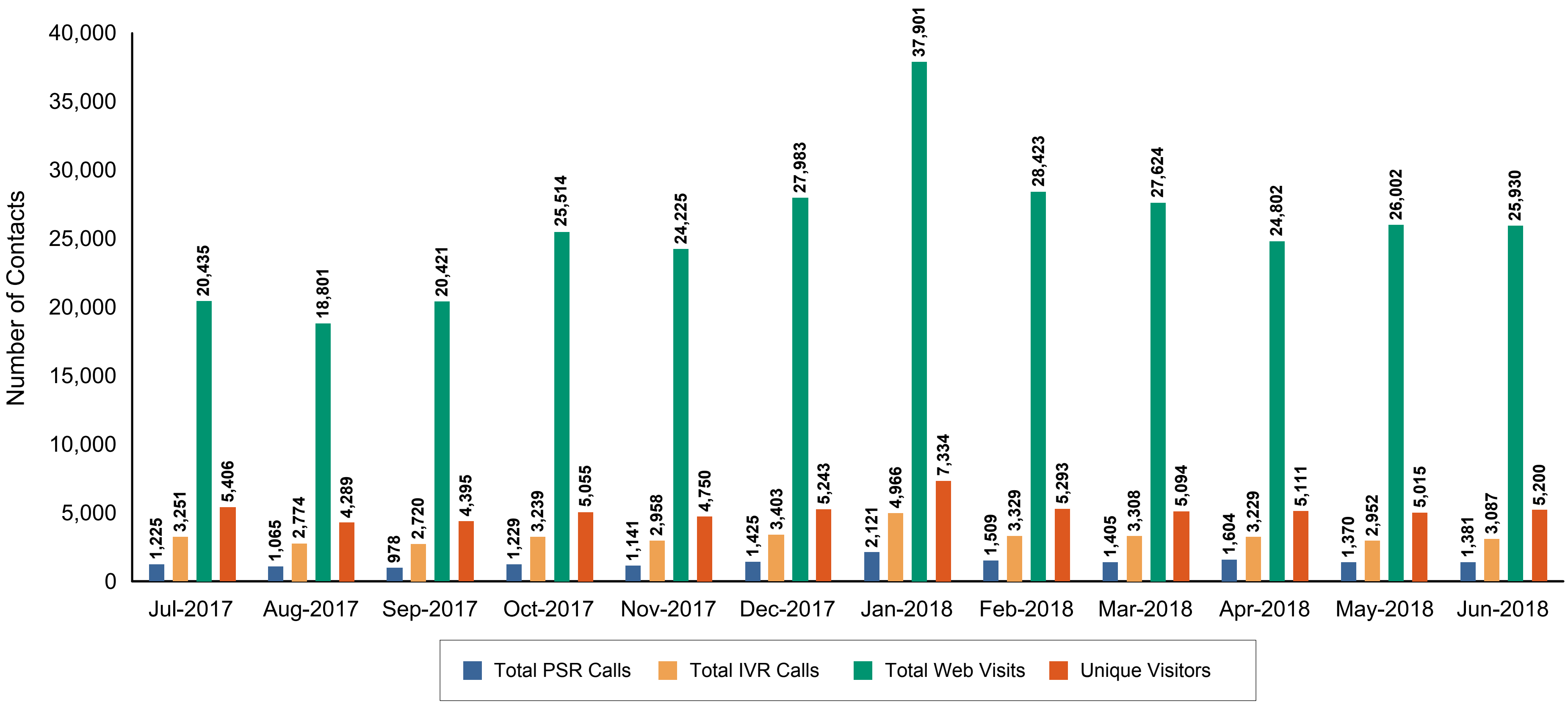
OREGON SAVINGS GROWTH PLAN

Investment Name	Transfers In	Transfers Out	Net
SHORT TERM FIXED OPTION	$3,601,546.25	-$2,426,339.13	$1,175,207.12
STABLE VALUE OPTION	$8,548,019.29	-$3,754,021.91	$4,793,997.38
LIFEPATH RETIREMENT FUND	$1,761,926.87	-$2,266,506.49	-$504,579.62
LIFEPATH 2020 FUND	$1,964,847.94	-$2,744,597.51	-$779,749.57
LIFEPATH 2025 FUND	$1,935,032.81	-$1,625,823.48	$309,209.33
LIFEPATH 2030 FUND	$855,825.95	-$761,760.94	$94,065.01
LIFEPATH 2035 FUND	$517,429.93	-$393,634.26	$123,795.67
LIFEPATH 2040 FUND	$505,033.29	-$233,102.51	$271,930.78
LIFEPATH 2045 FUND	$180,540.66	-$230,028.60	-$49,487.94
LIFEPATH 2050 FUND	$366,136.20	-$462,265.47	-$96,129.27
LIFEPATH 2055 FUND	$183,595.90	-$454,419.34	-$270,823.44
LIFE PATH 2060	$415,520.32	-$148,287.60	$267,232.72
ACTIVE FIXED INCOME OPTION	$3,082,325.08	-$3,056,285.84	$26,039.24
REAL RETURN OPTION	$226,190.53	-$105,772.02	$120,418.51
SOCIALLY RESPONSIBLE INV OPT	$247,843.05	-$357,315.18	-$109,472.13
LARGE COMP VALUE STOCK OPTION	$1,303,727.69	-$3,865,234.76	-$2,561,507.07
STOCK INDEX OPTION	$1,741,370.01	-$3,382,362.88	-$1,640,992.87
LARGE COMP GROWTH STOCK OPTION	$5,264,254.10	-$5,311,137.58	-$46,883.48
INTERNATIONAL STK OPTION	$1,252,061.53	-$2,777,304.87	-$1,525,243.34
SMALL COMPANY STOCK OPTION	$4,306,053.14	-$4,409,848.46	-$103,795.32
SCHWAB PCRA	$1,465,286.54	-$353,656.45	$1,111,630.09

Participant Contact Summary

Period Ending June 30, 2018

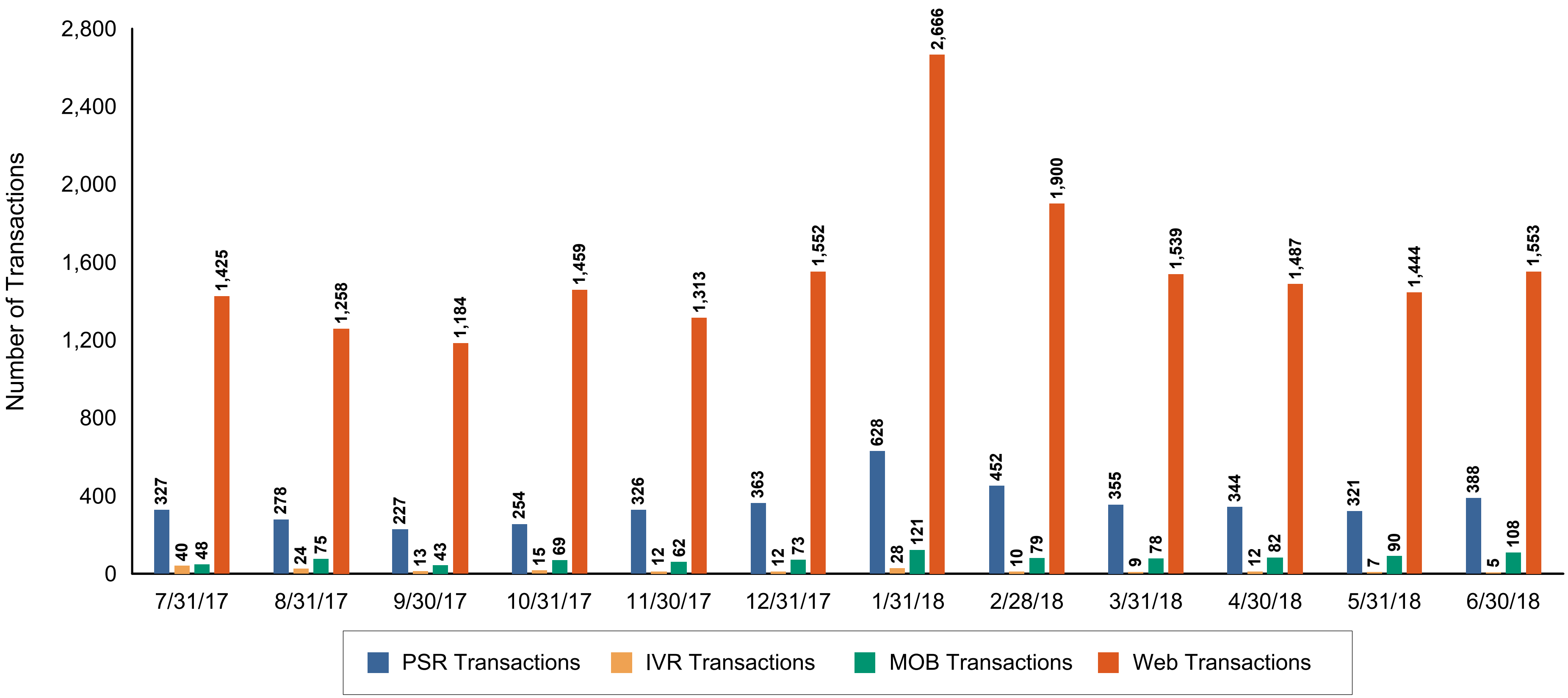
OREGON SAVINGS



Paperless Transaction Summary

Period Ending June 30, 2018

OREGON SAVINGS



PSR Activity

Period Ending June 30, 2018

OREGON SAVINGS

Reporting Period	PSR Call Volume	Average Speed of Answer (Seconds)	Average Call Length (Minutes)
Jul-2017	1,225	56	5.52
Aug-2017	1,065	23	5.37
Sep-2017	978	51	5.27
Oct-2017	1,229	102	5.67
Nov-2017	1,141	34	5.67
Dec-2017	1,425	7	5.87
Jan-2018	2,121	57	6.35
Feb-2018	1,509	17	5.85
Mar-2018	1,405	32	5.95
Apr-2018	1,604	27	5.98
May-2018	1,370	15	5.90
Jun-2018	1,381	8	6.35

PSR Activity

Period Ending June 30, 2018

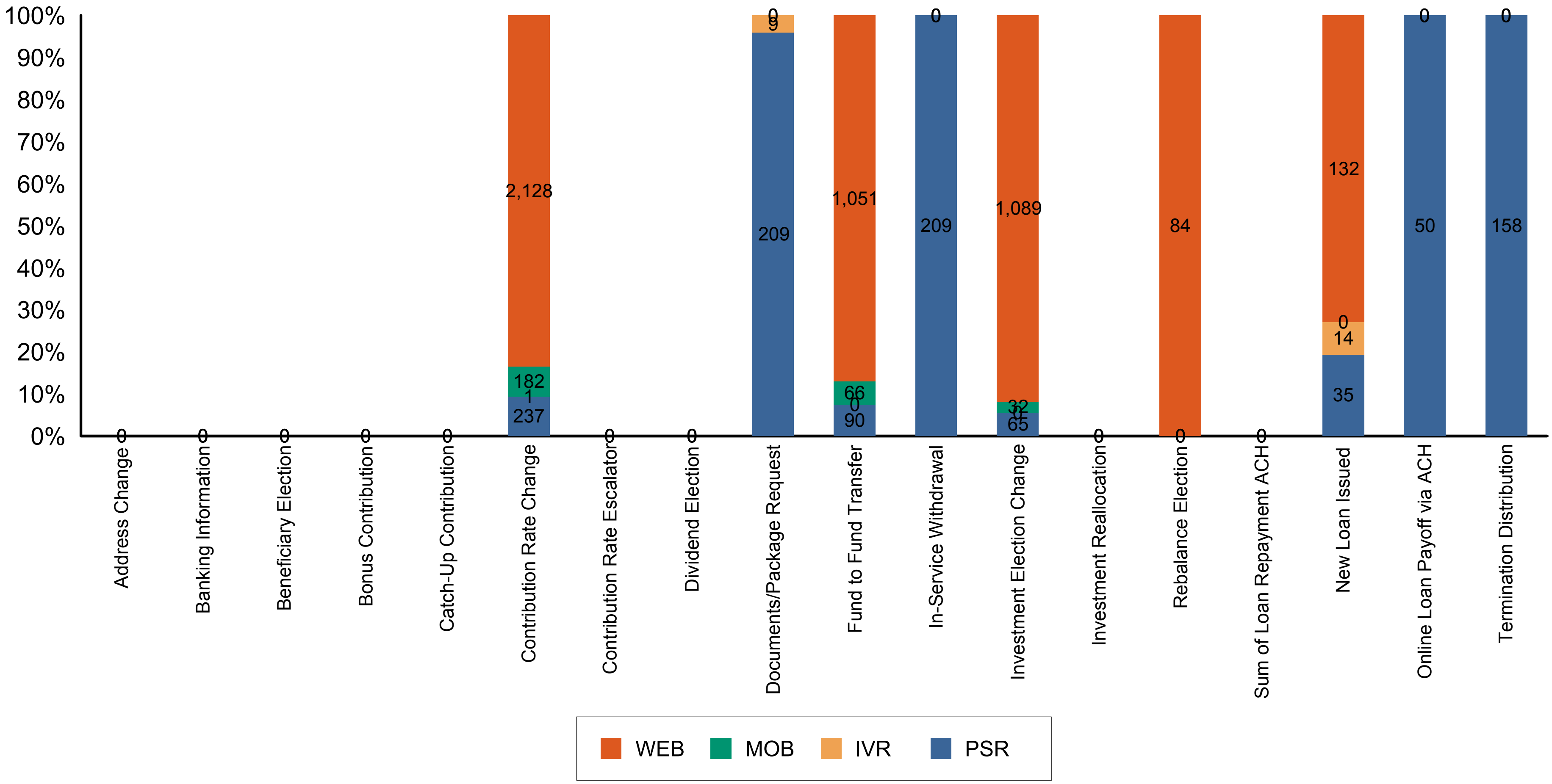
OREGON SAVINGS

Reporting Period	PSR Call Volumes	Number of Abandoned Calls	Percent of Abandoned Calls
Jul-2017	1,225	53	0.04%
Aug-2017	1,065	17	0.01%
Sep-2017	978	32	0.03%
Oct-2017	1,229	89	0.06%
Nov-2017	1,141	24	0.02%
Dec-2017	1,425	6	0.00%
Jan-2018	2,121	90	0.04%
Feb-2018	1,509	20	0.01%
Mar-2018	1,405	34	0.02%
Apr-2018	1,604	26	0.01%
May-2018	1,370	15	0.01%
Jun-2018	1,381	2	0.00%

Paperless Transactions by Channel

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN



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

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN

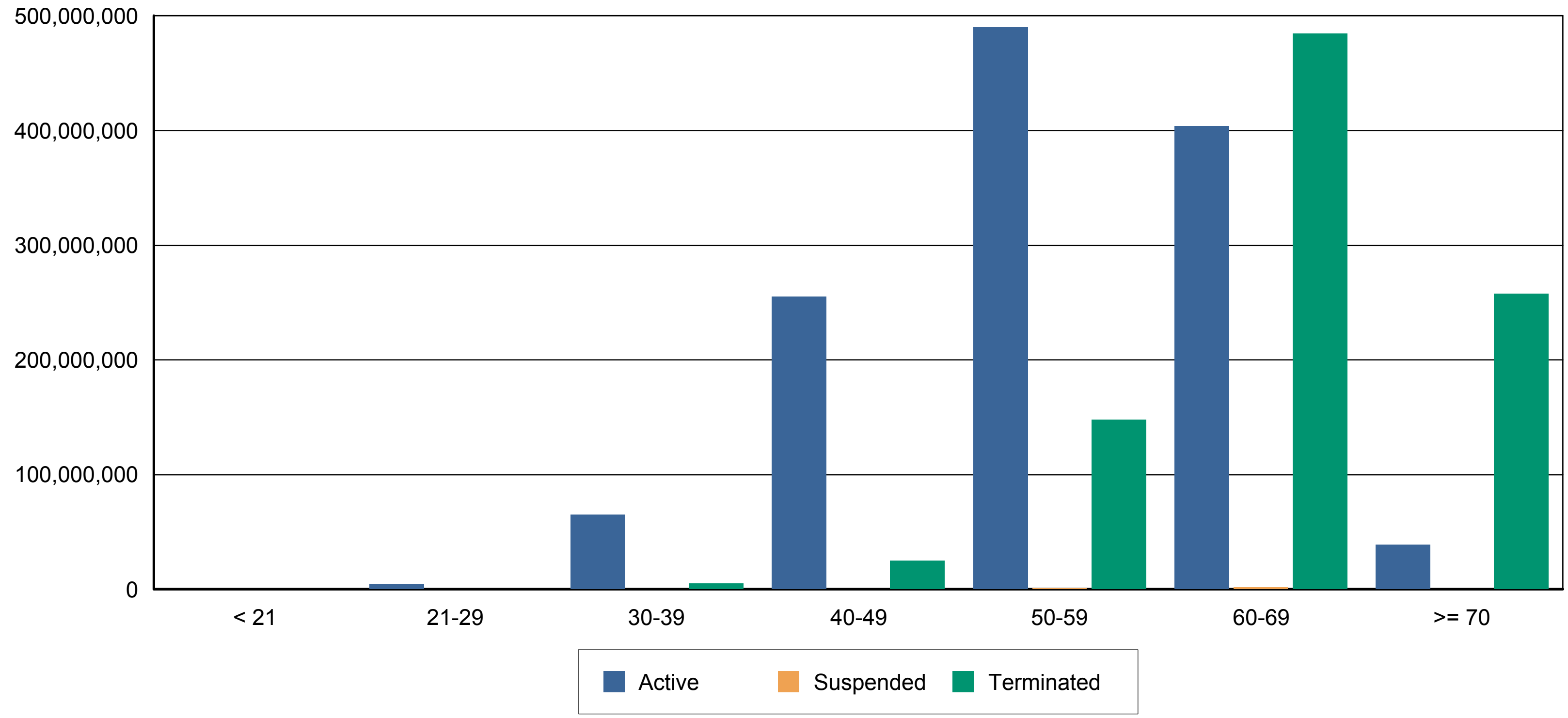
Paperless Transaction Description	Transaction Volume
Address Change	0
Banking Information	0
Beneficiary Election	0
Bonus Contribution	0
Catch-up Contribution	0
Contribution Rate Change	2,548
Contribution Rate Escalator	0
Dividend Election	0
Document/Package Request	218
Fund to Fund Transfer	1,207
In-service Withdrawal	209
Investment Election Change	1,186
Investment Reallocation	0
Rebalance Election	84
Loan Repayment ACH Election	0
New Loans Issued	181
Online Loan Payoff via ACH	50
Termination Distribution	158

Enrollments for the Period: 0

Balances by Age and Status

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN

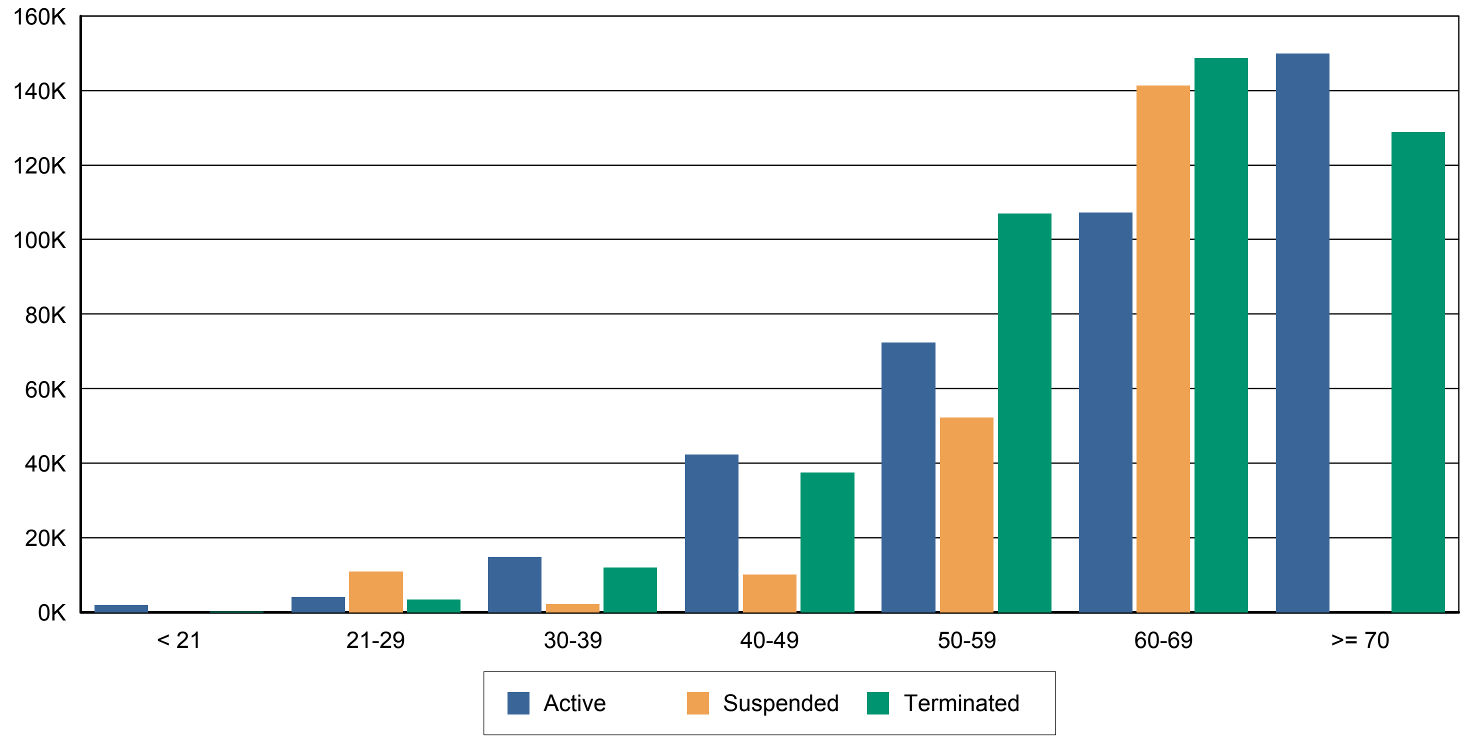


Status	< 21	21-29	30-39	40-49	50-59	60-69	>= 70
Active	$14,324	$4,391,841	$64,614,500	$255,201,000	$489,715,333	$403,969,447	$38,991,806
Suspended	$0	$10,851	$19,201	$170,281	$989,119	$1,977,872	$0
Terminated	$106	$274,884	$5,044,060	$25,071,039	$147,709,499	$484,803,471	$257,720,863

Average Balances by Age and Status

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN

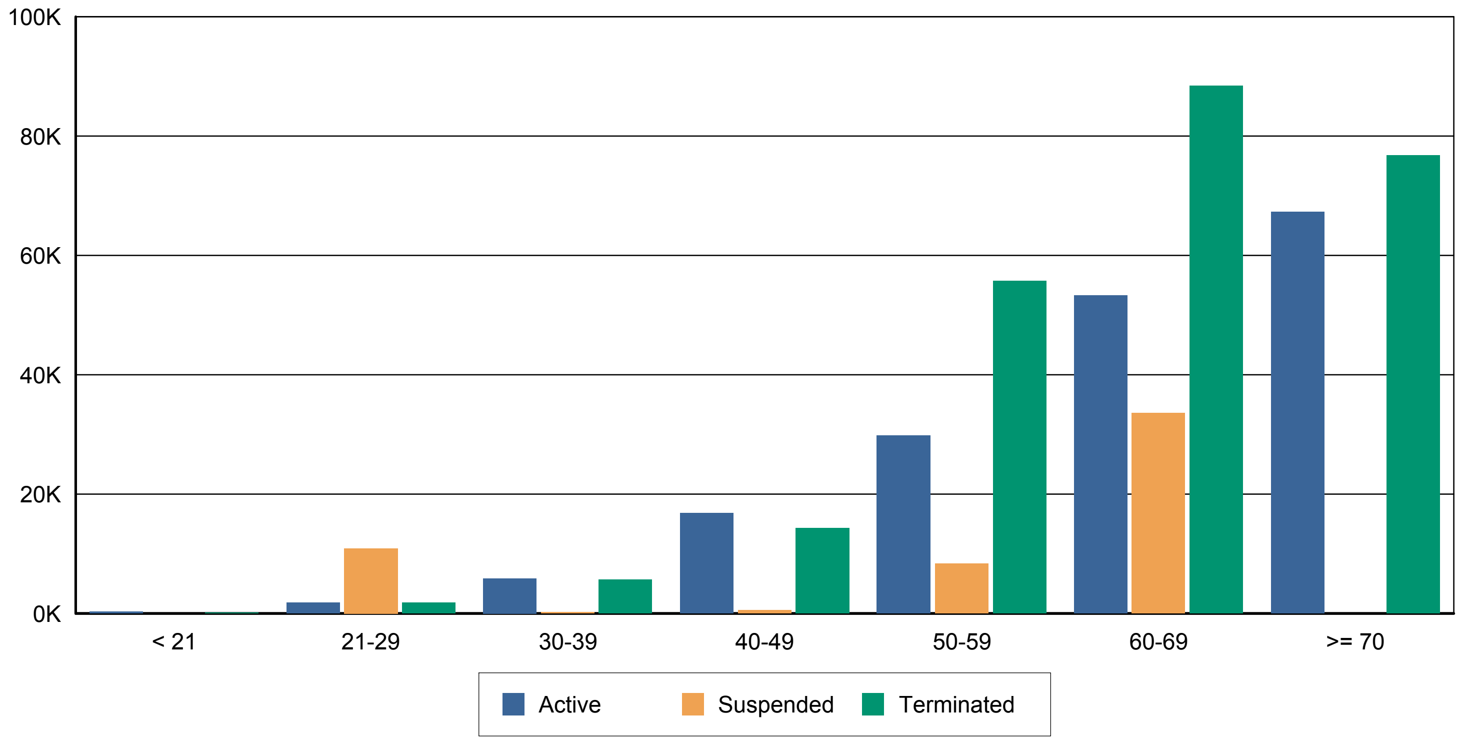


Status	< 21	21-29	30-39	40-49	50-59	60-69	>= 70
Active	$1,791	$4,108	$14,885	$42,224	$72,368	$107,325	$149,968
Suspended	$0	$10,851	$2,133	$10,017	$52,059	$141,277	$0
Terminated	$106	$3,312	$11,896	$37,419	$106,881	$148,667	$128,796

Median Balance by Age and Status

Period Ending June 30, 2018

OREGON SAVINGS GROWTH PLAN



Status	**< 21**	**21-29**	**30-39**	**40-49**	**50-59**	**60-69**	**>= 70**
Active	$316	$1,799	$5,810	$16,774	$29,793	$53,197	$67,215
Suspended	$0	$10,851	$211	$538	$8,269	$33,499	$0
Terminated	$106	$1,760	$5,606	$14,303	$55,690	$88,452	$76,752

Callan

August 21, 2018

Second Quarter 2018 Performance Review

oregon
SAVINGS GROWTH PLAN

Anne Heaphy
Fund Sponsor Consulting

Ben Taylor
Defined Contribution Research

Uvan Tseng, CFA
Fund Sponsor Consulting

Capital Markets Update

Diversification Remains Key Risk Control

Periodic Table of Investment Returns 2009–2018 Q2

2009	2010	2011	2012	2013	2014	2015	2016	2017	2 Qtrs. 2018
MSCI Emerging Markets 78.51%	Russell 2000 Growth 29.09%	Bloomberg Barclays Agg 7.84%	MSCI Emerging Markets 18.23%	Russell 2000 Growth 43.30%	S&P 500 Growth 14.89%	S&P 500 Growth 5.52%	Russell 2000 Value 31.74%	MSCI Emerging Markets 37.28%	Russell 2000 Growth 9.70%
Bloomberg Barclays High Yield 58.21%	Russell 2000 26.85%	Bloomberg Barclays High Yield 4.98%	Russell 2000 Value 18.05%	Russell 2000 38.82%	S&P 500 13.69%	S&P 500 1.38%	Russell 2000 21.31%	S&P 500 Growth 27.44%	Russell 2000 7.66%
Russell 2000 Growth 34.47%	Russell 2000 Value 24.50%	S&P 500 Growth 4.65%	S&P 500 Value 17.68%	Russell 2000 Value 34.52%	S&P 500 Value 12.36%	Bloomberg Barclays Agg 0.55%	S&P 500 Value 17.40%	MSCI World ex USA 24.21%	S&P 500 Growth 7.28%
MSCI World ex USA 33.67%	MSCI Emerging Markets 18.88%	S&P 500 2.11%	MSCI World ex USA 16.41%	S&P 500 Growth 32.75%	Bloomberg Barclays Agg 5.97%	Russell 2000 Growth -1.38%	Bloomberg Barclays High Yield 17.13%	Russell 2000 Growth 22.17%	Russell 2000 Value 5.44%
S&P 500 Growth 31.57%	Bloomberg Barclays High Yield 15.12%	S&P 500 Value -0.48%	Russell 2000 16.35%	S&P 500 32.39%	Russell 2000 Growth 5.60%	MSCI World ex USA -3.04%	S&P 500 11.96%	S&P 500 21.83%	S&P 500 2.65%
Russell 2000 27.17%	S&P 500 Value 15.10%	Russell 2000 Growth -2.91%	S&P 500 16.00%	S&P 500 Value 31.99%	Russell 2000 4.89%	S&P 500 Value -3.13%	Russell 2000 Growth 11.32%	S&P 500 Value 15.36%	Bloomberg Barclays High Yield 0.16%
S&P 500 26.47%	S&P 500 15.06%	Russell 2000 -4.18%	Bloomberg Barclays High Yield 15.81%	MSCI World ex USA 21.02%	Russell 2000 Value 4.22%	Russell 2000 -4.41%	MSCI Emerging Markets 11.19%	Russell 2000 14.65%	Bloomberg Barclays Agg -1.62%
S&P 500 Value 21.17%	S&P 500 Growth 15.05%	Russell 2000 Value -5.50%	S&P 500 Growth 14.61%	Bloomberg Barclays High Yield 7.44%	Bloomberg Barclays High Yield 2.45%	Bloomberg Barclays High Yield -4.47%	S&P 500 Growth 6.89%	Russell 2000 Value 7.84%	S&P 500 Value -2.22%
Russell 2000 Value 20.58%	MSCI World ex USA 8.95%	MSCI World ex USA -12.21%	Russell 2000 Growth 14.59%	Bloomberg Barclays Agg -2.02%	MSCI Emerging Markets -2.19%	Russell 2000 Value -7.47%	MSCI World ex USA 2.75%	Bloomberg Barclays High Yield 7.50%	MSCI World ex USA -2.77%
Bloomberg Barclays Agg 5.93%	Bloomberg Barclays Agg 6.54%	MSCI Emerging Markets -18.42%	Bloomberg Barclays Agg 4.21%	MSCI Emerging Markets -2.60%	MSCI World ex USA -4.32%	MSCI Emerging Markets -14.92%	Bloomberg Barclays Agg 2.65%	Bloomberg Barclays Agg 3.54%	MSCI Emerging Markets -6.66%

Global Economic Update

The Big Picture

- Globally, interest rate policies may start to converge
  - The Fed hiked interest rates a quarter point at the March and June meetings, and expects two more hikes in 2018, and three in 2019. The target range for the Fed Funds rate is now 1.75% to 2.0%.
  - The Fed began to reduce the size of its balance sheet last October; other central banks are expected to taper purchases and stop expanding balance sheets entirely by the end of 2019.
- Labor market continues to tighten.
  - In the U.S., unemployment fell to 3.8% in May 2018, a generational low. The U.S. is showing clear signs it is reaching the limits of full employment.
  - Initial claims for unemployment insurance have fallen to the lowest level since 1969.
  - Employment cost index rose 2.7% year-over-year in the first quarter (Q2 not released yet), the highest rate of growth since 2007.
  - Euro zone unemployment dropped to 8.8%, below 9% for the first time since 2009, although economic growth began to sputter in the second quarter. The U.S. and euro zone economies appear to be diverging again.
- Inflation may finally be perking up, after years of a perplexing absence. Headline CPI rose 2.9% during the quarter, continuing a gradual rise, and core CPI (ex-food and energy) rose 2.3%, slightly above the Fed's 2% target.
- The U.S. dollar rose 5% in the second quarter against a broad basket of developed market currencies. The dollar had been hurt in the first quarter by growing worries over a trade war with China, as well as signs that other countries may join the U.S. in raising interest rates. As growth appeared to diverge between the U.S. and developed non-U.S. markets, and the U.S. alone raised rates, the dollar rallied.
- Crude oil prices rebounded in the second half of 2017, and continued to trend higher during the first and second quarters of 2018, cresting $70 by the end of June.
- The U.S. economy continues to thrive, in contrast to headlines full of concerns about trade wars, the revival of inflation, an inverted yield curve and what it means for the coming recession.

Global Economic Update

The Big Picture (continued)

- GDP was revised down slightly to 2.0% in the first quarter, but second quarter GDP clocked a very solid 4.1% gain .The U.S. economy continues to thrive:
  - The unemployment rate dropped to 3.8% in May, the lowest reading since 2000.
  - Wages are inching up; consumer spending remains robust, as does consumer confidence.
  - Housing starts surged to an 11-year high in May.
  - Inflation is gradually trending up but remains contained. Much of the recent rise is attributable to a rebound in oil prices; if prices remain steady, the increase in inflation will abate.
  - However, the length of the current expansion and richly priced capital markets spur concerns about an “inevitable” market correction.
- Against this backdrop, the Fed raised rates for the second time in 2018, bringing the Fed Funds rate to 1.75%-2.0%. The Fed expects two more rate hikes this year and three more in 2019.
- Driving 2Q U.S. growth was robust growth on international trade in goods for May and June.
  - U.S. and China enacted tariffs on $34 billion of each other’s imports on July 6. The trade wars could prove to be inflationary, recessionary, or both.
  - Growth over the next 18 months will be tempered by depletion of inventories and expectations of slowing consumption spending; consensus forecasts suggest a slowdown is coming, regardless of a trade war.
  - In contrast, euro zone is showing slower growth in 2018, after notching the strongest year in a decade in 2017. Unemployment remains high, geopolitical turmoil across the zone, from Italy to Brexit, and the uncertainty from trade wars are dampening sentiment along with reported slower gains in GDP.
  - China also showed signs of slowing, with industrial output and retail sales reporting growth at rates lower than expected in May and June. Japan (the world’s third-largest economy) shrank by 0.2% in the first quarter (latest data), and the decline is expected to continue in the second quarter.

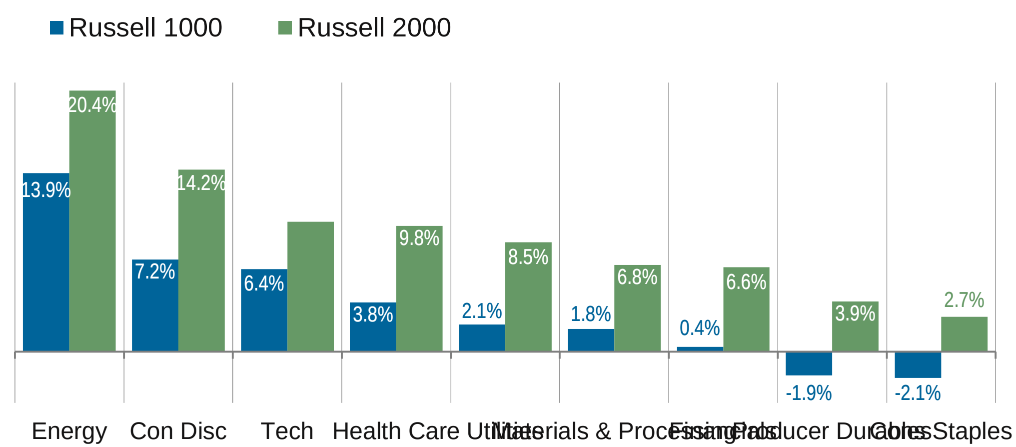
U.S. Equity Market

- U.S. equities (S&P 500 +3.4%) rose on a strong earnings season and positive economic data.
  - Energy was the best-performing sector (+13.5%) as oil prices trended higher after U.S. withdrew from Iran nuclear accord.
- Small cap (+7.8%) outperformed large cap (+3.6%) on trade war fears. Large cap companies derive big portion of revenues from foreign markets (S&P 500 aggregate is ~40%) and are more negatively impacted compared to their domestically focused small cap peers.
- Growth (+5.8%) continued to outperform Value (+1.2%) due to strong results in Tech (+7.1%) and Consumer Discretionary (+8.2%).
- Concentration of returns within broad indexes remains a concern. Excluding FAANG stock performance, S&P 500 performance was negative.

For Periods ended June 30, 2018

Large Cap Equity	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
Russell 1000 Growth	5.76	22.51	14.98	16.36	11.83	10.30
Russell 1000 Value	1.18	6.77	8.26	10.34	8.49	8.63
Mid Cap Equity						
Russell Midcap Growth	3.16	18.52	10.73	13.37	10.45	11.07
Russell Midcap Value	2.41	7.60	8.80	11.27	10.06	11.04
Small Cap Equity						
Russell 2000 Growth	7.23	21.86	10.60	13.65	11.24	10.95
Russell 2000 Value	8.30	13.10	11.22	11.18	9.88	9.93

Economic Sector Quarter Performance as of June 30, 2018



Source: Callan, Russell Investment Group
FAANG: Facebook, Apple, Amazon, Netflix, Google/Alphabet

Non-U.S. Equity Market

- Non-U.S. markets ended in the red as trade war talk moved into action. Although initial tariffs levied by the U.S. were targeted, retaliatory actions and supply chain disruptions broadened their effects.
  - Growth outpaced value—although no factor category showed significant strength.
  - Cyclical sectors were hurt later in the quarter as the prospect of slower growth led to reduced expectations.
  - The U.S. dollar was up, hurting non-U.S. returns. The euro and British pound were hit especially hard with the rise of populism and Brexit turmoil.
- Emerging markets sold off significantly led by China and Latin America.
  - Fears of increasing debt burdens and trade war effects impacted China.
  - Brazil affected by slower global growth, and falling sentiment hit energy and financials hard.
- Frontier markets impacted by Argentina (-42%) on continuing political unrest, severe drought, and a devaluing currency.

For Periods ended June 30, 2018

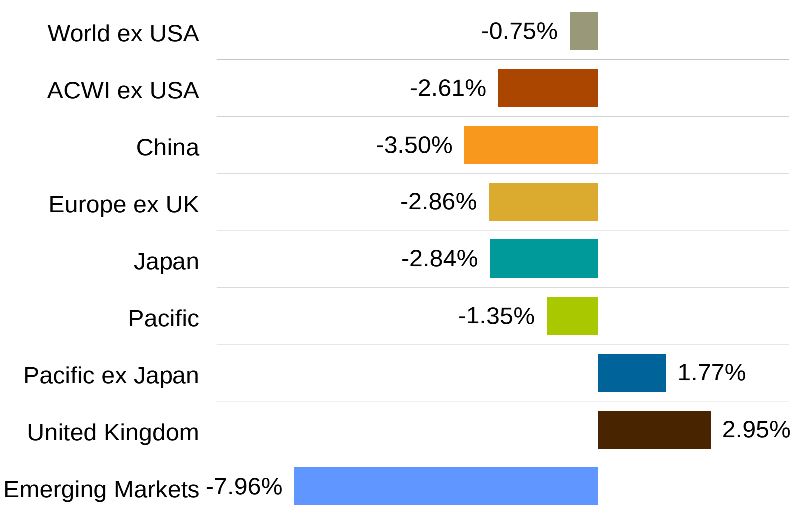
Non-U.S. Equity	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
MSCI ACWI ex USA	-2.61	7.28	5.07	5.99	2.54	7.74
MSCI ACWI ex USA Growth	-1.42	9.90	6.56	7.18	3.01	7.91
MSCI ACWI ex USA Value	-3.84	4.64	3.51	4.75	2.03	7.50
MSCI EAFE	-1.24	6.84	4.90	6.44	2.84	7.26
MSCI EAFE (local)	3.47	6.12	5.18	8.93	4.98	7.01
Regional Equity						
MSCI Europe	-1.27	5.28	4.22	6.21	2.36	7.07
MSCI Europe (local)	4.08	4.30	5.69	8.71	5.42	7.23
MSCI Japan	-2.84	10.51	6.25	7.37	3.54	6.62
MSCI Japan (local)	1.20	8.94	2.78	9.73	4.00	6.05
MSCI Pacific ex Japan	1.77	8.68	6.57	6.04	4.64	10.42
MSCI Pacific ex Japan (loc)	4.50	11.15	7.51	9.05	6.30	9.59

Emerging/Frontier Markets	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
MSCI Emerging Markets	-7.96	8.20	5.60	5.01	2.26	10.70
MSCI Emerging Markets (loc)	-3.51	10.47	7.48	8.45	5.23	11.57
MSCI Frontier Markets	-15.19	1.69	2.15	4.55	-2.52	6.70
Non-U.S. Small Cap Equity						
MSCI EAFE Small Cap	-1.57	12.45	10.09	11.32	6.81	10.69
MSCI Em Mkts Small Cap	-8.60	5.64	2.55	4.32	4.44	11.30

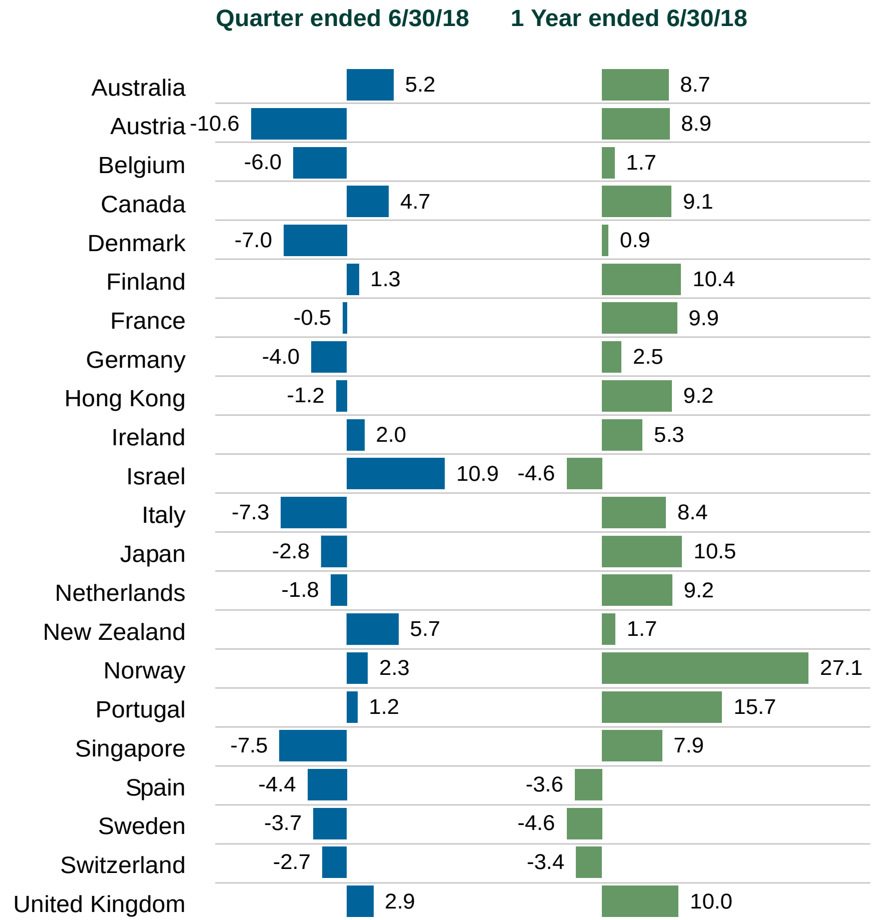
Sources: Callan, MSCI

- Emerging markets were among the hardest hit with Latin America taking the brunt of the sell-off. In May, Brazil's central bank unexpectedly left rates unchanged, while a trucking strike and growing concern about October elections weighed on markets. The Brazilian real fell 14% in the quarter versus the U.S. dollar.
- China reversed a five-quarter rally on concerns surrounding growing debt burdens, slower growth, and trade uncertainty.

Non-U.S. Quarterly Performance (U.S. Dollar) as of June 30, 2018



Developed Country Returns



Sources: Callan, MSCI

Fixed Income Market

- Fixed Income markets grappled with multiple issues resulting in continued volatility.
  - Trade conflicts due to imposition of tariffs, EM elections, and rising U.S. dollar contributed to the unstable environment.
- U.S. rates rose in the second quarter and the yield curve continued its flattening trend.
  - The spread between the 2-year and 10-year ended at its lowest level (33 bps) in more than 10 years.
- Investment grade corporates faced increased headwinds during the quarter, dragging returns lower.
  - Concerns over potential trade wars and rising rates increasingly weighed on IG credit despite rising earnings and revenues.
- High yield corporates rebounded in Q2 pushing year-to-date returns into positive territory.
  - CCC-rated credits continued to outperform higher-rated credits within high yield.
  - Earnings growth remains strong and defaults remain benign amid positive economic outlook.

For Periods ended June 30, 2018

Broad Fixed Income	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
BB Barclays Aggregate	-0.16	-0.40	1.72	2.27	3.72	3.77
BB Barclays Gov/Credit	-0.33	-0.63	1.83	2.29	3.78	3.71
BB Barclays Government	0.10	-0.63	1.02	1.48	2.91	3.20
BB Barclays Credit	-0.88	-0.65	2.86	3.37	5.15	4.52
BB Barclays Corporate High Yld	1.03	2.62	5.53	5.51	8.19	7.77
Long-Term						
BB Barclays Long Gov/Credit	-1.45	-0.78	4.34	5.10	6.79	5.84
BB Barclays Long Government	0.26	-0.13	3.40	4.56	6.02	5.57
BB Barclays Long Credit	-2.65	-1.30	4.95	5.48	7.30	5.99
Intermediate-Term						
BB Barclays Interm Aggregate	0.09	-0.32	1.27	1.83	3.29	3.47
BB Barclays Interm Gov/Credit	0.01	-0.58	1.16	1.60	3.08	3.21
Short-Term						
Money Market Funds (net)	0.38	1.06	0.44	0.27	0.23	1.11
ML Treasury 1-3 Year	0.22	0.08	0.42	0.58	1.24	1.92
90-Day Treasury Bills	0.45	1.36	0.68	0.42	0.35	1.29

Source: Callan, Bloomberg

OSGP Review

OSGP Investment Structure

OSGP Investment Structure			
Risk Spectrum	**Tier I. Asset Allocation Options**	**Tier II. Core Options**	**Tier III. Specialty Options**
Conservative		**Capital Preservation** Short-Term Fixed Income Option Stable Value Option	
	Asset Allocation LifePath Portfolios	**Fixed Income** Active Fixed Income Option	
		Broad U.S. Equity Stock Index Option - Russell 3000	**Specialty Equity** Socially Responsible Investment Option
		Large Cap U.S. Equity Large Company Value Stock Option Large Company Growth Stock Option	
		International Equity International Stock Option	
		Small Cap U.S. Equity Small Company Stock Option	
			Inflation Sensitive Real Return Option
Aggressive			**Brokerage Window** Schwab PCRA

Asset Distribution

	June 30, 2018				March 31, 2018	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Tier I - Asset Allocation Options						
Target Date Funds	**$686,960,890**	**31.51%**	**$6,021,346**	**$6,384,958**	**$674,554,587**	**31.68%**
LifePath Index Retirement Fund L	195,649,576	8.97%	(2,588,406)	1,484,480	196,753,501	9.24%
LifePath Index 2020 Fund L	142,248,054	6.52%	(829,240)	795,074	142,282,221	6.68%
LifePath Index 2025 Fund L	108,376,931	4.97%	1,836,522	1,149,904	105,390,505	4.95%
LifePath Index 2030 Fund L	79,910,330	3.66%	2,051,432	745,583	77,113,314	3.62%
LifePath Index 2035 Fund L	58,759,852	2.69%	1,718,465	688,550	56,352,837	2.65%
LifePath Index 2040 Fund L	39,258,645	1.80%	1,729,410	545,009	36,984,227	1.74%
LifePath Index 2045 Fund L	25,670,322	1.18%	1,017,461	391,429	24,261,432	1.14%
LifePath Index 2050 Fund L	23,307,876	1.07%	481,562	425,480	22,400,834	1.05%
LifePath Index 2055 Fund L	8,703,565	0.40%	96,032	114,271	8,493,262	0.40%
LifePath Index 2060 Fund L	5,075,738	0.23%	508,107	45,178	4,522,453	0.21%
Tier II - Core Investment Options						
Short-Term Fixed Income Option						
State Street	50,310,486	2.31%	1,256,406	172,682	48,881,398	2.30%
Stable Value Option						
Galliard	213,587,945	9.80%	(339,705)	1,023,191	212,904,459	10.00%
Active Fixed Income Option						
BlackRock / DoubleLine / Wellington	110,878,866	5.09%	(1,443,561)	(68,031)	112,390,459	5.28%
Stock Index Option						
BlackRock	253,638,495	11.63%	128,407	8,610,500	244,899,588	11.50%
Large Company Value Stock Option						
BlackRock	189,728,400	8.70%	(1,893,635)	2,039,403	189,582,632	8.90%
Large Company Growth Stock Option						
BlackRock	249,416,321	11.44%	(744,635)	14,371,173	235,789,783	11.07%
International Stock Option						
AQR / BlackRock / DFA* / Lazard	116,832,763	5.36%	230,431	(6,101,834)	122,704,166	5.76%
Small Company Stock Option						
BlackRock / Callan / DFA	278,596,406	12.78%	261,267	19,151,617	259,183,523	12.17%
Tier III - Specialty Options						
Socially Responsible Investment Option						
TIAA-CREF	12,094,452	0.55%	(900,999)	1,606,538	11,388,913	0.53%
Real Return Option						
GMO / State Street / Wellington	4,121,348	0.19%	224,378	(125,902)	4,022,872	0.19%
Brokerage Window	14,221,745	0.65%	1,111,630	177,595	12,932,519	0.61%
Total Fund	**$2,180,388,117**	**100.0%**	**$3,911,329**	**$47,241,889**	**$2,129,234,898**	**100.0%**

Net of Fee Returns

Periods Ended June 30, 2018

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Tier I - Asset Allocation Options					
LifePath Index Retirement Fund L	0.74	4.82	4.46	5.08	5.17
LifePath Index Retirement Benchmark	0.76	4.79	4.46	5.09	5.18
LifePath Index 2020 Fund L	0.79	5.59	5.00	5.89	5.32
LifePath Index 2020 Benchmark	0.81	5.55	4.98	5.87	5.31
LifePath Index 2025 Fund L	1.00	6.83	5.78	6.68	5.70
LifePath Index 2025 Benchmark	1.03	6.77	5.75	6.63	5.67
LifePath Index 2030 Fund L	1.17	7.93	6.49	7.37	6.02
LifePath Index 2030 Benchmark	1.21	7.86	6.41	7.29	5.97
LifePath Index 2035 Fund L	1.35	8.99	7.17	8.00	6.31
LifePath Index 2035 Benchmark	1.39	8.90	7.05	7.91	6.24
LifePath Index 2040 Fund L	1.50	9.92	7.73	8.56	6.53
LifePath Index 2040 Benchmark	1.55	9.81	7.59	8.44	6.45
LifePath Index 2045 Fund L	1.62	10.55	8.10	8.97	6.69
LifePath Index 2045 Benchmark	1.66	10.42	7.94	8.84	6.60
LifePath Index 2050 Fund L	1.65	10.75	8.22	9.19	6.89
LifePath Index 2050 Benchmark	1.71	10.66	8.07	9.07	6.81
LifePath Index 2055 Fund L	1.65	10.74	8.21	9.31	--
LifePath Index 2055 Benchmark	1.71	10.66	8.07	9.19	--
LifePath Index 2060 Fund L	1.64	10.70	8.21	--	--
LifePath Index 2060 Benchmark	1.71	10.66	8.13	--	--

Net of Fee Returns

Periods Ended June 30. 2018

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Tier II - Core Investment Options					
Short-Term Fixed Income Option	0.43	1.29	0.64	0.39	0.33
3-month Treasury Bill	0.45	1.36	0.68	0.42	0.35
Stable Value Option	0.54	2.06	1.85	1.71	1.97
3-month Treasury Bill	0.45	1.36	0.68	0.42	0.35
Active Fixed Income Option	0.10	0.73	2.51	2.95	4.68
Bloomberg Aggregate Index	(0.16)	(0.40)	1.72	2.27	3.72
Stock Index Option	3.92	14.82	11.68	13.38	10.30
Russell 3000 Index	3.89	14.78	11.58	13.29	10.23
Large Company Value Stock Option	1.22	6.86	8.32	10.59	8.69
Russell 1000 Value Index	1.18	6.77	8.26	10.34	8.49
Large Company Growth Stock Option	5.76	22.39	14.97	16.22	11.50
Russell 1000 Growth Index	5.76	22.51	14.98	16.36	11.83
International Stock Option	(3.86)	6.91	5.25	6.44	3.31
MSCI ACWI ex US Index	(2.61)	7.28	5.07	5.99	2.54
Small Company Stock Option	7.41	17.86	10.67	12.34	10.80
Russell 2000 Index	7.75	17.57	10.96	12.46	10.60
Tier III - Specialty Options					
Socially Responsible Investment Option	2.75	13.54	11.20	--	--
Russell 3000 Index	3.89	14.78	11.58	13.29	10.23
Real Return Option	0.11	4.24	0.99	--	--
Consumer Price Index + 3%	1.84	6.09	4.74	4.37	4.36

Investment Options Fee Summary

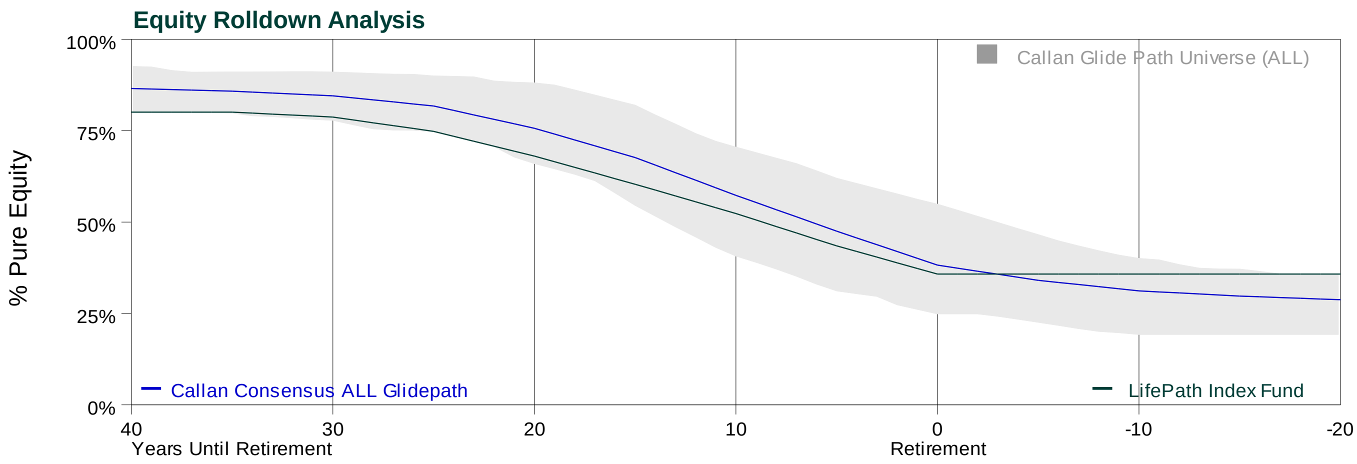
Asset Class and Strategy	Total Annual Operating Expense Ratio*	Institutional Peer Group Median
Asset Allocation Options		
LifePath Index Retirement, 2020 – 2060 Funds; L	0.090%	0.08%
Capital Preservation		
Short-Term Fixed Income Option	0.110%	0.50%
Stable Value Option	0.383%	0.72%
Fixed Income		
Active Fixed Income Option	0.178%	0.76%
U.S. Large Cap Equity		
Stock Index Option	0.040%	0.04%
Large Company Value Stock Option	0.031%	0.04%
Large Company Growth Stock Option	0.030%	0.04%
U.S. Small Cap Equity		
Small Company Stock Option	0.393%	1.13%
International Equity		
International Stock Option	0.379%	1.10%
Specialty Options		
Socially Responsible Investment Option	0.180%	0.90%
Real Return Option	0.531%	1.32%

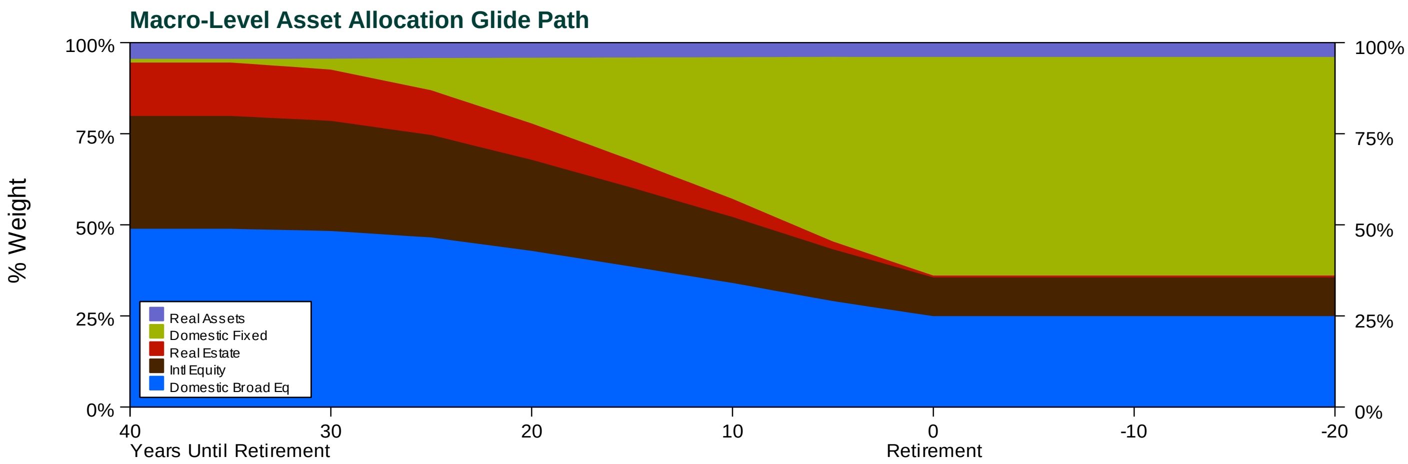
*Fee data provided by OST.

OSGP Investment Option Performance

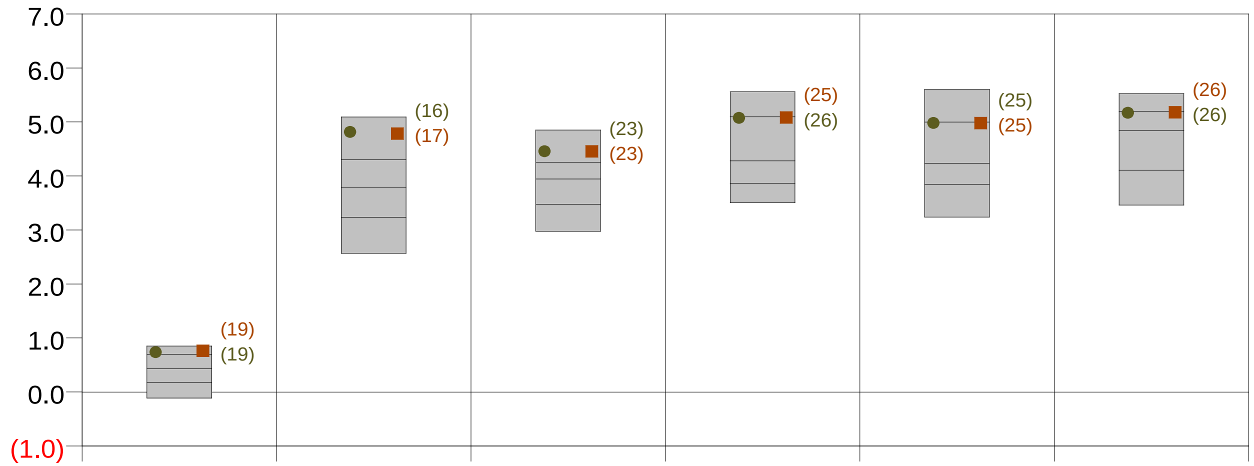
BlackRock LifePath Index Target Date Funds

GlidePath Analysis as of June 30, 2018





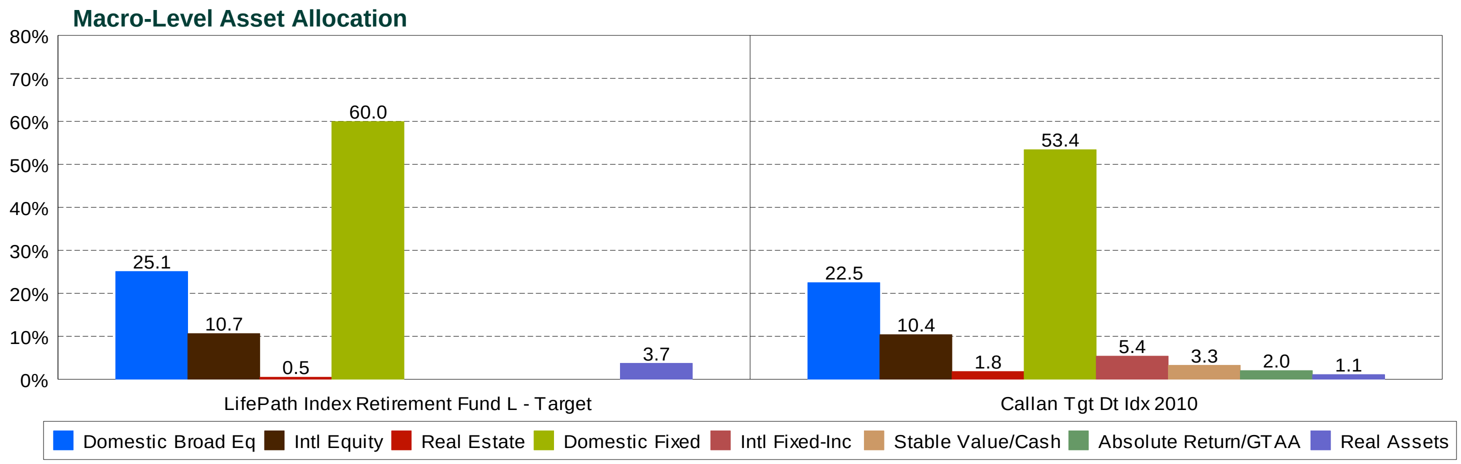
Performance vs Callan Target Date Retirement Income (Institutional Net)

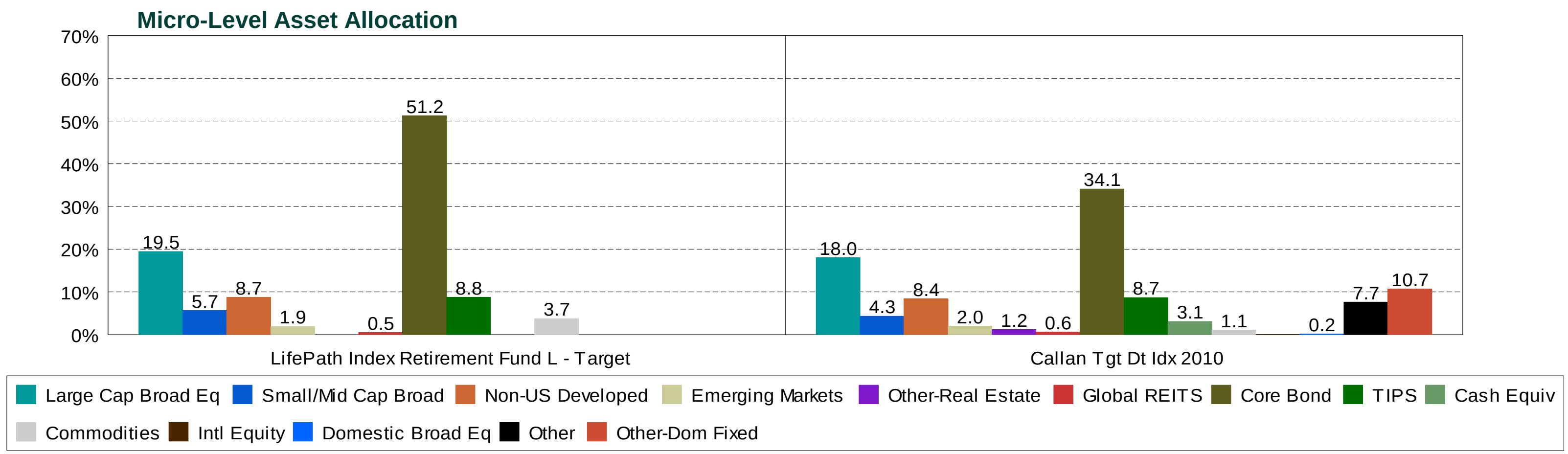


		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile		0.85	5.09	4.85	5.56	5.61	5.53
25th Percentile		0.70	4.30	4.26	5.10	5.00	5.20
Median		0.43	3.78	3.95	4.28	4.24	4.84
75th Percentile		0.18	3.24	3.48	3.87	3.85	4.11
90th Percentile		(0.11)	2.57	2.98	3.51	3.24	3.46
LifePath Index Retirement Fund L	●	0.74	4.82	4.46	5.08	4.98	5.17
LifePath Index Retirement Benchmark	■	0.76	4.79	4.46	5.09	4.98	5.18

LifePath Index Retirement Fund

Asset Allocation as of June 30, 2018

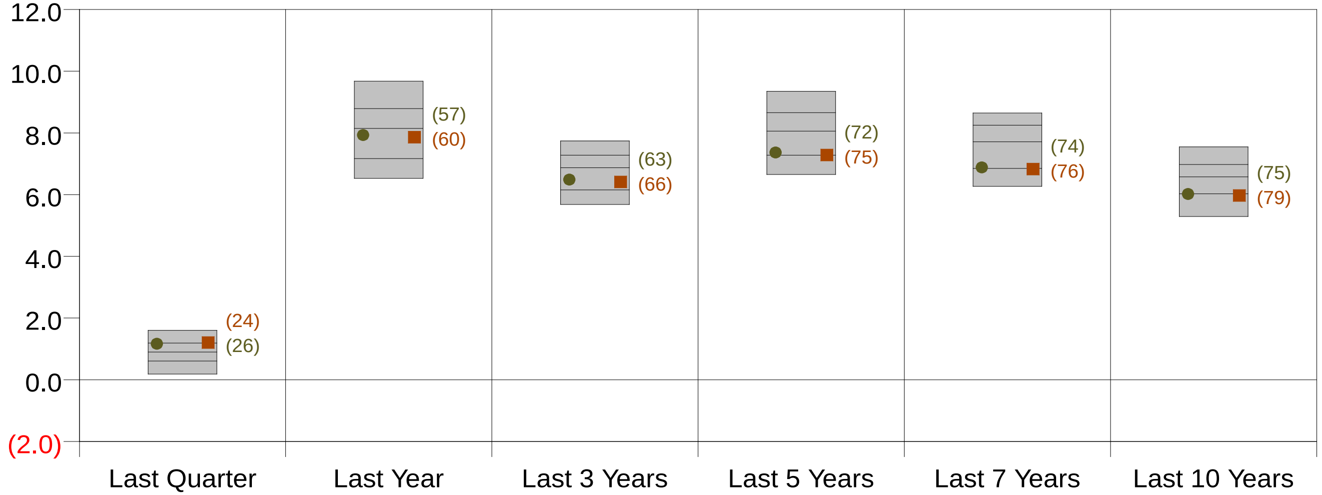




LifePath Index 2030 Fund

Periods Ended June 30, 2018

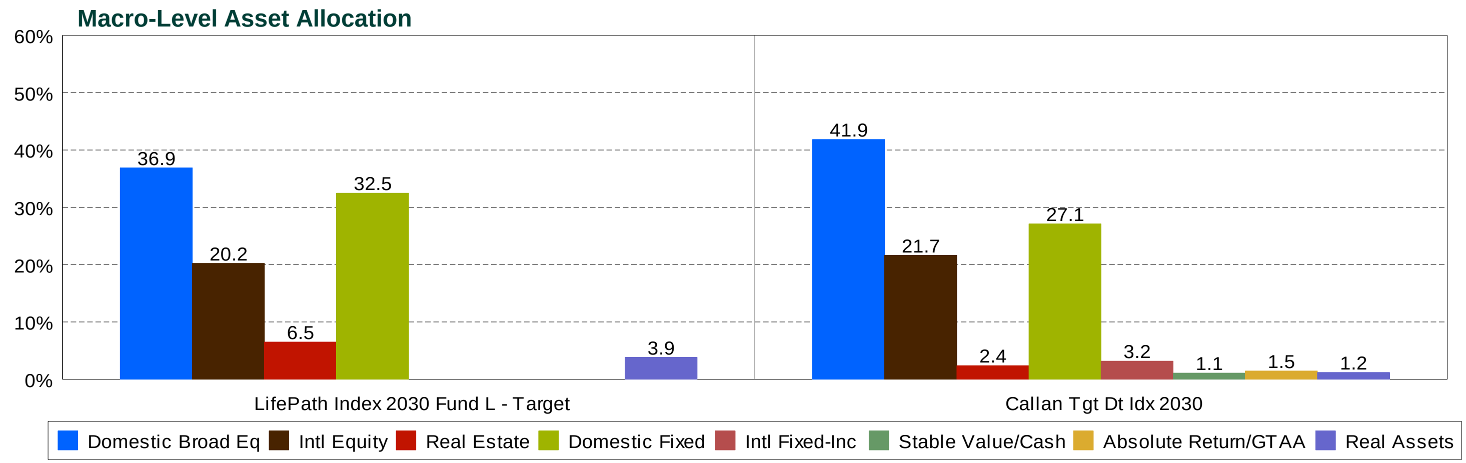
Performance vs Callan Target Date 2030 (Institutional Net)

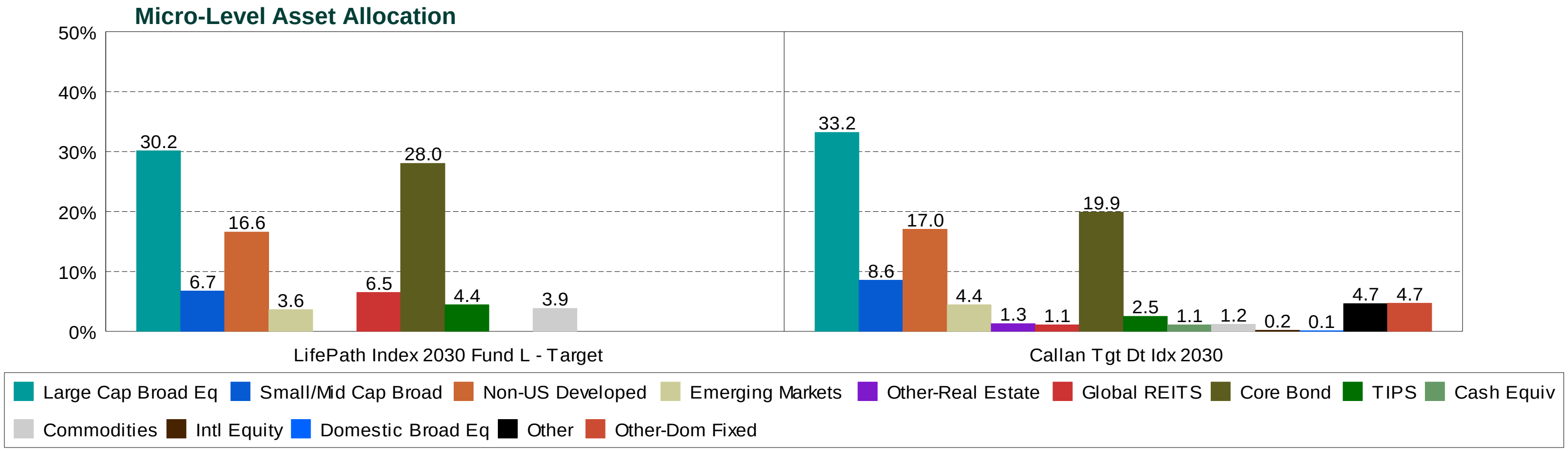


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	1.60	9.68	7.75	9.35	8.65	7.55
25th Percentile	1.19	8.79	7.28	8.66	8.25	6.98
Median	0.90	8.15	6.87	8.06	7.71	6.58
75th Percentile	0.61	7.17	6.16	7.28	6.85	6.03
90th Percentile	0.19	6.53	5.68	6.65	6.27	5.30
LifePath Index 2030 Fund L ●	1.17	7.93	6.49	7.37	6.89	6.02
LifePath Index 2030 Benchmark ■	1.21	7.86	6.41	7.29	6.83	5.97

LifePath Index 2030 Fund

Asset Allocation as of June 30, 2018





LifePath Index 2050 Fund

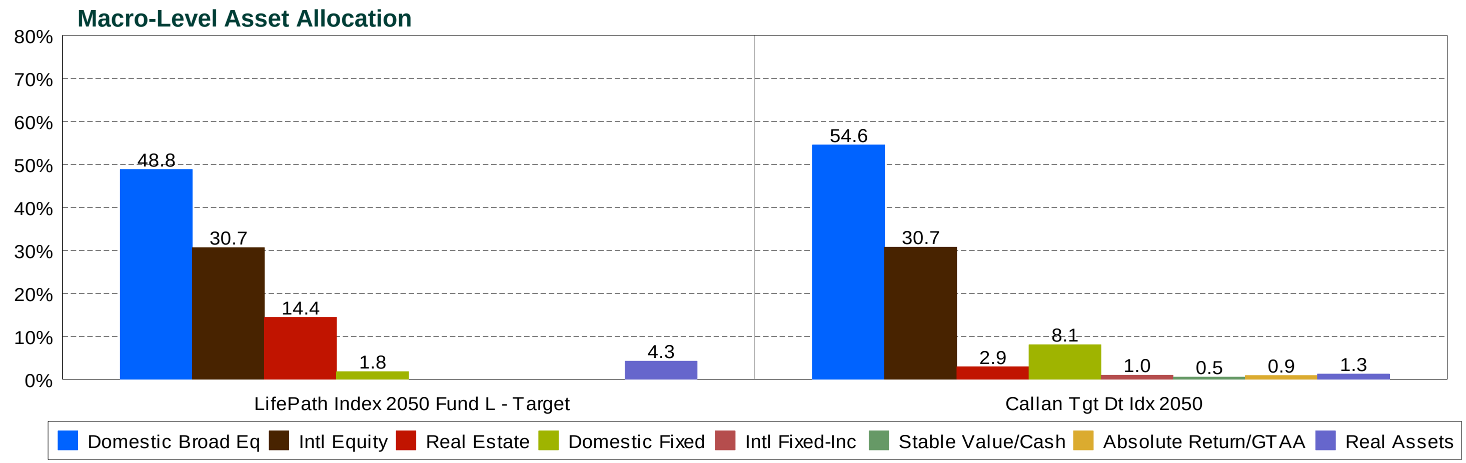
Periods Ended June 30, 2018

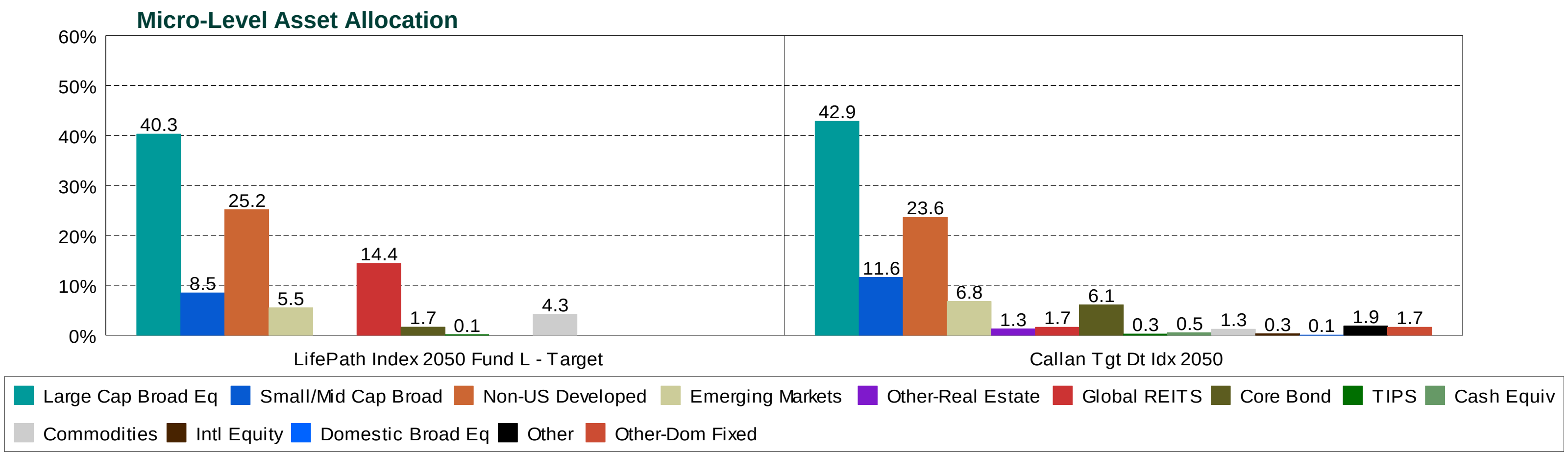
Performance vs Callan Target Date 2050 (Institutional Net)

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	1.63	11.78	9.00	10.63	9.83	8.21
25th Percentile	1.47	11.20	8.57	9.97	9.24	7.71
Median	1.17	10.51	8.19	9.54	8.80	7.36
75th Percentile	0.76	9.63	7.75	9.19	8.39	6.81
90th Percentile	0.25	8.86	7.25	8.15	7.28	6.08
LifePath Index 2050 Fund L ●	1.65	10.75	8.22	9.19	8.40	6.89
LifePath Index 2050 Benchmark ■	1.71	10.66	8.07	9.07	8.29	6.81

LifePath Index 2050 Fund

Asset Allocation as of June 30, 2018

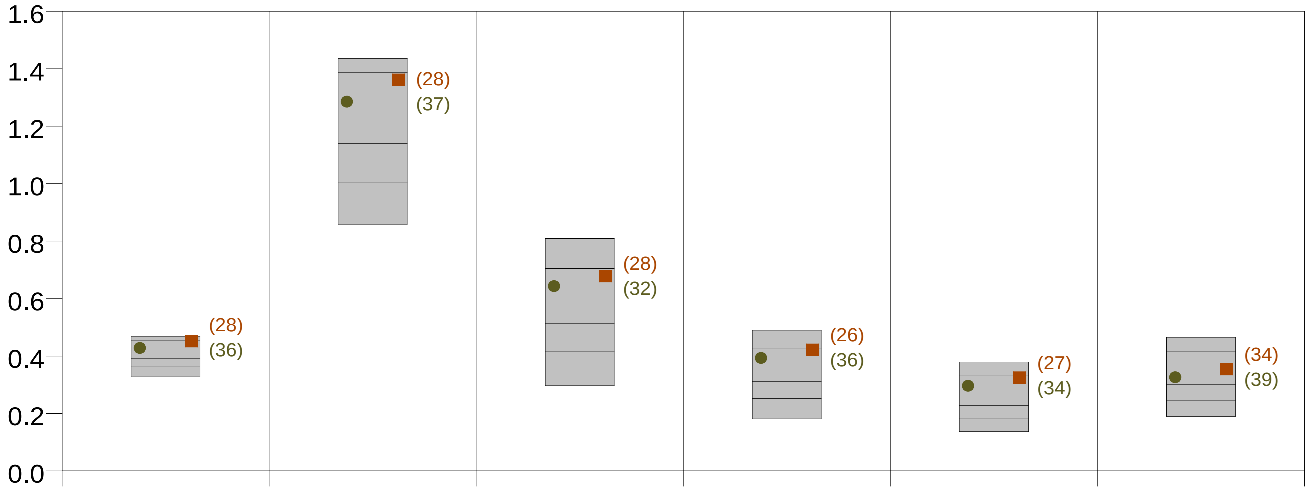




Short Term Fixed Income Option

Periods Ended June 30, 2018

Performance vs Callan Money Market Instrument Funds (Institutional Net)

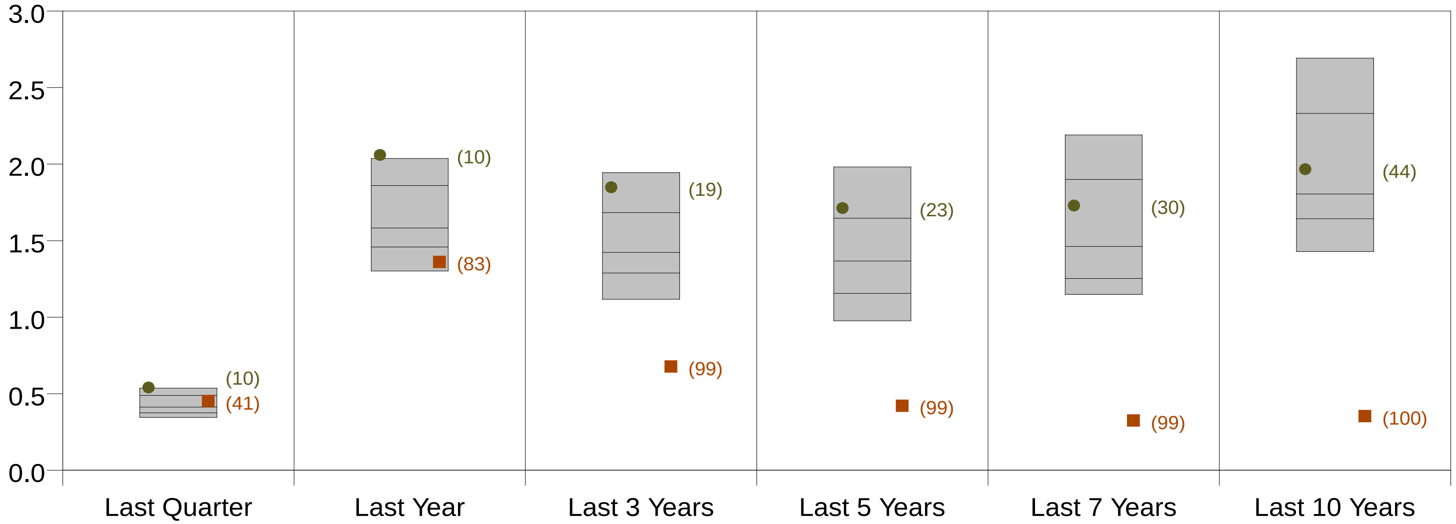


		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile		0.47	1.44	0.81	0.49	0.38	0.47
25th Percentile		0.45	1.39	0.70	0.42	0.33	0.42
Median		0.39	1.14	0.51	0.31	0.23	0.30
75th Percentile		0.37	1.01	0.41	0.25	0.18	0.24
90th Percentile		0.33	0.86	0.30	0.18	0.14	0.19
Short-Term Fixed Income Option	●	0.43	1.29	0.64	0.39	0.30	0.33
3-month Treasury Bill	■	0.45	1.36	0.68	0.42	0.33	0.35

Stable Value Option

Periods Ended June 30, 2018

Performance vs Callan Stable Value CT (Institutional Net)

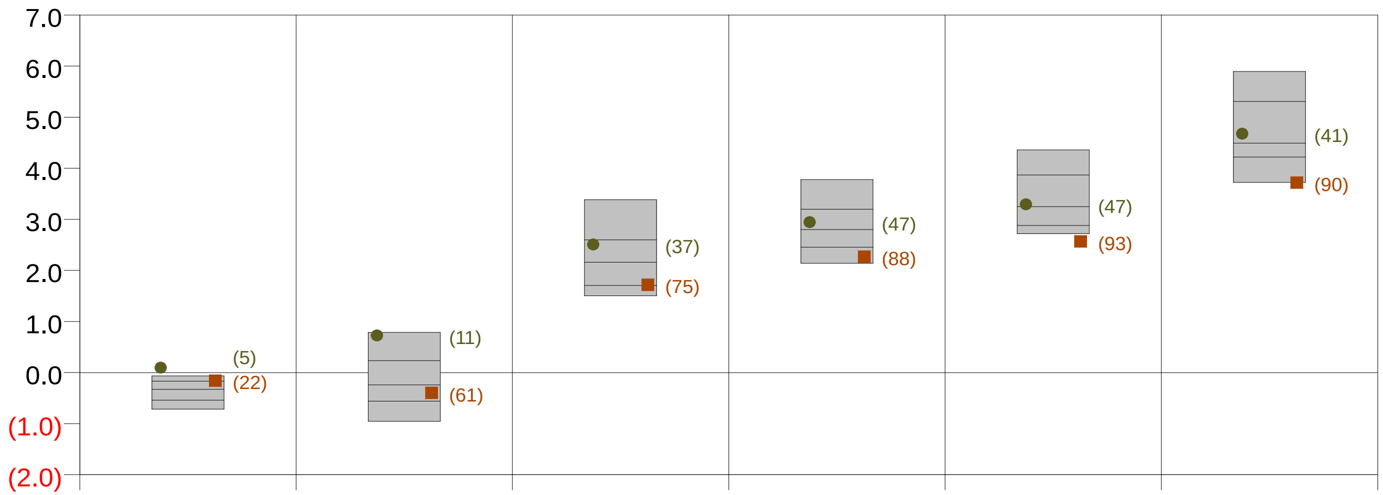


		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile		0.54	2.04	1.94	1.98	2.19	2.69
25th Percentile		0.49	1.86	1.68	1.65	1.90	2.33
Median		0.41	1.58	1.42	1.37	1.46	1.81
75th Percentile		0.38	1.46	1.29	1.16	1.25	1.64
90th Percentile		0.35	1.30	1.12	0.98	1.15	1.43
Stable Value Option	●	0.54	2.06	1.85	1.71	1.73	1.97
3-month Treasury Bill	■	0.45	1.36	0.68	0.42	0.33	0.35

Active Fixed Income Option

Periods Ended June 30, 2018

Performance vs Callan Core Plus Mutual Funds (Institutional Net)

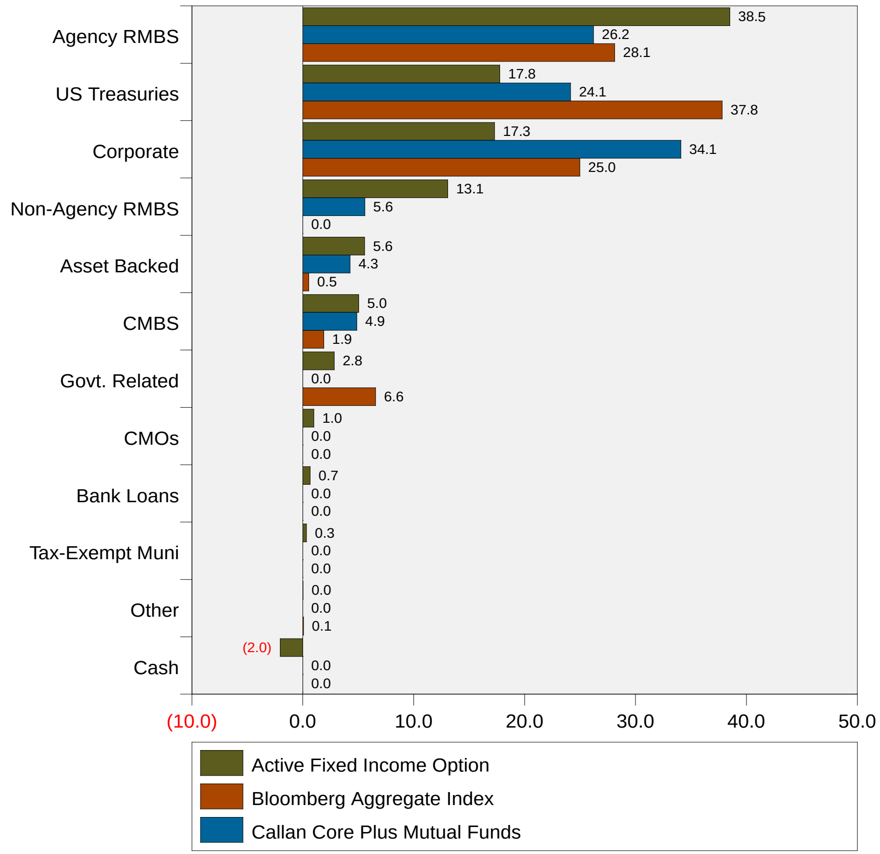


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	(0.07)	0.79	3.38	3.78	4.36	5.90
25th Percentile	(0.17)	0.24	2.60	3.20	3.87	5.31
Median	(0.33)	(0.24)	2.16	2.80	3.25	4.49
75th Percentile	(0.54)	(0.56)	1.71	2.46	2.88	4.22
90th Percentile	(0.71)	(0.95)	1.51	2.14	2.72	3.72
Active Fixed Income Option ●	0.10	0.73	2.51	2.95	3.30	4.68
Bloomberg Aggregate Index ■	(0.16)	(0.40)	1.72	2.27	2.57	3.72

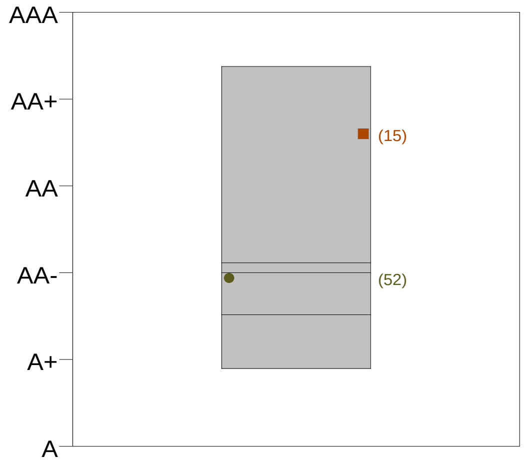
Active Fixed Income Option

Portfolio Characteristics as of June 30, 2018

Sector Allocation
June 30, 2018



Quality Ratings
vs Callan Core Plus Mutual Funds



10th Percentile	AA+
25th Percentile	AA-
Median	AA-
75th Percentile	AA-
90th Percentile	A+
Active Fixed Income Option ●	AA-
Bloomberg Aggregate Index ■	AA+

Stock Index Option

Periods Ended June 30, 2018

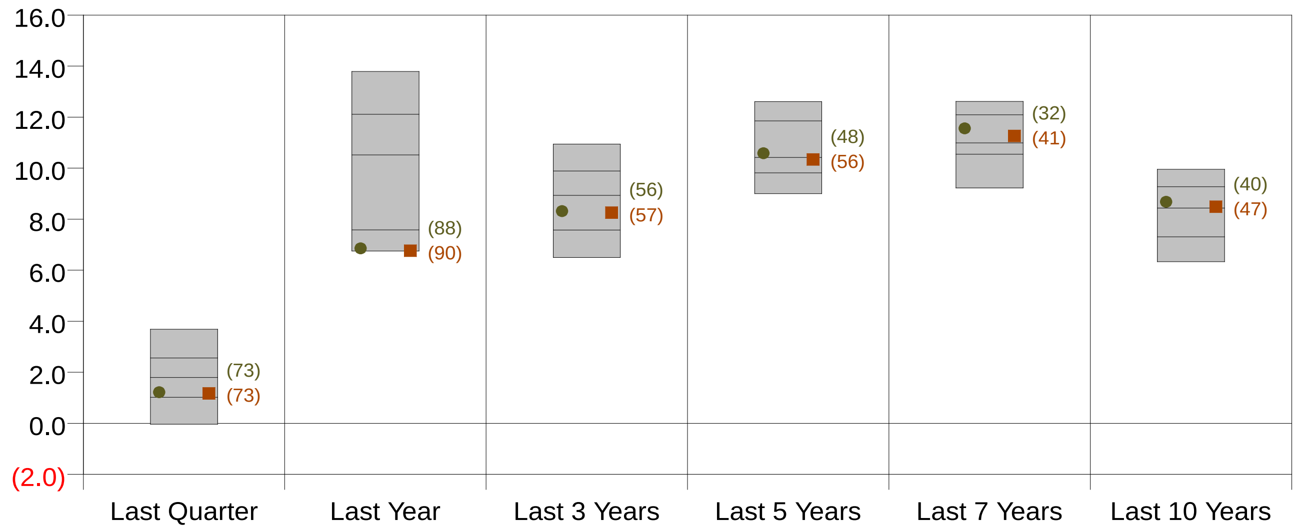
Performance vs Callan All Cap Core Mutual Funds (Institutional Net)

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	4.55	17.29	11.92	13.77	13.19	11.10
25th Percentile	3.57	15.17	10.64	12.90	12.39	10.01
Median	2.45	12.41	9.00	11.43	11.23	8.98
75th Percentile	1.37	8.63	7.05	9.93	9.91	7.81
90th Percentile	0.42	5.69	4.58	7.55	7.88	6.60
Stock Index Option ●	3.92	14.82	11.68	13.38	13.09	10.30
Russell 3000 Index ■	3.89	14.78	11.58	13.29	13.01	10.23

Large Company Value Stock Option

Periods Ended June 30, 2018

Performance vs Callan Large Cap Value Mutual Funds (Institutional Net)

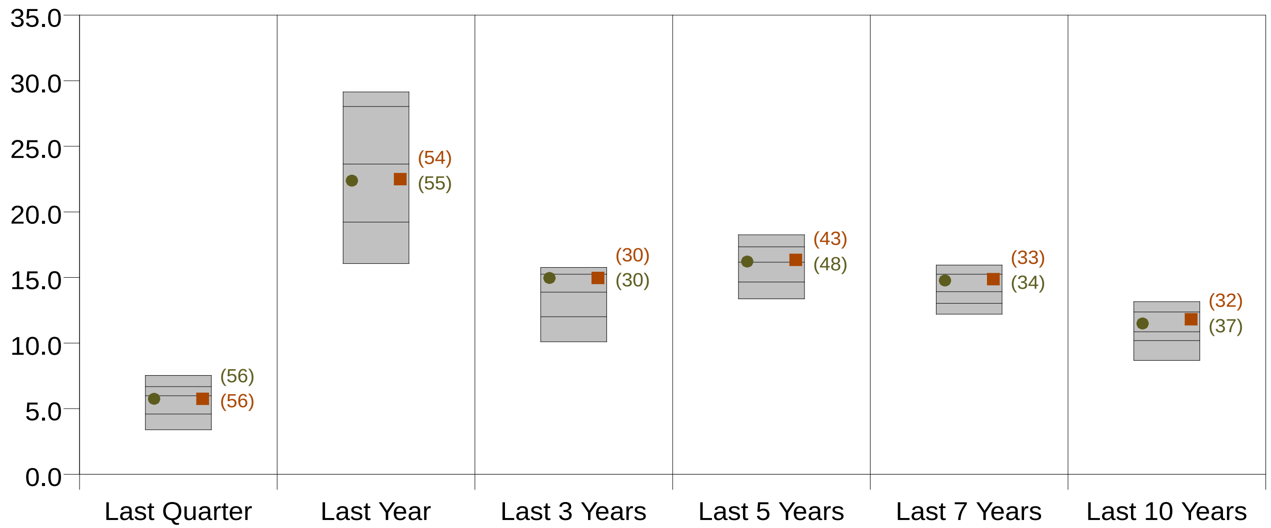


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	3.69	13.79	10.95	12.61	12.62	9.96
25th Percentile	2.56	12.11	9.89	11.85	12.10	9.27
Median	1.80	10.52	8.94	10.42	10.99	8.44
75th Percentile	1.02	7.58	7.58	9.82	10.55	7.31
90th Percentile	(0.04)	6.76	6.50	9.01	9.23	6.34
Large Company Value Stock Option ●	1.22	6.86	8.32	10.59	11.56	8.69
Russell 1000 Value Index ■	1.18	6.77	8.26	10.34	11.27	8.49

Large Company Growth Stock Option

Periods Ended June 30, 2018

Performance vs Callan Large Cap Growth Mutual Funds (Institutional Net)



		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile		7.54	29.14	15.78	18.26	15.95	13.17
25th Percentile		6.69	28.04	15.25	17.34	15.25	12.38
Median		6.00	23.65	13.89	16.17	13.93	10.87
75th Percentile		4.60	19.23	12.02	14.67	13.03	10.19
90th Percentile		3.40	16.07	10.11	13.39	12.21	8.69
Large Company Growth Stock Option	●	5.76	22.39	14.97	16.22	14.77	11.50
Russell 1000 Growth Index	■	5.76	22.51	14.98	16.36	14.88	11.83

International Stock Option

Periods Ended June 30, 2018

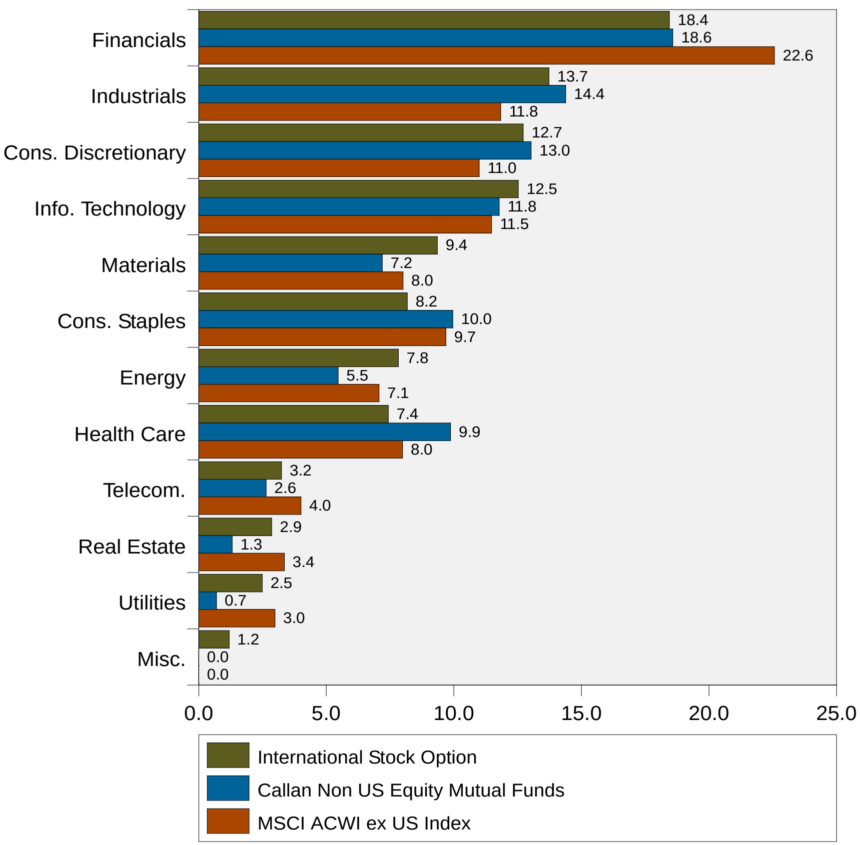
Performance vs Callan Non US Equity Mutual Funds (Institutional Net)

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	0.14	14.53	8.07	9.56	7.23	5.76
25th Percentile	(0.75)	9.31	6.26	7.57	6.05	4.52
Median	(1.93)	6.90	4.68	6.55	5.02	3.54
75th Percentile	(3.19)	4.55	3.70	5.63	4.34	2.60
90th Percentile	(4.83)	2.02	2.90	4.96	3.56	1.45
International Stock Option ●	(3.86)	6.91	5.25	6.44	4.91	3.31
MSCI ACWI ex US Index ■	(2.61)	7.28	5.07	5.99	3.81	2.54

International Stock Option

Portfolio Characteristics as of June 30, 2018

Sector Allocation as of June 30, 2018



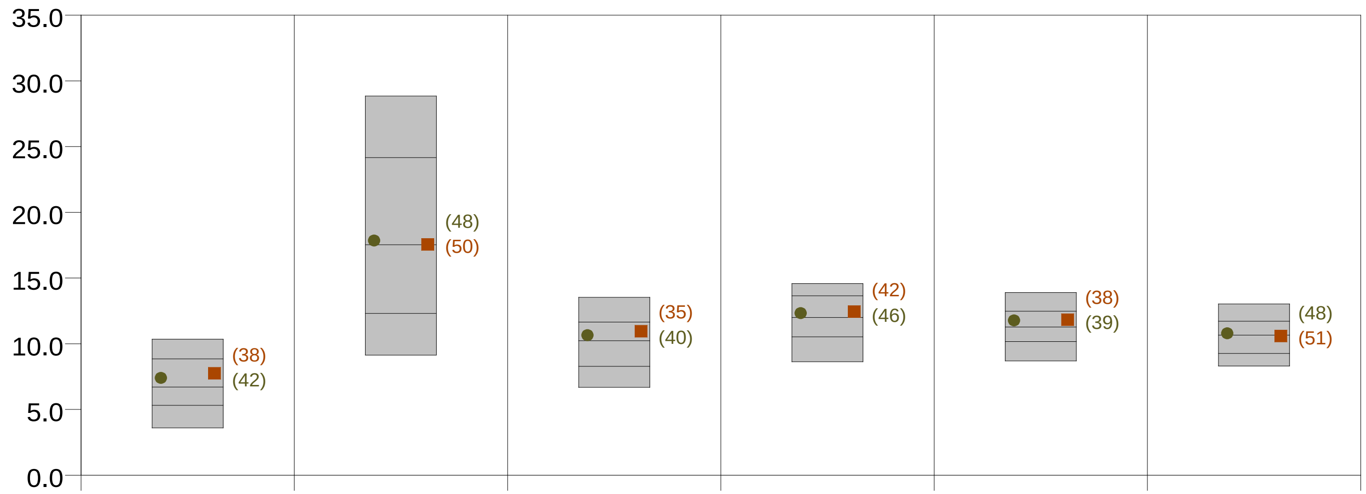
Style Exposure Matrix Holdings as of June 30, 2018

	Value	Core	Growth	**Total**
Europe/ Mid East	11.1% (593) 11.7% (129)	18.8% (685) 14.4% (133)	15.8% (598) 14.1% (193)	**45.7% (1876)** **40.1% (455)**
N. America	2.0% (152) 2.0% (32)	3.1% (159) 2.9% (25)	1.8% (110) 1.6% (33)	**6.9% (421)** **6.5% (90)**
Pacific	7.1% (1224) 8.9% (146)	6.5% (944) 6.6% (136)	10.0% (899) 8.8% (187)	**23.6% (3067)** **24.3% (469)**
Emerging/ FM	6.6% (1875) 8.8% (405)	8.9% (1610) 9.2% (375)	8.3% (1218) 11.1% (355)	**23.7% (4703)** **29.1% (1135)**
Total	**26.9% (3844)** **31.3% (712)**	**37.2% (3398)** **33.0% (669)**	**35.9% (2825)** **35.7% (768)**	**100.0% (10067)** **100.0% (2149)**

Small Company Stock Option

Periods Ended June 30, 2018

Performance vs Callan Small Cap Mutual Funds (Institutional Net)

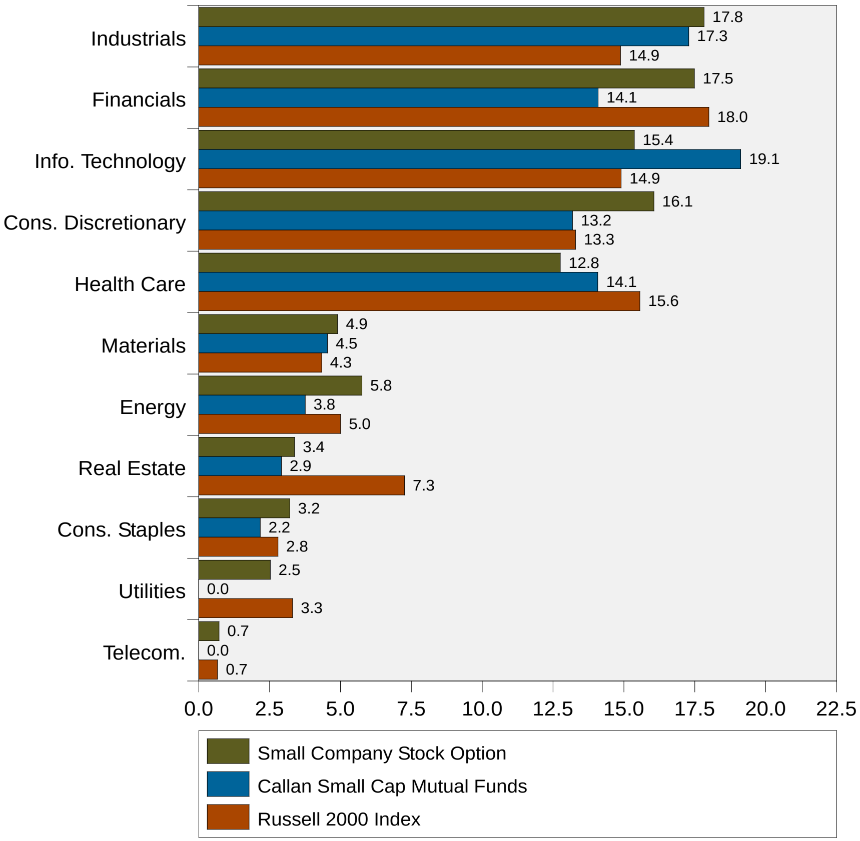


		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile		10.35	28.86	13.54	14.59	13.90	13.04
25th Percentile		8.86	24.17	11.66	13.66	12.48	11.72
Median		6.71	17.54	10.24	12.01	11.28	10.67
75th Percentile		5.32	12.32	8.29	10.54	10.18	9.26
90th Percentile		3.60	9.14	6.69	8.64	8.70	8.31
Small Company Stock Option	●	7.41	17.86	10.67	12.34	11.79	10.80
Russell 2000 Index	■	7.75	17.57	10.96	12.46	11.83	10.60

Small Company Stock Option

Portfolio Characteristics as of June 30, 2018

Sector Allocation
June 30, 2018

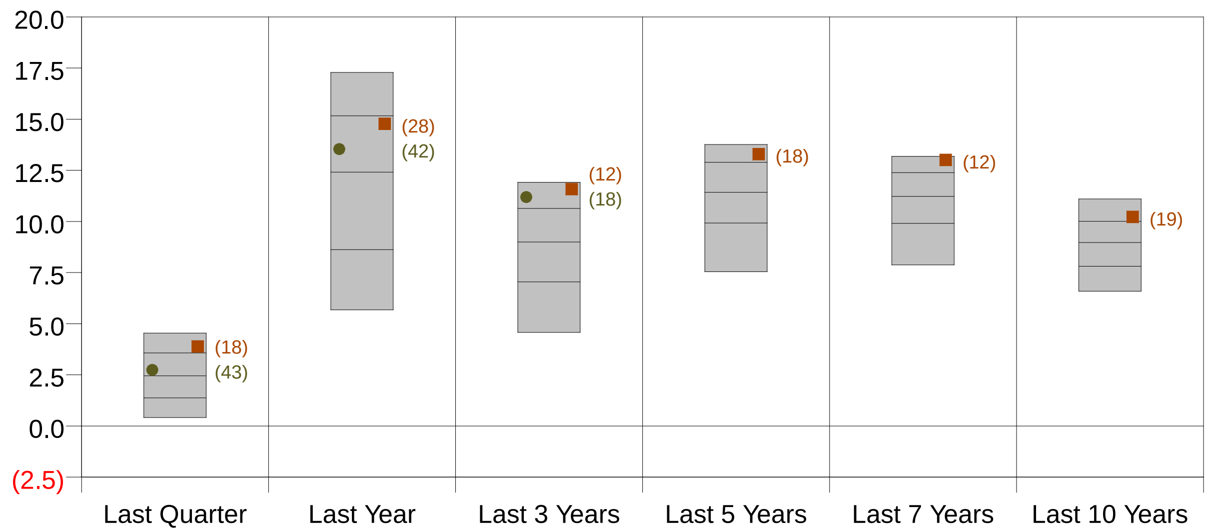


Style Exposure Matrix
Holdings as of June 30, 2018

	Value	Core	Growth	**Total**
Large	0.0% (0) 0.0% (0)	0.3% (4) 0.0% (0)	0.2% (3) 0.0% (0)	**0.5% (7)** **0.0% (0)**
Mid	2.2% (43) 0.8% (5)	3.6% (70) 1.0% (6)	9.2% (129) 4.3% (23)	**15.1% (242)** **6.2% (34)**
Small	18.4% (331) 22.2% (286)	28.3% (481) 32.9% (447)	22.3% (370) 25.9% (342)	**69.0% (1182)** **81.0% (1075)**
Micro	5.2% (456) 4.0% (273)	6.4% (540) 5.5% (392)	3.8% (272) 3.4% (229)	**15.4% (1268)** **12.8% (894)**
Total	**25.7% (830)** **27.0% (564)**	**38.7% (1095)** **39.4% (845)**	**35.6% (774)** **33.6% (594)**	**100.0% (2699)** **100.0% (2003)**

Socially Responsible Investment Option

Periods Ended June 30, 2018

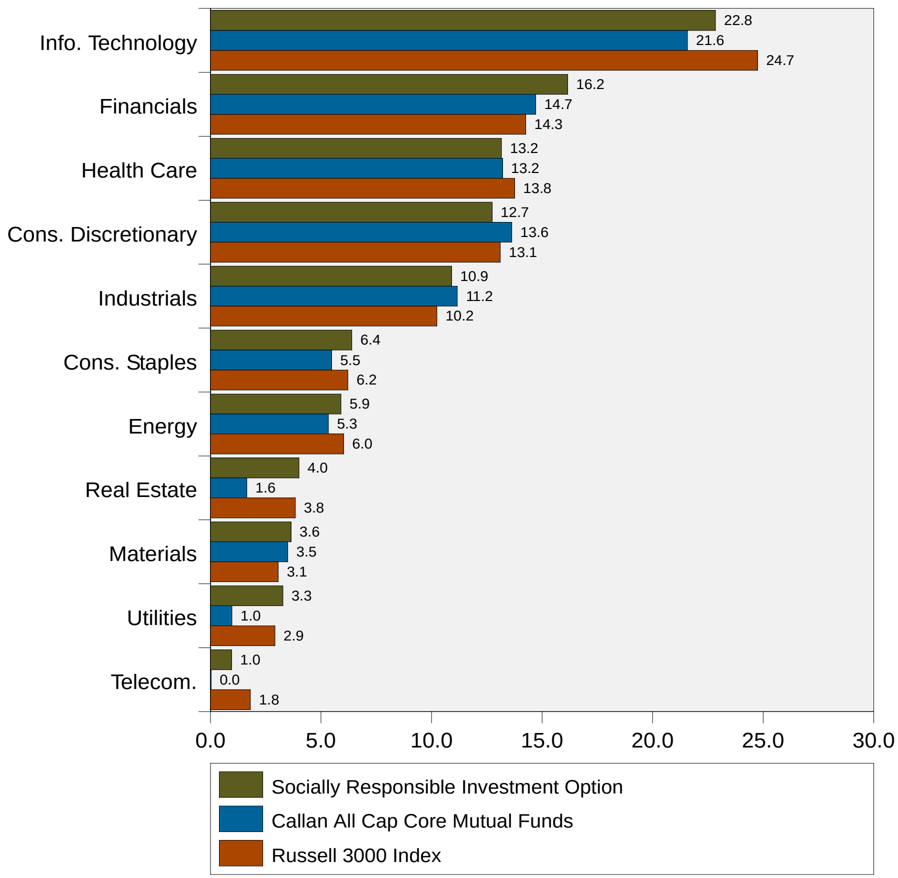


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	4.55	17.29	11.92	13.77	13.19	11.10
25th Percentile	3.57	15.17	10.64	12.90	12.39	10.01
Median	2.45	12.41	9.00	11.43	11.23	8.98
75th Percentile	1.37	8.63	7.05	9.93	9.91	7.81
90th Percentile	0.42	5.69	4.58	7.55	7.88	6.60
Socially Responsible Investment Option ●	2.75	13.54	11.20	--	--	--
Russell 3000 Index ■	3.89	14.78	11.58	13.29	13.01	10.23

Socially Responsible Investment Option

Portfolio Characteristics as of June 30, 2018

Sector Allocation
June 30, 2018

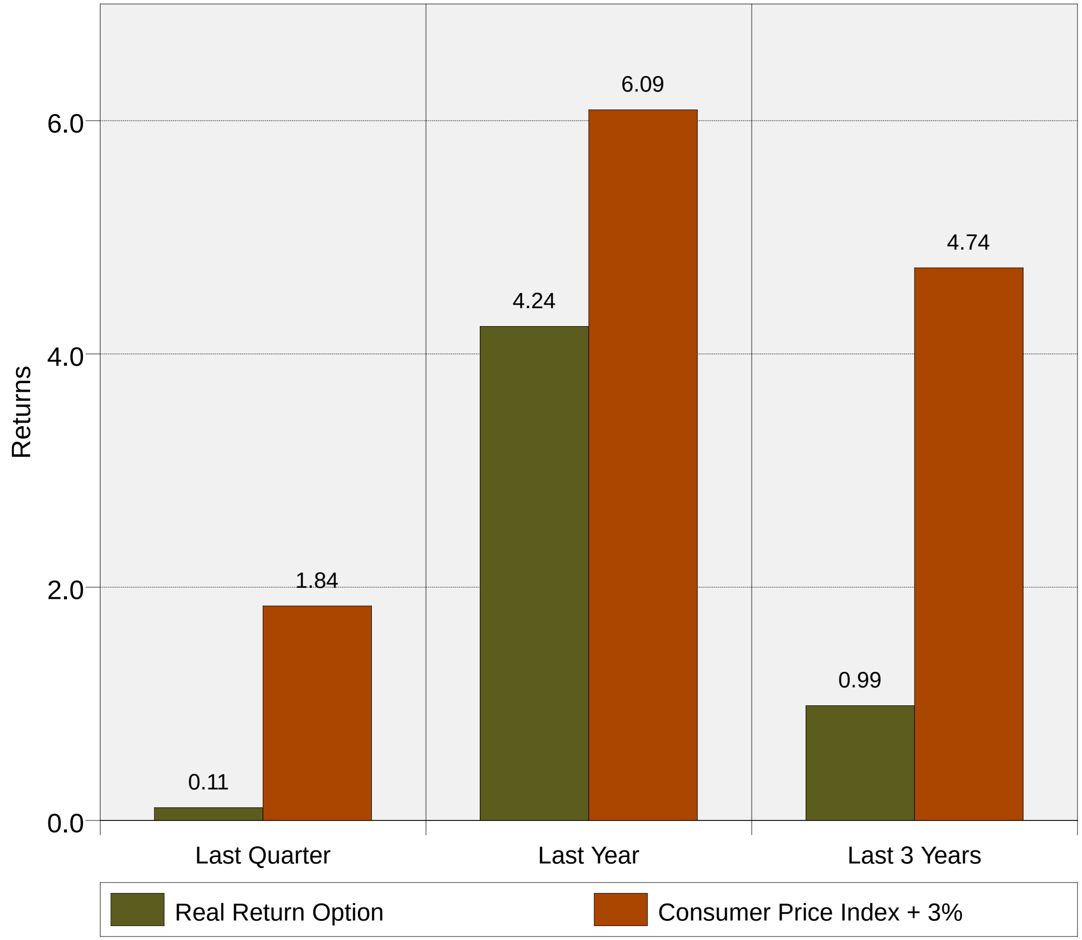


Style Exposure Matrix
Holdings as of June 30, 2018

	Value	Core	Growth	Total
Large	28.2% (60) 27.3% (110)	25.9% (54) 20.3% (99)	23.5% (41) 26.6% (89)	77.6% (155) 74.2% (298)
Mid	3.4% (49) 4.8% (177)	6.1% (84) 6.5% (215)	6.2% (72) 5.9% (205)	15.7% (205) 17.3% (597)
Small	1.2% (70) 2.3% (340)	2.1% (101) 2.9% (481)	2.6% (92) 2.4% (374)	6.0% (263) 7.5% (1195)
Micro	0.2% (17) 0.3% (273)	0.3% (34) 0.4% (392)	0.2% (21) 0.3% (230)	0.7% (72) 1.0% (895)
Total	33.0% (196) 34.7% (900)	34.4% (273) 30.2% (1187)	32.6% (226) 35.1% (898)	100.0% (695) 100.0% (2985)

Real Return Option

Periods Ended June 30, 2018



Defined Contribution Trends

2Q 2018 DC Trends

Regulatory Trends

5th Circuit Court Buries Final Stake into Heart of the Fiduciary Rule

Like many a movie monster, the Fiduciary Rule has often been killed off, only to reanimate. The United States Court of Appeals 5th Circuit may have finally and definitively killed the rule. On June 21, 2018 the court issued its mandate to officially vacate the rule in totality. This ruling effectively ends the legal battle over the Fiduciary Rule. The deadline for a party to request that the Supreme Court examine the case lapsed on June 13, 2018. With the rule now vacated the previous regulatory “Five Part Test” from 1975 applies. Under the “Five Part Test” a person is a Fiduciary if she:

1. renders advice to the plan as to the value of or advisability of buying, selling, investing in securities or other property
2. does so on a regular basis
3. pursuant to a mutual agreement, arrangement or understanding, written or otherwise, with the plan or plan fiduciary
4. that these services will serve as a primary basis for investment decision with respect to plan assets, and
5. the advice will be individualized to the plan based on the particular needs of the plan regarding such matters as investment policies or strategy, overall portfolio composition or diversification

For participants the biggest change will be that recommendations on retirement plan consolidations, rollovers, transfers and distributions that were, under the 2017 DOL Rule, considered fiduciary in nature are generally no longer considered fiduciary advice under ERISA. The word “generally” is used since there is a gray area as to whether rollover advice made by a person acting as a fiduciary for other purposes counts as investment advice (see Advisory Opinion 2005 – 23A).

This ruling marks the end of the Fiduciary Rule which appears to have used up its nine lives. In its wake, the SEC will now take up the mantle and look to define who is a fiduciary and what that duty entails.

Regulatory Trends

DOL Issues More Guidance Related to ESG Investing in DC Plans

The Department of Labor (DOL) issued a Field Assistance Bulletin (FAB) to provide guidance to the Employee Benefits Security Administration’s (EBSA) national and regional offices when it aims to clarify how environmental, social, and governance (ESG) considerations should be taken into account under the Employee Retirement Income and Security Act (ERISA).

For proper context, the new FAB follows a 2015 FAB related to ESG in an ERISA context. The 2015 FAB spelled out that fiduciaries “could not accept lower expected returns or take greater risks in order to secure collateral benefits” (e.g., the good feelings associated with ESG investments). This essentially meant ESG considerations could be considered a “tiebreaker” if funds were identical in all other facets. However, the 2015 FAB built upon the previous “tiebreaker” language by asserting that ESG factors “may have a direct relationship to the economic and financial value of an investment. When they do, these factors are more than just tiebreakers, but rather are proper components of the fiduciary's analysis of the economic and financial merits of competing investment choices.”

The new FAB, though, cautions fiduciaries about too readily linking ESG factors as being economically relevant. As the FAB puts it: “It does not ineluctably follow from the fact that an investment promotes ESG factors… that the investment is a prudent choice for retirement or other investors… A fiduciary’s evaluation of the economics of an investment should be focused on financial factors that have a material effect on the return and risk of an investment based on appropriate investment horizons consistent with the plan’s articulated funding and investment objectives.”

This FAB also cautions those who would offer an ESG-themed qualified default investment alternative (QDIA). It reminds fiduciaries that there is nothing in the existing QDIA regulation to suggest fiduciaries should choose QDIAs based on any collateral public policy goals. In fact, this FAB cautions that fiduciaries could run afoul of ERISA’s duty of loyalty if they were to put forward their own policy preferences (with regard to ESG factors) while disregarding the possibility of participants holding other views and beliefs.

When evaluating ESG options, this FAB reiterates that the focus of plan sponsors must first and foremost be on the economic interests of the plan and its beneficiaries. This FAB additionally will give pause to those plan sponsors considering an ESG-themed QDIA.

Regulatory Trends

SEC vs. DOL

The U.S. Securities and Exchange Commission (SEC) voted 4-1 on April 18 to propose a three-part “fiduciary” rule aimed at reforming the way investment professionals service retail investors. The rule has fewer teeth but a broader footprint than the now-uncertain U.S. Department of Labor (DOL) fiduciary rule.

The SEC has intermittently attempted to draft rules that establish various gradations of fiduciary obligations for investment professionals since 1999. In its earliest iteration, the so-called “Merrill Lynch rule” exempted brokers who used fee-based accounts from being designated as fiduciaries. That rule took effect in 2005 but was overturned two years later when an appellate court determined the SEC had exceeded its authority.

In 2010, the Dodd-Frank Wall Street and Consumer Reform Protection Act granted the SEC authority to establish a fiduciary standard. Now, eight years later, the SEC is looking to clarify and enhance current regulations. The SEC’s stated goal is to enhance the quality and transparency of investors’ relationships with investment advisers and broker-dealers while preserving access to a variety of types of advice relationships and investment products.

The SEC's proposed investment advice rule package consists of three main parts:

1. Regulation Best Interest: This is the proposed standard of conduct for broker-dealers, requiring they act in the best interest of the retail customer at the time a recommendation is made without placing the financial or other interest of the broker-dealer (or a person associated with the broker) ahead of the interest of the retail customer. However, this regulation does not explicitly define “best interest.” The regulation does, however, lay out three specific requirements that broker-dealers must satisfy to comply with their “best interest” obligation. One of the three requires broker-dealers to establish, maintain, and enforce written policies and procedures reasonably designed to identify and then to (A) at a minimum disclose, or eliminate, material conflicts of interest associated with the recommendation; and (B) disclose and mitigate, or eliminate, material conflicts of interest arising from financial incentives associated with the recommendation.

2. Interpretive Guidance on the Fiduciary Duty Applicable to Investment Advisers: The investment adviser interpretation requires advisers to put their clients’ interests first, seek best execution in client transactions, offer “full and fair disclosure” of any material issues that could affect the advisory relationship, and provide ongoing account monitoring and advice to clients.

2Q 2018 DC Trends

Regulatory Trends

SEC vs. DOL (cont.)

3. Form CRS and New Naming Requirements:

- The new mandatory Form Customer Relationship Summary (Form CRS) outlines the standards of care investment advisers and brokers must meet. This disclosure should be no more than four pages and describe the services offered, legal standards governing the client relationship, relevant disciplinary history, product fee structures, potential conflicts of interest, and a set of standardized questions clients should consider asking.
- This rule would also require broker-dealers to be direct and clear about their legal form in communications with investor and prospective investors. It would forbid standalone broker-dealers from calling themselves “advisers” or “advisors,” unless they are also registered as an investment adviser with the SEC.

The SEC commissioners who voted in favor of this rule did so with marked concerns. The sole holdout, Democratic commissioner Kara Stein, said it “protects the broker-dealer, not the customer… Calling the proposal Regulation Best Interest could cause retail investors to reasonably believe that broker-dealers are required to act in their clients’ best interest. Perhaps it would be more accurate to call this proposal Regulation Status Quo.”

What does this mean for the DOL fiduciary rule?
Last month, the Fifth Circuit Court of Appeals vacated the DOL rule that requires brokers to act in the best interests of retirement accountholders. The DOL has until April 30, 2018 to appeal that split decision, but it hasn’t indicated whether it will appeal. If the DOL does nothing, the court's ruling will take effect on May 7, 2018. Alternatively, the DOL can request a special hearing from the court before April 30, 2018, appeal to the U.S. Supreme Court before June 13, 2018, or issue emergency rulemaking.

Key differences between the SEC-proposed rule and the DOL final fiduciary rule:
Unlike the DOL’s fiduciary rule, which applied only to retirement accounts, the provisions proposed by the SEC would apply to all retail investors (e.g., 401k participants, IRA holders, individual investors). In addition, the DOL’s rule allowed investors to bring lawsuits through private rights of action rather than go to arbitration to settle disputes, while the SEC rule would require investors to seek private arbitration under the auspices of the Financial Industry Regulatory Authority (FINRA), an industry-funded body. Also, the Regulation Best Interest proposal does not explicitly define “best interest,” contrasted with the DOL’s rule where the best interest standard is intended to mirror the duties of prudence and loyalty under the Employee Retirement Income Security Act (ERISA).

2Q 2018 DC Trends

Industry Trends

Vanguard Releases "How America Saves" Report

On June 4, Vanguard released How America Saves 2018: A report on Vanguard 2017 defined contribution data. The report features data from about 1,900 qualified plans and 4.6 million participants for which Vanguard provides recordkeeping services.

The percentage of participants with allocations to a single professionally managed option like target-date funds, balanced funds or managed accounts reached 58% in 2017. A majority of the participants were invested in a single target-date fund (51%), while 4% held a balanced fund and the remaining 3% used a managed account program.

Other key findings:

- Auto features: Nearly half (46%) of plans have adopted automatic enrollment at year-end 2017. Two-thirds of plans offering automatic enrollment also implemented automatic annual deferral rate increases.
- Participant contributions: In 2017, two-thirds of plans (67%) offered immediate eligibility for employees to make contributions, and nearly half (46%) of plans immediately vested participants in employer-matching contributions. The average deferral by participants in 2017 was 6.8%, unchanged from 2016 but down slightly from 2015 (6.9%).
- Plan options: The average plan offered 18 investment options in 2017 (when target-date or target-risk funds counted as a single offering). The average number of options remained fairly steady between 2008 and 2017.
- Passive offerings: In 2017, 6 in 10 plans offered a set of core options providing low-cost index exposure. Despite this, only 2% of all Vanguard plans offer an all-index menu excluding non-passive options like money market, stable value, and company stock funds.
- Default investment option: Most surveyed plans (79%) have a qualified default investment alternative (QDIA) as the default investment fund.
- Company stock: The number of plans offering company stock to participants has slowly declined from 11% in 2008 to 9% in 2017.
- Loans and hardships withdrawals: The percent of plans allowing loans reached 80% in 2017. Similarly, 85% of plans allowed hardship withdrawals, while 88% of plans allowed age 59½ withdrawals in 2017.

2Q 2018 DC Trends

Industry Trends

Financial Engines Acquired by Hellman & Friedman

On Monday, April 30, 2018, private equity firm Hellman & Friedman announced the acquisition of Financial Engines in an all-cash deal valued at roughly $3 billion. Hellman & Friedman plans to pair Financial Engines with another registered investment adviser in its portfolio, Edelman Financial Services.

Based in Fairfax, VA, Edelman focuses on the retail market, overseeing $22 billion in assets while Financial Engines manages $169 billion. Financial Engines CEO Larry Raffone will lead the combined firm, and Rick Edelman, Edelman's founder, will serve as its chairman of financial and investor education. The combined firm will marry Financial Engines' legacy institutional presence with Edelman's more retail focus. The deal is expected to close in the third quarter pending shareholder approval.

Among institutional recordkeepers, Financial Engines is offered by Alight Solutions, Conduent, Empower Retirement, Fidelity Investments, T. Rowe Price, Transamerica, Vanguard, Voya Financial, and Wells Fargo. As of 2016, Financial Engines controlled approximately 59% of the managed account market.

The deal could signify more involvement by private equity in the advice space where digitization is increasingly bringing disruption.

Proposed Option Revisions

Callan

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Memorandum

To: **Oregon Savings Growth Plan Advisory Committee**

From: Anne Heaphy, Ben Taylor, and Uvan Tseng, Callan

Date: August 6, 2018

Subject: Proposed Investment Option Revisions

Callan recently completed an investment structure evaluation for the Oregon Savings Growth Plan (OSGP). For this evaluation, we reviewed both the asset classes being offered, as well as the underlying structure of the options. We believe the design of the Plan is sound but had some recommendations to improve the Plan on the margin. The asset classes that were flagged for possible changes are reviewed below.

Capital Preservation Options

The Plan currently offers both a Short-Term Fixed Income option and a Stable Value option. Given that both funds serve the same purpose, but stable value has a feature that guarantees its book value, it makes sense to eliminate the Short-Term Fixed Income option and move all assets to the Stable Value option. This move will streamline the capital preservation options and eliminate confusion by having only one fund in that category (the Stable Value option has 10% of total plan assets while the Short-Term Fixed Income option has 2.3% of assets). Additionally, through the negotiation efforts of OST Staff, Galliard has agreed to revise the fee schedule for the stable value assets. Currently, the fee schedule is 15bps on the first $100M, 13 bps on the next $100M, and 9 bps on the balance. If the assets from the Short-Term Fixed Income option are moved into the Stable Value option, the fee for the balance of assets will be reduced to 8 bps.

Large Cap Options

OSGP currently offers passive Large Cap Value and passive Large Cap Growth options. When large cap growth and value options are offered, there is a concern that participants may not fully understand the differences between the two or how to properly allocate between them. In those cases, we would recommend collapsing the two options into a single large cap option (where it could be either a single core manager or a pairing of large value and large growth managers). After obtaining participant usage data from Voya and conducting analyses along with OST Staff, we concluded that the options should be left as is since there were enough participants that had significant amounts in both options that it appeared that they were making active allocation choices.

International Equity Option

OSGP's International Equity Option is comprised of five underlying funds: AQR ACWI ex-US (25% of option), BlackRock MSCI ACWI ex-US Index (25%), DFA Emerging Markets Core Equity (10%), DFA International Core Equity (15%), and Lazard International Equity (25%). In an effort to more closely align the managers with those in the Oregon Public Employees Retirement Fund, OST has explored the inclusion of Arrowstreet ACWI ex-US, which is one of OST's high conviction managers. In the past,

Callan

Arrowstreet did not have an appropriate vehicle at a reasonable fee for use in a defined contribution plan; however, Arrowstreet has recently launched such a vehicle. As such, Staff is proposing to swap out the BlackRock MSCI ACWI ex-US Index fund and replace it with the Arrowstreet ACWI ex-US strategy. Callan also has high conviction in Arrowstreet as an international equity manager and is supportive of this change; though we do want to point out that the expense ratio for the option will increase to approximately 57 bps (from 38 bps) as part of the change.

Real Return Option

OSGP's current real return fund is comprised of three underlying funds: the GMO Benchmark Free Allocation Fund, the Wellington Real Return Fund, and the SSgA Real Assets Fund, in equal portions. While the current structure is a reasonable one, it also has sizable equity beta (both the GMO and Wellington funds have exposure to traditional equities, as well as absolute return and style premia strategies) and our preference is for a more pure-play inflation sensitive option. The SSgA fund is a passively implemented fund that has exposure to several inflation sensitive asset classes: commodities, REITs, TIPS, and global infrastructure.

Callan reviewed different inflation sensitive options that we have created for other clients, as well as other options, to see how we could restructure the OSGP real return fund. However, after much debate, and in light of the low utilization of the fund (0.2% of total plan assets), Callan and OST Staff believe that the best course of action would be to simplify the structure and strip away the GMO and Wellington funds, leaving just the SSgA Real Assets Fund. This change would simplify the structure and lower the fee significantly (from 56 bps to 22 bps).

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

Date: August 10, 2018

To: Oregon Savings Growth Plan Advisory Committee

From: Wil Hiles, Investment Analyst
Michael Viteri, Senior Investment Officer

Re: Deferred Compensation Program, 2nd Quarter 2018 Report

Background

The Oregon Savings Growth Plan (the "Plan" or "OSGP") is the State of Oregon's 457 Deferred Compensation plan. OSGP is a voluntary supplemental retirement plan that provides eligible state and local government employees the opportunity to defer a portion of their current salary on a pre-tax or after-tax (Roth) basis. These deferrals are invested in various investment options until participants draw funds at retirement. The Plan offers an array of equity and fixed income investment options, a suite of target-date retirement funds, which in aggregate constitute a single investment option, and a self-directed brokerage option. The plan has over 30,000 participants and assets totaling $2.18 billion, as of June 30, 2018.

With support and assistance from the Oregon State Treasury (OST) Investment Division, the Oregon Investment Council (OIC) is responsible for oversight of the Plan's ***investment program***. Oversight of Plan ***administration*** is the responsibility of the Oregon Public Employees Retirement System Board ("PERS Board"), with support from OSGP staff. Additional oversight is provided by a seven-member Deferred Compensation Advisory Committee (the "Advisory Committee") established under ORS 243.505.

OSGP Performance

Oregon Savings Growth Plan
Performance Results
As of June 30, 2018

Fund Option *Benchmarks*	**Performance (%)**					
	3 Months	**YTD**	**1 Year**	**3 Years**	**5 Years**	**10 Years**
Short-Term Fixed Option	0.40	0.71	1.14	0.48	0.23	0.14
91 Day T-Bill	0.45	0.81	1.36	0.68	0.42	0.35
Stable Value Option	0.48	0.92	1.77	1.54	1.40	1.65
91 Day T-Bill	0.45	0.81	1.36	0.68	0.42	0.35
*Rolling Average 5 Year CMT**	0.40	0.79	1.53	1.36	1.39	2.18
Active Fixed Income Option	0.06	-0.99	0.56	2.31	2.79	4.50
Barclays US Aggregate Bond Index	-0.16	-1.62	-0.40	1.72	2.27	3.72
Large Company Value Stock Option	1.17	-1.70	6.70	8.15	10.38	8.54
Russell 1000 Value Index	1.18	-1.69	6.77	8.26	10.34	8.49
Stock Index Option	3.86	3.16	14.61	11.47	13.16	10.10
Russell 3000 Index	3.89	3.22	14.78	11.58	13.29	10.23
Large Company Growth Stock Option	5.72	7.16	22.26	14.80	16.10	11.44
Russell 1000 Growth Index	5.76	7.25	22.51	14.98	16.36	11.83
International Stock Option	-3.94	-4.22	6.61	4.94	6.23	3.29
MSCI ACWI ex-US (net) Index	-2.61	-3.77	7.28	5.07	6.37	2.81
Small Company Stock Option	7.37	6.70	17.75	10.57	12.27	10.78
Russell 2000 Index	7.75	7.66	17.57	10.96	12.95	11.06
Socially Responsible Stock Option	2.69	2.44	13.46	11.13	N/A	N/A
Russell 3000 Index	3.89	3.22	14.78	11.58	N/A	N/A
Real Return Option	0.06	-0.80	4.08	0.87	N/A	N/A
CPI + 3%	1.98	4.00	6.22	4.97	N/A	N/A
BlackRock LifePath Retirement	0.71	-0.33	4.66	4.29	4.91	4.98
BlackRock LifePath 2020	0.76	-0.28	5.44	4.84	5.72	5.13
BlackRock LifePath 2025	0.97	-0.13	6.68	5.62	6.50	5.50
BlackRock LifePath 2030	1.14	0.11	7.88	6.43	7.31	5.90
BlackRock LifePath 2035	1.32	0.15	8.83	6.99	7.82	6.11
BlackRock LifePath 2040	1.46	0.25	9.76	7.55	8.38	6.33
BlackRock LifePath 2045	1.59	0.33	10.39	7.92	8.78	6.50
BlackRock LifePath 2050	1.62	0.33	10.59	8.04	9.00	6.69
BlackRock LifePath 2055	1.62	0.33	10.57	8.03	9.12	N/A
BlackRock LifePath 2060	1.61	0.33	10.54	8.04	N/A	N/A

*CMT is the Constant Maturity Treasury Yield.

Performance shown for periods longer than one year is annualized.

All reported returns are net of fees. OSGP has two types of fees: investment management and administrative fees.

Administrative fees are comprised of State of Oregon administration, recordingkeeping, custody, trust, and communications fees.

Additional OSGP Data

Fund Name	Market Value ($)	% of Total	Plan Participants	IM Fees (bps)	Admin Fees (bps)	Total Fees (bps)
Short-Term Fixed Option	50,217,898	2.3%	3,192	11	11.9	23
Stable Value Option	213,648,261	9.8%	7,335	38	11.9	50
Active Fixed Income Option	110,966,980	5.1%	6,345	18	11.9	30
Large Company Value Stock Option	189,865,012	8.7%	10,056	3	11.9	15
Stock Index Option	253,577,604	11.6%	9,505	4	11.9	16
Large Company Growth Stock Option	249,253,270	11.4%	11,310	3	11.9	15
International Stock Option	117,134,733	5.4%	9,437	38	11.9	50
Small Company Stock Option	278,463,186	12.8%	11,393	39	11.9	51
Real Return Option	4,127,246	0.2%	584	53	11.9	65
Socially Responsible Investment Option	12,097,953	0.6%	1,306	18	11.9	30
BlackRock LifePath Retirement Fund	195,632,323	9.0%	3,771	9	11.9	21
BlackRock LifePath 2020 Fund	142,337,413	6.5%	3,264	9	11.9	21
BlackRock LifePath 2025 Fund	108,383,758	5.0%	3,533	9	11.9	21
BlackRock LifePath 2030 Fund	79,902,853	3.7%	3,480	9	11.9	21
BlackRock LifePath 2035 Fund	58,855,010	2.7%	3,414	9	11.9	21
BlackRock LifePath 2040 Fund	39,287,852	1.8%	3,075	9	11.9	21
BlackRock LifePath 2045 Fund	25,674,674	1.2%	2,593	9	11.9	21
BlackRock LifePath 2050 Fund	23,288,556	1.1%	2,023	9	11.9	21
BlackRock LifePath 2055 Fund	8,704,556	0.4%	1,073	9	11.9	21
BlackRock LifePath 2060 Fund	5,086,817	0.2%	632	9	11.9	21
Self-Directed Brokerage Option	14,183,542	0.7%	204	0	11.9	12
Total	**2,180,689,496**	**100%**				

Source: Market Value & Plan Participants data, OSGP recordkeeper, Voya Financial. Fee estimation, OST.

The plan's Self-Directed Brokerage Option, executed through Charles Schwab, finished the quarter with $14.2 million in assets, or 0.7% of total OSGP assets.

Investment Structure Evaluation

At staff's request, Callan, the Plan's retained investment consultant, performed an evaluation on the Plan's investment options. Staff identified that select investment options, specifically, the Capital Preservation Option, Large Company Stock Options, International Equity Option, and Real Return Option, warranted further attention. After completing further analysis and discussing potential solutions with Treasury staff, Callan prepared the accompanying memo with the resulting recommendations.

Callan

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Memorandum

To: **Oregon Savings Growth Plan Advisory Committee**

From: Anne Heaphy, Ben Taylor, and Uvan Tseng, Callan

Date: August 6, 2018

Subject: Proposed Investment Option Revisions

Callan recently completed an investment structure evaluation for the Oregon Savings Growth Plan (OSGP). For this evaluation, we reviewed both the asset classes being offered, as well as the underlying structure of the options. We believe the design of the Plan is sound but had some recommendations to improve the Plan on the margin. The asset classes that were flagged for possible changes are reviewed below.

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FUND OVERVIEW AS OF 6/30/18

ANNUALIZED PERFORMANCE[1]

Periods Ending 6/30/18	Fund (%)	Benchmark (%)	BofAML 3 Mo. T-Bill (%)
2Q'18	0.48	0.65	0.45
YTD	0.92	1.22	0.81
1 Year	1.77	2.06	1.36
3 Year	1.54	1.45	0.68
5 Year	1.40	1.21	0.42
10 Year	1.65	1.09	0.35

FUND FACTS

Fund Category	Stable Value
Fund Assets	$213,682,708
Fund Advisor	Galliard Capital Management
Expense Ratio	0.50%
Participant Withdrawals/Transfers	Daily

FUND CHARACTERISTICS

Blended Yield (after fees)	1.98%
Effective Duration	2.84 Yrs
Annualized Turnover[2] (as of 12/31/17)	79.07%

INVESTMENT CONTRACT ISSUERS

Issuer	Moody's Rating	S&P Rating
Transamerica Premier Life Ins. Co.	A1	AA-
Voya Ret. Ins. and Annuity Co.	A2	A
Prudential Ins. Co. of America	A1	AA-
Massachusetts Mutual Life Ins. Co.	Aa2	AA+
New York Life Ins. Co.	Aaa	AA+

FUND ALLOCATION

	Fund (%)
Security Backed Investment Contracts	81.4
Separate Account GICs	11.9
Cash/Equivalents	6.7

SECTOR ALLOCATION OF THE UNDERLYING FIXED INCOME PORTFOLIO

	Fund (%)
U.S. Treasury/Agency	19.0
Other U.S. Government	3.1
Corporate/Taxable Muni/Not for Profit	32.9
Mortgage Backed Securities (MBS)	23.7
Asset Backed Securities (ABS)	12.4
International Gov't/Agency Securities	0.2
Cash/Equivalents	8.7

INVESTMENT OBJECTIVE

The State of Oregon Stable Value Fund (the "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

Conservative	Moderate	Aggressive
Money Markets STABLE VALUE	Bond Funds	Stock Funds

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 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.

1: Returns for periods less than one year are not annualized. Performance is net of all fees and includes all income, realized 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. 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.
2: Please refer to the Fund's Disclosure Booklet for information regarding methodology of turnover calculation.
The **Fund and the underlying collective funds are not insured by the FDIC, Federal Reserve Bank, nor guaranteed by Wells Fargo 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.

FUND ADVISOR

Galliard Capital Management is the Fund's Advisor. Galliard specializes in stable value management and currently manages $90.4 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 website 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 Fund Operating Expenses are deducted directly from the Fund's net asset value and reduce the investment option's rate of return.

Expenses	Expense Ratio (as of 6/30/18)	Per $1,000
Investment Management Fees paid to Galliard	0.137%	$1.37
Investment Management Fees paid to Non-Affiliated Investment Advisors	0.009%	$0.09
Investment Contract Fees [1]	0.174%	$1.74
Acquired Fund Fees [2]	0.063%	$0.63
Investment Contract Fees	None	None
Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors [3]	0.063%	$0.63
12b-1 Distribution Fee	None	None
Other Expenses	0.120%	$1.20
Total Annual Fund Operating Expenses [4]	0.503%	$5.03

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

1: These are fees paid to create and maintain the investments used by a stable value fund.
2: These are fees borne indirectly by the Fund when it acquires an interest in another fund which pays its own separate fees.
3: Includes audit fees for the cost of producing a report by a qualified auditor.
4: Total Annual Fund Operating Expenses are reflected daily in the Fund's net asset value (NAV).

GALLIARD
Capital Management, Inc.

STATE OF OREGON STABLE VALUE FUND

SECOND QUARTER 2018 PORTFOLIO REVIEW

STABLE VALUE PORTFOLIO REVIEW - STATE OF OREGON STABLE VALUE FUND

Second Quarter 2018

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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.

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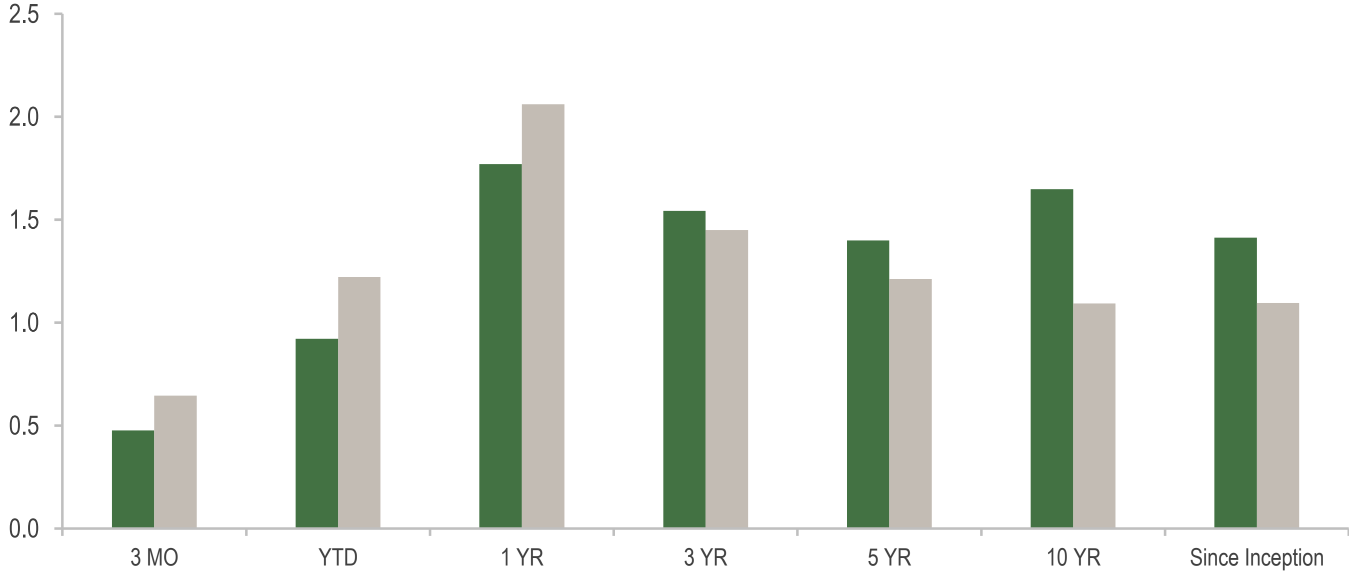
STABLE VALUE PORTFOLIO REVIEW - STATE OF OREGON STABLE VALUE FUND

Second Quarter 2018

ANNUALIZED INVESTMENT PERFORMANCE AS OF 6/30/18[1]



	3 Mo.	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception[5]
Portfolio (net of inv. mgmt. fees)[2,4]	0.51	0.98	1.92	1.71	1.57	-	1.59
Portfolio (net of all fees - NAV level)[3,4]	0.48	0.92	1.77	1.54	1.40	1.65	1.41
3 Year Constant Maturity Treasury	0.65	1.22	2.06	1.45	1.21	1.09	1.10
Value Added (net of all fees - NAV level)[6]	**(0.17)**	**(0.30)**	**(0.29)**	**0.09**	**0.19**	**0.55**	**0.32**

1: Returns for periods of less than one year are not annualized.
2: Returns are net of book value contract, Galliard investment management fees, and, if applicable, external manager fees and Wells Fargo collective fund administrative fees.
3: Returns are net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, Wells Fargo collective fund administrative fees, and plan administrative reimbursement.
4: Galliard assumed management of this portfolio on September 1, 2012. Performance for periods referenced prior to this date include historical performance of another investment advisor.
5: Performance inception: September 1, 2012.
6: May not add due to rounding.

STABLE VALUE PORTFOLIO REVIEW - STATE OF OREGON STABLE VALUE FUND

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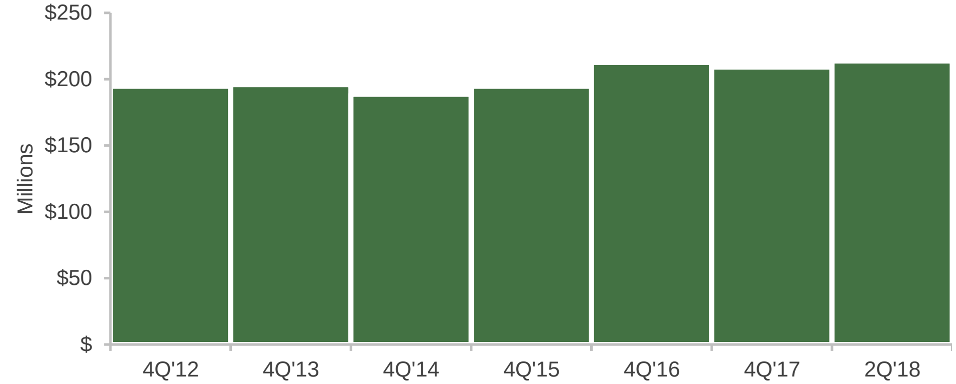
STATE OF OREGON STABLE VALUE FUND

ACCOUNT SUMMARY

Benchmark	3 Year Constant Maturity Treasury
Galliard Inception Date	September 4, 2012
Net Asset Value	$213,682,708

HISTORICAL FUND ASSETS



PORTFOLIO CHARACTERISTICS

	Portfolio 3/31/18	Portfolio 6/30/18
Average Quality - Book Value[1]	AA-	AA-
Average Quality - Market Value[2]	AA	AA
Number of Contract Issuers	5	5
Blended Yield (after all fees)[3]	1.83%	1.98%
Yield to Maturity	2.86%	3.10%
Effective Duration	2.82 years	2.84 years
Market/Book Value Ratio	98.65%	98.29%

PORTFOLIO DISTRIBUTION

	% Portfolio 3/31/18	% Portfolio 6/30/18
Liquidity Buffer: Cash & Equivalents[4]	7.9	6.7
Short Portfolio	38.7	37.5
Short / Intermediate Portfolio	9.7	9.7
Intermediate Portfolio	43.7	46.1
Total	**100.0%**[5]	**100.0%**[5]

1: Average holdings quality of the contracts and other book value assets in the portfolio. 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 individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

2: Average holdings quality of the underlying assets of the portfolio. 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 individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

3: Blended Yield is net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, Wells Fargo collective fund administrative fees, and plan administrative reimbursement.

4: Includes Receivables and Payables.

5: Total % of portfolio may not add to 100% due to rounding.

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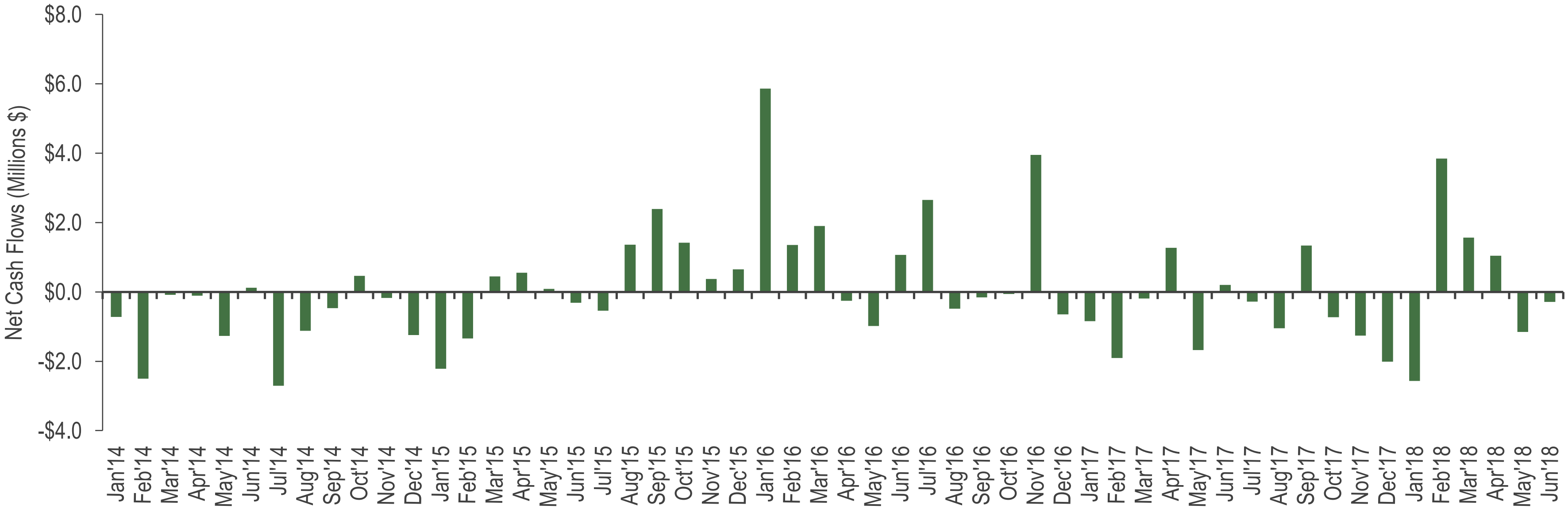
HISTORICAL CASHFLOWS



	2014	2015	2016	2017	1Q'18	2Q'18	2018 YTD
Beginning Assets	$195.7	$188.7	$194.6	$212.4	$209.1	$213.0	$209.1
Net Cash Flow ($)[1]	-$9.8	$2.9	$14.2	-$7.1	$2.8	-$0.4	$2.4
Net Cash Flow (%)	-5.02%	1.52%	7.29%	-3.35%	1.36%	-0.19%	1.17%
Estimated Investment Earnings	$2.7	$3.1	$3.6	$3.9	$1.0	$1.1	$2.1
Ending Assets[2]	$188.7	$194.6	$212.4	$209.1	$213.0	$213.7	$213.7

1: Contributions, Withdrawals and Investment Transfers
2: Cashflows may not net to final assets due to rounding.

STABLE VALUE PORTFOLIO REVIEW - STATE OF OREGON STABLE VALUE FUND

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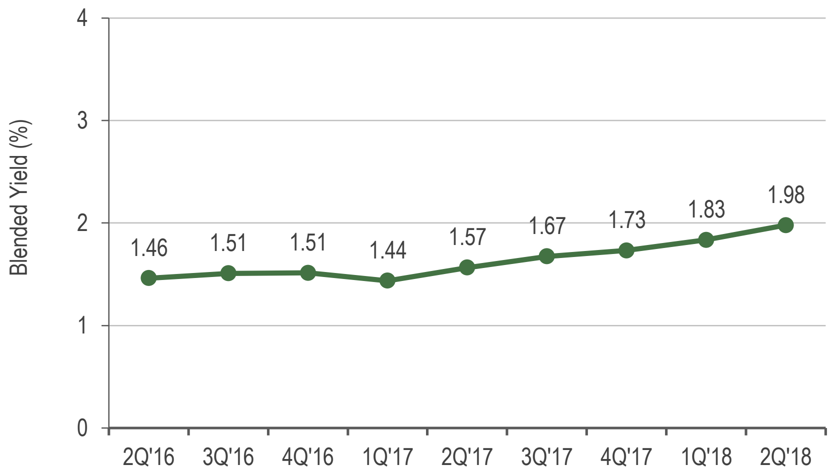
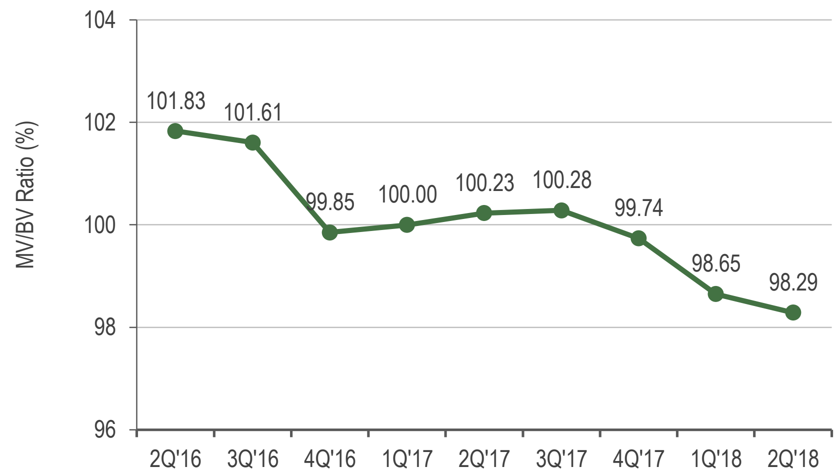
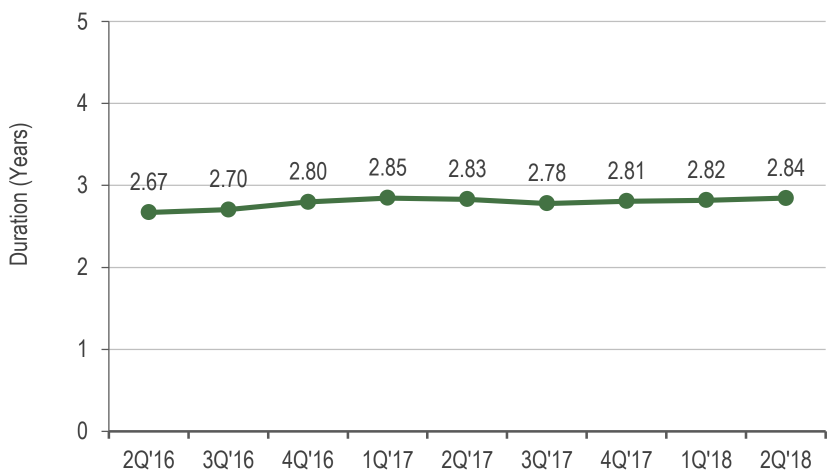
HISTORICAL BLENDED YIELD[1]



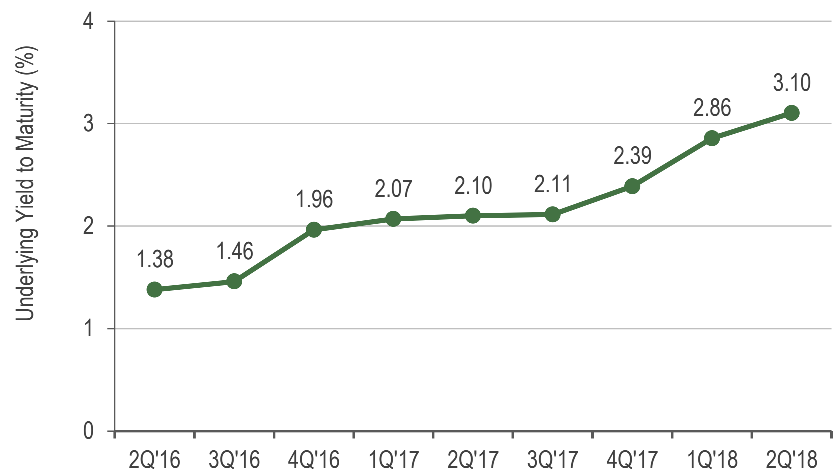
HISTORICAL MARKET VALUE TO BOOK VALUE RATIO



HISTORICAL DURATION



HISTORICAL UNDERLYING YIELD TO MATURITY



1: Blended Yield is net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, Wells Fargo collective fund administrative fees, and plan administrative reimbursement.

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STRATEGY DISTRIBUTION[1]

	Portfolio 3/31/18	Portfolio 6/30/18
Liquidity Buffer[2]	7.9	6.7
Short	38.7	37.5
Short / Intermediate	9.7	9.7
Intermediate	43.7	46.1

CONTRACT ISSUER DISTRIBUTION & RATING SUMMARY[3]

	% Portfolio 3/31/18	% Portfolio 6/30/18	Rating 3/31/18	Rating 6/30/18
Massachusetts Mutual Life Ins. Co.	11.9	11.9	AA+	AA+
New York Life Ins. Co.	9.7	9.7	AAA	AAA
Prudential Ins. Co. of America	21.4	21.6	AA-	AA-
Transamerica Premier Life Ins. Co.	25.5	25.9	A+	A+
Voya Ret. Ins. and Annuity Co.	23.8	24.2	A	A

1: Book Value.

2: Includes Receivables and Payables.

3: The quality rating shown represents 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.

STABLE VALUE PORTFOLIO REVIEW - STATE OF OREGON STABLE VALUE FUND

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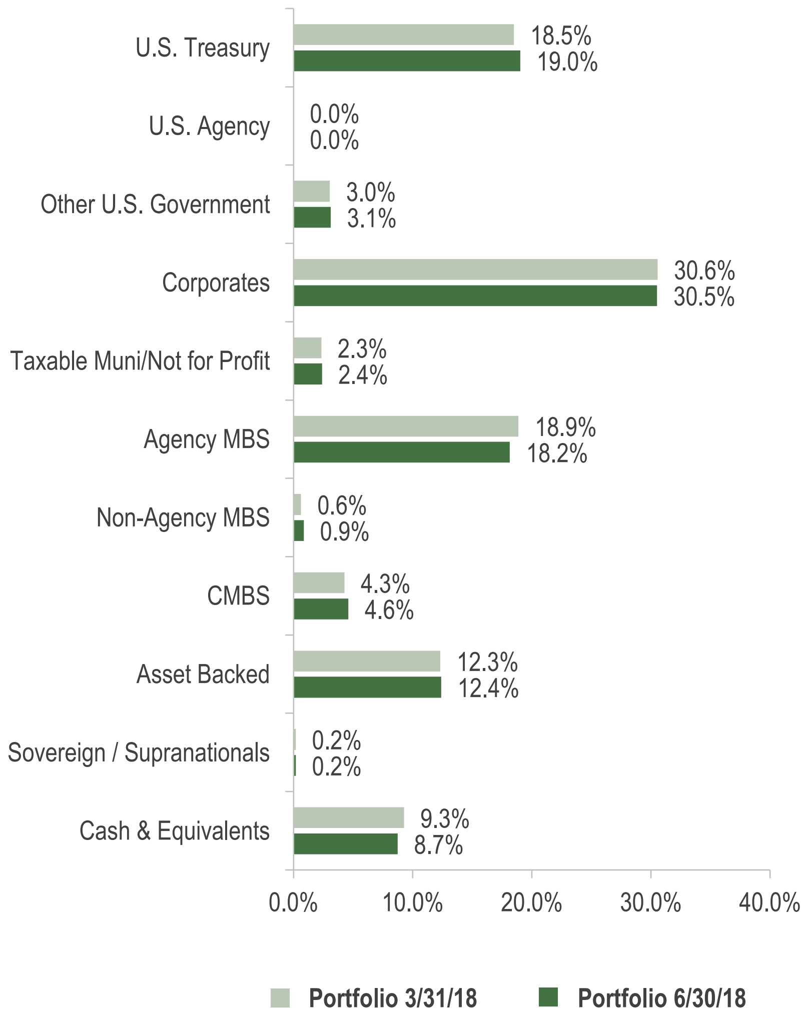
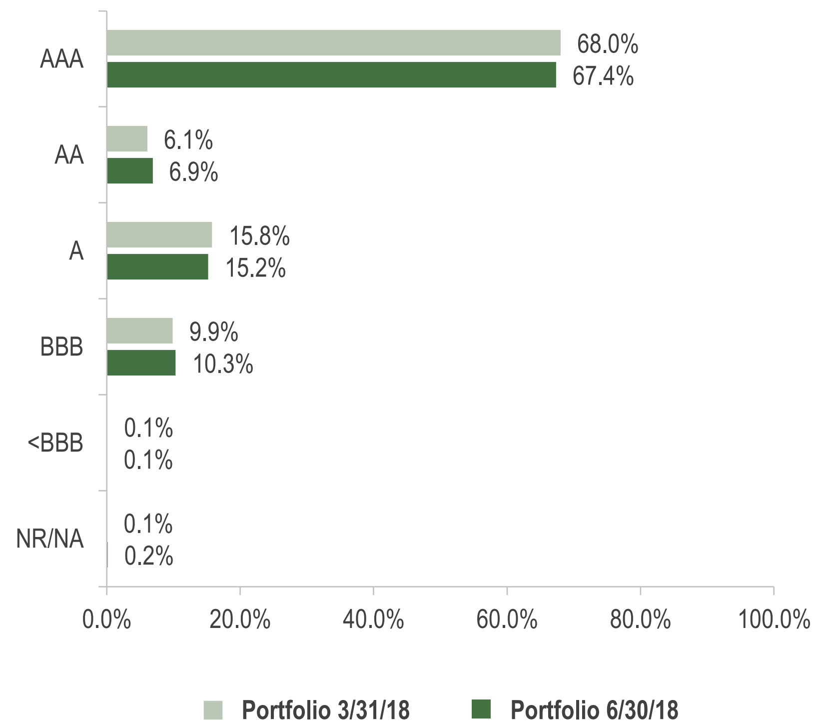
UNDERLYING FIXED INCOME ASSET ALLOCATION[1]



UNDERLYING QUALITY DISTRIBUTION[1]



NOTE: The sector classifications reflected on this report have changed. Other U.S. Agencies was moved to Other U.S. Government from U.S. Agencies, and Not for Profits was moved to Taxable Muni/Not for Profit.

1: Market Value. Total % of portfolio may not add to 100% due to rounding. The external managers provide holdings and the securities are classified using Galliard's analytics methodology for maximum comparability across managers. 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. Distributions represent the portfolio positions for reporting purposes only. Investment guideline compliance is reported in your quarterly portfolio commentary or separately through your Galliard relationship manager.

STATE OF OREGON STABLE VALUE FUND PORTFOLIO TRANSACTIONS

Period: 4/1/2018 - 6/30/2018

Asset ID	Security Description	Par Amount	Trade Date	Settle Date	Galliard Composite Rating
PURCHASES					
744999SP9	Prudential Ins. Co. of America	350,000	4/6/2018	4/6/2018	AA-
600996DU3	Transamerica Premier Life Ins. Co.	840,000	4/6/2018	4/6/2018	A+
75999UTZ1	Voya Ret. Ins. and Annuity Co.	790,000	4/6/2018	4/6/2018	A
575997ZT1	Massachusetts Mutual Life Ins. Co.	90,000	4/6/2018	4/6/2018	AA+
TOTAL PURCHASES		**2,070,000**			
SALES					
3839909B6	State Street Government STIF 10	2,070,000	4/6/2018	4/6/2018	AAA
TOTAL SALES		**2,070,000**			

STATE OF OREGON STABLE VALUE FUND PORTFOLIO HOLDINGS

June 30, 2018

Asset ID	Security Description	Contract[1] Type	Manager	Contract Value ($)	Market Value ($)	Market/Book Value Ratio (%)	% of Portfolio	Crediting Rate (%)[2]	UCA Yield (%)	Maturity[3]	Effective Duration (yrs)	Galliard Composite Rating	Wrap Fees (bps)
LIQUIDITY BUFFER													
	Cash Receivable / (Payable)			0	0	0.0	0.0	1.91	1.91		0.10	AAA	
3839909B6	State Street Government STIF 10			14,281,478	14,281,478	100.0	6.7	1.91	1.91		0.10	AAA	
TOTAL LIQUIDITY BUFFER				14,281,478	14,281,478	100.0	6.7	1.91	1.91		0.10	AAA	
SHORT PORTFOLIO													
575997ZT1	Massachusetts Mutual Life Ins. Co.	SAGIC	Galliard	6,058,326	5,906,907	97.5	2.8	2.52	2.93	N.S.M.	1.87	AA+	20.0
744999SP9	Prudential Ins. Co. of America	SBIC	Galliard	22,725,679	22,488,179	99.0	10.6	2.39	3.04	N.S.M.	1.86	AA-	18.0
600996DU3	Transamerica Premier Life Ins. Co.	SBIC	Galliard	30,651,858	30,056,245	98.1	14.3	2.11	3.04	N.S.M.	1.86	A+	18.0
75999UTZ1	Voya Ret. Ins. and Annuity Co.	SBIC	Galliard	20,801,746	20,441,722	98.3	9.7	2.33	3.04	N.S.M.	1.86	A	18.0
TOTAL SHORT PORTFOLIO				80,237,609	78,893,053	98.3	37.5	2.28	3.03		1.86	A+	
SHORT / INTERMEDIATE PORTFOLIO													
64999DNB2	New York Life Ins. Co.	SBIC	NYL Investors LLC	20,681,120	20,109,709	97.2	9.7	1.87	3.02	N.S.M.	2.83	AAA	22.0
TOTAL SHORT / INTERMEDIATE PORTFOLIO				20,681,120	20,109,709	97.2	9.7	1.87	3.02		2.83	AAA	
INTERMEDIATE PORTFOLIO													
575997ZT1	Massachusetts Mutual Life Ins. Co.	SAGIC	Barings LLC	19,471,218	18,984,563	97.5	9.1	2.52	3.86	N.S.M.	4.18	AA+	20.0
744999SP9	Prudential Ins. Co. of America	SBIC	Jennison Assoc.	23,373,824	23,129,551	99.0	10.9	2.39	2.98	N.S.M.	4.06	AA-	18.0
600996DU3	Transamerica Premier Life Ins. Co.	SBIC	Dodge & Cox	22,648,368	22,208,275	98.1	10.6	2.11	3.35	N.S.M.	3.77	A+	18.0
600996DU3	Transamerica Premier Life Ins. Co.	SBIC	Galliard	2,040,005	2,000,365	98.1	1.0	2.11	3.32	N.S.M.	4.22	A+	18.0
75999UTZ1	Voya Ret. Ins. and Annuity Co.	SBIC	Galliard	30,949,086	30,413,438	98.3	14.5	2.33	3.32	N.S.M.	4.22	A	18.0
TOTAL INTERMEDIATE PORTFOLIO				98,482,501	96,736,191	98.2	46.1	2.33	3.35		4.07	AA-	
TOTAL PORTFOLIO				**213,682,708**	**210,020,433**	**98.3**	**100.0**	**2.24**	**3.10**		**2.84**	**AA-**	

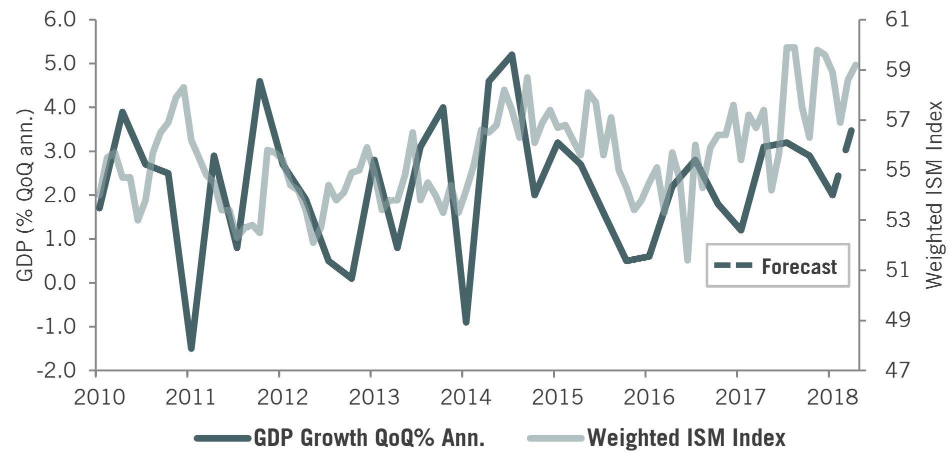
1: SAGIC = Separate Account GIC. SBIC = Security Backed Investment Contract.
2: Crediting rates are net of wrap fees and any other fees being netted out of the rates.
3: N.S.M. = No Stated Maturity

MARKET REVIEW

EXPECTATIONS HIGH FOR Q2 GDP GROWTH

- The pace of GDP growth for U.S. economy softened in the first quarter to 2.0% annualized. Personal consumption fell from a 4% growth rate in 4Q17 to just 0.9% annualized in the first quarter.
- Consumer spending appears to have rebounded during the second quarter. Control Group Retail Sales rose at a 5% pace over the last three months through May, up from just 2.1% growth in March.
- The Institute for Supply Management's (ISM) survey of manufacturing activity bounced back from an April low of 57.3 to end the quarter at 60.2. Similarly, the ISM services index rebounded from its 2018 low of 56.8 in April to reach 59.1 in June.
- The Atlanta Fed's GDPNow forecast for GDP growth in the second quarter stands at 3.8% (as of 7/6/18).

GDP Growth and Weighted ISM Indices

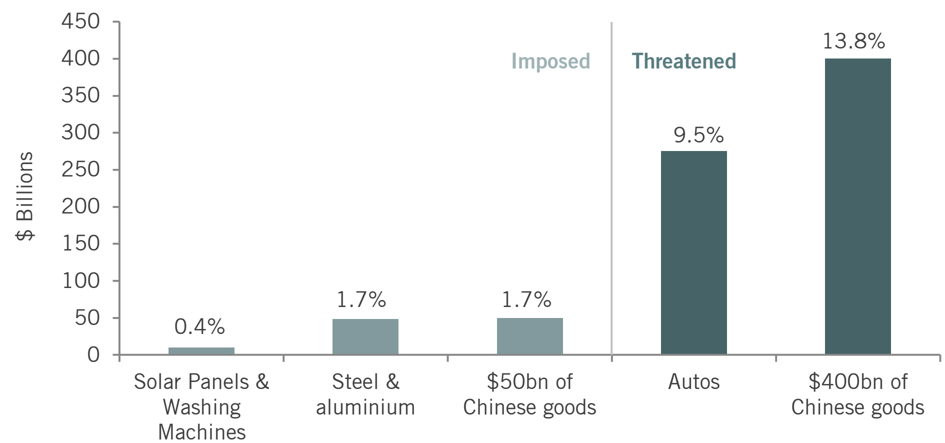


Source: St. Louis Federal Reserve FRED database, Bureau of Economic Analysis, Institute for Supply Management, 2Q18 GDP estimate: Federal Reserve Bank of Atlanta's GDPNow (7/6/18)

'U.S. VS. THE WORLD' TRADE SKIRMISH HEATS UP

- With the implementation of unilateral tariffs on up to $50 billion worth of Chinese goods set for July 6th – and the threat of tariffs on a further $400 billion of imports – the Trump administration has continued to raise the stakes in the trade dispute with China.
- In addition, with the already imposed tariffs on steel and aluminum, and talk of $275bn in tariffs on auto imports, the administration has broadened the boundaries of the trade dispute beyond China to include other major trading partners like the EU, Canada and Mexico.
- The dollar rallied 5% on a trade-weighted basis during the quarter, Chinese stocks fell over 13% in U.S. dollar terms and emerging markets currencies fell sharply as investors assessed the potential impacts of a trade war on global growth.

Imports Covered by Tariffs (% of Total Imports)



Source: Thompson Reuters, U.S. Commerce Dept., Capital Economics, Goldman Sachs Economics

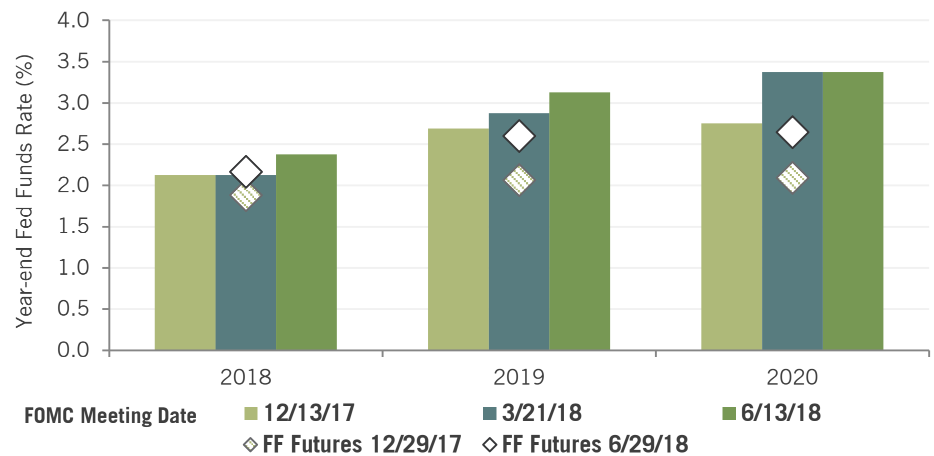
FED RAISES IN JUNE AND ADDS 4TH HIKE TO ITS 2018 FORECAST

- The Fed raised its policy rate during the quarter via a single 25bp hike at its June meeting. The policy rate now stands at a range of 1.75% to 2.0%.
- FOMC participants raised their expectations for the pace of hikes in 2018 to include a 4th rate hike, while maintaining their expectation of a high-water mark for Fed Funds of 3.4% by the end of 2020.
- The Fed's official statements and meeting minutes released during the quarter offered a positive assessment of the economy and little evidence of reconsidering the pace of rate hikes in response to the escalation of trade tensions.

INFLATION EDGES HIGHER, JOB MARKET REMAINS HOT

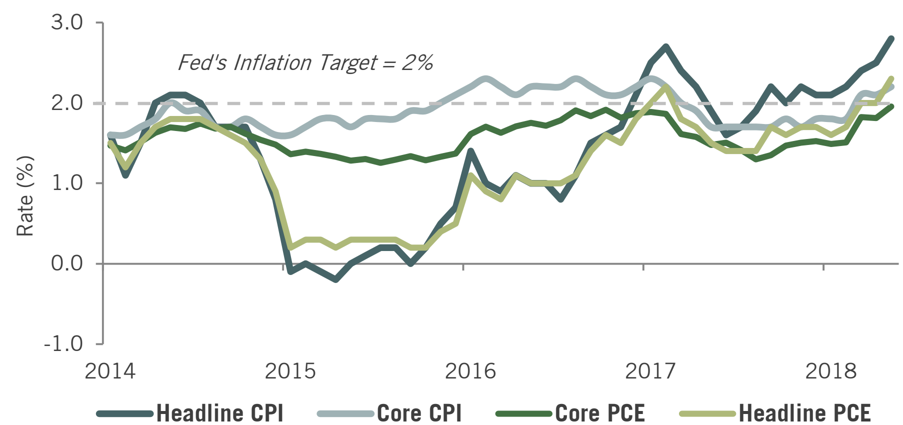
- Despite month-to-month noise, the trend of gradually rising inflation is clearly visible in both the headline and core measures of both CPI and PCE. Notably, the Fed's preferred inflation measure, core PCE, reached the Fed's target level of 2.0% in May.
- The sharp rise in headline CPI inflation to a six-year high in May partly reflected "base effects" of weak readings from early 2017 rolling out of the annual figures.
- Employers added an average of 210,000 jobs a month during the quarter, sending the unemployment rate to a 48-year low of 3.8% in May before rising back to 4.0% in June.
- Wage growth, as measured by average hourly earnings, rose 2.7% year-over-year in June. While positive, the pace of wage gains remains muted given the continued robust pace of hiring.

FOMC Fed Funds Forecasts vs. Fed Funds Futures Prices



Source: Federal Reserve Board of Governors, Bloomberg

Year-over-Year CPI and PCE Inflation



Source: St. Louis Federal Reserve FRED database, Bureau of Economic Analysis, Bureau of Labor Statistics

APPENDIX

STABLE VALUE PORTFOLIO REVIEW - STATE OF OREGON STABLE VALUE FUND

Second Quarter 2018

CALENDAR YEAR INVESTMENT PERFORMANCE

	2013	2014	2015	2016	2017
Portfolio (net of inv. mgmt. fees)[1]	1.52	1.28	1.50	1.63	1.75
Portfolio (net of all fees - NAV level)[2]	1.34	1.10	1.33	1.46	1.58
3 Year Constant Maturity Treasury	0.54	0.90	1.03	1.01	1.58
Value Added (net of all fees – NAV level)[3]	**0.80**	**0.21**	**0.30**	**0.45**	**0.00**

MARKET INDICES

BofAML US 3-Mon T-Bill	0.07	0.03	0.05	0.33	0.86
Consumer Price Index	1.51	0.76	0.73	2.07	2.11

GUIDELINE COMPLIANCE

We have not become aware of any investment guideline compliance issues occurring in the portfolio during the quarter.

1: Returns are net of book value contract, Galliard investment management fees, and, if applicable, external manager fees and Wells Fargo collective fund administrative fees.
2: Returns are net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, and plan administrative reimbursement.
3: May not add due to rounding.

TOTAL ANNUAL FUND OPERATING EXPENSES

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

Expense	Expense Ratio 6/30/18	Per $1000
Investment Management Fees paid to Galliard	0.137%	$1.37
Investment Management fees paid to Non-Affiliated Investment Advisors	0.009%	$0.09
Investment Contract Fees*[1]	0.174%	$1.74
Acquired Fund Fees[2]	0.063%	$0.63
-Investment Contract Fees	None	None
-Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors[3]	0.063%	$0.63
12b-1 Distribution Fee	None	None
Other Expenses	0.120%	$1.20
Total Annual Fund Operating Expenses[4]	**0.503%**	**$5.03**

*Changes have occurred to the fee schedule structure since the prior period. Please contact your Galliard representative if you have additional questions.

1: These are fees paid to create and maintain the investments used by a stable value fund.
2: These are fees borne indirectly by the Fund when it acquires an interest in another fund which pays its own separate fees.
3: Includes audit fees for the cost of producing a report by a qualified auditor.
4: Total Annual Fund Operating Expenses are reflected daily in the Fund's net asset value (NAV).

Excluding STIF or money market allocations, non-affiliated investment advisors include Barings LLC, Dodge & Cox , Jennison Assoc., NYL Investors LLC.

charles
SCHWAB

OREGON SAVINGS GROWTH PLAN

Schwab Personal Choice Retirement Account (PCRA) Quarterly Report

As of 6/30/2018

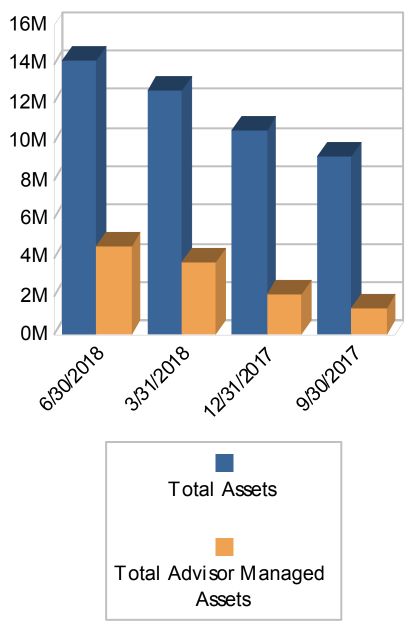
Compliance number: 0517-ZGX6

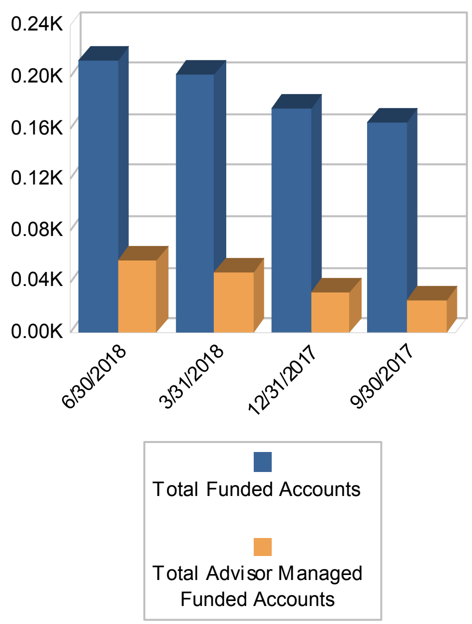
The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
OREGON SAVINGS GROWTH PLAN as of 6/30/2018

Plan Profile Information

Plan Type	457B
Total PCRA Assets	$14,221,745
Total Funded PCRA Accounts	212
Total Roth Assets	$111,709
Total Funded Roth Accounts	9
Total Advisor Managed PCRA Assets	$4,610,668
Total Advisor Managed Funded PCRA Accounts	57
PCRA Accounts Opened This Quarter	16
PCRA Assets In and Out This Quarter*	$1,354,052
Average PCRA Account Balance	$67,084

Assets and Accounts (Trailing 4 Quarters)





PCRA Participant Profile Information

Average Participant Age	54
Percent Male Participants	70%
Percent Female Participants	30%

Total Assets by Category

Cash Investments	$1,488,587
Equities	$2,918,460
ETFs	$2,454,866
Fixed Income	$78,536
Mutual Funds	$7,281,297
Other	$0

Average Positions Per Account

Cash Investments	1.0
Equities	1.4
ETFs	1.1
Fixed Income	0.0
Mutual Funds	2.7
Other	0.0
Total	6.3

Average Trades Per Account

Equities	2.4
ETFs	1.2
Fixed Income	0.0
Mutual Funds	3.1
Other	0.0
Total	6.7

* Assets In and Out includes contributions and distributions.

The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
OREGON SAVINGS GROWTH PLAN as of 6/30/2018

Top 10 Mutual Fund Holdings**

Name	Category	Symbol	OS*	$MF Assets	%MF Assets
RISKPRO PFG AGGRESSIVE 30 PLUS FD CL R	International	PFSUX	Y	$580,333	8.00%
RISKPRO PFG EQUITY 30 PLUS FD CL R	Large Capitalization Stock Funds	PFDEX	Y	$528,556	7.29%
RISKPRO DYNAMIC 15 TO 25 FD CL R	Hybrid Funds	PFDPX	Y	$445,250	6.14%
RISKPRO AGGRESSIVE 30 PLUS FD CL R	International	PFLWX	Y	$379,742	5.24%
RISKPRO DYNAMIC 20 TO 30 FD CL R	Hybrid Funds	PFJDX	Y	$371,786	5.13%
RISKPRO PFG GLOBAL 30 PLUS FD CL R	International	PFDGX	Y	$359,205	4.95%
RISKPRO PFG BALANCED 20 TO 30 FD CL R	Hybrid Funds	PFDBX	Y	$323,553	4.46%
RISKPRO PFG 30 PLUS FD CL R	International	PFSMX	Y	$279,327	3.85%
RISKPRO TACTICAL 0 TO 30 FD CL R	Hybrid Funds	PFTEX	Y	$248,382	3.43%
COLUMBIA DIVIDEND INCOME FD CL A	Large Capitalization Stock Funds	LBSAX	Y	$248,123	3.42%

Top 10 Fund Families

Name	$MF Assets	%MF Assets
VANGUARD	$640,141	8.83%
COLUMBIA	$348,748	4.81%
T ROWE PRICE	$236,932	3.27%
SCHWAB	$215,448	2.97%
PRIMECAP	$198,040	2.73%
FIDELITY	$141,267	1.95%
MATTHEWS	$70,386	0.97%
PIMCO FUNDS	$68,354	0.94%
PARNASSUS	$67,922	0.94%
DFA	$58,539	0.81%

**Top 10 Mutual Funds does not include Money Market Funds.
*OS = OneSource, no-load, no transaction fee.

Compliance number: 0517-ZGX6

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The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
OREGON SAVINGS GROWTH PLAN as of 6/30/2018

Top 10 Equity Holdings

Name	Category	Symbol	$EQ Assets	%EQ Assets
AMAZON.COM INC	Consumer Discretionary	AMZN	$246,471	8.45%
FACEBOOK INC CLASS A	Information Technology	FB	$164,589	5.64%
NETFLIX INC	Consumer Discretionary	NFLX	$147,569	5.06%
TEEKAY CORP F	Energy	TK	$147,250	5.05%
XPO LOGISTICS INC	Industrials	XPO	$127,329	4.36%
NVIDIA CORP	Information Technology	NVDA	$113,744	3.90%
MIDDLEBY CORP THE	Industrials	MIDD	$81,865	2.81%
OFFICE DEPOT INC	Consumer Discretionary	ODP	$72,489	2.48%
CALAMOS CONVERTIBLE OPPO	Other	CHI	$70,556	2.42%
BANK OF AMERICA CORP	Financials	BAC	$70,475	2.41%

Top 10 ETF Holdings

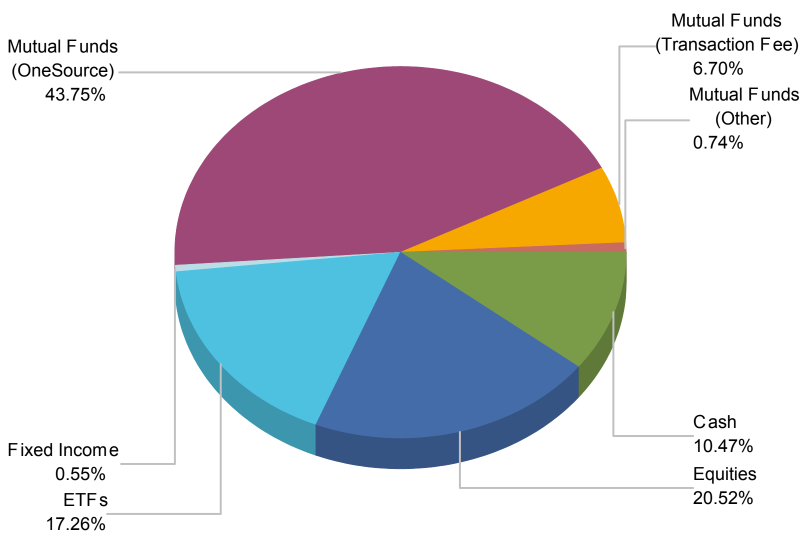
Name	Category	Symbol	OS*	$ETF Assets	%ETF Assets
SCHWAB US DIVIDEND EQUITY ETF	US Equity	SCHD	Y	$182,585	7.44%
VANGUARD FTSE PACIFIC ETF	International Equity	VPL	N	$121,283	4.94%
SCHWAB US LARGE CAP VALUE ETF	US Equity	SCHV	Y	$121,076	4.93%
VANGUARD FTSE EUROPE ETF	International Equity	VGK	N	$111,719	4.55%
VANGUARD SMALL CAP VALUEETF	US Equity	VBR	N	$82,102	3.34%
ENERGY SELECT SECTOR SPDR ETF	Sector	XLE	N	$77,003	3.14%
SPDR MFS SYSTEMATIC VALUE EQUITY ETF	US Equity	SYV	Y	$65,859	2.68%
SCHWAB US BROAD MARKET ETF	US Equity	SCHB	Y	$65,181	2.66%
WSDMTREE EMRG MKTS SMALLCAP DVD ETF	International Equity	DGS	N	$57,228	2.33%
SCHWAB US LARGE CAP ETF	US Equity	SCHX	Y	$55,236	2.25%

*OS = OneSource, no transaction fee.

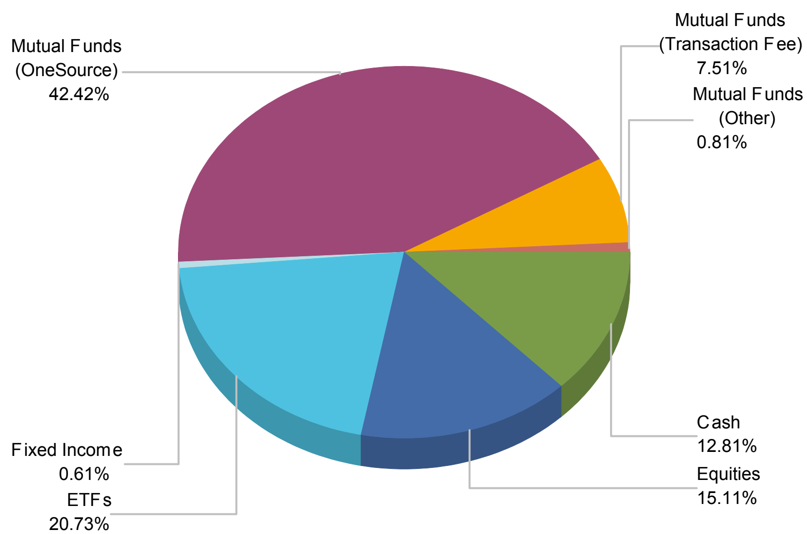
The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
OREGON SAVINGS GROWTH PLAN as of 6/30/2018

Market Value Allocation - All Assets (Quarter over Quarter)

6/30/2018

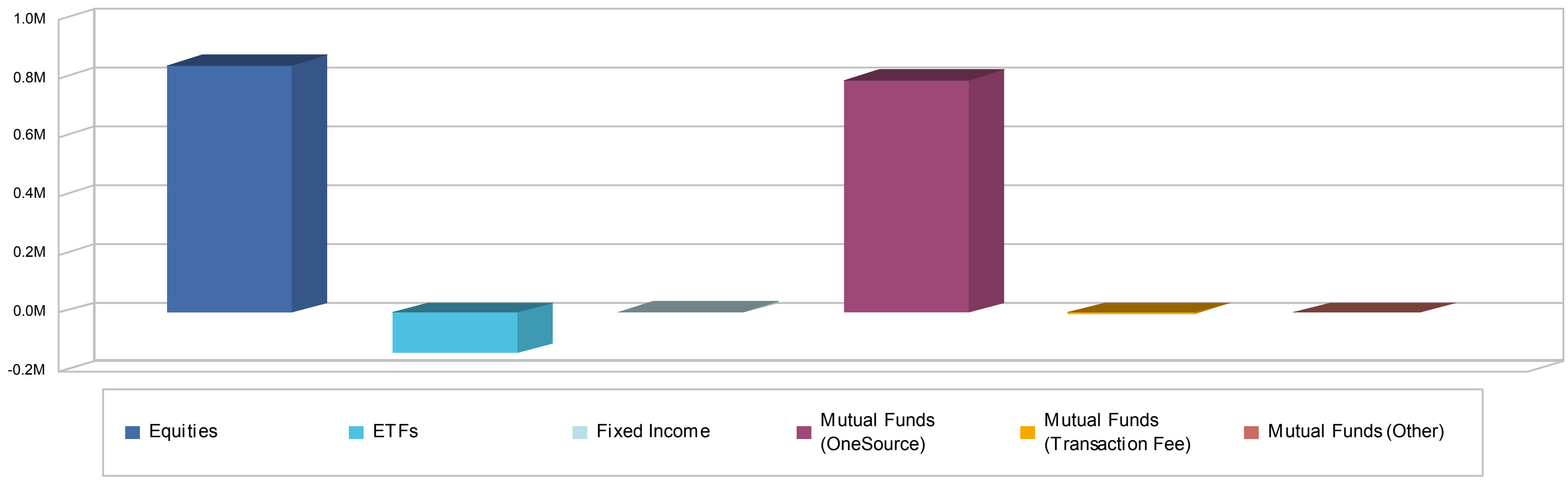


3/31/2018



The above charts illustrate the percent of PCRA participant assets in each noted asset class as percentage of total PCRA assets. Percentages are calculated as of quarter-end. Money Market Funds are classified under Mutual Funds.

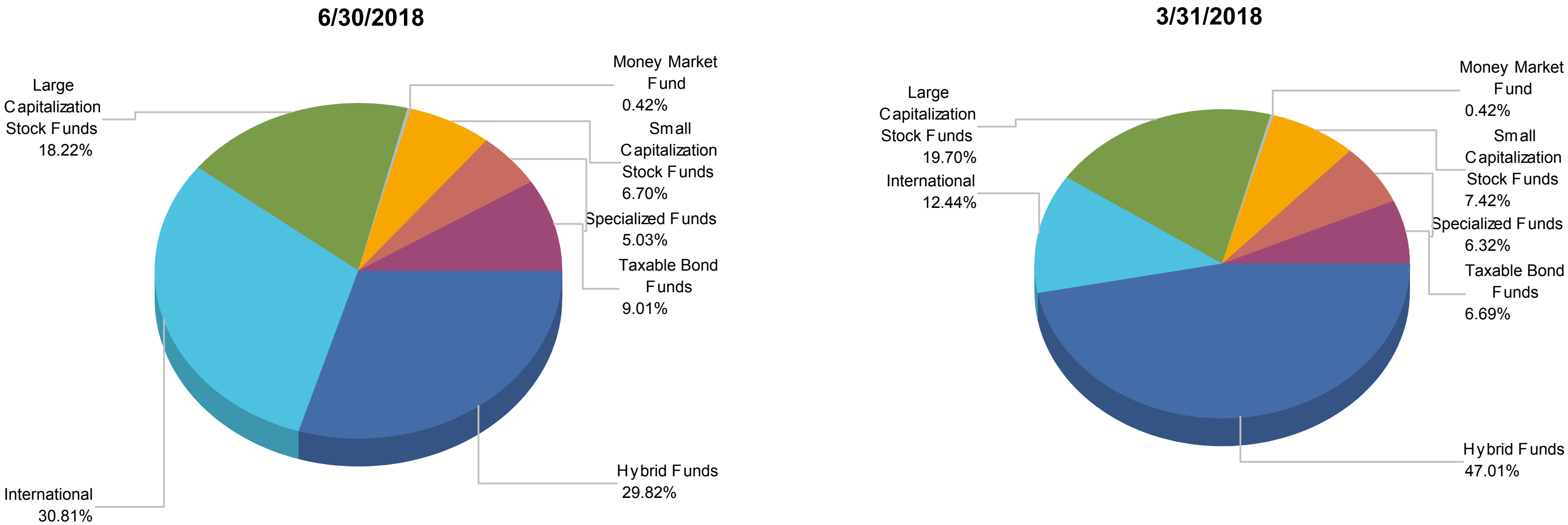
Net Flow - All Non-Cash Assets (3-Month Period Ending 6/30/2018)



Net Flow is the net of all cash inflows and outflows in and out of financial assets; the performance of an asset or fund is not taken into account, only share redemptions, or outflows, and share purchases, or inflows.

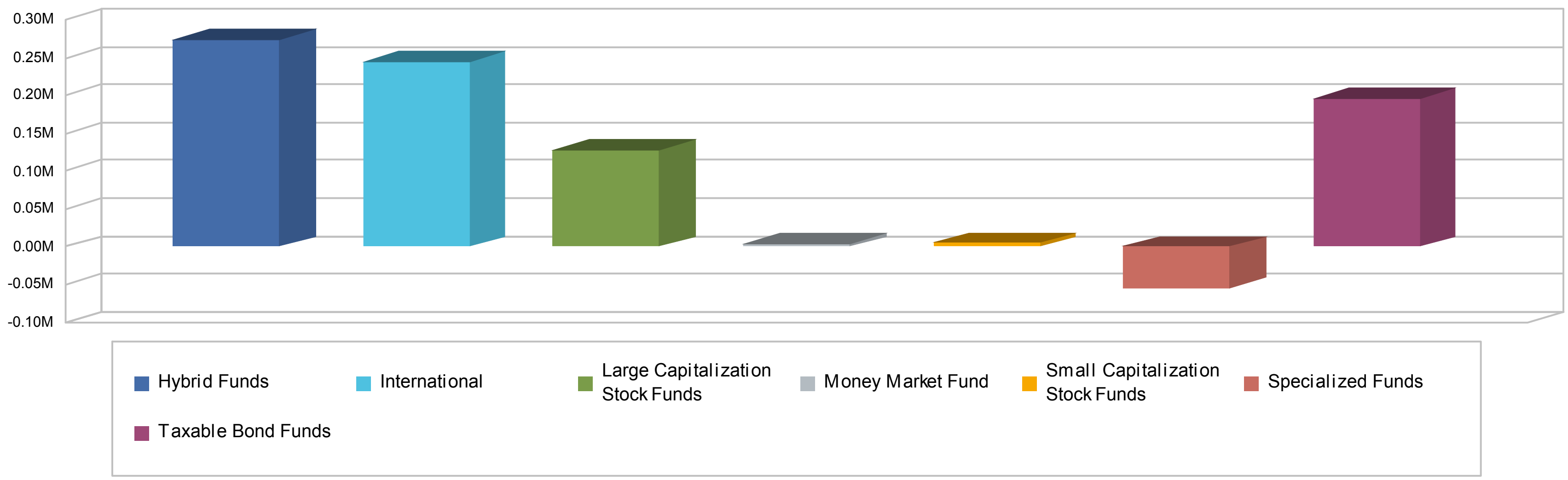
The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
OREGON SAVINGS GROWTH PLAN as of 6/30/2018

Market Value Allocation - Mutual Funds (Quarter over Quarter)



The above charts illustrate the percent of PCRA participant assets in each noted asset class as percentage of total PCRA assets. Percentages are calculated as of quarter-end. Money Market Funds are classified under Mutual Funds.

Net Flow by Sector - Mutual Funds (3-Month Period Ending 6/30/2018)



Net Flow is the net of all cash inflows and outflows in and out of financial assets; the performance of an asset or fund is not taken into account, only share redemptions, or outflows, and share purchases, or inflows.

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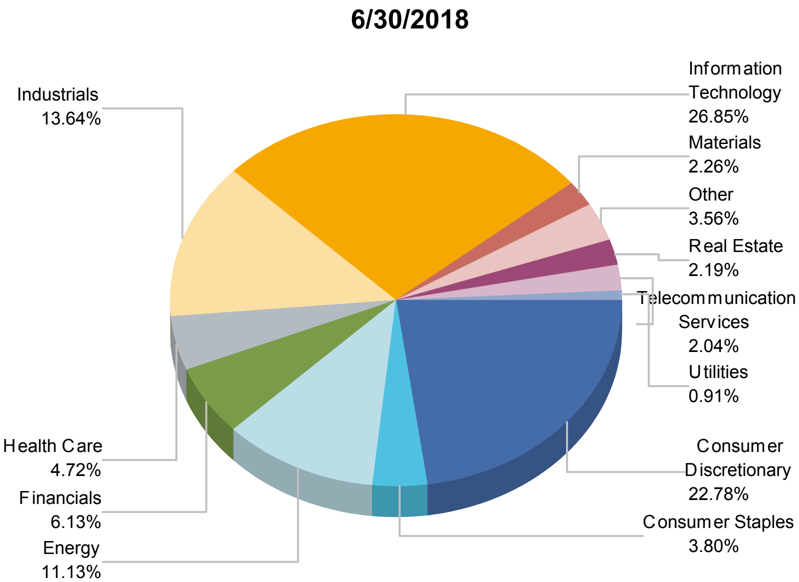
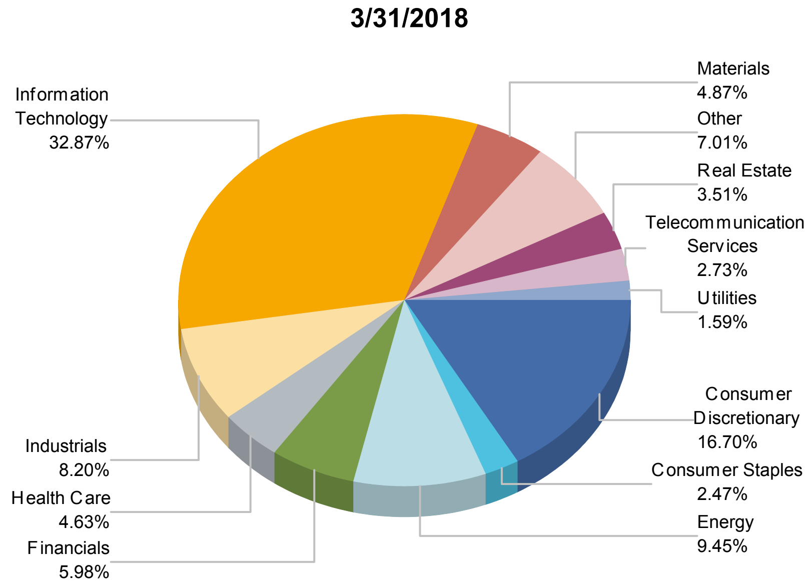
The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
OREGON SAVINGS GROWTH PLAN as of 6/30/2018

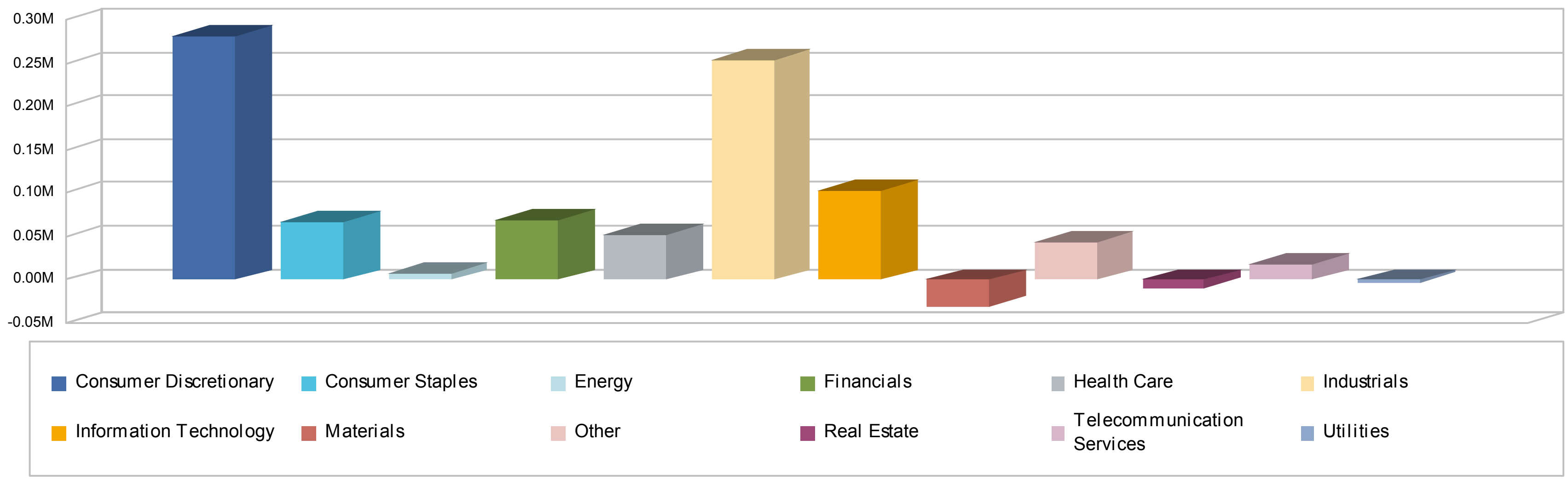
Market Value Allocation - Equities (Quarter over Quarter)





The above charts illustrate the percent of PCRA participant assets in each noted asset class as percentage of total PCRA assets. Percentages are calculated as of quarter-end. Money Market Funds are classified under Mutual Funds.

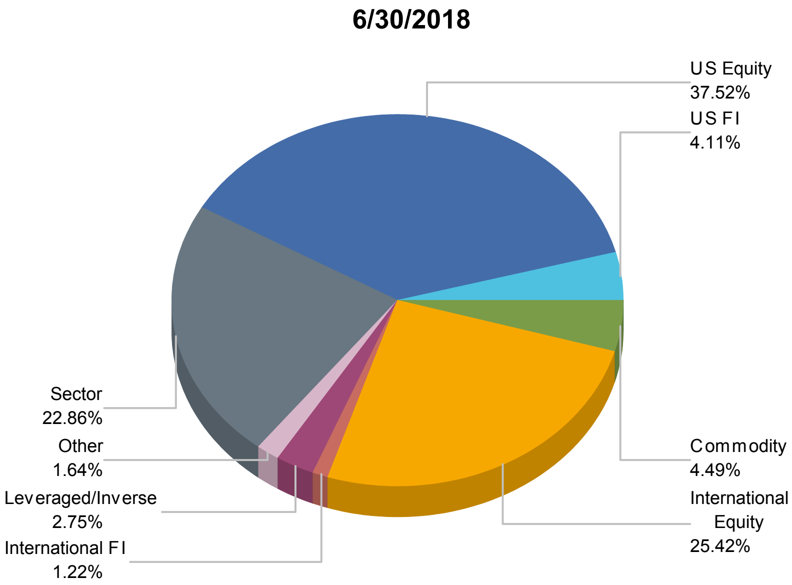
Net Flow by Sector - Equities (3-Month Period Ending 6/30/2018)

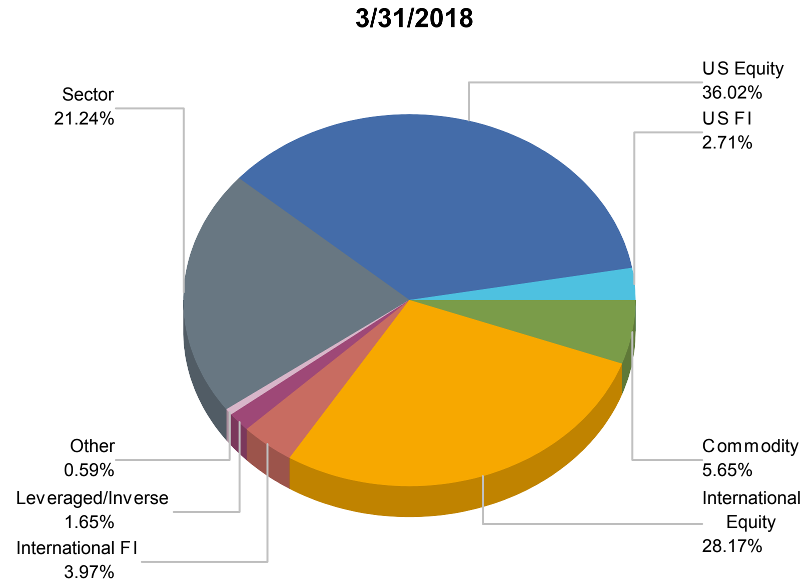


Net Flow is the net of all cash inflows and outflows in and out of financial assets; the performance of an asset or fund is not taken into account, only share redemptions, or outflows, and share purchases, or inflows.

The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
OREGON SAVINGS GROWTH PLAN as of 6/30/2018

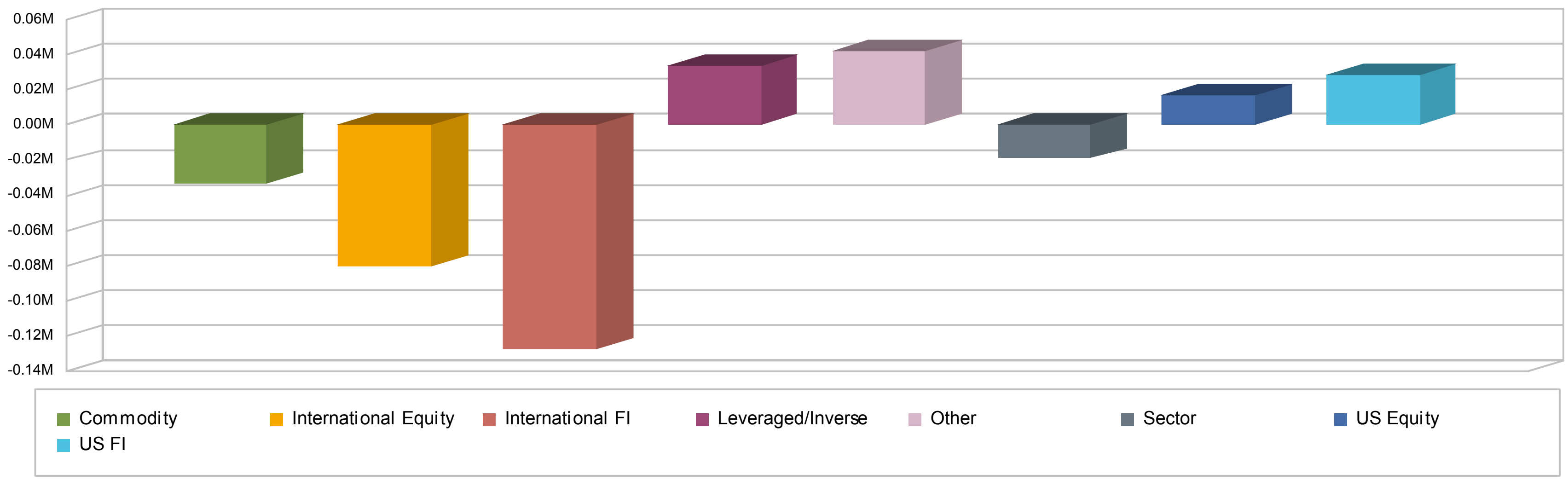
Market Value Allocation - ETF (Quarter over Quarter)





The above charts illustrate the percent of PCRA participant assets in each noted asset class as percentage of total PCRA assets. Percentages are calculated as of quarter-end. Money Market Funds are classified under Mutual Funds.

Net Flow by Sector - ETF (3-Month Period Ending 6/30/2018)



Net Flow is the net of all cash inflows and outflows in and out of financial assets; the performance of an asset or fund is not taken into account, only share redemptions, or outflows, and share purchases, or inflows.

Compliance number: 0517-ZGX6

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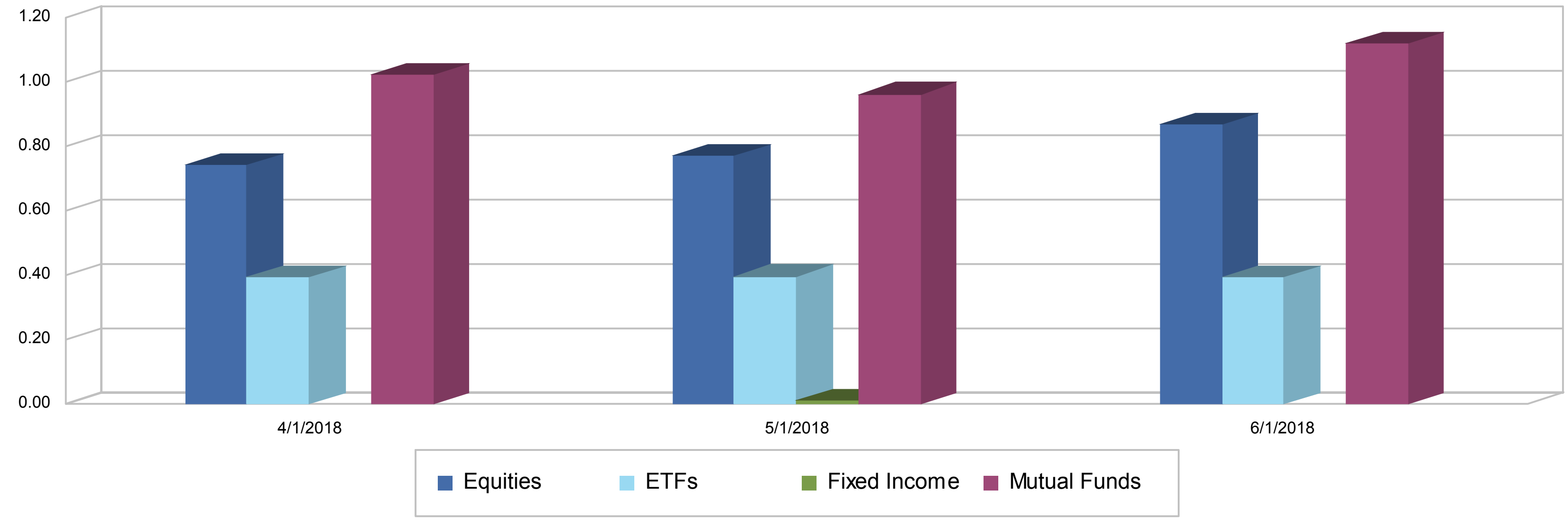
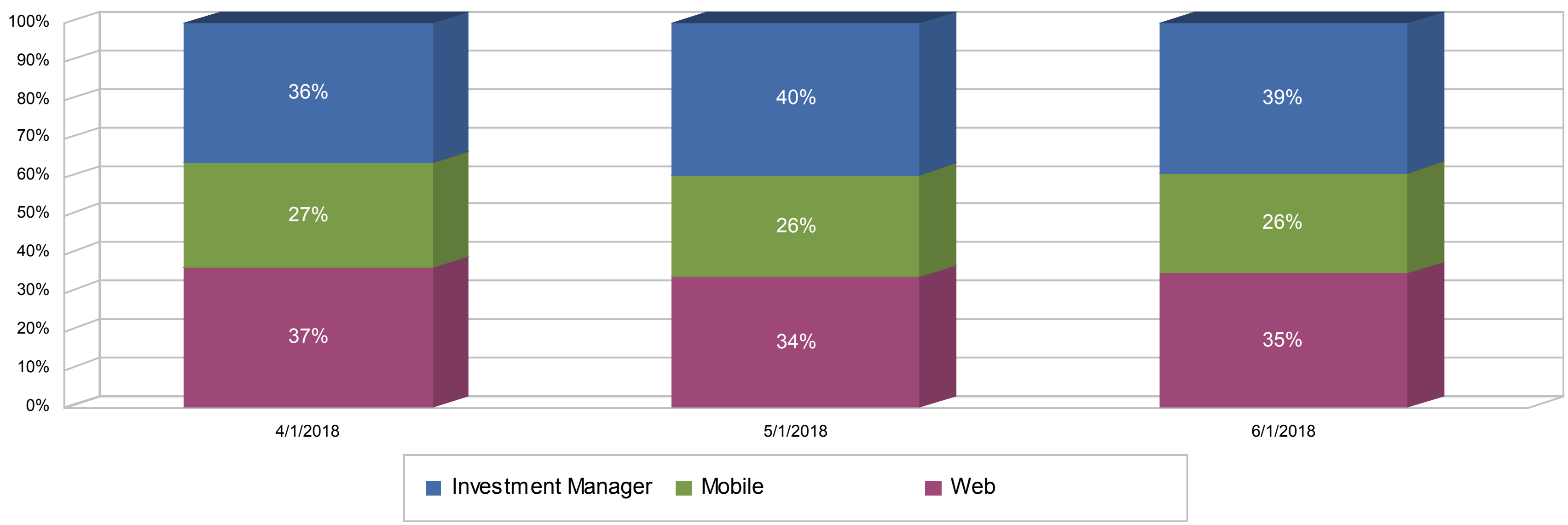
The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report OREGON SAVINGS GROWTH PLAN as of 6/30/2018

Average Monthly Trades Per Account (3-Month Period Ending 6/30/2018)



Trading Channel Mix (Month over Month)



Compliance number: 0517-ZGX6

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The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report OREGON SAVINGS GROWTH PLAN as of 6/30/2018

Important Disclosures

Schwab Personal Choice Retirement Account (PCRA) is offered through Charles Schwab & Co., Inc. (Member SIPC), the registered broker/dealer, which also provides other brokerage and custody services to its customers.

For participants who utilize the Personal Choice Retirement Account (PCRA), the following fees and conditions may apply: Schwab's shortterm redemption fee of $49.95 will be charged on redemption of funds purchased through Schwab's Mutual Fund OneSource® service (and certain other funds with no transaction fee) and held for 90 days or less. Schwab reserves the right to exempt certain funds from this fee, including Schwab Funds®, which may charge a separate redemption fee, and funds that accommodate short-term trading.

Trades in no-load mutual funds available through Mutual Funds OneSource service (including Schwab Funds) as well as certain other funds, are available without transaction fees when placed through schwab.com or our automated phone channels. Schwab reserves the right to change the funds we make available without transaction fees and to reinstate fees on any funds. Funds are also subject to management fees and expenses.

Charles Schwab & Co., Inc., member SIPC, receives remuneration from fund companies for record keeping, shareholder services and other administrative services for shares purchased through its Mutual Fund OneSource service. Schwab also may receive remuneration from transaction fee fund companies for certain administrative services.

This material is for institutional use only.

The information contained herein is obtained from third-party sources and believed to be reliable, but its accuracy or completeness is not guaranteed. This report is for informational purposes only and is not a solicitation, or a recommendation that any particular investor should purchase or sell any particular security.

INVESTMENT OPTION PERFORMANCE RESULTS

Investment Option Returns for the Period Ending April 30, 2018

CORE INVESTMENT OPTIONS

OPTION / *BENCHMARKS (for comparison)*	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	0.13%	0.34%	0.43%	1.99%	1.12%	0.97%	0.60%	0.38%	0.17%	0.15%
91-Day T-Bill	0.13%	0.37%	0.49%	2.24%	1.33%	1.17%	0.78%	0.57%	0.36%	0.34%
Stable Value Option	0.15%	0.44%	0.60%	3.35%	2.70%	1.70%	1.58%	1.51%	1.38%	1.69%
91-Day T-Bill	0.13%	0.37%	0.49%	2.24%	1.33%	1.17%	0.78%	0.57%	0.36%	0.34%
*Rolling Average 5 Year CMT***	0.13%	0.39%	0.52%	3.76%	3.06%	1.48%	1.37%	1.34%	1.39%	2.21%
Active Fixed Income Option	-0.54%	-0.69%	-1.59%	4.99%	4.50%	0.68%	1.31%	1.69%	1.89%	4.34%
BC Aggregate	-0.74%	-1.05%	-2.19%	5.01%	4.11%	-0.32%	0.25%	1.07%	1.47%	3.57%
Large Company Value Stock Option	0.32%	-6.16%	-2.53%	8.08%	7.93%	7.41%	11.81%	7.56%	10.69%	7.39%
Russell 1000 Value	0.33%	-6.14%	-2.51%	8.53%	7.90%	7.50%	11.94%	7.66%	10.52%	7.30%
Stock Index Option	0.37%	-5.29%	-0.31%	8.30%	8.06%	12.93%	15.65%	10.10%	12.62%	9.00%
Russell 3000	0.38%	-5.26%	-0.27%	8.52%	8.25%	13.05%	15.78%	10.20%	12.75%	9.13%
Large Company Growth Stock Option	0.34%	-4.99%	1.71%	7.63%	8.03%	18.74%	19.03%	12.67%	14.95%	10.31%
Russell 1000 Growth	0.35%	-4.96%	1.77%	8.05%	8.23%	18.96%	19.23%	12.84%	15.13%	10.81%
International Stock Option	0.73%	-4.94%	0.44%	6.27%	7.23%	15.54%	13.67%	5.39%	6.13%	2.93%
MSCI ACWI EX-US BLENDED	1.60%	-4.90%	0.40%	5.14%	6.57%	15.91%	14.24%	5.01%	5.98%	2.47%
Small Company Stock Option	0.59%	-2.55%	-0.04%	10.55%	10.39%	11.16%	17.09%	9.13%	11.50%	9.58%
RUSSELL SMALL CAP BLENDED	0.86%	-1.79%	0.78%	9.96%	10.32%	11.54%	18.37%	9.64%	11.90%	9.91%
Real Return Option	0.21%	-2.03%	-0.66%			4.56%	5.40%	-0.09%		
CPI + 3%	0.47%	1.65%	2.46%			5.35%	5.31%	4.92%		
Environmental Social Governance Option	0.20%	-5.17%	-0.04%			13.39%	15.46%	9.80%		
Russell 3000	0.38%	-5.26%	-0.27%			13.05%	15.78%	10.20%		

TARGET DATE FUNDS (LIFEPATH PORTFOLIOS)

OPTION / *BENCHMARKS (for comparison)*	1 Month	3 Months	Year to Date	Annualized: 1 Year	2 Years	3 Years	5 Years	10 Years
LifePath® Retirement	-0.06%	-2.31%	-1.10%	4.94%	5.61%	3.52%	4.07%	
LifePath® 2020	0.03%	-2.61%	-1.00%	5.98%	6.77%	4.03%	4.91%	
LifePath® 2025	0.24%	-3.09%	-0.85%	7.48%	8.26%	4.76%	5.68%	
LifePath® 2030	0.42%	-3.40%	-0.61%	8.93%	9.72%	5.52%	6.50%	
LifePath® 2035	0.59%	-3.88%	-0.57%	10.11%	10.90%	6.03%	7.01%	
LifePath® 2040	0.75%	-4.23%	-0.46%	11.25%	12.06%	6.55%	7.58%	
LifePath® 2045	0.88%	-4.45%	-0.38%	12.02%	12.78%	6.89%	8.00%	
LifePath® 2050	0.92%	-4.54%	-0.35%	12.29%	13.01%	7.02%	8.22%	
LifePath® 2055	0.92%	-4.54%	-0.36%	12.27%	13.00%	7.00%	8.33%	
LifePath® 2060	0.92%	-4.54%	-0.36%	12.24%	12.98%	7.01%		

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

Updated on 5/9/2018

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.

Monthly performance results are published on growyourtomorrow.com

To access current account information 24 hours a day call our customer service center at 1-800-365-8494 or visit our web site at growyourtomorrow.com

INVESTMENT OPTION PERFORMANCE RESULTS

Investment Option Returns
for the Period Ending
May 31, 2018

CORE INVESTMENT OPTIONS

				Annualized						
OPTION / ***BENCHMARKS (for comparison)***	**1 Month**	**3 Months**	**Year to Date**	**From Inception 10/31/96**	**Since 10/31/01**	**1 Year**	**2 Years**	**3 Years**	**5 Years**	**10 Years**
Short-Term Fixed Option	0.13%	0.38%	0.57%	1.99%	1.13%	1.06%	0.66%	0.43%	0.20%	0.15%
91-Day T-Bill	0.15%	0.42%	0.64%	2.24%	1.33%	1.28%	0.86%	0.62%	0.39%	0.36%
Stable Value Option	0.16%	0.47%	0.76%	3.35%	2.69%	1.74%	1.60%	1.53%	1.39%	1.67%
91-Day T-Bill	0.15%	0.42%	0.64%	2.24%	1.33%	1.28%	0.86%	0.62%	0.39%	0.36%
*Rolling Average 5 Year CMT***	0.13%	0.39%	0.65%	3.75%	3.05%	1.50%	1.38%	1.35%	1.39%	2.19%
Active Fixed Income Option	0.66%	0.74%	-0.95%	5.01%	4.52%	0.47%	1.65%	1.94%	2.42%	4.46%
BC Aggregate	0.71%	0.61%	-1.50%	5.02%	4.13%	-0.37%	0.60%	1.39%	1.98%	3.72%
Large Company Value Stock Option	0.60%	-0.87%	-1.94%	8.08%	7.93%	8.16%	11.29%	7.35%	10.16%	7.40%
Russell 1000 Value	0.59%	-0.85%	-1.93%	8.53%	7.90%	8.25%	11.41%	7.45%	10.09%	7.38%
Stock Index Option	2.81%	1.12%	2.50%	8.40%	8.20%	14.88%	16.23%	10.62%	12.72%	9.09%
Russell 3000	2.82%	1.14%	2.55%	8.63%	8.38%	15.06%	16.37%	10.72%	12.85%	9.21%
Large Company Growth Stock Option	4.37%	1.84%	6.16%	7.81%	8.27%	20.77%	20.45%	13.76%	15.49%	10.43%
Russell 1000 Growth	4.38%	1.88%	6.23%	8.23%	8.47%	21.02%	20.64%	13.93%	15.69%	10.89%
International Stock Option	-2.11%	-2.11%	-1.68%	6.14%	7.05%	9.68%	13.12%	5.02%	6.03%	2.56%
MSCI ACWI EX-US BLENDED	-2.31%	-2.50%	-1.92%	5.01%	6.38%	9.67%	13.88%	4.74%	6.01%	2.13%
Small Company Stock Option	5.86%	7.52%	5.81%	10.79%	10.72%	20.07%	19.53%	10.59%	11.90%	9.75%
RUSSELL SMALL CAP BLENDED	6.07%	8.37%	6.90%	10.22%	10.65%	20.76%	20.56%	10.98%	12.54%	10.04%
Real Return Option	0.87%	1.31%	0.20%			5.05%	6.14%	0.42%		
CPI + 3%	0.64%	1.77%	3.29%			5.86%	5.39%	4.94%		
Environmental Social Governance Option	1.97%	0.64%	1.93%			14.09%	15.77%	10.15%		
Russell 3000	2.82%	1.14%	2.55%			15.06%	16.37%	10.72%		

TARGET DATE FUNDS (LIFEPATH PORTFOLIOS)

				Annualized				
OPTION / ***BENCHMARKS (for comparison)***	**1 Month**	**3 Months**	**Year to Date**	**1 Year**	**2 Years**	**3 Years**	**5 Years**	**10 Years**
LifePath® Retirement	0.99%	0.85%	-0.11%	5.06%	5.98%	3.91%	4.52%	
LifePath® 2020	0.97%	0.80%	-0.04%	5.93%	7.07%	4.39%	5.32%	
LifePath® 2025	0.96%	0.81%	0.10%	7.25%	8.52%	5.12%	6.08%	
LifePath® 2030	0.95%	0.91%	0.34%	8.53%	9.93%	5.87%	6.88%	
LifePath® 2035	0.94%	0.82%	0.37%	9.54%	11.07%	6.37%	7.40%	
LifePath® 2040	0.93%	0.82%	0.46%	10.54%	12.19%	6.88%	7.93%	
LifePath® 2045	0.93%	0.89%	0.55%	11.23%	12.89%	7.23%	8.35%	
LifePath® 2050	0.91%	0.89%	0.55%	11.45%	13.12%	7.34%	8.55%	
LifePath® 2055	0.91%	0.89%	0.55%	11.43%	13.10%	7.33%	8.66%	
LifePath® 2060	0.91%	0.89%	0.55%	11.39%	13.09%	7.34%		

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

Updated on 6/6/2018

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.

Monthly performance results are published on growyourtomorrow.com

To access current account information 24 hours a day call our customer service center at 1-800-365-8494 or visit our web site at growyourtomorrow.com

oregon SAVINGS GROWTH PLAN

INVESTMENT OPTION PERFORMANCE RESULTS

Investment Option Returns for the Period Ending June 30, 2018

CORE INVESTMENT OPTIONS

OPTION / *BENCHMARKS (for comparison)*	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	0.14%	0.40%	0.71%	1.99%	1.13%	1.14%	0.73%	0.48%	0.23%	0.14%
91-Day T-Bill	0.17%	0.45%	0.81%	2.24%	1.33%	1.36%	0.92%	0.68%	0.42%	0.35%
Stable Value Option	0.16%	0.48%	0.92%	3.34%	2.69%	1.77%	1.63%	1.54%	1.40%	1.65%
91-Day T-Bill	0.17%	0.45%	0.81%	2.24%	1.33%	1.36%	0.92%	0.68%	0.42%	0.35%
*Rolling Average 5 Year CMT***	0.14%	0.40%	0.79%	3.74%	3.04%	1.53%	1.40%	1.36%	1.39%	2.18%
Active Fixed Income Option	-0.05%	0.06%	-0.99%	4.98%	4.49%	0.56%	0.90%	2.31%	2.79%	4.50%
BC Aggregate	-0.12%	-0.16%	-1.62%	5.00%	4.10%	-0.40%	-0.36%	1.72%	2.27%	3.72%
Large Company Value Stock Option	0.24%	1.17%	-1.70%	8.06%	7.90%	6.70%	10.96%	8.15%	10.38%	8.54%
Russell 1000 Value	0.25%	1.18%	-1.69%	8.50%	7.87%	6.77%	11.06%	8.26%	10.34%	8.49%
Stock Index Option	0.65%	3.86%	3.16%	8.40%	8.20%	14.61%	16.50%	11.47%	13.16%	10.10%
Russell 3000	0.65%	3.89%	3.22%	8.62%	8.38%	14.78%	16.63%	11.58%	13.29%	10.23%
Large Company Growth Stock Option	0.94%	5.72%	7.16%	7.83%	8.29%	22.26%	21.27%	14.80%	16.10%	11.44%
Russell 1000 Growth	0.96%	5.76%	7.25%	8.25%	8.49%	22.51%	21.46%	14.98%	16.36%	11.83%
International Stock Option	-2.58%	-3.94%	-4.22%	5.99%	6.85%	6.61%	12.44%	4.94%	6.23%	3.29%
MSCI ACWI EX-US BLENDED	-1.88%	-2.61%	-3.77%	4.90%	6.23%	7.28%	13.67%	5.07%	6.37%	2.81%
Small Company Stock Option	0.84%	7.37%	6.70%	10.79%	10.72%	17.75%	20.24%	10.57%	12.27%	10.78%
RUSSELL SMALL CAP BLENDED	0.72%	7.75%	7.66%	10.21%	10.65%	17.57%	21.03%	10.96%	12.95%	11.06%
Real Return Option	-1.01%	0.06%	-0.80%			4.08%	4.33%	0.87%		
CPI + 3%	0.66%	1.98%	4.00%			6.22%	5.45%	4.97%		
Environmental Social Governance Option	0.50%	2.69%	2.44%			13.46%	16.03%	11.13%		
Russell 3000	0.65%	3.89%	3.22%			14.78%	16.63%	11.58%		

TARGET DATE FUNDS (LIFEPATH PORTFOLIOS)

OPTION / *BENCHMARKS (for comparison)*	1 Month	3 Months	Year to Date	Annualized: 1 Year	2 Years	3 Years	5 Years	10 Years
LifePath® Retirement	-0.21%	0.71%	-0.33%	4.66%	5.28%	4.29%	4.91%	
LifePath® 2020	-0.24%	0.76%	-0.28%	5.44%	6.45%	4.84%	5.72%	
LifePath® 2025	-0.23%	0.97%	-0.13%	6.68%	7.98%	5.62%	6.50%	
LifePath® 2030	-0.22%	1.14%	0.11%	7.88%	9.47%	6.43%	7.31%	
LifePath® 2035	-0.22%	1.32%	0.15%	8.83%	10.70%	6.99%	7.82%	
LifePath® 2040	-0.21%	1.46%	0.25%	9.76%	11.88%	7.55%	8.38%	
LifePath® 2045	-0.22%	1.59%	0.33%	10.39%	12.62%	7.92%	8.78%	
LifePath® 2050	-0.22%	1.62%	0.33%	10.59%	12.85%	8.04%	9.00%	
LifePath® 2055	-0.22%	1.62%	0.33%	10.57%	12.83%	8.03%	9.12%	
LifePath® 2060	-0.22%	1.61%	0.33%	10.54%	12.81%	8.04%		

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

Updated on 7/6/2018

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.

Monthly performance results are published on growyourtomorrow.com

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