

# **Oregon Retirement Savings Board Meeting**

OST - Tigard Office  
Mt. Hood Board Room  
16290 SW Upper Boones Ferry Road  
Tigard, Oregon  
Tuesday, 10/9/2018  
9:00 AM - 12:00 PM PT

## **1. Agenda**

*10-09-18 ORSP Amended Agenda - Page 2*

## **2. 2019 Meeting Dates:**

February 5, 2019 - 1:00pm - 4:00pm  
May 7, 2019 - 1:00pm - 4:00pm  
August 6, 2019 - 1:00pm - 4:00pm  
November 5, 2019 - 1:00pm - 4:00pm

## **3. Review and Approve June 13, 2018 Board Minutes Presented By: Treasurer Read (9:05)**

*06-13-18 ORSP Minutes.Draft - Page 4*

## **4. Review and Approve Rule Changes Presented By: Kim Olson (9:10)**

*Rulemaking Summary October 2018 - Page 7*  
*OregonSaves rules for Board approval with formatting October 2018.v2 - Page 9*

## **5. Approval of Schedule for Specific Dollar Amount Auto-Escalation Presented By: Kim Olson (9:25)**

*Automatic Escalation Schedule for Specific Dollar Amount Contributions - Page 23*

## **6. Executive Director's Report Presented By: Michael Parker (9:45)**

- a. Program financial & budgetary overview
- b. Financial audit procurement

## **7. Program / Investment Review**

### **a. SSgA Presentation Presented By: Sonya Park (10:00)**

*OregonSaves Board Update October 2018\_Final Approved - Page 25*

### **b. Retirement Environment Presented By: Wendy Carter (10:15)**

*OregonSaves Environmental Update - Page 37*

### **c. Investment Review Presented By: Craig Chaikin (10:25)**

*REPORT\_ OregonSaves Retirement Savings Program ended 6\_30\_18 - Page 41*  
*OSRP August 2018 Flash Report - Page 118*

## **8. Program Implementation and Administration**

*OregonSaves - Program Implementation Administration October 2018 - Page 125*

- a. Implementation / program numbers Presented By: Joel Metlen (10:35)
- b. Outreach Presented By: Kasey Krifka (10:45)
- c. Opt in functionality Presented By: Matt Golden (10:55)
- d. Program administration Presented By: Matt Golden

## **9. Consumer Survey Research Presented By: Joel Metlen / John Horvick (11:15)**

*OregonSaves presentation -- October 2018 - Page 132*

## **10. Legislative Overview Presented By: Ryan Mann / Kim Olson (11:40)**

- a. Full participation
- b. WR form

## **11. Public Comment (11:50)**



**STATE OF OREGON**  
**OREGON STATE TREASURY**

900 COURT STREET NE, ROOM 159  
SALEM, OREGON 97301

**Oregon Retirement Savings Board**

**\*Amended Agenda**

Tuesday, October 9, 2018

9:00am – 12:00pm

OST – Tigard Office  
Mt. Hood Board Room  
16290 SW Upper Boones Ferry Road  
Tigard, Oregon

**Conference Line #: 877.336.1828**

**Access Code: 1691288**

CALL TO ORDER

9:00

There will be an opportunity for public comment before the end of the meeting.

2019 Meeting Dates:

February 5, 2019	1pm-4pm	August 6, 2019	1pm – 4pm
May 7, 2019	1pm -4pm	November 5, 2019	1pm – 4pm

ACTION ITEMS

- |  |  |      |
|--|--|------|
| 1. Review and Approve June 13, 2018 Board Minutes                  | <b>Treasurer Tobias Read</b><br>ORSB Chair | 9:05 |
| 2. Review and Approve Rule Changes                                 | <b>Kim Olson</b><br>Policy Director        | 9:10 |
| 3. Approval of Schedule for Specific Dollar Amount Auto-Escalation | <b>Kim Olson</b><br>Policy Director        | 9:25 |

Tobias Read Treasurer Chair	Kara Backus Member	Lee Beyer Senator	Edward Brewington Member	VACANT Member	Pam Marsh Representative	Cory Streisinger Member	Michael Parker Executive Director Oregon Savings Network
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INFORMATION ITEMS:

- |   |  |       |
|---|--|-------|
| <b>4. Executive Director's Report</b>               | <b>Michael Parker</b>                      | 9:45  |
| a. Program financial & budgetary overview           | Executive Director, Oregon Savings Network |       |
| b. Financial audit procurement                      |  |       |
| <b>5. Program / Investment Review</b>               |  |       |
| a. SSgA Presentation                                | <b>Sonya Park, SSgA</b>                    | 10:00 |
| b. Retirement Environment                           | <b>Wendy Carter, Segal</b>                 | 10:15 |
| c. Investment Review                                | <b>Craig Chaikin, Segal</b>                | 10:25 |
| <b>6. Program Implementation and Administration</b> | <b>Joel Metlen</b>                         | 10:35 |
| a. Implementation / program numbers                 | Operations Director                        |       |
| b. Outreach   | <b>Kasey Krifka, Engagement Director</b>   | 10:45 |
| c. Opt in functionality                             | <b>Matt Golden, Ascensus</b>               | 10:55 |
| i. Default contribution *                           |  |       |
| d. Program administration                           |  |       |
| <b>7. Consumer survey research</b>                  | <b>Joel Metlen, Operations Director</b>    | 11:20 |
|   | <b>John Horvick, DHM Research</b>          |       |
| <b>8. Legislative Overview</b>                      | <b>Ryan Mann, Legislative Director</b>     | 11:45 |
| a. Full participation                               | <b>Kim Olson, Policy Director</b>          |       |
| b. WR form  |  |       |

**PUBLIC COMMENT:** 11:55

Next Meeting of the Oregon Retirement Savings Board: December 18, 2018

Adjournment

Tobias Read	Kara Backus	Lee Beyer	Edward Brewington	VACANT	Pam Marsh	Cory Streisinger	Michael Parker
Treasurer	Member	Senator	Member	Member	Representative	Member	Executive Director
Chair							Oregon Savings Network

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## Oregon Retirement Savings Program

### Board Minutes

June 13, 2018

9:00am – 12:00pm

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**Members Present:**

Treasurer Tobias Read, Chair  
Kara Backus  
Senator Lee Beyer  
Edward Brewington  
Representative Pam Marsh  
Cory Streisinger

**Member Present by Phone:**

Dan Clay

**Treasury Staff:**

David Bell, Deputy Director, Oregon Savings Network  
Kaellen Hessel, Advocacy/Outreach Manager  
Michael Kaplan, Chief Operating Officer  
Ryan Mann, Legislative Director  
Joel Metlen, Operations Director, Oregon Savings Network  
Kim Olson, Policy Director  
Michael Parker, Executive Director, Oregon Savings Network  
Jen Plett, Sr. Investment Analyst  
Missy Simpson, Executive Assistant  
Stephanie Swetland, Plan Specialist

**Others Present:**

Elise Brown, EBI Public Affairs  
Wendy Carter, Segal  
Glenn Ezard, Segal  
Matt Golden, Ascensus  
Jeff Gudman, Legislative Council  
Ryan Harvey, Sellwood Consulting  
Carolyn Kohout, SEIU – Local 99  
Mike Plett, OSEA

Treasurer Tobias Read, Chair, called the Oregon Retirement Savings Board meeting to order at 9:03 a.m.

**Agenda Item 1 – Review and approval of the minutes of the March 13, 2018 Oregon Retirement Savings Board meeting (ACTION ITEM)**

**MOTION:** Edward Brewington moved approval of the minutes of the March 13, 2018 meeting of the Oregon Retirement Savings Program. Kara Backus seconded the motion. The minutes were approved by a 5/0 vote.

**Agenda Item 2 – Review and Approve Authorities of Executive Director (ACTION ITEM)**

Michael Parker, Executive Director, Oregon Savings Network, presented the new structure of the Oregon Savings Network, showing how staff within the Oregon Savings Network will work with all the programs. Mr. Parker will be taking over the duties previously delegated to Lisa Massena in regards to the OregonSaves program.

**MOTION:** Edward Brewington moved to revoke the authority delegated to the Executive Director of OregonSaves under the Resolution adopted July 25, 2017, and resolve and delegate the authority to the Executive Director of the Oregon Savings Network, the recommendations provided to the Board. Kara Backus seconded the motion. The Delegation of Authority was approved by a 5/0 vote.

**Agenda Item 3 – Ascensus Contract Amendment (ACTION ITEM)**

Mr. Parker reviewed with the Board the changes Ascensus made to the contract, and asked the Board to approve the changes.

**MOTION:** Cory Streisinger moved approval of the contract amendment as described by Mr. Parker to include the rebalancing of the administrative fee and transfer of the marketing dollars. Kara Backus seconded the motion. The contract amendment was approved by a 5/0 vote.

**Agenda Item 4 – Executive Director’s Report (INFORMATION ITEM)**

Mr. Parker gave an update on the budget and informed the Board they would be seeing more detailed budget reports by next quarter.

**Agenda Item 5 – Program Implementation and Administration (INFORMATION ITEM)**

- a. Implementation
- b. Outreach
- c. Research

Joel Metlen, Operations Director, Oregon Savings Network, updated the Board with the progress of implementing employers in the OregonSaves program. Ted Bender and Deanna Longair, OregonSaves Representatives, have been traveling all over the state helping businesses with the implementation process and answering employer questions. A copy of Mr. Metlen’s presentation is included as a part of the records for the Oregon Retirement Savings Program’s Board meeting.

Ms. Backus wanted information on the enforcement staff is using regarding the employers that have not registered or opted out of the program. Mr. Parker informed the Board that staff is working with BOLI and will have more information regarding enforcement at the next board meeting.

Mr. Metlen updated the Board on the work staff is doing with Duke and the test messaging to the Wave 2 employers. Staff is also working with Commonwealth on the saver messaging around minimum wage increase.

**d. Program Administration**

Matt Golden, Ascensus, updated the Board on new features of the program. OregonSaves now has a new Spanish speaking representative. A copy of Mr. Golden’s presentation is included as a part of the records for the Oregon Retirement Savings Program’s Board meeting.

## **Agenda Item 6 – Program & Investment Review**

### **a. Retirement Environment**

Wendy Carter, Segal, gave a brief presentation about behavioral economics. A copy of Ms. Carter's presentation is included as a part of the records for the Oregon Retirement Savings Program's Board meeting.

### **b. Investment Review**

Glenn Ezard, Segal, presented the investment performance for the 1<sup>st</sup> quarter. A copy of the Analysis of Investment Performance is included as a part of the records for the Oregon Retirement Savings Program's Board meeting. Aside from the Capital Preservation, all investment options experienced negative returns in the first quarter, however, returns since July 1, 2017 remain positive for all investment options.

## **Agenda Item 7 – Rulemaking Overview**

Kim Olson, Policy Director, presented staff's recommendation of rulemaking topics that will be discussed as the third round of permanent rulemaking begins. Staff is currently determining the membership of the Rulemaking Advisory Committee and asked the Board to inform staff of potential RAC members. A copy of the Rulemaking topics is included as a part of the records for the Oregon Retirement Savings Program's Board meeting.

### **Public Comment:**

Carolyn Kohout, personal support worker, homecare worker, SEIU Local 99, thanked Ascensus for providing Spanish translators and hopes this will create enthusiasm for the program within the Hispanic community. Ms. Kohout also stressed interest in the enforcement staff would be using in regards to employers not participating in the program or opting out, and the help staff is receiving from other agencies.

Meeting adjourned at 11:20 a.m.

## **Rulemaking Summary**

### **170-080-0005 Definitions**

- Adds definition of (b) “Automatic Contribution Plan,” (u) “Minimum Initial Contribution,” (y) “Participating Individual,” and (ii) “Traditional IRA.”
- Adjusts definitions of (o) “Executive Director,” and (x) “Participating Employee.”
- Specifies two new qualified plan types (dd): 413(c) (MEPs) and 414(f) (multiemployer or “Taft Hartley” plans)

### **170-080-0015 Employer Registration and Employee Enrollment**

- 1(b): Provides Program Administrator flexibility on employer registration date.
- 1(c): Specifies which Form OQ Employers use when determining Number of Employees and provides Program Administrator flexibility to allow Employers to use a different Form OQ.
- 1(f): Removes misplaced language on employee enrollment.
- 1(f): Removes language specifying when an Employer lacking access to the internet may register with the Program.
- 2(a): Clarifies when the Facilitating Employer must enroll Employees in the Program.
- 2(c): Allows the Employee and Facilitating Employer to agree to expedite Employee enrollment in the Program.

### **170-080-0030 Standard and Alternative Elections for Contributions; Automatic Increases; Ceasing Contributions; Requesting Participation**

- 2(a)(A)(ii): Removes the \$1.00 minimum contribution rate, allows the Program Administrator to determine minimum rate.
- 2(e) and 2(f): Adds the Traditional IRA option and explains that Traditional IRA contributions are processed on a post-tax basis.

### **170-080-0035 Contributions**

- 5(b): Clarifies that auto-escalation only occurs if the Participating Employee began making Payroll Deduction Contributions on or before July 1 of the prior year.

### **170-080-0036 Non-Payroll Contributions**

- (3) and (4): Adds that Non-Payroll Contributions may be made electronically or by personal check, and that the Program Administrator will establish a minimum contribution rate.

#### **170-080-0040 Distributions and Distribution Requests**

- (1): Clarifies details surrounding distributions.

#### **170-080-0055 Distribution of Materials to Employees**

- Removes original language describing a process that was never implemented (i.e. Facilitating Employers were never required to distribute materials directly to Employees or track that distribution.)
- (1): Clarifies that the Program Administrator will distribute the material directly to Employees.
- (2): States that the Facilitating Employer will provide the Employee with hard copy materials upon request.
- 3(n): Adds information about the Traditional IRA to the Program materials.

#### **170-080-0056 Individual Participation**

- Creates new rules outlining opt-in Individual Participation in the Program.
- Delegates the establishment of a default set of elections for Participating Individuals to the Board.

#### **170-080-0057 Rollovers and Transfers**

- Creates new rule describing how the Program Administrator will handle incoming or outgoing rollovers and transfers.

#### **170-080-0058 Termination of Facilitating Employer Status through Program Exemption**

- Creates new rules outlining how a Facilitating Employer terminates participation in the Program when they begin offering a Qualified Plan.
- Describes what will happen to Plan accounts, how Participating Employees will be notified, and the timeline associated with this process.

#### **170-080-0061 Account Closure**

- Creates new rules describing when the Board may close a Program IRA.

#### **170-080-0062 Abandoned Accounts**

- Creates new rules describing when a Program IRA is considered abandoned and how the Program will deal with abandoned accounts.



## **OREGON RETIREMENT SAVINGS PROGRAM**

### **170-080-0001**

#### **Notice Rule for Rulemaking, Model Rules of Procedure**

**(1) Notice Rule for Rulemaking.** Before adopting, amending or repealing any permanent rule, the Board will give notice of the intended action:

- (a) In the Secretary of State's Bulletin referred to in ORS 183.360 at least 21 days before the effective date of the rule;
- (b) By e-mailing a copy of the notice to persons on the Board's mailing list established pursuant to ORS 183.335(8) at least 28 days before the effective date of the rule;
- (c) By mailing a copy of the notice to the legislators specified in ORS 183.335(15) at least 49 days before the effective date of the rule; and
- (d) By mailing or furnishing a copy of the notice to the list of interested parties compiled and maintained by the State Treasurer.

**(2) Model Rules of Procedure.** The Attorney General's Model Rules of Procedure as set forth in OAR 137, Divisions 1 through 4, are adopted as rules of procedure for administrative rulemaking and other administrative law functions as exercised by the Board in respect to the Program.

**(3) Collaborative Dispute Resolution Model Rules.** The Attorney General's Collaborative Dispute Resolution Model Rules, as set forth in OAR 137 Division 5, to the extent not inconsistent with the Act or the Code, are adopted by the Board as its rules for dispute resolution.

Stat. Authority: ORS 183.335, 183.341, 183.502

Stat. Implemented: ORS 183.341, 183.502, 178.220 to 178.245

Hist.:

### **170-080-0002**

#### **Confidentiality and Inadmissibility of Mediation Communication**

The policies and procedures of the Oregon State Treasurer set forth in OAR 170 in regard to confidentiality and inadmissibility of mediation communication, to the extent not inconsistent with the Act or the Code, are adopted as the policies and procedures of the Board.

Stat. Authority: ORS 36.224, 183.335, 183.341, 183.502

Stat. Implemented: ORS 36.224, 36.228, 36.230, 36.232

Hist.:

### **170-080-0005**

#### **Inspection, Certification or Copying Public Records**

The policies and procedures of the Oregon State Treasurer set forth in OAR 170, Division 2 in regard to inspection, certification or copying of public records, to the extent not inconsistent with the Act or ORS Chapter 178, are adopted as the policies and procedures of the Board.

Stat. Auth.: 178.050

Stats. Implemented: ORS Chapter 183, ORS 192.410 to 192.505

Hist.:

### **170-080-0010**

#### **Administration**

**(1) Policy.** The Board intends that, consistent with ORS Section 178.210(1)(p), the Program be operated, and these rules be construed, in a manner consistent with applicable guidance provided by the U.S. Department of Labor relating to payroll deduction IRA programs that are not pension plans under Title I of the Employee Retirement Income Security Act (ERISA) including, but not limited to, 29 CFR Sections 2509.99-1, 2510.3-2(d).

**(2) Definitions.** All capitalized terms used in these rules shall be as defined in the Act. Where a conflict is found to exist between a definition stated in these rules and the corresponding definition in the Act, the statutory definition shall apply. As used in these rules, unless the context indicates otherwise:

- (a) “Act” means ORS 178.200 to 178.245, as amended from time to time.
- (b) “Automatic Contribution Plan” means a program that allows a Participating Individual to contribute funds to a Program Roth or Traditional IRA at regular intervals through electronic transmission. Contributions shall be deemed to be made at regular intervals if they are made at least quarterly.
- (c) “Beneficiary” means the individual(s), person(s), or entity(ies) entitled to receive the proceeds of a Program IRA.
- (d) “Board” means the Oregon Retirement Savings Board established in ORS 178.200(1).
- (e) “Certificate of Exemption” means a truthful statement by an authorized representative of an Employer that it offers a Qualified Plan to some or all of its Employees.
- (f) “Client Employer” means a client of a Worker Leasing Company that obtains services of Leased Workers as defined in OAR 436-050-0005.
- (g) “Code” means the Internal Revenue Code and any regulations, rulings, announcements, or other guidance issued thereunder, as amended.
- (h) “Compensation” means W-2 wages, as defined in 26 CFR 1.415(c)-2(d)(4).
- (i) “Distribution” means any distribution of funds from an IRA established pursuant to the Program.
- (j) “Employee” means any person 18 years of age and older working in an Employment, as defined herein.
- (k) “Employer” means any employing unit which employs one or more individuals in an Employment in each of 18 separate weeks during any calendar year, or in which the employing unit’s total payroll during any calendar quarter amounts to \$1,000 or more.
- (l) “Employer of Record” means the business associated with the Business Identification Number (BIN), or if unavailable, the Federal Employer Identification Number (FEIN), listed on an Employee’s or Participating Employee’s W-2.
- (m) “Employment” means any employment subject to ORS Chapter 657 provided that, notwithstanding the exemptions from the definition of Employment contained in Chapter 657, for the purposes of the Program, Employment includes:
  - (A) Agricultural labor, as defined in ORS 657.045; and
  - (B) Commissioned positions, as defined in ORS 657.085, 657.087(1) and (2), and 657.090.
- (n) “Enrollment Date” means either:
  - (A) the Initial Enrollment Date, for Participating Employees hired on or before the Facilitating Employer’s required Registration Date; or
  - (B) a date not more than 60 days following start of employment, for Participating Employees hired after the Facilitating Employer’s required Registration Date.
- (o) “Executive Director” means the Executive Director of the Oregon Savings Network.

- (p) “Exempt Employer” means an Employer who has filed a valid and current Certificate of Exemption pursuant to procedures established by the Board.
- (q) “Facilitating Employer” means an Employer whose Registration Date has passed and who is not an Exempt Employer.
- (r) “Initial Enrollment Date” means the date not more than 60 days after the Facilitating Employer’s required Registration Date, by which a Facilitating Employer must initially enroll its Participating Employees.
- (s) “IRA” means the individual retirement account established by a Participating Individual or by or for a Participating Employee under the Program.
- (t) “IRS” means the Internal Revenue Service of the United States Treasury Department.
- (u) “Minimum Initial Contribution” means the minimum Non-Payroll Contribution required for a Participating Individual to establish a Program IRA.
- (v) “Non-Payroll Contributions” means contributions other than Payroll Deduction Contributions, rollover contributions, or transfer contributions.
- (w) “Number of Employees” means the number of employees as submitted on the Employer’s Oregon Quarterly Tax Report (Form OQ): Number of covered workers for Unemployment Insurance, in accordance with OAR 170-080-0015.
- (x) “Participating Employee” means any person who is an Employee of a Facilitating Employer, enrolled in the Program, maintains a Program IRA and is not a Participating Individual..
- (y) “Participating Individual” means any person who is in the Program independent of an employment relationship with a Facilitating Employer, maintains a Program IRA, and is not a Participating Employee.
- (z) “Payroll Date” means the date that an Employee’s Compensation is paid to the Employee by the Employer through the payment of cash, issuance of a check, electronic funds transfer or other method.
- (aa) “Payroll Deduction Contributions” means contributions made by a Participating Employee or Participating Individual pursuant to a payroll deduction.
- (bb) “Program” means the Oregon Retirement Savings Program established by the Board pursuant to ORS 178.205(1).
- (cc) “Program Administrator” means a third party administrator chosen by the Board to assist in carrying out the requirements of the Act.
- (dd) “Qualified Plan” means a retirement plan qualified under the Code section 401(a), section 401(k), section 403(a), section 403(b), section 408(k), section 408(p), section 413(c), section 414(f), or a governmental plan qualified under section 457(b) of the Code. For purposes of this rule, a payroll deduction IRA program as defined in 29 CFR 2510.3-2(d) is not a Qualified Plan.
- (ee) “Registration Date” means, for each Employer, the date by which the Employer is required to register with the Program or file a Certificate of Exemption, in accordance with OAR 170-080-0015.
- (ff) “Roth IRA” means an individual retirement account as defined in Code section 408A.
- (gg) “Standard Elections” means the default Program elections applicable to a Participating Employee who has not opted for different elections, as specified in OAR 170-080-0030.
- (hh) “Target Date Fund” means a professionally-managed fund containing a mix of investments that invests based on the employee’s age and/or projected retirement date.
- (ii) “Traditional IRA” means an individual retirement account as defined in Code section 408(a).
- (jj) “Worker Leasing Company” (also known as a Professional Employer Organization or PEO) means a person who provides workers, by contract and for a fee, to work for a client and is

licensed as a Worker Leasing Company by the Oregon Department of Consumer and Business Services.

Stat. Auth.: ORS 178.200 to 178.245

Stats. Implemented: ORS 178.200 to 178.245

Hist.:

#### **170-080-0011**

##### **Executive Director**

The Executive Director is responsible for the day-to-day operations of the Program and for carrying out such duties and responsibilities as assigned by the Board.

Stat. Auth.: ORS 178.200 to 178.245

Stats. Implemented: ORS 178.200 to 178.245

Hist:

#### **170-080-0015**

##### **Employer Registration and Employee Enrollment**

###### **(1) Registration**

(a) On or before the Registration Date, each Employer shall register with the Program or file a Certificate of Exemption.

(b) Unless otherwise permitted by the Program Administrator, the Registration Date for an Employer shall be as follows:

(A) An Employer employing one hundred (100) or more Employees: November 15, 2017

(B) An Employer employing at least fifty (50) but no more than ninety-nine (99) Employees: May 15, 2018

(C) An Employer employing at least twenty (20) but no more than forty-nine (49) Employees: December 15, 2018

(D) An Employer employing at least ten (10) but no more than nineteen (19) Employees: May 15, 2019

(E) An Employer employing at least five (5) but no more than nine (9) Employees: November 15, 2019

(F) Client Employers, as defined in 170-080-0010: November 15, 2019

(G) An Employer employing four (4) or fewer Employees: May 15, 2020

(c) In determining the Number of Employees for the purposes of this section, Employers shall use data as submitted on the 2016 4<sup>th</sup> quarter Oregon Quarterly Tax Report (Form OQ): Number of covered workers for Unemployment Insurance, except under the following circumstances:

(A) An Employer who first meets the definition of Employer after January 1, 2017 will use the number of employees submitted on the Employer's most recently filed Form OQ;

(B) An Employer with no Employees reported on Form OQ will have a Registration Date of May 15, 2020; or

(C) At the Program Administrator's discretion, an Employer with a valid business reason may use data from a more recent Form OQ.

(d) To register with the Program, a Facilitating Employer shall use the internet portal established by the Program Administrator to provide the following information:

- (A) Employer name and assumed business name, if any;
  - (B) Employer Identification Numbers (Federal Employer Identification Number and Business Identification Number);
  - (C) Employer mailing address;
  - (D) Name, title, telephone number and email address of an individual designated by the Employer as the Program's point of contact;
  - (E) Number of Employees; and
  - (F) Any other information reasonably required by the Program for the purposes of administering the Program.
- (e) New Employers: the Registration Date for an Employer who first meets the definition of Employer after July 1, 2017, shall be the later of:
- (A) the date specified in subsection (1)(b) above, or
  - (B) 90 days after the Employer first meets the definition of Employer.
- (f)  
A Facilitating Employer who lacks access to the internet may register with the Program by alternate means established by the Program Administrator.

**(2) Employee Enrollment through a Facilitating Employer**

- (a) On or before the Initial Enrollment Date, and on or before the Enrollment Date for each subsequently hired Employee, a Facilitating Employer shall enroll its Employees using the Program Administrator's internet portal or other means of data transmittal specified and validated by the Program Administrator. The Facilitating Employer shall provide the following information for each Employee no more than 30 days after the Registration Date (for Employees hired on or before the Registration Date) and no more than 30 days following the start of Employment (for Employees hired after the Registration Date):
- (A) Full legal name;
  - (B) Social security number or taxpayer ID number;
  - (C) Date of birth;
  - (D) Mailing address;
  - (E) Employee's designated email address; and
  - (F) Any other information reasonably required by the Program for the purposes of administering the Program.
- (b) In order to allow for Employees to establish an IRA through an automatic enrollment process, the Board shall establish procedures with the Program Administrator for the execution or adoption of such documents as are necessary or appropriate to establish an IRA for such Employee. If the Employee has not opted out after notice of the opportunity to opt out was sent to the Employee using the contact information on file with the Program, and the opt-out period has lapsed, then an IRA will be established for such Employee pursuant to directives and procedures established by the Board.
- (c) Automatic Employee enrollment occurs 30 days after the Facilitating Employer provides the information in OAR 170-080-0015(2)(a), unless the Employee and Facilitating Employer agree to an earlier date.

Stat. Auth.: ORS 178.200 to 178.245

Stats. Implemented: ORS 178.200 to 178.245

Hist.:

#### **170-080-0020**

##### **Employer Exemptions**

(1) An authorized representative of an Employer may file a Certificate of Exemption with the Program by certifying, through the Program Administrator's internet portal or other means of data transmittal specified and validated by the Program Administrator, that the Employer offers a Qualified Plan to some or all of its Employees.

(2) A Certificate of Exemption is valid for three (3) years from the date the Employer files the Certificate with the Program Administrator, so long as the Employer continues to offer a Qualified Plan to some or all of its Employees. A Certificate of Exemption may be renewed by following a process of recertification to be established by the Board not later than December 31, 2019.

Stat. Auth.: ORS 178.200 to 178.245

Stats. Implemented: ORS 178.200 to 178.245

Hist.:

#### **170-080-0025**

##### **Responsibilities in Joint or Co-employment Circumstances**

(1) With respect to any Employee or Participating Employee in a joint or co-employment relationship, except as provided in subsection 2, the terms "Employer" and "Facilitating Employer" shall mean the Employer of Record.

(2) With respect to any Employee or Participating Employee provided by a Worker Leasing Company, who is not provided on a temporary basis, as described in OAR 436-050-0420, the term "Employer" and "Facilitating Employer" shall mean the Client Employer.

(3) Notwithstanding the foregoing, with respect to any Employee or Participating Employee of a Worker Leasing Company who is not a Leased Worker as defined in OAR 436-050-0005, the terms "Employer" and "Facilitating Employer" shall mean the Worker Leasing Company.

(4) Nothing in this rule shall prohibit a Worker Leasing Company and a Client Employer from entering into an agreement under which the Worker Leasing Company may assist the Client Employer in the performance of some or all of the Client Employer's responsibilities under these rules.

Stat. Auth.: ORS 178.200 to 178.245

Stats. Implemented: ORS 178.200 to 178.245

Hist.:

#### **170-080-0030**

##### **Standard and Alternate Elections for Contributions; Automatic Increases; Ceasing Contributions; Requesting Participation**

###### **(1) Standard Elections**

(a) An Employee who has not provided notice as specified in this section shall participate using the following Standard Elections:

(A) Contribution to the Program at an initial rate of 5% of Compensation;

(B) Auto-escalation at the rate of an additional 1% of Compensation each year until a maximum of 10% is reached;

(C) Investments:

(i) The first \$1,000 in contributions to be invested in a capital preservation investment as selected by the Board;

- (ii) All subsequent contributions to be invested in a Target Date Fund; and
- (D) The Program account will be a Roth IRA and contributions will occur on a post-tax basis.

## **(2) Alternate Elections**

- (a) An Employee who does not wish to participate using the Standard Elections shall notify the Facilitating Employer, in a form or format established by the Program, and within the 30 days prior to their Enrollment Date, that:
  - (A) The Employee wishes to participate in the Program:
    - (i) at an initial contribution rate different from the Standard Elections, which shall be a percentage of available Compensation expressed as any whole number (i.e. three (3) percent but not three and one-half (3.5) percent). The minimum contribution rate is 1% and the maximum contribution rate is 100% of available Compensation, up to the IRS annual contribution limits; or
    - (ii) at an initial contribution rate different from the Standard Elections, expressed as a specific whole dollar amount. The Program Administrator will establish the minimum contribution. The maximum contribution rate is 100% of available Compensation, up to the IRS annual contribution limits; or
    - (iii) at an initial contribution rate consistent with the Standard Elections but without auto-escalation; or
    - (iv) at an initial contribution rate different from the Standard Elections and without auto-escalation.
  - (B) The Employee is opting out of the Program.
- (b) A Participating Employee may change contribution elections by notifying the Facilitating Employer of the change request, in a form or format established by the Program. This change shall be effected on the Participating Employee's payroll as soon as administratively practicable, but within 30 days of receipt of a notice of change. Employers may limit the processing of contribution election changes to one change per month per Participating Employee.
- (c) An Employee who wishes to select an investment option other than that provided by the Standard Elections shall notify the Program Administrator, in a form or format established by the Program, that the Employee wishes to participate in the Program by investing future contributions directly into another fund or funds offered by the Program, which selection shall be effected as soon as administratively practicable.
- (d) A Participating Employee may change investment elections for any portion of the balance of the Program by notifying the Program Administrator of a requested change in investment elections, either in writing, electronically, or in any other form permitted by the IRS, to be effected as soon as administratively possible.
- (e) An Employee who wishes to select a Traditional IRA shall notify the Program Administrator, in a form or format established by the Program, that the Employee wishes to participate using a Program Traditional IRA.
- (f) The Facilitating Employer will process Program Traditional IRA contributions on a post-tax basis.

## **(3) Ceasing Contributions or Requesting Participation**

- (a) A Participating Employee may cease contributions to the Program by notifying the Facilitating Employer of intent to cease making contributions and revoking the authorization of the Facilitating Employer to make contributions on their behalf. The Participating Employee will give notice of this revocation, in a form or format established by the Program, to the Facilitating Employer at least 30 days before the effective date.
- (b) An Employee of a Facilitating Employer who initially opted out of participation in the Program may become a Participating Employee by completing and delivering, in a form or format established by the Program, instructions to initiate participation to the Facilitating Employer. The request shall be effective on the Employee's payroll following notification as soon as administratively practicable, not to exceed 30 days.

Stat. Auth.: ORS 178.200 to 178.245

Stats. Implemented: ORS 178.200 to 178.245

Hist.:

### **170-080-0035**

#### **Contributions**

- (1) Beginning 30 days following the Enrollment Date, and in accordance with a Participating Employee's election under OAR 170-080-0030, the Facilitating Employer shall, on each Payroll Date, transfer from the Participating Employee's Compensation for contribution to the Participating Employee's IRA:
  - (a) 5% of Compensation; or
  - (b) The Participating Employee's elected contribution rate, if different from the Standard Elections; or
  - (c) The auto-escalated percentage of Compensation for that Participating Employee.
- (2) Notwithstanding subsection (1), amounts deducted by the Facilitating Employer pursuant to this Rule shall not exceed the amount of the Participating Employee's Compensation remaining after any payroll deductions required by law to have higher precedence, including a court order, are made by the Facilitating Employer.
- (3) Amounts deducted by the Facilitating Employer pursuant to this rule shall be transmitted to the Program Administrator as specified by the Program, as soon as administratively possible, not to exceed seven (7) business days from the date of deduction. Failure to transmit the amount as required constitutes an unlawful deduction under ORS 652.610(4).
- (4) Beginning January 1, 2019, the Facilitating Employer shall increase the deduction specified in subsection (1) of this Rule for each Participating Employee who has not opted out of auto-escalation:
  - (a) For a Participating Employee who elected a percentage of available Compensation, the Facilitating Employer shall increase the amount by an additional 1% of Compensation per year until the total deduction has reached 10% of Compensation.
  - (b) For a Participating Employee who elected an initial contribution rate expressed as a specific dollar amount, the Facilitating Employer shall increase the amount using a schedule or rate established by the Board.
- (5) Auto-escalation will occur on January 1 each year for Participating Employees who:
  - (a) Are contributing less than 10% of Compensation; and
  - (b) Completed the initial Payroll Deduction Contribution specified in subsection (1) of this Rule on or before July 1 of the prior year.

Stat. Auth.: ORS 178.200 to 178.245



Stats. Implemented: ORS 178.200 to 178.245

Hist.:

#### **170-080-0036**

##### **Non-Payroll Contributions**

(1) Any Participating Employee or Participating Individual may choose to make Non-Payroll Contributions to the Program.

(2) Such contributions must not exceed, in combination with Payroll Deduction Contributions, the annual IRA contribution limit as determined by the Code and related rules promulgated by the IRS, and must be delivered to the OregonSaves IRA trustee in accordance with procedures determined by the Board and approved by the Program Administrator.

(3) The Program Administrator will establish the minimum contribution.

(4) Non-Payroll Contributions may be made electronically or by personal check.

Stat. Auth.: ORS 178.200 to 178.245

Stats. Implemented: ORS 178.200 to 178.245

Hist.:

#### **170-080-0040**

##### **Distributions and Distribution Requests**

(1) A Participating Employee, Participating Individual, or Beneficiary may request a Distribution of all or a portion of funds from a Program Roth or Traditional IRA at any time by submitting a completed distribution request to the Program Administrator, in a form or format established by the Program and permitted by the IRS.

(2) A Program IRA Distribution shall be subject to any applicable state and federal income tax obligations and may be subject to penalties under the Code.

Stat. Auth.: ORS 178.215(7)

Stats. Implemented: ORS 178.200 to 178.245

Hist.:

#### **170-080-0045**

##### **Program Administration Fees and Expenses**

(1) The Board will charge each IRA a Program administrative fee not to exceed the rate of 1.05% per annum, to defray the costs of operating the Program, including internal and external administration, and operational and investment costs, including for professional investment management services.

(2) The Board will from time to time review, adjust, and notify Participating Employees and Participating Individuals of changes to Program Administration fees.

Stat. Auth.: ORS 178.225

Stats. Implemented: ORS 178.200 to 178.245

Hist.:

#### **170-080-0050**

##### **Employer Guidelines**

(1) Facilitating Employers shall:

(a) Collect contributions and remit those amounts promptly to the Program Administrator or its designee;

(b) Provide information to the Program Administrator, as described in OARs 170-080-0015, 170-080-0020, and 170-080-0030;

- (c) Retain the notice of any Employee elections or election changes pursuant to any action defined in OAR 170-080-0030 for a period not less than three (3) years from the date of the notice. Facilitating Employers may choose to comply with this requirement by allowing the Program Administrator to maintain such documentation on their behalf, either electronically, or in any other medium allowable under applicable law;
  - (d) Record the Participating Employee's elections and election changes in its payroll system in a manner that enables the Facilitating Employer to make accurate deductions from the Participating Employee's paycheck;
  - (e) Make clear that the Facilitating Employer's involvement in the Program is limited to collecting contributions and remitting them to the Program Administrator or its designee, and that the Facilitating Employer does not provide any additional benefit or promise any particular investment return on Employee savings; and
  - (f) Remain neutral about the Program.
- (2) Facilitating Employers shall not:
- (a) Contribute to the Program;
  - (b) Require, endorse, or discourage employee participation in the Program; and
  - (c) Execute any discretionary authority, control, or responsibility with respect to the Program.
- (3) Facilitating Employers may, if they choose:
- (a) Provide additional general information and other educational materials that explain the advisability of retirement savings, including the advantages of contributing to an IRA; and
  - (b) Answer Employee inquiries about the mechanics of the IRA payroll deduction.
- (4) Facilitating Employers should refer other inquiries to the Program Administrator or as otherwise directed by the Board.

Stat. Auth.: ORS 178.200 to 178.245

Stats. Implemented: ORS 178.200 to 178.245

Hist:

## **170-080-0055**

### **Distribution of Materials to Employees**

- (1) After the Facilitating Employer submits the Employee information in accordance with OAR 170-080-0015(2)(a), the Program Administrator will distribute informational materials directly to Employees. The Program Administrator will provide a Facilitating Employer a set of informational materials about the Program upon completion of the Facilitating Employer's registration in the online portal. The Program Administrator will provide the materials to the Facilitating Employer by supplying the internet address where such materials may be accessed or, upon request of the Facilitating Employer, will provide the materials in hard copy form.
- (2) Upon request of the Employee, the Facilitating Employer will provide the Employee a set of hard copy materials or supply the internet address where such materials may be accessed. The Facilitating Employer will provide the materials in the manner requested by the Employee.
- (3) The informational materials will include the following information:
- (a) The benefits and risks associated with making contributions to a Program IRA;
  - (b) Instructions describing how to make contributions to the Program, including the Standard Elections applicable if the Participating Employee does not make other elections;
  - (c) A description of the other elections available under the Program, including how to opt out of the Program;

- (d) Investment alternatives available under the Program and instructions describing how to make or change an investment election;
- (e) The process for requesting a Distribution of retirement savings from the Program;
- (f) How to obtain additional information about the Program, including the fees associated with the Program;
- (g) That the Facilitating Employer does not endorse or recommend the Program;
- (h) That Employees and Participating Employees seeking financial advice should contact financial advisers, that Facilitating Employers are not in a position to provide financial advice, and that Facilitating Employers are not liable for decisions Employees and Participating Employees make regarding the Program;
- (i) That the Program is not an employer-sponsored retirement plan;
- (j) That Employee participation in the Program is completely voluntary;
- (k) That information on IRAs outside of the Program is available from other sources;
- (l) That neither the value of a Program IRA, nor the rate of return are guaranteed by the state, the Facilitating Employer, or anyone else;
- (m) That by Standard Election, contributions under the Program are made to a Roth IRA, and that a Roth IRA may not be appropriate for all individuals; and
- (n) That the Program has a Traditional IRA option and summarizing the tax implications, withdrawal penalties, conversion details, and enrollment process for a Traditional IRA.

Stat. Auth.: ORS 178.200 to 178.245

Stats. Implemented: ORS 178.200 to 178.245

Hist.:

## **170-080-0056**

### **Individual Participation**

- (1) An individual who is 18 years of age and older and is eligible to contribute to an IRA under the Code may choose to participate in the Program as a Participating Individual.
- (2) An individual may become a Participating Individual by:
  - (a) Completing and delivering, in a form or format established by the Program, instructions to initiate enrollment using the internet portal established by the Program Administrator; and
  - (b) Establishing an Automatic Contribution Plan; or
  - (c) Making a Minimum Initial Contribution as required by the Program Administrator.
- (3) Participating Individuals shall receive individual participation-specific Program materials from the Program Administrator at the time of enrollment. The Program Administrator will deliver the informational materials electronically, unless the Participating Individual elects to receive a set of hard copy materials.
- (4) A Participating Individual who works for an Exempt Employer will make Non-Payroll Contributions unless the Exempt Employer agrees to process Payroll Deduction Contributions.
- (5) Exempt Employers who agree to process Payroll Deduction Contributions for Participating Individuals are not Participating Employers. Exempt Employers are solely responsible for determining whether their payroll deduction IRA programs satisfy IRS and DOL requirements for exemption from ERISA.
- (6) The Program Administrator will establish the minimum contribution rate for a Participating Individual through an Automatic Contribution Plan.

(7) A Participating Individual with an Automatic Contribution Plan may make additional Non-Payroll Contributions to a Program IRA.

(8) The Participating Individual is responsible for ensuring that annual contributions do not exceed the annual IRA contribution limit as determined by the Code and related rules promulgated by the IRS. Contributions must be delivered to the OregonSaves IRA trustee in accordance with procedures determined by the Board and approved by the Program Administrator.

(9) The Board will establish a default election for Participating Individuals.

Stat. Auth.: ORS 178.200 to 178.245

Stats. Implemented: ORS 178.200 to 178.245

Hist.:

#### **170-080-0057**

##### **Rollovers and Transfers**

The Board shall establish procedures with the Program Administrator through which a Participating Employee, Participating Individual, or Beneficiary may roll over or transfer all or a portion of a Program IRA account to a different retirement savings vehicle in accordance with the Code. In addition, Program IRAs may receive rollovers and transfers from other retirement savings vehicles in accordance with the Code.

Stat. Auth.: ORS 178.200 to 178.245

Stats. Implemented: ORS 178.200 to 178.245

Hist.:

#### **170-080-0058 Termination of Facilitating Employer Status through Program Exemption**

(1) A Facilitating Employer who begins offering a Qualified Plan must notify the Program Administrator at least 60 days prior to the cessation of Payroll Deduction Contributions.

(2) Unless otherwise elected by the Participating Employee, Program IRAs will remain in the Program after the Facilitating Employer certifies its exemption and Participating Employees may continue to make Contributions as Participating Individuals pursuant to OAR 170-080-0056.

(3) The Program Administrator will notify Participating Employees of the Facilitating Employer's termination of participation in the Program and provide further instructions for future interaction with their Program IRAs.

(4) The Facilitating Employer must inform Participating Employees of their intention to terminate participation in the Program at least 30 days prior to cessation of Payroll Deduction Contributions. The Program Administrator will provide hard copy informational materials to the Facilitating Employer for distribution to Participating Employees.

Stat. Auth.: ORS 178.200 to 178.245

Stats. Implemented: ORS 178.200 to 178.245

Hist.:

#### **170-080-0060**

##### **Technical Assistance to Employers**

The Program Administrator will provide a range of tools and technical assistance for Employer use. Facilitating Employers shall advise the Program Administrator if they desire technical assistance in completing Program requirements.

Stat. Auth.: ORS 178.200 to 178.245

Stats. Implemented: ORS 178.200 to 178.245  
Hist.:

#### **170-080-0061**

##### **Account Closure**

- (1) A Program IRA account may be closed by a process established by the Board if:
- (a) No funds have been deposited into the account for at least 18 months; and
  - (b) All funds from the Participating Employee's or Participating Individual's account have been withdrawn pursuant to OAR 170-080-0057; or
  - (c) All funds from the Participating Employee's or Participating Individual's account have been rolled over or transferred pursuant to OAR 170-080-0058.

Stat. Auth.: ORS 178.200 to 178.245  
Stats. Implemented: ORS 178.200 to 178.245  
Hist.:

#### **170-080-0062**

##### **Abandoned Accounts**

A Program IRA will be presumed abandoned according to the unclaimed property law of the state of the last known address of the Participating Employee or Participating Individual. If the last known address of the Participating Employee or Participating Individual is in Oregon, the provisions of the Uniform Disposition of Unclaimed Property shall apply (ORS 98.302 to 98.436). If there is no last known address of the Participating Employee or Participating Individual in the Program records, federal common law shall determine the state with the first priority claim.

Stat. Auth.: ORS 178.200 to 178.245  
Stats. Implemented: ORS 178.200 to 178.245  
Hist.:

#### **170-080-0065**

##### **Confidentiality**

**(1) Confidentiality.** The Board will treat Individual IRA account information as confidential, including without limitation, names, addresses, telephone numbers, personal identification information, contributions, and earnings.

##### **(2) Written release.**

- (a) The Board may disclose an individual's Program IRA account information to persons or entities other than those described in subsection (4) of this Rule if it receives a signed release from the Participating Employee or Participating Individual consenting to disclosure of some or all of the individual's Program IRA account information to a specific person or entity. For purposes of this paragraph, "an individual's Program IRA account information" includes information pertaining to:
  - (A) the Participating Employee's or Participating Individual's IRA account;
  - (B) Beneficiary designations;
  - (C) Distributions; or
  - (D) other information contained in any draft court order.
- (b) A written authorization to release information is valid indefinitely, unless a specific end date is provided in the written statement.

**(3) Subpoena.** A subpoena for information available from the Program must be made out to the State of Oregon, Oregon Retirement Savings Program. The Program reserves the right to object to any subpoena on the grounds that the subpoena fails to provide a reasonable time for preparation and travel, is otherwise unreasonable or oppressive, or that service was improper, in addition to any other basis legally available. To facilitate prompt processing, copies of subpoenas should be served at the Office of the State Treasurer. Faxed subpoenas are not acceptable.

**(4) Disclosure.** The Board may disclose anonymized data which does not include information that is identifiable to an individual Participating Employee, Participating Individual, Beneficiary, or Employer for purposes of research associated with the Program. The Board may disclose information that it is required to disclose under the Oregon Public Records Law. The Board may disclose an individual's Program IRA account information to the Program Administrator, the providers of investments for the Program, regulatory agencies to the extent disclosure is required by law, and to other persons or entities to the extent the Board determines disclosure is necessary to administer the Program.

Stat. Auth.: ORS 178.220

Stats. Implemented: ORS 178.200 to 178.245

Hist.:

### **Automatic Escalation Schedule for Specific Dollar Amount Contributions**

In 170-080-0035 Contributions, the rules state:

(4) Beginning January 1, 2019, the Facilitating Employer shall increase the deduction specified in subsection (1) of this Rule for each Participating Employee who has not opted out of auto-escalation:

(a) For a Participating Employee who elected a percentage of available Compensation, the Facilitating Employer shall increase the amount by an additional 1% of Compensation per year until the total deduction has reached 10% of Compensation.

(b) For a Participating Employee who elected an initial contribution rate expressed as a specific dollar amount, the Facilitating Employer shall increase the amount using a schedule or rate established by the Board.

1) Facilitating Employers will use this schedule for Participating Employees who elected a specific dollar amount contribution, rather than a percentage. The Program Administrator will also use this schedule for Participating Individuals. Our goal is to make this schedule easy for Facilitating Employers to use and keep the increases comparable to those experienced by Participating Employees using a percentage.

**Staff recommends the following schedule for the Board's consideration:**

Contribution range      Escalation amount

\$1.00	\$10.00	\$1.00
\$11.00	\$20.00	\$2.00
\$21.00	\$40.00	\$4.00
\$41.00	\$80.00	\$8.00
\$81.00	\$160.00	\$16.00
\$161.00	\$320.00	\$32.00
\$321.00	And above*	\$64.00

\*Maximum contribution is \$458/month

With the exception of the \$1.00-\$10.00 range, this schedule increases the dollar amounts between 10% and 20% each year. This is similar to the increases for an individual who selects a percentage of income.

Examples:

<b>Initial monthly contribution (Y1)</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Annual contribution Y1</b>	<b>Annual contribution Y6</b>
\$5	\$6	\$7	\$8	\$9	\$10	\$60	\$120
\$10	\$11	\$13	\$15	\$17	\$19	\$120	\$228
\$25	\$29	\$33	\$37	\$41	\$49	\$300	\$588
\$50	\$58	\$66	\$74	\$82	\$98	\$600	\$1,176
\$75	\$83	\$99	\$115	\$131	\$147	\$900	\$1,764
\$100	\$116	\$132	\$148	\$164	\$196	\$1,200	\$2,352

For comparison, a \$24,000 annual salary by percentage (assuming salary remains stationary)

<b>5% monthly contribution (Y1)</b>	<b>Year 2 6%</b>	<b>Year 3 7%</b>	<b>Year 4 8%</b>	<b>Year 5 9%</b>	<b>Year 6 10%</b>	<b>Annual contribution Y1</b>	<b>Annual contribution Y6</b>
\$100	\$120	\$140	\$160	\$180	\$200	\$1,200	\$2,400

2) The rules are silent regarding how long Participating Employees / Participating Individuals will continue to auto-escalate if they elect a specific dollar amount contribution. We will not know the starting percentage of income for these participants.

**Staff recommends the Board wait until the Program Administrator is able to collect data on specific dollar amount contributors before adding details to the rules regarding how long auto-escalation will continue for these participants.**



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# OregonSaves Update to Oregon Retirement Savings Board

**Sonya Park**  
**Vidur Mehra, CFA**

**October 9, 2018**

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# Fee Reductions

## State Street Target Retirement Mutual Funds – Class K

*Effective September 4, 2018, the contractual operating expense waiver and reimbursement agreement for each of the State Street Target Retirement Mutual Funds was amended to lower the cap on total annual fund operating expenses, exclusive of certain fees and expenses, from **0.13%** to **0.09%** of each Fund's average daily net assets on an annual basis<sup>1</sup>.*

*Accordingly, the Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements for the Class K State Street Target Retirement Mutual Funds is now **0.09%**.*

## State Street Equity 500 Index Fund – Class K

*Effective September 21, 2018, the Management Fee for the State Street Equity 500 Index Fund was reduced and the contractual operating expense waivers for the Fund changed to lower the Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements from **0.06%** to **0.02%**<sup>2</sup>.*

*Accordingly, the Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements for the Class K State Street Equity 500 Index Fund is now **0.02%**.*

Source: State Street Global Advisors. As of September 30, 2018.

Please visit [SSGAFunds.com](http://SSGAFunds.com) for additional information regarding these funds, including the Fact Sheets and the Fund's Prospectus, as well as information regarding the other available share classes.

1. The Fund's investment adviser, SSGA Funds Management, Inc. (the "Adviser" or "SSGA FM"), is contractually obligated until April 30, 2018 (1) to waive up to the full amount of the advisory fee payable by the Fund, and/or (ii) to reimburse the Fund to the extent that Total Annual Fund Operating Expenses (exclusive of non-recurring account fees, extraordinary expenses, and distribution, shareholder servicing, and sub-transfer agency fees) exceed 0.09% of average daily net assets on an annual basis. This waiver and/or reimbursement may not be terminated prior to April 30, 2019 except with the approval of the Fund's Board of Trustees.

2. The Fund's investment adviser, SSGA Funds Management, Inc. is contractually obligated until April 30, 2020 (i) to waive up to the full amount of the advisory fee payable by the Fund for expenses to the extent that Total Annual Fund Operating Expenses (exclusive of non-recurring account fees, extraordinary expenses, acquired fund fees, and any class-specific expenses, such as distribution, shareholder servicing, sub-transfer agency and administration fees) exceed 0.02% of average daily net assets on an annual basis. This waiver and/or reimbursement may not be terminated prior to April 30, 2020 except with the approval of the Fund's Board of Trustees.

# Performance Summary

## Market Review: Q2 2018

- Across US Equities, Small Cap stocks outperformed as announced tariffs and possible retaliation were seen as more threatening to large multinational firms than smaller domestically oriented firms.
- International equities (emerging and developed) underperformed US equities due to electoral and political uncertainties within emerging economies, the strengthening of the US Dollar, and the escalating threat of more aggressive tariff measures by the US.
- Among inflation-sensitive asset classes, US TIPs outperformed nominal bonds as inflation expectations trended higher. Real Estate Investment Trusts (REITs) rallied as the market realized a slower pace of interest rate advances in Q2.
- Short-duration bonds outperformed longer-duration bonds, as a combination of higher spreads and rising underlying government yields led to losses for longer duration bonds.

## Cash

Inflation firmed in the second quarter, with the Fed's preferred measure of core inflation, the year over year Core Personal Consumption Expenditure Index, advancing to the Fed target of 2.0% through May for the first time since 2012. Evidence of firming growth and rising inflation were supportive of a somewhat more hawkish stance from the Federal Reserve late in the quarter. The release from the June 13 Federal Open Market Committee meeting showed that the median projection for the number of interest rate hikes in 2018 had increased from three rate moves to four. The Institutional Liquid Reserves Fund was yielding 2.08% as of June 30, 2018.

## Equity Markets

Equity markets saw a divergence in returns across regional indices with US equities leading global markets. The relative benefits of these returns were somewhat muted by returns from International stocks, most notably emerging markets which shed 7.9%. Overall Q2 asset class performance was led by U.S. Small/Mid Cap stock returning 5.85%, U.S. Large Cap Equities returned 3.39%, and International Equities realized -2.98%.

## Performance at NAV

As of June 30, 2018	Q2	1-Year
State Street Institutional Liquid Reserves Fund (Premier)	0.51	1.48
State Street Equity 500 Index Fund (K)	3.40	14.36
State Street Target Retirement Income (K)	0.85	4.00
State Street Target Retirement 2015 (K)	0.93	4.79
State Street Target Retirement 2020 (K)	0.89	6.15
State Street Target Retirement 2025 (K)	1.03	7.86
State Street Target Retirement 2030 (K)	0.93	8.63
State Street Target Retirement 2035 (K)	1.08	9.55
State Street Target Retirement 2040 (K)	1.23	10.18
State Street Target Retirement 2045 (K)	1.31	10.91
State Street Target Retirement 2050 (K)	1.32	10.85
State Street Target Retirement 2055 (K)	1.40	11.01
State Street Target Retirement 2060 (K)	1.36	10.76

Source: State Street Global Advisors. As of June 30, 2018.

Past performance is not a guarantee of future results. Please visit [SSGAFunds.com](http://SSGAFunds.com) for additional information regarding these funds, including the Fact Sheets and the Fund's Prospectus, as well as information regarding the other available share classes.

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# Target Retirement Funds Commentary

## Early Career

(Ages 20–35 invested in our 2060–2045 strategies)

In the second quarter, performance was driven by U.S. Small/ Mid cap equities, which outperformed both international and U.S. Large Cap equities. This benefited our peer relative performance as we structurally overweight U.S. Small/Mid cap equities, reflective of our focus on growth and accumulation early in the glidepath.

Over the 3 month period U.S. Small/Mid Cap equities returned +5.58% whereas U.S. Large Cap equities returned +3.39%.

While we believe these younger participants benefit from the allocation to International Equities over the long-term, the allocation to international equities (-2.98%) detracted from absolute performance over the last quarter.

Importantly, participants still realized strong overall TDF performance in these younger vintages given the strong performance of the equity allocations.

## Middle Career

(Ages 40–55 invested in our 2040–2025 strategies)

Our graduated glidepath, which allows for our funds to hold onto equities and real assets longer, aided our performance as equities outperformed in Q2.

We shift from an overweight to U.S. Small/Midcap equities to a more market cap based split. This had a de-minimus impact on the performance of the middle dated funds.

Within fixed income, we begin to introduce an allocation to the Bloomberg Barclays Aggregate Index in the 2040 fund, reducing our allocation to Long Government Bonds and shortening the duration profile of the fixed income sleeve.

The 2030 Fund is where we first introduce TIPS, which outperformed nominal bonds during the quarter.

Allocation to U.S. High Yield Bonds continued to be a tailwind for performance, as the asset class outperformed the Bloomberg Barclays Aggregate Index for the quarter.

## Late Career

(Ages 55+ invested in our 2020–Income strategies)

In order to preserve the balances of participants approaching or in retirement, we gradually decrease the risk of our portfolios, reaching a 35% allocation to growth assets in our income fund.

Older participants benefited from our diversified approach to Fixed Income. Specifically, our decision to reduce interest rate risk and duration within our portfolio's fixed income sleeve aided returns, as U.S. Short-Term Treasury and Corporate Bonds outperformed U.S. Aggregate bonds, driven by an uptick in the rate curve broadly over the last year.

We also incorporate added income generating diversifiers such as Global REITs and High Yield bonds. While these strategies lagged equities for the quarter, they outperformed nominal bonds.

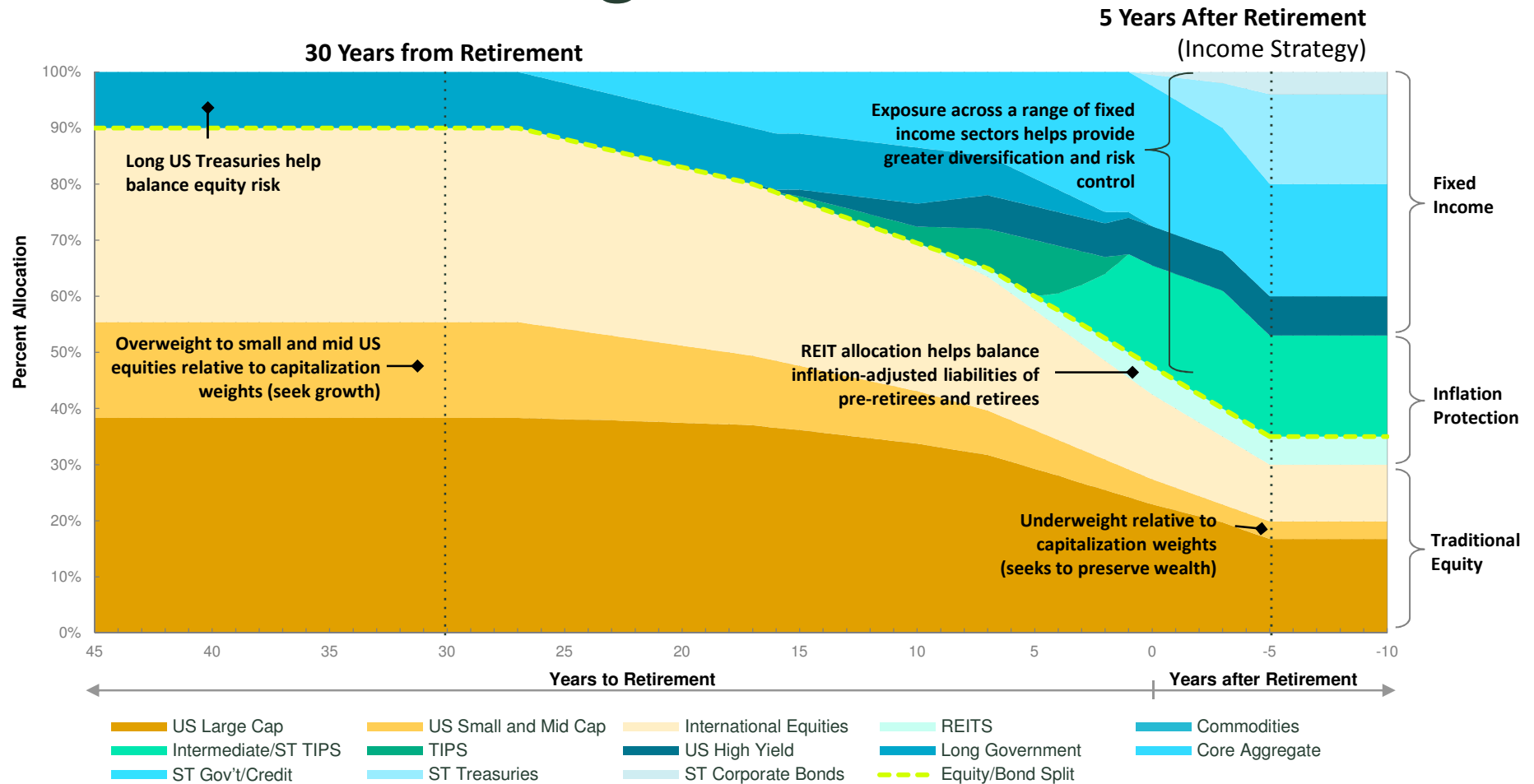
Source: State Street Global Advisors. As of June 30, 2018.

Past performance is not a guarantee of future results. Please visit [SSGAFunds.com](http://SSGAFunds.com) for additional information regarding these funds, including the Fact Sheets and the Fund's Prospectus, as well as information regarding the other available share classes.

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# Appendix A: Additional Information

# State Street Target Retirement Funds



Source: State Street Target Retirement Strategies strategic asset allocation roll-down schedule. As of June 30, 2018.

The information contained above is for illustrative purposes only. Please refer to the disclosure slide for additional risk disclosures. Allocations are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. Diversification does not ensure a profit or guarantee against loss

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# Appendix B: Important Disclosures

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# Important Disclosures

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# Important Disclosures (continued)

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Asset Allocation is a method of diversification which positions assets among major investment categories. Asset Allocation may be used in an effort to manage risk and enhance returns. It does not, however, guarantee a profit or protect against loss.

Derivative investments may involve risks such as potential illiquidity of the markets and additional risk of loss of principal.

Equity securities may fluctuate in value in response to the activities of individual companies and general market and economic conditions.

Bonds generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates rise bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

Investing in commodities entail significant risk and is not appropriate for all investors. Commodities investing entail significant risk as commodity prices can be extremely volatile due to wide range of factors. A few such factors include overall market movements, real or perceived inflationary trends, commodity index volatility, international, economic and political changes, change in interest and currency exchange rates.

Increase in real interest rates can cause the price of inflation-protected debt securities to decrease. Interest payments on inflation-protected debt securities can be unpredictable.

Investing in REITs involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

Diversification does not ensure a profit or guarantee against loss.

Generally, among asset classes, stocks are more volatile than bonds or short-term instruments. Government bonds and corporate bonds generally have more moderate short-term price fluctuations than stocks, but provide lower potential long-term returns. US Treasury Bills maintain a stable value if held to maturity, but returns are generally only slightly above the inflation rate.

Investing in foreign domiciled securities may involve risk of capital loss from unfavorable fluctuation in currency values, withholding taxes, from differences in generally accepted accounting principles or from economic or political instability in other nations.

Investments in emerging or developing markets may be more volatile and less liquid than investing in developed markets and may involve exposure to economic structures that are generally less diverse and mature and to political systems which have less stability than those of more developed countries.

Companies with large market capitalizations go in and out of favor based on market and economic conditions. Larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of the security may not rise as much as companies with smaller market capitalizations.

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# Important Disclosures (continued)

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Investing in high yield fixed income securities, otherwise known as junk bonds is considered speculative and involves greater risk of loss of principal and interest than investing in investment grade fixed income securities. These Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

Investing in futures is highly risky. Futures positions are considered highly leveraged because the initial margins are significantly smaller than the cash value of the contracts. The smaller the value of the margin in comparison to the cash value of the futures contract, the higher the leverage. There are a number of risks associated with futures investing including but not limited to counterparty credit risk, currency risk, derivatives risk, foreign issuer exposure risk, sector concentration risk, leveraging and liquidity risks.

Passively managed funds invest by sampling the index, holding a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. This may cause the fund to experience tracking errors relative to performance of the index.

There are risks associated with investing in Real Assets and the Real Assets sector, including real estate, precious metals and natural resources. Investments can be significantly affected by events relating to these industries.

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Expiration Date: November 30, 2018

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# Appendix C: Biographies



**Sonya is a Vice President of State Street Global Advisors and a Senior Relationship Manager in the San Francisco Office. She is responsible for managing existing SSGA client relationships and driving new business development in the Western U.S. Prior to joining State Street Global Advisors in 2011, Sonya was a Vice President at Dimensional Fund Advisors in the Institutional Sales & Services Group.**

**Prior to Dimensional Fund Advisors, Sonya was an Associate Director at Watson Pharmaceuticals. Sonya has also worked at Lehman Brothers as an Equity Research Analyst and began her career at SEI Corporation.**

**Sonya earned a BA from the University of Pennsylvania and an MBA from the NYU Stern School of Business and has been working in the financial services industry since 1993. Sonya holds the FINRA 7 and 63 registrations. Sonya also holds the NFA Series 3 and is an Associated Person of SSGA Funds Management, Inc. ('SSGA FM') SSGA FM is a Commodity Trading Advisor registered with the Commodity Futures Trading Commission.**



**Vidur is a Vice President of State Street Global Advisors and a Senior Investment Strategist within the Defined Contribution team. In this role, he is responsible for representing SSGA's DC investment strategies, supporting existing client relationships and expanding SSGA's DC initiative. He also serves as a resource to plan sponsors working with them on a variety of plan design considerations.**

**Vidur joined SSGA's Investment Strategy team from his most recent position as a Senior Investment Consultant at Towers Watson, where he worked with Institutional Retirement Plan Sponsors on various aspects of the management of their DB and DC Pension Plans including asset allocation, investment structure, manager selection and ongoing performance monitoring.**

**Vidur earned a B.A. in Economics and Mathematics from Ohio Wesleyan University. He earned the Chartered Financial Analyst designation and is an Associate of the Society of Actuaries.**



# OregonSaves PRIVATE SECTOR RETIREMENT SAVINGS

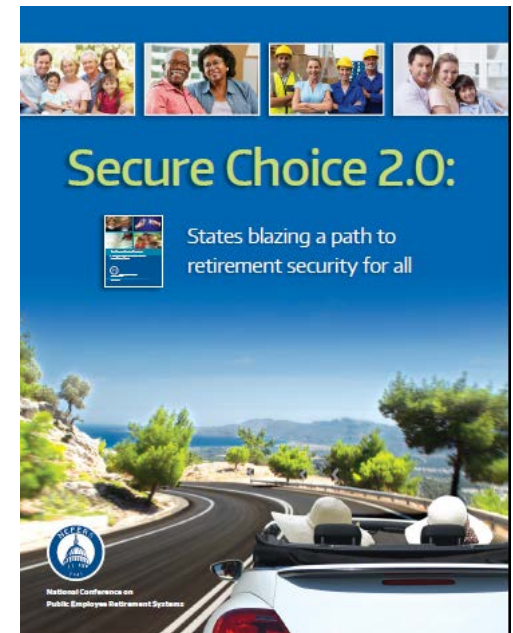
October 9, 2018

**Wendy Carter**  
Segal Marco Advisors

★ Segal Marco Advisors

# Impact on Retirement Security Approaches

- Retirement security is a pressing concern
- Governments are the incubators for innovation
- Three basic solutions have evolved
  - Payroll IRA
  - Vendor marketplace
  - Multiple Employer Plans (MEPs)
- State and municipal activities are spurring interest
- Executive Order on Retirement Security
  - Does not directly impact payroll IRA or marketplace approaches
  - Directly impacts MEPs and would make it easier for employers to join



# Executive Order on MEPs

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- Executive Order on Strengthening Retirement Security in America
  - Seeks to expand access to MEPs:
    - Secretary of Labor (ERISA) shall consider issuing guidance clarifying when unrelated employers can sponsor a MEP and expand access to retirement plans for part-time employees, self-employed individuals, and working owners; and
    - Secretary of Treasury (IRC) shall consider issuing guidance on the consequences to a MEP of a participating employer's failure to satisfy a qualification requirement ("one bad apple rule")
  - Also seeks to ease burden of retirement plan disclosures and update mortality tables for required minimum distributions
- There is uncertainty as to whether changes to MEPs can be done through regulations alone

# Family Savings Act of 2018 (H.R. 6757)

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- This proposed legislation directly amends ERISA and IRC provisions to address problems with open MEPs
  - Provides relief from one bad apple rule
  - Allows unrelated employers in open MEPs to shift fiduciary liability to a “pooled plan provider”
  - Allows IRAs to offer multiple employer plans
- This legislation includes a number of other retirement related provisions
  - Passed out of House Ways and Means Committee on 9/13/2018
  - Enactment uncertain before November election



**OregonSaves**

# ANALYSIS OF INVESTMENT PERFORMANCE

Retirement Savings Program

June 2018

Craig Chaikin, CFA  
Vice President

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## ANALYSIS OF INVESTMENT PERFORMANCE

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This performance report ("Report") is based upon information obtained by Segal Marco Advisors ("SMA") from third parties over which SMA does not exercise any control. Although the information collected by SMA is believed to be reliable, SMA cannot verify or guarantee the accuracy or validity of such information or the uniformity of the manner in which such information was prepared. The rates of return reflected herein are time weighted and geometrically linked on a monthly basis using a modified Dietz method. Monthly valuations and returns are calculated based on the assumptions that all transactions and prices are accurate from the custodian and /or investment manager. The client to whom Segal Marco Advisors delivers this Report ("Client") agrees and acknowledges that this Report has been prepared solely for the benefit of Client. SMA disclaims any and all liability that may arise in connection with Client's conveyance (whether or not consented to by SMA) of this Report (in whole or in part) to any third party. Client further agrees and acknowledges that SMA shall have no liability, whatsoever, resulting from, or with respect to, errors in, or incompleteness of, the information obtained from third parties. Client understands that the prior performance of an investment and /or investment manager is not indicative of such investment's and/or investment manager's future performance. This Report does not constitute an offer or a solicitation of an offer for the purchase or sale of any security nor is it an endorsement of any custodian, investment and/or investment manager.

## **Executive Summary**

# Overview

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## Economy & Capital Markets

- U.S. GDP grew at an annualized rate of 4.1% in the second quarter of 2018, above the 2.2% growth in the first quarter. Nonresidential fixed investment, exports, personal consumption expenditures (PCE), exports, private inventory investment, state and local government spending and federal government spending were all additive while reductions in private inventory investment and residential fixed investment detracted. Estimates from the Federal Reserve remain positive.
- Unemployment has fallen to historically low levels in 2018—it was as low as 3.8% before moving back up to 4.0% at end of Q2. Though unemployment has fallen, wage growth continues to lag expectations. Anemic productivity levels, lack of business competition and automation are possible reasons for wage growth's sluggishness.
- Consumer confidence fell in June as warning signs about the U.S. economy's continuing strength gave consumers pause. However, personal consumption expenditures increased during the quarter.
- The Federal Reserve (Fed) raised rates again in June, the second hike of 2018 and continued to hint that four rate hikes in total are likely this year. Treasury yields rose across all tenors in Q2 as the Fed continued to tighten monetary policy. The Bloomberg Barclays Index returned -0.16% in Q2.
- U.S. equity markets gained in Q2 amid strong economic growth, low unemployment, and rising consumer confidence, all of which persisted despite continued global trade tensions and heightened geopolitical uncertainties. The S&P 500 index increased, up 3.4%.
- Global equity markets turned positive in the second quarter, with the MSCI World Index returning 1.7%. Solid economic and earnings data outweighed global policy uncertainty among investors.

## Portfolio Summary

- Assets grew to approximately \$4.5 million as of June 30, up from \$1.8 million as of March 31.
- The Capital Preservation investment option, at \$4,093,481, represents 92% of assets. Under standard election rules, the first \$1,000 in contributions is invested in Capital Preservation.
- Short term interest rates continued to rise in the second quarter as the Capital Preservation yield rose from 1.78% as of March 29 to 2.08% as of June 29. Continued Fed tightening continues to decrease the probability that the yield will fall below 0%.
- All investment options experienced positive returns in the quarter and performed in line with expectations.

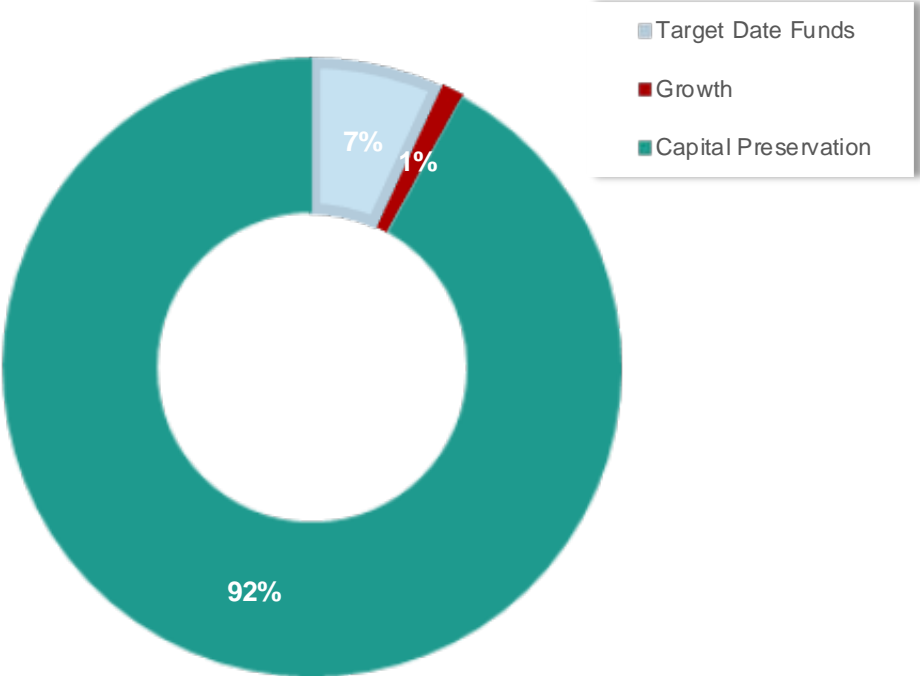
## Interest Rate Modeling as of June 30, 2018

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	June 2018	June 2019	June 2020	June 2021	June 2022	June 2023
95th Percentile	2.20%	4.19%	4.96%	5.54%	6.02%	6.32%
75th percentile	2.20%	3.15%	3.65%	3.91%	4.19%	4.37%
Median	2.20%	2.47%	2.66%	2.81%	2.82%	2.86%
25th Percentile	2.20%	1.75%	1.64%	1.60%	1.52%	1.43%
5th percentile	2.20%	0.69%	0.21%	-0.04%	-0.42%	-0.58%
<b>Probability below 0.90%</b>	<b>0.0%</b>	<b>7.7%</b>	<b>12.3%</b>	<b>13.8%</b>	<b>16.2%</b>	<b>17.4%</b>

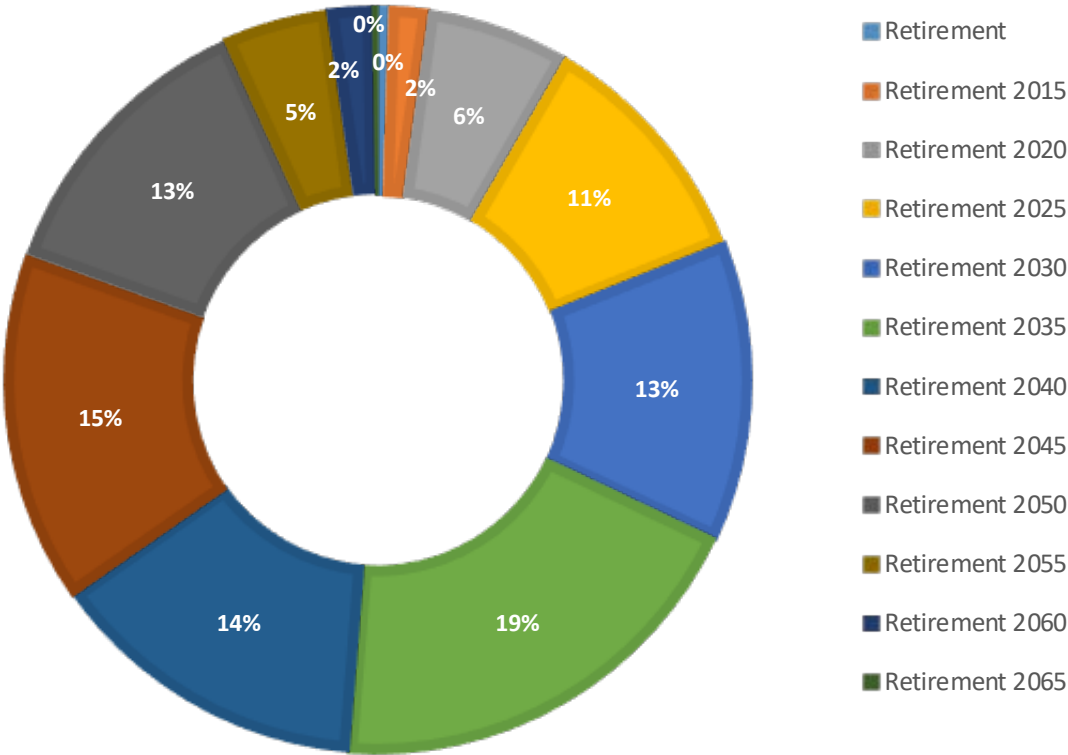
As of June 30, 2018

TOTAL ASSETS \$4,451,488



As of June 30, 2018

TOTAL ASSETS \$306,115



# OregonSaves Retirement Savings Program

# Comparative Performance

As of June 30, 2018

	Market Value (\$000)	1 Quarter	Jul-2017 To Jun-2018	Expense Ratio
<b>Oregon Saves</b>	<b>4,451</b>	<b>136.11</b>		
<b>OregonSaves Capital Preservation Fund</b>	<b>4,093</b>	<b>0.29</b>	<b>0.58</b>	
State Street Institutional Liquid Reserves (SSIXX)	4,093	0.51	1.48	0.12
90 Day U.S. Treasury Bill		0.45	1.36	
<b>OregonSaves Growth Fund</b>	<b>52</b>	<b>3.18</b>	<b>13.46</b>	
State Street Equity 500 Index (SSSYX)	52	3.40	14.36	0.06
S&P 500		3.43	14.37	
<b>Oregon Saves Target Retirement Fund</b>	<b>1</b>	<b>0.63</b>	<b>3.10</b>	
State Street Target Retirement K	1	0.85	4.00	0.13
S&P Target Date Retirement Income Index		0.70	4.23	
<b>Oregon Saves Target Retirement Fund 2015</b>	<b>5</b>	<b>0.71</b>	<b>3.89</b>	
State Street Retirement 2015 K	5	0.93	4.79	0.13
S&P Target Date 2015 Index		0.97	5.55	
<b>Oregon Saves Target Retirement Fund 2020</b>	<b>19</b>	<b>0.67</b>	<b>5.25</b>	
State Street Target Retirement 2020 K	19	0.89	6.15	0.13
S&P Target Date 2020 Index		1.09	6.27	
<b>Oregon Saves Target Retirement Fund 2025</b>	<b>32</b>	<b>0.81</b>	<b>6.96</b>	
State Street Target Retirement 2025 K	32	1.03	7.86	0.13
S&P Target Date 2025 Index		1.24	7.38	
<b>Oregon Saves Target Retirement Fund 2030</b>	<b>40</b>	<b>0.71</b>	<b>7.73</b>	
State Street Target Retirement 2030 K	40	0.93	8.63	0.13
S&P Target Date 2030 Index		1.40	8.47	



# OregonSaves Retirement Savings Program

# Comparative Performance

As of June 30, 2018

	Market Value (\$000)	1 Quarter	Jul-2017 To Jun-2018	Expense Ratio
<b>Oregon Saves Target Retirement Fund 2035</b>	<b>59</b>	<b>0.86</b>	<b>8.65</b>	
State Street Target Retirement 2035 K	59	1.08	9.55	0.13
S&P Target Date 2035 Index		1.52	9.47	
<b>Oregon Saves Target Retirement Fund 2040</b>	<b>43</b>	<b>1.01</b>	<b>9.28</b>	
State Street Target Retirement 2040 K	43	1.23	10.18	0.13
S&P Target Date 2040 Index		1.64	10.20	
<b>Oregon Saves Target Retirement Fund 2045</b>	<b>47</b>	<b>1.09</b>	<b>10.01</b>	
State Street Target Retirement 2045 K	47	1.31	10.91	0.13
S&P Target Date 2045 Index		1.66	10.55	
<b>Oregon Saves Target Retirement Fund 2050</b>	<b>39</b>	<b>1.10</b>	<b>9.95</b>	
State Street Target Retirement 2050 K	39	1.32	10.85	0.13
S&P Target Date 2050+ Index		1.72	10.85	
<b>Oregon Saves Target Retirement Fund 2055</b>	<b>14</b>	<b>1.18</b>	<b>10.11</b>	
State Street Target Retirement 2055 K	14	1.40	11.01	0.13
S&P Target Date 2055 Index		1.71	10.96	
<b>Oregon Saves Target Retirement Fund 2060</b>	<b>6</b>	<b>1.14</b>	<b>9.86</b>	
State Street Target Retirement 2060 K	6	1.36	10.76	0.13
S&P Target Date 2055 Index		1.71	10.96	
<b>Oregon Saves Target Retirement Fund 2065 K</b>	<b>-1</b>	<b>1.14</b>	<b>9.86</b>	
State Street Target Retirement 2065 K	-1	1.36	10.76	0.13
S&P Target Date 2055 Index		1.71	10.96	

## **Underlying Investment Fund Analysis**

# OregonSaves Retirement Savings Program

# Comparative Performance

As of June 30, 2018

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Expense Ratio
<b>Oregon Saves</b>	<b>136.11</b>	<b>1,117.70</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
State Street Liquid Reserves (SSIXX)	0.51	0.88	1.48	0.82	0.52	0.48	0.12
90 Day U.S. Treasury Bill	0.45	0.81	1.36	0.64	0.40	0.33	
Difference	0.06	0.07	0.12	0.18	0.12	0.15	
IM U.S. Taxable Money Market (MF) Median	0.36	0.62	0.99	0.40	0.25	0.22	
State Street Liquid Reserves (SSIXX) Rank	3	2	3	4	3	4	
State Street Equity 500 Index (SSSYX)	3.40	2.68	14.36	11.83	N/A	N/A	0.06
S&P 500	3.43	2.65	14.37	11.93	13.42	10.17	
Difference	-0.03	0.03	-0.01	-0.10	N/A	N/A	
IM U.S. Large Cap Equity (MF) Median	3.17	2.20	14.04	10.61	12.40	9.20	
State Street Equity 500 Index (SSSYX) Rank	45	47	48	34	N/A	N/A	
State Street Target Retirement K (SSFOX)	0.85	-0.09	4.00	4.06	N/A	N/A	0.13
S&P Target Date Retirement Income Index	0.70	-0.11	4.23	4.08	4.56	4.50	
Difference	0.15	0.02	-0.23	-0.02	N/A	N/A	
IM Mixed-Asset Target Alloc Consv (MF) Median	0.22	-0.75	3.10	3.54	4.42	4.75	
State Street Target Retirement K (SSFOX) Rank	12	20	29	29	N/A	N/A	
State Street Retirement 2015 K (SSBHX)	0.93	-0.09	4.79	4.70	N/A	N/A	0.13
S&P Target Date 2015 Index	0.97	0.07	5.55	5.33	6.20	5.63	
Difference	-0.04	-0.16	-0.76	-0.63	N/A	N/A	
IM Mixed-Asset Target 2015 (MF) Median	0.52	-0.27	4.99	4.84	5.95	5.16	
State Street Retirement 2015 K (SSBHX) Rank	7	37	61	58	N/A	N/A	
State Street Target Retirement 2020 K (SSBOX)	0.89	-0.18	6.15	5.76	N/A	N/A	0.13
S&P Target Date 2020 Index	1.09	0.16	6.27	5.91	6.93	6.06	
Difference	-0.20	-0.34	-0.12	-0.15	N/A	N/A	
IM Mixed-Asset Target 2020 (MF) Median	0.58	-0.24	5.55	5.08	6.02	5.24	
State Street Target Retirement 2020 K (SSBOX) Rank	14	45	26	20	N/A	N/A	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

# OregonSaves Retirement Savings Program

# Comparative Performance

As of June 30, 2018

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Expense Ratio
State Street Target Retirement 2025 K (SSBSX)	1.03	0.00	7.86	6.83	N/A	N/A	0.13
S&P Target Date 2025 Index	1.24	0.29	7.38	6.59	7.60	6.43	
Difference	-0.21	-0.29	0.48	0.24	N/A	N/A	
IM Mixed-Asset Target 2025 (MF) Median	0.68	-0.09	6.71	5.90	6.84	5.79	
State Street Target Retirement 2025 K (SSBSX) Rank	13	46	12	6	N/A	N/A	
State Street Target Retirement 2030 K (SSBYX)	0.93	-0.08	8.63	7.34	N/A	N/A	0.13
S&P Target Date 2030 Index	1.40	0.44	8.47	7.23	8.26	6.73	
Difference	-0.47	-0.52	0.16	0.11	N/A	N/A	
IM Mixed-Asset Target 2030 (MF) Median	0.85	0.00	7.82	6.42	7.52	5.95	
State Street Target Retirement 2030 K (SSBYX) Rank	40	54	26	15	N/A	N/A	
State Street Target Retirement 2035 K (SSCKX)	1.08	0.08	9.55	7.85	N/A	N/A	0.13
S&P Target Date 2035 Index	1.52	0.56	9.47	7.83	8.88	7.00	
Difference	-0.44	-0.48	0.08	0.02	N/A	N/A	
IM Mixed-Asset Target 2035 (MF) Median	0.91	0.33	9.09	7.14	8.27	6.39	
State Street Target Retirement 2035 K (SSCKX) Rank	34	63	29	24	N/A	N/A	
State Street Target Retirement 2040 K (SSCQX)	1.23	0.24	10.18	8.11	N/A	N/A	0.13
S&P Target Date 2040 Index	1.64	0.68	10.20	8.26	9.30	7.20	
Difference	-0.41	-0.44	-0.02	-0.15	N/A	N/A	
IM Mixed-Asset Target 2040 (MF) Median	1.06	0.35	9.52	7.32	8.68	6.42	
State Street Target Retirement 2040 K (SSCQX) Rank	34	55	31	28	N/A	N/A	
State Street Target Retirement 2045 K (SSDEX)	1.31	0.49	10.91	8.52	N/A	N/A	0.13
S&P Target Date 2045 Index	1.66	0.70	10.55	8.52	9.59	7.27	
Difference	-0.35	-0.21	0.36	0.00	N/A	N/A	
IM Mixed-Asset Target 2045 (MF) Median	1.04	0.49	10.09	7.88	9.06	6.73	
State Street Target Retirement 2045 K (SSDEX) Rank	30	51	23	22	N/A	N/A	
State Street Target Retirement 2050 K (SSDLX)	1.32	0.49	10.85	8.48	N/A	N/A	0.13
S&P Target Date 2050+ Index	1.72	0.77	10.85	8.75	9.89	7.44	
Difference	-0.40	-0.28	0.00	-0.27	N/A	N/A	
IM Mixed-Asset Target 2050 (MF) Median	1.15	0.46	10.18	7.74	9.16	6.70	
State Street Target Retirement 2050 K (SSDLX) Rank	41	49	29	24	N/A	N/A	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

# OregonSaves Retirement Savings Program

# Comparative Performance

As of June 30, 2018

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Expense Ratio
State Street Target Retirement 2055 K (SSDQX)	1.40	0.65	11.01	8.55	N/A	N/A	0.13
S&P Target Date 2055 Index	1.71	0.78	10.96	8.86	10.06	7.58	
Difference	-0.31	-0.13	0.05	-0.31	N/A	N/A	
IM Mixed-Asset Target 2055 (MF) Median	1.12	0.51	10.39	7.97	9.33	N/A	
State Street Target Retirement 2055 K (SSDQX) Rank	26	43	30	21	N/A	N/A	
State Street Target Retirement 2060 K (SSDYX)	1.36	0.42	10.76	8.44	N/A	N/A	0.13
S&P Target Date 2055 Index	1.71	0.78	10.96	8.86	10.06	7.58	
Difference	-0.35	-0.36	-0.20	-0.42	N/A	N/A	
IM Mixed-Asset Target 2055 (MF) Median	1.12	0.51	10.39	7.97	9.33	N/A	
State Street Target Retirement 2060 K (SSDYX) Rank	32	56	36	28	N/A	N/A	
State Street Target Retirement 2065 K	1.36	0.42	10.76	8.44	N/A	N/A	0.13
S&P Target Date 2055 Index	1.71	0.78	10.96	8.86	10.06	7.58	
Difference	-0.35	-0.36	-0.20	-0.42	N/A	N/A	
IM Mixed-Asset Target 2055 (MF) Median	1.12	0.51	10.39	7.97	9.33	N/A	
State Street Target Retirement 2065 K Rank	32	56	36	28	N/A	N/A	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

## State Street Liquid Reserves (SSIXX)

### Fund Information

Fund Name : State Street Institutional Investment Trust: State Street Institutional Liquid Reserves Fund; Premier CI  
Fund Family : State Street Bank and Trust Company  
Ticker : SSIXX  
Inception Date : 08/12/2004  
Fund Assets : \$10,493 Million

Portfolio Assets : \$12,551 Million  
Portfolio Manager : Team Managed  
PM Tenure :  
Fund Style : IM U.S. Taxable Money Market (MF)  
Style Benchmark : 90 Day U.S. Treasury Bill

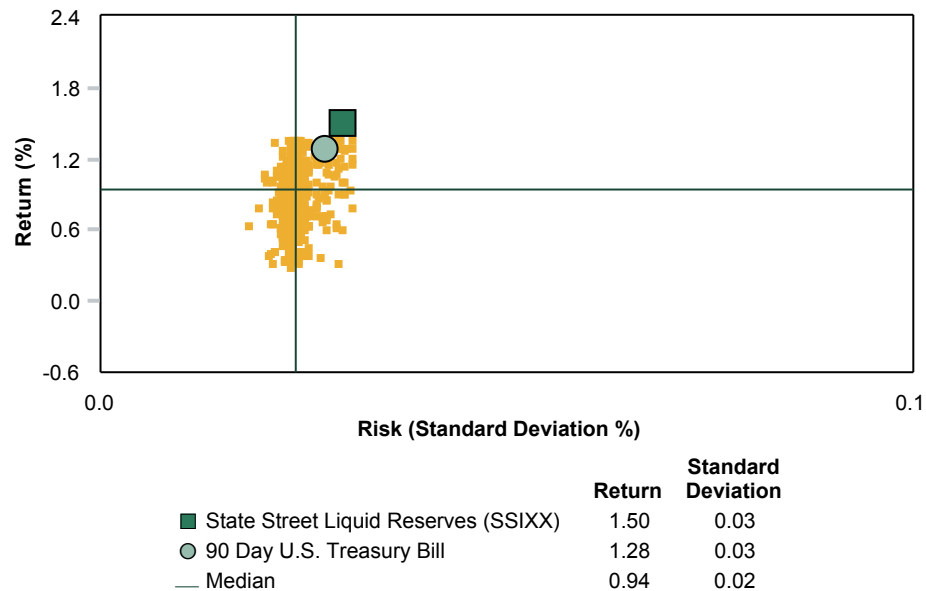
### Fund Investment Policy

The Fund seeks to maximize current income, to the extent consistent with the preservation of capital and liquidity, by investing in U.S. dollar-denominated money market securities. It invests substantially all of its investable assets in the Money Market Portfolio, which has similar investment policies to the Fund.

### Historical Statistics (08/01/17 - 06/30/18) \*

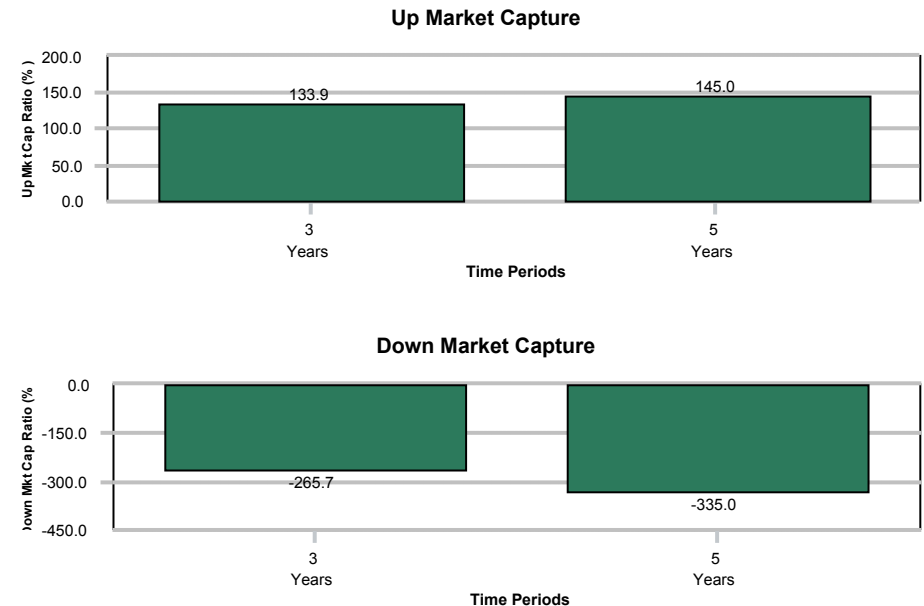
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
State Street Liquid Reserves (SSIXX)	1.50	0.03	1.09	0.03	0.87	0.65	0.02	1.09	0.02	08/01/2017
90 Day U.S. Treasury Bill	1.28	0.03	N/A	0.00	1.00	1.00	0.00	N/A	0.00	08/01/2017

### Peer Group Scattergram (08/01/17 to 06/30/18)



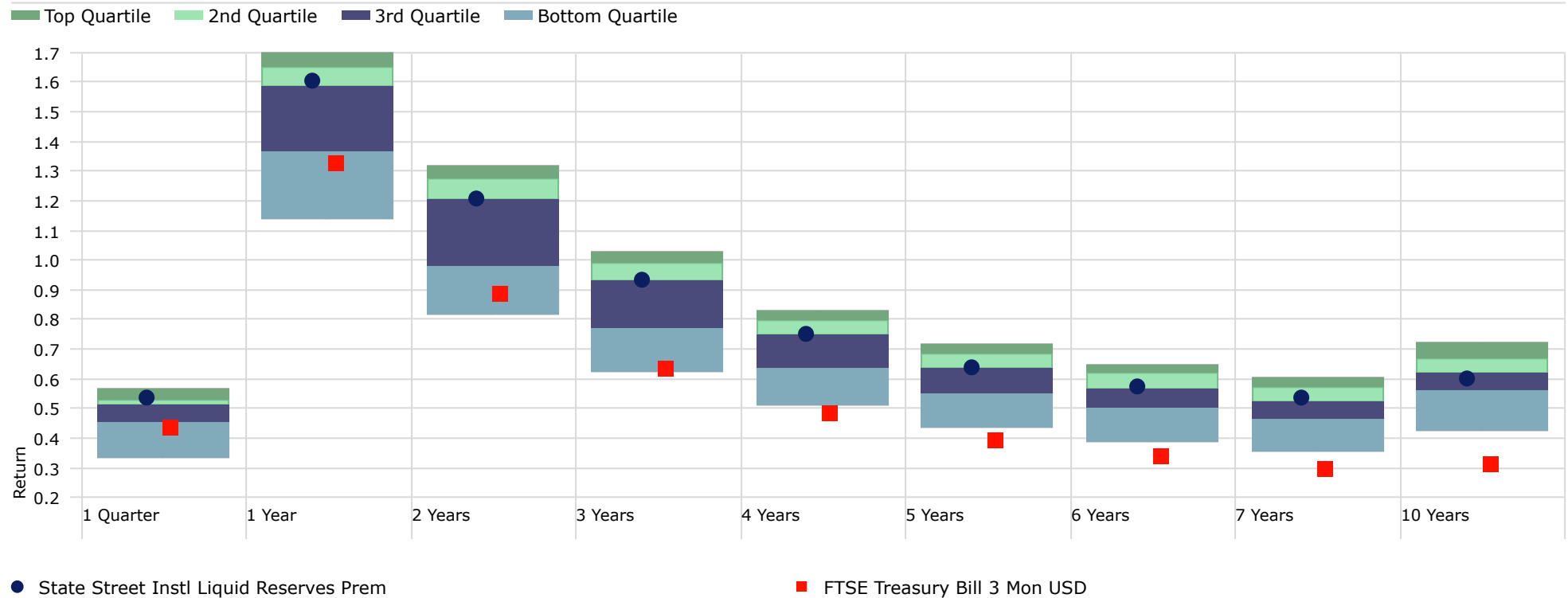
\* Monthly periodicity used.

### Up Down Market Capture



**Oregon Saves**  
**State Street Liquid Reserves Fund**  
**As of 06/30/2018**

As of Date: 6/30/2018 Peer Group (5-95%): Money Market Funds - U.S. - Prime Money Market



**Calendar Year Returns**

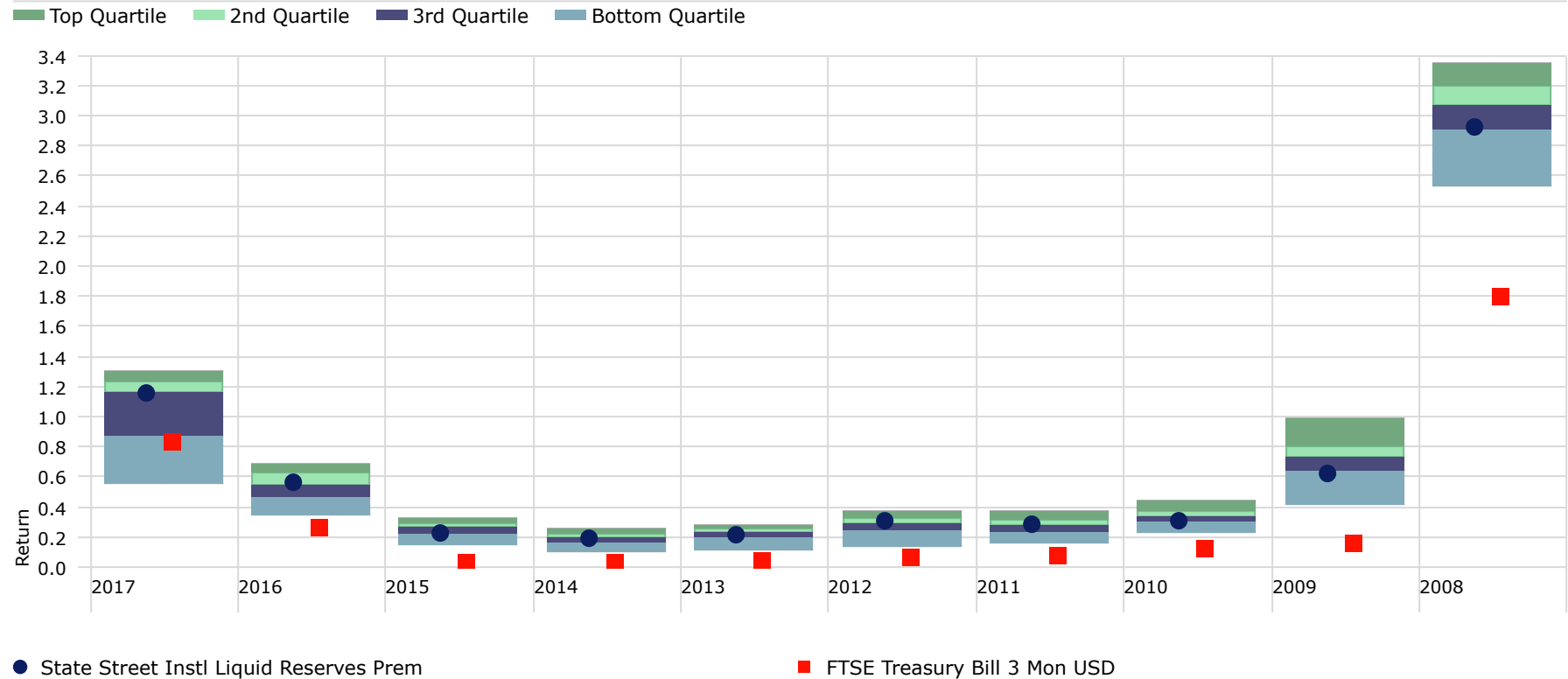
Data Point: Return Calculation Benchmark: FTSE Treasury Bill 3 Mon USD

	Qtr	Peer group percentile	1 Year	Peer group percentile	2 Years	Peer group percentile	3 Years	Peer group percentile	4 Years	Peer group percentile	5 Years	Peer group percentile	7 Years	Peer group percentile	10 Years	Peer group percentile
State Street Instl Liquid Reserves Prem	0.54	18	1.61	45	0.87	46	0.93	48	0.54	49	0.64	48	0.54	44	0.61	62
FTSE Treasury Bill 3 Mon USD	0.44	84	1.33	83	0.56	95	0.64	93	0.29	98	0.39	96	0.30	97	0.31	100
Count	302		300		264		260		253		251		247		230	
5th Percentile	0.57		1.70		0.98		1.03		0.62		0.72		0.61		0.72	
25th Percentile	0.53		1.65		0.93		0.99		0.59		0.68		0.57		0.67	
50th Percentile	0.51		1.59		0.85		0.93		0.54		0.63		0.53		0.62	
75th Percentile	0.45		1.37		0.67		0.77		0.46		0.55		0.47		0.56	
95th Percentile	0.34		1.14		0.57		0.62		0.34		0.44		0.36		0.43	

Source: Morningstar Direct

**Oregon Saves**  
**State Street Liquid Reserves Fund**  
**As of 6/30/2018**

Peer Group (5-95%): Money Market Funds - U.S. - Prime Money Market



### Trailing Returns

Data Point: Return

	2017	Peer group percentile	2016	Peer group percentile	2015	Peer group percentile	2014	Peer group percentile	2013	Peer group percentile	2012	Peer group percentile	2011	Peer group percentile	2010	Peer group percentile	2009	Peer group percentile	2008	Peer group percentile
State Street Instl Liquid Reserves Prem	1.16	49	0.57	44	0.23	72	0.19	60	0.22	59	0.31	32	0.29	47	0.31	68	0.63	75	2.93	71
FTSE Treasury Bill 3 Mon USD	0.84	77	0.27	99	0.03	100	0.03	100	0.05	100	0.07	100	0.08	100	0.13	100	0.16	98	1.80	99
Count	311		278		270		268		266		262		262		252		247		243	
5th Percentile	1.30		0.69		0.33		0.25		0.28		0.37		0.37		0.44		0.99		3.35	
25th Percentile	1.23		0.63		0.29		0.23		0.26		0.32		0.31		0.37		0.81		3.20	
50th Percentile	1.16		0.55		0.26		0.20		0.23		0.29		0.28		0.34		0.73		3.07	
75th Percentile	0.87		0.46		0.22		0.16		0.19		0.24		0.23		0.30		0.63		2.90	
95th Percentile	0.55		0.35		0.15		0.10		0.11		0.13		0.16		0.23		0.42		2.54	

Source: Morningstar Direct



## State Street Equity 500 Index (SSSYX)

### Fund Information

Fund Name : State Street Institutional Investment Trust: State Street Equity 500 Index Fund; Class K Shares  
Fund Family : State Street Bank and Trust Company  
Ticker : SSSYX  
Inception Date : 09/17/2014  
Fund Assets : \$465 Million

Portfolio Assets : \$2,384 Million  
Portfolio Manager : Schneider/Scofield/Feehily  
PM Tenure : 2014--2017--2014  
Fund Style : IM U.S. Large Cap Equity (MF)  
Style Benchmark : S&P 500

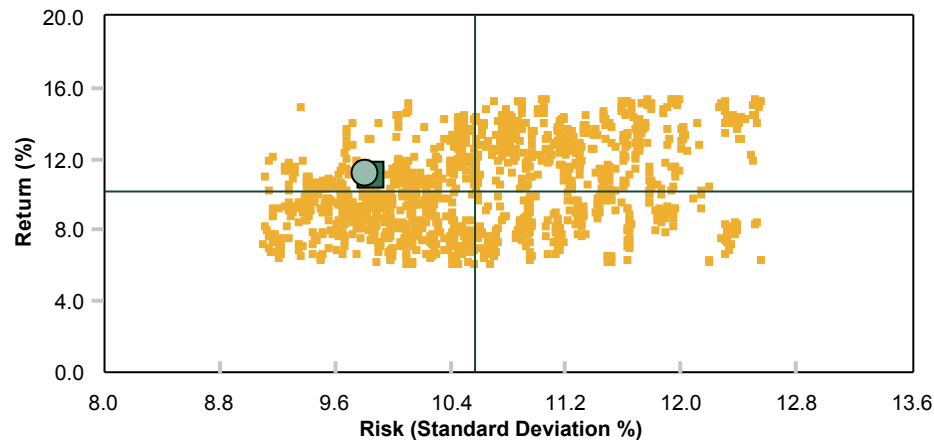
### Fund Investment Policy

The Fund seeks to replicate as closely as possible the performance of the Standard & Poor's 500 Index. The Fund seeks to achieve its objective by investing substantially all of its investable assets in a corresponding portfolio that uses a passive management strategy designed to track the performance of the Index.

### Historical Statistics (10/01/14 - 06/30/18) \*

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
State Street Equity 500 Index (SSSYX)	11.10	9.86	1.07	-0.14	1.00	1.00	0.15	-0.64	9.85	10/01/2014
S&P 500	11.21	9.81	1.08	0.00	1.00	1.00	0.00	N/A	9.81	10/01/2014
90 Day U.S. Treasury Bill	0.52	0.17	N/A	0.51	0.00	0.00	9.81	-1.08	0.00	10/01/2014

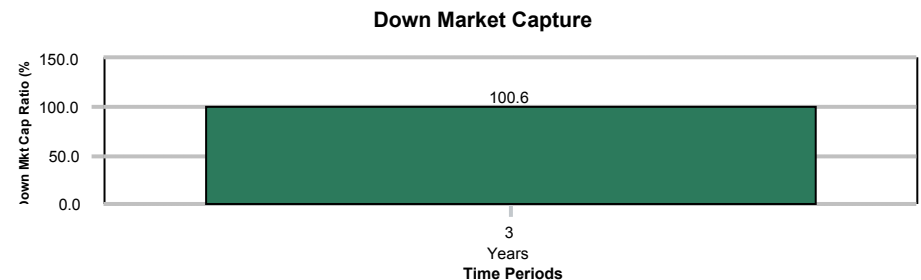
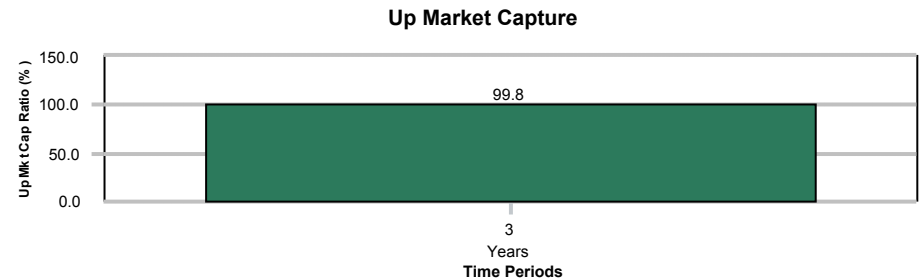
### Peer Group Scattergram (10/01/14 to 06/30/18)



	Return	Standard Deviation
State Street Equity 500 Index (SSSYX)	11.10	9.86
S&P 500	11.21	9.81
Median	10.11	10.57

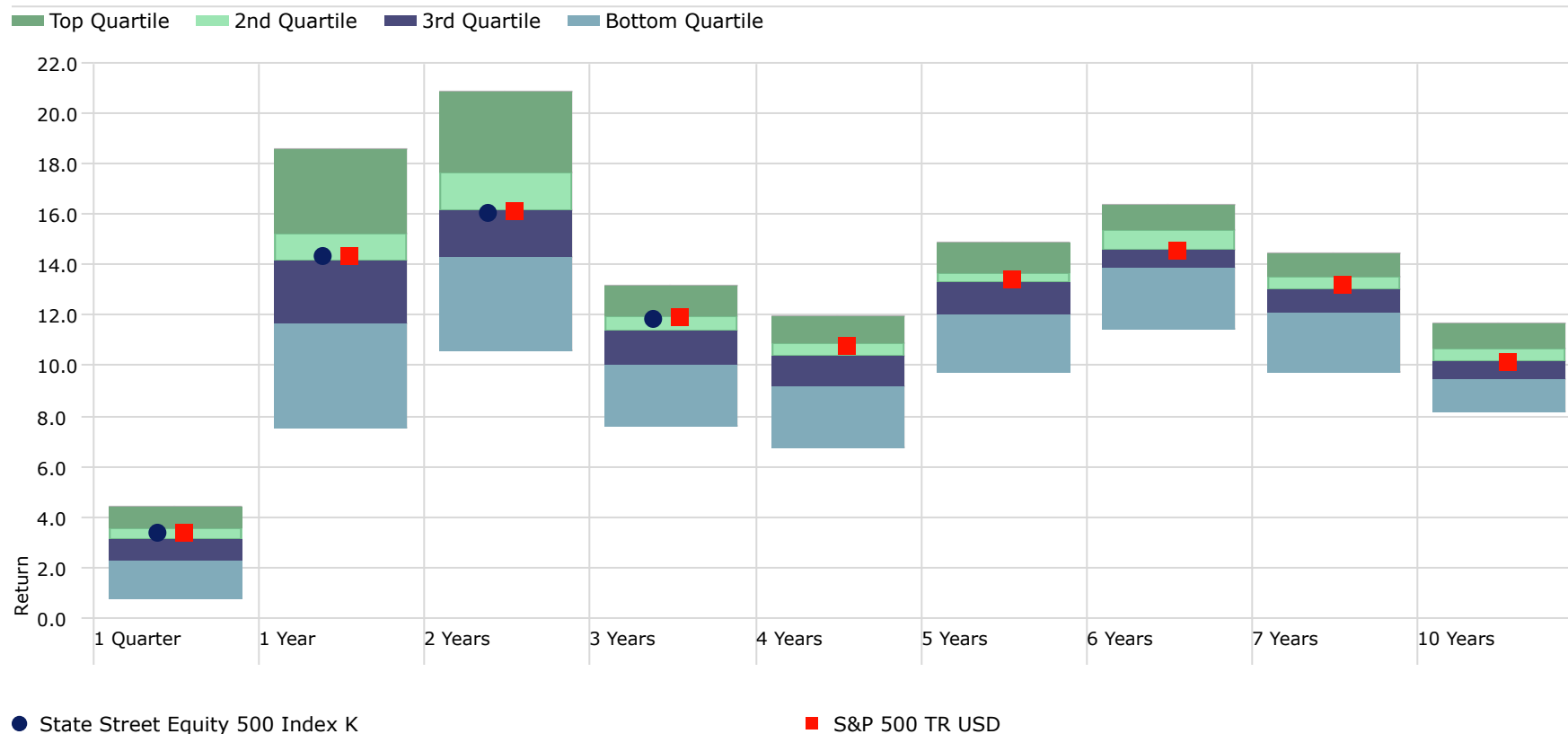
\* Monthly periodicity used.

### Up Down Market Capture



**Oregon Saves**  
**U.S. Large Cap Equity**  
**As of 6/30/2018**

Peer Group (5-95%): Open End Funds - U.S. - Large Blend



### Trailing Returns

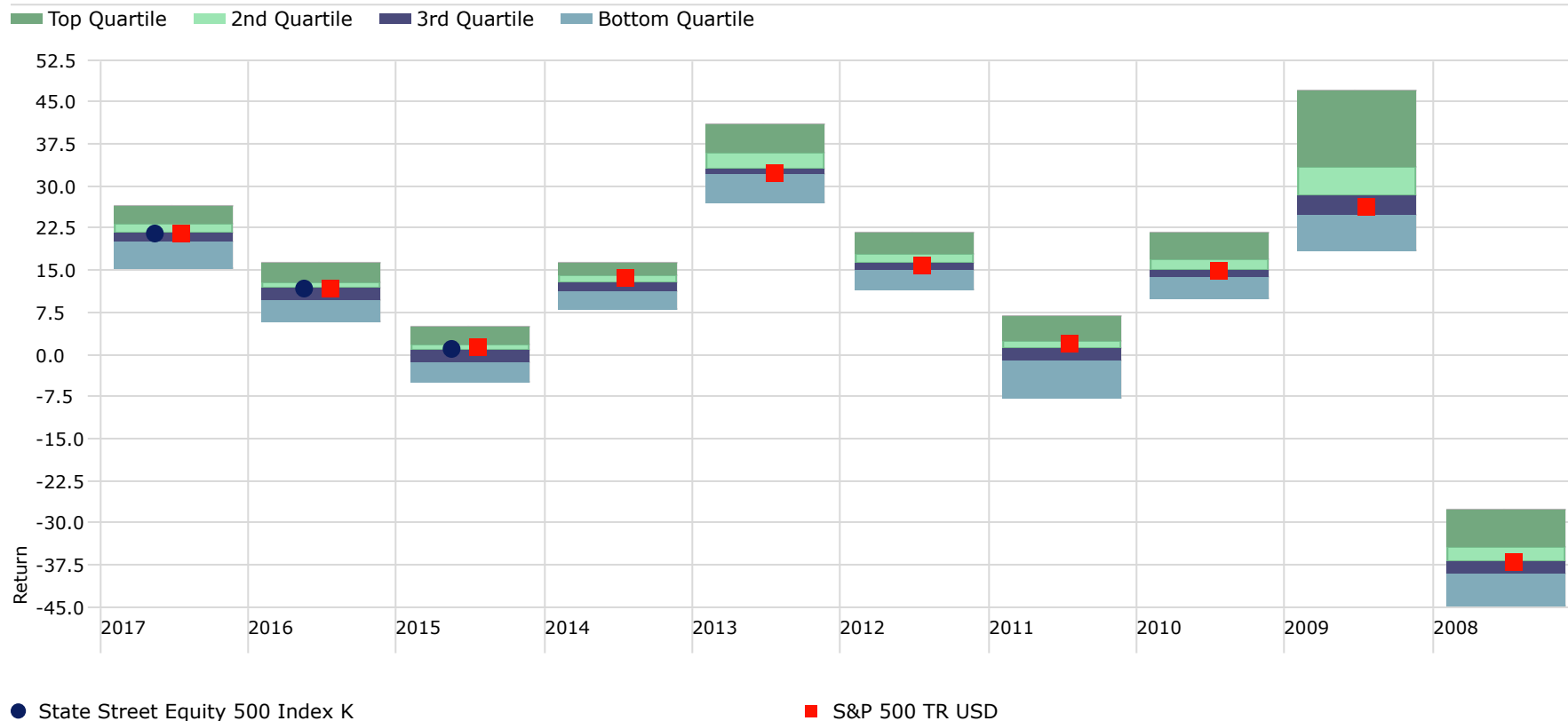
Data Point: Return

	1 Quarter	Peer group percentile	1 Year	Peer group percentile	2 Years	Peer group percentile	3 Years	Peer group percentile	4 Years	Peer group percentile	5 Years	Peer group percentile	6 Years	Peer group percentile	7 Years	Peer group percentile	10 Years	Peer group percentile
State Street Equity 500 Index K	3.41	41	14.40	42	16.04	60	11.85	35										
S&P 500 TR USD	3.43	37	14.37	46	16.12	56	11.93	29	10.79	34	13.42	39	14.59	53	13.23	37	10.17	53
Count	1,283		1,261		1,170		1,109		1,048		1,000		943		893		755	
5th Percentile	4.44		18.59		20.83		13.14		11.98		14.89		16.34		14.45		11.69	
25th Percentile	3.56		15.25		17.61		11.95		10.91		13.64		15.36		13.52		10.64	
50th Percentile	3.12		14.17		16.16		11.35		10.38		13.31		14.60		13.01		10.19	
75th Percentile	2.29		11.69		14.26		10.00		9.18		12.03		13.89		12.10		9.44	
95th Percentile	0.75		7.54		10.60		7.59		6.73		9.73		11.42		9.74		8.21	

Source: Morningstar Direct

**Oregon Saves**  
**U.S. Large Cap Equity**  
**As of 6/30/2018**

Peer Group (5-95%): Open End Funds - U.S. - Large Blend



**Trailing Returns**

Data Point: Return

	2017	Peer group percentile	2016	Peer group percentile	2015	Peer group percentile	2014	Peer group percentile	2013	Peer group percentile	2012	Peer group percentile	2011	Peer group percentile	2010	Peer group percentile	2009	Peer group percentile	2008	Peer group percentile
State Street Equity 500 Index K	21.64	56	11.93	47	1.28	43														
S&P 500 TR USD	21.83	50	11.96	44	1.38	39	13.69	35	32.39	66	16.00	65	2.11	35	15.06	56	26.46	68	-37.00	56
Count	1,295		1,224		1,158		1,097		1,033		981		931		885		837		775	
5th Percentile	26.53		16.45		4.82		16.33		40.90		21.58		6.77		21.79		47.16		-27.53	
25th Percentile	23.34		12.95		1.87		14.13		35.86		17.99		2.37		16.91		33.54		-34.28	
50th Percentile	21.83		11.79		0.78		12.99		33.21		16.43		1.11		15.14		28.23		-36.86	
75th Percentile	20.14		9.65		-1.54		11.34		32.09		14.97		-0.96		13.79		24.93		-38.90	
95th Percentile	15.44		5.80		-5.02		7.98		27.06		11.71		-7.63		10.11		18.68		-44.65	

Source: Morningstar Direct

## State Street Target Retirement K

### Fund Information

Fund Name : State Street Institutional Investment Trust: State Street Target Retirement Fund; Class K Shares  
Fund Family : State Street Bank and Trust Company  
Ticker : SSFOX  
Inception Date : 09/30/2014  
Fund Assets : \$193 Million

Portfolio Assets : \$193 Million  
Portfolio Manager : Narkiewicz/McGinn  
PM Tenure : 2018--2014  
Fund Style : IM Mixed-Asset Target Alloc Consv (MF)  
Style Benchmark : S&P Target Date Retirement Income Index

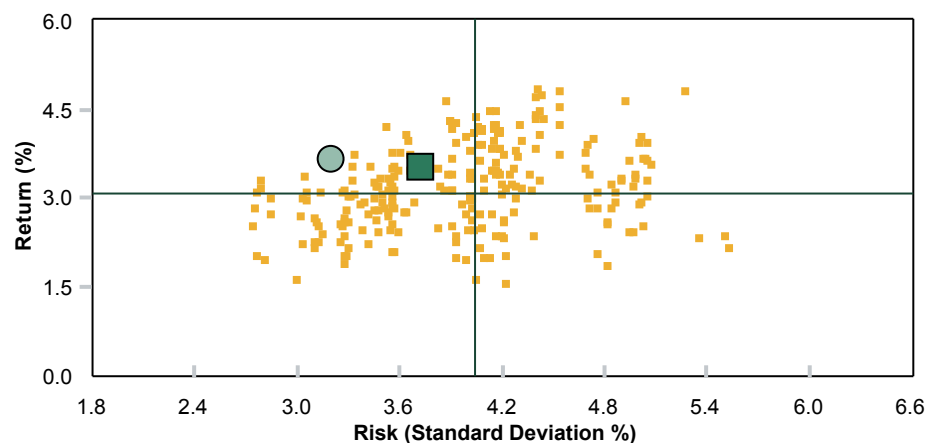
### Fund Investment Policy

The Fund seeks current income and, secondarily, capital growth. The Funds assets are allocated according to a target asset allocation strategy that emphasizes fixed income and smaller allocation to equity. It is intended for use as part of an overall investment strategy by an investor who is already in retirement.

### Historical Statistics (11/01/14 - 06/30/18) \*

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
State Street Target Retirement K	3.52	3.73	0.81	-0.66	1.15	0.97	0.82	-0.14	3.72	11/01/2014
S&P Target Date Retirement Income Index	3.66	3.20	0.98	0.00	1.00	1.00	0.00	N/A	3.18	11/01/2014
90 Day U.S. Treasury Bill	0.53	0.17	N/A	0.51	0.01	0.01	3.18	-0.98	0.00	11/01/2014

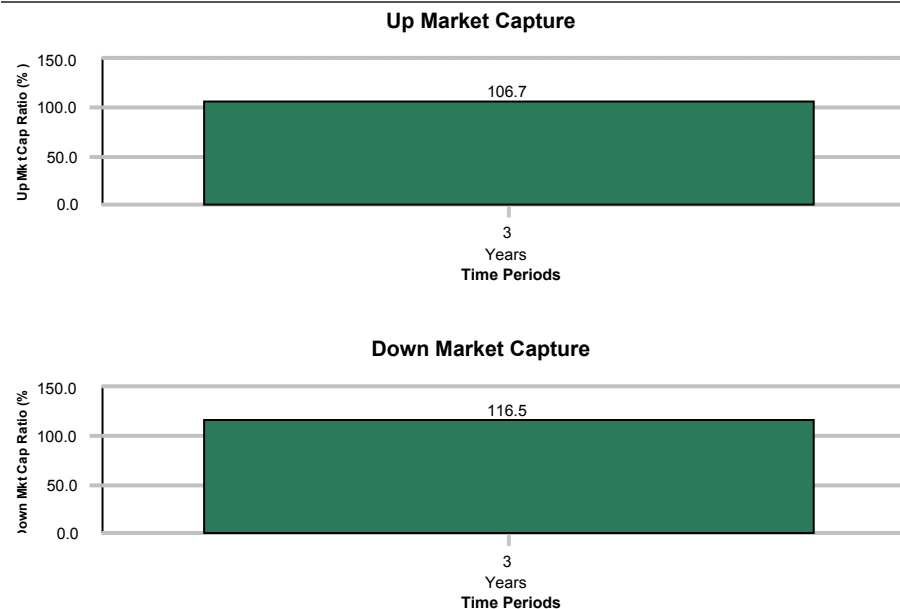
### Peer Group Scattergram (11/01/14 to 06/30/18)



	Return	Standard Deviation
State Street Target Retirement K	3.52	3.73
S&P Target Date Retirement Income Index	3.66	3.20
Median	3.09	4.04

\* Monthly periodicity used.

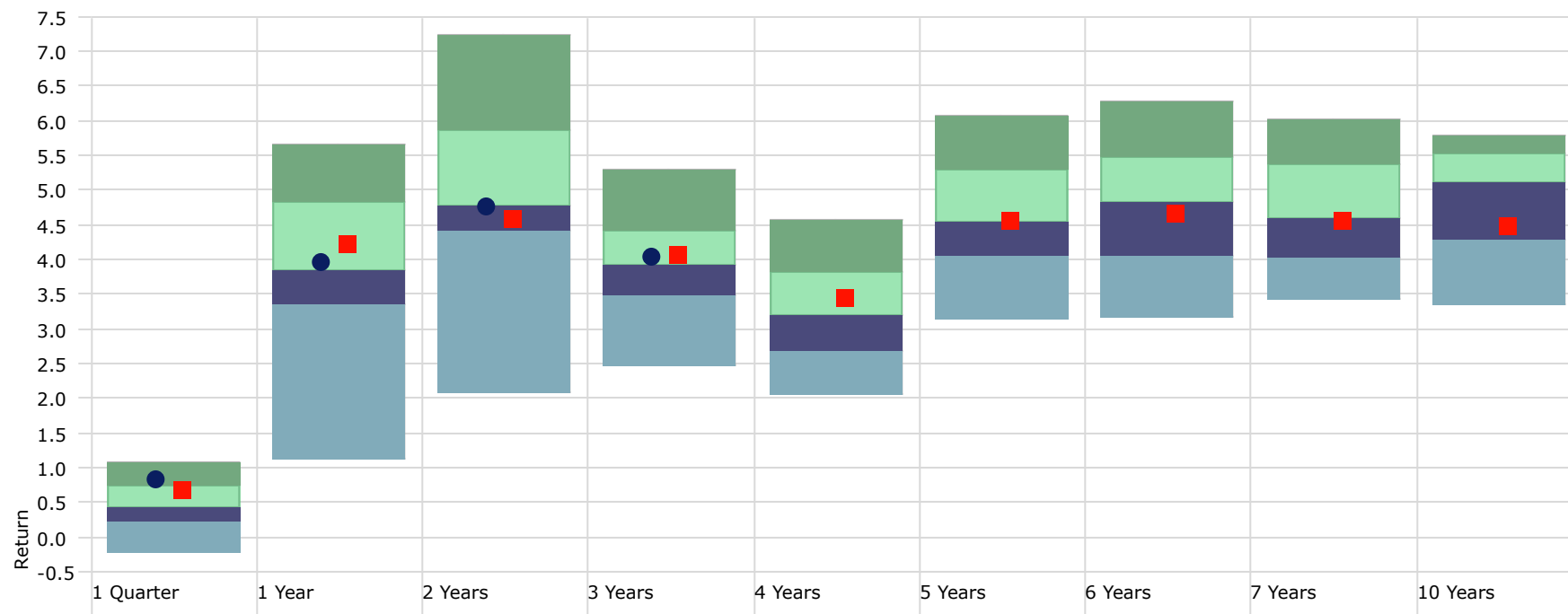
### Up Down Market Capture



**Oregon Saves**  
**State Street Retirement Income**  
**As of 6/30/2018**

Peer Group (5-95%): Open End Funds - U.S. - Target-Date Retirement

Top Quartile 2nd Quartile 3rd Quartile Bottom Quartile



● State Street Target Retirement K

■ S&P Target Date Retirement Income TR USD

## Trailing Returns

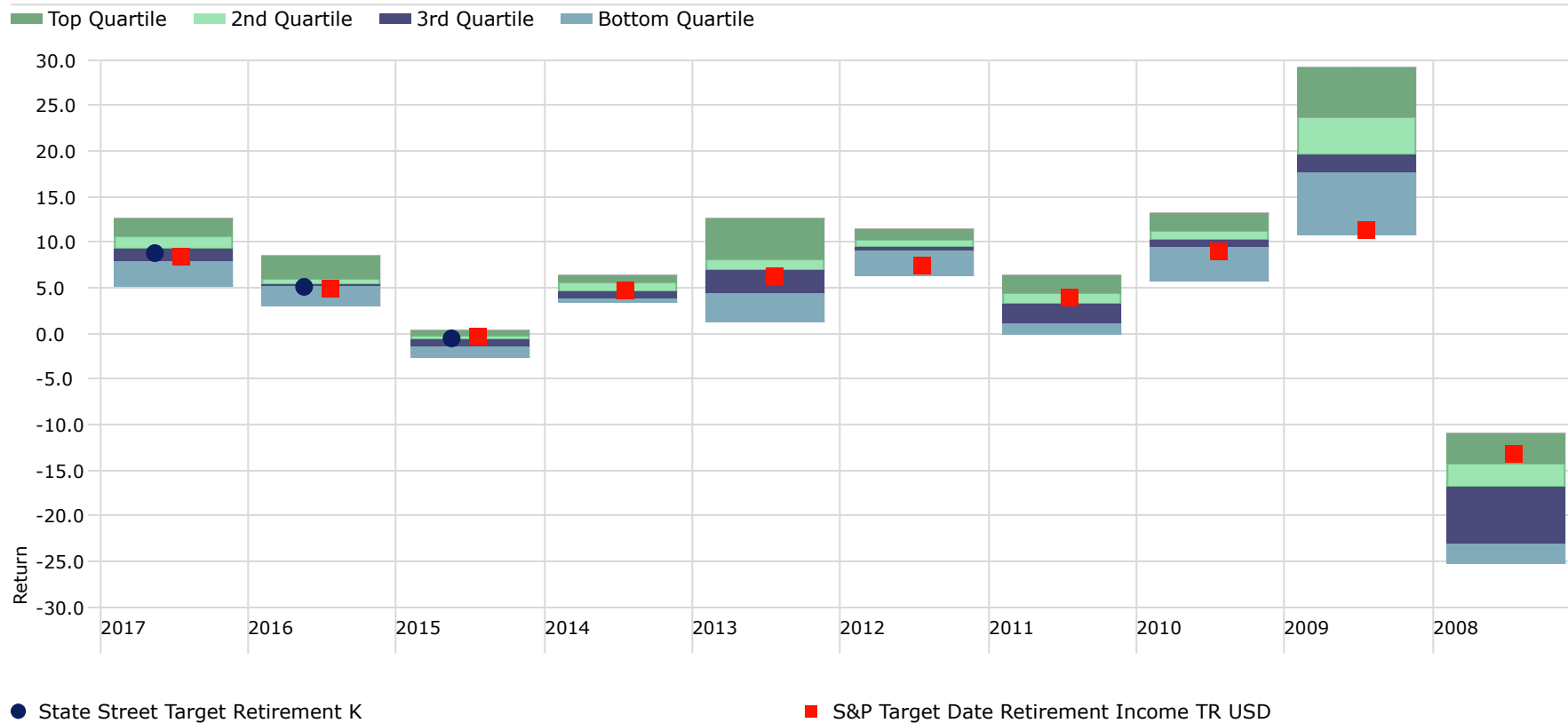
Data Point: Return

	1 Quarter	Peer group percentile	1 Year	Peer group percentile	2 Years	Peer group percentile	3 Years	Peer group percentile	4 Years	Peer group percentile	5 Years	Peer group percentile	6 Years	Peer group percentile	7 Years	Peer group percentile	10 Years	Peer group percentile
State Street Target Retirement K	0.84	15	3.98	47	4.78	48	4.05	46										
S&P Target Date Retirement Income TR USD	0.70	28	4.23	40	4.59	59	4.08	45	3.46	45	4.56	49	4.67	53	4.57	50	4.50	70
Count	189		187		173		163		140		133		120		119		91	
5th Percentile	1.08		5.66		7.22		5.30		4.57		6.07		6.27		6.01		5.78	
25th Percentile	0.74		4.84		5.86		4.42		3.82		5.30		5.48		5.36		5.53	
50th Percentile	0.43		3.84		4.77		3.92		3.20		4.53		4.84		4.59		5.10	
75th Percentile	0.22		3.36		4.40		3.49		2.68		4.05		4.05		4.02		4.27	
95th Percentile	-0.21		1.13		2.08		2.47		2.05		3.15		3.18		3.42		3.35	

Source: Morningstar Direct

**Oregon Saves**  
**State Street Retirement Income**  
**As of 6/30/2018**

Peer Group (5-95%): Open End Funds - U.S. - Target-Date Retirement



## Trailing Returns

Data Point: Return

	2017	Peer group percentile	2016	Peer group percentile	2015	Peer group percentile	2014	Peer group percentile	2013	Peer group percentile	2012	Peer group percentile	2011	Peer group percentile	2010	Peer group percentile	2009	Peer group percentile	2008	Peer group percentile
State Street Target Retirement K	8.81	98	5.20	100	-0.41	1														
S&P Target Date Retirement Income TR USD	8.54	99	5.01	100	-0.18	1	4.86	14	6.28	88	7.51	94	3.98	2	9.09	100	11.37	100	-13.09	1
Count	183		178		174		169		157		147		140		137		125		122	
5th Percentile	19.32		32.56		-15.56		6.54		19.25		17.27		-3.07		28.86		72.45		-38.32	
25th Percentile	18.21		25.34		-18.57		4.02		15.02		13.78		-8.21		24.22		60.99		-43.33	
50th Percentile	16.76		22.70		-20.42		2.49		12.21		12.00		-10.92		23.39		58.62		-46.09	
75th Percentile	14.81		20.33		-22.79		1.23		9.55		9.60		-13.69		21.48		52.19		-47.49	
95th Percentile	12.53		15.64		-25.60		-2.21		5.85		7.47		-18.36		16.84		48.81		-49.76	

Source: Morningstar Direct

## State Street Retirement 2015 K

### Fund Information

Fund Name : State Street Institutional Investment Trust: State Street Target Retirement 2015 Fund; Class K Shares  
Fund Family : State Street Bank and Trust Company  
Ticker : SSBHX  
Inception Date : 09/30/2014  
Fund Assets : \$280 Million

Portfolio Assets : \$280 Million  
Portfolio Manager : Narkiewicz/McGinn  
PM Tenure : 2018--2014  
Fund Style : IM Mixed-Asset Target 2015 (MF)  
Style Benchmark : S&P Target Date 2015 Index

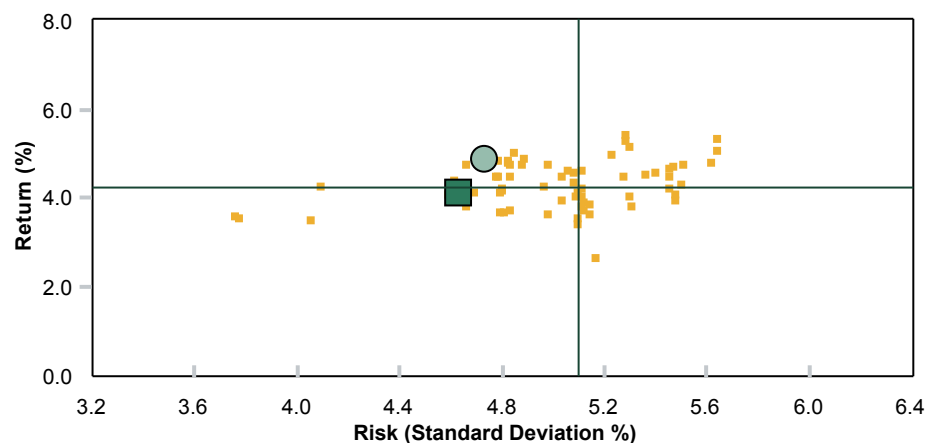
### Fund Investment Policy

The Fund seeks capital growth and income over the long term. It is intended for investors expecting to retire around the year 2015 and likely to stop making new investments in the Fund at that time. It is designed for an investor who plans to withdraw the value of the investors account gradually following that date.

### Historical Statistics (11/01/14 - 06/30/18) \*

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
State Street Retirement 2015 K	4.11	4.63	0.78	-0.55	0.96	0.97	0.86	-0.85	4.62	11/01/2014
S&P Target Date 2015 Index	4.87	4.73	0.92	0.00	1.00	1.00	0.00	N/A	4.72	11/01/2014
90 Day U.S. Treasury Bill	0.53	0.17	N/A	0.52	0.00	0.01	4.72	-0.92	0.00	11/01/2014

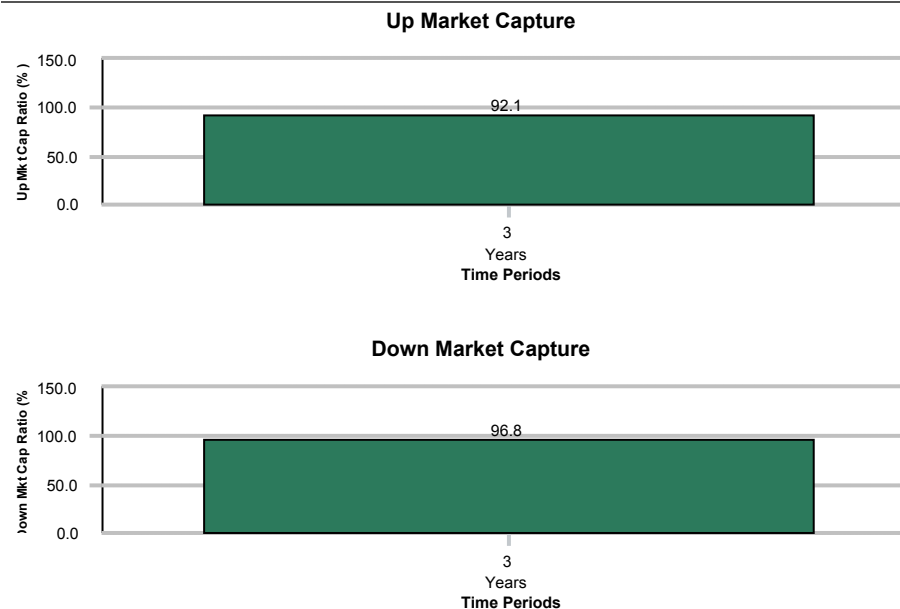
### Peer Group Scattergram (11/01/14 to 06/30/18)



	Return	Standard Deviation
State Street Retirement 2015 K	4.11	4.63
S&P Target Date 2015 Index	4.87	4.73
— Median	4.26	5.10

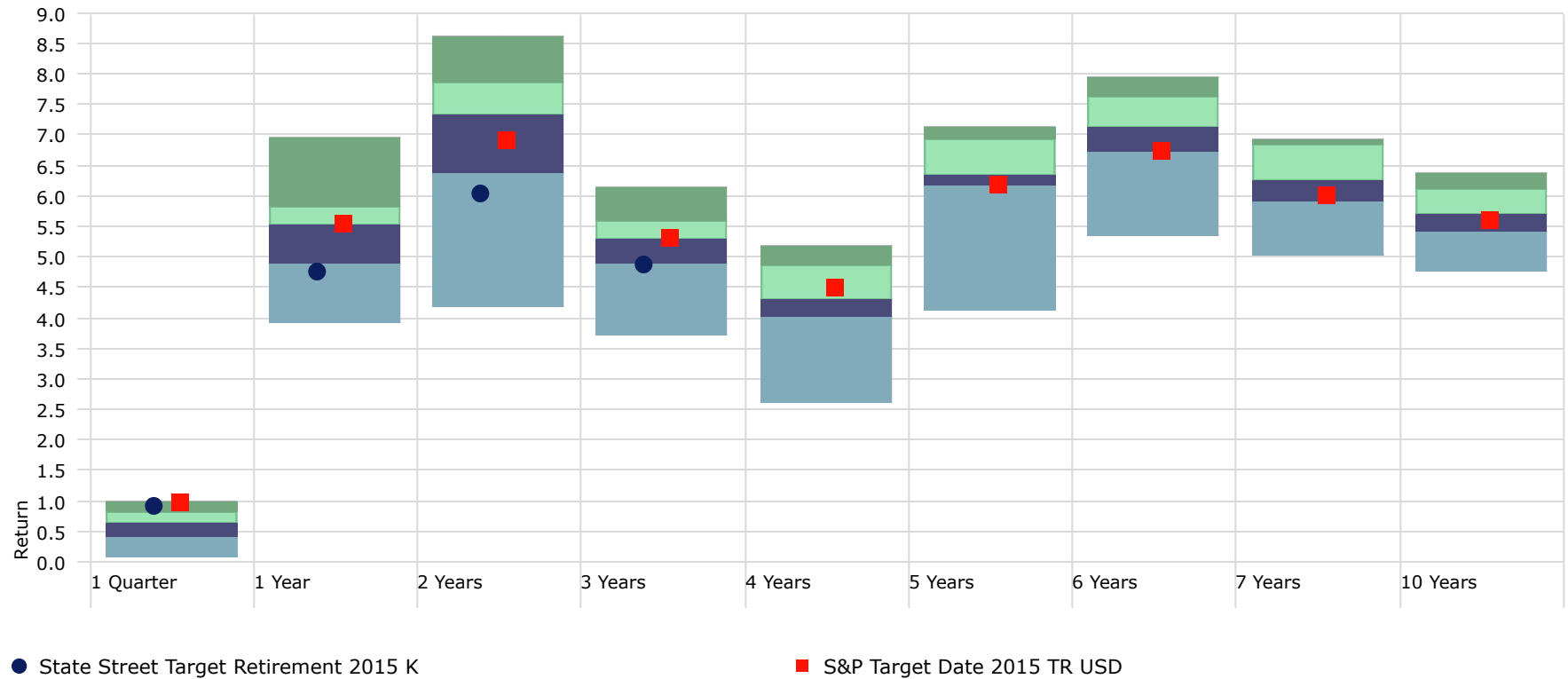
\* Monthly periodicity used.

### Up Down Market Capture



Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2015

Top Quartile 2nd Quartile 3rd Quartile Bottom Quartile



### Trailing Returns

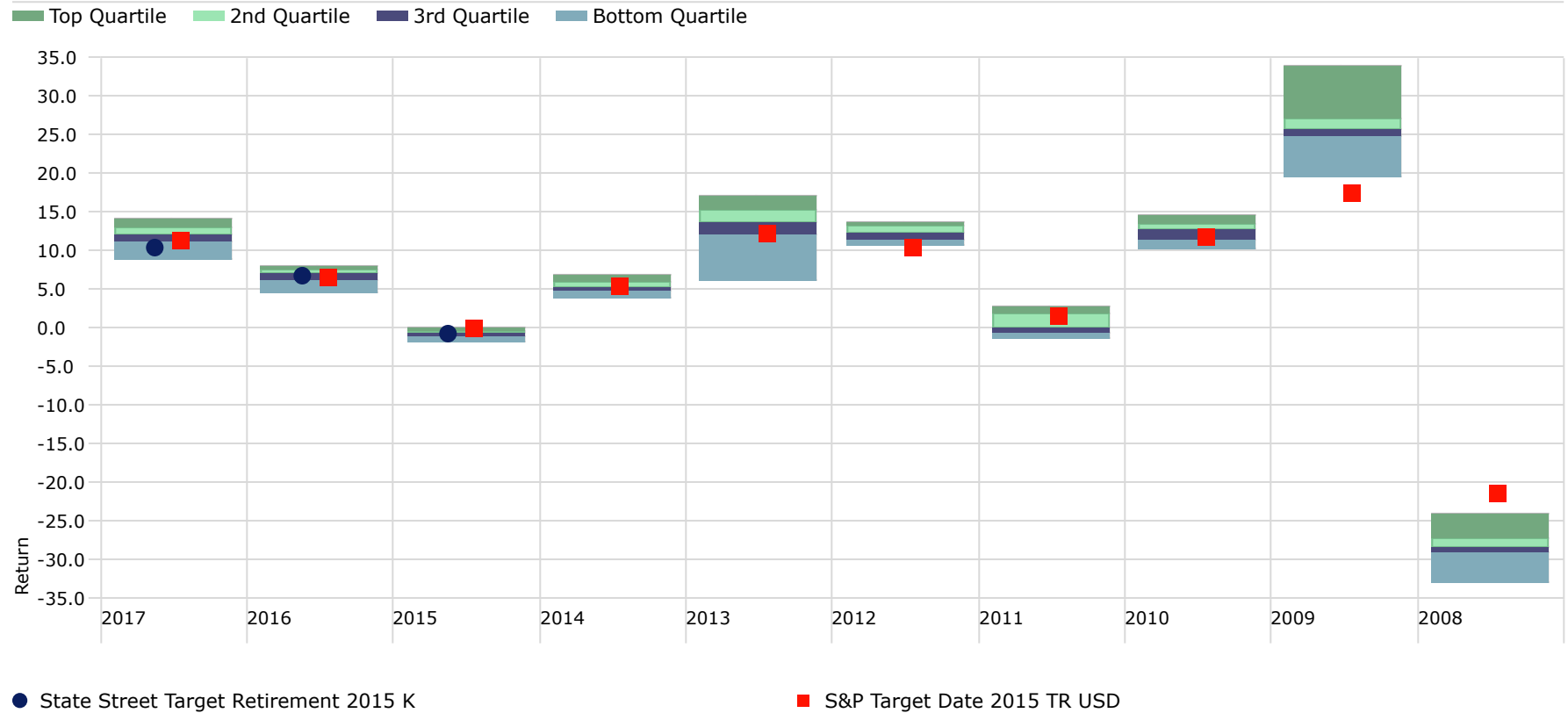
Data Point: Return

	1 Quarter	Peer group percentile	1 Year	Peer group percentile	2 Years	Peer group percentile	3 Years	Peer group percentile	4 Years	Peer group percentile	5 Years	Peer group percentile	6 Years	Peer group percentile	7 Years	Peer group percentile	10 Years	Peer group percentile
State Street Target Retirement 2015 K	0.93	14	4.77	85	6.06	83	4.89	75										
S&P Target Date 2015 TR USD	0.97	8	5.55	45	6.92	64	5.33	48	4.52	45	6.20	69	6.74	73	6.01	74	5.63	57
Count	140		138		124		109		90		75		72		66		49	
5th Percentile	1.00		6.94		8.62		6.13		5.19		7.12		7.95		6.92		6.37	
25th Percentile	0.81		5.82		7.85		5.60		4.86		6.92		7.62		6.85		6.12	
50th Percentile	0.65		5.52		7.33		5.29		4.31		6.35		7.13		6.27		5.71	
75th Percentile	0.42		4.90		6.36		4.89		4.02		6.18		6.73		5.89		5.41	
95th Percentile	0.10		3.94		4.18		3.72		2.62		4.13		5.34		5.04		4.77	

Source: Morningstar Direct



Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2015



## Trailing Returns

Data Point: Return

	2017	Peer group percentile	2016	Peer group percentile	2015	Peer group percentile	2014	Peer group percentile	2013	Peer group percentile	2012	Peer group percentile	2011	Peer group percentile	2010	Peer group percentile	2009	Peer group percentile	2008	Peer group percentile
State Street Target Retirement 2015 K	10.37	78	6.84	56	-0.80	51														
S&P Target Date 2015 TR USD	11.39	64	6.56	60	-0.16	19	5.49	42	12.16	71	10.32	95	1.53	26	11.85	66	17.48	95	-21.32	5
Count	131		119		102		82		74		68		65		62		49		42	
5th Percentile	13.93		7.78		0.03		6.74		17.09		13.65		2.62		14.51		33.77		-24.06	
25th Percentile	12.77		7.44		-0.43		5.87		15.11		13.14		1.71		13.24		27.01		-27.28	
50th Percentile	11.91		7.04		-0.76		5.13		13.61		12.24		-0.16		12.63		25.62		-28.44	
75th Percentile	11.16		6.18		-1.16		4.69		11.88		11.32		-0.85		11.29		24.76		-29.10	
95th Percentile	8.87		4.49		-1.88		3.82		6.02		10.53		-1.45		10.18		19.55		-32.96	

Source: Morningstar Direct

## State Street Target Retirement 2020 K

### Fund Information

Fund Name : State Street Institutional Investment Trust: State Street Target Retirement 2020 Fund; Class K Shares  
Fund Family : State Street Bank and Trust Company  
Ticker : SSBOX  
Inception Date : 09/30/2014  
Fund Assets : \$874 Million

Portfolio Assets : \$875 Million  
Portfolio Manager : Narkiewicz/McGinn  
PM Tenure : 2018--2014  
Fund Style : IM Mixed-Asset Target 2020 (MF)  
Style Benchmark : S&P Target Date 2020 Index

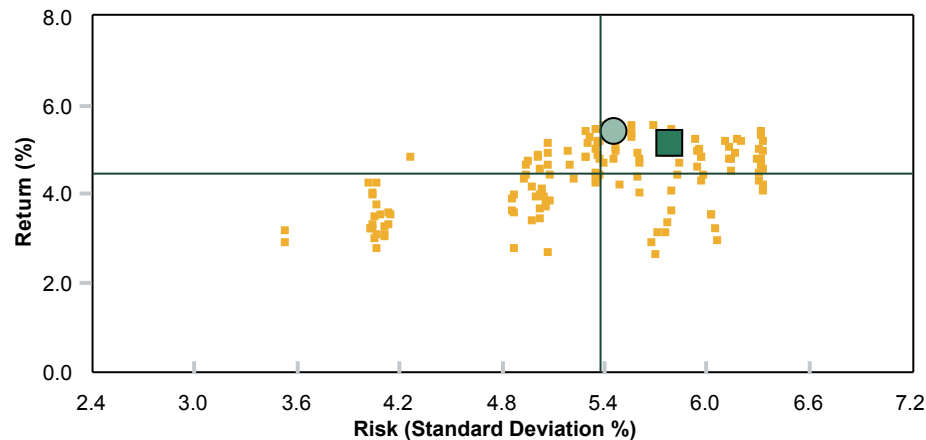
### Fund Investment Policy

The Fund seeks capital growth and income over the long term. It is intended for investors expecting to retire around the year 2020 and likely to stop making new investments in the Fund at that time. It is designed for an investor who plans to withdraw the value of the investors account gradually following that date.

### Historical Statistics (11/01/14 - 06/30/18) \*

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
State Street Target Retirement 2020 K	5.13	5.78	0.81	-0.52	1.05	0.98	0.87	-0.30	5.77	11/01/2014
S&P Target Date 2020 Index	5.43	5.46	0.90	0.00	1.00	1.00	0.00	N/A	5.45	11/01/2014
90 Day U.S. Treasury Bill	0.53	0.17	N/A	0.52	0.00	0.01	5.45	-0.90	0.00	11/01/2014

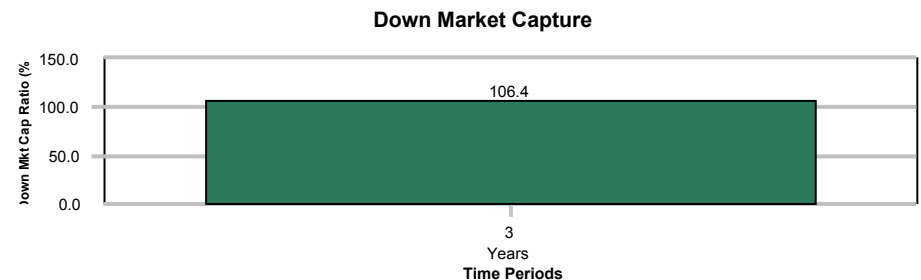
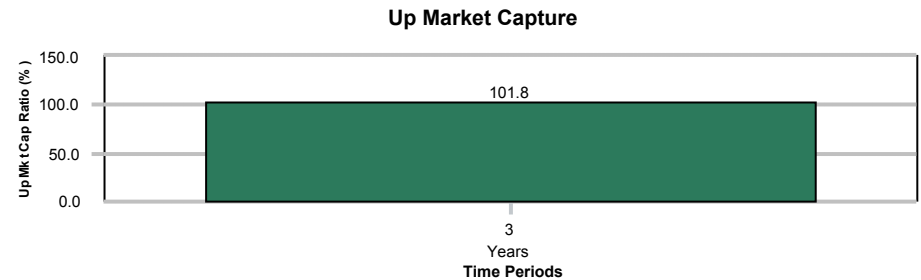
### Peer Group Scattergram (11/01/14 to 06/30/18)



	Return	Standard Deviation
State Street Target Retirement 2020 K	5.13	5.78
S&P Target Date 2020 Index	5.43	5.46
Median	4.47	5.38

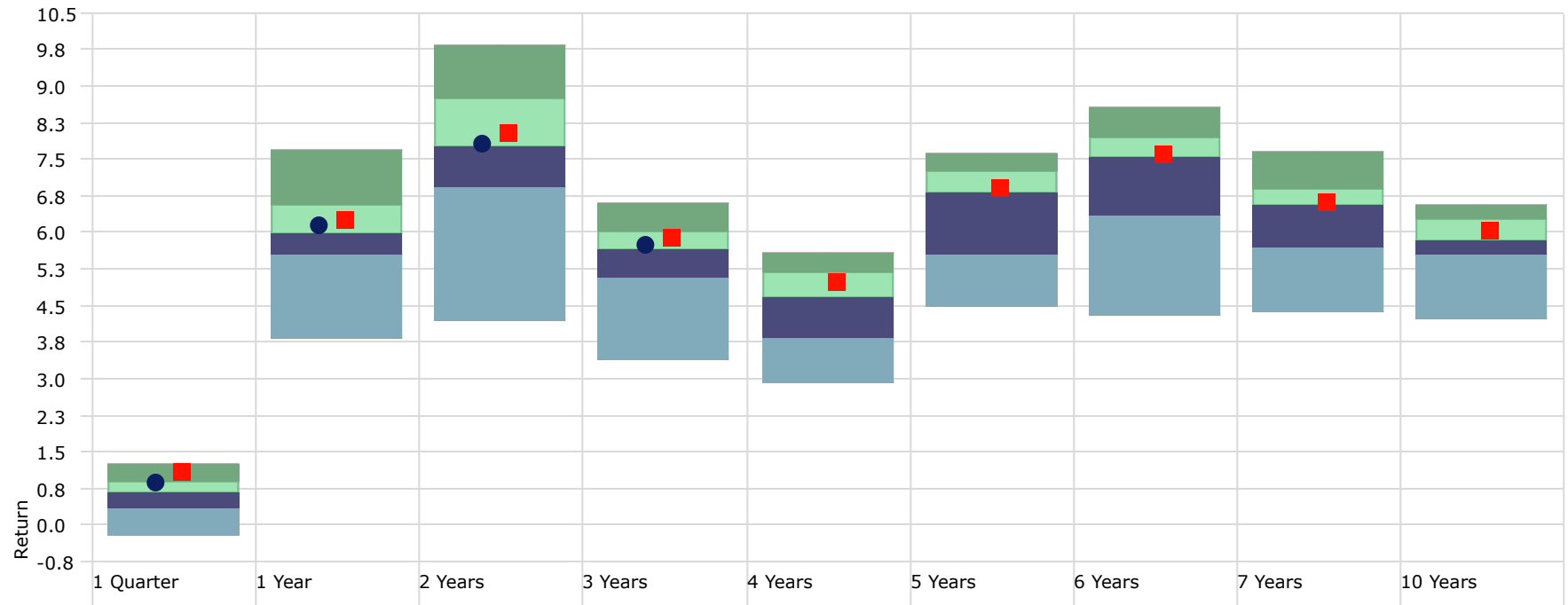
\* Monthly periodicity used.

### Up Down Market Capture



Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2020

Top Quartile 2nd Quartile 3rd Quartile Bottom Quartile



● State Street Target Retirement 2020 K

■ S&amp;P Target Date 2020 TR USD

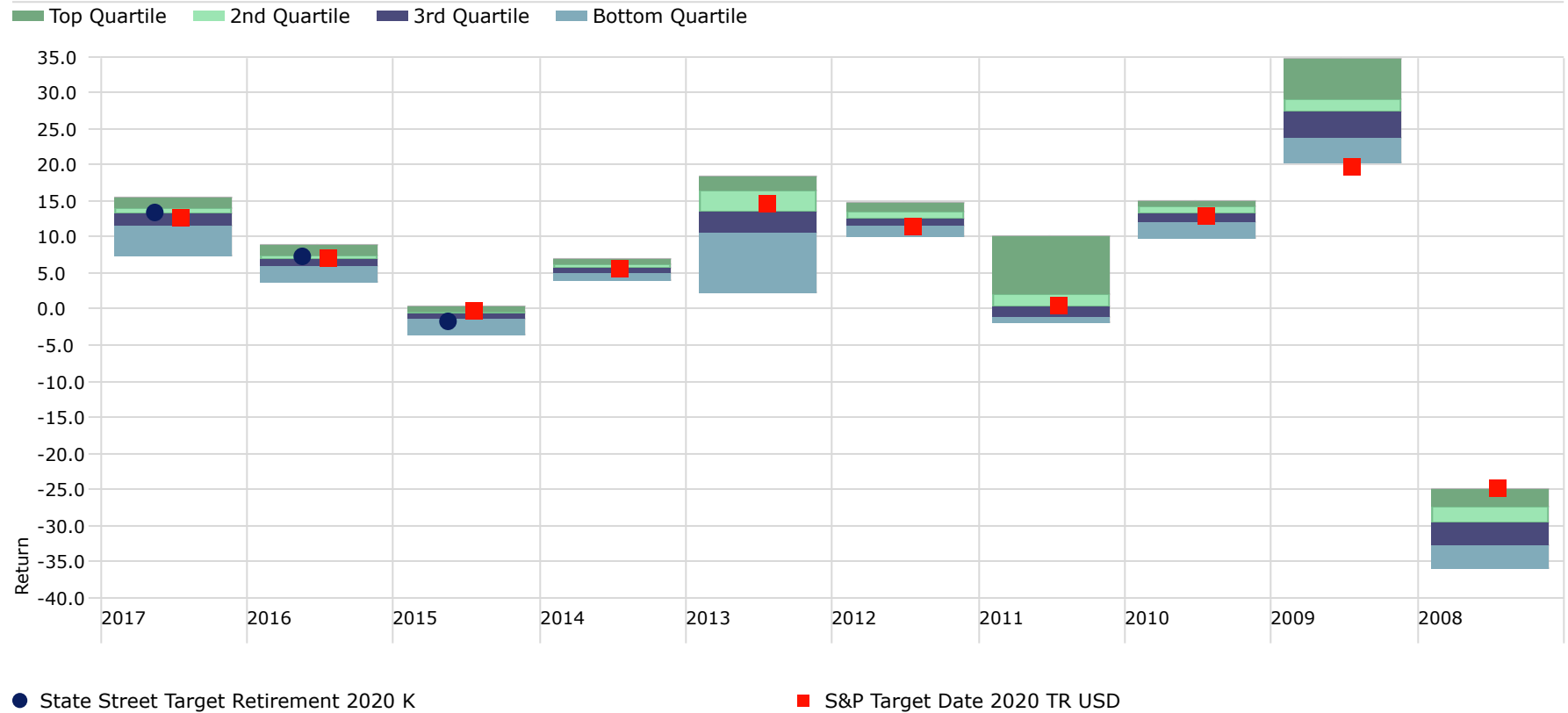
### Trailing Returns

Data Point: Return

	1 Quarter	Peer group percentile	1 Year	Peer group percentile	2 Years	Peer group percentile	3 Years	Peer group percentile	4 Years	Peer group percentile	5 Years	Peer group percentile	6 Years	Peer group percentile	7 Years	Peer group percentile	10 Years	Peer group percentile
State Street Target Retirement 2020 K	0.90	25	6.18	43	7.84	48	5.76	44										
S&P Target Date 2020 TR USD	1.09	8	6.27	40	8.04	44	5.91	32	5.00	30	6.93	42	7.63	42	6.64	44	6.06	37
Count	255		251		226		203		180		160		148		136		106	
5th Percentile	1.25		7.68		9.83		6.58		5.58		7.62		8.57		7.66		6.56	
25th Percentile	0.90		6.55		8.75		6.01		5.18		7.25		7.95		6.90		6.27	
50th Percentile	0.67		5.99		7.75		5.64		4.69		6.80		7.54		6.57		5.84	
75th Percentile	0.36		5.56		6.91		5.06		3.82		5.55		6.33		5.69		5.54	
95th Percentile	-0.19		3.82		4.19		3.41		2.94		4.50		4.29		4.39		4.25	

Source: Morningstar Direct

Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2020



### Trailing Returns

Data Point: Return

	2017	Peer group percentile	2016	Peer group percentile	2015	Peer group percentile	2014	Peer group percentile	2013	Peer group percentile	2012	Peer group percentile	2011	Peer group percentile	2010	Peer group percentile	2009	Peer group percentile	2008	Peer group percentile
State Street Target Retirement 2020 K	13.40	45	7.42	24	-1.55	79														
S&P Target Date 2020 TR USD	12.80	60	7.22	31	-0.19	22	5.67	49	14.76	34	11.48	75	0.58	47	12.93	54	19.95	100	-24.78	5
Count	239		215		197		173		159		146		130		123		115		93	
5th Percentile	15.37		8.98		0.34		6.92		18.32		14.73		10.04		14.93		34.61		-24.84	
25th Percentile	14.05		7.39		-0.28		6.20		16.33		13.39		2.02		14.18		29.10		-27.31	
50th Percentile	13.14		6.85		-0.74		5.64		13.61		12.54		0.35		13.22		27.35		-29.48	
75th Percentile	11.48		5.98		-1.40		4.89		10.55		11.53		-1.09		11.96		23.64		-32.64	
95th Percentile	7.53		3.70		-3.50		4.04		2.30		10.00		-1.93		9.87		20.35		-35.87	

Source: Morningstar Direct

## State Street Target Retirement 2025 K

### Fund Information

Fund Name : State Street Institutional Investment Trust: State Street Target Retirement 2025 Fund; Class K Shares  
Fund Family : State Street Bank and Trust Company  
Ticker : SSBSX  
Inception Date : 09/30/2014  
Fund Assets : \$1,001 Million

Portfolio Assets : \$1,003 Million  
Portfolio Manager : Narkiewicz/McGinn  
PM Tenure : 2018--2014  
Fund Style : IM Mixed-Asset Target 2025 (MF)  
Style Benchmark : S&P Target Date 2025 Index

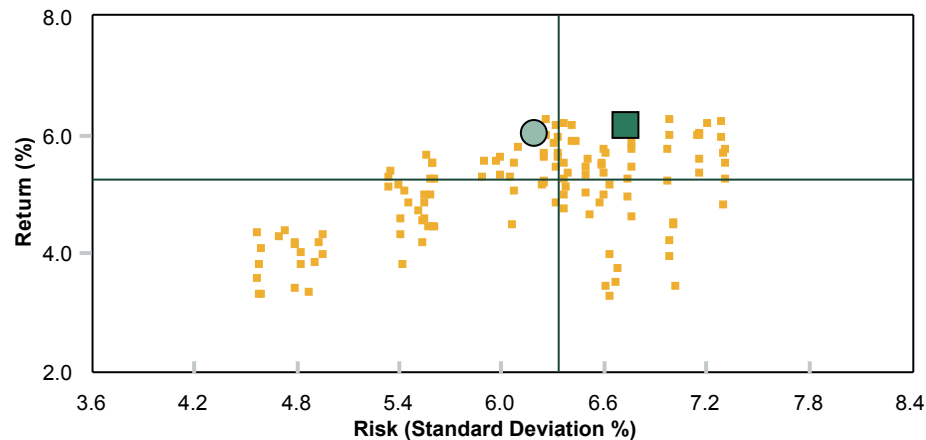
### Fund Investment Policy

The Fund seeks capital growth and income over the long term. It is intended for investors expecting to retire around the year 2025 and likely to stop making new investments in the Fund at that time. It is designed for an investor who plans to withdraw the value of the investors account gradually following that date.

### Historical Statistics (11/01/14 - 06/30/18) \*

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
State Street Target Retirement 2025 K	6.16	6.73	0.85	-0.29	1.08	0.98	1.04	0.17	6.72	11/01/2014
S&P Target Date 2025 Index	6.02	6.19	0.89	0.00	1.00	1.00	0.00	N/A	6.18	11/01/2014
90 Day U.S. Treasury Bill	0.53	0.17	N/A	0.52	0.00	0.01	6.18	-0.89	0.00	11/01/2014

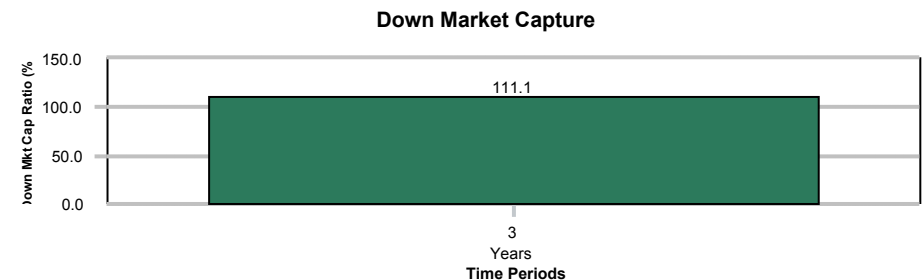
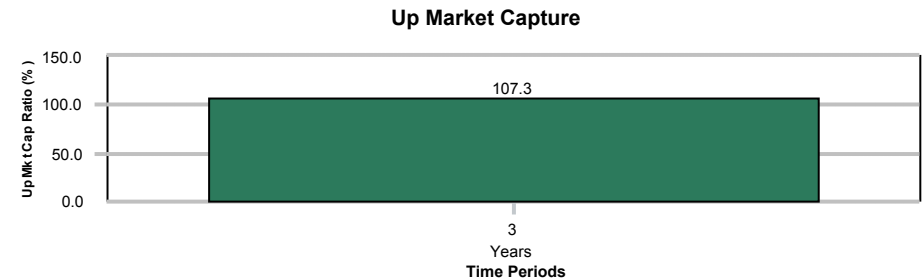
### Peer Group Scattergram (11/01/14 to 06/30/18)



	Return	Standard Deviation
State Street Target Retirement 2025 K	6.16	6.73
S&P Target Date 2025 Index	6.02	6.19
Median	5.24	6.33

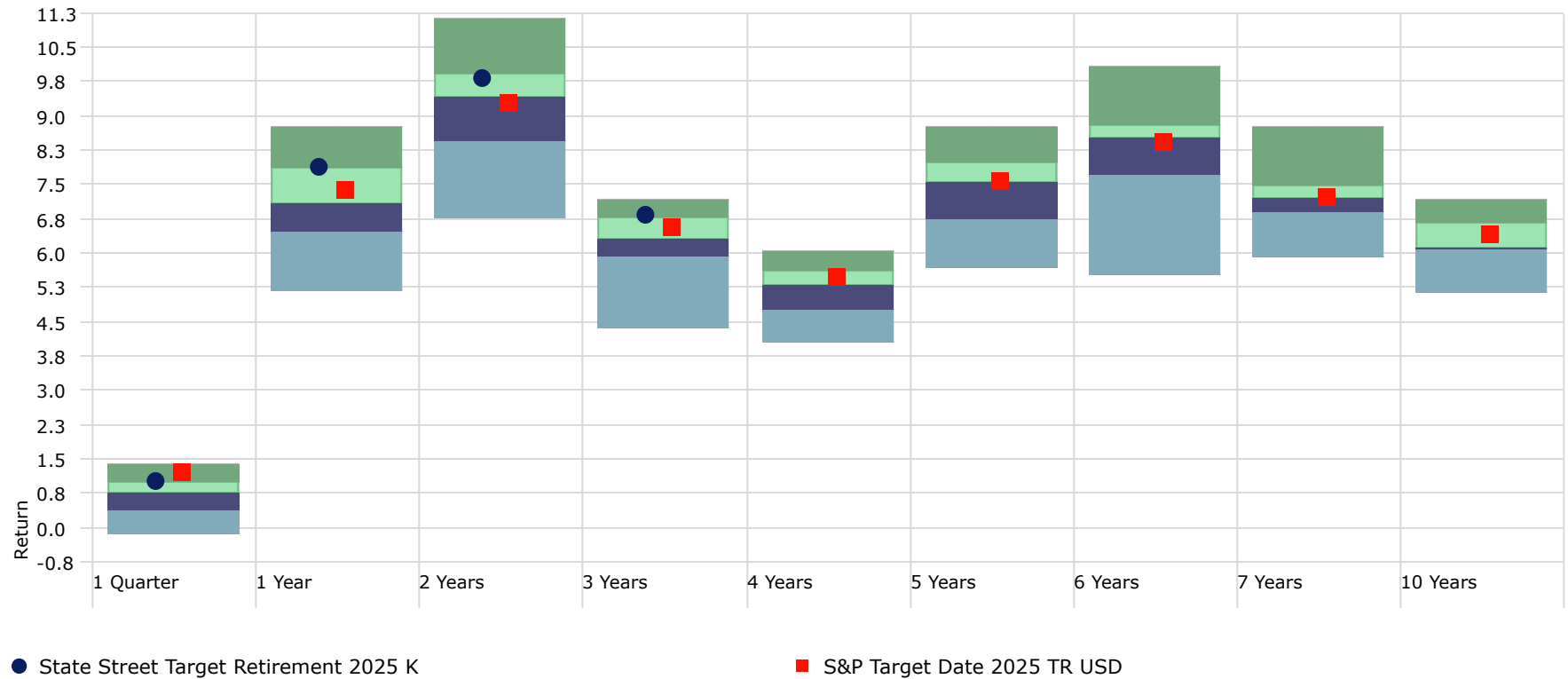
\* Monthly periodicity used.

### Up Down Market Capture



Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2025

Top Quartile   2nd Quartile   3rd Quartile   Bottom Quartile



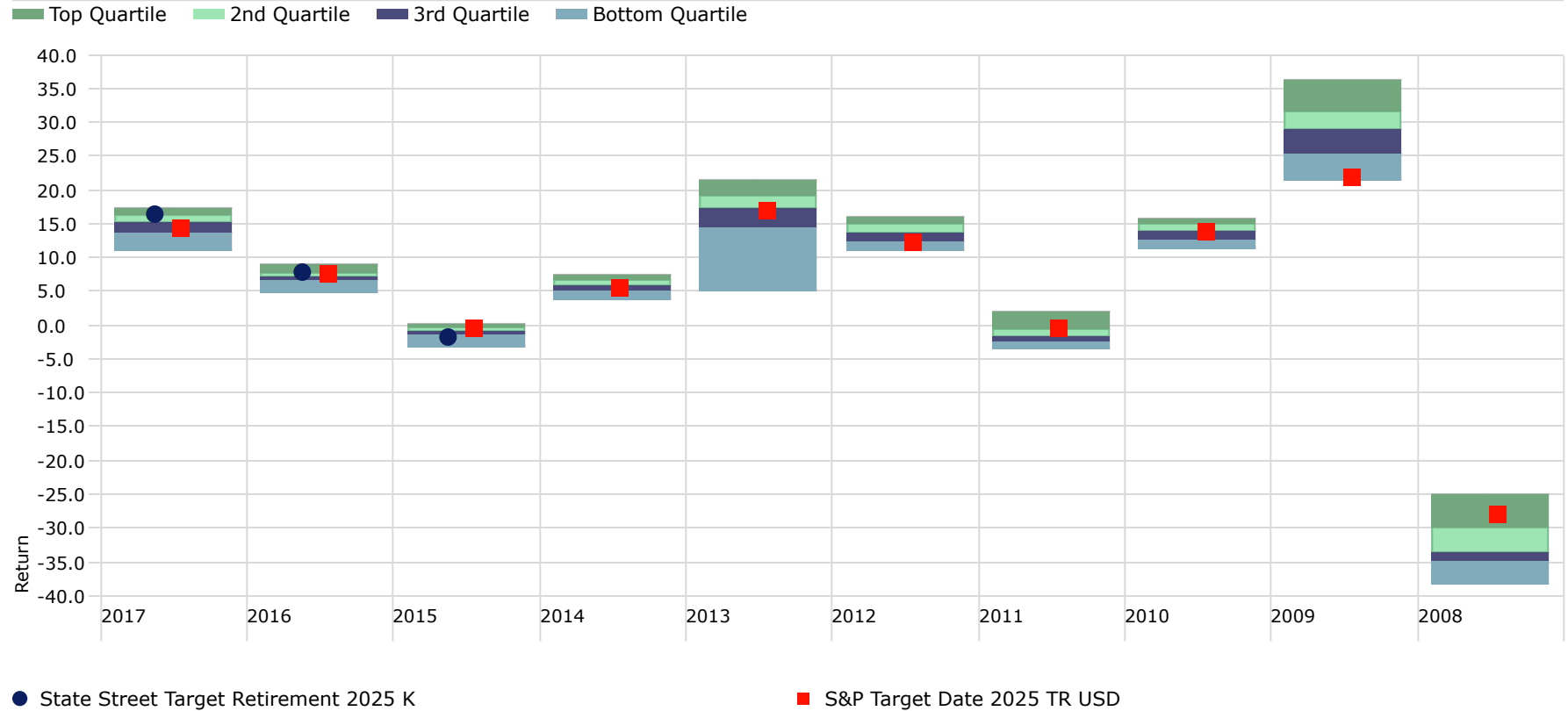
### Trailing Returns

Data Point: Return

	1 Quarter	Peer group percentile	1 Year	Peer group percentile	2 Years	Peer group percentile	3 Years	Peer group percentile	4 Years	Peer group percentile	5 Years	Peer group percentile	6 Years	Peer group percentile	7 Years	Peer group percentile	10 Years	Peer group percentile
State Street Target Retirement 2025 K	1.04	24	7.91	24	9.83	33	6.86	20										
S&P Target Date 2025 TR USD	1.24	8	7.38	40	9.30	54	6.59	35	5.48	37	7.60	48	8.46	50	7.23	49	6.43	32
Count	223		221		195		178		154		138		117		105		72	
5th Percentile	1.39		8.76		11.13		7.16		6.04		8.76		10.06		8.74		7.18	
25th Percentile	1.01		7.87		9.91		6.78		5.62		7.97		8.81		7.49		6.68	
50th Percentile	0.77		7.10		9.43		6.30		5.32		7.57		8.53		7.21		6.13	
75th Percentile	0.39		6.48		8.45		5.93		4.77		6.74		7.69		6.91		6.09	
95th Percentile	-0.13		5.18		6.76		4.37		4.06		5.69		5.54		5.93		5.16	

Source: Morningstar Direct

Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2025



### Trailing Returns

Data Point: Return

	2017	Peer group percentile	2016	Peer group percentile	2015	Peer group percentile	2014	Peer group percentile	2013	Peer group percentile	2012	Peer group percentile	2011	Peer group percentile	2010	Peer group percentile	2009	Peer group percentile	2008	Peer group percentile
State Street Target Retirement 2025 K	16.57	14	8.08	21	-1.75	87														
S&P Target Date 2025 TR USD	14.55	67	7.82	27	-0.25	24	5.56	59	17.03	54	12.51	73	-0.28	24	13.82	58	22.03	90	-27.75	10
Count	209		190		170		146		136		112		98		88		73		62	
5th Percentile	17.25		8.93		0.26		7.33		21.54		16.02		1.98		15.65		36.23		-24.94	
25th Percentile	16.31		7.84		-0.26		6.68		19.10		15.11		-0.71		15.05		31.70		-30.04	
50th Percentile	15.32		7.30		-0.93		5.86		17.30		13.76		-1.59		14.04		28.91		-33.63	
75th Percentile	13.79		6.73		-1.32		5.04		14.46		12.37		-2.37		12.69		25.45		-34.82	
95th Percentile	11.09		4.74		-3.10		3.84		5.23		11.20		-3.49		11.33		21.46		-38.22	

Source: Morningstar Direct

## State Street Target Retirement 2030 K

### Fund Information

Fund Name : State Street Institutional Investment Trust: State Street Target Retirement 2030 Fund; Class K Shares  
Fund Family : State Street Bank and Trust Company  
Ticker : SSBYX  
Inception Date : 09/30/2014  
Fund Assets : \$970 Million

Portfolio Assets : \$972 Million  
Portfolio Manager : Narkiewicz/McGinn  
PM Tenure : 2018--2014  
Fund Style : IM Mixed-Asset Target 2030 (MF)  
Style Benchmark : S&P Target Date 2030 Index

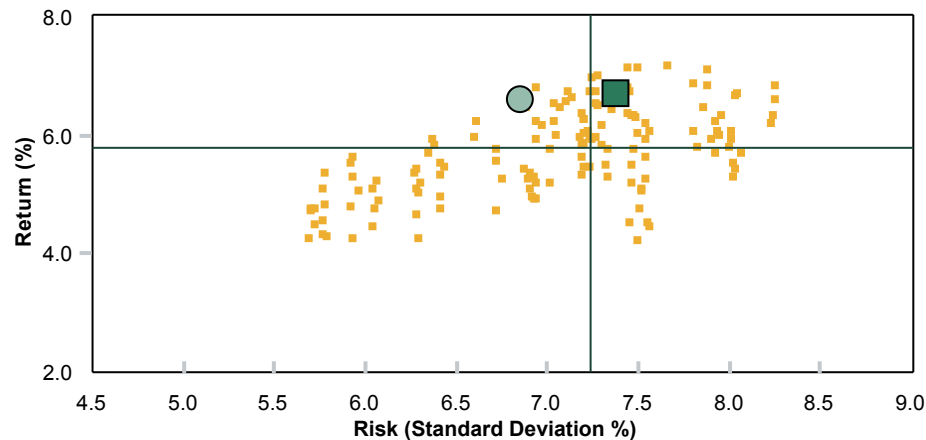
### Fund Investment Policy

The Fund seeks capital growth and income over the long term. It is intended for investors expecting to retire around the year 2030 and likely to stop making new investments in the Fund at that time. It is designed for an investor who plans to withdraw the value of the investors account gradually following that date.

### Historical Statistics (11/01/14 - 06/30/18) \*

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
State Street Target Retirement 2030 K	6.68	7.37	0.85	-0.32	1.07	0.98	1.09	0.11	7.36	11/01/2014
S&P Target Date 2030 Index	6.59	6.85	0.89	0.00	1.00	1.00	0.00	N/A	6.84	11/01/2014
90 Day U.S. Treasury Bill	0.53	0.17	N/A	0.52	0.00	0.01	6.84	-0.89	0.00	11/01/2014

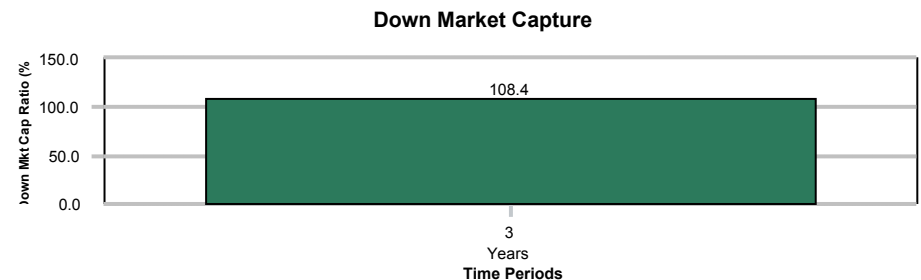
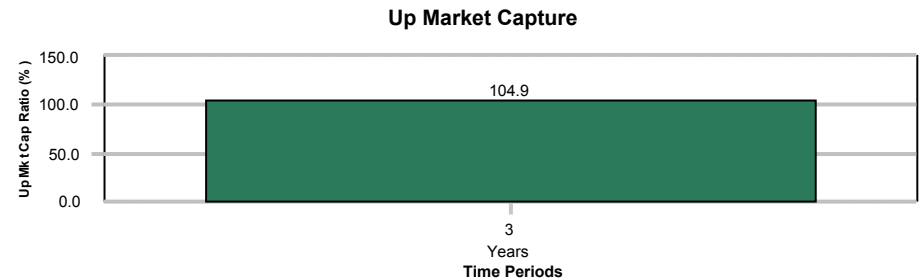
### Peer Group Scattergram (11/01/14 to 06/30/18)



	Return	Standard Deviation
State Street Target Retirement 2030 K	6.68	7.37
S&P Target Date 2030 Index	6.59	6.85
Median	5.80	7.23

\* Monthly periodicity used.

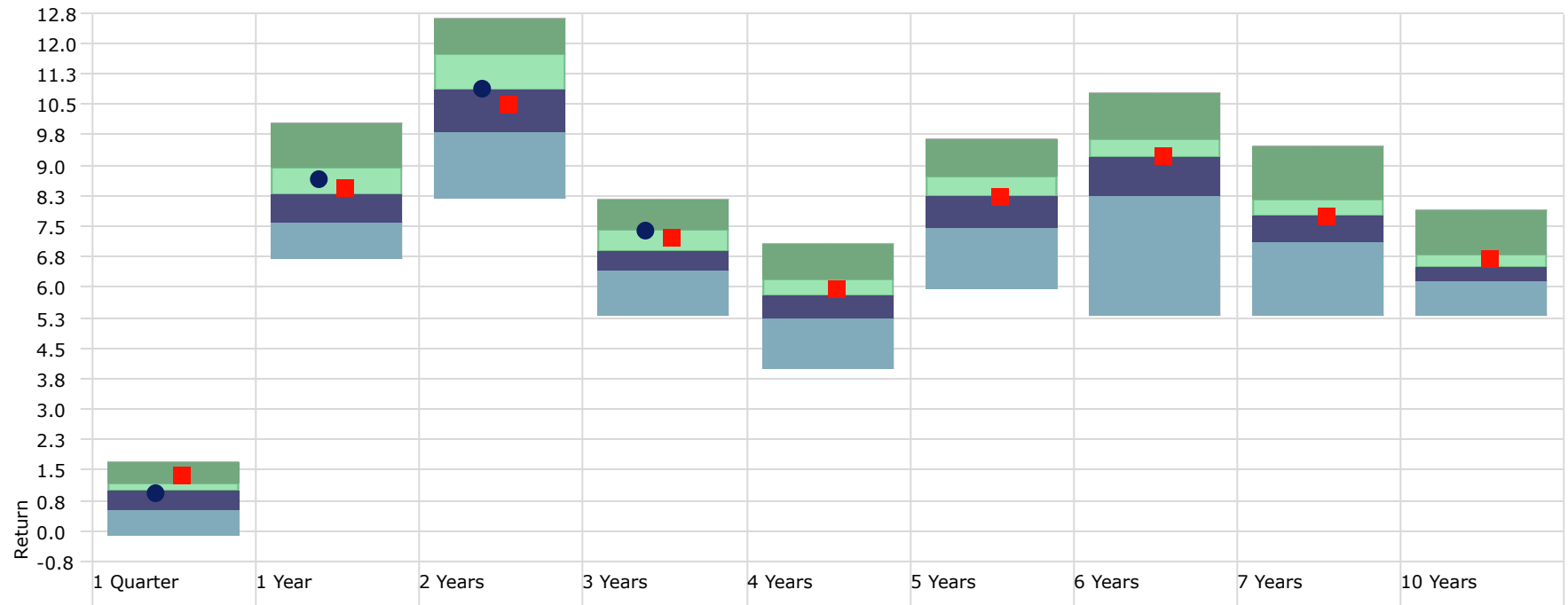
### Up Down Market Capture





Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2030

Top Quartile 2nd Quartile 3rd Quartile Bottom Quartile



● State Street Target Retirement 2030 K

■ S&amp;P Target Date 2030 TR USD

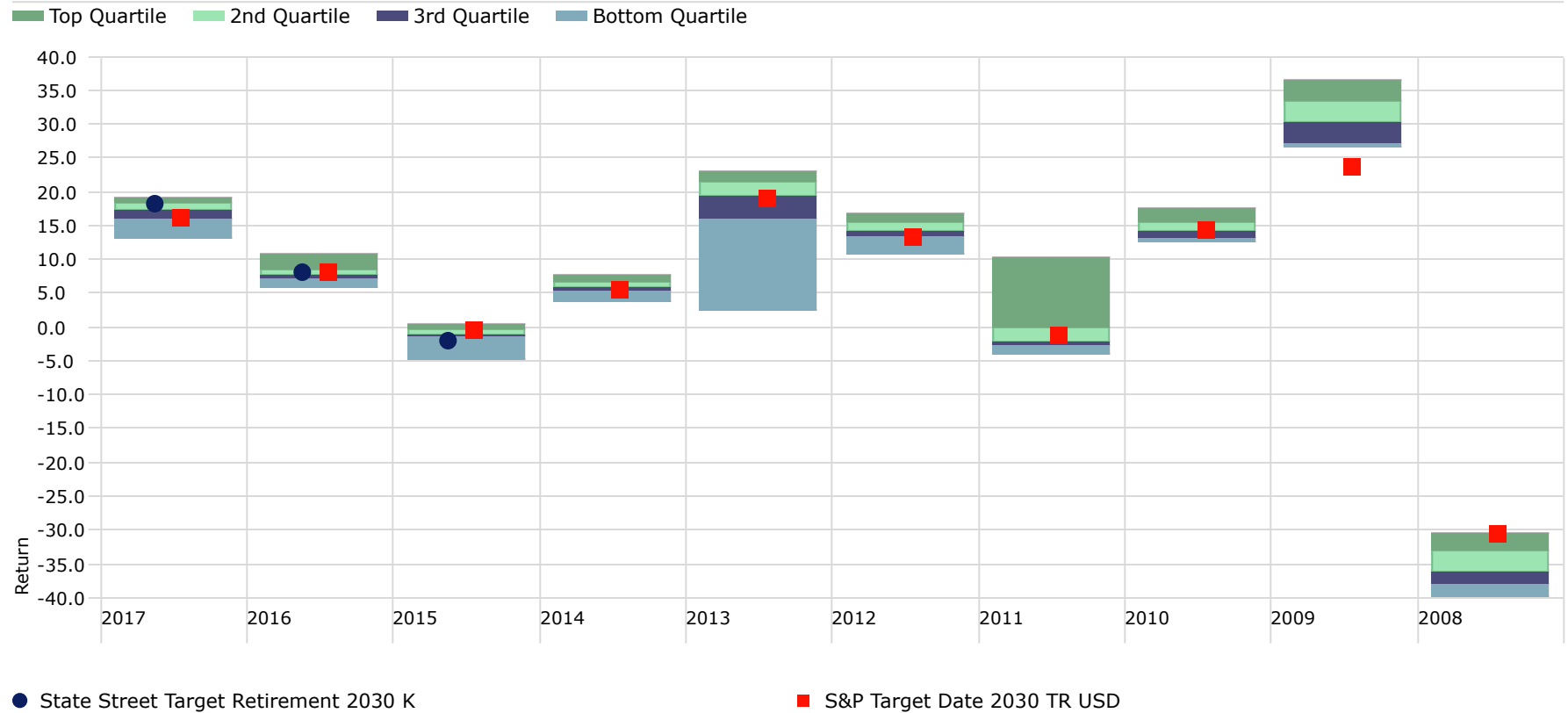
### Trailing Returns

Data Point: Return

	1 Quarter	Peer group percentile	1 Year	Peer group percentile	2 Years	Peer group percentile	3 Years	Peer group percentile	4 Years	Peer group percentile	5 Years	Peer group percentile	6 Years	Peer group percentile	7 Years	Peer group percentile	10 Years	Peer group percentile
State Street Target Retirement 2030 K	0.94	55	8.69	34	10.90	48	7.40	29										
S&P Target Date 2030 TR USD	1.40	9	8.47	40	10.49	60	7.23	35	5.98	44	8.26	47	9.25	49	7.78	45	6.73	31
Count	244		240		216		193		170		150		138		126		96	
5th Percentile	1.68		10.05		12.59		8.17		7.05		9.61		10.75		9.45		7.88	
25th Percentile	1.18		8.96		11.73		7.42		6.20		8.72		9.66		8.16		6.79	
50th Percentile	0.98		8.29		10.87		6.90		5.79		8.25		9.18		7.75		6.51	
75th Percentile	0.52		7.59		9.82		6.42		5.25		7.47		8.23		7.12		6.16	
95th Percentile	-0.10		6.71		8.18		5.34		4.01		5.95		5.30		5.32		5.30	

Source: Morningstar Direct

Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2030

**Trailing Returns**

Data Point: Return

	2017	Peer group percentile	2016	Peer group percentile	2015	Peer group percentile	2014	Peer group percentile	2013	Peer group percentile	2012	Peer group percentile	2011	Peer group percentile	2010	Peer group percentile	2009	Peer group percentile	2008	Peer group percentile
State Street Target Retirement 2030 K	18.42	25	8.27	31	-1.80	84														
S&P Target Date 2030 TR USD	16.19	73	8.35	29	-0.30	25	5.64	67	19.14	52	13.43	75	-1.17	36	14.52	45	23.70	96	-30.48	2
Count	229		205		187		163		149		136		120		113		105		83	
5th Percentile	19.18		10.83		0.54		7.74		23.06		16.83		10.38		17.70		36.64		-30.53	
25th Percentile	18.41		8.46		-0.37		6.75		21.49		15.62		-0.15		15.57		33.33		-32.96	
50th Percentile	17.33		7.68		-1.01		6.02		19.28		14.22		-2.06		14.19		30.33		-36.16	
75th Percentile	16.09		7.24		-1.50		5.43		16.04		13.45		-2.71		13.18		27.30		-37.88	
95th Percentile	13.29		5.77		-4.71		3.75		2.59		10.88		-4.02		12.64		26.57		-39.85	

Source: Morningstar Direct

## State Street Target Retirement 2035 K

### Fund Information

Fund Name : State Street Institutional Investment Trust: State Street Target Retirement 2035 Fund; Class K Shares  
Fund Family : State Street Bank and Trust Company  
Ticker : SSCX  
Inception Date : 09/30/2014  
Fund Assets : \$799 Million

Portfolio Assets : \$799 Million  
Portfolio Manager : Narkiewicz/McGinn  
PM Tenure : 2018--2014  
Fund Style : IM Mixed-Asset Target 2035 (MF)  
Style Benchmark : S&P Target Date 2035 Index

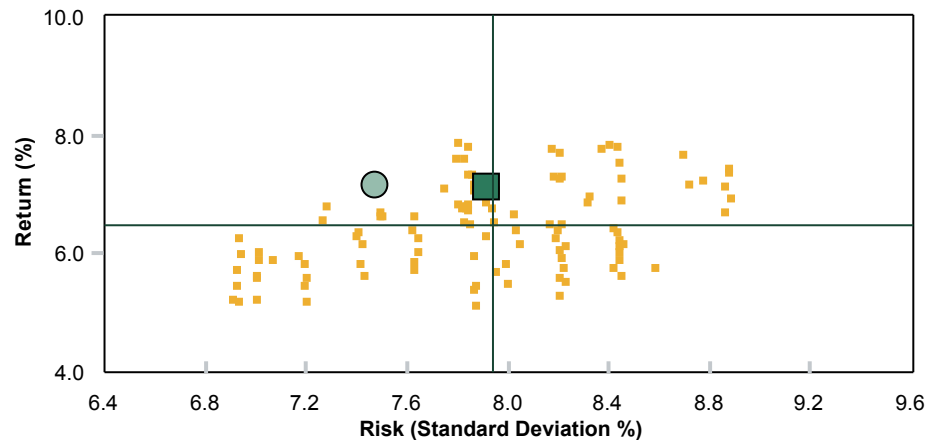
### Fund Investment Policy

The Fund seeks capital growth and income over the long term. It is intended for investors expecting to retire around the year 2035 and likely to stop making new investments in the Fund at that time. It is designed for an investor who plans to withdraw the value of the investors account gradually following that date.

### Historical Statistics (11/01/14 - 06/30/18) \*

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
State Street Target Retirement 2035 K	7.13	7.91	0.85	-0.33	1.05	0.98	1.10	0.02	7.90	11/01/2014
S&P Target Date 2035 Index	7.14	7.47	0.89	0.00	1.00	1.00	0.00	N/A	7.46	11/01/2014
90 Day U.S. Treasury Bill	0.53	0.17	N/A	0.52	0.00	0.01	7.46	-0.89	0.00	11/01/2014

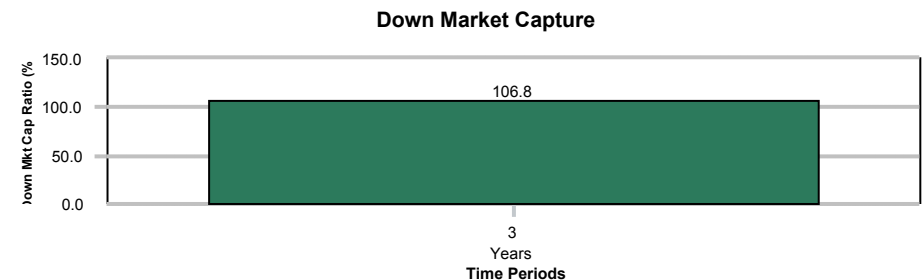
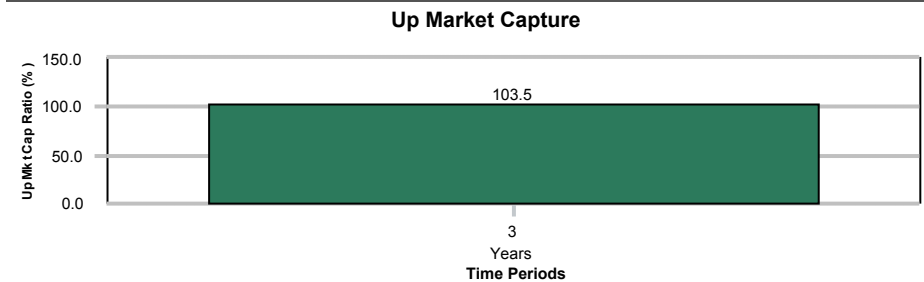
### Peer Group Scattergram (11/01/14 to 06/30/18)



	Return	Standard Deviation
State Street Target Retirement 2035 K	7.13	7.91
S&P Target Date 2035 Index	7.14	7.47
Median	6.48	7.94

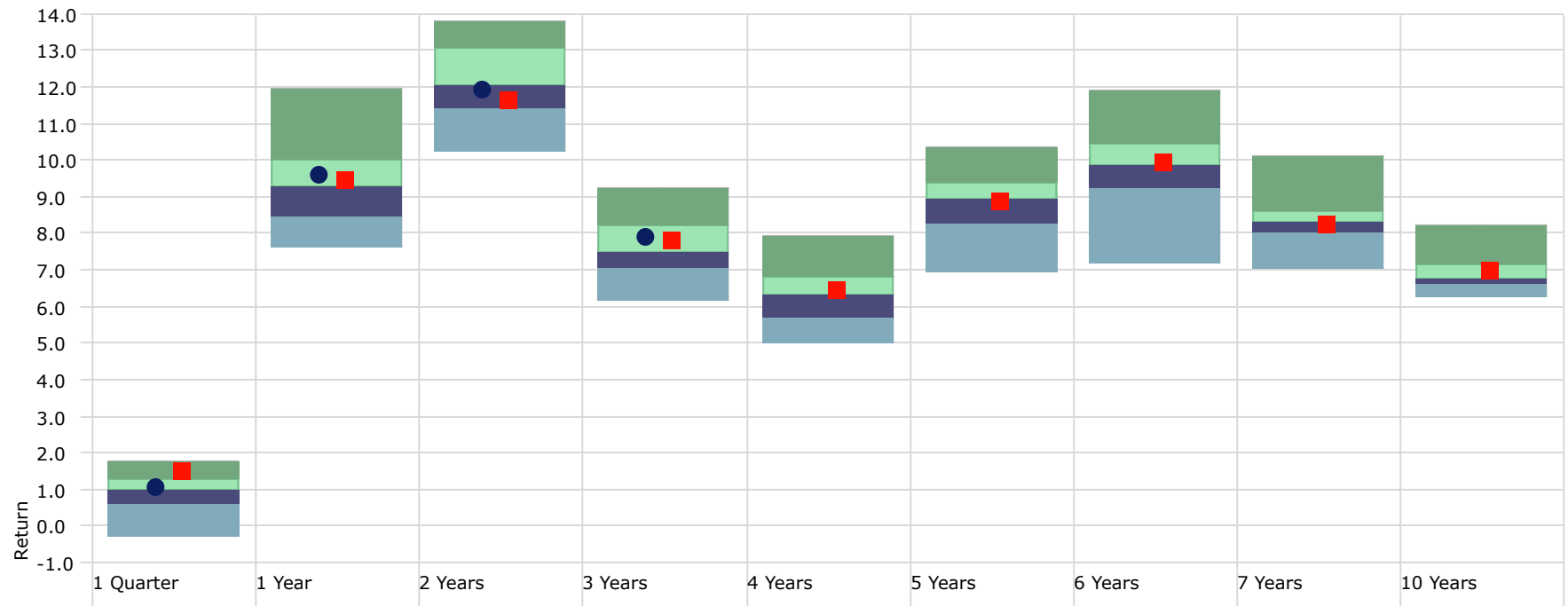
\* Monthly periodicity used.

### Up Down Market Capture



Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2035

■ Top Quartile   
 ■ 2nd Quartile   
 ■ 3rd Quartile   
 ■ Bottom Quartile



● State Street Target Retirement 2035 K

■ S&P Target Date 2035 TR USD

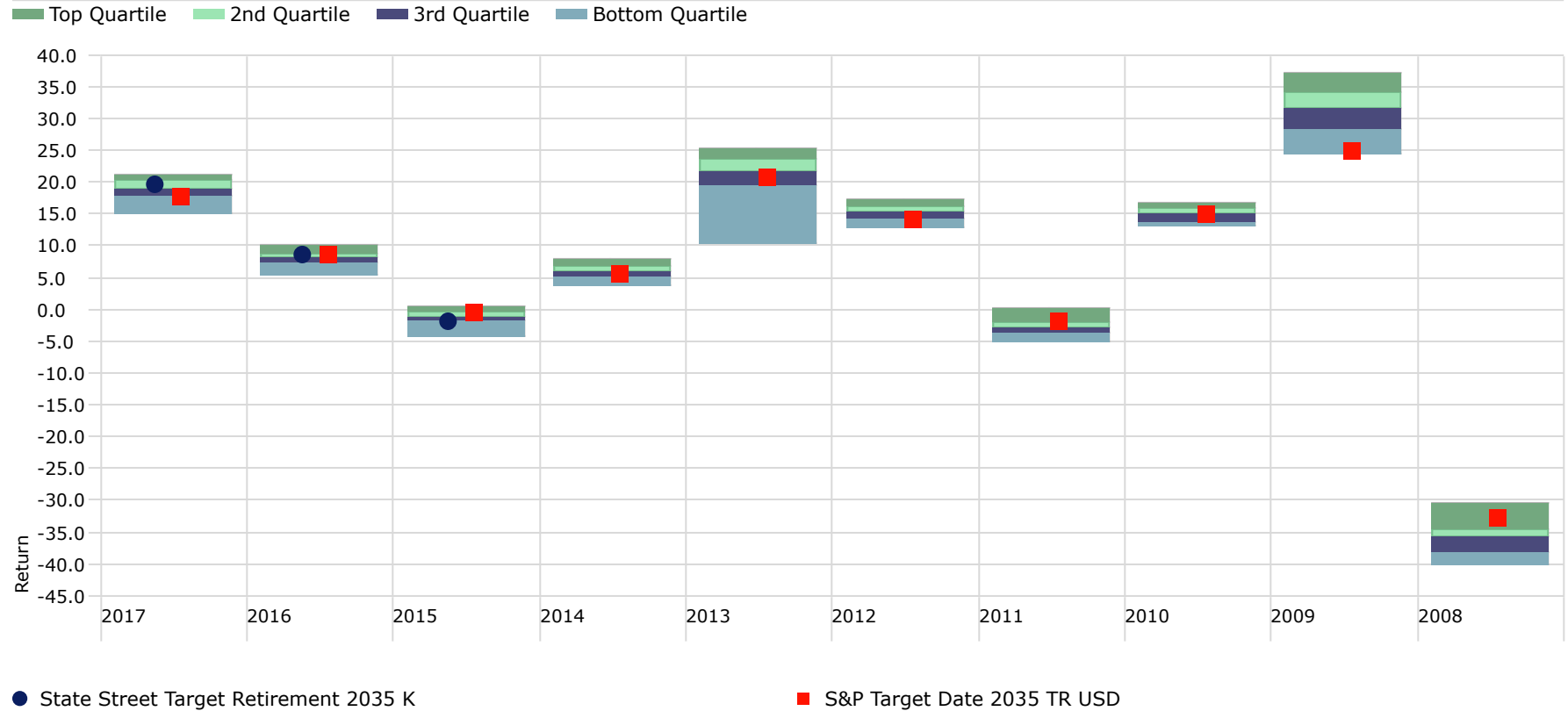
### Trailing Returns

Data Point: Return

	1 Quarter	Peer group percentile	1 Year	Peer group percentile	2 Years	Peer group percentile	3 Years	Peer group percentile	4 Years	Peer group percentile	5 Years	Peer group percentile	6 Years	Peer group percentile	7 Years	Peer group percentile	10 Years	Peer group percentile
State Street Target Retirement 2035 K	1.10	42	9.63	40	11.97	56	7.91	36										
S&P Target Date 2035 TR USD	1.52	14	9.47	45	11.64	69	7.83	39	6.45	40	8.88	53	9.94	47	8.28	53	7.00	32
Count	218		216		190		173		149		133		112		100		67	
5th Percentile	1.75		11.94		13.80		9.21		7.90		10.34		11.88		10.13		8.22	
25th Percentile	1.30		10.01		13.05		8.21		6.82		9.39		10.43		8.61		7.15	
50th Percentile	1.00		9.30		12.03		7.47		6.30		8.92		9.87		8.31		6.77	
75th Percentile	0.60		8.43		11.40		7.07		5.69		8.26		9.23		8.00		6.61	
95th Percentile	-0.29		7.62		10.26		6.16		5.03		6.94		7.22		7.03		6.29	

Source: Morningstar Direct

Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2035

**Trailing Returns**

Data Point: Return

	2017	Peer group percentile	2016	Peer group percentile	2015	Peer group percentile	2014	Peer group percentile	2013	Peer group percentile	2012	Peer group percentile	2011	Peer group percentile	2010	Peer group percentile	2009	Peer group percentile	2008	Peer group percentile
State Street Target Retirement 2035 K	19.83	35	8.66	34	-1.85	84														
S&P Target Date 2035 TR USD	17.78	76	8.85	24	-0.35	29	5.69	61	20.84	62	14.12	83	-1.71	16	15.02	52	24.99	89	-32.60	7
Count	204		185		165		141		131		107		93		83		68		57	
5th Percentile	21.09		10.17		0.54		7.88		25.38		17.40		0.17		16.75		37.03		-30.45	
25th Percentile	20.26		8.73		-0.25		6.84		23.56		16.10		-2.10		16.00		34.10		-34.47	
50th Percentile	19.01		8.27		-1.10		6.10		21.64		15.46		-2.93		15.14		31.70		-35.66	
75th Percentile	17.87		7.37		-1.67		5.27		19.62		14.33		-3.67		13.73		28.32		-38.04	
95th Percentile	14.94		5.32		-4.33		3.74		10.45		12.92		-4.97		13.06		24.56		-40.01	

Source: Morningstar Direct

## State Street Target Retirement 2040 K

### Fund Information

Fund Name : State Street Institutional Investment Trust: State Street Target Retirement 2040 Fund; Class K Shares  
Fund Family : State Street Bank and Trust Company  
Ticker : SSCQX  
Inception Date : 09/30/2014  
Fund Assets : \$644 Million

Portfolio Assets : \$645 Million  
Portfolio Manager : Narkiewicz/McGinn  
PM Tenure : 2018--2014  
Fund Style : IM Mixed-Asset Target 2040 (MF)  
Style Benchmark : S&P Target Date 2040 Index

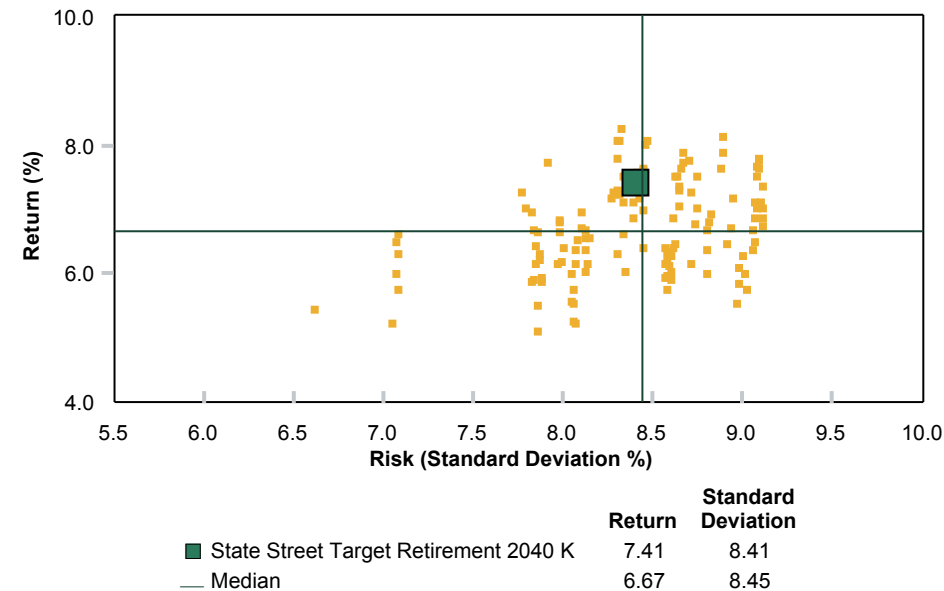
### Fund Investment Policy

The Fund seeks capital growth and income over the long term. It is intended for investors expecting to retire around the year 2040 and likely to stop making new investments in the Fund at that time. It is designed for an investor who plans to withdraw the value of the investors account gradually following that date.

### Historical Statistics (11/01/14 - 06/30/18) \*

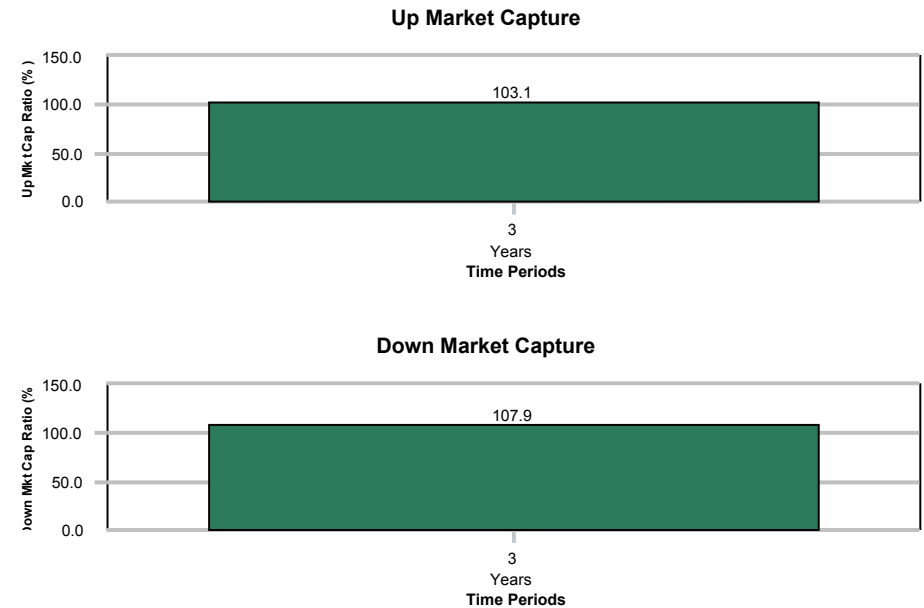
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
State Street Target Retirement 2040 K	7.41	8.41	0.83	-0.47	1.05	0.99	1.10	-0.05	8.39	11/01/2014
S&P Target Date 2040 Index	7.52	7.92	0.89	0.00	1.00	1.00	0.00	N/A	7.91	11/01/2014
90 Day U.S. Treasury Bill	0.53	0.17	N/A	0.52	0.00	0.01	7.91	-0.89	0.00	11/01/2014

### Peer Group Scattergram (11/01/14 to 06/30/18)



\* Monthly periodicity used.

### Up Down Market Capture



Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2040

■ Top Quartile   
 ■ 2nd Quartile   
 ■ 3rd Quartile   
 ■ Bottom Quartile



● State Street Target Retirement 2040 K   
 ■ S&P Target Date 2040 TR USD

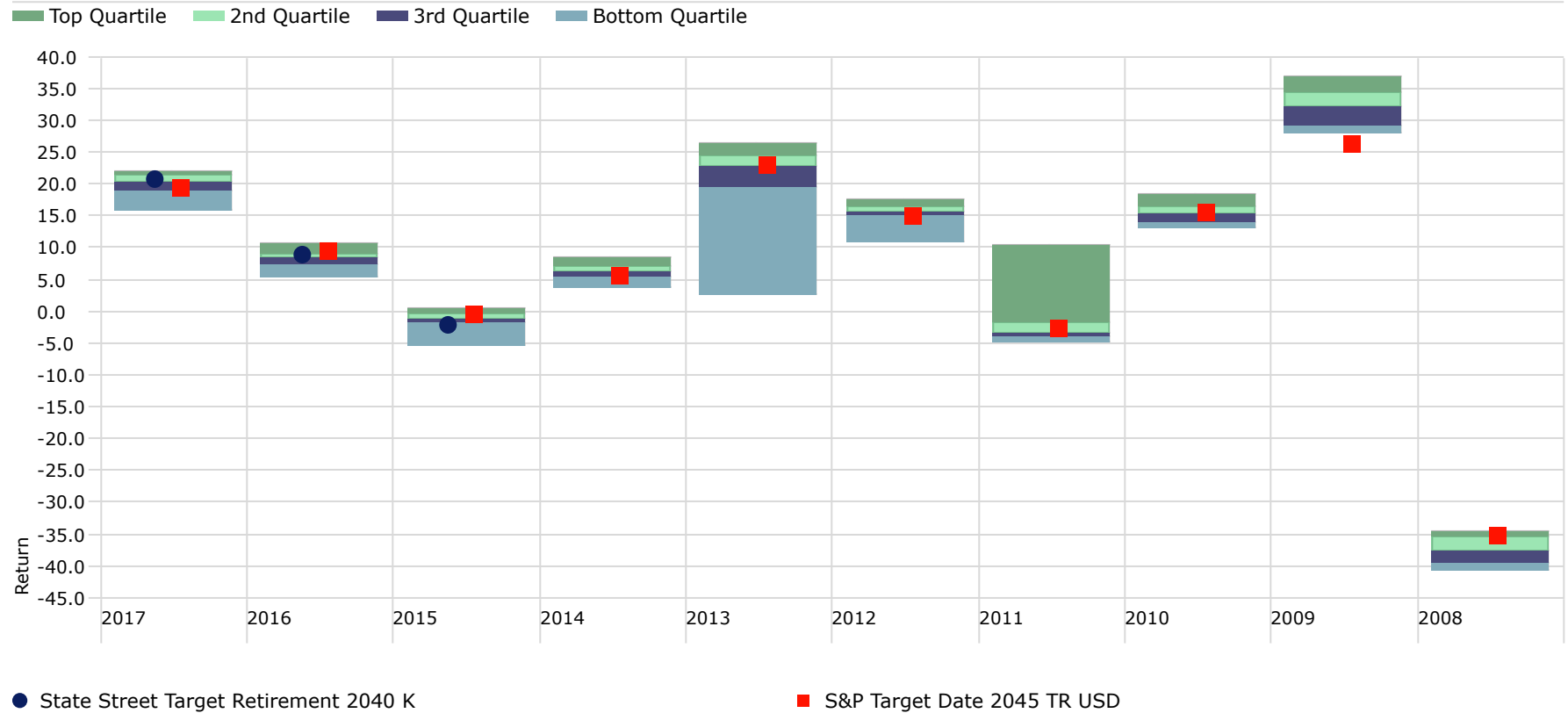
### Trailing Returns

Data Point: Return

	1 Quarter	Peer group percentile	1 Year	Peer group percentile	2 Years	Peer group percentile	3 Years	Peer group percentile	4 Years	Peer group percentile	5 Years	Peer group percentile	6 Years	Peer group percentile	7 Years	Peer group percentile	10 Years	Peer group percentile
State Street Target Retirement 2040 K	1.25	42	10.25	59	12.80	82	8.18	49										
S&P Target Date 2040 TR USD	1.64	16	10.20	60	12.46	86	8.26	47	6.78	49	9.30	72	10.43	73	8.64	83	7.20	43
Count	218		216		190		173		149		133		111		96		66	
5th Percentile	1.91		13.03		15.08		9.78		8.37		10.82		12.32		10.48		8.47	
25th Percentile	1.46		11.24		14.38		8.78		7.23		9.91		11.03		9.04		7.65	
50th Percentile	1.12		10.41		13.50		8.08		6.76		9.61		10.77		8.88		7.17	
75th Percentile	0.72		9.62		13.04		7.64		6.59		9.05		10.32		8.67		6.76	
95th Percentile	-0.22		8.74		11.75		7.25		5.34		7.74		8.25		8.01		6.64	

Source: Morningstar Direct

Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2040



### Trailing Returns

Data Point: Return

	2017	Peer group percentile	2016	Peer group percentile	2015	Peer group percentile	2014	Peer group percentile	2013	Peer group percentile	2012	Peer group percentile	2011	Peer group percentile	2010	Peer group percentile	2009	Peer group percentile	2008	Peer group percentile
State Street Target Retirement 2040 K	20.77	56	8.99	40	-2.16	85														
S&P Target Date 2040 TR USD	18.87	88	9.23	26	-0.40	26	5.69	66	22.10	71	14.69	87	-2.17	16	15.38	58	25.97	100	-34.00	14
Count	204		185		165		141		130		103		92		82		67		57	
5th Percentile	23.41		10.46		0.62		8.68		26.43		17.61		-0.57		16.70		37.43		-33.50	
25th Percentile	21.83		9.28		-0.39		7.10		25.21		16.79		-2.32		16.40		34.22		-35.37	
50th Percentile	21.18		8.48		-1.25		6.14		23.79		15.98		-3.63		15.64		31.54		-37.31	
75th Percentile	19.77		7.50		-1.79		5.01		21.24		15.63		-4.50		14.17		29.29		-39.63	
95th Percentile	17.77		5.54		-4.20		3.85		13.99		13.26		-4.99		13.02		26.64		-41.20	

Source: Morningstar Direct



## State Street Target Retirement 2045 K

### Fund Information

Fund Name : State Street Institutional Investment Trust: State Street Target Retirement 2045 Fund; Class K Shares  
Fund Family : State Street Bank and Trust Company  
Ticker : SSDEX  
Inception Date : 09/30/2014  
Fund Assets : \$454 Million

Portfolio Assets : \$455 Million  
Portfolio Manager : Narkiewicz/McGinn  
PM Tenure : 2018--2014  
Fund Style : IM Mixed-Asset Target 2045 (MF)  
Style Benchmark : S&P Target Date 2045 Index

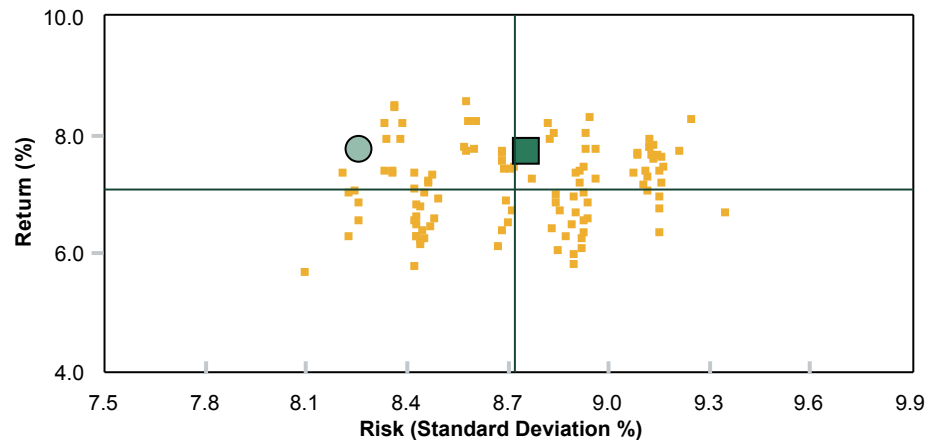
### Fund Investment Policy

The Fund seeks capital growth and income over the long term. It is intended for investors expecting to retire around the year 2045 and likely to stop making new investments in the Fund at that time. It is designed for an investor who plans to withdraw the value of the investors account gradually following that date.

### Historical Statistics (11/01/14 - 06/30/18) \*

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
State Street Target Retirement 2045 K	7.71	8.75	0.84	-0.41	1.05	0.99	1.14	0.00	8.74	11/01/2014
S&P Target Date 2045 Index	7.76	8.26	0.89	0.00	1.00	1.00	0.00	N/A	8.24	11/01/2014
90 Day U.S. Treasury Bill	0.53	0.17	N/A	0.52	0.00	0.01	8.24	-0.89	0.00	11/01/2014

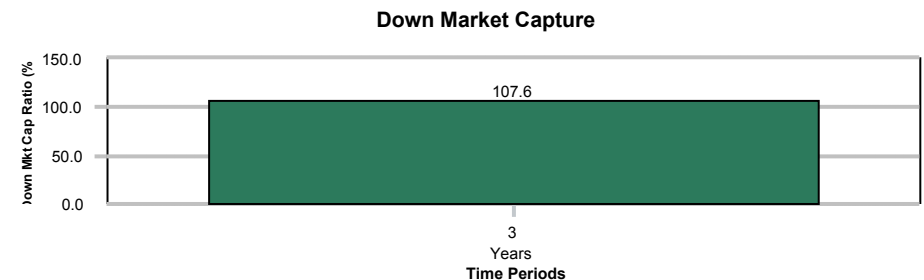
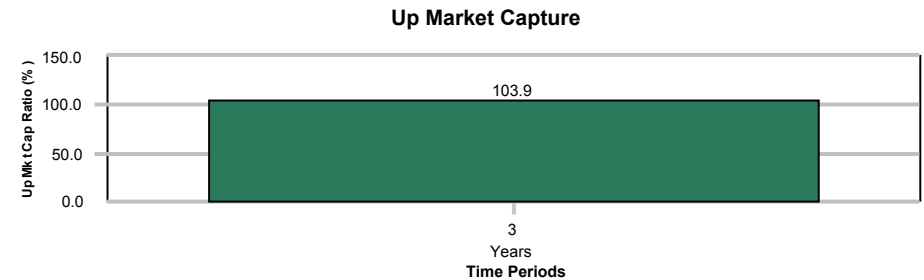
### Peer Group Scattergram (11/01/14 to 06/30/18)



	Return	Standard Deviation
State Street Target Retirement 2045 K	7.71	8.75
S&P Target Date 2045 Index	7.76	8.26
Median	7.08	8.72

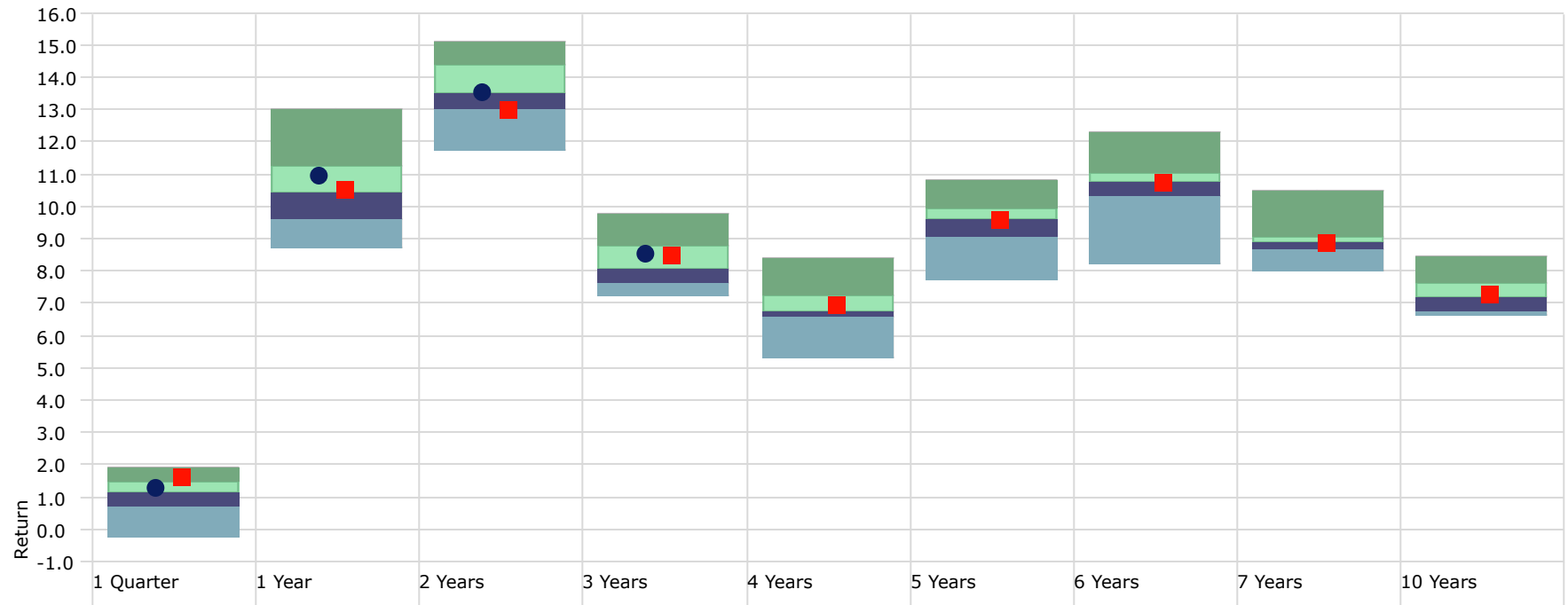
\* Monthly periodicity used.

### Up Down Market Capture



Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2045

Top Quartile   2nd Quartile   3rd Quartile   Bottom Quartile



● State Street Target Retirement 2045 K

■ S&amp;P Target Date 2045 TR USD

## Trailing Returns

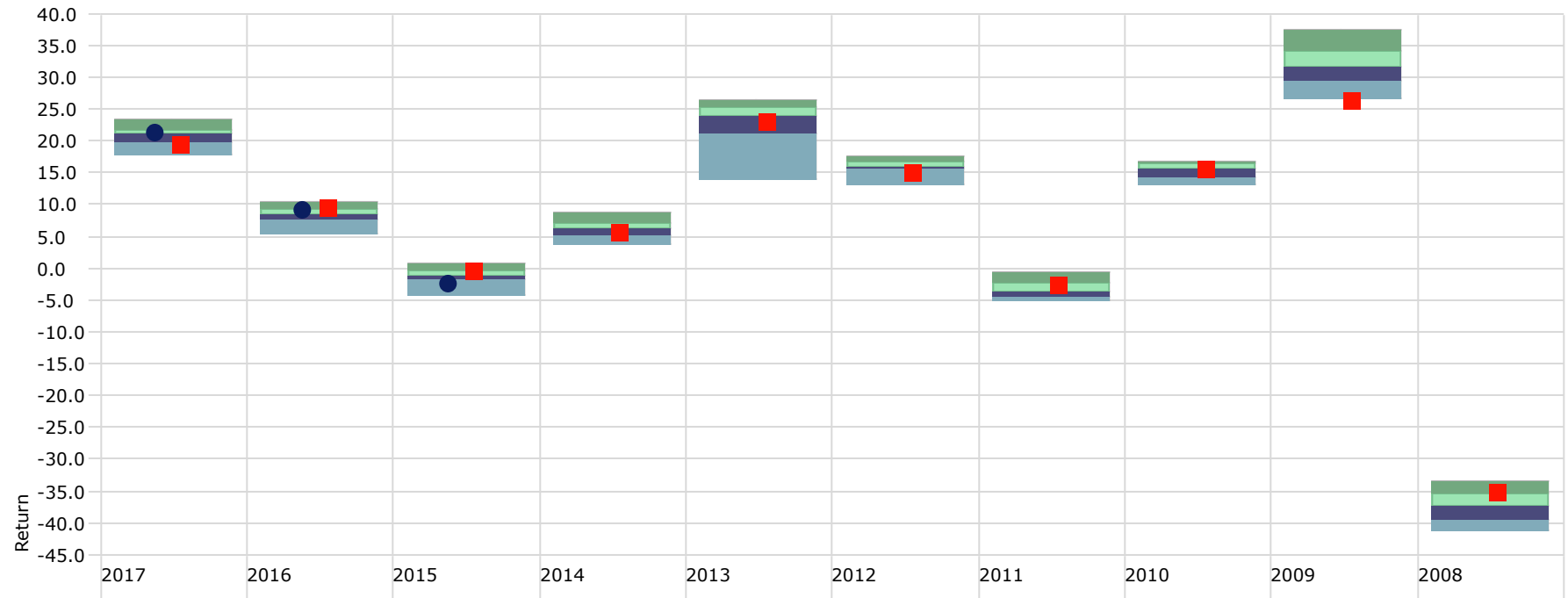
Data Point: Return

	1 Quarter	Peer group percentile	1 Year	Peer group percentile	2 Years	Peer group percentile	3 Years	Peer group percentile	4 Years	Peer group percentile	5 Years	Peer group percentile	6 Years	Peer group percentile	7 Years	Peer group percentile	10 Years	Peer group percentile
State Street Target Retirement 2045 K	1.33	35	10.99	31	13.56	46	8.57	35										
S&P Target Date 2045 TR USD	1.66	12	10.55	45	13.01	76	8.52	41	6.97	45	9.59	52	10.78	49	8.89	49	7.27	37
Count	218		216		190		173		149		133		111		96		66	
5th Percentile	1.91		13.03		15.08		9.78		8.37		10.82		12.32		10.48		8.47	
25th Percentile	1.46		11.24		14.38		8.78		7.23		9.91		11.03		9.04		7.65	
50th Percentile	1.12		10.41		13.50		8.08		6.76		9.61		10.77		8.88		7.17	
75th Percentile	0.72		9.62		13.04		7.64		6.59		9.05		10.32		8.67		6.76	
95th Percentile	-0.22		8.74		11.75		7.25		5.34		7.74		8.25		8.01		6.64	

Source: Morningstar Direct

Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2045

■ Top Quartile   ■ 2nd Quartile   ■ 3rd Quartile   ■ Bottom Quartile



● State Street Target Retirement 2045 K

■ S&amp;P Target Date 2045 TR USD

## Trailing Returns

Data Point: Return

	2017	Peer group percentile	2016	Peer group percentile	2015	Peer group percentile	2014	Peer group percentile	2013	Peer group percentile	2012	Peer group percentile	2011	Peer group percentile	2010	Peer group percentile	2009	Peer group percentile	2008	Peer group percentile
State Street Target Retirement 2045 K	21.54	34	9.42	19	-2.44	93														
S&P Target Date 2045 TR USD	19.56	83	9.54	19	-0.46	28	5.67	66	23.14	58	15.15	84	-2.56	32	15.62	52	26.40	100	-35.24	25
Count	204		185		165		141		130		103		92		82		67		57	
5th Percentile	23.41		10.46		0.62		8.68		26.43		17.61		-0.57		16.70		37.43		-33.50	
25th Percentile	21.83		9.28		-0.39		7.10		25.21		16.79		-2.32		16.40		34.22		-35.37	
50th Percentile	21.18		8.48		-1.25		6.14		23.79		15.98		-3.63		15.64		31.54		-37.31	
75th Percentile	19.77		7.50		-1.79		5.01		21.24		15.63		-4.50		14.17		29.29		-39.63	
95th Percentile	17.77		5.54		-4.20		3.85		13.99		13.26		-4.99		13.02		26.64		-41.20	

Source: Morningstar Direct

## State Street Target Retirement 2050 K

### Fund Information

Fund Name : State Street Institutional Investment Trust: State Street Target Retirement 2050 Fund; Class K Shares  
Fund Family : State Street Bank and Trust Company  
Ticker : SSDLX  
Inception Date : 09/30/2014  
Fund Assets : \$294 Million

Portfolio Assets : \$294 Million  
Portfolio Manager : Narkiewicz/McGinn  
PM Tenure : 2018--2014  
Fund Style : IM Mixed-Asset Target 2050 (MF)  
Style Benchmark : S&P Target Date 2050+ Index

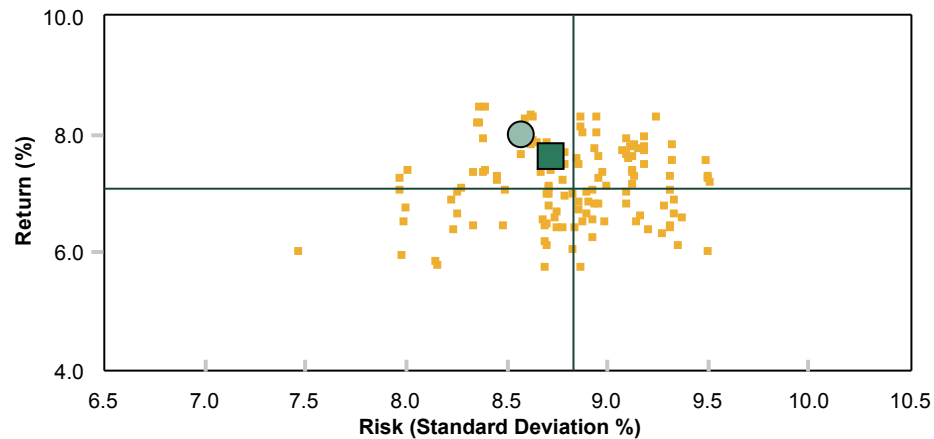
### Fund Investment Policy

The Fund seeks capital growth and income over the long term. It is intended for investors expecting to retire around the year 2050 and likely to stop making new investments in the Fund at that time. It is designed for an investor who plans to withdraw the value of the investors account gradually following that date.

### Historical Statistics (11/01/14 - 06/30/18) \*

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
State Street Target Retirement 2050 K	7.62	8.72	0.83	-0.39	1.01	0.98	1.15	-0.28	8.70	11/01/2014
S&P Target Date 2050+ Index	7.98	8.58	0.88	0.00	1.00	1.00	0.00	N/A	8.56	11/01/2014
90 Day U.S. Treasury Bill	0.53	0.17	N/A	0.52	0.00	0.01	8.56	-0.88	0.00	11/01/2014

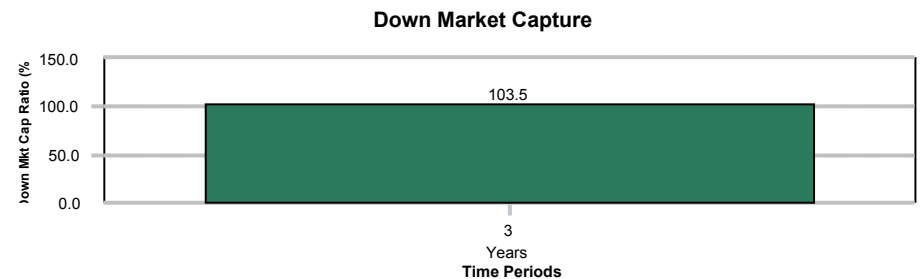
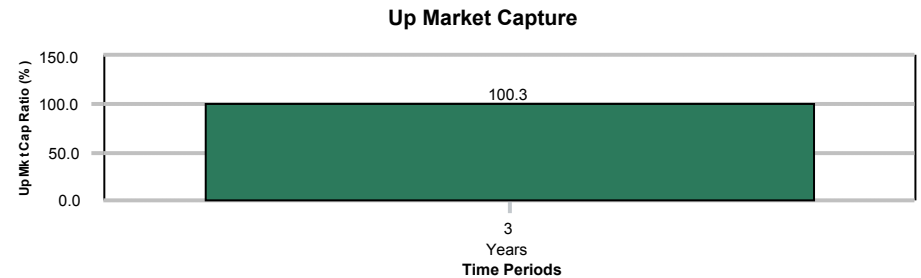
### Peer Group Scattergram (11/01/14 to 06/30/18)



	Return	Standard Deviation
State Street Target Retirement 2050 K	7.62	8.72
S&P Target Date 2050+ Index	7.98	8.58
Median	7.08	8.83

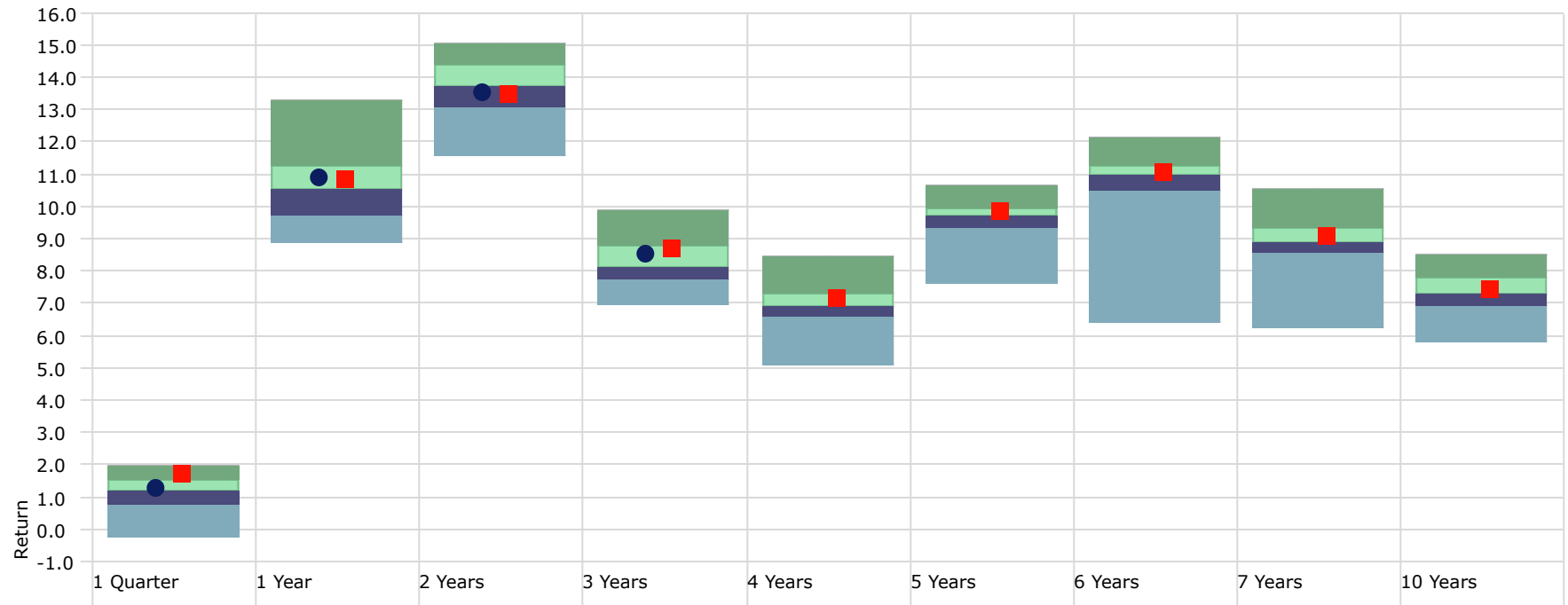
\* Monthly periodicity used.

### Up Down Market Capture



Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2050

■ Top Quartile   
 ■ 2nd Quartile   
 ■ 3rd Quartile   
 ■ Bottom Quartile



● State Street Target Retirement 2050 K

■ S&P Target Date 2050 TR USD

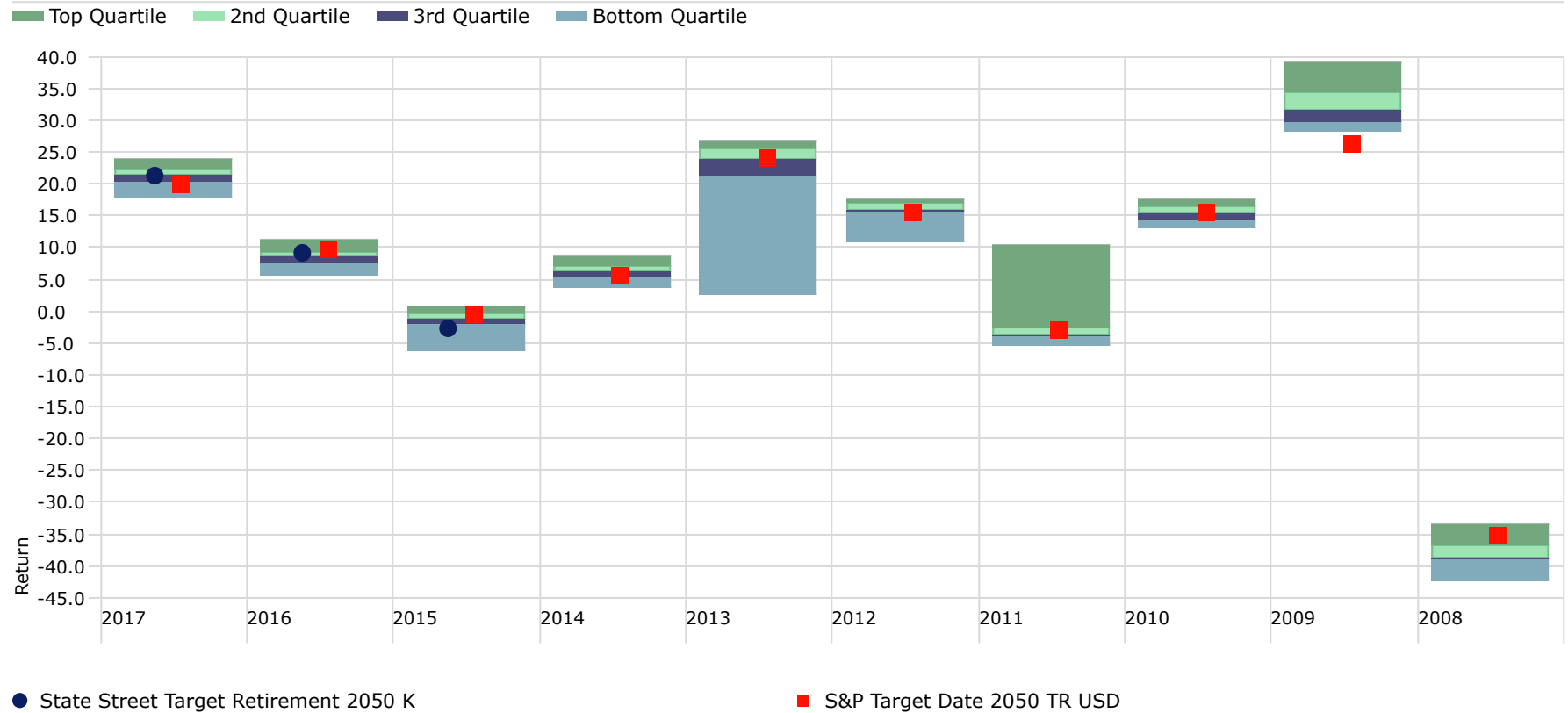
## Trailing Returns

Data Point: Return

	1 Quarter	Peer group percentile	1 Year	Peer group percentile	2 Years	Peer group percentile	3 Years	Peer group percentile	4 Years	Peer group percentile	5 Years	Peer group percentile	6 Years	Peer group percentile	7 Years	Peer group percentile	10 Years	Peer group percentile
State Street Target Retirement 2050 K	1.34	43	10.93	37	13.55	61	8.54	33										
S&P Target Date 2050 TR USD	1.72	10	10.85	38	13.51	61	8.75	27	7.16	33	9.89	32	11.11	38	9.14	36	7.44	39
Count	240		236		212		188		165		145		130		113		70	
5th Percentile	1.96		13.31		15.07		9.90		8.46		10.67		12.15		10.52		8.50	
25th Percentile	1.51		11.28		14.40		8.79		7.30		9.91		11.25		9.31		7.77	
50th Percentile	1.23		10.55		13.74		8.11		6.90		9.69		10.97		8.92		7.30	
75th Percentile	0.73		9.73		13.06		7.75		6.58		9.35		10.49		8.56		6.92	
95th Percentile	-0.22		8.89		11.56		6.98		5.09		7.62		6.43		6.24		5.81	

Source: Morningstar Direct

Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2050



### Trailing Returns

Data Point: Return

	2017	Peer group percentile	2016	Peer group percentile	2015	Peer group percentile	2014	Peer group percentile	2013	Peer group percentile	2012	Peer group percentile	2011	Peer group percentile	2010	Peer group percentile	2009	Peer group percentile	2008	Peer group percentile
State Street Target Retirement 2050 K	21.50	45	9.35	26	-2.64	90														
S&P Target Date 2050 TR USD	20.18	78	9.74	19	-0.47	26	5.69	73	24.13	41	15.49	75	-2.87	29	15.62	47	26.40	100	-35.24	10
Count	225		200		182		158		143		122		104		90		82		55	
5th Percentile	23.77		11.14		0.64		8.81		26.62		17.60		10.43		17.50		39.04		-33.53	
25th Percentile	22.15		9.36		-0.42		7.15		25.67		16.95		-2.59		16.50		34.32		-36.84	
50th Percentile	21.30		8.63		-1.30		6.27		23.89		16.01		-3.61		15.30		31.64		-38.72	
75th Percentile	20.34		7.54		-1.93		5.56		21.27		15.50		-4.09		14.19		29.81		-38.96	
95th Percentile	17.80		5.60		-6.07		3.67		2.68		10.85		-5.38		13.11		28.31		-42.26	

Source: Morningstar Direct

## State Street Target Retirement 2055 K

### Fund Information

Fund Name : State Street Institutional Investment Trust: State Street Target Retirement 2055 Fund; Class K Shares  
Fund Family : State Street Bank and Trust Company  
Ticker : SSDQX  
Inception Date : 09/30/2014  
Fund Assets : \$119 Million

Portfolio Assets : \$120 Million  
Portfolio Manager : Narkiewicz/McGinn  
PM Tenure : 2018--2014  
Fund Style : IM Mixed-Asset Target 2055 (MF)  
Style Benchmark : S&P Target Date 2055 Index

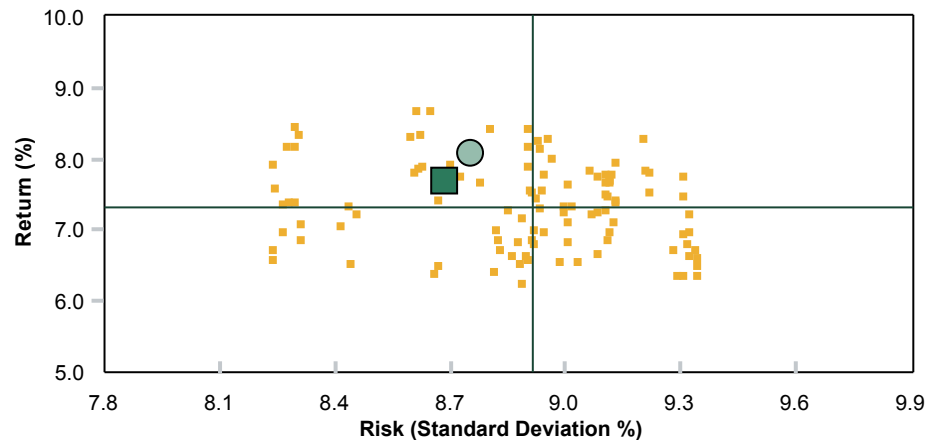
### Fund Investment Policy

The Fund seeks capital growth and income over the long term. It is intended for investors expecting to retire around the year 2055 and likely to stop making new investments in the Fund at that time. It is designed for an investor who plans to withdraw the value of the investors account gradually following that date.

### Historical Statistics (11/01/14 - 06/30/18) \*

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
State Street Target Retirement 2055 K	7.68	8.69	0.84	-0.25	0.98	0.98	1.16	-0.33	8.67	11/01/2014
S&P Target Date 2055 Index	8.08	8.75	0.88	0.00	1.00	1.00	0.00	N/A	8.74	11/01/2014
90 Day U.S. Treasury Bill	0.53	0.17	N/A	0.52	0.00	0.01	8.74	-0.88	0.00	11/01/2014

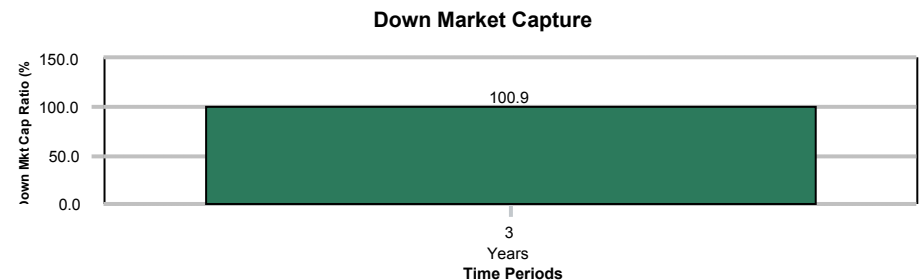
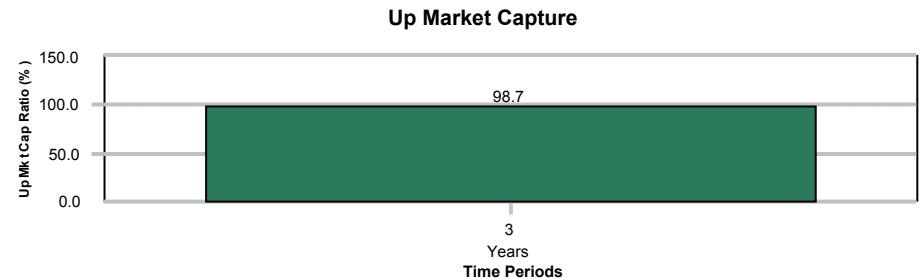
### Peer Group Scattergram (11/01/14 to 06/30/18)



	Return	Standard Deviation
State Street Target Retirement 2055 K	7.68	8.69
S&P Target Date 2055 Index	8.08	8.75
Median	7.31	8.92

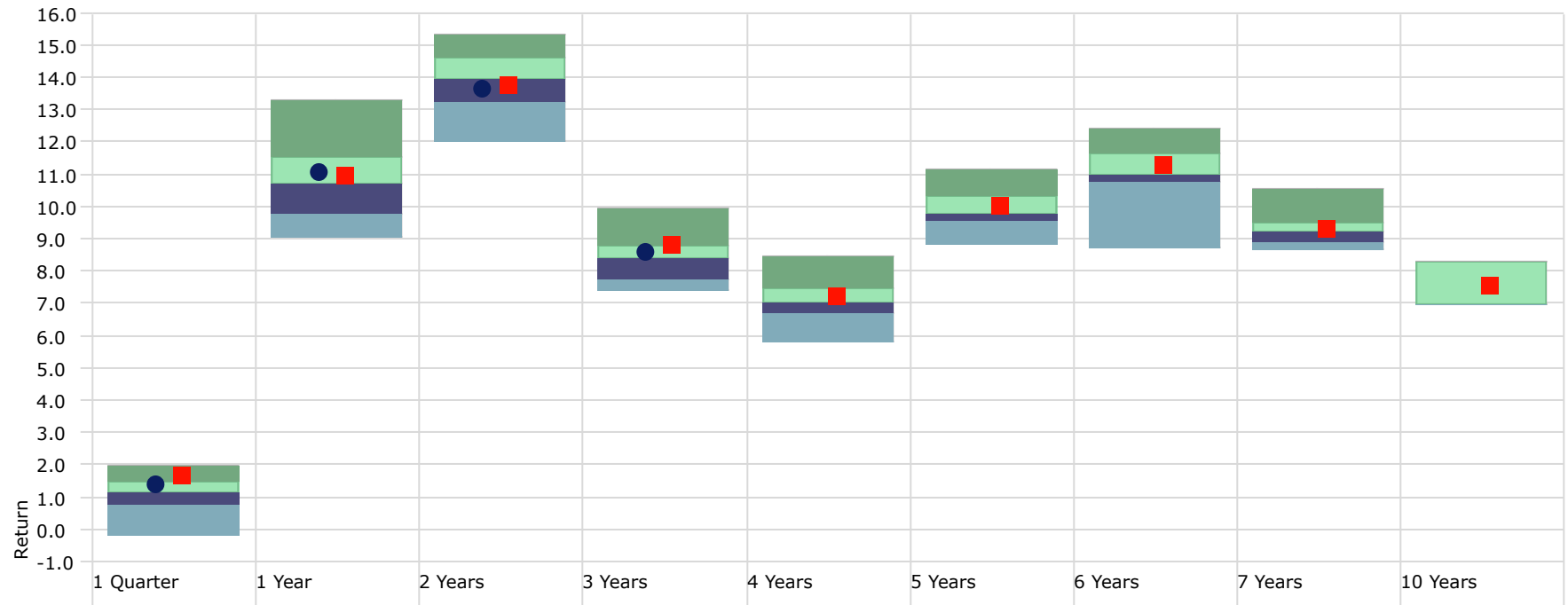
\* Monthly periodicity used.

### Up Down Market Capture



Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2055

■ Top Quartile   
 ■ 2nd Quartile   
 ■ 3rd Quartile   
 ■ Bottom Quartile



● State Street Target Retirement 2055 K

■ S&P Target Date 2055 TR USD

## Trailing Returns

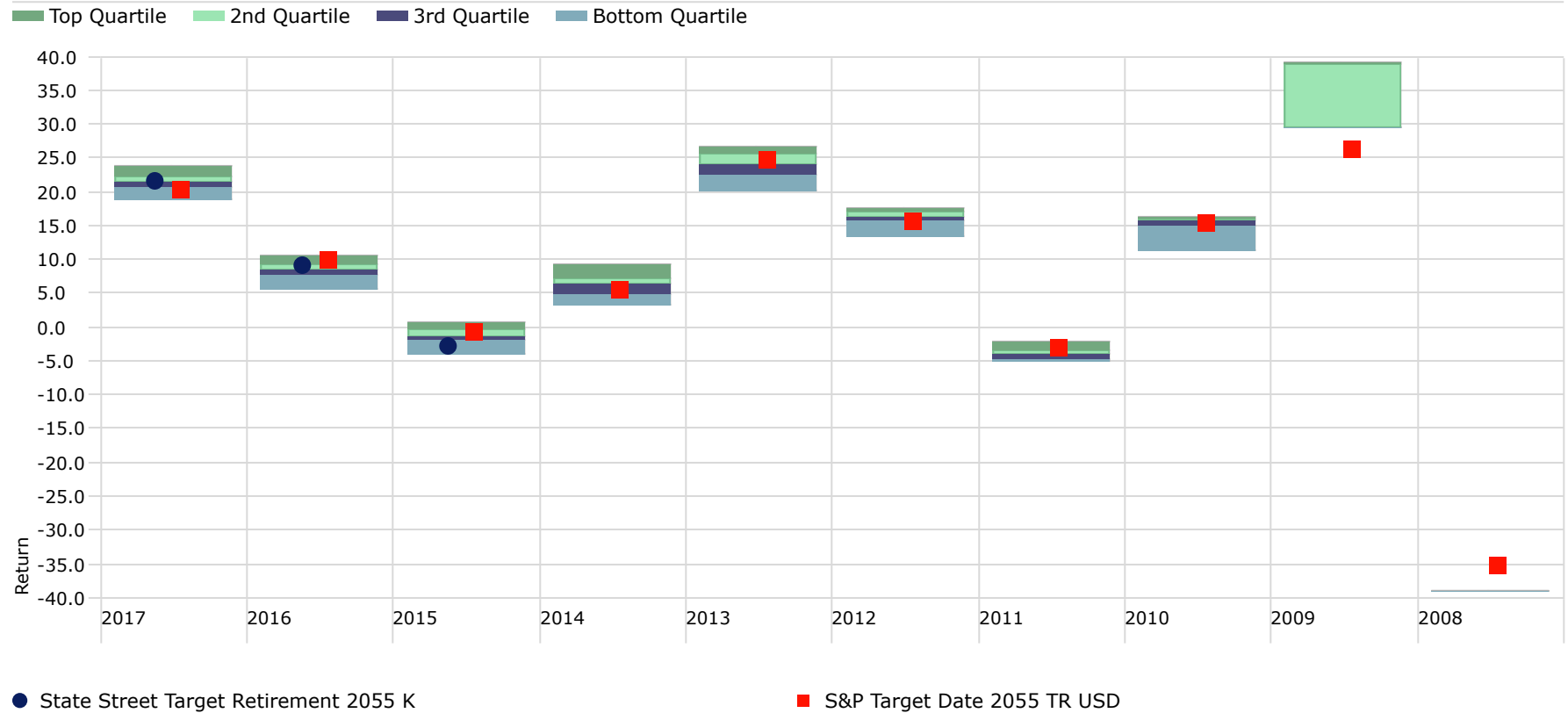
Data Point: Return

	1 Quarter	Peer group percentile	1 Year	Peer group percentile	2 Years	Peer group percentile	3 Years	Peer group percentile	4 Years	Peer group percentile	5 Years	Peer group percentile	6 Years	Peer group percentile	7 Years	Peer group percentile	10 Years	Peer group percentile
State Street Target Retirement 2055 K	1.42	29	11.09	38	13.66	59	8.62	38										
S&P Target Date 2055 TR USD	1.70	11	10.96	41	13.80	55	8.86	22	7.24	37	10.06	30	11.33	35	9.33	39	7.58	34
Count	218		214		188		171		138		106		85		69		9	
5th Percentile	1.96		13.31		15.35		9.91		8.48		11.17		12.40		10.54		8.31	
25th Percentile	1.47		11.53		14.58		8.80		7.44		10.30		11.63		9.51		8.30	
50th Percentile	1.13		10.71		13.97		8.38		7.01		9.79		10.98		9.22		6.99	
75th Percentile	0.74		9.76		13.21		7.76		6.69		9.56		10.77		8.89		6.98	
95th Percentile	-0.19		9.08		12.02		7.41		5.81		8.82		8.72		8.67		6.98	

Source: Morningstar Direct



Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2055

**Trailing Returns**

Data Point: Return

	2017	Peer group percentile	2016	Peer group percentile	2015	Peer group percentile	2014	Peer group percentile	2013	Peer group percentile	2012	Peer group percentile	2011	Peer group percentile	2010	Peer group percentile	2009	Peer group percentile	2008	Peer group percentile
State Street Target Retirement 2055 K	21.61	43	9.34	27	-2.68	93														
S&P Target Date 2055 TR USD	20.48	77	9.94	15	-0.54	29	5.64	63	24.96	30	15.81	71	-2.87	17	15.62	60	26.40	100	-35.24	1
Count	202		183		158		115		100		77		48		15		9		3	
5th Percentile	23.84		10.50		0.63		9.27		26.76		17.59		-2.24		16.38		39.12		-38.89	
25th Percentile	22.32		9.36		-0.45		7.17		25.63		17.05		-3.38		15.91		38.97		-38.90	
50th Percentile	21.51		8.55		-1.26		6.31		23.98		16.24		-4.03		15.82		29.63		-38.92	
75th Percentile	20.58		7.66		-1.83		4.95		22.47		15.75		-4.68		14.93		29.57		-38.92	
95th Percentile	18.99		5.69		-4.05		3.41		20.11		13.43		-5.01		11.44		29.52		-38.93	

Source: Morningstar Direct

## State Street Target Retirement 2060 K

### Fund Information

Fund Name : State Street Institutional Investment Trust: State Street Target Retirement 2060 Fund; Class K Shares  
Fund Family : State Street Bank and Trust Company  
Ticker : SSDYX  
Inception Date : 09/30/2014  
Fund Assets : \$19 Million

Portfolio Assets : \$19 Million  
Portfolio Manager : Narkiewicz/McGinn  
PM Tenure : 2018--2014  
Fund Style : IM Mixed-Asset Target 2055 (MF)  
Style Benchmark : S&P Target Date 2055 Index

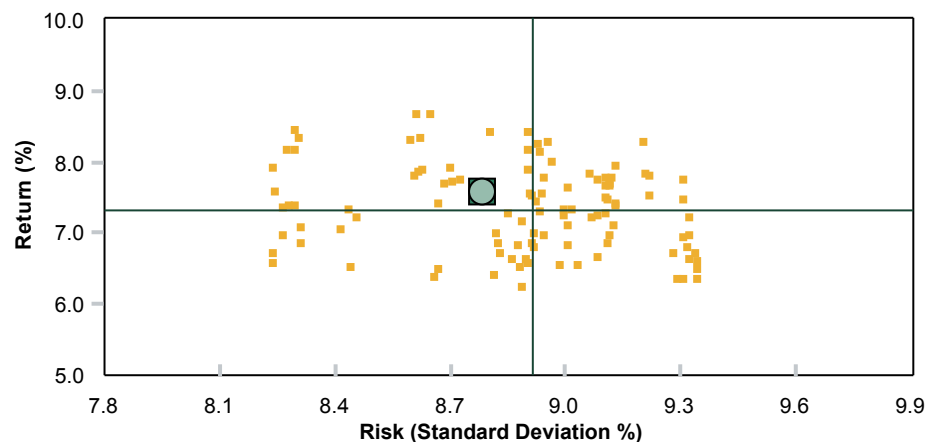
### Fund Investment Policy

The Fund seeks capital growth and income over the long term. It is intended for investors expecting to retire around the year 2060 and likely to stop making new investments in the Fund at that time. It is designed for an investor who plans to withdraw the value of the investors account gradually following that date.

### Historical Statistics (11/01/14 - 06/30/18) \*

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
State Street Target Retirement 2060 K	7.58	8.78	0.82	-0.41	0.99	0.98	1.23	-0.37	8.77	11/01/2014
S&P Target Date 2055 Index	8.08	8.75	0.88	0.00	1.00	1.00	0.00	N/A	8.74	11/01/2014
90 Day U.S. Treasury Bill	0.53	0.17	N/A	0.52	0.00	0.01	8.74	-0.88	0.00	11/01/2014

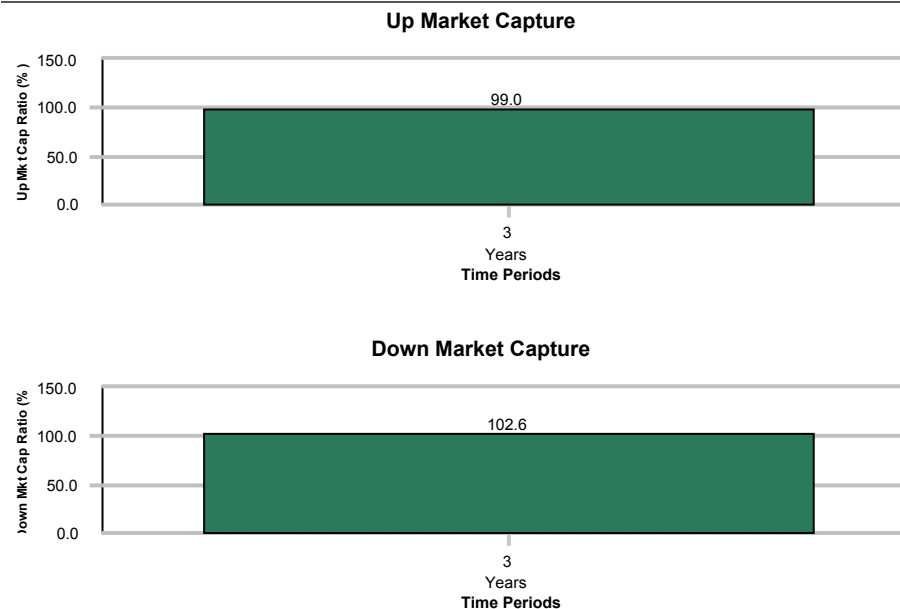
### Peer Group Scattergram (11/01/14 to 06/30/18)



	Return	Standard Deviation
State Street Target Retirement 2060 K	7.58	8.78
State Street Target Retirement 2060 K	7.58	8.78
Median	7.31	8.92

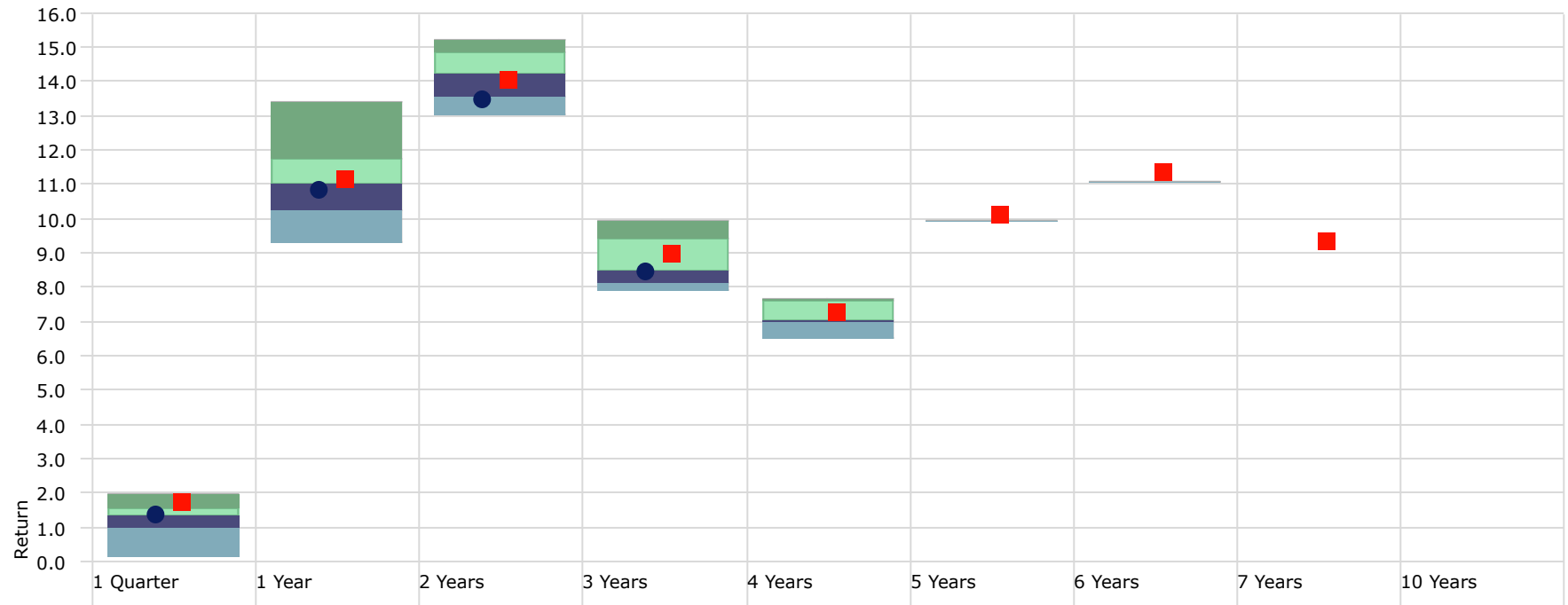
\* Monthly periodicity used.

### Up Down Market Capture



Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2060+

■ Top Quartile   
 ■ 2nd Quartile   
 ■ 3rd Quartile   
 ■ Bottom Quartile



● State Street Target Retirement 2060 K

■ S&P Target Date 2060+ TR USD

## Trailing Returns

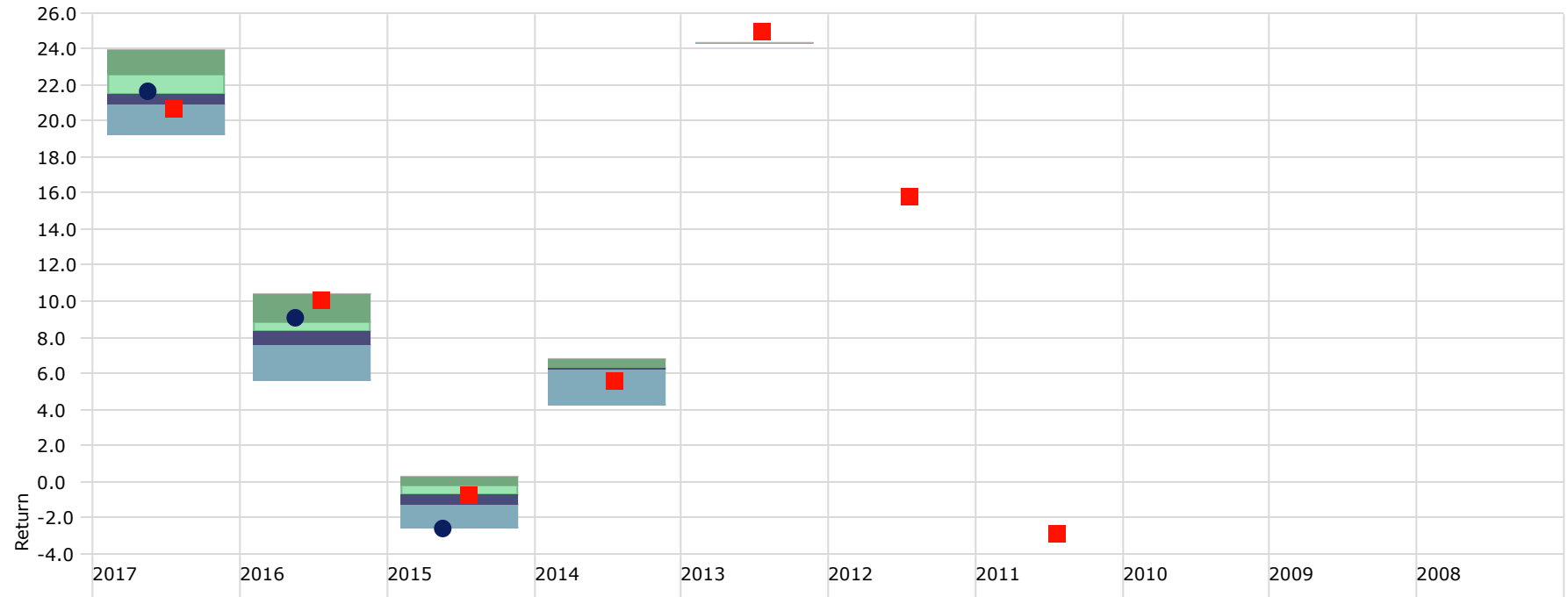
Data Point: Return

	1 Quarter	Peer group percentile	1 Year	Peer group percentile	2 Years	Peer group percentile	3 Years	Peer group percentile	4 Years	Peer group percentile	5 Years	Peer group percentile	6 Years	Peer group percentile	7 Years	Peer group percentile	10 Years	Peer group percentile
State Street Target Retirement 2060 K	1.37	47	10.84	56	13.48	79	8.51	48										
S&P Target Date 2060+ TR USD	1.77	12	11.17	45	14.08	59	8.98	28	7.32	34	10.13	1	11.38	1	9.38	1		
Count	192		176		129		65		15		8		1					
5th Percentile	1.98		13.41		15.19		9.95		7.64		9.94		11.06					
25th Percentile	1.58		11.72		14.82		9.40		7.59		9.92		11.06					
50th Percentile	1.35		11.04		14.22		8.50		7.01		9.92		11.06					
75th Percentile	0.97		10.26		13.56		8.14		6.99		9.91		11.06					
95th Percentile	0.13		9.29		13.01		7.94		6.49		9.91		11.06					

Source: Morningstar Direct

Peer Group (5-95%): Open End Funds - U.S. - Target-Date 2060+

■ Top Quartile   ■ 2nd Quartile   ■ 3rd Quartile   ■ Bottom Quartile



● State Street Target Retirement 2060 K

■ S&amp;P Target Date 2060+ TR USD

### Trailing Returns

Data Point: Return

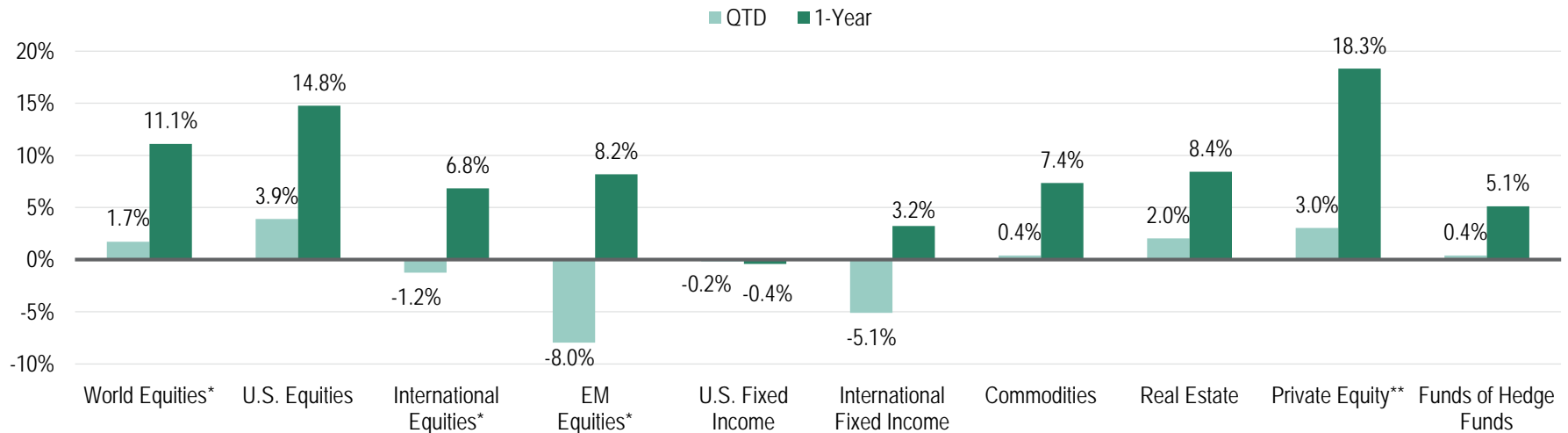
	2017	Peer group percentile	2016	Peer group percentile	2015	Peer group percentile	2014	Peer group percentile	2013	Peer group percentile	2012	Peer group percentile	2011	Peer group percentile	2010	Peer group percentile	2009	Peer group percentile	2008	Peer group percentile
State Street Target Retirement 2060 K	21.66	44	9.09	23	-2.57	100	5.64	89	24.96	1	15.81	1	-2.87	1						
S&P Target Date 2060+ TR USD	20.75	79	10.08	11	-0.66	47	5.64	89	24.96	1	15.81	1	-2.87	1						
Count	150		100		36		9		1											
5th Percentile	23.94		10.41		0.23		6.81		24.35											
25th Percentile	22.53		8.86		-0.20		6.28		24.35											
50th Percentile	21.49		8.36		-0.69		6.26		24.35											
75th Percentile	20.92		7.54		-1.30		6.21		24.35											
95th Percentile	19.23		5.64		-2.54		4.27		24.35											

Source: Morningstar Direct

## **Financial Market Analysis**

# Q2 2018 In Review

## Summary of Investment Returns



## Quarterly Synopsis

- World equity markets rose in Q2. Solid economic and earnings data outweighed global policy uncertainty among investors.
- U.S. equity gained, as more positive news about the economy and earnings led stocks to rise despite global trade concerns.
- International equity fell in the second quarter, hurt by a strong U.S. dollar and trade worries.
- Emerging market equity declined for the same reasons as international developed markets, but it was stung a bit worse.
- U.S. fixed income was slightly negative at quarter-end. Short-term interest rates rose in Q2, while longer-term Treasury yields fell.
- Non-U.S. fixed income was down in Q2 as political uncertainty in Italy grew.
- Hedge funds ended Q2 in positive territory. Event-driven strategies performed the best during the quarter and year-to-date.

\* Net of Dividends

\*\* Performance as of Q1 2018 because Q2 2018 performance data is not yet available.

Sources: Investment Metrics, Thomson One, FactSet

# Q2 2018 Index Returns

Asset Class	Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
World Equity	MSCI World <sup>1</sup>	1.73	0.43	11.09	8.48	9.94	6.26
U.S. Equity	Russell 3000	3.89	3.22	14.78	11.58	13.29	10.23
Non-U.S. Equity	MSCI EAFE <sup>1</sup>	-1.24	-2.75	6.84	4.90	6.44	2.84
Emerging Market Equity	MSCI EM <sup>1</sup>	-7.96	-6.66	8.20	5.60	5.01	2.26
U.S. Fixed Income	Bloomberg Barclays U.S. Aggregate	-0.16	-1.62	-0.40	1.72	2.27	3.72
Non-U.S. Fixed Income	FTSE <sup>2</sup> Non-U.S. WGBI (Unhedged)	-5.11	-0.92	3.22	3.74	1.01	1.77
Commodities	Bloomberg Commodity Index	0.40	0.00	7.35	-4.54	-6.40	-9.04
Private Real Estate	NFI-ODCE <sup>3</sup>	2.03	4.27	8.42	9.36	11.03	5.29
Private Equity	Thomson Reuters Private Equity <sup>4</sup>	3.03	3.03	18.32	12.43	13.96	9.51
Hedge Funds	HFRI Fund of Funds Composite	0.39	0.66	5.11	1.92	3.45	1.40

<sup>1</sup> Net of Dividends

<sup>2</sup> Formerly Citigroup Non-U.S. WGBI. Citigroup's fixed income indices were purchased by London Stock Exchange Group (LSEG) and will all be rebranded to FTSE by July 31, 2018.

FTSE Russell is a unit of LSEG's Information Services Division and a wholly owned subsidiary of LSEG.

<sup>3</sup> NCREIF Fund Index (NFI) – Open End Diversified Core Equity (ODCE).

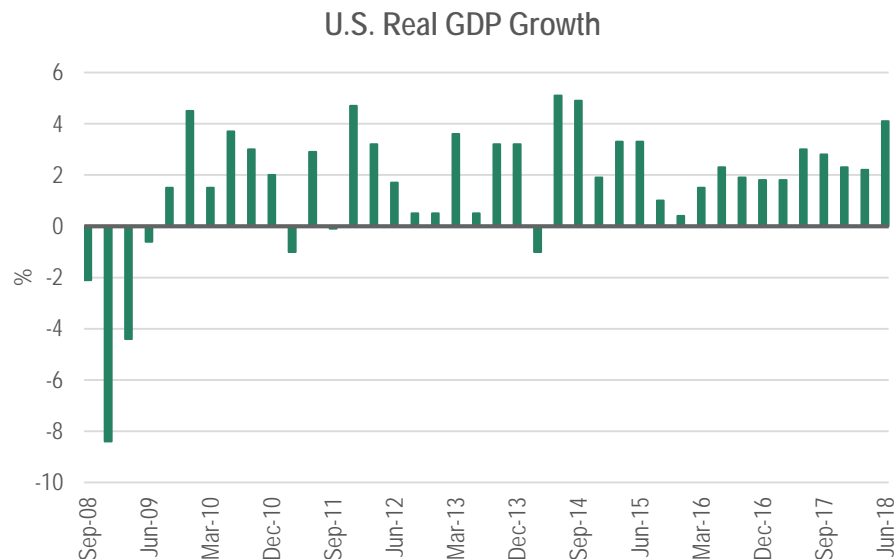
<sup>4</sup> Performance as of Q1 2018 because Q2 2018 performance data is not yet available.

Sources: Investment Metrics, Thomson One, FactSet

# Q2 2018 In Review: U.S. Economy

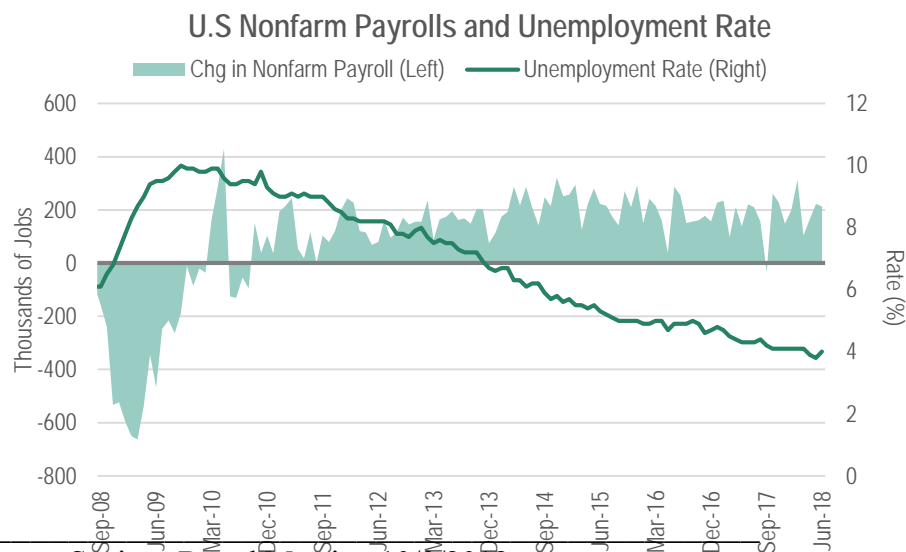
## GDP Growth

- Real GDP grew at a rate of 4.1% in Q2 2018. Real GDP growth for Q1 was revised upward from 2.0% to 2.2%.
- GDP growth in Q2 came from nonresidential fixed investment, exports, personal consumption expenditures (PCE), exports, private inventory investment, state and local government spending and federal government spending.
- These contributions were offset by reductions in private inventory investment and residential fixed investment.



## Employment Picture

- The unemployment rate fell to 3.8% in May, but ticked back up to 4.0% at the end of Q2. A stronger labor market seemed to lure more people into the work force, but they did not all find jobs.
- Nonfarm payrolls rose by 632,000 over the quarter.
- Employment grew across almost all sectors, led by gains in health care and professional and business services, construction, mining, and manufacturing. Retail was negative. Government, trade, transportation, and leisure were flat.

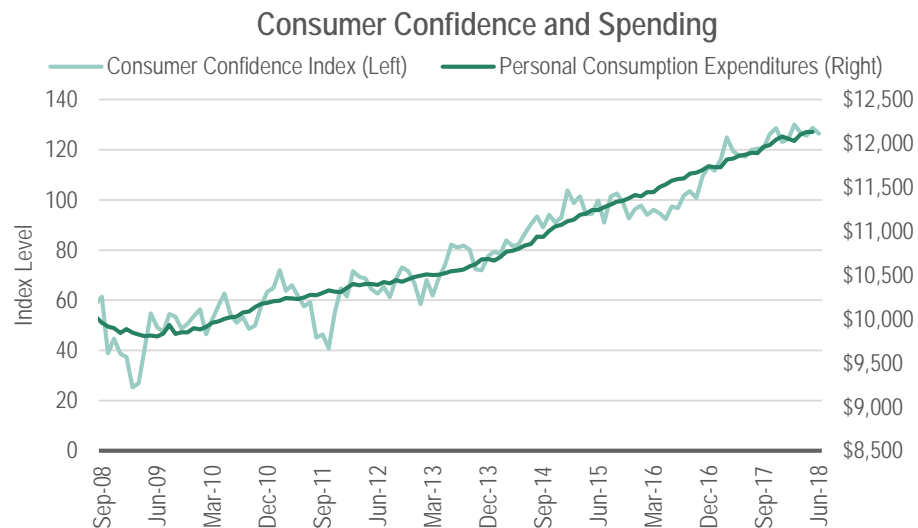




# Q2 2018 In Review: U.S. Economy

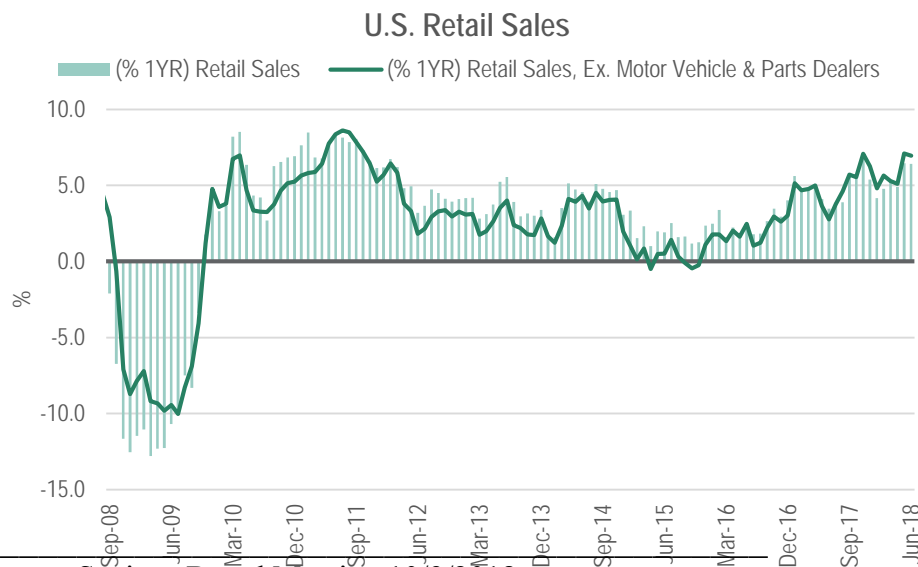
## Consumer Confidence and Spending

- Sentiment declined a bit in Q2, as the Conference Board's Consumer Confidence Index fell from 127.7 at the end of March to 126.4 at the end of June.
- Personal consumption expenditures increased during the quarter.
- Consumer confidence fell in June as warning signs about the U.S. economy's continuing strength gave consumers pause.



## Retail Sales

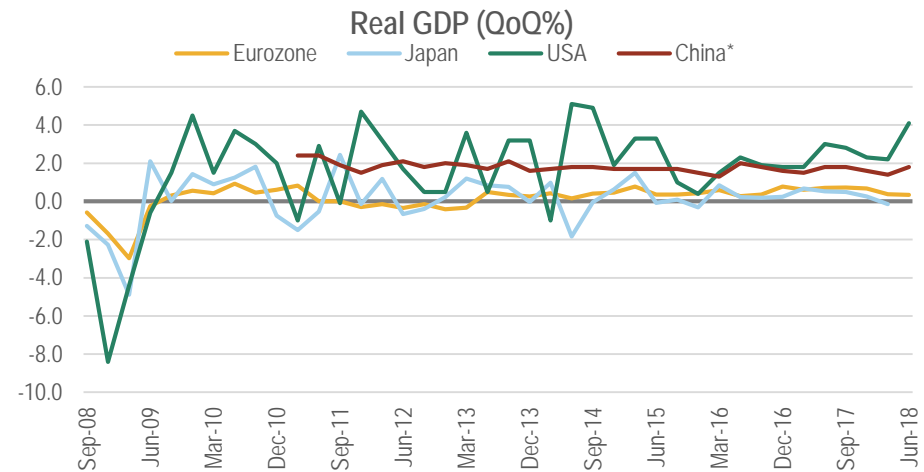
- Retail sales rose in Q2, with a still-solid U.S. economy and strong consumer spending amid a tight labor market.
- The savings rate rose to 3.2% at the end of May from 3.1% in Q1 2017. The savings rate among consumers in the U.S. had been dropping steadily in 2017, suggesting that more people were using credit cards and other debt to finance purchases.



# Q2 2018 In Review: Global Economy

## World GDP Growth

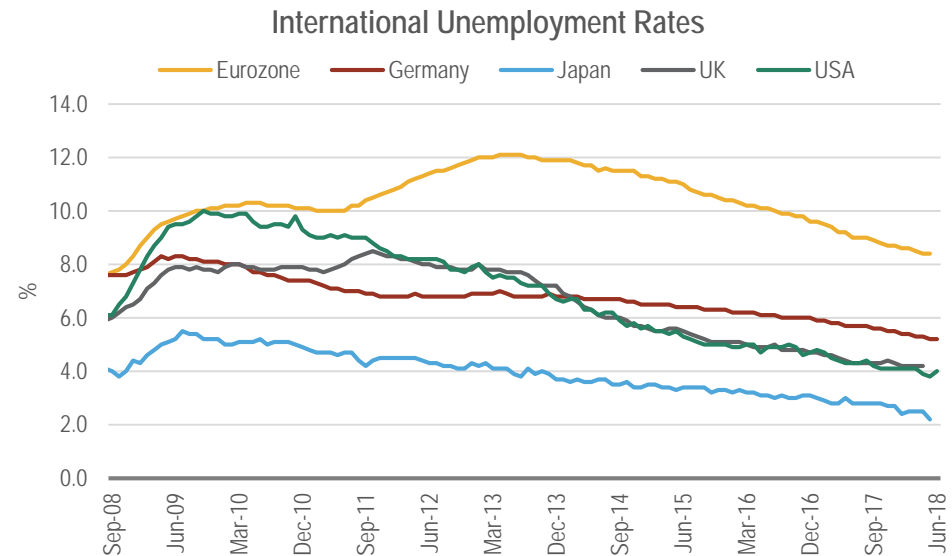
- Eurozone GDP growth slowed in Q2 due to worries about global trade. The Eurozone's annual growth rate is 2.1%.
- China's GDP growth increased by 0.4% from Q1 to Q2, to 1.8%. The country's annual growth rate fell to 6.7%.
- Japan's GDP contracted 0.2% QoQ in Q1, the most recent data available. The Japanese economy's annual growth rate is 1.1%.



Note that the figures in the graph above represent the percent change in real GDP from the previous quarter, not the annual growth rate of these economies.

## Global Employment Picture

- Eurozone unemployment fell to 8.4% in May 2018\*\*, the region's lowest-recorded rate since December 2008. The Eurozone's recent strength has led to this reduction in unemployment, although momentum has slowed a bit in that economy so far this year.
- Japan's unemployment rate dropped to 2.2% in May 2018\*\*. This marked the country's lowest level of unemployment since October 1992.



\*Quarter over quarter data calculations began in 2011.

\*\*Most recent data available.

Source this page: FactSet

# Q2 2018 In Review: Global Equity Overview

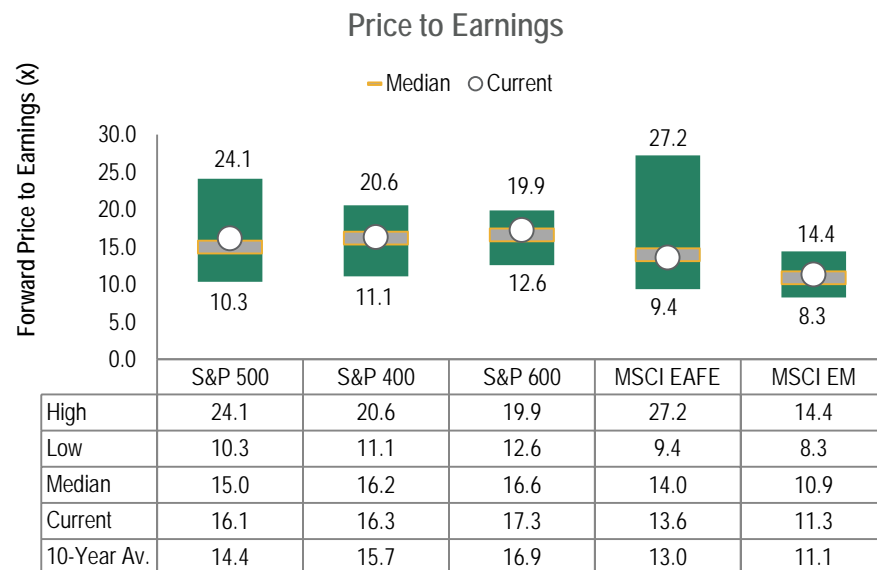
Equity Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
S&P 500	3.43	2.65	14.37	11.93	13.42	10.17
MSCI Europe, Australasia and Far East (EAFE)*	-1.24	-2.75	6.84	4.90	6.44	2.84
MSCI Emerging Markets (EM)*	-7.96	-6.66	8.20	5.60	5.01	2.26

All data in the table are percentages.

\* Net of dividends

## Global Equity Performance and Valuations

- U.S. equities outperformed international and emerging equity markets in Q2. Positive earnings momentum and supportive economic data in the U.S. helped to lift domestic equities despite turmoil from global trade disputes.
- Over the medium to longer term, U.S., non-U.S. developed, and emerging market equity markets are all in positive territory.
- The current multiple for U.S. large cap is above median and its 10-year average, indicating it may be slightly overvalued. U.S. small and mid caps appear to be more fairly valued relative to their median and long-term averages.
- The current MSCI EAFE P/E multiple is near its median and 10-year average. As such, international equities appear close to fairly valued according to this measure.
- The MSCI EM P/E multiple at the end of Q2 was around its median and 10-year average; therefore, emerging market equities also appear to be relatively fairly valued by this measure.



Data range is from 12/31/99-6/30/18. P/E ratios are forward 12 months.

# Q2 2018 In Review: U.S. Equity

U.S. Equity Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
S&P 500	3.43	2.65	14.37	11.93	13.42	10.17
Russell 1000	3.57	2.85	14.54	11.64	13.37	10.20
Russell 1000 Growth	5.76	7.25	22.51	14.98	16.36	11.83
Russell 1000 Value	1.18	-1.69	6.77	8.26	10.34	8.49
Russell 2000	7.75	7.66	17.57	10.96	12.46	10.60
Russell 2000 Growth	7.23	9.70	21.86	10.60	13.65	11.24
Russell 2000 Value	8.30	5.44	13.10	11.22	11.18	9.88
Russell 3000	3.89	3.22	14.78	11.58	13.29	10.23

All data in the tables are percentages.

## Performance

- U.S. equity markets gained in Q2 amid strong economic growth, low unemployment, and rising consumer confidence, all of which persisted despite continued global trade tensions and heightened geopolitical uncertainties.
- During Q2, small cap stocks outperformed large cap stocks. Small caps benefited from having less exposure to global trade.
- Energy was Q2's best performing sector. Consumer Discretionary and IT also experienced strong returns, boosted by positive earnings momentum.
- Industrials and Financials posted the worst performance of Q2. Industrials were impacted by the newly imposed tariffs on aluminum and steel, and Financials were hurt by the flattening yield curve. Consumer Staples and Telecommunications also declined during the quarter, indicating a "risk off" posture in the market.

S&P 500 Sector Returns	QTD	1-Year
Consumer Discretionary	8.07	23.05
Consumer Staples	-1.78	-4.75
Energy	13.24	19.93
Financials	-3.29	9.06
Healthcare	2.96	6.57
Industrials	-3.32	4.72
Information Technology	6.99	30.79
Materials	2.42	9.26
Telecommunications Services	-1.36	-0.20
Utilities	3.46	2.32

# Q2 2018 In Review: International Equity

MSCI International Equity Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
World ex. U.S.	-0.75	-2.77	7.04	4.87	6.23	2.63
EAFE	-1.24	-2.75	6.84	4.90	6.44	2.84
EAFE Local Currency	3.47	-0.96	6.12	5.18	8.93	4.98
Europe	-1.27	-3.23	5.28	4.22	6.21	2.36
Europe ex U.K.	-2.86	-4.07	3.51	4.72	6.80	2.19
U.K.	2.95	-1.05	10.02	3.09	4.94	2.66
Pacific ex Japan	1.77	-2.02	8.68	6.57	6.04	4.64
Japan	-2.84	-2.03	10.51	6.25	7.37	3.54

All data in the tables are percentages and net of dividends.

## Performance

- International equity markets endured a volatile Q2. This was largely due to a backdrop of increased political uncertainty driven by the U.S.-North Korea summit in June, increased rhetoric around protectionist trade tariffs imposed by the U.S. on imports, and an inconclusive election in Italy. Despite declines this calendar year, the MSCI EAFE and World ex-U.S. indices have gained 6.8% and 7.0%, respectively, for the trailing 12-month period.
- In a reversal of the trend we saw in Q1 2018, many major currencies, including the euro, British pound, and Japanese yen, weakened against the U.S. dollar, which was a drag on USD-denominated returns.
- Despite rising volatility, the European Central Bank (ECB) felt confident enough in the Eurozone's GDP growth to forecast the suspension of its quantitative easing program in December 2018.
- Sector returns were broadly negative in Q1. Energy was the one bright spot, driven significantly higher by the trend of rising oil prices. Of the sectors that declined, Financials and Telecommunications suffered the most. Consumer Discretionary and Industrials were also down, in part due to the rising cost of oil weighing on profitability.

MSCI EAFE Sector Returns	QTD	1-Year
Consumer Discretionary	-3.54	8.53
Consumer Staples	-0.67	0.57
Energy	10.01	30.09
Financials	-7.82	-3.98
Healthcare	1.29	-0.54
Industrials	-3.06	5.22
Information Technology	-0.63	13.60
Materials	-0.30	13.54
Telecommunications Services	-6.50	-9.74
Utilities	-1.01	1.69

# Q2 2018 In Review: Emerging Market Equity

MSCI EM Equity Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
Emerging Markets	-7.96	-6.66	8.20	5.60	5.01	2.26
EM Local Currency	-3.51	-2.82	10.47	7.48	8.45	5.23
Asia	-5.85	-5.06	10.09	7.31	8.26	5.62
EMEA	-10.19	-11.03	5.61	0.76	-0.26	-2.05
Latin America	-17.75	-11.15	-0.16	2.00	-2.39	-3.68

All data in the tables are percentages and net of dividends.

## Performance

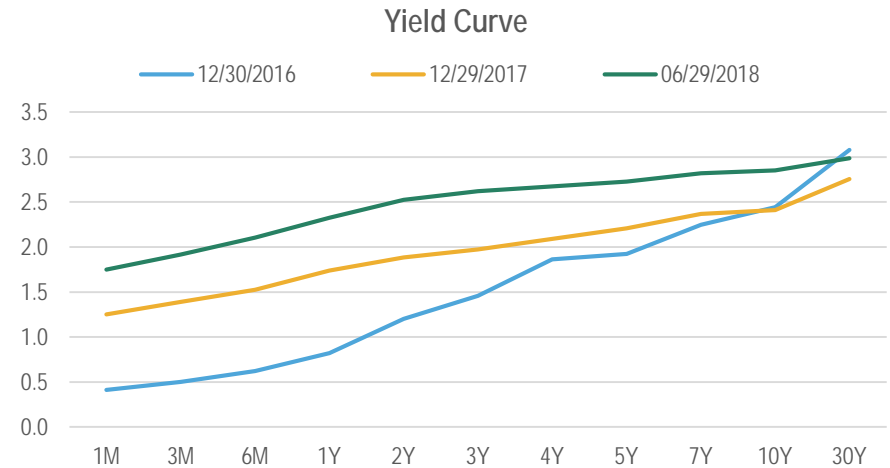
- After a positive start in Q1 (+1.4%), emerging markets declined notably in Q2 amid escalating global trade tensions. Furthermore, the U.S. moved to extend steel and aluminum tariffs to the EU, Canada and Mexico, resulting in retaliatory measures by those respective countries.
- U.S. dollar strength was another headwind to emerging markets. The local currency index finished the quarter 4.5% ahead of the USD-based index.
- Aside from Colombia and Qatar, all 22 other emerging nations lagged in Q2. Brazil fell the most (-26.4%) as a truck driver strike paralyzed the economy and heightened political uncertainty. Turkey also posted a steep loss (-25.9%) due to a mixed response to incumbent Erdogan's win in the presidential re-election and concerns regarding the weakening lira.
- All sectors declined in Q2. Financials (-12.7%) and Industrials (-11.2%) led the underperformance.

MSCI EM Sector Returns	QTD	1-Year
Consumer Discretionary	-7.13	-0.23
Consumer Staples	-6.20	3.27
Energy	-4.71	24.85
Financials	-12.69	5.47
Healthcare	-5.04	22.42
Industrials	-11.21	-5.91
Information Technology	-5.09	15.19
Materials	-5.47	13.95
Telecommunications Services	-9.71	-7.45
Utilities	-8.11	2.20

# Q2 2018 In Review: Fixed Income Overview

## Yield Curve

- Treasury yields rose across all tenors in Q2 as the Fed continued to tighten monetary policy.
- Global demand continued the yield curve's flattening trajectory, with long term Treasury yields failing to rise at the same pace as short term yields.
- The 30-year Treasury ended the quarter yielding 2.99%, only 2 basis points higher than where it was at the end of Q1, while the 2-year Treasury ended the quarter at 2.52%, which was 26 basis points higher than last quarter.

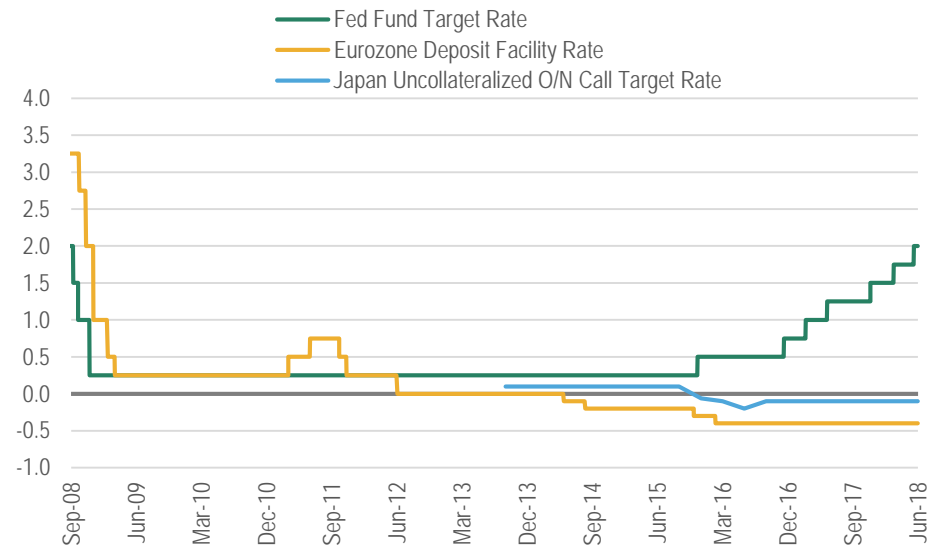


## Monetary Policies/Global Interest Rates

- Central bank deposit rates remained negative in the Eurozone and Japan.
- The U.S. is the exception—the Federal Reserve (Fed) raised rates again in June, the second hike of 2018.
- The Fed continued to hint that four rate hikes in total are likely this year.

Interest Rates	Fed Funds Rate	EZ Deposit Facility Rate
Average	5.72% (1971-2018)	1.28% (1999-2018)
Max	20.0% (Mar. 1980)	3.75% (Oct. 2000)
Min	0.25% (Dec. 2008)	-0.40% (Mar. 2016)

## Central Bank Target Rates



# Q2 2018 In Review: U.S. Fixed Income

U.S. Fixed Income Indices*	QTD	YTD	1-Year	3-Year	5-Year	10-Year
U.S. Aggregate	-0.16	-1.62	-0.40	1.72	2.27	3.72
Government/Credit	-0.33	-1.90	-0.63	1.83	2.29	3.78
Government	0.10	-1.05	-0.63	1.02	1.48	2.91
Investment Grade Corporate	-0.98	-3.27	-0.83	3.07	3.51	5.39
Investment Grade CMBS	0.02	-1.17	0.00	2.00	2.51	4.90
U.S. Corporate High Yield	1.03	0.16	2.62	5.53	5.51	8.19
FTSE** 3-Month T-Bill	0.44	0.79	1.33	0.64	0.39	0.31
Hueller Stable Value	0.54	1.06	2.09	1.90	1.83	2.35

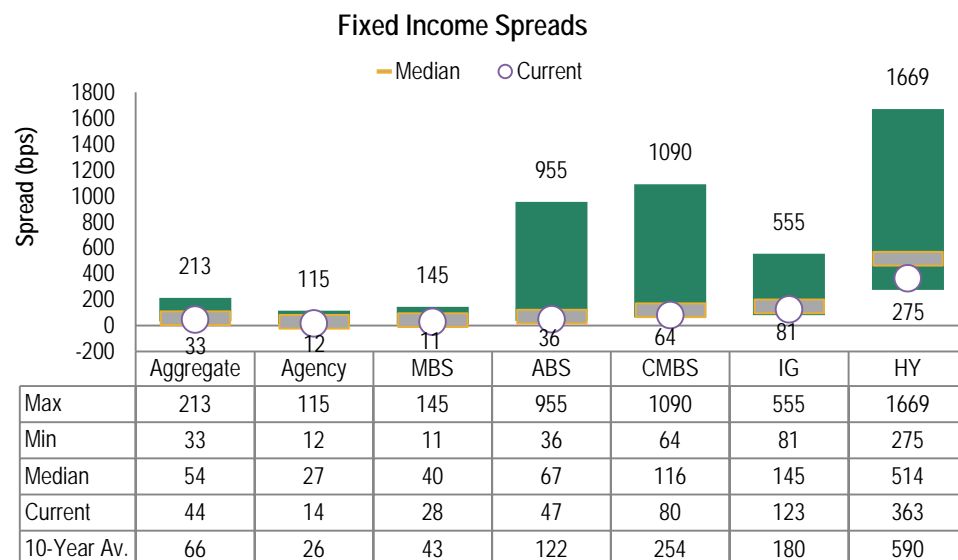
\* Bloomberg Barclays Indices, unless otherwise noted.

\*\* Formerly Citigroup. Citigroup's fixed income indices were purchased by London Stock Exchange Group (LSEG) and will all be rebranded to FTSE by July 31, 2018. FTSE Russell is a unit of LSEG's Information Services Division and a wholly owned subsidiary of LSEG.

All data in the table are percentages.

## Performance and Spreads

- The U.S. Aggregate Index's negative performance was driven by the Investment Grade Corporate sector, where spreads rose 14 basis points, and sector returns were -0.98% in Q2.
- High yield spreads tightened 8 bps by quarter end and the sector generated strong relative performance.
- Domestic spreads seem low by historical measures, but absent are some of the themes signaling the end of a credit cycle (e.g., aggressive central bank rate hikes, economic deterioration, and rapidly rising debt levels).





# Q2 2018 In Review: International Fixed Income

Global Fixed Income Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
Bloomberg Barclays Global Aggregate	-2.78	-1.45	1.36	2.58	1.50	2.58
Bloomberg Barclays Global Aggregate (Hgd)	0.19	0.07	1.66	2.82	3.31	4.16
FTSE Non-U.S. WGBI*	-5.11	-0.92	3.22	3.74	1.01	1.77
FTSE Non-U.S. WGBI (Hgd)	0.23	1.73	3.57	3.85	4.30	4.41
JPM EMBI Global Diversified**	-3.54	-5.23	-1.60	4.63	5.15	6.75
JPM GBI-EM Global Diversified***	-10.42	-6.44	-2.33	1.96	-1.40	2.58

All data in the table are percentages.

\* Formerly Citigroup. The FTSE Non-U.S. World Government Bond Index (WGBI) measures the performance of fixed-rate, local currency, investment grade sovereign bonds excluding the U.S.

\*\* The JP Morgan Emerging Market Bond Index (EMBI) Global Diversified index measures government bonds in hard currencies.

\*\*\* The JP Morgan Government Bond Index – Emerging Markets (GBI-EM) Global Diversified index measures government bonds in local currencies.

## Global Performance and Yields

- Currency depreciation negatively impacted both developed and emerging market economies in Q2.
- In developed markets, the euro, British pound, and Japanese yen all depreciated relative to the U.S. dollar. In emerging markets, Latin America declined the most, with meaningful currency depreciation in countries like Brazil, Mexico and Argentina.
- Overall, sovereign yields rose but retreated by quarter end as trade tensions escalated and global risk appetite diminished.
- Just one day after the June Federal Open Market Committee policy rate hike announcement, the European Central Bank made clear its intention to begin tapering its quantitative easing program by the end of the year.



# Q2 2018 In Review: Absolute Return Strategies

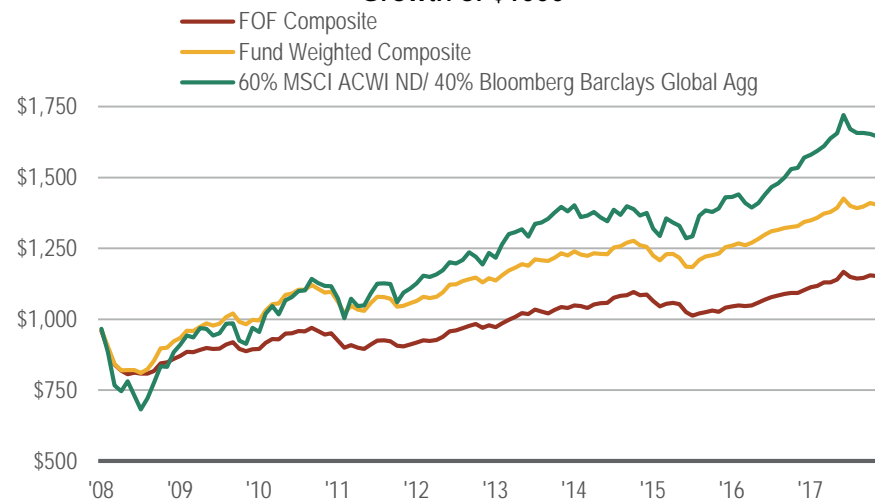
HFRI Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
Fund of Funds Composite	0.39%	0.66%	5.11%	1.92%	3.45%	1.40%
Fund Weighted Composite	0.87%	0.82%	5.71%	3.65%	4.44%	3.45%
Event Driven	1.90%	2.01%	5.53%	4.55%	4.75%	4.64%
Equity Hedge	0.88%	1.19%	8.26%	4.86%	5.84%	3.70%
Macro	-0.12%	-1.72%	1.21%	0.19%	1.24%	1.13%
Emerging Markets	-4.70%	-3.74%	4.96%	4.32%	4.26%	2.02%
Relative Value	1.15%	1.56%	3.97%	3.76%	4.39%	5.12%

All data in the table are percentages.

## Hedge Fund Performance

- Event Driven led all major hedge fund strategies during Q2. A solid gain in Q2 brought its total year to date return to 2.0%. Distressed was the leading sub-index strategy for the quarter.
- Equity Hedge posted a positive return in Q2, benefitting from strong sub-strategy performance in Healthcare and Technology, which have gained 10.3% and 7.9%, respectively, thus far in 2018.
- Emerging markets' performance in Q2 was negative. Notable losses in geographies such as Brazil, Russia and India came as a result of a strong USD and developing trade concerns.
- The Fund Weighted and Fund of Funds Composite indices gained during Q2, outperforming the 60/40 Balanced MSCI ACWI\*/Bloomberg Barclays Global Aggregate index, which lost -0.7% during the quarter.

## HFR Hedge Fund and Fund of Fund Weighted Composite Growth of \$1000



\*Net of dividends

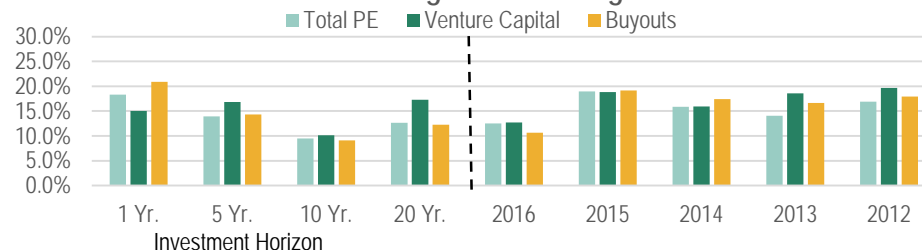
Sources this page: FactSet, eVestment

# Q2 2018 In Review: Private Equity

## Performance

- The total return for private equity funds at the end of Q1 2018\*, comprising performance across all regions and strategies, was 3.0% QTD and 18.3% over the 1-year period.
- Private equity's 5- and 20-year returns remained strong, with double-digit returns of 14.0% and 12.5%, respectively. The 10-year return lagged due to weaker performance resulting from the time of the Global Financial Crisis, but still gained 9.5%.
- The 2016 vintage year funds quickly came out of the J-curve in Q2 2017 and generated a 12.5% return by Q1 2018.

Private Equity Performance by Investment Horizon and Vintage Year: All Regions

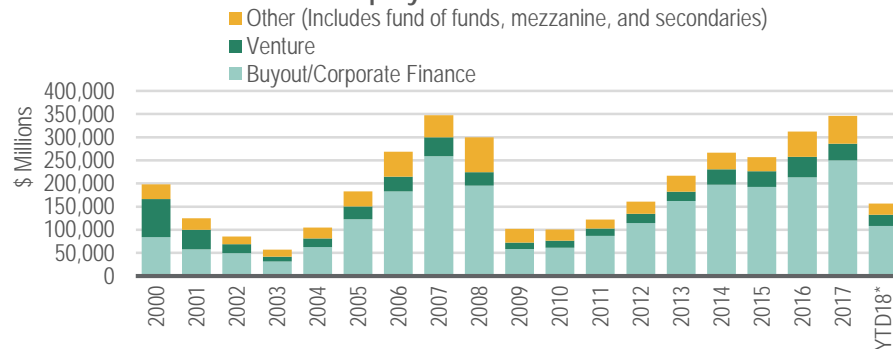


\*"Vintage year" refers to the first year that capital was committed in a particular fund. Vintage-year performance is calculated as the median percentile returns of all funds reporting as pooled IRRs.

## Fundraising

- U.S. private equity funds raised approximately \$156.8 billion across 571 funds year-to-date through June 15, 2018\*.
- In the U.S., fundraising activity has not slowed down year-to-date, but globally, capital raised in Q2 2018 was the lowest amount registered on a quarterly basis since 2012.
- Dry powder\*\* increased 20.4% globally in 2017 and reached a record-high of \$1 trillion due to strong fundraising and high pricing. Notably, dry powder surged 58.9% in the emerging markets.

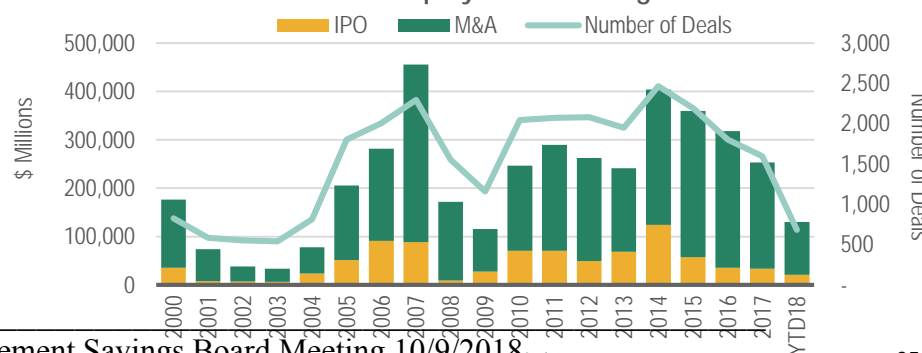
Private Equity Commitments: United States



## Exit Activity

- Exit activity continued to decelerate, falling from 838 exits in the first half (1H) of 2017 to 684 exits in 1H 2018. Aggregate deal value also declined and hit its lowest level since 2013.
- Q1 and Q2 2018 saw a similar number of venture capital-backed exits, but aggregate exit value was 255.4% higher in Q2, largely driven by the top ten deals.
- As the largest IPO of Q2, Spotify went public on the NYSE in a direct listing. The IPO has been a success largely due to Spotify's already well-known brand name.

Private Equity Exits: All Regions



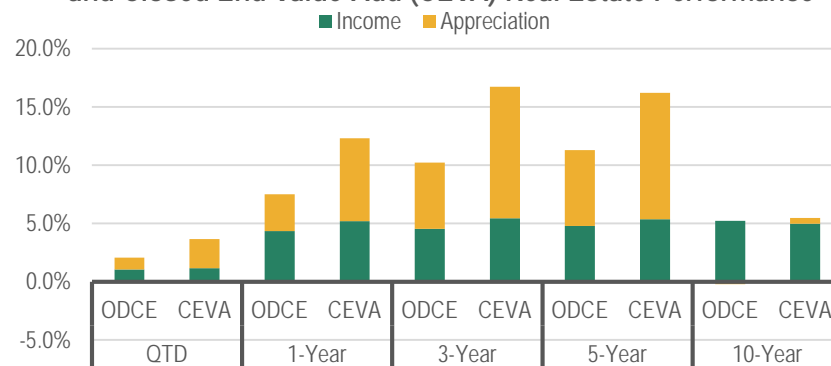
\*The most recent data available. \*\*Dry powder is capital raised that hasn't yet been invested. Sources this page: Thomson Reuters, *Private Equity Analyst*, Preqin

# Q2 2018 In Review: Real Estate

## Real Estate Performance

- Comparing the most recent performance of core real estate, as measured by the NFI-ODCE index (Q2 2018), and value add real estate, as measured by the CEVA index (Q1 2018), the CEVA outperformed the ODCE by 160 bps. Most of the CEVA's outperformance came from the appreciation component of the return.
- Appreciation for the ODCE relative to the CEVA continued to tighten. Furthermore, relative to the appreciation spread's recent peak (5-yr. trailing -5.62%), the ODCE appreciation's contribution to return relative to CEVA has narrowed by 4.12%
- The CEVA Index continued to outperform the ODCE over the QTD, 1, 3, 5, and 10-year rolling periods, on a gross basis. However, over the same trailing periods, the CEVA has a much wider gross/net return spread relative to the ODCE.
- On an equal-weighted basis for Q2 2018, the CEVA gross/net returns are 2.04%/1.54% relative to the ODCE's 2.13%/1.89%.

NCREIF Fund Index (NFI) Open-End Diversified Core (ODCE) and Closed End Value-Add (CEVA) Real Estate Performance



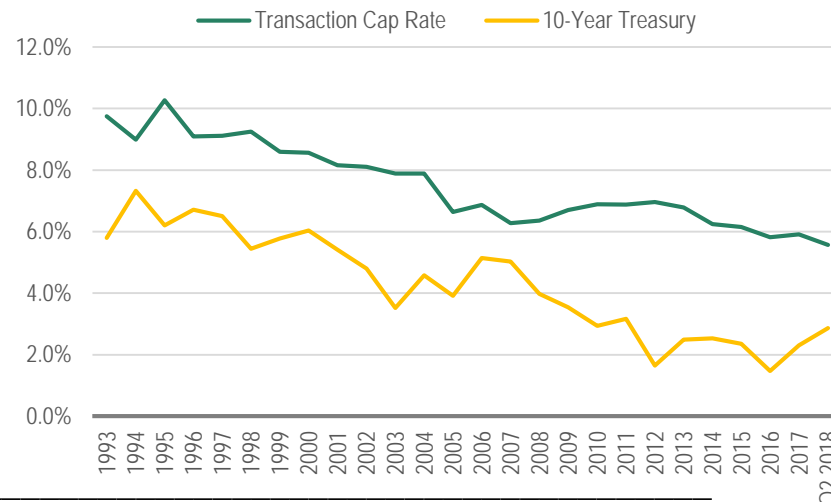
The NFI-ODCE (Open-end Diversified Core Equity) is defined by NCREIF as a fund-level cap-weighted, gross of fee, time-weighted return index with an inception date of December 31, 1977.

The NFI-CEVA Index, which is a quarter lagged in performance reporting, is defined by NCREIF as a capitalization-weighted, gross of fees, time-weighted return index. Funds included in the index must be closed-end with a value-add strategy operated for U.S. institutional investors and must comply with NCREIF's data collection and reporting standards.

## Real Estate Capitalization Rates vs. Treasuries

- For the most part, the prevailing low capitalization ("cap") rates\* result from historically wide cap rate spreads relative to financing, and this has been further augmented by the continued strong demand for real estate assets.
- Cap rates remain at historic lows despite continued rising interest rates. Further increases to rates may put upward pressure on cap rates; however, this impact might be mitigated by higher inflationary expectations in the near term.
- Developed EU markets saw continued cap rate compression that may support stronger valuations looking forward.
- In Hong Kong, Japan, and Australia, cap rates continued to tighten. Only Hong Kong experienced an uptick in pricing due to the compression as well as cash flow improvement.

Capitalization Rates & 10-Year U.S. Treasury



\*A cap rate is the potential rate of return on a real estate investment. Assuming no change in net operating income, real estate valuations rise when cap rates fall. Comparing cap rates to the 10-year U.S. Treasury provides investors with an estimated spread for expected returns from real estate (higher risk) vs. fixed rate bond (lower risk) investments.

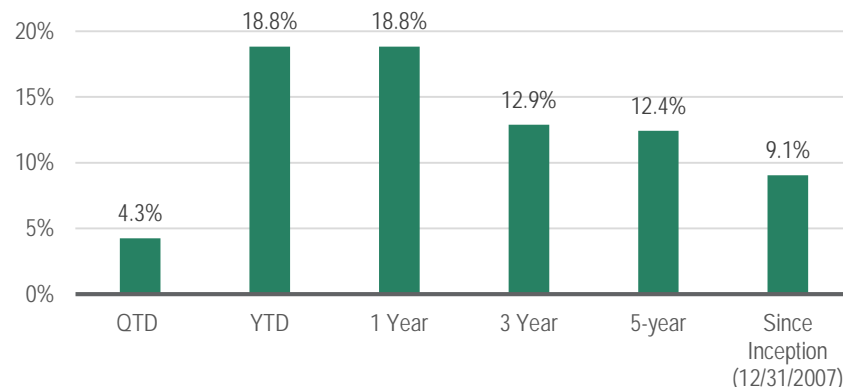
Sources this page: NCREIF, Bloomberg

# Q2 2018 In Review: Infrastructure

## Infrastructure Performance

- Private infrastructure gained 4.3% in Q4 2017\*. The Q3 2017 return was revised upward from 2.7% to 9.8%, which contributed to strong annual performance for unlisted infrastructure in 2017.
- The 1-, 3-, and 5-year results exceeded the since-inception return, indicating the asset class has recovered nicely from the global financial crisis. An improving energy landscape led to outsized returns towards the end of 2017.
- With regard to public infrastructure, the FTSE Global Infrastructure 50/50 Index rose 2.97% in Q2 2018. All four global listed infrastructure sectors (utilities, transportation, energy and communications) posted gains following Q1 losses. Asia/Pacific and North American infrastructure stocks performed well, while Continental Europe lagged.

Preqin Infrastructure Annualized Return as of 12/31/2017\*

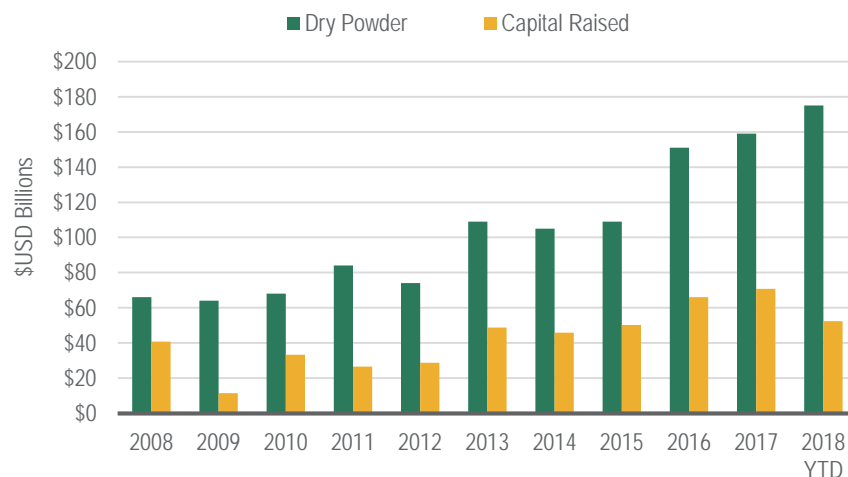


According to Preqin, the Preqin Infrastructure Index captures the average returns earned by investors in their infrastructure portfolios, based on the actual amount of money invested. The Preqin Infrastructure index is calculated on a quarterly basis using data from Preqin's Infrastructure Online services.

## Dry Powder and Fundraising

- Infrastructure fundraising in Q2 2018 exceeded that of the last two quarters in terms of the number of funds (17) and aggregate capital raised (\$23.9 billion). In both Q4 2017 and Q1 2018, \$13.1 billion was raised by infrastructure strategies across 15 and 10 funds, respectively.
- Dry powder\*\* increased in Q2 amid strong fundraising and more funds coming to market. There are some large deals lined up for the second half of 2018 that could tap into the high amount of dry powder; however, there is a concern that the cost basis for acquisitions will be elevated by managers needing to deploy capital.

## Dry Powder and Fundraising



\*The most recent data available. \*\*Dry powder is capital raised that has not yet been invested. Sources this page: Preqin

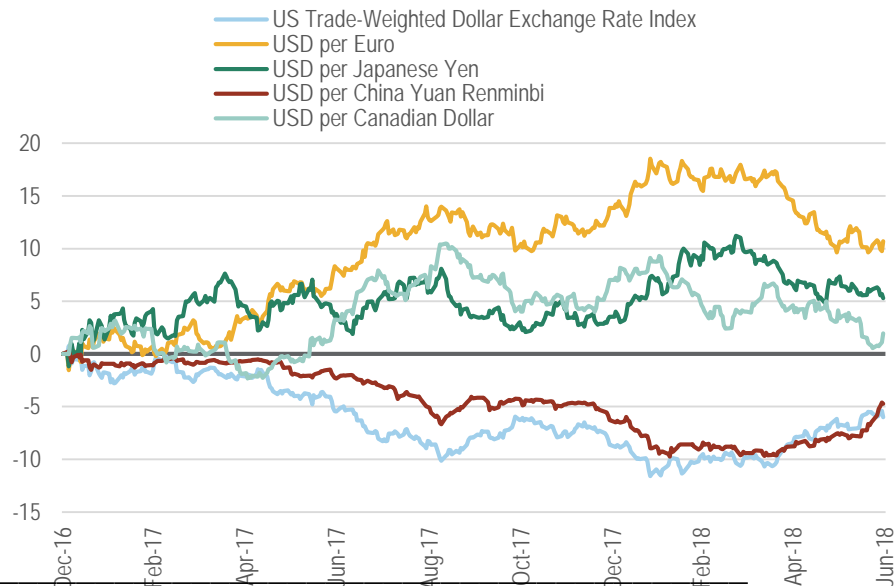
# Q2 2018 In Review: Commodities and Currencies

BCOM Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
Bloomberg Commodity Index (BCOM)	0.40%	0.00%	7.35%	-4.54%	-6.40%	-9.04%
Energy	10.73%	12.68%	34.76%	-9.04%	-12.98%	-20.04%
Agriculture	-8.66%	-5.79%	-13.29%	-9.90%	-9.49%	-7.12%
Industrial Metals	0.98%	-5.31%	15.19%	6.21%	0.91%	-4.65%
Precious Metals	-4.45%	-4.95%	-0.78%	1.18%	-1.29%	1.51%
Livestock	5.47%	-5.11%	-9.37%	-4.53%	-2.75%	-5.51%

## Commodity and Currency Highlights

- The Bloomberg Commodity Index Total Return increased 0.4% during Q2 2018 with mixed performance across the underlying sectors.
- The Energy sector was the top performer. The prices of crude oil and petroleum products increased, as the global supply and demand balance of crude tightened from production declines in Venezuela, Libya and Nigeria.
- The Agriculture sector fell as a result of proposed trade tariffs between the U.S. and China. With China being a key export market for U.S. soybeans, demand decreased for this product.
- The USD strengthened in Q2 with solid U.S. economic expectations and another Fed rate hike.
- The euro weakened against the USD amid some lackluster Eurozone economic data and the European Central Bank saying it would put off rate hikes until at least 2019.

## Major World Currencies Indexed to Zero

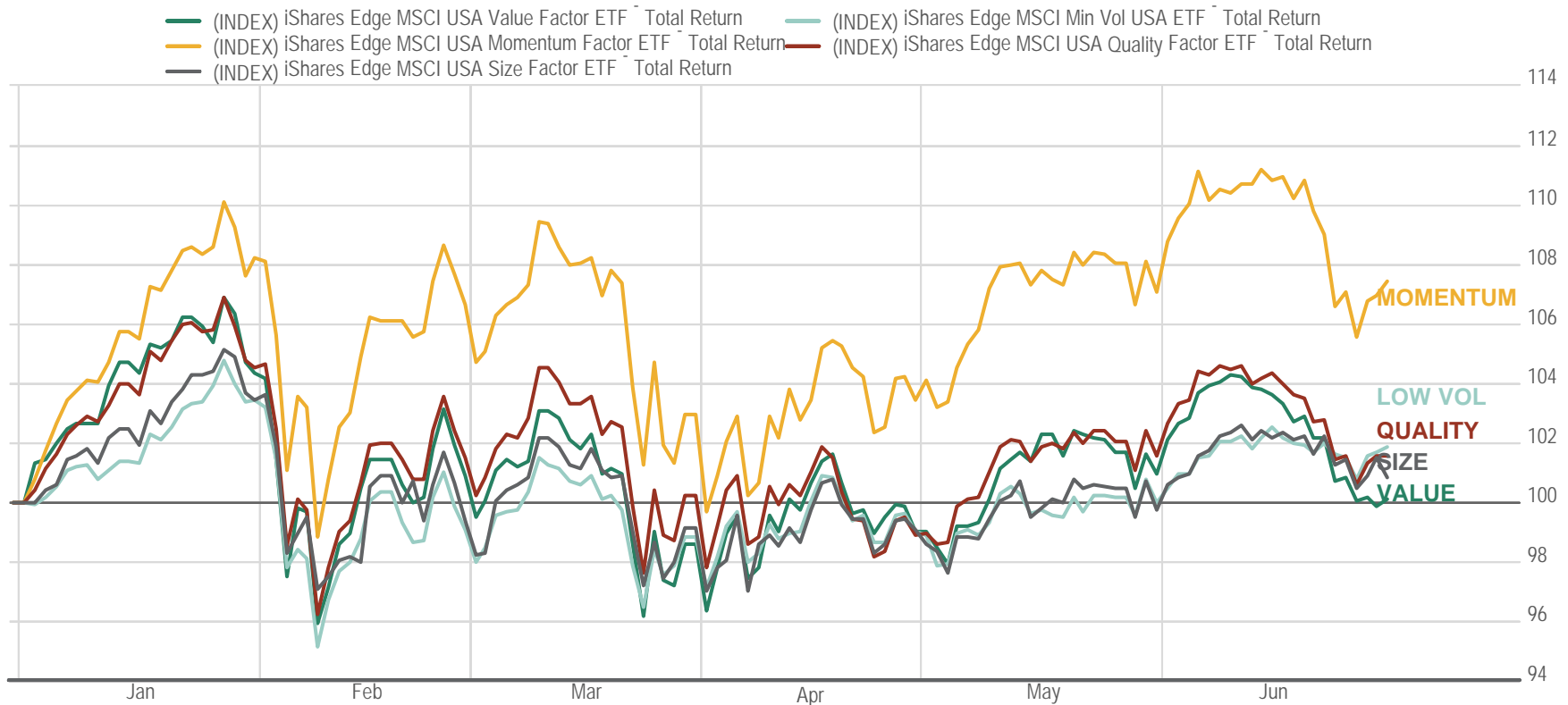


# Q2 2018 In Review: Noteworthy Developments

## Value Continues to Lag Other Market Factors in 2018

- Momentum has handily outperformed other factors YTD through June 30.
- In times of economic expansion, momentum has historically outperformed.
- Value has lagged this year as growth stocks like the “FAANGs” have dominated large-cap returns.
- Other factors such as quality and low volatility have also lagged momentum, particularly in Q2.

Factor Performance YTD through June 2018

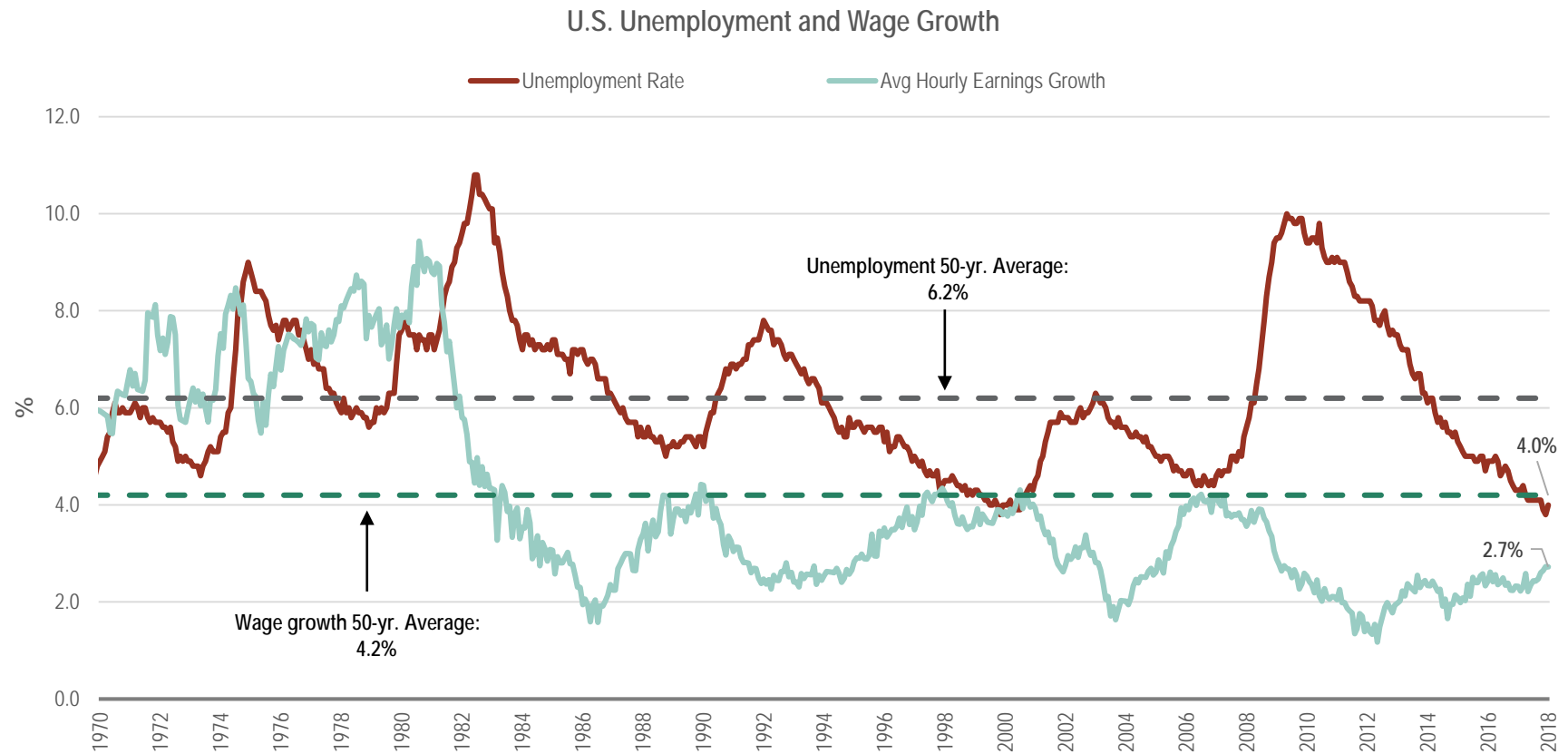




# Q2 2018 In Review: Noteworthy Developments

## Wage Growth Remains Subdued Despite Falling Unemployment

- Unemployment has fallen to historically low levels so far in 2018—it was as low as 3.9% before moving back up to 4.0% at end of Q2.
- Though unemployment has fallen, wage growth continues to lag expectations.
- Anemic productivity levels, lack of business competition and automation are possible reasons for wage growth's sluggishness.

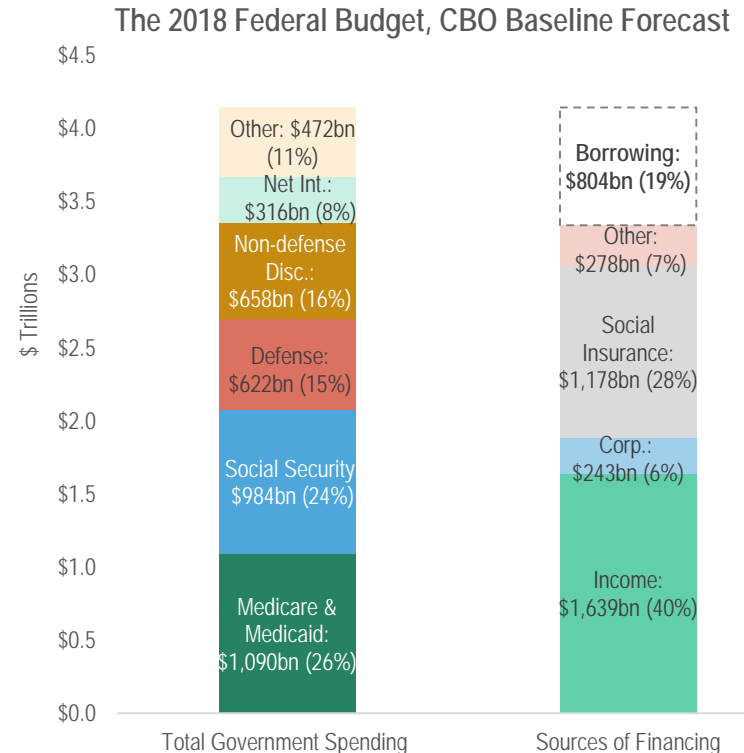
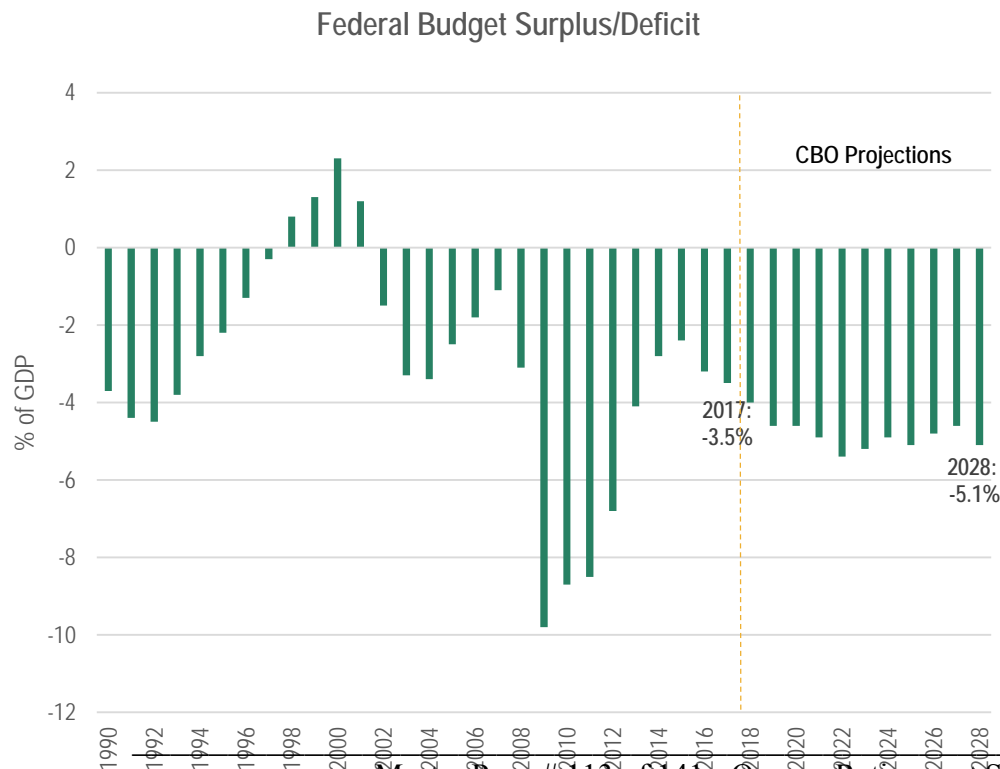




# Q2 2018 In Review: Noteworthy Developments

## Federal Budget Forecasts

- The 2018 federal deficit is projected to be \$804 billion, up 21% from last year's deficit figure of \$665 billion.
- The Congressional Budget Office (CBO) projects that the deficit will top \$1 trillion by 2020 and stay above \$1 trillion for its 10-year forecasting window. The change reflects the rising costs of Social Security and Medicare as the Baby Boom ages, as well as the loss of revenue from the recent tax cuts.
- The CBO expects economic growth to be relatively strong in 2018 and 2019 as a result of the recent policy changes. However, the CBO also expects that the effect of the tax cuts will moderate after that. Should real GDP increase beyond the CBO's current forecast, it could reduce the estimated deficits shown below. There is a large degree of uncertainty surrounding many economic factors the CBO considered to determine these projections, and we will likely see additional revisions as time progresses.

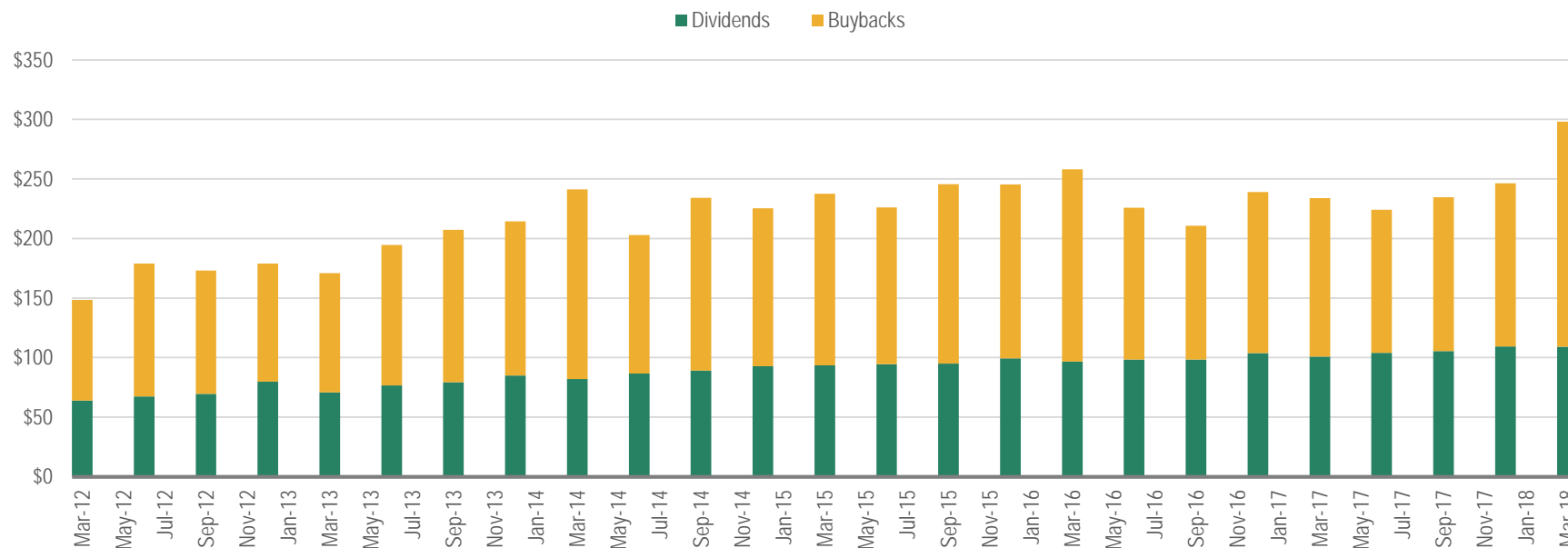


# Q2 2018 In Review: Noteworthy Developments

## S&P 500 Buybacks

- The chart below shows the amount of capital returned to investors by S&P 500 companies in the form of dividends and share buyback programs. The total amount of cash returned to investors in Q1 2018 amounted to \$300 billion (\$190 billion in buybacks and \$110 billion in dividends). This was an all-time high.
- Estimates for cash returned to investors in Q2 2018 forecast total dividends of \$112 billion, with share buybacks greater than \$200 billion, setting another new high. Share buybacks over the 2018 calendar year are estimated to be greater than \$1 trillion dollars.
- Since the global financial crisis, S&P 500 companies have significantly improved the liquidity of their assets, increasing the proportion of total assets in cash and cash equivalents from around 20% to around 30%. The recent volatility in equity markets has afforded these companies the opportunity to repurchase stock.
- The S&P 500 index has returned 2.8% YTD in 2018 (through June 30). Much of this year's return can be attributed to the support provided by these share repurchase programs, which are expected to continue into the near future.

S&P 500 Dividends and Buybacks

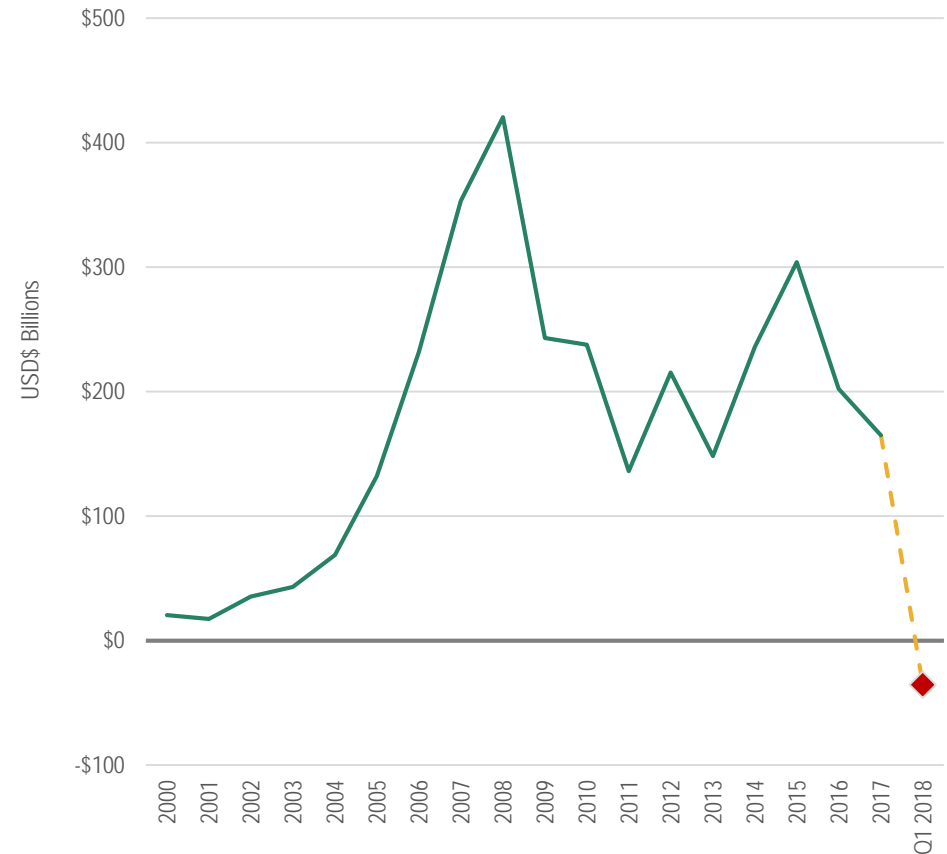


# Q2 2018 In Review: Noteworthy Developments

## China's Current Account Balance

- China is seeing changes to its current account balance as its trade surplus declines.
- The graph shows a history of China's current account balance, which has been mostly positive since 2000. China's current account surplus comes largely from saving more than it invests, and from exporting more than it imports.
- In 2008, China's current account surplus was abnormally high, due to a large volume of exports and a high savings rate of 50% of GDP. But since then, net trade balance or investment has declined. Implied, therefore, is that savings have declined even more, pointing to increased consumption. This makes sense as China moves to an internally driven and more balanced economy, with the growth of its middle class and increased spending.
- China's current account was negative in Q1 2018. While this figure will likely rebound in the next several months, forecasts are for a much lower Chinese current account in the next couple years (<1% of GDP). Any trade tariffs between China and the U.S. could be a headwind on top of this.
- These developments could mean a more volatile exchange rate for the yuan, or could make the yuan become a more competitive currency in the global economy if the country finds itself liquidating assets or borrowing more (issuing bonds) to pay for consumption.

China - Current Account Balance  
2000 - Q1 2018

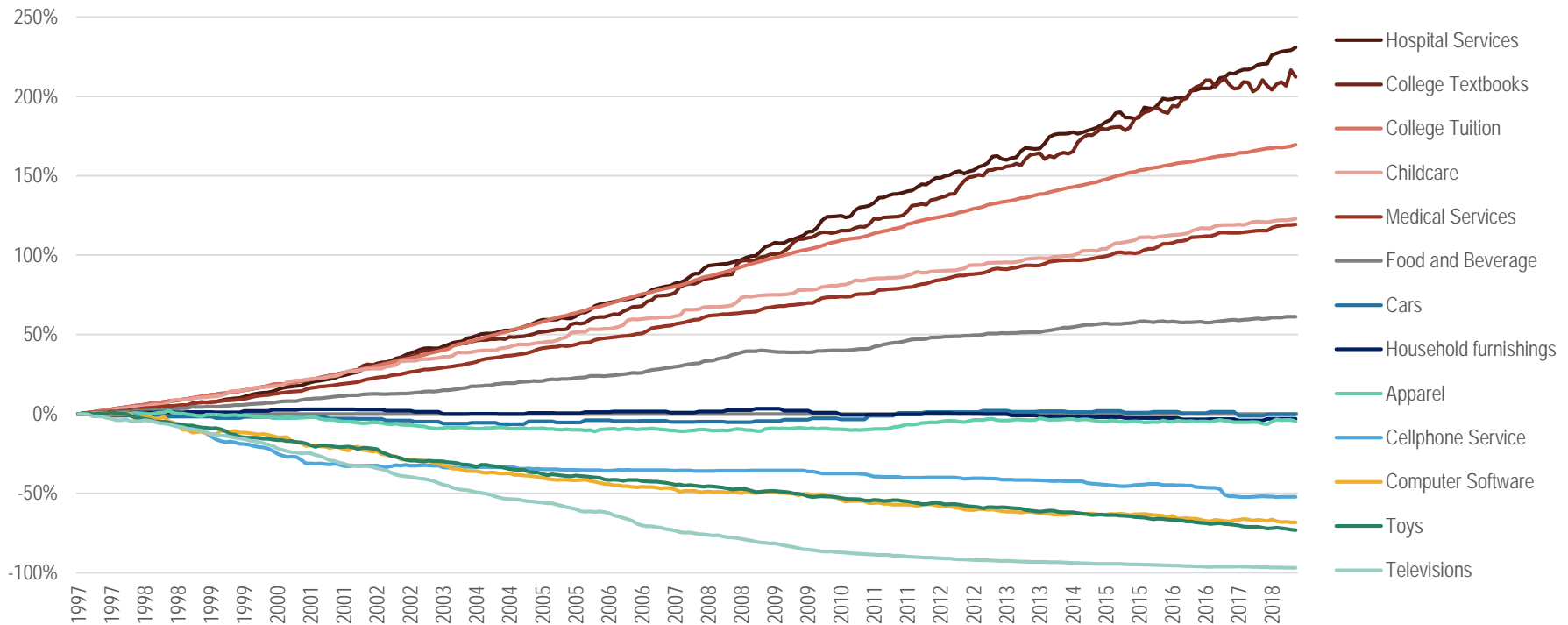


# Q2 2018 In Review: Noteworthy Developments

## Price Changes and Inflation

- The possible impact of a tariff-driven trade war can be evidenced in the price changes since 1997 for various goods and services.
- A common-thread amongst the items shown in the graph over the last 20-years appears to be that goods and services subject to foreign competition or produced elsewhere (e.g., TVs and toys) have seen prices decline, while prices of goods and services that are not subject to overseas competition or cannot be outsourced (e.g., hospital services, college tuition) have seen prices surge.
- Possible by-products of the currently targeted tariffs could be increased inflation and higher prices for many goods (even beyond the one-time increases for selected imports subject to duties).

Price Changes Since 1997



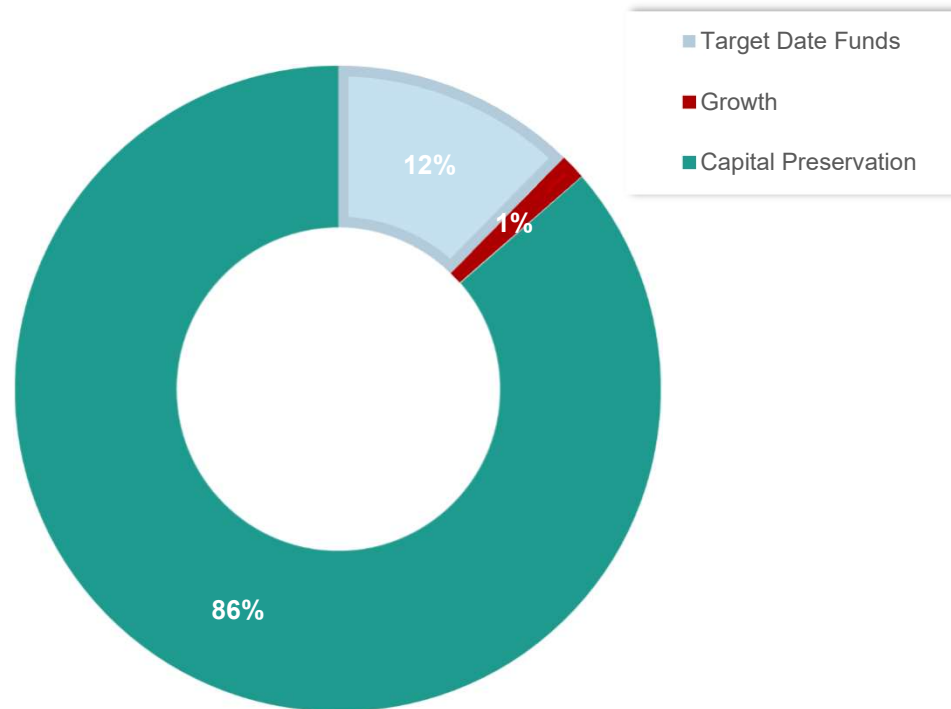
# Annual Asset Class Performance

As of June 30, 2018

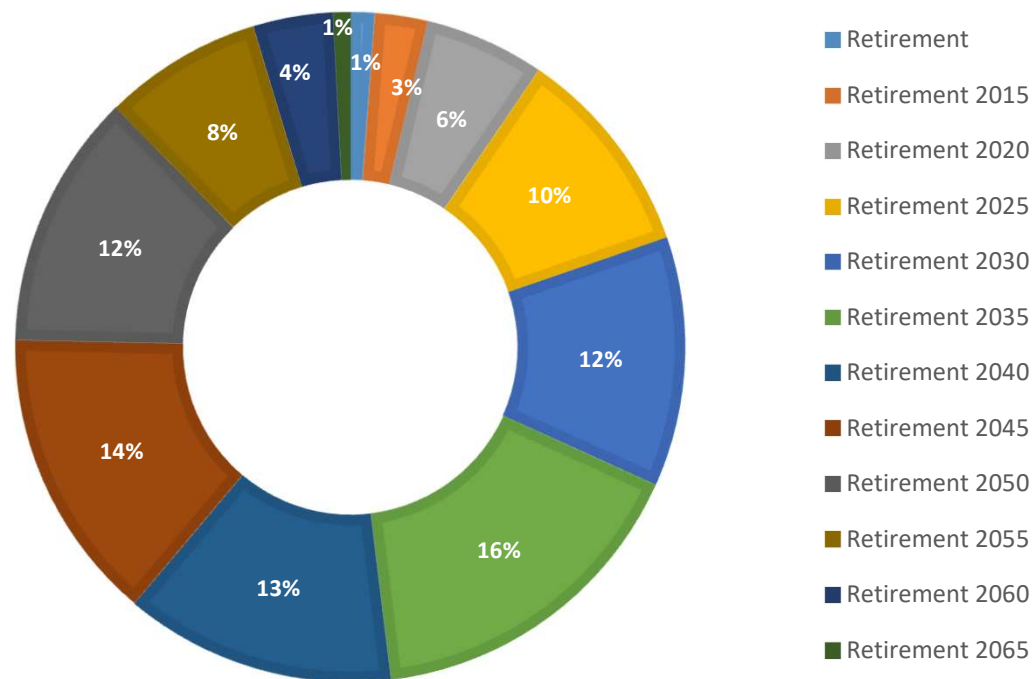
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
Best	31.47	34.54	35.93	39.78	5.24	79.02	29.09	13.56	18.64	43.30	30.38	5.67	31.74	37.75	9.70
	25.95	14.02	32.59	11.81	1.80	58.21	28.47	8.68	18.53	38.82	13.45	2.52	21.31	30.21	7.66
	22.25	12.11	26.86	11.63	-2.35	37.21	26.85	8.46	18.05	34.52	13.24	1.23	17.34	25.62	7.25
	20.70	10.74	23.48	11.63	-10.91	34.47	24.50	7.84	17.90	33.48	13.05	0.92	17.13	22.17	5.44
	18.33	7.05	22.25	7.05	-20.30	32.46	19.20	4.98	17.78	33.11	5.97	0.65	12.05	21.69	2.85
	16.49	6.27	18.37	6.97	-26.16	28.61	16.71	2.64	17.51	32.53	5.60	0.55	11.60	14.65	1.33
	14.31	5.66	15.46	6.28	-28.92	28.43	16.10	1.50	16.42	23.29	5.53	0.03	11.32	13.66	1.19
	11.75	5.26	13.35	5.77	-33.79	28.19	15.51	0.39	16.35	7.90	4.89	-0.39	10.19	9.32	0.79
	11.40	4.71	11.86	4.74	-36.85	27.17	15.12	0.06	15.81	7.44	4.22	-1.38	8.60	7.84	0.16
	11.14	4.55	9.86	1.87	-37.60	24.67	13.16	-2.44	15.26	2.47	3.64	-1.44	7.08	7.50	-0.02
	8.46	4.15	9.07	1.81	-37.98	20.58	12.06	-2.91	14.59	0.06	3.40	-3.83	6.36	5.07	-1.62
	8.20	3.01	8.99	-0.17	-38.44	19.69	8.21	-4.18	8.18	-2.02	2.45	-4.41	4.68	4.09	-1.69
	6.30	2.84	4.76	-1.57	-38.54	11.41	6.54	-5.50	6.98	-2.27	0.02	-4.47	2.65	3.54	-2.37
	4.34	2.74	4.34	-9.78	-43.06	5.93	6.31	-11.73	4.21	-6.58	-1.82	-7.47	1.51	3.01	-5.23
Worst	1.24	2.43	0.49	-16.81	-53.18	0.16	0.10	-18.17	0.09	-8.61	-4.48	-14.60	0.27	0.84	-6.51
	Russell 1000 Index	Russell 1000 Value Index	Russell 1000 Growth Index	Russell 2000 Index	Russell 2000 Value Index	Russell 2000 Growth Index	MSCI EAFE Index	MSCI Emerging Markets Index	MSCI U.S. REIT Index	Barclays Agg.	Blmbg. Barc. U.S. TIPS	Blmbg. Barc. U.S. Corp. High Yield	JPM EMBI Global (USD)	HFRI RV: Multi-Strategy Index	FTSE 3 Month T-Bill

As of August 31, 2018

TOTAL ASSETS \$6,635,858



TOTAL ASSETS \$818,120



# OregonSaves Retirement Savings Program

# Comparative Performance

As of August 31, 2018

	Market Value (\$000)	1 Month	1 Quarter	Jul-2018 To Aug-2018	Expense Ratio
<b>Oregon Saves</b>	<b>6,636</b>				
<b>OregonSaves Capital Preservation Fund</b>	<b>5,734</b>	<b>0.11</b>	<b>0.30</b>	<b>0.21</b>	
State Street Institutional Liquid Reserves (SSIXX)	5,734	0.18	0.52	0.36	0.12
90 Day U.S. Treasury Bill		0.18	0.51	0.34	
<b>OregonSaves Growth Fund</b>	<b>84</b>	<b>3.23</b>	<b>7.48</b>	<b>6.92</b>	
State Street Equity 500 Index (SSSYX)	84	3.30	7.70	7.07	0.06
S&P 500		3.26	7.76	7.10	
<b>Oregon Saves Target Retirement Fund</b>	<b>10</b>	<b>0.86</b>	<b>1.84</b>	<b>1.81</b>	
State Street Target Retirement K	10	0.93	2.06	1.96	0.13
S&P Target Date Retirement Income Index		0.79	1.73	1.77	
<b>Oregon Saves Target Retirement Fund 2015</b>	<b>21</b>	<b>0.93</b>	<b>1.90</b>	<b>1.88</b>	
State Street Retirement 2015 K	21	1.00	2.12	2.03	0.13
S&P Target Date 2015 Index		0.97	2.26	2.29	
<b>Oregon Saves Target Retirement Fund 2020</b>	<b>47</b>	<b>0.97</b>	<b>2.34</b>	<b>2.41</b>	
State Street Target Retirement 2020 K	47	1.04	2.56	2.56	0.13
S&P Target Date 2020 Index		1.01	2.42	2.49	
<b>Oregon Saves Target Retirement Fund 2025</b>	<b>83</b>	<b>1.18</b>	<b>2.76</b>	<b>2.91</b>	
State Street Target Retirement 2025 K	83	1.25	2.98	3.06	0.13
S&P Target Date 2025 Index		1.10	2.72	2.84	
<b>Oregon Saves Target Retirement Fund 2030</b>	<b>98</b>	<b>1.24</b>	<b>2.94</b>	<b>3.19</b>	
State Street Target Retirement 2030 K	98	1.31	3.16	3.34	0.13
S&P Target Date 2030 Index		1.20	3.06	3.21	



# OregonSaves Retirement Savings Program

# Comparative Performance

As of August 31, 2018

	Market Value (\$000)	1 Month	1 Quarter	Jul-2018 To Aug-2018	Expense Ratio
<b>Oregon Saves Target Retirement Fund 2035</b>	<b>133</b>	<b>1.21</b>	<b>3.05</b>	<b>3.37</b>	
State Street Target Retirement 2035 K	133	1.28	3.27	3.52	0.13
S&P Target Date 2035 Index		1.27	3.34	3.54	
<b>Oregon Saves Target Retirement Fund 2040</b>	<b>107</b>	<b>1.28</b>	<b>3.27</b>	<b>3.51</b>	
State Street Target Retirement 2040 K	107	1.35	3.49	3.66	0.13
S&P Target Date 2040 Index		1.30	3.49	3.72	
<b>Oregon Saves Target Retirement Fund 2045</b>	<b>116</b>	<b>1.35</b>	<b>3.33</b>	<b>3.66</b>	
State Street Target Retirement 2045 K	116	1.42	3.55	3.81	0.13
S&P Target Date 2045 Index		1.31	3.55	3.80	
<b>Oregon Saves Target Retirement Fund 2050</b>	<b>101</b>	<b>1.36</b>	<b>3.43</b>	<b>3.67</b>	
State Street Target Retirement 2050 K	101	1.43	3.65	3.82	0.13
S&P Target Date 2050+ Index		1.32	3.60	3.86	
<b>Oregon Saves Target Retirement Fund 2055</b>	<b>63</b>	<b>1.36</b>	<b>3.43</b>	<b>3.67</b>	
State Street Target Retirement 2055 K	63	1.43	3.65	3.82	0.13
S&P Target Date 2055 Index		1.32	3.60	3.87	
<b>Oregon Saves Target Retirement Fund 2060</b>	<b>31</b>	<b>1.40</b>	<b>3.37</b>	<b>3.70</b>	
State Street Target Retirement 2060 K	31	1.47	3.59	3.85	0.13
S&P Target Date 2055 Index		1.32	3.60	3.87	
<b>Oregon Saves Target Retirement Fund 2065 K</b>	<b>7</b>	<b>1.40</b>	<b>3.37</b>	<b>3.70</b>	
State Street Target Retirement 2065 K	7	1.47	3.59	3.85	0.13
S&P Target Date 2055 Index		1.32	3.60	3.87	

# OregonSaves Retirement Savings Program

# Comparative Performance

As of August 31, 2018

	1 Month	Jul-2018 To Aug-2018	1 Year	3 Years	5 Years	10 Years	Expense Ratio
<b>Oregon Saves</b>							
State Street Liquid Reserves (SSIXX)	0.18	0.36	1.65	0.93	0.59	0.48	0.12
90 Day U.S. Treasury Bill	0.18	0.34	1.52	0.76	0.47	0.34	
Difference	0.00	0.02	0.13	0.17	0.12	0.14	
IM U.S. Taxable Money Market (MF) Median	0.14	0.27	1.15	0.48	0.30	0.22	
State Street Liquid Reserves (SSIXX) Rank	4	2	3	3	3	3	
State Street Equity 500 Index (SSSYX)	3.30	7.07	19.66	16.02	N/A	N/A	0.06
S&P 500	3.26	7.10	19.66	16.11	14.52	10.86	
Difference	0.04	-0.03	0.00	-0.09	N/A	N/A	
IM U.S. Large Cap Equity (MF) Median	3.00	6.58	18.66	14.54	13.22	9.90	
State Street Equity 500 Index (SSSYX) Rank	42	33	44	32	N/A	N/A	
State Street Target Retirement K (SSFOX)	0.93	1.96	4.36	5.40	N/A	N/A	0.13
S&P Target Date Retirement Income Index	0.79	1.77	4.59	5.17	4.84	4.65	
Difference	0.14	0.19	-0.23	0.23	N/A	N/A	
IM Mixed-Asset Target Alloc Conserv (MF) Median	0.52	1.67	3.18	4.82	4.61	4.93	
State Street Target Retirement K (SSFOX) Rank	13	24	28	30	N/A	N/A	
State Street Retirement 2015 K (SSBHX)	1.00	2.03	5.04	6.28	N/A	N/A	0.13
S&P Target Date 2015 Index	0.97	2.29	6.32	7.00	6.49	5.89	
Difference	0.03	-0.26	-1.28	-0.72	N/A	N/A	
IM Mixed-Asset Target 2015 (MF) Median	0.71	1.95	5.12	6.63	6.04	5.55	
State Street Retirement 2015 K (SSBHX) Rank	9	34	55	62	N/A	N/A	
State Street Target Retirement 2020 K (SSBOX)	1.04	2.56	6.64	7.79	N/A	N/A	0.13
S&P Target Date 2020 Index	1.01	2.49	7.18	7.82	7.21	6.37	
Difference	0.03	0.07	-0.54	-0.03	N/A	N/A	
IM Mixed-Asset Target 2020 (MF) Median	0.76	2.21	5.76	7.01	6.29	5.64	
State Street Target Retirement 2020 K (SSBOX) Rank	13	20	26	17	N/A	N/A	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

# OregonSaves Retirement Savings Program

# Comparative Performance

As of August 31, 2018

	1 Month	Jul-2018 To Aug-2018	1 Year	3 Years	5 Years	10 Years	Expense Ratio
State Street Target Retirement 2025 K (SSBSX)	1.25	3.06	8.54	9.28	N/A	N/A	0.13
S&P Target Date 2025 Index	1.10	2.84	8.52	8.79	7.90	6.80	
Difference	0.15	0.22	0.02	0.49	N/A	N/A	
IM Mixed-Asset Target 2025 (MF) Median	0.82	2.48	7.08	8.12	7.11	6.31	
State Street Target Retirement 2025 K (SSBSX) Rank	5	11	9	4	N/A	N/A	
State Street Target Retirement 2030 K (SSBYX)	1.31	3.34	9.44	10.03	N/A	N/A	0.13
S&P Target Date 2030 Index	1.20	3.21	9.89	9.71	8.61	7.16	
Difference	0.11	0.13	-0.45	0.32	N/A	N/A	
IM Mixed-Asset Target 2030 (MF) Median	0.91	2.86	8.40	9.03	7.80	6.49	
State Street Target Retirement 2030 K (SSBYX) Rank	7	12	25	11	N/A	N/A	
State Street Target Retirement 2035 K (SSCKX)	1.28	3.52	10.40	10.76	N/A	N/A	0.13
S&P Target Date 2035 Index	1.27	3.54	11.12	10.58	9.26	7.47	
Difference	0.01	-0.02	-0.72	0.18	N/A	N/A	
IM Mixed-Asset Target 2035 (MF) Median	0.99	3.20	9.82	10.01	8.63	6.96	
State Street Target Retirement 2035 K (SSCKX) Rank	11	13	36	22	N/A	N/A	
State Street Target Retirement 2040 K (SSCQX)	1.35	3.66	11.19	11.24	N/A	N/A	0.13
S&P Target Date 2040 Index	1.30	3.72	11.98	11.17	9.70	7.71	
Difference	0.05	-0.06	-0.79	0.07	N/A	N/A	
IM Mixed-Asset Target 2040 (MF) Median	1.06	3.41	10.63	10.44	9.00	7.01	
State Street Target Retirement 2040 K (SSCQX) Rank	10	26	39	23	N/A	N/A	
State Street Target Retirement 2045 K (SSDEX)	1.42	3.81	11.99	11.77	N/A	N/A	0.13
S&P Target Date 2045 Index	1.31	3.80	12.37	11.55	9.99	7.79	
Difference	0.11	0.01	-0.38	0.22	N/A	N/A	
IM Mixed-Asset Target 2045 (MF) Median	1.12	3.53	11.35	11.01	9.37	7.34	
State Street Target Retirement 2045 K (SSDEX) Rank	11	24	26	18	N/A	N/A	
State Street Target Retirement 2050 K (SSDLX)	1.43	3.82	11.94	11.77	N/A	N/A	0.13
S&P Target Date 2050+ Index	1.32	3.86	12.72	11.89	10.28	7.97	
Difference	0.11	-0.04	-0.78	-0.12	N/A	N/A	
IM Mixed-Asset Target 2050 (MF) Median	1.11	3.60	11.45	10.98	9.41	7.27	
State Street Target Retirement 2050 K (SSDLX) Rank	11	28	37	18	N/A	N/A	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

# OregonSaves Retirement Savings Program

# Comparative Performance

As of August 31, 2018

	<b>1 Month</b>	<b>Jul-2018 To Aug-2018</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Expense Ratio</b>
State Street Target Retirement 2055 K (SSDQX)	1.43	3.82	12.19	11.84	N/A	N/A	0.13
S&P Target Date 2055 Index	1.32	3.87	12.82	12.06	10.44	8.10	
Difference	0.11	-0.05	-0.63	-0.22	N/A	N/A	
IM Mixed-Asset Target 2055 (MF) Median	1.13	3.63	11.65	11.18	9.69	N/A	
State Street Target Retirement 2055 K (SSDQX) Rank	14	33	33	17	N/A	N/A	
State Street Target Retirement 2060 K (SSDYX)	1.47	3.85	12.00	11.70	N/A	N/A	0.13
S&P Target Date 2055 Index	1.32	3.87	12.82	12.06	10.44	8.10	
Difference	0.15	-0.02	-0.82	-0.36	N/A	N/A	
IM Mixed-Asset Target 2055 (MF) Median	1.13	3.63	11.65	11.18	9.69	N/A	
State Street Target Retirement 2060 K (SSDYX) Rank	10	30	39	25	N/A	N/A	
State Street Target Retirement 2065 K	1.47	3.85	12.00	11.70	N/A	N/A	0.13
S&P Target Date 2055 Index	1.32	3.87	12.82	12.06	10.44	8.10	
Difference	0.15	-0.02	-0.82	-0.36	N/A	N/A	
IM Mixed-Asset Target 2055 (MF) Median	1.13	3.63	11.65	11.18	9.69	N/A	
State Street Target Retirement 2065 K Rank	10	30	39	25	N/A	N/A	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.



Program Implementation and Administration Update  
Oregon Retirement Savings Board  
October 9, 2018



# Implementation

## The latest numbers and milestones

- **Overall numbers**

- Employers
- Employees
- Assets



- **Next milestones**

- Wave 3 notices go out Nov. 15 for the Dec. 15 deadline, including auto exemption notices
- Individual opt-in functionality in place in Oct. and promotion begins in Nov.
- Auto escalation starts Jan. 1
- Traditional IRAs available Jan. 31

Dec 15 **2018**



**WAVE 3: begins Nov**  
Employers with  
20-49 employees



# Outreach Update

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## Saver and employer experience

- Feedback continues to be mostly positive.
- We continue to collect feedback and integrate it into new improvements.
- We are developing standard processes to follow up with employers at every stage.
- Full participation will depend on an enforcement mechanism.

## Outreach

- We plan to start promoting individual opt-in in Nov. through various channels.
- We are busy with presentations due to the fall conference season.
- We continue to increase employer and employee education sessions.
- We've developed a formal plan for engaging payroll providers.
- Rulemaking allowed us to reconnect with stakeholders to discuss changes and improvements.
- Research suggests we're making headway improving awareness and continuing to maintain a positive perception of the program.

# Client Service Experience

## New to Wave 3!

Oregon employers whose tax filing indicates the offer a qualified plan will be automatically exempted from the program.

Client Services will be notifying those employers so any questions can be addressed.

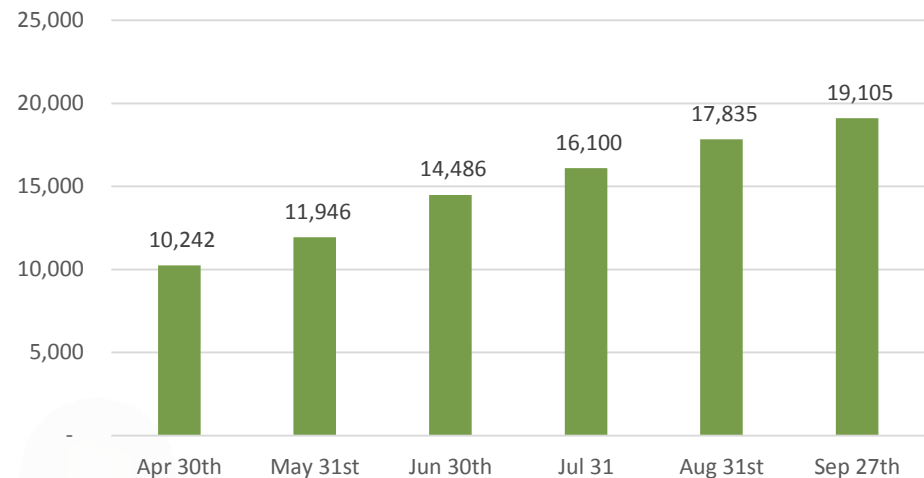
### Contact Volumes and Service Levels January 1st, 2018 - September 24<sup>th</sup>, 2018:

Saver Calls Answered	10,265
Employer Calls Answered	6,515
Employer Outbound Calls	4,949
Emails Handled	4,158
Spanish Line Calls	853

**Service Level Percentage of calls answered within 30 seconds: 98%**

**Call Abandon Rate: 0.19%**

Funded Account Progression in 2018



Client Services is engaging in outcall campaigns to provide onboarding and continued support to employers. Representatives are focusing on the following topics with employers:

- Registration & Exemption process
- Payroll representative assistance
- How to add employees
- Wave 2: Submitting first payroll contributions



# Platform Update

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## August

- Delivery of anonymized data to Boston College
- Upload of 5500 data to Employer data table
- Block upload of minor employees (under 18)

## September

- Disable Employer ability to opt-out EEs (Phase 1)
- Payroll contribution enhancements
- Enhanced saver's opt-out nudge

## October

- Employee ACH from their personal bank
- Self-enrollment for OregonSaves

# Platform Update

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## Self-enrollment

- On schedule for implementation in October
- One landing page for ER invited and Self-Directed
- Identification of EE in first step to confirm they are on the correct path
- Funding defaults to \$100 and monthly – consistent with majority of savers in the program
- Default to Target Date Retirement Fund

# Platform Update

## Enhancement Pipeline

Enhancement	Origin	Live Date	Estimated Dev Start	Comments
Payroll Change Summary	Payroll Provider Input	1/31/2018	9/1/2017	Simplifies payroll updates for Large ERs and Payroll Providers; first iteration is in place now
Self Enrollment for EEs without a facilitating ER	Oregon SOW	10/19/2018	6/1/2018	Requires direct enrollment website, without having an ER relationship
Disable ER opt-out for EE (phase 2)	Program	1/19/2019	10/19/2018	Remove ability for ER to adjust EE contribution rate and auto escalation
Auto-Escalation	Oregon SOW	1/1/2019	10/1/2018	Includes ER and EE communications
Traditional IRAs	Oregon SOW	1/31/2019	6/30/2018	Requires support materials/tools
Rollovers In	Oregon SOW	6/1/2019	3/1/2019	

# OregonSaves Survey

Presentation to Oregon Retirement Savings Plan Board

October 2018



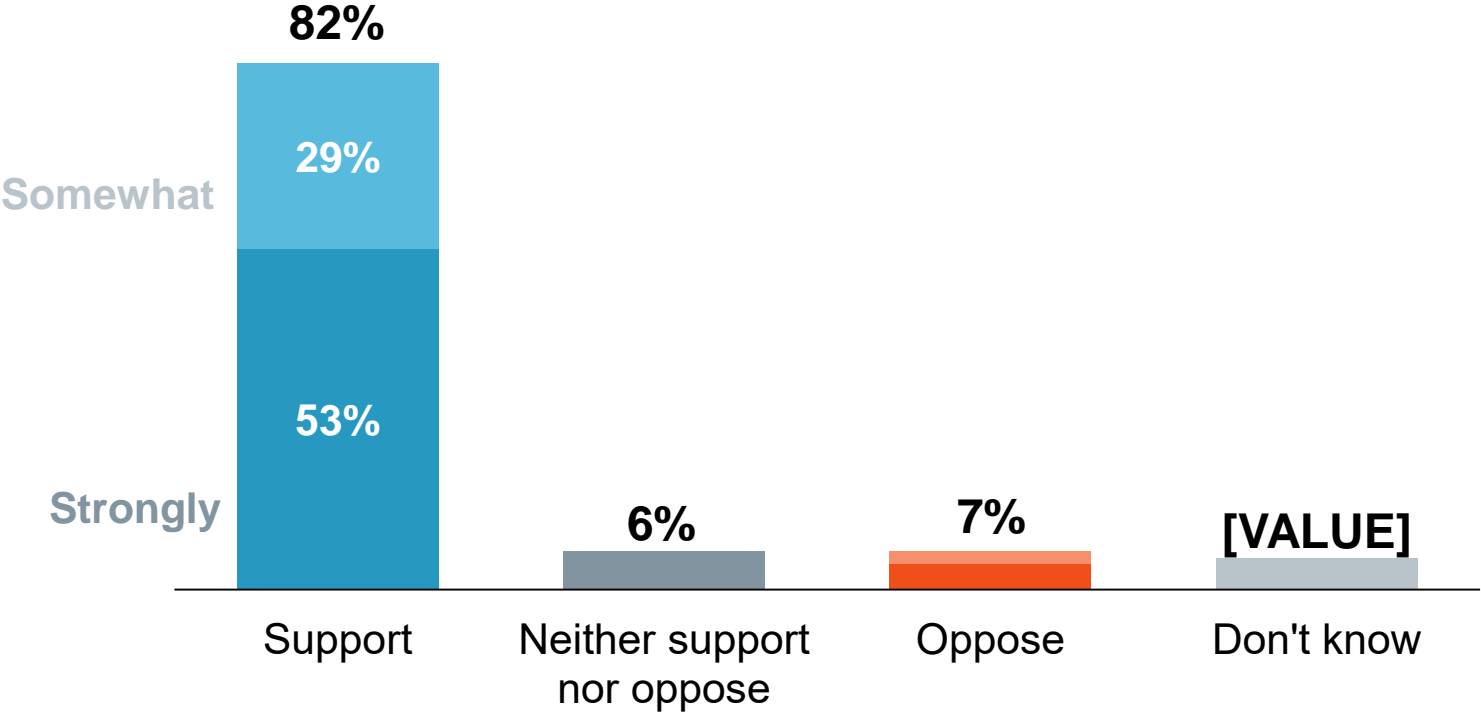
## Research Purpose

- To assess working age Oregonians' experiences and attitudes about retirement savings
- To measure support for OregonSaves
- To benchmark changes in access to retirement programs and awareness of OregonSaves

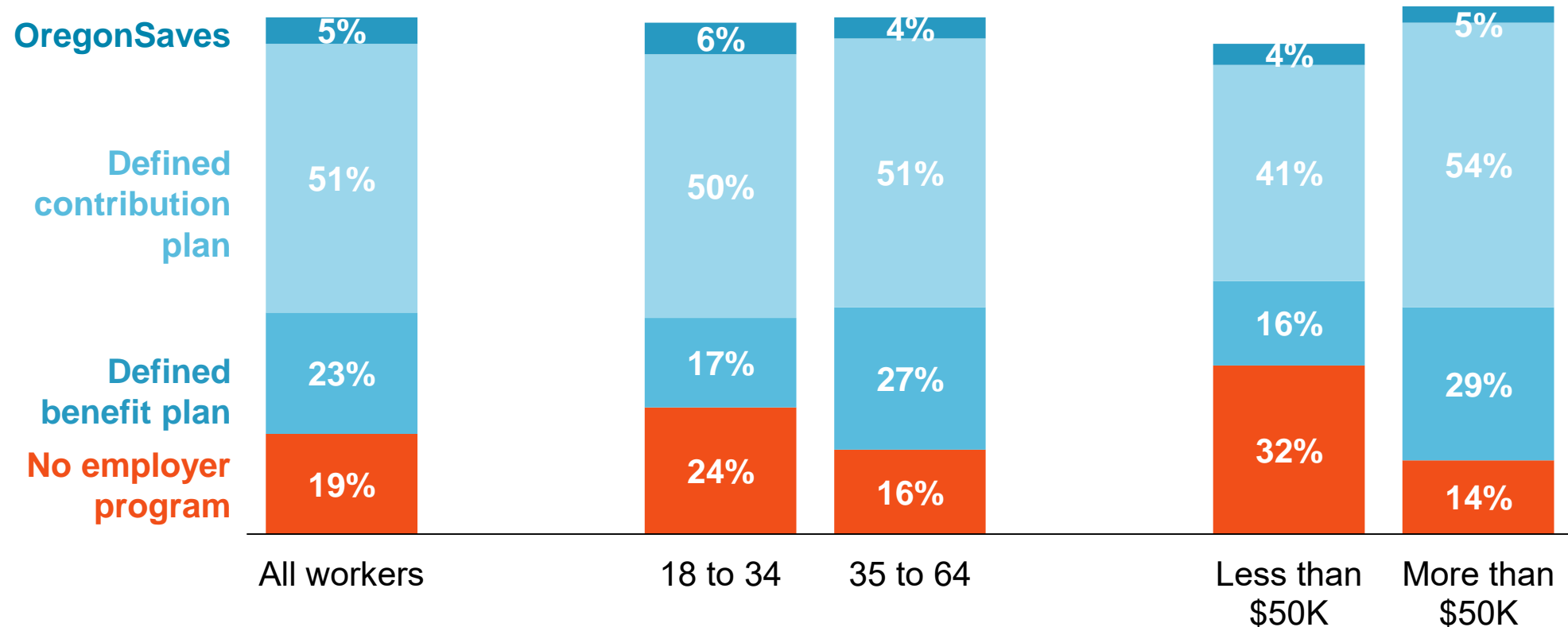
# Methodology

- Telephone survey of 1,003 Oregonians ages 18-64
- Conducted July 18–31, 2018; 15 minutes to complete
- Quotas set for age, gender and area of state
- Margin of error  $\pm 3.1\%$
- Benchmarks findings from a similar survey conducted in 2017
- Due to rounding, some totals may differ by  $\pm 1$  from the sum of separate responses

# Oregonians continue to strongly support OregonSaves.

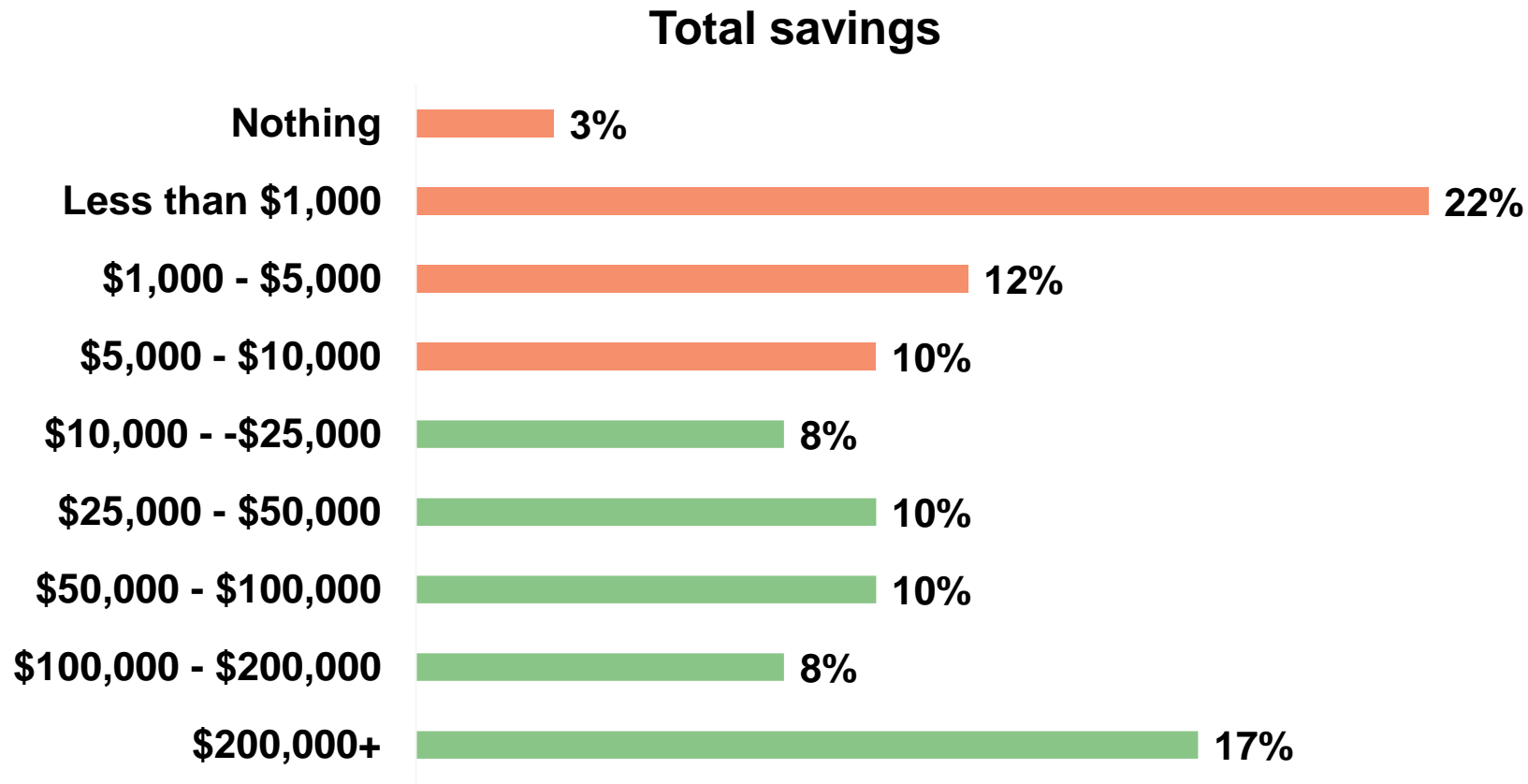


# One-third of lower income workers do not have access to an employer sponsored retirement plan.

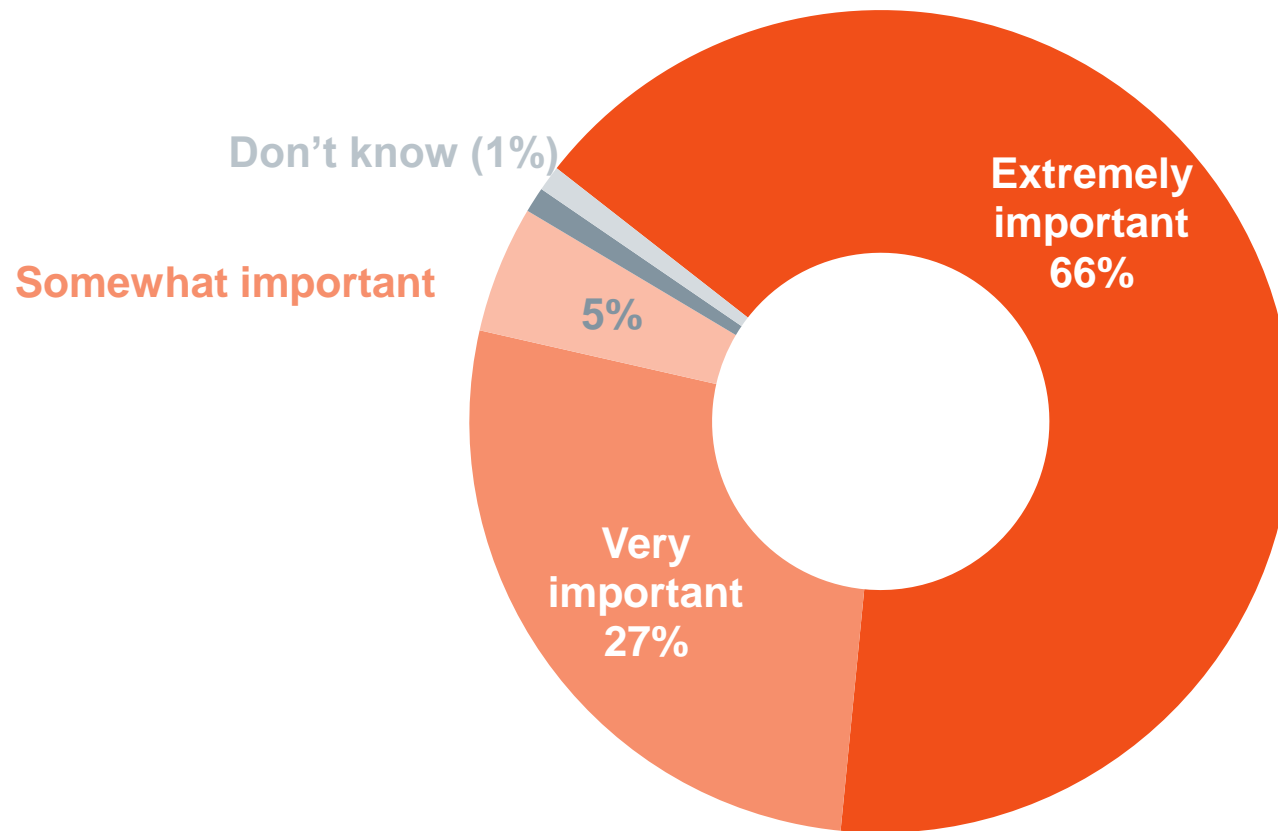




# 47% of working age Oregonians have less than \$10,000 in total savings.

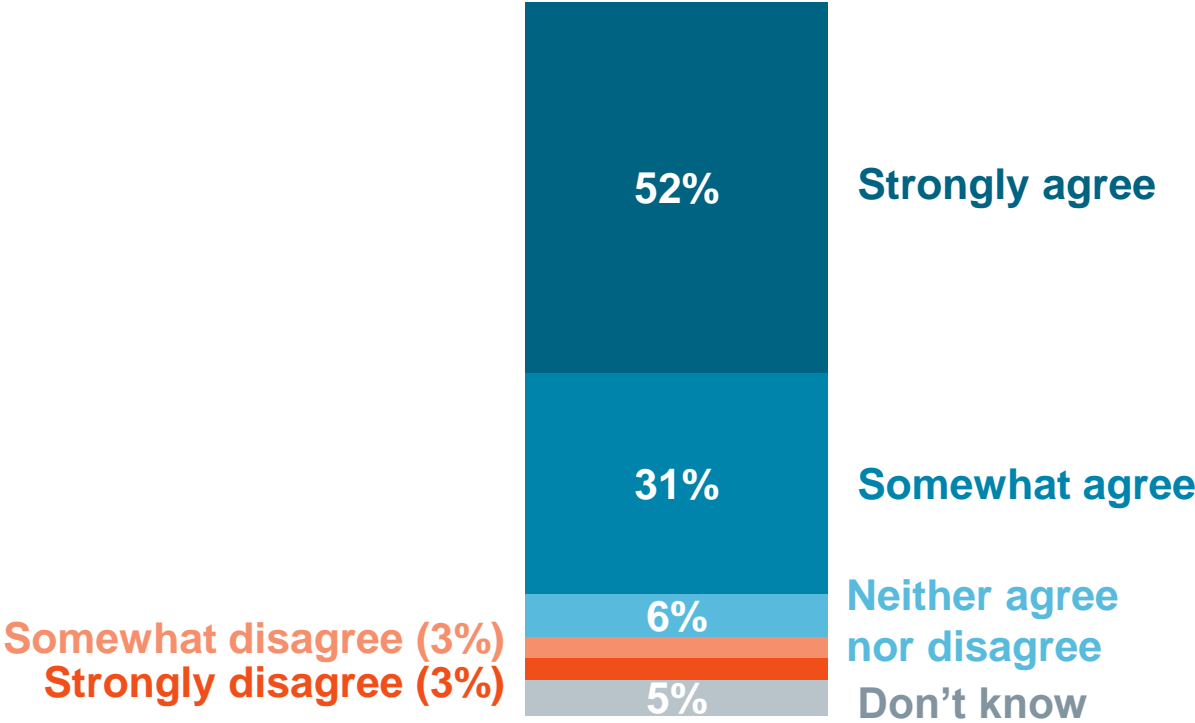


# Nearly everyone agrees that it is important to be able to save for retirement.

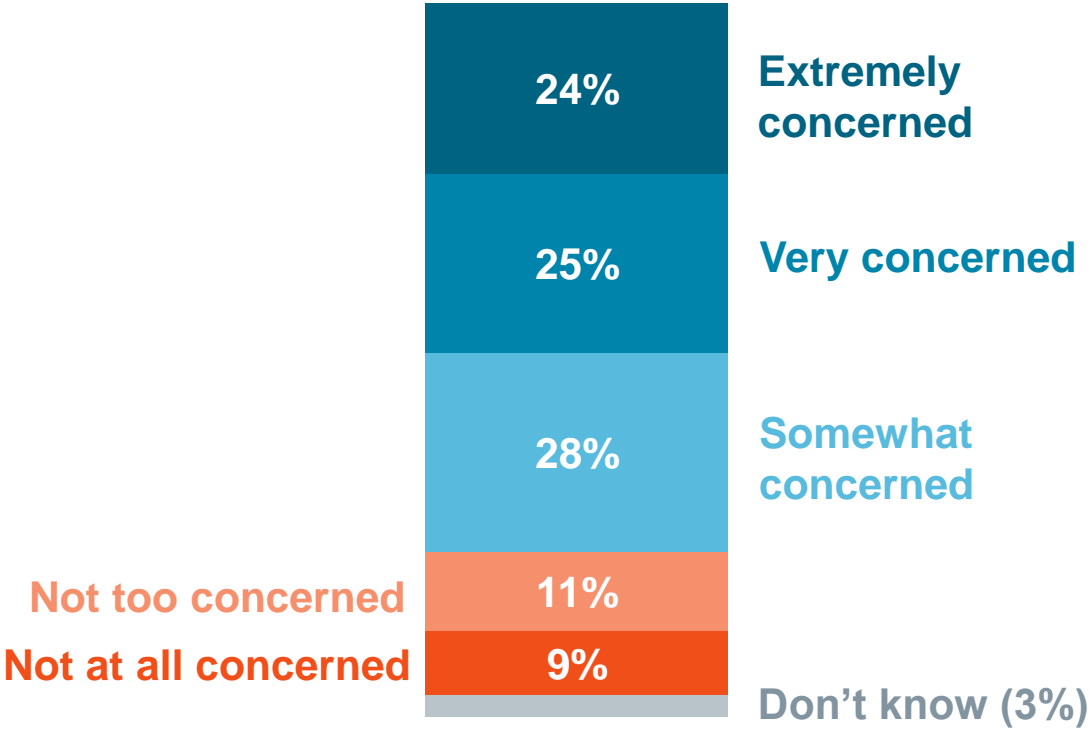


# Oregonians believe that access to retirement benefits small business and the state.

*Ability to offer a portable retirement plan is good for small business*

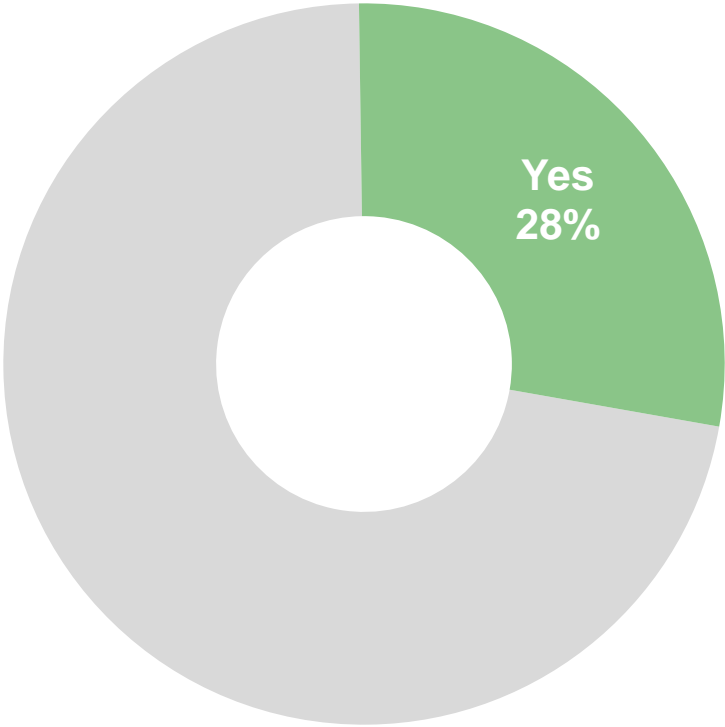


*Ability to offer a portable retirement plan is good for small business*

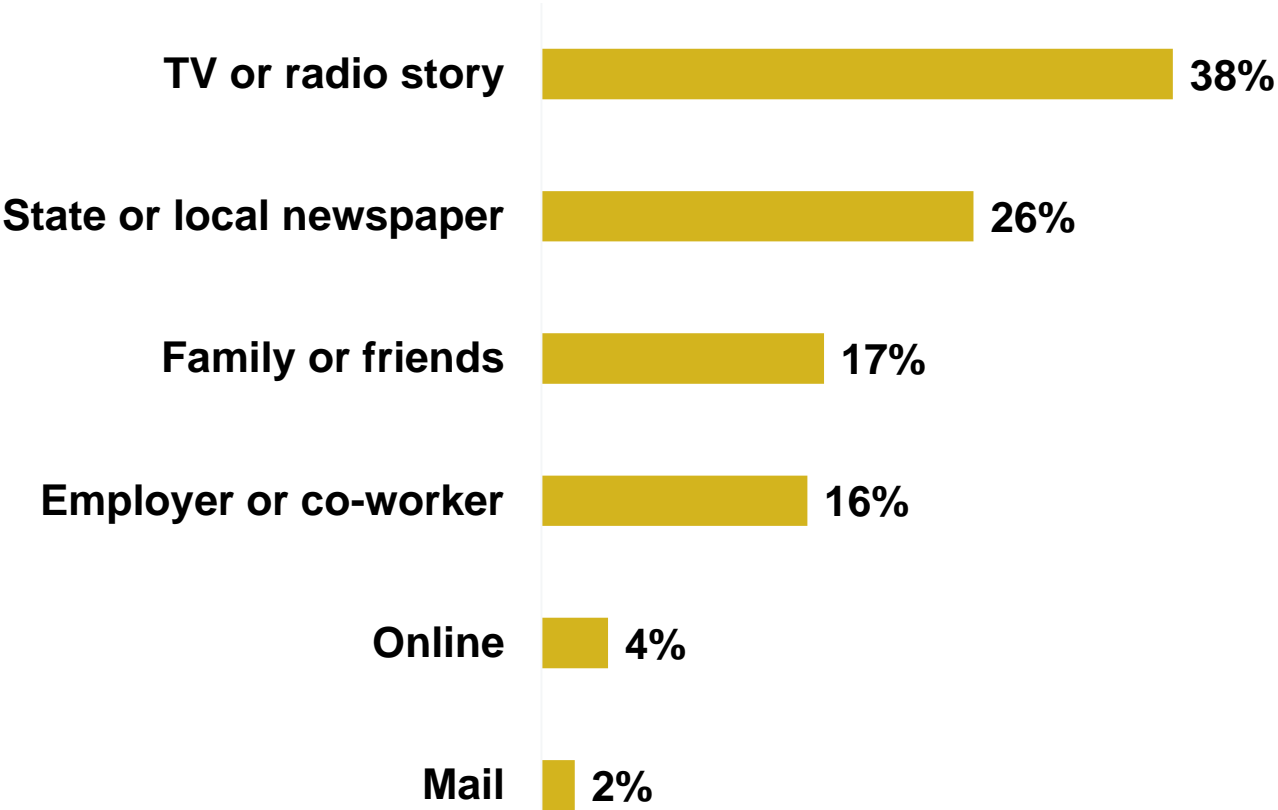


# 28% of working age Oregonians are aware of OregonSaves, which is up from 20% in 2017.

Heard of OregonSaves



Source of information





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[www.dhmresearch.com](http://www.dhmresearch.com)